

**City of Minneapolis
2006 Council Adopted Budget**

December 19, 2005

**City of Minneapolis
FY 2006 Budget**

Elected and Public Officials

Elected Officials as of Budget Adoption (December 19, 2005)

Mayor

R.T. Rybak

City Council 2005

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

**Newly Elected Officials – 2006
*City Council – 2006***

Barbara Johnson, President	4 th Ward
Robert Lilligren, Vice President	6 th Ward
Paul Ostrow	1 st Ward
Cam Gordon	2 nd Ward
Diana Hofstede	3 rd Ward
Don Samuels	5 th Ward
Lisa Goodman	7 th Ward
Elizabeth Glidden	8 th Ward
Gary Schiff	9 th Ward
Ralph Remington	10 th Ward
Scott Benson	11 th Ward
Sandy Colvin Roy	12 th Ward
Betsy Hodges	13 th Ward

**Board of Estimate and Taxation
As of Budget Adoption (December 19, 2005)**

R.T. Rybak	Mayor
Paul Ostrow	President, City Council
Barbara Johnson	Chair, City Council Ways & Means/Budget Committee
Gordon L. Nelson	President (Elected)
Wallace K. Swan	Vice President (Elected)
Robert B. Fine	Park Board Representative
Laurie Savran	Library Board Representative

**Board of Estimate and Taxation
New Board Members 2006**

R.T. Rybak	Mayor
Barbara Johnson	President, City Council
Paul Ostrow	Chair, City Council Ways & Means/Budget Committee
Robert Fine	President (Elected), Park Board Representative
Carol Becker	Vice President (Elected)
Jill Schwimmer	Board Member
Sheldon Mains	Library Board Representative

**Minneapolis Park and Recreation Board
As of Budget Adoption (December 19, 2005)**

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

**Minneapolis Park and Recreation Board
Newly Elected 2006**

Jon Olson	President, Commissioner District 2
Mary Merrill Anderson	Commissioner at Large
Tom Nordyke	Commissioner at Large
M. Annie Young	Commissioner at Large
Walt Dziedzic	Commissioner District 1
Scott Vreeland	Commissioner District 3
Tracy Nordstrom	Commissioner District 4
Carol Kummer	Commissioner District 5
Robert B. Fine	Commissioner District 6

Minneapolis Library Board
As of Budget Adoption (December 19, 2005)

Gregory Gray	President of the Board
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

Minneapolis Library Board
New Trustees 2006

Anita Duckor	President of the Board
Laurie Savran	Secretary
Allen Hooker	Elected at Large
Hussein Samatar	Appointed by Mayor
Laura Waterman Wittstock	Elected at Large
Sheldon Mains	Elected at Large
Rod Krueger	Elected at Large
Kathleen M. Lamb	City Council Appointee (as of January 2006)

Charter Department Heads / Assistant City Coordinators

Patrick P. Born	Chief Finance Officer
Karl Kaiser	Chief Information Officer
Patrick Todd	City Assessor
Jay Heffern	City Attorney
Merry Keefe	City Clerk
John Moir	City Coordinator, as of Budget Adoption <i>December 19, 2005</i>
Steven Bosacker	City Coordinator, <i>as of January 14, 2006</i>
Jayne Baccus Khalifa	Civil Rights Director
Gail Plewacki	Communications Director
Lee Sheehy	Community Planning and Economic Development Director
Anthony Lopez	Convention Center, Director
Bonnie Bleskachek	Fire Chief
Gretchen Musicant	Health Commissioner
Pamela French	Human Resources Director
Gene Ranieri	Intergovernmental Relations Director
John Dejung	911/311 Director
Rocco Forte	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. Hadle	Minneapolis Library Board Director

**City of Minneapolis
FY 2006 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 that include 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 independently of other projects.

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 environmental, economic and social realms to promote a sustainable Minneapolis.¹

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.

¹ This goal was amended through City Council Resolution 2005R-251, 2005R-252 on April 29, 2005.

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 brown fields) 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 environmental, economic and social realms to promote a 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), advocating for environmental justice, promoting conservation, addressing noise issues, and improving 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 partners to hold the City accountable for our role as well.

Community Health:

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

Strengthening Relationships among Communities:

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

Strengthen City government management and enhance community engagement.

Expectations:

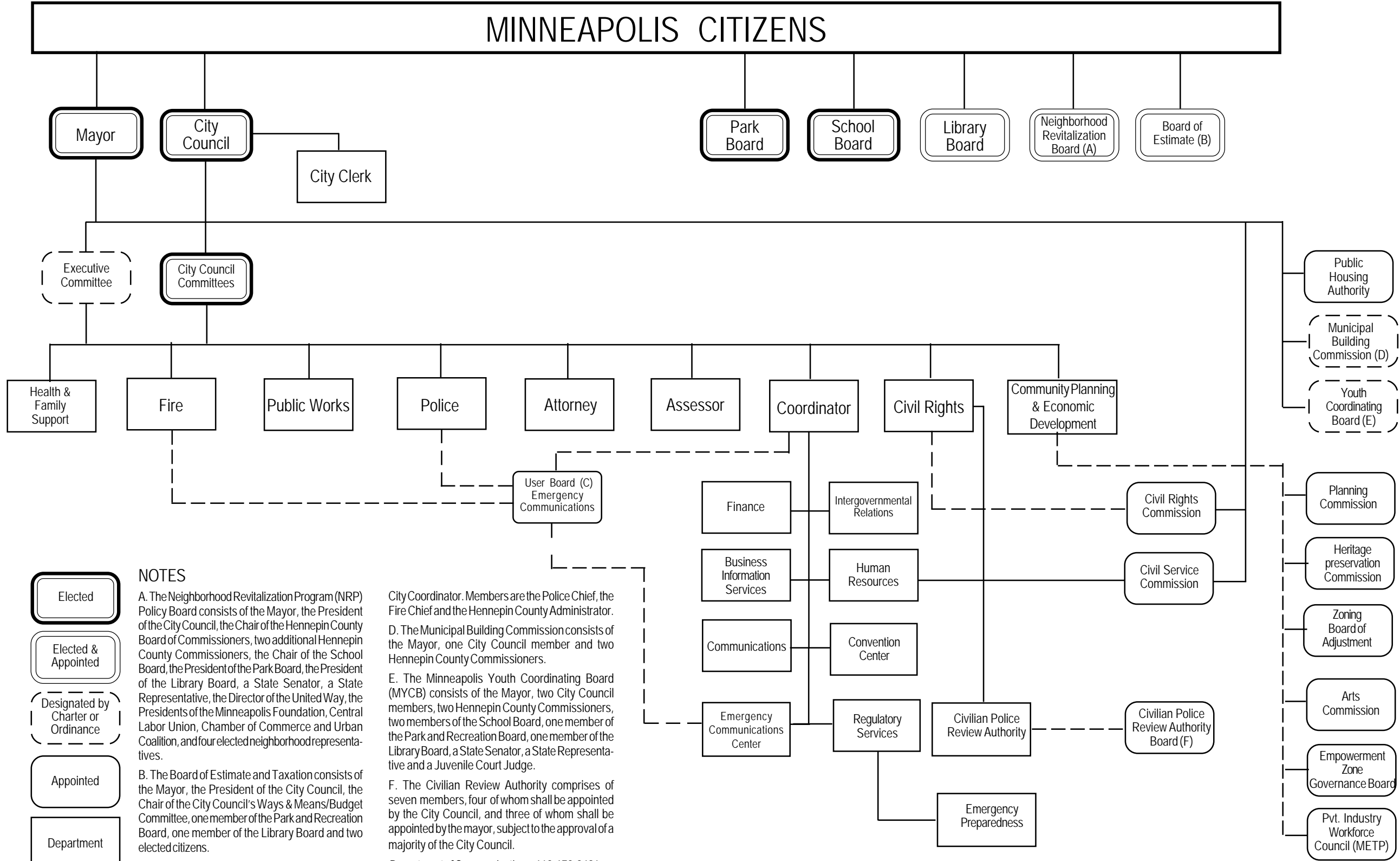
Community Engagement:

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

Government Management:

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

City of Minneapolis



NOTES

A. The Neighborhood Revitalization Program (NRP) Policy Board consists of the Mayor, the President of the City Council, the Chair of the Hennepin County Board of Commissioners, two additional Hennepin County Commissioners, the Chair of the School Board, the President of the Park Board, the President of the Library Board, a State Senator, a State Representative, the Director of the United Way, the Presidents of the Minneapolis Foundation, Central Labor Union, Chamber of Commerce and Urban Coalition, and four elected neighborhood representatives.

B. The Board of Estimate and Taxation consists of the Mayor, the President of the City Council, the Chair of the City Council's Ways & Means/Budget Committee, one member of the Park and Recreation Board, one member of the Library Board and two elected citizens.

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

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

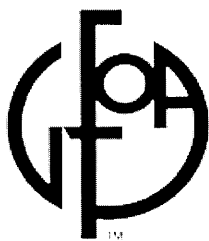
D. The Municipal Building Commission consists of the Mayor, one City Council member and two Hennepin County Commissioners.

E. The Minneapolis Youth Coordinating Board (MYCB) consists of the Mayor, two City Council members, two Hennepin County Commissioners, two members of the School Board, one member of the Park and Recreation Board, one member of the Library Board, a State Senator, a State Representative and a Juvenile Court Judge.

F. The Civilian Review Authority comprises of seven members, four of whom shall be appointed by the City Council, and three of whom shall be appointed by the mayor, subject to the approval of a majority of the City Council.

Department of Communications, 612-673-2491
June 2004

- Elected** (Double-bordered rounded rectangle)
- Elected & Appointed** (Triple-bordered rounded rectangle)
- Designated by Charter or Ordinance** (Dashed-bordered rounded rectangle)
- Appointed** (Single-bordered rounded rectangle)
- Department** (Single-bordered rectangle)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Minneapolis
Minnesota**

For the Fiscal Year Beginning

January 1, 2005

Nancy L. Zelle

President

Jeffrey R. Emer

Executive Director

**City of Minneapolis
FY 2006 Budget**

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Each of the following department sections includes these reports: Service Activity and Performance Measures, Expense Information, Revenue Information, and Staffing Information.

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 Attorney.....
 City Clerk/Elections.....
 City Coordinator Departments
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 Administration
 911/311
 Business Information Services.....
 Communications.....
 Convention Center
 Finance
 Human Resources.....
 Intergovernmental Relations
 Regulatory Services
 City Council
 Civil Rights

Section 8 continued – City Council Operating Departments

Community Planning and Economic Development.....
 Fire
 Health and Family Support
 Mayor
 Police
 Public Works
 Total Public Works Summary Pages.....
 Administration
 Engineering Materials and Testing.....
 Engineering Services.....
 Equipment Services.....
 Field Services
 Property Services
 Sewer Maintenance.....
 Solid Waste and Recycling.....
 Transportation
 Water Treatment and Distribution

Section 9 - Independent Boards and Agencies

Each of the following board sections includes these reports: Service Activity and Performance Measures, Expense Information, Revenue Information, and Staffing Information.

Board of Estimate and Taxation
 Greater Minneapolis Convention and Visitor's Association.....
 Library Board
 Municipal Building Commission.....
 Neighborhood Revitalization Program.....
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 Public Housing Authority.....
 Youth Coordinating Board.....

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City of Minneapolis FY 2006 Budget

How to Use This Document

The average printed budget book weighs four pounds. Printing of the book uses approximately a ream of paper per copy. But the budget book contents include some of the best sources of information on governmental activities as well as key financial information for policy makers and managers. The highlights below will guide the reader on where to find information in this book.

The different sections of the budget book give different views of the financial information and the policies and processes which lead to that information:

Introductory Section

This section, found before the first tab, includes lists of the City's elected officials, department and agency heads, the City's budget principles, Goals and Expectations set by the elected officials during strategic planning, and a City-wide organization chart.

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 1, 2005. In order to receive this award (which is found in this introductory section), 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. The award is valid for a period of one year. The City believes the current budget continues to conform to program requirements, and will submit the 2006 Adopted Budget to GFOA to determine its eligibility for another award.

The award for 2005 is the fourth such honor the City has received in consecutive years. Prior to the 2002 award, the City was last recognized by the GFOA for distinguished budget presentation in 1986. The City has received the GFOA's Certificate of Achievement for Excellence in Financial reporting for the Comprehensive Annual Financial Report (CAFR) for thirty-four years.

Section 1: Table of Contents

The table of contents allows the user of the document to pinpoint the page of a particular part of the City's budget.

Section 2: Background Information

This section contains a community profile of the City of Minneapolis, including an overview of the City's history, economy, population, and attractions. A map of Minneapolis Communities and Neighborhoods is also included in this section. Descriptions of the City's form of government, annual budget process, dates for this

year's budget process, and a description of integration of key processes follow. The City's Financial Decision Calendar displays the annual flow of these processes. Links between the City goals and department objectives are described in this section.

Section 3: Financial Overview

The financial overview section summarizes the key decisions and financial issues addressed in this budget. This section includes key charts and graphs which depict the different portions of the City's budget. Key revenue trends are depicted. A chart of the Minneapolis Tax Rates and Levies appears in this section, as well as a comparison of the Property Tax Rate and Utility Rate Comparison between 2005 and 2006.

This section also contains a summary of major decisions in the budget. Enterprise level challenges are also included in this section. A summary of the demands on the property tax levy and elected officials' actions to date are included in this section. The Five Year Financial Direction rounds out this high-level summary section.

Section 4: Financial Policies

This section presents the major financial policies adopted by the City Council and Mayor. Beginning with the 2005 budget, administrative policies relating to the operating and capital budgets are included in this section. In the past, these policies appeared as recurring footnotes to the budget resolutions.

Descriptions of the major City funds are included in this section, including a bird's eye view of the relationship between fund types, revenue sources, expenditures and departments/boards.

The section also includes the financial planning and policy resolution regarding the City's independent boards (2002), the resolution directing City departments to conduct business planning within the City's Five Year Financial Direction (2003) and the resolution which set priorities on the City's development resources (2003).

Section 5: Financial Plans

Financial plans for the City's major funds and business lines are found in this section of the budget book. The budget, a three-year forecast and two years of actual expenditures are displayed on the financial page. These plans include narratives which summarize what operations are run in the fund, historical financial performance, and 2006 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, Community Planning and Economic Development program allocations, and Full Time Employees (FTE's) by department. Summaries of major interfund transactions are also summarized. These schedules are referenced in the appropriation resolutions.

A one-page summary of expenditures, revenues, and fund balance by fund type begins this section.

- **Schedule One** (Fund Summary – Changes to Fund Balance) is a high level view of the City’s funds, including changes to fund balance.
- **Schedule Two** (Revenues by Fund and Type) summarizes each fund’s revenue sources by major categories. A summary of all the City’s revenue sources by major categories is included at the end of this schedule.
- **Schedule Three** (Expenditures by Fund and Agency) 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. The final two pages of this schedule include a summary by department in all funds.
- **Schedule Four** outlines the allocations by grant for the Community Development Block Grant, Emergency Shelter Grant, Housing Opportunities for People with Aids, the HOME program, and the American Dream Down payment Initiative (all U.S. Department of Housing and Urban Development grants.) A narrative history of the grant and its obligations are included at the beginning of the schedule. For information on the current consolidated plan for these grants, please see the consolidated plan publication available from the office of Grants and Special Projects.
- **Schedule Five** is a summary of all FTE’s by department and agency. This schedule includes footnotes explaining FTE changes.
- **Schedules Six and Seven** summarize the Community Planning and Economic Development department’s housing and economic development project allocations.
- **Schedule Eight** summarizes the detailed purpose behind interfund transfers in the City’s funds.
- **Schedule Nine** summarizes benefits administration fees charged to each department. These charges support the work of the Human Resources department.
- **Schedule Ten** summarizes Business Information Services charges included in each department’s budget. These charges are based upon a rate model beginning in 2005.
- **Schedule Eleven** lays out the Equipment charges to each department by the City’s Public Works – Equipment Services division.
- **Schedule Twelve** displays the charges to each department by the City’s Public Works – Property Services division.
- **Schedule Thirteen** displays a potential allocation of existing revenue to City Hall departments for rent. This schedule is informational only. These rent charges are not actually implemented.
- **Schedule Fourteen** reviews the General Fund Overhead allocation and its staged implementation over the next several years.

Section 7: Capital Program

This section outlines the 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. Information about the City’s debt – the legal debt margin,

outstanding debt, amortization of the debt, and the bond redemption levy – is included in this section. A separate table of contents and glossary are included for this section.

The program is also summarized by the Commission, Board or Department which submitted the request. Each major program is also summarized. A five year total of the capital program and the allocation of the program are included. A presentation by amount requested by the department/agency, the Capital Long Range Improvement Committee recommendation, the Mayor’s Recommend Budget, and the Adopted Budget follows.

Section 8: City Council Operating Departments

This section includes departments’ financial summaries, including expenditures by type (*i.e.* salaries, benefits, contractual services and operating expenses) and fund. The financial summaries also drill down to the division level, where applicable, with summaries by expenditure type. A report that summarizes the department’s revenue estimate is also included. The department’s positions are summarized.

The departments also prepare narrative summaries for their divisions, including primary businesses, service activities, and performance measures. These summaries include a brief financial overview of the department prepared by Finance staff. Department’s organizational charts are included in this section.

This is the largest section of the book because it provides the most detail on a department-by-department basis.

Section 9: Independent Boards and Agencies

This section provides information in a format similar to the City Council Operating Departments for independent boards and agencies. The amounts included are generally those most recently approved by the board of the organization.

Section 10: Glossary

A 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.

Section 11: Resolutions

The City Council resolutions adopting the budget are included in this section. These resolutions are a good reference for summary information on changes to the Mayor’s recommended budget that the Council adopted. Other footnotes provide direction to staff

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**City of Minneapolis
FY 2006 Budget
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 flourmills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill, which remain headquartered in the Minneapolis area.

The ten largest employers of full-time workers in Minnesota include the following, most with major operations in Minneapolis:

Employer	Approximate Total Number of Employees
University of Minnesota	34,300
Dayton Hudson Corp.	22,600
First Bank Systems, Inc.	14,700
Hennepin County	10,500
Norwest Corporation	10,300
Grand Metropolitan, Inc	7,700
Honeywell, Inc.	7,500
City of Minneapolis	7,500
Northern State Power Co.	7,400
Hennepin County Medical Center	4,000

Source: City of Minneapolis Official Statement 10/14/2005 (Page 60)

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 for 2005 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 Net Tax Capacity
1. Northern States Power	Utilities	\$6.05	2.35%
2. American Express Financial Corporation	Office Buildings	\$3.91	1.52%
3. Target Corporation	Office Buildings and Retail	\$3.59	1.40%
4. NWC Limited Partnership	Commercial/Industrial Buildings	\$2.62	1.02%
5. 80 South Eighth LLC	Office Buildings	\$2.18	.85%
6. Ryan Companies US, Inc.	Real Estate/Office Buildings	\$2.19	.85%
7. Wells Operating Partnership LP	Office Buildings	\$2.16	.84%
8. City Center Associates	Office Buildings	\$1.92	.75%
9. First Minneapolis-Hines Co.	Banks	\$1.94	.76%
10. 601 Second Ave Ltd. Ptnrsp	Office Buildings	\$1.74	.68%
Total		\$ 28.30	11.02%

Source: City of Minneapolis Official Statement 10/14/2005 (Page 19)

The City's unemployment rate has decreased over the past three years:

	2003	2004	2005 (through 10-30-2005)
Total Labor Force	221,703	224,220	223,433
Employment	209,968	212,894	215,633
Unemployment rate	5.3%	5.1%	3.5%
Unemployment	11,735	11,326	7,800

Source: <http://www.deed.state.mn.us> – Labor Market Info – Workforce – LAUS Data – Large MN Cities

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

	2002	2003	2004
Total in millions	\$6.6	\$7.3	\$7.5
Per Capita	\$17,092	\$18,873	\$19,399
Per Household	\$42,494	\$44,246	\$45,479

Source: City of Minneapolis Official Statement 10/14/2005 (Page 58)

Retail Sales in Minneapolis for the past four years are as follows:

Year	Minneapolis Retail Sales (in billions)
2001	\$6.1
2002	\$6.1
2003	\$5.5
2004	\$5.6

Source: City of Minneapolis Official Statement 10/14/2005 (Page 59)

Neighborhoods

Minneapolis has 81 residential neighborhoods offering a broad range of housing to 163,000 households. Minneapolis is well known for its concerned and active citizenry which has engaged in partnerships with government and business 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 Commons, 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 new 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-three 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. Total enrollment was 65,247 for 2004 and 65,489 for 2005. 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

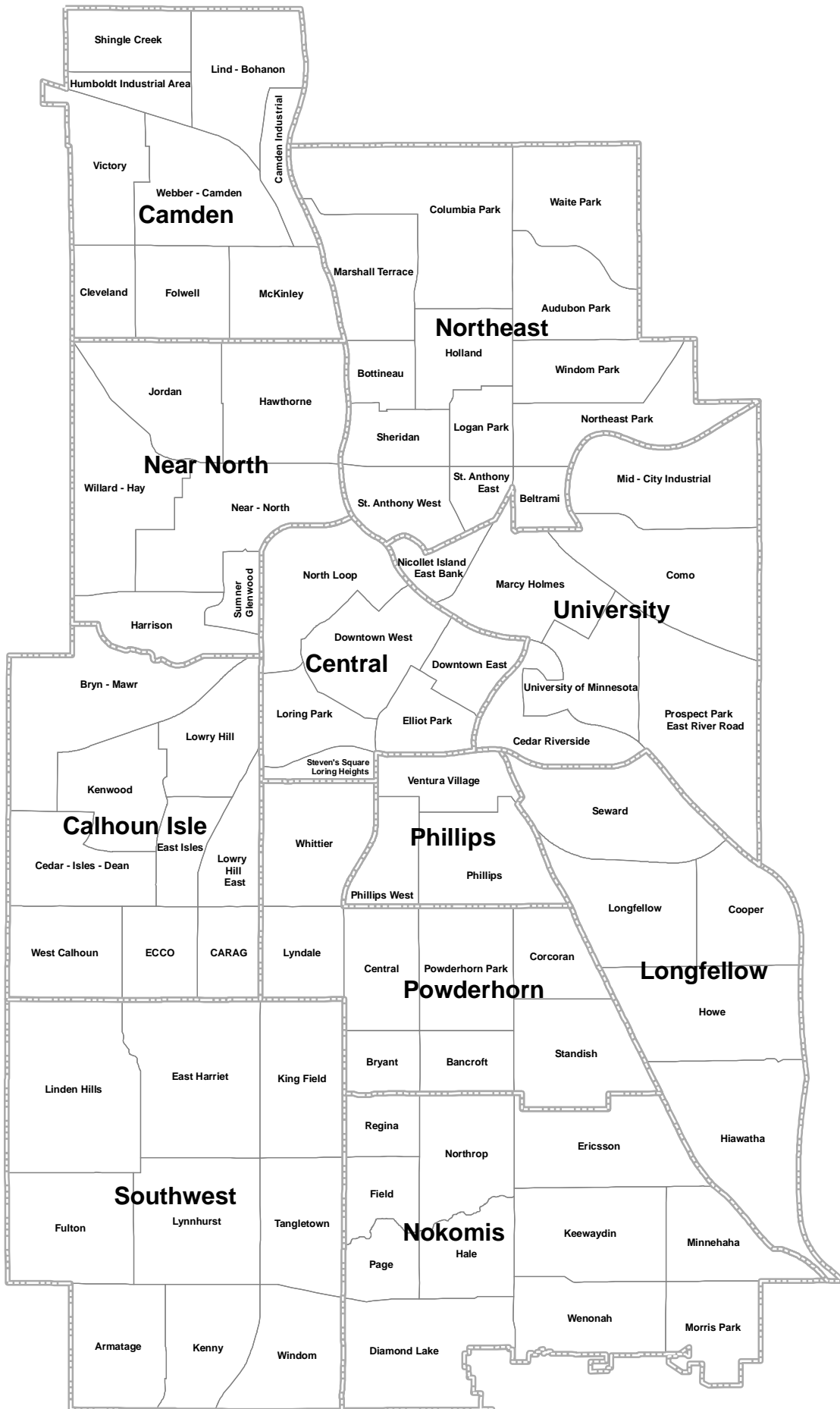
Three major league teams call Minneapolis home. At the Hubert H. Humphrey Metrodome, up to 55,000 fans can watch the world-champion Minnesota Twins in action. When the Minnesota Vikings are in town, the Dome can seat 64,000 football enthusiasts. In 1990, the Target Center was constructed downtown for 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.

MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



**City of Minneapolis
FY 2006 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 adopted a Charter on November 2, 1920. The Mayor and 13 City Council Members from individual wards are elected for terms of four years. There is no term limit on these positions. 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 for the City Council’s 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 includes organizations for which the primary government is financially accountable and 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 built 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 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 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 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 that 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, 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 delegations to the Minnesota State House and Senate and a Judge assigned by the Chief Judge of the District Court.

**City of Minneapolis
FY 2006 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 the 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. The Finance Department, the City Planning Department and the Capital Long-Range Improvements Committee (CLIC) review capital improvement proposals. 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 that describe policy and the organizational changes with financial implications. The Current Service Levels and proposals form the basis for the Mayor's budget meetings with departments 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.

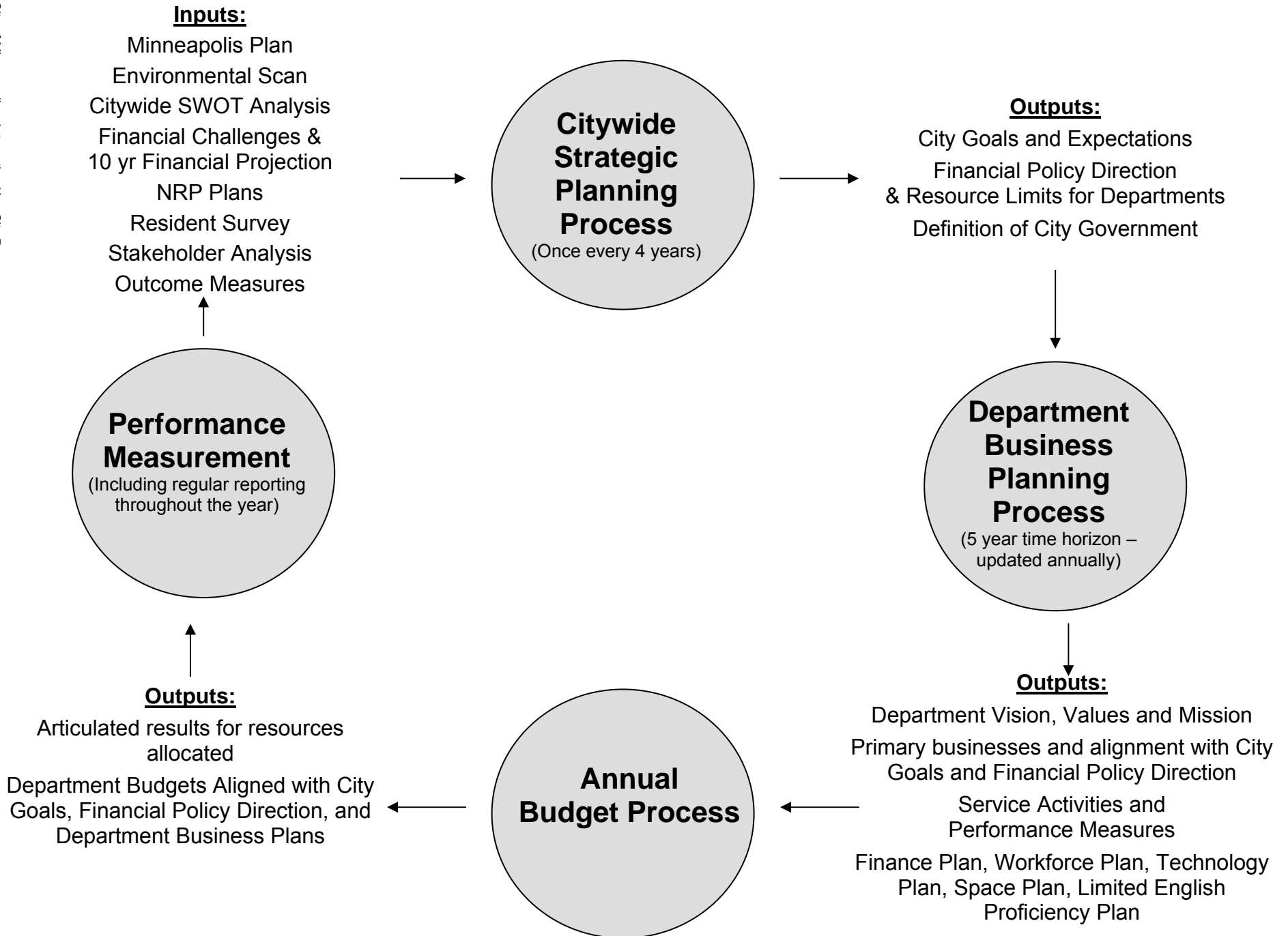
Specific significant dates for 2006 budget adoption are as follows:

April 12	State of the City Speech
June 1 – June 27	Mayor will meet with each city department and the independent boards to review 2006 budget proposals and business plan updates.
June 28- July 28	Mayor finalizes the 2006 budget recommendation
July 28	Mayor's 2006 Budget Recommendation presented to Council
Aug 31	Board of Estimate public hearing on 2006 maximum property tax levies
Sept 14	Board of Estimate meeting to set the maximum 2006 property tax levies
Sept - Oct	Ways and Means Hearings on the 2006 Budget and Business Plans (schedule to be determined by City Council)
Oct	Special City Council meeting to be called by the Mayor requesting Council action to provide preliminary approval of the 2006 budget, if needed*
Late Nov	Mark-up by Ways and Means Committee, with all Council Members invited to attend
Dec 12	Truth in Taxation public hearing 5:05 pm
Dec 19	Truth in Taxation continuation hearing (if needed) 5:05 pm 2006 official Council budget adoption 5:05 pm

*The Mayor's Budget Recommendation may contain layoffs, which will necessitate implementation of the job bank by November 1, 2005 to avoid even deeper cuts in 2006.

INTEGRATING KEY CITY PROCESSES

City of Minneapolis – Integrating Key City Processes



Council Adopted Budget

**City of Minneapolis
FY 2006 Budget**

Integrating Key City Processes

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

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

Citywide Strategic Planning

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

In 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 City's strategic plan?"

Department Business Planning

The development of the Citywide strategic plan is intended to provide clear direction for departments' business planning efforts. Through the 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 City processes intended to ensure the alignment of City efforts with its priorities. A well-developed, focused business plan will assist departments in:

- ❑ Focusing their efforts on core mission, 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.

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 toward better integration of its 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

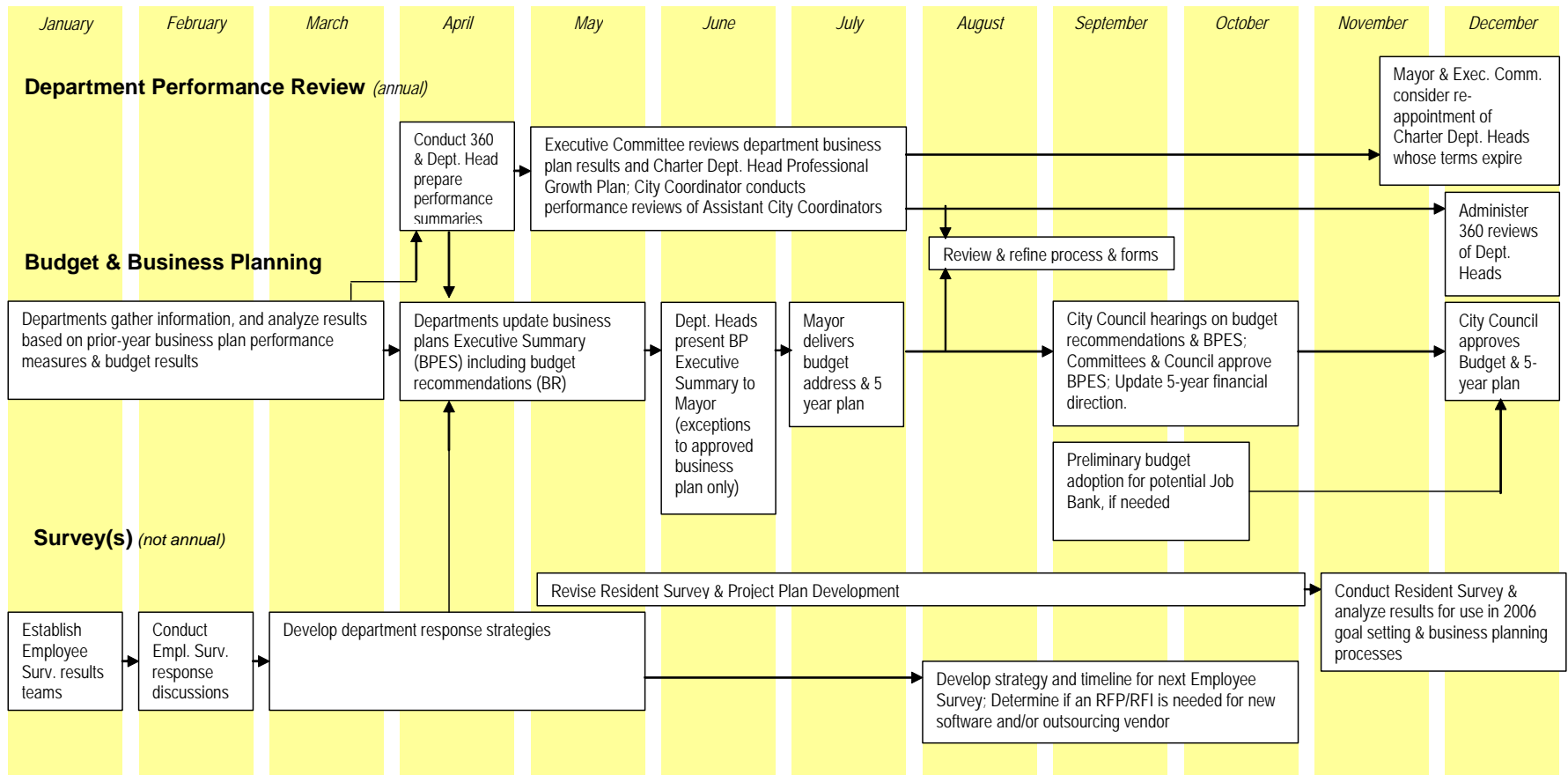
Performance Measurement is how we know when we have done the right things to achieve our goals and how we know when we have done those things right. A successful performance measurement system can lead to continuous improvement of program performance, improved customer service, strengthened accountability,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

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.

Budget, Business Planning and Department Performance Review Calendar

The calendar on the following page maps out how these processes were sequenced during 2005.




2005
Budget, Business Planning & Department Performance Review Calendar
 Draft #12 – April 1, 2005
















**City of Minneapolis
FY 2006 Budget**














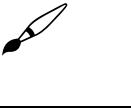




**Department 2006-2010 Business Plan Strategies
and Related City Goals¹**



















City Goals Reference Key:

Goal 1	Public Safety	
Goal 2	Healthy Infrastructure	
Goal 3	Efficient Service	
Goal 4	Economic Development	
Goal 5	Housing	
Goal 6	Sustainable Minneapolis	
Goal 7	Healthy Community	
Goal 8	Strengthen Government Management	
	Community Engagement	






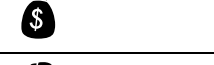
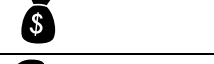


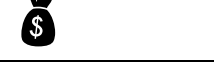


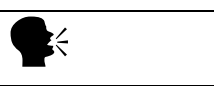
Department	Department Strategies	Related City Goal(s)
911	Ensure a highly qualified, trained and diverse workforce.	
	Optimize the call-handling processes in the 311 Center.	 
	Expand and optimize self-service offering for citizen satisfaction and increased capacity.	  
	Provide call center full-service for existing City call centers (utility billing, solid waste and recycling, Teleserve).	  
Assessor	Provide value-added services to taxpayers.	
	Maintain a competent, positive, fully staffed workforce.	
Attorney	Aggressively prosecute livability crimes that occur in the City.	
	Continue active involvement in improving the criminal justice system.	










¹ Please note that nearly every department had a strategy to “Improve efficiency and effectiveness of business practices, which relates to City Goal 8. To avoid duplication this strategy is not included in the chart below.

Department	Department Strategies	Related City Goal(s)
	Continue active collaboration with neighborhoods on community justice.	
	Assist the City in minimizing its financial exposure to claims and lawsuits.	
	Provide high-quality legal services to the City’s elected officials, its departments, independent boards, commissions and staff.	
BIS	Lead change and improve business outcomes.	
	Implement business needs-driven information technology solutions.	
	Provide cost effective, efficient, and reliable information and consultation services.	
	Improve City results and operations through the implementation of a results-based culture and management system.	Multiple Goals
	Ensure the “business” of BIS runs smoothly.	
Coordinator	Help orient new Council Members.	
	Improve effectiveness of budget narratives, and the summary, in particular.	
	Improve Council receptivity to advice provided by City Coordinator’s Office by improving the quality and consistency of presenting information.	
	Improve ability of City Departmental Leadership to make effective interdepartmental decisions.	
	Increase ability to offer solid financial management analysis to City departments.	
	Determine and effectively communicate City-wide education policies.	
	Improve management of capital funds.	
	Streamline the employee on-boarding process so that new employees have all the IT tools and HR information they need within a week of starting.	
	Improve Citywide project management capacity.	
	Define and implement a path toward effective performance management for the City of Minneapolis.	
	Improve the quality of the Convention Center’s work environment for all employees.	
	Improve the value received for expenditures on common goods and services (strategic sourcing).	

Department	Department Strategies	Related City Goal(s)
	Reduce time reporting and payroll management resources without compromising quality.	
	Ensure that rates and fees cover costs to provide all services.	
	Mitigate the loss of federal and state funding by increasing private grant revenues without having to earmark scarce operating funds that otherwise would not be affected.	
Clerk	Guide the City's management of electronic and paper records to comply with State and Federal regulations.	
	Increase citizen access to information.	
	Meeting the voting needs residents relating to the election process.	
	Revenue Generation.	
	Create an atmosphere that honors the unity, commitment, diversity and professionalism of our workforce and the public we serve.	
Civil Rights	Enforce the City of Minneapolis Civil Rights Ordinances (139.4-142) in a deliberative and timely manner.	
	Enforce Title 9, Chapter 172. The Civilian Police Authority.	
	Enhance relationships with advisory councils and community groups in order to advocate for social justice and systems change.	
	Insure equal and timely access to City Services, Decision Making Processes and Resource Opportunities for all customers.	
	Insure equal and timely access to City services, decision making processes and resource opportunities for all customers Processes and Resource Opportunities for all customers.	
	Proactively support workforce diversity of the City of Minneapolis by establishing goals and monitoring employment.	
CPED	Promote private sector growth to build a healthy economy.	
	Promote / advocate / support economic self-sufficiency for individuals, families.	
	CPED is an active partner regionally, and beyond, to effectively promote and manage growth.	
	CPED's customers are at the center of our work and process improvements.	

Department	Department Strategies	Related City Goal(s)
	Develop a highly-productive, diverse and professional CPED workforce, and a work environment that promotes professional development and respect.	 
Communications	Proactively enhance the City's image.	 
	Enhance and standardize community engagement practices.	
	Enhance City departments' abilities to effectively communicate with internal & external customers.	
Convention Center	Provide a safe and secure experience for all.	
	Provide an exceptional customer experience at a reasonable cost.	
	Provide a positive work environment.	
	Minimize use of planned subsidy.	
Finance	Ensure the City's financial stability and meet funding priorities.	
	Maintain a positive work environment for employees.	 
Fire	Provide effective emergency response.	
	Reduce the negative impact emergency events.	
	Engage the community.	
	Recover costs of providing service through new revenues.	 
	Create an atmosphere that honors the unity, commitment, diversity and professionalism of our workforce and the public that we serve.	
	Recruit and train a diverse workforce.	 
	Keep Employees safe.	 
Health	Promote the health of all Minneapolis residents with a focus on eliminating disparities.	 
	Address factors affecting health so health disparities are eliminated.	 
	Protect the public's health from being harmed by infections, natural or man-made emergencies.	 

Department	Department Strategies	Related City Goal(s)
	Assure an adequate City public health infrastructure.	
	Integrate Department operations with enterprise-wide initiatives.	
	Promote a positive work environment and professional growth.	
Human Resources	Ensure employees have competitive compensation and positive working conditions while minimizing the City's exposure to liability.	
	Manage and provide HR information to City, Independent Boards Agencies for decision-making purposes.	
	Provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk.	
	Assist departments in designing and developing their organizations.	
	Provide the City, Park & Library Boards with the timely opportunity to hire diverse, competent employees.	
Intergovernmental Relations	Have priority agenda items advanced through legislature to enactment.	
	Building Alliances.	Multiple Goals
	Coordination of Intergovernmental issues.	Multiple Goals
	Obtain financial and non-financial resources to achieve City priorities.	
	Model grant management design.	
	Develop partnerships with community-based organizations (CBO).	
Police	Ensure people feel safe in Minneapolis.	
	Ensure effective prosecutions.	
	Maximize technological and revenue opportunities to maintain or advanced service levels.	
	MPD culture promotes satisfaction, professionalism and professional growth.	
Public Works	Integrate Department operations with enterprise-wide initiatives.	
	Maintain customer-centric business approach with Internal and external customers, and employees.	

Department	Department Strategies	Related City Goal(s)
	Protect and enhance livability, safety, and environmental conditions of the City.	
	Maintain and enhance the City's infrastructure (including facilities, equipment, streets, traffic, water systems, etc.)	
Regulatory Services	Provide service center for the City's consolidated development review activities and focuses on consistent, streamlined customer service.	
	Provide quality construction inspection services to ensure the safety, health, and livability of the built environment.	
	Provide education and consistent enforcement of the Minneapolis Housing Maintenance Code and other applicable codes to maintain, improve, and protect the housing stock and the livability of the City.	
	Establishing Staffing Models for Services.	
	Establishing a Cost Recovery Model.	
	Maximizing the Use of Technology.	
	Establishing and Funding Training Programs.	

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January 2006

LETTER OF TRANSMITTAL

Dear Citizens of the City of Minneapolis:

We are pleased to present the 2006 Adopted Budget of the City of Minneapolis.

The 2006 Adopted Budget builds on many of the significant organizational and financial changes that have occurred in recent years:

- Continued commitment to long-term financial planning and business planning
- Responsible allocation of one-time funds, especially the \$7.3 million one-time increase in Local Government Aid from the State of Minnesota
- Increased resources for public safety, including 71 additional police officers and the elimination of planned reductions for both police and fire
- Strategies related to the City's pension obligations, including using \$10 million in one-time funds to address these liabilities

The Financial Overview, which follows this Letter of Transmittal, provides details on the City's continued fiscal discipline and financial planning efforts.

Respectfully Submitted,

A large, stylized signature in black ink, appearing to be "R.T. Rybak".

R.T. Rybak
Mayor

A signature in black ink, appearing to be "Barbara Johnson".

Barbara Johnson
Council President, 2006
Chair, Ways and Means, 2005

A signature in black ink, appearing to be "Paul Ostrow".

Paul Ostrow
Chair, Ways and Means, 2006
Council President, 2005

**City of Minneapolis
2006 Adopted Budget**

**Financial Overview
Prepared by the City of Minneapolis Finance Department**

The 2006 Council Adopted Budget for all City funds represents a 5.8 percent increase in spending from the 2005 Adopted Budget, from approximately \$1.17 billion to \$1.24 billion.

When including transfer expense between City funds, the total Council Adopted Budget is \$1.3 billion. This represents an increase of \$74 million, or 5.8 percent.

Major Highlights

The 2006 Council Adopted Budget builds on many of the significant organizational and financial changes that have occurred in recent years. It is important to be aware of these major changes when making comparisons between budget years.

The major changes include:

- **The Adopted Budget maintains the financial discipline of the 8 percent property tax levy and the 2 percent limit on wage growth for all unsettled labor contracts.** This sets the parameters for the level of spending for all departments in the five-year financial direction. Ongoing budget pressures make this continued financial discipline critically important.
- **The Adopted Budget reflects an increase to Local Government Aid.** The City of Minneapolis LGA total for 2006 is \$93,950,000. With the close of the state legislative session, the City's Local Government Aid (LGA) increased \$15.4 million over the anticipated levels. Of this amount, \$7.3 million is anticipated to continue beyond 2006.

As a result of the agreed upon distribution of LGA between the independent boards and the City departments, the City's General Fund received 80 percent of this increase. The General Fund will receive a \$5.85 million increase in LGA on an ongoing basis and \$6.45 million in one-time LGA. The Adopted Budget uses this \$6.45 million in one-time LGA to reduce ongoing pension debt.

Beginning in 2007, the City is assumed to receive a reduction of LGA of \$1.4 million each year as a result of how the City's need factors compare to the need factors of other cities in the state. This equates to \$1.1 million fewer resources in the General Fund annually, as well as smaller reductions to the Park and Library board budgets.

- **The Adopted Budget plan from 2007 to 2011 contains updates to department resources.** The Adopted Budget's five-year financial plan has been updated to reflect the elimination of reductions to growth in the following departments: Police, Fire, Health and Family Support, and Civil Rights. Further, the Public Works growth estimates and

reductions are adjusted to better represent how elimination of the infrastructure gap program in the financial direction has been reflected in the budgets established since adoption.

- **The City's pension outlook in the financial plan reflects State law.** The beneficial effects of legislative changes on pension payments to the Minneapolis Police Relief Association are reflected in the financial direction. The direction also includes increased costs related to the phase in of new contribution rates to the Public Employee's Retirement Association for the City's active employees hired since 1980.

Legislation related to non-sworn employee pensions for general City staff hired prior to 1980 did not pass in the legislative session. This legislation would have significantly helped the timing of the City's obligations to the Minneapolis Employee Retirement Fund (MERF). The beneficial effects of this legislation are not included in the 2007-11 plan.

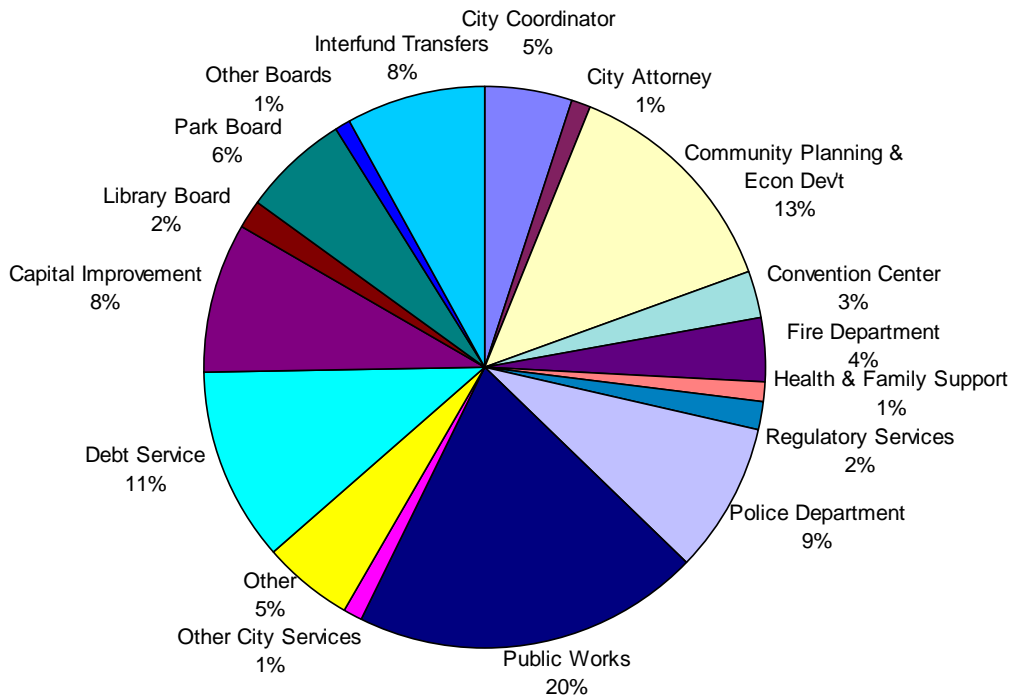
The City may face significant increased payments to the Minneapolis Teachers' Retirement Association. Legislation to address the financial situation of this fund, with increased costs shared by the State, School District and the City, did not pass in the 2005 session. The effects of this legislation are not included in the 2007-11 plan.

- **One-time LGA funds and General Fund revenues are budgeted to reduce ongoing pension liabilities.** Approximately \$6.5 million in one-time LGA and \$3.5 million in one-time General Fund revenues will reduce the need to issue pension bonds, resulting in approximately \$1 million in annual debt service savings for 15 years.
- **The 2006 Adopted Budget moves the Traffic Control Division of Regulatory Services to the Police Department.** Approximately \$2.8 million in expenditures, and a like amount of revenue, will move from the Parking Fund to the General Fund to cover the costs associated with the Division and its 71 positions.

City Spending

Below is a summary of the 2006 Adopted Budget by major spending categories, which includes transfers between funds and the independent boards.

City of Minneapolis Total Expense Budget - Use of Funds 2006 Council Adopted Budget \$1.3 billion



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

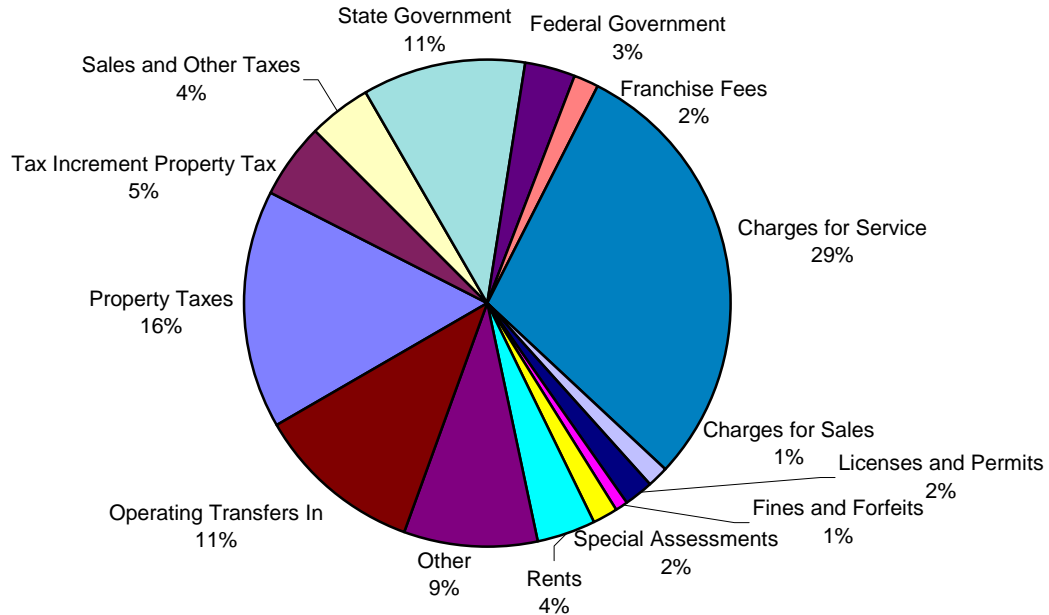
	2005 Adopted Budget	2006 Adopted Budget
City Coordinator (excluding Regulatory Services)	59.3	68.1
City Attorney	11.9	12.6
Community Planning and Economic Development	163.0	180.8
Convention Center	33.8	35.9
Fire	45.2	50.5
Health and Family Support	12.9	12.9
Regulatory Services	24.3	25.4
Police	102.5	115.5
Public Works - Field Services	28.8	29.2
Public Works - Sewer, Stormwater, Flood Mitigation	43.3	43.9
Public Works - Solid Waste and Recycling	26.5	27.8
Public Works - Transportation	54.5	53.4
Public Works - Water Treatment and Distribution	43.3	43.3
Public Works - Other (includes Internal Services)	70.4	71.0
Public Works Subtotal	267.0	268.6
Other City Services	13.6	14.1
Other	71.2	70.3
Debt Service (including Enterprise Funds)	155.1	150.0
Capital Improvement (including Enterprise Fund capital)	99.1	114.9
Subtotal	\$ 1,059.0	\$ 1,119.6
Independent Boards:		
Library Board	19.8	22.0
Park Board	78.8	83.8
Youth Coordinating Board	3.8	2.5
Other Boards	8.9	10.1
Subtotal	\$ 111.3	\$ 118.4
Total Expenditures (without Transfers)	\$ 1,170.3	\$ 1,238.0
Transfers to other funds	100.6	106.7
Total Expenditures with Transfers	\$ 1,270.9	\$ 1,344.7

Note: See “City Council Operating Departments” and “Independent Boards and Agencies” sections in the budget document for further explanation of changes between years.

City Sources of Revenue

Below is a summary of the 2006 Adopted Budget revenues by major category.

**City of Minneapolis
Total City Revenue Budget - Source of Funds
2006 Council Adopted Budget
\$1.3 billion**



In 2006, the City of Minneapolis projects \$1.3 billion in revenue from a variety of sources. It is important to note that many of the City's revenues sources are restricted revenue, meaning they are required to be spent in defined areas or on specific programs or projects. This limits the City's ability to apply the revenue to other departments or programs. 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 State law requires that these fees be no higher than the cost of providing those services. For example, the City cannot raise water bills to pay for Citywide police services.

Grants and transfers from the Federal Government and other units of government are also usually designated for specific needs and purposes. If the City does not spend such grants for their designated purpose, the City will not receive the grants at all. Some cities increase their revenues through assessments, which are also tied to specific purposes like street or sidewalk 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 LGA.

Franchise fees are 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.

There are four franchise agreements which provide revenue for the City:

The twenty year franchise agreement with Xcel Energy for electricity requires payment of 5% of gross revenues for residential service customers, 3% of gross revenues for commercial and industrial customers, and 5% of gross revenues on small commercial and industrial customers. This franchise agreement expires on December 31, 2014. For 2006, the City is anticipating \$11.5 million in revenues from this franchise agreement. Xcel does not provide natural gas services in the City of Minneapolis.

The franchise agreement with Center Point Energy/Minnegasco requires payment of 4.25% of gross revenues for residential buildings with four units or less, 5% for small commercial/ industrial/firm or interruptible customers, and 3% for large volume interruptible customers. This franchise agreement expires on December 31, 2015. For 2006, the City is anticipating \$8.5 million in revenues from this franchise agreement.

The City also has two smaller franchises: the bus stop advertising franchise generates approximately \$100,000 in revenues. The City's cable franchise is anticipated to generate \$2.3 million from cable television service in 2006.

The 2006 Adopted Budget anticipates the total franchise fee revenue to remain fairly level with the 2005 Adopted Budget, at \$22.3 million.

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

	2005 Adopted Budget	2006 Adopted Budget
Property Taxes ¹	196.4	210.9
Tax Increment Property Tax	68.9	67.9
Sales and Other Taxes	51.2	55.2
State Government	119.8	142.3
Local Government	9.5	5.9
Federal Government	52.2	46.4
Franchise Fees	22.1	22.3
Charges for Service	376.7	391.6
Charges for Sales	22.5	19.0
Licenses and Permits	23.5	25.9
Fines and Forfeitures	9.7	11.3
Special Assessments	21.3	20.7
Interest Income	3.3	2.9
Rents	52.2	53.4
Other ²	79.6	108.9
Subtotal	\$ 1,108.9	\$ 1,184.6
Transfers from Other Funds	139.9	147.6
Total Revenues³	\$ 1,248.8	\$ 1,332.2

City Budget by Fund

The City uses different “funds” to account for expense and revenue associated with the various services provided. The **General Fund**, where most property tax supported services are accounted for, represents 24 percent of the 2006 Adopted Budget, as compared to 23 percent in 2005.

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, stormwater 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 business-like services that the City provides. However, Internal Service Funds’ primary customer is other City departments. Internal services include such services as information technology, equipment rental (e.g., police squad cars and fire equipment), facility

¹ Property taxes are budgeted at 98 percent of the gross levy to reflect anticipated delinquencies.

² Other includes gains, contributions, other miscellaneous revenues, and proceeds from long-term liabilities.

³ 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.

fees and self-insurance.

Other Funds includes Special Revenue Funds where the 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 the Board of Estimate and Taxation, Library, Park, Minneapolis Public Housing Authority, Neighborhood Revitalization Program, Municipal Building Commission, and Youth Coordinating Board.

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

	2005 Adopted Budget	2006 Adopted Budget	2006 as % of Total
Expenditures:			
General Fund	291.3	318.4	23.7%
Enterprise Fund	272.6	280.0	20.8%
Internal Service Fund	167.3	174.4	13.0%
Special Revenue Fund	171.4	183.0	13.6%
Capital Projects Fund	132.6	152.4	11.3%
Debt Service Funds	124.3	118.0	8.8%
Independent Board Funds	111.4	118.5	8.8%
	\$1,270.9	\$1,344.7	100.0%
Revenues:			
General Fund	285.8	318.5	23.9%
Enterprise Fund	270.2	277.6	20.8%
Internal Service Fund	168.4	173.2	13.0%
Special Revenue Fund	158.1	191.8	14.4%
Capital Projects Fund	140.9	140.8	10.7%
Debt Service Funds	114.9	112.4	8.4%
Independent Board Funds	110.5	117.9	8.8%
	\$1,248.8	\$1,332.2	100.0%
Changes in Balances	(\$22.1)	(\$12.5)	

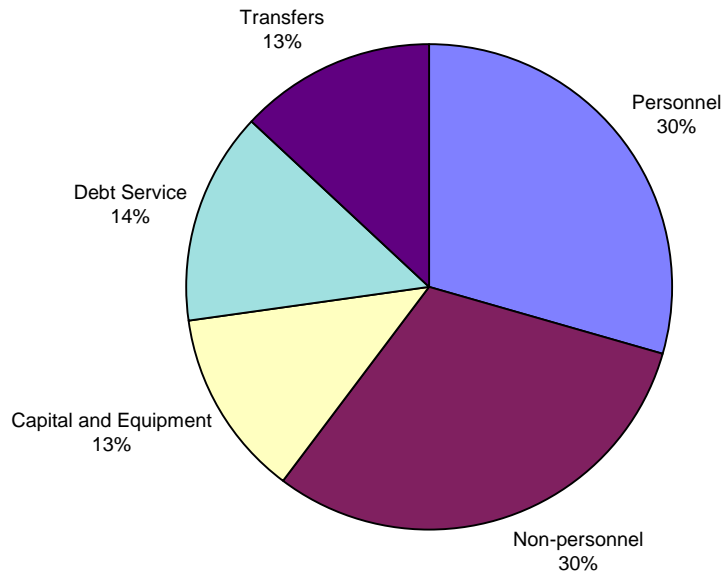
Spending by Major Categories

A significant amount of the City's budget is spent on personnel, \$398 million or nearly 30 percent of the total budget. The 2006 Adopted Budget includes an increase of 121 budgeted full-time equivalent positions; this represents a 2 percent increase. The independent boards are included in these figures.

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

	2005 Adopted Budget	2006 Adopted Budget
Full Time Equivalent Positions	5,515	5,636
Expenditures:		
Personnel	373.8	397.6
Non-personnel	405.9	414.6
Capital and Equipment	136.3	168.2
Debt Service	193.3	189.3
Transfers	161.6	175.0
Total Expenditures	\$1,270.9	\$1,344.7

**City of Minneapolis
Total City Budget - Expenditures by Category
2006 Council Adopted Budget
\$1.3 billion**



Major Budget Pressures: City Council Funds

➤ **Growth in personnel costs**

Salary and Wages. The 2006 Adopted Budget includes an increase in total personnel expenditures from \$373.8 million to \$397.6 million; this represents a 6.4 percent increase from the 2005 Adopted Budget. 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.

Benefits. Health and dental insurance expenditures are budgeted to increase by 21 percent from the 2005 Adopted Budget, from \$36.2 million to \$43.7 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 and new positions.

➤ **Funding for Internal Services Funds workout plans**

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 2004, the City's Internal Services Funds had combined negative net assets of \$29 million, as compared to a negative \$34 million in 2003. While the balance is still negative, the position of the funds is showing marked improvement over the 2000 net asset deficit of \$54 million.

The 2006 Adopted Budget includes an additional \$3.9 million in funding for internal City services: self insurance, equipment services and information technology services (e.g., workers compensation, general liability, squad cars, fire trucks and computers). 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 2006 Adopted Budget will meet the financial goals of the three adopted plans.

➤ **Parking Fund Financial Plan**

The 2006 Adopted Budget reduces the General Fund transfer from the City's Municipal Parking Fund by \$1 million. This decrease is in line with the adopted Parking Fund financial plan, which was developed to address the cash deficits within the fund. The Council also increases the transfer from the Convention Center Fund to the Parking Fund by \$1 million.

➤ **Funding for Physical Infrastructure**

Property Tax Supported – Public Works: The 2006 Adopted Budget includes \$27.0 million in property tax supported funding for Public Works capital. Below is a summary of the 2006 -2010 property tax supported funding for the Public Works infrastructure program, including Park related improvements mentioned below.

Property Tax Supported Capital for Public Works (in millions)

	2006	2007	2008	2009	2010
Mayor Recommended Funding	\$16.0	\$12.4	\$11.0	\$12.1	\$13.3
Council Adopted Funding	<u>\$27.0</u>	<u>\$8.0</u>	<u>\$7.7</u>	<u>\$9.3</u>	<u>\$13.5</u>
Council Change	\$11.0	\$(4.4)	\$(3.3)	\$(2.8)	\$0.2

Note: The Council change was primarily due to shifting \$11 million of resources for the Hiawatha Facility project from 2007–2009 to 2006.

Property Tax Supported - Park Board: The 2006 Adopted Budget includes \$2.0 million in property tax supported funding for Park Board capital projects and \$0.7 million in the Public Work’s capital budget for Parkway Paving and Parkway Street Lighting. Below is a summary of the 2006 – 2010 property tax supported funding for Park Board capital. The amounts include a Park Board capital levy, which has been increasing by \$215,000 each year since 2003. The levy reaches a maximum of \$1.5 million in 2009.

Property Tax Supported Capital for Park Board (in millions)

	2006	2007	2008	2009	2010
Parkway Street Lighting–Public Works	\$0.3	\$.2	\$.3	\$.2	\$.1
Parkway Paving – Public Works	\$0.4	\$.7	\$.5	\$.7	\$1.2
Park Board Capital Requests	\$2.0	\$2.0	\$2.0	\$1.6	\$2.3
Total Park Board Improvements	\$2.7	\$2.9	\$2.8	\$2.5	\$3.6

Utility Fee Supported Capital: The 2006–2010 budget includes funding for additional water and sewer related infrastructure expenditures. The rate of capital spending on Water and Sewer capital improvements is being managed to allow for lower water and sanitary sewer rate increases in 2009 & 2010 than had previously been planned and a zero percent increase in Stormwater rates in 2009 & 2010. This budget continues the City’s commitment to closing the infrastructure “gap” for water and sewer services. The water and sewer five-year utility rate schedule approved as part of this budget reflects this planned investment.

The Council Adopted Budget also decreases funds available for the Affordable Ownership Combined program by \$1 million and creates a program entitled “Capital Acquisition Revolving Fund” by appropriating \$1 million into a revolving fund for this purpose.

➤ **Funding for increasing pension liabilities**

Minneapolis Employee’s Retirement Fund (MERF): The City began issuing general obligation (pension) bonds in December of 2002 to cover the estimated cost of MERF retirements; additional bonds were issued in 2003 and 2004. The 2006 Adopted Budget includes the funds necessary to make the debt service payments associated with these bonds. The 2006 contribution to the MERF plan is anticipated to be approximately \$7 million; this will be financed through the property tax levy and the budgets of departments with employees in the MERF pension plan.

Minneapolis Police Relief Association (MPRA): Legislation passed during the 2005 legislative session extended the amount of time the City has to fully fund this plan’s liabilities by ten years. The addition of ten years to the amount of time that the City has to fund the plan will result in the City making contributions at a lower annual level, but for a longer period of time. The 2006 contribution is expected to be approximately \$5.4 million, which will be funded through the property tax levy and the use of one-time funds from the 2004 budget.

Minneapolis Fire Relief Association (MFRA): In 2005, the City resumed contributions to the MFRA. Another of the City’s closed pension funds, the MFRA was previously 100 percent funded, which meant that the City did not need to make annual contributions. Poor

investment performance reduced the funding level for the MFRA and, as a result, the City made a \$5 million contribution in 2005. The 2006 contribution is approximately \$1.4 million. This contribution will be funded by the City's property tax levy.

➤ **Funding for debt obligations for voter-approved Central Library and community library improvements**

The first of several years of major increases in the property tax levy to fund the new central library and community libraries, as approved by the voters, began in 2003. For 2006, the property tax levy amount will be approximately \$8.1 million. This levy amount will increase by approximately \$2.0 million in 2007, at which time the base annual property tax levy for payment on the referendum bonds reaches \$10 million.

Enterprise Challenges

In the course of the City's annual business and strategic planning process, City departments review and document the most significant trends and challenges affecting their work. While some of these issues are very specific to department business, several enterprise-wide themes emerge. A digest of enterprise challenges is presented below:

Demographic Changes

Diversity of City residents (minority and immigrant populations) is growing faster than any other city in Minnesota. Minorities make up 29 percent of adults aged 18-64 years. Foreign-born residents have increased 2.5 times since 1990, posing language barrier challenges for all departments that touch the public directly. Nearly all departments note a need for improved focus on providing service to limited-English proficient residents. Minneapolis over-age-65 population is also increasing. An increase in our older population may pose additional health and accessibility challenges in the future.

Technological Complexity and Increased Demand for Technological Solutions

Departments note an increased technological savvy of customers, and as a result, increased demand of technological approaches to customer service. In addition, in order to provide competitive service to customers, technological needs have become more complex and demanding. This translates in to additional costs for new equipment and in particular, increased maintenance costs. Examples include the new Computer-Aided Dispatch system, which could require significant maintenance costs (18-20% of software license costs.) Also, assistive voting technology enhancements will likely need to be maintained by the City, the full financial impact of which is not yet known. Other examples include increased use of cameras in law enforcement, and a drive toward enterprise-wide technologies for use in business process re-engineering.

Regulatory Complexity / Unfunded Mandates

Departments have noted increased complexity of protocols and regulations at many levels. Civil Rights notes increased complexity of investigation protocols. Regulatory Services cites state codes, protocols, and building standards that are placing additional strains on the workload of inspectors. The City Clerk notes additional election requirements as a result of the 2002 Federal Help America Vote Act. Additionally, public safety departments face legislative-directed or nationally developed standards, training, or operating procedures. Departments indicate a need for increased and improved employee training, possibly placing short-term strain on productivity, to address these complexities.

Reliance on Tenuous Inter-Governmental Funding

Reliance on tenuous funding from state and federal entities for some important City programs complicates the management and planning for these programs, and for the outcomes they hope to achieve. Federal support for Community Development Block Grant and Empowerment Zone funding was threatened this past year, placing programs that rely on this funding in jeopardy. Local Law Enforcement Block Grant funding, used in part to fund positions in the City Attorney's office, is unpredictable. Local Government Aid from the state has been unpredictable, reduced by \$150 million statewide. The uncertainty that surrounds these funds drains time and energy of City managers from administering programs to the best outcomes possible.

Health programs have also faced state and federal cuts recently. Medicare eligibility cuts, State of Minnesota public health care cuts, and reduced funding in early childhood and youth development affects the ability of City departments to project the health of residents. Finally, Health and Family Services has noted that ideology, not science, have been more strongly influencing funding decisions for health programs.

Homeland Security

Ensuring adequate physical security, health security, electronic security (prevention of viruses, worms, and other system security threats), information backups, and emergency planning consumes resources of nearly every department. Departments continue to build and strengthen relationships with other governmental entities to maximize the effectiveness of security planning.

City Workforce Trends

Retirement rates are expected to remain at 1 to 2 percent for the next six years, but greatly accelerate after 2011 due to the expected "baby boom" generation reaching retirement age. As employees reach retirement age, the City loses institutional memory and highly skilled personnel.

Health care costs for everyone are expected to increase approximately 20% per year.

Other Trends

The downtown real estate market continues to have an oversupply of office space available due to the weak industrial market from 2003-2004.

Major Changes in the 2006 Adopted Budget

The 2006 Adopted Budget makes the following major changes:

- Five-Year Financial Direction – Reductions to address the five-year plan for the following departments: City Attorney (\$150,000), Business Information Systems (\$200,000), Finance (\$250,000), Civil Rights (\$133,000) and Public Works (\$570,000). Human Resources and 911/311 had budgetary growth below anticipated levels, which allowed them to meet their five-year plan target.
- Five-Year Business Plans - Adopts department five-year business plans as presented during budget hearings before Ways and Means from September 20th-October 19th. Business plans were presented for the following departments and are therefore adopted: Assessor, Attorney, Civil Rights, Clerk/Elections, CPED, Coordinator (including 911/311, BIS, MCC, Finance, HR, IGR, Communications, and Regulatory Services), Fire, Health and Family Support, Police, and Public Works.
- Assessor's Office – The Adopted Budget adds \$50,000 in one-time resources to the Department for training in support of succession planning and updating assessment practices.
- City Attorney's Office – The Adopted Budget includes a reduction to the City Attorney's Office budget of \$150,000, achieved through savings on the Department's lease. The Council added \$200,000 to fund three paralegal positions to support community prosecutors. General fund support for the Domestic Abuse Project (\$75,000) is moved to Health and Family Support.
- City Coordinator/Administration – The results management function moves from Business Information Services to Coordinator Administration. The Results Manager position is eliminated in the Adopted Budget (\$100,000 savings in the BIS Division). The work of the Results Manager will be absorbed by the Coordinator's existing staff.
- City Coordinator/BIS – The Council moves forward one-third of the Department's anticipated cut in 2007 to 2006 (\$200,000). This reduction is accomplished by eliminating the Results Manager position and two other positions in the Adopted Budget (\$100,000 savings). In addition, two City operators move to the Coordinator's 911/311 Department.
- City Coordinator/Communications – The Adopted Budget moves a 0.8 position and \$70,000 from Communications to Civil Rights for sign language interpreter services.

- City Coordinator/911/311 – The Adopted Budget does not include any additional reductions to 911/311. The Department’s budget includes the addition of the One Call/311 initiative (\$2.6 million, funded by revenues from department payments and \$100,000 in one-time transition costs). The breakdown of these costs by department for 2006 is as follows:

Resource Allocation for 311 Call Center

Hours of Operation: 7AM - 11PM, 34 positions

Department	Total	Total
Assessor	\$ 38,000	\$ 38,200
Attorney	\$ 27,000	\$ 26,900
City Clerk	\$ 6,000	\$ 5,600
Civil Rights	\$ 9,000	\$ 9,000
City Coordinator		
BIS (City Operators)	\$ 112,000	\$ 112,000
Communications	\$ 12,000	\$ 11,600
Coordinator's Office	\$ 7,000	\$ 7,200
Finance	\$ 261,000	\$ 260,600
Human Resources	\$ -	\$ -
IGR	\$ -	\$ -
MECC (911/311)	\$ 387,000	\$ 386,800
Regulatory Services	\$ 268,000	\$ 267,600
CPED	\$ 25,000	\$ 24,700
Fire	\$ 25,000	\$ 24,700
Health & Family Support	\$ 45,000	\$ 44,900
Police	\$ 401,000	\$ 400,800
Public Works	\$ 946,000	\$ 946,300
TOTAL	\$2,569,000	\$ 2,566,900

- City Coordinator/Convention Center – The Council’s capital program in the Convention Center is funded at the same level as 2005 (\$3.7 million). The Council also directs the Convention Center to conduct a feasibility study on the Life Sciences initiative. Further, the Council also adopts the transfer of \$1 million to the Parking Fund for operational expenses related to Convention Center ramps.
- GMCVA – The Council adds \$50,000 to the GMCVA contract to fund Sister City efforts.
- City Coordinator/Regulatory Services – One-time funding for the Boarded Building program is included in the Adopted Budget (\$450,000).

The Council also adopts the following new fee initiatives (\$246,000):

- An adjustment to the rental license fees (\$185,000). The fee adjustments keep the City comparable to surrounding jurisdictions and mitigate the impact on owners of small rental properties.
- Indexing the Pollution Control and Erosion Permit fees to inflation (\$35,000).
- Adjusting the Special Event fee to more accurately recover costs (\$26,000).

The Department's training and technology requests are funded on a one-time basis (\$600,000). An intern program and overtime are funded permanently.

The Council moves the Traffic Control division of Regulatory Services to the Police Department (\$2.8 million and 42 positions). These expenditures will be recorded in the General Fund rather than the Parking Fund. Associated meter revenue estimates (\$5.3 million) will also move to the Police Department. The revenues in excess of the meter expense will continue to support the General Fund. The Parking Fund will transfer \$2.8 million to the General Fund. This funding mechanism is consistent with the financial impacts of the parking workout plan.

The Council also adds funding to Regulatory Services for Graffiti removal for \$100,000 paid for from contingency pending year end financial status. This is a one time appropriation and will be considered as part of the reappropriation action during 2006.

- City Coordinator/Intergovernmental Relations Department – The Adopted Budget adds a joint homelessness position with Hennepin County (\$100,000) funded by CDBG grant dollars.
- City Coordinator/Human Resources – The Council Adopted Budget adds 2 investigators funded in the Self Insurance Fund.
- City Coordinator/Finance – The Council decreases positions by 1 to keep in line with the five-year plan.
- Civil Rights – The Council decreases the Department by 2 contract compliance positions and adds a 0.8 position for sign language interpreter services.
- The Adopted Budget includes one-time funding for three initiatives requested by the Department:
 - Language initiatives (\$50,000);
 - Training for appointed advisory groups, the Civil Rights Commission, and Investigative staff (\$100,000);
 - Small and Underutilized Business Program (SUBP) study (\$100,000).
- Community Planning and Economic Development (CPED) – The Adopted Budget includes \$80,000 in revenue from development fee initiatives. One-time funding for non-targeted neighborhood community participation programs is added (\$100,000). An accounting adjustment for the existing funding of this program was made – \$100,000 is shown in the Department budget rather than interfund transfers. The Council adds funding for 2 neighborhood planners (\$150,000), and 1 position (\$100,000) for communications marketing funded by General Fund resources. The Department also plans to reallocate 2 positions within its budget for additional planning resources.
- Fire Department – The Adopted Budget includes no reductions to the Fire Department. A Department request for one-time funding for recruitment expenses is included in the

Adopted Budget (\$80,000). Funding for the City's Community Emergency Response Team (CERT) is added on a one-time basis (\$150,000), with future years' programs funded externally to the City. No further reductions for the Department are included in the updated five-year financial direction as adopted by the Council.

- Health & Family Support – No reductions for the Health and Family Support Department are included in the Adopted Budget. No further reductions for the Department are included in the updated five-year financial direction as adopted by the Council. The Council adds \$75,000 for the Domestic Abuse Project to the Health and Family Support Department on a one time basis. It further directs the Department to develop a strategy for permanent ongoing funding for DAP in its Business Plan in 2006.
- Police Department – The Council added 60 police officers funded from increased LGA and from savings resulting from previous year's debt buy-downs. The total increase to the Department for these officers is \$4.3 million. No reductions are required of the Department in 2006. No further reductions for the Department are included in the updated five-year financial direction as adopted by the Council.

Further, the Adopted Budget includes several initiatives related to traffic control and enforcement:

- The Council adds 11 additional officers specifically dedicated to traffic (\$1 million, offset by \$500,000 in revenues. Revenue estimate based upon past experience in traffic enforcement efforts).
- The Council moves the traffic control division of Regulatory Services to the Department (\$2.8 million and 42 positions). These expenditures will be recorded in the General Fund rather than the Parking Fund; this is a revenue-neutral change. Associated meter revenue estimates (\$5.3 million) will also move to the Police Department. The revenues in excess of the meter expense will continue to support the General Fund. The Parking Fund will transfer \$3.2 million to the General Fund, maintaining the financial effects of how this service has been funded consistent with the Parking Fund workout plan. The Council also adds 3 traffic control agents (\$185,000 with offsetting revenue) to this function.
- One-time funding is adopted by the Council for the Citywide electronic citations system (\$450,000) and the purchase of security cameras (\$350,000) with priority given to projects with local matching funds as approved by the Council. Ongoing operating costs will be funded by the Police Department. One-time revenue in excess of expenses from the red-light camera operations, up to \$180,000, funds the Citywide Electronic Citations system

The Council adds funding for a \$60,000 contract with the Tubman Family Alliance to fund a mental health clinician to support police officers working on domestic violence issues.

- Public Works – The Department transfers 3 positions to the One Call initiative in 2006.

- Public Works/Transportation – The Council’s Adopted Budget includes \$150,000 in increased revenue related to posting of no-parking signs and increased sidewalk closure fees. The Department proposed and the Council adopted a reduction of \$55,000 in this area to meet the five-year financial direction.

One-time revenue in excess of expenses from the red-light camera operations, up to \$120,000 is appropriated to Public Works in 2006 for Speed Control.

The Council appropriates \$300,000 to conduct a study assessing the use of street cars on those corridors designated as Definite Primary Transit Networks (PTN). The Council also adopts a transfer of \$1 million from the Convention Center Fund for operations expenses related to Convention Center ramps.

- Public Works/Field Services – The Council adopted the Department’s proposed reduction of \$515,000 in this division. The Council adds \$350,000 for seal coating.
- Public Works/Property Services – The Council increases the transfer to the property services fund by \$30,000 to fund community center operations. It also adds \$125,000 in one-time start-up funds for centralized energy management with the direction that Public Works convene a cross-departmental work team to define the scope, work and ongoing funding of the position. The position and related expenses will be funded in 2007 and beyond with savings realized through the position’s efforts.
- Public Works/Solid Waste – The Council adds 3 positions to the Clean City program.
- Park Board – The Council adopts \$200,000 in one-time funding for the Park Board’s tree efforts and \$100,000 to the Tree Trust to administer the program.
- General Fund Overhead Model – The Council adjusted the revenue estimates for the City’s General Fund overhead charge as follows:
 - A reduction to the payments from Community Planning and Economic Development Department for communications services (\$75,000);
 - Postponing the implementation of additional charges to the independent boards (\$350,000);
 - Postponing the implementation of additional charges to the grant funded projects, pending inclusion of the overhead rates in future grant requests (\$400,000).
- Pensions – The City’s pension debt will be reduced by \$10 million under the Adopted Budget, funded by \$6.45 million in one time LGA revenues and \$3.55 million in one-time General Fund revenues. This debt reduction will result in approximately \$1 million in savings in future years.

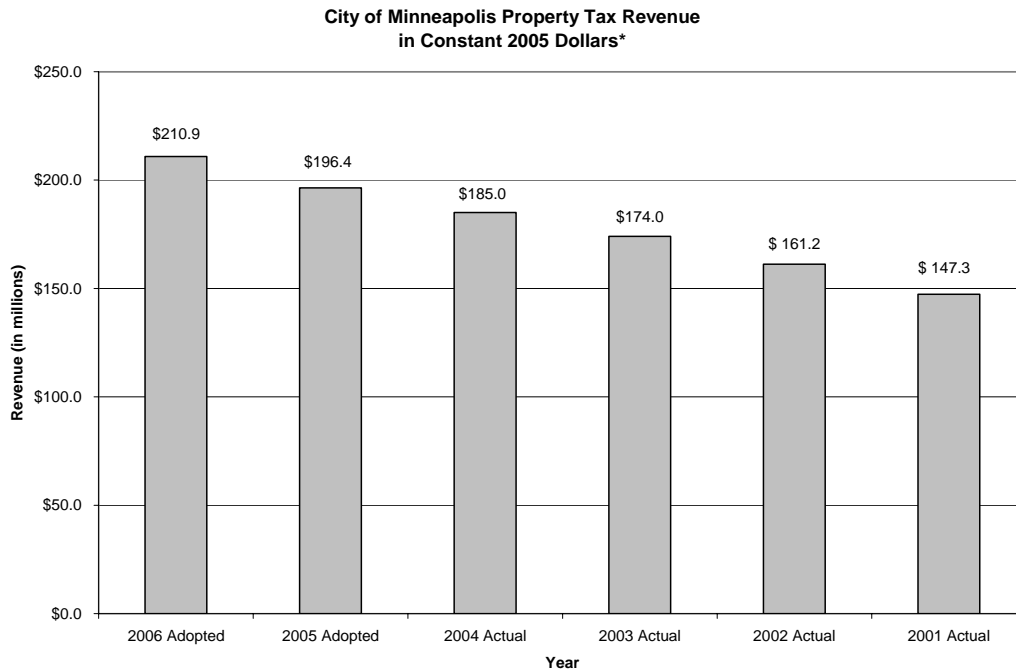
Property Tax and Fee Changes

➤ Property Tax Revenue

The 2006 Adopted Budget includes an estimated property net tax capacity rate of 59.346 percent; this rate is the combined rate for the City, (Board of Estimate and Taxation, Park and Library Boards, and City special levies (Minneapolis Public Housing Authority and Teachers Retirement). The library referendum is a market value based tax of .02645 percent and is not included in the previous number. This estimated net tax capacity rate will provide an additional \$13.8 million in property tax revenue, which is a 7.4 percent increase over the 2005 Adopted Budget. The City's net tax capacity (after reductions for tax increment and fiscal disparities) is projected to increase by 14 percent for taxes payable 2006, from \$295 million to \$336 million.

In addition to the \$13.8 million in property tax revenue increase that is spread over the City's net tax capacity, the City will also need to increase the market value property tax revenue by another \$1.7 million due to the debt service on the voter approved library referendum bonds that have been issued for a new central library and improvements to the City's community libraries.

In total, property tax revenue for the City and its independent boards will increase by 8 percent from 2005 to 2006 or by \$15.5 million, based on the 2006 Council Adopted Budget. This increase is consistent with the Mayor and City Council's adopted property tax policy.



*This revenue chart shows the trend of City revenues adjusted for inflation using the Consumer Price Index (CPI).

➤ **Storm Water, Sanitary Sewer and Water Utility Fees**

To fund investments for the City's sanitary sewer and stormwater management services and water treatment and distribution systems, the 2006 Adopted Budget includes an increase in utility rates of \$0.12/100 cubic feet for water; \$0.10/100 cubic feet for sanitary sewer; and \$0.45/equivalent stormwater unit for stormwater services. This represents a 4.8 percent increase for water fees, a 5% increase for sanitary sewer services, and a 5.16% percent increase for storm water. The monthly charge per residential dwelling for Water is \$20.96 (based on average usage of 800 cubic feet), for Sanitary Sewer \$12.60 (based on average usage of 600 cubic feet), and for Storm Water \$9.17.

➤ **Solid Waste and Recycling Fee**

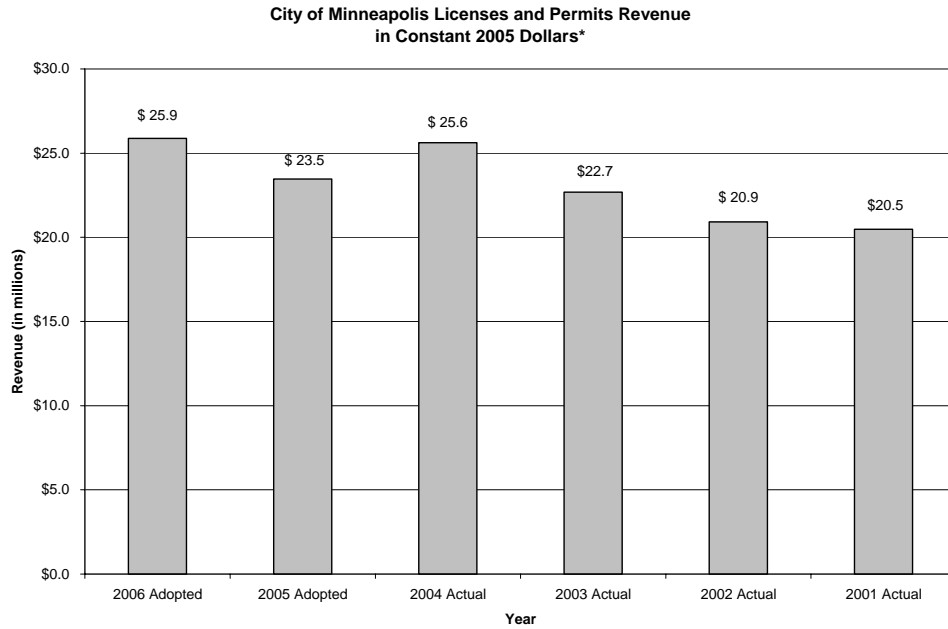
The 2006 Adopted Budget holds the solid waste and recycling fee steady at the 2005 level of \$19.25 per month per dwelling.

➤ **Franchise Fees**

The City's franchise fee revenues for 2006 are anticipated to remain near their 2005 levels. The 2006 Adopted Budget includes only a slight increase in franchise fee revenue of \$200,000.

➤ **Other Fee Changes**

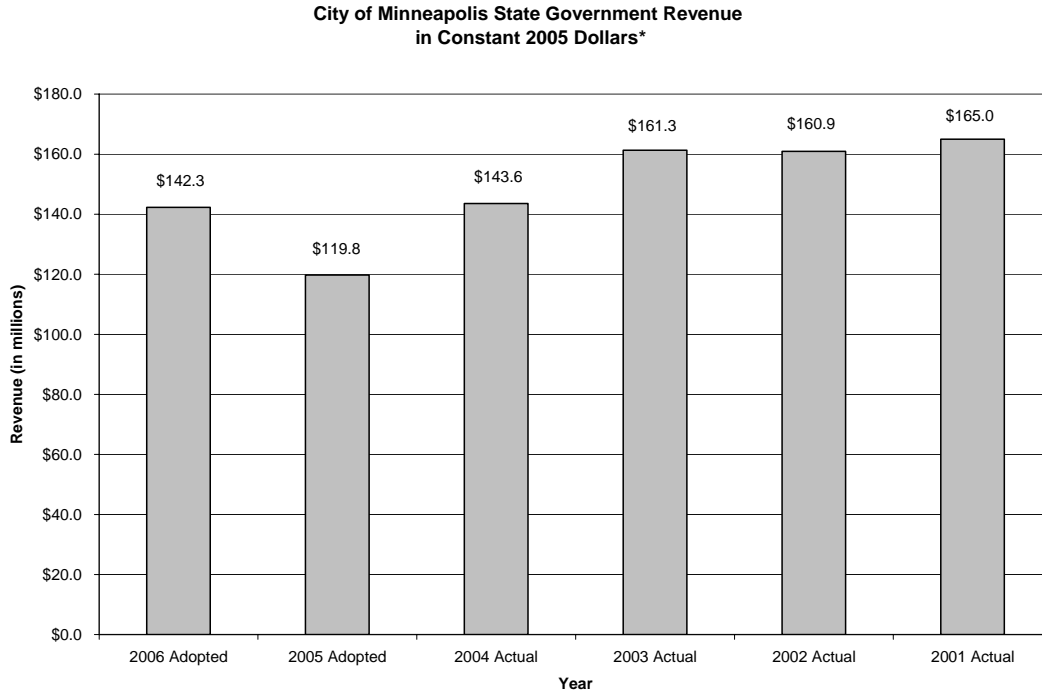
The licenses and permit fee revenue is expected to increase by approximately \$2.4 million in 2006 due to increases in the rates charged for some of the licenses and permits. The 2006 Adopted Budget is structured so as to prevent the property taxpayers from having to subsidize fee-based services.



*This revenue chart shows the trend of City revenues adjusted for inflation using the Consumer Price Index (CPI).

➤ **State Aid**

The 2006 State Legislature increased the City’s LGA allocation by \$12.3 million; \$5.9 million of this increase is ongoing funding. As a result of this allocation increase, the City’s state aids – which include LGA – increased approximately 17% from 2005 adopted levels.



*This revenue chart shows the trend of City revenues adjusted for inflation using the Consumer Price Index (CPI).

Property Market Values and Tax Base Highlights

Following is a chart from the City Assessor’s Office with estimated market values and corresponding tax capacity by group.

For Taxes Collected in 2006

Group	2006 Estimated Market Value	% Total	% Change	Tax Capacity	% Total	% Change
Commercial	5,282,717,800	15.4%	13.7%	103,333,900	27.3%	14.0%
Industrial	1,392,094,300	4.0%	3.3%	27,133,418	7.2%	3.6%
Residential	24,309,841,700	70.7%	13%	206,887,658	54.7%	17.6%
Apartment	3,393,675,300	9.9%	6.1%	40,888,325	10.8%	2.6%
Other	21,557,100	0.1%	16.3%	323,361	0.1%	16.3%
Total	34,399,886,200	100.0%	12.0%	378,566,662	100.0%	13.7%

The above data is the most current available as of 12/20/2005.

The market value and tax capacity data shown above does not include personal property, which is estimated to have a market value of approximately \$392,350,000 and a corresponding tax capacity of \$7,620,000 for taxes payable 2006. With personal property included, tax capacity is

estimated to increase by approximately 15 percent, before deductions for tax increment and fiscal disparities.

The following table of data provides the change in tax increment financing and fiscal disparities contribution and distribution for taxes payable 2006:

For Taxes Payable 2006*	
Personal Property Market Value	\$379,555,200
Personal Property Tax Capacity	\$7,387,573
Gross Tax Capacity	\$387,469,064
- Less Increment Financing	(\$57,773,555)
- Less Fiscal Disparities Contribution	(\$32,778,714)
+ Plus Fiscal Disparities Distribution	\$39,578,215
Net Tax Capacity	\$336,495,010

*Data as of Truth in Taxation Certification.

Property Values and Tax Trends

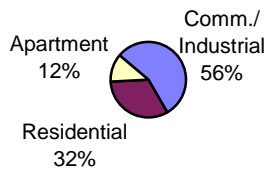
The 2001 tax bill enacted by the state legislature, made comprehensive changes to the property tax laws. Under Minnesota's state property tax system, if the State reduces the level of property tax for one property type through changes in the classification system, the taxes shift to other property types. 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.

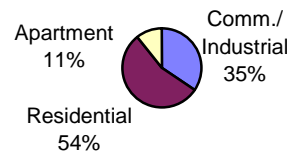
In 2001, the State Legislature enacted a statewide property tax on commercial, industrial and seasonal-residential recreational properties. The State of Minnesota now receives approximately 26 percent of the property taxes paid on those property types. Until recent property tax reform, property taxes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

Minneapolis has historically had a strong commercial and industrial tax base. For taxes payable in 1997, Minneapolis commercial and industrial property paid 56 percent of the total taxes for the City with the central business district alone paying almost 40 percent; for taxes payable 2006 this declined to 35 percent of the City total with the central business district paying approximately 24 percent. Corresponding percentages for residential property (defined as 1-3 dwelling units) show that this class paid 32 percent of the City's taxes in 1996; it is estimated that this percentage will be 54 percent for payable 2006. This represents almost a complete reversal in the share of the City's tax burden between the two property types.

**City of Minneapolis
Tax Capacity - Taxes Payable 1997
(\$330 million)**



**City of Minneapolis
Tax Capacity - Taxes Payable 2006
(\$379 million)**



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 following table shows the growth in the market value by year:

Year	Change in Market Value		
	Commercial/Industrial	Residential	Apartment
2000	17.7%	9.5%	13.0%
2001	23.1%	16.0%	18.7%
2002	20.8%	23.4%	27.5%
2003	12.5%	15.4%	16.4%
2004	-5.5%	15.1%	14.1%
2005	3.0%	12.2%	6.5%
2006	11.4%	12.9%	6.8%

Increases in residential taxes of the same magnitude have been avoided because of the *Limited Market Value* law. Originally, the 2001 legislature initiated a phase-out of the limited market value program over a six-year period, with the last year of the program occurring in 2007. Most recently, the 2005 legislature extended the phase-out of the LMV program two additional years. As a result of the extension, the 2005 and 2006 increases in taxable market value will be limited to a 15% increase or 25% of the difference between the current value and the previous limited value. This is a significant change from the previously scheduled 33% and 50% increases as outlined by the 2001 legislature.

Minneapolis had a differential of over \$3.9 billion dollars between total residential market value and Limited Market Value in 2005. 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.

The Minneapolis Central Business District (CBD) is recovering from a period of high vacancy and lowered estimated market values. In 2005 alone, the overall average increase in the market value of all commercial and industrial properties in Minneapolis was 12.8%. The CBD is also seeing a substantial increase in large office building sales. During the year of 2004, six CBD buildings changed hands. In 2005 another five or six buildings are currently being marketed.

Although not all properties listed for sale will transfer ownership this year, it is a strong indication of how buyers and sellers view the current market. The perception is that the market has finally bottomed and the future will bring back strength to the rental market and concurrently real estate value. This recovery, while evident, shows consistent and gradual growth.

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. It is our belief that the future of the Minneapolis commercial properties is a gradual, recovering CBD and the strong growth in the neighborhood commercial nodes.

City of Minneapolis 2006 Budget

Ten Year Projection of Demands on the Property Tax

Background

The ten year projection was first produced in spring of 2002. The intent was to surface all the demands on the property tax to which the City had committed. This projection led to the work to adopt the 8% maximum property tax policy in summer of 2002. The maximum property tax policy was adopted by both the City Council and the Board of Estimate and Taxation. In January 2003, the City Council and Mayor adopted a five year financial direction to set parameters for departments when building their business plans.

Assumptions in the Ten Year Projection

These listed assumptions build on the original work from spring 2002. For complete details on the financial challenges which the City faces, please refer to the original narrative on the "Projected Demands on the Property Tax."

General Fund Operations

- 2% Wage Policy is in effect through 2012
- 20% annual increases in health insurance premiums
- No increase in departmental and City-wide revenue (except for regulatory services revenues which are expected to increase by 3%). Please see the discussion in the 2007-2011 five-year financial direction document earlier under this same tab for more information
- Reductions in revenue related to the parking fund financial plan
- Internal Service Funds work out plan increases continue:
 - Self Insurance \$0.5 million in 2006, \$1 million annually in 2007-2014
 - Intergovernmental Service Fund (BIS) \$1.2 million annually in 2006-2008The projection includes slight cost of living increases for these operations
- Reductions to general fund operations are needed in each year of the plan

Capital and Debt

- Reductions to both the pay-as-you capital levy and the debt service levies continue in 2006-2009. These reductions were included in the five-year financial direction
- A slight (2%) increase is included for both of these levies for 2010-2014

Independent Boards and Special Levies

- Parameters remain the same for independent board operating levy increases – Park, Library, Municipal Building Commission, Public Housing Authority and the Board of Estimate and Taxation all receive a 4% levy increase to deal with increased costs of providing services
- Increases to support the library referendum levy are included in the projection through 2007
- Pension obligations are funded in each year of the projection.

City of Minneapolis - Details of Annual Demand (Increases) in Property Tax Revenue

<i>(In millions of dollars)</i>	Adopted		Future Projected Demands on the Property Tax								
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City General Fund Operations											
Salary and non-personnel increase	2.1	14.3	(0.3)	5.6	8.1	9.7	9.4	9.6	10.2	9.8	9.2
New Programs/Initiatives	-		6.0								
Health Insurance	2.2	1.8	4.0	4.2	5.0	6.0	7.2	8.6	10.4	12.4	14.9
Internal Service Funds	3.7	3.9	3.8	2.2	2.2	1.4	1.0	1.1	1.0	1.0	1.0
Strategies Needed to Balance Budget	-	(7.0)	(1.4)	(1.7)	(1.9)	(1.6)	(1.4)	(4.7)	(1.4)	(1.4)	(1.4)
Subtotal	8.0	13.0	12.1	10.2	13.4	15.5	16.2	14.6	20.1	21.8	23.7
City Capital/Debt:											
Permanent Improvement Fund	-	(0.2)	(0.5)	(0.7)	(0.5)	(0.5)	0.1	0.1	0.1	0.2	0.2
Debt structuring changes	(2.6)	(3.9)	(4.0)	(2.1)	(1.3)	(1.0)	0.4	0.5	0.6	0.7	0.8
Subtotal	(2.6)	(4.1)	(4.5)	(2.8)	(1.8)	(1.5)	0.5	0.6	0.7	0.9	1.0
City Total	5.4	8.9	7.6	7.4	11.6	14.0	16.6	15.2	20.8	22.7	24.7
Independent Boards and Special Levies											
Park Board Base Levy	1.8	1.6	1.7	1.7	1.8	1.9	1.7	1.8	1.8	1.9	1.9
Subtotal Park Board	1.8	1.6	1.7	1.7	1.8	1.9	1.7	1.8	1.8	1.9	1.9
Library Board Base Levy	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8
Library Board - Referendum Levy	3.0	3.0	1.7	1.9	-	-	-	-	-	-	-
Subtotal Library	3.5	3.5	2.2	2.4	0.5	0.6	0.6	0.6	0.7	0.7	0.8
Municipal Bldg Commission	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Community Development Levy	(2.0)	(2.0)	-	-	-	-	-	-	-	-	-
Minneapolis Public Housing Authority	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Pension Funds	4.5	2.3	3.9	5.0	4.0	3.0	2.0	5.0	1.0	1.0	1.0
Total Independent Boards and Special Levies	7.8	5.5	8.0	9.4	6.5	5.7	4.5	7.6	3.8	3.9	4.1
Total Increase in Property Tax Revenue	13.2	14.4	15.6	16.8	18.1	19.6	21.2	22.9	24.6	26.6	28.8
Total Property Tax Revenue	179.3	193.7	209.2	226.0	244.1	263.8	284.9	307.8	332.4	359.0	387.8
Annual Percent Increase	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%

**2006 Council Adopted
Property Tax Levy Recommendation**

	2005 Adopted Levies	Based on Adopted Tax Policy			2006 Council Adopted		
		2006	% Chg from 2005	\$ Chg from 2005	2006 Recommended	% Chg from 2005	\$ Chg from 2005
Total by Major Funds:							
General Levies	161,210,830	167,305,221	3.8%	6,094,391	177,945,203	10.4%	16,734,373
Special Levies	32,538,864	41,944,449	28.9%	9,405,585	31,304,466	-3.8%	(1,234,398)
Grand Total	193,749,694	209,249,669	8.0%	15,499,975	209,249,669	8.0%	15,499,975
Total by Entity:							
City*	135,268,671	146,860,197	8.6%	11,591,526	146,886,205	8.6%	11,617,534
Park Board**	36,418,659	38,090,613	4.6%	1,671,954	38,064,605	4.5%	1,645,946
Library Board	12,287,500	12,779,000	4.0%	491,500	12,779,000	4.0%	491,500
<i>Library Board Referendum</i>	6,400,000	8,100,000	26.6%	1,700,000	8,100,000	26.6%	1,700,000
Public Housing Authority	1,124,864	1,169,859	4.0%	44,995	1,169,859	4.0%	44,995
Teachers Retirement	2,250,000	2,250,000	0.0%	0	2,250,000	0.0%	0
Grand Total	193,749,694	209,249,669	8.0%	15,499,975	209,249,669	8.0%	15,499,975

Notes:

* Includes the Municipal Building Commission, Board of Estimate and Taxation and Pension Levies

** Park Board increase from 2005 to 2006 includes the additional capital infrastructure funding as approved in the adopted tax policy, which is why the percent is greater than 4%.

**2006 Adopted Budget
Tax Rates and Levies**

Based on information available as of January 2006

NET TAX CAPACITY BASED (NTC) LEVIES

	2004		2005			2006		
	Tax Rate (%)	Total Tax Levy \$	Tax Rate (%)	Total Levy \$	Tax	Tax Rate (%)	Total Levy \$	Tax
City Levies								
General ¹	32.489	\$ 86,926,879	34.899	\$ 103,678,649		33.831	\$ 114,661,106	
Police Personnel Expansion	0.000	0	0.000	0	0	0.000	0	0
Estimate and Taxation	0.057	151,375	0.053	157,430		0.068	229,247	
Building Commission	1.327	3,549,377	1.243	3,691,352		1.133	3,839,006	
Permanent Improvement	0.818	2,187,240	0.663	1,967,240		0.560	1,897,240	
Bond Redemption	9.813	26,255,877	7.663	22,764,000		5.838	19,784,607	
Firefighter's Relief Association	0.000	0	0.000	0	0	0.409	1,385,000	
Police Relief Association	1.108	2,962,300	0.000	0	0	0.654	2,215,000	
Minneapolis Employees Retirement Fund	1.492	3,990,564	1.014	3,010,000		0.849	2,875,000	
Sub-Total City Levies	47.104	\$ 126,023,612	45.535	\$ 135,268,671		43.342	\$ 146,886,206	
Lake Pollution Control	0.000	0	0.000	0	0	0.000	0	0
Park and Recreation	10.819	28,945,342	10.200	30,301,312		11.231	38,064,605	
Tree Preservation and Ref.	2.199	5,882,407	2.060	6,117,347		0.000	0	0
Shade Tree Disease Control	0.000	0	0.000	0	0	0.000	0	0
Sub-Total Park Board Levies	13.018	\$ 34,827,749	12.260	\$ 36,418,659		11.231	\$ 38,064,605	
Library Board ²	4.416	\$ 11,814,904	4.137	\$ 12,287,500		3.771	\$ 12,779,000	
Sub-Total City Levies	64.538	\$ 172,666,265	61.932	\$ 183,974,830		58.344	\$ 197,729,811	
City-Related Special Levies								
Chapter 595/HRA Levy	0.000	\$0	0.000	\$0	\$0	0.000	\$0	\$0
Public Housing	0.403	1,081,600	0.378	1,124,864		0.344	1,169,859	
Teachers' Retirement	0.832	2,250,000	0.751	2,250,000		0.658	2,250,000	
Watershed Districts ³	0.768	2,614,619	1.276	3,787,000		1.072	3,676,000	
Sub-Total City-Related Specials Levies	2.003	\$ 5,946,219	2.405	\$ 7,161,864		2.074	\$ 7,095,859	
Other Special Levies								
Hennepin County	41.943	\$113,928,147	39.182	\$117,077,010		36.471	\$124,030,325	
Minneapolis Public Schools	32.389	117,868,629	26.874	111,099,802		25.589	122,127,506	
Other Special Taxing Districts ⁴	4.889	12,367,817	4.715	13,265,573		4.285	13,930,947	
Sub-Total Other Specials Levies	79.221	\$ 244,164,593	70.771	\$ 241,442,385		66.345	\$ 260,088,778	
TOTAL NTC BASED LEVIES	145.762	\$ 422,777,077	135.108	\$ 432,579,079		126.763	\$ 464,914,448	

REFERENDUM MARKET VALUE BASED (RMV) LEVIES

	2004		2005			2005		
	Tax Rate (%)	Total Tax Levy \$	Tax Rate (%)	Total Levy \$	Tax	Tax Rate (%)	Total Levy \$	Tax
Minneapolis Public Library Referendum	0.01420	\$ 3,400,000	0.02393	\$ 6,400,000		0.02645	\$ 8,100,000	
Minneapolis Public Schools Referendum	0.09833	27,318,163	0.09445	25,270,000		0.10221	\$ 31,300,000	
Solid Waste Fee ⁵	0.01786	4,277,668	0.01595	4,260,000		0.01287	\$ 3,950,000	
	0.13039	\$ 34,995,831	0.13433	\$ 35,930,000		0.14153	\$ 43,350,000	
TOTAL RMV BASED LEVIES	0.13039	\$ 34,995,831	0.13433	\$ 35,930,000		0.14153	\$ 43,350,000	
TOTAL ALL LEVIES		\$ 457,772,908		\$ 468,509,079			\$ 508,264,448	

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 & 8, these watersheds slightly adjust the levy rates for the School & County applicable to these areas also, table shows #3

Water Shed #	# 0	# 3	# 6	# 7	# 8
School Rate	25.553	25.589	25.536	25.553	25.553
County Rate	36.445	36.471	36.433	36.445	36.445
Water Shed rate	0.000	1.072	2.400	0.428	0.072
Total NTC Based rate	125.629	126.763	128.000	126.057	125.701

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

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

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

⁷ The Tax rate applies to 76.3140% of the Commercial property's taxable value and the area wide rate of 121.802 applies to the remaining 23.6860% in addition to the State rate of 51.000.

Summary of Residential Property Tax and Utility Fees

Residential Property				
Home with Estimated Market Value \$143,500				
	2005	2006	% change	\$ change
Assessed Market Value	\$ 129,000	\$ 143,500	11.2%	\$ 14,500
Taxable Value	\$ 113,200	\$ 130,100	14.9%	\$ 16,900
City Property Taxes				
Property Tax	\$ 587	\$ 651	10.9%	\$ 64
Referendum Tax	\$ 27	\$ 34	26.7%	\$ 7
<i>Total City Property Taxes</i>	\$ 614	\$ 685	11.6%	\$ 71
Water	\$ 240	\$ 252	5.0%	\$ 12
Storm Water	\$ 105	\$ 110	4.8%	\$ 5
Sanitary Sewer	\$ 144	\$ 151	4.9%	\$ 7
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	0
<i>Total Utilities</i>	\$ 720	\$ 744	3.3%	\$ 24
Total Property Taxes and Utilities	\$ 1,334	\$ 1,429	7.1%	\$ 95

Residential Property				
Home with Estimated Market Value \$225,500				
	2005	2006	% change	\$ change
Assessed Market Value	\$ 211,500	\$ 225,500	6.6%	\$ 14,000
Taxable Value	\$ 152,900	\$ 175,800	15.0%	\$ 22,900
City Property Taxes				
Property Tax	\$ 855	\$ 942	10.2%	\$ 88
Referendum Tax	\$ 37	\$ 47	26.8%	\$ 10
<i>Total City Property Taxes</i>	\$ 891	\$ 988	16.9%	\$ 97
Water	\$ 240	\$ 252	5.0%	\$ 12
Storm Water	\$ 105	\$ 110	4.8%	\$ 5
Sanitary Sewer	\$ 144	\$ 151	4.9%	\$ 7
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	0
<i>Total Utilities</i>	\$ 720	\$ 744	3.3%	\$ 24
Total Property Taxes and Utilities	\$ 1,611	\$ 1,732	7.5%	\$ 121

Residential Property				
Home with Estimated Market Value \$529,000				
	2005	2006	% change	\$ change
Taxable Value	\$ 475,000	\$ 529,000	11.4%	\$ 54,000
	\$ 414,400	\$ 476,500	15.0%	\$ 62,100
City Property Taxes				
Property Tax	\$ 2,611	\$ 2,819	8.0%	\$ 208
Referendum Tax	\$ 99	\$ 126	26.8%	\$ 27
<i>Total City Property Taxes</i>	\$ 2,710	\$ 2,945	8.7%	\$ 235
Water				
Water	\$ 240	\$ 252	5.0%	\$ 12
Storm Water	\$ 105	\$ 110	4.8%	\$ 5
Sanitary Sewer	\$ 144	\$ 151	4.9%	\$ 7
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	0
<i>Total Utilities</i>	\$ 720	\$ 744	3.3%	\$ 24
Total Property Taxes and Utilities	\$ 3,430	\$ 3,689	7.6%	\$ 259

Residential Property				
Home with Estimated Market Value \$1,141,500				
	2005	2006	% change	\$ change
Assessed Market Value	\$ 992,500	\$ 1,141,500	15.0%	\$ 149,000
Taxable Value	\$ 860,500	\$ 993,300	15.4%	\$ 132,800
City Property Taxes				
Property Tax	\$ 5,989	\$ 6,605	10.3%	\$ 617
Referendum Tax	\$ 206	\$ 263	27.3%	\$ 56
<i>Total City Property Taxes</i>	\$ 6,195	\$ 6,868	10.9%	\$ 673
Water				
Water	\$ 240	\$ 252	5.0%	\$ 12
Storm Water	\$ 105	\$ 110	4.8%	\$ 5
Sanitary Sewer	\$ 144	\$ 151	4.9%	\$ 7
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	0
<i>Total Utilities</i>	\$ 720	\$ 744	3.3%	\$ 24
Total Property Taxes and Utilities	\$ 6,915	\$ 7,612	10.1%	\$ 697

Commercial/Industrial Property				
\$400,000 Valued C/I Property	2005	2006	\$ Chg	% Chg
Taxable Value	\$348,000	\$400,000	\$ 31,500	9.1%
City Property Taxes				
City Property Tax	\$2,855	\$3,295	\$ 440	15%
Referendum Tax	\$83	\$106	\$ 23	28%
Total City Property Taxes	\$2,938	\$3,400	\$ 462	16%

Commercial/Industrial Property				
\$9,700,000 Valued C/I Property	2005	2006	\$ Chg	% Chg
Taxable Value	\$9,500,000	\$9,700,000	\$ 200,000	2%
City Property Taxes				
City Property Tax	\$87,002	\$87,239	\$ 237	0.3%
Referendum Tax	\$2,271	\$2,566	\$ 295	13%
Total City Property Taxes	\$89,273	\$89,805	\$ 532	1%

Apartment Property				
\$435,500 Valued Apartment Building	2005	2006	\$ Chg	% Chg
Taxable Value	\$ 420,000	\$435,500	\$ 15,500	4%
City Property Taxes				
City Property Tax	\$ 3,307	\$3,242	\$ (66)	-2%
Referendum Tax	\$ 100	\$115	\$ 15	15%
Total City Property Taxes	\$ 3,408	\$3,357	\$ (51)	-1%

Apartment Property				
\$645,000 Valued Apartment Building	2005	2006	\$ Chg	% Chg
Taxable Value	\$645,000	\$645,000	\$ -	0%
City Property Taxes				
City Property Tax	\$5,079	\$4,770	\$ (310)	-6%
Referendum Tax	\$154	\$171	\$ 16	10%
Total City Property Taxes	\$5,234	\$4,940	\$ 294	6%

**City of Minneapolis
2006 Budget**

Five-year Financial Direction 2007-2011

Introduction

In keeping with the January 2003 resolution five-year financial direction and commitment to business planning resolution, this document reflects the Council's adopted the five-year financial direction. The purpose of adopting a 2007-2011 financial direction is to provide guidance for departments in updating their business plans during 2006.

New Conditions Reflected in the Adopted Budget

The financial schedules and summary tables in this document take into account new circumstances that the City faces during the 2007-2011 timeframe:

- ❑ **Increase to Local Government Aid:** With the close of the state legislative session, the City's Local Government Aid (LGA) increased \$15.4 million over the anticipated levels. Of this amount, \$7.3 million is anticipated to continue beyond 2006.

As a result of the agreed distribution of LGA between the independent boards and City departments, the City's general fund receives 80% of this increase. The general fund will receive a \$5.85 million increase in LGA on an ongoing basis and \$6.45 million in one-time LGA. The adopted budget uses this \$6.45 million in one-time LGA to reduce ongoing pension debt.

Beginning in 2007, the City is assumed to receive a reduction in LGA of \$1.4 million each year as a result of how the City's need factors compare to the need factors of other cities in the state. This equates to \$1.1 million fewer resources in the general fund annually.

- ❑ ***The 2006 adopted budget is the basis for future projections:*** In other words, the starting place for the 2007-2011 department budget estimates is what is included in the 2006 adopted budget. One-time 2006 supplemental items are removed from department budgets in 2007 and beyond.

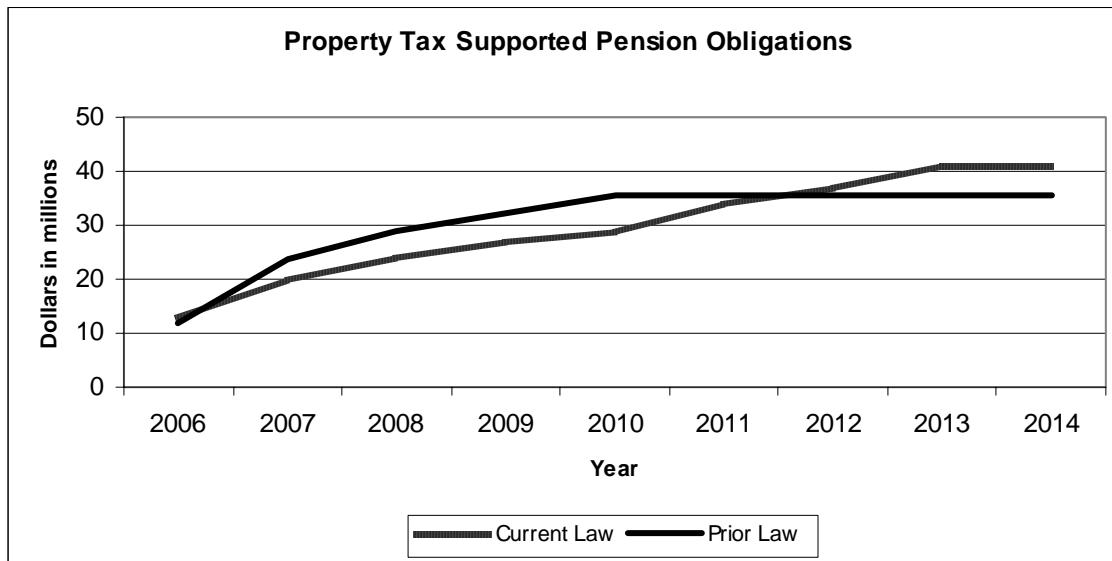
- ❑ ***The adopted financial direction from 2007 to 2011 contains updates to department resources:*** The adopted financial direction has been updated to reflect the elimination of reductions to growth in the following departments: Police, Fire, Health and Family Support, and Civil Rights. Further, the Public Works growth estimates and reductions are adjusted to better represent how the elimination of the infrastructure gap program in the financial direction has been reflected in the budgets established since the direction's adoption.

❑ **Property tax estimates are based upon adopted tax policy.** No changes to the maximum revenue increase of 8% are included.

❑ **The City’s pension outlook in the financial direction reflects recent State law changes:** The beneficial effects of legislative changes on pension payments to the Minneapolis Police Relief Association are reflected in the financial direction. The direction also includes increased costs related to the four-year phase in of new contribution rates to the Public Employee’s Retirement Association for the City’s active employees hired since 1980.

Legislation related to the non-sworn employee pensions for general City staff hired prior to 1980 did not pass in the legislative session. This legislation would have significantly helped the timing of the City’s obligations to the Minneapolis Employee Retirement Fund (MERF). The beneficial effects of this legislation are not included in the 2007-11 financial direction.

The City may face significant increased payments to the Minneapolis Teachers’ Retirement Association. Legislation to address the financial situation of this fund, with costs shared by the State, the School District and the City, did not pass in the 2005 session. The effects of this legislation are not included in the 2007-11 financial direction.



- **Wage growth is limited to 2%.** To the degree that contracts settle at a higher rate in 2007-2011, additional reductions would be needed.
- **No relief from reductions nor any growth is planned in the Capital or Debt Service Levies for the Capital plan until 2010.** Pressure on the capital project budgets will continue. Any new projects will need to be offset by reductions in projects in the current plan. A 2% growth factor is included in 2010 and 2011 in order to begin planning for expanded capital needs.

Detailed assumptions and schedules follow this narrative summary.

Department	Summary of the Five-Year Financial Direction 2007-2011 (dollars in millions)	
	2011 Resources	Reductions 2007-2011
Police	\$126.7	\$0
Fire	55.7	0
Public Works	39.9	4.5
Regulatory Services	27.0	0
Health and Family Support (HFS)	4.4	0
Civil Rights	2.7	0
Capital Plan (pay-go and debt)	21.1	6.0
Pensions	34.0	0
All Other Spending	100.5	3.4
Total	\$ 412.0	\$ 13.9

Assumptions (Same as past projections– except items in bold)

- Decreased need for property taxes to support library referendum bonds are shifted to pension bonds.
- Increased pension costs are offset by general fund reductions.
- **Reductions to growth for Police, Fire, Health and Family Support and Civil Rights are eliminated.**
- The 2% wage cap is maintained over the five years.
- No additional cuts other than what was included in the five-year financial direction are included for the permanent improvement levy or for debt service.
- Departments that did not receive a reduction in the adopted financial direction do not receive one in this update
- **\$6.45 million in one-time LGA funding is removed in 2007 and beyond; additional reductions of \$1.1 million annually (excluding independent boards) are reflected in 2008-2011.**
- Revenues in the general fund are NOT assumed to increase, except for licenses and permits which are anticipated to increase by 3.0% annually.
- No additional revenues are anticipated from public works revenue (assessments, other fees)
- No additional programs or services are added – they would need to be funded by new revenue or through departmental efforts to reduce costs.
- **Only currently adopted pension law is reflected. Obligations related to the Minneapolis Teachers' Retirement Association and relief related resulting from changes in the Minneapolis Employee Retirement Fund are not reflected.**
- Full funding of pension and internal service fund debts are included. Constraints in internal service funds are maintained. Reductions to growth as planned to gap funding are reflected for public works, capital and debt service.
- The level of revenue from the parking fund is reduced according to the Council adopted financial work-out plan for that fund.
- Entertainment tax from the Convention Center fund flows at the same rate as in the past (about \$8 million annually).
- No changes to state tax law regarding property taxes (including levy limits, classification rates, phase out of limited market value).
- No new revenue from decertification of tax increment financing districts.

Five Year Summary of Property Tax Supported Budgets

	2006 Expense	5-Year Projected Growth in Spending	5-Year Reduction to Growth in Spending	2011 Expense	Avg Annual % Incr over 5-yr period	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>				2010 Total Revenues
						2011 Direct Revenue	2011 General City Revenues (Non-Direct)	2011 Local Government Aid	2011 Property Tax Revenue	
Mayor	1.146	0.145	-	1.291	2.5%	-	0.298	0.291	0.702	1.291
City Clerk/Elections	3.153	0.581	(0.050)	3.684	3.4%	0.930	0.636	0.620	1.498	3.684
City Council	2.940	0.405	-	3.345	2.8%	-	0.773	0.753	1.819	3.345
CPED	3.671	0.557	(0.175)	4.053	2.1%	1.557	0.585	0.570	1.342	4.053
Contingency	2.279	0.080	-	2.359	0.7%	-	0.545	0.531	1.283	2.359
City Coord Admin, Comm, IGR	4.101	0.766	-	4.867	3.7%	2.527	0.540	0.527	1.273	4.867
Civil Rights	2.494	0.178	-	2.672	1.4%	-	0.617	0.602	1.453	2.672
Assessor	3.177	0.536	-	3.713	3.4%	0.134	0.826	0.806	1.946	3.713
Health and Family	3.701	0.691	-	4.392	3.7%	0.650	-	-	3.742	4.392
Human Resources	5.915	0.916	(0.500)	6.331	1.4%	0.005	1.484	1.447	3.395	6.331
Attorney	6.790	1.130	(0.600)	7.320	1.6%	0.108	1.689	1.647	3.876	7.320
911/311	9.755	1.645	(0.800)	10.600	1.7%	2.650	-	-	7.950	10.600
Internal Service Funds	20.183	12.416	-	32.599	12.3%	-	7.528	7.341	17.729	32.599
Finance	17.996	3.290	(0.850)	20.436	2.7%	0.006	4.753	4.635	11.043	20.436
Regulatory Services	23.850	3.130	-	26.980	2.6%	27.632	-	-	(0.652)	26.980
Business Information Services	-	-	(0.400)	(0.400)	n/a	-	-	-	(0.400)	(0.400)
Public Works	38.245	6.153	(4.475)	39.923	0.9%	12.791	6.459	6.298	14.375	39.923
Fire	47.162	8.546	-	55.708	3.6%	3.586	12.037	11.738	28.347	55.708
Police	107.526	19.166	-	126.692	3.6%	14.567	25.894	25.251	60.980	126.692
Total General Fund	304.084	60.332	(7.850)	356.566	3.5%	67.143	64.664	63.057	161.702	356.566
Capital - Permanent Improvement	1.859	1.590	(1.580)	1.869	0.1%	-	-	-	1.869	1.869
Debt Service	19.785	3.900	(4.430)	19.255	-0.5%	-	-	-	19.255	19.255
Subtotal	21.644	5.490	(6.010)	21.124	-0.5%	-	-	-	21.124	21.124
Total City (not incl special levies)	325.728	65.822	(13.860)	377.690	3.2%	67.143	64.664	63.057	182.826	377.690
Community Development	-	-	-	-	n/a	-	-	-	-	-
Pensions	20.862	13.138	-	34.000	12.6%	-	-	-	34.000	34.000
Total	346.590	78.960	(13.860)	411.690	3.8%	67.143	64.664	63.057	216.826	411.690
									2006 Max	140.000
									2011 Max	221.771
									Difference between maximum and needed amount to balance	(4.945)

2007 Property Tax Supported Budgets

	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.				Total Revenues
					Direct Revenue	General City Revenues (Non- Direct)	Local Government Aid	Property Tax Revenue	
Mayor	1.146	(0.026)	-	1.120	-	0.309	0.313	0.498	1.120
City Clerk/Elections	3.153	0.094	(0.050)	3.197	0.930	0.640	0.647	0.979	3.197
City Council	2.940	(0.038)	-	2.902	-	0.802	0.811	1.290	2.902
CPED	3.671	0.009	(0.035)	3.645	1.383	0.634	0.642	0.986	3.645
Contingency	2.279	(0.232)	-	2.047	-	0.565	0.572	0.909	2.047
City Coord Admin, Comm, IGR	4.101	0.122	-	4.223	2.527	0.468	0.474	0.754	4.223
Civil Rights	2.494	(0.176)	-	2.318	-	0.640	0.648	1.030	2.318
Assessor	3.177	0.044	-	3.221	0.134	0.853	0.863	1.372	3.221
Health and Family	3.701	0.110	-	3.811	0.650	0.873	0.883	1.405	3.811
Human Resources	5.915	0.046	(0.100)	5.861	0.005	1.645	1.665	2.546	5.861
Attorney	6.790	0.127	(0.150)	6.767	0.108	1.881	1.903	2.875	6.767
911/311	9.755	0.190	(0.160)	9.785	2.650	-	-	7.135	9.785
<i>Internal Service Funds</i>	20.183	2.800	-	22.983	-	6.348	6.423	10.212	22.983
Finance	17.996	0.535	(0.200)	18.331	0.006	5.116	5.177	8.031	18.331
Regulatory Services	23.850	(0.441)	-	23.409	24.551	-	-	(1.142)	23.409
Business Information Services	-	-	(0.200)	(0.200)	-	-	-	(0.200)	(0.200)
Public Works	38.245	0.592	(0.935)	37.902	12.791	7.194	7.279	10.638	37.902
Fire	47.162	1.172	-	48.334	3.586	12.359	12.506	19.883	48.334
Police	107.526	2.396	-	109.922	14.567	26.336	26.650	42.369	109.922
Total General Fund	304.084	7.324	(1.830)	309.579	63.888	66.664	67.457	111.569	309.579
Capital - Permanent Improvemen	1.859	0.440	(0.680)	1.619	-	-	-	1.619	1.619
Debt Service	19.785	1.000	(2.108)	18.677	-	-	-	18.677	18.677
Subtotal	21.644	1.440	(2.788)	20.296	-	-	-	20.296	20.296
Total City (not incl special levies)	325.728	8.764	(4.618)	329.875	63.888	66.664	67.457	131.865	329.875
Community Development	-	-	-	-	-	-	-	-	-
Pensions	20.862	(0.862)	-	20.000	-	-	-	20.000	20.000
Total	346.590	7.903	(4.618)	349.875	63.888	66.664	67.457	151.865	349.875
								2006 Max	140.000
								2007 Max	152.136
Additional cuts needed/(Cushion for adverse circumstances)									(0.271)

2008 Property Tax Supported Budgets

	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	<i>Allocated Revenues for Presentation Purposes These revenues are received at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>				
					Direct Revenue	General City Revenues (Non- Direct)	Local Government Aid	Property Tax Revenue	Total Revenues
Mayor	1.120	0.036	-	1.156	-	0.303	0.306	0.547	1.156
City Clerk/Elections	3.197	0.102	-	3.299	0.930	0.620	0.627	1.121	3.299
City Council	2.902	0.093	-	2.995	-	0.785	0.793	1.418	2.995
CPED	3.645	0.116	(0.035)	3.727	1.425	0.612	0.619	1.071	3.727
Contingency	2.047	0.065	-	2.112	-	0.553	0.559	1.000	2.112
City Coord Admin, Comm, IGR	4.223	0.135	-	4.358	2.527	0.480	0.485	0.867	4.358
Civil Rights	2.318	0.074	-	2.392	-	0.627	0.633	1.132	2.392
Assessor	3.221	0.103	-	3.324	0.134	0.836	0.844	1.510	3.324
Health and Family	3.811	0.122	-	3.933	0.650	0.860	0.869	1.554	3.933
Human Resources	5.861	0.187	(0.100)	5.948	0.005	1.583	1.600	2.761	5.948
Attorney	6.767	0.216	(0.150)	6.833	0.108	1.801	1.820	3.104	6.833
911/311	9.785	0.313	(0.160)	9.938	2.650	-	-	7.288	9.938
<i>Internal Service Funds</i>	22.983	2.934	-	25.917	-	6.789	6.860	12.269	25.917
Finance	18.331	0.586	(0.200)	18.717	0.006	4.953	5.006	8.752	18.717
Regulatory Services	23.409	0.748	-	24.157	25.288	-	-	(1.131)	24.157
Business Information Services	(0.200)	-	(0.200)	(0.400)	-	(0.052)	(0.053)	(0.295)	(0.400)
Public Works	37.902	1.211	(1.035)	38.078	12.791	6.894	6.967	11.425	38.078
Fire	48.334	1.544	-	49.879	3.586	12.125	12.253	21.914	49.879
Police	109.922	3.512	-	113.435	14.567	25.896	26.170	46.802	113.435
Total General Fund	309.579	12.098	(1.880)	319.797	64.666	65.664	66.357	123.109	319.797
Capital - Permanent Improver	1.619	0.440	(0.440)	1.619				1.619	1.619
Debt Service	18.677	1.000	(1.322)	18.355				18.355	18.355
Subtotal	20.296	1.440	(1.762)	19.974				19.974	19.974
Total City (not incl special levies)	329.875	13.538	(3.642)	339.771	64.666	65.664	66.357	143.083	339.771
Community Development	-	-	-	-	-	-	-	-	-
Pensions	20.000	4.000	-	24.000				24.000	24.000
Total	349.875	17.538	(3.642)	363.771	64.666	65.664	66.357	167.083	363.771
							2007 Max	152.136	
							2008 Max	167.350	
							Additional cuts needed/(Cushion for adverse circumstances)	(0.266)	

2009 Property Tax Supported Budgets

	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	<i>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.</i>				
					Direct Revenue	General City Revenues (Non- Direct)	Local Government Aid	Property Tax Revenue	Total Revenues
Mayor	1.156	0.040	-	1.196	-	0.301	0.303	0.592	1.196
City Clerk/Elections	3.299	0.114	-	3.413	0.930	0.624	0.630	1.229	3.413
City Council	2.995	0.103	-	3.098	-	0.779	0.786	1.533	3.098
CPED	3.727	0.129	(0.035)	3.820	1.468	0.600	0.606	1.146	3.820
Contingency	2.112	0.073	-	2.185	-	0.549	0.554	1.081	2.185
City Coord Admin, Comm, IGR	4.358	0.150	-	4.508	2.527	0.498	0.503	0.980	4.508
Civil Rights	2.392	0.083	-	2.475	-	0.622	0.628	1.225	2.475
Assessor	3.324	0.115	-	3.439	0.134	0.831	0.839	1.635	3.439
Health and Family	3.933	0.136	-	4.068	0.650	-	-	3.418	4.068
Human Resources	5.948	0.205	(0.100)	6.053	0.005	1.546	1.560	2.942	6.053
Attorney	6.833	0.236	(0.100)	6.969	0.108	1.750	1.766	3.344	6.969
911/311	9.938	0.343	(0.160)	10.120	2.650	-	-	7.470	10.120
<i>Internal Service Funds</i>	25.917	2.294	-	28.211	-	7.093	7.158	13.960	28.211
Finance	18.717	0.646	(0.150)	19.212	0.006	4.867	4.911	9.428	19.212
Regulatory Services	24.157	0.833	-	24.990	26.046	-	-	(1.056)	24.990
Business Information Services	(0.400)	-	-	(0.400)	-	-	-	(0.400)	(0.400)
Public Works	38.078	1.314	(0.835)	38.557	12.791	6.688	6.750	12.328	38.557
Fire	49.879	1.721	-	51.600	3.586	12.072	12.183	23.759	51.600
Police	113.435	3.913	-	117.348	14.567	25.842	26.079	50.859	117.348
Total General Fund	319.797	12.447	(1.380)	330.863	65.468	64.664	65.257	135.475	330.863
Capital - Permanent Improvemer	1.619	0.460	(0.460)	1.619	-	-	-	1.619	1.619
Debt Service	18.355	1.000	(1.000)	18.355	-	-	-	18.355	18.355
Subtotal	19.974	1.460	(1.460)	19.974	-	-	-	19.974	19.974
Total City (not incl special levies)	339.771	13.907	(2.840)	350.837	65.468	64.664	65.257	155.449	350.837
Community Development	-	-	-	-	-	-	-	-	-
Pensions	24.000	3.000	-	27.000	-	-	-	27.000	27.000
Total	363.771	16.907	(2.840)	377.837	65.468	64.664	65.257	182.449	377.837
								2008 Max	167.350
								2009 Max	183.881
Additional cuts needed/(Cushion for adverse circumstances)									(1.432)

2010 Property Tax Supported Budgets

	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	Total Revenues
Mayor	1.196	0.045	-	1.240	-	0.299	0.297	0.644	1.240
City Clerk/Elections	3.413	0.128	-	3.540	0.930	0.630	0.625	1.355	3.540
City Council	3.098	0.116	-	3.214	-	0.776	0.770	1.668	3.214
CPED	3.820	0.143	(0.035)	3.928	1.512	0.592	0.587	1.237	3.928
Contingency	2.185	0.082	-	2.267	-	0.547	0.543	1.177	2.267
City Coord Admin, Comm, IGR	4.508	0.169	-	4.677	2.527	0.519	0.515	1.116	4.677
Civil Rights	2.475	0.093	-	2.567	-	0.620	0.615	1.333	2.567
Assessor	3.439	0.129	-	3.567	0.134	0.829	0.822	1.782	3.567
Health and Family	4.068	0.152	-	4.221	0.650	-	-	3.571	4.221
Human Resources	6.053	0.226	(0.100)	6.180	0.005	1.515	1.503	3.157	6.180
Attorney	6.969	0.261	(0.100)	7.129	0.108	1.719	1.706	3.596	7.129
911/311	10.120	0.379	(0.160)	10.339	2.650	-	-	7.689	10.339
<i>Internal Service Funds</i>	28.211	2.055	-	30.267	-	7.307	7.250	15.710	30.267
Finance	19.212	0.719	(0.150)	19.781	0.006	4.810	4.773	10.192	19.781
Regulatory Services	24.990	0.935	-	25.925	26.828	-	-	(0.903)	25.925
Business Information Services	(0.400)	-	-	(0.400)	-	-	-	(0.400)	(0.400)
Public Works	38.557	1.442	(0.835)	39.164	12.791	6.569	6.517	13.287	39.164
Fire	51.600	1.930	-	53.530	3.586	12.058	11.963	25.923	53.530
Police	117.348	4.389	-	121.737	14.567	25.874	25.671	55.626	121.737
Total General Fund	330.863	13.391	(1.380)	342.874	66.293	64.664	64.157	147.760	342.874
Capital - Permanent Improve	1.619	0.100	-	1.719	-	-	-	1.719	1.719
Debt Service	18.355	0.400	-	18.755	-	-	-	18.755	18.755
Subtotal	19.974	0.500	-	20.474	-	-	-	20.474	20.474
Total City (not incl special levies)	350.837	13.891	(1.380)	363.348	66.293	64.664	64.157	168.234	363.348
Community Development	-	-	-	-	-	-	-	-	-
Pensions	27.000	2.000	-	29.000	-	-	-	29.000	29.000
Total	377.837	15.891	(1.380)	392.348	66.293	64.664	64.157	197.234	392.348
									-
							2009 Max	183.88	
							2010 Max	202.05	
							Additional cuts needed/(Cushion for adverse circumstances)	(4.815)	

2011 Property Tax Supported Budgets

	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	<i>Allocated Revenues for Presentation Purposes These revenues are received at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>				Total Revenues
					Direct Revenue	General City Revenues (Non- Direct)	Local Government Aid	Property Tax Revenue	
Mayor	1.240	0.050	-	1.291	-	0.298	0.291	0.702	1.291
City Clerk/Elections	3.540	0.144	-	3.684	0.930	0.636	0.620	1.498	3.684
City Council	3.214	0.131	-	3.345	-	0.773	0.753	1.819	3.345
CPED	3.928	0.160	(0.035)	4.053	1.557	0.585	0.570	1.342	4.053
Contingency	2.267	0.092	-	2.359	-	0.545	0.531	1.283	2.359
City Coord Admin, Comm, IGR	4.677	0.190	-	4.867	2.527	0.540	0.527	1.273	4.867
Civil Rights	2.567	0.104	-	2.672	-	0.617	0.602	1.453	2.672
Assessor	3.567	0.145	-	3.713	0.134	0.826	0.806	1.946	3.713
Health and Family	4.221	0.172	-	4.392	0.650	-	-	3.742	4.392
Human Resources	6.180	0.252	(0.100)	6.331	0.005	1.484	1.447	3.395	6.331
Attorney	7.129	0.290	(0.100)	7.320	0.108	1.689	1.647	3.876	7.320
911/311	10.339	0.421	(0.160)	10.600	2.650	-	-	7.950	10.600
<i>Internal Service Funds</i>	30.267	2.332	-	32.599	-	7.528	7.341	17.729	32.599
Finance	19.781	0.805	(0.150)	20.436	0.006	4.753	4.635	11.043	20.436
Regulatory Services	25.925	1.055	-	26.980	27.632	-	-	(0.652)	26.980
Business Information Services	(0.400)	-	-	(0.400)	-	-	-	(0.400)	(0.400)
Public Works	39.164	1.594	(0.835)	39.923	12.791	6.459	6.298	14.375	39.923
Fire	53.530	2.179	-	55.708	3.586	12.037	11.738	28.347	55.708
Police	121.737	4.955	-	126.692	14.567	25.894	25.251	60.980	126.692
Total General Fund	342.874	15.072	(1.380)	356.566	67.143	64.664	63.057	161.702	356.566
Capital - Permanent Improvement	1.719	0.150	-	1.869				1.869	1.869
Debt Service	18.755	0.500	-	19.255				19.255	19.255
Subtotal	20.474	0.650	-	21.124				21.124	21.124
Total City (not incl special levies)	363.348	15.722	(1.380)	377.690	67.143	64.664	63.057	182.826	377.690
Community Development	-	-	-	-	-	-	-	-	-
Pensions	29.000	5.000	-	34.000				34.000	34.000
Total	392.348	20.722	(1.380)	411.690	67.143	64.664	63.057	216.826	411.690
							2010 Max	202.049	
							2011 Max	221.771	
							Additional cuts needed/(Cushion for adverse circumstances)	(4.945)	

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**City of Minneapolis
FY 2006 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:

- ◆ Operating Budgeting
- ◆ Revenue
- ◆ Reserve
- ◆ Debt
- ◆ Capital Budget
- ◆ Accounting
- ◆ Investment
- ◆ Development Finance
- ◆ Public Participation
- ◆ Administrative
- ◆ Transfers

OPERATING 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 be requested only 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. Individual grant budgets are controlled in the financial system at the cost category level. 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. Except as noted below, the basis of budgeting and basis of accounting are the same. 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, the Public Works Department and the City Clerk/Elections areas are considered to be legal levels of budgetary control within a fund even though budgetary data is presented at lower levels. 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.

Five-Year Financial Direction. City departments will prepare business plans with a five-year planning horizon which reflect the allocation of general City revenues and property tax revenue. This financial direction is based upon the City's adopted tax policy, which established an 8-percent maximum annual increase in property tax levy. This direction also reflects the Council-adopted wage policy of a 2-percent annual increase.

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. 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. Costs for services will be allocated to departments using a rate model.

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.

Special Assessments [New for 2006]

Types of Assessments. The City Council has the authority to levy special assessments for approximately 65 different types of projects.

There are four main areas of assessments:

1. Public Works: Most common types of assessments are for sidewalks, street improvements, water and sewer line repairs and Nicollet Mall. (Assessments for unpaid utilities are directed by the City's Finance Department.)
2. Inspections: Most common types are for rubbish removal, trees, grass and brush cutting inspection fees for inoperable vehicles towed from private property, re-inspection fees, administrative citations, vacant building registration fee and inspections and Police boarding.
3. Park Board: Most common types of assessments are for tree removal and parkway and sidewalk reconstruction.
4. Minneapolis Public Housing Authority: Assessments involve repairs for tenants (*i.e.*, sidewalk).

This policy covers City administered special assessments only.

Method of Payment (Public Improvement Assessments). Owners of benefiting properties shall have the option of paying their assessment all at once or in installments as part of their annual real estate taxes. The City Council shall determine the number of equal annual installments, not to exceed twenty, in which assessments may be paid. The City Council shall determine the interest rate to be paid annually on all unpaid installments; this rate shall not exceed the maximum rate of interest as provided for in MN Statutes, Section 429.061, Subdivision 2. The first installment shall be payable in the year following completion of the project and in the same manner as real estate taxes.

Capital Improvements Fund. The Capital Improvements Fund is a special revenue fund of the City, which shall contain the proceeds of any levy or bonds issued for public infrastructure projects. Any project costs that are not assessed¹ shall be paid from this fund. If the amount of money raised through special assessments is insufficient to pay the maximum amount specified for the project, the balance needed shall be taken from the Capital Improvements Fund. Offsetting revenue and City Council approval is required in order for the Capital Improvements Fund to coverage insufficiencies.

Uniform Assessment Rate. The Uniform Assessment Rate is a standardized rate applied in street construction and street renovation projects. This rate shall be applied

¹ Except project costs associated with water mains

to the square footage per parcel in the project area to arrive at an assessment cost for each benefited property. The goal of the rate is to ensure an equitable distribution of costs between projects and to assess approximately 25% of project costs. The Uniform Assessment shall be calculated annually and submitted to the City Council's Transportation and Public Works Committee for approval. Separate rates must be established based on the project (construction or renovation), funding category (local or other) and benefited parcel category (non-residential or residential).

Tax-Forfeited Properties. A portion of nuisance abatement special assessments may be cancelled for tax-forfeited properties.

(a) *Tax-forfeited properties sold to the general public –*

- (1) The portion of a property's post-forfeiture special assessments, pending assessments and charges in excess of fair market value shall be cancelled if Hennepin County has not sold the property within 90 days of the property's first offering to the public; and
- (2) The City will waive its right to assess or reassess pre-forfeiture and post-forfeiture special assessments, pending assessments and charges related nuisance abatement activities under Chapter 227, 249 and similar provisions of the Minneapolis Code of Ordinances.

(b) *Tax-forfeited properties located in targeted neighborhoods and purchased by CPED for redevelopment purposes –*

- (1) The portion of a property's post-forfeiture special assessments, pending assessments and charges in excess of fair market value shall be cancelled; and
- (2) The City will waive its right to assess or reassess pre-forfeiture and post-forfeiture special assessments, pending assessments and charges related nuisance abatement activities under Chapters 227, 249 and similar provisions of the Minneapolis Code of Ordinances.

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 following year's revenue budget amount to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service delivery costs. Until such time that the aggregate internal service funds net asset position is positive, the City shall maintain a 15 percent fund balance in the General Fund. 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. Fund Balance is the cumulative years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

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 uses 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 uses 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, to the maximum extent possible, the use of city-wide property tax revenues and where maximum allowable guarantees are obtained. The City will not issue general obligation tax increment bonds except when all net bond proceeds are used to directly pay public costs or refinance debt that was previously issued to pay for such costs, and the taxable development that will generate the tax increment is either fully constructed or is underway and subject to the terms and conditions of a development agreement with the City. (The City maintains a Tax Increment Financing (TIF) Policy, separate from these Financial Management Policies.)

- A. Alternatives, such as “pay as you go” financing and reimbursing front-end public redevelopment costs with tax increment revenues, are preferable to bond financing and are to be considered and used when appropriate. The City will not issue general obligation tax increment bonds except when all net bond proceeds are used to directly pay public costs or refinance debt that was previously issued to pay for such costs, and the taxable development that will generate the tax increment used to pay all or a portion of the debt service on the bonds is either fully constructed and assessed by the City Assessor or is underway and subject to the terms and conditions of a development agreement with the City.

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. Departments receiving capital funds should account for increased operating costs resulting from capital projects.

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, the principles of sound financial management and generally accepted accounting principles.

Accounting Standards. The City shall establish and maintain accounting systems according to the generally accepted accounting principles (GAAP), which are set by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). 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 daily, monthly, and year end basis. At year-end a Comprehensive Annual Financial Report (CAFR) is published by the City.

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 chapter 118A, 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 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 to 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 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 ensure that the proposed financial plan is reasonable, balanced, and the best means by which to achieve City objectives, while adequately protecting City-wide financial interests.

