

**City of Minneapolis
FY 2004 Budget**

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City of Minneapolis FY 2004 Budget

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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.

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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.

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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.

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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.

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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.

**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:

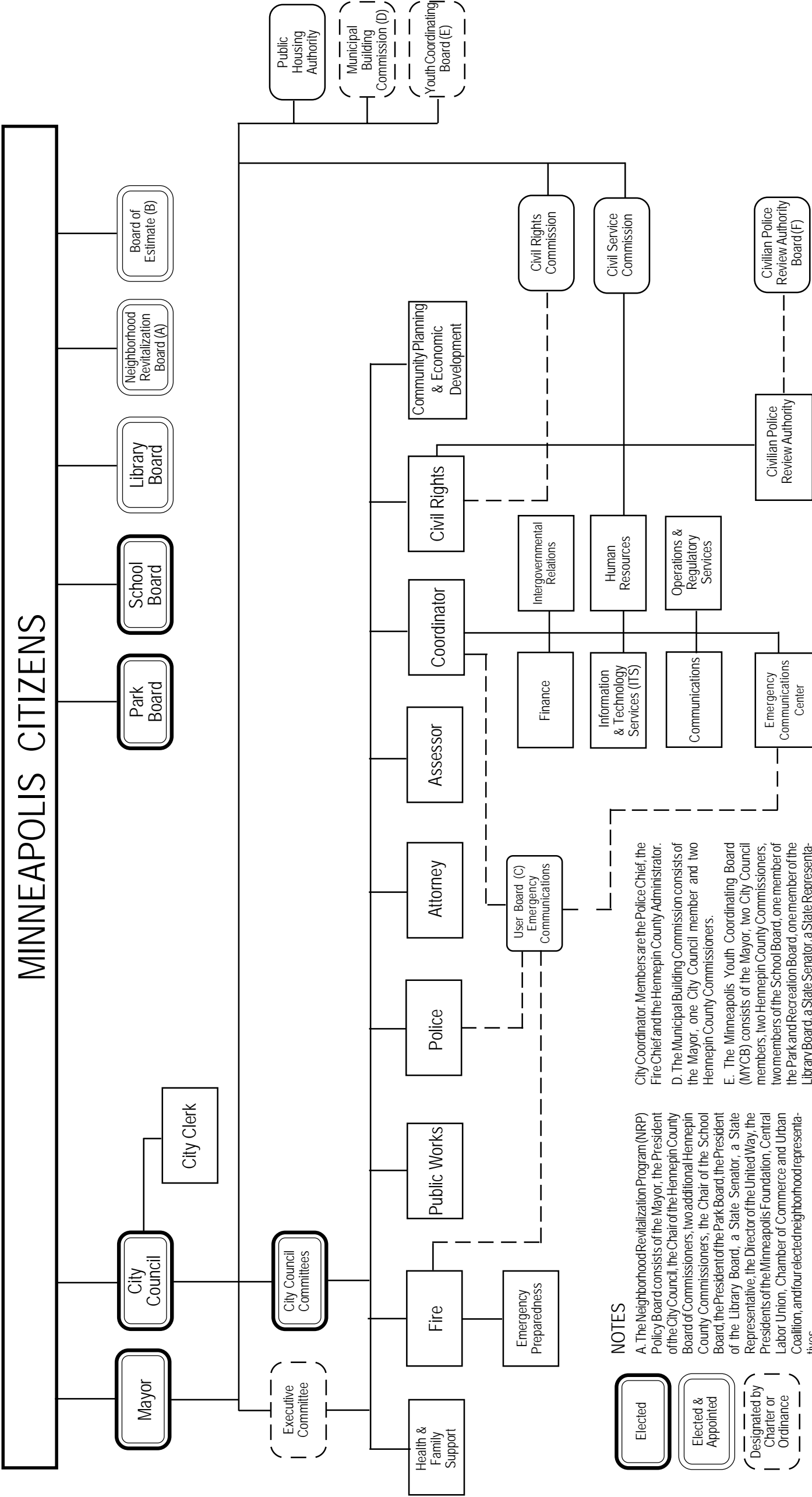
Community Engagement:

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



Elected

Elected & Appointed

Designated by Charter or Ordinance

Appointed

Department

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

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.

City Coordinator. Members are the Police Chief, the Fire Chief and the Hennepin County Administrator.

The Minneapolis Emergency Communications Center is managed by a User Board chaired by the

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

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Background Information**

Community Profile

Minneapolis combines the Dakota word for water ("minne") with the Greek word for city ("polis"), a fitting name for a city with 22 of Minnesota's 12,034 lakes. Minneapolis is renowned for combining the best of urban life with the neighborhoods and quality of life found in smaller towns. Residents enjoy exciting cultural and recreational opportunities in beautiful natural surroundings.

History

In the mid 17th Century, French explorers searching for the Northwest Passage were the first Europeans to visit the region. In the 1820s, at the confluence of the Minnesota and Mississippi rivers, soldiers from Fort Snelling constructed a sawmill and flourmill at the St. Anthony falls. By the 1850s, the village of St. Anthony had been established on the east bank of the Mississippi and the village of Minneapolis on the west bank. The two towns were soon linked by a suspension bridge. Minneapolis' first volunteer fire company was organized in 1862, and the community was incorporated as a city in 1867. In 1872, Minneapolis and St. Anthony were united to form one city.

Location

Minneapolis is the largest city in Minnesota and the center of finance, industry, trade and transportation for the Upper Midwest. At 44.58°–north latitude and 93.15°–west longitude, Minneapolis is 59 square miles (153 square kilometers), including 3.6 square miles (9.4 square kilometers) of inland water. It drapes along the banks of the nation's largest river, the Mississippi.

Climate

Minneapolis has an average annual temperature of 45° F (7° C). During an average winter, the temperatures can reach 20° below zero Fahrenheit (-29° C). Minneapolis has four distinct seasons, with moderate spring and fall weather. Summer is comfortable because lakes and trees serve as natural air conditioners.

Population

Minneapolis is home to an estimated 382,618 people (2000 Census). Males comprise 50.2% of the population, while females comprise 49.8%. Children and youth aged 19 and younger make up 25.7% of the population. Seniors, age 65 and above, are 9.1% of the population. The median age is 31.2 years. African Americans comprise 18% of the population. People of American Indian and Alaska Native descent are 2.2% of the

population. People of Asian ethnicity make up 6.1% of the population. The Hispanic population of Minneapolis is 7.6% of the total population.

Minneapolis is one of the cities in the country with the largest number of households with one individual – 40.3% of the households fit that description.

Economy

In the early years, Minneapolis' economy was based on a booming lumber industry and the processing of Minnesota grain with the tremendous power-generating capabilities of St. Anthony Falls. Large flour mills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill, which remain headquartered in the Minneapolis area.

The list of largest employers in Minnesota include the following companies with major operations in Minneapolis:

Employer	Approximate Total Number of Employees
State of Minnesota	56,000
United States Government	35,000
Target Corporation	32,000
University of Minnesota	31,000
Allina Health System	22,000
Fairview Health System	18,000
Wells Fargo	15,000
Manpower	15,000
Hennepin County	12,000

Major industries today include machinery and metal fabricating, plastics, computers and publishing. Minneapolis is also a center for graphic arts, printing, electronics and instruments, as well as a transportation center and distribution point for the Upper Midwest. Education is a powerful player in Minneapolis' economy, as is banking, insurance and other service industries. With seven hospitals and the University of Minnesota, Minneapolis is a nationally known center for medicine, and the area is home to many high-technology medical product companies.

The City's top ten payers of property taxes in 2003 are as follows:

Taxpayer	Type of Business	Net Tax Capacity <i>(property value times state-defined rate for that class of property) Dollars in millions</i>	Percentage of Total Tax Capacity
1. Target Corporation	Office Buildings and Retail	\$5.6	4%
2. American Express Financial Corporation	Office Buildings	\$5.7	4%
3. Northern States Power Company	Utilities	\$6.1	4%

Taxpayer	Type of Business	Net Tax Capacity <i>(property value times state-defined rate for that class of property) Dollars in millions</i>	Percentage of Total Tax Capacity
4. NWC Limited Partnership	Commercial/Industrial Buildings	\$3.1	2%
5. Sixth & Nicollet LLC	Property Management	\$3.0	2%
6. City Center Associates	Office Building and Retail	\$2.6	2%
7. CPP 800 Nicollet Mall LLC	Office Building	\$2.4	2%
8. Byte Investment Partnership	Office Building	\$2.5	2%
9. Eighth Street Tower Corporation	Office Building	\$2.3	1.5%
10. 601 Second Avenue Limited Partnership	Office Building	\$2.2	1.5%
Total		\$ 35.5	25%

The City's unemployment rate over the past 2 years has increased:

	2002	2003 (as of 3rd Quarter)
Total Labor Force	216,349	219,689
Employment	206,314	208,807
Unemployment rate	4.6%	5.0%

Minneapolis per capita incomes have increased slightly in the same time frame:

	2002	2003
Total in millions	\$6.6	\$7.3
Per Capita	\$17,092	\$18,873
Per Household	\$42,494	\$44,246

Retail Sales in Minneapolis for the past three years for which data is available are as follows:

Year	Minneapolis Retail Sales (in billions)
2000	\$6.7
2001	\$6.1
2002	\$6.1

Neighborhoods

Minneapolis has 81 residential neighborhoods offering a broad range of housing to 162,000 households. Minneapolis is well known for its concerned and active citizenry and partnerships of government, business and citizens created to improve

neighborhoods and create economic opportunities. The city shares the nation's current challenge to increase the number of affordable housing units.

Downtown

A downtown housing boom has increased downtown residents to an estimated 28,000, with projection of 30,000 by 2010. In addition to downtown residents, more than 163,000 people work in downtown Minneapolis. Second-story skyways keep downtown busy and thriving even on the coldest days. Nicollet Mall—a 12-block-long shopping area closed to automobile traffic and flanked by some of the nation's finest department stores and specialty stores—is the retail heart of Minneapolis. It also has Gaviidae Common, City Center and the Crystal Court.

The Arts

The Twin Cities is second only to New York in per capita attendance at theater and arts events. Minneapolis has more than 30 theaters. The Guthrie Theater and the Children's Theatre Company are recognized as two of the country's best. The City also boasts two world-class art museums, the Minneapolis Institute of Art and Walker Art Center, and is home to the internationally acclaimed Minnesota Orchestra. Neighborhood arts activities—festivals, galleries and events—play a growing role in resident art participation.

Education

Forty-eight thousand students are enrolled in Minneapolis primary and secondary schools. Non-public primary and secondary school enrollment is about 7,000. The City offers several vocational training and specialty schools. The main campus of the University of Minnesota sits on the banks of the Mississippi just minutes from downtown. It is a major landgrant research institution with a long tradition of community and public service, and it ranks among the top 20 universities in the U.S. It is also one of the largest. In total for the year 2001 enrollment was 59,089 and for year 2002 enrollment was 60,373. Other institutions of higher education in Minneapolis include Minneapolis Community and Technical College, Dunwoody Institute, Minneapolis College of Art and Design, Augsburg College, Metropolitan State University, the University of Saint Thomas and the College of Saint Catherine.

Sports

Three major league teams call Minnesota home. At the Hubert H. Humphrey Metrodome, up to 55,000 fans can watch the world-champion Minnesota Twins in action. When the Minnesota Vikings are in town, the Dome can seat 64,000 football enthusiasts. In 1990, the Target Center was constructed downtown for the Minnesota Timberwolves of the National Basketball Association. Minneapolis has the capacity to host large events at the City's Convention Center, which completed a major expansion in early 2002.

Parks

Minneapolis residents not only watch sports, they participate as well. Playing in summer softball leagues, golfing and jogging, biking or rollerblading around the city's lakes are favorite pastimes. Residents enjoy boating, fishing, wind surfing and swimming in the summertime and ice skating, ice fishing, skiing and ice sailing during the winter. Early in Minneapolis' development, the land around five large lakes was dedicated to the public as parkland. With one acre of parkland for every 60 residents, outdoor recreation is an important part of life, and it is estimated that a City park is ready for fun no more than six to eight blocks from every home.

The City of Minneapolis Communications Department contributed significantly to the Community Profile.

4

**City of Minneapolis
FY 2004 Budget
Background Information**

Form of Government

The City is a municipal corporation governed by a Mayor–Council form of government; it was incorporated in 1867, and it adopted a Charter on November 2, 1920. The Mayor and 13 City Council Members from individual wards are elected for terms of four years, without limit on the number of terms which may be served. The Mayor and City Council are jointly responsible for the adoption of an annual budget and a five-year capital improvement program. As required by Charter, the Mayor is responsible for preparing an annual operating and capital budget recommendation to the City Council for their consideration. The Mayor has veto power, which the Council may override with a vote of nine members.

The City Finance Officer is charged with maintaining and supervising the various accounts and funds of the City as well as several boards and commissions. In addition, the City Budget Director is charged with assisting the Mayor, City Council and City departments in preparing the City's annual capital and operating budget. The City Finance Officer reports to the City Coordinator, who is appointed by the Mayor and serves as Chief Administrative Officer of the City.

This Annual Budget Report for the City presents the entity which consists of organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationships with the primary government are such that exclusion could cause the City's budget report to be misleading or incomplete. Below is a summary of the organizations reflected in the City's Annual Budget Report, in addition to the primary government.

Blended Component Units

The following component units have been presented as blended component units because the component unit's governing body is substantially the same as the governing body of the City, or the component unit provides services almost entirely to the primary government.

- ◆ ***Municipal Building Commission.*** The Municipal Building Commission (MBC) is an organization established January 4, 1904, by the State of Minnesota, to operate and maintain the Minneapolis City Hall/Hennepin County Court House Building, which was erected pursuant to Chapter 395 of the Special Laws of 1887. The four commissioners are the Chairman of the Hennepin County Board of Commissioners, the Mayor of the City of Minneapolis, an appointee of the Hennepin County Board and an appointee of the Minneapolis City Council. The Mayor recommends the tax levy and budget for the City's share of the MBC's operations, and the City Council and Mayor approve the allocation of the state local governmental aid to the MBC.

- ◆ ***Board of Estimate and Taxation.*** The Board of Estimate and Taxation (BET) is established under Chapter 15 of the City Charter. It is composed of seven members, two of whom are elected by voters of the City. The Mayor or the Mayor's appointee, the President of the City Council and the Chair of the City Council's Ways and Means/Budget Committee are ex-officio members of the Board. The Minneapolis Park and Recreation Board and Minneapolis Library Board annually select one of its members to serve on the Board of Estimate and Taxation. By action of the City Council, or such other governing board of a department requesting the sale of bonds, the Board of Estimate and Taxation may vote to incur indebtedness and issue and sell bonds and pledge the full faith and credit of the City for payment of principal and interest. The Board of Estimate and Taxation also establishes the maximum property tax levies for most City funds and maintains responsibility for the internal audit function for the City, including boards and commissions that are component units of the City.

Discretely Presented Component Units

The following organizations are legally separate from the City, but they are included in the City's Annual Budget Report and Annual Financial Reports because the primary government is financially accountable and is able to impose its will on the organizations.

- ◆ ***Minneapolis Library Board.*** The Minneapolis Library Board (Library Board) was established according to Chapter 17 of the City Charter. It is an eight-member board, six of whom are elected for four-year terms by voters of the City. The Mayor and the City Council each appoint one member. The Library Board is responsible for operating and maintaining libraries located throughout the City. The Mayor recommends the tax levies and budget for the Library Board, and the City Council and Mayor approve the allocations of local government aid from the state for Library Board operations. The Board of Estimate and Taxation approves the property tax levy for the Library Board, and the full faith and credit of the City secure debt issued for projects benefiting the Library Board. The City Finance Officer serves as Treasurer of the Library Board.
- ◆ ***Minneapolis Park and Recreation Board.*** The Minneapolis Park and Recreation Board (Park Board) was established according to Chapter 16 of the City Charter. The nine-member board is elected by the voters of the City and is responsible for developing and maintaining parkland and parkways, as well as planting and maintaining the City's boulevard trees. The Mayor recommends the tax levies and budget for the Park Board, and the City Council and Mayor approve the allocations of local government aid from the state for Park Board operations. All Park Board actions are submitted to the Mayor, and a mayoral veto may be overridden by a vote of two-thirds of the members of the Park Board. The Board of Estimate and Taxation approves the maximum property tax levy for the Park Board, and the full faith and credit of the City secure debt issued for Park Board projects. The City Finance Officer acts as Treasurer of the Park Board.

Related Organizations

The City's officials are also responsible for appointing members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments.

- ◆ ***Metropolitan Sports Facilities Commission.*** The Metropolitan Sports Facilities Commission (Commission) is an appointed authority established under 1977 Minnesota laws. Of the seven members of the Commission, the City of Minneapolis appoints six. The Chair, who must by statute reside outside Minneapolis, is appointed by the Governor. The Commissioners serve four-year terms and removal is for cause only. The primary responsibility of the Commission is to serve as owners, operators, and landlords of the Hubert H. Humphrey Metrodome Sports Facility in Minneapolis. Major tenants of the Metrodome Sports Facility are the Minnesota Twins, the Minnesota Vikings and the University of Minnesota Golden Gophers football team.
- ◆ ***Minneapolis Public Housing Authority.*** The Minneapolis Public Housing Authority (MPHA) is the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis. A nine-member Board of Commissioners governs MPHA. The Mayor of Minneapolis appoints the Board Chairperson and four Commissioners; four Commissioners (one of whom must be a public housing family-development resident) are appointed by the City Council. The mission of the MPHA is to provide well-managed, high-quality housing for eligible families and individuals; to increase the supply of affordable rental housing; and to assist public housing residents in realizing goals of economic independence and self-sufficiency.

Joint Ventures

The City is a participant in several joint ventures in which it retains an ongoing financial interest or an ongoing financial responsibility. One of these joint ventures is reflected in the Annual Budget Report for the City: Minneapolis Neighborhood Revitalization Board.

- ◆ ***Minneapolis/Saint Paul Housing Finance Board.*** The Minneapolis/Saint Paul Housing Finance Board was established in the early 1980s, in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul and the Community Planning and Economic Development Department, and accepted by the cities of Minneapolis and Saint Paul under State of Minnesota laws. The Community Planning and Economic Development Department's oversight responsibility of the Board is limited to its governing body's ability to appoint only three of the six members of the Board. The territorial jurisdiction of the Board extends beyond the corporate limits of the City of Minneapolis.
- ◆ ***Minneapolis Neighborhood Revitalization Policy Board.*** The Minneapolis Neighborhood Revitalization Policy Board (NRPB) was established in 1990, in

accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Library Board, the Park Board and the Mayor and City Council under authority of State of Minnesota laws. The NRPB is composed of 20 members and includes public officials as well as representatives of neighborhood and community-interest organizations. The majority of members are persons other than the representatives of the jurisdictions which entered into the Joint Powers Agreement.

- ◆ ***Minneapolis Youth Coordinating Board*** The Minneapolis Youth Coordinating Board (YCB) was established in the mid-1980s, in accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Library Board, the Park Board and the Mayor and the City Council under authority of State of Minnesota laws. The YCB, which numbers 12 in size, includes the Mayor, two members each from the Hennepin County Board of Commissioners and the Board of Directors of Special School District No. 1, two representatives from the City Council, one member each from the Park Board and Library Board, one member each from the Minneapolis State Legislature House and Senate delegations and a Judge assigned by the Chief Judge of the District Court.

**City of Minneapolis
FY 2004 Budget
Background Information**

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 departmental performance review processes to establish annual resource allocations.

January–February

Departmental Performance Information

City department heads bring their annual work plan and accomplishments to the Executive Committee, which then refers the work plan to the relevant Policy Committee for review and file.

March

Preliminary Year-End Budget Status Report

The Finance Department 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 not available until second quarter of the year.

March–April

Capital Improvement Budget Development

The City has a five-year capital improvement plan. Annually, departments prepare and modify capital improvement proposals. Capital improvement proposals are reviewed by the Finance Department, the City Planning Department and the Capital Long-Range Improvements Committee (CLIC). CLIC is the citizen advisory committee to the Mayor and City Council on capital programming.

April–June

Operating Budget Development

Departments work in coordination with the Finance Department to prepare department operating budget requests 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 also prepare proposals which 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 in June and July.

June–August

Mayor's Recommended Budget

The Mayor holds departmental budget hearings to review department budget proposals, other additional policy changes, and alternative funding choices. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC in preparation of finalizing the capital budget recommendation. Following the departmental budget hearings and meetings with CLIC, the Mayor prepares a final budget recommendation with the assistance of the Finance Department. The Mayor prepares and submits a budget to the City Council no later than August 15. The budget includes the Mayor's recommendation on annual property tax levy amounts.

September

Maximum Proposed Property Tax Levy

As required by State law, the maximum proposed property tax levy increase is set by September 15. The Board of Estimate and Taxation sets the maximum property tax levy. The Board of Estimate and Taxation must set a maximum property tax levy for the City, Municipal Building Commission, Public Housing Authority, Library Board 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 Department Budgets to the Ways and Means/Budget Committee with all Council members present. Following departmental budget hearings, the Ways and Means/Budget Committee approves and moves forward a 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" 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 when the Truth in Taxation public hearings will be held, which is in early December as required by State law.

December

City Council Budget Adoption

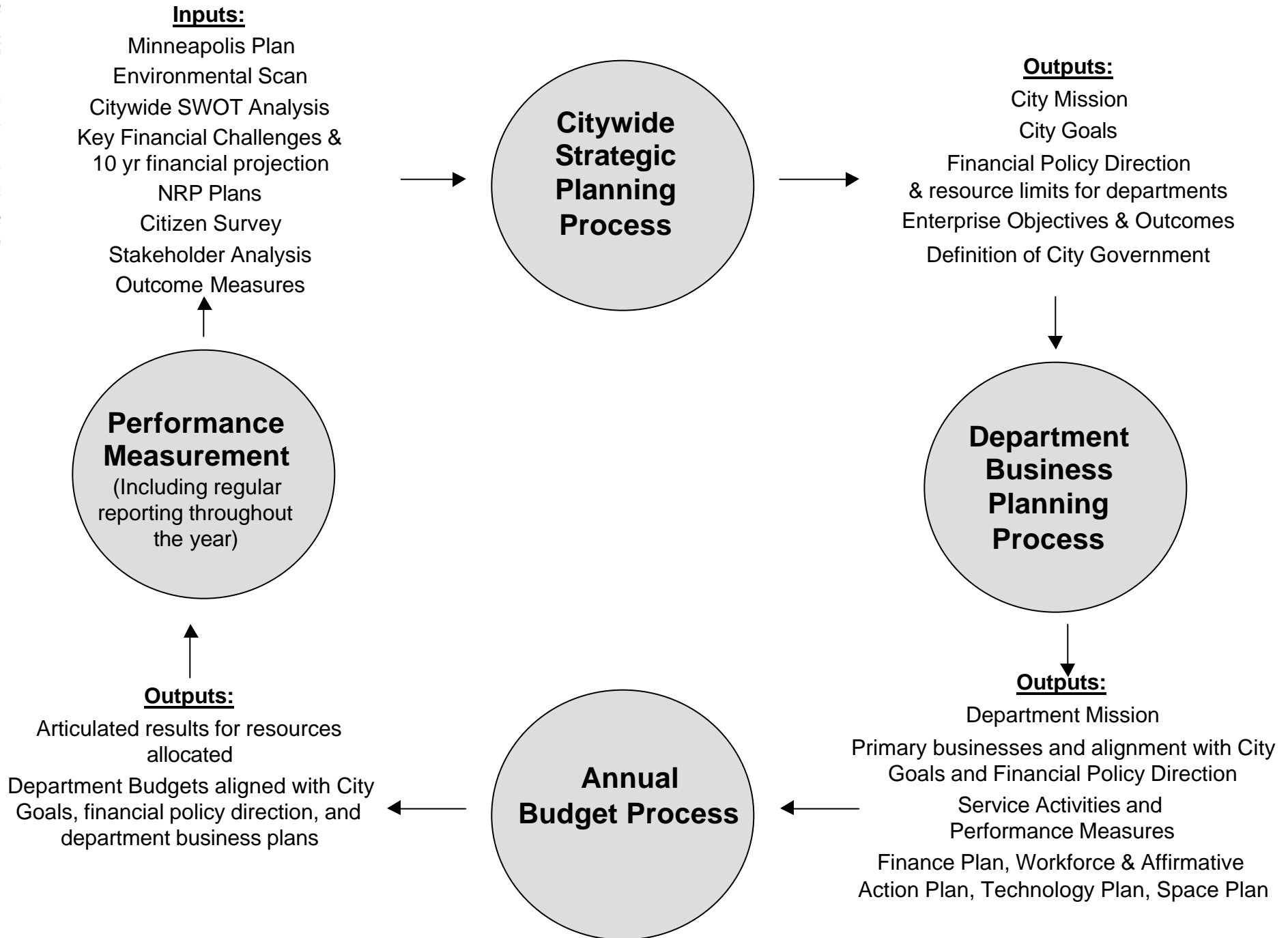
The City Council adopts a final budget that reflects any and all changes made to the Mayor's Recommended Budget. Once the final budget resolutions are adopted, all requests from City departments for additional funds or positions made throughout the year are brought before the Ways and Means/Budget Committee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

The independent boards and commissions adopt their own operating budgets.

Specific significant dates for 2004 budget adoption are as follows:

March 13	Adoption by City Council and Mayor of reductions to the 2003 budget as a result of Local Government Aid Reductions
March 21	Preliminary Year-End 2002 Budget Status Report
April 1	Adoption by City Council and Mayor of Department Layoff Strategies related to Local Government Aid reductions in 2003
June 23 – July 18	Mayor will meet with each city department and the independent boards to review 2004 budget proposals and preliminary business plan information.
July 21 - August 8	Mayor finalizes the 2004 budget recommendation
August 14	Mayor's 2004 Budget Recommendation presented to Council
Sept 3	Board of Estimate public hearing on 2004 maximum property tax levies
Sept 10	Board of Estimate meeting to set the maximum 2004 property tax levies
Sept 15 - Oct 16	Ways and Means Hearings on the 2004 Budget and Business Plans
Oct 16	Special City Council meeting to be called by the Mayor requesting Council action to provide preliminary approval of the 2004 budget*
Nov 18 and Nov 20	Budget Mark-up (1-5 p.m. each day)
Dec 8	Truth in Taxation public hearing (5:05 p.m.)
Dec 15	Truth in Taxation public hearing continuation (if needed) (5:05 p.m.) 2004 Official Council budget adoption (immediately following continuation hearing if continuation hearing is needed)

INTEGRATING KEY CITY PROCESSES



City of Minneapolis FY 2004 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 towards achieving strategic goals.

In January 2003, the Mayor and the City Council adopted their City Goals and Expectations for the next four years and a resolution establishing commitment to business planning and 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 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 strategic planning process, departments have been 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 business plans 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; who are its customers; how it will utilize its resources to achieve its goals; and how it will know when it has been successful.

Business Planning is one of the key City processes intended to ensure the alignment of City efforts with its priorities. A well-developed, focused business plan has the potential to assist departments in:

- ❑ Focusing their efforts on core mission and services and alignment with City Goals.
- ❑ Managing their resources.
- ❑ Measuring their results.
- ❑ Improving how departments convey what they do, what they accomplish, and what their business strategies are, to the public as well as in City Hall.

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. As Minneapolis moves towards better integration of its key City processes, the annual budget process should become more straightforward.

As stated above, during the strategic planning process, departments are given the projected level of financial resources to expect over the next several years – they will then be able to develop their business plans in accordance with these projections. Resource allocations will flow from the business plans – departments' annual budgets then will flow from their longer-term financial plans.

Performance Measurement

Performance Measurement is how we know when we have done the right things to achieve our goals and how we know when we have done those things right. A successful performance measurement system can lead to continuous improvement of program performance, improved customer service, strengthened accountability, and empowered employees.

Performance measurement has played a significant role in the development of this 2004 Budget. The format of the department narratives include in this budget highlights departments' performance measurement information, including key outcome/quality of life measures, as well as performance measures for each of the department's service activities. All departments have made concerted efforts to further develop and improve their performance measures as part of this process. As departments develop their business plans, they will have the opportunity to strengthen their performance data.

By including performance data in the budget process, the City stands to significantly improve its budget discussions. 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.

City of Minneapolis 2004 Budget

Financial Overview

The Adopted 2004 Budget for all City funds represents a 1.6 percent increase in spending from the 2003 adopted budget, from \$1.11 billion to \$1.13 billion.

When including transfer expense between city funds, the total increase is 3.6 percent, from \$1.20 billion to \$1.24 billion. Transfers between funds increased by \$26.8 million due to changes in accounting practices as well as the result of adjustments needed to account for the many organizational changes that have happened in the city. It is anticipated that the transfer amount will decrease significantly from 2004 to 2005 as more permanent budget changes are put in place to fully realize the organization changes that have occurred.

Major Highlights

Many significant organizational and financial changes have occurred since the 2003 budget was adopted last December. The Adopted 2004 Budget builds on these many changes, in addition to adding some new ones. It is important to be aware of these major changes when making comparisons between budget years.

Some of the major changes include:

- The **State of Minnesota cut aid to Minneapolis by \$35 million** (on an annual basis). Local Government Aid (LGA) from the State will be \$82.5 million in year 2004 as compared to an original 2003 budget amount of \$117.5 million. This significant cut ended up being \$1.8 million greater than what the City was to receive based on final figures used during the conclusion of the legislative session. The City responded to this significant revenue cut by reducing spending early in 2003. The annualized impact of the decisions made in 2003 plus the offsetting increases in other revenue results in departments not needing to make additional cuts in 2004. However, the reduced service levels as a result of LGA cuts will remain in effect.
- The **Adopted Budget is built on the assumption and projection that salary and wage growth will be limited to two percent for all unsettled labor contracts**. This is significant because it avoided the need for additional cuts to balance the budget within the available revenue. For example, in the General Fund this saved \$5.0 million in what otherwise would have been a likely cut to positions. This wage cap was assumed across all bargaining units (unsettled) regardless of funding source. This assumption was favorable in helping to improve the projected financial performance of the Convention Center and Parking Funds - two major funds that are showing weak financial performance as a result of poor economic conditions. In addition, the lower wage growth

assumption (from historical levels) also resulted in the ability to hold the line on sewer, water, and solid waste fees increases without making staffing reductions.

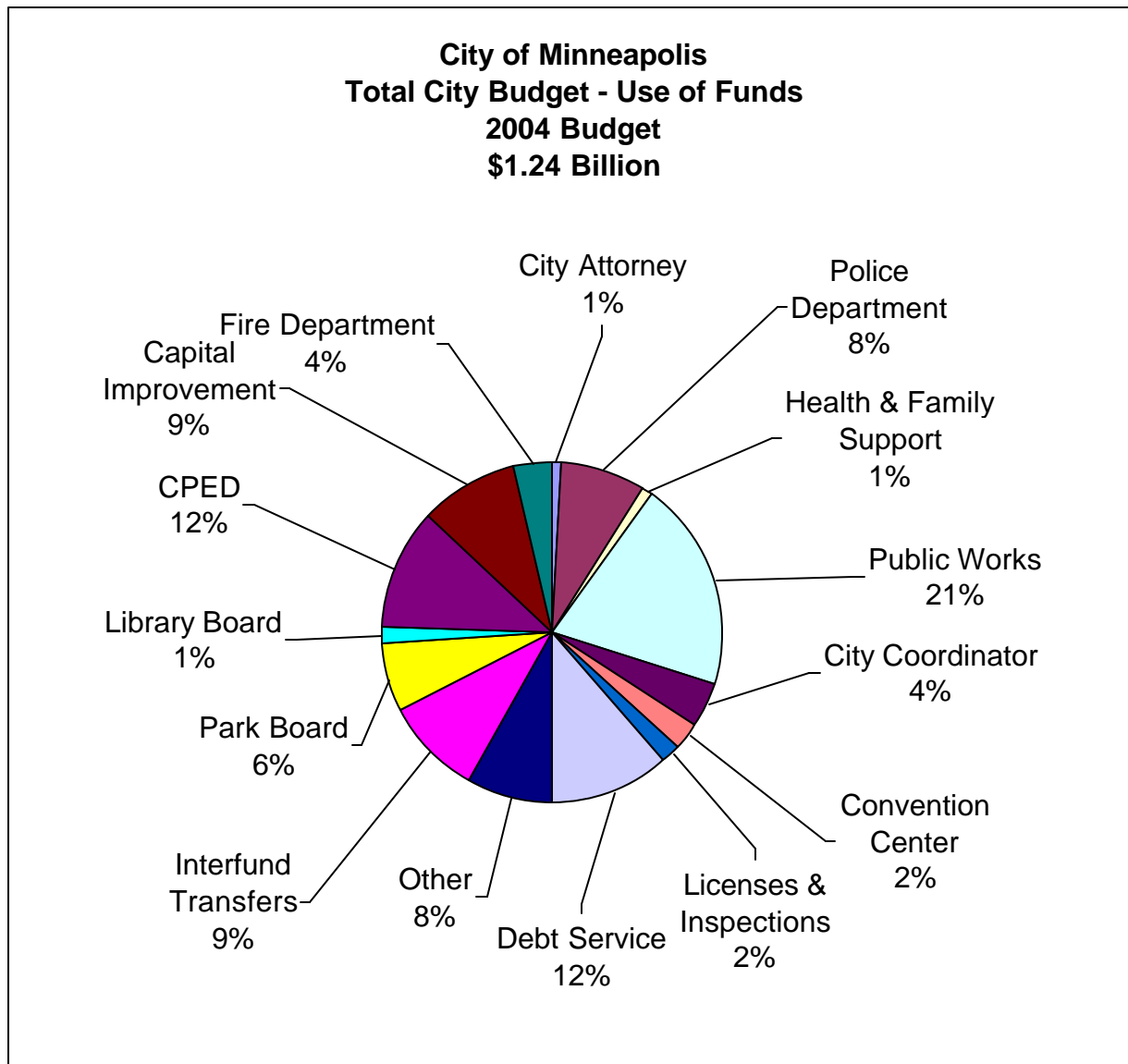
- The Council has approved **the use of \$12.5 million from the "Hilton Legacy Fund" (a permanent transfer of funds) to pay outstanding pension obligations**. This decision will result in the City saving \$1.5 million annually in property tax levy by reducing debt service payments. The City will avoid having to pay the taxable interest costs associated with pension bonds, as well.
- The **Adopted Budget is balanced - it includes both revenue increases and spending reductions**. The budget reflects a decision to look fully at all city revenues (and not just general city revenue, such as the property tax levy and LGA) to identify areas where current charges for service did not cover the full cost of service delivery. As a result, the budget includes additional charges against the City's enterprise funds for indirect costs of services provided as well as increases in inspection and licenses revenue that begin to close the gap on full cost recovery.
- The **Adopted Budget recognizes that the City's Parking Business is in a temporary negative financial position as a result of economic conditions** - revenues are not meeting targets. As a result, the Mayor's budget includes two decisions. The first is to reduce the amount of revenue that the Parking Business provides to the City's General Fund, from \$10.8 million to \$9.8 million, or a \$1.0 million decrease. This is reflected as a permanent reduction until Parking revenues recover. The other decision is to redirect revenues that are currently going to support the Minneapolis Downtown Council and use the revenue (approximately \$300,000) to directly market city ramps.
- The **Council adopted the recommendation that the City reduce the planned increases in utility fees in 2004 and future years**. While fees will still need to increase in order to pay for the cost of major capital investments (i.e., ultra filtration system for water treatment services) the budget includes a slow-down in overall capital spending, specifically related to sanitary and storm water. In addition, a slow-down on the aggressive plan to fund capital improvements and deferred maintenance from current revenue (pay-as-you-go funding) is also reflected. While the City supports the overall goal of the capital initiatives and plans to close the gap on deferred maintenance, growth in utility fees has been slowed in the current budget. Capital and deferred maintenance spending will still be put in place, but at a slower schedule than previously approved.
- The Council adopted the **transfer of budget authority and reporting relationship for the City's Emergency Communications Center** be moved from the Police Department to the City Coordinator. This recommendation is reflected in the budget through the movement of \$6.1 million of budget authority from the Police Department to the City Coordinator.
- The Adopted Budget includes the **transfer of a small portion of housing code inspections from the Inspections Department to the Fire Department** in

order to gain greater efficiencies. The proposal would add housing code inspections to the tasks done during the fire crew pre-planning visits at apartment buildings of 12 units or greater. This proposal will allow the City to get into large residential buildings on an annual basis, which is currently not happening. The Fire Department would also assume some nuisance inspection responsibilities. There is a total budget impact of approximately \$800,000, between departments as a result of this change. The efficiency gained by having the Fire Department assume this responsibility will provide the Fire Department with funding to hire back fire fighters that were previously laid off due to 2003 budget cutbacks.

- As approved by the Council, the Adopted 2004 Budget includes **Community Planning and Economic Development (CPED) as a City department**. However, work is still needed at a detailed budget level to fully realize this transition. The new department was created through the merger of the Minneapolis Community Development Agency (MCDA), the City Planning Department, the Minneapolis Employment and Training Program (METP), and the Empowerment Zone.
- Due to the impact of State LGA cuts on social service organizations and clients, the **Council has approved the recommendation to continue to fund Public Service activities at the maximum level allowed by the Federal government under the Community Development Block Grant**, which is 15% of our expected allocation, or \$2,617,000. The Mayor recommends allocating half of this amount to programs that are clearly aligned with the City's adopted development priorities. The Mayor requests that the NRP Policy Board make a recommendation regarding the allocation of the other half of these funds, in consultation with the Youth Coordinating Board and the Empowerment Zone Board, for review by the City Council.
- The adopted budget is built within the City's five-year financial direction and business planning resolution, adopted in January 2003. Despite the reductions to departments as a result of the LGA cuts and the changes as result of the institution of the 2% wage resolution, the guidelines set out in the five-year financial direction are met. The detailed five-year financial direction resolution is included in the financial policies section of this book.
- The adopted budget includes a recommendation that the City grants office work with the public health advisory committee to review the public/community service grants in the City's consolidated plan for funding (ie the CDBG budget.)

City Spending

Below is a summary of the Council Adopted 2004 Budget by major spending categories, which includes transfers between funds and the independent boards.



City of Minneapolis Expenditures by Service (in millions of dollars)

	2003 Adopted Budget	2004 Adopted Budget
City Coordinator (excluding Inspections and Licenses) ¹	\$48.5	\$52.8
City Attorney	\$9.9	\$11.0
Community Planning and Economic Development		\$141.8
Convention Center	\$27.5	\$29.5
Fire Department	\$44.3	\$43.3
Health and Family Support	\$21.3	\$13.3
Inspections and Licenses	\$23.1	\$22.7
Police	\$100.8	\$99.5
Public Works – Field Services	\$29.9	\$29.1
Public Works – Sewer, Storm Water, Flood Mitigation	\$39.9	\$43.6
Public Works - Solid Waste and Recycling	\$25.8	\$25.6
Public Works – Transportation	\$47.4	\$50.0
Public Works - Water Treatment and Distribution	\$34.8	\$37.6
Public Works - Other (includes Internal Services)	\$61.3	\$58.5
<i>Public Works Subtotal</i>	<i>\$239.1</i>	<i>\$244.4</i>
Other City Services ²	\$16.4	\$11.7
Other ³	\$82.4	\$86.6
Debt Service (including Enterprise Funds)	\$132.4	\$142.5
Capital Improvement (including Enterprise Fund capital)	\$98.1	\$116.5
Subtotal	\$843.8	\$1,015.6
Independent Boards:		
Community Development Agency (MCDA)	\$149.1	--
Library Board	\$22.0	\$18.4
Park Board	\$77.5	\$79.1
Youth Coordinating Board	\$6.1	\$3.6
Other Boards	\$9.2	\$8.7
Subtotal	\$263.9	\$ 109.8
Total Expenditures (without Transfers)	\$1,107.7	\$1,125.4
Transfers to other funds	\$89.6	\$116.2
Total Expenditures with Transfers	\$1,197.3	\$1,241.6

Note: See department sections in the budget document for further explanation on changes between years.

¹ Includes Human Resources, Finance, Emergency Communications, Coordinator Administration, Intergovernmental Relations, and Communications.

² Includes Assessor, City Council, City Clerk, Civil Rights and Mayor.

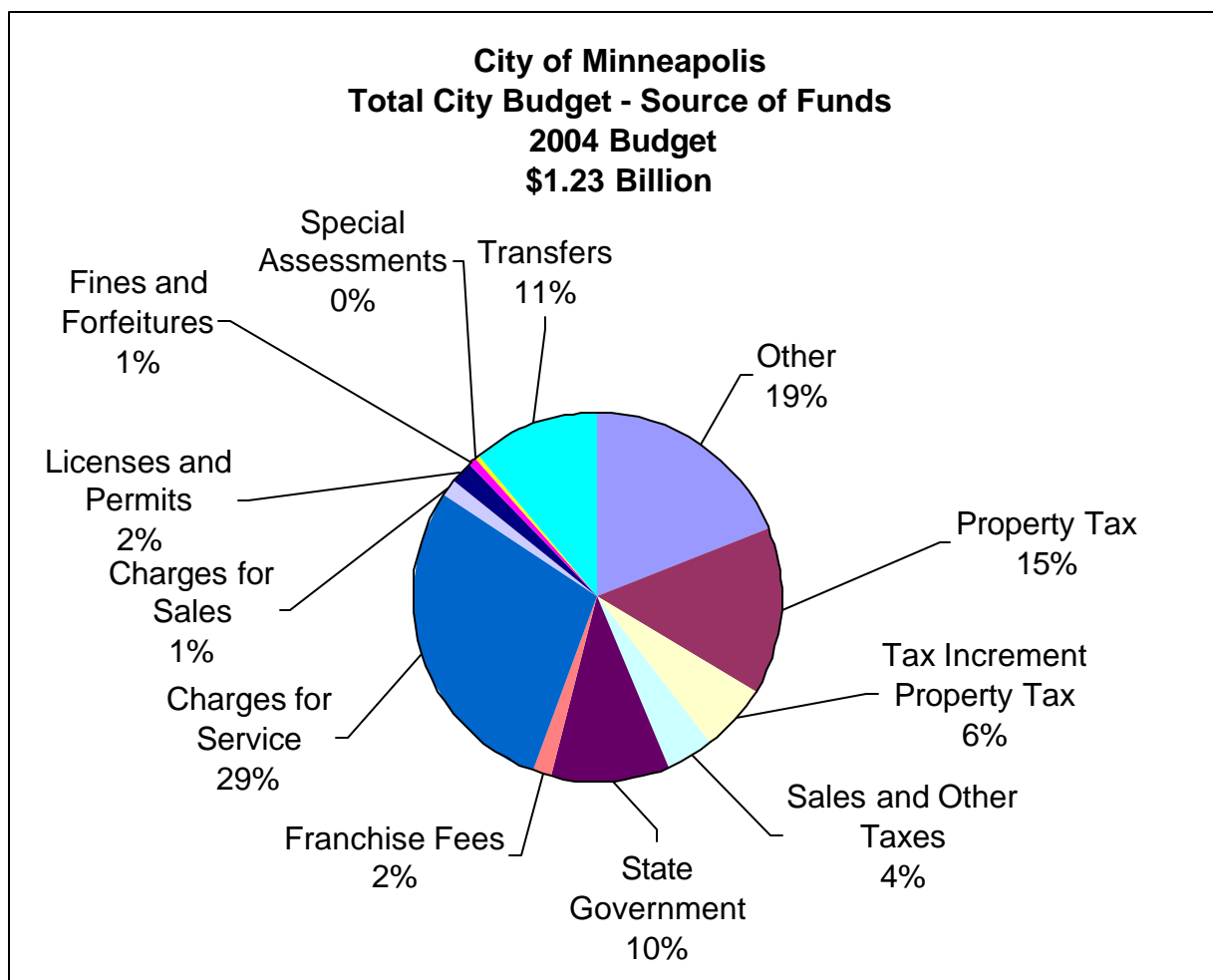
³ Includes Non-Departmental expenses like pension obligations, worker's compensation, payments to health insurers, liability program and contingency.

Sources of Revenue

Below is a summary of the City's total revenues by major category. The City of Minneapolis receives revenue from a variety of sources, but many of these sources have strings attached.

For example, the City cannot use revenue from fees that it charges for services to fund general government services, such as police and fire services. The City charges fees for water, sewer, and garbage pick-up, but the State law requires that these fees be no higher than the cost of providing those services. So the City cannot raise water bills to pay police officers, for example.

The grants and transfers from the Federal Government and other units of government are usually for specific needs and purposes. If the City did not spend such grants for designated need, the City would not get such grants at all. Some cities use assessments, which are also tied to specific purposes like street maintenance. Bond proceeds must go to purposes for which the debt was incurred. Sales tax revenue is dedicated to the Convention Center by State law. Like many Minnesota cities, Minneapolis pays for other city services (police, fire streets, parks, libraries, etc.) with property taxes and Local Government Aid (LGA).



City of Minneapolis Revenue by Major Category (in millions of dollars)

	2003 Adopted Budget	2004 Adopted Budget
Property Tax ⁴	\$166.5	\$181.1
Tax Increment Property Tax	\$64.6	\$71.0
Sales and Other Taxes	\$49.5	\$50.0
State Government	\$154.3	\$125.0
Local Government	\$8.3	\$8.4
Federal Government	\$50.0	\$63.4
Franchise Fees	\$20.4	\$23.5
Charges for Service	\$348.5	\$354.0
Charges for Sales	\$14.1	\$17.5
Licenses and Permits	\$21.7	\$21.5
Fines and Forfeitures	\$9.3	\$10.5
Special Assessments	\$10.2	\$4.8
Interest Income	\$3.6	\$9.7
Rents	\$49.9	\$46.6
Other ⁵	\$92.1 ⁶	\$105.6
Subtotal	\$1,063.0	\$1,092.6
Transfers from Other Funds	\$116.0	\$136.6
Total Revenues ⁷	\$1,179.0	\$1,229.2

The City uses different “Funds” to account for the expense and revenue associated with the various services provided. The **General Fund**, which is where most of the property tax supported services are accounted for, represents 21 percent of the 2004 adopted budget, as compared to 23 percent in 2003.

The **Enterprise Funds** include services that the City provides that operate more like a “business” in that they are expected to generate a profit to cover capital purchases and related debt service requirements. Enterprise services of the City include such services as sanitary sewer services, storm water management, flood mitigation, water treatment and distribution, solid waste and recycling, and municipal parking.

Internal Services Funds are similar to Enterprise Funds in that they are used to account for services that the City provides that operate more like a business, however,

⁴ Property taxes are budgeted at 98 percent of gross levy to reflect anticipated delinquencies. This amount includes the levy for the Park Museum.

⁵ Other includes gains, contributions, other miscellaneous revenues, and proceeds from long-term liabilities.

⁶ This is a restatement from the 2003 budget document, which had \$89.7 million, which was a typo. Other revenue shows a 31 percent increase from 2003 due to an increase in non-appropriated capital revenue, which is also budgeted as an expense. This is a change in how this revenue is treated in the budget.

⁷ Total expenditures exceed total revenue, which represents the annual budgeted change in fund balance. The change in fund balance is mostly due to timing of capital projects and bond issuance.

Internal Service Funds primary customer is other City departments. Internal services include such services as information technology, equipment rental (i.e. police squad cars and fire equipment), facility fees and self-insurance.

Other Funds includes Special Revenue Funds where that proceeds of specific revenue sources are restricted to expenditures for specific purposes. Services accounted for in the Other Funds include such services and operations as the Minneapolis Convention Center, and other grant funded services.

The **Independent Boards** include Board of Estimate and Taxation, Library, Park, Neighborhood Revitalization, Municipal Building Commission, and Youth Coordinating Board.

City of Minneapolis Budget By Fund (in millions of dollars)

	2003 Adopted Budget	2004 Adopted Budget	2004 as % of Total
Expenditures:			
General Fund	\$263.2	\$262.8	21%
Enterprise Funds	\$239.6	\$295.4	24%
Internal Service Funds	\$144.1	\$149.4	12%
Special Revenue Funds	\$131.0	\$202.1	16%
Capital Projects Funds	\$77.8	\$141.3	11%
Debt Service Funds	\$77.8	\$80.8	7%
Independent Board Funds	\$264.1	\$109.8	9%
Total Expenditures	\$1,197.4	\$1,241.6	100%
Revenues:			
General Fund	\$263.2	\$262.8	21%
Enterprise Funds	\$260.9	\$290.6	24%
Internal Service Funds	\$152.3	\$156.8	13%
Special Revenue Funds	\$123.9	\$205.7	17%
Capital Projects Funds	\$78.0	\$151.8	12%
Debt Service Funds	\$78.7	\$56.8	5%
Independent Board Funds	\$222.0	\$104.7	9%
Total Revenues	\$1,179.0	\$1,229.2	100%
Changes in Balances	(\$18.4)	(\$12.4)	

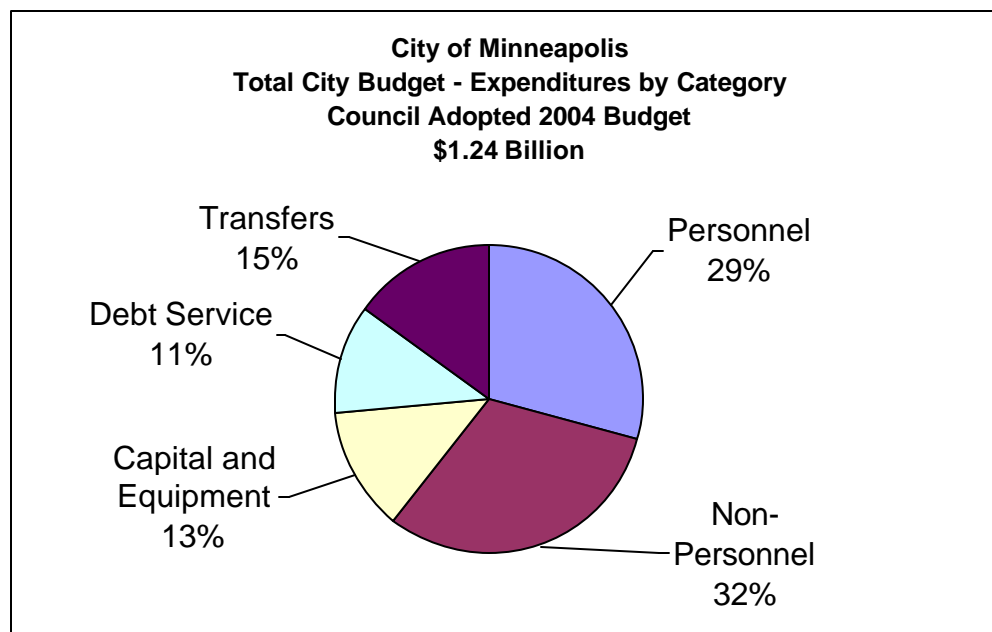
Spending by Major Categories

The majority of the City's budget is spent on personnel, \$362.5 million or nearly 30 percent of the total budget. The 2004 budget includes a decrease of 464 budgeted full time equivalent positions, nearly an 8% reduction. Most of these position reductions occurred mid-year 2003 resulting from Local Government Aid cuts. The independent boards are included in these figures.

The \$35 million reduction of Local Government Aid funding from the state is the main cause for position reductions, although other factors also impact the total level of positions such as changes in grant funding.

City of Minneapolis Budget by Major Expense Category (in millions of dollars)

	2003 Adopted Budget	2004 Adopted Budget
Full Time Equivalent Positions	6,039	5,575
Expenditures:		
Personnel	\$372.9	\$362.5
Non-Personnel	\$362.9	\$389.3
Capital and Equipment	\$139.7	\$162.7
Debt Service	\$135.7	\$142.3
Transfers	\$186.3	\$184.8
Total Expenditures	\$1,197.4	\$1,241.6



Major Budget Pressures: City Council Funds

➤ Growth in personnel costs

Salary and Wages. The 2004 adopted budget includes a decrease in total personnel expenditures from \$372.9 million to \$362.5 million, a 2.8 percent decrease from 2003. For City positions, not including the Park and Library Boards, growth in salary and wages are budgeted at 2 percent for bargaining units without settled labor contracts. In comparison, the 2003 adopted budget included average salary and wage growth by position of closer to 4.5 percent when both step progression for positions and cost of living adjustments were included.

Benefits. Health and dental insurance expenditures are budgeted to increase by 3.9 percent from 2003 to 2004 budget, from \$31.1 million to \$32.3 million. This change reflects both changes in premium expense (estimated at 20% for health and 4% for dental) and changes in coverage, for example changes between family and single coverage. The overall increase was only 3.9 percent because of the impact of the loss of positions during 2003.

➤ Funding for Internal Services Funds workout plans

The 2004 budget includes an additional \$3.7 million in funding for internal city services: self insurance, equipment services, and information technology services (i.e., workers compensation, general liability, squad cars, fire trucks, and computers).

During the 1990's, due to other external demands, the revenue to support these internal services did not keep pace with the growth in expenditures. Significant negative cash balances resulted because of annual expenses exceeding revenues. At year-end 2002, the City's Internal Services Funds had combined negative net assets of \$38.1 million, as compared to a negative \$32.2 million in 2001, and a negative retained earnings of \$54.4 million in 2000. While the balance is still negative, the position of the funds is showing improvement. The adopted financial workout plans for the Internal Services Funds will result in positive net assets and cash balances for these funds over the next few years.

The financial performance of the internal services funds has been improving at the rate anticipated in the adopted workout plans. The 2004 adopted budget would meet the financial goals of the three adopted plans.

➤ Payment of outstanding bond obligations

The 2004 budget includes \$142.3 million in estimated principal and interest payments, as compared to \$135.7 million in 2003. The annual debt service payments fluctuate depending on the timing of principal and interest payments. This fluctuation can sometimes cause significant swings in budget totals from year to year.

➤ **Funding for physical infrastructure**

Transportation Infrastructure

In January 2003, the Mayor and Council adopted a five-year plan for the property tax supported funds. One of the many results of this plan is a reduction in the funding available for maintenance and construction of transportation related physical infrastructure, as managed by the Public Works Department. The City made the decision that forecasted resource levels would not support the previously adopted planned growth in spending, neither capital nor maintenance. This was based on the Mayor and Council's decisions on how the limited growth in resources would be allocated. Police and Fire were the top priorities for funding.

Resources available for infrastructure investment, especially as it relates to transportation were reduced further as a result of recent cuts to state aid. The City is working aggressively to identify alternative revenue strategies, other than the property tax, to fund transportation capital and maintenance needs.

Park Board Infrastructure

The budget includes the planned growth in the Park Board property tax levy to fund capital projects, as previously approved by Mayor and Council policy. However, the total property tax supported resources for the five year capital plan for the Park Board were reduced by \$480,000 from \$13.9 million to \$13.4 million due to a reduction in property tax resources dedicated to capital improvements.

The Mayor and the Council supported a funding plan for the Park Board that closes 27 percent of their previously identified \$5.5 million annual funding gap for park infrastructure by 2009. To achieve this goal \$215,000 of additional property tax levy will be added annually to the Park Board levy, for a total of \$1.5 million in additional annual funding by 2009.

Utilities (Sewer and Water)

The budget includes funding for additional water and sewer related infrastructure expenditures “gap closure” at a slightly slower rate for sewer. This investment continues the City’s commitment to closing the infrastructure “gap” for water and sewer services. The water and sewer 5-year utility rate schedule recommended reflects this planned investment.

➤ **Funding for increasing pension liabilities**

Increased costs associated with two of the City’s pension funds, Minneapolis Employee’s Retirement Fund (MERF) and Minneapolis Police Relief Association (MPRA), continues to have a significant impact on the budget.

Minneapolis Employee’s Retirement Fund (MERF): While the City and MERF members have been making the annual amount of contributions mandated by the

State, MERF members have been retiring at a faster pace and at higher costs than originally forecasted by MERF actuaries.⁸ The City began issuing general obligation (pension) bonds in December of 2002 to cover the estimated cost of retirements and continued to do so in 2003; additional bonds will have to be issued to cover these costs in 2004 and in the future.

Minneapolis Police Relief Association: The increase in the City's contribution for the MPRA is directly related to an increase in the Association's unfunded liability. In the past year, the fund's unfunded liability has more than doubled, due primarily to the negative performance of the equity markets. This has increased the fund's unfunded liability from \$56 million in 2000 to \$115.5 million in 2001⁹, an increase of \$59.5 million. Beginning with the 2003 budget, the City has and will continue to fund the incremental increase in the City's contribution to MPRA through bond proceeds in order to meet the Mayor and City Council's adopted tax policy.

The 2004 budget will include the funds necessary to make the debt service payments associated with these bonds.

➤ **Funding for debt obligations for voter approved central library and community library improvements**

The first of several years of major increases in property tax levy to fund the new central library and community libraries, as approved by the voters, began in 2003. For 2004, the property tax levy amount will be approximately \$3.4 million and will increase annually by \$3.0 million for years 2005 through 2007 until the base annual property tax levy for payment on the referendum bonds reaches \$12.5 million.

Property Tax and Fee Changes

➤ **Property Tax Revenue**

The estimated property tax rate is estimated at 67.445 percent, a tax rate increase of 1.1 percent from 2003 adopted. This tax rate will provide an additional \$10.3 million in property tax revenue, which is a 6.2 percent increase over 2003. Total property tax revenue will increase from \$165.7 million to \$176.0 million. The City's net tax capacity (after reductions for tax increment and fiscal disparities) is projected to increase by 6.6 percent for taxes payable 2004, from \$215.8 million to \$229.2 million.

In addition to the \$10.3 million in property tax revenue increase that is spread over the City's tax capacity, the City will also need to increase property tax revenue by another \$3.0 million due to the voter approved library referendum bonds that have been issued for a new central library and improvements to the City's community libraries.

⁸ The actuarial assumptions used by MERF are specified by state statute. These actuarial assumptions used have not materialized and as a result have not reflected the actual number and cost of retirements.

⁹ The City's municipal contribution is based on the most recent completed actuarial valuation. The City's 2003 contribution is based upon the 2001 actuarial valuation.

In total, property tax revenue for the City and its independent boards will increase by 8 percent from 2003 to 2004 or by \$13.3 million, based on the adopted budget. This is consistent with the City Council's adopted property tax policy.

➤ **Sewer and Water utility fees**

To fund investments for the City's sewer, flood mitigation, storm water management, and water treatment and distribution systems, the 2004 budget includes an increase in utility rates of \$0.17 for water and \$0.14 for storm water/sewer/flood mitigation (SWSFM). This represents a 7.7 percent increase for water and a 4.3 percent increase for SWSFM.

➤ **Solid Waste and Recycling Fee**

The Council adopted no increase for solid waste and recycling fees for 2004. The five-year rate schedule for solid waste and recycling fees did include a planned 75-*cent* increase in the per dwelling unit monthly rate, but that increase is not necessary due to stronger than anticipated financial performance of this fund. Strong management control has resulted in several years of positive net income above the planned level.

➤ **Other fee changes**

The licenses and inspections fees will be adjusted by an inflationary factor, as already approved by the Council in some cases. In addition, the Council has adopted minimal increases to other licenses and inspection fees to begin to close the "gap" on cost of service delivery and fee collected to pay for the service. This avoids the property tax payers from having to subsidize a fee based service.

Property Market Values and Tax Base Highlights

Following is a chart with estimated market values and corresponding tax capacity by property classification.

For Taxes Payable in 2004

Property Classification	2004 Estimated Market Value	% Total	% Change	Tax Capacity	% Total	% Change
Commercial	\$4,669,761,300	16.6%	(4.6%)	\$91,199,813	30.1%	(4.8%)
Industrial	\$1,302,065,200	4.6%	(0.9%)	\$25,304,040	8.3%	(1.0%)
Residential	\$19,172,856,300	68%	15.1%	\$149,075,038	49.2%	14.8%
Apartment	\$3,005,653,500	10.7%	14.1%	\$37,430,816	12.3%	1.2%
Other	\$18,657,100	0.1%	8.4%	\$276,573	0.1%	22.4%
Sub-Total Real Estate	\$28,168,993,400	100.0%	10.4%	\$303,286,280	100.0%	5.2%
Personal Property	\$354,891,475			\$310,267,571		2.3 %
Total	\$28,523,884,900			\$310,267,571		5.1%
Gross Tax Capacity				\$310,267,571		
-Less Tax Increment				(\$47,011,477)		1.7%
-Less Fiscal Disparities Contribution				(\$34,107,481)		0.3%
=Tax Capacity Used for Local Value				\$229,148,613		6.6%
+ Plus Fiscal Disparities Distribution				\$37,893,509		6.2%
Net Tax Capacity				\$267,042,122		6.5%

For purposes of calculating the property tax rate, the Fiscal Disparities Distribution is not included. Instead, the revenue distributed to the City from Fiscal Disparities is spread across the adjusted net tax base. The net tax base used to calculate the City's tax rate for the adopted budget is \$229.1 million, a 6.6 percent increase from 2003.

Property Values and Tax Trends

The 2001 tax bill enacted by the state legislature, made comprehensive changes to the property tax laws. Under Minnesota's state property tax system, if the State reduces the level of property tax for one property type through changes in the classification system, the taxes shift to other property types. The same principle applies if market values change for one property type but not another.

Different property uses pay tax at a different rate as a result of the State's property tax classification system. The taxes are a function of the market value taken times the statutory class rate times the tax rate. The 2001 legislature made changes to the property tax classification rates that reduced the rates for commercial/industrial property, apartments and high valued homes.

In 2001, the State Legislature enacted a statewide property tax on commercial, industrial and seasonal-residential recreational properties. The State of Minnesota now receives 26 percent of the property taxes paid on those property types. Until recent property tax reform, property taxes were collected and distributed exclusively at the local level.

Minneapolis has historically had a strong commercial and industrial tax base. For taxes payable in 1996, Minneapolis commercial and industrial property paid 54.7% of the total taxes for the city with the central business district alone paying almost 40%. After property tax reform, for taxes payable in 2004 this declined to 38.1% of the city total with the central business district paying approximately 28%. The commercial/industrial share of the City's taxes is projected to continue to decrease to 34.1% in payable 2010. Corresponding percentages for residential property (defined as 1-3 dwelling units) show that this class paid 33.6% of the city's taxes in 1986, increasing to 43.7% for payable 2003 and projected to be 56.3% in payable 2010. This represents almost a complete reversal in the share of the City's tax burden between the two property types.

The changes in distribution of tax base are a function of both market conditions and changing class rates. Residential property has increased in value at a higher rate than other property types in the past several years. The residential tax base grew 16.0 percent in 2000, 23.4 percent in 2001, 15.2 percent in 2002, and 14.2 percent in 2003. Similar increases in residential taxes have been avoided because of the *limited market value* law. The 2001 legislature phased out limited market value over a six-year period, with the final phase out in payable 2007. Minneapolis had a differential of over \$3 billion between total residential market value and limited market value in year 2001. As the limited market value is phased out, even if the real estate market remains flat, this action will cause a significant shift in tax burden to residential property. If the market continues to be stronger for residential than other property types it will continue to further compound the property tax shift.

Commercial real estate values are traditionally cyclical with periods of high vacancy resulting in lower rents and values while periods of low vacancy result in high rents and high values. The Minneapolis central business district is in a period of high vacancy and the market value (and hence the tax) on downtown office buildings has recently

declined. This reduction of tax paid by these properties at the city level is compounded by 26 percent of the tax being directed to the State of Minnesota rather than staying at the local level as a result of the 2001 Property Tax Reform. This state tax is used to increase the level of funding that the state provides to local school districts.

The market for Minneapolis commercial properties located in neighborhood commercial nodes or along the city's commercial corridors has been extremely strong over the past several years. However, their increased values cannot offset the enormous impact of a decline in value for over 25 million square feet of office space in the central business district.

**City of Minneapolis
FY 2004 Budget
Financial Overview**

Demands on the Property Tax Levy: Ten-Year Projection

Background

The financial pressure the City faces over the next several years is considerable. To respond to the pressure, elected leaders have stepped up work on comprehensive long-term financial planning. One of the major parts of this effort concentrates on the City Council and independent boards jointly reviewing all the demands on the property tax versus independently making property tax decisions. This joint decision-making occurs at the Board of Estimate and Taxation, which sets the maximum property tax levies for the City Council, and the Park and Library Boards. The decisions made by the Board of Estimate and Taxation are important because the property tax is a major revenue source for general city services, including parks and libraries. Other revenues for general city services are either set by another government entity, such as the state or federal government (i.e., Local Government Aid, Community Development Block Grant) or are restricted in how they can be spent (i.e., sales taxes).

During the first six-months of year 2002, the Mayor and City Council reviewed and discussed the long-term pressures on the property tax. The Mayor and Council discussions resulted in the adoption of a budget resolution to limit the growth in the levy. In January of 2003, the Mayor and City Council Adopted a Five-Year financial plan for the City's property tax funded services.

Budget Resolution to Limit Levy Increases Approved

The City Council passed a budget resolution on July 12, 2002 to limit the increase in property taxes. Because of previous city debt and legislative changes that shifted property tax burdens from commercial to residential property as well as other financial obligations, there will be considerable pressure on the property tax for the foreseeable future.

The resolution limits the City's levy increase to 8 percent annually through 2010. Approximately 4 percent of that will go to pay off debt obligations, both internal and external, and 4 percent for cost-of-living adjustments (inflation). The Board of Estimate and Taxation approved a similar policy statement limiting the levy increase to 8 percent on July 24, 2002.

Projected Future Pressures on the Property Tax Levy

The future projected demands on the property tax include the anticipated reductions or targeted strategies that the Mayor and Council will need to implement (based on

projections) to manage the City's General Fund budget within the adopted tax policy. The policy requires the Park and Library Boards to implement budget plans that will allow for them to stay within a maximum 4 percent annual growth in property tax levy.

For the past few years, the City has made policy choices to fund park and library expenditures at a greater level in order to improve these services. Since 1994, property taxes and state aids have grown by 60% for the park board, and by 42% for the library board. (This does not count the voter approved Library referendum, which will start to show up on property tax payments in 2003.) The growth in the same set of resources - property tax and state aids - for general city services has been about 35%. What this means is that the City, like the Park and Library Boards, has had and will continue to find efficiencies and reductions in its budget in order to meet the normal costs of doing business (inflationary increases on wages, health insurance, and utilities). However, finding major cost reductions from efficiency gains in the major services areas funded by the property tax - police, fire and public works - is getting more and more difficult and as a result future funding cuts to these areas will have an impact on service delivery.

In order to continue to fund all that the City does and pay off its debts (both internal and external), it is estimated that the property tax revenues collected by the City would have to triple by 2010. (This increase does not include revenue to do new things - these amounts reflect current commitments for current programs only). This level of increase is not an option. The City's policy-makers are working to make important decisions to balance the priorities of infrastructure investments, parks and recreation, public safety and library services.

**Council Adopted 2004 Budget
Property Tax Levy Recommendation**

	2003 Adopted Levies	Based on Adopted Tax Policy			2004 Budget		
		2004 Plan	% Chg from 2003	\$ Chg from 2003	2004 Recommended	% Chg from 2003	\$ Chg from 2003
Total by Major Funds:							
General Levies	126,432,388	139,168,239	10.1%	12,735,851	147,002,001	16.3%	20,569,613
Special Levies	39,676,746	40,229,626	1.4%	552,880	32,395,864	-18.4%	(7,280,882)
Grand Total	166,109,134	179,397,865	8.0%	13,288,731	179,397,865	8.0%	13,288,731
Total by Entity:							
City*	117,980,027	126,023,612	6.8%	8,043,585	126,023,612	6.8%	8,043,585
Park Board**	33,074,759	34,827,749	5.3%	1,752,990	34,827,749	5.3%	1,752,990
Library Board	11,360,485	11,814,904	4.0%	454,419	11,814,904	4.0%	454,419
Library Board Referendum	403,863	3,400,000	741.9%	2,996,137	3,400,000	741.9%	2,996,137
Public Housing Authority	1,040,000	1,081,600	4.0%	41,600	1,081,600	4.0%	41,600
Teachers Retirement	2,250,000	2,250,000	0.0%	-	2,250,000	0.0%	-
Grand Total	166,109,134	179,397,865	8.0%	13,288,731	179,397,865	8.0%	13,288,731

Notes:

* Includes the Municipal Building Commission and the Board of Estimate and Taxation.

** Park Board increase from 2003 to 2004 includes the additional capital infrastructure funding as approved in the adopted tax policy, which is why the percent is greater than 4%.

Summary of Estimated Maximum Property Tax Levy Under State Law:

\$126,432,388 2003 property tax levies (not including special levies)
\$21,034,037 Add 60% of Local Government Aid reduction of \$35 million for Minneapolis
\$147,466,425 Estimated maximum allowable general levies under State law (does not include special levies)

**2004 Adopted Budget
Tax Rates and Levies**

NET TAX CAPACITY BASED (NTC) LEVIES

	2002			2003			2004		
	Tax Rate (%)	Total Levy \$\$	Tax	Tax Rate (%)	Total Levy \$\$	Tax	Tax Rate (%)	Total Levy \$\$	Tax
City Levies									
General ¹	23.437	\$ 58,285,520		27.580	\$ 68,658,521		32.489	\$ 86,926,879	
Police Personnel Expansion	0.000	-		0.000	-		0.000	-	
Estimate and Taxation	0.050	124,000		0.059	145,553		0.057	151,375	
Building Commission	1.317	3,272,966		1.408	3,502,966		1.327	3,549,377	
Permanent Improvement	1.025	2,547,240		1.100	2,737,240		0.818	2,187,240	
Bond Redemption	11.484	28,560,040		12.851	31,982,883		9.813	26,255,877	
Firefighter's Relief Association	0.000	-		0.000	-		0.000	-	
Police Relief Association	1.192	2,962,300		1.191	2,962,300		1.108	2,962,300	
Minneapolis Employees Retirement Fund	1.790	\$ 4,451,000		1.604	\$ 3,990,564		1.492	\$ 3,990,564	
Sub-Total City Levies	40.295	\$ 100,203,066		45.793	\$ 113,980,027		47.104	\$ 126,023,612	
Lake Pollution Control	0.161	\$ 399,000		0.151	\$ 375,725		0.000	\$ -	
Park and Recreation	11.795	29,333,759		11.229	27,945,293		10.819	28,945,342	
Tree Preservation and Ref.	1.038	2,580,000		0.973	2,420,977		2.199	5,882,407	
Shade Tree Disease Control	0.999	\$ 2,484,000		0.938	\$ 2,332,764		0.000	\$ -	
Sub-Total Park Board Levies	13.993	\$ 34,796,759		13.291	\$ 33,074,759		13.018	\$ 34,827,749	
Library Board ²	4.766	\$ 11,852,485		4.565	\$ 11,360,485		4.416	\$ 11,814,904	
Sub-Total City Levies	59.054	\$ 146,852,310		63.649	\$ 158,415,271		64.538	\$ 172,666,265	
City-Related Special Levies									
Chapter 595/HRA Levy	1.938	\$ 4,000,000		1.608	\$ 4,000,000		0.000	\$ -	
Public Housing	0.395	1,000,000		0.417	1,040,000		0.403	1,081,600	
Teachers' Retirement	0.841	2,100,000		0.904	2,250,000		0.832	2,250,000	
Watershed Districts ³	2.710	\$ 2,777,432		2.017	\$ 2,535,422		**3	\$ 4,729,332	
Sub-Total City-Related Specials Levies	5.884	\$ 9,877,432		4.946	\$ 9,825,422		1.235	\$ 8,060,932	
Other Special Levies									
Hennepin County	44.748	113,177,467		45.068	113,078,056		41.943	113,426,208	
Minneapolis Public Schools	32.961	79,247,352		33.437	84,395,623		32.389	86,609,984	
Other Special Taxing Districts ⁴	4.768	\$ 10,826,407		5.095	\$ 12,012,539		4.889	\$ 12,367,817	
Sub-Total Other Specials Levies	82.477	\$ 203,251,226		83.600	\$ 209,486,218		79.221	\$ 212,404,009	
TOTAL NTC BASED LEVIES	147.415	\$ 359,980,968		152.195	\$ 377,726,910		144.994	\$ 393,131,206	

REFERENDUM MARKET VALUE BASED (RMV) LEVIES

	2002			2003			2004		
	Tax Rate (%)	Total Levy \$\$	Tax	Tax Rate (%)	Total Levy \$\$	Tax	Tax Rate (%)	Total Levy \$\$	Tax
Minneapolis Public Library Referendum	-	-		0.00205	\$ 403,863		0.01420	\$ 3,400,000	
Minneapolis Public Schools Referendum	0.07906	\$ 18,389,919		0.07675	19,647,416		0.09833	27,318,163	
Solid Waste Fee ⁵	0.01906	3,838,951		0.01896	4,176,099		0.01786	4,277,668	
	0.09812	\$ 22,228,870		0.09776	\$ 24,227,378		0.13039	\$ 34,995,831	
TOTAL RMV BASED LEVIES	0.09812	\$ 22,228,870		0.09776	\$ 24,227,378		0.13039	\$ 34,995,831	
TOTAL ALL LEVIES		\$ 382,209,838			\$ 401,954,289			\$ 428,127,037	

Notes:

¹ This amount includes the Economic Development/Tax Abatement Levy.

² This does not include the Library Board referendum levy. That amount is listed under "Referendum Market Value Based Levies."

³ The watershed Levy \$\$ are for watersheds 3 & 6 & 7, these watersheds slightly adjust the levy rates for the School & County applicable to these areas also

⁴ Other special taxing jurisdictions include: Metro Mosquito Control, Metropolitan Council, Metro Transit, Park Museum, & Hennepin County Regional Railroad Authority.

Water Shed #	# 3	# 6	# 7
School Rate	32.437	32.373	32.389
County Rate	41.987	41.932	41.943
Water Shed rate	<u>0.768</u>	<u>2.789</u>	<u>1.038</u>
Total NTC Based rate	145.845	147.756	146.032

⁵ The Solid Waste Fee amounts are the portions associated with Minneapolis only.

⁶ The Tax Levy \$\$ are Certified Levy Amounts.

Summary of Residential Property Taxes and Utility Fees

Residential Property \$171,000 Valued Home				
	2003	2004	% Chg	\$ Chg
Assessed Market Value	\$155,500	\$171,000	10.0%	\$15,500
Taxable Value	\$118,800	\$133,056	12.0%	\$14,256
City Property Taxes				
Property Taxes	\$675	\$785	16.3%	\$110
Referendum Tax	\$2	\$19	850.0%	\$17
<i>Total City Property Taxes</i>	\$677	\$804	18.8%	\$127
Water	\$212	\$228	7.5%	\$16
Sewer	\$237	\$247	4.2%	\$10
Solid Waste/Recycling	\$231	\$231	0.0%	\$0
<i>Total Utilities</i>	\$680	\$706	3.8%	\$26
Total Property Taxes and Utilities	\$1,357	\$1,510	11.3%	\$153
Note: Property tax figures are net of a pro-rated market value credit, which is an adjustment from how the City applied the market value credit from last year. This change in the application of the market value credit is resulting in the city property tax amount being greater than what was shown in prior years, but it does not impact the (percent) comparison from year to year.				

Residential Property \$275,000 Valued Home				
	2003	2004	% Chg	\$ Chg
Assessed Market Value	\$250,000	\$275,000	10.0%	\$25,000
Taxable Value	\$215,100	\$240,912	12.0%	\$25,812
City Property Taxes				
Property Taxes	\$1,356	\$1,555	14.7%	\$199
Referendum Tax	\$4	\$34	750.0%	\$30
<i>Total City Property Taxes</i>	\$1,360	\$1,589	16.8%	\$229
Water	\$212	\$228	7.5%	\$16
Sewer	\$237	\$247	4.2%	\$10
Solid Waste/Recycling	\$231	\$231	0.0%	\$0
<i>Total Utilities</i>	\$680	\$706	3.8%	\$26
Total Property Taxes and Utilities	\$2,040	\$2,295	12.5%	\$255
Note: Property tax figures are net of a pro-rated market value credit, which is an adjustment from how the City applied the market value credit from last year. This change in the application of the market value credit is resulting in the city property tax amount being greater than what was shown in prior years, but it does not impact the (percent) comparison from year to year.				

Residential Property \$561,000 Valued Home				
	2003	2004	% Chg	\$ Chg
Assessed Market Value	\$510,000	\$561,000	10.0%	\$51,000
Taxable Value	\$451,900	\$506,128	12.0%	\$54,228
City Property Taxes				
Property Taxes	\$3,016	\$3,424	13.5%	\$408
Referendum Tax	\$8	\$71	787.5%	\$63
<i>Total City Property Taxes</i>	\$3,024	\$3,495	15.6%	\$471
Water	\$212	\$228	7.5%	\$16
Sewer	\$237	\$247	4.2%	\$10
Solid Waste/Recycling	\$231	\$231	0.0%	\$0
<i>Total Utilities</i>	\$680	\$706	3.8%	\$26
Total Property Taxes and Utilities	\$3,704	\$4,201	13.4%	\$497
Note: Property tax figures are net of a pro-rated market value credit, which is an adjustment from how the City applied the market value credit from last year. This change in the application of the market value credit is resulting in the city property tax amount being greater than what was shown in prior years, but it does not impact the (percent) comparison from year to year.				

**City of Minneapolis
FY 2004 Budget
Financial Management Policies**

The City of Minneapolis' Financial Management Policies provide a framework for the fiscal management of the City. These policies cover the following areas:

- ◆ Budgeting Policies
- ◆ Revenue Policies
- ◆ Reserve Policies
- ◆ Debt Policies
- ◆ Capital Budget Policies
- ◆ Accounting Policies
- ◆ Investment Policies
- ◆ Development Finance Policies
- ◆ Public Participation Policies

BUDGETING POLICIES

The objective of the operating budget policies is to provide adequate levels of essential City services at reasonable costs.

Balanced Budget. The operating budget for the City shall be balanced. For each fund, ongoing costs are not to exceed ongoing revenues plus available fund balances used in accordance with reserve policies.

Self-supporting Enterprises. All enterprise activities of the City shall be self-supporting to the greatest extent possible, including those activities contained within the Internal Service Funds.

Service Levels. Performance measurement and productivity indicators for services shall be integrated into the annual budgeting process. Changes in service levels shall be governed by the following:

Budget Process. The annual budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new programs made outside the annual budget process shall be discouraged. New initiatives should be financed by reallocating existing City resources to the services with the highest priorities.

Personnel Expenses. Additional personnel should only be requested after service needs have been thoroughly documented or after it is substantiated that the new employees will result in increased revenue or enhanced operating efficiencies.

Grant Funded Programs. Programs financed with grant monies shall be budgeted in special revenue funds, and the service program shall be adjusted to reflect the level of available grant funding. In the event of reduced grant funding, City funding sources shall be substituted only after all competing program priorities are considered during the annual budget process.

Basis of Budgeting. The budgets of all governmental and agency funds are created using the modified accrual basis. Their revenues are budgeted if they are measurable and available as net current assets. Major revenues that are determined to be susceptible to accrual include property taxes, special assessments, grants-in-aid, intergovernmental revenues, rentals, franchise fees, and intra-City charges. Interest on investments, short-term notes and loans receivable are accrued; interest on special assessments receivable is not accrued or budgeted. Major revenues that are determined not to be susceptible to accrual because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include delinquent property taxes and assessments, licenses, permits, fines and forfeitures. Delinquent property taxes are not budgeted, while the other categories are budgeted.

In the governmental and agency funds, expenditures are generally budgeted when the related fund liability is incurred, except for principal and interest on general long-term debt which is recognized when due. Compensated absences, which include accumulated unpaid vacation, compensatory time and severance pay, are not payable from expendable available financial resources, except for available resources in the Self-Insurance Internal Service Fund for vested severance pay. Compensated absences are considered expenditures when paid to employees. Salary expenditures are budgeted based on full time equivalents (FTE's), regardless of the type of pay.

Proprietary funds use the accrual basis. Revenues are budgeted as they are anticipated to be earned. Unbilled utility service receivables are recorded at year-end. Utility Service revenue estimates are based on the number of users, without a factor for delinquencies. Compensated absences are considered expenses when they are incurred.

Budgetary Controls. The legal level of budgetary control is at the department level within a fund. The City Coordinator's Office and the Public Works Department are considered to be legal levels of budgetary control within a fund even though budgetary data is presented at the level of the Departments within the Coordinator's Office and the Divisions within the Public Works Department. Budgetary amendments at the department/fund level must be approved by the City Council. Appropriations lapse at year-end.

Purchase orders, contracts, and other commitments are recorded as encumbrances, which reserve appropriation authority. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not represent generally accepted accounting principles (GAAP) expenditures.

REVENUE POLICIES

The objective of the revenue policies is to ensure that funding is derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens.

Revenue Structure and Sources. The City will maintain a stable and diverse revenue system to shelter programs and services from short-term fluctuations in any single revenue source. Services having a city-wide benefit shall be financed with revenue sources generated from a broad base, such as property taxes and state aids. Services where the customer determines the use shall be financed with user fees, charges and assessments related to the level of service provided.

Tax Base Capacity. The City will seek to ensure that local general tax resources are not increased faster than the tax base capacity of the community. In July 2002, the Mayor and City Council approved a resolution that set the maximum increase in the total property tax levy collected by the City, including independent boards and special levies, at no more than 8-percent from the previous years' amount from year 2003 forward. This resolution serves as a guideline for preparing tax revenue forecasts.

User Fees. The City shall implement user charges in lieu of general revenue sources for identified services where the costs are related to the level of service.

Cost of Service. The City shall establish user charges and fees at a level that reflects the service costs. Components of the user charges shall include operating and capital costs, as well as the direct and indirect costs of providing the service. Full cost charges shall be imposed unless it is determined that policy, legal or market factors require lower fees.

Policy and Market Considerations. The City shall consider policy objectives, market rates and charges levied by other public and private organizations for similar services when City fees and charges are established.

Non-Resident Charges. User fees and other appropriate charges shall be levied for City activities, services or facilities in which non-residents participate, whenever practical. Non-resident fees shall be set at market levels to minimize the tax burden on City residents.

Enterprise Service Fees. User charges for Enterprise Services, such as water, sewer and solid waste collection, shall be set at rates sufficient to finance all direct and indirect operating, capital, and debt service costs. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates will be set such that these enterprise funds are never in a cash deficit during the year. The City shall maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense.

Code Enforcement and License Fees. These activities shall be funded through user charges that reflect the cost of the services provided, including direct and indirect expenses, to the extent legally allowable.

Internal Service Fees. When interdepartmental charges are used to finance internal service functions, the charges shall reflect full costs, including all direct and indirect expenses.

Administrative Fees. Administrative fees shall be assessed on all non-General Fund supported capital projects. These fees allocate the proportionate share of general government services to those projects so that the General Fund is not required to subsidize infrastructure or economic development projects.

Parking Fees. Hourly, daily, and monthly contract rates for City-owned parking facilities shall be adjusted at least annually to reflect market prices of privately owned parking facilities. Fee adjustments shall also consider downtown objectives, such as development incentives, space availability, business promotion, traffic control, and mass transit patronage.

Fines. Levels of fines shall be set according to legal guidelines, deterrent effect, administrative costs and revenue potential.

Convention Center. The Convention Center will develop a profit and loss statement for each event. The Center shall be managed so that operating costs are financed through user charges to the greatest extent possible within the overall mission of the Convention Center.

Dedicated Revenues. Except where required by law or generally accepted accounting principles (GAAP), no revenues shall be dedicated for specific purposes. All non-restricted revenues shall be deposited in the General Fund and appropriated by the annual budget process.

Private Revenues. All private money donated, contributed or lent to the City shall be subject to grant solicitation and acceptance procedures and shall be deposited in the appropriate City fund and accounted for as public money through the City's budget process and accounting system.

RESERVE POLICIES

The objective of the reserve policies is to provide adequate working capital for cash flow and contingency purposes, while maintaining reasonable tax rates.

Cash Flow and Contingency. The City shall maintain a minimum unallocated fund balance of 10 percent of the General Fund budget to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service delivery costs. To the extent that unusual contingencies exist as a result of state or federal aid uncertainties, or other highly variable factors, a balance larger than this minimum amount shall be maintained.

Appropriate operating contingency reserves shall be maintained in enterprise funds to provide for business interruption costs and other unanticipated expenditures of a non-recurring nature. Appropriate capital fund reserves shall also be maintained for emergency improvements relating to new regulations, or emergency needs for capital repair or replacement.

For all other funds, appropriate balances shall be maintained reflecting the nature of the accounts, such as:

Special Assessment Funds. The appropriate balance shall be the amount needed for revolving fund cash flow purposes.

Enterprise Funds. The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions. For most funds, the City will maintain a three-month operating cash balance. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained so current consumers are not required to pay for future facilities.

Use of Fund Balances. Available fund balances shall not be used for on-going operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions.

DEBT POLICIES

The objective of the debt management policies is to maintain the City's ability to incur present and future debt at minimal interest rates for infrastructure and economic development, without endangering essential City services. In addition to these general policies, specific guidelines have been adopted by the City Council and Board of Estimate and Taxation to manage Minneapolis debt practices.

General Obligation Bonds, Property Tax Supported. The City utilizes general obligation, property tax supported bonding to finance only those capital improvements and long term assets that have been determined to be essential to the maintenance or development of the City.

Tax Increment Bonds. The City utilizes tax increment bonds only where projects can be shown to be self-liquidating from tax increments arising in sufficient amounts or where secured guarantees are provided for potential shortfalls, and with appropriate timing to avoid the use of city-wide property tax revenues and where maximum allowable guarantees are obtained. (The City maintains a Tax Increment Financing (TIF) Policy, separate from these Financial Management Policies.)

Special Obligation Revenue Bonds. Special obligation revenue bonds, those bonds for which the City incurs no financial or moral obligation, are issued only if the associated development projects can be shown to be financially feasible and contributing substantially to the welfare and/or economic development of the City and its inhabitants.

Variable Rate Debt. The City may elect to issue bonds as variable rate instruments to provide flexibility and/or attempt to achieve interest savings.

Debt Management. City Financial Management Policies shall be designed to maintain a balanced relationship between debt service requirements and current operating costs, encourage growth of the tax base, actively seek alternative funding sources, minimize interest costs and maximize investment returns. The City limits the issuance of new bonded debt so as to maintain or make improvements in key financial trend lines over time.

Bond Term. The City shall issue bonds with terms no longer than the economic useful life of the project. For self-supporting bonds, maturities and associated debt service shall not exceed projected revenue streams.

Feasibility. The City shall obtain secured guarantees for self-supporting and tax increment supported bonds to the extent possible. The City shall also obtain assurances of project viability and guarantees of completion prior to the issuance of bonds.

CAPITAL BUDGET POLICIES

The objective of the capital budget policies is to ensure maintenance of the Minneapolis public infrastructure in the most cost-efficient manner.

Capital Improvement Program. The City prepares and adopts a five-year Capital Improvement Program (CIP) that details each capital project, the estimated cost and funding source. An adopted priority system is used to rank and recommend projects.

Operating Budget Impacts. Operating expenditures must include the cost of implementing the CIP and reflect estimates of all personnel expenses and operating costs attributable to the capital outlays.

Repair and Replacement. The City strives to maintain its physical assets at a level that protects the City's capital investments and minimizes future maintenance and replacement costs. Where possible, the capital budget shall provide for the adequate maintenance, repair and replacement of the capital plant and equipment from current revenues.

ACCOUNTING POLICIES

The objective of the accounting policies is to ensure that all financial transactions of the City of Minneapolis and its boards, commissions, and agencies conform to the City Charter, Minnesota statutes, grant requirements, and the principles of sound financial management.

Accounting Standards. The City shall establish and maintain accounting systems according to the generally accepted accounting principles (GAAP) of the Government Finance Officers Association (GFOA) and the Governmental Accounting Standards Board (GASB). The central system shall be used for financial transactions of all City departments, boards, and independent agencies.

Disclosure and Monitoring. Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a four-week period basis, with a thorough analysis and adjustment, if required, at mid-year.

INVESTMENT POLICIES

The objective of the investment policies is to ensure that revenues received by the City of Minneapolis are promptly recorded and deposited in designated depositories. If not immediately required for the payment of obligations, revenues shall be placed in authorized investments. Funds shall be deposited only in the types of investment instruments authorized by the City's Financial Management Policies, Minnesota statutes, or City Council resolutions. Investments by the City shall conform to the following investment principles:

Safety. Safety of principal is the City's foremost objective. Each investment transaction shall seek to first ensure that capital losses are avoided, whether from securities defaults or from erosion of market value.

Liquidity. The City's investments shall be structured to provide liquidity to meet its obligations in a timely manner without loss of principal.

Yield. The investment portfolio shall be designed to attain a market-average rate of return through budgetary and economic cycles, taking into account the City's investment risk constraints, cash flow characteristics, and safety of principal.

Diversification. The City of Minneapolis shall diversify its investments to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Maintaining the Public Trust. The investment program shall be designed and managed with professionalism worthy of the public trust. The best investment vehicles for the City's objectives shall be sought through competitive processes. Investment officials shall avoid any transaction that might impair public confidence in the City of Minneapolis government.

Prudence. The "prudent person" standard shall be applied in managing the investment portfolio. Investment officers, acting in accordance with fiduciary standards and written procedures, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported timely and appropriate action is taken to control adverse developments.

Internal Controls and Safekeeping. The City Finance Officer shall establish a written system of internal controls. To protect against potential fraud and embezzlement, assets of the City of Minneapolis shall be secured through third party custody and other safekeeping procedures. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded.

DEVELOPMENT FINANCE POLICIES

The objective of the Development Finance Policies is to provide public assistance of community development efforts in a manner that balances costs against benefits. In addition to the City's Financial Management Policies, detailed guidelines have been adopted by the City Council, Mayor, and Minneapolis Community Development Agency Board to manage specific development resources and programs.

To the greatest extent possible, all development activities shall be self-supporting. Sufficient public and private resources shall be identified at the time a project is approved to ensure feasible completion and operation of the project. All development financing proposals shall be reviewed to certify that the proposed financial plan is reasonable, balanced, and the best deal possible to achieve City objectives, while adequately protecting City-wide financial interests.

PUBLIC PARTICIPATION POLICIES

The objective of the public participation policies is to enhance the City's ability to meet financial and policy challenges by facilitating a well-informed community and by encouraging public input in the decision-making process.

Financial and Performance Measurement Reports. Information shall be provided on the City budget, financial statements and performance measurement.

Budget and Service Priorities. Various methods shall be used to ensure public input into the budgeting process, such as informational hearings, surveys, resident-based review committees and community meetings.

**City of Minneapolis
FY 2004 Budget
Financial Policies**

Fund Descriptions

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures/expenses. Provided below is a listing of all City Funds.

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Enterprise Funds - The Enterprise Funds are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. The City operates six enterprise funds, including the City's Community Development Agency (MCDA):

- ***Water Works Fund***
This fund is used to account for the operation, maintenance, and construction projects related to the water delivery system. This fund also accounts for the operations related to the billings for water, sewage, and solid waste fees.
- ***Sewer Rental Fund***
This fund is used to account for sewage fees collected from customers connected to the City's sewer system and for all expenses of operating this system. This fund also accounts for storm water management activities.
- ***Solid Waste and Recycling Fund***
This fund is used to account for the revenues and expenses for solid waste collection, disposal and recycling activities.
- ***Municipal Parking Fund***
This fund is used to account for the operation, maintenance, and construction of the City's parking facilities as well as on-street parking and the Municipal Impound Lot.

➤ ***River Terminal***

This fund is used to account for the operations of the public terminal facility located on the Mississippi River.

Internal Service Funds - Internal Service Funds are similar to Enterprise Funds in that they are used to account for those City services which are financed and operated in a manner similar to private business enterprises, except for in the case of Internal Service Funds, the customer is typically other City departments instead of the public. The City operates six Internal Service Funds:

➤ ***Engineering Materials and Supplies***

This fund is used to account for the operations of the City's asphalt plant and paving products laboratory. The paving products laboratory provides in-lab and on-site testing and soil boring services to ensure quality control of asphalt and soils for projects.

➤ ***Intergovernmental Services***

This fund is used to account for information technology services, central mailing and printing services, and the City's telecommunication operations.

➤ ***Property Services***

This fund is used to account for the physical management and maintenance of fire stations, police precinct buildings, the Minneapolis Public Service Center, and various other City office locations, except for the City Hall/County Court House building, which is accounted for in the Municipal Building Commission Special Revenue Fund.

➤ ***Permanent Improvement Equipment***

This fund is used to account for the ownership and operation of radio communications equipment and a fleet of motorized equipment and vehicles. The fund operates as a rental agent to various departments to support the construction and maintenance of city infrastructure, fire protection services, and police services.

➤ ***Public Works Stores***

This fund is used to account for the centralized procurement, warehousing, and distribution of stocked inventory items, and the purchase of special goods and services.

➤ ***Self-Insurance***

This fund is used to account for employee medical, dental, and life insurance benefit programs and the programs' administrative costs. The fund also accounts for occupational health services, severance payments to employees who have retired or resigned and who meet

minimum eligibility requirements, a tort liability program, and a workers' compensation program.

Special Revenue Fund - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. The City has eleven Special Revenue Funds:

➤ ***Arena Reserve Fund***

This fund is a holding fund for various finance plan revenues to be used for future cost relating to the acquisition and capital maintenance of the downtown sports, entertainment and health complex.

➤ ***Board of Estimate and Taxation Fund***

This fund is used to account for the operations of the Board of Estimate and Taxation which issues and sell bonds, and establishes the maximum levies for the City, its boards and commissions.

➤ ***Community Development Block Grant***

This fund is used to account for the federal grants received under the Federal Community Development Block Grant provisions.

➤ ***Convention Center***

This fund is used to account for the ownership, maintenance, and operation of the Minneapolis Convention Center, and the proceeds of the local sales and use tax.

➤ ***Convention Facilities Reserve***

This fund is a holding fund for parking and sales tax revenues to be used for future capital maintenance needs of the existing Convention Center.

➤ ***Employee Retirement***

This fund is used to account for the tax levy proceeds and other sources of revenue for the Minneapolis Employee Retirement Fund (MERF), Minneapolis Firefighters' Relief Association (MFRA), and Minneapolis Police Relief Association (MPRA) retirement programs for some city employees.

➤ ***Grants - Federal***

This fund is used to account for all federal grants, except for the Community Development Block Grant (CDBG), which is accounted for in a separate fund.

➤ **Grants - Other**

This fund is used to account for grants received from the State of Minnesota, Hennepin County, local government units, and private funds.

➤ **Municipal Building Commission**

This fund is used to account for the cost of operating and maintaining the City Hall/County Court House building.

➤ **Police**

This fund is used to account for the revenues and expenditures related to federal and state administrative forfeitures and the revenues and expenditures related to the regulation of lawful gambling in the City.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types.

➤ **Community Development Agency Capital Fund**

This fund is used to account for the capital project activities of the Minneapolis Community Development Agency (MCDA), a component unit of the City of Minneapolis.

➤ **Municipal Building Commission (MBC) Capital Fund**

This fund is used to account for the capital project activities of the MBC, a component unit of the City of Minneapolis.

➤ **Permanent Improvement Capital Fund**

This fund is used to account for capital acquisition, construction, and improvement projects including bridge construction, sidewalk construction, street construction, completion of the Minneapolis Convention Center, energy conservation projects, infrastructure projects, and many Information Technology System (ITS) projects.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs. Included in the Debt Service Funds are:

➤ **Community Development Agency Debt Service Fund**

This fund is used to account for the debt service activities of the MCDA, a component unit of the City of Minneapolis, and includes the Arena Acquisition Project (Target Center) Series A and B bonds, Tax Increment Bonds of 1990, debt of the Orpheum Theatre Project, and Tax Increment Revenue Notes.

➤ ***Development Debt Service Fund***

This fund is used to account for the debt of projects supported by property tax increments, transfers of sales tax revenues from the Convention Center Special Revenue Fund for related debt, and a state grant relating to the completion of the Convention Center.

➤ ***General Debt Service Fund***

This fund is used to account for General Obligation Bonds supported by a property tax levy, Management Information System debt supported by the City's General Fund, Great River Road Bonds, Edison Hockey, Community Health, Xcel Power- Revenue and Section 108 HUD Revenue Notes.

➤ ***Special Assessment Debt Service Fund***

This fund is used to account for debt supported by special assessments with the exception of the Park Diseased Tree debt.

City of Minneapolis

Birds Eye View of the Relationship between Fund Types, Revenue Sources, Expenditures and Departments/Boards

	<i>Fund Type:</i>		
	<i>General Fund</i>	<i>Enterprise Funds Including: Water Sewer Solid Waste Parking</i>	<i>Internal Service Funds Including: Engineering Materials, Intergovernmental Services, Property Services, Equipment, Stores, Self-insurance</i>
Major Revenue Sources	Local Government Aid, Property Taxes, Franchise Fees, Licenses and Permits	Utility Charges, State Grants and Contributions, Rents	Charges for Services, Rents, Transfers from other funds
Expenditure classifications	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and debt service related to these business lines	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and debt service related to these business lines, liability and workers compensation claims
Major Departments	Police, Fire, Public Works, among others	Public Works	Public Works, Copy Center, City Attorney – Civil Division, Information Technology Services
	<i>Special Revenue Funds</i>	<i>Capital Projects Funds</i>	<i>Debt Service Funds</i>
Revenue Sources	Grants, Sales Taxes	Property Taxes, Proceeds from Long Term Liabilities, State Aid	Property Taxes, State Aid
Expenditure classifications	Personnel, Operating Costs, Contractual Services, Equipment	Capital project expenditures related to street construction and infrastructure projects	Payments of interest and principal on City's debt
Departments	Convention Center, Health and Family Support, Attorney, Fire, Police, Convention & Visitor's Association, Closed Pension Plans	Public Works	Not Applicable

City of Minneapolis
Birds Eye View of the Relationship between Fund Types, Revenue Sources,
Expenditures and Departments/Boards, continued

	Fund Type:		
	Park Board Funds <i>The Park Board has enterprise, internal service and special revenue funds. The Park Board's general fund is treated as a special revenue fund.</i>	Library Board Fund <i>The Library has a general fund which is treated as a special revenue fund.</i>	
Revenue Sources	Property Taxes, Local Government Aid, Charges for Sales (golf courses, etc.), Contributions, and Grants	Property Taxes, Local Government Aid, Charges for Services	
Expenditure classifications	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment	

The City has funds set up for other smaller boards:

- **Municipal Building Commission (funded mainly from Property Tax and State Aids)**
- **Board of Estimate and Taxation (funded from Property Tax and State Aids)**
- **Neighborhood Revitalization Program (funded from Property Tax Increment Financing)**
- **Youth Coordinating Board (a joint board funded from the City's general fund and grants)**

More detail on these boards can be found in the Background and Independent Board sections of this book.

INTRODUCED BY COUNCIL MEMBERS OSTROW, JOHNSON, AND LANE

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

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:

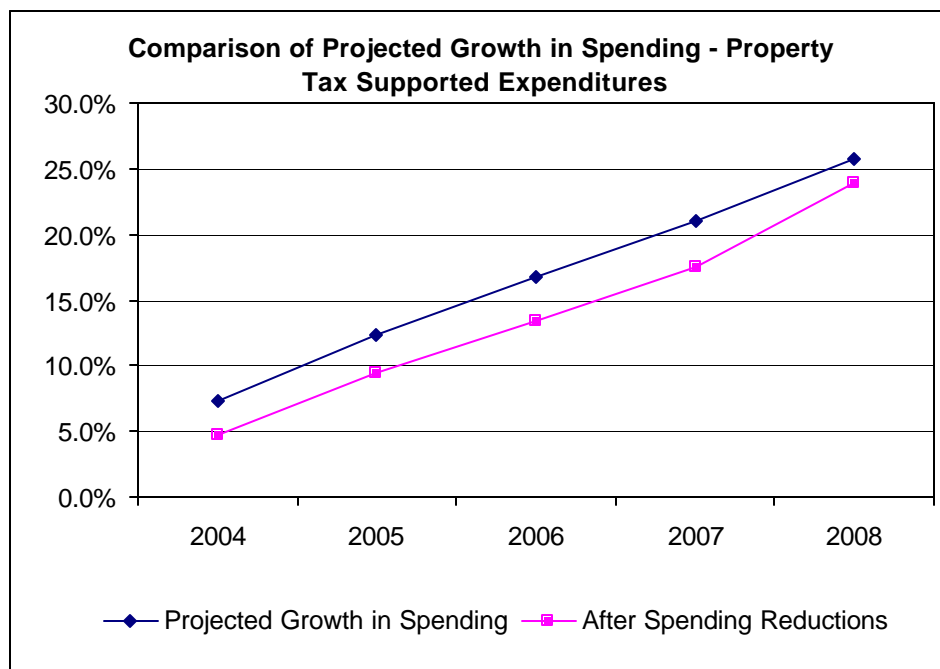
- The City departments will prepare business plans with a five-year planning horizon. In connection with the 2004 budget, all departments will have a plan completed by year-end 2003. Each of these plans will be presented to the Mayor and Council for review and approval by no later than the end of First 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 time-line 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 included as an integral attachment to this resolution.

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

- This resolution and attachments do not include resource direction for all City revenue sources. In addition to using the financial information included in the attachment to this resolution to inform department business planning, departments shall also use other previously and/or separately adopted rate schedules (i.e., utility fees) to plan for future resource levels. Where departments do not have specific Mayor and Council direction on resource levels, the departments shall work with the Finance Department to prepare future revenue estimates.
- The Finance Department, working with city departments, shall determine when additional Mayor and Council direction is needed regarding other revenue sources not covered by this resolution and attachments.
- The Finance Department has authority to amend department specific revenue estimates and corresponding future spending levels (as included in the attachment), after a more thorough and in-depth analysis of revenue estimates is completed. The Finance Department does not have authority to amend the allocation of general city revenues and property tax revenue as established by this resolution.
- The City Council supports the following key policy choices, which are reflected in the financial details included in the attached schedules to this resolution, but because of their significance are called out with specific language below:
 - The Council understands all financial plans will be based upon its adopted tax policy, which established an 8-percent maximum annual increase in property tax levy.
 - The Council is committed to not spending the principal from the proceeds received from the sale of the City's interest in the Hilton Hotel, which occurred in 2000, and all financial plans will be based on that assumption.
 - This resolution establishes the pool of resources for community development activities. This resolution does not establish how these resources will be allocated in the future to specific areas such as the Neighborhood Revitalization Program (NRP), including NRP administration, and other citywide community development activities.

**SUMMARY POINTS OF FINANCIAL SCHEDULES
PROJECTIONS FOR YEARS' 2004 TO 2008**

- **7-percent average annual projected growth in spending**, including wage/salary increases and other contractual obligations (inflationary pressures), projected rising health insurance premiums, internal service fund obligations, and infrastructure "gap" closure plans.
- **3-percent average annual reduction to this growth in spending** will be needed to balance the budget within the adopted tax policy. (The City has averaged 3.0-percent annual reductions to growth in spending over the past seven years.) The adjusted average annual growth to spending will be 4.2-percent, after spending reductions are implemented. This includes funding for debt, both internal and external obligations.



- **1-percent average annual growth in non-property tax revenues**, including direct department revenue, general city revenues (received in the General Fund), and Local Government Aid. Local Government Aid is assumed to remain at a constant (year 2002) level for projections purposes.
- **8-percent average annual growth in property tax revenue** for all City funds, including the independent boards. The average annual growth in property tax revenue for the City's General Fund, Permanent Improvement, Debt Service, Community Development, and Pension Funds is 8.2% over the five-year period. This is slightly greater than the overall growth in property tax revenue, because of the impact of the changes in property tax revenue for the Pension Funds.

ASSUMPTIONS INCLUDED IN FINANCIAL SCHEDULES

2003 Expense

The 2003 Expense figures are based on the Mayor's Recommended 2003 budget.

Projected Growth in Spending

Projected growth in spending reflects the assumptions that were included in the "Ten-Year Projected Demands on the Property Tax Report", prepared by the Finance Department in 1st Quarter 2002. The assumptions cover years' 2004 to 2008, unless a different time frame is noted below:

- 4% annual growth in base expenditures, not including health insurance
- 20% annual increase in health insurance premiums
- \$800,000 annual increase in Public Works maintenance funding per the adopted infrastructure "gap" closure plan, which is reflected in the Public Works line item on the financial schedule
- \$1,000,000 annual increase in Public Works capital funding per the adopted infrastructure "gap" closure plan, which is reflected in the Debt Service line item on the financial schedule
- \$1,200,000 annual increase for Information Technology workout plan, which is reflected in the Information Technology line item in the financial schedule
- \$500,000 annual increase for Self-Insurance Fund deficit reduction plan, which is reflected in the Other Internal Service Fund line item on the financial schedule
- \$2,000,000 annual increase (in years' 2004 and 2005 only) for Equipment Services workout plan, which is reflected in the Other Internal Service Fund line item in the financial schedule
- \$300,000 annual increase for contingency funding, which is reflected in the Contingency line item in the financial schedule
- \$1,300,000 to \$3,500,000 range of annual increases for Pension levy to meet future debt obligations

Reduction to Growth in Spending

The amount of reduction to growth in spending reflects the Council and Mayor's decision on how the spending reductions are to be allocated across City departments or major spending areas.

Direct Revenue

Direct revenue is revenue that is recorded directly to a department or agency versus at the fund level. This revenue category is adjusted annually by 1.5%, except for Licenses and Inspections direct revenue, which is adjusted by 3.0% annually (an assumed inflationary level).

General City Revenues (Non-Direct)

General City revenue is revenue that is recorded at the fund level in the General Fund versus at a department or agency level. This revenue category is adjusted by 1.5% annually for all revenues included in this category. Local Government Aid is considered general city revenue, but for the purposes of this financial report it has been broken-out separately. General City Revenues have been pro-rated to each department based on the following formula:

*[Department Net Cost] divided by [Total General Fund Net Cost]
[Net cost] was calculated by subtracting direct revenue from recommended expense.*

Local Government Aid

Local Government Aid (LGA) is assumed to remain constant at the 2002 level, or \$89.9 million. LGA was allocated based on the same formula used for allocating general city revenues.

Property Tax Revenue

Total property tax revenue is based upon the Council adopted and Mayor approved tax policy, which provides for a total maximum 8-percent annual increase in property tax levy for the City and Independent Boards. In addition to establishing a maximum percent increase in annual property tax levy, the policy also established how the growth in property tax levy would be allocated between the City and the Independent Boards.

Other items:

Levy Limits

Levy limits may present a future challenge with respect to changes in special property tax levies such as the Community Development Levy, which have historically been exempt from levy limits. When the 2003 State tax bill is acted upon, it will require the City to reevaluate how the property tax levy has been allocated between funds, as well as special levies. The Finance Department and the City Attorney's Office are in the process of evaluating potential options for responding to levy limits.

SUMMARY OF FIVE YEAR FINANCIAL DIRECTION DECISIONS BASED ON PROJECTED EXPENSE AND REVENUE GROWTH

For property tax supported areas of spending, including the General Fund, Permanent Improvement, Community Development, and Pensions

	2004	2005	2006	2007	2008	2004 - 2008 Total
EXPENSE SUMMARY:						
Prior Year Expense (property tax supported)	305,726,858	315,994,650	327,288,893	339,692,517	353,295,156	305,726,858
Growth in Spending:						
Increase for annual growth in salaries/wages and non-personnel costs	11,471,850	12,023,356	12,568,440	13,251,570	13,849,964	63,165,179
Increase for health insurance	2,831,560	3,284,610	3,800,000	4,410,000	5,110,000	19,436,170
Increase for Internal Services Funds as required in adopted workout plans	3,700,000	3,700,000	1,700,000	1,700,000	1,700,000	12,500,000
Increase for permanent improvement fund planning funds	200,000	210,000	420,000	440,000	460,000	1,730,000
Increase for public works infrastructure as required in adopted plan	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	9,000,000
Increase for pension obligations	2,200,000	2,700,000	3,200,000	3,500,000	1,300,000	12,900,000
Increase for contingency ("2-percent target")	300,000	300,000	300,000	300,000	300,000	1,500,000
Total Growth In Expense	22,503,410	24,017,965	23,788,440	25,401,570	24,519,964	120,231,349
Total before reductions to spending	328,230,268	340,012,615	351,077,334	365,094,087	377,815,120	425,958,207
Reductions in Spending Growth:						
Reduce planned funding growth for public works infrastructure	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(9,000,000)
Increase payoff period for new bonds issued for annual CIP	(2,684,857)	(2,924,859)	(2,979,393)	(1,107,805)	(322,181)	(10,019,095)
Eliminate community development levy	(2,000,000)	(2,000,000)	-	-	-	(4,000,000)
Eliminate permanent improvement levy for capital projects	(385,000)	(300,000)	(300,000)	(300,000)	(300,000)	(385,000)
Eliminate planned increase in contingency	(300,000)	(765,143)	(765,143)	(765,143)	(745,530)	(1,500,000)
Eliminate general fund resources for health/family support	(1,450,617)	(3,048,720)	(3,410,281)	(4,890,983)	(1,633,717)	(3,806,102)
Reduce police/fire spending	(835,000)	(835,000)	(935,000)	(1,035,000)	(835,000)	(14,434,318)
Reduce public works (admin, field services, transportation) spending	(2,015,000)	(1,050,000)	(1,195,000)	(1,900,000)	(985,000)	(4,475,000)
Reduce other departments spending	(12,235,617)	(12,723,722)	(11,384,817)	(11,798,931)	(6,621,428)	(7,145,000)
Total Reductions in Expense	315,994,650	327,288,893	339,692,517	353,295,156	371,193,692	(54,764,515)
Current Year Projected Expense (property tax supported)						
	305,726,858	315,994,650	327,288,893	339,692,517	353,295,156	371,193,692

REVENUE SUMMARY:

Prior Year Revenue	305,726,858	315,994,650	327,288,893	339,692,517	353,295,156	305,726,858
Increase in direct revenue	1,250,885	1,282,199	1,314,359	1,347,390	1,381,315	6,576,149
Increase in general city revenues	689,436	699,777	710,274	720,928	731,742	3,552,157
Increase (decrease) in Local Government Aid	0	0	0	0	0	-
Increase in property taxes (not including independent boards)	8,327,471	9,312,267	10,378,990	11,534,321	15,785,479	55,338,528
Total Increases to Revenue	10,267,792	11,294,243	12,403,623	13,602,639	17,898,536	65,466,834
Current Year Projected Revenue	315,994,650	327,288,893	339,692,517	353,295,156	371,193,692	371,193,692

Five Year Summary of Property Tax Supported Budgets: Proposed Five-Year Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Allocated Revenues for Presentation Purposes					These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.				
	2003 Expense	5-yr Projected Growth in Spending*	5-yr Reduction to Growth in Spending	2008 Recomm. Expense	Avg Annual % Incr over 5-yr period					
Mayor	893,592	289,307	-	1,182,899	6.5%	-	212,534	386,011	584,355	1,182,899
Elections	900,367	268,846	(100,000)	1,069,213	3.8%	73,794	178,849	324,831	491,739	1,069,213
City Council	1,123,145	362,923	-	1,486,068	6.5%	-	267,004	484,943	734,120	1,486,068
Planning	1,822,931	532,621	(425,000)	1,930,552	1.2%	21,546	356,470	647,433	905,103	1,930,552
Contingency	1,824,730	2,089,626	(1,500,000)	2,414,356	6.5%	-	487,693	885,765	1,040,897	2,414,356
City Coord Admin, Comm, IGR	1,984,954	641,399	-	2,626,353	6.5%	108,429	452,400	821,665	1,243,860	2,626,353
Civil Rights	2,195,306	651,346	(450,000)	2,396,652	1.8%	272,768	399,569	725,711	998,603	2,396,652
Assessor	2,730,224	882,219	-	3,612,443	6.5%	141,124	623,698	1,132,782	1,714,838	3,612,443
City Clerk	3,217,766	1,027,051	(50,000)	4,194,817	6.1%	29,087	748,464	1,359,387	2,057,879	4,194,817
Health and Family	3,678,486	709,349	(3,806,102)	581,733	-16.8%	581,733	-	-	(1)	581,733
Human Resources	3,903,215	1,186,249	(600,000)	4,489,464	3.0%	7,541	823,242	1,495,201	2,163,479	4,489,464
Attorney	4,642,827	1,433,061	(575,000)	5,500,888	3.7%	10,773	1,004,386	1,824,201	2,661,528	5,500,888
Internal Service Funds/Transfers	10,268,364	17,766,487	-	28,034,851	34.6%	-	5,037,073	9,148,506	13,849,272	28,034,851
Finance	5,839,379	1,777,513	(900,000)	6,716,892	3.0%	147,372	1,207,308	2,192,755	3,169,456	6,716,892
Licenses*	6,115,022	1,975,951	-	8,090,973	6.5%	12,296,094	-	-	(4,205,122)	8,090,973
Inspections*	13,916,698	4,496,911	-	18,413,609	6.5%	20,036,375	-	-	(1,622,766)	18,413,609
Information Technology Operations	13,652,971	4,120,940	(1,600,000)	16,173,911	3.7%	2,480,985	2,460,233	4,468,360	6,764,333	16,173,911
Public Works	38,269,937	15,818,587	(8,475,000)	45,613,524	3.8%	12,639,544	6,218,259	11,293,816	15,461,905	45,613,524
Fire Department	44,181,259	14,079,566	(1,956,277)	56,304,548	5.5%	1,519,186	9,881,298	17,946,752	26,957,312	56,304,548
Police	98,892,698	30,491,396	(12,478,041)	116,906,053	3.6%	11,711,884	19,156,052	34,791,880	51,246,237	116,906,053
Total General Fund	260,053,871	100,601,349	(32,915,420)	327,739,800	5.2%	62,078,235	49,514,535	89,930,000	126,217,030	327,739,800
Capital - Permanent Improvement	2,737,240	1,730,000	(2,830,000)	1,637,240	-8.0%	-	-	-	1,637,240	1,637,240
Debt Service	29,982,883	5,000,000	(15,019,095)	19,963,788	-6.7%	-	-	-	19,963,788	19,963,788
Subtotal	32,720,123	6,730,000	(17,849,095)	21,601,028	-6.8%	-	-	-	21,601,028	21,601,028
Total City (not incl special levies)	292,773,994	107,331,349	(50,764,515)	349,340,828	3.9%	62,078,235	49,514,535	89,930,000	147,818,058	349,340,828
Community Development	4,000,000	-	(4,000,000)	-	-20.0%	-	-	-	-	-
Pensions	8,952,864	12,900,000	-	21,852,864	28.8%	-	-	-	21,852,864	21,852,864
Total	305,726,858	120,231,349	(54,764,515)	371,193,692	4.3%	62,078,235	49,514,535	89,930,000	169,670,922	371,193,692
Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.					Summary Information					
					Growth in Spending to fund Current Service Levels Offsetting Reduction to Growth in Spending Offsetting Growth in NonTax Revenue Offsetting Growth in Property Tax Total			Total		
								120,231,349		
								(54,764,515)		
								(10,128,305)		
					Total			0		
					% of Total Growth			-45.5%		
					Avg Annual Chg			-3.2%		
								1.0%		
								-46.0%		
								-100.0%		

2004 Property Tax Supported Budgets: Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Allocated Revenues for Presentation Purposes These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.			
					Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*
Mayor	893,592	49,594		943,186	-	191,312	368,789	383,085
Elections	900,367	49,520	(50,000)	899,887	69,528	178,569	344,224	307,567
City Council	1,123,145	61,773		1,184,918	-	240,344	463,307	481,267
Planning	1,822,931	100,261	(100,000)	1,823,192	20,300	385,975	744,038	672,879
Contingency	1,824,730	400,360	(300,000)	1,925,090	-	451,328	870,018	603,744
City Coord Admin. Comm. IGR	1,984,954	109,172		2,094,126	102,160	404,042	778,866	809,058
Civil Rights	2,195,306	120,742	(100,000)	2,216,048	256,998	417,649	805,096	736,305
Assessor	2,730,224	150,162		2,880,386	132,965	557,276	1,074,252	1,115,894
City Clerk	3,217,766	176,977	(50,000)	3,344,743	27,405	683,017	1,316,642	1,317,679
Health and Family	3,678,486	202,317	(765,143)	3,115,659	548,100	675,992	1,303,099	588,469
Human Resources	3,903,215	214,677	(100,000)	4,017,892	7,105	833,815	1,607,333	1,569,639
Attorney	4,642,827	255,355	(100,000)	4,798,182	10,150	991,468	1,911,239	1,885,325
Internal Service Funds/Transfers	10,268,364	4,264,760		14,533,124	-	2,947,839	5,682,505	5,902,780
Finance	5,839,379	321,166	(150,000)	6,010,545	138,852	1,221,415	2,354,504	2,295,773
Licenses*	6,115,022	336,326		6,451,348	10,924,921	-	-	(4,473,572)
Inspections*	13,916,698	765,418		14,682,116	17,802,060	-	-	(3,119,943)
Information Technology Operations	13,652,971	750,913	(1,000,000)	13,403,884	2,337,545	2,447,487	4,717,983	3,900,869
Public Works	38,269,937	2,904,847	(1,635,000)	39,539,784	11,908,779	5,936,196	11,443,116	10,251,692
Fire Department	44,181,259	2,429,969	(72,760)	46,538,468	1,431,353	9,164,100	17,665,498	18,277,517
Police	98,892,698	5,439,098	(1,377,857)	102,953,939	11,034,752	18,923,989	36,479,489	36,515,709
Total General Fund	260,053,871	19,103,410	(5,800,760)	273,356,520	56,752,971	46,651,814	89,930,000	80,021,735
Capital - Permanent Improvement	2,737,240	200,000	(750,000)	2,187,240	-	-	-	-
Debt Service	29,982,883	1,000,000	(3,684,857)	27,298,026	-	-	-	-
Subtotal	32,720,123	1,200,000	(4,434,857)	29,485,266	-	-	-	-
Total City (not incl special levies)	292,773,994	20,303,410	(10,235,617)	302,841,786	56,752,971	46,651,814	89,930,000	109,507,001
Community Development	4,000,000	-	(2,000,000)	2,000,000	-	-	-	2,000,000
Pensions	8,952,864	2,200,000		11,152,864	-	-	-	11,152,864
Total	305,726,858	22,503,410	(12,235,617)	315,994,650	56,752,971	46,651,814	89,930,000	122,659,865
					Summary Information:			
Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.					Growth in Spending to fund Current Service Levels			
					Offsetting Reduction to Growth in Spending			
					Offsetting Growth in NonTax Revenue			
					Offsetting Growth in Property Tax			
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2005 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	943,186	52,818	(50,000)	996,005	-	194,323	369,058	432,624	996,005
Elections	899,887	50,394	(50,000)	900,281	70,570	171,634	325,966	332,111	900,281
City Council	1,184,918	66,355	(75,000)	1,251,273	-	244,126	463,644	543,503	1,251,273
Planning	1,823,192	102,099	(75,000)	1,850,291	20,605	371,609	705,759	752,319	1,850,291
Contingency	1,925,090	407,805	(300,000)	2,032,895	-	455,154	864,426	713,315	2,032,895
City Coord Admin, Comm, IGR	2,094,126	117,271	(100,000)	2,211,398	103,692	411,218	780,985	915,502	2,211,398
Civil Rights	2,216,048	124,099	(100,000)	2,240,147	260,853	405,675	770,457	803,161	2,240,147
Assessor	2,880,386	161,302	(100,000)	3,041,688	134,959	567,110	1,077,053	1,262,565	3,041,688
City Clerk	3,344,743	187,306	(765,143)	3,532,049	27,816	683,684	1,298,451	1,522,097	3,532,049
Health and Family	3,115,659	174,477	(75,000)	3,254,993	556,322	533,374	1,012,982	422,316	3,254,993
Human Resources	4,017,892	225,002	(100,000)	4,142,894	7,212	826,392	1,569,481	1,739,809	4,142,894
Attorney	4,798,182	268,698	(75,000)	4,991,881	10,302	986,551	1,873,654	2,121,373	4,991,881
Internal Service Funds/Transfers	14,533,124	4,513,855	(150,000)	19,046,979	-	3,716,112	7,057,629	8,273,238	19,046,979
Finance	6,010,545	336,591	(150,000)	6,197,135	140,935	1,210,845	2,299,633	2,545,723	6,197,135
Licenses*	6,451,348	361,275	(150,000)	6,812,624	11,252,668	-	-	(4,440,044)	6,812,624
Inspections*	14,682,116	822,199	(150,000)	15,504,315	18,336,121	-	-	(2,831,806)	15,504,315
Information Technology Operations	13,403,884	750,618	(1,635,000)	14,154,502	2,372,608	2,298,676	4,365,639	5,117,578	14,154,502
Public Works	39,539,784	3,014,228	(1,635,000)	40,919,011	12,087,410	5,944,108	11,289,033	11,598,460	40,919,011
Fire Department	46,538,468	2,606,154	(250,517)	48,894,105	1,452,823	9,304,787	17,671,623	20,464,872	48,894,105
Police	102,953,939	5,765,421	(2,798,203)	105,921,157	11,200,273	19,026,212	36,134,525	39,560,146	105,921,157
Total General Fund	273,356,520	20,107,965	(6,298,863)	287,165,622	58,035,171	47,351,591	89,930,000	91,848,860	287,165,622
Capital - Permanent Improvement	2,187,240	210,000	(500,000)	1,897,240	-	-	-	-	-
Debt Service	27,298,026	1,000,000	(3,924,859)	24,373,167	-	-	-	-	-
Subtotal	29,485,266	1,210,000	(4,424,859)	26,270,407	-	-	-	-	-
Total City (not incl special levies)	302,841,786	21,317,965	(10,723,722)	313,436,029	58,035,171	47,351,591	89,930,000	118,119,267	313,436,029
Community Development	2,000,000	-	(2,000,000)	-	-	-	-	-	-
Pensions	11,152,864	2,700,000	(2,000,000)	13,852,864	-	-	-	-	-
Total	315,994,650	24,017,965	(12,723,722)	327,288,893	58,035,171	47,351,591	89,930,000	131,972,131	327,288,893
Summary Information:									
Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.				Growth in Spending to fund Current Service Levels					
				Total		% of Total Growth		Annual Chg	
				24,017,965		(12,723,722)		7.3%	
				(12,723,722)		(1,981,976)		-53.0%	
				(1,981,976)		(9,312,267)		-8.3%	
				(9,312,267)		(0)		-38.8%	
				(0)				-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2006 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	996,005	56,772		1,052,777	-	200,973	376,046	475,758	1,052,777
Elections	900,281	51,316		951,597	71,629	167,984	314,320	397,665	951,597
City Council	1,251,273	71,323		1,322,596	-	252,480	472,424	597,692	1,322,596
Planning	1,850,291	105,467	(100,000)	1,855,758	20,914	369,357	691,115	774,372	1,855,758
Contingency	2,032,895	415,875	(300,000)	2,148,770	-	467,464	874,687	806,619	2,148,770
City Coord Admin, Comm, IGR	2,211,398	126,050	(75,000)	2,337,447	105,248	426,122	797,329	1,008,749	2,337,447
Civil Rights	2,240,147	127,688		2,292,835	264,766	401,471	751,204	875,394	2,292,835
Assessor	3,041,688	173,376		3,215,064	136,984	587,598	1,099,473	1,391,009	3,215,064
City Clerk	3,532,049	201,327		3,733,376	28,233	707,303	1,323,456	1,674,384	3,733,376
Health and Family	2,524,993	143,925	(765,143)	1,903,775	564,666	-	-	1,339,109	1,903,775
Human Resources	4,142,894	236,145	(200,000)	4,179,039	7,320	834,551	1,561,553	1,775,615	4,179,039
Attorney	4,991,881	284,537	(150,000)	5,126,418	10,457	1,005,260	1,880,971	2,229,730	5,126,418
Internal Service Funds/Transfers	19,046,979	2,785,678	(250,000)	21,832,657	-	4,167,803	7,798,501	9,866,353	21,832,657
Finance	6,197,135	353,237		6,300,372	143,049	1,223,143	2,288,659	2,645,521	6,300,372
Licenses*	6,812,624	388,320		7,200,943	11,590,248	-	-	(4,389,305)	7,200,943
Inspections*	15,504,315	883,746		16,388,061	18,886,205	-	-	(2,498,144)	16,388,061
Information Technology Operations	14,154,502	806,807		14,961,309	2,408,197	2,396,359	4,483,900	5,672,852	14,961,309
Public Works	40,919,011	3,132,384	(1,735,000)	42,316,395	12,268,722	6,067,237	11,352,590	12,627,846	42,316,395
Fire Department	48,894,105	2,786,964	(711,000)	50,970,069	1,474,616	9,584,293	17,933,459	21,977,701	50,970,069
Police	105,921,157	6,037,506	(2,699,281)	109,259,382	11,368,278	19,202,467	35,930,313	42,758,324	109,259,382
Total General Fund	287,165,622	19,168,440	(6,985,424)	299,348,639	59,349,530	48,061,865	89,930,000	102,007,244	299,348,639
Capital - Permanent Improvement	1,897,240	420,000	(420,000)	1,897,240	-	-	-	-	-
Debt Service	24,373,167	1,000,000	(3,979,393)	21,393,774	-	-	-	1,897,240	1,897,240
Subtotal	26,270,407	1,420,000	(4,399,393)	23,291,014	-	-	-	21,393,774	21,393,774
Total City (not incl special levies)	313,436,029	20,588,440	(11,384,817)	322,639,653	59,349,530	48,061,865	89,930,000	125,298,258	322,639,653
Community Development	-	-		-	-	-	-	-	-
Pensions	13,852,864	3,200,000		17,052,864	-	-	-	17,052,864	17,052,864
Total	327,288,893	23,788,440	(11,384,817)	339,692,517	59,349,530	48,061,865	89,930,000	142,351,122	339,692,517
Summary Information:									
Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.				Growth in Spending to fund Current Service Levels	Total	% of Total Growth	Annual Chg		
				Offsetting Reduction to Growth in Spending	23,788,440			7.0%	
				Offsetting Growth in Nontax Revenue	(11,384,817)			-47.9%	-3.4%
				Offsetting Growth in Property Tax	(2,024,633)			-8.5%	1.0%
				Offsetting Growth in Property Tax	(10,378,990)			-43.6%	7.9%
				Total	0			-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2007 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	1,052,777	62,114		1,114,891	-	205,951	379,665	529,275	1,114,891
Elections	951,597	56,144		1,007,741	72,703	172,727	318,418	443,893	1,007,741
City Council	1,322,596	78,033		1,400,629	-	258,734	476,971	664,924	1,400,629
Planning	1,855,758	109,490	(75,000)	1,890,247	21,227	359,113	662,017	847,890	1,890,247
Contingency	2,148,770	426,777	(300,000)	2,275,548	-	475,773	877,078	922,696	2,275,548
City Coord Admin, Comm, IGR	2,337,447	137,909	(75,000)	2,475,357	106,826	437,532	806,580	1,124,418	2,475,357
Civil Rights	2,292,835	135,277		2,363,112	268,737	398,895	735,354	950,126	2,363,112
Assessor	3,215,064	189,689		3,404,753	139,039	603,266	1,112,107	1,550,341	3,404,753
City Clerk	3,733,376	220,269		3,953,645	28,657	725,052	1,336,617	1,863,320	3,953,645
Health and Family	1,903,775	112,323	(765,143)	1,250,955	573,136	-	-	677,818	1,250,955
Human Resources	4,179,039	246,563	(100,000)	4,325,602	7,430	816,156	1,504,566	1,997,450	4,325,602
Attorney	5,126,418	302,459	(150,000)	5,278,877	10,614	1,000,900	1,845,137	2,422,226	5,278,877
Internal Service Funds/Transfers	21,832,657	2,988,127		24,820,784	-	4,585,072	8,452,478	11,783,234	24,820,784
Finance	6,300,372	371,722	(200,000)	6,472,094	145,195	1,205,695	2,222,673	2,898,532	6,472,094
Licenses*	7,200,943	424,856		7,625,799	11,937,956	-	-	(4,312,157)	7,625,799
Inspections*	16,388,061	966,896	(600,000)	17,354,956	19,452,791	-	-	(2,097,835)	17,354,956
Information Technology Operations	14,961,309	882,717		15,244,026	2,444,320	2,475,289	4,563,140	5,761,276	15,244,026
Public Works	42,316,395	3,296,667	(1,835,000)	43,778,062	12,452,752	6,125,608	11,292,423	13,907,279	43,778,062
Fire Department	50,970,069	3,007,234	(711,000)	53,266,304	1,496,735	9,694,584	17,871,750	24,203,235	53,266,304
Police	109,259,382	6,446,304	(4,179,983)	111,525,702	11,538,802	19,242,447	35,473,025	45,271,428	111,525,702
Total General Fund	299,348,639	20,461,570	(8,991,126)	310,819,083	60,696,920	48,782,793	89,930,000	111,409,370	310,819,083
Capital - Permanent Improvement	1,897,240	440,000	(700,000)	1,637,240	-	-	-	-	-
Debt Service	21,393,774	1,000,000	(2,107,805)	20,285,969	-	-	-	-	-
Subtotal	23,291,014	1,440,000	(2,807,805)	21,923,209	-	-	-	-	-
Total City (not incl special levies)	322,639,653	21,901,570	(11,798,931)	332,742,292	60,696,920	48,782,793	89,930,000	133,332,579	332,742,292
Community Development	-	-		-	-	-	-	-	-
Pensions	17,052,864	3,500,000		20,552,864	-	-	-	-	-
Total	339,692,517	25,401,570	(11,798,931)	353,295,156	60,696,920	48,782,793	89,930,000	153,885,443	353,295,156
Summary Information:									
Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.				Growth in Spending to fund Current Service Levels					
				Total		% of Total Growth		Annual Chg	
				25,401,570		(11,798,931)		7.2%	
				(11,798,931)		(2,068,318)		-46.4%	
				(2,068,318)		(11,534,321)		-8.1%	
				(11,534,321)		(0)		-45.4%	
				(0)				-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2008 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	1,114,891	68,008		1,182,899	-	212,534	386,011	584,355	1,182,899
Elections	1,007,741	61,472		1,069,213	73,794	178,849	324,831	491,739	1,069,213
City Council	1,400,629	85,438		1,486,068	-	267,004	484,943	734,120	1,486,068
Planning	1,890,247	115,305	(75,000)	1,930,552	21,546	356,470	647,433	905,103	1,930,552
Contingency	2,275,548	438,808	(300,000)	2,414,356	-	487,693	885,765	1,040,897	2,414,356
City Coord Admin, Comm, IGR	2,475,357	150,997	(100,000)	2,626,353	108,429	452,400	821,665	1,243,860	2,626,353
Civil Rights	2,353,112	143,540	(100,000)	2,396,652	272,768	399,569	725,711	998,603	2,396,652
Assessor	3,404,753	207,690		3,612,443	141,124	623,698	1,132,782	1,714,838	3,612,443
City Clerk	3,953,645	241,172		4,194,817	29,087	748,464	1,359,387	2,057,879	4,194,817
Health and Family	1,250,955	76,308	(745,530)	581,733	581,733	-	-	(1)	581,733
Human Resources	4,325,602	263,862	(100,000)	4,489,464	7,541	823,242	1,495,201	2,163,479	4,489,464
Attorney	5,278,877	322,011	(100,000)	5,500,888	10,773	1,004,386	1,824,201	2,661,528	5,500,888
Internal Service Funds/Transfers	24,820,784	3,214,068	(150,000)	28,034,851	-	5,037,073	9,148,506	13,849,272	28,034,851
Finance	6,472,094	394,798		6,716,892	147,372	1,207,308	2,192,755	3,169,456	6,716,892
Licenses*	7,625,799	465,174		8,090,973	12,296,094	-	-	(4,205,122)	8,090,973
Inspections*	17,354,956	1,058,652		18,413,609	20,036,375	-	-	(1,622,760)	18,413,609
Information Technology Operations	15,244,026	929,886		16,173,911	2,480,985	2,460,233	4,468,360	6,764,333	16,173,911
Public Works	43,778,062	3,470,462	(1,635,000)	45,613,524	12,639,544	6,218,259	11,293,816	15,461,905	45,613,524
Fire Department	53,266,304	3,249,245	(211,000)	56,304,548	1,519,186	9,881,298	17,946,752	26,957,312	56,304,548
Police	111,525,702	6,803,068	(1,422,717)	116,906,053	11,711,884	19,156,052	34,791,880	51,246,237	116,906,053
Total General Fund	310,819,083	21,759,964	(4,839,247)	327,739,800	62,078,235	49,514,535	89,930,000	126,217,030	327,739,800
Capital - Permanent Improvement	1,637,240	460,000	(460,000)	1,637,240	-	-	-	-	-
Debt Service	20,285,969	1,000,000	(1,322,181)	19,963,788	-	-	-	1,637,240	1,637,240
Subtotal	21,923,209	1,460,000	(1,782,181)	21,601,028	-	-	-	19,963,788	19,963,788
Total City (not incl special levies)	332,742,292	23,219,964	(6,621,428)	349,340,828	62,078,235	49,514,535	89,930,000	147,818,058	349,340,828
Community Development	-	-		-	-	-	-	-	-
Pensions	20,552,864	1,300,000		21,852,864	-	-	-	21,852,864	21,852,864
Total	353,295,156	24,519,964	(6,621,428)	371,193,692	62,078,235	49,514,535	89,930,000	169,670,922	371,193,692
Summary Information:									
				Growth in Spending to fund Current Service Levels	Total		% of Total Growth		Annual Chg
				Offsetting Reduction to Growth in Spending	24,519,964		6.6%		6.6%
				Offsetting Growth in NonTax Revenue	(6,621,428)		-27.0%		-1.8%
				Offsetting Growth in Property Tax	(2,113,057)		-8.6%		1.1%
				Total	(15,785,479)		-64.4%		10.3%
				Total	0		-100.0%		-100.0%

* Licenses and Inspections fees cover both direct and in-direct spending.

**City of Minneapolis
FY 2003 Budget
Financial Policies**

**Proposed City of Minneapolis
Financial Planning and Policy Resolution: Independent Boards**

*Mayor and Council Adopted, July 2002
Board of Estimate and Taxation Adopted, July 2002*

Whereas:

1. At the direction of the Mayor and City Council, the City has prepared a ten-year financial projection of demands on the city property-tax supported funds, a summary of which is attached as Exhibit A and incorporated herein by reference;
2. The projection demonstrates that the known demand on property tax revenues will significantly exceed reasonably foreseeable resources;
3. The Mayor and Council are developing a long-term strategy for managing the financial challenges documented in the ten-year projection and wish to engage the Independent Boards and the Board of Estimate and Taxation as partners in that strategy;
4. Recognizing that all City of Minneapolis taxing jurisdictions draw revenue from the same taxpayers, The Mayor and Council support an enterprise approach to establishing future property tax revenue projections. The Mayor and Council further support setting the maximum annual property tax levy at no more than an 8-percent annual increase for budget years' 2003 through 2010, inclusive of the levy for the Independent Boards, including the voter-approved library referendum;
5. The Mayor and Council desire to work with the Independent Boards and the Board of Estimate and Taxation to set long range financial parameters so that our joint taxpaying customers and our individual City governing boards can all make more informed business decisions about respective annual budgets.
6. The Mayor and Council desire to work with the Independent Boards in a fair and consistent manner.

Therefore Be It Resolved, That the Mayor and Council hereby adopt the following Policy Statements as provided below in Items A through E, with respect to the Independent Boards, to serve as a framework for developing the 2003 budget as well as long-term financial plans for the City and Independent Boards; and

Be It Further Resolved That the Mayor and Council submit to the Board of Estimate and Taxation recommended maximum property tax levies for taxes payable in year 2003, as

shown in Appendix A. The Mayor and Council also request the Board of Estimate and Taxation to consider adopting parallel policy statements to Policy Statements A through E, adopted by the Mayor and Council as part of this resolution.

Policy Statements (A through E):

(A) Local Government Aid (LGA) from the State of Minnesota

The Mayor and Council will remain committed to August 26, 1994, Council action which based the annual enterprise distribution of LGA revenues on a stable percentage in exchange for a cap in individual board property tax levies.¹

The Mayor and Council will allocate LGA consistent with the 1994 agreement provided the independent boards adhere to the tax levy provision outlined in the original agreement, with the one modification. The Mayor and Council hereby propose amending the policy to provide for a maximum 4-percent annual increase in property tax levy versus the 3-percent included in the original 1994 agreement.

Consistent with the 1994 adopted agreement with the Independent Boards, the Council will distribute LGA based upon the following percentage allocation, as outlined below.

	% Distribution of LGA
Library Board	8.05%
Park Board ²	11.79%
Municipal Building Commission	0.30%
Board of Estimate and Taxation	0.10%
City Council	79.76%
Total	100.00%

The Council policy will continue to be that the City and the Independent Boards will share any legislative reductions or increases in LGA, using the same percentages as outlined above.

In the event an Independent Board's property tax levy increase exceeds 4-percent (adjusted for any one-time shifts), the City Council will reduce the LGA payment to the board to offset the additional increase.

¹ LGA is calculated and distributed to the City by the State of Minnesota as provided for in State Statute 477A.

² The allocation of LGA to the Park Board will increase from 10.89% in budget year 2002 to 11.79% in budget year 2003, provided the Park Board reduces their base property tax levy by \$1.0 million, which will be added to the City's General Fund base levy. The allocation of LGA to the General Fund will decrease from 80.66% in budget year 2002 to 79.76% in budget year 2003. This net result will be a \$1.0 million shift in LGA distribution from the General Fund to the Park Board and a \$1.0 shift in property tax levy from the Park Board to the General Fund, from budget year 2002 to 2003.

If state legislation creates new aid programs for general city purposes, the Mayor and Council expresses the intent to negotiate with the Independent Boards an appropriate allocation basis for this revenue.

(B) Management Support Charges

The Independent Boards will be charged for the actual cost of providing management support services to the boards. The basis for allocating costs will be the same as that used for Council departments. Management support services include, but are not limited to, services provided by the following city departments: Information Technology, Finance, and Human Resources.

Management support charges, as included in the Council's adopted 2002 budget, will be capped at \$800,000 for the Park Board and \$300,000 for the Library Board for both the 2002 and 2003 budget.

Beginning with the 2004 budget, the management support charges to the Independent Boards will be based upon standard accounting practices for allocating costs. The method and procedure to calculate the pro-rated costs and collection of the charge will be finalized and communicated to the Independent Boards by December 31, 2002.

As provided for in the 2002 budget footnotes, the City Finance Officer has the authority to reduce LGA payments to the Independent Boards if payment of the management support charge is not received prior to the distribution of the December LGA payment.

(C) Adjustments to Prior Year Increases in Property Tax Levies

As stated in Item A, the Mayor and Council remain committed to the 1994 budgetary policy regarding the Independent Boards. The 1994 policy has two parts (1) a stable percent allocation of LGA and (2) a 3-percent cap in annual property tax levy increases for the Independent Boards, which will be amended to a 4-percent cap beginning with the 2003 budget. The Park and Library Boards both had increases in 2002 property tax levies above this threshold. The Mayor and Council consider the portion of property tax levy increase above the policy threshold to be one-time funds for year 2002. The baseline tax levies for both entities should return to a level that corresponds to the 1994 agreement.

(D) Infrastructure Gap Funding

The Mayor and Council will support funding infrastructure "gap" closure for the Independent Boards in a similar manner to that of Public Works.

The City's adopted 2002-2006 *Capital Improvement Plan (CIP)* provides for closing 27% of Public Works infrastructure "gap", supported by property taxes, by year 2009³. To achieve this goal the property tax levy will need to increase by \$1.0 million annually from 2003 to 2009.

The Mayor and Council support a future funding plan for the Park Board that closes 27% of the previously identified \$5.5 million annual funding gap for park infrastructure by 2009. To achieve this goal \$215,000 of additional property tax levy will be added annually to the Park Board levy, for a total of \$1.5 million in additional annual funding by 2009.

The Mayor and Council support reducing the base property tax revenue for the Park Board by the amounts added in years' 2001 and 2002 for Park Board capital purposes. In years' 2001 and 2002, \$1.5 million was added each year to the Park Board base property tax levy, or \$3.0 million in total over this two-year period of time. The Park Board has received the benefit of the additional \$4.5 million collected in property tax levy over this two-year period of time.

Recommended Park Board Capital Improvement Plan:

<i>(In millions of dollars)</i>	2003	2004	2005	2006	2007	2008	2009
Base Capital Funding ⁴	\$1.9	\$1.9	\$1.9	\$1.9	\$1.9	\$1.9	\$1.9
"Gap" Funding	\$0.2	\$0.4	\$0.6	\$0.9	\$1.1	\$1.3	\$1.5
Total Capital Funding	\$2.1	\$2.3	\$2.5	\$2.8	\$3.0	\$3.2	\$3.4

(E) Alternative Revenue Strategies

The Mayor and Council will work in cooperation with the Park Board and Library Board to develop alternative funding strategies (i.e., land trusts and expanded friends of the parks and library), other than the property tax, for raising additional funds to support program and capital needs.

The Mayor and Council will not support any new referenda for the Independent Boards because of the significant pressure a referendum would create on the already burdened property tax. The Mayor and Council will act to educate taxpayers about the financial burden any new referenda would create for taxpayers.

³ The 1997 State of the Public Works Infrastructure Report identified a \$44 million property tax supported funding gap for improving and maintaining public works infrastructure. The original plan was to fund 50% of this gap over a 10-year period time.

⁴ The 2002-2006 adopted CIP includes \$1,920,000 in net debt bond funding for the Park Board.

Adopted Amendments:

1. Amendment to add an additional Policy Item, Policy Item F

The Mayor and City Council will support annual property tax increases for the Minneapolis Public Housing Authority at the same maximum 4-percent annual increase level as that established (in Policy Statement A) by this resolution for the Park Board, Library Board, Municipal Building Commission, and Board of Estimate and Taxation.

2. Amendment to Policy Item A

Amend Policy Item A to include the following language:

In the event the City Council reduces the LGA payment to an Independent Board (as provided for in this policy statement), the City will appropriate the additional LGA to the City's General Fund and reduce the City's General Fund property tax levy by an offsetting amount. This will be done in order to ensure the maximum property tax levy increase is maintained at 8-percent on a combined basis for the City, including the Independent Boards.

APPENDIX A

Certified Gross Property Tax Levy For City Council, Independent Boards, and Special Levies						
	2001 Adopted Base Levy	2002 Adopted Base Levy	2001 to 2002 % Chg	2003 Proposed Base Levy	2002 to 2003 % Chg	2001 to 2003 % Chg
City Council Funds	63,028,212	53,632,760	-14.9%	61,495,761	14.7%	-2.4%
City Council - Internal Service Funds	4,000,000	7,200,000	80.0%	10,900,000	51.4%	172.5%
Total City Council	67,028,212	60,832,760	-9.2%	72,395,761	19.0%	8.0%
City Council Debt Service ⁵	21,877,000	28,560,040	30.5%	29,060,040	1.8%	32.8%
Park Board	27,809,943	34,796,759	25.1%	32,671,759	-6.1%	17.5%
Library Board	10,374,165	11,852,485	14.3%	11,242,485	-5.1%	8.4%
Library Referendum ⁶				450,000		n/a
Total Library	10,374,165	11,852,485	14.3%	11,692,485	-1.3%	12.7%
Municipal Building Commission ⁷	2,511,026	3,272,966	30.3%	3,502,966	7.0%	39.5%
Board of Estimate and Taxation	114,000	124,000	8.8%	128,960	4.0%	13.1%
City Council Pensions ⁸	3,492,260	7,373,000	111.1%	9,373,000	27.1%	168.4%
City Council Community Development (Special Levy)		4,000,000	n/a	4,160,000	4.0%	n/a
Minneapolis Public Housing Authority (Special Levy)	1,000,000	1,000,000	0.0%	1,040,000	4.0%	4.0%
Teachers Retirement Fund (Special Levy) ⁹	1,950,100	2,100,000	7.7%	2,250,000	7.1%	15.4%
Total	136,156,706	153,912,010	13.0%	166,274,971	8.0%	22.1%

⁵ The Debt Service Levy increased significantly from 2001 to 2002 due to the elimination of HACA.

⁶ This amount has already been set by voter approval.

⁷ The Municipal Building Commission (MBC) property tax levy for year 2002 was adjusted to reflect an error in calculation from the prior year 2001 amount. In 2001, the MBC received cash from a General Fund transfer, which was then correctly replaced with property tax levy in year 2002.

⁸ This amount is set by state law.

⁹ This amount is set by state law.

APPENDIX B

Adopted Certified Property Tax Levies Plus State Aids For City Council, Independent Boards, and Special Levies					
	1994 Adopted	2002 Adopted	2003 Proposed	Cumulative % Change from 1994 to 2002	Cumulative % Change from 1994 to 2003
City Council	105,998,100	150,818,760	165,715,346	42.3%	56.3%
City Council Debt Service	16,000,000	28,560,040	29,060,040	78.5%	81.6%
Park Board	29,354,000	46,950,759	46,465,653	59.9%	58.3%
Library Board ¹⁰	14,491,000	20,833,485	21,111,137	43.8%	45.7%
Municipal Building Commission ¹¹	3,030,000	3,607,966	3,854,241	19.1%	27.2%
Board of Estimate and Taxation	202,000	236,000	245,553	16.8%	21.6%
City Council Pensions ¹²	18,855,000	7,373,000	9,373,000	-60.9%	-50.3%
City Council Community Development (Special Levy)	n/a	4,000,000	4,160,000	n/a	n/a
Minneapolis Public Housing Authority (Special Levy)	937,000	1,000,000	1,040,000	6.7%	11.0%
Teachers Retirement Fund (Special Levy) ¹³	1,250,000	2,100,000	2,250,000	68.0%	80.0%
Total	190,117,100	265,480,010	283,274,971	39.6%	49.0%

¹⁰ This amount includes \$450,000 (year 2003) of levy for payment on bonds set by voter approval.

¹¹ The Municipal Building Commission (MBC) property tax levy for year 2002 was adjusted to reflect an error in calculation from the prior year 2001 amount. In 2001, the MBC received cash from a General Fund transfer, which was then correctly replaced with property tax levy in year 2002.

¹² This amount is set by state law.

¹³ This amount is set by state law.

**City of Minneapolis
FY 2004 Budget**

Financial Plans

The schedules that follow contain the Financial Plans for the major funds of the City. Detailed financial plans are included for the following major funds, listed below. For the other funds of the City, financial information (expenditure and revenue) is included in the *Financial Schedules Section* of this report.

➤ **General Fund**

➤ **Special Revenue Funds**

- Convention Center Special Revenue Fund

➤ **Enterprise Funds**

- Municipal Parking Fund
- Solid Waste and Recycling Fund
- Storm Water, Sewer, and Flood Mitigation Utility Fund
- Water Treatment and Distribution Fund

➤ **Internal Service Funds**

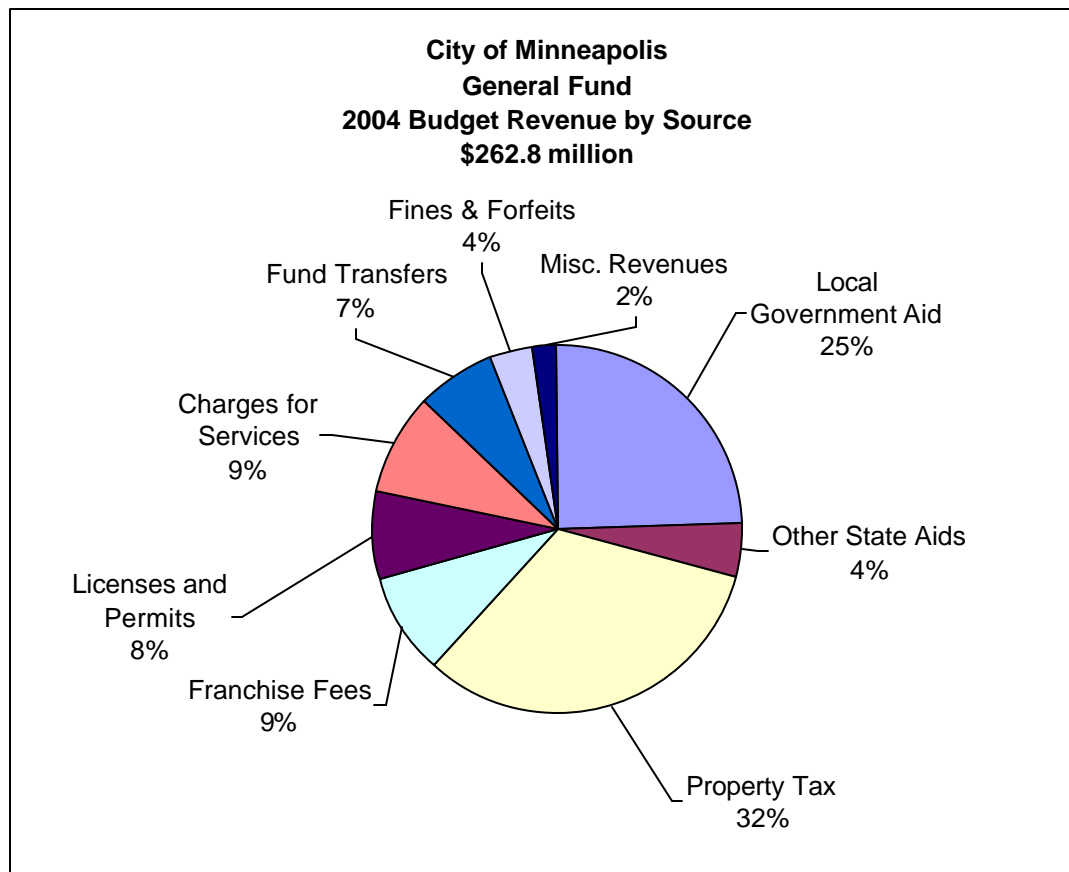
- Central Stores Fund
- Intergovernmental Services Fund
- Permanent Improvement Equipment Fund
- Property Services Fund
- Self-Insurance Fund

**City of Minneapolis
FY 2004
Financial Plan**

General Fund

Background

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major sources of revenue include and their relative percentage of total General Fund financial sources are:



Combined, the two largest revenues (State Aids and Property Tax) have historically accounted for approximately 60-65% of total sources of funds for the General Fund. The top four sources of funds account for more than 80% of the General Fund's annual financial inflows.

Historical Financial Performance

The results of the General Fund's annual operations are closed annually into the fund's "fund balance". The General Fund's balance measures the amount of available, spendable resources owned by the fund. The balance provides the City a reserve to cushion adverse economic shocks and to meet the City's liquidity needs. The City's policy is to maintain a minimum fund balance of 10 percent of the following year's revenue budget amount.

For several years, the City has been able to increase its General Fund balance. At year-end 2002, the General Fund operations resulted in approximately a \$6.5 million increase in fund balance for a total year-end balance of \$46.2 million. This amount met the 10 percent reserve requirement and represents a reserve of 19 percent of modified budgeted revenues for year 2003. The City anticipates that it will again meet its reserve requirement at year-end 2003.

2004 Budget

Revenues

The General Fund 2004 budget includes a total of \$262.8 million of revenues and other sources including \$18.7 million from transfers from other funds. Budgeted General Fund revenues for 2004 are slightly lower than 2003 budget. The 2004 budgeted revenues represent a 3.7% increase over 2002 actual revenues.

As the chart below shows, the distribution of total revenue among the General Fund's revenue categories has changed from 2003 to 2004. The effects of the 2003 and 2004 reductions in Local Government Aid are evident. State Aid (including LGA) went from 40% of the budget to 30%. Property taxes and franchise fees have increased as a percent of the total revenue picture.

Revenue Source	2003 Adopted Budget	2003 Modified Budget	2004 Adopted Budget	% Chg from 2003 Adopted	% Chg from 2003 Modified	2003 Budget as % of Total	2003 Mod. Budget as % of Total	2004 Budget as % of Total
State Aids	104.5	84.0	76.3	-27.0%	-9.2%	39.7%	34.5%	29.0%
Property Tax	66.9	66.9	85.4	27.7%	27.7%	25.4%	27.5%	32.5%
Franchise Fees	20.4	20.4	23.5	15.2%	15.2%	7.8%	8.4%	8.9%
Licenses and Permits	21.0	21.0	20.7	-1.4%	-1.4%	8.0%	8.6%	7.9%
Charges for Services	17.8	18.0	23.0	29.2%	27.8%	6.8%	7.4%	8.8%
Fund Transfers	18.3	19.0	18.7	2.2%	-1.6%	7.0%	7.8%	7.1%
Fines & Forfeits	8.4	8.4	9.4	11.9%	11.9%	3.2%	3.4%	3.6%
Misc. Revenues	5.9	5.8	5.8	-1.7%	0.0%	2.2%	2.4%	2.2%
Total	263.2	243.5	262.8	-0.2%	7.9%	100.0%	100.0%	100.0%

State Aids (including Local Government Aid):

The City faced significant pressure this year when the State Legislature reduced the Local Government Aid (LGA) to the City by \$25.6 million. Of this reduction, \$20.6 million was allocated to the general fund with the remaining \$5 million allocated to the Park and Library Boards. This reduction represented an 8% decrease to the general fund's revenue. For 2004, LGA was reduced an additional \$8.7 million in the general fund, and \$9.3 million in total for the City.

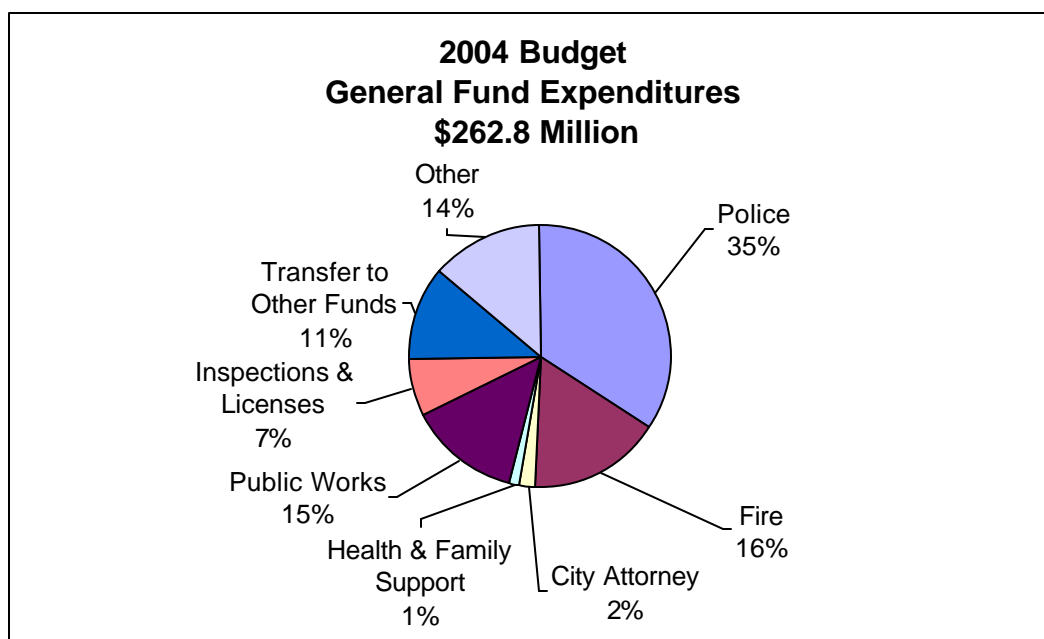
Franchise fees are a paid by various utility companies for their use of City rights of way. Franchise fees are a percentage of total utility revenues. Therefore, the City's collections vary directly with the paying utility's gross revenues. The 2004 budget includes a \$3.1 million increase to Franchise fees, from \$20.4 million to \$23.5 million based on mid-year 2003 estimates.

Licenses and Permits are another significant revenue for the City's General Fund. The City issues licenses and permits for a wide variety of regulated activities. Building permits are a major component of this revenue category. The 2004 budget anticipates a slight decline in the overall level of activity with some increases in the actual fees paid, for a 1.4% decrease in licenses and permit revenue.

Expenditures

The total 2004 budget for the General Fund is \$262.8 million, which includes \$29.9 million in transfers to other funds. After adjusting for transfers, the budget increased from \$237.5 million as adopted in 2003, to \$231.3 million in 2004, a 2% decrease.

Below is a graph with the 2004 expenditures by department. Public Safety expenditures, Police, Fire, City Attorney, comprise the largest percent of General Fund expenditures.



The Adopted budget recommends the following General Fund changes:

- Assessor – addition of one position for valuation services (\$75,000)
- Shift of nuisance housing inspections and a portion of rental licensing inspections from Inspections to Fire
- Increases to permits and fees in Licenses - \$258,000
- Increases to permits and fees in Inspections - \$399,000
- Intergovernmental Relations – Grants and Special Projects – addition of one position for grantwriting/partnerships - \$60,000
- Additions to the Mayor and City Council office budgets (\$60,000 each)
- Additional zoning/development fees in the Community Planning and Economic Development department, with an increase to restore a portion of prior cuts, including 2 positions (\$110,000 in revenue and expense)
- Addition of 32 firefighters to the Fire department budget as a result of the housing inspections shift.. The department also plans on savings from retirements and revenue from insurance extrication.
- Shift of one health and family support director to grant funding (\$101,000)
- Additional resources to public works for an evaluation of the bridal veil falls area (\$50,000) and for graffiti strategies (\$50,000)
- Nuisance Night Court – 2 additional positions and related non-personnel costs (\$95,000) in the City Attorney's budget, funded by an increase in fine revenue (\$120 average initial fine for a total of \$91,000 in revenue).

Transfers

The 2004 General Fund budget includes a \$4.2 million increase in transfer expense, from \$25.7 million to \$29.9 million. This increase in transfers is due to two main factors; the first is a planned increase in transfers to the city's internal service funds, as called for in the adopted financial workout plans for these funds. The other is due to decision to begin to charge city funds for the cost of the pension obligations versus levying a property tax in the bond redemption fund. This will result in less pressure on the property tax because non-tax funds will now pay their portion of the liability.

In addition, the budget includes CPED funding through a transfer of general city resources (\$2.0 million) versus a separate property tax levy for year 2004. The special property tax levy (Chapter 595 authority) was to be eliminated by year 2005 under the City's adopted five-year financial plan. This is recommended to happen as scheduled and the transfer from the General Fund to CPED (special revenue fund) will be eliminated next year.

Summary of Transfers to Other Funds

<i>(in millions of dollars)</i>	2003 Adopted Budget	2004 Adopted Budget	Change
Internal Service Funds ¹	\$21.4	\$22.9	\$1.5
Debt Service Transfers ²	\$0.1	\$4.8	\$4.7
Capital Improvement	\$3.8	\$0.0	(\$3.8)
Other transfers	\$0.4	\$2.2	\$1.8
Total	\$25.7	\$29.9	\$4.2

Summary of Transfers from Other Funds

<i>(in millions of dollars)</i>	2003 Adopted Budget	2004 Adopted Budget	Change
Enterprise Funds	\$11.1	\$10.5	(\$0.6)
Entertainment Tax	\$6.3	\$7.3	\$1.0
Capital Improvement	\$0.2	\$0.0	(\$0.2)
Other Transfers	\$0.7	\$0.9	\$0.2
Total	\$18.3	\$18.7	\$0.4

¹ This includes funds that are transferred to the internal service funds to cover the General Fund's share of both operational costs and debt service payments, related to internal service fund activities.

² This includes funds transferred to the bond redemption fund to pay for bonds issued to pay for 800 Mhz radio project and for pension debt obligations.

City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)

General Fund

	2001 Actual	2002 Actual	2003 Adopted Budget	2003 Modified Budget	2004 Adopted Budget	% Chg from 2003 Adopted Budget	2005 Forecast	2006 Forecast	2007 Forecast
Operating Revenues:									
Property Taxes	63,274	54,603	66,905	66,905	85,376	27.6%	85,376	89,426	93,896
Annual Property Tax Increase							4,050	4,470	4,800
Subtotal - Property Taxes	63,274	54,603	66,905	66,905	85,376	27.6%	89,426	93,896	98,696
Local Government Aid	62,430	88,986	93,867	73,228	64,557	-31.2%	64,557	64,557	64,557
Homestead Agricultural Credit Aid	18,164								
Subtotal	80,594	88,986	93,867	73,228	64,557	-31.2%	64,557	64,557	64,557
Other State Aids	11,141	16,401	10,668	10,752	11,764	10.3%	11,940	12,120	12,301
Franchise Fees	25,563	21,861	20,410	20,428	23,500	15.1%	23,853	24,210	24,573
Licenses and Permits	20,697	20,733	21,042	21,008	20,681	-1.7%	21,301	21,940	22,599
Charges for Services and Sales	16,290	17,214	17,767	17,976	23,027	29.6%	23,372	23,723	24,079
Fines and Forfeits	7,974	7,127	8,396	8,396	9,372	11.6%	9,513	9,655	9,800
Special Assessments	2,637	2,821	2,834	2,834	2,857	0.8%	2,900	2,943	2,988
Interest	2,322	2,179	1,231	1,231	1,301	5.7%	1,321	1,340	1,360
Other Miscellaneous Revenues	808	2,042	1,758	1,726	1,613	-8.2%	1,637	1,784	1,811
Total Operating Revenues	231,300	233,967	244,878	224,484	244,048	-0.3%	249,820	256,170	262,764
Operating Expenditures:									
Police	85,409	89,156	91,560	86,033	89,446	-2.3%	93,024	96,745	100,615
Fire	39,079	41,672	44,181	41,239	43,316	-2.0%	45,049	46,851	48,725
Public Works	38,811	35,180	38,271	33,283	36,140	-5.6%	37,586	39,089	40,653
City Coordinator Departments	37,606	37,809	38,670	36,978	40,139	3.8%	41,745	43,414	45,151
City Attorney	4,633	4,376	4,643	4,426	5,013	8.0%	5,214	5,422	5,639
City Clerk	4,290	4,339	4,118	2,631	2,076	-49.6%	2,159	2,245	2,335
Health and Family Support	3,865	3,799	3,857	3,498	3,465	-10.2%	4,011	4,172	4,339
Community Planning & Economic Dev.	1,694	1,672	2,486	1,887	2,184	-12.1%	2,271	2,362	2,457
Other Departments	7,693	8,561	9,721	18,616	11,111	14.3%	10,110	10,514	10,935
Future Target Strategies to Balance							(4,020)	(7,516)	(11,449)
Total	223,080	226,564	237,507	228,591	232,890	-1.9%	237,148	243,298	249,398
Net Operating Gain/(Loss)	8,220	7,403	7,371	(4,107)	11,158	51.4%	12,672	12,871	13,367
Operating Transfers From Other Funds	18,733	19,400	18,279	18,979	18,704	2.3%	19,010	19,771	20,561
Operating Transfers To Other Funds	(25,369)	(20,264)	(25,650)	(24,422)	(29,862)	16.4%	(31,056)	(32,299)	(33,591)
Total	(6,636)	(864)	(7,371)	(5,443)	(11,158)	51.4%	(12,046)	(12,528)	(13,029)
Net Change in Balance	1,584	6,539		(9,550)			626	343	337
Fund Balance/Retained Earnings:									
Beginning Balance	38,040	39,624	46,163	46,163	46,163	16.5%	46,163	46,789	47,132
Ending Balance	39,624	46,163	46,163	36,613	46,163	16.5%	46,789	47,132	47,469
Ten Percent Reserve Requirement (10% of following year's budget)	24,593	26,316	26,275	26,275		-2.3%	27,594	28,333	29,157

The Annual Property Tax Increase is based on the adopted tax policy (July 2002). The target strategy amounts represent the anticipated cuts that will be necessary to balance the General Fund budget within this tax policy and projected growth in non-property tax revenue. This amount will change depending on future capital and debt decisions, which are not reflected here, as well as for other possible future reasons.

The 2005-2007 represents a current projection from the recommended levels - these amounts will be updated with an update to the 5 year financial direction.

**City of Minneapolis
FY 2004
Financial Plan**

Convention Center Special Revenue Fund

Background

The Convention Center Special Revenue Fund accounts for the maintenance and operation of the City owned Convention Center and the related sales tax activities. The Minneapolis Convention Center was created as an investment to foster and generate economic growth and vitality by providing facilities and services for conventions, trade shows, exhibits, meetings, cultural, religious, and sporting events, all of which benefit and showcase Minneapolis, the metropolitan region, and the State of Minnesota.

Historical Financial Performance

The fiscal year-end 2002 fund balance for the Convention Center Special Revenue Fund was \$24.2 million. Local taxes support the Convention Center with \$47.6 million being collected in 2002, similar to 2001 totals. Approximately \$24.4 million was transferred for debt service obligations or enterprise related debt.

Comparative amounts collected were as follows:

<u>Local Taxes (in millions)</u>	<u>2001</u>	<u>2002</u>
0.5% Citywide Sales tax	\$27.4	\$25.3
3.0% Entertainment Tax	\$7.0	\$7.5
3.0% Downtown Restaurant Tax	\$7.6	\$7.7
3.0% Downtown Liquor Tax	\$2.7	\$2.9
<u>2.0% Lodging Tax*</u>	<u>\$2.9</u>	<u>\$4.2</u>
Total Tax Collection	\$47.6	\$47.6

* Effective April 1, 2002, the Lodging Tax increase to 3%, a 1% increase.

Neighborhood Early Learning Centers (NELCS) were funded from sales taxes, with special legislative action. The total amount spent was \$7.2 million.

In 2002, the City collected \$7.5 million of entertainment tax. Traditionally this tax has been a funding source to the General Fund. In 2002, \$5.8 million of the tax was transferred to the General Fund and \$1.7 million to the Target Center Arena Reserve fund. The Target Center Arena Reserve transfer represents the estimated amount of entertainment tax generated from Target Center activities. In addition, the Block E finance plan includes a provision to similarly direct a portion of the entertainment tax generated by the Block E complex to fund that facility's debt service requirements if it should become necessary. The revenues are otherwise directed to the General Fund.

Funds are transferred annually to the Convention Center Reserve Fund for major repair or equipment replacement for the Convention Center facility. Due to the age of the building, it is anticipated that the amount of this transfer will increase in future years as specific needs are identified. In 2002, \$1.1 million was transferred to the Convention Center Reserve Fund.

Operating Revenues are revenues generated directly by the Convention Center. Space rent is the largest source of revenue for the Center. Also included in this line item are equipment rental and space rental of the Tallmadge Building. Charges for Services are earned in support of space rent and consist primarily of utility and labor services and ramp parking. Commission sales of food and beverage account for most of the Other Miscellaneous Operating Revenue line item. In 2002 total operating revenue generated by the Center was \$11.2 million, a gain of 22% from 2001 due primarily to the opening of the expansion in April 2002.

2003 Financial Projections

Due to the national tragedy of September 11, 2001 and the recession, the hospitality industry has been negatively affected. The ending fund balance in the Convention Center Special Revenue Fund is projected to be \$19.4 million, a 20% reduction from the prior year. Event operating revenues while projected to exceed 2002 levels are also projected to be 13% below budget. Tax proceeds are projected to be within 1% of budget and 3% above the 2002 actual totals.

With the new addition to the Convention Center becoming fully operational for an entire fiscal year, operating expenditures for the Center are projected to be 1% under budget, though exceeding their 2002 spending by 17%.

2004 Budget

Revenues

Below is a summary of the estimated local tax revenue increases for 2004 over the 2003 actual totals.

- 2.0% increase in sales tax
- 1.0% increase in Restaurant tax
- 1.0% increase in Liquor tax
- 1.0% increase in Lodging tax
- 1.0% increase in Entertainment tax

The Convention Center annual operating revenue budget increased 12% over projected 2003 revenue totals.

Expenditures

In 2004, the Convention Center operating budget, including capital expenditures, will increase 11% over the 2003 current service level. Increased utility rates and higher than anticipated utility usage of the expanded area contributed to this increase as well as additional security requirements due in part to the Convention Centers commitment to fund police officers and fire fighters.

In 2004, the transfer of revenue to the Greater Minneapolis Convention & Visitors Association (GMCVA) will be increased by approximately 1.3% from its 2003 level. Included in the transfer are proceeds from the 1% citywide lodging tax increase effective last year. The GMCVA functions as the primary sales and booking agent of the Convention Center.

Cash Position Changes

In the Convention Center Special Revenue Fund except for loans to other funds, the projected cash balance in 2004 will fluctuate relative to the fund equity. Most operating revenues and expenditure transactions are cash transactions. Attributing to a healthy cash position is the Convention Center policy of requiring cash advances for space rent and services to exhibitors. At the end of 2002, client advances sometimes received years in advance of the event were \$1,395,000 and outstanding client receivables were \$730,000. In 2000, the Convention Center, as part of the Intergovernmental Services Fund (internal service fund) workout plan, advanced \$12,800,000 to the fund as a long-term loan. While this does not impact the fund balance, cash balance is reduced.

City tax revenue is collected by the State of Minnesota and remitted to the City twice a month. \$3.5 million is advanced to the City one month in arrears and followed up by a month end remittance detailing tax revenue types and amounts.

Debt Service and Transfers

Debt Service

The recommended 2004 budget includes full funding to meet the annual debt service payments. Outstanding debt for the Convention Center is approximately \$323 million in total.

Transfers to Other Funds

Total transfers to other funds in 2004 are budgeted at \$37.6 million, a 3.3% reduction from 2003 levels.

- General Fund - \$7.3 million – funded by entertainment tax proceeds, historically a revenue source to the General Fund since 1969
- Arena Reserve - \$1.2 million – that portion of the entertainment tax estimated to be derived by Target Center activities
- Convention Center Reserve - \$1.1 million for future major Convention Center repairs or replacement
- Convention Center Debt Service - \$19.5 million – current year debt service liability for the Convention Center bond issue
- Parking Fund - \$8.4 million - funding for the current year debt service obligation for the Convention Center related parking ramps and facilities
- Intergovernmental Services Fund - \$.07 million – funding for current year ITS Workout plan
- Self Insurance Fund - \$.02 million - funding for current year self insurance liability pertaining to Convention Center activity
- MERF Pension Fund - \$.02 million - additional funding necessary meet MERF pension plan obligations

The City of Minneapolis deposits all of its local tax proceeds (i.e., sales tax, lodging tax, etc.) in the Convention Center Special Revenue Funds. All the tax proceeds except for the entertainment tax are Convention Center related and are used primarily to fund the debt related to the construction of the Convention Center and other related facilities, as well as to fund operating deficit projected to be \$9 million for 2004. Operating revenues are not sufficient to cover operating expense.

The entertainment tax, established in 1969, is a revenue source for the General Fund to offset additional police and fire department costs associated with citywide entertainment activities. A portion of the tax is redirected to the Arena Reserve fund to fully credit the fund for entertainment tax proceeds generated from Target Center activities, as required by the Target Center Arena finance plan. The entertainment tax is not deposited directly in the General Fund because it is a pledged revenue on the outstanding Convention Center bonds in the event that other revenue would not be sufficient to meet debt service obligations, which has never happened.

The Intergovernmental Services workout plan approved by the City Council requires annual transfers to the internal service fund through 2012.

The Convention Center transfers funds to the Self-Insurance Fund to reimburse the Human Resources department for personnel benefits administration at the Convention Center.

City of Minneapolis
Convention Center Special Revenue Fund 0760
Financial Plan (in thousands of dollars)

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Chg From Budget	2005 Forecast	2006 Forecast	2007 Forecast
Operating Revenues:									
Charges For Services	2,507	3,249	4,743	4,590	4,740	-0.1%	4,977	5,226	5,487
Rents	4,921	5,737	7,090	5,700	6,765	-4.6%	7,103	7,458	7,831
Other Miscellaneous Operating	1,718	2,208	2,433	2,110	2,405	-1.2%	2,525	2,652	2,784
Total	9,146	11,194	14,266	12,400	13,910	-2.5%	14,606	15,336	16,103
Non-Operating Revenues:									
Sales Tax	27,379	25,283	28,166	25,536	26,047	-7.5%	26,567	27,365	28,185
Entertainment Tax	6,963	7,488	7,194	8,387	8,470	17.7%	8,640	8,899	9,166
Restaurant Tax	7,599	7,754	7,892	7,677	7,754	-1.7%	7,909	8,146	8,391
Liquor Tax	2,729	2,871	2,822	2,815	2,843	0.7%	2,900	2,987	3,076
Lodging Tax	2,934	4,166	3,065	4,500	4,545	48.3%	4,636	4,775	4,918
Contributions	51	600	301	301					
Interest	1,005	346	1,146	350	160	-86.0%	160	160	160
Total	48,660	48,508	50,586	49,565	49,819	-1.5%	50,812	52,332	53,897
Total Revenue	57,806	59,702	64,852	61,965	63,729	-1.7%	65,418	67,667	69,999
Expenditures									
Convention Center Operations	12,409	16,983	20,021	19,823	21,911	9.4%	22,787	23,699	24,647
Ongoing Equipment and Improvement	619	900	1,151	1,091	1,120	-2.7%	1,165	1,211	1,260
Finance	242	225	309	250	302	-2.3%	314	327	340
Human Resources	45	51	57	55	59	3.5%	61	64	66
GMCVA	6,595	7,002	6,730	6,730	6,480	-3.7%	6,610	6,742	6,877
Neighborhood Early Learning Centers	122		-	-	-		-	-	-
Convention Center Completion Project	393	93	-	-	-		-	-	-
Transfer To Genl Fund - Entert Tax	5,968	5,841	6,313	7,187	7,270	15.2%	7,440	7,699	7,966
Transfer To Target Ctr Reserve	994	1,647	881	1,200	1,200	36.2%	1,200	1,200	1,200
Transfer To Conv Center Reserve	1,047	1,100	1,150	1,150	1,150		1,150	1,150	1,150
Transfer To Capital Improvements	-	1,560	60	60					
Transfer To Debt Service	16,457	16,205	20,854	20,854	19,493	-6.5%	19,501	19,316	19,071
Transfer To Parking Fund	8,757	8,235	8,301	8,301	8,365	0.8%	8,254	8,391	8,594
Transfer to Information Technology	61	71	66	66	66		71	74	77
Transfer to MERF pension	-	-	-	-	23		23	23	23
Transfer to Self Insurance	19	17	18	18	19	5.6%	18	18	18
Total Expenditures	53,728	59,930	65,911	66,784	67,458	2.3%	68,594	69,914	71,288
Net Income	4,078	(228)	(1,059)	(4,819)	(3,730)	252.2%	(3,177)	(2,246)	(1,289)
Fund Balance/Retained Earnings:									
Beginning Balance	20,371	24,449	24,221	24,221	19,402	-19.9%	15,672	12,496	10,250
Ending Balance	24,449	24,221	23,162	19,402	15,672	-32.3%	12,496	10,250	8,960

Notes:

As part of the Council approved work-out plan, an advance of \$12.8 million was made to ITS in 2000. While this did not affect the Convention Center total fund balance, this transaction decreased cash and increased due from other funds.

A State grant for \$3.288 million was received in 2001 and \$81 million was received in 2002. These grants will be used to reduce the principal outstanding debt and the amount of transfers to debt service.

**City of Minneapolis
FY 2004
Financial Plan**

Municipal Parking Fund

Background

This fund accounts for the operation and maintenance of parking ramps, lots, on-street parking, a municipal impound lot, and traffic/parking control. Major parking related capital construction and development activities also occur in this fund.

Historical Financial Performance

Due to economic conditions actual revenue performance has been less than the annual forecast. Major street reconstruction also impacted the performance restricting access to many of the facilities. Prior to 2001 revenues exceeded projections. This was attributed to a sound economy and weather conducive to greater use of ramps (in cold and snowy weather more people use the ramps).

The Public Works Department has prepared a comprehensive business plan for the Parking Fund, with the assistance of the Finance Department. This plan will be released in conjunction or integrated within the other Public Works business plans. The plan will address strategies for managing and responding to a growing municipal parking system.

The financial condition of the Parking Fund has historically been stable, but it will present a future financial challenge for the City if cash outflows continue to exceed the inflows. While the Fund currently generates a positive fund margin, fund-operating income is used not only to provide for the restoration of its productive assets (ramps) but is also committed to heavy debt service and makes substantial annual contributions to the General Fund (\$10.9 million for 2003) and to the Target Center Arena (\$1.5 million of for 2003).

Rather than using equity to fund part of the capital cost of ramps, it has historically been financed 100% by debt. The fund carries \$10.80 of debt for each dollar of retained earnings. In addition, besides servicing the debt on its own balance sheet, the fund receives transfers from the Convention Center Special Revenue Fund (\$8.3 million in year 2003) to pay its share of debt service on Convention Center related parking facilities. The fund also receives transfers from tax increment and abatement revenue to pay part of major downtown development projects (\$5.5 million in year 2003). If revenues do not increase or if expenses do not decrease it may be necessary to reduce the annual transfer to the general fund and/or the Target Center debt service to avoid a negative cash position. A reduction to the General Fund transfer would result in fewer resources to fund general city services.

Current Year to Date / End of Year Financial Performance

Revenues

The revenues for 2002 in the operating budget were anticipated to increase by 6.4% from \$55.8 million to \$59.4 million, but actually decreased by 2.2% to \$54.6 million. The projected increase was due to parking rate adjustments and the addition of the LaSalle at 10th ramp. On-street meter revenues are projected to be slightly higher in 2003, than actual 2002, but both City and state parking and towing revenues are down significantly from 2002 levels. In 2003 operating revenues are budgeted at \$59.8 million and are projected to drop by \$8.5 million to \$51.3 million based on projections using 2001 and 2002 revenues. If additional revenues sources are not identified, or operating expenses and/or transfers are not adjusted to offset the decrease in revenue the City will have a growing negative cash balance in the parking fund.

Expenditures

In 2003 operating expenses are budgeted at \$39.4 million and are projected to be \$36.3 million based on 2001 and 2002. This will lessen the impact of the projected \$8 million dollar revenue shortfall by \$3.1 million, so that the operating margin's projection is \$4.9 million less than budgeted. Impound lot expenses may increase due to a significant increase in the cost per tow received from the recent bid pending contract approval, but the impound lot intends to raise rates to cover this increase.

Cash Position

Based on current and proposed budgets, operating cash balances are going to continue to decrease, especially for cash related to the City system. The state owned facilities are creating a positive cash flow, but with the transfers out to other funds the city owned facilities have a negative cash flow.

Non-parking related activities financed in the parking fund, which includes transfers to the General Fund and Target Center Arena Fund are contributing factors to the negative cash flow. The City's parking system is currently in a negative cash position that is expected to grow. The cash balance for the City System is projected to decrease by \$10.1 million to a negative \$8.8 million by year-end 2003.

The chart that follows illustrates that over the last few years revenue has been decreasing while expenses have been growing, the result is a continued decline in the cash position of the fund.

2004 Budget

Revenues

The revenues for 2004 in the operating budget are anticipated to decrease by 4.9% from \$60.3 million to \$57.3 million. The actual reduction in the current meter, impound lot, state and city owned ramps totals \$4 million.

Revenues are projected to increase \$1.03 million with the addition of the Walker Ramp. Revenue of \$1.023 million is included for the Harmon ramp, which will be due less a management fee to the ramps owner, Opus LLC. With the inclusion of the new facilities the total net change in revenue is proposed to decrease by \$2 million.

The 2004 operating revenue budget is based on conservative parking rate estimates provided by the Public Works Department that have been adjusted based on actual revenues that should reflect market demands. The net decrease is projected to be \$1.96 million versus the \$340,000 increase in 2003.

Non-operating revenues consist of interest revenue that is generated by investment earnings that shows up as revenue but transferred to the General Fund. Special assessment revenue is received from business' to reimburse part of the capital expenses for the construction of the Lyn-Lake Lots that helped meet minimum parking requirements.

Expenditures

The 2003 current service level operating expenditure budgets for Public Works Transportation, Finance and Licenses & Consumer Services has increased by 5% from \$39.4 to \$41.3 million. This is due to average personnel increases of 2% and non-personnel citywide increases of 1.32% based on an inflationary index. Interest expense (debt service) is a non-operating expense that is projected to total \$13.7 million for 2004 that consists of both fixed and variable rate bond debt.

Transfers

The transfer to the General Fund will decrease from \$10.9 million to \$9.8 million based on the 2004 adopted budget. The transfer to the General Fund would have increased by 3% based on the adopted five-year financial plan for the City, but due to the declining financial position of the Parking Fund the decision has been made to begin to reduce this transfer.

Transfers to the Target Center Arena Fund are proposed to increase from \$1.5 million to \$1.6 million based on the revised finance plan approved in 2000. This transfer has been coming out of net assets generated by City parking revenues and not the event revenue generated by the State owned TAD garages.

The State of Minnesota owned garages have reached a breakeven point and are generating positive retained earnings.

The ongoing annual operating transfer of \$146,000 to sanitation has been established to fund the bus shelter litter containers. The transfer to Business Information Systems has been increased by 4% based on the approved Financial Workout Plan.

Transfers from other funds for debt service payments for Convention Center related parking facilities were paid off with a state grant in 2002 and the transfers in from sales tax revenue and out to the long-term debt account group are continuing with a 2004 estimate of \$8.4 million. Based on various construction facility finance plans where tax increment and abatement were a revenue source it is estimated that \$6.2 million will be transferred for debt service from CPED. The following is a breakdown of the \$6.2 million in transfers by facility: \$4.8 million for LaSalle at 10th Ramp, \$.45 million for East LRT Ramp, \$0.65 million for the Hennepin at 10th Ramp, \$0.05 million for 10th and Washington Ramp and \$0.25 million for the Federal Courts Ramp.

Debt Service

The debt service payable, including principal and interest, in 2004 is \$25.1 million. The debt service is related to bonds issued for construction of municipal parking ramps, which will continue to grow as new facilities are added to the system. Debt service for 2004 includes bonds issued to cover the cost of condemnation, land and building costs that are reimbursed from tax increment revenue and sales tax proceeds for projects that had these financing sources identified in their original construction finance plans. The estimate for 2004 to be transferred in from the Convention Center Fund is \$8.4 million and the estimate to be transferred from tax increment and abatement revenue is \$6.2 million.

Decision Packages and Target Strategies

The adopted budget includes funding a parking ramp security system consolidation for \$350,000. This would consolidate the security operations for the Leamington and Hilton ramps into the Hawthorne Transportation Center Security Command Center. This will replace personnel with the use of technology that will generate substantial savings over the long term.

The adopted budget also includes \$1.5 million in additional costs related to payments to MetroTransit for the Downtown Circulator.

**City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)**

Municipal Parking Fund

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Chg from 2003 Budget	2005 Forecast	2006 Forecast	2007 Forecast
Source of Funds:									
Licenses and Permits	179	193	155	155	155		158	161	164
State Government	463		-	-			-	-	-
Charges for Service, Sales & Permits (Tr	53,257	52,729	59,431	50,896	56,456	-5.0%	57,585	58,737	59,912
Charges for Sales	1,149	1,063	826	826	1,001	21.2%	1,021	1,041	1,062
Special Assessments	170	159	38	38	133	250.0%	136	138	141
Interest	2	-	1	1	1		1	1	1
Gains	(39)		-	-	-		-	-	-
Rents (Transportation)	274	131	18	18	3	-83.3%	3	3	3
Other Misc Revenues	79	455	11	11	11		11	11	12
Tax Increment Transfers In	5,177	5,845	5,505	5,505	6,743	22.5%	6,129	8,242	8,283
Sales Tax Transfers In	8,757	8,235	8,301	8,301	8,400	1.2%	8,254	8,391	8,594
Arbitrage Transfers In	23,192								
<i>Total Transfers In</i>	<i>37,125</i>	<i>14,080</i>	<i>13,806</i>	<i>13,806</i>	<i>14,520</i>	<i>5.2%</i>	<i>14,383</i>	<i>16,633</i>	<i>16,877</i>
Proceeds of Long Term Liabilities	18,673	19,122	-	-			-	-	-
Total	111,332	87,932	74,286	65,751	72,903	-1.9%	73,299	76,727	78,172
Use of Funds:									
Debt Service	45,615	26,644	24,149	24,149	25,881	7.2%	25,249	27,288	27,678
General Fund Transfer Out	10,108	10,575	10,890	10,890	9,800	-10.0%	9,800	9,800	9,800
Target Arena Transfer Out	1,199	1,335	1,470	1,470	1,620	10.2%	1,768	1,921	2,079
Debt Service Transfer Out (Mann Areawa	579	158	287	287	275	-4.4%	252	12	
Internal Service Funds Tranfers Out	65	91	76	76	77	1.1%	80	84	87
MERF Liability Transfer Out					129				
Sanitation Transfer Out	-	146	146	146	146		146	146	146
Parkboard Transfer Out	1,000	-	-	-					
<i>Total Transfers Out</i>	<i>12,951</i>	<i>12,305</i>	<i>12,869</i>	<i>12,869</i>	<i>12,046</i>	<i>-3.1%</i>	<i>12,046</i>	<i>11,963</i>	<i>12,112</i>
PW-Transportation	31,088	32,943	35,805	32,737	39,424	10.1%	40,212	41,017	41,837
Human Resources			225	225	228	1%	233	237	242
Finance Department	548	532	607	607	594	-2.1%	606	618	630
Licenses & Consumer Services	2,270	2,137	2,756	2,756	2,833	2.8%	2,890	2,947	3,006
PW-Transportation Capital	22,341	17,355	180	180	180	100%	184	187	191
Total	114,813	91,916	76,591	73,523	81,186	6.0%	81,419	84,258	85,697
Fund Margin									
TAD (State Owned) Ramps	3,141	2,272	3,757	2,306	2,282	-39%	2,328	2,374	2,422
City Ramps and Lots	(6,622)	(6,256)	(6,062)	(10,079)	(10,565)	74.3%	(10,448)	(9,905)	(9,946)
(1) Total	(3,481)	(3,984)	(2,305)	(7,773)	(8,283)	259.3%	(8,121)	(7,531)	(7,524)
Retained Earnings									
TAD (State Owned) Ramps	9,926	12,198	15,955	14,504	16,786	5.2%	19,114	21,488	23,910
City Parking System	12,987	16,363	15,068	11,052	6,560	-56.5%	2,184	(943)	(1,711)
Total	22,913	28,561	31,024	25,556	23,346	-24.7%	21,298	20,545	22,199
Cash Balances									
TAD (State Owned) Ramps	10,328	12,600	16,357	14,906	17,188	5.1%	19,516	21,890	24,312
City System Construction Cash (2)	16,200	22,799		-	-		-	-	-
City System Op Cash w/o Temp Loan	7,764	1,298	(4,764)	(8,780)	(19,346)	306.1%	(29,794)	(39,699)	(49,646)
Total	34,292	36,697	11,593	6,125	(2,158)	-118.6%	(10,279)	(17,809)	(25,334)

Footnotes:

(1) Revenue and expense projections are based on 2% increases

(2) Construction cash not included in current yr and projected years

**City of Minneapolis
FY 2004
Financial Plan**

Solid Waste and Recycling Fund

This fund accounts for solid waste collection and disposal/recycling activities for the City. The Solid Waste Division of the Public Works Department provides weekly trash and yard-waste pickup, bi-weekly recycling pickup and operates a solid waste transfer station for over 108,000 households.

Funding for solid waste and recycling activities are provided mainly from sanitation fees and partly from sources such as Hennepin County Grants, recyclable sales, and charges for other services. City crews provide approximately one-half of the solid waste collection service and the other half of the service is provided through a contract with a consortium of companies specializing in waste collection.

Historical Financial Performance

The overall financial condition of the Solid Waste Fund is positive as a result of management practices and annual scheduled rate increases for the sanitation fee. The net assets for this fund at the end of year 2002 were \$13.2 million, as compared to \$13.1 million in year 2001.

The Solid Waste fund has been partially updating there fleet on a yearly basis. In year 2002, four recycling units, one side loader for litter containers, and three problem material vehicles were purchased.

2004 Budget

Revenues

For year 2004, no solid waste and recycling rate increase is included in the adopted budget. The monthly rate will remain at \$19.25 per month per dwelling unit. In addition, if projections included in the financial plan for this fund are met, it is likely that a rate increase will not be needed until year 2006. For planning purposes a rate increase of 3% is assumed for year 2006 and 2007. A 3% increase would result in a \$19.83 and \$20.42 per month per dwelling unit for years' 2006 and 2007, respectively.

For the past three years, the solid waste and recycling fee was being adjusted by 75-cents per month per dwelling unit. This will be the first year since 2001 that there will not be a scheduled rate increase.

The Hennepin County Recycling Grant is estimated to total at \$804,000 in 2004.

Expenditures

Overall operating expenditures are budgeted to increase by 2.0% for personnel expense, and 1.32% for non-personnel from 2003 to 2004.

In year 2003, the Division eliminated two solid waste routes for total annual savings of \$280,000. Solid Waste and Recycling has eliminated 2 municipal solid waste collection routes by consolidating the two subject routes into other existing routes, thus eliminated 4.0 FTE Solid Waste & Recycling Worker positions and 2 of the oldest packer trucks.

The 2004 budget includes \$50,000 in revenue from the General fund for graffiti programs in the department.

Transfers

The 2004 adopted budget includes the continuation of a \$700,000 transfer from Solid Waste and Recycling to the General Fund to pay for snow alley plowing to ensure delivery of solid waste and recycling services in the alleys.

In addition, the 2004 budget includes: a \$70,000 transfer to the Intergovernmental Services Fund; a transfer of \$11,271 to the Self Insurance Fund for liability and workers compensation payments; and a transfer of \$90,000 to the Debt Service fund for pension obligations related to the Minneapolis Employees Retirement Fund (MERF).

The Solid Waste and Recycling Fund receives a transfer of \$146,000 from the Parking Fund to pay for litter container pick-up (downtown).

Debt Service

This fund does not have any associated debt service payments.

**City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)**

Solid Waste Fund 7700

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Chg from 2003 Budget	2005 Forecast	2006 Forecast	2007 Forecast
Sources of Funds:									
Sales and Other Taxes	5	-	-	-	-		-	-	-
Local Government	943	936	804	804	804		804	828	853
Charges for Service	24,177	24,906	26,099	26,099	26,099		26,099	26,882	27,688
Charges for Sales	668	617	640	640	640		640	659	679
Special Assessments	143	128	-	54	-		-	-	-
Operating Transfers In:									
From Parking Fund	166	146	146	146	196	34.2%	146	146	146
Proceeds of Long Term Liabilities			-	-	-		-	-	-
Total	26,102	26,733	27,689	27,743	27,739	0.2%	27,689	28,515	29,366
Use of Funds:									
Debt Service							-	-	-
Transfers:									
To General Fund	160	170	757	757	790	4.4%	90	90	90
To ITS Fund	12	12	75	75	70	-6.7%	72	74	76
To Self Insurance Fund	11	11	11	11	11		11	12	12
To MERF Fund									
Retiree Incentive							-	-	-
PW-Solid Waste Consolidating	24,576	24,271	25,083	25,083	25,601	2.1%	26,369	27,160	27,975
Finance Department	203	183	195	195	196	0.5%	196	202	208
Human Resources			225	225	228	1.3%	228	235	242
Capital					-		-	-	-
Total	24,962	24,647	26,346	26,346	26,896	2.1%	26,966	27,773	28,603
Fund Margin	1,140	2,086	1,343	1,397	843	-37.2%	723	743	763
Fund Balance	8,542	13,212	14,555	14,609	15,452	6.2%	16,175	16,917	17,680
Cash Balance	4,827	8,005	9,348	9,348	10,191	9.0%	10,914	11,656	12,419

**City of Minneapolis
FY 2004 Fund
Financial Plan**

Storm Water, Sewer Rental, and Flood Mitigation Utility Fund

This fund accounts for contractual payments to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. This fund also accounts for storm water management activities including the Combined Sewer Overflow (CSO) program, which separates the remaining storm sewer lines that are connected to sanitary sewer lines.

During 1998, the City embarked on a \$72 million, nine-year, flood control program (which has been expanded since the original plan was adopted). This program targets specific areas in the City and creates holding ponds and additional storm drains that are designed to mitigate the effects of flash floods. This fund also accounts for the cost of street sweeping as a related cost activity.

Historical Financial Performance

The Sewer Rental Fund has had positive retained earning experience the last several years. This is due to the combination of rate increases being implemented as planned and unanticipated delays in capital project expenditures. Delay in capital project expenditures also impacts cash balance, when bonds are sold and the expenditures are delayed into the next year. This has resulted in an increasing total cash balance for this fund for the past few years. For the year ending in 2002, about \$10.0 million of cash was related to the capital improvements in the Fund and about \$4.0 million of cash for operations.

2004 Budget

Revenues

The Sewer Rental Fund has a projected rate increase of 14-cents (per 100 cubic feet) for 2004. The rate increase will be used to pay for ongoing operating expenses as well as debt service related to the CSO and flood mitigation programs. The following rate schedule is proposed for years' 2004 to 2007.

Storm Water, Sewer, Flood Mitigation Utility Rates

Below is a summary of the rates for years 2004 to 2008.

Year	Rate (cost per 100 cubic feet)	Cost Per Month for Average Consumer ¹	Monthly % Increase	Total Planned Revenue from Utility Fee
2004	3.43	20.58	4.3%	63,413
2005	3.58	21.48	4.4%	66,186
2006	3.72	22.32	3.9%	68,775
2007	3.86	23.16	3.8%	71,360
2008	4.00	24.00	3.6%	73,951

¹ Rate is based on cost per 100 cubic feet and assumes 6 units per month.

Note: Total revenue from charges for services in the financial plan exceeds the amount generated by the utility fee (below) because other revenue is also deposited in the Sewer Fund.

Expenditures

The Sewer Rental Fund has a projected increase in expenses due to sewage flow increases. The flow increases will result from newer, more accurate meters installed by the Metropolitan Council Environmental Services. For 2004, the capital expenditures will increase, as more sewer designs are ready for construction. The budget also includes continuation of funding to complete the CSO (combined sewer overflow) Separation Evaluation Project.

Beginning in year 2004, the Sewer Fund will incur a Government Service Fee (\$3.1 million) for the general government services that support activities in the Sewer Fund. The Government Service Fee will be calculated annually by reviewing the asset base of the Sewer Fund and other factors that go into the defined formula for calculating the fee.

CSO (Combined Sewer Overflow)

In Year 2001 a study was done by the City of Minneapolis and Metropolitan Council, which indicated that there maybe as many as 5,000 buildings and properties with rainwater connection to the sanitary system. To resolve this issue, both parties will need to identify these properties and work on an alternative for rainwater connection. Once this task is complete, the department of Public Works will be required to hire additional staff to redesign and reconstruct the storm water drainage system. The project could take 3 to 5 years to complete. The estimated cost for 2004 is approximately \$2 million. The adopted budget includes the addition of three positions for overflow code compliance staffing.

Transfers

A transfer of \$10,000 for liability and workers compensation payments to the Self-Insurance Fund is budgeted in 2004. A transfer of \$66,000 for Information Technology Services is budgeted for 2004. A transfer of \$288,000 to the bond redemption fund for debt service related to the Minneapolis Employee Retirement Fund (MERF) outstanding liability.

Debt Service

The debt service payments are primarily for bonds previously sold to finance the Combined Sewer Overflow (CSO) and flood mitigation programs.

City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)

Sewer Fund 7300

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Chg from Budget	2005 Forecast	2006 Forecast	2007 Forecast
Source of Funds:									
Federal Government	3,758	980			310				
State Government	365	566	516	516	1,159	106.2%	1,159	1,159	1,159
Local Government	148	128	148	148	290	154.1%	387	399	411
Charges for Service	58,209	64,122	66,243	66,243	68,843	4.3%	71,588	74,177	76,765
Charges for Sales	-	5			1		1	1	1
Special Assessments	310	275	115	115	115		118	122	126
Interest	1	(3)	-	-	-		-	-	-
Gains	(14)		-	-	-		-	-	-
Other Misc Revenues	18	(60)	53	53	52	-1.9%	54	55	57
Operating Transfers In	-	-	-	-	-		-	-	-
Proceeds of Long Term Liabilities	6,339	7,988	6,000	6,000	10,519	93.2%	6,580	6,725	4,800
Total	69,134	74,001	73,075	73,075	81,289	12.6%	79,887	82,638	83,318
Use of Funds:									
Debt Service	2,547	3,007	8,151	8,151	11,004	35.0%	10,918	10,014	8,194
Transfers									
To General Fund	1,877	116	63	63					
To Debt Service for MERF Liability					288		400	600	800
To BIS Fund	65	65	65	65	66		69	69	69
To Self Insurance Fund	10	10	10	10	10		10	10	10
PW-Sewer Design	1,755	2,338	4,484	4,484	5,014	4.5%	5,215	5,215	5,215
PW-Field Services	4,514	5,177	5,479	5,479	5,683	0.4%	5,910	5,910	5,910
PW-Sewer Maintenance	35,781	36,530	39,855	39,855	40,542	10.3%	42,164	42,164	42,164
Finance Department	134	117	137	137	129	66.4%	134	134	134
Human Resources			225	225	228		237	237	237
Government Service Fee					3,055		3,177	3,304	3,436
PW- Capital	11,812	19,034	15,000	15,000	15,881	-20.0%	11,220	11,417	9,300
Total	58,495	66,394	73,469	73,469	81,900	9.7%	79,454	79,074	75,469
Fund Margin	10,639	7,607	(394)	(394)	(611)	-524.4%	433	3,564	7,850
Fund Balance	56,780	293,665	293,271	293,271	292,660	0.6%	293,093	296,658	304,507
Cash Balance	18,887	14,077	13,683	13,683	13,072	12.2%	13,505	17,070	24,919
Note: Cash balance includes restricted cash for capital projects.									

**City of Minneapolis
FY 2004 Budget
Financial Plan**

Water Fund

This fund accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The City sells water to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal and Edina.

Historical Financial Performance

The financial condition of this fund has been stable. Retained earnings have been positive the past several years, due primarily to the timing of scheduled rate increases for major capital improvements.

2004 Budget

Revenues

The projected rate increases for the following years is to pay debt service for the capital expenditures for the Hilltop reservoir and the Ultra-Filtration program, as well as growth in operating expenditures.

Water Utility Rates

The 2004 budget includes a lower rate increase for water than that proposed by the Citizen Long Range Improvement Committee (CLIC). The adopted budget includes a 7.7% increase in year 2004 as compared to a 10.4% increase by CLIC. The adopted budget includes reducing capital spending and reducing the level of capital funded from current revenue versus bonds.

Year	Rate (cost per 100 cubic feet)	Cost Per Month for Average Consumer ¹	% Increase	Total Planned Revenue from Utility Fee
2004	2.38	19.04	7.7%	59,140
2005	2.56	20.48	7.6%	63,613
2006	2.73	21.84	6.6%	67,837
2007	2.81	22.48	2.9%	69,825
2008	2.89	23.12	2.8%	71,813

¹ Rate is based on cost per 100 cubic feet and assumes 8 units of water is consumed per month.

Note: Total revenue from charges for services in the financial plan exceeds the amount generated by the utility fee (below) because other revenue is also deposited in the Sewer Fund other than from utility fees.

Expenditures

The budget holds the funding level for infrastructure improvement program at the prior year level and does not include anticipated growth in this area of expenditure. In 2003, the fund was given a \$500,000 increase for security. During 2003, the Council made the decision to provide security to the treatment facility with Police personnel. The total budget for security in 2004 is \$1.1 million. The Water Fund has 16 (FTE) positions from the Police Department dedicated full time to providing security for Water Works.

Beginning in year 2004, the Water Fund will incur a Government Service Fee (\$1.2 million) for the general government services that support water distribution and treatment activities. The Government Service Fee will be calculated annually by reviewing the asset base of the Water Fund and other factors that go into the defined formula for calculating the fee.

Transfers to Other Funds

The transfers represent annual payment for information technical services charges of \$2.5 million, mostly related to the technology costs related to utility billing services (which are partially offset by Sewer and Solid Waste fees) and a \$26,000 payment to the Self Insurance Fund for workers compensation and general liability coverage.

In addition, the Water Fund will begin incurring a transfer expense related to its share of the Minneapolis Employee Retirement Fund (MERF) pension obligations. Nearly \$0.5 million will be transferred to the bond redemption fund to cover the liability obligations related to Water Fund employees that have retired under the MERF pension plan.

Debt Service

The debt service amounts are primarily for bonds sold to finance the Water-Works Capital Construction program.

City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)

Water Fund 7400

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Chg from 2003 Budget	2005 Forecast	2006 Forecast	2007 Forecast
Source of Funds:									
Licenses and Permits	1	1	1	1	1		1	1	1
Federal Government	765	317	-	-	-		-	-	-
Charges for Service	51,609	54,733	65,002	65,002	66,818	2.8%	71,091	75,315	77,303
Charges for Sales	1,991	1,715	1,625	1,625	1,740	7.1%	1,766	1,915	2,026
Special Assessments	713	1,769	-	-	-		-	-	-
Interest	18	(22)	-	-	-		-	-	-
Gains	(13)	-	-	-	-		-	-	-
Rents	8	3	2	1	2		2	2	2
Other Misc Revenues	21	2	16	16	19	18.8%	16	17	17
Operating Transfers In	14,053	5,266	-	-	-		-	-	-
Proceeds of Long Term Liabilities	-	3,718	4,350	4,350	33,000	658.6%	34,040	58,000	35,920
Total	69,165	67,502	70,996	70,995	101,580	43.1%	106,917	135,250	115,270
Use of Funds:									
Debt Service	3,285	2,796	13,566	13,566	12,148	-10.5%	14,931	16,244	16,177
Transfers	2,573	2,548	2,518	2,518	3,035	20.5%	3,156	3,283	3,414
Police Department	-	-	-	-	1,109		1,153	1,199	1,247
PW-Engineering	486	662	779	779	878	12.7%	913	950	988
PW-Water	28,795	31,796	34,848	34,814	36,091	3.6%	37,535	39,036	40,597
Human Resources	-	-	225	225	269	19.6%	280	291	303
Finance Department	4,535	4,528	4,795	4,795	4,985	4.0%	5,184	5,392	5,607
Government Service Fee	-	-	-	-	1,495		1,555	1,617	1,682
PW-Water - Capital	13,735	15,726	9,525	33,802	37,340	292.0%	38,681	64,500	42,320
SISPP Projects	31	-	-	-	-		-	-	-
Total	53,440	58,056	66,256	90,499	97,350	46.9%	103,388	132,512	112,335
Water Works Fund Margin	15,725	9,446	4,740	-19,504	4,230	-10.8%	3,528	2,738	2,934
Water Fund Balance	78,361	111,612	116,352	92,108	96,338	-17.2%	99,866	102,605	105,539
Water Cash Balance	10,055	6,137	2,634	2,634	6,864	160.6%	10,392	13,131	16,065

**City of Minneapolis
FY 2004
Financial Plan**

Public Works Stores Fund

This fund is used to account for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items, and the purchase of special goods and services through Public Works Central Stores and Traffic Stores operations.

Historical Financial Information

Public Works has operated Central Stores since it was established by the City Council in January 1965. At that time the stockrooms of Property Services, Bridge Maintenance, Paving Construction, and Sewer Construction and Maintenance were combined to establish a Central Stores. In 1980 it was decided that Central Stores would handle all of the City's needs for office supplies and non-specialty items.

A study was completed in June 1998, which included a recommended redesign of the Stores function to include a revamped overhead structure with new directives to utilize the Stores. This has resulted in the fund showing positive net income for years' 2000 through 2002. Projections for 2003 indicate a profit, however, there are indications of lower revenues.

2004 Budget

Revenues

Revenues are expected to be sufficient in 2004 to cover expense.

Expenditures

Expenditures in the fund are primarily for replenishing the fund's approximate \$3.0 million inventory, which has resulted in the fund continuing to have a negative cash balance. The Public Works and Finance Departments need to review the carrying cost of this inventory level and determine what adjustments may be needed. This may impact future financial plans for this fund.

Transfers

This fund transfers funds to pay for information technology and self-insurance services.

Debt Service

This fund does not have long-term debt.

City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)

Public Works Stores Fund 6300

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Chg from 2003 Budget	2005 Forecast	2006 Forecast	2007 Forecast
Source of Fund:									
Charges for Services	509	536	500	425	475	-5.0%	494	494	514
Charges for Sales	3,681	3,219	3,245	3,300	3,145	-3.1%	3,145	3,145	3,145
Other Misc Revenues	5		-		-		-	-	-
Total	4,195	3,755	3,745	3,725	3,620	-3.3%	3,639	3,639	3,659
Use of Funds:									
Personal Services	641	520	536	543	576	7.5%	599	623	648
Contractual Services	90	86	129	90	127	-1.6%	132	137	143
Materials and other	86	168	336	200	342	1.8%	356	370	385
Rent			18	66	18		19	19	20
Interest	43		77		78	1.3%	81	84	88
Transfers	14	18	14	14	14		15	15	16
Total	874	792	1,110	913	1,155	4.1%	1,201	1,249	1,299
Fund Margin	3,321	2,963	2,635	2,812	2,465	-6.5%	2,438	2,390	2,360
Fund Balance	1,913	4,876	7,511	7,688	10,153	35.2%	12,591	14,980	17,340
Cash Balance	(835)	(678)	1,957	4,769	7,234	269.6%	9,672	12,061	14,421

Note: Cost of Stores Issuance results in recording the cost of items issued from inventory to customers. Because it is not budgeted, it has been added to this Financial Plan for comparative purposes.

**City of Minneapolis
FY 2004 Budget
Financial Plan**

Intergovernmental Services Fund

This fund is used to account for business information services (information and technology), central mailing and printing services, and telecommunications operations.

The City Council approved a Financial Workout Plan for the Intergovernmental Services Fund in September 2000, to resolve both the annual operating deficit and accumulated cash deficits for this fund. An update to this plan was approved in January 2003. The original plan projected a positive operating margin by year 2003 and positive cash flow to the fund by year 2008 if the following were realized:

1. Refund Existing Outstanding Variable Rate Debt.

During 2000, The City issued \$22.8 million, 12-year, fixed rate bonds. These bonds were used to refund existing 7-year, variable rate bonds.

2. Identify Level of Funding Available for Capital Projects.

The original plan committed to finishing "in flight" capital projects totaling \$12.2 million. During 2002 that number increased by \$2.1 million. The increase was necessary to finish construction of the Engineering 2000 software program. The additional costs were financed on a pay-as-you-go basis by the Public Works department. The 2003 budget provided a base budget of \$1 million for core infrastructure investments.

3. Reduce Information Technology Operating Expenditures.

The original workout plan called for a \$1.5 million reduction in 2002. The savings were realized through a conversion of contractors to city positions and an overall reduction in contractual expenses. Despite these expense reductions, the overall budget for ITS increased by \$3 million because of \$2.3 million in costs related to software licensing, integration of GIS application support and hardware/software maintenance contracts. In addition, an accounting change related to the Program Management Division resulted in an additional \$880,000 in revenue and expense budget. The managed services (outsourcing) contract executed with Unisys in 2003 will require no additional expense for the department. Conversely, it is expected to generate savings by avoiding future capital expenses such as hardware refresh, data center move and disaster recovery.

4. Commit \$1.2 million in Additional Annual General Fund Resources.

Since the original workout plan was adopted in 2000, annual adopted budgets have included the \$1.2 million increase.

5. All City Funds, Except the General Fund, Must Provide Pay-As-You-Go Funding for Information Technology Services.

Departments have complied with this direction. Examples of this cooperation are, \$1.9 million funding from Public Works for E2K, \$100,000 from Finance for a MUPS upgrade, \$250,000 from Human Resources for an HRIS upgrade.

6. Adjust the Rates Paid by User Departments/Funds on an Annual Basis.

The original and updated workout plan assumes and plans for a 2-3% budgetary increase annually.

7. Eliminate Internal Working Capital Charge.

During 2000, the working capital charge was eliminated for the Intergovernmental Services Fund. This resulted in annual savings of \$160,000.

8. Implement Permanent Inter-Fund Loans.

During 2000, the Convention Center and Convention Facilities Reserve Fund loaned \$12.8 million to the Intergovernmental Services Fund.

9. Develop User Rates for Information Technology Services.

During 2002, the Finance Department developed a rate model for the ITS fund using an accounting industry standard known as Activity Based Costing. The model allocates costs to customers on a "level of effort" basis. The model will be used to allocate costs to departments for GASB34 compliant financial statements beginning in 2002 and will be incorporated in the 2005 annual City operating budget.

Historical Financial Performance

Net assets were affected by the re-alignment of fixed assets and its related debt to the Intergovernmental Services Fund. This change in accounting caused a one-time adjustment to the fund's net assets of a negative \$21.7 million. Although this negative adjustment causes fund assets now to have a balance of negative \$40 million at year-end 2002 it better represents the financial condition of the fund and the importance of implementing the strategies to meet the guidelines of the workout plan. This trend will

be reversed under the plan, if the assumptions hold. The operation was projected to lose \$2.9 million in 2001 (as reflected in the workout plan) but only lost \$2.4 million. A loss of \$4.6 million in 2002 leaves the net assets \$2.7 million behind the workout plan after the one-time adjustment is factored in. However cash improved nearly \$1 million from 2001 to 2002. The workout plan had anticipated a negative \$16.4 million year end cash balance and the actual amount was a negative \$15.9 million, or \$0.5 million more positive than what was planned.

2004 Budget

Revenues

The workout plan required an additional \$1.0 million in 2001 and \$1.2 million annually from 2002-2008 of increased revenue from the property tax supported funds (General Fund), to fund the cost of providing information technology services. In 2003, as a result of Local Government Aid cutbacks, the Business Information Services Department (formerly the Information Technology Services Department) was directed to reduce operating costs by \$1.2 million from the original adopted 2003 budget. BIS did reduce expense by this amount and the General Fund is contributing \$1.2 million less in revenue to the Intergovernmental Services Fund as a result of this decision.

GIS operations have been moved from the General Fund to the Intergovernmental Services Fund as part of the 2004 budget. This transfer did not impact net performance (expense and revenue) of either the General Fund or the Intergovernmental Services Fund.

Charges for service were increased to reflect the additional revenue that the project management division in BIS has been generating by providing services and then direct charging city departments for the services they receive above and beyond the normal service level provided. The total amount is approximately \$800,000 in additional revenue, which was added to the project management division appropriation.

Expenses

BIS has contracted with Unisys as part of its Outsourcing of Technology Operations Plan, which was implemented in 2003. Unisys will own and maintain desktop and server equipment plus the related operating software under this plan. BIS will move away from managing technology and concentrate on providing business analysis and information services.

Expenses in the Intergovernmental Services Fund are comprised of the operating expenses (salaries/benefits, contractual, operating, equipment) of BIS and City Clerk. Capital expenditures for information technology investments were budgeted in the City's Permanent Improvement Fund (4100), but now are budgeted in the BIS fund.

Transfers

The rate model for the Intergovernmental Services Fund has not been finalized and therefore the 2004 budget still includes fund level transfers to support operating and capital spending in this fund.

The transfer from the General Fund, which comprises 84% of the total transfer revenue for this fund was adjusted as follows from year 2003 to 2004:

Transfer from the General Fund to Intergovernmental Services Fund:

2003 Adopted Budget	\$16.8 million
less 2003 LGA Cut	\$1.2 million
Adjusted 2003 Budget	\$15.6 million
plus GIS transfer	\$0.7 million
plus workout plan planned increase	\$1.2 million
2004 Budget	\$17.5 million

The transfers from other funds were increased at an inflationary level, from \$3.20 million to \$3.25 million.

Debt Service

The remaining variable rate debt of \$16.1 million was retired in 2001. The final pay-off year was extended from 2005 to 2012. The City re-directed \$2.7 million of General Fund resources dedicated to variable rate debt, towards funding the operating costs of BIS. This reduced the annual operating deficit for the fund by \$2.7 million. The financial plan reflects this change through 2006.

City of Minneapolis
Intergovernmental Services Fund 6400
Financial Plan (in thousands of dollars)

	2001	2002	2003		2004	% Chg	2005	2006	2007
	Actual	Actual	Current Budget	2003 Projected	Budget	from 2003 Budget	Forecast	Forecast	Forecast
Source of Funds:									
Charges For Service	3,300	5,767	2,910	3,329	4,411	51.6%	4,002	4,122	4,246
Charges for Sales	-	-	2	2	10	400.0%			
Interest	-	-	-	-	-		-	-	-
Gains	(21)	(30)	-	-	-		-	-	-
Other Miscellaneous Revenue	-		49	49	-		182	188	193
Operating Transfers In	17,438	18,840	18,791	18,791	20,750	10.4%	22,077	23,414	24,756
Transfer from componet units	90	86							
Proceeds From Bonds			1,000	1,000	2,950	195.0%	3,100	3,200	3,300
Total	20,807	24,663	22,752	23,171	28,121	23.6%	29,362	30,924	32,495
Use of Funds:									
Transfers to other funds	4,047	427	7	7	7		6	8	8
Debt Service	-	3,820	3,855	3,336	6,766	75.5%	7,948	7,738	1,434
City Clerk	1,300	1,254	1,445	1,310	1,090	-24.6%	1,123	1,156	1,191
Human Resources	113	170	184	126	186	1.1%	192	197	203
Finance Department	130	168	188	188	191	1.6%	197	203	209
Capital Outlay		6,120	1,000	1,000	2,950	195.0%	3,100	3,200	3,300
Information & Tech Services	17,510	17,302	16,900	16,900	17,574	4.0%	17,590	18,118	18,662
Total	23,100	29,261	23,579	22,867	28,764	22.0%	30,155	30,621	25,006
Fund Margin	(2,293)	(4,598)	(827)	304	(643)	-22.3%	(794)	303	7,489
Fund Balance	(36,252)	(40,850)	(41,677)	(40,546)	#####	-1.2%	(41,983)	(41,680)	(34,191)
Cash Balance	(15,998)	(15,044)	(15,871)	(14,740)	#####	-3.1%	(16,177)	(15,874)	(8,385)

**City of Minneapolis
FY 2004
Financial Plan**

Permanent Improvement Equipment Fund

Background

This fund accounts for the ownership and operation of a fleet of approximately 1,200 vehicles and other pieces of motorized equipment; 400 vehicle accessories (such as plow blades). The City's fleet of vehicles and equipment is the largest portion of the Fund's assets and has an estimated replacement value of approximately \$75 million.

The Equipment fund rents vehicles and other equipment to other City departments. For example, it provides police vehicles, fire trucks, heavy-construction equipment, snowplows, and other maintenance equipment to city departments. In addition, the Fund provides drivers and operators for equipment as necessary.

Historical Financial Performance

Revenue from Charges for Service

During the 1990's the Equipment fund was not recovering all of its costs. In 2000 the Fund had a deficit cash balance of over \$17.8 million. Early in 2001 the Finance Department and the Public Works Department developed a workout plan for the fund, which has raised the revenues sufficiently to cover the full cost of operations. Because of the workout plan, the Fund has sufficient revenue to match its expenses.

Cash and Net Assets Balances

Under the workout plan fleet purchases will be financed with bonds through 2008. This strategy, together with other measures in the workout plan, will cause the cash position in the fund to improve. Upgrading the fleet will reduce the average age of the fleet, thereby reducing maintenance costs.

2004 Budget

Revenue

Starting in 2004, the equipment division is using an activity based costing approach to bill the internal customers. Therefore the rental rate of the fleet is the amount that has to be paid to replace the vehicle after the vehicle is past its useful life. Maintenance, repairs and fuel will be billed separately. All of these will be billed at a rate that allows the equipment division to match its expenses.

Expenditures

Expenditures in 2004 will be close to equal with the 2003 service level. With the exception of a decrease in capital expenses caused by a one time increase in capital expenditures in 2003 to purchase new fire trucks. The fire fleet was very old, and needed to have an influx of new vehicles, as well as to accommodate a change in the vehicles that the fire department is using.

Transfers to Other Funds

The 2004 budget includes a transfer out of \$39,000 for Business Information Systems and \$23,000 for the Self Insurance Fund.

Debt Service

As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. Principal and interest payments totaling \$ 4.9 million will be due on these bonds in 2004. Consistent with the funds workout plan, modified for the fire apparatus replacement program, \$5.4 million in bonds will be issued for fleet replacement in 2004.

City of Minneapolis
FY 2004 Budget
Financial (in thousand of dollars)

Permanent Improvement Equipment 6100

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Change from 2003 Budget	2005 Forecast	2006 Forecast	2007 Forecast
Source of Funds:									
Charges for Service	950	514	951	346	4,972	422.7%	5,131	5,295	5,465
Charges for Sales	4,796	2,570	3,241	2,749	5,145	58.8%	5,310	5,480	5,655
Interest	1	-	1	1	1		1	1	1
Gains	43	40	200	60	200		200	200	200
Rents	27,519	27,958	27,832	27,015	24,138	-13.3%	24,910	25,707	26,530
Other Misc Revenue	482	460	315	454	310	-1.6%	320	330	341
Operating Transfers in	5,224	-	1,819	1,819	2,180	19.8%	1,750	1,806	1,864
Proceeds of long term liabilities		6,444	11,878	9,630	5,450	-54.1%	5,543	6,143	6,243
Total	39,016	37,985	46,236	42,074	42,395	-8.3%	43,163	44,961	46,297
Use of Funds:									
Debt Service	854	1,381	2,928	3,268	4,918	68.0%	6,489	6,891.49	7,112
Transfers	829	91	61	61	62	1.4%	66	68	70
PW Equipment	32,268	34,683	25,614	20,582	26,791	4.6%	28,452	30,216	32,089
PW Property Services	1,761	-	-	-	-		-	-	-
Finance	527	506	597	566	575	-3.7%	611	649	689
PW Equipment Capital	240	5,473	11,878	9,630	5,664	-52.3%	6,015	6,388	6,784
Total	36,479	42,134	41,078	34,108	38,010	-7.5%	41,633	44,212	46,744
Fund Margin	2,537	(4,149)	5,158	7,966	4,385	-15.0%	1,531	749	(447)
Fund Balance	15,871	11,722	16,880	19,688	24,073	42.6%	25,604	26,353	25,906
Cash Balance	(8,555)	(4,995)	163	2,971	7,356	4416.6%	8,887	9,636	9,189

Note:

The 2004 Budget reflects a change in accounting and budgeting practice for the Equipment Services Fund. As a result, the annual percentage change figures comparing the 2003 budget to the 2004 budget are significantly impacted.

**City of Minneapolis
FY 2004
Financial Plan**

Property Services Fund

Background

This fund accounts for the physical management and maintenance of fire stations, police precinct buildings, the Public Service Center, parking ramps, and various other office locations. It also accounts for the coordination and management of special projects.

Parking ramp maintenance and the radio shop operations were added to this fund in 2002. This aligned operations along the lines of the Public Works reorganization.

Property Services has added two more areas to its list of duties: Space and asset management, and security management. Security management is part of the increase in security that has come about since the 9/11 attacks.

Historical Financial Performance

The proposed building rental rates are based on a three-year actual expenditure average. In years' 1998 and 1999 rates were not increased to fully cover the expenditures in this fund, in order to reduce pressure on customer budgets. This resulted in negative financial performance during this period and a decline in cash balance. Since 1999, rates have been allowed to be increased annually (to other city departments) in order to fully fund the direct and indirect costs in the Property Services Fund.

The fund currently has a deficit in cash of \$1.0 million. Revenues are expected to equal expenditures in 2003.

In year 2002, as part of the GASB 34 implementation, the majority of all City owned buildings were added to this fund as assets. This resulted in a higher net asset for this fund, after adjustments for depreciation.

2004 Budget

Revenues

The increase in revenues from 2002 to 2003 is related to the current service level being transferred into the next year, plus the increase in revenue associated with the increase in expense due to the addition of space and asset management, and security management services (\$200,000 in total).

Expenditures

The 2004 adopted budget includes additional expense (\$200,000) for space and asset management and security planning. This additional expense is recovered through adjustments to the rate charged to customer departments.

Transfers to Other Funds

The 2004 budget includes \$33,000 of transfers out to other funds to cover the cost of Human Resources and Intergovernmental Services (information technology) support.

In addition, the Property Services Fund includes a \$812,000 transfer in from the General Fund to fund a portion of the debt service for 800 MHz radio system. Prior to the changes resulting from the implementation of GASB 34, debt service for 800 MHz radio system was paid from the Bond Redemption Fund versus the Property Services Fund. The Debt Service for 800 MHz radio system is now funded as follows:

\$812,000	Transfer from the General Fund
<u>\$350,000</u>	<u>Property services rent charges</u>
\$1,162,000	Total Debt Service (year 2004)

A transfer from the general fund is budgeted to fund community center operations (\$30,000).

Capital Project and Debt Service

The Radio Shop, a division with the Property Services Fund, has management responsibility for the \$16 million 800 MHz Radio System, which will be fully installed in 2003. As mentioned earlier, the fund recognizes the fixed assets along with the debt related to this project. The Radio Shop and has participated in the funding for the Safety Initiative by contributing \$350,000 a year since 1998.

**City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)**

Property Services Fund 6200

	2001 Actual	2002 Actual	2003 Current Budget	2003 Projected	2004 Budget	% Chg From 2003 Budget	2005 Forecast	2006 Forecast	2007 Forecast
Source of Funds:									
Charges for Services	3,274	5,118	4,384	3,582	4,433	1.1%	5,008	5,209	5,417
Charges for Sales	-	649	880	703	880		915	952	990
Rents	3,901	5,929	6,428	6,339	6,339	-1.4%	6,593	6,856	7,131
Other Misc Revenues	3	26	3	225	441	14600.0%	459	477	496
Operating Transfers in	3	1,665	130	942	842	547.7%	876	911	947
Proceeds of long term liabilities	-	6,425	560	4,560			-	-	-
Total	7,181	19,812	12,385	16,351	12,935	4.4%	13,850	14,404	14,981
Use of Funds:									
Property Services Administration	-	180	178	193	130	-27.0%	135	141	146
Radio Equipment	-	1,642	2,297	1,533	2,214	-3.6%	2,303	2,395	2,490
Municipal Market	30	15	30	18	31	3.3%	32	34	35
Facilities Management	6,994	9,255	8,623	8,838	9,244	7.2%	9,614	9,998	10,398
Capital Expenditure	-	7,109		4,560			-	-	-
Project Management	226	152	337	240	382	13.4%	397	413	430
Debt Service	17	123	73	936	1,213	1561.6%	1,213	1,213	1,213
Transfers	29	286	33	33	33		34	36	37
Finance	79	103	116	116	117	0.9%	122	127	132
Total	7,375	18,865	11,687	16,467	13,364	14.3%	13,850	14,356	14,881
Property Services Fund Margin	(194)	947	698	(116)	(429)	-161.5%	0	49	99
Change in Accounting Principal	31,678								
Property Services Fund Balance	29,591	30,538	31,236	31,120	30,691	-1.7%	30,691	30,740	30,840
Property Services Cash Balance	(1,457)	(510)	188	72	(241)	-228.2%	(241)	47	(141)

**City of Minneapolis
FY 2004
Financial Plan**

Self-Insurance Fund

The Self-Insurance Fund is used to account for employee medical, dental, and life insurance benefit programs and the programs' administrative costs. The fund also accounts for occupational health services, severance payments to employees who have retired or resigned and who meet minimum eligibility requirements, a tort liability program, and a workers' compensation program.

Historical Financial Performance

The net assets of the Self-Insurance Fund reflected a negative position \$43.0 million at year-end 2002, improving \$6.0 million the last two years from a low of \$49.0 million in 2000. The majority of this negative balance is due to the required accounting recognition of liability claims that have occurred but are not reported.

In 2000, the negative net asset balance increased by \$17.1 million due to two major factors. The first was a \$8.75 million settlement in which bonds were issued to pay off a legal judgement. The second was a \$7.7 million accounting adjustment to "unpaid claims" liability due to the financial results of a recent actuarial study.

During 2003, the City Council adopted a financial plan for the Self Insurance Fund which will result in the fund reaching a positive cash balance by year 2006, from a low of a negative \$8.2 million at year end 2001.

2004 Budget

Revenues/Expenditures

Medical and Life programs are fully contracted-out so that revenues and expenses should be equal at year-end as premiums are determined by and paid to the contractors. For 2003, the City has contracted with Blue Cross Blue Shield as the health insurance carrier. The City is currently in the process of evaluating responses to requests for proposals for a future health insurance carrier. The City's contract with Blue Cross Blue Shield expires at the end of 2003. For planning purposes, the City has assumed a 20% increase in health insurance premiums for year 2004.

The Dental and Minneflex program premiums are estimated, and actual costs are expensed.

The Unused Sick Leave Program provides a payout of unused sick leave to qualified employees at 50% pay. Payments are funded by 0.7% gross pay contributions from the

City, Park Board, and Library Board into a severance pool. The rate for City Police Officers and Firefighters is 1.1% of gross pay. This program was reviewed for compliance with IRS guidelines and modified for year 2002.

The Alternative Dispute Resolution (ADR) Program was established through funds collected through payroll deductions and direct payment as agreed to in previous labor contracts. Occupational Health actual expenses are billed to departments.

The Workers Compensation payments are estimated at \$7.8 million for 2004. This is a 4% increase over the prior year.

The Liability Program expenditures were significantly higher in 2000 than anticipated due to an \$8.75 million legal settlement for which bonds were issued to finance the payout. The base budget includes funding for the \$1.1 million (average) in annual debt service that is required to service this debt for the next 10 years.

The 2004 Adopted budget includes \$283,000 in revenue from the Community Planning and Economic Development department for funding of additional Attorney contractual expenses in the Civil Division related to development projects.

Debt Service

The 2003 adopted budget includes full funding for debt service payments on \$4.0 million in bonds issued in 1995, \$1.0 million in bonds issued in 1996, and the \$8.8 million previously mentioned. They are variable rate and only the \$8.8 issuance will have an outstanding balance of \$7.1 million at the end 2003 as the others mature.

City of Minneapolis
FY 2004 Budget
Financial Plan (in thousands of dollars)

Self Insurance Fund

	2001	2002	2003			% Chg			
	Actual	Actual	Current Budget	2003 Projected	2004 Budget	from 2003 Budget	2005 Forecast	2006 Forecast	2007 Forecast
Source of Funds:									
Charges for Service	42,412	49,961	57,427	57,187	59,724	4.0%	68,585	79,904	93,363
Interest	-	-	-	-	-	-	-	-	-
Other Misc Revenues	5,329	5,508	3,017	3,731	3,020	0.1%	3,105	3,199	3,295
Operating Transfers In	1,950	2,244	2,910	2,910	3,779	29.9%	4,279	4,779	5,279
Total	49,691	57,713	63,354	63,828	66,523	5.0%	75,969	87,882	101,937
Use of Funds:									
Debt Service	613	1,664	2,037	2,037	1,217	-40.3%	1,204	1,205	1,188
Transfers	-	2	5	5	6	20.0%	6	6	7
Health and Welfare	35,760	37,774	43,280	44,190	44,343	2.5%	53,212	63,854	76,625
Attorney	4,277	4,265	4,701	4,700	4,773	1.5%	4,931	5,128	5,333
Workers Compensation	6,660	8,104	7,463	7,400	7,762	4.0%	7,762	8,072	8,395
Liability	3,315	2,412	3,115	3,000	3,240	4.0%	3,240	3,369	3,504
Retiree Incentive	61	-	-	-	-	-	-	-	-
Human Resources	691	587	573	535	615	7.3%	598	622	647
Finance Dept	1,435	1,314	1,519	1,628	1,616	6.4%	1,582	1,645	1,711
Total	52,811	56,122	62,693	63,495	63,571	1.4%	72,533	83,901	97,409
Fund Margin	(3,120)	1,591	661	333	2,952	346.6%	3,436	3,980	4,528
Fund Balance	#####	#####	(42,594)	(42,922)	(39,970)	-6.2%	(36,534)	(32,554)	(28,027)
Cash Balance	(8,179)	(6,620)	(5,959)	(6,287)	(3,335)	-44.0%	101	4,081	8,608

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2004 Projected Revenues	2004 Total Appropriations	Change in Fund Balance
GENERAL FUND	262,752,302	262,752,302	-0
Total General Fund - City	262,752,302	262,752,302	-0
ARENA - RESERVE	2,911,500	0	2,911,500
BOARD OF ESTIMATE AND TAXATION	243,348	249,500	-6,152
CDBG & UDAG FUNDS	22,213,000	21,656,000	557,000
COMMUNITY DEVELOPMENT	3,775,000	16,160,354	-12,385,354
COMMUNITY DEVELOPMENT INVESTMENT FUND	3,000,000	2,342,750	657,250
CONVENTION CENTER OPERATIONS	63,729,000	67,459,081	-3,730,081
CONVENTION FACILITES - RESERVE	1,150,000	0	1,150,000
CPED Operating	2,727,466	13,021,274	-10,293,808
DEVELOPMENT ACCOUNT	1,851,346	137,390	1,713,956
ECONOMIC DEVELOPMENT PROGRAM	3,613,000	3,559,399	53,601
EMPLOYEE RETIREMENT	24,756,726	23,424,643	1,332,083
FEDERAL EMPOWERMENT ZONE	4,522,431	19,465	4,502,966
GRANTS - FEDERAL	16,369,911	19,099,826	-2,729,915
GRANTS - OTHER	11,482,299	11,973,234	-490,935
HOME OWNERSHIP WORKS	600,000	0	600,000
HOUSING PROGRAM	1,199,000	1,384,674	-185,674
JOINT BOARD	3,000	0	3,000
LIBRARY - GENERAL FUND	19,182,509	18,292,013	890,496
MCDA CDBG	20,601,000	11,101,347	9,499,653
MCDA FEDERAL GRANTS-OTHER	5,596,000	5,663,689	-67,689
MCDA LEVERAGE INVESTMENT	18,000	512	17,488
MCDA NEIGHBORHOOD DEVEL ACCT	110,358	117,503	-7,145
MCDA STATE GRANTS & LOAN	6,675,000	0	6,675,000
MCDA UDAG LEVERAGE INVESTMENT	4,000	0	4,000
MEDC	201,000	0	201,000
MUNICIPAL BUILDING COMMISSION	6,999,584	7,135,002	-135,418
NEIGHBORHOOD HOUSING	260,015	230,188	29,827
NEIGHBORHOOD REVITAL POLICY	1,743,355	1,455,598	287,757
NRP ADMINISTRATION	576,000	646,026	-70,026
PARK - FORESTRY	8,003,602	7,971,087	32,515
PARK - GENERAL FUND	40,142,489	40,310,901	-168,412
PARK - GRANT & SPECIAL REVENUE	943,200	943,200	0
PARK - MUSEUM (ART INSTITUTE)	8,117,781	8,117,781	0
POLICE DEPT - SPECIAL REVENUE	2,873,193	3,007,193	-134,000
RESIDENTIAL HOUSING	989,000	244,078	744,922
THEATRES	3,900,000	925,741	2,974,259
UPPER RIVER LAND BANK	0	213,996	-213,996
YOUTH COORDINATING BOARD	0	3,630,032	-3,630,032
Total Special Revenue Funds	291,083,113	290,493,477	589,636
10TH AND WASHINGTON	47,967	2,582	45,385
110 GRANT	569,658	0	569,658
13th and Harmon	0	1,005	-1,005
2700 EAST LAKE	85,945	81,989	3,956
2ND ST N HOTEL/APTS TOWNPLACE	291,267	264,332	26,935
36TH AND MARSHALL	147,194	148,739	-1,545
50TH & FRANCE	188,095	168,688	19,407
900 6TH AVENUE SOUTH	400,000	363,354	36,646
BLOCK 33	10,825	0	10,825
BLOCK E	34,000	0	34,000
BOTTINEAU	4,787	6,100	-1,313
BROADWAY 35-W	1,618,433	0	1,618,433

City of Minneapolis

Adopted Budget

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2004 Projected Revenues	2004 Total Appropriations	Change in Fund Balance
CAMDEN AREA IMPACT	6,232	0	6,232
CAMDEN MEDICAL FACILITY	33,450	0	33,450
CAPITAL PROJECTS- OTHER	2,530,000	2,169,020	360,980
CEDAR RIVERSIDE	3,880,810	5,157,058	-1,276,248
CENTRAL & 20TH	140,355	105,000	35,355
CHICAGO AND LAKE	182,824	0	182,824
CITY CENTER	2,855,606	4,186,483	-1,330,877
CITY-CAPITAL IMPROVEMENTS FUND	46,571,495	49,587,086	-3,015,591
COMMON PROJECT RESERVE	1,446,000	0	1,446,000
COMMON PROJECT UNCERTIFIED	5,751,589	761,705	4,989,884
CONSERVATORY	3,743,785	1,106,675	2,637,110
CREAMETTE DISTRICT 84	150,795	133,856	16,939
DEEP ROCK TAX INCREMENT	113,487	0	113,487
DOWNTOWN EAST LRT	0	198,536	-198,536
EAST BANK 1335	2,184,750	2,701,204	-516,454
EAST HENNEPIN & UNIVERSITY	1,183,677	268,489	915,188
East River/Unocal Site	2,000	19,050	-17,050
EAST VILLAGE	259,103	238,761	20,342
ELLIOT PARK	496,572	0	496,572
FORMER FED RESERVE	227,457	210,555	16,902
FRANKLIN AVENUE	38,234	53,272	-15,038
GRACO TI	208,400	218,181	-9,781
GRAIN BELT	0	113,847	-113,847
GRANT	814,458	800,230	14,228
HENNEPIN & 7TH ENTERTAINMENT	1,609,863	719,550	890,313
HENNEPIN & LAKE	1,244	1,500,000	-1,498,756
HENNEPIN ENTERTAINMENT TE BOND	62,000	265,250	-203,250
HERITAGE LAND APTS	592,946	535,804	57,142
HISTORIC DEPOT REUSE DIST 93	793,356	869,522	-76,166
HOLMES	2,357,354	2,100,000	257,354
HOUSING FOR CHRONIC ALCOHOLICS	27,843	0	27,843
Housing Replacement 2	50,000	16,040	33,960
Housing Replacement District #4	0	0	0
HSG REPLACE-WATERSHED 0	2,555,704	186,017	2,369,687
HSG REPLACE-WATERSHED 3	0	0	0
HUMBOLDT GREENWAY DIST 98	0	265,319	-265,319
IDS DATA SERVICE CENTER	4,440,175	2,885,000	1,555,175
INDUSTRY SQUARE	2,637,883	3,452,568	-814,685
IVY TOWER	50,141	183,661	-133,520
LASALLE PLACE	2,145,133	1,500,000	645,133
LAUREL VILLAGE	2,280,983	1,900,178	380,805
LIBRARY-CAPITAL IMPROVEMENTS FUND	2,975,000	2,975,312	-312
LOCAL CONTRIBUTION FUND	2,724,000	2,500,000	224,000
LORING PARK	4,935,953	6,858,796	-1,922,843
LOWRY RIDGE	92,585	83,039	9,546
MAGNUM LOFTS	39,701	35,602	4,099
Many Rivers	51,872	62,233	-10,361
MBC-CAPITAL IMPROVEMENTS FUND	1,070,000	1,070,000	0
MILES I	93,380	0	93,380
NBA ARENA	2,228,518	1,824,479	404,039
NEIMAN MARCUS	1,401,570	342,275	1,059,295
NICOLLET & LAKE	531,251	1,000,000	-468,749
NICOLLET FRANKLIN	66,734	121,563	-54,829
NICOLLET ISLAND EAST BANK	1,915,387	2,200,000	-284,613
NINTH & HENNEPIN	171,165	172,482	-1,317
NOKOMIS HOLMES	272,983	0	272,983

City of Minneapolis

Adopted Budget

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2004 Projected Revenues	2004 Total Appropriations	Change in Fund Balance
NORTH LOOP	7,876,655	8,500,000	-623,345
NRP	1,600,000	1,602,809	-2,809
NWIP	2,859,006	3,500,000	-640,994
Parcel C Tax Increment District	0	214,434	-214,434
PARK-CAPITAL IMPROVEMENT FUND	5,711,900	5,711,900	0
PARK-CAPITAL IMPROVEMENT-ASSESSED FUND	500,000	500,000	0
PHILLIPS PARK	43,544	39,055	4,489
Portland	0	0	0
PORTLAND PLACE	67,283	40,862	26,421
PRELIMINARY PLANNING	671,000	1,636,616	-965,616
ROSACKER NURSERY SITE	126,499	0	126,499
SEMI-PHASE 1	618,133	425,637	192,496
SEMI-PHASE 2	296,385	180,803	115,582
SEMI-PHASE 3	85,648	90,270	-4,622
SEMI-PHASE 4	182,603	168,152	14,451
SEMI-PHASE 5	184,186	172,539	11,647
SEWARD SOUTH	1,904,889	1,900,000	4,889
SHINGLE CREEK CONDOMINIUMS	0	8,174	-8,174
SOUTH NICOLLET MALL	10,186,438	5,394,649	4,791,789
SPRING & CENTRAL	11,514	0	11,514
STINSON	448,874	433,929	14,945
Stone Arch Apartments	0	10,219	-10,219
TAX INCREMENT ADMINISTRATION	2,340,589	2,152,702	187,887
TOWERS AT ELLIOT PARK	37,000	763,825	-726,825
UNITED VAN BUS	55,398	0	55,398
URBAN VILLAGE	17,785	116,233	-98,448
Urban Village TE Bonds	0	90,000	-90,000
WEST BROADWAY	808,790	1,700,000	-891,210
West River Commons	0	29,999	-29,999
WEST SIDE MILLING DISTRICT	779,621	1,163,557	-383,936
West Side Milling TE Bonds	34,000	58,853	-24,853
Total Capital Projects	151,841,714	141,295,704	10,546,010
01 IMPROVEMENT BONDS - 20 YR	0	837,053	-837,053
96 IMPROVEMENT BONDS	0	205,090	-205,090
97 IMPROVEMENT BONDS	0	261,915	-261,915
98 IMPROVEMENT BONDS	0	186,034	-186,034
BOND REDEM ARBIT 6/88 IMP BOND	0	126,585	-126,585
BOND REDEM ARBIT 6/89 IMP BOND	0	137,065	-137,065
BOND REDEM ARBIT 6/90 IMP BOND	0	323,203	-323,203
BOND REDEM ARBIT 6/91 IMP BOND	0	245,790	-245,790
BOND REDEM ARBIT 6/92 IMP BOND	0	213,588	-213,588
BOND REDEM ARBIT 6/93 IMP BOND	0	218,000	-218,000
BOND REDEM ARBIT 6/94 IMP BOND	0	204,513	-204,513
BOND REDEM ARBIT 6/95 IMP BOND	0	282,097	-282,097
BOND REDEM ARBIT ASSESS PARK	0	469,400	-469,400
BOND REDEM ARBIT NIC MALL BOND	0	1,709,293	-1,709,293
BOND REDEMPTION - ASSESSMENT	0	104,060	-104,060
BOND REDEMPTION - DEBT SERVICE	25,730,759	25,301,644	429,115
CONVENTION CENTER-DEBT SERVICE	19,493,078	19,493,078	0
LIBRARY REF DEBT SERVICE	3,332,000	4,354,875	-1,022,875
MCDA DEBT SERVICE	1,500,000	1,500,000	0
NOV03 IMPROV BOND D/S	0	663,653	-663,653
OCT 02 IMPROV BOND D/S	0	596,100	-596,100
OTH SELF SUPPORTING DEBT SERV/C	1,815,246	3,153,304	-1,338,058

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

	2004 Projected Revenues	2004 Total Appropriations	Change in Fund Balance
PENSION FUND DEBT SERVICE	4,733,758	6,497,872	-1,764,114
ST ANTHONY DEBT SERVICE	152,000	0	152,000
TAX INCREMENT - DEBT SERVICE	0	13,708,944	-13,708,944
Total Debt Service	56,756,841	80,793,156	-24,036,315
DEFAULTED PROPERTY ADMINISTRATION	1,600,000	1,943,719	-343,719
FED HOME LN BANK ECON DEVELOP	146,000	177,605	-31,605
FHLB HOUSING DEVELOPMENT	194,000	0	194,000
GARFS	355,000	411,977	-56,977
HOME OWNERSHIP & RENOVATION	458,000	600,000	-142,000
HOUSING OWNERSHIP PROGRAM	1,132,000	1,000,000	132,000
LOAN & GRANT PROGRAMS	27,000	1,200	25,800
MUNICIPAL PARKING ENTERPRISE FUND	72,901,909	81,185,566	-8,283,657
PARK - OPERATIONS - ENTERPRISE	12,430,420	13,478,396	-1,047,976
RIVER TERMINAL	3,131,800	2,855,913	275,887
SEWER ENTERPRISE FUND	81,287,892	81,900,305	-612,413
SOLID WASTE - ENTERPRISE	27,739,000	26,896,011	842,989
WATER ENTERPRISE FUND	101,579,903	97,350,107	4,229,796
Total Enterprise Funds	302,982,924	307,800,799	-4,817,875
EQUIPMENT - INTERNAL SERVICE	42,394,918	38,009,256	4,385,662
INFO TECH - INTERNAL SERVICE	28,121,800	28,763,783	-641,983
MATERIALS & LAB-INTERNAL SVC	3,200,000	4,599,284	-1,399,284
PARK - INTERNAL SERVICE	4,895,166	6,946,000	-2,050,834
PARK-SELF INSURE-INTERNAL SVC	2,026,853	2,026,853	0
PROPERTY SERVICES INTERNAL SERVICE FUND	12,933,676	13,364,708	-431,032
SELF INSURANCE-INTERNAL SVC	66,523,336	63,570,946	2,952,390
STORES - INTERNAL SERVICE	3,620,000	1,155,129	2,464,871
Total Internal Service Funds	163,715,749	158,435,959	5,279,790
INVESTMENT POOL	100,000	0	100,000
Total Investment Management Funds	100,000	0	100,000
PUBLIC HOUSING AUTHORITY	0	0	0
Total Agency - Inactive	0	0	0
TOTAL ALL FUNDS	1,229,232,643	1,241,571,397	-12,338,754

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
General Fund - City :					
<u>GENERAL FUND(0100)</u>					
Property Taxes	63,273,777	54,602,648	66,904,951	85,376,340	27.6%
Sales and Other Taxes	4,920	5,110	0	0	0.0%
Franchise Fees	25,563,397	21,860,607	20,410,000	23,500,000	15.1%
Licenses and Permits	20,697,028	20,733,068	21,042,287	20,681,984	-1.7%
Federal Government	0	11,314	0	0	0.0%
State Government	91,089,440	105,387,307	104,534,904	76,321,263	-27.0%
Local Government	641,251	718,960	770,143	606,592	-21.2%
Charges for Service	16,089,789	17,173,566	17,369,965	22,800,068	31.3%
Charges for Sales	199,008	40,432	397,380	227,480	-42.8%
Fines and Forfeits	7,974,048	7,127,241	8,395,777	9,372,377	11.6%
Special Assessments	2,637,446	2,820,837	2,834,300	2,857,095	0.8%
Interest	479,942	2,179,463	236,100	1,301,000	451.0%
Gains	1,841,682	543,080	995,000	0	-100.0%
Rents	40,813	23,843	5,600	5,600	0.0%
Contributions	150,444	365,520	297,500	297,500	0.0%
Other Misc Revenues	617,033	374,273	684,261	701,503	2.5%
Operating Transfers In	18,733,204	19,399,932	18,278,703	18,703,500	2.3%
Total GENERAL FUND	250,033,221	253,367,201	263,156,871	262,752,302	-0.2%
Total General Fund - City	250,033,221	253,367,201	263,156,871	262,752,302	-0.2%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>GRANTS - FEDERAL(0300)</u>					
Property Taxes	0	0	0	0	0.0%
Federal Government	13,258,610	18,763,782	12,663,304	16,369,911	29.3%
Charges for Service	55,936	160,741	108,000	0	-100.0%
Fines and Forfeits	59,652	40,348	0	0	0.0%
Interest	76,747	71,544	0	0	0.0%
Contributions	0	61,181	0	0	0.0%
Other Misc Revenues	210,500	569,500	0	0	0.0%
Operating Transfers In	71,154	0	0	0	0.0%
Total GRANTS - FEDERAL	13,732,599	19,667,096	12,771,304	16,369,911	28.2%
<u>CDBG & UDAG FUNDS(0400)</u>					
Federal Government	19,757,297	20,045,779	21,583,400	21,613,000	0.1%
Special Assessments	-99	0	0	0	0.0%
Interest	386,795	340,649	0	0	0.0%
Other Misc Revenues	911,102	146,831	600,000	600,000	0.0%
Operating Transfers In	-160,450	0	0	0	0.0%
Total CDBG & UDAG FUNDS	20,894,644	20,533,259	22,183,400	22,213,000	0.1%
<u>GRANTS - OTHER(0600)</u>					
Sales and Other Taxes	52,884	84,097	60,000	60,000	0.0%
Federal Government	0	86,419	0	0	0.0%
State Government	8,203,830	6,621,310	5,715,565	7,879,676	37.9%
Local Government	1,352,548	779,420	920,000	2,887,600	213.9%
Charges for Service	464,024	377,103	25,000	25,000	0.0%
Charges for Sales	0	3,209	0	0	0.0%
Interest	43,109	33,568	0	0	0.0%
Contributions	337,881	345,224	161,627	364,486	125.5%
Other Misc Revenues	414,812	-35,436	165,537	265,537	60.4%
Operating Transfers In	617,796	459,755	385,000	0	-100.0%
Total GRANTS - OTHER	11,486,884	8,754,669	7,432,729	11,482,299	54.5%
<u>CONVENTION CENTER OPERATIONS(0760)</u>					
Sales and Other Taxes	47,604,090	47,561,747	49,139,000	49,659,000	1.1%
Charges for Service	2,506,704	3,249,272	4,742,800	4,740,000	-0.1%
Interest	-0	344,498	0	160,000	0.0%
Gains	1,004,904	2,121	1,146,271	0	-100.0%
Rents	4,921,217	5,737,651	7,090,200	6,765,000	-4.6%
Contributions	51,185	599,619	51,185	0	-100.0%
Other Misc Revenues	1,718,297	2,207,830	2,432,500	2,405,000	-1.1%
Total CONVENTION CENTER OPERATIONS	57,806,397	59,702,739	64,601,956	63,729,000	-1.4%
<u>EMPLOYEE RETIREMENT(0990)</u>					
Property Taxes	3,438,533	6,936,710	6,813,807	6,813,807	0.0%
Sales and Other Taxes	267	650	0	0	0.0%
State Government	8,158,172	7,174,635	5,442,919	5,442,919	0.0%
Fines and Forfeits	517,118	164,024	0	0	0.0%
Operating Transfers In	0	0	0	12,500,000	0.0%
Total EMPLOYEE RETIREMENT	12,114,090	14,276,019	12,256,726	24,756,726	102.0%
<u>BOARD OF ESTIMATE AND TAXATION(1000)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>BOARD OF ESTIMATE AND TAXATION(1000)</u>					
Property Taxes	111,781	116,125	142,642	148,348	4.0%
Sales and Other Taxes	9	11	0	0	0.0%
State Government	115,149	118,831	0	0	0.0%
Other Misc Revenues	0	30	0	0	0.0%
Operating Transfers In	0	50,000	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	118,000	95,000	-19.5%
Total BOARD OF ESTIMATE AND TAXATION	226,939	284,997	260,642	243,348	-6.6%
<u>MUNICIPAL BUILDING COMMISSION(1100)</u>					
Property Taxes	2,456,437	3,057,016	3,432,907	3,478,389	1.3%
Sales and Other Taxes	192	287	0	0	0.0%
State Government	880,985	515,383	353,000	253,028	-28.3%
Charges for Service	3,317,797	3,116,070	3,512,614	3,126,217	-11.0%
Charges for Sales	89,901	53,720	85,800	87,000	1.4%
Interest	0	2	0	0	0.0%
Rents	69,969	55,687	63,065	54,750	-13.2%
Other Misc Revenues	40,587	7,256	325	200	-38.5%
Operating Transfers In	54,485	0	0	0	0.0%
Total MUNICIPAL BUILDING COMMISSION	6,910,353	6,805,420	7,447,711	6,999,584	-6.0%
<u>PARK - GENERAL FUND(1500)</u>					
Property Taxes	22,508,364	27,744,008	26,873,937	28,366,437	5.6%
Sales and Other Taxes	1,940	2,607	3,000	3,120	4.0%
Licenses and Permits	46,161	81,926	44,000	63,000	43.2%
Federal Government	62,500	127,500	0	0	0.0%
State Government	13,665,557	12,761,531	13,031,680	8,719,724	-33.1%
Local Government	0	33,350	0	0	0.0%
Charges for Service	1,747,569	2,042,451	1,483,438	1,717,508	15.8%
Charges for Sales	5,623	8,277	2,000	27,000	1,250.0%
Fines and Forfeits	451,011	470,405	331,500	491,500	48.3%
Rents	27,952	179,411	195,500	195,500	0.0%
Contributions	175,613	50,418	65,000	50,000	-23.1%
Other Misc Revenues	318,318	6,366	7,200	7,200	0.0%
Operating Transfers In	373,960	944,927	468,000	501,500	7.2%
Total PARK - GENERAL FUND	39,384,569	44,453,176	42,505,255	40,142,489	-5.6%
<u>PARK - MUSEUM (ART INSTITUTE)(1600)</u>					
Property Taxes	5,674,534	6,384,823	7,362,291	8,117,781	10.3%
Total PARK - MUSEUM (ART INSTITUTE)	5,674,534	6,384,823	7,362,291	8,117,781	10.3%
<u>PARK - FORESTRY(1700)</u>					
Property Taxes	4,650,989	4,712,352	5,539,327	5,764,759	4.1%
Sales and Other Taxes	92	444	600	623	3.8%
State Government	2,139,539	2,763,437	2,117,210	2,157,220	1.9%
Local Government	0	0	4,000	4,000	0.0%
Charges for Service	167,076	126,128	70,000	70,000	0.0%
Charges for Sales	3,258	4,511	2,000	2,000	0.0%
Contributions	0	0	10,000	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>PARK - FORESTRY(1700)</u>					
Other Misc Revenues	2,481	11,164	5,000	5,000	0.0%
Total PARK - FORESTRY	6,963,435	7,618,037	7,748,137	8,003,602	3.3%
<u>LIBRARY - GENERAL FUND(1800)</u>					
Property Taxes	10,128,657	11,069,019	11,583,772	11,588,106	0.0%
Sales and Other Taxes	791	1,039	0	0	0.0%
Federal Government	62,447	61,681	0	49,396	0.0%
State Government	8,975,702	10,190,705	9,871,242	6,937,607	-29.7%
Local Government	0	25,524	0	0	0.0%
Charges for Service	541,826	559,700	477,443	536,500	12.4%
Charges for Sales	24,360	64,247	2,000	1,000	-50.0%
Fines and Forfeits	0	0	1,000	500	-50.0%
Interest	667	451	0	0	0.0%
Rents	29,205	35,638	13,500	10,500	-22.2%
Contributions	10,000	14,600	10,000	57,500	475.0%
Other Misc Revenues	15,586	3,275	1,400	1,400	0.0%
Operating Transfers In	251,480	323,376	0	0	0.0%
Total LIBRARY - GENERAL FUND	20,040,722	22,349,255	21,960,357	19,182,509	-12.6%
<u>PARK - GRANT & SPECIAL REVENUE(1950)</u>					
Federal Government	10,039	17,666	0	0	0.0%
State Government	-10,000	71,396	12,000	12,000	0.0%
Local Government	1,593,990	1,043,086	25,000	100,600	302.4%
Charges for Service	5,977	266,116	0	800,000	0.0%
Charges for Sales	34,750	765	0	0	0.0%
Fines and Forfeits	0	0	6,000	6,000	0.0%
Rents	29,600	22,406	21,600	21,600	0.0%
Contributions	80,811	237,707	0	0	0.0%
Other Misc Revenues	3,032	3,063	3,000	3,000	0.0%
Operating Transfers In	7,873	36,559	0	0	0.0%
Total PARK - GRANT & SPECIAL REVENUE	1,756,073	1,698,763	67,600	943,200	1,295.3%
<u>PARK-SPEC REV-INTEREST BEARING(1960)</u>					
Interest	0	352	0	0	0.0%
Gains	433	76	0	0	0.0%
Total PARK-SPEC REV-INTEREST BEARING	433	428	0	0	0.0%
<u>POLICE DEPT - SPECIAL REVENUE(2100)</u>					
Sales and Other Taxes	302,738	281,413	320,000	280,000	-12.5%
Licenses and Permits	215,946	282,052	250,000	360,000	44.0%
Fines and Forfeits	689,251	457,607	600,000	600,000	0.0%
Interest	2,886	-2	0	0	0.0%
Other Misc Revenues	0	260,041	0	1,633,193	0.0%
Total POLICE DEPT - SPECIAL REVENUE	1,210,821	1,281,111	1,170,000	2,873,193	145.6%
<u>YOUTH COORDINATING BOARD(2200)</u>					
Federal Government	872,359	1,032,189	1,774,785	0	-100.0%
State Government	159,255	441,195	100,000	0	-100.0%
Local Government	4,203,928	5,101,982	3,535,810	0	-100.0%
Interest	0	72,763	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>YOUTH COORDINATING BOARD(2200)</u>					
Gains	56,654	47,940	40,000	0	-100.0%
Rents	74,786	88,143	64,000	0	-100.0%
Contributions	719,884	598,067	372,499	0	-100.0%
Other Misc Revenues	760	5,883	250,000	0	-100.0%
Operating Transfers In	287,410	0	0	0	0.0%
Total YOUTH COORDINATING BOARD	6,375,036	7,388,162	6,137,094	0	-100.0%
<u>NEIGHBORHOOD REVITAL POLICY(2300)</u>					
State Government	2,012,840	1,750,482	1,743,355	1,743,355	0.0%
Interest	0	21,236	0	0	0.0%
Gains	12,754	8,314	7,500	0	-100.0%
Other Misc Revenues	16,062	4,930	0	0	0.0%
Total NEIGHBORHOOD REVITAL POLICY	2,041,655	1,784,963	1,750,855	1,743,355	-0.4%
<u>ARENA - RESERVE(2600)</u>					
Interest	0	6,915	0	0	0.0%
Gains	96,882	-2,683	0	0	0.0%
Operating Transfers In	2,284,573	3,074,005	2,442,510	2,911,500	19.2%
Total ARENA - RESERVE	2,381,455	3,078,237	2,442,510	2,911,500	19.2%
<u>CONVENTION FACILITES - RESERVE(2790)</u>					
Gains	82,790	-33,146	0	0	0.0%
Operating Transfers In	1,047,000	1,100,000	1,150,000	1,150,000	0.0%
Total CONVENTION FACILITES - RESERVE	1,129,790	1,066,854	1,150,000	1,150,000	0.0%
<u>MCDA CDBG(FBG0)</u>					
Federal Government	-379,250	133,091	9,335,700	9,171,000	-1.8%
Charges for Service	2,375	3,824	0	0	0.0%
Charges for Sales	546,746	811,122	0	1,000,000	0.0%
Interest	41,587	40,204	0	30,000	0.0%
Rents	26	0	0	0	0.0%
Other Misc Revenues	662,292	804,241	500,000	713,000	42.6%
Operating Transfers In	5,915,851	8,767,903	-132,000	9,687,000	-7,438.6%
Total MCDA CDBG	6,789,627	10,560,384	9,703,700	20,601,000	112.3%
<u>FEDERAL EMPOWERMENT ZONE(FEZ0)</u>					
Federal Government	94,385	0	0	0	0.0%
Charges for Service	0	0	0	4,522,431	0.0%
Charges for Sales	0	1	0	0	0.0%
Other Misc Revenues	500	-490	0	0	0.0%
Operating Transfers In	1,047,797	661,374	0	0	0.0%
Total FEDERAL EMPOWERMENT ZONE	1,142,682	660,885	0	4,522,431	0.0%
<u>MCDA FEDERAL GRANTS-OTHER(FGO0)</u>					
Federal Government	158,345	273,467	4,650,000	5,587,000	20.2%
Charges for Service	0	250	0	0	0.0%
Charges for Sales	94,200	15,248	0	0	0.0%
Interest	2,413	12,454	0	9,000	0.0%
Other Misc Revenues	166,750	462	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>MCDA FEDERAL GRANTS-OTHER(FGO0)</u>					
Operating Transfers In	4,974,302	2,201,014	0	0	0.0%
Total MCDA FEDERAL GRANTS-OTHER	5,396,010	2,502,895	4,650,000	5,596,000	20.3%
<u>MCDA UDAG LEVERAGE INVESTMENT(FLF0)</u>					
Interest	29,971	6,119	0	4,000	0.0%
Gains	36,824	0	0	0	0.0%
Other Misc Revenues	70,831	77,270	0	0	0.0%
Total MCDA UDAG LEVERAGE INVESTMENT	137,626	83,390	0	4,000	0.0%
<u>MCDA NEIGHBORHOOD DEVEL ACCT(FNA0)</u>					
Charges for Service	7,370	6,000	0	0	0.0%
Charges for Sales	-1	0	0	0	0.0%
Interest	66,668	79,576	0	0	0.0%
Rents	-2,800	0	0	0	0.0%
Other Misc Revenues	1,660,350	1,775,089	1,500,000	0	-100.0%
Operating Transfers In	1,454,238	451,761	0	110,358	0.0%
Total MCDA NEIGHBORHOOD DEVEL ACCT	3,185,826	2,312,425	1,500,000	110,358	-92.6%
<u>CPED Operating(GEN0)</u>					
Property Taxes	0	0	0	0	0.0%
Sales and Other Taxes	0	176	0	0	0.0%
State Government	1,367	1,367	0	0	0.0%
Charges for Service	4,405,966	4,166,347	4,299,506	0	-100.0%
Charges for Sales	208,951	502,987	750,000	0	-100.0%
Interest	34,593	556,286	0	417,000	0.0%
Gains	460,510	0	0	0	0.0%
Rents	102,119	27,331	0	110,466	0.0%
Other Misc Revenues	32,030	49,495	0	0	0.0%
Operating Transfers In	931,902	145,752	100,000	2,200,000	2,100.0%
Total CPED Operating	6,177,439	5,449,742	5,149,506	2,727,466	-47.0%
<u>JOINT BOARD(JTB0)</u>					
Charges for Service	53,500	5,000	0	0	0.0%
Interest	0	5,244	0	3,000	0.0%
Gains	777	0	0	0	0.0%
Other Misc Revenues	0	30,000	0	0	0.0%
Total JOINT BOARD	54,277	40,244	0	3,000	0.0%
<u>MEDC(MED0)</u>					
Charges for Service	310,105	241,461	0	200,000	0.0%
Interest	0	1,656	0	1,000	0.0%
Total MEDC	310,105	243,117	0	201,000	0.0%
<u>NRP ADMINISTRATION(SAD0)</u>					
Charges for Service	0	251,680	0	290,000	0.0%
Interest	6,740	48,325	0	36,000	0.0%
Gains	50,727	0	0	0	0.0%
Other Misc Revenues	268,785	0	275,000	250,000	-9.1%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>NRP ADMINISTRATION(SAD0)</u>					
Operating Transfers In	1,904,620	798,057	0	0	0.0%
Total NRP ADMINISTRATION	2,230,871	1,098,062	275,000	576,000	109.5%
<u>COMMUNITY DEVELOPMENT INVESTMENT FUND(S)</u>					
Property Taxes	0	3,653,973	4,000,000	0	-100.0%
State Government	0	262,769	0	0	0.0%
Interest	0	4,064	0	0	0.0%
Operating Transfers In	0	0	0	3,000,000	0.0%
Total COMMUNITY DEVELOPMENT INVESTMENT	0	3,920,806	4,000,000	3,000,000	-25.0%
<u>DEVELOPMENT ACCOUNT(SDA0)</u>					
Charges for Service	-232,000	155,567	0	0	0.0%
Charges for Sales	1,427,704	215,177	0	0	0.0%
Interest	218,283	682,653	0	194,041	0.0%
Gains	714,691	0	0	0	0.0%
Rents	62,132	66,612	0	0	0.0%
Other Misc Revenues	156,678	115,189	100,000	650,000	550.0%
Operating Transfers In	3,730,489	3,381,822	0	1,007,305	0.0%
Total DEVELOPMENT ACCOUNT	6,077,976	4,617,020	100,000	1,851,346	1,751.3%
<u>ECONOMIC DEVELOPMENT PROGRAM(SED0)</u>					
State Government	204,258	442,683	175,000	15,000	-91.4%
Charges for Service	1,018,204	1,078,532	1,400,000	1,637,000	16.9%
Interest	3,132	74,849	0	56,000	0.0%
Gains	109,901	0	0	0	0.0%
Other Misc Revenues	46,712	31,583	145,000	1,905,000	1,213.8%
Proceeds of Long Term Liabilities	0	3,000	0	0	0.0%
Total ECONOMIC DEVELOPMENT PROGRAM	1,382,207	1,630,648	1,720,000	3,613,000	110.1%
<u>HOUSING FINANCE(SFA0)</u>					
Charges for Service	39,659	53,094	0	0	0.0%
Interest	262	-307	0	0	0.0%
Gains	-6,336	0	0	0	0.0%
Other Misc Revenues	36,898	55,297	0	0	0.0%
Operating Transfers In	400,000	95,000	150,000	0	-100.0%
Total HOUSING FINANCE	470,483	203,084	150,000	0	-100.0%
<u>HOUSING PROGRAM(SHP0)</u>					
Charges for Service	671,373	847,186	0	1,000,000	0.0%
Interest	12,696	199,224	0	149,000	0.0%
Gains	147,330	0	0	0	0.0%
Contributions	0	0	1,000,000	0	-100.0%
Other Misc Revenues	0	0	0	50,000	0.0%
Total HOUSING PROGRAM	831,399	1,046,409	1,000,000	1,199,000	19.9%
<u>HOME OWNERSHIP WORKS(SHW0)</u>					
Charges for Sales	1,377,746	646,420	0	600,000	0.0%
Interest	0	-73,741	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>HOME OWNERSHIP WORKS(SHW0)</u>					
Gains	-32,251	0	0	0	0.0%
Total HOME OWNERSHIP WORKS	1,345,495	572,679	0	600,000	0.0%
<u>MCDA LEVERAGE INVESTMENT(SLF0)</u>					
Interest	22,676	25,069	0	18,000	0.0%
Gains	1,413	0	0	0	0.0%
Total MCDA LEVERAGE INVESTMENT	24,090	25,069	0	18,000	0.0%
<u>MCDA STATE GRANTS & LOAN(SMN0)</u>					
State Government	7,810,629	6,103,060	0	6,000,000	0.0%
Local Government	-396,142	0	0	500,000	0.0%
Charges for Service	0	75,556	0	0	0.0%
Interest	353	-89,789	0	0	0.0%
Gains	-11,700	0	0	0	0.0%
Other Misc Revenues	18,664	150,272	0	175,000	0.0%
Operating Transfers In	25,252	0	0	0	0.0%
Total MCDA STATE GRANTS & LOAN	7,447,055	6,239,099	0	6,675,000	0.0%
<u>NEIGHBORHOOD HOUSING(SNH0)</u>					
Charges for Sales	0	0	150,000	185,976	24.0%
Other Misc Revenues	74,036	110,012	74,039	74,039	0.0%
Total NEIGHBORHOOD HOUSING	74,036	110,012	224,039	260,015	16.1%
<u>COMMUNITY DEVELOPMENT(SPH0)</u>					
Interest	564,302	-11,565,204	0	0	0.0%
Gains	4,383	0	0	0	0.0%
Other Misc Revenues	0	0	0	75,000	0.0%
Operating Transfers In	0	0	0	3,700,000	0.0%
Total COMMUNITY DEVELOPMENT	568,685	-11,565,204	0	3,775,000	0.0%
<u>RESIDENTIAL HOUSING(SRF0)</u>					
State Government	144,302	147,227	147,227	0	-100.0%
Charges for Service	631,076	544,051	500,000	0	-100.0%
Interest	45,614	92,651	20,000	69,000	245.0%
Gains	20,139	0	0	0	0.0%
Contributions	0	50,000	0	0	0.0%
Other Misc Revenues	380,060	298,298	110,000	920,000	736.4%
Total RESIDENTIAL HOUSING	1,221,191	1,132,226	777,227	989,000	27.2%
<u>THEATRES(STH0)</u>					
Charges for Service	1,227,845	1,285,639	0	0	0.0%
Interest	1,806	120,972	0	90,000	0.0%
Gains	77,881	0	0	0	0.0%
Contributions	78,171	0	0	0	0.0%
Other Misc Revenues	6,317	120,035	0	1,500,000	0.0%
Operating Transfers In	300,000	100,000	1,295,000	2,310,000	78.4%
Total THEATRES	1,692,020	1,626,646	1,295,000	3,900,000	201.2%
<u>UPPER RIVER LAND BANK(SUR0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>UPPER RIVER LAND BANK(SUR0)</u>					
Interest	43	653	0	0	0.0%
Gains	344	0	0	0	0.0%
Rents	4,811	3,849	0	0	0.0%
Total UPPER RIVER LAND BANK	5,197	4,502	0	0	0.0%
Total Special Revenue Funds	256,694,725	259,642,149	249,793,038	291,083,113	16.5%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>DEC02 MERF PENSION BONDS(09M0)</u>					
Interest	0	34,477	0	0	0.0%
Proceeds of Long Term Liabilities	0	24,809,500	0	0	0.0%
Total DEC02 MERF PENSION BONDS	0	24,843,977	0	0	0.0%
<u>DEC02 POLICE PENSION BONDS (09P0)</u>					
Interest	0	20,100	0	0	0.0%
Proceeds of Long Term Liabilities	0	10,530,570	0	0	0.0%
Total DEC02 POLICE PENSION BONDS	0	10,550,670	0	0	0.0%
<u>JUNE00 UST/SKYWAY TI BONDS(0P10)</u>					
Interest	0	138,378	0	0	0.0%
Gains	250,302	17,219	0	0	0.0%
Total JUNE00 UST/SKYWAY TI BONDS	250,302	155,597	0	0	0.0%
<u>JUNE00 SEWER FIXED RATE BONDS(0S10)</u>					
Interest	0	25,737	0	0	0.0%
Gains	226,038	-12,556	0	0	0.0%
Total JUNE00 SEWER FIXED RATE BONDS	226,038	13,181	0	0	0.0%
<u>AUGUST 01 SEWER ARBITRAGE(0S20)</u>					
Interest	0	349,823	0	0	0.0%
Gains	180,054	54,099	0	0	0.0%
Total AUGUST 01 SEWER ARBITRAGE	180,054	403,922	0	0	0.0%
<u>JUNE00 WATER FIXED RATE BONDS(0W10)</u>					
Interest	0	5,267	0	0	0.0%
Gains	205,712	-15,178	0	0	0.0%
Total JUNE00 WATER FIXED RATE BONDS	205,712	-9,911	0	0	0.0%
<u>AUG 01 WATER ARBITRAGE(0W20)</u>					
Interest	0	10,577	0	0	0.0%
Gains	67,103	-21,151	0	0	0.0%
Total AUG 01 WATER ARBITRAGE	67,103	-10,573	0	0	0.0%
<u>June 02 Water Arbitrage(0W30)</u>					
Interest	0	31,940	0	0	0.0%
Gains	0	11,486	0	0	0.0%
Total June 02 Water Arbitrage	0	43,426	0	0	0.0%
<u>PARK-CAPITAL IMPROVEMENT-ASSESSED FUND(3)</u>					
Special Assessments	15,558	8,775	0	0	0.0%
Gains	4,935	-992	0	0	0.0%
Other Misc Revenues	292,950	239,901	0	0	0.0%
Operating Transfers In	500,000	500,000	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	500,000	500,000	0.0%
Total PARK-CAPITAL IMPROVEMENT-ASSESSED	813,442	747,684	500,000	500,000	0.0%
<u>CITY-CAPITAL IMPROVEMENTS FUND(4100)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>CITY-CAPITAL IMPROVEMENTS FUND(4100)</u>					
Property Taxes	2,426,820	2,377,418	2,682,495	2,143,495	-20.1%
Sales and Other Taxes	189	223	0	0	0.0%
Licenses and Permits	197,366	429,035	205,000	210,000	2.4%
Federal Government	1,021,801	28,773	0	9,286,000	0.0%
State Government	7,259,239	14,420,127	10,559,920	7,772,000	-26.4%
Local Government	542,877	351,725	1,089,000	2,191,000	101.2%
Charges for Service	6,457,240	4,270,571	4,109,781	3,160,000	-23.1%
Charges for Sales	241,764	1,818,547	50,000	0	-100.0%
Special Assessments	1,449,128	1,915,533	1,600,000	1,680,000	5.0%
Interest	4,934	2,684	0	0	0.0%
Gains	-114,543	0	0	0	0.0%
Rents	28,889	28,901	0	0	0.0%
Contributions	1,448,887	132,090	693,000	0	-100.0%
Other Misc Revenues	750,467	488,686	0	3,289,000	0.0%
Operating Transfers In	122,163,727	49,332,022	5,692,000	0	-100.0%
Proceeds of Long Term Liabilities	3,900,000	0	33,516,000	16,840,000	-49.8%
Total CITY-CAPITAL IMPROVEMENTS FUND	147,778,785	75,596,335	60,197,196	46,571,495	-22.6%
<u>MBC-CAPITAL IMPROVEMENTS FUND(4200)</u>					
Charges for Service	696,186	676,593	0	0	0.0%
Other Misc Revenues	0	0	0	0	0.0%
Operating Transfers In	3,424,083	1,337,625	0	150,000	0.0%
Proceeds of Long Term Liabilities	0	0	795,000	920,000	15.7%
Total MBC-CAPITAL IMPROVEMENTS FUND	4,120,268	2,014,218	795,000	1,070,000	34.6%
<u>PARK-CAPITAL IMPROVEMENT FUND(4300)</u>					
Property Taxes	0	0	0	430,000	0.0%
Federal Government	701,762	1,206,147	0	1,000,000	0.0%
State Government	944,120	773,114	0	500,000	0.0%
Local Government	2,437,478	2,338,145	1,000,000	1,000,000	0.0%
Charges for Service	253,709	335,047	30,000	21,400	-28.7%
Charges for Sales	1,580	1,675	500	500	0.0%
Special Assessments	0	0	0	0	0.0%
Interest	0	737	5,000	5,000	0.0%
Gains	5,015	-5,015	0	0	0.0%
Rents	184,343	49,543	0	0	0.0%
Contributions	1,233,772	1,262,719	0	0	0.0%
Other Misc Revenues	110,429	72,178	0	125,000	0.0%
Operating Transfers In	12,213,623	9,437,147	6,350,000	0	-100.0%
Proceeds of Long Term Liabilities	0	3,100,000	1,920,000	2,630,000	37.0%
Total PARK-CAPITAL IMPROVEMENT FUND	18,085,831	18,571,437	9,305,500	5,711,900	-38.6%
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND(4400)</u>					
State Government	0	1,119,654	0	0	0.0%
Charges for Service	0	315	0	0	0.0%
Charges for Sales	5,213	0	0	0	0.0%
Other Misc Revenues	150	0	0	0	0.0%
Operating Transfers In	1,629,561	10,655,262	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	7,240,000	2,975,000	-58.9%
Total LIBRARY-CAPITAL IMPROVEMENTS FUND	1,634,925	11,775,230	7,240,000	2,975,000	-58.9%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>August 01 Variable Purpose(4A10)</u>					
Interest	0	244,559	0	0	0.0%
Gains	386,984	-47,664	0	0	0.0%
Proceeds of Long Term Liabilities	35,514,642	0	0	0	0.0%
Total August 01 Variable Purpose	35,901,627	196,895	0	0	0.0%
<u>01 August Assessment Bonds(4A20)</u>					
Interest	0	15,991	0	0	0.0%
Gains	125,432	-39,536	0	0	0.0%
Proceeds of Long Term Liabilities	9,245,000	0	0	0	0.0%
Total 01 August Assessment Bonds	9,370,432	-23,545	0	0	0.0%
<u>JUNE 02 VARIOUS PURPOSE BONDS(4A30)</u>					
Interest	0	546,914	0	0	0.0%
Proceeds of Long Term Liabilities	0	24,765,802	0	0	0.0%
Total JUNE 02 VARIOUS PURPOSE BONDS	0	25,312,715	0	0	0.0%
<u>DEC02 VARIOUS PURPOSE BONDS(4A40)</u>					
Interest	0	19,094	0	0	0.0%
Proceeds of Long Term Liabilities	0	10,100,000	0	0	0.0%
Total DEC02 VARIOUS PURPOSE BONDS	0	10,119,094	0	0	0.0%
<u>96 IMPROVEMENT BONDS(4A60)</u>					
Interest	0	532	0	0	0.0%
Gains	2,266	-224	0	0	0.0%
Total 96 IMPROVEMENT BONDS	2,266	308	0	0	0.0%
<u>JUNE99 VARIOUS PURPOSE BONDS(4A90)</u>					
Interest	0	72,481	0	0	0.0%
Gains	167,550	10,238	0	0	0.0%
Total JUNE99 VARIOUS PURPOSE BONDS	167,550	82,719	0	0	0.0%
<u>JUNE99 CONVENTION CENTER BONDS(4B90)</u>					
Gains	34,445	-1,829	0	0	0.0%
Total JUNE99 CONVENTION CENTER BONDS	34,445	-1,829	0	0	0.0%
<u>96 CONSTRUCTION BONDS(4C60)</u>					
Interest	0	1,195	0	0	0.0%
Gains	4,097	-55	0	0	0.0%
Total 96 CONSTRUCTION BONDS	4,097	1,140	0	0	0.0%
<u>97 SERIES B BONDS(4C70)</u>					
Interest	0	12,681	0	0	0.0%
Gains	22,869	1,789	0	0	0.0%
Total 97 SERIES B BONDS	22,869	14,470	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>98 (OCTOBER) BONDS(4D80)</u>					
Gains	-0	0	0	0	0.0%
Total 98 (OCTOBER) BONDS	-0	0	0	0	0.0%
<u>FEB99 TARGET STORE RAMP BONDS(4D90)</u>					
Gains	-6,963	0	0	0	0.0%
Total FEB99 TARGET STORE RAMP BONDS	-6,963	0	0	0	0.0%
<u>IMPROV BOND ARBITRAGE(4I20)</u>					
Interest	0	1,324	0	0	0.0%
Proceeds of Long Term Liabilities	0	5,907,670	0	0	0.0%
Total IMPROV BOND ARBITRAGE	0	5,908,994	0	0	0.0%
<u>DEC02 LIBRARY REF BONDS(4L10)</u>					
Interest	0	1,888	0	0	0.0%
Proceeds of Long Term Liabilities	0	9,514,040	0	0	0.0%
Total DEC02 LIBRARY REF BONDS	0	9,515,928	0	0	0.0%
<u>ARBITRAGE 1990 PARK BONDS(4P00)</u>					
Gains	0	-0	0	0	0.0%
Total ARBITRAGE 1990 PARK BONDS	0	-0	0	0	0.0%
<u>ARBITRAGE 1993 PARK BONDS(4U00)</u>					
Interest	0	1,042	0	0	0.0%
Gains	3,635	-6	0	0	0.0%
Total ARBITRAGE 1993 PARK BONDS	3,635	1,036	0	0	0.0%
<u>ARBITRAGE 1995 PARK BONDS(4Y00)</u>					
Interest	0	2,341	0	0	0.0%
Gains	6,878	66	0	0	0.0%
Total ARBITRAGE 1995 PARK BONDS	6,878	2,406	0	0	0.0%
<u>JUNE00 VARIOUS PURPOSE BONDS(4Z00)</u>					
Interest	0	71,647	0	0	0.0%
Gains	323,043	-5,772	0	0	0.0%
Total JUNE00 VARIOUS PURPOSE BONDS	323,043	65,874	0	0	0.0%
<u>SEPT 00 CONV CTR EXPN BONDS(4Z10)</u>					
Gains	2,228,329	-159,073	0	0	0.0%
Total SEPT 00 CONV CTR EXPN BONDS	2,228,329	-159,073	0	0	0.0%
<u>NOV 00 NIC MALL TI(4Z20)</u>					
Gains	29,871	0	0	0	0.0%
Total NOV 00 NIC MALL TI	29,871	0	0	0	0.0%
<u>ITS RELATED BONDS(4Z30)</u>					
Interest	0	-484	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>ITS RELATED BONDS(4Z30)</u>					
Gains	351,042	-26,164	0	0	0.0%
Total ITS RELATED BONDS	351,042	-26,648	0	0	0.0%
<u>OCT 01 CONV CTR BONDS(4Z40)</u>					
Interest	0	660,880	0	0	0.0%
Gains	504,113	78,370	0	0	0.0%
Proceeds of Long Term Liabilities	36,400,000	0	0	0	0.0%
Total OCT 01 CONV CTR BONDS	36,904,113	739,250	0	0	0.0%
<u>AUGUST 01 EQUIPMENT ARBITRAGE(61A0)</u>					
Interest	0	13,107	0	0	0.0%
Total AUGUST 01 EQUIPMENT ARBITRAGE	0	13,107	0	0	0.0%
<u>DEC02 EQUIPMENT ARBITRAGE(61B0)</u>					
Interest	0	94	0	0	0.0%
Gains	0	1,071	0	0	0.0%
Total DEC02 EQUIPMENT ARBITRAGE	0	1,165	0	0	0.0%
<u>900 NICOLLET TAX-EXEMPT(75A0)</u>					
Gains	62,089	0	0	0	0.0%
Total 900 NICOLLET TAX-EXEMPT	62,089	0	0	0	0.0%
<u>900 NICOLLET TAXABLE(75B0)</u>					
Interest	0	84,699	0	0	0.0%
Gains	703,855	-37,329	0	0	0.0%
Total 900 NICOLLET TAXABLE	703,855	47,370	0	0	0.0%
<u>AUG 01 LRT EAST RAMP(75C0)</u>					
Interest	0	109,106	0	0	0.0%
Gains	218,392	-37,909	0	0	0.0%
Total AUG 01 LRT EAST RAMP	218,392	71,197	0	0	0.0%
<u>WALKER RAMP ARBITRAGE(75D0)</u>					
Interest	0	15,758	0	0	0.0%
Gains	0	-1,618	0	0	0.0%
Total WALKER RAMP ARBITRAGE	0	14,140	0	0	0.0%
<u>HENNEPIN ENTERTAINMENT TE BOND(AHE0)</u>					
Interest	0	83,760	0	62,000	0.0%
Gains	218,424	0	0	0	0.0%
Total HENNEPIN ENTERTAINMENT TE BOND	218,424	83,760	0	62,000	0.0%
<u>Urban Village TE Bonds(AUV0)</u>					
Interest	6,862	45,166	0	0	0.0%
Proceeds of Long Term Liabilities	3,200,000	0	0	0	0.0%
Total Urban Village TE Bonds	3,206,862	45,166	0	0	0.0%
<u>West Side Milling TE Bonds(AWM0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>West Side Milling TE Bonds(AWM0)</u>					
Interest	0	45,677	0	34,000	0.0%
Gains	8,158	0	0	0	0.0%
Proceeds of Long Term Liabilities	1,100,000	0	0	0	0.0%
Total West Side Milling TE Bonds	1,108,158	45,677	0	34,000	0.0%
<u>BLOCK 33(C330)</u>					
Property Taxes	4,034	4,981	10,519	9,543	-9.3%
State Government	0	1,848	0	0	0.0%
Interest	0	2,381	1,907	1,282	-32.8%
Gains	2,401	0	0	0	0.0%
Total BLOCK 33	6,435	9,210	12,426	10,825	-12.9%
<u>TAX INCREMENT ADMINISTRATION(CAD0)</u>					
Charges for Service	34,731	190,460	0	16,000	0.0%
Charges for Sales	0	0	0	25,000	0.0%
Interest	0	1,801	0	0	0.0%
Gains	20,863	0	0	0	0.0%
Rents	0	0	0	25,724	0.0%
Other Misc Revenues	303	3,811	0	73,865	0.0%
Operating Transfers In	5,409,270	2,008,874	0	2,200,000	0.0%
Total TAX INCREMENT ADMINISTRATION	5,465,167	2,204,946	0	2,340,589	0.0%
<u>CAMDEN MEDICAL FACILITY(CAM0)</u>					
Property Taxes	34,338	26,155	37,494	32,158	-14.2%
Interest	0	1,798	1,248	1,292	3.5%
Gains	438	0	0	0	0.0%
Total CAMDEN MEDICAL FACILITY	34,776	27,953	38,742	33,450	-13.7%
<u>COMMON PROJECT UNCERTIFIED(CAZ0)</u>					
State Government	0	75,549	0	0	0.0%
Charges for Service	271,642	460,500	350,000	141,000	-59.7%
Charges for Sales	1,736,112	461,114	0	25,000	0.0%
Interest	0	-45,703	0	0	0.0%
Gains	-14,131	0	0	0	0.0%
Rents	804,664	531,087	0	25,724	0.0%
Other Misc Revenues	78,469	30,840	62,000	159,865	157.8%
Operating Transfers In	4,889,080	5,460,381	0	5,400,000	0.0%
Total COMMON PROJECT UNCERTIFIED	7,765,836	6,973,768	412,000	5,751,589	1,296.0%
<u>WEST BROADWAY(CBA0)</u>					
Property Taxes	818,692	612,308	777,619	798,125	2.6%
State Government	0	12,262	0	0	0.0%
Interest	0	22,063	18,364	10,665	-41.9%
Gains	13,596	0	0	0	0.0%
Other Misc Revenues	0	27,951	0	0	0.0%
Total WEST BROADWAY	832,288	674,584	795,983	808,790	1.6%
<u>EAST BANK 1335(CBB0)</u>					
Property Taxes	2,043,454	1,734,047	2,092,337	2,148,647	2.7%
State Government	0	129,213	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>EAST BANK 1335(CBB0)</u>					
Interest	0	93,977	19,874	36,103	81.7%
Gains	77,895	0	0	0	0.0%
Total EAST BANK 1335	2,121,348	1,957,237	2,112,211	2,184,750	3.4%
<u>GRANT(CBC0)</u>					
Property Taxes	871,102	622,887	854,133	805,715	-5.7%
State Government	0	917	0	0	0.0%
Charges for Sales	14,872	10,816	0	0	0.0%
Interest	0	5,178	15,758	8,743	-44.5%
Gains	22,584	0	0	0	0.0%
Rents	12	12	0	0	0.0%
Total GRANT	908,570	639,810	869,891	814,458	-6.4%
<u>CHICAGO AND LAKE(CBD0)</u>					
Property Taxes	256,986	164,839	167,448	174,685	4.3%
Interest	0	16,329	9,055	8,139	-10.1%
Gains	13,011	0	0	0	0.0%
Total CHICAGO AND LAKE	269,997	181,168	176,503	182,824	3.6%
<u>NINTH & HENNEPIN(CBE0)</u>					
Property Taxes	86,338	61,753	61,753	62,906	1.9%
Interest	0	10,490	0	5,259	0.0%
Gains	11,153	0	0	0	0.0%
Rents	61,755	71,888	74,168	103,000	38.9%
Total NINTH & HENNEPIN	159,246	144,130	135,921	171,165	25.9%
<u>NORTH LOOP(CBF0)</u>					
Property Taxes	8,990,757	6,728,440	7,834,879	7,831,337	-0.0%
State Government	0	50,601	0	0	0.0%
Interest	0	259,626	31,033	45,318	46.0%
Gains	121,511	0	0	0	0.0%
Total NORTH LOOP	9,112,268	7,038,666	7,865,912	7,876,655	0.1%
<u>INDUSTRY SQUARE(CBG0)</u>					
Property Taxes	3,411,540	3,769,573	2,370,415	2,473,938	4.4%
State Government	0	330	0	0	0.0%
Charges for Service	32,263	0	0	125,000	0.0%
Interest	0	78,299	4,322	38,945	801.1%
Gains	107,476	0	0	0	0.0%
Rents	571,143	10,417	0	0	0.0%
Other Misc Revenues	139,763	0	0	0	0.0%
Total INDUSTRY SQUARE	4,262,185	3,858,619	2,374,737	2,637,883	11.1%
<u>SEWARD SOUTH(CBH0)</u>					
Property Taxes	1,834,858	1,426,811	1,830,795	1,901,241	3.8%
State Government	0	7,356	0	0	0.0%
Interest	0	2,715	10,864	3,648	-66.4%
Gains	39,586	0	0	0	0.0%
Rents	16,942	7,059	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>SEWARD SOUTH(CBH0)</u>					
Other Misc Revenues	2,042	8,166	0	0	0.0%
Total SEWARD SOUTH	1,893,427	1,452,107	1,841,659	1,904,889	3.4%
<u>CEDAR RIVERSIDE(CBJ0)</u>					
Property Taxes	3,623,647	3,358,193	3,315,568	3,834,373	15.6%
State Government	0	90,228	0	0	0.0%
Charges for Service	5,360	16,080	0	0	0.0%
Interest	0	118,148	1,174	46,437	3,855.5%
Gains	82,455	0	0	0	0.0%
Rents	3,089	11,974	0	0	0.0%
Total CEDAR RIVERSIDE	3,714,552	3,594,623	3,316,742	3,880,810	17.0%
<u>HOUSING FOR CHRONIC ALCOHOLICS(CBL0)</u>					
Property Taxes	12,935	16,800	26,702	27,201	1.9%
Interest	0	770	1,335	642	-51.9%
Gains	196	0	0	0	0.0%
Total HOUSING FOR CHRONIC ALCOHOLICS	13,131	17,570	28,037	27,843	-0.7%
<u>HENNEPIN & LAKE(CBM0)</u>					
Property Taxes	1,123,393	814,229	956,945	0	-100.0%
Interest	0	39,625	3,580	1,244	-65.3%
Gains	12,280	0	0	0	0.0%
Total HENNEPIN & LAKE	1,135,673	853,854	960,525	1,244	-99.9%
<u>BROADWAY 35-W(CBN0)</u>					
Property Taxes	2,095,225	1,413,363	1,491,023	1,601,674	7.4%
Interest	0	89,023	25,375	16,759	-34.0%
Gains	51,718	0	0	0	0.0%
Other Misc Revenues	219	0	0	0	0.0%
Total BROADWAY 35-W	2,147,162	1,502,386	1,516,398	1,618,433	6.7%
<u>BOTTINEAU(CBO0)</u>					
Property Taxes	0	0	0	4,787	0.0%
Total BOTTINEAU	0	0	0	4,787	0.0%
<u>FRANKLIN AVENUE(CBP0)</u>					
Property Taxes	59,061	6,597	31,784	33,527	5.5%
State Government	0	277	0	0	0.0%
Charges for Sales	0	42,315	0	0	0.0%
Interest	0	9,800	637	4,707	638.9%
Gains	8,670	0	0	0	0.0%
Rents	6,204	1,810	0	0	0.0%
Total FRANKLIN AVENUE	73,934	60,798	32,421	38,234	17.9%
<u>CONSERVATORY(CBQ0)</u>					
Property Taxes	4,442,307	3,810,133	3,317,220	3,677,321	10.9%
Interest	0	82,389	54,020	66,464	23.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>CONSERVATORY(CBQ0)</u>					
Gains	41,932	0	0	0	0.0%
Total CONSERVATORY	4,484,239	3,892,522	3,371,240	3,743,785	11.1%
<u>SYMPHONY PLACE(CBR0)</u>					
Interest	-252	0	0	0	0.0%
Gains	254	0	0	0	0.0%
Total SYMPHONY PLACE	2	0	0	0	0.0%
<u>LORING PARK(CBT0)</u>					
Property Taxes	5,570,568	4,244,310	4,607,614	4,909,171	6.5%
State Government	0	129,814	0	0	0.0%
Interest	0	101,886	10,802	26,782	147.9%
Gains	71,953	0	0	0	0.0%
Total LORING PARK	5,642,521	4,476,010	4,618,416	4,935,953	6.9%
<u>LAUREL VILLAGE(CBU0)</u>					
Property Taxes	1,394,274	1,447,771	1,354,797	1,354,797	0.0%
Charges for Service	56,346	57,336	0	0	0.0%
Interest	0	34,001	0	25,000	0.0%
Gains	33,741	0	0	0	0.0%
Rents	702,188	743,471	0	901,186	0.0%
Total LAUREL VILLAGE	2,186,549	2,282,579	1,354,797	2,280,983	68.4%
<u>CITY CENTER(CBX0)</u>					
Property Taxes	4,060,600	3,300,360	2,617,664	2,855,606	9.1%
Interest	0	-5,339	1,982	0	-100.0%
Gains	67,424	0	0	0	0.0%
Rents	0	83,333	0	0	0.0%
Total CITY CENTER	4,128,025	3,378,354	2,619,646	2,855,606	9.0%
<u>SOUTH NICOLLET MALL(CBY0)</u>					
Property Taxes	6,712,176	7,004,162	6,539,524	9,228,290	41.1%
Interest	0	356,026	1,982	307,978	15,438.7%
Gains	263,018	0	0	0	0.0%
Rents	140,953	538,785	0	650,170	0.0%
Operating Transfers In	6,594,724	0	0	0	0.0%
Total SOUTH NICOLLET MALL	13,710,871	7,898,973	6,541,506	10,186,438	55.7%
<u>CENTRAL CARE NURSING HOME(CCC0)</u>					
Interest	0	-29	0	0	0.0%
Gains	-24	0	0	0	0.0%
Total CENTRAL CARE NURSING HOME	-24	-29	0	0	0.0%
<u>DEEP ROCK TAX INCREMENT(CDR0)</u>					
Property Taxes	150,405	104,831	53,586	109,907	105.1%
Interest	0	9,403	0	3,580	0.0%
Gains	8,306	0	0	0	0.0%
Total DEEP ROCK TAX INCREMENT	158,711	114,234	53,586	113,487	111.8%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>DOWNTOWN EAST LRT(CDT0)</u>					
Property Taxes	412,329	338,209	0	0	0.0%
Interest	0	30,886	0	0	0.0%
Gains	20,384	0	0	0	0.0%
Rents	0	0	50,000	0	-100.0%
Operating Transfers In	0	579,981	0	0	0.0%
Total DOWNTOWN EAST LRT	432,712	949,076	50,000	0	-100.0%
<u>2700 EAST LAKE(CEL0)</u>					
Property Taxes	2,795	2,719	39,969	85,837	114.8%
Interest	0	134	0	108	0.0%
Gains	24	0	0	0	0.0%
Total 2700 EAST LAKE	2,818	2,853	39,969	85,945	115.0%
<u>EAST VILLAGE(CEV0)</u>					
Property Taxes	7,341	116,374	252,714	258,997	2.5%
Interest	0	1,018	0	106	0.0%
Gains	47	0	0	0	0.0%
Total EAST VILLAGE	7,388	117,392	252,714	259,103	2.5%
<u>50TH & FRANCE(CFF0)</u>					
Property Taxes	0	157,577	183,709	187,375	2.0%
Interest	0	1,042	0	720	0.0%
Gains	1,050	0	0	0	0.0%
Total 50TH & FRANCE	1,050	158,619	183,709	188,095	2.4%
<u>FORMER FED RESERVE(CFR0)</u>					
Property Taxes	50,584	89,566	223,024	227,187	1.9%
Interest	0	3,353	0	270	0.0%
Gains	430	0	0	0	0.0%
Total FORMER FED RESERVE	51,013	92,919	223,024	227,457	2.0%
<u>GRAIN BELT(CGB0)</u>					
Interest	0	-11	0	0	0.0%
Total GRAIN BELT	0	-11	0	0	0.0%
<u>GRACO TI(CGC0)</u>					
Property Taxes	0	6,557	204,581	208,400	1.9%
Interest	0	-960	0	0	0.0%
Gains	-74	0	0	0	0.0%
Total GRACO TI	-74	5,597	204,581	208,400	1.9%
<u>110 GRANT(CGR0)</u>					
Property Taxes	780,083	543,524	514,014	538,658	4.8%
Interest	0	41,885	27,515	31,000	12.7%
Gains	57,506	0	0	0	0.0%
Total 110 GRANT	837,589	585,408	541,529	569,658	5.2%
<u>13th and Harmon(CHA0)</u>					
Charges for Sales	2,200,000	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>13th and Harmon(CHA0)</u>					
Interest	0	-8,328	0	0	0.0%
Total 13th and Harmon	2,200,000	-8,328	0	0	0.0%
<u>Parcel C Tax Increment District(CHC0)</u>					
Charges for Sales	0	881,699	0	0	0.0%
Interest	0	8,678	0	0	0.0%
Total Parcel C Tax Increment District	0	890,377	0	0	0.0%
<u>HISTORIC DEPOT REUSE DIST 93(CHD0)</u>					
Property Taxes	0	763,113	763,111	777,356	1.9%
Interest	0	22,225	0	16,000	0.0%
Gains	59,815	0	0	0	0.0%
Total HISTORIC DEPOT REUSE DIST 93	59,815	785,339	763,111	793,356	4.0%
<u>HENNEPIN & 7TH ENTERTAINMENT(CHE0)</u>					
Property Taxes	4,872	55,230	0	833,863	0.0%
Interest	0	247,998	0	185,000	0.0%
Gains	799,024	0	0	0	0.0%
Rents	0	0	0	591,000	0.0%
Total HENNEPIN & 7TH ENTERTAINMENT	803,896	303,228	0	1,609,863	0.0%
<u>HUMBOLDT GREENWAY DIST 98(CHG0)</u>					
Interest	0	-148,167	0	0	0.0%
Gains	-23,043	0	0	0	0.0%
Rents	252	0	0	0	0.0%
Total HUMBOLDT GREENWAY DIST 98	-22,791	-148,167	0	0	0.0%
<u>HERITAGE LAND APTS(CHL0)</u>					
Property Taxes	214,806	681,919	592,649	592,586	-0.0%
Interest	0	4,037	0	360	0.0%
Gains	714	0	0	0	0.0%
Other Misc Revenues	0	86,939	0	0	0.0%
Total HERITAGE LAND APTS	215,520	772,896	592,649	592,946	0.1%
<u>900 6TH AVENUE SOUTH(CTH0)</u>					
Property Taxes	0	0	0	400,000	0.0%
Total 900 6TH AVENUE SOUTH	0	0	0	400,000	0.0%
<u>EAST HENNEPIN & UNIVERSITY(CHU0)</u>					
Property Taxes	20,210	22,611	167,023	281,015	68.2%
Charges for Service	0	11,194	0	0	0.0%
Interest	0	-23,845	0	1,476	0.0%
Gains	46,086	0	0	0	0.0%
Rents	0	0	0	901,186	0.0%
Proceeds of Long Term Liabilities	9,476,000	630,000	0	0	0.0%
Total EAST HENNEPIN & UNIVERSITY	9,542,297	639,960	167,023	1,183,677	608.7%
<u>CAMDEN AREA IMPACT(CIM0)</u>					
Property Taxes	57,773	43,227	5,486	0	-100.0%
<i>City of Minneapolis</i>				<i>Adopted Budget</i>	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>CAMDEN AREA IMPACT(CIM0)</u>					
Charges for Sales	0	6,772	0	0	0.0%
Interest	0	11,280	0	6,232	0.0%
Gains	9,612	0	0	0	0.0%
Total CAMDEN AREA IMPACT	67,385	61,279	5,486	6,232	13.6%
<u>IVY TOWER(CIT0)</u>					
Property Taxes	0	0	0	141	0.0%
State Government	0	0	0	40,000	0.0%
Other Misc Revenues	0	0	55,000	10,000	-81.8%
Total IVY TOWER	0	0	55,000	50,141	-8.8%
<u>LOCAL CONTRIBUTION FUND(CLC0)</u>					
Interest	0	298,739	0	224,000	0.0%
Gains	293,795	0	0	0	0.0%
Rents	262,911	677,314	0	0	0.0%
Other Misc Revenues	0	0	0	2,500,000	0.0%
Operating Transfers In	762,174	0	0	0	0.0%
Total LOCAL CONTRIBUTION FUND	1,318,879	976,053	0	2,724,000	0.0%
<u>LOWRY RIDGE(CLR0)</u>					
Property Taxes	43,585	58,371	62,238	92,265	48.2%
State Government	0	863	0	0	0.0%
Interest	0	462	0	320	0.0%
Gains	925	0	0	0	0.0%
Total LOWRY RIDGE	44,509	59,696	62,238	92,585	48.8%
<u>MAGNUM LOFTS(CML0)</u>					
Property Taxes	0	7,125	0	39,558	0.0%
Interest	0	4	0	143	0.0%
Total MAGNUM LOFTS	0	7,129	0	39,701	0.0%
<u>Many Rivers(CMR0)</u>					
Property Taxes	0	0	0	51,872	0.0%
Total Many Rivers	0	0	0	51,872	0.0%
<u>NICOLLET FRANKLIN(CNF0)</u>					
Property Taxes	18,178	102,459	30,887	66,734	116.1%
Interest	0	542	0	0	0.0%
Gains	-203	0	0	0	0.0%
Total NICOLLET FRANKLIN	17,975	103,001	30,887	66,734	116.1%
<u>NRP(CNR0)</u>					
Charges for Service	18,470	0	0	0	0.0%
Charges for Sales	59,155	105,870	0	0	0.0%
Interest	415,082	2,134,297	0	1,600,000	0.0%
Gains	2,693,704	0	0	0	0.0%
Rents	3,936	3,936	0	0	0.0%
Other Misc Revenues	893,636	1,537,999	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>NRP(CNR0)</u>					
Operating Transfers In	17,410,715	8,923,185	0	0	0.0%
Total NRP	21,494,698	12,705,286	0	1,600,000	0.0%
<u>NWIP(CPA0)</u>					
Property Taxes	3,113,826	2,296,869	2,681,203	2,816,921	5.1%
State Government	0	483	0	0	0.0%
Charges for Sales	5,000	0	0	0	0.0%
Interest	0	114,930	19,528	42,085	115.5%
Gains	50,044	0	0	0	0.0%
Rents	6,000	0	0	0	0.0%
Other Misc Revenues	1,253	0	0	0	0.0%
Total NWIP	3,176,123	2,412,281	2,700,731	2,859,006	5.9%
<u>HOLMES(CPB0)</u>					
Property Taxes	2,067,115	1,891,828	2,230,988	2,290,638	2.7%
State Government	0	48,952	0	0	0.0%
Interest	0	75,232	11,960	66,716	457.8%
Gains	1,140	0	0	0	0.0%
Rents	4,080	0	0	0	0.0%
Other Misc Revenues	1	0	0	0	0.0%
Total HOLMES	2,072,335	2,016,012	2,242,948	2,357,354	5.1%
<u>NICOLLET ISLAND EAST BANK(CPC0)</u>					
Property Taxes	2,082,631	1,749,980	1,781,590	1,826,179	2.5%
State Government	0	17,242	0	0	0.0%
Interest	0	132,758	36,906	89,208	141.7%
Gains	72,768	0	0	0	0.0%
Total NICOLLET ISLAND EAST BANK	2,155,399	1,899,980	1,818,496	1,915,387	5.3%
<u>PORTLAND PLACE(CPD0)</u>					
Property Taxes	27,147	49,675	68,342	66,942	-2.0%
State Government	0	8,935	0	0	0.0%
Interest	31,312	7,677	0	341	0.0%
Gains	14,716	0	0	0	0.0%
Proceeds of Long Term Liabilities	610,000	0	0	0	0.0%
Total PORTLAND PLACE	683,175	66,288	68,342	67,283	-1.5%
<u>NOKOMIS HOLMES(CPE0)</u>					
Property Taxes	221,426	186,064	259,557	267,414	3.0%
State Government	0	53,189	0	0	0.0%
Interest	0	16,391	5,988	5,569	-7.0%
Gains	18,903	0	0	0	0.0%
Total NOKOMIS HOLMES	240,329	255,645	265,545	272,983	2.8%
<u>ELLIOT PARK(CPF0)</u>					
Property Taxes	475,965	434,805	527,051	483,473	-8.3%
State Government	0	5,694	0	0	0.0%
Interest	0	95,622	15,334	13,099	-14.6%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>ELLIOT PARK(CPF0)</u>					
Gains	143,256	0	0	0	0.0%
Total ELLIOT PARK	619,221	536,121	542,385	496,572	-8.4%
<u>NICOLLET & LAKE(CPG0)</u>					
Property Taxes	524,067	421,579	473,894	525,679	10.9%
State Government	0	6,398	0	0	0.0%
Interest	0	14,457	4,398	5,572	26.7%
Gains	5,667	0	0	0	0.0%
Total NICOLLET & LAKE	529,733	442,435	478,292	531,251	11.1%
<u>CENTRAL & 20TH(CPH0)</u>					
Property Taxes	149,664	135,981	130,958	136,441	4.2%
Interest	0	11,181	7,718	3,914	-49.3%
Gains	10,915	0	0	0	0.0%
Total CENTRAL & 20TH	160,579	147,162	138,676	140,355	1.2%
<u>CENTRAL AVE MARKET(CPI0)</u>					
Interest	0	73	0	0	0.0%
Gains	118	0	0	0	0.0%
Total CENTRAL AVE MARKET	118	73	0	0	0.0%
<u>MILES I(CPJ0)</u>					
Property Taxes	93,050	71,453	88,433	90,352	2.2%
State Government	0	92	0	0	0.0%
Interest	0	10,540	5,577	3,028	-45.7%
Gains	12,444	0	0	0	0.0%
Total MILES I	105,494	82,085	94,010	93,380	-0.7%
<u>NBA ARENA(CPK0)</u>					
Property Taxes	2,197,908	1,397,869	1,419,991	1,475,496	3.9%
Charges for Sales	0	3,162	0	0	0.0%
Interest	48,306	48,960	0	3,032	0.0%
Gains	-28,914	0	0	0	0.0%
Other Misc Revenues	749,990	749,990	749,990	749,990	0.0%
Total NBA ARENA	2,967,290	2,199,982	2,169,981	2,228,518	2.7%
<u>PHILLIPS PARK(CPL0)</u>					
Property Taxes	4,547	34,148	47,664	43,394	-9.0%
State Government	0	4,055	0	0	0.0%
Interest	0	42	0	150	0.0%
Gains	28	0	0	0	0.0%
Total PHILLIPS PARK	4,575	38,245	47,664	43,544	-8.6%
<u>LASALLE PLACE(CPM0)</u>					
Property Taxes	3,759,319	2,291,650	2,165,107	2,091,950	-3.4%
Interest	0	162,317	84,998	53,183	-37.4%
Gains	140,394	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>LASALLE PLACE(CPM0)</u>					
Other Misc Revenues	0	12,500	0	0	0.0%
Total LASALLE PLACE	3,899,713	2,466,467	2,250,105	2,145,133	-4.7%
<u>CAPITAL PROJECTS- OTHER(CPO0)</u>					
Charges for Sales	0	0	0	270,000	0.0%
Interest	50,172	266,877	0	200,000	0.0%
Rents	0	0	0	50,000	0.0%
Other Misc Revenues	0	50	0	50,000	0.0%
Operating Transfers In	457,510	0	0	0	0.0%
Proceeds of Long Term Liabilities	20,975,419	1,960,000	0	1,960,000	0.0%
Total CAPITAL PROJECTS- OTHER	21,483,100	2,226,927	0	2,530,000	0.0%
<u>PRELIMINARY PLANNING(CPP0)</u>					
Charges for Service	134,853	87,358	75,000	75,000	0.0%
Charges for Sales	1	0	0	0	0.0%
Rents	1,713	1,100	0	0	0.0%
Other Misc Revenues	35,042	0	0	96,000	0.0%
Operating Transfers In	0	922,475	0	500,000	0.0%
Total PRELIMINARY PLANNING	171,609	1,010,933	75,000	671,000	794.7%
<u>NEIMAN MARCUS(CPQ0)</u>					
Property Taxes	2,183,726	1,213,983	1,344,012	1,369,101	1.9%
Interest	0	146,105	20,202	32,469	60.7%
Gains	155,813	0	0	0	0.0%
Total NEIMAN MARCUS	2,339,539	1,360,088	1,364,214	1,401,570	2.7%
<u>IDS DATA SERVICE CENTER(CPR0)</u>					
Property Taxes	1,308,125	2,452,269	4,220,692	4,385,671	3.9%
Interest	0	109,375	173,906	54,504	-68.7%
Gains	101,282	0	0	0	0.0%
Total IDS DATA SERVICE CENTER	1,409,407	2,561,643	4,394,598	4,440,175	1.0%
<u>ST THOMAS(CPT0)</u>					
Interest	0	566	0	0	0.0%
Total ST THOMAS	0	566	0	0	0.0%
<u>BLOCK E(CPU0)</u>					
Interest	0	45,545	0	34,000	0.0%
Gains	103,523	0	0	0	0.0%
Total BLOCK E	103,523	45,545	0	34,000	0.0%
<u>36TH AND MARSHALL(CPW0)</u>					
Property Taxes	238,135	113,068	189,836	145,560	-23.3%
Interest	0	4,186	0	1,634	0.0%
Gains	-245	0	0	0	0.0%
Total 36TH AND MARSHALL	237,890	117,255	189,836	147,194	-22.5%
<u>COMMON PROJECT RESERVE(CPZ0)</u>					
Interest	593,749	1,929,291	0	1,446,000	0.0%
<i>City of Minneapolis</i>					<i>Adopted Budget</i>