General Guidelines. A. The City of Minneapolis will recapture the public subsidy to the maximum extent feasible after allowing the developer a reasonable return.

B. Only those public improvements and public redevelopment costs directly associated with or needed to service the proposed development plan or project should be financed through tax increment.

[Additional guidelines on the use of tax increment financing are found in the City's Tax Increment Policy.]

PUBLIC PARTICIPATION POLICIES

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

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

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.

ADMINISTRATIVE FINANCIAL POLICIES

The following policies are ongoing and administrative in nature. In the past, these policies had been included annually as footnotes in the budget resolutions. This section is now included by reference in the resolutions. There are two sections – one for operating budget administrative policies, and another for capital and debt related administrative policies.

Section One - Operating Budget Policies

Revenue Related

General Fund Rate Model. The City will recover costs within the General Fund related to services it provides to non-General Fund departments. The allocation of those costs will be based on a fair and consistent methodology, applied enterprise-wide and developed and administered by the Finance Department.

Work for Others and Grant Funding 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.

Pension Related

Authorizing the City Pension employer deductions. The proper City Officials are directed to charge all funds under the City Council jurisdiction a percentage of covered payroll to reflect the costs to the Minneapolis Employees Retirement Fund (MERF), to charge the appropriate bi-weekly amounts, as provided for in state law, for each member of the Minneapolis Police Relief Association (MPRA) and Minneapolis Fire Department Relief Association (MFDRA).

MERF unfunded liability. These liability amounts are included in the departmental appropriations and will be billed to the affected departments. Reinsurance amounts will be paid to a self-insurance pool funded through premiums paid by departments and tracked by department.

Department Related

Benefit Charge Authorization. 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.

Overtime Limitation. The policy approved by the Mayor and Council that limits all departmental overtime to 5% of personnel budgets is effective for this budget.

Elected Official Budgets. 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.

Fire Department Staffing Authorization. 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. 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.

Police Department Staffing Authorization. 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.

MECC Staffing Authorization. The Minneapolis Emergency Communications Center shall be authorized to exceed its authorized strength 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.

Inspections Staffing Authorization. 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.

Authority of the Finance Officer

The Finance Officer or his/her designee has the following authority to approve technical changes:

- To make **temporary loans** to cover any cash deficits as of December 31, 2006.
- To adjust appropriations in any fund to facilitate **transfers for debt service** which may be required, and to make all appropriate transfers and payments.
- To amend appropriations related to **technical accounting treatment** changes.
- To adjust **re-appropriations for grant funds** within cost centers as appropriate

- 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.
- To adjust the appropriations of the special revenue funds for **payments to various pension organizations** as may be required: Pension Fund (0990).
- 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.
- 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.
- 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.
- To appropriate available **grant balances** from the following grants:
 - (i) HUD Rental Rehab grant to Fund FG0
 - (ii) HUD HOME grant funds to Fund FG0
 - (iii) Federal Transit Administration (Trolley) grant funds to either Fund FG0 or City Fund 0300 for use by the Greater GMCVA
 - (iv) Eligible UDAG recapture funds to fund FNA
 - (v) State Economic Recovery Grants to fund SMN
 - (vi) HUD Special Purpose Grant MN47SPG507(TCOIC) funds to the Non-departmental Agency in the Fund (0400-1230)
- To make appropriation adjustments to **correct any errors**, omissions or misstatements to accurately reflect the intent of the City Council in adopting the Operating Budget.
- To adjust the December 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 (\$330,000 from the Library Board and \$828,252 from the Park Board).
- To transfer appropriations 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.
- To appropriate and transfer revenue within the Tax Increment and other special revenue funds consistent with the management of the City's tax increment districts, Common Project, Development Accounts and Preliminary Planning 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)

- 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 project/s:

-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 so as to prevent situations that would require a market disclosure.

- To establish or adjust appropriations in Fund STH (Theatres) to the extent permitted by the original bond resolutions, as necessary to facilitate Trustee activity and the required transfers to and from the Theatre Operating Account as described in the "Management Agreement, Orpheum and State and Pantages Theatres."

Appropriation and Reappropriation

Reappropriation in grant funds. The balances of 2005 appropriations for the following grant funds are hereby re-appropriated in the year 2006:

0300 Grants - Federal
0400 CDBG/UDAG Fund
0600 Grants – Other
FBG0 CDBG (CPED)
FG00 HOME (CPED)
FEZ0 Enterprise Zone (CPED)
SMN State Grants (CPED)

The balances of 2005 appropriations for administration in the CDBG/UDAG Grant fund (0400) shall be re-appropriated to the Non-Departmental Agency in 2006, except for the administrative portion of Way to Grow in Health.

NRP carryover authorization. With the exception of NRP Administration, the balance of the 2005 appropriations for NRP projects within Fund CNR (NRP) are hereby appropriated for said purposes in 2006. Specific amounts re-appropriated will be determined after the close of the 2005 fiscal year and upon review and approval of the Finance Officer.

Operating Budget Reappropriation. The Ways and Means committee will receive a list of requests, prepared by the Finance Department, to increase 2006 appropriation for goods and services encumbered in 2005 but not yet paid for that meet the following criteria:

1. a valid encumbrance;
2. one-time expenditure (not recurring budget item);
3. purpose is consistent with the department's business plan;
4. 2005 appropriation balance available for the encumbered item; and
5. financial position of the fund (status of the fund relative to work out plans; whether the fund's spending in 2005 had expense in excess of revenue).

Local Government Aid

Allocation. The allocation of Local Government Aid to Minneapolis from the State of Minnesota is to be distributed to the General Fund (0100), Municipal Building Commission (1100), Library Board (1800) and Park Board (1500 & 1700) as indicated in the Council adopted tax policy. In 2006, this allocation is as follows:

City General Fund	\$75,007,000
Park Board	\$11,088,000
Library Board	\$7,570,000
<u>Building Commission</u>	<u>\$283,000</u>
Total	\$93,948,000

Library Nicollet Mall Assessment. The Local Government Aid funding for the Library Board is reduced by \$46,355 to fund the Board's share of Nicollet Mall Maintenance.

Hilton Fund

Investment. Notwithstanding prior direction, the proper City and CPED 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 CPED'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.

Use for Pension Obligations. The Finance Officer is directed to transfer \$12.5 million (market value) of investments in the Hilton Legacy Fund to an escrow account for the purpose of paying principal and interest on \$12.5 million of bonds that funded a portion of the City's 2005 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.

Gift Acceptance [New for 2006]

Any gifts with a value of \$1,000 or less can be received by individual City departments with written notice to the Finance Officer or his/her designee. The Finance Department shall submit a quarterly gift report to the City Council's Ways and Means Committee for approval. Consistent with Minnesota Statutes, section 465.03, the department may not use the gift until it has been approved by a two-thirds vote of the City Council.

The quarterly gift report shall contain the following information on each donation:

1. Name of recipient department
2. Name of entity making gift
3. Description of gift (including value of gift, date received and special designations on gift, if any)
4. Funding strings for revenue and expense appropriation increases

For any gifts with a value exceeding \$1,000, the recipient department shall submit a request for authorization to accept the gift to the City Council's Ways & Means Committee directly.

Section Two - Capital & Debt Management Resolution Policies

Appropriation and Reappropriation

Approvals for Bond Issuance. 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 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. Total amounts assessed will be established by a future Council action approving the assessment public hearing and the amount assessed for the project.

Creation of Appropriations. 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.

Reduction of Appropriations if revenues do not materialize. 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.

Capital Project Closure. 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.

Independent Boards: Appropriations and Capital Advances. 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.

Reappropriation of Capital Projects. The Finance Officer is authorized to adjust re-appropriations to capital project funds as appropriate. The balances of prior year appropriations in Capital funds are hereby re-appropriated 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	Reimbursable Paving (4100-9372)
4100 City-Capital Impr Fund	Reimbursable Transportation (4100-9440)

Balances of capital projects in the following funds 6100, 6200, 6400, 7300, 7400 and 7500 are also hereby re-appropriated with the exception of Reimbursable Sewer Projects (7300-9322) and Reimbursable Water Projects (7400-9545).

Expiration of Capital Project funding for certain projects. 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. If bonds are issued for these programs, the appropriations will carry over. 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
RMP03	Bicycle Parking

Accounting Adjustments. 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.

Adjustments Related to Cost of Bond Issuance and Maintenance Fees. The Finance Officer is authorized to establish or adjust appropriations to pay all costs associated with authorized City of Minneapolis bond sales including costs of issuance and annual bond maintenance fees from the Bond Redemption Fund (5250) with the expenditures then being allocated to other funds as appropriate.

Funding of Capital Models and Studies. 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.

Authorization of Transfers for Bond Proceeds and Investment Income. 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.

Correction of Errors. The Finance Officer is authorized to make corrections for errors of omission and misstatements in order to accurately reflect the current budget year of the adopted Five-Year Capital Program.

Appropriation of Debt Service. There is hereby appropriated in the various Debt Service Funds sufficient funds to pay debt service requirements.

Arbitrage, Internal Revenue Service Regulations and Related Policies

Use of Investment Earnings. 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.

Tax exempt bonds. The Capital budget 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	Source
Net Debt, Library Referendum, Public Safety, Equipment	Property taxes and Internal User Fees
Sewer	Sewer Fund revenues, Fund 7300
Water	Water Fund revenues, Fund 7400
Parking	Parking Fund revenues, Fund 7500
Assessment	Special assessments
Tax Increment	Tax increment revenues

Reimbursement Intent. The Finance Office 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.

Direction to Staff Regarding Capital Budget Process

Completion of Major Repair Items in Public Facilities. Public Works - Property Services is directed to provide CLIC a one page summary of major repair items completed in the prior year as part of their PSD01 Facilities Repair and Improvements capital program. This document should accompany the annual capital submittal for this program.

Status of Art in Public Places Program. Staff responsible for the Art in Public Places capital program are directed to provide CLIC a report on the status of projects currently in the planning phase or under construction as part of their annual capital submittal.

Park Board Request. Park Board is requested to provide CLIC a report showing where capital expenditures were incurred by project for the prior year and details of what projects are planned by year and by funding source as part of the Park Board capital submittal.

Planning Direction Provided. The adoption of the 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.

Library Board Request. 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 Library Board Capital submittal.

Capital Projects Status Report/Bond Authorization [New for 2006]

Annual Capital Projects Status Report. (a) Once a year, no later than April 30th, the Finance Department will report to the City Council's Ways & Means Committee on the status of capital projects. This annual capital projects status report shall contain the following information by project and capital program year:

1. A list of all capital projects for which bonds or City funding sources have been authorized but have not been closed;
2. The amount of revenue received to date;
3. The current, expended and remaining appropriations;
4. The balance of project shortfalls or funds available for reprogramming; and
5. A list of outstanding capital projects with the amount of bond authorization and appropriation that will be considered for expiration in the following year.

(b) The Finance Department shall also report on fund appropriations for capital projects, bond authorizations and proceeds balances that may be cancelled because projects have been completed or otherwise concluded, or because the purposes for which the money was appropriated or bonds were authorized or issued have been cancelled, completed, or otherwise concluded.

Expiration of capital project funding. Beginning with the 2006 City Council approved Capital Improvement Plan, the City Council authorization for bonds and appropriation for those capital projects, will expire for those projects that have not moved forward toward implementation as enumerated by meaningful financial obligation activity indicated by a minimum of 75% of appropriation expended on tangible project activities by the end of 2009 for appropriations authorized in 2006.

The expiration will take place unless a request for an extension is specifically made and reauthorized by the City Council. Projects funded with bond proceeds that expire under this section shall require City Council reauthorization. Projects with a twelve-month period of inactivity shall also be cancelled if the project has been authorized for more than three years.

TRANSFER POLICIES [*New for 2006*]

The objective of the transfer policies is to ensure the transfer of money between funds is done in a fiscally sound manner.

Municipal Parking Fund to General Fund

The Municipal Parking Fund is a City enterprise fund 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.

Transfer Criteria. Transfers into and out of the City's Municipal Parking Fund should meet the following criteria:

1. Be consistent with state laws, City ordinances and the City Council approved finance plans and financial policies;
2. Maintain and support favorable financial results among all affected funds;
3. Be sustainable to allow long-term financial planning.

Finance and Public Works will recommend to the Mayor and City Council the amount of the transfer based on an analysis of the financial history of the fund; this recommendation will be part of the annual presentation of the 5-Year Financial Direction.

**City of Minneapolis
FY 2006 Budget
Financial Policies**

Fund Descriptions

The accounts of the City are organized by fund types. A “fund” is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operations of each fund are monitored with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures/expenses. Following is a listing and description 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 expenses, including depreciation, are recovered principally through user charges. The City operates eight enterprise funds, including the City's Community Planning and Economic Development (CPED) department:

- ***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.
- ***Sanitary Sewer Fund***
This fund will be used to account for the operation, maintenance and construction projects related to the sanitary sewer system.
- ***Stormwater Fund***
This fund will be used to account for the operation, maintenance and construction projects related to the stormwater utility system.
- ***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.
- ***Park Operations Fund***
This fund is used to account for operation, maintenance and construction of projects related to the Park Board, especially golf courses.

➤ ***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, however, 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 business information 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.

- **Park Self-Insurance and Internal Service Funds**
This fund is used to account for park employees' 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. The Park Board also has an internal service fund for charges within its programs.

Special Revenue Funds- Special revenue funds are used to account for the proceeds of 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 Special Revenue**
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.
- **Park Operating Fund**
This fund is used to account for revenue and expenditures related to the cost of operating and maintaining the Minneapolis Parks system.
- **Library Operating Fund**
This fund is used to account for the revenue and expenditures related to the cost of operating and maintaining the Minneapolis Public Library system.

Capital Projects Funds- 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 Planning and Economic Development**
This fund is used to account for the capital project activities of the department of Community Planning and Economic Development.
- **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, energy conservation projects, infrastructure projects, and many Business and Information Services (BIS) projects.
- **Library Permanent Improvement Capital Fund**
This fund is used to account for the capital project activities of the Library Board.
- **Park Board Permanent Improvement Capital Fund**
This fund is used to account for the capital project activities of the Park Board.

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 CPED 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
Bird's Eye View of the Relationship between Fund Types, Revenue Sources,
Expenditures and Departments/Boards**

	Fund Type:		
	General Fund	Enterprise Funds Including: Water Sewer Solid Waste Parking	Internal Service Funds Including: Engineering Materials, Intergovernmental Services, Property Services, Equipment, Stores, Self-insurance
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
	Special Revenue Funds	Capital Projects Funds	Debt Service Funds
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
Bird's 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 that 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.

**City of Minneapolis
FY 2006 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.

	<u>% Distribution of LGA</u>
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.

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**

[Please reference the financial direction updated for 2007-2011 in the financial overview section of this book for the most recent estimates]

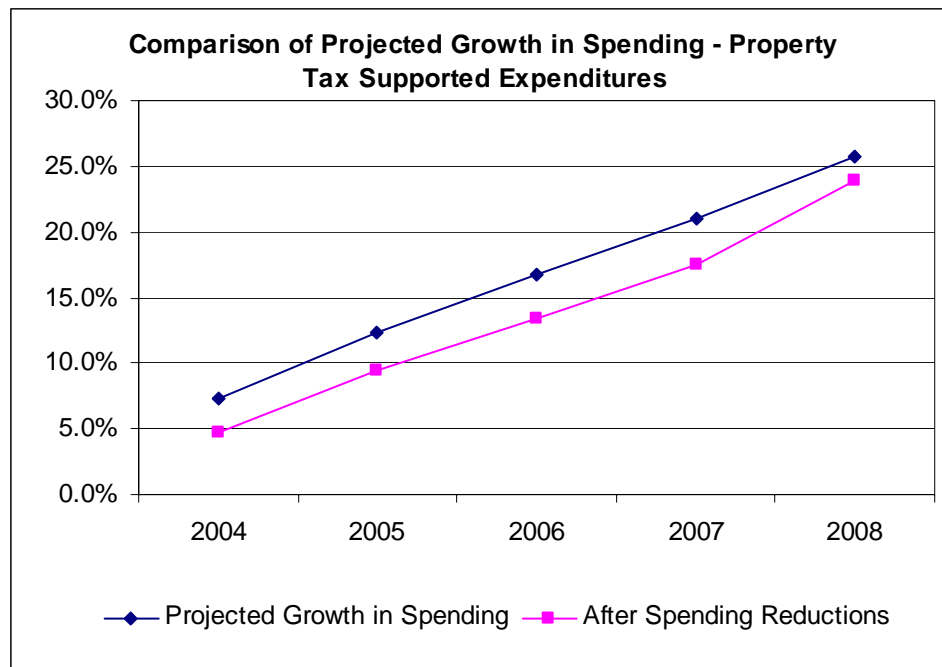
- This resolution and attachments do not include resource direction for all City revenue sources. In addition to using the financial information included in the attachment to this resolution to inform department business planning, departments shall also use other previously and/or separately adopted 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 (Please reference the financial direction updated for 2006-2010 in the financial overview section of this book for the most recent estimates):
 - 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**

[Please reference the financial direction updated for 2007-2011 in the financial overview section of this book for the most recent estimates]

- **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

[Please reference the financial direction updated for 2007-2011 in the financial overview section of this book for the most recent estimates]

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.

**Ordinance and Resolution on Community Development Resources
Adopted August 22, 2003**

W&M/Budget - Your Committee, having under consideration the Neighborhood Revitalization Program (NRP) and the establishment of funding priorities for Phase II of the program, now recommends:

- a) Passage of the accompanying Ordinance amending Title 16, Chapter 419 of the Minneapolis Code of Ordinances relating to Planning and Development: Neighborhood Revitalization Program; and
- b) Passage of the accompanying Resolution providing funding for a Discretionary Development Funding Plan for the period of 2004-2009; and
- c) That an amendment to the Target Center Finance Plan to remove the entertainment tax from the approved plan and transfer said funds to the City's General Fund, subject to any previous agreement that pledges the entertainment tax to any outstanding bonds of the City, be **forwarded without recommendation**.

Johnson moved to substitute the following report for the above report. Seconded.
Adopted by unanimous consent.

W&M/Budget - Your Committee, having under consideration the Neighborhood Revitalization Program (NRP) and the establishment of funding priorities for Phase II of the program, now recommends:

- a) Passage of the accompanying Ordinance amending Title 16, Chapter 419 of the Minneapolis Code of Ordinances relating to Planning and Development: Neighborhood Revitalization Program; and
- b) Passage of the accompanying Resolution providing funding for a Discretionary Development Funding Plan for the period of 2004-2009; and
- c) Approval of a Target Center Finance Plan Direction to Staff as follows:
 - 1. Direct staff to amend the Target Center Finance Plan to add Common Project tax increment in an amount necessary to meet the debt service shortfall in the current Finance Plan and up to \$14 million for near term capital improvements as outlined in Patrick Born's August 20, 2003 memorandum to the City Council and Mayor and as described in the Finance Department's June 4, 2003 "Base Case plus Target Center non-CP revenues" analysis (Petn No 269013);
 - 2. Authorize the City Coordinator, the Community Planning and Economic Development (CPED) Director and/or their designees to negotiate with the Timberwolves and Clear Channel:
 - (a) the amount and nature of capital improvements to be financed from the amended finance plan for the Target Center; and
 - (b) the methods and sources to finance the long term capital improvement needs of the Target Center.

Niziolek moved to divide the report so as to consider separately paragraphs A, B and C.
Seconded.

Adopted. Yeas, 10; Nays, 3 as follows:

Yeas - Johnson Lee, Niziolek, Benson, Goodman, Lane, Johnson, Colvin Roy, Schiff, Zerby, Ostrow.

Nays - Lilligren, Samuels, Zimmermann.

W&M/Budget - Your Committee, having under consideration the Neighborhood Revitalization Program (NRP) and the establishment of funding priorities for Phase II of the program, now recommend passage of the accompanying Ordinance amending Title 16, Chapter 419 of the

Minneapolis Code of Ordinances relating to Planning and Development: Neighborhood Revitalization Program.

Johnson moved to amend Section 419.55 of the ordinance as follows:

- a) Amend Section 419.55
- (b) by adding a subsection 5 to read “(5) If a strategy in an approved neighborhood action plan has not expended 50% of the allocated dollars in three (3) years, the neighborhood must verify that the strategy remains appropriate or the strategy must be changed or the dollars will be reallocated to the NRP program.”;
- b) Amend Section 419.55 (b) by adding a new subsection 6 to read “(6) No more than 20% of the program dollars expended (on an annual basis) may be used for administrative costs, both in central administration and at neighborhood level.” Seconded.

Johnson’s motion was adopted upon a voice vote.

Goodman moved to amend Section 419.30 of the Ordinance by adding a new subdivision (c) to read as follows:

“ (c) To achieve the chapter 604 requirement that at least 52.5 percent of the funds reserved for neighborhood revitalization be expended on housing programs and related purposes, the policy board shall take the following actions:

(1) Commission an independent audit of compliance with the chapter 604 requirement for neighborhood revitalization program funds under contract or expended through June 30, 2003. The audit shall allocate contracted and actual expenditures for housing programs and related purposes among the following cost categories:

- a. creation of new rental housing units affordable to persons whose annual incomes do not exceed (i) thirty percent of and (ii) fifty percent of the median family income;
- b. rehabilitation or preservation of existing rental housing units affordable to persons whose annual incomes do not exceed (i) thirty percent of and (ii) fifty percent of the median family income;
- c. provision of affordable ownership housing opportunities, including first-time home buyers’ mortgages (with income qualifications);
- d. rehabilitation of existing housing units through housing loan and grant programs with income qualifications;
- e. rehabilitation of existing housing units through housing loan and grant programs without income qualifications; and
- f. administrative costs associated with the operation of housing projects, programs, services and activities.

The policy board shall complete the audit by October 15, 2003.

(2) Develop a plan to make up any deficiency identified by the audit using existing phase I fund balances and/or phase II funds. The plan shall include a timeframe and measurable outcomes that are consistent with city housing plans and policies as well as neighborhood action plans. The policy board shall submit the plan to the city council by October 22, 2003, for consideration consistent with section 419.70.

(3) Prepare and transmit by July 1 of each year to the governmental bodies represented on the policy board an annual recommended budget and five year plan for use of the phase II funds and any other funds made available to the policy board consistent with city goals, plans and policies, approved neighborhood action plans and applicable laws, ordinances and resolutions. The policy board submission will constitute its recommendations to the mayor and other appropriate parties for consideration in the budget deliberations for the upcoming year.” Seconded.

Colvin Roy moved to amend the Goodman motion by amending subsection (c), paragraph (2)

by adding after "October 22, 2003" the language "and each October to the end of the program" and moving that language to the end of the sentence. Seconded.
Adopted upon a voice vote
Goodman's motion, as amended, was adopted upon a voice vote.
The report, as amended, was adopted 8/22/03.

Ordinance 2003-Or-111 amending Title 16, Chapter 419 of the Minneapolis Code of Ordinances relating to Planning and Development: Neighborhood Revitalization Program, establishing funding priorities for Phase II of the Neighborhood Revitalization Program and related amendments, was passed 8/22/03 by the City Council. A complete copy of this ordinance is available for public inspection in the office of the City Clerk.
The following is the complete text of the unpublished summarized resolution.

ORDINANCE 2003-Or-111
By Lane, Ostrow, Goodman, Benson and Zerby
Intro & 1st Reading: 3/21/03
Ref to: Comm Dev & W&M/Budget
2nd Reading: 8/22/03
Amending Title 16, Chapter 419 of the Minneapolis Code of Ordinances relating to
Planning and Development: Neighborhood Revitalization Program.

The City Council of The City of Minneapolis do ordain as follows:
Section 1. That Section 419.20(a) of the above-entitled ordinance be amended by adding thereto the following definitions in alphabetical sequence to read as follows:

419.20. Definitions and general guidelines. (a) In this chapter, unless a different meaning clearly appears from the context:

Agency means the Minneapolis Community Development Agency, its successors or assigns.
Discretionary development funding plan means that certain resolution adopted by the city council on August 22, 2003, providing funding for discretionary development activities from 2004 through 2009.

Neighborhood action plan means the plan developed with the participation of neighborhood residents under subdivision 6 of the neighborhood revitalization program law.

Phase I means the first phase of the neighborhood revitalization program (1990-2000), funded by the Phase I funds.

Phase I funds means the city neighborhood revitalization program funds reserved from 1990 through 2000.

Phase II means the second phase of the neighborhood revitalization program (2001-2009), funded by the Phase II funds.

Phase II funds means twenty million dollars (\$20,000,000.00) in 2001, eleven million dollars (\$11,000,000.00) in 2002 and, for 2003 through 2009, the funds required to be reserved for neighborhood revitalization under chapter 604, subject to the priorities stated in section 419.35.

Sources of securities and repayment shall have the meaning set forth in the discretionary development funding plan.

Tax increment act means Minnesota Statutes, Sections 469.174-469.1799, as amended, which establishes the powers relating to use of tax increment.

Section 2. That Section 419.30 of the above-entitled ordinance be amended by adding thereto a new subdivision (c) to read as follows:

419.30. Neighborhood revitalization program.

(c) To achieve the chapter 604 requirement that at least 52.5 percent of the funds reserved for neighborhood revitalization be expended on housing programs and related purposes, the policy board shall take the following actions:

(1) Commission an independent audit of compliance with the chapter 604 requirement for neighborhood revitalization program funds under contract or expended through June

30, 2003. The audit shall allocate contracted and actual expenditures for housing programs and related purposes among the following cost categories:

- a. Creation of new rental housing units affordable to persons whose annual incomes do not exceed (i) thirty percent of and (ii) fifty percent of the median family income.
- b. Rehabilitation or preservation of existing rental housing units affordable to persons whose annual incomes do not exceed (i) thirty percent of and (ii) fifty percent of the median family income.
- c. Provision of affordable ownership housing opportunities, including first-time homebuyers' mortgages (with income qualifications).
- d. Rehabilitation of existing housing units through housing loan and grant programs with income qualifications.
- e. Rehabilitation of existing housing units through housing loan and grant programs without income qualifications.
- f. Administrative costs associated with the operation of housing projects, programs, services and activities.

The policy board shall complete the audit by October 15, 2003.

(2) Develop a plan to make up any deficiency identified by the audit using existing phase I fund balances and/or phase II funds. The plan shall include a timeframe and measurable outcomes that are consistent with city housing plans and policies as well as neighborhood action plans. The policy board shall submit the plan to the city council for consideration consistent with section 419.70 by October 22, 2003 and each October to the end of the program.

(3) Prepare and transmit by July 1 of each year to the governmental bodies represented on the policy board an annual recommended budget and five (5) year plan for use of the phase II funds and any other funds made available to the policy board consistent with city goals, plans and policies, approved neighborhood action plans and applicable laws, ordinances and resolutions. The policy board submission will constitute its recommendations to the mayor and other appropriate parties for consideration in the budget deliberations for the upcoming year.

Section 3. That a new Section 419.35 be added to the above-entitled ordinance to read as follows:

419.35. Common project priorities for phase II. (a) Tax increment and other revenues generated from the common project, but excluding the sources of security and repayment, shall, for purposes of phase II, be applied in accordance with the following priorities in order given.

- (1) Payment or reservation for payment of any debt obligations, contractual obligations or other obligations incurred by the agency or the city from time to time with respect to the common project;
 - (2) Payment of tax increment administration costs related to the common project as permitted pursuant to the tax increment act;
 - (3) Reservation of phase II funds pursuant to this chapter, except that no more than \$20,000,000 shall be reserved for neighborhood revitalization in any fiscal year; and
 - (4) General development purposes, as permitted by law.
- (b) The sources of security and repayment shall be applied in accordance with the discretionary development funding plan.
- (c) The revenues identified in that certain target center finance plan adopted by the city council in 1995, as amended through August 22, 2003, including revenues not generated by the common project, shall be applied to offset target center obligations.

Section 4. That Section 419.40 of the above-entitled ordinance be amended to read as follows:

419.40. Commitment of city neighborhood revitalization program funds. (a) *Phase I.* In furtherance of the goals stated in section 419.30 (a), the city hereby commits to provide the city

neighborhood revitalization program phase I funds, commencing in 1990 through and including 2000, for phase 1 of the neighborhood revitalization program.

(b) *Phase II.* In furtherance of the goals stated in section 419.30(b), and subject to the priorities established by section 419.35, the city hereby commits to reserve the phase II funds for phase II neighborhood action plans, commencing in 2001 through and including 2009, to the extent that such funds are available pursuant to section 419.35. The difference, if any, between the total phase II funds reserved in any fiscal year and the twenty million dollar (\$20,000,000.00) cap shall not be carried forward to any subsequent fiscal year.

Section 5. That Chapter 419 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 419.55 to read as follows:

419.55. Phase II neighborhood revitalization program process. The provisions of section 419.50 shall apply only to phase I of the neighborhood revitalization program. The following provisions apply to phase II of the neighborhood revitalization program.

(a) *Purposes; qualifying costs.* Neighborhood action plans may provide for expenditure of phase II funds for the following purposes:

- (1) To eliminate blighting influences by acquiring and clearing or rehabilitating properties that the city finds have caused or will cause a decline in the value of properties in the area or will increase the probability that properties in the area will be allowed to physically deteriorate.
- (2) To assist in the development of industrial properties that provide employment opportunities paying a livable income to the residents of the neighborhood and that will not adversely affect the overall character of the neighborhood.
- (3) To acquire, develop, construct, physically maintain, rehabilitate, renovate, or replace neighborhood commercial and retail facilities necessary to maintain neighborhood vitality.
- (4) To eliminate health hazards through the removal of hazardous waste and pollution and return of land to productive use, if the responsible party is unavailable or unable to pay for the cost.
- (5) To rehabilitate existing housing and encourage homeownership.
- (6) To construct new housing, where appropriate.
- (7) To rehabilitate and construct new low-income, affordable rental housing.
- (8) To remove vacant and boarded up houses.
- (9) To rehabilitate or construct community-based nonprofit and public facilities necessary to carry out the purpose of the neighborhood revitalization program.

(b) *Phase II funds; distribution and restrictions.*

(1) Phase II funds may only be expended in accordance with the neighborhood revitalization program

- (i) for a purpose listed in section 419.55(a); or
- (ii) as provided in subdivision 4 of the neighborhood revitalization program law, including the promotion of neighborhood safety and stability through community crime prevention programs and activities such as neighborhood block and police patrols, block clubs and community outreach; or
- (iii) to cover administrative costs attached to implementation of strategies contained in approved neighborhood action plans.

(2) Phase II funds may not be used in those project areas of the city where the city determines that private investment will be sufficient to provide for development and redevelopment of the project area without public sector assistance, except in cases where phase II funds are being used to remove or rehabilitate structurally substandard or obsolete buildings in a manner consistent with the neighborhoods' priorities as reflected in an approved neighborhood action plan.

(3) Except as provided in the neighborhood revitalization program law, revenues derived from tax increments may only be expended for the purposes otherwise permitted by law.

(4) A minimum of 52.5 percent of the phase II funds must be expended on housing programs and related purposes. Compliance with this provision shall be measured annually. The phase II target for housing programs and related purposes shall be adjusted to accommodate for any shortfall in expenditures in phase I such that the total expended in

phase I and phase II for housing programs and related purposes shall be no less than 52.5 percent.

(5) If a strategy in an approved neighborhood action plan has not expended 50% of the allocated dollars in three (3) years, the neighborhood must verify that the strategy remains appropriate or the strategy must be changed or the dollars will be reallocated to the NRP program.

(6) No more than 20% of the program dollars expended (on an annual basis) may be used for administrative costs, both in central administration and at neighborhood level.

(c) *General principles.* Phase II of the neighborhood revitalization program must be developed based on the following general principles:

(1) The social needs of neighborhood residents, particularly lower income residents, must be addressed to provide a safe and healthy environment for neighborhood residents, provide for the self-sufficiency of families, and increase the economic and social stability of neighborhoods.

(2) The children residing in the neighborhoods must be given the opportunity for a quality education and the needs of each neighborhood must be addressed individually wherever possible.

(3) The physical structure of the neighborhoods must be enhanced by providing safe and suitable housing and infrastructure to increase the desirability of neighborhoods as places to live.

(d) *Required program elements.* Phase II of the neighborhood revitalization program must include the following:

(1) The identification of the neighborhoods that require assistance through the program.

(2) A strategy of the citizen participation required under this chapter.

(3) The neighborhood action plans required under this chapter.

(4) The activities of participating organizations undertaken to address the general principles.

(5) An evaluation of the success of the neighborhood action plans.

(e) *Neighborhood action plans.* Phase II of the neighborhood revitalization program must include the preparation and implementation of neighborhood action plans. The city must organize neighborhoods to prepare and implement the neighborhood action plans. The neighborhoods must include the participation of, whenever possible, all populations and interests in each neighborhood including renters, homeowners, people of color, business owners, representatives of neighborhood institutions, youth, and the elderly. Each neighborhood action plan must be submitted to the policy board established under this chapter and the neighborhood revitalization program law. The city will provide available resources, information, and technical assistance to prepare the neighborhood action plans.

(f) *Approval.* The policy board shall review, modify where appropriate, and approve, in whole or in part, the neighborhood action plans and forward its recommendations for final action to the governing bodies represented on the policy board. The city council shall review, modify where appropriate, and give final approval, in whole or in part, to those actions over which it has programmatic jurisdiction.

Section 6. That Section 419.70 of the above-entitled ordinance be amended to read as follows:

419.70. Program recommendations. (a) The mayor and the city council will use the following criteria in considering neighborhood action plan strategies for use of city neighborhood revitalization

program phase I funds and phase II funds:

(1) Demonstrated public purpose of the strategies.

(2) Demonstrated need for the strategies.

(3) Short-term or long-term needs of the neighborhood.

(4) Benefiting population.

(5) Ability of the strategies to provide a return on the investment.

(6) Coordination with programming elements or providers.

(7) Availability of operating or maintenance funds.

(8) Lack of alternative sources of revenue.

- (9) One-time or ongoing capital requirement.
 - (10) Multijurisdictional benefits of the strategies.
 - (11) Neighborhood revitalization benefits of the strategies.
 - (12) Demonstrated ability of the neighborhood revitalization program as a whole to meet the 52.5 percent funding requirement for housing programs and related purposes.
 - (13) The extent to which the strategies leverage existing city programs and funds to accomplish city housing and development objectives in the neighborhoods that carry out the purposes of the neighborhood revitalization program.
- (b) Concurrent with approval of each neighborhood action plan, the city council will appropriate reserve city neighborhood revitalization program phase I or phase II funds of the Minneapolis Community Development Agency, as appropriate, for appropriation and expenditure consistent with such action plan.
- (c) Because of the acknowledged substantial unmet need and severe lack of resources available for disadvantaged youth in the City of Minneapolis, beginning in 1990 and continuing through 2003, the city council, at the request of the policy board, shall appropriate two hundred thousand dollars (\$200,000.00) of the city neighborhood revitalization program funds each year to the multi-jurisdictional youth coordinating board from non-tax increment sources.
- (d) With respect to phase I only, The amounts made available during the first phase of the neighborhood revitalization program to Special School District No. 1 and to Hennepin County for education programs and services and for social services, respectively, must be expended as part of an approved neighborhood action plan, as required by subdivision 4 of the neighborhood revitalization program law. The boards of Special School District No. 1 and Hennepin County shall each approve appropriations from the funds available to them from the neighborhood revitalization program and shall forward proposed strategies to the policy board for approval.

Adopted 8/22/03.

W&M/Budget - Your Committee, having under consideration the Neighborhood Revitalization Program (NRP) and the establishment of funding priorities for Phase II of the program, now recommends passage of the accompanying Resolution providing funding for a Discretionary Development Funding Plan for the period of 2004-2009.

Goodman moved to amend the resolution as follows:

- a) Amend Section 2.05 by striking the amount "\$3,330,000.00" and inserting in lieu thereof the amount "\$3,679,000.00"; and
- b) Striking Section 3.03 in its entirety. Seconded.

Adopted upon a voice vote.

The report, as amended, was adopted 8/22/03. Yeas, 12; Nays, 1 as follows:

Yeas - Lilligren, Johnson Lee, Benson, Goodman, Lane, Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Ostrow.

Nays - Niziolek.

Resolution 2003R-404, providing funding for a Discretionary Development Funding Plan for the period of 2004-2009, was passed 8/22/03 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-404
By Lane, Ostrow, Goodman, Benson and Zerby
Providing funding for Discretionary Development Activities from 2004-2009.

Resolved by the City Council of the City of Minneapolis:

Section 1. Title. This resolution shall be known as the Discretionary Development Funding Plan.

Section 2. Definitions.

2.01. "Legacy Fund" means that certain investment trust account containing the proceeds of the 1999 sale of the MCDA's interest in the Hilton Hotel property.

2.02. "Sources of Security and Repayment" means the proceeds of any repayment or other receipt of funds relative to the Brookfield Loan and the proceeds of any sale or other disposition of the MCDA's interest in the Saks Parcel, including net income from operation of the Saks Parcel, if any.

2.03. "Brookfield Loan" means that certain MCDA loan for the Gaviidae II project to BCED Minnesota, Inc. in the original principal amount of \$15,000,000 maturing December 19, 2008, unless extended one year by the borrower pursuant to an option in the loan documents.

2.04. "Discretionary Development Activities" means such discretionary development activities as the City Council and/or the MCDA Board of Commissioners may from time to time direct through their budgeting and business planning processes.

2.05. "Installment Amount" means an amount not to exceed Three Million Six Hundred Seventy Nine Thousand and No/100 Dollars (\$3,679,000.00) in any calendar year.

2.06. "Loan" means the loan authorized by Section 3.01 of this resolution (inclusive of principal and interest accrued hereunder).

2.07. "MCDA" means the Minneapolis Community Development Agency, its successors and assigns.

2.08. "Loan Amount Due" means the total principal amount and accrued interest outstanding under this resolution at any given point in time.

2.09. "Saks Parcel" means that portion of the Gaviidae I project currently owned by MCDA, subject to certain legal claims by Brookfield Market, Inc., and leased to Saks and M & I Bank.

Section 3. Loan Authorization.

3.01. Loan. In calendar years 2004 through and including 2009, the MCDA or its successor in interest may borrow up to Twenty-Two Million and No/100 Dollars (\$22,000,000.00) from the Legacy Fund for Discretionary Development Activities as provided herein.

3.02. Installments. The Loan may be drawn down in an annual amount not to exceed the Installment Amount by action of the Mayor and City Council and/or the MCDA Board of Commissioners, as appropriate, in accordance with the process set forth in Section 5.01 below.

Section 4. Loan Repayment.

4.01. Repayment and Security. The Loan shall be secured with and repaid from the Sources of Security and Repayment and such other funds as the City Council may direct, if any.

4.02. Repayment Priority. Repayment of the Loan shall have first priority with respect to the Sources of Security and Repayment. No money from the Sources of Security and Repayment shall be allocated, reserved, pledged, expended or otherwise encumbered to or for any other use while there remains an amount due on the Loan.

4.03. Time of Repayment. Money from the Sources of Security and Repayment shall be applied to repay the Loan and credited to the Legacy Fund at the time they are received.

4.04. Excess Sources of Security and Repayment. In the event that the money received from the Sources of Security and Repayment exceeds the Loan Amount Due at the time when the money is received, the balance in excess of the Loan Amount Due shall be reserved for Discretionary Development Activities. Any such balance must be drawn down under this resolution for Discretionary Development Activities, up to an annual maximum of the Installment Amount, before additional money may be drawn down under the Loan. In the event that the outstanding balance is less than the Installment Amount in any calendar year eligible for a loan installment, the Loan may be drawn down so that the total of the outstanding balance and the loan installment do not exceed the Installment Amount.

Section 5. Further Actions.

5.01. Annual Process. Subject to Section 4.04 above, the Mayor and City Council and/or the MCDA Board of Commissioners, as appropriate, shall act annually as part of their budget process to set the amount of the annual installment and shall direct staff to transfer funds from the Legacy Fund to the appropriate City or MCDA fund as part of the adopted budget.

5.02. Status. As part of the annual budget process or as may otherwise be deemed reasonable or necessary by the Finance Officer, staff shall present to the Mayor and City Council and/or the MCDA Board of Commissioners, as appropriate, the status of the Loan and the Sources of Security and Repayment.

5.03. Authority to Pay. Staff shall make repayments hereunder as Sources of Security and Repayment become available for repayment at such time and in such manner as the Finance Officer may direct without the need for further action by the Mayor and City Council and/or the MCDA Board of Commissioners.

Adopted 8/22/03. Yeas, 12; Nays, 1 as follows:

Yeas - Lilligren, Johnson Lee, Benson, Goodman, Lane, Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Ostrow.

Nays - Niziolek.

W&M/Budget - Your Committee, having under consideration the Neighborhood Revitalization Program (NRP) and the establishment of funding priorities for Phase II of the program, now recommends approval of a Target Center Finance Plan Direction to Staff as follows:

1. Direct staff to amend the Target Center Finance Plan to add Common Project tax increment in an amount necessary to meet the debt service shortfall in the current Finance Plan and up to \$14 million for near term capital improvements as outlined in Patrick Born's August 20, 2003 memorandum to the City Council and Mayor and as described in the Finance Department's June 4, 2003 "Base Case plus Target Center non-CP revenues" analysis (Petn No 269013);
2. Authorize the City Coordinator, the Community Planning and Economic Development (CPED) Director and/or their designees to negotiate with the Timberwolves and Clear Channel: (a) the amount and nature of capital improvements to be financed from the amended finance plan for the Target Center; and (b) the methods and sources to finance the long term capital improvement needs of the Target Center.

Niziolek moved to amend the substituted report, as amended, by adding to the Target Center Finance Plan Direction to Staff a new Item 3 to read as follows:

"3. Approval of an amendment to the Target Center Finance Plan to remove the entertainment tax from the approved plan and transfer said funds to the City's General Fund, subject to any previous agreement that pledges the entertainment tax to any outstanding bonds of the City."
Seconded.

Lost upon a voice vote.

The report was adopted 8/22/03.

Your Committee further recommends passage of the accompanying resolution vacating said right-of-way.

Adopted 8/22/03.

Resolution 2003R-405, vacating part of the public alley adjacent to 1931 W Broadway, between Newton and Oliver Aves, was passed 8/22/03 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.

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**City of Minneapolis
FY 2006 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.

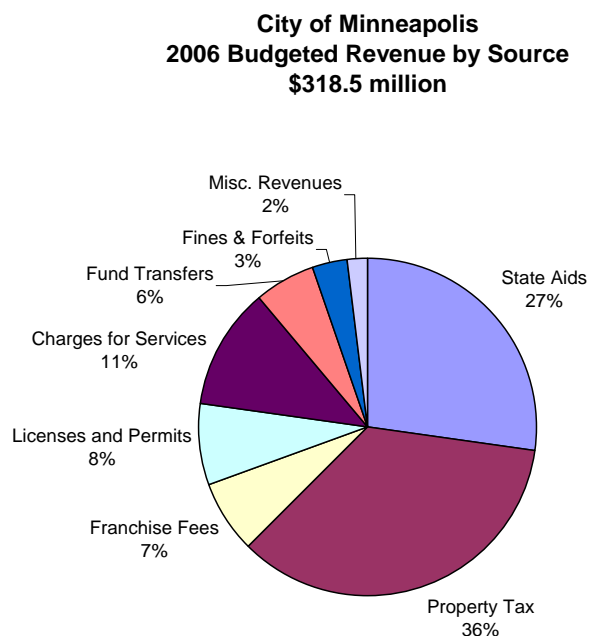
➤ General Fund	x
➤ Special Revenue Funds	x
- Convention Center Special Revenue Fund	x
- Community and Economic Development Funds	x
➤ Enterprise Funds	x
- Municipal Parking Fund	x
- Solid Waste and Recycling Fund	x
- Storm Water Fund	x
- Sanitary Sewer	x
- Water Treatment and Distribution Fund	x
➤ Internal Service Funds	x
- Public Works Stores Fund	x
- Engineering Materials and Testing	x
- Intergovernmental Services Fund	x
- Equipment Fund	x
- Property Services Fund	x
- Self-Insurance Fund	x

**City of Minneapolis
FY 2006
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 percentages 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. Until such time that the aggregate internal service funds net asset position is positive, the City's policy requires a 15 percent fund balance.

For several years, the City has been able to increase its General Fund balance. At year-end 2004, the General Fund operations resulted in approximately a \$7.8 million increase in fund balance for a total year-end balance of \$61.6 million. In 2005, the year-end fund balance was reduced by \$14.5 million on a one-time reappropriation from 2004 to 2005, resulting in a net fund balance of \$41.7 million. This amount met the 10 percent reserve requirement of modified budgeted revenues for year 2005. The City anticipates that it will again meet its reserve requirement at year-end 2005.

2006 Budget

Revenues

The General Fund 2006 budget includes a total of \$318.5 million of revenues and other sources, including \$18.8 million in transfers from other funds. Budgeted General Fund revenues for the 2006 budget are 11% higher than 2005 budget. The 2006 budgeted revenues represent a 19% increase over 2004 actual revenues.

As the chart below shows, the distribution of total revenue among the General Fund's revenue categories has continued to change. Property taxes and franchise fees have increased as a percent of the total revenue picture. The 2006 budget include \$6.5 million in one-time Local Government Aid which skews the annual percentage change and the comparisons of each revenue source as a percent of total between years.

Revenue Source	2005 Adopted Budget	2006 Adopted Budget	% Chg from 2005 Adopted	2005 Budget as % of Total	2006 Budget as % of Total
State Aids	74.7	86.4	15.7%	26.1%	27.1%
Property Tax	101.9	112.7	10.6%	35.7%	35.4%
Franchise Fees	22.1	22.3	0.9%	7.7%	7.0%
Licenses and Permits	22.5	24.9	10.3%	7.9%	7.8%
Charges for Services	33.0	36.5	10.7%	11.5%	11.5%
Fund Transfers	17.0	18.9	10.7%	6.0%	5.3%
Fines & Forfeits	8.5	10.4	22.0%	3.0%	3.3%
Misc. Revenues	6.0	6.5	6.9%	2.1%	2.0%
Total	285.8	318.5	11.4%	100.0%	100.0%

State Aids (including Local Government Aid):

The City faced significant pressure in 2003 and 2004 when the State Legislature reduced the Local Government Aid (LGA) to the City by \$35 million. Of this reduction, \$29.3 million was allocated to the General Fund with the remaining \$5.7 million allocated to the Park and Library Boards. This reduction represented an 8% decrease to the General Fund's revenue.

The City's 2006 LGA allocation was originally estimated to decrease by \$1.4 million (excludes Park and Library Boards). However, the State Legislature increased the City's total LGA allocation by \$15.4 million. As a result of the agreed upon distribution of LGA between the independent boards and the City departments, the General Fund received 80%, or \$12.3 million, of this increase. Approximately \$5.9 million of this increase is ongoing funding; \$6.5 million will be eliminated starting with the 2007 budget.

Franchise fees are 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.

There are four franchise agreements which provide revenue for the City:

The twenty year franchise agreement with Xcel Energy for electricity requires payment of 5% of gross revenues for residential service customers, 3% of gross revenues for commercial and industrial customers, and 5% of gross revenues on small commercial and industrial customers. This franchise agreement expires on December 31, 2014. For 2006, the City is anticipating \$11.5 million in revenues from this franchise agreement. Xcel does not provide natural gas services in the City of Minneapolis.

The franchise agreement with Center Point Energy/Minnegasco requires payment of 4.25% of gross revenues for residential buildings with four units or less, 5% for small commercial/industrial/fir or interruptible customers, and 3% for large volume interruptible customers. This franchise agreement expires on December 31, 2015. For 2006, the City is anticipating \$8.5 million in revenues from this franchise agreement.

The City also has two smaller franchises. The Bus stop advertising franchise generates approximately \$100,000 in revenues. The City's cable franchise is anticipated to generate \$2.3 million from cable television service in 2006.

The 2006 budget anticipates the total franchise fee revenue to remain fairly level with the 2005 adopted budget, at \$22.3 million.

Licenses and Permits create 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 2006 budget anticipates a slight increase in the overall level of activity, with some increases in the actual fees paid, for a 10% increase in licenses and permit revenue. The City also conducted a fee study in 2005, with redistribution of revenue across several departments that contribute to generation of development related fee revenue.

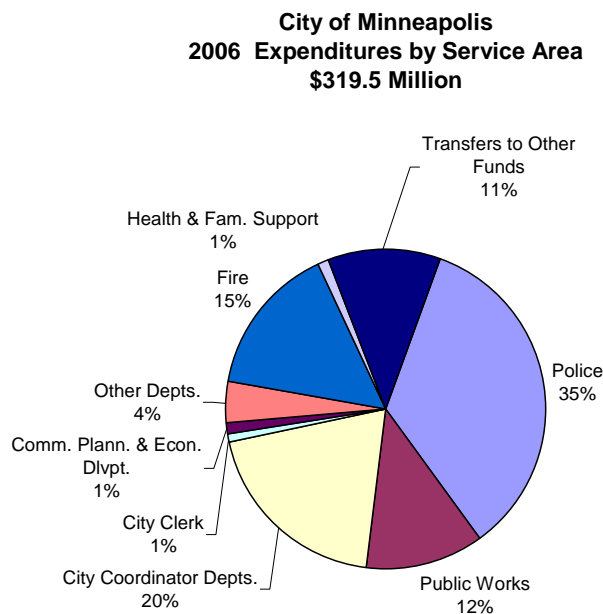
Fines and Forfeitures are anticipated to increase approximately 22 percent in 2006. This increase is due, primarily, to the additional revenue generated by 11.0 additional Traffic Officers and 3.0 additional Traffic Control Agents. In addition, the Council added

\$300,000 in one-time revenue related to the Police Department’s “Stop on Red” camera initiative. These revenues will directly support one-time expenses related to the City’s traffic efforts. Ongoing revenue for related to the “Stop on Red” camera initiative is not included in 2006 or beyond, pending more information on the sustainability of this revenue.

Expenditures

The 2006 Budget for the General Fund is \$318.5 million, which includes \$35.6 million in transfers to other funds. After adjusting for transfers, the budget increased from \$258.5 million as adopted in 2005, to \$282.9 million in 2006, a 9% increase.

The following graph shows expenditures by department. Public Safety expenditures – Police, Fire and City Attorney – comprise the largest percent of General Fund expenditures.



The 2006 adopted budget includes the following major General Fund changes:

- Five-Year Financial Direction – Reductions to address the five-year plan for the following departments: City Attorney (\$150,000), Business Information Systems (\$200,000), Finance (\$250,000), Civil Rights (\$133,000) and Public Works (\$570,000). Human Resources and 911/311 had budgetary growth below anticipated levels, which allowed them to meet their five-year plan target.
- Five-Year Business Plans - Adopts department five year business plans as presented during budget hearings before Ways and Means from September 20th-

October 19th. Business plans were presented for the following departments and are therefore adopted: Assessor, Attorney, Civil Rights, Clerk/Elections, CPED, Coordinator (including 911/311, BIS, Finance, HR, IGR, Communications, and Regulatory Services), Fire, Health and Family Support, Police, and Public Works.

- Assessor’s Office – The Adopted budget adds \$50,000 in one-time resources to the department for training in support of succession planning and updating assessment practices.
- City Attorney’s Office – The Adopted budget includes a reduction to the City Attorney’s office Budget of \$150,000, achieved through savings on the department’s lease. The Council added \$200,000 to fund three paralegal positions to support community prosecutors. General fund support for the Domestic Abuse Project (\$75,000) is moved to Health and Family Support.
- City Coordinator/Administration – The results management function moves from Business Information Services to Coordinator Administration. The Results Manager position is eliminated in the Adopted budget (\$100,000 savings in the BIS Division). The work of the Results Manager will be absorbed by the Coordinator’s existing staff.
- City Coordinator/BIS – Two City operators move to the Coordinator’s 911/311 department.
- City Coordinator/Communications – The Adopted budget moves a 0.8 position and \$70,000 from Communications to Civil Rights for sign language interpreter services.
- City Coordinator/911/311 – The Adopted budget does not include any additional reductions to 911/311. The department’s budget includes the addition of the One Call/311 initiative (\$2.6 million, funded by revenues from department payments and \$100,000 in one-time transition costs). The breakdown of these costs by department for 2006 is as shown to the right, most of which occur in the general fund.

Resource Allocation for 311 Call Center	
Hours of Operation: 7AM - 11PM, 34 positions	
Department	Total
Assessor	\$ 38,000
Attorney	\$ 27,000
City Clerk	\$ 6,000
Civil Rights	\$ 9,000
City Coordinator	
BIS (City Operators)	\$ 112,000
Communications	\$ 12,000
Coordinator's Office	\$ 7,000
Finance	\$ 261,000
Human Resources	\$ -
IGR	\$ -
MECC (911/311)	\$ 387,000
Regulatory Services	\$ 268,000
CPED	\$ 25,000
Fire	\$ 25,000
Health & Family Support	\$ 45,000
Police	\$ 401,000
Public Works	\$ 946,000
TOTAL	\$ 2,569,000

- City Coordinator/Regulatory Services – One-time funding for the Boarded Building program is included in the Adopted budget (\$450,000).

The Council also adopts the following new fee initiatives (\$246,000):

- An adjustment to the rental license fees (\$185,000). The fee adjustments keep the City comparable to surrounding jurisdictions and mitigate the impact on owners of small rental properties.
- Indexing the pollution control and erosion permit fees to inflation (\$35,000).
- Adjusting the Special Event fee to more accurately recover costs (\$26,000).

The department’s training and technology requests are funded on a one-time basis (\$600,000). An intern program and overtime are funded permanently.

The Council moves the Traffic Control division of Regulatory Services to the Police department (\$2.8 million and 42 positions). These expenditures will be recorded in the General Fund rather than the Parking Fund. Associated meter revenue estimates (\$5.3 million) will also move to the Police Department. The revenues in excess of the meter expense will continue to support the General Fund. The Parking Fund will transfer \$2.8 million to the General Fund. This funding mechanism is consistent with the financial impacts of the Parking Fund workout plan.

The Council also adds funding to Regulatory Services for Graffiti removal for \$100,000 paid for from contingency pending year end financial status. This is a one time appropriation and will be considered as part of the reappropriation action during 2006.

- City Coordinator/Finance – The Council decreases positions by 1 to keep in line with the five year plan.
- Civil Rights – The Council decreases the department by 2 contract compliance positions and adds a 0.8 position for sign language interpreter services.

The Adopted budget includes one-time funding for three initiatives requested by the department:

- Language initiatives (\$50,000);
 - Training for appointed advisory groups, the Civil Rights Commission, and Investigative staff (\$100,000);
 - Small and Underutilized Business Program (SUBP) study (\$100,000).
- Community Planning and Economic Development (CPED) – The Adopted budget includes \$80,000 in revenue from development fee initiatives. One-time funding for non-targeted neighborhood community participation programs is added

(\$100,000). An accounting adjustment for the existing funding of this program was made – \$100,000 is shown in the department Budget rather than interfund transfers. The Council adds funding for 2 neighborhood planners (\$150,000), and 1 position (\$100,000) for communications marketing funded by General Fund resources. The department also plans to reallocate 2 positions within its budget for additional planning resources.

- Fire Department – The Adopted budget includes no reductions to the Fire department. A department request for one-time funding for recruitment expenses is included in the Adopted budget (\$80,000). Funding for the City’s Community Emergency Response Team (CERT) is added on a one-time basis (\$150,000), with future years’ programs funded externally to the City. No further reductions for the department are included in the updated five-year financial direction as adopted by the Council.
- Health & Family Support – No reductions for the Health and Family Support department are included in the Adopted budget. No further reductions for the department are included in the updated five-year financial direction as adopted by the Council. The Council adds \$75,000 for the Domestic Abuse Project to the Health and Family support Department on a one time basis. It further directs the Department to develop a strategy for permanent ongoing funding for DAP in its Business Plan in 2006.
- Police Department – The Council added 60 police officers funded from increased LGA and from savings resulting from previous year’s debt buy-downs. The total increase to the department for these officers is \$4.3 million. No reductions are required of the department in 2006. No further reductions for the department are included in the updated five-year financial direction as adopted by the Council.

Further, the Adopted budget includes several initiatives related to traffic control and enforcement:

- The Council adds 11 additional officers specifically dedicated to traffic (\$1 million, offset by \$500,000 in revenues. Revenue estimate based upon past experience in traffic enforcement efforts).
- The Council moves the traffic control division of Regulatory Services to the department (\$3.2 million and 42 positions). These expenditures will be recorded in the General Fund rather than the Parking Fund; this is a revenue-neutral change. Associated meter revenue estimates (\$5.3 million) will also move to the Police Department. The revenues in excess of the meter expense will continue to support the General Fund. The Parking Fund will transfer \$3.2 million to the General Fund, maintaining the financial effects of how this service has been funded consistent with the Parking Fund workout plan. The Council also adds 3 traffic control agents (\$185,000 with offsetting revenue) to this function.

- One-time funding is adopted by the Council for the City-wide electronic citations system (\$450,000) and the purchase of security cameras (\$350,000) with priority given to projects with local matching funds as approved by the Council. Ongoing operating costs will be funded by the Police department. One-time revenue in excess of expenses from the red-light camera operations, up to \$180,000, funds the Citywide Electronic Citations system.

The adopted budget adds funding for a \$60,000 contract with the Tubman Family Alliance to fund a mental health clinician to support police officers working on domestic violence issues.

- Public Works – The department transfers 5.8 positions to the One Call initiative in 2006.
- Public Works/Transportation – The Council’s Adopted budget includes \$150,000 in increased revenue related to posting of no-parking signs and increased sidewalk closure fees. The department proposed and the Council adopted a reduction of \$55,000 in this area to meet the five-year financial direction.

One-time revenue in excess of expenses from the red-light camera operations, up to \$120,000 is appropriated to Public Works in 2006 for Speed Control.

The Council appropriates \$300,000 to conduct a study assessing the use of street cars on those corridors designated as Definite Primary Transit Networks (PTN).

- Public Works/Field Services – The Council adopted the department’s proposed reduction of \$515,000 in this division. The Council adds \$350,000 for seal coating.
- Public Works/Property Services – The Council increases the transfer from the general fund to the property services fund by \$30,000 to fund community center operations. Also funded in the general fund, \$125,000 in one-time start-up funds for centralized energy management are allocated, with the direction that Public Works convene a cross departmental work team to define the scope, work and ongoing funding of the position. The position and related expenses will be funded in 2007 and beyond with savings realized through the position’s efforts.
- Park Board – The Council adopts \$200,000 in one-time funding for the Park Board’s tree efforts and \$100,000 to the Tree Trust to administer the program.
- General Fund Overhead Model – The Council adjusted the revenue estimates for the City’s General Fund overhead charge as follows:
 - A reduction to the payments from Community Planning and Economic Development department for communications services (\$75,000);

- Postponing the implementation of additional charges to the independent boards (\$350,000);
- Postponing the implementation of additional charges to the grant funded projects, pending inclusion of the overhead rates in future grant requests (\$400,000).
- Pensions – The City’s pension debt will be reduced by \$10 million under the Adopted budget, funded by \$6.45 million in one time LGA revenues and \$3.55 million in one-time General Fund revenues. This debt reduction will result in approximately \$1 million in savings in future years.

Transfers

The 2006 General Fund budget includes a \$2.8 million increase in transfer expense, from \$32.8 million to \$35.6 million. This increase is related to the internal service funds (\$3.6 million) and the tree initiative for the park board (\$200,000). Transfer revenues include an increase of \$2.8 million from the Parking Fund as a result of the movement of traffic control personnel out of Regulatory Services and into the Police Department’s General Fund budget. Also included is a \$1 million reduction reflective of the Parking Fund financial workout plan; further reductions in this transfer will continue through 2009.

Summary of Transfers to Other Funds

<i>(In millions of dollars)</i>	2005 Adopted Budget	2006 Adopted Budget	Change
Internal Service Funds ¹	\$16.4	\$20.1	\$3.7
Debt Service Transfers	\$16.1	\$15.1	(\$1.0)
Other transfers	\$ 0.2	\$ 0.4	\$0.1
Total	\$32.8	\$35.6	\$2.8

Summary of Transfers from Other Funds

<i>(In millions of dollars)</i>	2005 Adopted Budget	2006 Adopted Budget	Change
Enterprise Funds	\$ 9.5	\$11.3	\$1.8
Entertainment Tax	\$ 7.5	\$ 7.5	\$ 0
Other transfers	\$ 0.0	\$ 0.0	\$ 0
Total	\$17.0	\$18.8	\$1.8

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.

City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)

General Fund - 0100

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Chg from 2005 Adopted Budget	2007 Forecast	2008 Forecast	2009 Forecast
Revenues:								
Property Taxes	64,613	85,998	101,926	112,689	10.6%	114,365	126,509	140,675
Annual Property Tax Increase						12,300	15,600	16,800
<i>Subtotal - Property Taxes</i>	64,613	85,998	101,926	112,689	10.6%	126,665	142,109	157,475
Local Government Aid	73,447	65,921	64,190	75,054	16.9%	67,457	66,357	65,257
<i>Subtotal</i>	73,447	65,921	64,190	75,054	16.9%	67,457	66,357	65,257
Other State Aids	15,371	10,836	10,493	11,366	8.3%	11,366	11,366	11,366
Franchise Fees	24,083	25,121	22,110	22,310	0.9%	22,310	22,310	22,310
Licenses and Permits	22,205	24,148	22,532	24,864	10.3%	25,610	26,378	27,170
Charges for Services and Sales	19,980	28,182	32,957	36,499	10.7%	36,499	36,499	36,499
Fines and Forfeits	8,026	8,910	8,512	10,385	22.0%	10,385	10,385	10,385
Special Assessments	2,723	2,628	2,743	2,763	0.7%	2,763	2,763	2,763
Interest	1,432	1,159	1,830	1,860	1.6%	1,860	1,860	1,860
Other Miscellaneous Revenues	544	1,131	1,467	1,834	25.0%	1,834	1,834	1,834
Transfers from other funds	20,713	12,698	17,032	18,850	10.7%	17,850	16,850	16,050
Total Revenues	253,137	266,732	285,793	318,473	11.4%	324,599	338,711	352,969
Expenditures:								
Police	93,632	87,604	94,749	107,526	13.5%	109,922	113,435	117,348
Fire	39,934	39,495	45,200	47,162	4.3%	48,334	49,879	51,600
Public Works	33,548	35,686	36,336	38,245	5.3%	37,902	38,078	38,557
City Coordinator Departments	28,734	41,758	54,952	61,617	12.1%	61,409	62,718	64,483
City Attorney	4,260	4,631	6,422	6,790	5.7%	6,767	6,833	6,969
City Clerk	1,790	2,090	2,269	3,153	39.0%	3,197	3,299	3,413
Health and Family Support	3,415	3,446	3,653	3,701	1.3%	3,811	3,933	4,068
Community Planning & Economic Dev.	1,885	2,179	3,267	3,671	12.4%	3,645	3,727	3,820
Other Departments	12,766	9,349	12,028	11,025	-8.3%	11,629	11,892	12,500
Transfers to other funds	24,989	32,690	32,417	35,582	9.8%	37,983	44,917	50,211
Total	244,953	258,928	291,293	318,473	9.3%	324,599	338,711	352,969
Net Change in Balance	8,185	7,805	(5,500)	(0)	-100.0%	(0)	0	(0)
Fund Balance/Retained Earnings:								
Beginning Balance	45,653	53,838	61,643	41,690	-32.4%	41,690	41,690	41,690
One time Reappropriation -2004 to 2005			(14,453)					
Ending Balance	53,838	61,643	41,690	41,690	0.0%	41,690	41,690	41,689
Ten Percent Reserve Requirement (10% of following year's budget)	26,275	29,129	31,847	32,460	613	33,871	35,297	37,062

**City of Minneapolis
FY 2006
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 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 2004 fund balance for the Convention Center Special Revenue Fund was \$29.9 million. Local taxes support the Convention Center with \$52.1 million being collected in 2004. Approximately \$22.1 million was transferred for debt service obligations or enterprise related debt. This was \$5 million less than 2003's transfer and was a result of the restructuring of Convention Center debt.

Comparative amounts collected were as follows:

<u>Local Taxes (in millions)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
0.5% Citywide Sales tax	\$25.6	\$26.3	\$26.9
3.0% Entertainment Tax	\$7.8	\$8.7	\$9.1
3.0% Downtown Restaurant Tax	\$7.9	\$8.8	\$9.2
3.0% Downtown Liquor Tax	\$3.0	\$3.4	\$3.6
3.0% Lodging Tax	\$4.6	\$4.9	\$5.1
Total Tax Collection	\$48.9	\$52.1	\$53.9

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. However, the plan keeps the amount flat until an analysis is completed and needs are identified. In 2004, \$1.1 million was transferred to the Convention Center Reserve Fund.

Operating Revenues are generated directly by the Convention Center. Exhibit space rental is the largest source of revenue for the Center; also included in operating revenues is equipment 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 2005, the Convention Center opened a Business Service Center and began to offer wireless and internet services to customers, generating additional revenue in charges for this service. The wireless and internet services are doing about 50% better than expected. In 2004, total operating revenue generated by the Center was \$14.1 million, a gain of 16% from 2003.

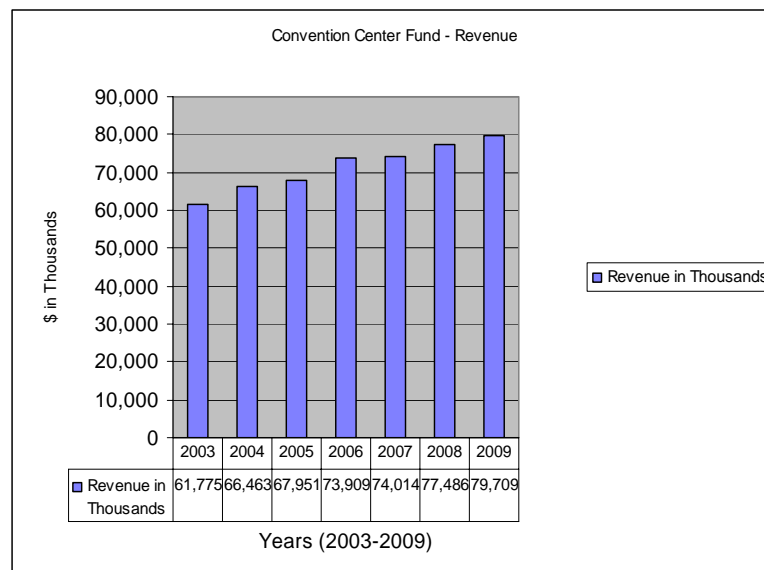
2005 Financial Projections

The hospitality industry appears to be rebounding from the effects of the national tragedy of September 11, 2001 and the recession. Event operating revenues are projected to exceed 2004 levels by 4% and meet budgetary goals. Tax proceeds are projected to be 5% over budget and 2% over the 2004 actual totals. Operating expenditures for the Center in 2005 are projected to be 3% under budget, while exceeding their 2004 level by 8%.

2006 Budget

Revenues

The revenues for the Convention Center have been brought in line with the actual receipts from previous years. The Convention Center annual revenue budget increased \$5.5 million, or 8%, over the 2005 adopted revenue budget. The majority of this increase is anticipated in the Sales and Other Taxes revenue category. Revenue is expected to trend upward through 2009. Operating Revenue is projected to increase by 5% per annum for both Charges for Services and Miscellaneous Operating Revenue. Rent Revenue is expected to increase by 7% with increases projected in space, audio visual, and equipment rentals. Non-Operating Revenue is projected to increase by 2.5% from Sales Tax and 4.5% from Entertainment, Restaurant, Liquor, and Lodging Tax through 2009.



Expenditures

In 2006, the Convention Center operations expenditure budget is anticipated to increase 6.4% over the 2005 adopted budget. The increase is due to city-wide rate model charges and normal Cost of Living increases. Capital replacements of \$3 million will be funded from the Convention Center Reserve Fund.

The adopted budget includes an increase of \$50,000 to the transfer of revenue to the Greater Minneapolis Convention & Visitors Association (GMCVA) for the Sister City program; this transfer will also increase, as usual, based on actual lodging (sales) tax proceeds. In 2004 the City entered into a \$2.5 million loan agreement with the GMCVA for the association's joint venture Internet Destination Sales System (IDSS). Also in July 2005, the GMCVA requested, and was given, an additional \$2.5 million loan. The loan is pledged against future City's appropriations to the Association and International Destination Sales Systems (iDSS) profits. The GMCVA functions as the primary sales and booking agent of the Convention Center.

The 2004 to 2005 reduction in the Ending Fund Balance is due primarily to spending increases. The increase is due to additional capital outlays to replace aging and obsolete parts and systems of the facility. The Ending Fund Balance is expected to increase from 2005 to 2006 as a result of increased projected revenues exceeding increased projected expenditures. The Ending Fund Balance for 2006 to 2007 is expected to decrease as a result of increased expenditures and increase from 2007 to 2009 as a result of projected revenue increasing more than projected expenditures.

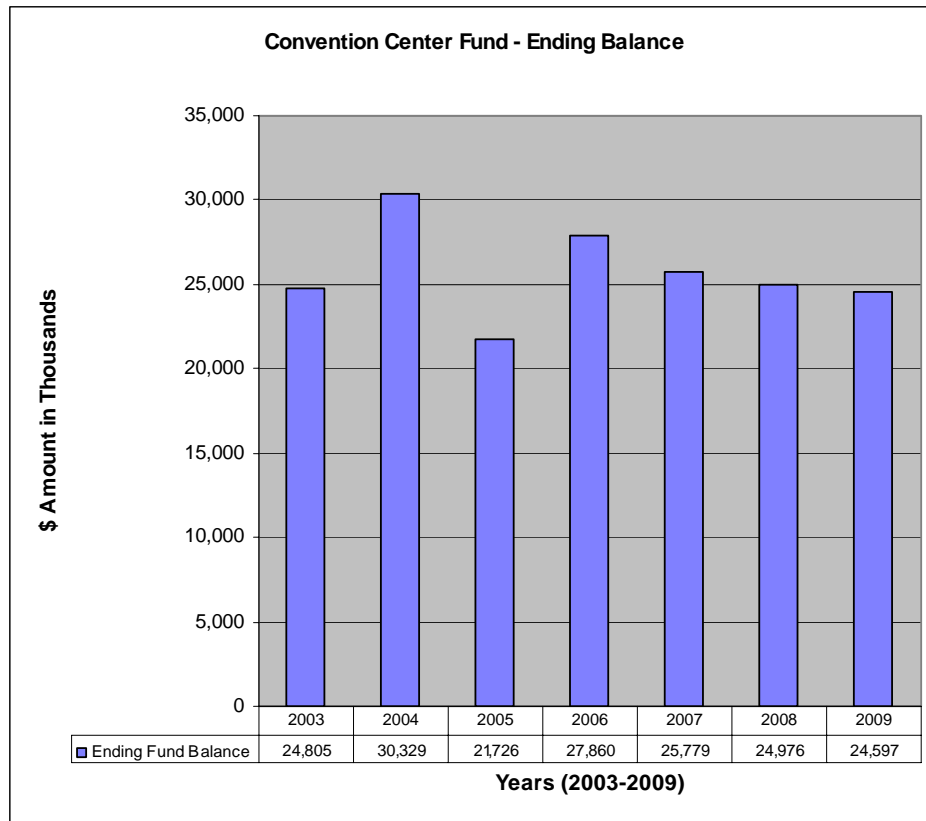
Adopted Budget

Allocations for life sciences challenge funding, as recommended by the Mayor, has been reallocated to the replacement of the failed Terrazzo flooring. The Convention Center should conduct a feasibility study for targeting the facility toward life sciences conventions. This amendment returns the capital allocations to the amounts recommended by the Convention Center's Capital Improvements Committee. The adopted budget also includes a transfer of \$1 million to the Parking Fund for operational expenses related to Convention Center ramps.

Cash Position Changes

The Convention Center Special Revenue Fund's 2006 projected cash balance, exclusive of loans to other funds, is expected to fluctuate relative to the fund equity. Most operating revenues and expenditure transactions are cash transactions. The Convention Center has a policy of requiring exhibitor's to pay in advance for space rent and services, which contributes to a healthy cash position. At the end of 2004, client advances, sometimes received years in advance of the event, were \$1.9 million and outstanding client receivables were \$727,000. In 2000, the Convention Center, as part of the Intergovernmental Services Fund (internal service fund) financial workout plan,

advanced \$12.8 million to the fund as a long-term loan; while this does not impact the fund balance, the cash balance is reduced.



Debt Service and Transfers

Debt Service

The 2006 budget includes full funding to meet the annual debt service payments. Outstanding debt for the Convention Center is approximately \$237 million in total. In 2004 the Convention Center debt was restructured allowing for substantial long-term savings to the fund.

Transfers to Other Funds

Total transfers to other funds in 2006 are budgeted at \$37.5 million.

- General Fund - \$7.5 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 – \$1.2 million for future major Convention Center repairs or replacement
- Convention Center Debt Service - \$19.2 million – current year debt service liability for the Convention Center bond issue
- Parking Fund - \$9.6 million - funding for the current year debt service obligation for the Convention Center related parking ramps and facilities and Parking Fund Workout Plan.
- Minneapolis Employee Retirement Fund (MERF) – \$.015 million to 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 \$8.9 million for 2006. 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 (Target Center) 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 pledged revenue on the outstanding Convention Center bonds, in the event that other revenue sources pledged to meet Convention Center debt service is insufficient.

**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)**

Convention Center Special Revenue Fund - 0760

	2003 Actual	2004 Actual	2005 Current Budget	2005 Projected	2006 Adopted Budget	% Chg From Budget	2007 Forecast	2008 Forecast	2009 Forecast
Operating Revenues:									
Charges For Services	3,720	5,000	5,230	6,306	5,660	8.2%	5,943	6,240	6,552
Rents	6,194	6,468	7,063	6,877	7,415	5.0%	7,934	8,489	9,084
Other Miscellaneous Operating	2,321	2,694	2,505	3,122	2,570	2.6%	2,699	2,833	2,975
Total	12,235	14,162	14,798	16,305	15,645	5.7%	16,576	17,563	18,611
Non-Operating Revenues:									
Sales Tax	25,562	26,366	26,698	27,507	27,701	3.8%	28,394	29,103	29,831
Entertainment Tax	7,779	8,670	8,682	9,017	9,109	4.9%	9,519	9,947	10,395
Restaurant Tax	7,907	8,802	7,948	9,461	9,248	16.4%	9,664	10,099	10,099
Liquor Tax	3,065	3,432	2,914	3,493	3,606	23.7%	3,768	3,938	3,938
Lodging Tax	4,595	4,899	4,659	5,477	5,147	10.5%	5,379	5,621	5,621
Contributions	367	0	0	0	-	0.0%	-	-	-
Interest	265	132	215	246	422	96.3%	215	215	215
Transfer From Facility Reserve	0	0	2,531	2,531	3,031	19.8%	500	1,000	1,000
Total	49,540	52,301	53,647	57,732	58,264	8.6%	57,438	59,923	61,098
Total Revenue	61,775	66,463	68,445	74,037	73,909	8.0%	74,014	77,486	79,709
Expenditures									
Convention Center Operations	18,755	20,939	23,164	22,644	26,147	12.9%	27,193	28,281	29,412
Ongoing Equipment and Improvement	703	1,028	3,667	2,655	2,655	-27.6%	1,760	2,310	2,402
Finance	307	302	0	0	0	0.0%	0	0	0
Convention Related Police Service			100	0	0	0.0%	0	0	0
Human Resources	54	58	62	62	64	3.2%	65	67	68
GMCVA	7,230	6,655	12,239	12,239	7,080	-42.2%	7,222	7,366	7,513
Transfer To Genl Fund - Entert Tax	6,480	7,164	7,482	7,482	7,482	0.0%	8,319	8,747	9,195
Transfer To Target Ctr Reserve	1,299	1,506	1,200	1,200	1,200	0.0%	1,200	1,200	1,200
Transfer To Conv Center Reserve	1,150	1,150	1,150	1,150	1,150	0.0%	1,150	1,150	1,150
Transfer To Capital Improvements	60	0	0	0	0	0.0%	0	0	0
Transfer To Debt Service	16,876	13,687	19,740	19,740	19,156	-3.0%	18,810	18,796	18,728
Transfer To Parking Fund	8,598	8,365	8,244	8,244	9,565	16.0%	9,856	9,832	9,858
Transfer to BIS	66	66	0	0	0	0.0%	0	0	0
Transfer to Self Insurance	19	19	0	0	0	0.0%	0	0	0
Total Expenditures	61,597	60,939	77,048	75,416	74,499	-3.3%	75,575	77,748	79,526
Net Income	178	5,524	(8,603)	(1,379)	(590)	-93.1%	(1,561)	(262)	183
Fund Balance/Retained Earnings:									
Beginning Balance	24,627	24,805	30,329	30,329	28,950	-4.5%	28,360	26,799	26,537
Ending Balance	24,805	30,329	21,726	28,950	28,360	30.5%	26,799	26,537	26,720

Notes:

As part of the Council approved work-out plan, an advance of \$12.8 million was made to BIS 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.

Beginning in 2005, the Transfer to BIS is reflected in the Convention Center's Operating Budget based on the BIS Rate Model.

In 2004, the GMCVA entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). In 2005, the GMCVA requested that the Council advance an additional \$2.5 million for the project. In August 2005, the loans were rolled together and a Promissory Note was issued for \$5 million. The \$5 million loan is to be repaid in full in 2016 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriation from the City funding, and profit from the iDSS.

**City of Minneapolis
FY 2006
Financial Plan**

Community and Economic Development Funds

Background

These funds provide support to the City's development efforts. The main department with allocations in these funds is the Community Planning and Economic Development Department. Funds for the City's activities in these areas have faced numerous challenges over the past several years since the State significantly changed the property tax system.

The City Council adopted a policy in August of 2003 on how these funds were to be prioritized between City-wide discretionary development, the Neighborhood Revitalization Program (NRP) and the City's obligations as owner of the Target Center Arena, the home of the National Basketball Association's Minnesota Franchise. The financial projections in this plan rest upon the assumptions in these policy decisions. (Please see the "Financial Policies" section of the budget book for the policy detail.)

The projections show the following conditions, for the first time shown in the planning horizon of the City's financial plans:

- 1) the decertification of the pre-1979 tax increment financing (TIF) districts; and
- 2) the final year of the City's statutory obligation to provide funding to the NRP.

2006 Budget

Revenues

These projections are based on several revenue assumptions that need to be validated annually:

Revenues from federal grant programs, including the annual disbursement rate for the Empowerment Zone, will remain close to constant;

Although revenues from state and local grants vary in relation to project need and availability, for projection purposes they are shown as constant;

There will be continuing modest increases in bond related fee income from housing and economic development activities;

There will be annual variations in overall project income but these are shown as constant from 2006 for projection purposes;

There is no change to the scheduled 2009 Brookfield payment;

There will be no further legislative actions or assessment adjustments that have a significant negative impact on tax increment or General Fund collections; and

Inflationary growth in Planning's fee revenue.

Expenditures

The expenditure projections contain assumptions that also need to be revisited annually in the context of revised revenues and department outcome measures:

- CPED staff levels will generally remain constant or reduce slightly with personnel costs increasing 2 percent per annum while non-personnel expenditures increase approximately 1 percent per annum.
- The Development Account and TIF revenues of the Common Project continue to be restricted to the capitalization of the NRP through 2009.
- Consistent with the Discretionary Development resolution, \$3.697 million from the Legacy Fund is being provided annually through 2009.

The projected CPED revenues and expenditures for 2006-2010 show somewhat level revenues through 2008 increasing in 2009 with the receipt of a Brookfield-Dain payment of \$27.87 million. However, the total revenue received each year from 2006 to 2009 is smaller than anticipated in the 2003-2009 projections prepared last year, largely due to smaller than anticipated tax increment revenues as a result of recent reductions to market valuations of various properties within the Common Project.

Debt Service

Debt service on the post-1979 Common Project TIF districts continues past 2010. Taken together with other projected costs, the forecast for that year is break-even. There is no assumption of a source for discretionary development activity beyond 2009, although the availability of new tax capacity created by the decertification of the pre-1979 districts could allow, as one policy option, the re-use of Chapter 595 levy authority with little or no increase of residential property taxes.

Under current policy direction the Hilton Legacy Fund will also have been repaid in 2009 for the \$22 million annually borrowed for discretionary development activity, and will provide another option for development support in 2010 and beyond.

General Fund Resources

Projected General Fund revenues and expenditures are displayed consistent with the Five-Year Financial Direction. The direct revenue to the General Fund attributed to CPED increases substantially from 2005 to 2006 (line 5) as a result of the multi-

department fee study completed earlier this year. The additional revenues allocated as a result of this study are included and increased annually at an annual rate of 3 percent.

Neighborhood Revitalization Program

A further consequence of the reduction of development resources that started in 2001 has been the reduced level of funding (from \$20 million per annum in Phase I) available to capitalize the NRP. As noted above, the lowering of market value of several properties within the Common Project appears to have exacerbated this reduction. Table 1, Line 37 displays the current (October 2005) projections.

Finance Plan - Table 1

Projected CPED Revenues & Expenditures 2006 - 2010

	2005	2006	2007	2008	2009	2010
1 Local Funds						
2 General Fund Total	3,409,730	3,745,973	3,681,973	3,745,258	3,822,242	3,912,945
3 GF Property Tax & Non-Direct Revenue	2,099,758	1,720,594	1,667,469	1,731,939	1,801,053	1,886,550
4 General Fund LGA	742,672	680,848	671,026	646,556	630,442	610,944
5 General Fund Direct Revenues	567,300	1,343,478	1,343,478	1,366,763	1,390,747	1,415,451
6 Tax/Increment/Abatement	64,421,783	71,085,947	76,664,322	78,035,163	56,879,199	32,487,622
7 Capital Bonding (CIP)	1,395,000	3,547,000	2,900,000	900,000	400,000	400,000
8 Dev Acct (Non-TI)	2,213,272	2,199,272	2,028,432	2,002,705	28,302,997	300,000
9 Interest Earnings all Funds	5,600,000	5,320,000	5,054,000	4,801,300	4,561,235	4,720,878
10 Bond Fees						
11 Housing Program Fees & Revenues	1,299,000	1,199,000	1,244,970	1,292,719	1,342,317	1,393,835
12 Economic Dev Program Fees & Revenues	3,635,000	3,639,500	3,651,500	3,663,620	3,675,861	3,688,225
13 Legacy Fund	3,679,000	3,679,000	3,679,000	3,679,000	3,679,000	-
14 Other Project & Program Income	16,703,892	16,700,000	16,700,000	16,700,000	16,700,000	16,700,000
15 Transfers	37,252,992	50,548,980	37,529,085	37,549,128	46,574,667	43,074,667
16 Federal Funds						
17 CDBG*	19,352,211	17,583,662	16,304,700	16,304,700	16,304,700	16,304,700
18 ESG	601,000	597,000	597,000	597,000	597,000	597,000
19 HOME	3,911,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
20 Other State/Local Grants	4,252,803	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
21 Total Projected Revenues	167,726,683	188,144,281	178,334,982	177,570,593	191,139,218	131,879,872
22 <u>Appropriated</u>						
23 <u>Business Lines:</u>						
24 Economic Policy & Development	15,664,192	15,726,643	14,947,543	15,171,756	15,399,332	15,630,322
26 Housing & Policy Development	20,781,514	26,730,137	25,715,137	26,100,864	26,492,377	26,889,763
27 Community Planning	3,305,810	1,985,293	2,044,852	2,085,749	2,127,464	2,170,013
28 Development Services	1,420,880	2,006,327	2,066,517	2,107,847	2,150,004	2,193,004
29 Workforce Development	11,119,063	10,842,414	10,950,838	11,060,347	11,170,950	11,282,659
30 <u>CPED Support:</u>						
31 Executive & Support Services	6,205,558	6,319,452	6,445,841	6,574,758	6,706,253	6,840,378
32 Transfer & Debt Service	102,570,796	117,208,947	106,640,832	105,215,723	101,144,413	66,966,446
34 Direct Charge (Development Finance)	2,414,321	-	-	-	-	-
35 Total Appropriated	163,482,134	180,819,213	168,811,559	168,317,043	165,190,793	131,972,586
36 <u>To be appropriated</u>						
37 Potential NRP Capitalization	717,155	4,363,989	4,512,724	2,139,122	15,937,784	-
38 Brookfield repayment to Legacy	1,769,000	1,769,000	1,769,000	1,769,000	11,386,000	-
38 Total Projected Used	165,968,289	186,952,202	175,093,283	172,225,165	192,514,577	131,972,586
40 Projected Revenues Less Uses	1,758,394	1,192,079	3,241,699	5,345,428	(1,375,359)	(92,714)

* entitlement, program income and federal workforce grants

Personnel Costs & Overhead

	2005	2006	2007	2008	2009	2010
41 Personnel (Salary & Fringe)	10,707,226	11,498,092	11,728,054	11,962,615	12,201,867	12,445,905
42 Non-Personnel CPED Overhead	3,335,356	3,146,001	3,208,921	3,273,099	3,338,561	3,405,333
43 TOTAL BASE OPERATING COST*	14,042,582	14,644,093	14,936,975	15,235,714	15,540,429	15,851,237

* Total CPED personnel costs (salary & fringe) plus overhead operating costs of the department.

**City of Minneapolis
FY 2006
Financial Plan**

Municipal Parking Fund

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

Historical Financial Performance

The financial condition of the Parking Fund had historically been stable, but presents a future financial challenge to the City due to cash outflows which continue to exceed the inflows. While the Fund continues to generate a positive fund margin, it is insufficient to pay debt service, make General Fund transfers and restore its productive assets (ramps). Economic conditions and high office vacancy rates have resulted in fund revenues underperforming the annual forecast.

The capital cost of ramps has been financed 100% by debt. Besides servicing the debt from ramp revenues, the fund receives transfers (\$8.2 million in year 2005) from the Convention Center Fund to pay its share of debt service on Convention Center-related parking facilities. The fund also receives transfers (\$6.9 million in 2005) from tax increment and abatement revenue to pay part of major downtown development projects.

The Public Works Department has prepared a comprehensive financial workout plan for the Parking Fund, with the assistance of the Finance Department. The plan addresses strategies for managing and responding to growing financial concerns regarding the municipal parking system, with annual updates on the performance of the workout plan.

Historical Financial Performance

Revenues

In 2004, operating revenues increased by \$1.8 million, or 3%, to \$55.2 million compared to \$53.4 million in 2003. This is due to increases in on-street parking, City-owned off-street parking and towing. Specifically, revenues from towing and the impound lot increased \$1.1 million to \$6.7 million in 2004, compared to \$5.6 million recorded in 2003. While off-street and on-street parking registered an additional \$700,000 in revenue, state-owned ramp revenues were capped at 2003 levels. Changes in rates and the number of vehicles towed account for the revenue growth experienced in impound lot revenues, whereas increased use of LaSalle Ramp has contributed to City-owned off-street parking.

Operating revenue budget for 2005 is \$55.6 million and the projection for year-end is currently \$53.8 million, which reflects the impact of agreement with the State regarding State-owned facilities. Revenue for the first quarter decreased by \$1 million, or 7%, to \$13.8 million in 2005 in comparison to \$14.8 million for the first quarter of 2004. This decrease can be attributed to off-street parking, and mainly to State-owned facilities; revenues are now only limited to the City's direct expenditures and overheads. Revenues from on-street parking increased \$200,000 in the first quarter to \$1.6 million from \$1.4 million over the same period in 2004. The increase is the result of new meter management plan such as adjustments to rates, hours, time limits and days of enforcement.

Expenditures

In 2004, operating expenses (without debt service, transfers or capital) increased by \$2.6 million, or 6%, to \$47.1 million, from \$44.5 million of 2003. This increase is mainly due to \$8.6 million payment to the State on the existing balance of excess revenue relating to TAD ramps. To a lesser extent, increase in expenditures was due to the additions of Vineland Place and 11th & Harmon ramps to the City-owned off-street parking system along with continued investment in automation and centralization initiatives of the parking system.

The operating expense budget for 2005 is \$43.9 million and the projection for the year is \$38.9 million. Expenditures for the first quarter decreased by \$725,000, or 10%, to \$6.9 million compared to \$7.6 million for the first quarter of 2004. A decrease in contractual services in off-street parking system is a key factor for the reduction. It is anticipated that continued efforts to automate and centralize operations will reduce expenses in the current and future years. A new agreement with Municipal Parking Inc. has reduced management fees and should result in savings of \$300,000 for the fund. All expenses related to State-owned facilities, including major maintenance, will be fully reimbursed by the State.

Cash Position

The Parking Fund cash balance for year 2004 was negative \$8.8 million. The transfer of TAD revenues to the State in excess of \$16 million over two-year period was a significant factor for this negative balance. The parking system is creating a positive cash flow from its operations, but with transfers and interest payments on debt service, the City-owned facilities have a negative cash flow. Based on current and proposed budgets, operating cash balances are going to continue to decrease, especially cash related to the City system.

Revenues

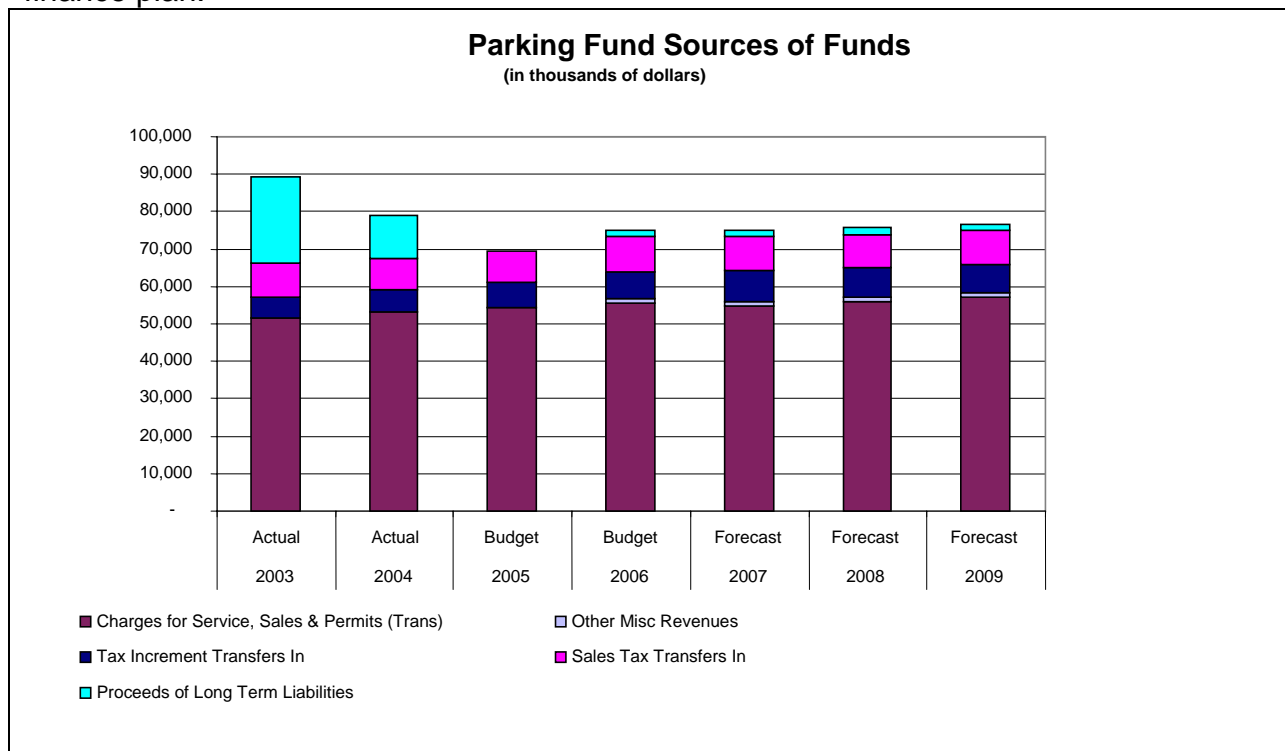
The operating revenue budget for 2006 increased by \$4.4 million to \$60 million compared to \$55.6 million for 2005. \$2 million of this increase is due to workout plan and initiatives resulting in increased revenues from better meter management plan and

collections of unpaid tows and storage fees. To a lesser extent, the increase also stems from reimbursement of allocated expenses relating to TAD garages. Assessment revenue from Vineland ramp amounts to \$1.6 million increase in the operating budget.

Non-operating revenues consist of interest revenue that is generated by investment earnings, which shows up as revenue but is transferred to the General Fund. Special Assessment revenue is received from the County. The assessment payments are made by businesses to reimburse part of the capital expenses for the construction of the Lyn-Lake Lots that helped them meet their minimum parking requirements.

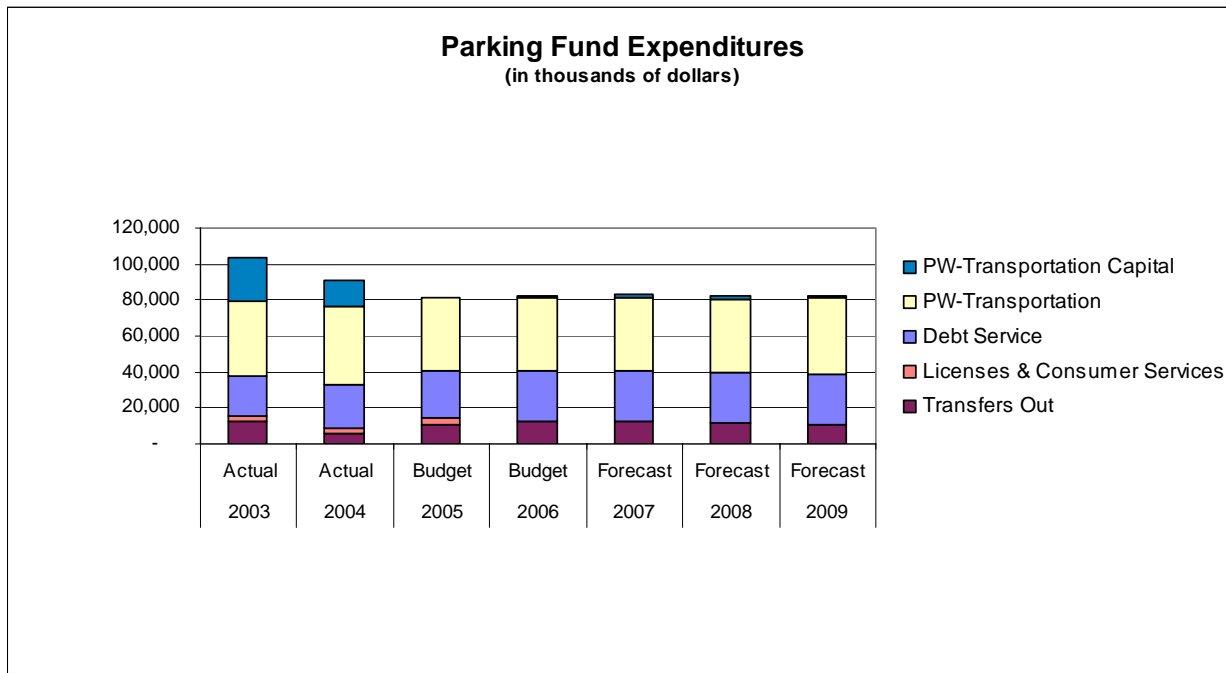
Revenue Assumptions	
Utilization Percentage in 2005	77%
Number of Parking Stalls in the system	21,176 as of 12/31/2005
Forecasted Revenue increase	2007 (2%) 2008 1% 2009 1.2%
Assumed rate increases (if any)	2%
System-wide average event rate	\$8.29
System-wide average daily rate	\$5.64
System wide average monthly rate	\$108.03
Number of new stalls in the system	2007 0 2008 0 2009 0

For assumptions regarding sales tax revenue, please see the Convention Center finance plan.



Expenditures

The 2006 Adopted budget includes operating expenditures for Public Works-Transportation and Licenses & Consumer Services which are decreased by approximately \$4 million, from \$44 million in 2005 to \$40 million in 2006. This decrease is the net effect of increase in operations by \$2 million and decrease in Licenses & Consumer Services by \$2.8 million along with \$3.2 million decrease stemming from workout plan initiatives. The decrease in License & Consumer Services is off-set by an increase in transfer out from Parking Fund to General Fund. The capital budget for 2006 increased to \$1.73 million from \$30,000 in 2005; this increase is for repair and improvements scheduled in 2006 for City-owned parking facilities.



Transfers

The transfer to the General Fund increased to \$10.7 million in 2006 compared to \$8.8 million in 2005. This change reflects the movement of Traffic Enforcement from Licenses & Consumer Services to the Police Department. Transfers to the Target Center Arena Fund increased to \$1.9 million from \$1.8 million as per the revised finance plan approved in 2000. This transfer comes out of net assets generated by City parking revenues. Revenues from State-owned garages are transferred to the State on a daily basis and the past accumulated revenues related to these garages have been transferred to the State in full. The fund, established for bus shelter litter containers, is transferred to Sanitation at \$146,000 a year.

Transfers to parking fund include revenues from sales tax along with revenues from tax increment and abatement. Transfer from sales tax funds increased by \$1.3 million, from \$8.2 million in 2005 to \$9.6 million in 2006. The transfers from tax increment and

abatement are budgeted to increase \$200,000, from \$6.7 million in 2005 to \$6.9 million in 2006. Based on various construction facility finance plans where tax increment and abatement were a revenue source, it is estimated that \$7.98 million will be transferred for debt service from CPED. The following is a breakdown of the \$7.98 million in transfers by facility: \$6,752,321 for LaSalle @ 10th Ramp, \$477,535 for East LRT Ramp, \$650,000 for the Hennepin @ 10th Ramp, and \$100,598 for 10th and Washington Ramp.

Debt Service

The debt service includes principal and interest on bonds issued for construction of municipal parking ramps. As new facilities are added to the system, debt service will continue to grow. Increase in debt service for 2006 is \$2.1 million, from \$26.2 million in 2005 to \$28.3 million. This increase is due to Guthrie and Mill Quarter bonds sold in 2005. A part of the debt service payments is reimbursed from tax increment and sales tax revenues; these reimbursements are the transfers to the Parking Fund from the Convention Center and Tax Increment Funds, which total \$16.5 million for 2006.

Changes in the Adopted Budget

The 2006 Adopted budget includes the transfer of traffic and control system from Licenses and Consumer Services over to the Police Department. To reflect this change, the transfer to the General Fund for 2006 was increased by \$2.8 million to \$10.7 million. The continuation of this arrangement and the movement of funds will be decided and agreed upon at service level between Public Works and the Police Department.

Workout Plan

In 2004, the Parking Fund's financial condition was projected to decline to cash deficit of \$69.2 million by 2010. In response, the City adopted a financial and operational workout plan and initiatives.

**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)**

Municipal Parking Fund - 7500

	2003 Actual	2004 Actual	2005 Current Budget	2005 Projected	2006 Budget	% Chg from 2005 Budget	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:									
Licenses and Permits	192	207	193	193	218	13.0%	221	225	228
State Government	296	83	-	-	-		-	-	-
Charges for Service, Sales & Permits (Trans	51,613	53,264	54,390	52,620	55,575	2.2%	54,917	55,938	56,988
Charges for Sales	1,185	1,575	1,001	1,001	1,301	30.0%	1,321	1,340	1,360
Special Assessments	156	165	133	133	1,763	1230.5%	133	133	133
Interest	1	29	1	1	1		1	1	1
Gains	(1,035)	-	-	-	-		-	-	-
Rents (Transportation)	123	107	3	3	113	3656.2%	114	116	118
Other Misc Revenues	62	61	1	1	1,201	120000.0%	1,219	1,237	1,256
Tax Increment Transfers In	5,342	5,628	6,915	6,915	6,915		8,254	7,907	7,729
Sales Tax Transfers In	9,097	8,365	8,244	8,244	9,565	16.0%	8,856	8,832	8,858
Other Transfers In	-	1,812	-	-	-		-	-	-
<i>Total Transfers In</i>	<i>14,440</i>	<i>15,805</i>	<i>15,159</i>	<i>15,159</i>	<i>16,481</i>	<i>8.7%</i>	<i>14,383</i>	<i>16,633</i>	<i>16,877</i>
Proceeds of Long Term Liabilities	23,082	11,736	-	-	1,700		1,700	1,700	1,700
Total	90,115	83,033	70,881	69,110	78,352	10.5%	76,737	77,428	78,371
Use of Funds:									
Debt Service	22,747	24,690	26,241	26,241	28,333	8.0%	28,417	28,198	28,388
General Fund Transfer Out	10,890	3,400	8,800	8,800	10,618	20.7%	10,050	9,099	8,148
Target Arena Transfer Out	1,470	1,620	1,768	1,768	1,921	8.7%	2,079	2,241	2,408
Debt Service Transfer Out (Mann Areaways)	287	430	252	252	-		-	-	-
Internal Service Funds Transfers Out	76	77	-	-	-		-	-	-
MERF Liability Transfer Out	-	-	94	94	39	-58.8%	39	40	41
Sanitation Transfer Out	146	146	146	146	146		146	146	146
Park Board Transfer Out	-	-	-	-	-		-	-	-
<i>Total Transfers Out</i>	<i>12,869</i>	<i>5,673</i>	<i>11,060</i>	<i>11,060</i>	<i>12,724</i>	<i>-29.5%</i>	<i>12,314</i>	<i>11,526</i>	<i>10,743</i>
PW-Transportation	41,357	43,685	40,946	35,049	39,868	-2.6%	40,466	41,073	41,689
Human Resources	225	228	-	-	-		-	-	-
Finance Department	578	576	-	-	-		-	-	-
Licenses & Consumer Services	2,395	2,575	2,997	2,997	-		-	-	-
PW-Transportation Capital	24,085	14,110	30	30	1,735	100%	1,740	1,735	1,740
Total	104,256	91,537	81,274	75,376	82,659	1.7%	82,937	82,532	82,561
Fund Margin									
TAD (State Owned) Ramps	(5,508)	(6,749)	355	-	-		-	-	-
City Ramps and Lots	(8,633)	(1,755)	(10,748)	(6,266)	(4,308)	-59.9%	(6,200)	(5,104)	(4,190)
(1) Total	(14,141)	(8,505)	(10,393)	(6,266)	(4,308)	-58.6%	(6,200)	(5,104)	(4,190)
Retained Earnings									
TAD (State Owned) Ramps	6,511	1,000	1,355	1,000	1,000	-26.2%	1,000	1,000	1,000
City Parking System	1,591	(12,761)	(17,742)	(13,260)	(9,185)	-48.2%	(5,943)	(1,125)	5,662
Total	8,102	(11,761)	(16,387)	(12,260)	(8,185)	-50.1%	(4,944)	(125)	6,661
Cash Balances									
TAD (State Owned) Ramps	7,015	1,000	1,355	1,000	1,000	-26.2%	1,000	1,000	1,000
City System Construction Cash (2)	16,787	4,591	-	-	-		-	-	-
City System Op Cash	(8,234)	(8,857)	(19,604)	(15,122)	(19,430)	-0.9%	(25,630)	(30,733)	(34,923)
Total	15,569	(3,266)	(18,250)	(14,123)	(18,430)	1.0%	(24,630)	(29,734)	(33,924)

**City of Minneapolis
FY 2006
Financial Plan**

Solid Waste and Recycling Fund

This Solid Waste & Recycling 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 providing service to over 100,000 households.

Funding for solid waste and recycling activities are funded primarily 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 increases in recycling from the past few years. The cash balance for this fund increased from \$10.7 million from the year ending 2003 to \$12.8 million for the year ending 2004.

The Solid Waste fund has been partially updating its fleet on a yearly basis. In 2004, three sanitation trucks, one pickup truck, one roll-off handler, two cart maintenance trucks, two problem material collection trucks and one litter container truck were purchased.

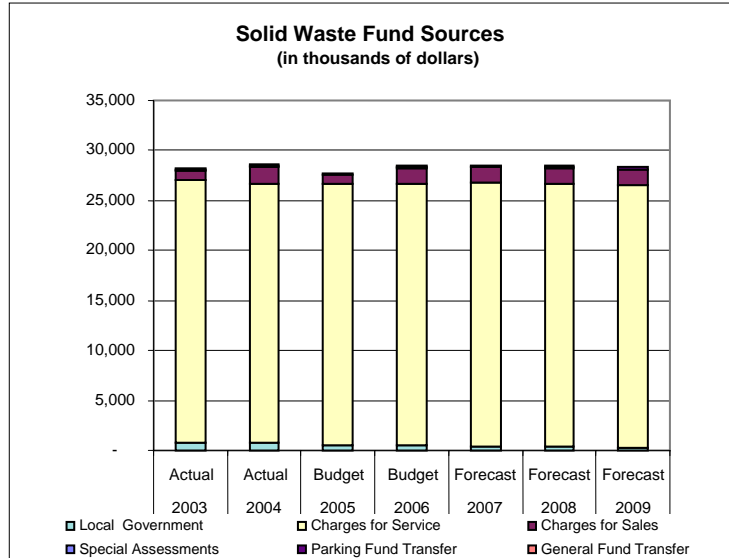
In 2005, year-end revenues from charges for services are projected to be \$26.1 million. Expenses for the Public Works cost center are projected to be as budgeted at \$27.3 million.

2006 Budget

Revenues

There will not be a rate increase for Solid Waste and Recycling in 2006. The monthly rate will remain at \$19.25 per month per dwelling unit. The Fund's revenue is expected to increase \$700,000, as a result of a new recycling contract.

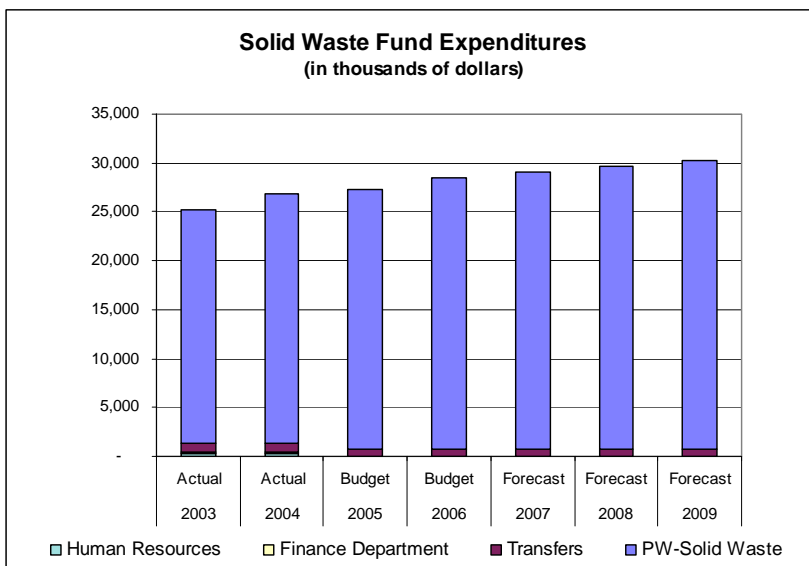
The 2006 Hennepin County Recycling Grant is estimated to remain at its 2005 level of \$544,000. It is anticipated that this amount will decrease by approximately \$100,000 annually in future years.



Revenue Assumptions (2006)	
Number of garbage collection customers	108,000
Number of recycling customers	102,000

Expenditures

Overall operating expenditures are budgeted to increase by 1.4% from \$27.3 million in 2005 to \$28.5 million in 2006. Transfers to Internal Service funds have been replaced with a rate model, which charges the individual costs centers, rather than being financed by a transfer at the fund level.



Transfers

The 2006 budget includes the continuation of a \$700,000 transfer from Solid Waste and Recycling to the General Fund to pay for snow alley plowing, which will ensure delivery of solid waste and recycling services in the alleys; this transfer is projected to remain at \$700,000 in coming years.

A transfer of \$35,000 to the Debt Service Fund for pension obligations related to the Minneapolis Employees Retirement Fund (MERF) is also reflected.

The Solid Waste and Recycling Fund receives a transfer of \$146,000 from the Parking Fund to pay for litter container pick-up (downtown). In 2004, a permanent transfer of \$50,000 was established for graffiti removal.

Debt Service

This fund does not have any capital debt service payments.

City of Minneapolis
 FY 2006 Budget
 Financial Plan (in thousands of dollars)

Solid Waste Fund - 7700

	2003 Actual	2004 Actual	2005 Budget	2005 Projected	2006 Budget	% Chg from 2004	2007 Forecast	2008 Forecast	2009 Forecast
Sources of Funds:									
Local Government	844	828	544	544	544		444	344	244
Charges for Service	26,241	25,892	26,099	26,099	26,298	0.8%	26,298	26,298	26,298
Charges for Sales	943	1,605	900	1,600	1,619	79.9%	1,620	1,620	1,620
Special Assessments	93	73		-					
Operating Transfers In:				-					
From Parking Fund	146	146	146	146	146		146	146	146
From General Fund		50	50	50	50		50	50	50
Total	28,267	28,594	27,739	28,439	28,657	3.3%	28,558	28,458	28,358
Use of Funds:									
PW-Solid Waste	23,940	25,483	26,548	26,548	27,786	4.7%	28,342	28,909	29,487
Transfers				-			-	-	
To General Fund	762	700	700	700	700		700	700	700
To BIS Fund	70	70		-			-		
To Self Insurance Fund	11	11		-			-		
To MERF Fund		103	58	58	35	-39.7%	36	37	37
Finance Department	195	196							
Human Resources	225	228							
Total	25,203	26,791	27,306	27,306	28,521	4.4%	29,078	29,645	30,223
Fund Margin	3,064	1,803	433	1,133	136	-68.5%	(520)	(1,187)	(1,865)
Fund Balance	16,353	18,156	16,786	17,486	17,622	5.0%	17,102	15,915	14,050
Cash Balance	10,675	12,785	13,218	11,808	11,944	-9.6%	11,424	10,237	8,372

**City of Minneapolis
FY 2006 Fund
Financial Plan**

Sanitary Sewer Fund

The Sewer fund which consisted of a combination of Stormwater and Sanitary Sewer was split into two separate funds, Stormwater and Sanitary Sewer, effective for 2005. When the Sewer fund was split it was determined that the majority of the debt service was used to construct infrastructure related to Stormwater. Therefore, all the previous debt service will be allocated to the Stormwater Fund.

The Sanitary Sewer Fund accounts for maintenance of the sanitary sewer system and contractual payments to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services.

Historical Financial Performance

The Sanitary Sewer 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 actual expenses that were less than budgeted.

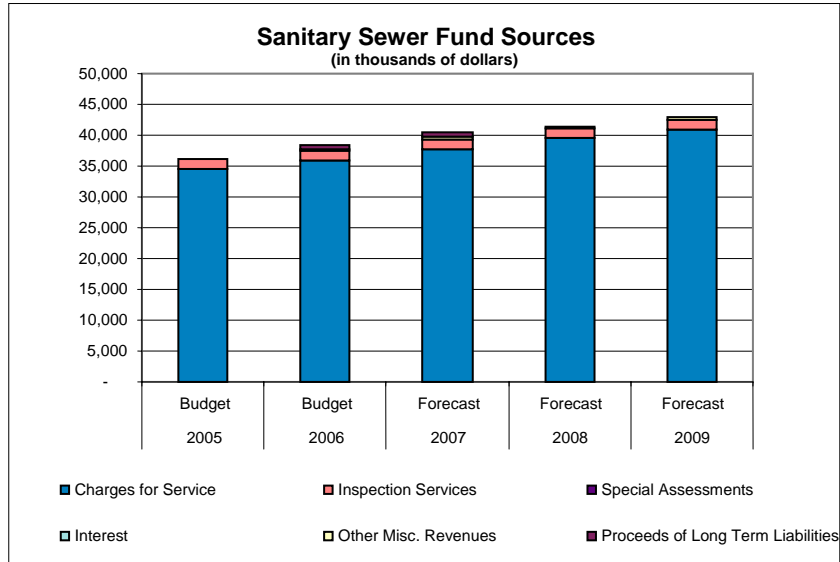
2006 Budget

Revenues

The Sanitary Sewer Fund has a per unit cost of \$2.00 (cost per 100 cubic feet), which will increase to \$2.10 in 2006. The fee will be used to pay for ongoing operating expenses and related capital projects. Services Availability Charges (SAC) are included in the Sanitary Sewer revenues.

Year	Rate (cost per 100 cubic feet)	% Increase	Total Planned Revenue from Utility Fee
2006	2.10	5.0%	\$36.3 Million
2007	2.19	4.3%	\$37.9 Million
2008	2.26	3.2%	\$39.0 Million
2009	2.32	2.7%	\$40.1 Million

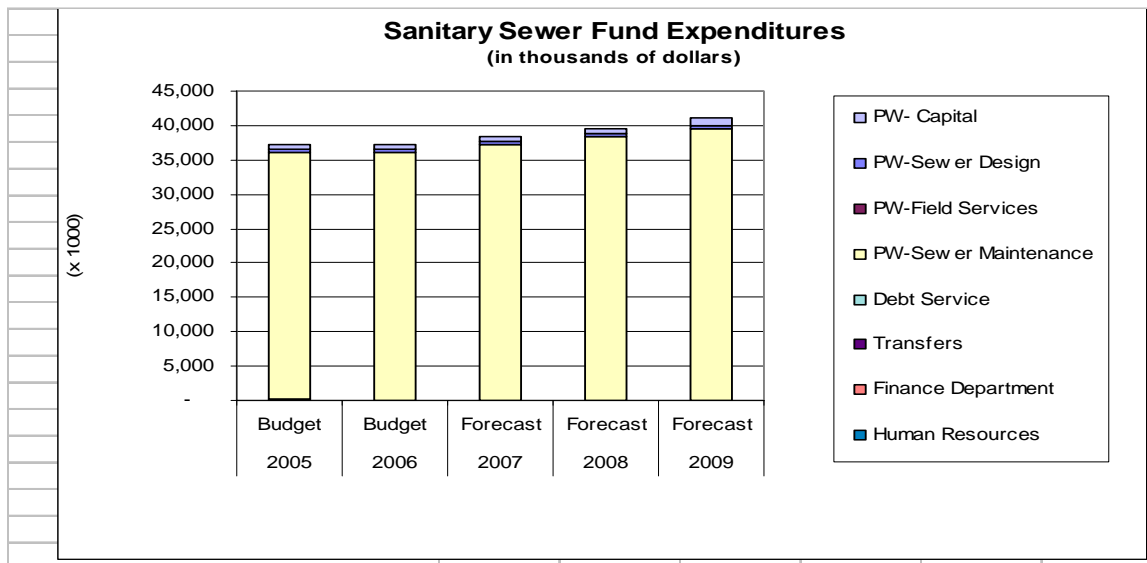
The rate increase percentages are based on the combined Sanitary and Stormwater rates established prior to the split of the sewer fund.



Revenue Usage by Customer	Percent of Total
Usage by residential consumers, City	29%
Usage by commercial consumers, City	35%
Usage by multiple dwelling consumers, City	27%
Usage by governments	8%
Usage by schools/churches	1%
Total usage	100%

Expenditures

The Sanitary Sewer fund accounts for the majority of the Metropolitan Council Environmental Services (MCES) expense which will slightly increase in 2006. It also includes \$5.7 million for maintaining the sanitary sewer system.



**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)**

Sanitary Sewer Fund - 7100

	2005 Budget	2005 Projected	2006 Budget	% Chg from 2005	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:							
Charges for Service	34,556	34,556	35,960	4.1%	37,506	38,706	39,751
Inspection Services	1,500	1,500	1,500		1,500	1,500	1,500
Other Misc Revenues	50	50	364	628.3%	377	390	404
Proceeds of Long Term Liabilities			625		644		
Total	36,106	36,106	38,449	6.5%	40,026	40,596	44,655
Use of Funds:							
PW-Sewer Design	394	394	396	0.5%	408	420	433
PW-Field Services		-			-	-	-
PW-Sewer Maintenance	35,862	35,862	36,200	0.9%	37,286	38,405	39,557
Debt Service	-	-	-	-	-	-	-
Transfers		-			-	-	-
To Debt Service for MERF Liability	203	203	-	-	-	-	-
PW- Capital	683	683	682	0%	683	758	1,058
Total	37,142	37,142	37,278	0.4%	38,377	39,583	41,047
Fund Margin	(1,037)	(1,037)	1,170	-212.9%	1,650	1,013	3,607
Fund Balance	7,210	7,210	8,380	16.2%	10,030	11,043	14,651
Cash Balances							
Operating Cash	7,210	7,210	8,380	16.2%	10,030	11,043	14,651
Construction Cash							
Total Cash Balance	7,210	7,210	8,380	16.2%	10,030	11,043	14,651
 <i>* Historical data is not available due to the fund split in 2005</i>							

**City of Minneapolis
FY 2006 Fund
Financial Plan**

Stormwater Fund

The Sewer fund which consisted of a combination of Stormwater and Sanitary Sewer was split into two separate funds, Stormwater and Sanitary Sewer, effective for 2005.

The Stormwater Fund accounts for a portion of contractual payments to the Metropolitan Council Environmental Services (MCES) for stormwater interceptor and treatment services. This fund also accounts for 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. 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 combined Sanitary and Stormwater Funds have experienced positive net income the last several years. This is due to the combination of rate increases being implemented as planned and unanticipated delays in capital project expenditures. Some delays in capital project expenditures also impact the cash balance, as bonds are sold, but the expenditures are delayed into the next year. These factors have made the cash balance of the fund positive.

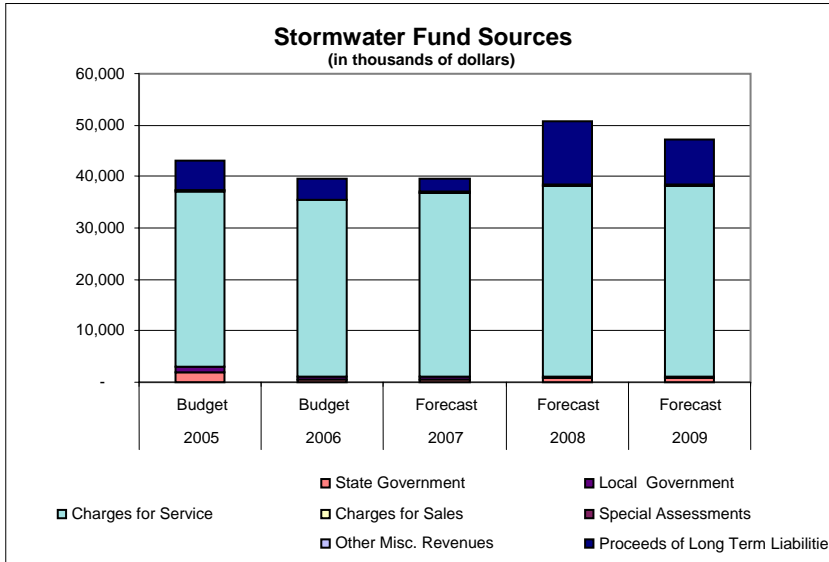
2006 Budget

Revenues

The Stormwater Fund has a rate increase of 45-cents per ESU (Equivalent Stormwater Unit) for 2006. 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.

Year	Rate per ESU (Equivalent Stormwater Unit)	%Increase	Total Planned Revenue from Utility Fee
2006	9.17	5.2%	\$30.5 Million
2007	9.57	4.4%	\$31.9 Million
2008	9.91	3.6%	\$33.0 Million
2009	9.91	0%	\$33.0 Million

The rate increase percentages are based on the combined Sanitary and Stormwater rates established prior to the split of the sewer fund.

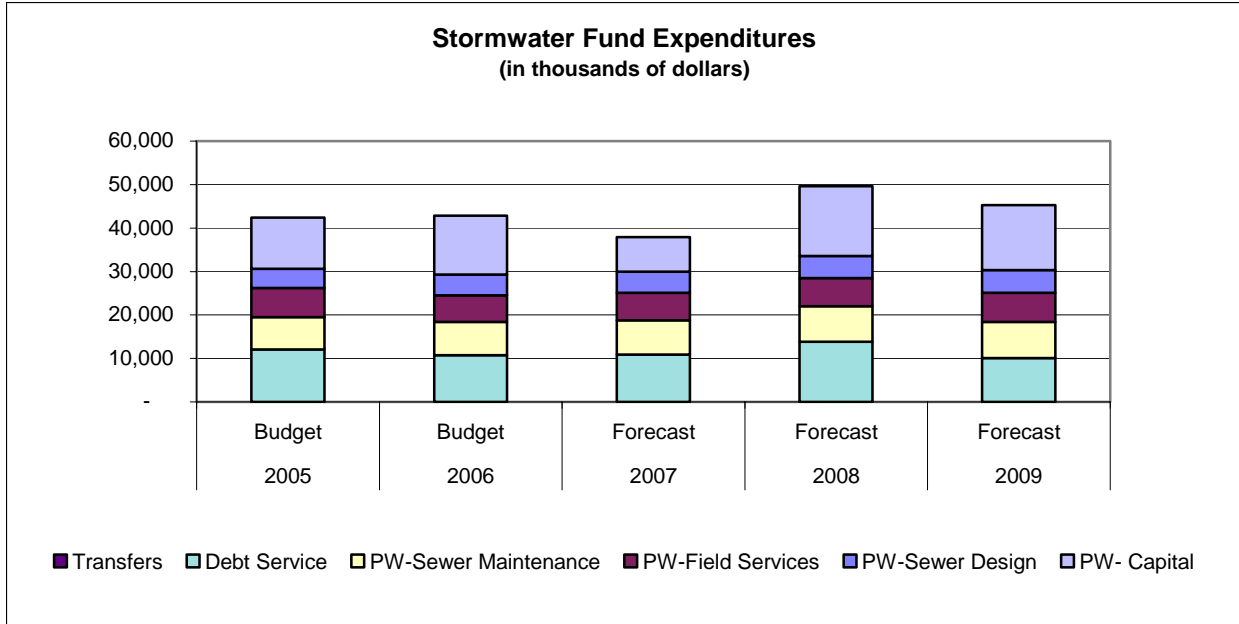


Note: Total revenue from charges for services in the financial plan exceeds the amount generated by the utility fee because revenue is also deposited in the Stormwater Fund from sources other than utility fees, such as Capital work for others billings.

Total Active Sewer Property Types	
Property Type	Count
Residential	76,346
Commercial	5,333
Government	1,032
Schools/Churches	334
Multiple Dwelling	14,961
Total	98,006

Expenditures

For 2006, the capital expenditures will increase as more sewer designs are ready for construction. The Stormwater Fund expenditures include \$6.1 million for street cleaning and \$7.6 million for sewer maintenance, which includes \$1.8 million for a Metropolitan Council Environmental Services (MCES) payment.



CSO (Combined Sewer Overflow)

In 2001, a study was done by the City of Minneapolis and Metropolitan Council, which indicated that there were as many as 5,000 buildings and properties with rainwater connection to the sanitary system. To resolve this issue, both parties needed to identify these properties and work on an alternative for rainwater connection. Once this task was completed, the department of Public Works was required to hire additional staff to redesign and reconstruct the stormwater drainage system. The project started in 2004 and is estimated to take three to five years to complete. The estimated cost for 2006 is approximately \$2 million.

Transfers

A total transfer of \$148,000 for the unfunded portion of the MERF pension liability is budgeted in 2006.

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 2006 Budget
Financial Plan (in thousands of dollars)**

Stormwater Sewer Fund - 7300

	2005 Budget	2005 Projected	2006 Budget	% Chg from 2005	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:							
Federal Government			644	-65.0%	663	683	704
State Government	1,840	1,840	320	-72.6%	330	340	350
Local Government	1,167	1,167	34,388	0.6%	35,781	36,976	37,027
Charges for Service	34,181	31,681	1		1	1	1
Charges for Sales	1	1	115		118	122	126
Special Assessments	115	115	-		-	-	-
Interest			3	-70.0%	3	3	3
Other Misc Revenues	10	400	4,072	-30.6%	2,500	12,438	8,938
Proceeds of Long Term Liabilities	5,870	5,870					
Total	43,184	41,074	39,544	-8.4%	39,397	50,563	47,149
Use of Funds:							
PW-Sewer Design	4,452	4,452	4,741	6.5%	4,883	5,030	5,181
PW-Field Services	6,681	6,681	6,148	-8.0%	6,332	6,522	6,718
PW-Sewer Maintenance	7,451	5,451	7,706	3.4%	7,937	8,176	8,421
Debt Service	12,047	12,047	10,741	-10.8%	10,138	13,467	9,227
Transfers	139	139	148	6.5%	152	157	162
PW- Capital	11,785	11,785	9,260	-21.4%	8,553	17,060	15,866
Total	42,555	40,555	38,744	-9.0%	37,996	50,412	45,574
Fund Margin	629	519	800	27.1%	1,400	151	1,574
Fund Balance	6,599	6,489	7,289	10.4%	8,689	8,841	10,415
Cash Balances							
Operating Cash	6,599	6,489	7,289	10.5%	8,689	8,841	10,415
Construction Cash							
Total Cash Balance	6,599	6,489	7,289	10.5%	8,689	8,841	10,415

* Historical data is not available due to the fund split in 2005

**City of Minneapolis
FY 2006 Budget
Financial Plan**

Water Fund

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

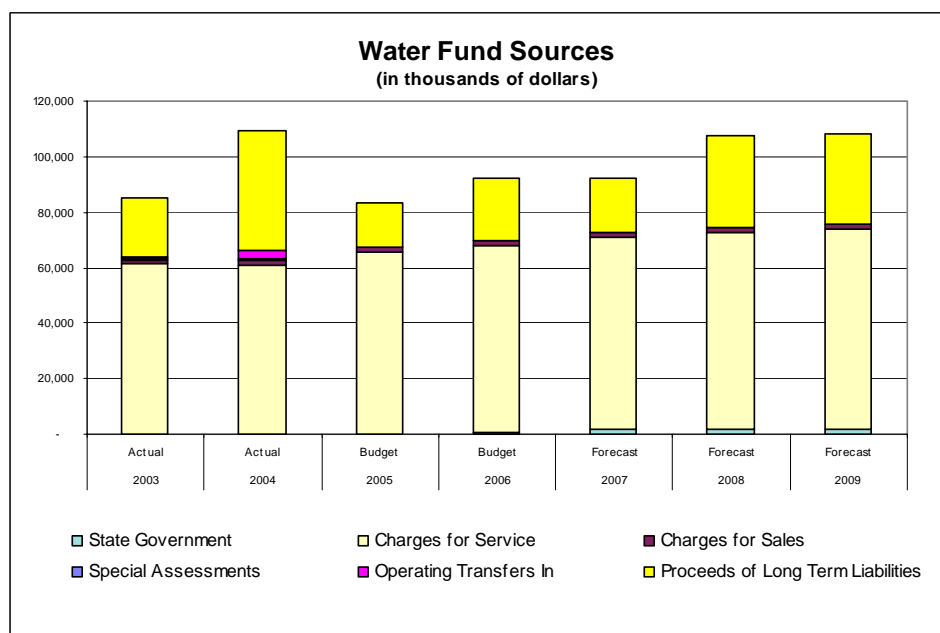
Historical Financial Performance

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. The following table shows the revenue earned from Minneapolis and suburban sales for years 2001-2005.

Source of Revenue	2001	2002	2003	2004	2005 Projected
Bloomington	3,295,000	2,782,000	2,542,000	2,547,000	3,100,000
Columbia Heights	826,000	842,000	1,191,000	999,000	866,000
Edina	128,000	145,000	236,000	213,000	222,000
Joint Water Commission	3,466,000	5,102,000	6,832,000	6,522,000	5,265,000
Hilltop	85,000	83,000	96,000	93,000	109,000
Total Suburban	7,800,000	8,954,000	10,987,000	10,374,000	9,562,000
Minneapolis	38,682,000	41,488,000	45,706,000	46,339,000	50,833,000
Total Revenue	46,482,000	50,442,000	56,693,000	56,713,000	60,395,000

2006 Budget

Revenues



The projected rate increases for years 2006-2010 are to pay debt service for the capital expenditures, as well as to cover anticipated growth in operating expenditures. Rate increases may not result in increased revenue due to variable water consumption.

Charges for Service by Customer Usage Based on 2004 Consumption	Percent of Total
Usage by residential consumers, City	22.1%
Usage by commercial consumers, City	24.8%
Usage by multiple dwelling consumers, City	18.7%
Other usage, City	13.8%
Usage by outside municipalities	20.0%
Other usage, outside City	0.6%
Total usage	100.0%

Water Utility Rates

The budget includes a rate increase for water from \$2.50/unit to \$2.62/unit. The rate increase will provide funding for the ultra-filtration program, completion of the SCADA system and water distribution improvements.

Year	Rate (cost per 100 cubic feet) City of Minneapolis	Cost Per Month for Average Consumer ¹	% Increase	Total Planned Revenue from Utility Fee
2006	2.62	20.96	4.8%	\$63.4 Million
2007	2.67	21.36	1.9%	\$64.6 Million
2008	2.75	22.00	3.0%	\$66.6 Million
2009	2.80	22.40	1.8%	\$67.9 Million
2010	2.90	23.20	3.6%	\$70.3 Million

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

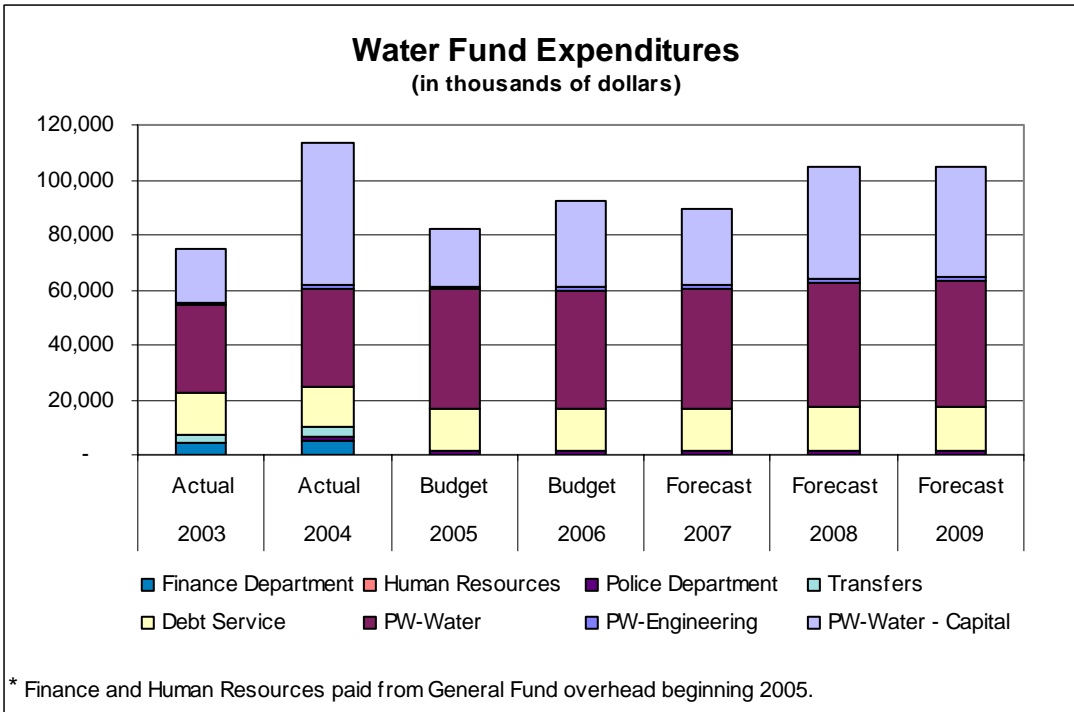
Note: Total revenue from charges for services in the financial plan exceeds the amount generated by the utility fee because revenue is also deposited in the Water Fund from sources other than utility fees, such as Capital work for others billings.

The following table shows the projected revenue earned from suburban utility sales.

Year	Combined Average Rate	% Increase	Total Revenue Earned from Utility Fee - Suburbs
2006	2.13	4.9%	\$10.1 Million
2007	2.17	1.9%	\$10.3 Million
2008	2.24	3.2%	\$10.7 million
2009	2.28	1.8%	\$10.9 Million
2010	2.36	3.5%	\$11.3 Million

Expenditures

The budget provides funding for the capital infrastructure improvement program by increasing it by approximately 50% from \$20.9 million in 2005 to \$31.3 million in 2006. The total budget for security in 2006 is \$1.3 million.



Transfers to Other Funds

The Water Fund incurs a transfer expense related to its share of the Minneapolis Employee Retirement Fund (MERF) pension obligations. The \$0.3 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 and notes sold to finance the Water-Works Capital Construction program.

**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)**

Water Fund - 7400

	2003 Actual	2004 Actual	2005 Budget	2005 Projected	2006 Budget	% Chg from 2005	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:									
Property Taxes									
Licenses and Permits	1	1	1	1	1		1	1	1
Federal Government	154	64	-	-	-				
State Government					750		1,750	1,500	1,500
Charges for Service	61,733	60,962	65,672	65,672	67,472	3%	69,101	71,126	72,491
Charges for Sales	679	1,617	1,780	1,780	1,780		1,833	1,888	1,945
Special Assessments	1,031	747	-	-	-				
Interest	2	3	-	-	-				
Rents	-	-	1	1	1		1	1	1
Other Misc Revenues	39	-	19	19	19		20	20	21
Operating Transfers In	615	3,022	-	-	-				
Proceeds of Long Term Liabilities	20,923	42,861	16,000	16,000	22,250	39%	19,250	33,200	32,250
Total	85,177	109,277	83,473	83,473	92,273	10.5%	91,956	107,736	108,209
Use of Funds:									
PW-Engineering	726	794	1,096	1,096	1,128	2.9%	1,151	1,174	1,197
PW-Water	32,508	35,890	43,273	43,273	43,259	0.0%	44,124	45,007	45,907
Debt Service	15,186	14,652	15,014	15,014	12,763	-15.0%	14,994	15,985	16,072
Transfers									
To General Fund	63	-	-	-	-		-	-	-
To Capital Improvement Fund	-	80	-	-	-		-	-	-
To Debt Service for MERF Liability	-	988	584	584	275	-52.9%	283	289	295
To BIS Fund	2,429	2,526	-	-	-		-	-	-
To Self Insurance Fund	26	26	-	-	-		-	-	-
Police Department	-	1,138	1,150	1,150	1,270	10.4%	1,295	1,321	1,348
Human Resources	225	228	-	-	-		-	-	-
Finance Department	4,332	5,168	-	-	-		-	-	-
PW-Water - Capital	19,524	52,123	20,891	20,891	31,250	49.6%	27,650	41,100	40,150
Total	75,019	113,613	82,008	82,008	89,945	9.7%	89,497	104,875	104,968
Water Works Fund Margin	10,159	-4,336	1,465	1,465	2,328	58.9%	2,459	2,861	3,241
Water Fund Balance	125,364	130,153	131,618	131,618	133,946	1.8%	136,405	139,265	142,506
Cash Balances									
Operating Cash	9,502	6,786	8,251	8,251	10,579	28.2%	13,038	15,898	19,139
Construction Cash	4,971	2,122	-	-	-		-	-	-
Total Cash Balance	14,473	8,908	8,251	8,251	10,579	28.2%	13,038	15,898	19,139

Note: 2004 Operating Cash is 2004 CAFR cash balance of \$1,980,486 + \$4,805,961 of capital draw down done January 2005

**City of Minneapolis
FY 2006
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

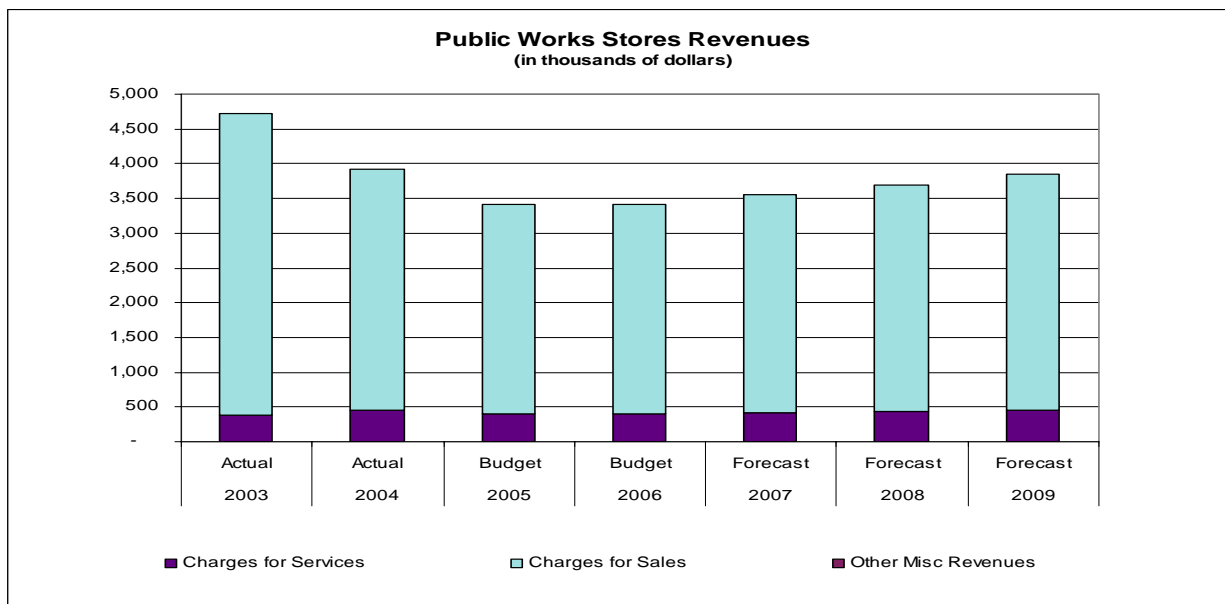
Public Works has operated Central Stores since it was established by the City Council in January 1965. At that time the stockrooms of Property Services, Bridge Maintenance, Paving Construction, and Sewer Construction and Maintenance were combined to establish a Central Stores operation. In 1980 it was 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 2003. Projections for 2005 and 2006 also indicate a profit.

2006 Budget

Revenues

Revenues are expected to be sufficient in 2006 to cover expenses. Pricing structure is being looked at in order to lower overhead rates that were needed to create a positive cash flow for a fund that has needed to borrow at year end. In 2004, the fund needed \$667,000 to cover its cash shortages. Unless inventories can be reduced this fund will continue to need to borrow in order to maintain a positive cash



position with its modest projected profits.

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. The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Transfers

There are no transfers in this fund.

Debt Service

This fund does not have long-term debt.

**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)**

Public Works Stores Fund 6300

	2003 Actual	2004 Actual	2005 Current Budget	2005 Projected	2006 Budget	% Chg from 2005 Budget	2007 Forecast	2008 Forecast	2009 Forecast
Source of Fund:									
Charges for Services	387	448	400	510	400		416	433	450
Charges for Sales	4,328	3,472	3,023	4,345	3,023	0.0%	3,143	3,269	3,400
Other Misc Revenues			-		-		-	-	-
Total	4,715	3,920	3,423	4,855	3,423	0.0%	3,559	3,702	3,850
Use of Funds:									
Personal Services	555	627	576	576	593	3.0%	617	641	667
Contractual Services	85	34	128	128	267	108.6%	278	289	300
Materials and other	204	201	2,643	2,843	2,471	-6.5%	2,570	2,673	2,780
Rent	63	62	59	59	70	18.9%	73	76	79
Cost of Stores Issuance	3,497	2,848							
Interest			-		-			-	-
Transfers	14	14	-	-	-		-	-	-
Total	4,418	3,786	3,406	3,606	3,401	-0.1%	3,537	3,679	3,826
Change in Cash	297	(3)	17		21	25.7%	22	23	24
Cash Balance	(155)	(667)	(650)		(629)	-3.3%	22	45	69
Fund Margin	280	134	17		38	125.7%	22	23	24
Fund Balance	2,481	2,615	2,632		2,670	1.5%	22	45	69

Note: At year end Funds with negative cash balance will be advance cash from other funds. The cash reflected here does not reflect any cash advanced.

**City of Minneapolis
Engineering Materials and Testing
Fund 6000**

Background

This Fund accounts for the City purchases of Hot-Mix Asphalt and Ready-Mix Concrete to ensure quality control for their placement and assure compliance with State and Federal standards and specifications. The Engineering Laboratory is a component of this Fund by providing Inspection and Testing services along with maintaining a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services.

Historical Financial Information

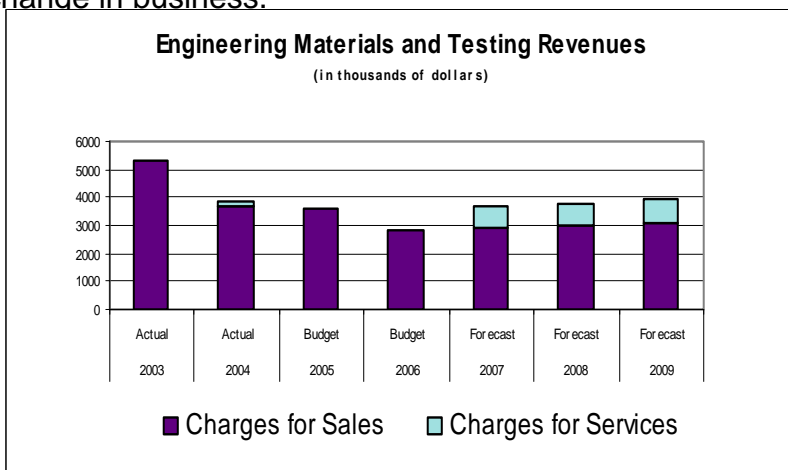
The revenue sources for this Fund include the procurement of Hot-Mix Asphalt and Ready-Mix Concrete materials along with Inspection and Testing services by the Engineering Laboratory.