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>COMMON PROJECT RESERVE(CPZ0)</u>					
Gains	837,362	0	0	0	0.0%
Total COMMON PROJECT RESERVE	1,431,111	1,929,291	0	1,446,000	0.0%
<u>CAPITAL PROJECTS-ARBITRAGE(CRB0)</u>					
Interest	0	-7,472	0	0	0.0%
Gains	30,112	0	0	0	0.0%
Total CAPITAL PROJECTS-ARBITRAGE	30,112	-7,472	0	0	0.0%
<u>CREAMETTE DISTRICT 84(CRM0)</u>					
Property Taxes	94,260	150,185	150,186	148,729	-1.0%
Interest	0	888	0	2,066	0.0%
Gains	938	0	0	0	0.0%
Total CREAMETTE DISTRICT 84	95,198	151,073	150,186	150,795	0.4%
<u>ROSACKER NURSERY SITE(CRS0)</u>					
Property Taxes	120,619	107,072	123,485	125,668	1.8%
State Government	0	5,457	0	0	0.0%
Interest	0	6,222	2,569	831	-67.7%
Gains	1,507	0	0	0	0.0%
Total ROSACKER NURSERY SITE	122,126	118,750	126,054	126,499	0.4%
<u>SEMI-PHASE 1(CS10)</u>					
Property Taxes	649,806	485,004	662,702	605,655	-8.6%
Interest	0	13,842	0	12,478	0.0%
Gains	9,639	0	0	0	0.0%
Total SEMI-PHASE 1	659,445	498,847	662,702	618,133	-6.7%
<u>SEMI-PHASE 2(CS20)</u>					
Property Taxes	339,919	237,248	272,729	290,402	6.5%
Interest	0	25,170	0	5,983	0.0%
Gains	21,840	0	0	0	0.0%
Total SEMI-PHASE 2	361,759	262,419	272,729	296,385	8.7%
<u>SEMI-PHASE 3(CS30)</u>					
Property Taxes	39,497	149,014	81,322	83,919	3.2%
Interest	0	205	0	1,729	0.0%
Gains	897	0	0	0	0.0%
Total SEMI-PHASE 3	40,394	149,219	81,322	85,648	5.3%
<u>SEMI-PHASE 4(CS40)</u>					
Property Taxes	191,036	144,718	175,639	178,917	1.9%
Interest	0	1,812	0	3,686	0.0%
Gains	1,360	0	0	0	0.0%
Total SEMI-PHASE 4	192,396	146,530	175,639	182,603	4.0%
<u>SEMI-PHASE 5(CS50)</u>					
Property Taxes	26,718	147,452	166,690	180,468	8.3%
Interest	0	1,984	0	3,718	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>SEMI-PHASE 5(CS50)</u>					
Gains	949	0	0	0	0.0%
Total SEMI-PHASE 5	27,667	149,436	166,690	184,186	10.5%
<u>SPRING & CENTRAL(CSC0)</u>					
Property Taxes	5,004	8,244	16,777	11,182	-33.3%
Interest	0	412	590	332	-43.7%
Gains	260	0	0	0	0.0%
Total SPRING & CENTRAL	5,263	8,656	17,367	11,514	-33.7%
<u>SHINGLE CREEK CONDOMINIUMS(CSH0)</u>					
Interest	0	-27	0	0	0.0%
Total SHINGLE CREEK CONDOMINIUMS	0	-27	0	0	0.0%
<u>STINSON(CST0)</u>					
Property Taxes	0	283,961	471,020	448,874	-4.7%
Interest	0	-3,944	0	0	0.0%
Gains	-127	0	0	0	0.0%
Other Misc Revenues	0	106,734	0	0	0.0%
Total STINSON	-127	386,751	471,020	448,874	-4.7%
<u>TOWERS AT ELLIOT PARK(CTE0)</u>					
Interest	0	49,799	0	37,000	0.0%
Proceeds of Long Term Liabilities	0	9,825,000	0	0	0.0%
Total TOWERS AT ELLIOT PARK	0	9,874,799	0	37,000	0.0%
<u>2ND ST N HOTEL/APTS TOWNPLACE(CTP0)</u>					
Property Taxes	20,048	284,535	285,503	290,933	1.9%
Interest	0	784	0	334	0.0%
Gains	170	0	0	0	0.0%
Total 2ND ST N HOTEL/APTS TOWNPLACE	20,219	285,319	285,503	291,267	2.0%
<u>10TH AND WASHINGTON(CTW0)</u>					
Property Taxes	72,711	53,186	44,553	45,385	1.9%
Interest	0	3,587	0	2,582	0.0%
Total 10TH AND WASHINGTON	72,711	56,773	44,553	47,967	7.7%
<u>UNITED VAN BUS(CUB0)</u>					
Property Taxes	37,469	33,128	49,187	51,254	4.2%
Charges for Sales	0	28,665	0	0	0.0%
Interest	0	7,168	4,015	4,144	3.2%
Gains	5,253	0	0	0	0.0%
Total UNITED VAN BUS	42,722	68,961	53,202	55,398	4.1%
<u>East River/Unocal Site(CUN0)</u>					
Interest	0	3,107	0	2,000	0.0%
Proceeds of Long Term Liabilities	0	1,500,000	0	0	0.0%
Total East River/Unocal Site	0	1,503,107	0	2,000	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>URBAN VILLAGE(CUV0)</u>					
Property Taxes	0	7,753	15,829	17,785	12.4%
State Government	0	73	0	0	0.0%
Interest	3,860	12,525	0	0	0.0%
Operating Transfers In	0	200,827	0	0	0.0%
Proceeds of Long Term Liabilities	1,800,000	0	0	0	0.0%
Total URBAN VILLAGE	1,803,860	221,178	15,829	17,785	12.4%
<u>HSG REPLACE-WATERSHED 3(CW30)</u>					
Property Taxes	33,081	58,097	77,605	1,000	-98.7%
State Government	0	6,388	0	0	0.0%
Interest	0	2,662	0	-1,000	0.0%
Gains	1,604	0	0	0	0.0%
Other Misc Revenues	0	0	0	0	0.0%
Total HSG REPLACE-WATERSHED 3	34,685	67,147	77,605	0	-100.0%
<u>Housing Replacement District #4(CW40)</u>					
Other Misc Revenues	0	0	0	0	0.0%
Total Housing Replacement District #4	0	0	0	0	0.0%
<u>WEST SIDE MILLING DISTRICT(CWM0)</u>					
Property Taxes	276,973	441,459	690,009	729,621	5.7%
State Government	0	3,190	0	0	0.0%
Charges for Service	187,550	0	50,000	0	-100.0%
Charges for Sales	0	264,039	0	0	0.0%
Interest	51,212	194,206	0	0	0.0%
Gains	57,783	0	0	0	0.0%
Other Misc Revenues	0	217,060	0	50,000	0.0%
Proceeds of Long Term Liabilities	15,275,000	0	0	0	0.0%
Total WEST SIDE MILLING DISTRICT	15,848,519	1,119,953	740,009	779,621	5.4%
<u>HSG REPLACE-WATERSHED 0(CWS0)</u>					
Property Taxes	51,293	48,130	74,456	1,100,000	1,377.4%
State Government	0	7,699	0	0	0.0%
Interest	0	4,173	0	5,704	0.0%
Gains	2,162	0	0	0	0.0%
Other Misc Revenues	0	0	0	1,450,000	0.0%
Total HSG REPLACE-WATERSHED 0	53,455	60,002	74,456	2,555,704	3,332.5%
<u>Housing Replacement 2(CWT0)</u>					
Other Misc Revenues	0	0	0	50,000	0.0%
Total Housing Replacement 2	0	0	0	50,000	0.0%
Total Capital Projects	434,725,712	305,996,624	144,514,604	151,841,714	5.1%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>BOND REDEMPTION - DEBT SERVICE(5250)</u>					
Property Taxes	21,248,063	26,600,853	31,343,226	25,730,759	-17.9%
Sales and Other Taxes	1,668	2,504	0	0	0.0%
State Government	2,961,724	1,572,951	0	0	0.0%
Special Assessments	509	377	0	0	0.0%
Interest	0	1,084,090	0	0	0.0%
Gains	1,207,613	241,762	0	0	0.0%
Rents	1,068,231	892,669	0	0	0.0%
Other Misc Revenues	30,000	122	0	0	0.0%
Operating Transfers In	34,598,832	4,650,075	1,690,338	0	-100.0%
Total BOND REDEMPTION - DEBT SERVICE	61,116,640	35,045,403	33,033,564	25,730,759	-22.1%
<u>OTH SELF SUPPORTING DEBT SERV(5260)</u>					
Interest	0	85	0	0	0.0%
Gains	23,033	23	0	0	0.0%
Other Misc Revenues	0	48,506	122,500	0	-100.0%
Operating Transfers In	88,775	138,356	200,001	1,815,246	807.6%
Proceeds of Long Term Liabilities	0	3,500,000	0	0	0.0%
Total OTH SELF SUPPORTING DEBT SERV	111,808	3,686,970	322,501	1,815,246	462.9%
<u>PENSION FUND DEBT SERVICE(5270)</u>					
Property Taxes	0	0	0	0	0.0%
Operating Transfers In	0	0	0	4,733,758	0.0%
Total PENSION FUND DEBT SERVICE	0	0	0	4,733,758	0.0%
<u>LIBRARY REF DEBT SERVICE(5280)</u>					
Property Taxes	0	0	0	3,332,000	0.0%
Total LIBRARY REF DEBT SERVICE	0	0	0	3,332,000	0.0%
<u>CONVENTION CENTER-DEBT SERVICE(5300)</u>					
State Government	3,288,000	81,527,000	0	0	0.0%
Interest	0	413,653	0	0	0.0%
Gains	34,230	-4,085	0	0	0.0%
Rents	0	150,985	0	0	0.0%
Other Misc Revenues	0	24,508	0	0	0.0%
Operating Transfers In	19,157,278	16,622,480	20,853,662	19,493,078	-6.5%
Proceeds of Long Term Liabilities	0	162,677,916	0	0	0.0%
Total CONVENTION CENTER-DEBT SERVICE	22,479,509	261,412,456	20,853,662	19,493,078	-6.5%
<u>TARGET CENTER(5350)</u>					
Interest	38,236	14,162	0	0	0.0%
Operating Transfers In	4,226,209	4,440,281	0	0	0.0%
Total TARGET CENTER	4,264,446	4,454,443	0	0	0.0%
<u>BOND REDEMPTION - ASSESSMENT(5450)</u>					
Special Assessments	467,413	388,010	280,000	0	-100.0%
Interest	0	173,552	0	0	0.0%
Gains	201,804	36,864	0	0	0.0%
Total BOND REDEMPTION - ASSESSMENT	669,217	598,426	280,000	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Debt Service:					
<u>CONCERT HALL - DEBT SERVICE(5600)</u>					
Interest	0	27,954	0	0	0.0%
Gains	-50,805	5,836	0	0	0.0%
Rents	580,000	555,000	630,000	0	-100.0%
Total CONCERT HALL - DEBT SERVICE	529,195	588,790	630,000	0	-100.0%
<u>TAX INCREMENT - DEBT SERVICE(5900)</u>					
Interest	0	11,871	0	0	0.0%
Gains	49,647	2,590	0	0	0.0%
Other Misc Revenues	0	27,957	0	0	0.0%
Operating Transfers In	18,686,524	23,440,451	18,077,562	0	-100.0%
Total TAX INCREMENT - DEBT SERVICE	18,736,170	23,482,870	18,077,562	0	-100.0%
<u>00 IMPROVEMENT BONDS(5A00)</u>					
Special Assessments	0	6,221	0	0	0.0%
Interest	0	108	0	0	0.0%
Gains	575	-137	0	0	0.0%
Total 00 IMPROVEMENT BONDS	575	6,192	0	0	0.0%
<u>96 IMPROVEMENT BONDS(5A60)</u>					
Special Assessments	177,550	156,956	170,000	0	-100.0%
Interest	0	9,079	0	0	0.0%
Gains	13,077	1,687	0	0	0.0%
Operating Transfers In	3,000	0	0	0	0.0%
Total 96 IMPROVEMENT BONDS	193,628	167,721	170,000	0	-100.0%
<u>97 IMPROVEMENT BONDS(5A70)</u>					
Special Assessments	366,143	282,290	300,000	0	-100.0%
Interest	0	10,866	0	0	0.0%
Gains	9,993	2,596	0	0	0.0%
Total 97 IMPROVEMENT BONDS	376,136	295,752	300,000	0	-100.0%
<u>98 IMPROVEMENT BONDS(5A80)</u>					
Special Assessments	239,472	200,776	200,000	0	-100.0%
Interest	0	17,989	0	0	0.0%
Gains	20,880	3,944	0	0	0.0%
Total 98 IMPROVEMENT BONDS	260,352	222,709	200,000	0	-100.0%
<u>01 IMPROVEMENT BONDS - 10 YR(5AA0)</u>					
Gains	841	0	0	0	0.0%
Total 01 IMPROVEMENT BONDS - 10 YR	841	0	0	0	0.0%
<u>01 IMPROVEMENT BONDS - 20 YR(5AB0)</u>					
Special Assessments	1,031,753	1,598,104	1,000,000	0	-100.0%
Interest	0	35,105	0	0	0.0%
Gains	12,553	11,031	0	0	0.0%
Total 01 IMPROVEMENT BONDS - 20 YR	1,044,306	1,644,239	1,000,000	0	-100.0%
<u>BOND REDEM ARBIT 6/90 IMP BOND(5B00)</u>					
Special Assessments	277,009	244,192	275,000	0	-100.0%
<i>City of Minneapolis</i>				<i>Adopted Budget</i>	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEM ARBIT 6/90 IMP BOND(5B00)</u>					
Interest	0	-4,123	0	0	0.0%
Gains	-2,543	-1,463	0	0	0.0%
Total BOND REDEM ARBIT 6/90 IMP BOND	274,466	238,606	275,000	0	-100.0%
<u>BOND REDEM ARBIT 6/91 IMP BOND(5C00)</u>					
Special Assessments	235,644	190,556	230,000	0	-100.0%
Interest	0	28,461	0	0	0.0%
Gains	37,283	5,822	0	0	0.0%
Total BOND REDEM ARBIT 6/91 IMP BOND	272,927	224,839	230,000	0	-100.0%
<u>BOND REDEM ARBIT 6/92 IMP BOND(5E00)</u>					
Special Assessments	196,841	155,311	160,000	0	-100.0%
Interest	0	25,465	0	0	0.0%
Gains	35,000	4,999	0	0	0.0%
Total BOND REDEM ARBIT 6/92 IMP BOND	231,841	185,775	160,000	0	-100.0%
<u>BOND REDEM ARBIT 6/93 IMP BOND(5F00)</u>					
Special Assessments	306,501	238,808	240,000	0	-100.0%
Interest	0	32,492	0	0	0.0%
Gains	41,502	6,710	0	0	0.0%
Total BOND REDEM ARBIT 6/93 IMP BOND	348,003	278,009	240,000	0	-100.0%
<u>BOND REDEM ARBIT 6/94 IMP BOND(5G00)</u>					
Special Assessments	153,625	152,869	170,000	0	-100.0%
Interest	0	48,532	0	0	0.0%
Gains	61,692	10,249	0	0	0.0%
Total BOND REDEM ARBIT 6/94 IMP BOND	215,317	211,650	170,000	0	-100.0%
<u>BOND REDEM ARBIT 6/95 IMP BOND(5H00)</u>					
Special Assessments	324,036	297,422	260,000	0	-100.0%
Interest	0	35,916	0	0	0.0%
Gains	42,983	7,836	0	0	0.0%
Total BOND REDEM ARBIT 6/95 IMP BOND	367,019	341,174	260,000	0	-100.0%
<u>OCT 02 IMPROV BOND D/S(5I20)</u>					
Special Assessments	0	215,652	0	0	0.0%
Interest	0	895	0	0	0.0%
Total OCT 02 IMPROV BOND D/S	0	216,547	0	0	0.0%
<u>BOND REDEM ARBIT ASSESS PARK(5P00)</u>					
Special Assessments	219,384	305,044	220,000	0	-100.0%
Interest	0	10,028	0	0	0.0%
Gains	9,596	2,472	0	0	0.0%
Operating Transfers In	0	126,816	0	0	0.0%
Total BOND REDEM ARBIT ASSESS PARK	228,980	444,359	220,000	0	-100.0%
<u>BOND REDEM ARBIT 6/87 IMP BOND(5Z10)</u>					
Special Assessments	63,778	61,991	60,000	0	-100.0%
Interest	0	-7,727	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>BOND REDEM ARBIT 6/87 IMP BOND(5Z10)</u>					
Gains	-3,852	-2,673	0	0	0.0%
Total BOND REDEM ARBIT 6/87 IMP BOND	59,925	51,591	60,000	0	-100.0%
<u>BOND REDEM ARBIT 9/87 IMP BOND(5Z20)</u>					
Special Assessments	82,100	71,901	60,000	0	-100.0%
Interest	0	-16,414	0	0	0.0%
Gains	-17,000	-5,482	0	0	0.0%
Total BOND REDEM ARBIT 9/87 IMP BOND	65,100	50,005	60,000	0	-100.0%
<u>BOND REDEM ARBIT 6/88 IMP BOND(5Z30)</u>					
Special Assessments	70,073	65,130	75,000	0	-100.0%
Interest	0	-2,474	0	0	0.0%
Gains	1,294	-1,047	0	0	0.0%
Total BOND REDEM ARBIT 6/88 IMP BOND	71,367	61,609	75,000	0	-100.0%
<u>BOND REDEM ARBIT 6/89 IMP BOND(5Z40)</u>					
Special Assessments	71,011	64,651	70,000	0	-100.0%
Interest	0	-3,670	0	0	0.0%
Gains	-1,193	-1,322	0	0	0.0%
Total BOND REDEM ARBIT 6/89 IMP BOND	69,818	59,659	70,000	0	-100.0%
<u>BOND REDEM ARBIT NIC MALL BOND(5Z50)</u>					
Special Assessments	1,626,558	1,686,886	1,800,000	0	-100.0%
Interest	0	75,369	0	0	0.0%
Gains	96,779	16,523	0	0	0.0%
Operating Transfers In	212,668	215,885	218,523	0	-100.0%
Total BOND REDEM ARBIT NIC MALL BOND	1,936,005	1,994,662	2,018,523	0	-100.0%
<u>MCDA DEBT SERVICE(DDS0)</u>					
Interest	81,249	-67,187	0	0	0.0%
Gains	670,128	0	0	0	0.0%
Operating Transfers In	18,851,951	32,416,946	0	1,500,000	0.0%
Proceeds of Long Term Liabilities	7,249,581	0	0	0	0.0%
Total MCDA DEBT SERVICE	26,852,910	32,349,759	0	1,500,000	0.0%
<u>ST ANTHONY DEBT SERVICE(DDT0)</u>					
Charges for Service	0	-350	0	0	0.0%
Interest	5,433	102,573	0	152,000	0.0%
Gains	11,804	0	0	0	0.0%
Operating Transfers In	2,169,029	133,735	0	0	0.0%
Total ST ANTHONY DEBT SERVICE	2,186,266	235,958	0	152,000	0.0%
Total Debt Service	142,962,765	368,550,173	78,705,812	56,756,841	-27.9%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Enterprise Funds:</u>					
<u>SEWER ENTERPRISE FUND(7300)</u>					
Federal Government	3,757,899	979,910	0	310,000	0.0%
State Government	364,947	565,883	516,002	1,158,678	124.5%
Local Government	148,444	128,178	148,444	290,089	95.4%
Charges for Service	58,209,244	64,121,468	75,493,482	68,842,625	-8.8%
Charges for Sales	42	4,470	0	500	0.0%
Special Assessments	310,333	274,829	115,000	115,000	0.0%
Interest	911	-338	0	0	0.0%
Gains	-13,879	0	0	0	0.0%
Other Misc Revenues	18,148	-60,272	52,500	52,000	-1.0%
Operating Transfers In	6,338,748	7,987,502	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	11,590,000	10,519,000	-9.2%
Total SEWER ENTERPRISE FUND	69,134,836	74,001,629	87,915,428	81,287,892	-7.5%
<u>WATER ENTERPRISE FUND(7400)</u>					
Licenses and Permits	753	787	1,000	1,000	0.0%
Federal Government	765,289	316,657	0	0	0.0%
Charges for Service	51,609,390	54,733,364	65,001,650	66,817,803	2.8%
Charges for Sales	1,990,930	1,714,787	1,625,000	1,740,000	7.1%
Special Assessments	712,758	1,768,511	0	0	0.0%
Interest	17,871	-22,332	0	0	0.0%
Gains	-12,961	0	0	0	0.0%
Rents	7,588	3,066	2,000	2,000	0.0%
Other Misc Revenues	20,782	1,743	16,100	19,100	18.6%
Operating Transfers In	14,052,843	5,266,037	0	0	0.0%
Proceeds of Long Term Liabilities	0	3,718,477	4,350,000	33,000,000	658.6%
Total WATER ENTERPRISE FUND	69,165,242	67,501,098	70,995,750	101,579,903	43.1%
<u>MUNICIPAL PARKING ENTERPRISE FUND(7500)</u>					
Licenses and Permits	178,608	193,244	155,000	155,000	0.0%
State Government	462,688	0	0	0	0.0%
Charges for Service	53,257,222	52,729,011	59,431,216	56,455,882	-5.0%
Charges for Sales	1,148,529	1,063,292	826,000	1,001,000	21.2%
Special Assessments	169,937	158,534	38,000	132,500	248.7%
Interest	1,834	150	750	750	0.0%
Gains	-39,140	0	0	0	0.0%
Rents	273,578	130,744	17,500	3,000	-82.9%
Other Misc Revenues	78,970	454,697	11,000	11,000	0.0%
Operating Transfers In	55,798,349	33,201,924	13,805,938	15,142,777	9.7%
Proceeds of Long Term Liabilities	0	0	0	0	0.0%
Total MUNICIPAL PARKING ENTERPRISE FUND	111,330,578	87,931,595	74,285,404	72,901,909	-1.9%
<u>10TH AND WASHINGTON RAMP ARBIT(7550)</u>					
Interest	0	-10	0	0	0.0%
Gains	4,315	-211	0	0	0.0%
Total 10TH AND WASHINGTON RAMP ARBIT	4,315	-221	0	0	0.0%
<u>97 TEMPORARY RAMP REVENUE BOND(7570)</u>					
Interest	0	1	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Enterprise Funds:					
<u>97 TEMPORARY RAMP REVENUE BOND(7570)</u>					
Gains	1	-0	0	0	0.0%
Total 97 TEMPORARY RAMP REVENUE BOND	1	0	0	0	0.0%
<u>GREYHOUND/JEFF PARK FACILITY(7580)</u>					
Interest	0	-2	0	0	0.0%
Gains	780	-109	0	0	0.0%
Total GREYHOUND/JEFF PARK FACILITY	780	-111	0	0	0.0%
<u>ST. THOMAS/GREYHOUND 1999 BOND(7590)</u>					
Interest	0	-136	0	0	0.0%
Gains	117,921	-6,127	0	0	0.0%
Total ST. THOMAS/GREYHOUND 1999 BOND	117,921	-6,262	0	0	0.0%
<u>SOLID WASTE - ENTERPRISE(7700)</u>					
Sales and Other Taxes	4,563	0	0	0	0.0%
Local Government	943,406	936,327	804,000	804,000	0.0%
Charges for Service	24,176,900	25,174,810	26,098,800	26,098,800	0.0%
Charges for Sales	668,072	618,273	640,200	640,200	0.0%
Special Assessments	142,768	128,125	0	0	0.0%
Interest	0	14	0	0	0.0%
Gains	0	15,171	0	0	0.0%
Rents	580	280	0	0	0.0%
Other Misc Revenues	350	3,433	0	0	0.0%
Operating Transfers In	165,630	146,000	146,000	196,000	34.2%
Total SOLID WASTE - ENTERPRISE	26,102,270	27,022,432	27,689,000	27,739,000	0.2%
<u>PARK - OPERATIONS - ENTERPRISE(7800)</u>					
Licenses and Permits	500	0	0	0	0.0%
Federal Government	48,476	17,209	0	0	0.0%
State Government	29,441	28,522	8,000	28,500	256.3%
Charges for Service	10,600,129	9,128,638	11,383,505	11,077,522	-2.7%
Charges for Sales	2,789	7,777	0	3,000	0.0%
Fines and Forfeits	45,560	0	0	0	0.0%
Interest	14	57	0	0	0.0%
Gains	385	0	0	0	0.0%
Rents	497,755	1,415,229	465,031	1,094,398	135.3%
Contributions	496,081	390,520	156,064	53,000	-66.0%
Other Misc Revenues	29,903	12,267	0	0	0.0%
Operating Transfers In	193,681	215,634	0	174,000	0.0%
Total PARK - OPERATIONS - ENTERPRISE	11,944,713	11,215,854	12,012,600	12,430,420	3.5%
<u>98 SEWER FIXED RATE BONDS(8S10)</u>					
Gains	0	-0	0	0	0.0%
Total 98 SEWER FIXED RATE BONDS	0	-0	0	0	0.0%
<u>98 SEWER (OCTOBER) BONDS(8S30)</u>					
Gains	0	-0	0	0	0.0%
Total 98 SEWER (OCTOBER) BONDS	0	-0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Enterprise Funds:					
<u>99 SEWER FIXED RATE BONDS(9S10)</u>					
Interest	0	-10	0	0	0.0%
Gains	98,484	-6,352	0	0	0.0%
Total 99 SEWER FIXED RATE BONDS	98,484	-6,362	0	0	0.0%
<u>99 WATER FIXED RATE BONDS(9W10)</u>					
Gains	766	0	0	0	0.0%
Total 99 WATER FIXED RATE BONDS	766	0	0	0	0.0%
<u>DEFAULTED PROPERTY ADMINISTRATION(EDP0)</u>					
Charges for Service	0	145,722	0	0	0.0%
Charges for Sales	0	116,381	0	0	0.0%
Interest	0	-1,522	0	0	0.0%
Rents	0	37,000	3,700,000	1,600,000	-56.8%
Total DEFAULTED PROPERTY ADMINISTRATION	0	297,580	3,700,000	1,600,000	-56.8%
<u>FED HOME LN BANK ECON DEVELOP(EED0)</u>					
Interest	127,672	82,258	0	61,000	0.0%
Gains	30,697	0	0	0	0.0%
Other Misc Revenues	0	0	0	85,000	0.0%
Total FED HOME LN BANK ECON DEVELOP	158,368	82,258	0	146,000	0.0%
<u>FHLB HOUSING DEVELOPMENT(EHD0)</u>					
Interest	392,287	258,843	0	194,000	0.0%
Gains	-6,525	0	0	0	0.0%
Total FHLB HOUSING DEVELOPMENT	385,762	258,843	0	194,000	0.0%
<u>HOUSING OWNERSHIP PROGRAM(EH00)</u>					
Interest	1,948,311	1,509,378	2,000,000	1,132,000	-43.4%
Gains	5,429	0	0	0	0.0%
Other Misc Revenues	49,466	0	0	0	0.0%
Total HOUSING OWNERSHIP PROGRAM	2,003,206	1,509,378	2,000,000	1,132,000	-43.4%
<u>HOME OWNERSHIP & RENOVATION(EHR0)</u>					
Interest	748,584	611,651	725,000	458,000	-36.8%
Gains	237	0	0	0	0.0%
Total HOME OWNERSHIP & RENOVATION	748,821	611,651	725,000	458,000	-36.8%
<u>LOAN & GRANT PROGRAMS(ELG0)</u>					
Charges for Service	325	225	0	15,000	0.0%
Interest	13,444	16,942	2,875	12,000	317.4%
Gains	13,260	0	0	0	0.0%
Other Misc Revenues	3,979	0	0	0	0.0%
Total LOAN & GRANT PROGRAMS	31,008	17,167	2,875	27,000	839.1%
<u>RIVER TERMINAL(ERT0)</u>					
Charges for Service	2,956,847	2,849,213	3,572,315	3,131,800	-12.3%
Charges for Sales	0	8,123	0	0	0.0%
Interest	0	-12,140	0	0	0.0%
Gains	-10,735	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Enterprise Funds:					
<u>RIVER TERMINAL(ERT0)</u>					
Rents	531	0	0	0	0.0%
Other Misc Revenues	0	0	350,690	0	-100.0%
Total RIVER TERMINAL	2,946,643	2,845,196	3,923,005	3,131,800	-20.2%
<u>GARFS(ERZ0)</u>					
Charges for Service	0	50,000	50,000	0	-100.0%
Interest	8,723	74,269	0	55,000	0.0%
Gains	80,722	0	0	0	0.0%
Other Misc Revenues	155,579	114,424	175,000	300,000	71.4%
Proceeds of Long Term Liabilities	33,873	26,438	0	0	0.0%
Total GARFS	278,897	265,131	225,000	355,000	57.8%
Total Enterprise Funds	294,452,611	273,546,858	283,474,062	302,982,924	6.9%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Internal Service Funds:					
<u>MATERIALS & LAB-INTERNAL SVC(6000)</u>					
Federal Government	54,541	0	0	0	0.0%
Charges for Service	761,582	712,570	850,000	800,000	-5.9%
Charges for Sales	2,418,578	1,972,473	2,200,000	2,400,000	9.1%
Interest	21	15	0	0	0.0%
Other Misc Revenues	45,706	10,769	0	0	0.0%
Operating Transfers In	6,091	0	0	0	0.0%
Total MATERIALS & LAB-INTERNAL SVC	3,286,519	2,695,827	3,050,000	3,200,000	4.9%
<u>EQUIPMENT - INTERNAL SERVICE(6100)</u>					
Charges for Service	10,521,260	8,676,646	951,200	4,971,962	422.7%
Charges for Sales	3,580,167	2,587,658	3,240,500	5,144,956	58.8%
Interest	1,456	-4,328	500	500	0.0%
Gains	42,886	319,590	200,000	200,000	0.0%
Rents	19,249,330	19,716,789	27,832,000	24,137,500	-13.3%
Other Misc Revenues	481,775	419,102	315,000	310,000	-1.6%
Operating Transfers In	5,224,436	6,003,216	1,819,000	2,180,000	19.8%
Proceeds of Long Term Liabilities	0	0	12,400,000	5,450,000	-56.0%
Total EQUIPMENT - INTERNAL SERVICE	39,101,310	37,718,673	46,758,200	42,394,918	-9.3%
<u>PROPERTY SERVICES INTERNAL SERVICE FUND(62)</u>					
Charges for Service	3,274,390	5,117,768	4,383,500	4,432,500	1.1%
Charges for Sales	0	648,745	880,000	880,000	0.0%
Interest	-209	57	0	0	0.0%
Rents	3,901,277	5,929,459	6,427,500	6,338,500	-1.4%
Other Misc Revenues	2,892	25,784	3,000	441,063	14,602.1%
Operating Transfers In	3,189	1,665,266	130,000	841,613	547.4%
Proceeds of Long Term Liabilities	0	6,425,000	560,000	0	-100.0%
Total PROPERTY SERVICES INTERNAL SERVICE F	7,181,539	19,812,078	12,384,000	12,933,676	4.4%
<u>STORES - INTERNAL SERVICE(6300)</u>					
Charges for Service	508,695	535,557	500,000	475,000	-5.0%
Charges for Sales	3,681,386	3,219,406	3,245,000	3,145,000	-3.1%
Interest	-0	0	50	0	-100.0%
Other Misc Revenues	4,604	0	0	0	0.0%
Total STORES - INTERNAL SERVICE	4,194,684	3,754,963	3,745,050	3,620,000	-3.3%
<u>INFO TECH - INTERNAL SERVICE(6400)</u>					
Charges for Service	3,300,407	5,498,331	2,910,007	4,411,465	51.6%
Charges for Sales	-5,800	0	1,800	10,000	455.6%
Interest	0	-114	0	0	0.0%
Gains	769	-555	0	0	0.0%
Other Misc Revenues	0	2,937,377	49,329	0	-100.0%
Operating Transfers In	17,438,024	18,926,346	20,020,006	20,750,335	3.6%
Proceeds of Long Term Liabilities	0	0	0	2,950,000	0.0%
Total INFO TECH - INTERNAL SERVICE	20,733,399	27,361,386	22,981,142	28,121,800	22.4%
<u>PARK - INTERNAL SERVICE(6600)</u>					
Charges for Service	674,327	787,773	1,822,464	1,746,386	-4.2%
Charges for Sales	542,220	464,786	0	110,000	0.0%
Gains	18,191	7,615	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Internal Service Funds:					
<u>PARK - INTERNAL SERVICE(6600)</u>					
Rents	3,018,367	3,158,223	3,241,137	3,038,780	-6.2%
Contributions	0	38,570	0	0	0.0%
Other Misc Revenues	6,405	6,236	0	0	0.0%
Operating Transfers In	0	124,175	0	0	0.0%
Total PARK - INTERNAL SERVICE	4,259,510	4,587,377	5,063,601	4,895,166	-3.3%
<u>PARK-SELF INSURE-INTERNAL SVC(6700)</u>					
Other Misc Revenues	2,508,181	1,927,611	2,039,853	2,026,853	-0.6%
Total PARK-SELF INSURE-INTERNAL SVC	2,508,181	1,927,611	2,039,853	2,026,853	-0.6%
<u>SELF INSURANCE-INTERNAL SVC(6900)</u>					
Charges for Service	42,411,704	49,961,039	57,427,310	59,724,000	4.0%
Other Misc Revenues	5,328,503	5,508,343	3,017,023	3,020,023	0.1%
Operating Transfers In	1,950,624	2,243,748	2,909,595	3,779,313	29.9%
Total SELF INSURANCE-INTERNAL SVC	49,690,832	57,713,131	63,353,928	66,523,336	5.0%
<u>99EQUIP VARIABLE RATE BONDS(9E10)</u>					
Interest	0	0	0	0	0.0%
Total 99EQUIP VARIABLE RATE BONDS	0	0	0	0	0.0%
Total Internal Service Funds	130,955,973	155,571,047	159,375,774	163,715,749	2.7%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Investment Management Funds:</u>					
<u>INVESTMENT POOL(Z010)</u>					
Interest	0	6,502	0	100,000	0.0%
Total INVESTMENT POOL	0	6,502	0	100,000	0.0%
<u>INVESTMENT POOL(Z990)</u>					
Interest	0	3,018,247	0	0	0.0%
Gains	-295,264	-3,018,247	0	0	0.0%
Total INVESTMENT POOL	-295,264	0	0	0	0.0%
Total Investment Management Funds	-295,264	6,502	0	100,000	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
<u>Agency - Inactive:</u>					
<u>PUBLIC HOUSING AUTHORITY(2900)</u>					
Gains	1,548	0	0	0	0.0%
Total PUBLIC HOUSING AUTHORITY	1,548	0	0	0	0.0%
<u>LUMBER EXCHANGE SKYWAY(8390)</u>					
Interest	0	6,174	0	0	0.0%
Gains	8,134	1,358	0	0	0.0%
Total LUMBER EXCHANGE SKYWAY	8,134	7,533	0	0	0.0%
Total Agency - Inactive	9,682	7,533	0	0	
TOTAL ALL FUNDS	1,509,539,424	1,616,688,086	1,179,020,161	1,229,232,643	4.3%

SCHEDULE TWO
Revenues by Type

Revenues by Type	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Property Taxes	205,532,284	208,296,479	231,055,588	252,132,017	9.1%
Sales and Other Taxes	47,974,342	47,940,309	49,522,600	50,002,743	1.0%
Franchise Fees	25,563,397	21,860,607	20,410,000	23,500,000	15.1%
Licenses and Permits	21,336,362	21,720,111	21,697,287	21,470,984	-1.0%
Federal Government	40,246,500	43,101,585	50,007,189	63,386,307	26.8%
State Government	158,861,183	255,427,675	154,328,024	124,980,970	-19.0%
Local Government	11,467,778	11,456,696	8,296,397	8,383,881	1.1%
Charges for Service	303,442,945	322,112,572	348,478,996	354,003,869	1.6%
Charges for Sales	22,302,855	18,416,958	14,098,180	17,525,612	24.3%
Fines and Forfeits	9,736,640	8,259,624	9,334,277	10,470,377	12.2%
Special Assessments	11,347,228	13,458,288	10,157,300	4,784,595	-52.9%
Interest	6,632,360	10,980,993	3,624,791	9,664,104	166.6%
Gains	20,234,454	-2,015,162	2,388,771	200,000	-91.6%
Rents	36,756,141	40,990,643	49,892,801	46,625,584	-6.5%
Contributions	4,782,729	4,146,235	2,816,875	822,486	-70.8%
Other Misc Revenues	19,669,428	22,227,175	13,872,247	26,802,831	93.2%
Operating Transfers In	418,873,284	289,313,885	116,049,838	136,637,283	17.7%
Proceeds of Long Term Liabilities	144,779,515	278,993,412	72,989,000	77,839,000	6.6%
Total Revenues by Type	1,509,539,424	1,616,688,086	1,179,020,161	1,229,232,643	4.3%

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
General Fund - City :					
<u>GENERAL FUND (0100)</u>					
ASSESSOR	2,479,318	2,626,175	2,730,224	2,776,614	1.7%
CORRECTIONS - NON-DEPT	517,528	677,264	861,900	700,000	-18.8%
NON-DEPARTMENTAL	639,211	996,495	2,556,251	2,248,135	-12.1%
INTERFUND TRANSFERS	25,369,003	20,264,023	25,650,364	29,862,498	16.4%
UNFUNDED PENSION EXPENSE	0	0	-2,382,131	-1,796,128	-24.6%
ELECTION JUDGES	0	0	0	0	
ATTORNEY	4,632,958	4,375,809	4,642,827	5,012,886	8.0%
CONTINGENCY	20,903	462,312	1,653,610	1,587,684	-4.0%
CITY COUNCIL	992,331	1,070,440	1,123,145	2,872,903	155.8%
CITY CLERK	3,318,140	3,351,591	3,217,766	1,144,810	-64.4%
CITY CLERK - ELECTIONS	971,776	986,621	900,367	931,170	3.4%
FIRE DEPARTMENT	39,078,769	41,671,783	44,181,259	43,315,691	-2.0%
CIVIL RIGHTS	1,699,189	1,616,030	1,984,306	1,790,877	-9.7%
MAYOR	934,632	935,810	893,592	939,679	5.2%
POLICE DEPARTMENT	85,409,102	89,155,524	91,859,942	89,445,997	-2.6%
CIVILIAN POLICE REVIEW AUTHORITY	408,863	177,598	0	0	
BOARD OF ESTIMATE & TAXATION	0	2	0	0	
PW - ENGINEERING SERVICES	895,299	801,208	1,000,545	1,116,143	11.6%
PW - FIELD SERVICES	24,838,334	21,924,598	23,963,921	22,787,749	-4.9%
PW - ADMINISTRATIVE SERVICES	1,753,745	1,893,993	2,021,748	1,939,729	-4.1%
PW - TRANSPORTATION	11,324,453	10,560,139	11,283,723	10,295,838	-8.8%
HUMAN RESOURCES	4,512,238	4,572,190	3,903,215	3,696,543	-5.3%
FINANCE DEPARTMENT	5,520,757	5,640,779	5,839,379	7,518,887	28.8%
EMERGENCY COMMUNICATIONS	5,608,890	5,661,672	6,170,856	6,201,875	0.5%
LICENSES & CONSUMER SERVICES	5,683,576	5,584,207	5,935,022	6,240,067	5.1%
CITY COORDINATOR	883,260	856,302	459,609	409,105	-11.0%
INTERGOVERNMENTAL RELATIONS	732,206	714,944	845,238	901,280	6.6%
COMMUNICATIONS	829,802	759,047	658,107	2,107,803	220.3%
INSPECTIONS	12,455,613	12,533,234	12,913,657	13,055,089	1.1%
HEALTH AND FAMILY SUPPORT	3,865,113	3,799,395	3,857,249	3,465,312	-10.2%
BUSINESS INFORMATION SERVICES	1,380,369	1,486,559	1,944,971	0	-100.0%
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,693,850	1,672,375	2,486,209	2,184,066	-12.2%
PUBLIC WORKS PAVING CONSTRUCTION	0	0	0	0	
Total GENERAL FUND	248,449,226	246,828,121	263,156,871	262,752,302	-0.2%
Total General Fund - City	248,449,226	246,828,121	263,156,871	262,752,302	-0.2%

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>GRANTS - FEDERAL (0300)</u>					
INTERFUND TRANSFERS	1,037,053	959,577	62,000	62,000	0.0%
ATTORNEY	445,432	525,641	325,000	496,200	52.7%
FIRE DEPARTMENT	43,281	1,418,262	0	0	
POLICE DEPARTMENT	2,407,679	2,388,789	490,000	4,931,343	906.4%
FINANCE DEPARTMENT	133,062	122,943	153,651	168,579	9.7%
LICENSES & CONSUMER SERVICES	1,065,030	1,113,188	1,237,320	90,000	-92.7%
INTERGOVERNMENTAL RELATIONS	0	573,795	0	0	
HEALTH AND FAMILY SUPPORT	3,203,290	4,598,985	3,110,091	3,303,822	6.2%
BUSINESS INFORMATION SERVICES	0	250,319	0	0	
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,389,775	6,998,023	7,393,242	7,546,347	2.1%
PUBLIC WORKS TRANSPORTATION CAPITAL	8,000	717,573	0	2,501,535	
Total GRANTS - FEDERAL	13,732,601	19,667,094	12,771,304	19,099,826	49.6%
<u>CDBG & UDAG FUNDS (0400)</u>					
NON-DEPARTMENTAL	1,743,186	1,247,253	4,119,000	4,368,000	6.0%
INTERFUND TRANSFERS	11,993,919	10,369,268	9,414,751	9,702,000	3.1%
CIVIL RIGHTS	215,891	242,211	349,502	190,000	-45.6%
PW - FIELD SERVICES	0	0	0	107,000	
PW - PROPERTY SERVICES	162,498	158,369	267,000	0	-100.0%
FINANCE DEPARTMENT	231,968	220,815	342,928	343,000	0.0%
LICENSES & CONSUMER SERVICES	55,994	179,243	0	197,000	
INTERGOVERNMENTAL RELATIONS	1,447,906	906,250	1,693,739	1,743,000	2.9%
INSPECTIONS	175,090	229,763	202,000	202,000	0.0%
HEALTH AND FAMILY SUPPORT	2,777,511	3,047,531	2,849,372	2,283,000	-19.9%
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,247,119	2,270,234	2,345,108	2,521,000	7.5%
Total CDBG & UDAG FUNDS	21,051,083	18,870,936	21,583,400	21,656,000	0.3%
<u>GRANTS - OTHER (0600)</u>					
NON-DEPARTMENTAL	1,671,843	349,101	56,000	2,045,245	3,552.2%
INTERFUND TRANSFERS	941,554	405,004	115,750	115,750	0.0%
ATTORNEY	31,175	32,968	75,000	0	-100.0%
CITY CLERK	0	3,329	0	0	
FIRE DEPARTMENT	0	32,600	70,000	0	-100.0%
CIVIL RIGHTS	0	0	0	8,106	
POLICE DEPARTMENT	528,047	1,022,396	129,795	993,559	665.5%
HUMAN RESOURCES	3,081	10,000	10,000	10,132	1.3%
FINANCE DEPARTMENT	43,808	69,774	64,683	43,446	-32.8%
EMERGENCY COMMUNICATIONS	71,529	251,222	125,000	251,650	101.3%
LICENSES & CONSUMER SERVICES	54,889	70,328	25,000	33,000	32.0%
CITY COORDINATOR	128,721	32,250	0	0	
INTERGOVERNMENTAL RELATIONS	10,369	4,149	0	0	
COMMUNICATIONS	27,258	0	0	0	
INSPECTIONS	20,000	0	0	0	
HEALTH AND FAMILY SUPPORT	3,619,857	2,635,302	3,566,532	4,280,641	20.0%
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	4,140,271	3,825,510	3,250,969	4,191,705	28.9%
PUBLIC WORKS TRANSPORTATION CAPITAL	4,500	0	0	0	
Total GRANTS - OTHER	11,296,901	8,743,932	7,488,729	11,973,234	59.9%
<u>CONVENTION CENTER OPERATIONS (0760)</u>					
NON-DEPARTMENTAL	122,500	0	0	0	
INTERFUND TRANSFERS	33,303,130	34,676,165	37,582,797	37,585,971	0.0%
POLICE DEPARTMENT	0	0	0	0	
HUMAN RESOURCES	44,776	51,173	57,241	59,510	4.0%

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>CONVENTION CENTER OPERATIONS (0760)</u>					
FINANCE DEPARTMENT	241,537	225,348	308,861	302,465	-2.1%
GMCVA	6,595,065	7,001,918	6,480,000	6,480,000	0.0%
CONVENTION CENTER SITE	391,734	93,335	0	0	
CONVENTION CENTER	13,028,907	17,882,861	20,998,288	23,031,135	9.7%
Total CONVENTION CENTER OPERATIONS	53,727,648	59,930,799	65,427,187	67,459,081	3.1%
<u>EMPLOYEE RETIREMENT (0990)</u>					
INTERFUND TRANSFERS	3,751,325	3,227,892	0	0	
MPLS EMPLOYEE RETIREMT FD	3,177,061	3,346,334	4,387,020	4,444,929	1.3%
POLICE RELIEF ASSOCIATION	5,674,077	7,780,495	18,477,316	18,721,217	1.3%
FIRE DEPT RELIEF ASSOC	253,200	229,378	255,129	258,497	1.3%
Total EMPLOYEE RETIREMENT	12,855,663	14,584,099	23,119,465	23,424,643	1.3%
<u>POLICE DEPT - SPECIAL REVENUE (2100)</u>					
INTERFUND TRANSFERS	71,951	480	519	0	-100.0%
POLICE DEPARTMENT	1,261,046	1,071,894	1,154,990	3,007,193	160.4%
Total POLICE DEPT - SPECIAL REVENUE	1,332,997	1,072,374	1,155,509	3,007,193	160.2%
<u>ARENA - RESERVE (2600)</u>					
INTERFUND TRANSFERS	4,931,339	2,762,561	0	0	
Total ARENA - RESERVE	4,931,339	2,762,561	0	0	
<u>CPED Operating (GEN0)</u>					
INTERFUND TRANSFERS	0	0	0	7,971,176	
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,568,487	5,567,438	6,483,597	5,050,098	-22.1%
Total CPED Operating	5,568,487	5,567,438	6,483,597	13,021,274	100.8%
<u>MCDA CDBG (FBG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	6,789,427	10,539,821	9,837,490	11,101,347	12.8%
Total MCDA CDBG	6,789,427	10,539,821	9,837,490	11,101,347	12.8%
<u>FEDERAL EMPOWERMENT ZONE (FEZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,142,681	715,885	39,784	19,465	-51.1%
Total FEDERAL EMPOWERMENT ZONE	1,142,681	715,885	39,784	19,465	-51.1%
<u>MCDA FEDERAL GRANTS-OTHER (FG00)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,191,788	2,606,772	4,070,267	5,663,689	39.1%
Total MCDA FEDERAL GRANTS-OTHER	5,191,788	2,606,772	4,070,267	5,663,689	39.1%
<u>MCDA UDAG LEVERAGE INVESTMENT (FLF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	814,539	7,393	0	0	
Total MCDA UDAG LEVERAGE INVESTMENT	814,539	7,393	0	0	
<u>MCDA NEIGHBORHOOD DEVEL ACCT (FNA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,718,201	2,023,339	1,800,000	117,503	-93.5%
Total MCDA NEIGHBORHOOD DEVEL ACCT	2,718,201	2,023,339	1,800,000	117,503	-93.5%

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	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>JOINT BOARD (JTB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	16,117	17,958	0	0	
Total JOINT BOARD	16,117	17,958	0	0	
<u>MEDC (MED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	353,129	262,748	0	0	
Total MEDC	353,129	262,748	0	0	
<u>NRP ADMINISTRATION (SAD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,122,920	977,480	1,178,852	646,026	-45.2%
Total NRP ADMINISTRATION	1,122,920	977,480	1,178,852	646,026	-45.2%
<u>COMMUNITY DEVELOPMENT INVESTMENT FUND (SC</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	913,526	2,342,750	156.5%
Total COMMUNITY DEVELOPMENT INVESTMENT FUN	0	0	913,526	2,342,750	156.5%
<u>DEVELOPMENT ACCOUNT (SDA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	4,036,474	8,783,709	1,424,547	137,390	-90.4%
Total DEVELOPMENT ACCOUNT	4,036,474	8,783,709	1,424,547	137,390	-90.4%
<u>ECONOMIC DEVELOPMENT PROGRAM (SED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,473,333	1,411,691	1,611,339	3,559,399	120.9%
Total ECONOMIC DEVELOPMENT PROGRAM	1,473,333	1,411,691	1,611,339	3,559,399	120.9%
<u>HOUSING FINANCE (SFA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	297,627	276,171	133,550	0	-100.0%
Total HOUSING FINANCE	297,627	276,171	133,550	0	-100.0%
<u>HOUSING PROGRAM (SHP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	238,128	308,460	1,454,259	1,384,674	-4.8%
Total HOUSING PROGRAM	238,128	308,460	1,454,259	1,384,674	-4.8%
<u>HOME OWNERSHIP WORKS (SHW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,000,894	1,061,509	0	0	
Total HOME OWNERSHIP WORKS	2,000,894	1,061,509	0	0	
<u>MCDA LEVERAGE INVESTMENT (SLF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	512	
Total MCDA LEVERAGE INVESTMENT	0	0	0	512	
<u>MCDA STATE GRANTS & LOAN (SMN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	7,246,035	10,144,473	0	0	
Total MCDA STATE GRANTS & LOAN	7,246,035	10,144,473	0	0	
<u>NEIGHBORHOOD HOUSING (SNH0)</u>					

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	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>NEIGHBORHOOD HOUSING (SNH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	148,072	224,039	230,188	2.7%
Total NEIGHBORHOOD HOUSING	0	148,072	224,039	230,188	2.7%
<u>COMMUNITY DEVELOPMENT (SPH0)</u>					
INTERFUND TRANSFERS	0	0	0	12,500,000	
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,500,000	0	0	3,660,354	
Total COMMUNITY DEVELOPMENT	1,500,000	0	0	16,160,354	
<u>RESIDENTIAL HOUSING (SRF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	725,842	632,828	831,175	244,078	-70.6%
Total RESIDENTIAL HOUSING	725,842	632,828	831,175	244,078	-70.6%
<u>THEATRES (STH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,305,709	1,619,741	125,000	925,741	640.6%
Total THEATRES	1,305,709	1,619,741	125,000	925,741	640.6%
<u>UPPER RIVER LAND BANK (SUR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	213,996	
Total UPPER RIVER LAND BANK	0	0	0	213,996	
<u>PARK - GENERAL FUND (1500)</u>					
INTERFUND TRANSFERS	0	0	0	152,864	
UNFUNDED PENSION EXPENSE	-606,648	-593,007	-550,000	-419,452	-23.7%
PARK BOARD	39,851,777	42,960,632	43,057,254	40,577,489	-5.8%
Total PARK - GENERAL FUND	39,245,130	42,367,625	42,507,254	40,310,901	-5.2%
<u>PARK - MUSEUM (ART INSTITUTE) (1600)</u>					
PARK MUSEUM	5,674,534	6,384,822	7,362,921	8,117,781	10.3%
Total PARK - MUSEUM (ART INSTITUTE)	5,674,534	6,384,822	7,362,921	8,117,781	10.3%
<u>PARK - FORESTRY (1700)</u>					
UNFUNDED PENSION EXPENSE	-102,717	-108,820	-75,000	-82,515	10.0%
PARK BOARD	7,225,322	7,724,898	7,823,136	8,053,602	2.9%
Total PARK - FORESTRY	7,122,605	7,616,078	7,748,136	7,971,087	2.9%
<u>PARK - GRANT & SPECIAL REVENUE (1950)</u>					
PARK BOARD	1,202,260	264,842	30,600	906,200	2,861.4%
PARK BOARD CAPITAL IMPROVEMENT	119,375	471,406	37,000	37,000	0.0%
Total PARK - GRANT & SPECIAL REVENUE	1,321,635	736,249	67,600	943,200	1,295.3%
<u>BOARD OF ESTIMATE AND TAXATION (1000)</u>					
BOARD OF ESTIMATE & TAXATION	220,493	227,917	245,414	249,500	1.7%
Total BOARD OF ESTIMATE AND TAXATION	220,493	227,917	245,414	249,500	1.7%
<u>MUNICIPAL BUILDING COMMISSION (1100)</u>					
INTERFUND TRANSFERS	0	0	0	158,000	

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>MUNICIPAL BUILDING COMMISSION (1100)</u>					
MUNICIPAL BUILDING COMMISSION	7,002,663	7,002,876	7,260,912	6,977,002	-3.9%
Total MUNICIPAL BUILDING COMMISSION	7,002,663	7,002,876	7,260,912	7,135,002	-1.7%
<u>LIBRARY - GENERAL FUND (1800)</u>					
UNFUNDED PENSION EXPENSE	-228,332	-209,044	0	-146,082	
BOARD OF ESTIMATE & TAXATION	0	0	0	0	
LIBRARY BOARD	20,451,175	22,078,310	22,020,538	18,438,095	-16.3%
Total LIBRARY - GENERAL FUND	20,222,843	21,869,266	22,020,538	18,292,013	-16.9%
<u>NEIGHBORHOOD REVITAL POLICY (2300)</u>					
NRP - ADMINISTRATION	2,028,423	1,750,482	1,743,355	1,455,598	-16.5%
Total NEIGHBORHOOD REVITAL POLICY	2,028,423	1,750,482	1,743,355	1,455,598	-16.5%
<u>YOUTH COORDINATING BOARD (2200)</u>					
YOUTH COORDINATING BOARD	6,362,891	5,914,840	6,137,094	3,630,032	-40.9%
Total YOUTH COORDINATING BOARD	6,362,891	5,914,840	6,137,094	3,630,032	-40.9%
Total Special Revenue Funds	250,670,780	266,607,439	256,766,243	290,493,477	13.1%

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>CITY-CAPITAL IMPROVEMENTS FUND (4100)</u>					
INTERFUND TRANSFERS	163,691	962,039	727,682	535,146	-26.5%
PW - ENGINEERING SERVICES	3,909,414	4,519,711	5,301,090	5,690,038	7.3%
PW - FIELD SERVICES	392,802	385,166	487,843	509,862	4.5%
PW - PROPERTY SERVICES	4,083	0	0	0	
FINANCE DEPARTMENT	511,890	1,261,775	1,013,629	1,019,744	0.6%
HEALTH AND FAMILY SUPPORT	0	0	0	0	
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	114,296	
PUBLIC WORKS PROPERTY SERVICES CAPITAL	3,462,365	6,961,142	15,464,710	3,725,000	-75.9%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	2,318,000	371,690	5,688,092	0	-100.0%
PUBLIC WORKS PAVING CONSTRUCTION	21,214,854	18,728,746	23,850,978	22,495,000	-5.7%
PUBLIC WORKS TRANSPORTATION CAPITAL	8,351,099	5,611,512	3,915,443	13,262,000	238.7%
PUBLIC WORKS WATER CAPITAL	0	817	0	0	
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	6,193,084	10,191,654	3,279,000	2,236,000	-31.8%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	13,127,840	2,306,954	0	0	
CONVENTION CENTER SITE	95,109,793	22,002,854	0	0	
Total CITY-CAPITAL IMPROVEMENTS FUND	154,758,915	73,304,059	59,728,467	49,587,086	-17.0%
<u>DEC02 MERF PENSION BONDS (09M0)</u>					
MPLS EMPLOYEE RETIREMT FD	0	6,747,223	0	0	
Total DEC02 MERF PENSION BONDS	0	6,747,223	0	0	
<u>JUNE00 UST/SKYWAY TI BONDS (0P10)</u>					
INTERFUND TRANSFERS	573,612	3,670,101	0	0	
Total JUNE00 UST/SKYWAY TI BONDS	573,612	3,670,101	0	0	
<u>JUNE00 SEWER FIXED RATE BONDS (0S10)</u>					
INTERFUND TRANSFERS	3,838,819	864,814	0	0	
Total JUNE00 SEWER FIXED RATE BONDS	3,838,819	864,814	0	0	
<u>AUGUST 01 SEWER ARBITRAGE (0S20)</u>					
INTERFUND TRANSFERS	376,202	7,414,191	0	0	
Total AUGUST 01 SEWER ARBITRAGE	376,202	7,414,191	0	0	
<u>JUNE00 WATER FIXED RATE BONDS (0W10)</u>					
INTERFUND TRANSFERS	8,807,409	421,960	0	0	
Total JUNE00 WATER FIXED RATE BONDS	8,807,409	421,960	0	0	
<u>ARBITRAGE 1991 VARIOUS PURPOSE (4A00)</u>					
INTERFUND TRANSFERS	-21	0	0	0	
Total ARBITRAGE 1991 VARIOUS PURPOSE	-21	0	0	0	
<u>AUG 01 WATER ARBITRAGE (0W20)</u>					
INTERFUND TRANSFERS	5,699,801	581,728	0	0	
Total AUG 01 WATER ARBITRAGE	5,699,801	581,728	0	0	
<u>August 01 Variable Purpose (4A10)</u>					

**SCHEDULE THREE
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	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Capital Projects:					
<u>August 01 Variable Purpose (4A10)</u>					
INTERFUND TRANSFERS	26,854,311	7,434,341	0	0	
Total August 01 Variable Purpose	26,854,311	7,434,341	0	0	
<u>01 August Assessment Bonds (4A20)</u>					
INTERFUND TRANSFERS	8,395,091	951,814	0	0	
Total 01 August Assessment Bonds	8,395,091	951,814	0	0	
<u>JUNE 02 VARIOUS PURPOSE BONDS (4A30)</u>					
INTERFUND TRANSFERS	0	14,741,833	0	0	
Total JUNE 02 VARIOUS PURPOSE BONDS	0	14,741,833	0	0	
<u>DEC02 VARIOUS PURPOSE BONDS (4A40)</u>					
INTERFUND TRANSFERS	0	112,010	0	0	
Total DEC02 VARIOUS PURPOSE BONDS	0	112,010	0	0	
<u>June 02 Water Arbitrage (0W30)</u>					
INTERFUND TRANSFERS	0	4,264,260	0	0	
Total June 02 Water Arbitrage	0	4,264,260	0	0	
<u>96 IMPROVEMENT BONDS (4A60)</u>					
INTERFUND TRANSFERS	4,536	40,058	0	0	
Total 96 IMPROVEMENT BONDS	4,536	40,058	0	0	
<u>JUNE99 VARIOUS PURPOSE BONDS (4A90)</u>					
INTERFUND TRANSFERS	2,458,099	240,103	0	0	
Total JUNE99 VARIOUS PURPOSE BONDS	2,458,099	240,103	0	0	
<u>JUNE99 CONVENTION CENTER BONDS (4B90)</u>					
INTERFUND TRANSFERS	3,957,574	0	0	0	
Total JUNE99 CONVENTION CENTER BONDS	3,957,574	0	0	0	
<u>96 CONSTRUCTION BONDS (4C60)</u>					
INTERFUND TRANSFERS	14,616	63,737	0	0	
Total 96 CONSTRUCTION BONDS	14,616	63,737	0	0	
<u>97 SERIES B BONDS (4C70)</u>					
INTERFUND TRANSFERS	20,601	375,599	0	0	
Total 97 SERIES B BONDS	20,601	375,599	0	0	
<u>98 VAR RATE BONDS (4C80)</u>					
INTERFUND TRANSFERS	33	0	0	0	
Total 98 VAR RATE BONDS	33	0	0	0	

**SCHEDULE THREE
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Capital Projects:					
<u>98 (OCTOBER) BONDS (4D80)</u>					
INTERFUND TRANSFERS	-364	0	0	0	
Total 98 (OCTOBER) BONDS	-364	0	0	0	
<u>FEB99 TARGET STORE RAMP BONDS (4D90)</u>					
INTERFUND TRANSFERS	856,280	0	0	0	
Total FEB99 TARGET STORE RAMP BONDS	856,280	0	0	0	
<u>IMPROV BOND ARBITRAGE (4I20)</u>					
INTERFUND TRANSFERS	0	5,737,663	0	0	
Total IMPROV BOND ARBITRAGE	0	5,737,663	0	0	
<u>ARBITRAGE 1992 VARIOUS PURPOSE (4K00)</u>					
INTERFUND TRANSFERS	-12	0	0	0	
Total ARBITRAGE 1992 VARIOUS PURPOSE	-12	0	0	0	
<u>DEC02 LIBRARY REF BONDS (4L10)</u>					
INTERFUND TRANSFERS	0	9,286,746	0	0	
Total DEC02 LIBRARY REF BONDS	0	9,286,746	0	0	
<u>JUNE00 VARIOUS PURPOSE BONDS (4Z00)</u>					
INTERFUND TRANSFERS	5,806,567	2,422,981	0	0	
Total JUNE00 VARIOUS PURPOSE BONDS	5,806,567	2,422,981	0	0	
<u>SEPT 00 CONV CTR EXPN BONDS (4Z10)</u>					
INTERFUND TRANSFERS	79,578,584	42,731	0	0	
Total SEPT 00 CONV CTR EXPN BONDS	79,578,584	42,731	0	0	
<u>ITS RELATED BONDS (4Z30)</u>					
INTERFUND TRANSFERS	23,349,499	15,526	0	0	
Total ITS RELATED BONDS	23,349,499	15,526	0	0	
<u>OCT 01 CONV CTR BONDS (4Z40)</u>					
INTERFUND TRANSFERS	7,257,767	22,839,068	0	0	
Total OCT 01 CONV CTR BONDS	7,257,767	22,839,068	0	0	
<u>AUGUST 01 EQUIPMENT ARBITRAGE (61A0)</u>					
INTERFUND TRANSFERS	0	805,235	0	0	
Total AUGUST 01 EQUIPMENT ARBITRAGE	0	805,235	0	0	
<u>DEC02 EQUIPMENT ARBITRAGE (61B0)</u>					
INTERFUND TRANSFERS	0	5,211,182	0	0	
Total DEC02 EQUIPMENT ARBITRAGE	0	5,211,182	0	0	
<u>900 NICOLLET TAX-EXEMPT (75A0)</u>					

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Capital Projects:					
<u>900 NICOLLET TAX-EXEMPT (75A0)</u>					
INTERFUND TRANSFERS	22,419,339	0	0	0	
Total 900 NICOLLET TAX-EXEMPT	22,419,339	0	0	0	
<u>900 NICOLLET TAXABLE (75B0)</u>					
INTERFUND TRANSFERS	8,769,390	4,003,973	0	0	
Total 900 NICOLLET TAXABLE	8,769,390	4,003,973	0	0	
<u>AUG 01 LRT EAST RAMP (75C0)</u>					
INTERFUND TRANSFERS	8,983,666	5,986,287	0	0	
Total AUG 01 LRT EAST RAMP	8,983,666	5,986,287	0	0	
<u>WALKER RAMP ARBITRAGE (75D0)</u>					
INTERFUND TRANSFERS	0	5,461,245	0	0	
Total WALKER RAMP ARBITRAGE	0	5,461,245	0	0	
<u>HENNEPIN ENTERTAINMENT TE BOND (AHE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,921,885	155,605	265,250	265,250	0.0%
Total HENNEPIN ENTERTAINMENT TE BOND	5,921,885	155,605	265,250	265,250	0.0%
<u>Urban Village TE Bonds (AUV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	33,999	248,408	90,000	90,000	0.0%
Total Urban Village TE Bonds	33,999	248,408	90,000	90,000	0.0%
<u>West Side Milling TE Bonds (AWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	33,270	37,893	53,288	58,853	10.4%
Total West Side Milling TE Bonds	33,270	37,893	53,288	58,853	10.4%
<u>TAX INCREMENT ADMINISTRATION (CAD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	4,473,089	3,088,646	2,043,154	2,152,702	5.4%
Total TAX INCREMENT ADMINISTRATION	4,473,089	3,088,646	2,043,154	2,152,702	5.4%
<u>CAMDEN MEDICAL FACILITY (CAM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,800	0	0	0	
Total CAMDEN MEDICAL FACILITY	2,800	0	0	0	
<u>COMMON PROJECT UNCERTIFIED (CAZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	18,320,204	7,034,918	1,534,135	761,705	-50.3%
Total COMMON PROJECT UNCERTIFIED	18,320,204	7,034,918	1,534,135	761,705	-50.3%
<u>WEST BROADWAY (CBA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	724,057	567,364	817,485	1,700,000	108.0%
Total WEST BROADWAY	724,057	567,364	817,485	1,700,000	108.0%
<u>EAST BANK 1335 (CBB0)</u>					

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Capital Projects:					
<u>EAST BANK 1335 (CBB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,050,531	2,035,511	180,266	2,701,204	1,398.5%
Total EAST BANK 1335	2,050,531	2,035,511	180,266	2,701,204	1,398.5%
<u>GRANT (CBC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	783,383	827,466	764,264	800,230	4.7%
Total GRANT	783,383	827,466	764,264	800,230	4.7%
<u>CHICAGO AND LAKE (CBD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	500,000	0	0	0	
Total CHICAGO AND LAKE	500,000	0	0	0	
<u>NINTH & HENNEPIN (CBE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	119,631	101,851	112,422	172,482	53.4%
Total NINTH & HENNEPIN	119,631	101,851	112,422	172,482	53.4%
<u>NORTH LOOP (CBF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	8,540,141	10,382,638	8,649,979	8,500,000	-1.7%
Total NORTH LOOP	8,540,141	10,382,638	8,649,979	8,500,000	-1.7%
<u>INDUSTRY SQUARE (CBG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,818,629	5,458,656	2,264,918	3,452,568	52.4%
Total INDUSTRY SQUARE	5,818,629	5,458,656	2,264,918	3,452,568	52.4%
<u>SEWARD SOUTH (CBH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,035,927	2,972,381	1,648,722	1,900,000	15.2%
Total SEWARD SOUTH	1,035,927	2,972,381	1,648,722	1,900,000	15.2%
<u>CEDAR RIVERSIDE (CBJ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,586,265	4,912,150	6,132,088	5,157,058	-15.9%
Total CEDAR RIVERSIDE	1,586,265	4,912,150	6,132,088	5,157,058	-15.9%
<u>HENNEPIN & LAKE (CBM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	437,453	1,593,551	829,755	1,500,000	80.8%
Total HENNEPIN & LAKE	437,453	1,593,551	829,755	1,500,000	80.8%
<u>BROADWAY 35-W (CBN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,108,758	1,252,148	3,099,489	0	-100.0%
Total BROADWAY 35-W	1,108,758	1,252,148	3,099,489	0	-100.0%
<u>BOTTINEAU (CBO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	41,574	6,100	-85.3%
Total BOTTINEAU	0	0	41,574	6,100	-85.3%
<u>FRANKLIN AVENUE (CBP0)</u>					

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Capital Projects:					
<u>FRANKLIN AVENUE (CBP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	24,587	61,655	68,641	53,272	-22.4%
Total FRANKLIN AVENUE	24,587	61,655	68,641	53,272	-22.4%
<u>CONSERVATORY (CBQ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,920,626	2,897,083	2,530,325	1,106,675	-56.3%
Total CONSERVATORY	2,920,626	2,897,083	2,530,325	1,106,675	-56.3%
<u>LORING PARK (CBT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	4,668,565	5,647,242	4,655,104	6,858,796	47.3%
Total LORING PARK	4,668,565	5,647,242	4,655,104	6,858,796	47.3%
<u>CITY CENTER (CBX0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,255,631	5,004,942	3,062,701	4,186,483	36.7%
Total CITY CENTER	5,255,631	5,004,942	3,062,701	4,186,483	36.7%
<u>LAUREL VILLAGE (CBU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,241,883	2,268,522	2,360,208	1,900,178	-19.5%
Total LAUREL VILLAGE	2,241,883	2,268,522	2,360,208	1,900,178	-19.5%
<u>SOUTH NICOLLET MALL (CBY0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	12,824,847	14,033,204	2,333,750	5,394,649	131.2%
Total SOUTH NICOLLET MALL	12,824,847	14,033,204	2,333,750	5,394,649	131.2%
<u>DEEP ROCK TAX INCREMENT (CDR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	43,830	198,963	81,131	0	-100.0%
Total DEEP ROCK TAX INCREMENT	43,830	198,963	81,131	0	-100.0%
<u>DOWNTOWN EAST LRT (CDT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,030,283	878,509	164,393	198,536	20.8%
Total DOWNTOWN EAST LRT	1,030,283	878,509	164,393	198,536	20.8%
<u>2700 EAST LAKE (CEL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	282	37,724	81,989	117.3%
Total 2700 EAST LAKE	0	282	37,724	81,989	117.3%
<u>EAST VILLAGE (CEV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	3,759	115,880	231,357	238,761	3.2%
Total EAST VILLAGE	3,759	115,880	231,357	238,761	3.2%
<u>50TH & FRANCE (CFF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	934	144,235	167,008	168,688	1.0%
Total 50TH & FRANCE	934	144,235	167,008	168,688	1.0%
<u>FORMER FED RESERVE (CFR0)</u>					

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Capital Projects:					
<u>FORMER FED RESERVE (CFR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	8,983	221,123	210,555	-4.8%
Total FORMER FED RESERVE	0	8,983	221,123	210,555	-4.8%
<u>GRAIN BELT (CGB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	277	865	113,847	13,061.5%
Total GRAIN BELT	0	277	865	113,847	13,061.5%
<u>GRACO TI (CGC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	681,983	24,265	223,684	218,181	-2.5%
Total GRACO TI	681,983	24,265	223,684	218,181	-2.5%
<u>110 GRANT (CGR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,646,470	308,874	0	0	
Total 110 GRANT	2,646,470	308,874	0	0	
<u>13th and Harmon (CHA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,270,812	122,536	41,603	1,005	-97.6%
Total 13th and Harmon	2,270,812	122,536	41,603	1,005	-97.6%
<u>Parcel C Tax Increment District (CHC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	41,092	58,124	214,434	268.9%
Total Parcel C Tax Increment District	0	41,092	58,124	214,434	268.9%
<u>HISTORIC DEPOT REUSE DIST 93 (CHD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,542,948	674,709	876,914	869,522	-0.8%
Total HISTORIC DEPOT REUSE DIST 93	1,542,948	674,709	876,914	869,522	-0.8%
<u>HENNEPIN & 7TH ENTERTAINMENT (CHE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	9,378,368	6,315,125	791,590	719,550	-9.1%
Total HENNEPIN & 7TH ENTERTAINMENT	9,378,368	6,315,125	791,590	719,550	-9.1%
<u>Portland (CHF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	0	
Total Portland	0	0	0	0	
<u>HUMBOLDT GREENWAY DIST 98 (CHG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,879,512	823,964	291,769	265,319	-9.1%
Total HUMBOLDT GREENWAY DIST 98	2,879,512	823,964	291,769	265,319	-9.1%
<u>HERITAGE LAND APTS (CHL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	193,652	614,597	536,664	535,804	-0.2%
Total HERITAGE LAND APTS	193,652	614,597	536,664	535,804	-0.2%
<u>900 6TH AVENUE SOUTH (CHT0)</u>					

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Capital Projects:					
<u>900 6TH AVENUE SOUTH (CHT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	4,037	363,354	8,900.6%
Total 900 6TH AVENUE SOUTH	0	0	4,037	363,354	8,900.6%
<u>EAST HENNEPIN & UNIVERSITY (CHU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	9,496,010	719,385	94,389	268,489	184.4%
Total EAST HENNEPIN & UNIVERSITY	9,496,010	719,385	94,389	268,489	184.4%
<u>CAMDEN AREA IMPACT (CIM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	20,000	0	0	0	
Total CAMDEN AREA IMPACT	20,000	0	0	0	
<u>IVY TOWER (CIT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	149,240	183,661	23.1%
Total IVY TOWER	0	0	149,240	183,661	23.1%
<u>LOCAL CONTRIBUTION FUND (CLC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	45,221	0	0	2,500,000	
Total LOCAL CONTRIBUTION FUND	45,221	0	0	2,500,000	
<u>LOWRY RIDGE (CLR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	72,023	53,543	56,014	83,039	48.2%
Total LOWRY RIDGE	72,023	53,543	56,014	83,039	48.2%
<u>MAGNUM LOFTS (CML0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	35,602	
Total MAGNUM LOFTS	0	0	0	35,602	
<u>Many Rivers (CMR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	62,233	
Total Many Rivers	0	0	0	62,233	
<u>NICOLLET FRANKLIN (CNF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	23,027	129,211	103,820	121,563	17.1%
Total NICOLLET FRANKLIN	23,027	129,211	103,820	121,563	17.1%
<u>NRP (CNR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	19,393,951	15,752,806	0	1,602,809	
Total NRP	19,393,951	15,752,806	0	1,602,809	
<u>NWIP (CPA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	735,986	3,504,074	3,841,386	3,500,000	-8.9%
Total NWIP	735,986	3,504,074	3,841,386	3,500,000	-8.9%
<u>HOLMES (CPB0)</u>					

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Capital Projects:					
<u>HOLMES (CPB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	235,167	117,333	4,960,021	2,100,000	-57.7%
Total HOLMES	235,167	117,333	4,960,021	2,100,000	-57.7%
<u>NICOLLET ISLAND EAST BANK (CPC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	563,581	611,658	4,728,837	2,200,000	-53.5%
Total NICOLLET ISLAND EAST BANK	563,581	611,658	4,728,837	2,200,000	-53.5%
<u>PORTLAND PLACE (CPD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	517,241	59,445	65,902	40,862	-38.0%
Total PORTLAND PLACE	517,241	59,445	65,902	40,862	-38.0%
<u>NOKOMIS HOLMES (CPE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	559,799	30,008	29,448	0	-100.0%
Total NOKOMIS HOLMES	559,799	30,008	29,448	0	-100.0%
<u>ELLIOT PARK (CPF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	3,149,812	289,121	108,150	0	-100.0%
Total ELLIOT PARK	3,149,812	289,121	108,150	0	-100.0%
<u>NICOLLET & LAKE (CPG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	296,745	430,667	365,000	1,000,000	174.0%
Total NICOLLET & LAKE	296,745	430,667	365,000	1,000,000	174.0%
<u>CENTRAL & 20TH (CPH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	310,000	0	0	105,000	
Total CENTRAL & 20TH	310,000	0	0	105,000	
<u>CENTRAL AVE MARKET (CPI0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,000	0	0	0	
Total CENTRAL AVE MARKET	2,000	0	0	0	
<u>MILES I (CPJ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	275,000	0	0	0	
Total MILES I	275,000	0	0	0	
<u>NBA ARENA (CPK0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	544,182	3,206,751	4,193,300	1,824,479	-56.5%
Total NBA ARENA	544,182	3,206,751	4,193,300	1,824,479	-56.5%
<u>PHILLIPS PARK (CPL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	4,493	29,712	42,898	39,055	-9.0%
Total PHILLIPS PARK	4,493	29,712	42,898	39,055	-9.0%
<u>LASALLE PLACE (CPM0)</u>					

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Capital Projects:					
<u>LASALLE PLACE (CPM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,315,336	1,473,819	0	1,500,000	
Total LASALLE PLACE	5,315,336	1,473,819	0	1,500,000	
<u>CAPITAL PROJECTS- OTHER (CPO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	6,608,183	11,420,531	40,769	2,169,020	5,220.3%
Total CAPITAL PROJECTS- OTHER	6,608,183	11,420,531	40,769	2,169,020	5,220.3%
<u>PRELIMINARY PLANNING (CPP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,605,822	1,350,693	2,105,414	1,636,616	-22.3%
Total PRELIMINARY PLANNING	1,605,822	1,350,693	2,105,414	1,636,616	-22.3%
<u>NEIMAN MARCUS (CPQ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	3,050,570	2,663,658	571,003	342,275	-40.1%
Total NEIMAN MARCUS	3,050,570	2,663,658	571,003	342,275	-40.1%
<u>IDS DATA SERVICE CENTER (CPR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	3,100,000	0	650,000	2,885,000	343.8%
Total IDS DATA SERVICE CENTER	3,100,000	0	650,000	2,885,000	343.8%
<u>BLOCK E (CPU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,621,197	9,050	0	0	
Total BLOCK E	2,621,197	9,050	0	0	
<u>36TH AND MARSHALL (CPW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	162,149	466	191,628	148,739	-22.4%
Total 36TH AND MARSHALL	162,149	466	191,628	148,739	-22.4%
<u>CAPITAL PROJECTS-ARBITRAGE (CRB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	634,859	0	0	
Total CAPITAL PROJECTS-ARBITRAGE	0	634,859	0	0	
<u>CREAMETTE DISTRICT 84 (CRM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	80,952	110,000	135,167	133,856	-1.0%
Total CREAMETTE DISTRICT 84	80,952	110,000	135,167	133,856	-1.0%
<u>ROSACKER NURSERY SITE (CRS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	20,000	0	0	0	
Total ROSACKER NURSERY SITE	20,000	0	0	0	
<u>SEMI-PHASE 1 (CS10)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	412,146	157,133	468,930	425,637	-9.2%
Total SEMI-PHASE 1	412,146	157,133	468,930	425,637	-9.2%
<u>SEMI-PHASE 2 (CS20)</u>					

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Capital Projects:					
<u>SEMI-PHASE 2 (CS20)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	184,189	155,906	373,153	180,803	-51.5%
Total SEMI-PHASE 2	184,189	155,906	373,153	180,803	-51.5%
<u>SEMI-PHASE 3 (CS30)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	53,065	176,548	98,248	90,270	-8.1%
Total SEMI-PHASE 3	53,065	176,548	98,248	90,270	-8.1%
<u>SEMI-PHASE 4 (CS40)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	172,420	134,983	167,081	168,152	0.6%
Total SEMI-PHASE 4	172,420	134,983	167,081	168,152	0.6%
<u>SEMI-PHASE 5 (CS50)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,942	233,071	156,181	172,539	10.5%
Total SEMI-PHASE 5	2,942	233,071	156,181	172,539	10.5%
<u>Stone Arch Apartments (CSA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	10,219	
Total Stone Arch Apartments	0	0	0	10,219	
<u>SHINGLE CREEK CONDOMINIUMS (CSH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	6,434	9,006	8,174	-9.2%
Total SHINGLE CREEK CONDOMINIUMS	0	6,434	9,006	8,174	-9.2%
<u>STINSON (CST0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	37,746	426,491	466,794	433,929	-7.0%
Total STINSON	37,746	426,491	466,794	433,929	-7.0%
<u>TOWERS AT ELLIOT PARK (CTE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	3,085	6,225,995	54,765	763,825	1,294.7%
Total TOWERS AT ELLIOT PARK	3,085	6,225,995	54,765	763,825	1,294.7%
<u>2ND ST N HOTEL/APTS TOWNPLACE (CTP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	138,751	259,209	264,332	2.0%
Total 2ND ST N HOTEL/APTS TOWNPLACE	0	138,751	259,209	264,332	2.0%
<u>10TH AND WASHINGTON (CTW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	384	484	2,582	433.5%
Total 10TH AND WASHINGTON	0	384	484	2,582	433.5%
<u>UNITED VAN BUS (CUB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	22,607	0	0	0	
Total UNITED VAN BUS	22,607	0	0	0	
<u>East River/Unocal Site (CUN0)</u>					

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Capital Projects:					
<u>East River/Unocal Site (CUN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	388,231	0	19,050	
Total East River/Unocal Site	0	388,231	0	19,050	
<u>URBAN VILLAGE (CUV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	299,892	1,104,436	444,763	116,233	-73.9%
Total URBAN VILLAGE	299,892	1,104,436	444,763	116,233	-73.9%
<u>HSG REPLACE-WATERSHED 3 (CW30)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	574	540	22,099	0	-100.0%
Total HSG REPLACE-WATERSHED 3	574	540	22,099	0	-100.0%
<u>Housing Replacement District #4 (CW40)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	0	
Total Housing Replacement District #4	0	0	0	0	
<u>WEST SIDE MILLING DISTRICT (CWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	5,184,341	8,395,859	940,508	1,163,557	23.7%
Total WEST SIDE MILLING DISTRICT	5,184,341	8,395,859	940,508	1,163,557	23.7%
<u>West River Commons (CWR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	29,999	
Total West River Commons	0	0	0	29,999	
<u>HSG REPLACE-WATERSHED 0 (CWS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	612	69,382	37,909	186,017	390.7%
Total HSG REPLACE-WATERSHED 0	612	69,382	37,909	186,017	390.7%
<u>Housing Replacement 2 (CWT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	0	0	16,040	
Total Housing Replacement 2	0	0	0	16,040	
<u>PARK-CAPITAL IMPROVEMENT FUND (4300)</u>					
PARK BOARD CAPITAL IMPROVEMENT	19,115,502	15,684,168	9,520,500	5,711,900	-40.0%
Total PARK-CAPITAL IMPROVEMENT FUND	19,115,502	15,684,168	9,520,500	5,711,900	-40.0%
<u>PARK-CAPITAL IMPROVEMENT-ASSESSED FUND (37)</u>					
PARK BOARD CAPITAL IMPROVEMENT	530,086	706,463	500,000	500,000	0.0%
Total PARK-CAPITAL IMPROVEMENT-ASSESSED FUN	530,086	706,463	500,000	500,000	0.0%
<u>ARBITRAGE 1990 PARK BONDS (4P00)</u>					
INTERFUND TRANSFERS	16	0	0	0	
Total ARBITRAGE 1990 PARK BONDS	16	0	0	0	
<u>ARBITRAGE 1993 PARK BONDS (4U00)</u>					

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Capital Projects:					
<u>ARBITRAGE 1993 PARK BONDS (4U00)</u>					
INTERFUND TRANSFERS	47,780	6,063	0	0	
Total ARBITRAGE 1993 PARK BONDS	47,780	6,063	0	0	
<u>ARBITRAGE 1995 PARK BONDS (4Y00)</u>					
INTERFUND TRANSFERS	53,477	57,411	0	0	
Total ARBITRAGE 1995 PARK BONDS	53,477	57,411	0	0	
<u>MBC-CAPITAL IMPROVEMENTS FUND (4200)</u>					
BUILDING COMMISSION CAPITAL IMPROVEMENT	4,132,399	1,791,571	795,000	1,070,000	34.6%
Total MBC-CAPITAL IMPROVEMENTS FUND	4,132,399	1,791,571	795,000	1,070,000	34.6%
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND (4400)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	0	
FINANCE DEPARTMENT	0	0	0	0	
LIBRARY-CAPITAL IMPROVEMENTS FUND	1,635,040	3,151,621	7,240,000	2,975,000	-58.9%
LIBRARY BOARD-CAP REFERENDUM	658,577	8,048,084	0	312	
Total LIBRARY-CAPITAL IMPROVEMENTS FUND	2,293,616	11,199,706	7,240,000	2,975,312	-58.9%
Total Capital Projects	564,233,969	353,550,912	150,980,987	141,295,704	-6.4%

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEMPTION - DEBT SERVICE (5250)</u>					
DEBT SERVICE - NON-DEPT	60,860,139	36,559,354	31,005,376	25,301,644	-18.4%
Total BOND REDEMPTION - DEBT SERVICE	60,860,139	36,559,354	31,005,376	25,301,644	-18.4%
<u>OTH SELF SUPPORTING DEBT SERVC (5260)</u>					
DEBT SERVICE - NON-DEPT	111,808	3,686,862	322,501	3,153,304	877.8%
Total OTH SELF SUPPORTING DEBT SERVC	111,808	3,686,862	322,501	3,153,304	877.8%
<u>PENSION FUND DEBT SERVICE (5270)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	6,497,872	
Total PENSION FUND DEBT SERVICE	0	0	0	6,497,872	
<u>LIBRARY REF DEBT SERVICE (5280)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	4,354,875	
Total LIBRARY REF DEBT SERVICE	0	0	0	4,354,875	
<u>BOND REDEM ARBIT ASSESS PARK (5P00)</u>					
DEBT SERVICE - NON-DEPT	206,661	323,451	395,900	469,400	18.6%
Total BOND REDEM ARBIT ASSESS PARK	206,661	323,451	395,900	469,400	18.6%
<u>BOND REDEMPTION - ASSESSMENT (5450)</u>					
DEBT SERVICE - NON-DEPT	658,775	611,635	113,810	104,060	-8.6%
Total BOND REDEMPTION - ASSESSMENT	658,775	611,635	113,810	104,060	-8.6%
<u>96 IMPROVEMENT BONDS (5A60)</u>					
DEBT SERVICE - NON-DEPT	224,980	218,350	211,720	205,090	-3.1%
Total 96 IMPROVEMENT BONDS	224,980	218,350	211,720	205,090	-3.1%
<u>97 IMPROVEMENT BONDS (5A70)</u>					
DEBT SERVICE - NON-DEPT	296,408	277,920	269,918	261,915	-3.0%
Total 97 IMPROVEMENT BONDS	296,408	277,920	269,918	261,915	-3.0%
<u>98 IMPROVEMENT BONDS (5A80)</u>					
DEBT SERVICE - NON-DEPT	202,686	197,280	191,730	186,034	-3.0%
Total 98 IMPROVEMENT BONDS	202,686	197,280	191,730	186,034	-3.0%
<u>01 IMPROVEMENT BONDS - 20 YR (5AB0)</u>					
DEBT SERVICE - NON-DEPT	636,827	877,053	857,053	837,053	-2.3%
Total 01 IMPROVEMENT BONDS - 20 YR	636,827	877,053	857,053	837,053	-2.3%
<u>BOND REDEM ARBIT 6/90 IMP BOND (5B00)</u>					
DEBT SERVICE - NON-DEPT	324,950	335,290	329,365	323,203	-1.9%
Total BOND REDEM ARBIT 6/90 IMP BOND	324,950	335,290	329,365	323,203	-1.9%
<u>BOND REDEM ARBIT 6/91 IMP BOND (5C00)</u>					

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEM ARBIT 6/91 IMP BOND (5C00)</u>					
DEBT SERVICE - NON-DEPT	296,615	262,415	254,103	245,790	-3.3%
Total BOND REDEM ARBIT 6/91 IMP BOND	296,615	262,415	254,103	245,790	-3.3%
<u>BOND REDEM ARBIT 6/92 IMP BOND (5E00)</u>					
DEBT SERVICE - NON-DEPT	270,563	262,763	209,963	213,588	1.7%
Total BOND REDEM ARBIT 6/92 IMP BOND	270,563	262,763	209,963	213,588	1.7%
<u>BOND REDEM ARBIT 6/93 IMP BOND (5F00)</u>					
DEBT SERVICE - NON-DEPT	336,000	326,400	316,600	218,000	-31.1%
Total BOND REDEM ARBIT 6/93 IMP BOND	336,000	326,400	316,600	218,000	-31.1%
<u>BOND REDEM ARBIT 6/94 IMP BOND (5G00)</u>					
DEBT SERVICE - NON-DEPT	221,097	215,747	210,197	204,513	-2.7%
Total BOND REDEM ARBIT 6/94 IMP BOND	221,097	215,747	210,197	204,513	-2.7%
<u>BOND REDEM ARBIT 6/95 IMP BOND (5H00)</u>					
DEBT SERVICE - NON-DEPT	307,016	298,741	290,463	282,097	-2.9%
Total BOND REDEM ARBIT 6/95 IMP BOND	307,016	298,741	290,463	282,097	-2.9%
<u>OCT 02 IMPROV BOND D/S (5I20)</u>					
DEBT SERVICE - NON-DEPT	0	0	768,080	596,100	-22.4%
Total OCT 02 IMPROV BOND D/S	0	0	768,080	596,100	-22.4%
<u>NOV03 IMPROV BOND D/S (5I30)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	663,653	
Total NOV03 IMPROV BOND D/S	0	0	0	663,653	
<u>BOND REDEM ARBIT 6/87 IMP BOND (5Z10)</u>					
DEBT SERVICE - NON-DEPT	140,958	125,438	225,213	0	-100.0%
Total BOND REDEM ARBIT 6/87 IMP BOND	140,958	125,438	225,213	0	-100.0%
<u>BOND REDEM ARBIT 6/88 IMP BOND (5Z30)</u>					
DEBT SERVICE - NON-DEPT	158,735	147,985	142,285	126,585	-11.0%
Total BOND REDEM ARBIT 6/88 IMP BOND	158,735	147,985	142,285	126,585	-11.0%
<u>BOND REDEM ARBIT 6/89 IMP BOND (5Z40)</u>					
DEBT SERVICE - NON-DEPT	127,835	148,465	142,765	137,065	-4.0%
Total BOND REDEM ARBIT 6/89 IMP BOND	127,835	148,465	142,765	137,065	-4.0%
<u>BOND REDEM ARBIT NIC MALL BOND (5Z50)</u>					
DEBT SERVICE - NON-DEPT	1,983,365	1,975,583	1,993,489	1,709,293	-14.3%
Total BOND REDEM ARBIT NIC MALL BOND	1,983,365	1,975,583	1,993,489	1,709,293	-14.3%
<u>CONVENTION CENTER-DEBT SERVICE (5300)</u>					

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Debt Service:					
<u>CONVENTION CENTER-DEBT SERVICE (5300)</u>					
DEBT SERVICE - NON-DEPT	22,472,560	261,292,182	20,853,662	19,493,078	-6.5%
Total CONVENTION CENTER-DEBT SERVICE	22,472,560	261,292,182	20,853,662	19,493,078	-6.5%
<u>TARGET CENTER (5350)</u>					
DEBT SERVICE - NON-DEPT	4,218,265	4,405,653	0	0	
Total TARGET CENTER	4,218,265	4,405,653	0	0	
<u>CONCERT HALL - DEBT SERVICE (5600)</u>					
DEBT SERVICE - NON-DEPT	580,000	555,000	630,000	0	-100.0%
Total CONCERT HALL - DEBT SERVICE	580,000	555,000	630,000	0	-100.0%
<u>TAX INCREMENT - DEBT SERVICE (5900)</u>					
DEBT SERVICE - NON-DEPT	18,686,524	23,442,416	17,842,562	13,708,944	-23.2%
INTERFUND TRANSFERS	0	0	235,000	0	-100.0%
Total TAX INCREMENT - DEBT SERVICE	18,686,524	23,442,416	18,077,562	13,708,944	-24.2%
<u>MCDA DEBT SERVICE (DDS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	32,459,857	32,458,353	35,195,000	1,500,000	-95.7%
Total MCDA DEBT SERVICE	32,459,857	32,458,353	35,195,000	1,500,000	-95.7%
<u>ST ANTHONY DEBT SERVICE (DDT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	89,637	849,457	792,800	0	-100.0%
Total ST ANTHONY DEBT SERVICE	89,637	849,457	792,800	0	-100.0%
Total Debt Service	145,872,257	369,853,790	113,799,555	80,793,156	-29.0%

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Enterprise Funds:					
<u>SEWER ENTERPRISE FUND (7300)</u>					
DEBT SERVICE - NON-DEPT	2,546,855	3,007,360	8,150,931	11,004,471	35.0%
INTERFUND TRANSFERS	1,952,072	191,448	138,389	364,496	163.4%
PW - ENGINEERING SERVICES	1,754,519	2,337,695	4,483,983	5,014,004	11.8%
PW - FIELD SERVICES	4,513,727	5,177,031	5,479,284	5,683,023	3.7%
PW - SEWER MAINTENANCE	35,780,667	36,529,644	39,854,876	43,596,683	9.4%
HUMAN RESOURCES	0	0	225,000	227,970	1.3%
FINANCE DEPARTMENT	133,857	117,190	136,704	128,658	-5.9%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	11,393,106	18,774,063	11,918,360	15,881,000	33.2%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	378,611	260,389	0	0	
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	40,410	0	0	0	
Total SEWER ENTERPRISE FUND	58,493,824	66,394,821	70,387,527	81,900,305	16.4%
<u>WATER ENTERPRISE FUND (7400)</u>					
DEBT SERVICE - NON-DEPT	3,284,743	2,795,684	13,566,344	12,147,594	-10.5%
INTERFUND TRANSFERS	2,573,195	2,548,470	2,517,500	3,034,974	20.6%
POLICE DEPARTMENT	0	0	0	1,109,477	
PW - ENGINEERING SERVICES	486,292	661,898	779,232	877,939	12.7%
PW - ADMINISTRATIVE SERVICES	0	-39,732	0	0	
PW - WATER	28,795,165	31,814,181	34,813,710	37,586,113	8.0%
HUMAN RESOURCES	0	0	225,000	227,970	1.3%
FINANCE DEPARTMENT	4,534,924	4,528,229	4,833,329	5,026,040	4.0%
PUBLIC WORKS WATER CAPITAL	13,328,848	15,212,955	9,525,000	37,340,000	292.0%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	405,727	534,141	0	0	
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	31,467	0	0	0	
Total WATER ENTERPRISE FUND	53,440,362	58,055,825	66,260,115	97,350,107	46.9%
<u>MUNICIPAL PARKING ENTERPRISE FUND (7500)</u>					
DEBT SERVICE - NON-DEPT	14,286,237	13,204,930	24,149,469	25,880,521	7.2%
INTERFUND TRANSFERS	12,950,802	12,304,738	12,869,368	12,045,968	-6.4%
PW - TRANSPORTATION	31,088,047	32,942,723	35,804,715	39,424,024	10.1%
HUMAN RESOURCES	0	0	225,000	227,970	1.3%
FINANCE DEPARTMENT	548,477	532,439	606,615	594,349	-2.0%
LICENSES & CONSUMER SERVICES	2,269,610	2,137,482	2,756,430	2,832,734	2.8%
PUBLIC WORKS TRANSPORTATION CAPITAL	22,341,194	17,354,984	180,000	180,000	0.0%
Total MUNICIPAL PARKING ENTERPRISE FUND	83,484,367	78,477,296	76,591,597	81,185,566	6.0%
<u>10TH AND WASHINGTON RAMP ARBIT (7550)</u>					
INTERFUND TRANSFERS	44,249	90	0	0	
Total 10TH AND WASHINGTON RAMP ARBIT	44,249	90	0	0	
<u>97 TEMPORARY RAMP REVENUE BOND (7570)</u>					
INTERFUND TRANSFERS	138	2	0	0	
Total 97 TEMPORARY RAMP REVENUE BOND	138	2	0	0	
<u>GREYHOUND/JEFF PARK FACILITY (7580)</u>					
INTERFUND TRANSFERS	22,463	202	0	0	
Total GREYHOUND/JEFF PARK FACILITY	22,463	202	0	0	
<u>ST. THOMAS/GREYHOUND 1999 BOND (7590)</u>					

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	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Enterprise Funds:					
<u>ST. THOMAS/GREYHOUND 1999 BOND (7590)</u>					
INTERFUND TRANSFERS	1,248,356	11,202	0	0	
Total ST. THOMAS/GREYHOUND 1999 BOND	1,248,356	11,202	0	0	
<u>SOLID WASTE - ENTERPRISE (7700)</u>					
INTERFUND TRANSFERS	183,442	193,241	143,261	871,077	508.0%
PW - SOLID WASTE	24,575,590	24,271,240	25,782,789	25,600,863	-0.7%
HUMAN RESOURCES	0	0	225,000	227,970	1.3%
FINANCE DEPARTMENT	202,615	183,436	194,490	196,101	0.8%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	32,247	0	0	0	
Total SOLID WASTE - ENTERPRISE	24,993,894	24,647,917	26,345,540	26,896,011	2.1%
<u>98 SEWER FIXED RATE BONDS (8S10)</u>					
INTERFUND TRANSFERS	24	0	0	0	
Total 98 SEWER FIXED RATE BONDS	24	0	0	0	
<u>98 SEWER VARIABLE RATE BONDS (8S20)</u>					
INTERFUND TRANSFERS	-7	0	0	0	
Total 98 SEWER VARIABLE RATE BONDS	-7	0	0	0	
<u>98 SEWER (OCTOBER) BONDS (8S30)</u>					
INTERFUND TRANSFERS	7	0	0	0	
Total 98 SEWER (OCTOBER) BONDS	7	0	0	0	
<u>98 WATER FIXED RATE BONDS (8W10)</u>					
INTERFUND TRANSFERS	-33	0	0	0	
Total 98 WATER FIXED RATE BONDS	-33	0	0	0	
<u>99 SEWER FIXED RATE BONDS (9S10)</u>					
INTERFUND TRANSFERS	2,692,682	824	0	0	
Total 99 SEWER FIXED RATE BONDS	2,692,682	824	0	0	
<u>99 WATER FIXED RATE BONDS (9W10)</u>					
INTERFUND TRANSFERS	-14,103	0	0	0	
Total 99 WATER FIXED RATE BONDS	-14,103	0	0	0	
<u>DEFAULTED PROPERTY ADMINISTRATION (EDP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	0	488,804	3,500,206	1,943,719	-44.5%
Total DEFAULTED PROPERTY ADMINISTRATION	0	488,804	3,500,206	1,943,719	-44.5%
<u>FED HOME LN BANK ECON DEVELOP (EED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	130,188	125,143	261,677	177,605	-32.1%
Total FED HOME LN BANK ECON DEVELOP	130,188	125,143	261,677	177,605	-32.1%
<u>FHLB HOUSING DEVELOPMENT (EHD0)</u>					

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OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Enterprise Funds:					
<u>FHLB HOUSING DEVELOPMENT (EHD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	392,338	199,069	0	0	
Total FHLB HOUSING DEVELOPMENT	392,338	199,069	0	0	
<u>HOUSING OWNERSHIP PROGRAM (EHO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	1,958,320	1,471,319	1,929,496	1,000,000	-48.2%
Total HOUSING OWNERSHIP PROGRAM	1,958,320	1,471,319	1,929,496	1,000,000	-48.2%
<u>HOME OWNERSHIP & RENOVATION (EHR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	643,016	529,346	707,345	600,000	-15.2%
Total HOME OWNERSHIP & RENOVATION	643,016	529,346	707,345	600,000	-15.2%
<u>LOAN & GRANT PROGRAMS (ELG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	128,514	126,167	18,802	1,200	-93.6%
Total LOAN & GRANT PROGRAMS	128,514	126,167	18,802	1,200	-93.6%
<u>RIVER TERMINAL (ERT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	2,884,643	2,961,780	2,911,535	2,855,913	-1.9%
Total RIVER TERMINAL	2,884,643	2,961,780	2,911,535	2,855,913	-1.9%
<u>GARFS (ERZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	437,961	383,706	461,609	411,977	-10.8%
Total GARFS	437,961	383,706	461,609	411,977	-10.8%
<u>PARK - OPERATIONS - ENTERPRISE (7800)</u>					
INTERFUND TRANSFERS	0	0	0	1,055,500	
PARK BOARD	11,907,600	11,946,206	12,009,500	12,422,896	3.4%
Total PARK - OPERATIONS - ENTERPRISE	11,907,600	11,946,206	12,009,500	13,478,396	12.2%
Total Enterprise Funds	242,888,799	245,819,719	261,384,949	307,800,799	17.8%

**SCHEDULE THREE
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	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Internal Service Funds:					
<u>MATERIALS & LAB-INTERNAL SVC (6000)</u>					
INTERFUND TRANSFERS	11,009	14,055	9,876	9,700	-1.8%
PW - ENG MATERIALS & TESTING	3,202,020	2,858,689	3,619,347	4,431,722	22.4%
PW - EQUIPMENT	0	0	0	0	
FINANCE DEPARTMENT	99,252	143,298	163,764	157,862	-3.6%
Total MATERIALS & LAB-INTERNAL SVC	3,312,281	3,016,042	3,792,987	4,599,284	21.3%
<u>EQUIPMENT - INTERNAL SERVICE (6100)</u>					
DEBT SERVICE - NON-DEPT	854,161	1,380,750	2,927,750	4,917,775	68.0%
INTERFUND TRANSFERS	828,766	91,450	61,163	62,000	1.4%
PW - EQUIPMENT	25,550,840	29,207,536	32,004,863	26,790,996	-16.3%
PW - PROPERTY SERVICES	1,760,818	0	0	0	
FINANCE DEPARTMENT	527,319	506,294	596,957	574,557	-3.8%
PW - EQUIPMENT DIV-CAPITAL	240,031	0	6,200,000	5,663,928	-8.6%
Total EQUIPMENT - INTERNAL SERVICE	29,761,935	31,186,031	41,790,733	38,009,256	-9.0%
<u>PROPERTY SERVICES INTERNAL SERVICE FUND (620)</u>					
DEBT SERVICE - NON-DEPT	17,437	100,833	73,440	1,213,286	1,552.1%
INTERFUND TRANSFERS	29,400	285,658	32,685	33,000	1.0%
PW - PROPERTY SERVICES	7,249,645	11,078,281	11,349,079	12,001,166	5.7%
FINANCE DEPARTMENT	78,767	102,974	115,711	117,256	1.3%
PUBLIC WORKS PROPERTY SERVICES CAPITAL	0	9,260,062	0	0	
Total PROPERTY SERVICES INTERNAL SERVICE FUND	7,375,250	20,827,808	11,570,915	13,364,708	15.5%
<u>STORES - INTERNAL SERVICE (6300)</u>					
DEBT SERVICE - NON-DEPT	43,179	0	76,500	77,510	1.3%
INTERFUND TRANSFERS	14,037	18,435	13,648	14,000	2.6%
PW - ENG MATERIALS & TESTING	451,224	439,878	621,680	668,330	7.5%
PW - TRANSPORTATION	246,691	210,158	272,225	274,498	0.8%
FINANCE DEPARTMENT	119,313	123,791	125,026	120,791	-3.4%
Total STORES - INTERNAL SERVICE	874,444	792,262	1,109,079	1,155,129	4.2%
<u>INFO TECH - INTERNAL SERVICE (6400)</u>					
DEBT SERVICE - NON-DEPT	0	3,820,160	3,854,950	6,765,950	75.5%
INTERFUND TRANSFERS	4,047,156	427,204	7,123	7,000	-1.7%
CITY CLERK	1,299,989	1,254,081	1,445,483	1,089,524	-24.6%
HUMAN RESOURCES	113,420	169,836	183,600	186,024	1.3%
FINANCE DEPARTMENT	130,250	168,416	188,389	190,877	1.3%
BUSINESS INFORMATION SERVICES	17,582,407	17,302,203	17,289,624	17,574,408	1.6%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	0	0	0	2,950,000	
Total INFO TECH - INTERNAL SERVICE	23,173,223	23,141,900	22,969,169	28,763,783	25.2%
<u>SELF INSURANCE-INTERNAL SVC (6900)</u>					
DEBT SERVICE - NON-DEPT	612,621	1,663,660	2,037,250	1,217,250	-40.3%
INTERFUND TRANSFERS	0	2,019	5,445	6,000	10.2%
HEALTH AND WELFARE	35,760,242	37,774,126	43,280,278	44,342,000	2.5%
ATTORNEY	4,276,872	4,264,869	4,850,182	4,773,411	-1.6%
WORKERS COMPENSATION	6,659,884	8,104,124	7,463,040	7,761,562	4.0%
LIABILITY	3,315,110	2,411,736	3,115,353	3,240,000	4.0%
RETIREMENT INCENTIVE	61,002	0	0	0	
HUMAN RESOURCES	690,994	587,314	573,457	615,041	7.3%

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	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Internal Service Funds:					
<u>SELF INSURANCE-INTERNAL SVC (6900)</u>					
FINANCE DEPARTMENT	1,434,550	1,314,433	1,518,858	1,615,682	6.4%
Total SELF INSURANCE-INTERNAL SVC	52,811,274	56,122,280	62,843,863	63,570,946	1.2%
<u>99EQUIP VARIABLE RATE BONDS (9E10)</u>					
INTERFUND TRANSFERS	-18	18	0	0	
Total 99EQUIP VARIABLE RATE BONDS	-18	18	0	0	
<u>PARK - INTERNAL SERVICE (6600)</u>					
PARK BOARD	3,493,721	3,568,559	5,219,596	5,563,002	6.6%
PARK MUSEUM	0	0	0	1,382,998	
Total PARK - INTERNAL SERVICE	3,493,721	3,568,559	5,219,596	6,946,000	33.1%
<u>PARK-SELF INSURE-INTERNAL SVC (6700)</u>					
PARK BOARD	2,127,833	1,774,779	2,039,853	2,026,853	-0.6%
Total PARK-SELF INSURE-INTERNAL SVC	2,127,833	1,774,779	2,039,853	2,026,853	-0.6%
Total Internal Service Funds	122,929,942	140,429,678	151,336,195	158,435,959	4.7%

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Investment Management Funds:					
<u>INVESTMENT POOL (Z010)</u>					
FINANCE DEPARTMENT	0	205,026	0	0	
Total INVESTMENT POOL	0	205,026	0	0	
<u>INVESTMENT POOL (Z990)</u>					
INVESTMENT MGMT INTERFACE	-213,259	-102,460	0	0	
Total INVESTMENT POOL	-213,259	-102,460	0	0	
Total Investment Management Funds	-213,259	102,565	0	0	

**SCHEDULE THREE
OPERATING EXPENDITURES BY FUND AND AGENCY**

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
Agency - Inactive:					
<u>PUBLIC HOUSING AUTHORITY (2900)</u>					
PUBLIC HOUSING	53,982	136,320	0	0	
Total PUBLIC HOUSING AUTHORITY	53,982	136,320	0	0	
Total Agency - Inactive	53,982	136,320	0	0	
Total All Funds	1,574,885,697	1,623,328,545	1,197,424,800	1,241,571,397	3.7%

SCHEDULE THREE
Expenditures by Agency

Agency	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
ASSESSOR	2,479,318	2,626,175	2,730,224	2,776,614	1.7%
ATTORNEY	9,386,436	9,199,287	9,893,009	10,282,497	3.9%
BOARD OF ESTIMATE & TAXATION	220,493	227,919	245,414	249,500	1.7%
BUILDING COMMISSION CAPITAL IMPROVEMENT	4,132,399	1,791,571	795,000	1,070,000	34.6%
BUSINESS INFORMATION SERVICES	18,962,776	19,039,081	19,234,595	17,574,408	-8.6%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	6,977,422	10,986,184	3,279,000	2,236,000	-31.8%
CITY CLERK	4,618,128	4,609,001	4,663,249	2,234,334	-52.1%
CITY CLERK - ELECTIONS	971,776	986,621	900,367	931,170	3.4%
CITY COORDINATOR	1,011,980	888,552	459,609	409,105	-11.0%
CITY COUNCIL	992,331	1,070,440	1,123,145	2,872,903	155.8%
CIVIL RIGHTS	1,915,080	1,858,241	2,333,808	1,988,983	-14.8%
CIVILIAN POLICE REVIEW AUTHORITY	408,863	177,598	0	0	
COMMUNICATIONS	857,060	759,047	658,107	2,107,803	220.3%
COMMUNITY PLANNING AND ECONOMIC DEVELOPME	260,417,598	242,529,836	164,578,443	141,796,444	-13.8%
CONTINGENCY	20,903	462,312	1,653,610	1,587,684	-4.0%
CONVENTION CENTER	13,028,907	17,882,861	20,998,288	23,031,135	9.7%
CONVENTION CENTER SITE	95,501,526	22,096,189	0	0	
CORRECTIONS - NON-DEPT	517,528	677,264	861,900	700,000	-18.8%
DEBT SERVICE - NON-DEPT	134,967,996	362,519,358	132,413,389	142,517,513	7.6%
ELECTION JUDGES	0	0	0	0	
EMERGENCY COMMUNICATIONS	5,680,419	5,912,894	6,295,856	6,453,525	2.5%
FINANCE DEPARTMENT	14,492,347	15,466,959	16,202,974	18,118,294	11.8%
FIRE DEPARTMENT	39,122,050	43,122,646	44,251,259	43,315,691	-2.1%
FIRE DEPT RELIEF ASSOC	253,200	229,378	255,129	258,497	1.3%
GMCVA	6,595,065	7,001,918	6,480,000	6,480,000	0.0%
HEALTH AND FAMILY SUPPORT	13,465,771	14,081,212	13,383,244	13,332,775	-0.4%
HEALTH AND WELFARE	35,760,242	37,774,126	43,280,278	44,342,000	2.5%
HUMAN RESOURCES	5,364,509	5,390,513	5,627,513	5,479,130	-2.6%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	13,231,964	2,306,954	0	2,950,000	
INSPECTIONS	12,650,703	12,762,997	13,115,657	13,257,089	1.1%
INTERFUND TRANSFERS	326,269,271	192,768,728	89,587,321	116,149,120	29.6%
INTERGOVERNMENTAL RELATIONS	2,190,481	2,199,138	2,538,977	2,644,280	4.1%
INVESTMENT MGMT INTERFACE	-213,259	-102,460	0	0	
LIABILITY	3,315,110	2,411,736	3,115,353	3,240,000	4.0%
LIBRARY BOARD	20,451,175	22,078,310	22,020,538	18,438,095	-16.3%
LIBRARY BOARD-CAP REFERENDUM	658,577	8,048,084	0	312	
LIBRARY-CAPITAL IMPROVEMENTS FUND	1,635,040	3,151,621	7,240,000	2,975,000	-58.9%
LICENSES & CONSUMER SERVICES	9,129,098	9,084,447	9,953,772	9,392,801	-5.6%
MAYOR	934,632	935,810	893,592	939,679	5.2%
MPLS EMPLOYEE RETIREMT FD	3,177,061	10,093,557	4,387,020	4,444,929	1.3%
MUNICIPAL BUILDING COMMISSION	7,002,663	7,002,876	7,260,912	6,977,002	-3.9%
NON-DEPARTMENTAL	4,176,741	2,592,849	6,731,251	8,661,380	28.7%
NRP - ADMINISTRATION	2,028,423	1,750,482	1,743,355	1,455,598	-16.5%
PARK BOARD	65,808,514	68,239,916	70,179,939	69,550,042	-0.9%
PARK BOARD CAPITAL IMPROVEMENT	19,764,963	16,862,037	10,057,500	6,248,900	-37.9%
PARK MUSEUM	5,674,534	6,384,822	7,362,921	9,500,779	29.0%
POLICE DEPARTMENT	89,605,874	93,638,603	93,634,727	99,487,569	6.3%
POLICE RELIEF ASSOCIATION	5,674,077	7,780,495	18,477,316	18,721,217	1.3%
PUBLIC HOUSING	53,982	136,320	0	0	
PUBLIC WORKS PAVING CONSTRUCTION	21,214,854	18,728,746	23,850,978	22,495,000	-5.7%
PUBLIC WORKS PROPERTY SERVICES CAPITAL	3,462,365	16,221,204	15,464,710	3,725,000	-75.9%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	13,711,106	19,145,753	17,606,452	15,881,000	-9.8%
PUBLIC WORKS TRANSPORTATION CAPITAL	30,704,793	23,684,069	4,095,443	15,943,535	289.3%
PUBLIC WORKS WATER CAPITAL	13,328,848	15,213,772	9,525,000	37,340,000	292.0%
PW - ADMINISTRATIVE SERVICES	1,753,745	1,854,261	2,021,748	1,939,729	-4.1%
PW - ENG MATERIALS & TESTING	3,653,244	3,298,567	4,241,027	5,100,052	20.3%
PW - ENGINEERING SERVICES	7,045,524	8,320,511	11,564,850	12,698,124	9.8%
PW - EQUIPMENT	25,550,840	29,207,536	32,004,863	26,790,996	-16.3%
PW - EQUIPMENT DIV-CAPITAL	240,031	0	6,200,000	5,663,928	-8.6%
PW - FIELD SERVICES	29,744,863	27,486,795	29,931,048	29,087,634	-2.8%
PW - PROPERTY SERVICES	9,177,045	11,236,650	11,616,079	12,001,166	3.3%

SCHEDULE THREE
Expenditures by Agency

Agency	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	Percent Change
PW - SEWER MAINTENANCE	35,780,667	36,529,644	39,854,876	43,596,683	9.4%
PW - SOLID WASTE	24,575,590	24,271,240	25,782,789	25,600,863	-0.7%
PW - TRANSPORTATION	42,659,191	43,713,020	47,360,663	49,994,360	5.6%
PW - WATER	28,795,165	31,814,181	34,813,710	37,586,113	8.0%
RETIREMENT INCENTIVE	61,002	0	0	0	
UNFUNDED PENSION EXPENSE	-937,697	-910,871	-3,007,131	-2,444,177	-18.7%
WORKERS COMPENSATION	6,659,884	8,104,124	7,463,040	7,761,562	4.0%
YOUTH COORDINATING BOARD	6,362,891	5,914,840	6,137,094	3,630,032	-40.9%
Total All Expenditures by Agency	1,574,885,697	1,623,328,545	1,197,424,800	1,241,571,397	3.7%

SCHEDULE FOUR

Year 30 (2004) - Community Development Block Grant

Organization	Project	2003 Consolidated Plan Allocation	Council Adopted
Capital /Other---CDBG			
Community Planning and Economic Development	Industry Cluster Program (Living Wage Jobs)	99,000	99,000
Community Planning and Economic Development	Adult Training, Placement and Retention	641,000	641,000
Community Planning and Economic Development	Homeownership Program (GMMHC)	-	465,000
Community Planning and Economic Development	VHR Distressed	-	393,000
Community Planning and Economic Development	Multi-Family/Affordable Housing	5,236,241	5,390,000
Community Planning and Economic Development	NEDF/CEDF	120,000	150,000
Community Planning and Economic Development	Residential Loan/Grant	-	444,000
Community Planning and Economic Development	Vacant & Boarded Housing	3,035,000	1,000,000
Community Planning and Economic Development	High density corridor housing	-	1,000,000
Greater Minneapolis Day care Association	Childcare Facilities Loan/Grant	323,000	323,000
Minneapolis Public Housing	General Rehabilitation	313,000	313,000
Minneapolis American Indian Center	Facility improvements	118,000	-
Operations/Regulatory Services - Environmental	Lead Reduction	180,000	180,000
Operations/Regulatory Services - Inspections	Boarded Buildings Demolition	202,000	202,000
Public Works	Community Center Operations	42,000	-
Total Capital/Other (65%)		10,309,241	10,600,000
Public Service---CDBG*			
Community Planning and Economic Development	Youth Employment	568,000	568,000
Community Planning and Economic Development	Mortgage Foreclosure Prevention Program	-	250,000
Youth Coordinating Board	Way to Grow	331,000	311,000
Department of Health and Family Support	Advocacy (American Indian/Housing)	-	110,000
Public Works	Graffiti Removal on Public Property	107,000	107,000
Minneapolis Urban League	Curfew/Truancy Center	104,000	104,000
Subtotal A: Mayor's Recommendations			
Children's Dental Services	Child Dental Services	17,000	11,000
Department of Health & Family Support	Block Nurse Program	66,000	66,000
Department of Health & Family Support	Senior Services Initiative	92,000	61,000
Domestic Abuse Project	Domestic Abuse Project	87,000	58,000
Greater Minneapolis Day Care Association	Coordinated Child Development	486,000	301,000
Harriet Tubman	Harriet Tubman Women's Shelter	62,000	41,000
Minneapolis Park Board	Teen Teamworks	23,000	15,000
Minnesota AIDS Project	Minnesota AIDS Project	35,000	23,000
Neighborhood Health Care Network	Community Health Clinics	394,000	261,000
Parents in Community Action	Head Start	99,000	66,000
Volunteers of America/MAO	Volunteers of America/MAO	121,000	80,000
	Ground Works	25,000	17,000
Subtotal B: Neighborhood Revitalization Program Policy Board to recommend allocations for above organizations, or others, with the advice of Youth Coordinating Board and Empowerment Zone.		-	-
Total Public Service (15%)		2,617,000	2,450,000

SCHEDULE FOUR
Year 30 (2004) - Community Development Block Grant

Organization	Project	2003 Consolidated Plan Allocation	Council Adopted
Administration---CDBG			
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance	349,502	190,000
Community Planning and Economic Development	Neighborhood Business Associations	174,000	174,000
Community Planning and Economic Development	Citizen Participation	345,510	346,000
Community Planning and Economic Development	General Admin	30,000	-
Community Planning and Economic Development	Program Admin	50,000	75,000
Community Planning and Economic Development	Planning - Administration	1,282,980	1,213,000
Department of Health & Family Support	Neighborhood Services	161,500	162,000
Department of Health & Family Support	Grant Administration	210,000	100,000
Department of Health & Family Support	Way to Grow Administration	46,000	36,000
Department of Health & Family Support	New Arrivals	120,000	120,000
Finance Department	Administration	342,928	343,000
Intergovernmental Relations	Grants & Special Projects	229,339	230,000
Legal Aid Society	Legal Aid Society	49,000	49,000
Minneapolis Public Housing	Citizen Participation	98,000	98,000
Youth Coordinating Board	Administration	48,000	59,000
Fair Housing Implementation Council	Metro Fair Housing	-	18,000
Legal Aid Society	Housing Discrimination Law Project	-	80,000
Total Administration (20%)		3,536,759	3,293,000
CDBG Total (100%)		16,463,000	16,343,000

Other Consolidated Plan Entitlement Funds

HOME Investment Partnerships	Community Planning and Economic Development	3,898,000	3,898,000
Emergency Shelter Grants (ESG)	Community Planning and Economic Development	576,000	576,000
Housing Opportunities for Persons with AIDS (HOPWA)	Minnesota Housing Finance Agency	839,000	839,000
Grand Total Consolidated Plan		21,776,000	21,656,000

Footnote:

The Council directed Intergovernmental Relations - Grants and Special Projects to work with the Public Health Advisory Committee to review the Public Service grants in CDBG for a recommendation in the Mayor's 2005 budget (CDBG Year 31).

SCHEDULE FIVE
Staffing Information

Department/Board	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
Assessor	37.00	35.50	35.50	34.50	-2.82%	(1.00)
Attorney	113.50	111.50	110.63	101.13	-8.59%	(9.50)
Civil Rights	29.00	29.00	27.50	24.00	-12.73%	(3.50)
City Clerk/Elections	52.00	75.50	47.50	46.20	-2.74%	(1.30)
City Council	38.00	38.00	38.00	38.00	0.00%	-
Community Planning and Economic Development	211.75	204.38	206.48	151.75	-26.51%	(54.73)
Fire	483.00	482.50	469.50	449.50	-4.26%	(20.00)
Health & Family Support	64.15	69.15	75.40	73.90	-1.99%	(1.50)
Mayor	13.00	12.00	11.00	11.00	0.00%	-
Police	1,092.00	1,093.00	1,060.50	966.05	-8.91%	(94.45)
Total	2,133.40	2,150.53	2,082.01	1,896.03	-8.93%	(185.98)
City Coordinator Department						
City Coordinator Administration	6.00	5.00	4.00	3.00	-25.00%	(1.00)
Office of Cultural Affairs	4.00	4.00	-	-	0.00%	-
Communications	16.00	16.00	15.80	15.80	0.00%	-
Emergency Communications	90.50	90.50	90.50	90.50	-	-
Finance	202.00	203.00	200.00	205.00	2.50%	5.00
Human Resources	58.50	59.50	57.00	55.00	-3.51%	(2.00)
Information Technology Systems	74.85	76.85	100.10	78.10	-21.98%	(22.00)
Intergovernmental Relations	12.00	11.00	10.00	10.00	0.00%	-
Convention Center	201.20	213.60	213.60	212.60	-0.47%	(1.00)
Operations and Regulatory Services	280.25	289.75	278.59	259.75	-6.76%	(18.84)
Total City Coordinator	945.30	969.20	969.59	929.75	-4.11%	(39.84)
Public Works Department						
Administration	20.00	21.00	20.00	18.00	-10.00%	(2.00)
Engineering Services	98.50	105.50	112.50	117.00	4.00%	4.50
Field Services	207.10	203.70	200.90	165.50	-17.62%	(35.40)
Sewer Maintenance	61.10	61.90	63.60	64.10	0.79%	0.50
Engineering Materials	26.50	26.50	26.50	29.50	11.32%	3.00
Soild Waste	126.65	126.50	124.80	123.00	-1.44%	(1.80)
Transportation	110.54	116.54	115.04	100.34	-12.78%	(14.70)
Water Treatement/Distribution	240.75	241.00	239.75	239.75	0.00%	-
Equipment	247.60	257.60	257.10	257.10	0.00%	-
Property Services	63.90	66.80	96.35	96.90	0.57%	0.55
Total Public Works	1,202.64	1,227.04	1,256.54	1,211.19	-3.61%	(45.35)
TOTAL CITY	4,281.34	4,346.77	4,308.14	4,036.97	-6.29%	(271.17)
INDEPENDENT BOARDS - Informational Only						
Board of Estimate and Taxation	2.00	2.00	2.00	2.00	0.00%	-
Library Board	357.99	368.00	363.40	242.00	-33.41%	(121.40)
Municipal Building Commission (MBC)	66.50	66.50	64.00	62.00	-3.13%	(2.00)
Neighborhood Revitalization Program (NRP)	15.00	13.00	12.00	11.00	-8.33%	(1.00)
Park Board	951.23	946.94	936.27	907.47	-3.08%	(28.80)
Mpls. Public Housing Authority (MPHA)	332.00	330.00	327.00	309.00	-5.50%	(18.00)
Youth Coordinating Board	28.50	39.40	26.50	4.50	-83.02%	(22.00)
TOTAL INDEPENDENT BOARDS	1,753.22	1,765.84	1,731.17	1,537.97	-11.16%	(193.20)
TOTAL CITY (including Boards)	6,034.56	6,112.61	6,039.31	5,574.94	-7.69%	(464.37)

Adopted Budget

Council Recommended Capital Budget Information

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City of Minneapolis
2004 – 2008 Capital Program
Capital Budget Narrative Overview

Capital Improvement Budget Development

The City has a five-year capital improvement plan (CIP). Annually, city departments & independent boards and commissions prepare and modify capital improvement proposals. The Finance Department, the Planning Division of the Community Planning & Economic Development Department (CPED) and the Capital Long-Range Improvement Committee (CLIC) review capital improvement proposals.

The Capital Long-Range Improvement Committee is a citizen advisory committee to the Mayor and City Council. The committee is authorized to have 33 appointed members, composed of two members per Council Ward and seven at-large members appointed by the Mayor. The committee elects a Chair and Vice Chair and breaks itself into two programmatic task forces of approximately the same number of members. Each task force elects a Chair and Vice Chair. Collectively, these six elected members form the Executive Committee and represent CLIC in meetings with the Mayor and City Council.

The two task forces are currently titled “Transportation and Property Services” and “Government Management, Health and Safety and Human Development”. The task forces receive and review all Capital Budget Requests (CBR’s) for their program areas as submitted by the various City departments, independent boards and commissions.

During two all day meetings, departments and boards who prepared the CBR’s formally present their needs and offer explanations for their requests. Task force members then rate all proposals using a rating system with several specific criteria and create a numerical ranking for each project. Highest-ranking priorities are then balanced against available resources by year to arrive at a cohesive five-year capital improvements program recommendation to the Mayor and City Council.

For this five-year plan covering years 2004 - 2008, there were 120 CBR’s reviewed and rated and six items not rated. The total requested capital budget for the five years was \$827.5 million.

CLIC’S recommendations serve as the basis from which the Mayor and City Council’s decisions are made. The Mayor makes recommendations on the capital budget as well as the operating budget. The Council adopts the five-year capital plan simultaneously with the operating budget.

Highlights of the 2004-2008 Capital Improvement Plan

Property Tax Supported – Public Works: The 2004 budget includes \$13.2 million in property tax supported funding for Public Works capital. Below is a summary of the 2004-2008 Property tax supported funding for the Public Works infrastructure program.

Adopted Property Tax Supported Capital for Public Works (in millions)

	2004	2005	2006	2007	2008
Base Capital Funding	\$13.2	\$15.4	\$15.7	\$11.9	\$15.9

Property Tax Supported - Park Board: The 2004 budget includes \$3.1 million in funding for Park Board capital. The Mayor supports a future funding plan for the Park Board that closes the previously identified funding gaps for park infrastructure. To achieve this goal, \$215,000 of additional property tax levy will be added annually to the Park Board levy, for a total of \$1.5 million in additional annual funding by 2009.

Adopted Property Tax Supported Capital for Park Board (in millions)

	2004	2005	2006	2007	2008
Base Capital Funding	\$2.7	\$1.8	\$1.4	\$1.8	\$1.4
"Gap" Levy Funding	\$0.4	\$0.6	\$0.9	\$1.1	\$1.3
Total Capital Funding	\$3.1	\$2.4	\$2.3	\$2.9	\$2.7

Property tax funding to support the capital program was reduced by approximately \$12 million in January 2003 for years 2004 – 2008 in response to the State Aid reductions. This will result in slowing down the City's ability to close the Public Works and Park Board infrastructure gap.

Utility Fee Supported Capital: The 2004 – 2008 budget includes funding for additional water and sewer related infrastructure expenditures "gap closure" as planned. The rate of gap closure and deferred maintenance expenditures has been slowed down slightly to provide for smaller sewer and water rate increases. This budget continues the City's commitment to closing the infrastructure "gap" for water and sewer services. The water and sewer 5-year utility rate schedule approved as part of this budget reflects this planned investment.

Relationship between the Capital and Operating Budgets: As part of each Capital Budget Request, Departments and Independent Boards are required to identify whether the capital request will result in an increase or decrease in operating costs. As part of the 2004-2008 capital submittals, operating costs were given a higher priority by the CLIC ranking process than in prior years. A summary of operating cost implications has been provided for the proposals funded in the 2004 – 2008 Capital Program later on in this Capital section.

City Debt

Minneapolis' total general obligation debt increased from \$1.119 billion at 12/31/2002 to \$1.250 billion at 12/31/2003.

In 2003, the City of Minneapolis issued bonds totaling \$252,705,000. Of this amount, \$42,335,000 was issued to refund existing debt. The following information provides details of Year 2003 Bond Sales:

January

In January, the City issued \$26,350,000 of General Obligation Tax Increment Refunding Bonds, Series 2003 (Laurel Village). These bonds refunded \$26,165,000 of General Obligation Laurel Village Refunding Bonds, Series 1992 dated September 1, 1992 on the optional call date of March 1, 2003. Final maturities of both bond series were March 1, 2016. The refunding resulted in debt service savings of approximately \$3,853,000 on a present value basis.

June

In June, the City issued \$1,725,000 of General Obligation Tax Increment Bonds, Series 2003A (West Side Milling) and \$6,900,000 of General Obligation Tax Increment Bonds, Series 2003B (Heritage Park) to fund two ongoing redevelopment projects. Also issued were \$36,000,000 of Taxable General Obligation Pension Bonds (MERF) to fund pension obligations for the Municipal Employees Retirement Fund and \$68,615,000 of General Obligation Various Purpose Bonds, Series 2003 supporting the five year capital plan.

The various purpose bonds supporting the capital plan were as follows:

500,000	Diseased Tree Removals
8,590,000	Flood Mitigation & Combined Sewer Overflow Projects
8,350,000	Water Works Projects
9,630,000	Fleet Equipment Purchases
14,215,000	Public Safety Capital Initiative Projects
100,000	Library Improvements
661,500	Municipal Building Commission Projects
1,920,000	Park Improvements
24,648,500	Various Public Works Infrastructure Projects

October

In October, the City issued \$6,130,000 of General Obligation Improvement Bonds, Series 2003 for various special assessment projects. Also issued were \$15,985,000 of General Obligation Various Purpose Refunding Bonds, Series 2003 and \$57,000,000 of General Obligation Library Bonds, Series 2003 for construction of Central and Community Library system projects. Finally, \$17,900,000 of Taxable General Obligation Pension Bonds (MPRA), Series 2003 were issued for pension obligations for the Minneapolis Police Relief Association.

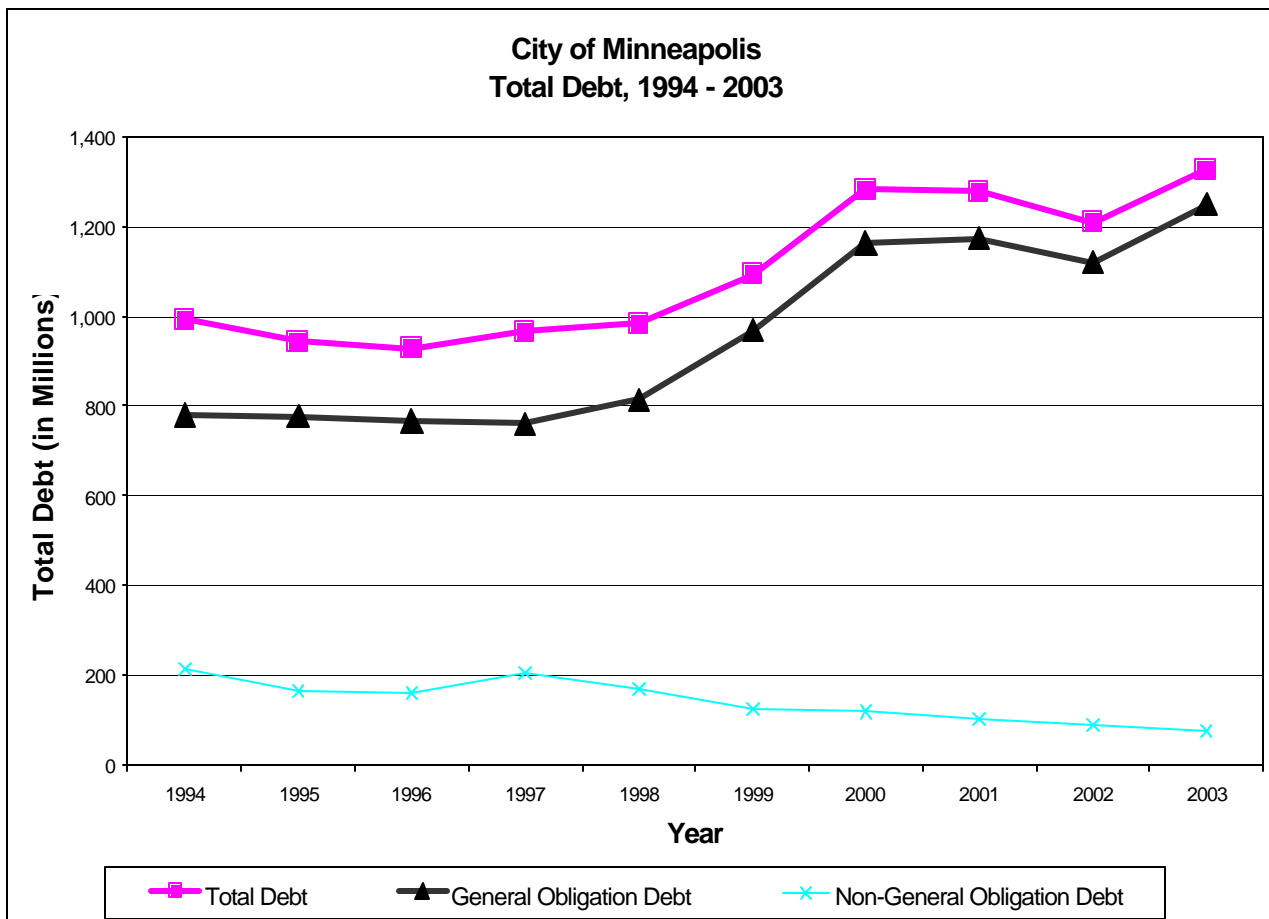
December

In December, the City issued \$16,100,000 of General Obligation Guthrie Parking Ramp Bonds, Series 2003 for design and construction of a new parking ramp to serve the new Guthrie Theater.

Management of the City's debt involves consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes of this presentation, Mortgage Revenue bonds and General Agency Reserve Fund System bonds of the Community Planning & Economic Development Department (formerly Minneapolis Community Development Agency) are not included as City Debt.

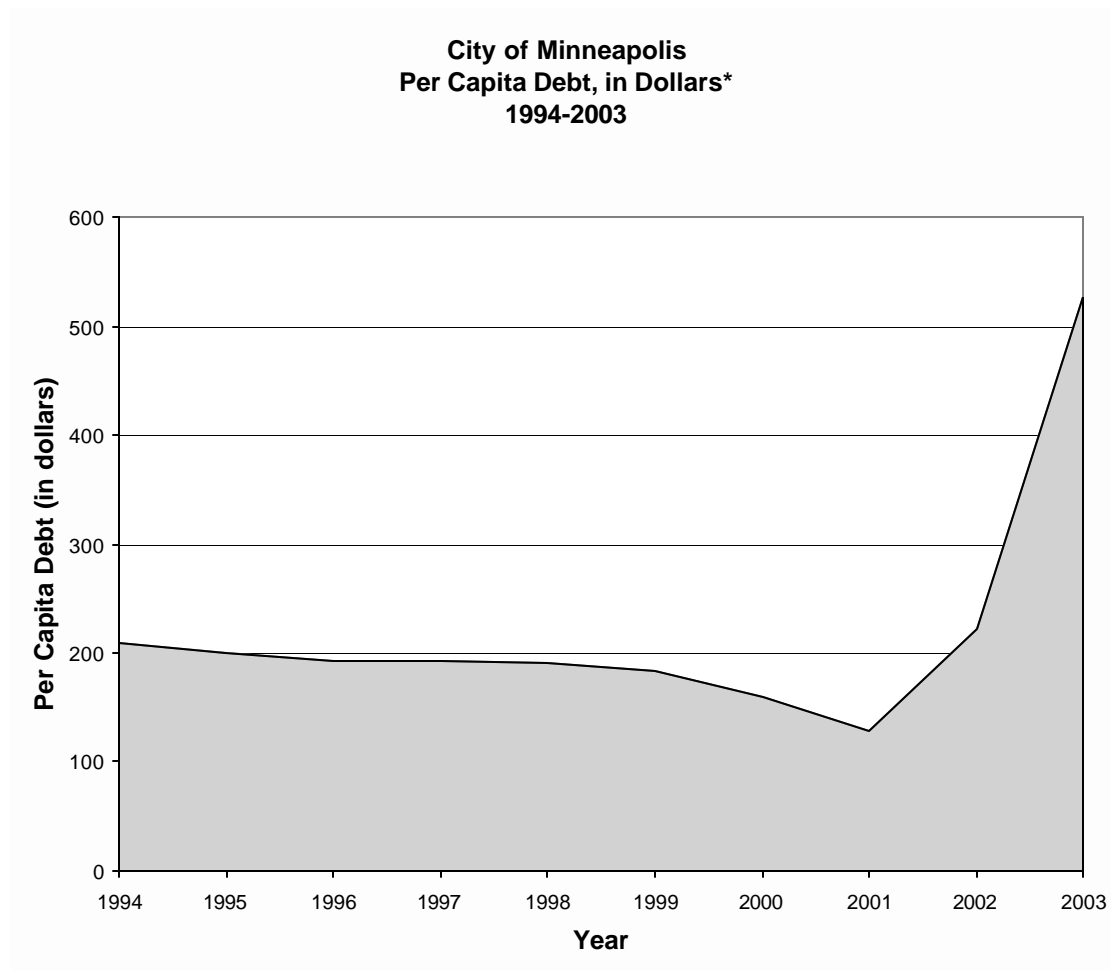
Debt Trends

The accompanying chart shows a ten-year history of the total City debt level for years 1994 - 2003. The total includes general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which currently includes only tax increment revenue bonds.



Per Capita Debt

The chart below showing general obligation debt per capita suggests that on a per-person basis, the general obligation debt supported by property taxes peaked in 1994 and decreased until 2001. Part of the reduction in 2000 and 2001 is due to the revision in the reported population from 368,383 to 382,618. In 2002 and 2003, the City incurred tax supported debt to fund Minneapolis Police Relief Association (MPRA) and Minneapolis Employee Retirement Fund (MERF) pension obligations resulting in a spike in the debt per capita. This upward trend will continue to occur for several more years while the unfunded pension liabilities are paid.



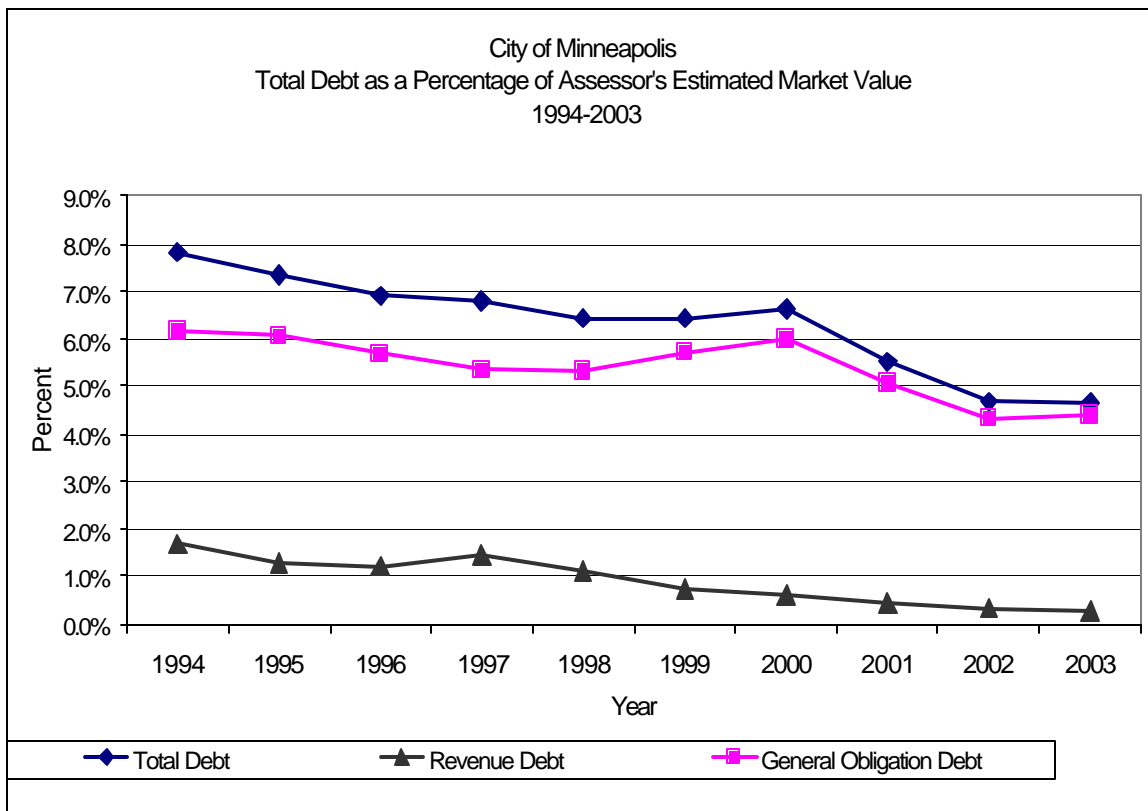
* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Funding from self-supporting enterprises of the City will offset some of the increase in 2003 but the extent of this amount was not fully known at the time of this publication.

Debt Capacity – Total Debt

The primary goal of the City's debt management effort is to maintain the ability to incur debt at minimal interest rates without endangering the City's ability to finance essential City services. The policy focuses on a revenue/debt ratio approach and calls for the City to closely monitor the absolute amounts and year-to-year trends of key financial ratios. The policy states that the City should limit the issuance of new bonded debt so as to make improvements in the key financial ratios over time.

The key management ratio used in monitoring total debt is total debt outstanding as a percent of estimated full market value of Minneapolis' taxable property. *The ratio of total outstanding debt to the Minneapolis City Assessor's market value of taxable property remained at an estimated 4.7 percent in 2003, the same as the previous year, even though Total Debt applicable to this calculation rose by over \$117 million during this timeframe.*

The chart below shows 1994 as the highest total debt/market ratio even though total debt was decreasing. This was due to declining market valuations experienced in the early 1990's. From 1994 - 1999, the ratio's favorable downward trend reflects a recovery in property valuations at the same time the total debt level was stable to slightly increasing. Total Debt levels increased in 2000 and 2001, declined in 2002 and rose again in 2003 but the impact of these higher debt levels have been more than offset by a continuing increase in the market value of the City's taxable property.



Computation of the City's Legal Debt Margin

The following is the computation of the legal debt margin to be reported in the City's Comprehensive Annual Financial Report for December 31, 2003.

	Dollars in Thousands
Real Property (2003 Market Value)	\$ 28,169,479
Personal Property (2003 Market Value)	354,892
	<u>28,524,371</u>
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	<u>193,892</u>
Total Market Value Applicable to Debt Limit	<u>29,016,293</u>
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	\$ 967,210
General Obligation Bonds Subject to Debt Limit:	
Supported by Property Tax Levy	222,390
Supported by Special Assessments:	
Park Diseased Trees	1,390
Lyn-Lake Municipal/Commercial Parking	1,712
Self-Supporting (Supported by Internal User Charges):	
Management Information Systems	44,600
Park Board - Land acquisitions & athletic field development	12,560
Public Works Fleet and Equipment	40,160
Property Fund	10,710
Self-Insurance Fund	<u>7,145</u>
Total General Obligation Bonds Subject to Debt Limit	<u>340,667</u>
Less: Assets in Debt Service Fund	<u>(20,887)</u>
Total Debt Applicable to Debt Limit	<u>319,780</u>
Legal Margin for New Bonds Subject to Debt Limit	\$ 647,430

Summary of Outstanding City Debt

Long-term liabilities at December 31, 2002 (in thousands) are detailed below. At the time of this publication, final figures for 2003 were not yet available.

	Balance 1/1/02	Additions	Retirements	Balance 12/31/02	Amounts Due Within One Year
Governmental activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds	\$ 68,705	\$ 66,845	\$ 32,305	\$ 103,245	\$ 25,610
Self Supporting GO Bonds	363,550	150,280	230,295	283,535	9,305
Special Assessment GO Bonds	40,545	6,390	4,616	42,319	4,695
Tax Increment GO Bonds	233,815	-	17,190	216,625	11,370
Revenue Bonds	103,726	-	13,083	90,643	13,541
Revenue Notes	32,488	17,415	812	49,091	677
Internal Service Fund Related GO Bonds	83,255	12,525	3,125	92,655	5,130
Total Bonds and Notes	926,084	253,455	301,426	878,113	70,328
<u>Other Long-term Liabilities</u>					
Operating Leases Payable	614	8	64	558	726
Capital Leases Payable	30		22	8	8
Contracts Payable	274		25	249	27
Unamortized Premium (Discount)	739	6,104	280	6,563	
Compensated Absences	21,671		1,388	20,283	
Total Other Long-Term Liabilities	23,328	6,112	1,779	27,661	761
Total Long-term Liabilities Governmental	\$ 949,412	\$ 259,567	\$ 303,205	\$ 905,774	\$ 71,089
Business-type activities:					
<u>Bonds and Notes</u>					
Sewer Fund GO Bonds	\$ 50,626	\$ -	\$ 7,605	\$ 43,021	\$ 7,250
Water Fund GO Bonds	57,036	4,330	13,192	48,174	11,008
Water Fund GO Note	-	3,718	-	3,718	400
Municipal Parking Fund GO Bonds	267,780	43,620	32,059	279,341	10,129
Community Development GO Bonds	8,860	-	2,470	6,390	125
Community Development Agency Fund					
General Agency Reserve Fund System	77,115	2,750	3,505	76,360	3,430
Mortgage Revenue Bonds	22,155	-	6,630	15,525	115
Revenue Notes	9,021	-	5,520	3,501	2,253
Total Bonds and Notes	492,593	54,418	70,981	476,030	34,710
<u>Other Long-term Liabilities</u>					
Unamortized Premium (Discount)	(5,288)	45	(332)	(4,911)	
Compensated Absences	1,859	55		1,914	
Total Other Long-term Liabilities	(3,429)	100	(332)	(2,997)	-
Total Long-term Liabilities Business-type	\$ 489,164	\$ 54,518	\$ 70,649	\$ 473,033	\$ 34,710
Total Long-term Liabilities	\$ 1,438,576	\$ 314,085	\$ 373,854	\$ 1,378,807	\$ 105,799

Amortization of Outstanding Governmental City Debt

As of December 31, 2002, annual debt service requirements for governmental activities to maturity (in thousands) are as follows:

Governmental Activities - Non-Proprietary					
Year ending Dec 31:	Bonds		Notes		
	Principal	Interest	Principal	Interest	
2003	\$ 64,521	\$ 53,294	\$ 677	\$ 2,436	
2004	47,637	54,231	2,872	2,243	
2005	42,728	53,193	837	2,215	
2006	37,740	52,236	10,803	2,045	
2007	35,906	51,705	12,127	1,336	
2008 - 2012	165,694	162,488	6,156	1,942	
2013 - 2017	156,320	71,492	2,149	804	
2018 - 2022	129,691	31,489	1,635	604	
2023 - 2027	54,670	7,436	1,285	212	
2028 - 2032	1,460	60	10,550	69	
	<u>\$ 736,367</u>	<u>\$ 537,624</u>	<u>\$ 49,091</u>	<u>\$ 13,906</u>	

Internal Service Fund Bonds				Total Governmental Activity Bonds & Notes			
	Principal		Interest		Principal		Interest
2003	\$ 5,130	\$ 4,426		\$ 70,328	\$ 60,156		
2004	6,965	4,183		57,474	60,657		
2005	9,935	3,834		53,500	59,242		
2006	10,665	3,335		59,208	57,616		
2007	4,870	2,852		52,903	55,893		
2008 - 2012	36,515	10,445		208,365	174,875		
2013 - 2017	8,810	3,770		167,279	76,066		
2018 - 2022	9,765	1,229		141,091	33,322		
2023 - 2027				55,955	7,648		
2028 - 2032				12,010	129		
	<u>\$ 92,655</u>	<u>\$ 34,074</u>		<u>\$ 878,113</u>	<u>\$ 585,604</u>		

Amortization of Outstanding Business Type City Debt

As of December 31, 2002, annual debt service requirements for business type activities to maturity (in thousands) are as follows:

Business-type Activities						
Year ending Dec 31:	Bonds		Notes		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest
2003	32,057	24,915	2,653	368	34,710	25,283
2004	30,266	23,870	3,411	76	33,677	23,946
2005	27,799	22,823	99	69	27,898	22,892
2006	34,465	22,055	106	63	34,571	22,118
2007	26,427	20,769	113	56	26,540	20,825
2008 - 2012	118,207	80,767	680	192	118,887	80,959
2013 - 2017	86,451	49,436	157		86,608	49,436
2018 - 2022	45,959	25,975			45,959	25,975
2023 - 2027	47,285	12,110			47,285	12,110
2028 - 2032	19,895	1,940			19,895	1,940
Totals	<u>\$ 468,811</u>	<u>\$ 284,660</u>	<u>\$ 7,219</u>	<u>\$ 824</u>	<u>\$ 476,030</u>	<u>\$ 285,484</u>

Glossary of Terms & Abbreviations for the Capital Program

CLIC - Capital Long-Range Improvement Committee – a committee of up to 33 private citizens appointed by the 13 Council members (2 per Ward) and Mayor (7). The committee reviews Capital proposals and recommends priorities for capital spending within specified resource parameters.

PSI - Public Safety Initiative - a special program set up to address costs associated with the regional 800 megahertz emergency response radio system and other Public Safety related capital needs.

REVENUE SOURCE RELATED DESCRIPTIONS:

PI TAX - Permanent Improvement Tax Levy - a separately identified tax levy used to provide “pay as you go” resources for capital projects and associated operating cost center expenses. Pay as you go refers to using existing cash and available fund balances to pay project expenses in lieu of borrowing.

NDB - Net Debt Bonds – property tax supported bonds issued to finance general infrastructure improvements. Debt service is paid by taxes collected for the annual Bond Redemption Levy.

MSA - Municipal State Aid - refers to gas tax dollars distributed to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

ASSM - Assessments - improvements paid for partially or wholly by property owners.

NRP – Neighborhood Revitalization Program

NON APPROP - Non Appropriated – reflects cost participation from County, State or Federal dollars and usually on these type of projects, the City of Minneapolis is not the lead agency.

Enterprise Bonds/Revenue - bonds related to the Sewer, Water and Parking enterprises of the City. Debt Service is paid for by user fees charged for these enterprise services. Enterprise revenues are “pay as you go” sources anticipated to be available in the enterprise funds.

REIMB - refers to Capital work performed by divisions of Public Works for which reimbursements are received from other City departments, outside government agencies or private businesses.

ACRONYMS & ABBREVIATIONS USED IN PROJECT TITLES:

HVAC - Heating, Ventilation and Air Conditioning

CSAH – County State Aid Highway – a County project leveraging a local cost share from Minneapolis.

SEMI – Southeast Minneapolis Industrial – refers to a redevelopment area.

Glossary of Terms & Abbreviations for the Capital Program

ACRONYMS & ABBREVIATIONS USED IN PROJECT TITLES - continued:

HCRRRA – Hennepin County Regional Railroad Authority

Wash – Washington Avenue

LED – Light Emitting Diode (example - pedestrian signal crossing lights)

US EPA – United States Environmental Protection Agency

CSO – Combined Sewer Overflow – separating storm from sanitary sewers

SCADA – Supervisory Control and Data Acquisition – water system controls.

MWW – Minneapolis Water Works

MPD – Minneapolis Police Department

Comm – Community

Neigh – Neighborhood

M'haha – Minnehaha – name of a well know creek running through Minneapolis

Rehab – Rehabilitation

Preserv – Preservation

Btwn - Between

SUBMITTING AGENCY OR DEPARTMENT ABBREVIATIONS:

MBC – Municipal Building Commission

PW – Public Works

MCDA – Minneapolis Community Development Agency

CPED – Community Planning & Economic Development

BIS – Business Information Services

2004 - 2008 Council Recommended Capital Resources

For Property Tax Supported Infrastructure Improvements

As approved by City Council in January 2003 as part of the Five Year Financial Direction

Recommended Resources by Category	2004	2005	2006	2007	2008	Totals
					(In thousands)	
Net Debt Bond Authorizations	21,600	21,600	23,500	23,500	23,500	113,700
Park Board Capital Infrastructure Levy	430	645	860	1,075	1,290	4,300
	22,030	22,245	24,360	24,575	24,790	118,000
Prior Year Adjustments made by Mayor and Council*	-1,263	-177	0	0	0	-1,440
Final 2004 - 2008 Council Resource Assumptions	20,767	22,068	24,360	24,575	24,790	116,560

Notes:

* - Adjustments represent dollars advanced to/from projects in the Capital programs for prior years. An additional adjustment of (\$450) was made to 2004 due to cost overruns on the Cedar Lake Parkway Bridge project - see 2003R-565.

This resource summary represents the City's commitment for General Infrastructure assets within the City of Minneapolis. General Infrastructure assets include public buildings, roads, bridges, street lights, traffic signals, parks & libraries.

2004 Bond Redemption Levy for Capital Program

(Excludes Pension Plan related Bond Redemption Levy)

	Amount	Notes
	(In thousands)	
Tax Levy Certified for Bond Redemption in 2003	30,060	For supporting Capital Program only
Bond Redemption Levy Reduction for 2004	-2,762	Per Adopted Five Year Financial Direction
Debt service for prior year Judgement Obligations	-1,100	Change in budgeting practice, to be funded through rate model.
Final Adjustment	58	
Tax Levy Certified for Bond Redemption in 2004	26,256	For supporting Capital Program only

CITY OF MINNEAPOLIS
2004 - 2008 COUNCIL ADOPTED CAPITAL BUDGET

Project ID	Project Title	2004	2005	2006	2007	2008	TOTAL
							(in thousands)
PUBLIC ART							
ART01	Art in Public Places	190	195	200	200	200	985
MUNICIPAL BUILDING COMMISSION							
MBC01	Life Safety Improvements	1,050	780	700	700	700	3,930
MBC02	Mechanical Systems Upgrade	1,140	1,140	1,140	1,140	1,200	5,760
MBC04	Tower and Interior Court Elevators	0	0	0	0	0	0
MBC05	Moat/Inner Court Water Proofing	0	0	674	0	0	674
MBC06	Clock Tower Upgrade	0	0	0	0	0	0
Total Municipal Building Commission		2,190	1,920	2,514	1,840	1,900	10,364
LIBRARY BOARD*							
MPL02	Franklin Community Library Remodeling/Historic Preservation	800	1,840	0	0	0	2,640
MPL05	East Lake Library Capital Improvements	2,000	960	0	0	0	2,960
MPL06	Webber Park Community Library Capital Improvements	0	0	820	0	0	820
MPL09	Nokomis Library Capital Improvements	0	0	2,000	1,400	0	3,400
MPL10	North Regional Remodeling & Restoration	175	1,125	0	400	0	1,700
MPL11	Walker Community Library Parking Deck Replacement	0	0	0	0	0	0
MPL12	Washburn Library Capital Improvements	0	0	0	0	0	0
MPL13	Hosmer Library Capital Improvements	0	0	0	0	0	0
MPL14	Walker Library Capital Improvements	0	0	0	0	0	0
MPL00	Net Debt Funding 2006 - 2008 - to be defined next capital cycle	0	0	1,600	1,600	1,600	4,800
Total Library Board (Community Libraries)		2,975	3,925	4,420	3,400	1,600	16,320

* - Amounts include \$11,520 of Library Referendum Levy and \$4,800 of City funding from the five year capital improvements program.

CITY OF MINNEAPOLIS
2004 - 2008 COUNCIL ADOPTED CAPITAL BUDGET

Project ID	Project Title	2004	2005	2006	2007	2008	TOTAL
							(in thousands)
PARK BOARD							
PRK01	Community & Neighborhood Center Rehabilitation	220	1,075	1,285	850	1,425	4,855
PRK02	Site and Totlot Rehabilitation	1,875	700	0	475	0	3,050
PRK03	Rehabilitation of Shelter Buildings	0	0	0	600	575	1,175
PRK04	Athletic Field Renovation	0	0	200	0	0	200
PRK05	Tier 2 Athletic Fields	0	325	300	450	325	1,400
PRK06	Service Center Rehabilitation	0	0	0	0	0	0
PRK07	Tennis Court Rehabilitation	150	0	150	175	0	475
PRK08	Gym Floor Replacement	0	200	100	100	100	500
PRK09	HVAC Improvements	230	0	100	125	125	580
PRK10	Building Security and Fire Systems	0	0	75	0	0	75
PRK11	Roof Replacement	110	0	100	150	150	510
PRK12	Community Skate Parks	200	200	0	0	0	400
PRK13	Contingency & Inflation	0	0	0	0	0	0
PRK19	Wirth Park Winter Recreation Infrastructure	200	0	0	0	0	200
PRK20	Boulevard Tree Restoration	200	0	0	0	0	200
PRKDT	Diseased Tree Program	500	500	500	500	500	2,500
Total Park Board		3,685	3,000	2,810	3,425	3,200	16,120
PUBLIC WORKS							
FACILITY IMPROVEMENTS							
PSD01	Facilities Repair and Improvements	1,500	1,500	1,500	2,000	2,000	8,500
PSD02	Public Works Facilities Program	1,760	2,150	3,479	3,000	1,400	11,789
PSD05	Impound Lot Facility Expansion	50	0	0	0	0	50
Total Facility Improvements		3,310	3,650	4,979	5,000	3,400	20,339
STREET PAVING							
PV001	Parkway Paving	700	795	738	850	750	3,833
PV002	Miscellaneous Street Segments	0	0	0	0	0	0
PV003	Street Renovation Program (net of Sewer related portion)	4,685	3,600	6,038	4,073	6,011	24,407
PV004	CSAH Paving Program	0	4,000	4,000	4,000	4,000	16,000
PV005	Snelling Avenue Extension	0	0	0	0	0	0
PV006	Alley Renovation	250	250	250	250	250	1,250
PV007	SEMI (Southeast Minneapolis Industrial)	0	3,543	2,863	4,039	0	10,445

CITY OF MINNEAPOLIS
2004 - 2008 COUNCIL ADOPTED CAPITAL BUDGET

Project ID	Project Title	2004	2005	2006	2007	2008	TOTAL
							(in thousands)
STREET PAVING - continued							
PV008	I-35W & Lake St. Interchange Reconstruction	76,673	47,960	2,100	0	0	126,733
PV009	I-35W Crosstown Interchange Reconstruction	0	0	485	485	485	1,455
PV013	15th Avenue SE MSA Street Reconstruction	2,640	0	0	0	0	2,640
PV014	LaSalle Avenue South	2,901	0	0	0	0	2,901
PV015	27th Avenue South	0	0	6,021	0	0	6,021
PV016	Richfield Road	2,525	0	0	0	0	2,525
PV017	Como Avenue Southeast	0	3,056	0	0	0	3,056
PV019	Sixth Avenue North	0	0	0	0	0	0
PV020	Loring Greenway	0	0	0	0	1,500	1,500
PV021	33rd Avenue SE and Talmage Avenue	0	0	0	0	0	0
PV022	Lyndale Ave N (Plymouth - Broadway)	0	0	2,664	0	0	2,664
PV023	28th Ave South	0	0	0	0	5,106	5,106
PV025	Fremont Avenue N	0	1,789	0	0	0	1,789
PV00R	Reimbursable Paving Projects	3,000	3,000	3,000	3,000	3,000	15,000
Total Street Paving Projects		93,374	67,993	28,159	16,697	21,102	227,325
STREETSCAPES							
STS01	Lake St Reconstruction & Streetscape (Segment 1)	799	1,133	0	0	0	1,932
STS02	Lake St Reconstruction & Streetscape (Segment 2)	0	1,515	0	0	0	1,515
STS03	Lake St Reconstruction & Streetscape (Segment 3)	32	2,204	0	0	0	2,236
Total Streetscape Projects		831	4,852	0	0	0	5,683
SIDEWALK PROGRAM							
SWK01	Defective Hazardous Sidewalks and Complete Gaps in the System	1,825	1,916	2,012	2,124	2,230	10,107
HERITAGE PARK INFRASTRUCTURE							
CDA01	Heritage Park Redevelopment Project	13,020	18,491	4,150	0	0	35,661

CITY OF MINNEAPOLIS
2004 - 2008 COUNCIL ADOPTED CAPITAL BUDGET

Project ID	Project Title	2004	2005	2006	2007	2008	TOTAL
							(in thousands)
BRIDGES							
BR101	Major Bridge Repair and Rehabilitation	200	200	200	200	200	1,000
BR102	East River Parkway Bridge	0	0	0	0	0	0
BR103	Chicago Ave South Bridge & Paving	3,244	0	0	0	0	3,244
BR105	Fremont Ave South Bridge	0	0	0	1,017	0	1,017
BR106	First Ave S Bridge over HCRRA	0	0	3,836	0	0	3,836
BR108	Stevens Avenue Bridge	0	0	0	0	0	0
BR109	Camden Avenue Bridge Rehabilitation	0	2,284	0	0	0	2,284
BR110	St Anthony Parkway Bridge & California St NE	0	6,251	0	0	0	6,251
BR111	10th Avenue SE Bridge Arch Rehabilitation	0	0	0	0	5,795	5,795
BR112	Nicollet Avenue Bridge from Lake St to 29th St	0	0	0	0	3,540	3,540
BR113	Parkway/Bike Bridge 94246 Rehab	0	0	0	0	6,408	6,408
Total Bridge Projects		3,444	8,735	4,036	1,217	15,943	33,375
TRAFFIC CONTROL & STREET LIGHTING							
TR001	New Traffic Signals	0	0	0	0	0	0
TR002	Construct New 9th Ave S between Wash & 2nd Ave S	480	0	0	0	0	480
TR003	LED Replacement Program	0	0	388	0	0	388
TR004	Computerized Traffic Signal Control Expansion	0	0	0	0	0	0
TR005	Controller Conversion	400	400	400	500	500	2,200
TR006	Priority Vehicle Control System	425	425	425	413	425	2,113
TR007	Traffic Signal, Signing & Lighting Improvements	414	476	331	456	412	2,089
TR008	Parkway Street Lighting Replacement	0	200	0	0	0	200
TR009	Minneapolis Stop Sign Plan Completion	100	0	0	0	0	100
TR010	Adaptive Control Expansion	0	0	0	0	0	0
TR011	City Street Light Renovation	158	150	0	0	0	308
TR00R	Reimbursable Transportation Projects	500	500	500	500	500	2,500
Total Traffic Control & Street Lighting Projects		2,477	2,151	2,044	1,869	1,837	10,378

CITY OF MINNEAPOLIS
2004 - 2008 COUNCIL ADOPTED CAPITAL BUDGET

Project ID	Project Title	2004	2005	2006	2007	2008	TOTAL
							(in thousands)
BIKE TRAILS							
BIK01	Cedar Lake Trail (Phase 3)	0	0	2,460	250	0	2,710
BIK03	Loring Bikeway Project, Phase I & II	2,640	109	0	0	0	2,749
BIK04	18th Avenue NE Bikeway	0	0	0	50	5,000	5,050
BIK06	University of Minnesota Trail (Phase 3)	0	988	0	0	0	988
BIK07	NE Diagonal Trail	0	2,872	0	0	0	2,872
BIK08	Hiawatha Trail Connections	0	0	0	0	0	0
BIK09	Midtown Greenway (Phases 2 & 3 + Safety/Security)	7,286	0	0	0	0	7,286
Total Bike Trail Projects		9,926	3,969	2,460	300	5,000	21,655
SEWER							
SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	2,800	2,800	2,800	2,800	2,800	14,000
SW002	Miscellaneous Storm Drains	200	220	220	220	220	1,080
PV003	Street Paving Programs - Storm Sewers	695	0	622	330	0	1,647
SW004	Implementation of US EPA Storm Water Regulations	150	150	150	150	150	750
SW005	Combined Sewer Overflow Improvements	2,000	2,000	2,000	2,000	0	8,000
SW006	Chain of Lakes Water Quality	300	0	0	0	0	300
SW007	Park Board Capital Storm Drain	600	600	700	800	900	3,600
SW008	City Facilities - CSO Separation	0	100	400	0	0	500
SW009	Flood Area 1 - 42nd & Russell Ave N	2,041	0	0	0	0	2,041
SW010	Flood Area 19 - W 44th St from Aldrich Ave S to Lake Harriet	217	330	0	0	0	547
SW012	Currie Ave Lift Station	4,063	0	0	0	0	4,063
SW015	Flood Area 27 - 38th St E to M'haha Creek, 21 Ave S to Hiaw Ave	2,769	540	0	0	0	3,309
SW018	Flood Area 29 & 30 - 51st & Zenith Ave S	609	1,480	1,525	0	0	3,614
SW019	Flood Area 8 - 3rd St N from 22nd Ave N to 25th Ave N	0	0	0	0	0	0
SW020	Flood Area 21 - Hiawatha Golf Course & Bancroft Meadows	0	0	0	0	0	0
SW021	Flood Area 39 - Storm Drain along 36th from 48th to River	0	0	0	0	0	0
SW022	Flood Area 14 - Clinton Ave & E 39th St Storm Drain	0	0	0	0	0	0
SW023	Flood Area 5 - New Storm Drain to Crystal Lake	0	0	0	0	0	0
SW024	Flood Area 22 - Sibley Field	0	0	0	0	0	0
SW00R	Reimbursable Sanitary Sewer and Storm Drain Construction	3,000	3,000	3,000	3,000	3,000	15,000
Total Sewer Fund Projects		19,444	11,220	11,417	9,300	7,070	58,451

CITY OF MINNEAPOLIS
2004 - 2008 COUNCIL ADOPTED CAPITAL BUDGET

Project ID	Project Title	2004	2005	2006	2007	2008	TOTAL
							(in thousands)
WATER							
WTR01	Fridley Maintenance Facility	3,571	0	0	0	0	3,571
WTR02	New 40 Million Gallon Southwest Reservoir/Pump Station	0	3,000	11,000	11,000	6,000	31,000
WTR08	Complete SCADA System	2,574	1,656	0	0	0	4,230
WTR09	Ultrafiltration Program	25,000	27,540	41,000	19,920	0	113,460
WTR12	Water Distribution Improvements	4,195	4,485	4,500	4,400	4,400	21,980
WTR14	The MWW Facilities Security Improvement	0	0	0	0	0	0
WTR15	Pump Station No. 4 Rehabilitation	0	0	6,000	5,000	4,000	15,000
WTR16	St. Paul/Minneapolis Interconnection	0	0	0	0	0	0
WTR17	Treatment Modifications Based on New Regulations	0	0	0	0	0	0
WTR0R	Reimbursable Watermain Projects	2,000	2,000	2,000	2,000	2,000	10,000
Total Water Fund Projects		37,340	38,681	64,500	42,320	16,400	199,241
PARKING							
RMP01	Northside Parking Ramp	0	0	0	0	0	0
RMP02	Residential Parking Program	150	150	150	150	150	750
RMP03	Bicycle Parking	30	30	35	40	35	170
Total Parking Fund Projects		180	180	185	190	185	920
Total Public Works Projects		185,171	161,838	123,942	79,017	73,167	623,135
MISCELLANEOUS PROJECTS							
MPD01	MPD Forensic Laboratory	0	0	150	0	0	150
MPD02	MPD Evidence Unit	0	0	0	3,580	0	3,580
FIR01	Fire Training Campus	0	0	0	0	0	0
PSI05	Fire Station 14	0	0	0	0	0	0
PSD03	Space Management - Functional Improvements	415	428	440	453	467	2,203
ITS01	Information Technology Capital Program	2,950	2,750	2,720	3,000	2,950	14,370
DEV01	Farmer's Market Redevelopment	0	0	0	0	0	0
DEV02	Upper Harbor Redevelopment	0	0	0	0	0	0
DEV03	Lyndale Ave S Planning	100	0	0	0	0	100
DEV04	Midtown Green Planning	100	0	0	0	0	100
Total Miscellaneous Projects		3,565	3,178	3,310	7,033	3,417	20,503
TOTAL CAPITAL PROGRAM ADOPTED BY COUNCIL		197,776	174,056	137,196	94,915	83,484	687,427

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

ART01 Art in Public Places

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,500.00

Explanation of operating costs:

Because the artwork is integrated into infrastructure, the majority of the maintenance for the art will be addressed in the ongoing maintenance budget for the infrastructure. Many artworks incorporate special materials, however, and so some specialized maintenance may need to be coordinated through Art in Public Places. The Mayor and the Council will be addressing the source for these funds as part of a public art funding assessment.

BIK01 Cedar Lake Trail (Phase 3)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$11,108.00

Explanation of operating costs:

This project creates new infrastructure and improves existing infrastructure. Although most of the project involves new trail construction, some elements along 4th Avenue North will be improved such as street pavement surface, curb/gutter, bridge deck surfacing, and pavement markings. This project will result in an increase in annual maintenance costs totaling \$11,108 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, the Minneapolis Park and Recreation Board will be responsible for this cost. The Park Board will need to decide how to manage their operational budget to fund the maintenance of this project.

BIK03 Loring Bikeway Project, Phase I & II

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$2,800.00

Explanation of operating costs:

The trail maintenance costs are already a part of Minneapolis Park & Recreation Board long term maintenance budget starting in 2005. The bridge maintenance cost are already a part of Minneapolis Public Works long term maintenance budget starting in 2005.

BIK04 18th Avenue NE Bikeway

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$22,200.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$22,200 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, the operation and maintenance responsibilities for this facility have yet to be decided. According to that document, no new facility may be constructed unless operation and maintenance responsibilities have been established. A decision about who will operate and maintain this trail must be made before federal funds can be

BIK06 University of Minnesota Trail (Phase 3)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$7,952.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$7,952 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, Minneapolis Public Works will bear this cost. This funding will come out of the Street Department's operational budget.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

BIK07 NE Diagonal Trail

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$44,352.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$44,352 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, the Minneapolis Park and Recreation Board will be responsible for the maintenance costs of the project within Minneapolis city limits. Three River's Park District/St. Anthony, and the City of Roseville will maintain the trail within their jurisdictions. The Minneapolis Park and Recreation Board is responsible for prioritizing its maintenance expenditures.

BIK09 Midtown Greenway (Phases 2 & 3 + Safety/Security)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$75,110.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$75,110 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, Minneapolis Public Works will be responsible for this cost. The necessary funds will come out of the Public Works Street Department operational budget. To minimize maintenance costs, the City of Minneapolis will work with Hennepin County and with the Midtown Greenway Coalition to encourage the Adopt-a-Greenway program, which allows local business and residents the opportunity to adopt a segment of the Midtown Greenway to maintain.

BR101 Major Bridge Repair and Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The proposed funding level will now allow us to undertake major repair /rehabilitation work that was beyond the scope of our annual maintenance funding. A system wide bridge deck maintenance program as well as "shot-crete" pier and column program can now be undertaken system wide. The benefits will be realized at a later date when reductions of "Bridge Sufficiency ratings" are minimized. This will allow for a more positive bridge maintenance effort centered around cleaning rather than the present reactive program which attempts to address system problems.

BR103 Chicago Ave S Bridge and Paving

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Operating/maintenance will be lower for the new bridge.

BR105 Fremont Ave South Bridge

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,000.00)

Explanation of operating costs:

Operating/maintenance of new pedestrian bridge will be lower than that for existing older vehicular bridge.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

BR106 First Ave S Bridge over the HCRRA

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project will decrease the maintenance cost associated with the First Ave Bridge. Replacing this bridge will both expand the life of this crucial bridge and reduce maintenance costs.

BR109 Camden Avenue Bridge Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$30,000.00)

Explanation of operating costs:

The rehabilitation of the bridge will significantly reduce the yearly maintenance dollars spent by Bridge Maintenance. Approximately one month of crew time is spent patching and repairing the bridge deck and superstructure each year.

BR110 St. Anthony Parkway Bridge & California St. NE

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project will decrease the maintenance cost associated with both California St. NE and the St. Anthony Parkway Bridge. Converting this roadway from an oil/dirt to a paved street will reduce maintenance costs on California St. NE. Replacing the deck and rehabilitating the St. Anthony Parkway Bridge will both expand the life of this crucial bridge and reduce maintenance costs.

BR111 10th Avenue S.E. Bridge Arch Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Capital investment will protect and preserve this link of the bikeway system. This structures sub-structure is presently being maintained by reaction mode.

BR112 Nicollet Ave. from Lake St. to 29th

Existing or new infrastructure: New

Operating Cost Implication: Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Opening Nicollet Ave from 29th to Lake Street would add about 1200' more to our street operations. We will be receiving a portion of State money for Maintenance and Operations.

BR113 Parkway/Bike Bridge 94246 Rehab

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

If the structure is allowed to continue to deteriorate, rehabilitation will no longer be cost effective. Total superstructure replacement of this bridge could easily exceed \$15,000,000, not including substructure replacement.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

CDA01 Heritage Park Redevelopment Project

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The requested 2004 Capital Improvement Funds for Heritage Park apply to improving and/or replacing existing infrastructure that is deteriorated or obsolete due to capacity, condition, or realignment. The Heritage Park area infrastructure was fully developed when the public housing existed, but infrastructure upgrades are integral to the new housing redevelopment being built.

ITS01 Information Technology Capital Program

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

On-going maintenance is addressed as part of the BIS operating budget.

MBC01 Life Safety Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Installation of sprinkler, smoke, and fire alarm systems were previously projected to reduce insurance premiums for the buildings. These installations will also reduce risk of loss and potential lawsuits to the City and County. These reductions will be slightly offset by increased quarterly testing and maintenance costs for these systems.

MBC02 Mechanical Systems Upgrade

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Additional air handling units will consume electricity and increase utility costs. Increased quantities of fresh air will need to be heated or cooled during the winter or summer increasing utility costs. The new mechanical system will incorporate numerous energy savings measures that will be utilized to offset these increased utility costs. The new system will incorporate an economizer cycle that will utilize outside air for cooling during the spring and fall. The new control system will permit a night and weekend temperature setback. This will save heating and cooling costs during unoccupied periods. The control system will enable the building to manage peak demand. By reducing peak demand for steam and chilled water during the short period of the year, savings can be realized throughout the year. Electrical lighting systems installed during the renovations will enable lights to be shut off automatically during unoccupied periods. These energy savings will be used to offset the cost of improved ventilation.

MBC05 Moat /Inner Court Water Proofing

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,000.00)

Explanation of operating costs:

The proposed project will eliminate sheet rock and paint repair that is required after current leaks. This will result in a small savings currently estimated in the \$2,000 per year range. The critical and most costly leaks have recently been repaired as discussed previously. If the project is delayed, the operating costs for leak repair will rise. This rise could be dramatic because the inner court roof is reaching the end of its useful life.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2004 - 2008 Council

MPD01 Minneapolis Police Department Forensic Laboratory

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The Minneapolis Police Department is currently undertaking a long-range study of its space and facility needs. As part of that planning effort, the estimates of space needs and costs for the evidence unit will be refined as needed. Although the site or specific building location has not been identified, based on previous costs for similar facilities we would expect a maintenance cost of \$2.00 per sq. ft., these costs will be paid by MPD annual operating funds.

MPD02 Minneapolis Police Department Evidence Unit

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The Minneapolis Police Department is currently undertaking a long-range study of its space and facility needs. As part of that planning effort, the estimates of space needs and costs for the evidence unit will be refined as needed. Although the site or specific building location has not been identified, based on previous costs for similar facilities we would expect a maintenance cost of \$2.00 per sq. ft., these costs will be paid by MPD annual operating funds.

MPL02 Franklin Community Library Remodeling/Historic

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$85,000.00

Explanation of operating costs:

This project includes a minor expansion. Additional anticipated facility operating costs are, for the most part, relative to today's maintenance costs; once public service staff and computers are added to meet anticipated demand, approximately \$85,000 is estimated over existing

MPL05 East Lake Library Capital Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$17,000.00

Explanation of operating costs:

Once the scope of the project is defined, estimated operating costs will be more precise. At this point, however, anticipated increases in activity and technology support will mean about a \$17,000 increase in operation costs.

MPL06 Webber Park Community Library Capital Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$95,000.00

Explanation of operating costs:

Once the scope of the project is defined, estimated operating costs will be more precise. At this point, however, anticipated increases for staff and technology support will mean about a \$95,000 increase in operation costs.

MPL09 Nokomis Library Capital Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$15,000.00

Explanation of operating costs:

Once the scope of the project is defined, estimated operating costs will be more precise. At this point, however, anticipated increases in staff and technology support will mean about a \$15,000 increase in operation costs.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

MPL10 North Regional Remodeling and Restoration

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$56,000.00

Explanation of operating costs:

Since this project is not an expansion, additional anticipated facility operating costs are relative to today's maintenance costs; if public service staff and computers are added to meet anticipated demand, approximately \$56,000 is estimated over existing operating costs.

PRK01 Community and Neighborhood Center Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,000.00)

Explanation of operating costs:

This will help to decrease operating and maintenance cost by reducing heating and cooling requirements, repairs, and related materials and labor costs.

PRK02 Site and Totlot Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$16,000.00)

Explanation of operating costs:

Site and totlot rehabilitation will reduce maintenance costs associated with repairing old playground equipment, removing unsafe playground equipment, and mending of cracked sidewalks and court surfaces.

PRK03 Rehabilitation of Shelter Buildings

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

The annual operating costs should decrease with the replacement of the heating plant (energy efficiencies), new pool mechanical elements (more efficient water treatment, less chemical use)

PRK04 Athletic Field Renovation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

By upgrading facilities to present day standards, savings will be realized in areas such as : amount of fertilizer used, ease of aeration, and overall amount of staff time invested.

PRK05 Tier 2 Athletic Fields

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

By upgrading facilities to present day standards, savings will be realized in areas such as : amount of fertilizer used, ease of aeration, and overall amount of staff time invested.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

PRK07 Tennis Court Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

New courts are essentially maintenance free. The savings in crack sealing and color coating would average approximately \$1,000 per year over a 15 year period.

PRK08 Gym Floor Replacement

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,000.00)

Explanation of operating costs:

A new wood floor will require less maintenance during the first 5 years, saving approximately \$2,000 per year.

PRK09 HVAC

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

N/A

PRK10 Building Security and Fire Systems

Existing or new infrastructure: New

Operating Cost Implication: No Change Increase/(Decrease) amount:

Explanation of operating costs:

Installing these security measures could potentially save significant dollars.

PRK11 Roof Replacement

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

N/A

PRK12 Community Skate Parks

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$4,000.00

Explanation of operating costs:

This proposal would increase annual maintenance cost, but the anticipated amount is not known at this time, as we do not currently operate any facilities of this type.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

PSD01 Facilities Repair and Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The majority of the projects included in the program are of small scale and do not provide significant operational savings. The key operational savings achieved by yearly investment in facilities is to keep operational costs from significantly increasing in the future by protecting the City's current investment in facilities.

PSD02 Public Works Facilities Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Due to the pending replacement of the existing facilities we have deferred maintenance for the past several years. If this project is not approved a considerable amount of deferred maintenance work will need to be performed on the existing building increasing the annual operating costs. The annual maintenance costs therefore would be less on newer facilities.

PSD03 Space Management-Functional Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

PSD05 Impound Lot Facility Expansion

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

PV001 Parkway Paving

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$44,000.00)

Explanation of operating costs:

Decreases the maintenance expense by improving the quality of the pavement, reducing the need for maintenance funding.

PV003 Street Renovation Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The project will reduce the maintenance resources needed to be expended on these roadways over approximately the next 20 years, freeing up street maintenance funds for other street maintenance needs.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

PV004 CSAH Paving Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount:

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

PV006 Alley Renovation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Although this work will have minimal effect in maintenance savings initially, the continuation of this program will begin to reduce ongoing maintenance needs with the increase in the number of alleys which are overlaid.

PV007 SEMI (South East Minneapolis Industrial)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$29,580.00

Explanation of operating costs:

The action of constructing this area will result in an increase in maintenance costs, which will reduce the ability of the responsible agency to meet existing service levels as resources are taken from the other areas to meet this new need. The responsible agency will need to re-allocate existing resources to cover Snow and Ice Control from its existing General Fund appropriation. In addition, the responsible agency will need to ask for an increase in its appropriation for cleaning from the Sewer Fund 7300 for additional sweeping and cleaning. As the new infrastructure ages additional costs will come to the General Fund appropriation on Street Maintenance and Repair for seal coating and pothole repair.

PV008 I-35W & Lake St. Interchange Reconstruction

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

PV009 I-35W Crosstown Interchange Reconstruction

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

PV013 15th Avenue S.E. MSA Street Reconstruction

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$13,000.00)

Explanation of operating costs:

This project will decrease maintenance costs by an estimated \$13,000 per year. (This number is based on information from Street Maintenance.)

PV014 LaSalle Avenue South

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$11,000.00)

Explanation of operating costs:

Maintain and Improve - The action of reconstructing and renovating this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV015 27th Ave S

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$22,000.00)

Explanation of operating costs:

The action of reconstructing this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV016 Richfield Road

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$15,600.00)

Explanation of operating costs:

This project will decrease maintenance costs by an estimated \$15,600. (Based on information from Street Maintenance).

PV017 Como Ave SE

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$4,760.00)

Explanation of operating costs:

If this project was not constructed it would increase the annual street maintenance operating cost of a deteriorating roadway, which is past the point of preservation maintenance. The action of renovating this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV020 Loring Greenway

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$100,000.00)

Explanation of operating costs:

This project is expected to decrease City annual maintenance costs

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

PV022 Lyndale Ave N

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$11,000.00)

Explanation of operating costs:

The action of reconstructing this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV023 28th Avenue South

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$33,800.00)

Explanation of operating costs:

This project will reduce costs to the extent that yearly maintenance costs will be reduced by the new construction and improve the roadway for

PV025 Fremont Ave N

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$31,240.00)

Explanation of operating costs:

This proposal calls for a major renovation of the existing roadway, if the project is not done the result would be increased annual street maintenance costs. If the roadway is allowed to continue to deteriorate at the current rate more than a major renovation may be required to correct the deficiencies. By renovating the roadway we will be decreasing maintenance costs thereby allowing those resources to be allocated to other areas that are nearing the end of their life cycles.

RMP02 Residential Parking Program

Existing or new infrastructure: New

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

RMP03 Bicycle Parking

Existing or new infrastructure: New

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project creates new infrastructure and replaces existing infrastructure. This project will not result in an increase of operational funding. It is up to adjacent properties to maintain the area around bicycle racks. When it comes time to replace a public bicycle rack, capital funds are expended to install a new rack since this is an on-going capital program. When there are no bicycle racks at a destination, bicyclists often lock their bikes to whatever they can, damaging trees, light poles, and street furniture. Bicycles attached to parking meters, utility infrastructure, and street furniture also makes it difficult for city and public utility crews to perform regular maintenance.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

STS01 Lake St. Reconstruction & Streetscape (Segment 1)

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$71,300.00)

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

STS02 Lake St. Reconstruction & Streetscape (Segment 2)

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$31,280.00)

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

STS03 Lake St. Reconstruction & Streetscape (Segment 3)

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$62,100.00)

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level.

SW001 Storm and Sanitary Tunnel and Sewer Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$300,000.00)

Explanation of operating costs:

This project will generally decrease annual operating/maintenance costs by reducing the frequency and magnitude of emergency repairs.

SW002 Miscellaneous Storm Drains

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Replacing or repairing the existing structure will decrease the operating cost while constructing new infrastructure will increase the operating

SW004 Implementation of US EPA Storm Water Regulations

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Some existing storm drain structures will be repaired, in these cases the maintenance cost will decrease. Some new structures will be built, in these cases the maintenance for the structure will cause cost increase.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

SW005 Combined Sewer Overflow Improvements

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Each project funded under this program may have unique associated annual operating & maintenance costs. In general, increases due to additional storm drainage infrastructure may be offset by decreases due to fewer sanitary system overload and storm drain odor problems.

SW006 Chain of Lakes Water Quality

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$4,000.00

Explanation of operating costs:

N/A

SW007 Park Board Capital Storm Drain

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Currently there is no maintenance for the Park Board storm drain system. The practice is to fix when broken. The cost of this type of maintenance policy is very high in both construction and social cost. This project will inventory and inspect the system, then repair and reconstruct the degraded structures. A regular maintenance and rehabilitation routine for the system will be established through this project. In the short term, there will be an increase in operating cost, but in the long-term, compare to fix when broken policy, it will save money. The funding source would

SW008 City Facilities - CSO Separation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

SW009 Flood Area 1 - 42 & Russell Ave N.

Existing or new infrastructure: New

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Anticipated same level of operation/maintenance cost

SW010 Flood Mitigation Area 19

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,000.00

Explanation of operating costs:

The New infrastructure will be added to work with the storm drain system that is there. Maintenance costs will increase by \$1000/year and will be paid for from the Sewer Enterprise Fund.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

SW012 Currie Ave Lift Station

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$30,000.00

Explanation of operating costs:

The new infrastructure will be replacing an existing system that is based on gravity flow. Annual operating and maintenance costs will increase due to electricity for the pumps, weekly generator tests, and maintenance of the enclosure and landscaping surrounding the enclosure. The operation and maintenance will be a part of the sewer maintenance budget.

SW015 Flood Mitigation Area # 27

Existing or new infrastructure: Both

Operating Cost Implication: Increase Increase/(Decrease) amount: \$6,300.00

Explanation of operating costs:

Increase maintenance costs based on additional storm drain structures. Storage chambers, grit chambers, and catch basins require regular cleaning and storm drains require occasional cleaning and repairs. Costs will be borne by the Sewer Enterprise Fund.

SW018 Flood Area 29 & 30

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount:

Explanation of operating costs:

Since a solution has not yet been identified for this project, the increase in annual operating/maintenance costs is unknown at this time. However, it is anticipated that annual operating/maintenance costs will increase as a result of this project by nature of the new infrastructure that

SWK01 Defective Hazardous Sidewalks

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

No effect, The operational costs necessary to fund the Sidewalk Division are provided for by: 1) the permit fees paid by contractors, 2) the overhead fees paid by property owners, and 3) the overhead fees paid by other City of Minneapolis Departments when the sidewalk portion of their project work is constructed by the City hired sidewalk contractor.

TR002 Construct new 9th Ave S. btwn Wash. & 2nd Ave S.

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,500.00

Explanation of operating costs:

The action of constructing this street will result in an increase in maintenance costs, which will reduce the ability of the responsible agency to meet existing service levels as resources are taken from the other areas to meet this new need. The responsible agency will need to re-allocate existing resources to cover Snow and Ice Control from its existing General Fund appropriation. In addition, the responsible agency will need to ask for an increase in its appropriation for Cleaning from the Sewer Fund 7300 for additional sweeping and cleaning. As the new infrastructure ages, additional costs will come to the General Fund appropriation on Street Maintenance for seal coating and pothole repair.

TR003 LED Replacement Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$31,500.00)

Explanation of operating costs:

Reduce traffic signal operating costs by reducing energy consumption by at least \$31,500 annually.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

TR005 Controller Conversion

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

Continued funding of this program has permitted utilization of personnel required to provide regular routine maintenance to be assigned to work activities that were previously understaffed, as the new controller equipment designs are nearly maintenance free.

TR006 Priority Vehicle Control System

Existing or new infrastructure:

Operating Cost Implication: Increase Increase/(Decrease) amount: \$7,000.00

Explanation of operating costs:

N/A

TR007 Traffic Signal, Signing & Lighting Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$50.00

Explanation of operating costs:

Overhead signal additions would increase operating costs by \$12.50 per unit per year. In 2008 there are 4-overhead signal structures proposed for construction.

TR008 Parkway Street Light Replacement

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,000.00)

Explanation of operating costs:

It is estimated that personnel costs would be reduced \$1,500 annually, and that equipment rental would be reduced \$500 annually as a result of the funding provided for this program in 2008 for a savings of \$2,000 annually without consideration given to the energy savings that could be achieved if new fixtures that were installed would be more energy efficient. The energy savings would far exceed the labor and equipment savings identified above.

TR009 Minneapolis Stop Sign Plan Completion

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$10,000.00

Explanation of operating costs:

This project creates new infrastructure. Signs need to be replaced every 10 years. When added to the number of existing stop signs in the system, the maintenance budget will need to be adjusted by \$10,000 per year to accommodate the additional signage. It is uncertain as to where additional maintenance funding can be generated.

TR011 City Street Light Renovation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$75,000.00)

Explanation of operating costs:

Approximately 30 lighting poles are removed each year that are in serious jeopardy of falling over as a result of the corrosion of the metal within the pole. Not all of the poles are replaced under current practices because of insufficient maintenance funds. The replacement cost for a new pole and transformer base and reconstruction of the anchorage is approximately \$5,000 each. It is estimated that this program would save approximately \$75,000 annually in maintenance costs for the duration of the capital program.

CITY OF MINNEAPOLIS
Summary of Operating Cost Implications by Project 2004 - 2008 Council

WTR01 Fridley Maintenance Facility

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This will increase the operating costs because of the new construction. The long-term benefits however will out weigh the original costs because the building will be up to standard codes and improving the working environment for the employees. This will allow the existing building to be used for storage or for part of the membrane filtration, which will be implemented. This could save even further costs for the next stage of the filtration process.

WTR02 New 40 Million Gallon SW Reservoir/Pump Station

Existing or new infrastructure: New

Operating Cost Implication: Decrease Increase/(Decrease) amount:

Explanation of operating costs:

Decrease some of the costs of operating and maintaining the pump station with the use of variable speed Pumps.

WTR08 Complete SCADA System

Existing or new infrastructure: Both

Operating Cost Implication: Decrease Increase/(Decrease) amount:

Explanation of operating costs:

Project will reduce operating costs approximately by 10%. Paid for out of Enterprise Bonding.

WTR09 Ultrafiltration Program

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$2,000,000.00

Explanation of operating costs:

It will increase the annual operation/maintenance costs and will be paid by Water Revenue funds.

WTR12 Water Distribution Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project will have a very minor reduction on the Water Works annual operations/maintenance costs since life cycle replacements reduce replacements due to failure. This project will help to maintain the City's current level of service to its water customers.

WTR15 Pump Station No. 4 Rehabilitation

Existing or new infrastructure: Both

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Reduced energy costs, paid for out of Enterprise Bonding.

PUBLIC ART FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	ART01	Art in Public Places	190	0	0	0	190	0
2005			195	0	0	0	195	0
2006			200	0	0	0	200	0
2007			200	0	0	0	200	0
2008			200	0	0	0	200	0
Total			985	0	0	0	985	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	190	0	0	0	190	0
2005	195	0	0	0	195	0
2006	200	0	0	0	200	0
2007	200	0	0	0	200	0
2008	200	0	0	0	200	0
Total Public Art Program	985	0	0	0	985	0

**MUNICIPAL BUILDING COMMISSION FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	MBC01	Life Safety Improvements	350	0	0	150	500	550
2005			350	0	0	40	390	390
2006			350	0	0	0	350	350
2007			350	0	0	0	350	350
2008		Other = Operating Fund Balance	350	0	0	0	350	350
Total			1,750	0	0	190	1,940	1,990
2004	MBC02	Mechanical Systems Upgrade	570	0	0	0	570	570
2005			570	0	0	0	570	570
2006			570	0	0	0	570	570
2007			570	0	0	0	570	570
2008			600	0	0	0	600	600
Total			2,880	0	0	0	2,880	2,880
2004	MBC04	Tower & Interior Court Elevators	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	MBC05	Moat/Inner Court Water Proofing	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			342	0	0	0	342	332
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			342	0	0	0	342	332
2004	MBC06	Clock Tower Upgrade	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	920	0	0	150	1,070	1,120
2005	920	0	0	40	960	960
2006	1,262	0	0	0	1,262	1,252
2007	920	0	0	0	920	920
2008	950	0	0	0	950	950
Total Municipal Building Commission	4,972	0	0	190	5,162	5,202

LIBRARY BOARD FIVE YEAR CAPITAL PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	MPL02	Franklin Community Library	0	0	0	800	800	0
2005		Remodeling/Historic Preserv	0	0	0	1,840	1,840	0
2006		Note: Other funding for all	0	0	0	0	0	0
2007		library projects refers to	0	0	0	0	0	0
2008		Library Referendum dollars	0	0	0	0	0	0
Total			0	0	0	2,640	2,640	0
2004	MPL05	East Lake Library Capital	0	0	0	2,000	2,000	0
2005		Improvements	0	0	0	960	960	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	2,960	2,960	0
2004	MPL06	Webber Park Community	0	0	0	0	0	0
2005		Library Capital Improvements	0	0	0	0	0	0
2006			0	0	0	820	820	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	820	820	0
2004	MPL09	Nokomis Library Capital	0	0	0	0	0	0
2005		Improvements	0	0	0	0	0	0
2006			0	0	0	2,000	2,000	0
2007			0	0	0	1,400	1,400	0
2008			0	0	0	0	0	0
Total			0	0	0	3,400	3,400	0
2004	MPL10	North Regional Remodeling	0	0	0	175	175	0
2005		& Restoration	0	0	0	1,125	1,125	0
2006			0	0	0	0	0	0
2007			0	0	0	400	400	0
2008			0	0	0	0	0	0
Total			0	0	0	1,700	1,700	0
2004	MPL11	Walker Community Library	0	0	0	0	0	0
2005		Parking Deck Replacement	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	MPL12	Washburn Library Capital	0	0	0	0	0	0
2005		Improvements	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0

LIBRARY BOARD FIVE YEAR CAPITAL PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	MPL13	Hosmer Library Capital Improvements	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	MPL14	Walker Library Capital Improvements	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	MPL00	Net Debt Funding 2006 - 2008 This funding of \$1.6 million each year will be defined as part of the 2005 - 2009 Capital Process.	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			1,600	0	0	0	1,600	0
2007			1,600	0	0	0	1,600	0
2008			1,600	0	0	0	1,600	0
Total			4,800	0	0	0	4,800	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	0	0	0	2,975	2,975	0
2005	0	0	0	3,925	3,925	0
2006	1,600	0	0	2,820	4,420	0
2007	1,600	0	0	1,800	3,400	0
2008	1,600	0	0	0	1,600	0
Total Library Board	4,800	0	0	11,520	16,320	0

PARK BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	PRK01	Community and Neighborhood Center Rehabilitation	220	0	0	0	220	0
2005			1,000	0	0	75	1,075	0
2006			1,285	0	0	0	1,285	0
2007			850	0	0	0	850	0
2008		Other = NRP funding	1,425	0	0	0	1,425	0
Total			4,780	0	0	75	4,855	0
2004	PRK02	Site & Totlot Rehabilitation	1,750	0	0	125	1,875	0
2005			700	0	0	0	700	0
2006			0	0	0	0	0	0
2007			475	0	0	0	475	0
2008		Other = NRP funding	0	0	0	0	0	0
Total			2,925	0	0	125	3,050	0
2004	PRK03	Rehabilitation of Shelter Buildings	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			600	0	0	0	600	0
2008			575	0	0	0	575	0
Total			1,175	0	0	0	1,175	0
2004	PRK04	Athletic Field Renovation	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			200	0	0	0	200	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			200	0	0	0	200	0
2004	PRK05	Tier 2 Athletic Fields	0	0	0	0	0	0
2005			325	0	0	0	325	0
2006			300	0	0	0	300	0
2007			450	0	0	0	450	0
2008			325	0	0	0	325	0
Total			1,400	0	0	0	1,400	0
2004	PRK06	Service Center Rehabilitation	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PRK07	Tennis Court Rehabilitation	150	0	0	0	150	0
2005			0	0	0	0	0	0
2006			150	0	0	0	150	0
2007			175	0	0	0	175	0
2008			0	0	0	0	0	0
Total			475	0	0	0	475	0

PARK BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	PRK08	Gym Floor Replacement	0	0	0	0	0	0
2005			200	0	0	0	200	0
2006			100	0	0	0	100	0
2007			100	0	0	0	100	0
2008			100	0	0	0	100	0
Total			500	0	0	0	500	0
2004	PRK09	HVAC Improvements	230	0	0	0	230	0
2005			0	0	0	0	0	0
2006			100	0	0	0	100	0
2007			125	0	0	0	125	0
2008			125	0	0	0	125	0
Total			580	0	0	0	580	0
2004	PRK10	Building Security and Fire Systems	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			75	0	0	0	75	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			75	0	0	0	75	0
2004	PRK11	Roof Replacement	110	0	0	0	110	0
2005			0	0	0	0	0	0
2006			100	0	0	0	100	0
2007			150	0	0	0	150	0
2008			150	0	0	0	150	0
Total			510	0	0	0	510	0
2004	PRK12	Community Skate Parks	200	0	0	0	200	0
2005			200	0	0	0	200	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			400	0	0	0	400	0
2004	PRK13	Contingency & Inflation	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PRK19	Wirth Park Winter Recreation Infrastructure	200	0	0	0	200	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			200	0	0	0	200	0

PARK BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	PRK20	Boulevard Tree Restoration	200	0	0	0	200	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			200	0	0	0	200	0
2004	PRKDT	Diseased Tree Removal	0	0	500	0	500	0
2005			0	0	500	0	500	0
2006			0	0	500	0	500	0
2007			0	0	500	0	500	0
2008			0	0	500	0	500	0
Total			0	0	2,500	0	2,500	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	3,060	0	500	125	3,685	0
2005	2,425	0	500	75	3,000	0
2006	2,310	0	500	0	2,810	0
2007	2,925	0	500	0	3,425	0
2008	2,700	0	500	0	3,200	0
Total Park Board	13,420	0	2,500	200	16,120	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

FACILITY IMPROVEMENTS

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	PSD01	Facilities Repair and Improvements	1,500	0	0	0	1,500	0
2005			1,500	0	0	0	1,500	0
2006			1,500	0	0	0	1,500	0
2007			2,000	0	0	0	2,000	0
2008			2,000	0	0	0	2,000	0
Total			8,500	0	0	0	8,500	0
2004	PSD02	Public Works Facilities Program	1,760	0	0	0	1,760	0
2005			2,150	0	0	0	2,150	0
2006			3,479	0	0	0	3,479	0
2007			3,000	0	0	0	3,000	0
2008			1,400	0	0	0	1,400	0
Total			11,789	0	0	0	11,789	0
2004	PSD05	Impound Lot Facility Expansion	50	0	0	0	50	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			50	0	0	0	50	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	3,310	0	0	0	3,310	0
2005	3,650	0	0	0	3,650	0
2006	4,979	0	0	0	4,979	0
2007	5,000	0	0	0	5,000	0
2008	3,400	0	0	0	3,400	0
Total Facility Improvements	20,339	0	0	0	20,339	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

STREET PAVING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	PV001	Parkway Paving	650	0	50	0	700	0
2005			745	0	50	0	795	0
2006			688	0	50	0	738	0
2007			800	0	50	0	850	0
2008			700	0	50	0	750	0
Total			3,583	0	250	0	3,833	0
2004	PV002	Miscellaneous Street Segments	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PV003	Street Renovation Program (2004-University West, Como North) This project was split into PV301 & PV302 and appropriated in both Paving & Traffic. See PV003 in the Sewer section also.	3,700	0	985	0	4,685	0
2005			2,880	0	720	0	3,600	0
2006			4,830	0	1,208	0	6,038	0
2007			3,258	0	815	0	4,073	0
2008			4,809	0	1,202	0	6,011	0
Total			19,477	0	4,930	0	24,407	0
2004	PV004	CSAH Paving Program	0	0	0	0	0	0
2005			250	0	750	0	1,000	3,000
2006			250	0	750	0	1,000	3,000
2007			250	0	750	0	1,000	3,000
2008			250	0	750	0	1,000	3,000
Total			1,000	0	3,000	0	4,000	12,000
2004	PV005	Snelling Avenue Extension	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PV006	Alley Renovation	187	0	63	0	250	0
2005			187	0	63	0	250	0
2006			187	0	63	0	250	0
2007			187	0	63	0	250	0
2008			187	0	63	0	250	0
Total			935	0	315	0	1,250	0
2004	PV007	SEMI (Southeast Minneapolis Industrial)	0	0	0	0	0	0
2005			0	1,856	255	1,432	3,543	0
2006			182	0	546	2,135	2,863	0
2007			26	1,973	1,524	516	4,039	0
2008			0	0	0	0	0	0
Total			208	3,829	2,325	4,083	10,445	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

STREET PAVING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	PV008	I-35W & Lake St. Interchange	0	553	0	0	553	76,120
2005		Reconstruction	0	0	0	0	0	47,960
2006			0	2,100	0	0	2,100	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	2,653	0	0	2,653	124,080
2004	PV009	I-35W Crosstown Interchange	0	0	0	0	0	0
2005		Reconstruction	0	0	0	0	0	0
2006			17	468	0	0	485	0
2007			17	468	0	0	485	0
2008			17	468	0	0	485	0
Total			51	1,404	0	0	1,455	0
2004	PV013	15th Avenue SE MSA Street	555	1,674	411	0	2,640	0
2005		Reconstruction	0	0	0	0	0	0
2006		This project appropriation is split between	0	0	0	0	0	0
2007		Paving & Traffic.	0	0	0	0	0	0
2008		See PV003 in the Sewer section also.	0	0	0	0	0	0
Total			555	1,674	411	0	2,640	0
2004	PV014	LaSalle Avenue South	603	1,882	416	0	2,901	0
2005		This project appropriation is split between	0	0	0	0	0	0
2006		Paving & Traffic.	0	0	0	0	0	0
2007		See PV003 in the Sewer section also.	0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			603	1,882	416	0	2,901	0
2004	PV015	27th Avenue South	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			1,549	3,756	716	0	6,021	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			1,549	3,756	716	0	6,021	0
2004	PV016	Richfield Road	310	908	14	1,293	2,525	0
2005		This project appropriation is split between	0	0	0	0	0	0
2006		Paving & Traffic.	0	0	0	0	0	0
2007		See PV003 in the Sewer section also.	0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			310	908	14	1,293	2,525	0
2004	PV017	Como Avenue Southeast	0	0	0	0	0	0
2005			751	2,090	215	0	3,056	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			751	2,090	215	0	3,056	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

STREET PAVING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	PV019	Sixth Avenue North	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PV020	Loring Greenway,	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			1,500	0	0	0	1,500	0
Total			1,500	0	0	0	1,500	0
2004	PV021	33rd Avenue Southeast and Talmadge Avenue	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PV022	Lyndale Ave N (Plymouth - Broadway)	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			656	1,749	259	0	2,664	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			656	1,749	259	0	2,664	0
2004	PV023	28th Avenue South	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			763	3,692	651	0	5,106	0
Total			763	3,692	651	0	5,106	0
2004	PV025	Fremont Avenue N	0	0	0	0	0	0
2005			243	1,180	366	0	1,789	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			243	1,180	366	0	1,789	0
2004	PV00R	Reimbursable Paving Projects	0	0	0	3,000	3,000	0
2005			0	0	0	3,000	3,000	0
2006			0	0	0	3,000	3,000	0
2007			0	0	0	3,000	3,000	0
2008			0	0	0	3,000	3,000	0
Total			0	0	0	15,000	15,000	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

STREET PAVING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
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FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	6,005	5,017	1,939	4,293	17,254	76,120
2005	5,056	5,126	2,419	4,432	17,033	50,960
2006	8,359	8,073	3,592	5,135	25,159	3,000
2007	4,538	2,441	3,202	3,516	13,697	3,000
2008	8,226	4,160	2,716	3,000	18,102	3,000
Total Street Paving	32,184	24,817	13,868	20,376	91,245	136,080

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

STREETSCAPES

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	STS01	Lake St. Reconstruction & Streetscape (Segment 1)	0	0	799	0	799	0
2005			0	0	1,133	0	1,133	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	1,932	0	1,932	0
2004	STS02	Lake St. Reconstruction & Streetscape (Segment 2)	0	0	0	0	0	0
2005			0	0	1,515	0	1,515	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	1,515	0	1,515	0
2004	STS03	Lake St. Reconstruction & Streetscape (Segment 3)	32	0	0	0	32	0
2005			0	0	2,204	0	2,204	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			32	0	2,204	0	2,236	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	32	0	799	0	831	0
2005	0	0	4,852	0	4,852	0
2006	0	0	0	0	0	0
2007	0	0	0	0	0	0
2008	0	0	0	0	0	0
Total Streetscapes	32	0	5,651	0	5,683	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

SIDEWALK PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	SWK01	Defective Hazardous Sidewalks and Complete Gaps in the System	145	0	1,680	0	1,825	0
2005			152	0	1,764	0	1,916	0
2006			160	0	1,852	0	2,012	0
2007			168	0	1,956	0	2,124	0
2008			176	0	2,054	0	2,230	0
Total			801	0	9,306	0	10,107	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	145	0	1,680	0	1,825	0
2005	152	0	1,764	0	1,916	0
2006	160	0	1,852	0	2,012	0
2007	168	0	1,956	0	2,124	0
2008	176	0	2,054	0	2,230	0
Total Sidewalk Program	801	0	9,306	0	10,107	0

HERITAGE PARK INFRASTRUCTURE

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	CDA01	Heritage Park Redevelopment Project	1,846	0	0	0	1,846	11,174
2005			1,770	0	0	0	1,770	16,721
2006			0	0	0	0	0	4,150
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			3,616	0	0	0	3,616	32,045

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	1,846	0	0	0	1,846	11,174
2005	1,770	0	0	0	1,770	16,721
2006	0	0	0	0	0	4,150
2007	0	0	0	0	0	0
2008	0	0	0	0	0	0
Total Near North Infrastructure	3,616	0	0	0	3,616	32,045

Note: Other/Transfers will be appropriated as agreements are approved for these miscellaneous sources.

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

BRIDGES

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	BR101	Major Bridge Repair and Rehabilitation	200	0	0	0	200	0
2005			200	0	0	0	200	0
2006			200	0	0	0	200	0
2007			200	0	0	0	200	0
2008			200	0	0	0	200	0
Total			1,000	0	0	0	1,000	0
2004	BR102	East River Parkway Bridge	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	BR103	Chicago Ave S Bridge & Paving	296	1,292	265	1,391	3,244	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			296	1,292	265	1,391	3,244	0
2004	BR105	Fremont Avenue South Bridge	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			835	0	92	90	1,017	0
2008			0	0	0	0	0	0
Total			835	0	92	90	1,017	0
2004	BR106	First Avenue South Bridge over HCRRA	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			570	1,709	336	1,221	3,836	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			570	1,709	336	1,221	3,836	0
2004	BR108	Stevens Avenue Bridge	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	BR109	Camden Avenue Bridge Rehabilitation	0	0	0	0	0	0
2005			78	1,810	0	396	2,284	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			78	1,810	0	396	2,284	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

BRIDGES

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	BR110	St. Anthony Parkway Bridge & California St NE	0	0	0	0	0	0
2005			2,452	0	324	3,475	6,251	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			2,452	0	324	3,475	6,251	0
2004	BR111	10th Avenue SE Bridge Arch Rehabilitation	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			239	1,389	0	4,167	5,795	0
Total			239	1,389	0	4,167	5,795	0
2004	BR112	Nicollet Avenue Bridge from Lake St. to 29th St.	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			806	952	0	1,782	3,540	0
Total			806	952	0	1,782	3,540	0
2004	BR113	Parkway/Bike Bridge 94246 Rehab	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			1,543	0	0	4,865	6,408	0
Total			1,543	0	0	4,865	6,408	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	496	1,292	265	1,391	3,444	0
2005	2,730	1,810	324	3,871	8,735	0
2006	770	1,709	336	1,221	4,036	0
2007	1,035	0	92	90	1,217	0
2008	2,788	2,341	0	10,814	15,943	0
Total Bridges	7,819	7,152	1,017	17,387	33,375	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

TRAFFIC CONTROL & STREET LIGHTING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	TR001	New Traffic Signals	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	TR002	Construct new 9th Ave S btwn Washington Ave S & 2nd Ave S Related to Guthrie Parking Ramp Appropriated as \$402 for Paving and \$78 for Traffic Signals	0	0	0	480	480	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	480	480	0
2004	TR003	LED Replacement Program	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			388	0	0	0	388	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			388	0	0	0	388	0
2004	TR004	Computerized Traffic Signal Control Expansion	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	TR005	Controller Conversion	400	0	0	0	400	0
2005			400	0	0	0	400	0
2006			400	0	0	0	400	0
2007			500	0	0	0	500	0
2008			500	0	0	0	500	0
Total			2,200	0	0	0	2,200	0
2004	TR006	Priority Vehicle Control System	25	400	0	0	425	0
2005			25	400	0	0	425	0
2006			25	400	0	0	425	0
2007			25	388	0	0	413	0
2008			25	400	0	0	425	0
Total			125	1,988	0	0	2,113	0
2004	TR007	Traffic Signal, Signing & Lighting Improvements	312	51	0	51	414	0
2005			290	80	0	106	476	0
2006			297	17	0	17	331	0
2007			331	50	0	75	456	0
2008			308	52	0	52	412	0
Total			1,538	250	0	301	2,089	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

TRAFFIC CONTROL & STREET LIGHTING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	TR008	Parkway Street Lighting Replacement	0	0	0	0	0	0
2005			200	0	0	0	200	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			200	0	0	0	200	0
2004	TR009	Minneapolis Stop Sign Plan Completion	100	0	0	0	100	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			100	0	0	0	100	0
2004	TR010	Adaptive Control Expansion	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	TR011	City Street Light Renovation	158	0	0	0	158	0
2005			150	0	0	0	150	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			308	0	0	0	308	0
2004	TR00R	Reimbursable Transportation Projects	0	0	0	500	500	0
2005			0	0	0	500	500	0
2006			0	0	0	500	500	0
2007			0	0	0	500	500	0
2008			0	0	0	500	500	0
Total			0	0	0	2,500	2,500	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	995	451	0	1,031	2,477	0
2005	1,065	480	0	606	2,151	0
2006	1,110	417	0	517	2,044	0
2007	856	438	0	575	1,869	0
2008	833	452	0	552	1,837	0
Total Traffic Control & Street Lighting	4,859	2,238	0	3,281	10,378	0

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

BIKE TRAILS

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL
2004	BIK01	Cedar Lake Trail (Phase 3)	0	0	0	0	0
2005			0	0	0	0	0
2006			300	0	0	2,160	2,460
2007			250	0	0	0	250
2008			0	0	0	0	0
Total			550	0	0	2,160	2,710
2004	BIK03	Loring Bikeway Project, Phase I & II	103	150	0	2,387	2,640
2005			109	0	0	0	109
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
Total			212	150	0	2,387	2,749
2004	BIK04	18th Avenue NE Bikeway	0	0	0	0	0
2005			0	0	0	0	0
2006			0	0	0	0	0
2007			50	0	0	0	50
2008			500	0	0	4,500	5,000
Total			550	0	0	4,500	5,050
2004	BIK06	University of Minnesota Trail (Phase 3)	0	0	0	0	0
2005			268	0	0	720	988
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
Total			268	0	0	720	988
2004	BIK07	NE Diagonal Trail	0	0	0	0	0
2005			550	0	0	2,322	2,872
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
Total			550	0	0	2,322	2,872
2004	BIK08	Hiawatha Trail Connections	0	0	0	0	0
2005			0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
Total			0	0	0	0	0
2004	BIK09	Midtown Greenway (Phases 2 & 3, Safety/Security)	300	0	0	6,986	7,286
2005			0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
Total			300	0	0	6,986	7,286

PUBLIC WORKS FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

BIKE TRAILS

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL
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FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL
2004	403	150	0	9,373	9,926
2005	927	0	0	3,042	3,969
2006	300	0	0	2,160	2,460
2007	300	0	0	0	300
2008	500	0	0	4,500	5,000
Total Bike Trails	2,430	150	0	19,075	21,655

**PUBLIC WORKS
GENERAL INFRASTRUCTURE FUNDING SUMMARY
COUNCIL ADOPTED BUDGET**

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	13,232	6,910	4,683	16,088	40,913	87,294
2005	15,350	7,416	9,359	11,951	44,076	67,681
2006	15,678	10,199	5,780	9,033	40,690	7,150
2007	11,897	2,879	5,250	4,181	24,207	3,000
2008	15,923	6,953	4,770	18,866	46,512	3,000
Total PW General Infrastructure	72,080	34,357	29,842	60,119	196,398	168,125

SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	MSA	OTHER/ REIMB	CITY TOTAL	NON APPROP
2004	SW001	Storm & Sanitary Tunnel and Sewer Rehabilitation	2,500	300	0	0	2,800	0
2005			2,500	300	0	0	2,800	0
2006			2,500	300	0	0	2,800	0
2007			2,500	300	0	0	2,800	0
2008			2,500	300	0	0	2,800	0
Total			12,500	1,500	0	0	14,000	0
2004	SW002	Miscellaneous Storm Drains	0	200	0	0	200	0
2005			0	220	0	0	220	0
2006			0	220	0	0	220	0
2007			0	220	0	0	220	0
2008			0	220	0	0	220	0
Total			0	1,080	0	0	1,080	0
2004	PV003	Street Paving Programs - Storm Sewer related (For 2004, see Capital Resolution allocations to PV301, PV302, PV013, PV014 & PV016)	0	213	172	310	695	0
2005			0	0	0	0	0	0
2006			0	622	0	0	622	0
2007			0	330	0	0	330	0
2008			0	0	0	0	0	0
Total			0	1,165	172	310	1,647	0
2004	SW004	Implementation of US EPA Storm Water Regulations	0	150	0	0	150	0
2005			0	150	0	0	150	0
2006			0	150	0	0	150	0
2007			0	150	0	0	150	0
2008			0	150	0	0	150	0
Total			0	750	0	0	750	0
2004	SW005	Combined Sewer Overflow Improvements	2,000	0	0	0	2,000	0
2005			2,000	0	0	0	2,000	0
2006			2,000	0	0	0	2,000	0
2007			2,000	0	0	0	2,000	0
2008			0	0	0	0	0	0
Total			8,000	0	0	0	8,000	0
2004	SW006	Chain of Lakes Water Quality Improvements W 27th Street & Lake of the Isle Parkway	0	300	0	0	300	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	300	0	0	300	0
2004	SW007	Park Board Capital Storm Drain	600	0	0	0	600	0
2005			600	0	0	0	600	0
2006			700	0	0	0	700	0
2007			300	500	0	0	800	0
2008			70	830	0	0	900	0
Total			2,270	1,330	0	0	3,600	0

SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	MSA	OTHER/ REIMB	CITY TOTAL	NON APPROP
2004	SW008	City Facilities - CSO Separation	0	0	0	0	0	0
2005			0	100	0	0	100	0
2006			0	400	0	0	400	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	500	0	0	500	0
2004	SW009	Flood Area 1 - 42nd & Russell Ave N	2,041	0	0	0	2,041	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			2,041	0	0	0	2,041	0
2004	SW010	Flood Area 19 - W 44th St from Aldrich Ave S to Lake Harriet	0	217	0	0	217	0
2005			0	330	0	0	330	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	547	0	0	547	0
2004	SW012	Currie Ave Lift Station Currie Ave N & Irving Ave N	0	500	0	0	500	3,563
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	500	0	0	500	3,563
2004	SW015	Flood Area 27 - 38th St E to M'haha Creek, 21st Ave S to Hiawatha Ave	2,769	0	0	0	2,769	0
2005			0	540	0	0	540	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			2,769	540	0	0	3,309	0
2004	SW018	Flood Area 29 & 30 - 51st & Zenith Ave S	609	0	0	0	609	0
2005			1,480	0	0	0	1,480	0
2006			1,525	0	0	0	1,525	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			3,614	0	0	0	3,614	0
2004	SW019	Flood Area 8 - 3rd St N from 22nd Ave N to 25th Ave N	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0

SEWER FUND FIVE YEAR CAPITAL PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	MSA	OTHER/ REIMB	CITY TOTAL	NON APPROP
2004	SW020	Flood Area 21 - Hiawatha Golf Course and Bancroft Meadows	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	SW021	Flood Area 39 - Storm Drain along 36th from 48th to River	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	SW022	Flood Area 14 - Clinton Ave & E 39th St Storm Drain	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	SW023	Flood Area 5 - New Storm Drain to Crystal Lake 35th Ave N from Vincent Ave N to Crystal Lake	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	SW024	Flood Area 22- Sibley Field	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	SW00R	Reimbursable Sewer and Storm Drain Projects	0	0	0	3,000	3,000	0
2005			0	0	0	3,000	3,000	0
2006			0	0	0	3,000	3,000	0
2007			0	0	0	3,000	3,000	0
2008			0	0	0	3,000	3,000	0
Total			0	0	0	15,000	15,000	0

FUNDING SUMMARY BY YEAR	SEWER BONDS	SEWER REVENUE	MSA	OTHER/ REIMB	TOTAL	NON APPROP
2004	10,519	1,880	172	3,310	15,881	3,563
2005	6,580	1,640	0	3,000	11,220	0
2006	6,725	1,692	0	3,000	11,417	0
2007	4,800	1,500	0	3,000	9,300	0
2008	2,570	1,500	0	3,000	7,070	0
Total Sewer Fund	31,194	8,212	172	15,310	54,888	3,563

WATER FUND FIVE YEAR CAPITAL PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	WATER BONDS	WATER REVENUE	REIMB	TOTAL
2004	WTR01	Fridley Maintenance Facility	3,000	571	0	3,571
2005			0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
Total			3,000	571	0	3,571
2004	WTR02	New 40 Million Gallon Southwest Reservoir/Pump Station	0	0	0	0
2005			3,000	0	0	3,000
2006			11,000	0	0	11,000
2007			11,000	0	0	11,000
2008			6,000	0	0	6,000
Total			31,000	0	0	31,000
2004	WTR08	Complete SCADA System	2,500	74	0	2,574
2005			1,000	656	0	1,656
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
Total			3,500	730	0	4,230
2004	WTR09	Ultrafiltration Program	25,000	0	0	25,000
2005			27,540	0	0	27,540
2006			41,000	0	0	41,000
2007			19,920	0	0	19,920
2008			0	0	0	0
Total			113,460	0	0	113,460
2004	WTR12	Water Distribution Improvements	2,500	1,695	0	4,195
2005			2,500	1,985	0	4,485
2006			0	4,500	0	4,500
2007			0	4,400	0	4,400
2008			0	4,400	0	4,400
Total			5,000	16,980	0	21,980
2004	WTR14	The MWW Facilities Security Improvement	0	0	0	0
2005			0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
Total			0	0	0	0
2004	WTR15	Pump Station No. 4 Rehabilitation	0	0	0	0
2005			0	0	0	0
2006			6,000	0	0	6,000
2007			5,000	0	0	5,000
2008			3,400	600	0	4,000
Total			14,400	600	0	15,000

WATER FUND FIVE YEAR CAPITAL PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	WATER BONDS	WATER REVENUE	REIMB	TOTAL
2004	WTR16	St. Paul/Minneapolis Inter-connection	0	0	0	0
2005			0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
Total			0	0	0	0
2004	WTR17	Treatment Modifications Based on New Regulations	0	0	0	0
2005			0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
Total			0	0	0	0
2004	WTR0R	Reimbursable Water Projects	0	0	2,000	2,000
2005			0	0	2,000	2,000
2006			0	0	2,000	2,000
2007			0	0	2,000	2,000
2008			0	0	2,000	2,000
Total			0	0	10,000	10,000

FUNDING SUMMARY BY YEAR	WATER BONDS	WATER REVENUE	REIMB	TOTAL
2004	33,000	2,340	2,000	37,340
2005	34,040	2,641	2,000	38,681
2006	58,000	4,500	2,000	64,500
2007	35,920	4,400	2,000	42,320
2008	9,400	5,000	2,000	16,400
Total Water Fund	170,360	18,881	10,000	199,241

COUNCIL ADOPTED

Water and Sewer Utility Rate Structure

Sewer Utility Rates are the same as recommended by CLIC but expenses were cut to generate the desired goal of three months of Operating cash reserves by 2008
 ter Utility Rate increases were reduced for 2004 & 2005 and operating expenses were cut to generate the desired goal of three months of Operating cash reserves by 2

These rates reflect 4% increases in Operating costs after 2004 versus 3% growth used in prior years

These rates incorporate all CLIC Recommended Water Capital Plans & all but \$4,900,000 of CLIC Recommended Sewer Capital Plans

These rates reflect current and projected debt service associated with the recommended Capital Plans

Sewer Rates fund Park Board related sewer maintenance and construction work to be performed by the Public Works Department

Sewer Rates fully fund the Street Sweeping Program

Water Rates

Effective Date	Increase	Total Rate	% Change
01/01/99	0.10	1.53	7.0%
01/01/00	0.12	1.65	7.8%
01/01/01	0.16	1.81	9.7%
01/01/02	0.18	1.99	9.9%
01/01/03	0.22	2.21	11.1%
01/01/04	0.17	2.38	7.7%
01/01/05	0.18	2.56	7.6%
01/01/06	0.17	2.73	6.6%
01/01/07	0.08	2.81	2.9%
01/01/08	0.08	2.89	2.8%

Sewer Rates

Effective Date	Increase	Total Rate	% Change
01/01/99	0.16	2.67	6.4%
01/01/00	0.20	2.87	7.5%
01/01/01	0.17	3.04	5.9%
01/01/02	0.12	3.16	3.9%
01/01/03	0.13	3.29	4.1%
01/01/04	0.14	3.43	4.3%
01/01/05	0.15	3.58	4.4%
01/01/06	0.14	3.72	3.9%
01/01/07	0.14	3.86	3.8%
01/01/08	0.14	4.00	3.6%

Combined Rate Impact

Utility Rates expressed in \$/100 Cubic Feet	Effective Date	Increase	Total Rate	% Change
	01/01/99	0.26	4.20	6.6%
	01/01/00	0.32	4.52	7.6%
	01/01/01	0.33	4.85	7.3%
	01/01/02	0.30	5.15	6.2%
	01/01/03	0.35	5.50	6.8%
	01/01/04	0.31	5.81	5.6%
	01/01/05	0.33	6.14	5.7%
	01/01/06	0.31	6.45	5.0%
	01/01/07	0.22	6.67	3.4%
	01/01/08	0.22	6.89	3.3%

PARKING FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	PARKING BONDS	PARKING REVENUE	CITY TOTAL	NON APPROP
2004	RMP01	Northside Parking Ramp	0	0	0	0
2005			0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
Total			0	0	0	0
2004	RMP02	Residential Parking Program	0	150	150	0
2005			0	150	150	0
2006			0	150	150	0
2007			0	150	150	0
2008			0	150	150	0
Total			0	750	750	0
2004	RMP03	Bicycle Parking	0	30	30	0
2005			0	30	30	0
2006			0	35	35	0
2007			0	35	35	0
2008			0	40	40	0
Total			0	170	170	0

FUNDING SUMMARY BY YEAR	PARKING BONDS	PARKING REVENUE	CITY TOTAL	NON APPROP
2004	0	180	180	0
2005	0	180	180	0
2006	0	185	185	0
2007	0	185	185	0
2008	0	190	190	0
Total Parking Fund	0	920	920	0

PUBLIC WORKS

FIVE YEAR CAPITAL FUNDING SUMMARY

COUNCIL ADOPTED BUDGET

GENERAL INFRASTRUCTURE IMPROVEMENTS FUNDING SUMMARY BY YEAR			NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004			13,232	6,910	4,683	16,088	40,913	87,294
2005			15,350	7,416	9,359	11,951	44,076	67,681
2006			15,678	10,199	5,780	9,033	40,690	7,150
2007			11,897	2,879	5,250	4,181	24,207	3,000
2008			15,923	6,953	4,770	18,866	46,512	3,000
Total Public Works General Infrastructure Improvements			72,080	34,357	29,842	60,119	196,398	168,125

ENTERPRISE FUND CAPITAL* FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2004	43,519	4,400		172		5,310	53,401	3,563
2005	40,620	4,461		0		5,000	50,081	0
2006	64,725	6,377		0		5,000	76,102	0
2007	40,720	6,085		0		5,000	51,805	0
2008	11,970	6,690		0		5,000	23,660	0
Total Public Works Enterprise Fund Capital	201,554	28,013	0	172	0	25,310	255,049	3,563

* - Enterprise funds include Sewer, Water and Parking.

CONSOLIDATED PUBLIC WORKS FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2004	43,519	4,400	13,232	7,082	4,683	21,398	94,314	90,857
2005	40,620	4,461	15,350	7,416	9,359	16,951	94,157	67,681
2006	64,725	6,377	15,678	10,199	5,780	14,033	116,792	7,150
2007	40,720	6,085	11,897	2,879	5,250	9,181	76,012	3,000
2008	11,970	6,690	15,923	6,953	4,770	23,866	70,172	3,000
Total Public Works Projects	201,554	28,013	72,080	34,529	29,842	85,429	451,447	171,688

Funding Breakdown by Major Revenue Sources (City Funded Portion Only)	44.65%	6.21%	15.97%	7.65%	6.61%	18.92%	100.00%
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MISCELLANEOUS PROJECTS IN THE FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	MPD01	MPD Forensic Laboratory	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			150	0	0	0	150	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			150	0	0	0	150	0
2004	MPD02	MPD Evidence Unit	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			3,580	0	0	0	3,580	0
2008			0	0	0	0	0	0
Total			3,580	0	0	0	3,580	0
2004	FIR01	Fire Training Campus	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PSI05	Fire Station 14 Funded by Public Safety Initiative in 2003 for \$2,145. Requested \$2,125 for 2004 was approved in 2003 - see note below.	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	PSD03	Space Management Functional Improvements	415	0	0	0	415	0
2005			428	0	0	0	428	0
2006			440	0	0	0	440	0
2007			453	0	0	0	453	0
2008			467	0	0	0	467	0
Total			2,203	0	0	0	2,203	0
2004	ITS01	Information Technology Capital Program	2,950	0	0	0	2,950	0
2005			2,750	0	0	0	2,750	0
2006			2,720	0	0	0	2,720	0
2007			3,000	0	0	0	3,000	0
2008			2,950	0	0	0	2,950	0
Total			14,370	0	0	0	14,370	0
2004	DEV01	Farmer's Market Redevelopment	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0

MISCELLANEOUS PROJECTS IN THE FIVE YEAR CAPITAL PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	DEV02	Upper Harbor Redevelopment	0	0	0	0	0	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	0	0	0
2004	DEV03	S Lyndale Redevelopment	0	0	0	100	100	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	100	100	0
2004	DEV04	Midtown Greenway Planning	0	0	0	100	100	0
2005			0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
Total			0	0	0	100	100	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004	3,365	0	0	200	3,565	0
2005	3,178	0	0	0	3,178	0
2006	3,310	0	0	0	3,310	0
2007	7,033	0	0	0	7,033	0
2008	3,417	0	0	0	3,417	0
Total Miscellaneous Projects	20,303	0	0	200	20,503	0

PSI Note: The Public Safety Initiative (PSI) program was a special capital program started in 1999. The program totaled \$32,610 and was created for purchasing and installing the 800 Mhz Radio System and for other public safety purposes such as rehabilitation of Police and Fire Stations. In 2003, the final project appropriations were authorized from this program, including \$2,145 or approximately one-half of the funding for the New Fire Station #14. The final project funded in 2003 was \$4,260 for Security Enhancements. Because the Security program was not clearly defined, CLIC recommended that Fire Station #14 be fully funded by reducing the Security Enhancement program. The Mayor concurred with CLIC on Fire Station #14 and also wanted to expedite implementing a new Case Management System. In October, the City Council approved an action adding the \$2,125 to Fire Station #14 and \$1,065 to the Case Management System with a corresponding reduction to the Security Enhancement program, leaving a balance of \$1,070 for Security Enhancements.

CITY OF MINNEAPOLIS

FIVE YEAR CAPITAL FUNDING SUMMARY

COUNCIL ADOPTED BUDGET

GENERAL INFRASTRUCTURE IMPROVEMENTS FUNDING SUMMARY BY YEAR		NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2004		20,767	6,910	5,183	19,538	52,398	88,414
2005		22,068	7,416	9,859	15,991	55,334	68,641
2006		24,360	10,199	6,280	11,853	52,692	8,402
2007		24,575	2,879	5,750	5,981	39,185	3,920
2008		24,790	6,953	5,270	18,866	55,879	3,950
Total General Infrastructure Improvements		116,560	34,357	32,342	72,229	255,488	173,327

ENTERPRISE FUND CAPITAL* FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2004	43,519	4,400		172		5,310	53,401	3,563
2005	40,620	4,461		0		5,000	50,081	0
2006	64,725	6,377		0		5,000	76,102	0
2007	40,720	6,085		0		5,000	51,805	0
2008	11,970	6,690		0		5,000	23,660	0
Total Enterprise Fund Capital	201,554	28,013	0	172	0	25,310	255,049	3,563

* - Enterprise funds include Sewer, Water and Parking.

CONSOLIDATED CITY-WIDE CAPITAL FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2004	43,519	4,400	20,767	7,082	5,183	24,848	105,799	91,977
2005	40,620	4,461	22,068	7,416	9,859	20,991	105,415	68,641
2006	64,725	6,377	24,360	10,199	6,280	16,853	128,794	8,402
2007	40,720	6,085	24,575	2,879	5,750	10,981	90,990	3,920
2008	11,970	6,690	24,790	6,953	5,270	23,866	79,539	3,950
Total City-Wide Capital - All Sources	201,554	28,013	116,560	34,529	32,342	97,539	510,537	176,890

Funding Breakdown by Major Revenue Sources (City Funded Portion Only)	39.48%	5.49%	22.83%	6.76%	6.33%	19.11%	100.00%
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**CITY OF MINNEAPOLIS
FIVE YEAR CAPITAL INVESTMENT ALLOCATION
COUNCIL ADOPTED BUDGET**

COMMISSION/BOARD/DEPARTMENT	2004-2008 TOTAL*	PERCENT OF TOTAL
	(in thousands)	
ART IN PUBLIC PLACES	985	0.1%
MUNICIPAL BUILDING COMMISSION	10,364	1.5%
LIBRARY BOARD	16,320	2.4%
PARK BOARD	16,120	2.3%
PUBLIC WORKS DEPARTMENT		
- FACILITY IMPROVEMENTS	20,339	3.0%
- STREET PAVING	227,325	33.1%
- STREETSCAPES	5,683	0.8%
- SIDEWALK PROGRAM	10,107	1.5%
- HERITAGE PARK INFRASTRUCTURE	35,661	5.2%
- BRIDGES	33,375	4.9%
- TRAFFIC CONTROL & STREET LIGHTING	10,378	1.5%
- BIKE TRAILS	21,655	3.2%
- SEWER	58,451	8.5%
- WATER	199,241	29.0%
- PARKING	920	0.1%
PUBLIC WORKS DEPARTMENT TOTAL	623,135	90.6%
MISCELLANEOUS PROJECTS	20,503	3.0%
TOTAL COUNCIL ADOPTED CAPITAL PROGRAM	687,427	100.0%

* - Represents the total Five Year Council Adopted Capital Recommendation from City funding sources and funding sources leveraged from outside the City of Minneapolis.

2004 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	Planning Department	190	50	190	190
MBC01	Life Safety Improvements	MBC	1,050	1,050	1,050	500
MBC02	Mechanical Systems Upgrade	MBC	1,140	1,140	1,140	570
MPL02	Franklin Library Remodeling/Historic Preservation	Library Board	1,500	800	800	800
MPL05	East Lake Library Capital Improvements	Library Board	2,000	2,000	2,000	2,000
MPL10	North Regional Remodeling & Restoration	Library Board	0	0	0	175
MPL11	Walker Library Parking Deck Replacement	Library Board	800	0	0	0
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	220	220	220	220
PRK02	Site and Totlot Rehabilitation	Park Board	1,875	1,875	1,875	1,875
PRK07	Tennis Court Rehabilitation	Park Board	150	150	150	150
PRK09	HVAC Improvements	Park Board	180	230	230	230
PRK11	Roof Replacement	Park Board	80	110	110	110
PRK12	Community Skate Parks	Park Board	200	0	200	200
PRK13	Contingency & Inflation	Park Board	50	0	0	0
PRK19	Wirth Park Winter Recreation Infrastructure		0	0	200	200
PRK20	Boulevard Tree Restoration		0	0	200	200
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,500	1,500	1,500	1,500
PSD02	Public Works Facilities Program	PW - Property Services	3,290	3,000	1,760	1,760
PSD05	Impound Lot Facility Expansion	PW - Property Services	109	50	50	50
PV001	Parkway Paving	PW - Paving	650	700	700	700
PV002	Miscellaneous Street Segments	PW - Paving	954	0	0	0
PV003	Street Renovation Program	PW - Paving	6,144	4,776	4,776	0
PV006	Alley Renovation	PW - Paving	250	250	250	250
PV008	I-35W & Lake St Interchange Reconstruction	PW - Paving	76,673	76,673	553	553
PV00R	Reimbursable Paving Projects	PW - Paving	3,000	3,000	3,000	3,000
PV013	15th Avenue SE MSA Street Reconstruction	PW - Paving	2,682	2,682	2,682	2,695
PV014	LaSalle Avenue South	PW - Paving	2,953	2,953	2,953	2,968
PV016	Richfield Road	PW - Paving	2,913	2,913	2,913	2,926
PV301	University West Renovation	PW-Paving	0	0	0	2,366
PV302	Como North Renovation P1	PW-Paving	0	0	0	2,491
STS01	Lake Street Reconstruct/Streetscape (Segment 1)	PW - Paving	799	799	799	799
STS03	Lake St Reconstruct/Streetscape (Segment 3)	PW - Paving	32	32	32	32
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	1,825	1,825	1,825	1,825
CDA01	Heritage Park Redevelopment Project	MCDA	13,020	13,020	13,020	1,846
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR102	East River Parkway Bridge	PW - Bridges	1,281	0	0	0
BR103	Chicago Ave South Bridge and Paving	PW - Bridges	3,244	3,244	3,244	3,244
TR002	Dinkytown Bypass - Phase 1	PW - Transportation	712	712	712	480
TR004	Computerized Traffic Signal Control Expansion	PW - Transportation	121	0	0	0

2004 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR005	Controller Converison	PW - Transportation	400	400	400	400
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	414	414	414	414
TR009	Minneapolis Stop Sign Plan Completion	PW - Transportation	0	100	100	100
TR00R	Reimbursable Transportation Projects	PW - Transportation	500	500	500	500
TR011	City Street Light Renovation	PW - Transportation	0	158	158	158
BIK03	Loring Bikeway Project, Phase I & II	PW - Transportation	2,640	2,640	2,640	2,640
BIK09	Midtown Greenway (Phases 2&3+Safety/Security)	PW - Transportation	7,286	7,286	7,286	7,286
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	3,100	3,100	2,800	2,800
SW002	Miscellaneous Storm Drains	PW - Sewer	200	200	200	200
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	250	250	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	2,000	2,000
SW006	Chain of Lakes Water Quality	PW - Sewer	300	300	300	300
SW007	Park Board Capital Storm Drain	PW - Sewer	600	600	600	600
SW009	Flood Area 1 - 42nd & Russell Ave N	PW - Sewer	2,041	2,041	2,041	2,041
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW010	Flood Area 19 - W 44th St	PW - Sewer	217	217	217	217
SW012	Currie Avenue Lift Station	PW - Sewer	4,063	4,063	4,063	500
SW015	Flood Area 27 - 38th St E to M'haha Creek	PW - Sewer	2,769	2,769	2,769	2,769
SW018	Flood Area 29&30-51st St & Zenith Ave S	PW - Sewer	609	609	609	609
WTR01	Fridley Maintenance Facility	PW - Water	3,571	3,571	3,571	3,571
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	1,000	0	0	0
WTR08	Complete SCADA System	PW - Water	2,574	2,574	2,574	2,574
WTR09	Ultrafiltration Program	PW - Water	25,000	25,000	25,000	25,000
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,195	4,195	4,195	4,195
WTR14	The MWW Facilities Security Improvement	PW - Water	2,000	0	0	0
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	1,000	0	0	0
RMP02	Residential Parking Program	PW - Transportation	150	150	150	150
RMP03	Bicycle Parking	PW - Transportation	30	30	30	30
DEV01	Farmer's Market Revelopment		0	0	150	0
DEV02	Upper Harbor Terminal Redevelopment		0	0	150	0
DEV03	S Lyndale Redevelopment		0	0	200	100
DEV04	Midtown Greenway Planning		0	0	0	100
FIR01	Fire Training Campus	Fire Department	1,626	0	0	0
ITS01	Information Technology Capital Program	BIS Department	5,360	2,950	2,950	2,950
PSD03	Space Management-Functional Improvements	PW - Property Services	415	415	415	415
PSI05	New Fire Station 14	Fire Department	720	0	0	0
ESD01	Fleet Equipment Purchases	PW- Equipment	0	0	0	5,450
TOTAL			212,742	198,411	121,891	111,249

2005 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	Planning Department	195	50	195	195
MBC01	Life Safety Improvements	MBC	780	780	780	390
MBC02	Mechanical Systems Upgrade	MBC	1,140	1,140	1,140	570
MPL02	Franklin Library Remodeling/Historic Preservation	Library Board	1,840	1,840	1,840	1,840
MPL05	East Lake Library Capital Improvements	Library Board	1,960	960	960	960
MPL09	Nokomis Library Capital Improvements	Library Board	1,000	0	0	0
MPL10	North Regional Remodeling & Restoration	Library Board	1,300	1,300	1,300	1,125
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	1,075	1,075	1,075	1,075
PRK02	Site and Totlot Rehabilitation	Park Board	700	700	700	700
PRK05	Tier 2 Athletic Fields	Park Board	325	325	325	325
PRK06	Service Center Rehabilitation	Park Board	175	0	0	0
PRK08	Gym Floor Replacement	Park Board	200	200	200	200
PRK12	Community Skate Parks	Park Board	200	0	200	200
PRK13	Contingency & Inflation	Park Board	55	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,500	1,500	1,500	1,500
PSD02	Public Works Facilities Program	PW - Property Services	3,784	3,000	2,150	2,150
PSD05	Impound Lot Facility Expansion	PW - Property Services	927	0	0	0
PV001	Parkway Paving	PW - Paving	795	795	795	795
PV002	Miscellaneous Street Segments	PW - Paving	824	0	0	0
PV003	Street Renovation Program	PW - Paving	4,227	3,600	3,600	3,600
PV004	CSAH Paving Program	PW - Paving	4,000	4,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	250	250	250	250
PV007	Southeast Minneapolis Industrial	PW - Paving	3,543	3,543	3,543	3,543
PV008	I-35W & Lake St Interchange Reconstruction	PW - Paving	47,960	47,960	0	0
PV00R	Reimbursable Paving Projects	PW - Paving	3,000	3,000	3,000	3,000
PV017	Como Avenue Southeast	PW - Paving	3,056	3,056	3,056	3,056
PV019	Sixth Avenue North	PW - Paving	1,568	0	0	0
PV025	Fremont Avenue N	PW - Paving	1,789	1,789	1,789	1,789
STS01	Lake Street Reconstruct/Streetscape (Segment 1)	PW - Paving	1,133	1,133	1,133	1,133
STS02	Lake Street Reconstruct/Streetscape (Segment 2)	PW - Paving	1,515	1,515	1,515	1,515
STS03	Lake St Reconstruct/Streetscape (Segment 3)	PW - Paving	2,204	2,204	2,204	2,204
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	1,916	1,916	1,916	1,916
CDA01	Heritage Park Redevelopment Project	MCDA	18,491	18,491	18,491	1,770
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR109	Camden Avenue Bridge Rehabilitation	PW - Bridges	2,284	2,284	2,284	2,284
BR110	St Anthony Parkway Bridge & California St NE	PW - Bridges	6,251	6,251	6,251	6,251
TR001	New Traffic Signals	PW -Transportation	130	0	0	0
TR004	Computerized Traffic Signal Control Expansion	PW - Transportation	73	0	0	0
TR005	Controller Converison	PW - Transportation	400	400	400	400

2005 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	476	476	476	476
TR008	Parkway Street Lighting Replacement	PW - Transportation	0	200	200	200
TR00R	Reimbursable Transportation Projects	PW - Transportation	500	500	500	500
TR011	City Street Light Renovation	PW - Transportation	0	150	150	150
BIK01	Cedar Lake Trail (Phase 3)	PW - Transportation	2,160	0	0	0
BIK03	Loring Bikeway Project, Phase I & II	PW - Transportation	109	109	109	109
BIK06	University of Minnesota Trail (Phase 3)	PW - Transportation	988	0	988	988
BIK07	NE Diagonal Trail	PW - Transportation	0	0	2,872	2,872
BIK08	Hiawatha Trail Connections	PW - Transportation	1,061	0	0	0
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	3,300	3,300	2,800	2,800
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	250	250	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	2,000	2,000
SW007	Park Board Capital Storm Drain	PW - Sewer	600	600	600	600
SW008	City Facilities - CSO Separation	PW - Sewer	100	100	100	100
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW010	Flood Area 19 - W 44th St	PW - Sewer	330	330	330	330
SW015	Flood Area 27 - 38th St E to M'haha Creek	PW - Sewer	540	540	540	540
SW018	Flood Area 29&30-51st St & Zenith Ave S	PW - Sewer	1,480	1,480	1,480	1,480
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	2,000	3,000	3,000	3,000
WTR08	Complete SCADA System	PW - Water	1,656	1,656	1,656	1,656
WTR09	Ultrafiltration Program	PW - Water	27,540	27,540	27,540	27,540
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,485	4,485	4,485	4,485
WTR14	The MWW Facilities Security Improvement	PW - Water	3,000	0	0	0
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	2,000	0	0	0
RMP02	Residential Parking Program	PW - Transportation	150	150	150	150
RMP03	Bicycle Parking	PW - Transportation	30	30	30	30
FIR01	Fire Training Campus	Fire Department	4,390	0	0	0
ITS01	Information Technology Capital Program	BIS Department	4,997	2,750	2,750	2,750
MAY01	Reserved for the Mayor's Priorities		0	313	0	0
PSD03	Space Management-Functional Improvements	PW - Property Services	428	428	428	428
PSI05	New Fire Station 14	Fire Department	1,405	0	0	0
TOTAL			194,885	171,789	123,271	105,415

2006 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	Planning Department	200	50	200	200
MBC01	Life Safety Improvements	MBC	700	700	700	350
MBC02	Mechanical Systems Upgrade	MBC	1,140	1,140	1,140	570
MBC05	Moat/Inner Court Water Proofing	MBC	674	674	674	342
MPL00	Net Debt Funding 2006-2008	Library Board	0	0	0	1,600
MPL06	Webber Park Library Capital Improvements	Library Board	820	820	820	820
MPL09	Nokomis Library Capital Improvements	Library Board	2,000	2,000	2,000	2,000
MPL10	North Regional Remodeling & Restoration	Library Board	1,600	1,600	0	0
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	1,285	1,285	1,285	1,285
PRK04	Athletic Field Renovation	Park Board	200	200	200	200
PRK05	Tier 2 Athletic Fields	Park Board	300	300	300	300
PRK06	Service Center Rehabilitation	Park Board	300	0	0	0
PRK07	Tennis Court Rehabilitation	Park Board	150	150	150	150
PRK08	Gym Floor Replacement	Park Board	100	100	100	100
PRK09	HVAC Improvements	Park Board	100	100	100	100
PRK10	Building Security & Fire Systems	Park Board	75	75	75	75
PRK11	Roof Replacement	Park Board	100	100	100	100
PRK12	Community Skate Parks	Park Board	200	0	0	0
PRK13	Contingency & Inflation	Park Board	60	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,500	1,500	1,500	1,500
PSD02	Public Works Facilities Program	PW - Property Services	5,766	3,000	5,079	3,479
PV001	Parkway Paving	PW - Paving	738	738	738	738
PV003	Street Renovation Program	PW - Paving	4,824	6,660	6,660	6,660
PV004	CSAH Paving Program	PW - Paving	4,000	4,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	250	250	250	250
PV007	Southeast Minneapolis Industrial	PW - Paving	2,863	2,863	2,863	2,863
PV008	I-35W & Lake St Interchange Reconstruction	PW - Paving	2,100	2,100	2,100	2,100
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,000	3,000	3,000	3,000
PV015	27th Avenue South	PW - Paving	6,021	6,021	6,021	6,021
PV022	Lyndale Ave N (Plymouth - Broadway)	PW - Paving	0	2,664	2,664	2,664
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,012	2,012	2,012	2,012
CDA01	Heritage Park Redevelopment Project	MCDA	4,150	4,150	4,150	0
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR106	First Ave S Bridge over HCRRA	PW - Bridges	3,836	3,836	3,836	3,836
TR001	New Traffic Signals	PW -Transportation	125	0	0	0
TR003	LED Replacement Program	PW -Transportation	388	388	388	388
TR004	Computerized Traffic Signal Control Expansion	PW - Transportation	166	0	0	0
TR005	Controller Converison	PW - Transportation	400	400	400	400

2006 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	331	331	331	331
TR009	Minneapolis Stop Sign Plan Completion	PW - Transportation	50	0	0	0
TR00R	Reimbursable Transportation Projects	PW - Transportation	500	500	500	500
TR013	Minneapolis Stop Sign Plan Completion	PW - Transportation	0	0	0	0
BIK01	Cedar Lake Trail (Phase 3)	PW - Transportation	300	2,460	2,460	2,460
BIK07	NE Diagonal Trail	PW - Transportation	2,872	2,872	0	0
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	4,000	4,000	2,800	2,800
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	250	250	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	2,000	2,000
SW007	Park Board Capital Storm Drain	PW - Sewer	700	700	700	700
SW008	City Facilities - CSO Separation	PW - Sewer	400	400	400	400
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW018	Flood Area 29&30-51st St & Zenith Ave S	PW - Sewer	1,525	1,525	1,525	1,525
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	11,000	11,000	11,000	11,000
WTR09	Ultrafiltration Program	PW - Water	41,000	41,000	41,000	41,000
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,500	4,500	4,500	4,500
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	6,000	6,000	6,000	6,000
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	11,000	0	0	0
RMP02	Residential Parking Program	PW - Transportation	150	150	150	150
RMP03	Bicycle Parking	PW - Transportation	35	35	35	35
ITS01	Information Technology Capital Program	BIS Department	4,947	2,720	2,720	2,720
MAY01	Reserved for the Mayor's Priorities		0	79	0	0
MPD01	MPD Forensic Laboratory	Police Department	828	150	150	150
PSD03	Space Management-Functional Improvements	PW - Property Services	440	440	440	440
TOTAL			151,801	140,818	134,196	128,794

2007 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	Planning Department	200	200	200	200
MBC01	Life Safety Improvements	MBC	700	700	700	350
MBC02	Mechanical Systems Upgrade	MBC	1,140	1,140	1,140	570
MBC04	Tower and Interior Court Elevations	MBC	854	0	0	0
MPL00	Net Debt Funding 2006-2008	Library Board	0	0	0	1,600
MPL06	Webber Park Library Capital Improvements	Library Board	940	940	0	0
MPL09	Nokomis Library Capital Improvements	Library Board	1,400	1,400	1,400	1,400
MPL10	North Regional Remodeling & Restoration	Library Board	1,060	1,060	400	400
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	850	850	850	850
PRK02	Site and Totlot Rehabilitation	Park Board	475	475	475	475
PRK03	Rehabilitation of Shelter Buildings	Park Board	600	600	600	600
PRK05	Tier 2 Athletic Fields	Park Board	450	450	450	450
PRK07	Tennis Court Rehabilitation	Park Board	175	175	175	175
PRK08	Gym Floor Replacement	Park Board	100	100	100	100
PRK09	HVAC Improvements	Park Board	125	125	125	125
PRK10	Building Security & Fire Systems	Park Board	20	0	0	0
PRK11	Roof Replacement	Park Board	150	150	150	150
PRK12	Community Skate Parks	Park Board	200	0	0	0
PRK13	Contingency & Inflation	Park Board	65	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	2,000	2,000	2,000	2,000
PSD02	Public Works Facilities Program	PW - Property Services	5,915	3,000	4,600	3,000
PV001	Parkway Paving	PW - Paving	850	850	850	850
PV003	Street Renovation Program	PW - Paving	9,533	4,403	4,403	4,403
PV004	CSAH Paving Program	PW - Paving	4,000	4,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	250	250	250	250
PV007	Southeast Minneapolis Industrial	PW - Paving	4,039	4,039	4,039	4,039
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,000	3,000	3,000	3,000
PV022	Lyndale Ave N (Plymouth - Broadway)	PW - Paving	2,664	0	0	0
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,124	2,124	2,124	2,124
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR105	Fremont Ave South Bridge	PW - Bridges	1,017	1,017	1,017	1,017
TR001	New Traffic Signals	PW - Transportation	311	0	0	0
TR003	LED Replacement Program	PW - Transportation	675	0	0	0
TR004	Computerized Traffic Signal Control Expansion	PW - Transportation	40	0	0	0
TR005	Controller Conversion	PW - Transportation	500	500	500	500
TR006	Priority Vehicle Control System	PW - Transportation	413	413	413	413
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	456	456	456	456
TR009	Minneapolis Stop Sign Plan Completion	PW - Transportation	50	0	0	0

2007 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR00R	Reimbursable Transportation Projects	PW - Transportation	500	500	500	500
TR013	Minneapolis Stop Sign Plan Completion	PW - Transportation	0	0	0	0
BIK01	Cedar Lake Trail (Phase 3)	PW - Transportation	250	250	250	250
BIK04	18th Avenue NE Bikeway	PW - Transportation	50	50	50	50
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	4,000	4,000	2,800	2,800
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	250	250	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	2,000	2,000
SW007	Park Board Capital Storm Drain	PW - Sewer	800	800	800	800
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW019	Flood Area 8 - 3rd St N from 22nd Ave N to 25th	PW - Sewer	805	0	0	0
SW020	Flood Area 21 - Hiawatha Golf Course Bancroft	PW - Sewer	3,899	0	0	0
SW021	Flood Area 39 - Storm Drain along 36th from 48th	PW - Sewer	924	0	0	0
SW022	Flood Area 14 - Clinton Ave & E 38th St Storm Dr	PW - Sewer	1,087	0	0	0
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	11,000	11,000	11,000	11,000
WTR09	Ultrafiltration Program	PW - Water	19,920	19,920	19,920	19,920
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,400	4,400	4,400	4,400
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	5,000	5,000	5,000	5,000
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	11,000	0	0	0
RMP01	Northside Parking Ramp	PW - Transportation	15,000	0	0	0
RMP02	Residential Parking Program	PW - Transportation	150	150	150	150
RMP03	Bicycle Parking	PW - Transportation	40	40	40	40
ITS01	Information Technology Capital Program	BIS Department	5,447	3,000	3,000	3,000
MPD01	MPD Forensic Laboratory	Police Department	6,158	0	0	0
MPD02	MPD Evidence Unit	Police Department	3,580	3,580	3,580	3,580
PSD03	Space Management-Functional Improvements	PW - Property Services	453	453	453	453
TOTAL			150,459	96,215	91,915	90,995

2008 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	Planning Department	200	200	200	200
MBC01	Life Safety Improvements	MBC	700	700	700	350
MBC02	Mechanical Systems Upgrade	MBC	1,200	1,200	1,200	600
MBC05	Moat/Inner Court Water Proofing	MBC	0	0	0	0
MBC06	Clock Tower Upgrade	MBC	380	0	0	0
MPL00	Net Debt Funding 2006-2008	Library Board	0	0	0	1,600
MPL12	Washburn Library Capital Improvements	Library Board	600	0	0	0
MPL13	Hosmer Library Capital Improvements	Library Board	600	0	0	0
MPL14	Walker Library Capital Improvements	Library Board	600	0	0	0
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	1,425	1,425	1,425	1,425
PRK03	Rehabilitation of Shelter Buildings	Park Board	575	575	575	575
PRK05	Tier 2 Athletic Fields	Park Board	325	325	325	325
PRK08	Gym Floor Replacement	Park Board	100	100	100	100
PRK09	HVAC Improvements	Park Board	125	125	125	125
PRK11	Roof Replacement	Park Board	150	150	150	150
PRK12	Community Skate Parks	Park Board	200	0	0	0
PRK13	Contingency & Inflation	Park Board	70	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	2,000	2,000	2,000	2,000
PSD02	Public Works Facilities Program	PW - Property Services	3,700	3,000	3,000	1,400
PV001	Parkway Paving	PW - Paving	750	750	750	750
PV003	Street Renovation Program	PW - Paving	8,487	6,011	6,011	6,011
PV004	CSAH Paving Program	PW - Paving	4,000	4,000	1,000	1,000
PV005	Snelling Avenue Extension	PW - Paving	1,638	0	0	0
PV006	Alley Renovation	PW - Paving	250	250	250	250
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,000	3,000	3,000	3,000
PV020	Loring Greenway	PW - Paving	1,500	1,500	1,500	1,500
PV021	33rd Avenue SE and Talmage Avenue	PW - Paving	2,788	0	0	0
PV023	28th Ave South	PW - Paving	5,106	5,106	5,106	5,106
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,230	2,230	2,230	2,230
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR108	Stevens Avenue Bridge	PW - Bridges	1,707	0	0	0
BR111	10th Avenue SE Bridge Arch Rehabilitation	PW - Bridges	5,795	5,795	5,795	5,795
BR112	Nicollet Avenue Bridge from Lake St to 29th St	PW - Bridges	3,540	3,540	3,540	3,540
BR113	Parkway/Bike Bridge 94246 Rehab	PW - Bridges	6,408	6,408	6,408	6,408
TR001	New Traffic Signals	PW -Transportation	311	0	0	0
TR003	LED Replacement Program	PW -Transportation	300	0	0	0
TR005	Controller Converison	PW - Transportation	500	500	500	500
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425

2008 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	412	412	412	412
TR008	Parkway Street Lighting Replacement	PW - Transportation	200	0	0	0
TR00R	Reimbursable Transportation Projects	PW - Transportation	500	500	500	500
TR010	Adaptive Control Expansion	Public Works	2,100	0	0	0
TR011	City Street Light Renovation	PW - Transportation	300	0	0	0
BIK04	18th Avenue NE Bikeway	PW - Transportation	5,000	5,000	5,000	5,000
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	4,000	4,000	2,800	2,800
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	250	250	150	150
SW007	Park Board Capital Storm Drain	PW - Sewer	900	900	900	900
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW023	Flood Area 5 - New Storm Drain to Crystal Lake	PW - Sewer	5,495	0	0	0
SW024	Flood Area 22 - Sibley Field	PW - Sewer	680	0	0	0
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	6,000	6,000	6,000	6,000
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,400	4,400	4,400	4,400
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	4,000	4,000	4,000	4,000
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	6,000	0	0	0
RMP02	Residential Parking Program	PW - Transportation	150	150	150	150
RMP03	Bicycle Parking	PW - Transportation	35	35	35	35
ITS01	Information Technology Capital Program	BIS Department	5,365	2,950	2,950	2,950
MPD01	MPD Forensic Laboratory	Police Department	3,234	0	0	0
PSD03	Space Management-Functional Improvements	PW - Property Services	467	467	467	467
TOTAL			117,578	84,784	80,484	79,534

City Assessor

Mission Statement

The Department of Assessor serves the citizens of the City of Minneapolis by cost-efficiently administering the classification and valuation of real estate property in an accurate and equitable manner as prescribed by law, while performing related duties as directed by governing authorities – contributing to proper property taxation supporting government planning and funding.

Primary Businesses:

Perform the assessment function for all real estate and appropriate personal property

Key Trends and Challenges Impacting the Department:

1. Defense of Property Values: The number of appeals filed in Minnesota Tax Court has increased 39.0% since last year to 424 petitions covering 818 parcels with a total market value of \$3.012 billion. The CBD vacancy problems remain resulting in aggressive appeals and a reduction of commercial tax base. The 2003 Towle Report shows a vacancy rate of 17.4% in the CBD and 24.9% for Minneapolis outside the CBD.

2. Taxpayer Service: Providing good service to taxpayers is a continual goal of the department. It will become increasingly critical as the city's tax burden shifts to residential property. In 1997, residential property paid 33% of the city's tax burden while commercial/industrial property paid 56%. With the phase out of limited market value and class rate changes made by the State Legislature, this amount will be nearly reversed for taxes payable in 2007 (55% of the tax burden paid by residential and 35% by commercial/industrial). It is incumbent upon the department to be proactive in taxpayer education and promotion of State programs such as the Income Adjusted Homestead Credit or Targeting that they benefit Minneapolis residential taxpayers. The Department is in the process of upgrading its information on the City's web-site to assist in those efforts.

3. Identify additional revenue alternatives for the City of Minneapolis. The Assessor's data base and experience with property taxes could be a useful resource in helping Elected Officials, Finance, IGR or other interested parties in exploring alternatives to address budget problems. Concepts that could be qualified and presented to elected officials may include:

- a. use of special assessments for expenses that are currently paid for from the general fund;
- b. Expansion of a voluntary payment in lieu of taxes (PILOT) program;
- c. Develop legislation to for properties that are not constitutionally tax exempt (such as non-profit) to compel a payment in lieu of taxes;
- d. Expansion of special service districts.

Key Initiatives or Other Models for Providing Service to be implemented:

1. The process to address Tax Court cases will be mapped and streamlined to ensure maintenance of the tax base under the growing volume amid staffing cutbacks. Use of technology and a more proactive approach towards the initial trial settings should assist in accomplishing this goal.

2. Expand the use of the city's web site for property tax information and work with Communications to promote programs such as the income adjusted homestead credit, etc. Hold additional neighborhood tax information meetings.

3. Partner with other city departments to develop policy and implementation options for alternative revenue sources.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total Tax Base for City of Minneapolis	\$19.087B	\$22.867B	\$25.525B	\$27.931	\$29.636
Change in Tax base	14.3%	19.8%	11.6%	9.4%	6.1%

Explanation of Performance Data for Departmental Outcome Measures:

Changes in the tax base are from the annual assessment roll. Activities that support creation of the assessment roll are identified and measured in Service Activities.

Primary Business:**Perform the assessment function for all real estate and appropriate personal property****Service Activity:****Estimate the value of all taxable property and maintain property descriptions***Description:*

This activity is the annual valuation of all taxable property per state law and in compliance with good assessment practices.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Average assessment to sale ratio -- Goal 94%	89.0%	100.8%	98.8%	94%	94%
Informal and formal appeals as a % of taxable parcels -- Goal 2.5%	2.2%	2.5%	2.7%	2.7%	2.7%
% parcels inspected each year -- Goal 25%	25%	25%	25%	25%	25%

Explanation of key performance measures:

Ratio studies are from MN Department of Revenue study for State Board of Equalization for residential property.

Service Activity:**Classification and processing of parcels and owners qualifying for homestead status, exempt status or special classifications***Description:*

The classification function is generally a routine review but some taxable/exempt issues become very complex. The other performance measures are support functions within the department.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of state and county deadlines in the assessment calendar met -- Goal 100%	100%	100%	100%	100%	100%
Assessment roll change orders submitted to Hennepin County as a % of taxable parcels -- Goal 2.5 %	2.0%	3.0%	2.7%	2.5%	2.5%

% of property transfers recorded into the appropriate database within 5 days of receipt	<40%	<40%	50%	60%	60%
Accuracy level -- Goal 97%	97%	97%	97%	97%	97%

Explanation of key performance measures:

The implementation of a new software system resulted in an increase in changes to the assessment roll. The data presented are estimates. The department has had staffing shortages during most of 2000, 2001 and first half of 2002.

Service Activity:

Respond to all formal owner/taxpayer valuation appeals and requests for property reviews

Description:

With the phase out of limited market value, the market value of residential property will become more critical and result in more residential taxpayer appeals. The commercial market for office space has abruptly changed with many aggressive challenges for CBD and other properties.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Net total reduction because of formal appeals as a % of total market value appealed. Goal -- less than 5%	< 4.0%	<4.0%	,5.0%	<5.0%	<5.0%
% of appeals upheld by local, county appeal boards or Tax Court -- Goal 70%	>75%	>75%	>75%	>75%	>75%
% informal appeals resolved prior to those appeals advancing to a formal appeal -- Goal 70%	>75%	>75%	>75%	>75%	>75%
% of taxpayer requests for reviews responded to within 5 days of receipt	.>85%	.>85%	.>85%	>90%	>90%

Explanation of key performance measures:

Most data represents estimates.

Service Activity:

Support of City initiatives, Property Tax Programs, Minneapolis School District and other City Departments

Description:

The department is continually involved in citywide projects, especially property-related technology projects.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Participation in enterprise projects	Chair of Technology Steering Committee; Nature of Change; Rewards and Recognition; Real Estate Advisory Board	Chair of Technology Steering Committee; Real Estate Advisory Board	Chair of Technology Steering Committee; Real Estate Advisory Board	Real Estate Advisory Board	FSAM; Technology Steering Committee

Explanation of key performance measures:

Tax base growth of 9.4 percent from 2002 to 2003 supports all programs and financial strength of the City. Maintaining the assessment function at the city versus county level provides both tangible and intangible benefits with the same cost to perform the services.

Financial Analysis:

EXPENDITURE

The Department's expenditures are increasing a total of 1.7% over the 2003 adopted amount. This represents an increase in personnel of 1.4% and a non-personnel increase of 3.4%. Fringe Benefits were the most significant increase for the Department.

REVENUE

No change is anticipated in the Department's direct revenue for 2004. The Department expects to receive \$130,000 in property tax revenue due to Payments in Lieu of Taxes (PILOT). These payments are from nonprofit nursing homes that do not pay a property tax bill but that do pay for a share of the services they receive (i.e. Police, Fire, etc.) In addition, the Department receives charges for service revenue which represents payments for processing of information requests.

FUND ALLOCATION

One hundred percent of the Department's budget is in the General Fund.

LOCAL GOVERNMENT AID CUT IN 2003

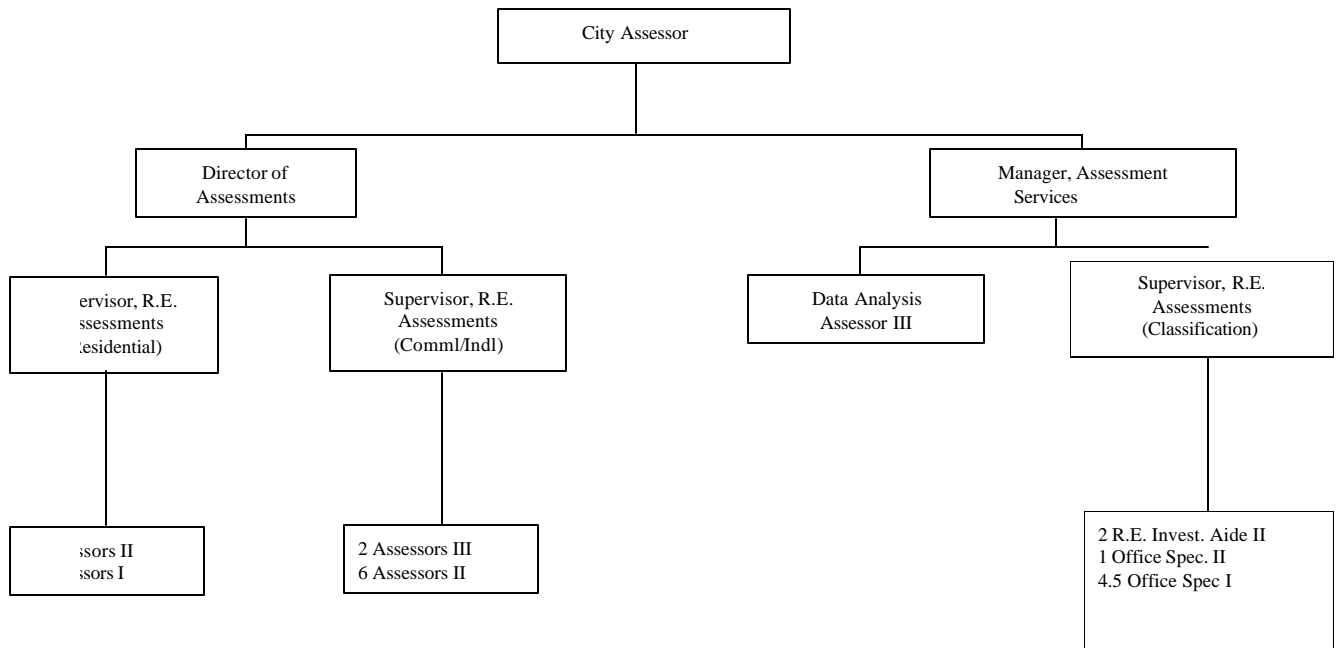
The Department eliminated 2 vacant positions as part of the City's response to the LGA cut in 2003.

ADOPTED BUDGET

The addition of one position for the Department to enhance its ability to value the City's tax base is included in the Adopted Budget, as recommended by the Mayor.

ASSESSOR Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Assessor	37.00	35.50	35.50	34.50	-2.82%	(1.00)
Total FTE's	37.00	35.50	35.50	34.50	-2.82%	(1.00)



ASSESSOR

Expense Information

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
General Fund - City						
Capital Outlay	2,424	25,455	510	517	1.4%	7
Contractual Services	213,478	308,712	203,598	211,979	4.1%	8,381
Equipment	433	0	1,020	1,033	1.3%	13
Fringe Benefits	357,617	398,490	497,289	515,544	3.7%	18,255
Operating Costs	149,534	151,671	149,348	152,937	2.4%	3,589
Salaries and Wages	1,755,832	1,741,847	1,878,459	1,894,604	0.9%	16,145
Total for General Fund - City	2,479,318	2,626,175	2,730,224	2,776,614	1.7%	46,390
Total for ASSESSOR	2,479,318	2,626,175	2,730,224	2,776,614	1.7%	46,390

ASSESSOR

Revenue Information

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	307	196	0	0	0.0%	0
Charges for Service	11,032	4,374	1,000	1,000	0.0%	0
Other Misc Revenues	0	395	0	0	0.0%	0
Property Taxes	129,624	131,722	130,000	130,000	0.0%	0
Total for General Fund - City	140,963	136,687	131,000	131,000	0.0%	0
Total for ASSESSOR	140,963	136,687	131,000	131,000	0.0%	0

City Attorney

Mission Statement

The mission of the City Attorney's Office is to deliver high quality, cost-effective legal services that are responsive to the City's adopted policies, goals, and objectives; to assist the City in managing its financial exposure to claims brought against the City; and to promote public safety by aggressively prosecuting all gross misdemeanor, misdemeanor and petty misdemeanor crimes that occur in the City.

Primary Businesses:

Prosecute crimes of violence, livability crimes and other crimes that occur in the City so that justice is serviced, crime is reduced and the residents' sense of safety within our community is increased

Provide a broad range of high quality, cost-effective legal services to the City's elected officials, departments, and independent boards and commissions so that the City's policy objectives are achieved and the City's liability exposure is minimized

Key Trends and Challenges Impacting the Department:

TRENDS:

The Civil Division caseload continues at approximately the same level as during the last two years. This "flattening" of caseload allows our Office to direct more attention to a preventive law practice. Attorneys are housed in the Human Resources, Police, Fire, Regulatory Services departments, and the Minneapolis Community Development Agency so that legal services are delivered more quickly and more effectively.

The City's total liability payments for 2003 are projected to be \$1,879,598. This would be the lowest total amount the City has paid since 1995 and more than \$3 million less than the \$4,903,586 paid in 1995. Settlement of police misconduct cases - one of the Office's key liability indicators - supports this trend of lower liability payouts. In 1998, the total amount of settlements for police misconduct was \$1,250,000, or an average of \$92,500 per case. Thus far in 2003, there have been 6 settlements for a total amount of \$85,104 or an average of \$14,184 per settlement. This is the lowest average settlement amount since our Office started tracking this information.

The City Attorney's Office continues to enhance public safety in the City through its three-pronged strategy: (1) aggressive prosecution of livability crime, (2) proactive involvement in improving the criminal justice system, and (3) active collaboration with neighborhoods on community justice. The Criminal Division caseload continues to decline. The projected caseload for CY 2003 is 33,600. In contrast, the Office handled 43,981 cases in CY2002, 44,970 cases in CY 2001; 51,808 cases in CY 2000; 55,027 cases in CY 1999 and 63,887 in CY1998. Despite this projected decline, the criminal caseload continues to be extremely heavy for the authorized complement. An annual caseload of 33,600 cases is nearly three times the American Bar Association and State Public Defender standards for misdemeanor cases and more than four times the standard for gross misdemeanor cases. (See Chart following Key Trends and Challenges section on Page 4.)

CHALLENGES:

The five major organizational and budgetary challenges identified last year continue as key challenges for the City Attorney's Office. They are: 1) purchasing and installing effective technological systems in the Office, 2) dedicating stable sources of funding to support adequate staffing in the Criminal Division, 3) redesigning the Office's managerial and supervisory structure so that the Office's "span of control" problem is addressed, 4) implementing cost effective ways to meet our obligations to victims of crime, and 5) addressing the Office's lease.

CHALLENGE 1: Purchasing and Installing Effective Technological Systems in the Office

The Criminal Division's prosecution case management system is inadequate. Because the Division prosecutes a high volume of cases, the lack of an effective system impairs the Division's ability to effectively manage the caseload and the human resources in the Division. Further, the community expects access to information about active cases. Citizen access to this information is important for individual feelings of safety and for the public to have confidence in its criminal justice system. A fully functioning case management system that produces accessible information should result in our citizens being more willing to report crime, testify as witnesses, and be more active in their neighborhoods. Finally, without an adequate prosecution cases management system, the City will not be able to connect to CriMNet, the state-wide integrated criminal justice system, that is currently being developed and phased into criminal justice agencies and the Minnesota Court Information System (MNCIS).

The Office responded to this challenge by undertaking an extensive Request for Proposal (RFP) process in 2000, utilizing Office personnel, ITS (now BIS) staff, and a representative from the Hennepin County Attorney's Office who is knowledgeable and involved in the Hennepin County Attorney's Office's case management systems. Of the many proposals received, only two met ITS's technology requirements. Using the RFP responses, staff from the City Attorney's Office and ITS prepared a cost estimate for total system implementation, including ITS costs, and determined it could be as high as \$1.5 million (in 2000 dollars). The Office has sought funding, year after year, through the budget process and through SISP. These efforts were not successful. In addition, the Office applied to the federal government to purchase a new prosecution case management system. That application was denied. Most recently, Hennepin County has received a grant from CriMNet, of which approximately \$200,000 will be used to analyze the prosecution cases management systems needs of the City Attorney's Office. The Office has been working with BIS staff and Hennepin County ITS staff to analyze the City Attorney's Office workflow and needs. Once the analysis is complete, the City must still make a significant financial commitment in the near term to ensure that this Office has an effective prosecution case management system. The current BIS estimate to design and install a fully-functioning prosecution case management system is \$2.8 million.

In addition, the current CityLaw system, which is utilized by the Civil Division, will need to be upgraded in the near future. It was last upgraded after Y2K since the system was not Y2K compliant. The City will soon upgrade its operating system to XP Professional. The CityLaw system is not compatible with XP. No cost estimates for this upgrade have been developed.

CHALLENGE 2: Dedicating Stable Sources of Funding to Support Adequate Staffing in the Criminal Division

Since 1997, federal block grants have been used to fund a number of positions in the Office's Criminal Division so that the Office could aggressively prosecute livability offenses in the City. Although the City has appropriately capitalized on the availability of federal block grant dollars to fund Criminal Division positions, federal block grant dollars are not a reliable long term source of funding because the amount of federal block grant dollars available to the City is declining. The formula for awarding federal block grant dollars is based on the Part 1 crime rate, which has decreased in recent years. Accordingly, the amount the City receives through the federal block grant also has decreased. Currently, there are 7 positions in the Criminal Division that are funded through federal block grant dollars. The CY2003 cost for these positions is \$482,298. If the City Attorney's Office is appropriated \$325,000, as has occurred in the past, the projected shortfall (2003 dollars) is \$157,209. In a recent memo, the Police Department indicated that the 2004 Block Grant for Minneapolis is "even further diminished". Therefore, with the continued decline of Block Grant funding, another source of funding will need to be found or positions will need to be reduced. Position reductions would further compound the staffing problems in the Criminal Division.

CHALLENGE 3: Redesigning the Office's Managerial and Supervisory Structure so that the Office's "Span of Control" Problem is Addressed

Effective organizational management dictates that each manager and supervisor have a reasonable number of direct reports to supervise. This principle is sometimes referred to as "span of control". Organizational management experts suggest that the effective "span of control" ranges for direct reports from 5 to 12. In determining the appropriate number, factors that are considered include whether the work being performed is routine or complex, the qualifications and experience of the staff, and the motivations of the employees. The current "span of control" in the City Attorney's Office is as follows:

Deputy City Attorney, Civil	31
Deputy City Attorney, Criminal	44.63
Program Assistant, Civil	7
Program Assistant, Criminal	6
Clerical Supervisor	5

Although the "span of control" for the support positions in the Office is adequate, the "span of control" for supervision of the Office's attorneys is inadequate. The Office recently completed a year-long workforce planning analysis. Based on this analysis, the Human Resources Department is planning a "demonstration project" with the City Attorney's Office to determine whether augmented Team Leader positions will address this span of control problem.

CHALLENGE 4: Implementing Cost Effective Ways to Meet our Obligations to Victims of Crime

For many years, the City Attorney's Office has provided crime victim/witness liaison services, including those services required by the Minnesota Victim's Rights Law. In recent years, the City has contracted with the Council on Crime and Justice (CCJ) to provide these services. Before the contract was awarded to the Council on Crime and Justice in 2001, the City Attorney's Office, with the assistance of the Human Resources Department and the Finance Department, conducted an extensive analysis of the alternatives for delivering these services. This analysis concluded that it was less expensive for an outside vendor to deliver the same level of services than if the services were provided by City employees. Accordingly, the City entered into a new contract with CCJ which is in effect from January 1, 2002 through December 31, 2004. The three-year cost to the City under this contract is \$862,604. This represented an increase of \$178,692 - a 26% increase over the earlier three-year contract which had a total cost of \$683,912. When the current contract with CCJ expires, it is likely that the cost to continue providing these services will increase.

Under the current contract, the CCJ provides five (5) liaisons, one (1) supervisor and one (1) receptionist to provide services to victims in misdemeanor and gross misdemeanor cases. The liaisons work in a two-team model, including a domestic team and a non-domestic team. The domestic team has three (3) liaisons, and the non-domestic team has two (2) liaisons.

Because the City Attorney's Office prosecution caseload has declined recently, the CCJ statistics for the years 2001, 2002, and through May 31, 2003 were analyzed. Based on year-to-date figures from CCJ, a 25% decrease in contact with crime victims in 2003 is anticipated. The services currently provided by both CCJ staff and Office staff were analyzed to determine whether it is feasible to reduce the cost of services provided by the CCJ while still providing statutorily mandated services. One of the target budget reduction strategies proposes how the City should address the rising costs of these services.

CHALLENGE 5: Addressing the Office's Lease

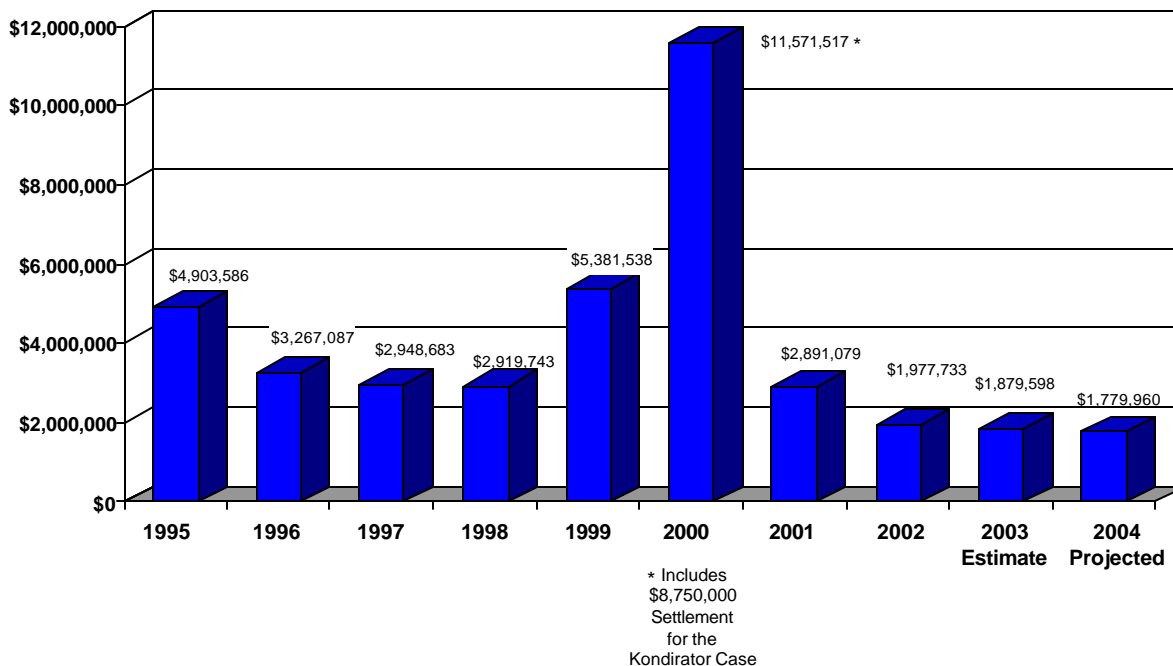
In 1993, the City Attorney's Office entered into a 12 year lease for 34,573 square feet of space in the Metropolitan Centre (then Lincoln Centre) building, the City Attorney's Office current location. The current lease terminates in June, 2005. Commercial leasing specialists recommend that leasees begin releasing activities 18 months prior to the expiration of their current lease. This time period allows the leasee to evaluate all options, including moving to other space.

Because of current commercial real estate market conditions, it may be possible to significantly reduce the City's lease payments at the Metropolitan Centre for the year 2004 and remainder of 2005. These savings could begin January 1, 2004. The City Attorney's Office could realize these savings by renegotiating the lease and then extending the lease date for an additional 5 years to an expiration date of June 30, 2010. A market analysis projects net rent for 2004 at \$7.25 a square foot. For the remainder of 2005, it is projected at \$9.02 a square foot. The combined savings for the remainder of the lease is calculated at \$358,695. It is difficult to determine the exact amount that would be saved over the 6-1/2 years of a renegotiated lease, but it is likely that, with the current market conditions, the savings would be significant.

An additional market analysis suggests further financial savings if the amount of space needed by the City Attorney's Office is reduced. The City Attorney's Office recently has reduced its complement by 18.5 positions. This budget

proposal proposes an additional reduction of five positions. The City Attorney's Office leases office space on both the 3rd and 4th floors of the Metropolitan Centre building. Initial estimates suggest that the 4th floor space if eliminated by January 1, 2004, the savings could be between \$390,316 and \$436,522 over two years. The lease itself would need to be extended to June 30, 2010.

Minneapolis City Attorney's Office Total Liability Payments



Key Initiatives or Other Models for Providing Service to be implemented:

1. Community Attorney Initiative – In July, 2002, the City Attorney's Office created a Fourth Precinct Community Attorney demonstration project which was designed to determine how the City Attorney's Office can become more involved with the community, more effective in communicating with the community on criminal justice matters, and provide more training to police officers to improve the quality of their reports. In February, 2003, the demonstration project was expanded into the Third Precinct, and will be expanded further into the First Precinct this summer.
2. Chronic Offender Prosecution – The City Attorney's Office Special Prosecutions Team focuses its efforts on prosecuting the 100 worst livability crime offenders in the City. In prosecuting a chronic offender, this team seeks, and often obtains, significantly more jail time for these offenders than the Office typically sees on misdemeanors.
3. Family Violence Unit – The City Attorney's Office has assigned an attorney to the Minneapolis Police Department's Family Violence Unit, to support enhanced and effective evidence-based prosecution of domestic assault cases. This position is funded through December 31, 2004, by a federal grant to encourage arrest policies and enforcement of orders for protection.
4. Prosecution of Gang Members – The City Attorney's is committed to aggressively prosecuting gang members who commit misdemeanor and gross misdemeanor offenses in the City. This Office is working closely with the Minneapolis Police Department to receive information, on a daily basis, about arrests of gang members to ensure that these cases receive the appropriate attention, including obtaining community impact statements to be used at sentencing.
5. Mental Health Court – The City Attorney's Office has participated in the establishment of a Mental Health Court in

Hennepin County. This Court is designed to seek better means of addressing the mental health issues of some misdemeanor and gross misdemeanor offenders. The Mental Health Court began operation in May, 2003.

6. Nuisance Court/Diversion Program – The City Attorney's Office is working with Hennepin County District Court and other stakeholders to explore the establishment of a Nuisance Court and/or Diversion Program designed to better address livability offenses committed in the City.

7. Community Prosecution Planning Grant – Under a Department of Justice, Bureau of Justice Assistance, grant, the City Attorney's Office is working with restorative justice partners and neighborhood groups to develop a plan to identify improved means of addressing chronic offender who have chemical dependency, mental or homelessness issues. This planning grant will be completed on June 30, 2004.

8. Community Planning and Economic Development (CPED) Redesign – The City Attorney's Office is working with the CPED Office to implement the Focus Minneapolis initiative, including drafting of all necessary ordinances to establish the new City department of Community Planning and Economic Development. The Office also is providing legal assistance that must be taken to transfer MCDA positions, employees, programs and assets to the City and the new department.

9. Tenant Remedies Act (TRA) and Chapter 249 Initiatives – The City Attorney's Office continues its TRA and Chapter 249 initiatives designed to promote rehabilitation, instead of demolition of nuisance properties, in order to maintain the City's supply of safe and affordable housing.

10. City Attorney's Office Workforce Plan/Business Plan – The City Attorney's Office has completed its Workforce Plan and is nearing completion of its Business Plan which is aimed at aligning the Office's services with the City's strategic goals and five year financial plan.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total liability payments	\$11,571,517 (Kondrator settlement: \$8,750,000)	\$2,891,079	1,977,733	\$1,879,598	\$1,779,960
Innovative system changes with the City's criminal justice partners	Community Court, Violations Bureau, Community Impact Calendar, Domestic Court	Community Court, Violations Bureau, Community Impact Calendar, Domestic Court	Community Court, Violations Bureau, Community Impact Calendar, Domestic Court, Crimnet, Prosecutor Only Calendar, Mental Health Court	Community Court, Violations Bureau, Community Impact Calendar, Domestic Court, Crimnet, Prosecutor Only Calendar, Mental Health Court, Nuisance Court/Diversion Program	Community Court, Violations Bureau, Community Impact Calendar, Domestic Court, Crimnet, Prosecutor Only Calendar, Mental Health Court, Nuisance Court/Diversion Program
Number of chronic offenders who did not reoffend	56%	58%	58%	59%	59%
Percentage of domestic violence cases resulting in conviction	27% (Pre-Domestic Violence Court)	50%	53%	49%	52%
Percentage of women & people of color	62% Women 21% People of Color	62% Women 23% People of Color	64% Women 26% People of Color	66% Women 27% People of Color	68% Women 28% People of Color

Explanation of Performance Data for Departmental Outcome Measures:

The City's total liability payments are projected to be \$1,879,598 in 2003. This would be the lowest total amount paid since 1995 and more than \$3 million less than the \$4,903,586 paid in 1995.

The innovative criminal justice system changes (including the proposed addition of a Nuisance Court/Diversion Program in 2003) reflect joint efforts by the Office and its criminal justice partners to make systemic reforms. These reforms have allowed the Office to focus its resources on livability offenses. Prior to the creation of the Minneapolis Community Impact Calendar in 2000, petty misdemeanor, misdemeanor and gross misdemeanor cases, of all types, including minor traffic cases were heard in courtroom 1156. Expansion of the authority of hearing officers in the Violations Bureau to handle more of these offenses allowed the Community Impact Calendar to focus on Minneapolis livability offenses, including disorderly conduct, prostitution and ordinance violations. One judge presides over this calendar on a continuous basis, and there is very little rotation by the remainder of the bench in general. In addition, staff from Sentence to Service, the Department of Public Safety, and diversion programs are available in this courtroom to facilitate greater accountability and follow through by defendants.

The performance measure related to the number of targeted chronic offenders who did not reoffend reflects an end-of-the-year snapshot of all targeted chronic offenders and whether they committed a new offense within that year. It should be noted that the Office met with the Minneapolis Police Department at the beginning of 2002 and recommended that they revise their top offender lists to remove names of offenders who were incarcerated or who had not reoffended for a significant amount of time. The result in 2002 was that inactive top offenders were replaced by more active top offenders, thus there fewer top offenders who did not reoffend.

Although the domestic violence case conviction rate for the first half of 2003 has declined slightly from 2002, the conviction rate is still expected to be up nearly 22% from 2000.

Primary Business:

Aggressively prosecute livability crimes that occur in the City

Service Activity:

Aggressive prosecution of offenders under the City Attorney's Office Jurisdiction.