In 2003, the decision to delay the closing of the asphalt plant due to a positive outlook on paving projects and the usage of bituminous resulted in operating income for the fund of \$78,000. The decision to suspend operations at the Asphalt Plant at the end of 2003 resulted in a \$777,000 loss with the disposal of this asset. Net asset position decreased to \$780,000 in 2003 from \$1,489,000 in 2002. In 2004, net assets were reduced again by \$180,000.

2006 Budget

Revenues

This fund now generates revenue from Engineering Services at the lab and the purchasing of concrete and asphalt from outside vendors. Product types and quantities will be identified for customer departments. This fund will continue to lose money in 2005 and thereafter until expenses recover the costs associated with operations and reflect the change in business.



Expenditures

The expenditures are based on Engineering Laboratory personnel and the anticipated cost of Asphalt and Ready-Mix Concrete. The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Transfers

The 2006 budget includes a transfer out of \$22,000 for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)**

Engineering, Materials and Testing - 6000

	2003 Actual	2004 Actual	2005 Current Budget	2005 Projected	2006 Budget	% Chg from 2005 Budget	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:									
Charges for Services					800				
Charges for Sales	5,352	3,681	3,600	4,085	2,850	-20.8%	2,890	3,005	3,126
Other Misc Revenues		199	-		-		-	-	-
Total	5,352	3,880	3,600	4,085	3,650	1.4%	2,890	3,005	3,126
Use of Funds:									
Personal Services	1,138	846	1,122	787	1,052	-6.2%	1,094	1,138	1,183
Contractual Services	602	299	615		385	-37.4%	400	416	433
Materials and other	3,296	2,793	2,713	1,704	2,784	2.6%	2,916	3,033	3,180
Rent	137	98	140	41	40	-71.4%	42	43	45
Interest								-	-
Transfers	10	10	10	61	22	126.8%	10	10	10
Total	5,183	4,046	4,599	2,593	4,283	-6.9%	4,462	4,640	4,852
Change in Cash	299	(302)	(999)		(633)		(1,572)	(1,635)	(1,726)
Cash Balance	935	633	(366)		(999)		(1,572)	(3,206)	(4,932)
Fund Margin	(709)	(180)	(999)		(633)		(1,572)	(1,635)	(1,726)
Fund Balance	780	600	(399)		(1,032)		(1,572)	(3,206)	(4,932)

**City of Minneapolis
FY 2006 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 BIS 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 through 2004. The Five year directive effective in 2005 has altered these increases through 2009.

5. All City Funds must provide Pay-As-You-Go Funding for Business Information Systems (BIS).

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 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 is used to allocate costs to departments.

Historical Financial Performance

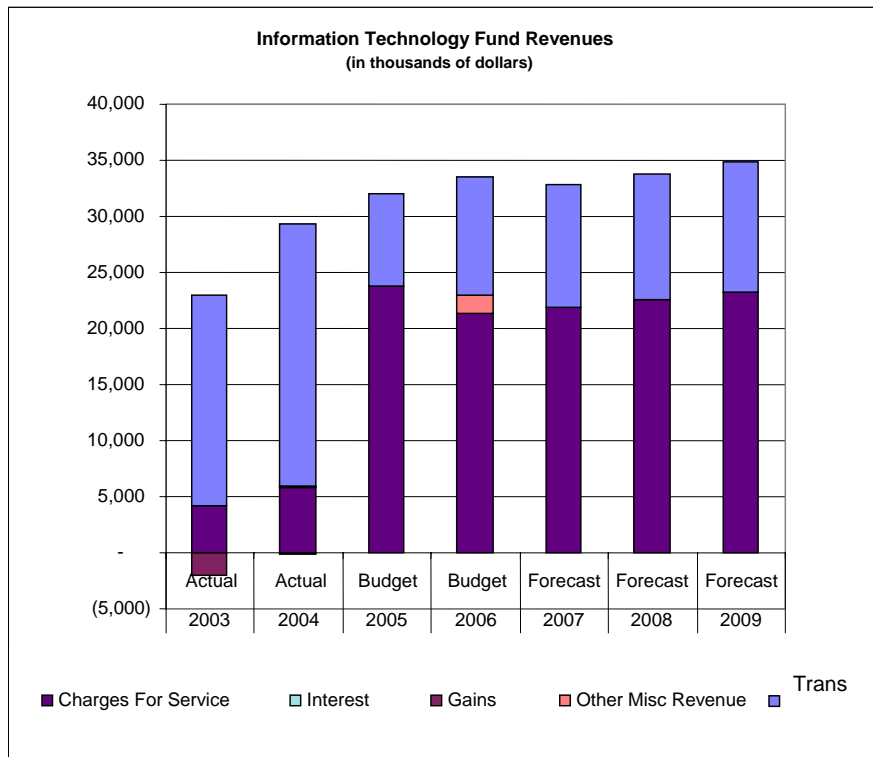
Net assets were affected by the re-alignment of fixed assets and its related debt to the Intergovernmental Services Fund. This change in accounting caused a one-time adjustment to the fund's net assets of a negative \$21.7 million. Although this negative adjustment causes fund assets now to have a balance 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. At the end of 2004 the cash

balance was \$200,000 better than the workout plan and Net Assets close to \$100,000 better than plan. The projection through 2006 expects the fund to continue to track slightly better than the plan.

2006 Budget

Revenues

To fund the cost of providing information technology services, the workout plan required an additional \$1.0 million in 2001 and \$1.2 million annually from 2002-2008 of increased revenue from the General Fund.



Charges for service were increased to reflect the additional revenue that BIS has been generating by providing services and then direct charging city departments for the services they received above and beyond the normal service level provided.

Rate Model Implications

BIS is using an Activity-Based Costing “Rate Model” to recover its operating costs for 2006. The rate model and the revenue generated from it changes how revenue is budgeted within the fund and how customer expenses are budgeted within theirs. Formerly, BIS received its revenue through non-operating “Transfers” or subsidies primarily from the General Fund and the Enterprise Funds. With the advent of the Rate Model, revenues in BIS are budgeted as “Charges for Service” rather than “Transfers In”. Conversely, customer expenses are budgeted as “Contractual Services” rather

than “Transfers Out”. This change will show as increases to department operating budgets.

The rate model has four components on the customer expense side: BIS operating, telephony, data connectivity, and telephone charges. Revenues generated through the rate model will recover:

- a) BIS operating costs at a level that conforms to the Council adopted workout plan
- b) Projected operating increases related to the purchase of a new phone system
- c) Debt service resulting from phone system purchase
- d) Expenses related to Constituent Relationship Management (CRM) software.

Revenue Assumptions (2006)	
Number of PC's	2,427
Number of telephones	3,371

Expenses

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. This has caused an increase in depreciation expense.

A major cost not reflected in the workout plan for this fund is \$8 million in annual depreciation expenses. This expense will continue to cause losses to the fund that are currently not charged to customers through the rate model. As a result, BIS financial position will continue to decline and system replacement will pose future challenges as supplemental capital appropriations will be needed.

The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Transfers

The rate model for Business Information Services has been finalized and Internal City customer departments will find a charge to their areas versus a transfer as in previous years. The remaining amount in transfers in (revenue) relates to a transfer from the General Fund to subsidize BIS debt service payments. BIS also has a transfer out (expense) in support of the debt service for the unfunded pension liability.

Debt Service

The remaining variable rate debt of \$16.1 million was retired in 2001 with the \$22.8 million of fixed rate debt that was issued in December of 2000. The final pay-off year was extended from 2005 to 2012 with no principal being paid until 2009. This coupled with the payoff by 2006 of debt issued prior to December of 2000 reduces debt service needed in 2007 and 2008. 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
FY 2006 Budget
Financial Plan (in thousands of dollars)
Intergovernmental Services Fund - 6400

	2003	2004	2005	2005	2006	% Chg	2007	2008	2009
	Actual	Actual	Current Budget	Projected	Adopted Budget	from 2005 Budget	Forecast	Forecast	Forecast
Revenue									
Charges For Service	4,167	5,840	23,786	22,597	21,295	-10.5%	21,934	22,592	23,270
Interest	-	1	-	-	-		-	-	-
Gains	(2,027)	(152)	-	-	-		-	-	-
Other Miscellaneous Revenue	83	78	-	-	1,635		-	-	-
Operating Transfers In	18,666	23,398	8,266	8,266	10,523	27.3%	10,866	11,192	11,528
Total	20,889	29,165	32,052	30,863	33,453	4.4%	32,800	33,784	34,797
Expenses									
Transfers	51	185	174	174	57	-67.2%	59	60	62
Debt Service	2,215	2,129	8,781	8,781	10,316	17.5%	3,149	1,974	8,209
City Clerk	977	1,163	1,111	788	799	-28.1%	823	848	873
Human Resources	128	174	192	190	195	1.6%	201	207	213
Finance Department	188	191	-	-	-		-	-	-
Information & Tech Services	24,140	23,016	20,194	20,194	23,941	18.6%	24,659	25,399	26,161
Total	27,699	26,858	30,452	30,127	35,309	15.9%	28,891	28,488	35,518
Intergovernmental Services Fund Margin	(6,810)	2,307	1,600	736	(1,856)		3,909	5,296	(721)
Intergovernmental Services Fund Balance	(39,794)	(37,487)	(35,887)	(36,751)	(38,607)		(34,698)	(29,402)	(30,123)
Intergovernmental Services Cash Balance	(17,418)	(15,060)	(13,460)	(14,324)	(16,180)		(12,271)	(6,975)	(7,696)

**City of Minneapolis
FY 2006
Financial Plan**

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, as well as 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 \$75.2 million.

The Equipment Fund rents vehicles and other equipment to 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 financial workout plan for the fund, which has raised the fund's revenues sufficiently to cover the full cost of operations. As a result of the workout plan, the Fund has sufficient revenue to match its expenses.

Cash and Net Assets Balances

Under the current workout plan, fleet purchases were financed with bonds through 2005. This strategy, together with other measures in the workout plan, has caused the cash position in the fund to improve. Upgrading the fleet has reduced the average age of the fleet, thereby reducing maintenance costs.

2006 Budget

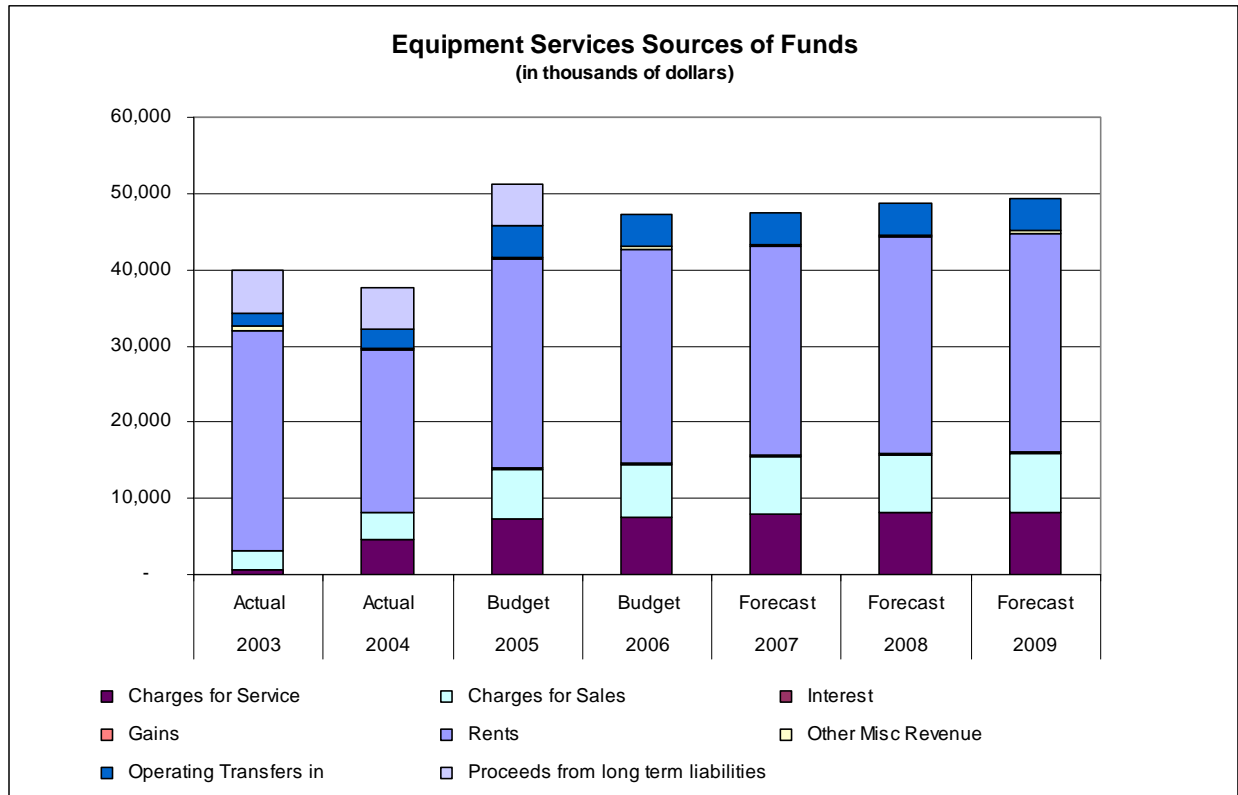
Change in Accounting Practices

Starting in 2005, expenditures and revenues in the Equipment Services Division budget, were increased due to intra-fund charges. These charges are applied between organizations within the fund for services and sales. Since the expenditures and revenues match, this will not have an impact on fund level performance. This change

increases the expenses and revenues evenly and allows the managers to manage segments of this fund more effectively.

Revenue

Starting in 2004, the equipment division began using an activity-based costing approach to bill internal customers. This has resulted in the establishment of a fleet rental rate that covers the replacement cost of the vehicles after the useful life; maintenance, repairs and fuel costs are accounted for separately. All of these charges are billed at a rate that allows the Equipment Division’s revenue to match expenses.



Revenue Assumptions (2006)	
Number of vehicles serviced	1200
Number of vehicles purchased	75

Expenditures

Overall expenditures in 2006 are anticipated to increase by \$1.6 million from the 2005 adopted budget; this is primarily due to an increase in debt service of \$1.3 million and an increase to capital expenses of \$600,000. Operating expenditures are expected to decrease slightly in 2006.

Transfers to Other Funds

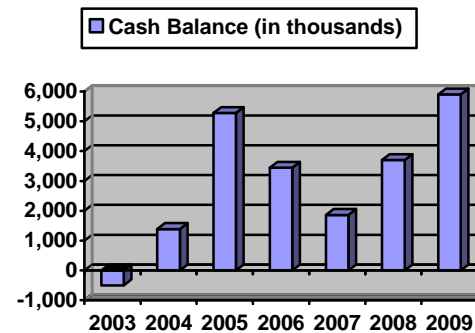
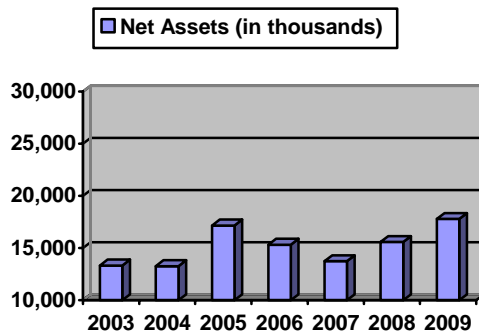
The 2006 budget includes a transfer out of \$131,000 for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

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 \$7.7 million will be due on these bonds in 2006.

Fund Balance

Part of the workout plan is to increase the fund balance of Net Assets and cash. The following charts illustrate the historical and projected performance of the Fund:



**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousand of dollars)**

Equipment - 6100

	2003 Actual	2004 Actual	2005 Current Budget	2005 Projected	2006 Budget	% Change From 2005 Budget	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:									
Charges for Service	602	4,686	7,390	5,435	7,500	1%	8,000	8,100	8,200
Charges for Sales	2,537	3,516	6,434	6,467	6,934	8%	7,400	7,500	7,600
Interest	1	0	0	1	1	0%	1	1	1
Gains	12	4	200	90	200	0%	200	200	200
Rents	28,772	21,265	27,267	21,638	28,067	3%	27,450	28,500	28,800
Other Misc Revenue	589	188	310	314	310	0%	315	315	315
Operating Transfers in	1,819	2,543	4,180	4,180	4,180	0%	4,180	4,180	4,180
Proceeds from long term liabilities	5,596	5,450	5,540	5,540	0	-100%	0	0	0
Total	39,928	37,652	51,321	43,665	47,192	-8%	47,546	48,796	49,296
Use of Funds:									
Debt Service	1,629	5,034	6,348	6,348	7,690	21%	7,435	3,987	3,598
Transfers	61	335	263	263	131	-50%	135	140	145
PW Equipment	30,557	27,145	35,274	27,264	35,074	-1%	35,180	35,490	35,800
Finance	482	573	0	0	0	0%	0	0	0
PW Equipment Capital	5,596	10,010	5,540	5,540	6,140	11%	6,240	7,200	7,400
Total	38,325	43,097	47,425	39,415	49,035	3%	48,990	46,817	46,943
Fund Margin	1,603	(5,445)	3,896		(1,843)		(1,444)	1,979	2,353
Fund Balance	13,325	7,880	11,776		9,933		8,489	10,468	12,821
Cash Balance	(502)	1,389	5,285		3,442		1,998	3,977	6,330

The cash balance listed is operating cash, excluding bond funds available, and capital appropriations.

**City of Minneapolis
FY 2006
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. In 2004 Property Services 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. In 2005, Property Services added CPED Maintenance.

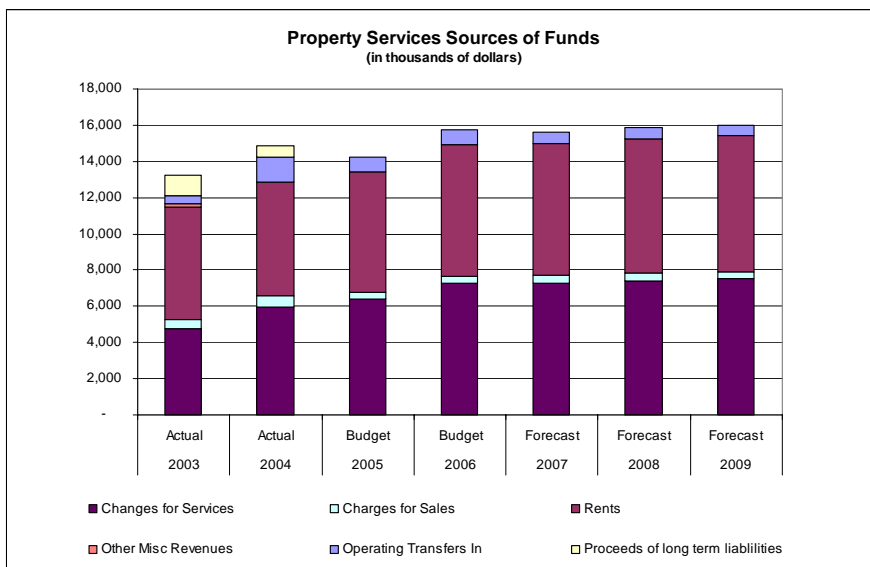
Historical Financial Performance

The proposed building rental rates are based on a three-year actual expenditure average. In 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 to city departments have been allowed to increase annually in order to fully fund the direct and indirect costs in the Property Services Fund. The fund currently has a negative cash balance of \$600,000. Revenues are expected to be slightly higher than expenditures in 2006.

2006 Budget

Revenues

The increase in revenues from 2005 to 2006 is related to maintenance of CPED owned properties.



Revenue Assumptions (2006)	
<i>Total Number of Buildings</i>	120
<i>Number of Buildings in Downtown</i>	3
<i>Number of Buildings in the rest of the city</i>	117
<i>Number of Lease Arrangements managed</i>	1
<i>Number of Radios</i>	3000

Expenditures

The increase in expenditures from 2005 to 2006 is related to CPED Maintenance.

Transfers to/from Other Funds

The 2006 budget includes \$31,089 of transfers out to other funds to cover the cost of debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

There is also a debt service transfer in for \$688,563 to cover the General Fund's portion of the debt service related to the 800MHz emergency communications project. The Property Services fund is responsible for \$350,000 a year in debt service for the project, with the remainder transferred in from the General Fund.

Capital Project and Debt Service

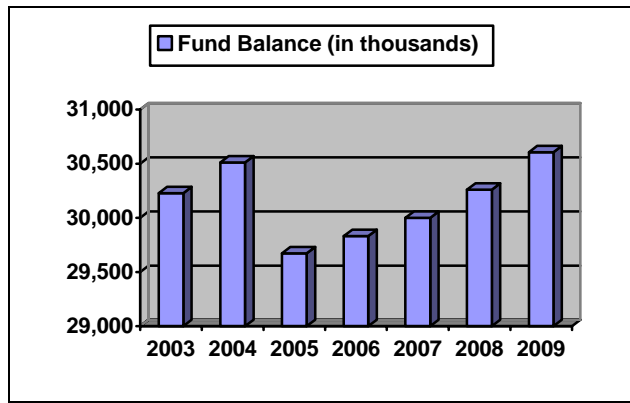
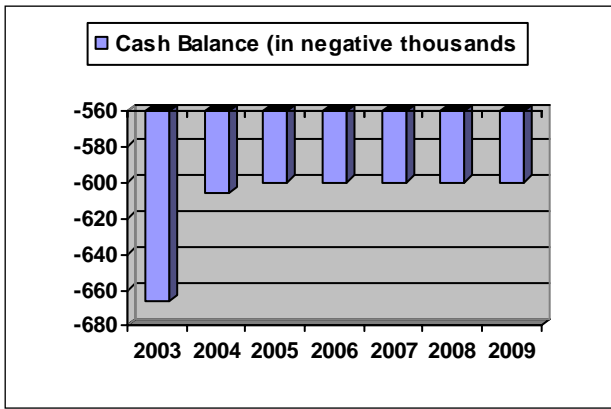
The Radio Shop, a division of the Property Services, has management responsibility for the \$14 million 800 MHz Radio System. The Property Services Fund recognizes the fixed assets, along with the debt related to this project. The Radio Shop is funding a portion of the City's Public Safety Initiative through a contribution of \$350,000 a year.

The Debt Service for 800 MHz radio system is now funded as follows:

\$688,563	Transfer from the General Fund
\$350,000	Property services portion of debt
\$ 1,038,563	Total Debt Service (Year 2006)

Fund Balance

The Property Services Fund had a positive net asset balance of \$30 Million in 2005. However, this fund does not recover the depreciation of the buildings that are assets in the fund. Therefore, the fund balance will continue to decrease every year, even though the fund is breaking even in terms of cash. This trend will result in the fund maintaining a negative cash balance of approximately \$600,000.



**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousand of dollars)**

Property Services Fund - 6200

	2003 Actual	2004 Actual	2005 Current Budget	2005 Projected	2006 Budget	% Chg From 2005 Budget	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:									
Changes for Services	4,777	5,941	6,381	7,924	7,248	14%	7,300	7,400	7,500
Charges for Sales	511	617	385	555	400	4%	410	420	430
Rents	6,214	6,269	6,648	6,507	7,256	9%	7,300	7,400	7,500
Other Misc Revenues	184	12	2	237	3	50%	4	5	6
Operating Transfers In	389	1,416	812	812	844	4%	612	638	547
Proceeds of long term liabilities	1,166	581	0	0		0%	0	0	0
Total	13,241	14,836	14,228	16,035	15,751	11%	15,626	15,863	15,983
Use of Funds:									
Property Services Administration	201	186	566	484	775	37%	780	790	800
Radio Equipment	1,661	1,643	2,283	1,780	2,350	3%	2,350	2,360	2,370
Municipal Market	59	25	31	18	32	3%	33	34	35
Facilities Management	9,604	10,923	11,053	12,258	11,361	3%	11,300	11,400	11,500
Capital Expenditure	1,166	581	0	0	0	0%	0	0	0
Project Management	229	0	0	0	0	0%	0	0	0
Debt Service	502	1,162	1,049	1,049	1,039	-1%	962	988	897
Transfers	117	33	86	86	31	-64%	32	33	34
Finance	115		0	0	0	0%	0	0	0
Total	13,654	14,553	15,068	15,675	15,588	3%	15,457	15,605	15,636
Property Services Fund Margin	(413)	283	(840)		163		169	258	347
Property Services Fund Balance	30,228	30,511	29,671		29,834		30,003	30,261	30,608
Property Services Cash Balance	(666)	(606)	(600)		(600)		(600)	(600)	(600)

**City of Minneapolis
FY 2006
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 \$37.9 million at year-end 2004, improving \$5.3 million the last three years. 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 an \$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 positive cash balance by year 2006, from a low of a negative \$8.2 million at year end 2001. At the end of 2004, the fund had a cash balance of a negative \$2.1 million. This is \$3.5 million ahead of plan and the positive cash balance will be achieved a year ahead of schedule if the trend continues.

2006 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. The City's contract with Blue Cross Blue Shield expires at the end of 2006. For planning purposes, the City has assumed a 19% increase in health insurance premiums for year 2006.

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

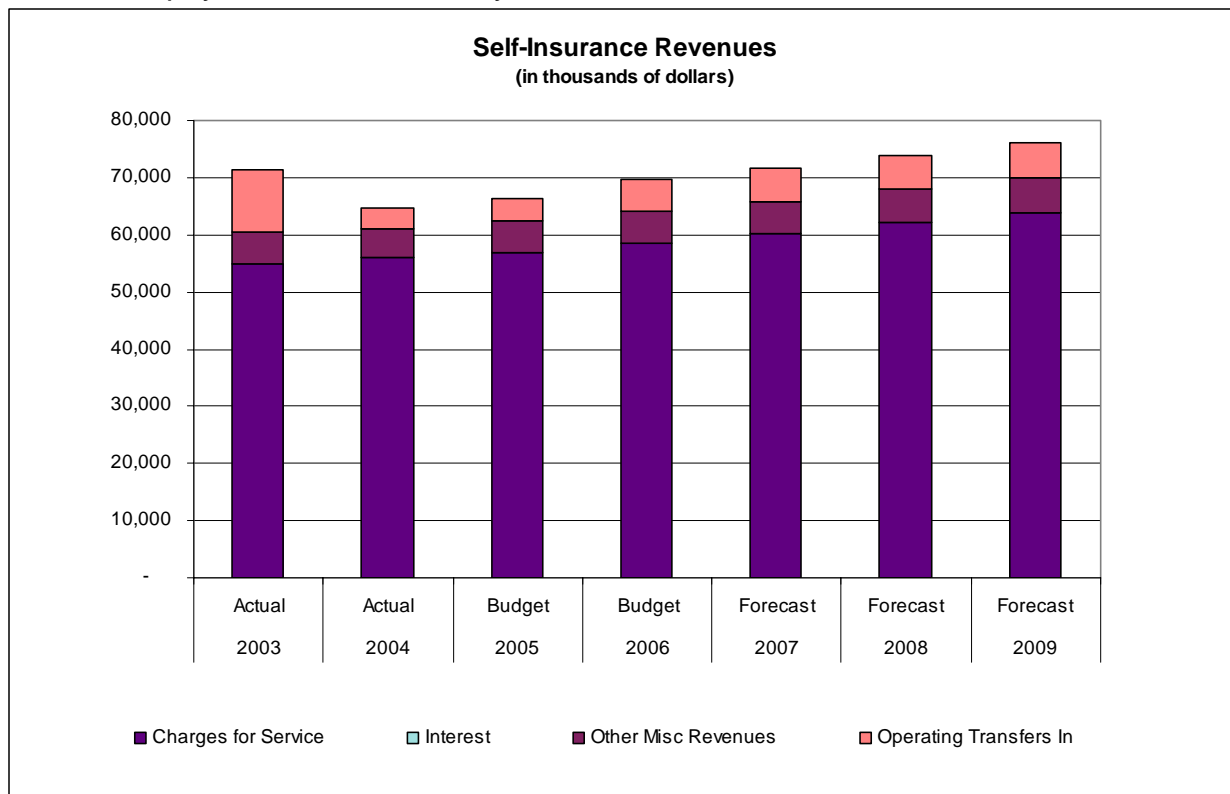
The Unused Sick Leave Program provides a payout of unused sick leave to qualified employees at 50% pay. Payments are funded by 0.7% gross pay contributions from the

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 \$8.4 million for 2006. This is a 4% increase over the prior year.

The Liability Program expenditures for 2006 are \$2.9 million. The base budget includes funding for the \$1.1 million (average) in annual debt service that is required to service the debt related to the \$8.8 million settlement in 2000, for which bonds were issued to finance the payout, for the next 10 years.



The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Debt Service

The 2006 budget includes \$1.2 million in debt service payments on an outstanding balance of \$5.4 million in variable rate debt.

**City of Minneapolis
FY 2006 Budget
Financial Plan (in thousands of dollars)**

Self Insurance Fund - 6900

	2003 Actual	2004 Actual	2005 Current Budget	2005 Projected	2006 Adopted Budget	% Chg from 2005 Budget	2007 Forecast	2008 Forecast	2009 Forecast
Source of Funds:									
Charges for Service	54,817	56,036	56,906	57,001	58,476	2.8%	60,230	62,037	63,898
Interest	-	-	-	-	-		-	-	-
Other Misc Revenues	5,653	4,922	5,427	5,214	5,507	1.5%	5,672	5,842	6,018
Operating Transfers In	10,779	3,697	3,885	3,885	5,665	45.8%	5,835	6,010	6,190
Total	71,249	64,655	66,218	66,100	69,648	5.2%	71,737	73,890	76,106
Use of Funds:									
Debt Service	94	77	314	314	1,205	283.8%	1,241	1,278	1,317
Transfers	5	6	125	125	45	-64.0%	46	48	49
Health and Welfare	43,875	43,564	45,099	44,718	45,810	1.6%	47,184	48,600	50,058
Attorney	4,250	4,249	4,986	4,922	5,316	6.6%	5,475	5,640	5,809
Workers Compensation	6,047	6,470	8,083	7,573	8,404	4.0%	8,656	8,916	9,183
Liability	12,538	5,470	3,289	4,166	2,855	-13.2%	2,941	3,029	3,120
Human Resources	441	567	700	680	1,115	59.3%	1,148	1,183	1,218
Finance Dept - Risk Mgmt	1,725	1,249	1,547	1,530	2,013	30.1%	2,073	2,136	2,200
Total	68,975	61,652	64,143	64,027	66,762	4.1%	68,766	70,829	72,954
Fund Margin	2,274	3,003	2,075	2,073	2,886	39.1%	2,972	3,061	3,153
Fund Balance	(40,983)	(37,980)	(38,908)	(38,910)	(36,024)	7.4%	(33,053)	(29,992)	(26,840)
Cash Balance	(4,588)	(2,148)	(73)	(75)	2,811	3950.1%	5,782	8,843	11,995

Note:

- The Deficit Reduction Plan for this fund projected cash to be at (\$1) million and Net Assets at (\$32) million at the end of 2006.

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SCHEDULE ONE

Summary of Revenues, Expenditures, and Fund Balance by Fund Type

	General Fund	Special Revenue Funds	Capital Funds	Debt Service Funds	Enterprise Funds	Internal Service Funds	Total
Revenue by Major Type							
Property Taxes	112,688,883	69,231,456	69,516,419	27,326,915			278,763,673
Sales and Other Taxes		55,178,280					55,178,280
Franchise Fees	22,310,000						22,310,000
Licenses and Permits	24,864,409	565,049	230,000		219,000		25,878,458
Federal Government		45,875,252	514,000				46,389,252
State Government	86,419,620	43,223,277	11,231,000		1,394,160	50,000	142,318,057
Local Government	781,394	2,505,162	1,665,000		864,295	50,000	5,865,851
Charges for Service	36,455,999	17,674,481	7,092,400		232,809,292	97,582,078	391,614,250
Charges for Sales	42,700	592,300	312,500		4,701,400	13,316,762	18,965,662
Fines and Forfeits	10,384,877	904,817					11,289,694
Special Assessments	2,762,585		8,892,000	7,220,316	1,877,925		20,752,826
Interest	1,860,029	456,071	600,000		750	500	2,917,350
Gains		16,000				200,000	216,000
Rents	10,800	8,095,805	3,984,353	443,938	2,040,246	38,816,308	53,391,450
Contributions	297,500	1,653,699			35,275		1,986,474
Other Misc Revenues	744,292	8,196,456	215,000	1,738,707	1,274,941	8,236,834	20,406,230
Operating Transfers In	18,849,750	12,866,923	1,911,332	75,631,181	17,042,431	21,346,597	147,648,214
Proceeds of Fixed Asset Disposal		21,443,107					21,443,107
Proceeds of Long Term Liabilities		105,000	34,581,000		28,647,000	1,525,000	64,858,000
Total All Revenue Types	318,472,838	288,583,135	140,745,004	112,361,057	290,906,715	181,124,079	1,332,192,828
Expenditures by Major Type							
Salaries and Wages	154,504,388	66,426,569	5,270,105		35,205,088	32,074,953	293,481,103
Equipment Labor		13,155					13,155
Contractual Services	61,427,587	72,870,634	6,292,119		88,306,419	78,007,433	306,904,192
Operating Costs	17,273,913	27,186,812	406,132		44,000,091	18,866,077	107,733,025
Fringe Benefits	46,994,290	21,058,004	1,557,089		13,323,246	21,175,902	104,108,531
Equipment	2,042,010	12,677,079	83,737		2,305,274	2,025,358	19,133,458
Capital Outlay	613,475	24,949,278	70,443,123		43,608,946	9,457,482	149,072,304
Debt Service			838,881	116,221,964	51,967,368	20,249,504	189,277,717
Transfers	35,617,175	55,627,919	67,481,532	1,790,000	14,175,984	286,579	174,979,189
Total All Expenditure Types	318,472,838	280,809,450	152,372,718	118,011,964	292,892,416	182,143,288	1,344,702,674
Change to Fund Balance	0	7,773,685	(11,627,714)	(5,650,907)	(1,985,701)	(1,019,209)	(12,509,846)
Estimated 2006 Beginning Balance	53,029,096	122,174,184	277,207,061	47,505,502	573,231,556	(28,910,000)	1,044,237,399
Estimated 2006 Ending Balance	53,029,096	129,947,869	265,579,347	41,854,595	571,245,855	(29,929,209)	1,031,727,553

Excludes fund balances in investment and agency funds. Fund Balance is the cumulative years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. Estimated fund balances for beginning of 2006 do not include reappropriation decisions made in 2005, which would reduce the general fund balance.

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

	2006 Estimated Beg. Balance	2006 Projected Revenues	2006 Total Appropriations	Change in Fund Balance	2006 Estimated End Balance
GENERAL FUND	53,029,096	318,472,838	318,472,838	0	53,029,096
Total General Fund - City	53,029,096	318,472,838	318,472,838	0	53,029,096
ARENA - RESERVE	1,991,925	3,212,500	0	3,212,500	5,204,425
BOARD OF ESTIMATE AND TAXATION	169,424	329,662	330,260	-598	168,826
CDBG & UDAG FUNDS	0	20,668,290	26,159,385	-5,491,095	-5,491,095
COMMUNITY DEVELOPMENT	33,769,524	1,008,000	5,083,457	-4,075,457	29,694,067
COMMUNITY DEVELOPMENT INVESTMENT FUND	6,727,566	0	208,847	-208,847	6,518,719
CONVENTION CENTER OPERATIONS	11,596,728	73,909,371	74,499,259	-589,888	11,006,840
CONVENTION FACILITIES - RESERVE	7,112,450	1,150,000	3,031,000	-1,881,000	5,231,450
CPED Operating	3,962,296	400,500	10,488,978	-10,088,478	-6,126,182
DEVELOPMENT ACCOUNT	13,072,931	0	1,711,608	-1,711,608	11,361,323
ECONOMIC DEVELOPMENT PROGRAM	3,507,550	3,979,500	3,724,400	255,100	3,762,650
EMPLOYEE RETIREMENT	-168,127	43,401,585	10,342,596	33,058,989	32,890,862
FEDERAL EMPOWERMENT ZONE	250,000	0	0	0	250,000
GRANTS - FEDERAL	-2	25,382,402	25,390,898	-8,496	-8,498
GRANTS - OTHER	582,904	8,742,020	8,744,294	-2,274	580,630
HOME OWNERSHIP WORKS	-1,389,192	0	0	0	-1,389,192
HOUSING FINANCE	-8,271	0	0	0	-8,271
HOUSING PROGRAM	4,574,241	1,000,000	3,411,933	-2,411,933	2,162,308
JOINT BOARD	52,773	0	0	0	52,773
LIBRARY - GENERAL FUND	2,885,692	21,362,817	21,274,232	88,585	2,974,277
MCDA CDBG	4,143,531	4,934,134	0	4,934,134	9,077,665
MCDA FEDERAL GRANTS-OTHER	1,059,981	0	6,183,172	-6,183,172	-5,123,191
MCDA LEVERAGE INVESTMENT	95,212	62,020	0	62,020	157,232
MCDA NEIGHBORHOOD DEVEL ACCT	4,032,339	0	347,979	-347,979	3,684,360
MCDA STATE GRANTS & LOAN	2,523,837	0	39,610	-39,610	2,484,227
MCDA UDAG LEVERAGE INVESTMENT	1,049,027	0	0	0	1,049,027
MEDC	420,764	0	0	0	420,764
MUNICIPAL BUILDING COMMISSION	921,331	7,513,574	7,505,577	7,997	929,328
NEIGHBORHOOD HOUSING	614,262	0	4,322	-4,322	609,940
NEIGHBORHOOD REVITAL POLICY	156,985	1,562,293	2,293,556	-731,263	-574,278
NRP ADMINISTRATION	463,603	565,000	1,005,274	-440,274	23,329
PARK - FORESTRY	5,780	0	0	0	5,780
PARK - GENERAL FUND	7,308,409	53,150,417	53,357,000	-206,583	7,101,826
PARK - GRANT & SPECIAL REVENUE	1,482,046	1,317,100	1,512,309	-195,209	1,286,837
PARK - MUSEUM (ART INSTITUTE)	0	9,062,835	9,062,835	0	0
PARK-SPEC REV-INTEREST BEARING	8,889	0	0	0	8,889
POLICE DEPT - SPECIAL REVENUE	135,804	2,259,425	2,267,713	-8,288	127,516
RESIDENTIAL HOUSING	2,436,327	973,700	218,064	755,636	3,191,963
THEATRES	6,152,697	165,000	56,830	108,170	6,260,867
UPPER RIVER LAND BANK	19,652	0	83,072	-83,072	-63,420
YOUTH COORDINATING BOARD	453,295	2,470,990	2,470,990	0	453,295
Total Special Revenue Funds	122,174,184	288,583,135	280,809,450	7,773,685	129,947,869
01 August Assessment Bonds	0	0	0	0	0
10TH AND WASHINGTON	177,208	146,845	107,771	39,074	216,282
110 GRANT	148,474	353,558	0	353,558	502,032
13th and Harmon	-158,449	266,953	240,258	26,695	-131,754
2700 EAST LAKE	8,073	56,259	50,633	5,626	13,699
2ND ST N HOTEL/APTS TOWNPLACE	121,758	192,753	173,478	19,275	141,033
36TH AND MARSHALL	201,982	139,069	125,162	13,907	215,889
50TH & FRANCE	54,906	185,161	166,645	18,516	73,422
900 6TH AVENUE SOUTH	4,142	57,590	53,601	3,989	8,131
900 NICOLLET TAXABLE	0	0	0	0	0
900 NICOLLET TAX-EXEMPT	0	0	0	0	0

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

	2006 Estimated Beg. Balance	2006 Projected Revenues	2006 Total Appropriations	Change in Fund Balance	2006 Estimated End Balance
96 CONSTRUCTION BONDS	0	0	0	0	0
96 IMPROVEMENT BONDS	0	0	0	0	0
96 NON CONSTRUCTION BONDS	0	0	0	0	0
97 CONVENTION CENTER BONDS	0	0	0	0	0
97 FLEET BONDS	0	0	0	0	0
97 IMPROVEMENT BONDS	0	0	0	0	0
97 SERIES B BONDS	48,816	0	0	0	48,816
98 (OCTOBER) BONDS	0	0	0	0	0
98 VAR RATE BONDS	0	0	0	0	0
ARBITRAGE 1990 PARK BONDS	0	0	0	0	0
ARBITRAGE 1990 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1991 PARK BONDS	0	0	0	0	0
ARBITRAGE 1991 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1992 PARK BONDS	0	0	0	0	0
ARBITRAGE 1992 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1993 PARK BONDS	20,125	0	0	0	20,125
ARBITRAGE 1993 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1994 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1994 WATER & SEWER	0	0	0	0	0
ARBITRAGE 1995 PARK BONDS	28,019	0	0	0	28,019
ARBITRAGE 1995 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1995 WATER & SEWER	0	0	0	0	0
ARBITRAGE 1995 WATER METERS	0	0	0	0	0
ARBITRAGE SELF INS/FIN SYS BND	0	0	0	0	0
AUG 01 LRT EAST RAMP	0	0	0	0	0
AUGUST 01 SEWER ARBITRAGE	0	0	0	0	0
August 01 Variable Purpose	713,632	0	0	0	713,632
BLOCK 33	75,354	13,660	0	13,660	89,014
BLOCK E	15,127,292	0	0	0	15,127,292
BOTTINEAU	-5,458	131,476	118,328	13,148	7,690
BROADWAY 35-W	-3,668,886	1,505,131	0	1,505,131	-2,163,755
CAMDEN AREA IMPACT	291,336	0	0	0	291,336
CAMDEN MEDICAL FACILITY	89,350	36,506	0	36,506	125,856
CAPITAL PROJECTS- OTHER	588,153	0	38,474	-38,474	549,679
CAPITAL PROJECTS-ARBITRAGE	4,035	0	0	0	4,035
CEDAR RIVERSIDE	2,320,906	3,053,918	3,045,400	8,518	2,329,424
CENTRAL & 20TH	337,197	109,190	150,000	-40,810	296,387
CENTRAL AVE MARKET	619	0	0	0	619
CENTRAL CARE NURSING HOME	-720	0	0	0	-720
CHICAGO AND LAKE	505,736	143,589	125,000	18,589	524,325
CITY CENTER	1,292,879	1,796,694	1,750,000	46,694	1,339,573
CITY-CAPITAL IMPROVEMENTS FUND	-9,632,507	59,658,295	60,867,514	-1,209,219	-10,841,726
COMMON PROJECT RESERVE	28,775,159	0	1,757,747	-1,757,747	27,017,412
COMMON PROJECT UNCERTIFIED	6,292,347	0	1,515,235	-1,515,235	4,777,112
CONSERVATORY	4,100,056	2,871,331	2,820,900	50,431	4,150,487
CREAMETTE DISTRICT 84	117,665	148,954	139,981	8,973	126,638
Dec 03 Guthrie Ramp Arbitrage	0	0	0	0	0
DEC02 LIBRARY REF BONDS	0	0	0	0	0
DEC02 VARIOUS PURPOSE BONDS	448,430	0	0	0	448,430
DEEP ROCK TAX INCREMENT	268,860	99,874	75,000	24,874	293,734
DOWNTOWN EAST LRT	2,441,018	0	64,658	-64,658	2,376,360
EAST BANK 1335	-659,388	2,414,588	2,400,000	14,588	-644,800
EAST HENNEPIN & UNIVERSITY	20,780	935,332	844,157	91,175	111,955
East Phillips	5,212	16,085	14,477	1,608	6,820
East River/Unocal Site	452,797	40,178	115,000	-74,822	377,975
EAST VILLAGE	30,453	191,055	171,949	19,106	49,559
ELLIOT PARK	973,022	587,088	655,000	-67,912	905,110

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

	2006 Estimated Beg. Balance	2006 Projected Revenues	2006 Total Appropriations	Change in Fund Balance	2006 Estimated End Balance
FEB99 TARGET STORE RAMP BONDS	0	0	0	0	0
FORMER FED RESERVE	88,005	446,174	401,556	44,618	132,623
FRANKLIN AVENUE	232,341	73,705	72,736	969	233,310
Franklin Portland	0	0	13,443	-13,443	-13,443
GRACO TI	-685,053	221,149	211,411	9,738	-675,315
GRAIN BELT	9,306	124,077	112,339	11,738	21,044
Grain Belt Housing Dist 132	0	0	48,732	-48,732	-48,732
GRANT	498,540	788,737	775,000	13,737	512,277
HENNEPIN & 7TH ENTERTAINMENT	4,376,562	2,131,841	961,802	1,170,039	5,546,601
HENNEPIN & LAKE	221,743	1,165,264	1,100,000	65,264	287,007
HENNEPIN ENTERTAINMENT TE BOND	1,866,158	0	1,157,336	-1,157,336	708,822
HERITAGE LAND APTS	275,991	449,754	404,779	44,975	320,966
Heritage Park	-432	174,713	355,096	-180,383	-180,815
HISTORIC DEPOT REUSE DIST 93	745,219	719,368	881,257	-161,889	583,330
HOLMES	1,133,728	2,235,156	2,210,000	25,156	1,158,884
HOUSING FOR CHRONIC ALCOHOLICS	-284,147	46,472	0	46,472	-237,675
Housing Replacement 2	0	10,438	8,512	1,926	1,926
Housing Replacement District #4	0	0	0	0	0
HSG REPLACE-WATERSHED 0	116,087	299,681	11,832	287,849	403,936
HSG REPLACE-WATERSHED 3	102,562	0	6,515	-6,515	96,047
HUMBOLDT GREENWAY DIST 98	-1,437,861	223,386	248,609	-25,223	-1,463,084
HUMBOLDT GREENWAY TE BONDS	4,875,703	0	0	0	4,875,703
IDS DATA SERVICE CENTER	1,004,602	2,760,552	2,850,000	-89,448	915,154
IMPROV BOND ARBITRAGE	101,170	0	0	0	101,170
INDUSTRY SQUARE	2,167,702	2,430,787	2,400,384	30,403	2,198,105
ITS RELATED BONDS	0	0	0	0	0
IVY TOWER	138	129	88,110	-87,981	-87,843
Jun 03 Various Purpose Bonds	20,967,962	0	0	0	20,967,962
JUNE 02 VARIOUS PURPOSE BONDS	3,265,940	0	0	0	3,265,940
June 03 Sewer Arbitrage	0	0	0	0	0
June 03 Water Arbitrage	0	0	0	0	0
JUNE00 SEWER FIXED RATE BONDS	0	0	0	0	0
JUNE00 UST/SKYWAY TI BONDS	0	0	0	0	0
JUNE00 VARIOUS PURPOSE BONDS	322,366	0	0	0	322,366
JUNE00 WATER FIXED RATE BONDS	0	0	0	0	0
June03 Heritage Park Arbitrage	6,865,924	0	0	0	6,865,924
JUNE99 CONVENTION CENTER BONDS	0	0	0	0	0
JUNE99 VARIOUS PURPOSE BONDS	1,620,319	0	0	0	1,620,319
Lake Street Center	0	574,317	516,886	57,431	57,431
LASALLE PLACE	3,545,567	1,726,201	1,682,582	43,619	3,589,186
LAUREL VILLAGE	1,924,953	2,511,842	2,480,670	31,172	1,956,125
LIBRARY-CAPITAL IMPROVEMENTS FUND	1,454,390	3,070,000	3,070,000	0	1,454,390
LOCAL CONTRIBUTION FUND	2,748,411	0	1,230,851	-1,230,851	1,517,560
LORING PARK	-684,532	4,924,140	4,900,000	24,140	-660,392
LOWRY RIDGE	4,972	111,822	100,640	11,182	16,154
MAGNUM LOFTS	10,918	42,319	38,087	4,232	15,150
Many Rivers	166	55,622	59,989	-4,367	-4,201
MBC-CAPITAL IMPROVEMENTS FUND	74,421	1,460,000	1,460,000	0	74,421
MERF PENSION BONDS	21,545,407	0	0	0	21,545,407
MILES I	222,367	94,467	0	94,467	316,834
NBA ARENA	8,842,884	1,909,277	4,388,802	-2,479,525	6,363,359
NEIMAN MARCUS	2,568,830	1,163,530	1,716,766	-553,236	2,015,594
NICOLLET & LAKE	501,511	586,169	559,132	27,037	528,548
NICOLLET FRANKLIN	-91,543	59,408	87,113	-27,705	-119,248
NICOLLET ISLAND EAST BANK	1,807,968	1,652,119	1,651,019	1,100	1,809,068
NINTH & HENNEPIN	317,629	83,194	102,231	-19,037	298,592
NOKOMIS HOLMES	500,602	274,475	250,000	24,475	525,077

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

	2006 Estimated Beg. Balance	2006 Projected Revenues	2006 Total Appropriations	Change in Fund Balance	2006 Estimated End Balance
NORTH LOOP	-1,146,975	8,052,619	8,000,000	52,619	-1,094,356
NOV 00 NIC MALL TI	0	0	0	0	0
NOV03 IMPROV BOND ARBITRAGE	4,189	0	0	0	4,189
NRP	50,565,728	0	0	0	50,565,728
NWIP	146,364	2,627,578	2,600,000	27,578	173,942
OCT 01 CONV CTR BONDS	0	0	0	0	0
OCT03 LIBRARY REF BONDS	42,960,454	0	0	0	42,960,454
OCT03 Var Purp Refunding Bonds	0	0	0	0	0
Parcel C Tax Increment District	1,247,454	371,622	384,701	-13,079	1,234,375
PARK-CAPITAL IMPROVEMENT FUND	-248,582	4,103,232	3,998,232	105,000	-143,582
PARK-CAPITAL IMPROVEMENT-ASSESSED FUND	-51,353	500,000	500,000	0	-51,353
PHILLIPS PARK	18,521	53,214	47,892	5,322	23,843
POLICE PENSION BONDS	18,151,303	0	0	0	18,151,303
PORTLAND PLACE	177,339	87,097	239,293	-152,196	25,143
PRELIMINARY PLANNING	-84,410	312,000	3,056,593	-2,744,593	-2,829,003
ROSACKER NURSERY SITE	-295,454	147,057	0	147,057	-148,397
SEMI-PHASE 1	828,883	565,836	1,039,091	-473,255	355,628
SEMI-PHASE 2	823,120	265,851	252,052	13,799	836,919
SEMI-PHASE 3	-16,367	136,307	134,223	2,084	-14,283
SEMI-PHASE 4	60,709	182,615	167,620	14,995	75,704
SEMI-PHASE 5	-26,654	133,248	121,993	11,255	-15,399
SEPT 00 CONV CTR EXPN BONDS	0	0	0	0	0
SEWARD SOUTH	67,290	1,933,099	2,650,000	-716,901	-649,611
SHINGLE CREEK CONDOMINIUMS	-2,955	89,590	80,631	8,959	6,004
SOUTH NICOLLET MALL	4,921,351	7,826,814	7,132,482	694,332	5,615,683
SPRING & CENTRAL	28,168	9,201	0	9,201	37,369
ST THOMAS	178,290	0	0	0	178,290
STINSON	-38,022	544,943	499,114	45,829	7,807
Stone Arch Apartments	0	293,843	264,459	29,384	29,384
SYMPHONY PLACE	0	0	0	0	0
TAX INCREMENT ADMINISTRATION	1,150,652	0	1,402,281	-1,402,281	-251,629
TOWERS AT ELLIOT PARK	1,530,565	462,070	717,661	-255,591	1,274,974
UNITED VAN BUS	239,212	55,171	50,000	5,171	244,383
URBAN VILLAGE	936,417	2,306	100,000	-97,694	838,723
Urban Village TE Bonds	2,949,930	0	90,000	-90,000	2,859,930
Village in Phillips Housing	0	0	12,876	-12,876	-12,876
WALKER RAMP ARBITRAGE	0	0	0	0	0
WEST BROADWAY	485,086	729,207	720,000	9,207	494,293
West River Commons	0	21,087	18,978	2,109	2,109
WEST SIDE MILLING DISTRICT	3,300,732	1,487,980	908,438	579,542	3,880,274
West Side Milling TE Bonds	1,020,003	0	53,288	-53,288	966,715
West Side Milling TE Bonds II	1,620,193	0	930,235	-930,235	689,958
Total Capital Projects	277,207,061	140,745,004	152,372,718	-11,627,714	265,579,347
00 IMPROVEMENT BONDS	8,276	0	0	0	8,276
01 IMPROVEMENT BONDS - 10 YR	0	0	0	0	0
01 IMPROVEMENT BONDS - 20 YR	1,968,998	797,053	797,053	0	1,968,998
96 IMPROVEMENT BONDS	89,931	182,218	182,218	0	89,931
97 IMPROVEMENT BONDS	235,100	239,562	239,562	0	235,100
98 IMPROVEMENT BONDS	407,686	174,150	174,150	0	407,686
BOND REDEM 1992 ARBIT PKWY	0	0	0	0	0
BOND REDEM 1995 ARBIT PKWY	0	0	0	0	0
BOND REDEM ARBIT 6/87 IMP BOND	-444,287	0	0	0	-444,287
BOND REDEM ARBIT 6/88 IMP BOND	-239,172	0	0	0	-239,172
BOND REDEM ARBIT 6/89 IMP BOND	-267,096	0	0	0	-267,096
BOND REDEM ARBIT 6/90 IMP BOND	-307,802	270,767	270,767	0	-307,802
BOND REDEM ARBIT 6/91 IMP BOND	524,777	209,001	209,001	0	524,777

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

	2006 Estimated Beg. Balance	2006 Projected Revenues	2006 Total Appropriations	Change in Fund Balance	2006 Estimated End Balance
BOND REDEM ARBIT 6/92 IMP BOND	462,829	190,200	190,200	0	462,829
BOND REDEM ARBIT 6/93 IMP BOND	51,331	203,500	203,500	0	51,331
BOND REDEM ARBIT 6/94 IMP BOND	1,083,197	0	0	0	1,083,197
BOND REDEM ARBIT 6/95 IMP BOND	869,150	0	0	0	869,150
BOND REDEM ARBIT 9/87 IMP BOND	-287,269	0	0	0	-287,269
BOND REDEM ARBIT ASSESS PARK	296,960	565,000	565,000	0	296,960
BOND REDEM ARBIT NIC MALL BOND	2,621,740	1,602,199	1,602,199	0	2,621,740
BOND REDEMPTION - ASSESSMENT	4,217,728	0	0	0	4,217,728
BOND REDEMPTION - DEBT SERVICE	21,050,484	21,014,315	20,078,444	935,871	21,986,355
CONCERT HALL - DEBT SERVICE	1,135	0	0	0	1,135
CONVENTION CENTER-DEBT SERVICE	15,000	19,142,000	19,142,000	0	15,000
FINE ARTS PARKING FACILITY REF	0	0	0	0	0
LIBRARY REF DEBT SERVICE	2,734	7,938,000	7,549,813	388,187	390,921
MCDA DEBT SERVICE	12,405,685	37,181,434	38,081,434	-900,000	11,505,685
NOV03 IMPROV BOND D/S	150,596	635,778	635,778	0	150,596
NOV04 IMPROV BOND D/S	0	993,575	993,575	0	0
NOV05 IMPROV BOND D/S	0	589,613	589,613	0	0
OCT 02 IMPROV BOND D/S	255,020	567,700	567,700	0	255,020
OTH SELF SUPPORTING DEBT SERVC	0	2,721,516	3,053,014	-331,498	-331,498
PARK ACQUISITION & IMPROVE-DEBT	0	0	0	0	0
PENSION FUND DEBT SERVICE	177,615	17,143,476	8,482,418	8,661,058	8,838,673
REVENUE REFUNDING BONDS	0	0	0	0	0
ST ANTHONY DEBT SERVICE	647,826	0	220,000	-220,000	427,826
TARGET CENTER	1,202,252	0	0	0	1,202,252
TAX INCREMENT - DEBT SERVICE	305,081	0	14,184,525	-14,184,525	-13,879,444
Total Debt Service	47,505,502	112,361,057	118,011,964	-5,650,907	41,854,595
DEFAULTED PROPERTY ADMINISTRATION	-1,460,444	0	149,957	-149,957	-1,610,401
FED HOME LN BANK ECON DEVELOP	0	0	131,000	-131,000	-131,000
FHLB HOUSING DEVELOPMENT	0	0	0	0	0
GARFS	58,956,000	300,000	370,901	-70,901	58,885,099
HOME OWNERSHIP & RENOVATION	0	0	0	0	0
HOUSING OWNERSHIP PROGRAM	0	0	0	0	0
Library Pkg Enterprise Fund	0	1,169,406	773,302	396,104	396,104
LOAN & GRANT PROGRAMS	0	0	0	0	0
MUNICIPAL PARKING ENTERPRISE FUND	69,684,000	78,351,786	82,659,308	-4,307,522	65,376,478
PARK - OPERATIONS - ENTERPRISE	0	12,162,744	12,143,730	19,014	19,014
RIVER TERMINAL	0	0	2,175,343	-2,175,343	-2,175,343
Sanitary Sewer Fund	0	38,448,703	37,278,512	1,170,191	1,170,191
SOLID WASTE - ENTERPRISE	17,841,000	28,657,200	28,520,981	136,219	17,977,219
Stormwater Fund	298,058,000	39,543,823	38,744,040	799,783	298,857,783
WATER ENTERPRISE FUND	130,153,000	92,273,053	89,945,342	2,327,711	132,480,711
Total Enterprise Funds	573,231,556	290,906,715	292,892,416	-1,985,701	571,245,855
EQUIPMENT - INTERNAL SERVICE	13,266,000	47,192,110	49,035,247	-1,843,137	11,422,863
INFO TECH - INTERNAL SERVICE	-37,487,000	33,453,269	35,309,397	-1,856,128	-39,343,128
MATERIALS & LAB-INTERNAL SVC	600,000	3,650,000	4,283,304	-633,304	-33,304
PARK - INTERNAL SERVICE	0	5,456,076	5,312,022	144,054	144,054
PARK-SELF INSURE-INTERNAL SVC	0	2,551,709	2,451,709	100,000	100,000
PROPERTY SERVICES INTERNAL SERVICE FUND	30,076,000	15,750,600	15,588,082	162,518	30,238,518
SELF INSURANCE-INTERNAL SVC	-37,980,000	69,647,815	66,762,211	2,885,604	-35,094,396
STORES - INTERNAL SERVICE	2,615,000	3,422,500	3,401,316	21,184	2,636,184
Total Internal Service Funds	-28,910,000	181,124,079	182,143,288	-1,019,209	-29,929,209
INVESTMENT POOL	0	0	0	0	0

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

	2006 Estimated Beg. Balance	2006 Projected Revenues	2006 Total Appropriations	Change in Fund Balance	2006 Estimated End Balance
INVESTMENT POOL	-290,760	0	0	0	-290,760
Total Investment Management Funds	-290,760	0	0	0	-290,760
Default	0	0	0	0	0
LUMBER EXCHANGE SKYWAY	0	0	0	0	0
PUBLIC HOUSING AUTHORITY	-520,645	0	0	0	-520,645
Total Agency - Inactive	-520,645	0	0	0	-520,645
TOTAL ALL FUNDS	1,043,425,994	1,332,192,828	1,344,702,674	-12,509,846	1,030,916,148

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
General Fund - City :					
GENERAL FUND(0100)					
Property Taxes	64,613,203	85,998,383	101,926,076	112,688,883	10.6%
Sales and Other Taxes	5,859	6,939	0	0	0.0%
Franchise Fees	24,082,717	25,120,633	22,110,000	22,310,000	0.9%
Licenses and Permits	22,205,144	24,147,964	22,532,387	24,864,409	10.3%
Federal Government	0	0	0	0	0.0%
State Government	88,183,176	76,757,431	74,682,631	86,419,620	15.7%
Local Government	634,974	711,904	673,984	781,394	15.9%
Charges for Service	19,910,194	28,094,058	32,918,326	36,455,999	10.7%
Charges for Sales	69,524	87,605	38,800	42,700	10.1%
Fines and Forfeits	8,025,590	8,910,080	8,512,377	10,384,877	22.0%
Special Assessments	2,723,435	2,628,190	2,743,434	2,762,585	0.7%
Interest	1,934,133	1,158,996	1,830,000	1,860,029	1.6%
Gains	-502,202	-615,432	0	0	0.0%
Rents	22,442	19,616	18,800	10,800	-42.6%
Contributions	750	316,777	297,500	297,500	0.0%
Other Misc Revenues	514,604	690,843	477,069	744,292	56.0%
Operating Transfers In	20,713,340	12,697,809	17,031,750	18,849,750	10.7%
Total GENERAL FUND	253,136,884	266,731,798	285,793,134	318,472,838	11.4%
Total General Fund - City	253,136,884	266,731,798	285,793,134	318,472,838	11.4%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>GRANTS - FEDERAL(0300)</u>					
Federal Government	20,799,605	17,077,670	17,852,074	25,338,986	41.9%
State Government	51,575	-51,575	0	0	0.0%
Charges for Service	99,817	0	0	0	0.0%
Interest	32,963	10,159	0	0	0.0%
Other Misc Revenues	264,201	-899,747	0	43,416	0.0%
Total GRANTS - FEDERAL	21,248,161	16,136,507	17,852,074	25,382,402	42.2%
<u>CDBG & UDAG FUNDS(0400)</u>					
Federal Government	18,159,328	17,197,625	21,778,000	20,068,290	-7.9%
Charges for Sales	0	0	600,000	0	-100.0%
Special Assessments	16	0	0	0	0.0%
Interest	335,222	0	0	0	0.0%
Other Misc Revenues	93,417	0	850,000	600,000	-29.4%
Total CDBG & UDAG FUNDS	18,587,982	17,197,625	23,228,000	20,668,290	-11.0%
<u>GRANTS - OTHER(0600)</u>					
Sales and Other Taxes	64,423	11,375	45,000	45,900	2.0%
State Government	5,941,492	6,148,717	7,193,184	5,969,420	-17.0%
Local Government	351,822	611,120	3,057,600	206,308	-93.3%
Charges for Service	427,161	82,835	90,000	1,264,124	1,304.6%
Charges for Sales	8,833	810	0	0	0.0%
Interest	17,260	36,412	10,000	10,000	0.0%
Contributions	572,070	433,595	312,476	1,027,999	229.0%
Other Misc Revenues	273,098	218,514	307,224	218,269	-29.0%
Operating Transfers In	106,333	103,153	0	0	0.0%
Total GRANTS - OTHER	7,762,493	7,646,532	11,015,484	8,742,020	-20.6%
<u>CONVENTION CENTER OPERATIONS(0760)</u>					
Sales and Other Taxes	48,908,092	52,169,306	50,900,475	54,811,000	7.7%
Charges for Service	3,720,144	4,999,515	5,230,000	5,660,000	8.2%
Interest	361,864	195,337	215,000	422,371	96.5%
Gains	-96,852	-62,924	0	0	0.0%
Rents	6,193,637	6,467,613	7,063,000	7,415,000	5.0%
Contributions	367,250	0	0	0	0.0%
Other Misc Revenues	2,321,293	2,694,176	2,505,000	2,570,000	2.6%
Operating Transfers In	0	0	2,531,000	3,031,000	19.8%
Total CONVENTION CENTER OPERATIONS	61,775,427	66,463,024	68,444,475	73,909,371	8.0%
<u>EMPLOYEE RETIREMENT(0990)</u>					
Property Taxes	6,523,552	6,858,543	2,949,800	6,345,500	115.1%
Sales and Other Taxes	594	555	0	0	0.0%
State Government	7,566,613	9,248,528	7,190,000	15,612,978	117.1%
Fines and Forfeits	248,693	206,289	0	0	0.0%
Proceeds of Fixed Asset Disposal	0	0	0	21,443,107	0.0%
Total EMPLOYEE RETIREMENT	14,339,452	16,313,915	10,139,800	43,401,585	328.0%
<u>BOARD OF ESTIMATE AND TAXATION(1000)</u>					
Property Taxes	136,973	150,312	154,281	224,662	45.6%
Sales and Other Taxes	12	12	0	0	0.0%
State Government	7,836	205	0	0	0.0%
Other Misc Revenues	0	43	0	0	0.0%
City of Minneapolis					Council Adopted Budget

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>BOARD OF ESTIMATE AND TAXATION(1000)</u>					
Operating Transfers In	100,500	92,000	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	100,000	105,000	5.0%
Total BOARD OF ESTIMATE AND TAXATION	245,322	242,572	254,281	329,662	29.6%
<u>MUNICIPAL BUILDING COMMISSION(1100)</u>					
Property Taxes	3,282,801	3,501,786	3,617,525	3,762,226	4.0%
Sales and Other Taxes	299	283	0	0	0.0%
State Government	464,005	257,798	241,214	282,757	17.2%
Charges for Service	3,106,162	3,114,475	3,192,442	3,330,691	4.3%
Charges for Sales	100,338	93,659	87,000	90,000	3.4%
Rents	55,611	52,908	42,500	47,000	10.6%
Other Misc Revenues	94	5,673	600	900	50.0%
Total MUNICIPAL BUILDING COMMISSION	7,009,310	7,026,583	7,181,281	7,513,574	4.6%
<u>Historic Preservation Fund(110H)</u>					
Rents	0	5,671	0	0	0.0%
Other Misc Revenues	0	162	0	0	0.0%
Total Historic Preservation Fund	0	5,833	0	0	0.0%
<u>PARK - GENERAL FUND(1500)</u>					
Property Taxes	26,553,004	28,541,108	35,690,287	37,303,313	4.5%
Sales and Other Taxes	2,417	2,311	3,400	3,000	-11.8%
Licenses and Permits	95,404	104,090	80,000	99,000	23.8%
Federal Government	60,000	0	0	0	0.0%
State Government	10,518,764	7,943,295	10,524,505	11,971,632	13.8%
Local Government	6,707	10,800	101,290	123,790	22.2%
Charges for Service	1,818,910	1,390,962	1,545,050	1,095,182	-29.1%
Charges for Sales	1,010	2,042	2,000	2,000	0.0%
Fines and Forfeits	565,529	583,862	526,500	551,500	4.7%
Interest	0	0	0	0	0.0%
Rents	299,653	311,361	311,600	448,300	43.9%
Contributions	136,648	149,111	50,000	2,500	-95.0%
Other Misc Revenues	4,632	2,720	7,200	6,200	-13.9%
Operating Transfers In	588,221	483,259	544,500	1,544,000	183.6%
Total PARK - GENERAL FUND	40,650,900	39,524,922	49,386,332	53,150,417	7.6%
<u>PARK - MUSEUM (ART INSTITUTE)(1600)</u>					
Property Taxes	7,068,886	7,851,257	9,064,332	9,062,835	-0.0%
Total PARK - MUSEUM (ART INSTITUTE)	7,068,886	7,851,257	9,064,332	9,062,835	-0.0%
<u>PARK - FORESTRY(1700)</u>					
Property Taxes	4,446,360	5,801,588	0	0	0.0%
Sales and Other Taxes	406	470	0	0	0.0%
State Government	3,328,744	2,958,459	0	0	0.0%
Local Government	0	0	0	0	0.0%
Charges for Service	125,898	82,499	0	0	0.0%
Charges for Sales	100	0	0	0	0.0%
Contributions	15,520	0	0	0	0.0%
Other Misc Revenues	2,088	3,615	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>PARK - FORESTRY(1700)</u>					
Operating Transfers In	0	19,798	0	0	0.0%
Total PARK - FORESTRY	7,919,115	8,866,429	0	0	0.0%
<u>LIBRARY - GENERAL FUND(1800)</u>					
Property Taxes	10,650,271	11,653,017	12,051,250	12,532,920	4.0%
Sales and Other Taxes	969	943	0	0	0.0%
Federal Government	33,030	44,186	65,866	95,000	44.2%
State Government	8,474,268	7,038,645	6,767,673	7,862,197	16.2%
Charges for Service	474,951	469,460	523,300	499,665	-4.5%
Charges for Sales	49,921	0	600	300	-50.0%
Fines and Forfeits	0	0	250	250	0.0%
Rents	22,583	15,052	30,500	101,885	234.0%
Contributions	107,317	252,280	167,011	247,200	48.0%
Other Misc Revenues	38,801	17,484	1,400	3,400	142.9%
Operating Transfers In	49,485	32,682	0	20,000	0.0%
Total LIBRARY - GENERAL FUND	19,901,595	19,523,749	19,607,850	21,362,817	9.0%
<u>PARK - GRANT & SPECIAL REVENUE(1950)</u>					
Federal Government	160,000	0	0	0	0.0%
State Government	0	0	12,000	12,000	0.0%
Local Government	1,374,990	1,087,904	100,600	474,500	371.7%
Charges for Service	400,073	851,900	800,000	800,000	0.0%
Charges for Sales	261,836	0	0	0	0.0%
Fines and Forfeits	0	18	6,000	6,000	0.0%
Rents	24,979	81,626	21,600	21,600	0.0%
Contributions	257,149	278,630	0	0	0.0%
Other Misc Revenues	305	46,077	3,000	3,000	0.0%
Operating Transfers In	110,837	339,965	0	0	0.0%
Total PARK - GRANT & SPECIAL REVENUE	2,590,170	2,686,120	943,200	1,317,100	39.6%
<u>PARK-SPEC REV-INTEREST BEARING(1960)</u>					
Interest	247	158	0	0	0.0%
Gains	-98	-73	0	0	0.0%
Contributions	0	10,000	0	0	0.0%
Total PARK-SPEC REV-INTEREST BEARING	149	10,086	0	0	0.0%
<u>POLICE DEPT - SPECIAL REVENUE(2100)</u>					
Sales and Other Taxes	270,329	254,022	280,000	318,380	13.7%
Licenses and Permits	342,766	400,612	403,000	466,049	15.6%
Charges for Service	68,882	846,350	996,422	906,819	-9.0%
Charges for Sales	29	0	0	0	0.0%
Fines and Forfeits	428,589	524,921	600,000	347,067	-42.2%
Other Misc Revenues	32,980	104	0	221,110	0.0%
Operating Transfers In	0	500,462	0	0	0.0%
Total POLICE DEPT - SPECIAL REVENUE	1,143,575	2,526,472	2,279,422	2,259,425	-0.9%
<u>YOUTH COORDINATING BOARD(2200)</u>					
Federal Government	1,480,153	756,693	716,376	372,976	-47.9%
State Government	105,911	0	0	0	0.0%
Local Government	3,404,537	5,015,862	2,457,610	1,700,564	-30.8%
Interest	41,279	29,456	0	0	0.0%
City of Minneapolis					Council Adopted Budget

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>YOUTH COORDINATING BOARD(2200)</u>					
Gains	-18,459	-12,571	0	16,000	0.0%
Rents	62,246	12,000	0	0	0.0%
Contributions	454,155	261,614	0	376,000	0.0%
Other Misc Revenues	2,073	200	387,945	5,450	-98.6%
Operating Transfers In	339,427	163,950	0	0	0.0%
Total YOUTH COORDINATING BOARD	5,871,321	6,227,204	3,561,931	2,470,990	-30.6%
<u>NEIGHBORHOOD REVITAL POLICY(2300)</u>					
State Government	1,636,491	1,714,348	0	1,512,293	0.0%
Interest	16,995	-4,440	0	0	0.0%
Gains	-7,811	-2,032	0	0	0.0%
Other Misc Revenues	52,453	36,367	1,475,912	50,000	-96.6%
Total NEIGHBORHOOD REVITAL POLICY	1,698,127	1,744,242	1,475,912	1,562,293	5.9%
<u>ARENA - RESERVE(2600)</u>					
Interest	18,010	19,276	0	0	0.0%
Gains	1,023	-10,407	0	0	0.0%
Operating Transfers In	2,860,180	3,217,414	3,059,500	3,212,500	5.0%
Total ARENA - RESERVE	2,879,213	3,226,282	3,059,500	3,212,500	5.0%
<u>CONVENTION FACILITES - RESERVE(2790)</u>					
Operating Transfers In	1,150,000	1,150,000	1,150,000	1,150,000	0.0%
Total CONVENTION FACILITES - RESERVE	1,150,000	1,150,000	1,150,000	1,150,000	0.0%
<u>MCDA CDBG(FBG0)</u>					
Federal Government	0	0	0	0	0.0%
Charges for Service	2,835	146,202	0	0	0.0%
Charges for Sales	1,629,154	974,330	0	100,000	0.0%
Interest	220,386	119,329	0	0	0.0%
Other Misc Revenues	942,426	1,295,010	0	924,711	0.0%
Operating Transfers In	6,097,105	3,172,202	0	3,909,423	0.0%
Total MCDA CDBG	8,891,906	5,707,073	0	4,934,134	0.0%
<u>FEDERAL EMPOWERMENT ZONE(FE20)</u>					
Federal Government	0	40,366	0	0	0.0%
Other Misc Revenues	0	56,879	0	0	0.0%
Operating Transfers In	863,291	379,223	0	0	0.0%
Total FEDERAL EMPOWERMENT ZONE	863,291	476,468	0	0	0.0%
<u>MCDA FEDERAL GRANTS-OTHER(FG00)</u>					
Federal Government	400,359	22,438	4,189,000	0	-100.0%
Charges for Service	200	0	0	0	0.0%
Charges for Sales	115,447	84,338	0	0	0.0%
Interest	12,578	12,713	0	0	0.0%
Other Misc Revenues	13,078	-176,592	0	0	0.0%
Operating Transfers In	3,760,371	4,782,025	3,911,000	0	-100.0%
Total MCDA FEDERAL GRANTS-OTHER	4,302,032	4,724,921	8,100,000	0	-100.0%
<u>MCDA UDAG LEVERAGE INVESTMENT(FLF0)</u>					
Interest	10,542	14,451	0	0	0.0%
City of Minneapolis					

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**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>MCDA UDAG LEVERAGE INVESTMENT(FLF0)</u>					
Gains	1,730	-5,848	0	0	0.0%
Other Misc Revenues	146,911	774,950	0	0	0.0%
Total MCDA UDAG LEVERAGE INVESTMENT	159,183	783,553	0	0	0.0%
<u>MCDA NEIGHBORHOOD DEVEL ACCT(FNA0)</u>					
Charges for Sales	1	199,850	125,000	0	-100.0%
Rents	-446	150	0	0	0.0%
Other Misc Revenues	-165,926	336,789	110,000	0	-100.0%
Operating Transfers In	428,639	0	0	0	0.0%
Total MCDA NEIGHBORHOOD DEVEL ACCT	262,268	536,789	235,000	0	-100.0%
<u>CPED Operating(GEN0)</u>					
Sales and Other Taxes	235	235	0	0	0.0%
State Government	1,367	1,367	0	0	0.0%
Charges for Service	3,329,511	3,355,914	200,000	500	-99.8%
Charges for Sales	180,987	228,271	400,000	400,000	0.0%
Interest	121,167	149,111	-805,417	0	-100.0%
Gains	18,297	-53,226	0	0	0.0%
Rents	79,569	124,687	0	0	0.0%
Other Misc Revenues	24,021	62,019	0	0	0.0%
Operating Transfers In	145,828	2,100,000	100,000	0	-100.0%
Total CPED Operating	3,900,982	5,968,378	-105,417	400,500	-479.9%
<u>JOINT BOARD(JTB0)</u>					
Charges for Service	0	3,750	0	0	0.0%
Interest	1,729	703	0	0	0.0%
Gains	129	-265	0	0	0.0%
Total JOINT BOARD	1,858	4,188	0	0	0.0%
<u>MEDC(MED0)</u>					
Charges for Service	359,068	167,402	0	0	0.0%
Interest	392	0	0	0	0.0%
Total MEDC	359,459	167,402	0	0	0.0%
<u>NRP ADMINISTRATION(SAD0)</u>					
Charges for Service	0	222,323	831,000	565,000	-32.0%
Interest	8,959	1,332	5,504	0	-100.0%
Gains	694	-875	0	0	0.0%
Other Misc Revenues	260,798	0	0	0	0.0%
Total NRP ADMINISTRATION	270,451	222,779	836,504	565,000	-32.5%
<u>COMMUNITY DEVELOPMENT INVESTMENT FUND(S)</u>					
Property Taxes	3,806,094	66,918	0	0	0.0%
Charges for Sales	0	1,000	0	0	0.0%
Interest	111,319	86,365	187,410	0	-100.0%
Gains	16,590	-31,952	0	0	0.0%
Other Misc Revenues	0	2,835	350,000	0	-100.0%
Total COMMUNITY DEVELOPMENT INVESTMENT	3,934,003	125,166	537,410	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>DEVELOPMENT ACCOUNT(SDA0)</u>					
Charges for Service	0	24,000	0	0	0.0%
Charges for Sales	164,680	18,483	0	0	0.0%
Interest	177,811	150,175	183,134	0	-100.0%
Gains	25,943	-41,592	0	0	0.0%
Rents	52,680	11,834	0	0	0.0%
Other Misc Revenues	3,111	1,454	0	0	0.0%
Operating Transfers In	3,059,212	0	382,252	0	-100.0%
Total DEVELOPMENT ACCOUNT	3,483,438	164,354	565,386	0	-100.0%
<u>ECONOMIC DEVELOPMENT PROGRAM(SED0)</u>					
State Government	16,000	22,000	0	0	0.0%
Charges for Service	1,320,305	1,299,754	1,239,500	2,229,500	79.9%
Charges for Sales	-745	0	0	0	0.0%
Interest	116,739	158,050	87,739	0	-100.0%
Gains	8,999	-20,713	0	0	0.0%
Other Misc Revenues	1,406,554	1,295,394	1,755,000	1,750,000	-0.3%
Operating Transfers In	2,394,800	0	0	0	0.0%
Total ECONOMIC DEVELOPMENT PROGRAM	5,262,652	2,754,486	3,082,239	3,979,500	29.1%
<u>HOUSING FINANCE(SFA0)</u>					
Charges for Service	9,349	0	0	0	0.0%
Interest	423	-111	0	0	0.0%
Gains	-20	43	0	0	0.0%
Other Misc Revenues	11,256	0	0	0	0.0%
Total HOUSING FINANCE	21,008	-68	0	0	0.0%
<u>HOUSING PROGRAM(SHP0)</u>					
Charges for Service	983,936	791,587	1,000,000	1,000,000	0.0%
Interest	72,226	65,265	110,540	0	-100.0%
Gains	11,015	-23,516	0	0	0.0%
Total HOUSING PROGRAM	1,067,177	833,336	1,110,540	1,000,000	-10.0%
<u>HOME OWNERSHIP WORKS(SHW0)</u>					
Charges for Sales	625,100	818,300	0	0	0.0%
Interest	-24,631	-17,726	0	0	0.0%
Gains	-3,494	5,996	0	0	0.0%
Total HOME OWNERSHIP WORKS	596,975	806,570	0	0	0.0%
<u>MCDA LEVERAGE INVESTMENT(SLF0)</u>					
Interest	22,821	22,259	0	0	0.0%
Gains	214	-524	0	0	0.0%
Rents	0	0	62,020	62,020	0.0%
Total MCDA LEVERAGE INVESTMENT	23,035	21,736	62,020	62,020	0.0%
<u>MCDA STATE GRANTS & LOAN(SMNO)</u>					
State Government	5,586,401	10,980,777	0	0	0.0%
Local Government	1,278,819	58,636	0	0	0.0%
Charges for Service	190,000	0	0	0	0.0%
Charges for Sales	37,884	76,323	0	0	0.0%
Interest	219	4,208	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>MCDA STATE GRANTS & LOAN(SMNO)</u>					
Gains	1,283	-5,826	0	0	0.0%
Other Misc Revenues	234,959	180,242	0	0	0.0%
Operating Transfers In	0	456,794	0	0	0.0%
Total MCDA STATE GRANTS & LOAN	7,329,565	11,751,155	0	0	0.0%
<u>NEIGHBORHOOD HOUSING(SNH0)</u>					
Charges for Sales	300,000	150,000	0	0	0.0%
Interest	0	0	1,453	0	-100.0%
Other Misc Revenues	145,988	35,976	150,000	0	-100.0%
Total NEIGHBORHOOD HOUSING	445,988	185,976	151,453	0	-100.0%
<u>NRP NON TI(SNR0)</u>					
Operating Transfers In	0	4,939,544	0	0	0.0%
Total NRP NON TI	0	4,939,544	0	0	0.0%
<u>COMMUNITY DEVELOPMENT(SPH0)</u>					
Charges for Service	0	3,750	0	8,000	0.0%
Charges for Sales	0	4,240	0	0	0.0%
Interest	6,343,113	2,327,726	2,376	0	-100.0%
Gains	-47	4,119	0	0	0.0%
Other Misc Revenues	0	1,723	2,008,000	1,000,000	-50.2%
Total COMMUNITY DEVELOPMENT	6,343,066	2,341,558	2,010,376	1,008,000	-49.9%
<u>RESIDENTIAL HOUSING(SRF0)</u>					
State Government	146,267	0	0	0	0.0%
Charges for Service	340,173	162,943	0	150,000	0.0%
Interest	66,000	65,943	80,092	23,700	-70.4%
Gains	5,878	-15,370	0	0	0.0%
Other Misc Revenues	1,272,179	783,271	0	800,000	0.0%
Operating Transfers In	0	193,829	0	0	0.0%
Total RESIDENTIAL HOUSING	1,830,497	1,190,617	80,092	973,700	1,115.7%
<u>THEATRES(STH0)</u>					
Charges for Service	832,581	1,073,313	0	165,000	0.0%
Charges for Sales	0	0	2,800,000	0	-100.0%
Interest	-14,331	-1,590	65,792	0	-100.0%
Gains	376	1,567	0	0	0.0%
Rents	0	0	90,000	0	-100.0%
Other Misc Revenues	72,174	75,000	1,325,000	0	-100.0%
Operating Transfers In	250,000	100,000	0	0	0.0%
Total THEATRES	1,140,800	1,248,290	4,280,792	165,000	-96.1%
<u>UPPER RIVER LAND BANK(SUR0)</u>					
Interest	287	-217	0	0	0.0%
Gains	45	116	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>UPPER RIVER LAND BANK(SUR0)</u>					
Rents	3,849	962	0	0	0.0%
Total UPPER RIVER LAND BANK	4,180	861	0	0	0.0%
Total Special Revenue Funds	272,335,013	269,324,486	249,590,269	288,583,135	15.6%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>Fire Pension Bonds(09F0)</u>					
Interest	0	64	0	0	0.0%
Gains	0	-15	0	0	0.0%
Proceeds of Long Term Liabilities	0	4,747,842	0	0	0.0%
Total Fire Pension Bonds	0	4,747,892	0	0	0.0%
<u>MERF PENSION BONDS(09M0)</u>					
Interest	432,825	142,329	0	0	0.0%
Gains	51,388	-68,352	0	0	0.0%
Proceeds of Long Term Liabilities	36,000,000	0	0	0	0.0%
Total MERF PENSION BONDS	36,484,213	73,978	0	0	0.0%
<u>POLICE PENSION BONDS (09P0)</u>					
Interest	280,708	202,197	0	0	0.0%
Gains	43,293	-42,996	0	0	0.0%
Proceeds of Long Term Liabilities	17,900,000	25,041,749	0	0	0.0%
Total POLICE PENSION BONDS	18,224,001	25,200,949	0	0	0.0%
<u>JUNE00 UST/SKYWAY TI BONDS(0P10)</u>					
Interest	28,930	10,230	0	0	0.0%
Gains	-40,263	-3,917	0	0	0.0%
Total JUNE00 UST/SKYWAY TI BONDS	-11,333	6,314	0	0	0.0%
<u>JUNE00 SEWER FIXED RATE BONDS(0S10)</u>					
Interest	6,948	0	0	0	0.0%
Gains	-7,972	0	0	0	0.0%
Total JUNE00 SEWER FIXED RATE BONDS	-1,024	0	0	0	0.0%
<u>AUGUST 01 SEWER ARBITRAGE(0S20)</u>					
Interest	112,018	25,236	0	0	0.0%
Gains	-105,547	-8,718	0	0	0.0%
Total AUGUST 01 SEWER ARBITRAGE	6,471	16,518	0	0	0.0%
<u>June 03 Sewer Arbitrage(0S30)</u>					
Interest	74,609	49,027	0	0	0.0%
Gains	10,031	-17,315	0	0	0.0%
Total June 03 Sewer Arbitrage	84,640	31,712	0	0	0.0%
<u>June 02 Water Arbitrage(0W30)</u>					
Interest	2,914	-2,935	0	0	0.0%
Gains	-11,486	0	0	0	0.0%
Total June 02 Water Arbitrage	-8,572	-2,935	0	0	0.0%
<u>June 03 Water Arbitrage(0W40)</u>					
Interest	76,686	56,462	0	0	0.0%
Gains	11,857	-17,657	0	0	0.0%
Total June 03 Water Arbitrage	88,543	38,806	0	0	0.0%
<u>PARK-CAPITAL IMPROVEMENT-ASSESSED FUND(</u>					
Special Assessments	6,575	3,253	500,000	0	-100.0%
City of Minneapolis				Council Adopted Budget	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>PARK-CAPITAL IMPROVEMENT-ASSESSED FUND(4100)</u>					
Other Misc Revenues	314,914	366,211	0	0	0.0%
Operating Transfers In	500,000	800,000	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	0	500,000	0.0%
Total PARK-CAPITAL IMPROVEMENT-ASSESSED	821,490	1,169,463	500,000	500,000	0.0%
<u>CITY-CAPITAL IMPROVEMENTS FUND(4100)</u>					
Property Taxes	2,564,671	2,159,851	1,927,895	1,859,295	-3.6%
Sales and Other Taxes	234	175	0	0	0.0%
Licenses and Permits	367,333	231,154	250,000	230,000	-8.0%
Federal Government	1,139,411	7,114,801	7,068,000	264,000	-96.3%
State Government	11,909,156	14,349,059	10,323,920	10,731,000	3.9%
Local Government	100,000	1,791,768	922,000	1,415,000	53.5%
Charges for Service	1,931,990	3,155,364	7,009,094	7,071,000	0.9%
Charges for Sales	159,525	126,407	0	0	0.0%
Special Assessments	1,358,956	1,416,732	10,094,000	8,892,000	-11.9%
Interest	-3,356	-1,995	0	600,000	0.0%
Rents	29,129	26,165	0	0	0.0%
Contributions	17,969	371,704	0	0	0.0%
Other Misc Revenues	858,151	1,336,808	450,000	15,000	-96.7%
Operating Transfers In	34,330,844	28,605,274	129,000	0	-100.0%
Proceeds of Long Term Liabilities	0	0	16,327,000	28,581,000	75.1%
Total CITY-CAPITAL IMPROVEMENTS FUND	54,764,013	60,683,268	54,500,909	59,658,295	9.5%
<u>MBC-CAPITAL IMPROVEMENTS FUND(4200)</u>					
Property Taxes	0	0	0	0	0.0%
Charges for Service	1,213,149	761,795	0	0	0.0%
Other Misc Revenues	0	50,000	0	200,000	0.0%
Operating Transfers In	1,148,178	991,565	360,000	0	-100.0%
Proceeds of Long Term Liabilities	0	0	920,000	1,260,000	37.0%
Total MBC-CAPITAL IMPROVEMENTS FUND	2,361,327	1,803,360	1,280,000	1,460,000	14.1%
<u>PARK-CAPITAL IMPROVEMENT FUND(4300)</u>					
Property Taxes	0	0	645,000	0	-100.0%
Federal Government	2,641,475	556,534	500,000	250,000	-50.0%
State Government	1,382,461	479,940	1,000,000	500,000	-50.0%
Local Government	1,196,287	1,839,829	500,000	250,000	-50.0%
Charges for Service	180,143	215,616	21,400	21,400	0.0%
Charges for Sales	1,730	2,660	500	500	0.0%
Rents	-16,797	0	0	0	0.0%
Contributions	407,285	343,737	0	0	0.0%
Other Misc Revenues	39,675	120	0	0	0.0%
Operating Transfers In	3,924,493	4,356,000	75,000	1,911,332	2,448.4%
Proceeds of Long Term Liabilities	0	0	1,829,000	1,170,000	-36.0%
Total PARK-CAPITAL IMPROVEMENT FUND	9,756,751	7,794,436	4,570,900	4,103,232	-10.2%
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND(4400)</u>					
Property Taxes	0	0	0	0	0.0%
State Government	152,548	0	0	0	0.0%
Charges for Service	0	150,000	0	0	0.0%
Charges for Sales	2,495	0	0	0	0.0%
Contributions	0	250,000	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND(4400)</u>					
Other Misc Revenues	42,909	0	0	0	0.0%
Operating Transfers In	23,959,901	46,496,841	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	2,685,000	3,070,000	14.3%
Total LIBRARY-CAPITAL IMPROVEMENTS FUND	24,157,853	46,896,841	2,685,000	3,070,000	14.3%
<u>August 01 Variable Purpose(4A10)</u>					
Interest	49,404	9,491	0	0	0.0%
Gains	-72,611	-3,591	0	0	0.0%
Total August 01 Variable Purpose	-23,207	5,900	0	0	0.0%
<u>01 August Assessment Bonds(4A20)</u>					
Interest	1	0	0	0	0.0%
Total 01 August Assessment Bonds	1	0	0	0	0.0%
<u>JUNE 02 VARIOUS PURPOSE BONDS(4A30)</u>					
Interest	36,731	32,494	0	0	0.0%
Gains	7,790	-8,962	0	0	0.0%
Total JUNE 02 VARIOUS PURPOSE BONDS	44,521	23,532	0	0	0.0%
<u>DEC02 VARIOUS PURPOSE BONDS(4A40)</u>					
Interest	119,228	4,804	0	0	0.0%
Gains	1,070	-1,067	0	0	0.0%
Total DEC02 VARIOUS PURPOSE BONDS	120,298	3,737	0	0	0.0%
<u>Jun 03 Various Purpose Bonds(4A50)</u>					
Interest	358,994	244,822	0	0	0.0%
Gains	50,011	-77,979	0	0	0.0%
Operating Transfers In	186,000	0	0	0	0.0%
Proceeds of Long Term Liabilities	38,003,641	0	0	0	0.0%
Total Jun 03 Various Purpose Bonds	38,598,646	166,842	0	0	0.0%
<u>96 IMPROVEMENT BONDS(4A60)</u>					
Interest	0	241,890	0	0	0.0%
Gains	0	24,965	0	0	0.0%
Proceeds of Long Term Liabilities	0	18,225,123	0	0	0.0%
Total 96 IMPROVEMENT BONDS	0	18,491,977	0	0	0.0%
<u>OCT03 Var Purp Refunding Bonds(4A80)</u>					
Proceeds of Long Term Liabilities	15,985,000	0	0	0	0.0%
Total OCT03 Var Purp Refunding Bonds	15,985,000	0	0	0	0.0%
<u>JUNE99 VARIOUS PURPOSE BONDS(4A90)</u>					
Interest	46,566	19,316	0	0	0.0%
Gains	-20,473	-6,803	0	0	0.0%
Total JUNE99 VARIOUS PURPOSE BONDS	26,093	12,513	0	0	0.0%
<u>96 CONSTRUCTION BONDS(4C60)</u>					
Interest	227	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>96 CONSTRUCTION BONDS(4C60)</u>					
Gains	-347	0	0	0	0.0%
Total 96 CONSTRUCTION BONDS	-120	0	0	0	0.0%
<u>97 SERIES B BONDS(4C70)</u>					
Interest	2,538	374	0	0	0.0%
Gains	-3,987	-116	0	0	0.0%
Total 97 SERIES B BONDS	-1,449	258	0	0	0.0%
<u>June03 Heritage Park Arbitrage(4H10)</u>					
Interest	79,417	89,899	0	0	0.0%
Gains	16,376	-34,433	0	0	0.0%
Proceeds of Long Term Liabilities	6,900,000	0	0	0	0.0%
Total June03 Heritage Park Arbitrage	6,995,793	55,466	0	0	0.0%
<u>IMPROV BOND ARBITRAGE(4I20)</u>					
Interest	3,704	1,327	0	0	0.0%
Gains	241	-508	0	0	0.0%
Total IMPROV BOND ARBITRAGE	3,945	819	0	0	0.0%
<u>NOV03 IMPROV BOND ARBITRAGE(4I30)</u>					
Interest	769	18	0	0	0.0%
Gains	10	-10	0	0	0.0%
Proceeds of Long Term Liabilities	6,161,529	0	0	0	0.0%
Total NOV03 IMPROV BOND ARBITRAGE	6,162,308	8	0	0	0.0%
<u>NOV04 IMPROV BOND ARBITRAGE(4I40)</u>					
Interest	0	-3,658	0	0	0.0%
Gains	0	-1,887	0	0	0.0%
Proceeds of Long Term Liabilities	0	9,818,804	0	0	0.0%
Total NOV04 IMPROV BOND ARBITRAGE	0	9,813,258	0	0	0.0%
<u>DEC02 LIBRARY REF BONDS(4L10)</u>					
Interest	3,167	0	0	0	0.0%
Total DEC02 LIBRARY REF BONDS	3,167	0	0	0	0.0%
<u>OCT03 LIBRARY REF BONDS(4L20)</u>					
Interest	178,742	431,654	0	0	0.0%
Gains	102,465	-110,041	0	0	0.0%
Proceeds of Long Term Liabilities	57,000,000	0	0	0	0.0%
Total OCT03 LIBRARY REF BONDS	57,281,207	321,614	0	0	0.0%
<u>NOV04 Library Ref Bonds(4L30)</u>					
Interest	0	2,190	0	0	0.0%
Gains	0	-7,214	0	0	0.0%
Proceeds of Long Term Liabilities	0	29,261,120	0	0	0.0%
Total NOV04 Library Ref Bonds	0	29,256,095	0	0	0.0%
<u>ARBITRAGE 1993 PARK BONDS(4U00)</u>					
Interest	590	270	0	0	0.0%
City of Minneapolis				Council Adopted Budget	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>ARBITRAGE 1993 PARK BONDS(4U00)</u>					
Gains	-300	-103	0	0	0.0%
Total ARBITRAGE 1993 PARK BONDS	290	167	0	0	0.0%
<u>ARBITRAGE 1995 PARK BONDS(4Y00)</u>					
Interest	890	266	0	0	0.0%
Gains	-669	-67	0	0	0.0%
Total ARBITRAGE 1995 PARK BONDS	221	199	0	0	0.0%
<u>JUNE00 VARIOUS PURPOSE BONDS(4Z00)</u>					
Interest	16,577	4,270	0	0	0.0%
Gains	-21,249	-1,628	0	0	0.0%
Total JUNE00 VARIOUS PURPOSE BONDS	-4,672	2,642	0	0	0.0%
<u>ITS RELATED BONDS(4Z30)</u>					
Interest	0	0	0	0	0.0%
Total ITS RELATED BONDS	0	0	0	0	0.0%
<u>OCT 01 CONV CTR BONDS(4Z40)</u>					
Interest	112,766	0	0	0	0.0%
Gains	-207,736	0	0	0	0.0%
Total OCT 01 CONV CTR BONDS	-94,970	0	0	0	0.0%
<u>DEC02 EQUIPMENT ARBITRAGE(61B0)</u>					
Interest	256	0	0	0	0.0%
Gains	-1,071	0	0	0	0.0%
Total DEC02 EQUIPMENT ARBITRAGE	-815	0	0	0	0.0%
<u>Jun 03 Equipment Arbitrage(61C0)</u>					
Interest	0	9,232	0	0	0.0%
Total Jun 03 Equipment Arbitrage	0	9,232	0	0	0.0%
<u>JUNE 03 PROP SERV ARBITRAGE(62A0)</u>					
Interest	0	1,728	0	0	0.0%
Total JUNE 03 PROP SERV ARBITRAGE	0	1,728	0	0	0.0%
<u>June 03 BIS Arbitrage(64A0)</u>					
Interest	0	1,054	0	0	0.0%
Total June 03 BIS Arbitrage	0	1,054	0	0	0.0%
<u>900 NICOLLET TAXABLE(75B0)</u>					
Interest	62,743	30,448	0	0	0.0%
Gains	-23,631	-11,660	0	0	0.0%
Total 900 NICOLLET TAXABLE	39,112	18,788	0	0	0.0%
<u>AUG 01 LRT EAST RAMP(75C0)</u>					
Interest	14,107	3,667	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>AUG 01 LRT EAST RAMP(75C0)</u>					
Gains	-30,276	-1,404	0	0	0.0%
Total AUG 01 LRT EAST RAMP	-16,169	2,263	0	0	0.0%
<u>WALKER RAMP ARBITRAGE(75D0)</u>					
Interest	199,456	2,604	0	0	0.0%
Gains	2,133	-514	0	0	0.0%
Total WALKER RAMP ARBITRAGE	201,589	2,090	0	0	0.0%
<u>Dec 03 Guthrie Ramp Arbitrage(75E0)</u>					
Interest	27,522	139,654	0	0	0.0%
Gains	30,210	-33,812	0	0	0.0%
Total Dec 03 Guthrie Ramp Arbitrage	57,732	105,843	0	0	0.0%
<u>Village Green Escrow(75V0)</u>					
Interest	5,112	0	0	0	0.0%
Total Village Green Escrow	5,112	0	0	0	0.0%
<u>HENNEPIN ENTERTAINMENT TE BOND(AHE0)</u>					
Interest	54,766	24,425	0	0	0.0%
Gains	4,451	-9,194	0	0	0.0%
Total HENNEPIN ENTERTAINMENT TE BOND	59,217	15,231	0	0	0.0%
<u>HUMBOLDT GREENWAY TE BONDS(AHG0)</u>					
Interest	135,572	65,386	0	0	0.0%
Gains	11,629	-25,040	0	0	0.0%
Total HUMBOLDT GREENWAY TE BONDS	147,201	40,346	0	0	0.0%
<u>Urban Village TE Bonds(AUV0)</u>					
Interest	21,297	23,592	0	0	0.0%
Gains	0	258	0	0	0.0%
Total Urban Village TE Bonds	21,297	23,850	0	0	0.0%
<u>West Side Milling TE Bonds(AWM0)</u>					
Interest	30,027	11,166	0	0	0.0%
Gains	2,433	-3,337	0	0	0.0%
Total West Side Milling TE Bonds	32,460	7,829	0	0	0.0%
<u>West Side Milling TE Bonds II(BWM0)</u>					
State Government	0	22,318	0	0	0.0%
Charges for Service	0	8,222	0	0	0.0%
Interest	19,536	21,347	0	0	0.0%
Gains	3,872	-8,155	0	0	0.0%
Other Misc Revenues	0	4,500	0	0	0.0%
Proceeds of Long Term Liabilities	1,725,000	0	0	0	0.0%
Total West Side Milling TE Bonds II	1,748,408	48,233	0	0	0.0%
<u>BLOCK 33(C330)</u>					
Property Taxes	6,914	8,176	11,395	13,660	19.9%
State Government	2,331	2,834	0	0	0.0%
City of Minneapolis				Council Adopted Budget	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>BLOCK 33(C330)</u>					
Interest	1,839	1,027	228	0	-100.0%
Gains	180	-417	0	0	0.0%
Total BLOCK 33	11,264	11,619	11,623	13,660	17.5%
<u>TAX INCREMENT ADMINISTRATION(CAD0)</u>					
Charges for Sales	0	84,027	0	0	0.0%
Interest	-11,510	9,027	0	0	0.0%
Gains	3,109	-2,203	0	0	0.0%
Operating Transfers In	3,010,000	0	0	0	0.0%
Total TAX INCREMENT ADMINISTRATION	3,001,599	90,851	0	0	0.0%
<u>CAMDEN MEDICAL FACILITY(CAM0)</u>					
Property Taxes	31,569	34,991	36,079	36,506	1.2%
Interest	1,987	539	1,500	0	-100.0%
Gains	213	-321	0	0	0.0%
Total CAMDEN MEDICAL FACILITY	33,769	35,210	37,579	36,506	-2.9%
<u>COMMON PROJECT UNCERTIFIED(CAZ0)</u>					
Charges for Service	404,331	330,811	312,000	0	-100.0%
Charges for Sales	4,392,131	220,438	785,000	0	-100.0%
Interest	174,156	18,513	0	0	0.0%
Gains	2,746	-7,724	0	0	0.0%
Rents	472,893	559,515	10,000	0	-100.0%
Other Misc Revenues	15,594	240,933	632,000	0	-100.0%
Operating Transfers In	318,943	0	0	0	0.0%
Total COMMON PROJECT UNCERTIFIED	5,780,793	1,362,486	1,739,000	0	-100.0%
<u>WEST BROADWAY(CBA0)</u>					
Property Taxes	739,934	615,042	807,459	729,207	-9.7%
State Government	12,928	12,522	0	0	0.0%
Interest	10,475	1,894	1,500	0	-100.0%
Gains	1,136	-1,949	0	0	0.0%
Other Misc Revenues	27,951	27,951	0	0	0.0%
Total WEST BROADWAY	792,423	655,460	808,959	729,207	-9.9%
<u>EAST BANK 1335(CBB0)</u>					
Property Taxes	1,982,351	1,988,997	2,288,029	2,414,588	5.5%
State Government	127,253	119,798	0	0	0.0%
Charges for Sales	3,768	12,395	0	0	0.0%
Interest	381,617	-6,290	9,828	0	-100.0%
Gains	-1,649	-1,364	0	0	0.0%
Other Misc Revenues	705,000	0	0	0	0.0%
Total EAST BANK 1335	3,198,340	2,113,536	2,297,857	2,414,588	5.1%
<u>GRANT(CBC0)</u>					
Property Taxes	822,166	707,563	863,499	788,737	-8.7%
State Government	161	0	0	0	0.0%
Charges for Sales	0	6,296	0	0	0.0%
Interest	7,162	2,467	10,547	0	-100.0%
Gains	1,099	-2,146	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>GRANT(CBC0)</u>					
Rents	12	0	0	0	0.0%
Total GRANT	830,600	714,180	874,046	788,737	-9.8%
<u>CHICAGO AND LAKE(CBD0)</u>					
Property Taxes	171,485	153,690	158,880	143,589	-9.6%
Interest	12,612	5,241	5,320	0	-100.0%
Gains	1,206	-1,511	0	0	0.0%
Total CHICAGO AND LAKE	185,303	157,419	164,200	143,589	-12.6%
<u>NINTH & HENNEPIN(CBE0)</u>					
Property Taxes	98,653	8,934	68,815	83,194	20.9%
Interest	7,898	3,763	76	0	-100.0%
Gains	747	-1,474	0	0	0.0%
Rents	49,620	13,986	75,000	0	-100.0%
Total NINTH & HENNEPIN	156,919	25,210	143,891	83,194	-42.2%
<u>NORTH LOOP(CBF0)</u>					
Property Taxes	7,449,978	7,676,963	8,031,365	8,052,619	0.3%
State Government	67,849	66,098	0	0	0.0%
Interest	8,531	-11,037	74,470	0	-100.0%
Gains	-2,998	-4,526	0	0	0.0%
Total NORTH LOOP	7,523,359	7,727,498	8,105,835	8,052,619	-0.7%
<u>INDUSTRY SQUARE(CBG0)</u>					
Property Taxes	2,368,703	2,138,141	2,225,000	2,430,787	9.2%
State Government	551	444	0	0	0.0%
Interest	47,211	7,911	24,040	0	-100.0%
Gains	5,069	-8,058	0	0	0.0%
Total INDUSTRY SQUARE	2,421,534	2,138,438	2,249,040	2,430,787	8.1%
<u>SEWARD SOUTH(CBH0)</u>					
Property Taxes	1,911,804	1,855,369	1,950,000	1,933,099	-0.9%
State Government	7,600	8,163	0	0	0.0%
Interest	8,234	11,674	21,179	0	-100.0%
Gains	2,357	-4,988	0	0	0.0%
Other Misc Revenues	8,166	8,166	0	0	0.0%
Total SEWARD SOUTH	1,938,161	1,878,384	1,971,179	1,933,099	-1.9%
<u>CEDAR RIVERSIDE(CBJ0)</u>					
Property Taxes	3,652,096	1,996,825	3,822,810	3,053,918	-20.1%
State Government	92,923	96,466	0	0	0.0%
Charges for Service	16,080	9,830	0	0	0.0%
Interest	65,328	26,077	39,330	0	-100.0%
Gains	4,955	-7,252	0	0	0.0%
Rents	11,974	11,974	0	0	0.0%
Total CEDAR RIVERSIDE	3,843,356	2,133,920	3,862,140	3,053,918	-20.9%
<u>HOUSING FOR CHRONIC ALCOHOLICS(CBL0)</u>					
Property Taxes	26,702	40,299	41,036	46,472	13.2%
Interest	936	81	1,644	0	-100.0%
City of Minneapolis					Council Adopted Budget

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>HOUSING FOR CHRONIC ALCOHOLICS(CBL0)</u>					
Gains	2	-115	0	0	0.0%
Total HOUSING FOR CHRONIC ALCOHOLICS	27,641	40,265	42,680	46,472	8.9%
<u>HENNEPIN & LAKE(CBM0)</u>					
Property Taxes	962,294	1,016,635	0	1,165,264	0.0%
Interest	3,310	3,069	10,692	0	-100.0%
Gains	500	-2,094	0	0	0.0%
Total HENNEPIN & LAKE	966,104	1,017,609	10,692	1,165,264	10,798.5%
<u>BROADWAY 35-W(CBN0)</u>					
Property Taxes	1,571,789	1,523,632	1,575,079	1,505,131	-4.4%
Interest	41,471	3,279	28,034	0	-100.0%
Gains	318	-3,349	0	0	0.0%
Total BROADWAY 35-W	1,613,578	1,523,562	1,603,113	1,505,131	-6.1%
<u>BOTTINEAU(CBO0)</u>					
Property Taxes	5,109	77,585	79,428	131,476	65.5%
Interest	0	-173	159	0	-100.0%
Gains	0	13	0	0	0.0%
Total BOTTINEAU	5,109	77,424	79,587	131,476	65.2%
<u>FRANKLIN AVENUE(CBP0)</u>					
Property Taxes	28,854	42,311	38,839	73,705	89.8%
State Government	317	356	0	0	0.0%
Charges for Service	0	0	10,000	0	-100.0%
Interest	6,738	2,494	1,556	0	-100.0%
Gains	544	-637	0	0	0.0%
Total FRANKLIN AVENUE	36,453	44,524	50,395	73,705	46.3%
<u>CONSERVATORY(CBQ0)</u>					
Property Taxes	3,609,914	2,901,882	3,285,724	2,871,331	-12.6%
Interest	87,507	30,272	78,087	0	-100.0%
Gains	9,779	-14,206	0	0	0.0%
Total CONSERVATORY	3,707,200	2,917,948	3,363,811	2,871,331	-14.6%
<u>SYMPHONY PLACE(CBR0)</u>					
Interest	0	0	0	0	0.0%
Total SYMPHONY PLACE	0	0	0	0	0.0%
<u>LORING PARK(CBT0)</u>					
Property Taxes	4,427,699	4,474,078	4,960,898	4,924,140	-0.7%
State Government	125,876	115,950	0	0	0.0%
Interest	-1,086	-5,618	50,169	0	-100.0%
Gains	-1,561	-4,983	0	0	0.0%
Total LORING PARK	4,550,928	4,579,427	5,011,067	4,924,140	-1.7%
<u>LAUREL VILLAGE(CBU0)</u>					
Property Taxes	1,390,644	1,136,157	1,174,515	1,011,842	-13.9%
Charges for Service	0	28,337	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>LAUREL VILLAGE(CBU0)</u>					
Interest	29,229	16,753	1,000	0	-100.0%
Gains	3,517	-10,237	0	0	0.0%
Rents	901,187	1,261,202	1,259,722	1,500,000	19.1%
Total LAUREL VILLAGE	2,324,576	2,432,213	2,435,237	2,511,842	3.1%
<u>CITY CENTER(CBX0)</u>					
Property Taxes	2,783,375	2,268,055	2,449,035	1,796,694	-26.6%
Interest	-2,287	10,366	26,209	0	-100.0%
Gains	2,477	-5,691	0	0	0.0%
Total CITY CENTER	2,783,565	2,272,730	2,475,244	1,796,694	-27.4%
<u>SOUTH NICOLLET MALL(CBY0)</u>					
Property Taxes	9,059,178	8,163,008	8,511,227	7,176,644	-15.7%
Interest	111,551	44,059	97,294	0	-100.0%
Gains	11,738	-24,843	0	0	0.0%
Rents	650,170	705,995	1,350,170	650,170	-51.8%
Total SOUTH NICOLLET MALL	9,832,637	8,888,219	9,958,691	7,826,814	-21.4%
<u>CENTRAL CARE NURSING HOME(CCC0)</u>					
Interest	-18	-10	0	0	0.0%
Gains	-2	4	0	0	0.0%
Total CENTRAL CARE NURSING HOME	-20	-6	0	0	0.0%
<u>DEEP ROCK TAX INCREMENT(CDR0)</u>					
Property Taxes	107,098	107,099	109,058	99,874	-8.4%
Interest	4,902	1,282	4,344	0	-100.0%
Gains	566	-833	0	0	0.0%
Total DEEP ROCK TAX INCREMENT	112,566	107,547	113,402	99,874	-11.9%
<u>DOWNTOWN EAST LRT(CDT0)</u>					
Property Taxes	300,690	224,810	0	0	0.0%
Charges for Service	641,091	97,123	0	0	0.0%
Interest	-4,871	-20,325	0	0	0.0%
Gains	-3,495	7,270	0	0	0.0%
Operating Transfers In	504,639	0	0	0	0.0%
Total DOWNTOWN EAST LRT	1,438,054	308,877	0	0	0.0%
<u>2700 EAST LAKE(CEL0)</u>					
Property Taxes	39,969	52,029	52,981	56,259	6.2%
Interest	191	90	108	0	-100.0%
Gains	20	-56	0	0	0.0%
Total 2700 EAST LAKE	40,180	52,063	53,089	56,259	6.0%
<u>East Phillips(CEP0)</u>					
Property Taxes	4,961	10,265	12,844	16,085	25.2%
State Government	215	202	0	0	0.0%
Interest	25	86	26	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>East Phillips(CEP0)</u>					
Gains	11	-63	0	0	0.0%
Total East Phillips	5,212	10,490	12,870	16,085	25.0%
<u>EAST VILLAGE(CEV0)</u>					
Property Taxes	254,251	226,194	230,334	191,055	-17.1%
Interest	395	314	106	0	-100.0%
Gains	74	-210	0	0	0.0%
Total EAST VILLAGE	254,721	226,298	230,440	191,055	-17.1%
<u>50TH & FRANCE(CFF0)</u>					
Property Taxes	183,943	185,399	190,291	185,161	-2.7%
Interest	1,125	673	395	0	-100.0%
Gains	132	-334	0	0	0.0%
Total 50TH & FRANCE	185,200	185,738	190,686	185,161	-2.9%
<u>FORMER FED RESERVE(CFR0)</u>					
Property Taxes	223,024	251,802	256,409	446,174	74.0%
Interest	-173	-237	1,036	0	-100.0%
Gains	212	-556	0	0	0.0%
Total FORMER FED RESERVE	223,063	251,009	257,445	446,174	73.3%
<u>GRAIN BELT(CGB0)</u>					
Property Taxes	124,289	124,290	126,563	124,077	-2.0%
Interest	49	82	506	0	-100.0%
Gains	23	-82	0	0	0.0%
Total GRAIN BELT	124,361	124,289	127,069	124,077	-2.4%
<u>GRACO TI(CGC0)</u>					
Property Taxes	204,580	11,862	216,238	221,149	2.3%
Interest	-629	-434	865	0	-100.0%
Gains	-35	407	0	0	0.0%
Total GRACO TI	203,916	11,835	217,103	221,149	1.9%
<u>110 GRANT(CGR0)</u>					
Property Taxes	413,580	365,722	0	353,558	0.0%
Interest	305	1,397	0	0	0.0%
Gains	354	-1,365	0	0	0.0%
Total 110 GRANT	414,239	365,754	0	353,558	0.0%
<u>13th and Harmon(CHA0)</u>					
Property Taxes	0	264,311	369,147	266,953	-27.7%
Charges for Service	58,087	0	0	0	0.0%
Interest	-5,199	-2,235	1,077	0	-100.0%
Gains	-373	741	0	0	0.0%
Total 13th and Harmon	52,514	262,817	370,224	266,953	-27.9%
<u>Parcel C Tax Increment District(CHC0)</u>					
Property Taxes	0	71,057	72,357	371,622	413.6%
Charges for Service	320,000	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>Parcel C Tax Increment District(CHC0)</u>					
Interest	22,889	15,668	145	0	-100.0%
Gains	2,780	-6,135	0	0	0.0%
Total Parcel C Tax Increment District	345,669	80,589	72,502	371,622	412.6%
<u>HISTORIC DEPOT REUSE DIST 93(CHD0)</u>					
Property Taxes	763,108	763,107	777,076	719,368	-7.4%
Charges for Service	11,194	0	0	0	0.0%
Interest	16,855	4,645	0	0	0.0%
Gains	1,780	-3,550	0	0	0.0%
Total HISTORIC DEPOT REUSE DIST 93	792,936	764,203	777,076	719,368	-7.4%
<u>HENNEPIN & 7TH ENTERTAINMENT(CHE0)</u>					
Property Taxes	818,588	784,270	989,606	1,047,657	5.9%
Interest	116,248	58,517	17,061	0	-100.0%
Gains	10,445	-24,190	0	0	0.0%
Rents	0	0	591,000	1,084,184	83.4%
Total HENNEPIN & 7TH ENTERTAINMENT	945,280	818,597	1,597,667	2,131,841	33.4%
<u>HUMBOLDT GREENWAY DIST 98(CHG0)</u>					
Property Taxes	0	112,879	137,223	223,386	62.8%
State Government	0	6,797	0	0	0.0%
Interest	-113,395	-58,420	0	0	0.0%
Gains	-10,120	22,082	0	0	0.0%
Total HUMBOLDT GREENWAY DIST 98	-123,515	83,338	137,223	223,386	62.8%
<u>HERITAGE LAND APTS(CHL0)</u>					
Property Taxes	581,725	461,443	469,886	449,754	-4.3%
Interest	5,905	3,784	1,073	0	-100.0%
Gains	671	-1,621	0	0	0.0%
Other Misc Revenues	32,192	23,622	0	0	0.0%
Total HERITAGE LAND APTS	620,493	487,227	470,959	449,754	-4.5%
<u>Heritage Park(CHP0)</u>					
Property Taxes	0	0	0	174,713	0.0%
Interest	0	-5	0	0	0.0%
Gains	0	1	0	0	0.0%
Total Heritage Park	0	-4	0	174,713	0.0%
<u>900 6TH AVENUE SOUTH(CHT0)</u>					
Property Taxes	42,124	61,722	62,851	57,590	-8.4%
Interest	0	37	0	0	0.0%
Gains	0	-28	0	0	0.0%
Total 900 6TH AVENUE SOUTH	42,124	61,731	62,851	57,590	-8.4%
<u>EAST HENNEPIN & UNIVERSITY(CHU0)</u>					
Property Taxes	272,188	890,632	915,588	935,332	2.2%
State Government	2,360	405	0	0	0.0%
Charges for Service	-11,194	0	0	0	0.0%
Interest	301	1,186	1,779	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>EAST HENNEPIN & UNIVERSITY(CHU0)</u>					
Gains	8	-2,027	0	0	0.0%
Total EAST HENNEPIN & UNIVERSITY	263,663	890,197	917,367	935,332	2.0%
<u>CAMDEN AREA IMPACT(CIM0)</u>					
Charges for Sales	300	0	0	0	0.0%
Interest	8,761	1,473	50	0	-100.0%
Gains	695	-706	0	0	0.0%
Total CAMDEN AREA IMPACT	9,756	767	50	0	-100.0%
<u>IVY TOWER(CIT0)</u>					
Property Taxes	138	138	141	129	-8.5%
Interest	0	-14	3	0	-100.0%
Gains	0	13	0	0	0.0%
Total IVY TOWER	138	137	144	129	-10.4%
<u>LOCAL CONTRIBUTION FUND(CLC0)</u>					
Interest	212,752	39,048	0	0	0.0%
Gains	6,555	-14,802	0	0	0.0%
Rents	498,704	434,575	0	0	0.0%
Other Misc Revenues	0	40,967	0	0	0.0%
Total LOCAL CONTRIBUTION FUND	718,010	499,788	0	0	0.0%
<u>LOWRY RIDGE(CLR0)</u>					
Property Taxes	89,861	105,063	107,687	111,822	3.8%
State Government	745	476	0	0	0.0%
Interest	450	40	2,154	0	-100.0%
Gains	2	-45	0	0	0.0%
Total LOWRY RIDGE	91,058	105,534	109,841	111,822	1.8%
<u>Lake Street Center(CLS0)</u>					
Property Taxes	0	478,505	0	574,317	0.0%
Interest	0	6,977	0	0	0.0%
Gains	0	-1,099	0	0	0.0%
Proceeds of Long Term Liabilities	0	6,500,000	0	0	0.0%
Total Lake Street Center	0	6,984,384	0	574,317	0.0%
<u>MAGNUM LOFTS(CML0)</u>					
Property Taxes	38,833	39,566	40,290	42,319	5.0%
Interest	207	133	167	0	-100.0%
Gains	27	-68	0	0	0.0%
Total MAGNUM LOFTS	39,067	39,631	40,457	42,319	4.6%
<u>Many Rivers(CMR0)</u>					
Property Taxes	166	23,797	24,233	55,622	129.5%
Interest	0	-54	48	0	-100.0%
Gains	0	-23	0	0	0.0%
Total Many Rivers	166	23,720	24,281	55,622	129.1%
<u>NICOLLET FRANKLIN(CNF0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>NICOLLET FRANKLIN(CNF0)</u>					
Property Taxes	65,511	82,200	83,704	59,408	-29.0%
Interest	-1,324	-1,310	335	0	-100.0%
Gains	-215	483	0	0	0.0%
Total NICOLLET FRANKLIN	63,972	81,373	84,039	59,408	-29.3%
<u>NRP(CNR0)</u>					
Charges for Service	27,609	1,750	0	0	0.0%
Charges for Sales	143,624	416,940	0	0	0.0%
Interest	1,591,229	721,482	0	0	0.0%
Gains	121,184	-259,661	0	0	0.0%
Rents	-328	0	0	0	0.0%
Other Misc Revenues	1,860,753	1,167,969	0	0	0.0%
Operating Transfers In	0	4,535,000	0	0	0.0%
Total NRP	3,744,071	6,583,480	0	0	0.0%
<u>NWIP(CPA0)</u>					
Property Taxes	2,710,530	2,608,590	2,739,567	2,627,578	-4.1%
State Government	489	468	0	0	0.0%
Interest	37,408	6,728	29,330	0	-100.0%
Gains	3,322	-6,998	0	0	0.0%
Total NWIP	2,751,750	2,608,788	2,768,897	2,627,578	-5.1%
<u>HOLMES(CPB0)</u>					
Property Taxes	2,119,500	1,970,888	2,337,096	2,235,156	-4.4%
State Government	49,253	47,689	0	0	0.0%
Interest	43,288	7,701	25,420	0	-100.0%
Gains	2,613	-5,757	0	0	0.0%
Total HOLMES	2,214,654	2,020,521	2,362,516	2,235,156	-5.4%
<u>NICOLLET ISLAND EAST BANK(CPC0)</u>					
Property Taxes	1,757,400	1,238,037	1,634,394	1,652,119	1.1%
State Government	14,903	10,430	0	0	0.0%
Interest	63,765	19,761	18,460	0	-100.0%
Gains	4,331	-6,328	0	0	0.0%
Total NICOLLET ISLAND EAST BANK	1,840,399	1,261,900	1,652,854	1,652,119	-0.0%
<u>PORTLAND PLACE(CPD0)</u>					
Property Taxes	54,573	68,844	0	87,097	0.0%
State Government	9,169	8,825	0	0	0.0%
Interest	4,403	2,064	0	0	0.0%
Gains	422	-943	0	0	0.0%
Total PORTLAND PLACE	68,567	78,791	0	87,097	0.0%
<u>NOKOMIS HOLMES(CPE0)</u>					
Property Taxes	207,251	229,527	595,235	274,475	-53.9%
State Government	54,418	53,512	0	0	0.0%
Interest	9,711	2,686	0	0	0.0%
Gains	1,194	-1,719	0	0	0.0%
Total NOKOMIS HOLMES	272,574	284,006	595,235	274,475	-53.9%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>ELLIOT PARK(CPF0)</u>					
Property Taxes	465,794	565,953	0	587,088	0.0%
State Government	7,483	10,007	0	0	0.0%
Interest	25,861	8,456	19,487	0	-100.0%
Gains	2,320	-2,647	0	0	0.0%
Total ELLIOT PARK	501,458	581,768	19,487	587,088	2,912.7%
<u>NICOLLET & LAKE(CPG0)</u>					
Property Taxes	513,975	573,425	623,411	586,169	-6.0%
State Government	7,263	8,733	0	0	0.0%
Interest	8,936	5,796	8,629	0	-100.0%
Gains	1,096	-2,134	0	0	0.0%
Total NICOLLET & LAKE	531,269	585,820	632,040	586,169	-7.3%
<u>CENTRAL & 20TH(CPH0)</u>					
Property Taxes	133,940	117,118	121,050	109,190	-9.8%
Interest	6,730	1,772	3,826	0	-100.0%
Gains	804	-1,001	0	0	0.0%
Total CENTRAL & 20TH	141,475	117,889	124,876	109,190	-12.6%
<u>CENTRAL AVE MARKET(CPI0)</u>					
Interest	15	8	0	0	0.0%
Gains	1	-3	0	0	0.0%
Total CENTRAL AVE MARKET	16	6	0	0	0.0%
<u>MILES I(CPJ0)</u>					
Property Taxes	89,905	92,459	93,626	94,467	0.9%
State Government	322	0	0	0	0.0%
Interest	5,216	1,186	3,238	0	-100.0%
Gains	530	-692	0	0	0.0%
Total MILES I	95,973	92,954	96,864	94,467	-2.5%
<u>NBA ARENA(CPK0)</u>					
Property Taxes	1,448,455	1,255,647	1,298,044	1,159,278	-10.7%
Charges for Service	0	975	0	0	0.0%
Interest	50,111	88,556	35,000	0	-100.0%
Gains	19,090	-28,535	0	0	0.0%
Rents	0	0	0	749,999	0.0%
Other Misc Revenues	749,990	749,990	0	0	0.0%
Operating Transfers In	8,597,277	0	0	0	0.0%
Total NBA ARENA	10,864,923	2,066,632	1,333,044	1,909,277	43.2%
<u>PHILLIPS PARK(CPL0)</u>					
Property Taxes	37,576	44,436	50,215	53,214	6.0%
State Government	5,041	4,894	0	0	0.0%
Interest	251	236	1,004	0	-100.0%
Gains	42	-118	0	0	0.0%
Total PHILLIPS PARK	42,911	49,448	51,219	53,214	3.9%
<u>LASALLE PLACE(CPM0)</u>					
Property Taxes	1,236,357	1,822,714	1,908,738	1,726,201	-9.6%
City of Minneapolis				Council Adopted Budget	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>LASALLE PLACE(CPM0)</u>					
Interest	81,558	31,176	18,854	0	-100.0%
Gains	8,484	-11,071	0	0	0.0%
Total LASALLE PLACE	1,326,399	1,842,820	1,927,592	1,726,201	-10.4%
<u>CAPITAL PROJECTS- OTHER(CPO0)</u>					
Charges for Sales	0	270,704	0	0	0.0%
Interest	0	1,463	0	0	0.0%
Rents	0	0	750,000	0	-100.0%
Other Misc Revenues	0	1,960,000	0	0	0.0%
Operating Transfers In	650,170	0	0	0	0.0%
Total CAPITAL PROJECTS- OTHER	650,170	2,232,167	750,000	0	-100.0%
<u>PRELIMINARY PLANNING(CPP0)</u>					
Charges for Service	-10,256	43,194	727,000	0	-100.0%
Charges for Sales	0	0	1,400,000	312,000	-77.7%
Interest	0	-197	0	0	0.0%
Rents	2,922	0	0	0	0.0%
Other Misc Revenues	13,344	0	140,000	0	-100.0%
Operating Transfers In	830,495	0	0	0	0.0%
Total PRELIMINARY PLANNING	836,505	42,997	2,267,000	312,000	-86.2%
<u>NEIMAN MARCUS(CPQ0)</u>					
Property Taxes	1,344,002	969,121	1,173,093	1,163,530	-0.8%
Interest	62,888	21,726	40,670	0	-100.0%
Gains	5,447	-7,078	0	0	0.0%
Total NEIMAN MARCUS	1,412,337	983,769	1,213,763	1,163,530	-4.1%
<u>IDS DATA SERVICE CENTER(CPR0)</u>					
Property Taxes	4,305,297	3,373,062	3,486,961	2,760,552	-20.8%
Interest	68,982	11,058	51,396	0	-100.0%
Gains	2,396	-6,639	0	0	0.0%
Total IDS DATA SERVICE CENTER	4,376,676	3,377,481	3,538,357	2,760,552	-22.0%
<u>BLOCK E(CPU0)</u>					
Interest	31,538	13,968	0	0	0.0%
Gains	2,484	-5,349	0	0	0.0%
Total BLOCK E	34,022	8,619	0	0	0.0%
<u>36TH AND MARSHALL(CPW0)</u>					
Property Taxes	142,891	142,892	145,507	139,069	-4.4%
Interest	3,647	2,957	65	0	-100.0%
Gains	483	-1,430	0	0	0.0%
Total 36TH AND MARSHALL	147,022	144,418	145,572	139,069	-4.5%
<u>COMMON PROJECT RESERVE(CPZ0)</u>					
Interest	-1,628,746	250,071	0	0	0.0%
Gains	44,475	-95,766	0	0	0.0%
Total COMMON PROJECT RESERVE	-1,584,271	154,305	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>CAPITAL PROJECTS-ARBITRAGE(CRB0)</u>					
Interest	4,025	54	0	0	0.0%
Gains	10	-21	0	0	0.0%
Total CAPITAL PROJECTS-ARBITRAGE	4,035	33	0	0	0.0%
<u>CREAMETTE DISTRICT 84(CRM0)</u>					
Property Taxes	146,004	144,094	0	148,954	0.0%
Interest	1,356	686	0	0	0.0%
Gains	281	-640	0	0	0.0%
Total CREAMETTE DISTRICT 84	147,641	144,139	0	148,954	0.0%
<u>ROSACKER NURSERY SITE(CRS0)</u>					
Property Taxes	117,034	130,419	137,654	147,057	6.8%
State Government	5,080	4,482	0	0	0.0%
Interest	2,672	565	2,747	0	-100.0%
Gains	55	-488	0	0	0.0%
Total ROSACKER NURSERY SITE	124,841	134,979	140,401	147,057	4.7%
<u>SEMI-PHASE 1(CS10)</u>					
Property Taxes	594,558	597,413	608,348	565,836	-7.0%
Interest	15,804	11,403	8,542	0	-100.0%
Gains	1,979	-5,208	0	0	0.0%
Total SEMI-PHASE 1	612,341	603,608	616,890	565,836	-8.3%
<u>SEMI-PHASE 2(CS20)</u>					
Property Taxes	285,079	285,081	290,297	265,851	-8.4%
Interest	20,174	11,105	5,790	0	-100.0%
Gains	1,965	-4,560	0	0	0.0%
Total SEMI-PHASE 2	307,218	291,626	296,087	265,851	-10.2%
<u>SEMI-PHASE 3(CS30)</u>					
Property Taxes	81,893	109,193	111,321	136,307	22.4%
State Government	0	128	0	0	0.0%
Interest	-547	-40	2,260	0	-100.0%
Gains	-38	-215	0	0	0.0%
Total SEMI-PHASE 3	81,308	109,066	113,581	136,307	20.0%
<u>SEMI-PHASE 4(CS40)</u>					
Property Taxes	175,638	160,009	162,937	182,615	12.1%
Interest	1,464	727	800	0	-100.0%
Gains	147	-343	0	0	0.0%
Total SEMI-PHASE 4	177,249	160,393	163,737	182,615	11.5%
<u>SEMI-PHASE 5(CS50)</u>					
Property Taxes	177,161	177,161	180,403	133,248	-26.1%
Interest	-579	-420	870	0	-100.0%
Gains	-62	88	0	0	0.0%
Total SEMI-PHASE 5	176,520	176,829	181,273	133,248	-26.5%
<u>Stone Arch Apartments(CSA0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>Stone Arch Apartments(CSA0)</u>					
Property Taxes	0	20,439	21,129	293,843	1,290.7%
Interest	0	-17	42	0	-100.0%
Gains	0	1	0	0	0.0%
Total Stone Arch Apartments	0	20,423	21,171	293,843	1,288.0%
<u>SPRING & CENTRAL(CSC0)</u>					
Property Taxes	10,978	12,049	12,270	9,201	-25.0%
Interest	532	399	245	0	-100.0%
Gains	67	-177	0	0	0.0%
Total SPRING & CENTRAL	11,576	12,270	12,515	9,201	-26.5%
<u>SHINGLE CREEK CONDOMINIUMS(CSH0)</u>					
Property Taxes	84,932	88,073	89,684	89,590	-0.1%
Interest	-189	-78	179	0	-100.0%
Gains	-6	-7	0	0	0.0%
Total SHINGLE CREEK CONDOMINIUMS	84,737	87,988	89,863	89,590	-0.3%
<u>STINSON(CST0)</u>					
Property Taxes	426,359	627,143	593,142	544,943	-8.1%
Interest	-2,112	-757	2,372	0	-100.0%
Gains	-89	60	0	0	0.0%
Total STINSON	424,158	626,446	595,514	544,943	-8.5%
<u>TOWERS AT ELLIOT PARK(CTE0)</u>					
Property Taxes	0	47,991	52,906	462,070	773.4%
Interest	54,813	15,528	0	0	0.0%
Gains	3,653	-6,955	0	0	0.0%
Total TOWERS AT ELLIOT PARK	58,466	56,565	52,906	462,070	773.4%
<u>2ND ST N HOTEL/APTS TOWNPLACE(CTP0)</u>					
Property Taxes	217,761	120,276	207,369	192,753	-7.0%
Interest	1,330	922	843	0	-100.0%
Gains	292	-753	0	0	0.0%
Total 2ND ST N HOTEL/APTS TOWNPLACE	219,383	120,445	208,212	192,753	-7.4%
<u>10TH AND WASHINGTON(CTW0)</u>					
Property Taxes	44,552	115,057	117,163	146,845	25.3%
Interest	3,881	2,563	479	0	-100.0%
Gains	424	-1,223	0	0	0.0%
Total 10TH AND WASHINGTON	48,858	116,398	117,642	146,845	24.8%
<u>UNITED VAN BUS(CUB0)</u>					
Property Taxes	50,315	57,049	58,092	55,171	-5.0%
Interest	6,135	1,318	1,245	0	-100.0%
Gains	571	-739	0	0	0.0%
Total UNITED VAN BUS	57,021	57,627	59,337	55,171	-7.0%
<u>East River/Unocal Site(CUN0)</u>					
Property Taxes	0	0	0	40,178	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>East River/Unocal Site(CUN0)</u>					
Interest	6,240	6,910	0	0	0.0%
Gains	504	-938	0	0	0.0%
Total East River/Unocal Site	6,744	5,972	0	40,178	0.0%
<u>URBAN VILLAGE(CUV0)</u>					
Property Taxes	15,408	9,372	19,278	2,306	-88.0%
State Government	73	74	0	0	0.0%
Charges for Service	185	0	0	0	0.0%
Charges for Sales	0	797,793	0	0	0.0%
Interest	-6,651	6,734	0	0	0.0%
Gains	-326	805	0	0	0.0%
Rents	0	1,400	0	0	0.0%
Total URBAN VILLAGE	8,689	816,179	19,278	2,306	-88.0%
<u>HSG REPLACE-WATERSHED 3(CW30)</u>					
Interest	3,060	1,375	0	0	0.0%
Gains	245	-527	0	0	0.0%
Total HSG REPLACE-WATERSHED 3	3,305	848	0	0	0.0%
<u>WEST SIDE MILLING DISTRICT(CWM0)</u>					
Property Taxes	678,790	1,209,054	1,380,207	1,487,980	7.8%
State Government	2,003	1,827	0	0	0.0%
Charges for Service	0	0	50,000	0	-100.0%
Interest	92,698	39,285	9,845	0	-100.0%
Gains	7,797	-17,662	0	0	0.0%
Total WEST SIDE MILLING DISTRICT	781,288	1,232,504	1,440,052	1,487,980	3.3%
<u>West River Commons(CWR0)</u>					
Property Taxes	0	6,063	6,267	21,087	236.5%
Interest	0	-15	246,078	0	-100.0%
Gains	0	7	0	0	0.0%
Total West River Commons	0	6,055	252,345	21,087	-91.6%
<u>HSG REPLACE-WATERSHED 0(CWS0)</u>					
Property Taxes	146,650	229,590	246,078	299,681	21.8%
State Government	16,495	20,286	0	0	0.0%
Interest	1,165	1,924	4,704	0	-100.0%
Gains	269	-1,250	0	0	0.0%
Other Misc Revenues	0	0	122,000	0	-100.0%
Total HSG REPLACE-WATERSHED 0	164,578	250,549	372,782	299,681	-19.6%
<u>Housing Replacement 2(CWT0)</u>					
Property Taxes	0	0	0	10,438	0.0%
Total Housing Replacement 2	0	0	0	10,438	0.0%
Total Capital Projects	370,317,480	292,707,693	140,932,362	140,745,004	-0.1%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>BOND REDEMPTION - DEBT SERVICE(5250)</u>					
Property Taxes	27,793,569	25,791,372	22,308,720	19,388,915	-13.1%
Sales and Other Taxes	2,551	2,096	0	0	0.0%
State Government	1,601,253	35,268	0	0	0.0%
Special Assessments	530	124	0	0	0.0%
Interest	698,987	332,982	0	0	0.0%
Gains	-327,535	-102,596	0	0	0.0%
Rents	0	22,998	0	0	0.0%
Other Misc Revenues	75,412	546	0	0	0.0%
Operating Transfers In	4,261,685	2,422,438	502,000	1,625,400	223.8%
Proceeds of Long Term Liabilities	4,000,000	0	0	0	0.0%
Total BOND REDEMPTION - DEBT SERVICE	38,106,452	28,505,228	22,810,720	21,014,315	-7.9%
<u>OTH SELF SUPPORTING DEBT SERVC(5260)</u>					
Interest	-85	83	0	0	0.0%
Gains	-23	-337	0	0	0.0%
Rents	735,924	590,461	0	443,938	0.0%
Other Misc Revenues	54,912	836,205	0	1,738,707	0.0%
Operating Transfers In	1,822,036	1,714,108	2,318,105	538,871	-76.8%
Total OTH SELF SUPPORTING DEBT SERVC	2,612,764	3,140,520	2,318,105	2,721,516	17.4%
<u>PENSION FUND DEBT SERVICE(5270)</u>					
Property Taxes	1,933,185	0	0	0	0.0%
Sales and Other Taxes	178	0	0	0	0.0%
State Government	111,700	0	0	0	0.0%
Interest	1,437	-1,686	0	0	0.0%
Gains	393	-1,812	0	0	0.0%
Other Misc Revenues	0	0	47,138	0	-100.0%
Operating Transfers In	0	6,339,003	18,941,469	17,143,476	-9.5%
Total PENSION FUND DEBT SERVICE	2,046,892	6,335,505	18,988,607	17,143,476	-9.7%
<u>LIBRARY REF DEBT SERVICE(5280)</u>					
Property Taxes	396,548	3,336,665	6,272,000	7,938,000	26.6%
Interest	125	6,700	0	0	0.0%
Gains	0	-4,139	0	0	0.0%
Operating Transfers In	53,860	490,230	0	0	0.0%
Total LIBRARY REF DEBT SERVICE	450,532	3,829,456	6,272,000	7,938,000	26.6%
<u>CONVENTION CENTER-DEBT SERVICE(5300)</u>					
Interest	10,427	71,198	0	0	0.0%
Gains	1,284	-29	0	0	0.0%
Rents	301,970	301,970	0	0	0.0%
Operating Transfers In	17,650,141	13,647,677	19,724,675	19,142,000	-3.0%
Proceeds of Long Term Liabilities	0	42,313,194	0	0	0.0%
Total CONVENTION CENTER-DEBT SERVICE	17,963,822	56,334,011	19,724,675	19,142,000	-3.0%
<u>TARGET CENTER(5350)</u>					
Interest	7,534	7,970	0	0	0.0%
Operating Transfers In	4,646,596	4,848,895	0	0	0.0%
Total TARGET CENTER	4,654,130	4,856,865	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>BOND REDEMPTION - ASSESSMENT(5450)</u>					
Special Assessments	249,189	185,975	94,500	0	-100.0%
Interest	115,360	56,750	0	0	0.0%
Gains	-48,726	-21,861	0	0	0.0%
Other Misc Revenues	1,875	0	0	0	0.0%
Total BOND REDEMPTION - ASSESSMENT	317,698	220,864	94,500	0	-100.0%
<u>CONCERT HALL - DEBT SERVICE(5600)</u>					
Interest	18,101	15	0	0	0.0%
Gains	-9,478	-6	0	0	0.0%
Rents	630,000	0	0	0	0.0%
Other Misc Revenues	-702,302	0	0	0	0.0%
Total CONCERT HALL - DEBT SERVICE	-63,679	9	0	0	0.0%
<u>TAX INCREMENT - DEBT SERVICE(5900)</u>					
Interest	1,661	6,587	0	0	0.0%
Gains	-3,163	-1,567	0	0	0.0%
Operating Transfers In	16,217,484	12,704,046	0	0	0.0%
Proceeds of Long Term Liabilities	26,237,370	0	0	0	0.0%
Total TAX INCREMENT - DEBT SERVICE	42,453,353	12,709,067	0	0	0.0%
<u>00 IMPROVEMENT BONDS(5A00)</u>					
Special Assessments	1,339	832	0	0	0.0%
Interest	197	114	0	0	0.0%
Gains	-26	-45	0	0	0.0%
Total 00 IMPROVEMENT BONDS	1,510	902	0	0	0.0%
<u>96 IMPROVEMENT BONDS(5A60)</u>					
Special Assessments	154,017	145,583	198,460	182,218	-8.2%
Interest	4,666	1,364	0	0	0.0%
Gains	-2,817	-292	0	0	0.0%
Total 96 IMPROVEMENT BONDS	155,866	146,655	198,460	182,218	-8.2%
<u>97 IMPROVEMENT BONDS(5A70)</u>					
Special Assessments	266,683	274,880	253,913	239,562	-5.7%
Interest	7,339	3,571	0	0	0.0%
Gains	-3,160	-1,228	0	0	0.0%
Total 97 IMPROVEMENT BONDS	270,862	277,223	253,913	239,562	-5.7%
<u>98 IMPROVEMENT BONDS(5A80)</u>					
Special Assessments	174,693	154,791	180,194	174,150	-3.4%
Interest	12,183	5,569	0	0	0.0%
Gains	-5,188	-1,948	0	0	0.0%
Total 98 IMPROVEMENT BONDS	181,687	158,412	180,194	174,150	-3.4%
<u>01 IMPROVEMENT BONDS - 10 YR(5AA0)</u>					
Gains	0	-2	0	0	0.0%
Total 01 IMPROVEMENT BONDS - 10 YR	0	-2	0	0	0.0%
<u>01 IMPROVEMENT BONDS - 20 YR(5AB0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>01 IMPROVEMENT BONDS - 20 YR(5AB0)</u>					
Special Assessments	1,600,392	1,186,872	817,053	797,053	-2.4%
Interest	42,866	29,398	0	0	0.0%
Gains	-8,074	-10,995	0	0	0.0%
Total 01 IMPROVEMENT BONDS - 20 YR	1,635,184	1,205,274	817,053	797,053	-2.4%
<u>BOND REDEM ARBIT 6/90 IMP BOND(5B00)</u>					
Special Assessments	244,594	219,171	306,683	270,767	-11.7%
Interest	-5,374	-3,960	0	0	0.0%
Gains	712	1,893	0	0	0.0%
Total BOND REDEM ARBIT 6/90 IMP BOND	239,931	217,103	306,683	270,767	-11.7%
<u>BOND REDEM ARBIT 6/91 IMP BOND(5C00)</u>					
Special Assessments	161,483	148,165	237,390	209,001	-12.0%
Interest	17,744	7,117	0	0	0.0%
Gains	-8,357	-2,408	0	0	0.0%
Total BOND REDEM ARBIT 6/91 IMP BOND	170,869	152,874	237,390	209,001	-12.0%
<u>BOND REDEM ARBIT 6/92 IMP BOND(5E00)</u>					
Special Assessments	144,385	141,151	201,788	190,200	-5.7%
Interest	14,942	6,229	0	0	0.0%
Gains	-7,480	-2,130	0	0	0.0%
Total BOND REDEM ARBIT 6/92 IMP BOND	151,847	145,251	201,788	190,200	-5.7%
<u>BOND REDEM ARBIT 6/93 IMP BOND(5F00)</u>					
Special Assessments	202,160	202,499	210,750	203,500	-3.4%
Interest	20,725	1,056	0	0	0.0%
Gains	-10,889	-282	0	0	0.0%
Proceeds of Long Term Liabilities	1,460,000	0	0	0	0.0%
Total BOND REDEM ARBIT 6/93 IMP BOND	1,671,996	203,273	210,750	203,500	-3.4%
<u>BOND REDEM ARBIT 6/94 IMP BOND(5G00)</u>					
Special Assessments	150,637	151,078	198,695	0	-100.0%
Interest	32,173	14,720	0	0	0.0%
Gains	-13,839	-5,394	0	0	0.0%
Total BOND REDEM ARBIT 6/94 IMP BOND	168,971	160,404	198,695	0	-100.0%
<u>BOND REDEM ARBIT 6/95 IMP BOND(5H00)</u>					
Special Assessments	278,650	257,770	273,467	0	-100.0%
Interest	25,375	11,993	0	0	0.0%
Gains	-10,158	-4,377	0	0	0.0%
Total BOND REDEM ARBIT 6/95 IMP BOND	293,867	265,386	273,467	0	-100.0%
<u>OCT 02 IMPROV BOND D/S(5I20)</u>					
Special Assessments	774,639	679,586	581,900	567,700	-2.4%
Interest	9,913	4,743	0	0	0.0%
Gains	593	-1,504	0	0	0.0%
Operating Transfers In	21,408	1,334	0	0	0.0%
Total OCT 02 IMPROV BOND D/S	806,553	684,158	581,900	567,700	-2.4%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>NOV03 IMPROV BOND D/S(5130)</u>					
Special Assessments	162,363	773,894	647,153	635,778	-1.8%
Interest	327	3,895	0	0	0.0%
Gains	359	-1,057	0	0	0.0%
Operating Transfers In	31,741	573	0	0	0.0%
Total NOV03 IMPROV BOND D/S	194,791	777,306	647,153	635,778	-1.8%
<u>NOV04 IMPROV BOND D/S(5140)</u>					
Special Assessments	0	165,078	1,033,950	993,575	-3.9%
Interest	0	116	0	0	0.0%
Gains	0	-457	0	0	0.0%
Operating Transfers In	0	1,895	0	0	0.0%
Total NOV04 IMPROV BOND D/S	0	166,632	1,033,950	993,575	-3.9%
<u>NOV05 IMPROV BOND D/S(5150)</u>					
Special Assessments	0	0	0	589,613	0.0%
Total NOV05 IMPROV BOND D/S	0	0	0	589,613	0.0%
<u>BOND REDEM ARBIT ASSESS PARK(5P00)</u>					
Special Assessments	394,145	488,362	546,200	565,000	3.4%
Interest	9,856	5,358	0	0	0.0%
Gains	-2,858	-1,882	0	0	0.0%
Operating Transfers In	0	142,824	0	0	0.0%
Total BOND REDEM ARBIT ASSESS PARK	401,143	634,663	546,200	565,000	3.4%
<u>BOND REDEM ARBIT 6/87 IMP BOND(5Z10)</u>					
Special Assessments	47,558	43,838	0	0	0.0%
Interest	-7,393	-5,836	0	0	0.0%
Gains	1,610	2,168	0	0	0.0%
Total BOND REDEM ARBIT 6/87 IMP BOND	41,775	40,170	0	0	0.0%
<u>BOND REDEM ARBIT 9/87 IMP BOND(5Z20)</u>					
Special Assessments	62,171	60,892	0	0	0.0%
Interest	-9,707	-3,779	0	0	0.0%
Gains	4,769	1,339	0	0	0.0%
Total BOND REDEM ARBIT 9/87 IMP BOND	57,233	58,453	0	0	0.0%
<u>BOND REDEM ARBIT 6/88 IMP BOND(5Z30)</u>					
Special Assessments	56,909	49,943	126,305	0	-100.0%
Interest	-4,023	-3,206	0	0	0.0%
Gains	338	1,449	0	0	0.0%
Total BOND REDEM ARBIT 6/88 IMP BOND	53,224	48,185	126,305	0	-100.0%
<u>BOND REDEM ARBIT 6/89 IMP BOND(5Z40)</u>					
Special Assessments	61,138	51,281	126,305	0	-100.0%
Interest	-4,858	-3,569	0	0	0.0%
Gains	680	1,614	0	0	0.0%
Total BOND REDEM ARBIT 6/89 IMP BOND	56,961	49,326	126,305	0	-100.0%
<u>BOND REDEM ARBIT NIC MALL BOND(5Z50)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>BOND REDEM ARBIT NIC MALL BOND(5Z50)</u>					
Special Assessments	1,650,474	1,664,238	1,702,403	1,602,199	-5.9%
Interest	53,209	25,114	0	0	0.0%
Gains	-20,372	-13,828	0	0	0.0%
Operating Transfers In	218,522	186,483	0	0	0.0%
Total BOND REDEM ARBIT NIC MALL BOND	1,901,833	1,862,007	1,702,403	1,602,199	-5.9%
<u>MCDA DEBT SERVICE(DDS0)</u>					
Interest	196,840	-3,974	225,740	0	-100.0%
Gains	25,362	-49,152	0	0	0.0%
Operating Transfers In	35,512,379	40,999,683	36,870,740	37,181,434	0.8%
Total MCDA DEBT SERVICE	35,734,580	40,946,556	37,096,480	37,181,434	0.2%
<u>ST ANTHONY DEBT SERVICE(DDT0)</u>					
Interest	6,300	6,560	0	0	0.0%
Gains	1,545	-1,555	0	0	0.0%
Operating Transfers In	0	135,124	0	0	0.0%
Proceeds of Long Term Liabilities	0	11,470,000	0	0	0.0%
Total ST ANTHONY DEBT SERVICE	7,845	11,610,129	0	0	0.0%
Total Debt Service	152,740,493	175,741,862	114,947,696	112,361,057	-2.3%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Enterprise Funds:					
<u>Sanitary Sewer Fund(7100)</u>					
Charges for Service	0	0	36,055,500	37,772,862	4.8%
Other Misc Revenues	0	0	50,000	50,841	1.7%
Proceeds of Long Term Liabilities	0	0	0	625,000	0.0%
Total Sanitary Sewer Fund	0	0	36,105,500	38,448,703	6.5%
<u>Stormwater Fund(7300)</u>					
Property Taxes	0	0	0	0	0.0%
Federal Government	41,017	112,345	0	0	0.0%
State Government	556,335	1,922,638	1,839,681	644,160	-65.0%
Local Government	290,090	272,771	1,166,985	320,295	-72.6%
Charges for Service	62,626,362	64,147,043	34,181,368	34,389,368	0.6%
Charges for Sales	5,797	538,768	1,000	1,000	0.0%
Special Assessments	257,471	368,731	115,000	115,000	0.0%
Interest	437	1,759	0	0	0.0%
Other Misc Revenues	24,966	9,832	10,000	2,000	-80.0%
Operating Transfers In	6,875,360	3,671,752	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	5,870,000	4,072,000	-30.6%
Total Stormwater Fund	70,677,834	71,045,641	43,184,034	39,543,823	-8.4%
<u>WATER ENTERPRISE FUND(7400)</u>					
Property Taxes	0	0	0	0	0.0%
Licenses and Permits	1,069	782	1,000	1,000	0.0%
Federal Government	154,011	64,305	0	0	0.0%
State Government	0	0	0	750,000	0.0%
Charges for Service	61,733,775	60,962,089	65,671,953	67,471,953	2.7%
Charges for Sales	678,996	1,617,164	1,780,000	1,780,000	0.0%
Special Assessments	1,031,895	746,515	0	0	0.0%
Interest	1,542	2,950	0	0	0.0%
Rents	0	0	1,000	1,000	0.0%
Other Misc Revenues	39,329	361	19,100	19,100	0.0%
Operating Transfers In	4,124,518	3,022,168	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	16,000,000	22,250,000	39.1%
Total WATER ENTERPRISE FUND	67,765,135	66,416,333	83,473,053	92,273,053	10.5%
<u>MUNICIPAL PARKING ENTERPRISE FUND(7500)</u>					
Licenses and Permits	192,354	207,042	193,000	218,000	13.0%
State Government	295,600	83,049	0	0	0.0%
Charges for Service	51,131,179	53,263,740	54,389,616	55,574,873	2.2%
Charges for Sales	1,185,120	1,574,954	1,001,000	1,301,000	30.0%
Special Assessments	156,439	100,140	132,500	1,762,925	1,230.5%
Interest	1,492	29,201	750	750	0.0%
Rents	123,137	107,204	3,000	112,685	3,656.2%
Other Misc Revenues	43,236	61,210	1,000	1,201,000	120,000.0%
Operating Transfers In	37,521,338	27,605,759	15,159,029	16,480,553	8.7%
Proceeds of Long Term Liabilities	0	0	0	1,700,000	0.0%
Total MUNICIPAL PARKING ENTERPRISE FUND	90,649,896	83,032,300	70,879,895	78,351,786	10.5%
<u>Library Pkg Enterprise Fund(7600)</u>					
Charges for Service	0	0	0	803,528	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Enterprise Funds:					
<u>Library Pkg Enterprise Fund(7600)</u>					
Operating Transfers In	0	0	0	365,878	0.0%
Total Library Pkg Enterprise Fund	0	0	0	1,169,406	0.0%
<u>SOLID WASTE - ENTERPRISE(7700)</u>					
Local Government	844,405	828,162	544,000	544,000	0.0%
Charges for Service	26,240,595	25,891,772	26,098,800	26,297,800	0.8%
Charges for Sales	940,994	1,605,400	900,000	1,619,400	79.9%
Special Assessments	92,960	73,153	0	0	0.0%
Interest	1	1	0	0	0.0%
Gains	0	-4,159	0	0	0.0%
Rents	140	200	0	0	0.0%
Other Misc Revenues	1,892	3,526	0	0	0.0%
Operating Transfers In	146,000	196,000	196,000	196,000	0.0%
Total SOLID WASTE - ENTERPRISE	28,266,988	28,594,053	27,738,800	28,657,200	3.3%
<u>PARK - OPERATIONS - ENTERPRISE(7800)</u>					
State Government	20,487	0	0	0	0.0%
Charges for Service	9,892,782	9,764,524	10,082,813	10,198,908	1.2%
Charges for Sales	2,087	66	0	0	0.0%
Interest	46	144	0	0	0.0%
Gains	0	0	0	0	0.0%
Rents	1,396,674	1,443,551	1,686,587	1,926,561	14.2%
Contributions	458,867	391,902	41,385	35,275	-14.8%
Other Misc Revenues	0	125	0	2,000	0.0%
Operating Transfers In	87,839	44,870	100,000	0	-100.0%
Total PARK - OPERATIONS - ENTERPRISE	11,858,782	11,645,183	11,910,785	12,162,744	2.1%
<u>DEFAULTED PROPERTY ADMINISTRATION(EDP0)</u>					
Property Taxes	0	0	548,365	0	-100.0%
Charges for Service	54,085	0	0	0	0.0%
Charges for Sales	4,978	2,230,542	0	0	0.0%
Interest	-4,042	-4,755	10,967	0	-100.0%
Gains	-1,110	-11,826	0	0	0.0%
Rents	661,184	3,348,858	1,823,000	0	-100.0%
Other Misc Revenues	70,896	0	6,000,000	0	-100.0%
Operating Transfers In	1,620,279	0	0	0	0.0%
Total DEFAULTED PROPERTY ADMINISTRATION	2,406,271	5,562,819	8,382,332	0	-100.0%
<u>FED HOME LN BANK ECON DEVELOP(EED0)</u>					
Interest	109,040	261,502	6,266	0	-100.0%
Gains	675	-1,751	0	0	0.0%
Total FED HOME LN BANK ECON DEVELOP	109,715	259,751	6,266	0	-100.0%
<u>FHLB HOUSING DEVELOPMENT(EHD0)</u>					
Interest	-3,347	1,728	8,063	0	-100.0%
Gains	307	-661	0	0	0.0%
Total FHLB HOUSING DEVELOPMENT	-3,040	1,066	8,063	0	-100.0%
<u>HOUSING OWNWERSHIP PROGRAM(EHO0)</u>					
Interest	944,034	614,414	6,023	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Enterprise Funds:					
<u>HOUSING OWNERSHIP PROGRAM(EH00)</u>					
Gains	260	-560	0	0	0.0%
Total HOUSING OWNERSHIP PROGRAM	944,294	613,854	6,023	0	-100.0%
<u>HOME OWNERSHIP & RENOVATION(EHR0)</u>					
Interest	362,080	182,518	0	0	0.0%
Gains	13	157	0	0	0.0%
Total HOME OWNERSHIP & RENOVATION	362,093	182,675	0	0	0.0%
<u>LOAN & GRANT PROGRAMS(ELG0)</u>					
Charges for Service	1,370	0	0	0	0.0%
Interest	13,014	3,042	5,917	0	-100.0%
Gains	504	-1,094	0	0	0.0%
Other Misc Revenues	0	3,831	0	0	0.0%
Total LOAN & GRANT PROGRAMS	14,888	5,779	5,917	0	-100.0%
<u>RIVER TERMINAL(ERT0)</u>					
Charges for Service	2,917,570	1,862,869	0	0	0.0%
Interest	-6,983	-5,035	0	0	0.0%
Gains	-734	1,935	0	0	0.0%
Total RIVER TERMINAL	2,909,854	1,859,768	0	0	0.0%
<u>GARFS(ERZ0)</u>					
Charges for Service	72,535	291,190	0	300,000	0.0%
Interest	16,229	16,593	29,779	0	-100.0%
Gains	2,984	-6,255	0	0	0.0%
Other Misc Revenues	53,115	1,924	300,000	0	-100.0%
Total GARFS	144,863	303,452	329,779	300,000	-9.0%
Total Enterprise Funds	276,107,572	269,522,674	282,030,447	290,906,715	3.1%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Internal Service Funds:</u>					
<u>MATERIALS & LAB-INTERNAL SVC(6000)</u>					
State Government	0	139,896	0	0	0.0%
Charges for Service	1,003,012	1,024,134	950,000	800,000	-15.8%
Charges for Sales	4,348,703	2,656,943	2,650,000	2,850,000	7.5%
Interest	20	0	0	0	0.0%
Gains	0	58,931	0	0	0.0%
Total MATERIALS & LAB-INTERNAL SVC	5,351,734	3,879,903	3,600,000	3,650,000	1.4%
<u>EQUIPMENT - INTERNAL SERVICE(6100)</u>					
Charges for Service	601,846	4,685,975	7,389,661	7,500,000	1.5%
Charges for Sales	2,292,559	3,516,349	6,434,262	6,934,262	7.8%
Interest	1,596	0	500	500	0.0%
Gains	297,499	3,651	200,000	200,000	0.0%
Rents	28,771,508	21,265,071	27,267,348	28,067,348	2.9%
Other Misc Revenues	584,003	187,646	310,000	310,000	0.0%
Operating Transfers In	7,414,522	7,466,099	4,180,000	4,180,000	0.0%
Proceeds of Long Term Liabilities	0	0	5,540,000	0	-100.0%
Total EQUIPMENT - INTERNAL SERVICE	39,963,534	37,124,790	51,321,771	47,192,110	-8.0%
<u>PROPERTY SERVICES INTERNAL SERVICE FUND(6200)</u>					
Charges for Service	4,777,037	5,941,294	6,380,500	7,247,500	13.6%
Charges for Sales	510,842	617,371	385,480	400,000	3.8%
Interest	-24	18	0	0	0.0%
Gains	0	-2,742	0	0	0.0%
Rents	6,214,108	6,268,683	6,647,500	7,256,500	9.2%
Other Misc Revenues	18,582	14,315	2,000	3,000	50.0%
Operating Transfers In	4,027,496	1,415,825	811,613	843,600	3.9%
Proceeds of Long Term Liabilities	0	0	0	0	0.0%
Total PROPERTY SERVICES INTERNAL SERVICE	15,548,040	14,254,764	14,227,093	15,750,600	10.7%
<u>STORES - INTERNAL SERVICE(6300)</u>					
Charges for Service	386,845	447,762	400,000	400,000	0.0%
Charges for Sales	4,328,036	3,472,281	3,022,500	3,022,500	0.0%
Interest	163	54	0	0	0.0%
Total STORES - INTERNAL SERVICE	4,715,044	3,920,098	3,422,500	3,422,500	0.0%
<u>INFO TECH - INTERNAL SERVICE(6400)</u>					
Property Taxes	0	0	0	0	0.0%
State Government	0	0	0	50,000	0.0%
Local Government	0	0	0	50,000	0.0%
Charges for Service	3,804,169	5,244,402	19,725,822	21,295,319	8.0%
Charges for Sales	34,889	31,697	10,000	10,000	0.0%
Interest	0	290	0	0	0.0%
Gains	6,126	-2,559	0	0	0.0%
Other Misc Revenues	571,460	562,999	0	0	0.0%
Operating Transfers In	19,186,475	24,038,676	7,948,450	10,522,950	32.4%
Proceeds of Long Term Liabilities	0	0	2,000,000	1,525,000	-23.8%
Total INFO TECH - INTERNAL SERVICE	23,603,118	29,875,504	29,684,272	33,453,269	12.7%
<u>PARK - INTERNAL SERVICE(6600)</u>					
Charges for Service	815,651	740,485	1,846,823	1,863,616	0.9%
Charges for Sales	432,932	481,575	110,000	100,000	-9.1%
City of Minneapolis					Council Adopted Budget