Description:

Aggressive prosecution of livability crime is one prong of the Office's public safety strategy. Both chronic offenders and perpetrators of domestic violence crimes are a priority for the Office. The Special Prosecutions Team focuses on "relentless pursuit" of the 100 worst livability crime offenders in the City. A specialized domestic prosecution team vertically prosecutes domestic violence crimes

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1. Percentage of chronic offenders identified by the Police Department and the City Attorney's Office that were prosecuted	100%	100%	100%	100%	100%
2. Percentage of chronic offenders who did not re-offend	56%	58%	58%	59%	59%
3. Percentage of domestic violence cases resulting in a conviction	27%	50%	53%	49%	52%

Explanation of key performance measures:

The percentage of chronic offenders identified by the Police Department and The City Attorney's Office that were prosecuted reflects those identified chronic livability crime offenders who receive targeted prosecution by the Office's Special Prosecutions Team. The team maintains a list of approximately 100 offenders that is updated every two weeks based on the most recent offense data. It is important to note that when a chronic offender is sent to jail for a significant

period of time, that offender's name is usually removed from the list while he or she is in custody. For example, in 2002, 21% of identified chronic offenders spent either part or most of 2002 in custody. New offenders are then added to the list. The performance measure related to number of targeted chronic offenders who did not reoffend reflects an end-of-year snapshot of all targeted chronic offenders and whether they committed a new offense within that year.

In 2002, the City Attorney's Office Special Prosecutions Team handled 489 to offender cases, as compared with 417 in 2001 and 412 in 2000. 449 or 92% of these cases were misdemeanors; the remaining 40 cases gross misdemeanors. Of these cases, 149 individuals were sentenced to 7,580 days of served jail time (50 days average per conviction) and 8,302 days of stayed jail time (56 days average per conviction).

The Domestic Violence Court began in November, 2000. This Court allows the Office's Domestic Abuse Team to handle all stages of the prosecution of intimate-partner domestic violence cases. Conviction data should be evaluated in light of the fact that Minneapolis has a high percentage of cases that are "tab-charged", meaning the case is initiated by the police without any review by a prosecutor. In 2002, the Hennepin County District Court completed a study on the effectiveness of the new Domestic Violence Court. The study, entitled "Domestic Violence Court: Case Processing Update and Recidivism Analysis", showed that Minneapolis domestic violence court cases are being processed more quickly than similar cases were in the past, and much more quickly than suburban cases. In addition, recidivism (new charges) for domestic assault is down in Minneapolis since 1998, and has increased in the suburbs since initiation of the Domestic Violence Court.

Service Activity:

Proactive Involvement in Improving the Criminal Justice System

Description:

The second prong of the Office's public safety strategy is proactive involvement in improving the criminal justice system. These systemic changes have helped the Office focus its resources on those livability crimes that threaten the fabric of the City and its neighborhoods. The Office's proactive involvement takes a number of forms, from participation in committees and planning groups to courtroom strategies that deliver results more quickly and improve the ability of the public to observe and understand court proceedings.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1. Number of traffic cases sent to court from Violations Bureau	9,208	6,862	6,724	6,388	6,260
2. Number of City Attorney cases addressed by 3rd Precinct Community Calendar	165	715	732	1,152	1,209
3. Livability crimes where sentence to service was part of the resolution	5.4%	Figures not available from Hennepin County District Court	6%	7%	8%
4. Percentage of domestic violence cases resulting in a conviction	27%	50%	53%	49%	52%
5. Maintain active involvement with the Criminal Justice Coordinating Committee Court Calendar	Attended all CJCC meetings	Attended all CJCC meetings; work related to CriMNet planning	Attended all CJCC meetings; worked on CriMNet implementation	Attend all CJCC meetings; continue work on CriMNet implementation; MNCIS	Attend all CJCC meetings; continue work on CriMNet implementation; MNCIS

6. Participate in partnerships to improve the criminal justice system	Initiated pre-screening of all cases; worked to create "Minneapolis Community Impact Calendar", which focuses on the prosecution of livability crimes; helped create the Domestic Violence Court	Continued prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Community Court and the Domestic Violence Court	Continued prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Community Court, Domestic Violence Court, and the Mental Health Court	Continue prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Community Court, Domestic Violence Court, Mental Health Court, and Night Court	Continue prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Community Court, Domestic Violence Court, Mental Health Court, and Night Court
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Explanation of key performance measures:

The Office worked with the Hennepin County District Court to facilitate resolution of matters at the Violations Bureau in order to minimize the number of these cases that appear on court calendars. By increasing the number of routine traffic cases resolved at the Violations Bureau, the Minneapolis Community Impact Calendar is able to focus on livability crimes. This change occurred in 2000. Thus, it is important to compare the 2000, 2001 and 2002 data to 1999 data. In 1999, the Violations Bureau referred 13,500 moving violations and parking tickets compared to 9,208 in 2000, 6,862 in 2001, and 6,724 in 2002.

The Domestic Violence Court began in November, 2000. This Court allows the Office's Domestic Abuse Team to handle all stages of the prosecution of intimate-partner domestic violence cases. Conviction data should be evaluated in light of the fact that Minneapolis has a high percentage of cases that are "tab-charged", meaning the case is initiated by the police without any review by a prosecutor. In 2002, the Hennepin County District Court completed a study on the effectiveness of the new Domestic Violence Court. The study, entitled "Domestic Violence Court: Case Processing Update and Recidivism Analysis", showed that Minneapolis domestic violence court cases are being processed more quickly than similar cases were in the past, and much more quickly than suburban cases. In addition, recidivism (new charges) for domestic assault is down in Minneapolis since 1998, and has increased in the suburbs since initiation of the Domestic Violence Court.

Service Activity:

Active Collaboration with Neighborhoods on Community Justice.

Description:

The third prong of the Office's public safety strategy is active collaboration with the neighborhoods on community justice. The Office is committed to supporting neighborhood community restorative justice programs. The Office meets regularly with the Central City Neighborhood Restorative Justice Program (CCNP)and the Midtown (formerly Powderhorn) Restorative Justice Program to review issues related to case referral and case processing.

In July 2002, the Office began a Community Attorney demonstration program in the 4th precinct, and expanded the Community Attorney demonstration program to the Third Precinct in February, 2003. The Office anticipates that these programs will increase community involvement with the criminal justice system and better serve community needs.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1. 4th Precinct Community Attorney Initiative: cases where Community Attorney provides assistance	New indicator	New indicator	320	720	900
2. Community Meetings attended by 4th Precinct Community Attorney	New indicator	New indicator	59	122	150
3. 3rd Precinct Community Attorney Initiative: cases where Community Attorney provides assistance	New indicator	New indicator	New indicator	252	294

4. Community Meetings attended by 3rd Precinct Community Attorney	New indicator	New indicator	New indicator	82	96
5. 1st Precinct Community Attorney Initiative: cases where Community Attorney provides assistance	New indicator	New indicator	New indicator	New indicator	320
6. Community Meetings attended by 1st Precinct Community Attorney	New indicator	New indicator	New indicator	New indicator	60
7. Number of cases referred to CCNP	35	132	79	184	203
8. Number of cases referred to Midtown Restorative Justice Program	122	99	122	96	105
9. Number of cases handled by Community Mediation Program	64	66	Program no longer exists	Program no longer exists	Program no longer exists

Explanation of key performance measures:

The 3rd and 4th Precinct Community Attorney Programs are designed to determine how the City Attorney's Office can become more involved with our community and more effective in communicating with the community on criminal justice matters and to provide more training to the police and improve the quality of their reports. The City Attorney's Office will expand the Community Attorney demonstration project to the 1st Precinct this summer. Feedback from both the community and the Minneapolis Police Department has been very positive regarding this initiative and supports the Office's belief that Community Attorney positions are an effective tool to increase the Office's connections to the community and improve the Office's prosecution of livability crime.

An Assistant City Attorney is assigned to the neighborhood restorative justice programs to screen and refer appropriate cases for the individual neighborhood programs. The Office worked extensively with CCNP and Midtown programs to improve the case referral process, and to determine why eligible cases were not referred. The Office worked with Midtown Restorative Justice Project to broaden the types of cases referred to the program, and with CCNP when it broadened the neighborhoods served by the project. While the referrals to CCNP decreased in 2002 from 2001, there has been a recent increase in the number of referrals to the project. The defendants' failure to appear rate continues to be a barrier to the programs' greater success.

In 1999, the Office created a Community Mediation Program. This program was developed as a diversion program for certain livability crimes. Sometimes, neighborhood disputes that result in crimes, such as vandalism or disorderly conduct, are better suited to be resolved through a mediation process rather than a criminal trial, which is adversarial and results in a verdict of guilt or innocence rather than resolution of the conflict. The Office's Community Mediation Program was eliminated in the 2002 budget process.

Primary Business:

Provide high quality, cost effective legal services to the City's internal and external customers

Service Activity:

Assist the City in Managing Its Financial Exposure to Claims Brought against the City.

Description:

One focus of the Office's Civil Division is to provide proactive legal advice and training to the City's elected officials and staff and to aggressively represent the City in litigation, administrative hearings, and other judicial and quasi-judicial proceedings so that the City's potential liability in these matters is minimized.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1. Total liability resulting from the City's risk generating activities	\$11,571,517	\$2,891,079	\$1,977,733	\$1,879,598	\$1,779,960

2. Number of adverse matters open at year's end	688	697	683	735	808
3. Number of adverse matters closed during year	266	390	453	422	380
4. Number of employees trained in key liability areas	1,500	3,187	518	2,137	5,200

Explanation of key performance measures:

Settlement of police misconduct cases - one of the Office's key liability indicators - supports the trend of lower liability payouts. In 1998, the total amount of settlements for police misconduct was \$1,250,000, or an average of \$92,500 per case. Thus far in 2003, there have been 6 settlements for a total amount of \$85,104 or an average of \$14,184 per settlement. This is the lowest average settlement amount since our Office started tracking this information.

The training indicator measures the number of employees trained in key liability areas, i.e., 833 Minneapolis Police Officers received In-Service Training (includes Use of Force, False Arrest, etc.), 1,304 City employees received Sexual Harassment training. The revised City of Minneapolis Ethics Code, passed by the City Council in March 2003, mandates that all City employees (including elected officials) attend ethics training by March 2004. The Human Resources Department is responsible for designing and implementing the seminars. The City Attorney's Office Ethics Officer has been meeting with Human Resources to assist in the design of the seminars. It is anticipated that a video will be produced as the training vehicle for the majority of City employees, while alternative or supplemental education components are being considered for the elected officials, department heads, management development programs, new supervisor training programs, and new employee orientation programs.

Service Activity:

Provide High Quality Services to the City's Elected Officials, Its Departments and Staff.

Description:

The City's elected officials, its departments and staff are the Office's primary clients. Services include oral advice, written opinions, support of the City's procurement activities, and liaison services for the City Council and its committees.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1. Average number of requests for service per attorney	133	126	93	85	109
2. Number of requests received for advice, procurement support or other services	1,467	1,382	1,026	902	1,091

Explanation of key performance measures:

These performance measures are used to manage divisional workload and staff. The Office has entered into service agreements with individual City departments. These service agreements set out the mutual departmental expectations and obligations so that legal services can be effectively, efficiently and promptly delivered.

In 1999, the Office established a Code Compliance Unit, which is designed to focus legal resources on violations of the Minneapolis City Code. In July 2001, the Tenant Remedies Action Project, a major responsibility for this unit, began. That initiative is designed to evaluate whether utilizing the Tenant Remedies Act (TRA) is a more effective method of addressing certain rental housing code violations. For the period July through December 2001, 28 TRA cases were filed. This number increased to 82 cases in 2002. Between January 1 and June 30, 2003, 42 TRAs have been filed.

In 2000, the Attorney's Office worked with the Fire Prevention Bureau to develop a Uniform Fire Code Enforcement Plan which establishes the City's regulatory objectives and the criteria for prioritizing Fire Code enforcement actions. This plan was adopted by the City Council in 2000. In 2002, the City followed the national lead and adopted the International

Fire Code to replace the Uniform Fire Code. The City Attorney's Office has worked with the Fire Prevention Bureau in making this transition as efficient as possible in accord with the Uniform Fire Code Enforcement Plan previously adopted by the Council in 2002.

Service Activity:

Provide High Quality Legal Services To the City’s Independent Boards and Commissions.

Description:

The City's independent boards and commissions also are clients of the office. Services include oral advice, written opinions, support of the independent boards and commissions' procurement activities, and liaison services.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1. Number of requests received for advice, procurement support or other services	166	190	144	176	193
2. Average number of requests for service per attorney	83	95	72	88	97

Explanation of key performance measures:

These performance measures are used to manage divisional workload and staff. Two Assistant City Attorneys are assigned and housed at the Minneapolis Community Development Agency (MCDA). In addition, other Assistant City Attorneys provide legal services to the MCDA and to the Library Board. Significant legal resources were dedicated to the expansion of the Convention Center and are supporting the construction of the New Central Library. In addition, the Office provides legal services to the Civil Service Commission, the Civil Rights Commission, the Board of Estimate and Taxation, and the Charter Commission. The Charter Commission and Redistricting Commission have been advised and represented on the decennial redistricting activities.

Financial Analysis:

EXPENDITURE

The City Attorney 2004 budget is 3.9% or \$390,000 higher than the 2003 Adopted Budget across all funds. Most of the increase is attributable to non-personnel costs. The adopted budget includes an increase to the Department's contractual services budget to reflect a shift of resources from the Community Planning and Economic Development Department (\$283,000). The Department eliminated 6 positions in order to increase its non-personnel budget.

REVENUE

The City Attorney's revenue budget reflects a decline in state grant funding. The Attorney's Office Internal Service Fund revenue reflects the reduced service levels in the Department as a result of the LGA reductions (see below).

FUND ALLOCATION

The General Fund and the Self-Insurance Fund are the main funding sources for the City Attorney's Office – 50% of the Office's budget is from the general fund and 47% of the Office's budget is from the Self-Insurance Fund. The Federal Grants Fund and Other Grants Fund make up the remaining sources of funding with 3% of the Office's budget derived from this source. The 2004 general fund budget for the Attorney's office increased 8% while the Self-Insurance Fund Budget decreased 1.6%.

LOCAL GOVERNMENT AID CUT IN 2003

The City Attorney's office eliminated 4 positions as part of the Local Government Aid cuts in April of 2003.

ADOPTED BUDGET

The Adopted Budget includes funding for information technology infrastructure, including the City Attorney's Office's request for a Case Management System. This project was highly rated by the Technology Steering Committee, the decision-making apparatus for the Department Heads regarding enterprise technology investments.

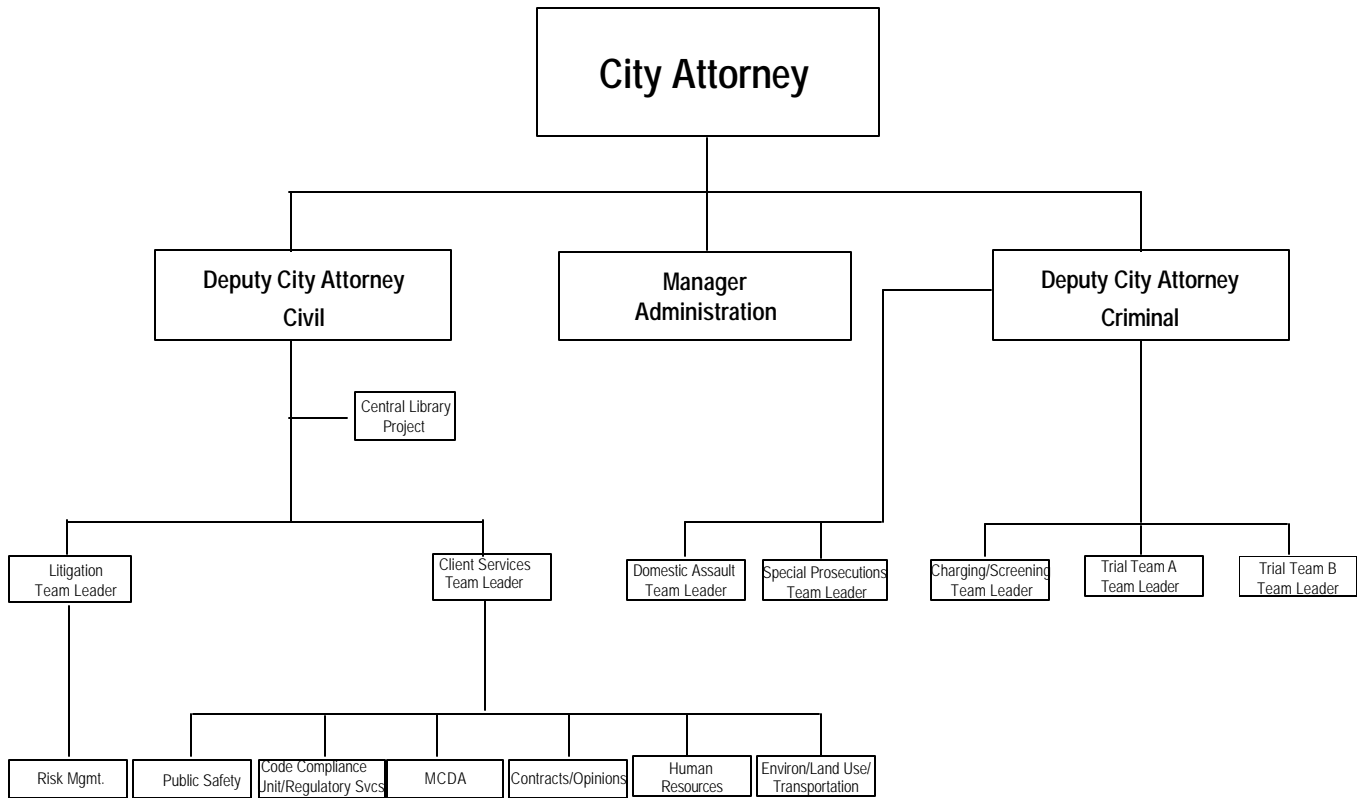
The Council also added 2 positions and \$95,000 in expense related to Nuisance Night Court, funded from fine revenue \$91,000 (\$120 average initial fine).

ATTORNEY

Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Criminal	65.83	63.83	60.96	57.63	-5.78%	(3.33)
Civil	47.67	47.67	49.67	43.50	-14.18%	(6.17)
Total FTE's	113.50	111.50	110.63	101.13	-8.59%	(9.50)

Minneapolis City Attorney's Office Organizational Chart



City Clerk

Mission Statement

Our mission is to comply with Federal, State and City mandates and regulations governing official City Council meetings, actions and documentation; Elections; and City-wide policies and procedures concerning official government records.

Primary Businesses:

1. Coordinate Council Committee activities, materials and documentation according to the MN Open Meeting Law.
2. Manage the City's policies and procedures on electronic and paper records and oversee data practices for the City in conformance with Federal and State laws
3. Index and retrieve current and past Council actions to provide historical and reference information for public and City departments in conformance with the MN Data Practices laws.
4. Provide administrative services to the Council offices including facilities, personnel and budget
5. Conduct elections according to Federal and State Law
6. Manage printing and mailing services for City departments

Key Trends and Challenges Impacting the Department:

Council needs and activities are increasing while the Clerk's staff is decreasing.

Key Initiatives or Other Models for Providing Service to be implemented:

Enterprise Records and Information Management

Merging Copy Center/Mail Room with Hennepin County

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of workforce: people of color	12%	12%	17%	20%	15%
%of workforce: female	76%	73%	82%	77%	77%

Explanation of Performance Data for Departmental Outcome Measures:

Staff reductions result in fewer people of color in 2003 and 2004

Primary Business:

Council meeting organization and documentation

Service Activity:

Committee Coordinators - Coordinate Council Committee activities

Description:

Provide administrative services to City Council standing committees, Executive committee, Charter Commission, Committee of the Whole, and City Council meetings to insure that all proceedings follow legal requirements and are accurately reflected.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Council committee meetings coordinated per coordinator	30	30	47	51	57
Avg. # of agenda items per Committee Coordinator per year	375	380	380	390	390
Cost of City Council official publications	\$77,209	\$85,187	\$92,000	90,000	90,000
Council meetings coordinated	52	23	33	36	36
Charter Commission meetings coordinated	12	12	14	14	12
Executive Committee meetings coordinated	22	25	30	25	24
Official council proceedings published to the City Web site	52	32	38	38	38

Explanation of key performance measures:

Service Activity:

Records Management - Guide the City's policies, procedures and management of electronic and paper records

Description:

Provide uniform and consistent guidance for the management of all City records including existing paper and electronic records and records created from evolving technologies such as e-mail, Web postings, GIS and electronic commerce. Maintain inactive records held in the City Records Center and the collection of historical records held in the City Archives.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Data practice requests involving Records Manager	no data	no data	80	100	100
% of data practices requests that are fulfilled in statutorily defined timeframes	no data	no data	100%	100	100
Retrieved and re-filed records per year per FTE	3,187	2,808	3,000	3,000	3,000
% retrieval of requested records within two hours of receipt of request	99%	99%	99%	99	99

Explanation of key performance measures:

Service Activity:

Council Information - Maintain public access to current and past Council actions

Description:

Provide information on past and current Council actions. Catalog Council proceedings and associated documents. Maintain the City Charter and Code of Ordinances. Manage the department's office technology systems.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of Official Proceedings created; published on Web; and proofread within five (5) working days80%	95%	100%	100	100	100
% Council Committees agendas with supporting documentation on the Internet	N/A	20%	100%	100	100
Council proceeding pages proofread and indexed	1,327	1,432	1,500	1,550	1,600
Ordinances passed	150	182	300	300	200
Contracts processed	536	738	N/A	na	na
% Response to current and historical inquiries within stated goals; researched within 3 working days unless specified	100%	100%	100%	100	100

Explanation of key performance measures:

Service Activity:

Administration and Customer Service - Provide public access to City services through referrals and by answering questions about City policies and procedures

Description:

Provide support services for City Council and City Clerk offices including managing budget, personnel issues and coordinating customer services.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of workforce: people of color	12%	12.%	15	12	na
female	76%	73.%	17% 82%		
Special Council permits	242	174	182	180	na
Block event permits	837	810	825		
Board of equalization applications	107	100	182	180	180
Domestic partner applications processed	73	49	54	55	55

Explanation of key performance measures:

Service Activity:

Municipal Information Library - Provide reference and historical information to City employees and the public

Description:

Provide library reference and current awareness services to City employees, manage a collection of City of Minneapolis documents and other publications of interest to City officials and employees. Respond to reference questions from the public pertaining to City of Minneapolis City government.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Research projects completed	664	803	780	na	na
Cost per project	\$72.88	\$64.83	\$56.55	na	na
Documents delivered	1,923	2,768	2,780		
% of research requests completed within negotiated time frame	100%	100%	100%		
Items added to collection	960	1,657	1,000		

Explanation of key performance measures:

Closed due to cudget cuts

Primary Business:

Printing and mailing services for City departments

Service Activity:

Copy and Mail Center

Description:

Provide mail service and high quality, low cost copying and duplicating services to all departments located in City Hall and other City offices in the downtown area.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
High speed impressions per year	11.7 million	9.5 million	9 million	9 million	na
% of orders completed within customer time frame with percent meeting quality expectations	98%	98%	98%	98%	na
Convenience copier impressions per year	7.037 million	6.969 million	7 million	6.5 million	na
Pieces of City interoffice mail processed per FTE per year	190,000	190,000	175,000	170,000	na
Pieces of United States Postal Service (USPS) mail processed	1.42 million	1.3 million	1.3 million		

Explanation of key performance measures:

These functions may be turned over to the County in January 2004.

Primary Business:

Elections and voter registration

Service Activity:

Manage election process and maintain voter registration records for city residents

Description:

Conduct well-organized and accurate elections, which facilitates the maximum participation of all Minneapolis residents eligible to vote. Ensure that all elections are in compliance with Federal, State, and City election laws.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
New Election judges recruited	700	283	700	0	700
Election judges trained and staffed on primary and general election	2,711	2,160	2,500	0	2,500
Number of ballots cast	225,324	149,559	200,000	0	230,000
Average cost per ballot cast	\$4.09	\$6.08	\$4.30	0	4.00
% precincts reporting results within 30 minutes of polls closing	75%	85%	90%	0	50
Voter registration data processed in statewide voter registration system	83,269	20,222	36,135	na	na
Voter data entered per FTE	9,252	5,055	9,033	na	na

Explanation of key performance measures:

Costs vary by type of election year due to cost allocation procedures established within state election laws (e.g. City pays for ballot printing costs in City election years). In high volume years such as the presidential and state elections, temporary employees are utilized to keep overtime costs down. Voter Registration has been moved to the County.

Financial Analysis:

EXPENDITURE

The City Clerk's budget reflects the reorganization of the City Council's budget. Prior to the Local Government Aid cuts of 2003, the City Clerk's budget included the ward budgets for each Council Member, including the personnel costs of the assistants and associates in each office. The City Clerk's position information has been restated for the change in the City Council's budget while the financial information has not. The substantial reductions in every category of expense reflect these changes.

REVENUE

Revenue in the City's mailing and copying operations are budgeted so that revenue and expense are equal, as planned in the Intergovernmental Services work out plan.

FUND ALLOCATION

The City Clerk's office is funded primarily in the general fund (51%), while printing and mailing operations are internal service fund activities (49%).

LOCAL GOVERNMENT AID CUT IN 2003

The City Clerk's LGA cut included the elimination of 4 positions in the Clerk function and a reduction to the Election's budget. This reduction to the Election's budget has been restored in preparation for the Presidential election in 2004.

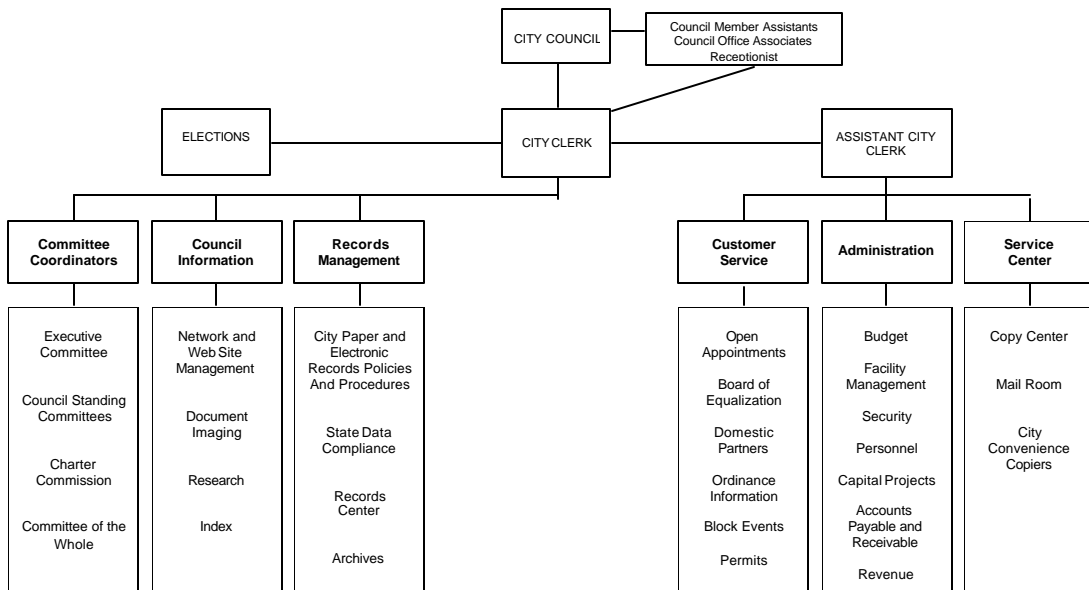
ADOPTED BUDGET

The budget does not include any changes to the City Clerk's budget.

CITY CLERK Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Operations	21.00	21.00	18.00	14.00	-22.22%	(4.00)
Central Mailing	0.80	0.80	0.80	0.80	0.00%	-
Central Copy Center	4.70	4.70	4.70	4.70	0.00%	-
Elections & Registration	25.50	27.75	24.00	26.70	11.25%	2.70
Total FTE's	52.00	54.25	47.50	46.20	-2.74%	(1.30)

Minneapolis City Clerk 2004 Organization Chart



Expense Information for City Coordinator

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
Capital Projects						
Contractual Services	-293	0	0	0		0
Equipment	327	0	0	0		0
Fringe Benefits	105,790	5,977	7,266	0	-100.0%	-7,266
Operating Costs	3,081	1,255,798	1,006,363	1,019,744	1.3%	13,381
Salaries and Wages	402,984	0	0	0		0
Total for Capital Projects	511,890	1,261,775	1,013,629	1,019,744	0.6%	6,115
Enterprise Funds						
Capital Outlay	3,621	0	26,520	26,870	1.3%	350
Contractual Services	1,400,699	1,445,122	1,454,673	1,634,232	12.3%	179,559
Equipment	118,426	183,834	201,548	204,208	1.3%	2,660
Fringe Benefits	1,020,322	991,601	1,217,017	1,201,252	-1.3%	-15,765
Operating Costs	887,640	1,236,251	2,339,899	2,374,496	1.5%	34,597
Salaries and Wages	4,258,775	3,641,969	4,187,911	4,248,704	1.5%	60,793
Total for Enterprise Funds	7,689,483	7,498,776	9,427,568	9,689,762	2.8%	262,194
General Fund - City						
Capital Outlay	109,318	42,948	268,800	196,358	-27.0%	-72,442
Contractual Services	6,620,567	6,676,653	5,702,536	6,628,709	16.2%	926,173
Equipment	613,042	194,195	313,526	326,720	4.2%	13,194
Equipment Labor	70	0	0	0		0
Fringe Benefits	5,100,376	6,209,760	7,105,235	7,296,380	2.7%	191,145
Operating Costs	815,880	-1,870,873	-2,788,569	-2,925,147	4.9%	-136,578
Salaries and Wages	24,347,457	26,556,252	28,068,526	28,607,629	1.9%	539,103
Total for General Fund - City	37,606,710	37,808,934	38,670,054	40,130,649	3.8%	1,460,595
Internal Service Funds						
Contractual Services	11,654,219	10,638,167	7,182,874	12,206,968	69.9%	5,024,094
Equipment	768,272	17,183	391,272	8,887	-97.7%	-382,385
Equipment Labor	85,385	108,311	0	0		0
Fringe Benefits	1,246,419	1,222,643	1,921,034	1,617,066	-15.8%	-303,968
Operating Costs	1,293,934	3,062,682	3,571,665	1,675,736	-53.1%	-1,895,929
Salaries and Wages	5,728,044	5,369,572	7,688,541	5,643,841	-26.6%	-2,044,700
Total for Internal Service Funds	20,776,273	20,418,558	20,755,386	21,152,498	1.9%	397,112
Investment Management Funds						
Operating Costs	0	205,026	0	0		0
Total for Investment Management Funds	0	205,026	0	0		0
Special Revenue Funds						
Capital Outlay	175,090	199,763	228,188	205,870	-9.8%	-22,318
Contractual Services	14,417,828	17,034,717	16,718,031	17,390,734	4.0%	672,703

Expense Information for City Coordinator

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
Special Revenue Funds						
Equipment	675,218	1,150,094	1,125,942	1,372,100	21.9%	246,158
Equipment Labor	0	1,355	0	0		0
Fringe Benefits	1,536,995	1,965,860	3,019,147	2,888,411	-4.3%	-130,736
Operating Costs	542,096	1,134,190	1,417,804	1,389,163	-2.0%	-28,641
Salaries and Wages	6,031,762	7,709,359	9,189,599	9,708,639	5.6%	519,040
Total for Special Revenue Funds	23,378,989	29,195,337	31,698,711	32,954,917	4.0%	1,256,206
Total for City Coordinator	89,963,345	96,388,406	101,565,348	104,947,570	3.3%	3,382,222

City Coordinator Administration

Mission Statement

The mission of the City Coordinator's Office is to provide leadership, direction and accountability in establishing City policy and priorities and to continually improve the management systems and regulatory services of the City.

Primary Businesses:

Policy Development and Implementation: The City Coordinator acts as a policy advisor to the Mayor and City Council and ensures that project implementation is accountable and consistent with Mayor and Council direction.

Management Oversight: The City Coordinator oversees the City's management departments and Regulatory Services to ensure excellence in service and public accountability.

Key Trends and Challenges Impacting the Department:

Limited Financial Resources. Over the past decade, the City worked itself into an overburdened internal services fund and misguided development policies. The result was the lowering of the City's Triple A Bond rating, severe shortages in revenue, and increasing property taxes. In addition, over the past two years the state legislature reduced Local Government Aid, altered important property tax laws and development tools which further exacerbated the City's financial capacity. In 2003, the City was forced to undergo dramatic reductions, including significant layoffs. The City Coordinator must work to address these issues while continuing to provide quality services with less money.

Diversity. Minneapolis' minority population grew at a rate faster than any other city in Minnesota. In addition to the quickly growing African American and Hispanic/Latino communities, the influx of non-English speaking immigrants and new arrivals has brought the City a wealth of culture and unique issues. The Coordinator is challenged to ensure that the community's government is representative of the community it serves.

Customer Service. Maintaining and improving customer service is a significant challenge during this time of limited financial resources, both internally and externally. With departments cutting all but essential services, improvements in customer service can seem like a luxury. The City Coordinator needs to coordinate departments to work together to address customer service concerns, including collaborating across departments, thinking creatively about ways to provide service, and holding department managers and their employees accountable during these tough economic times.

Key Initiatives or Other Models for Providing Service to be implemented:

Other Models of Providing Service: City Manager Form of Government

The City Manager form of government has one executive that oversees all city departments and is responsible for the day-to-day management of the City. Functioning much like a business organization's chief executive officer, the appointed professional manager administers the daily operations of the city and is responsible for all hiring and personnel decisions. This form of government frees the elected body to focus on and establish policy, which is then carried out by the City Manager and an administrative staff. Through a professional staff, the manager ensures the effective provision of services, accountability, and enforces the policies adopted by the elected body. As a trained professional, the City Manager has the appropriate training, education, and experience in municipal administration and finance to oversee the delivery of essential community services - traits elected officials sometimes lack. This form of government is generally considered the best way to ensure sound management, improve accountability, avoid conflicts of interest, and promote collaboration among departments.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of residents who rated Minneapolis government as 'very good' or 'good' at effectively planning for the future	na	na	49%	na	51%
% of residents who rated Minneapolis government as 'very good' or 'good' at providing value for tax dollars	na	na	54%	na	>%50
% women and people of color in City workforce:		31%	30.4%	30.8%	
% women		18.6%	19.9%	20.3%	
% people of color					
Women and people of color in City workforce as compared to city resident workforce:					
% women residents citywide					
% people of color citywide					

Explanation of Performance Data for Departmental Outcome Measures:

The unforeseen cuts in Local Government Aid by the State coupled with a resistance to significant increases in property taxes will result in a reduction of services. Residents will most likely feel as if they are getting less services for the same or more. It is imperative that the services the City does offer are of high quality to offset the reduction in non-core city services.

Primary Business:

Policy Development and Implementation

Service Activity:

Assist the Mayor and City Council in defining and establishing City policies and priorities

Description:

The City Coordinator coordinates strategic and financial planning activities to assist the Mayor and Council with policy development and decision-making. The Coordinator meets weekly with the Mayor and Council President to address key city issues and plan for the future. In addition to this ongoing advisory role, the Coordinator is also the lead on the City's core processes: Strategic Planning, Business Planning, Annual Budget and Performance Measurement. Key to the success of these endeavors is linking business planning with the City's financial capacity to implement the goals and objectives adopted through the strategic planning process. The City Coordinator serves as the leader of these processes and is responsible for holding staff accountable for informing elected officials of the outcomes of their policy and financial decisions. Strategic planning and goal setting occurs every four years.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Adoption of citywide goals and outcomes	na	na	Yes	na	Update
% of departments with a completed and Council approved business plan				24%	100%
				Fire Department City Coordinator City Attorney City Assessor	

Key city policies addressed and approved by Council that increase revenue or significantly decrease spending

CRA Redesign
Strategic Planning

5-Year Financial
Direction
CPED
Dept Head
Accountability
8% Levy Limit
NRP Funding
Decision
ITS Outsourcing

One-Stop-Shop
Revenue
diversification
Street maintenance

Explanation of key performance measures:

Many of the Coordinator's activities as they relate to policy development are difficult to measure. One of the Coordinator's key tasks is to advise and consult the Mayor and Council on a variety of issues which is difficult to measure quantitatively on an annual basis. Performance measures for this service activity reflect the initiatives led by the Coordinator by simply listing them, which demonstrates the proactive development of key city policies by the Coordinator.

Service Activity:

Coordinate city departments to implement special initiatives that reflect Mayor and Council priorities and hold departments accountable for their performance

Description:

The City Coordinator convenes the charter department heads and interdepartmental work teams to address Mayor/Council projects and policies. Developing strong relationships and interdepartmental relationships is crucial. The Coordinator nurtures these relationships by holding regular Department Head meetings. The City Coordinator also serves on a number of cross-departmental work teams, including the Labor Management Committee, Minneapolis Emergency Communications Center User Board, New Central Library Implementation Committee, and the Security Response Work Team. In addition, the City Coordinator staffs the Executive Committee which includes annual work plan and performance reviews of all charter department heads. These reviews hold the department heads accountable by ensuring that Mayor and Council priorities are reflected in their work.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of Executive Committee members who deem the Executive Committee useful and effective				Survey being developed and distributed in early '04	85%
Key special projects coordinated by the City Coordinator			CRA Redesign CPED Implementation Empowerment Zone New Central Library	CPED Implementation One-Stop-Shop Ethics Task Force New Central Library	
% of Department Heads that consider bi-weekly Department Head meetings useful and productive				Survey being developed and distributed in early '04	100%
% of Department Heads that receive a work plan and annual performance review				67%	100%

Explanation of key performance measures:

The special project component of this service activity is difficult to measure on an on-going basis as many of the projects and initiatives are often unplanned and the result of an unanticipated community need and generally do not last for more than one year.

Primary Business:

Management Oversight

Service Activity:

Strengthen management systems and improve efficiencies

Description:

The City Coordinator oversees the 5 management departments of the City: Business Information Services, Communications, Finance, Human Resource, and Intergovernmental Relations as well as Regulatory Services and the Minneapolis Convention Center. Management systems are strengthened (1) by the City Coordinator departments providing financial, workforce, communications and technology tools and assistance to all departments and (2) by ensuring strong leadership by the Assistant City Coordinators through work direction and guidance with a focus on effectiveness and continuous improvement. The City Coordinator's oversees Regulatory Services and the Minneapolis Convention Center and helps these businesses collaborate with other City departments, improve customer service, and generate revenue for the City.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% Coordinator departments submit annual work plan and receive annual review.			100%	100%	100%
% Coordinator departments that stay within approved budget.				100%	100%
% women and people of color in management departments: % women % people of color					
% customer departments expressing satisfaction with the services provided by BIS, Communications, Finance, Human Resources and IGR.				Survey being developed and will be disseminated in January '04.	85%

Explanation of key performance measures:

The measures of this service activity reflect the Coordinator's role as the manager of these key functions. Ultimately, the Coordinator is accountable for the success/failures of the management departments and these measures highlight the aggregate achievements of all the ACC departments.

Financial Analysis:

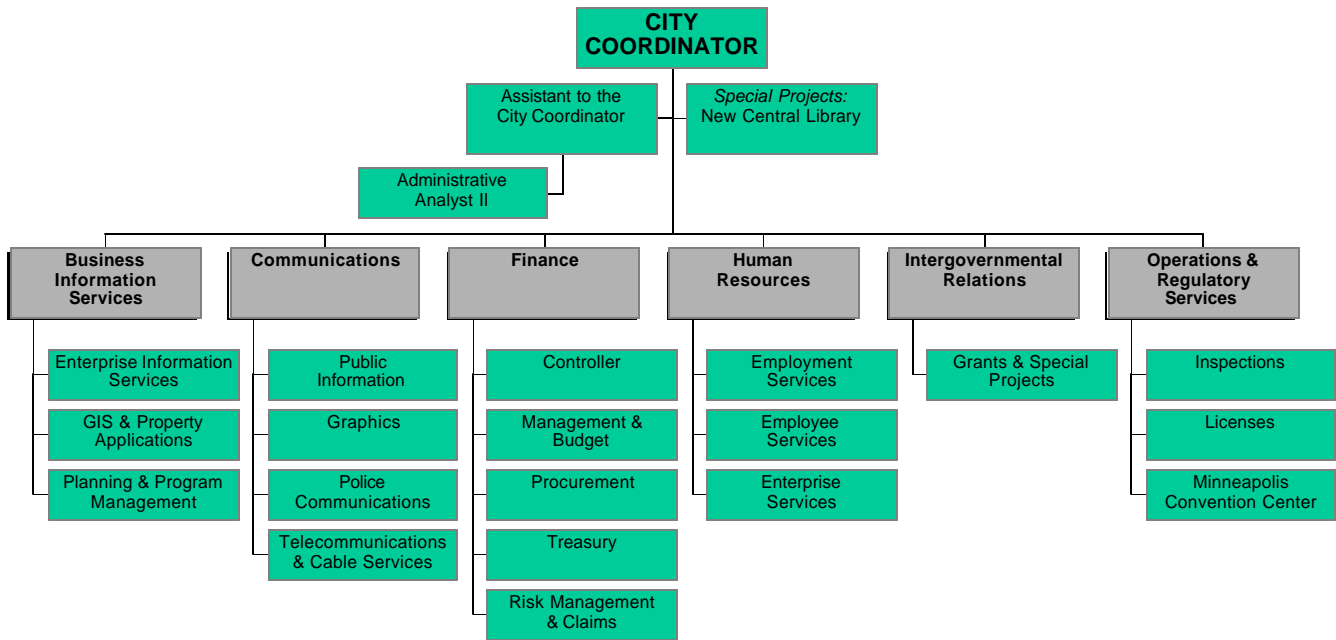
For the 2004 budget, Coordinator Administration has \$409,000 in expenditures budgeted, including 3 positions, funded entirely from the General Fund. This reflects a 12% reduction over 2003 adopted budget, resulting from the Department's decision to eliminate one position in response to the 2003 Local Government Aid reduction.

The Coordinator's Administrative budget reflects the shift of the office of the Empowerment Zone to the Community Planning and Economic Development Department. This change is reflected both in the financial information and the position information.

**CITY COORDINATOR ADMINISTRATION
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Administration	6.00	5.00	4.00	3.00	-20.00%	(1.00)
Office of Cultural Affairs	4.00	4.00	-	-	-	-
Total FTE's	10.00	9.00	4.00	3.00	-55.56%	(1.00)

2004 Organizational Chart



Business Information Services

Mission Statement

Provide effective and reliable information Services to support efficient management of city government, easy access to city products and services and measurement of city business units performance.

Primary Businesses:

During the year 2003 Business Information Services (BIS) has embarked on a significant change away from a focus on technology for it's own sake to becoming a value added information services provider to the city's elected officials, departments and citizens.

This fundamental shift was largely enabled through the outsourcing of all of the city's technology infrastructure and associated support functions. To install, maintain and support information technology is no longer considered a primary business function of the city's IS department. Our focus is now on how to leverage technology to meet the city's business needs.

To emphasize the change the department was renamed from Information & Technology Services (ITS) to Business Information Services (BIS) and restructured to support the following four Lines of Business:

1. Business Development Services

This line of Business supports Business Relationship Management, Business process Engineering, Strategic Technology Planning, and Project/Program Management. Additionally it provides focus on leveraging Enterprise Technology Investments and the establishment and support of BIS - Department Service Level Agreements.

2. E-Government & Enterprise Information Services

Provides management and support to the city's GIS Business Services, Web Services, CRM environment, E-Government Services, and Inter-Jurisdictional/Enterprise Services.

3. Business Application Services

Manages and supports the city's Software Applications & Application Administration, Configuration Management & Change Administration, Web Application Development & Support, and Business Solution Delivery.

4. Technology Infrastructure Services

Provides oversight and management over Managed Services (Outsourcing), IS Architecture, Enterprise Data Management (EDM), and the city's Telecommunications Infrastructure & Administration.

Key Trends and Challenges Impacting the Department:

Challenge

Funding:

Funding for ongoing BIS operations and future information technology investments is the most serious challenge facing BIS. Sustainable financing models are required to provide service levels demanded by the Enterprise as well as insure a reliable source of funding for business outcome driven technology investments that reduce cost and improve the delivery of City services.

The Internal Services Fund Workout Plan established in 2000 required a \$1.5 million operating budget reduction in 2002. The Council adopted 5-year financial outlook combined with LGA triggered reductions resulted in additional cuts of for 2003, which required a workforce reduction of 19 FTEs. The Internal Services Fund Workout Plan does not address on going capital funding needs previously addressed through the city's RTSF/SISP process that was abandoned at the end of 2001.

The result of these actions has put IT progress within the city on hold. BIS is barely able to maintain the city's current IT environment, which is in desperate need for upgrades and/or replacement of aging applications. Further more, there is an urgent need to expand the city's service delivery capability through e-government initiatives that lower the city's cost of doing business.

BIS are under serious pressure from city departments to deliver adequate information services. Our inability to deliver causes damage to our credibility within departments, who are in many cases reverting to a decentralized IT environment. BIS are seen as delivering lip service and departments are beginning to take IT matters in to their own hands, a practice that undermines the importance of controlling costs and leveraging technology across the enterprise. The City must recognize the need to support and adequately fund BIS as the central source for the coordination and management of the city's information services needs.

Key Trends

Outsourcing

A key trend in the industry is for internal IT organizations to re-evaluate their true mission and begin emphasizing a focus away from technology for it's own sake to providing value added services that help departments leverage technology to better achieve their respective business needs. BIS has followed this trend and signed a contract for a seven-year outsourcing, or managed services engagement with Unisys. This engagement allows BIS to get out of the business of installing, maintaining and refreshing the city's IT infrastructure and associated support functions.

The transition of this BIS business segment to Unisys is currently in progress. It has already become evident that this move has significantly increased customer service levels related to maintaining the city's IT infrastructure. The IT outsourcing business model implemented by the city has already gained national attention and is being considered by many public sector organizations as the model to follow. The full transition to Unisys will be completed at the end of the 3rd quarter 2003.

CitiSTAT/311 Common Contact Center/CRM System

Cities across the nation recognize the need to develop consistency, intra-department coordination and accountability when responding to citizens' requests for services. Furthermore, with tightening budgets and increased awareness of gaps in emergency preparedness, many cities are relieving 9-1-1 services of police non-emergency work to enable their focus to be on true emergencies only.

To date nineteen cities have responded with a CitiStat/311 solution that is a comprehensive approach to the management of non-emergency services. In addition to streamlined services and improved citizen interaction, many cities have found that the process decreased the cost of service delivery.

The City of Minneapolis intends to adopt this same successful model through a multi-phased development approach. Work will begin this year through BIS, Public Works and Police Non-emergency efforts that focus on the

implementation of a Constituent Relationship Management (CRM) tool to achieve the following results:

- Streamline services & track public demands for service
- Increase department efficiency & accountability (MINSTAT)
- Improve workload tracking, evaluation and reporting
- Provide senior management with consistent, complete, and accurate data for planning, decision making and prioritization of City efforts.

Eventually, the CRM tool will be available to the enterprise and act as a central repository giving elected officials, department heads and employees a reliable system to monitor a service request through its lifecycle and across departments. The system will also provide integration with key legacy systems (e.g., GIS, KIVA, FISCOL, HRIS) and allow the City to 'close the loop' with citizens through the measurement of customer needs and satisfaction levels. Once citywide adoption is completed, the City will be prepared to launch a 311 system that will focus on providing citizens one point of contact for all non-emergency services.

Key Initiatives or Other Models for Providing Service to be implemented:

Two Key Initiatives within BIS (Outsourcing and Citistat/311) are described above.

• RTSF/SISP Process

BIS in conjunction with the Technology Steering Committee will re-establish the Real Time Strategic Forum (RTSF)/Strategic Information Systems Plan (SISP) process that was discontinued at the end of 2001 when capital funding associated with this process was abandoned. The purpose of this initiative is to establish a proper framework and planning process that will allow departments to work with BIS on the definition and sizing of business needs driven information technology solutions.

• Windows XP Rollout

The City is moving to Windows XP to offer employees newer releases of both the Windows and Office platforms. The advantages include improved functionality, reduced security exposures, simplified software support of software installations, and compatibility with present industry standards.

BIS will work with Unisys and Departments to conduct a staged rollout that includes hardware upgrades and critical functionality testing in a quality assurance environment before migration to production. In turn, departments can confidently move to the new operating system with minimal impact to operations.

As part of the XP rollout project, BIS will also establish a program to manage departmental software in a central media library. This is an opportunity to consolidate and standardize software within the city and to maximize existing investments in technology. BIS will also work with department liaisons to obtain the proper licensure and eliminate obsolete or inappropriate software to reduce the 'hidden' costs of IT.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1. Business process re-engineering and eGovernment initiatives	N/A	N/A	N/A	N/A	Implement
2. Public Works & Police Non-emergency CRM/MINSTAT Solution	N/A	N/A	N/A	N/A	Implement
3. New business model for BIS	N/A	N/A	N/A	Develop	Implement
4. Consolidate and standardize software	N/A	N/A	N/A	Developing	Implement & Manage
5. Remaining within the 2004 budget and meeting diversity goals	Stay within Budgetary & Diversity Goals	Stay within Budgetary & Diversity Goals	Stay within Budgetary & Diversity Goals	Stay within Budgetary & Diversity Goals	Stay within Budgetary & Diversity Goals

6. Re-establish RTSF/SISP program	N/A	N/A	N/A	Develop Program	Establish annual RTSF/SISP program
7. Invest in new telephony system	N/A	N/A	N/A	Planning for new telephony system	Procure and deploy new telephony system
8. Implement Enterprise Information Management	N/A	N/A	N/A	Planning	Implement
9. Establish Service Level Agreements	N/A	N/A	N/A	Planning	Implement

Explanation of Performance Data for Departmental Outcome Measures:

1.Targeted eGovernment solutions for the CPED Development Workflow initiative that includes: ePermitting (On-Line Permitting), eLicensing (On-line Licensing), eRequest for Information (On-line Case Status) and development workflow automation.

2. Implement Public Works & Police Non-emergency CRM/MINSTAT Solution. This Pilot management information system has capabilities for the enterprise.

3. Define and establish new functions that align with the new business model for BIS.

- Quality Assurance - Establish a Quality Assurance function into the delivery of Business Information Services. Develop end-to-end management of software to transition applications smoothly from purchase or development to desktop.
- Business Development - Establish a Business Development function that will assist departments in leveraging technology investments and implementing integrated business solutions. This new function will be staffed with Business Technology Managers who establish direct working relationships between city departments and BIS.
- Architecture - Establish an Architecture function that maintains a technology roadmap for IT decisions. Provides oversight and collaborates with Unisys on technology direction proposed under the Managed Services agreement. Establishes and maintains the standards, software infrastructure and stewardship practice associated with Enterprise Data Management.
- Business Process Engineering - Establish a Business Process Engineering function that will assist city business unit in analyzing and redesigning processes, work-flows and data stewardship practices to maximize the return on technology investments.

4. Consolidate and standardize software within the city to maximize existing investments in technology. Actively manage the direct and indirect costs of software/systems support.

5. Contribute to the City's goals by remaining within the 2004 budget and meeting diversity targets established for BIS.

6. Re-establish RTSF/SISP program to align Information Technology investments with Departmental Business plans and develop funding strategies based on prioritize business needs that deliver the greatest added value to the enterprise.

7. Invest in an upgrade of the City's telephony systems to address public safety and business continuation concerns. The City is running on equipment that has an increasing risk of failure due to age. Should the system fail, the City would lose critical telephone service between the public and public safety (police, fire, public works and water) as well as with City Departments.

8. Implement Enterprise Information Management to improve the data quality and records management compliance within City's mission critical business systems. Enterprise Information Management is a program that is designed to create a standardized governance framework of policies, procedures and application tools for the life cycle management of electronic information resources across the enterprise. The City Clerks Office will provide the governance structure necessary to implement business systems that will effectively manage information throughout its life cycle. BIS will use this governance structure to deploy business systems that produce and manage information that is trustworthy, creates essential evidence of business transactions, meets required legal and regulatory mandates and utilizes industry best practices.

9. Establish Service Level Agreements for delivery of BIS services to City Employees. Measure and report BIS activity against stated goals.

Primary Business:

Business Development Services

Service Activity:

Business Development Services

Description:

This line of Business supports Business Relationship Management, Business process Engineering, Strategic Technology Planning, and Project/Program Management. Additionally it provides focus on leveraging Enterprise Technology Investments and the establishment and support of BIS - Department Service Level Agreements.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Public Works & Police Non-emergency CRM/MINNSTAT Solution	N/A	N/A	N/A	Planning	Implement
Develop new Business Model	N/A	N/A	N/A	Planning	Implement
Re-establish RTSF/SISP program	N/A	N/A	N/A	Develop	Implement
Establish Service Level Agreements	N/A	N/A	N/A	Develop	Implement

Explanation of key performance measures:

1. Implement Public Works & Police Non-emergency CRM/MINSTAT Solution. This Pilot management information system has capabilities for the enterprise.

2. Define and establish new functions that align with the new business model for BIS.

- Quality Assurance - Establish a Quality Assurance function into the delivery of Business Information Services. Develop end-to-end management of software to transition applications smoothly from purchase or development to desktop.
- Business Development - Establish a Business Development function that will assist departments in leveraging technology investments and implementing integrated business solutions. This new function will be staffed with Business Technology Managers who establish direct working relationships between city departments and BIS.
- Architecture - Establish an Architecture function that maintains a technology roadmap for IT decisions. Provides oversight and collaborates with Unisys on technology direction proposed under the Managed Services agreement. Establishes and maintains the standards, software infrastructure and stewardship practice associated with Enterprise Data Management.
- Business Process Engineering - Establish a Business Process Engineering function that will assist city business unit in analyzing and redesigning processes, work-flows and data stewardship practices to maximize the return on technology investments.

3. Re-establish RTSF/SISP program to align Information Technology investments with Departmental Business plans and develop funding strategies based on prioritize business needs that deliver the greatest added value to the enterprise.

4. Establish Service Level Agreements for delivery of BIS services to City Employees. Measure and report BIS activity against stated goals.

Primary Business:

E-Government & Enterprise Information Services

Service Activity:

E-Government & Enterprise Information Services

Description:

Provides management and support to the city's GIS Business Services, Web Services, CRM environment, E-Government Services, and Inter-Jurisdictional/Enterprise Services.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Business Process Re-engineering and e-Government initiatives	N/A	N/A	N/A	N/A	Implement
Implement Enterprise Information Management	N/A	N/A	N/A	Planning	Implement
Integrate GIS into departmental business process	N/A	N/A	N/A	Working with Departments	Integrate into Departments
Provide enterprise coordination and leadership to improve the delivery of city services utilizing decision support tools	N/A	N/A	N/A	Provide leadership & coordination	Provide leadership & coordination

Explanation of key performance measures:

1. Targeted eGovernment solutions for the CPED Development Workflow initiative that includes: ePermitting (On-Line Permitting), eLicensing (On-line Licensing), eRequest for Information (On-line Case Status) and development workflow automation.

2. Implement Enterprise Information Management to improve the data quality and records management compliance within City's mission critical business systems. Enterprise Information Management is a program that is designed to create a standardized governance framework of policies, procedures and application tools for the life cycle management of electronic information resources across the enterprise. The City Clerks Office will provide the governance structure necessary to implement business systems that will effectively manage information throughout its life cycle. BIS will use this governance structure to deploy business systems that produce and manage information that is trustworthy, creates essential evidence of business transactions, meets required legal and regulatory mandates and utilizes industry best practices.

3 & 4 Assist in the integration of GIS Services into Departmental Business Processes. Assist departments to become self-sufficient utilizing GIS by helping the departments identify the business need, resource requirements, and provide educational and technical assistance. This service activity includes the development of operating policies, standards and best practices that ensure high integrity shared spatial data and optimal use of GIS capability. Promoting department processes that support data accuracy and ensuring proper stewardship of the data is a key component of a successful GIS.

Primary Business:

Business Applications Services

Service Activity:

Business Applications Service

Description:

Manages and supports the city's Software Applications & Application Administration, Configuration Management & Change Administration, Web Application Development & Support, and Business Solution Delivery.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Consolidate and standardize software	N/A	N/A	N/A	Develop	Implement
Average % of time Customer Business Applications are available	N/A	96.7%	97.25%	97.25%	99+%

Explanation of key performance measures:

1. Consolidate and standardize software within the city to maximize existing investments in technology. Actively manage the direct and indirect costs of software/systems support.
2. % of time Customer Business Applications are available is a measure of the percentage of time the application is available during regularly scheduled hours, excluding any unavailability due to hardware reasons and server migrations. The time unavailable is that time the application was not available on an unscheduled basis.

Primary Business:

Technology Infrastructure Services

Service Activity:

Technology Infrastructure Services

Description:

Provides oversight and management over Managed Services (Outsourcing), IS Architecture, Enterprise Data Management (EDM), and the city's Telecommunications Infrastructure & Administration.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Invest in new telephony system	N/A	N/A	N/A	Planning	Implement
Manage the outsourcing contract to SLA's	N/A	N/A	N/A	gear up to Steady-State	Manage to SLA Agreements

Explanation of key performance measures:

1. Invest in an upgrade of the City's telephony systems to address public safety and business continuation concerns. The City is running on equipment that has an increasing risk of failure due to age. Should the system fail, the City would lose critical telephone service between the public and public safety (police, fire, public works and water) as well as with City Departments.
2. In 2003 BIS entered into a Managed Services contract to perform our Technology Operations function. In late 2003, we will be in a steady-state environment with the outsourcer. Service Level Agreements (SLAs) will be in force with our customer Departments. Our outsourcer will comply to 100% of those SLAs in 2004.

Financial Analysis: (To be completed by the Finance Department)

Information Services

EXPENDITURE

The 2003 Business Information budget is 8.6% less than the 2003 adopted budget. This reduction includes the shift of the video services/cable regulation function to Communications. This change is reflected in the position information, but not the financial information section.

The Department's revenue estimates reflect the net effect of the shift of cable franchise fee revenue to communications (\$2.2 million) and increase in revenue estimated from project management and other business activities.

FUND ALLOCATION

BIS is fully funded through in the intergovernmental services internal service fund. During 2003, the Geographic Information Services function moved from the general fund to the internal service fund. General fund expenditures in prior years relate to GIS and video services/cable regulation activities that had been paid in that fund.

LOCAL GOVERNMENT AID CUT IN 2003

The sizable reduction in the Department's budget is related to the elimination of 23 positions as result of the LGA cut.

ADOPTED BUDGET

The budget does not include any changes to BIS's budget. The capital budget includes funding for information technology infrastructure.

BUSINESS INFORMATION SERVICES

Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
Total FTE's	74.85	76.85	100.10	78.10	-21.98%	(22.00)

Business Information Services

Chief Information Officer	1.00
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Administration

Manager - BIS	1.00
Office Support Specialist III-C	1.00
Contract Administrator	1.00
Administration - Totals	3.00

Vacant Positions

Manager - BIS	6.75
Operations Support Tech II	1.00
Project Coordinator	1.00
Systems Integrator III	2.60
Systems Integrator IV	1.00
Systems Integrator V	9.00
Systems Integrator VI	2.00
Vacant Positions - Total	23.35

GIS Business Services & Property Applications

Director	1.00
Systems Integrator II	4.00
Systems Integrator III	1.00
Systems Integrator IV	2.00
Systems Integrator V	1.00
GIS Business Services - Total	9.00

Enterprise Information Services

Director	1.00
Manager - BIS	3.00
Information Services Aide II	2.00
Systems Integrator III	2.00
Systems Integrator IV	3.00
Systems Integrator V	7.00
Systems Integrator VI	6.00
Enterprise Information Services - Total	24.00

Planning & Program Management Division

Director	1.00
Manager - BIS	3.00
Operations Support Tech II	1.00
Operations Support Tech III	2.00
Operations Support Tech IV	1.00
Administrative Analyst II	1.00
Project Manager	2.00
Systems Integrator I	2.00
Systems Integrator III	1.00
Systems Integrator IV	3.00
Systems Integrator VI	3.00
Planning & Program Management Division - Total	20.00

<i>Business Information Services - Total</i>	80.35
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Communications

Mission Statement

The mission of this department is to clearly and accurately communicate information about the City of Minneapolis to key audiences. This includes providing information about core services, the political process, ordinances and regulations, as well as promoting the arts, culture and entertainment Minneapolis has to offer.

Primary Businesses:

Assist elected officials and city departments with all communications functions, internal and external.

Key Trends and Challenges Impacting the Department:

1) As with all city departments, the limitation on resources is a significant challenge to the Communications Department. 2) And as resources shrink, the workload increases due to increased media and public scrutiny of city services and allocation of tax dollars. 3) In addition, during difficult budget times, effective internal employee communications are essential. 4) We need to overcome the territorial instincts of some departments as we move towards a more coordinated communications model for the City. 5) Technology is advancing rapidly and we need to advance with it. It's essential that we move steadily towards computer-based communications, reaping savings and efficiencies in the process.

Key Initiatives or Other Models for Providing Service to be implemented:

The Communications Department has two primary strategies for saving the City money, while improving communications in 2004: 1) continue to eliminate functions that do not effectively and efficiently serve our mission, regularly evaluating the return we get on our investment in each of several areas of communication, including but not limited to media relations, Web sites, video/cable and publications; 2) continue to consolidate communications throughout the City. The physical movement of most personnel and budgets has been accomplished. In 2004, Communications will shift one of three positions from Graphics to Public Affairs in order to address the need to have more staff to respond to media inquiries and devote more staff to assisting departments in oversight of communications materials. But remaining communications resources, from people to printers, are scattered through every department. Newsletters, printed and mailed by multiple departments and agencies, are sometimes redundant and expensive. Annual reports are too often inconsistent and/or not very meaningful. There is no accepted protocol for responding to the media, leading to inconsistent and even inaccurate information being shared with the public.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Explanation of Performance Data for Departmental Outcome Measures:

Primary Business:

Assist elected officials and city departments with all communications functions.

Service Activity:

1) Media/public relations

Description:

This service is provided upon request to all city departments and elected officials and involves responding to media requests; arranging interviews; collecting and distributing data; media training

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Timely response to media and public requests for information				20% increase of media/public handled by Communications for individual city departments	additional 10% increase in media inquiries handled by the Communications Department
% City departments' compliance with media protocol				increase from 0% compliance to an estimated 50% of departments contacting Communications in the event of a media inquiry	an additional 10-15% compliance

Explanation of key performance measures:

Service Activity:

2) Providing strategic communications guidance

Description:

This service is available to all department heads and elected officials and involves advising on response to media/public inquiries regarding issues surrounding city services, employee conduct and policy decisions. It also includes strategy around proactive communications regarding such issues.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of city departments accessing service				20% increase in number of city personnel availing this service	additional 10-15% increase

Explanation of key performance measures:

Service Activity:

3) Oversight of citywide communications materials

Description:

The Communications Department has offered to audit all publications for city departments and provide analysis of effectiveness, followed by recommendations for additions or elimination of individual publications. We are also advising departments on how to become more web-based. Finally, communications staff will format/design and edit materials determined to be necessary and effective.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of departments utilizing the service				Communications has already audited 2 departments, and is in the process of conducting audits for 2 others. We've seen a 100% increase in department submission of routine communications for editing and content review.	An additional 100% increase in use of this oversight service

Explanation of key performance measures:

Service Activity:

4) Enhancing the image of Minneapolis

Description:

This involves helping elected officials and departments create and take advantage of opportunities to enhance the image of the City

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% increase in positive events/accomplishments and % decrease in negative events (ie. employee misconduct, level of service issues)				no measureable change	10-15% increase in positive events/accomplishments and accompanying coverage

Explanation of key performance measures:

Financial Analysis:

EXPENDITURE

The 2004 budget for the Communications Department reflects the shift of video services/cable regulations from the Business Information Services Department and the Graphics division from the former Planning Department. In addition, the Department's budget reflects an increase related to the shift of communications functions from the Community Planning and Economic Development Department, including 2 positions. As a result of these organizational changes, the Department's budget increased over 200% from the 2003 adopted budget.

REVENUE

The Department's revenue budget reflects the proceeds from the City's cable Franchise Fee (\$2.2 million), as well as the contributions from the cable company that are passed through to the Minneapolis Telecommunications Network (\$297,500). The Department receives \$85,000 in revenue for other services provided internally to City Departments.

FUND ALLOCATION

The Communications Department is funded entirely from the general fund.

LOCAL GOVERNMENT AID CUT IN 2003

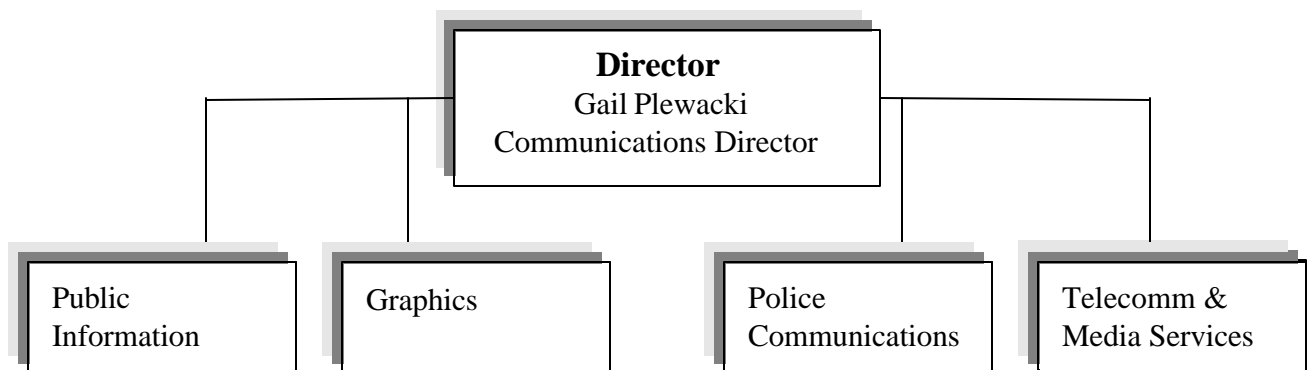
As a result of the LGA cut during 2003, Communications eliminated one position and transferred sponsorship of the City Calendar from the general fund to potential funding by a private entity. One graphics position was eliminated before the function was transferred to the Department.

ADOPTED RECOMMENDATION

The budget does not include any changes to Communications' budget, other than the items which occurred during 2003 as described above.

COMMUNICATIONS Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Communications	7.00	7.00	6.80	8.80	29.41%	2.00
Graphics	4.00	4.00	4.00	2.00	-50.00%	(2.00)
Video Services	5.00	5.00	5.00	5.00	0.00%	-
Total FTE's	16.00	16.00	15.80	15.80	-12.66%	(2.00)



Finance

Mission Statement

The Finance Department provides leadership to the City of Minneapolis by protecting, planning and managing the use of its financial resources.

Primary Businesses:

Management and Budget: Makes enterprise-level decisions; provides financial advice to the Mayor, City Council, departments and agencies; and represents the City to key external customers and partners on financial matters. Provides objective professional support on major strategic and financial initiatives that inform decision-making, including budget development, business planning, performance measurement, and project management.

Accounting: Serves key stakeholders (city government, citizens, taxpayers, employees) by processing transactions; administering the financial database; developing department budgets and financial plans; analyzing and interpreting financial information; preparing financial reports used by managers, elected leadership, and the general public; and creating financial management solutions.

Procurement: Provides procurement of required equipment, supplies and services for the City and related boards including Contract Management.

Risk Management: Creates and promotes a safe and supportive work environment, preserves city assets, administers the City's self-insurance programs (workers compensation and tort liabilities under \$25,000), and reduces financial exposure.

Treasury: Ensures proper, accurate and timely service activities for invoicing, collecting, receipting, depositing, forecasting and investing and disbursing all money in the City treasury. Ensures that strong relationship management and customer services are at the forefront of each service activity.

Key Trends and Challenges Impacting the Department:

1. Since 2001 the department's resources have been significantly reduced due to LGA reductions and other reasons. Our resources for financial analysis to support budgeting, business planning, and routine management decisions has been particularly reduced in order to preserve basic financial integrity and controls. The department is challenged to rebuild our analytical capacity by simplifying processes and procedures.
2. The City's successful implementation of GASB 34, the wide-ranging reform of accounting standards for state and local governments, must now be integrated into the City's financial processes and reporting practices. The City's financial management has become a high priority for the Mayor and City Council. The finance department has responded to this focus with a realignment of resources to support the City's elected leadership in financial planning and decision-making.
3. Department efficiency, productivity and cohesiveness is challenged by a lack of physical proximity. Consolidation of personnel to less than 10 locations by the end of 2003 will be an important step, but only an intermediate one.
4. The creation of CPED will require the department to transition employees, create an organization to support CPED's operations and management, and meld financial and related business processes.

Key Initiatives or Other Models for Providing Service to be implemented:

1. Increase the consistency of elected officials' tax-related decisions with a comprehensive municipal tax policy.
2. Increase the percentage of City general fund resources coming from other sources than property taxes.
3. Increase the percentage of departments which achieve proposed annual target levels within existing budget.
4. Increase the percentage of elected official decisions and management decisions based on performance measurement data.
5. Increase the percentage of departments using a City standard business plan to increase alignment with City goals.
6. Increase percentage of people who live and work in Minneapolis that report satisfaction with City services.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
City of Minneapolis credit rating	AAA x 3	AAA x 2 Aa1 x 1	AAA x 2 Aa1 X 1	AAA x 2 Aa1 x 1	AAA x 2 Aa1 x 1
Existence of a long term, comprehensive tax policy	No	No	Mayor/Council adoption of comprehensive tax policy in July	Continued support of tax policy	Continued support of tax policy
% of general fund revenues from sources other than property tax	76.5%	74.4%	75.0%	70.0%	70.0%
% of departments & % of total general fund spending within original budget the previous year	75% departments 100% of general fund spending	80% of departments 100% of general fund spending	80% of departments 100% of general fund spending	95% of departments 110% of general fund spending	95% of departments 100% of general fund spending
% of departments and elected officials who report using performance measures to inform decision making on a regular basis	N/A	N/A	N/A		
% of departments with an up-to-date business plan that is consistent with the citywide business planning model	N/A	N/A	2 pilots planned by end of 2002	1 complete all underway	All complete

Explanation of Performance Data for Departmental Outcome Measures:

All departments have gone through a process to identify their mission, primary businesses, service activities, and key performance measures, although much work and refinement needs to be done. Development of a business planning model and handbook has been completed and one pilot (Fire) was concluded in early 2003.

Primary Business:**Executive Finance****Service Activity:**

Provide strategic financial advice to City decision-makers and make certain enterprise-level decisions.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
City of Minneapolis credit rating	AAA x 3	AAA x 2 Aa1 x 1	AAA x 2 Aa1 x 1	AAA x 2 Aa1 x 1	AAA x 2 Aa1 x 1

Explanation of key performance measures:

Service Activity:

Coordinate financial planning and budgeting.

Description:

This includes assisting the Mayor in developing a budget recommendation and the City Council in final budget adoption.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Obtain the Government Finance Officers (GFOA) Certificate of Achievement for Excellence in Budgeting.	Did not apply	Applied for, but did not receive award.	Award received	Achieve award recognition	Achieve award recognition

Explanation of key performance measures:

Other related performance measurement information that relates to financial planning and budget is included in the enterprise information at the beginning of this report for the Finance Department.

Service Activity:

Assist departments in the development of business plans and performance measures, which support citywide efforts and strengthen department management.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of departments with an up-to-date business plan that is consistent with the citywide business planning model *	N/A	N/A	Fire & Parking Services	All depts have begun Business Planning. Fire Dept's has been approved.	All depts will have final business plans by 1st qtr.
% City employees that report an understanding of how they contribute to the City Goals.	N/A	N/A	N/A	Will be in discussions with HR to do an Employee engagement survey	Will be in discussions with HR to do an Employee engagement survey
Total \$ value of city contracts with consultants for business planning services.	N/A	N/A	N/A	\$250,000	Survey planned for 2004

Explanation of key performance measures:

Primary Business:

Accounting

Service Activity:

Provide financial planning and budgeting services.

Description:

This includes assisting city departments in developing a budget recommendation to the Mayor and the City Council in final budget adoption.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Fines and Forfeits	108.7%	110.2%	98.5%	100%	100%
Licenses and Permits	119.5%	111.5%	107.7%	100%	100%
	101.2%	100.4%	97.5%	100%	100%
% of Total General Fund revenue recognized (actual) compared to original budget projection:	106.5%	105.7%	102.4%	100%	100%

Explanation of key performance measures:

This measure compares actual revenue to original budget. The objective is to achieve actual revenues that are not less than original budget.

Service Activity:

Provide payroll processing services

Description:

The Finance Department provides payroll processing services for the City, the Library Board, the Park Board, and the MBC.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of employees paid electronically	72.48%	73.37%	79.20% avg. year to date	85-88%	85-88%
% payroll payments issued without corrections	99.91%	99.98%	99.94% to date	99.99%	99.99%

Explanation of key performance measures:

The departments objective is to maximize the number of employees paid electronically (lowest cost) with the fewest corrections.

Service Activity:**Process transactions***Description:*

This includes paying bills, assisting departments with budget development, billing customers, and processing and auditing payroll.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of all valid transactions authorized, approved and paid within 30 days of invoice receipt	No exceptions noted	No exceptions noted	No exceptions noted	100% compliance	100% compliance

Explanation of key performance measures:

The department seeks the lowest number of exceptions in payment of vendors and customers.

Service Activity:**Administer the financial database***Description:*

This includes performing general accounting and account reconciliations; establishing and maintaining accounting policies and procedures; administering FISCOL; and establishing and executing internal controls.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of accounts identified on the close checklist	N/A	<30%	50%	50%	60%

Explanation of key performance measures:

Service Activity:

Analyze and interpret financial information

Description:

This includes performing reporting (monthly, quarterly, annual, prospective, ad hoc); extracting information from the corporate database; and performing financial trend analysis.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Receipt of an unqualified audit opinion	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
% monthly reports prepared prior to completion of the subsequent month	N/A	N/A	50%	N/A	100%
% quarterly reports available within 45 days of quarter end	N/A (enterprise reports performed)	N/A (proprietary special revenue reports performed)	100%	75%	100%
Date of submission of CAFR to GFOA (Goal -- June 30th)	June 30th	June 28th	June 26th	July 18	June 24th
Date of submission of OSA compliance report (Goal -- June 30th)	June 30	June 28	June 26	July 18	June 24th

Explanation of key performance measures:

Service Activity:

Create financial management solutions

Description:

This includes consulting department management on budget options; developing rate models for cost recovery; providing financial management support for grants and projects; advising department on key decisions; and using a variety of analytical tools to explain amount, timing and uncertainty of past and future cash flows related to policy and operational decisions.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Pro forma available for CLIC, Budget Book, and Rate-setting	All deadlines met	2 of 3 deadlines met	All deadlines met	All deadlines met	All deadlines met
Date of execution of approved indirect cost plan (Goal -- May 30th)	May 30th	May 30th	May 25th	May 23rd	May 23rd

Explanation of key performance measures:

Primary Business:

Procurement

Service Activity:

Procurement

Description:

The management of a competitive procurement of supplies, materials and services. This will be performed in conjunction with city departments and boards. The procurement process will be managed in accordance all applicable state laws and city requirements.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Percent of formal bids completed with Council Approval within an average of 30 days of initial solicitation.	100% -- avg. 24 days	100% -- avg. 24 days	100% Avg, 26 days	(Est) Less than 30 Days	(2004 proj) Less than 30 days
Number and dollar value of formal bids processed.	265 formal bids for \$113 million	228 formal bids for \$81 million	221 Formal Bids for \$57 Million	(Est) 240 formal bids for \$65 million	(2004 Proj) Estimated 240 formal bids for \$65 million

Explanation of key performance measures:

Service Activity:

Contract management

Description:

Provide contract management services in accordance with policies and procedures. This includes contract review, execution and FISCOL coordination.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of new contracts processed	987	1,139	1026	1,200	1,200
a)\$50M or les	286	331	281	350	350
b)over \$50					
% of time contracts turned around in 24 hours	N/A	N/A	95%	95%	95%
Number of individuals trained and percent expressing satisfaction.	122 100%	155 100%	210 100%	150 100%	150 100%

Explanation of key performance measures:

Primary Business:

Risk Management

Service Activity:

Work with departments on education and compliance in the area of loss prevention and claims administration.

Description:

This includes education and compliance with federal and state legislation, rules, post-health insurance claims and regulations regarding OSHA, workers' compensation, re-employment and tort claims.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
WC paid wage substitution	\$2,325,560	\$2,482,845	\$4,415,741	\$2,431,000	2,600,000
WC paid medical benefits	\$2,318,683	\$2,236,678	\$2,372,234	\$2,270,000	2,300,000
Tort claims: # claims filed	694	863	768	770	825
Tort claims: \$ claims value	\$1,261,226	\$1,054,614	\$1,963,289	1,601,000	1,900,000
Tort claims: # claims paid	243	249	276	290	300
Tort claims \$ claims paid	\$417,617	\$364,721	\$386,554	\$411,000	\$425,000
# of post-health insurance committee review					
# of post-health insurance committee reviews	N/A	N/A	N/A	4	10

Explanation of key performance measures:

Quarterly Reports will be provided to each department to provide a baseline to target their self-audits, trainings, risk assessments and/or hazard analysis evaluations.

Service Activity:

Provide leadership on asset preservation (human & financial), including policies and practices to make behavioral changes throughout City Departments.

Description:

Develop an actuarial-based cost allocation formula to promote risk control. Develop a Loss Prevention rating scale to be added to City Department Annual Performance Evaluations.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of Depts. completing annual self-audits that measure compliance with State & Federal regulations			25%		26%
# of trainings conducted on cost reduction & claims administration		155	150		150
% of Depts. implementing loss control strategies			40%		50%
% of Depts. with a Loss Prevention rating scale on Performance Evaluations			50%		100%

Explanation of key performance measures:

As a consulting function, this Division will assist Departments in developing tools to be used for their self-audits, identification of risk areas, and strategies to reduce human and financial losses.

Primary Business:

Treasury

Service Activity:

Ensure accurate and efficient cash management processes.

Description:

Accurately report, document and process all cash transactions for the City of Minneapolis and component units, while adhering to strong internal controls. Establish, process, receipt, and approve receivables with proper attention to delinquent accounts. Accurately monitor, receipt, and report special assessment payments in a timely manner. Continually increase utilization of e-commerce activities.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Accuracy percentage rate of Central Counting Facility vault balance.	99.9%	99.9%	99.9%	99.9%	99.9%
Percentage of revenues collected electronically.	N/A	N/A	72%	75%	77%
Percentage of disbursements paid electronically.	29%	34%	60%	65%	65%

Explanation of key performance measures:

The electronic receipt of revenues demonstrates that the funds are available for usage in a more efficient and cost effective manner. The electronic disbursements of funds provides the City with greater accuracy of cash balances and provides increased customer service.

Service Activity:

Effectively administer the City Utility Billing System

Description:

Administer water-metering services and perform billing, collection and customer service functions for the City's Water, Sewer and Solid Waste services.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of meters read on a monthly basis (goal 95%)	N/A	N/A	N/A	98%	99%
% of accounts billed within 4 working days of meter reading (goal 100%)	N/A	N/A	N/A	45% - 4 day 30% 4-6 day 25% 6-10 day	45% - 4 day 30% 4-6 day 25% 6-10 day
% of revenue on active accounts collected within 90 days of billing.	N/A	N/A	N/A	97.6	97%
% of inactive accounts assessed to the property within 18 months of final billing (goal 98%)	N/A	N/A	N/A	56%	80
% of telephone calls responded to within 30 seconds.	N/A	N/A	N/A	68.5%	75%

Explanation of key performance measures:

Enhanced technology will increase accessibility for customers and reduce telephone inquiries.

Service Activity:

Invest all cash reserves on a daily basis for optimum yield, safety and liquidity.

Description:

Daily oversight of internal investment portfolio and external investment managers and ensuring proper investment selection and earnings are within the established policy. Maintain an enterprise cash forecast utilizing future-funding requirements that support the City's strategic objectives.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% short term internal (liquidity) investment portfolio that achieve yields in excess of 90-day Treasury bill annualized	N/A	N/A	100%	100%	100%
% of short term investments that are invested in securities other than money market funds.	N/A	N/A	21%	27%	25%
% of bank and trust reconciliations completed within 30 days of period end.	N/A	N/A	100%	100%	100%
% of accuracy of the annual cash forecast to actual.	N/A	N/A	90%	90%	90%

Explanation of key performance measures:

Financial Analysis:

EXPENDITURE

The Adopted Budget for the Finance Department increases the budget for the Department across all funds by 12%. In the general fund, the Department's budget increased by 29%. The main driver behind this increase is a shift of \$2.1 million from the Community Planning and Economic Development (CPED) Department. Without this change the Department would have experienced a decline in budget of 1%. The current service level for the Department includes a restoration of funding for 3 positions. As a result of the level of cuts that the department accomplished in 2003, positions could be added back in 2004 within the current service level funding level.

REVENUE

The Department's revenue estimate is \$4.9 million – this includes about \$4.4 million in charges related to the City's water service. The Department receives funding for approximately 3 positions from CDBG funds for administrative costs. The Department's revenue budget also includes \$2.1 million in revenue in the general fund related to the provision of development finance services to CPED.

FUND ALLOCATION

The finance Department has expenditures in 15 different City funds. The two largest funding sources for the Department are the general fund and the water fund.

LOCAL GOVERNMENT AID CUT IN 2003

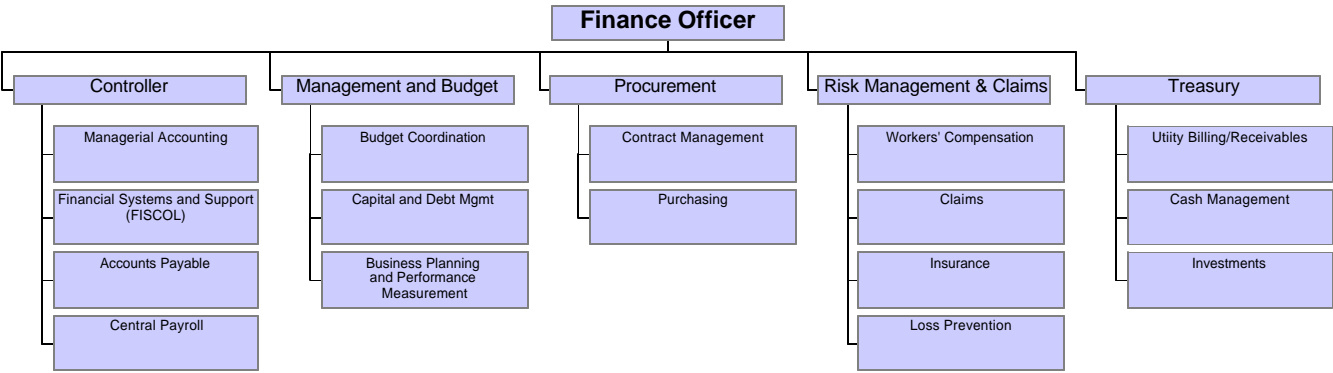
The Department eliminated 19 positions as a result of the LGA reductions and reduced non-personnel expense by \$110,000.

ADOPTED BUDGET

The budget does not include any changes to Finance's budget.

FINANCE
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Executive	6.00	2.00	2.00	10.00	400.00%	8.00
Treasury	61.00	61.00	61.00	59.00	-3.28%	(2.00)
Procurement	9.00	12.50	10.00	8.50	-15.00%	(1.50)
Management Analysis ¹	5.00	5.50	-	-	0.00%	-
Risk Management	11.00	10.00	10.00	9.50	-5.00%	(0.50)
Financial Management and Budget ²	110.00	112.00	25.00	-	-100.00%	(25.00)
Controller	NA	NA	92.00	97.00	5.43%	5.00
Development Finance				21.00		21.00
Total FTE's	202.00	203.00	200.00	205.00	2.50%	5.00



Human Resources

Mission Statement

The mission of the Human Resources Department is to enable the City make the best decisions about its human capital investments.

Primary Businesses:

Employment Services: Provide employment services so that operating departments have diverse competent employees in the positions they need at the right time

Employee Services: Provide employee services so that employees receive competitive compensation, working conditions, supervision and challenging assignments to remain high performing employees

Enterprise Services: Provide enterprise services so that the expectations of elected officials, department heads and citizens for organizational improvement can be realized

Key Trends and Challenges Impacting the Department:

The Human Resources Department is facing significant challenges that affect our department and the enterprise as a whole. In 2003 the general funds for Human Resources were reduced by 10%; the target reductions in 2004 range between 4.8% to 12.3%. These reductions come at a time when the demand for HR services is increasing because of the impacts of reductions citywide. As new departments are integrated into the City of Minneapolis, and existing departments are downsizing, restructuring, or merging with other departments, services from the Human Resources Department are needed to help facilitate smooth transitions.

Through the workforce planning initiatives, the Human Resources Department has identified the following human resource needs from city departments:

1. Workforce Diversity: Departments have expressed their desire to have workforces that are diverse and reflective of Minneapolis.
2. Training and Development:
 - * Non-supervisory employees
 - * Supervisory and managerial employees
 - * Technology literacy
3. HR Staffing Processes:
 - * Replacement planning
 - * Recruitment and Staffing
 - * Cross Training
4. Assistance with the impacts of retirements
5. Assistance with employment issues related to new business models; implications of outsourcing; recruitment, staffing and retention of employees.
6. Organizational Development (Business Function Design): Departments are asking for assistance with identifying essential minimum staffing levels as it relates to organizational design, proper employee mix to meet business needs, management and supervisory span of control, skills needs assessments
7. Assistance with strategic planning, resource allocation, performance management, the work environment and HR Management Systems

All of these needs are heightened by the overall reduction of staff and services across the City of Minneapolis. The reductions in the Human Resources Department will directly impact our ability to provide these services, as we will be forced to provide only services that are required by law, charter or policy.

As our five-year plan is developing, we have determined that it is in the best interest of the City of Minneapolis for our department to become less transactional in nature and focus our limited staff and resources in a more strategic direction. With this in mind, our management team has developed these new mission statement and business lines

for the Human Resources Department.

These changes reflect our desire to have our business lines cross all divisions in our department and not be specific to a division to help us eliminate the structures that support a 'silo-mentality' in our department and across the organization. There is a significant amount of work that will have to be done to make this a reality in the city's current budgeting system, so we have decided that we will not reflect this vision in the 2004 budget process. However, our changes are important enough that we want to share them as an introduction to our business planning process.

Human Resources Mission Statement

The mission of the Human Resources Department is to maximize the development of and minimize the risk to the organization by providing strategic, operational and transactional tools and services that enable the city workforce to be responsive to customers and support our communities.

HR Business Lines

- * We ensure employees have competitive compensation and positive working conditions while minimizing the City's exposure to liability.
- * We manage and provide HR information to City, Independent Boards and Agencies for decision-making purposes.
- * We provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk.
- * We assist departments in designing and developing their organization.
- * We provide the City, Park & Library Boards with the timely opportunity to hire diverse, competent employees.

We understand that Human Resources will take on reductions similar to other city departments. However, we believe those reductions should be reduced or delayed until we are able to help the rest of the organizations stabilize. That said, we present these options in order of elimination preference, to reach our target reductions.

Key Initiatives or Other Models for Providing Service to be implemented:

We intend to develop an effective position management system in conjunction with the Finance and BIS Departments.

Develop a five-year planning process that will assist us in defining a model of HR services that add more strategic and less transactional value to the City.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Survey results from customer departments about quality of services provided by HR.	NA	NA	60% satisfaction	75%	50%
% departments using an approved version of the standard performance appraisal system	NA	45%	50%	55%	55%
% of annual budget spent	96.3%	98.3%	100%	100%	100%
% women in department			72.2%	72.2%	TBD
% people of color in department			29.7%	29.7%	TBD

Explanation of Performance Data for Departmental Outcome Measures:

The Key Departmental Outcome Measures are reflective of decisions made by the previous HR director.

HR will conduct a service satisfaction survey of city employees in 2003. We believe that satisfaction levels will decline due to the reductions in services from HR due to budget cuts and overall reactions to loss of jobs and organizational changes.

Primary Business:

Employment Services

Service Activity:

Help departments increase the racial, gender and disabled diversity within a respectful work environment.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of protected class applicants on eligible list	66%*	70%*	51%**	35%	35%
% City workforce that are women, people with disabilities, & people of color	Women 32.4% Disabled 7.1% POC 17.4%	Women 32.9% Disabled 6.2% POC 18.4%	Women 34% Disabled 6% POC 20%	Women 35% Disabled 7% POC 24%	Women 30% Disabled 7% POC 22%

Explanation of key performance measures:

* Includes total population of applicants, and counts women and people of color separately. So an African American female would be counted twice. ** Includes only those applicants that were placed on the eligible lists, and does not double count women of color.

We believe the 2003 estimate of 50% women in the workforce was an error.

Service Activity:

Provide highly qualified, diverse candidates for employment in City departments, Park Board, and Library Board in a timely manner.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of managers expressing satisfaction with support received from HR generalists	90%	NA	80%	80%	65%
Avg. # of days to create an eligible list (sorted by types).	60 days	48.5 days	37 days	30 days	45 days
Avg. score on customer satisfaction surveys re: staffing function.	3.81 (of 5.0)	4.08 (of 5.0)	4.5 (of 5.0)	4.5	3.5

Explanation of key performance measures:

Percent of managers expressing satisfaction will drop from 80% to 65% due do the elimination of positions in Employment Services causing the remaining employees to increase their workloads. Increased workloads result in time delays to fill positions and to respond to issues raised by the departments. As HR moves from a transactional, policing focus to a strategic focus, it may require the departments to take on more of the transactional work.

The average number of days to fill a position will increase and the average score on customer satisfaction surveys will decrease because of staffing cuts in Employment Services. Additionally, implementing the rule of three causes more delays because the testing mechanisms for the rule of three are more vigorous in order to create more sophisticated rankings thereby reducing potential liability.

Primary Business:

Employee Services

Service Activity:

Negotiate and administer fair and affordable collective bargaining agreements.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of collective bargaining agreements within the operational and financial parameters established by the Executive Committee.	12	8	9		4

Explanation of key performance measures:

With the imposition of the 2% compensation adjustment cap, labor unions will be less cooperative during collective bargaining. The general belief seems to be that the labor unions will be cooperative and work with the City in an effort to save jobs and become more efficient, this is not the case. Unions now see themselves as in competition with the management of the City and the other labor unions. Collective bargaining agreements have, and will continue, to be more difficult to attain. Of the 9 bargaining units with contracts that expired during 2002, only 3 have settled. This leaves 21 bargaining units with contracts that have expired or will expire during 2003.

Service Activity:

Administer compensation and classification programs that provide for fair and equitable salaries.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of reclass requests completed within 60 days or less	84%	92%	96%	98%	98%
% of job titles reviewed for proper classification and compensation	N/A	N/A	10%	20%	20%
% salary new schedules within 4% of the City's internal pay equity line	N/A	100%	100%	98%	98%

Explanation of key performance measures:

This Performance Measure will not be effected.

Service Activity:**Design and manage employee benefit plans, and assure compliance with all applicable laws.***Description:**Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Scope and cost of City benefit packages compared to similar public jurisdictions.	N/A	Monthly premium for City single and family contracts are less than those for comparable plans at Hennepin County and the State of Minnesota. \$70 - \$200 = single \$75 - \$314 = family	Vastly similar to 2001	Similar to 2002	Similar to 2003
Number of sustained complaints regarding compliance with federal and state IRS regulations regarding benefits	0	0	0	0	0
% employees expressing satisfaction with choice of benefits	N/A	93%	85%	90%	75%

Explanation of key performance measures:

This Service Activity is moved to Enterprise Services. The Performance Measures may be effected by the fact that the Benefits Manager position has been held vacant, thereby reducing internal communications, and by employees seeing their total wage/salary adjustment consumed by increases in healthcare costs.

Service Activity:**Administer programs (ADR, RTW/Job Bank) and investigate complaints in order to assure fair & equitable treatment for all employees.***Description:**Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of employees placed in a transitional job within 3 days of release to return to work with restrictions	N/A	76%	90%	90%	95%
% of arbitration hearings won	85%	92%	90%	85%	75%
# referrals/request for ADR services	11	9	6	5	8
% discrimination complaints investigated and resolved within 60 days	N/A	N/A	80%	90%	70%

Explanation of key performance measures:

IF the HR Consultant responsible for complaint investigations is cut, the % of complaints investigated and resolved within 60 days will be reduced. Most complaints are resolved in much less than 60 days because the HR Consultant resolves them short of an investigation. Much counseling is done, and the complaints never reach the investigation level. The loss of the HR Consultant will result in a less coordinated effort and the tracking system will become diffused.

Primary Business:

Enterprise Services

Service Activity:

Conduct workforce action planning with each operating department.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of City Council Departments with a current Workforce Action Plan completed within the last 3 years	41%	77%	94%	100%	60%
% of City Council Departments using their WFAP six months after its completion	92%	94%	93%	100%	90%

Explanation of key performance measures:

Dedicated FTE staff position eliminated as part of target reduction strategy for 2004. Workforce planning has become a component of the Business Planning Process, and could be managed in that department.

Service Activity:

Provide employees and supervisors with training that teaches them the enterprise competencies they need to perform their jobs.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Avg. # of hours of training per full time employee	3	4	3	4	2

Explanation of key performance measures:

The hiring freeze impacted 2002.

The retirement of one training professional, the hiring freeze and subsequent elimination of one FTE dedicated staff position for 2003, plus a 12% reduction in budget allocated to training results in significant service reduction.

Service Activity:

Use information technology to insure ease of access for up-to-date applicant and employment records and management reports.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Accuracy of standard HRIS management reports, biweekly paychecks, monthly PM report, etc...	98%	98%	99%	99%	99%
Timeliness of data available within HRIS	98%	98%	99%	99%	99%

Explanation of key performance measures:

Decentralization of data entry responsibilities to operating departments results in ongoing variation in accuracy and timeliness of data entry.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURE

The Human Resources 2004 Budget decreased 2.6% over the 2003 adopted budget across all funds. The Department received \$77,000 in additional resources as the result of the shift of functions from the Community Planning and Economic Development Department, including one position.

REVENUE

The Department plans a slight increase to its direct revenue from benefits administration charges.

FUND ALLOCATION

The majority (67%) of the Department's budget is in the general fund. The Department also operates the benefits administration function out of the self-insurance fund (15% of the total). The Department has smaller budgets (1.3% of the total) in the special revenue funds related to providing services to the Convention Center and to employee recognition activities (funded by proceeds from the "City Store"). The Department allocates a portion of its costs to the enterprise funds (16.6% of the total), based upon the number of positions employed in those funds.

LOCAL GOVERNMENT AID CUT IN 2003

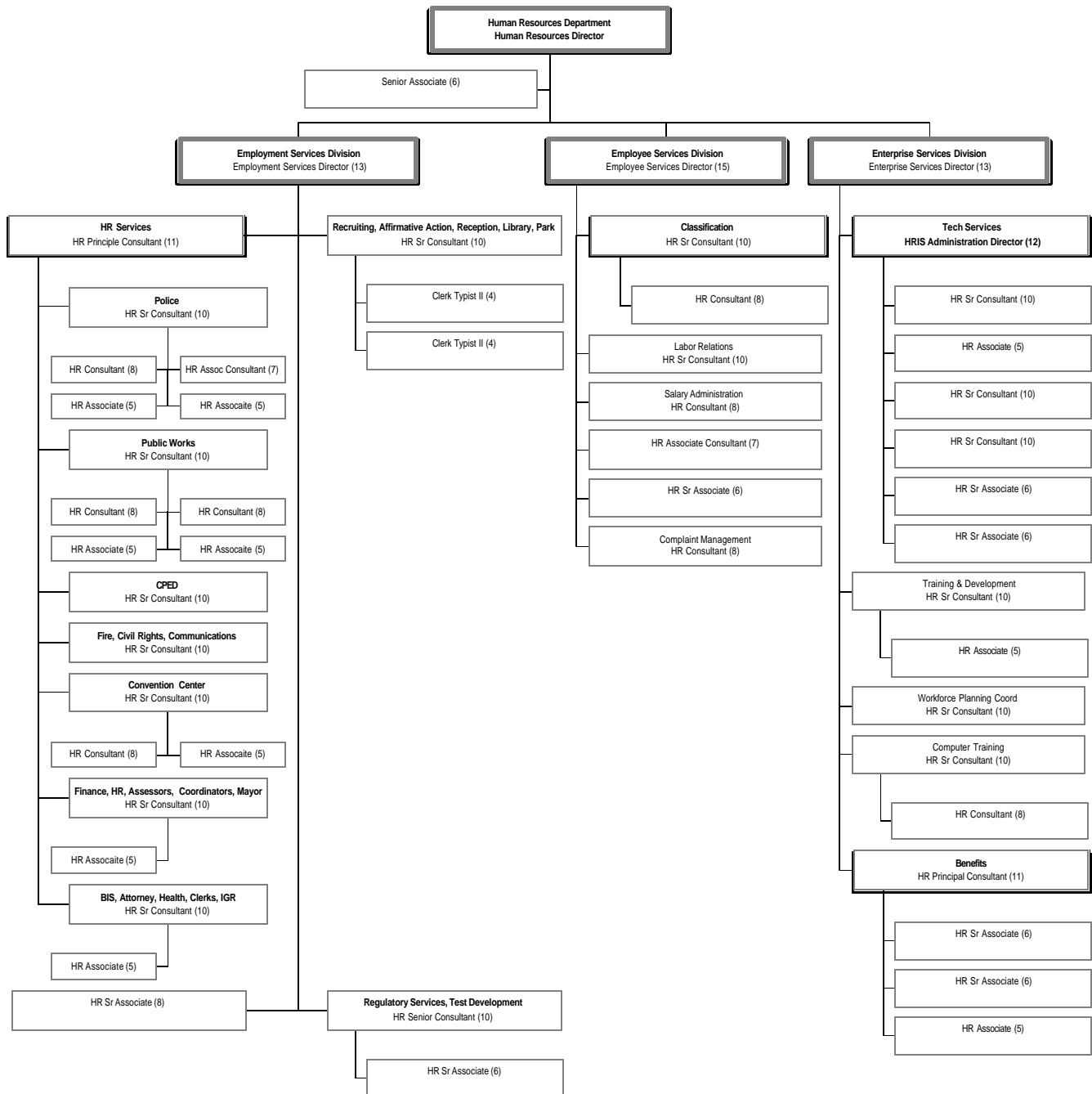
In Spring 2003, the Department eliminated 3 positions in response to the LGA cuts. The Department also realized approximately \$100,000 in non-personnel reductions as part of its strategy.

ADOPTED BUDGET

The budget does not include any changes to Human Resource's budget.

**HUMAN RESOURCES
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Administration	3.00	2.00	2.00	2.00	0.00%	-
Employment Services	34.50	30.00	28.00	29.00	3.57%	1.00
Enterprise Services	8.00	15.50	15.00	17.00	13.33%	2.00
Employee Services	13.00	12.00	12.00	7.00	-41.67%	(5.00)
Total FTE's	58.50	59.50	57.00	55.00	-3.51%	(2.00)



Intergovernmental Relations

Mission Statement

The Intergovernmental Relations-Grants & Special Projects department serves as a valuable and essential resource for the City in its policy development, priority setting, issue management, grant seeking and government relations initiatives. This department effectively represents the city policies and priorities at the international, federal, state and regional levels, as well as non-government partnerships.

Primary Businesses:

Present a clear message of the policy position and service needs of Minneapolis to the federal, state and regional governments.

Provide leadership and direction to the City and its departments in the areas of grant seeking, writing and management.

Key Trends and Challenges Impacting the Department:

- Grant opportunities are becoming more targeted and more competitive.
- Federal priorities are not the same as the local level.
- Investment from the foundation community is dwindling.
- State priorities are different from City priorities.
- Technology in the City is not keeping pace with the rest of the lobbying sector
- Issues are becoming more complex and there is less resources to address these issues.

Key Initiatives or Other Models for Providing Service to be implemented:

Other models for providing services requires an investment in Grants/IGR.

These would include technology software, new equipment, additional positions: Grants Strategic partnership, IGR staff person and/or Intern, targeted lobbying consultant.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Special initiatives achieved to increase City's knowledge of other levels of gov't			New Council Orientation. Council Member trip to D.C. Mayor's trip to D.C.	Buddy system at Capitol Trips to DC for Mayor and Council	Buddy System at Capitol Trips to DC for Mayor and Council
Special initiatives achieved to increase awareness of Mpls by other levels of gov't	Statewide trips by elected officials throughout MN. Nat'l Conf. of State Legislators meeting in Mpls. IGR chair meetings w/delegation and key House and Senate leaders. League of MN Cities Convention.	Statewide trips by elected officials throughout MN. IGR chair meetings w/delegation and key House and Senate leaders. League of MN Cities Convention. Capitol bonding tours.	Statewide trips by elected officials throughout MN. IGR chair meetings w/delegation and key House and Senate leaders. League of MN Cities Convention. Capitol bonding tours.	Buddy System at Captiol Statewide trips by elected officials throughout MN IGR chair meetings w/delegation and key House and Senate leaders. League of MN Cities Convention. Capitol bonding tours.	Special event (Holidazzle, Aquatennial) in Mpls. with invited elected officials. Statewide trips by elected throughout MN. IGR chair meeting with delegation and key House and Senate leaders. League of MN Cities Convention. Capitol bonding tours.

Examples of relationship building with other jurisdictions

AMM	Downtown Lobbyist	Airport Summit
LMC	Round Table	AMM
CJCC	Airport Summit	LMC
Metro Mayors	AMM	CJCC
Property Tax Study	LMC	Metro Mayors
Project.	CJCC	Property Tax Study
I-35	Metro Mayors	Project.
USCM	Property Tax Study	I-35
NLC	Project	USCM
	I-35	NLC
	USCM	Aquatennial
	NLC	Holidazzle
	Holidazzle	U of MN
	Aquatennial	Mexican Consulate
	U of MN	
	Mexican Consulate	

Explanation of Performance Data for Departmental Outcome Measures:

Much of IGR's success is about relationships. Minneapolis continues to build and strengthen these relationships everyday.

Primary Business:

Present a clear message of the policy position and service needs of Minneapolis.

Service Activity:

Assist City leadership in the development of the City's strategic positioning at the federal, state and regional level by establishing realistic objectives and minimizing adverse impacts.

Description:

Identify issues and political concerns needing review and decision by the Mayor, Council and Department Heads. Offer profession advice on such issues..

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Inclusion of Minneapolis Legislative delegation and Congressional representation in accomplishing legislative priorities			Individual and delegation meetings. Several meetings with Congressman Sabo, Senator Dayton and Senator Coleman and their staff.	Individual and delegation meetings. Several meetings with Congressman Sabo, Senator Dayton, Senator Coleman and their staff.	Individual and delegation meetings. Several meetings with Congressman Sabo, Senator Dayton and Senator Coleman and their staff.
User feedback			Positive		
Special Initiatives			"Office Hours." Joint Mpls/St. Paul delegation meeting.	"Office Hours" special delegation meetings to go over budget. Increased Delegation participation.	"Open Staff" meetings. Joint Mpls. Delegation meeting

Explanation of key performance measures:

The legislative delegation is the primary mover of the City's legislative agenda. In 2003, numerous delegation meetings will be held. The federal lobbyist is in daily communication with the congressional delegation and IGR staff..

Service Activity:

Assist elected officials in the development of the City's Legislative Agenda

Description:

Establish work teams and incorporate team research results into legislative package. Develop unique action plan for each priority. In 2004, the legislative programs clearly represents the City vision.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Produce a clear, concise legislative package which incorporates team results, reflects City needs and is realistic and attainable		Limited legislative agenda with very few changes.	Submitted preliminary drafts of agenda to Council Members and Mpls. Delegation.	Pre-program delegation meeting. Individual meetings with legislature. Open discussion at IGR Design Bonding criteria Issue work teams.	Staff work teams on their area of expertise. Individual meetings with legislature. Bonding Package.

Explanation of key performance measures:

It is important to get stakeholders involved in the legislation packages before it is finalized. This results in a clear and concise message from the City.

Service Activity:

Federal, state and local lobbying advocating on behalf of Minneapolis interests as outlined and prioritized by the Council and Mayor.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Success of legislative priorities agenda and completion of comprehensive issue management strategy.	LRT. Increases in LGA. Empowerment Zone Funding.	Increase in LGA. LRT.	NO LGA Cut. Successful in bonding bill. LRT still on track.	Reduced "LGA" cut. LRT funding not from City. CPED Appointed positions.	Maintain LGA Pass Bond Items local bills
User Feedback	Positive	Positive	Positive		
Success in retaining and defending local control	Kondirator	Financing LRT, Upper Harbor.	Zoning Building Inspectors	MSFC, Zoning, Appointed Positions CPED	Plumbing Inspections local proposals in the legislative package

Explanation of key performance measures:

Service Activity:

Present to the public a positive image of the City. Represent the City on boards, task forces, and numerous affinity organizations charged with designing public policy

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Participation of city elected officials and IGR staff on various boards and commissions to put a face on Minneapolis	AMM, LMC, CJCC, North Metro Mayors, Suburban Mayors, Property Tax Study Group.	Same as 2000	Large increase of local participation in all of these organizations.	Elected official participation in LMC/AMM Committee process USCM committee process North Metro Mayors Airport Summit Chamber of Commerce	Elected official trips to DC in March NLC in December LMC in October and June AMM

Explanation of key performance measures:

Primary Business:

Provide leadership and direction to the City and its departments in areas of grants.

Service Activity:

Provide leadership and direction to the City and its departments in the areas of grant seeking, writing and management.

Description:

Provide leadership and coordination to attract program revenues from external funding sources. Provide administrative management of Consolidated Plan funded projects, Agency 123 funded projects. Locate and distribute information about grant opportunities to city departments and external service providers. Provide assistance to city departments and external providers with the City's approval and contract process. Provide monitoring of some grant-related expenditures.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Percentage of grant-related revenue contributed to City revenue budget.	13.20%	12.53%	13.00%	14.00	14.00
The amount of money applied for versus the amount of money received.*	unknown	more than \$30M received **	\$34M applied, \$29M awarded	\$34M applied, \$29M awarded	More than \$30M

Explanation of key performance measures:

* Information about grant applications is not routinely sent by all departments to the Office of Grants and Special Projects. It is anticipated that as the awareness of the Integrated Grants Management Process is increased, more departments will inform the office of their applications and their awards. The amount of grant funds awarded is tracked by using City Council actions requesting the authority to accept the money. During 2002, city departments applied for at least \$34,145,912 in grant funds. Of that, the total received as of 12/19/02 was \$29,191.36 with approximately \$1.9 million still pending award announcement.

**Amount reported includes the Consolidated Plan Award.

Service Activity:**Lend technical assistance and training to City departments on grantor expectations, requirements, and performance reporting***Description:*

The Office of Grants and Special Projects works to develop each department's capacity to locate, apply for and manage grants on their own. To develop this internal capability, a Users' Group was implemented and meets regularly. Topics covered have included finding grant sources, the application process, monitoring, audits, contracts and financial information. In addition, staff meets on an "as requested" basis with elected officials, city departments and external service providers to discuss funding options for programs.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of Participants		15	20	40	40
Percent reporting satisfaction with office service			50	50	50
Grant-related findings and exceptions in government audits					
Number of meetings to discuss funding options	Unknown	15	30	30	30
Grant User Meetings Held		2	6	4	4

Explanation of key performance measures:

A survey was sent to the approximately 40 people on the Grant User's Mailing list. Despite the follow up message that we sent, we received only nine responses for a return rate of 23 percent. Of those responses, 45 percent has attended the group more than four times, a majority felt that the topics had been helpful and had visited the office website. For 2003 we will attempt a follow up evaluation with those contracting the office for assistance with a grant project.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURE

Intergovernmental Relations includes the budget for the Grants and Special Projects function of the City as well as the intergovernmental relations staff. The total operating budget for these two functions is \$1.2 million. The department's budget includes a number of intergovernmental contracts for association fees for the City and the federal lobbyist contract.

This department's budget also includes grants to some external organizations that receive funding from the consolidated plan, including the City's Emergency Shelter Grant (ESG) (\$576,000) and the Housing Opportunities for People with AIDS (HOPWA) grant (\$839,000).

FUND ALLOCATION

The intergovernmental relations function is funded entirely from the general fund, while Grants and Special Projects receives a portion of its funding from Community Development Block Grant funds, for efforts supporting the consolidated plan and related-grant processes.

LOCAL GOVERNMENT AID CUT IN 2003

The department eliminated one position as a result of LGA cuts during 2003.

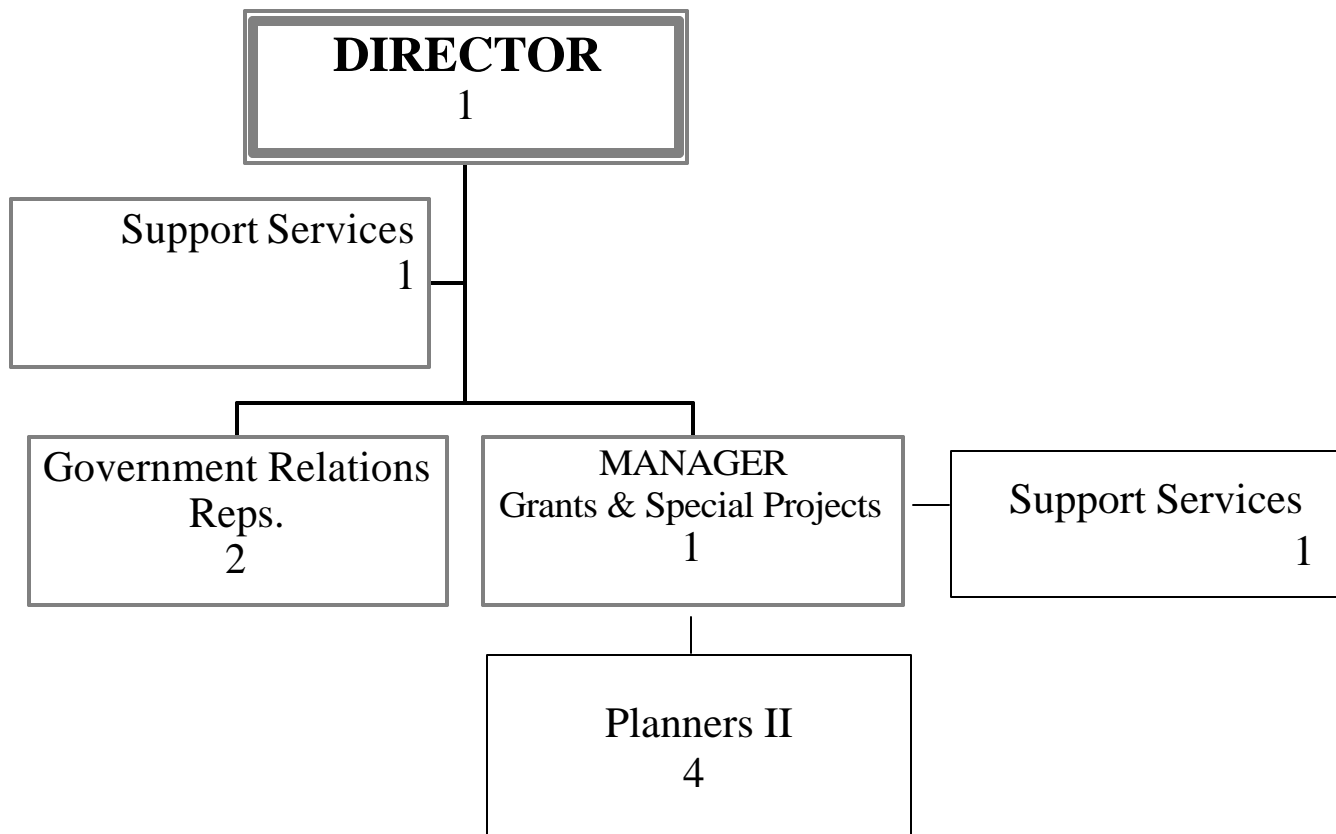
ADOPTED BUDGET

The budget for this department includes the addition of a position for grants and partnership activities (\$60,000). This results in the 6.2% increase in this department's budget from 2003 to the Adopted Budget.

The Adopted Budget also included a direction to staff directing grants and special projects to work with the Public Health Advisory Committee to review the Public Service CDBG grants and a provide a recommendation to the Mayor for the 2005 budget.

**INTERGOVERNMENTAL RELATIONS
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Intergovernmental Relations	4.00	4.00	4.00	4.00	0.00%	-
Grants and Special Projects	8.00	7.00	6.00	6.00	0.00%	-
Total FTE's	12.00	11.00	10.00	10.00	0.00%	-



Operations & Regulatory Services -- Inspections

Mission Statement

"Work in partnership with customers to ensure the livability and vitality of the City of Minneapolis by protecting the health, safety, and welfare of Minneapolis residents, businesses, and visitors, through education and enforcement of applicable laws and regulations"

Primary Businesses:

Operation Support Services
Development Review Services
Construction Inspection Services
Housing Inspection Services
Business Licensing Services
Environmental Services

Key Trends and Challenges Impacting the Department:

Regulatory Services

Regulatory Services conducted an environmental scan to identify the significant trends and challenges that would most likely impact its business lines over the next five years. The scan identified the following 15 significant trends and challenges:

1. Business Cycle, Economic Trends and Market Trends
2. Fee Reporting Mandate
3. Process Management
4. Technology
5. Regulatory Trends
6. Neighborhood Stability
7. Local Government Aid and Personnel Reductions
8. Administrative Adjudication/Administrative Enforcement and Hearing Process
9. Personal Safety/Security
10. Communication, Education, Perception
11. Performance Measurement
12. Workforce Management/Combination Inspector/Generalist
13. Traffic Control Trends
14. Environmental Services
15. Business Licenses Trends & Challenges

1. Business Cycle, Economic Trends and Market Trends

The regulatory services field is impacted by the same economic trends that impact the industries of construction, real estate sales, office occupancy, and other similar activities. These are cyclical industries that experience booms and busts similar to the stock market. When these industries boom, the demand for regulatory services increases dramatically. For example, regulatory permit activity and the requests for inspections may triple during a boom. The regulatory services capacity cannot meet the demand for services and a backlog, or service gap is created. Economic busts create a tremendous reduction in an immediate need for regulatory services. This leaves only the work of simply catching up with the backlog the boom created. If the regulatory services business were capable of responding quickly to the industry cycles, the service gaps created by backlogs during booms would be eliminated, and the catching up after the booms would be eliminated.

The typical governmental processes for budgeting and staffing tend to be cumbersome and relatively slow in comparison to the industry cycles. Policy makers have shown reluctance to permanently staff up when they know that sometime in the near future, there may be a bust. Even if the budget were to be allocated to increase staff relative to the construction boom, it takes several months to actually hire staff. And in some cases, the same individuals who would be available to hire, are those that are actually performing the work in the private sector.

2. Fee Reporting Mandate

Minnesota Statutes section 16B.685 mandates that beginning April 1, 2003 municipalities report all construction and development-related fees collected from developers, builders and subcontractors. The report must include: (1) the number and valuation of units for which fees were paid; (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and (3) expenses associated with the municipal activities for which fees were collected.

The intent of this law is to gather data on the permit fees municipalities charge and determine if the revenues collected match the costs incurred in providing services. Reasonable permit fees should cover the cost of issuing permits, inspections services and all other direct and indirect expenses. It is important that fees do not earn revenue beyond a city's costs, no matter how high the costs. The courts have invalidated city fees that have shown intent to raise revenue.

The above is significant in that the Inspections Division collected approximately \$16,000,000 in total revenue and had about \$13,000,000 in total expenditures for 2002. However, an analysis revealed that development-related revenue was \$5,533,931 and development-related expenditures was \$5,637,629. In the future, the Division must continue monitoring development-related revenues and expenditures to ensure compliance with applicable case law.

3. Process Management

Case Management

Workflow Management

Regulatory Reform - Trades Licenses and Comp Cards

Selected Inspections - Labeling - Spot Inspections

In the City of Minneapolis, development review, permitting, licensing, and inspections processes are increasingly interdependent. Regulations are changing to meet growing demands for safety, and staff turnover creates noticeable gaps in the institutional knowledge of the organization. Current business processes and technology applications need to be improved to meet these challenges. On the business side, the City is seeking to reengineer business processes and apply best practice opportunities such as case management to the development application and review process. Case management of development projects will be implemented partly by establishing a project-coordinating role for the City and a counterpart for the customer. Further, the case manager will not be successful unless workflow management tools are put in place. A workflow management system allows case managers and others to control the movement of complex and interrelated information from one processing point to another, activating appropriate actions or triggering additional process control requirements. A workflow management system serves as a bridge between individual organizations and agencies.

Regulatory Services currently uses a business system that can provide for workflow management functionality, and the department is seeking to employ this system to enable case management, the One Stop Shop, and land, permits, and licenses data quality improvements. This initiative is far reaching, and will require the strong commitment of expert technical and business resources over the next two to three years.

Since the late 1990's, the trades licensing and trades competency cards process has been reengineered to provide for more consistency and less bureaucracy. Instead of the multiple, somewhat duplicative steps required of applicants to receive a trades license to operate, the City has established an exams process administered by an external testing firm and in many cases eliminated unnecessary approvals. Further, the City is working to establish state wide licensure requirements and multi-jurisdictional reciprocity.

4. Technology

We live in the age of information technology with increasingly internet-savvy constituents. Citizens, developers, decision-makers, and other agencies are demanding increased speed and efficiency of government services and rely on the quality of available data. Many cities across the country have enacted e-Government initiatives to reduce costs, increase speed, and satisfy the demand for quality data to make timely and informed decisions. It is clear that technology and e-Government solutions will continue to play an increasingly larger role in the Department of Regulatory Service's future.

Some of the challenges that are currently impacting and will continue to impact the Department of Regulatory Services include: 1) Funding the initial capital expenditure and investment in personnel required to implement a top-tier e-Government solution. 2) Managing the political risks associated with implementing or not implementing e-Government solutions. 3) Stretching an already tight budget to support technology initiatives. 4) Attracting and keeping talented staff to implement and support technology.

5. Regulatory Trends

The regulatory environment, while becoming more complex, is impacted by the movement to become more customer friendly, engage stakeholders and developers in more effective regulatory strategies, and establish a wide variety of tools for gaining compliance.

Regulatory issues are becoming more complex, in part due to the proliferation of regulation at all levels of government.

The City's Regulatory Environment and Customer Service

In Minneapolis, the systematic nature of the City's regulatory strategies are evident through federal, state, and local laws, strict deadlines for correcting violations, and rigorous adherence to building, housing, zoning, environmental, licensing, and health codes. Although several strategies have been introduced in the recent past to provide additional, more creative methods of enforcement, the City's regulatory environment is still highly codified and legalistic.

The almost universal demand to provide better service to customers challenges regulatory organizations to structure themselves in ways to give better service and facilitate development without losing sight of and commitment to public safety goals. Best practices research done recently all point to regulatory services as a central place for improving efficiency and quality for customers. One Stop Shops offering a wide range of development services proliferate throughout the country, in large, medium, and small cities. Along with this initiative, many cities throughout this country and the world are implementing on line permitting and licensing services, IVR systems, case management, and off hours services.

Many cities have invested substantial efforts to analyze, simplify, and provide alternatives for development reviews and approvals, code enforcement, and licensing.

Assessing how we should provide customer service as well as public safety for the common good is an important step for the City as we move to the new CPED organization and the One Stop Shop. An analysis of customer service and regulatory issues that are encountered by other agencies paired with an objective analysis of our own regulatory environment will provide a basis for more informed planning and organizational change to:

- Enable regulatory solutions that will uphold public health and safety;
- Communicate clear expectations to customers partnering with us to meet development goals and objectives;
- Create clearly defined roles and relationships within the intergovernmental regulatory system and with our customers;
- Provide timely and responsive development services;
- Help ensure accountability and measurable, reliable outcomes.

6. Neighborhood Stability

The health and stability of Minneapolis neighborhoods has a significant impact on Regulatory Services and its core businesses. A substantial portion of our work is conducted in neighborhoods on behalf of residents, businesses and community organizations. Moreover, the stability and appearance of neighborhoods and communities are often benchmarks of our success.

Neighborhood stability is generally characterized by:

- A well-managed housing stock
- A clean physical environment
- An investment in property

During an economic down turn where there is an increase in unemployment, an increase in poverty and other signs of economic distress, there is measurable decrease in neighborhood stability.

A disruption in neighborhood stability impacts our department in two ways. First, it increases the number of incidences that call for a regulatory solution (disinvestment in property and an increase in nuisance code violations such as tall grass, litter, weeds, graffiti, and other neglect indicators) creating more work for code enforcement staff. Secondly, because there is less money available to residents, there is a corresponding reduction in construction activity, which diminishes workload for certain sections of our department with a subsequent drop in revenues generated through permit fees.

When neighborhoods are in distress, residents tend to view regulatory staff with more resentment and ill will and are less willing or able to cooperate with our orders or correct violations.

Trend Verification

Unemployment: While unemployment has been low and remained steadily low for nearly 10 years, it jumped almost 1 percent between 2001 and 2002. With the current economic conditions, there could likely be a continued rise in unemployment over the next 5 years.

7. Local Government Aid and Personnel Reductions

Generally, the least senior employees will be laid off in the City's unionized environment. This results in the loss of the newest, least experienced employees; however, these are often the best-trained employees in terms of current education and technology.

Layoffs also pose a problem at the other end of the workforce profile. Major cutbacks often result in retirement incentive plans to encourage retirement eligible employees (generally the highest paid) to retire early. Many senior employees will accept this retirement incentive and leave the organization to avoid the hassles of a major cut back and restructuring. This results in an immediate loss of employees with valuable experience, years of training, proficiency, and "corporate memory". Because this occurs in a rush-rush environment, reasonable transition of knowledge and projects is also lost. It will be essential that the Department recognize and manage this loss of the newest education and technology skills at one end of the workforce profile, and the loss of the experience, proficiency, and corporate memory at the other end of the workforce profile.

8. Administrative Adjudication/Administrative Enforcement and Hearing Process

In September of 2001, the City Council authorized the use of a new civil procedure, known as the Administrative Enforcement and Hearing Process. The new program was designed to provide code-enforcement staff with a more effective regulatory tool. Prior to implementation of the Administrative Enforcement, staff were obligated to use the criminal court process, which is an ineffective tool for regulatory enforcement. A pilot program was launched on May 1st 2002, in the Business Licensing Division of Regulatory Services.

During the first year, business-licensing inspectors expressed great satisfaction with the new tool and believe that because of it they are more effective in their enforcement. Inspectors have witnessed an increase in compliance with orders, a decrease in repeat violations and a reduction in the number of complicated cases. Moreover, use of the new procedure saves employee time spent waiting for court cases to come up, it gives us more timely decisions, and it has actually increased and improved the dialogue with problem businesses. Regulatory Services will continue to rely on this tool and expand its use throughout the organization.

In order for the program to be successfully expanded to other divisions in Regulatory Services and other departments who conduct code-compliance inspections, several aspects of the program will need to be coordinated and centralized. They are:

- Shared enforcement information, with the ability to track and monitor violation activity.
- Coordinated fine/ticket payment and collection systems.
- Coordinated Hearings of appeals.

There appear to be vendors that will provide the database, scheduling, payment and collection functions all in one package for a portion of fines collected without much, if any up front investment.

9. Personal Safety/ Security

Regulatory Services is committed to ensuring a safe work environment for all employees in a work environment known to present risks. Due to the nature of our regulatory services our staff encounter situations that are controversial and may be volatile. These situations can easily transform into real safety risks and added stress for our employees.

It will be critical over the next five years to maintain our value of a safe workplace. Workplaces with active safety and health leadership have fewer injuries, are often rated "better places to work," and have more satisfied, more productive employees.

Some of our challenges in personal safety and security during the next five years include the following:

- Recent global and local events will require more attention and resources dedicated to employee safety and work place security.
- The increase threat of terrorism will require compliance with State and City directives.
- The down turn in the national and local economy will likely increase the number of cases of those who may cut corners and circumvent normal code compliance.
- State and local budget cuts have reduced the number of public safety resources, limiting the effective coordination and response time of high-risk code enforcement.
- New handgun and conceal & carry law changes may make an angry customer who is out of control a serious physical threat to an inspector.

Over the next five years we will conduct research, review and establish appropriate policies, provide training, and interdepartmental coordination to improve the safety and security of our employees.

10. Communication, Education, Perception

Communication and education have become an increasingly important part of our compliance programs with our intent to ensure that our citizens and businesses understand the requirements and the necessary processes before taking enforcement action. When enforcement action is taken it is very important we appear to be fair and objective in our enforcement. All of these factors become much more complicated in our increasingly diverse community.

Communication can easily become much more time consuming and differences in the basic assumptions of how society works can easily lead to misunderstandings. This in turn makes education all the more important, yet requiring even more review and time commitment, especially for our frontline people. We become caught in the tension between trying to do more with less, as our budgets require, while at the same time providing the greater

time and resource commitment that our diverse community needs to understand and comply.

Yet, if we don't make an adequate commitment to the needs of our diverse community, we face the biggest threat of all to our mission and our effectiveness—to be perceived as discriminating. Distrust of our actions and motives results. If that becomes the perception among our diverse cultures, then we lose the legitimacy of mission and we lose the community's cooperation in creating a safe and healthy built and business environment.

Therefore, it is critical for us to find ways to effectively respond to this challenge.

11. Performance Measurement

Performance measures are central to our new way of doing business because they strengthen accountability by providing a common language to clarify expectations between two parties about the level of performance promised or expected. By agreeing on performance measures, they establish a common metric for reporting on and determining the status of agreed-upon or expected deliverables, whether between appointed officials and elected officials, elected officials and the electorate, the government workforce and their managers, one governmental body with another, contractors and the government, businesses and the public, or among government workers. An information-rich, performance-focused system can also boost the transparency of the system if performance information is shared with the public. This, in turn, strengthens accountability, enhances efficiency and improves the quality of public decision making.

A key challenge in implementing a performance-focused system must be helping managers, workers, elected officials, candidates, shareholders, customers and the public appreciate the utility of performance measures and the potential power of performance measurement for achieving enhanced results.

12. Workforce Management/Combination Inspector/Generalist

The combination inspector/generalist inspector is a method of providing multiple inspections to the customer using one inspector. This concept has had several different titles: super inspector, generalist, code compliance officer, and combination inspector. Regardless of the title, the policy makers and the customer believe that one qualified person inspecting numerous aspects of a simple project can more efficiently provide inspections.

This approach to inspections saves contractors time and money, and allows more inspections with existing staff. Two initiatives currently being implemented in Regulatory Services, Geographic Service Delivery and establishment of a code compliance generalist, will be critical components of future resource and workforce management.

13. Traffic Control Trends

Data collected over the last five years indicate an increase in requests for traffic control services as well as parking enforcement services. LRT construction has provided a challenge for Traffic Control to fill the need for intersection control and staffing levels. Abandoned vehicle complaints have more than doubled in the last two years which challenges Traffic Control to provide more enforcement for abandoned vehicles and still provide adequate enforcement of other ordinances. We will continue to try and resolve these issues through prioritization of tasks and balancing staffing levels with those priorities.

14. Environmental Services:

Several trends impact Environmental Health:

- Increased public awareness of food safety and interests in food regulation represented by requests from the media for environmental health information and records.
- Public demand for regulatory reform and increased access to government and public information.
- Emerging pathogens, global food supply, epidemiological statistics show increases in viral infections related to personal hygiene.

- Increased demand for global and farm-fresh food products available at local farmers markets.

Challenges:

Lack of Technology:

In order to perform at the highest level in the information age, we need up-to-date technology. The public expects City departments to provide well-organized, accurate, and timely information and the ability to do business on the internet. In order to serve the client, all City departments need to communicate efficiently using state-of-the-art technology. Our current needs are: integration into the enterprise system (BIIS/KIVA); faster processing computers that can handle multiple applications simultaneously; and a user-friendly website that provides realtime information.

Language Barrier and Cultural Differences:

Environmental Health - Food Safety is committed to assisting all Minneapolis businesses become successful, while ensuring that Minneapolis is a model city for food safety. We are working efficiently to meet the needs of our multi-cultural population and have developed a model for food preparation training and education among ethnic communities. We are enriched with a great variety of language culture and cuisine. Our challenge is to link this diverse population of food service operators to consumers and community agencies to make them successful (e.g., dedicate staff resources to support new farmers markets). We need adequate resources that will enable us to effectively communicate and provide training materials in a variety of languages. We also need to understand how ethnic foods are received, handled, prepared and served. We are committed to providing efficient and effective services to our culturally and linguistically diverse community.

15. Business Licenses Trends & Challenges

- Surprisingly, licensing activity has increased during this recession in that the downsizing of larger corporation has spawned many new smaller entrepreneurial entities. Liquor licensing has increased as restaurants and clubs strive to compete by upgrading their facilities. Further, immigration has resulted in many family businesses being established in a multitude of endeavors, virtually all of which with limited resources.
- "Limited resources" translates into a greater need for our division in assisting these business in their compliance with local and state codes, and ultimately toward their success.
- Also, budget reductions in other departments have resulted in additional work being transferred to the Licensing Division, most notably from the Police department and the reduction of the SAFE unit. Anticipated attempts to reduce police false alarm calls will create additional permitting activity for this division.

New revenue initiatives:

Business Licenses Services is proposing pursuing new revenue strategies including new false burglar alarm fees (\$40,000), License fee increases (\$89,000), parking and traffic fine increases (\$86,000), new business surcharges, and new fees to cover expenses incurred by special events throughout the City, and other smaller fees for services (ie. Credit card transaction fees, etc.)

Other new administrative initiatives include:

- One stop Development Review Center enhancements;
- Coordinating initiatives with the new CPED office;
- Administrative license issuance;
- Outreach efforts per the Small Business Task Force report;
- Taxicab program enhancements;
- Expansion of KIVA computerization utilities.

Additional Discussion Items for Operations and Regulatory Services:

The Operations and Regulatory Services Department faces several challenges, however, one of the most significant is the fact that much of its activities especially in the Building Inspections areas are tied to activities than span more than one year. Additionally, the building market is very cyclical. This combination makes it difficult to budget and staff on an annual basis. For instance, a major building will come in for plan review in one year and pay plan review fees related to ensuring that the building plans meet City codes. However, much of the actual building and inspection activity actually takes place over the next two years. Additional permits are drawn for inspection of basic construction, however, again, this activity often spans more than one year. That means services are needed by the customer in more than one year, however, all of the revenue paid in permit fees is paid and zeroed out in one year because of the budget cycle. The department does not have the ability to parcel out the revenue to meet the costs and services necessary over more than one year. This means we can not plan as effectively as we would like to meet the work load demands or staff up for those peaks of activity. As we analyzed this significant issue in our business planning process, we came to the conclusion that we needed a different method of funding, such as the creation of an enterprise fund, one that allows the department the flexibility to more effectively budget and staff for projects rather than for a one year period. We realize this is a departure from past practice, but we would like to work on a process that over time creates the flexibility we need to serve our customers well and to ensure building safety in the City.

Annual budgeting and staffing also don't deal very well with the realities of the Building market which is that the activity is cyclical. It has peaks, but there are also valleys. Our current system does not allow us to plan well for these cycles. We again are looking for ways to better deal with this reality. Next year we are facing one of those valleys. While commercial and home remodeling still are going strong because of the low interest rate and good real-estate market and the number of permits may actually reach or exceed this year's numbers, the overall value of these projects is less, so that we believe overall revenues will be down between 1.2 and 2.5 million dollars.

We realize our responsibility to ensure than the City is appropriately recovering its costs, so we have looked at all of our operations and found some places where revenue should be increased. We have some services provided that do not recover their costs and will bring these forward to revisit the policy decisions necessary, and we think we can find some efficiencies to reduce costs. The following is a listing of our ideas:

Revenue Increase Proposals

Proposal	Revenue
Implement Administrative Adjudication In Housing	\$ 100,000
Index all Rental Housing to Inflation	\$ 34,000
Increase Annual Pollution Control Permits	\$ 50,000
Work w/Henn. Cty. Courts to increase fines	\$ 86,000
Increase Truth in Housing Fees	\$ 142,000
Remove cap and discount from Elevator Permits	\$ 116,740
Adjust permit fees annually	\$ 300,000 (3% On \$10 mill)
Increase False Alarm Fees	\$ 40,000
Late Night Liquor Fees	\$ 49,800
Budgetary Leave - Inspections	\$ 60,000
Surcharge for Credit Card Payment	\$ 15,000
Various Pet Fees Increases	\$ 30,000
Total	\$1,023,540

Recover Cost for Services

Charge Fee for Inspection of Commercial daycares and private schools	\$15,000
Charge parkboard for pool and food facility Inspection or cease doing	
Re-examine whether food shelves need inspection	
Revisit Pet licensing discussion	

Efficiencies

Cell phones	\$30,000
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Public Works Fueling	\$16,000
Fleet reduction with Internal pool	\$40,000
Total	\$86,000

However, as our business planning discussions also highlighted, real efficiencies of a significant nature depend on technology implementations. When our permit applicants can apply and pay for the less involved types of permits on line, we will have both the most efficiency savings, and be providing the service most conveniently to our customers. When we can renew licenses on line we will finally be providing what our existing businesses in the City want—less paperwork. These businesses account for 80% of licenses. We have been waiting for over 10 years for the remote inspector project to get funded so that inspectors can access permit and licensing information in the field and directly enter inspection results.

New technology solutions and innovations have been notoriously difficult to get financed in the City, therefore we are proposing the following ideas to accomplish this:

- Establish a technology surcharge Citywide whether the permits issued are done on paper or not now.
- Establish an additional surcharge on permits and fees within the department
- Go out for RFP for a company to invest in all of the up front set up for a percentage of future revenues.

Key Initiatives or Other Models for Providing Service to be implemented:

The following 10 key initiatives have been identified by Regulatory Services for implementation during the next five years. A more detailed explanation of each initiative follows the summary list of initiatives below:

1. One Stop Development Review Center
2. Transfer of Regulatory Services Activities to the Fire Department to Allow Retention of Firefighter Positions
3. Administrative Adjudication
4. Combination Inspectors (multi-department) and Related Code Revisions
5. Administrative issuance of some licenses.
6. Remote Inspector
7. Personal Safety/Security
8. Transition Regulatory Services from a General Fund to an Enterprise Fund
9. Merging of Services and Partnering
10. Work Flow Management

1. Key Initiative – One Stop Development Review Center

The One Stop Development Review Center is a customer focused business integration of development application, review, and permitting and licensing functions within the City. Currently many of these functions are operated as separate activities within a number of departments in the City.

There are many opportunities for coordinating these processes, ranging from co-location of essential customer services, to integration through a workflow management system, to reengineering and clarification of the activities and tasks required to ensure quality, safe, and livable development in the City. The goals of the One Stop Development Review Center are to:

Simplify the process for customers to obtain permits and licenses.

Integrate Fire, Public Works, Regulatory Services, and CPED development activities using a workflow management system.

Improve land, permit, and license information quality.

Web - enable the development process for customers and employees, including development applications, reviews, checklists, permit and license issuance, inspections, and reports.

The success of the One Stop Development Review Center is dependent on the commitment of business and technical resources from many departments in the City as well as the support of customers and policy makers. The

short term objective of the One Stop Development Review Center is to provide customer parking close to the Public Service Center. The long term One Stop Development Review Center (DRC) plan for 2004 – 2005 calls for the integration of all development application, review, permitting and licensing, and inspection services through workflow management tools, process improvements, and case management staff.

Objectives

Process * Technology * Management * Customer Service

- Conduct a baseline measurement of current activities and timelines to use in assessing the impact of One Stop DRC project changes.
- Integrate Fire, Public Works, Regulatory Services, and CPED development activities using a workflow management system.
- Reduce duplicative and sequential activities and systems.
- Reduce the number of locations a developer is must contact/visit to obtain required permits and licenses by co-locating staff physically and virtually.
- Develop a One Stop DRC organizational model that will promote “high-level” customer service delivered by process- and technology-oriented staff.
- Improve tracking of development activities by establishing timelines, assignments, and reporting mechanisms.
- Provide case management for projects of a defined scope.
- Establish common definitions of terms, conditions, activities, and forms.
- Create and integrate land data quality and addressing/site identification activities during the initial application process.
- Create a unified application intake process.
- Provide a customer parking area near the One Stop DRC.
- Leverage existing investments in web based development, GIS, imaging, and business applications.
- Implement web access to development process information for customers and field inspectors.

Key Measures that will be affected by the One Stop DRC

- Customer and employee satisfaction
- Development process data quality
- Revenue generation
- Cost and productivity savings

2. Key Initiative – Transfer Of Regulatory Services Activities To The Fire Department To Allow Retention Of Firefighter Positions

Regulatory Services is actively pursuing an initiative to review possible regulatory service activities throughout the organization that will be transferred to Fire. This initiative will identify those service activities and FTE levels that will be transferred in an effort to save critical firefighter positions.

The benefits of this proposal are:

- To better utilize firefighter's available resource hours to deliver City services at a good value to our taxpayers.
- In an effort to preserve and enhance our natural environment and promote a clean, sustainable Minneapolis transferring regulatory business activities will better serve our customers in areas where workload is high and resources are low.

To accomplish a successful transfer of a function responsibility by January 2004; it will take cross-departmental personnel & management commitment; addressing any labor management concerns between unions; process manual development for each component transferred; technology modifications & enhancements; training & on-going support throughout implementation and beyond; public relations/communication for Minneapolis citizens.

3. Key Initiative – Administrative Adjudication

In September of 2001, the City Council authorized the use of a new civil procedure, known as the Administrative Enforcement and Hearing Process. The new program was designed to provide code-enforcement staff with a more

effective regulatory tool. Prior to implementation of the Administrative Enforcement, staff were obligated to use the criminal court process, which is an ineffective tool for regulatory enforcement. A pilot program was launched on May 1st 2002, in the Business Licensing Division of Regulatory Services.

During the first year, business-licensing inspectors expressed great satisfaction with the new tool and believe that because of it they are more effective in their enforcement. Inspectors have witnessed an increase in compliance with orders, a decrease in repeat violations and a reduction in the number of complicated cases. Moreover, use of the new procedure saves employee time spent waiting for court cases to come up, it gives us more timely decisions, and it has actually increased and improved the dialogue with problem businesses. Additionally, administrative fines collected offset the expense of the additional inspector time taken up by problem businesses. Regulatory Services will continue to rely on this tool and expand its use throughout the organization.

In order for the Administrative Adjudication program to be successfully expanded to other divisions in Regulatory Services and other departments who conduct code-compliance inspections, several aspects of the program will need to be coordinated and centralized. They are:

- Shared enforcement information, with the ability to track and monitor violation activity.
- Coordinated fine/ticket payment and collection systems.
- Coordinated Hearings of appeals.

There appear to be vendors that will provide the database, scheduling, payment and collection functions all in one package for a portion of fines collected without much, if any up front investment.

In 2003, we expect that Police Licenses, Public Works Right of Way, and Regulatory Services Housing will begin using the administrative citation process. This should give us some better estimates of the overall volume of activity that might be generated by this process. With 6 months of performance activity, we would expect that an RFP might be generated in 2004 to seek software and perhaps at least part-time staffing to record, schedule, and conduct hearings as well as centralizing collection of unpaid amounts. With a centralized process and software it should be easier in 2005 to add additional departments to the process such as Fire and Environmental Health.

Using this process will help the City accomplish Goals 1, 2 and 7. It will help people feel safe and trust the City's public safety professionals and systems, because we will no longer be threatening business persons with a criminal record for ordinance violations under most conditions. This is especially important to those who have an immigrant status. Additionally, those causing the City extra expense in inspector time will be the ones paying this expense. Because of the effectiveness and timeliness of administrative adjudication, we will be able to better maintain the City's infrastructure ensuring a healthy, vital and safe City. This system will improve government management systems in that the costs of enforcement will be better managed and billed to those causing the City to incur additional expense. In a more timely and cost effective way, justice will be provided for ordinance enforcement.

4. Key Initiative – Combination Inspectors (multi-department) and Related Code Revisions

Description

Historically inspection services have been performed by specific discipline. For example, in Construction Inspection Services, specialty inspectors competent or certified in a specific trade perform only those inspections related to their discipline. And, in fact, labor disputes have arisen when inspectors have crossed the line of bargaining unit work. Combination inspector would challenge this long-standing paradigm whereby one inspector would have the competency/certification to inspect in more than one discipline. The concept of a "generalist" inspector would apply in several business lines within Regulatory Services.

Impact

This initiative will greatly impact a primary Regulatory Services business line – inspections. This concept has been discussed many times over the years during budget cycles, business planning and through third party analysis. The program has had several different titles: super inspector, generalist, code compliance officer, and combination inspector to name a few. Whatever the title, the policy makers and the customer believe that inspections can be more efficiently provided by one qualified person inspecting all aspects of a simple project.

Performance Measures

The inspection turnaround time and number of inspections for certain work will be reduced with the use of combination inspector. It is important for implementation to clearly define the scope of the program. Once the scope has been determined, then an analysis can be made of which inspection types can be combined and therefore reduced.

Alignment with City Goals

An expectation of the successful and complete implementation of combination inspector would be to provide high quality inspection services at a good value to our taxpayers.

Implementation

The following is an initial list of possible tasks required to implement the combination inspector initiative:

- Perform best practices research
- Define scope
- Determine workload
- Prepare a budget to include the Return on Investment (ROI)
- Staffing and skill set needs
- Job analysis questionnaires
- Certification/Training requirements
- Labor Agreements negotiated
- System/Process changes for proper work assignment
- Reporting developed to track performance measures
- Communication Plan
- Political Will for the long haul
- State law changes (IGR) and ordinance revisions
- Public Education
- Managing expectations

As part of best practices, this is a link to the Portland website regarding their residential (one and two family) combination inspector program for trades inspections: www.bds.ci.portland.or.us/inspect/insp-res-main.htm.

5. Key Initiative – Remote Inspector Initiative

Project Description

The Remote Inspector initiative is a proposed initiative within Regulatory Services to give field inspectors real-time access to Inspection, Permit, and Request For Service information they need to do their jobs.

Business and Operation Impacts

- Shorter cycle time between business process and update of data
- Improved inspection data quality
- More uniform, predictable, and traceable inspections
- Ability to track inspection progress in real-time
- Shifting clerical support from inspection result entry to inspection scheduling
- Shifting inspectors from a paper based process to a software based process
- Staff training for inspectors and support staff
- Increased hardware and software support/maintenance requirements
- Future opportunity for web-based interaction with permit holders

Strategic Alignment with City Goals

A subjective "level of contribution" to City goals is listed below:

- High indicates that the project is critical to the achievement of the goal
- Medium indicates that the project directly contributes to the goal but it is not critical to its attainment

- Low indicates an indirect contribution to the achievement of the goal

City Goals ****Level of Contribution

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

****Medium

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

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

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

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

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

****Low

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

Strengthen City government management and enhance community engagement ****Medium

General Timeline of Significant Steps and Resources Required To Achieve the Initiative

This initiative is currently in the pre-project "business case" development phase. Once the Remote Inspector initiative receives approval and funding it will move into the project initiation and planning phases. Timelines and resources requirements will be defined during the project initiation and planning phases.

6. Key Initiative – Personal Safety/ Security

Regulatory Services is committed to ensuring a safe work environment for all employees in a work environment known to present risks. Due to the nature of our regulatory services our staff encounter situations that are controversial and volatile. These situations manifest into real safety risks and added stress for our employees. Regulatory Services varies from other Departments in that our employees are involved in enforcement activities in the field but are not armed sworn officers.

It will be critical over the next five years to maintain a safe workplace where employees can focus on providing quality services without fear for their personal safety. This provides the consistency and reliability needed to continue to build our communities where all people feel safe, and grow successful businesses. Workplaces with active safety and health leadership have fewer injuries, are often rated "better places to work," and have more satisfied, more productive employees.

Timeline for initiative

In the first year, the Department Regulatory will create a Personal Safety and Security work group. The work group will review existing City Safety policies, explore other government agencies such as O.S.H.A., the Minnesota Safety Council, and Federal Department of Homeland Security to determine our compliance with establish directives and establish plans for compliance.

The following four years the work group will focus on:

- Understanding the conceal and carry gun law recently past by our Legislators and what impact it will have on our employees' safety

- Create Department wide policy regarding employee safety in the field and in the office

- Provide ongoing employee safety training

- Establishing a 911 priority response with the Downtown Command for our downtown offices.

- Expanding the Alert Flag notification Department wide for staff. The Alert Flag identifies addresses that may pose a safety concern for inspectors and staff.

The goal of this initiative is to establish a forum and a timely process to deal with current and future employee safety/security issues and improve the safety of our employees.

7. Key Initiative – Transition Regulatory Services From A General Fund to An Enterprise Fund

This key initiative for Regulatory Services is to develop a workable transition from a General Fund to an Enterprise Fund or another financing structure that allows for business flexibility. Process management and technology innovation systems are not keeping pace with service demand because of funding shortfalls under the current revenue system. Transitioning to an Enterprise Fund as suggested in the Business Plan and Budget (over a 5 year time frame) provides the necessary funding for closing the service gap. Matching services with fees is the future of providing Regulatory Services in Minneapolis. The regulatory challenges and initiatives discussed below require the aegis of the Enterprise Fund or something similar to meet current and future customers service demands.

Customers and State Government are clamoring for cities to match their regulatory services with the fees they charge for those services. Spurred on by the construction and remodeling industry, the 2001 Legislature passed a law to require cities to show that revenues collected from permit fees are less than or equal to the cost of providing services. If a city's municipal construction and development fees exceed costs, the city will be required to increase services to match or exceed revenues or reduce permits fees to equal the level of service provided. Statutes require and courts have ruled that liquor and other licenses reflect approximate costs of program enforcement.

Should legal challenges to our fee structures be successful, the impact on Minneapolis' revenues would be significant – both the City's general fund and customers who use our services would suffer. The current practice of transferring excess permit and related fee revenues to the City's General Fund would have to end. Moreover, the Regulatory Services Department's current service gaps could be further widened by the loss of revenue that could be used to justify additional resources to meet service demands. Resources are critical not only for meeting the demands for inspections, but also for implementing process improvements such as Internet based permit transactions, remote inspector capability and data quality. For example, as our performance measures indicate, each year we believe that we are unable to perform approximately 27,000 required construction inspections. This backlog, or service gap, compounds itself each year we are unable to respond.

One of our key challenges is to determine the appropriate methods of closing this service gap while meeting our legal responsibility to inspect for public health and safety, and at the same time implementing service improvements in accessibility and quality. We will be proposing that we work with Finance and the City Coordinator to develop a professional, accountable, and sensible plan for transitioning Regulatory Services to an Enterprise Fund model to allow us to provide services in accordance with our fees for services.

8. Key Initiative – Merging of Services and Partnering

Service delivery will change in the coming years because of shrinking resources and budgets. More than at any time in the past several decades, government will be called upon to examine what it does, how it can be done more efficiently and whether governments should be performing services in the first place.

Government is redefining missions, prioritizing programs and downsizing at all levels. Conversations are occurring between Minneapolis and St. Paul, between Minneapolis and Hennepin County and between Minneapolis and the State.

Programs may be merged, responsibilities transferred and new working relationships established. The first step in this process, already underway, is for government to reexamine missions and businesses. For instance, one of Hennepin's core business lines is health and welfare. The City has a number of programs in this area; some are in Regulatory Services. Can the County provide more efficient program oversight because of scale?

Greater efficiencies result not only from government redefining roles but also from analysis of whether government should be performing a service as opposed to a private or non-profit entity.

These dialogues – between governments, and between the city and private and non-profit providers, will increase in the future. In summary, the questions we will need to ask ourselves are:

- Is this a core service of the City?
- Can this service be more efficiently performed by another level of government
- Can this service be more efficiently performed by a nonprofit or private entity?

Other Models of Providing Service

Regulatory Services is reviewing numerous examples for providing service or adding revenue sources that have been used in other jurisdictions; some successfully, some not successfully. The following is a list being reviewed for further investigation:

- Administrative issuance of licenses and permits
- Conducting a Cost Benefit Analysis of providing consultation services to customers (such as homeowners)
- Charging of fees for providing consultation services to customers (such as homeowners, small business owners)
- Establishing minimum requirements for application for a permit or license
- Evaluating scheduling alternatives such as Inspections by appointment, and customers scheduling appointments via the web
- Conducting customer outreach to include customer education
- Establish on-going advisory groups with multiple stakeholders
- Expand E-permitting
- More web-enabled services
- Developing two types of permits:
 - * Administrative Permits that do not require inspections
 - * Life Safety Permits that do require inspections
- Developing a risk-based or selective performance-based inspection schedule (e.g. utilizing guidelines such as CDBG criteria)
- Use other entities to provide advisory notification to violators (such as neighborhood associations providing first notification of a violation)
- Creating core competencies required for all inspectors
- Cross-trained generalist capabilities
- Managing service level expectations of all stakeholders
- Managing employee expectations
- Managing service level requirements
- Acquiring feedback/follow-up on initiatives and performance
- Need for appropriate management reporting tools from BIS
- Advertising on cars.
- Surcharge for credit card processing.
- Increasing code compliance fees.
- Review maintenance agreements.
- Partial plan review fee for detached garages (25 x 1,000 permits).
- Mechanical plan review fee.
- Consult fee for mechanical “pre” inspections - food and pools (service to park board).
- Verification of removal of RPZ – add inspection cost.
- Policy: No license or permit should be issued if there are any outstanding fees.
- Do we charge for commercial daycare license inspections? Food section?
- Food inspections in private schools – charge.
- Increase fee for farmers market license to cover inspection cost.
- Fees to cover events.
- Permit plan review fees for fences and paving projects – driveways, parking lots.
- Different rate structure for design/build plan reviews.
- Discount fees for projects that have structural engineer review.
- Provide registered land survey (discount fee/ include additional fee when not submitted).
- Document replacement fees for TISH/COA's, and CO copies.
- Require fees for events releasing balloons.
- Fees covering report generation.
- Street naming and addressing fees as part of other “admin” costs for permits.
- Update fees for pet adoption, daily board fee.
- Develop authority to issue a “fix it” order for pet issues.
- Animal control/move to admin adjudication.

- Admin citations for housing.
- Build in indexing for fees (rental lic.).
- Re-inspection fee assessment.
- Excessive inspections fees
- CIS
- Food
- Implement value based fees for plumbing, mech., electrical.
- Require construction contracts to determine value.
- Discontinue the elevator-billing discount.
- Look at exemptions from our fees – is it real or Memorex? CPED, MPHA Parks.
- Review – Is there an elevator permit cap? Need to cover inspections!
- Delinquent annual billing collection – is it more cost effective to use inspector, Staff, or external?
- Move housing vehicles to St Anthony ramp.
- Segways for downtown inspectors (bicycles too).
- Determine if there are savings in using “green transportation.”
- Individual sections making their own reductions in office supplies, copying, printing.
- Cell phones with digital cameras.

Business Licensing Services - Traffic Control

- Abandoned Vehicles – Develop a process to ensure more timely enforcement and towing.
- Disability Volunteer Program – Further develop a volunteer program in conjunction with the Mayor's Committee for People with Disabilities where volunteers would assist Traffic Control with identification of placard abusers.
- Computerization

1) Identify additional capabilities of handheld ticket writing system including parking meter management plan reports, handicapped parking information and abandoned vehicle complaint management to improve service levels..

2) Implement KIVA access for administrative citation adjudication and requests for service tracking to reduce inspector time spent on these manual activities..

- Taxicabs

1. Drug testing program -- research and develop a drug testing program for taxi drivers to ensure public safety
2. Security camera program -- Investigate the use of security cameras in all taxicabs to enhance driver and passenger safety. Ordinance change must be made to require all vehicle owners to install security cameras in vehicles.
3. Downtown taxi stand permits
4. Computerized dispatch for all companies
5. Eliminate age waiver authorization
6. Eliminate cap on number of taxi licenses
7. Encourage hybrid vehicle use in taxi industry -- develop an incentive program
8. Mystery customer program -- this program would help monitor service provided by industry and provide an incentive to improve quality of service.
9. On-street enforcement program -- monitor industry with on-street enforcement to improve compliance with ordinances, policies and rules relating to service provided by taxicabs
10. Review, revise and update City ordinances relating to taxicabs.
11. Introduce downtown taxicab fare zone and flat rates to and from the airport.

- Traffic Control

- 1) LRT challenges.
- 2) Semaphore sequencing initiative.
- 3) Fee for services - Metrodome, Target Center, Convention Center and other service requests.

- Inflationary increase on all fines (\$86,000 = 2%)

Key Departmental Outcome Measures:

Explanation of Performance Data for Departmental Outcome Measures:

Primary Business:

Development Review Services

Service Activity:

Provide development review services, including construction plan review and permit issuance.

Description:

Assist customers in complying with state laws and city ordinances related to building construction. Issue all building, plumbing, mechanical, electrical and elevator permits.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of construction plans reviewed	2,886	4,849 (1)	7,246	7,000	7,000 (2)
Number of zoning applications processed	493	500	500	500	Now processed by CPED planning
Number of building permits issued	15,740	15,077	14,154	14,000	13,500
Permits issued per reviewer	412 (2)	692	905	900	900
\$ value of building permits issued	\$889 million	\$867 million	\$905 million	\$850 million	\$750 million
Revenue received	\$9.5 million	\$9.7 million	\$12 million	\$14 million	\$11.5 million
# permits issued/plans reviewed during "Homeowners Night"	14 permits	186 permits	215 permits	400 permits	350 permits
% customers expressing satisfaction with development review services	50% (3)	75% (3)	75% (3)	80%	80% - 90%
Number of preliminary plan review meetings	0	67 (4)	151	150	150

Explanation of key performance measures:

In 2000, the Division initiated Homeowners Night on selected Monday evenings. For 2003, Homeowner's Night continues every Monday through September.

(1) In midyear 2001 all BOTC (Building Over the Counter) permits issued by plan review staff became BIRE (Building Remodeling) permits. This was to distinguish between permits approved at the permit counter (BOTC) and those needing plan review approval. While not all of these permits require a plan, all require a plan reviewer to review the permit application for code issues.

(2) A decrease in large development project is anticipated.

(3) This measure is currently based on customer survey cards which our section only receives 5 to 10 back in a year. Negative comments often related to lack of parking or length of time needed to obtain permits. In general, there are positive comments regarding homeowner night and customer use of this service is increasing.

(4) The Preliminary plan review process began in mid 2001.

Service Activity:

Provide zoning code enforcement services and issue and inspect sign permits. (Effective 2002-2003: Zoning application intake and review activities are done in conjunction with or through the Planning Department/CPED.)

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of customer service requests received	465 zoning 64 sign	664 zoning 557 sign	610 zoning	675 zoning	675 zoning
Number of inspections conducted	96 zoning 64 sign	541 zoning 229 sign	712	800	See revised measure below.
Number of inspections:					
-zoning code compliance					400 (2)
-approved land use permit					150
-sign violation					68
Number of inspection per inspector		513	475	533	533
% cases brought into voluntary compliance		10%	15%	15%	15%
Average time between initial inspection and abatement			3 months to 1.5 years	45 days to 1 year	45 days to 1 year (1)

Explanation of key performance measures:

(1) Average time between initial inspection and abatement depends on the code compliance "path" a particular case takes. Properties sent a notice of violation requiring the submittal of a land use permit may take on average of 6 months from the time the notice is sent to the time the land use permit has been approved. In addition, applicants are typically granted 1 year to make the required site improvements, at which time a final inspection is conducted. Zoning violations that are forwarded to the City Atty. Office take an average of 3 months.

(2) Total number of inspections previously accounted for multiple inspections to the same sites. Since restructuring our inspections procedures, we are now able to inspect more sites with less repeat visits and achieve a higher level of code compliance

Primary Business:

Environmental Services - Animal Control

Service Activity:

Enforcement of animal control ordinance and state statute

Description:

Protect the community from animal bites and other hazards and nuisances created by irresponsible pet ownership through enforcement of animal control ordinances and state statutes. This service activity also addresses other health and safety issues such as rabies control and dangerous dog regulations.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% citizens that report satisfaction with animal control services		80%			
# of service responses	17,550	17,592	17,942	18,000	18,000
# of service responses per Animal Control Officer FTE	2,243	1,135	1,153	1,286	1,200
# of licenses cats and dogs*	12,518	12,974	12,720	12,750	13,000
Income from pet licenses and other fees	\$256,477	\$248,902	\$331,942	\$330,000	\$350,000
Number of off-leash permits**	na	2,007	3,691	3,750	4,000
# of animal bites reported	547	581	590	575	575
# of animals deemed dangerous	370	336	464	425	400
# of hearings	170	200	165	175	175
Service responses for nuisance barking complaints	1,727	1,992	1,799	1,750	1,750

Explanation of key performance measures:

*The number of licensed animals includes some license applications sold when animals have been impounded and are being recovered from the City's Animal Shelter. Licenses for these animals require proof of rabies vaccination, which is not always forthcoming. In 2002, there were 520 such applications.

**The off leash recreation area program is operated through the Minneapolis Park and Recreation Board with the cooperation of the Animal Care and Control Program which issues the required permits and assists in enforcement activities. Our program keeps an administrative fee in the amount of \$5.25 per permit and the remainder goes to the Park Board for the operation of these areas.

Service Activity:

Manage the operations of the City's Animal Shelter.

Description:

The Animal Shelter facility provides sheltering, appropriate care and veterinary services for all impounded animals. Minnesota statute mandates that animals impounded as strays be held to be recovered by their owner or an interested person for a period of at least five days during which a facility is open to the public for a minimum of four hours.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of impounded animals	6,003	5,487	5,796	6,000	6,250
Aveg. # shelter days of potentially adoptable animals*	10.91	10.81	10.41	10.25	10.00
% placement rate	55%	57%	54%	55%	58%
# animals placed through partnerships with animal rescue groups**	543	524	495	500	600
# of volunteer hours at the shelter	485	269	455	475	525

Explanation of key performance measures:

*Potentially adoptable animals are a sizable but select group of animals because it is not inclusive of all living animals. Some animals are immediately euthanized owing to health or behavior problems. Note: there is a mandatory 5 day hold period for stray animals, i.e. on average we are only holding adoptable animals 5 days longer than mandated by state law.

**Placement rate includes living impounded animals that are returned to owners (or custodians) as well as animals placed in new homes by partnering rescue organizations or directly adopted from the City's Animal Shelter.

Primary Business:

Environmental Services, Children's Environmental Health - Healthy Housing

Service Activity:

Respond to childhood lead poisoning/Elevated Blood Lead (EBL) cases as mandated by the State of Minnesota

Description:

The City of Minneapolis Lead Hazard Control program responds to reported cases of children with blood lead levels 20 ug/dl and higher or with levels 15 ug/dl and higher for 90 days.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of EBL cases	120	100	63	80	80
% of cases where initial response time met state standards	n/a	n/a	n/a	n/a	n/a
Average length of time cases remain open	9 mo.	9 mo.	8 mo.	8 mo.	6 mo.
# of EBL risk assessments	142	125	86	80	80
# of EBL risk assessments per FTE	35	31	22	20	26
Average cost per EBL risk assessment	1500	1500	1500	1600	1600
Total number of orders brought into compliance	134	110	55	100	100
# of condemnations	3	2	1	10	10
% of orders brought into compliance without federal funding	30%	30%	15%	15%	50%
% of orders brought into compliance with federal lead grant assistance	70%	70%	85%	85%	50%

Explanation of key performance measures:

Performance measures reflect continuing decline in diagnosed elevated blood lead levels (EBLs) in children. Testing rates for at-risk children in the city have improved, however, actual rates may be 50% higher than reported. CEH continues intervention in dwellings of children that are tested below intervention guidelines for EIBLLs. As of July 31, federal lead grant assistance will end, leading to lower compliance rates for landlords and homeowners.

Service Activity:

Special projects and grant funded activities.

Description:

Children's Environmental Health has received federal and state grant funds since 1994 totaling 10 million dollars. The latest round of funding ends on July 31. The program has applied for future funding via a HUD Round XI grant application and also will be applying for a demonstration grant from HUD for \$2,000,000. The program has also applied for Healthy Homes funds for a demonstration project to reduce the incidence of asthma in children.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of dwelling units made lead-safe	260	128	225	400	100

Average cost per dwelling unit	\$5,700	\$5,700	\$5,000	\$4,500	\$4,500
# of non-EBL lead risk assessments per FTE	83	80	100	100	40
Total \$ amount for property owner matching funds	\$36,660	\$1,398	\$40,000	\$20,000	\$10,000
Number of education and outreach events	1300	300	1000	1000	400
# of Risk Assessments proved to other organizations	0	25	100	150	50
Total lead risk assessment revenue	0	\$15,000	\$20,000	\$20,000	\$10,000
# of Indoor Air Quality (IAQ) requests for service	20	100	120	50	40

Explanation of key performance measures:

Development of new funding streams has enabled the program to reduce the amount of federal grant funds required per dwelling. Non-EBL risk assessments have increased with the implementation and enforcement of federal regulations. Revenues from these risk assessments may increase as more are performed on a fee basis, depending upon demand.

Primary Business:

Business Licenses Services - Traffic Control

Service Activity:

Direct traffic, assuring pedestrian safety, and smooth traffic flow

Description:

Traffic control is provided during rush hours, at construction sites and many special events at the Metrodome, Target Center and Convention Center.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of traffic control hours	12,438.75 total 2645 hrs staffing rush hour 9,793.75 hrs staffing special events	15,000 total 4,700 hrs staffing rush hour 10,300 hrs staffing special event	14,857.25 total hours 1,512.5 rush hours 13,344.75 special traffic duties	14,000 total hours 3,500 rush hours 10,500 special traffic duties	15,000 total hours 3,500 rush hours 11,000 special traffic duties
Cost for rush hour per year	\$48,429.95	\$86,057.00	\$30,250.00	\$70,000.00	\$70,000.00
# of service requests		694	700	700	700

Explanation of key performance measures:

Service Activity:

Enforcement and collections

Description:

Enforcement includes all city and state parking regulations which include but are not limited to meters, critical parking areas, snow emergencies, abandoned vehicles, disability parking abuse and commercial zones.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total coin revenue	4,113,656.91	4,600,00.00	\$5,225,462.59	\$5,200,000.00	\$5,300,000.00
Total Citations	243,940	224,616	239,790	250,000	260,000
Citation Revenue	\$3,954,28	\$4,621,692	\$4,222,697.53	\$4,300,000.00	\$4,500,000.00
# snow emergencies	6	5	2	4	4
# snow wmergency citations	29,037	25,229	14,599	20,000	20,000
# abandoned vehicle complaints	5,078	5,500	5,935	\$7,000	\$7,500
# of rush hour citations	13,165	15,000	15,500	14,000	14,000

Explanation of key performance measures:

Service Activity:

Taxicab enforcement and inspection

Description:

Taxi enforcement and inspection includes bi-annual vehicle inspection, daily on street spot checks for compliance, issuance of administrative citations and review, annual service company inspection, review and investigation of citizen complaints and bi-weekly cab lane inspection.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of vehicles on street less than five years old			215	40	0
# of citizen complaints by citizens			?	200	150
# of administrative citations issued to drivers/owners			?	650	650
# of compliant service companies					Not available at this time

Explanation of key performance measures:

No data is available for these measures at this time.

Primary Business:

Housing Inspection Services

Service Activity:

Conduct routine & customer service request inspections to ensure preservation of existing housing and improve livability of our neighborhoods through education & enforcement.

Description:

: Housing Inspection Services conducts a high level of structural inspections in an effort to educate and encourage maintenance of the existing built residential owner-occupied and rental properties. Another high level activity is to ensure premises are inspected for environmental nuisance conditions (i.e. weeds, junk, debris, abandoned vehicles, and hazardous trees) on most lots throughout our City. We do this by responding to customer service requests, routine inspections, and our systematic rental licensing program.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% Cases brought into compliance through admin/judicial action		20%	32%	35%	38%
# of reinspections conducted on cases due to non-compliance with initial orders		76,995	82,598	83,000	84,000
# Housing Cases Addressed		54,000	61,678	62,000	62,500
Average # cases per inspector		1,800	2,126	2,200	2,300
Average # days to respond to customer service request		6	5	4	4
% Cases brought into voluntary compliance		58%	55%	58%	59%

Explanation of key performance measures:

Service Activity:

Rental Licensing administration & inspection breakdown for rentals & owner-occupied properties.

Description:

The following statistics relate to our administration of our annual renewal of rental licenses and inspection statistics for rentals & owner-occupied properties.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
*Number of buildings and units with rental licenses		15,752 prperties 68,074 units	15,752 properties 68,074 units	15,900 properties 68,500 units	16,000 properties 68,650 units
% rental properties inspected annually		45% 7,225 properties	47% 7,353 properties	52% 8,350 properties	54% 8,640 properties
# rental licenses revoked		8	3	3	3
# licenses reinstated after remedial action		3	2	4	5
# of violations cited on rental properties		31,636	30,924	33,957	35,000

# of units approved for rental licenses	3,142	4,500	5,500	5,600
# of owner-occupied properties with violations	11,596	14,786	15,000	17,500
# Of violations cited on owner-occupied properties.	24,826	27,336	28,500	30,000

Explanation of key performance measures:

*Rental Licensed buildings and unit counts in previous years were based on statistics that included lodging properties, condo rentals, MPHA properties and MCDA properties. These properties are not subject to rental license. We have corrected these numbers to reflect actual properties licensed with Housing Inspection Services.

Service Activity:

Nuisance violation enforcement on residential, commercial, vacant lots & railroad properties.

Description:

Housing Inspection Services recognizes that environmental nuisance inspections, in terms of physical attractiveness and safety, are one of the critical elements that citizens use in evaluating the livability of their neighborhood. The delivery of this service will continue to be a high priority for our business - not only satisfying the customer service request, but also continuing the high level of proactive inspections conducted on an annual basis. Housing empowers neighborhood organizations to participate in the delivery of this service for their communities, through our Citizen Inspection Program & CleanCut program.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# requests for service		32,959	35,962	34,211	36,000
# proactive inspections		28,607	31,610	29,225	32,500
#violations/orders issued		36,843	39,068	36,162	39,500
# graffiti cases*		343 55,266 sq. ft	1,431 violation orders issued for 117 & 122	1,500 violation orders issued for 117 & 122	1,500 violation orders issued for 117 & 122

Explanation of key performance measures:

*Due to budget cuts for 2002, the Inspections Division no longer provides contractual services for sensitive surface graffiti removal. At this time, only enforcement on sensitive surface and non-sensitive surface graffiti incidents will be done.

Service Activity:

Boarded Building & Vacant Building Registration Program

Description:

Abandoned & boarded buildings tend to retard the City's progress and drain an excessive portion of our resources, due to the nuisance conditions they often create. Another side effect is the reduction of neighboring property values. Housing Inspection Services effectively deals with these properties through our vacant building registration & boarded building programs.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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# of vacant and boarded buildings under chapter 249	195	150	125	100
# of registered vacant buildings – without boards, secured by normal means	165	100	84	75
# hazardous buildings boarded and \$ value of assessments	115 \$27,090 assessed	94 \$26,895 assessed	76 \$18,600	75 \$20,000
# hazardous buildings demolished 249 program	21 (249 program) 5 emerg. Demo's	19 (249 program)	6	8
# buildings open to trespass	195	207	166	150
# buildings condemned due to boarding	70	53	32	25
# buildings boarded by police	222	411	350	375

Explanation of key performance measures:

Construction Inspection Services will be reporting on Fire Escrow, Code Compliance Certification & Emergency Demolitions starting for 2002.

Service Activity:

Provide contract management and contractor abatement of nuisance violations such as: tall grass, weeds, overhanging brush, rubbish, garbage, hazardous tree removal, boarding of open to trespass buildings and police board-up requests.

Description:

Housing Inspection Services directs contractors for six contracts (2) rubbish contracts (2) grass & weed contracts (2) boarding contracts and one hazardous tree removal contract.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
\$ cost of trash cleanup		\$188,620	\$163,075	\$175,000	\$175,000
\$ cost of hazardous tree removal		\$138,956	\$90,997	\$125,000	\$150,000
\$ cost of removing tall grass and weeds		\$85,484	\$65,674	\$85,000	\$82,5000
\$ cost of Police directed boarding		*	\$74,820	\$75,000	\$75,000
\$ cost of Housing Inspection directed boarding for open-trespass buildings		\$27,090	\$23,468	\$25,000	\$25,000

Explanation of key performance measures:

*Housing took over the contract management & assessments for Police directed boarding in mid 2001.

Service Activity:

Collect special assessments for providing extraordinary city services.

Description:

Assessment of the costs of rubbish removal, grass cutting, hazardous trees, boarding buildings, vacant building registration, and inspector fee for towing inoperable vehicles. Housing Inspection Services orders private contractors to remove these violations after appropriate notices and reasonable time to abate has expired.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# and \$ value of special assessments processed for nuisance abatement		4,570 \$745,242	3,733 \$536,675	4,000 \$600,000	4,000 \$600,000
# and \$ value of special assessments processed for towing of inoperable vehicles		123 \$9,225	846 \$63,625	850 \$65,000	850 \$65,000
# and \$ value of special assessment processed for vacant building registration		152 properties \$69,200	100 properties \$40,000	150 properties \$60,000	125 properties \$50,000
# and \$ value of special assessments processed for Housing directed boarding		203 \$45,980	94 \$26,895	76 \$18,600	80 \$20,000
# and \$ value of special assessments processed for Police directed boarding		216 \$53,584	384 \$93,605	390 \$95,000	390 \$95,000
Total # and \$ value of special assessments		5,305 \$931,231	5,157 \$760,800	5,501 \$852,600	5,505 \$854,000

Explanation of key performance measures:

Primary Business:

Environmental Services - Environmental Health, Food Safety

Service Activity:

Enforce Minneapolis' Environmental Health - Food Safety Ordinances

Description:

Enforce City food and beverage ordinances, lodging and boarding code, health and sanitation code, and pool code through training, communication, uniform inspection and educational system for licensed facilities. Also includes body piercing, tattooing and suntanning licensing, etc.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Average cost per business			Contact Finances		
Number of alleged foodborne illness complaints received and investigated	109	60	206	175	175
Number of confirmed foodborne illness (FBI) outbreaks	2	4	3		
Number of voluntary closures	19	5	5	6	
Number of licensed food facilities	2334	2359	3718	3768	3476
Number of Reinspections Required	214	419	254	175	206
Total number of inspections	3222 food related inspections 445 other inspections	3188 food related inspections 1007 other inspections	3736 food related inspections 697 other inspections	3762 food related inspections 485 other inspections	3884 food related inspections 300 other inspections
Number of new and/or revised ordinances					
Total revenue			Not Available*	Not Available*	Not Available*

Explanation of key performance measures:

The training and enforcement system currently in place provides forward momentum to move a food establishment towards compliance. It is our goal to inspect all licensed facilities at a frequency exceeding that which is required by the delegation agreements. Individual high-risk facilities are inspected more frequently when warranted and follow-up inspections are performed consistently in timely manner.

Promoting efficiencies is being accomplished through the development of a training manual, internal fact sheets, procedures and forms (I.e., embargo and condemnation forms, guidelines for closure, contingency plans, responding to a fire call, etc. Staff training, written procedures and guidelines contribute to consistency within and among the program staff.

The division expects more foodborne illness complaints due to food code requirements for management to report customer complaints to the regulatory authority. The division is seeing more confirmation of foodborne illness due to the increased testing abilities of the State Health Lab and announced inspection.

*Currently reflected in Business Licenses revenue.

Service Activity:

Provide training, education and public information to prevent foodborne illnesses and food safety hazards.

Description:

Environmental Health Specialists will provide training, consultation and public information to prevent foodborne, waterborne illness. The Division will do this through multi-cultural training, education and consumer awareness. Staff will review plans for new food facilities to promote a safe operating environment. District supervisors will work with multi-cultural and linguistically diverse community members to develop and establish a food safety council in partnership with food industries and other stakeholders. The Division has created cross-functional teams to implement geographical service delivery; created opportunities for staff to be promotable to district supervisor positions; generated innovative ideas from staff to increase the efficiency of the division. Staff has developed the business plan for the next five years and working on implementing the strategies. This will increase customer satisfaction and communication with the community. This process will improve response time to concerns and complaints. Staff is committed to introduce a neighborhood ownership philosophy.

We are creating a strong partnership with the business community, the FDA, State Health Department, MDA, U of M, Hennepin County and other local agencies to provide and maintain a safe food and water supply in Minneapolis and a high level of sanitation through all licensed facilities.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of FMCs certified	664	650	841	917	400
Number of Food Handler courses offered	8	35 (6 Spanish)	20 (6 Spanish, 4 Somali)	30 (10 Spanish, 4 Somali)	16 (to include Spanish and Somali classes)
Number of food handlers trained	158	450	278	375	100
Number of Food Manager Certification (FMC) courses offered and recertification	33 (2 Spanish, 1 Somali)	34 (4 Spanish, 1 Somali)	44 (4 Spanish, 2 Somali)	48 (5 Spanish, 2 Somali)	16 Spanish (to include Spanish and Somali classes)
Total number of persons reached during "food safety month"	0	0	515	600	600
Total number of townhall meetings held	0	0	3	3	3

Explanation of key performance measures:

The sheer volume of educational resources that are available to the regulated community is highly beneficial. These resources include fact sheets that communicate concepts in a multitude of languages, necessary in a city of such rich diversity. Information is offered in a variety of formats, including one-page documents, CD-ROMs and videos. The Office of Multi-cultural Services offers on-site assistance to inspectors who may have identified communication or cultural issues as barriers to compliance. These activities anticipate and avoid potential causes of conflict and misunderstanding, and promote greater cooperation within the regulated community.

Innovation is showcased by the Announced Inspections component. Combined with techniques utilized in Active Managerial Control, the benefit to both the operator and inspector is an improved working relationship leading to compliance with the Food Code, resulting in increased efforts toward food safety. The division received a \$50,000 grant from the National Association of City and County Health Officials (NACCHO) to work in partnership with the University of Minnesota to evaluate the effectiveness of the Announced Inspection.

Primary Business:

Construction Inspection Services

Service Activity:

Provide construction inspection services to ensure a safe built environment

Description:

Provide construction inspections services to citizens, businesses, and contractors so they can conform to applicable codes and regulations relating to safety, health, and livability; inspect all new construction, remodeling, site alteration, and wrecking, for which permits are issued. Coordinate the issuance of certificates of approval for the occupancy of new buildings, the rehabilitation of condemned buildings, and compliance with truth in housing.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total Construction Permits Issued	57,192	52,648	49,587	41,000	43,000*
Number of construction inspections conducted	79,272	78,286	73,203	77,100	83,000**
Average # of inspections per inspector per day	10	10	10	10	10
Number of certificates of occupancy issued***	119	322	401	468	480
% customers expressing satisfaction with inspections services	-	-	-	-	feedback with new initiative technology

Explanation of key performance measures:

* Additional permits are projected with the unpermitted work initiative.

** Additional inspections are projected in response to the increase in permit activity noted above.

*** This number reflects new or newly classified total building structures approved for occupancy. Included are also partial CO's issued for units occupied prior to the total building. An increase is projected in 2004 as more partial and total CO's are issued for the numerous residential complexes under construction.

Service Activity:

Conduct Truth in Sale of Housing Program (TISH)

Description:

To improve the City's housing stock, maintain affordable housing, and promote public safety by eliminating identified hazards through the truth and sale of housing evaluation/inspection process.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of TISH certificates of approval issued	4,372	4,760	4,913	4,650	4,600
Number of violations identified to be corrected	26,515	23,855	20,088	15,108	14,500*
% homebuyers and homesellers expressing satisfaction with TISH					feedback with new initiative technology**

No. of TISH evaluations processed	6,487	7,040	7,011	7,200	7,200***
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Explanation of key performance measures:

Since the early '70's the City has had a truth in housing program (TISH), which provides critical housing condition information for consumer protection. In 1999, the TISH program was significantly changed to include the correction of specific hazards either at time of sale or within 90 days of closing. The program modification augmented consumer protection with the improvement and/or maintenance of the City's housing infrastructure at time of sale.

Effective June 1st, 2002, the program was again modified in three major ways: 1) The responsibility for the repairs legally defaults to the buyer if the seller chooses not to make the repairs. Also, if the property does not sell, the repairs do not need to be made. 2) The required repairs were refocused to include only the critical main building systems and smoke detectors, and 3) The closing process was streamlined with limited City involvement, placing responsibility on the private parties to send information to the City after closing.

* The June 2002 ordinance change reduced the number of required violations and is reflected for the full year in 2003.

** A customer feedback mechanism will be designed into the new online initiative for 2004.

*** Inspections continues to believe the market will remain active with a similar number of transactions for 2004.

Service Activity:

Provide education and information on building codes

Description:

Communicate with community partners, citizens, and customers to promote building safety and livability and provide education on how to meet building codes through written and verbal means and Inspections web site.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# requests for information				19,200	16,000*
# Communications produced and distribution levels			2 cable TV prgs. Utility insert 2 news articles 10 handouts at 2 fire stations	2 cable TV prgs. Utility insert 2 news articles 10 handouts at 2 fire stations 2 Hsg Fairs State Fair 2 Bus. Assoc.	2 cable TV prgs. Utility insert 4 news articles 10 handouts at 2 fire stations 2 Hsg Fairs State Fair 4 Bus. Assoc. 2 radio programs
# partnerships with community organizations					
# hits to the inspections website		40,000	60,000	See table CIS-1 **	See table CIS-1 **
# of handouts translated			10	15	20
% customers expressing satisfaction with information received				E-mail feedback tool within website	E-mail feedback tool within website

Explanation of key performance measures:

* If online technology is initiated, call load will be reduced as information is available via the web. However, if remote inspector is initiated, calls for scheduling will be shifted to the office and numbers will greatly increase.

** Inspections has an enhanced web site with improved graphics, information and applications that can be downloaded. Table CIS-1 enumerates these activities in city provided statistics.

Construction Inspection Services
CIS -1
 Number of Hits to the Inspections Website

2003 Estimated		2004 Projection	
<u>Views</u>	<u>Visits</u>	<u>Views</u>	<u>Visits</u>
53,000	42,000	63,000	52,000

Downloads	Visits	Downloads/E-	
		Submittals *	Visits
49,000	19,000	81,000	26,000
102,000	61,000		

* E - government proposed in 2004

Service Activity:

Provide competency cards.

Description:

Provide testing services to contractors in order to prove their competency in specific trades. Provide competency cards to those passing the test.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# competency cards issued	5,500	5,500	6,535	6,634	6,700
# of validated computer based exams* coord. with HR and vendor	201	344	426	350	400

Explanation of key performance measures:

* As of June 1, 2003, all comp card testing went to computer-based at Exporior test sites. This reflects the number of computer based tests estimated for 2003. One more compoent will be added in 2004 which is indicated in the increase.

Primary Business:

Business Licenses

Service Activity:

Investigate license violations and take enforcement action.

Description:

Negotiate remedial action agreements to correct problems with businesses, often involving administrative fine and/or license suspension. Collect evidence and put together license revocation cases for bad business operators.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# violations issued		n/a	696	750	800
Number of TAC Hearings	25	29	28	20	20
% successful agreements reached (problem addressed)		87%	84%		
# of ALJ Hearings	4	4	3	2	2
# Ordinance changes		10	13	10	10
# of administrative adjudication citations			83	200	250
# of tobacco compliance checks			923	650	650

Explanation of key performance measures:

Two new projects implemented this past year have made the enforcement process more efficient. The first is the computerization of our enforcement activities. Orders, warnings and administrative citations are now computer generated. Computerization has helped Licenses be more efficient tracking orders and fines. Documentation of orders and fines has resulted in few appeals of fines to administrative law judges resulting in cost savings. The second is the administrative citation process. 83 citations were written from June to December 2002.. The administrative citation program seems to have resulted in greater compliance. Only Two addresses, in 2002, had multiple administrative fines. Use of the administrative fines has allowed us to reduce TAC and ALJ hearings resulting in time and cost savings. Both of these projects were pilot projects last year.

Service Activity:

Provide business regulation information to citizens and businesses.

Description:

Make business regulation information available to citizens and businesses. Collect required information about licensed businesses and make it available to the public. There are new ways of doing business, such as E-Business, and there are new customers, such as a new immigrant population, that create ever-changing demands on the department.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Requests for Service			696	750	800
% of clients satisfied with information services	na	na	na	na	na

Explanation of key performance measures:

Business Licenses changed the focus of delivery of services to the new immigrant populations. Translating materials did not translate into knowledge for the start of business. Often immigrants did not read their own language. Providing individual service, on occasion with a translator, was found to be more effective.

As part of the one stop shop effort, Business Licenses is developing a web site that will allow our customers to view license requirements, down load application materials and contact district inspections via the internet.

Service Activity:

License commercial businesses to ensure businesses operate in compliance with ordinances and statutes.

Description:

Collect and keep on file for public access, applications, insurance policies and bonds, along with fees for over 120 categories of business licenses.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Business license applications	11,140	11,994	12,500	13,000	13,000
% of delinquent licenses**	6.2%	7%	4.2%	4%	4%

Explanation of key performance measures:

The decrease in the percentage of delinquent licenses is due to the establishment of geographic service delivery. Inspectors are assigned specific areas and as a result of familiarity can predict and identify delinquencies more efficiently.

Zoning changes (removal of the CUP process) resulted in a significant increase in Liquor License activities in 2002. The State Statutes in the liquor laws will result in further increases in Liquor License activities in 2003.

Primary Business:

Environmental Management

Service Activity:

Manage Environmental Programs related to improving the air, water and soil resources of the City of Minneapolis

Description:

A clean outdoor environment - air, water, and land - is the responsibility of the Environmental Management Section. This team works to prevent, control, and clean up pollution of our natural environment, including odors and toxic air emissions, spills and discharges to surface and ground waters, dumping and contamination of our land, and noise pollution control. Environmental Management also addresses issues of critical environmental importance to Minneapolis such as clean water, brownfields, safe drinking water, clean air, Smart Growth, and climate change. The implementation of a Noise Control Program allows for the better enforcement and control of a primary livability issue, noise, by improving coordination and communication. Environmental Management also works with local businesses and groups to address several thousand environmental complaints relating to spills/discharges, noises, odors/emissions, and illegal dumping.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of requests for environmental consultation or inspection service	926	1,275	894	352 YTD	800-900
# requests for services closed	926	856	673	187 YTD	na
% companies reporting reduction in toxic emissions		64%	2002 data will not be available until 2004.	2003 data will not be available until 2005.	2004 data will not be available until 2006.
# of Brownfield sites closed : new sites open for current year	69:50	44:42	31:27	23:24 YTD	NA
Total revenue generated in fees and permits	\$779,711	\$789,290	\$831,525	\$850,000 (fee increase in 2003)	\$880,000 (fee increase in 2003)
Revenue per inspector	\$ 129,952	\$ 131,548	\$ 138,588	\$141,666	\$146,667
% improvement in avg. water quality indices	Lakes – Grade B, 4% Creeks – NA River – Full use	Lakes – Grade B, 6% Creeks – NA River - Supporting but threatened for aquatic life, not supporting for swimming	Lakes – Grade B, 4% Creeks – NA River - Fully supporting for aquatic life, not supporting for swimming	Lakes – NA Creeks – NA River - NA	Lakes – NA Creeks – NA River - NA

Explanation of key performance measures:

YTD means year to date. Measures and outcomes should remain stable or improve with continued identification of problems and opportunities. Technology, economy, and weather are also determinates in successful implementation.

Service Activity:

Provide effective response to environmental emergencies

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of environmental emergencies	na	na	na	14	na
Total cost per emerg	na	na	na	\$698	na
\$ amount recuperated / charged to violator	na	na	na	na	na

Explanation of key performance measures:

In 2003 a new code was added to KIVA to identify environmental emergencies from other requests for service. Currently emergencies are identified when there is a potential to impact a resource when immediate action is not taken. A working definition is being developed that would provide better direction as to what would be classified as an environmental emergency. Cost recovery is not made on all environmental emergencies.

Financial Analysis: Inspections

EXPENDITURE

For 2004, the Inspections' budget is \$13.1 million – this represents a minimal increase over the 2003 adopted budget. This is due to the reorganization of the housing inspection function – fire department staff will perform nuisance inspections and a portion of the rental licensing inspection program. The operations and regulatory services department will manage this without a reduction in positions. The department proposed, and the Mayor recommends, \$146,000 in expenditure reductions.

REVENUE

From 2003 to 2004, Inspections anticipates a reduction in its revenue of 5.6%. The above outlined change in housing inspections accounts for this reduction – the reorganization shifts \$822,000 revenue to the fire department. Without this change, the department would have experienced a 0.5% decrease in its revenue estimate.

In addition to this change, the department outlined 5 strategies for increasing revenues:

Housing Inspections Administrative Adjudication – collection of revenue from conducting these cases through adjudication (rather than through court processes) are estimated to increase the department's revenue by \$100,000.

An inflationary adjustment to the Pollution Control Annual Billing (PCAB) generates an additional \$50,000.

An inflationary adjustment to the housing inspections permit fees adds an additional \$34,000 to this source of revenue.

After legislative action in 2003, the department is now able to charge a surcharge for the payment via credit cards. The department anticipates an additional \$15,000 can be raised from this surcharge.

Inflationary adjustments to building permits are anticipated to generate an additional \$300,000 in revenue.

FUND ALLOCATION

The department's budget is primarily in the general fund (98% of the total). The remaining portion of the budget is funded through Community Development Block Grant funds for boarded housing matching funds for NRP projects.

LOCAL GOVERNMENT AID CUT IN 2003

This department did not have a reduction related to the LGA cut.

Mayor's Recommended Budget

As outlined above the Mayor's Budget includes three major recommendations for the inspections' budget:

A reduction in expense of \$960,000 and \$822,000 in revenue related to shifting a portion of the housing inspection function to the Fire department.

Non-personnel expenditure reductions of \$146,000.

An increase to revenue of \$500,000.

INSPECTIONS
Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Inspections	153.00	158.50	-			
Administration	-	-	8.00	10.00	25.00%	2.00
Construction Inspections	-	-	66.00	62.50	-5.30%	(3.50)
Housing Inspections	-	-	52.50	41.00	-21.90%	(11.50)
Development Services	-	-	24.00	26.00	8.33%	2.00
Total FTE's	153.00	158.50	150.50	139.50	-7.31%	(11.00)

Financial Analysis: Licenses

EXPENDITURES

The 2004 Adopted budget for Licenses and Consumer services reflects a reduction of 5.8% over the 2003 adopted budget. This reduction reflects the reduction of 7 positions in the environmental health division related the lead program. These positions were funded by a federal grant from the Department of Housing and Urban Development (HUD). In addition, the operations and regulatory services department reallocated a position to the inspections division.

REVENUES

The anticipated revenues in this area have declined by \$700,000 from the 2003 adopted budget. This is the net effect of the elimination of the HUD lead grant and several proposals to increase fees. The proposals to increase fees that are recommended by the Mayor are:

An additional \$52,000 in animal control fees to reflect more of the cost of providing these services.

False Alarm fees for properties with security calls - \$40,000

A late night liquor establishment fee for additional revenue of \$50,000.

Institutional food fees - \$30,000

Increases to court fines - \$86,000

FUND ALLOCATION

The licensing functions of the City are all budgeted in the general fund. The traffic control function – 30% of the department’s budget – is budgeted in the parking fund. The department also receives \$180,000 in funding for the lead program from Community Development Block Grant funds.

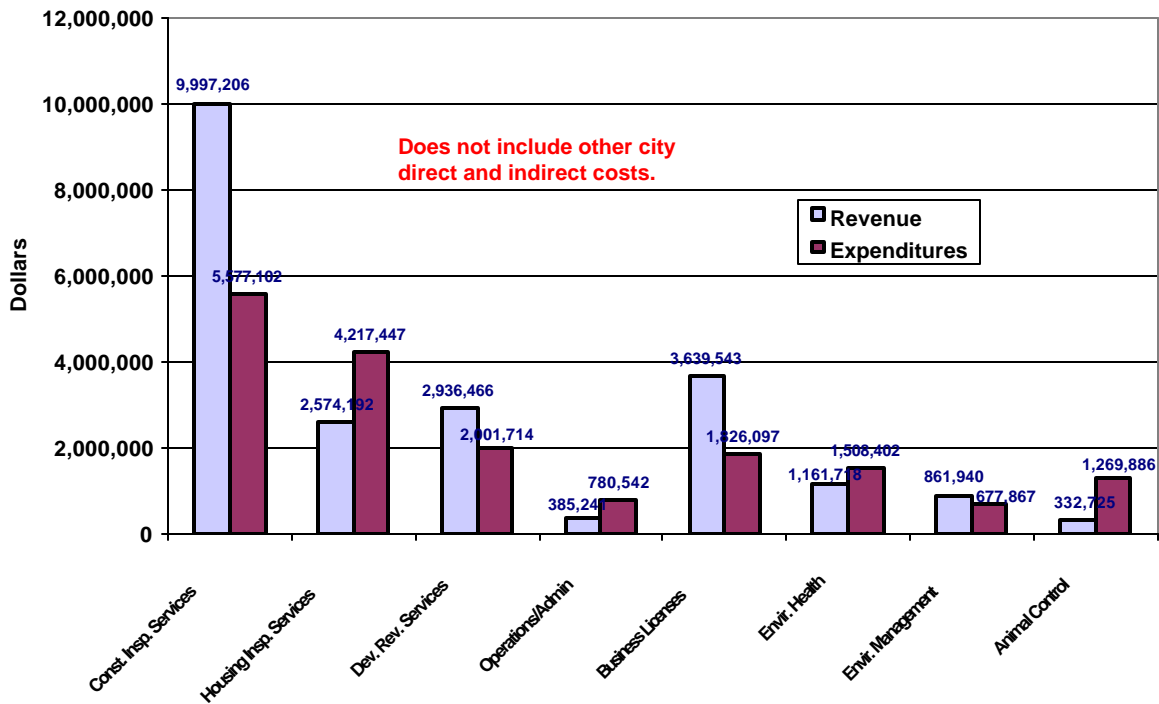
LOCAL GOVERNMENT AID CUT IN 2003

This department did not have a reduction related to LGA in 2003.

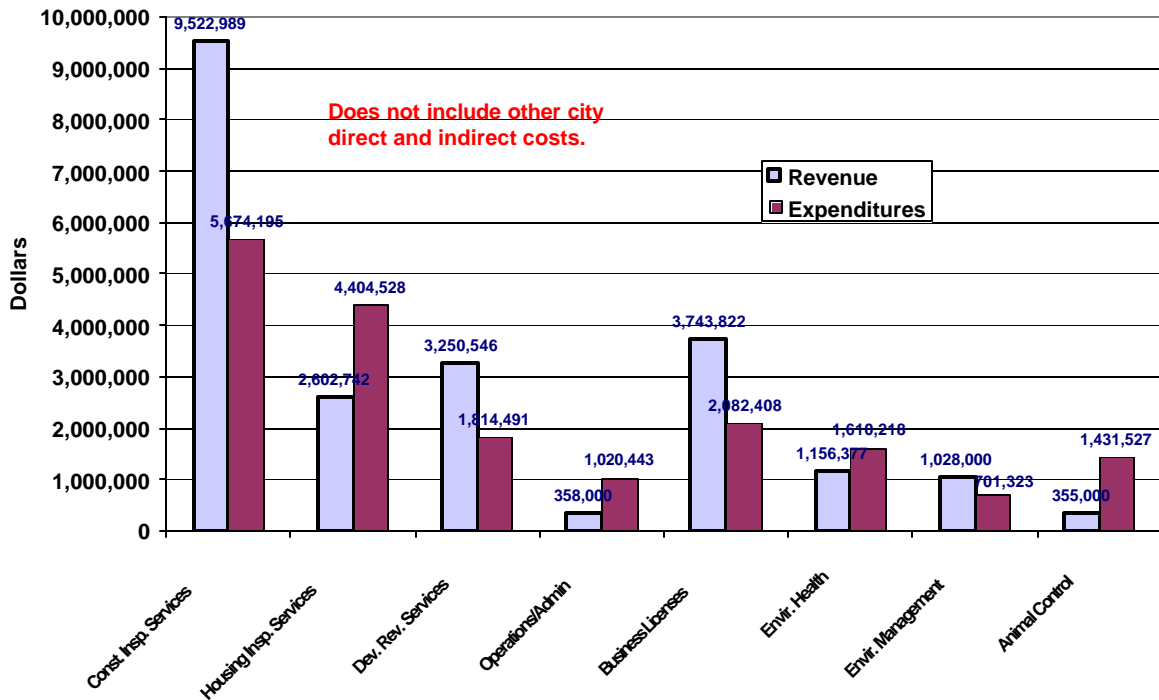
LICENSES AND CONSUMER SERVICES Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Administration	24.00	24.00	24.00	23.00	-4.17%	(1.00)
Parking and Traffic Control	38.00	42.00	42.00	42.00	0.00%	-
CNAP - Space Planning	1.00	1.00	-	-	0.00%	-
Environmental Health	34.25	34.25	32.95	26.00	-21.09%	(6.95)
Animal Control	21.00	21.00	20.50	21.00	2.44%	0.50
Environmental Services	9.00	9.00	8.64	8.25	-4.51%	(0.39)
Total FTE's	127.25	131.25	128.09	120.25	-6.12%	(7.84)

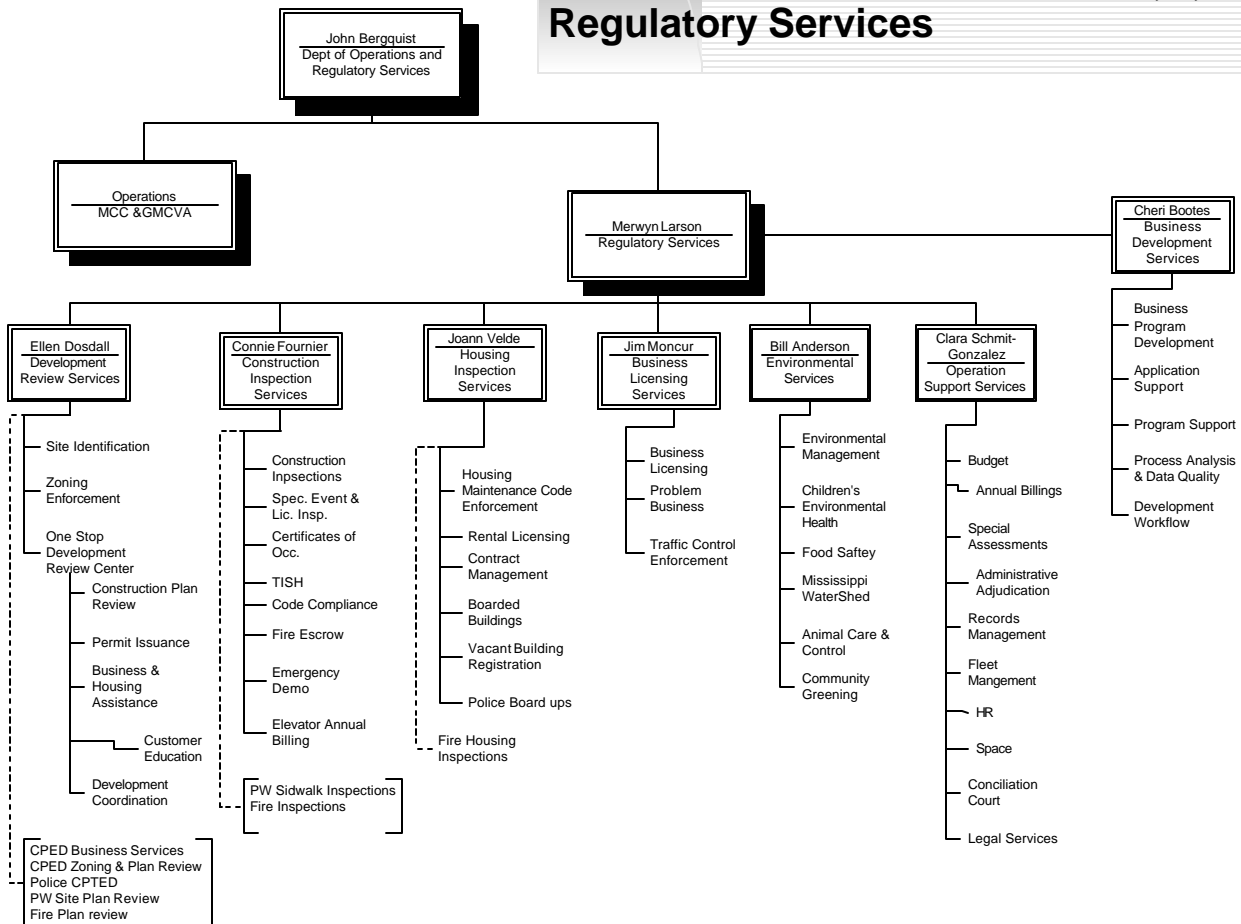
2002 Revenue vs. Expenditures, Regulatory Services



2003 Revenue vs Expenditures, Regulatory Services



Regulatory Services



City Council

Mission Statement

The City Council establishes general policies, subject to the approval of the Mayor, to insure the health, safety, life, property and general, social, and economic welfare of the City's citizens

Primary Businesses:

Develop and implement city policies and programs in conjunction with the Mayor.

Serve as a resource and advocate for constituents.

Key Initiatives or Other Models for Providing Service to be implemented:

1. Increase percentage of people who live and work in Minneapolis that report satisfaction with City services.
2. Increase opportunities among citizens for dialogue about their expectations for Minneapolis City government.
3. Increase the consistency of elected officials' tax-related decisions with a comprehensive municipal tax policy.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% citizens who rate Mpls as a good or very good place to live	n/a	86%	n/a	Survey to be conducted again in 2004	Survey to be conducted again in 2004
% citizens who rate Mpls govt. as good or very good at communicating with citizens	n/a	49%	n/a	n/a	n/a
% citizens who rate Mpls govt. as good or very good at representing and providing for the needs of all citizens	n/a	48%	n/a	n/a	n/a
% citizens who rate Mpls govt. as good or very good at effectively planning for the future	n/a	49%	n/a	n/a	n/a
% citizens who rate Mpls govt. as good or very good at providing value for their tax dollars	n/a	54%	n/a	n/a	n/a
% citizens who rate Mpls city govt. officials as acting with integrity				Potential question for survey to be conducted in 2003	To Be Determined
Opportunities among citizens for dialogue re City govt.					
Existence of a comprehensive municipal tax policy	n/a	n/a	n/a	Consist application of comprehensive tax policy	Consist application of comprehensive tax policy
Initiatives to increase the impact of City goals on determining City services	n/a	n/a	Expected development of new City Goals for current 4-year term	n/a	n/a

Explanation of Performance Data for Departmental Outcome Measures:

Primary Business:

Develop and implement city policies and programs in conjunction with the Mayor

Service Activity:

Work with the Mayor, city departments and external partners to address emerging city issues.

Service Activity:

Conduct regularly scheduled council meetings, committee meetings and public hearings to develop and implement City policies.

Primary Business:

Serve as a resource and advocate for constituents

Service Activity:

Provide information to constituents to engage them in city issues.

Service Activity:

Respond to constituent concerns and complaints.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURE

Prior to the Local Government Aid cuts of 2003, the City Clerk's budget included the ward budgets for each Council Member, including the personnel costs of the assistants and associates in each office. The City Council's position information has been restated for the change in its budget while the financial information has not. The substantial increases in every category of expense reflect these changes. The full cost of the City Council is paid from the general fund.

LOCAL GOVERNMENT AID CUTS IN 2003

The City Council's budget was reduced by \$130,000 as a result of LGA reductions. Individual ward budgets were established for each Council Member.

ADOPTED BUDGET

The budget includes an addition of \$60,000 to the Council budget, divided equally among the 13 wards – a change from the Mayor's recommendation which included the addition of a position. The Council also allowed for the reappropriation of savings in ward budgets from one year to the next.

**CITY COUNCIL
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Mayor's Recomm.	% Change	Change
FTE's by Division						
City Council	38.00	38.00	38.00	39.00	2.63%	1.00
Total FTE's	38.00	38.00	38.00	39.00	2.63%	1.00

Civil Rights

Mission Statement

To eliminate discriminatory practices that have an adverse affect on the health, welfare, economic well-being, peace and safety of the citizens of Minneapolis

Primary Businesses:

1. LEADERSHIP

- a. Leadership through Community Outreach, Education, and Advocacy
- b. Leadership through effective administration and support of the Commission on Civil Rights.

2. REGULATORY ENFORCEMENT

- a. Complaint Investigations
- b. Contract Compliance / Davis Bacon / Prevailing Wage
- c. Small and Underutilized Business Program [SUBP]
- d. Commission on Civil Rights
- e. Civilian Police Review Authority

Key Trends and Challenges Impacting the Department:

Trends:

- 1. Declining governmental resources [City, State, Federal].
- 2. Increasing needs of those we serve in light of budgetary cutbacks.
- 3. Changing value system from “brother’s keeper” social responsibility concept to “fiduciary priorities” preserving for a few rather than assisting many.

Challenges:

- 1. Transferring Small and Underutilized Business Program [SUBP] to new department of Community Planning and Economic Development [CPED] in order to institutionalize inclusive affirmative business practices in City Hall. (as recommended in the McKenzie Report)
- 2. Meeting community expectations of the Civilian Review Authority with smaller staff than in previous years and increasing volume of complaints of police misconduct.
- 3. Providing equitable level of administrative support to Minneapolis Commission on Civil Rights, new Civilian Review Board, and Latino Advisory Council to the Mayor and City Council in light of decreasing personnel resources.
- 4. Assisting the Minneapolis Police Department in effecting change in improper police conduct.
- 5. Building citizen’s accessibility and trust in CRA through enhanced education and community relations.
- 6. Managing community and political expectations for complaints of discrimination as we refer complaints [other than employment, ADA, Title VII, and public service] to the State Department of Human Rights..
- 7. Transitioning from a department of 24 to a department of approximately 18.
- 8. Successfully integrating the Civilian Review function into the Minneapolis Department of Civil Rights.
- 9. Increasing City Departments’ accountability for doing business with SWMBEs [small, women-owned, and minority-owned business enterprises] in support of City diversity goals.

Key Initiatives or Other Models for Providing Service to be implemented:

1. The new Civilian Review Authority, now a part of the Minneapolis Department of Civil Rights, redesigned in 2002/2003, is a new model for citizen police review.
2. The four Community Summits held in 2002/2003 represent a dynamic interactive way for the community, Mayor and City Council to effect change in City practices and procedures in order to better serve the needs of a diverse community. [e.g. the Latino Advisory Committee to the Mayor and City Council is implementing the recommendations emanating from Community Summit 2 which focused on Chicanos/Latinos/Hispanics.]
3. Through our Memorandums of Agreement with MCDA [for Heritage Park Development] and the Library [for New Central Library Project] we are able to provide on-site monitoring services without increasing the Departments operations expense.
4. Increase access to City Hall by community of color - A city goal

Key Departmental Outcome Measures:

Explanation of Performance Data for Departmental Outcome Measures:

Primary Business:**Leadership through Community Outreach, Education, and Advocacy****Service Activity:**

Community outreach activities, through education and advocacy, targets at Protected Classes [includes New Arrivals].

Description:

Community Outreach targeted at Protected Classes, will be accomplished by sharing resources across business units. Leaderships for this activity will be from out unit formerly called Complaint Investigation.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of events with CRA Board					1
# of Community Forums on specific enforcement-related topics.	N/A	N/A	6	4	9
#of community outreach activities that provide information about our services and resources, e.g. community cultural events, forums, etc.*	10	6	5	8	5
# of contacts with community organizations. **	10	6	5	8	25
# of communications in other languages.	10	0	2	2	6
# of community intake sites for complaint handling.	0	2	3		2
# of media advertising opportunities e.g. radio, newspaper, etc.	3	15	26+	26+	4
# of departments that partner with MDCR on community initiatives.	2	0	4	5	9
Activate Website and report # of hits to website.	N/A	N/A	1	0	1

# of events co-sponsored by MDCR and MCCR.	1	1	1	3	2
# of community recommendations to elected officials thru community summits					33
# of recommendations accepted by elected officials result in change.	1	1	1	3	2

Explanation of key performance measures:

* Includes Cinco de Mayo, Juneteenth, Community Summit and the summit finale' bringing all summits together.

**This includes Latino Advisory, Minneapolis Urban League, M.U.I.D, 100 Hard Hats and NAMC

Primary Business:

Leadership through effective Administration and Support to the Commission on Civil Rights.

Service Activity:

Maintain and active Commission on Civil Rights through effective administration and support.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# Days on Docket from referral to closure PC/NPC***	302.5 / 188.6	509.2 / 184.8	389 / 124	365 / 90	365 / 90
Number of training and development courses completed					3
Provide a quarterly report to elected officials, department heads, MCCR, and key stakeholders.			Annual Quarterly Community	Annual Quarterly Community	Annual Quarterly Community
Percentage of Diversity in the department.					
# of Commissioners serving on MCCR Board.	21	19	9	21	21
# of Cases referred to MCCR by MDCR	40	53	33	50	55
# of Cases closed by MCCR	27	51	35	45	50
# Days on Docket from referral to closure PC/NPC	302.5 / 188.6	509.2 / 184.8	389 / 124	365 / 90	302 / 90

Explanation of key performance measures:

Primary Business:

Regulatory Enforcement

Service Activity:

Reduce discriminatory practices in Minneapolis, [e.g. employment, housing, racial profiling] through enforcement, mediation, and conciliation.

Description:

Complaints of discrimination file at Minneapolis Department Civil Rights are investigated and finding of probable cause(PC) or no probable cause(NPC) are complaints that may be resolved through mediation or conciliation. The complainant and respondant each have the right to appeal to the Minneapolis Commission on Civil Rights

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of intake inquiries.	523	444	400	425	315
# of complaints filed with the department.*	274	201	300	325	245
Case Closures per year.	158	244	250	275	205
% of cases resolved through mediation or conciliation	6%	5%	7%	8%	6%
N / A					

Explanation of key performance measures:

* Decreased number for 2004 is based on proposal to process complaints regarding Employment, Title VII, and Public Service (e.g. police) with decrease in staff

Service Activity:

Establish and monitor hiring and participation goals for City-sponsored projects/contracts to ensure that protected classes have an equal opportunity to benefit through employment and business activities

Description:

Contract Compliance/Davis Bacon/Prevailing wage

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Construction and Development Projects.*	Active- 36 Closed- 70 Pending- 45 Total-151	Active- 40 Closed- 73 Pending- 38 Total-152	Active- 60 Closed- 35 Pending-65 Total-170	Active- 60 Closed- 35 Pending-65 Total-170	Active- 60 Closed- 35 Pending-65 Total-170
Total \$ Value of all projects	\$496,832,310	\$1,082,509,361	\$1,174,637,496	\$1,200,000,000	\$1,200,000,000
# of Conciliation meetings with contractors not meeting goals.	22	22	24	26	26
# Affirmative Action plans reviewed and approved of partnerships with community organizations	866	680	750	750	750

Davis Bacon and prevailing wage.***	Total # of Projects-37	Total # of Projects-15	Total #of Projects-20	Total # of Projects-20	Total # of Projects-20
	Value of Projects-\$38,100,000	Value of Projects-52,048,000	Value of Projects-\$791,346,000	Value of Projects-\$792,000,000	Value of Projects-\$792,000,000
	#receiving restitution-5	#receiving restitution-32	#receiving restitution-10	#receiving restitution-10	#receiving restitution-10
	\$amount of restitution-\$4,110	\$amount of restitution-\$25,128	\$amount of restitution-\$12,000	\$amount of restitution-\$12,000	\$amount of restitution-\$12,000

Explanation of key performance measures:

*Overall, contractor affirmative action goals met for 2000, 2001, and 2002. Major projects are tracked separately and require on-site compliance monitoring by a dedicated Compliance Officer. Factors that determine if a dedicated compliance officer is assigned: #of contractors and sub-contractors, complexity of the project, community issues surrounding the project, political issues surrounding the project, and communication strategies required for the project and ability of project to fund the monitoring activities. Examples of major projects are: Heritage Park, and the New Central Library.

**Conciliation is held when a project does not meet goals. An agreement is usually reached when the contractor agrees to link up with a community-based job developer (Urban League, Summit Academy OIC, etc) to hire qualified candidates for future job openings.

***Davis-Bacon Act only applies to projects receiving federal funds. Prevailing wages cover most other projects but are investigated only upon receipt of a complaint.

Service Activity:

Small and Underutilized Business Program.

Description:

Small and Underutilized Business Program (SUBP). Under Minneapolis City Ordinance Chapter 423, It is the purpose of the SUBP to provide opportunities to the Small and Underutilized Business Community, including WBE's and MBE's, for inclusion in the construction of and in support services, including the direct provision of goods and services to the City.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
\$ of city contracts awarded to certified small and underutilized businesses.(1)	\$16,839,893.	\$88,796,008(4)	\$32,672,522 \$13,826,564(7) \$5,010,385(8)	\$50,000,000 see below(9)	\$70,000,000 see below(10)
Number/percentage of City-sponsored projects meeting SUBP participation goals.(2)	no data available	41	95	130	140
# of certified businesses enrolled in the SUBP program.	796	403	459	497(5)	500
Number of Procurement Fairs, pre-bid meetings, and other related activities the city's goals for SUBP.(3)	approx. 28-six month	30	30	30	30
% of City department's assigning liaison to SUBP	N/A	N/A	40%	50%(6)	100%
# educational seminars for certified businesses.*****	0	0	7	4	4

Explanation of key performance measures:

- (1) SUBP does not currently have the technical system needed for tracking all of the business and how much business Departments do with SWMBE's. We are proposing such accountability in 2004
- (2) Project monitoring/ data tracking system upgraded in mid 2003

(3) Includes pre-bid meetings, Construction Partnering Program, the Central Certification (CERT) Program Executive Committee, community organizations, trades and other association (e.g. Metropolitan Economic Development Association, Minnesota Minority Supplier Development Council, Small and Disadvantaged Business Opportunity Council, Hispanic Chamber of Commerce, Minnesota American Indian Chamber of Commerce) and the Permanent Review committee bi-monthly meetings.

(4) Includes subcontractor awards on Convention Center Expansion Project

(5) Actual as of 6/17/03

(6) Actual as of 6/17/03

(7) Heritage Park combined private and public contracting participation for minority and women business enterprise

(8) New Central Library Project

(New Central Library Project 2003 estimated dollar amount will spend \$38,663,428. Of that, the project goal is contracting participation level of 10% women business enterprise & 12% minority business enterprise

(10) New Central Library Project 2004 projected dollar amount will spend \$47,387,654. Of that, the project goal is contracting participation level of 10% women business enterprise and 12% minority business enterprise.

Service Activity:

Civilian Review Authority*

Description:

Investigate allegation of police misconduct against Minneapolis police officers [e.g. excessive force, inappropriate conduct, inappropriate language, harassment, discrimination in the provision of police services, failure to provide adequate or timely police protection]

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Cases referred to MCCR by MDCR.	40	53	60	65	65
# of Cases closed by MCCR.	27	51	55	60	60
# Days on Docket from referral to closure PC/NPC.*	302.50/188.58	509.23/184.84	389/124.05	365/90	365/90
# of Community outreach activities that Commissioners were involved in.	no data available	4	5	5	5
# of intake inquiries				400	400
# of signed complaints				150	150
# cases resolve through mediation				0	10
N / A					
N / A					
N/ A					
N / A					

Explanation of key performance measures:

Service Activity:

Civilian Review Authority Board*

Description:

Maintain an active Civilian Review Authority Board

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# case hearings				20	80
% of sustained findings**				10%	15%
# of community outreach activities				0	2

Explanation of key performance measures:

* The CRA became a part of MDCR in September 2002. In March 2003 the revisions to Civil Rights and CRA Ordinances was approved by City Council. The CRA Board was not appointed as of June 17, 2003 but is estimated to be in place by August 2003

** In 2002 CRA used an evidentiary hearing process and probable cause or no probable cause was determined. Under the new CRA design finding are senseless or not sustained.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURES

The Civil Rights department's budget decreased from 2003 adopted budget to the 2004 budget by 15%. The adopted budget includes a decline in CDBG funding from 2003 to 2004 for the department of \$160,000. In 2004, \$80,000 will be reappropriated from prior year balances on a one-time basis. The Council moved \$80,000 of the department's CDBG allocation to a contract with Legal Aid for a Housing Discrimination Law Project.

REVENUE

The department's revenue expectations for 2004 remain at the same levels as in the 2003 adopted budget.

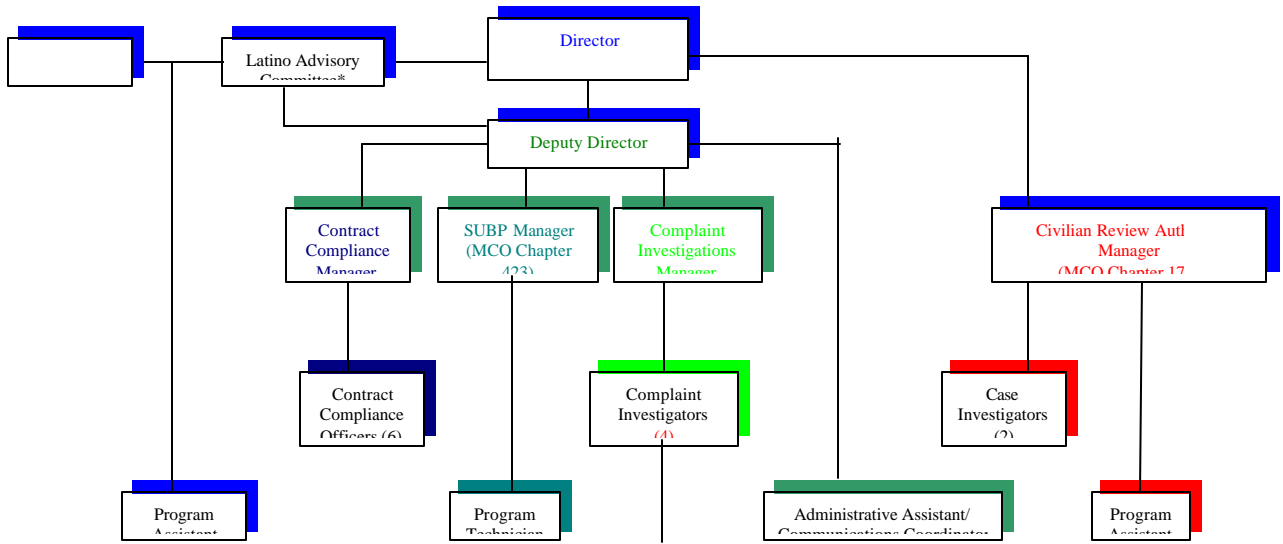
LOCAL GOVERNMENT AID CUTS IN 2003

The significant driver behind the expenditure reduction in the Civil Rights department is the reductions made due to LGA cuts. The department's reductions included elimination of 3.5 positions and reductions to non-personnel, for total savings in 2003 of \$377,000.

**CIVIL RIGHTS
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Civil Rights Admin	7.00	7.00	7.00	7.00	0.00%	-
Complaint Investigation	8.00	8.00	8.00	6.00	-25.00%	(2.00)
Civil Rights Contracts	9.00	9.00	8.50	7.00	-17.65%	(1.50)
Civilian Review Authority	5.00	5.00	4.00	4.00	0.00%	-
Total FTE's	29.00	29.00	27.50	24.00	-12.73%	(3.50)

2003 MDCR Organizational Chart



Community Planning and Economic Development (CPED)

Mission Statement

To promote and advance the City's planning and community development goals through strategic partnerships and responsible management of resources, and to support the public interest through implementation of the City's plans and priorities.

Primary Businesses:

Housing

Economic Development

Community Planning

Development Services

Workforce Development

Partnerships and Community Engagement

Key Trends and Challenges Impacting the Department:

Challenge of Establishing a New City Department

CPED faces enormous opportunities and challenges as the projects, programs, activities and staffs of the Minneapolis Community Development Agency, the Planning Department, the Minneapolis Empowerment Zone and the Minneapolis Employment and Training Program are merged into one new City department. The McKinsey study and the Focus Minneapolis resolution have raised expectations that development processes and customer service will be greatly enhanced by the establishment of CPED. Numerous strategic, policy, programmatic and practical issues must be identified and resolved, in the midst of on-going project and program activity. Policy questions around public engagement, the Neighborhood Revitalization Program (NRP), community planning, and citizen participation in planning and development require attention and resolution. The new department must successfully blend the cultures and practices of the combining entities.

Limited Financial Resources

CPED, along with every City department, faces severe limitations on the financial resources available to carry out its projects and programs. The availability of funding is declining at federal, state, county and city levels. Remaining funding sources often carry restrictions that limit how funds may be used. Staff levels have been greatly affected by recent reductions in force, creating challenges to prioritize human and capital resources.

Economic and Demographic Trends

There is a need to improve tracking of market and socioeconomic data and trends to increase the effectiveness of the department's activities. CPED and the Metropolitan Council will explore data sharing opportunities.

Economic and demographic trends that will influence CPED's strategies and activities include:

Housing:

- A perceived potential bursting of the housing bubble, especially for high-end housing.
- Low interest rates have enabled people who would not otherwise qualify to purchase houses do so at inflated prices, which may lead to long-term affordability problems.

- A growing need for housing with supportive services for those with mental health, chemical dependency and other issues contributing to homelessness.
- An increasing housing affordability gap; the rise in house values is exceeding the rise in incomes.

Economic Development:

- A need to create wealth and eliminate barriers faced by people of color, new arrivals and those with low-incomes.
- A shortage of sites for new and expanding industrial uses.
- Building permit activity is increasing.
- Office space vacancy rates continue to rise, both within and outside the Central Business District; vacancy rates create revenue risk for both private and public sectors.
- Unemployment rates are flat (people are not losing jobs at the same rate as in the recent past, but neither are they being hired), with Twin Cities metro area unemployment rates better than those of the nation as a whole.

Community Planning:

- Challenges associated with infrastructure and transportation needs: congestion is an increasing problem; parking is a challenge in neighborhoods and downtown; LRT is new infrastructure that presents opportunities and challenges.
- Roles and resources need to be defined.

Workforce Development:

- Recent improvements in the economy are not producing jobs; even though the financial health of many companies is improving, they are not hiring new workers in great numbers, and wages are down for those who are hired.
- A need to integrate new arrivals into the labor market and to maintain the quality of the labor force.

Policy Environment

CPED must successfully operate within local, regional, state and national policy environments. Locally, policy emphases on producing affordable housing, revitalizing commercial corridors and producing living wage jobs will greatly influence CPED's strategies and activities. Yet City goals and priorities are broadly defined, and the department at times faces a lack of consensus and unrealistic expectations given available resources.

The regulatory environment is challenging. Conflicting policy direction to staff (including issues related to traditional urban design, and transit and pedestrian orientation) at times leads to difficulty in implementing the new Zoning Code.

Concern over the use of tax increment financing, the chief remaining redevelopment financing tool, may constrain CPED's ability to achieve City goals.

The metropolitan region as a whole needs to strengthen its policy and political framework to successfully compete in national and world markets.

At the state level, political shifts within the Legislature have presented challenges in advancing the interests of Minneapolis citizens and businesses.

Key Initiatives or Other Models for Providing Service to be implemented:

I. Enterprise Alignment and Accountability

1. Focus Minneapolis Process

The September 2002 Focus Minneapolis resolution set the broad policy framework within which the new Department of Community Planning and Economic Development is being created. By the end of 2003, a number of steps will have been taken to establish the new department: policy decisions about the component units of the new department have been made; enabling legislation and the implementing ordinance have been passed; and new management is in

place. Financial assets and programs will be transferred from MCDA to the City at year-end. The department is hard at work producing a consolidated budget and business plan which will be more fully developed in time for the Council budget hearing in September.

The next steps, which have already begun, are to align the newly integrated resources of this department with each other and with citywide priorities in order to achieve the development-related service improvements which the Focus Minneapolis process was intended to produce. In 2004, there will be more consciously targeted uses of limited development resources. The regulatory functions of Planning will be more closely coordinated with those of Regulatory Services and other City departments as part of the One-Stop Shop initiative. There will be strengthened partnerships with public and private entities outside of city government. There will be an increased attention to private market trends and support of private market efforts to grow jobs and build housing. And there will be a clearer relationship between the City, NRP, neighborhood groups, and residents about roles, responsibilities, and resources around citizen access and participation in various City processes, and City support of that participation. The differences we will make are defined further in the outcome measures listed in both the department and service activity level. The resources we need to make that difference are outlined in this proposed budget.

2. Pending Policy Decisions

As of the date of submission of this budget request, there are at least three major outstanding policy decisions which will significantly impact CPED: proposed changes to the NRP ordinance; the potential advance use of the 2009 Brookfield repayment; and the overall community engagement model. Decisions in these areas will greatly affect CPED's roles and capacity to carry out citywide priorities. Likewise, the availability of federal and state funds in 2004 is uncertain in key areas (e.g. pollution cleanup). The CPED budget submission assumes a minimal level of general development revenues, thus continuing a downward trend in the department's historical funding levels for citywide housing and economic programs. Consistent with the Five Year Financial Direction adopted in January, we have not assumed use of Hilton funds or Brookfield repayment funds for development, and have projected a \$2 million reduction in Chapter 595 levy funds to \$2 million. These assumptions severely constrain the department's ability to sustain citywide program initiatives at historical levels. Thus, with the exception of the Affordable Housing Trust Fund, the initiatives identified below will not happen without some increase in funding levels beyond what is currently known and budgeted and/or require further shifts from existing programmatic activity.

II. Housing

1. Affordable Housing Trust Fund.

Affordable housing remains CPED's highest housing priority. The Affordable Housing Trust Fund will again be funded in 2004 at \$10 million, the same level as 2003 funding. Funding sources are a combination of federal funds (CDBG, HOME, ESG and EZ) and local Chapter 595 levy funds. This does not count any use of NRP funds.

2. Improve the environment for new production, preservation and increased quality of housing units.

CPED proposes to initiate the Affordability and Choice Today (ACT) project to provide funding to private and non-profit builders, developers, planners and architects to undertake innovative housing and regulatory reform initiatives in order to improve housing affordability, choice and quality. Three types of projects could be funded under the ACT Program:

- a) Demonstration Project grants to help grantees carry out building or renovation projects to show how new ideas in design, technology, planning or servicing could lower costs or meet special needs (e.g., Land Trust, corridor development, etc.).
- b) Promotion Project grants to help promote regulatory reform, to kick-start action in community, to help promote a project on the go, or to share experience with other neighborhoods.
- c) Stakeholder market advocacy conference with policy makers, non-profit and for-profit housing builders, developers and advocates, which could be convened in the spring of 2004 to learn about opportunities and tools for investment in the City of Minneapolis.

3. Increase homeownership opportunity among under-served populations.

Demonstration Project grants to help non-profit and for-profit developers undertake housing initiatives that place an emphasis on under-served populations of the City of Minneapolis.

4. Develop finance plan and secure funding sources to allow Heritage Park to meet its construction deadline as described in the Consent Decree.

The Heritage Park finance plan has financing gaps that will need to be eliminated. Together with our project partners, CPED will work to identify firm funding sources to complete the finance plan by early 2004. CPED will also work to ensure solid project management for the remainder of the project.

III. Economic Development

CPED will leverage its newly integrated resources and those of outside partners to effectively guide and develop high-priority project areas such as downtown, designated corridors and sites adjacent to the new LRT line.

The department will collaborate with Regulatory Services on implementing a small business strategy that will include process improvements in the One-Stop Shop, strengthening communications with the small business community, and reducing transactional time and costs.

Finally, as in the housing area, the department will seek ways to better understand private market trends (via more timely information collected internally and externally) and will offer increased support of private efforts to grow and maintain jobs in the city. Building on the ad hoc process of the past year, a Council of Economic Advisors has been formed to advise the department on market trends. A pilot survey will be distributed to 100 businesses throughout Minneapolis in the fall of 2003. Developed by staff from MCDA, Planning, METP and Empowerment Zone, now working together as CPED, this survey will solicit information on job training, financial and regulatory needs of commercial, retail and industrial businesses throughout Minneapolis. Representatives from the Minneapolis business community will meet with CPED staff to provide input prior to distribution of the survey.

IV. Jobs and Partnerships / Citizen Engagement

1. Leveraging and Partnering

In this budget, we have defined our 2004 agenda and preliminary goals. It should be noted that not all of the outcomes are achievable solely within the revenue identified herein. For example, we seek to close the historical gap between city and regional unemployment rates. Our goal is to lower the city's unemployment rate (currently at 5.7%) to under 5.0%, which would be closer to the regional rate of 4.7%. However, it must be understood that some economic factors reflect broader market conditions and are not within our control.

To achieve our goal, we will need to partner more effectively and leverage City resources with other public and private resources. CPED should play a crucial role in convening and organizing resources across the sectors to achieve common goals.

2. Citizen Engagement

Last fall's Focus Minneapolis resolution contemplated an integrated citizen engagement function within the City and directed further study on the question of the relationship of NRP to CPED and the City. That study was completed and policy decisions on the financial components of the relationship are now pending before the City Council. Other aspects of the broader topic – such the geographic model or role of staff support to community groups or level of resident participation in various city processes – have not yet been thoroughly discussed or resolved. Preliminary information gathered for the July 18 City Council study session indicates that the City enterprise spends upwards of \$8 million annually for various citizen engagement and participation programs. As last fall's resolution and the study on which it was based noted, there is much to be gained from coherence and alignment in the exchanges between City government and citizens. Important policy judgments will shape CPED's role in citizen engagement before this budget proposal is finalized. For now, we express our willingness to serve as a force for helping make citizen participation more coherent, efficient and meaningful in the City of Minneapolis. In the present era of distressed resources, important choices about roles and responsibilities will need to be made so that expectations – on both

sides of the resident/City relationship – can become clearer.

V. Planning

1. Development Services: One-Stop Shop

As noted above, CPED's Planning team is committed to its part in making the One-Stop Shop successful and is proposing a revenue strategy to put this function on a more consistent financial basis by moving towards a user fee funding base over a three year period.

2. Community Planning

Resources for this function have been severely constrained due to recent budget reductions, so as part of the larger discussion on citizen engagement, it will be critical to clarify to the public the reduced roles and responsibilities of Planning staff in relation to the new geographic district model that was initiated earlier this year.

3. Comprehensive/Advance Planning

This planning function has suffered from declining resources. With the Regional Blueprint 2003 expected to be completed by the end of 2003, we will need to determine a plan for review. For now, a targeted, reduced list of high priority master plan and strategic comprehensive plan amendments will be developed and maintained consistent with available resources.

4. Research

Efforts have started and will continue to restore some of the lost capacity in this functional area. In addition to the new quarterly publication of Minneapolis Trends, there will be additional efforts to enlist the assistance of outside expertise (via mechanisms such as the Council of Economic Advisors) and via direct survey work (such as the pilot survey of businesses being done this fall). In a time of limited resources, it is critical for the department to have current information about market gaps and opportunities.

VI. Notes on Two Specific Budget Increase Requests

1. Restoration of funding for Planner II - Grants staff for Empowerment Zone (EZ) \$60,000 total / \$30,000 over 2003 level

Over the last two years, the EZ has shared funding for a grants writer with the City Coordinator/Grants Office. The City Coordinator's portion of funding for the position was eliminated in the spring 2003 round of cuts. The EZ continues to have a need for this function and is requesting restoration of a Planner II – Grants position funded 100% by EZ funds. This position would continue assisting with EZ related grant applications, and RFP development. Now that EZ is located within CPED, other units within CPED such as METP and MCDA have indicated a potential interest in sharing in this position's funding and staff time on a limited basis. With over \$20 million in federal and state grants now being administered by CPED, there is an increased need for departmental support of this funding stream.

2. Requested Increase in CDBG

CPED is requesting an approximately \$1 million increase in its CDBG allocation for Year 30 over Year 29. This increase is a partial response to the decrease in general purpose capital funding as described earlier. The proposed uses of this \$1 million are as follows:

a) Loan and Grant program: \$446,691 increase (current year allocation = \$0)

This supports the Residential Finance Loan Servicing contract and staff costs associated with the management of mortgage and loan improvement contracts which will continue to be serviced in-house. This and the capital portion of the contract was financed in Year 29 by the draw down of program fund balance with the understanding that the request would be reinstated when balances were about to be depleted. Although this is an increase over the Year 29 level, it is substantially less than the \$1.2 million annual funding level leading up to Year 29 because it reflects only CPED and GMHC program delivery costs. No additional capital request is being made at this time. Capital funding is expected to continue to be funded from remaining program balances. At this level of funding it is projected that 50 home improvement loans will be made.

b) GMHC

Reallocation of \$465,953 from Vacant/Boarded Housing to GMHC, additional allocation of \$125,969 to GMHC, for a total Year 30 allocation of \$591,922. (current year allocation for GMHC: \$0)

GMHC did not request Year 29 funding since there were sufficient remaining prior year funds to support activity. Having drawn down those balances, the program is requesting funds at a slightly reduced level from prior funding years. It is projected that 15 to 25 units for low/moderate ownership will be completed in 2004.

c) Mortgage Foreclosure Prevention Program \$250,000 (current year allocation: \$0)

This funds the Mortgage Foreclosure Prevention Program that is now determined by HUD to be CDBG-eligible. It was not funded in the CDBG program in Year 29. The program is administered on behalf of Minneapolis and St. Paul by the Homeownership Center. At this level of funding, it is projected that 35 foreclosures will be prevented.

d) Multifamily \$153,434

This slightly increases the funding level for affordable-level activity to \$5.4 million, and represents a \$2.6 million increase over the Year 26/27/28 annual levels of \$2.8 million.

A complete tally of the CPED Year 30 CDBG request is included in the overall CDBG schedule elsewhere in the budget book and can be provided as a separate table if requested.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% reduction in gap between unemployment rate in City and metro region					
# of new and positive conversion completed (multifamily housing units placed in service)	637	563	465	720	815
rehab/stabilization/preservation completed (multifamily housing units placed in service)	240	268	522	385	575
# of affordable (<50%) multifamily housing units completed with CPED assistance	505	504	612	649	715
estimated increase in annual property taxes due to economic development projects completed during year (at rate in year of completion)		\$7,029,000	\$1,283,000	\$3,236,529	\$1,108,408
# of small business loans	146	161	150	180	185
# of new jobs projected	579	1,749	1,441	1,635	585
# of studies conducted on trends affecting City policy and development	12	10	8	8	8
# of land use applications reviewed	871	926	996	931	931
# of building permits reviewed		2,460	4,958	4,500	4,500
# of jobs provided through job linkage agreements	689	1,020	1,214	1,600	2,300
# of people served in workforce development programs	15,370	15,459	18,661	19,320	19,364
# of people placed in jobs through workforce development programs	6,324	5,758	6,452	6,259	6,084

Explanation of Performance Data for Departmental Outcome Measures:

- "Completed" means there has been a final construction disbursement, a Certificate of Completion has been issued by CPED, and/or a Certificate of Occupancy has been issued by the City. Completed units are produced with funds from prior years.
- "Conversion" means previously non-residential properties have been converted to residential use.
- "Multifamily" means all rental projects and ownership projects with more than 10 units.
- "Affordable (<50%)" means units that are affordable to families with incomes at or below 50 percent of the metropolitan median family income.
- The measure concerning affordable units is a subset of the measures concerning the number of multifamily housing units placed in service.
- "New jobs projected" means a developer's estimate of the number of new jobs resulting from activity financed with CPED assistance. Estimates are not available for all completed projects.

Primary Business:

A. Housing

Service Activity:

1. Provide financing for the development and preservation of affordable and mixed-income rental housing.

Description:

CPED administers a number of programs for the development and preservation of affordable and mixed-income rental housing. Funds are targeted to meet City housing priorities, including supportive/special needs, senior/elderly, large family, corridor/transit/density, and mixed-use.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of new/conversion multifamily units completed	637	469	444	545	555
# of rehabilitated multifamily units completed	240	268	522	385	535
# of affordable (<50%) multifamily housing units completed	505	484	596	634	655
# of multifamily units to result from closed loans and construction starts		969	1,694	1,975	1,450

Explanation of key performance measures:

- Data for 2000 includes both rental and ownership housing. 2001-2004 figures reflect rental housing only.
- "Conversion" means previously non-residential properties have been converted to residential use.
- "Multifamily" means all rental projects and ownership projects with more than 10 units.
- "Completed" means there has been a final construction disbursement, a Certificate of Completion has been issued by the MCDA, and/or a Certificate of Occupancy has been issued by the City. Completed units are produced with funds from prior years.
- "Closed" means financial closing and construction start. Generally, closed units are produced with funds from prior years.
- "Affordable (<50%)" means units that are affordable to families with incomes at or below 50 percent of the metropolitan median family income.
- The third measure listed above (number of affordable units) is a subset of the first two measures, and includes both new/conversion and rehabilitated units.

Service Activity:

2. Provide financing for the development and preservation of affordable and mixed-income ownership housing.

Description:

CPED administers a number of programs for the development and preservation of affordable and mixed-income ownership housing. Funds are targeted to meet City housing priorities, including long-term/perpetual affordability, corridor/transit/density, and mixed-use.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of new /conversion multifamily units completed	637	94	21	175	260
# of rehabilitated multifamily units completed	240	0	0	0	40
# of affordable (<50%) multifamily housing units completed	505	20*	16*	15	60
# of multifamily units to result from closed loans and construction starts		180	449	225	350

Explanation of key performance measures:

- Data for 2000 includes both rental and ownership housing. 2001-2004 figures reflect ownership housing only.
- *Combined multifamily and single-family units. All other numbers are multifamily only.
- "Conversion" means previously non-residential properties have been converted to residential use.
- "Multifamily" means all rental projects and ownership projects with more than 10 units.
- "Completed" means there has been a final construction disbursement, a Certificate of Completion has been issued by CPED, and/or a Certificate of Occupancy has been issued by the City. Completed units are produced with funds from prior years.
- "Closed" means financial closing and construction start. Generally, closed units are produced with funds from prior years.
- "Affordable (<50%)" means units that are affordable to families with incomes at or below 50 percent of the metropolitan median family income.
- The third measure listed above (number of affordable units) is a subset of the first two measures, and includes both new/conversion and rehabilitated units.

Service Activity:

3. Develop and rehabilitate moderate and market rate single-family ownership housing.

Description:

CPED administers programs to return vacant lots and vacant and/or boarded structures to the city's housing supply.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of single-family units constructed	58	131	74	140	150
# of single-family units rehabilitated	22	31	6	20	15
# of low/moderate income (<80%) single-family units completed	39	74	54	62	60
# of lots sold for single-family development		163	124	150	150

Explanation of key performance measures:

- "Constructed" means a Certificate of Completion has been issued by CPED.
- "Single-family" means all ownership projects with 10 or fewer units.
- "Affordable (<80%)" means units that are affordable to families with incomes at or below 80 percent of the metropolitan median family income.
- "Completed" means there has been a final construction disbursement, a Certificate of Completion has been issued by CPED, and/or a Certificate of Occupancy has been issued by the City.

Service Activity:

4. Create an environment that encourages and supports private market activity in the production and preservation of housing for all income levels.

Description:

CPED will undertake initiatives to remove obstacles, promote growth and support private sector housing development efforts. Initiatives will include participation in the One-Stop Shop/Development Review Center and the collection of developer feedback through surveys.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of housing units produced (including those with CPED assistance)	347	1,120	1,866	1,340	1,400
# of unassisted housing units produced					
Housing growth (units produced minus units demolished)	-90	958	1,715	1,190	1,250
Minneapolis share of metro region housing production	1.6%	5.0%	7.3%	5.5%	5.8%
% of customers satisfied with City development processes					

Explanation of key performance measures:

These are newly identified performance measures for a new Service Activity. Data will be added as business planning work continues.

Service Activity:

5. Provide financing for home improvement and home mortgages.

Description:

Through a vendor contract, CPED provides financing to Minneapolis homeowners who might not otherwise be able to carry out home improvements or code repairs. The Empowerment Zone provides down payment and closing cost assistance to homebuyers within the zone. Mortgage financing is provided under agreements with private lenders. Mortgage lending has been temporarily suspended because the interest rates are not competitive with private sector rates, and because the investment yield on trustee accounts are too low, thereby increasing program operating costs. As markets change to produce more competitive mortgage rates, programs will be reactivated.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of home improvement loans	164	75	131	54	46
% of loans to minorities	30%	23%	31%	27%	27%
% of loans to female-headed households	60%	38%	50%	45%	45%

% of loans to households <50% of median income	77%	51%	64%	65%	65%
# of mortgage loans	463	119	138	200	25
% of mortgage loans to minorities	27%	27%	27%	27%	27%
% of mortgage loans to female-headed households	35%	45%	35%	30%	30%
% of mortgage loans to households <50% of median income	25%	23%	25%	25%	25%

Explanation of key performance measures:

- Loan recipients indicate minority status on program application forms.
- Loan recipients indicate female-headed household status on program application forms.
- "Affordable (<50%)" means units that are affordable to families with incomes at or below 50 percent of the metropolitan median family income.

Primary Business:

B. Economic Development

Service Activity:

1. Position and promote Minneapolis as a world class community for business.

Description:

CPED works closely with public, private and non-profit partners to achieve vibrant neighborhoods, an exceptional urban core, a robust regional economy and quality jobs for all citizens. The department will undertake initiatives to remove obstacles, promote growth and support business development. These efforts will include advocating at local, regional, state and federal levels for the physical infrastructure, cultural/recreational resources, and human capacity a world class community needs. CPED will build relationships with key business leaders and elected officials to strengthen private/public partnerships. The department will monitor market trends and socioeconomic data to identify and promote economic development opportunities. CPED will collaborate with other agencies to foster a positive environment for business. The department will leverage its resources by focusing on and promoting catalyst projects and priority initiatives.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
ranking on City business and other surveys					
ranking on quality of life indices					
total # of businesses					
Minneapolis share of regional economic activity (based on gross income)			12.3%		
total # of employees in Minneapolis					
# of city residents with jobs			207,500		
city residents' share of regional jobs					
# of permits issued for commercial repairs/improvements					
value of permits issued for commercial repairs/improvements					
# of permits issued for new commercial construction					
value of permits issued for new commercial construction					
# of GMCVA events/attendees					
# of patrons of City-owned entertainment and sports venues	2,248,517	1,976,517	2,010,299	2,140,000	2,000,000
key industrial sector performance					
key initiative performance					
# of top 10 employers with City partner relationship					
# of top 10 commercial taxpayers with City partner relationship					
# of top 10 innovators with City partner relationship					

Explanation of key performance measures:

These are newly identified performance measures for a new Service Activity. Data will be added as business planning work continues.

Service Activity:

2. Provide sites and financing for commercial and industrial development.

Description:

CPED provides site assembly and financial assistance for commercial and industrial development in order to preserve and create living-wage jobs, enhance the City's tax base, redevelop blighted and contaminated areas and provide commercial services to City residents. In support of industrial activity, CPED owns and manages the Upper Harbor Terminal.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of economic development projects under construction, completed or closed		38	33	39	29
# of economic development projects completed (subset of above measure)	4	12	10	15	13
estimated increase in annual property taxes due to completed projects (at rate in year of completion)		\$7,029,000	\$1,283,000	\$3,236,529	\$1,108,408
contamination cleanup grants secured	\$4,891,996	\$6,138,803	\$4,337,485	\$3,000,000	\$1,500,000
# of new jobs projected	202	1,445	1,092	1,285	235

Explanation of key performance measures:

- "Completed" means there has been a final construction disbursement or a Certificate of Completion has been issued by CPED.
- "Closed" means there has been a real estate closing and/or project financing is in place.
- "New jobs projected" means a developer's estimate of the number of new jobs resulting from activity financed with CPED assistance. Estimates are not available for all completed projects.
- Jobs estimates include jobs resulting from all business development projects, including downtown, riverfront and those covered by job linkage agreements.

Service Activity:

3. Provide financing and technical assistance to small businesses.

Description:

CPED uses a variety of funding tools to leverage private financing for business expansion projects that keep businesses in the city, increase the availability of neighborhood commercial services, retain and create jobs, and support business start-ups among minority and immigrant populations. CPED provides technical assistance and guidance to businesses starting, expanding or relocating in Minneapolis.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of business loans	146	161	150	180	185
public/private investment ratio	1:4	1:14	1:18	1:11	1:16
# of new jobs projected	377	304	349	350	350
# of existing jobs	1044	1,561	1,718	1,600	1,600

Explanation of key performance measures:

- "New jobs projected" means a business' estimate of the number of new jobs resulting from activity financed with CPED assistance.
- "Existing jobs" means the number of jobs at assisted businesses prior to activity financed with CPED assistance, as reported by the business.

Service Activity:

4. Maintain a vital downtown and central riverfront.

Description:

CPED helps to strengthen downtown retail and entertainment sectors, expand downtown housing opportunities and maintain downtown as the principal employment center of the region. CPED owns and manages three downtown theaters and the Target Center. CPED helps to remove barriers to riverfront development; install or rehabilitate infrastructure; develop a variety of riverfront housing types for all income levels; preserve historic buildings and resources; enhance recreational, entertainment and cultural amenities and attractions; and participate in partnerships with other agencies and entities involved in riverfront revitalization.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of riverfront entertainment, cultural, recreational and educational amenities completed		2	4	5	0
# of downtown housing units completed	357	350	271	60	327
# of downtown retail or entertainment establishments completed	10	18	5	9	0
# of patrons of City-owned entertainment and sports venues	2,248,517	1,976,517	2,010,299	2,140,000	2,000,000
# of job-producing downtown developments completed	1	2	1	3	0
# of hotel rooms added		356	0	256	0
# of riverfront housing units completed		114	30	754	601
# of historic riverfront structures preserved		2	15	2	0
net increase in office square feet (DT & Riverfront)	615,000 sq ft	1,050,000 sq ft	1,250,000 sq ft	187,000 sq ft	150,000 sq ft
net increase in retail square feet (DT & Riverfront)	30,000 sq ft	260,000 sq ft	348,000 sq ft	39,000 sq ft	12,000 sq ft

Explanation of key performance measures:

- All measures for this service activity reflect results from CPED assistance; privately financed activity is not included in counts such as net increase in office or retail square feet.
- "Completed" means there has been a final construction disbursement, a Certificate of Completion has been issued by CPED, and/or a Certificate of Occupancy has been issued by the City.
- Number of downtown housing units completed is a subset of totals reported under Housing service activities.
- Number of riverfront housing units completed is a subset of totals reported under Housing service activities.

Primary Business:

C. Community Planning

Service Activity:

1. Community Engagement - Provide support to elected officials, residents, City departments, neighborhood groups, developers and others to encourage participation in City processes.

Description:

CPED is responsible for engaging the community in the City's processes and development.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of residents involved with planning processes who are confident that their input will become part of the City's decision-making process.				40%	50%

Explanation of key performance measures:

The purpose of this engagement is not only to listen to the community, but to involve them at all levels. This includes providing input into policy development and allowing this input to become part of the decisions being made.

Service Activity:

2. Research - Conduct research and analysis on trends affecting City policy and development.

Description:

CPED supports and promotes the goals identified in The Minneapolis Plan.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of studies conducted on trends affecting City policy and development.	12	10	8	8	8
# of comprehensive plan amendments presented/approved			1	3	3

Explanation of key performance measures:

Research activities connect local, regional and national information to determine trends in the City of Minneapolis. This trend information is used to study policy issues and actions as they relate to The Minneapolis Plan.

Service Activity:

3. Comprehensive Planning - Provide support to elected officials, residents, City departments, neighborhood groups, developers and others to further refine and implement The Minneapolis Plan.

Description:

CPED is responsible for preparing, implementing and refining the City's comprehensive plan. This is accomplished through interaction with various groups and organizations. CPED provides guidance, assistance, technical support, research and plan preparation.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of presentations to inform various entities about The Minneapolis Plan	4		4	20	10
# of neighborhood/small area/citywide planning initiatives coordinated/assisted	25		30	35	25

Explanation of key performance measures:

Planners provide a contact point by geographic sector for neighborhood organizations and others to inform and participate in the development of The Minneapolis Plan.

Primary Business:

D. Development Services

Service Activity:

1. Administer and interpret the zoning code and land subdivision regulations.

Description:

Development Services zoning staff consult with clients on a daily basis, helping customers at the counter or in scheduled meetings, reviewing building permits and all business license applications for zoning code compliance, and answering phone inquiries.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of clients assisted at service counter (One-Stop Shop)		4,218	4,500	5,000	5,000
# of building permits reviewed at service counter (One-Stop Shop)		2,460	4,958	4,500	4,500
# of telephone calls answered			40,040	38,000	38,000
# of client appointments		1,978	2,839	2,000	2,000

Explanation of key performance measures:

Service Activity:

2. Review and prepare findings and recommendations on applications for approvals as required by the zoning code, land subdivision regulations, and state law.

Description:

Development Services staff provide analysis and recommendations on land use applications through written reports to the City Planning Commission, the Board of Adjustment and the City Council that insure that development proposals conform with the comprehensive plan, zoning code, subdivision regulations, and other relevant City ordinances and policies.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of land use applications reviewed	871	926	996	931	931
% of applications completed within state-mandated timeframes	100%	100%	100%	100%	100%

Explanation of key performance measures:

In general, land use and HPC applications, administrative reviews and phone inquiries are driven by market forces or the needs of the public. The City does not set a goal or specific number to review. We are required to review all applications and answer all questions received. Looking at the number of applications reviewed or number of phone calls answered gives a good idea of the amount of work accomplished in a given year. Looking at the amount completed in the state-mandated time frame gives a good idea of how well we are completing this work. Other measures may be available but are more difficult to quantify. Looking at the degree of satisfaction of the developer or the public may not be a good indicator, because many times land use issues have winners and losers. For example, neighbors may be unhappy if a developer receives approval for a multifamily development even if it is in conformance with City goals.

Service Activity:**3. Administer and interpret the City's heritage preservation regulations.***Description:*

HPC staff are responsible for the identification of historic resources, designation of historic landmarks and historic districts, review of applications for required approvals, participation in 106 reviews, implementation of heritage preservation regulations, and education and outreach.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of properties designated	3	2	35	34	3
# of historic resources identified			226	250	250
# of Heritage Preservation Commission applications reviewed	192	211	155	190	185
# of demolition permits reviewed	370	124	154	110	129

Explanation of key performance measures:

Primary Business:

E. Workforce Development

Service Activity:

1. Provide living wage job opportunities for Minneapolis residents.

Description:

CPED addresses workforce issues such as Living Wage, job training and placement, Empowerment Zone employment opportunities and partnerships among majority, minority and women-owned general contractors.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
unemployment rate for City residents	3.9%	4.4%	5.9%	5.7%	5.0%
# of jobs provided through job linkage agreements	689	1,020	1,214	1,600	2,300
% of job linkage agreement jobs that pay living wage	87.95%	87.05%	72.24%	82%	80%
% of job linkage agreement hires that reside in Minneapolis	60.66%	56.6%	58.89%	60%	60%
# of job linkage agreements executed		6	13	9	8

Explanation of key performance measures:

- A "living wage" job pays 110 percent of the federal poverty level for a family of four (currently \$9.73 per hour); pays 100 percent of the federal poverty level for a family of four and also provides health benefits; or pays wages in accordance with a union contract.

Service Activity:

2. Manage adult training, placement and retention programs.

Description:

Neighborhood organizations throughout the City provide assistance with skill assessment, career planning, access to training to build job-related skills, job search, job development, job placement, and support for retention in employment. Services are funded by a variety of federal programs and are available to low-income Minneapolis residents, including those unemployed and receiving public assistance.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of people served	620	759	938	624	640
# of people placed	610	704	879	621	615
average wage	\$10.06	\$10.96	\$9.84	\$10.07	\$10.15

Explanation of key performance measures:

Service Activity:

3. Manage Welfare to Work programs.

Description:

The Welfare to Work programs provide assessment, job readiness, education, job placement and job retention services to welfare recipients as well as non-custodial parents of children on welfare. Employment services are provided by Workforce Centers and community based organizations throughout Hennepin County.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of people served	12,288	11,901	14,906	15,483	15,989
# of people placed	5,164	4,511	5,168	5,158	5,149
average wage	\$8.82	\$9.95	\$10.37	\$10.28	\$10.23

Explanation of key performance measures:

- The number served equals all mandatory MFIP participants who received employment services including assessment, job readiness, education and training, placement, support services and retention services.
- The number placed equals all participants working and receiving partial MFIP benefits at the end of the year plus all participants whose employment put them over 120% of poverty who left MFIP.
- The average wage is for those who worked their way off MFIP.

Service Activity:

4. Manage youth employment programs.

Description:

Non-profit organizations and public school special needs programs provide learning-rich work opportunities that are subsidized with city, state and federal funds. In addition, participants age 14-21 have the opportunity to attend the academic enrichment component, have a business mentor and experience work, leadership development, multi-cultural living and environmental education at Camp Sunrise. Community Based Organizations provide case management services through objective assessment, individual service strategies and goal setting to help at-risk 14-21 year olds achieve target outcomes in the areas of work, school and employability skills.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of youth served in year round programs	415	397	393	387	435
skill attainments (year round programs)	450	*	876	362	350
retention 90 days (year round programs)	N/A	*	63%	71%	70%
retention 183 days (year round programs)	N/A	*	55%	61%	60%
# of youth served in summer programs	1,427	1,378	1,218	1,326	1,325
academic enrichment (summer programs)	374	343	356	385	375
mentorships (summer programs)	200	211	113	75	100

Explanation of key performance measures:

The number served in summer programs equals those youth in subsidized and non-subsidized positions. Academic enrichment is provided through C.L.A.S.S. Mentorships are through private employers.

*Not available due to software transition.

The number served in year round programs includes new enrollments during the program year. Many others also receive services.

The skill attainments represent work readiness, basic skills and occupational skills attained by the participants.

The 90 and 183-day retention percentages are figures that represent the levels of those employment terminations that are still working.

Service Activity:**5. Manage Dislocated Worker Program.***Description:*

Non-profit and government agencies are funded with federal and state resources to assist workers who lose their jobs through downsizing, reorganizations, and closings. Workers receive individually tailored services leading to reemployment in comparable jobs. Services may include assessment, career counseling, skills updating, retraining, and job search support.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of people served	620	1,024	1,206	1,500	975
# of people placed	550	543	405	480	320
average wage of placement	\$18.67	\$20.08	\$19.59	\$20.69	\$19.00
wage replacement	97%	90%	90%	85%	84%

Explanation of key performance measures:

Wage replacement is the percentage of average wages at the new job versus the average wage of the last job.

Primary Business:

F. Partnerships and Community Engagement

Service Activity:

1. Provide technical and financial support to neighborhood organizations, business associations and the Neighborhood Revitalization Program.

Description:

CPED citizen participation activities increase involvement in neighborhood organizations to help communities address housing and economic development issues. The Business Association Assistance Program provides funds to strengthen business associations that stabilize neighborhood commercial areas. As part of the administrative support provided to the Neighborhood Revitalization Program, CPED administers inter-jurisdictional contracts for implementation of NRP activities.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of neighborhood organizations assisted		62	65	65	65
amount of financial assistance to neighborhood organizations		\$445,000	\$439,000	\$439,000	\$439,000
# of business associations assisted		33	34	34	35
amount of assistance to business associations		\$204,665	\$205,000	\$200,000	\$210,000

Explanation of key performance measures:

Service Activity:

2. Support police/community communication and partnerships to further reduce crime.

Description:

The City of Minneapolis, Hennepin County, the State of Minnesota, businesses, residents and community-based organizations will collaborate on neighborhood-based safety strategies that help residents and businesses combat drug-related activity, reduce juvenile crime and create safer neighborhoods.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of crime prevention programs			10	49	49
# of businesses receiving crime prevention services			N/A	18	18
# of individuals receiving crime prevention services			251	475	475
x					
% reduction in Type I crimes in targeted high-crime neighborhoods within the Empowerment Zone					

Explanation of key performance measures:

These performance measures reflect the City's engagement and empowerment of residents and business people to take a stand against crime by getting involved in personal efforts to reduce crime in their neighborhood.

Data will be added as business planning work continues.

Service Activity:

3. Expand utilization of community assets that assist families in becoming successful and economically self-sufficient.

Description:

CPED works with community-based organizations to implement a collaborative education network that prepares and supports new arrivals and others for full participation in the economic and social fabric of the community. This includes services that nurture and support young people and their families.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of families receiving self-sufficiency training					
# of youth receiving education					
# of daycare slots available in the Empowerment Zone					
# of daycare slots available in the City of Minneapolis					
% increase in daycare slots available in the Empowerment Zone					
% increase in daycare slots available in the City of Minneapolis					
# of individuals receiving health and wellness services					

Explanation of key performance measures:

The areas in which the Empowerment Zone will be investing in the next one to two years include daycare, youth education and summer activities, self-sufficiency support for new arrivals and low income families, and the health and well-being of Empowerment Zone residents.

Data will be added as business planning work continues.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURES

The Community Planning and Economic Development department reflects financial and position history of its predecessor organizations: planning, Minneapolis Community Development agency, Minneapolis Employment and Training Program, and the Empowerment Zone. The total budget for this department reflects an 18% decline over the 2003 adopted budget, including the reduction of 59 positions.

REVENUE

The department's revenue reflect the decline in property tax increment revenue since the 2001 property tax changes. The department's total revenue declined by 16% over 2003 adopted budget.

LOCAL GOVERNMENT AID IN 2003

The planning function eliminated 8 positions as a result of Local Government Aid reductions

MAYOR'S RECOMMENDED BUDGET

The Mayor's recommended budget includes \$110,000 of increases to zoning revenue:

- ? Zoning Compliance Mortgage letters (\$40,000)
- ? Increased zoning fees (\$50,000)
- ? Institution of postage charges (\$5,000)
- ? New garage review fees (\$15,000)

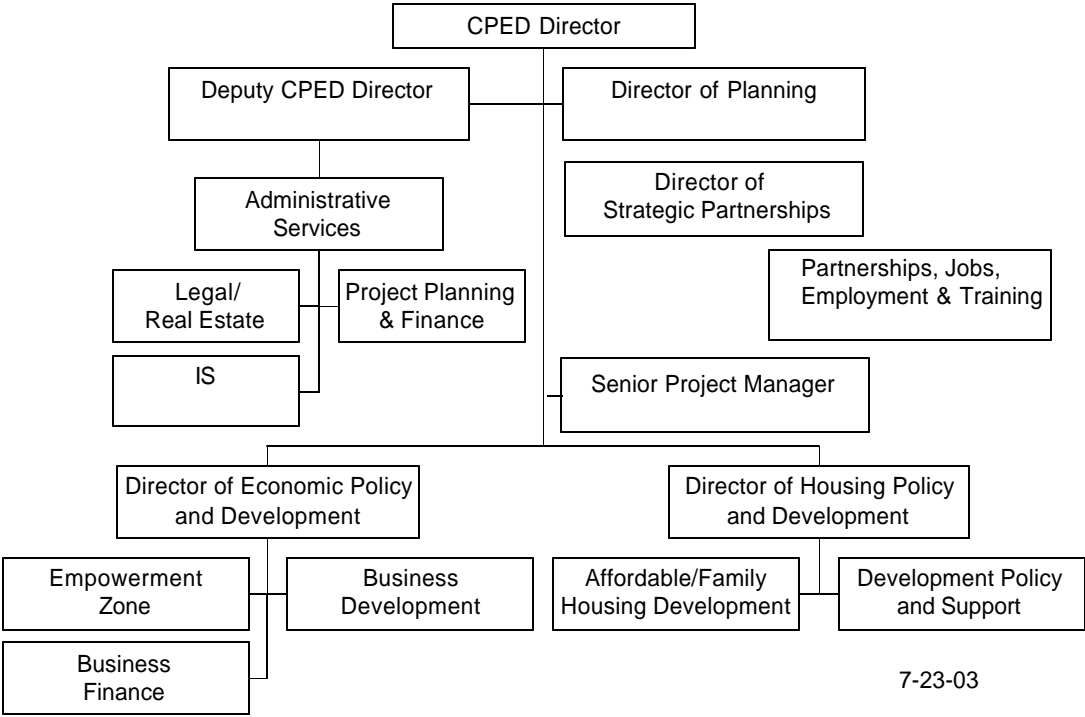
The Mayor's recommendation adds additional resources in a like amount to the department's budget to restore resources from previous cuts.

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT

Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Mayor's Recomm.	% Change	Change
FTE's by Division						
Executive	60.00	56.63	58.23	45.50	-21.86%	(12.73)
Economic Policy and Development	36.50	33.50	32.50	29.00	-10.77%	(3.50)
Strategic Partnerships	16.25	16.25	16.25	18.25	12.31%	2.00
Housing Policy and Development	63.50	63.50	57.50	21.00	-63.48%	(36.50)
Planning	35.50	34.50	42.00	34.00	-19.05%	(8.00)
Total FTE's	211.75	204.38	206.48	147.75	-28.44%	(58.73)

Interim CPED Organizational Chart



7-23-03

Fire Department

Mission Statement

We provide quality emergency preparedness, prevention services, emergency medical and fire response that make a positive difference every day.

ORGANIZATIONAL VALUES

An organizational focus on the safety of the public and our firefighters

A highly qualified workforce with a focus on training

A highly educated workforce that strives towards continuing education

Committed employees who focus energies on customer service

A diverse workforce that closely resembles the community it serves

A professional workforce that respects one another and all customers

Efficiency and effectiveness in all situations

Primary Businesses:

1) RESPONSE - Safely minimize the loss of life and property due to emergency events.

This business line includes providing effective response to fires; providing emergency medical services; and providing other emergency response services such as hazardous materials response (Haz-Mat) and specialized rescue services.

2) PREVENTION - Anticipate, prepare for and prevent future emergency events.

This business line includes providing fire prevention inspections and enforcement of the Fire Code; providing fire education programs and safety information to the public; and preparing the City for major emergency events, including nuclear, biological, and chemical weapons of mass destruction.

Key Trends and Challenges Impacting the Department:

In creating this five-year business plan, the Minneapolis Fire Department began with an environmental scan to identify the trends and challenges that would be most likely to impact its business lines over the next five years. This scan brought to light several opportunities and challenges that the MFD currently faces or may face in the future.

STANDARD OF COVERAGE – NFPA STANDARD 1710

The MFD is working on a standard of coverage plan to meet the National Fire Protection Association (NFPA) Standard 1710 for the number of firefighters responding to a scene within a specific time. The NFPA Standard is four firefighters responding and arriving in five minutes 90% of the time for both fire and EMS calls. The current MFD average response time to both fire and EMS calls is three minutes and fifty-two seconds. Furthermore, the MFD meets and exceeds the NFPA Standard of 14 firefighters on a fire scene in eight minutes by placing 14 firefighters in eight minutes and 22 in ten minutes. This addresses both critical factors of successful emergency services, getting there quickly and getting enough personnel on scene to safely and effectively mitigate the emergency. Our ability to meet the NFPA 1710 third goal of 4 firefighters per rig is dependent upon our future budget.

DIVERSITY OF WORKFORCE

Another strength of the MFD is the diversity of its workforce. Currently the MFD has a workforce that includes 28.5% people of color and 17% women. The MFD is one of the most diverse fire departments in the country. This diversity will continue through the use of workforce planning, but with a recent change in residency requirements, the MFD will have to be diligent in monitoring its recruitment and hiring practices. The diversity of the Department will only become more important as the number of new arrivals and consequent need to bridge cultural gaps increases in the future.

INCREASING DEMANDS FOR SERVICES

The MFD provides a number of services in addition to fire suppression. In 2002, 70% of the calls the MFD responded to were medical calls. Aside from EMS and fire/rescue response, the MFD provides a growing number of services in

both fire prevention/education and in emergency preparedness. These services provide a means to avoid or prepare for potential emergencies. The threat of terrorism is on the rise and this challenge must be met by the MFD with ever increasing awareness, planning, and ability to respond.

The ability to respond depends on a number of factors. Some of these include the training of personnel, the condition of the apparatus that respond, and the deployment model that is used. To meet the future challenges of not only potential terrorism but also reduced resources, the MFD must create a plan that addresses the need for new fire apparatus, a modern deployment model and a means to finance them both. The former MFD apparatus plan required that each piece of apparatus remain in service for twenty years. With the increased run volume that the MFD has experienced, that is no longer feasible. The current deployment model was put into place over 60 years ago. The needs of the community and the national standards have changed significantly in that time. The MFD must create a deployment model that recognizes the current and future needs of the community. The new model will undoubtedly require new and different pieces of apparatus. Bulk purchases of apparatus could save money, but require that the MFD have a long-term plan. Financing these changes requires long range planning, not only for the purchases themselves, but to determine other long term priorities and budget accordingly.

ACCREDITATION

To determine what direction the MFD should take in a number of these trends and challenges the Department has begun the accreditation process. Essentially this is a "best practices" process in which each fire department is thoroughly examined and compared to international models to determine what are its strengths and weaknesses and how well it meets its stated goals. As part of this process the MFD will most likely develop a new deployment model. This accreditation process has already focused on the need for new information and technology systems. The MFD is greatly in need of information systems to track fire prevention and training requirements. As the accreditation process continues, the MFD will begin to get a clear picture of how to proceed in this area over the long-term.

ADDITIONAL SOURCES OF FUNDING

A benefit to participation in the accreditation process is that the MFD could become eligible for more federal grants. The Department has been very successful recently in obtaining grants to fund purchases such as new self-contained breathing apparatus, a decontamination unit and automatic external defibrillators (AED). Once accredited, the number of grants that MFD could apply for would increase and this could be looked at as a means for future revenue funding.

Another source of future funding that the MFD is currently examining is the potential for collection of fees for service. This is a legal matter as the City Charter dictates what can and cannot be done in this area and it is being researched with the assistance of the City Attorney's office.

MANAGING CHANGE IN THE WORKPLACE

To be successful in accomplishing its mission, the MFD must be proactive and look to the future instead of reacting to change after it occurs. Change is often fear inducing and the MFD must be cognizant of this fact. Employees can become overwhelmed and lose focus when confronted by what they deem to be too much change. The MFD has always encouraged employee participation in the form of shared decision-making in its committees. Employees have had input in issues as wide ranging as uniform policy, apparatus purchase, and maternity policy. This shared decision-making will be critical to future MFD success. The diverse work force provides a wealth of resources from which to draw when contemplating future issues. The involvement of employees in the process may reduce the fear of change and consequent sense of powerlessness. Finally, employees can be educated using the business plan about the goals of the Department and the City of Minneapolis.

The remaining factor in this analysis is the human factor. For the MFD this is demonstrated in the use of sick leave. The increased use of sick leave puts a tremendous hardship on the MFD to be successful in its mission to respond effectively to the emergency needs of the community. The reality of the situation is that people become ill and some misuse their sick leave. In these times of reduced resources, the human resources of the Department must be properly managed. Grappling with this issue will require proactive thinking and employee participation.

In conclusion, the MFD has maintained a high level of citizen satisfaction and is one of the fire service leaders in workforce diversity. Continued success in not only these areas, but in all areas of service delivery will depend on

how proactive and adaptable the MFD continues to be.

Key Initiatives or Other Models for Providing Service to be implemented:

PROVIDING HOUSING INSPECTIONS SERVICES

The Fire Department and the Department of Operations and Regulatory Services are currently discussing the possibility of the Fire Department assuming some of the responsibilities for housing inspections. The proposal is for the Fire Department to assume the environmental inspection program and also responsibility for apartment buildings containing 12 units or greater. This proposal will result in a inspection revenue transfer of \$822,000 from Regulatory Services to the Fire Department to fund 13 FTE.

BIDDING FOR ON-SITE EMS SERVICES FOR PUBLIC EVENTS THAT ARE CURRENTLY CONTRACTED OUT

Currently the MFD provides fire watch to many local public gatherings such as Target Center events, Convention Center or Metro Dome events. Additional on-site EMS services are currently contracted-out. It would be an easy transition to have our personnel serve a dual purpose by providing fire watch and emergency medical care at these events.

Presently the MFD is staffing these events with light duty personnel and will continue to do that if the number of events at these facilities did not prove any more taxing in committed hours than what is provided now. The Convention Center has agreed to fund 2 firefighter FTE to perform this work.

SPONSORSHIP OF RIGS FOR A FEE

Several organizations have indicated a strong interest in promoting their products or services on the sides of our response vehicles. Questions that arise include the amount of fee that would be appropriate and how long would that fee be imposed, and would the ad be a decal or painted on the vehicles. Additional work is occurring to determine the amount of revenue that may be generated through this sponsorship and a fee schedule.

Management desires a sole sponsor for this program and will make sure that the message is compatible with the mission and organizational values of the Fire Department.

REIMBURSEMENT FOR EXTRICATION FROM VEHICLES

The MFD is moving ahead on this initiative. At present the Department is working on defining what constitutes extrication and establishing a fee schedule. It is also looking in to exactly what the insurance companies need to make payment and then setting up our data collection to meet these needs. The projected date for the establishment of this fee is January 1, 2004.

Key Departmental Outcome Measures:

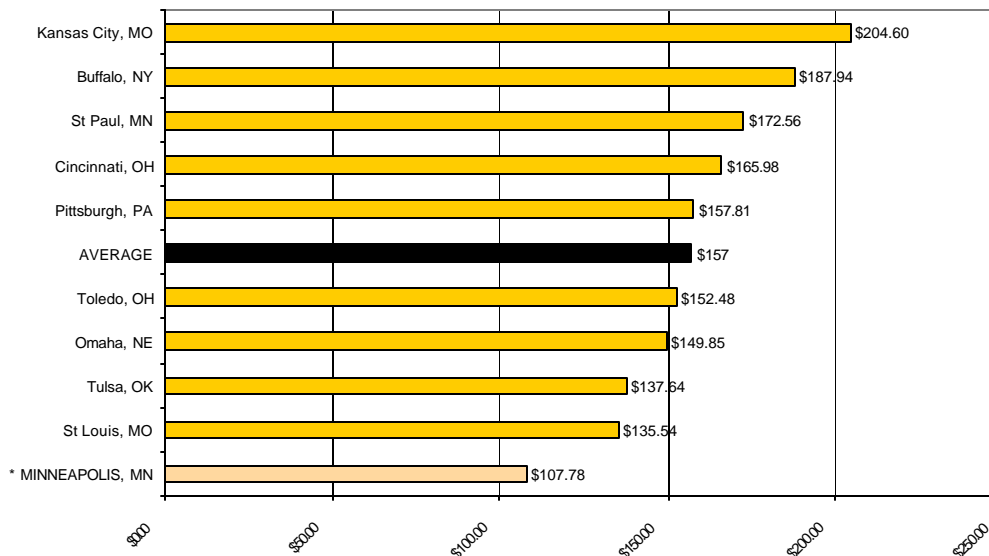
Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of citizens who report satisfaction with the Fire Department	NA	93%	NA	90%	NA
% of citizens who report satisfaction with professionalism of firefighters (contact within last 3 years)	NA	96%	NA	95%	NA
% of structure fires held to room of origin	NA	NA	85%	85%	85%
\$ value of property lost due to fires	\$12,036,265	\$11,722,521	\$14,093,545	\$25,000,000	\$15,000,000
# of lives lost due to fires	4	7	5	5	5
# lives saved (discharged from hospital) after AED application	9	7	11	10	10
% total department workforce that are women and people of color	39%	41.5%	41.4%	42%	43%
Remained within budget allocation; % of budget spent on overtime	Remained within budget allocation; 4% of budget spent on overtime	Remained within budget allocation; 2% of budget spent on overtime	Remained within budget allocation; 1% of budget spent on overtime	1%	1%
# of fires	2,878	2,856	2,238 *	2,500	2,500

Successful completion of a disaster simulation exercise	2	1	3	4	3
# of lives lost due to fire identified by age and gender	4	7	5	5	5
	1-83 yr Female 2-50 yr Male 1-68 yr Male	72 yr Female 70 yr Male 56 yr Female 47 yr Male 38 yr Male 38 yr Female 24 yr Male	83 yr Male 52 yr Male 49 yr Female 47 yr Male 25 yr Male		
# of fire prevention/education contacts made			Working on way to track this information		
Total # of calls for service	34,456	34,802	33,454	34,000	34,000
Cost per citizen to provide fire and emergency service	\$98.36	\$102.14	\$112.72	\$107.78	\$110.00

Explanation of Performance Data for Departmental Outcome Measures:

* In 2002 the Fire Department purchased fire information software that was compliant with National Fire Information Standards (NFIRS). Starting in 2002, statistical data was categorized and tabulated to comply with NFIRS. Comparisons to previous years have been manually adjusted for this report to more closely relate to the 2002 data, however, a complete and accurate conversion was not possible because of different reporting categories. Data in future years will supply more accurate and detailed information.

**Fire Department Comparison
Benchmark Cities
2003 Annual Dollar Cost per Citizen**



The average dollar cost per citizen of the cities studied was \$157; again the Minneapolis Fire Department ranked lowest at \$107.78 per citizen or 31% (\$49.22) less per citizen than the average.

Primary Business:**Response: Safely minimize the loss of life and property due to emergency events****Service Activity:****Emergency Medical Services - Providing emergency medical services.***Description:*

The Minneapolis Fire Department is the first responder for medical emergencies in Minneapolis. Emergency Medical Technicians (EMT's) provide basic life support (BLS) and stabilization for the patient prior to the arrival of the paramedics.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total # EMS runs	24,131	24,542	21,745	24,000	24,000
% of occurrences where response time is less than five minutes	NA	87.3%	88.3%	89%	90%
% of EMS responses where medical service is provided	63%	65%	78%	75%	75%
# of newborn deliveries	35	25	37	35	35
# times AED applied	147	179	128	150	150
# of AED applications with a shockable rhythm	43	51	28	35	35
# of AED applications with patient discharged from hospital (life saved)	9	7	11	10	10

*Explanation of Key Performance Measures:***Service Activity:****Fire Response - Providing effective response to fires.***Description:*

In order to provide effective response to fires, the Fire Department has focused on having the right tools, equipment, and training. An effective response to a fire also is dependent upon a rapid response – minimizing the response time can lead to containment of the fire to the room of origin and to minimizing the damage to life and property.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of fire incidents (break out into # of structure fires, # automobile fires, etc.)	Structure fires - 1471 Vehicle fires - 503 Other - 900	Structure fires - 1312 Vehicle fires - 509 Other - 1035	Structure fires - 1142 Vehicle fires - 489 Other - 607	Structure fires - 1250 Vehicle fires - 500 Other - 850	Structure fires - 1200 Vehicle fires - 500 Other - 850
% of occurrences where response time is less than five minutes	NA	84.4%	93.8%	90%	90%
Cost per citizen to provide fire and emergency service	\$98.36	\$102.14	\$112.72	\$107.78	\$110.00

Mutual Aid -- # events where MFD has given mutual aid and # of events where MFD has received mutual aid

Mutual Aid given 3 times
Mutual Aid received - NA

Mutual Aid given 4 times
Mutual Aid received - NA

Mutual Aid given 5 times
Mutual Aid Received 3 times

Mutual Aid given 4 times
Mutual Aid Received 4 times

Mutual Aid given 4 times
Mutual Aid Received 4 times

Explanation of Key Performance Measures:

Service Activity:

Haz-Mat and Specialized Rescue - Providing other emergency response services such as Haz-Mat and specialized rescue services.

Description:

The Minneapolis Fire Department is one of the few fire departments in the state that have the specialized training, tools and equipment to provide services such as hazardous materials response and confined space, high angle, and water and ice rescues.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total number of responses (break out by type of specialized service -- # of Haz-Mat events, # of water rescues, etc.)	Water Rescues - 59 Ice Rescue - NA Confined Space - NA Below Grade Rescue - NA High Angle Rescue - NA Haz Mat - 283	Water Rescues - 58 Ice Rescue - NA Confined Space - NA Below Grade Rescue - NA High Angle Rescue - NA Haz Mat - 296	Water Rescues - 36 Ice Rescue - 2 Confined Space - 4 Below Grade Rescue - 1 High Angle Rescue - 4 Haz Mat - 206	Water Rescues - 50 Ice Rescues - 2 Confined Space - 4 Below Grade Rescue - 1 High Angle Rescue - 4 Haz Mat - 300	Water Rescues - 50 Ice Rescues - 2 Confined Space - 4 Below Grade Rescue - 1 High Angle Rescue - 4 Haz Mat - 300
% of occurrences where first company is one the scene in less than five minutes	NA	84.4%	93.8%	90%	90%
# of mutual aid responses and total resources expended	1 High Angle Rescue	0	0	4	4
Dollar amount recouped from responsible party	0	0	0	0	0

Explanation of Key Performance Measures:

Water Rescue in 2000 and 2001 includes all water related responses.

Primary Business:

Prevention: Anticipate, prepare for and prevent future emergency events.

Service Activity:

Emergency Preparedness – Preparing the City for major emergency events, including nuclear, biological and chemical weapons of mass destruction.

Description:

Over the past five years, the MFD has focused on preparing for major emergency events. The MFD has recently revised the City's all hazards emergency plan and threat assessment and has conducted training for City departments as well as our partners. In addition, the MFD has acquired advanced detection equipment for chemical and biological agents in order to better prepare for possible emergencies. The Fire Chief serves on the State's Homeland Advisory Board, which is responsible for identifying grant recipients.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Successful completion of a disaster simulation exercise (note # and what type of exercise)	1 Biochemical tabletop exercise 1 full scale chemical exercise	1 chemical tabletop exercise	1 IEMC for city & county at Mt. Weather, Va (FEMA) 1 full scale chemical exercise 1 biological tabletop exercise	1 full scale chemical exercise 1 transportation tabletop exercise 1 law enforcement tabletop exercise 1 tabletop terrorism exercise	3 exercises
\$ value of funding received from outside sources to acquire equipment and supplies for effective disaster response	\$329,065	\$43,281	\$863,500	\$1,000,000	\$1,000,000

Explanation of Key Performance Measures:

Service Activity:

Fire Inspections and Enforcement - Providing fire prevention inspections and enforcing the Fire Code.

Description:

Providing fire prevention inspections and enforcement of the Fire Code is intended to minimize the damage to life and property due to fires (safer buildings mean fewer fires). Sites known to contain hazardous materials are inspected on an annual basis. Other commercial, industrial, and multiple family (4 or more dwelling units) residential properties are inspected on a cyclical basis. Fire Department personnel also participate in the plan review process to identify potential fire hazards.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of all hazardous materials occupancies inspected annually	NA	40%	100%	100%	100%
% of all structure fires where a cause is determined	NA	NA	90%	90%	90%

Explanation of Key Performance Measures:

Service Activity:

Fire Education - Providing fire/EMS education programs and safety information to the public.

Description:

In a fire situation, studies have shown that senior citizens and children are the most vulnerable to harm. This is why the MFD has focused much of its education resources in these areas. In addition, MFD personnel provide education services to businesses, neighborhood associations, and organizations that support the City's new arrivals.

Other public safety efforts include blood pressure screening, the vacant boarded building program, juvenile fire setting arson intervention, annual fire/EMS literature drops. In addition, the MFD partners with the American Heart Association to increase cardiac arrest survival rates by participating in Operation Heartbeat. We also partner with Hennepin County Medical Center (HCMC) to provide a car seat safety clinic in our fire stations and we actively participate in their Illness & Injury Prevention Program for Kids.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of community events with a Fire Department presence	NA	315 Block Parties	NA	300	300

Explanation of Key Performance Measures:

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURE

The Fire Department's budget represents a decline from the 2003 adopted budget of 2.1%. This reflects the net effect of the 2003 LGA cut (please see below) and the addition of a portion of the housing inspections program. Expenditure related to this program increased the Fire Department's budget by \$952,000. As a result of these changes, 32 positions are restored in the department. The department's budget is completely funded by the general fund, with the completion of its federal grant.

REVENUE

Revenues related to the housing inspection programs have been added to the department's revenue estimate, increasing that estimate by \$822,000. The department also anticipates revenue related to insurance reimbursements for extrication services.

LOCAL GOVERNMENT AID CUTS IN 2003

As a result of LGA reductions in 2003, the department eliminated 50 positions.

ADOPTED BUDGET

The Council added a direction to the Fire Chief to institutionalize the watering of new trees funded in the capital budget between the Fire Department and the Park Board.

**FIRE DEPARTMENT
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Administration	21.00	20.50	17.50	18.50	5.71%	1.00
Fire Suppression & Emergency Services	444.00	444.00	431.00	412.00	-4.41%	(19.00)
Fire Prevention	16.50	16.50	19.00	18.00	-5.26%	(1.00)
Emergency Preparedness	1.50	1.50	2.00	1.00	-50.00%	(1.00)
Total FTE's	483.00	482.50	469.50	449.50	-2.69%	(20.00)

Minneapolis Fire Department 2004 Budget (Affects of Cuts and Increases by Percentage)

2004 Authorized Strength (personnel) is 419.5

Total Budget: : \$46,611,228

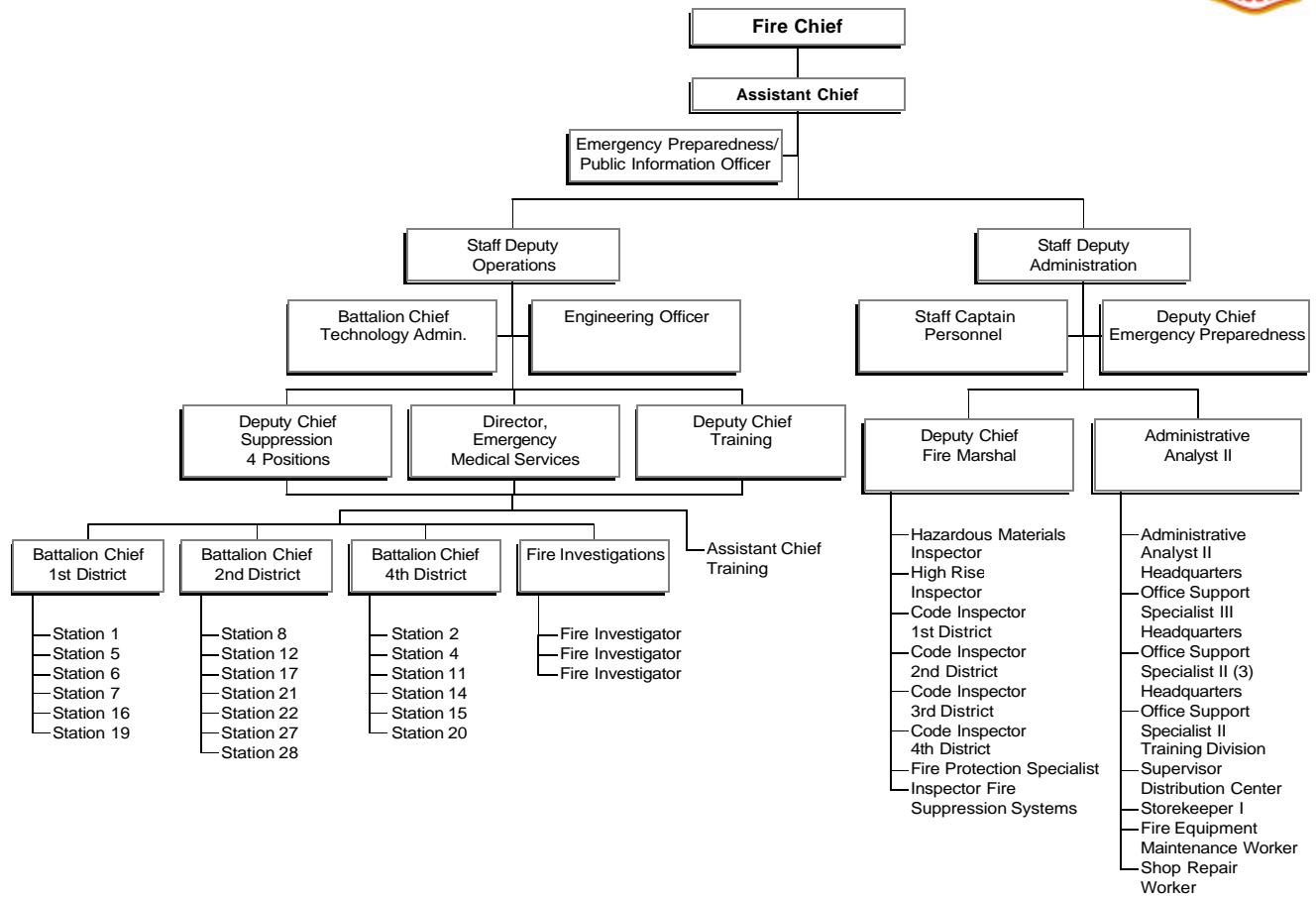
(current service level)

Staffing Factor of 4

FTE: Firefighter - \$53,500 (1-22), \$54,600 (23-67), \$57,200 (68-99), \$60,200 (over 99)
Fire Motor Operator - \$76,000; Captain - \$86,000; Battalion Chief - \$93,000
Inspector \$70,000

By	Cut	Dollars	FTE	Authorized Strength	Average Daily Staffing	Number of Companies	Captains	Fire Motor Operators	Firefighters	Battalion Chiefs, Other	Inspection Division	Notes
	8.17%	\$3,431,200	+56	475.5	110	26	+4	0	+48	+4	0	Training Captains
	7.73%	\$3,245,200	+54	473.5	110	26	+2	0	+48	+4	0	Fire Educators
4 per rig	7.32%	\$3,073,200	+52	471.5	110	26	0	0	+48	+4	0	Full Rig Staffing
	6.77%	\$2,844,400	+48	467.5	109	26	0	0	+44	+4	0	
	6.23%	\$2,615,600	+44	463.5	108	26	0	0	+40	+4	0	
	5.68%	\$2,386,800	+40	459.5	107	26	0	0	+36	+4	0	
	5.14%	\$2,158,000	+36	455.5	106	26	0	0	+32	+4	0	
	4.59%	\$1,929,200	+32	451.5	105	26	0	0	+28	+4	0	
	4.05%	\$1,700,400	+28	447.5	104	26	0	0	+24	+4	0	
	3.50%	\$1,471,600	+24	443.5	103	26	0	0	+20	+4	0	
	2.96%	\$1,242,800	+20	439.5	102	26	0	0	+16	+4	0	
	2.41%	\$1,014,000	+16	435.5	101	26	0	0	+12	+4	0	
	1.90%	\$800,000	+12	431.5	100	26	0	0	+8	+4	0	
	1.40%	\$586,000	+8	427.5	99	26	0	0	+4	+4	0	
	0.89%	\$372,000	+4	423.5	98	26	0	0	0	+4	0	Safety Officers
Current	0.00%	0	0	419.5	98	27	0	0	0	0	0	
	0.22%	\$93,000	-1	418.5	98	27	0	0	0	-1	0	Fire Investigator
	0.75%	\$313,000	-1	418.5	98	26	-4	-4	+8	-1	0	Close Ladder 2
Minimum Cut	2.35%	\$985,000	+2	421.5	98	26	-4	-4	+8	-1	+3	Housing
Revenue Needed = \$822 K												
	2.49%	\$1,045,000	+1	420.5	98	26	-4	-4	+8	-2	+3	Shop Worker
	3.00%	\$1,259,000	-3	416.5	97	26	-4	-4	+4	-2	+3	
	3.51%	\$1,473,000	-7	412.5	96	26	-4	-4	0	-2	+3	
	4.02%	\$1,687,000	-11	408.5	95	26	-4	-4	-4	-2	+3	All Quints at 4
	4.53%	\$1,901,000	-15	404.4	94	26	-4	-4	-8	-2	+3	
	5.04%	\$2,115,000	-19	400.5	93	26	-4	-4	-12	-2	+3	
	5.55%	\$2,329,000	-23	396.5	92	26	-4	-4	-16	-2	+3	
	6.05%	\$2,543,000	-27	392.5	91	26	-4	-4	-20	-2	+3	
	7.09%	\$2,977,000	-31	388.5	90	25	-8	-8	-16	-2	+3	Close Ladder 3
	7.60%	\$3,191,000	-35	384.5	89	25	-8	-8	-20	-2	+3	
	8.11%	\$3,405,000	-39	380.5	88	25	-8	-8	-24	-2	+3	
Maximum Cut	8.62%	\$3,619,000	-43	376.5	87	25	-8	-8	-28	-2	+3	All Quints at 3

Minneapolis Fire Department 2004 Organizational Chart



Health and Family Support

Mission Statement

To improve the physical, mental, and social health of Minneapolis residents through partnership with schools, community agencies, and other government entities.

Primary Businesses:

Through its activities and strategic directions, the Minneapolis Department of Health and Family Support (DHFS) addresses two key City Goals:

- * Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities, and
- * Strengthen City government management and enhance community engagement.

The Department invests in the health, social, and economic well being of Minneapolis residents. Our work is accomplished through community engagement strategies and public and private partnerships that share ownership in both identifying the challenges and creating solutions. This is a complex and challenging approach, but we are committed to nurturing these efforts as we collectively build our capacity as a community. Sound research, promising strategies, and community input guide our decisions about resource allocation.

DIRECT SERVICES

Deliver services to City and community enterprises and residents – Public Health Laboratory, School-Based Clinics, New Families Center, Housing Advocates, Minneapolis Multicultural Services, Senior Ombudsman, and Skyway Senior Center.

COMMUNITY INITIATIVES

Community partnerships, Policy Development, Research, Health Education, and special projects. DHFS works with community partners to define and address issues that support the City's families, children, disenfranchised residents, and the community-based service delivery system. Examples include supporting the Eliminating Health Disparities Initiative grantees, a range of activities to improve the health outcomes of the American Indian Community, the youth tobacco and alcohol initiatives, the Curfew/Truancy Center, SHAPE, improving birth outcomes and school readiness, and Weed and Seed.

SUPPORTING THE COMMUNITY SAFETY NET

Oversee contracts with public and not-for-profit organizations that support a healthier community. These include community clinics for medical and dental care, children's dental care, public health nursing home visiting, childcare, and chore services for senior citizens.

PROTECTING THE PUBLIC - PUBLIC HEALTH EMERGENCY PREPAREDNESS

Provide all-hazards public health emergency preparedness for Minneapolis in coordination with the City's Emergency Management, Hennepin County, metro regional public health departments, and the Minnesota Department of Health.

The Department of Health and Family Support recognizes that many of the challenges that exist in our community are complex and interrelated. Therefore, the nature of the department's work often requires the development of approaches that are interdisciplinary and that cut across different levels of public and private jurisdictions. For these reasons, the business lines can arguably be cut in a number of different ways. However, they are tied together by four strategic directions:

- 1) Improving and protecting community health,
- 2) Eliminating health disparities,
- 3) Supporting and welcoming new arrivals, and
- 4) Addressing the social conditions that affect health.

The Department addresses the complexities within the health and human service delivery system through community partnerships with consumers, public and private funders, and service delivery organizations. This is accomplished in a manner that holds all partners, including ourselves, accountable. We recognize the increasingly diverse residents of our community as assets.

The department has adopted six guiding principles that govern how we make our choices and do business:

1. Our activities are investments in the health and social and economic well being of the citizens of Minneapolis.
2. Our work is accomplished through collaborations and partnerships. We acknowledge the complexity and challenge of this approach and are committed to creating and nurturing these efforts.
3. We work actively to build community capacity.
4. We recognize, reflect and respond to the increasing diversity of our city.
5. We identify and define outcomes and evaluate and report on results.
6. We make decisions about resource allocation based on sound research or promising strategies.

Key Trends and Challenges Impacting the Department:

PUBLIC HEALTH MISSION: The Context

The Department of Health and Family Support works to address the unique dimensions of urban life that affect the physical, mental, and social health of Minneapolis residents. As a local public health agency, DHFS undertakes many traditional public health activities, such as fostering maternal and child health, supporting early childhood development and screening, increasing childhood immunizations, reducing lead exposure among children, monitoring transmissible diseases, and assuring water quality. Local Community Health Boards (CHBs) in Minnesota such as in Minneapolis are designed and funded through state statute “to protect and promote the health of the general population...by emphasizing the prevention of disease, disability, and preventable death through the promotion of effective coordination and use of community resources, and by extending health services into the community.”

FOCUS ON URBAN HEALTH: The Challenge

As an urban health department, DHFS must respond to specific local challenges. The racial, ethnic and cultural diversity that enriches the city also increases the need for linguistically and culturally appropriate services. Immigrants and refugees, in particular, are unfamiliar with this country's health care system, preventive services and payment options. Historical economic, social and political inequities have caused racial and ethnic minorities to suffer from higher rates of negative health outcomes that must be ameliorated. Other attributes of large cities that require special attention are disproportionately high rates of poverty and unemployment, the lack of affordable and safe housing, and concentrations of violent crime and drug trafficking in poor neighborhoods. Minneapolis experiences a disproportionate share of Minnesota's and Hennepin County's health burden, including a greater prevalence of infant mortality, poor nutrition, lead poisoning, asthma, sexually transmitted diseases, and violent crime.

DIMINISHING RESOURCES

The past year has seen a rapid acceleration of the trend that began during the past decade: a reduction in government, foundation and private resources that provide funds to core health and human services. The results of a recession, cutbacks at all levels of government, more resources targeted toward emergency preparedness following the September 11th tragedies, and major policy and resource shifts at the State and Federal levels have had an uneven impact, and in some cases have had the greatest adverse effect on the communities most in stress. Interviews with nonprofit groups in Minneapolis reflect a community at a “tipping point.” While these organizations run “the risk of death by a thousand cuts,” we can expect further reductions to increasingly impact deep-end public services such as police, courts, jails, emergency rooms and shelters.

THREAT TO PROGRESS MADE

There have been significant improvement in several health and social condition indicators in the late 1990s and early 2000s. Improvements in areas such as infant mortality, sexually transmitted disease rates, and immunizations can be attributed to targeted programming and community efforts as well as a robust economy. Recent reports have also revealed that there has been a decrease in the concentration of poverty in the city. Concentration of poverty has been associated with a number of negative health and social outcomes. With the downturn in the economy and decreases in public and private investments supporting health and social needs of communities, progress on these indicators

may be halted or reversed.

CHART 1 FOOTNOTE: 2003 Community Health Service and Maternal and Child Health amounts reflect amounts anticipated based upon earlier projections. The 2003 State Legislature amended the formula for these grants, making future direct comparisons difficult. At the time of this writing we anticipate that the sum of those two sources will be approximately \$400,000 less this year.

SHIFT FROM GENERAL FUND

Since 1998 the state and federally funded Community Health Service (CHS) and Maternal Child Health (MCH) "pass through dollars" to Minneapolis have been flat or declining. During that time the DHFS has aggressively pursued grant funding, but is competing in the same environment of diminished resources as our community partners. Maximum target cuts to the General Fund will put DHFS below the threshold (presently estimated at \$2.6 million) required to match the MCH and CHS funds available to Minneapolis. It should also be noted that the five year plan (as amended to reflect the anticipated LGA cuts) reduces the department to a general fund budget of \$74,000 in 2008.

GROWING NUMBER OF AT-RISK POPULATIONS

Membership in the Minneapolis community continues to change and to have an impact on the configuration of service delivery systems. In the mid-nineties, for the first time, the Minneapolis Public School population became a majority "minority" student population, while at the same time welcoming students and their families who now speak more than seventy different languages. Major disparities in health, wealth, school achievement, pregnancy rates, infant mortality, sexually transmitted disease rates, and access to health insurance exist between white and non-white residents of Minneapolis. A common thread within these categories of disparity is poverty.

POVERTY

According to the 2000 U.S. Census, one of six Minneapolis residents lives in poverty. Many others struggle to meet basic needs. More than one of five homeowners and more than one of three renters pay more than 30% of their income for housing (the standard definition of unaffordable housing). Changes to the City's demographics also affect the need for basic services. The number of foreign-born residents rose during the 1990s and now represents more than 14% of the City's population; the majority have limited English proficiency. One of nine of city residents lack health insurance, a rate more than double those for the metropolitan area and the state as a whole. Foreign-born residents are more likely to be uninsured, with rates of uninsurance especially high among Latino and African immigrants. Two-thirds of the uninsured are working.

SCHOOL PERFORMANCE

Poverty and the lack of affordable housing are contributing factors to academic performance among children. The graduation rate for Minneapolis public school students is much lower than the statewide rate (43.3% versus 78.5% for the class of 2000). Academic success in the city is impeded by a variety of factors. Student mobility is one key factor, with 35% of Minneapolis students transferring schools within district or across districts in the 2000-2001 school year. Limited English proficiency is another challenge for the district. In the 2001-2002 school year, almost one-third (30.1%) of students reported a language other than English as their primary language, a rate 3½ times higher than the statewide rate of 8.3%, and an increase of two-thirds over the 18.2% rate reported for the 1996-97 school year.

GROWING RISK OF BIOTERRORISM AND OUTBREAKS OF INFECTIOUS DISEASES

Both the terrorist attacks on September 11, 2001 and the anthrax attacks later that fall accelerated the need for comprehensive all-hazards public health emergency preparedness plans. Planning should be integrated with public safety and Emergency Management to protect the health of Minneapolis residents from terrorism and other natural or man-made disasters. The DHFS focus is on collaboration with Hennepin County to complete bioterrorism planning; coordinate with others in the metro region on chemical and radiological planning; coordinate services for multicultural and vulnerable populations; plan for the mental health needs of public health responders and the public; and partner with Hennepin County on the development of a Medical Reserve Corps. Challenges include the complexity of systems involved, public health inexperience in emergency preparedness, training requirements for city staff, and the need to integrate into an existing emergency management system. There are limited funds and short timelines to

ensure readiness for unplanned incidents. Planning has been interrupted by extensive preparation for the smallpox vaccination program. Systems must be enhanced to address new naturally occurring events such as Monkeypox, SARS, and West Nile Virus.