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Internal Service Funds:					
<u>PARK - INTERNAL SERVICE(6600)</u>					
Gains	6,923	6,430	0	0	0.0%
Rents	3,177,708	3,088,899	3,108,500	3,492,460	12.4%
Contributions	98,873	18,052	0	0	0.0%
Other Misc Revenues	12,031	14,548	0	0	0.0%
Operating Transfers In	5,245	0	0	0	0.0%
Total PARK - INTERNAL SERVICE	4,549,363	4,349,988	5,065,323	5,456,076	7.7%
<u>PARK-SELF INSURE-INTERNAL SVC(6700)</u>					
Other Misc Revenues	2,041,631	2,030,723	2,066,149	2,416,709	17.0%
Operating Transfers In	0	0	0	135,000	0.0%
Total PARK-SELF INSURE-INTERNAL SVC	2,041,631	2,030,723	2,066,149	2,551,709	23.5%
<u>SELF INSURANCE-INTERNAL SVC(6900)</u>					
Charges for Service	54,483,747	55,961,620	56,818,135	58,475,643	2.9%
Other Misc Revenues	5,867,954	4,922,428	5,427,104	5,507,125	1.5%
Operating Transfers In	10,896,271	3,771,313	3,884,547	5,665,047	45.8%
Total SELF INSURANCE-INTERNAL SVC	71,247,972	64,655,360	66,129,786	69,647,815	5.3%
Total Internal Service Funds	167,020,436	160,091,131	175,516,894	181,124,079	3.2%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Investment Management Funds:					
<u>INVESTMENT POOL(Z010)</u>					
Interest	-4,961	91,916	0	0	0.0%
Gains	0	1,058,967	0	0	0.0%
Total INVESTMENT POOL	-4,961	1,150,883	0	0	0.0%
Total Investment Management Funds	-4,961	1,150,883	0	0	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
<u>Agency - Inactive:</u>					
<u>PUBLIC HOUSING AUTHORITY(2900)</u>					
Property Taxes	0	0	0	0	0.0%
Operating Transfers In	0	0	0	0	0.0%
Total PUBLIC HOUSING AUTHORITY	0	0	0	0	0.0%
<u>LUMBER EXCHANGE SKYWAY(8390)</u>					
Interest	4,407	2,091	0	0	0.0%
Gains	-1,661	-1,143	0	0	0.0%
Total LUMBER EXCHANGE SKYWAY	2,746	948	0	0	0.0%
Total Agency - Inactive	2,746	948	0	0	
TOTAL ALL FUNDS	1,491,655,662	1,435,271,476	1,248,810,802	1,332,192,828	6.7%

SCHEDULE TWO
Revenues by Type

Revenues by Type	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Property Taxes	227,219,514	245,455,532	265,280,632	278,763,673	5.1%
Sales and Other Taxes	49,256,599	52,448,722	51,228,875	55,178,280	7.7%
Franchise Fees	24,082,717	25,120,633	22,110,000	22,310,000	0.9%
Licenses and Permits	23,204,071	25,091,645	23,459,387	25,878,458	10.3%
Federal Government	45,068,389	42,986,964	52,169,316	46,389,252	-11.1%
State Government	148,671,549	140,654,029	119,774,808	142,318,057	18.8%
Local Government	9,482,632	12,228,757	9,524,069	5,865,851	-38.4%
Charges for Service	322,845,115	342,214,910	376,686,525	391,614,250	4.0%
Charges for Sales	23,013,604	23,020,022	22,533,142	18,965,662	-15.8%
Fines and Forfeits	9,268,401	10,225,171	9,645,127	11,289,694	17.1%
Special Assessments	12,465,894	12,382,716	21,322,043	20,752,826	-2.7%
Interest	17,241,021	9,805,917	3,324,188	2,917,350	-12.2%
Gains	-573,782	-1,119,161	200,000	216,000	8.0%
Rents	51,428,641	46,556,186	52,212,847	53,391,450	2.3%
Contributions	2,893,853	3,077,403	868,372	1,986,474	128.8%
Other Misc Revenues	21,395,200	22,168,636	27,289,841	20,406,230	-25.2%
Operating Transfers In	293,319,704	275,575,563	139,910,630	147,648,214	5.5%
Proceeds of Fixed Asset Disposal	0	0	0	21,443,107	
Proceeds of Long Term Liabilities	211,372,541	147,377,831	51,271,000	64,858,000	26.5%
Total Revenues by Type	1,491,655,662	1,435,271,476	1,248,810,802	1,332,192,828	6.7%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
General Fund - City :					
GENERAL FUND (0100)					
ASSESSOR	2,583,821	2,525,954	3,101,062	3,176,666	2.4%
CORRECTIONS - NON-DEPT	765,227	780,567	820,000	836,400	2.0%
NON-DEPARTMENTAL	361,152	433,637	1,428,143	100,000	-93.0%
INTERFUND TRANSFERS	24,988,600	32,690,200	32,791,670	35,617,175	8.6%
UNFUNDED PENSION EXPENSE	0	0	-1,200,000	0	-100.0%
ATTORNEY	4,259,653	4,631,236	5,602,482	5,954,338	6.3%
CONTINGENCY	3,651,764	45,000	1,983,000	2,279,462	15.0%
CITY COUNCIL	2,787,046	2,868,001	3,322,914	2,940,198	-11.5%
CITY CLERK	1,261,816	1,134,182	1,305,447	2,157,597	65.3%
CITY CLERK - ELECTIONS	527,656	956,149	963,708	995,053	3.3%
FIRE DEPARTMENT	39,933,687	39,495,287	45,200,377	47,162,463	4.3%
CIVIL RIGHTS	1,761,145	1,790,872	2,338,040	2,493,846	6.7%
MAYOR	856,343	903,603	1,053,899	1,146,314	8.8%
POLICE DEPARTMENT	93,631,961	87,603,717	94,749,237	107,525,757	13.5%
PW - ENGINEERING SERVICES	888,249	919,738	1,191,752	1,151,759	-3.4%
PW - FIELD SERVICES	20,957,934	22,267,399	21,612,484	22,423,159	3.8%
PW - ADMINISTRATIVE SERVICES	1,952,955	2,094,854	2,365,110	2,832,980	19.8%
PW - TRANSPORTATION	9,748,599	10,403,914	10,984,283	10,881,979	-0.9%
HUMAN RESOURCES	3,471,613	3,682,126	5,526,672	5,914,585	7.0%
FINANCE DEPARTMENT	4,658,581	9,930,399	17,746,460	17,995,965	1.4%
EMERGENCY COMMUNICATIONS	0	6,174,166	6,683,866	9,755,070	45.9%
Regulatory Services	17,385,892	18,749,953	20,892,048	23,850,221	14.2%
CITY COORDINATOR	387,169	361,418	693,395	545,796	-21.3%
INTERGOVERNMENTAL RELATIONS	819,416	955,539	1,041,136	1,106,336	6.3%
COMMUNICATIONS	2,011,129	1,904,716	2,367,992	2,349,001	-0.8%
HEALTH AND FAMILY SUPPORT	3,414,781	3,445,727	3,652,728	3,701,245	1.3%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,885,325	2,178,762	3,075,229	3,579,473	16.4%
Total GENERAL FUND	244,951,514	258,927,116	291,293,134	318,472,838	9.3%
Total General Fund - City	244,951,514	258,927,116	291,293,134	318,472,838	9.3%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>GRANTS - FEDERAL (0300)</u>					
INTERFUND TRANSFERS	934,112	-1,386,277	50,000	50,000	0.0%
ATTORNEY	333,581	519,007	405,523	425,450	4.9%
FIRE DEPARTMENT	446,486	997,526	0	3,165,666	
CIVIL RIGHTS	0	0	0	0	
POLICE DEPARTMENT	3,364,892	3,539,413	3,500,240	3,588,302	2.5%
FINANCE DEPARTMENT	130,249	43,885	34,330	55,040	60.3%
EMERGENCY COMMUNICATIONS	0	0	0	4,284,000	
Regulatory Services	1,473,374	266,326	115,483	1,319,229	1,042.4%
INTERGOVERNMENTAL RELATIONS	426,125	0	0	0	
HEALTH AND FAMILY SUPPORT	5,059,362	3,817,139	3,296,348	3,499,478	6.2%
BUSINESS INFORMATION SERVICES	99,282	122,752	0	0	
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	8,194,728	7,164,695	9,969,615	9,003,733	-9.7%
PUBLIC WORKS PROPERTY SERVICES CAPITAL	0	14,080	0	0	
PUBLIC WORKS TRANSPORTATION CAPITAL	785,970	1,037,960	0	0	
Total GRANTS - FEDERAL	21,248,162	16,136,507	17,371,539	25,390,898	46.2%
<u>CDBG & UDAG FUNDS (0400)</u>					
ASSESSOR	0	0	0	0	
NON-DEPARTMENTAL	529,122	322,204	469,000	427,000	-9.0%
INTERFUND TRANSFERS	12,180,340	7,977,573	3,911,000	3,909,423	-0.0%
ATTORNEY	0	0	50,000	45,750	-8.5%
FIRE DEPARTMENT	0	0	25,000	18,300	-26.8%
CIVIL RIGHTS	348,917	266,811	445,000	420,300	-5.6%
POLICE DEPARTMENT	0	0	75,000	64,050	-14.6%
PW - FIELD SERVICES	5,991	123,205	107,000	97,000	-9.3%
PW - PROPERTY SERVICES	124,495	126,745	0	0	
FINANCE DEPARTMENT	253,127	271,915	285,000	255,000	-10.5%
Regulatory Services	212,281	301,522	232,000	217,900	-6.1%
INTERGOVERNMENTAL RELATIONS	1,469,146	1,146,134	1,991,000	1,190,000	-40.2%
HEALTH AND FAMILY SUPPORT	2,795,393	2,434,787	2,119,600	1,931,000	-8.9%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,331,398	4,226,730	13,902,211	17,583,662	26.5%
Total CDBG & UDAG FUNDS	20,250,208	17,197,625	23,611,811	26,159,385	10.8%
<u>GRANTS - OTHER (0600)</u>					
ASSESSOR	0	0	0	0	
NON-DEPARTMENTAL	35,128	135,598	2,016,345	53,745	-97.3%
INTERFUND TRANSFERS	115,750	115,750	115,500	0	-100.0%
CITY COUNCIL	2,305	-724	0	0	
FIRE DEPARTMENT	182,557	223,741	0	105,991	
CIVIL RIGHTS	7,295	705	0	0	
POLICE DEPARTMENT	1,059,054	258,206	627,773	785,608	25.1%
PW - WATER	0	21,598	0	0	
HUMAN RESOURCES	0	0	10,274	10,479	2.0%
FINANCE DEPARTMENT	32,093	23,467	41,336	48,296	16.8%
EMERGENCY COMMUNICATIONS	0	164,655	255,173	500,000	95.9%
Regulatory Services	238,498	47,680	33,462	0	-100.0%
INTERGOVERNMENTAL RELATIONS	5,749	3,275	0	0	
COMMUNICATIONS	0	16,282	15,000	0	-100.0%
HEALTH AND FAMILY SUPPORT	2,657,179	3,517,767	3,868,592	3,738,380	-3.4%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,339,715	2,853,306	4,253,365	3,501,795	-17.7%
PUBLIC WORKS TRANSPORTATION CAPITAL	0	300,000	0	0	
Total GRANTS - OTHER	7,675,324	7,681,306	11,236,820	8,744,294	-22.2%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>CONVENTION CENTER OPERATIONS (0760)</u>					
INTERFUND TRANSFERS	34,548,061	31,955,928	37,814,943	38,552,760	2.0%
POLICE DEPARTMENT	0	0	100,000	0	-100.0%
HUMAN RESOURCES	53,670	57,661	61,867	64,391	4.1%
FINANCE DEPARTMENT	307,476	302,465	0	0	
GMCVA	7,230,498	6,654,788	6,930,000	7,080,000	2.2%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	0	
CONVENTION CENTER	19,244,520	21,940,114	26,891,789	28,802,108	7.1%
Total CONVENTION CENTER OPERATIONS	61,384,225	60,910,956	71,798,599	74,499,259	3.8%
<u>EMPLOYEE RETIREMENT (0990)</u>					
INTERFUND TRANSFERS	1,652,398	1,362,974	0	0	
MPLS EMPLOYEE RETIREMT FD	3,277,308	3,457,478	2,949,800	3,008,796	2.0%
POLICE RELIEF ASSOCIATION	8,651,476	9,989,513	5,862,000	5,979,240	2.0%
FIRE DEPT RELIEF ASSOC	722,589	1,674,678	1,328,000	1,354,560	2.0%
Total EMPLOYEE RETIREMENT	14,303,771	16,484,643	10,139,800	10,342,596	2.0%
<u>POLICE DEPT - SPECIAL REVENUE (2100)</u>					
INTERFUND TRANSFERS	519	0	0	0	
POLICE DEPARTMENT	1,393,013	2,418,595	2,279,514	2,267,713	-0.5%
Total POLICE DEPT - SPECIAL REVENUE	1,393,532	2,418,595	2,279,514	2,267,713	-0.5%
<u>ARENA - RESERVE (2600)</u>					
INTERFUND TRANSFERS	2,015,651	918,197	0	0	
Total ARENA - RESERVE	2,015,651	918,197	0	0	
<u>CONVENTION FACILITES - RESERVE (2790)</u>					
INTERFUND TRANSFERS	0	0	2,531,000	3,031,000	19.8%
Total CONVENTION FACILITES - RESERVE	0	0	2,531,000	3,031,000	19.8%
<u>CPED Operating (GEN0)</u>					
INTERFUND TRANSFERS	0	321,555	6,963,456	6,963,456	0.0%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	4,969,158	4,412,697	3,806,168	3,525,522	-7.4%
Total CPED Operating	4,969,158	4,734,252	10,769,624	10,488,978	-2.6%
<u>MCDA CDBG (FBG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	8,891,907	5,823,071	0	0	
Total MCDA CDBG	8,891,907	5,823,071	0	0	
<u>FEDERAL EMPOWERMENT ZONE (FEZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	808,291	489,167	22,319	0	-100.0%
Total FEDERAL EMPOWERMENT ZONE	808,291	489,167	22,319	0	-100.0%
<u>MCDA FEDERAL GRANTS-OTHER (FG00)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	4,163,011	4,207,510	6,582,700	6,183,172	-6.1%
Total MCDA FEDERAL GRANTS-OTHER	4,163,011	4,207,510	6,582,700	6,183,172	-6.1%
<u>MCDA NEIGHBORHOOD DEVEL ACCT (FNA0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>MCDA NEIGHBORHOOD DEVEL ACCT (FNA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,605,182	513,623	100,000	347,979	248.0%
Total MCDA NEIGHBORHOOD DEVEL ACCT	2,605,182	513,623	100,000	347,979	248.0%
<u>JOINT BOARD (JTB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	19,344	11,000	0	0	
Total JOINT BOARD	19,344	11,000	0	0	
<u>MEDC (MED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	131,952	57,519	0	0	
Total MEDC	131,952	57,519	0	0	
<u>NRP ADMINISTRATION (SAD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,035,380	515,948	966,525	1,005,274	4.0%
Total NRP ADMINISTRATION	1,035,380	515,948	966,525	1,005,274	4.0%
<u>COMMUNITY DEVELOPMENT INVESTMENT FUND (S</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,127,242	1,359,123	1,020,289	208,847	-79.5%
Total COMMUNITY DEVELOPMENT INVESTMENT FUN	1,127,242	1,359,123	1,020,289	208,847	-79.5%
<u>DEVELOPMENT ACCOUNT (SDA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	4,041,604	5,239,889	1,869,899	1,711,608	-8.5%
Total DEVELOPMENT ACCOUNT	4,041,604	5,239,889	1,869,899	1,711,608	-8.5%
<u>ECONOMIC DEVELOPMENT PROGRAM (SED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,555,084	1,850,101	3,232,028	3,724,400	15.2%
Total ECONOMIC DEVELOPMENT PROGRAM	2,555,084	1,850,101	3,232,028	3,724,400	15.2%
<u>HOUSING FINANCE (SFA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	79,722	0	0	0	
Total HOUSING FINANCE	79,722	0	0	0	
<u>HOUSING PROGRAM (SHP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	532,229	909,180	1,936,564	3,411,933	76.2%
Total HOUSING PROGRAM	532,229	909,180	1,936,564	3,411,933	76.2%
<u>HOME OWNERSHIP WORKS (SHW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	475,262	260,716	0	0	
Total HOME OWNERSHIP WORKS	475,262	260,716	0	0	
<u>MCDA STATE GRANTS & LOAN (SMN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	7,251,342	11,247,398	0	39,610	
Total MCDA STATE GRANTS & LOAN	7,251,342	11,247,398	0	39,610	
<u>NEIGHBORHOOD HOUSING (SNH0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>NEIGHBORHOOD HOUSING (SNH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	224,036	150,000	234,175	4,322	-98.2%
Total NEIGHBORHOOD HOUSING	224,036	150,000	234,175	4,322	-98.2%
<u>COMMUNITY DEVELOPMENT (SPH0)</u>					
INTERFUND TRANSFERS	0	204,298	1,700,000	1,960,000	15.3%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	1,380,069	1,691,908	3,123,457	84.6%
Total COMMUNITY DEVELOPMENT	0	1,584,367	3,391,908	5,083,457	49.9%
<u>RESIDENTIAL HOUSING (SRF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	670,217	202,343	346,287	218,064	-37.0%
Total RESIDENTIAL HOUSING	670,217	202,343	346,287	218,064	-37.0%
<u>THEATRES (STH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	903,215	2,418,728	1,236,469	56,830	-95.4%
Total THEATRES	903,215	2,418,728	1,236,469	56,830	-95.4%
<u>UPPER RIVER LAND BANK (SUR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	79,577	148,995	83,072	-44.2%
Total UPPER RIVER LAND BANK	0	79,577	148,995	83,072	-44.2%
<u>PARK - GENERAL FUND (1500)</u>					
INTERFUND TRANSFERS	0	0	0	0	
UNFUNDED PENSION EXPENSE	-524,181	-456,266	0	0	
PARK BOARD	39,952,795	41,128,028	49,786,332	53,357,000	7.2%
Total PARK - GENERAL FUND	39,428,614	40,671,761	49,786,332	53,357,000	7.2%
<u>PARK - MUSEUM (ART INSTITUTE) (1600)</u>					
PARK MUSEUM	7,068,886	7,851,257	9,064,332	9,062,835	-0.0%
Total PARK - MUSEUM (ART INSTITUTE)	7,068,886	7,851,257	9,064,332	9,062,835	-0.0%
<u>PARK - FORESTRY (1700)</u>					
UNFUNDED PENSION EXPENSE	-91,384	-98,110	0	0	
PARK BOARD	8,008,417	8,853,246	0	0	
Total PARK - FORESTRY	7,917,033	8,755,136	0	0	
<u>PARK - GRANT & SPECIAL REVENUE (1950)</u>					
PARK BOARD	2,343,921	1,618,549	906,200	1,475,309	62.8%
PARK BOARD CAPITAL IMPROVEMENT	122,223	1,375,383	37,000	37,000	0.0%
Total PARK - GRANT & SPECIAL REVENUE	2,466,145	2,993,932	943,200	1,512,309	60.3%
<u>BOARD OF ESTIMATE AND TAXATION (1000)</u>					
BOARD OF ESTIMATE & TAXATION	242,191	246,971	266,046	330,260	24.1%
Total BOARD OF ESTIMATE AND TAXATION	242,191	246,971	266,046	330,260	24.1%
<u>MUNICIPAL BUILDING COMMISSION (1100)</u>					
INTERFUND TRANSFERS	0	150,000	160,000	0	-100.0%
BOARD OF ESTIMATE & TAXATION	0	0	0	0	

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>MUNICIPAL BUILDING COMMISSION (1100)</u>					
MUNICIPAL BUILDING COMMISSION	7,205,838	7,151,804	7,181,644	7,505,577	4.5%
Total MUNICIPAL BUILDING COMMISSION	7,205,838	7,301,804	7,341,644	7,505,577	2.2%
<u>LIBRARY - GENERAL FUND (1800)</u>					
INTERFUND TRANSFERS	0	0	457,409	0	-100.0%
UNFUNDED PENSION EXPENSE	-182,535	-176,611	0	0	
LIBRARY BOARD	20,533,427	18,159,240	19,762,828	21,274,232	7.6%
Total LIBRARY - GENERAL FUND	20,350,892	17,982,629	20,220,237	21,274,232	5.2%
<u>NEIGHBORHOOD REVITAL POLICY (2300)</u>					
NRP - ADMINISTRATION	1,683,934	1,708,348	1,478,212	2,293,556	55.2%
Total NEIGHBORHOOD REVITAL POLICY	1,683,934	1,708,348	1,478,212	2,293,556	55.2%
<u>YOUTH COORDINATING BOARD (2200)</u>					
YOUTH COORDINATING BOARD	5,872,898	4,518,757	3,846,931	2,470,990	-35.8%
Total YOUTH COORDINATING BOARD	5,872,898	4,518,757	3,846,931	2,470,990	-35.8%
Total Special Revenue Funds	260,991,483	255,431,939	263,773,799	280,809,450	6.5%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>Fire Pension Bonds (09F0)</u>					
FIRE DEPT RELIEF ASSOC	0	4,998	0	0	
Total Fire Pension Bonds	0	4,998	0	0	
<u>MERF PENSION BONDS (09M0)</u>					
INTERFUND TRANSFERS	0	578,651	0	0	
MPLS EMPLOYEE RETIREMT FD	33,035,560	17,861,715	0	0	
Total MERF PENSION BONDS	33,035,560	18,440,366	0	0	
<u>POLICE PENSION BONDS (09P0)</u>					
INTERFUND TRANSFERS	23,369	460,077	0	0	
POLICE RELIEF ASSOCIATION	10,600,000	17,948,380	0	0	
Total POLICE PENSION BONDS	10,623,369	18,408,457	0	0	
<u>JUNE00 UST/SKYWAY TI BONDS (0P10)</u>					
INTERFUND TRANSFERS	51,192	0	0	0	
Total JUNE00 UST/SKYWAY TI BONDS	51,192	0	0	0	
<u>JUNE00 SEWER FIXED RATE BONDS (0S10)</u>					
INTERFUND TRANSFERS	301,212	0	0	0	
Total JUNE00 SEWER FIXED RATE BONDS	301,212	0	0	0	
<u>AUGUST 01 SEWER ARBITRAGE (0S20)</u>					
INTERFUND TRANSFERS	1,677,849	1,159,086	0	0	
Total AUGUST 01 SEWER ARBITRAGE	1,677,849	1,159,086	0	0	
<u>June 03 Sewer Arbitrage (0S30)</u>					
INTERFUND TRANSFERS	4,844,575	2,355,673	0	0	
Total June 03 Sewer Arbitrage	4,844,575	2,355,673	0	0	
<u>June 02 Water Arbitrage (0W30)</u>					
INTERFUND TRANSFERS	100,593	-2,935	0	0	
Total June 02 Water Arbitrage	100,593	-2,935	0	0	
<u>June 03 Water Arbitrage (0W40)</u>					
INTERFUND TRANSFERS	3,832,229	2,887,756	0	0	
Total June 03 Water Arbitrage	3,832,229	2,887,756	0	0	
<u>CITY-CAPITAL IMPROVEMENTS FUND (4100)</u>					
INTERFUND TRANSFERS	591,182	1,953,184	355,096	347,046	-2.3%
PW - ENGINEERING SERVICES	4,521,144	4,755,333	6,619,990	6,467,056	-2.3%
PW - FIELD SERVICES	478,607	477,663	565,417	564,412	-0.2%
FINANCE DEPARTMENT	1,013,629	1,019,744	0	0	
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	405,978	188,176	200,000	6.3%
PUBLIC WORKS PROPERTY SERVICES CAPITAL	8,841,464	10,130,200	1,928,000	14,777,000	666.4%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	218,742	791,247	0	0	
PUBLIC WORKS PAVING CONSTRUCTION	27,009,449	25,677,169	33,941,000	29,681,000	-12.6%
PUBLIC WORKS TRANSPORTATION CAPITAL	6,408,444	8,687,674	11,444,000	5,684,000	-50.3%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	13,962,388	14,755,449	2,426,006	3,147,000	29.7%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>CITY-CAPITAL IMPROVEMENTS FUND (4100)</u>					
INFORMATION TECHNOLOGY SYSTEMS CAPITAL CONVENTION CENTER SITE	0	0	0	0	
	1,646,668	269,381	0	0	
Total CITY-CAPITAL IMPROVEMENTS FUND	64,691,717	68,923,020	57,467,685	60,867,514	5.9%
<u>ARBITRAGE 1991 VARIOUS PURPOSE (4A00)</u>					
PW - ENGINEERING SERVICES	0	0	0	0	
Total ARBITRAGE 1991 VARIOUS PURPOSE	0	0	0	0	
<u>August 01 Variable Purpose (4A10)</u>					
INTERFUND TRANSFERS	1,073,031	26,959	0	0	
Total August 01 Variable Purpose	1,073,031	26,959	0	0	
<u>01 August Assessment Bonds (4A20)</u>					
INTERFUND TRANSFERS	-17	0	0	0	
Total 01 August Assessment Bonds	-17	0	0	0	
<u>JUNE 02 VARIOUS PURPOSE BONDS (4A30)</u>					
INTERFUND TRANSFERS	7,349,464	2,909,085	0	0	
Total JUNE 02 VARIOUS PURPOSE BONDS	7,349,464	2,909,085	0	0	
<u>DEC02 VARIOUS PURPOSE BONDS (4A40)</u>					
INTERFUND TRANSFERS	9,678,952	451,295	0	0	
Total DEC02 VARIOUS PURPOSE BONDS	9,678,952	451,295	0	0	
<u>Jun 03 Various Purpose Bonds (4A50)</u>					
DEBT SERVICE - NON-DEPT	109,820	0	0	0	
INTERFUND TRANSFERS	17,520,864	11,913,193	0	0	
Total Jun 03 Various Purpose Bonds	17,630,684	11,913,193	0	0	
<u>96 IMPROVEMENT BONDS (4A60)</u>					
DEBT SERVICE - NON-DEPT	0	38,797	0	0	
INTERFUND TRANSFERS	0	8,772,992	0	0	
Total 96 IMPROVEMENT BONDS	0	8,811,789	0	0	
<u>OCT03 Var Purp Refunding Bonds (4A80)</u>					
INTERFUND TRANSFERS	15,985,000	0	0	0	
Total OCT03 Var Purp Refunding Bonds	15,985,000	0	0	0	
<u>JUNE99 VARIOUS PURPOSE BONDS (4A90)</u>					
INTERFUND TRANSFERS	40,556	555,309	0	0	
Total JUNE99 VARIOUS PURPOSE BONDS	40,556	555,309	0	0	
<u>96 CONSTRUCTION BONDS (4C60)</u>					
INTERFUND TRANSFERS	8,413	0	0	0	
Total 96 CONSTRUCTION BONDS	8,413	0	0	0	

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>97 SERIES B BONDS (4C70)</u>					
INTERFUND TRANSFERS	24,280	49,074	0	0	
Total 97 SERIES B BONDS	24,280	49,074	0	0	
<u>June03 Heritage Park Arbitrage (4H10)</u>					
DEBT SERVICE - NON-DEPT	69,000	0	0	0	
INTERFUND TRANSFERS	60,869	301,316	0	0	
Total June03 Heritage Park Arbitrage	129,869	301,316	0	0	
<u>IMPROV BOND ARBITRAGE (4I20)</u>					
INTERFUND TRANSFERS	74,105	4,157	0	0	
Total IMPROV BOND ARBITRAGE	74,105	4,157	0	0	
<u>NOV03 IMPROV BOND ARBITRAGE (4I30)</u>					
INTERFUND TRANSFERS	6,158,119	4,197	0	0	
Total NOV03 IMPROV BOND ARBITRAGE	6,158,119	4,197	0	0	
<u>NOV04 IMPROV BOND ARBITRAGE (4I40)</u>					
DEBT SERVICE - NON-DEPT	0	76,909	0	0	
INTERFUND TRANSFERS	0	9,053,644	0	0	
Total NOV04 IMPROV BOND ARBITRAGE	0	9,130,553	0	0	
<u>DEC02 LIBRARY REF BONDS (4L10)</u>					
INTERFUND TRANSFERS	232,349	0	0	0	
Total DEC02 LIBRARY REF BONDS	232,349	0	0	0	
<u>OCT03 LIBRARY REF BONDS (4L20)</u>					
INTERFUND TRANSFERS	14,320,753	40,498,041	0	0	
Total OCT03 LIBRARY REF BONDS	14,320,753	40,498,041	0	0	
<u>NOV04 Library Ref Bonds (4L30)</u>					
DEBT SERVICE - NON-DEPT	0	44,751	0	0	
INTERFUND TRANSFERS	0	3,947,019	0	0	
Total NOV04 Library Ref Bonds	0	3,991,770	0	0	
<u>JUNE00 VARIOUS PURPOSE BONDS (4Z00)</u>					
INTERFUND TRANSFERS	400,456	10,134	0	0	
Total JUNE00 VARIOUS PURPOSE BONDS	400,456	10,134	0	0	
<u>ITS RELATED BONDS (4Z30)</u>					
INTERFUND TRANSFERS	0	0	0	0	
Total ITS RELATED BONDS	0	0	0	0	
<u>OCT 01 CONV CTR BONDS (4Z40)</u>					
INTERFUND TRANSFERS	7,451,558	0	0	0	
Total OCT 01 CONV CTR BONDS	7,451,558	0	0	0	

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>DEC02 EQUIPMENT ARBITRAGE (61B0)</u>					
INTERFUND TRANSFERS	889,168	0	0	0	
Total DEC02 EQUIPMENT ARBITRAGE	889,168	0	0	0	
<u>Jun 03 Equipment Arbitrage (61C0)</u>					
INTERFUND TRANSFERS	5,127,554	4,932,622	0	0	
Total Jun 03 Equipment Arbitrage	5,127,554	4,932,622	0	0	
<u>JUNE 03 PROP SERV ARBITRAGE (62A0)</u>					
INTERFUND TRANSFERS	3,837,812	575,940	0	0	
Total JUNE 03 PROP SERV ARBITRAGE	3,837,812	575,940	0	0	
<u>June 03 BIS Arbitrage (64A0)</u>					
INTERFUND TRANSFERS	481,712	563,053	0	0	
Total June 03 BIS Arbitrage	481,712	563,053	0	0	
<u>WALKER RAMP ARBITRAGE (75D0)</u>					
INTERFUND TRANSFERS	19,538,755	217,107	0	0	
Total WALKER RAMP ARBITRAGE	19,538,755	217,107	0	0	
<u>Dec 03 Guthrie Ramp Arbitrage (75E0)</u>					
INTERFUND TRANSFERS	3,491,717	11,549,666	0	0	
Total Dec 03 Guthrie Ramp Arbitrage	3,491,717	11,549,666	0	0	
<u>Village Green Escrow (75V0)</u>					
INTERFUND TRANSFERS	66,469	64,788	0	0	
Total Village Green Escrow	66,469	64,788	0	0	
<u>HENNEPIN ENTERTAINMENT TE BOND (AHE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	146,410	142,039	981,252	1,157,336	17.9%
Total HENNEPIN ENTERTAINMENT TE BOND	146,410	142,039	981,252	1,157,336	17.9%
<u>Urban Village TE Bonds (AUV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	40,989	467,858	85,000	90,000	5.9%
Total Urban Village TE Bonds	40,989	467,858	85,000	90,000	5.9%
<u>West Side Milling TE Bonds (AWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	95,128	606,607	53,288	53,288	0.0%
Total West Side Milling TE Bonds	95,128	606,607	53,288	53,288	0.0%
<u>West Side Milling TE Bonds II (BWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	128,215	146,649	86,250	930,235	978.5%
Total West Side Milling TE Bonds II	128,215	146,649	86,250	930,235	978.5%
<u>TAX INCREMENT ADMINISTRATION (CAD0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>TAX INCREMENT ADMINISTRATION (CAD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,265,480	1,655,943	1,302,412	1,402,281	7.7%
Total TAX INCREMENT ADMINISTRATION	2,265,480	1,655,943	1,302,412	1,402,281	7.7%
<u>CAMDEN MEDICAL FACILITY (CAM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	9,000	85,000	0	0	
Total CAMDEN MEDICAL FACILITY	9,000	85,000	0	0	
<u>COMMON PROJECT UNCERTIFIED (CAZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,870,562	711,486	311,378	1,515,235	386.6%
Total COMMON PROJECT UNCERTIFIED	2,870,562	711,486	311,378	1,515,235	386.6%
<u>WEST BROADWAY (CBA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	851,037	821,175	750,000	720,000	-4.0%
Total WEST BROADWAY	851,037	821,175	750,000	720,000	-4.0%
<u>EAST BANK 1335 (CBB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	5,674,717	350,000	2,250,000	2,400,000	6.7%
Total EAST BANK 1335	5,674,717	350,000	2,250,000	2,400,000	6.7%
<u>GRANT (CBC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	769,494	795,000	800,000	775,000	-3.1%
Total GRANT	769,494	795,000	800,000	775,000	-3.1%
<u>CHICAGO AND LAKE (CBD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	86,495	550,000	0	125,000	
Total CHICAGO AND LAKE	86,495	550,000	0	125,000	
<u>NINTH & HENNEPIN (CBE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	171,342	76,423	11,156	102,231	816.4%
Total NINTH & HENNEPIN	171,342	76,423	11,156	102,231	816.4%
<u>NORTH LOOP (CBF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	10,989,205	3,769,390	7,950,000	8,000,000	0.6%
Total NORTH LOOP	10,989,205	3,769,390	7,950,000	8,000,000	0.6%
<u>INDUSTRY SQUARE (CBG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,208,442	3,071,555	2,226,355	2,400,384	7.8%
Total INDUSTRY SQUARE	2,208,442	3,071,555	2,226,355	2,400,384	7.8%
<u>SEWARD SOUTH (CBH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,125,411	1,932,436	0	2,650,000	
Total SEWARD SOUTH	1,125,411	1,932,436	0	2,650,000	
<u>CEDAR RIVERSIDE (CBJ0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>CEDAR RIVERSIDE (CBJ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	4,089,047	3,565,000	3,755,000	3,045,400	-18.9%
Total CEDAR RIVERSIDE	4,089,047	3,565,000	3,755,000	3,045,400	-18.9%
<u>HOUSING FOR CHRONIC ALCOHOLICS (CBL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,000	0	0	0	
Total HOUSING FOR CHRONIC ALCOHOLICS	6,000	0	0	0	
<u>HENNEPIN & LAKE (CBM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	832,276	640,000	0	1,100,000	
Total HENNEPIN & LAKE	832,276	640,000	0	1,100,000	
<u>BROADWAY 35-W (CBN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	41,181	580,000	1,500,000	0	-100.0%
Total BROADWAY 35-W	41,181	580,000	1,500,000	0	-100.0%
<u>BOTTINEAU (CBO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	10,567	76,827	0	118,328	
Total BOTTINEAU	10,567	76,827	0	118,328	
<u>FRANKLIN AVENUE (CBP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	37,221	210,174	31,565	72,736	130.4%
Total FRANKLIN AVENUE	37,221	210,174	31,565	72,736	130.4%
<u>CONSERVATORY (CBQ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,930,325	5,391,133	4,878,884	2,820,900	-42.2%
Total CONSERVATORY	2,930,325	5,391,133	4,878,884	2,820,900	-42.2%
<u>LORING PARK (CBT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,832,250	1,450,000	4,900,000	4,900,000	0.0%
Total LORING PARK	6,832,250	1,450,000	4,900,000	4,900,000	0.0%
<u>LAUREL VILLAGE (CBU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,738,731	1,900,178	2,609,658	2,480,670	-4.9%
Total LAUREL VILLAGE	1,738,731	1,900,178	2,609,658	2,480,670	-4.9%
<u>CITY CENTER (CBX0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,327,361	2,116,483	2,375,000	1,750,000	-26.3%
Total CITY CENTER	1,327,361	2,116,483	2,375,000	1,750,000	-26.3%
<u>SOUTH NICOLLET MALL (CBY0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,960,170	9,007,051	11,576,829	7,132,482	-38.4%
Total SOUTH NICOLLET MALL	6,960,170	9,007,051	11,576,829	7,132,482	-38.4%
<u>DEEP ROCK TAX INCREMENT (CDR0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>DEEP ROCK TAX INCREMENT (CDR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	50,641	246,852	15,703	75,000	377.6%
Total DEEP ROCK TAX INCREMENT	50,641	246,852	15,703	75,000	377.6%
<u>DOWNTOWN EAST LRT (CDT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,670,031	135,084	97,522	64,658	-33.7%
Total DOWNTOWN EAST LRT	3,670,031	135,084	97,522	64,658	-33.7%
<u>2700 EAST LAKE (CEL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	37,497	47,081	0	50,633	
Total 2700 EAST LAKE	37,497	47,081	0	50,633	
<u>East Phillips (CEP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	14,477	
Total East Phillips	0	0	0	14,477	
<u>EAST VILLAGE (CEV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	229,408	207,178	0	171,949	
Total EAST VILLAGE	229,408	207,178	0	171,949	
<u>50TH & FRANCE (CFF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	166,216	166,860	0	166,645	
Total 50TH & FRANCE	166,216	166,860	0	166,645	
<u>Franklin Portland (CFP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	40,687	13,443	-67.0%
Total Franklin Portland	0	0	40,687	13,443	-67.0%
<u>FORMER FED RESERVE (CFR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	270,008	213,800	9,225	401,556	4,252.9%
Total FORMER FED RESERVE	270,008	213,800	9,225	401,556	4,252.9%
<u>GRAIN BELT (CGB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	114,766	111,991	0	112,339	
Total GRAIN BELT	114,766	111,991	0	112,339	
<u>GRACO TI (CGC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	186,133	132,885	20,015	211,411	956.3%
Total GRACO TI	186,133	132,885	20,015	211,411	956.3%
<u>Grain Belt Housing Dist 132 (CGH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	82,076	48,732	-40.6%
Total Grain Belt Housing Dist 132	0	0	82,076	48,732	-40.6%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>110 GRANT (CGR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	145,000	0	0	
Total 110 GRANT	0	145,000	0	0	
<u>13th and Harmon (CHA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	9,287	239,911	0	240,258	
Total 13th and Harmon	9,287	239,911	0	240,258	
<u>Parcel C Tax Increment District (CHC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	30,521	15,803	27,126	384,701	1,318.2%
Total Parcel C Tax Increment District	30,521	15,803	27,126	384,701	1,318.2%
<u>HISTORIC DEPOT REUSE DIST 93 (CHD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	869,289	862,625	882,130	881,257	-0.1%
Total HISTORIC DEPOT REUSE DIST 93	869,289	862,625	882,130	881,257	-0.1%
<u>HENNEPIN & 7TH ENTERTAINMENT (CHE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	353,012	349,567	814,971	961,802	18.0%
Total HENNEPIN & 7TH ENTERTAINMENT	353,012	349,567	814,971	961,802	18.0%
<u>HUMBOLDT GREENWAY DIST 98 (CHG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	245,912	222,092	284,563	248,609	-12.6%
Total HUMBOLDT GREENWAY DIST 98	245,912	222,092	284,563	248,609	-12.6%
<u>HERITAGE LAND APTS (CHL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	524,669	415,467	0	404,779	
Total HERITAGE LAND APTS	524,669	415,467	0	404,779	
<u>Heritage Park (CHP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	432	0	263,927	355,096	34.5%
Total Heritage Park	432	0	263,927	355,096	34.5%
<u>900 6TH AVENUE SOUTH (CHT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	37,982	55,762	152,462	53,601	-64.8%
Total 900 6TH AVENUE SOUTH	37,982	55,762	152,462	53,601	-64.8%
<u>EAST HENNEPIN & UNIVERSITY (CHU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	158,959	322,438	594,937	844,157	41.9%
Total EAST HENNEPIN & UNIVERSITY	158,959	322,438	594,937	844,157	41.9%
<u>CAMDEN AREA IMPACT (CIM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	30,000	287,500	0	0	
Total CAMDEN AREA IMPACT	30,000	287,500	0	0	
<u>IVY TOWER (CIT0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>IVY TOWER (CIT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	5,934	118,985	88,110	-25.9%
Total IVY TOWER	0	5,934	118,985	88,110	-25.9%
<u>LOCAL CONTRIBUTION FUND (CLC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,379,721	200,088	0	1,230,851	
Total LOCAL CONTRIBUTION FUND	2,379,721	200,088	0	1,230,851	
<u>LOWRY RIDGE (CLR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	102,005	91,540	0	100,640	
Total LOWRY RIDGE	102,005	91,540	0	100,640	
<u>Lake Street Center (CLS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	70	0	516,886	
Total Lake Street Center	0	70	0	516,886	
<u>MAGNUM LOFTS (CML0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	35,277	35,609	0	38,087	
Total MAGNUM LOFTS	35,277	35,609	0	38,087	
<u>Many Rivers (CMR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	15,432	6,625	59,989	805.5%
Total Many Rivers	0	15,432	6,625	59,989	805.5%
<u>NICOLLET FRANKLIN (CNF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	124,253	98,268	24,213	87,113	259.8%
Total NICOLLET FRANKLIN	124,253	98,268	24,213	87,113	259.8%
<u>NRP (CNR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	15,906,218	11,239,195	0	0	
Total NRP	15,906,218	11,239,195	0	0	
<u>NWIP (CPA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,433,332	2,659,558	2,650,000	2,600,000	-1.9%
Total NWIP	3,433,332	2,659,558	2,650,000	2,600,000	-1.9%
<u>HOLMES (CPB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	4,450,928	2,167,500	2,250,000	2,210,000	-1.8%
Total HOLMES	4,450,928	2,167,500	2,250,000	2,210,000	-1.8%
<u>NICOLLET ISLAND EAST BANK (CPC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	4,509,819	2,330,000	1,550,000	1,651,019	6.5%
Total NICOLLET ISLAND EAST BANK	4,509,819	2,330,000	1,550,000	1,651,019	6.5%
<u>PORTLAND PLACE (CPD0)</u>					
INTERFUND TRANSFERS	0	0	65,790	67,147	2.1%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>PORTLAND PLACE (CPD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	64,005	64,262	175,789	172,146	-2.1%
Total PORTLAND PLACE	64,005	64,262	241,579	239,293	-0.9%
<u>NOKOMIS HOLMES (CPE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	50,000	595,000	0	250,000	
Total NOKOMIS HOLMES	50,000	595,000	0	250,000	
<u>ELLIOT PARK (CPF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	184,083	1,296,091	0	655,000	
Total ELLIOT PARK	184,083	1,296,091	0	655,000	
<u>NICOLLET & LAKE (CPG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	333,204	705,000	547,266	559,132	2.2%
Total NICOLLET & LAKE	333,204	705,000	547,266	559,132	2.2%
<u>CENTRAL & 20TH (CPH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	382,500	0	150,000	
Total CENTRAL & 20TH	0	382,500	0	150,000	
<u>MILES I (CPJ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	25,000	245,000	0	0	
Total MILES I	25,000	245,000	0	0	
<u>NBA ARENA (CPK0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,710,281	10,088,330	1,896,884	4,388,802	131.4%
Total NBA ARENA	3,710,281	10,088,330	1,896,884	4,388,802	131.4%
<u>PHILLIPS PARK (CPL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	33,006	39,181	0	47,892	
Total PHILLIPS PARK	33,006	39,181	0	47,892	
<u>LASALLE PLACE (CPM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	440,005	4,433,814	404,455	1,682,582	316.0%
Total LASALLE PLACE	440,005	4,433,814	404,455	1,682,582	316.0%
<u>CAPITAL PROJECTS- OTHER (CPO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,973,412	2,038,525	454,425	38,474	-91.5%
Total CAPITAL PROJECTS- OTHER	1,973,412	2,038,525	454,425	38,474	-91.5%
<u>PRELIMINARY PLANNING (CPP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	853,651	627,469	2,171,781	3,056,593	40.7%
Total PRELIMINARY PLANNING	853,651	627,469	2,171,781	3,056,593	40.7%
<u>NEIMAN MARCUS (CPQ0)</u>					
INTERFUND TRANSFERS	0	0	235,000	235,000	0.0%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>NEIMAN MARCUS (CPQ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	589,431	2,931,279	0	1,481,766	
Total NEIMAN MARCUS	589,431	2,931,279	235,000	1,716,766	630.5%
<u>IDS DATA SERVICE CENTER (CPR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,097,277	2,832,500	0	2,850,000	
Total IDS DATA SERVICE CENTER	6,097,277	2,832,500	0	2,850,000	
<u>BLOCK E (CPU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	100,000	0	0	0	
Total BLOCK E	100,000	0	0	0	
<u>36TH AND MARSHALL (CPW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	489	0	0	125,162	
Total 36TH AND MARSHALL	489	0	0	125,162	
<u>COMMON PROJECT RESERVE (CPZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	1,757,747	
Total COMMON PROJECT RESERVE	0	0	0	1,757,747	
<u>CREAMETTE DISTRICT 84 (CRM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	133,285	130,544	33,746	139,981	314.8%
Total CREAMETTE DISTRICT 84	133,285	130,544	33,746	139,981	314.8%
<u>ROSACKER NURSERY SITE (CRS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	15,000	0	0	0	
Total ROSACKER NURSERY SITE	15,000	0	0	0	
<u>SEMI-PHASE 1 (CS10)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	385,086	255,287	6,968	1,039,091	14,812.3%
Total SEMI-PHASE 1	385,086	255,287	6,968	1,039,091	14,812.3%
<u>SEMI-PHASE 2 (CS20)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	170,427	164,164	6,968	252,052	3,517.3%
Total SEMI-PHASE 2	170,427	164,164	6,968	252,052	3,517.3%
<u>SEMI-PHASE 3 (CS30)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	73,694	9,902	29,291	134,223	358.2%
Total SEMI-PHASE 3	73,694	9,902	29,291	134,223	358.2%
<u>SEMI-PHASE 4 (CS40)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	167,947	149,679	9,773	167,620	1,615.1%
Total SEMI-PHASE 4	167,947	149,679	9,773	167,620	1,615.1%
<u>SEMI-PHASE 5 (CS50)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>SEMI-PHASE 5 (CS50)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	163,131	159,832	4,746	121,993	2,470.4%
Total SEMI-PHASE 5	163,131	159,832	4,746	121,993	2,470.4%
<u>Stone Arch Apartments (CSA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	20,811	0	264,459	
Total Stone Arch Apartments	0	20,811	0	264,459	
<u>SHINGLE CREEK CONDOMINIUMS (CSH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	81,230	80,304	0	80,631	
Total SHINGLE CREEK CONDOMINIUMS	81,230	80,304	0	80,631	
<u>STINSON (CST0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	384,568	519,091	11,854	499,114	4,110.5%
Total STINSON	384,568	519,091	11,854	499,114	4,110.5%
<u>TOWERS AT ELLIOT PARK (CTE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,173,620	732,901	744,340	717,661	-3.6%
Total TOWERS AT ELLIOT PARK	2,173,620	732,901	744,340	717,661	-3.6%
<u>2ND ST N HOTEL/APTS TOWNPLACE (CTP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	264,411	74,048	0	173,478	
Total 2ND ST N HOTEL/APTS TOWNPLACE	264,411	74,048	0	173,478	
<u>10TH AND WASHINGTON (CTW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	750	1,612	107,771	107,771	0.0%
Total 10TH AND WASHINGTON	750	1,612	107,771	107,771	0.0%
<u>UNITED VAN BUS (CUB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	25,000	235,000	0	50,000	
Total UNITED VAN BUS	25,000	235,000	0	50,000	
<u>East River/Unocal Site (CUN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	104,378	188,679	0	115,000	
Total East River/Unocal Site	104,378	188,679	0	115,000	
<u>URBAN VILLAGE (CUV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	741,982	114,851	95,000	100,000	5.3%
Total URBAN VILLAGE	741,982	114,851	95,000	100,000	5.3%
<u>Village in Phillips Housing (CVP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	12,876	
Total Village in Phillips Housing	0	0	0	12,876	
<u>HSG REPLACE-WATERSHED 3 (CW30)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>HSG REPLACE-WATERSHED 3 (CW30)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	21,112	0	16,822	6,515	-61.3%
Total HSG REPLACE-WATERSHED 3	21,112	0	16,822	6,515	-61.3%
<u>Housing Replacement District #4 (CW40)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	0	
Total Housing Replacement District #4	0	0	0	0	
<u>WEST SIDE MILLING DISTRICT (CWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	909,571	950,061	932,015	908,438	-2.5%
Total WEST SIDE MILLING DISTRICT	909,571	950,061	932,015	908,438	-2.5%
<u>West River Commons (CWR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	8,717	0	18,978	
Total West River Commons	0	8,717	0	18,978	
<u>HSG REPLACE-WATERSHED 0 (CWS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	127,859	4,765	7,295	11,832	62.2%
Total HSG REPLACE-WATERSHED 0	127,859	4,765	7,295	11,832	62.2%
<u>Housing Replacement 2 (CWT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	5,162	8,512	64.9%
Total Housing Replacement 2	0	0	5,162	8,512	64.9%
<u>PARK-CAPITAL IMPROVEMENT FUND (4300)</u>					
PARK BOARD CAPITAL IMPROVEMENT	12,414,858	7,815,970	4,570,900	3,998,232	-12.5%
Total PARK-CAPITAL IMPROVEMENT FUND	12,414,858	7,815,970	4,570,900	3,998,232	-12.5%
<u>PARK-CAPITAL IMPROVEMENT-ASSESSED FUND (3)</u>					
PARK BOARD CAPITAL IMPROVEMENT	872,843	1,057,093	500,000	500,000	0.0%
Total PARK-CAPITAL IMPROVEMENT-ASSESSED FUND	872,843	1,057,093	500,000	500,000	0.0%
<u>ARBITRAGE 1993 PARK BONDS (4U00)</u>					
INTERFUND TRANSFERS	513	253	0	0	
Total ARBITRAGE 1993 PARK BONDS	513	253	0	0	
<u>ARBITRAGE 1995 PARK BONDS (4Y00)</u>					
INTERFUND TRANSFERS	1,138	28,218	0	0	
Total ARBITRAGE 1995 PARK BONDS	1,138	28,218	0	0	
<u>MBC-CAPITAL IMPROVEMENTS FUND (4200)</u>					
BUILDING COMMISSION CAPITAL IMPROVEMENT	2,523,220	1,552,563	1,120,000	1,460,000	30.4%
Total MBC-CAPITAL IMPROVEMENTS FUND	2,523,220	1,552,563	1,120,000	1,460,000	30.4%
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND (4400)</u>					
LIBRARY-CAPITAL IMPROVEMENTS FUND	3,863,953	5,419,531	2,685,000	3,070,000	14.3%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Capital Projects:					
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND (4400)</u>					
LIBRARY BOARD-CAP REFERENDUM	18,766,164	42,011,955	0	0	
Total LIBRARY-CAPITAL IMPROVEMENTS FUND	22,630,117	47,431,486	2,685,000	3,070,000	14.3%
Total Capital Projects	382,152,010	359,840,741	132,625,920	152,372,718	14.9%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEMPTION - DEBT SERVICE (5250)</u>					
DEBT SERVICE - NON-DEPT	35,098,431	28,791,376	22,385,844	18,288,444	-18.3%
INTERFUND TRANSFERS	258,009	1,211,348	0	1,790,000	
Total BOND REDEMPTION - DEBT SERVICE	35,356,439	30,002,724	22,385,844	20,078,444	-10.3%
<u>OTH SELF SUPPORTING DEBT SERVC (5260)</u>					
DEBT SERVICE - NON-DEPT	1,876,948	3,017,504	3,005,051	3,053,014	1.6%
Total OTH SELF SUPPORTING DEBT SERVC	1,876,948	3,017,504	3,005,051	3,053,014	1.6%
<u>PENSION FUND DEBT SERVICE (5270)</u>					
DEBT SERVICE - NON-DEPT	1,869,278	5,985,321	14,026,107	8,482,418	-39.5%
Total PENSION FUND DEBT SERVICE	1,869,278	5,985,321	14,026,107	8,482,418	-39.5%
<u>LIBRARY REF DEBT SERVICE (5280)</u>					
DEBT SERVICE - NON-DEPT	447,798	2,302,097	6,244,770	7,549,813	20.9%
Total LIBRARY REF DEBT SERVICE	447,798	2,302,097	6,244,770	7,549,813	20.9%
<u>BOND REDEM ARBIT ASSESS PARK (5P00)</u>					
DEBT SERVICE - NON-DEPT	401,960	479,867	546,200	565,000	3.4%
Total BOND REDEM ARBIT ASSESS PARK	401,960	479,867	546,200	565,000	3.4%
<u>BOND REDEMPTION - ASSESSMENT (5450)</u>					
DEBT SERVICE - NON-DEPT	113,810	104,060	94,500	0	-100.0%
Total BOND REDEMPTION - ASSESSMENT	113,810	104,060	94,500	0	-100.0%
<u>96 IMPROVEMENT BONDS (5A60)</u>					
DEBT SERVICE - NON-DEPT	211,720	205,090	198,460	182,218	-8.2%
Total 96 IMPROVEMENT BONDS	211,720	205,090	198,460	182,218	-8.2%
<u>97 IMPROVEMENT BONDS (5A70)</u>					
DEBT SERVICE - NON-DEPT	269,918	261,915	253,913	239,562	-5.7%
Total 97 IMPROVEMENT BONDS	269,918	261,915	253,913	239,562	-5.7%
<u>98 IMPROVEMENT BONDS (5A80)</u>					
DEBT SERVICE - NON-DEPT	191,730	186,034	180,194	174,150	-3.4%
Total 98 IMPROVEMENT BONDS	191,730	186,034	180,194	174,150	-3.4%
<u>01 IMPROVEMENT BONDS - 20 YR (5AB0)</u>					
DEBT SERVICE - NON-DEPT	857,053	837,053	817,053	797,053	-2.4%
Total 01 IMPROVEMENT BONDS - 20 YR	857,053	837,053	817,053	797,053	-2.4%
<u>BOND REDEM ARBIT 6/90 IMP BOND (5B00)</u>					
DEBT SERVICE - NON-DEPT	329,365	323,203	306,683	270,767	-11.7%
Total BOND REDEM ARBIT 6/90 IMP BOND	329,365	323,203	306,683	270,767	-11.7%
<u>BOND REDEM ARBIT 6/91 IMP BOND (5C00)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEM ARBIT 6/91 IMP BOND (5C00)</u>					
DEBT SERVICE - NON-DEPT	254,103	245,790	237,390	209,001	-12.0%
Total BOND REDEM ARBIT 6/91 IMP BOND	254,103	245,790	237,390	209,001	-12.0%
<u>BOND REDEM ARBIT 6/92 IMP BOND (5E00)</u>					
DEBT SERVICE - NON-DEPT	209,963	213,588	201,788	190,200	-5.7%
Total BOND REDEM ARBIT 6/92 IMP BOND	209,963	213,588	201,788	190,200	-5.7%
<u>BOND REDEM ARBIT 6/93 IMP BOND (5F00)</u>					
DEBT SERVICE - NON-DEPT	2,318,586	164,105	210,750	203,500	-3.4%
Total BOND REDEM ARBIT 6/93 IMP BOND	2,318,586	164,105	210,750	203,500	-3.4%
<u>BOND REDEM ARBIT 6/94 IMP BOND (5G00)</u>					
DEBT SERVICE - NON-DEPT	210,197	204,513	198,695	0	-100.0%
Total BOND REDEM ARBIT 6/94 IMP BOND	210,197	204,513	198,695	0	-100.0%
<u>BOND REDEM ARBIT 6/95 IMP BOND (5H00)</u>					
DEBT SERVICE - NON-DEPT	290,463	282,097	273,467	0	-100.0%
Total BOND REDEM ARBIT 6/95 IMP BOND	290,463	282,097	273,467	0	-100.0%
<u>OCT 02 IMPROV BOND D/S (5I20)</u>					
DEBT SERVICE - NON-DEPT	768,080	596,100	581,900	567,700	-2.4%
Total OCT 02 IMPROV BOND D/S	768,080	596,100	581,900	567,700	-2.4%
<u>NOV03 IMPROV BOND D/S (5I30)</u>					
DEBT SERVICE - NON-DEPT	44,195	663,653	647,153	635,778	-1.8%
Total NOV03 IMPROV BOND D/S	44,195	663,653	647,153	635,778	-1.8%
<u>NOV04 IMPROV BOND D/S (5I40)</u>					
DEBT SERVICE - NON-DEPT	0	0	1,033,950	993,575	-3.9%
Total NOV04 IMPROV BOND D/S	0	0	1,033,950	993,575	-3.9%
<u>NOV05 IMPROV BOND D/S (5I50)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	589,613	
Total NOV05 IMPROV BOND D/S	0	0	0	589,613	
<u>BOND REDEM ARBIT 6/87 IMP BOND (5Z10)</u>					
DEBT SERVICE - NON-DEPT	225,213	0	0	0	
Total BOND REDEM ARBIT 6/87 IMP BOND	225,213	0	0	0	
<u>BOND REDEM ARBIT 6/88 IMP BOND (5Z30)</u>					
DEBT SERVICE - NON-DEPT	142,285	126,585	126,305	0	-100.0%
Total BOND REDEM ARBIT 6/88 IMP BOND	142,285	126,585	126,305	0	-100.0%
<u>BOND REDEM ARBIT 6/89 IMP BOND (5Z40)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEM ARBIT 6/89 IMP BOND (5Z40)</u>					
DEBT SERVICE - NON-DEPT	142,765	137,065	126,305	0	-100.0%
Total BOND REDEM ARBIT 6/89 IMP BOND	142,765	137,065	126,305	0	-100.0%
<u>BOND REDEM ARBIT NIC MALL BOND (5Z50)</u>					
DEBT SERVICE - NON-DEPT	1,993,489	1,709,293	1,702,403	1,602,199	-5.9%
Total BOND REDEM ARBIT NIC MALL BOND	1,993,489	1,709,293	1,702,403	1,602,199	-5.9%
<u>CONVENTION CENTER-DEBT SERVICE (5300)</u>					
DEBT SERVICE - NON-DEPT	18,071,933	56,328,504	19,724,675	19,142,000	-3.0%
Total CONVENTION CENTER-DEBT SERVICE	18,071,933	56,328,504	19,724,675	19,142,000	-3.0%
<u>TARGET CENTER (5350)</u>					
DEBT SERVICE - NON-DEPT	4,603,105	4,804,025	0	0	
Total TARGET CENTER	4,603,105	4,804,025	0	0	
<u>CONCERT HALL - DEBT SERVICE (5600)</u>					
DEBT SERVICE - NON-DEPT	630,000	0	0	0	
Total CONCERT HALL - DEBT SERVICE	630,000	0	0	0	
<u>TAX INCREMENT - DEBT SERVICE (5900)</u>					
DEBT SERVICE - NON-DEPT	42,440,724	12,704,016	14,290,640	14,184,525	-0.7%
Total TAX INCREMENT - DEBT SERVICE	42,440,724	12,704,016	14,290,640	14,184,525	-0.7%
<u>MCDA DEBT SERVICE (DDS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	37,115,636	40,995,956	36,645,000	38,081,434	3.9%
Total MCDA DEBT SERVICE	37,115,636	40,995,956	36,645,000	38,081,434	3.9%
<u>ST ANTHONY DEBT SERVICE (DDT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	843,150	11,338,923	200,000	220,000	10.0%
Total ST ANTHONY DEBT SERVICE	843,150	11,338,923	200,000	220,000	10.0%
Total Debt Service	152,229,903	174,219,077	124,259,196	118,011,964	-5.0%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Enterprise Funds:					
<u>Sanitary Sewer Fund (7100)</u>					
DEBT SERVICE - NON-DEPT	0	0	683,390	0	-100.0%
INTERFUND TRANSFERS	0	0	203,236	0	-100.0%
PW - ENGINEERING SERVICES	0	0	393,525	396,099	0.7%
PW - SEWER MAINTENANCE	0	0	35,861,862	36,200,413	0.9%
HUMAN RESOURCES	0	0	0	0	
FINANCE DEPARTMENT	0	0	0	0	
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	0	0	6,900,000	682,000	-90.1%
Total Sanitary Sewer Fund	0	0	44,042,013	37,278,512	-15.4%
<u>Stormwater Fund (7300)</u>					
DEBT SERVICE - NON-DEPT	2,120,592	11,411,863	10,332,861	10,741,327	4.0%
INTERFUND TRANSFERS	138,389	867,106	138,590	147,696	6.6%
PW - ENGINEERING SERVICES	3,079,500	3,726,274	4,446,136	4,740,927	6.6%
PW - FIELD SERVICES	5,258,078	5,684,013	6,556,393	6,147,822	-6.2%
PW - SEWER MAINTENANCE	38,336,409	40,016,477	7,450,861	7,706,268	3.4%
PW - ADMINISTRATIVE SERVICES	0	0	0	0	
HUMAN RESOURCES	225,000	227,970	0	0	
FINANCE DEPARTMENT	136,704	128,658	0	0	
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	12,435,858	7,295,193	4,885,000	9,260,000	89.6%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	0	436,000	0	0	
Total Stormwater Fund	61,730,530	69,793,554	33,809,841	38,744,040	14.6%
<u>WATER ENTERPRISE FUND (7400)</u>					
DEBT SERVICE - NON-DEPT	2,826,748	14,651,669	13,611,040	12,763,095	-6.2%
INTERFUND TRANSFERS	2,517,500	3,619,261	583,603	274,517	-53.0%
POLICE DEPARTMENT	0	1,138,129	1,149,816	1,269,862	10.4%
PW - ENGINEERING SERVICES	726,040	794,184	1,096,076	1,128,498	3.0%
PW - WATER	32,508,187	35,889,742	43,273,293	43,259,370	-0.0%
HUMAN RESOURCES	225,000	227,970	0	0	
FINANCE DEPARTMENT	4,332,423	5,168,122	0	0	
PUBLIC WORKS WATER CAPITAL	19,270,863	52,123,477	20,891,000	31,250,000	49.6%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	252,632	0	0	0	
Total WATER ENTERPRISE FUND	62,659,392	113,612,554	80,604,828	89,945,342	11.6%
<u>MUNICIPAL PARKING ENTERPRISE FUND (7500)</u>					
DEBT SERVICE - NON-DEPT	12,618,188	43,771,879	26,240,966	28,332,946	8.0%
INTERFUND TRANSFERS	12,869,368	5,673,424	11,059,500	12,723,550	15.0%
PW - TRANSPORTATION	41,356,520	43,685,039	40,946,413	39,867,812	-2.6%
PW - WATER	0	0	0	0	
HUMAN RESOURCES	225,000	227,970	0	0	
FINANCE DEPARTMENT	577,851	575,914	0	0	
Regulatory Services	2,394,912	2,575,068	2,996,832	0	-100.0%
PUBLIC WORKS TRANSPORTATION CAPITAL	24,084,951	14,109,502	30,000	1,735,000	5,683.3%
Total MUNICIPAL PARKING ENTERPRISE FUND	94,126,789	110,618,797	81,273,711	82,659,308	1.7%
<u>SOLID WASTE - ENTERPRISE (7700)</u>					
INTERFUND TRANSFERS	843,261	883,671	757,934	735,221	-3.0%
PW - SOLID WASTE	23,939,749	25,483,186	26,547,630	27,785,760	4.7%
HUMAN RESOURCES	225,000	227,970	0	0	
FINANCE DEPARTMENT	194,490	196,101	0	0	
Total SOLID WASTE - ENTERPRISE	25,202,500	26,790,927	27,305,564	28,520,981	4.5%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Enterprise Funds:					
<u>DEFAULTED PROPERTY ADMINISTRATION (EDP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,160,953	674,092	331,824	149,957	-54.8%
Total DEFAULTED PROPERTY ADMINISTRATION	1,160,953	674,092	331,824	149,957	-54.8%
<u>FED HOME LN BANK ECON DEVELOP (EED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	118,227	76,306	11,000	131,000	1,090.9%
Total FED HOME LN BANK ECON DEVELOP	118,227	76,306	11,000	131,000	1,090.9%
<u>HOUSING OWNERSHIP PROGRAM (EHO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,371,764	349,321	1,300,000	0	-100.0%
Total HOUSING OWNERSHIP PROGRAM	1,371,764	349,321	1,300,000	0	-100.0%
<u>HOME OWNERSHIP & RENOVATION (EHR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	367,110	323,694	350,000	0	-100.0%
Total HOME OWNERSHIP & RENOVATION	367,110	323,694	350,000	0	-100.0%
<u>LOAN & GRANT PROGRAMS (ELG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	17,868	0	0	0	
Total LOAN & GRANT PROGRAMS	17,868	0	0	0	
<u>RIVER TERMINAL (ERT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,116,049	2,074,321	3,160,834	2,175,343	-31.2%
Total RIVER TERMINAL	3,116,049	2,074,321	3,160,834	2,175,343	-31.2%
<u>GARFS (ERZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	313,334	360,186	450,851	370,901	-17.7%
Total GARFS	313,334	360,186	450,851	370,901	-17.7%
<u>Library Pkg Enterprise Fund (7600)</u>					
LIBRARY BOARD	0	0	0	773,302	
Total Library Pkg Enterprise Fund	0	0	0	773,302	
<u>PARK - OPERATIONS - ENTERPRISE (7800)</u>					
INTERFUND TRANSFERS	0	0	0	0	
PARK BOARD	12,796,800	12,023,581	11,495,861	12,143,730	5.6%
Total PARK - OPERATIONS - ENTERPRISE	12,796,800	12,023,581	11,495,861	12,143,730	5.6%
Total Enterprise Funds	262,981,316	336,697,332	284,136,327	292,892,416	3.1%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Internal Service Funds:					
<u>MATERIALS & LAB-INTERNAL SVC (6000)</u>					
INTERFUND TRANSFERS	9,876	9,700	61,182	22,123	-63.8%
PW - ENG MATERIALS & TESTING	5,011,175	3,878,201	4,538,154	4,261,181	-6.1%
PW - TRANSPORTATION	0	0	0	0	
FINANCE DEPARTMENT	161,878	157,862	0	0	
Total MATERIALS & LAB-INTERNAL SVC	5,182,929	4,045,763	4,599,336	4,283,304	-6.9%
<u>EQUIPMENT - INTERNAL SERVICE (6100)</u>					
DEBT SERVICE - NON-DEPT	1,643,474	5,033,737	6,347,550	7,689,950	21.1%
INTERFUND TRANSFERS	61,163	334,603	262,937	130,669	-50.3%
PW - EQUIPMENT	23,727,280	26,889,873	35,057,852	34,853,366	-0.6%
FINANCE DEPARTMENT	591,011	574,557	0	0	
PW - EQUIPMENT DIV-CAPITAL	5,594,122	10,264,342	5,756,923	6,361,262	10.5%
Total EQUIPMENT - INTERNAL SERVICE	31,617,051	43,097,112	47,425,262	49,035,247	3.4%
<u>PROPERTY SERVICES INTERNAL SERVICE FUND (6200)</u>					
DEBT SERVICE - NON-DEPT	333,009	1,161,613	1,049,163	1,038,563	-1.0%
INTERFUND TRANSFERS	32,685	33,000	85,976	31,089	-63.8%
PW - EQUIPMENT	0	0	0	0	
PW - PROPERTY SERVICES	10,912,657	12,660,074	13,933,227	14,418,430	3.5%
FINANCE DEPARTMENT	115,711	117,256	0	0	
PUBLIC WORKS PROPERTY SERVICES CAPITAL	1,166,219	580,642	0	100,000	
Total PROPERTY SERVICES INTERNAL SERVICE FUN	12,560,280	14,552,584	15,068,366	15,588,082	3.4%
<u>STORES - INTERNAL SERVICE (6300)</u>					
INTERFUND TRANSFERS	13,648	14,000	0	0	
PW - ENG MATERIALS & TESTING	531,311	498,868	802,770	795,590	-0.9%
PW - TRANSPORTATION	251,372	272,110	2,603,222	2,605,726	0.1%
FINANCE DEPARTMENT	125,026	120,791	0	0	
Total STORES - INTERNAL SERVICE	921,357	905,769	3,405,992	3,401,316	-0.1%
<u>INFO TECH - INTERNAL SERVICE (6400)</u>					
DEBT SERVICE - NON-DEPT	3,964,546	7,977,298	8,266,450	10,316,241	24.8%
INTERFUND TRANSFERS	7,123	184,067	124,154	57,349	-53.8%
CITY CLERK	947,037	1,097,359	1,111,319	799,513	-28.1%
HUMAN RESOURCES	128,324	175,718	191,605	195,437	2.0%
FINANCE DEPARTMENT	188,389	190,877	0	0	
BUSINESS INFORMATION SERVICES	18,504,158	20,869,852	20,144,359	20,740,857	3.0%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	1,191,123	3,168,170	2,000,000	3,200,000	60.0%
Total INFO TECH - INTERNAL SERVICE	24,930,701	33,663,340	31,837,887	35,309,397	10.9%
<u>SELF INSURANCE-INTERNAL SVC (6900)</u>					
DEBT SERVICE - NON-DEPT	1,697,419	984,920	1,204,250	1,204,750	0.0%
INTERFUND TRANSFERS	5,445	6,000	125,412	45,349	-63.8%
HEALTH AND WELFARE	43,897,857	43,507,719	45,010,963	45,810,424	1.8%
ATTORNEY	4,268,826	4,249,293	4,986,364	5,315,693	6.6%
WORKERS COMPENSATION	6,046,646	6,469,604	8,082,973	8,403,729	4.0%
LIABILITY	11,762,578	4,930,559	3,288,880	2,854,657	-13.2%
PW - FIELD SERVICES	0	0	0	0	
HUMAN RESOURCES	445,310	566,987	699,907	1,115,052	59.3%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Internal Service Funds:					
<u>SELF INSURANCE-INTERNAL SVC (6900)</u>					
FINANCE DEPARTMENT	1,269,592	1,256,671	1,547,313	2,012,557	30.1%
Total SELF INSURANCE-INTERNAL SVC	69,393,672	61,971,754	64,946,062	66,762,211	2.8%
<u>PARK - INTERNAL SERVICE (6600)</u>					
PARK BOARD	3,903,568	4,690,243	5,245,535	5,312,022	1.3%
Total PARK - INTERNAL SERVICE	3,903,568	4,690,243	5,245,535	5,312,022	1.3%
<u>PARK-SELF INSURE-INTERNAL SVC (6700)</u>					
PARK BOARD	1,892,883	2,203,631	2,316,390	2,451,709	5.8%
Total PARK-SELF INSURE-INTERNAL SVC	1,892,883	2,203,631	2,316,390	2,451,709	5.8%
Total Internal Service Funds	150,402,441	165,130,195	174,844,830	182,143,288	4.2%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Investment Management Funds:					
<u>INVESTMENT POOL (2010)</u>					
FINANCE DEPARTMENT	285,745	24,780	0	0	
Total INVESTMENT POOL	285,745	24,780	0	0	
Total Investment Management Funds	285,745	24,780	0	0	

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
Agency - Inactive:					
<u>Default (0001)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	0	
Total Default	0	0	0	0	
<u>PUBLIC HOUSING AUTHORITY (2900)</u>					
PUBLIC HOUSING	53,098	105,086	0	0	
Total PUBLIC HOUSING AUTHORITY	53,098	105,086	0	0	
Total Agency - Inactive	53,098	105,086	0	0	
Total All Funds	1,454,047,510	1,550,376,265	1,270,933,206	1,344,702,674	5.8%

**SCHEDULE THREE
Expenditures by Agency**

Agency	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	Percent Change
ASSESSOR	2,583,821	2,525,954	3,101,062	3,176,666	2.4%
ATTORNEY	8,862,060	9,399,537	11,044,369	11,741,231	6.3%
BOARD OF ESTIMATE & TAXATION	242,191	246,971	266,046	330,260	24.1%
BUILDING COMMISSION CAPITAL IMPROVEMENT	2,523,220	1,552,563	1,120,000	1,460,000	30.4%
BUSINESS INFORMATION SERVICES	18,603,441	20,992,603	20,144,359	20,740,857	3.0%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	14,215,020	15,191,449	2,426,006	3,147,000	29.7%
CITY CLERK	2,208,853	2,231,541	2,416,766	2,957,110	22.4%
CITY CLERK - ELECTIONS	527,656	956,149	963,708	995,053	3.3%
CITY COORDINATOR	387,169	361,418	693,395	545,796	-21.3%
CITY COUNCIL	2,789,351	2,867,277	3,322,914	2,940,198	-11.5%
CIVIL RIGHTS	2,117,357	2,058,387	2,783,040	2,914,146	4.7%
COMMUNICATIONS	2,011,129	1,920,998	2,382,992	2,349,001	-1.4%
COMMUNITY PLANNING AND ECONOMIC DEVELOP	211,219,703	207,368,619	163,013,976	180,816,213	10.9%
CONTINGENCY	3,651,764	45,000	1,983,000	2,279,462	15.0%
CONVENTION CENTER	19,244,520	21,940,114	26,891,789	28,802,108	7.1%
CONVENTION CENTER SITE	1,646,668	269,381	0	0	
CORRECTIONS - NON-DEPT	765,227	780,567	820,000	836,400	2.0%
DEBT SERVICE - NON-DEPT	139,395,904	205,826,286	155,149,866	150,007,402	-3.3%
EMERGENCY COMMUNICATIONS	0	6,338,822	6,939,039	14,539,070	109.5%
FINANCE DEPARTMENT	14,373,974	20,103,464	19,654,439	20,366,858	3.6%
FIRE DEPARTMENT	40,562,730	40,716,554	45,225,377	50,452,420	11.6%
FIRE DEPT RELIEF ASSOC	722,589	1,679,675	1,328,000	1,354,560	2.0%
GMCVA	7,230,498	6,654,788	6,930,000	7,080,000	2.2%
HEALTH AND FAMILY SUPPORT	13,926,715	13,215,419	12,937,268	12,870,103	-0.5%
HEALTH AND WELFARE	43,897,857	43,507,719	45,010,963	45,810,424	1.8%
HUMAN RESOURCES	4,998,917	5,394,372	6,490,325	7,299,944	12.5%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	1,191,123	3,168,170	2,000,000	3,200,000	60.0%
INTERFUND TRANSFERS	218,427,689	192,965,932	100,553,388	106,690,570	6.1%
INTERGOVERNMENTAL RELATIONS	2,720,436	2,104,948	3,032,136	2,296,336	-24.3%
LIABILITY	11,762,578	4,930,559	3,288,880	2,854,657	-13.2%
LIBRARY BOARD	20,533,427	18,159,240	19,762,828	22,047,534	11.6%
LIBRARY BOARD-CAP REFERENDUM	18,766,164	42,011,955	0	0	
LIBRARY-CAPITAL IMPROVEMENTS FUND	3,863,953	5,419,531	2,685,000	3,070,000	14.3%
MAYOR	856,343	903,603	1,053,899	1,146,314	8.8%
MPLS EMPLOYEE RETIREMT FD	36,312,868	21,319,193	2,949,800	3,008,796	2.0%
MUNICIPAL BUILDING COMMISSION	7,205,838	7,151,804	7,181,644	7,505,577	4.5%
NON-DEPARTMENTAL	925,402	891,439	3,913,488	580,745	-85.2%
NRP - ADMINISTRATION	1,683,934	1,708,348	1,478,212	2,293,556	55.2%
PARK BOARD	68,898,385	70,517,277	69,750,318	74,739,770	7.2%
PARK BOARD CAPITAL IMPROVEMENT	13,409,924	10,248,446	5,107,900	4,535,232	-11.2%
PARK MUSEUM	7,068,886	7,851,257	9,064,332	9,062,835	-0.0%
POLICE DEPARTMENT	99,448,921	94,958,061	102,481,580	115,501,292	12.7%
POLICE RELIEF ASSOCIATION	19,251,476	27,937,893	5,862,000	5,979,240	2.0%
PUBLIC HOUSING	53,098	105,086	0	0	
PUBLIC WORKS PAVING CONSTRUCTION	27,009,449	25,677,169	33,941,000	29,681,000	-12.6%
PUBLIC WORKS PROPERTY SERVICES CAPITAL	10,007,682	10,724,922	1,928,000	14,877,000	671.6%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	12,654,600	8,086,440	11,785,000	9,942,000	-15.6%
PUBLIC WORKS TRANSPORTATION CAPITAL	31,279,365	24,135,136	11,474,000	7,419,000	-35.3%
PUBLIC WORKS WATER CAPITAL	19,270,863	52,123,477	20,891,000	31,250,000	49.6%
PW - ADMINISTRATIVE SERVICES	1,952,955	2,094,854	2,365,110	2,832,980	19.8%
PW - ENG MATERIALS & TESTING	5,542,486	4,377,069	5,340,924	5,056,771	-5.3%
PW - ENGINEERING SERVICES	9,214,933	10,195,528	13,747,479	13,884,339	1.0%
PW - EQUIPMENT	23,727,280	26,889,873	35,057,852	34,853,366	-0.6%
PW - EQUIPMENT DIV-CAPITAL	5,594,122	10,264,342	5,756,923	6,361,262	10.5%
PW - FIELD SERVICES	26,700,611	28,552,280	28,841,294	29,232,393	1.4%
PW - PROPERTY SERVICES	11,037,151	12,786,818	13,933,227	14,418,430	3.5%
PW - SEWER MAINTENANCE	38,336,409	40,016,477	43,312,723	43,906,681	1.4%
PW - SOLID WASTE	23,939,749	25,483,186	26,547,630	27,785,760	4.7%
PW - TRANSPORTATION	51,356,491	54,361,062	54,533,918	53,355,517	-2.2%
PW - WATER	32,508,187	35,911,340	43,273,293	43,259,370	-0.0%
Regulatory Services	21,704,957	21,940,549	24,269,825	25,387,350	4.6%
UNFUNDED PENSION EXPENSE	-798,100	-730,988	-1,200,000	0	-100.0%
WORKERS COMPENSATION	6,046,646	6,469,604	8,082,973	8,403,729	4.0%
YOUTH COORDINATING BOARD	5,872,898	4,518,757	3,846,931	2,470,990	-35.8%
Total All Expenditures by Agency	1,454,047,510	1,550,376,265	1,270,933,206	1,344,702,674	5.8%

City of Minneapolis
FY 2006 Budget
Community Development Block Grant (CDBG)

Background

This fund is used to account for the Federal grants received under the Community Development Block Grant Provision authorized by Title I of the Housing and Community Development Act of 1974. Included in this entitlement are the CDBG, HOME Investment Partnerships Program (HOME), Emergency Shelter Grants Program (ESGP), Housing Opportunities for Persons with AIDS (HOPWA) and American Dream Down Payment Initiative (ADDI). Based on its U.S. Department of Housing and Urban Development (HUD)-submitted Consolidated Plan, annual direct grants can be used by the City of Minneapolis to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low-and moderate-income persons.

Historical Financial Performance

For finance and budgeting purposes, the City assumes a draw down of these funds in the year they are allocated. The programs are managed on a cost reimbursement basis and therefore the CDBG fund balance amount at any given time is due to the extent of timing differences between entitlement grant revenue receipts and grant expenditure disbursements.

2006 Budget

Revenues

The entitlement funds drawn from HUD are budgeted based on the past relationship between national appropriations and local entitlement amounts. Amounts are based on the actions, to date, of the U.S. House and Senate. Currently, it is anticipated that the City's total entitlement for 2006 will be approximately 5% less than the previous year. The City's budget reflects the resulting \$768,445 reduction in the Community Development Block Grant from the prior year.

The HOME, Emergency Shelter Grant Program and HOPWA awards are anticipated to remain unchanged. Final award numbers from Congress should be available in early 2006. The HUD appropriation formula, which changed in 2002, includes variable factors based on 2000 Census information. The Census information includes population changes among all the cities within the total HUD appropriation.

Expenditures

The City distributes its entitlement funds in the HUD Consolidated Plan - it carries out program activities and awards funds to private and public not-for-profit organizations. No budgeted program increases are expected.

Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$7.38 million. This amount reflects what the City borrowed against its entitlement to fund the Block E economic development project. As program revenues exceed the budget expenditures, these funds will be incrementally applied to the previously obligated \$7.38 million. As a result of reprogramming reductions in prior years the over extended amount has been reduced to \$6.17 million.

SCHEDULE FOUR
Year 32 (2006) - Community Development Block Grant

Organization	Project	2005 Consolidated Plan	2006 Council Adopted
<u>Capital /Other---CDBG</u>			
Community Planning and Economic Development	Industry Cluster Program (Living Wage Jobs)	94,347	90,000
Community Planning and Economic Development	Adult Training, Placement and Retention	610,873	580,000
Community Planning and Economic Development	Homeownership Program (GMMHC)	495,560	437,000
Community Planning and Economic Development	Multi-Family/Affordable Housing	4,898,420	4,999,000
Community Planning and Economic Development	Development Assistance	238,250	226,000
Community Planning and Economic Development	NEDF/CEDF	142,950	136,000
Community Planning and Economic Development	Residential Loan/Grant	571,800	
Community Planning and Economic Development	Vacant & Boarded Housing	1,143,600	1,154,000
Community Planning and Economic Development	High density corridor housing	953,000	1,000,000
	<i>Subtotal CPED capital</i>	9,148,800	8,690,000
Greater Minneapolis Day care Association	Childcare Facilities Loan/Grant	306,866	292,000
Minneapolis Public Housing	General Rehabilitation	297,336	282,000
Regulatory Services	Lead Reduction	171,540	163,000
Multiple Departments (Fire, Ops/Regs, City Attorney, Police)	New Problem Properties Strategy	192,506	183,000
Total Capital/Other (65%)		10,117,048	9,542,000
<u>Public Service---CDBG</u>			
Community Planning and Economic Development	Youth Employment	541,304	506,000
Community Planning and Economic Development	Mortgage Foreclosure Prevention Program	238,250	218,000
Department of Health & Family Support	Way to Grow	295,430	296,000
Department of Health & Family Support	Advocacy (Housing)	104,830	100,000
Public Works	Graffiti Removal on Public Property	101,971	97,000
Minneapolis Urban League	Curfew/Truancy Center	99,112	98,000
Department of Health & Family Support	<i>Public Health Advisory Committee Recommendations</i>		
	Carondelt LifeCare/St Mary's Health Clinic	75,000	71,000
	Children's Dental Services	11,000	10,000
	Early Childhood Resource and Training Center	20,412	19,000
	Lao Advancement Organization of America	50,000	47,000
	Little Earth Residents Association	35,000	33,000
	MELD	40,000	38,000
	County Medical Center	45,000	43,000
	Minneapolis Urban League	25,000	24,000
	Pregnancy Programs	85,000	80,000
	Native American Community Clinic	28,061	26,000
	New American Community Services	50,000	47,000
	Senior Block Nurse Program	66,000	62,000
	Southside Community Health Services	50,000	47,000
	West Side Community Health Services	40,000	38,000
	YWCA of Minneapolis	30,000	28,000
	Greater Minneapolis Daycare Association	142,500	135,000
	Neighborhood Health Care Network	142,500	135,000
Total Public Service (15%)		2,316,370	2,198,000

SCHEDULE FOUR
Year 32 (2006) - Community Development Block Grant

Organization	Project	2005 Consolidated Plan	2006 Council Adopted
<u>Administration---CDBG</u>			
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance	257,312	255,000
Community Planning and Economic Development	Citizen Participation	328,788	303,000
Community Planning and Economic Development	Program Admin	71,476	8,900
Community Planning and Economic Development	Planning - Administration	1,172,581	1,146,800
Department of Health & Family Support	Neighborhood Services	101,972	94,000
Department of Health & Family Support	Grant Administration	95,301	90,000
Department of Health & Family Support	Way to Grow Administration	34,308	34,000
Finance Department	Program Administration	271,607	255,000
Intergovernmental Relations	Grants & Special Projects	219,192	206,000
Intergovernmental Relations	Homelessness Initiative		100,000
Legal Aid Society	Legal Aid Society	46,697	44,000
Minneapolis Public Housing	Citizen Participation	93,395	88,000
Youth Coordinating Board	Administration	56,227	57,000
Fair Housing Implementation Council	Metro Fair Housing	17,154	16,000
Legal Aid Society	Housing Discrimination Law Project	76,241	71,000
Civil Rights Department	Multicultural Affairs	166,776	165,300
Total Administration (20%)		3,009,027	2,934,000
CDBG Total of Requests (100%)		15,442,445	14,674,000
Anticipated CDBG Revenue		15,442,445	14,674,000
<u>Other Consolidated Plan Entitlement Funds</u>			
HOME Investment Partnerships	Community Planning and Economic Development	3,779,193	3,779,193
Emergency Shelter Grants (ESG)	Community Planning and Economic Development	596,655	596,655
(HOPWA)	Minnesota Housing Finance Agency	797,000	797,000
American Dream Down Payment Initiative (ADDI)	Community Planning and Economic Development	130,230	130,230
Grand Total Consolidated Plan		20,745,523	19,977,078

SCHEDULE FIVE
FTE Staffing Information

Department/Board	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Assessor	35.50	34.50	34.50	34.50	0.00%	-
Attorney	110.63	101.13	101.00	106.50	5.45%	5.50
Civil Rights	27.50	24.00	27.00	25.80	-4.44%	(1.20)
City Clerk/Elections	47.50	46.20	26.50	39.50	49.06%	13.00
City Council	38.00	39.00	39.00	26.00	-33.33%	(13.00)
Community Planning & Economic	206.48	144.00	139.00	142.00	2.16%	3.00
Fire	469.50	449.50	444.50	444.50	0.00%	-
Health & Family Support	75.40	73.90	69.00	66.30	-3.91%	(2.70)
Mayor	11.00	11.00	11.00	11.00	0.00%	-
Police	1,060.50	966.05	942.00	1,058.00	12.31%	116.00
Total	2,082.01	1,889.28	1,833.50	1,954.10	6.58%	120.60
City Coordinator Department						
City Coordinator Administration	4.00	3.00	3.00	3.00	0.00%	-
Communications	15.80	15.80	16.80	16.00	-4.76%	(0.80)
911/311	90.50	90.50	86.50	117.50	35.84%	31.00
Finance	200.00	205.00	204.00	202.00	-0.98%	(2.00)
Human Resources	57.00	55.00	53.00	55.00	3.77%	2.00
Business Information Systems	100.10	78.10	80.85	81.60	0.93%	0.75
Intergovernmental Relations	10.00	10.00	10.00	11.00	10.00%	1.00
Convention Center	213.60	212.60	211.18	211.18	0.00%	-
Regulatory Services	278.59	259.75	263.75	213.75	-18.96%	(50.00)
Total City Coordinator	969.59	929.75	929.08	911.03	-1.94%	(18.05)
Public Works Department						
Administration	20.00	18.00	20.00	19.00	-5.00%	(1.00)
Engineering Services	112.50	117.00	122.50	123.50	0.82%	1.00
Field Services	200.90	165.50	154.20	151.40	-1.82%	(2.80)
Stormwater & Sewer Maintenance	63.60	64.10	64.10	64.10	0.00%	-
Engineering Materials	26.50	29.50	20.50	20.50	0.00%	-
Solid Waste	124.80	123.00	126.00	128.00	1.59%	2.00
Transportation	115.04	100.34	99.34	99.34	0.00%	-
Water Treatment/Distribution	239.75	239.75	239.75	239.75	0.00%	-
Equipment	257.10	257.10	257.10	257.10	0.00%	-
Property Services	96.35	96.90	102.90	103.90	0.97%	1.00
Total Public Works	1,256.54	1,211.19	1,206.39	1,206.59	0.02%	0.20
TOTAL CITY	4,308.14	4,030.22	3,968.97	4,071.72	2.59%	102.75
INDEPENDENT BOARDS - Informational Only						
Board of Estimate and Taxation	2.00	2.00	2.00	2.00	0.00%	-
Library Board	363.40	242.00	246.50	261.90	6.25%	15.40
Municipal Building Commission (MBC)	64.00	62.00	61.00	61.00	0.00%	-
Neighborhood Revitalization Program (NRP)	12.00	12.00	11.00	10.00	-9.09%	(1.00)
Park Board	936.27	907.47	907.91	909.55	0.18%	1.64
Mpls. Public Housing Authority (MPHA)	328.00	320.00	319.00	315.00	-1.25%	(4.00)
Youth Coordinating Board	26.50	4.50	4.50	4.50	0.00%	-
TOTAL INDEPENDENT BOARDS	1,732.17	1,549.97	1,551.91	1,563.95	0.78%	12.04
TOTAL CITY (including Boards)	6,040.31	5,580.19	5,520.88	5,635.67	2.08%	114.79

FOOTNOTES FOR SCHEDULE 5

Attorney: A 0.5 grant funded position and 2 positions are added to reinstate 2005 cuts. The Mayor and the Council add 3 paralegal positions.

Civil Rights: The Mayor eliminates 1 management position. The Council eliminates 2 contract compliance positions rather than 1 manager position and adds 0.8 position for sign language interpreter services transferred from the Communications Department.

City Clerk: All 13 Council Associate positions were added to the City Clerk's office in 2005.

City Council: All 13 Council Associate positions were moved to the City Clerk's office in 2005.

CPED: The Mayor adds 1 position from Communications, 2 neighborhood planners, and 1 homelessness coordinator position. The Council transfers the homelessness position to IGR, returns 1 position to Communications, and adds 1 position for communications marketing funded from General Fund resources.

Health and Family Support: Decrease 1 director position, reclassify 1 position to 0.8 position, and eliminate 1.5 positions.

Police: The Mayor and Council add 60 police officers to the Patrol Bureau funded by Local Government Aid and savings resulting from the previous year's debt buy downs, transfer in 42 traffic control positions from Regulatory Services, add 3 traffic control agents, and add 11 officers for traffic enforcement efforts.

Communications: The Mayor transfers 1 position to CPED for communications purposes. The Council returns the position to Communications. The Council also transfers 0.8 position to Civil Rights for sign language interpreter services. Internally, 3 Graphics/Cable Division positions and 3 Video Services Division positions are moved into the Public Affairs Division.

911/311: 2.5 positions are added to correct a salary calculation error in the 2005 Adopted Budget. The Mayor adds 34 positions for a new One Call system, including 4 positions transferred from Regulatory Services to One Call. The Council returns the 4 positions transferred from Regulatory Services and decreases the 911 position count by 5.5 positions to reflect financial changes included in the Mayor's Recommended Budget.

Finance: Decrease by 1 position due to previous error. The Mayor and Council decrease positions by 1 in the Controller's division to keep in line with the five-year financial plan.

Human Resources: The Mayor and Council add 2 investigators to the Employee Services Division funded through the Self Insurance Fund.

BIS: 4 positions were transferred in mid-year from Regulatory Services and 1 position transferred in from the capital operating budget. A 0.75 position was added to correct a previous error. The Mayor and Council move forward 1/3 of the department's anticipated cuts in 2007 to 2006 by eliminating 1 Results Manager position, eliminating 2 additional positions, and moving 2 city operators to Emergency Communications for Minneapolis One Call.

IGR: The Council moves 1 joint homelessness position with Hennepin County (\$100,000) from CPED to IGR (funded by CDBG dollars). This is a change from the Mayor's Recommendation.

Regulatory Services: 4 positions were transferred to CPED and 4 positions were transferred to BIS. The Mayor moves 42 positions from the Traffic Control division to Police and transfers 4 positions to Minneapolis One Call. The Council adds back 4 positions that had been moved to Minneapolis One Call.

PW Administration: The Mayor and Council transfer 1 position to Minneapolis One Call.

PW Engineering Services: 1 transportation planner position is added to Street Design from PW Transportation Division. 3 positions are moved within Engineering Services from the Storm Sewer Design division to the newly created Sanitary Sewer Design division.

PW Field Services: The Mayor and Council decrease the Street Maintenance division by 1.8 positions and Malls and Plazas division by 1 position.

PW Solid Waste: The Mayor and Council add 3 positions to Clean City program and transfer 1 Customer Service position to Minneapolis One Call.

PW Transportation: 2 positions were added in Street Lighting and Planning & Design Divisions. 1 position is transferred to PW Engineering Services from Traffic's Planning and Design Division. The Mayor and Council transferred 1 position to Minneapolis One Call from the Traffic Operations Division.

PW Property Services: The Mayor and Council add 1 centralized management position which will be funded by savings realized by the position beginning in 2007.

Library: With the reopening of the Central Library, 11.5 positions are added: 5 positions in Buildings and Grounds, 3 positions in Security, 1 computer technician, 1 manager and 1 administrative support staff in public service and access, 0.5 increase making the Special Collections librarian full-time instead of half-time. The remaining 3.9 additional positions are recalls from the layoff list in the areas of public service and access service (shelving, sorting, e-paging).

NRP: There is an overall decrease of 1 position.

MPHA: Decrease by 1 Service and Maintenance Foreman position, decrease by one FSS Coordinator position due to elimination of the program, decrease by 1 vacant Housing Development Coordinator position in capital program, and decrease by 1 Eligibility Technician position in the Leasing and Occupancy Department.

Park Board: There is an overall 1.64 position increase. Note that the Park Board added 3 new divisions this year: the Park Rehabilitation Division, the Neiman Complex Division, and the Supplies Revolving Division.

SCHEDULE SIX
2006 CPED Economic Development Program

Strategy/Program	2006 Source	2004 Capital Budget	2005 Current	2006 Adopted**	2006 Outcomes
<u>Provide Sites & Financing for commercial & Industrial development.</u>					
Commercial Corridors	Levy/TIF	\$0	\$0	\$0	Complete 9 economic development
MILES	TIF/Legacy Fund	\$0	\$1,000,000	\$600,000	projects
Project Funding	TIF	project driven	project driven	project driven	
					Increase tax capacity to support at least \$3 million in new revenue (including TI)
CEDF/NEDF	TIF/CDBG	\$150,000	\$150,000	\$136,000	Secure a minimum of \$3 million in
Small Site Environmental Clean-up Fund	Legacy Fund			\$100,000	pollution cleanup grants
Revenue Bonding	IDBs*	\$40,000,000	\$40,000,000	\$40,000,000	Create a minimum of
SBA 504 Loans	SBA*	\$8,000,000	\$0	\$0	1,177 new jobs.
BDF Loans	Bond Fees	\$75,000	\$75,000	\$75,000	
2% Loans	Bond Fees	\$400,000	\$300,000	\$300,000	
CIF Loan	FHLB*	\$600,000	\$600,000	\$0	Program no longer available
CAL Loans	CRF*	\$300,000	\$200,000	\$200,000	
Total Strategy		\$49,525,000	\$42,325,000	\$41,411,000	
<u>Provide financing and technical assistance</u>					
Project Funding	TIF	project driven	project driven	project driven	
Revenue Bonding	IDBs*	\$200,000,000	project driven	project driven	Close 150 business loans.
SBA 504 Loans	SBA*	\$4,000,000	\$0	\$0	Achieve a public/private
BDF Loans	Bond Fees	\$100,000	\$75,000	\$75,000	investment ratio of 1:16.
2% Loans	Bond Fees	\$1,000,000	\$900,000	\$900,000	Create a minimum of 300 new jobs.
Consortium of Community Developers					
Grants	Bond Fees	\$100,000	\$125,000	\$135,000	
CIF Loan	FHLB*	\$200,000	\$200,000	\$0	Program no longer available
CAL	CRF*	\$800,000	\$600,000	\$600,000	
Business Association Asst.	Bond Fees	\$210,000	\$210,000	\$210,000	
Commercial Corridor Small Business Loan					
Fund	Legacy Fund	\$1,000,000	\$500,000	\$500,000	
Total Strategy (excluding Revenue Bonds)		\$7,410,000	\$2,610,000	\$2,420,000	
<u>Maintain and Promote a vital downtown & central riverfront.</u>					
Project Funding	TIF	project driven	project driven	project driven	Complete a minimum of 181
Arena Capital	TIF/Common Project	\$7,500,000	\$500,000	\$500,000	downtown/riverfront housing units
Theaters	Theater related revenue	\$800,000	project driven	project driven	
Revenue Bonding	IDBs*	\$50,000,000	project driven	project driven	Achieve 2 million patrons of
SBA 504 Loans	SBA*	\$2,000,000	project driven	project driven	entertainment or sports venues.
BDF Loans	Bond Fees	\$100,000	\$75,000	\$75,000	
CIF Loan	FHLB*	\$200,000	\$200,000	\$0	Program no longer available.
CAL	CRF*	\$300,000	\$300,000	\$300,000	
2% Loans	Bond Fees	\$400,000	\$300,000	\$300,000	
Establish Riverfront Development Corp	Legacy Fund		\$100,000	\$0	Riverfront Development Corporation
Total Strategy (excluding Revenue Bonds)		11,300,000	1,475,000	1,175,000	
<u>Job Creation</u>					
"Closing the Gap" employment initiative***	Legacy Fund	\$1,000,000	\$1,200,000	\$1,500,000	600 entry-level placements
Career Laddering	Leverage Opportunity				
Establish Riverfront Development Corp			\$100,000	\$0	Riverfront Development Corporation
Total Strategy		1,000,000	1,300,000	1,500,000	

* Capital for IDBs, SBA, FHLB and CRF are provided by sources outside of CPED.

** Represents new capital request for 2006. Unless otherwise specified does not include prior year unspent balances which may also be budgeted for the

*** Incorporated "Closing the Gap" in 2005.

**SCHEDULE SEVEN
2006 CPED Housing Program**

<u>Strategy/Program</u>	<u>2006 Source</u>	<u>2004 Capital Budget</u>	<u>2005 Current</u>	<u>2006 Council Adopted*</u>	<u>2006 Outcomes</u>
<u>AHTF/Affordable Rental</u>					
AHTF	Year 32 CDBG	\$4,565,000	\$4,565,000	\$4,604,000	AHTF across funding sources:
	CDBG Program Income			\$800,000	total units approved: 1,701
Non Profit Dev. Assist.	CDBG	\$250,000	\$250,000	\$226,000	affordable units approved 1,237
AHTF	HOME	\$3,800,000	\$3,550,000	\$3,750,000	
AHTF	EZ	\$1,000,000	\$0	\$0	Multi-family rental and ownership:
AHTF ESG	ESG	\$550,000	\$550,000	\$550,000	new units completed: 1,044
AHTF - levy	Levy	\$0	\$0	\$0	rehab units completed: 490
AHTF - MPHA Initiative	Legacy Fund	\$1,000,000	\$0	\$0	affordable units completed: 752
AHTF - bond fees	HRB Issuer fees	\$0	\$0	\$0	total units closed: 1,549
Total AHTF	above	\$11,165,000	\$8,915,000	\$9,930,000	
<u>NRP</u>					
NRP Affordable Hsg Reserve	NRP set aside	\$3,200,000	\$0	\$0	
Total NRP		\$3,200,000	\$0	\$0	
<u>Financing</u>					
TIF	TIF	project-driven	project-driven	project-driven	
Low-Income Housing Tax Credits	LIHTC Allocation	\$1,035,637	\$1,073,153		by allocation
Housing Revenue Bonding	HRB Entitlement	\$36,410,000	\$36,709,000		by allocation
501c3 & refunding bonds	HRB Other	project-driven	project-driven		project-driven
Total Financing		\$37,445,637	\$37,782,153		project-driven
<u>Affordable Ownership</u>					
Limited Equity Coop	Levy and bond fees	\$1,000,000	\$0	\$0	Total units approved: 80
(<50% MMI)					
EZ Homeownership RFP	EZ	\$1,000,000	\$0	\$0	Affordable units approved: 40
Workforce Housing	Bond Fees	\$500,000	\$500,000	\$0	New units approved: 40
(<60% MMI)					
Workforce Housing	Bond Fees	\$500,000	\$500,000	\$0	Affordable units completed: 20
Affordable Ownership Combined**	Bond Fees/ Legacy Fund			\$500,000	Total units closed: 85
Total Affordable ownership		\$3,000,000	\$1,000,000	\$500,000	
<u>Financing</u>					
Tax Increment Financing	TIF	project-driven	project-driven	project-driven	
<u>Other Ownership</u>					
GMHC Home Ownership	CDBG	\$465,000	\$439,174	\$437,000	Lots sold: 10
(<80% MMI)					
HOW	HOME	\$600,000	\$800,000	\$600,000	Units sold: 10 - 13
Mortgage Foreclosure Prevention.	CDBG	\$250,000	\$238,252	\$202,500	Families served: 900
CityLiving Home Program	MRB	\$20,523,009	\$29,957,371	\$25,000,000	140 new mortgage loans
Home Improvement Programs	CDBG	\$444,000	\$571,805	\$100,000 to \$400,000	8 to 20 loans or grants
Distressed Properties (VHR)	CDBG	\$1,200,000	\$1,200,000	\$1,154,000	Parcels acquired: 60
(>80% MMI)					
GMHC Century Homes	SDA rollover	\$400,000	\$500,000	\$400,000	Lots sold: 20
Total Other Ownership		\$23,882,009	\$33,706,602	\$27,893,500	
<u>Mixed Rental/Ownership</u>					
Higher Density Corridor Initiative	CDBG	\$1,000,000	\$953,008	\$1,000,000	***Total sites/parcels approved: 3
LRT TOD	PPF & TBD	\$0	\$0	\$0	Total units approved: 150
Total Mixed Rental Ownership		\$1,000,000	\$953,008	\$1,000,000	
<u>Other Initiatives</u>					
Northside Home Fund	Legacy Fund	\$1,000,000	\$0	\$0	
Perpetual Affordability Pilot	Leverage Opportunity	\$500,000	\$0	\$0	
Project Liability Funding	Legacy Fund	\$0	\$700,000	\$0	
Don't Borrow Trouble	Neighborhood Development Account			\$90,000	
Its All about Kids	Neighborhood Development Account	\$194,000	\$200,000	\$200,000	
Capital Acquisition Revolving Fund	Bond Fees/Legacy Fund	\$0	\$0	\$1,000,000	Guidelines to be developed by July 6, 2006
Total Other Initiatives		\$1,694,000	\$900,000	\$290,000	

* Represents new capital request for 2006. Unless otherwise specified does not include prior year unspent balances which may also be budgeted for the activity.

** The Limited Equity Coop, Perpetual Affordability and Workforce Housing programs are combined for 2006.

*** In addition to this Year 32 funding \$980,000 from prior year balances is also available.

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

Description	Destination Fund	2005 Adopted Budget	2006 Adopted Budget	Description
GENERAL FUND (0100):				
Transfer To Community Planning and Economic Development	GEN0	100,000	0	Citizen Participation in Non-Targeted Neighborhoods - base amount moved to CPED
Sub-Total CPED		100,000	0	
Transfer to Solid Waste	7700	50,000	50,000	Graffiti remediation efforts; added in 2004
Sub-Total Solid Waste		50,000	50,000	
Transfer To Special Revenue Funds	2600	91,500	91,500	Target Center - Property Tax Funding included in Financial Plan; Increases to \$950,000 in 2013
Sub-Total Special Revenue		91,500	91,500	
Transfer to Property Tax Supported Debt Service	5250	502,000	502,000	Property tax supported debt service increased to match Five Year Direction
	5250	0	1,000,000	Public Safety Initiative
	5250	0	123,400	Substitute PI Tax Support for Public Safety Initiative
Sub-Total Property Tax Supported Debt Service		502,000	1,625,400	
Transfer To Other Debt Service	5260	132,060	124,678	Nicollet Mall - Public Works Streets Debt Service
Sub-Total Other Debt Service		132,060	124,678	
Transfer to Equipment	6100	4,180,000	4,180,000	Equipment Services Fund Workout Plan - \$2 million in added property tax funding in 2005
Sub-Total Equipment		4,180,000	4,180,000	
Transfer to Property Services	6200	811,613	688,600	Transfer of property tax levy support from for 800 MHZ from Public Safety Initiative (original source was \$220,000 of property tax levy in the permanent improvement fund and \$591,613 of levy in the debt service fund)
	6200	0	125,000	Centralized Energy Management (one-time)
	6200	0	30,000	Community Center Operations
Sub-Total Property Services		811,613	843,600	
Transfer to Pension Debt Service	5270	15,490,000	14,387,000	Property tax supported debt service budgeted in the General Fund; Council added \$5 million supported by General Fund reserves
Sub-Total Pension Debt Service		15,490,000	14,387,000	
Transfer to Intergovernmental Services	6400	7,832,950	8,732,950	Business Information Services Debt - Increased by \$1.3 million to support property tax portion of the BIS work-out plan. Mayor recommends \$300,000 in reductions to BIS operating.
Sub-Total Intergovernmental Services		7,832,950	8,732,950	
Transfer to Self Insurance	6900	1,204,251	1,204,751	Liability Debt - American Iron Works Settlement Self Insurance Fund Workout Plan Increase (\$500,000 in 2005)
	6900	1,447,296	3,097,296	
	6900	950,000	950,000	Self Insurance Fund Subsidy (established in 2001 to help shore up worker's compensation and liability rates, pending rate model based upon actuarial studies)
	6900	0	130,000	Human Resources Investigators
Sub-Total Self Insurance		3,601,547	5,382,047	
Transfer to Park Board	1500		200,000	Tree Efforts
Sub-Total Park Board			200,000	
Total General Fund Transfers Out		32,791,670	35,617,175	
SPECIAL REVENUE FUNDS:				
Federal Grants Fund (0300)				
Transfer To General Fund	0100	50,000	50,000	Equal Employment Opportunity Commission (EEOC) reimbursement revenues generated by the Civil Rights Department and used to support their work in the General Fund.
Sub-Total General Fund		50,000	50,000	
Total Federal Grants Fund Transfers Out		50,000	50,000	
Community Development Block Grant (0400)				
Transfer to CPED	FBG0	3,911,000	3,909,423	CPED consolidated plan grant from the HOME program
Sub-Total CPED		3,911,000	3,909,423	
Total CDBG Fund Transfers Out		3,911,000	3,909,423	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

Description	Destination Fund	2005 Adopted Budget	2006 Adopted Budget	Description
Other Grants (0600)				
Transfer to BIS	6400	115,500	0	BIS Debt Service supported by federal grants; Paid off in 2005
Sub-Total Intergovernmental Services		115,500	0	
Total Other Grants Fund Transfers Out		115,500	0	
Convention Center Related Fund (0760)				
Transfer To General Fund	0100	7,481,750	7,481,750	Entertainment Tax Revenue estimate
Sub-Total General Fund		7,481,750	7,481,750	
Transfer to Arena Reserve	2600	1,200,000	1,200,000	Target Center Facilities
Sub-Total Arena Reserve		1,200,000	1,200,000	
Transfer to Capital Reserve	2790	1,150,000	1,150,000	Convention Center Related Facilities Reserve (in the Finance Plan)
Sub-Total Capital Reserve		1,150,000	1,150,000	
Transfer To Debt Service	5300	19,724,675	19,142,000	Convention Center Related Debt
Sub-Total Debt Service		19,724,675	19,142,000	
Transfer To Enterprise	7500	8,243,573	9,565,097	Convention Center Related Parking Debt and Operating Costs
Sub-Total Enterprise		8,243,573	9,565,097	
Transfer to Pension Debt Service	5270	14,945	13,913	Minneapolis Employee Retirement Fund debt for Convention Center retirees
Sub-Total Pension Debt		14,945	13,913	
Total Convention Center Transfers Out		37,814,943	38,552,760	
Convention Facilities Reserve (2790)				
Transfer to Convention Related	0760	2,531,000	3,031,000	
Subtotal Convention Related		2,531,000	3,031,000	
Total Convention Facilities Reserve Transfers Out		2,531,000	3,031,000	
CAPITAL PROJECTS FUNDS:				
Permanent Improvement Capital Fund (4100)				
Transfer to Debt Service	5260	355,096	347,046	Section 108 Loan - Heritage Park
Sub-Total 9055		355,096	347,046	
Total Perm. Improvement Capital Transfers Out		355,096	347,046	
INTERNAL SERVICE FUNDS:				
Bond Redemption Fund (5250)				
Transfer to Intergovernmental Fund	6400	0	1,790,000	BIS New Capital
Sub-Total Intergovernmental Fund:		0	1,790,000	
Total Bond Redemption Fund Out		0	1,790,000	
Engineering Materials and Testing Fund (6000)				
Transfer to Pension Debt Service	5270	61,182	22,123	MERF debt service related to Engineering Materials and Testing retirees
Sub-Total Pension Debt		61,182	22,123	
Total Paving Fund Transfers Out		61,182	22,123	
Equipment Fund (6100)				
Transfer to Pension Debt Service	5270	262,937	130,669	MERF debt service related to Equipment Fund retirees
Sub-Total Pension Debt		262,937	130,669	
Total Equipment Fund Transfers Out		262,937	130,669	
Property Services (6200)				
Transfer to Pension Debt Service	5270	85,976	31,089	MERF debt service related to Property Services retirees
Sub-Total Pension Debt Service		85,976	31,089	
Total Property Services Transfers Out		85,976	31,089	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

Description	Destination Fund	2005 Adopted Budget	2006 Adopted Budget	Description
Intergovernmental Services Fund (6400)				
Transfer Pension Debt Service	5270	124,154	57,349	MERF debt service related to BIS/Clerk retirees
Sub-Total Pension Debt Service		124,154	57,349	
Total Intergovernmental Services Transfers Out		124,154	57,349	
Self Insurance Fund (6900)				
Transfer to Pension Debt Service	5270	125,412	45,349	MERF debt service related to self-insurance fund retirees
Sub-Total Pension Debt Service		125,412	45,349	
Total Self-Insurance Transfers Out		125,412	45,349	
ENTERPRISE FUNDS:				
Stormwater Fund (7300)				
Transfer to Pension Debt Service	5270	341,826	147,696	MERF debt service Sewer rate funded retirees
Sub-Total Pension Debt Service		341,826	147,696	
Total Sewer Transfers Out		341,826	147,696	
Water Fund (7400):				
Transfer to Pension Debt Service	5270	583,603	274,517	MERF debt service Water rate funded retirees
Sub-Total Pension Debt Service		583,603	274,517	
Total Water Fund Transfers Out		583,603	274,517	
Parking Fund (7500):				
Transfer To General Fund	0100	8,800,000	10,618,000	2005 annual contribution from parking fund (reduced by \$1 million per Parking Fund Work-out Plan)
Sub-Total General Fund		8,800,000	10,618,000	
Transfer To Special Revenue	2600	1,768,000	1,921,000	Target Center Finance Plan (updated May 1998)
Sub-Total Special Revenue		1,768,000	1,921,000	
Transfer to Debt Service	5260	252,000	0	Mann Areaways Debt Service
Sub-Total Debt Service		252,000	0	
Transfer to Pension Debt Service	5270	93,500	38,550	MERF debt service related to Parking rate funded retirees
Sub-Total Pension Debt Service		93,500	38,550	
Transfer to Solid Waste & Recyc.	7700	146,000	146,000	Litter container collection(added in 2001)
Sub-Total Solid Waste		146,000	146,000	
Total Parking Transfers Out		11,059,500	12,723,550	
Solid Waste and Recycling Fund (7700):				
Transfer To General Fund	0100	700,000	700,000	Payment for alley snowplowing (began in 2003)
Sub-Total General Fund		700,000	700,000	
Transfer to Pension Debt Service	5270	57,934	35,221	MERF debt service related to Solid Waste rate funded retirees
Sub-Total Pension Debt Service		57,934	35,221	
Total Solid Waste Fund Transfers Out		757,934	735,221	
COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT FUNDS:				
Portland Place Capital Project (CPD0)				
Transfer to Debt Service	5260	65,790	67,147	Debt Service - July 2
Sub-Total Debt Service		65,790	67,147	
Total Portland Place Transfers Out		65,790	67,147	
Neiman Marcus Capital Project (CPQ0)				
Transfer to Debt Service	7500	235,000	235,000	Debt Service federal courts
Sub-Total Debt Service		235,000	235,000	
Total Neiman Marcus Transfers Out		235,000	235,000	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

Description	Destination Fund	2005 Adopted Budget	2006 Adopted Budget	Description
CPED Operating Fund (GEN0)				
Transfer to Self Insurance	6900	283,000	283,000	Payment for Management Support Departments - Attorney Civil Division
Sub-Total Self Insurance		283,000	283,000	
Transfer to Parking Fund	7500	6,680,456	6,680,456	Transfer from Tax Increment Funds for Parking Ramp Debt
Sub-Total Parking Fund		6,680,456	6,680,456	
Total CPED Operating		6,963,456	6,963,456	
Community Development (SPH0)				
Transfer to Pension Debt Service	5270	1,700,000	1,960,000	Annual Hilton fund transfer for pension debt
		1,700,000	1,960,000	
Total CPED Funds		8,964,246	9,225,603	
TOTAL CITY FUNDS		99,935,979	106,690,570	
INDEPENDENT BOARDS:				
<u>Municipal Building Commission (1100)</u>				
Transfer to MBC Capital	4200	160,000	0	
Sub-Total MBC Capital		160,000	0	
Park Board Operating Fund (7800)				
Transfer to Debt Service	5260	1,055,750	1,053,000	Fort Snelling Athletic Fields bonds debt service
Sub-Total Debt Service		1,055,750	1,053,000	
Total Park Board Operating		1,055,750	1,053,000	
Library Board (1800):				
Transfer to Debt Service	5260	457,409	457,409	Parking Ramp debt service
Sub-Total Debt Service		457,409	457,409	
Total Library Board		457,409	457,409	
Total Independent Boards		1,673,159	1,510,409	
GRAND TOTAL		101,609,138	108,200,979	

**SCHEDULE NINE
BENEFITS ADMINISTRATION FEE CHARGES**

Note: Prior to 2005, these charges were budgeted centrally at the fund level. Now, they appear in department/agency budgets.

Department	2005 Adopted Budget	2006 Adopted Budget
<u>GENERAL FUND (0100)</u>		
Assessor	5,900	5,294
Attorney	16,800	8,957
Civil Rights	4,100	4,099
Clerk/Elections	7,800	4,526
City Council	6,600	5,892
Community Planning and Economic Development	25,100	21,861
Fire	75,800	76,683
Health and Family Support	12,500	10,418
Mayor	1,900	1,879
Police	161,400	160,893
Coordinator Administration	500	512
Communications	2,300	3,587
Emergency Communications	15,000	14,004
Finance	31,200	32,962
Human Resources	9,200	8,710
Regulatory Services - Inspections	44,100	41,160
Intergovernmental Relations	1,700	683
Public Works Administration	3,100	2,562
Public Works Engineering	19,700	1,522
Public Works - Field Services	28,100	32,791
Public Works - Transportation	16,700	19,128
Total General Fund	489,500	458,123
<u>SPECIAL REVENUE FUNDS:</u>		
Convention Center - Convention Related Facilities Fund (7600)	36,100	37,915
Police - Police Special Revenue Fund (2100)	2,900	2,891
Total Special Revenue Funds	39,000	40,806
<u>INTERNAL SERVICE FUNDS:</u>		
Business Information Services - Intergovernmental Services Fund (6400)	13,100	11,784
Attorney (6900)		6,755
Public Works - Engineering Materials	5,000	2,733
Public Works - Equipment	43,600	35,694

**SCHEDULE NINE
BENEFITS ADMINISTRATION FEE CHARGES**

Public Works - Property Services	16,300	16,396
Total Internal Service Funds	78,000	73,362

PERMANENT IMPROVEMENT FUND

Public Works Engineering		8,027
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ENTERPRISE FUNDS:

Public Works - Sewer	10,400	21,581
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Public Works - Water	40,700	41,113
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Public Works - Solid Waste	20,900	22,885
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Total Enterprise Funds	72,000	85,579
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TOTAL CITY	678,500	665,897
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INDEPENDENT BOARDS:

Board of Estimate and Taxation	300	342
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Library Board	49,800	65,758
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Municipal Building Commission	12,800	10,753
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Neighborhood Revitalization Program	2,300	2,481
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Park Board	132,700	111,665
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Minneapolis Public Housing Authority	63,600	56,866
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Youth Coordinating Board	900	827
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TOTAL INDEPENDENT BOARDS	262,400	248,692
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GRAND TOTAL	940,900	914,589
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SCHEDULE TEN
Business Information Services 2006 Budget Impact

*The BIS Rate Model was implemented into The City's 2005 Budget.
Below are the charges that replace the transfers.*

<u>Department</u>	2005 Adopted Budget	2006 Adopted Budget
<u>General Fund (0100)</u>		
Assessor	279,409	329,084
Attorney	337,902	464,391
City Council	361,592	355,144
City Clerk	119,194	180,394
City Clerk Elections	13,219	11,938
Fire	809,910	859,842
Civil Rights	140,734	144,790
Mayor	95,095	85,199
Police	3,557,736	3,641,085
Public Works - Engineering Design	49,828	60,924
Public Works - Field Services	229,247	394,891
Public Works - Administration	260,173	387,386
Public Works - Transportation	410,070	263,515
Human Resources	885,142	1,255,378
Finance	1,606,340	1,276,446
Emergency Communications	240,014	219,609
Operations and Regulatory Services	354,885	1,373,064
City Coordinator	225,618	77,987
Intergovernmental Relations	30,889	35,543
Communications	178,875	144,113
Operations and Regulatory Inspections	557,072	
Health & Family Support	565,890	359,659
Community Planning and Economic Development	775,506	416,290
Transfer for Debt Service	7,454,990	9,261,450
Total General Fund	19,539,329	21,598,122
<u>Grants</u>		
Grants - Federal - Police	12,299	
Grants - Federal - Health and Family Support	18,560	31,323
CDBG & UDAG - Civil Rights	29,318	31,669
CDBG & UDAG - Grants and Special Projects - IGR	7,050	11,924
CDBG & UDAG - Health and Family Support	44,428	77,094
Grants - Other - Health and Family Support	3,749	6,153
Total Grants	115,403	158,163

Special Revenue

Convention Center	239,495	739,238
Police	19,783	34,330
Community Planning and Economic Development	77,716	261,982
Total Special Revenue	336,994	1,035,550

Capital Projects Funds

Public Works - Engineering Design	290,979	45,770
Public Works - Field Services	30,131	19,572
Public Works - Field Services - Paving Copnstructic	50,206	
CPED Near North - Non Departmental	454	
Community Planning and Economic Development	45,510	
Total Capital Projects Fund	417,280	65,342

Internal Service Funds

Public Works - Engineering Materials	19,753	20,560
Public Works - Equipment	245,218	421,384
Public Works - Property Services	199,040	269,396
Public Works		
Engineering Materials	9,886	17,017
Transportation	9,358	9,514
Business Information Systems		
City Clerk	29,136	24,002
Self Insurance		
Attorney	215,257	259,505
Human Resources	34,552	46,694
Finance - Risk Management	66,919	5,976
Total Internal Service Funds	829,119	1,074,048

Enterprise Funds

Public Works - Sewer	194,302	216,111
Public Works - Water	1,439,219	735,607
Public Works - Transportation - Parking Fund	384,643	315,452
Public Works - Solid Waste	342,223	336,228
Total Enterprise Funds	2,360,387	1,603,398

Total City	23,598,512	25,534,623
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SCHEDULE ELEVEN
Equipment Services Division Impact to City Departments in 2006

Department	2006 Adopted Budget	2005 Adopted Budget
<u>General Fund (0100)</u>		
Assessor		16
City Council	224	
City Clerk	128	78
Fire Department	2,494,090	2,740,605
Civil Rights	615	1,079
Elections	113	
Mayor	7,770	4,160
Police	3,520,457	4,181,954
Public Works Engineering Design	23,724	24,994
Public Works Field Services	7,040,408	7,067,835
Public Works Administration	13,508	12,081
Public Works Transportation	535,686	533,347
Intergovernmental Relations	32	109
Human Resources	192	346
Finance	453	78
Licenses & Consumer Services	101,374	17,369
City Coordinator		16
Communications	368	999
Inspections	229,411	30,545
Health & Family Support	13,699	10,130
Community Planning and Economic Development	33,057	5,047
Total General Fund	14,015,309	14,630,788

Special Revenue Funds:

Police - Police Special Revenue Fund (2100)	112,636	6,487
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Capital Projects Funds:

Public Works - Permanent Improvement Capital Projects Fund (4100)	36,565	40,894
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Public Works - Field Serves Sidewalk Inspection (4100)	15,381	10,324
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Internal Service Funds:

Public Works - Engineering Materials	44,060	112,331
Public Works - Equipment (intra-fund charges)	5,487,457	5,845,164
Public Works - Property Services	297,359	329,997
Public Works - Stores	9,641	7,835
Business Information Systems	3,421	6,110
Self Insurance		203

Enterprise Funds:

Public Works - Sewer	7,093,796	7,965,981
Public Works - Water	2,684,478	2,487,867
Public Works - Parking Fund	175,498	114,078
Public Works - Solid Waste	452,453	271,249
Total City	30,428,054	31,829,308

Independent Boards:

Library Board	6,584	9,565
Municipal Building Commission	3,874	4,675
Park Board	507,212	410,096
Total Independent Boards	517,670	424,336
Grand Total	30,945,724	32,253,644

SCHEDULE TWELVE
Property Services Division Impact to City Departments in 2006

<u>Department</u>	<u>2006 Adopted Budget</u>	<u>2005 Adopted Budget</u>
<u>General Fund (0100)</u>		
Assessor	139,614	140,650
Attorney	5,395	8,151
City Council	1,918	4,021
City Clerk	3,460	5,024
Fire Department	1,025,081	955,214
Civil Rights	968	1,877
Community Planning and Economic Development	7,101	10,780
Mayor	892	2,030
Grants	349	
Planning		2,148
Police	726,380	735,200
Emergency Communications	2,760	
Public Works Engineering Design		84,803
Public Works Field Services	349,288	324,314
Public Works Administration	36,565	24,744
Public Works Transportation	174,683	107,676
Intergovernmental Relations		764
Human Resources	186,878	210,852
Finance	156,014	11,429
Licenses & Consumer Services	524,183	153,530
City Coordinator	563	1,301
Communications	990	2,036
Inspections		385,627
Health & Family Support	243,452	251,781
Total General Fund	3,586,534	3,423,950
<u>Capital Projects Funds:</u>		
Public Works - Engineering Design Capital Projects Fund (4100)		102,830
<u>Internal Service Funds:</u>		
Public Works - Engineering Materials	56,118	56,393
Public Works - Equipment	964,030	580,520
Public Works - Property Services (intra fund charges)	194,038	174,262
Public Works - Stores	75,519	70,133
Business Information Systems	3,137	5,146
<u>Enterprise Funds:</u>		
Public Works - Sewer		112,746
Public Works - Sanitary Sewer	15,066	
Public Works - Stormwater Sewer	89,841	
Public Works - Water	87,344	218,240
Public Works - Parking Fund	33,683	89,110
Public Works - Solid Waste	195,698	193,547
Total City	5,301,008	5,026,877

**SCHEDULE THIRTEEN
POTENTIAL RENT CHARGES BY CITY HALL DEPARTMENT**

Note: For information only. This Amount is based upon 2005 allocations of Local Government Aid and Property Taxes to the Municipal Building Commission. The amounts have not been allocated in the 2006 budget.