Key Initiatives or Other Models for Providing Service to be implemented:

MDHFS is pursuing alternative models for:

- Weed and Seed: Possible transfer to police department pending recertification of program in Minneapolis.
- School Based Clinics: Formed an advisory committee, pursuing partnership with a community clinic.
- Healthy Start: Exploring the possibility of becoming a non-profit organization.
- Skway Senior Center: an organization "Friends of the Skway Senior Center" has applied for 501C3 status in an

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Infant mortality rate per 1,000 live births: City	6.2	5.6			
Infant mortality rate per 1,000 live births: African American	12.3 (1996-1998)	11.0 (1999-2001)			
Infant mortality rate per 1,000 live births: American Indian	26.9 (1996-1998)	6.8 (1999-2001)			
Percentage of homes with young children exposed to tobacco smoke	21.8% (1998)		12.2% (2002)		
Percentage of adults that currently smoke	25.1% (1998)		20.7% (2002)		
Percentage of 24-month-old children up-to-date with immunizations	45% (1997)		66% (2002)		
Gonorrhea rate per 100,000		341	363		
Chlamydia rate per 100,000		687	757		
Percentage of births to teens less than 18 years of age	5.4	4.5			

Explanation of Performance Data for Departmental Outcome Measures:

Investments in public health can have short-term and long-term benefits, not all of which are readily measurable. Furthermore, external factors, such as changes in the economy or rates of immigration and population growth, can affect the success of public health interventions. For these reasons, the list of outcome measures presented is limited in scope, and the magnitude of the effect of any specific influence is impossible to ascertain. Nonetheless, the selected measures reflect areas in which DHFS and its community partners have targeted significant resources in recent years, and substantial improvements are evident. Such positive results include a lower rate of infant mortality; lower percentage of births to teenage mothers; reduced exposure to household tobacco smoke, especially in homes where young children are present; and reduced tobacco use among adolescents and adults. These public health benefits extend far beyond the impacts on the individuals immediately affected, which are themselves far-ranging and long-lasting; they reduce the cost burden to the entire community.

The measures of rates of sexually transmitted infections merit further explanation; these rates represent diagnosed infections, not the total of actual (including undiagnosed) cases. Greater attention to this health concern, as is the case in Minneapolis, initially generates increased vigilance and testing which in turn results in apparently higher rates of infections. It is anticipated that as both providers and residents adopt testing as a routine preventive health service, infection rates will eventually level off and then decline, reflecting the effects of current health education efforts.

Primary Business:

Provide Direct Services

Service Activity:

Public Health Laboratory

Description:

The Public Health Laboratory provides a range of clinical (medical), environmental (water, lead, food) and chemical (law enforcement – drug) testing for a variety of partners in the City of Minneapolis, the metro area and beyond. Combined, these partners create the volume of testing that is necessary to keep the cost per test affordable to city agencies, allows the laboratory to cover most of its operating expenses and to fulfill its public health responsibilities. These include monitoring STDs, blood leads, foodborne illnesses, and water quality. The laboratory provides technical support to the City's Emergency Response Plan, and is part of a statewide network of laboratories that provide backup in the event of a massive bioterrorism or chemical event. Since 2001, the laboratory has supported workforce development as a training site for the U of M School of Medical Technology.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# tests performed	95,800	103,300	75,500	75,000	78,000
Revenue Generated	\$544,734	\$675,161	\$593,258	\$600,000	\$620,000
% Costs re-couped	92%	93%	75%	80%	80%
Special Initiatives			* Client satisfaction survey completed * Cost account basis for lab testing completed	* Projected beach sampling is pending * Immigration slow down continues	* Test numbers will increase more slowly with new methods * Beach study should be funded by 2004

Explanation of key performance measures:

Projected revenue and tests for 2003 are going to be down due to limited resources for the Environmental Health beach monitoring that was estimated to be 700 samples (2800 tests) the summer of 2003. Funding is a higher likelihood for 2004. A grant application with Hennepin County is expected to generate 5000 lead tests, which should offset decrease in Minneapolis testing due to the expiration of the HUD lead program grant. The post September 11th slowdown in immigration continues to reduce the testing performed for Hennepin County Health Assessment and Promotion (HAP), our largest clinical partner. Hennepin County officials expect business to pick up, but the timing is uncertain.

The key performance goal will continue to be recovering 90% of the laboratory's operating costs, while retaining the capacity to serve its core public health functions. However, this standard must be viewed in the context of an organization that has improved from a cost recovery rate of 58% in 1997 and must recognize the variability of external market factors.

* The key cost benefit of the Public Health Laboratory to the City is that savings to the Minneapolis Police Department alone exceed the annual lab subsidy. Testing for MPD performed by the Minneapolis Health Department Laboratory consists of rapid screening tests that may be used for obtaining warrants or for holding suspects, confirmation and quantification testing for court cases and expert witness testimony. The laboratory is convenient to the police department for submitting specimens within the chain of custody policy set up by the laboratory and the property room. Testing for other law enforcement agencies creates the volume that allows us to keep pricing lower than other agencies, and facilitates a much faster turnaround than the BCA, which does not charge for tests. To obtain the same services that are performed here would require the use of two different laboratories if they could handle the volume. The expense of squads to deliver samples to St. Paul for cases would be costly and inconvenient.

* In 2004 the laboratory will expand its marketing efforts, particularly in the area of environmental water testing due to the addition of new tests which give results for selected organisms in 24 hours.

* The laboratory is working with the BCA and other law enforcement laboratories to obtain grant funds to help pay for certification of drug and alcohol testing performed in the laboratory. Acceptance of grant funds requires us to become certified by ASCLID in two years.

The laboratory continues to evaluate the enterprise regarding business practices and cost versus benefit to the City. Recommendations will be forwarded to City leadership for review.

Service Activity:

School Based Clinics

Description:

School-Based Clinics are a key to the health care delivery system for underserved Minneapolis teens. The City of Minneapolis operates clinics at five of the seven Minneapolis major high schools and a clinic at a school for pregnant and parenting teens. Clinic staff include Nurse Practitioners, Registered Nurses, Social Workers and Clerks, who team with contracted physician groups and Hennepin County nutrition services to deliver a broad range of prevention and direct intervention services to students. These include wellness promotion and connecting teens to other health and social services, reproductive health, mental health, and the diagnosis and treatment of illnesses and injuries.

School Based Clinics are not designed to operate as primary care providers, but do serve as an entry point to health services for teens, and often as a default provider to the uninsured. In that role, they frequently deal with the health as well as the social service access issues. Clinic staff facilitate the link for students and their families to a source of primary care. If students/families have insurance, but do not know how to use it, the SBC staff can assist them in accessing an appropriate clinic or health care provider.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Student Encounters	10,426	10,016	9,131	8,000	8,000
Revenue Generated: Billing	N/A	\$19,000	\$40,000	\$63,000	\$65,000
Revenue Generated: Grants	\$87,050	\$89,580	\$83,084	\$77,836	\$50,000
New managed care contracts	N/A	3	1	1	0

Explanation of key performance measures:

The key challenge for the School-Based Clinics is generating the resources necessary to remain a viable enterprise. This is a national issue. The clinics have been aggressive in developing contracts with health plans and can now bill Medical Assistance for four of the State's largest managed care organizations. However, contracts do not automatically translate into significant revenue, and it is not cost effective to develop contracts with all insurance payers for a variety of reasons:

- 1) A large portion of the services provided at the clinics are considered confidential (e.g., mental health counseling and family planning services). With the exception of some students on public assistance, those services cannot be billed because the carriers cannot ensure that the student's confidentiality will be protected through their billing system.
- 2) Negotiating the complex health care contracts is labor intensive and expensive. DHFS in cooperation with the City Attorney's office has retained outside counsel to assist. Costs have ranged from \$6,000 to \$9,000 per contract. Most of the private carriers cover less than 2% of our student population. That volume of business, particularly when considering the high percentage of confidential services provided, does not justify the cost.
- 3) Finally, many of the services provided, such as connecting students to health insurance and other community services are not billable.

City Support: City General Fund dollars for the School-Based Clinics have been reduced from \$340,788 in 1994 to \$121,462 or (8% of the budget) in 2003. At the same time, the cost of doing business has increased at a rate greater than the capacity to raise funds through billing or other grants. Some grant funded projects require staff to work on projects that do not result in client encounters, this contributes to fewer student encounters; but with a larger budget. In 2001-2002 two nursing positions were left unfilled. These staffing changes were continued in 2003. The number of full days that clinics are open has been cut back as a result.

In June of 2003 a newly formed advisory committee of the Public Health Advisory Committee began meeting to: advise the DHFS in setting strategic directions for the School Based Clinics to assure that youth of high school age in

Minneapolis have access to the confidential physical and mental health support services necessary to protect and improve their health and wellbeing. This group will help guide development of a plan to reduce City expenditures while preserving essential services.

Service Activity:

New Families Center

Description:

The New Families Center is a cooperative initiative with the Minneapolis Public Schools, the Children's Defense Fund and the Healthy Learner Board. It is located at the Four Winds School and works with families of children enrolling or enrolled in MPS. Staff at the Center perform an assessment of health problems that may affect school attendance and learning, give immunizations to children who need them, and help families enroll in health insurance programs and access health care. The majority of the families served are immigrants and refugees. Interpreters are on site to facilitate communication. The application process for public insurance programs is complex and requires that staff have multiple encounters with families and bureaucrats before a family is successfully enrolled. The Center is both enriched and challenged by being a collaborative effort. Ongoing funding for the interpreters is a challenge.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of families enrolled in public health insurance programs		400 families (881 children)	2,214 individuals	4,000 individuals	4,500 individuals
# of immunizations administered		2,137	3,414	3,500	3,500

Explanation of key performance measures:

Enrollment in health insurance is a key resource for families that helps them gain and maintain health, stay in school and keep a job. The New Families Center is one of the first places families come when they arrive in the city. It provides a unique opportunity to help families get established in the community so that they can be productive. Funding for this effort is flat. As additional assistance from county workers and others is secured, enrollment increases. To date, this assistance has been sporadic. The downturn in the economy and 2003 Legislative changes will increase the number of uninsured families seeking assistance from the New Families Center and increase the complexity of securing coverage.

Without proper immunizations, children cannot attend school. Immunizations are available in the community but often involve waiting for appointments and may not be at locations with appropriate interpreters. Immunizations at the New Families Center allow children to enter school sooner.

Service Activity:

Housing Advocacy

Description:

Two Housing Advocates provide information and advocacy services for Minneapolis tenants and landlords. DHFS also contracts with Legal Aid to provide technical support to staff and legal advice and representation to consumers. Services include preparation of cases and legal representation for tenants, as well as assistance finding funding for housing.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Housing Advocates: number served	12,263	11,594	10,139	11,000	11,780
Legal Aid: Number Served	211	205	495	420	420

Explanation of key performance measures:

A reduction in numbers served (2002) reflects a gradual shift in some of the responsibilities of Housing Advocate staff. Increasingly, they have been asked to provide education about tenant rights and responsibilities to consumers and consumer service organizations. This includes presentations to high school groups, Minneapolis Community Education classes, and community organizations such as PICA and the Crossroads MOMs group. The advocates represent the City's Housing Advocates Office at the Mayor's monthly open house, and are key informants to policy makers in support of City efforts to recommend changes in eviction procedures and water shut-off issues. In 2002, staff planned to develop and implement a customer survey. That was deferred due to an increased demand for services. The survey planning will be revisited in late 2003 or 2004. 2003-4 projections are calculated upon the current service level and do not reflect the impact of relocating Housing Services to the fifth floor and a reduction in staff support.

Service Activity:**Minneapolis Multicultural Services***Description:*

The mission of Minneapolis Multicultural Services (MMS) is to make services offered by the City of Minneapolis accessible to residents who speak limited English. MMS helps the City of Minneapolis to achieve the goal of delivering consistently high quality City services at a good value to residents through this program. We currently provide culturally sensitive bilingual assistance for Latino and Somali residents with city related issues. MMS also works with city departments on cultural competency issues and to streamline city services and processes to improve accessibility. Staff are engaged in actively developing and maintaining positive working relationships with immigrant and refugee community-based organizations.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of client encounters	n/a	n/a	1,433	2,000	2,000
Number of departments served		Worked with almost every city department to develop MMS	All city departments	All City departments, including MCDA, the Municipal Building Commission, and the Minneapolis Public Libraries.	All City departments.
Community Outreach Activities		Worked with community groups on development of MMS	Activities included introductory meetings with organizations, presentations at meetings, conferences, serving on advisory committees and La Feria.	Activities include meetings with community based organizations, presentations, serving on advisory committees, La Feria, and partnering with Somali community organizations to provide services on-site.	Community outreach activities will be reduced due to elimination of the Coordinator position and funding reductions for outreach activities.

Explanation of key performance measures:

Client encounters encompass services to city residents including interpretation, translation advocacy, outreach, and technical assistance to ensure that basic customer service is provided to limited English speaking persons (immigrants and refugees). Work with city departments entails many special projects like cultural competency planning, Snow Emergency hotlines, and Food Manager Certification Training. Staff plan community outreach activities such as La Feria, a family fair for Hispanic families in Minneapolis, conversational ESL classes for immigrant and refugee seniors in Minneapolis, outreach through the Minneapolis public schools to educate immigrants about being good neighbors, and on-site service delivery with Somali community organizations.

Service Activity:

Senior Ombudsman

Description:

The Senior Ombudsman assists a growing, diverse population of seniors, people with disabilities, new arrivals, and residents in low-income households with information and assistance so they may fully access and utilize resources to meet their needs. The Ombudsman facilitates services with the Mayor, City Council, and other City departments and works in cooperation with other agencies, programs, and professionals to provide necessary service. The Ombudsman also responds to requests for assistance and increases awareness of senior needs in City departments. The office is host to the year-round volunteer tax assistance program for seniors and low-income persons. The 23-member Senior Citizen Advisory Committee to the Mayor and City Council and the 15-member Advisory Committee on People with Disabilities are also staffed through this office. The office serves as a training and work site for Welfare to Work Initiatives, the federally-funded Senior Aide program, the Retired Senior Volunteer Program, METP's summer youth interns and Labor Relation's "return to work" employees. The Ombudsman is responsible for oversight of the Skyway Senior Center. Continuing challenges for the offices are to maintain and expand services to the community where the needs of frail, older seniors are increasing and funds are limited. The office reaches out to unserved populations to provide resources and assistance.

The Senior Ombudsman engages in a range of other activities such as: recruiting and training of volunteers and temporary workers who help staff the office, participating in Senior Forums with council members, coordinating the opening of the Skyway Senior Center, hosting a City Hall open house for Seniors, helping to coordinate intergenerational tennis and the Mayor's Cup, and working with Minneapolis Multicultural services to expand services to unserved seniors.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Contacts with Seniors	11,301	13,506	12,013	15,000	13,500
Tax program # Served	8,129	8,595	7,453	10,500*	8,500

Explanation of key performance measures:

The projected number of individuals served through the tax program in 2003 exceeds the previous year's totals and the 2004 projections because of an increase in tax program activities. In 2003, the Ombudsman was host to a program traditionally operating in the Government Center in addition to its own program. Also, the Ombudsman is partnering with other agencies to promote the Earned Income Credit, which puts money in the hands of low-income Minneapolis residents who may not realize they are eligible. The Ombudsman staff increased from 20 to 50 volunteers and because we filled service gaps as a result of County remodeling, the numbers of people served also increased; electronic filing tripled. If the Government Center finds space in 2004, a decrease in program numbers is anticipated but may remain higher than previous years due to an expansion in returning volunteers and clients and those who learn of their Earned Income Credit eligibility.

Service Activity:

Skyway Senior Center

Description:

The Skyway Senior Center opened in November 2001 and provides a safe, comfortable gathering place for the more than 9,000 Senior Citizens who live downtown as well as those who visit the downtown area. The Center provides a range of life-long learning opportunities; offers wellness programs including blood pressure screening; and provides access to the Internet, e-mail communications, and connections to other services that are of interest to older adults. The center has exceeded all participation projections and has had an extremely favorable community impact. Since the Center opened, there have been more than 22,000 visits, an average of more than 1,200 per month. Seniors have attended more than 4,500 program participation units from January through May of this year. The Center's monthly newsletter reaches over 3,500 senior households. Collaborative partnerships

have been established with 52 community organizations and businesses. Support ranges from financial and in-kind resources to health services and fitness programs. A full-time coordinator, two Senior Aides and 45 dedicated volunteers staff the center. The Center has benefited from an average of 204 volunteer hours per month in 2003.

Key challenges:

- * Providing equal access to services and programs (due to space limitations, popular programs fill to capacity and some days we cannot accommodate all the persons who want to access two public computer stations). Efforts are made try to schedule additional sections of popular programs that fill. The SSC Advisory Committee has endorsed implementing a reservation system and time limit for computer use. Time limits can be extended if no one is waiting to use the computers.
- * Sustainability funding is an issue. Target Corporation declined to fund SSC for 2003. The funding climate is equally tough for foundation and grant support. The center will be in a better position to seek foundation and grant support once 501(c)(3) status is granted by 2004 for the Friends of the Skyway Senior Center organization. The Downtown Minneapolis Neighborhood Association has allocated a significant amount of NRP funding for SSC, placing the center on their list of priorities. The outlook for NRP funding beyond 2004 is considerably less. The bright spot is the outpouring of financial support from SSC participants. Class fees cover programming expenses (instructors, presenters and class materials) and contributions for refreshments cover costs of beverages, cookies and supplies.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Daily Visits to Center - 12 month total			13,500	16,000	18,000
Classes and other Activities			225	300	325
Class Participants			4,000	5,000	5,200
Volunteer hours			2,500	3,000	3,200
New Partnerships Developed			40	10	5
Non-Grant Revenue from Classes/Donations			\$4,000	\$6,000	\$10,000

Explanation of key performance measures:

A monthly newsletter promotes the Skyway Senior Center programs, Senior Ombudsman Services, downtown activities, City services, wellness and consumer information as well as general news of interest to seniors. The success of the Skyway Senior Center will be determined by its ability to provide a relevant menu of programming to the senior community. Participation level and the ability to become financially stable will be the measure.

Primary Business:

Community Initiatives

Service Activity:

Reducing Health Disparities in the Community - Working with EHDI Grantees

Description:

Through its Eliminating Health Disparities Initiative (EHDI), the Minnesota Department of Health allocated approximately \$6 million in grants to 31 community based organizations doing work in Minneapolis to reduce health disparities in 8 areas: unintentional injuries and violence, cardiovascular disease, diabetes, teen pregnancy prevention, HIV/AIDS and STIs, breast and cervical cancer, infant mortality, and immunizations. Because eliminating health disparities is a DHFS strategic direction, staff are working closely with several of these grantee partners to help them implement or shape their initiatives. In addition, since October 2002, DHFS convened all of the EHDI grantees 4 times to acquaint them with our work, foster partnerships, and share legislative information.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Support work of EHDI grantees		Completed Minority Health Assessment. Helped write 5 EHDI grants	Have established working relationships with the following grantees: StairStep Foundation, Indian Health Board (MUID Group), Carondelet Life Care Ministries/St. Mary's Health Clinics, CLUES, MN International Health Volunteers, Dar Al-Hajah Cultural Center	Held 4 meetings with EHDI grantees working in Minneapolis to improve connections with MDHFS, increase networking and coalesce to maintain level of state funding.	Eliminating health disparities will continue to be DHFS strategic direction. Will continue to convene and support EHDI grantees. Will issue reports/fact sheets on health disparities using SHAPE data. HealthyStart program will convene conference.

Explanation of key performance measures:

These community agencies are a key part of the delivery system for reducing health disparities in Minneapolis. Relationships with these groups need to be established or maintained so that DHFS can bring to bear our resources to support the efforts of these groups. In addition, we hope to work through these organizations to build community capacity, enhance our community connections, and learn more about reducing health disparities based on the work of these grantees.

Service Activity:

Improving health outcomes in the American Indian community

Description:

In collaboration with the Metropolitan Urban Indian Directors (MUID), the Little Earth community, and Hennepin County, DHFS is working to address several issues that have been identified by the community as important to health and well-being: head lice as an issue affecting school attendance; engaging youth at Little Earth in meaningful activities to reduce violence and promote youth development; addressing longstanding mental health issues in the Little Earth community; and articulating an overall Urban Indian health agenda. Addressing longstanding challenges in the American Indian Minneapolis community will require a commitment over time to build relationships and trust.

During late 2002 and into 2003, DHFS staff worked with MUID leadership and City elected officials to draft and

implement a Memorandum of Understanding between the American Indian community and the City of Minneapolis. In 2003, selected representatives from the City and the American Indian community will form a committee that will develop the elements of a working partnership that defines mutual goals, action steps and measures of progress. The Minneapolis American Indian Community Advocate will staff this committee.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Implement a program to improve the community response to head lice		Pilot project in Little Earth initiated	Evaluate pilot project – Fall 2002. Seek stable funding source for ongoing program.	Continue program with sustainable funding	
Engage community in addressing depression, historical trauma and alcohol use			Seek grant funding for yearlong effort to address issue	Implement effort and evaluate.	
Increase American Indian Youth participation in activities			Convene meeting of organizations serving youth at Little Earth, develop resource book, fund part time youth worker	Evaluate effort, seek ongoing financial support	
Urban Indian Health Agenda		Wrote application for Health Disparities Planning Grant	MUID received grant, assist in development of health agenda	Support effort to seek implementation grant	
Helped organize Metro Urban Indian Day at the Capitol event in conjunction with the MUID group			In addition to well attended Rotunda Rally, teams of American Indian leaders and youth met with 12 legislators regarding health and social services issues.	Metro Urban Indian Advocacy Event was implemented during 2003 legislative session	

Explanation of key performance measures:

The American Indian community has identified head lice as one issue affecting school attendance because of the time involved in completing the steps to treat the lice before the student is allowed to reenter school. The pilot was instituted to see if making supplies and information available at community sites would increase the efficiency of treating head lice and decrease days missed from school.

Depression and the effects of historical trauma have been identified by the American Indian community as issues underlying many challenges in their community. A proposal to address these issues as a community and not simply as individual concerns is being explored. American Indian youth at Little Earth need more positive activities. Youth-serving programs in the community need help connecting with Little Earth youth. The community has identified and is piloting some strategies to address these needs.

The American Indian community has expressed the need to frame health issues within the context of their culture – to serve as an organizing framework both for working within the community to address health disparities but also as a framework for public policy discussions.

Metro Urban Indian Day at the Capitol is part of a larger advocacy strategy to develop and promote an Indian Health Agenda.

Service Activity:

Health Education

Description:

This activity includes a part-time (0.8 FTE) health education consultant who provides technical assistance, project management, and training services to DHFS and partner agencies, as needed. This consultant provides communication expertise, such as publishing the quarterly newsletter distributed to the Mayor, City Council, City department heads, and partner agency directors, and oversees public awareness media campaigns.

Examples of current projects include a multi-agency coalition to reach parents of teens with positive parenting messages, coordinating implementation of Life Skills Training curriculum in Minneapolis Public Schools, and working with Minneapolis Public Schools to produce "Get Ready for Kindergarten," a bilingual resource manual for parents of 4- and 5-year-olds.

Other services include updating staff on training opportunities, and updating internal units (such as school based clinic staff and METP youth vendors) on best practices and recent research related to adolescent health. Consulting with Emergency Preparedness staff on training strategies for worksite and community audiences is another potential activity for 2003-2004. Communications functions include editing, proofreading, and production oversight of print materials.

Past projects include publicity and promotion of a flu shots campaign for City employees; providing health education resources for Twin Cities Healthy Start and School Based Clinic clients; and writing an overview report on teen pregnancy prevention strategies.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Manage the DHFS investment of Life Skills Curriculum for MPS middle schools.	Planned implementation of curriculum with MPS—implemented in 5 classrooms	Implemented in 90% of classrooms and conducted training for 80 middle school staff.	Implemented in 85% of sixth grade classrooms	Expand to 95% of 6th grade classrooms and expand to 7th and 8th grade classrooms.	Sustain and maintain current curriculum penetration in grades 6 – 8.
General Health Education	Spearheaded tobacco prevention initiatives in preparation for MDH grant. Provided health ed for DHFS projects. Worked on teacher education re: methamphetamines. Coordinated MPAAT grant on smoking cessation for pregnant women.	Provided health education support for Twin Cities Healthy Start. General health education including teen pregnancy prevention support. Conducted healthy sexuality training for MPS and alternative school staff.	Focus on nutrition, physical activity, and teacher training. General Health ed support for DHFS programs including Youth Employment and Training providers. Work on Adolescent Health initiatives.	Continue health education technical support, with emphasis on physical activity and nutrition projects. Ramp up Positive Parenting for Adolescent Health coalition with media campaign launch in August.	Continue physical activity and nutrition efforts, emphasizing MPS policy projects. Continue Positive Parenting coalition to reach parents of teens to decrease risky teen behavior.
Department Communications Initiatives	Initiated Healthy City, Thriving Families.	Coordinate monthly newsletter, Healthy City; Thriving Families.	Coordinate Communications. Developed relationships with community press Strengthening marketing materials.	Will continue internal and external communications activities, such as publication of Annual Report, and quarterly newsletter.	Coordinate newsletter and Annual Report. Offer assistance to reach limited English speakers for emergency preparedness projects.

Explanation of key performance measures:

Highlights of performance measures include shepherding the implementation of Life Skills Training Curriculum so that there is a 90% penetration for grades 6-8, providing general health promotion resources to support DHFS programs including connecting with Youth employment and training vendors on adolescent health issues. Communications successes include developing projects with community media outlets to promote messages about health and to reduce health disparities, and helping create new vehicles for both external and internal audiences, such as the Healthy

2003-04 Key Performance Measures:

Successful launch of Shoulder to Shoulder campaign to reach parents of teens with positive parenting techniques. Liaison with various cultural groups to help translate campaign messages into culturally appropriate venues. Explore use of radio and other alternatives to print to effectively reach these audiences.

Service Activity:

Tobacco and Alcohol Initiatives

Description:

DHFS is part of a comprehensive youth tobacco initiative (Communities Targeting Tobacco-CTT) funded by the Minnesota Department of Health (MDH) and managed by Hennepin County Community Health. Primary goals are to educate the public about secondhand smoke, encourage youth leadership in tobacco education and prevention, work with schools to prevent tobacco use, work with Regulatory Services to reduce youth access to tobacco and publicize programs that help young smokers quit. These activities will end in December, 2003 because the legislature and Governor agreed to discontinue the tobacco endowment which had funded CTT. Additional grant funds may be available from MDH to continue aspects of this work. In addition, DHFS works with Police and Consumer Licensing departments to ensure that youth do not have access to alcohol through licensed beverage establishments and through social providers. In addition, through a peer education approach, we work on preventing youth alcohol use.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Community Organizing to reduce youth tobacco use	Community Organizing to reduce youth tobacco use Worked with Hennepin County to obtain grant	Established working relationships with 14 community based organizations	Maintain current relationships	Work with Target Market, Minneapolis based MDH funded populations at risk grantees. Organize anti-tobacco community events for youth.	No planned activity since Legislature has cut funding for this effort.
Conducted Second-hand smoke campaign	Conducted Second-hand smoke campaign Worked with Hennepin County to obtain grant		Campaign launched in Feb. 2002 in Near North and Camden neighborhoods	Continue campaign in Near North and Phillips and expand transtop public service ads to Phillips and Powderhorn. According to the 2002 SHAPE survey, homes with children under the age of six showed a 44% decline in household tobacco smoke.	No planned activity since Legislature has cut funding for this effort.

Conducted peer education trainings regarding youth alcohol use

Wrote grant to fund this activity

Conducted training with 72 peer educators

Conducted additional training in Oct involving 50 peer educators.

Will conduct training with 54 peer educators.

Formed Alcohol Compliance Task Force. Increased enforcement activities to include fake IDs and party houses. Increased education outreach to parents. Seek funding for additional parent outreach. Disseminate evaluation of party house intervention.

Explanation of key performance measures:

Tobacco Prevention: Performance measures are from the CTT project and from the MDH grant.

Alcohol: Performance measures are established in the grant from Department of Public Safety.

Service Activity:

Surveillance, Research, and Program Evaluation.

Description:

Through its Research Division, DHFS conducts a wide range of activities that address three major objectives:

- * reducing risk behaviors and promoting health-enhancing behaviors;
- * targeting social and environmental determinants of health; and
- * improving access to and quality of health services.

In 2003, a variety of reports and presentations were produced based on results from the Survey of the Health of Adults, the Population and the Environment (SHAPE). Conducted in 2002, SHAPE provides comprehensive information on health behaviors, health status, access to health care, and community assets and concerns for the city as a whole, individual neighborhoods, and individual racial/ethnic groups. An introductory report highlighted several communities within the city, such as seniors, new arrivals, and families with young children. A series of research briefs provided descriptions of the 11 economic planning districts in the city. Another research brief provided a detailed view of the city's residents who lack health insurance. Other activities are also designed to monitor community health. The Research Division maintains the City Health Statistics trends data system to track changes over time among subgroups of residents and is developing a Quality of Life indicator system to track social and environmental determinants of health. These data systems can help city and neighborhood planners identify and target local priorities. The Research Division also completed the data analyses and summaries required of local public health agencies every four years for the Community Health Services Assessment, and continued its evaluations of Twin Cities Healthy Start, the New Families Center, contracted health care services, and other projects. Research Division staff also provided technical assistance to community-based research projects at the Stairstep Foundation, Washburn Child Guidance Center, and the Sustainable Resource Center, among others. Major grant proposals include a project in partnership with Fremont Community Health Services and Teen Age Medical Services to increase the use of reproductive health services among adolescent and young adult African American males.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
SHAPE II Survey		Survey development, sampling strategy	Completion of 9,500 interviews. Preliminary data analyses focusing on new arrivals and other communities of color.	"Perspectives" report. Community research briefs. Uninsurance research brief. Presentations on recent immigrants,	Reports on particular topics or populations of interest.

health disparities.
Press release on
reduced exposure
to tobacco smoke.

Selected research reports

Neighborhood Birth
Report; Teen Parent
Report Card;
Uninsured in
Minneapolis; Health
Disparities in
Minneapolis

Teen Pregnancy
Prevention in
Minneapolis,
Snapshot of Urban
American Indians,
Snapshot of Urban
African Americans

Neighborhood Birth
Report; Teen Parent
Report Card
Update; Health
Disparities in
Minneapolis Update;
Perinatal Periods of
Risk; Benefits of
Youth Participation
in Sports and Other
Extracurricular
Activities.

Neighborhood Birth
Report; Teen Parent
Report Card
Update; Health
Disparities in
Minneapolis Update;
Youth Suicide
Prevention Project
Evaluation; Healthy
Start Project
Outcomes
Evaluation.

Explanation of key performance measures:

Performance measures for the Research Division are evaluated by the implementation and completion of research projects. These activities provide information about issues that affect the quality of life in Minneapolis. This information can be used by those involved in changing policy, making improvements in programming, and influencing community priorities. The performance of the Research Division can be measured by the delivery of thorough and easy-to-understand research products to these groups.

Service Activity:

Improving birth outcomes and school readiness

Description:

A healthy birth is an important first step to a healthy life and school success. The Twin Cities Healthy Start program is a federally funded program to address infant mortality among African Americans and American Indians in Minneapolis and St. Paul. DHFS administers this grant and works with community agencies to deliver case management, health education and outreach services to pregnant women. Flat funding and rising costs have necessitated reducing the number of contracted networks from five to four.

Systems issues affect the kind of support pregnant women and young families receive. In June 2002 Policy staff researched and wrote: "Falling Through the Cracks": An analysis of Care Coordination for Low-Income women in Hennepin and Ramsey Counties. Pilot sites for Maternity Case Management Excellence are being developed in cooperation with health plans and community providers. .

The City is a significant financial supporter of Way to Grow, a program designed to promote healthy births and school readiness. DHFS has worked closely with WTG and Hennepin County to develop outcome measures for the program. WTG is experiencing decreased funding from all sources and is being restructured. DHFS is working with the YCB Early Childhood Work Group to develop a State of the Young Child in Minneapolis report card to monitor community efforts to improve the lives of young children.

Preschool screening is one means of identifying children in need of additional support in order to be ready to start school. DHFS is working with MPS, Hennepin County and community organizations to improve the number of children screened early so that they can receive appropriate services before starting school. Changes in the operations of the screening activity resulted in a temporary dip in screenings in 2003.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# families enrolled in Healthy Start (Mpls/St. Paul)	150	270	390	295	360

Improve perinatal system	Initiate Perinatal Systems Study		Issue report analyzing current system and it's impact on poor families. Disseminate findings.	Initiate Maternity Case Management Excellence work group to develop 3 community-based models. Develop programs at one site.	Develop programs at two additional sites. Disseminate results.
WTG is effective in reaching at risk women and young families		Institute outcome measures	318 at risk participants, exceeding goal of 244	94 first quarter, pro-rated for year is 244 at risk participants.	Exceed 2003
Number of pregnant women actively participating in WTG (% of pregnant women in the City)	329	477	509 (8%)	151 in first quarter, target for year is 637 or (10%)	650
# of children receiving pre school screening		3070	2432	2400	3500

Explanation of key performance measures:

The number of high-risk women needing the type of services provided by Healthy Start is significantly higher than those enrolled. Flat funding is a challenge to maintaining and growing the program to meet the need. The State goal is to decrease disparities in infant mortality by 50% by 2010. Currently there is a twofold to threefold difference between infant mortality rates for African Americans and American Indians compared with Whites. There are some recent trends that show improvements in the infant mortality rates for both American Indian and African Americans. Additional improvement in outcomes may be achieved through system change.

WTG is a community organization currently going through significant transitions. It is important to both evaluate the ongoing effectiveness of the WTG program and also the effect of reorganization. To have an impact as an outreach and referral organization, WTG should seek to be actively engaged with at least 10% of the pregnant women in the city; this target may be difficult to obtain in light of shrinking financial resources.

There are approximately 5,000 children entering Kindergarten each year in the MPS. Screening is available for 3-5 year olds. The program goal is to screen children between the ages of 3½–4 so that they can be connected to needed services at least a year before starting school. Funding for this activity is flat or decreasing from all sources of funds.

Efforts described under Service Activity: Home Visiting also impact this area significantly.

Service Activity:

Improving Adolescent and Young Adult Health

Description:

In addition to providing direct services to teens through the School-Based Clinics, DHFS works with community organizations to address teen pregnancy and parenting, and to decrease sexually transmitted diseases (STDs). The Youth Risk Behavior Grant from the State tobacco endowment is used in Minneapolis to address sexuality-related risk factors. Six community organizations receive sub-grants to provide youth development programming combined with sexuality education. Additional funds are used to provide a uniform health decision-making curriculum to MPS Middle Schools. This funding will end December 2003.

* Federal TANF funds were available in 2003 to address teen pregnancy prevention. DHFS contracted with community organizations that were using proven approaches to reducing teen pregnancy. The Legislature reduced this funding for Minneapolis (which also supported nurse home visiting) by more than 75%, effective July 2003.

* DHFS has worked with MOAPPP, the Minneapolis Foundation, MPS and Hennepin County to form the Teen Parent Connection to improve case finding and coordination of services to teen parents and their children towards the goals of reducing repeat pregnancies, improving school attendance for the teens and improving school readiness for the young children.

DHFS is working with a coalition of providers and community members to improve awareness of STDs and to increase testing and treatment among high risk groups including teens and young adults on the North Side, chemical dependency treatment program participants, and individuals connected to the criminal justice system. Efforts include encouraging providers to offer more testing and media campaigns.

DHFS is also continuing curriculum development and training activities for the two-year Youth Suicide Prevention Grant from the Minnesota Department of Health. This project is designed to develop a gatekeeper training curriculum and process to prepare teachers and other adult staff in alternative schools to recognize and respond to young people at risk of suicidal behavior. The development process included experts in a variety of cultures (racial/ethnic and gay/lesbian/bisexual/transgender) to ensure that gatekeepers are sensitive to different cultural presentations of depression and other risk factors, and knowledgeable about cultural considerations and appropriate interventions.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Gonorrhea cases among African American 15-19 year olds	259 cases (AA are 71.9% of cases)	205 cases (AA are 65.5% of cases)	Goal: Decrease from 2001	Further decrease	Further decrease
Repeat Teen Births	210 (24% of teen births)	182 (23.4% of teen births)	Goal: Decrease from 2001	Further decrease	Further decrease
Births to teens	858 (13% of births)	780 (11.8% of births)	Goal: Decrease from 2001	Further decrease	Further decrease

Explanation of key performance measures:

Minneapolis has one of the highest STD rates in the nation, especially among African Americans. However, the African American rate decreased 30% between 1998 and 2000. Statewide data show an increase of both Chlamydia and Gonorrhea cases from 2001 to 2002. Local data for 2002 is not yet available.

In 1998 Minneapolis ranked 44th among 50 large cities in the number of repeat teen births. By 1999 the Minneapolis rate was better than the national average. The teen birth rate is slightly better than the national average.

Service Activity:

Weed and Seed (Federal Department of Justice)

Description:

This Initiative is a community-based multi-agency approach to law enforcement, crime prevention, and neighborhood restoration. The Weed and Seed Strategy “weeds” out violent crime, drug trafficking, and drug-related crime in targeted high-crime neighborhoods, and “seeds” in social services and economic revitalization, providing a safe environment free of crime and drug use for residents.

The Weed and Seed strategy brings together federal, state, and local law enforcement agencies, social service providers, representatives of the public and private sectors, prosecutors, business owners, and neighborhood residents. The collaboration, coordination, community participation, and leveraging of resources, maximizes existing programs and services, while integrating existing federal, state, local, and private sector initiatives, criminal justice efforts, and social services activities.

Over the past year, the Phillips and Northside Neighborhood Weed & Seed Initiatives of Minneapolis have seen a consistent increase in gang violence (guns) and in the distribution of drugs, in and around the Weed and Seed target areas. Weed & Seed neighborhood-based law enforcement strategies have been developed and implemented to address this gang and drug-related activity.

A key challenge this year is to ensure that each site receives its recertification of Official Recognition. This recognition will provide an opportunity to receive resources, which will assist in the further implementation of goals for each Weed and Seed site.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Change in Part 1 Crime, 4th Precinct		-16.3%	-12.83%	-17.0% (to date)	-11.53%
Change in Part 1 Crime, 3rd Precinct		-1.5%	-4.2%	-16.0% (to date)	-5.42%
Average Change in Part 1 Crime, all Weed & Seed Zones		-8.9%	-8.51%	-16.5% (to date)	-8.47%

Explanation of key performance measures:

For the first time since Minneapolis experienced its most murderous years since the mid 1990s, police are currently dealing with an unusually high percentage of homicides motivated by gang and drug activity. Zero tolerance enforcement will be necessary to curb the amount of activity happening with the Weed & Seed zone.

Weed and Seed continues to be a neighborhood partnership, which leverages the commitment and resources of residents, organizations, and our police. This program have successfully completed its five year strategic plan, which clearly demonstrates our impact on crime in the Weed and Seed communities.

Service Activity:

Legislative Agenda and public policy activities

Description:

DHFS works with IGR staff to develop and advocate for health and family support legislative priorities. Key issues include: access to health care, welfare reform, protecting access to family planning and confidential services (especially for adolescents), lead prevention, elimination of health disparities, tobacco prevention and workforce development issues. The legislative agenda is developed in coordination with Children's Defense Fund, Local Public Health Association, MN Workforce Council Association and other health and human services groups.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Advocate for the following key issues: * Maintenance of Minor Consent Laws * Health Care Access * Resources to reduce Health Disparities		Minor Consent Laws stay intact. Allocation of \$13.9 million in state funds to reduce health disparities. Safety net programs remain intact.	Minor Consent Laws stay intact. EHDI funding remains intact. Safety net programs remain intact.	Minor Consent Laws stay intact. Slight budget cut to the EHDI initiative. Safety net programs cut dramatically. An estimated 4,000 Minneapolis residents will lose health care coverage by 2007.	Will continue to focus on all of these issues

Explanation of key performance measures:

Advocating for a legislative agenda is challenging since health and family support issues are not a top priority for City IGR staff. DHFS has worked successfully with other groups to advocate for issues. During the 2003 session, DHFS worked on protecting the Eliminating Health Disparities Initiative, Minor Consent Laws, maintaining safety net programs such as General Assistance Medical Care, MinnesotaCare and core funding for local public health, and improving access to dental services. With continued budget deficit scenarios at the state level, the focus will be on protecting safety net programs and policy approaches that support the health of Minneapolis residents.

Primary Business:

Supporting the Community Safety Net

Service Activity:

Neighborhood Health Care Network (NHCN)

Description:

The Neighborhood Health Care Network represents a major investment in the Minneapolis health care safety net. The City contributes over \$800,000, from three sources: General Fund, CDBG and federal Maternal and Child Health pass through dollars. Eighty percent of the funds are targeted to provide patient subsidies in areas in medical and dental care to uninsured residents. Target groups are in the areas of maternal and child health and general health care needs. Fifteen percent covers a range of activities (489-Care program) that assist residents with access to affordable health insurance options and access to health care providers. The balance assists network clinics with maintenance activities related to their on-going connection to and participation with the IMMULINK Immunization Registry.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Medical Visits	8,773	6,332	6,217	6,200	6,200
Dental Visits	1,044	834	848	590	590
489-Care Contacts	5,024	5,544	5,026	5,000	4,650

Explanation of key performance measures:

The number of visits have gradually been reduced with cuts in General Funds and CDBG over the past several years, as well as cost of living increases in the provision of services.

Service Activity:

Home Visiting

Description:

The Minnesota Visiting Nurse Agency (MVNA) provides nursing and related services primarily to high-risk and low-income families. Services target pregnant and postpartum women and infants. They serve a large refugee and immigrant population and use over 26 language interpreters. MVNA also does home service to children, adults and elderly who are ill. They serve 100% of the children with high levels of lead and follow many asthmatic and communicable disease conditions in the city. The adult and elderly populations served have a wide variety of health conditions. The needs in Minneapolis exceed the funds available.

MVNA also provides oversight and consultation to Minneapolis Day Care Centers and consultation to legally licensed and legally unlicensed Minneapolis family day care homes to promote safe and healthy childcare environments, ensure implementation of infection control standards, and provide consultation to the staff about first aid, immunizations, and individual disease management.

TANF: The goals of the TANF Home Visiting Program, funded through the Minnesota Department of Health, is to promote economic self sufficiency, improve the health and well being of families with young children, and reduce out-of-wedlock pregnancies. The primary strategy is public health nurse directed case management. Minneapolis has focused primarily on reaching and serving pregnant and parenting teens with an emphasis on connecting them with school. Initially, the program was administered through counties. In January 2002, Minneapolis was given direct access to the funds.

Alliance: The goals of the Alliance Home Visiting project are based on the TANF goals, but focus on Latino families who are ineligible to receive TANF services.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
MVNA-PHN Home Visits	7663	5,049	4,976	4,500	4,400
MVNA-PHN home visits for seniors	NA	320	429	400	400
Child Care Site Training/Consultations	465	465	465	465	0
TANF Home Visiting teen families		Project development	5,378	5,092	Dependent on funding
Alliance PHN home visits (started 10/01)		384	1,328	941	Dependent on funding

Explanation of key performance measures:

The City of Minneapolis passes through both General Funds and CHS to support these MVNA activities. Given reductions in General Funds over the past several years and flat state CHS funding, combined with the rising cost of doing business, means reduced performance outcomes.

Child Care: All City funding for child care services is eliminated under the maximum target strategy plan and an estimated \$105,000 would be continued under the minimum strategy plan).

TANF: Significant funding cuts are in effect as of July 1, 2003 based on legislative actions.

Service Activity:

Child Care

Description:

The Greater Minneapolis Day Care Association Coordinated Child Development program partially subsidizes child care services to low and low moderate income families based on a sliding fee scale, with a portion of the funds set aside specifically to support participants in METP job training programs who are ineligible for subsidized child care. Families who receive sliding fee child care assistance are able to work and/or attend school while their children are cared for in a legal child care setting chosen by the family.

The Greater Minneapolis Day Care Association, Childcare Facilities Loan/Grant Program administers a child care facilities capital improvement program that offers loans to family day care homes and centers so that the facility can meet state childcare guidelines and improve services to children. The primary outcome of these loans has been to create healthier, safer, and more appropriate environments for young children in child care, with a special emphasis on reducing potential environmental health hazards. Among the challenges is managing the increased costs brought upon by HUD lead reduction mandates with fewer resources.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# Loans to Centers	7	11	7	7	5
# Loans to Family Child Care Centers.	35	31	31	25	25
Number of Families Served, Day Care subsidies	120	124	128	78	75

Explanation of key performance measures:

Declining number of loans and families receiving subsidized day care reflects the reduction in funds and increased cost of environmental (lead) requirements from HUD, and increased waiting lists for the State Basic Sliding Fee program.

Service Activity:

Children's Dental Services

Description:

This project provides dental services to low-income children through eleven Head Start and Minneapolis Public School sites as well as their main clinic location at Minneapolis Community and Technical College. Children's Dental Services play a significant role in reducing barriers to accessing dental care for low-income children; 93% of those served are children of color; 73% receive some form of Medical Assistance, and 22% qualify for free or sliding fee scale services. City funds cover over 800 children who are uninsured and account for 13% of the total budget for this project.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Children's Dental Visits		839	834	826	778

Explanation of key performance measures:

In spite of major strides in improving organizational efficiencies, cost of living increases and CDBG reductions contribute to fewer visits.

Service Activity:

Services for Senior Citizens - Chore and Block Nurse

Description:

The Greater Minneapolis Council of Churches Handyworks program and Pilot City Neighborhood Services provide home maintenance services with the goal of assisting seniors in remaining in their homes. The services provided include minor home repairs and chore services (e.g. snow shoveling , lawn mowing). Volunteers of America assists Minneapolis seniors in remaining in their homes and maintaining independent living by providing such services as homemaking, home repair, legal, and transportation services. Challenges are the extent of need in the senior community and the declining levels of funding.

Block Nurse Programs: Southeast Seniors, Longfellow/Seward, and Nokomis block nurse programs provide public health nursing, home health, homemaker, volunteer, service coordination, and health promotion services. A primary goal is to assist seniors with remaining independent in their own homes. Maintaining levels of funding remains a challenge for the block nurse programs.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
VOA – Units of service for all services		746	477	550	511
Residences Served Chore Project		76*	300	350	350
Senior/Block Nursing Visits		809	691	649	623

Explanation of key performance measures:

Key challenges for all of these projects is to sustain financial support during these challenging times. These are services that are essential to helping seniors live independently, supporting the diversity of populations within neighborhoods and maintaining the city's' housing stock.

Primary Business:

Protecting the Public - Public Health Emergency Preparedness

Service Activity:

Emergency Preparedness

Description:

DHFS, in coordination with City Emergency Management, public safety, and Hennepin County, is developing an all-hazards emergency preparedness plan. Plan includes rapid communications, disease surveillance, implementation of mass clinics, or other response as needed. The work is being done in coordination with metro local public health agencies.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Development of all-hazards public health plan		Completed	Emergency Preparedness coordinator hired	Update plan and test at 12/03 exercise	Modify as needed and continue tests
Establish a redundant 24/7 notification System for city public health and public safety employees for emergencies that may impact public health			Determine key personnel & data conveyance system to respond to Health Alert Network	Establish internal policies naming key dept. positions to Incident Command roles. Identify and purchase communication technology that will ensure 24/7 redundant notification and response by those named.	Participate in and lead in tests of system with 95% successful response rate within 2 hours.
Establish working relationships with key partners in public safety and emergency preparedness.			Establish DHFS Emergency Preparedness Advisory Committee	Establish joint Hennepin County and DHFS Emergency Preparedness Advisory Committee	Provide training and support to 95% of the partners in public health emergency preparedness.
Establish an emergency preparedness system that addresses the needs and unique issues associated with vulnerable and multi-cultural (V/M) populations.			Research to determine where other successful models exist Conduct a Needs Assessment of organizations serving the V/M	Establish & provide leadership for a metro wide task force to address emergency prepared-ness issues of the V/M. Develop recommendations for programs to implement that will meet the emergency alert and capacity building needs.	Determine funding source for recommended programs. Begin implementation of recommended programs and systems designed for communication alert and capacity building for the V/M populations.

Ensure that the public mental health needs are met in the event of a crisis or emergency.		Participate in the Mental Health Subgroup of the MDH Commissioner's Terrorism and Health Task Force	Establish a metro-wide public health task force to review issues and make recommendations to develop a mental health disaster plan. Develop DHFS policies and procedures for mental health crisis and disasters.	Determine funding source for recommended programs. Incorporate recommended changes into the City Emergency Plan. Begin implementation of recommended programs and systems.
Ensure that public health is protected or responded to in the event of a chemical or radiological emergency		NA	Establish a public health task force to review issues related to chemical and radiologic events. Provide training to local public health regarding response to events. Conduct a Needs Assessment to determine capacity for response.	Delineate the role of MDH and local public health in chemical emergencies. Establish policies and procedures regarding the MDHFS role in chemical events. Provide training and support to MDHFS employees and public safety responders.
Smallpox vaccination program with Hennepin County	NA	Initiated plan 10/02 for phase I	315 health care workers vaccinated in Minneapolis and Hennepin County	Complete Phase II with up to 1,500 Minneapolis emergency responders

Explanation of key performance measures:

While natural disasters have dominated spending for emergencies in Minneapolis and Minnesota, there have been other incidents where public health should have been involved at some level. Comprehensive planning by public health for emergency preparedness is past due. Hazardous material incidents are fairly common due to industrial accidents where the long term effects from chemical exposure have potential health implications. In natural disasters, behavioral health consequences and the need for stress management have been major after affects. Public health could play a signification role in the area of prevention and mitigation, particularly as advocates for risk reduction in a number of areas. Critical to the planning efforts is the need for public health staff to quickly become trained and credentialed in the field of emergency management so that planning, response and recovery by our department can best serve the people of Minneapolis in the event of an emergency. A specific area of concern is ensuring preparedness for the vulnerable and multicultural populations because they represent a growing percentage of the citizen base but also because their preparedness needs have never been addressed by existing emergency plans. Much of the challenge for DHFS will be coordinating with state, regional, and county government and community partners to develop a comprehensive emergency preparedness plan efficiently without duplication.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURE

In 2003, MDHFS total budget was \$21 million including 8 million of METP funds that have moved to CPED in year 2004 and \$1 million of Community Development Block Grant grants to non-profits. In the general fund, there is a 10% decrease in expenditures and 11% increase in revenue from 2003 budget. Based on the State requirements, MDHFS needs to maintain a minimum of \$2,440,152 as local match dollars to qualify for our City's available Local Public Health grants.

REVENUE

Increase in general fund revenue is due to a positive trend in the health lab revenue projections. In 2004, Federal grant funds availability is anticipated to stay at the same level in year 2003 (\$3.3 million). State grants and other local funds are higher than 2003 due to State's new allocation method for grant funds and department's new grant initiatives. However, State's new allocation method is largely accomplished by block granting funds.

FUND ALLOCATION

Health and Family Support's \$12 million budget for the year 2004 includes General, CDBG, Federal, State and other local funds.

LOCAL GOVERNMENT AID CUT IN 2003

During 2003, the department eliminated 1.5 positions as a result of the LGA reduction.

ADOPTED BUDGET

The 2004 budget shifts of one director position from the general fund to grant funding.

The Adopted Budget also included a direction to staff directing grants and special projects to work with the Public Health Advisory Committee to review the Public Service CDBG grants and provide a recommendation to the Mayor for the 2005 budget.

**HEALTH AND FAMILY SUPPORT
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Health and Family Support	64.15	69.15	75.40	73.90	-1.99%	(1.50)
Total FTE's	64.15	69.15	75.40	73.90	-1.99%	(1.50)

Office of the Mayor

Mission Statement

To provide the Mayor with skillful, informed guidance and support in the development, oversight and promotion of policies and programs that reflect the needs and values of Minneapolis residents, and maintain high standards of quality and service.

Primary Businesses:

Policy & Program Development

- Identify and prioritize needs and issues identified by city residents
- Participate in annual strategic planning and goal setting processes
- Organize and facilitate partnerships and collaborative teams

Policy & Program Oversight

- Assist in the development of specific performance and outcome measures
- Assist with feedback gathering, analysis and quality improvement planning
- Participate in individual and departmental performance evaluations

Policy & Program Promotion

- Use the “bully pulpit” to promote policies, programs and city as a whole
- Assist residents to understand and access city programs and services
- Participate in development and promotion of the city’s brand and image

Key Trends and Challenges Impacting the Department:

The severe financial constraints we face – and ongoing uncertainty about State decisions that may further diminish City resources – create many challenges:

- Maintaining positive momentum and morale within City departments.
- Building and maintaining constructive internal and external relationships.
- Managing change throughout the City enterprise.

Key Initiatives or Other Models for Providing Service to be implemented:

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% citizens who rate Mpls as a good or very good place to live	n/a	86%	n/a	survey to be conducted again in 2003	n/a
% citizens who rate Mpls govt as good or very good at communicating with citizens	n/a	49%	n/a	survey to be conducted again in 2003	n/a
% citizens who rate Mpls as a good or very good place to live	n/a	86%	n/a	survey to be conducted again in 2003	n/a
% citizens who rate Mpls govt as good or very good at communicating with citizens	n/a	49%	n/a	survey to be conducted again in 2003	n/a
% citizens who rate Mpls govt as good or very good at representing and providing for the needs of all citizens	n/a	48%	n/a	survey to be conducted again in 2003	n/a

% citizens who rate Mpls govt as good or very good at effectively planning for the future	n/a	49%	n/a	survey to be conducted again in 2003	n/a
% citizens who rate Mpls govt as good or very good at providing value for their tax dollars	n/a	54%	n/a	survey to be conducted again in 2003	n/a
accomplishments in improving accountability and service	n/a	n/a	reorganization of planning and development	reorganization of planning and development	reorganization of public works; use of CityStat system
opportunities among citizens for dialogue re City govt	n/a	n/a	Mayor's community forums; outreach on reorganization	Mayor's community forums; outreach on budget and NRP	Mayor's community forums; outreach topics tbd
existence of a comprehensive municipal tax policy	n/a	n/a	Finance Work Group & tax/ budget resolution	implement policy	implement policy
initiatives to increase residents' knowledge of City services & goals	n/a	n/a	improvement of web site; remote service locations	integrated city communications strategy/systems	integrated city communications strategy/systems

Explanation of Performance Data for Departmental Outcome Measures:

Primary Business:

Policy & Program Development

Service Activity:

Identify and prioritize needs and issues identified by city residents

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
key issues identified by city residents that became part of the Mayor's agenda	n/a	n/a	building vibrant, affordable neighborhoods; restoring trust in City Hall; improving fiscal management and basic services; protecting the environment	development priorities of housing, jobs, transportation, education and community building; plus other goals identified by strategic planning	development priorities of housing, jobs, transportation, education and community building; plus other goals identified by strategic planning

Explanation of key performance measures:

Service Activity:

Participate in annual strategic planning and goal setting processes

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
enterprise goals and strategies established with the Mayor's involvement	n/a	n/a	specific development goals for housing and jobs priorities	to be updated through strategic planning on an annual basis	to be updated through strategic planning on an annual basis

Explanation of key performance measures:

Service Activity:

Organize and facilitate collaborative priority-focused work teams

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
collaborative work teams facilitated by Mayor's office	n/a	n/a	Finance Work Group; CPED Work Group; Ethics Task Force	CPED, Ethics, Mediation	to be determined
policies and programs adopted (outcomes) from these collaborative teams	n/a	n/a	budget principles; tax policy; long-range financial strategy; 2002 budget revisions; 2003 budget; planning and development reorganization; revised ethics policy	CPED reorganization, Ethics Policy	to be determined
vote margin on City Council when adopting key policies and programs	n/a	n/a	budget revision: 13-0 tax resolution: 11-1-1	budget revision, ethics policy, CPED ordinance passed with strong majority	to be determined

Explanation of key performance measures:

Primary Business:

Policy & Program Oversight

Service Activity:

Assist with feedback gathering, analysis and quality improvement planning

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
key policies/programs for which performance measures were established	n/a	n/a	housing and jobs development activities	housing and jobs development activities	to be determined
feedback gathering systems developed	n/a	n/a	improved web site; customer satisfaction forms	to be determined	to be determined

Explanation of key performance measures:

Service Activity:

Participate in individual and departmental performance evaluations.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
improvements in individual & departmental performance evaluation process	n/a	n/a	introduced common measures for department head performance	linked performance measures to enterprise goals and strategies	Link performance measures to enterprise goals and strategies

Explanation of key performance measures:

Primary Business:

Policy & Program Promotion

Service Activity:

Use the “bully pulpit” to promote policies, programs and city as a whole.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of public speaking invitations received	n/a	n/a	n/a	tracking	track in 2004
# of media hits relative to promotional initiatives	n/a	n/a	n/a	tracking	track in 2004
key initiatives to promote policies and programs	n/a	n/a	n/a	tracking	track in 2004
survey public awareness of key events and activities	n/a	n/a	n/a	conduct survey in 2003	n/a

Explanation of key performance measures:

Service Activity:

Assist residents to understand and access city programs and services

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
initiatives to assist residents to understand and access programs and services	n/a	n/a	promotion and simplification of application process for boards and commissions	promote City programs and services	promote City programs and services
number of residents who report satisfactory access to programs and services	n/a	n/a	n/a	conduct survey in 2003	n/a

Explanation of key performance measures:

Service Activity:

Participate in development and promotion of the city's brand and image

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
key initiatives to develop and promote city brand and image	n/a	n/a	n/a	complete GMCVA study	implement recommendations

survey to determine increased awareness
of the city's brand and image

n/a

n/a

n/a

conduct survey in
2003

conduct survey

Explanation of key performance measures:

Financial Analysis:

EXPENDITURES

The 2003 budget revision, forced by the mid-year reduction in Local Government Aid, required the Mayor's office to eliminate one FTE. This reduced the Mayor's support staff to 9, and resulted in a cumulative loss of 3 FTEs in less than two years. The Mayor's office is currently in the process of redefining the roles and responsibilities of several key staff in response to this significant loss of capacity. Other expenditures have remained relatively consistent with 2002 expenditures.

REVENUES

The Mayor's office does not have any revenues.

ADOPTED BUDGET

The adopted budget includes \$60,000 in additional resources in the Mayor's office budget. This is represented as an additional FTE.

The Council also allowed for the reappropriation of savings in the Mayor's office budget from one year to the next.

MAYOR Staffing Information

		2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
	2001					
FTE's by Division						
Mayor	13.00	12.00	11.00	11.00	0.00%	-
Total FTE's	13.00	12.00	11.00	11.00	0.00%	-

Minneapolis Emergency Communications Center (MECC)

Mission Statement

The MECC's mission is to operate, in a professional manner, a complete public safety answering and dispatching service for police, fire and ambulance service to support the needs of residents, visitors, and businesses in the City of Minneapolis. Further, the MECC's goal is to preserve and improve the quality of life in the City of Minneapolis by providing the highest quality delivery of public safety communication services to all who are in need without discrimination.

Primary Businesses:

Emergency Communications

Primary Business:

Emergency Services

Service Activity:

911 Emergency call dispatching

Description:

MECC answers 911 emergency and non-emergency calls from citizens and determines priorities for dispatching of police and fire response. They assist field supervisors in coordinating police and fire emergency resources. 911 Operators also address issues such conducting warrant checks, taking reports for missing juveniles and runaways.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total 911 Calls (answered)	418,890	426,423	435,965		
Total Events dispatched					
(by police)	391,506	376,418	361,555		
(by fire)	34,553	34,924	33,620		
(by ambulance)	40,649	40,115	54,600		
Average answer time (seconds)	6	5	5		
Calls answered per 911 dispatcher	12,142	12,360	12,637		
% calls answered in 10 seconds or less	89%	90%	90%		
# quality service inquiries	88	104	105		
# of sustained errors	34	67	64		
% of sustained errors	39%	64%	61%		
% citizens who had contact with 911 operators expressing satisfaction with their professionalism*		91%			

Explanation of key performance measures:

*Citizen data is from the 2001 Minneapolis Citizen Survey. This citywide survey interviewed 1200 residents. A smaller survey is planned for later 2003.

Financial Analysis:

The 2004 Budget shifts funding for the emergency communications center from the Police Budget to the City Coordinator's Budget. A new department reflects the historical costs of providing these services. The Council moved 2 additional positions from the Police department, finalizing the shift of this function.

**EMERGENCY COMMUNICATIONS
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
	90.50	90.50	90.50	90.50		
Total FTE's	90.50	90.50	90.50	90.50	0.00%	-

Police Department

Mission Statement

Implement effective prevention strategies and reduce crime in collaboration with the community and our criminal justice partners in an effort to realize our vision to have the City of Minneapolis be the safest place to live, work and visit.

Our Values are the following:
A workforce that reflects our community
Employees are our greatest asset
Protection of human rights
Excellence in serving the public
Honesty and integrity
Community and Community participation

Primary Businesses:

Law Enforcement & Emergency Services

Crime Prevention and Reduction

Internal Services

Key Trends and Challenges Impacting the Department:

2004 will present significant challenges for the Minneapolis Police Department if it is to maintain its successful reduction and prevention of crime. Our comprehensive strategies developed over the past few years, such as CODEFOR, de-centralization of services, problem solving and accountability have been institutionalized within the organization, and are enabling us to meet the new challenges. We are now faced with new tests, including diminishing budget and staffing resources, increasing citizen and community demands and homeland security issues.

We will, however, do everything we can to build on successful strategies, continually striving to improve the quality of life for our citizens, as defined in the trends and challenges we have outlined below:

Law Enforcement and Emergency Services:

- Trend: Increasing demands on MPD for all emergency services.
- Current Calls for Service Trend (Jan.-May 2003): 256,315
- Challenge: Maintaining the highest level of service and response to 911 calls for service
- Challenge: Assuring that the City of Minneapolis and the MPD are prepared to respond to any emergency situation. Maintaining vigilance in heightened levels of national alert.
- Challenge: Increasing demands for investigative hours based on increasing crime numbers more sophisticated and cyber-crime.
- Challenge: Staffing large planned and unplanned events.
- Trend: Increasing numbers of people (non-English speaking) from other countries.
- Challenge: Communication with non-English speaking persons. Connecting with the immigrant community and educating them about the MPD, laws, customs, crime prevention, etc
- Challenge: Increasing our level of internal technology and communications capabilities in an ever-increasing technological age.

911 response remains our primary responsibility. As we look at ways to work smarter with fewer resources, we will continue to focus our staffing priority to be the precinct officers who respond to 911 calls. The MPD, with support from the City, has always been a lead agency in emergency planning and preparedness. Demands for police service skyrocketed after September 11, 2001, paralleling the fears of citizens and businesses that expressed concerns

about their safety. Police Administration meets monthly with Hennepin County and other agencies to share information and coordinate future response protocols and we continue to be in contact with the Federal Government. In 2003 we looked at facing a continued increase in challenges and calls from concerned citizens due to continued fears and declining social services.

We are seeing an increase in demands for investigative time. Investigators are noting more technological related crime, including financial fraud, and seeing more sophisticated criminal activity. Working with other agencies and task forces enable us to tackle large-scale crime impacts (gangs, cross-jurisdictions, etc.).

Special Events are an opportunity for both community relations and to strengthen our ability to manage large proceedings. "Staffing-up" for events is always a challenge, in staff and cost resources. Crowd control (planning for emergencies, potential arrests, traffic (foot and vehicle) flow, area security and general safety) is the main emphasis of special event planning. The annual standards, such as the Aquatennial are well established and event managers work smoothly with city departments. The Dome and Target Center attract large crowds enjoying sporting and musical events. We provide dignitary protection for Presidential visits. The MPD continues to assist other agencies in major events, including the national trend of increasing riotous behavior and emergency situations.

The MPD continues its outreach to established and new immigrant communities. In 2002/2003, the MPD was successful in hiring a full time Somali liaison and a grant funded Latino liaison. Through our liaisons and community leaders, we offer bilingual informational and safety seminars. We will continue with our very successful and diverse Community Service Officer (CSO) program as a prelude to candidates for police officers, as long as funding can be secured. The MPD has conducted awareness training on the Asian and Somali cultures and offer Street Spanish courses for employees. We use certified translation services, as we have in past decades, both for 911 emergencies and long-term bilingual communication (i.e. victim interview). We continue to look at balancing the growing need for bilingual services and how-to-pay for these services.

Mobile Data Computers (MDC) in squad cars and 800 MHz Radio System, installed in 2003, advancements in automated report entry and investigative techniques provide technological advancements which will support efforts to continue our high level of service. We will continue to provide training and priority equipment to officers.

Crime Prevention and Reduction:

- Challenge: Continuing crime reduction in 2004.
- Current Crime Trend (Jan.-June 2003): Increase in robberies and aggravated assaults (related to youth and possible gang activity). Significant decrease in larceny.
- Challenge: Developing and implementing crime prevention strategies that are reflective of the ever-changing methods of criminal activity including more sophisticated and cyber-crime.
- Challenge: Working towards reductions in and prevention of crime with fewer sworn and civilian staff while maintaining high levels of service to the community.
- Challenge: Look at how best to align resources and prioritize services to meet citizen expectations. Educating citizens on service levels.

CODEFOR remains our catalyst for immediately addressing current crime trends and developing long-term options for continuing our years of strong reduction in serious crime in Minneapolis. 2003 faced us with addressing a disturbing national and local trend, started in September 2001, of increases in many crime categories. Coupled with our critical shortages of personnel, budget cuts and looming state deficits, our ability to reverse this trend will be seriously challenged. We continue to attack crime at all avenues including: addressing potential trends immediately, collaborations with our partners in the criminal justice system, focusing on Top Ten and repeat offenders, pro-active patrol, resource sharing, exploring new tactical and preventive options, strengthening partnerships with the community and establishing service priorities.

The MPD diligently strives to establish a high level of respect and trust between the police and the community. We work on changing negative perceptions of the MPD that may result due to lack of understanding by the police or the community. Through the newly established mediation process, we look forward to a closer relationship with citizens. The MPD has institutionalized an infrastructure which builds new permanent connections between the sector

lieutenants and the communities they serve. The Chief's Advisory Council meetings continue to benefit our community outreach efforts, with citizens having the opportunity to discuss any topic with the Chief and command staff.

Meeting increased customer demands, including livability crimes (i.e. street corner drug dealing, drug houses, loitering, prostitution, etc.) will remain challenging. With budgets impacting many social agencies, we see the increase in demand for more overall police services and police with specialized training. We will be working with the community to address their service concerns. The Crisis Intervention Teams continue to assist with responding to mentally illness calls. 2003 was and 2004 will be a year of challenge in prioritizing and communicating police service responses, realizing not all citizens will agree with our decisions.

The Police Athletic League (PAL) activities have been very successful helping youth make better choices. Citizens Academies, Precinct Open Houses, Community Meetings, SAFE workshops and Sector based outreach efforts are bringing the police and community together.

Internal Services:

- Trend: Increasing demand for police services; decreasing budgets.
- Challenge: Streamlining the MPD and modifying the existing organizational structure of the department to meet community, organizational, and budget goals.
- Challenge: Making the MPD run in the most efficient and effective way possible.
- Challenge: Maintaining the highest standards of equipment and training for our existing employees and new hires.
- Challenge: Working to maintain a positive working environment of our employees.

For 2003 the Department was mandated to operate with a \$6.9 million dollar (LGA) cut from current service levels in 2002. We are striving to achieve this goal through effective unit restructuring, use of attrition, hiring freezes and downsizing our organization. High on our list is focusing on priority police services though our main business lines of law enforcement and emergency services, crime prevention and reduction, and internal services. We anticipate future streamlining of services, departmental restructuring and staff reassignment as we foresee a decreased funding projection of \$1.3 million and between \$2.5 and \$9.5 million LGA cuts for 2004.

Internal Services supports the department with looking for the most efficient and effective aspects of meeting organizational requirements (training, policy, equipment inventory, etc.), finance, human resources and technology endeavors. New and updated reports assist commanders monitoring their overall budgets (including overtime), staffing and other resources. With decreases in staff, we are struggling to maintain a high level of customer service in support areas. We have encouraged employees to suggest cost-saving strategies. We look towards innovations in technology and management strategies to assist us in being able to continue outstanding service while projecting decreasing resources.

Key Initiatives or Other Models for Providing Service to be implemented:

The MPD has described many enhancements in prioritizing and streamlining (staff and resources) during this year's budge submissions (including supporting documents in this report presentation). We will be actively looking at potential key initiatives and service models again as part of our 5 Year Business Plan process. Efforts will focus on the best ways to continue priority police services to our citizens. (A follow-up report will be provided detailing our key initiatives and other service models, during future budget discussions.)

The MPD will be working closely with the Budget Office on our performance measures for developing 2003 estimates and 2004 projections.

MPD – 2004 Budget
Reform Options

1. SPECIAL SERVICE DISTRICT OPTIONS

Other cities have developed special service districts to enhance the level of city services in a specific area. Most famously, New York City has created Business Improvement Districts that have done a spectacular job of revitalizing areas such as Grand Central and Times Square. Essentially, businesses in the area agree to a slightly higher tax levy in exchange for enhanced city services.

A group of business leaders in Minneapolis is looking at that strategy for the downtown area. Ultimately, in the 18 months or two years that it will take to create such a district, there may be opportunity to create efficiency in police service. Improved efficiency, better technology and information sharing will create a safer downtown.

It's important to note, however, that the fear of the people creating the special service district is that the city will use that to supplant that area's current allocation of resources. One of the things that the study group has already done is to identify their current resources to use as a baseline, and the group says they will not move forward without an increase in services proportionate to the additional fee burden they experience.

2. RECRUITMENT

Across the nation, police departments are struggling to find qualified candidates for sworn law enforcement positions. The need for a number of those candidates to represent minority groups within the given community, along with the fact that women are greatly underrepresented within police workforces, make the search more complex and challenging. Traditional recruitment methods can no longer be counted on to be effective, a situation mainly attributed to the prosperous economy and mistrust toward the police image due to a number of high profile police incidents.

The Minneapolis Police Department must implement several new strategies if it expects to compete in the recruitment arena. Additional staff should be added to the recruitment function, as well as developing an eye-catching Web site. The MPD must streamline the hiring process, and begin hiring candidates as soon as they have passed the hiring process, and not wait for the beginning of a recruit academy. These candidates can be put to work within the city and the department until a full academy can be conducted. The existing members of the department should be utilized as recruiters, with incentives for those who are successful. A lateral entry must be fully implemented and utilized to increase diversity and shorten training timelines. The development of a preparation course for interested candidates should also be implemented to improve applicant test scores and increase eligible candidate pools. Community partnerships and a department-wide career fair are also strong recommendations for the agency.

Police agencies must aggressively respond to today's labor market by developing a creative, comprehensive and inclusive recruitment program in order to attract candidates from a range of ethnic groups. The Minneapolis Police Department is not unique in its difficulty in finding diverse pools of police officer applicants. Projected budget shortfalls certainly hinder the department's ability to attract and retain future and current officers. By exploring national trends in recruitment, and adapting strategies to fit the organizational needs, the agency can improve the diversity of its workforce.

It is imperative that a determination be made now as to the MPD's financial ability to hire in 2004. It is very detrimental to actively recruit license-eligible candidates when we won't be hiring in the short term. If the department cannot hire new officers in 2004, the budget focus needs to be on allocating resources to mid-long term recruitment efforts.

Short-Term Recruitment Strategies (Hiring in 2004):

1. Approach officers of color currently working for other law enforcement agencies and offer an incentive package to join MPD through lateral entry.
2. Hire current CSO's as sworn officers.
3. Reward current employees with incentives for recruitment of minority/female officers.

Long-Term Recruitment Strategies (Not hiring in 2004):

1. Offer current CSO's city jobs at a higher rate of pay if they stay employed by the city through 2004.
2. Assignment of at least one full time recruitment officer to Professional Development.
3. Streamline hiring processes – shorten testing and selection steps.
4. Offer city jobs (give priority) to suitable candidates while they attend college and/or are waiting for a recruit academy to be funded.
5. Allocation of more recruitment dollars to the budget – mainstream media outlets are most effective but most costly.
6. Implementation of a referral incentive program for existing employees who successfully recruit a candidate into

employment.

7. Conduct an annual department-wide fair about the police department – including specialty unit demonstrations, pay packages, physical fitness testing and criteria information, brochures, etc.
8. Development of a preparation course for potential applicants. Through coaching and skill development, candidates who might otherwise fail the entry tests would be thoroughly prepared for the tests. The age range for this could be from 18-40 years of age.
9. Work with Minneapolis Public Schools to create junior and senior high magnet programs with a public safety emphasis.
10. Creation of a law enforcement “club” similar to the Explorer program. This program would be designed to capture the age range from 13-18 years.
11. Partnerships with community organizations for grants, reciprocal training, equipment donations, or job opportunities for potential officers.
12. Liaisons within the faith-based organizations to reach candidates of all ages.

2004 Budget Recruitment Line Item Funds:

Excluding salaries/benefits for any new officers hired, it is projected that a minimum of \$21,500 be allocated for recruitment efforts in 2004. The breakdown of that estimate is as follows:

- \$1,500 for brochures and written materials;
- \$3,000 for a police department career fair at the Convention Center or other location;
- \$2,000 for an employee referral incentive program (\$200 per successful referral);
- \$15,000 for media advertisements.

Additionally, these efforts would require the following staffing commitments:

- 1 full time recruitment officer
- 1 part time law enforcement career club coordinator

Part time coaches through PAL or dept. volunteers to assist candidates with physical and written testing prep course.

3. PARTNERSHIPS

A. County Jail

In May, the MPD implemented a booking unit. This measure was taken in order to preserve sworn positions within the police department. In 2002, the MPD paid \$1.5 million to the Hennepin County Sheriff's Office (HCSO) to process 8301 arrestees. This breaks down to a rate of \$251.21 per booking. Often, the only reason for the booking was in order to identify the arrestee, not to hold them in jail. In fact, only 1% of those eligible for alternative booking methods were actually held for 24 hours or more at the jail.

Rates charged to the MPD have increased 26% in each of the past two years even while overall bookings have decreased. In 2003, the MPD budgeted approximately \$1.8 million for bookings at the Hennepin County Jail. The MPD concluded that if one-third of those currently booked at the jail were instead processed by the MPD, the MPD could divert expenses paid to the HCSO to salaried-sworn positions internally.

Although the MPD booking unit is not designed as a cost savings measure, it is designed to keep budgeted dollars within the general fund rather than paying them to an outside agency. The MPD booking unit is currently staffed with one sergeant and nine officers. These are positions that would have otherwise been eliminated due to budget cuts. The MPD is closely monitoring the number of bookings processed internally to ensure that booking charges from the HCSO are reduced and diverted to these salaried positions.

B. Target

SafeZone is a project that is designed to increase the perceived and actual safety of residents, workers and visitors to downtown Minneapolis. It is a multi-faceted approach to safety that involves dramatically improving communication between private security entities downtown, installing security cameras to prevent and detect crime in the downtown area, and other strategies that will enhance safety.

While Target Corporation is contributing significant financial and intellectual capital to get SafeZone started, it doesn't translate into immediate cost savings for the police department. Initially, there is a need for police to provide monitoring of the cameras, which may drain resources somewhat. Further, the cameras are only as good as our

ability to respond to those situations detected on the cameras.

On a long-term basis, corporate financial and intellectual philanthropy may provide some opportunity for making police operations more efficient. Ultimately, though, the downtown business community is interested in seeing police presence enhanced in the downtown area.

C. CAD (Computer Aided Dispatch)

Cost of replacement: ~\$5 M; plus ~\$200K annually for maintenance contract.

Cost of partnering with Hennepin County Sheriff's Dispatch (currently being explored for feasibility): ~\$400K annually (estimate) plus \$200K annually (split between City and County) for maintenance contract.

Cost savings estimated at \$1M for the non-recurring costs and \$100K annually for the recurring maintenance/support agreements.

311 Consolidated Call Center/3-1-1: MPD is a staunch advocate of the consolidated contact or 3-1-1 Center concept to the CCC and continue operations with phone, CAD, and radio capabilities. The Teleserve and E-Teleserve function, graffiti reporting, and perhaps as many as one-third of all calls into the 9-1-1 center could be dealt with and sent to the 3-1-1 Center. Staffing and training for the CCC could partially come from the 9-1-1 center. This and other synergies could perhaps be best leveraged by placing the MECC and the CCC into a "unified communications department" outside of the MPD.

E-Teleserve – Due for completion in Sept '03

The optimal end product for citizens would provide options for telephone reporting, Internet reporting, and for walk-in reporting. Until the consolidated contact center (CCC) is ready to take over these services, MPD will be providing an interim web-based service for Internet reporting.

Cost in '03 (from grant funding): ~\$25K.

D. Dispatch

MECC currently has 25 working 911 Operator/Dispatcher work positions, but typically only staffs 15 of those given current Minneapolis staffing and operational levels. MECC therefore has excess capacity that could be used as dispatch positions for a number of suburban police and/or fire agencies. In mid-May '03 the Mayor's office sent a letter of invitation to Brooklyn Center, Edina, Golden Valley, Richfield and St. Louis Park informing them of this excess capacity. The letter invited them to consider having MECC dispatch for them under contract for what was estimated to be a 40-50% cost savings for the suburban agencies.

Potential revenues: (depends on number of suburbs, if any, that we contract with). As an example, St. Louis Park has a budget, we believe, of about \$800K, about half of which might be the contract amount. Revenues would be almost completely offset, however, with the cost of hiring personnel to staff the work positions.

4. NRP/COMMUNITY POLICING

Rather than describing "community policing" as a separate function or specialty officers, it should be described by the way we all do business daily. We will maintain some full time personnel doing problem solving, community organizing, and crime prevention etc. They will also maintain the enforcement functions for nuisance properties and the conduct on premises letters.

However, those responsibilities that have been identified as "community policing" will be everyone's job. Those include but are not limited to:

- Attending neighborhood and block meetings
- Providing crime prevention information
- Getting to know the residents in their area of responsibility
- Problem solving
- Following up on complaints
- Working in partnership with others, i.e., schools, churches, businesses
- Taking ownership for the geographic area they are responsible for
- Providing information
- Getting to know who is responsible for what in city and county government and working collaboratively with them
- Be familiar with resources (non-profits, service providers) and make referrals when necessary

Our training will have to reflect this as well as our expectations and performance appraisal system.

5. EFFECTIVE UTILIZATION OF PERSONNEL

There are several areas where we can gain greater effectiveness. Each of these areas will free up officer time from unproductive tasks and make them available for higher priorities. More analysis is needed to understand how much will be gained; more development time is needed to create the best solutions. The areas are:

- Report taking. Several property crimes where there is no suspect could be reported on a short form for insurance purposes. They could be reported on-line, through call takers, possibly through the CAD system or over the phone.
 - Not responding to some call categories such as narcotics or loitering calls where there is no suspect or caller information provided. However, they could be taken "in-service".
 - Explore having the county retrieve property by appointment and picking up intoxicated persons. Public intoxication has been decriminalized and is a medical issue. Therefore, medical or related personnel should transport, not police officers.
 - Do not respond to civil matters and other calls that do not require a police response. Could MECC call takers do more screening and eliminate some dispatched calls?
 - Deactivate some types of calls sooner or dispatch them "in-service" if they are transitory such as Hot Rods, Kid Trouble, Honking, and Loud Talking.
- Change our response to alarms. Require verification of commercial alarms and charge much sooner for false alarms on both commercial and residential property.

A. Effectiveness – Officers

One of the most comprehensive things we can do to improve the effectiveness of investigations is to design a citywide case management system. This system would help keep investigations on track and would allow case managers to better prioritize the workload. It would include guidelines for assigning and redlining cases, timelines for case progress, and a review panel for addressing citizen concerns regarding investigations. The case management system would not be a computer program, but rather a set of policies and procedures for guiding the investigative process.

One component of the system would be a set of clear guidelines for when cases should be assigned for further investigation and when they should be redlined. Some of the factors included would be the level of cooperation of the victim, whether or not there are known suspects, the amount of the loss, and whether the crime is part of an identified pattern. These guidelines would be set by individual units or divisions and could be adjusted if staffing or caseload changes. This would help alleviate some of the pressure investigators feel due to the accountability of CODEFOR.

The case management system would also include set timelines for case progress. For example: investigators would have to enter their first supplement to a case within 2 days of receiving the case. This supplement might be limited to stating that they have reviewed the case, contacted the victim, and arranged for interviews. This would assist the precincts by knowing what preliminary steps are being taken. The investigator would then be required to enter another summary statement within 5 days of receiving the case. This statement would be more comprehensive and would likely include information about interviews, possible suspects, and processing of evidence. Finally, the investigator would have a timeline for closing the case or continuing it pending further leads. A supervisor's approval would be required for keeping the case open for a longer period.

A final component of the system would be an Investigative Review Panel. This panel would not be disciplinary in nature, but would be established as a means to review cases and determine if they should be investigated further. The panel would consist of case managers and peer investigators. They would review cases at the request of supervisors, investigators, or citizens and determine if the case should be pursued further or closed. They would also make recommendations as to how the case should be pursued when applicable. This would allow the MPD to address citizen concerns about investigations and ensure that we are handling cases consistently.

Improving the quality of the initial scene investigation was a common thread mentioned by investigators. This can be achieved by better training street personnel and by staffing shift investigators. Investigators often spend hours trying to track down witnesses or victims who could have been easily interviewed at the time of the crime. This slows the investigative process and reduces the chance of quickly apprehending a suspect. One method of addressing this is to train street officers and sergeants in simple interviewing and investigative techniques. Another would be to staff

middlewatch investigators at the precincts. They would pursue the case until the end of their shift and it would then be assigned to a daywatch investigator in the morning. The night investigators could conduct interviews, execute search warrants, and oversee the processing of crime scenes. This would greatly enhance the ability of the daytime investigators to pursue the follow-up and charging of the case.

The Administration should also work with the Police Federation to allow case managers to assign lower priority cases, or cases that would otherwise be redlined, to officers. This would allow the officers to gain experience in investigation and at the same time would reduce some of the pressure on investigative units. For example, a gang shooting with uncooperative victims might normally be redlined, but a gang officer could pursue the case and possibly prevent retaliation. This might also lead to debriefing about other crimes.

A recurrent theme in improving investigations was expanding the use of interns and civilian personnel to assist investigators. Investigators spend a tremendous amount of time analyzing phone records, tracking down victims and witnesses, preparing administrative subpoenas, and returning phone calls. This is especially a problem in more long-term or complicated investigations. College interns and civilian analysts could be used to assist with these duties and preserve investigator time.

The MPD should develop a formal relationship with the University of Minnesota's Humphrey Institute to help provide interns and analytical support to investigators. They could assist with conducting surveys of victim satisfaction that might lead to better customer services. They can also help analyze crime trends and patterns that would lead to designing more effective tactics for patrol and investigation.

Investigative lieutenants should also develop weekly training updates for investigative staff and street officers. These updates would include changes in case law, techniques for investigation, and updates on policy and procedure. The training could be very informal, but would ensure that we are constantly teaching our staff.

With the decentralization of the Juvenile Unit and Watch Commander's Office, and the completion of IACP there is a window of opportunity to move investigative units. The MPD should use this opportunity to determine if housing specific units together would improve our effectiveness. For example; if we housed the Gang Strike Force, ROP, and Homicide Units together would it improve communication and make them more effective? This analysis is already in process within CID.

The MPD should work with the Hennepin County Attorney's Office to develop a method for corporate security personnel to present cases directly to the prosecutors. It is very common for them to conduct an exhaustive investigation and then present it to the MPD. We then review the case, assign a case number, and present it to the HCAO. We should develop a process to eliminate our role and allow them to present these cases directly.

Investigative units should also reemphasize the importance of thoroughly debriefing suspects. This was a priority at the beginning of the CODEFOR Strategy and led to the development of excellent information about other crimes. The MPD should continue to stress debriefing and allow investigators to pursue peripheral cases if necessary.

Finally, the MPD must continue to improve communications and the use of our web-based applications. This will allow us to better serve the community and will allow access to information without using investigator time. This is especially important in Forgery/Fraud cases where citizens often need information on how to proceed with civil processes. We can also use these applications to enhance internal communication between the street officers and investigative units. A good example of this is the need for street officers to have access to Gang Net and information on registered sex offenders.

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6. NON-GENERAL FUND REVENUE

In order to maximize our assets and therefore our service to the community in a time of reduced general fund, we will actively pursue non-general fund support dollars. These efforts will focus on pursuing all appropriate grant opportunities, partnerships, and revenue sources. Some examples are as follows:

A. Traffic

The MPD Traffic Unit has 20 officers assigned to it, and that staffing level is likely to be sustained in 2004. Based on historical traffic tag data, the MPD is able to estimate the amount of revenue generated from the allocated portion of assessed fines on traffic tags through Hennepin County.

Specifically, roughly 90% of traffic tags are not contested, meaning the violators send in the indicated fine to Hennepin County. No records are available to conclusively determine what portion of the contested tags (10%) result in full or partial fines. Additionally, the MPD receives \$53.60 from every tag fine paid to Hennepin County. MPD records indicate an estimate of 17,500 traffic tags to be written by officers in 2004. Multiplying the estimated number of traffic tags (17,500) by the amount MPD receives for each fine (\$53.60), and assuming a continued uncontested rate of 90%, it is estimated that the MPD should receive approximately \$844,200 in non-general revenue funds through traffic tag fines. This estimate is clearly contingent on variable factors, but historical data and projected MPD staffing levels lend a high level of predictability to this figure.

B. Impound Lot

Impound Lot – The Police Department recently reviewed the city Impound operations in connection with some complaints, problems and security issues that have been raised over the year. The Impound Lot is currently operated by Public Works. The proposal was to check the feasibility and financial benefit of MPD taking control of Impound Lot operations for the city. In spite of the issues of security and timeliness of the release of vehicles, the Impound Lot last year provided revenue of \$1,800,000 after operating expenses of \$4,481,000. These excess funds were allocated to the General Fund. The Lot relies heavily on private contractors, which is the bulk of the expenses. There are lots of issues regarding background checks of tow truck drivers and other parts of the operation that concern the Department. Last year \$2.8 million was spent annually for contract towing services, and we believe that under the Police Departments supervision, we could hire a cadre of tow truck operators (potentially through CSO or other programs) lease our own trucks and operate the tow service ourselves. We believe we could be more cost effective and thereby generate revenue, which could be dedicated to the Police Department thereby freeing up General Fund resources. The research shows that the almost all the tows into the Impound Lot are the result of police actions and our controlling the Lot would be a natural fit.

C. Grants and Seizures

Grants - We have and will continue to pursue Federal, State, and private grant maker opportunities. An internal MPD committee first screens grants with representation from City Grants and Special Projects staff. Grants pursued, awarded, and accepted are brought through City Council beginning with the Public Safety and Regulatory Services

Committee.

We have one Management Analyst who coordinates search, application, and monitoring of grants along with other duties. We have several staff members who through their specialties (i.e. bomb/arson, emergency preparedness, and domestic violence) are alert to offerings as they surface.

Grants on all levels, private, corporate, foundation, federal, and state have been declining.

Private, corporate and foundation grants have declined with the downturn in the economy. Typically, it is uncommon for them to support government entities with grants. We have on limited occasions received direct grants. Having said that, they often welcome police agencies as partners with community based entities. We frequently participate with community funded initiatives and will look for other opportunities.

State Grant making has also declined with the general budget shortfall. Some existing programs persist at reduced funding levels. We remain in regular contact with the Department of Public Safety to take advantage of appropriate opportunities.

Federal Grant making is changing. The current federal administration appears to be moving in the direction of consolidation of federal grants programs. The current belief is that programs such as Local Law Enforcement Block Grants, COPS Office opportunities, the Byrne Grant, and Homeland Security funding may all be brought under one umbrella. Fortunately, MPD has a very good reputation for accountability and management of grants with our Federal grant managers.

On both State and Federal levels, many of the opportunities come under the titles of emergency preparedness or Homeland Security. In some cases this applies to domestic terrorism, to include violent crime and gang threats. MPD and MFD are well situated to pursue emergency preparedness related grants.

Some grants allow for "administrative" costs to be paid from them. In that case, where appropriate, we can charge back some of the personnel costs associated with their management.

Seizures and Forfeitures - State and federal seizures have assisted MPD in the fight against drugs, violent, and property crime, as well as integrity and community policing. Assets seized are typically instrumentalities or the proceeds of crime. We have used these funds to further investigations, pay overtime, purchase equipment, and provide training. With the increasing sophistication of criminals, particularly in the drug trade, they have insulated some of their possessions and assets from seizure and forfeiture. However, legislation has created other categories of seizure for crimes such as DWI and prostitution. They have varying levels of specificity as to how these assets must be redirected.

Some federal programs, such as Weed and Seed, have specific criterion about where the funds can be used. In most instances, they are identical to MPD top priorities. It would be a good idea to have our Captain of Investigations discuss with the Justice Department all of the asset forfeiture programs available. We know programs are offered through the DEA, FBI, and the Secret Service.

It will be important to assure that all officers from the street level up are aware of the various offenses for which asset seizure is provided as a tool and the processes necessary to effect a seizure and forfeiture. Current cuts to our Narcotics Unit have led to significant decreases in seizures for the first half of this year. There has been a 75% drop in crack seizures, a 23% drop in powder cocaine seizures, an 84% drop in meth. seizures, and a 70% reduction in the number of guns seized during warrants. The only increase has been in the number of ecstasy doses recovered.

School Liaison - This has been a 38-year association between MPD and MPS. MPS has specific levy authority to raise revenue for DARE/Liaison/Security. These past few years MPS has provided approximately \$500,000 per year to MPD to be used toward officer salaries. In the 2002-2003 school year that paid for about 25% of the nineteen officers MPD assigned there. The LGA cuts of 2003 necessitated MPD scale back our liaison commitment. The manner of calculation for the levy was changed this year and MPS has almost tripled their levy authority. MPS offered \$900,000 to MPD for salaries. We offered them fourteen officers and two sergeants. The \$900,000 would pay those officers salaries for almost three-quarters of the year.

As of this writing MPS has officially rejected our offer and is instead seeking to enter into an agreement with the Park Police Department for liaison services. The net to MPD will be the loss of the \$500,000 that formerly offset a quarter of the liaison salaries. We will be placing the officer positions formerly in liaison into precinct based traffic enforcement positions. Through the fine revenues generated in diligent enforcement they should be able to cover the one-quarter loss of salary.

Training - We have some of the best educated and most experienced law enforcement professionals in the State of Minnesota. Many are excellent instructors and subject matter experts. We also have the need to assure our officers are properly trained for licensing, liability, effectiveness, and professional certifications. Most law enforcement agencies in Minnesota cannot afford to have full time training staffs. They must purchase or otherwise acquire needed training for their personnel.

We have frequently permitted other agencies personnel to attend our scheduled training. On limited occasions, we have hosted IACP or other courses for regional seminars. Some of these have been revenue producing or permitted us free seats in the class. The St. Paul Police Department does not receive general fund support for their training programs. They run training programs for fees and thereby fund their own training needs.

We are also in need of a permanent training facility as we are in borrowed and/or rented space. Our need for a training facility is currently in the CLIC process. With some more personnel assets dedicated to our Professional Development we believe we could develop a similar practice of providing regionally needed training for fees and reduce or eliminate our need for general fund support of our necessary training programs.

D. 800 Mhz

Revenues could be collected from private agencies wanting to use talk groups (channels) on City 800 MHz radios that are carried by MPD personnel. It is common for organizations to hire off-duty personnel to act as security (or augment existing security) for events and even for routine times of operation. During these times, MPD sworn personnel have access to and can use their own radios to coordinate amongst themselves and for response by on-duty personnel if needed. The City could consider an hourly fee, per officer, for having this access to MPD channels. Similarly, the City could negotiate an annual fee with these user organizations. This would be an administrative challenge if applied to all off-duty locations. Perhaps more practical, MPD could focus on the large indoor venues where channel congestion could occur if not controlled. A venue such as the Metrodome, for the Vikings, might be charged \$50 per hour per officer during Viking's events. Other venues/organizations, such as the Target Center for the Timberwolves, concerts, and other events, would also be contracted.

Potential revenues: Using this example fee level; $\$50 \times 20 \text{ officers} \times 6 \text{ hours} \times 8 \text{ events per year} = \sim\48K (\$24K at \$25/hour).

7. What to tell citizens asking to help

A. Volunteers

Utilizing seniors as volunteers can bring great savings to the MPD. Presently, one of the Sector Lieutenants in the Third Precinct is focusing on seniors in his Community Engagement project. The seniors are contacted through the Longfellow Healthy Seniors organization. The seniors now help staff the Third Precinct Cop Shop at 34th Avenue and 54th Street. Seniors could assist with follow-up calls to crime victims to notify them of the status of their cases, and help with informational calls to the public on City of Minneapolis information.

B. Problem solving

C. Block Clubs

D. Partner with vulnerable people on block

E. Citizen patrols/watching out for them

F. MAD DADs

G. African American Men's Project

Potential long-term savings are possible by Minneapolis Police participation in the African-American Men Project's RIGHT TURN initiative. The Third and Fourth Precinct Commanders are working with RIGHT TURN to refer young African American men to the initiative who are arrested repeatedly for livability crimes. RIGHT TURN will work with men to correct some of the life-situations the men experience (no GED, etc.) that keep them reoffending. RIGHT TURN estimates the MPD arrest costs \$251.00 per arrest. On a conservative estimate of helping 10 men out of a life of livability crimes, and estimating that each man would not commit 12 of those crimes in a year, would have a potential savings to the MPD of \$30,120.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Part I crimes	27,750	27,079	27,201		
(Crimes against persons)	---	---	4,200		
(Crimes against property)	---	---	23,000		
% Change in Part I Crimes	-10.690%	-3.3%	0%		
# of Part II crimes	45,070	45,169	42,363		
(Crimes against persons)					
(Crimes against property)					
# of arrests	36,278	35,412	32,157		
# of Part I arrests	4,555	4,194	4,065		
# of Part II arrests	31,723	31,218	28,092		
# of homicides	50	43	47		
Number of burglaries where entry was made through an unlocked door or window	1,602	1,659	1,152		
	35.1%	40.4%	25.8%		
% of all burglaries where unlocked entries were made					
% citizens who report feeling safe in their neighborhoods*	---	80%	---		
% citizens expressing satisfaction with Police Services*	---	86%	---		
% citizens who had contact with Police who report satisfaction with the professionalism shown by police officers*	---	78%	---		
% MPD employees who are women	28%	29.3%	29.3%		
% minority MPD employees (all)	15.2%	15.7%	16.4%		
% minority MPD employees (sworn)	15.3%	16.4%	16.1%		

Explanation of Performance Data for Departmental Outcome Measures:

*Citizen data is from the 2001 Minneapolis Citizen Survey. This citywide survey interviewed 1200 residents. A smaller survey is planned for later 2003.

Primary Business:

Law Enforcement & Emergency Services

Service Activity:

Public Safety Services

Description:

Protection of life and property: Enforcement of local, state and federal laws

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# calls for service		376,418	361,555		
Average response time:					
Priority 0			3.5 minutes		
Priority 1			7.7 minutes		
Priority 2			21.3 minutes		
# authorized sworn officers per 1000 residents	2.5	2.3	2.3		
Total Arrests	36,278	35,412	32,157		
Drug related Arrests	4,140	3,980	3,545		
Gang related Arrests	815	768	712		
DWI Arrests	1,004	1,064	1,268		
Guns recovered	1,155	929	997		
# Traffic accidents/reports	8,418	8,079	7,442		
# Traffic-related fatalities	17	19	15		
# Operation 100s	6	6	5		
# High risk warrants served	214	362	233		
# special events	95	110	129		

Explanation of key performance measures:

- Arrest information from CAPRS
- Citizens also file traffic accident reports directly to the state (estimated over 8,000 in 2002)

Service Activity:**Investigating Crimes***Description:*

Crimes against persons and crimes against property are investigated by either the precinct investigative units (these crimes include property crimes, robbery, auto theft, hit and run, juvenile crimes), or the specialty investigative units of Homicide, Narcotics, Organized Crime (Gang and Weapons), Bomb/Arson, Family Violence, Sex Crimes, Forgery/Fraud, or Accident Investigation.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Part I crimes against persons events reported	5,157	4,779	4,657		
# of Part I crimes against persons reported that are assigned for investigation.	3,166	3,039	2,957		
# of assigned Part I crimes against person that are charged.	725	734	688		
# of Part I crimes against property reported	27,945	27,059	27,394		

# of Part I crimes against property reported that are assigned for investigation.	4,786	4,231	3,744
# of assigned Part I crimes against property that are charged.	963	807	769
# of Part II crimes reported	45,497	45,329	42,363

Explanation of key performance measures:

- Part I crimes against persons include homicide, rape, robbery aggravated assault.
- Part I crimes against property include burglary, larceny theft, motor vehicle theft, arson.
- Part II crimes include all criminal offenses not included in Part I. These crimes are grouped together instead of separated into crimes against persons and crimes against property. Part II offenses include the groups of narcotics, prostitution and gambling and would not necessarily be assigned for investigation.
- UCR (Part I and II crimes) report the single most serious event. The above information may reflect multiple offenses against one or more victims.

Primary Business:

Crime Prevention and Reduction

Service Activity:

CODEFOR

Description:

Computer Optimized Deployment Focus On Results. The four elements essential for crime control: accurate and timely intelligence about crime that is occurring; rapid deployment of personnel and resource; effective tactics; and relentless follow-up and assessment. The CODEFOR unit is also responsible for compiling and submitting UCR crime statistics for the MPD.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% change in Part I Crimes	-10.6%	-3.3%	0% no change		
Part I reported crimes per 1000 residents*	72.5	71.1	71.1		
Part II reported crimes per 1000 residents*	117.8	118.1	110.7		

Explanation of key performance measures:

Total Part I crimes remained even from 2001 to 2002. Part I Violent Crimes increased 1.5 percent and Part I Property Crimes decreased 0.3 percent.

*Based on the 2000 Census population of 382,618 residents.

	2002	2001	% Change	2000	1999	1998	1997	1996
Homicide	47	43	+9.3	50	47	58	58	83
Rape	385	399	- 3.5	422	479	489	575	560
Robbery	1,824	1,943	- 6.1	1,948	2,122	2,400	3,325	3,268
Agg. Assault	1,945	1,716	+13.3	1,984	2,387	2,691	2,860	2,999
Burglary	4,465	4,092	+ 9.1	4,514	5,634	6,560	8,302	7,717
Larceny	14,754	14,548	+ 1.4	14,788	16,552	18,322	20,945	20,789

Motor Veh. Theft	3,515	4,079	-13.8	3,783	3,941	4,540	5,834	5,694
Arson	266	259	+ 2.7	261	298	427	391	496
Total	27,201	27,079	+ 0.45	27,750	31,460	35,487	42,290	41,606

Service Activity:

Crime prevention education and opportunity reduction

Description:

Includes prevention activity from the MPD's CCP/SAFE teams currently assigned to each precinct, as well as the Police Athletic League (PAL). The mission of the CCP/SAFE unit is to enhance safety and livability in Minneapolis, through police-community partnerships.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of new block clubs/apartment clubs organized	77	61	53		
# of block club activities	1,280	1,440	1,387		
# of new McGruff Houses	35	32	44		
# of CCP/SAFE and RECAP education and outreach activities (includes workshops, youth outreach, etc.)	1,663	1,709	1,907		
Rental license enforcement letters sent	383	351	340		
# of youth participating in PAL		1,330	1,620		
% youth participating in PAL cited or arrested vs. city juvenile population		2% (PAL) 11% (all)	TBD		
Youth brought to the Curfew Center	1,318	1,378	1,275		
Youth brought to Truancy Center	1,959	1,612	1,585		
Juvenile arrests					
Part I		1,437	1,359		
Part II		6,795	6,462		
Total		8,232	7,821		
% of all arrests		23.2%	24.4%		

Explanation of key performance measures:

- Block club tracking does not include new initiatives in virtual (Internet) block clubs.

Primary Business:

Internal Services

Service Activity:

Support Operations

Description:

Support Operations consists of the following:

- Identification (Identifying criminal suspects by gathering and processing evidence)
- Licensing (License application investigation and premise inspection; criminal and regulatory investigations and inspections of gambling laws)
- Support Services (Criminal record development and management; property and evidence inventory and

management; and response to communication requests for internal and external customers)

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Identification: # suspects identified	171	226	267		
Identification: # of crime scenes processed	1,142	1,104	1,072		
Identification: # of firearms examined	416	345	483		
Identification: # of firearms & ballistics examinations (Data includes firearms, shell casings, expended bullets and test-fired bullets.)	1,883	952	4,583		
Licensing: # of compliance checks	836	941	1,142		
Licensing: # of violations detected as a result of compliance checks	124	303	362		
Support Services: inventoried property (# of items)	275,535	287,588	283,304		
Support Services: revenue generated from police auctions	\$69,798	\$104,978	\$109,122		
Support Services: revenue generated from criminal history/records and reports		\$81,483	\$70,662		

Explanation of key performance measures:

Service Activity:

Business Operations

Description:

Business Operations consists of the following:

- Organizational Development (Pre-service and in service professional development of departmental personnel; Develop and manage organizational resources, policies and practices)
- MPD Human Resources (Personnel management within the MPD, hiring and promotions internal and external and medical management of employees)
- MPD Finance/Payroll (Payroll administration and management; Financial /budgetary administration and management)

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of grant applications	15	20	7		
\$ value of grant awards	\$12,376,059	\$11,967,592	\$10,312,709		
# of persons hired	32	71	46		
# of promotional exams (sworn)	0	3	0		

Major policies revised

Emergency Response Illness and Injury Policy Off-duty Employment	Emergency Response Phase I, II and III Alerts Crisis Intervention Teams and Taser Policy Active Shooter Policy Drug and Alcohol Testing Policy	Use of Force Emergency Response Search and Seizures Watch Commanders Juvenile Procedures Adult Arrest
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Explanation of key performance measures:

- Internal activities to maintain peak effectiveness of employees; includes ongoing training, policy reviews, etc.

Service Activity:

Internal Affairs

Description:

Chief directed operations to review and audit personnel, organizational processes and actions. This service activity includes receiving, investigating and processing complaints and department policy violations involving MPD personnel. It also includes reviewing, auditing and redirecting organizational and operational processes and practices

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of complaints received	45	38	38		
# cases investigated	45	38	38		
# CRA complaints reported	102	114	56*		
# CRA complaints sustained	4	0 (7 open)	0 (37 open)		
Civil legal claims against the MPD	214 claims (\$305,904) 71 claims paid (\$107,280)	207 claims (\$125,226) 71 claims paid (\$48,806)	44		
# of audits and assessments completed	n/a	8	5		

Explanation of key performance measures:

Complaints are infractions of Minneapolis Police Department rules or procedures as defined by the department manual. Complaints may be investigated by the Internal Affairs Unit or the Civilian Review Authority.

*No CRA complaints were taken March-June 2002.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURE

The Police Department's budget increased by 6.3% from the 2003 adopted budget. The department's positions decreased by 95 from 2003 adopted as a result of the local government aid cut.

The department's budget increased \$3 million due contract settlements and fringe benefit increases.

The department's budget reflects an increase of \$800,000 related to the purchase and maintenance of vehicles from the Equipment Services division of Public Works.

The department has reallocated a number of functions into the Police Special Revenue fund. These functions include NRP contracts, Hennepin County contracts, and the Public Housing Patrol. A decrease of \$566,000 for booking fees is also reflected.

The Minneapolis Emergency Communications function has moved to the City Coordinator's area – this change is reflected in the financial information and the position information. The Council shifted 2 additional positions to fully reflect the final changes needed for this shift.

REVENUE

As a result of the changes related to the above contracts, the department's revenue budget in the special revenue fund increased substantially.

**POLICE DEPARTMENT
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Administration	13.00	13.00	12.00	14.00	16.67%	2.00
North Field Services Bureau	384.00	386.00	423.50	397.00	-6.26%	(26.50)
South Field Services Bureau	411.00	410.00	436.00	375.50	-13.88%	(60.50)
Central Services Bureau	138.50	138.50	130.00	132.05	1.58%	2.05
Internal Services Bureau	140.50	140.50	-	-	0.00%	-
Police Licensing and Support Services	5.00	5.00	59.00	47.50	-19.49%	(11.50)
Total FTE's	1,092.00	1,093.00	1,060.50	966.05	-8.91%	(94.45)

Public Works

Mission Statement

To build and maintain the public infrastructure of the City, and to provide basic services and products to support a high quality urban environment and a desirable quality of life for our citizens.

Primary Businesses:

Transportation, Internal Services, Sewer and Water, Solid Waste

Key Trends and Challenges Impacting the Department:

The Public Works Department is in the process of developing the key trends and challenges that will be part of the department's business plan. These key trends and challenges should be finalized by the time the 2004 Adopted Budget is published.

Key Initiatives or Other Models for Providing Service to be implemented:

The Public Works Department is in the process of developing the initiatives that will be part of the department's business plan. These initiatives should be finalized by the time the 2004 Adopted Budget is published.

Key Departmental Outcome Measures:

Explanation of Performance Data for Departmental Outcome Measures:

The Public Works Department is in the process of developing the outcome measures that will be part of the department's business plan. These outcome measures should be finalized by the time the 2004 Adopted Budget is published.

Primary Business:

Internal Services

Service Activity:

Fleet Supply

Description:

Acquire the most cost-effective fleet units that meet customer operational needs. Establish a charge out rate and recover all costs incurred from customers.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

- 1) % of units beyond economic lifecycles
- Squads
 - Fire Apparatus (pumpers, ladders, aerials, response)
 - Tandem axle and tri-axle dumps
 - Pickups
 - Loaders, back hoes, and excavator

Explanation of key performance measures:

Service Activity:

Fleet Maintenance

Description:

Establish maintenance standards, maintain the fleet at an optimal level and charge customers on a pay-as-you-go basis to recover costs incurred. Retain an appropriate complement of trained technicians and operate in a safe and environmentally sound manner.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) Shop rate – benchmark comparison with the private sector					
2) # of FTE technicians per 100 Vehicle Equivalent Units (V.E.U.)					
3) 80% or higher customer approval					
4)% of woman and minorities employed					

Explanation of key performance measures:

Service Activity:

Field Support

Description:

Maintain an inventory of job-ready fleet and trained drivers and operators to support customer field operations. Establish and recover all-inclusive costs incurred through regular customer billings.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) Fleet utilization – annual hours or use vs available					
2) % of woman and minorities employed					

Explanation of key performance measures:

Service Activity:

Fuel Supply

Description:

Tender and acquire required fuels and maintain safe and environmentally sound dispensing facilities to meet the City's fuel needs. Establish overhead charges and recover costs through direct customer billings.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

- 1) Annual volume of fuel dispensed
- 2) Dollar gap with retail prices
- 3) Zero environmental infraction citations

Explanation of key performance measures:

Service Activity:

Radio Supply

Description:

Supply wireless communications equipment and miscellaneous electronic accessories, to all City departments. This includes two way mobile and portable radios, Pagers, cell phones, mobile data terminals and the supporting accessories (i.e. batteries, belt clips, 12 volt charger cords, hands free kits etc.) and supporting electronic equipment (i.e. sirens, building paging / intercom systems and video camera surveillance equipment, etc.).

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

- 1) % of inventory accuracy (including spares)

Explanation of key performance measures:

Service Activity:

Radio Maintenance & Repair

Description:

Maintains, installs and removes in City buildings and vehicles, the above supplied equipment and accessories. We maintain all necessary FCC licenses.

Key Performance Measures for the Service Activity:

Explanation of key performance measures:

Service Activity:

Radio Operations

Description:

Operates the supporting base station infrastructure and antenna systems located in hi-rise buildings that enables the mobiles, portables, dispatch center console and fire alerting and mobile data equipment to communicate with each other. We represent the City on the Metropolitan Radio Board's Technical Operating Committee (TOC) and System Manager's Groups (SMG).

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

1) % of busy transmissions

Explanation of key performance measures:

Service Activity:

Facility Operations & Maintenance

Description:

Provide for the daily needs of our customers while protecting the City investments in facilities that support the operational needs of the City's Charter Departments.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

1) Average cost per square foot by type of space & types of services

2) Capital improvement dollars as a % of replacement cost of facilities

3) % preventative work orders completed by scheduled time

Explanation of key performance measures:

Service Activity:

Space & Asset Management

Description:

Provide for functional needs and the efficient use of space to support the operational needs of the City's Charter Departments.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

1) % of office space within City standards (look at where people are)

2) # of people relocated

3) % of space occupied in City owned facilities by type (including leased space)

Explanation of key performance measures:

Service Activity:

Facility Design & Construction

Description:

Provide for the major repair, renovation, or replacement of the City's owned and operated facilities that support the City's Charter Departments.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

1) % of projects over value \$ X completed on-time and within budget

2) # of projects (Note big projects?)

3) Green buildings initiative

Explanation of key performance measures:

Primary Business:

Transportation

Service Activity:

Building transportation infrastructure

Description:

Building transportation infrastructure - component tasks include capital budgeting, planning, designing, obtaining funding, project management, construction, public communication, and contract management

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % increase in project timelines met (all phases)					
2) % increase in projects that meet projected budgets					
3) % decrease in change orders					
4) time to complete					
5) Decrease in construction related delays (impact on the public)					

Explanation of key performance measures:

Service Activity:

Maintaining transportation related assets and infrastructure

Description:

Maintaining transportation related assets and infrastructure - component tasks include maintenance planning, maintenance scheduling, conducting maintenance, etc. of pavement, facilities, equipment, other assets

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % decrease in maintenance backlogs					
2) % increase in pavement condition index					
3) % increase in bridge condition index					
4) % of asset value retained					

Explanation of key performance measures:

Service Activity:

Managing and operating working assets and infrastructure

Description:

3. Managing and operating related assets and infrastructure – component tasks include managing and operating pavement, facilities, equipment and other assets

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % decrease in maintenance backlogs					
2) % of asset value retained					
3) % decrease in downtime of assets – nonworking time of assets					

Explanation of key performance measures:

Service Activity:

Emergency preparedness, responding to emergencies and other situations

Description:

Emergency preparedness, responding to emergencies and other situations – component tasks include planning, taking calls, assembling response resources, dispatching resources, tracking and communicating results, research and analysis to solve recurring issues/situations, etc.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % decrease in response times					
2) % decrease in resolution times					

Explanation of key performance measures:

Service Activity:

Hiring people

Description:

Hiring people – component tasks include workforce planning (including succession planning), creating and classifying positions, obtaining position funding, advertising/posting positions, screening applicants, conducting background checks and investigations, interviewing, on-boarding, etc.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % decrease in time needed to post comprehensive position description					
2) % improvement in screening scores for applicants					
3) % decrease in time needed to fill vacancy					

Explanation of key performance measures:

Service Activity:

Providing tools and support for business line staff

Description:

Providing tools and support for business line staff – component tasks include managing and directing staff, offering training, mentoring, and tuition reimbursement programs, providing space, providing equipment, etc.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % increase in employees who complete & implement personal development plans					
2) % increase in number of employees who rate management as effective or highly effective					

Explanation of key performance measures:

Service Activity:

Customer communication & interaction (Providing public information, Soliciting public involvement, Responding to customer requests)

Description:

Customer communication & interaction -

Providing public information – component tasks include reviewing project plans, drafting and posting communications, etc.

Soliciting public involvement – component tasks include identifying areas for public input, scheduling public meetings, attending and documenting public meetings, etc.- Responding to customer requests – component tasks include documenting requests, routing requests, fulfilling requests, etc.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % decrease in requests for information repeated or already posted					
2) % decrease in project delays attributable to lack of information sharing with public					
3) % increase in major projects with substantive public participation					
4) % increase in community stakeholders who indicate they were asked to participate					
5) % decrease in service response times					
6) % decrease in service request fulfillment times					
7) % decrease in # of complaints about slow service/lack of responsiveness					

Explanation of key performance measures:

Primary Business:

Solid Waste

Service Activity:

Solid Waste and Recycling Collections

Description:

Safely picking up, hauling, and disposing of solid waste and recyclables, problem materials and yard waste. This collection provides a clean city for the residents

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % of residents expressing satisfaction with solid waste and recycling services					
2) Average monthly cost per customer versus private					
3) # of tons collected/year					

Explanation of key performance measures:

Service Activity:

Collections Support

Description:

Perform the field and office activities needed to allow timely and safe performance of collection functions, pre-route, mid-route and post-route.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % of residents expressing satisfaction with solid waste and recycling services					

Explanation of key performance measures:

Service Activity:**Coordinate all clean city activities***Description:*

Provide coordination and oversight of all city activities that impact Minneapolis' cleanliness, including those for which Solid Waste and Recycling is directly responsible as well as those under other Public Works divisions or other City Departments.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % of residents who perceive their neighborhood to be a clean place to live					
2) # and nature of partnerships with neighborhoods					
3) # of dirty collection points					

*Explanation of key performance measures:***Service Activity:****Manage Solid Waste and Recycling Fleet and Equipment***Description:*

Acquire appropriate vehicles that are cost effective and maintain Solid Waste and Recycling's fleet from optimal availability to support operations.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) Average maintenance costs per vehicle per year versus private companies					
2) Average % of vehicles available on a given day					
3) \$ value of replacement budget versus total fleet assets					

Explanation of key performance measures:

Service Activity:

Customer Service

Description:

Listening to customers to gain information that helps us provide them with better service, while keeping them educated and involved in the policies/services provided by our department and other outside agencies.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) # of calls					
2) # of complaints					
3) % complaints responded to within x hours					

Explanation of key performance measures:

Service Activity:

Manage Solid Waste and Recycling People and Financial Resources

Description:

Ensure efficient use of all division resources to maintain a clean city.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) Difference between annual revenues and annual expenses					
2) Average monthly cost per customer versus private					
3) % Solid Waste and Recycling's workforce that are women or people of color					
4) \$ value of property value payouts					

Explanation of key performance measures:

Primary Business:

Sewer and Water

Service Activity:

Pumping and Treatment Operations

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

- 1) Kilowatt hours/million gallons sold
- 2) Total chemical costs/million gallons sold
- 3) Cost of treatment of residual/million gallons sold
- 4) Number of FTE's

Explanation of key performance measures:

Service Activity:

Capital Improvement

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

- 1) Cost/ft of pipe installed
- 2) Cost/ft for manhole construction
- 3) Cost/ft for pipe rehabilitation
- 4) Average job cost

Explanation of key performance measures:

Service Activity:

Maintenance

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) Cost/mile O&M of sanitary sewer					
2) Cost/mile O&M storm sewer					
3) Cost/mile O&M water distribution					
4) % of system rehabilitated					
5) % of actual meter reads/month					
6) % of infrastructure operating at 100%					
7) % of staff time spent on preventative maintenance					
8) # of days lost to workers comp injuries					

Explanation of key performance measures:

Service Activity:

Engineering

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) % of City protected from 100 year flood					
2) total engineering costs/total infrastructure investment					
3) % of construction sites in compliance with erosion control and storm water compliance requirements					
4)% of City and private development projects using "best management practices"					
5) number of customers served					

Explanation of key performance measures:

Service Activity:

Administration

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
1) Cost/mile administration of sanitary sewer					
2) Cost/mile administration storm sewer					
3) Cost/mile administration water distribution					
4) Average administrative cost per capital job					

Explanation of key performance measures:

Financial Analysis: (To be completed by the Finance Department)

Administrative Services

The Public Works Department 2004 is \$244.4 million, a 2.2% increase over the 2003 adopted budget.

Public Works is funded by the General Fund, one grant fund, the Permanent Improvement Projects (Capital) Fund, four internal services funds, and four enterprise funds.

Administrative Services:

The 2004 Budget decreased by 4% from 2003 which is a \$82,000 decrease. Two Positions were eliminated as part of the 2003 LGA reductions. This gives a total count of 18 Positions for 2004.

Engineering Materials & Testing:

The 2004 budget increased \$859,000. This increase resulted from a shift of three positions into the area as well as changes in the usage of equipment and other internal services.

Engineering Services:

The 2004 budget increase over the 2003 Adopted Budget is 9.8% in total. Engineering Services is funded by the Permanent Improvement Projects (Capital) Fund, Sewer Enterprise Fund, General Fund, and Water Enterprise Fund. The increase over 2003 is attributable to two labor agreements that have occurred during the past year. The increase in salaries/benefits from 2003 is 11.7%. Personnel costs make up 62% of Engineering Services 2004 budget of \$12.7 million. Total position of 113.5 is an increase of 6.0 for from 2003, as a result of redistribution of work among the areas in the department.

In addition, the adopted budget includes an additional \$50,000 for an evaluation of the Bridal Veil falls area (including traffic patterns, potential falls restoration, and bridge replacement) as a result of the Capital Long Range Improvement Committee's recommendation on this capital project. The Council added an additional position, funded from non-personnel savings.

Equipment Services:

This division operates out the Equipment Fund. The department's budget reflects a 16% reduction in expense as result of a shift of revenue and expense related to work for others.

Field Services:

The Field Services division reflects a 2.8% decline over 2003 adopted budget. This resulted from the department's 2003 Local Government Aid Cut in this area.

Property Services:

The Property Services division reflects a 3% increase in expenditures over 2003. The contractual services and operating budgets were realigned as a result of an accounting treatment change. The Council added one position which was inadvertently omitted from the Mayor's Recommendation. The divisions work with the Community Centers will be funded from \$30,000 in revenue from the General Fund.

Sewer Maintenance:

The 2004 budget for Sewer Maintenance is an increase of 9.4% over the prior year and is entirely in the Sewer Enterprise Fund. The 2004 budget is \$43.6 million. An increase in the Metropolitan Council fees for sewer connections is reflected in the contractual service budget.

The budget includes 3 additional positions related to Combined Sewer Overflow Code Compliance staffing.

The Council authorized the reappropriation of \$475,000 (pending its availability) from 2003 to 2004 related to the study of the Sewer/Storm water fee in Public Works. This study was funded in the 2003 budget with final work to be completed in 2004. The Council also authorized the issuance of a Request for Proposals (RFP) for consulting services to assist with the final two phases of implementing a stormwater management fee, including the separation of the City's stormwater program and fees from the sanitary sewer program and fees.

Please see the sewer financial plan in the financial plan section of this book for more information on the sewer fee.

Solid Waste & Recycling Services:

The total 2004 budget is \$25.6 million which is a decrease of approximately 1% from 2003 adopted budget. The decrease is due to a decrease of 2 positions for a total count of 123.0. This division is budgeted 100% in the Solid Waste Enterprise Fund. Total revenues are expected to be \$27.5 million, with no increase to these fees recommended by the Mayor. The Mayor recommended and the Council Approved an additional \$50,000 in this area for graffiti strategies.

Transportation & Parking Services:

This division is funded from the Municipal Parking Enterprise Fund, the General Fund, and the Public Works Stores Fund. The 2003 budget reductions resulted in the shifting of 18 Positions to capital funded positions. The 2004 budget increase is 5.6 %. Transportation & Parking Services has the largest budget within Public Works at \$50 million. Projected revenue is estimated to be \$63 million, which represents a decrease of \$2.7 million across all funds.

The adopted budget includes an additional \$1.5 million for payments to MetroTransit for the Downtown Circulator. Two additional transportation planner positions were added funded from reduced non-personnel costs.

Water Treatment & Distribution Services:

The 2004 budget increase is \$2.8 million, which represents an 8% increase over the prior year. 2004 revenue is projected to be \$62 million. Please see the water financial plan in the financial plan section of this book for more information on the water fee.

PUBLIC WORKS ADMINISTRATION
Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Management Services	13.00	14.00	13.00	12.00	7.10%	0.92
Safety/Risk Management	4.00	4.00	4.00	3.00	18.75%	0.75
Special Assessments	3.00	3.00	3.00	3.00	33.33%	1.00
Total FTE's	20.00	21.00	20.00	18.00	4.50%	0.90

PUBLIC WORKS EQUIPMENT SERVICES
Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Maintenance	75.60	75.60	75.10	77.10	2.66%	2.00
Municipal Garage	12.00	12.00	12.00	10.00	-16.67%	(2.00)
Operations	160.00	170.00	170.00	170.00	0.00%	-
Total FTE's	247.60	257.60	257.10	257.10	0.00%	-

PUBLIC WORKS FIELD SERVICES
Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Sidewalk Inspections	6.00	5.00	6.00	6.00	0.00%	-
Bridge Maintenance	20.70	21.80	20.80	18.40	-11.54%	(2.40)
Nicollet Mall	11.80	11.80	8.30	6.10	-26.51%	(2.20)
Street Maintenance	82.80	77.76	77.66	51.90	-33.17%	(25.76)
Street Administration	10.80	10.80	11.80	10.80	-8.47%	(1.00)
Street Cleaning	26.10	26.34	26.34	26.30	-0.15%	(0.04)
Snow & Ice Control	28.20	29.20	28.70	28.70	0.00%	-
Malls and Plazas Maintenance	20.70	21.00	21.30	17.30	-18.78%	(4.00)
Total FTE's	207.10	203.70	200.90	165.50	-17.62%	(35.40)

PUBLIC WORKS PROPERTY SERVICES
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Radio	10.30	11.30	11.00	11.00	0.00%	0.00
Municipal Market	0.15	-	-	-	-	0.00
Facilities Management Maintenance	50.45	52.50	82.85	82.90	0.06%	0.05
Special Projects	3.00	3.00	2.50	3.00	20.00%	0.50
Total FTE's	63.90	66.80	96.35	96.90	0.57%	0.55

PUBLIC WORKS SEWER MAINTENANCE
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Sewer Maintenance	61.10	61.90	63.60	64.10	0.79%	0.50
						-
Total FTE's	61.10	61.90	63.60	64.10	0.79%	0.50

PUBLIC WORKS SOLID WASTE AND RECYCLING
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Collection	44.15	41.00	44.00	39.00	-11.36%	(5.00)
Recycling	15.00	17.00	14.00	18.00	28.57%	4.00
Disposal	4.00	1.00	1.00	1.00	0.00%	-
Yard Waste	9.50	9.50	9.50	9.00	-5.26%	(0.50)
Large Item & Problem Materials	9.00	9.00	8.00	8.00	0.00%	-
South Transfer Station	2.00	1.00	1.00	1.00	0.00%	-
Administration	17.00	17.50	17.30	16.00	-7.51%	(1.30)
Customer Service	8.00	9.00	9.00	9.00	0.00%	-
Clean City	9.00	12.50	12.00	12.00	0.00%	-
Equipment	9.00	9.00	9.00	10.00	11.11%	1.00
Total FTE's	126.65	126.50	124.80	123.00	-1.44%	(1.80)

PUBLIC WORKS TRANSPORTATION
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Street Lighting	6.60	5.60	6.60	5.10	-22.73%	(1.50)
Planning and Design	6.50	6.50	6.50	8.50	30.77%	2.00
Inventory	2.00	2.00	2.00	2.00	0.00%	-
Field Operations	53.24	51.54	48.54	33.84	-30.28%	(14.70)
On-Street Parking	8.30	10.30	12.30	12.65	2.85%	0.35
Off-Street Parking	12.10	18.10	14.10	13.40	-4.96%	(0.70)
Towing and Impound	21.80	22.50	25.00	24.85	-0.60%	(0.15)
Total FTE's	110.54	116.54	115.04	100.34	-12.78%	(14.70)

PUBLIC WORKS WATER
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
FTE's by Division						
Administration	6.00	7.00	7.00	7.00	0.00%	-
Treatment	79.75	80.00	79.75	79.75	0.00%	-
Treatment Maintenance	59.00	59.00	59.00	60.00	1.69%	1.00
Distribution	96.00	95.00	94.00	93.00	-1.06%	(1.00)
Total FTE's	240.75	241.00	239.75	239.75	0.00%	-

Board of Estimate and Taxation

Mission Statement

Provide full administrative services to the Board of Estimate and Taxation to assist the Board in carrying out its governmental responsibilities under the City Charter, ordinances and State statutes.

Primary Businesses:

Independent internal audit function of the City.
Ensure sound debt and fiscal management, provide technical financial resources.
Provide policy and strategic guidance to the Board; provide high-quality service to customers.
Bond offerings as approved by the Board.

Primary Business:

Internal Audit reviews and evaluates accounting, financial and operating policies and programs.

Service Activity:

Internal Audit prepares an annual Audit Work Plan

Description:

Develop and execute an annual audit work plan to review financial, operational and compliance of selected city departments/divisions/subdivisions.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Risk Assessment Matrix

Explanation of key performance measures:

Based on a risk assessment matrix, various potential audit areas are "scored" and ranked via a matrix. The Matrix is presented to the Audit management Committee (AMC) and audits are selected for inclusion on the work plan. They are then presented to the Board of Estimate and taxation (BET) for final approval. The work plan may extend beyond one year.

Service Activity:

Conduct reviews for audit listed on the Audit Work Plan.

Description:

Obtain a general overall understanding of the area to be reviewed.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Interviews/Questionnaires

Internal Control Points identified

Exceptions

Explanation of key performance measures:

Via interviews, questionnaires, and/or flowcharting of the functional processes of a given ensure they are working as intended. Exceptions, which may mean vreakdowns in controls, are followedc up on. Recommendations for corrective action are made for exceptions noted and discussed with respective audit entity management.

Service Activity:

Conduct Special Reviews/audits as requested and assist external auditors as needed. This again is approved by the Audit Management Committee.

Description:

Special reviews are not specifically mentioned in the work plan as they are of an immediate concern to the requesting department. Assistance to the State Auditor is specifically mentioned by project area.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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AMC Committee reviewal

Explanation of key performance measures:

These audits/reviews are usually conducted in much the same manner as those reviews in the work plan, however the time allowed for each review is agreed upon on a coase by case basis between Internal Audit and the Audit Management Committee. Findings and subsequent recommendations may be made to respective management based on the outcome of the review.

Service Activity:

Present audit reports for review.

Description:

After each audit a written draft report is prepared and shared the the Audit Msnshrmrny Committee as well as representatives from the selected audit area. It remains in draft form until all praties have read it, are given a chance to ask questions and basically understand it. Auditees are given a chance to respond in writing to any/all recommendations mentioned in the report. Their written response in concluded with the final report.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Assessment of Internal Controls

Adher to Policies and Procedures

Explanation of key performance measures:

Includes an assessment of internal controls, adherence to policies, procedures ect...

A final report is presented to the Audit Management Committee, the Board and Estimate and Taxation, and the appropriate policy committee(s).

Service Activity:

Conduct special reviews/audits, as requested, as well as assisting external auditors.

Description:

Key Performance Measures for the Service Activity:

Explanation of key performance measures:

Primary Business:

Ensure sound debt and fiscal management, provide technical financial resources.

Primary Business:

Provide policy and strategic guidance to the Board; provide high-quality service to customers.

Service Activity:

Technical financial support to customers.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Customer satisfaction measures

Explanation of key performance measures:

Service Activity:

Administrative and policy support to the Board

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Board of Estimate and Taxation member's satisfaction measures.

Explanation of key performance measures:

Primary Business:

Bond offerings as approved by Board of Estimate and Taxation.

Service Activity:

Pre- and post-bond sale activities

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Percentage of timely and successful closings of bond offerings. Goal - %

Explanation of key performance measures:

BOARD OF ESTIMATE AND TAXATION
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
<hr/>						
FTE's by Division						
Board of Est./Tax	2.00	2.00	2.00	2.00	0.00%	-
<hr/>						
Total FTE's	2.00	2.00	2.00	2.00	0.00%	-

BOARD OF ESTIMATE & TAXATION
Expense Information

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	0	2	0	0		0
Total for General Fund - City	0	2	0	0		0
Special Revenue Funds						
Contractual Services	6,189	4,690	6,249	5,500	-12.0%	-749
Fringe Benefits	30,761	33,485	43,596	47,005	7.8%	3,409
Operating Costs	11,430	11,222	16,483	14,973	-9.2%	-1,510
Salaries and Wages	172,113	178,520	179,086	182,022	1.6%	2,936
Total for Special Revenue Funds	220,493	227,917	245,414	249,500	1.7%	4,086
Total for BOARD OF ESTIMATE & ' 	220,493	227,919	245,414	249,500	1.7%	4,086

Minneapolis Library Board

Mission Statement

The Minneapolis Public Library and Information Center will be the community's resource for information and knowledge and a source of community pride and economic stimulation. In a democratic society that depends on the free flow of information, the library system, with its central facility and community libraries, becomes the key public institution and most visible symbol of democracy and the importance of education, lifelong learning and intellectual freedom in the City of Minneapolis. The library will be the pivotal informational, educational and cultural resource for the people of the community.

Primary Businesses:

Ensure the rights of all people in the City of Minneapolis to equal opportunity of information access by developing, preserving, and making accessible an extensive community asset of educational and informational resources in multiple formats and languages for the purposes of educational betterment, cultural enrichment, civic enlightenment, and personal, social and economic improvement.

Connect library users to the resources and information needed through expeditious information and delivery services. Support school readiness, literacy development, and educational and job success through educational services for adults and children.

Promote lifelong learning, community engagement and respect for diversity through cultural and educational programming.

Coordinate budgeting, personnel, contracts, operational and capital construction projects for the Library system.

Ensure sound library management by assessing, developing and implementing appropriate library policies, procedures, operations, training and staffing

Key Trends and Challenges Impacting the Department:

Reductions in public revenue sources.

Increasing library use, both in numbers and type of use required.

The changing and growing nature of information services (technology oriented).

The changing demographics of Minneapolis Public Library patrons presents both a long term trend and a challenge for MPL to serve those patrons.

Key Initiatives or Other Models for Providing Service to be implemented:

The New Central Library project which includes more computer and technology access, a new citizen education center, and expanded teens and children services.

A new 24/7 chat reference online in cooperation with Hennepin County Library.

The diversification and expansion of revenues.

Increased use of volunteers

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Circulation	2,663,751	2,848,860	2,998,289	3,250,000	
Library Visits	1,518,621	1,519,868	2,955,168	3,000,000	
Items added to the collection	38,190	39,025	36,863	30,000	
Hours Open	39,750	40,250	40,250	39,460	TBD
Total Number of Registered Borrowers	320,316	345,000	376,040		

Explanation of Performance Data for Departmental Outcome Measures:

Primary Business:

Ensure equal opportunity of information access by making accessible library resources.

Service Activity:

Provide library service at the Central Library and fourteen Community Libraries, and through the Bookmobile.

Description:

The hours of library service were maximized, including the continuance of Sunday hours, in order to to have library resources accessible.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Community Library weekly hours of service	692	725.5	725.5	725.5	725.5
Central Library weekly hours of service	62	65	65	65	65
Weekly Sunday service hours	0	16	16	16	16
Annual Visits to Central Library	716,968	744,946	609,667	750,000	
Annual Visits to Community Libraries	576,644	774,922	2,345,501	2,500,000	
Community Library weekly service hours	692	725.5	725.5	725.5	497
Central Library weekly service hours	62	65	655	50.5	40
Weekly Sunday hours of service	0	16	16	16	0
Annual Central Library Visits	716,968	744,946	838,032	400,000	
Annual Community Library Visits	576,644	774,922	855,028		

Explanation of key performance measures:

: The Library adjusted hours to reflect community needs and added Sunday service at four locations. Providing additional hours of service allowed more opportunity for youths and families to visit and use the Minneapolis Public Libraries.

Service Activity:

: Acquire new print and non-print materials and weed collections to meet the needs of users

Description:

: Staff select materials based on professional expertise and patron requests to provide materials that meet user needs

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Items added at Central	38,190	39,025	32,936	25,000	25,000
Items withdrawn	35265	45842	26,293	30,000	25,000
Print Collection	3,050,116	3,063,140	3,101,063	3,200,000	
Non-print collection	205,820	129,463	95,147	90,000	
Collection total	3,255,936	3,222,603	3,220,600		

Explanation of key performance measures:

Service Activity:**Maintain and preserve the collection to meet current and future user needs***Description:*

The Library uses an in-house binder and commercial vendors to bind and preserve materials in various formats.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Commercial binding		4415	4,397	4200	4400
In-House binding		15,035	10,591	5,000	5,250
Brittle Books		263	297	300	300
Sheet music encapsulation	3653	9398	3510	100	100

Explanation of key performance measures:

The above are some of the workload measures for preserving the collection.

Primary Business:**Connect library users to resources/information through expeditious information and service delivery.****Service Activity:****Provide reference, electronic and in-person assistance at all Library locations***Description:*

The Library provides assistance to in-person users and users by telephone and through e-mail

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Telephone Reference	846,253	846,253	704284	500000	700000
In-Person Assistance	1,423,398	1,419,410	1208396	1000000	1250000
Electronic/Virtual Reference	N/A	8,939	5859	4000	8000
Machine Assistance	N/A	139,116	115867	100000	125000
E-Paging at Central	75152	95251	78561	105000	150000
Interlibrary Loan for Mpls patrons	3,271	2,736	11424	12298	13000
Online catalog searches	2,283,780	2,402,832	2,500,000	3000000	3500000
Remote web/home page hits	2258846	3026656	3642432	4032606	4400000

Explanation of key performance measures:

: Patrons utilize the Library's services through different formats and locations

Service Activity:**Provide a collection that meets user needs***Description:*

The Library circulates materials in various formats for adults and youth

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Central Library adult circulation	770,830	820,507	698994	700000	
Community Library adult circulation	1,063,163	1,126,990	1346761	1400000	
Central Library juvenile circulation	128,622	141,400	111346	150000	
Community Library juvenile circulation	701,142	759,963	781346	800000	
Adult circulation	1,833,993	1,947,497	2045755	2000000	
Juvenile circulation	701,142	901,363	892692	900000	
Total Circulation	2,663,757	2,848,860	2998389	3000000	

*Explanation of key performance measures:***Service Activity:****Provide specialized reference service to business and patrons**

Description:

The Library provides in-depth, rush and specialized reference and research services to patrons through INFORM, the fee-based reference service

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Research Requests	880	1,201	1303	2050	2500
Research Hours	1,438	941	985	1200	1500
Document Delivery	742	708	1860	4000	5000

Explanation of key performance measures:

Primary Business:

Support scholl readiness, literacy development, education/job success through educational services.

Service Activity:

Provide Homework Helper tutoring assistance at various Library locations

Description:

The Library provides Homework Helper assistance to Minneapolis youth to help them improve their school grades

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Student Visits	10157	9599	10751	11286	9028

Explanation of key performance measures:

Service Activity:

Summer Reading and Activities Program

Description:

The Library provides a focused theme Summer Reading Program (SRP) to Minneapolis youth including reading incentives, special programming, and the involvement of the Read Team volunteers (high school youth)

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
SRP Registrations	10,811	8,223	10846	11000	8800
SRP Attendance	12,779	12,368	16486	14000	8000
SRP Youth Group participants	3,855	4,187	3,000		
SRP live programs	7,080	5,906	7716	6000	3000
Number of books read in SRP	N/A	62,106	166780	170000	130000
SRP Planetarium programs	485	571	754	0	0

Explanation of key performance measures:

Service Activity:

Provide educational services for adults through the Franklin Learning Center

Description:

The Franklin Learning Center is the Library's literacy tutoring and educational center

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total student hours	14,137	14,526	15308	16000	
Total students	370	448	424	450	
New students	258	342	264	300	

Volunteers	105	115	140	150
Volunteer Hours	5268	6,270	7046	8000

Explanation of key performance measures:

Service Activity:

Operate the Hosmer Technology Learning Center

Description:

The Library provides computer training through the Technology Learning Center

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total Class Attendance	641	796	11,464		
Total Senior Lab Attendance	192	200	245		
Open Lab Attendance	0	7,130	816		
Individual Users	13,328	8,646	685		

Explanation of key performance measures:

Individuals may use the Center with or without staff assistance

Service Activity:

Provide school and class visit orientations to the Library and its services

Description:

Library staff visits schools and teachers to encourage library use. Staff provides in-library orientations for school groups from Minneapolis and surrounding suburbs

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Library Visits	949	828	797	900	900
Student Visits to Library	19,584	16,586	15576	20000	20000
Class Visits to the Library by Mpls Public School classes	626	472	597	600	600
MPS student visits	12,208	9,679	11676	12000	12000
Staff visits to schools	326	438	377	500	500
Staff visits and student outreach	12,272	24,563	18589	25000	25,000

Explanation of key performance measures:

Service Activity:

Provide services targeted to teens

Description:

The Library utilizes teen-age volunteers for the Read Team activities

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Read Team Volunteers	101	96	104	105	100
Read Team Volunteer Hours	2,192	1,660	2000	2000	1600
Teen Advisory Volunteers	25	21	20	30	25
Teen Advisory Volunteer Hours	176	264	360	550	550

Explanation of key performance measures:

Primary Business:**Promote lifelong learning, community engagement/respect for diversity.****Service Activity:****Programming for the Summer Reading Program (SRP) including the Read Team volunteers***Description:*

The Library involves high school youth in the Read Team activities to assist younger students in the SRP

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
SRP Planetarium programs	485	571	754	0	0
SRP Live programs	7,080	5,906	7716	6000	3000
Read Team Volunteers	101	96	104	105	100
Read Team Volunteer Hours	2,192	1,660	2000	2000	1600

*Explanation of key performance measures:***Service Activity:****Operate the Library Links! multilingual outreach program and provide other bilingual services***Description:*

The Library Links! program started in 1999 through a Carnegie grant to provide outreach to new immigrant youth and families

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
New immigrant contacts	12,000+	26,249	12388	20,000	
Hosmer Technology Center Spanish lab attendance	500+	720	816	900	

*Explanation of key performance measures:***Service Activity:****Provide programming for youth of all ages***Description:**Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Storytime Programs		1,128	825	825	660
Storytime Attendance		21,614	21000	21000	19800
Read to Me Program Volunteers		34	37	57	75
Read to Me Program Volunteer Hours		294	466	938	1280

Explanation of key performance measures:

Service Activity:

Provide programs and services related to new technology

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Internet/Computer tutorials		390 sessions			
Internet/Computer tutor attendance		750+			

Explanation of key performance measures:

Primary Business:**Coordinate budgeting, personnel, contracts, operational/capital constructino projects for Library.****Service Activity:****Provide sound fiscal management for the Library Board***Description:*

The Library's Finance Office provides budgeting, purchasing and other financial processing for the Library Board

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Undergoing change due to GASB 34					
Invoices Paid	11,661	10,627	10,279		
Cash Deposits	152	150	153	150	150

Explanation of key performance measures:

The Library received its 12th consecutive Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

Service Activity:**Provide administrative and clerical support for the Library Board and its Committees***Description:**Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-					

Explanation of key performance measures:

Key executive and clerical staff attend Board meetings to provide information to the Board so that Trustees can make informed and sound decisions regarding Library operations.

Service Activity:**Provide publicity and public relations opportunities for the Library Board***Description:*

The Library's Public Affairs Office produces routine and special publications about the Library, its programs and capital projects

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Undergoing change due to GASB 34					
Internal newsletters produced	52	52	52	51	52
News Releases issued	40	46	47	60	60
Cable TV shows produced	0	0	10	10	0

Explanation of key performance measures:

Service Activity:

Ensure that the Library's infrastructure is maintained and improved to meet user needs

Description:

Staff ensure that library facilities are maintained, improved and renovated or expanded in accordance with the Board's capital improvement schedule.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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To Be Determined

Explanation of key performance measures:

Primary Business:

Ensure sound library management.

Service Activity:

Provide the Human Resources Functions for the Library.

Description:

Provide support to the Library through the functions of payroll, employee benefits, workers compensation, training, labor relations, filling staff vacancies, scheduling substitutes and human resources consultation.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
-------------------------	-------------	-------------	-------------	----------------	----------------

Full and part time clerical, technical, classified, buildings and supervisory position appointments

42

7

3

TBD

Substitute and Homework Helper appointments

68

68

14

TBD

New librarians and library assistants hired, full time, part time and substitute

25

13

1

TBD

Permit workers hired

19

11

0

TBD

Position reclassifications

35

2

10

TBD

Workers compensation claims processed

25

17

TBD

Explanation of key performance measures:

LIBRARY BOARD

Staffing Information

	2002	2003		% Change	Change
2001	Adopted Budget	Adopted Budget	2004 Mayor's Recomm.		
23.50	23.50	23.50	17.00	-27.66%	(6.50)
110.70	116.70	116.20	67.10	-42.25%	(49.10)
110.69	113.20	108.40	78.20	-27.86%	(30.20)
61.60	62.10	62.80	39.20	-37.58%	(23.60)
47.50	49.50	49.50	37.50	-24.24%	(12.00)
4.00	3.00	3.00	3.00	0.00%	-
357.99	368.00	363.40	242.00	-33.41%	(121.40)

LIBRARY BOARD

Expense Information

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
Special Revenue Funds						
Capital Outlay	172,756	45,814	188,224	319,803	69.9%	131,579
Contractual Services	1,548,950	1,998,938	2,288,408	2,086,583	-8.8%	-201,825
Equipment	2,862,876	2,819,988	2,698,450	2,290,427	-15.1%	-408,023
Fringe Benefits	2,572,939	2,922,151	3,346,681	2,723,046	-18.6%	-623,635
Operating Costs	678,754	795,351	980,506	950,575	-3.1%	-29,931
Salaries and Wages	12,582,500	13,496,068	12,518,269	10,067,661	-19.6%	-2,450,608
Transfers	32,400	0	0	0		0
Total for Special Revenue Funds	20,451,175	22,078,310	22,020,538	18,438,095	-16.3%	-3,582,443
Total for LIBRARY BOARD	20,451,175	22,078,310	22,020,538	18,438,095	-16.3%	-3,582,443

Municipal Building Commission

Mission Statement

The Municipal Building Commission's mission is to provide effective and efficient services to maintain and preserve an historic facility, ensuring a safe and functional environment for City and County citizens, employees, elected officials, and visitors.

Primary Businesses:

Administration: Created by Minnesota State Statute, the MBC Board is charged with the care and control of the entire Minneapolis City Hall Hennepin County Courthouse building. The City and County jointly own the building. In addition, the statute grants the MBC authority over the following broad areas:

- Assignment of rooms and space
- Maintain building infrastructure, mechanical and electrical systems of every nature
- Provide heating/cooling, lighting, and cleaning
- Account for expenses
- Prepare and administer operation budget, (60% City-40% County, based on square footage occupied)
- Prepare and administer capital budget, (MBC capital project activities are funded on a 50/50 basis through the City of Minneapolis, Capital Long-Range Improvement Committee (CLIC), and Hennepin County, Capital Budget Task Force (CBTF) processes)
- MBC personnel necessary to perform these duties

Corrective and Preventative Maintenance: Staff provide corrective physical plant maintenance like unclogging sinks and toilets, replacing defective lights and outlets, temperature control of spaces that are too cold or hot, installation of cooling coils in outdated machines, removal of damaged asbestos covering, installation of new energy efficient corridor lighting, and the installation of pipe covering to contain heat and reduce energy costs for cooling system. MBC staff also provide preventative maintenance such as changing filters and belts on air handling units, testing fire equipment, and testing elevator equipment. Since August 2000, the MBC has been using MAXIMO, an automated maintenance system, for recording, coordinating and tracking corrective and preventative maintenance work throughout the building. On average the MBC issues and completes about 6,200 work orders per year. Use of the automated system has significantly streamlined completion of work tasks and provides an historical record of work completed.

Operational Projects, (Work for Others): MBC provides City and County departments with space improvement services known as work for others. These projects include increased electrical service, increased cooling units for special office equipment, increased data cables for improvements to computers and phones, office renovations, installation of both stand alone and systems furniture, building of cabinets, shelves, and counter tops, and the installation of carpet. Costs for these space improvement services are charged back to the department requesting the services.

Building Security: The MBC provides emergency procedures including plans for fire evacuation, severe weather, bomb threats and heightened security-restricted access. The MBC provides security services for common areas of the building as well as City and County departments located in the building. Security personnel contracted through Hennepin County are available from 6:00 a.m. through 6:00 p.m., Monday through Friday. MBC security staff provide security services from 6:00 p.m. to 6:00 a.m., Monday through Friday, and 24-hours-per-day on weekends and holidays. The goal of this service is to ensure the safety of both the visiting public and employees, to provide a contact point for requested services, control access into the building, perform security patrols, and monitor and respond to building alarms. In addition, security access control and building patrols are conducted in the evenings and on weekends.

Custodial and Utility: The MBC delivers basic custodial services for over 248,000 square feet, 16-hours-per-day and seven-days-per-week. The services include trash and recycling removal, vacuum cleaning, dusting, wall spot

cleaning, corridor cleaning, rest room cleaning and high speed buffing. The MBC also delivers utility services for over 583,000 square feet of both occupied and unoccupied areas of the building. These services include restroom scrubbing (44 rest rooms), carpet extraction cleaning (198,000 square feet), exterior window washing (436 windows), secure document shredding, furniture and large item moving, lamp replacement, construction clean-up, and snow and ice removal. MBC custodial and utility staff provide set-up, clean-up and coordination for over 150 meetings and public events each calendar year.

Adult Detention Center (ADC): MBC staff provide additional services as required by the Hennepin County Sheriff's Department and the Minnesota Department of Corrections for the Hennepin County ADC, located on the fourth and fifth floors of the building. These activities include additional cleaning and trash disposal due to the 24/7 nature of the facility, cell block scrubbing, blood and body fluid clean-up, and corrective cleaning due to vandalism. Additional MBC activities related to the ADC are paid exclusively by Hennepin County.

Capital Projects: MBC staff provide long-range budget planning, project cost estimating, design and scope development services, purchasing and bid package development, project scheduling, and overall project management for building and major system upgrades. These services are provided for construction projects that effect both the common and City or County department areas of the building. These projects include projects such as the Mechanical and Life Safety Systems Upgrade Project, Rotunda Restoration and City Council Chambers work. MBC capital project activities are funded on a 50/50 basis through the City of Minneapolis, Capital Long Range Improvement Committee (CLIC), and Hennepin County, Capital Budget Task Force (CBTF) processes.

Key Trends and Challenges Impacting the Department:

Challenge 1: Mechanical and Life Safety Systems Upgrade Project.

Schematic design for the Mechanical upgrades was completed in 1989. Ten years later implementation was started. The implementation method protracted construction over a 12-year period to match the City's funding ability. In 2001, the MBC initiated a 23-stage, multi-year capital project to upgrade outdated heating, cooling and life safety systems throughout the City Hall and Courthouse building. The goal is to replace tattered systems before they collapse. There is significant potential for total failure of systems that are two decades beyond their expected life cycle. Even if we adhere to the current 12-year schedule we may need to vacate portions of the building because of system failures. The MLSS project also presents a prime opportunity to simultaneously remove asbestos in the building, and complete much needed routine repair and maintenance work. This work includes replacing inefficient electrical wiring and lighting, integrating light panels to increase energy efficiency, separating wiring for lights from outlets, installing new electrical systems on separate circuits to reduce the potential for circuit overload, removing radiators to reduce the use of steam, and installing new ceiling grids and tiles, carpeting, and paint. Routine repair and maintenance work is being funded through the MBC operating budget at a cost of approximately \$475,000 annually. A majority of annual routine and preventative maintenance work is being focused in MLSS project areas instead of other areas in the building. With budget appropriation increases being used to cover personnel-related expenses and no increases in non-personnel, completion of routine repair and maintenance in conjunction with the MLSS project is jeopardized.

Challenge 2: Escalating salary and fringe costs.

Salary and fringe costs continue to increase each year. Cost of living increases for AFSCME union employees increased by more than 3 percent in 2001 and 2002 while building trade union employees experienced annual increases each year from 2001 to 2004 ranging from 4 to 6 percent. Health care costs also have grown by about 20 percent in 2002, 2003 and 2004. Increases in salary and fringe are being absorbed in conjunction with budget reductions.

Challenge 3: Lack of appropriation increases for non-personnel.

For several budget years, non-personnel appropriations have remained flat. Annual budget appropriation increases granted to the MBC have been used entirely to cover rising salary and fringe costs. The true cost of non-personnel items, however, has continued to go up with inflation leaving the MBC with less buying power. With diminished resources, routine corrective and preventive maintenance, and overall care of the building is negatively impacted.

Challenge 4: Maintaining and enhancing building security.

Due to the events of 9/11, concern over security in the City Hall and Courthouse building has grown. MBC staff worked with City and County staff to develop a proposal for implementing and improving building security systems, and contracting for uniformed personnel trained in the area of security measures and first responding. Budget constraints

limited the security initiative actually implemented in Spring 2003. The building is in need of additional closed circuit television monitoring cameras and upgrades to the access control system. Furthermore, it is critical for the MBC to have the resources to detect what is happening through either human or electronic means, and maintain skilled staff for assessing threat levels and responding to medical emergencies and critical situations. The MBC may be faced with the need to further pare down or eliminate the building security program. Lack of security equipment and uniformed presence in the building will make the MBC an easier target for possible terrorist activities, and result in lower levels of safety for tenants and visitors.

Key Initiatives or Other Models for Providing Service to be implemented:

KEY INITIATIVE 1: MBC ALIGNMENT WITH CITY STRATEGIC GOALS

Goal 1: Build communities where all people feel safe and trust the City's public safety professionals and systems.

- Building Security: The MBC provides around-the-clock building security. In addition to both contracted and in-house security staff, the MBC maintains a strong professional relationship with the Minneapolis Police Department, the Hennepin County Sheriff's Department and outside law enforcement agencies to provide coordination, information exchange and share resources where applicable. The MBC provides emergency procedures that are reviewed, revised, communicated and tested on an annual basis. Building tenants and the general public have participated in fire evacuation and severe weather exercises for several years. The MBC also has a visible presence of security first responders. Security personnel contracted from Hennepin County are available from 6:00 a.m. through 6:00 p.m., Monday through Friday. In addition, building access control and patrols are conducted in the evenings and on weekends.
- Capital Projects: The MBC has been working on a Life Safety, Heating, Ventilation and Air Conditioning, Asbestos Abatement capital project since 1999. To complete these improvements throughout the entire building the project is scheduled through 2012. These projects have the overall goal of improving the health safety and air quality for building occupants and visitors. This project is critical to many functions that make the City safe. Examples include Police, Fire, emergency calls and Mayoral and Council decision making which are all housed within the building.
- Corrective and Preventative Maintenance: The MBC provides corrective and preventative physical plant maintenance to ensure the building appears clean and in safe working order. On average the MBC issues and completes about 6,200 corrective and preventative work orders per year.

Goal 2: Maintain the physical infrastructure to ensure a healthy, vital, and safe City.

- Building Security: The MBC is coordinating the connection of selected building surveillance devices (CCTV, Duress and Intrusion Alarms) to the expanding Hennepin County Security Operations Center. In addition, the MBC will work with both the City of Minneapolis and Hennepin County to install and monitor additional alarms for appropriate building areas. The MBC will continue to actively monitor and respond to fire alarms in the building.
- Operational Projects, (Work for Others): The MBC provides City and County departments with operational project services. These projects include remodeling department space, and providing additional electrical, plumbing or cooling units for operational needs. These project services require City and County departments to pay a fee.
- Capital Projects: The MBC has been working on a Life Safety, Heating, Ventilation and Air Conditioning, Asbestos Abatement capital project since 1999. To complete these improvements throughout the entire building the project is scheduled through 2012. These projects have the overall goal of improving the health safety and air quality for building occupants and visitors. Projects such as the City Council Chamber Renovation and Rotunda Restoration demonstrate the MBC's ability to combine necessary health safety improvements with renovation that restores the historic grandeur of the City Hall and Courthouse Building. Functions important to maintaining a physical infrastructure and a healthy, vital safe City are housed in the building. Again, this is the headquarters for Police, Fire, Mayor and City Council.
- Corrective and Preventative Maintenance: The MBC provides corrective and preventative physical plant maintenance to ensure the building appears clean and in safe working order.

Goal 3: Deliver consistently high quality City services at a good value to our taxpayers.

- Capital Projects: The MBC has been working on a Life Safety, Heating, Ventilation and Air Conditioning, Asbestos Abatement capital project since 1999. To complete these improvements throughout the entire building the project is scheduled through 2012. These projects have the overall goal of improving the health safety and air quality for building occupants and visitors. Projects such as the City Council Chamber Renovation and Rotunda Restoration demonstrate

the MBC's ability to combine necessary health safety improvements with renovation that restores the historic grandeur of the City Hall and Courthouse Building.

- Administration: Administrative staff work to best utilize space resource at the highest level for the lowest possible cost. For example, the assignments of rooms and space are analyzed so as to reduce leased space. In addition, the MBC strives to increase consolidation of operations, and adjacencies of function while taking into consideration the reduction of space during times of staff reduction. Furthermore, the MBC plans to take advantage of space opportunities resulting from HVAC and Life Safety improvements. Lastly, the MBC works to provide the most cost efficient mechanical and electrical systems including heating/cooling, and lighting services.
- Custodial and Security: The MBC will continue to apply the best and most cost effective operational practices to both the security and custodial work groups. As an example, by connecting to the Hennepin County Security Operations Center, the MBC gains an around-the-clock monitoring function without having to construct a center in this building. The MBC Custodial Staff has adopted a 'Cleaning for Health' approach which is not only cost effective but reduces the amount of air borne dust through good operational practices.

Goal 4: Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

- Administration: Outlined below are preliminary thoughts on potential new revenue sources:
 - * Grant Opportunities
 - * Contract for a gourmet deli café/restaurant services in the City Hall/Courthouse
 - * Using the café/restaurant for catering meetings, events and banquets in City Hall/Courthouse
 - * Renting the rotunda and City Council Chambers and other meeting rooms for weddings and other special events and providing catering services
 - * Selling building memorabilia like postcards, Municipal Monument Books and other items in house and online
 - * Developing a "Friends of City Hall" dues paying membership group

Goal 5: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

- While the MBC does not directly work in the areas of community development and housing policy, our efficient and effective management of the City Hall and Courthouse building provides departments that are involved with an environment that supports their work.

Goal 6: Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis.

- Administration: The mission of the MBC is to maintain and preserve an historic facility. We constantly strive to ensure that all projects and events enhance the history of the City Hall and Courthouse building.
- Capital Projects: The MBC has completed many historically and architecturally significant projects in recent years. Some of these projects include tuckpointing of the entire building exterior, re-creation of the Fourth Street entrance, renovation of the City Council Chambers and the current restoration of the building rotunda. In addition, the MBC has been working on a Life Safety, Heating, Ventilation and Air Conditioning, Asbestos Abatement capital project since 1999. To complete these improvements throughout the entire building the project is scheduled through 2012. These projects have the overall goal of improving the health safety and air quality for building occupants and visitors. Projects such as the City Council Chamber Renovation and Rotunda Restoration demonstrate the MBC's ability to combine necessary health safety improvements with renovation that restores the historic grandeur of the City Hall and Courthouse Building.

Goal 7: Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

- Administration: The MBC works to foster partnerships and support the community by providing events such as concerts in the Rotunda, speakers during Black History Month and collaboration on the September 11 Commemorative Event. We also offer free building tours each month in which students groups, visitors and the general public may learn about the building and the departments within the building.

Goal 8: Strengthen City government management and enhance community engagement.

- Administration: Being a small agency, the MBC features a horizontal management structure, allowing for increased communication, greater accountability and faster decision-making. Further, decisions regarding building management aim to enhance community engagement. We strive to make the City Hall and Courthouse building more welcoming to the public. Because of the public nature of our building we receive many suggestions on how the building may be improved. We review suggestions and incorporate ideas for improvements. We also solicit public involvement in our projects, (i.e., the search for the murals that once hung in the old City Council Chambers).

KEY INITIATIVE 2: REVENUE GENERATION

Grant Opportunities

The outlook for grant funding in the future shows a leveling out of funds available, with a possible decrease over the next five years depending on world and national events and new funding priorities at the state and national level.

The Municipal Building Commission will vigorously pursue grant funding from the Federal and State Governments as well as other sources to supplement our capital budget over the next five years. Municipal Building Commission will look to develop a closer relationship with the Grants and Special Projects office and other city and county departments who receive grant funding to identify grant opportunities and provide technical assistance in this effort.

Potential New Revenue Sources:

The following ideas for new revenue sources will be explored:

- An RFP Incorporating a gourmet deli café/restaurant in the City Hall/Courthouse
- Using the café/restaurant for catering meetings, events and banquets in City Hall/Courthouse
- Renting the rotunda for special events
- Renting meeting rooms or City Council Chamber for meetings/events
- Sell postcards, Municipal Monument and other items online

Requirements:

For any revenue-generating venture to be considered by the MBC, the MBC board may first need to direct staff to apply for 501(c)(3) Internal Revenue Service status and create a revenue generation fund to be used exclusively for historic consistent with our mission. In addition, the MBC Board needs to direct staff to develop various policies to account for the rental of equipment such as chairs, tables and linens for banquet rental of the Rotunda, as an example. The Board will also need to direct staff to pursue application for a wine and beer license and a contract with a catering vendor.

Financial Considerations:

Depending on the revenue source, various initial investment expenditures will be necessary to bring the ideas to reality. Market evaluation, competition evaluation and other feasibility tests will need to be conducted before any action is taken. MBC staff would not recommend going forward with a venture that initial testing did not deem profitable.

Capacity

The above ventures might enhance the MBCs' skills and capabilities in the following ways:

- Raise the visibility and reputation of the City Hall and Courthouse building, which in turn will raise the visibility and reputation of the local government. The building would become more of a destination.
- Enhance our ability to educate the public on the historical and architectural significance of the City Hall and Courthouse.
- Incorporating these new revenue sources to align with the goals of the City to:
- Build community
- Deliver high quality service
- Maximize economic development opportunities
- Preserve and enhance the historic environment
- Promote public and private partnerships
- Enhance community engagement in City government
- Expand our ability to analyze program costs and effectiveness.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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Explanation of Performance Data for Departmental Outcome Measures:

Primary Business:**Administration****Service Activity:**

Communicate agency activities to MBC Board and execute Board directives.

Description:

MBC staff meet with the MBC Board on a regular basis to communicate important agency activities. Board members are kept apprised of agency functions, and provide input and policy direction regarding agency operations.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Hold monthly or bi-monthly meetings with MBC Board. Goal - Minimum of 6	5	7	7		
Health and dental care, retirement, life insurance, long-term disability and deferred compensation, Minneflex benefits for employees are explained, made available and administered. Goal - ongoing	Yes	Yes	Yes		

Explanation of key performance measures:

Service Activity:

Communicate with building tenants and visitors, and keep them informed of building policies and protocols.

Description:

Staff at every level of the organization communicate with building tenants and visitors on a daily basis. Face-to-face, telephone and e-mail communication takes place for responding to service needs and questions as well as relaying important building policies.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Update MBC Tenant Handbook on a regular basis. Goal - as needed	1				

Publish quarterly newsletter via MBC Web site. Goal - quarterly

2 (first installment published in August 2001)

4

Inform tenants of building policies and other important matters. Goal - on-going

Yes

Yes

Yes

Explanation of key performance measures:

Service Activity:

Provide full administrative services to the MBC organization and communicate agency policies to employees.

Description:

: On a daily basis, administration staff coordinate and execute accounting, payroll, purchasing, budget, contract, labor and construction activities for the building. Activities are coordinated according to established state, county and municipal laws, guidelines and protocol.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Update MBC Employee Handbook on a regular basis. Goal - as needed		1			
Bills are paid in a timely manner. Goal - ongoing	Yes	Yes	Yes		
Staff receive paychecks on a bi-weekly basis. Goal - ongoing	Yes	Yes	Yes		
Necessary materials, supplies and equipment are ordered and purchased. Goal - ongoing	Yes	Yes	Yes		
Budgets are developed on an annual basis. Goal - ongoing	Yes	Yes	Yes		
Contracts are executed and monitored. Goal - ongoing	Yes	Yes	Yes		
Staff are scheduled and directed in the course of completing their daily work throughout the building. Goal - ongoing	Yes	Yes	Yes		
Construction projects are conducted and completed. Goal - ongoing	Yes	Yes	Yes		

Explanation of key performance measures:

Service Activity:

Recruit, hire, train and develop workforce for care and custody of building.

Description:

Administration staff secure professional, building trade, security, utility and custodial staff for maintaining the City Hall and Courthouse building.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Conduct safety and other training classes.	13	12	15		

Update employee safety manual on a regular basis. Goal - as needed		1	
Positions are filled as they become vacant. Goal - ongoing	Yes	Yes	Yes
Employees are notified and encouraged to participate in computer and safety training as well as other seminars and classes. Goal - ongoing	Yes	Yes	Yes
Tuition reimbursement program is available to employees. Goal - ongoing	Yes	Yes	Yes

Explanation of key performance measures:

Service Activity:

Oversee all personnel-related, union, benefits and workers' compensation functions for MBC employees.

Description:

Administration staff coordinate and oversee health, dental, disability and life insurance benefits for employees as well as workers' compensation. Staff also participate in contract negotiations and ratification with AFSCME and Minneapolis Building and Construction Trades Union representatives.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Engage in contract negotiations and ratification for AFSCME and Building Trades. Goal - Every three years			2		
Health and dental care, retirement, life insurance, long-term disability and deferred compensation, Minnflex benefits for employees are explained, made available and administered. Goal - ongoing	Yes	Yes	Yes		
Workers' compensation services and procedures are outlined to staff and administered. Goal - ongoing	Yes	Yes	Yes		

Explanation of key performance measures:

Service Activity:

Develop and implement automation tools for streamlining MBC agency functions and improving overall agency decision-making, where appropriate.

Description:

MBC staff continue to explore ways of using automation tools for supporting or improving agency activities.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Issue and track corrective maintenance work orders through the agency's work order software package. Goal - ongoing	Yes	Yes (6702)	Yes (6000)		

Develop, implement and maintain the MBC's automated preventive maintenance program. Goal - ongoing			Yes
Develop, implement and maintain Aperture, the agency's computer aided facility management software package. Goal - ongoing	Yes	Yes	Yes

Explanation of key performance measures:

Aperture provides graphic and attribute data about space throughout the building.

Service Activity:

Maintain and update agency Internet and Intranet web site.

Description:

The MBC Internet and Intranet Web sites provide information about the agency and the City Hall and Courthouse building to City and County employees as well as members of the public.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Implement the MBC Internet Web site.			Yes - launched in February 2002		
Update information on agency Internet on a regular basis. Goal - quarterly			3 (site launched in Spring 2002)		
Update information on agency Intranet on a regular basis. Goal - quarterly		2 (site launched in Summer 2001)			
Improve access to the Internet Web site by registering with search engines.			Yes		
Improve tenant access to services by adding on-line forms.			Yes		

Explanation of key performance measures:

Primary Business:

Custodial and Security

Service Activity:

Provide custodial and utility services including cleaning, trash removal, carpet cleaning, window washing, moving functions, workstation adjustments, re-lamping, deliveries and periodic maintenance.

Description:

In addition to responding to ad-hoc tenant service requests, MBC staff provide routine custodial services to most areas of the building on a five-day per week frequency; areas such as the Minneapolis Emergency Communications Center and various Minneapolis Police Department division offices receive these services on a seven-day per week and 24-hour per day frequency. Utility services are provided on a five-day per week frequency.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of custodial and utility requests that are completed within the week of the initial request. Goal - one week	80%	80%	80%		
Number of custodial and utility tenant work order requests processed and completed. Goal - on-going	2318	3357	3000		
Provide custodial services to building. Goal - on-going	Yes	Yes	Yes		
Provide utility services to building. Goal - on-going	Yes	Yes	Yes		

Explanation of key performance measures:

Service Activity:

Provide security services covering access control, emergency alarm monitoring and response, and security inspections of areas in the building outside of the Hennepin County - ADC.

Description:

The MBC Information/Security Desk is staff 24-hours a day and 7-days a week. This position serves as gatekeeper for access to the building, observes activities through several cameras, monitors building fire alarms and conducts regular physical plant inspections throughout the building every night and on weekends.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Install secure gate at 4th Street/4th Avenue ramp.		Yes			
Install additional security cameras in basement of building.		Yes			
Install enhanced computerized security system.	Yes				
Observe activities through several cameras. Goal - on-going	Yes	Yes	Yes		

Monitor building fire alarms. Goal - on-going	Yes	Yes	Yes
Conduct nightly and weekend physical plant inspections. Goal - on-going	Yes	Yes	Yes
Monitor and control access to the building. Goal - on-going	Yes	Yes	Yes
Install access control system in basement of building.			Yes

Explanation of key performance measures:

Service Activity:

Provide the building with emergency evacuation services.

Description:

MBC staff have been and continue to work on developing and implementing evacuation procedures for fire, severe weather and bomb threat situations.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Conduct fire evacuation drill. Goal - annually	1	1	1		
Number of minutes to evacuate building. Goal - under 14 minutes	Under 12 minutes	Under 14 minutes	Drill not yet conducted in 2002		
Conduct severe weather drill. Goal - annually		1	1		
Update emergency procedures manual every two years.	Yes	Yes	Completed in early 2002		
Conduct training for department area monitors who assist with building emergency drills. Goal - annually	1	1	1		

Explanation of key performance measures:

Service Activity:

Provide general groundskeeping services for the building.

Description:

MBC staff perform routine grounds keeping services year-round including snow removal, ice/sand application, care of plants, sweeping sidewalks and trash removal.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Provide necessary grounds keeping services. Goal - on-going	Yes	Yes	Yes		

Explanation of key performance measures:

Primary Business:

Repairs and Improvements

Service Activity:

Provide physical plant maintenance including mechanical, electrical, carpentry and painting. Services provided through a combination of skilled in-house personnel and service contracts.

Description:

Provide physical plant maintenance including mechanical, electrical, carpentry and painting. Services provided through a combination of skilled in-house personnel and service contracts.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of request complete within a week of initial submittal. Goal -	80%	80%	80%		
Number of trades staff tenant work order requests processed and completed. Goal - on-going	3699	3699	3000		
Complete significant routine maintenance work in the City Council Office area.		Yes			
Complete significant routine maintenance work in the City Coordinator Office area.		Yes			
Complete significant routine maintenance work in the Finance Department area.		Yes			
Conduct physical plant maintenance and repair. Goal - on-going	Yes	Yes	Yes		

Explanation of key performance measures:

Service Activity:

Implement and sustain a preventative maintenance program for the facility.

Description:

Currently, periodic preventive maintenance activities such as changing air filters in air handling units, greasing motors and torquing electrical bus occurs throughout the building. Staff are in the process of developing a full-scale automated preventive maintenance program and schedule.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Develop, implement and maintain the MBC automated preventive maintenance program and schedule. Goal - on-going			Yes		
Complete regular preventive maintenance on systems and equipment throughout the building. Goal - on-going	Yes	Yes	Yes		

Explanation of key performance measures:

Service Activity:

Continue retrofit of inefficient systems in the building.

Description:

The City Hall and Courthouse was built over 100 years ago. Various outdated systems in the building are in need of updating. MBC staff continue to work on retrofitting inefficient systems throughout the building.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Update lighting systems in the building during each phase of the Mechanical and Life Safety System Upgrade project. Goal - on-going		Yes	Yes		
Install variable speed drives on air handling units.		Yes			

Explanation of key performance measures:

Updated lighting systems are more energy efficient. Variable speed drives provide greater output control and more consistent energy use.

Service Activity:

Continue to update and maintain AutoCAD master drawings of the building to reflect existing conditions.

Description:

Work for others projects are beyond the scope of routine repair and maintenance, and are charged back to building tenants. Scope development, cost estimates, project budgets, schedules, design and construction services are coordinated by MBC staff and provided to tenants requesting chargeable work. MBC staff communicate with tenants throughout the project on the status of the request.

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Complete and disseminate agency AutoCAD drawing protocol outlining standards for creating, updating and maintaining electronic files.			Yes		
Collect building infrastructure information for the building during each phase of the Mechanical and Life Safety System Upgrade project for incorporation into electronic drawing files. Goal - on-going		Yes	Yes		
Ensure accuracy and completeness, and maintain building drawings on AutoCAD. Goal - on-going	Yes	Yes	Yes		

Explanation of key performance measures:

Primary Business:

Work for Others -- Service Requests

Service Activity:

Provide professional construction and project management services as requested.

Description:

Work for others projects are beyond the scope of routine repair and maintenance, and are charged back to building tenants. Scope development, cost estimates, project budgets, schedules, design and construction services are coordinated by MBC staff and provided to tenants requesting chargeable work. MBC staff communicate with tenants throughout the project on the status of the request.

Key Performance Measures for the Service Activity:

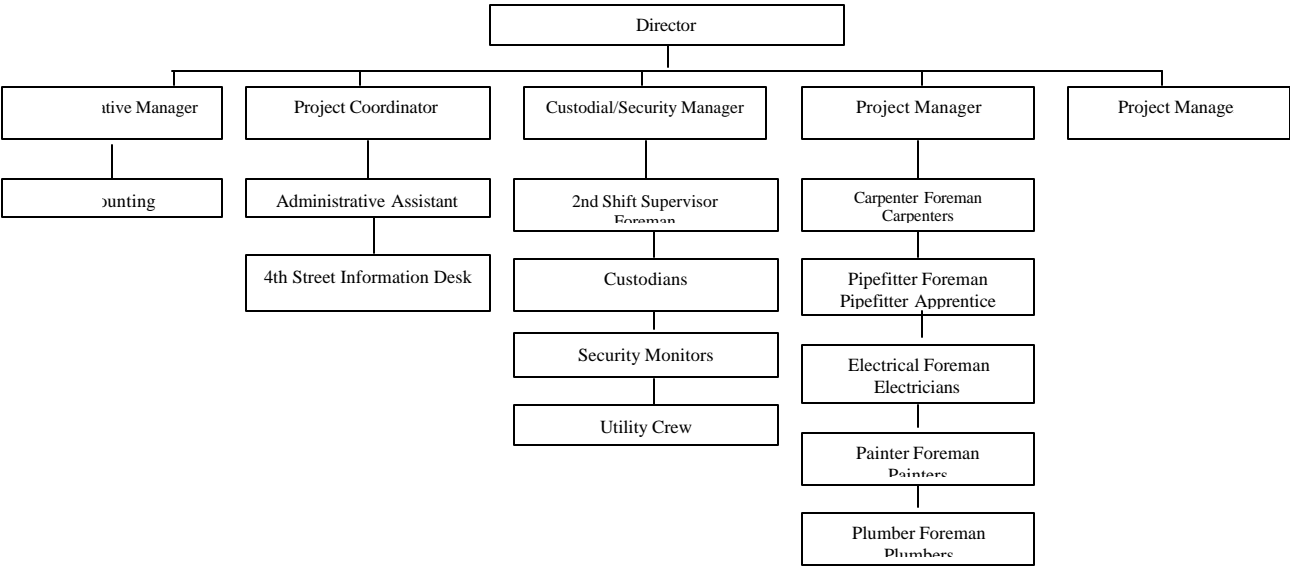
Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of tenant service requests processed and completed. Goal - on-going	111	103	105		
Total annual expenditures for work for others projects. Goal - on-going	\$236,374	\$461,746	\$332,608		

Explanation of key performance measures:

Municipal Building Commission Organizational Chart

Chair Hennepin County Board
Hennepin County Commissioner

Mayor of Minneapolis
Minneapolis City Council Member



MUNICIPAL BUILDING COMMISSION
Staffing Information

		2002	2003	2004	% Change	Change
	2001	Adopted Budget	Adopted Budget	Adopted Budget		
<hr/>						
FTE's by Division						
Administration	5.00	5.50	5.50	5.50	0.00%	-
Custodial and Security	39.50	38.00	35.50	35.50	0.00%	-
Repairs and Improvements	17.00	18.00	18.00	17.00	-5.56%	(1.00)
Adult Detention Center	2.00	2.00	2.00	1.00	-50.00%	(1.00)
Works for Others	3.00	3.00	3.00	3.00	0.00%	-
<hr/>						
Total FTE's	66.50	66.50	64.00	62.00	-3.13%	(2.00)

MUNICIPAL BUILDING COMMISSION
Expense Information

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
Special Revenue Funds						
Contractual Services	2,618,283	2,587,749	2,364,408	2,298,628	-2.8%	-65,780
Equipment	4,842	460	9,368	6,000	-36.0%	-3,368
Fringe Benefits	800,438	837,219	995,607	1,027,749	3.2%	32,142
Operating Costs	820,752	653,864	654,018	570,858	-12.7%	-83,160
Salaries and Wages	2,674,348	2,752,584	3,237,511	3,073,767	-5.1%	-163,744
Transfers	84,000	171,000	0	0		0
Total for Special Revenue Funds	7,002,663	7,002,876	7,260,912	6,977,002	-3.9%	-283,910
Total for MUNICIPAL BUILDING COMMISSION	7,002,663	7,002,876	7,260,912	6,977,002	-3.9%	-283,910

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program:		Park Rehabilitation	
Program Outcome:		Provide safe, functional, aesthetically pleasing park areas and buildings for use by the public	
Service Delivery Plan:		Repair and Rehabilitation	
SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1 Provide quality recreational activities in play courts	Outdoor Tennis, Volleyball, and Basketball Courts	Color coat and stripe bituminous court surfaces	Safe and enjoyable courts
2 Provide well-lit areas for park users	Park Lighting (Webber Lighting Project)	Repair, upgrade, and/or replace park light fixtures	Safe, well-lit park areas that can be used at night
3 Provide safe and functional infrastructures for general park users	Sidewalk Rehab	Repair and rehab deteriorating park and parkway sidewalks	Safe and functional sidewalks
4 Provide safe and functional infrastructures for general park users	Well and Fountain Rehab (Gateway and Berger Fountain studies)	Repair and rehab wells and fountains as needed to keep safe and functional	Safe, usable wells and fountains for park users
5 Provide safe and usable infrastructures for recreation activities	Building Rehab (Roof repairs and furnace repairs)	Rehabilitate and repair park buildings as needed	Durable, clean, safe buildings
6 Provide safe and usable internal infrastructure equipment	Useable Equipment	Replace worn out equipment inside buildings	Durable, clean, safe equipment

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: Program Outcome: Service Delivery Plan:		Environmental Environmental Operations Education, Water Quality and Natural Resource management		
SDP Outcome (Why)		SDP Services (How)	Activity (What)	Product (Output)
1	Provide environmental consultation to MPRB	Utilize environmental expertise of section to assist with issues	Provide assistance with environmental aspects of MPRB projects	Environmental issues addressed on projects
2	Provide park users and residents an understanding of environmental issues	Deliver regional park interpretation	Provide regional park-based environmental programming at Kroening Interpretive Center at North Mississippi Regional Park, Eloise Bulter Wildflower Garden & Bird Sanctuary, JD Rivers Outdoor Discovery Center in Wirth Park, Mill Ruins Park on the Central Riverfront, and at other regional parks	Environmental interpretation (programs & tours) to Minneapolis youth and adults
3	Provide park users and residents an understanding of environmental issues	Deliver environmental education to neighborhood park users	Provide environmental education programming to 49 recreation centers	Environmental programs to Minneapolis youth and adults in the neighborhood parks
4	Provide clean water	Deliver city-wide water quality education programs	Provide multi-media public education programs for water quality protection	Clean water
5	Provide swimmable, fishable waters	Monitor lake, wetland and stream water quality	Monitor lakes, streams and storm sewers; analyze data	Water quality management plans and annual reports
6	Provide stable water levels	Manage water quantity and water levels for safe use	Monitor lake levels and pump water for level management	Stable water levels
7	Provide fishing opportunities	Cooperate with other agencies on fishery resource management	Operate aeration systems, coordinate with state agencies and other sections to provide fishing opportunities	Quality fishing experiences for park users
8	Provide swimmable, fishable waters	Manage water quality in lakes, streams and wetlands	Implement water quality management plans to maintain water quality	Functional water quality management practices
9	Provide ecologically healthy lake and stream plant communities	Remove invasive aquatic vegetation and maintain or improve existing water/land edges	Manage milfoil in city lakes; control purple loosestrife in park wetlands; plant and repair shorelines to prevent erosion	Recreational use of lakes; Healthy aquatic plant communities and shorelines
10	Provide quality designed floral plantings along with reduced pest problems	Design floral plantings throughout park system. Provide IPM-based monitoring, consultation and treatments for park system resources	Change designs annually. Treat pest problems in an environmentally sensitive manner based upon MPRB IPM policies	State of the art designs. Control of pests before they exceed threshold levels.
11	Deliver horticulture information & programs to park users	Offer horticulture programs at recreation centers. Inform public of horticulture issues	Provide horticulture programming/information to park users	Horticulture programs for youth and adults. Update PR sources with garden info/events
12	Provide wildlife experiences	Wildlife habitat improvements and control, and delivery of education materials	Respond to citizens concerns. Cooperate with other agencies regarding injured wildlife and habitat damage	Increase in wildlife diversity. Reduction of wildlife problems,
13	Provide ecologically diverse, quality plant communities and shorelines	Conserve native ecosystems. Manage native and designed landscapes. Implement volunteer projects.	Plantings, invasive species removals, erosion control efforts, and prescribed burns. Cooperate with agencies for biological control releases. Update and maintain natural resource database. Evaluate management techniques and monitor effectiveness. Prevention of new introductions through monitoring and education.	Quality natural areas for public use. Educational materials on restoration and management activities. Maps and reports on natural area conditions and historical data.

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program:		Park Maintenance	
Program Outcome:		Provide safe, useable, aesthetically pleasing park areas and buildings for year-round use by the public and to provide the maintenance and logistical support necessary to conduct and support recreational activities	
Service Delivery Plan:		Maintenance and Repair of Park Buildings and Grounds	
SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1 Provide safe, functional community centers, neighborhood centers, shelter and toilet buildings for use by the public	Useable Buildings	Maintain and repair nearly 100 community centers, neighborhood centers, shelter and toilet buildings	Safe, useable park buildings throughout the entire year
2 Provide useable, aesthetically pleasing park grounds for use by the public	Turf Maintenance	Periodic mowing of more than 3,000 acres of turf, plus fertilization and aeration of high use areas	Functional, aesthetically pleasing park turf areas
3 Provide safe, enjoyable, outdoor recreation activities in fields and courts	Athletic Field and Court Maintenance	Daily to weekly maintenance of baseball, softball, football and soccer fields and basketball, shuffleboard, tennis, and volleyball courts	Safe, useable outdoor athletic fields and courts
4 Provide safe, high quality, enjoyable winter recreations activities	Winter Recreation Activities Maintenance	Prepare, establish and maintain skating, hockey and broomball rinks and warming rooms. Maintain Wirth Winter Complex and maintain ski trails	Safe, enjoyable, high quality outdoor winter recreation activities
5 Provide clean and functional wading pools, pool complexes, beaches, display fountains, drinking fountains, and hand pumps for public use	Maintenance and Repair of Pools, Beaches, Fountains, and Hand Pumps	Daily maintenance of 60 wading pools, 11 beaches, and 3 pool complexes; As-needed maintenance of 5 display fountains, drinking fountains and 20 hand pumps	Clean, functional, useable pools, fountains, beaches and hand pumps
6 Provide safe, usable park equipment (such as fences, benches, totlots, etc.) and park paths, steps, and parking lots	Park Structure Maintenance	Maintenance and repair of park equipment and hard surfaces, including fences, benches, walls, signs, totlots, bridges, paths, steps and parking lots	Durable, safe, useable park equipment and structures
7 Provide non-routine maintenance improvements for park areas or structures and provide logistical support for special events	Special Projects and Activity Support	Perform non-routine improvements to structures or park land and provide logistical support for special events and circumstances	Durable, safe, clean park structures and successful, enjoyable, well-run events and activities for park users

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program:		Park Police		
Program Outcome:		To protect park users as well as park property under the jurisdiction of the Minneapolis Park and Recreation Board. To provide assistance to the public, gaining their cooperation and compliance with established rules, laws and regulations.		
Service Delivery Plan:		Patrol, investigation, regulation and public information.		
	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1	To provide safe parks and enforce rules and laws.	Patrol of parks by sworn officers.	Team patrol, foot patrol, mounted patrol, Directed patrol, bicycle patrol and motorcycle patrol.	Safe parks
2	To detect criminal activity in the parks and to provide backgrounded applicants for recreational employees.	Investigations	Investigate crimes, identify, arrest and prosecute suspects. Identify crime patterns. Perform back-ground investigations for MPRB employees and Park Police.	Safe and secure park patrons, employees and facilities.
3	To assure compliance with rules and regulations and maintain order at Special Events.	Patrol of parks and Special Events by Park Patrol Agents.	Enforce park ordinances- ie parking, dogs off leash, etc. Plan and staff Special Events.	Orderly and efficient Special Events. Patron and employee compliance.
4	To assist the public in enjoying safe, crime-free parks through education and information.	Community dialogue, crime prevention, youth interaction, planning.	Attend community meetings, teach Juvenile Crime Prevention Curriculum classes, crime prevention signage and pamphlets, hold Safety camps and bicycle rodeos.	Community support and involvement. Safer parks with crime reductions.
5	To provide a competent, trained police force with support services and equipment.	Recruiting, hiring, training, equipment and technology.	Recruit, hire and train both sworn officers and agents. Provide ongoing, mandated training. Hire and train support personnel. Procure and budget for necessary equipment. Develop technology.	Competent, trained personnel equipped with the latest technology and equipment necessary to ensure safe parks, patrons and employees.

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: Administration				
Program Outcome:				
Service Delivery Plan: Finance and Payroll Operations				
	SDP Outcome	SDP Services	Activity	Product
1	Maintain park system's accounting records	Provide technical accounting assistance	Process accounting transactions. Monitor accounts and make appropriate corrections and adjustments. Prepare bi-weekly, monthly and miscellaneous reports.	Annual Financial Report, accounting entries, mgmt reports, charges for services.
2	Administer organization's payroll system	Maintain, edit and audit payroll	Maintain records for approx. 600 FT & 2000 PT staff. Process approx. 37,000 bi-weekly payroll checks per yr.	Payroll reports and records. Bi-weekly payroll checks.
3	Provide special accounting and budgetary support to Recreation	Assisting recreation with their accounting & budget needs	Develop reports, perform daily functions & troubleshoot issues. Assist in recreation's annual budget preparation.	Monthly Reports. Annual Budget. Financial mgmt & budget monitoring.
4	Coordinate purchasing process and procedures	Auditing and processing purchasing documents	Process & approve requisitions. Prepare purchase order and price agreement listing. Monitor, edit, audit & create purchase orders.	Requisitions, Purchase Orders, Price Agreements, Contracts and Reports
5	Coordinate accounts payable process	Auditing and processing vendor invoices	Processing approximately 25,000 invoices per year.	Vendor Payments
6	Coordinate accounts receivable process	Auditing and processing of cash receipt documents	Process approximately 2,000 cash receipt documents per year	Revenue reporting and recognition
7	Administer special assessments	Input, edit & monitor assessment info	Assessment searches, recording & billing. Community meetings and public hearings, Board Resolutions.	Certified Levied Assessments.
8	Coordinate budget development and budget process	Budget process, hearings, position mgmt	Historical data preparation, budget instructions, budget analysis, budget monitoring, BRASS implementation	Annual budget book & other reports. Qtrly & mid-year reporting.
9	Coordinate collection of bad checks and restitution	Collection and court procedures	Prepare and mail notices, gather documentation, prepare and file court documents, appear at court hearings.	Judgments, Paid Collections and Restitution. Bad Checks Listing.
10	Monitor capital project finances	Monitor and maintain financial records	Prepare project reports. Monitor monthly activity, make corrections. Prepare monthly billing of grantors, bond draw down.	Project reports. Bond, Capital Levy and O&M Drawdowns. Grant Billings
11	Coordinate mail, printing and copying support	Meter mail, printing and copying	Meter all mail for MPRB, printing and copying of large jobs requested by various MPRB department.	U.S. Mail, Flyers, Forms, Booklets, Postcards

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: Administration Program Outcome: Service Delivery Plan: Administrative Services				
	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1	To provide organizational leadership to MPRB staff and their respective departments.	Administer policies of the Park & Recreation Board. Direct and supervise the activities of the Park and Recreation organization.	Mgmt meetings, communication, direction, technical assistance. Set MPRB policies & procedures. Negotiate Labor contracts & staff salaries. Historian and Archivist Services	Meetings, policies, procedures, correspondence, communications
2	To provide administrative support to the MPRB Commissioners.	Administrative assistance. Serve as a liaison between the Commissioner, MPRB departments and the community.	Preparation and development of Board Agendas including resolutions. Transcription of Board meetings and preparing board minutes. Routing correspondence, maintaining files and achieving all important records and board materials	Board Agendas, Board Minutes, Correspondence, reports.
3	To Provide Park Board Policy and Legislative Goals	Park Commissioners establishing park policy and legislative goals.	Administer Board's Compensation and Fringe. Establish MPRB policies. Establish MPRB Legislative Goals.	Board Compensation. Resolutions, Policies, Goals

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: Administration				
Program Outcome: Recruit, hire and retain a diverse qualified workforce in the MPRB and enable MPRB to make good decisions about its human capital investments				
Service Delivery Plan: Human Resources				
SDP Outcome (Why)		SDP Services (How)	Activity (What)	Product (Output)
1	Provide the required HR services to recruit and retain a well qualified and diverse workforce	Staffing services	Coordinate & monitor recruitment and hiring activities	Timely, legal & consistent process to fill vacancies
2	Maintain accurate employee records	Employee records maintenance	Personnel Transactions; Workers Comp; OSHA	Accurate & accessible employee records
3	Administer Workers' Compensation Program	Coordinate processes for third party administrators	Manage Workers' Compensation Program Administer Workers' Compensation Program and manage the contracts with TPA (Berkley Risk), Managed Care Provider (CMC), and Occupational Health Clinic, and administer the Modified Duty Worker Program	Employees injured at work receive proper medical treatment and are assisted in returning to work
4	Provide and coordinate employee training & development	In-house and contracted services for employee training and development	Provide and/or coordinate New Employee Orientation, job-related skill training, mandated safety training, and professional development plans; track and monitor employee training activities.	MPRB employees who have the skills needed to perform their jobs in a quality and safe manner
5	Provide HR expertise in the collective bargaining process.	Labor negotiations, wage administration, grievances	Changes in CBA's and salaries are distributed throughout the MPRB; information provided to MPRB relating to contract provisions and requirements	CBA's are adhered to; grievances are successfully dealt with; negotiations are completed in timely fashion and in accordance with Board policies
6	Provide consulting services to managers and employees in a range of HR related issues and situations	Consult on personnel policies, CSC Rules, OSHA, Work Comp, etc.	Internal consulting to Managers and employees	Provide MPRB managers and employees with consistent, correct information on best practices dealing with MPRB's human capital investments

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program : Planning Program Outcome: Provide system wide park planning, design and construction management services. Service Delivery Plan:			
SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1 Minneapolis, the City of Lakes, is identified by its urban park system. To ensure that the 6400 plus acres of parkland continue to be a productive recreational and environmental asset that contributes to the quality of life, it must be kept up, i.e., maintained, updated and expanded. (Shorelines erode, paths deteriorate, playground equipment wears out, new sports become popular.)	1a) Maintain a system wide park infrastructure and capital investment plan.	Prepare annual, five- and ten-year Capital Improvement Plans for the entire park infrastructure system. Obtain funds through the City Capital Improvement Program, Metropolitan Parks and Open Space Commission Capital Program, State LCMR Funding and variety of grants.	Complete Capital Improvements Plan. Received \$4,920,000 City CIP funds, \$2.8 million Met Council Funds, \$1.2 million LCMR, \$850,000 LAWCON Grant, \$500,000 UPAR Grant, \$2.7 million T-21 Funds,
	1b) Monitor the physical needs of the park infrastructure system to ensure it can provide and enable needed programming. Implement the Board's Citizen Participation Policy	1) Hold Neighborhood and community planning meetings. 2) Provide accurate public information. 3) Maintain positive community relations. 4) Stay in touch with the needs of park users. 5) Plan for and provide facilities that are needed and wanted by park users. 6) Keep neighbors informed of project progress.	Pershing Park Master Plan, Lyndale Park Master Plan and Wirth, Luce and Bassett's Creel Bike/Trail Master Plans
	1c) Design and construct improvements in the City's Regional and City-Wide parks system.	Provide Project management services to prepare designs and construction projects on the Capital Improvements Plan.	Completed 10 Neighborhood Parks and Community Park facilities, 10 Regional Park Facilities Totaling \$15.5 million
	1d) To protect the Park Board from legal actions, infrastructure improvements must be in conformance with Park Board Standards, in compliance with national safety standards and Park Board contractors must conform to the terms of the contract documents.	Oversee construction projects including (but not limited to) project initiation; funding procurement; community input process; design; inter- and intra-agency negotiations and relationships including permit applications, required and courtesy notifications, etc.; legal issues; hiring construction contractor/s; general troubleshooting; monitoring grants and project budget; dedication of completed project.	No legal actions have been taken against the Park system due to non compliance with safety regulations

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program:		Teen Teamworks		
Program Outcome:		Provide a positive park maintenance work experience , recreational opportunities and educational sessions to the target population of unemployed or under-employed "at risk" Minneapolis youth between the ages of 14 to 18.		
Service Delivery Plan:				
	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1	Provide supervised, summer employment to Minneapolis " at risk youth.	Qualifying youth referred to program by youth servicing organizations throughout city	Establish neighborhood work crew of 8 to 10 youth and one on-site supervisor at 12 park locations throughout the city	Earn a paycheck. Master job keeping skills. Good work ethic. Work as a team. Responsibility.
2	Provide educational sessions for all Teen Teamwork youthworkers	Teachers and Life Skills facilitators	Provide job seeking/keeping curriculum (i.e. - attendance, punctuality, and attitude) Effective communication skill building (i.e. - peers, adults and work environment) Survival/life skills development (i.e. -drug education and prevention, sexual harrasment education).	Basic skills development in reading, writing and math. Skill development of personal and social issues facing today's youth. Integration of classroom topics with work experience on the various crews. Take MN Basic Skill test. Earn one high school elective credit.
3	Provide recreational opportunities for all Teen Teamworks youthworkers.	Field trip Awards picnic Youthline	Demonstrate to youth the appropriate use of leisure time through recreational opportunities. Provide forum for positive interaction between youth and adults from various cultural groups within their community and neighborhood.	Served as reward for hard work. Development of self-esteem, social skills and teamwork.

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: 1500 Fund Recreation

Program Outcome:

Service Delivery Plan:

	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1	Minneapolis citizens enjoy recreational and leisure time activities, obtain new skills, improve health and fitness, and develop new relationships.	Recreation programs for all ages in the components of social, cultural, physical and environmental are planned for Minneapolis citizens.	Parks are open an average of 49.5 hours per week with 1400+ hours per year of recreation programs per park at 48 centers, 22 playgrounds and 6 seasonal park sites	9,000 + year-round comprehensive neighborhood based recreation programs and services attract 300,000+ Minneapolis citizen registrations and 1.8 million+ program attend.
2	School-age children ages 5-12 have safe, affordable care with an emphasis on the development of positive use of leisure time through recreation skill development.	Recreation based childcare is available at 18 + parks during the school year and at 21 + parks during the summer.	Staff meeting childcare training requirements plan, organize and supervise outdoor sports, informal games, lessons, self-directed play, special events and field trips for the Recreation Plus participants.	500 + children are enrolled in Recreation Plus during the before and/or after school time periods; 600 + children are enrolled in the summer program with all day care available.
3	Youth ages 9-14 develop skills and improve fitness through participation in fundamental sports camps, clinics, and leagues including badminton, baseball, softball, basketball, volleyball, wrestling, hockey, gymnastics, football, soccer, track and tennis.	Sports activities are organized citywide through the Community Services department.	A range of programs, including 12 sports for youth and a variety of sports camps, clinics and trainings are offered at 48 parks.	10,000 plus youth participate annually at all 48 parks.
4	Adults experience increased fitness and health, develop new relationships, gain new skills and continue involvement in enjoyable sports	Adult sports are organized citywide through the Community Services department.	Softball, football, basketball, volleyball, broomball, LaCrosse, tennis, and baseball are available at regional athletic facilities.	8,000 + adults participate in sports at regional athletic facilities
5	Children and youth learn how to swim, develop water safety skills, and enjoy recreational swimming. All ages learn sailing and canoeing skills and enjoy the recreational facilities at city lakes.	Aquatics classes and recreational activities are available at 11 beaches and five pools (two water parks).	Weekly swimming lessons are available for children at pools and beaches during the summer. Weekly classes in sailing and canoeing are scheduled at city lakes.	2,000 children participate in swimming lessons; 200,000 plus enjoy leisure swimming at pools and beaches. 1,000 people take sailing and canoeing lessons.
6	Children up to age 12 develop new skills, improve fitness through sports, enjoy games, explore different interests, and develop relationships with other children and adults in a positive, safe environment.	Summer Playgrounds/Mobile Playground programs are available at 26 park playgrounds during 10 weeks of summer.	Active games, sports fundamentals, arts and crafts, hiking, group activities, special events, and learning experiences are scheduled at 26 parks.	25 + children (18,400 total citywide) at each half-day site participate in the programs and activities planned, organized and supervised by staff at each location
7	Adults, children and youth enjoy outdoor special and cultural events at regional parks and facilities	Wirth winter recreational area offers skiing and sledding. Regional parks have organized concerts, plays and special events throughout the year.	155 concerts, 100 plays and mini concerts at parks and weekly ski lessons at Wirth are scheduled.	100,000 plus people of all ages attend 155 concerts, plays at Lake Harriet, Minnehaha Park and Nicollet Island. 10,000 people enjoyed plays and concerts at the parks and 10,000 people enjoyed skiing and sledding at Wirth.

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: 1500 Fund Recreation				
Program Outcome:				
Service Delivery Plan:				
	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
8	Youth ages 12-16 develop positive relationships with youth and adults, gain new skills, learn about community resources and experience a sense of belonging through participation in Youthline	Youthline programs in the components of community involvement, creative expression, life skills, and adventures are planned for youth ages 12-16.	Youthline is available at 18 parks year-round and at an additional 20 parks in the summer. Programs and activities are planned 15 hours per week (750 hours annually) per site.	3,500 + youth participate in Youthline programs and activities at 38 parks annually

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: Forestry				
Program Outcome: Increase the awareness, importance and value on the Minneapolis urban forest.				
Service Delivery Plan: Maintenance, preservation and renewal of the Minneapolis urban forest.				
	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1	Provide safe and liveable neighborhoods and provide safe and useable parks that are as free of invasive species and pests as possible.	Tree and urban forest maintenance.	Trimming / Pruning; Preventative Maintenance; Remove invasive species and implement IPM techniques when applicable.	A healthy and well maintained urban forest.
2	Provide a safe urban forest for city residents with reduced liabilities. Survey pests, initiate controls, schedule work & monitor contractors	Removal of trees & stumps due to disease, decay or storms and related inspection services.	Topping and removal of Dutch elm diseased, dead and dangerous trees; stump removal via mechanical grinding; clean up after storms; inspection and surveying services.	Elimination of diseased and hazardous trees & fallen limbs; stump removal & plant site preparation; inspection of residential requests and contracted work.
3	Provide new trees that will replenish the population of the urban forest.	Reforestation	Planting of neighborhood trees on boulevards, in parks and on other municipal properties.	Healthy new trees of various species.

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: Information & Technology Services
Program Outcome: Provide effective technology tools that meet the business needs of the MPRB
Service Delivery Plan:

	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1A	To Provide reliable, safe, cost-effective connectivity from workstations to servers	Network infrastructure over a wide area network: Servers, network storage; hubs, routers & cabling; firewall & anti-viral software; telecommunications services	Configure & maintain 9 servers; network storage devices; hubs, routers & cabling; firewall & anti-viral software; telecommunications services,	Reliable, safe, secure cost-effective connectivity from workstations to network resources
1B		Desktop hardware & related equipment: printers, faxes, etc.	Configure & maintain 295 workstations on network; Configure & maintain 125 printers & faxes	Up-to-date workstations on a scheduled replacement schedule supporting consistent budgeting
1C		Technical support & assistance to users	Provide technical support & assistance to nearly 400 users	Prompt, effective response for users requesting support
2A	To provide effective enterprise software applications that meet the business needs of the MPRB	Desktop office suite software as well as specialized software applications	Configure and maintain standard office suite software applications for 295 workstations; maintain and support specialized software applications	Standardized, reliable, effective software for all users
2B		Project management and systems analysis expertise	Provide project management and systems analysis expertise to translate business needs into technical solutions	Effective translation of business needs into technical solutions

**Minneapolis Park and Recreation Board
Service Delivery Plan**

Program: Equipment Fund				
Program Outcome: Provide safe & operational equipment to all Park Board internal departments				
Service Delivery Plan: Maintenance, Repair & Purchasing				
	SDP Outcome (Why)	SDP Services (How)	Activity (What)	Product (Output)
1	To minimize unexpected downtime due to mechanical failure	Preventive maintenance & repair of equipment	Do yearly preventive maintenance on each piece of equipment. Do repairs on a daily basis as needed.	Safe and reliable equipment
2	Maintain lowest possible rental rates, lowest possible maintenance cost and minimal down time to using departments	Purchase equipment	Replace equipment on a regular basis	Trouble free, reliable equipment.

PARK AND RECREATION BOARD
Staffing Information

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Administration	38.60	39.60	35.70	31.45	-11.90%	(4.25)
Environmental Operations	11.23	17.38	17.38	17.18	-1.15%	(0.20)
Park Maintenance	237.37	233.80	233.02	214.49	-7.95%	(18.53)
Police	57.00	55.00	53.00	59.69	12.62%	6.69
Planning	17.00	18.00	16.00	15.00	-6.25%	(1.00)
Forestry	97.06	97.06	96.06	95.06	-1.04%	(1.00)
Special Services	129.97	124.02	124.02	125.18	0.94%	1.16
Information Technology Sys	7.00	7.00	7.00	7.00	0.00%	-
Equipment	15.05	15.45	15.41	15.41	0.00%	-
Citywide Recreation	299.48	313.63	312.68	301.01	-3.73%	(11.67)
Teen Teamworks	20.75	25.75	25.75	25.75	0.00%	-
Youthline Outreach	20.47	-	-	-	n/a	-
Self-Insurance Revolving	0.25	0.25	0.25	0.25	0.00%	-
Total FTE's	951.23	946.94	936.27	907.47	-3.08%	(28.80)
Full-Time FTE's	614.39	616.63	600.85	568.88	-5.32%	(31.97)
Part-Time FTE's	336.84	330.31	335.42	338.59	0.95%	3.17
Total FTE's	951.23	946.94	936.27	907.47	(0.04)	(28.80)

PARK BOARD

Expense Information

	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	386,208	168,941	1,230,000	1,327,500	7.9%	97,500
Contractual Services	2,437,294	2,664,660	2,142,811	2,262,900	5.6%	120,089
Equipment	227,707	145,313	2,019	1,436	-28.9%	-583
Equipment Labor	0	0	0	0		0
Fringe Benefits	1,019,679	1,031,987	1,076,881	1,063,959	-1.2%	-12,922
Operating Costs	2,020,444	1,810,440	1,689,159	1,769,035	4.7%	79,876
Salaries and Wages	4,963,631	4,618,030	4,519,880	4,547,566	0.6%	27,686
Transfers	852,637	1,506,836	1,348,750	1,450,500	7.5%	101,750
Total for Enterprise Funds	11,907,600	11,946,206	12,009,500	12,422,896	3.4%	413,396
Internal Service Funds						
Capital Outlay	31	13,084	25,000	25,000	0.0%	0
Contractual Services	442,606	402,295	513,152	499,181	-2.7%	-13,971
Equipment	1,074,567	858,272	1,521,497	1,799,394	18.3%	277,897
Fringe Benefits	2,015,791	1,694,148	1,650,180	1,701,107	3.1%	50,927
Operating Costs	918,833	976,935	2,298,618	2,283,506	-0.7%	-15,112
Salaries and Wages	1,169,726	1,398,603	1,251,002	1,281,667	2.5%	30,665
Total for Internal Service Funds	5,621,554	5,343,338	7,259,449	7,589,855	4.6%	330,406
Special Revenue Funds						
Capital Outlay	2,936	0	0	0		0
Contractual Services	9,751,731	10,304,086	10,224,282	9,887,496	-3.3%	-336,786
Equipment	295,940	193,222	325,132	273,759	-15.8%	-51,373
Equipment Labor	180	806	6,922	9,619	39.0%	2,697
Fringe Benefits	6,577,625	7,404,331	8,344,263	8,401,757	0.7%	57,494
Operating Costs	2,751,004	2,274,539	2,462,262	2,377,560	-3.4%	-84,702
Salaries and Wages	26,118,335	27,463,324	28,854,689	28,007,600	-2.9%	-847,089
Transfers	2,781,609	3,310,065	693,440	579,500	-16.4%	-113,940
Total for Special Revenue Funds	48,279,359	50,950,372	50,910,990	49,537,291	-2.7%	-1,373,699
Total for PARK BOARD	65,808,513	68,239,916	70,179,939	69,550,042	-0.9%	-629,897

**City of Minneapolis
FY 2004 Budget**

Glossary of Terms
Or a helping of "Alphabet Soup"

AC – Animal Control.

Accrual Basis of Accounting – Recognizes transactions when they occur regardless of the related cash flows. Recognizes revenues in the accounting period in which they are earned and measurable.

ACH – Automated Clearing House.

ADA – Americans With Disabilities Act.

ADC – Adult Detention Center, a Hennepin County facility in the City Hall/Courthouse.

ADR – Alternative Dispute Resolution program.

AFSCME – Association of Federal, State, County and Municipal Employees, bargaining unit.

Agency - This is the term for the highest organizational level, in most cases a city department or independent board.

Agency Funds – Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

ALJ – Administrative Law Judge.

AMM – Association of Metropolitan Municipalities.

AMR – Automated Meter Reading.

AMS LG FS – American Management Systems Local Government Financial System. The City's financial system, also known as FISCOL.

APO – Administrative Penalty Orders.

APS – Automated Pawn System, the Police Department's information System for regulating pawn and second hand dealers.

BET – Board of Estimate and Taxation, consisting of the Mayor, the President of the City Council, the Chair of the City Council's Ways and Means/Budget Committee, one member

of the Park and Recreation Board, one member of the Library Board and two elected citizens.

BIS – Business Information Services, is directed to support Business Development, E-Government & Enterprise Information, Business Application and Technology Infrastructure Services.

BIIS – Building Inspections Information System, of the department of Regulatory Services.

BIRE – Remodeling type of building permit.

BLOA – Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

Block E – a redevelopment area in downtown.

Board of Adjustment – To hear and decide appeals from decisions made by the Zoning Administrator under the Zoning Code; to hear and act upon applications for variances from the terms of the Zoning Code; to hear and recommend on all matters referred to it by the Zoning Code. The Zoning Code calls for a board of nine members appointed by the City Council. Members must be Minneapolis residents. Members serve a three year term. Applications are sought from persons, and nominations solicited from organizations broadly representative of community interests.

BOMA – Building Owners and Managers Association, a private association.

Bonds – General Obligation Bonds (GO Bonds): A bond secured by the “full faith and credit” of the issuing government and backed by taxing power.

BOTC – Building Over the Counter. A type of building permit that is issued at the Inspection’s permit counter.

Budget Committee – See Ways & Means/Budget Committee.

CADD – Computer Aided Design & Drafting, a component of the Public Works design software.

CAFR – Comprehensive Annual Financial Report.

CAO – City Attorney’s Office.

CAP – Coordinated Action Program.

Capital Improvement Plan (CIP) – A five-year plan for proposed capital improvements. The first year of the CIP is formally adopted as the Capital Budget.

Capital Program – see Capital Improvement Plan (CIP).

Capital Projects Funds – used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types.

CAPRS – Computer Assisted Police Reporting System.

CBD – Central Business District.

CBTF – County Budget Task Force. Hennepin County's Capital Budget Process (similar in nature to CLIC).

CCNP – Central City Neighborhoods Partnership, a community non-profit.

CCP/SAFE – Community Crime Prevention/Safety for Everyone, program of the Police Department.

CD – Community Development, also a standing committee of the City Council.

CDBG – Community Development Block Grant. Grants provided to the City, based on its submitted consolidated plan, annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

CDC's – Community Development Corporations.

CFP – Capital Fund Program, a program funded by HUD.

CHAMP – Child Health Assessment and Monitoring Project, of the department of Health and Family Support.

CHS – Community Health Services.

CIO – Chief Information Officer.

CIS – Construction Inspections Services. A section of the Inspections Division within Regulatory Services.

CJCC – Criminal Justice Coordinating Committee.

Claims – Requests for reimbursement for damages resulting from fault or liability of the City.

Class A – Newer buildings in the Central Business District in first class condition, design and décor. Large and/or tall in size with mostly multiple skyway (enclosed pedestrian bridge) linkage.

Class B – Seasoned buildings in good condition in the Central Business District and generally over ten years old. Mid-rise in size and may include skyway (enclosed pedestrian bridge) linkage.

CLIC – Capital Long- Range Improvements Committee a citizen advisory committee to the Mayor and City Council on capital programming.

CLUES – Chicanos Latinos Unidos en Servicio.

CMMS – Computer Maintenance Management System.

CNAP – Community Neighborhood Action Plan.

CODEFOR – Computer Optimized Deployment – Focus On Results. It is a strategy to reduce crime involving every unit of the Minneapolis Police Department, including patrol, investigations, administration, special units, and support services.

COLA – Cost of Living Adjustment.

Contingency – Budget for undesignated expenditures. These expenditures cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. These funds are sometimes earmarked for unanticipated expenses, special projects or shortfalls in revenue. The release of these funds is governed by the City Council.

Contractual Services – The summary expense category, which displays expenses such as contracts for service, quasi-contractual arrangement such as utilities, or services billed by another unit of government.

COPS More – Community-Oriented Policing Services (COPS) grant from the U.S. Department of Justice.

Cost Center/Level 2 – The lowest level of organizational unit for purposes of budget presentation. Cost Centers are usually provided where organizational units below the department level are needed for a clear breakdown of budget information. Cost Centers are also referred to as Level 2 in some documents. This is the organizational level of Cost Centers in FISCOL.

CPED – Community Planning and Economic Development Department. CPED is directed to oversee and coordinate all City planning and development activity, including the

transition from the current organizational structure to a new organizational structure as outlined in the adopted Focus Minneapolis Resolution.

CPC – City Planning Commission.

CPTED – Crime Prevention Through Environmental Design.

CRA – Civilian Review Authority.

CrimNet – A state of Minnesota effort to develop an architecture for criminal and juvenile justice information.

CRT – Community Response Team of the Police department.

CSA – County-State Aid, received by the City for work done on County roads.

CSAH – County State Aid Highways.

CSL – Current Service Level, the initial estimate the current budget year's costs of providing the same level of service as provided in the prior year.

CSO – Combined Sewer Overflow, which separates the remaining storm sewer lines that are connected to sanitary sewer lines.

CSO – Community Service Officer.

CUE – Committee on the Urban Environment, staffed by the Planning department.

CY - Calendar Year

DAP – Domestic Abuse Project, a community non-profit.

DAT – Domestic Abuse Prosecution Team, in the City Attorney's office.

DEA – Drug Enforcement Administration.

Debt Service – Money that is required in order to make payments on the principal and interest of outstanding bonds.

Debt Service Funds – used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

Decision Packages – A document, which seeks approval from the Mayor and City Council, requesting a change in a Department's operations. The changes requested in Decision Packages are usually a result of a directive or an attempt to improve service

levels and/or service delivery. Typically these changes involve an increase or reallocation of Department expenditures and occasionally offsetting revenue if recommended by the Department.

DNR – Department of Natural Resources, a state government agency.

DRS – Department of Regulatory Services, a City department in the City Coordinator's group.

DTED – Department of Trade and Economic Development, state government agency.

E2K – Engineering 2000, a public works information technology system.

EAP – Employee Assistance Program.

EBL – Elevated Blood Level (term used to describe lead levels in children).

EC – Event Coordinator, at the Convention Center.

EEOC – Equal Employment Opportunities Commission, of the federal government.

EHDI – Eliminating Health Disparities Initiatives.

EMC – a company which provides data storage to the Information Technology Services Department.

EMIS – Equipment Management Information System.

EMS – Emergency Medical Services.

EMT – Emergency Medical Technician, employed in the Fire Department.

Enterprise Funds – used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges.

EPA – Environmental Protection Agency, a federal government agency.

ERU – Emergency Response Unit, in Police.

ESD – Equipment Services Division of Public Works.

ESG – Emergency Shelter Grant, funded by the U.S. Department of Housing and Urban Development.

ESL – English as a Second Language.

ESRI – a company which provides geographic information system technology to the City.

Expenditure – Funds paid, or designated to be paid, for an asset or goods and services.

EZ – Empowerment Zone, a federal designation which the City received from the U.S. Department of Housing and Urban Development in 1999.

FCC – Federal Communications Commission.

FEMA – Federal Emergency Management Administration.

FERC – Federal Energy Regulatory Commission.

FF&E – Furniture, Fixtures and Equipment.

Fiscal Disparities – Fiscal Disparities is a law by which commercial-industrial tax base growth is shared annually among metropolitan taxing jurisdictions according to a statutory formula.

FISCOL – Acronym for Financial Information System City of Lakes, the automated finance system used to prepare most of the financial information in this document. This system is used for all accounting transactions within the City.

FSB – Financial Services and Budget Division of the Finance department.

FTC – Full Time Consultant.

FTE (Full Time Equivalent) – A unit of measurement to account for the number of positions authorized to departments. One FTE is equivalent to one employee working 2088 hours in 2001.

Fund – A major accounting vehicle used by the city to account for revenues, expenditures, assets, and liabilities of major sectors of city activities as established by legal requirements.

Fund Summary – A budgetary document that summarizes on an annual basis the activities of a city fund. It compares revenues with expenditures on an annual basis. This budget fund summary may not be the same as the audited financial statement since the fund summary includes only resources which are available to pay expenses of the fund (i.e. excludes inventory and depreciation) during the current year.

FY – Fiscal Year.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board.

General Fund – the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund.

GFOA – Government Finance Officers Association, the professional association of Finance professionals in the public sector.

GIS – Geographic Information Systems, a division of Regulatory Services created in 2002.

GLBT – Gay Lesbian Bisexual Transgender.

GMCVA – Greater Minneapolis Convention and Visitor's Association.

GMDCA – Greater Minneapolis Day Care Association, a community non-profit.

GMMHC – Greater Minneapolis Metropolitan Housing Corporation.

Gopher State One Call – A collaboration which allows property owners to call for mapping of utility lines.

Govern – Assessor's information technology equipment.

Governmental Funds – used to account for functions of the City that are principally supported by taxes and intergovernmental revenues.

GRO – Glendale Residents Organization.

HACA – The Homestead and Agricultural Credit Aid is a form of state aid to local governments to compensate for tax revenue that is lost because of lower tax rates for homesteaded residential property (versus non-homesteaded). This category of aid was eliminated during the 2001 legislative session.

HC – Hennepin County.

HCRRA – Hennepin County Regional Railroad Authority.

Hennepin County (HC) – the county where the City of Minneapolis is located.

HOLLMAN DECREE – The Hollman Consent Decree is a 1995 lawsuit settlement (to which the City, MCDA, & MPHA were parties) designed to provide public housing in a full range of metropolitan communities, beyond the core city, in order to improve housing choice for public housing residents.

HOME – Home Investment Partnerships Program, a U.S. Department of Housing and Urban Development grant program.

HOPWA – Housing Opportunities for People with Aids, a U.S. Department of Housing and Urban Development grant program.

HOW – Home Ownership Works, a program of the MCDA.

HRA – Housing Redevelopment Authority.

HRG – Human Resources Generalist.

HRIS – Human Resources Information System.

HUD – U.S. Department of Housing and Development, a federal government agency.

IACP – International Association of Chiefs of Police.

ICMA – International City/County Managers Association.

IGR – Intergovernmental Relations.

IMMULINK – Immunization Registry, a program with Hennepin County.

Industrial Revenue Bond -- Bond proceeds are used to finance the purchase or construction of facilities or equipment to be leased to a private corporation. The bonds are backed by the revenue generated by the lease payment and ultimately by the credit of the corporation.

INFORM – A research service provided by the Minneapolis Library.

Internal Service Funds – used to account for those City services which are financed and operated in a manner similar to private business enterprises and the customer is other City departments instead of the public.

ISAB – Integrated Systems Advisory Board.

IWR – Utility Billing's Interactive Web Response application.

JNET – the adult criminal justice system integrated data system.

JP – Joint Powers.

KIVA – the vendor that provides the City's Building Inspections Information System (BIIS).

LCTS – Long-term Collaborative Time Study, a funding program through the State and Hennepin County for the department of Health and Family Support.

LGA – Local Government Aid.

LIF – Leveraged Investment Fund.

LISC - Local Initiatives Support Corporation.

LMC – League of Minnesota Cities.

LRT – Light Rail Transit, to run from the Airport to Downtown Minneapolis.

MAC – Metropolitan Airports Commission, the independent body which runs the regions airports.

Market Value – The estimated amount as determined by the City Assessor that a willing seller and a willing buyer would agree upon for a piece of property.

MAXIMO – Building Maintenance information System of the Municipal Building Commission.

Mayor's Recommendation – The recommended annual budget by the Mayor as required by the City Charter.

MBC – Municipal Building Commission, a component unit of the City which operates the City Hall/Courthouse Building.

MCC – Minneapolis Convention Center.

MCCR – Minneapolis Commission on Civil Rights.

MCES – Metropolitan Council Environmental Services, provider of sewage interceptor and treatment services for the City.

MCH – Maternal Child Health.

MDCR – Minneapolis Department of Civil Rights.

MDC – Police Department's Mobile Data Computers

MDES – Minnesota Department of Economic Security, state agency.

MDHFS – Minneapolis Department of Health and Family Support.

MECC – Minneapolis Emergency Communications.

MERF – Minneapolis Employee Retirement Fund, a closed retirement plan for general City employees.

METP – Minneapolis Employment and Training Program.

Metropolitan Council – Regional government of the 7 county metro area.

MFD – Minneapolis Fire Department.

MFIP – Minnesota Family Investment Program, the State’s successor to the Aid for Families with Dependent Children (MFIP).

MFRA – Minneapolis Firefighter’s Relief Association, a closed retirement plan for firefighters.

MHFA – Minnesota Housing Finance Agency, state government agency.

MHRC – Minneapolis Highrise Representative Council, City’s largest public housing resident organization that represents all residents in MPHA’s 40 highrise apartment buildings located throughout the city of Minneapolis.

MIL – Municipal Information Library.

MILES – Minneapolis Industrial Land and Employment Strategy.

MJNO – Multiple Jurisdiction Network Organization, a statewide collaboration of police agencies.

MLK – Martin Luther King Jr.

MMRS – Metropolitan Medical Response System.

MNDNR – Minnesota Department of Natural Resources.

MNDOT – Minnesota Department of Transportation, state government agency.

MNHEALS – Minnesota HEALS (Hope, Education, and Law and Safety),
A program of comprehensive gun violence reduction strategies.

MOAPPP – Minnesota Organization on Adolescent Pregnancy Prevention & Parenting.

Modified Accrual Accounting – Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

MPAAT – Minnesota Partnership for Action Against Tobacco.

MPCA – Minnesota Pollution Control Agency.

MPD – Minneapolis Police Department.

MPHA – Minneapolis Public Housing Authority, the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis.

MPI – Minnesota Parking Incorporated, contract operator of the City’s municipal ramps.

MPRA – Minneapolis Police Relief Association, a closed retirement plan for police officers.

MPRB – Minneapolis Park and Recreation Board, a directly elected body.

MPS – Minneapolis Public Schools.

MRI – Municipal Refuse Incorporated, provider of solid waste disposal in parts of Minneapolis.

MSA – Municipal State Aid, a source of revenue for capital projects.

MUPS – Municipal Utility and Package System.

MVNA – Minneapolis Visiting Nurse’s Association, a community non-profit.

NDB – Net Debt Bond.

NELC’s – Neighborhood Early Learning Centers.

New Arrivals – City of Minneapolis efforts to assist emerging immigration population.

Net Tax Levy – This is the total tax levy less HACA (but including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

NFPA – National Fire Protection Association, accreditation organization for Fire Departments.

NHCN – Neighborhood Health Care Network, a community health provider.

NIP – Neighborhood Initiatives Program of the MCDA.

NLC – National League of Cities

NNO – National Night Out

NPDES – National Pollutant Discharge Elimination System.

NRP – Neighborhood Revitalization Program, established in 1990, a joint powers agreement of the City to undertake neighborhood programs.

NSP – Northern State Power Company, now Xcel energy.

OCA – Office of Cultural Affairs of the City Coordinator's department..

OIC – Opportunities Industrialization Centers.

OJT – On the Job Training.

Operating Budget – Financial plan that allow City departments to maintain adequate service levels at reasonable costs by following sound financial management practices. Each City department or division prepares its own budget for review by the Mayor to assist the Mayor in preparing a budget recommendation for the City Council. A Department's Operating Budget authorizes designated spending, revenue, and personnel levels.

Operating Tax Funds – Those funds at least partially financed by property taxes, which support the normal functions of city government. They include the General fund, Board of Estimate and Taxation fund, Municipal Building Commission fund, Library fund, and the Park Tax funds.

Original/Current Appropriation – The amount of money allocated by the respective governing body for the budgeted year. The original appropriation is the amount approved at the time the budget was initially adopted. The current appropriation is the original budget as amended to reflect any approved changes.

OSHA – Occupational Safety and Health Administration, of the federal government.

OTP – Overtime Pay.

PAL – Police Activity League.

PAVER – Pavement Management System software application that computes the Pavement Condition Index (PCI) of roads and parking lots.

PCA – Pollution Control Agency, a state government agency.

PCAB – Pollution Control Annual Billing.

PCI – Pavement Condition Index, used to rate the condition of pavement.

PEIRS – Public Employee Information Retrieval System (the payroll system for Public Works Dept. and the Park Board).

PERA – Public Employees Retirement Association, state-wide pension plan, to which a majority of the City's employees belong.

PERF – Police Executive Research Forum.

PHDEP – Public Housing Drug Elimination Program, a federal government grant for security funding.

PI – Permanent Improvement.

PILOT – Payment in Lieu of Taxes.

PMD – Program Management Division of ITS.

PP – Problem Properties.

PPF – Preliminary Planning Fund of the MCDA.

PS&RS – Public Safety and Regulatory Services, standing committee of the City Council.

PSC – Public Service Center, one of the main buildings in the City's downtown campus.

PW – Public Works Department.

R&M – Repair and Maintenance.

RECAP – Repeat Address Call Policing, part of Central Services Bureau of the Police Department.

Revenue – Funds received from various sources used to finance City expenditures.

RFP – Request for Proposal, the process by which the City receives service descriptions and estimates of costs from potential providers of a service.

RFS – Request for Service, a violation related module of the Kiva application used by inspectors in Regulatory Services.

RPO – Rental Property Owners.

RTSF – Real Time Strategic Forum, a means used to rank strategic information systems improvements.

RTW – Return to Work.

SAC – Sewer Access Credits, issued by the Metropolitan Council.

SBA – Small Business Association, of the Federal Government.

SCADA – Supervisor Control and Data Acquisition, a program to automate the water control system from one point so that all gates, pumps, monitors and controls will be in one controlled area.

SCORE – Select Committee on Recycling & Environment.

SEMI – Southeast Minneapolis Industrial Area.

SFD – single family dwelling.

SHAPE - Survey of the Health of Adults, the Population, and the Environment, of the department of Health and Family Support.

SISP – Strategic Information Systems Plan.

SOC – State of the City, report published by the Planning Department.

Special Revenue Funds – used to account for the proceed of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities.

SRP – Summer Reading Program. A program offered by the Minneapolis Library.

STI – Sexually Transmitted Infection.

STOP – Chronic Offenders Team in the City Attorney's Office.

STS – Sentence to Serve.

SUBP – Small and Underutilized Business Program of the Civil Rights Department.

SWSFM – Storm Water/Sewer/Flood Mitigation program, the City's capital effort to limit residential flooding.

T&PW – Transportation and Public Works, a standing committee of the City Council. Also know by TAPS.

TAC – Technical Advisory Committee.

TAD – Third Avenue Distributor Ramps, built along the downtown core's border; owned by the State of Minnesota's Department of Transportation.

TANF – Temporary Aid for Needy Families, federal government grant.

Target Strategies – Changes that will produce a reduction in operating expenditures.

Tax Capacity – That amount of estimated market value subject to taxes after the total estimated value is multiplied by a "tax classification rate".

Tax Capacity Rate – After calculating the dollars to be levied, each taxing jurisdiction uses the total tax capacity to calculate their "tax capacity rate". This rate is essentially the percentage of tax capacity to be paid in taxes.

Tax Classification Rate – The percentage set by state statute that is applied to the market value of each property classification to arrive at tax capacity. (This replaced assessment ratios.)

Tax Increment (TI) – Tax increment of real property within a municipality whose assessed valuation for tax purposes is frozen when the tax increment district is certified. The proceeds from the tax increment bond sale are used to develop this distressed or under-utilized property. Taxes collected from the frozen assessed valuation continue to be distributed to the various taxing districts. As development caused the valuation of the property of rise, the difference or increment between the frozen valuation levels and increased value after development provides the needed payment to pay off the bonds. Tax Increment Finance Bonds (TIF): Bonds sold to investors to raise capital for development activities. Interest paid to bond purchasers is usually exempt from state and federal taxation, although TIF bonds can also be sold to investors with no interest exemption from state and federal taxes.

TBD – To be determined.

TELESERVE – is a system for reporting non-emergency crimes that occurred within the city limits of Minneapolis.

TISH – Truth in the Sale of Housing, in Inspections division of Regulatory Services.

TMP – The Minneapolis Plan, the City's comprehensive plan.

Total Expenses – The total costs of a cost center or department including debt service

and capital improvements.

TRA – Tenant Remedies Act.

Truth In Taxation (TNT) Law – In 1988, the Minnesota Legislature passed a law designed to make local governments more accountable for property tax increases. The law requires that local governments inform taxpayers of proposed tax levy amounts and adopt budgets at public hearings.

UDAG – Urban Development Action Grant, of the U.S. Department of Housing and Urban Development.

UCR – Uniform Crime Rate.

USCM – U.S. Conference of Mayors.

Ways & Means/Budget Committee – City Council Sub-Committee made up of six City Council Members, which provides Council oversight on issues such as: acceptance of bids, appropriation of funds, approval of increases/decreases/transfers of funds, assignment of wages and salaries, budgetary items (including approval of the City's annual budget), the certification to Hennepin County of taxes to be levied for bonds sold, civil rights issues, execution of contracts, issuance of bonds, Minneapolis Employment and Training Program agreements, and the operating, structure and organization of departments (during the budget process).

YCB – Youth Coordinating Board, a joint power agreement of the City.

YMAP – Youth in Minneapolis After School Program (Park Board).

Z&P – Zoning and Planning, City Council Sub Committee.

MINNEAPOLIS CITY COUNCIL OFFICIAL PROCEEDINGS

ADJOURNED SESSION OF THE REGULAR MEETING OF NOVEMBER 21, 2003, HELD DECEMBER 15, 2003

(Published Friday, December 20, 2003 in *Finance and Commerce*)

Council Chamber
Minneapolis, Minnesota
December 15, 2003 - 5:05 p.m.

The Council met pursuant to adjournment.

Council President Ostrow in the Chair.

Present - Council Members Lane, Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Goodman, President Ostrow.

PETITIONS AND COMMUNICATIONS

WAYS AND MEANS BUDGET (See Rep):

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (269275)

State and Orpheum Theatre Operating Budgets: 2003 revised and 2004 projected budgets.

FINANCE DEPARTMENT (269276)

2004 Budget: Budget book and supporting documents.

NEIGHBORHOOD REVITALIZATION PROGRAM (NRP) (269277)

Neighborhood Revitalization Program: 2004 Administrative Budget.

The following reports were signed by Mayor Rybak on 12/17/03, unless noted otherwise. Minnesota Statutes, Section 331A.01, Subd. 10, allows for summary publication of ordinances and resolutions in the official newspaper of the city.

REPORTS OF STANDING COMMITTEES

The **WAYS & MEANS/BUDGET** Committee submitted the following reports:

W&M/Budget - Your Committee recommends passage of the accompanying Resolution approving the 2003 property tax levies, payable in 2004, for various funds of the City of Minneapolis for which the City Council levies taxes.

Adopted 12/15/03. Yeas, 12; Nays, 1 as follows:

Yeas - Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Lane, Ostrow.

Nays - Goodman.

Resolution 2003R-607, approving the 2003 property tax levies, payable in 2004, for various funds of the City of Minneapolis for which the City Council levies taxes, was adopted on 12/15/03. A complete copy of this Resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2003R-607

By Johnson

Approving the 2003 property tax levies, payable in 2004, for the various funds of the City of Minneapolis for which the City Council levies taxes.

Resolved by The City Council of The City of Minneapolis:

That the following taxes and tax levies are hereby assessed against and levied based on taxable value upon the real and personal property in the City of Minneapolis in 2003 for taxes payable in 2004 for the following funds:

FUND	CERTIFIED LEVY AMOUNT	TAX CAPACITY RATES ¹
General Fund	\$86,926,879	32.438
Municipal Building Commission	\$3,549,377	1.325
Permanent Improvement	\$2,187,240	0.817
Bond Redemption	\$26,255,877	9.798
Firefighters Relief Association (MFRA)	\$0	0.000
Police Relief Association (MPRA)	\$2,962,300	1.106
Minneapolis Employees Retirement (MERF)	\$3,990,564	1.490
Total	\$125,872,237	46.974

Be It Further Resolved that the difference between the amounts herein levied by for the Bond Redemption Fund and the aggregate of levies previously certified to the Hennepin County Auditor are made up by cash from prior years' balances. The tax capacity rates shown for each of the above funds are derived by applying the amount of the levy to an estimated tax capacity value of \$267,402,843 and a spread levy tax capacity value of \$229,509,334, and are advisory in nature only. The dollar amount shown in the levy hereby certified and such amounts to be determined by the County Auditor are to be due to the City under the "Fiscal Disparities" law.

Be It Further Resolved that a tax levy of \$3,400,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2003 for taxes payable in 2004 for debt service associated with the voter approved Library Referendum Bond authorization of \$140,000,000.

Adopted 12/15/03. Yeas, 12; Nays, 1 as follows:

Yeas - Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Lane, Ostrow.

Nays - Goodman.

W&M/Budget - Your Committee recommends passage of the accompanying Resolution fixing the maximum amounts to be expended by the various departments for 2004 (2004 General Appropriation Resolution), from the various funds under the jurisdiction of the City Council for which the City Council levies taxes, based on the recommendations submitted by the Mayor (Petr No 269276).

Johnson moved to amend the resolution by adding a footnote "ccc" to read as follows:

"ccc). The Finance Officer is authorized to transfer \$4.0 million from the CPED-Local Contribution Fund (one-time money) to the Self-Insurance Fund (Fund 6900) by December 31, 2003. The Finance Officer is authorized to transfer \$6.0 million from the General Fund to the Self-Insurance Fund (Fund 6900)." Seconded.

Adopted upon a voice vote

Schiff moved to amend the Petition (the 2004 Budget) by amending the 2004 Community Planning & Economic Development (CPED) Housing Program by transferring \$1 million (2004 levy dollars) from "Other Ownership" to Affordable Housing Trust Fund Rental. Seconded.

Lost. Yeas, 5; Nays, 8 as follows:

Yeas - Samuels, Schiff, Niziolek, Benson, Goodman.

Nays - Johnson, Colvin Roy, Zimmermann, Zerby, Lilligren, Johnson Lee, Lane, Ostrow.

Johnson moved to amend the Petition (the 2004 Budget) by amending the 2004 Community Planning & Economic Development (CPED) Housing Program budget by reallocating the \$1 million allocated to "other ownership at less than 80% of the metropolitan median income (MMI)" to "\$500,000 at less than 80% of the MMI and \$500,000 at less than 50% of the MMI to be used for permanent affordability". Seconded.

Adopted upon a voice vote.

The report, as amended, was adopted 12/15/03. Yeas, 11; Nays, 2 as follows:

Yeas - Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Benson, Lane, Ostrow.

Nays - Niziolek, Goodman.

Resolution 2003R-608, fixing the maximum amounts to be expended by the various departments for 2004, from the various funds under the jurisdiction of the City Council for which the City Council levies taxes, was adopted on 12/15/03. A complete copy of this Resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2003R-608

By Johnson

Fixing the maximum amounts to be expended by the various departments for 2004 from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees:

Resolved by the City Council of The City of Minneapolis:

That there be appropriated out of the monies in the City Treasury and revenues of the City applicable to specifically named funds the maximum appropriation amounts as outlined in Financial Schedules 1, 2, 3, 4, and 5 as published in the final 2004 Budget Book.

REVENUE ESTIMATES:

2004 revenue estimates as shown in the final column of Schedule Two are adopted as the "Approved Revenue Estimates".

Any changes to these revenue estimates that are not technical in nature will be made by Council action at the quarterly reviews in 2004.

2004 Operating Budget

Resolution Footnotes:

Financial Policies and Appropriation Change Authority

a) The proper City Officials are directed to charge non-tax supported funds under the City Council jurisdiction, including all construction projects under City Council jurisdiction, and those in the Permanent Improvement Fund (4100), an amount equal to 3 1/2% of the expenditures of such funds. This shall exclude the Central Library Project, Convention Center Completion Project, the Near North Project, the Grant Funds (0300,0400,0600), the forfeitures revenue in Police Special Revenue Fund (2100), Engineering Materials and Testing Fund, Permanent Improvement Equipment Fund, Land and Buildings Fund, Public Works Stores Fund, Self-Insurance Fund, Intergovernmental Services Fund, Inter-Fund

Transfers of all funds and the debt service in Enterprise Funds. The proceeds of such charges will be credited to the General Fund Overhead Revenue Account 3385/01 in the General Fund for 2004. Non-exempt expenditures in non-exempt MCDA tax increment district funds will be subject to a 3% General Fund overhead charge. The City Center District will be subject to a .6 of 1% charge.

b) The proper City Officials are directed to charge all funds under the City Council jurisdiction 10.90% of covered payroll costs to reflect the costs to the Minneapolis Employees Retirement Fund, to charge \$433.15 bi-weekly for each member of the Police Relief Association, and \$385.62 for each member of the Fire Department Relief Association. The pension costs, as determined above for the charge to the General and Permanent Improvement Tax Funds, shall be credited to Pension Expense, organization number 1280. The 2004 estimated credit to Pension Expense (128) is \$1,796,128 for the General Fund (0100), and may be revised periodically during the course of the year, as necessary, by the Finance Department to reflect more current estimates.

c) The proper City Officials are directed to charge all funds under the City Council jurisdiction for the employer's cost of employee health and welfare benefits.

d) The Finance Officer or his/her designee has the following authority to approve technical changes:

(1) To make temporary loans to cover any cash deficits as of December 31, 2004.

(2) To adjust appropriations in any fund to facilitate transfers for debt service which may be required, and to make all appropriate transfers and payments.

(3) To amend appropriations related to technical accounting treatment changes.

(4) To adjust re-appropriations for 2004 as noted in footnote (g) for grant funds within cost centers as appropriate

(5) To allocate the State Insurance Aid payments received from the state for pension costs between the city and the Police and Fire Relief Associations. The city's allocation shall be for cost of Police and Fire PERA and shall be credited to the proper revenue account in the fund incurring the cost with the balance being allocated to the Relief Associations.

(6) To adjust the appropriations of the special revenue funds for payments to various pension organizations as may be required during 2004: Pension Fund (0990).

(7) To establish or adjust appropriations, to carry out the intent of the Federal Courts Project Financing Plan by facilitating the technical corrections, adjustment, and completions authorized by Resolution 91R-328.

(8) To establish or adjust appropriations, transfer balances, or make payments to carry out the intent of any action or resolution Passed and Approved, or any legal agreement Passed, Approved and Executed, with respect to any inter-fund loans, advances, residual equity transfers, or operating transfers, or the repayment thereof.

(9) To make the necessary project and line item budget adjustments to periodically balance budgets and expenses between national objectives within given programs and within normal CDBG program constraints.

(10) To establish and adjust accounts and appropriations, make payments and transfers, process transactions as necessary for the purpose of cash management of revenues pledged to the Council approved Target Center finance plan as adopted on March 10, 1995 and detailed in 95R-058, 95R-059, and 95R-060 so as to prevent situations that would require a market disclosure.

(11) To make any necessary appropriation adjustments to allow departments to receive and spend NRP funds consistent with Council-approved NRP Action Plans, Early Access requests, and First Step Plans.

(12) To appropriate available grant balances from the following grants:

(i) HUD Rental Rehab grant to MCDA Fund FG0

(ii) HUD HOME grant funds to MCDA Fund FG0

(iii) Federal Transit Administration (Trolley) grant funds to either MCDA Fund FG0 or City Fund 0300 for use by the Greater GMCVA

(iv) Eligible UDAG recapture funds to MCDA fund FNA

(v) State Economic Recovery Grants to MCDA fund FNA

(vi) HUD Special Purpose Grant MN47SPG507(TCOIC) funds to the Non-departmental Agency in the Fund (0400-1230)

(13) To make appropriation adjustments to correct any errors, omissions or misstatements to accurately reflect the intent of the City Council in adopting the 2004 Operating Budget.

(14) To authorize the Finance Officer to adjust the December 2004 Local Government Aid (LGA) payments to the Park Board and Library Board if payment is not received from these independent boards for the management support fees included in the adopted budget (\$300,000 from the Library Board and \$800,000 from the Park Board).

(15) To make transfers of appropriation and authorized positions within the approved budgets for MCDA, Planning, and any other department or agency. Based on the direction set forth in 2002R-303(l) (the Focus Minneapolis resolution), any increases in appropriation or authorized positions for CPED approved under this footnote must include offsetting appropriation and position decreases in the affected departments so that there is no net change in overall citywide appropriation or authorized position totals. The City Coordinator will report back to the Community Development and Ways & Means/Budget Committees as changes occur to the appropriation or position authority levels in the affected departments.

(16) Authorize the Finance Officer to modify the FTE and appropriation levels of the Public Works Property Services Division and the Police Department to reflect the transfer of janitorial functions from the Police Department to the Property Services Division. A pilot program will begin in 2003 involving the two departments in which all Police precinct janitorial functions will be directed and delivered by the Property Services Division. Once the pilot program is underway 1.0 Janitor position will be transferred from the Police Department to the Property Services Division. The amount of property services rent charged to the Police Department will also be modified to reflect the transfer of the FTE.

e) The Budget Director or his/her designee may transfer appropriations as loaded on the FISCOL accounting system from one organization to another within the same Agency and fund and within and between Parking Funds upon request by the department. Such transfers shall not change the fund and Agency level totals as approved by the City Council and Mayor and shall not constitute approval of any policy change.

f) The legal appropriation level for Public Works, City Coordinator, and City Clerk/Elections is set at the total level by fund. Appropriation changes between departments within the legal level of appropriation can be executed by the Budget Director or his/her designee.

g) The balances of 2003 appropriations for the following grant funds are hereby re-appropriated in the year 2004:

- 0300 Grants - Federal
- 0400 CDBG/UDAG Fund
- 0600 Grants – Other

The balances of 2003 appropriations for administration in the CDBG/UDAG Grant fund (0400) shall be re-appropriated to the Non-Departmental Agency in 2004, except for the administrative portion of Way to Grow in Health.

h) There is hereby appropriated in the various Debt Service Funds sufficient funds to pay the 2004 debt service requirements to the extent funds are available.

i) In all cases where tax funds and non-tax supported funds have appropriations which are based on or include work for others or on income from the Special Independent School District No. 1, or County, State or Federal Governments or any other grants, donations and contracts, expenditures shall be limited to the amounts which can be supported by billings against parties, agencies or funds for which work is to be done, or for which grants or aids are provided and the proper city officials shall treat such billings, actual and prospective, as revenues only to the extent such billings are collectible or such grants and aids are authoritatively assured.

j) The 2004 Allocation of Local Government Aid to Minneapolis from the State of Minnesota in the amount of \$82,514,272 is to be distributed to the various City Funds and Boards as indicated below:

General (0100)	\$65,874,330
Municipal Building Commission (1100)	253,028
Library (1800)	6,648,389
Park Board (1500&1700)	9,738,525
Total	\$82,514,272

k) MERF unfunded liability amounts are included in the departmental appropriations and will be billed to the affected departments during 2004. Reinsurance amounts will be paid to a self-insurance pool funded through premiums paid by departments and tracked by department.

l) The Public Works Equipment Division, cost center 6758, personnel services appropriation, as approved in the 2004 General Appropriation Resolution, shall be limited to only personnel services expenditures. Overall expenses are limited to revenues received.

m) The Local Government Aid funding for the Library Board is reduced by \$46,803 to fund the Board's share of Nicollet Mall Maintenance.

n) The policy approved by the Mayor and Council that limits all departmental overtime to 5% of personnel budgets is effective for the 2004 budget.

o) A year-end deficit will be allowed for each ward and the Mayor's office budget with the exception of the final year of term (but not for two consecutive years). The deficit will be paid by March 31 or the Council Member or Mayor's office budget for the current year will be reduced at mid-year. If there is savings in a ward or Mayor's budget, these savings can be reappropriated from one year to the next, but cannot be reappropriated the final year of the term.

p) The Fire Chief is authorized the discretion to maintain up to a daily staffing of 109 Fire Fighters, Fire Motor Operators and Fire Captains on fire suppression and emergency medical duty within the overall constraints of the Fire department budget.

q) The Fire Department shall be authorized to exceed its authorized strength for firefighters for training purposes provided that the average strength for the year is at or below the total authorized and the department does not exceed its legal spending authority.

r) The Police Department shall be authorized to exceed its authorized strength sworn officers in order to achieve a higher strength in the summer months provided that the average monthly strength for the year is at or below the authorized strength and the department does not exceed its legal spending authority.

s) The Inspections Division of Operations and Regulatory Services shall be authorized to exceed its authorized number of Housing Inspectors to minimize service disruption to residents provided the department does not exceed its legal spending authority.

t) Notwithstanding the provisions of the General Appropriation Resolution of 2003, the proper City Officials are directed to charge 3% to the expenditures of the City's Tax Increment Funds for documented, tax increment eligible expenditures.

- Fund CBX (City Center) shall be charged at 0.6%.

- Fund CNR (NRP) shall be exempted from this charge.

- Fund CEL (2700 East Lake) shall be exempted from this charge.

- Fund CEV (St. Anthony East Village) shall be exempted from this charge.

- The 3% fee is waived on payment of all pay-as-you-go tax increment revenue notes. (Consolidated from the technical footnotes of the former MCDA appropriation resolution.)

u) The Finance Officer is authorized to appropriate and transfer revenue within the Tax Increment capital project funds included in the Common Development and Redevelopment Plan and to fund CAZ (Common Project Uncertified), CLC (Local Contribution), CPP (Preliminary Planning Fund), CPZ (Common Project Reserve), CNR (NRP), SAD (NRP Planning & Implementation), SDA (Development Account), FNA (Neighborhood Development Account) and SPH (Community Development Revenue) consistent with the management of the Common Project, Development Accounts and Preliminary Planning Fund. (Consolidated from the technical footnotes of the former MCDA appropriation resolution.)

v) The Finance Officer is authorized to establish or amend appropriations related to technical accounting treatment changes and is authorized to establish and adjust accounts and appropriations, make payments and transfers, process transactions as necessary for the purpose of cash management of revenues and facilitate any technical corrections, adjustments and completions authorized for the following projects:

- Federal Courts Project as authorized by Council Resolution 91R-328;

- Target Center Finance Plan as adopted on March 10, 1995 and detailed in resolutions 95R-058, 95R-059, 95R-060 and Council action of August 22, 2003. (Consolidated from the technical footnotes of the former MCDA appropriation resolution.)

w) The Finance Officer is authorized to establish or adjust appropriations in Fund STH (Theatres)

to the extent permitted by the original bond resolutions, as necessary to facilitate the required transfers to and from the Theatre Operating Account as described in the "Management Agreement, Orpheum and State and Pantages Theatres." (Consolidated from the technical footnotes of the former MCDA appropriation resolution.)

x) NRP carryover authorization: With the exception of NRP Administration, the balance of the 2003 appropriations for NRP projects within Fund CNR (NRP) are hereby appropriated for said purposes in 2004. Specific amounts re-appropriated will be determined after the close of the 2003 fiscal year and upon review and approval of the Finance Officer. (Consolidated from the technical footnotes of the former MCDA appropriation resolution.)

y) CPED capital project carryover authorization: The balance of 2003 CPED capital appropriations and related city administrative costs (Object 5060) and related transfers are hereby appropriated for said purposes in 2004. Specific amounts appropriated will be determined after the close of the 2003 fiscal year and upon review and approval of the Finance Officer. (Consolidated from the technical footnotes of the former MCDA appropriation resolution.)

z) That, notwithstanding prior direction, the proper City and MCDA officials are authorized to take actions necessary to re-invest Fund SPH (Community Development), the balance of the invested proceeds from the sale of the MCDA's and City's interests in the Hilton Hotel. The status of the fund, expenditures and balances are to be reported annually as part of the City's budget process. (Consolidated from the technical footnotes of the former MCDA appropriation resolution.)

aa) Direct the Finance Officer to transfer \$12.5 million (market value) of investments in the Hilton Legacy Fund to an escrow account for the purpose of paying principle and interest on \$12.5 million of bonds that funded a portion of the City's 2004 pension obligations (Pension Bonds). Investments held in the escrow account will not be available for any other purpose. The Finance Officer is authorized to redeem the remaining Pension Bonds when the Finance Officer determines that the interest rate on the Pension Bonds is expected to exceed the rate of return on the escrow investments for the remaining term of the Pension Bonds. Investments in the escrow account will be returned to the Hilton Legacy Fund after the Pension Bonds are fully paid.

bb) Be it Further Resolved that this resolution may be cited as the "General Appropriation Resolution of 2004."

Changes to the Recommended Budget

cc) Community Development Block Grant: Amend the Mayor's recommendation on CDBG in the following manner: Public Service - increase the Way to Grow allocation in by \$115,000, add Advocacy (American Indian/Housing) funding in the amount of \$110,000, remove the recommendation regarding the Neighborhood Revitalization (NRP) Policy Board's recommendations of allocations, allocate \$1 million in remaining Public Service funding to the previously funded groups that had no allocations listed; Administration - decrease the Intergovernmental Relations allocation by \$100,000, decrease the Civil Rights Department by \$160,000, add Health and Family Support grant administration of \$100,000, add Way to Grow administration by \$36,000, add Health and Family Support- New Arrivals for \$120,000, decrease Planning department administration by \$100,000, add Legal Aid Society for \$49,000, add Fair Housing Implementation Committee for \$18,000, add Legal Aid Housing Discrimination Law Project; Capital - Shift \$1 million to corridor housing.

dd) Direct IGR - Grants and Special Projects to work with the Public Health Advisory Committee to review the Public Service grants in the CDBG for a recommendation in the Mayor's 2005 budget (CDBG Year 31).

ee) Reduce the City Council's budget by 1 position from the Mayor's Recommendation and allocate the funding for the positions evenly among the 13 Council Offices.

ff) (Technical Change) Add Combined Sewer Overflow Code Compliance staffing (3 positions, \$350,000). Recommended revenue in the fund is sufficient to cover expense. This was inadvertently omitted from the Mayor's Recommendation.

gg) (Technical Change) Increase the transfer to the Property Services fund from the general fund by \$30,000. This will fund contractually required work in the community centers which was not included in the Mayor's recommendation for CDBG.

hh) (Technical Change) Add one position to Public Works-Property Services - the position is funded through the rate model in place in the Mayor's recommendation, but was not included in the position count.

ii) Sewer/Stormwater fee: Authorize reappropriation of \$475,000 (pending final availability at the end of 2003) from 2003 to 2004 related to the study of the Sewer/Storm water fee in Public Works. This study was funded in the 2003 budget with final work to be completed in 2004.

jj) Sewer/Stormwater RFP: Authorize proper City officers to issue a Request for Proposal (RFP) for consulting services to assist with the final two phases (phases two and three) of implementing a stormwater management fee, including the separation of the City's stormwater program and fees from the sanitary sewer program and fees. The funding for this RFP is included in the adopted budget for 2004.

kk) Amend the Capital program to reduce the 2004 Street Renovation Program from 3,650,000 to 3,200,000 (Net Debt Bond). (General fund savings from 2003 will be directed to the Cedar Lake Parkway Bridge Project. The final adjustments to the 2004 Street Renovation program will be brought by Finance in February when General Fund Savings are determined.)

ll) Increase the operating budget in the Parking Fund in the Transportation Agency by \$1,500,000 for payments to Metro Transit for the Downtown Circulator in 2004.

mm) Request that the City's representatives to the Youth Coordinating Board (Mayor, CM Zerby, CM Johnson-Lee) work with the Board to ensure that the City's investment in the Wirth Recreational Area is communicated and marketed to Youth Serving Agencies in Minneapolis.

nn) Nuisance Night Court - Add 2 positions and related non personnel and contract costs to the City Attorney's budget. Increase related fine revenue (\$120 average initial fine).

oo) (Technical Change) Increase the Emergency Communications Center (MECC) budget by \$117,000 and 2 positions; decrease the Police Department by a like amount. This action completes the shift of the MECC from the Police Department to an agency reporting to the City Coordinator.

pp) (Technical Change) Increase the 911 Franchise Fee grant in the MECC in the other grants fund by \$125,000 (revenue and expense). This amount recognizes the changes in actual receipt from the grant over the past several years.

qq) (Technical Change) Reduce the general fund allocation for Community Planning and Economic Development (CPED) by \$192,000. These expenses will be paid for in CPED funds. Reduce interfund transfers from CPED funds to the general fund by a like amount.

rr) (Technical Change) Reduce nonpersonnel costs by \$110,000 and increase personnel costs by \$110,000 and two positions in the Community Planning and Economic Development Department, funded by the increased revenue included in the Mayor's Recommendation.

ss) Community Development Program Allocations: approve allocations of housing, economic development and planning funds as follows: From Hilton Legacy Fund - Affordable Housing Trust fund \$1M; Heritage Park Project Management \$400,000; Commercial Corridor/Small Business Loan fund \$1 M; Closing the Gap Employment Initiative \$1 M; Planning \$300,000. From Property Tax Levy: Affordable Housing Trust Fund \$1,000,000; Limited Equity Coops \$800,000; It's All About Kids \$200,000. From Leveraged Opportunity Fund: Northside Partnership Program \$1 M; Perpetual Affordability Pilot \$500,000; Sears/Interim Loan Repayment \$1.6 M; Unallocated \$1 M.

tt) Amend the Mayor's 2004 budget for CPED by adding 1 Financial Analyst II in the Economic Development Division to assist with the growth in SBA 504 Loans as well as in industrial and commercial revenue bonds. Amend Fund SED0 appropriation by an increase of \$122,000 and an increase to revenues from loan fees by a like amount.

uu) (Technical Amendment) Add one engineering technician II position. Non-personnel funds (contractual services) need to be reduced by \$55,000 and Personnel costs increased by \$55,000.

vv) (Technical Amendment) Reduce non-personnel cost by \$150,000 and increase personnel cost by \$150,000 to create two Transportation Planner positions.

ww) In the programmatic allocation of CPED Housing funds, shift \$1 million from affordable rental to other ownership (<80%MMI).

xx) Add one position to the Community Planning and Economic Development Department to work on Empowerment Zone (EZ) related grant activities in the federal grants in the federal grants fund, increasing the budget by \$60,000.

yy) Technical amendment of Mayor's Recommended Budget to show a transfer of \$138,000 in contractual service dollar appropriations back to Regulatory Services/ Inspections from the Fire Department. (Accomplished during Ways and Means Committee)

Directions to Staff

zz) Direct IGR - Grants and Special Projects to work with the Public Health Advisory Committee to review the Public Service grants in the CDBG for a recommendation in the Mayor's 2005 budget (CDBG Year 31).

aaa) Staff Direction to the fire chief to institutionalize the watering of new trees funded in the capital budget between the Fire Department and the Park Board.

bbb) That the Council's Public Safety and Regulatory Services committee consider: that the fire department only undertake rental license inspections for buildings with 4 or greater number of units, the transfer from Inspections to Fire the revenue currently associated with these activities and the initiation of the Commercial Fire Inspections Program in 2004 (as opposed to implementation in 2005.) within 90 days.

ccc) The Finance Officer is authorized to transfer \$4.0 million from the CPED-Local Contribution Fund (one-time money) to the Self-Insurance Fund (Fund 6900) by December 31, 2003. The Finance Officer is authorized to transfer \$6.0 million from the General Fund to the Self-Insurance Fund (Fund 6900).

ddd) Within the 2004 Community Planning & Economic Development (CPED) Housing Program budget, \$1 million is allocated as follows: \$500,000 at less than 80% of the metropolitan median income (MMI) and \$500,000 of the MMI to be used for permanent affordability.

Adopted 12/15/03. Yeas, 11; Nays, 2 as follows:

Yeas - Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Benson, Lane, Ostrow.

Nays - Niziolek, Goodman.

W&M/Budget - Your Committee, having under consideration the State and Orpheum Theatres, now recommends approval of the 2003 revised annual budget and the 2004 projected annual budget for the State and Orpheum Operating Account, as set forth in Petn No 269275.

Adopted 12/15/03.

W&M/Budget - Your Committee, having under consideration the action of the Neighborhood Revitalization Program (NRP) Policy Board approving the NRP 2004 Administrative Budget, now recommends:

a) Approval of the 2004 NRP Administrative Budget as set forth in Petn No 269277;

b) Passage of the accompanying resolution increasing the NRP Program Fund (CNR0) by \$1,612,098 and requesting that the Minneapolis Community Development Agency (MCDA)/Community Planning & Economic Development (CPED) immediately transfer \$1,612,098 to the NRP's City of Minneapolis Fund 2300;

c) That the proper City officers be authorized to enter into any contracts or agreements needed to implement activities set forth in the administrative budget; and

d) That this action be transmitted to the Board of Commissioners of the MCDA.

Johnson moved to amend the report by adding the following:

"The CPED Executive Director shall present a final agreement to the Community Development and Ways & Means/Budget Committee by March 1, 2004 on the 2004 operating structure and implementation program and budget processes to be used to administer NRP contracts.

The agreement shall conform to the following governing principals:

- Conformance with the City Attorney's legal opinions;

- Efficient and cost-effective planning, implementation, and monitoring activities consistent with resources;
- Assignment of responsibilities between NRP Central Administration and the City which are explicit and will improve delivery of quality service;
- Specific points of contact and accountability between NRP Central Administration and the City and with the public;
- Reimbursement eligibility for the City's unique costs related to the NRP program.

In the absence of an agreement by March 1, 2004, this budget approval is subject to amendment and rescission. Seconded.

Adopted upon a voice vote.

The report, as amended, was adopted 12/15/03.

RESOLUTION 2003R-609

By Johnson

Amending The 2003 Minneapolis Community Development Agency Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by increasing Fund CNR0-NRP Program by \$1,612,098.

Adopted 12/15/03.

W&M/Budget - Your Committee, having under consideration the 2004 Consolidated Plan consisting of the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) funds, and having considered the Mayor's recommendations for allocation of said funds, now recommends:

a) Passage of the accompanying Resolution approving the Mayor's FY 2004 CDBG recommendations and concurring with the allocations of HOME, ESG and HOPWA, with any amendments reflected on the Ways & Means/Budget Committee approved CDBG schedule;

b) That the proper City officers be authorized to execute or amend contracts to carry out the intent of the program allocations, as further detailed in the program budget set forth in Petn No 269276;

c) That the proper City officers be authorized to develop the Fiscal Year 2004 Consolidated Plan, included any amendments made in the Ways & Means/Budget Committee approved CDBG schedule;

d) That the proper City officers be authorized to enter into any necessary grant agreements with the Department of Housing and Urban Development to receive Fiscal Year 2004 Consolidated Plan funding.

The allocations set forth are based on current estimates of the City's Fiscal Year 2004 Consolidated Plan grant amount. If this grant amount is different and results in a substantial change in the proposed use of funds, there will be another public hearing prior to the 2004 April grant submission.

Zerby moved to amend the 2004 Consolidated Plan by reallocating \$21,000 in Community Development Block Grant (CDBG) funding from the Greater Minneapolis Day Care Association to the Block Nurse Program. Seconded.

Adopted upon a voice vote.

The reported, as amended, was adopted 12/15/03.

Resolution 2003R-610, approving the Mayor's FY 2004 Community Development Block Grant (CDBG) recommendations and concurring with the allocations of HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) funds, was adopted 12/15/03. A complete copy of this Resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2003R-610

By Johnson, Zerby, Colvin Roy, Schiff, Lilligren and Benson

For 2004 appropriation and acceptance of Year 30 Federal grants received under the Development Block Grant Provision authorized by Title I of the Housing and Community Development Act with fixed maximum amounts that can be expended by the City of Minneapolis agencies and each of the recipient organizations as listed below.

FY 04 CONSOLIDATED PLAN/PROPOSED USE OF FEDERAL FUNDS

Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with Aids (HOPWA)

Capital/Other – CDBG – Year 30 (2004)

Organization/Project

Community Planning and Economic Development	Industry Cluster Program (Living Wage Jobs)	99,000
Community Planning and Economic Development	Adult Training, Placement and Retention	641,000
Community Planning and Economic Development	Homeownership Program (GMMHC)	465,000
Community Planning and Economic Development	VHR Distressed	393,000
Community Planning and Economic Development	Multi-Family/Affordable Housing	5,390,000
Community Planning and Economic Development	NEDF/CEDF	150,000
Community Planning and Economic Development	Residential Loan/Grant	444,000
Community Planning and Economic Development	Vacant & Boarded Housing	1,000,000
Community Planning and Economic Development	High Density Corridor Housing	1,000,000
Greater Minneapolis Day Care Association	Childcare Facilities Loan/Grant	323,000
Minneapolis Public Housing	General Rehabilitation	313,000
Operations/Regulatory Services - Environmental	Lead Reduction	180,000
Operations/Regulatory Services - Inspections	Boarded Buildings Demolition	202,000
Total Capital/Other		10,600,000

Public Service – CDBG – Year 30 (2004)

Organization/Project

Community Planning and Economic Development	Youth Employment	568,000
Community Planning and Economic Development	Mortgage Foreclosure Prevention Program	250,000

Youth Coordinating Board	Way to Grow	311,000
Department of Health & Family Support	Advocacy (American Indian/Housing)	110,000
Public Works	Graffiti Removal on Public Property	107,000
Minneapolis Urban League	Curfew/Truancy Center	104,000
Children's Dental Services	Child Dental Services	11,000
Department of Health & Family Support	Block Nurse Program	66,000
Department of Health & Family Support	Senior Services Initiative	61,000
Domestic Abuse Project	Domestic Abuse Project	58,000
Greater Minneapolis Day Care Association	Coordinated Child Development	301,000
Harriet Tubman	Harriet Tubman Women's Shelter	41,000
Minneapolis Park Board	Teen Teamworks	15,000
Minnesota AIDS Project	Minnesota AIDS Project	23,000
Neighborhood Health Care Network	Community Health Clinics	261,000
Parents in Community Action	Head Start	66,000
Volunteers of America/MAO	Volunteers of America/MAO	80,000
	Ground Works	17,000
Total Public Service		2,450,000

Administration – CDBG – Year 30 (2004)
Organization/Project

Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance	190,000
Community Planning and Economic Development	Neighborhood Business Associations	174,000
Community Planning and Economic Development	Citizen Participation	346,000
Community Planning and Economic Development	Program Administration	75,000
Community Planning and Economic Development	Planning Administration	1,213,000
Department of Health & Family Support	Neighborhood Services	162,000
Department of Health & Family Support	Grant Administration	100,000
Department of Health & Family Support	Way to Grow Administration	36,000
Department of Health & Family Support	New Arrivals	120,000
Finance Department	Administration	343,000
Intergovernmental Relations	Grants and Special Projects	230,000
Legal Aid Society	Legal Aid Society	49,000
Minneapolis Public Housing	Citizen Participation	98,000
Youth Coordinating Board	Administration	59,000
Fair Housing Implementation Council	Metro Fair Housing	18,000
Legal Aid Society	Housing Discrimination Law Project	80,000
Total Administration		3,293,000
Grand Total – CDBG		16,343,000

Other Consolidated Plan Funded Projects

Funding Source	Organization	
HOME Investment Partnerships Program	Community Planning and Economic Development	3,898,000
Emergency Shelter Grants (ESG)	Community Planning and Economic Development	576,000
Housing Opportunities for Persons with AIDS (HOPWA)	Minnesota Housing Finance Agency	839,000
Total Other Consolidated Plan Funded Projects		5,313,000
Total Consolidated Plan Projects		21,656,000

FOOTNOTES

The changes to the Mayor's Recommended Budget included in the figures above, are also included in the Ways & Means Budget Committee 2004 Budget Mark-up summary schedule as follows:

1. Community Development Block Grant: Amend the Mayor's recommendation on CDBG in the following manner: Public Service - increase the Way to Grow allocation by \$115,000, add Advocacy (American Indian/Housing) funding in the amount of \$110,000, remove the recommendation regarding the Neighborhood Revitalization (NRP) Policy Board's recommendations of allocations, allocate \$1,225,000 in remaining Public Service funding to the previously funded groups that had no allocations listed; Administration - decrease the Intergovernmental Relations allocation by \$100,000, decrease the Civil Rights Department by \$160,000, add Health and Family Support grant administration of \$100,000, add Way to Grow administration by \$36,000, add Health and Family Support - New Arrivals for \$120,000, decrease Planning department administration by \$100,000, add Legal Aid Society for \$49,000, add Fair Housing Implementation Committee for \$18,000, add Legal Aid Housing Discrimination Law Project for \$80,000; Capital - shift \$1 million to Corridor Housing.

2. Direct Intergovernmental Relations (IGR) - Grants and Special Projects to work with the Public Health Advisory Committee to review the Public Service grants in the CDBG for a recommendation in the Mayor's 2005 budget (CDBG Year 31).

Adopted 12/15/03.

W&M/Budget - Your Committee recommends passage of the accompanying resolution approving the property tax levy for the 2003 taxes, payable in 2004, for the Minneapolis Public Housing Authority, for which the City Council levies taxes.

Adopted 12/15/03.

Resolution 2003R-611, approving the property tax levy for the 2003 taxes, payable in 2004, for the Minneapolis Public Housing Authority, was adopted 12/15/03. A complete copy of this Resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2003R-611

By Johnson

Approving the property tax levy for the 2003 taxes, payable in 2004, for the Minneapolis Public Housing Authority (MPHA) for which the City Council levies taxes.

Resolved by the City Council of Minneapolis:

That the Minneapolis Public Housing Authority (MPHA) is hereby authorized to levy a 2003 property tax, payable in 2004, not to exceed \$1,081,600.

FUND	CERTIFIED LEVY AMOUNT	TAX CAPACITY RATES¹
Public Housing Authority	\$1,081,600	0.410

¹ Tax capacity rates are estimated based on a net tax capacity value of \$267,402,843 and a spread levy tax capacity value of \$229,509,334.

Adopted 12/15/03.

W&M/Budget - Your Committee recommends passage of the accompanying Resolution adopting the 2004-2008 Five Year Capital Program, as shown in the "Capital Section" of the adopted 2004 Budget Book (Petr No 269276), fixing the maximum amounts of capital funds to be expended by the various funds under the jurisdiction of the City Council.

Benson moved to amend the resolution to partially reinstate funding for the Lyndale Av S planning project (as proposed by the Mayor) and to add a project for the Midtown Greenway as follows:

1) Add a project in the City-Capital Improvements Fund for \$100,000 for the Lyndale Av S planning project (4100-970-9720-DEV03);

2) Add a project in the City-Capital Improvements Fund for \$100,000 for the Midtown Greenway (4100-970-9720-DEV04);

3) Add a transfer from the General Fund to the City-Capital Improvements Fund for \$200,000. The funding for this transfer will be from available fund balance in the General Fund at the end of 2003. Seconded.

Adopted upon a voice vote.

The report, as amended was adopted 12/15/03. Yeas, 12; Nays, 1 as follows:

Yeas - Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Benson, Goodman, Lane, Ostrow.

Nays - Niziolek.

Resolution 2003R-612, adopting the 2004-2008 Five Year Capital Program, was adopted 12/15/03 by the City Council. A complete copy of this Resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2003R-612

By Johnson

Adopting the 2004 - 2008 Five Year Capital Program and fixing the maximum amounts for 2004 to be expended by the various funds under the jurisdiction of the City Council.

Resolved by the City Council of the City of Minneapolis:

That the Five Year Capital Program for 2004 - 2008 is hereby adopted and that there be appropriated out of the monies of the City Treasury and revenues of the City applicable to specifically named funds and revenue sources, the following maximum appropriation amounts for 2004:

Fund	Agency	Org	Project	Amounts (in thousands)	RevenueSource Description
4200	MBC -		CAPITAL IMPROVEMENTS FUND		
	901		MUNICIPAL BUILDING COMMISSION CAPITAL IMPROVEMENT		
		9013	MBC CITY/COUNTY CAPITAL IMPROVEMENTS		
		MBC01	Life Safety Improvements	350	Net Debt Bonds
		MBC01	Life Safety Improvements	150	MBC Ops Fund Balance
		MBC02	Mechanical Systems Upgrade	570	Net Debt Bonds
			4200-901-9013 Subtotal	1,070	
			4200-901 Subtotal	1,070	
			TOTAL FOR FUND 4200	1,070	
4400	LIBRARY -		CAPITAL IMPROVEMENTS FUND		
	907		LIBRARY BOARD CAPITAL IMPROVEMENT		
		9072	LIBRARY CAPITAL IMPROVEMENT		
		MPL02	Franklin Library Remodeling/ Historic Preservation	800	Libr Referendum Bonds
		MPL05	East Lake Library Capital Improvements	2,000	Libr Referendum Bonds
		MPL10	North Regional Remodeling & Restoration	175	Libr Referendum Bonds
			4400-907-9072 Subtotal	2,975	
			4400-907 Subtotal	2,975	
			TOTAL FOR FUND 4400	2,975	
3700	PARK -		CAPITAL IMPROVEMENTS - ASSESSED FUND		
	910		PARK BOARD CAPITAL IMPROVEMENT		
		9140	FORESTRY & TREE DISEASE CONTROL		
		PRKDT	Diseased Tree Program	500	Assessment Bonds
			3700-910-9140 Subtotal	500	
			3700-910 Subtotal	500	
			TOTAL FOR FUND 3700	500	
4300	PARK -		CAPITAL IMPROVEMENTS FUND		
	910		PARK BOARD CAPITAL IMPROVEMENT		
		9136	PARK - CAPITAL IMPROVEMENT		
		PRK01	Community & Neighborhood Center Rehabilitation	220	Net Debt Bonds
		PRK02	Site and Tot Lot Rehabilitation	1,750	Net Debt Bonds
		PRK02	Site and Tot Lot Rehabilitation	125	NRP Funds
		PRK07	Tennis Court Rehabilitation	150	Park Board Tax Levy
		PRK09	HVAC Improvements	230	Park Board Tax Levy
		PRK11	Roof Replacement	50	Park Board Tax Levy
		PRK11	Roof Replacement	60	Net Debt Bonds
		PRK12	Community Skate Parks	200	Net Debt Bonds
		PRK19	Wirth Park Winter Recreation Infrastructure	200	Net Debt Bonds
		PRK20	Boulevard Tree Restoration	200	Net Debt Bonds
			4300-910-9136 Subtotal	3,185	
			4300-910 Subtotal	3,185	
			TOTAL FOR FUND 4300	3,185	

4100	CITY-	CAPITAL IMPROVEMENTS FUND		
	923	PUBLIC WORKS PROPERTY SERVICES CAPITAL		
		9242	PROPERTY SERVICES CAPITAL	
		PSD01	Facilities Repair and Improvements	1,500 Net Debt Bonds
		PSD02	Public Works Facilities Program	1,760 Net Debt Bonds
		PSD03	Space Management-Functional Improvements	415 Net Debt Bonds
		PSD05	Impound Lot Facility Expansion	50 Net Debt Bonds
			4100-923-9242 Subtotal	3,725
937		PUBLIC WORKS PAVING CONSTRUCTION		
		9372	PAVING CONSTRUCTION	
		PV001	Parkway Paving	650 Net Debt Bonds
		PV001	Parkway Paving	50 Assessment Bonds
		PV301	University West Renovation	1,925 Net Debt Bonds
		PV301	University West Renovation	380 Assessment Bonds
		PV302	Como North Renovation - Phs I	1,684 Net Debt Bonds
		PV302	Como North Renovation - Phs 1	605 Assessment Bonds
		PV006	Alley Renovation - 2004	187 Net Debt Bonds
		PV006	Alley Renovation - 2004	63 Assessment Bonds
		PV008	I-35W & Lake St Interchange Reconstruction	553 Municipal State Aid
		PV013	15th Avenue SE MSA Street Reconstruction	545 Net Debt Bonds
		PV013	15th Avenue SE MSA Street Reconstruction	1,401 Municipal State Aid
		PV013	15th Avenue SE MSA Street Reconstruction	83 Assessment Bond
		PV014	LaSalle Avenue South - 8th St S to Franklin Ave	523 Net Debt Bonds
		PV014	LaSalle Avenue South - 8th St S to Franklin Ave	1,658 Municipal State Aid
		PV014	LaSalle Avenue South - 8th St S to Franklin Ave	416 Assessment Bonds
		PV016	Richfield Road - Sheridan Ave S to W 36th St	300 Net Debt Bonds
		PV016	Richfield Road - Sheridan Ave S to W 36th St	802 Municipal State Aid
		PV016	Richfield Road - Sheridan Ave S to W 36th St	14 Assessment Bonds
		PV016	Richfield Road - Sheridan Ave S to W 36th St	1,154 Federal Government
		PV00R	Reimbursable Paving Projects	3,000 Reimbursements
		STS01	Lake Street Reconstruct/ Streetscape (Segment 1)	799 Assessment Bonds
		STS03	Lake Street Reconstruct/ Streetscape (Segment 3)	32 Net Debt Bonds

	TR002	Construct New 9th Ave S betw Wash & 2nd Ave S	402	Guthrie Ramp Project
		4100-937-9372 Subtotal	17,226	
9386	BRIDGE CONSTRUCTION			
	BR101	Major Bridge Repair and Rehabilitation	200	Net Debt Bonds
	BR103	Chicago Ave S Bridge & Paving	296	Net Debt Bonds
	BR103	Chicago Ave S Bridge & Paving	1,292	Municipal State Aid
	BR103	Chicago Ave S Bridge & Paving	265	Assessment Bonds
	BR103	Chicago Ave S Bridge & Paving	1,049	Federal Government
	BR103	Chicago Ave S Bridge & Paving	262	State of Minnesota
	BR103	Chicago Ave S Bridge & Paving	80	Water Revenue
		4100-937-9386 Subtotal	3,444	
9390	SIDEWALK REPLACEMENT			
	SWK01	Defective Hazardous Sidewalks/ Complete Gaps	145	Net Debt Bonds
	SWK01	Defective Hazardous Sidewalks/ Complete Gaps	1,680	Assessments
		4100-937-9390 Subtotal	1,825	
		4100-937 Subtotal	22,495	
943	PUBLIC WORKS TRANSPORTATION CAPITAL			
9432	STREET LIGHTING CAPITAL			
	PV013	15th Avenue SE MSA Street Reconstruction	328	Assessment Bonds
	TR011	City Street Light Renovation	158	Net Debt Bonds
		4100-943-9432 Subtotal	486	
943	FIELD OPERATION			
9440	FIELD OPERATIONS CAPITAL			
	PV302	Como North Renovation - Phs I	50	Net Debt Bonds
	PV013	15th Avenue SE MSA Street Reconstruction	10	Net Debt Bonds
	PV013	15th Avenue SE MSA Street Reconstruction	273	Municipal State Aid
	PV014	LaSalle Avenue South - 8th St S to Franklin Ave	80	Net Debt Bonds
	PV014	LaSalle Avenue South - 8th St S to Franklin Ave	224	Municipal State Aid
	PV016	Richfield Road - Sheridan Ave S to W 36th St	10	Net Debt Bonds
	PV016	Richfield Road - Sheridan Ave S to W 36th St	106	Municipal State Aid
	PV016	Richfield Road - Sheridan Ave S to W 36th St	139	Federal Government
	TR002	Construct New 9th Ave S betw Wash & 2nd Ave S	78	Guthrie Ramp Project

TR005	Controller Conversion	400	Net Debt Bonds
TR006	Priority Vehicle Control System	25	Net Debt Bonds
TR006	Priority Vehicle Control System	400	Municipal State Aid
TR007	Traffic Signal, Signing & Lighting Improvements	312	Net Debt Bonds
TR007	Traffic Signal, Signing & Lighting Improvements	51	Municipal State Aid
TR007	Traffic Signal, Signing & Lighting Improvements	51	Hennepin County
TR009	Minneapolis Stop Sign Plan Completion	100	Net Debt Bonds
TR00R	Reimbursable Transportation Projects	500	Reimbursements
	4100-943-9440 Subtotal	2,850	

943 COMM BIKE ROUT

9470 COMMUTER BIKE ROUTE SYSTEM IMPROVEMENTS

BIK03	Loring Bikeway Project, Phase I & II	150	Municipal State Aid
BIK03	Loring Bikeway Project, Phase I & II	2,193	Federal Government
BIK03	Loring Bikeway Project, Phase I & II	194	NRP Funds
BIK09	Midtown Greenway (Phases 2 & 3, Safety/Security)	300	Net Debt Bonds
BIK09	Midtown Greenway (Phases 2 & 3, Safety/Security)	4,751	Federal Government
BIK09	Midtown Greenway (Phases 2 & 3, Safety/Security)	2,140	Hennepin County
BIK09	Midtown Greenway (Phases 2 & 3, Safety/Security)	95	NRP Funds
	4100-943-9470 Subtotal	9,926	
	4100-943 Subtotal	13,262	

970 CAPITAL IMPROVEMENTS NON-DEPARTMENTAL

9707 ART IN PUBLIC PLACES

ART01	Art in Public Places	190	Net Debt Bonds
	4100-970-9707 Subtotal	190	

970 NEAR NORTH IMP

9719 NEAR NORTH IMPLEMENTATION

CDA01	Heritage Park Redevelopment Project	1,846	Net Debt Bonds
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Note: There are many revenue sources applicable to this project. Staff will request approval to accept agreements and appropriate funding sources on a case by case basis.

4100-970-9719 Subtotal 1,846

9720	NON-DEPARTMENTAL CAPITAL		
	DEV03 Lyndale Ave S Planning	100	General Fund Balance
	DEV04 Midtown Greenway Planning	100	General Fund Balance
	4100-970-9720 Subtotal	200	
	4100-970 Subtotal	2,236	
	TOTAL FOR FUND 4100	41,718	
6100	EQUIPMENT SERVICES INTERNAL SERVICE FUND		
927	PUBLIC WORKS EQUIPMENT SERVICES		
9275	EQUIPMENT PURCHASES		
	Fleet Equipment Purchases	5,450	Equipment Bonds
	6100-927-9275 Subtotal	5,450	
	6100-927 Subtotal	5,450	
	TOTAL FOR FUND 6100	5,450	
6400	INFORMATION TECHNOLOGY INTERNAL SERVICE FUND		
972	INFORMATION TECHNOLOGY SYSTEMS CAPITAL		
9725	TECHNOLOGY INFRASTRUCTURE		
	ITS01 Information Technology Capital Program	2,950	Net Debt Bonds
	6400-972-9725 Subtotal	2,950	
	6400-972 Subtotal	2,950	
	TOTAL FOR FUND 6400	2,950	
7300	SEWER ENTERPRISE FUND		
932	PUBLIC WORKS SEWER CONSTRUCTION		
9322	SEWER CONSTRUCTION		
	PV301 University West Renovation	20	Sewer Revenue
	PV302 Como North Renovation - Phs I	152	Sewer Revenue
	PV013 15th Avenue SE MSA Street Reconstruction	42	Municipal State Aid
	PV013 15th Avenue SE MSA Street Reconstruction	13	Sewer Revenue
	PV014 LaSalle Avenue South - 8th St S to Franklin Ave	52	Municipal State Aid
	PV014 LaSalle Avenue South - 8th St S to Franklin Ave	15	Sewer Revenue
	PV016 Richfield Road - Sheridan Ave S to W 36th St	78	Municipal State Aid
	PV016 Richfield Road - Sheridan Ave S to W 36th St	13	Sewer Revenue
	PV016 Richfield Road - Sheridan Ave S to W 36th St	310	Federal Government
	SW001 Storm & Sanitary Tunnel & Sewer Rehabilitation	2,500	Sewer Bonds
	SW001 Storm & Sanitary Tunnel & Sewer Rehabilitation	300	Sewer Revenue
	SW002 Miscellaneous Storm Drains	200	Sewer Revenue
	SW004 Implementation of US EPA Storm Water Regulations	150	Sewer Revenue
	SW005 Combined Sewer Overflow Improvements	2,000	Sewer Bonds

		SW006 Chain of Lakes Water Quality		
		Improvements-Phase 2	300	Sewer Revenue
		SW007 Park Board Capital Storm Drain	600	Sewer Bonds
		SW009 Flood Area 1- 42nd & Russell Ave N	2,041	Sewer Bonds
		SW010 Flood Area 19- W 44th St from Aldrich to Lake Harriet	217	Sewer Revenue
		SW012 Currie Ave Lift Station	500	Sewer Revenue
		SW015 Flood Area 27- 38th St E to M'haha Creek & 21st Ave S to Hiawatha Ave	2,769	Sewer Bonds
		SW018 Flood Area 29 & 30- 51st & Zenith Ave S	609	Sewer Bonds
		SW00R Reimbursable Sewer Projects	3,000	Reimbursements
		7300-932-9322 Subtotal	15,881	
		7300-932 Subtotal	15,881	
		TOTAL FOR FUND 7300	15,881	
7400	WATER ENTERPRISE FUND			
950	PUBLIC WORKS WATER CAPITAL			
	9515 WATER TREATMENT CAPITAL			
		WTR08 Complete SCADA System	2,500	Water Bonds
		WTR08 Complete SCADA System	74	Water Revenue
		WTR09 Ultrafiltration Program	25,000	Water Bonds
		7400-950-9515 Subtotal	27,574	
	9535 WATER DISTRIBUTION CAPITAL			
		WTR01 Fridley Maintenance Facility	3,000	Water Bonds
		WTR01 Fridley Maintenance Facility	571	Water Revenue
		WTR12 Water Distribution Improvements - 2004	2,500	Water Bonds
		WTR12 Water Distribution Improvements - 2004	1,695	Water Revenue
		7400-950-9535 Subtotal	7,766	
	9545 WATER REIMBURSABLE CAPITAL			
		WTR0R Reimbursable Water Projects	2,000	Reimbursements
		7400-950-9545 Subtotal	2,000	
		7400-950 Subtotal	37,340	
		TOTAL FOR FUND 7400	37,340	
7500	MUNICIPAL PARKING ENTERPRISE FUND			
943	PUBLIC WORKS TRANSPORTATION CAPITAL			
	9464 OFF-STREET PARKING			
		RMP02 Residential Parking Program	150	Parking Revenue
		RMP03 Bicycle Parking	30	Parking Revenue
		7500-943-9464 Subtotal	180	
		7500-943 Subtotal	180	
		TOTAL FOR FUND 7500	180	
	GRAND TOTALS FOR ALL FUNDS		111,249	

Capital & Debt Management Resolution Footnotes:

a) The amounts appropriated in any City fund to be financed by bond proceeds are contingent upon the necessary approvals for issuance. The Finance Officer is authorized to establish or adjust any bond financed appropriations when all the necessary approvals for issuance of bonds are obtained. Further, the Finance Officer is authorized and directed to adjust assessment appropriations set forth in this resolution to reflect the actual amount to be assessed, which will be established by a future Council action approving the assessment public hearing and the amount assessed for the project.

b) The Finance Officer is authorized to create or adjust certain appropriations subsequent to the sale of bonds, including all appropriate fund transfers and payments necessary to comply with arbitrage rebate and reporting to the federal government required under the Tax Reform Act of 1986.

c) The amounts appropriated in the various funds to be financed from various revenue sources are now hereby appropriated contingent only upon the reasonable expectation of the receipt of the required financing. The Finance Officer is authorized and directed to reduce any capital appropriation whenever a revenue source is determined to be not collectible for whatever reason.

d) The investment earnings from unspent bond proceeds shall be accounted for in separate arbitrage funds and will be allocated to debt service on net debt bond issues and shall be transferred on the scheduled debt service payment dates. The exception to this is that investment earnings on unspent tax increment bonds are to be used only for tax increment eligible purposes related to that specific tax increment bond issue.

e) The Finance Officer is authorized to approve the closure of non-bond funded capital projects and the adjustment of said appropriations as identified and requested by the City Engineer for those projects under Public Works.

f) The Finance Officer is authorized to establish or adjust appropriations, make payments and transfers, and process transactions as necessary for the purpose of providing Departments, Boards and Commissions an internal financing alternative to lease/purchase agreements with external vendors. The Finance Officer may provide capital advances from individual funds to the extent funds are actually available. The Finance Officer shall establish the term and interest rate applicable to the capital advance. The principal amount of the capital advance can be transferred to the fund of the Department, Board or Commission after the purchase of the asset and execution of an Internal Lease/Purchase Agreement, signed between the Department, Board or Commission and the Finance Officer. Prior to issuing the capital advance, the Finance Officer shall determine that the Department, Board or Commission has made a commitment in their annual budgets to provide the funds necessary to repay the advance, with interest, over the term of the agreement.

g) This resolution constitutes an official declaration pursuant to IRS Treasury Regulations Section 1.150-2 that the City intends to reimburse expenditures which may be made for those projects designated herein to be funded with bond proceeds by incurring tax exempt debt of the City. The expenditures to be reimbursed include all preliminary expenses for planning, design, legal, consulting services and staff costs reasonably allocated to the project as well as costs incurred and paid for the design and construction of the projects after approval of the capital budget. The projects are more fully described in the Capital Budget Request forms on file in the office of the Director of Capital and Debt Management. The reasonably expected source of funds to pay debt service on the tax-exempt bonds to be issued by the City consists of the following according to the designated bond type:

Bond Type

Net Debt, Library Referendum,
Public Safety, Equipment
Sewer
Water
Parking
Assessment

Source

Property taxes and Internal User Fees

Sewer Fund revenues, Fund 7300
Water Fund revenues, Fund 7400
Parking Fund revenues, Fund 7500
Special assessments

h) The Finance Officer is authorized to make further declarations of official reimbursement intent in connection with the projects described herein pursuant to IRS Treasury Regulations Section 1.150-2 on behalf of the City consistent with budgetary and financial circumstances. Copies of any such further declarations shall be filed with the Ways & Means/Budget Committee (W&M) and the Board of Estimate and Taxation.

i) The Finance Officer is authorized to adjust re-appropriations to capital project funds for 2003 as appropriate. The balances of 2003 appropriations in Capital funds are hereby re-appropriated in 2004 with the following exceptions:

Fund	Project or Operating Organization
4100 City-Capital Impr Fund	PW Engineering Services (4100-6025)
4100 City-Capital Impr Fund	Sidewalk Inspection (4100-6076)
4100 City-Capital Impr Fund	Finance Department (4100-8220)
4100 City-Capital Impr Fund	Reimbursable Paving Projects (4100-9372)
4100 City-Capital Impr Fund	Reimbursable Transportation Projects (4100-9440)

Balances of capital projects in 2003 in the following funds 6100, 6200, 6400, 7300, 7400 and 7500 are also hereby re-appropriated in 2004, with the exception of Reimbursable Sewer Projects (7300 – 9322) and Reimbursable Water Projects (7400-9545).

j) For certain capital projects, the funding is replenished annually due to the source of funding and/or recurring major maintenance nature of the projects. For these projects, the expenditures are to be paid from funds of the appropriation year in which the work occurs. These projects will not have their appropriations carried forward since they are replenished annually. This applies for all prior years for these projects. If bonds are issued for these programs, the appropriations will carry over and the appropriation for the following year will be adjusted accordingly. The projects are as follows:

SWK01	Defective Hazardous Sidewalks – Assessed portion
SW001	Storm and Sanitary Tunnel & Sewer Rehabilitation
SW002	Miscellaneous Storm Drains
SW004	Implementation of US EPA Storm Water Regulations
SW007	Park Board Capital Storm Drain
WTR12	Water Distribution Improvements
RMP02	Residential Parking Program
RMP03	Bicycle Parking

k) The Finance Officer is authorized to approve adjustments to Capital Appropriations between different agency and organization levels within the same fund and revenue source. Such budget transfers shall not constitute approvals of any policy change.

l) The Finance Officer is authorized to establish or adjust appropriations to pay all costs associated with authorized City of Minneapolis bond sales to include costs of issuance and annual maintenance fees from the Bond Redemption Fund (5250) with the expenditures then being allocated to other funds as appropriate.

m) Public Works - Property Services is directed to provide CLIC a one page summary of major repair items completed in 2003 as part of their PSD01 Facilities Repair and Improvements capital program. This document should accompany the annual capital submittal for this program.

n) The Finance Officer is authorized to fund from investment earnings generated from capital project balances studies related to long-term financial planning models and related debt management activity.

o) Staff responsible for the Art in Public Places capital program are directed to provide CLIC a status of projects currently in the planning phase or under construction as part of their capital submittal for 2005 – 2009.

p) The Finance Officer is authorized to establish and adjust appropriations to provide for the transfer of funds to include bond proceeds and investment income for capital projects.

q) Park Board is requested to provide CLIC a report showing where capital expenditures were

incurred by project for 2003 and details of what projects are planned by year and by funding source for the 2005-2009 timeframe. This report should be provided to CLIC as part of the Park Board capital submittal.

r) The Finance Officer is authorized to make corrections for errors of omission and misstatements in order to accurately reflect the 2004 Capital budget year of the adopted 2004-2008 Five Year Capital Program.

s) The adoption of the 2004-2008 Five Year Capital Program is to assist in planning and provide direction for City departments including Public Works - Engineering Services, but it does not establish permanent Council commitment to the out-year projects either in scope or timeline of construction.

t) The Library Board is requested to provide CLIC with an updated progress report and cost estimate of infrastructure needs by facility as part of the 2005 – 2009 Capital submittal.

u) Be it Further Resolved that this resolution may be cited as "The Capital Improvement Appropriation Resolution of 2004."

Adopted 12/15/03. Yeas, 12; Nays, 1 as follows:

Yeas - Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Benson, Goodman, Lane, Ostrow.

Nays - Niziolek.

W&M/Budget - Your Committee recommends passage of the accompanying Resolutions requesting the Board of Estimate and Taxation to incur indebtedness and issue and sell City of Minneapolis bonds for various amounts, as reflected in the 2004 Capital Appropriation Resolution.

Adopted 12/15/03.

Resolutions 2003R-613 through 2003R-619, requesting the Board of Estimate and Taxation to incur indebtedness and issue and sell City of Minneapolis bonds for various amounts, as reflected in the 2004 Capital Appropriation Resolution, was adopted 12/15/03 by the City Council. A complete copy of this Resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolutions.

RESOLUTION 2003R-613

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$500,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$500,000, the proceeds of which are to be used for the diseased tree removal program. Assessments shall be collected in 5 successive equal annual installments payable in the same manner as real estate taxes.

Adopted 12/15/03.

RESOLUTION 2003R-614

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$3,003,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$3,003,000, the proceeds of which are to be used for the purpose of paying the portion of the cost of making and constructing certain local improvements to be assessed against benefited properties as estimated by the City Council and the Park Board, including assessable portions of the costs relating to sanitary sewers, paving, mill and overlays, alley resurfacing, retaining walls, streetscapes, landscaping, curb and gutter, street lighting, traffic management plans, ornamental lighting and bike lane development, of which assessments shall be collected in successive equal annual installments, payable in the same manner as real estate taxes, with the number of installments determined by the type of improvement and current City Council policy.

PV001	Parkway Paving	50,000
PV301	University West Renovation	380,000
PV302	Como North Renovation - Phs I	605,000
PV006	Alley Renovation - 2004	63,000
PV013	15th Avenue SE MSA Street Reconstruction	83,000
PV013	15th Avenue SE MSA Street Reconstruction - Lighting	328,000
PV014	LaSalle Avenue South - 8th St S to Franklin Ave	416,000
PV016	Richfield Road - Sheridan Ave S to W 36th St	14,000
STS01	Lake Street Reconstruct/Streetscape (Segment 1)	799,000
BR103	Chicago Ave S Bridge & Paving	265,000
	Total	\$3,003,000

Adopted 12/15/03.

RESOLUTION 2003R-615

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$20,787,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds, in the amount of \$20,787,000, the proceeds of which are to be used as follows:

City Council, in the amount of \$17,237,000

ART01	Art in Public Places	190,000
BIK03	Loring Bikeway Project, Phase I & II	103,000
BIK09	Midtown Greenway (Phases 2 & 3, Safety/Security)	300,000
BR101	Major Bridge Repair and Rehabilitation	200,000
BR103	Chicago Ave S Bridge & Paving	296,000
CDA01	Heritage Park Redevelopment Project	1,846,000
ITS01	Information Technology Capital Program	2,950,000
PSD01	Facilities Repair and Improvements	1,500,000
PSD02	Public Works Facilities Program	1,760,000
PSD03	Space Management-Functional Improvements	415,000
PSD05	Impound Lot Facility Expansion	50,000
PV001	Parkway Paving	650,000
PV006	Alley Renovation - 2004	187,000
PV013	15th Avenue SE MSA Street Reconstruction	545,000

PV013	15th Avenue SE MSA Street Reconstruction	10,000
PV014	LaSalle Avenue South - 8th St S to Franklin Ave	523,000
PV014	LaSalle Avenue South - 8th St S to Franklin Ave	80,000
PV016	Richfield Road - Sheridan Ave S to W 36th St	300,000
PV016	Richfield Road - Sheridan Ave S to W 36th St	10,000
PV301	University West Renovation	1,966,000
PV302	Como North Renovation - Phs I	1,734,000
STS03	Lake Street Reconstruct/Streetscape (Segment 3)	32,000
SWK01	Defective Hazardous Sidewalks/Complete Gaps	145,000
TR005	Controller Conversion	400,000
TR006	Priority Vehicle Control System	25,000
TR007	Traffic Signal, Signing & Lighting Improvements	312,000
TR009	Minneapolis Stop Sign Plan Completion	100,000
TR011	City Street Light Renovation	158,000
BR040	Cedar Lake Parkway Bridge (See 2003R-565)	450,000

Municipal Building Commission, in the amount of \$920,000

MBC01	Life Safety Improvements	350,000
MBC02	Mechanical Systems Upgrade	570,000

Park & Recreation Board, in the amount of \$2,630,000

PRK01	Community & Neighborhood Center Rehabilitation	220,000
PRK02	Site and Tot Lot Rehabilitation	1,750,000
PRK11	Roof Replacement	60,000
PRK12	Community Skate Parks	200,000
PRK19	Wirth Park Winter Recreation Infrastructure	200,000
PRK20	Boulevard Tree Restoration	200,000

Adopted 12/15/03.

RESOLUTION 2003R-616

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$10,519,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$10,519,000, the proceeds of which are to be used for flood mitigation, sewer, and storm drain/tunnel projects, as follows:

SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	2,500,000
SW005	Combined Sewer Overflow Improvements	2,000,000
SW007	Park Board Capital Storm Drain	600,000
SW009	Flood Area 1- 42nd & Russell Ave N	2,041,000
SW015	Flood Area 27- 38th St E to M'haha Creek & 21st Ave S to Hiawatha Ave	2,769,000
SW018	Flood Area 29 & 30- 51st & Zenith Ave S	609,000
	Total	\$10,519,000

Adopted 12/15/03.

RESOLUTION 2003R-617
By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$33,000,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$33,000,000, the proceeds of which are to be used for Water Works related projects, as follows:

WTR01	Fridley Maintenance Facility	3,000,000
WTR08	Complete SCADA System	2,500,000
WTR09	Ultrafiltration Program*	25,000,000
WTR12	Water Distribution Improvements - 2004	2,500,000
	Total	\$33,000,000

* - The Ultrafiltration Program will be financed by issuing a General Obligation Note to the Minnesota Public Facilities Authority as part of their Drinking Water Revolving Loan program.

Adopted 12/15/03.

RESOLUTION 2003R-618
By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$5,450,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$5,450,000, the proceeds of which are to be used for fleet equipment purchases.

Adopted 12/15/03.

RESOLUTION 2003R-619
By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$2,975,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$2,975,000, the proceeds of which are to be used for capital improvements to community libraries, as follows:

MPL02	Franklin Library Remodeling/Historic Preservation	800,000
MPL05	East Lake Library Capital Improvements	2,000,000
MPL10	North Regional Remodeling & Restoration	175,000
	Total	\$2,975,000

Adopted 12/15/03.

W&M/Budget - Your Committee recommends passage of the accompanying Resolution designating the utility rates for water, sewer, solid waste and recycling services, effective on and after January 1, 2004.

Adopted 12/15/03.

Resolution 2003R-620, designating the utility rates for water, sewer, solid waste and recycling services, effective on and after January 1, 2004, was adopted 12/15/03. A complete copy of this Resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2003R-620

By Johnson

Designating the utility rates for water, sewer, solid waste, and recycling service effective with water meters read on and after January 1, 2004.

Resolved by The City Council of The City of Minneapolis:

Effective with utility billings for water meters read from and after January 1, 2004, the meter rates for water are hereby fixed and shall be collected as follows:

- a) Charges commence when the street valve is turned on for water service;
- b) Two dollars and thirty-eight cents (\$2.38) per one hundred (100) cubic feet for customers not otherwise mentioned, within the limits of the City of Minneapolis;
- c) Two dollars and thirty-eight cents (\$2.38) per one hundred (100) cubic feet to the United States Government within the city limits, and outside of or adjacent to the city limits, such rates and upon such terms as may be agreed upon by the city and the United States Government;
- d) Two dollars and thirty-eight cents (\$2.38) per one hundred (100) cubic feet to the University of Minnesota, the United States Veterans' Hospital, the metropolitan airports commission for service to Minneapolis-St. Paul International Airport, and all city-owned property;
- e) Two dollars and forty-seven cents (\$2.47) per one hundred (100) cubic feet to municipalities and villages outside the corporate limits of the city where service to such municipalities or villages is given through a master meter;
- f) Two dollars and fifty-three cents (\$2.53) per one hundred (100) cubic feet to municipalities, municipal corporations, villages and customers outside the corporate limits of the city where service is furnished through individual customer meters;
- g) Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis;
- h) Under the above rates no meter shall pay a less sum per billing period or fraction thereof for the use of water than the following:

Net Minimum Meter Size	Net Minimum Monthly Bill	Quarterly Bill
5/8-inch	\$ 2.00	\$ 6.00
3/4-inch	2.40	7.20
1-inch	4.80	14.40
1 1/2-inch	8.85	26.55
2-inch	14.00	42.00
3-inch	27.00	81.00
4-inch	50.00	150.00
6-inch	95.00	285.00
8-inch	135.00	405.00
10-inch	191.00	573.00

12-inch	231.00	693.00
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i) The minimum bill for an owner occupied residential development serviced by a combined fire/general service line shall be a multiple of the number of units served, times the minimum charge for a three-fourth (3/4) inch meter;

j) All fire standpipes, supply pipes and automatic sprinkler pipes with detector meters, direct meters or non-metered, shall be assessed according to size of connection at the following rates each per annum for the service and inspection of the fire protection pipes and meters installed, as follows:

2 inch pipe connection . . .	\$ 30.00
3 inch pipe connection . . .	36.00
4 inch pipe connection . . .	48.00
6 inch pipe connection . . .	72.00
8 inch pipe connection . . .	120.00
10 inch pipe connection . . .	180.00
12 inch pipe connection . . .	300.00

When the seal of any of the valves connecting with such fire protection pipes shall be broken, it shall be forthwith resealed by the superintendent of the waterworks. All connections for fire systems must have a post indicator valve installed at the curb if ordered by the superintendent of the waterworks. (Code 1960, As Amend., § 606.030; Ord. of 12-28-73, § 1)

The sewer rental rates shall be applied to utility billings for water meters read from and after January 1, 2004. The sewer rental rates to be charged properties within and outside the City of Minneapolis that are served directly by the City of Minneapolis sewer system and that are all served either directly or indirectly by the sewage disposal system constructed, maintained and operated by the Metropolitan Council Environmental Services under and pursuant to Minnesota Statutes Sections 473.517, 473.519 and 473.521, Sub. 2, are hereby set as follows:

a) The sewer rental rate applicable inside the City of Minneapolis is three dollars and forty-three cents (\$3.43) per one hundred (100) cubic feet. The minimum sewer rental rate shall be two dollars (\$2.00) per month;

b) The sewer rental rate applicable outside the City of Minneapolis for all sewage flow generated is three dollars and forty-three cents (\$3.43) per one hundred (100) cubic feet. The minimum sewer rental rate shall be six dollars (\$ 6.00) per month. Sewer rental only service shall be thirteen dollars (\$13.00) per month;

c) The sewer rental charge for residential property not exceeding three (3) residential units shall be based on the volume of water used during the winter season which is defined as a four (4) month period between November 1 and March 31;

d) The sewer rental charge for residential property exceeding three (3) residential units and all other commercial and industrial property shall be based on measured sewage volume or the total water volume used during the billing period as is appropriate;

Solid waste and recycling variable rate charges associated with water meter read dates from and after January 1, 2004, the charges shall be as follows:

a) The base unit charge shall be twenty-two dollars and twenty-five cents (\$22.25) per dwelling unit per month;

b) The recycling reduction shall be seven dollars (\$7.00) per dwelling unit per month for the units whose occupants qualify as participating in the city's recycling program;

c) The cart disposal charge shall be two dollars (\$2.00) per month for each small cart;

d) The cart disposal charge shall be four dollars (\$4.00) per month for each large cart assigned to a dwelling unit.

Adopted 12/15/03.

Lilligren moved that the meeting be adjourned. Seconded.
Adopted upon a voice vote.

MERRY KEEFE,
City Clerk

Created: 12/18/2003
Modified: 12/23/2003