Description	2006		2005	
	Billable Square Foot	Potential Annual Rental charge	Billable Square Foot	Potential Annual Rental charge
Building Commission			2,849	46,508
Business Information Services	12,920	253,050	11,004	179,632
City Clerk	18,582	363,946	16,216	264,713
City Clerk Elections	2,719	53,254	3,249	53,037
City Coordinator	3,791	74,250	5,563	90,812
City Council	12,927	253,188	17,193	280,661
Civil Rights	4,544	88,999	6,044	98,656
Communications	6,673	130,697	8,704	142,086
Community Planning and Economic Development	7,876	154,259	9,185	149,938
Finance	21,897	428,874	27,913	455,657
Fire	7,068	138,433	9,400	153,455
Human Resources	781	15,297	1,039	16,956
Grants and Special Projects	2,350	46,027		
Intergovernmental Relations			3,265	53,301
Mayor	6,009	117,692	8,680	141,694
Operations and Regulatory Services	4,641	90,898	5,972	97,483
Police	62,070	1,215,700	81,033	1,322,799
Public Works - Administrative Services	6,488	127,074	9,748	159,128
Public Works - Field Services	2,097	41,072		
Public Works - Property Services	5,369	105,157	4,977	81,243
Public Works - Transportation	3,286	64,359	4,370	71,343
Total	192,088	\$ 3,762,226	236,404	\$ 3,859,102

**SCHEDULE FOURTEEN
GENERAL FUND OVERHEAD CHARGES**

Customer	2005 Adjustments to Charges that will be "Phased In" over 5 years	Proposed GF Overhead Collection Levels in 2005	2006 Budget Charge	Forecasted 2007 Charge	Forecasted 2008 Charge	Forecasted 2009 Charge	Forecasted 2010 Charge
Internal Service Funds							
PW - Eng Mat - Materials and Lab Sub-total (Fund 6000)		\$159,522	\$161,596	\$163,697	\$165,825	\$167,980	\$170,164
PW - Equipment Sub-total (Fund 6100)		\$581,403	\$588,961	\$596,618	\$604,374	\$612,231	\$620,190
PW - Property Sub-total (Fund 6200)		\$232,946	\$235,974	\$239,042	\$242,150	\$245,297	\$248,486
PW - Eng Mat - Stores Sub-total (Fund 6300)		\$176,678	\$178,975	\$181,301	\$183,658	\$186,046	\$188,465
BIS Sub-total (Fund 6400)		\$196,585	\$199,141	\$201,729	\$204,352	\$207,008	\$209,700
Self Insurance Sub-total (Fund 6900)		\$65,681	\$66,535	\$67,400	\$68,276	\$69,164	\$70,063
Sub-total for Internal Service Funds		\$1,412,815	\$1,431,182	\$1,449,787	\$1,468,634	\$1,487,726	\$1,507,067
Enterprise Funds							
PW - Sewer Sub-total (Fund 7300)	(\$326,281)	\$3,772,336	\$3,755,272	\$3,737,127	\$3,717,875	\$3,697,491	\$3,675,949
PW - Water Sub-total (Fund 7400)		\$4,316,419	\$4,372,533	\$4,429,375	\$4,486,957	\$4,545,288	\$4,604,377
PW - Transportation - Parking Sub-total (Fund 7500)	(\$231,258)	\$1,360,537	\$1,331,371	\$1,301,217	\$1,270,054	\$1,237,861	\$1,204,616
PW - Solid Waste (7700)	(\$246,921)	\$2,401,714	\$2,382,910	\$2,363,211	\$2,342,598	\$2,321,049	\$2,298,544
Sub-total for Enterprise Funds		\$11,851,006	\$11,842,086	\$11,830,931	\$11,817,484	\$11,801,689	\$11,783,485
Capital Project Funds							
Capital Project Funds	(\$359,984)	\$2,358,864	\$2,316,596	\$2,272,831	\$2,227,537	\$2,180,680	\$2,132,229
Grant Funds							
Grants Federal Sub-total (Fund 0300)	\$663,614	\$0	\$134,448	\$272,392	\$413,899	\$559,040	\$707,885
Grants CDBG and UDAG Sub-total (Fund 0400)	\$595,206	\$0	\$120,589	\$244,313	\$371,233	\$501,412	\$634,914
Grants Other Sub-total (Fund 0600)	\$688,481	\$0	\$139,486	\$282,599	\$429,409	\$579,989	\$734,411
Sub-total for Grant Funds		\$0	\$394,523	\$799,304	\$1,214,542	\$1,640,442	\$2,077,209
Component Units							
Library	\$289,435	\$330,000	\$392,930	\$457,439	\$523,560	\$591,323	\$660,759
Park	\$894,865	\$828,252	\$1,020,319	\$1,217,240	\$1,419,108	\$1,626,019	\$1,838,070
Board of Estimate and Taxation	\$54,475	\$0	\$11,037	\$22,360	\$33,977	\$45,891	\$58,109
Neighborhood Revitalization Program	\$62,358	\$0	\$12,634	\$25,596	\$38,893	\$52,532	\$66,518
Minneapolis Public Housing Agency	\$41,345	\$35,000	\$43,832	\$52,887	\$62,170	\$71,686	\$81,439
Youth Coordinating Board	\$67,784	\$0	\$13,733	\$27,823	\$42,277	\$57,103	\$72,306
MBC - Capital	\$42,325	\$44,381	\$53,533	\$62,915	\$72,533	\$82,389	\$92,490
MBC - Operating	\$211,841	\$45,000	\$88,504	\$133,131	\$178,904	\$225,845	\$273,975
Sub-total for Component Units and Independent Bds		\$1,282,633	\$1,636,521	\$1,999,393	\$2,371,423	\$2,752,787	\$3,143,667
Convention Center							
Convention Center Sub-total (Fund 0760)		\$1,177,360	\$1,192,666	\$1,208,171	\$1,223,877	\$1,239,787	\$1,255,905
Police Department Special Revenue Fund		\$0	\$0	\$0	\$0	\$0	\$0
CPED	\$911,681	\$3,361,307	\$3,589,711	\$3,823,485	\$4,062,730	\$4,307,550	\$4,558,048
Total		\$ 21,443,986	\$ 22,403,284	\$ 23,383,900	\$ 24,386,227	\$ 25,410,662	\$ 26,457,610

Forecasted charges include two components: 1) An inflationary adjustment of 1.3% per year and 2) 20% per year incremental phase in amount for select funds over a 5 year period based on adjustments made in 2005 Charges compared to Services Provided.

City of Minneapolis
2006 – 2010 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 (CBRs) for their program areas as submitted by the various City departments, independent boards and commissions.

During several half-day or full-day meetings, city department and independent board staff 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 2006 - 2010, there were 111 CBRs reviewed and rated. The total requested capital budget for the five years was \$559.5 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 2006-2010 Capital Improvement Plan

Property Tax Supported – Public Works: The 2006 budget includes \$27.0 million in property tax supported funding for Public Works capital. Below is a summary of the 2006 - 2010 property tax supported funding for the Public Works infrastructure program, including Park related improvements mentioned below.

Property Tax Supported Capital for Public Works (in millions)	2006	2007	2008	2009	2010
	Mayor Recommended Funding	\$16.0	\$12.4	\$11.0	\$12.1
Council Adopted Funding	<u>27.0</u>	<u>8.0</u>	<u>7.7</u>	<u>9.3</u>	<u>13.5</u>
Council Change	11.0	(4.4)	(3.3)	(2.8)	.2

Note: The Council change was primarily due to shifting \$11 million of resources for the Hiawatha Facility project from 2007 – 2009 to 2006.

Property Tax Supported - Park Board: The 2006 budget includes \$2.0 million in property tax supported funding for Park Board capital projects and \$.7 million in the Public Work’s capital budget for Parkway Paving and Parkway Street Lighting. Below is a summary of the 2006 – 2010 property tax supported funding for Park Board capital. The amounts include a Park Board capital levy, which has been increasing by \$215,000 each year since 2003, to a maximum of \$1.5 million in 2009.

Property Tax Supported Capital for Park Board (in millions)

	2006	2007	2008	2009	2010
Parkway Street Lighting – Public Works	\$0.3	\$.2	\$.3	\$.2	\$.1
Parkway Paving – Public Works	\$0.4	\$.7	\$.5	\$.7	\$1.2
Park Board Capital Requests	<u>\$2.0</u>	<u>\$2.0</u>	<u>\$2.0</u>	<u>\$1.6</u>	<u>\$2.3</u>
Total Park Board Improvements	\$2.7	\$2.9	\$2.8	\$2.5	\$3.6

Utility Fee Supported Capital: The 2006– 2010 budget includes funding for additional water and sewer related infrastructure expenditures. The rate of capital spending on Water and Sewer capital improvements is being managed to allow for lower water and sanitary sewer rate increases in 2009 & 2010 than had previously been planned and a zero percent increase in Stormwater rates in 2009 & 2010. This budget continues the City’s commitment to closing the infrastructure “gap” for water and sewer services. The water and sewer 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 2006-2010 capital submittals, operating costs were given a high priority by the CLIC ranking process.

City Debt

Minneapolis' total general obligation debt decreased from \$1.299 billion at 12/31/2004 to \$1.276 billion at 12/31/2005.

In 2005, the City of Minneapolis issued bonds totaling \$240,205,000. Of this amount, \$138,485,000 was issued to refund existing debt. The following information provides details of Year 2005 Bond Sales:

In March 2005, the City issued \$16,400,000 of General Obligation Guthrie Parking Ramp Bonds, Series 2005. The proceeds were used to finance construction of the city owned parking facility attached to the new Guthrie Theater in downtown Minneapolis.

In March 2005, the City also issued \$4,250,000 of General Obligation Tax Increment Bonds, (Mill Quarter Ramp), Series 2005. The proceeds were used to finance construction of the city owned Mill Quarter Parking Ramp which is located in the historic Milling District on the outskirts of downtown Minneapolis.

In June 2005, the City issued \$29,915,000 of General Obligation Library Bonds, Series 2005 for construction of the new Central Library in downtown Minneapolis and for improvements to the North Regional Community Library. These bonds were issued as part of a voter approved referendum in November of 2000 authorizing \$110,000,000 for the new Central Library and \$30,000,000 for community library capital improvements.

In June 2005, the City issued \$37,240,000 of General Obligation Various Purpose Bonds, Series 2005 to support the five-year capital plan. These bonds were issued for a variety of public works infrastructure improvements, park, library, municipal building commission, public safety initiative, fleet equipment and technology improvements.

In June 2005, the City also issued \$61,410,000 of General Obligation Refunding Bonds, Series 2005A. The proceeds of the bonds were used on September 1, 2005 for a current refunding of the remaining balances of the General Obligation Refunding Bonds, Series 1993B. The original bonds of \$134,250,000 were issued for improvements to the Nicollet Mall, the Convention Center and several tax increment related projects from 1987 to 1990. This refunding resulted in debt service savings of \$4,721,595 on a net present value basis.

In October 2005, the City issued \$11,670,000 of General Obligation Various Purpose Bonds, Series 2005A. Of this amount, \$7,300,000 of the proceeds were used on December 1, 2005 for a current refunding of the remaining balances of the General Obligation Refunding Bonds, Series 1993A. The original bonds were related to a variety of purposes including special assessment projects, parking facilities, sewer system improvements and Nicollet Mall improvements. This refunding resulted in debt service savings of \$742,932 on a net present value basis. The balance of \$4,370,000 is being used for telecommunications equipment and facility modifications necessary to replace the City's current telephone system.

In October 2005, the City also issued \$14,000,000 of General Obligation Taxable Block E Refunding Bonds. The proceeds, together with funds on hand, were used on December 1, 2005 to call in the entire outstanding balance of \$18,390,000 of Variable Rate General Obligation Taxable Block E Bonds, Series 2000B, originally issued in October 2000. This refunding was performed to minimize interest rate risk associated with the underlying variable rate debt and to decrease the total outstanding amount of debt by utilizing funds on hand.

In November 2005, the City issued \$30,290,000 of General Obligation Various Purpose Refunding Bonds, Series 2005B. The proceeds of the bonds were provided to a trustee to purchase an advance refunding escrow to call in several series of bonds on their optional call dates. The call dates range from December 1, 2006 to December 1, 2009 and the original purposes of the bonds included special assessment, various purpose infrastructure improvements, tax increment and parking projects. Original bond issuance dates ranged from 1996 to 2000. This refunding resulted in debt service savings of \$1,237,560 on a net present value basis.

In November 2005, the City also issued \$4,610,000 of General Obligation Improvement Bonds, Series 2005 for construction of various special assessment projects.

In December 2005, the City issued \$4,430,000 of Tax Increment Revenue Refunding Bonds (Village at St. Anthony Falls Project), Series 2005 to refund the Taxable Tax Increment Revenue Refunding Notes (Village at St. Anthony Falls Project), Series 2004. The original notes financed certain public redevelopment costs in connection with the development of a 62-unit residential condominium apartment project and 12 brownstone condominiums within the East Hennepin & University Tax Increment Financing District.

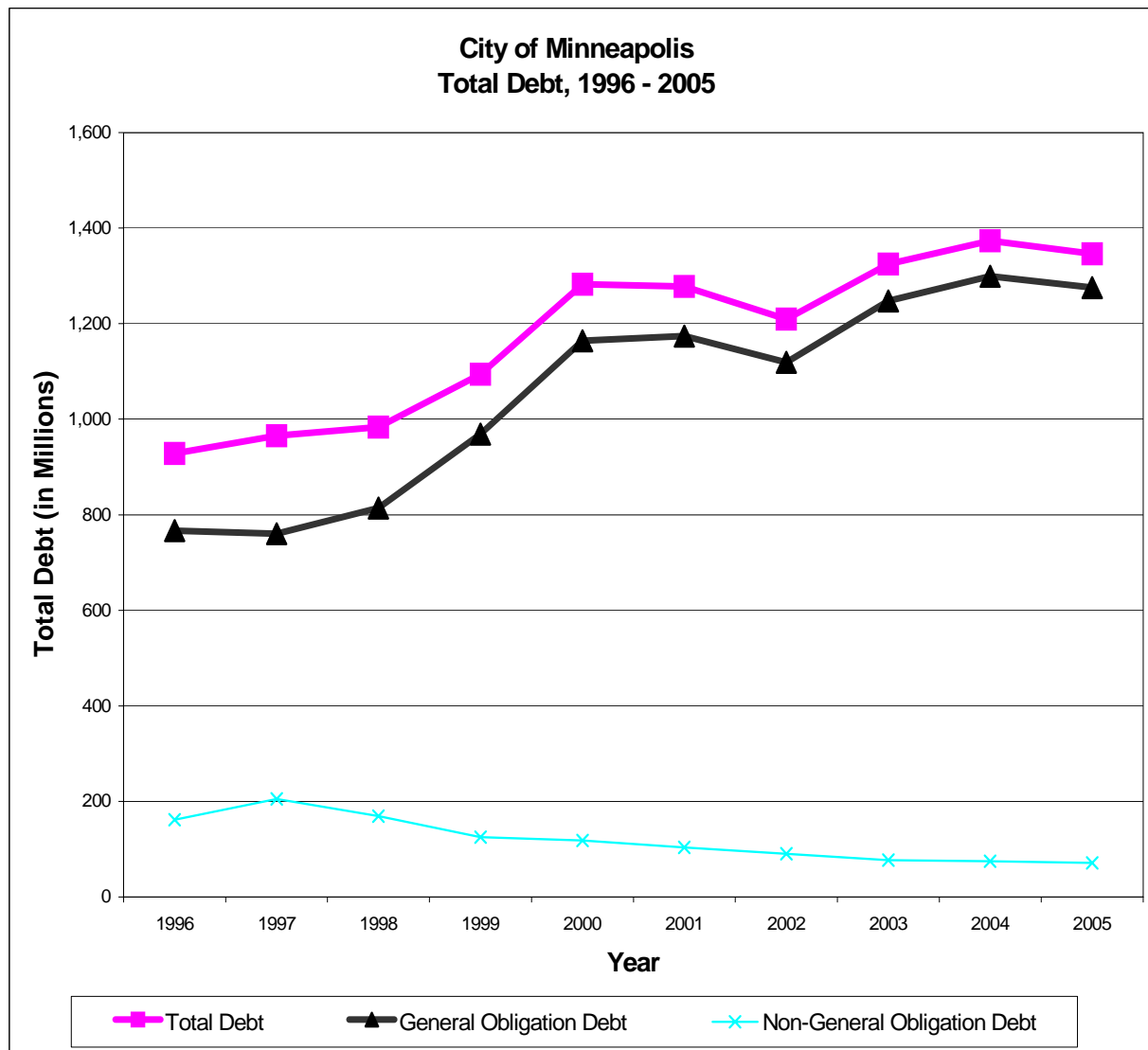
In December 2005, the City issued \$4,935,000 of Tax Increment Revenue Bonds (Ivy Tower Project), Series 2005 to finance certain public redevelopment costs in connection with the renovation and restoration of the historic Ivy Tower Building and construction of an 86-unit owner-occupied condominium housing development, a 136 room luxury hotel and an underground on-site parking garage with approximately 200 spaces.

In December 2005, the City also issued \$21,055,000 of Taxable Limited Tax Supported Development Revenue Bonds, Common Bond Fund Series 2005-1 to provide financing for refunding a prior issuance of the City's \$22,225,000 Limited Tax Supported Revenue Bonds, Series 2001G-3. The prior bonds financed the acquisition and renovation of three historic theatres in the City of Minneapolis. The three facilities included the Orpheum, State and Pantages theatres. This refunding was done to convert tax exempt bonds to taxable bonds to accommodate a possible future ownership change as well as to restructure the principal, there were no interest savings as part of this transaction.

Debt Trends

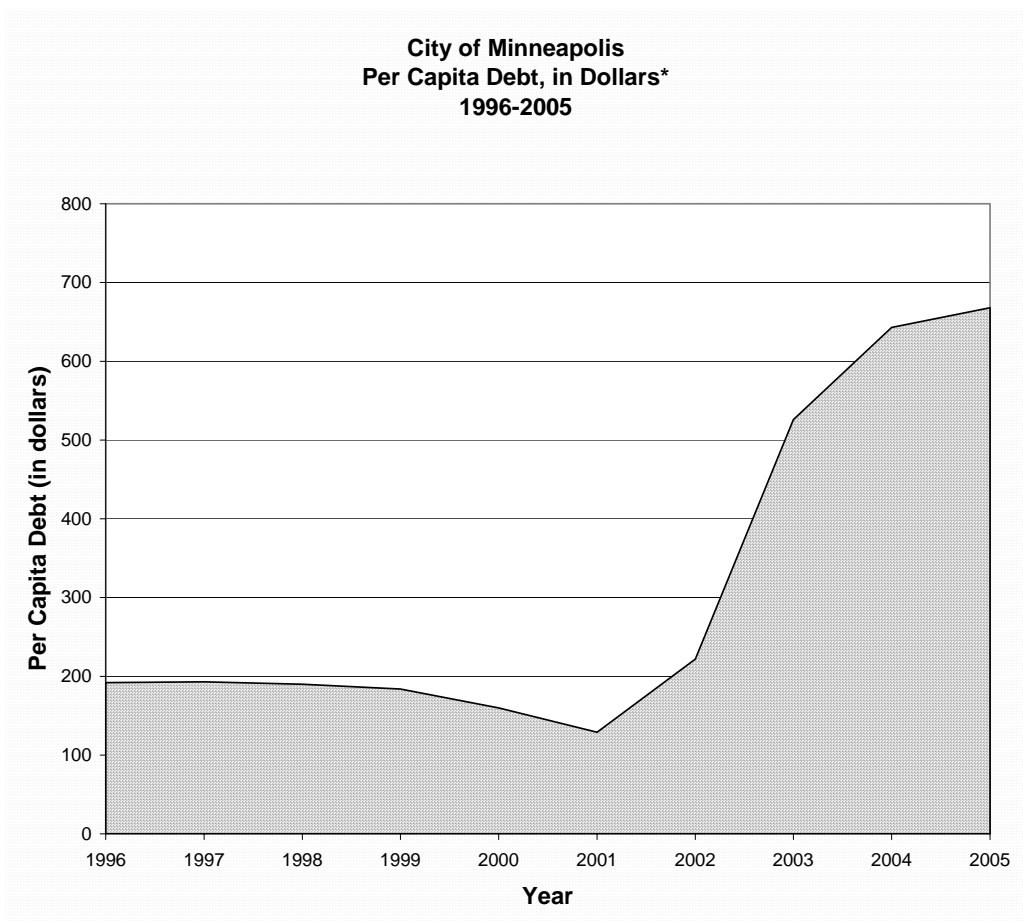
Management of the City's debt involves consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes of this presentation, Mortgage Revenue bonds and General Agency Reserve Fund System bonds of the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

The accompanying chart shows a ten-year history of the total applicable City debt level for years 1996 - 2005. 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 shows a gradual decline in the general obligation property tax supported debt per capita from 1996 – 2001. The 2001 reduction is primarily due to a revision in the reported population from 368,383 to 382,618. From 2002 - 2005, the City incurred additional tax supported debt to fund pension obligations for the Minneapolis Police & Fire Relief Associations and the Minneapolis Employee Retirement Fund (all closed plans) and also for the library referendum capital improvements program. Approximately 89 percent of the library referendum bonds have been issued but the potential pension obligations are unknown at this time due to possible legislative actions that could affect the timing and/or need for future borrowing.



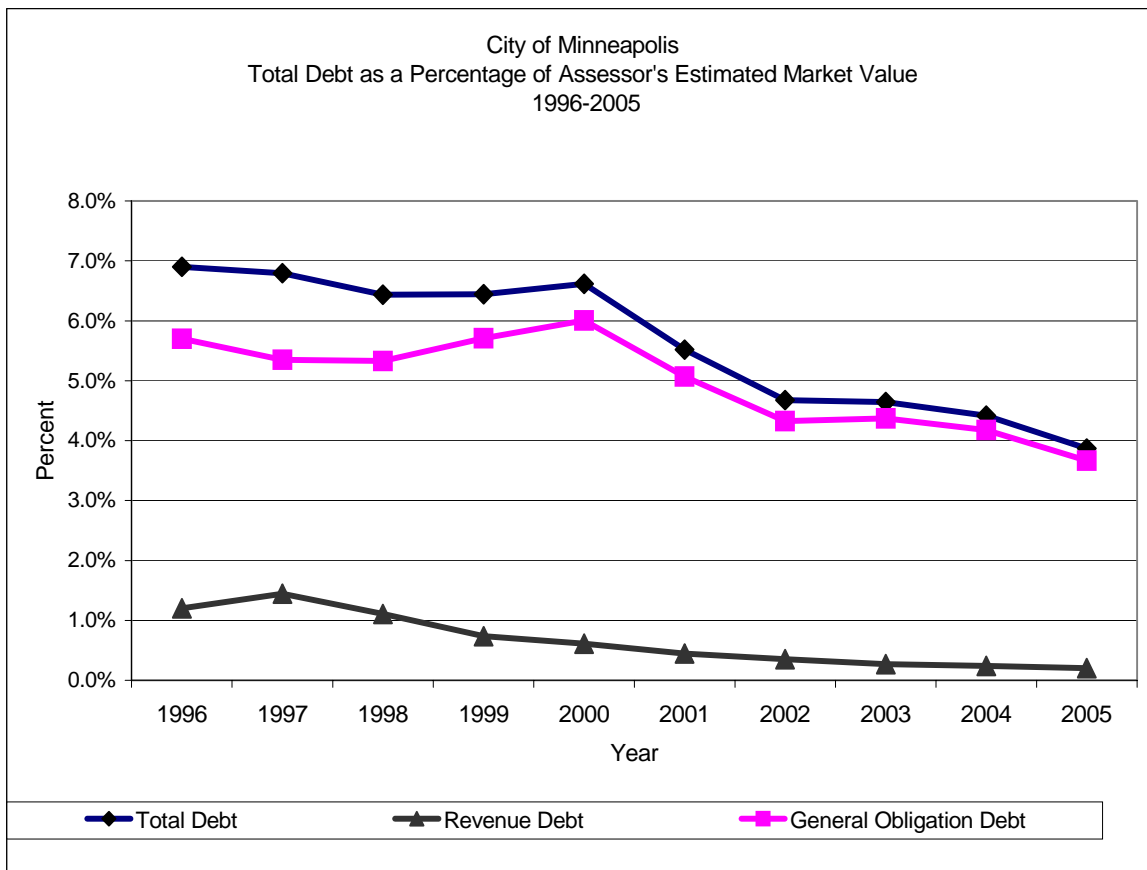
* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Funding from self-supporting enterprises of the City also offset a portion of the property tax supported pension related debt included above.

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 equaled an estimated 3.9 percent in 2005. This represents an 11 percent decrease from the previous year. Total Debt applicable to this calculation in 2005 decreased by \$27 million to \$1.35 billion.*

The chart below shows 1996 as the highest total debt/market ratio even though total debt applicable was at its lowest point of \$.93 billion in 1996. The favorable trend in the late 1990's reflects a recovery in property valuations during a time of stable to slightly increasing debt levels. Total Debt increased in 2000 and 2001, declined in 2002 and rose again in 2003 and 2004 before falling slightly in 2005. The impacts of these higher debt levels have been more than offset by a 158 percent increase in assessed market values from 1996 to 2005 while total debt increased 45 percent.



Computation of the City's Legal Debt Margin

The following is a computation of the estimated legal debt margin to be reported in the City's Comprehensive Annual Financial Report for December 31, 2005.

	Dollars in Thousands
Real Property (2005 Market Value)	\$ 34,399,886
Personal Property (2005 Market Value)	391,965
	<u>34,791,851</u>
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	393,938
Total Market Value Applicable to Debt Limit	<u><u>35,483,819</u></u>
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	\$ 1,182,794
General Obligation Bonds Subject to Debt Limit:	
Supported by Property Tax Levy	270,980
Supported by Special Assessments:	
Park Diseased Trees	1,500
Lyn-Lake Municipal/Commercial Parking	1,483
Self-Supporting (Supported by Internal User Charges):	
Management Information Systems	42,575
Park Board - Land acquisitions & athletic field development	11,670
Public Works Fleet and Equipment	43,615
Property Fund	9,340
Self-Insurance Fund	5,395
Total General Obligation Bonds Subject to Debt Limit	<u>386,558</u>
Less: Estimated Assets in Debt Service Funds at 12/31/2005	<u>(15,344)</u>
Total Debt Applicable to Debt Limit	<u>371,214</u>
Legal Margin for New Bonds Subject to Debt Limit	\$ 811,580

Summary of Outstanding City Debt

Long-term liabilities at December 31, 2005 (in thousands) are detailed below.

	Balance 1/1/2005	Additions	Retirements	Balance 12/31/2005	Amounts Due Within One Year
Governmental activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds*	\$ 268,115	\$ 49,311	\$ 46,446	\$ 270,980	\$ 21,415
Self Supporting GO Bonds	266,800	120	8,580	258,340	7,995
GO Improvement Bonds	49,298	15,190	19,081	45,407	5,116
Tax Increment GO Bonds	206,310	56,755	73,705	189,360	10,105
Revenue Bonds	74,682	9,365	12,962	71,085	15,874
Revenue Notes	41,998	-	746	41,252	842
Internal Service Fund Related GO Bonds	101,155	12,385	12,615	100,925	15,630
Total Governmental Bonds and Notes	1,008,358	143,126	174,135	977,349	76,977
Business-type activities:					
<u>Bonds and Notes</u>					
Sewer Fund GO Bonds	41,061	5,794	10,329	36,526	8,360
Water Fund GO Bonds	39,984	4,250	10,069	34,165	7,475
Water Fund GO Note	51,002	8,131	760	58,373	840
Municipal Parking Fund GO Bonds	273,943	65,980	59,074	280,849	14,174
CPED GO Bonds	1,290	-	940	350	30
CPED Related Non GO Fund					
General Agency Reserve Fund System	67,795	21,055	27,610	61,240	8,505
Mortgage Revenue Bonds	3,595	-	3,204	391	-
Revenue Notes	1,155	-	99	1,056	106
Total Business-type Bonds and Notes	479,825	105,210	112,085	472,950	39,490
Grand Total Bonds & Notes	\$ 1,488,183	\$ 248,336	\$ 286,220	\$ 1,450,299	\$ 116,467

* - This category includes debt issued for the City's general infrastructure capital program, the library referendum and unfunded pension liabilities.

Amortization of Outstanding Governmental City Debt

As of December 31, 2005, annual debt service requirements for Governmental activities to maturity (in thousands) are as follows:

Governmental Activities – Non-Proprietary				
Year Ending	Bonds		Notes	
Dec 31:	Principal	Interest	Principal	Interest
2006	\$ 60,505	\$ 63,110	\$ 842	\$ 1,589
2007	50,751	61,656	12,127	1,567
2008	45,560	60,524	1,321	721
2009	41,638	58,690	725	674
2010	34,571	31,173	802	642
2011 – 2015	177,910	131,005	6,581	2,295
2016 - 2020	221,993	86,171	4,293	1,376
2021 - 2025	134,365	36,844	3,450	532
2026 - 2030	59,805	9,090	1,540	132
2031 - 2032	8,075	540	9,570	7
	<u>835,173</u>	<u>538,803</u>	<u>41,251</u>	<u>9,535</u>

Year Ending	Internal Service Fund Bonds		Total Governmental Activity Bonds & Notes	
Dec 31:	Principal	Interest	Principal	Interest
2006	15,630	4,620	76,977	69,319
2007	9,475	3,905	72,353	67,128
2008	5,270	3,512	52,151	64,757
2009	11,170	3,284	53,533	62,648
2010	11,540	2,772	46,913	34,587
2011 – 2015	30,725	7,243	215,216	140,543
2016 - 2020	14,525	2,667	240,811	90,214
2021 - 2025	2,590	137	140,405	37,513
2026 - 2030	-	-	61,345	9,222
2031 - 2032	-	-	17,645	547
	<u>\$ 101,155</u>	<u>\$ 28,140</u>	<u>\$ 977,349</u>	<u>\$ 576,478</u>

Amortization of Outstanding Business Type City Debt

As of December 31, 2005, annual debt service requirements for business type activities to maturity (in thousands) are as follows:

Year Ending	Bonds		Notes		Total		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Dec 31:								
2006	\$ 38,545	\$ 22,880	\$ 945	\$ 1,682	\$ 39,490	\$ 24,562		
2007	31,307	21,300	1,014	1,651	32,321	22,951		
2008	32,149	19,946	1,070	1,649	33,219	21,595		
2009	26,460	16,934	1,752	1,585	28,212	18,519		
2010	25,634	15,812	1,786	1,533	27,420	17,345		
2011 – 2015	95,873	64,562	14,630	6,574	110,503	71,136		
2016 - 2020	61,992	34,695	20,583	4,370	82,575	39,065		
2021 - 2025	52,490	21,680	17,650	1,005	70,140	22,685		
2026 - 2030	33,245	8,560	-	-	33,245	8,560		
2031 - 2035	15,825	2,220	-	-	15,825	2,220		
Total	\$ 413,520	\$ 228,589	\$ 59,430	\$ 20,049	\$ 472,950	\$ 248,638		

Glossary of Capital Terms & Abbreviations

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.

REVENUE SOURCE RELATED DESCRIPTIONS:

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.

Park Levy – A portion of the Park Board’s tax levy dedicated to Capital Improvements.

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

Rehab - Rehabilitation

LRT – Light Rail Transit

Glossary of Terms & Abbreviations for the Capital Program

ACRONYMS & ABBREVIATIONS USED IN PROJECT TITLES - continued:

TOD – Transit Oriented Development

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

HRIS – Human Resources Information System

TH121 – Trunk Highway 121

MWW – Minneapolis Water Works

GIS – Geographical Information System

EOC – Emergency Operations Center

SUBMITTING AGENCY OR DEPARTMENT ABBREVIATIONS:

MBC – Municipal Building Commission

PW – Public Works

CPED – Community Planning & Economic Development

BIS – Business Information Services

2006 - 2010 Council Adopted Capital Resources For Property Tax Supported Infrastructure Improvements

Recommended Resources by Category	2006	2007	2008	2009	2010	Totals
						(In thousands)
CLIC & Mayor Resources:						
Net Debt Bond Authorizations	23,250	18,750	17,250	17,250	17,595	94,095
Park Board Capital Infrastructure Levy	860	1,075	1,290	1,500	1,500	6,225
	<u>24,110</u>	<u>19,825</u>	<u>18,540</u>	<u>18,750</u>	<u>19,095</u>	<u>100,320</u>
Prior Year Adjustments made by Mayor and Council*	-176	64	144	144	0	176
2006 - 2010 Mayor Recommended Resources	<u>23,934</u>	<u>19,889</u>	<u>18,684</u>	<u>18,894</u>	<u>19,095</u>	<u>100,496</u>

Notes:

* - Adjustments represent dollars advanced to or from projects in the Capital programs for prior years.

Council Resources:

Net Debt Bond Authorizations	23,250	18,750	17,250	17,250	17,595	94,095
Park Board Capital Infrastructure Levy	860	1,075	1,290	1,500	1,500	6,225
	<u>24,110</u>	<u>19,825</u>	<u>18,540</u>	<u>18,750</u>	<u>19,095</u>	<u>100,320</u>
Timing Adjustments made by Council**	10,886	-4,436	-3,356	-2,918	0	176
2006 - 2010 Council Adopted Resources	<u>34,996</u>	<u>15,389</u>	<u>15,184</u>	<u>15,832</u>	<u>19,095</u>	<u>100,496</u>

** - Council adjustment reflects shifting of \$11,062,000 from 2007 - 2009 to 2006 for the Public Works Hiawatha Facility. While the authorization has been moved up, the actual projected bond issuance is directed to be in line with the CLIC & Mayor Recommendation above. The Council Resources table will serve as the starting point for development of the 2007 - 2011 Capital Program.

This resource summary represents the City's commitment for General Infrastructure assets. General Infrastructure includes public buildings, roads, bridges, bike trails, street lights, traffic signals, parks & libraries.

2006 Bond Redemption Levy for Capital Program

Amount Notes (In thousands)

Tax Levy Certified for Bond Redemption in 2005	22,764	For supporting Capital Program only
Bond Redemption Levy Reduction for 2006	-2,979	Per Five Year Financial Direction
Tax Levy Certified for Bond Redemption in 2006	<u>19,785</u>	For supporting Capital Program only
Additional support - prior year debt commitments	1,502	General Fund Transfer
Total Capital Program Debt Support	<u>21,287</u>	

Property Tax Supported Capital Allocation - Council Adopted Summarized By Major Type of Infrastructure

Description of Category	2006	2007	2008	2009	2010	Totals
	(In thousands)					
Municipal Building Commission - City Hall	1,260	735	700	895	1,000	4,590
Percentage allocated to MBC	3.6%	4.8%	4.6%	5.7%	5.2%	4.6%
Library Board Capital Program	1,600	1,600	1,600	1,600	1,600	8,000
Percentage allocated to Library	4.6%	10.4%	10.5%	10.1%	8.4%	8.0%
Park Board Capital Program - including Park Levy*	2,030	1,950	1,950	1,600	2,300	9,830
Percentage allocated to Park Board	5.8%	12.7%	12.8%	10.1%	12.0%	9.8%
Public Works Department:						
Facility Improvements	12,387	1,000	1,000	1,250	1,250	16,887
Street Paving	9,416	3,832	4,245	4,677	7,127	29,297
Sidewalk Program	160	170	180	185	195	890
Heritage Park	1,000	500	500	0	0	2,000
Bridges	1,345	200	413	878	2,243	5,079
Traffic Control & Street Lighting	1,477	1,491	1,300	2,137	2,430	8,835
Bike Trails	1,206	832	100	150	250	2,538
Subtotal Public Works	26,991	8,025	7,738	9,277	13,495	65,526
Percentage allocated to Public Works	77.1%	52.1%	51.0%	58.6%	70.7%	65.2%
Miscellaneous Projects/Other City Departments	3,115	3,079	3,196	2,460	700	12,550
Percentage allocated to Other City Depts	8.9%	20.0%	21.0%	15.5%	3.7%	12.5%
Percentage allocated to City Depts	86.0%	72.2%	72.0%	74.1%	74.3%	77.7%
Grand Total - Property Tax Supported Capital	34,996	15,389	15,184	15,832	19,095	100,496
*Park Capital Levy of \$6,225 is determined as follows --->	860	1,075	1,290	1,500	1,500	6,225

**CITY OF MINNEAPOLIS
2006 - 2010 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2006	2007	2008	2009	2010	TOTAL
							(in thousands)
MUNICIPAL BUILDING COMMISSION							
MBC01	Life Safety Improvements	125	200	200	300	300	1,125
MBC02	Mechanical Systems Upgrade	500	535	500	500	600	2,635
MBC04	Tower & Interior Court Elevators	0	0	0	95	100	195
MBC05	Moat /Inner Court Water Proofing	635	0	0	0	0	635
MBC06	Clock Tower Upgrade	0	0	0	0	0	0
MBC08	Interior Court Green Roof Project	200	0	0	0	0	200
Total Municipal Building Commission		1,460	735	700	895	1,000	4,790
LIBRARY BOARD*							
MPL09	Nokomis Library Capital Improvements	0	500	1,900	2,320	280	5,000
MPL10	North Regional Capital Improvements	2,870	0	0	0	0	2,870
MPL11	Walker Community Library Capital Improvements	0	0	60	0	440	500
MPL13	Hosmer Library Capital Improvements	0	0	0	60	440	500
MPL14	Roosevelt Community Library Capital Improvements	0	903	0	0	0	903
MPL15	Southeast Community Library Capital Improvements	200	2,460	0	0	0	2,660
MPL16	Washburn Community Library Capital Improvements	0	0	0	60	440	500
Total Library Board (Community Libraries)		3,070	3,863	1,960	2,440	1,600	12,933
* - Includes \$4,933 of Library Referendum Levy and \$8,000 of City property tax funding.							
PARK BOARD							
PRK01	Community and Neighborhood Center Rehabilitation	250	700	600	350	1,000	2,900
PRK02	Site and Totlot Rehabilitation	0	0	230	1,000	300	1,530
PRK04	Athletic Field Renovation	1,380	1,000	870	0	1,000	4,250
PRK05	Tier 2 Athletic Fields	0	0	0	0	0	0
PRK06	Service Center Rehabilitation	0	0	0	0	0	0
PRK07	Tennis Court Rehabilitation	200	0	0	0	0	200
PRK09	HVAC	100	100	100	100	0	400
PRK11	Roof Replacement	100	100	100	100	0	400
PRK12	Community Skate Parks	0	50	50	50	0	150
PRKDT	Diseased Tree Removal	500	500	500	500	500	2,500
Total Park Board		2,530	2,450	2,450	2,100	2,800	12,330
PUBLIC WORKS DEPARTMENT							
FACILITY IMPROVEMENTS							
PSD01	Facilities - Repair and Improvements	1,325	1,000	1,000	1,250	1,000	5,575
PSD02	Public Works Hiawatha Facility	11,062	0	0	0	0	11,062
PSD06	Pioneer & Soldiers Memorial Cemetery Fencing Rehab	0	0	0	0	250	250
PSD07	Repurposing City Owned Buildings	100	0	0	0	0	100
Total Facility Improvements		12,487	1,000	1,000	1,250	1,250	16,987

**CITY OF MINNEAPOLIS
2006 - 2010 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2006	2007	2008	2009	2010	TOTAL
							(in thousands)
STREET PAVING							
PV001	Parkway Paving	400	770	550	725	1,250	3,695
PV003	Street Renovation Program	2,046	1,352	1,797	2,788	4,296	12,279
PV004	CSAH Paving Program	1,000	1,000	1,000	1,000	1,000	5,000
PV005	Snelling Ave Extension	599	973	0	0	0	1,572
PV006	Alley Renovation	313	267	267	500	500	1,847
PV007	University Research Park	2,526	4,058	0	0	0	6,584
PV008	I-35W & Lake St. Interchange Reconstruction	0	0	0	2,100	553	2,653
PV009	I-35W Crosstown Interchange Reconstruction	485	485	485	318	0	1,773
PV015	27th Ave S	7,264	0	0	0	0	7,264
PV019	6th Ave North	0	0	0	1,788	0	1,788
PV020	Loring Greenway	1,503	0	0	0	0	1,503
PV021	33rd Ave SE and Talmage Ave	0	0	0	0	0	0
PV022	Lyndale Ave N	2,855	0	0	0	0	2,855
PV023	28th Ave S	0	5,529	0	0	0	5,529
PV026	Cedar Lake Road	0	0	0	0	0	0
PV027	Hennepin/Lyndale West	0	0	0	3,124	0	3,124
PV028	E22 & Snelling	0	0	0	0	0	0
PV029	Chicago Ave S (E 14th St to E 28th St)	0	0	6,278	0	0	6,278
PV031	27th Ave NE (RR Crossing)	0	188	0	0	0	188
PV032	LaSalle Ave S	0	0	0	0	6,478	6,478
PV034	Elliot & 10th Ave S Cul-de-sacs	285	285	0	0	0	570
PV035	TH121/Lyndale Ave S	0	0	0	0	0	0
PV036	Mid-City Industrial	3,403	0	0	0	0	3,403
PV037	Miscellaneous I-35W Frontage Roads	0	0	0	0	0	0
PV038	Winter St NE	0	0	0	0	0	0
PW001	Public Works Project Enhancements	200	200	200	200	200	1,000
PV00R	Reimbursable Paving Projects	3,500	3,500	3,500	3,500	3,500	17,500
	Total Street Paving Projects	26,379	18,607	14,077	16,043	17,777	92,883
SIDEWALK PROGRAM							
SWK01	Defective Hazardous Sidewalks	2,200	2,325	2,440	2,560	2,690	12,215
HERITAGE PARK INFRASTRUCTURE							
CDA01	Heritage Park Redevelopment Project	3,147	2,500	500	0	0	6,147
BRIDGES							
BR101	Major Bridge Repair and Rehabilitation	200	200	200	200	200	1,000
BR102	East River Parkway Bridge over Bridal Veil Falls	1,971	0	0	0	0	1,971
BR105	Fremont Ave S Bridge	0	0	0	0	0	0
BR109	Camden Bridge Rehabilitation	0	0	6,099	0	0	6,099
BR111	10th Ave SE Bridge Arch Rehabilitation	0	0	0	5,265	0	5,265
BR112	Nicollet Ave from Lake St to 29th	0	0	0	0	0	0
BR114	29th St Corridor Bridge Rehab Program	0	0	0	500	500	1,000
BR116	Bikeway/Bike Bridge 94246 Rehabilitation	0	0	0	0	6,408	6,408
	Total Bridge Projects	2,171	200	6,299	5,965	7,108	21,743

**CITY OF MINNEAPOLIS
2006 - 2010 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2006	2007	2008	2009	2010	TOTAL
							(in thousands)
TRAFFIC SIGNALS & STREET LIGHTING							
TR001	New Traffic Signals	0	0	0	0	0	0
TR003	LED Replacement Program	200	300	0	475	0	975
TR004	Computerized Traffic Control Communication	0	0	0	136	13	149
TR005	Controller Conversion	300	400	400	500	400	2,000
TR006	Priority Vehicle Control System	425	413	425	325	425	2,013
TR007	Traffic & Pedestrian Safety Improvements	341	536	842	549	597	2,865
TR008	Parkway Street Light Replacement	345	175	300	150	150	1,120
TR010	Traffic System Management	0	0	0	0	0	0
TR011	City Street Light Renovation	300	240	100	0	150	790
TR013	Railroad Crossing Safety Improvements	234	783	3,452	915	1,265	6,649
TR014	LRT TOD Improvements	400	400	400	0	0	1,200
TR00R	Reimbursable Transportation Projects	600	600	600	600	600	3,000
Total Traffic Signals & Street Lighting Projects		3,145	3,847	6,519	3,650	3,600	20,761
BIKE TRAILS							
BIK01	Cedar Lake Trail (Phase 3)	583	4,782	0	0	0	5,365
BIK04	18th Ave NE Bikeway	300	3,750	0	0	0	4,050
BIK08	Hiawatha Trail Connections	487	0	0	0	0	487
BIK13	RiverLake Greenway (East of I-35W)	0	0	950	0	50	1,000
BIK14	Midtown Greenway Bridge over the Mississippi River	0	0	1,950	150	0	2,100
BIK17	Upper River Trails - Phase 1	0	4,500	0	0	200	4,700
BIK18	Hennepin/1st Ave NE Bike Lanes	100	0	0	0	0	100
Total Bike Trail Projects		1,470	13,032	2,900	150	250	17,802
SEWER							
SW001	Storm and Sanitary Tunnel and Sewer Rehabilitation	2,500	2,500	2,800	4,000	2,500	14,300
SW002	Miscellaneous Storm Drains	220	220	220	220	220	1,100
SW004	Implementation of US EPA Storm Water Regulations	150	150	150	150	150	750
SW005	Combined Sewer Overflow Improvements	0	4,000	0	0	0	4,000
SW008	Facilities - CSO Separation	400	0	0	0	0	400
SW028	Diamond Lake 35W/62 Water Quality Improvements	497	0	0	0	0	497
SW030	Alternative Stormwater Management Strategies	700	500	500	500	500	2,700
SW031	Lake Hiawatha / Blue Water Partnership	700	800	1,000	0	0	2,500
SW032	I-35W Storm Tunnel Reconstruction	0	0	7,938	7,938	3,175	19,051
SW00R	Reimbursable Sewer and Storm Drain Projects	3,000	3,000	3,000	3,000	3,000	15,000
BR112	Nicollet Ave from Lake St to 29th	0	0	0	0	0	0
CDA01	Heritage Park Redevelopment Project	250	250	0	0	0	500
PV003	Street Renovation Program	115	115	115	115	0	460
PV007	University Research Park	495	0	0	0	0	495
PV015	27th Ave S	666	0	0	0	0	666
PV022	Lyndale Ave N	249	0	0	0	0	249
PV029	Chicago Ave S (E 14th St to E 28th St)	0	0	95	0	0	95
PV032	LaSalle Ave S	0	0	0	0	424	424
Total Sewer Fund Projects		9,942	11,535	15,818	15,923	9,969	63,187

**CITY OF MINNEAPOLIS
2006 - 2010 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2006	2007	2008	2009	2010	TOTAL
							(in thousands)
WATER							
WTR02	New 40 Million Gallon SW Reservoir/Pump Station	0	0	0	0	0	0
WTR09	Ultrafiltration Program	15,000	9,500	27,700	31,500	1,300	85,000
WTR12	Water Distribution Improvements	4,500	4,400	4,400	4,400	4,500	22,200
WTR14	The MWW Facilities Security Improvement	2,000	3,000	0	0	0	5,000
WTR15	Pump Station No. 4 Rehabilitation	6,000	5,000	4,000	0	0	15,000
WTR16	Minneapolis/St. Paul Interconnection	0	0	0	0	0	0
WTR17	Treatment Modifications Based on New Regulations	0	0	0	0	1,000	1,000
WTR19	Water Reservoir Redundancy	1,500	3,500	3,000	2,250	8,750	19,000
WTR0R	Reimbursable Watermain Projects	2,000	2,000	2,000	2,000	2,000	10,000
CDA01	Heritage Park Redevelopment Project	250	250	0	0	0	500
Total Water Fund Projects		31,250	27,650	41,100	40,150	17,550	157,700
PARKING							
RMP01	Parking Facilities - Repair and Improvements	1,700	1,700	1,700	1,700	1,700	8,500
RMP03	Bicycle Parking	35	40	35	40	40	190
Total Parking Fund Projects		1,735	1,740	1,735	1,740	1,740	8,690
Total Public Works Department Projects		93,926	82,436	92,388	87,431	61,934	418,115
MISCELLANEOUS PROJECTS							
ART01	Art in Public Places	200	200	200	200	200	1,000
BIS02	Central Traffic Signal Computer Replacement	400	100	100	50	0	650
BIS03	Enterprise Document Management	275	175	100	0	0	550
BIS04	Enterprise Infrastructure Capacity Upgrade	350	350	350	0	0	1,050
BIS05	Enterprise Reporting	150	300	300	0	0	750
BIS06	GIS Application Infrastructure Upgrade	250	200	150	150	500	1,250
BIS07	HRIS Upgrade	75	0	0	0	0	75
BIS08	Property System Assessment & Consolidation/Upgrade	0	0	0	0	0	0
BIS09	Enterprise Timekeeping Consolidation	0	0	0	0	0	0
BIS10	Finance System Consolidation/Upgrade	1,700	1,800	0	0	0	3,500
BIS11	Citywide Electronic Citations System	0	0	0	0	0	0
FIR01	City/County EOC/Training Facility	1,095	3,479	2,996	2,060	0	9,630
FIR02	Facility Improvements - Fire Station #17	1,020	0	0	0	0	1,020
MPD01	Minneapolis Police Department Forensic Laboratory	0	0	0	0	0	0
MPD02	Minneapolis Police Department Evidence Unit	0	0	0	0	0	0
PSD03	Facilities - Space Improvements	275	0	0	0	0	275
PSD04	Facilities - Security Management	0	0	0	0	0	0
Total Miscellaneous Projects		5,790	6,604	4,196	2,460	700	19,750
TOTAL COUNCIL ADOPTED CAPITAL BUDGET		106,776	96,088	101,694	95,326	68,034	467,918

Note: The totals above represent City funding and grant sources only. The funding detail pages that follow show additional leveraging with other units of government as Non Appropriated.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

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. As stated above, the City is addressing the ongoing source of maintenance funding this year during the creation of newly revised public art funding policy.

BIK01 Cedar Lake Trail (Phase 3)

Existing or new infrastructure: New

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

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 \$15,000 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. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK04 18th Ave 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 the project is constructed. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

BIK08 Hiawatha Trail Connections

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$10,000.00

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 3rd Street South will be improved such as street pavement surface, curb/gutter, and pavement markings. This project will result in an increase in annual maintenance costs totaling \$10,000 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, Minneapolis Public Works will be responsible for operating and maintaining both the off-street and on-street components of this project. The Minneapolis Street Department will be responsible for adjusting its operational budget to accommodate this facility. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK18 Hennepin/1st Ave NE Bike Lanes

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$5,000.00

Explanation of operating costs:

This project creates new infrastructure and improves existing infrastructure. This project will result in an increase in annual maintenance costs totaling \$5,000 per year. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIS02 Central Traffic Signal Computer Replacement

Existing or new infrastructure: Existing

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

Explanation of operating costs:

Approval of this project resulting in the replacement of essential computer and associated hardware that is obsolete and expensive to continue to operate and maintain will permit the Traffic & Parking Services Division to reduce operating expenses in subsequent years.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

BIS03 Enterprise Document Management

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$50,000.00)

Explanation of operating costs:

The three document management systems currently operating in the City (Stellent, Trimco and Docuware), all are licensed and hosted separately. This means annual maintenance is paid to vendors. Staff is paid to trouble-shoot and maintain functionality. Server space and processing power is consumed with consequences that range from bulky document storage crashing into day-to-day system operations, to stand-alone hardware infrastructures that each consumes its own operating cost. Consolidating these systems into one software environment with a centrally-managed hardware infrastructure will capture savings – some explicitly visible in reduced software and hardware maintenance costs, some implicit in increased functionality and better managed technology infrastructure resources. This project may incur some start-up expense to provide extended infrastructure for high-volume image capture and data storage, but system support and maintenance costs savings will be realized – especially when it comes to software licensing, application support and end-user training and support.

BIS04 Enterprise Infrastructure Capacity Upgrade

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$350,000.00

Explanation of operating costs:

Initially, annual operating costs will increase as demand for additional bandwidth is met. In later phases of this project, there is an opportunity for cost reduction due to economies of scale and opportunities for consolidation of infrastructure services Citywide.

BIS05 Enterprise Reporting

Existing or new infrastructure: Existing

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

Explanation of operating costs:

Overall, it will not change operating costs. Through the use of better management reporting, departments may become more efficient.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

BIS06 GIS Application Infrastructure Upgrade

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$100,000.00)

Explanation of operating costs:

Currently, full-service GIS functionality – the ability to create and edit spatial data as well to consume and analyze it – can only be delivered by acquiring expensive desktop software licenses. (\$9K - \$10K, plus annual maintenance). These full-service applications are “overkill” for many of the City’s processes where the ability to generate and manage this kind of data is needed. This high “cost of entry” has seriously impeded the adoption of GIS tools that could provide significant process improvement across many City departments.

The investment in this project will deliver an infrastructure that lets solution developers create “light” GIS applications with functionality targeted precisely to the task at hand. For every process that could benefit from this technology, cost of delivering it is reduced by at least the cost of these high-end GIS desktop licenses, as well as the time and training needed to use software designed for experienced GIS analysts.

The addition of a public data store for delivering spatial data services to the public won’t reduce tangible, day-to-day costs. Instead it will protect sensitive data about the City’s “life support” systems in a way that does not impeded the ability to make this valuable information available to the public.

The annual operating costs for supporting the centralized server-based GIS infrastructure does not increase significantly by adding the ability to deliver service-based applications. The servers, databases and system software costs happen with our without this capability. The cost of licensing functionality when and where it is needed will be reduced per application, but because more processes will be served and more users enabled with useful technology, actual cost may increase. However, it can be presumed that these costs will be offset by productivity gains, justifying enterprise support for this asset to be distributed among City departments following standard BIS chargeback models.

BIS07 HRIS Upgrade

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$55,000.00)

Explanation of operating costs:

It is expected that the annual operating/maintenance costs will stay approximately the same for hardware and software, but will decrease for staffing, arriving at a net reduction.

BIS10 Finance System Consolidation/Upgrade

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$55,000.00)

Explanation of operating costs:

It is expected that the annual operating/maintenance costs will stay approximately the same for hardware and software, but will decrease for staffing, arriving at a net reduction.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

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 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.

BR102 East River Parkway Bridge over Bridal Veil Falls

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$40,000.00)

Explanation of operating costs:

This proposal would decrease the annual bridge maintenance costs by replacing an old structure which requires increasing maintenance dollars to keep it in a serviceable condition.

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.

FIR01 City/County EOC/Training Facility

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$45,000.00

Explanation of operating costs:

The existing training facility does not provide for current needs. In addition, the uses of the facility will be expanded to include continuity of government functions that the current facilities cannot provide due to their limitations. The current facilities were not designed to be permanent structures and as such require extensive care and maintenance to keep them in operation. The agency will manage the additional operating cost through their current budget and will share costs with Hennepin County and other users of the facility.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

FIR02 Facility Improvements - Fire Station #17

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$5,000.00

Explanation of operating costs:

Increase is primarily for increased utility costs due to additional staff (relocated) Increase is not significant and will be partially offset by decreased operating expense at other stations. New energy efficient HVAC and lighting systems will offset the majority of the increase as well.

The proposed expansion will provide the necessary infrastructure that the current station cannot provide due to its physical limitations. The current facilities are completely operational and the proposed expansion will not increase operating costs appreciably. This project is not currently funded.

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 will reduce insurance premiums for the building and also reduce the risk of property loss and potential law suits to the City and County. In a building housing numerous essential services, reducing the risk of potential lawsuits could be very large. The program also will reduce the risk of loss of life to the public or staff in the building. In 2005, property insurance costs for the building were reduced from \$57,500 to \$51,510. A portion of this savings can be attributed to the mechanical Life Safety Project.

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. Since the start of the combined mechanical and life safety program, electrical consumption in the building has been reduced approximately 25 percent. These energy savings will be used to offset the cost of improved ventilation.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

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.

MBC08 Interior Court Green Roof Project

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$11,600.00

Explanation of operating costs:

A green roof industry standard for maintenance costs is \$2.00 per square foot annually. Assuming the \$2.00 maintenance cost for the approximately 5800 square feet in this project area we can project an annual operating cost of \$11,600.

Positive cost impacts include increasing the lifetime of the waterproofing membrane, reductions in storm water quantities, and evaporative cooling. Both storm water reduction and waterproofing membrane lifetime extension have the potential to more than offset the increased maintenance cost.

MPL10 North Regional Capital Improvements

Existing or new infrastructure: Existing

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

Explanation of operating costs:

Since this project is not an expansion, additional facility operating costs are relative to today's maintenance costs. The complete renovation of North Regional, with energy efficient HVAC and lighting systems, will help ensure operating costs remain within budget. All improvements will be maintained at existing staff levels.

MPL15 Southeast Community Library Capital Improvements

Existing or new infrastructure: Existing

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

Explanation of operating costs:

Whether new construction or a renovation, energy efficient elements such as HVAC and lighting systems will be incorporated into the project. These elements will help ensure operating costs remain within budget. In either scenario, the project will be maintained within the existing budget. Some administrative staffing needs may be reduced based on technology upgrades, such as moving all checkouts and returns to self service. This will free up some library staff time to work more closely with patrons on reference needs, ensure books are shelved more quickly, etc. Ensuring an efficient, functional lay-out will facilitate additional potential programming, provided by library staff or others in the community seeking programming space.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

PRK01 Community and Neighborhood Center Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,165.00)

Explanation of operating costs:

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

PRK04 Athletic Field Renovation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$50,000.00)

Explanation of operating costs:

In upgrading facilities to present day standards and / or installing artificial turf, savings will be realized in areas such as amount of fertilizer used, ease of, or no need for, aeration, and overall maintenance. The continuously available fields would offer more opportunity for fee paying groups to book the fields, potentially enhancing revenues.

PRK07 Tennis Court Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,675.00)

Explanation of operating costs:

New courts require maintenance only intermittently, as opposed to needing yearly repairs. The savings in crack sealing and color coating alone will average approximately \$1,675 per court per year. In many cases, due to decreased demand, we replace 4 courts with 2 courts, further reducing maintenance costs.

PRK09 HVAC

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,280.00)

Explanation of operating costs:

New energy efficient heating and ventilating systems will realize a savings in operating costs.

PRK11 Roof Replacement

Existing or new infrastructure: Existing

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

Explanation of operating costs:

N/A

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

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 and 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: (\$125,000.00)

Explanation of operating costs:

Due to the pending replacement of the existing facilities, the City has deferred maintenance, upgrades and capital investment 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 buildings, thereby increasing the current annual operating costs. Construction of the Hiawatha Maintenance Campus will immediately eliminate the current capital maintenance back-log. In addition, construction of the Hiawatha Maintenance Campus will result in a facility that consolidates the Public Works construction and maintenance operations in a sustainable, functionally efficient facility thereby reducing the long term maintenance and operating costs to the Department of Public Works.

PSD03 Facilities - Space Improvements

Existing or new infrastructure: Existing

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

Explanation of operating costs:

Workers compensation related expenses associated with repetitive injury should be reduced through the implementation of ergonomic furnishings.

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.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

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.

PV004 CSAH Paving Program

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.

PV005 Snelling Ave Extension

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,423.00

Explanation of operating costs:

Construction of this project 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 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 for Street Maintenance and Repair for seal coating and pothole repair.

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.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

PV007 University Research Park

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$30,500.00

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.

PV009 I-35W Crosstown Interchange Reconstruction

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$20,000.00)

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.

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.

PV020 Loring Greenway

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$150,000.00)

Explanation of operating costs:

This project is expected to decrease City annual maintenance costs. The City is exposed to an unknown level of liability due to the accelerating rate of deterioration of the pavement and tile elements.

PV022 Lyndale Ave N

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$11,000.00)

Explanation of operating costs:

Reconstructing this segment will result in decreasing the 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.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

PV034 Elliot & 10th Ave S Cul-de-sacs

Existing or new infrastructure: New

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

Explanation of operating costs:

The City currently maintains these streets. The closure of Elliot and 10th Avenues may reduce access for city vehicles and result in minor operating and maintenance costs.

PV036 Mid-City Industrial

Existing or new infrastructure: Existing

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

Explanation of operating costs:

The action of reconstructing these streets 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.

RMP01 Parking Facilities - Repair and Improvements

Existing or new infrastructure: Existing

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

Explanation of operating costs:

This proposal will be unique in the fact that the proposal will be cost neutral. The programs currently paid for out of yearly operating revenue and will be bonded for in the future as per the approved departmental business plan. The key operational savings achieved by yearly investment in facilities is to keep operational costs from significantly increasing in the future and not protecting the City's current investment in facilities .

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 park their bike to whatever they can. Bicycles often damage 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

Operating Cost Implications for 2006 Projects

SW001 Storm & Sanitary Tunnel & 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 existing structures will decrease operating costs. Constructing new structures will increase operating costs.

SW004 Implementation of US EPA Storm Water Regulations

Existing or new infrastructure: Both

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

Explanation of operating costs:

Construction of new stormwater best management practices (BMP's) may require additional maintenance costs depending on the BMP constructed. These costs may be leveraged as capital construction costs to assure proper maintenance is done.

SW008 Facilities - CSO Separation

Existing or new infrastructure: Existing

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

Explanation of operating costs:

N/A

SW028 Diamond Lake 35W/62 Water Quality Improvements

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$5,000.00

Explanation of operating costs:

The storm water treatment device will periodically need to be cleaned, therefore increasing annual operating/maintenance costs.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

SW030 Alternative Stormwater Management Strategies

Existing or new infrastructure: New

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

Explanation of operating costs:

This project will increase annual operating and maintenance costs of the Sewer Maintenance Division of Public Works. The increased cost will have to be absorbed by Sewer Maintenance.

SW031 Lake Hiawatha / Blue Water Partnership

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$6,000.00

Explanation of operating costs:

This project will increase the annual operating/maintenance costs of Sewer Maintenance by approximately \$6,000/yr. The agency will have to absorb the additional maintenance costs.

SWK01 Defective Hazardous Sidewalks/Complete Gaps

Existing or new infrastructure: Existing

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

Explanation of operating costs:

This proposal has no effect on annual operating/maintenance costs. Funds for the operation of the Sidewalk Division are provided for by: 1) the Sidewalk Construction Permit fees paid by contractors, 2) Overhead fees paid by property owners when they are notified by the Sidewalk Division and required by City ordinance to repair sidewalk defects, or when they request to use the City hired sidewalk contractor to make needed repairs to defective public sidewalk, and 3) 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. The cost of maintenance of the public sidewalks is required by ordinance to be paid for by the adjacent property owner.

TR003 LED Replacement Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$180,000.00)

Explanation of operating costs:

Completion of the Project City wide will reduce traffic signal operating costs by reducing energy consumption by at least \$306,000 annually in 2010.

TR004 Computerized Traffic Control Communication

Existing or new infrastructure: New

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

Explanation of operating costs:

Operating costs would be negligibly impacted.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

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: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$3,000.00

Explanation of operating costs:

Increased cost of maintenance of equipment estimated at \$300/intersection equipped with emergency vehicle detection equipment. Will require and increase in the maintenance budget, or other efficiency improvements. We anticipate that the funding will allow 10 to 20 intersections to be instrumented depending upon the amount of infrastructure modifications required.

TR007 Traffic & Pedestrian Safety 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 2010 there are 8-overhead signal structures proposed for construction.

TR008 Parkway Street Light Replacement

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$6,000.00)

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.

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 once completed for the 800 poles most in need of immediate attention would save approximately \$75,000 annually in maintenance costs.

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

TR013 Railroad Crossing Safety Improvements

Existing or new infrastructure: Existing

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

Explanation of operating costs:

This program will both add and remove infrastructure. Additions will primarily include medians, signs and railroad devices. Removals will be certain railroad crossings and streets where maintenance will no longer be needed. The cost of the additions/removals is still being determined. However, most of the additional costs (railroad devices) will be maintained by the railroads and not the City. Currently, Public Works expects the overall operating and maintenance costs will be the same.

TR014 LRT TOD Improvements

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$3,600.00

Explanation of operating costs:

New pedestrian lighting would increase our annual operating cost approximately \$3,600. The funds to cover this increase would come from an increase in our operating budget.

WTR09 Ultrafiltration Program

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,500,000.00

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.

WTR14 The MWW Facilities Security Improvement

Existing or new infrastructure: Both

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

Explanation of operating costs:

N/A

CITY OF MINNEAPOLIS

Operating Cost Implications for 2006 Projects

WTR15 Pump Station No. 4 Rehabilitation

Existing or new infrastructure: Both

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

Explanation of operating costs:

Reduced energy costs.

WTR16 Minneapolis/St. Paul Interconnection

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$20,000.00

Explanation of operating costs:

It will increase the annual operation/maintenance costs and will be paid by Water Revenue funds.

**MUNICIPAL BUILDING COMMISSION FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	MBC01	Life Safety Improvements	125	0	0	0	125	125
2007			200	0	0	0	200	200
2008			200	0	0	0	200	200
2009			300	0	0	0	300	300
2010			300	0	0	0	300	300
Total			1,125	0	0	0	1,125	1,125
2006	MBC02	Mechanical Systems Upgrade	500	0	0	0	500	500
2007			535	0	0	0	535	535
2008			500	0	0	0	500	500
2009			500	0	0	0	500	500
2010			600	0	0	0	600	600
Total			2,635	0	0	0	2,635	2,635
2006	MBC04	Tower & Interior Court Elevators	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			95	0	0	0	95	90
2010			100	0	0	0	100	100
Total			195	0	0	0	195	190
2006	MBC05	Moat/Inner Court Water Proofing	635	0	0	0	635	600
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			635	0	0	0	635	600
2006	MBC06	Clock Tower Upgrade	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009		Since CLIC has not funded this project, the	0	0	0	0	0	0
2010		Hennepin County match is zeroed out also.	0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	MBC08	Interior Court Green Roof Project	0	0	0	200	200	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009		Funding is coming as a transfer from the	0	0	0	0	0	0
2010		Alternative Stormwater project - SW030	0	0	0	0	0	0
Total			0	0	0	200	200	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	1,260	0	0	200	1,460	1,225
2007	735	0	0	0	735	735
2008	700	0	0	0	700	700
2009	895	0	0	0	895	890
2010	1,000	0	0	0	1,000	1,000
Total Municipal Bldg Commission	4,590	0	0	200	4,790	4,550

**LIBRARY BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP	
2006	MPL09	Nokomis Library Capital Improvements	0	0	0	0	0	0	
2007			0	0	0	500	500	0	
2008			1,600	0	0	300	1,900	0	
2009			Note: Other funding for all Library projects refers to Library Referendum dollars.	1,600	0	0	720	2,320	0
2010			280	0	0	0	280	0	
Total					3,480	0	0	1,520	5,000
2006	MPL10	North Regional Capital Improvements	1,600	0	0	1,270	2,870	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			0	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total					1,600	0	0	1,270	2,870
2006	MPL11	Walker Community Library Capital Improvements	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	60	60	0	
2009			0	0	0	0	0	0	
2010			440	0	0	0	440	0	
Total					440	0	0	60	500
2006	MPL13	Hosmer Library Capital Improvements	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			0	0	0	60	60	0	
2010			440	0	0	0	440	0	
Total					440	0	0	60	500
2006	MPL14	Roosevelt Community Library Capital Improvements	0	0	0	0	0	0	
2007			750	0	0	153	903	0	
2008			0	0	0	0	0	0	
2009			0	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total					750	0	0	153	903
2006	MPL15	Southeast Community Library Capital Improvements	0	0	0	200	200	0	
2007			850	0	0	1,610	2,460	0	
2008			0	0	0	0	0	0	
2009			0	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total					850	0	0	1,810	2,660
2006	MPL16	Washburn Community Library Capital Improvements	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			0	0	0	60	60	0	
2010			440	0	0	0	440	0	
Total					440	0	0	60	500

**LIBRARY BOARD FIVE YEAR CAPITAL PROGRAM
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
2006	1,600	0	0	1,470	3,070	0
2007	1,600	0	0	2,263	3,863	0
2008	1,600	0	0	360	1,960	0
2009	1,600	0	0	840	2,440	0
2010	1,600	0	0	0	1,600	0
Total Library Board	8,000	0	0	4,933	12,933	0

**PARK BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	PRK01	Community and Neighborhood Center Rehabilitation	250	0	0	0	250	0
2007			700	0	0	0	700	0
2008			600	0	0	0	600	0
2009			350	0	0	0	350	0
2010			1,000	0	0	0	1,000	0
Total			2,900	0	0	0	2,900	0
2006	PRK02	Site & Totlot Rehabilitation	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			230	0	0	0	230	0
2009			1,000	0	0	0	1,000	0
2010			300	0	0	0	300	0
Total			1,530	0	0	0	1,530	0
2006	PRK04	Athletic Field Renovation	1,380	0	0	0	1,380	0
2007			1,000	0	0	0	1,000	0
2008			870	0	0	0	870	0
2009			0	0	0	0	0	0
2010			1,000	0	0	0	1,000	0
Total			4,250	0	0	0	4,250	0
2006	PRK05	Tier 2 Athletic Fields	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	PRK06	Service Center Rehabilitation	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	PRK07	Tennis Court Rehabilitation	200	0	0	0	200	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			200	0	0	0	200	0
2006	PRK09	HVAC Improvements	100	0	0	0	100	0
2007			100	0	0	0	100	0
2008			100	0	0	0	100	0
2009			100	0	0	0	100	0
2010			0	0	0	0	0	0
Total			400	0	0	0	400	0

**PARK BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	PRK11	Roof Replacement	100	0	0	0	100	0
2007			100	0	0	0	100	0
2008			100	0	0	0	100	0
2009			100	0	0	0	100	0
2010			0	0	0	0	0	0
Total					400	0	0	0
2006	PRK12	Community Skate Parks	0	0	0	0	0	0
2007			50	0	0	0	50	0
2008			50	0	0	0	50	0
2009			50	0	0	0	50	0
2010			0	0	0	0	0	0
Total					150	0	0	0
2006	PRKDT	Diseased Tree Removal	0	0	500	0	500	0
2007			0	0	500	0	500	0
2008			0	0	500	0	500	0
2009			0	0	500	0	500	0
2010			0	0	500	0	500	0
Total					0	0	2,500	0

FUNDING SUMMARY BY YEAR	NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	2,030	0	500	0	2,530	0
2007	1,950	0	500	0	2,450	0
2008	1,950	0	500	0	2,450	0
2009	1,600	0	500	0	2,100	0
2010	2,300	0	500	0	2,800	0
Total Park Board	9,830	0	2,500	0	12,330	0

PUBLIC WORKS DEPARTMENT 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
2006	PSD01	Facilities - Repair and Improvements	1,325	0	0	0	1,325	0
2007			1,000	0	0	0	1,000	0
2008			1,000	0	0	0	1,000	0
2009			1,250	0	0	0	1,250	0
2010			1,000	0	0	0	1,000	0
Total			5,575	0	0	0	5,575	0
2006	PSD02	Public Works Hiawatha Facility	11,062	0	0	0	11,062	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			11,062	0	0	0	11,062	0
2006	PSD06	Pioneer & Soldiers Memorial Cemetery Fencing Rehab	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			250	0	0	0	250	0
Total			250	0	0	0	250	0
2006	PSD07	Repurposing City Owned Buildings	0	0	0	100	100	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			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
2006	12,387	0	0	100	12,487	0
2007	1,000	0	0	0	1,000	0
2008	1,000	0	0	0	1,000	0
2009	1,250	0	0	0	1,250	0
2010	1,250	0	0	0	1,250	0
Total Facility Improvements	16,887	0	0	100	16,987	0

* - The Hiawatha Campus project is one of the larger capital investments currently being proposed in the City's five-year capital improvements program. To further justify this project, the Mayor directed Public Works to provide the City Council a detailed cost benefit analysis showing what specific functions will be housed at the new maintenance facility and how the facility will reduce overall operating costs and improve operational efficiencies by service function. The report was presented as part of the Capital Budget Overview to City Council on October 18, 2005. The City Council adopted an amendment (see Capital Resolution, footnote e) that advanced the appropriation and bonding authority from 2007 - 2009 to 2006 to allow this project to be approved in its entirety thereby allowing the Public Works Department to finalize design plans and enter into construction contracts. Public Works was directed to plan for the actual expenditures according to the original funding plan. Completion of construction is tentatively planned for June 2009.

PUBLIC WORKS DEPARTMENT 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	
2006	PV001	Parkway Paving	350	0	50	0	400	0	
2007			720	0	50	0	770	0	
2008			500	0	50	0	550	0	
2009			675	0	50	0	725	0	
2010			1,200	0	50	0	1,250	0	
Total			3,445	0	250	0	3,695	0	
2006	PV003	Street Renovation Program	1,765	0	281	0	2,046	0	
2007			1,041	0	311	0	1,352	0	
2008			1,516	0	281	0	1,797	0	
2009			(See Sewer section for Storm	2,410	0	378	0	2,788	0
2010			Sewer related work.)	3,523	0	773	0	4,296	0
Total			10,255	0	2,024	0	12,279	0	
2006	PV004	CSAH Paving Program (County State Aid Highway)	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	
2009			250	0	750	0	1,000	3,000	
2010			250	0	750	0	1,000	3,000	
Total			1,250	0	3,750	0	5,000	15,000	
2006	PV005	Snelling Ave Extension	599	0	0	0	599	0	
2007			460	0	513	0	973	0	
2008			0	0	0	0	0	0	
2009			0	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total			1,059	0	513	0	1,572	0	
2006	PV006	Alley Renovation	234	0	79	0	313	0	
2007			200	0	67	0	267	0	
2008			200	0	67	0	267	0	
2009			374	0	126	0	500	0	
2010			374	0	126	0	500	0	
Total			1,382	0	465	0	1,847	0	
2006	PV007	University Research Park Previously SEMI (South East Minneapolis Industrial)	183	0	56	2,287	2,526	0	
2007			26	2,019	1,541	472	4,058	0	
2008			0	0	0	0	0	0	
2009			(See Sewer section for Storm	0	0	0	0	0	0
2010			Sewer related work.)	0	0	0	0	0	0
Total			209	2,019	1,597	2,759	6,584	0	
2006	PV008	I-35W & Lake St Interchange Reconstruction	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			0	2,100	0	0	2,100	0	
2010			0	553	0	0	553	0	
Total			0	2,653	0	0	2,653	0	

PUBLIC WORKS DEPARTMENT 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
2006	PV009	I-35W Crosstown Interchange Reconstruction	17	468	0	0	485	0
2007			17	468	0	0	485	0
2008			17	468	0	0	485	0
2009			17	301	0	0	318	0
2010			0	0	0	0	0	0
Total			68	1,705	0	0	1,773	0
2006	PV015	27th Ave S (See Sewer section for Storm Sewer related work.)	2199	4277	788	0	7264	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			2,199	4,277	788	0	7,264	0
2006	PV019	6th Ave N	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			290	1,269	229	0	1,788	0
2010			0	0	0	0	0	0
Total			290	1,269	229	0	1,788	0
2006	PV020	Loring Greenway	1,103	0	400	0	1,503	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			1,103	0	400	0	1,503	0
2006	PV021	33rd Ave SE and Talmage Ave	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	PV022	Lyndale Ave N (Plymouth - Broadway) (See Sewer section for Storm Sewer related work.)	783	1,770	302	0	2,855	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			783	1,770	302	0	2,855	0
2006	PV023	28th Ave S	0	0	0	0	0	0
2007			771	3,918	840	0	5,529	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			771	3,918	840	0	5,529	0

PUBLIC WORKS DEPARTMENT 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	
2006	PV026	Cedar Lake Road	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			0	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total			0	0	0	0	0	0	0
2006	PV027	Hennepin/Lyndale West	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			461	0	345	2,318	3,124	3,124	
2010			0	0	0	0	0	0	
Total			461	0	345	2,318	3,124	3,124	
2006	PV028	E 22nd and Snelling	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			0	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total			0	0	0	0	0	0	
2006	PV029	Chicago Ave S (E 14th St to E 28th St)	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			1,562	4,285	431	0	6,278	0	
2009			(See Sewer section for Storm Sewer related work.)	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total			1,562	4,285	431	0	6,278	0	
2006	PV031	27th Ave NE (RR Crossing)	0	0	0	0	0	0	
2007			7	24	0	157	188	0	
2008			0	0	0	0	0	0	
2009			0	0	0	0	0	0	
2010			0	0	0	0	0	0	
Total			7	24	0	157	188	0	
2006	PV032	Lasalle Ave S	0	0	0	0	0	0	
2007			0	0	0	0	0	0	
2008			0	0	0	0	0	0	
2009			(See Sewer section for Storm Sewer related work.)	0	0	0	0	0	
2010			1,580	4,410	488	0	6,478	0	
Total			1,580	4,410	488	0	6,478	0	
2006	PV034	Elliot & 10th Ave S Cul-de-sacs	140	0	80	65	285	0	
2007			Note: Other = \$50 Hennepin County and	140	0	80	65	285	0
2008			\$15 from Midtown Exchange Development	0	0	0	0	0	
2009			2006 - Elliot	0	0	0	0	0	
2010			2007 - 10th Ave S	0	0	0	0	0	
Total				280	0	160	130	570	0

PUBLIC WORKS DEPARTMENT 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
2006	PV035	TH121/Lyndale Ave S	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	PV036	Mid-City Industrial	1,593	0	1,810	0	3,403	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			1,593	0	1,810	0	3,403	0
2006	PV037	Miscellaneous I-35W Frontage Roads	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	PV038	Winter St NE	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	PW001	Public Works Project Enhancements	200	0	0	0	200	0
2007			200	0	0	0	200	0
2008			200	0	0	0	200	0
2009			200	0	0	0	200	0
2010			200	0	0	0	200	0
Total			1,000	0	0	0	1,000	0
2006	PV00R	Reimbursable Paving Projects	0	0	0	3,500	3,500	0
2007			0	0	0	3,500	3,500	0
2008			0	0	0	3,500	3,500	0
2009			0	0	0	3,500	3,500	0
2010			0	0	0	3,500	3,500	0
Total			0	0	0	17,500	17,500	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	9,416	6,515	4,596	5,852	26,379	3,000
2007	3,832	6,429	4,152	4,194	18,607	3,000
2008	4,245	4,753	1,579	3,500	14,077	3,000
2009	4,677	3,670	1,878	5,818	16,043	6,124
2010	7,127	4,963	2,187	3,500	17,777	3,000
Total Street Paving	29,297	26,330	14,392	22,864	92,883	18,124

PUBLIC WORKS DEPARTMENT 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
2006	SWK01	Defective Hazardous Sidewalks	160	0	2,040	0	2,200	0
2007			170	0	2,155	0	2,325	0
2008			180	0	2,260	0	2,440	0
2009			185	0	2,375	0	2,560	0
2010			195	0	2,495	0	2,690	0
Total			890	0	11,325	0	12,215	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	160	0	2,040	0	2,200	0
2007	170	0	2,155	0	2,325	0
2008	180	0	2,260	0	2,440	0
2009	185	0	2,375	0	2,560	0
2010	195	0	2,495	0	2,690	0
Total Sidewalk Program	890	0	11,325	0	12,215	0

HERITAGE PARK INFRASTRUCTURE COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	CDA01	Heritage Park Redevelopment Project (See also Water & Sewer sections for contributions to this project for 2006 - 2007)	1,000	0	2,147	0	3,147	14,100
2007			500	0	2,000	0	2,500	9,000
2008			500	0	0	0	500	1,500
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			2,000	0	4,147	0	6,147	24,600

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	1,000	0	2,147	0	3,147	14,100
2007	500	0	2,000	0	2,500	9,000
2008	500	0	0	0	500	1,500
2009	0	0	0	0	0	0
2010	0	0	0	0	0	0
Total Heritage Park Redevelopment	2,000	0	4,147	0	6,147	24,600

Note: Non Appropriated amounts will be appropriated as other funding agreements are finalized.

PUBLIC WORKS DEPARTMENT FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

BRIDGES

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	BR101	Major Bridge Repair and Rehabilitation	200	0	0	0	200	0
2007			200	0	0	0	200	0
2008			200	0	0	0	200	0
2009			200	0	0	0	200	0
2010			200	0	0	0	200	0
Total			1,000	0	0	0	1,000	0
2006	BR102	East River Parkway Bridge "Other" = State Bridge Bonds (Design must not preclude the future addition of viewing platforms or increased water flow)	1,145	0	0	826	1,971	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			1,145	0	0	826	1,971	0
2006	BR105	Fremont Ave S Bridge	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	BR109	Camden Bridge Rehabilitation	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			213	1,617	0	4,269	6,099	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			213	1,617	0	4,269	6,099	0
2006	BR111	10th Ave SE Bridge Arch Rehabilitation	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			178	1,031	0	4,056	5,265	0
2010			0	0	0	0	0	0
Total			178	1,031	0	4,056	5,265	0
2006	BR112	Nicollet Ave Bridge from Lake St to 29th St	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	BR114	29th St Corridor Bridge Rehab Program	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			500	0	0	0	500	0
2010			500	0	0	0	500	0
Total			1,000	0	0	0	1,000	0

PUBLIC WORKS DEPARTMENT FIVE YEAR CAPITAL PROGRAM
 (GENERAL INFRASTRUCTURE)

BRIDGES
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	BR116	Bikeway/Bike Bridge 94246 Rehabilitation	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			1,543	0	0	4,865	6,408	0
Total					1,543	0	0	4,865

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	1,345	0	0	826	2,171	0
2007	200	0	0	0	200	0
2008	413	1,617	0	4,269	6,299	0
2009	878	1,031	0	4,056	5,965	0
2010	2,243	0	0	4,865	7,108	0
Total Bridges	5,079	2,648	0	14,016	21,743	0

PUBLIC WORKS DEPARTMENT FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

TRAFFIC SIGNALS & STREET LIGHTING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	TR001	New Traffic Signals	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	TR003	LED Replacement Program	200	0	0	0	200	0
2007			300	0	0	0	300	0
2008			0	0	0	0	0	0
2009			475	0	0	0	475	0
2010			0	0	0	0	0	0
Total			975	0	0	0	975	0
2006	TR004	Computerized Traffic Control Communication	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			6	130	0	0	136	0
2010			1	12	0	0	13	0
Total			7	142	0	0	149	0
2006	TR005	Controller Conversion	300	0	0	0	300	0
2007			400	0	0	0	400	0
2008			400	0	0	0	400	0
2009			500	0	0	0	500	0
2010			400	0	0	0	400	0
Total			2,000	0	0	0	2,000	0
2006	TR006	Priority Vehicle Control System	25	400	0	0	425	0
2007			25	388	0	0	413	0
2008			25	400	0	0	425	0
2009			25	300	0	0	325	0
2010			25	400	0	0	425	0
Total			125	1,888	0	0	2,013	0
2006	TR007	Traffic & Pedestrian Safety Improvements	307	17	0	17	341	0
2007			351	50	0	135	536	0
2008			475	132	0	235	842	0
2009			406	44	0	99	549	0
2010			487	55	0	55	597	0
Total			2,026	298	0	541	2,865	0
2006	TR008	Parkway Street Light Replacement	345	0	0	0	345	0
2007			175	0	0	0	175	0
2008			300	0	0	0	300	0
2009			150	0	0	0	150	0
2010			150	0	0	0	150	0
Total			1,120	0	0	0	1,120	0

PUBLIC WORKS DEPARTMENT FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

TRAFFIC SIGNALS & STREET LIGHTING

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	TR010	Traffic System Management	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	TR011	City Street Light Renovation	300	0	0	0	300	0
2007			240	0	0	0	240	0
2008			100	0	0	0	100	0
2009			0	0	0	0	0	0
2010			150	0	0	0	150	0
Total			790	0	0	0	0	790
2006	TR013	Railroad Crossing Safety Improvements	0	186	0	48	234	0
2007			0	511	0	272	783	0
2008			0	1,934	0	1,518	3,452	0
2009			575	0	0	340	915	0
2010			1,217	0	0	48	1,265	0
Total			1,792	2,631	0	2,226	6,649	0
2006	TR014	LRT TOD Improvements	0	0	100	300	400	0
2007			0	0	100	300	400	0
2008			0	0	100	300	400	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	300	900	1,200	0
2006	TR00R	Reimbursable Transportation Projects	0	0	0	600	600	0
2007			0	0	0	600	600	0
2008			0	0	0	600	600	0
2009			0	0	0	600	600	0
2010			0	0	0	600	600	0
Total			0	0	0	3,000	3,000	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	1,477	603	100	965	3,145	0
2007	1,491	949	100	1,307	3,847	0
2008	1,300	2,466	100	2,653	6,519	0
2009	2,137	474	0	1,039	3,650	0
2010	2,430	467	0	703	3,600	0
Total Traffic Signals & Street Lighting	8,835	4,959	300	6,667	20,761	0

PUBLIC WORKS DEPARTMENT FIVE YEAR CAPITAL PROGRAM

(GENERAL INFRASTRUCTURE)

BIKE TRAILS

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	BIK01	Cedar Lake Trail (Phase 3)	583	0	0	0	583	0
2007			582	0	0	4,200	4,782	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			1,165	0	0	4,200	5,365	0
2006	BIK04	18th Ave NE Bikeway	300	0	0	0	300	0
2007			250	0	0	3,500	3,750	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			550	0	0	3,500	4,050	0
2006	BIK08	Hiawatha Trail Connections	223	0	0	264	487	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			223	0	0	264	487	0
2006	BIK13	RiverLake Greenway (East of I-35W) Other = \$300 NRP, \$600 Fed	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			50	0	0	900	950	0
2009			0	0	0	0	0	0
2010			50	0	0	0	50	0
Total			100	0	0	900	1,000	0
2006	BIK14	Midtown Greenway Bridge over the Mississippi River	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			50	0	0	1,900	1,950	0
2009			150	0	0	0	150	0
2010			0	0	0	0	0	0
Total			200	0	0	1,900	2,100	0
2006	BIK17	Upper River Trails - Phase 1	0	0	0	0	0	0
2007			0	0	0	4,500	4,500	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			200	0	0	0	200	0
Total			200	0	0	4,500	4,700	0

PUBLIC WORKS DEPARTMENT FIVE YEAR CAPITAL PROGRAM
 (GENERAL INFRASTRUCTURE)

BIKE TRAILS
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	BIK18	Hennepin/1st Ave NE Bike	100	0	0	0	100	0
2007		Lanes	0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			100	0	0	0	100	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	1,206	0	0	264	1,470	0
2007	832	0	0	12,200	13,032	0
2008	100	0	0	2,800	2,900	0
2009	150	0	0	0	150	0
2010	250	0	0	0	250	0
Total Bike Trails	2,538	0	0	15,264	17,802	0

**PUBLIC WORKS DEPARTMENT
GENERAL INFRASTRUCTURE FUNDING SUMMARY
COUNCIL ADOPTED BUDGET**

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	26,991	7,118	8,883	8,007	50,999	17,100
2007	8,025	7,378	8,407	17,701	41,511	12,000
2008	7,738	8,836	3,939	13,222	33,735	4,500
2009	9,277	5,175	4,253	10,913	29,618	6,124
2010	13,495	5,430	4,682	9,068	32,675	3,000
Total PW General Infrastructure	65,526	33,937	30,164	58,911	188,538	42,724

**SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	REIMB	CITY TOTAL	NON APPROP
2006	SW001	Storm & Sanitary Tunnel and Sewer Rehabilitation	2,500	0	0	2,500	0
2007			0	2,500	0	2,500	0
2008			1,500	1,300	0	2,800	0
2009			0	4,000	0	4,000	0
2010			0	2,500	0	2,500	0
Total			4,000	10,300	0	14,300	0
2006	SW002	Miscellaneous Storm Drains	0	220	0	220	0
2007			0	220	0	220	0
2008			0	220	0	220	0
2009			0	220	0	220	0
2010			0	220	0	220	0
Total			0	1,100	0	1,100	0
2006	SW004	Implementation of US EPA Storm Water Regulations	0	150	0	150	0
2007			0	150	0	150	0
2008			0	150	0	150	0
2009			0	150	0	150	0
2010			0	150	0	150	0
Total			0	750	0	750	0
2006	SW005	Combined Sewer Overflow Improvements	0	0	0	0	0
2007			4,000	0	0	4,000	0
2008			0	0	0	0	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			4,000	0	0	4,000	0
2006	SW008	City Facilities - CSO Separation	0	400	0	400	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			0	400	0	400	0
2006	SW028	Diamond Lake 35W/62 Water Quality Improvements	497	0	0	497	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			497	0	0	497	0
2006	SW030	Alternative Stormwater Management Strategies Note: \$200,000 of 2006 funding is for the Interior Court Green Roof project - MBC08	500	200	0	700	0
2007			0	500	0	500	0
2008			0	500	0	500	0
2009			0	500	0	500	0
2010			0	500	0	500	0
Total			500	2,200	0	2,700	0

**SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	REIMB	CITY TOTAL	NON APPROP
2006	SW031	Lake Hiawatha / Blue Water	700	0	0	700	0
2007		Partnership	800	0	0	800	0
2008			1,000	0	0	1,000	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			2,500	0	0	2,500	0
2006	SW032	I-35W Storm Tunnel	0	0	0	0	0
2007		Reconstruction	0	0	0	0	0
2008			7,938	0	0	7,938	0
2009			7,938	0	0	7,938	0
2010			3,175	0	0	3,175	0
Total			19,051	0	0	19,051	0
2006	SW00R	Reimbursable Sewer and	0	0	3,000	3,000	0
2007		Storm Drain Projects	0	0	3,000	3,000	0
2008			0	0	3,000	3,000	0
2009			0	0	3,000	3,000	0
2010			0	0	3,000	3,000	0
Total			0	0	15,000	15,000	0
2006	BR112	Nicollet Ave Bridge from	0	0	0	0	0
2007		Lake St to 29th St	0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			0	0	0	0	0
2006	CDA01	Heritage Park Redevelopment	0	250	0	250	0
2007		Project - new infrastructure	0	250	0	250	0
2008		contribution	0	0	0	0	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			0	500	0	500	0
2006	PV003	Street Renovation Program	0	115	0	115	0
2007			0	115	0	115	0
2008			0	115	0	115	0
2009			0	115	0	115	0
2010			0	0	0	0	0
Total			0	460	0	460	0
2006	PV007	University Research Park	0	495	0	495	0
2007			0	0	0	0	0
2008		Name changed from:	0	0	0	0	0
2009		SEMI (Southeast Minneapolis	0	0	0	0	0
2010		Industrial)	0	0	0	0	0
Total			0	495	0	495	0

**SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	REIMB	CITY TOTAL	NON APPROP
2006	PV015	27th Ave S	500	166	0	666	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			500	166	0	666	0
2006	PV022	Lyndale Ave N (Plymouth - Broadway)	0	249	0	249	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			0	249	0	249	0
2006	PV029	Chicago Ave S (E 14th St to E 28th St)	0	0	0	0	0
2007			0	0	0	0	0
2008			0	95	0	95	0
2009			0	0	0	0	0
2010			0	0	0	0	0
Total			0	95	0	95	0
2006	PV032	LaSalle Ave S	0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
2010			0	424	0	424	0
Total			0	424	0	424	0

FUNDING SUMMARY BY YEAR	SEWER BONDS	SEWER REVENUE	REIMB	TOTAL	NON APPROP
2006	4,697	2,245	3,000	9,942	0
2007	4,800	3,735	3,000	11,535	0
2008	10,438	2,380	3,000	15,818	0
2009	7,938	4,985	3,000	15,923	0
2010	3,175	3,794	3,000	9,969	0
Total Sewer Fund	31,048	17,139	15,000	63,187	0

**WATER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	WATER BONDS	WATER REVENUE	OTHER/ REIMB	TOTAL
2006	WTR02	New 40 Million Gallon Southwest Reservoir/Pump Station	0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
2009			0	0	0	0
2010			0	0	0	0
Total			0	0	0	0
2006	WTR09	Ultrafiltration Program	13,500	1,500	0	15,000
2007			9,500	0	0	9,500
2008			27,700	0	0	27,700
2009			31,500	0	0	31,500
2010			1,300	0	0	1,300
Total			83,500	1,500	0	85,000
2006	WTR12	Water Distribution Improvements	0	4,500	0	4,500
2007			0	4,400	0	4,400
2008			0	4,400	0	4,400
2009			0	4,400	0	4,400
2010			0	4,500	0	4,500
Total			0	22,200	0	22,200
2006	WTR14	The MWW Facilities Security Improvement	2,000	0	0	2,000
2007			3,000	0	0	3,000
2008			0	0	0	0
2009			0	0	0	0
2010			0	0	0	0
Total			5,000	0	0	5,000
2006	WTR15	Pump Station No. 4 Rehabilitation	6,000	0	0	6,000
2007			5,000	0	0	5,000
2008			4,000	0	0	4,000
2009			0	0	0	0
2010			0	0	0	0
Total			15,000	0	0	15,000
2006	WTR16	Minneapolis/St. Paul Inter-connection	0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
2009			0	0	0	0
2010			0	0	0	0
Total			0	0	0	0
2006	WTR17	Treatment Modifications Based on New Regulations	0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
2009			0	0	0	0
2010			0	1,000	0	1,000
Total			0	1,000	0	1,000

**WATER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	WATER BONDS	WATER REVENUE	OTHER/ REIMB	TOTAL
2006	WTR19	Water Reservoir Redundancy	750	0	750	1,500
2007			1,750	0	1,750	3,500
2008		Other = Minneapolis share of State	1,500	0	1,500	3,000
2009		Grants applied for by the State	750	0	1,500	2,250
2010		Health Department to help fund.	8,750	0	0	8,750
Total			13,500	0	5,500	19,000
2006	WTR0R	Reimbursable Water Projects	0	0	2,000	2,000
2007			0	0	2,000	2,000
2008			0	0	2,000	2,000
2009			0	0	2,000	2,000
2010			0	0	2,000	2,000
Total			0	0	10,000	10,000
2006	CDA01	Heritage Park Redevelopment	0	250	0	250
2007		Project - new infrastructure	0	250	0	250
2008		contribution	0	0	0	0
2009			0	0	0	0
2010			0	0	0	0
Total			0	500	0	500

FUNDING SUMMARY BY YEAR	WATER BONDS	WATER REVENUE	REIMB	TOTAL
2006	22,250	6,250	2,750	31,250
2007	19,250	4,650	3,750	27,650
2008	33,200	4,400	3,500	41,100
2009	32,250	4,400	3,500	40,150
2010	10,050	5,500	2,000	17,550
Total Water Fund	117,000	25,200	15,500	157,700

**PARKING FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	PARKING BONDS	PARKING REVENUE	CITY TOTAL	NON APPROP
2006	RMP01	Parking Facilities - Repair and Improvements	1,700	0	1,700	0
2007			1,700	0	1,700	0
2008			1,700	0	1,700	0
2009			1,700	0	1,700	0
2010			1,700	0	1,700	0
Total			8,500	0	8,500	0
2006	RMP03	Bicycle Parking	0	35	35	0
2007			0	40	40	0
2008			0	35	35	0
2009			0	40	40	0
2010			0	40	40	0
Total			0	190	190	0

FUNDING SUMMARY BY YEAR	PARKING BONDS	PARKING REVENUE	CITY TOTAL	NON APPROP
2006	1,700	35	1,735	0
2007	1,700	40	1,740	0
2008	1,700	35	1,735	0
2009	1,700	40	1,740	0
2010	1,700	40	1,740	0
Total Parking Fund	8,500	190	8,690	0

PUBLIC WORKS DEPARTMENT FIVE YEAR CAPITAL FUNDING SUMMARY COUNCIL ADOPTED BUDGET

GENERAL INFRASTRUCTURE IMPROVEMENTS FUNDING SUMMARY BY YEAR			NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006			26,991	7,118	8,883	8,007	50,999	17,100
2007			8,025	7,378	8,407	17,701	41,511	12,000
2008			7,738	8,836	3,939	13,222	33,735	4,500
2009			9,277	5,175	4,253	10,913	29,618	6,124
2010			13,495	5,430	4,682	9,068	32,675	3,000
Total Public Works General Infrastructure Improvements			65,526	33,937	30,164	58,911	188,538	42,724

ENTERPRISE FUND CAPITAL* FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2006	28,647	8,530				5,750	42,927	0
2007	25,750	8,425				6,750	40,925	0
2008	45,338	6,815				6,500	58,653	0
2009	41,888	9,425				6,500	57,813	0
2010	14,925	9,334				5,000	29,259	0
Total Public Works Enterprise Fund Capital	156,548	42,529	0	0	0	30,500	229,577	0

* - 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
2006	28,647	8,530	26,991	7,118	8,883	13,757	93,926	17,100
2007	25,750	8,425	8,025	7,378	8,407	24,451	82,436	12,000
2008	45,338	6,815	7,738	8,836	3,939	19,722	92,388	4,500
2009	41,888	9,425	9,277	5,175	4,253	17,413	87,431	6,124
2010	14,925	9,334	13,495	5,430	4,682	14,068	61,934	3,000
Total Public Works Department Projects	156,548	42,529	65,526	33,937	30,164	89,411	418,115	42,724

Funding Breakdown by Major Revenue Source (City Funded Portion Only)	37.44%	10.17%	15.67%	8.12%	7.21%	21.38%	100.00%
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COUNCIL ADOPTED Water and Sewer Utility Rate Structure

Water Utility Rate increases are reduced in 2009 from 3.6% to 1.8% and in 2010 from 4.2% to 3.6% versus last year's plan.
 Sanitary Sewer Rate increases were reduced by a total of 5 cents over years 2008 - 2010 versus last year's approved plan.
 Stormwater Rate increases were maintained at prior approved levels for 2006 - 2008 with no increases recommended for 2009 - 2010.
 Recommended rate increases accomplish the goal of having greater than three months of operating cash reserves by fund by 2010.
 Inflationary increases for operating costs were assumed at approximately 3% per year.
 These rates will fund all recommended Water & Sewer operating costs, capital plans and all associated debt service requirements.
 Stormwater Rates fund Park Board related storm sewer maintenance work to be performed by the Public Works Department.

Water Rates Expressed in \$/100 Cubic Feet

Effective Date	Increase	Total Rate	% Change
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	0.12	2.50	5.0%
01/01/06	0.12	2.62	4.8%
01/01/07	0.05	2.67	1.9%
01/01/08	0.08	2.75	3.0%
01/01/09	0.05	2.80	1.8%
01/01/10	0.10	2.90	3.6%

Sewer Rates - Prior to 2005 Expressed in \$/100 Cubic Feet

Effective Date	Increase	Total Rate	% Change
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%

Combined Rate Impacts - Prior to 2005 Expressed in \$/100 Cubic Feet

Effective Date	Increase	Total Rate	% Change
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%

Note: Starting in 2005, Sewer rates have been broken into two components. One component is for the costs involved with running and maintaining the Sanitary Sewer Systems and the other component is for the costs involved in managing and maintaining Stormwater Systems.

Sanitary Sewer System Rates Expressed in \$/100 Cubic Feet

Effective Date	Increase	Total Rate	% Change
01/01/05	Base Year	2.00	
01/01/06	0.10	2.10	5.0%
01/01/07	0.09	2.19	4.3%
01/01/08	0.07	2.26	3.2%
01/01/09	0.06	2.32	2.7%
01/01/10	0.05	2.37	2.2%

Stormwater Rates Expressed in \$/Equivalent Stormwater Unit (ESU)

Effective Date	Increase	Total Rate	% Change
01/01/05	Base Year	8.72	
01/01/06	0.45	9.17	5.2%
01/01/07	0.40	9.57	4.4%
01/01/08	0.34	9.91	3.6%
01/01/09	0.00	9.91	0.0%
01/01/10	0.00	9.91	0.0%

1 ESU = 1,530 square feet of impervious (hard surface) area on a property.

**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
2006	ART01	Art in Public Places	200	0	0	0	200	0
2007			200	0	0	0	200	0
2008			200	0	0	0	200	0
2009			200	0	0	0	200	0
2010			200	0	0	0	200	0
Total			1,000	0	0	0	1,000	0
2006	BIS02	Central Traffic Signal Computer Replacement	200	0	0	200	400	0
2007			100	0	0	0	100	0
2008			100	0	0	0	100	0
2009			50	0	0	0	50	0
2010			0	0	0	0	0	0
Total			450	0	0	200	650	0
2006	BIS03	Enterprise Document Management	250	0	0	25	275	0
2007			150	0	0	25	175	0
2008			100	0	0	0	100	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			500	0	0	50	550	0
2006	BIS04	Enterprise Infrastructure Capacity Upgrade	350	0	0	0	350	0
2007			350	0	0	0	350	0
2008			350	0	0	0	350	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			1,050	0	0	0	1,050	0
2006	BIS05	Enterprise Reporting	150	0	0	0	150	0
2007			300	0	0	0	300	0
2008			300	0	0	0	300	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			750	0	0	0	750	0
2006	BIS06	GIS Application Infrastructure Upgrade	250	0	0	0	250	0
2007			200	0	0	0	200	0
2008			150	0	0	0	150	0
2009			150	0	0	0	150	0
2010			500	0	0	0	500	0
Total			1,250	0	0	0	1,250	0
2006	BIS07	HRIS Upgrade	75	0	0	0	75	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			75	0	0	0	75	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
2006	BIS08	Property System Assessment & Consolidation/Upgrade	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	BIS09	Enterprise Timekeeping Consolidation	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	BIS10	Finance System Consolidation/Upgrade	250	0	0	1,450	1,700	0
2007			300	0	0	1,500	1,800	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			550	0	0	2,950	3,500	0
2006	BIS11	Citywide Electronic Citations System	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	FIR01	City/County EOC/Training Facility	95	0	0	1,000	1,095	0
2007			1,479	0	0	2,000	3,479	0
2008			Note: Other = Hennepin County 1,996	0	0	1,000	2,996	0
2009			2,060	0	0	0	2,060	0
2010			0	0	0	0	0	0
Total			5,630	0	0	4,000	9,630	0
2006	FIR02	Facility Improvements - Fire Station #17	1,020	0	0	0	1,020	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			1,020	0	0	0	1,020	0
2006	MPD01	MPD Forensic Laboratory	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			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
2006	MPD02	MPD Evidence Unit	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			0	0	0	0	0	0
2006	PSD03	Facilities-Space Improvements	275	0	0	0	275	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			0	0	0	0	0	0
Total			275	0	0	0	0	275
2006	PSD04	Facilities - Security Management	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
2010			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
2006	3,115	0	0	2,675	5,790	0
2007	3,079	0	0	3,525	6,604	0
2008	3,196	0	0	1,000	4,196	0
2009	2,460	0	0	0	2,460	0
2010	700	0	0	0	700	0
Total Miscellaneous Projects	12,550	0	0	7,200	19,750	0

FIVE YEAR CAPITAL FUNDING SUMMARY COUNCIL ADOPTED BUDGET

GENERAL INFRASTRUCTURE IMPROVEMENTS FUNDING SUMMARY BY YEAR	NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2006	34,996	7,118	9,383	12,352	63,849	18,325
2007	15,389	7,378	8,907	23,489	55,163	12,735
2008	15,184	8,836	4,439	14,582	43,041	5,200
2009	15,832	5,175	4,753	11,753	37,513	7,014
2010	19,095	5,430	5,182	9,068	38,775	4,000
Total General Infrastructure Improvements	100,496	33,937	32,664	71,244	238,341	47,274

ENTERPRISE FUND CAPITAL* FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2006	28,647	8,530				5,750	42,927	0
2007	25,750	8,425				6,750	40,925	0
2008	45,338	6,815				6,500	58,653	0
2009	41,888	9,425				6,500	57,813	0
2010	14,925	9,334				5,000	29,259	0
Total Enterprise Fund Capital	156,548	42,529	0	0	0	30,500	229,577	0

* - Enterprise funds include Sewer, Water and Parking.

CONSOLIDATED CITY-WIDE CAPITAL FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB & Park Levy	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2006	28,647	8,530	34,996	7,118	9,383	18,102	106,776	18,325
2007	25,750	8,425	15,389	7,378	8,907	30,239	96,088	12,735
2008	45,338	6,815	15,184	8,836	4,439	21,082	101,694	5,200
2009	41,888	9,425	15,832	5,175	4,753	18,253	95,326	7,014
2010	14,925	9,334	19,095	5,430	5,182	14,068	68,034	4,000
Total City-Wide Capital - All Sources	156,548	42,529	100,496	33,937	32,664	101,744	467,918	47,274

Funding Breakdown by Major Revenue Sourc (City Funded Portion Only)	33.46%	9.09%	21.48%	7.25%	6.98%	21.74%	100.00%
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**CITY OF MINNEAPOLIS
FIVE YEAR CAPITAL INVESTMENT ALLOCATION
COUNCIL ADOPTED BUDGET**

COMMISSION/BOARD/DEPARTMENT	2006-2010 TOTAL*	PERCENT OF TOTAL
	(in thousands)	
MUNICIPAL BUILDING COMMISSION	4,790	1.0%
LIBRARY BOARD	12,933	2.8%
PARK BOARD	12,330	2.6%
PUBLIC WORKS DEPARTMENT		
- FACILITY IMPROVEMENTS	16,987	3.6%
- STREET PAVING	92,883	19.9%
- SIDEWALK PROGRAM	12,215	2.6%
- HERITAGE PARK INFRASTRUCTURE	6,147	1.3%
- BRIDGES	21,743	4.6%
- TRAFFIC CONTROL & STREET LIGHTING	20,761	4.4%
- BIKE TRAILS	17,802	3.8%
- SEWER	63,187	13.5%
- WATER	157,700	33.7%
- PARKING	8,690	1.9%
PUBLIC WORKS DEPARTMENT TOTAL	418,115	89.4%
MISCELLANEOUS PROJECTS	19,750	4.2%
TOTAL COUNCIL ADOPTED CAPITAL PROGRAM	467,918	100.0%

* - Represents the total Five Year Council Adopted Budget from City funding sources only.

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	CPED	200	200	400	200
BIS02	Central Traffic Signal Computer Replacement	BIS	400	400	400	400
BIS03	Enterprise Document Management	BIS	275	275	275	275
BIS04	Enterprise Infrastructure Capacity Upgrade	BIS	350	350	350	350
BIS05	Enterprise Reporting	BIS	150	150	150	150
BIS06	GIS Application Infrastructure Upgrade	BIS	250	250	250	250
BIS07	HRIS Upgrade	BIS	250	0	75	75
BIS08	Property Sys Assessment & Consolidation/Upgrade	BIS	300	0	0	0
BIS09	Enterprise Timekeeping Consolidation	BIS	500	0	0	0
BIS10	Finance System Consolidation/Upgrade	BIS	1,700	1,700	1,700	1,700
BIS11	Citywide Electronic Citations System	BIS	425	0	0	0
MBC01	Life Safety Improvements	MBC	125	125	125	125
MBC02	Mechanical Systems Upgrade	MBC	500	500	500	500
MBC05	Moat/Inner Court Water Proofing	MBC	635	635	635	635
MBC08	Interior Court Green Roof Project	MBC	200	0	200	200
MPL10	North Regional Capital Improvements	Library Board	2,870	2,870	2,870	2,870
MPL15	Southeast Community Library Capital Improvements	Library Board	200	200	200	200
PRK01	Community and Neighborhood Center Rehabilitation	Park Board	250	250	250	250
PRK04	Athletic Field Renovation	Park Board	1,000	1,380	1,380	1,380
PRK05	Tier 2 Athletic Fields	Park Board	235	0	0	0
PRK06	Service Center Rehabilitation	Park Board	300	0	0	0
PRK07	Tennis Court Rehabilitation	Park Board	150	0	200	200
PRK09	HVAC Improvements	Park Board	100	100	100	100
PRK11	Roof Replacement	Park Board	100	100	100	100
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,500	1,500	1,500	1,325
PSD02	Public Works Facilities Program	PW - Property Services	4,500	0	0	11,062
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PSD07	Repurposing City Owned Buildings	PW - Property Services	0	0	100	100
PV001	Parkway Paving	PW - Paving	400	400	400	400
PV003	Street Renovation Program	PW - Paving	2,170	2,131	2,161	2,161
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV005	Snelling Ave Extension	PW - Paving	0	0	599	599
PV006	Alley Renovation	PW - Paving	313	313	313	313
PV007	University Research Park	PW - Paving	3,021	3,021	3,021	3,021
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV015	27th Ave S	PW - Paving	7,930	7,930	7,930	7,930
PV020	Loring Greenway	PW - Paving	0	1,503	1,503	1,503
PV022	Lyndale Ave N	PW - Paving	3,353	3,353	3,104	3,104

2006 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
PV029	Chicago Ave S (E 14th St to E 28th St)	PW - Paving	0	0	0	0
PV032	LaSalle Ave S	PW - Paving	0	0	0	0
PV034	Elliot & 10th Ave S Cul-de-sacs	PW - Paving	570	0	285	285
PV036	Mid-City Industrial	PW - Paving	0	3,403	3,403	3,403
PW001	Public Works Project Enhancements	Public Works Paving	0	0	0	200
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,200	2,200	2,200	2,200
CDA01	Heritage Park Redevelopment Project	CPED	4,397	4,647	3,647	3,647
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR102	East River Parkway Bridge over Bridal Veil Falls	PW - Bridges	1,971	1,971	1,971	1,971
TR003	LED Replacement Program	PW - Transportation	200	200	200	200
TR005	Controller Conversion	PW - Transportation	300	300	300	300
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic & Pedestrian Safety Improvements	PW - Transportation	341	341	341	341
TR008	Parkway Street Light Replacement	PW - Transportation	345	345	345	345
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
TR011	City Street Light Renovation	PW - Transportation	0	300	300	300
TR013	Railroad Crossing Safety Improvements	PW - Transportation	234	234	234	234
TR014	LRT TOD Improvements	PW - Transportation	400	400	400	400
BIK01	Cedar Lake Trail (Phase 3)	PW - Transportation	583	583	583	583
BIK04	18th Ave NE Bikeway	PW - Transportation	0	0	300	300
BIK08	Hiawatha Trail Connections	PW - Transportation	487	487	487	487
BIK18	Hennepin/1st Ave NE Bike Lanes	PW - Transportation	0	0	100	100
SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	PW - Sewer	2,500	2,500	2,500	2,500
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	0	0	0
SW008	Facilities - CSO Separation	PW - Sewer	400	400	400	400
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW028	Diamond Lake 35W/62 Water Quality Improvements	PW - Sewer	497	0	497	497
SW030	Alternative Stormwater Management Strategies	PW - Sewer	500	300	700	700
SW031	Lake Hiawatha / Blue Water Partnership	PW - Sewer	688	0	700	700
WTR02	New 40 Million Gallon SW Reservoir/Pump Station	PW - Water	3,000	0	0	0
WTR09	Ultrafiltration Program	PW - Water	17,000	15,000	15,000	15,000
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
WTR14	The MWW Facilities Security Improvement	PW - Water	2,000	2,000	2,000	2,000
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	6,000	6,000	6,000	6,000
WTR16	Minneapolis/St. Paul Interconnection	PW - Water	3,000	1,500	0	0
WTR19	Water Reservoir Redundancy	PW - Water	0	0	1,500	1,500
RMP01	Parking Facilities - Repair and Improvements	PW - Transportation	1,700	1,700	1,700	1,700

2006 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
RMP03	Bicycle Parking	PW - Transportation	35	35	35	35
0			0	0	0	0
FIR01	City/County EOC/Training Facility	Fire Department	1,490	1,490	1,490	1,095
FIR02	Facility Improvements - Fire Station #17	Fire Department	725	1,120	625	1,020
MPD02	MPD Evidence Unit	Police Department	0	0	0	0
PSD03	Facilities - Space Improvements	PW - Property Services	440	0	0	275
TOTAL			105,735	93,672	95,614	106,776

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	CPED	200	200	400	200
BIS02	Central Traffic Signal Computer Replacement	BIS	100	100	100	100
BIS03	Enterprise Document Management	BIS	175	175	175	175
BIS04	Enterprise Infrastructure Capacity Upgrade	BIS	350	350	350	350
BIS05	Enterprise Reporting	BIS	300	300	300	300
BIS06	GIS Application Infrastructure Upgrade	BIS	200	200	200	200
BIS08	Property Sys Assessment & Consolidation/Upgrade	BIS	300	0	0	0
BIS09	Enterprise Timekeeping Consolidation	BIS	250	0	0	0
BIS10	Finance System Consolidation/Upgrade	BIS	1,800	1,800	1,800	1,800
BIS11	Citywide Electronic Citations System	BIS	475	0	0	0
MBC01	Life Safety Improvements	MBC	200	200	200	200
MBC02	Mechanical Systems Upgrade	MBC	535	535	535	535
MPL09	Nokomis Library Capital Improvements	Library Board	500	500	500	500
MPL14	Roosevelt Community Library Capital Improvements	Library Board	903	903	903	903
MPL15	Southeast Community Library Capital Improvements	Library Board	2,460	2,460	2,460	2,460
PRK01	Community and Neighborhood Center Rehabilitation	Park Board	700	700	700	700
PRK04	Athletic Field Renovation	Park Board	1,380	1,000	1,000	1,000
PRK07	Tennis Court Rehabilitation	Park Board	150	0	0	0
PRK09	HVAC Improvements	Park Board	100	100	100	100
PRK11	Roof Replacement	Park Board	100	100	100	100
PRK12	Community Skate Parks	Park Board	0	0	50	50
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,000	1,000	1,000	1,000
PSD02	Public Works Facilities Program	PW - Property Services	3,500	4,500	4,500	0
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PV001	Parkway Paving	PW - Paving	770	770	770	770
PV003	Street Renovation Program	PW - Paving	1,753	1,467	1,467	1,467
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV005	Snelling Ave Extension	PW - Paving	599	599	973	973
PV006	Alley Renovation	PW - Paving	267	267	267	267
PV007	University Research Park	PW - Paving	4,058	4,058	4,058	4,058
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV023	28th Ave S	PW - Paving	5,529	5,529	5,529	5,529
PV031	27th Ave NE (RR Crossing)	PW - Paving	188	188	188	188
PV034	Elliot & 10th Ave S Cul-de-sacs	PW - Paving	0	0	285	285
PW001	Public Works Project Enhancements	Public Works Paving	0	0	0	200
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,325	2,325	2,325	2,325
CDA01	Heritage Park Redevelopment Project	CPED	4,250	3,250	3,000	3,000
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200

2007 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
BR105	Fremont Ave S Bridge	PW - Bridges	274	0	0	0
TR003	LED Replacement Program	PW -Transportation	300	300	300	300
TR005	Controller Conversion	PW - Transportation	400	400	400	400
TR006	Priority Vehicle Control System	PW - Transportation	413	413	413	413
TR007	Traffic & Pedestrian Safety Improvements	PW - Transportation	536	536	536	536
TR008	Parkway Street Light Replacement	PW - Transportation	175	175	175	175
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
TR011	City Street Light Renovation	PW - Transportation	0	0	240	240
TR013	Railroad Crossing Safety Improvements	PW - Transportation	783	783	783	783
TR014	LRT TOD Improvements	PW- Transportation	400	400	400	400
BIK01	Cedar Lake Trail (Phase 3)	PW - Transportation	4,782	4,782	4,782	4,782
BIK04	18th Ave NE Bikeway	PW - Transportation	50	50	3,750	3,750
BIK17	Upper River Trails - Phase 1	PW - Transportation	4,500	4,500	4,500	4,500
SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	PW - Sewer	2,500	2,500	2,500	2,500
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	4,000	4,000
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW030	Alternative Stormwater Management Strategies	PW - Sewer	500	400	500	500
SW031	Lake Hiawatha / Blue Water Partnership	PW - Sewer	1,520	0	800	800
WTR02	New 40 Million Gallon SW Reservoir/Pump Station	PW - Water	11,000	0	0	0
WTR09	Ultrafiltration Program	PW - Water	20,000	9,500	9,500	9,500
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,400	5,000	4,400	4,400
WTR14	The MWW Facilities Security Improvement	PW - Water	3,000	3,000	3,000	3,000
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	5,000	5,000	5,000	5,000
WTR16	Minneapolis/St. Paul Interconnection	PW - Water	7,000	3,500	0	0
WTR19	Water Reservoir Redundancy	PW - Water	0	0	3,500	3,500
RMP01	Parking Facilities - Repair and Improvements	PW - Transportation	1,700	1,700	1,700	1,700
RMP03	Bicycle Parking	PW - Transportation	40	40	40	40
0			0	0	0	0
FIR01	City/County EOC/Training Facility	Fire Department	3,920	3,920	3,084	3,479
FIR02	Facility Improvements - Fire Station #17	Fire Department	395	0	395	0
MPD02	MPD Evidence Unit	Police Department	3,090	0	0	0
PSD03	Facilities - Space Improvements	PW - Property Services	453	0	0	0
TOTAL			126,703	94,130	100,588	96,088

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	CPED	200	200	400	200
BIS02	Central Traffic Signal Computer Replacement	BIS	100	100	100	100
BIS03	Enterprise Document Management	BIS	100	100	100	100
BIS04	Enterprise Infrastructure Capacity Upgrade	BIS	350	350	350	350
BIS05	Enterprise Reporting	BIS	300	300	300	300
BIS06	GIS Application Infrastructure Upgrade	BIS	150	150	150	150
BIS08	Property Sys Assessment & Consolidation/Upgrade	BIS	1,200	0	0	0
MBC01	Life Safety Improvements	MBC	200	200	200	200
MBC02	Mechanical Systems Upgrade	MBC	500	500	500	500
MPL09	Nokomis Library Capital Improvements	Library Board	1,900	1,900	1,900	1,900
MPL11	Walker Community Library Capital Improvements	Library Board	60	60	60	60
PRK01	Community and Neighborhood Center Rehabilitation	Park Board	600	600	600	600
PRK02	Site and Totlot Rehabilitation	Park Board	230	230	230	230
PRK04	Athletic Field Renovation	Park Board	870	870	870	870
PRK07	Tennis Court Rehabilitation	Park Board	150	0	0	0
PRK09	HVAC Improvements	Park Board	100	100	100	100
PRK11	Roof Replacement	Park Board	100	100	100	100
PRK12	Community Skate Parks	Park Board	0	0	50	50
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,000	1,000	1,000	1,000
PSD02	Public Works Facilities Program	PW - Property Services	3,062	3,500	3,500	0
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PV001	Parkway Paving	PW - Paving	550	550	550	550
PV003	Street Renovation Program	PW - Paving	1,896	1,888	1,912	1,912
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV005	Snelling Ave Extension	PW - Paving	973	973	0	0
PV006	Alley Renovation	PW - Paving	267	267	267	267
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV029	Chicago Ave S (E 14th St to E 28th St)	PW - Paving	6,373	6,373	6,373	6,373
PV037	Miscellaneous I-35W Frontage Roads	PW - Paving	680	0	0	0
PW001	Public Works Project Enhancements	Public Works Paving	0	0	0	200
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,440	2,440	2,440	2,440
CDA01	Heritage Park Redevelopment Project	CPED	750	1,250	500	500
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR109	Camden Bridge Rehabilitation	PW - Bridges	0	6,099	6,099	6,099
TR005	Controller Conversion	PW - Transportation	400	400	400	400
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic & Pedestrian Safety Improvements	PW - Transportation	842	842	842	842
TR008	Parkway Street Light Replacement	PW - Transportation	300	300	300	300

2008 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	600	600	600	600
TR010	Traffic System Management	PW - Transportation	2,100	0	0	0
TR011	City Street Light Renovation	PW - Transportation	0	0	100	100
TR013	Railroad Crossing Safety Improvements	PW - Transportation	4,027	3,452	3,452	3,452
TR014	LRT TOD Improvements	PW- Transportation	400	400	400	400
BIK13	RiverLake Greenway (East of I-35W)	PW - Transportation	950	950	950	950
BIK14	Midtown Greenway Bridge over Mississippi River	PW - Transportation	1,950	1,950	1,950	1,950
SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	PW - Sewer	2,800	2,800	2,800	2,800
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	0	2,000	0	0
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW030	Alternative Stormwater Management Strategies	PW - Sewer	500	500	500	500
SW031	Lake Hiawatha / Blue Water Partnership	PW - Sewer	1,711	0	1,000	1,000
SW032	I-35W Storm Tunnel Reconstruction	PW - Sewer	7,938	7,938	7,938	7,938
WTR02	New 40 Million Gallon SW Reservoir/Pump Station	PW - Water	11,000	0	0	0
WTR09	Ultrafiltration Program	PW - Water	35,000	27,700	27,700	27,700
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,400	5,500	4,400	4,400
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	4,000	4,000	4,000	4,000
WTR16	Minneapolis/St. Paul Interconnection	PW - Water	6,000	3,000	0	0
WTR19	Water Reservoir Redundancy	PW - Water	0	0	3,000	3,000
RMP01	Parking Facilities - Repair and Improvements	PW - Transportation	1,700	1,700	1,700	1,700
RMP03	Bicycle Parking	PW - Transportation	35	35	35	35
0			0	0	0	0
FIR01	City/County EOC/Training Facility	Fire Department	2,160	2,160	2,996	2,996
MPD01	MPD Forensic Laboratory	Police Department	832	0	0	0
MPD02	MPD Evidence Unit	Police Department	500	0	0	0
PSD03	Facilities - Space Improvements	PW - Property Services	467	0	0	0
TOTAL			127,693	107,807	105,194	101,694

2009 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	CPED	200	200	400	200
BIS02	Central Traffic Signal Computer Replacement	BIS	50	50	50	50
BIS06	GIS Application Infrastructure Upgrade	BIS	150	150	150	150
BIS07	HRIS Upgrade	BIS	500	0	0	0
BIS08	Property Sys Assessment & Consolidation/Upgrade	BIS	1,500	0	0	0
MBC01	Life Safety Improvements	MBC	300	300	300	300
MBC02	Mechanical Systems Upgrade	MBC	500	500	500	500
MBC04	Tower and Interior Court Elevations	MBC	95	95	95	95
MBC06	Clock Tower Upgrade	MBC	95	0	0	0
MPL09	Nokomis Library Capital Improvements	Library Board	2,320	2,320	2,320	2,320
MPL13	Hosmer Library Capital Improvements	Library Board	60	60	60	60
MPL16	Washburn Community Library Capital Improvements	Library Board	60	60	60	60
PRK01	Community and Neighborhood Center Rehabilitation	Park Board	350	350	350	350
PRK02	Site and Totlot Rehabilitation	Park Board	1,000	1,000	1,000	1,000
PRK06	Service Center Rehabilitation	Park Board	350	0	0	0
PRK07	Tennis Court Rehabilitation	Park Board	150	0	0	0
PRK09	HVAC Improvements	Park Board	100	100	100	100
PRK11	Roof Replacement	Park Board	100	100	100	100
PRK12	Community Skate Parks	Park Board	0	0	50	50
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,250	1,250	1,250	1,250
PSD02	Public Works Facilities Program	PW - Property Services	0	3,062	3,062	0
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PV001	Parkway Paving	PW - Paving	725	725	725	725
PV003	Street Renovation Program	PW - Paving	2,990	2,903	2,903	2,903
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	500	500	500	500
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	318	318	318	318
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV019	Sixth Ave North	PW - Paving	1,788	1,788	1,788	1,788
PV021	33rd Ave SE and Talmage Ave	PW - Paving	3,181	0	0	0
PV027	Hennepin/Lyndale West	PW - Paving	3,124	3,124	3,124	3,124
PV028	E 22nd St and Snelling	PW - Paving	828	0	0	0
PV037	Miscellaneous I-35W Frontage Roads	PW - Paving	680	0	0	0
PW001	Public Works Project Enhancements	Public Works Paving	0	0	0	200
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,560	2,560	2,560	2,560
CDA01	Heritage Park Redevelopment Project	CPED	750	0	0	0
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR111	10th Ave SE Bridge Arch Rehabilitation	PW - Bridges	5,265	5,265	5,265	5,265

2009 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
BR112	Nicollet Ave from Lake St to 29th St	PW - Bridges	3,625	0	0	0
BR114	29th St Corridor Bridge Rehab Program	PW - Bridges	500	500	500	500
TR001	New Traffic Signals	PW -Transportation	130	0	0	0
TR003	LED Replacement Program	PW -Transportation	475	475	475	475
TR004	Computerized Traffic Control Communication	PW - Transportation	136	136	136	136
TR005	Controller Conversion	PW - Transportation	500	500	500	500
TR006	Priority Vehicle Control System	PW - Transportation	325	325	325	325
TR007	Traffic & Pedestrian Safety Improvements	PW - Transportation	549	549	549	549
TR008	Parkway Street Light Replacement	PW - Transportation	0	0	150	150
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
TR011	City Street Light Renovation	PW - Transportation	300	0	0	0
TR013	Railroad Crossing Safety Improvements	PW - Transportation	1,557	915	915	915
BIK04	18th Ave NE Bikeway	PW - Transportation	3,900	3,900	0	0
BIK14	Midtown Greenway Bridge over Mississippi River	PW - Transportation	150	150	150	150
SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	PW - Sewer	4,000	4,000	4,000	4,000
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW030	Alternative Stormwater Management Strategies	PW - Sewer	500	600	500	500
SW031	Lake Hiawatha / Blue Water Partnership	PW - Sewer	0	0	0	0
SW032	I-35W Storm Tunnel Reconstruction	PW - Sewer	7,938	7,938	7,938	7,938
WTR02	New 40 Million Gallon SW Reservoir/Pump Station	PW - Water	6,000	0	0	0
WTR09	Ultrafiltration Program	PW - Water	13,000	31,500	31,500	31,500
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,400	6,000	4,400	4,400
WTR16	Minneapolis/St. Paul Interconnection	PW - Water	3,000	2,250	0	0
WTR19	Water Reservoir Redundancy	PW - Water	0	0	2,250	2,250
RMP01	Parking Facilities - Repair and Improvements	PW - Transportation	1,700	1,700	1,700	1,700
RMP03	Bicycle Parking	PW - Transportation	40	40	40	40
0			0	0	0	0
FIR01	City/County EOC/Training Facility	Fire Department	2,060	2,060	2,060	2,060
MPD01	MPD Forensic Laboratory	Police Department	6,190	0	0	0
PSD03	Facilities - Space Improvements	PW - Property Services	481	0	0	0
TOTAL			107,065	103,588	98,388	95,326

2010 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	CPED	200	200	400	200
BIS06	GIS Application Infrastructure Upgrade	BIS	500	500	500	500
BIS07	HRIS Upgrade	BIS	500	0	0	0
BIS10	Finance System Consolidation/Upgrade	BIS	1,000	0	0	0
MBC01	Life Safety Improvements	MBC	300	300	300	300
MBC02	Mechanical Systems Upgrade	MBC	600	600	600	600
MBC04	Tower and Interior Court Elevations	MBC	100	100	100	100
MBC06	Clock Tower Upgrade	MBC	100	0	0	0
MPL09	Nokomis Library Capital Improvements	Library Board	280	280	280	280
MPL11	Walker Community Library Capital Improvements	Library Board	440	440	440	440
MPL13	Hosmer Library Capital Improvements	Library Board	440	440	440	440
MPL16	Washburn Community Library Capital Improvements	Library Board	440	440	440	440
PRK01	Community and Neighborhood Center Rehabilitation	Park Board	1,000	1,000	1,000	1,000
PRK02	Site and Totlot Rehabilitation	Park Board	300	300	300	300
PRK04	Athletic Field Renovation	Park Board	1,000	1,000	1,000	1,000
PRK07	Tennis Court Rehabilitation	Park Board	200	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	2,000	1,000	1,000	1,000
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PSD06	Pioneer & Soldiers Memorial Cemetery Fencing Rhb	PW - Property Services	250	250	250	250
PV001	Parkway Paving	PW - Paving	1,250	1,250	1,250	1,250
PV003	Street Renovation Program	PW - Paving	4,916	4,296	4,296	4,296
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	500	500	500	500
PV008	I-35W & Lake St Interchange Reconstruction	PW - Paving	553	553	553	553
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV020	Loring Greenway	PW - Paving	1,503	0	0	0
PV026	Cedar Lake Road	PW - Paving	3,014	0	0	0
PV032	LaSalle Ave S	PW - Paving	6,902	6,902	6,902	6,902
PV035	TH121/Lyndale Ave S	PW - Paving	8,322	0	0	0
PV036	Mid-City Industrial	PW - Paving	3,403	0	0	0
PV037	Miscellaneous I-35W Frontage Roads	PW - Paving	680	0	0	0
PV038	Winter Street NE	Pw - Paving	3,719	0	0	0
PW001	Public Works Project Enhancements	Public Works Paving	0	0	0	200
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,690	2,690	2,690	2,690
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR109	Camden Bridge Rehabilitation	PW - Bridges	6,099	0	0	0
BR114	29th St Corridor Bridge Rehab Program	PW - Bridges	500	500	500	500
BR116	Bikeway/Bike Bridge 94246 Rehabilitation	PW - Bridges	6,408	6,408	6,408	6,408
TR001	New Traffic Signals	PW -Transportation	135	0	0	0

2010 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR004	Computerized Traffic Control Communication	PW - Transportation	13	13	13	13
TR005	Controller Conversion	PW - Transportation	400	400	400	400
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic & Pedestrian Safety Improvements	PW - Transportation	597	597	597	597
TR008	Parkway Street Light Replacement	PW - Transportation	150	150	150	150
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
TR011	City Street Light Renovation	PW - Transportation	150	150	150	150
TR013	Railroad Crossing Safety Improvements	PW - Transportation	48	1,265	1,265	1,265
BIK04	18th Ave NE Bikeway	PW - Transportation	100	100	0	0
BIK13	RiverLake Greenway (East of I-35W)	PW - Transportation	50	50	50	50
BIK17	Upper River Trails - Phase 1	PW - Transportation	200	200	200	200
BIK18	Hennepin/1st Ave NE Bike Lanes	PW - Transportation	100	100	0	0
SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	PW - Sewer	2,500	2,500	2,500	2,500
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW030	Alternative Stormwater Management Strategies	PW - Sewer	500	700	500	500
SW032	I-35W Storm Tunnel Reconstruction	PW - Sewer	3,175	3,175	3,175	3,175
WTR09	Ultrafiltration Program	PW - Water	1,000	1,300	1,300	1,300
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,500	6,500	4,500	4,500
WTR16	Minneapolis/St. Paul Interconnection	PW - Water	0	8,750	0	0
WTR17	Treatment Modifications Based on New Regulations	PW - Water	1,000	1,000	1,000	1,000
WTR19	Water Reservoir Redundancy	PW - Water	0	0	8,750	8,750
RMP01	Parking Facilities - Repair and Improvements	PW - Transportation	1,700	1,700	1,700	1,700
RMP03	Bicycle Parking	PW - Transportation	40	40	40	40
0			0	0	0	0
MPD01	MPD Forensic Laboratory	Police Department	3,199	0	0	0
PSD03	Facilities - Space Improvements	PW - Property Services	500	0	0	0
TOTAL			92,261	70,234	68,034	68,034

ASSESSOR

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

The Minneapolis Assessor's Office is a customer service-driven department with professional and responsive staff working together to deliver accurate, impartial and understandable valuations and classifications to taxpayers and elected officials. It is to be recognized as an authority on assessment practices and a partner in providing information to support financial decision making.

VALUES –

Equalization - Provide fair and accurate valuations and classifications.

Customer Service - Provide prompt, courteous and understandable information.

Knowledge - Be a source of high quality Minneapolis real estate and assessment information.

Professionalism - Employ educated, qualified and experienced staff who efficiently and effectively provide departmental services.

MISSION –

The Minneapolis City Assessor's Office serves the taxpayers of the City by valuing and classifying real property in an accurate and equitable manner as prescribed by state law. The office also supports government funding, planning and information needs.

BUSINESS LINES –

1. **Assessment** - Perform the assessment function for all real estate and statutorily-mandated personal property.
 - a) Valuation- Estimate and defend the annual value of all taxable property and maintain complete and accurate property descriptions.
 - b) Classification - Classify all parcels according to their ownership and use. Administer tax programs that include, but are not limited to Homestead, Tax Exemption, and other special classifications.
 - c) Appeals and Reviews – Respond to all formal and informal.
 - d) Data Integrity – Collect, verify and maintain property records and private data according to data privacy laws and City ordinances.

2. **Internal and External Support** - Support City initiatives, City departments, the Minneapolis School District, Hennepin County Taxpayer Services and attorneys, the Minnesota Department of Revenue, taxpayers, neighborhood groups and the media.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

The City Assessor's Office has identified the following significant trends and challenges that will impact the Office:

- 1) The high volume of court cases are due in part to the oversupply of office buildings and a weak industrial market during the 2002-2004 time frame. Although the current market is recovering, the court cases from previous years are processed now. This is complicated by a growing "industry" in the field of property tax appeals. Although the number of petitions for 2005 is 363 cases, down from 380 from payable 2004, a major court case requiring a narrative appraisal can take several hundred hours to research, write and defend in court. Tax court cases can erode the Department's budget and staff resources. We will identify best practices on court litigation and develop efficient and effective methods of dealing with tax litigation.
- 2) An increasing number of requests for real estate data and information from internal and external customers is requiring large blocks of time and resources to produce. This results in inadequate time and resources available for core business functions. We will address recovering costs for researching and producing these reports.
- 3) Ten years of budget cuts have resulted in reductions of 7.5 positions or effectively a loss of 18 percent of the Department's workforce compared to 1995. During that same time period, the real estate market in Minneapolis continued to grow and develop. Today, the Department's staff is responsible for 3,200 more parcels than in 1995. Minneapolis real estate values have also increased during that same period. Since 1995, the market value of all property in Minneapolis has increased 145 percent which in turn has resulted in an increase in property taxes of 42 percent. As property taxes have increased, so has the taxpayer's request for market data, property reviews, and petitions. Compounding the effect of ten years of budgetary and staffing constraints is the anticipated 10,000 new condominiums under construction or in the approval process. Additionally, there will be three experienced top management staff retiring over the next 6-36 months. Further staffing reductions in the Assessor's office can result in the erosion of the City's tax base. We will address this by working closely with Human Resources to develop a retention and succession plan, and work with Ways and Means to address adequate staffing levels for the Department.
- 4) The phase out of limited market value and other state law changes is shifting property tax burdens from commercial/industrial property to residential property. Residential property is the largest class of property in Minneapolis and these changes have increased the workload of the residential staff. We will expand the use of Computer Assisted Mass Appraisal (CAMA) and improve the data for the existing CAMA system while investigating appropriate solutions for this challenge.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

No target strategies were requested from this Department.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Provide value-added services to taxpayers	Improve customer access to information	% of departmental documents with Limited English Proficiency (LEP) accommodations	<ul style="list-style-type: none"> - Create and implement a plan to serve customers with LEP - Increase the information and functionality of the Assessor's Office website - Add search capabilities to the Assessor's Office lobby computers for public use and research of Minneapolis properties
	Provide proactive taxpayer education	# of phone calls reduced to support and appraisal staff # of meetings held	<ul style="list-style-type: none"> - Partner with 311 developers to identify customers and information who would be best served by the 311 call center - Review Frequently Asked Questions (FAQ) on City website quarterly and update with new information when necessary - Plan and implement two property value information meetings at neighborhood community centers - Respond to information and analysis requests relating to property tax policy during the legislative session - Determine the feasibility of homesteading properties at closing
Improve the efficiency and effectiveness of business processes	Maintain the current level of levy collected	98% or higher levy collection	<ul style="list-style-type: none"> - Insure our valuation process is fair and defensible to maintain the collection rate
	Minimize appeals and requests for property reviews	# of days mailing sent out earlier compared to previous year (goal is February 2006) % decrease in the number of review requests Reduce # of hours appraisers spend doing reviews	<ul style="list-style-type: none"> - Evaluate the annual department work schedule to identify ways to complete and mail the estimated market valuation notices earlier in the year - Improve the Board of Appeal and Equalization process by working with the City Clerk

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	Improve the reliability, utility and accessibility of property related data	Reduce the Assessor's time doing research and analysis	<ul style="list-style-type: none"> - Work with the Department of Revenue to modify the Truth-in-Taxation form to include homestead percentage information - Support the development of other Departments' ability to use Govern software and data for their own research and analysis - Develop EIM knowledge, skills and abilities, within the Department - Ensure that departmental records are identified and have a retention schedule
	Streamline the valuation of all property types: residential, condominiums, apartments, commercial and industrial properties	# of property types valued using the CAMA system % of residential sales verified	<ul style="list-style-type: none"> - Expand the use and improve the functionality of CAMA - Complete more verifications of residential sales - Improve the efficiency of imputing property data into Govern for new and converted condominiums
	Develop practices to improve the efficiency of the analysis and administration of tax court appeals	% reduction of appeals of taxable parcels	<ul style="list-style-type: none"> - Identify best practices on tax court litigation - Document current practices - Define opportunities for efficiency and effectiveness improvements - Implement appropriate process changes
Maintain a competent, positive, fully-staffed workforce	Maintain the Department's institutional knowledge through training, mentoring and modeling	% of departmental employees with training and development plans	<ul style="list-style-type: none"> - Draft a departmental succession plan - Create individualized training & development plans - Create specialists by property type to serve as mentors and assist appraisers on Court cases - Participate in City-wide Employee Survey Results Team - Identify and create action plans to address departmental results of the Employee Survey - Incorporate loss prevention strategies into departmental training plan

FINANCIAL ANALYSIS

EXPENDITURE

The Assessor's 2006 Adopted Budget is \$3.2 million, a 2% or \$76,000 increase over the 2005 Adopted Budget. The total number of positions is 34.5, the same level as 2005.

REVENUE

Revenue in 2006 is projected to remain at \$134,000, the same level as 2005. The bulk of these revenues are from payment in lieu of taxes (PILOT) paid by nonprofit nursing homes through agreements in the Community Planning and Economic Development (CPED) Department's work.

FUND ALLOCATION

One hundred percent of the Assessor's budget comes out of the General Fund.

MAYOR'S RECOMMENDED BUDGET

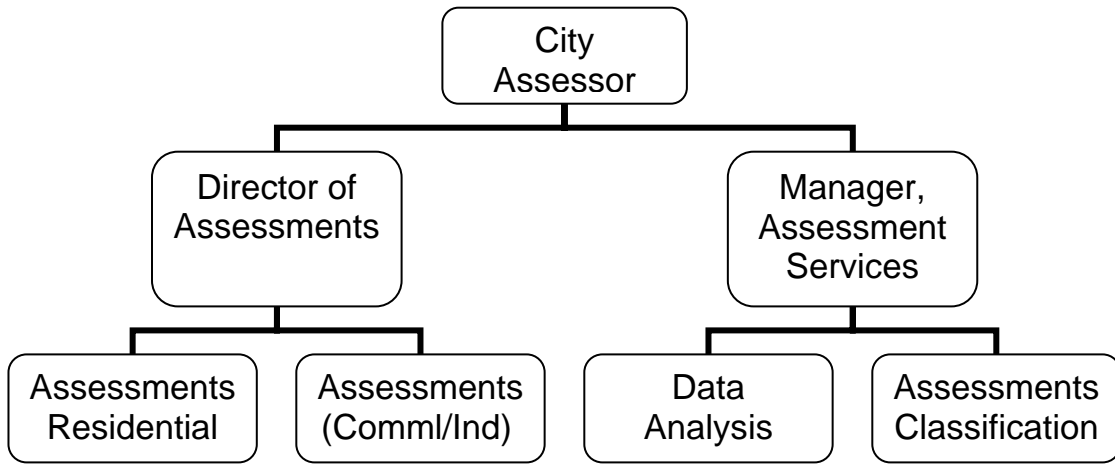
The Mayor's recommendation added \$50,000 in one-time resources to the Department for training in support of succession planning and updating assessment practices.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation.

ASSESSOR Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	35.50	34.50	34.50	34.50	0.00%	-



**ASSESSOR
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Capital Outlay	0	3,435	524	534	1.9%	10
Contractual Services	277,092	232,899	486,921	484,425	-0.5%	-2,496
Equipment	0	0	1,047	1,068	2.0%	21
Fringe Benefits	423,956	442,333	559,333	603,503	7.9%	44,170
Operating Costs	138,751	160,909	156,712	161,152	2.8%	4,440
Salaries and Wages	1,744,022	1,686,378	1,896,525	1,925,984	1.6%	29,459
Total for General Fund - City	2,583,821	2,525,954	3,101,062	3,176,666	2.4%	75,604
Special Revenue Funds						
Contractual Services	0	0	0	0		0
Salaries and Wages	0	0	0	0		0
Total for Special Revenue Funds	0	0	0	0		0
Total for ASSESSOR	2,583,821	2,525,954	3,101,062	3,176,666	2.4%	75,604

**ASSESSOR
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	118	69	0	0	0.0%	0
Charges for Service	1,472	400	1,000	1,000	0.0%	0
Interest	133	73	0	0	0.0%	0
Other Misc Revenues	21	30	0	0	0.0%	0
Property Taxes	161,942	114,239	133,000	133,000	0.0%	0
<i>Total for General Fund - City</i>	163,686	114,811	134,000	134,000	0.0%	0
Total for ASSESSOR	163,686	114,811	134,000	134,000	0.0%	0

CITY ATTORNEY

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Our vision is to provide outstanding legal services to our clients and for our community.

VALUES –

- A commitment to the highest ethical standards
- Excellence as attorneys and legal services providers
- A problem solving orientation by all members of the Office
- A productive work ethic
- An equitable and respectful work environment
- Respectful and collaborative interaction with other City departments, governmental entities, and the community
- Prudent stewardship of the public's money

MISSION –

The mission of the City Attorney's Office is to do justice, hold offenders accountable, and enhance the public's sense of safety in their communities; and to deliver high quality, cost-effective legal services that are responsive to the City's adopted policies, goals, and objectives.

BUSINESS LINES –

1. Do justice, hold offenders accountable, and enhance the public's sense of safety in their communities.
2. Deliver high quality, cost-effective legal services that are responsive to the City's adopted policies, goals, and objectives.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

KEY TRENDS

1. Civil Litigation Services

The Civil Division 2004 caseload was 904, a 25 percent increase from 724 cases in 2003. The increase is cause for concern, especially in light of the City's five-year financial direction. As the

City Attorney's civil caseload increases, the ability of the Office to deliver timely non-litigation services may be impaired given the resources allocated to the Civil Division.

One key indicator is police misconduct lawsuits. The number of police misconduct lawsuits declined dramatically from 1998 to 2001. In 1998, 69 new cases were filed as compared to 22 in 2001. The trend is now moving in the other direction – 28 new police misconduct lawsuits were filed in 2002, 33 cases in 2003, and 50 cases in 2004.

It is also noteworthy that the amount of police misconduct case settlements is increasing. In 1998, the total amount of settlements for police misconduct cases was \$1,250,000, or an average of \$92,500 per case. In 2003, there were 19 settlements for a total amount of \$568,765, or an average settlement of \$29,935 per case. In 2004, there were 24 settlements totaling \$2,089,925 for an average of \$87,080 per case. Three of the police misconduct settlements totaled \$1,557,375 or 75 percent of the dollars paid in 2004.

2. Public Safety

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 number of criminal cases prosecuted each year is declining. The Criminal Division caseload for 2004 was 29,117. In contrast, the Criminal Division handled 35,393 in 2003, 43,981 cases in 2002, 44,970 cases in 2001, 51,808 cases in 2000, 55,027 cases in 1999, and 63,887 in 1998.

Despite this decline, the criminal caseload continues to be extremely heavy for the Office's authorized complement in the Criminal Division. An annual caseload of 29,117 cases results in an average caseload of 1,021 cases per authorized criminal prosecutor position. Both the American Bar Association (ABA) and the Minnesota State Public Defender analyzed acceptable caseload standards and independently recommended identical gross misdemeanor and misdemeanor caseload standards for public defenders; both recommend an annual average of 400 misdemeanor cases per attorney per year or 250 gross misdemeanor cases per attorney per year. Thus, the average annual caseload in the City Attorney's Office is nearly three times the ABA and State Public Defender standards for misdemeanor cases and more than four times the standard for gross misdemeanor cases.

SIGNIFICANT CHALLENGES

Two major challenges face the City Attorney's Office in 2006-2010. They are: (1) purchasing and installing effective technological systems in the Office, and (2) dedicating stable sources of funding to support adequate staffing in the Criminal Division.

1. Purchasing and Installing Effective Technological Systems in the Office

Both of the City Attorney's CityLaw system components (Criminal Division and Civil Division) need to be replaced. This is particularly true for the Office's prosecution case management system. The Criminal Division prosecutes a high volume of cases and the lack of a fully-functional system limits the ability of the Criminal Division to manage effectively 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 in order for the public to have confidence in its criminal justice system and individual feelings of safety. A fully-functional 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 case management system, the City will not be able to connect to the Minnesota Court Information System (MNCIS) or CriMNet.

In the 2004 Adopted Budget, the City Council appropriated \$2.8 million dollars to design and install a fully-functional case management system in the City Attorney's Office. In addition, \$650,000 federal grant dollars were received by the City for this project. The project has been split into two parts. One part is the case management system itself; the other a criminal justice information integration project. Once designed and installed, the new system should result in a number of significant improvements. First, the system should provide an efficient means of capturing case information, including police reports, booking information, victim/witness information, and 911 calls. Second, bench warrant history should be more readily available which will allow prosecutors to more convincingly argue to the judges to keep chronic offenders in custody to help shut the "revolving door." Third, the integration with the MNCIS system, once completed, should give City prosecutors information on felony crime and certain gross misdemeanors. A more complete criminal history on offenders should result in better dispositions.

In 2004, the City's Business Information Systems (BIS) Department entered into a contract with LegalEdge to design and install the needed case management system. LegalEdge has been unable to perform and has not delivered a functioning system. On May 27, 2005, the City Council voted to terminate the City's contract with LegalEdge and authorized BIS to negotiate and enter into a contract with another vendor, RealLegal. This change in vendors will delay the installation of a fully-functional case management system in the City Attorney's Office.

2. Dedicating Stable Sources of Funding to Support Adequate Staffing in the Criminal Division

Since 1997, federal Local Law Enforcement Block Grant (LLEBG) dollars have been used to fund a number of positions in the City Attorney'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. Furthermore, the formula for awarding federal block grant dollars is based on the Part 1 crime rate, which has decreased in recent years. In 2004, there were six positions in the Criminal Division that were funded through federal block grant dollars; the 2005 Adopted Budget eliminated four of those positions. Early reports regarding LLEBG funding for the upcoming federal fiscal year suggest there will be further reductions in LLEBG funds. Such reductions could result in the elimination of the two prosecutor positions in the Criminal Division, which are funded through LLEBG dollars. In addition, in the 2005 Adopted Budget, the City Council funded \$50,000 of criminal prosecution activities through Community Development Block Grant (CDBG) funds; reductions in CDBG funding could result in additional staffing reductions in the Criminal Division.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

Within the financial resources allocated to the City Attorney's Office under the five-year financial direction, the City Attorney's Office must reduce its 2006 spending by \$150,000. The Office's adopted five-year business plan contemplates that the Office will meet its business objectives within the constraints of the five-year financial direction by utilizing savings from the renegotiation of the City

Attorney's Office lease. Although lease negotiations are not complete, every indication is that at least \$150,000 per year will be saved and made available for the 2006 budget by renegotiating the Office's lease.

Reductions in federal funding - both LLEBG and CDBG dollars (as described above) - would impact staffing in the Criminal Division. If the CDBG reduction is only 5 percent, salary savings will be used. If the reduction is 50 percent, a full time employee reduction will be required. To the extent possible, vacant positions will be utilized prior to layoffs.

Delivering civil legal services and prosecutorial services will continue to be done in accordance with the prioritization plans described in the adopted Business Plan.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
PUBLIC SAFETY BUSINESS LINE			
Aggressively prosecute livability crimes that occur in the City of Minneapolis	Prosecute chronic offenders by seeking significant jail time or other appropriate sanctions	<p>Prosecute gross misdemeanor and misdemeanor crime in accordance with priorities in the adopted Business Plan</p> <p>Prosecute 100% of chronic offenders identified by Minneapolis Police Department and the City Attorney's Office</p> <p>Increase by 3% each year the number of convicted chronic offenders who receive jail time or other appropriate sections</p> <p>Achieve by 2010 a 70% result in percent of chronic offenders who did not re-offend within 12 months</p>	<p>Review and revise, if necessary, the Office's charging standards</p> <p>Maintain the special prosecution team's focus on relentless pursuit of the 100 worst livability crime offenders in Minneapolis</p> <p>Update the top offender list every two weeks based on the most recent offense data</p>
	Enhance prosecution of perpetrators of domestic violence	Increase conviction rate on domestic violence cases to 60% by 2010	<p>Maintain a prosecutor position assigned to the Minneapolis Police Department's Family Violence Unit</p> <p>Design and deliver training to police officers and prosecutors on domestic abuse law</p>
	Align Business Plan misdemeanor crime objectives of Minneapolis Police Department and City Attorney's Office	Complete revision of City Attorney's Office Business Plan by 3 rd Quarter, 2005	<p>Develop joint Minneapolis Police Department/City Attorney's Office presentations for elected officials</p> <p>Make joint presentations in PS&RS (Public Safety and Regulatory Services) Committee</p> <p>Revise Business Plan based on Council direction</p>

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Continue proactive involvement in improving the criminal justice system	Design, acquire, install and implement a new prosecution case management system	<p>Install new case management system</p> <p>Train staff</p> <p>Complete 100% of quarterly evaluations</p>	<p>Participate in monthly Case Management Steering Committee meetings to ensure system installed as soon as possible</p> <p>Complete "shakedown" of new system</p> <p>Work with BIS and system consultants to design user training program</p> <p>Evaluate user proficiencies quarterly for 12 months following implementation and training</p>
	Work with Hennepin County District Court to improve the handling of misdemeanor crime	<p>Delegate to the Hennepin County Court Referee authority to resolve certain misdemeanor offenses</p> <p>Participate in the operation of the Mental Health Court</p>	<p>Finalize delegation</p> <p>Participate in CJCC (Criminal Justice Coordinating Committee) and its subcommittees</p> <p>Staff court calendar</p> <p>Collaborate with Hennepin County to secure grant funding for court</p>
	Utilize an administrative process, on a demonstration basis, to address certain livability crimes in the 1 st Precinct	Increased usage of administrative process for certain offenses	<p>Train Minneapolis Police Department on the administrative process</p> <p>Evaluate effectiveness of demonstration project</p>
Continue active collaboration with neighborhoods on community justice	Maintain a Community Attorney program	<p>Community attorneys assigned to all five precincts</p> <p>Increase by 5% each year the number of community contacts made by the community attorneys</p> <p>Increase by 2% each year the number of community impact statements prepared and filed</p>	<p>Staffing completed by 3rd Quarter, 2005</p> <p>Attend meetings; publicize program</p> <p>Provide training to community groups and individuals on community impact statements</p>
	Collaborate with neighborhood restorative justice programs	Increase by 2% each year the number of cases referred to the Central Cities Neighborhood Program (CCNP) and the Midtown Restorative Justice Program	<p>Review and refer appropriate cases to neighborhood restorative justice programs</p> <p>Review and adjust, as appropriate, case referral guidelines</p> <p>In collaboration with the community, design, and implement a restorative justice program for underage drinkers at the University of Minnesota</p>

Strategies	Objectives	Measures: Outcome and Driver	Tactics
CIVIL LEGAL SERVICES BUSINESS LINE			
Assist the City in minimizing its financial exposure to claims and lawsuits	Commence litigation to advance the City's adopted goals and policy objectives or recover public monies	Litigation begun as directed by the City Council	Elected officials advised on need for litigation and alternatives to litigation
	Defend claims and lawsuits that result from the City's risk generating activities to recover public monies	Number of adverse matters opened each year Increase by 5% each year the number of cases closed annually Number of adverse matters closed each year Complete analysis and deliver to City's elected officials	Meet court deadlines Train appropriate City personnel Review open litigation files monthly Review quarterly the status of closed litigation files Analyze annual liability costs
Provide high quality legal services to the City's elected officials, its departments, independent boards and commissions, and staff	Respond to requests for civil legal services in accordance with priorities in adopted Business Plan	Number of new non-litigation assignments opened during the year	Review monthly new non-litigation assignments
		Increase by 5% each year the number of non-litigation assignments closed during the year	Review quarterly the status of closed non-litigation assignments
		Percentage of City Council meetings staffed	Staff all City Council and committee meetings
		Advice provided and support given	Provide advice on ethical matters & support the Ethical Practices Board
		Assistance provided	Provide assistance to the Regulatory Services Department on the five-year plan to review and revise, as appropriate, the City's regulatory ordinances

FINANCIAL ANALYSIS

EXPENDITURE

The City Attorney's 2006 Adopted Budget is \$12 million, a 6% or \$697,000 increase over the 2005 Adopted Budget. A 0.5 grant funded position and 2 other positions were added to reinstate 2005 cuts.

REVENUE

The City Attorney's \$555,000 revenue budget reflects a \$30,000 decrease in state grant funding and a \$277,000 reduction in Internal Service Funding. Federal Grant Funding through Local Law Enforcement Block Grants (LLBEG) is also expected to decrease in 2006.

FUND ALLOCATION

The main funding sources for the City Attorney's Office are the General Fund (51%) and the Self-Insurance Fund (45%). The remaining 4% of funding is derived from the Federal Grants Fund and Other Grants Fund. The 2006 General Fund budget for the Attorney's office increases by 6%, the Self-Insurance Fund Budget increases by 7%, and the Special Revenue Fund budget increases by 3%.

MAYOR'S RECOMMENDED BUDGET

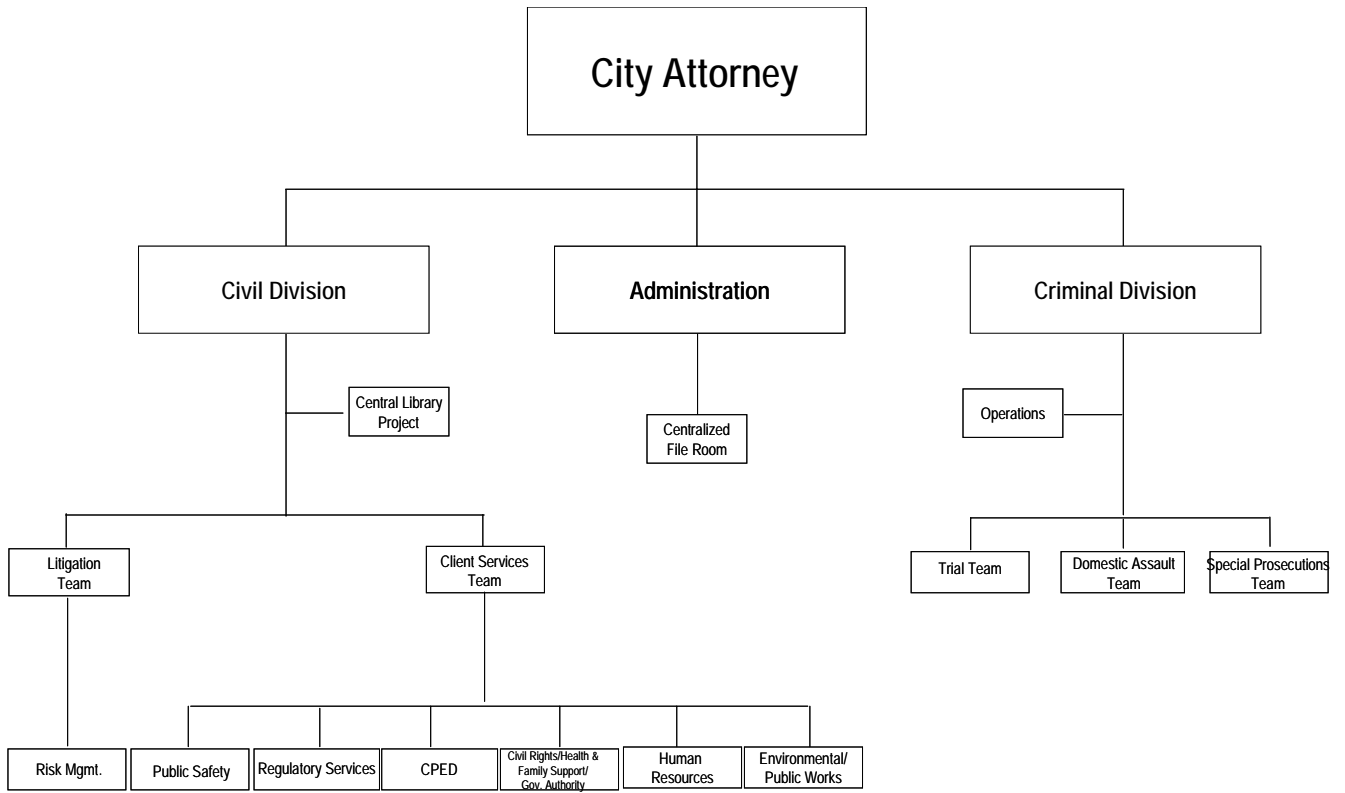
The Mayor recommended a reduction of \$150,000 to the City Attorney's budget, achieved through savings on the Department's lease. The Mayor added \$200,000 to fund three paralegal positions to support community prosecutors. Funding for the Domestic Abuse Project (\$75,000) was included on a one-time basis.

COUNCIL ADOPTED BUDGET

The Council eliminated the one-time funding of \$75,000 for the Domestic Abuse Project, moving it to Health and Family Support. The Council also increased the fee revenue estimate by \$20,000 in the City Attorney's Office and decreased it by \$20,000 in Regulatory Services. The remainder of the Mayor's recommendations were adopted.

ATTORNEY Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	%	Change
					Change	Change
FTE's by Division						
Criminal	60.96	57.63	58.50	62.00	5.98%	3.50
Civil	49.67	43.50	42.50	44.50	4.71%	2.00
	-					
Total FTE's	110.63	101.13	101.00	106.50	5.45%	5.50



5.24.05

**ATTORNEY
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	767,736	875,257	1,128,362	1,107,474	-1.9%	-20,888
Fringe Benefits	582,745	633,723	854,760	938,788	9.8%	84,028
Operating Costs	182,401	194,521	193,832	198,553	2.4%	4,721
Salaries and Wages	2,726,771	2,927,736	3,425,528	3,709,523	8.3%	283,995
Total for General Fund - City	4,259,653	4,631,236	5,602,482	5,954,338	6.3%	351,856
Internal Service Funds						
Contractual Services	490,493	536,429	731,034	794,361	8.7%	63,327
Fringe Benefits	682,236	619,974	856,372	907,946	6.0%	51,574
Operating Costs	158,802	154,478	142,315	145,928	2.5%	3,613
Salaries and Wages	2,937,295	2,938,412	3,256,643	3,467,458	6.5%	210,815
Total for Internal Service Funds	4,268,826	4,249,293	4,986,364	5,315,693	6.6%	329,329
Special Revenue Funds						
Contractual Services	6,000	42,000	0	0		0
Fringe Benefits	61,898	86,843	118,065	79,948	-32.3%	-38,117
Operating Costs	1,404	3,656	0	0		0
Salaries and Wages	264,279	386,508	337,458	391,252	15.9%	53,794
Total for Special Revenue Funds	333,581	519,007	455,523	471,200	3.4%	15,677
Total for ATTORNEY	8,862,060	9,399,536	11,044,369	11,741,231	6.3%	696,862

ATTORNEY
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	0	0	0	0	0.0%	0
Charges for Service	20,215	8,801	17,000	17,000	0.0%	0
Interest	0	29	0	0	0.0%	0
Other Misc Revenues	0	16,350	91,000	91,000	0.0%	0
Total for General Fund - City	20,215	25,180	108,000	108,000	0.0%	0
Internal Service Funds						
Charges for Service	285,799	68,902	297,278	20,000	-93.3%	-277,278
Other Misc Revenues	12,429	20,263	3,000	3,000	0.0%	0
Total for Internal Service Funds	298,228	89,164	300,278	23,000	-92.3%	-277,278
Special Revenue Funds						
Federal Government	-11,091	78,429	436,769	423,866	-3.0%	-12,903
State Government	0	0	30,000	0	-100.0%	-30,000
Total for Special Revenue Funds	-11,091	78,429	466,769	423,866	-9.2%	-42,903
Total for ATTORNEY	307,352	192,774	875,047	554,866	-36.6%	-320,181

CITY CLERK

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Our vision is to be a technologically advanced department, known for fast, accurate, professional and courteous service. The Department is a place where employees enjoy coming to work, are dedicated to their profession and reflect that attitude in their customer service. We are known as a valuable resource for all departments and to the public, as a problem solver and team player working on Citywide solutions.

VALUES –

We take pride in our work and have high professional standards. We:

- Have strong ethical standards, high integrity and honesty;
- Expect change and believe in continuous improvement;
- Support professional development;
- Work for the City as a whole, not just our own department;
- Treat customers with courtesy and respect;
- Are flexible problem solvers for our customers;
- Charge fairly for our products; and
- Invite feedback.

We treat others as we want to be treated. We:

- Deal respectfully and directly with others;
- Give honest feedback in all directions;
- Listen carefully; and
- Work cooperatively and recognize good works in each other.

MISSION –

Our mission is to provide high quality, cost-effective information for Council Members, City staff and the public, so that effective and responsible decisions can be made to govern the City. We strive to ensure that all procedures of the Council and Clerk's offices conform to Federal, State and City regulations and policies, so that information management, actions and documentation lead to sound and legally-based decisions. We conduct elections that facilitate the maximum participation of all eligible voters in the City of Minneapolis.

BUSINESS LINES –

To fulfill its mission, the City Clerk Department has the following four primary business lines:

- 1. Information Management** – Coordinate, maintain and provide access to City information

2. **Council Administration and Support** – Provide administrative support to City Council
3. **Printing and Mailing Services** – Provide copying and postal services
4. **Elections and Voter Registration** – Facilitate citizen participation in the electoral process

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

1. Enterprise Information Management (EIM): The evolution of new systems to support City business processes has changed the way information is created and managed. The information sources that support business processes and document business transactions have changed from simple paper records to more complex electronic data structures. EIM will resolve problems with information integrity and trustworthiness, access, security, storage, retention and destruction – all issues that affect the efficiency and cost of managing information. This will be accomplished through the authority of the EIM Policy Board, integration of EIM requirements in new system development in partnership with BIS and the inclusion of EIM requirements into Department business plans.
2. Copy Center/Mail Room: Since August, 2003, discussions had been occurring with Hennepin County concerning a possible merger of the City's Copy Center and Mail Room with County operations. In December of 2004, the County reported they did not want to perform any City mail functions. The final decision was to keep the City's Copy Center as it currently operates. As a potential cost savings and efficiency measure, the City Clerk wrote and issued a bid for United States Postal Service (USPS) first class outgoing mail service, which was won by ZipSort, Inc., beginning January 1, 2005. Other services such as interoffice mail delivery, downtown mail courier service, bulk mail, business reply mail and postage due will continue to be performed by the City Clerk.
3. Voting Equipment Warehouse: The City currently spends approximately \$46,000 each year on a lease to store voting equipment and supplies for conducting elections in the City of Minneapolis. In the past several years discussions have occurred with Public Works regarding storing the Voting Equipment Warehouse program in new facilities. No new facilities have been built to accommodate the Voting Equipment Warehouse and the issue needs to be reviewed within the next five years. The current lease is in place until 2007 with two, one-year options to extend.
4. New Election Requirements due to the 2002 Federal Help America Vote Act (HAVA) - The City Clerk Department Elections Office has been actively involved in interpreting the impact of this federal law that was passed in response to voting problems during the 2000 presidential elections in many states, but fortunately not Minnesota. In the 2005 legislative session a bill was passed to meet the requirements of the 2002 HAVA as it relates to voting equipment for voters with disabilities. Specifically, the legislation outlined the process for implementing Assistive Voting Technology (AVT) in all polling places by January 1, 2006. As part of that legislation local equipment plans must be written describing how each County will meet the requirements of the federal legislation. At this time, the full financial impact of this provision is not completely known, however, the City of Minneapolis will be responsible for programming costs and maintenance costs of the AVT after December 31, 2007.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

No target strategies were requested from this Department.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver	Tactics
Guide the City's management of electronic and paper records to comply with State and Federal regulations	Manage Enterprise Information Management (EIM) standards and practices for all City departments, consistent with other local, state and national jurisdictions	The responsibilities of the Records Management Division are expected to increase between 2005 and 2009 to accommodate increased demand for service from departments needing to comply with State and Federal regulations for managing electronic and paper records.	Percentage of Department specific records (paper and electronic) that are on the State approved City Retention Schedule	<p>Integrate EIM requirements into all Department activities, services and systems</p> <p>Provide uniform guidance and consistent practices for the management of all City records, including existing paper, electronic records and records created from evolving technologies, such as e-mail, web postings, GIS and electronic commerce</p> <p>Maintain and manage inactive records held in the City Records Center and the collection of historical records held in City Archives</p> <p>Oversee data practices mandates that govern public access and privacy protection</p> <p>Provide retention guidance to departments in scheduling electronic and paper records</p>
Increase citizen access to information	Provide on-line public access to Council information		% of official proceedings created, proofed and published on the Web within 5 working days	<p>Provide individual technology support to staff, including web services, and manage the Department's technology systems</p> <p>Implement practices to meet the objectives of Limited English Proficiency (LEP) Plan</p> <p>Transition the answering of specified calls to 311</p> <p>Partner with 311 developers to identify customers who would best be served by 311 call center</p>

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver	Tactics
	Make official public records available to public off-line	Provide information to City staff and the public on council actions	% response to current and historical inquiries processed within 3 working days	<p>Provide certified copies of Council actions</p> <p>Publish Council Actions in Finance and Commerce</p> <p>Provide information on past and current Council actions and Council activities and ordinances</p> <p>Respond to requests for information from City staff and public</p> <p>Provide verbatim transcription services for administrative law judges</p>
Improve efficiency and effectiveness of business processes	Coordinate Council committee activities	Provide administrative services to City Council to support City legislative process to ensure effective, efficient and legal decision making	% of time Department meets the required distribution deadline	<p>Provide administrative support to Council standing and special committees</p> <p>Maintain schedule of Council meetings</p> <p>Collect information from departments for committee action</p> <p>Prepare and distribute electronic agendas and packets</p> <p>Record and transcribe minutes of committee meetings</p> <p>Write referrals and committee reports</p> <p>Update Department procedures relating to Council processes</p> <p>Train City staff on Council processes</p>
	Provide administrative services to the City Clerk and Council offices, City boards and commissions.		Number of times when services did not meet expectations	<p>Manage budgets for the Council and Clerk</p> <p>Coordinate human resources activities</p> <p>Manage facilities</p> <p>Serve as liaison between the Council and BIS to provide technology services to Council Members and staff</p> <p>Develop policies and procedures</p>

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver	Tactics
				<p>Coordinate activities related to City boards and commissions, including posting vacancies and processing applications</p> <p>Administer Oaths of Office and provide notary services</p>
	Improve printing and mailing services	<p>A feasibility study of printing and copying services has been in progress since 2004</p> <p>Mail service has been outsourced as of January 2005 to increase efficiency</p>	% reduction in mailing costs	<p>Monitor service contract to ensure efficiency is being maintained</p> <p>Complete feasibility study regarding merging functions with Hennepin County</p>
Meeting the needs of residents	Respond to legislative changes and create efficiencies in election administration	Legislative changes occur continuously and the Elections office must respond to federal state and local mandates	<p>Number of times assistive voting equipment is used during the election.</p> <p>Percent resident satisfaction with voting experience.</p>	<p>In 2006, integrate voting equipment designed to allow voters with disabilities, especially those with visual disabilities, to vote privately and unassisted</p> <p>Respond to legislative changes as appropriate</p>
Revenue generation	Provide passport and passport photo services		Maintain or increase revenue	Continue to provide service to citizens as a Passport Acceptance Agency for the federal government and take passport photos
Create an atmosphere that honors the unity, commitment, diversity and professionalism of our workforce and the public we serve	Improve employee satisfaction with their job		Increase positive responses in next employee survey	Develop and employ and action plan that addresses the issues from the employee survey through efforts within Department, the Citywide survey response team and elected officials.
	Insure a competent professional workforce		Number of employees participating in employee training	<p>Develop professional growth plans for all employees</p> <p>Insure employees are aware of policies and procedures to meet loss prevention initiatives</p>

FINANCIAL ANALYSIS

EXPENDITURE

The 2006 Office of City Clerk and Elections & Registrations' budget of \$4 million is in line with the five-year financial direction. This budget reflects an increase of 17% over the 2005 Adopted Budget. This increase is a result of Council Members' vote in 2005 to transfer the thirteen Council associates (\$716,000) from the City Council Department to the City Clerk Department.

In 2005, postage service previously done by Central Mailing was also outsourced, causing the City Clerk's expenditure and revenue budget in this area to decline by 28%. It remains, however, in line with the Intergovernmental Services workout plan. The current service level was increased by \$30,000 to fund interoffice mail delivery.

REVENUE

Revenue for the Office of City Clerk and Elections & Registration is expected to decrease by 26% overall. The decline is attributed to the Department no longer servicing residential and commercial block events (transferring revenue from Street and Alley Vacations to Public Works) and declining sales of documentation copies due to availability of internet access. Passport services revenue, however, is expected to increase.

FUND ALLOCATION

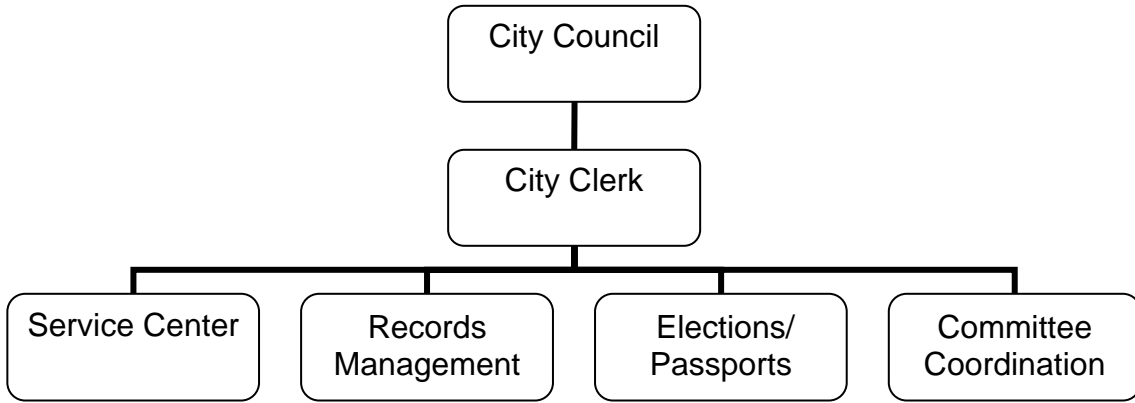
The City Clerk Operations Division's \$3 million expense budget is funded by the General Fund and Internal Service Fund while the Election & Registration Division's expense budget of \$995,000 is completely funded by the General Fund.

MAYOR'S RECOMMENDED AND COUNCIL ADOPTED BUDGET

The Mayor recommended and the Council adopted no changes to the City Clerk/Elections 2006 budget.

CITY CLERK Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Operations	18.00	14.00	15.00	28.00	86.67%	13.00
Central Mailing	0.80	0.80	0.80	0.35	-56.25%	(0.45)
Central Copy Center	4.70	4.70	4.70	5.15	9.57%	0.45
Elections & Registration	24.00	26.70	6.00	6.00	0.00%	-
Total FTE's	47.50	46.20	26.50	39.50	49.06%	13.00



**CITY CLERK
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	199,724	154,167	283,308	294,170	3.8%	10,862
Equipment	7,676	0	10,070	10,271	2.0%	201
Fringe Benefits	194,103	192,603	206,230	414,257	100.9%	208,027
Operating Costs	34,353	20,467	22,403	23,059	2.9%	656
Salaries and Wages	825,960	766,945	783,436	1,415,840	80.7%	632,404
Total for General Fund - City	1,261,816	1,134,182	1,305,447	2,157,597	65.3%	852,150
Internal Service Funds						
Contractual Services	519,945	589,530	552,469	232,986	-57.8%	-319,483
Equipment	81,791	168,240	125,330	127,837	2.0%	2,507
Fringe Benefits	44,793	39,553	66,530	78,989	18.7%	12,459
Operating Costs	146,801	169,523	163,261	164,473	0.7%	1,212
Salaries and Wages	153,708	130,513	203,729	195,228	-4.2%	-8,501
Total for Internal Service Funds	947,037	1,097,359	1,111,319	799,513	-28.1%	-311,806
Total for CITY CLERK	2,208,853	2,231,541	2,416,766	2,957,110	22.4%	540,344

CITY CLERK - ELECTIONS
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	115,218	175,438	562,212	576,288	2.5%	14,076
Equipment	4,805	60	5,239	5,344	2.0%	105
Fringe Benefits	66,468	74,458	72,210	80,341	11.3%	8,131
Operating Costs	29,653	22,362	27,727	28,554	3.0%	827
Salaries and Wages	311,512	683,830	296,320	304,526	2.8%	8,206
Total for General Fund - City	527,656	956,149	963,708	995,053	3.3%	31,345
Total for CITY CLERK - ELECTION	527,656	956,149	963,708	995,053	3.3%	31,345

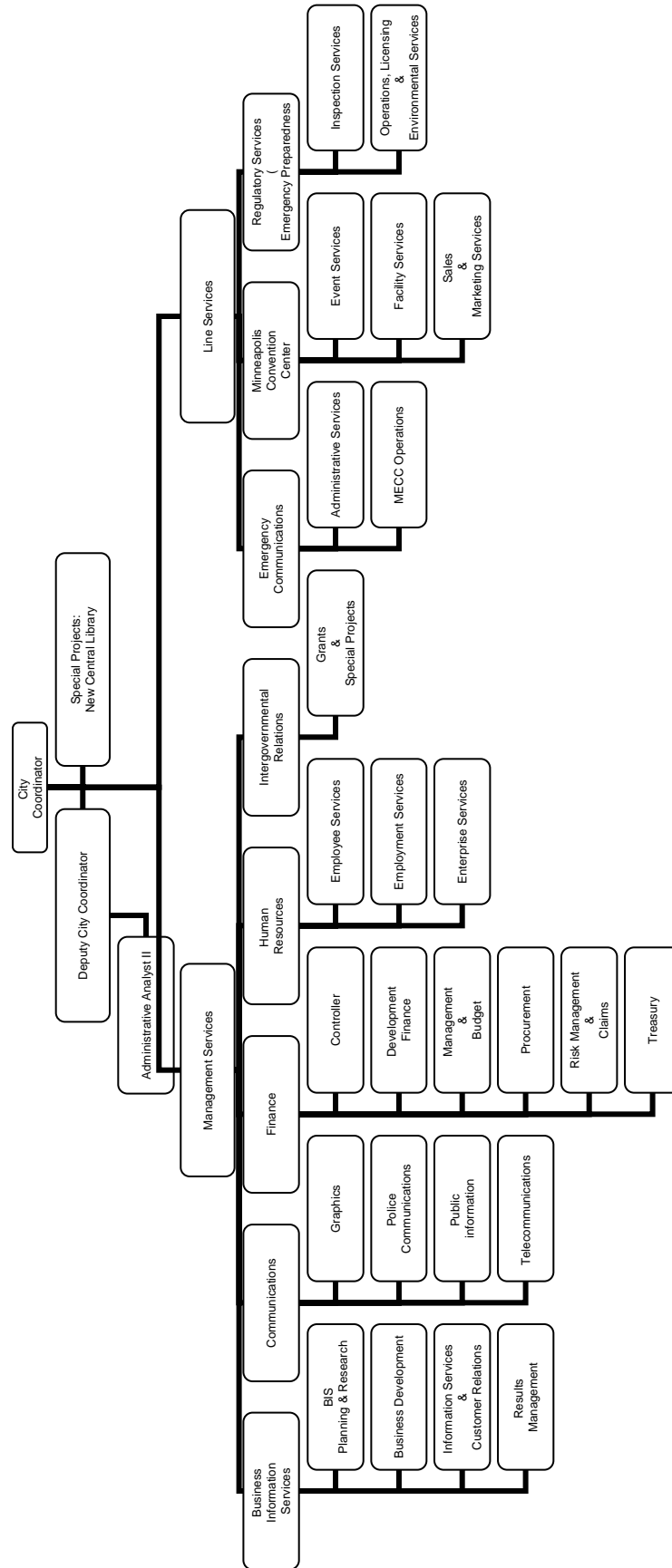
**CITY CLERK
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	239	312	1,000	300	-70.0%	-700
Charges for Service	3,300	10,200	8,000	0	-100.0%	-8,000
Licenses and Permits	5,377	6,099	5,000	500	-90.0%	-4,500
Other Misc Revenues	539	722	1,000	750	-25.0%	-250
Total for General Fund - City	9,455	17,334	15,000	1,550	-89.7%	-13,450
Internal Service Funds						
Charges for Service	1,113,831	1,286,184	1,111,319	798,567	-28.1%	-312,752
Gains	-2,514	-2,559	0	0	0.0%	0
Total for Internal Service Funds	1,111,317	1,283,625	1,111,319	798,567	-28.1%	-312,752
Special Revenue Funds						
Contributions	-4	0	0	0	0.0%	0
Total for Special Revenue Funds	-4	0	0	0		0
Total for CITY CLERK	1,120,768	1,300,959	1,126,319	800,117	-29.0%	-326,202

CITY CLERK - ELECTIONS
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	34	993	1,000	500	-50.0%	-500
Charges for Service	67,706	76,893	75,554	90,554	19.9%	15,000
Rents	0	0	8,000	0	-100.0%	-8,000
<i>Total for General Fund - City</i>	67,739	77,886	84,554	91,054	7.7%	6,500
Total for CITY CLERK - ELECTIONS	67,739	77,886	84,554	91,054	7.7%	6,500

City Coordinator 2006 Organizational Chart



**CITY COORDINATOR
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Fringe Benefits	7,266	0	0	0		0
Operating Costs	1,006,363	1,019,744	0	0		0
Total for Capital Projects	1,013,629	1,019,744	0	0		0
Enterprise Funds						
Capital Outlay	0	0	0	0		0
Contractual Services	1,387,250	2,032,333	352,485	0	-100.0%	-352,485
Equipment	0	0	100,921	0	-100.0%	-100,921
Fringe Benefits	1,081,429	1,091,569	543,009	0	-100.0%	-543,009
Operating Costs	2,245,510	2,499,746	124,377	0	-100.0%	-124,377
Salaries and Wages	3,822,191	3,932,095	1,876,040	0	-100.0%	-1,876,040
Total for Enterprise Funds	8,536,379	9,555,743	2,996,832	0	-100.0%	-2,996,832
General Fund - City						
Capital Outlay	26,666	38,643	151,353	604,380	299.3%	453,027
Contractual Services	4,671,551	5,100,138	11,638,291	14,331,271	23.1%	2,692,980
Equipment	477,438	797,233	436,098	344,325	-21.0%	-91,773
Fringe Benefits	5,161,485	7,098,641	8,979,565	10,192,179	13.5%	1,212,614
Operating Costs	-2,991,350	1,129,297	1,831,996	2,322,520	26.8%	490,524
Salaries and Wages	21,388,009	27,594,364	31,914,266	33,722,299	5.7%	1,808,033
Total for General Fund - City	28,733,800	41,758,317	54,951,569	61,516,974	11.9%	6,565,405
Internal Service Funds						
Contractual Services	12,398,121	13,809,837	13,658,948	14,217,141	4.1%	558,193
Equipment	506,798	977,312	9,011	5,344	-40.7%	-3,667
Equipment Labor	88,339	106,818	0	0		0
Fringe Benefits	1,303,234	1,107,957	1,760,802	1,944,897	10.5%	184,095
Operating Costs	2,075,573	3,254,737	519,271	1,037,953	99.9%	518,682
Salaries and Wages	5,157,336	4,773,909	6,635,152	6,858,568	3.4%	223,416
Total for Internal Service Funds	21,529,400	24,030,570	22,583,184	24,063,903	6.6%	1,480,719
Investment Management Funds						
Operating Costs	285,745	24,780	0	0		0
Total for Investment Management Funds	285,745	24,780	0	0		0
Special Revenue Funds						
Capital Outlay	-1,946	68,585	52,330	54,900	4.9%	2,570
Contractual Services	18,261,815	17,526,529	18,747,516	24,495,579	30.7%	5,748,063
Equipment	708,912	1,029,243	3,921,998	4,667,000	19.0%	745,002
Equipment Labor	2,844	1,879	3,000	3,000	0.0%	0
Fringe Benefits	2,397,946	2,628,837	3,178,605	3,293,469	3.6%	114,864
Operating Costs	1,202,039	1,333,469	1,182,537	1,248,909	5.6%	66,372
Salaries and Wages	8,604,479	8,774,381	9,810,728	10,063,586	2.6%	252,858
Total for Special Revenue Funds	31,176,089	31,362,921	36,896,714	43,826,443	18.8%	6,929,729
Total for CITY COORDINATOR	91,275,042	107,752,075	117,428,299	129,407,320	10.2%	11,979,021

CITY COORDINATOR STAFFING SUMMARY

CITY COORDINATOR Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	%	Change
					Change	
FTE's by Division						
Coordinator Administration	4.00	3.00	3.00	3.00	0.00%	-
Communications	15.80	15.80	16.80	16.00	-4.76%	(0.80)
Convention Center	213.60	212.60	211.18	211.18	0.00%	-
911/311	90.50	90.50	86.50	117.50	35.84%	31.00
Finance	200.00	205.00	204.00	202.00	-0.98%	(2.00)
Human Resources	57.00	55.00	53.00	55.00	3.77%	2.00
Business Information Services	100.10	78.10	80.85	81.60	0.93%	0.75
Intergovernmental Relations	10.00	10.00	10.00	11.00	10.00%	1.00
Regulatory Services	278.59	259.75	263.75	213.75	-18.96%	(50.00)
Total FTE's	969.59	929.75	929.08	911.03	-1.94%	(18.05)

CITY COORDINATOR

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Our vision is for a well run municipal corporation that provides maximum value for the dollars invested by those who live, work and play in our City.

VALUES –

In seeking to build capacity to deliver high value services (effective and efficient) we value the following:

Excellence - in support of decision making with accurate and timely information and anticipation of the need for relevant information

Collaboration - within the City organization and external organizations (public and private)

Respect - for customers, colleagues, and co-workers (both internal and external to the City) in a diverse organization

Development - of managerial and policy maker capacity for cost-effective action.

MISSION –

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 line services (911/311, regulatory, Convention Center services) of the City.

BUSINESS LINES –

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 Services: The City Coordinator oversees the City's management departments including Business Information Services, Communications, Finance, Human Resources, and Intergovernmental Relations to ensure the efficiency and effectiveness of its internal services.

Line Services: The City Coordinator oversees line service departments, including Emergency Communications, Regulatory Services and Emergency Preparedness, and the Minneapolis Convention Center to ensure cost-effective, high-quality service and public accountability.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

External Factors

1. Population and Income

Recent estimates reveal that between 2000 and 2003, population has changed slightly in the City. In 2003 the City shows approximately 323 fewer people than in 2000. The metro area added almost 33,000 people per year between 2000 and 2003.

In 2003, median household income and median family income were lower in Minneapolis than either the United States or the four metropolitan counties. However, income per capita was higher in Minneapolis in comparison with the United States, while the metropolitan counties' income per capita was even higher. The different income measures show how wealthy the four counties in the metropolitan area are compared to Minneapolis alone or the country as a whole.

Between 2002 and 2003, all measures of income in constant dollars grew in Minneapolis: median household income increased by about 16 percent, median family income increased by 2 percent and per capita income increased by 11 percent.

Unemployment decreased in both the metropolitan area and the City, while remaining higher in the City.

Through the second quarter of 2004, the three business sectors with the highest rates of growth in Minneapolis were real estate, accommodation and food services, and management companies and enterprises.

For all industries, Minneapolis based employees commanded the highest average weekly salary when compared with the metropolitan area and the state. From 2000 to 2004, salaries kept up with inflation.

2. Federal Budget Deficit

The federal budget deficit was \$412 billion in 2004, equivalent to 3.6 percent of gross domestic product. This deficit is unsustainable and will cause a significant reduction in federal domestic assistance programs (like the Community Development Block Grant). This decline will result in a significant reduction in current financial resources available to the City.

3. Growth Trends

Housing - In 2000, vacancy rates were at their lowest level, but began climbing in subsequent years. In the Twin Cities metropolitan area, the 2003 annual vacancy rates in the rental market reached their highest point in 18 years (8%). In 2003 Minneapolis had 170,788 housing units. Almost 44.2 percent were single-family housing and nearly 35 percent were multi-family housing. Vacancy rates in the homeowner market were highest in 1996, at nearly 2 percent.

Multi-Family Housing - In the Twin Cities, the vacancy rate dropped from 7.7 percent to 7.4 percent in 2004 and trends suggest that they will continue to drop in 2005, to below 7 percent. The Twin Cities housing market has undergone a multi-year boom in the development of new houses and condominiums. This is the main reason why rental units have experienced the most significant vacancy levels in recent years. Aggressive concessions were offered to retain and attract tenants.

Office Market - The Minneapolis Central Business District was largely a market on hold during 2004, ending with a high vacancy of 21.2 percent and 326,000 sq. ft. of negative absorption.

Commercial Corridors -The City of Minneapolis dedicates a considerable amount of resources to its Commercial Corridors. Commercial Corridors are streets that are available for development, including more intensive commercial and high traffic activities. The corridors support all types of commercial uses, with some light industrial and high density residential uses as well. In 2006 we will be focusing on redevelopment of West Broadway, Hiawatha LRT, Downtown Riverfront, and South East Minneapolis Industrial (SEMI) University Research Project. Specific details about these projects can be found in the Community Planning and Economic Development (CPED) Business Plan.

Internal Factors

1. The Workforce

The City of Minneapolis has an aging workforce. While annual retirement rates are expected to hover between 1 percent and 2 percent for the next 6 years, retirements are likely to accelerate again after 2011. Factors affecting the rate of retirements include the state of the economy, the cost of health care, and salary policy like the 2 percent wage cap. In addition to the increased difficulty of planning around uncertain retirement rates, an older workforce generally results in more sick time and medical leave related expenses. An older workforce also requires more active succession planning and leadership development for younger cohorts.

2. Rising Health Care Costs

Recent health care changes, designed collaboratively with the City's unions, have saved money. However, we have not yet found ways to address significant health care premium increases and claims in the longer term. Even with higher employee co-payments and a switch to plans with deductibles, health care costs are likely to continue increasing by almost 20 percent per year.

3. Fiscal Constraints

Growing pension obligations, decreased financial assistance from the State, and the shift of property tax burden from commercial industrial to residential constrict the General Fund, our primary source of revenues for public safety services and transportation infrastructure maintenance. While bonding supplies significant capital for many transportation-related needs, public safety needs remain under-funded. Additionally, bond-related debt per resident has almost doubled during the last 3 years, tying up a greater proportion of future resources in interest and principle repayment.

4. Non-General Fund Performance

By the end of 2004, internal service and enterprise funds appeared to perform better than expected. Top line projections were not revised for 2005 or 2006 but should be for 2007. Business plans should highlight planned reductions for fund expenses in 2006 and beyond.

5. Performance Management

Five-year financial direction and related business planning are helping all departments improve their fiscal discipline. Most notably, 2004 was the first fiscal year in memory during which no departments overspent their budgets. Moreover, 2004 was the second year during which the City had re-allocable dollars at the close of the fiscal year. This merits reevaluating our baseline budgets and restating our five-year financial projections. This also provides impetus to invest more heavily in better business planning – specifically we need to more systematically capture and use performance information in decision-making.

6. Service Delivery Innovations

The impact of fiscal constraints means that the City's 382,000 residents and the additional 200,000 who study, work and play in Minneapolis every day may experience decreased service levels. We continue looking for creative ways of doing business that save money without diminishing service quality. Implementation of a One Call center for Citizen Service is one attempt to more speedily provide information and set service delivery expectations. Additionally, we expect that efforts like One Call will provide information that helps us better target streamlining and reengineering efforts.

7. Strategic Central Management Services

Tighter General Fund monies compel closer examination of how central management services are delivered. Scarce resources need to be invested in the highest value-added services, and we need to identify means of minimizing our investment in the transaction aspects of support service delivery through outsourcing, automation, and streamlining.

8. Quality Policy Analysis and Advice

Tough financial times compel provision of top quality advice to policy makers. Top quality advice, by definition, must help policy makers navigate political and administrative challenges. City policy makers currently have an experienced cadre of department heads and other senior staff on which to rely for policy advice. Retirements and upcoming election results will influence the current cadre. Additionally, higher quality central management service delivery should entail more timely, relevant historical analysis and sharper insights about implementation results of proposed policy choices.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

According to the five-year financial direction, the City Coordinator's Office is not scheduled for a budget reduction in 2006.

2006 DEPARTMENTAL KEY INITIATIVES AND OUTCOME MEASURES

Key Initiative	Business Line	Outcome Measure	Timeframe
Help orient new Council Members	Policy Development	Post-orientation "effectiveness" survey/questionnaire	Through December 2005
Improve effectiveness of budget narratives, and the summary, in particular	Management Services	Increase in the number of budget users who understand related policy directions	2006 – 2010
Improve Council receptivity to advice provided by City Coordinator's Office by improving the quality and consistency of presenting information	Policy Development	Increased participation Compliance with enterprise practices Number of timely collaborations	2006 – 2010
Improve ability of City Departmental Leadership to make effective interdepartmental decisions	Management Services	Decisions preceded by valuable discussion, supported by good analysis Increase in enterprise projects that deliver expected goals/ROI	2006 – 2010
Increase ability to offer solid financial management analysis to City departments	Management Services	Reduction in last minute spending sprees Reduction in surprise variances Increase in number of departments and component business units meeting planned targets Decrease in time needed to restate financial direction, based on thoughtful analysis Decrease in overall % of time finance staff spends on processing transactions	2005 – 2007
Comply with Electronic Information Management policy	Management Services (Enterprise Project)	Projected compliance date met	2005 – 2006
Complete Department LEP Plan to comply with federal policy	Management Services (Enterprise Project)	Complete departmental LEP plan to provide interpretation and translation services as stated in the Citywide LEP Plan. NOTE: City Coordinator Departmental plan will include IGR/GSP and Communications departments	2005 - 2006
Comply with Minneapolis One Call Project	Line Services (Enterprise Project)	Increase knowledge base of 311 system. Create efficiencies within departments	2005 – 2006

Key Initiative	Business Line	Outcome Measure	Timeframe
Comply with Loss Prevention Policy	Management Services (Enterprise Project)	Increase security of City assets Decrease in claims against City	2005 – 2006
Determine and effectively communicate City-wide education policies	Management Services	Increase in employee feedback that the City of Minneapolis is a great place to work and offers opportunity	2005 – 2006
Improve management of capital funds	Management Services	Decrease time to close out inactive capital projects and reallocate surpluses Increase in number of projects hitting planned completion times/budgets without compromising quality	2005 – 2007
Streamline the employee on-boarding process so that new employees have all the IT tools and HR information they need within a week of starting	Management Services	Increase in % of new employees who have what they need within a week of starting	
Improve Citywide project management capacity	Policy Development Management Services	Increase in projects that deliver expected ROI Fewer surprise change orders	2005 - 2007
Improve the value of Human Resources to customer business units	Management Services	Increase in morale Employee feedback that City is a great place to work	2005 – 2007
Define and implement a path toward effective performance management for the City of Minneapolis	Management Services	Fewer surprises Increased comfort of leadership in working with performance data Speedier decision-making	2005 – 2008
Improve the quality of the Convention Center's work environment for all employees	Line Services	Decrease in # of grievance, complaints, and appeals Lower turnover Higher morale	2005 – 2008
Improve the value received for expenditures on common goods and services (strategic sourcing)	Management Services	Increased savings on commodities and services No diminution of quality Higher % of overall staff time on more strategic activity	2006 – 2007
Reduce time reporting and payroll management resources without compromising quality	Management Services	Reduction in cost of time reporting and payroll processing	2006 – 2007

Key Initiative	Business Line	Outcome Measure	Timeframe
Ensure that rates and fees cover costs to provide all services	Line Services	Increase fees and rates to cover costs of providing services	2006 – 2008
Mitigate the loss of federal and state funding by increasing private grant revenues without having to earmark scarce operating funds that otherwise would not be affected	Line Services	Increase annual grant revenues Increase in total grant revenues	2006 - 2008

FINANCIAL ANALYSIS –

EXPENDITURE

The 2006 Budget for the City Coordinator Administration Department is \$546,000 a 21% decrease from the 2005 budget.

REVENUE

This Department does not generate revenue.

FUND ALLOCATION

One hundred percent of the City Coordinator's budget is funded by the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended moving the Results Management responsibilities, currently carried out in the BIS Department, to the Coordinator Administration's office to be absorbed within the Coordinator's existing staff. The Mayor's Recommended Budget included no other changes for Coordinator Administration.

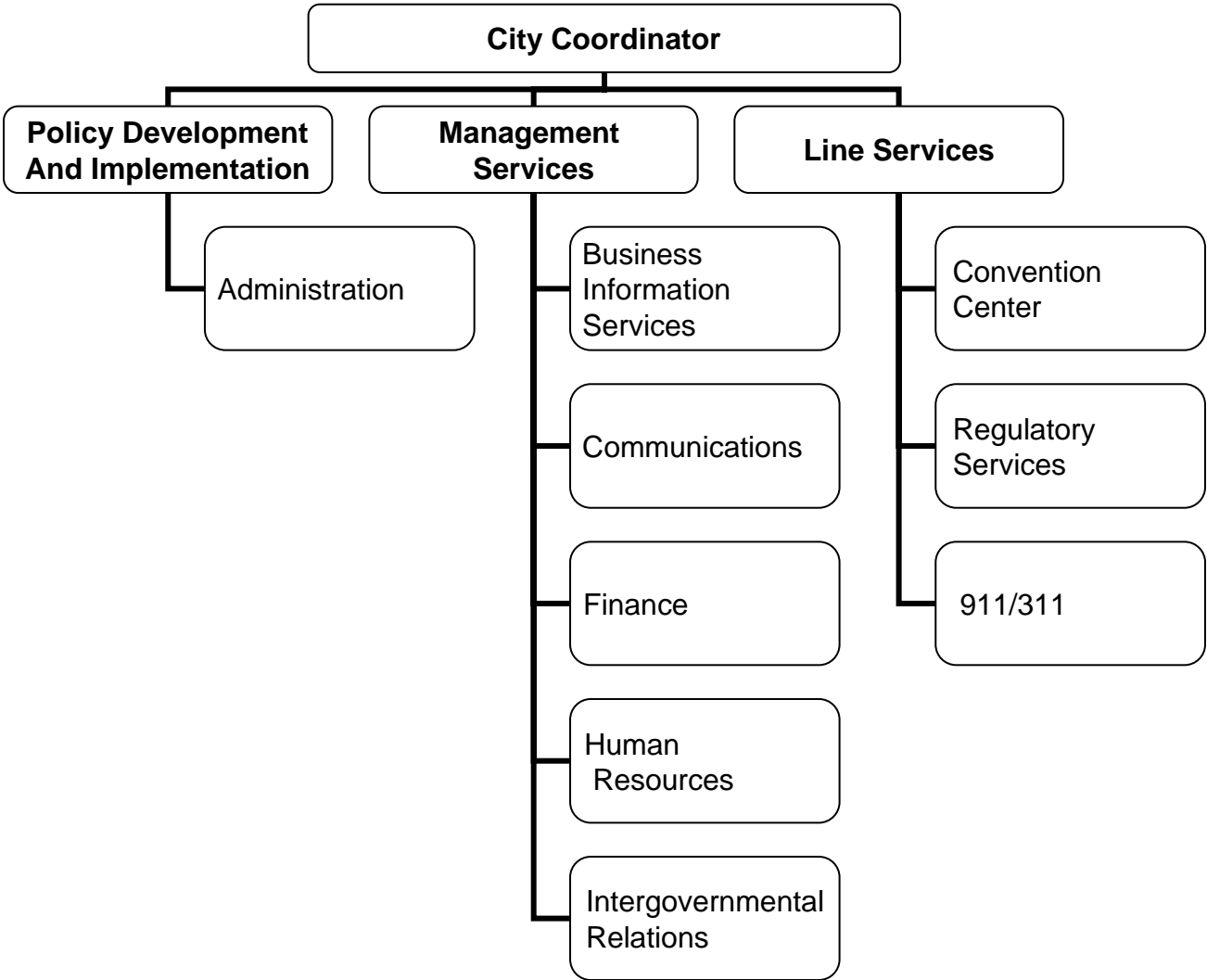
COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation.

CITY COORDINATOR ADMINISTRATION Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	4.00	3.00	3.00	3.00	0.00%	-

City Coordinator Administration 2006 Organization Chart



**CITY COORDINATOR
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	33,221	67,203	280,735	128,937	-54.1%	-151,798
Equipment	100	24	1,467	1,496	2.0%	29
Fringe Benefits	58,390	46,285	68,583	71,072	3.6%	2,489
Operating Costs	31,660	33,818	38,167	39,363	3.1%	1,196
Salaries and Wages	263,798	214,087	304,443	304,928	0.2%	485
Total for General Fund - City	387,169	361,418	693,395	545,796	-21.3%	-147,599
Total for CITY COORDINATOR	387,169	361,418	693,395	545,796	-21.3%	-147,599

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

9-1-1: The Minneapolis 9-1-1 Division is a motivated team of valued, competent and highly trained employees who treat the public and each other with respect and professionalism. The 9-1-1 culture includes a work ethic that values excellence and strives for continuous improvement and personal development. The center enjoys both public respect and admiration, and also exudes appropriate professional self-pride as a public safety communications leader and innovator. The 9-1-1 workplace is a comfortable environment with amenities that attract and retain highly motivated and skilled communications experts. Although the work is challenging, personnel are not overburdened or overstressed in the workplace, since the staffing numbers are optimal and the communications tools and procedures are reliable and effective.

3-1-1: With One Call, Minneapolis citizens get around-the-clock, customer-friendly access to City services and information. The City provides a timely response, efficient service delivery and continuous improvement of services based on an improved ability to measure and track performance.

VALUES –

Caring: • Honesty / Respect • Teamwork / Partnership • Empowerment / Involvement • Loyalty / Dedication • Golden / Platinum Rule • Trust • Patience • Compassion • Sense of Humor

Capability: • Competence • Professionalism • Innovation / Creativity • Mentoring / Nurturing

Caring x Capability = Performance Excellence

MISSION –

The Minneapolis Emergency Communications (911) Center's mission is to operate in a professional manner, a complete public safety answering point and dispatching service for police, fire and emergency medical service to support the needs of residents, visitors and businesses in the City of Minneapolis.

The Minneapolis 311 Center will serve as the single point of contact to the City of Minneapolis for all non-emergency requests for information and services.

The Minneapolis 311 Center will:

- simplify citizen access to City services and information

- enable City employees to deliver services more effectively
- track requests for service delivery from inception to completion
- enhance management reporting capabilities
- provide access to City services by voice, e-mail and the web
- create an integrated information architecture and knowledge base

Overall, Minneapolis 311 will help reduce redundancy throughout the organization, lower the cost of doing business by significantly decreasing or eliminating manual processes and provide the superior service expected by the public.

BUSINESS LINES –

1. Emergency Public Safety Communications Services (911)
2. Non-emergency City government information provision and service request initiation (311)

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

311 trends and challenges include:

Implementing an effective 311 Call Center on January 3, 2006 was a challenge for 2005, but will continue to be a primary focus of the Department in 2006. Although the build-out and initial staffing, training, and technological initiatives will be complete, work on all of these will continue in 2006. Early 2006 will be a stage in 311's history that may include an unprecedented volume of phone calls from the public to "test" 311. Similarly, there should be an elevated level of interest from internal departments to optimally leverage 311 to their own advantage.

The public will want (expect) to gain all-hours access to City information and services through the 311 Center and do so in a timely manner. The 311 Center will be challenged to provide answers via the use of a knowledge base and to initiate service requests for as many questions and requests as possible. City departments wishing to maximize their investment in 311 and the Customer Relationship Management (CRM) software will continue to need to consult with the 311 Center support team staff to more fully develop the knowledge base to answer questions about their respective departments with completeness and accuracy. The 311 Center agents' ability to answer (and avoid the transfer of excessive calls to the department) will be directly proportionate to the quality of the knowledge base that is jointly developed for that department. Similarly, the service requests for each department will be most effective if continuous improvement in 2006 follows the initial development and entry into the CRM software that will occur in 2005.

Work priorities for improving the knowledge base and the CRM software entry will be informed by data that is collected in 2006. If the data shows that knowledge base queries fail to answer citizen questions on crucial and/or numerous questions, work will be needed to shore up those portions of the knowledge base. In a similar fashion, if attempts to enter service requests in the CRM work order system result in incomplete information and result in re-work, high-volume and/or high-pain services will be re-configured in priority order.

Improvements in self-service options for citizens and City employees will follow shortly after the primary service activity of call-handling is deemed to be in excellent shape. Self-service options will include interactive voice response (IVR) and web access for citizen (and employee) initiation of service requests and for gaining access to answers to their questions through the public version of the knowledge base.

Once introduced, 311 may produce enough success to create its own trend -- independent Minneapolis agencies, suburbs, and perhaps the County may want to opt in. If that occurs, expanding the capacity beyond that supplied by self-service initiatives may be in order.

911 trends and challenges follow:

Technological change is accelerating; resident contact and responder/dispatch staff are also increasingly reliant on technology. The challenge will be to fund changes through increases in General Fund and Capital Funds. The need to train people to implement the changes that are and will continue to be occurring is also a salient challenge given current staffing. 911 will need to stay interoperable and/or standard with City and other agency's tools. This issue is felt mostly in the Computer Aided Dispatch (CAD) and radio environments. There will be a continued effort to keep up with 911 industry changes and to help the industry stay abreast of user methods. CAD, E-911 phones and the audio recording system will all be replaced in 2005/2006.

Funding is becoming increasingly tight. Traditional sources of funding may be constricted. Federal grants, relatively available in the 1990's and this decade thus far (e.g. the \$4.2M for CAD and the \$1M for E-phone system), could be severely restricted if fiscal restraint is mandated. The challenge will be to fund technology improvements and the people (training and entry requirements) who will cope with technology and training. Maintaining a 7 day X 24 hour staff is also expensive, especially due to the fact that 911 has a prescribed minimum staffing level at any given time. 911 will need to budget for an expected three-year lifecycle for desktop hardware and software and a five-year lifecycle for server hardware. Support costs for CAD and telephone maintenance will need to be budgeted by 911 and/or BIS. Typical maintenance contract costs run 18-20 percent of software license costs annually.

Internal business process changes are common (and seem to be increasing with new management and new technology in 911 customer departments). The advent of the new regional 800 MHz radio system brought with it quite a number of Fire Department on-scene and dispatch changes in radio procedures. Similarly, changes in geographic responsibilities in the Police Department caused changes in the CAD software and the procedures used by Dispatchers. Changes in the field processes continue to challenge 911's ability to keep the technology consistent and accurate for those procedures and to keep personnel trained and practiced in those changes. 911 challenges will be to train staff to keep up without breaking the overtime bank. 911 needs to maintain a successful working relationship with the Police and Fire Departments so that their operational changes are planned in concert with the technological and training changes needed in 911.

Homeland Security challenges (including physical security and backup issues) include ensuring 911 is secure physically and from cyber-attack. Cyber security is currently a distant concern for the CAD, phone and radio systems because they are all "closed" systems that do not connect to the Internet. However, this will change with the advent of Voice over Internet Protocol (VoIP). The next generation of both CAD and phone systems will almost certainly use Internet Protocol.

Additional challenges regarding hacking, viruses and other forms of cyber-attack will heighten. 911 needs to ensure that back-up procedures and the physical plant are ready.

Changing demographics are a reality, both for staffing 911 and for the customers 911 serves. The population is becoming increasingly tilted toward the over-65 population and is also becoming more diverse in increasing numbers of non-English speaking citizens. The elderly are sometimes reluctant to call 911 for medical concerns because they are not sure they have an "emergency". Non-English speaking residents are sometimes reluctant to call the "authorities" represented by 911 or have trouble communicating their concerns to emergency personnel. There will be an increased challenge to provide service to non-English speakers for telephone services through continued use of Language Line, Inc. translators.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

911: The five-year financial direction called for a restoration of 2.5 positions, bringing the total to 89, just 2 positions short of the optimal (2004) level for 911. However, because the 311 Center will begin to take non-emergency calls that heretofore went to MECC (Minneapolis Emergency Communications Department), 911 Operator positions will be transferred to the 311 Center at the rate proportionate to the number of calls moving to 311. Ideally, that rate is one position for every 20,000 annual calls reduced in 911. An early estimate, which prompted the 5.5 position fund transfer from 911 to 311, is that there could be a 20 percent reduction in calls to the 911 Center.

311: The Council has approved a "grow from within" strategy for the 311 Center. Thus, we are planning a budget neutral or better (a savings) impact by funding the 311 budget with transfers from other departments who will "profit" by having the 311 Center provide services for it. The 311 center will be staffed 5 days a week for 16 hours (probably 7 AM to 11 PM). This option would require 34 total positions and a budget of \$2.57 million. The 5.5 positions (worth of dollars) transfer from the 911 division to the 311 division is an example of this internal funding arrangement shared by all departments.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Improve Effectiveness and Efficiencies of Business Processes	Maintain or exceed national standards	Call Answer Time: Achieve the '06 goal of 5.5 seconds for 911 calls Resident satisfaction ratings: seek 95% satisfaction rate Reduce the number of	Conduct analysis to determine correct number of positions needed to meet standards on all shifts Develop scheduling plan to ensure standards met along with ability to cover for time off and training time Design and implement practices to meet the objectives of the Limited English Proficiency Plan Expand quality assurance program

Strategies	Objectives	Measures: Outcome and Driver	Tactics
		Customer Complaints Reduce the number of Early Departures	Examine ways to reduce early departures through effective recruiting, training, and mentoring
	Enhance dispatch capabilities	Decrease pending time by 20%	Determine a baseline for the time lapse between CAD entry and dispatching to a field unit ("pending time") for high priority calls
	Streamline business operations to focus on core mission	Decrease number of hours spent doing non-emergency services (if necessary, post-3-1-1)	<p>Explore discontinuing non-emergency services (non-9-1-1 calls) that are performed for City Departments, including:</p> <ul style="list-style-type: none"> - Calls from police personnel to request information, unless unable to access databases and HC warrant info themselves - responsibility for missing person file entries and cancellation -Logging of off-duty MPD officers on off-duty jobs <p>Complete a cost/benefit analysis of moving to core services only, versus maintaining all service activities</p>
	Create comprehensive coding for call types / communication with City departments to operate 3-1-1 Center with optimal service for citizens & Departments	Percentage of 3-1-1 calls handled vs. referred back to departments	<p>Complete Activity Listing of both knowledge base and service requests for each participating department</p> <p>Regular communication with departments about their knowledge base and list of service requests</p>
	Ensure system reliability	Percentage of reliable uptime	<p>Complete Computer Aided Dispatch (CAD) upgrade</p> <p>Maintain current CAD product during 18 month implementation period</p> <p>Develop future support plan to maintain new CAD, with internal and vendor support contracts</p> <p>Put sufficient documentation in place for support personnel</p> <p>Upgrade phone hardware and software; develop maintenance, training, and support plans as listed above for the CAD system</p> <p>Maintain new Logging Recorder similarly with documentation and support plans</p>
	Ensure that	Percentage of records in	Develop EIM knowledge, skills

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	Department records are identified and have a retention schedule per Enterprise Information Management requirements	compliance with retention schedule	and abilities within the Department Implement EIM practices and procedures for CAD, phone, radio, and recorded data/voice
Ensure a highly qualified, trained and diverse workforce	Attract and retain a highly qualified diverse workforce	Percentage of workforce diversity Number of employees with proficiency in non-English languages Number of employees with developmental plans	Actively recruit diverse workforce (9-1-1 and 3-1-1) Identify staffing levels needed for the 3-1-1 Center based on empirical first-year data; Adjust as necessary and/or grow through technology utilization such as self-service tools Identify funding and position resources from affected departments for the 3-1-1 Center Develop plan to attract and retain Spanish-speaking employees Develop succession plan for key positions
	Ensure a highly qualified staff	Percentage of employees who are evaluated as fully competent	Provide training in new systems Provide departmental training opportunities to ensure employee competencies in: -Handling foreign language calls -Wireless 9-1-1 -VoIP 9-1-1 and PBX systems -3-1-1 Program -Computer Skills -New CAD system -New e-9-1-1 phone system -Customer Service Skills -Automatic Crash Notification -Use of TDD/TDY devices Review and evaluate training programs for new and experienced employees Provide training in and have employees participate in loss prevention policies, procedures and activities.
	Maintain a positive departmental culture	Percentage increase in positive responses on the employee survey	Implement departmental actions based on results of the Departmental Survey Response Team's work
	Provide specialist training to staff for the non-emergency services we provide	Percentage of staff trained in Missing Child & other NCIC Data Entry Percentage of staff	Missing Child & other NCIC Data Entry (Employees need special training session) Support the Bait Vehicle Program

Strategies	Objectives	Measures: Outcome and Driver	Tactics
		trained in Bait Vehicle Program	by Training in the system to locate stolen automobiles
Optimize the call-handling processes in the 311 Center	Consistently accommodate citizens' needs for City government information and service initiation	Percentage of calls answered in 20 seconds or less 90% of the time. Survey feedback shows 95% citizens' satisfaction. Knowledge base queries answer citizens' question 90% of the time. CRM entries for service initiation successfully kicks off a work order 90% of the time in Q1 & Q2; 95% of the time in Q3 & Q4	Utilize "automatic call distribution". Skills-based routing and "warm transfer" (3-way call) to experts in departments when KB and CRM service request does not help the citizen. Huddle with expert departments monthly to improve KB entries that aren't corrected immediately Huddle with department liaison personnel in destination departments monthly for service request templates that are not corrected immediately
Expand and optimize self-service offering for citizen satisfaction and increased capacity	Poise for growth without a full reliance on staffing increases	Increase self-service utilization 10% each quarter	Advertise self-service options (including "direct selling" by 3-1-1 agents) Provide clean/smooth links to City website
Provide call center full-service for existing City call centers (utility billing, solid waste and recycling, Teleserve)	Expand from intake only to provide both Tier 1 and Tier 2 service for callers...this allows departments to focus on resolution of service requests and to answer questions only at the expert or specialist level.	80% Tier 2 service request entry and resolution.	Interface to legacy systems and/or replace them (if appropriate) Train agents on legacy system use

FINANCIAL ANALYSIS

EXPENDITURE

The 2006 budget for 911/311 is \$15 million, a 110% increase over the 2005 Adopted Budget. The General Fund supports 911/311 with \$9.8 million, a 46% increase over 2005. The large budget increase is also explained by the development of the City's new One Call/311 system and \$4.3 million in new federal funds for a homeland security grant received in 2004. These grant funds are spent in 2005 and 2006 on a new Computer Aided Dispatch system.

Personnel expense makes up 54% of the Department's budget and Contractual Services makes up 38% of the budget. With a reduction in overtime, the budget is consistent with the five-year financial plan after growth and reduction, requiring no target strategy. In 2006, 2.5 positions are added to correct an error in the 2005 Adopted Budget.

Non-personnel expenses represent approximately 8% of the Department's budget, of which the majority is paid to the City's Internal Service funds for BIS charges, phones, self insurance, parking and benefit administration fees. The remainder is for training, equipment, a contract with Qwest for \$80,000, memberships and supplies.

REVENUE

Revenue for 2006 is \$3.2 million. The significant increase is largely due to charges back to the departments for their portions of 311/911 expenses. The Department has a \$50,000 contract with Hennepin County to provide EMS call dispatch and CAD services. The Department receives \$500,000 in 911 franchise fees from the state. The spending of this revenue has limitations specified by state statute. The revenue from the franchise fee is due to double starting with the State of Minnesota's new fiscal year (July 2005).

FUND ALLOCATION

Approximately 67% of the 911/311's budget for 2006 comes out of the General Fund, with the remainder coming from grants.

MAYOR'S RECOMMENDED BUDGET

The 2006 budget for 911 was within the five-year financial direction; reductions were not needed to stay within projections.

The Department's budget includes the addition of the One Call/311 initiative (\$2.6 million, funded by revenues from department payments and \$100,000 in one-time transition costs). Thirty four positions, including 4 positions transferred from Regulatory Services, are added to the Department for this purpose.

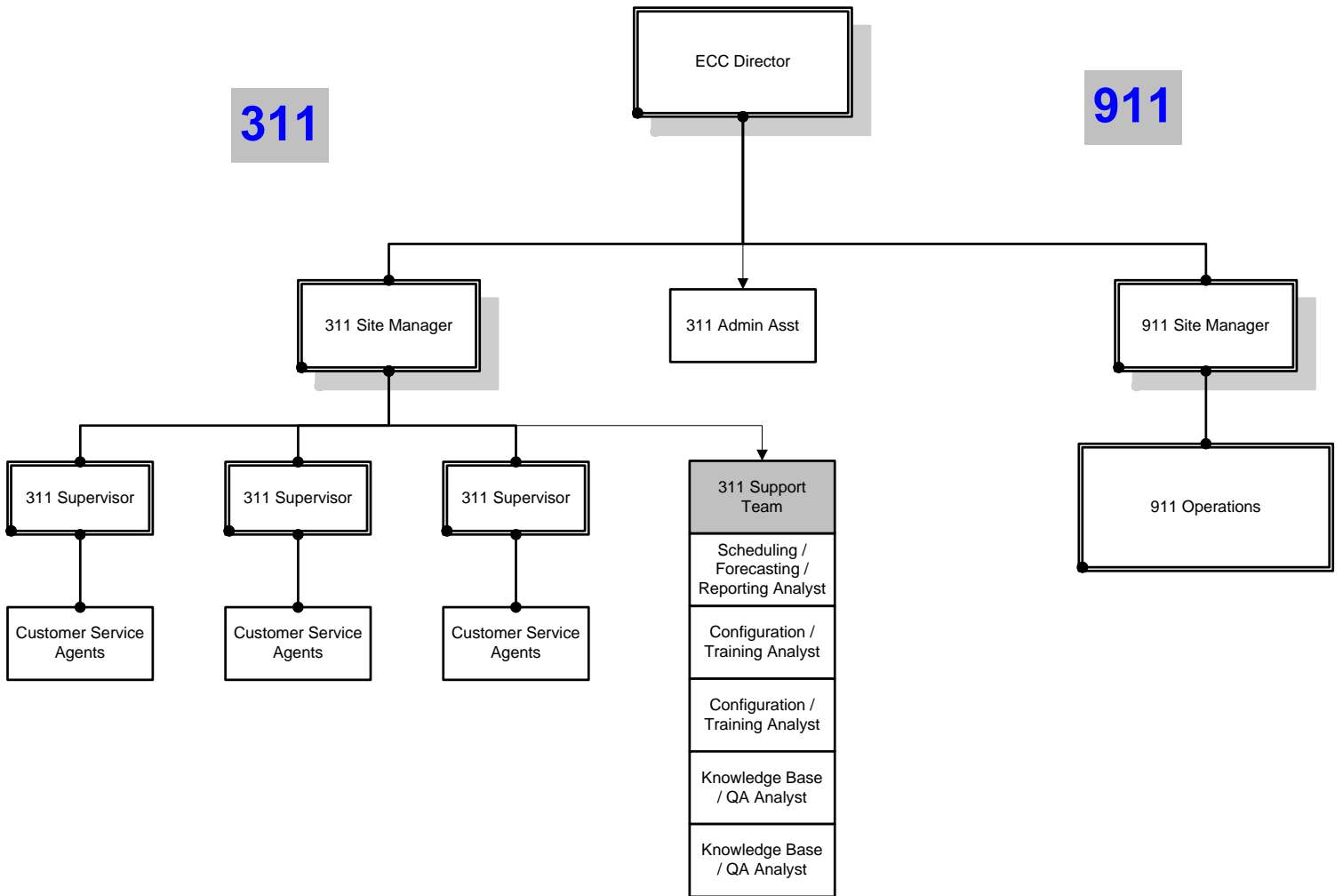
COUNCIL ADOPTED BUDGET

The Council returns the 4 positions transferred from Regulatory Services and decreases the 911 position count by 5.5 positions to reflect financial changes included in the Mayor's Recommended Budget that funded 911's contribution to funding 311. The Council adopts the remainder of the Mayor's Recommended Budget.

911 / 311 Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	90.50	90.50	86.50	117.50	35.84%	31.00

Minneapolis 911 / 311



**911/311
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	0	176,218	409,452	1,301,919	218.0%	892,467
Equipment	0	6,124	9,126	9,309	2.0%	183
Fringe Benefits	0	1,216,175	1,318,780	1,866,892	41.6%	548,112
Operating Costs	0	304,745	302,410	572,605	89.3%	270,195
Salaries and Wages	0	4,470,904	4,644,098	6,004,345	29.3%	1,360,247
Total for General Fund - City	0	6,174,166	6,683,866	9,755,070	45.9%	3,071,204
Special Revenue Funds						
Contractual Services	0	156,127	0	4,284,000		4,284,000
Equipment	0	482	255,173	500,000	95.9%	244,827
Operating Costs	0	8,047	0	0		0
Total for Special Revenue Funds	0	164,655	255,173	4,784,000	1,774.8%	4,528,827
Total for 911/311	0	6,338,822	6,939,039	14,539,070	109.5%	7,600,031

**911/311
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	0	51,126	50,000	2,650,000	5,200.0%	2,600,000
Other Misc Revenues	0	80	0	0	0.0%	0
<i>Total for General Fund - City</i>	0	51,206	50,000	2,650,000	5,200.0%	2,600,000
Special Revenue Funds						
Interest	0	29,285	0	0	0.0%	0
Other Misc Revenues	0	50	0	0	0.0%	0
State Government	0	251,070	255,173	500,000	95.9%	244,827
<i>Total for Special Revenue Funds</i>	0	280,405	255,173	500,000	95.9%	244,827
Total for 911/311	0	331,611	305,173	3,150,000	932.2%	2,844,827

BUSINESS INFORMATION SERVICES

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Business Information Services (BIS) will transform City government into a more integrated, citizen-centric, efficient, accountable, and accessible entity.

VALUES –

Professional: We deal with customers and colleagues directly, with honesty, integrity, courtesy and respect.

Partnership: We build partnerships through strong professional relationships with customers, vendors and colleagues.

Proactive and Responsive: We take initiative in providing excellent service delivery while remaining flexible and responsive to customer needs.

Passionate: We take pride in and show enthusiasm and commitment for our work.

Customer-Centered: BIS service delivery is focused on clearly understanding customer needs and improving business outcomes. Our customers may be City departments, citizens, or other stakeholders.

Integrated and Enterprise-Focused: BIS is committed to leveraging technology investments across departments for the greater good of the enterprise.

MISSION –

BIS drives effective management of City government by:

- Leading change and business process improvement;
- Implementing business needs driven technology solutions;
- Providing cost-effective, efficient and reliable information services;
- Improving City results and operations through the implementation of a results-based culture and management system;
- Ensuring that the “business” of BIS runs smoothly and effectively.

BUSINESS LINES –

BIS supports three lines of business:

- **Business Development Services:** Business Development Services implements services and solutions driven by business needs. This includes re-engineering business processes, managing programs, establishing and leveraging enterprise architecture and technology, and expanding e-government services.
- **Business Support Services:** Business Support Services partners with City departments to sustain and enhance business operations, applications, and information technology infrastructure.
- **Results Management:** Results Management leads Citywide outcome-driven accountability. BIS partners with City departments to establish, implement, and monitor performance measures. This approach focuses on outcomes and places continuous improvement and accountability to residents at the center of all City activities.

2006 DEPARTMENT FOCUS –

What key trends and challenges will the department address and what actions will be taken?

- **Funding:** The five-year financial outlook establishes a funding level barely sufficient to sustain core infrastructure services and BIS is faced with an increasing demand for communications and information services. BIS will work with Finance to refine the model for allocating technology costs and to develop an acceptable formula that allows departments to plan for IT (information technology) growth in their budget priorities.
- **Broadband Internet:** Broadband Internet technology is rapidly emerging in cities as an option to meet institutional, business, residential and visitor demand for low cost, high-speed Internet services. BIS will implement a fixed and mobile broadband Internet services capability to meet the City's internal institutional needs and provide a universal broadband communications backbone that benefits the residents and businesses as well.
- **Results Management:** Government entities focus on results management to place continuous improvement and resident accountability at the center of activities. Results Minneapolis will structure management discussions around key performance measures and indicators to implement accountability standards based on the departmental business plans.
- **Business Intelligence:** Business intelligence focuses on getting the right information to the right individuals so they can make better business decisions. Targeted knowledge management technology investments will help the City organize and access information, such as data, documents, and images.
- **Portfolio Management:** Portfolio management focuses on understanding each business area, articulating business requirements, leveraging portfolio investments, and managing IT

products and services to achieve the most benefit. Portfolio management enables the Technology Steering Committee to establish IT funding priorities and guides strategic enterprise technology investments.

- **Business Process Engineering:** Business process engineering enables departments to reduce costs and streamline services with the implementation of customer focused enterprise business systems. Business process engineering will produce an integrated enterprise-wide computer based process model that can be used to eliminate duplication of effort, simplify access to services, and better inform management in making policy decisions.
- **Security and Privacy Management:** Global developments and the formation of Homeland Security have emphasized the need for better physical and electronic security and privacy. BIS will collaborate with departments to develop an overall strategy and plan to address security and privacy.
- **Outsourcing:** A trend is for internal IT organizations to re-evaluate their true mission and outsource areas that are non-strategic and which external organizations can provide more cost-effective capability. BIS will continue to pursue information technology outsourcing and business process outsourcing alternatives that can improve service and reduce operating cost.
- **E-Government:** Residents, businesses, and other government agencies are demanding more access to City information and services through the Internet. BIS will collaborate with stakeholders to develop an enterprise-wide e-government plan for the City.
- **Voice over Internet Protocol (VoIP):** VoIP utilizes the Internet as a transmission medium for voice, data, and video communications. BIS is positioning the City for enhanced uses of VoIP through several telecommunications, broadband, and facility connectivity projects.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

The success of BIS is dependent upon getting appropriate funding. BIS will collaborate with City departments and the Technology Steering Committee to fund the cost for business-driven technology solutions and will develop joint action plans to address future financial constraints. The current approach bases the BIS budget on the previous year plus current service level adjustments and then spreads that cost through a rate model. This approach is out of synch with the dynamics of the annual growth in contractually obligated costs and the growth that results from increasing departmental needs. BIS will work with Finance to find a solution, refine the rate model for allocating technology costs, and develop an acceptable formula that allows departments to plan for IT growth within their respective budget priorities.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Lead change and improve business outcomes	<ul style="list-style-type: none"> • BIS forges partnerships with City departments to understand and streamline business processes 	<ul style="list-style-type: none"> • City departments satisfaction with BIS on “streamline” projects and overall satisfaction • Number of successful implementations of key Department initiatives through innovative process design and leveraging of technology 	<ul style="list-style-type: none"> • Web enable City services • Analyze and re-engineer finance business processes including a system consolidation assessment • Analyze Assessor, CPED, and Regulatory Services property information systems, including a system consolidation assessment and upgrade strategy • Analyze and re-engineer timekeeping business processes including a system consolidation assessment • Assist City departments in analyzing and re-engineering business processes identified through the One Call/311 program • Launch a Citywide Broadband Internet services program • Create business process engineering capability
Implement business needs-driven information technology solutions	<ul style="list-style-type: none"> • Technology projects are collaboratively implemented on-time and on-budget based on business needs 	<ul style="list-style-type: none"> • Percent of project milestones completed on schedule • Percent of projects completed at or below budget • City departments satisfaction with project teams 	<ul style="list-style-type: none"> • Implement Enterprise Document Management • Implement enterprise information management. • Create business intelligence capability • Institutionalize Target SafeZone program into BIS • Expand quality assurance capability to include software assurance, software administration, and quality engineering • Expand and enhance project management best practices to include project portfolio management
	<ul style="list-style-type: none"> • BIS solutions deliver expected benefits to the City 	<ul style="list-style-type: none"> • Percent of expected benefits achieved • Cumulative project benefits to the City (Return on Investment (ROI), Value on Investment (VOI)) 	<ul style="list-style-type: none"> • Complete strategic technology planning to align BIS projects with City strategic goals • Integrate and leverage business systems for the benefit of the enterprise

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	<ul style="list-style-type: none"> • Citizens and businesses are satisfied with City services where BIS took a leadership role in changing business processes 	<ul style="list-style-type: none"> • Customer satisfaction on BIS related initiatives • Cumulative project benefits to Citizens and businesses (ROI, VOI) 	<ul style="list-style-type: none"> • Implement business application life cycle management • Improve vendor management process • Work closely with the Minneapolis 311 Call Center to develop good reporting practices and analyze data • Represent the interests of Minneapolis residents and negotiate with the City's independent boards and organizations to determine integration approaches with the new Minneapolis 311 Call Center systems. • Continue association with the One Stop Business Advisory Committee, the Minneapolis Consortium of Community Developers, the City's homeowners, and other independent developers • Minneapolis Chamber of Commerce Initiative
<p>Provide cost effective, efficient, and reliable information and consultation services</p>	<ul style="list-style-type: none"> • Customers are satisfied with BIS services and information systems 	<ul style="list-style-type: none"> • Percent very satisfied and satisfied with BIS services and support as determined through the BIS customer survey 	<ul style="list-style-type: none"> • Develop and conduct a BIS customer satisfaction survey • Audit managed services Service Level Agreements (SLA's) • Communicate and publish SLA reports on City Talk • Implement, maintain, and support City department SLA's • Complete 360 degree reviews to improve employee performance
	<ul style="list-style-type: none"> • BIS provides cost effective solutions to the enterprise 	<ul style="list-style-type: none"> • City departments are able to provide services more efficiently • Cost of City operations benchmarking to industry average 	<ul style="list-style-type: none"> • Determine and monitor cost of City operations
	<ul style="list-style-type: none"> • The technical environment is up-to-date and supportable 	<ul style="list-style-type: none"> • Percent of systems and hardware infrastructure that is no longer supported by vendors or no longer supported by the business application • Percent of software that is current, fully supported, and compliant with enterprise standards 	<ul style="list-style-type: none"> • Implement software inventory and license management tool • Implement software assessment and qualification process and policies • Develop and communicate software review process to BIS and City departments • Develop and communicate standards for enterprise software applications

Strategies	Objectives	Measures: Outcome and Driver	Tactics
			<ul style="list-style-type: none"> ● Implement application lifecycle management ● Reduce technological obsolescence of hardware systems infrastructure through the managed services program
	<ul style="list-style-type: none"> ● Minimize unnecessarily redundant applications and data 	<ul style="list-style-type: none"> ● Overall number of software packages in the enterprise ● Number of software packages consolidated into enterprise solutions 	<ul style="list-style-type: none"> ● Inventory, assess, and reduce the number of special use software products ● Implement consolidated timekeeping systems, property systems, and financial systems
	<ul style="list-style-type: none"> ● Information systems meet customer's needs for availability, reliability, scalability, and security 	<ul style="list-style-type: none"> ● Percent of capacity used for network, storage, and CPU (Central Processing Unit) ● Percent of viruses rejected ● Percent of hacking attempts successfully defeated ● Percent of spam messages blocked out of total volume of messages ● Department satisfaction related to downtime as determined through BIS customer survey 	<ul style="list-style-type: none"> ● Establish network connection standards ● Plan and provide for infrastructure capacity upgrades
	<ul style="list-style-type: none"> ● Provide leadership in determining and promoting the use of appropriate software through the QA (Quality Assurance) testing process 	<ul style="list-style-type: none"> ● Percent projects/implementations in which QA works with departments on testing strategies ● Customer satisfaction with the QA consultation in the testing process as determined by BIS survey ● Percent bugs and/defects found during the QA testing process vs. those found after implementation 	<ul style="list-style-type: none"> ● Develop software testing methodology and strategy, including test plan templates and test case examples ● Develop customer access and process for testing ● Develop bug tracking database and processes ● Develop and implement communication plan for customer awareness of the QA testing process
	<ul style="list-style-type: none"> ● Departments receive the enhancements, fixes, and upgrades to their critical business applications 	<ul style="list-style-type: none"> ● Customer satisfaction with application support services ● Percent of applications fully supported by the vendor 	<ul style="list-style-type: none"> ● Negotiate and set appropriate support levels for all applications in the City's environment ● Work with vendors to implement fixes and upgrades at the appropriate time

Strategies	Objectives	Measures: Outcome and Driver	Tactics
		<ul style="list-style-type: none"> • Timeliness of fixes and requested enhancements 	
<p>Improve City results and operations through the implementation of a results-based culture and management system</p>	<ul style="list-style-type: none"> • All City departments utilize performance information to prioritize resources, manage their work, inform decision-making, and be accountable to Minneapolis residents 	<ul style="list-style-type: none"> • Department head and select staff rating of impact of results management process on policy development, budget decisions, other resource decisions, and internal management of operations, which lead to improved results • Percent of targeted audience at results management sessions 	<ul style="list-style-type: none"> • Lead regular results discussions with senior City management • Hold bi-monthly sessions to build an educated results management network
	<ul style="list-style-type: none"> • Departmental performance measures are relevant, informative and useful 	<ul style="list-style-type: none"> • Qualitative assessment by Results Management staff of performance measure effectiveness and usefulness using a rating scale 	<ul style="list-style-type: none"> • Actively work with departments to develop and refine performance measures
	<ul style="list-style-type: none"> • City departments have good systems in place to get, gather and report on performance information 	<ul style="list-style-type: none"> • Number of departments that have an internal performance reporting system 	<ul style="list-style-type: none"> • Implement an enterprise-reporting tool (COGNOS) • Develop a web-based public reporting tool
	<ul style="list-style-type: none"> • City leaders and managers regularly review and report performance progress 	<ul style="list-style-type: none"> • Number of hits to Results Management web page to measure citizen interest in performance accountability 	<ul style="list-style-type: none"> • Conduct department (16) consultations quarterly • Develop website to report City results information
<p>Ensure the “business” of BIS runs smoothly.</p>	<ul style="list-style-type: none"> • Implement a contract system that is nimble, cost effective, and legally viable 	<ul style="list-style-type: none"> • Percent of customers (BIS and other City departments) satisfied with BIS turnaround time of contracts • Percent of customers (BIS and other City departments) satisfied with the courtesy and candidate qualifications from BIS • Cost effectiveness of contract staff measured by the percent below top of range on State contract • Percent of contracts approved by Finance and City Attorney 	<ul style="list-style-type: none"> • Impromptu requests for contracts less than \$50,000 initiated by next business day • Impromptu requests for contracts over \$50,000 initiated within 7 business days • Modify the master contract to accommodate large suppliers

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	<ul style="list-style-type: none"> • Ensure BIS has financial discipline, including planning, identifying, monitoring and controlling costs to provide value to the enterprise, businesses, and citizens 	<ul style="list-style-type: none"> • Budget variance (operating and capital) at year end • Cost = fee-for-services, or cost neutral fee for service 	<ul style="list-style-type: none"> • Conduct monthly financial reviews • Conduct annual review of cost allocation model • Research, evaluate, and propose alternative funding model • Work collaboratively with the Finance Department to establish and meet an April 1 deadline for cost allocation rate model
	<ul style="list-style-type: none"> • Consolidate various BIS locations to one contiguous location within the downtown campus to save money, improve communications, and create synergies across work teams 	<ul style="list-style-type: none"> • Percent of BIS employees in the largest single location 	<ul style="list-style-type: none"> • Maintain ongoing dialog with Property Services regarding location availability • Schedule regular periodic reviews of staff locations and needs
	<ul style="list-style-type: none"> • Attract, retain, and develop the very best employees 	<ul style="list-style-type: none"> • Percent of employees with development plans • Percent of employees whose annual goals are achieved 	<ul style="list-style-type: none"> • Conduct periodic Employee Skills inventory • Align employee skills with BIS business requirements • Develop a Management By Objectives system
	<ul style="list-style-type: none"> • Ensure BIS meets the accountability, recognition, and communication goals of the Employee Survey Response Team 	<ul style="list-style-type: none"> • Percent of employees with completed annual reviews • Percent of employees satisfied with accountability, recognition, and communication 	<ul style="list-style-type: none"> • Establish Employee Management Action Team to take action from employee survey results • Survey employees to monitor progress towards meeting accountability, recognition and communication goals
	<ul style="list-style-type: none"> • BIS solutions deliver expected benefits to the City 	<ul style="list-style-type: none"> • Percent of expected benefits achieved • Cumulative project benefits to the City (ROI, VOI) 	<ul style="list-style-type: none"> • Complete strategic technology planning to align BIS projects with City strategic goals • Integrate and leverage business systems for the benefit of the enterprise • Implement business application life cycle management • Improve vendor management process

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	<ul style="list-style-type: none"> ● Citizens and businesses are satisfied with City services where BIS took a leadership role in changing business processes 	<ul style="list-style-type: none"> ● Customer satisfaction on BIS related initiatives ● Cumulative project benefits to Citizens and businesses (ROI, VOI) 	<ul style="list-style-type: none"> ● Work closely with the Minneapolis 311 Call Center to develop good reporting practices and analyze data ● Represent the interests of Minneapolis residents and negotiate with the City's independent boards and organizations to determine integration approaches with the new Minneapolis 311 Call Center systems. ● Continue association with the One Stop Business Advisory Committee, the Minneapolis Consortium of Community Developers, the City's homeowners, and other independent developers ● Minneapolis Chamber of Commerce Initiative
Improving results-based management by providing information, tools, and methodologies	<ul style="list-style-type: none"> ● All City departments utilize outcome indicators to prioritize resources & manage their work ● City managers understand and accept the importance of outcome-based accountability ● Ensure useful data and reporting methods exist ● Regularly review & report performance progress 	<ul style="list-style-type: none"> ● Increase the # of outcome measures being used to manage the City ● Increase the # of employees trained in the reporting tool 	<ul style="list-style-type: none"> ● Develop and refine Citywide performance measures ● Conduct departmental (16) consultations quarterly ● Hold bi-monthly sessions to build an educated performance measurement network ● Implement enterprise reporting tool (COGNOS) ● Lead regular results discussions with senior City management ● Participate in national performance management conferences
Providing efficient and reliable information systems services	<ul style="list-style-type: none"> ● Ensure customer satisfaction ● Ensure cost effective IS services and solutions ● Maintain up-to-date and supportable environment ● Minimize redundant applications and tools through simplification and standardization 	<ul style="list-style-type: none"> ● BIS Department survey: Increase the % satisfied & very satisfied with BIS services and support ● Comparison of BIS actual expenses to budget ● Increase % service level agreements met ● Increase availability % 	<ul style="list-style-type: none"> ● Manage outsource provider ● Develop an exceptional customer service-focused organization ● Continue development of BIS service level agreements with departments ● Develop BIS customer survey and obtain baseline data ● Implement enterprise infrastructure capacity upgrades ● Consolidate & standardize software products centralized under software administration through XP rollout program

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	<ul style="list-style-type: none"> • Ensure availability, reliability, and security • Ensure scalability for the changing City needs 		<ul style="list-style-type: none"> • Partner with business departments to identify future information technology needs • Maintain and enhance business applications as required by the business • Replace central traffic signal computer • Web enabled BIS services

FINANCIAL ANALYSIS

EXPENDITURE

The 2006 Business Information Services budget is \$21 million, a 3% or \$600,000 increase over the 2005 Adopted Budget. Most of the increase is attributable to personnel costs including 4 positions transferred in mid-year 2005 from Regulatory Services and 1 position transferred in from the capital operating budget. A 0.75 position was also added to correct a previous error.

REVENUE

There is a 2% increase in the BIS revenue budget from 2005 to 2006. The majority of this revenue is attained through the BIS rate model. The rate model created a reclassification of the revenue from *Transfers* (non-operations) to *Charges for Service* (operations).

FUND ALLOCATION

BIS is fully funded through the Intergovernmental Services Internal Service Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended moving forward 1/3 of the Department's anticipated cuts in 2007 to 2006 (\$200,000) by eliminating 2 positions. The Recommended Budget also transferred results management responsibilities to the Coordinator Administration Department which eliminated 1 additional position. Two City operators were moved from BIS to 911/311 for One Call.

COUNCIL ADOPTED BUDGET

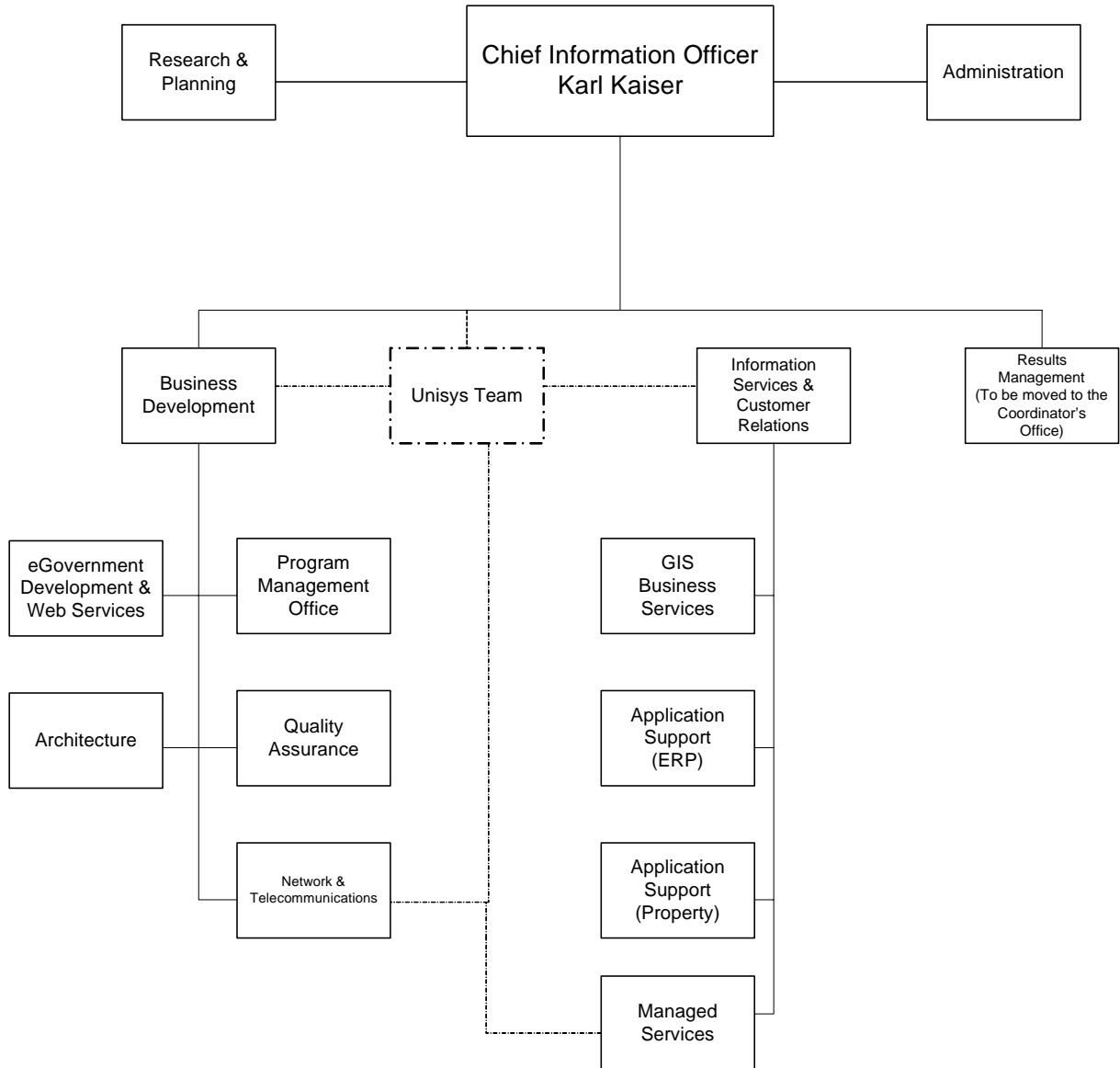
The Council adopted the Mayor's recommendations.

BUSINESS INFORMATION SERVICES

Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	100.10	78.10	80.85	81.60	0.93%	0.75

Business Information Services Organization Chart



BUSINESS INFORMATION SERVICES
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Internal Service Funds						
Contractual Services	11,544,179	12,824,122	12,465,226	12,836,121	3.0%	370,895
Equipment	506,798	976,856	0	0		0
Equipment Labor	88,339	106,818	0	0		0
Fringe Benefits	1,068,199	928,002	1,505,809	1,682,041	11.7%	176,232
Operating Costs	890,581	2,039,199	454,521	467,997	3.0%	13,476
Salaries and Wages	4,406,063	3,994,856	5,718,803	5,754,698	0.6%	35,895
Total for Internal Service Funds	18,504,159	20,869,852	20,144,359	20,740,857	3.0%	596,498
Special Revenue Funds						
Contractual Services	99,275	113,806	0	0		0
Equipment	0	0	0	0		0
Fringe Benefits	8	1,427	0	0		0
Salaries and Wages	0	7,518	0	0		0
Total for Special Revenue Funds	99,282	122,752	0	0		0
Total for BUSINESS INFORMATIO	18,603,441	20,992,603	20,144,359	20,740,857	3.0%	596,498

BUSINESS INFORMATION SERVICES
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	0	0	0	0	0.0%	0
Total for General Fund - City	0	0	0	0		0
Internal Service Funds						
Charges for Sales	34,889	31,697	10,000	10,000	0.0%	0
Charges for Service	2,690,338	3,341,356	18,614,503	18,921,752	1.7%	307,249
Gains	8,640	0	0	0	0.0%	0
Interest	0	290	0	0	0.0%	0
Other Misc Revenues	252,882	562,999	0	0	0.0%	0
Total for Internal Service Funds	2,986,749	3,936,341	18,624,503	18,931,752	1.6%	307,249
Special Revenue Funds						
Federal Government	99,282	122,752	0	0	0.0%	0
Total for Special Revenue Funds	99,282	122,752	0	0		0
Total for BUSINESS INFORMATION SERVICE	3,086,031	4,059,093	18,624,503	18,931,752	1.6%	307,249

COMMUNICATIONS

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

The City of Minneapolis is admired regionally for its high quality of life and governance. It has a well-informed and engaged public that is knowledgeable of City services, processes, and issues and proud of the value and quality the City provides.

VALUES –

- Honesty
- Accuracy (Consistency)
- Responsiveness
- Teamwork (Collaborative)
- Ingenuity

MISSION –

The Mission of this department is to assist City departments in clearly and accurately communicating information about the City of Minneapolis to key audiences. This includes providing information on and engaging the public about core services, the government process, ordinances and regulations, and utilizing opportunities to enhance the image of the City.

BUSINESS LINES –

- 1) Assist elected officials and City departments with all communications functions - internal and external
- 2) Manage the cable franchise
- 3) Oversee and assist with Community Engagement at the individual department level

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

Communications has identified significant trends and challenges facing the department now and through the five-year planning cycle. They are as follows:

- 1) The City needs to think – and act – regionally and as a regional leader, which requires that our message reach beyond Minneapolis borders.
- 2) The consolidation of the Communications Department, staff and resources requires that we continue to solidify our image and staff as a cohesive unit (internally and among City departments).
- 3) Technology is advancing rapidly and we need to advance with it. It is essential that we move steadily towards computer-based communications, reaping savings and efficiencies in the process.
- 4) Crime rates (locally, regionally and nationally) are rising, which will make public safety communications efforts more critical and the messages harder to deliver.
- 5) Communicating with an ever more diverse population requires making special efforts to reach residents who speak English as a second language.
- 6) Local media is increasingly focused on coverage of suburban issues, which will make it more difficult for the City's proactive and positive messages to be delivered using standard media outlets.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

No target strategies were requested from this Department.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
1. Proactively enhance the City's image.	1.1 Create system to identify and strategically analyze issues, challenges & opportunities facing the City of Minneapolis.	▪ # of proactive issues identified and managed to a positive outcome for the City.	1.1.1 Establish staff function to project manage major, positive City initiatives. 1.1.2 Devise work plan and protocols for identifying issues and project management. 1.1.3 Seek partnerships with GMCVA on key marketing/event planning.
	▪ 1.2 Create individual (annual) departmental communications plans & make ongoing communications recommendations for City departments.	▪ # of department communications supported.	1.2.1 Conduct needs assessments/audits with departments. 1.2.2 Develop process to identify and analyze issues, challenges & opportunities facing City departments on communications programs & opportunities. 1.2.3 Conduct annual reviews with departments. 1.2.4 Create communications materials (that could include: media materials, news releases, advisories, media events, etc.).
2. Enhance and standardize community engagement (CE) practices.	2.1 Support the introduction and institutionalization of the Community Engagement process.	# of departments using Community Engagement process	2.1.1 Complete research and process design. 2.1.2 Establish Community Engagement Function in Communications Department.

Strategies	Objectives	Measures: Outcome and Driver	Tactics
			<p>2.1.3 Hire Community Engagement coordinator.</p> <p>2.1.4 Work with departments to assess current needs and service levels.</p> <p>2.1.5 Conduct annual reviews with departments.</p>
3 Improve efficiency and effectiveness of business practices.	3.1 Enhance City departments' abilities to utilize the Web for communications needs.	# of departments Web sites reviewed &/or enhanced.	<p>3.1.1 Communications Dept:</p> <p>3.1.2 Update e-communications policy.</p> <p>3.1.3 Create Web content oversight policy and protocols for departments.</p> <p>3.1.4 Develop policy options for Web and newsletter content for elected officials' communications.</p> <p>3.1.5 Training on Web-based communications for existing staff.</p> <p>3.1.6 Other City Depts.:</p> <p>3.1.7 Audit City Web site pages for level of collaboration with Communications.</p> <p>3.1.8 Advise departments on how to become more Web-based in partnership with BIS.</p>
	3.2 Create positive work environment that maximizes commitment to professionalism and public we serve.	% increase in employees responding somewhat/very satisfied on employee survey	<p>3.2.1 Develop employee survey response plan for Department.</p> <p>Create Department employee manual.</p>
	3.3 Create systems and protocols to ensure Department provides quality communications services.	% of departments that rate services average or above	<p>3.3.1 Conduct satisfaction surveys with departments on video, publications, graphics, web, media relations and overall communications services.</p> <p>3.3.2 Establish service levels and standards for Department.</p>
	3.4 Ensure City receives reliable and affordable cable franchise/services.	# complaints handled	<p>3.4.1 Negotiate new franchise agreement.</p> <p>3.4.2 Handle service complaints and resolve issues with provider.</p>
	3.5 Ensure that pay phones (in public right-of-way) are adding to City's neighborhood livability.	# complaints	<p>3.5.1 Evaluate whether pay phones (in public right of way) are contributing to neighborhood livability.</p> <p>3.5.2 Handle complaints and resolve issues.</p> <p>3.5.3 Pursue relocating pay phone oversight to Regulatory Services or eliminate phones from right of ways.</p>
	3.6 Examine Alternative models of service, to reduce operating expenses.	% reduction in operating expenses	<p>3.6.1 Examine benefits of merging government and public access cable facilities.</p>

Strategies	Objectives	Measures: Outcome and Driver	Tactics
			<p>3.6.2 Study session to present recommendations.</p> <p>3.6.3 Submit applications for applicable grants.</p>
4 Enhance City departments' abilities to effectively communicate with internal & external customers.	<p>4.1 Provide strategic communications counsel & coaching.</p>	# of City employees trained on communications issues	<p>4.1.1 Evaluate and make recommendations on emerging communications issues.</p> <p>4.1.2 Establish annual communications training & conduct trainings for new & existing employees through partnership with the Human Resources Department.</p> <p>4.1.3 Establish annual media training program for new & existing employees.</p> <p>4.1.4 Make recommendations, evaluate and edit all publications.</p> <p>4.1.5 Make recommendations and evaluate video, graphic, media & Web requests from departments.</p>
	4.2 Ensure that LEP customers can access City services and information.	# of hits to LEP Web portal sites	<p>4.2.1 Create protocol for evaluating materials and comm. needs for translations (publishing, posting on the Web site or producing video).</p> <p>4.2.2 Develop Web portals for top level LEP languages.</p> <p>4.2.3 Devise LEP work plan.</p>
	4.3 Improve consistency in response to media inquiries.	<p>% increase in media contacts handled by Communications</p> <p>% departments with media contact training</p>	<p>4.3.1 Manage media contacts through Communications Dept.</p> <p>4.3.2 Arrange interviews.</p> <p>4.3.3 Manage data-practices requests.</p> <p>4.3.4 Develop "fairness" media policy.</p>
	4.4 Improve customer access to information	% of information requests responded to in a timely manner	4.4.1 Support 311 initiatives as appropriate
	4.5 Implement Enterprise Information Management (EIM) practices & policies.	% compliance with EIM policy.	<p>4.5.1 Develop EIM knowledge, skills & abilities within the Department.</p> <p>4.5.2 Ensure that Department records are identified and have or meet retention protocols.</p> <p>4.5.3 Identify data practices expert/representative.</p>
	4.6 Implement Loss Prevention Enterprise Project practices & policies	% compliance with Loss Prevention policy	<p>4.6.1 Develop Loss Prevention knowledge within the Department.</p> <p>4.6.2 Designate Loss Prevention representative</p>

FINANCIAL ANALYSIS

EXPENDITURE

The 2006 expense budget for the Communications Department, which includes Public Affairs, Graphics and Cable Regulation, and Video Services is \$2.3 million. This is in line with the five-year financial direction.

Internally, Communications consolidated its divisions by moving the 3 Graphics Division positions and \$713,338 in non-personnel costs and 3 Video Services Division positions into the Public Affairs Division in 2006.

REVENUE

The Communications Department's \$2.5 million revenue budget increases by 8% or \$195,000 from 2005, largely due to the City's Cable Franchise fees not declining as expected.

FUND ALLOCATION

The Communications Department is funded entirely by the General Fund in 2006.

MAYOR'S RECOMMENDED BUDGET

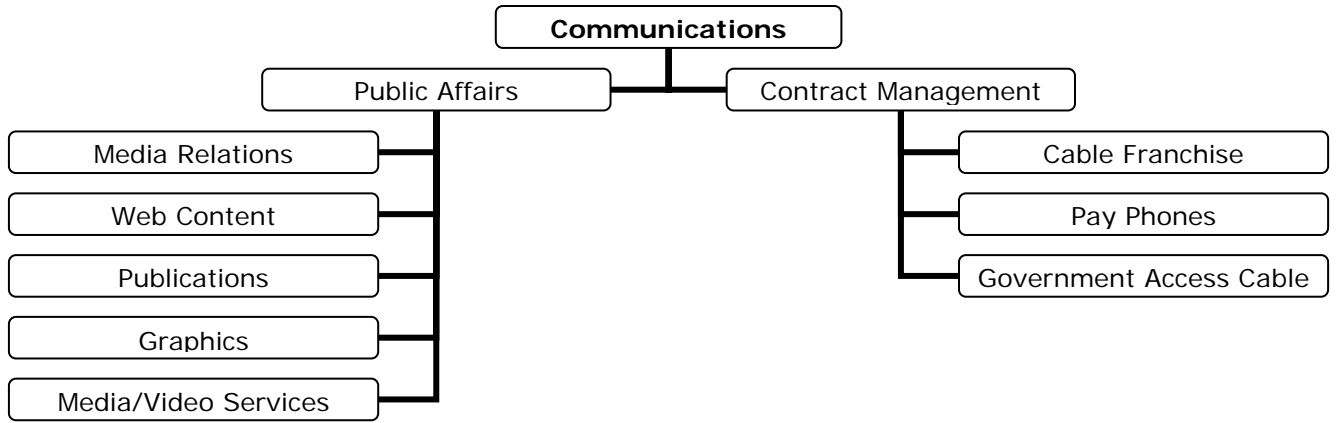
The Mayor's Recommended Budget transferred one position and \$75,000 to the Community Planning and Economic Development Department.

COUNCIL ADOPTED BUDGET

The Council returned to the Department the Communications position that was transferred to CPED by the Mayor. It also transferred \$70,000 from the General Fund and a 0.8 staff person for sign language interpreter services to the Civil Rights Department.

COMMUNICATIONS Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Public Affairs	6.80	8.80	10.80	16.00	48.15%	5.20
Graphics & Cable	4.00	2.00	3.00	-	-100.00%	(3.00)
Video Services	5.00	5.00	3.00	-	-100.00%	(3.00)
Total FTE's	15.80	15.80	16.80	16.00	-4.76%	(0.80)



COMMUNICATIONS
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	534,117	865,480	1,108,293	1,090,733	-1.6%	-17,560
Equipment	98,110	66,180	45,246	46,151	2.0%	905
Fringe Benefits	191,562	184,883	256,001	263,120	2.8%	7,119
Operating Costs	360,334	46,312	71,310	77,078	8.1%	5,768
Salaries and Wages	827,006	741,862	887,142	871,919	-1.7%	-15,223
Total for General Fund - City	2,011,129	1,904,716	2,367,992	2,349,001	-0.8%	-18,991
Special Revenue Funds						
Contractual Services	0	16,282	15,000	0	-100.0%	-15,000
Total for Special Revenue Funds	0	16,282	15,000	0	-100.0%	-15,000
Total for COMMUNICATIONS	2,011,129	1,920,998	2,382,992	2,349,001	-1.4%	-33,991

COMMUNICATIONS
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	40	11,605	4,600	14,600	217.4%	10,000
Charges for Service	6,020	3,814	0	0	0.0%	0
Contributions	0	314,821	297,500	297,500	0.0%	0
Franchise Fees	2,125,106	2,671,831	2,000,000	2,200,000	10.0%	200,000
Other Misc Revenues	34,765	54,978	6,100	6,100	0.0%	0
Rents	20,042	17,216	8,400	8,400	0.0%	0
Total for General Fund - City	2,185,974	3,074,266	2,316,600	2,526,600	9.1%	210,000
Special Revenue Funds						
Contributions	0	16,282	15,000	0	-100.0%	-15,000
Total for Special Revenue Funds	0	16,282	15,000	0	-100.0%	-15,000
Total for COMMUNICATIONS	2,185,974	3,090,548	2,331,600	2,526,600	8.4%	195,000

CONVENTION CENTER

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

By providing professional and personalized service, we have built a history of positive long-term relationships.

We hold firmly to that legacy as we work to exceed the needs and expectations of an evolving industry.

Our Commitment - We commit to caring for our customers, our partners, and each other while being accountable for our shared goals and celebrating our successes. As individuals, we seize opportunities to serve our customers and each other; working together we make anything possible.

VALUES –

Quality Product

- Providing high quality products at a fair price
- Partnering with organizations which share our commitment to quality
- Reviewing our offerings and quality of delivery regularly to ensure first-choice recognition

Safety

- Protecting the safety of all who enter the Minneapolis Convention Center
- Creating an atmosphere where employees, customers, and guests understand and participate in developing a safe environment for all to enjoy

Respect for All/Diversity

- Respecting the unique qualities that make each individual special and important
- Reflecting the diversity of our community, our customers, and guests in the people and culture of our organization
- Listening before speaking
- Working with others, not around them

Responsibility with resources

- Protecting the health of our fund through sound business practices and carefully calculated risks
- Looking for efficiencies at each opportunity
- Innovating new business lines that improve our offering and cash flow

Accountability

- Holding ourselves accountable first, others second

- Constructively questioning what we do not understand
- Owning our responsibility to participate in making our Convention Center a better place for ourselves, our customers, and our guests

Integrity/Trust/Ethics

- Holding ourselves to a standard which equals or exceeds our expectations of others
- Looking at each new situation with an open mind

MISSION –

The Minneapolis Convention Center is the national convention and trade show venue of the State of Minnesota. By hosting events and offering a variety of services, the Minneapolis Convention Center showcases and provides economic benefit to Minneapolis and the surrounding region.

We will provide an exceptional product, in a safe environment, while maintaining the integrity and financial health of the facility.

BUSINESS LINES –

- Event Services
- Facility Services
- Sales and Marketing Services

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

1. Supply and Demand/Competitiveness
 - Complete Permit for Occupancy Review
 - Ongoing review of recently added services
 - Cautious development of any further "exclusive services"
 - Develop wider selection of targeted packages
2. Funding
 - Continued efforts to decrease reliance on subsidy
3. Security
4. Technology
 - Review organizational structure related to technology services
5. Customer Service Expectations
 - Develop new survey tools to reflect new services
 - Analysis of "one-stop" convention services contract to settlement for small and corporate customers

- Continued development of flexible staffing options
6. Revenue Development
 - Develop video monitor advertising program in partnership with GMCVA
 - Initial study of medical specialty space in unfinished 5,000 sq. ft. L101 Meeting Room to partner with the Life Sciences Corridor
 - Develop educational packages for employees to help up-sell new service providers
 7. Cost Containment
 - Review potential wind turbine options for electricity generation on Convention Center site
 8. Economic Environment
 9. Labor Workforce
 - Implement final plan from Organization Assessment
 - Create of Internal Development Committee
 - Revamp All-Staff Meeting format
 - Develop high-level internal services position to facilitate training, business planning, and coordination of all administrative services
 - Develop defined flexible labor model
 - Develop Life Skills training
 10. Regulatory Environment
 11. Branding/Identity/Image
 - Develop logo contingent upon GMCVA Branding Project
 12. Event Infrastructure
 - Review of EBMS system - utilization, capabilities, long-term desirability
 - Service package development
 - Create estimate program
 - Improve floor change tracking
 - Increase capacity for relevant business information capture

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

The Convention Center will continue to work within the framework of the financial plan contained in the original 2003-07 Business Plan.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Provide a safe and secure experience for all	Ensure adequate security for Convention Center events	Increase perceived safety rating on client survey	<ul style="list-style-type: none"> ▪ Review and update security levels for National Security Advisory Levels ▪ Complete all outstanding safety infrastructure items from business plan ▪ Develop and include a measure of perceived safety for client survey
	Provide a Coordinated Emergency Response	% of time drills that meet or exceed standards	<ul style="list-style-type: none"> ▪ Conduct planned emergency drill requiring the coordination of the Safety and Security Department and Guest Services Department ▪ Complete RFP for Medical Services to replace service formerly provided by MFD
	Provide an environment where employees are not exposed to hazards to their health or safety	% reduction in injury claims and losses % reduction in lost days due to injury # of safety issues identified and corrected by Convention Center Employee/Management Safety Committee	<ul style="list-style-type: none"> ▪ Safety committee to continue monthly building inspections, covering the entire facility each 12 month period ▪ Review the benefits of a formal safety recognition program
Provide an exceptional customer experience at a reasonable cost	Provide professional and personalized service	% change in customer survey overall rating	<ul style="list-style-type: none"> ▪ Analysis of and potential development of "single point of contact" Event Coordinators from small and corporate events ▪ Development of specialized packages for customer groups to encourage return business by small clients ▪ Development of facility-wide "Customer Service Committee"
	Provide a variety of parking options for guests, exhibitors, and clients	% change in overall parking revenue % improvement in client survey ranking for parking	<ul style="list-style-type: none"> ▪ Review utilization of exhibitor parking options
	Develop efficient customer processes	% change in customer survey overall rating	<ul style="list-style-type: none"> ▪ Development of event estimate process ▪ Complete Permit for Occupancy Review

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	Maintain and upgrade clean, functional, competitive facility	% change in customer survey appearance rating % of completed planned capital projects	<ul style="list-style-type: none"> Complete all maintenance-related capital projects
	Ensure services are readily available for customers, employees, and guests with limited English proficiency	% change in customer survey overall rating	<ul style="list-style-type: none"> Installation of "Language Line" phone service at Concierge Desk Development of multilingual welcome and information for video monitors Installation of directional signage to multi-lingual information location Converting room set information for employees from narrative-based to symbol-based
	Maximize use of Convention Center	% increase in total attendance % increase in occupancy sq. ft. and auditorium	<ul style="list-style-type: none"> Development of specialized packages for customer groups to encourage return business by small clients
Provide a positive work environment	Create a an overall positive experience for employees	% increase in Climate Survey rating - "The Minneapolis Convention Center (MCC) is a good place to work."	<ul style="list-style-type: none"> Develop and implement an action plan based on findings of the Organizational Assessment, City-wide survey, and the Minneapolis Convention Center Climate Survey Review current incentive programs for impact and effectiveness Develop Supervisors' capacity to deal with difficult issues
	Maintain a workplace free from harassment and retaliation	% of complaints substantiated	<ul style="list-style-type: none"> Development of specialized life skills, communication and interactive training
	Better prepare employees to take advantage of promotional or advancement opportunities		<ul style="list-style-type: none"> Creation of Internal Development Committee Study and potential development of high level position tasked with employee development and interaction
Minimize use of planned subsidy	Diversify and maximize revenue streams	% of non-space rental revenue	<ul style="list-style-type: none"> Monitor growth of new revenue streams (Wireless, Guest Services and Business Center) In partnership with GMCVA initiate video monitor advertising sales In partnership with GMCVA, begin analysis of feasibility of creating a special use medical space in the previously unfinished L101

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	Manage and contain cost factors to limit annual expenditures	% growth of non-event expenses budget	<ul style="list-style-type: none"> In partnership with the GMCVA, explore the feasibility of using wind generated power to offset rising electricity costs
	Improve level of operational self-sufficiency	% of self-sufficiency revenue/direct operating expenses	

FINANCIAL ANALYSIS

EXPENDITURE

The Convention Center's expense budget for 2006 is \$28.8 million, a 7% or \$1.9 million increase over the 2005 Adopted Budget. There is no change in the number of positions.

REVENUE

Revenue is expected to increase by 7% to \$70 million.

MAYOR'S RECOMMENDED BUDGET

The Mayor's recommended capital program in the Center is funded at a level amount from 2005 (\$3.7 million). Challenge funding for developing facilities to attract Life Sciences conventions to the center is added in the Mayor's Budget (\$500,000). The Mayor also recommends a transfer of \$1 million to the Parking Fund for operational expenses related to Convention Center ramps.

COUNCIL ADOPTED BUDGET

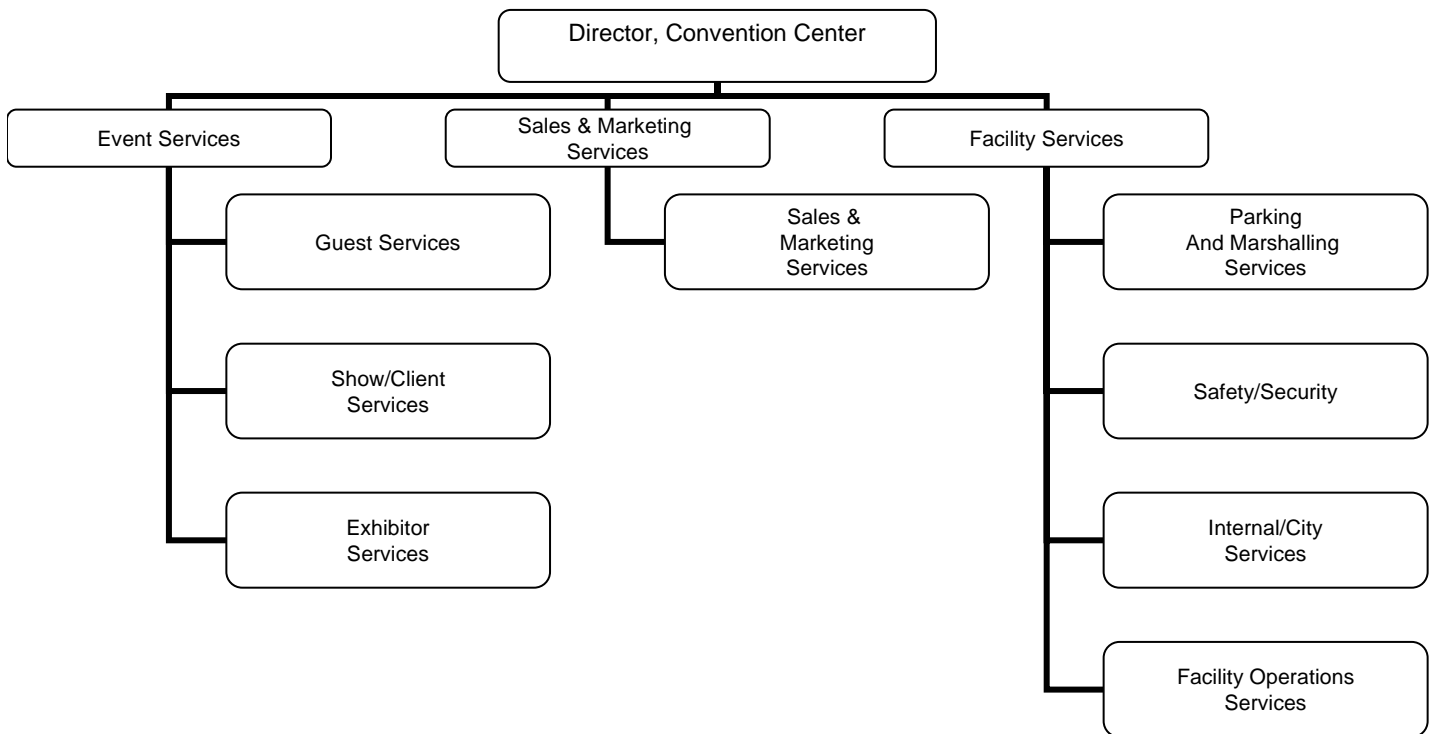
The Council reallocated the \$500,000 challenge funding for developing facilities to attract Life Sciences conventions to replace terrazzo flooring. The Council directed the Convention Center to conduct a feasibility study for the Life Sciences conventions within existing resources.

For further financial analysis, please review the Convention Center financial plan in the Financial Plans section of this book.

CONVENTION CENTER Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	213.60	212.60	211.18	211.18	0.00%	-

Minneapolis Convention Center Organization Chart



**CONVENTION CENTER
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Contractual Services	7,872,905	9,256,602	9,919,974	10,877,736	9.7%	957,762
Equipment	703,376	1,028,460	3,666,825	4,167,000	13.6%	500,175
Equipment Labor	2,844	1,879	3,000	3,000	0.0%	0
Fringe Benefits	2,165,875	2,485,311	2,968,507	3,136,354	5.7%	167,847
Operating Costs	865,870	998,970	1,171,156	1,190,328	1.6%	19,172
Salaries and Wages	7,633,650	8,168,892	9,162,327	9,427,690	2.9%	265,363
Total for Special Revenue Funds	19,244,520	21,940,114	26,891,789	28,802,108	7.1%	1,910,319
Total for CONVENTION CENTER	19,244,520	21,940,114	26,891,789	28,802,108	7.1%	1,910,319

**CONVENTION CENTER
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Charges for Service	3,720,144	4,999,515	5,230,000	5,660,000	8.2%	430,000
Interest	10	0	0	0	0.0%	0
Other Misc Revenues	2,321,293	2,694,176	2,505,000	2,570,000	2.6%	65,000
Rents	6,193,637	6,467,613	7,063,000	7,415,000	5.0%	352,000
Sales and Other Taxes	48,908,092	52,169,308	50,900,476	54,811,000	7.7%	3,910,524
<i>Total for Special Revenue Funds</i>	61,143,175	66,330,612	65,698,476	70,456,000	7.2%	4,757,524
Total for CONVENTION CENTER	61,143,175	66,330,612	65,698,476	70,456,000	7.2%	4,757,524

FINANCE

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Enterprise leaders – with respected services and solutions.

VALUES –

The ideal Finance Department culture is best expressed by employees displaying the values of innovation, professionalism, respectfulness, and flexibility.

MISSION –

We provide financial services that assist our customers in making sound and informed decisions and ensure the City's financial integrity.

BUSINESS LINES –

Financial Operations - Provide accurate, timely financial information. This includes revenue and receivable management, payment processing, and asset management.

Decision Support - Support informed financial and business decisions. This includes resource allocation support and resource management support.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

- Significant funding cuts have resulted in an enterprise focus on reducing costs and increasing revenues. The additional financial pressure and the advent of five-year business planning have led to a heightened demand for financial information, analysis, and decision support by policymakers and department managers. Planned actions are to transfer staff from operational activities to decision support activities wherever possible. Simultaneously, we must continue to provide excellent customer services to internal and external customers. In addition, Finance will investigate the means to simplify, automate, or eliminate business processes that are non-value added. Initiatives include streamlining revenue management, facilitating electronic transactions, and supporting the development of the One-Stop and One-Call centers.
- Following establishment of the Community Planning and Economic Development Department (CPED), Finance successfully created an organization to support CPED's

operations and management, transitioned employees, and melded financial and related business processes. Planned actions for 2006 are to examine and clarify expectations and responsibilities in areas where their missions overlap or require further definition, such as administration of residential mortgage programs, NRP support, citizen participation, and support and analysis for development funding decisions.

- The need for enhanced and functional technology infrastructure requires ongoing investments in maintenance and upgrades. A planned action for 2006 is to perform various project activities in order to replace the enterprise financial system by 2008.
- In order to reduce City-wide losses and preserve precious resources (human and property), a Loss Prevention Enterprise Project has been initiated. This is a proactive program that will require all City departments to incorporate customized loss prevention tactics into their daily operations.
- The 2004 Citywide employee survey showed a need to improve the employee environment in the Finance Department. A survey response team has recommended actions that have been incorporated in the 2006-2010 business plan.

Each of these key areas is closely associated with the significant ongoing challenges that the Department faces in the general areas of Workforce, Communication, Information Technology, and Service Delivery. The issues identified in each of these areas are highly interconnected; therefore, addressing these issues will require an integrated approach.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

Within the financial resources allocated from the five-year financial direction, Finance must:

1. Reduce real spending \$250,000 in 2006 and lesser amounts in following years in accordance with the five-year financial plan;
2. Internally fund more than \$2 million of the cost to replace/upgrade the City's financial system; and
3. Redirect resources to increase support for the Decision Support business line.

To achieve these objectives Finance will use the following strategies:

1. Eliminate vacant and underutilized positions in the Operations business line by improving and simplifying business processes;
2. Convert vacant and underutilized positions in the Operations business line to positions in the Decision Support business line;
3. Make use of and manage financial resources from personnel turnover (\$300,000 to \$500,000 annually); and
4. Reduce non-personnel costs, primarily professional services.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Ensure the City's financial stability and meet funding priorities	Increase or maintain real spending for public safety, transportation, and development	Real growth in spending for public safety, transportation, and development	<ul style="list-style-type: none"> Propose administrative or legislative actions for the City Council to carry out decisions
	Establish internal and external fees for specified services to fully recover costs	% of costs recovered by fees	<ul style="list-style-type: none"> Amend City financial policies to specify services that should be funded by fees Complete study by June 2005 that measures regulatory and development revenues and related operating expenses Recommend changes to fees to fully recover costs and allocation of revenues for budget purposes
	Maintain or reduce the City's financial obligations for closed pension plans	% change to the present value of City's pension obligations (closed pension funds)	<ul style="list-style-type: none"> Secure adoption of legislative position on pensions by City Council Actively respond to legislative proposals from all parties Consult with pension actuary for technical advice
	Support the implementation of City Council-designated enterprise projects	% of related enterprise initiative deadlines for the Finance Department that were met	<ul style="list-style-type: none"> One Call/One Stop - Advise on funding for one-time and on-going costs, coordinate transition planning services with other management and affected business units
	Ensure that business planning provides valuable information that assists City leaders in making decisions	% of departments reporting use of their business plan in their decision making	<ul style="list-style-type: none"> Fully merge the business planning and the budget development processes Support the use of business plans in evaluating departmental results Provide training and consultation to departments on how to use their business plans to manage their departments on a monthly, quarterly, and yearly basis
	Coach and support the implementation of Loss Prevention tactics in every department	% of tactics identified in the departmental business plans completed	<ul style="list-style-type: none"> Champion the efforts to incorporate proactive loss prevention efforts within each department's daily operations Document loss prevention tactics proposed for each department Conduct an year-end audit of completed departmental tactics

Strategies	Objectives	Measures: Outcome and Driver	Tactics
<p>Improve efficiency and effectiveness of business processes</p>	<p>Upgrade or replace enterprise financial system</p>	<ul style="list-style-type: none"> • Project deadlines met within budget 	<ul style="list-style-type: none"> • Revise chart of accounts to be consistent with financial reporting and business needs of departments • Establish requirements • Evaluate options • Consider merger with HRIS and other enterprise systems • Determine procurement approach • Conduct procurement, finance plan, and implementation • Analyze and improve related business processes • Consider alternative service models for: financial systems management, procurement, E-Payroll, financial management reporting, one enterprise-wide time-keeping platform, and billing and receivables management
	<p>Reduce percent of Finance Department spending for operations business line</p>	<ul style="list-style-type: none"> • % of Finance Department allocated to operations business line 	<ul style="list-style-type: none"> • Improve business processes related to processing revenue and non-payroll payments • Increase use of electronic payment options
	<p>Improve customer access to information</p>	<ul style="list-style-type: none"> • % of information requests responded to in a timely manner (One Call) • % procedures published on City talk 	<ul style="list-style-type: none"> • Design and implement practices to meet the objectives of Limited English Proficiency Plan • Simplify financial procedures and publish on City Talk • Transition the answering of specified Finance Department questions to One Call
	<p>Implement EIM practices and policies</p>	<p>Compliance with EIM policy</p>	<ul style="list-style-type: none"> • Develop EIM knowledge, skills, and abilities within the Department • Ensure that Department records are identified and have a retention schedule
<p>Maintain a positive work environment for employees</p>	<p>Strengthen and improve the methods of accountability and feedback</p>	<ul style="list-style-type: none"> • % increase in positive responses in employee survey • % of employees with completed performance reviews 	<ul style="list-style-type: none"> • Communicate training and performance expectations to employees • Create communication opportunities to increase employee input and feedback on City functions and operations, such as employee newsletters or Department-wide emails • Implement regularly scheduled staff meetings in each division

			<ul style="list-style-type: none"> • Distribute Finance Department organizational charts • Reinstigate the “Years of Service” City recognition photos (provide retroactive photos by request) • Establish a team to evaluate progress on the employee survey recommendations
	Develop a competent and versatile work force	% of managers and supervisors trained in staffing policies and procedures	<ul style="list-style-type: none"> • Train managers and supervisors in staffing policies and procedures • Directors are responsible to jointly develop and communicate training/performance expectations for all Finance Department employees through annual performance reviews on an ongoing basis

FINANCIAL ANALYSIS

EXPENDITURE

The 2006 budget for the Finance Department is \$20.4 million. This is a 3.6% increase over the 2005 Adopted Budget and keeps the Department in line with the five-year financial direction.

The Self Insurance fund has increased by \$465,000 due to an increase in the liability of Tort Claims.

One position was subtracted from the Mayor’s Recommended Budget to correct an error in the Controller’s division.

REVENUE

General Fund revenue has decreased due to centrally budgeted overhead within the General Fund. Federal funds have increased by a small amount due to a HUD Lead grant and CDBG funds have decreased due to CDBG funds not being fully utilized in previous years.

MAYOR’S RECOMMENDED BUDGET

The Mayor’s Recommended Budget included reductions of 1 position in the Controller’s division and non-personnel expenses to meet the \$250,000 reduction as planned in the five-year financial direction in the General Fund.

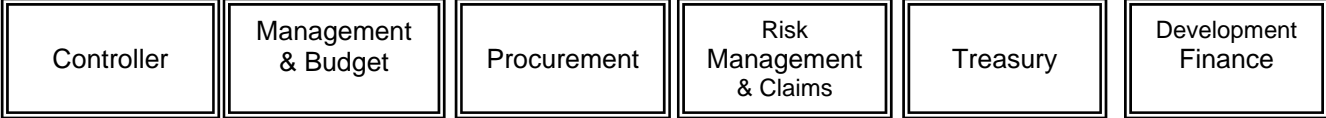
COUNCIL ADOPTED BUDGET

The Council adopted the Mayor’s recommendation.

FINANCE
Staffing Information

	2003	2004	2005	2006	%	Change
	Adopted	Adopted	Adopted	Adopted	Change	Change
	Budget	Budget	Budget	Budget		
FTE's by Division						
Executive	2.00	10.00	10.00	10.00	0.00%	0.00
Treasury	61.00	59.00	58.00	58.00	0.00%	0.00
Procurement	10.00	8.50	8.50	10.00	17.65%	1.50
Risk Management	10.00	9.50	9.50	9.00	-5.26%	-0.50
Controller	92.00	97.00	97.00	100.00	3.09%	3.00
Development Finance	-	21.00	21.00	15.00	-28.57%	-6.00
Total FTE's	200.00	205.00	204.00	202.00	-0.98%	-2.00

Chief Financial Officer



- Managerial Accounting
- Financial System Support
- Central Payroll
- Financial Reporting

- Budget Coordination & Financial Analysis
- Capital & Debt Management
- Strategic & Business Planning

- Contract Management
- Disaster Planning
- Purchasing

- Workers Compensation
- Claims
- Insurance
- Loss Prevention

- Utility Billing/ Receivables
- Cash Management
- Investments

- Development Planning & Analysis
- Development Loans & Contracts
- NRP/Citizen Participation

FINANCE DEPARTMENT
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Fringe Benefits	7,266	0	0	0		0
Operating Costs	1,006,363	1,019,744	0	0		0
Total for Capital Projects	1,013,629	1,019,744	0	0		0
Enterprise Funds						
Capital Outlay	0	0	0	0		0
Contractual Services	1,140,390	1,807,726	0	0		0
Equipment	0	0	0	0		0
Fringe Benefits	634,889	624,611	0	0		0
Operating Costs	1,272,663	1,462,536	0	0		0
Salaries and Wages	2,193,526	2,173,923	0	0		0
Total for Enterprise Funds	5,241,467	6,068,795	0	0		0
General Fund - City						
Capital Outlay	0	0	27,246	27,791	2.0%	545
Contractual Services	991,331	1,050,818	4,248,777	4,062,925	-4.4%	-185,852
Equipment	331,723	5,659	217,666	121,524	-44.2%	-96,142
Fringe Benefits	1,308,033	1,756,975	2,954,885	3,177,286	7.5%	222,401
Operating Costs	-3,513,833	152,073	346,282	326,697	-5.7%	-19,585
Salaries and Wages	5,541,327	6,964,874	9,951,604	10,279,742	3.3%	328,138
Total for General Fund - City	4,658,581	9,930,399	17,746,460	17,995,965	1.4%	249,505
Internal Service Funds						
Contractual Services	620,826	650,798	803,626	750,423	-6.6%	-53,203
Equipment	0	457	5,239	5,344	2.0%	105
Fringe Benefits	156,036	105,016	157,922	161,277	2.1%	3,355
Operating Costs	1,178,816	1,205,728	32,231	532,874	1,553.3%	500,643
Salaries and Wages	495,929	456,015	548,295	562,639	2.6%	14,344
Total for Internal Service Funds	2,451,607	2,418,014	1,547,313	2,012,557	30.1%	465,244
Investment Management Funds						
Operating Costs	285,745	24,780	0	0		0
Total for Investment Management	285,745	24,780	0	0		0
Special Revenue Funds						
Capital Outlay	0	0	0	0		0
Contractual Services	0	19,429	11,191	0	-100.0%	-11,191
Fringe Benefits	86,190	62,863	75,009	78,198	4.3%	3,189
Operating Costs	298,468	303,243	0	0		0
Salaries and Wages	338,288	256,197	274,466	280,138	2.1%	5,672
Total for Special Revenue Funds	722,945	641,732	360,666	358,336	-0.6%	-2,330
Total for FINANCE DEPARTMENT	14,373,974	20,103,464	19,654,439	20,366,858	3.6%	712,419

FINANCE DEPARTMENT
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Interest	5,112	0	0	0	0.0%	0
Total for Capital Projects	5,112	0	0	0		0
Enterprise Funds						
Charges for Sales	592	785	0	0	0.0%	0
Charges for Service	3,191,400	4,375,184	0	0	0.0%	0
Other Misc Revenues	0	63	0	0	0.0%	0
Total for Enterprise Funds	3,191,992	4,376,032	0	0		0
General Fund - City						
Charges for Sales	243	208	0	0	0.0%	0
Charges for Service	66,840	5,459,165	5,500	6,000	9.1%	500
Interest	-1,958	169,844	0	0	0.0%	0
Local Government	15,000	15,000	0	0	0.0%	0
Other Misc Revenues	0	686	42,069	0	-100.0%	-42,069
Total for General Fund - City	80,125	5,644,903	47,569	6,000	-87.4%	-41,569
Internal Service Funds						
Charges for Service	269,746	278,127	342,068	342,068	0.0%	0
Other Misc Revenues	191	0	0	0	0.0%	0
Total for Internal Service Funds	269,937	278,127	342,068	342,068	0.0%	0
Investment Management Funds						
Gains	0	1,058,967	0	0	0.0%	0
Interest	-4,961	91,916	0	0	0.0%	0
Total for Investment Management Funds	-4,961	1,150,884	0	0		0
Special Revenue Funds						
Charges for Service	0	-19,460	0	0	0.0%	0
Contributions	0	-646	41,336	45,988	11.3%	4,652
Federal Government	0	0	34,330	55,040	60.3%	20,710
Local Government	0	0	0	2,308	0.0%	2,308
Total for Special Revenue Funds	0	-20,107	75,666	103,336	36.6%	27,670
Total for FINANCE DEPARTMENT	3,542,205	11,429,839	465,303	451,404	-3.0%	-13,899

HUMAN RESOURCES

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

We lead with strategic and innovative human resource solutions that create partnerships for developing and maintaining a diverse, results-driven organization focused on continuous learning and improvement.

VALUES –

All HR staff were involved in our value statement exercise. We have identified how these values will reflect in our interactions with each other and our customers. Some of these statements remain a work in progress and will be refined throughout the upcoming year.

We ADD VALUE.

- We are culturally competent.
- We look for innovative and cost-effective, ways to contribute to solutions.
- We are accountable for our work and actions.
- We are accountable for the success of our unit and Department.
- We seek meaningful (purposeful) change and participate in problem resolution.
- We communicate effectively to meet the needs of our audience.
- We work to help our customer departments achieve their business purposes.

We are SERVICE FOCUSED.

- We understand workload priorities and follow through in a timely manner.
- We explore possibilities to solve organizational challenges.
- We explain the rationale of decisions made to solve organizational challenges with affected parties.
- We listen to customers and assist in clarifying their needs before taking action.
- We do things right the first time by planning and asking the appropriate questions.
- We anticipate future needs and are proactive in finding short- and long-term solutions.
- We are available to the public, our co-workers and to other City of Minneapolis employees.

We are CARING.

- We acknowledge others' sense of urgency.
- We are honest, respectful, courteous and caring.
- We respect the differences and similarities that each person brings to the work environment.
- We build on others' strengths to achieve quality outcomes.
- We are fair and consistent with our decision making.
- We deliver tough information in a caring, sensitive manner.

MISSION –

The mission of the Human Resources Department is to strategically partner with City departments to hire, develop and retain an excellent workforce.

BUSINESS LINES –

The Minneapolis Human Resources Department has identified five primary business lines:

1. Provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk.
2. Ensure employees have competitive compensation and positive working conditions while minimizing the City's exposure to liability.
3. Manage and provide HR (Human Resources) information to City, Independent Boards and Agencies for decision-making purposes.
4. Assist departments in designing and developing their organization.
5. Provide the City, Park & Library Boards with the timely opportunity to hire diverse, competent employees.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

Internal Effectiveness Initiatives –

HRIS Upgrade: HR, Finance and BIS have partnered to maintain this critical enterprise system. The HRIS upgrade will uplift the current functionality and deliver significant improvements to how the City conducts business.

Enterprise Learning Management (ELM) –

HR will partner with key departments to build an enterprise-wide learning strategy and management capability from which the City can improve its operational effectiveness. ELM is a module of the HRIS system that can be used by all levels of the organization to track, maintain and develop employee competencies, including licensures and certifications.

Strategic Initiatives –

Five-Year Diversity Plan: Phase I of the Citywide diversity initiative will be completed. With aggressive goals and objectives, the 2005-2010 Business Strategy for Diversity will lead us into the next decade as an inclusive, multicultural, gender-fair organization.

Supervisor & Manager Development: Assess and improve the City's training program for building the internal capacity of managers and supervisors.

A strategic HR function will be implemented and rolled out with a focus on enterprise-wide initiatives (e.g., Minneapolis One Call Center, diversity initiatives) or complex departmental issues.

City Health & Wellness Initiative: A key challenge that the City faces is the increasing costs of health care coverage. Based on current utilization, it is realistic that claims could climb to \$55

million for 2006, creating an estimated 25-29 percent increase in rates for 2007. Since developing positive changes in employees' health takes time and it is a significant driver of our health care costs, the time to start a comprehensive Health & Wellness program is now. A program will help reduce our utilization rates, stabilize claims costs and most importantly assist our employees in leading a healthier lifestyle. With the proper funding of 1.0 staff positions through the Self Insurance Fund, the City will develop a program focused on research, development, grant writing and program implementation. Ultimately, this addition will help to show our commitment to a healthy workforce as we enter into plan renewal discussions with Blue Cross Blue Shield next year (2006).

Centralization of Respect in the Workplace Investigations: Currently the City has a distributed pool of employees from across the organization who are assigned investigations as they arise. The HR Department has an established performance standard of 60 days to complete an investigation. Due to the declining availability of dedicated investigative resources, we have not been able to meet our performance measure for the past 3 years. The delays in the investigative process lead to a prolonged inhospitable work climate for the involved employees. The cost of providing internal investigative services across the organization exceeded \$133,000 in 2004. Our research shows that a centralized function would perform investigations more effectively and efficiently; we would be able to respond quickly to complaints of disrespectful work environments (based on protected class status) with highly qualified investigators and identify trends and solutions to systemic issues. Therefore, HR proposes that two new positions be approved and funded through a department chargeback model.

Training Assessment & Program Development: This will be the first comprehensive Training and Development program evaluation. The intent is to look critically at the learning strategies needed to support the City's workforce development. Building on consistent, informal feedback from our customers, Training & Development (T&D) is implementing a comprehensive review of our courses and staffing needs. This enterprise endeavor is an integral component of the City's current initiatives and direction.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

For the 2006 General Fund budget, Human Resources is within the five-year financial direction of \$5,900,054 (which includes an increased appropriation cost to cover BIS expenses).

For the 2006 Internal Services Fund, Human Resources is requesting that two new employee positions be approved and funded through a department chargeback model. In addition to increasing the effectiveness and efficiency of the investigation process, two dedicated investigators will more greatly ensure appropriate standardization and control of the tremendous potential liability associated with discrimination, harassment and retaliation. The overall expenditure associated with these two positions from a productivity standpoint is a cost neutral proposal (\$130,000 annually).

For the 2006 Self Insurance Fund, Human Resources is requesting one Benefits position dedicated to developing a comprehensive employee Health and Wellness program that will reduce our utilization rates, stabilize claims costs and most importantly assist our employees in leading a healthier lifestyle. These factors take time to turn around and without any program it is realistic that claims could climb to \$55 million for 2006, creating an estimated 25-29 percent increase in rates for 2007. Typically, organizations see an improvement in the first year and

within three years realize a positive return on investment of \$3-\$5 for every \$1 invested. The cost associated with the position is approximately \$80,000.

Key Performance Measures

The Business Planning Team identified the following key performance measures. As part of the business planning process, these measures will continue to be analyzed, refined and aligned with our core services.

1. Increase the racial, gender, and disabled diversity in the city workforce.

- Percentage of women, people with disabilities and people of color on eligible lists will be increased by at least 2%.

Budget Impact: HR recruitment efforts would be reduced.

- Over the next five years, HR will champion an effort to help departments and hiring managers increase the percentage of EEO classified employees in the City's workforce by 1% per year.

Budget Impact: Limited hiring by departments may challenge the organization's ability to increase representation to these levels.

2. Partner with departments to create a respectful work environment.

- 55% of arbitration hearings found in favor of the City, realizing a 5% gain over the next five years.

Budget Impact: Reduction in HRG teams may negatively impact this goal.

- Decrease average investigation time by 50% to 60 days.

Budget Impact: Duration of investigations may increase over five years as a 20% reduction in staff is realized.

3. Provide qualified candidates for employment.

- The time required to create an acceptable eligible list averages 35 working days, provided "rule of the list" prevails and job bank as well as layoff list eligible positions are excluded.

Budget Impact: Time required to fill vacancies may increase due to staff reductions.

- Achieve an average score of 4.50 on a scale of 5.0 scale on the staffing function customer satisfaction surveys.

Budget Impact: Anticipated reductions in service may negatively impact customer ratings.

4. Negotiate and administer fair and affordable collective bargaining agreements.

- All collective bargaining agreements are 100% within the guidelines established by the Executive Committee.

5. Develop and administer compensation and classification systems that provide for fair and equitable salaries.

- Complete reclassification requests in an average of 20 calendar days.

Budget Impact: Reduction in HRG teams may require keeping standard at 60 days.

- New salary schedules are within 4% of the City's internal pay equity line.

6. Design and manage employee benefits plans.

- All City benefit packages are competitive with comparable public entities.
- 65% of City employees express satisfaction with the choice of benefit plans available.

Budget Impact: Reduction in staff will ultimately result in less outreach and employee wellness education.

7. Partner with departments in Business Planning.

- 100% of city departments have involved HR in Business Planning Process.

Budget Impact: Elimination of the Workforce Planning Coordinator position and reductions to HRG Teams will result in significantly less participation in strategic planning.

8. Provide learning opportunities to employees, supervisors, and managers for professional and organizational effectiveness. Note that as a result of the Training and Development Assessment, this measure will change and more metrics may be added.

- The average number of contact hours per employee is 3.7 (current contact hours exclude open enrollment training sessions).

Budget Impact: This will be difficult to achieve with staff reductions.

9. Provide timely and accurate human resource data and information. Note that as part of the HRIS upgrade, metrics will be redefined.

- Achieve a 3.0 on a 4.0 scale in customers satisfied with data/information provided by human resources.

Budget Impact: HR is currently striving to improve information services. Diminishing resources will pose challenges for 2007-2010.

10. Provide human resources consulting services.

- Achieve managers' satisfaction with support provided by Human Resources of 4.63 on a scale of 5.0. (HRG survey)

Budget Impact: This score is likely to go down as HR services are reduced.

FINANCIAL ANALYSIS

EXPENDITURE

The Human Resources 2006 Budget is \$7.3 million, a 12.5% increase over the 2005 Adopted Budget. Most of it is due to the increase in BIS charges over last year. There is also an increase of 59% in the Self Insurance Fund which resulted from an accounting change related to VEBA administration.

REVENUE

The Department plans a 7% decrease to its direct revenue from benefits administration charges.

FUND ALLOCATION

The majority (81%) of the Department's budget originates from the General Fund. The Department also operates the benefits administration function out of the Self Insurance Fund (15% of the total). It has 3% of its budget in the Intergovernmental Fund which is used for City-wide employee training sessions. The Department also has smaller budgets (1% 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").

MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended Budget did not include any additional reductions for Human Resources; the Department's growth was below projections. Two investigators (\$130,000) were added to the Department's Employee Services Division in the Self-Insurance Fund to conduct work previously accomplished by staff of other departments on a volunteer basis.

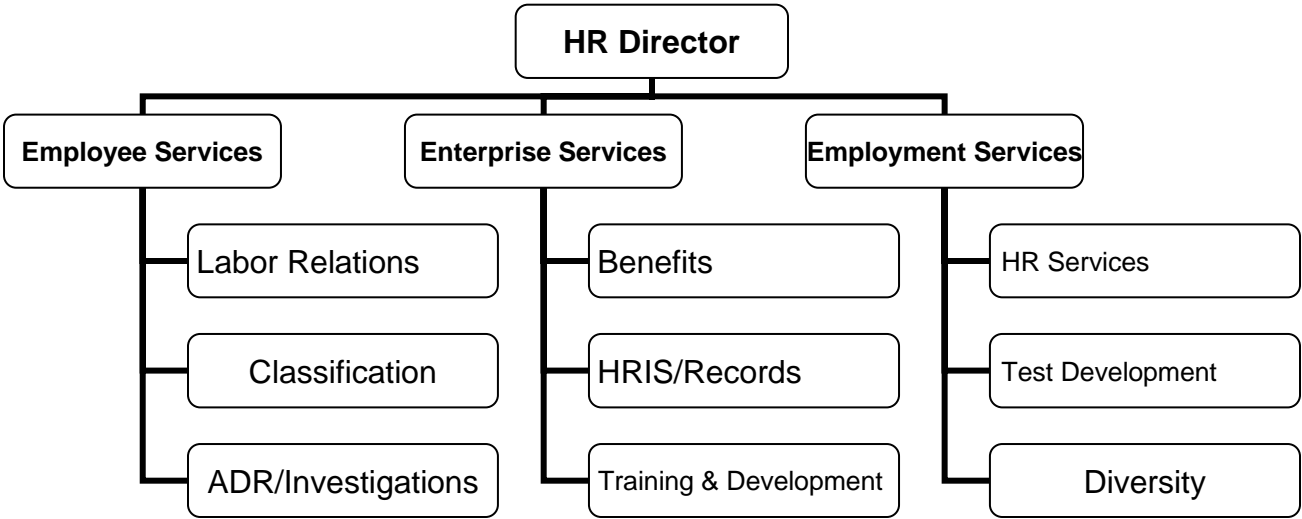
ADOPTED BUDGET

The Council adopted the Mayor's recommendations.

HUMAN RESOURCES Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Administration	2.00	2.00	2.00	2.00	0.00%	-
Employment Services	28.00	29.00	27.00	26.00	-3.70%	(1.00)
Enterprise Services	15.00	17.00	17.00	17.00	0.00%	-
Employee Services	12.00	7.00	7.00	10.00	42.86%	3.00
Total FTE's	57.00	55.00	53.00	55.00	3.77%	2.00

Human Resources Administration 2006 Organization Chart



HUMAN RESOURCES
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Operating Costs	900,000	911,880	0	0		0
Total for Enterprise Funds	900,000	911,880	0	0		0
General Fund - City						
Contractual Services	736,090	435,334	1,556,712	1,911,515	22.8%	354,803
Equipment	0	203,000	764	779	2.0%	15
Fringe Benefits	629,956	658,538	780,597	797,047	2.1%	16,450
Operating Costs	-598,719	-429,555	263,658	271,605	3.0%	7,947
Salaries and Wages	2,704,287	2,814,809	2,924,941	2,933,639	0.3%	8,698
Total for General Fund - City	3,471,613	3,682,126	5,526,672	5,914,585	7.0%	387,913
Internal Service Funds						
Contractual Services	233,116	334,918	390,096	630,597	61.7%	240,501
Equipment	0	0	3,772	0	-100.0%	-3,772
Fringe Benefits	78,998	74,939	97,071	101,579	4.6%	4,508
Operating Costs	6,176	9,810	32,519	37,082	14.0%	4,563
Salaries and Wages	255,344	323,038	368,054	541,231	47.1%	173,177
Total for Internal Service Funds	573,634	742,705	891,512	1,310,489	47.0%	418,977
Special Revenue Funds						
Fringe Benefits	13,651	14,887	17,150	18,968	10.6%	1,818
Operating Costs	1,023	1,064	11,381	11,630	2.2%	249
Salaries and Wages	38,997	41,710	43,610	44,272	1.5%	662
Total for Special Revenue Funds	53,670	57,661	72,141	74,870	3.8%	2,729
Total for HUMAN RESOURCES	4,998,917	5,394,372	6,490,325	7,299,944	12.5%	809,619

HUMAN RESOURCES
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	0	354	0	0	0.0%	0
Other Misc Revenues	3,485	1,220	5,000	5,000	0.0%	0
Total for General Fund - City	3,485	1,574	5,000	5,000	0.0%	0
Internal Service Funds						
Charges for Service	0	98,943	1,031,860	959,820	-7.0%	-72,040
Other Misc Revenues	40,427	0	0	0	0.0%	0
Total for Internal Service Funds	40,427	98,943	1,031,860	959,820	-7.0%	-72,040
Special Revenue Funds						
Other Misc Revenues	461	4	10,000	10,000	0.0%	0
Total for Special Revenue Funds	461	4	10,000	10,000	0.0%	0
Total for HUMAN RESOURCES	44,373	100,521	1,046,860	974,820	-6.9%	-72,040

INTERGOVERNMENTAL RELATIONS

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Advocate Policy Proposals and Funding Requests on behalf of the City of Minneapolis at the federal, state, metropolitan and local governmental levels. Build relationships and apply for funding with private sector funding sources.

VALUES –

Exhibit professionalism and integrity, ensure compliance and accountability, respond to priorities, maintain flexibility, build partnerships and act proactively.

MISSION –

To serve as a valuable and essential resource and advocate for the City in its policy development, priority setting, issue management, grant seeking and government relations initiatives.

BUSINESS LINES –

- 1) Intergovernmental Policy Agenda Development and Implementation:** The annual legislative and federal agendas are prepared with City departmental input and City Council approval; an agenda summary is also prepared and distributed.
- 2) Grants Information, Compliance and Development:** Grant applications and compliance reports are coordinated and reviewed by the Department.
- 3) Liaison with Federal, State Metropolitan, local governments and organizations:** City staff and elected officials serve on committees and boards of national, state and regional local government organizations.
- 4) Intergovernmental Issue Coordination:** Assist in resolving an issue that involves the City and another governmental entity.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

As with all City departments, the limitation of City resources is a significant challenge to Intergovernmental Relations (IGR)/Grants & Special Projects (GSP).

Establishing and advocating clear focused priorities for our federal and legislative agenda. We address this issue by enlisting input from Mayor, City Council Members and City departments.

To improve coordination and focus of efforts IGR needs an effective legislative tracking system. We will continue to work with BIS to resolve this issue.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

We will continue to integrate and coordinate the IGR and GSP staff functions. GSP staff could play a larger role in the federal agenda.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Adopt a Legislative Agenda prior to start of Session.	Have priority agenda items advanced through legislature to enactment.	<p>% of agenda items that were introduced and have broad range of authors.</p> <p>% agenda items enacted either in total or in part.</p>	<p>Clearly identify what is important for the City of Minneapolis with work teams of the Mayor, City Council, IGR staff & Minneapolis Delegation.</p> <p>Educate City departments about IGR functions and legislative packages and assist department heads in determining essential legislative priorities.</p> <p>Include Minneapolis Delegation in setting priorities through one-on-one meetings and joint working sessions to define Minneapolis' priorities for legislative session.</p> <p>Develop an action plan for each priority issue, assign staff and define roles; ask for Mayor, City Council and City staff.</p> <p>Design and produce printed materials i.e., fact sheets for priorities</p> <p>Hearing preparation – create effective, professional presentations on City's priorities.</p> <p>Become innovative in delivering City's message/priorities.</p> <p>Define audiences (legislators, staff, residents)</p> <p>Develop plans to meet with legislators, governor, and staff to present priorities package (legislative agenda).</p>

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Adopt Federal Agenda Prior to start of Congress	Have Congressional delegation advance agenda items.	% of items adopted into legislation	<p>Consult with City's Washington DC lobbyist about the agenda and federal issues.</p> <p>Discuss agenda items with Congressional staff throughout the session.</p> <p>Arrange for City reception with Congressional delegation during National League of Cities Legislative Conference.</p> <p>Brief City Council members prior to attendance at legislative conference and meetings with Congressional delegation.</p> <p>Maintain communication with and respond to requests of Congressional staff.</p> <p>Where appropriate, arrange for site visits of requested projects.</p>
Building Alliances.	Strengthen the partnership of Minneapolis with other jurisdictions and organizations.	% of priorities that City was able to collaborate with others to advance.	<p>Enlist participation of Mayor and City Council and staff in city organizations – National League of Cities, League of Minnesota Cities, Association of Metropolitan Municipalities, I-35W Solutions Alliance, and North Metro Mayors.</p> <p>Establish regularly scheduled meetings with cities bordering Minneapolis.</p> <p>Meet on a regular basis with City's Met Council representatives.</p> <p>Continue joint meetings and legislative agenda with St. Paul.</p> <p>Initiate regular meetings with Hennepin County.</p> <p>Be active in "working groups" established by Metropolitan Council and or state agencies to resolve issues related to city goals.</p>
Coordination of Intergovernmental issues.	Have City be able to respond to and propose solutions to issues having multi-jurisdictional approvals or reviews.	% of City proposals incorporated into official actions	Continue to hold regular staff meetings to build cohesion between IGR and GSP.

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Obtain financial and non-financial resources to achieve City priorities.	Maximize available resources.	% of grant funds applied for versus those received % of City revenue generated by grant funds % amount of grants	Update office website routinely. Schedule meetings with departments to discuss funding options. Hold Grant User meetings. Answer questions about funding opportunities.
	Develop and manage the consolidated plan.	% of public hearings held on time % of plans submitted on time % of required plan clarifications submitted on time	Interact with entities receiving federal funds. Complete the CAPR (Consolidated Annual Performance Report) Enter information into IDIS (Integrated Disbursement and Information System) Manage HOPWA (Housing Opportunities for People with AIDS) program. Attend Homeless Task Force meetings Process payments
	Comply with HUD regulations	% of finding of significance in program audits	Monitor sub recipients Participate in monitoring visits Prepare responses to monitoring visits Provide audit information at Grant User Meetings Monitor/manage HUD (Housing and Urban Development) environment review process
	Participate in City department grant-related activities	% of City revenue generated by grant funds	Participate in internal ranking processes Coordinate meetings for application processes Review/score grant applications Attend department grant-related meetings
Model grant management design	City departments will manage their grant funds to comply with regulations.	% of findings of significance in program audits Amount of grant funds unspent at the end of the contract period	Respond to public inquiries about grant fund management. Participation in professional and affinity groups Provide information and technical assistance about the municipal grant management process

Strategies	Objectives	Measures: Outcome and Driver	Tactics
			<p>Ensure proper tracking of program funds through use of "Grant Master"</p> <p>Provide technical assistance in response to requests</p> <p>Manage the signature process with the City Coordinator's Office for applications and certifications</p>
Develop partnerships with community-based organizations (CBO).	Increase the fundraising capacity of CBO's in order to accomplish City priorities	<p>% of entities contacted who express satisfaction with the service provided</p> <p># of organizations actively coached/counseled</p>	<p>Market to program eligible recipients through letters and other contacts</p> <p>Hold meetings with community-based agencies to discuss funding options</p> <p>Provide technical assistance such as planning, research funders, review drafts, identify potential partners</p>
Improve efficiency and effectiveness of Business Processes.	Improve customer access to information.	<p>% of information requests responded to in a timely manner. (One Call).</p> <p>.</p>	<p>Design and implement practices to meet the objectives of Limited English Proficiency Plan with the City Coordinator's office.</p> <p>Transition the answering of specified IGR/GSP Department questions to One Call.</p>
	Implement Enterprise Information Management (EIM) practices and policies.	<p>Compliance with EIM policy.</p> <p>% compliance with EIM policy.</p>	<p>Develop EIM knowledge, skills and abilities, within the Department.</p> <p>Implement EIM plan requirements by mid-year 2006.</p>
Promote a positive work environment and professional growth.	Maintain a competent workforce.	% of staff who attended annual professional growth experience	<p>Participate in loss prevention activities</p> <p>Respond to employee survey results</p> <p>Each staff member will participate annually in a training or national meeting</p> <p>Increase grant-related expertise of staff.</p>

FINANCIAL ANALYSIS –

EXPENDITURE

Intergovernmental Relations includes the budget for the Grants and Special Projects function of the City as well as the Intergovernmental Relations staff. The 2006 total operating budget for these two functions is \$2.3 million with \$1.1 million coming the General Fund and \$1.2 million from CDBG.

This Department's budget also includes grants to external organizations that receive funding from the consolidated plan.

REVENUE

This Department does not generate revenue.

FUND ALLOCATION

The Intergovernmental Relations function is funded entirely from the General Fund, while Grants and Special Projects division receives a portion of its funding from Community Development Block Grant funds for efforts supporting the consolidated plan and related grant processes.

MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended budget for Intergovernmental Relations included no changes.

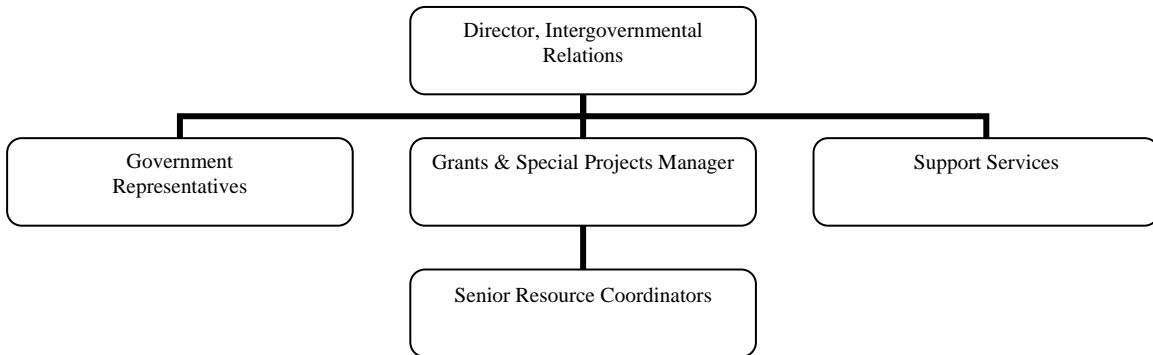
COUNCIL ADOPTED BUDGET

The Council transferred the homelessness position from CPED to the Intergovernmental Relations Department-Grants and Special Projects Division and funded the initiative from Community Development Block Grant funding on a one-time basis. An administrative allocation of \$100,000 was added to the Consolidated Plan for this homelessness initiative.

**INTERGOVERNMENTAL RELATIONS
Staffing Information**

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Intergovernmental Relations	4.00	4.00	4.00	4.00	0.00%	-
Grants and Special Projects	6.00	6.00	6.00	7.00	16.67%	1.00
Total FTE's	10.00	10.00	10.00	11.00	10.00%	1.00

INTERGOVERNMENTAL RELATIONS AND GRANTS SPECIAL
PROJECTS
ORGANIZATIONAL CHART



INTERGOVERNMENTAL RELATIONS
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	139,045	164,817	236,936	245,118	3.5%	8,182
Equipment	944	2,644	12,371	12,619	2.0%	248
Fringe Benefits	89,010	108,670	127,429	142,229	11.6%	14,800
Operating Costs	132,645	231,004	183,389	187,559	2.3%	4,170
Salaries and Wages	457,771	448,404	481,011	518,811	7.9%	37,800
Total for General Fund - City	819,416	955,539	1,041,136	1,106,336	6.3%	65,200
Special Revenue Funds						
Contractual Services	1,658,060	901,017	1,746,629	882,291	-49.5%	-864,338
Fringe Benefits	40,859	43,772	48,899	43,695	-10.6%	-5,204
Operating Costs	745	3,889	0	0		0
Salaries and Wages	201,356	200,730	195,472	264,014	35.1%	68,542
Total for Special Revenue Funds	1,901,020	1,149,409	1,991,000	1,190,000	-40.2%	-801,000
Total for INTERGOVERNMENTAL	2,720,436	2,104,948	3,032,136	2,296,336	-24.3%	-735,800

REGULATORY SERVICES

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Regulatory Services' highly qualified, diverse workforce is recognized as a national leader in providing innovative, professional, quality services that ensure the vitality of our community now and into the future.

VALUES –

Safety: addressing an issue that can cause fatal harm to an individual.

Health: addressing an issue that could cause sickness or other non-fatal harm to an individual.

Livability: addressing an issue that affects quality of life.

Accountability: each employee will be accountable to systems, policies, people, and the public interest; and accept the obligation and responsibility to be accountable for their actions; and the actions will be measured and reported.

MISSION –

Working to ensure the safety, health, and livability of our community through regulation, enforcement, information, and education of applicable laws and regulations.

BUSINESS LINES –

Regulatory Services has two business lines. One business line deals with structure planning/implementation. The other business line deals with services, behaviors and activities. Both business lines provide the following service activities:

SERVICE ACTIVITIES –

Minneapolis One Stop – Minneapolis One Stop is an ongoing initiative to create easier ways for the public to work with the City to get development or building applications and reviews, permitting, licensing, zoning and inspections services in one location - in person and on the Web. With the addition of Development Coordinators, we will be able to provide coordination to our customers for all the permits, reviews and approvals that need to be completed on a given project.

Construction Inspections Services – Provides quality plan review and construction inspection services to citizens, businesses, developers, contractors and design professionals to ensure the built environment conforms to applicable codes and regulations relating to safety, health and livability.

Housing Inspections Services – Management developed a new model of providing cyclical housing inspections that was initiated in 2005. This new system will reduce the cycle from 17 years to 5 years. Housing Inspections provides quality education and consistent enforcement of the Minneapolis Housing Maintenance and other applicable codes to maintain, improve, and protect the housing stock and the livability of the City.

Business Licensing Services – Provides enforcement of the City’s codes related to business licensing regulation, liquor licensing, taxi regulation, parking enforcement, and traffic control.

Environmental Management & Safety – Provides safe food, air and water quality and a clean outdoor environment. This division will be responsible for monitoring all City departments’ compliance with the Sustainability Plan which includes 23 performance indicators to assure that City policies promote long-term environmental and economic health. The Healthy Homes and Lead Hazard Control Program provides risk assessments and educational materials on lead hazards to families and property owners. Animal Care & Control ensures compliance with animal regulations and provides shelter for loose or aggressive animals.

Operations Support - Operations Support consolidates and provides those services that are used across the Department to assist the other divisions in providing quality core services. These services include budgeting, financial tracking, records management, purchasing, administrative hearing scheduling, record keeping and documentation. Having these services provided centrally allows the individual divisions to concentrate on their core functions, thereby facilitating achievement of the Department’s performance standards.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

Business Cycle, Economic Trends and Market Trends

While the economic market place as a whole has seen only modest gains, the building market segment in Minneapolis has continued to show strong growth due to the demand for loft and condo living areas downtown and circling the downtown. This trend is reinforced by the significant increase in fuel prices, making people more conscious of the distance between home and work, giving more consideration to mass transit options. The aging baby boomer population has created an additional emphasis on living near alternative transportation options such as light rail and major bus lines, along with a desire to have restaurant and entertainment options within walking distance. This market situation means that overall revenue for Regulatory Services is anticipated to be almost \$2 million over the five-year financial plan numbers in 2005 and an estimated \$1.7 million in 2006, without taking into account the possibility of a new stadium. However, this additional revenue is an increased work demand commitment both in the near-term and long-term. We are proposing in this budget some alternatives for dealing with this increased demand that will allow us to meet these types of demand peaks. Our proposals involve a blend of training existing staff, using technology enhancements and contracting for additional inspection services. We are looking at alternatives to the existing staffing model to deal with an ever increasing workload over the last ten years.

Enterprise Cooperation and Coordination

As part of thinking enterprise-wide and concentrating on core functions, we have transferred four Zoning enforcement staff positions to CPED, which has responsibility for Zoning and

Planning, and we have transferred four positions working in the KIVA/Accela land based application area to BIS because the Minneapolis One Stop expansion has made this application an enterprise application. This reduces our overall positions by eight. This is consistent with the Regulatory Services goal of being a leader in enterprise initiatives, such as Minneapolis One Stop.

Fee Reporting Mandate

The State law mandating the reporting of development related fees on an annual basis has drawn attention to the misdirection of service fee-based funds. This mandate requires us to match services and expenses related to building inspection, planning and infrastructure investment to specific fee revenue. Doing this has been time consuming, but has also highlighted some financial model issues that don't fit well with annual budgeting. Taking in building permit fees is actually a commitment to do required inspections that frequently extend beyond one year or bridge two years. Counting all of the revenue in one of the years does not provide dollars to pay for the work and time commitments of the future years. Additionally, traditional annual budgeting looks to provide for stable staffing numbers while the construction industry has multiple peaks and valleys of work demand overtime. Examination of the allocated costs and revenues has also led to the legal examination through court challenges of how permit fees are being used. When there is redirection of fees the legal distinction between a fee and a tax may be broached, thereby jeopardizing the continuation of local administration of the program and the fees.

Technology

In order to meet one of our core values of being accountable, and to provide efficient, effective service to ensure safe buildings and a safe environment, we are in need of technological assistance. For several years now, we have been putting data into our applications, but have not had the capability of retrieving information in an organized way that would assist us in making good management decisions. This requires the expertise of professional report writers. In order for our inspectors to be effective in the field, they need to access and input data quickly. Our current programs have steep learning curves that do not lend themselves to this. Web-based programs with a more universal operational style and user friendly front end screens are needed so our inspectors can concentrate on inspecting and not on the intricacies of software. We also need to make more information available to the public in a self-serve environment. All of these initiatives require investment in hardware, software and the services of technology professionals. As an initial step in this process we are signing a service agreement with BIS to cover increased internal BIS support. We additionally are requesting that revenue dollars beyond the five-year General Fund allocation be made available so we can fund the needed enhancements. As we move to implementation of our business plan, technology will play a large role in providing data to Regulatory Services managers, elected officials, and citizens to help us all make informed decisions.

Summer Job Program

Regulatory Services would like to initiate a pilot program to hire high school and college students to help address livability issues in the City. These students could come as interns or students from the "Step Up" program. They would receive training to inspect neighborhoods for graffiti, trash, and uncut grass and assist with correction of the nuisance condition. This program would provide the opportunity to bring a diverse group of young people to work for the City. It is hoped that the experience working for the City will create an interest for future employment with the City. It will allow the City the opportunity to develop a diverse pool of candidates for future jobs and to better reflect the diverse makeup of our community in our workforce. This initiative will help us by:

- Maintaining a clean City;
- Creating summer jobs for neighborhood youth; and
- Serving as a feeder system for City job openings with a diverse pool of applicants.

Local Government Aid

Local government aid remains an issue because significant changes in current aid are likely to even more directly impact all departments, putting additional pressure on the overall General Fund. Those pressures already make it difficult to obtain necessary services and personnel.

Enterprise Projects

The following enterprise projects will be addressed in the Department's Business Plan and will be funded within existing resources:

- Minneapolis One Stop
- Minneapolis One Call
- Limited English Proficiency Planning
- Community Engagement
- Enterprise Information Management Policy

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

We have several strategies to meet the five-year financial plan expense and revenue numbers. As part of the activity based costing fee study and in conjunction with the Council's direction to stay current with inflation, we propose the following fee adjustments. Most of our fees are indexed to inflation, however, a few remain:

- Index Rental Licensing Fees - \$300,000
- Index Annual Pollution Control Billings - \$25,500
- Index Erosion Permits and other Environmental Permits - \$9,800

Additionally, the activity based costing model recommended the following fee increases:

- Increase Special Event permit fees to cover costs - estimated \$26,000 (still in progress)
- Preliminary Development Review Fee - estimated \$28,000 (still in progress, Minneapolis One Stop)

Continued liquor and entertainment expansion leads us to project revenue in 2006 in business licenses \$500,000 higher than the five-year financial plan numbers and ongoing residential and condo activity leads to additional revenue in permits in excess of \$1 million over the five-year financial plan estimates.

This increased activity does mean more revenue; however, it also represents a greater work demand. In the Building Inspections area, since new buildings often take 18 to 24 months (or more) to go up, the increased work actually extends that long also. We are proposing several expense options to help deal with this additional work. Additionally, we are asking to pilot a new operating model with respect to building inspections.

One Stop Sustainability

Minneapolis One Stop has made great strides in coordinating and making City development services understandable, however, it only exists as a project and has no financial model to

sustain it. It provides services for multiple departments, but all fees are currently passed back to the department owning the fee. We request that Finance work with the Department over the next year to find a model of equitable fee allocation that would allow Minneapolis One Stop to continue its services in the long-term.

Technology Sustainability

Similarly, we are asking that Finance work with us to establish a financial model that takes into account the software replacement and enhancement needs of the Department and appropriately incorporates that cost into fees set, so that bonding for these expenses is either not necessary or very limited. With interest rates increasing, bonding no longer makes good long-term financial sense.

2006 DEPARTMENTAL KEY INITIATIVES AND PERFORMANCE MEASURES TO ADDRESS THE TRENDS AND CHALLENGES IDENTIFIED IN BUSINESS PLAN

Prioritization	Department Key Initiative
High	Establishing staffing models for services
High	Establishing a cost recovery model
High	Maximizing the use of technology
High	Establishing and funding training programs
Medium	Reviewing regulatory requirements of the code of ordinances
Medium	Providing adequate workspace for office and field personnel
Medium	Developing a qualified diverse workforce
Medium	Improving communications
Medium	Strengthening a positive work culture

Performance Measures

The Department has identified a set of performance measures that will be reported to the elected officials and the citizens. These include 28 performance measures that are specific to individual Service Areas, and four performance measures that apply to multiple Service Areas. These can be found in detail in the Department business plan.

CDBG Funds

Two sections of Regulatory Services have activities that are funded significantly by CDBG dollars. The two sections are Housing and the Problem Properties Unit of that section, as well as the Lead Hazard Control program.

In Housing, CDBG funds are used to pay for the boarding of vacant buildings. The Problem Properties Unit uses these funds for building demolition. The CDBG allocation to Housing was significantly reduced in the 2005 budget and now faces a serious decision point for the remainder of 2005. Because the bids for the boarding of buildings came in much higher than previously, and because the Problem Properties Unit has dealt with problem buildings much more aggressively, it appears that all CDBG dollars, both current and past unused dollars, will be gone by the end of June of 2005. Decisions will have to be made about how much of either of these activities will be funded for the first half of 2006.

This same situation will occur in the 2006 budget year if the allocation of CDBG dollars is not increased from the 2005 level. The current service level proposed is \$163,000. That will be better than what was allocated in the 2005 budget process, but will still significantly underfund these two activities. In 2006 it is estimated that 200 buildings will require board up services for an average of \$350 each, and 30 demolitions at an average of \$16,000 each. Some of these buildings may require asbestos or lead abatement for an estimated total of \$5,000. This breaks down to the following:

- \$70,000 a year for boarding buildings,
- \$480,000 for demolitions, and
- \$5,000 for asbestos/lead abatement for buildings being demolished.

Since these two activities are so critical, the best scenario would be to have these activities funded on a regular basis in the General Fund, instead of having the unpredictable funding of grant dollars.

In order to make the programs as cost-effective as possible, in the business planning process, we are looking at more ways to make these activities self-funding. Demolition and boarding costs are assessed to the property, however, it often takes several years for the property to become marketable and the assessments paid. Additionally, for any of the tax forfeited properties acquired by CPED, these assessments are waived per a 1997 Council Resolution. Options will be developed to re-examine this issue, and perhaps create a joint program with Employment Opportunities to provide some or all of the building boarding services.

CDBG funds are also used in the Lead Hazard section for remediation of lead paint issues in homes where children test too high for lead levels or other reasons dictate abatement. This program currently supports five positions, four of whom are currently paid for with CDBG dollars. A 15 percent cut could possibly be handled by reducing some hours of work, thereby slowing some projects. A 50 percent reduction would mean that two of the positions would have to be laid off or funded in another manner. This reduction would also make us choose between doing state mandated investigation of lead poisoned children or doing the work necessary to match the HUD XII and HUD XI grant requirements. Either of these cuts would delay the City's goal of being lead-free by 2010.

FINANCIAL ANALYSIS

EXPENDITURE

For 2006, the Regulatory Services budget is \$25 million, a 5% increase over the 2005 Adopted Budget. This includes the transfer of the Traffic Control Division to the Police Department as noted in the Mayor's Recommended Budget notes below.

The expense budget for Regulatory Services includes a \$1.3 million for the HUD Lead Grant as well as increases in Fleet costs in the General Fund.

The Department has a decrease of 4 positions that were transferred to CPED and 4 positions that were transferred to BIS.

REVENUE

In 2006, Regulatory Services anticipates \$25 million in revenue, a 10% decrease from 2005. This does not take into account a reallocation of \$1,226,404 as a result of the Fee Study conducted in 2005. The HUD Lead grant is expected to receive revenue of \$1.3 million in 2006.

From 2005 to 2006, the Construction Inspection area anticipates an increase in its revenue of 5% due to relatively low interest rates and the continuing popularity of the condo market. Higher gasoline prices and an aging population are expected to continue the demand for this type of housing through 2006. The anticipated cost of construction will be 5% higher for many permits in 2006. In 2006, the Licenses and Permits operation anticipates a 5% increase in revenue over the five-year plan. This increase is due to an increase in liquor, wine and beer license applications.

FUND ALLOCATION

The Department's budget is primarily derived from the General Fund (94%). \$221,000 of the budget is funded through Community Development Block Grants and \$1.3 million of the budget is funded through federal grants.

MAYOR'S RECOMMENDED BUDGET

One-time funding for the Boarded Building program is included in the Mayor's Recommended Budget (\$450,000).

The Mayor also recommended four fee initiatives (\$246,000):

- An adjustment to the 1st unit fee for Rental Licenses (\$185,000). The fee adjustment keeps the City comparable to surrounding jurisdiction and mitigates the impact on owners of small rental properties.
- Indexing the Pollution Control and Erosion Permit fees to inflation (\$35,000).
- Adjusting the Special Event fee to more accurately recover costs (\$26,000).

The Department's training and technology requests are funded on a one-time basis (\$600,000). An intern program and overtime are funded permanently.

The Mayor moved the Traffic Control Division of Regulatory Services to the Police Department (\$2.8 million and 42 positions). These expenditures will be recorded in the General Fund rather than the Parking Fund. Associated meter revenue estimates (\$5.3 million) will also move to the Police Department. The revenues in excess of the meter expense will continue to support the General Fund. The Parking Fund will transfer \$2.8 million to the General Fund, maintaining the financial effects of how this service has been funded consistent with the Parking Fund workout plan.

Finally, the Mayor moved four positions from Regulatory Services to the 911/311 Department for Minneapolis One Call operations.

COUNCIL ADOPTED BUDGET

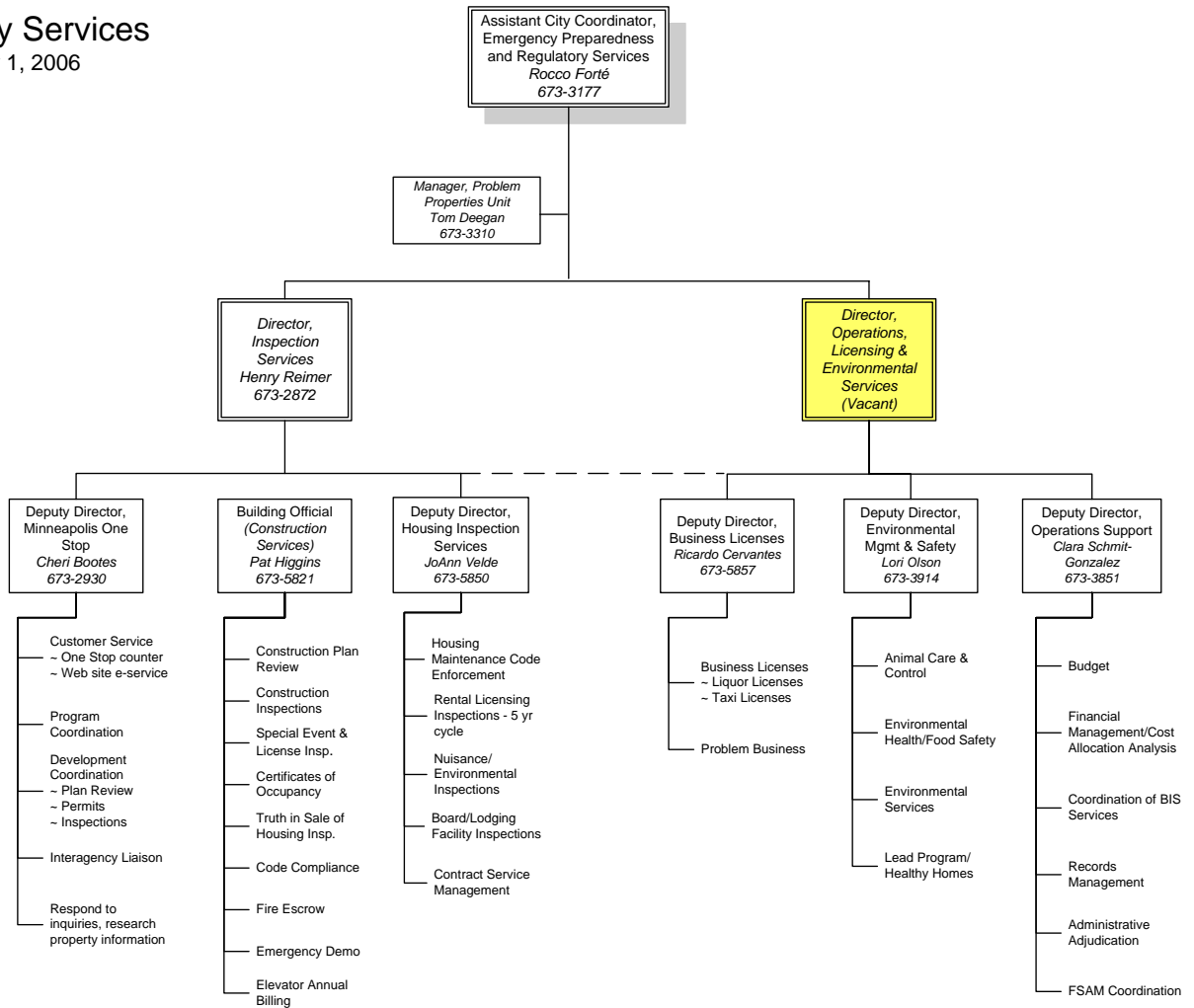
The Council Adopted Budget does not transfer four positions from Regulatory Services to the 911/311 Department for the Minneapolis One Call; the Department will reduce other areas of its budget to fund One Call. The Council did not adopt the Department's proposal to contract with outside parties for inspections during peak periods. The fee revenue estimate is decreased by \$20,000 in Regulatory Services and increased by \$20,000 in the City Attorney's Office. The Council also added onetime funding to Regulatory Services for Graffiti Removal for \$100,000 paid for from the contingency fund pending year-end financial status.

REGULATORY SERVICES

Staffing Information

	2003	2004	2005	2006	%	Change
	Adopted	Adopted	Adopted	Adopted	Change	
	Budget	Budget	Budget	Budget		
FTE's by Division						
Administration	32.00	33.00	38.00	12.00	-68.42%	(26.00)
Licenses and Consumer Services	-	-	-	21.00	-	-
Parking and Traffic Control	42.00	42.00	42.00	-	-100.00%	(42.00)
Environmental Health	32.95	26.00	21.60	17.00	-21.30%	(4.60)
Environmental Mgmt and Safety	-	-	-	3.00	-	-
Animal Control	20.50	21.00	21.00	21.00	0.00%	-
Environmental Services	8.64	8.25	9.25	9.00	-2.70%	(0.25)
Construction Inspections	66.00	62.50	63.00	75.00	19.05%	12.00
Housing Inspections	52.50	41.00	44.90	36.75	-18.15%	(8.15)
Development Services	24.00	26.00	24.00	15.00	-37.50%	(9.00)
Total FTE's	278.59	259.75	263.75	213.75	-18.96%	(50.00)

Regulatory Services
January 1, 2006



REGULATORY SERVICES
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Contractual Services	246,860	224,607	352,485	0	-100.0%	-352,485
Equipment	0	0	100,921	0	-100.0%	-100,921
Fringe Benefits	446,540	466,959	543,009	0	-100.0%	-543,009
Operating Costs	72,847	125,330	124,377	0	-100.0%	-124,377
Salaries and Wages	1,628,665	1,758,173	1,876,040	0	-100.0%	-1,876,040
Total for Enterprise Funds	2,394,912	2,575,068	2,996,832	0	-100.0%	-2,996,832
General Fund - City						
Capital Outlay	26,666	38,643	124,107	576,589	364.6%	452,482
Contractual Services	2,237,747	2,340,269	3,797,386	5,590,124	47.2%	1,792,738
Equipment	46,562	513,601	149,458	152,447	2.0%	2,989
Fringe Benefits	2,884,534	3,127,115	3,473,290	3,874,533	11.6%	401,243
Operating Costs	596,564	790,900	626,780	847,613	35.2%	220,833
Salaries and Wages	11,593,820	11,939,425	12,721,027	12,808,915	0.7%	87,888
Total for General Fund - City	17,385,892	18,749,953	20,892,048	23,850,221	14.2%	2,958,173
Special Revenue Funds						
Capital Outlay	-1,946	68,585	52,330	54,900	4.9%	2,570
Contractual Services	1,401,077	408,478	124,722	1,371,552	999.7%	1,246,830
Equipment	5,536	300	0	0		0
Fringe Benefits	91,364	20,575	69,040	16,254	-76.5%	-52,786
Operating Costs	35,933	18,256	0	46,951		46,951
Salaries and Wages	392,188	99,334	134,853	47,472	-64.8%	-87,381
Total for Special Revenue Funds	1,924,153	615,528	380,945	1,537,129	303.5%	1,156,184
Total for REGULATORY SERVICE	21,704,957	21,940,550	24,269,825	25,387,350	4.6%	1,117,525

REGULATORY SERVICES
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Service	20,000	27,316	0	0	0.0%	0
Other Misc Revenues	10,775	1,679	0	0	0.0%	0
Total for Enterprise Funds	30,775	28,996	0	0		0
General Fund - City						
Charges for Sales	514	890	0	100	0.0%	100
Charges for Service	751,027	748,221	649,301	692,300	6.6%	42,999
Contributions	600	355	0	0	0.0%	0
Fines and Forfeits	4,456,294	5,203,778	4,546,000	133,500	-97.1%	-4,412,500
Gains	0	2,563	0	0	0.0%	0
Interest	0	0	0	0	0.0%	0
Licenses and Permits	20,941,352	22,128,050	20,811,144	21,933,257	5.4%	1,122,113
Local Government	33,949	33,949	34,500	47,500	37.7%	13,000
Other Misc Revenues	40,505	38,722	0	9,600	0.0%	9,600
Special Assessments	980,736	824,654	1,020,666	1,020,000	-0.1%	-666
Total for General Fund - City	27,204,978	28,981,182	27,061,611	23,836,257	-11.9%	-3,225,354
Special Revenue Funds						
Charges for Service	105,084	5,248	0	0	0.0%	0
Contributions	154,434	-12,331	0	0	0.0%	0
Federal Government	1,395,821	274,365	972,626	1,319,229	35.6%	346,603
Local Government	0	25,113	0	0	0.0%	0
Other Misc Revenues	12,625	0	0	0	0.0%	0
State Government	52,363	29,651	33,462	0	-100.0%	-33,462
Total for Special Revenue Funds	1,720,327	322,046	1,006,088	1,319,229	31.1%	313,141
Total for REGULATORY SERVICES	28,956,080	29,332,223	28,067,699	25,155,486	-10.4%	-2,912,213

CITY COUNCIL

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

MISSION –

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.

BUSINESS LINES –

Develop and implement City policies and programs in conjunction with the Mayor. Serve as a resource and advocate for constituents.

2006 DEPARTMENT FOCUS –

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

No target strategies were requested from this department.

2006 DEPARTMENTAL KEY INITIATIVES AND MEASURES–

Key Initiatives:

- Increase percentage of people who live and work in Minneapolis that report satisfaction with City services.
- Increase opportunities among citizens for dialogue about their expectations for Minneapolis City government.
- Increase the consistency of elected official's tax related decisions with a comprehensive municipal tax policy.

Measures:

- Percentage of residents who rate Minneapolis as a good or very good place to live.
- Percentage of residents who rate Minneapolis government as good or very good at representing and providing for the needs of all residents.
- Percentage of residents who rate Minneapolis government as good or very good at effectively planning for the future.
- Percentage of residents who rate Minneapolis government as good or very good at providing value for their tax dollars.

FINANCIAL ANALYSIS –

EXPENDITURE

The City Council 2006 budget of \$2.9 million is in line with the five-year financial direction. An additional \$125,000 above the five-year financial direction was added to the Council budget to cover transition costs associated with the 2005 election year. The expense budget includes personnel costs for the thirteen elected Council members. This reflects an 11.5 % or \$383,000 decrease from the 2005 Adopted Budget. In 2005, Council members voted to transfer 13 Council associate positions (\$716,000) to the City Clerk's budget.

REVENUE

The City Council has no revenue budget.

FUND ALLOCATION

One hundred percent of the City Council's budget is funded from the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended Budget included no adjustments to the Council budget.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's Recommendations.

CITY COUNCIL Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	38.00	39.00	39.00	26.00	-33.33%	(13.00)

**CITY COUNCIL
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	108,576	169,182	424,561	652,490	53.7%	227,929
Equipment	3,041	0	0	0		0
Fringe Benefits	463,963	467,415	538,068	571,800	6.3%	33,732
Operating Costs	105,924	108,165	173,433	66,969	-61.4%	-106,464
Salaries and Wages	2,105,543	2,123,239	2,186,852	1,648,939	-24.6%	-537,913
Total for General Fund - City	2,787,046	2,868,001	3,322,914	2,940,198	-11.5%	-382,716
Special Revenue Funds						
Contractual Services	1,929	-724	0	0		0
Fringe Benefits	27	0	0	0		0
Salaries and Wages	350	0	0	0		0
Total for Special Revenue Funds	2,305	-724	0	0		0
Total for CITY COUNCIL	2,789,351	2,867,277	3,322,914	2,940,198	-11.5%	-382,716

CIVIL RIGHTS

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

To work in partnership with elected officials and other City enterprise stakeholders to serve the diverse needs of Minneapolis residents as an advocate for social justice and equal access to City services and resources by enforcing the ordinance prohibiting discriminatory practices that have an adverse impact on the health, welfare, economic well-being and safety of the citizens of the City of Minneapolis.

VALUES –

The ideal Civil Rights Department provides quality service, consistent ordinance enforcement, builds partnerships and facilitates opportunities for increased engagement of all City stakeholders.

Quality Service + Enforcement + Stakeholder Engagement = Compliance

BUSINESS LINES –

Complaint Investigations Unit receives and investigates complaints of discrimination in compliance with their enforcement authority under the Minneapolis Civil Rights ordinance, along with investigative work share agreements with the Equal Employment Opportunity Commission (EEOC).

Civilian Review Authority (CRA) is an independent administrative agency that receives, reviews, investigates, and mediates citizen complaints of misconduct by Minneapolis police officers.

Contract Compliance establishes, monitors, and enforces employment participation in Davis-Bacon, prevailing wage, Affirmative Action plans, the Equal Benefits Ordinance, along with subcontracting and purchasing goals for women and minority owned businesses on all City funded construction in excess of \$100,000 and purchasing contracts in excess of \$50,000.

Community Education and Outreach facilitates access to and understanding of City services for all communities and reflects the expressed needs and priorities of the City of Minneapolis, communities of color, American Indians, people with limited English, and other protected groups.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

The Department of Civil Rights has identified the following significant trends, challenges and possible actions to address issues that will affect the Department during the next five years:

Trend: Increased community expectations and diverse demands by communities of color and immigrants during a trend of funding cuts that require service level reductions.

- The diversity of City residents (minority and immigrant populations) continues to grow faster in Minneapolis than any other city in Minnesota. In Minneapolis, minorities make up 29 percent of adults aged 18-64 years, with the number of foreign-born residents increasing 2.5 times since 1990. The Department is expected to bridge a communications gap and serve as a voice through which communities of color and the City's immigrant population can communicate concerns that require the attention and action of elected officials have increased.
- **It is imperative that the Department continues to build on its recent momentum in strengthening relationship building with key internal and external partners.** Through these strategic partnerships our Department will share an understanding of the challenges and potential solutions regarding priorities and resource allocations.
- Issues that cut across all immigrant populations and communities of color include:
 - (1) Lack of voice with City-sponsored neighborhood groups (i.e., Neighborhood Revitalization Program);
 - (2) Under-representation and unequal access to employment opportunities with City departments;
 - (3) The allocation of community development empowerment zone funding;
 - (4) Affordable housing; and
 - (5) Access to City contracting and subcontracting opportunities.

Trend: City Advisory Groups and Community groups have a desire to ensure their voices are heard at City Hall.

- Provide increased support, better program information and training to community groups on effective organizational development on how the City enterprise works to increase their access to the City.
- The Department's initial efforts to provide better program information and training to established City advisory groups have been successful. Expanding the number of groups who have access to City information will require full implementation of the City's Limited English Proficiency Plan (LEP). **By providing the creation and translation of more informational materials into languages spoken by those who do not speak English as a first language will work towards meeting the City's goal of improving customer service to City residents.**
- Our Department has identified a need for additional training by organizational development consultants to help community residents who are not knowledgeable in the political and public policy process. This will help community residents to identify priorities and reach consensus on what the most productive strategies are to achieve them.

Trend: Increasingly complex investigation protocols and the need for staff training.

- An independent report commissioned to evaluate the work processes and procedures of the Department's Investigations Unit has identified significant deficiencies in productivity, training, investigative techniques, and writing. In order to improve work product quality and achieve the Department's goals of improving service to customers, significant ongoing training and retraining of staff will be required.
- The Department has significantly increased successful efforts to mediate discrimination complaints early in the investigative process. The expansion of the CRA Board, use of Law School interns, and changes to the CRA ordinance have resulted in an elimination of the CRA backlog of complaints awaiting hearings.
- Additional efforts to deal with productivity issues have been addressed by setting required employee work performance standards and the establishment of partnership agreements entered into with the University of Minnesota, Hamline, William Mitchell, and St. Thomas Law schools. Each of these schools has agreed to allow second and third year law students to do one quarter practicum with the Department and the CRA. The students who focused on legal analysis and writing investigative summaries provided our Department with excellent analytical models that have been adopted by the Department. The Department has closed 102 more complaints this year for a total of 173. Our Department has handled 43 more intake complaints for the same period than a year ago, for a total of 140.

Trend: Enterprise program goals regarding the participation of woman and minority business owners in projects funded with City and/or federal dollars is an important part of the Department's responsibility to address past disparities. In 2005, women and minorities were awarded less than 1 percent of City contract/subcontracts.

- Work with other jurisdictions in the Twin Cities Metro area to conduct a disparity study to determine women and minority participation in the Twin Cities market.
- The Department provides two half-time onsite personnel to the Library and Heritage Park project, dedicates a full-time staff person to monitor Davis-Bacon Wage compliance, and does special compliance audits for other departments, like Minneapolis Public Housing Agency. These costs are reimbursed through interagency agreements. **The City of Minneapolis, along with surrounding communities will collaborate to commission a study to determine levels of access, participation in employment, and marketing activities sponsored by local units of government.**

Trend: There has been an increase in the number and complexity of probable cause cases that have gone to the Commission for resolution.

- This **trend** has resulted in concerns raised by the lawyers on the Commission, who must lead three-member panels that hear the complaint. **The Department needs to re-examine the way in which public hearings are handled by the Commission on Civil Rights. The ability of volunteers to handle the workload and to complete the work in a timely fashion is stretched. This is of particular concern given two recent court decisions that address the timeliness of enforcement agency administrative processes.** If the Commission's workload continues to grow, the Department will need to explore the use of Administrative Law Judges to handle these cases. The Department has had preliminary discussions with the City Attorney's Office to explore costs of a contract with Administrative Law Judges to provide these services. The Department will do a cost-benefit analysis during

the next program year which will provide the data to determine if this approach is the most cost-effective for the City and the Department.

- The Department has also focused on building partnerships with community organizations, leadership in the American Indian Community, Unions, the Association of General Contractors, the minority and women-owned business community, culturally-specific advisory groups and immigrant communities to provide information and secure feedback on ways in which the Department could improve services and better meet their needs.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

Within the financial resources allocated from the five-year financial direction, the Civil Rights Department must reduce spending by \$133,000 in 2006.

2006 BUDGET REQUESTS:

- The Department requests an ongoing annual appropriation of \$50,000 to continue the work of translating City documents and informational materials for non-English speaking residents of the City.
- The Department requests an initial appropriation of \$100,000 and a continuing appropriation of \$35,000/annually to better support and address training needs for appointed advisory groups, the Civil Rights Commission and Investigative staff. There is currently no budget available for advisory groups, including the Civil Rights Commission. Without the requested funding it will be difficult to secure the training and organizational development assistance needed to make the groups function more effectively and enable them to better carry out their responsibilities and achieve the expectations of their appointments.
- The Small and Underutilized Business Program is scheduled to sunset in December of 2005. In order to determine if disparities in the utilization of minority- and women-owned businesses continue to exist, all programs are legally required to have a periodic review (disparity study) to determine if remedial action is still required to remedy past discrimination. It has been 10 years since the last disparity study for the City of Minneapolis was conducted at costs in excess of \$250,000. Today such studies are averaging \$600,000. In an effort to reduce the cost to individual units of government, several jurisdictions have joined together (City of St. Paul, Ramsey County, Hennepin County, Met Council, Airport Commission and the City of Minneapolis) to explore sharing the expense of commissioning a multi-jurisdictional disparity study. An RFP has been issued by the City of St. Paul. The City of Minneapolis can buy off of this proposal. The Department is requesting \$100,000, the anticipated cost to each individual unit of government participating, for the required disparity study.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measure Outcomes	Tactics
<p>Enforce the City of Minneapolis Civil Rights Ordinances (139.4-142) in a deliberative and timely manner</p> <p>Enforce Title 9, Chapter 172. The Civilian Police Authority</p>	<p>Conduct investigations of discrimination allegations</p> <p>Investigate allegations of police misconduct occurring within the limits of the City of Minneapolis</p>	<p># of intake inquiries</p> <p># of complaints filed</p> <p>% increase in cases resolved through mediation</p> <p>Reduced time between filing of charges and completion of investigation</p> <p>Completion of investigations of discrimination within the time frame as prescribed by the current guidelines or court precedent</p>	<ul style="list-style-type: none"> • Increase/improve training of investigative staff • Increase mediation efforts • Implement work performance standards • Increase use of law school or public administration interns where/when appropriate
<p>Enhance relationships with advisory councils and community groups in order to advocate for social justice and systems change</p>	<p>Work in partnership with advocacy groups to eliminate discriminatory policies and practices that adversely impact protected classes</p>	<p>Increase in # of complaint inquiries by protected classes who have historically not pursued Civil Rights complaint pathways</p> <p># of ordinance /law changes reviewed and or revised every three years</p> <p># of Civil Rights sponsored forums or trainings</p> <p># of reports and presentations by Civil Rights Commission and other advisory groups to stakeholders, including City Council</p>	<ul style="list-style-type: none"> • Work with community representatives about the “nuts and bolts” of complaints • Develop “know your rights” materials • Establish a regular cycle for reviewing and revision of ordinances or policies that have potential impact on protected classes • Participate in events and forums to share information and get community feedback • Strengthen the effectiveness of advisory groups through strategic planning and organization development activities
<p>Insure equal and timely access to City Services, Decision Making Processes and Resource Opportunities for all customers</p>	<p>Facilitate processes to better inform, engage and educate diverse communities in public policy debate and decision making processes</p>	<p>Increase in number of City departments who have fully implemented their LEP plans and trained their staff</p> <p>Increased utilization of language access tools or supports (telephonic interpreting services/requests for face to face interpreters and document translation) by City departments</p> <p>Development of defined work plan with deliverables</p>	<p><u>LEP</u></p> <ul style="list-style-type: none"> • Continue to work with departments to fully implement the service areas of the City’s Limited English Proficiency plan • Coordinate internal efforts with HR, Communications, BIS and other departments about effective communication channels and customer service <p><u>American Indian Advocacy</u></p> <p>Work with City Council and department staff to develop service strategies specific to the Memorandum of Understanding and the American Indian community</p>

Strategies	Objectives	Measure Outcomes	Tactics
<p>Insure equal and timely access to City services, decision making processes and resource opportunities for all customers</p> <p>Processes and Resource Opportunities</p>	<p>Facilitate processes to better inform, engage and educate diverse communities in public policy debate and decision making processes</p>	<p>Completed redesign of Civil Rights documents, the Department's website and development of an LEP portal for the City</p> <p>% increase in persons who rate City services as being culturally competent and responsive (Resident Survey)</p>	<ul style="list-style-type: none"> Strengthen the effectiveness of advisory groups representing communities of color and immigrants Respond to feedback and service design suggestions of LEP customers
<p>Proactively support workforce diversity of the City of Minneapolis by establishing goals and monitoring employment</p>	<p>Correct past practice of underutilization of women and minority owned businesses and underemployment of protected classes within the limits of the City of Minneapolis</p> <p>Ensure equal benefits for same sex couples who are covered through their employers' insurance and have contracts with the City of Minneapolis monitoring City's Equal Benefits Ordinance</p> <p>Improve internal departments' knowledge and adherence to SUBP policy and how it impacts procurement</p>	<p>% increase of women and minority employees hired on construction/building projects funded with City of Minneapolis dollars</p> <p># of women and minority owned businesses who are certified to do business with the City</p> <p>% increase of women and minority owned businesses selected through the RFP/bid process to provide goods and services to the City enterprise</p>	<ul style="list-style-type: none"> Define and improve workflow processes in contract compliance and SUBP to better manage all aspects of compliance over a project's life span Monitor project affirmative action participation goals and onsite inspections in a consistent and vigilant manner Conduct compliance reviews to ensure employers are engaged in non-discriminatory employment practices Hold regular meetings with external stakeholders and organizations to improve understanding of compliance requirements Provide coaching and guidance to stakeholders regarding consistent adherence to SUBP

FINANCIAL ANALYSIS

EXPENDITURE

The Civil Rights Department's 2006 Budget of \$2.9 million is in line with the five-year financial direction. It reflects a 4.7% increase over the 2005 Adopted Budget.

REVENUE

The Department's revenue from EEOC (Equal Opportunities Employment Commission) Work Share agreement is projected to remain the same as 2005 at \$50,000.

FUND ALLOCATION

The Civil Rights Department is funded by the General Fund (86%) and CDBG funds (14%).

MAYOR'S RECOMMENDED BUDGET

The Mayor accepted the Department's proposal to meet the financial direction reduction (\$133,000). The Mayor also recommended the Department reduce staff by 1 management position.

The recommended budget included one-time funding for three initiatives requested by the Department: language initiatives (\$50,000); training (\$100,000); and the Small and Underutilized Business Program (SUBP) study (\$100,000).

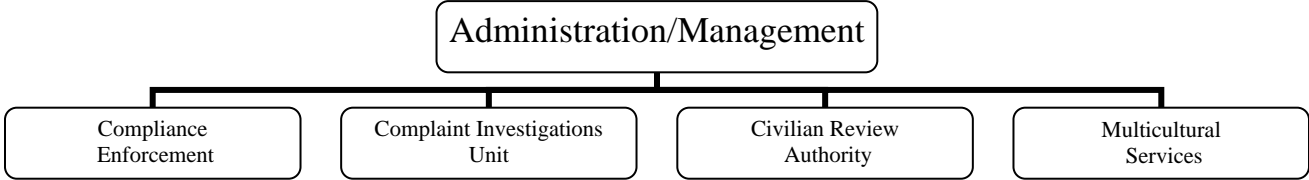
COUNCIL ADOPTED BUDGET

The Council eliminates 2 contract compliance positions rather than 1 manager position and adds a 0.8 position (\$70,000) in the General Fund for sign language interpreter services transferred from the Communications Department.

CIVIL RIGHTS Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	%	Change
FTE's by Division						
Administration	7.00	7.00	7.00	5.00	-28.57%	(2.00)
Complaint Investigation	8.00	6.00	6.00	5.00	-16.67%	(1.00)
Contract Compliance	8.50	7.00	5.00	6.00	20.00%	1.00
Civilian Review Authority	4.00	4.00	4.00	4.00	0.00%	-
Outreach	-	-	5.00	5.80	16.00%	0.80
Total FTE's	27.50	24.00	27.00	25.80	-4.44%	(1.20)

Civil Rights Department



**CIVIL RIGHTS
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Capital Outlay	0	5,420	3,042	3,103	2.0%	61
Contractual Services	346,671	315,008	536,468	767,870	43.1%	231,402
Equipment	1,083	520	3,042	3,103	2.0%	61
Fringe Benefits	247,066	247,869	310,703	346,724	11.6%	36,021
Operating Costs	45,114	43,985	65,868	67,815	3.0%	1,947
Salaries and Wages	1,121,211	1,178,070	1,418,917	1,305,231	-8.0%	-113,686
Total for General Fund - City	1,761,145	1,790,872	2,338,040	2,493,846	6.7%	155,806
Special Revenue Funds						
Capital Outlay	0	761	0	0		0
Contractual Services	52,691	38,479	98,521	117,369	19.1%	18,848
Equipment	533	2,322	0	0		0
Fringe Benefits	52,784	49,014	86,911	71,683	-17.5%	-15,228
Operating Costs	22,812	8,968	7,950	8,109	2.0%	159
Salaries and Wages	227,392	167,970	251,618	223,139	-11.3%	-28,479
Total for Special Revenue Funds	356,212	267,515	445,000	420,300	-5.6%	-24,700
Total for CIVIL RIGHTS	2,117,357	2,058,387	2,783,040	2,914,146	4.7%	131,106

**CIVIL RIGHTS
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	271,848	342,448	0	0	0.0%	0
Other Misc Revenues	3,548	0	0	0	0.0%	0
<i>Total for General Fund - City</i>	275,396	342,448	0	0		0
Special Revenue Funds						
Contributions	7,295	705	0	0	0.0%	0
Federal Government	62,100	71,000	50,000	50,000	0.0%	0
<i>Total for Special Revenue Funds</i>	69,395	71,705	50,000	50,000	0.0%	0
Total for CIVIL RIGHTS	344,791	414,153	50,000	50,000	0.0%	0

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT (CPED)

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

To be one of the nation's great cities through excellence in coordinated planning and development.

VALUES –

CPED endeavors to conduct its work based on the following core values:

- To be effective public servants
- To be strategic partners with enterprise, regional and private entities
- To be responsible stewards of public resources
- To be respectful public administrators who are responsive to the diverse needs of our community

MISSION –

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.

BUSINESS LINES –

The Department of Community Planning & Economic Development (CPED) has five primary business lines:

1) Community Planning: CPED prepares and facilitates the implementation of the City's comprehensive plan and other adopted plans, and informs the City's development and infrastructure strategies.

2) Economic Policy & Development: CPED facilitates business retention, expansion, creation, and attraction in all neighborhoods, including downtown, by providing financing, programmatic and real estate development and expansion tools, as well as administering the Minneapolis Empowerment Zone program.

3) Workforce Development: CPED manages a network that identifies and prepares Minneapolis residents for living wage job opportunities and builds partnerships to improve career opportunities in the City.

4) Housing Policy & Development: CPED provides financing and administers programs for housing development, preservation and rehabilitation to advance a continuum of housing choices; provides financing for home improvement and home mortgages through vendor contracts in cooperation with the Finance Department; and encourages and supports market activity in the production and preservation of housing for all income levels.

5) Planning Development Services: CPED administers, interprets and enforces the zoning code, land subdivision regulations and heritage preservation regulations, and reviews applications for approvals as required by City ordinance and state law.

Other program and management support activities include real estate and associated technical services, research, arts and cultural activities, and the community based services of the Empowerment Zone office.

The Department utilizes these business lines to address two broad strategic objectives:

- 1) to build a healthy economy
- 2) to support economic self-sufficiency for individuals and families.

In order to support these objectives, the Department

- 1) maintains active relationships with local, regional, and state partners;
- 2) understands that customers are at the center of its work and process improvements; and
- 3) strives to develop a highly productive, diverse, and professional workforce.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

1) Challenge of Managing CPED's Partnership Role with the City Enterprise, and Other Local and Regional Partners.

Planning and development projects require collaboration and coordination not only with various City departments and stakeholders, but with multiple public and private partners. CPED is continuing to build and expand its relationships with other City and external partners, including Hennepin County, the University of Minnesota, the Metropolitan Council, and selected state agencies, notably the Department of Transportation (MnDOT), Department of Employment and Economic Development (DEED) and the Minnesota Housing Finance Agency (MHFA). The Department has already assumed a lead role in major regional initiatives such as the Northside Partnership, Bus Rapid Transit on I-35W, and the Downtown Security Collaborative. In 2006, the Department will continue working with our partners on major projects such as regional sports facilities, riverfront development and regional transportation projects, including LRT (Light Rail Transit) parcel development, Northstar Commuter Rail, Central and Southwest Transit Corridors, and the City's 2030 Transportation Plan.

2) Challenge of Attuning CPED More Closely to the Private Marketplace

CPED works with the market in at least five distinct ways:

- a) supporting marketplace development and investment by removing barriers, providing necessary infrastructure, etc.;
- b) informing the market through long- and mid-range planning;
- c) effectively and efficiently regulating the market through land use and zoning controls;
- d) helping to organize and coordinate public investment, especially within major corridors and growth centers; and
- e) intervening when the market fails to adequately address public policy needs such as affordable housing, environmental remediation, commercial development in selected geographical areas, and job training for selected populations.

The continued challenge for CPED and for the City as an enterprise is to balance these multiple roles in such a manner as to encourage private investment as well as ensure that all people and areas of the City have opportunities to prosper. It is particularly important that CPED and the City clearly and fairly fulfill our statutory role in land use planning and development regulation while at the same time pursuing active partnerships with the private and non-profit sector to address those places and people which the private market is not engaging.

3) Potential Funding Cuts and the Need to Establish Stable Revenue Base for Planning Functions

These funding cuts include planned cuts in federal Empowerment Zone funding and potential cuts in federal Community Development Block Grants funding. There is also a need to address the continuing gap between the costs and revenue for the regulatory services sections of planning.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

Responses to Five-Year Financial Direction (including CDBG)

The City's five-year financial direction for 2006 required that CPED identify General Fund reductions to equal growth in CPED's General Fund budget from 2005 to 2006, which was projected to be \$100,000. CPED proposes to meet this target by continuing the process it started in 2005 of replacing General Fund expenditures with development resources. The details of this are described in the Financial Plans section of this book.

2006 DEPARTMENTAL INITIATIVES AND MEASURES –

2006 priorities include building stronger communities by:

1. Improving transportation and transit connections and infrastructure

Performance Measures: Progress made on protecting and promoting the City's and region's transportation and transit interests as part of the planning and design phase of several transportation and transit processes and projects. CPED participated in the Metropolitan

Council's adoption of the new 2030 Transportation Plan, which designated five Tier 1 transit corridors, all of which serve Minneapolis in some fashion. Likewise, CPED is contributing to the City's transportation planning by helping to inform CLIC's review of the City's capital investment program as well as Public Work's ten-year transportation and mobility planning activities.

2. Closing the unemployment gap

Performance Measure: City unemployment rate compared to metro unemployment rate.

3. Increasing choices along the housing continuum

Performance Measures: Number of new housing units; number and percentage of new and total housing units that are affordable and/or meet special needs (elderly, homeless, supportive services, emerging markets) as benchmarked against goals identified in the City's annual HUD Consolidated Plan and the Metro Council's Report on Affordable and Life-cycle Housing.

4. Enhancing neighborhood livability by reducing crime, promoting good urban design, and increasing amenities

Performance Measures: Crime rates and changes in rates, value of approved site plan improvements, and inventory of notable urban design features from land use approvals.

2006 Priority Areas (areas for targeted staff and program resources although CPED will continue to work throughout the City):

- 1) West Broadway Corridor
- 2) Hiawatha LRT Corridor
- 3) Downtown/Riverfront
- 4) SEMI/University Research Park

FINANCIAL ANALYSIS –

EXPENDITURE

The Community Planning and Economic Development Department reflects the financial and position history of its predecessor organizations: Minneapolis Community Development Agency, Planning, Minneapolis Employment and Training Program, and the Empowerment Zone. The total budget of \$181 million is an 11% increase over the 2005 Adopted Budget, predominantly from an increased budget for planned debt service and project related capital costs.

REVENUE

The Department's budgeted revenue decreases in 2006 by 15% as a consequence of reduced levels of Federal Grant funding, smaller levels of project-related revenue, reduced interest earning on various capital fund balances and reductions in tax-increment related to changes in some commercial property evaluations.

The recent interdepartmental study on development regulatory fees resulted in a reallocation of \$700,000 in existing fee revenue from Regulatory Services to CPED.

MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended Budget included \$80,000 in revenue from development fee initiatives to address the planned reduction in the five-year financial plan.

The Mayor transferred 1 position transferred from the Communications Department (\$75,000) and added 2 neighborhood planners (\$150,000) and 1 joint homelessness position with Hennepin County (\$100,000). The Department also plans to reallocate 2 positions within its budget for additional planning resources.

One-time funding for non-targeted neighborhood community participation programs was added (\$100,000). An accounting adjustment for the existing funding of this program was made – \$100,000 is shown in the Department budget rather than interfund transfers.

The 2006 recommendation also included Hilton Legacy Fund allocations as follows:

\$350,000 - Planning
\$500,000 - Commercial Corridor Small Business Loan Fund
\$600,000 - MILES
\$750,000 - Affordable Ownership Combined
\$1,500,000 - Closing the Gap

COUNCIL ADOPTED BUDGET

The Council transferred the homelessness position to the Intergovernmental Relations Department-Grants and Special Projects Division and funded the initiative from Community Development Block Grant funding on a one-time basis. An administrative allocation of \$100,000 was added to the Consolidated Plan for this homelessness initiative. The Affordable Housing Trust Fund allocation to CPED was reduced by \$70,000 in the Multifamily Affordable Housing allocation. The remaining \$30,000 in reductions was spread proportionally across all administrative grants.

The Council also returned 1 position to the Communications Department and added 1 position to CPED (\$100,000) for communications marketing funded from General Fund resources.

Finally, the Council decreased funds available for the "Affordable Ownership Combined" program by \$1 million and appropriated it into a new revolving fund called the "Capital Acquisition Revolving Fund." CPED was directed to return to the Council by July 1, 2006, with proposed program guidelines for the allocation of these funds.

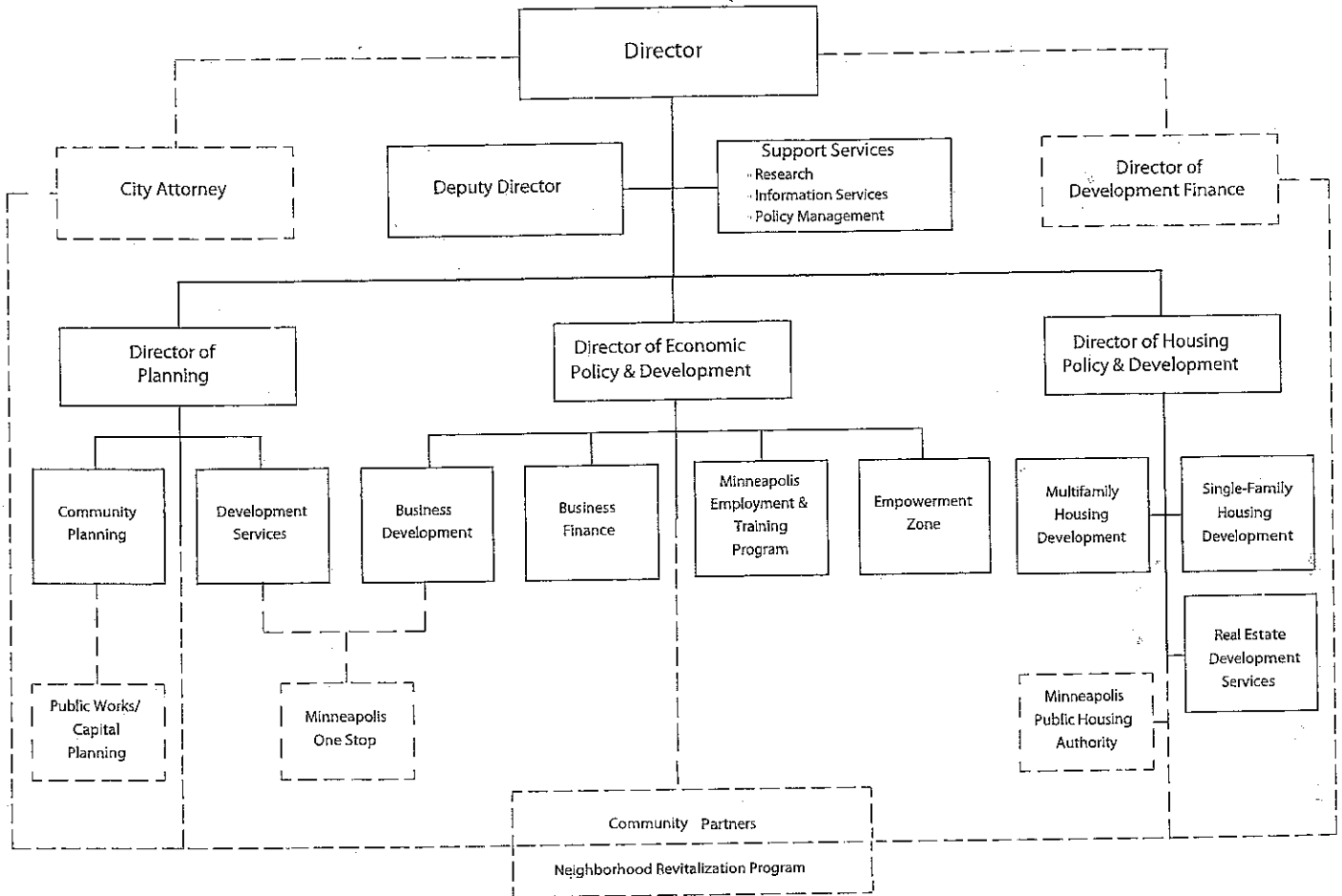
The Council adopted the remainder of the Mayor's recommendations.

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
Staffing Information**

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Executive	58.23	20.0	20.0	13.0	-35.00%	(7.00)
Economic Policy and Development	32.50	25.0	28.0	48.0	71.43%	20.00
Housing Policy and Development	57.50	34.0	30.0	39.0	30.00%	9.00
Planning	42.00	41.0	40.0	42.0	5.00%	2.00
Strategic Partnerships	16.25	24.0	21.0	-	-	-
Total FTE's	206.48	144.00	139.00	142.00	2.16%	3.00

Community Planning & Economic Development

Organization Chart December 2005



* Dotted lines indicate key on-going relationships with other departments and agencies.

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Agency - Inactive						
Capital Outlay	0	0	0	0		0
Contractual Services	0	0	0	0		0
Equipment	0	0	0	0		0
Fringe Benefits	0	0	0	0		0
Operating Costs	0	0	0	0		0
Salaries and Wages	0	0	0	0		0
Total for Agency - Inactive	0	0	0	0		0
Capital Projects						
Capital Outlay	19,277,966	13,070,660	1,418,100	8,996,891	534.4%	7,578,791
Contractual Services	9,559,944	8,415,520	2,726,890	3,902,308	43.1%	1,175,418
Debt Service	0	0	1,168,837	467,881	-60.0%	-700,956
Equipment	0	251	300	300	0.0%	0
Fringe Benefits	343,990	279,254	443,749	435,585	-1.8%	-8,164
Operating Costs	101,213	104,451	89,056	154,420	73.4%	65,364
Salaries and Wages	1,729,491	1,376,710	1,542,402	1,585,101	2.8%	42,699
Transfers	79,547,663	70,377,823	58,780,387	66,832,339	13.7%	8,051,952
Total for Capital Projects	110,560,267	93,624,668	66,169,721	82,374,825	24.5%	16,205,104
Debt Service						
Contractual Services	700	439,572	0	0		0
Debt Service	36,355,722	51,895,307	36,845,000	38,301,432	4.0%	1,456,432
Transfers	1,602,363	0	0	0		0
Total for Debt Service	37,958,785	52,334,879	36,845,000	38,301,432	4.0%	1,456,432
Enterprise Funds						
Capital Outlay	79,716	74,470	20,000	25,000	25.0%	5,000
Contractual Services	4,266,792	2,651,022	2,253,851	428,182	-81.0%	-1,825,669
Debt Service	1,204,382	478,305	0	130,000		130,000
Fringe Benefits	43,520	43,045	73,376	53,175	-27.5%	-20,201
Operating Costs	636,651	35,948	3,015,290	2,009,700	-33.3%	-1,005,590
Salaries and Wages	188,416	201,299	241,992	181,144	-25.1%	-60,848
Transfers	45,828	373,828	0	0		0
Total for Enterprise Funds	6,465,305	3,857,918	5,604,509	2,827,201	-49.6%	-2,777,308
General Fund - City						
Capital Outlay	0	0	1,046	0	-100.0%	-1,046
Contractual Services	212,389	299,875	877,357	915,706	4.4%	38,349
Equipment	18,352	21,040	3,837	0	-100.0%	-3,837
Fringe Benefits	258,738	336,282	414,150	510,709	23.3%	96,559
Operating Costs	129,411	112,462	132,518	115,916	-12.5%	-16,602
Salaries and Wages	1,266,435	1,409,104	1,646,321	2,037,142	23.7%	390,821
Total for General Fund - City	1,885,326	2,178,762	3,075,229	3,579,473	16.4%	504,244

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Capital Outlay	20,387,236	22,457,574	20,443,539	24,025,708	17.5%	3,582,169
Contractual Services	16,466,963	14,972,931	22,937,547	21,895,818	-4.5%	-1,041,729
Debt Service	-3,667	0	0	0		0
Equipment	26,329	31,338	11,724	7,210	-38.5%	-4,514
Fringe Benefits	1,834,893	1,336,520	1,578,464	1,412,405	-10.5%	-166,059
Operating Costs	1,996,806	1,427,310	1,491,471	1,109,308	-25.6%	-382,163
Salaries and Wages	8,336,414	6,333,462	4,856,772	5,282,831	8.8%	426,059
Transfers	5,305,047	8,813,258	0	0		0
Total for Special Revenue Funds	54,350,020	55,372,393	51,319,517	53,733,280	4.7%	2,413,763
Total for COMMUNITY PLANNING	211,219,703	207,368,620	163,013,976	180,816,211	10.9%	17,802,235

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Charges for Sales	4,539,823	1,808,593	2,185,000	312,000	-85.7%	-1,873,000
Charges for Service	1,457,127	520,242	1,099,000	0	-100.0%	-1,099,000
Interest	-1,488,277	57,635	1,056,560	0	-100.0%	-1,056,560
Operating Transfers In	13,911,524	4,535,000	0	0	0.0%	0
Other Misc Revenues	3,412,989	4,224,098	894,000	0	-100.0%	-894,000
Proceeds of Long Term Liabilities	1,725,000	6,500,000	224,000	200,000	-10.7%	-24,000
Property Taxes	67,450,397	63,744,732	68,125,101	67,657,124	-0.7%	-467,977
Rents	2,587,153	2,988,646	4,035,892	3,984,353	-1.3%	-51,539
State Government	613,101	624,184	0	0	0.0%	0
Total for Capital Projects	94,208,837	85,003,130	77,619,553	72,153,477	-7.0%	-5,466,076
Debt Service						
Interest	1,554	5,679	225,740	0	-100.0%	-225,740
Operating Transfers In	35,512,380	41,134,808	36,870,740	37,181,432	0.8%	310,692
Proceeds of Long Term Liabilities	0	11,470,000	0	0	0.0%	0
Total for Debt Service	35,513,934	52,610,486	37,096,480	37,181,432	0.2%	84,952
Enterprise Funds						
Charges for Sales	4,978	2,230,542	0	0	0.0%	0
Charges for Service	3,045,560	2,154,059	0	300,000	0.0%	300,000
Interest	1,368,918	1,052,801	67,015	0	-100.0%	-67,015
Operating Transfers In	1,620,279	0	0	0	0.0%	0
Other Misc Revenues	124,011	5,755	6,300,000	0	-100.0%	-6,300,000
Property Taxes	0	0	548,365	0	-100.0%	-548,365
Rents	661,184	3,348,858	1,823,000	0	-100.0%	-1,823,000
Total for Enterprise Funds	6,824,930	8,792,014	8,738,380	300,000	-96.6%	-8,438,380
General Fund - City						
Charges for Sales	26,240	0	0	0	0.0%	0
Charges for Service	318,592	611,686	567,300	567,200	-0.0%	-100
Federal Government	0	0	0	0	0.0%	0
Licenses and Permits	0	0	0	776,278	0.0%	776,278
Other Misc Revenues	1,548	0	0	0	0.0%	0
Total for General Fund - City	346,380	611,686	567,300	1,343,478	136.8%	776,178
Special Revenue Funds						
Charges for Sales	3,052,508	2,555,136	3,925,000	500,000	-87.3%	-3,425,000
Charges for Service	7,714,131	7,250,938	3,270,500	4,118,000	25.9%	847,500
Contributions	73,916	106,691	50,000	0	-100.0%	-50,000
Federal Government	9,422,847	6,439,794	13,746,000	9,000,000	-34.5%	-4,746,000
Interest	6,379,636	2,659,947	-81,377	23,700	-129.1%	105,077
Local Government	1,314,018	73,437	750,000	0	-100.0%	-750,000

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Operating Transfers In	17,028,701	14,022,967	382,252	0	-100.0%	-382,252
Other Misc Revenues	4,825,506	4,011,687	6,048,000	4,474,711	-26.0%	-1,573,289
Property Taxes	3,806,094	66,918	0	0	0.0%	0
Rents	135,651	137,633	152,020	62,020	-59.2%	-90,000
Sales and Other Taxes	235	235	0	0	0.0%	0
State Government	8,391,173	13,450,123	3,352,803	3,500,000	4.4%	147,197
Total for Special Revenue Funds	62,144,416	50,775,506	31,595,198	21,678,431	-31.4%	-9,916,767
Total for COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	199,038,497	197,792,823	155,616,911	132,656,818	-14.8%	22,960,093

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

We aspire to distinctively serve our community and the region we support through the alignment of high-performance teamwork to provide a professional emergency response for any and all emergency services.

VALUES –

Be safe. Be kind. Be prepared.

MISSION –

Committed to providing professional emergency services that ensure the public safety of our community and the region we support.

BUSINESS LINES –

Response – Safely minimize the loss of life and property due to emergency events.

- Emergency Medical Services (EMS) – providing emergency medical services
- Fire Response – providing effective response to fires
- Haz-Mat and Specialized Rescue

Prevention – Anticipate, prepare for and prevent future emergency events.

- Emergency Preparedness – preparing the City for major emergency events
- Fire Inspections and Enforcement – providing enforcement of the Fire Code
- Fire Education – providing fire/EMS education programs and safety information

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

- **Standard of Coverage– NFPA Standard 1710**

People are our most valuable asset. All emergency operations will take into account the risk to firefighters and the public before a strategy and its accompanying tactics are employed. Fire

ground operations fall into one of two strategies – offensive or defensive. These two strategies are based on a standard Human Risk Management Plan that is employed at all structure fires.

We may risk our lives a lot to protect savable lives.

We may risk our lives a little to protect savable property.

We will not risk our lives at all to save what is already lost.

The Minneapolis Fire Department (MFD) has established the following minimum daily staffing in order to meet our standard of cover:

	Optimal Efficiency	Minimum Staffing	Total
14 Engine Companies	4	3	42-56
5 Quints	4	4	20
5 Ladder Companies	4	4	20
2 Heavy Rescues	6	6	12
1 Command Vehicle	1	1	1
1 Salvage/Air Supply	1	1	1
1 Ladder 2 (Not in service)	4	0	0-4
Total Fire Suppression Staff			96-114

Using the above table, the optimal efficiency staffing level would be 114 fire personnel below the rank of Battalion Chief working each day. This staffing number was affirmed by Citygate Associates (an outside consultant) in 2003 based on an extensive study of the City. The minimum number of fire personnel below the rank of Battalion Chief should be 100. In no case will daily staffing be allowed to fall below 96 personnel below the rank of Battalion Chief. Off duty personnel will be hired back to meet this minimum staffing level.

1. The Minneapolis Fire Department will maintain a response time standard to Fire and EMS calls of 5 minutes or less for the first unit to arrive on scene 90% of the time.

2. The Minneapolis Fire Department will maintain a response time standard to technical rescues, hazardous materials incidents and weapons of mass destruction events of 6 minutes or less for the first unit to arrive 90% of the time.

3. The Minneapolis Fire Department will maintain a response time for fires, technical rescues, hazardous materials incidents and weapons of mass destruction events of 9 minutes or less for the first three companies and a Battalion Chief to arrive on scene 90% of the time when dispatched as part of an initial response assignment.

4. The Minneapolis Fire Department will maintain a response time for fires, technical rescues, hazardous materials incidents and weapons of mass destruction events of 10 minutes or less for the full first alarm assignment including a Battalion Chief to arrive on scene 90% of the time when dispatched as part of a full first alarm response.

- **Maintaining a Diverse Workforce – Hiring Process**

The March 30, 2005 Workforce Utilization Report shows that the overall percentage of female employees is 17%, while the overall percentage of minority employees is 30%. The Minneapolis Fire Department has been recognized by the *Washington Post* as one of the most diverse Fire

Departments in the United States. The Department has institutionalized its strategies to hire, promote and maintain a highly qualified, diverse workforce.

A major challenge for 2006 is developing a new eligible list for Fire Cadet. Without a residency requirement, Human Resources staff estimates that 4,000 people will apply for the examination. This testing process will be very expensive and is not currently funded in the 2006 budget.

- **Employee Engagement – Employee Survey**

The MFD will continue to address the concerns found in the 2004 Employee Survey. The Fire Chief has conducted a number of follow-up sessions to get more detail regarding the areas of opportunity that were raised in the survey. The Cultural Awareness Committee has begun the work of creating solutions to address these concerns. The Labor/Management Committee will also be working on the issues brought forth in the Employee Survey.

- **Public Education**

The recent visit by the peer assessment team of the Commission of Fire Accreditation International highlighted the need for the MFD to develop a public education program. The MFD will conduct a community risk analysis and focus an education campaign on the public safety risks that have the greatest impact on the residents of Minneapolis. This education campaign will require integration of the Limited English Proficiency Plan and partnering with the school system.

- **Continuing Budget Restraints**

The MFD has developed a Budget Cut Planning Grid and a Daily Staffing Guide that have assisted the Department in identifying the effects of the City's five-year financial direction.

As a result of budget constraints, the Department is unable to meet the 1710 Standard of 4 firefighters on a rig. Currently the Department is slightly below the 1710 Standard of first rig on the scene within 5 minutes 90% of the time and 15 firefighters on the fire ground within 8 minutes 90% of the time. A new Computer Aided Dispatch System along with another ladder company would allow the Department to meet the response time standards. The current five-financial direction will not allow the MFD to meet the NFPA 1710 staffing standards.

The Fire Department is working with Human Resources and the City Attorney to identify efficiencies in the hiring process. A new Fire Cadet eligible list will need to be developed in 2006. It is projected that 4,000 people will apply for the position of Fire Cadet. The funding source for this project has not been identified.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Provide effective emergency response	Establish a standard of coverage	% of time the standard of cover is met	Set minimum staffing, apparatus and response time standards
Reduce the negative impact of emergency events	Maintain a high level of emergency preparedness	% compliance with the emergency plan during drills	Revise the Emergency Operations Plan
		% of request funded	Submit a request to fund a new Emergency Operations Center
	Reduce the number and severity of emergency events	% of existing buildings inspected	Provide fire code inspections in commercial and industrial buildings
		% of existing buildings inspected	Provide fire code inspections in residential buildings of 4 units or more
Improve effectiveness and efficiency of business processes	Implement new models of providing service	# of automatic aid agreements in place	Pursue and implement automatic aid agreements
	Develop internal partnerships to execute business lines more effectively	% of project complete	Upgrade Computer Aided Dispatch System in 911/311
Keep employees safe	Ensure the health and wellness of employees	% of employees given a physical exam	Provide required physical exams
	Reduce employee injuries	% reduction in injuries	Review injuries and develop strategies in the employee safety committee
Engage the community	Deliver safety education to the public	% of project completed	Develop a Fire Education Division within the Fire Prevention Bureau
	Provide preventative health services to the public	# of new sites that have a Public Access Defibrillator (PAD) device installed	Increase the number of PAD's in the City
	Keep young trees alive	# of young trees watered	Water newly planted trees during the summer months
Recruit and train a diverse workforce	Develop a new Cadet hiring process	\$ saved by making the list development process more efficient	Develop and deploy an effective Fire Cadet Selection process
	Provide effective training programs for new and existing employees	% of firefighters on a career development plan	Develop and publish a career development plan for all sworn job classifications

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	Establish quality control programs to evaluate performance	% of runs that met quality control standards	Evaluate emergency events for quality control measures
Recover costs of providing service	Enhance EMS revenue	% increase in revenue	Increase revenue from insurance companies for auto extrications
	Enhance training facility revenue	% increase in revenue	Increase revenue from outside agencies using the training facility
	Enhance fire prevention revenue	% increase in revenue	Develop a fire alarm registration program
	Enhance grant revenue	% increase in revenue	Obtain a fire act grant
Create an atmosphere that honors the unity, commitment, diversity and professionalism of our workforce and the public we serve	Identify and address cultural and language barriers	% of plan complete	Develop and deploy a limited English Proficiency Plan
	Improve employee satisfaction with their job	Increase positive responses in next employee survey	Develop and deploy an action plan to address the issues from the employee survey

FINANCIAL ANALYSIS

EXPENDITURE

In 2006, the Fire Department's expense budget of \$50 million represents a 12% increase over the 2005 Adopted Budget.

Approximately 77% of the Department's budget consists of personnel expenses. There is a 4.7% increase in personnel costs with salaries increasing 2.8% and fringe benefits increasing 11.3%.

Non-personnel expenses represent approximately 23% of the Department's budget. The majority of this cost is related to mobile equipment rent, station rent, self-insurance and radio communication services.

REVENUE

The Fire Department takes in \$11 million in revenue. The largest portion of this revenue, \$7 million, is obtained through federal government grants which fund equipment, training and technology related to homeland security. The Department also receives state government funds in its General Fund, specifically \$2 million that is allocated to offset PERA pension costs.

FUND ALLOCATION

The Fire Department's budget is funded predominantly through the General Fund (93%).

MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended Budget includes no reductions to the Fire Department. A Department request for one-time funding for recruitment expenses is included in the Recommended Budget (\$80,000). Funding for the City's Community Emergency Response Team (CERT) is added on a one-time basis (\$150,000), with future years' programs funded externally to the City. No further reductions for the Department are included in the updated five-year financial direction as recommended by the Mayor.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's Recommended Budget.

**FIRE DEPARTMENT
Staffing Information**

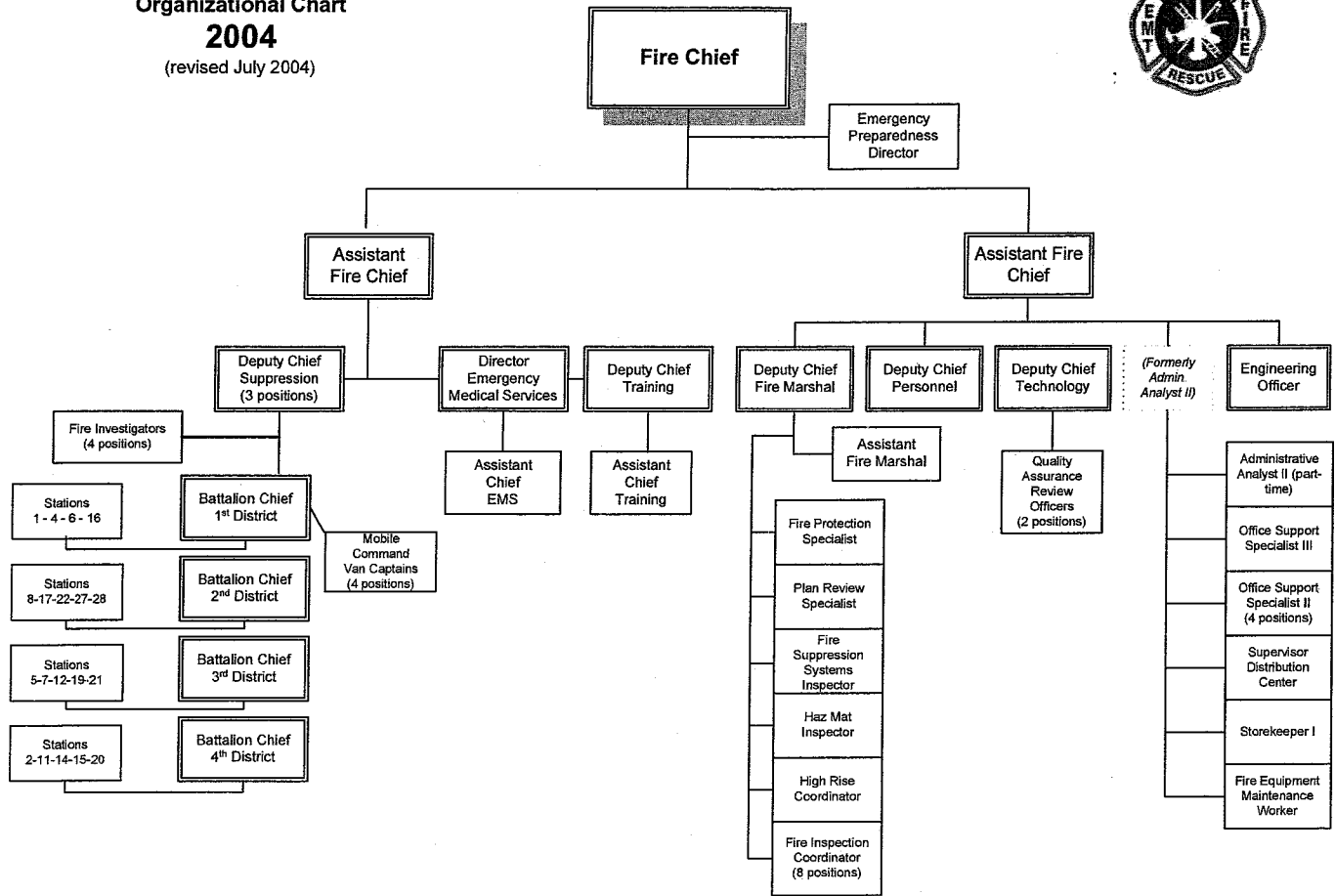
	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Administration	17.50	18.50	19.00	20.50	7.89%	1.50
Fire Suppression & Emergency Services	431.00	412.00	403.00	405.00	0.50%	2.00
Fire Prevention	19.00	18.00	22.50	19.00	-15.56%	(3.50)
Total FTE's	469.50	449.50	444.50	444.50	0.00%	-

Minneapolis Fire Department

Organizational Chart

2004

(revised July 2004)



**FIRE DEPARTMENT
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	5,212,355	3,968,978	5,282,409	5,581,653	5.7%	299,244
Equipment	127,183	191,209	328,244	334,808	2.0%	6,564
Fringe Benefits	7,076,149	7,387,485	8,395,892	9,348,230	11.3%	952,338
Operating Costs	1,635,020	2,044,369	2,438,640	2,345,852	-3.8%	-92,788
Salaries and Wages	25,882,980	25,903,245	28,755,192	29,551,920	2.8%	796,728
Total for General Fund - City	39,933,687	39,495,287	45,200,377	47,162,463	4.3%	1,962,086
Special Revenue Funds						
Contractual Services	145,105	88,116	0	662,200		662,200
Equipment	198,845	33,286	0	2,577,881		2,577,881
Fringe Benefits	0	9,201	0	0		0
Operating Costs	107,063	1,013,088	0	31,576		31,576
Salaries and Wages	178,030	77,576	25,000	18,300	-26.8%	-6,700
Total for Special Revenue Funds	629,043	1,221,267	25,000	3,289,957	13,059.8%	3,264,957
Total for FIRE DEPARTMENT	40,562,730	40,716,554	45,225,377	50,452,420	11.6%	5,227,043

FIRE DEPARTMENT Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	8,978	2,417	200	200	0.0%	0
Charges for Service	276,279	483,556	281,000	381,500	35.8%	100,500
Interest	0	374	0	0	0.0%	0
Licenses and Permits	122,561	995,485	984,000	1,204,374	22.4%	220,374
Local Government	27,434	0	0	0	0.0%	0
Other Misc Revenues	92,313	97,177	100,500	0	-100.0%	-100,500
State Government	1,200,000	1,200,000	1,200,000	2,000,000	66.7%	800,000
Total for General Fund - City	1,727,565	2,779,009	2,565,700	3,586,074	39.8%	1,020,374
Special Revenue Funds						
Contributions	0	0	0	23,215	0.0%	23,215
Federal Government	450,484	1,267,103	0	7,449,666	0.0%	7,449,666
Local Government	0	116,995	0	0	0.0%	0
Operating Transfers In	4,900	20,500	0	0	0.0%	0
State Government	408,927	60,938	0	82,776	0.0%	82,776
Total for Special Revenue Funds	864,311	1,465,536	0	7,555,657		7,555,657
Total for FIRE DEPARTMENT	2,591,877	4,244,545	2,565,700	11,141,731	334.3%	8,576,031

HEALTH & FAMILY SUPPORT

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Healthy residents, communities and environments.

VALUES –

Our activities are investments in the health, social and economic well-being of the residents of Minneapolis.

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.

We work actively to build community capacity.

We recognize, and work to integrate, the increasing diversity of the City in our work.

MISSION –

To provide leadership in meeting the unique needs of our urban population and eliminating disparities by engaging partners in promoting individual, community and environmental health.

BUSINESS LINES –

1. Promote health: healthy communities, healthy behaviors and access to health services
2. Address factors affecting health: social conditions and physical environment
3. Protect the Public's health: disease prevention and control and emergency preparedness

These three business lines are achieved using the following strategies/service activities: policy, planning/program development, research/evaluation, community engagement, contracts with community partners, direct service delivery, advocacy and administrative functions.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

The most significant trend affecting the Department of Health and Family Support is reduced funding at the national, state and local levels for programs and services that were designed to benefit the populations that exhibit the greatest health and socioeconomic disparities. Specifically, eligibility for public health care programs has been cut at the state level, and the federal government is considering broad cuts in Medicaid eligibility and/or covered services in the coming years. Although prevention programs such as health education and early screening programs help reduce long-term health care costs, funding options for such services have diminished considerably. There is clear evidence that investments in early childhood and youth development produce long-term benefits by increasing academic success, employability and health as well as reducing costly interventions later. Support for these efforts has also been reduced. Finally, decisions at the federal and state level on family planning and reproductive health services are currently being driven more by ideology than by scientific evidence of effectiveness. As a result, implementing services that best address the needs of low-income urban teens and young adults is ever more challenging. There is no reason to believe that any of these challenges will soon diminish.

Department grant-seeking efforts are selective: proposals target racial/ethnic health disparities and emerging health concerns that disproportionately affect urban residents. In the past two years, the Department has secured two major five-year grants. The \$1.33 million “Seen on the Streets” project is a partnership with two local clinics serving high-risk young men to reduce sexually transmitted diseases and unwanted pregnancies. The \$3.2 million “Steps to a Healthier Minneapolis” involves community partners to target the behaviors and environmental conditions that contribute to obesity, diabetes and asthma. The Department was recently awarded \$3.7 million for the next four years to continue its Twin Cities Healthy Start program to reduce infant mortality among African Americans and American Indians. In addition, a number of smaller, shorter-term grants address issues such as lead, maternal/infant health and health care access.

Federal and state budget deficits across the country and lower returns on foundation investments have created an extraordinarily competitive grant environment as more applicants contend for fewer dollars. Consequently, the Department needs to maintain its cohort of staff with the program development and research credentials to excel among the competition. Staff also needs sufficient time to build the community partnerships and design the innovative programs that form the foundation of successful proposals and, subsequently, time to ensure successful project implementation and evaluation. As more staff time is contractually obligated to specific projects, the availability to respond to priorities identified by City officials and to form and maintain foundational community relationships and partnerships is proportionally reduced. Furthermore, a significant amount of effort needs to be directed toward planning to sustain successful activities once grant funding runs out.

The growing awareness of the unique needs of urban residents is accompanied by a recognition that social and environmental factors contribute to the substantial disparities in health that afflict racial and ethnic minority groups and low-income residents. The challenge herein is bridging traditional health approaches with the work of other units of government and community agencies that address key determinants of health, such as: access to quality child care,

housing, education, employment, recreational opportunities, reduced exposure to toxic substances and reduction in physical violence and community stressors. Initiating and sustaining multidisciplinary approaches to problem-solving and fostering a healthier community require focused investments of time that cannot be exclusively grant supported.

In this environment, funding decisions must be guided by community priorities and also strive to balance three elements: 1) maintenance of a safety net of services for the most vulnerable; 2) assuring an adequate public health infrastructure to be able to respond to emergencies and emerging community health issues; and 3) adequately investing in prevention efforts to maintain or improve the overall health of the population and reduce avoidable health care costs.

The Department has three major strategies for countering these challenges:

- 1) Coordinate with other government partners and continually reassess the need for improved efficiency and effectiveness of its own programs, operations and the services it funds through community-based agencies;
- 2) Seek competitive funding from national and state government agencies and private foundations; and
- 3) Work with community and government partners to advocate for policy and program changes that will positively impact the health of persons impacted by health disparities.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

Department actions are proposed within the context of the overall funding mix of the Department and are influenced by cuts made in previous years in response to the five-year financial direction. Cuts with less significant implications were made in previous years. This means the consequences of this year's recommendations may be more visible and will significantly reduce or eliminate basic services and infrastructure that the City has traditionally funded.

The proposed Department actions aim to balance support for services that directly address health disparities with support for the Department's basic infrastructure needs. This involves the operation of the Department, maintenance of community relationships and the development of innovative strategies to address health disparities.

The General Fund constitutes 29% of the Department's 2005 budget and CDBG constitutes an additional 15%. Fifty six percent of the Department's efforts to address health needs in the City of Minneapolis come from other sources. In an ideal scenario, most General Fund and CDBG cuts could be offset by other funding sources to avoid disruption in programs. This is not possible for the following reasons:

- The Local Public Health funds that the Department receives from the State are less than the cost of programs and staff currently allocated to them. To add ongoing costs to this line of funding without significantly cutting additional programs would create future structural deficits. Local Public Health funds currently support: the School Based Clinics, WIC services provided by the County to City residents, nurse home visiting and, local public health infrastructure. Because competitive grants have and will continue to cover some staff and program costs, there is a limited carryover surplus in this fund that should be used primarily for one-time expenses because of the unpredictable nature of competitive grants.
- The Department has not received, and is not likely to identify, grant opportunities that primarily support Department infrastructure and some of the ongoing community

infrastructure that is now partially funded through the General Fund. Competitive grants have been secured to address high priority issues where there are measurable health disparities such as infant mortality, sexually transmitted infections and teen pregnancy, obesity, diabetes and asthma, lead poisoning and health care access. These grants allow the Department to work with the community and focus intensively on these areas of health disparities.

The strategies proposed move a limited number of General Fund supported costs to State Local Public Health funds and accomplish the remainder of the five-year financial direction cuts through reductions in staff and program support. The cuts to community contracts impact programming in the priority areas of youth development, early childhood, and the health care safety net.

The Department plans to work with the Finance Department to explore development of an indirect rate that could be used with Federal grants to help support department administrative costs related to grant funded activities. This would be especially useful for the research grants. The Department would also like to explore ways to control enterprise-wide administrative costs such as BIS and 311 as the General Fund support for the Department continues to decrease.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver Items in <i>italics</i> are in Sustainability plan	Tactics <i>Key: Tactics present in 2005 that are affected by funding changes are indicated in one or more of the following ways:</i> * Current grant ending, future funding uncertain Strike through Program eliminated due to funding cut <i>Italics</i> Funding and programming reduced
Promote the health of all Minneapolis residents with a focus on eliminating disparities	Promote healthy communities	Efforts directed at creating and supporting community norms and environments so that healthy decisions will be easier; effective strategies require community engagement	<i>Measure: Decrease teen birth rate (annually)</i> <i>Measure: Decrease infant mortality rate (annually)</i>	Smoke-free ordinance to eliminate exposure to secondhand smoke in restaurants, bars, pool halls and bowling alleys Community violence prevention through a youth development approach (reduced) HUD led projects - to test pregnant women and children for lead poisoning and enroll properties in lead remediation programs * Skyway Senior Center - promote/deliver health and wellness programs to seniors (eliminate) Way to Grow - to ensure that young children are healthy and ready for school (reduced) Youth development - strengthen community capacity to deliver quality services to youth (reduced) Teen Parent Connection - coordinated approaches to serving teen parents (City/County/Schools/Community Based Orgs)

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver Items in <i>italics</i> are in Sustainability plan	Tactics <i>Key: Tactics present in 2005 that are affected by funding changes are indicated in one or more of the following ways:</i> * Current grant ending, future funding uncertain Strike through Program eliminated due to funding cut <i>Italics</i> Funding and programming reduced
				<p>HIV planning and community capacity building - to prioritize and allocate funding for low-income residents with HIV</p> <p>Little Earth Partnership - City/County services alignment with Little Earth strategic plan</p> <p>Twin Cities Healthy Start to reduce disparities in infant mortality in the American Indian and African American communities</p> <p>Advocacy to influence public and private policy to reduce health disparities to improve the health of low-income and diverse populations</p> <p>Urban Health Agenda/TransRiver Planning Group - Alignment of Urban Health policy agendas across jurisdictions, including operational efficiencies in delivery of services and development of a common urban health legislative agenda</p>
	Promote healthy behaviors	Efforts directed toward influencing and supporting primarily individual health related knowledge, decisions and actions	<p><i>Measure: Increase % of population at healthy weight (annually)</i></p> <p>Driver: Increase % of population meeting physical activity guidelines (annually)</p>	<p>Steps to a Healthier Minneapolis to reduce diabetes, excess weight, obesity, and asthma by increasing physical activity, improving nutrition and decreasing tobacco abuse</p> <p>Seen on da Streets to reduce teen pregnancy and sexually transmitted infections</p> <p>Health education-promotion of best practices to address key public health priority areas and address health disparities</p> <p>Promote healthy parenting - metro-wide collaborative to provide resources to parents through Shoulder to Shoulder</p>
	Assure access to health services	Health services play a role in health status; barriers to access to care are financial, geographic, cultural and logistical; often those populations experiencing health disparities have barriers to accessing health services	<p><i>Measure: Decrease # of asthma incidents treated in Emergency Room (annually)</i></p> <p>Measure: Maintain or increase % of residents with health coverage (periodically)</p>	<p>School-based Clinics - partnership with schools and other providers to maintain and improve health care safety net for adolescents</p> <p>New Families Center - partnership with schools and the Children's Defense Fund to provide immunizations and health care coverage for families entering the Mpls Public School system (reduced) *</p> <p>Working with community dental directors group to increase access to dental services for low-income residents</p>

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver Items in <i>italics</i> are in Sustainability plan	Tactics <i>Key: Tactics present in 2005 that are affected by funding changes are indicated in one or more of the following ways:</i> * Current grant ending, future funding uncertain Strike through Program eliminated due to funding cut <i>Italics</i> <i>Funding and programming reduced</i>
				<p>Neighborhood Health Care Network - to improve access to medical and dental services for low-income and uninsured persons (reduced)</p> <p>Maternal Child Health Special Projects - improve health education and access to services at risk women and children</p> <p>Minnesota Visiting Nurses Agency (MVNA) Home visiting to provide public health nursing interventions to low-income and at-risk families and home health care for seniors (reduced) Alliance Home Visiting for pregnant and parenting undocumented Latinas under the age of 19 *</p> <p><i>Early Childhood Screening and Referral - to identify children early and connect them to health and developmental services (reduced)</i></p> <p>Women, Infants & Children (WIC) - City support to County to provide nutritional counseling and supports for low-income women and children</p>
Address factors affecting health so health disparities are eliminated.	Address social conditions impacting health.	Social conditions such as housing, education, employment, income, transportation, community connectedness and social capital have been shown to impact health. They have an especially strong influence on health disparities.	Measure: Increase % who receive health and developmental screening by age 3 (annually).	<p>Maternity care coordination excellence model to develop services in community-based settings to screen for and address social risk factors that lead to poor pregnancy outcomes *</p> <p>North Side Health Impact Assessment - measures the health and social impacts of housing redevelopment on the Northside</p> <p>Housing Advocacy - constituent services addressing housing, a social condition and contractual legal services</p> <p>Senior Ombudsman-advocacy on behalf of and direct services to Minneapolis seniors. Tax service to low income residents. Staff to Seniors and Disabilities committees. (eliminate)</p> <p>Weed and Seed - partnership with community and law enforcement to address crime through blend of service activities and law enforcement strategies *</p> <p>Curfew Truancy Center - promote community safety and school achievement (partnership Hennepin County/City and Minneapolis Public Schools)</p>

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver Items in <i>italics</i> are in Sustainability plan	Tactics <i>Key: Tactics present in 2005 that are affected by funding changes are indicated in one or more of the following ways:</i> * Current grant ending, future funding uncertain Strike through Program eliminated due to funding cut <i>Italics</i> Funding and programming reduced
				<p>American Indian Memorandum of Understanding implementation - develop strategies to create institutional relationship between City government and American Indian community</p> <p>Support early childhood and preschool screening by Hennepin County and Minneapolis Public Schools (reduced).</p> <p>Community engagement - strategic partnerships to address health disparities</p>
Protect the public's health from being harmed by infections, natural or man-made emergencies	Assure disease prevention and control	Efforts that ensure continuous surveillance for infectious diseases, community and agency education on disease prevention, vaccination programs, case investigation and coordination of response for disease outbreaks	Measure: Increase % fully immunized by age 2 (in development; will be annually)	<p>Hennepin County Infectious Disease contract to provide disease surveillance and response in the event of a routine infectious disease outbreak</p> <p>Immulin contract - City support for regional immunization registry system</p> <p>Public Health lab testing - provides leadership to regional public health infrastructure and quality testing to customers</p> <p>MVNA Day care consultation training of day care center staff on health and safety issues. (eliminate)</p>

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver Items in <i>italics</i> are in Sustainability plan	Tactics <i>Key: Tactics present in 2005 that are affected by funding changes are indicated in one or more of the following ways:</i> * Current grant ending, future funding uncertain Strike through Program eliminated due to funding cut <i>Italics</i> Funding and programming reduced
	Assure emergency preparedness	Efforts directed toward local, regional and state preparation for public health emergencies and disasters; this includes prevention, mitigation, response and recovery from an emergency		Federal Emergency Preparedness Grant for public health emergency planning and response Cross-jurisdictional planning to coordinate a public health response to any emergency or disaster Planning for vulnerable populations to ensure that those at greatest risk in an emergency (Limited English Proficiency, seniors, persons with disabilities, etc.) receive necessary communication and continuation of services
Assure an adequate City public health infrastructure	Engage community and manage grants and contracts	Efforts to convene community groups; oversee content of contracts and the work of contracted organizations; develop grant proposals; and ensure execution of grants received		Assure effective and efficient use of resources for high-risk populations through contract management - promote best practices in scopes of service and support capacity building of organizations to deliver services Build organizational and community capacity through grant writing and development of new, innovative and effective program strategies Staff Department Advisory Committees - facilitate each committee's ability to advise the Mayor and Council on: <ul style="list-style-type: none"> • public health issues - Public Health Advisory Committee • senior citizen issues - Senior Citizens Advisory Committee. (eliminate) • disability issues - Persons with Disabilities Committee. (eliminate)
Maintain a positive work environment for employees	Improve formal feedback to employees	Annual evaluations including developmental plans	Improve percent of employees receiving annual performance reviews	Implement management plan developed with staff-led team input to address issues raised in employee survey
Integrate Department operations with enterprise-wide initiatives	Simplify customer access to information.	Address ease of interaction with City, including language comprehension		Transition the answering of specific Department calls to 311 Translation of key documents in high traffic areas
	Continue loss prevention initiatives	Promote safety in the workplace through education and supply and use of equipment		Provide ongoing training and evaluate new technologies for potential to decrease injuries
	Implement EIM practices and policies	Promote appropriate record retention		Implement the record retention schedule

FINANCIAL ANALYSIS

EXPENDITURE

For 2006, MDHFS' total budget is \$13 million, a less than 1% decrease from the 2005 Adopted Budget. Based on the State requirements, the City needs to maintain a minimum of \$2.3 million as local match to qualify for the available Local Public Health grants.

The Department has a decrease of 1 director position and 1.5 other positions as well as a reclassification of 1 position to a 0.8 position.

REVENUE

There is an overall 3% revenue increase. In 2006, federal grant fund availability is at approximately the same level as in 2005 (\$3.5 million). The Senior Skyway received \$375,000 grant for 3 years. The increase in Charges for Service and the 58% projected decline in state grants are a result of changes in accounting treatment.

FUND ALLOCATION

MDHFS' expense budget for the year 2006 is derived from the General Fund (29%), CDBG (15%), Federal funds (27%), and State and other local funds (29%).

MAYOR'S RECOMMENDED BUDGET

No reductions for the Health and Family Support Department are included in the Mayor's Recommended Budget. No further reductions for the Department are included in the updated five-year financial direction as recommended by the Mayor.

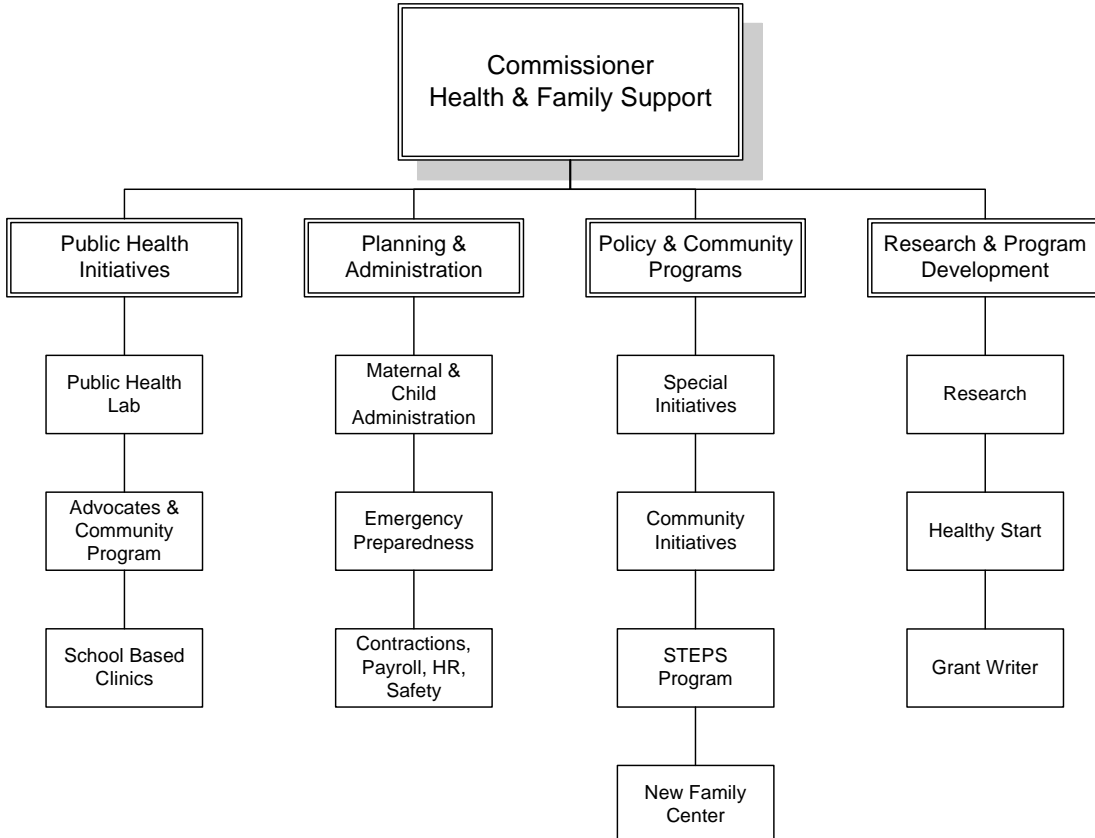
COUNCIL ADOPTED BUDGET

The Council added \$75,000 for the Domestic Abuse Project to the Health and Family Support Department on a one time basis and directs the Department to continue funding the DAP contract at least at that level into the future. The Department is further directed to include a strategy for permanent funding in its business plan for 2006.

HEALTH AND FAMILY SUPPORT Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	75.40	73.90	69.00	66.30	-3.91%	(2.70)

Health & Family Support



**HEALTH AND FAMILY SUPPORT
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Capital Outlay	0	0	2,777	2,833	2.0%	56
Contractual Services	2,079,942	2,130,716	2,434,211	2,378,285	-2.3%	-55,926
Equipment	2,553	29,540	0	0		0
Fringe Benefits	227,225	219,259	241,830	289,588	19.7%	47,758
Operating Costs	184,605	202,129	115,320	109,762	-4.8%	-5,558
Salaries and Wages	920,455	864,083	858,590	920,777	7.2%	62,187
Total for General Fund - City	3,414,780	3,445,727	3,652,728	3,701,245	1.3%	48,517
Special Revenue Funds						
Contractual Services	7,273,739	6,217,217	5,406,172	5,330,733	-1.4%	-75,439
Equipment	963	45,000	0	0		0
Fringe Benefits	613,383	680,369	838,011	894,713	6.8%	56,702
Operating Costs	128,573	219,088	41,183	82,166	99.5%	40,983
Salaries and Wages	2,472,709	2,603,668	2,999,174	2,861,246	-4.6%	-137,928
Transfers	22,567	4,351	0	0		0
Total for Special Revenue Funds	10,511,934	9,769,693	9,284,540	9,168,858	-1.2%	-115,682
Total for HEALTH AND FAMILY SI	13,926,714	13,215,419	12,937,268	12,870,103	-0.5%	-67,165

**HEALTH AND FAMILY SUPPORT
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	589,744	583,584	609,000	650,000	6.7%	41,000
Total for General Fund - City	589,744	583,584	609,000	650,000	6.7%	41,000
Special Revenue Funds						
Charges for Service	75,720	97,048	90,000	1,264,124	1,304.6%	1,174,124
Contributions	208,445	238,147	145,000	848,052	484.9%	703,052
Federal Government	5,368,870	4,010,387	3,301,349	3,456,062	4.7%	154,713
Local Government	309,041	432,692	345,000	204,000	-40.9%	-141,000
Operating Transfers In	60,000	59,270	0	0	0.0%	0
Other Misc Revenues	3,631	28,865	100,000	154,461	54.5%	54,461
Sales and Other Taxes	64,423	11,375	45,000	45,900	2.0%	900
State Government	1,991,113	2,730,558	3,008,592	1,265,259	-57.9%	-1,743,333
Total for Special Revenue Funds	8,081,243	7,608,342	7,034,941	7,237,858	2.9%	202,917
Total for HEALTH AND FAMILY SUPPORT	8,670,987	8,191,926	7,643,941	7,887,858	3.2%	243,917

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Minneapolis is a healthy, vibrant and growing City where all residents and visitors feel at ease and enjoy access to quality services, amenities and opportunities.

VALUES –

We strive to be open, inclusive, respectful and fair in all interactions within and outside City Hall. We believe in the power of collaboration and the potential for positive change when elected officials, government employees and community participants hold each other accountable and work together for the common good.

MISSION –

To provide the Mayor with skillful, informed guidance and support in the development, promotion and implementation of policies and programs that reflect the needs and values of Minneapolis residents, and to ensure that the City of Minneapolis provides all constituents with responsive, dependable and high-quality service.

BUSINESS LINES –

Policy & Program Development

- Identify and prioritize needs and issues identified by City residents and visitors
- Participate in annual business planning and goal setting processes
- Develop fiscal policies and an annual budget that reflect City goals
- Support development of policies and programs that reflect City goals

Policy & Program Promotion

- Use the “bully pulpit” to promote policies, programs and City as a whole
- Support proactive internal and external communication strategies
- Assist residents in understanding and accessing City programs and services
- Engage public- and private-sector partners in assisting the City

Policy & Program Implementation

- Nominate and support the appointment of key public officials
- Directly oversee performance of the Police and Civil Rights Departments
- Monitor and support the implementation of City policies and programs
- Participate in individual and departmental performance evaluations

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

Minneapolis One Call/311 and implementation of the consolidated call center at the beginning of 2006 is the enterprise initiative most likely to affect the Mayor's office directly. However, since the Mayor's office will continue to be perceived as "the call of last resort" for constituents who believe their concerns are not being adequately addressed through other channels - including One Call - it is difficult to predict how much of a change we will see in either call volume or content. Therefore, we are not making changes in our constituent-services staffing level or position definition until we can evaluate the actual impact of One Call during the first half of 2006.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

Our current staffing and budget are currently consistent with the five-year financial direction.

FINANCIAL ANALYSIS –

EXPENDITURE

The Mayor's 2006 budget of \$1.1 million reflects an 8.8% increase over the 2005 Adopted Budget. The reasons for the increase are the projected growth in spending of \$92,000 including a one-time \$25,000 increase to cover potential transition costs.

REVENUE

The Mayor's office does not generate revenue.

FUND ALLOCATION

One hundred percent of the Mayor's budget is funded from the General Fund.

MAYOR'S RECOMMENDED AND COUNCIL ADOPTED BUDGET

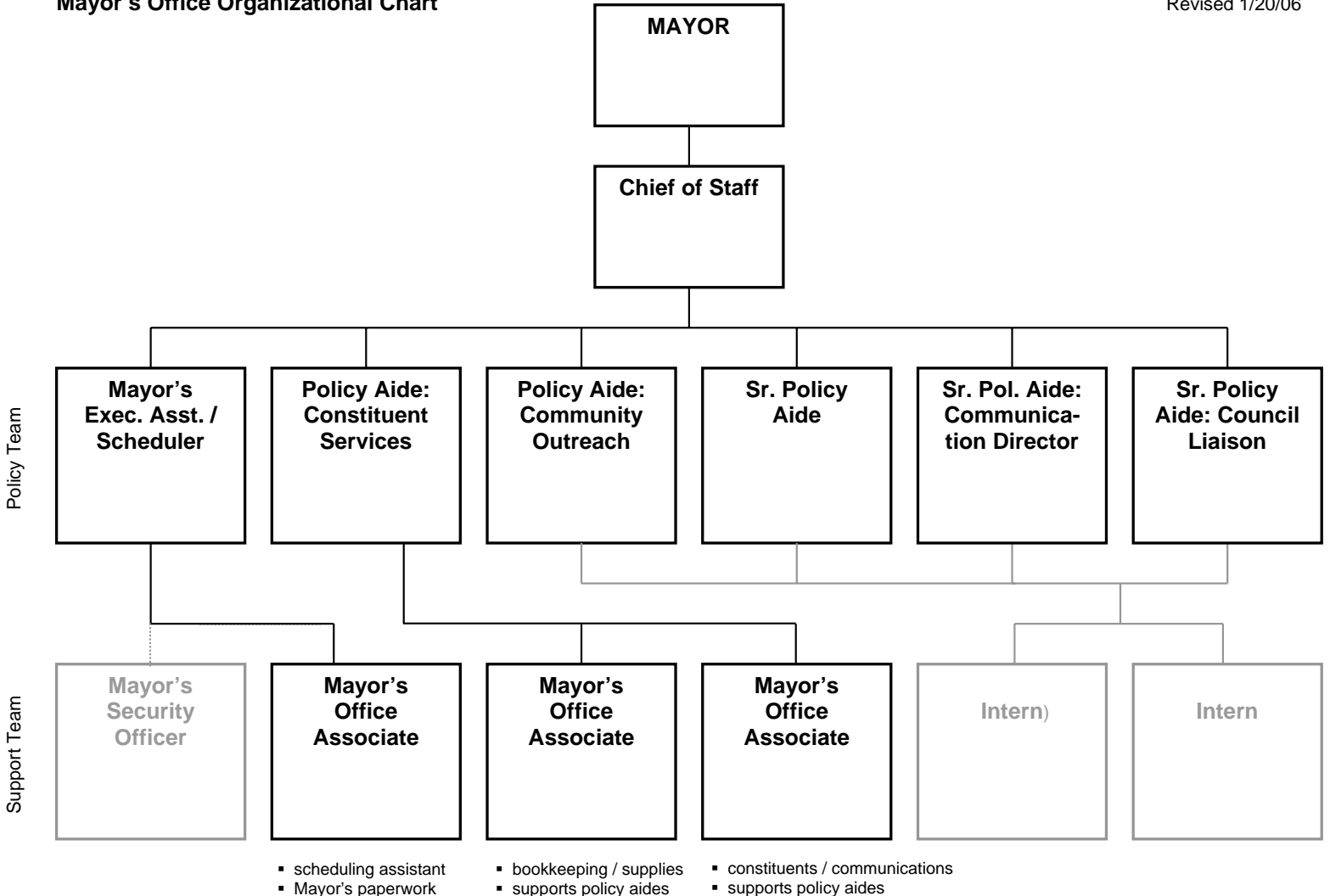
The Mayor and Council made no changes to the Department's 2006 budget.

**MAYOR
Staffing Information**

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	11.00	11.00	11.00	11.00	0.00%	-

Mayor's Office Organizational Chart

Revised 1/20/06



**MAYOR
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	48,539	56,753	145,557	163,837	12.6%	18,280
Equipment	5,999	13,487	5,649	5,762	2.0%	113
Fringe Benefits	138,770	147,989	175,964	226,996	29.0%	51,032
Operating Costs	48,832	48,909	74,095	76,196	2.8%	2,101
Salaries and Wages	614,204	636,466	652,634	673,523	3.2%	20,889
<i>Total for General Fund - City</i>	856,343	903,603	1,053,899	1,146,314	8.8%	92,415
Total for MAYOR	856,343	903,603	1,053,899	1,146,314	8.8%	92,415

POLICE

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

The City of Minneapolis is the safest place to live, work and visit.

VALUES –

Employees are our greatest asset. A workforce that reflects our community. Protection of human rights. Excellence in serving the public. Honesty and Integrity. Community participation.

MISSION –

Implement effective prevention strategies and reduce crime in collaboration with the community and our criminal justice partners.

BUSINESS LINES –

Response to Requests for Service and Investigation of Serious Crime

Our primary business is to ensure that citizens are satisfied with their safety and the safety of their property. The Department's core functions or primary business lines are the response to calls and the investigation of serious crimes. Support functions assist with those efforts, crime prevention, communication, and support of the enterprise and its employees. The Department's ongoing objective is to try and best meet our citizens' needs with the resources provided.

Public Safety Services Business Line

The Public Safety Services business line emphasizes the Minneapolis Police Department's (MPD) primary duty as the protection of life and property. The MPD provides 911 response and works with the community to develop and implement crime prevention/reduction strategies. The Department investigates crimes against person and property and prepares cases for prosecution.

Internal Management Services Business Line

The Internal Service business line consists of service activities designed to interface within the MPD organization providing operational direction, information and monitoring points that support law enforcement, investigations and crime reduction initiatives. The business line coordinates with the Finance and Human Resource Departments in providing services to MPD.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the Department address and what actions will be taken?

Increase employee satisfaction while managing resources. Our employees determine the success or failure of Department efforts. Their recruitment, training, development, care, and satisfaction are essential concerns of the Department. Our efforts include the following:

1. Employee Engagement – Employee Survey Team: The Employee Survey Team is identifying efforts, policies, and procedures that will assist in communications, supervision and ownership of Department and community efforts. Recommendations from the Team are forthcoming.
2. Maintaining Training Budgets: The Department is maintaining funding and expanding training through professional, business, and educational partnerships. We will continue to provide quality on-duty annual training to all officers and expand specialized training as identified.
3. Reinstating Fitness Testing: Starting in 2006, the Department will again begin fitness testing officers as part of a revamped officer wellness program that was stopped due to budget cuts in 2003.
4. Continued Commitment to Proper/Safe Equipment: The Department will continue to test new equipment, monitor the use of current equipment, and seek internal and external funding for additional equipment to keep the Police Department up to date with the latest professional developments.
5. Department Recognition: The Department will continue supporting efforts such as employee awards, the Honor Guard, and Department unit recognition that contribute to pride in the profession and the Department.

Increase citizen satisfaction and public trust.

1. Maintaining the Professional Standards Division. Professional Standards is comprised of Quality Assurance, Internal Affairs, Training, and Backgrounds Units. The Division is committed to internal and external audits, proactive and timely investigation and process of complaints, working with Civil Rights and Civilian Review, and developing sound working practices that reduce complaints, liabilities, and risk to the City, the Department, and our employees.
2. Staying Committed to the Police Community Relations Council (PCRC). PCRC was created out of the Mediation Agreement signed December 4, 2003. The committee meets regularly to discuss current issues and work toward commitments in the agreement. The committee had several successful interventions last year on high profile incidents.
3. Expanding the Role of Police Working with the Community. With reductions in SAFE, the Department made a commitment to expand the role of precinct lieutenants and their shifts in working with the community. To measure that commitment, the Department reports quarterly to the City Council. The goal is to decentralize the efforts of traditional SAFE officers lost in reductions. The Department will continue efforts to expand services to Limited English Proficiency customers.
4. Increasing Partnerships with the Community: Efforts with neighborhoods, businesses, and community leaders enhance public satisfaction and Department effectiveness and efficiencies. The Downtown SAFE Zone partnership has the potential of multiplying “our

resources” tenfold. Neighborhood efforts have led to efforts like Operation Clean Sweep. Traditional efforts such as the Explorers, Police Activities League, and Police Reserves will be continued.

5. Diversifying the Workforce: The Department will continue to hire from a process of developing candidates through the Community Service Officer (CSO) program which seeks qualified candidates from a broader community. The last two academy classes were all from the CSO program. With attrition and CSO hires, the Department has managed a slight increase in diversity levels.
6. Publicize Results: The Department has continued to hold Department managers accountable for performance measures through their Computer Optimized Deployment Efforts Focused on Results (CODEFOR) Program. The weekly meetings focus on crime statistics, crime patterns, investigation efficiencies, and personnel management. The meetings are public and televised.
7. Transition of Squad cameras to digital technology. Squad cameras have been a great success at documenting the actions of officers and assisting us with evidence in critical and high profile incidents as well as complaints. The current tape technology works, but access is cumbersome. Digital technology will make access and retention much easier. The Department plans on facilitating the transition with the issuance of new squads.
8. Maintain Response Times for Calls for Service: There are three levels of calls for service. The Department has maintained response times within national acceptable levels at all three levels. Department-wide response times have not decreased at any level the last three years.
9. Homeland Security Coordinating: The Department has committed full-time resources to continue working with City and other agency partners on our response and roles in homeland security issues.

Managing resources. The Department must continue to be innovative to maximize efficiencies and effectiveness within our existing authorized budget. The Department will continue to emphasize maintaining core functions and work differently to support those functions. To this effort, the Department is committed to the following efforts:

1. Maintain Core Services: The Department will maintain their level of precinct 911 response staffing.
2. Increase Revenue: The Department will continue to market software developments and specialized functions such as training expertise. We will also continue to actively seek grants and outside funding. The Department currently has nearly forty specially funded positions and additional agreements for overtime and event funding.
3. Increase Partnerships: The Downtown SAFE Zone is a partnership with Metro Transit Authority, the Hennepin County Sheriff’s Office and downtown business to provide more visibility and safety downtown during retail hours. The effort appears to be working, and we would like to replicate the effort in other retail-heavy neighborhoods within the City.
4. Increase Efficiencies Through Technology: The Department has found the use of cameras Downtown helps reduce the incidents of street crime. We will endeavor to use the similar efforts in chronic crime areas in residential and other business areas. Another camera effort is the Red-Light Camera Project that will help monitor and reduce violations in high accident locations. Another technology tool will be the development and use of an e-report system that will allow victims to file reports by computer.
5. Continue to Seek Efficiencies in Investigations: Centralizing Robbery, connecting data bases with the County and City Attorney Offices, developing e-reports, and

increasing the generalist responsibilities of responding police officers are all efforts to maximize our efficiencies in investigations without reducing the core functions of response and investigation of serious crimes.

Managing Increases in Violent Crime. The Department has had six years of decreases in Part I crimes: Homicide, Robbery, Felony Assault, Auto Theft, Sexual Assault, and Thefts. In 2004 and 2005 we are seeing an increase in violent crimes such as homicide, robbery and felony assault in some precincts. Our efforts for 2006 include the following:

1. Maintaining Precinct Shift Staffing: Despite budget reductions, staffing of 911 responders on precinct shifts has not been reduced for the last three years. We are committed to maintaining staffing for the core functions of police response and investigating serious crimes.
2. Increasing Flexibility: With reductions, the Department found a need to develop an increased capacity for flexibility to deal with events, demonstrations, and chronic crime. The STOP Unit was started to provide many of these services. We believe that an increasing coordination and presence in chronic crime areas will have a positive impact on violent crime.
3. Continuing CODEFOR: Our Computer Optimized Deployment Efforts Focused on Results (CODEFOR) efforts stress accountability for commanders to track crime patterns and report strategies. The effort has been successful for seven years, and we continue to make refinements.
4. Increasing use of Technology: The street cameras downtown have provided a model to try and replicate in other business areas.
5. Increasing Partnerships: Community, agency and law enforcement partnerships increase our effectiveness and efficiency. The SAFE Zone effort Downtown is one such model. It allowed us to increase law enforcement presence without providing much additional staffing. The Operation CLEAN developed by the Third Precinct with neighborhoods to identify and track chronic offenders is another program being replicated City-wide. There are several such models.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES –

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Ensure people feel safe in Minneapolis	Effectively manage resources, deployment, and efforts to reduce crime	Minneapolis' current crime rate is maintained or reduced Number of Part 1 and Part 2 crimes (UCR crime categories)	<ul style="list-style-type: none"> • Enhance traffic safety with red light cameras • Expand the role of patrol officers (generalist approach) • Build flexibility strategies for redeployment of resources, such as the Stop Unit to staff peak needs for events and crime
	People receive a timely response to their requests for service	Maintain or reduce response time for Part 1 crimes	<ul style="list-style-type: none"> • Continuously review prioritization and response to calls for police service • Assist in the development and implementation of 311 • Develop and maintain E-report system to allow citizens to enter their own lower level crime reports

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	Collaborate with and expand public/private partnerships with the community, criminal justice, public agencies and corporate partners to promote cohesiveness and enhance effectiveness and efficiencies	Percentage of positive responses to trust questions in resident survey	<ul style="list-style-type: none"> • Partner with Civil Rights to address issues with Civilian Review Authority • Collaborate on efforts to promote a safer environment; e.g. SAFE Zone downtown, "Ambassador Program", Work with Probation Officers • Partner with other agencies to help victims feel safe
	Outreach in areas of community crime prevention, education and feedback/input	Percentage increase in number of people participating in PAL, SAFE, Citizens Academy and other outreach activities	<ul style="list-style-type: none"> • Expand volunteer programs to enhance service; Explorers, Citizen Academy, Reservists • Target efforts with new arrivals via outreach activities and partnership building • Provide means to communicate with people with Limited English Proficiency e.g. access to cell phones in the field • Provide information in multiple languages • Promote crime prevention methods and build resident self-sufficiency • Continue involvement in Police Community Relations Council
Ensure effective prosecutions	Maintain MPD's ability to process and ensure evidence integrity	Percentage of evidence presented that is deemed admissible	<ul style="list-style-type: none"> • Achieve and maintain ASCLD/LAB accreditation • Upgrade and add Crime lab capabilities and equipment; e.g.; DNA analysis • Acquire adequate space for equipment and procedures, e.g. Relocate firearms and tool marks examiners space • Co-locate property and evidence • Secure grants for equipment upgrades
	Increase misdemeanor prosecutions	Percentage increase in misdemeanor prosecutions	<ul style="list-style-type: none"> • Improve evidence collection through training and Departmental policy changes • Continue to strengthen relationship with City Attorneys
MPD culture promotes satisfaction, professionalism and professional growth	Institutionalize community policing to build cooperation and community trust in Minneapolis Police Officers	Number of employees engaged in community policing activities e.g. community meetings, NNO, etc.	<ul style="list-style-type: none"> • Promote a customer service culture • Enhance the image of MPD through external communications and internal culture change • Expand number of employees who participate in and attend community events • Ensure alignment of employees' duties with outreach philosophies • Transition to the "generalist" philosophy

Strategies	Objectives	Measures: Outcome and Driver	Tactics
	MPD employees are highly trained, competent professionals with equal opportunity for career growth	<p>Number of employees evaluated as performing well</p> <p>Number of employees with professional growth plans and/or have had advancement opportunities discussion with supervisor</p>	<ul style="list-style-type: none"> • Evaluate and revise MPD's screening process for new employees • Define hiring, training and retention needs for the next generation of police officers • Test officers periodically on policies, procedures, physical fitness and fitness for duty • Increase the workforce diversify • Address both sworn vs. civilian needs • Use the performance evaluation to address potential problems with performance and identify professional growth opportunities <p>Attain and maintain employee certifications as appropriate, e.g. forensic science certifications</p>
	Maintain a positive Departmental culture	Percentage increase in positive responses in employee survey	<ul style="list-style-type: none"> • Recognize employees for their contribution to the organization • Provide opportunities for employees to participate in specialized functions e.g. Honor Guard, Pistol Team, ERU <p>Respond to Departmental Employee Survey Response Team Recommendations of:</p> <ul style="list-style-type: none"> • Develop and communicate vision, direction, priorities and expectations • Support of personnel publicly by the Chief and Elected Officials • Increase internal visibility of Chief • Honor the chain of command • Communicate recommended changes/policies to the Department before they are implemented • Involve end users or those impacted in designing changes • Design and implement a leadership development program • Hire and promote based on merit
	Continuous processes in place to improve organizational effectiveness and efficiency	Number and effect of changes	<ul style="list-style-type: none"> • Reexamine and retool Codefor • Streamline investigations • Review and revision of internal Department policies and procedures • Assess areas of operation for procedural, structural or managerial changes • Implement Enterprise Information Management plan in 2006 & 07

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Maximize technological and revenue opportunities to maintain or advance service levels	Employees are properly equipped and supported to do their work	Number and effect of changes	<ul style="list-style-type: none"> • Maintain technology and education levels on par with industry advancements • Enhance training in focused areas • Increase efficiency through high and low technology enhancements, e.g. digital cameras, cell phones, downtown cameras, etc. • Implement Loss Prevention Tactics
	The MPD is continually evaluating and improving our services	Revenue generated	<ul style="list-style-type: none"> • Review MPD's procedures for special events and business supported off-duty deployment • Explore the development of special service districts for police services • Market MPD technology • Market MPD training • Explore charging for extra security measures for events

FINANCIAL ANALYSIS

EXPENDITURE

The Police budget is \$116 million, a 13% increase over the 2005 Adopted Budget. Personnel expenses make up 77% of the total budget. There is a 14% increase in personnel expenses from 2005.

Non-personnel expenses make up 23% of the total budget. Expenses for self-insurance, parking, building rent, fleet rent/repair, phones, and radio communications are paid to the City's internal service funds and make up the majority of non-personnel expense. The remainder of the expenses covers uniform allowance, translator fees, training, supplies, and jail fees. There is a reduction in the amount budgeted for gasoline and internal service fleet management in 2006.

REVENUE

The Police Department's General Fund revenue for 2006 is \$15 million, a 73% increase over the prior year. Of this amount, \$5 million, is a result of moving Traffic Control from Regulatory Services to the Police Department. The other largest revenue sources for the Department are state and federal government aid. The Department's General Fund revenue budget receives \$4.5 million in state aid to offset PERA pension costs. The Police Department has also received \$3.6 million in federal grants from the Department of Justice. These current grants are for equipment, overtime, and technology enhancements. Hiring grants were received from 1990 through 2000. There are no hiring grants budgeted in 2006.

The revenue estimate for fines and forfeitures for 2006 is approximately \$10.6 million. The Police Special Revenue Fund accounts for forfeitures, gambling tax, the automated pawn system, and reimbursable services such as the Detox van and Public Housing patrol services.

FUND ALLOCATION

The majority (93%) of the Police Department's budget comes out of the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor added 60 police officers funded from increased Local Government Aid allocations and from savings resulting from previous year's debt buy-downs. The total increase to the Department for these officers is \$4.3 million. No reductions are required of the Department in 2006. No further reductions for the Department are included in the updated five-year financial direction as recommended by the Mayor.

Further, the Mayor's Recommended Budget included several initiatives related to traffic control and enforcement:

- The Mayor adds 11 additional officers specifically dedicated to traffic (\$1 million, offset by \$500,000 in revenues. The reassignment of the 20 traffic officers to non-traffic related duties will require authorization from Council. Revenue estimates are based upon past experience in traffic enforcement efforts).
- The Mayor moves the Traffic Control Division of Regulatory Services to the Department (\$2.8 million and 42 positions). These expenditures will be recorded in the General Fund rather than the Parking Fund – this is a revenue neutral change. Associated meter revenue estimates (\$5.3 million) will also move to the Police Department. The revenues in excess of the meter expense will continue to support the General Fund. The Parking Fund will transfer \$2.8 million to the General Fund, maintaining the financial effects of how this service has been funded consistent with the Parking Fund work-out plan. The Mayor also adds 3 traffic control agents (\$185,000 with offsetting revenue) to this function.
- One-time funding is recommended by the Mayor for the City-wide electronic citations system (\$450,000) and the purchase of 10 security cameras (\$350,000). Ongoing operating costs will be funded by the Police Department.

The Mayor adds funding for a \$60,000 contract with the Tubman Family Alliance to fund a mental health clinician to support police officers working on domestic violence issues.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's Recommended Budget. For the one-time funding for surveillance technology, priority is to be given to projects with local matching funds as approved by Council. The Council added \$300,000 in one-time revenue related to the Police Department's "Stop on Red" camera initiative. These revenues will directly support one-time expenses related to the City's traffic efforts. Ongoing revenue for related to the "Stop on Red camera initiative is not included in 2006 or beyond, pending more information on the sustainability of this revenue. Additionally, one-time revenue in excess of expenses from the red-light camera operations, up to \$180,000, funds the Citywide Electronic Citations system. One time revenue in excess of expenses from the red-light camera operations, up to \$120,000 is appropriated to Public Works for speed control in 2006.

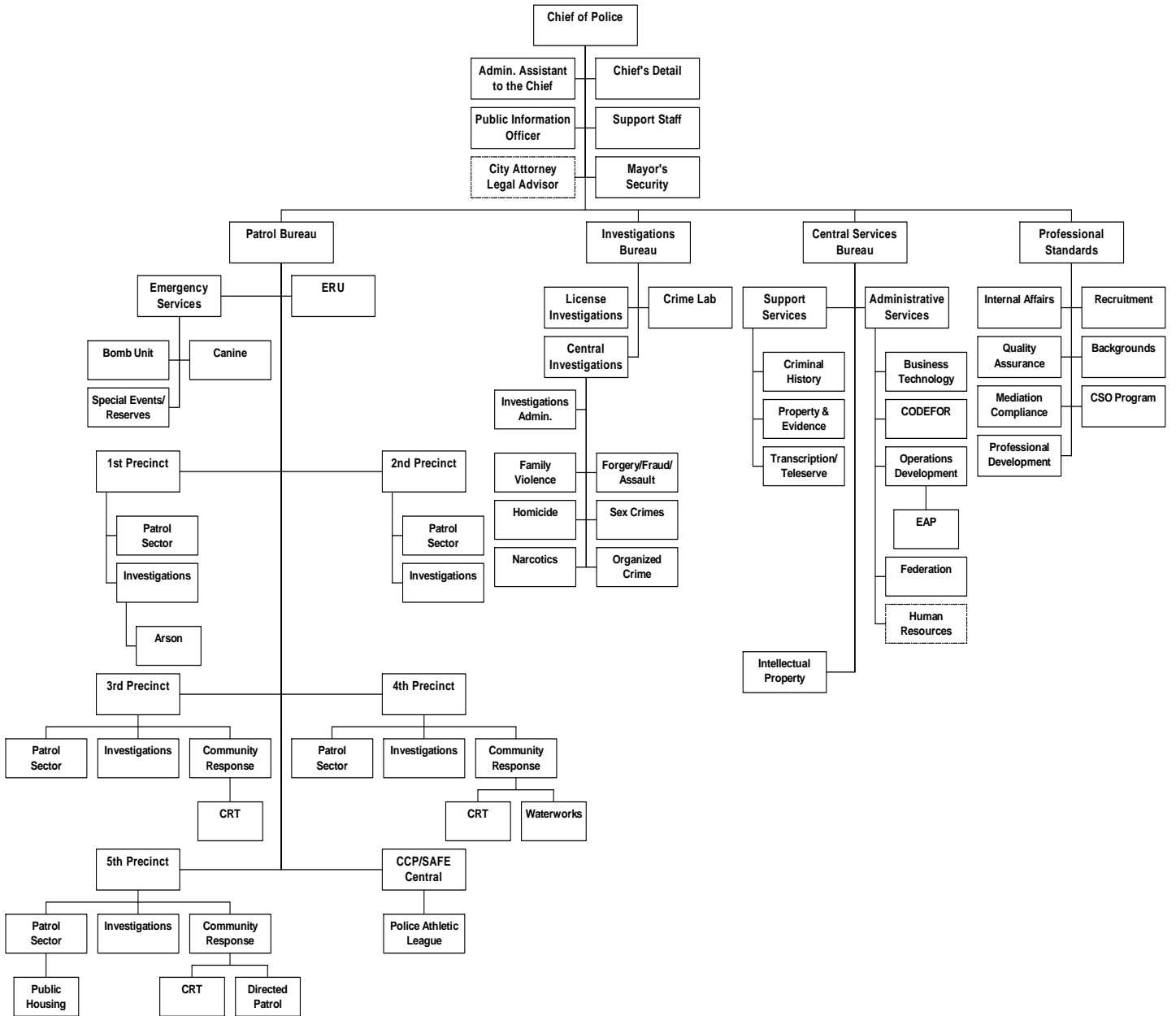
Public Works and Police were directed to continue their efforts to develop and execute a service level agreement that specifies the necessary Traffic Control Agent activities and performance measures to effectively monitor and ensure excellent on-going services with a report back to Ways & Means Committee by July 1, 2006, with any necessary budget adjustments.

The Police business plan was approved. The Council directed that the 2007 – 2011 business plan include a community policing strategy, performance measurements, and standards of coverage. The Chief is to report back to Council by March, 2006.

**POLICE DEPARTMENT
Staffing Information**

	2003	2004	2005	2006	%	%
	Adopted	Adopted	Adopted	Adopted	Change	Change
	Budget	Budget	Budget	Budget		
FTE's by Division						
Administration	12.00	14.00	9.00	11.00	22.22%	2.00
Traffic Control and Enforcement	-	-	-	56.00	-	-
Office of Professional Standards	-	-	30.00	52.00	73.33%	22.00
Patrol Services Bureau	-	-	672.00	700.00	4.17%	28.00
Investigations Bureau	-	-	149.00	150.00	0.67%	1.00
Central Services Bureau	130.00	132.05	82.00	89.00	8.54%	7.00
North Field Services Bureau	423.50	397.00	-	-	-	-
South Field Services Bureau	436.00	375.50	-	-	-	-
Police Licensing & Support Services	59.00	47.50	-	-	-	-
Total FTE's	1,060.50	966.05	942.00	1,058.00	12.31%	116.00

MINNEAPOLIS POLICE DEPARTMENT



**POLICE DEPARTMENT
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Contractual Services	0	358	0	0		0
Fringe Benefits	0	213,447	221,106	278,627	26.0%	57,521
Salaries and Wages	0	924,324	928,710	991,235	6.7%	62,525
Total for Enterprise Funds	0	1,138,129	1,149,816	1,269,862	10.4%	120,046
General Fund - City						
Contractual Services	10,113,277	9,009,346	12,005,541	13,382,980	11.5%	1,377,439
Equipment	72,926	65,193	184,236	1,075,928	484.0%	891,692
Equipment Labor	3,922	0	0	0		0
Fringe Benefits	15,397,477	14,684,454	14,902,875	19,103,144	28.2%	4,200,269
Operating Costs	5,832,973	6,264,664	8,026,683	7,463,523	-7.0%	-563,160
Salaries and Wages	62,211,386	57,580,060	59,629,902	66,500,182	11.5%	6,870,280
Total for General Fund - City	93,631,962	87,603,717	94,749,237	107,525,757	13.5%	12,776,520
Special Revenue Funds						
Contractual Services	1,521,699	1,999,097	747,631	770,141	3.0%	22,510
Equipment	1,944,309	298,163	3,383,781	3,472,876	2.6%	89,095
Fringe Benefits	309,997	409,383	346,931	340,177	-1.9%	-6,754
Operating Costs	356,648	651,601	540,336	640,174	18.5%	99,838
Salaries and Wages	1,684,306	2,857,971	1,563,848	1,482,305	-5.2%	-81,543
Total for Special Revenue Funds	5,816,959	6,216,214	6,582,527	6,705,673	1.9%	123,146
Total for POLICE DEPARTMENT	99,448,921	94,958,061	102,481,580	115,501,292	12.7%	13,019,712

POLICE DEPARTMENT
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	-33,869	-10,302	0	0	0.0%	0
Charges for Service	2,806,260	245,764	163,300	163,300	0.0%	0
Fines and Forfeits	3,416,841	3,706,302	3,966,377	10,251,377	158.5%	6,285,000
Interest	16	197	0	0	0.0%	0
Licenses and Permits	906	350	1,000	1,000	0.0%	0
Operating Transfers In	48,697	0	0	0	0.0%	0
Other Misc Revenues	7,351	5,793	1,600	1,600	0.0%	0
State Government	4,939,826	5,016,126	4,450,000	4,450,000	0.0%	0
Total for General Fund - City	11,186,027	8,964,230	8,582,277	14,867,277	73.2%	6,285,000
Special Revenue Funds						
Charges for Sales	8,862	810	0	0	0.0%	0
Charges for Service	68,882	846,350	996,422	906,819	-9.0%	-89,603
Contributions	113,014	86,580	61,140	110,744	81.1%	49,604
Federal Government	3,390,835	3,608,507	3,500,000	3,585,123	2.4%	85,123
Fines and Forfeits	428,589	524,921	600,000	347,067	-42.2%	-252,933
Interest	21,420	10,241	0	0	0.0%	0
Licenses and Permits	342,766	400,612	403,000	466,049	15.6%	63,049
Local Government	0	16,668	0	0	0.0%	0
Operating Transfers In	0	524,495	0	0	0.0%	0
Other Misc Revenues	45,109	2,141	53,479	274,589	413.5%	221,110
Sales and Other Taxes	270,329	254,022	280,000	318,380	13.7%	38,380
State Government	864,399	83,672	513,154	621,385	21.1%	108,231
Total for Special Revenue Funds	5,554,204	6,359,020	6,407,195	6,630,156	3.5%	222,961
Total for POLICE DEPARTMENT	16,740,231	15,323,249	14,989,472	21,497,433	43.4%	6,507,961

PUBLIC WORKS

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

VISION –

Excellent urban infrastructure and services for Minneapolis.

VALUES –

- Commitment to Excellence in Public Service.
- Development of collaborative partnerships that lead to a safe, clean, and beautiful urban environment.
- Open, honest communication and engagement with employees and stakeholders to meet expectations and needs.
- Treatment of all persons with respect, trust and dignity.
- Commitment to employee development and well-being.
- Celebration of our successes and achievements.

MISSION –

To build, operate and maintain the Public infrastructure and provide services with a high performing Public Works department where collaborative leadership and public/ private engagement is a business standard.

BUSINESS LINES

Transportation

The Transportation Business Line within the Department of Public Works exists to offer people a variety of safe, convenient options for moving throughout the City and within the region.

Transportation options enhance the aesthetics of the environment, improving livability, while contributing to economic vitality through the safe, efficient movement of people and goods.

Public Works Internal Services

The Public Works Internal Services business line is comprised of services that are provided primarily to internal City departments and are funded mostly within formal Internal Service funds. Fees for these services are intended to recover the costs incurred for providing each service.

Sewer and Water

The Sewer and Water business line is comprised of services that promote the health and safety of people and property by providing potable water and managing non-potable water.

Solid Waste and Recycling

The Solid Waste & Recycling business line provides the logistical and operations activities to keep Minneapolis clean through the collection and disposal of solid waste, recyclables, problem materials and yard waste, and coordination of Clean City activities.

2006 DEPARTMENT FOCUS

What Key trends and challenges will the department address and what actions will be taken?

TRENDS & CHALLENGES

Among the major challenges facing Public Works is the limited resources available to maintain a strong infrastructure. Efforts to improve efficiencies can be effective; however, sustained investment is needed to maintain the infrastructure over the long term. Focusing efforts on building a strong transportation system that improves mobility is also a key challenge. It is fundamental that support functions such as financial planning and analysis, space management, human resources and technology are strong. Strong project management and asset management tools are also necessary for short and long term planning.

In addition to those above, the following areas continue to challenge the Department in its efforts to build and maintain the City infrastructure:

- Lack of information systems to support business management
- Process and system constraints that hinder obtaining City services to support Public Works business needs
- Limited resources and limited dedicated revenues
- Investment needed to maintain infrastructure and basic service
- Building a strong transportation system that improves movement throughout the City
- Attracting and retaining qualified diverse employees
- Increasing focus on emergency preparedness and security concerns
- Balancing efficiencies and services – looking for alternative service delivery options
- Compliance with new and changing environmental and other governmental regulations within budget constraints

ACTIONS THAT WILL BE TAKEN:

TRANSPORTATION:

- Improve efficiency and customer service in all parking and impound lot activities
- Determine the best way to produce and procure Asphalt materials
- Improve public outreach for major construction projects
- Transportation Action Plan
- Reallocate resources to provide balanced services (arterial / collector system vs. local / residential system)
- Winter Operations will continue to explore enhanced communication strategies through LEP initiatives and automated community notification strategies such as the telephone voice messaging alerts

- Winter Operations will also continue investing in advanced technology such as the “smart spreaders” and related systems, and implement other Best Management Practices such as anti-icing and alternative de-icing products to increase efficiency and lower salt use

PUBLIC WORKS INTERNAL SERVICES:

- With declining resources find ways to improve the efficiencies of our workforce through training, technology and procedures
- Maximize the value of our space and equipment assets by improving utilization
- Enhance our natural environment

SEWER / STORMWATER:

- Develop and implement the Local Surface Water Management Program to improve water quality while safely managing water quantity and exploring options based on the alternative stormwater management strategies
- Delineate watershed management roles and responsibilities between City departments
- Implement the operation of the Stormwater Utility Fee and further refine the stormwater credit program
- Critically evaluate the Stormwater Utility Fee to ensure that it’s applied accurately and equitably to Minneapolis customers while maintaining the 5-year finance plan
- Develop and implement a Stormwater education and outreach program
- Further improve the monitoring of water quantity and quality
- Continue work on identifying efficiencies between the water and sewer workforces
- As Heritage Park and other stormwater facilities are completed and placed in service, identify additional needs for maintenance of special facilities and funding
- Complete the Sanitary/Storm Tunnel condition index and generate a corresponding list of priorities

WATER:

- Continue Minneapolis/St. Paul Water Systems Interconnect Strategies toward implementation
- Improve efficiency of operations and maintenance for pumping and treatment
- Adjustment of 5 year water proforma
- Continue to identify efficiencies between water and sewer
- Continue Ultrafiltration Membrane project
- Continue to address security needs

SOLID WASTE & RECYCLING:

- Enhance Clean City efforts. Examples include the Graffiti Hotline, Graffiti coordination efforts, commercial dumpster enforcement and abandoned shopping cart enforcement. Additional appropriations and positions, funded within the SW & R Enterprise Fund, will be needed to adequately perform these functions.
- Critically evaluate the cost effectiveness of enhanced enforcement efforts for recycling credits
- Ensure competitive process for all Solid Waste & Recycling contracts

- Begin search for new SW&R facilities to replace South Transfer Station and Pacific campus. Pacific has yard waste transfer, problem material processing, equipment maintenance, and dispatch. Must move for "Above the Falls Master Plan." This is included in the Mayor's 2005 Recommended Budget.
- Seek legislative change that will allow implementation of dumpster service for town homes, in order to cost-effectively provide service required in City ordinance.
- Continue progress toward "Keep America Beautiful" affiliation.
- Solid Waste & Recycling Fund will remain healthy without a rate increase in 2006

What departmental action will take place in 2006 to allow you to meet the 5 year financial direction or (target strategy)?

FUND	Cost	Positions	Job Titles/Other related costs
Budget Reductions:			
0100/6160	\$355,015	1.8	(Street Maintenance) 1.8 Const. Maint. Laborer positions and associated materials/equipment.
0100/6220	\$100,000	0.0	(Snow & Ice Control) Cost savings will be realized by gains in efficiencies using new technologies and procedures.
0100/6240	\$63,000	1.0	(Malls & Plazas) 1.0 Const. Maint. Laborer positions and associated materials/equipment.
0100/6851	<u>\$54,060</u>	<u>0.0</u>	(Street Lighting) Reduce electricity cost.
	\$572,075	2.8	
New Revenue:			
0100/6874	\$150,000		New revenue from no-parking signs and increased sidewalk closure fees.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS/INITIATIVES AND MEASURES

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
Integrate Department operations with enterprise-wide initiatives	Development of a Public Works LEP Plan incorporating City-Wide program requirements	% increase in the number of employee trained on the LEP program requirements Target: completion rate by Dec 2005 = 80%	Increase Public Employee awareness of program Develop Training program Maintain Public Works departmental initiatives and develop next phase Initiate training for all employees with customer contact at high, medium and low levels. Development of customer contact tool kits for field/seasonal workers.
	Public Works business units fully coordinated with One Stop	% of all appropriate Public Works personnel connected to KIVA when KIVA workflows are implemented	All applicable Public Works units tracking site plan review activities on KIVA
	Public Works fully participating in Minneapolis One Call project. (MOC)	% of service requests collected and responded to timely	Gather, organize, and index all known information / knowledge frequently needed by external customers for 311 Center agent use. All identified PW customer facing service requests are configured in the CRM tool for use by call agents. MOC knowledge analysts meet with all appropriate subject matter experts to collect the information. All identified appropriate customer facing information is organized and indexed for quick retrieval by 311 Call Agents. All customer facing service requests for will be analyzed & configured for use in 311 center for Jan. 2006. MOC / PW team members will meet to gain approval for production service requests.
	Ensure compliance with City-wide policy, procedure and record retention schedules	% of department records that meet the retention schedule requirements. Target: 60% compliance by end of 2005	Maintain department records in accordance with City retention schedule Develop policy document procedures to align with City requirements
	Protect our workforce and the City's assets against loss. Ensure continuation of	# of lost days due to injury	Departmental and divisional safety committees Work unit level toolbox meetings Safety training

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
	structure and accountabilities for safety and loss prevention activities		Accident and injury tracking and analysis
	Create a strategic plan to address issues raised in the City-Wide and departmental Employee Survey results	Action Driven: active response and reaction to survey indicators as defined by the Survey Response Team	<p>Form Public Works Survey Response Team to create action plan</p> <p>Identify the core objectives of the response team and expected results</p> <p>Develop a communication plan and communicate results</p> <p>Solicit Feedback</p>
Improve efficiency and effectiveness of overall business practices	Improved information systems for business management	% improvement of # of reports available to measure individual project performance	<p>Use the results of the 2005 Public Works – Finance financial reporting needs identification project</p> <p>Identify specific elements or information needed (e.g. financial performance, asset life, asset condition) to make better resource allocation decisions</p> <p>Complete list of financial information needs</p> <p>Prioritize list of individual projects to produce needed reports</p> <p>Develop best reporting solution to meet multiple needs using FISCOL data structure (chart of accounts) as single source information</p> <p>Analyze processes used currently to determine allocation decisions, identify key information, its source, and how it is collected and tracked</p> <p>List and categorize necessary information suitable to define scope and functionality of asset management system</p>
	Implement the Public Works Action Plan resulting from the ASCE Peer Review	Meet actions, tactics and timelines as specified in the Peer Review Action Plan	<ul style="list-style-type: none"> - Relationship building with PW Leadership team, City Council Members and Hennepin County - “Cradle to Grave” project level accounting and budgeting / real-time cost accounting management system - Improved tracking of projects from start to finish / project management - Flexibility to meet customer needs / customer responsiveness <p>Improve communication as specified in the Action Plan; study sessions, e-commerce, Communications Dept, meetings</p>

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
			<p>and updates</p> <p>2006 – 2010 budget funding review, gap analysis, Capital Improvement Plan</p> <p>CDM Consulting project Enterprise Engineering</p> <p>Community engagement 311 program</p> <p>Water and Sewer efficiencies</p>
	Clarify, streamline and improve organizational service systems	% improvement in delivery of work related projects	<p>Assess Organizational Roles & Responsibilities in the Transportation Business Line by Dec. 2005:</p> <p>Outline the infrastructure elements in the Transportation systems in Public Works and the major tasks for each system</p> <p>Identify opportunities for efficiencies, improve processes</p> <p>Identify primary and shared responsibility for completing the task and the contributing roles</p> <p>The work product will be used by PW staff</p>
	Improve parking related activities and process related to Parking Fund Workout Plan	% increase in revenue collected	<p>Centralize parking and security systems</p> <p>Increase technology use</p> <p>Increase systematic oversight and analysis</p> <p>Implement best practices</p> <p>Increase marketing efforts</p> <p>Implement major repair and maintenance program</p>
	Improve impound lot activities	% increase in revenue collected	<p>Implement space, technology and operational improvements</p> <p>Implement processes to collect unpaid tow and storage fees</p> <p>Online auction pilot</p>
	Procure asphalt products	% reduction in cost per ton for purchase of asphalt from private companies	<p>Submit RFP for a Joint Venture Asphalt plant, explore feasibility of an asphalt storage/distribution facilities, and contact other units of government for potential asphalt partnership.</p>
	Improve community engagement for construction projects	<p>% reduction in construction project impact to the public</p> <p>% increase in participants at community meetings</p>	<p>Identify traffic needs and desires. Develop communications: Community meetings, letters, web page</p>
	Ensure compliance with Home Land	# of security breaches	Continued assessment of vulnerabilities utilizing homeland

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
	Security initiatives		security water ISAC information Attend security conferences Investigate security equipment development Protection plan to include recovery policies and procedures
	Fair and equitable Stormwater Management Fee	# of unresolved disputes	Evaluate the Stormwater Utility fee structure and credit system Insure it is applied accurately and equitably to Minneapolis customers
	Ensure accurate financial projections	% reduction of gap between projected and actual revenue % reduction of gap between projected and actual expenses %increase in amount of reserve funds Target: 3 months O & M % decrease in amount of bond indebtedness (\$16m)	Adjustment of 5-year water proforma Align revenue projections with actual revenue Align expense projections with actual expenses Breakdown of revenue into finite sources Use 3-year average consumption for revenue projection calculations Scrutinize expense report to refine expense projections Proforma for operations and maintenance plus Bond indebtedness Proforma for operations and maintenance and bond indebtedness plus capital improvement projects cost
	Effective and efficient maintenance and construction of water, storm water and sewer distribution or collection systems	% reduction in determining efficiency parameters	Identify and review similar maintenance activities Develop change management plan Hiring and training of identified staff Policies and procedures identification and development
	Improve maintenance for pumping and treatment	% reduction of breakdown maintenance vs. preventive maintenance % reduction of energy costs to run plants Reduction of Chemical feed	Asset Management Efficiency gains in operations and maintenance Utilization SCADA System and associated Operations Management System Software (OMS) Equipment entry into computer maintenance management system (CMMS)

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
			Utilize membrane data from CMMS and OMS system for identifying infrastructure needs and operational efficiencies
	Promote professional development and respect	Mentor program evaluation results % Increase number of documented Performance reviews, including professional development plans in HRIS.	Employee Mentor program Management Forum Other training to be determined
	Increase the percentage of women and people of color in Public Works	% change in women and people of color in PW	Analyze workforce data and trends, exit interview results Expand professional networking and targeted recruiting Develop a more formalized student internship program Create Diversity and Outreach calendar
Maintain customer centric business approach with internal and external customers, and employees	Through training, technology and procedures, increase flexibility of workforce to operate and drive a more diverse variety of equipment.	%of Drivers completing the driver training and "train the trainer" training by early 2006. % of Operators completing operator training by late 2006 % of Drivers and Operators certified in at least three separate pieces of equipment by the end of 2006.	Identify certified trainers from the commercial sector. Develop an RFP and get needed approvals. Contract with suitable vendor to provide training and documentation.
	Build/maintain a balanced, linked and sustainable multimodal transportation system	Downtown Transportation Mode: % split by walking, bicycling, bus, light rail, car pool, single occupancy vehicle Transportation Mode: # of miles of new bicycle lanes/paths	-Conduct Transportation Action plan -Develop and secure funding -Coordinate and collaborate with partner agencies to implement recommended actions -Maintain quality of life -Safe access to land uses -Provide mobility options for all residents, workers, visitors -Develop 10-year and 1-2 year immediate actions
	Improve Street Lighting	% reduction in energy costs for street lights % improvement in customer satisfaction	Implement the Street Light visibility standard and policy to be completed in 2005 Audit of street lighting system Upgraded service contract provisions and monitoring Measured visibility improvements New service contract and monitoring efforts
Protect and enhance livability, safety and environmental conditions of the City	Reduce vehicle emissions. Reduce dependence on petroleum. Benefit local farm economy.	Number of E85 vehicles acquired in 2006. Target: 25 units. Number of gallons of E85 dispensed in 2006. Target: 15,000 gallons per year.	Implement an E85 fuelling facility. Acquire E85 vehicles. Partner with other agencies to increase utilization. Continue the purchase of alternative fuel vehicles including hybrids where suitable for needs of

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
		Number of Hybrids vehicles acquired in 2006. Target: Pending customer's needs and manufacture availability.	operations
	Design and construct City buildings that are sustainable "high performance" structures	Exceed State Energy Code by 30%.	Implement energy conservation measures in all new and renovation projects utilizing technologies and improve operation procedures.
	Improve water quality and manage water quantity through the Stormwater Management Program	% reduction in stormwater damages Meet/exceed water quality goals measurements	Continue to monitor water quality as the basis for the Stormwater Management Program, and Complete sub-pipe sheds modeling
	Provide high quality drinking water meeting or exceeding regulations	% increase in customer satisfaction through Citizen Survey	<p>Continue ultra filtration membrane project</p> <p>Performance bid, testing, and bid award</p> <p>RFP for system design</p> <p>Continue pilot testing of successful equipment bidder</p> <p>Value – Engineering bid ability constructability review</p> <p>Specifications for super structure and incorporation of equipment</p> <p>Award construction contract</p> <p>Utilize implementation support services and professional review panel</p> <p>Continue utilization of state revolving fund for lower interest rate on bonds</p> <p>Efficient and effective project delivery</p> <p>Efficient and effective plant operations and maintenance</p> <p>Obtaining state revolving funds at 1 ½% buy down of bonds interest</p>
	Support/enhance Clean City initiative	<p># of days to respond to:</p> <p>Shopping cart removal (Target 1 business day)</p> <p>Graffiti removal</p> <p>% improvement in customer satisfaction related to cleanliness and livability</p>	<p>Integrated shopping cart program into SW & R Problem Materials collection and Clean City programs</p> <p>Ensure compliance with shopping cart ordinance and procedure</p> <p>Support and coordination of Graffiti removal</p> <p>Graffiti Hotline calls answered and routed promptly</p>

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
			<p>Have Graffiti Hotline added to the duties of Clean City Coordinator, pending addition of Data Entry position</p> <p>Graffiti removal supplies being provided to Fire Stations, neighborhoods and organizations. As staffing permits, SW & R graffiti removal teams are removing graffiti.</p> <p>Integrated Commercial dumpster cleanliness program into Dirty Collection Point and Clean City programs</p> <p>Private entities (Excel, Bus Bench companies) receiving quicker notification, and are receiving follow-up calls.</p>
	<p>Maximize the value, utilization and protection of land, property and equipment of the City.</p>	<p>% of task identified equipment with key security system installed by early 2006</p> <p>% of task identified equipment with "immobilizer" feature installed by late 2006</p> <p>% reduction in holding costs and % increase in the tax base for City owned properties</p>	<p>Implement a key-lock system for task vehicles and equipment that will allow for improved tracking of equipment utilization while improving security.</p> <p>Improve ability to track and analyze the utilization of the Public Works truck and equipment fleet.</p> <p>Have all properties (including excess right of way parcels) identified, cataloged and residing in a shared database by January 2006. Evaluate municipal and development use. Create real estate transaction plan.</p> <p>Dispose of all City-owned properties that do not have any present or future public use. This will reduce holding costs and increase tax base.</p> <p>Have an issues and options report completed by January 2006.</p> <p>Make mid and long-term decisions on City land holdings issues such as Linden Yards, Impound Lot, Police Property and Evidence.</p> <p>Develop strategic space plan for all municipal operation properties outside the downtown campus.</p>
	<p>Ensure sufficient water capacity with Minneapolis/St. Paul water system interconnection and continue strategies towards implementation</p>	<p>% of tons of water available to citizens daily within City and federal guidelines.</p>	<p>Joint task force of Minneapolis and St. Paul elected officials, MN Dept. of Health, Governors water cabinet, Metropolitan Council to pursue state bond funds for interconnection.</p> <ul style="list-style-type: none"> • Construct pump station

Strategies	Objectives (and Definitions)	Measures: Outcome and Driver	Tactics
			<ul style="list-style-type: none"> • Construct pipeline • Execute joint power agreement <p>Attain funding from Minnesota State Legislature to offset the cost of the interconnection</p> <p>Provide usable facility year around that could function as interconnect with valve adjustment</p> <p>Provide vehicle for emergency water supply to either City as needed</p> <p>Utilize existing reservoir in Roseville that can be modified to accommodate use by Minneapolis and St. Paul</p> <p>Attaining state bond funds</p> <p>Agreement on matching funds split between Minneapolis and St. Paul</p> <p>Rehabilitation of reservoir and construction of pump station and pipe line</p> <p>Joint Powers Agreement utilization of interconnection and associated cost allocation</p>
Maintain/enhance the City's infrastructure (including facilities, equipment, streets, traffic, water systems etc.)	Ensure safe and maintained tunnels	Long term maintenance and reconstruction Program	<p>Tunnel Condition Index</p> <p>Create list of priorities</p> <p>Evaluation of Study</p>

FINANCIAL ANALYSIS

The Public Works Department's 2006 budget is \$268.5 million, a less than 1% increase over the 2005 Adopted Budget. Public Works is funded by the General Fund, one grant fund, the Permanent Improvement Projects (Capital) Fund, four internal service funds, and five enterprise funds. The overall number of positions in Public Works increases by a 0.2 position from 2005 for a total of 1206.59 full-time equivalent positions. More detailed explanations of position changes are reflected in the Divisions' narratives and staffing charts.

The strategies to meet the 2006 five-year financial plan's General Fund target amount of \$36.3 million are outlined in the following sections. The listed new revenue and budget reduction actions, in combination with current service level adjustments during the budget development process, accomplish the growth and target reduction net amount in the five-year financial plan.

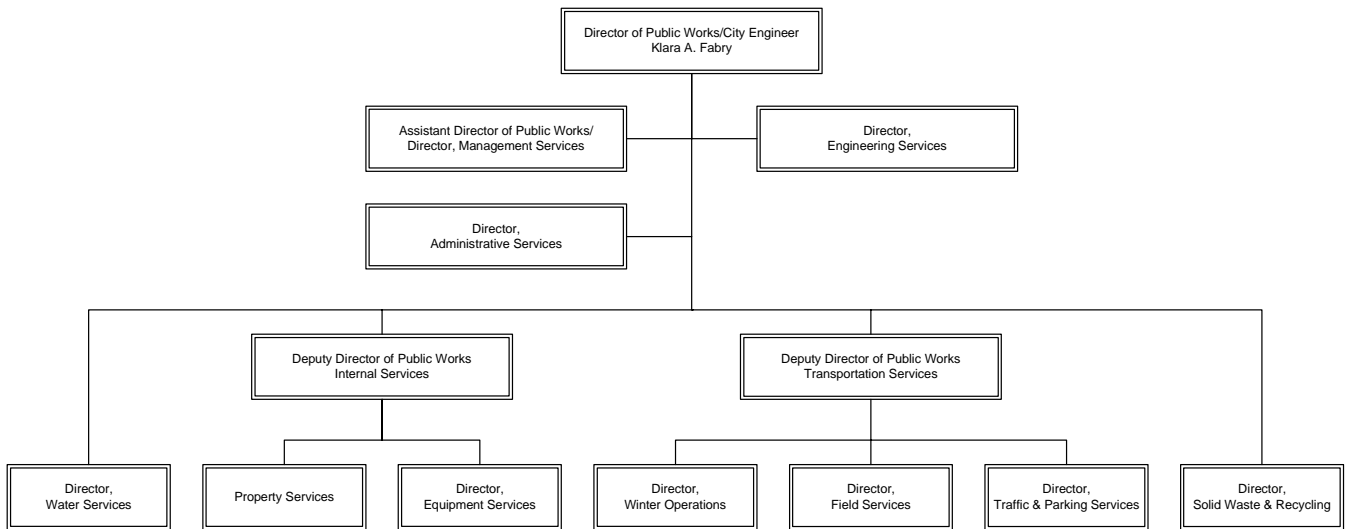
PUBLIC WORKS DEPARTMENT Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Administration	20.00	18.00	20.00	19.00	-5.00%	(1.00)
Engineering Materials	26.50	29.50	20.50	20.50	0.00%	-
Engineering Services	112.50	117.00	122.50	123.50	0.82%	1.00
Equipment Services	257.10	257.10	257.10	257.10	0.00%	-
Field Services	200.90	165.50	154.20	151.40	-1.82%	(2.80)
Property Services	96.35	96.90	102.90	103.90	0.97%	1.00
Stormwater & Sewer Maintenance	63.60	64.10	64.10	64.10	0.00%	-
Solid Waste	124.80	123.00	126.00	128.00	1.59%	2.00
Transportation	115.04	100.34	99.34	99.34	0.00%	-
Water	239.75	239.75	239.75	239.75	0.00%	-
Total FTE's	1,256.54	1,211.19	1,206.39	1,206.59	0.02%	0.20

The following narratives of the Public Works divisions describe the Mayor's Recommendations, with Council changes noted.

Departmental Organization Chart

Public Works Department



PUBLIC WORKS
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Capital Outlay	64	455	0	0		0
Contractual Services	1,069,299	1,215,885	2,302,503	1,889,811	-17.9%	-412,692
Equipment	1,089	1,060	81,800	83,437	2.0%	1,637
Fringe Benefits	728,212	760,182	1,003,914	1,121,504	11.7%	117,590
Operating Costs	131,576	150,599	249,877	251,712	0.7%	1,835
Salaries and Wages	3,069,511	3,104,815	3,547,313	3,685,004	3.9%	137,691
Total for Capital Projects	4,999,752	5,232,996	7,185,407	7,031,468	-2.1%	-153,939
Enterprise Funds						
Capital Outlay	0	0	6,810	6,946	2.0%	136
Contractual Services	74,362,351	83,729,464	85,163,956	83,531,112	-1.9%	-1,632,844
Equipment	1,022,321	1,140,737	2,186,981	2,230,724	2.0%	43,743
Equipment Labor	114,069	118,254	0	0		0
Fringe Benefits	9,354,638	9,332,447	10,572,637	11,728,875	10.9%	1,156,238
Operating Costs	34,371,663	34,523,812	39,452,372	40,272,350	2.1%	819,978
Salaries and Wages	25,979,440	26,434,199	29,189,433	29,462,962	0.9%	273,529
Total for Enterprise Funds	145,204,483	155,278,914	166,572,189	167,232,969	0.4%	660,780
General Fund - City						
Capital Outlay	0	0	2,573	2,625	2.0%	52
Contractual Services	13,615,277	15,130,365	16,051,346	17,575,276	9.5%	1,523,930
Equipment	176,918	226,084	262,267	261,401	-0.3%	-866
Fringe Benefits	4,056,983	4,221,941	4,127,738	4,368,031	5.8%	240,293
Operating Costs	4,221,464	4,470,849	4,725,355	4,294,042	-9.1%	-431,313
Salaries and Wages	11,477,097	11,636,665	10,984,350	10,788,502	-1.8%	-195,848
Total for General Fund - City	33,547,738	35,685,904	36,153,629	37,289,877	3.1%	1,136,248
Internal Service Funds						
Capital Outlay	163,532	65,145	7,335	7,482	2.0%	147
Contractual Services	9,299,892	13,646,578	15,238,854	15,737,567	3.3%	498,713
Equipment	39,613	19,224	681,941	695,582	2.0%	13,641
Equipment Labor	2,508	1,071	0	0		0
Fringe Benefits	5,965,544	5,852,807	7,023,858	7,744,867	10.3%	721,009
Operating Costs	7,747,978	7,417,160	12,932,399	12,744,073	-1.5%	-188,326
Salaries and Wages	17,214,728	17,197,141	21,050,838	20,004,722	-5.0%	-1,046,116
Total for Internal Service Funds	40,433,795	44,199,125	56,935,225	56,934,293	-0.0%	-932
Special Revenue Funds						
Contractual Services	130,485	249,950	107,000	97,000	-9.3%	-10,000
Transfers	0	21,598	0	0		0
Total for Special Revenue Funds	130,485	271,548	107,000	97,000	-9.3%	-10,000
Total for PUBLIC WORKS	224,316,252	240,668,487	266,953,450	268,585,607	0.6%	1,632,157

ADMINISTRATIVE SERVICES

The 2006 Public Works Administrative Services budget is \$2.8 million, a 20% increase over the 2005 Adopted Budget. The number of positions for 2006 was reduced by one to fund the Minneapolis One Call initiative.

Revenue of \$1.4 million in Administrative Services results from overhead charged to other public works functions.

The Council adopted the Mayor's Recommend Budget plus a \$300,000 increase to Public Works on a one-time basis for a study to be conducted as part of the Ten-Year Transportation Action Plan to assess the use of streetcars on those corridors designated as Definite PTN on Figure 3 of "Access Minneapolis: Technical Report 1: Minneapolis Primary Transit Network, dated November 7, 2005."

PUBLIC WORKS ADMINISTRATION

Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Management Services	13.00	12.00	14.00	13.00	-7.14%	(1.00)
Safety/Risk Management	4.00	3.00	3.00	3.00	0.00%	-
Special Assessments	3.00	3.00	3.00	3.00	0.00%	-
Total FTE's	20.00	18.00	20.00	19.00	-5.00%	(1.00)

PW - ADMINISTRATIVE SERVICES
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Contractual Services	0	0	0	0		0
Total for Enterprise Funds	0	0	0	0		0
General Fund - City						
Contractual Services	147,881	617,865	498,385	991,918	99.0%	493,533
Equipment	10,512	3,326	16,564	16,894	2.0%	330
Fringe Benefits	402,266	299,777	382,471	419,827	9.8%	37,356
Operating Costs	111,236	129,796	122,485	126,164	3.0%	3,679
Salaries and Wages	1,281,060	1,044,089	1,345,205	1,278,177	-5.0%	-67,028
Total for General Fund - City	1,952,955	2,094,854	2,365,110	2,832,980	19.8%	467,870
Total for PW - ADMINISTRATIVE €	1,952,955	2,094,854	2,365,110	2,832,980	19.8%	467,870

PW - ADMINISTRATIVE SERVICES
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	23	0	0	0	0.0%	0
Charges for Service	1,671,250	1,759,476	1,401,000	1,401,000	0.0%	0
Other Misc Revenues	0	2,000	0	0	0.0%	0
<i>Total for General Fund - City</i>	1,671,273	1,761,476	1,401,000	1,401,000	0.0%	0
Total for PW - ADMINISTRATIVE SERVICES	1,671,273	1,761,476	1,401,000	1,401,000	0.0%	0

ENGINEERING MATERIALS & TESTING

The Engineering Materials and Testing Division budget of \$5 million is funded by two internal service funds. The Engineering Materials and Testing Fund accounts for approximately 84% of the Division's budget and is used to account for the City's purchase of bituminous mixes and ready-mix concrete for placement by various agencies within the Department of Public Works for their construction and maintenance requirements. Also accounted for within this fund is the Engineering Laboratory, which provides inspection and testing services for these materials along with environmental and soil testing services. The City Council took action in December 2003, to suspend the production of bituminous mixes indefinitely at the City's Asphalt Plant.

The Public Works Stores Fund makes up the remaining 16% of the Division's budget and accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory merchandise along with the purchase of special non-inventory materials and services. The Fund has two separate operating units, which are Central Stores serving all agencies within Public Works, and Traffic Stores primarily serving agencies within the Transportation Division. Since 1980, the Central Stores has responsibility for providing office supplies and non-specialty items to all City Agencies. Together, Public Works and the Finance Department completed a study in 1998, whereby, the recommended redesign included a revamped overhead structure and directives for utilization of the Stores Fund for non-inventory purchases.

The Council adopted the Mayor's Recommended Budget.

PUBLIC WORKS ENGINEERING MATERIAL AND TESTING Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	%	%
					Change	Change
FTE's by Division						
Central Stores	7.00	7.00	7.00	7.00	0.00%	-
Asphalt Plant	7.00	10.50	1.00	1.00	0.00%	-
Engineering Laboratory	12.50	12.00	12.50	12.50	0.00%	-
Total FTE's	26.50	29.50	20.50	20.50	0.00%	-

PW - ENG MATERIALS & TESTING
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Internal Service Funds						
Contractual Services	812,122	432,853	968,525	676,149	-30.2%	-292,376
Equipment	39,613	0	2,096	2,138	2.0%	42
Fringe Benefits	369,979	309,354	364,344	409,231	12.3%	44,887
Operating Costs	3,136,151	2,674,051	2,920,564	2,882,733	-1.3%	-37,831
Salaries and Wages	1,184,621	960,810	1,085,395	1,086,520	0.1%	1,125
Total for Internal Service Funds	5,542,486	4,377,069	5,340,924	5,056,771	-5.3%	-284,153
Total for PW - ENG MATERIALS £	5,542,486	4,377,069	5,340,924	5,056,771	-5.3%	-284,153

PW - ENG MATERIALS & TESTING
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Internal Service Funds						
Charges for Sales	6,147,118	4,000,027	3,862,500	4,062,500	5.2%	200,000
Charges for Service	1,330,546	1,393,884	1,300,000	1,150,000	-11.5%	-150,000
Gains	0	58,931	0	0	0.0%	0
Interest	20	0	0	0	0.0%	0
Total for Internal Service Funds	7,477,684	5,452,842	5,162,500	5,212,500	1.0%	50,000
Total for PW - ENG MATERIALS & TESTING	7,477,684	5,452,842	5,162,500	5,212,500	1.0%	50,000

ENGINEERING SERVICES

Engineering Services' 2006 budget is \$13.9 million, a 1% or \$137,000 increase from the prior year. Engineering Services is funded by the General Fund, Permanent Improvement Projects (Capital) Fund, Sanitary Sewer Enterprise Fund, Stormwater Enterprise Fund, and Water Enterprise Fund. Personnel costs make up 68% of Engineering Services 2006 budget. The increase in salaries/benefits from 2005 is 6%; due largely to the addition of Non-Tax Fringe Benefits not budgeted in prior years.

There was a transfer from the Transportation Division to Engineering Services' Street Design Division of a Transportation Planner, increasing overall positions by one. These costs were offset by a reduction in the Contractual Services line item. Engineering Services' \$2,500 share of the 311 Minneapolis One Call initiative funding was offset by a decrease in contractual services.

In 2005, the Storm Sewer Design Fund was separated into two funds: The Sanitary Sewer Design Fund and the Storm Sewer Design Fund. It was determined that approximately 14% of Engineering Services' sewer costs were directly related to sanitary sewer work. A new Division, the Sanitary Sewer Design Fund, was created within Engineering Services and the Sewer budget split accordingly. There were 3 positions transferred internally to this new Division.

There is an overall 9% or \$566,000 decrease in revenue to Engineering Services in 2006. Revenue in this area results from charges to Capital Projects, Enterprise Funds, and the General Fund.

The Council adopted the Mayor's Recommended Budget.

PUBLIC WORKS ENGINEERING SERVICES Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Street Design	58.60	59.60	58.20	59.20	1.72%	1.00
Water	11.00	11.00	13.00	13.00	0.00%	-
Storm Sewer Design	20.90	20.90	23.30	20.30	-12.88%	(3.00)
Sanitary Sewer Design	-	-	0.00	3.00	-	3.00
Storm Water Management	10.00	13.00	16.00	16.00	0.00%	-
Right of Way Management	12.00	12.50	12.00	12.00	0.00%	-
Total FTE's	112.50	117.00	122.50	123.50	0.82%	1.00

PW - ENGINEERING SERVICES
Expense Information

	2003	2004	2005	2006	% Change	Change
	Actual	Actual	Adopted	Adopted		
			Budget	Budget		
Capital Projects						
Capital Outlay	64	455	0	0		0
Contractual Services	924,057	1,087,213	2,115,100	1,727,569	-18.3%	-387,531
Equipment	1,089	1,060	81,800	83,437	2.0%	1,637
Fringe Benefits	672,875	698,673	930,895	1,040,770	11.8%	109,875
Operating Costs	114,096	128,523	228,773	231,338	1.1%	2,565
Salaries and Wages	2,808,963	2,839,409	3,263,422	3,383,942	3.7%	120,520
Total for Capital Projects	4,521,144	4,755,332	6,619,990	6,467,056	-2.3%	-152,934
Enterprise Funds						
Contractual Services	1,097,471	1,438,518	1,865,963	1,917,845	2.8%	51,882
Equipment	20,448	0	120,821	123,238	2.0%	2,417
Fringe Benefits	550,327	664,129	819,888	1,045,039	27.5%	225,151
Operating Costs	96,290	122,820	138,890	137,929	-0.7%	-961
Salaries and Wages	2,041,003	2,294,991	2,990,175	3,041,473	1.7%	51,298
Total for Enterprise Funds	3,805,539	4,520,457	5,935,737	6,265,524	5.6%	329,787
General Fund - City						
Capital Outlay	0	0	477	487	2.1%	10
Contractual Services	127,694	94,289	268,422	242,542	-9.6%	-25,880
Equipment	0	0	5,240	5,345	2.0%	105
Fringe Benefits	157,305	187,413	218,920	232,564	6.2%	13,644
Operating Costs	13,621	23,307	25,900	26,152	1.0%	252
Salaries and Wages	589,630	614,729	672,793	644,669	-4.2%	-28,124
Total for General Fund - City	888,249	919,738	1,191,752	1,151,759	-3.4%	-39,993
Total for PW - ENGINEERING SER	9,214,933	10,195,528	13,747,479	13,884,339	1.0%	136,860

PW - ENGINEERING SERVICES
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Charges for Sales	3,875	2,459	0	0	0.0%	0
Charges for Service	29,792	39,065	2,854,094	2,911,000	2.0%	56,906
Other Misc Revenues	5	2,000	0	0	0.0%	0
State Government	498,285	3,206,182	676,920	500,000	-26.1%	-176,920
Total for Capital Projects	531,956	3,249,706	3,531,014	3,411,000	-3.4%	-120,014
Enterprise Funds						
Charges for Service	1,958,250	1,680,454	1,838,668	1,538,668	-16.3%	-300,000
Interest	17	-4	0	0	0.0%	0
Other Misc Revenues	8	0	0	0	0.0%	0
State Government	0	0	151,002	0	-100.0%	-151,002
Total for Enterprise Funds	1,958,274	1,680,451	1,989,670	1,538,668	-22.7%	-451,002
General Fund - City						
Charges for Sales	3,000	0	0	0	0.0%	0
Charges for Service	473,497	434,263	475,000	475,000	0.0%	0
Interest	72	4	0	0	0.0%	0
Licenses and Permits	15,410	14,900	10,000	15,000	50.0%	5,000
Other Misc Revenues	28	14	0	0	0.0%	0
Total for General Fund - City	492,007	449,181	485,000	490,000	1.0%	5,000
Total for PW - ENGINEERING SERVICES	2,982,237	5,379,338	6,005,684	5,439,668	-9.4%	-566,016

EQUIPMENT SERVICES

Equipment Services' expense budget for 2006 is \$35 million, a decrease of 0.6% from the 2005 Adopted Budget. This decrease is due to improved management of overtime spending. This area operates out of the Equipment Internal Service Fund.

The Council adopted the Mayor's Recommended Budget.

PUBLIC WORKS EQUIPMENT SERVICES
Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Maintenance	75.10	77.10	80.04	87.10	9.16%	7.06
Operations	170.00	170.00	177.06	170.00	-4.15%	(7.06)
Municipal Garage	12.00	10.00	-	-	-	-
Total FTE's	257.10	257.10	257.10	257.10	0.00%	-

PW - EQUIPMENT
Expense Information

	2003	2004	2005	2006	% Change	Change
	Actual	Actual	Adopted	Adopted		
	Actual	Actual	Budget	Budget		
Internal Service Funds						
Capital Outlay	163,532	65,145	0	0		0
Contractual Services	4,729,281	8,237,330	10,106,899	10,203,101	1.0%	96,202
Equipment	0	723	172,910	176,368	2.0%	3,458
Fringe Benefits	4,052,529	3,886,745	4,782,912	5,286,956	10.5%	504,044
Operating Costs	3,458,027	3,366,561	6,051,759	5,879,874	-2.8%	-171,885
Salaries and Wages	11,323,911	11,333,368	13,943,372	13,307,067	-4.6%	-636,305
Total for Internal Service Funds	23,727,280	26,889,873	35,057,852	34,853,366	-0.6%	-204,486
Total for PW - EQUIPMENT	23,727,280	26,889,873	35,057,852	34,853,366	-0.6%	-204,486

PW - EQUIPMENT
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Internal Service Funds						
Charges for Sales	2,194,813	3,046,829	6,434,262	6,934,262	7.8%	500,000
Charges for Service	601,846	4,685,975	7,389,661	7,500,000	1.5%	110,339
Gains	297,499	45,898	200,000	200,000	0.0%	0
Interest	1,596	0	500	500	0.0%	0
Other Misc Revenues	584,003	187,646	310,000	310,000	0.0%	0
Rents	28,771,508	21,265,071	27,267,348	28,067,348	2.9%	800,000
<i>Total for Internal Service Funds</i>	32,451,266	29,231,420	41,601,771	43,012,110	3.4%	1,410,339
Total for PW - EQUIPMENT	32,451,266	29,231,420	41,601,771	43,012,110	3.4%	1,410,339

FIELD SERVICES

The Field Services Division 2006 expense budget of \$29 million reflects a 1% increase over the 2005 Adopted Budget. Field Services is funded by the General Fund, CDBG Fund, Permanent Improvement Projects (Capital) Fund, and the Stormwater Enterprise Fund. The General Fund Budget (Bridge, Street Repair, Snow & Ice, Malls & Plazas) increased by 3.8%. The CDBG Fund allocation for graffiti removal is approximately \$97,000 for 2006. The Capital Fund (Sidewalk) budget decreases slightly (-0.2%) and the Stormwater Enterprise Fund decreased by 6.2% due to decreases in equipment rental charge estimates. Field Services' \$95,075 share of the 311 Minneapolis One Call initiative was funded mainly by a reduction in sweeping and also a reduction in street maintenance.

There is an overall 8% or \$578,000 increase in revenue in Field Services Division in 2006.

The Field Services Division outlined target strategies in the General Fund to comply with the five-year financial direction, amounting to \$518,000 and resulting in a reduction of 2.8 positions in 2006 for Minneapolis One Call/311. These reductions include the following: 1.8 Construction Maintenance Laborers in the Street Maintenance Division (Seasonal) and 1 Construction Maintenance Laborer position in the Malls and Plazas Division. Additionally, savings were derived from reductions in equipment, equipment repair, parts and fuel needs.

The Mayor recommended reducing the Division by \$518,000, consistent with the five-year financial direction, and adding of \$350,000 for enhanced efforts on seal coating. The Council adopted the Mayor's recommendations.

PUBLIC WORKS FIELD SERVICES Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Sidewalk Inspection	6.00	6.00	6.00	6.00	0.00%	-
Bridge Maintenance	20.80	18.40	15.40	15.40	0.00%	-
Nicollet Mall	8.30	6.10	6.10	6.10	0.00%	-
Street Maintenance	77.66	51.90	49.70	47.90	-3.47%	(1.80)
Street Administration	11.80	10.80	10.80	10.80	0.00%	-
Street Cleaning	26.34	26.30	26.30	26.30	0.00%	-
Snow & Ice Control	28.70	28.70	27.50	27.50	0.00%	-
Malls and Plazas Maintenance	21.30	17.30	12.40	11.40	-5.78%	(1.00)
Total FTE's	200.90	165.50	154.20	151.40	-1.82%	(2.80)

**PW - FIELD SERVICES
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Contractual Services	145,242	128,672	187,403	162,242	-13.4%	-25,161
Fringe Benefits	55,337	61,509	73,019	80,734	10.6%	7,715
Operating Costs	17,481	22,076	21,104	20,374	-3.5%	-730
Salaries and Wages	260,548	265,406	283,891	301,062	6.0%	17,171
Total for Capital Projects	478,607	477,663	565,417	564,412	-0.2%	-1,005
Enterprise Funds						
Contractual Services	3,705,734	3,971,494	4,393,435	3,911,810	-11.0%	-481,625
Fringe Benefits	409,468	403,112	555,510	592,619	6.7%	37,109
Operating Costs	38,837	279,025	273,784	281,164	2.7%	7,380
Salaries and Wages	1,104,040	1,030,383	1,333,664	1,362,229	2.1%	28,565
Total for Enterprise Funds	5,258,078	5,684,013	6,556,393	6,147,822	-6.2%	-408,571
General Fund - City						
Contractual Services	7,864,373	8,822,105	9,079,148	10,113,241	11.4%	1,034,093
Equipment	166,407	222,758	168,021	165,272	-1.6%	-2,749
Fringe Benefits	2,604,193	2,703,182	2,508,437	2,740,190	9.2%	231,753
Operating Costs	2,996,255	3,165,947	3,606,346	3,163,057	-12.3%	-443,289
Salaries and Wages	7,326,706	7,353,407	6,250,532	6,241,399	-0.1%	-9,133
Total for General Fund - City	20,957,934	22,267,399	21,612,484	22,423,159	3.8%	810,675
Internal Service Funds						
Fringe Benefits	0	0	0	0		0
Total for Internal Service Funds	0	0	0	0		0
Special Revenue Funds						
Contractual Services	5,991	123,205	107,000	97,000	-9.3%	-10,000
Total for Special Revenue Funds	5,991	123,205	107,000	97,000	-9.3%	-10,000
Total for PW - FIELD SERVICES	26,700,610	28,552,280	28,841,294	29,232,393	1.4%	391,099

PW - FIELD SERVICES
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Capital Projects						
Charges for Service	73,739	63,919	55,000	60,000	9.1%	5,000
Licenses and Permits	367,333	231,154	250,000	230,000	-8.0%	-20,000
Special Assessments	4,069	10,078	0	9,000	0.0%	9,000
Total for Capital Projects	445,141	305,152	305,000	299,000	-2.0%	-6,000
Enterprise Funds						
Charges for Sales	3,224	15,642	1,000	1,000	0.0%	0
Charges for Service	484	9,606	1,000	1,000	0.0%	0
Local Government	204,086	166,985	166,985	228,298	36.7%	61,313
Other Misc Revenues	15,053	270	10,000	2,000	-80.0%	-8,000
Special Assessments	112,330	119,243	115,000	115,000	0.0%	0
State Government	479,008	651,048	651,048	535,877	-17.7%	-115,171
Total for Enterprise Funds	814,185	962,793	945,033	883,175	-6.5%	-61,858
General Fund - City						
Charges for Sales	38,666	36,220	20,000	15,000	-25.0%	-5,000
Charges for Service	4,397,417	4,008,664	2,250,000	2,550,000	13.3%	300,000
Contributions	0	50	0	0	0.0%	0
Interest	954	6,027	0	0	0.0%	0
Licenses and Permits	0	0	0	0	0.0%	0
Local Government	143,622	160,913	160,914	233,894	45.4%	72,980
Operating Transfers In	30,344	0	0	0	0.0%	0
Other Misc Revenues	71,143	30,568	29,800	28,750	-3.5%	-1,050
Rents	2,400	2,400	2,400	2,400	0.0%	0
Special Assessments	1,533,108	1,576,309	1,542,768	1,682,585	9.1%	139,817
State Government	2,618,245	2,408,301	2,258,793	2,397,438	6.1%	138,645
Total for General Fund - City	8,835,898	8,229,453	6,264,675	6,910,067	10.3%	645,392
Total for PW - FIELD SERVICES	10,095,224	9,497,397	7,514,708	8,092,242	7.7%	577,534

PROPERTY SERVICES

Property Services' expense budget for 2006 is \$14 million, a 4% increase in expenditures over the 2005 budget. This Division operates out of the Property Services Internal Service Fund.

The Council adopted the Mayor's Recommended Budget including \$125,000 in one-time start-up funds and one position for centralized energy management. The Council also directed Public Works to convene a cross-departmental work team to define the scope, work and ongoing funding of the position. This definition of the work (including consulting help) may use resources from the salary savings of not hiring the position until later in the year. The position and related expenses will be funded in 2007 and beyond with savings realized through the position's efforts.

The Council increased the transfer to the Property Services fund by \$30,000 to fund community center operations.

PUBLIC WORKS PROPERTY SERVICES Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Radio	11.00	11.00	11.00	11.00	0.00%	0.00
Facilities Management Maintenance	82.85	82.90	91.90	92.90	1.09%	1.00
Total FTE's	96.35	96.90	102.90	103.90	0.97%	1.00

**PW - PROPERTY SERVICES
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Internal Service Funds						
Capital Outlay	0	0	7,335	7,482	2.0%	147
Contractual Services	3,682,729	4,915,911	4,035,286	4,778,665	18.4%	743,379
Equipment	0	18,500	490,432	500,242	2.0%	9,810
Equipment Labor	2,508	1,071	0	0		0
Fringe Benefits	1,513,169	1,613,765	1,843,312	2,012,638	9.2%	169,326
Operating Costs	1,105,975	1,336,486	1,640,157	1,614,978	-1.5%	-25,179
Salaries and Wages	4,608,275	4,774,340	5,916,705	5,504,425	-7.0%	-412,280
Total for Internal Service Funds	10,912,657	12,660,074	13,933,227	14,418,430	3.5%	485,203
Special Revenue Funds						
Contractual Services	124,495	126,745	0	0		0
Total for Special Revenue Funds	124,495	126,745	0	0		0
Total for PW - PROPERTY SERVICE	11,037,151	12,786,818	13,933,227	14,418,430	3.5%	485,203

PW - PROPERTY SERVICES
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Internal Service Funds						
Charges for Sales	510,842	617,371	385,480	400,000	3.8%	14,520
Charges for Service	4,777,037	5,941,294	6,380,500	7,247,500	13.6%	867,000
Gains	0	-2,742	0	0	0.0%	0
Interest	-24	18	0	0	0.0%	0
Other Misc Revenues	440	11,799	2,000	3,000	50.0%	1,000
Rents	6,214,108	6,268,682	6,647,500	7,256,500	9.2%	609,000
<i>Total for Internal Service Funds</i>	11,502,403	12,836,422	13,415,480	14,907,000	11.1%	1,491,520
Total for PW - PROPERTY SERVICES	11,502,403	12,836,422	13,415,480	14,907,000	11.1%	1,491,520

STORMWATER AND SANITARY SEWER MAINTENANCE

The 2006 expense budget for both funds within the maintenance agency is \$43.9 million. This is a 1% increase over the 2005 Adopted Budget. Sanitary Sewer expenses make up 83% of total budget and the Stormwater Fund makes up 17%. The Sewer Fund was split into Sanitary Sewer and Storm Water in the beginning of 2005.

The Stormwater and Sanitary Sewer's \$80,000 share of the 311 Minneapolis One Call initiative was funded by a reduction in sewer maintenance.

The projected combined revenue for 2006 is \$68 million, a 3.5% increase, which covers additional expenses in the design cost center along with expenses in Field Services for Street Cleaning.

Please see the Stormwater and Sanitary Sewer Fund Financial Plan in the Finance Plan section of this book for more information.

The Council adopted the Mayor's Recommended Budget.

PUBLIC WORKS STORMWATER AND SEWER MAINTENANCE Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	%	%
					Change	Change
Total FTE's	63.60	64.10	64.10	64.10	0.00%	-

**PW - STORMWATER AND SEWER MAINTENANCE
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Contractual Services	6,375,523	10,400,408	10,551,769	10,429,199	-1.2%	-122,570
Equipment	28,674	0	161,381	164,608	2.0%	3,227
Equipment Labor	1,530	1,470	0	0		0
Fringe Benefits	1,309,983	1,168,079	1,422,172	1,539,321	8.2%	117,149
Operating Costs	27,647,258	25,663,933	28,093,721	28,677,898	2.1%	584,177
Salaries and Wages	2,973,443	2,782,588	3,083,680	3,095,656	0.4%	11,976
Total for Enterprise Funds	38,336,410	40,016,478	43,312,723	43,906,682	1.4%	593,959
Total for PW - STORMWATER ANI	38,336,410	40,016,478	43,312,723	43,906,682	1.4%	593,959

PW - STORMWATER AND SEWER MAINTENANCE
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Service	60,374,304	61,117,243	65,847,200	68,072,560	3.4%	2,225,360
Interest	420	1,763	0	0	0.0%	0
Local Government	86,003	105,786	0	91,997	0.0%	91,997
Other Misc Revenues	9,906	9,562	50,000	50,841	1.7%	841
State Government	77,327	121,590	117,631	108,283	-7.9%	-9,348
Total for Enterprise Funds	60,547,961	61,355,944	66,014,831	68,323,681	3.5%	2,308,850
Total for PW - STORMWATER AND SEWER M	60,547,961	61,355,944	66,014,831	68,323,681	3.5%	2,308,850

SOLID WASTE & RECYCLING SERVICES

The total 2006 expense budget is \$27.8 million, a 4.7% increase over the 2005 Adopted Budget. The Division is budgeted 100% within the Solid Waste Enterprise Fund. The total revenues are expected to be \$28.5 million, with rates remaining at the 2005 level. The 3.3% increase is a result of the new recycling contract. Please see the Solid Waste Financial Plan in the Finance Plan section of this book for more information.

Solid Waste and Recycling Services \$308,983 share of the Minneapolis One Call initiative is funded by a reduction of one position in Customer Service and a reduction in disposal costs.

The Mayor recommended and the Council concurred to add 3 positions and \$180,000 in additional appropriation, funded within the existing rates, for Clean City efforts.

PUBLIC WORKS SOLID WASTE AND RECYCLING Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Collection	44.00	39.00	39.00	38.00	-2.56%	(1.00)
Recycling	14.00	18.00	21.00	18.00	-14.29%	(3.00)
Yard Waste	9.50	9.00	9.00	9.00	0.00%	-
Large Item & Problem Materials	8.00	8.00	9.00	10.00	11.11%	1.00
Transfer Stations	1.00	1.00	1.00	1.00	0.00%	-
Administration	17.30	16.00	16.00	17.00	6.25%	1.00
Customer Service	9.00	9.00	9.00	7.00	-22.22%	(2.00)
Clean City	12.00	12.00	11.00	18.00	63.64%	7.00
Equipment	9.00	10.00	10.00	10.00	0.00%	-
Total FTE's	124.80	123.00	126.00	128.00	1.59%	2.00

**PW - SOLID WASTE
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	0	0	0	0		0
Contractual Services	14,901,581	16,133,380	16,395,310	17,330,498	5.7%	935,188
Equipment	718,339	930,940	1,136,482	1,159,212	2.0%	22,730
Fringe Benefits	2,146,027	2,250,761	2,445,276	2,756,848	12.7%	311,572
Operating Costs	938,633	787,490	777,081	775,288	-0.2%	-1,793
Salaries and Wages	5,235,170	5,380,614	5,793,481	5,763,914	-0.5%	-29,567
Total for Enterprise Funds	23,939,749	25,483,185	26,547,630	27,785,760	4.7%	1,238,130
Total for PW - SOLID WASTE	23,939,749	25,483,185	26,547,630	27,785,760	4.7%	1,238,130

**PW - SOLID WASTE
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Sales	940,994	1,605,400	900,000	1,619,400	79.9%	719,400
Charges for Service	26,240,594	25,891,771	26,098,800	26,297,800	0.8%	199,000
Gains	0	-4,159	0	0	0.0%	0
Interest	1	1	0	0	0.0%	0
Local Government	844,405	828,162	544,000	544,000	0.0%	0
Other Misc Revenues	1,892	3,526	0	0	0.0%	0
Rents	140	200	0	0	0.0%	0
<i>Total for Enterprise Funds</i>	28,028,027	28,324,900	27,542,800	28,461,200	3.3%	918,400
Total for PW - SOLID WASTE	28,028,027	28,324,900	27,542,800	28,461,200	3.3%	918,400

TRANSPORTATION & PARKING SERVICES

Transportation and Parking Services 2006 budget is \$53.4 million, a 2% decrease over the 2005 Adopted Budget. This decrease is due to target strategies and overall savings in the Parking Fund. This Division is funded by the Municipal Parking Fund (75% of total budget), the General Fund (20%), and the Public Works Stores Fund (5%). Centralization, automation, and meter management are some of specific initiatives defined in the workout plan to generate cost savings and enhance revenues. Projected revenue is \$65.9 million, an 8% increase.

The Transportation Division met its General Fund Target Strategy through expenditure reductions and new revenues. As a target strategy in the General Fund, the Transportation Division reduced contractual services relating to street lighting and electricity cost through negotiations with Xcel Energy over prior billings and new rates. These reductions amount to \$104,060 in the General Fund, however, \$50,000 of this savings will be used to fund the Minneapolis One Call initiatives thus leaving \$54,060 to contribute towards the target strategy. The target strategy includes \$150,000 in increased revenue related to posting of no-parking signs and increased sidewalk closure fees.

The Transportation and Parking Services funding of the Minneapolis One Call initiative includes the \$50,000 referred to above, the elimination of 1.0 position in the Traffic Operation Division, which along with related operating expenditures, amounts to a \$100,000 and an additional \$126,000 from the Parking Fund that is off-set by a reduction in contractual services.

Three permanent intermittent positions amounting to 2.0 full-time equivalent positions were created as Engineering Tech Assistants in Traffic's Street Lighting and Planning and Design Divisions. The increase in personnel costs is off-set by a reduction in contractual services by \$85,702.

One of the transportation planner positions, authorized by 2004 adopted budget, was transferred to Engineering Services from Traffic's Planning and Design Division. The savings of \$95,472 resulting from this transfer is reflected with an increase in contractual services.

The Council concurred with Mayor's Recommended Budget including \$150,000 in increased revenue related to posting of no-parking signs and increased sidewalk closure fees and a reduction of \$55,000 in this area to meet the financial direction.

The Mayor recommended and the Council concurred to a transfer of \$1 million from the Convention Center Fund for operational expenses related to Convention Center ramps.

The Mayor recommended adding one-time funding for the purchase of equipment related to speed control initiatives (\$120,000). The Council changed the funding source for these initiatives appropriating one-time revenues in excess of expenses from the red-light camera operations for the speed control.

The Council directed Public Works and the Police Department to continue their efforts to develop and execute a Service Level Agreement that defines the necessary Traffic Control Agent activities and performance measures to effectively monitor and ensure excellent on-going services; and report back to the Ways and Means Committee by July 1, 2006 with any needed budget adjustments.

PUBLIC WORKS TRANSPORTATION
Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Street Lighting	6.60	5.10	5.10	5.94	16.47%	0.84
Planning and Design	6.50	8.50	8.50	8.66	1.88%	0.16
Inventory	2.00	2.00	2.00	2.00	0.00%	-
Field Operations	48.54	33.84	32.84	31.84	-3.05%	(1.00)
On-Street Parking	12.30	12.65	12.75	12.75	0.00%	-
Off-Street Parking	14.10	13.40	13.20	13.20	0.00%	-
Towing and Impound	25.00	24.85	24.95	24.95	0.00%	-
Total FTE's	115.04	100.34	99.34	99.34	0.00%	-

**PW - TRANSPORTATION
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	0	0	0	0		0
Contractual Services	37,532,190	39,762,545	36,292,896	34,906,669	-3.8%	-1,386,227
Equipment	96,894	95,619	576,062	587,587	2.0%	11,525
Fringe Benefits	728,603	694,961	828,737	921,970	11.3%	93,233
Operating Costs	351,799	525,232	512,032	552,052	7.8%	40,020
Salaries and Wages	2,647,034	2,606,682	2,736,686	2,899,534	6.0%	162,848
Total for Enterprise Funds	41,356,521	43,685,039	40,946,413	39,867,812	-2.6%	-1,078,601
General Fund - City						
Capital Outlay	0	0	2,096	2,138	2.0%	42
Contractual Services	5,475,329	5,596,107	6,205,391	6,227,575	0.4%	22,184
Equipment	0	0	72,442	73,890	2.0%	1,448
Fringe Benefits	893,218	1,031,569	1,017,910	975,450	-4.2%	-42,460
Operating Costs	1,100,351	1,151,799	970,624	978,669	0.8%	8,045
Salaries and Wages	2,279,701	2,624,439	2,715,820	2,624,257	-3.4%	-91,563
Total for General Fund - City	9,748,599	10,403,913	10,984,283	10,881,979	-0.9%	-102,304
Internal Service Funds						
Contractual Services	75,761	60,484	128,144	79,652	-37.8%	-48,492
Equipment	0	0	16,503	16,834	2.0%	331
Fringe Benefits	29,867	42,942	33,290	36,042	8.3%	2,752
Operating Costs	47,824	40,062	2,319,919	2,366,488	2.0%	46,569
Salaries and Wages	97,920	128,623	105,366	106,710	1.3%	1,344
Total for Internal Service Funds	251,372	272,110	2,603,222	2,605,726	0.1%	2,504
Total for PW - TRANSPORTATION	51,356,492	54,361,062	54,533,918	53,355,517	-2.2%	-1,178,401

**PW - TRANSPORTATION
Revenue Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Sales	1,184,528	1,568,019	1,001,000	1,301,000	30.0%	300,000
Charges for Service	51,111,180	53,236,424	54,389,616	55,574,873	2.2%	1,185,257
Interest	1,492	1,201	750	750	0.0%	0
Licenses and Permits	192,354	207,042	193,000	218,000	13.0%	25,000
Operating Transfers In	502,148	0	0	0	0.0%	0
Other Misc Revenues	18,971	21,871	1,000	1,201,000	20,000.0%	1,200,000
Rents	123,137	107,204	3,000	112,685	3,656.2%	109,685
Special Assessments	0	0	0	1,630,425	0.0%	1,630,425
State Government	295,600	83,049	0	0	0.0%	0
Total for Enterprise Funds	53,429,410	55,224,812	55,588,366	60,038,733	8.0%	4,450,367
General Fund - City						
Charges for Sales	10,196	21,921	12,000	12,000	0.0%	0
Charges for Service	156,883	226,457	200,000	200,000	0.0%	0
Franchise Fees	85,997	142,043	110,000	110,000	0.0%	0
Interest	3,633	6,403	2,500	2,500	0.0%	0
Licenses and Permits	1,093,248	1,003,081	721,243	934,000	29.5%	212,757
Local Government	414,969	502,042	478,570	500,000	4.5%	21,430
Other Misc Revenues	259,347	440,577	200,000	601,492	200.7%	401,492
Special Assessments	63,050	64,850	60,000	60,000	0.0%	0
State Government	1,369,790	1,636,524	1,636,524	1,570,000	-4.1%	-66,524
Total for General Fund - City	3,457,113	4,043,896	3,420,837	3,989,992	16.6%	569,155
Internal Service Funds						
Charges for Sales	2,529,621	2,129,196	1,810,000	1,810,000	0.0%	0
Charges for Service	59,311	78,012	50,000	50,000	0.0%	0
Interest	163	54	0	0	0.0%	0
Total for Internal Service Funds	2,589,094	2,207,263	1,860,000	1,860,000	0.0%	0
Total for PW - TRANSPORTATION	59,475,617	61,475,971	60,869,203	65,888,725	8.2%	5,019,522

WATER TREATMENT & DISTRIBUTION SERVICES

The 2006 expense budget remains at \$43 million. The 2006 revenue is projected to increase by \$1,800,000 to almost \$67 million. This increase is mainly due to projected rate increases. Please see the Water Financial Plan in the Finance Plan section of this book for more information.

Water Treatment and Distribution Services' \$308,983 share of the 311 Minneapolis One Call initiative was funded by a reduction in contractual services.

The Council adopted the Mayor's Recommended Budget.

PUBLIC WORKS WATER Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Administration	7.00	7.00	7.00	7.00	0.00%	-
Treatment	79.75	79.75	79.75	79.75	0.00%	-
Treatment Maintenance	59.00	60.00	61.00	61.00	0.00%	-
Distribution	94.00	93.00	92.00	92.00	0.00%	-
Total FTE's	239.75	239.75	239.75	239.75	0.00%	-

**PW - WATER
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	0	0	6,810	6,946	2.0%	136
Contractual Services	10,749,852	12,023,120	15,664,583	15,035,091	-4.0%	-629,492
Equipment	157,966	114,178	192,235	196,079	2.0%	3,844
Equipment Labor	112,539	116,784	0	0		0
Fringe Benefits	4,210,230	4,151,405	4,501,054	4,873,078	8.3%	372,024
Operating Costs	5,298,847	7,145,312	9,656,864	9,848,020	2.0%	191,156
Salaries and Wages	11,978,752	12,338,943	13,251,747	13,300,156	0.4%	48,409
Total for Enterprise Funds	32,508,187	35,889,742	43,273,293	43,259,370	-0.0%	-13,923
Special Revenue Funds						
Transfers	0	21,598	0	0		0
Total for Special Revenue Funds	0	21,598	0	0		0
Total for PW - WATER	32,508,187	35,911,340	43,273,293	43,259,370	-0.0%	-13,923

PW - WATER
Revenue Information

	2003	2004	2005	2006	% Change	Change
	Actual	Actual	Adopted	Adopted		
			Budget	Budget		
Enterprise Funds						
Charges for Sales	678,996	1,617,164	1,780,000	1,780,000	0.0%	0
Charges for Service	57,163,670	55,285,116	63,221,953	65,021,953	2.8%	1,800,000
Interest	1,542	2,950	0	0	0.0%	0
Licenses and Permits	1,069	782	1,000	1,000	0.0%	0
Operating Transfers In	0	21,598	0	0	0.0%	0
Other Misc Revenues	39,329	298	19,100	19,100	0.0%	0
Rents	0	0	1,000	1,000	0.0%	0
Special Assessments	1,139,718	-1,142,637	0	0	0.0%	0
Total for Enterprise Funds	59,024,324	55,785,271	65,023,053	66,823,053	2.8%	1,800,000
Total for PW - WATER	59,024,324	55,785,271	65,023,053	66,823,053	2.8%	1,800,000

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BOARD OF ESTIMATE AND TAXATION

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

MISSION –

Provide full administrative services to the Board of Estimate and Taxation (BET) to assist the Board in carrying out its governmental responsibilities under the City Charter, City of Minneapolis ordinances and State Statutes.

BUSINESS LINES –

Internal Audit (1 position)

General Governmental: (1 position) - Provide policy and strategic guidance to the Board and its customers, prepare the Official Statements for bond issues as approved by the Board as part of its debt management duties, set the maximum tax levies for the State's Truth-in-Taxation requirements and under the City Charter.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

By actions of the City Council, Park & Recreation Board and Library Board 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 funds of the City under the State's Truth-in-Taxation requirements and the City Charter and is responsible for the Internal Audit function as define by City ordinance.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

The Board has adopted a 2% salary constraint consistent with that adopted by the City Council.

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS

Strategies	Objectives	Measures: Outcome and Driver	Tactics
Review accounting, financial and operating policies and procedures and evaluate related internal controls on a City-wide basis.	Conduct a risk assessment analysis for audit projects included on the overall Internal Audit work plan.	Risk index scoring matrix is then generated from this assessment.	Analysis of processes and internal controls.
	Complete 3-4 audits from the Internal Audit work plan.	Submit audit reports with proposed recommendations.	Via risk questionnaire, Interviews & preliminary observations.
	Conduct the annual review of the Statement of Economic Interest forms.	Ensure all applicable individuals have submitted a completed and signed statement. Review all omissions & discrepancies.	Meet with Election Division personnel to review. Issue final report.

FINANCIAL ANALYSIS

EXPENDITURE

In 2006, the Board of Estimate and Taxation budget is \$330,000, a 24% or \$64,000 increase in expenditures over the 2005 Adopted Budget. This increase is comprised of the following three elements – the General Fund overhead charge (20.7%), Health Benefits (1.2%) and all other (2.1%). There is no change in the number of positions.

REVENUE

In 2006, the Board will receive \$105,000 from bond proceeds and \$224,662 from property taxes. The latter lies within the 4% property tax revenue growth for independent boards after adjusting for the General Overhead charge transfer offset.

BOARD OF ESTIMATE AND TAXATION Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	2.00	2.00	2.00	2.00	0.00%	-

BOARD OF ESTIMATE & TAXATION
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Contractual Services	7,059	4,787	12,468	67,940	444.9%	55,472
Fringe Benefits	35,326	36,870	48,788	53,343	9.3%	4,555
Operating Costs	14,603	15,764	15,680	16,085	2.6%	405
Salaries and Wages	185,030	189,550	189,110	192,892	2.0%	3,782
Transfers	173	0	0	0		0
Total for Special Revenue Funds	242,191	246,971	266,046	330,260	24.1%	64,214
Total for BOARD OF ESTIMATE &	242,191	246,971	266,046	330,260	24.1%	64,214

BOARD OF ESTIMATE & TAXATION
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Operating Transfers In	0	92,000	0	0	0.0%	0
Other Misc Revenues	0	43	0	0	0.0%	0
Proceeds of Long Term Liabilities	0	0	100,000	105,000	5.0%	5,000
Property Taxes	136,973	150,312	154,281	224,662	45.6%	70,381
Sales and Other Taxes	12	12	0	0	0.0%	0
State Government	7,836	205	0	0	0.0%	0
<i>Total for Special Revenue Funds</i>	144,822	242,572	254,281	329,662	29.6%	75,381
Total for BOARD OF ESTIMATE & TAXATION	144,822	242,572	254,281	329,662	29.6%	75,381

GREATER MINNEAPOLIS CONVENTION AND VISITORS ASSOCIATION

Mission Statement:

The mission of the Greater Minneapolis Convention & Visitors Association (GMCVA) is to sell, market and internationally promote Minneapolis as a premier, year-round destination for convention, trade show, corporate meeting and leisure travel. We are committed to service excellence for all of our clients. We do this for the economic benefit and vitality of the members, businesses and communities we serve.

Financial Analysis:

REVENUES	2003	2003	2004	2004	2005	2006	2005-06
	ADOPTED BUDGET	ACTUAL	ADOPTED BUDGET	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	VARIANCE
City Funding							
Base Funding	4,910,000	4,910,000	4,910,000	4,910,000	4,910,000	4,910,000	0
1% Dedicated Lodging Tax	1,350,000	1,350,000	1,350,000	1,350,000	1,800,000	1,878,000	78,000
MCC Salary Transfer	120,000	120,000	120,000	120,000	120,000	120,000	0
Minneapolis Unwrapped	50,000	50,000	50,000	50,000	50,000	50,000	0
Neighborhood Mktg (Riverfront)	50,000	50,000	50,000	50,000	50,000	50,000	0
MCC Grand Opening	0	0	0	0	0	0	0
Subtotal City Revenue	\$6,480,000	\$6,480,000	\$6,480,000	\$6,480,000	\$6,930,000	\$7,008,000	100,000
Annual 2 nd Qtr Adjustment for Actual 1% Lodging Tax Receipts	0	383,248		174,789	*308,614		
Mayor's 2006 Recommended: Sister City Efforts	0	0	0			50,000	
Total City Revenue	\$6,480,000	\$6,863,248	\$6,480,000	\$6,654,788	\$7,238,614	\$7,058,000	(\$178,000)
GMCVA Nonprofit – Mpls Convention Fund (Org 8642) Donations Pass-Through	0	367,250		0	0	0	0
Total City Appropriation	\$6,480,000	\$7,230,498	\$6,654,789	\$6,654,788	\$7,238,614	\$7,058,000	(\$178,000)
Total Non-City Revenue	\$2,202,000	\$2,123,413	\$1,992,375	\$2,601,048	\$2,064,580	\$1,989,220	\$3,420
Total GMCVA Operational Revenue	\$8,682,000	\$9,353,911	\$8,647,164	\$9,255,836	\$9,303,194	\$9,056,220	(\$246,974)

NOTE: In 2004, the GMCVA entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). In 2005, the GMCVA requested that the Council advance an additional \$2.5 million for the project. In August 2005, the loans were rolled together and a Promissory Note was issued for \$5 million. The \$5 million loan is to be repaid in full in 2016 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriation from the City funding, and profit from the iDSS.

*This reflects the actual 2004 adjustment.

- **1% Dedicated Lodging Tax Projection** – Effective April 1, 2002, the Minneapolis Lodging Tax increased from 2% to 3%. Proceeds from this 1% increase are transferred to GMCVA each year. 2003 was the first full year of receipts from the increase of 2% to 3%.

- **Annual Second Quarter Adjustment for Actual 1% Lodging Tax Receipts** - The 1% tax proceeds are adjusted annually in the second quarter after the calendar year close to reconcile variances in projections. A positive variance would be paid to GMCVA; a negative variance would be deducted from the GMCVA contract. For example, in the second quarter of 2005, GMCVA received a \$308,614 payment to reconcile the difference between the 2004 projected revenue and the actual receipts received.
- **Current 1% Lodging Tax Receipts** - For 2006, it is anticipated receipts will meet the anticipated budget of \$1.9 million by the end of the year.
- **MCC Salary Transfer** – This is an annual \$120,000 salary transfer from the MCC Sales Department to the GMCVA as a result of a merger.
- **Minneapolis Unwrapped** – Minneapolis Unwrapped is a \$50,000 marketing project promoting downtown shopping through a website and holiday advertising. This project was transferred to the GMCVA from the former MCDA in 2002.
- **Neighborhood Marketing (Riverfront)** – This is a \$50,000 marketing project that coordinates promotional efforts of the neighborhoods around the Riverfront. This project was transferred to the GMCVA from the former MCDA in 2002.
- **GMCVA Non-profit Donations Pass-Through** – The GMCVA operates a non-profit 501c3 called the Minneapolis Convention Fund for receiving private contributions for City events. This non-profit allows contributors to legally qualify for a tax deduction for conventions and national sporting events. The non-profit initiates the donations. Receipts collected are transferred to City funds and paid back out to the beneficiary who is required to use the money for a dedicated purpose. Council action is required each year in accordance with tax law, to appropriate money to pay the funds back to the beneficiary.
- **Non-City Revenue** – This item includes revenue from in-kind contributions, memberships, advertising, registration booths, commissions, the Information Center, Trolley, and Programs & Miscellaneous.

EXPENSES	2003 ADOPTED BUDGET	2003 ACTUAL*	2004 ADOPTED BUDGET	2004 ACTUAL	2005 ADOPTED BUDGET	2006 ADOPTED BUDGET	2005-06 VARIANCE
CONVENTION SALES	1,671,150	2,078,910	1,542,500	1,897,316	2,013,825	2,036,946	23,124
MCC SALES	382,000	440,975	531,000	589,837	578,000	584,637	6,637
MARKETING	2,008,000	2,423,117	1,972,500	1,974,227	2,126,800	2,151,221	24,421
TOURISM	642,400	737,017	635,375	804,577	740,000	748,497	8,497
SERVICES	702,300	873,866	547,000	1,272,011	886,500	896,679	10,179
ORGANIZATIONAL GENERAL	1,295,000	0	1,167,655	0	1,150,055	1,163,261	13,206
VISITOR INFO CENTER	247,500	238,237	351,692	186,527	272,500	275,629	3,129
PUBLICATIONS/ ADVERTISING	213,750	241,733	208,000	229,241	224,000	226,572	2,572
MEMBERSHIPS	285,300	301,063	275,100	295,142	272,700	275,831	3,131
ADMINISTRATION	921,000	1,097,406	890,000	1,051,462	742,200	750,723	8,523
MSM	313,600	205,909	299,000	0	0	0	0
ASAE 2004	0	0	810,000	1,128,857	0	0	0
TOTAL EXPENSES	\$8,682,000	\$8,638,233	\$9,229,822	\$9,429,197	\$9,006,580	9,109,996	103,419

*Actual numbers obtained from GMCVA's audited financial statements.

- **MSM** – Meeting Service Minnesota was a project started in 2002 that was absorbed by the Services Department in 2004. It was intended to assist groups in meeting planning.
- **ASAE Convention** – The American Society of Association Executives Convention was held at the Minneapolis Convention Center in 2004.

GMCVA RESERVE FUND					
	2002	2003	2004	Estimate 2005	Estimate 2006
Reserve Transfers	(21,677)	377,116	(167,637)	0	0
GMCVA End of Year Reserve Fund Balance	*\$743,377	*\$1,120,493	\$952,856	\$952,856	\$952,856

* Actual numbers obtained from GMCVA audited financial statements.

MAYOR'S RECOMMENDED AND COUNCIL RECOMMENDED BUDGET

The Mayor and Council added \$50,000 to the GMCVA contract to fund Sister City efforts.

LIBRARY BOARD

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

MISSION –

We link people in the City and beyond with the transforming power of knowledge.

BUSINESS LINES –

- Responsive public library service of the highest quality
- Centers of community and neighborhood vitality
- Improved literacy among all patrons
- Sound stewardship of resources

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

1) Sustained/increased demand for library services in a time of declining resources. Unlike the school system, for example, which faces declining enrollment, the Library has seen increased usage in recent years. Even after the reduction in hours in January 2004, the percentage decline in some indicators has been less than the percentage reduction in hours, in other words, business per hour open has increased. The dramatic cut in Local Government Aid requires the Library, along with City departments and the Parks, to change its expectations for future revenue and reexamine how to deliver services in this new environment.

2) Growth in non-English speaking households. The significant number of households who do not speak English at home presents a challenge to the Library to increase the availability of world language material, the outreach activity of our multilingual outreach staff, and our English language learning activity.

3) Growth in electronic access to information. The explosion of information available via the Internet is transforming the library business.

Most patrons who use the Minneapolis Public Library each day do not walk in the front door of a library but rather come in through the website. Patrons' expectations of how they want to receive information are changing and they are interested in having material available in multiple formats. Subscriptions to electronic material raise issues about the Library's – and patrons' - access to archive material. Given that the ability to navigate information is arguably the key ability of a skilled workforce, the poor state of information literacy among most adults and teens (most adults believe that anything they read on the Internet is true) is a challenge for the community as a whole.

4) Illiteracy in the broadest sense is a challenge for the Library. This includes early literacy and poor school readiness, elementary and secondary student achievement, proficiency in reading, speaking and understanding English, and information literacy.

FINANCIAL ANALYSIS

EXPENDITURE

In 2006, the Minneapolis Public Library Board's total expenditures increase by 11.6% to \$22 million and 15.4 positions are added for a total position count of 261.9. Since the Library went through a major reorganization, some of the positions shifted between the divisions. With the reopening of the Central Library, 11.5 positions are added: 5 positions in Buildings and Grounds, 3 positions in Security, 1 computer technician, 1 manager and 1 administrative support staff in public service and access, 0.5 increase making the Special Collections librarian full-time instead of half-time. The remaining 3.9 additional positions are recalls from the layoff list in the areas of public service and access service (shelving, sorting, e-paging).

REVENUE

The Library Board's budget in 2006 shows a revenue increase of 14.9%. Consistent with the City's tax policy, property tax revenue is \$12.5 million, a \$482,000 increase from the previous year. Funding from the Federal Government is \$95,000, a 44.2% increase over 2005. There is also a 48% increase in Contributions and \$71,000 increase in Rents. In 2006, State Government funding increases by 16.2% to \$7.9 million.

MAYOR'S RECOMMENDED BUDGET

The Mayor's recommendation delayed the implementation of increased General Fund overhead charges to this board.

COUNCIL ADOPTED BUDGET

The Council adopted Mayor's recommendation.

LIBRARY BOARD Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Administration/Operations	23.50	17.00	26.50	30.00	13.21%	3.50
Central Library-Patron Services	116.20	67.10	45.70	46.20	1.09%	0.50
Community Libraries-Patron Services	108.40	78.20	71.70	75.10	4.74%	3.40
Collections/Technical Services	62.80	39.20	75.80	77.30	1.98%	1.50
Building Maintenance	49.50	37.50	19.00	25.50	34.21%	6.50
Partnerships and Development	-	-	7.80	7.80	0.00%	-
Total FTE's	363.40	242.00	246.50	261.90	6.25%	15.40

**LIBRARY BOARD
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Contractual Services	0	0	0	616,749		616,749
Fringe Benefits	0	0	0	45,007		45,007
Operating Costs	0	0	0	2,970		2,970
Salaries and Wages	0	0	0	108,576		108,576
Total for Enterprise Funds	0	0	0	773,302		773,302
Special Revenue Funds						
Capital Outlay	29,779	47,802	246,803	843,670	241.8%	596,867
Contractual Services	2,007,527	2,139,850	2,397,093	2,791,304	16.4%	394,211
Equipment	2,260,656	2,130,873	2,176,785	1,619,350	-25.6%	-557,435
Fringe Benefits	3,079,177	2,929,097	2,931,687	3,382,742	15.4%	451,055
Operating Costs	557,095	664,646	956,619	1,091,154	14.1%	134,535
Salaries and Wages	12,599,194	10,246,972	11,053,841	11,546,012	4.5%	492,171
Total for Special Revenue Funds	20,533,427	18,159,240	19,762,828	21,274,232	7.6%	1,511,404
Total for LIBRARY BOARD	20,533,427	18,159,240	19,762,828	22,047,534	11.6%	2,284,706

LIBRARY BOARD
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Service	0	0	0	803,528	0.0%	803,528
Operating Transfers In	0	0	0	365,878	0.0%	365,878
Total for Enterprise Funds	0	0	0	1,169,406		1,169,406
Special Revenue Funds						
Charges for Sales	49,921	0	600	300	-50.0%	-300
Charges for Service	474,951	469,460	523,300	499,665	-4.5%	-23,635
Contributions	107,317	252,280	167,011	247,200	48.0%	80,189
Federal Government	33,030	44,186	65,866	95,000	44.2%	29,134
Fines and Forfeits	0	0	250	250	0.0%	0
Operating Transfers In	49,485	32,682	0	20,000	0.0%	20,000
Other Misc Revenues	38,801	17,484	1,400	3,400	142.9%	2,000
Property Taxes	10,650,271	11,653,017	12,051,250	12,532,920	4.0%	481,670
Rents	22,583	15,052	30,500	101,885	234.0%	71,385
Sales and Other Taxes	969	943	0	0	0.0%	0
State Government	8,474,268	7,038,645	6,767,673	7,862,197	16.2%	1,094,524
Total for Special Revenue Funds	19,901,596	19,523,749	19,607,850	21,362,817	9.0%	1,754,967
Total for LIBRARY BOARD	19,901,596	19,523,749	19,607,850	22,532,223	14.9%	2,924,373

MUNICIPAL BUILDING COMMISSION

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

MISSION -

The Municipal Building Commission was created by state statute in 1904 and given exclusive care and control of the Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain and preserve this historic landmark building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials.

BUSINESS LINES –

Care of the Minneapolis City Hall and Hennepin County Courthouse Building

This business line is responsible for operating, maintaining and preserving the building through custodial, utility, repair and maintenance, preventive maintenance activities, and capital improvements.

Control of the Minneapolis City Hall and Hennepin County Courthouse Building

This business line is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Historic Preservation of the Minneapolis City Hall and Hennepin County Courthouse

This business line is newly created in 2006 and is responsible for all historic preservation activities in the building. Historic preservation refers to any and all activities both operating and capital in keeping with the agency's mission to provide effective and efficient services to operate, maintain and preserve the historic landmark Minneapolis City Hall and Hennepin County Courthouse building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials. Service activities under this business line include the café/deli operation, catering and space rental operation, vending sales and miscellaneous revenues.

2006 DEPARTMENT FOCUS –

What Key trends and challenges will the department address and what actions will be taken?

Mechanical and Life Safety Systems (MLSS) Upgrade Project

The MLSS is a 23-stage, multi-year project initiated in 1999. The project involves updating heating, ventilating and air conditioning systems in the City Hall and Courthouse building. Life safety project components include installation of sprinklers, fire alarms, smoke detection and public address systems, updating building exits and stairs, and installing fireproofing, smoke barriers and purge systems. It will replace tattered and failing systems before they collapse, and implement life safety components in 40 percent of the building where none currently exist. The project scope was spread out over a 12-year period to match funding ability of the City of Minneapolis.

MLSS project work requires gutting of spaces for implementation of mechanical and life safety systems, which presents a prime opportunity for removing asbestos and completing much needed routine repair and maintenance. Repair and maintenance 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, coordinating the installation of code compliant telephone and computer wiring, removing radiators to reduce the use of steam, and installing new ceiling grids and tiles, carpeting, and paint.

The MLSS project poses several challenges for the agency:

- Existing mechanical systems are between 40 and 60 years old. Significant potential exists for total failure of systems.
- Forty percent of the building lacks sprinklers and fire alarms.
- The health and safety of building occupants and visitors is at risk until the MLSS project is completed. Portions of the building may need to be vacated if mechanical systems shut down.
- Lack of appropriate budget increases threaten the MBC's ability to sustain and continue MLSS project work.
- Repair and maintenance work is being supported 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.
- Several other important projects are competing for capital funding including tower elevator and clock tower elevator upgrades, clock face structural improvements, and building waterproofing.

Budget Constraints

Salary and fringe costs continue to increase each year. Prior to the 2 percent wage cap, cost of living increases for AFSCME union employees increased by more than 3 percent in 2001 and 2002. Building trade union employees have experienced annual increases each year from 2001 to 2005 ranging from 2 to 6 percent. Healthcare costs also have grown by about 20 percent each year since 2002. Increases in salary and fringe have been absorbed in conjunction with budget reductions.

Outdated Systems and Historic Nature of the Building Strain Resources

During the 1970s and 1980s, various maintenance activities in the building were postponed. As a result, many systems and equipment in the building were not maintained properly or were not replaced according to standard industry practices. This has resulted in old systems and equipment, in some cases, on the verge of breaking down. Resources are not adequate to fully support and keep pace with the MLSS project, routine repair and maintenance, and preventive maintenance. MBC staff are forced to deal reactively to systems and equipment failure, which is more costly and time consuming. The historic nature of the building also adds complexity to agency work activities since modern systems and equipment are not always easily incorporated without specialized thought and implementation methods.

Maintaining and Enhancing Building Security

MBC staff worked with City and County staff to develop a proposal for implementing and improving building security systems, and instituting trained security personnel. To ensure the safety of tenants, visitors and property, continuation of the agency's security program is imperative. The MBC has completed initial security enhancements. These included the installation of duress and intrusion alarms, perimeter cameras, and video recording equipment. All of these devices can be monitored by the Hennepin County, Security Operations Center. The MBC also has implemented a security work group comprised of in-house personnel. Security staff have been trained in the areas of security and first responding at the same level as Hennepin County security staff. Security services are widely used by building tenants. In addition, 2005 Tenant Survey responses indicate that 70 percent of tenants feel security is very or extremely important. Current staffing levels are the minimum required to provide a basic level of service to tenants. Continued budget reductions may require the MBC to 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 illegal and terrorist activities, and result in lower levels of safety for tenants and visitors.

Service Delivery is Efficient

Staffing numbers have been reduced and budgetary resources are diminishing. Despite lack of these resources and increasing workloads, the MBC continues to provide a high level of service in an efficient manner. The building is maintained in safe working order and kept clean. In-house staff are a valuable asset and critical to the ability of the agency to continue to provide high quality services to tenants and visitors. Staff are loyal and committed, and take their role in caring for an historic building personally. The knowledge and experience gained by long-standing staff is essential, particularly in this historic facility with unique building systems and infrastructure.

Workforce Diversity

The MBC recognizes the importance of developing and maintaining a diverse work staff to parallel the diverse communities in which we work and live. MBC staff have made an attempt to diversify the staff by hiring people of color and female candidates. Agency hires over the past 2 years have resulted in diversifying the workforce with people of color and women. The agency has been very successful in receiving a diverse pool of applicants.

The number one overall obstacle to diversifying the workforce is the lack of open positions to be filled. In addition, an observed obstacle to hiring women is that many entry level positions require night, over-night and weekend shifts, which can be difficult to integrate into an employee's family structure. The ability to effectively communicate using the English language has been an obstacle in hiring and maintaining a diverse workforce as well. The MBC works with outside agencies to translate employment information and provide bilingual training for employees who do not speak English as their first language; however, a minimal basic amount of English is required in order to start in the job.

In the building trades division of the agency, open positions are hired through the respective labor unions. Candidates are trained in their labor unions apprentice programs, which range from 5 to 7 year programs. Applicants must apply to participate in the labor union's apprentice program. Although, the MBC hires from the labor unions' apprentice programs, the MBC does not have input on the diversity of employees who are selected to participate in the labor union apprentice programs. People of color and women participating in apprentice programs are desirable employees and may have the unique ability to select an employer.

Public agencies like the MBC are not always capable of meeting salaries and benefits offered by private organizations that may be in the position to offer incentives such as financial bonuses, expedited timelines or parking reimbursements. Regardless of the challenges involved, the MBC has a history of and will continue to work to maintain a diverse workforce.

Revenue Opportunities

To help mitigate the impacts of future budget reductions and lessen dependence on property tax revenues for supporting agency activities, MBC staff have explored several potential sources of revenue: grant awards, implementation of a café/deli, renting out spaces in the building for special events, expanded vending, and sale of City Hall and Courthouse memorabilia. Funds from these activities would be diverted into a special fund for historic preservation in the building. Café/deli and space rental/catering operations will be implemented in 2005. Other revenue options are still being explored.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

Hennepin County funding has not been finalized. To adhere to City and County guidelines for budget development, the MBC will hold non-personnel items flat and/or identify line item reductions.

FINANCIAL ANALYSIS

EXPENDITURE

The Municipal Building Commission's expenditures increase by 4.5% in 2006 to \$7.5 million. The largest increase appears in Contractual Services. The number of positions in 2006 is 61, which is the same as in 2005.

REVENUE

The Commission has a 4.6% overall increase in revenues in 2006. It receives \$3.76 million from Property Taxes revenue, a \$144,000 or 4% increase from 2005. Charges for Service brings in an additional \$138,000, a 4% increase. There is also a increase of \$4,500 in Rents and an \$42,000 or 17% increase in State Government revenues.

MAYOR'S RECOMMENDED BUDGET

The Mayor's recommendation delays the implementation of increased General Fund overhead charges to this board.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's Recommended Budget.

MUNICIPAL BUILDING COMMISSION Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	% Change
FTE's by Division						
Administration	5.50	5.50	6.00	6.00	0.00%	-
Custodial and Security	35.50	35.50	34.00	34.00	0.00%	-
Repairs and Improvements	18.00	17.00	17.00	17.00	0.00%	-
Adult Detention Center	2.00	1.00	1.00	1.00	0.00%	-
Works for Others	3.00	3.00	3.00	3.00	0.00%	-
Total FTE's	64.00	62.00	61.00	61.00	0.00%	-

MUNICIPAL BUILDING COMMISSION
Expense Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Contractual Services	2,675,270	2,580,428	2,380,925	2,545,662	6.9%	164,737
Equipment	0	31,504	6,000	6,000	0.0%	0
Fringe Benefits	899,130	995,513	1,148,205	1,218,835	6.2%	70,630
Operating Costs	649,229	587,626	566,902	558,511	-1.5%	-8,391
Salaries and Wages	2,818,210	2,751,733	3,079,612	3,176,569	3.1%	96,957
Transfers	164,000	205,000	0	0		0
Total for Special Revenue Funds	7,205,838	7,151,804	7,181,644	7,505,577	4.5%	323,933
Total for MUNICIPAL BUILDING C	7,205,838	7,151,804	7,181,644	7,505,577	4.5%	323,933

MUNICIPAL BUILDING COMMISSION
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Special Revenue Funds						
Charges for Sales	100,338	93,659	87,000	90,000	3.4%	3,000
Charges for Service	3,106,162	3,114,475	3,192,442	3,330,691	4.3%	138,249
Other Misc Revenues	94	5,835	600	900	50.0%	300
Property Taxes	3,282,801	3,501,786	3,617,525	3,762,226	4.0%	144,701
Rents	55,611	58,579	42,500	47,000	10.6%	4,500
Sales and Other Taxes	299	283	0	0	0.0%	0
State Government	464,005	257,798	241,214	282,757	17.2%	41,543
Total for Special Revenue Funds	7,009,310	7,032,416	7,181,281	7,513,574	4.6%	332,293
Total for MUNICIPAL BUILDING COMMISSION	7,009,310	7,032,416	7,181,281	7,513,574	4.6%	332,293

NEIGHBORHOOD REVITALIZATION PROGRAM

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

MISSION -

Preserve and enhance the private and public infrastructure, public health and safety, economic vitality, sense of community and social environment within the neighborhoods of the City of Minneapolis. Its goal is to improve the quality of life and livability in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

BUSINESS LINES –

- Assist neighborhoods with the development of Neighborhood Action Plans.
- Review, modify and approve Neighborhood Action Plans prepared by neighborhoods.
- Coordinate governmental and private efforts in the development and implementation of Neighborhood Action Plans.
- Include resident directed decision making and resident based planning in all aspects of NRP.
- Monitor and evaluate implementation of Neighborhood Action Plan strategies.

2006 DEPARTMENT FOCUS –

What trends and challenges will the department address and what actions will be taken?

Neighborhoods in the city have improved greatly since NRP was initiated in 1990. The investment of NRP resources during the first ten years helped reverse years of neglect and decline in neighborhoods and provided resources that were used to leverage investments by other public and private sources. In Elliot Park alone, the neighborhood's investment of \$ 4.4 million from NRP leveraged over \$151 million in other public and private investment in that neighborhood. As improvement has occurred, however, the perceptions of need and the urgency attached to continuing this investment program have changed.

State tax law changes adopted in 2001 and a more negative public attitude toward government have greatly reduced the revenues available to NRP for Phase II. Government in general has had to cope with having fewer resources to provide the same or greater levels of service that meet the continually changing needs of residents, businesses and neighborhoods. As the city's housing stock and infrastructure ages, continuing reinvestment is needed to make the neighborhoods and the city attractive to current and potential residents.

The population of the city has grown less than 4% over the past 20 years but the composition of that population has changed significantly. The senior population in the city declined by almost 30% between 1990 and 2000 and the population under 5 years of age declined by 7%. The growth in population that occurred between 1990 and 2000 was in the 5-24 and 45-64 age

brackets. These demographic changes, and the growth in the minority and new American populations, affect the investment needs in neighborhoods.

In Phase I, a major effort was made to organize every neighborhood to facilitate development of their Neighborhood Action Plans. The reduced resources of NRP in Phase II and the limited private support for the operating needs of neighborhood organizations will threaten the continued existence of this infrastructure.

Challenges:

Challenge 1 - Creating renewed interest and commitment.

Phase II was initially planned to begin in 2001. With the changes adopted by the legislature in 2001, the program had to place implementation of Phase II on hold. Residents and neighborhoods that had expected to move into Phase II as they completed their Phase I plans were forced to wait and uncertainty about resource availability led to questions about city commitment, the value of resident based planning and the interest in citizen engagement. As the time required to answer the questions about future revenues grew longer, residents turned to other areas of interest, neighborhoods lost volunteers, projects were placed on hold and questions were raised about whether there would even be a Phase II. Adoption of the revised Chapter 419 of the Minneapolis City Ordinances in August 2003 and the March 2004 calculation of the Common Project revenue stream removed some of this uncertainty. Residents and neighborhoods now need to be encouraged to recommit to their neighborhood and the city based on this commitment to NRP.

Challenge 2 - Fewer resources.

The funding available for Phase II has changed dramatically. In June 2000, as NRP was about to begin its second decade, it was projected, based on the legislation establishing NRP, the city ordinance implementing the program and the revenues anticipated from the tax increment districts in the Common Project, that approximately \$180 million would be available for Phase II. With the legislative changes enacted in 2001 and the negotiations on the Brookfield loans, the revenues available from the Common Project dropped to less than \$85 million. With the need to focus most of these revenues on meeting the legislated housing investment goal of the program, neighborhood opportunities for meeting resident needs have been greatly reduced. Obtaining resident participation and maintaining organizational commitments will be more difficult and the opportunity to leverage NRP resources will be adversely affected.

Challenge 3 - Working with government.

In Phase I, NRP resources often encouraged jurisdiction and department participation with neighborhoods. Government interest in neighborhood priorities was often driven by the funds neighborhoods had available to support neighborhood improvement projects. NRP funds bought residents and neighborhoods a place at the table. With the reduced revenues available and the need to invest heavily in housing, neighborhood ability to leverage government support for meeting their priorities may decline.

Challenge 4 - Determining NRP's future.

NRP's revenue stream officially ends in 2009. After that date, there is no commitment to any future investment in neighborhood improvement. A deliberate discussion needs to occur about

the impact this will have on neighborhoods. If there is no impact, no action is needed and the program should expend its available resources according to approved Neighborhood Action Plans and be terminated. If there is support for continuation, the form and structure of that continuation needs to be decided before 2009.

What departmental action will take place in 2006 to allow you to meet the five-year financial direction (target strategy)?

NRP has no cuts in 2006 regarding the five-year plan.

FINANCIAL ANALYSIS –

EXPENDITURE

The Neighborhood Revitalization Program’s 2006 budget of \$2.3 million reflects a 55% increase in expenditures from the 2005 Adopted Budget. Contractual Services expenses account for 58% of the budget and NRP’s staffing level decreased by 1 for a total of 10 positions.

REVENUE

NRP revenue for 2006 is \$1.6 million, a 6% increase.

MAYOR’S RECOMMENDED BUDGET

The Mayor’s recommendation delayed the implementation of increased General Fund overhead charges to this board.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor’s recommendation.

**NEIGHBORHOOD REVITALIZATION PROGRAM - ADMINISTRATION
Staffing Information**

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	12.00	12.00	11.00	10.00	-9.09%	(1.00)

PARK BOARD

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

MISSION -

Coordinate and direct activities that provide well-balanced recreational opportunities for Minneapolis as well as supportive financial, personnel and public information services for all divisions of the park system and its facilities.

BUSINESS LINES –

Park Administration	Planning
After School Program	Environmental
Equipment Supply	Forestry
Information Technology Services	Park Maintenance
Parkway Maintenance	Park Police
Recreation Division	Park Rehabilitation
Special Services	Teen Teamworks

2006 DEPARTMENT FOCUS –

What trends and challenges will the department address and what actions will be taken?

The 2006 budget was developed within the following guidelines:

- 4% Property Tax increase (City Financial Policy)
- 2% increase in total compensation (City Financial Policy)
- 19% increase in health insurance costs (City budget direction)
- 11.79% Local Government Aid (City Financial Policy)
- \$215,000 Increase in pay as you go capital funding (City Financial Policy)
- \$800,000 City management fee (No increase from 2005)
- Storm Water fee will not be assessed to Park Board properties

\$500,000 Increase in Workers Compensation and Liability Costs

2006 DEPARTMENTAL STRATEGIES, OBJECTIVES, MEASURES AND TACTICS–

A restructuring was unanimously approved by the Board in 2004. The new organizational structure is built around 3 service districts, comprised of 2 MPRB Commissioner districts for each service district. A multi-disciplinary city-wide function will provide services that are best delivered at the city-wide level.

We will not be continuing with the "cookie cutter" approach to delivering services that worked well in the 50's, 60's and 70's. The district structure will provide for more relevant service

decisions where needed at the neighborhood and community level. Demographics demand and needs will drive service delivery, not consistent programs across the park system.

Service districts will include a district manager, police, planning, recreation and maintenance functions. District staff will be housed in an existing facility in each district. The master planning process will begin in 2006 - after the districts have been implemented and will focus on meeting service needs at the district level.

Our approach to services will be quality not quantity. All restructuring initiatives will be "budget neutral" no funding impacts due to the restructuring. We will review options to provide contracted services "in house" when it is more effective. The master plan will redefine Board policy and Board policy will drive staff decision making.

FINANCIAL ANALYSIS –

EXPENDITURE

The 2006 Park Board expense budget is \$75 million which is a 7% increase from 2005. The number of staff in 2006 is 909.55 which is 1.64 more than 2005.

REVENUE

The 2006 revenue for the Park Board is \$74 million, including all sources of revenue, is a 7% increase over 2005.

MAYOR'S RECOMMENDED BUDGET

The Mayor's recommended budget includes \$300,000 in one-time funding for the Park Board's diseased tree efforts.

The Mayor's recommendation delays the implementation of increased General Fund overhead charges to this board.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendations but amended the tree initiative recommendation to provide \$100,000 (of the \$300,000) to the Tree Trust for administering the program with the Folwell and Marshall Terrace Neighborhoods.

PARK AND RECREATION BOARD
Staffing Information

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
FTE's by Division						
Administration	35.70	31.45	31.95	32.95	3.13%	1.00
Environmental Operations	17.38	17.18	17.90	17.90	0.00%	-
Park Maintenance	233.02	214.49	211.28	221.67	4.92%	10.39
Police	53.00	59.69	59.59	58.59	-1.68%	(1.00)
Planning	16.00	15.00	14.00	10.50	-25.00%	(3.50)
Forestry	96.06	95.06	95.06	97.06	2.10%	2.00
Special Services	124.02	125.18	124.68	103.33	-17.12%	(21.35)
Information Technology System	7.00	7.00	8.00	8.00	0.00%	-
Equipment	15.41	15.41	16.41	18.76	14.32%	2.35
Citywide Recreation	312.68	301.01	302.79	300.87	-0.63%	(1.92)
Teen Teamworks	25.75	25.75	25.75	25.75	0.00%	-
Self-Insurance Revolving	0.25	0.25	0.50	0.50	0.00%	-
Park Rehabilitation	-	-	-	11.50	-	11.50
Neiman Complex	-	-	-	1.17	-	1.17
Supplies Revolving	-	-	-	1.00	-	1.00
Total FTE's	936.27	907.47	907.91	909.55	0.18%	1.64
Full-Time/Part-Time						
Full-Time FTE's	600.85	568.88	570.23	582.81	2.21%	12.58
Part-Time FTE's	335.42	338.59	337.68	326.74	-3.23%	(10.94)
Total FTE's	936.27	907.47	907.91	909.55	0.18%	1.64

**PARK BOARD
Expense Information**

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	872,974	222,413	600,000	650,000	8.3%	50,000
Contractual Services	2,546,597	2,791,364	2,194,678	3,730,376	70.0%	1,535,698
Equipment	138,166	130,457	1,832	74,550	3,969.3%	72,718
Fringe Benefits	1,165,830	1,128,309	1,127,226	1,217,562	8.0%	90,336
Operating Costs	1,975,053	1,851,239	1,726,968	1,715,071	-0.7%	-11,897
Salaries and Wages	4,701,447	4,549,299	4,394,657	4,461,171	1.5%	66,514
Transfers	1,396,731	1,350,500	1,450,500	295,000	-79.7%	-1,155,500
Total for Enterprise Funds	12,796,800	12,023,581	11,495,861	12,143,730	5.6%	647,869
Internal Service Funds						
Capital Outlay	0	0	25,000	10,000	-60.0%	-15,000
Contractual Services	406,719	373,346	503,345	442,492	-12.1%	-60,853
Equipment	1,010,004	1,769,267	1,226,506	1,196,595	-2.4%	-29,911
Fringe Benefits	1,822,563	2,315,905	2,021,453	2,103,791	4.1%	82,338
Operating Costs	1,063,968	986,350	2,295,881	2,461,876	7.2%	165,995
Salaries and Wages	1,413,221	1,449,005	1,489,740	1,548,977	4.0%	59,237
Transfers	79,976	0	0	0		0
Total for Internal Service Funds	5,796,452	6,893,874	7,561,925	7,763,731	2.7%	201,806
Special Revenue Funds						
Capital Outlay	113,251	23,474	0	0		0
Contractual Services	10,010,789	11,040,898	9,825,240	10,169,043	3.5%	343,803
Debt Service	243,394	257,790	128,896	0	-100.0%	-128,896
Equipment	146,221	310,309	296,788	303,892	2.4%	7,104
Equipment Labor	2,287	3,748	9,955	10,155	2.0%	200
Fringe Benefits	7,855,630	8,284,932	9,205,810	10,151,310	10.3%	945,500
Operating Costs	2,346,928	2,947,729	2,480,332	2,796,288	12.7%	315,956
Salaries and Wages	27,280,527	27,543,384	27,941,211	30,240,341	8.2%	2,299,130
Transfers	2,306,107	1,187,558	804,300	1,161,280	44.4%	356,980
Total for Special Revenue Funds	50,305,134	51,599,822	50,692,532	54,832,309	8.2%	4,139,777
Total for PARK BOARD	68,898,385	70,517,278	69,750,318	74,739,770	7.2%	4,989,452

PARK BOARD
Revenue Information

	2003 Actual	2004 Actual	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Sales	2,087	66	0	0	0.0%	0
Charges for Service	9,892,782	9,764,524	10,082,813	10,198,908	1.2%	116,095
Contributions	458,867	391,902	41,385	35,275	-14.8%	-6,110
Gains	0	0	0	0	0.0%	0
Interest	46	144	0	0	0.0%	0
Operating Transfers In	87,839	44,870	100,000	0	-100.0%	-100,000
Other Misc Revenues	0	125	0	2,000	0.0%	2,000
Rents	1,396,674	1,443,551	1,686,587	1,926,561	14.2%	239,974
State Government	20,487	0	0	0	0.0%	0
Total for Enterprise Funds	11,858,783	11,645,183	11,910,785	12,162,744	2.1%	251,959
Internal Service Funds						
Charges for Sales	432,932	481,575	110,000	100,000	-9.1%	-10,000
Charges for Service	815,651	740,485	1,846,823	1,863,616	0.9%	16,793
Contributions	98,873	18,052	0	0	0.0%	0
Gains	6,923	6,430	0	0	0.0%	0
Operating Transfers In	5,245	0	0	135,000	0.0%	135,000
Other Misc Revenues	2,053,662	2,045,271	2,066,149	2,416,709	17.0%	350,560
Rents	3,177,708	3,088,899	3,108,500	3,492,460	12.4%	383,960
Total for Internal Service Funds	6,590,993	6,380,712	7,131,472	8,007,785	12.3%	876,313
Special Revenue Funds						
Charges for Sales	1,109	2,042	2,000	2,000	0.0%	0
Charges for Service	2,344,880	2,284,578	2,345,050	1,895,182	-19.2%	-449,868
Contributions	383,075	407,741	50,000	2,500	-95.0%	-47,500
Federal Government	60,000	0	0	0	0.0%	0
Fines and Forfeits	565,529	583,881	532,500	557,500	4.7%	25,000
Interest	0	0	0	0	0.0%	0
Licenses and Permits	95,404	104,090	80,000	99,000	23.8%	19,000
Local Government	1,361,884	1,098,704	176,890	573,290	224.1%	396,400
Operating Transfers In	697,699	520,491	544,500	1,344,000	146.8%	799,500
Other Misc Revenues	7,025	7,698	10,200	9,200	-9.8%	-1,000
Property Taxes	30,999,365	34,342,696	35,690,286	37,303,312	4.5%	1,613,026
Rents	324,632	392,987	333,200	469,900	41.0%	136,700
Sales and Other Taxes	2,823	2,780	3,400	3,000	-11.8%	-400
State Government	13,847,508	10,901,754	10,524,505	11,971,632	13.8%	1,447,127
Total for Special Revenue Funds	50,690,934	50,649,441	50,292,531	54,230,516	7.8%	3,937,985
Total for PARK BOARD	69,140,710	68,675,336	69,334,788	74,401,045	7.3%	5,066,257

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

2006 EXECUTIVE SUMMARY

2006 – 2010 BUSINESS PLAN

MISSION -

The mission of the Minneapolis Public Housing Authority (MPHA) is to promote and deliver quality, well-managed homes to a diverse low-income population, and as a valued partner, contribute to the well-being of the individuals, families and community we serve.

2006 DEPARTMENT FOCUS –

Financial Analysis:

City Funding	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget
Tax Levy	\$1,040,000	\$1,081,600	\$1,124,864	\$1,169,859
CDBG Rehab	\$313,000	\$313,000	\$313,000	\$297,338
CDBG Citizen Participation	\$98,000	\$98,000	\$98,000	\$93,395
PILOT	\$260,220	\$337,860	\$308,000	\$295,000

Sources & Uses	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget
Sources:				
Tax Levy	\$1,008,800	\$1,049,152	\$1,091,000	\$1,169,859
CDBG Rehab	\$313,000	\$313,000	\$313,000	\$297,338
CDBG Citizen Participation	\$98,000	\$98,000	\$98,000	\$93,395
PILOT	\$260,220	\$337,860	\$308,000	\$295,000
Uses:				
Security Services	\$1,582,020	\$1,700,012	\$1,712,000	\$1,762,197
Citizen Participation	\$98,000	\$98,000	\$98,000	\$93,395

- **Tax Levy** – MPHA is classified as an independent board. Full Tax Levy amount is \$1,169,859. The budget request assumes 98% of the Tax Levy will be collected.
- **PILOT** – By State Statute, MPHA is exempt from real and personal property taxes, but through the Cooperation Agreement with the City, MPHA is required to make payment in lieu of taxes. The City has agreed to reduce MPHA's PILOT by 50% since the inception of the High-rise Security Program. MPHA uses the savings to help fund Security Services.
- **CITY SERVICES** - MPHA operates on a pay-as-you-go basis for City services utilized.

**MINNEAPOLIS PUBLIC HOUSING AUTHORITY
Staffing Information**

	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	328.00	320.00	319.00	315.00	-1.25%	(4.00)

YOUTH COORDINATING BOARD

MISSION –

The Minneapolis Youth Coordinating Board is an intergovernmental organization dedicated to promoting the healthy, comprehensive development of Minneapolis children and youth ages 0-20 through collaborative action and policy alignment.

Financial Analysis:

REVENUES	2003	2004	2005	2006	2005-2006
	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	VARIANCE
Federal Funds	1,534,515	403,162	667,376	372,976	(294,400)
State Funds	105,911	0	0	0	0
County Funds	2,296,442	2,084,039	2,037,250	1,275,400	(761,850)
City Funds	515,718	399,000	399,000	350,000	(49,000)
Other Local Gov't Funds	532,897	65,360	65,360	75,164	9,804
Interest Revenue	22,820	50,000	23,000	16,000	(7,000)
Rental Revenue	62,246	0	0		0
Private Sources	473,699	131,317	305,000	376,000	71,000
Other Miscellaneous Revenues	2,073	25,000	102,500	0	(102,500)
Transfer Within Special Revenue Funds	0	0	33,650	5,450	(28,200)
Total Revenue	5,546,321	3,157,878	3,633,136	2,470,990	(1,162,146)

EXPENSES	2003	2004	2005	2006	2005-2006
	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	VARIANCE
Personnel Services	1,133,994	413,250	315,000	329,005	14,005
Contractual Services	4,005,714	2,646,617	3,147,776	2,049,329	(1,098,447)
Advertising/Publication	13,493	5,000	26,000	4,000	(22,000)
Equipment	12,331	0	0		0
Office Supplies and Reproduction	48,863	6,500	12,000	4,900	(7,100)
Postage and Delivery Charges	12,748	5,500	11,700	1,826	(9,874)
Staff Development and Travel	16,803	10,500	12,630	7,000	(5,630)
Rent, Maintenance, Utilities, and Insurance	222,952	16,000	24,000	6,940	(17,060)
Other Services and Charges	58,351	54,511	37,880	62,540	24,660
Intrafund Transfer	0	0	46,150	5,450	(40,700)
Total Expenditures	5,525,249	3,157,878	3,633,136	2,470,990	(1,162,146)

- **City Funds** – The Youth in Minneapolis After School Program (YMAP) receives \$350,000 in City funds.

FINANCIAL ANALYSIS –

EXPENDITURE

The Youth Coordinating Board's 2006 Adopted Budget is \$2.5 million, a \$1.4 million decrease from 2005.

MAYOR'S RECOMMENDED BUDGET

The Mayor's recommendation delayed the implementation of increased General Fund overhead charges to this board.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation.

**YOUTH COORDINATING BOARD
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget	% Change	Change
Total FTE's	39.40	26.50	4.50	4.50	4.50	0.00%	-

**City of Minneapolis
2006 Adopted Budget**

Glossary of Terms
Or a helping of "Alphabet Soup"

ABA – American Bar Association.

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.

ACN – Automatic Collision Notification.

ADA – Americans With Disabilities Act.

ADC – Adult Detention Center, a Hennepin County facility in the City Hall/Courthouse.

ADR – Alternative Dispute Resolution program.

AED – Automatic External Defibrillators.

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.

AHTF – Affordable Housing Trust Fund.

ALJ – Administrative Law Judge.

AMC – Audit Management Committee.

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.

ASA – Average Speed of Answer; the average number of seconds it takes to answer BIS' service desk calls.

ASAE – American Society of Association Executives.

ASCLID – American Society of Crime Laboratory Directors.

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

ASP – Application Service Provider.

AutoCAD – Auto Computer-Aided Drafting.

A/V Services – Audio/Visual Services.

BA – Benefits Administration.

BCA – Bureau of Criminal Apprehension.

BLS – Basic Life Support.

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.

CAD – Computer Aided Dispatch.

CADD – Computer Aided Design & Drafting, a component of the Public Works design software.

CAFM – Computer Aided Facilities Management.

CAFR – Comprehensive Annual Financial Report.

CAMA - Computer Assisted Mass Appraisal.

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.

CBA – Collective Bargaining Agreement.

CBD – Central Business District.

CBTF – County Budget Task Force. Hennepin County's Capital Budget Process (similar in nature to CLIC).

Consolidated Dispatch Center – Consolidated Dispatch Center.

CCC – Consolidated Contact/Call Center.

CCJ – Council on Crime and Justice.

CCNP – Central City Neighborhoods Partnership, a community non-profit.

CCP/SAFE – Community Crime Prevention/Safety for Everyone, program of the Police Department.

CCTV – Closed Circuit Television.

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.

CEH – Children's Environmental Health.

CFP – Capital Fund Program, a program funded by HUD.

CHAMP – Child Health Assessment and Monitoring Project, of the department of Health and Family Support.

CHB - Community Health Boards.

CHS – Community Health Services.

CIO – Chief Information Officer.

CIS – Constriction Inspections Services. A section of the Inspections Division within Regulatory Services.

CITISTAT – City's effort to centralize citizen contact, improve responsiveness and measure performance.

CJCC – Criminal Justice Coordinating Committee.

Claims – Requests for reimbursement for damages resulting from fault or liability of the City.

CLASS – Center for Learning Academic and Survival Skills, the academic enrichment program for the METP Summer Youth Employment and Training Program.

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 Improvement Committee - a committee of 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.

CLUES – Chicanos Latinos Unidos en Servicio.

CMC – Comprehensive Managed Care.

CMS – Case Management System (City Attorney's Office).

CMMS – Computer Maintenance Management System.

CNAP – Community Neighborhood Action Plan.

CO – Certificate of Occupancy.

COA – Certificate of Approval.

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.

Common Contact Centers – City's effort to centralize citizen contact, improve responsiveness and measure performance.

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.

CPI – Consumer Price Index.

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.

CRM – Constituent Relationship Management.

CRM System – Current Relationship Management.

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.

CSR – Customer Service Request System, an element of the Minneapolis One Call System.

CRM – Customer Relations Management system used for 311.

CTT – Communities Targeting Tobacco.

CUE – Committee on the Urban Environment, staffed by the Planning department.

CY - Calendar Year.

DAP – Domestic Abuse Project, a community non-profit.

DARE – Drug Abuse Resistance Project.

DAT – Domestic Abuse Prosecution Team, in the City Attorney's office.

DC – Deputy Chief.

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.

DHFS – Department of Health and Family Support.

DNR – Department of Natural Resources, a state government agency.

DRS – Department of Regulatory Services, a City department in the City Coordinator's group.

DT – Downtown.

DTED – Department of Trade and Economic Development, state government agency.

DWI – Driving While Intoxicated.

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.

EITC – Earned Income Tax Credit.

EIM - Enterprise Information Management.

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 Bonds/Revenue – bonds related to 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.

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.

EOC – Emergency Operations Center.

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.

FD – Fire Department.

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.

FBI – Federal Bureau of Investigation.

FBI – Food borne illness.

FMC – Food manager certification.

FRC – Family Resource Centers.

FSAM – Facilities Space Asset Management. This committee includes the City Coordinator (Co-chair), City Engineer (Co-chair), Director of Budget and Financial Planning Facility Manager/Staff, Space and Asset Manager/Staff.

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 Balance – The year's excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

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.

GED – General Educational Development.

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.

GMHC – Greater Minneapolis Housing Corporation

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.

GSP – Grants and Special Projects.

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.

HAP – Health Assessment and Promotion.

HAVA – Help America Vote Act.

Haz-Mat – Hazardous Materials.

HC – Hennepin County, the county where the City of Minneapolis is located.

HCAO – Hennepin County Attorney's Office.

HCMC – Hennepin County Medical Center.

HCRRRA – Hennepin County Regional Railroad Authority.

HCSO – Hennepin County Sheriff's Office.

HIS – Housing Inspection Services.

HPC – Heritage Preservation Commission.

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.

HR – Human Resources.

HRA – Housing Redevelopment Authority.

HRG – Human Resources Generalist.

HRIS – Human Resources Information System.

HSCO – Hennepin County Sheriff's Office.

HUD – U.S. Department of Housing and Urban Development, a federal government agency.

HVAC – Heating, Ventilation and Air Conditioning.

H/W MTTR – Hardware Mean Time to Repair; related to BIS' desk side services.

IACP – International Association of Chiefs of Police.

IACVB – International Association of Convention and Visitors Bureaus.

ICMA – International City/County Managers Association.

IGR – Intergovernmental Relations.

IMAC - The Moves, Adds & Changes (MAC) process is now the 'Install, Moves, Adds, & Changes (**IMAC**) process. The name change is due to the addition of the install service, as well as a procurement process. Computer equipment and software can be requested, moved or installed, using the IMAC form and submitted to the Service Desk. All IMAC requests will be processed through the Service Desk within one business day.

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.

IRS – Internal Revenue Service.

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.

IS Architecture – Information Systems Architecture.

ISP – Internet Service Provider.

IT or ITS – former Information Technology Services.

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).

LAN – Local Area Network.

LCMR – Legislative Commission on Minnesota Resources.

LCTS – Long-term Collaborative Time Study, a funding program through the State and Hennepin County for the department of Health and Family Support.

LED - Light Emitting Diode (found in pedestrian signal cross lights for example).

LEP – Limited English Proficiency.

LGA – Local Government Aid.

LIF – Leveraged Investment Fund.

LISC - Local Initiatives Support Corporation.

LLEBG – Local Law Enforcement Block Grant.

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.

MagIC – Emergency Communication Center’s records management system.

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.

MBE’s – Minority Business Enterprises

MCAO – Minneapolis City Attorney’s Office.

MCC – Minneapolis Convention Center.

MCCR – Minneapolis Commission on Civil Rights.

MCDA – former Minneapolis Community Development Association.

MCES – Metropolitan Council Environmental Services, provider of sewage interceptor and treatment services for the City.

MCH – Maternal Child Health.

MCV – Mobile Command Van at the Fire Department.

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.
City of Minneapolis – Glossary of Terms

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 MPH’s 40 highrise apartment buildings located throughout the city of Minneapolis.

MIL – Municipal Information Library.

MILES – Minneapolis Industrial Land and Employment Strategy.

MBE – Minority-owned business enterprises.

MDA – Minnesota Department of Agriculture.

MHz – Megahertz Radio System.

MINSTAT – City’s effort to centralize citizen contact, improve responsiveness and measure performance.

MJNO – Multiple Jurisdiction Network Organization, a statewide collaboration of police agencies.

MLK – Martin Luther King Jr.

MLSS – Mechanical Life and Safety Systems.

MMI – Metropolitan Median Income.

MMRS – Metropolitan Medical Response System.

MMS – Minneapolis Multicultural Services.

MNCIS – Minnesota Court Information System.

MNDEED – Minnesota Department of Employment and Economic Development.

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.

MoU – Memorandum of Understanding.

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.
City of Minneapolis – Glossary of Terms

MPL – Minneapolis Public Library.

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

MSM – Meeting Service Minnesota. GMCVA project that started in 2002 and was absorbed by the Services Department in 2004. It was intended to assist groups in meeting planning.

MSSB – Minnesota State Services for the Blind.

MSFC – Metropolitan Sports Facility Commission.

MUID – Metropolitan Urban Indian Directors.

MUPS – Municipal Utility and Package System.

MVNA – Minneapolis Visiting Nurse’s Association, a community non-profit.

MWW – Minneapolis Water Works.

NACCHO – National Association of City and County Health Officials.

NAMC – National Association of Minority Contractors.

NCIC – National Crime Information Center.

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.

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.

NFIRS – National Fire Information Standards.

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.

NMMC – North Memorial Medical Center

NNO – National Night Out.

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

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.

OD – Organizational Development.

OIC – Opportunities Industrialization Centers.

OJT – On the Job Training.

O&M – Operations and Maintenance.

OMS – Operations and Maintenance Specialist.

One Stop One Call – City's effort to centralize citizen contact, improve responsiveness and measure performance.

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.

O & M - Operations and Maintenance.

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.

OSA – Office of the State Auditor.

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.

PC/NPC – Probable cause/ no probable cause.

PCA – Pollution Control Agency, a state government agency.

PCAB – Pollution Control Annual Billing.

PCI – Pavement Condition Index, used to rate the condition of pavement.

PD – Police Department.

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.

PH – Public Health.

PHDEP – Public Housing Drug Elimination Program, a federal government grant for security funding.

PHN – Public Health Nurse.

PI – Permanent Improvement.

PICA – Parents in Community Action.

PILOT – Payment in Lieu of Taxes.

PM – Performance Management.

PMD – Program Management Division of ITS.

PP – Problem Properties.

PPF – Preliminary Planning Fund of the MCDA.

PSF – Hennepin County Public Safety Facility.

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.

PTN – *Primary Transit Network*.

PW – Public Works Department.

R&M – Repair and Maintenance.

RECAP – Repeat Address Call Policing, part of Central Services Bureau of the Police Department.

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.

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.

ROI – Return on Investment.

ROP – Repeat Offender Program.

ROW – Right of Way.

RPO – Rental Property Owners.

RPZ – Reduced Pressure Zone, from the State Plumbing Code.

RSI – Repetitive Stress Injury.

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.

SBC – School Based Clinics.

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.

SDP – Service Delivery Plan.

SEMI – Southeast Minneapolis Industrial area – refers to a development area now referred to as University Research Park.

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.

SLA – Service Level Agreements.

SMG – System Manager’s Groups of the Metropolitan Radio Board.

SOC – State of the City, report published by the Planning Department.

SOC – Hennepin County Security Operations Center.

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.

SSC – Skyway Senior Center.

STD – Sexually Transmitted Disease.

STEPS – The City receives STEPS funding through the Department of Health and Human Services. STEPS is short for “Steps to a Healthier U.S.” and its goal is to address and target populations in the City that have the greatest need or are most vulnerable to diabetes, obesity, and asthma. Community and school-based interventions will focus on healthy lifestyle choices, including physical activity, healthy nutrition, and tobacco use reduction.

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.

SW MTTR - Software Mean Time to Repair; related to BIS’ desk side services.

SW&R – Solid Waste and Recycling.

SWMBE – Small, women-owned, and minority-owned business enterprises.

SWOT Analysis – Strengths, Weaknesses, Opportunities and Threats Analysis.

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.
City of Minneapolis – Glossary of Terms

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.

TC Tix - A program that manages and operates a ticket outlet providing the GMCVA a revenue source. It provides members and the community an opportunity to experience cultural events while promoting member businesses.

TIF – Tax Increment Financing.

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.

TOC – Technical Operating Committee of the Metropolitan Radio Board.

Total Expenses – The total costs of a cost center or department including debt service and capital improvements.

TPA – Third Party Administration.

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.

UB – Utility billing.

UDAG – Urban Development Action Grant, of the U.S. Department of Housing and Urban Development.

UCR – Uniform Crime Rate.

Unisys – Unisys Corporation – The City of Minneapolis has a strategic partnership with Unisys to manage and support 2700 personal computers and more than 100 servers over a seven year contract.

USCM – U.S. Conference of Mayors.

U.S. EPA – United States Environmental Protection Agency.

USPS – United States Postal Service.

VEU – Vehicle Equivalent Units.

VoIP – Voice Over Internet Protocol.

VPN – Virtual Private Network.

Ways & Means/Budget Committee – City Council Sub-Committee made up of six City Council Members, which is 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).

WBE – Women-owned business enterprises.

WC – Worker Compensation.

WiFi – Wireless fidelity.

WTG – Way to Grow.

YCB – Youth Coordinating Board, a joint power agreement of the City.

YMAP – Youth in Minneapolis After School Program (Park Board).

YTD – Year to date.

Z&P – Zoning and Planning, City Council Sub Committee.

MINNEAPOLIS CITY COUNCIL OFFICIAL PROCEEDINGS

ADJOURNED SESSION OF THE REGULAR MEETING OF DECEMBER 2, 2005 HELD DECEMBER 19, 2005

(Published December 24, 2005, in *Finance and Commerce*)

Council Chamber
350 South 5th Street
Minneapolis, Minnesota
December 19, 2005 - 5:05 p.m.
The Council met pursuant to adjournment.
Council President Ostrow in the Chair.
Present - Council Members Johnson Lee, Niziolek, Benson, Goodman, Hodges, Johnson, Colvin
Roy, Zimmermann, Schiff, Zerby, Lilligren, Ostrow.
Absent - Samuels.

PETITIONS AND COMMUNICATIONS

PUBLIC SAFETY AND REGULATORY SERVICES (See Rep):

POLICE DEPARTMENT (270851)
Police Department Five-Year Business Plan.

WAYS AND MEANS BUDGET:

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (270852)
2005 Theatre Operating Budget: Receive and File.

WAYS AND MEANS BUDGET (See Rep):

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (270853)
NRP 2006 Administrative Budget: a) Approve 2006 NRP Administrative Budget; b) Passage of Resolution increasing the NRP appropriation by \$1,512,293 for 2006 operation; and c) Authorize execution of any contracts needed to implement activities included in the administrative budget.

FINANCE DEPARTMENT (270854)
2006 Budget: Budget Mark-up materials, 2006 Budget Book, and comments submitted on the 2006 budget.

The following reports were signed by Mayor Rybak on December 21, 2005. 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 PUBLIC SAFETY & REGULATORY SERVICES Committee submitted the following report:

PS&RS - Your Committee, having under consideration the Police Department Five-Year Business Plan, now recommends that the business plan be sent forward without recommendation. (Petn No 270851)

Vice President Lilligren assumed the Chair.

Ostrow moved that the report be amended by deleting the language "be sent forward without recommendation" and inserting in lieu thereof the following:

"be approved, with the following direction:

The Police Department is directed to incorporate into its 2007 business plan a comprehensive community policing strategy as well as performance measurements and standards of coverage for essential police services. The Police Chief shall report back to the Public Safety & Regulatory Services Committee on the progress of these initiatives on or before March 1, 2006." Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 12/19/05.

Absent - Samuels.

President Ostrow resumed the Chair.

The **WAYS & MEANS/BUDGET** Committee submitted the following reports:

W&M/Budget - Your Committee recommends passage of the accompanying Resolution approving the 2005 property tax levies, payable in 2006, for various funds of the City of Minneapolis for which the City Council levies taxes.

Lost. Yeas, 6; Nays, 6 as follows:

Yeas - Benson, Hodges, Johnson, Zerby, Lilligren, Ostrow.

Nays - Johnson Lee, Niziolek, Goodman, Colvin Roy, Zimmermann, Schiff.

Absent - Samuels.

Having voted on the prevailing side, Goodman moved to reconsider. Seconded.

Adopted 12/19/05. Yeas, 11; Nays, 1 as follows:

Yeas - Johnson Lee, Niziolek, Benson, Goodman, Hodges, Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Ostrow.

Nays - Zimmermann.

Absent - Samuels.

The report was adopted 12/19/05. Yeas, 8; Nays, 4 as follows:

Yeas - Benson, Goodman, Hodges, Johnson, Schiff, Zerby, Lilligren, Ostrow.

Nays - Johnson Lee, Niziolek, Colvin Roy, Zimmermann.

Absent - Samuels.

Resolution 2005R-654 approving the 2005 property tax levies, payable in 2006, for various funds of the City of Minneapolis for which the City Council levies taxes, was adopted 12/19/05 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 2005R-654

By Johnson

Approving the 2005 property tax levies, payable in 2006, 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 2005 for taxes payable in 2006 for the following funds:

FUND	CERTIFIED LEVY AMOUNT	TAX CAPACITY RATES ¹
General Fund	\$114,661,106	33.831
Municipal Building Commission	\$3,839,006	1.133
Permanent Improvement	\$1,897,240	0.560
Bond Redemption	\$19,784,607	5.838
Firefighters Relief Association (MFRA)	\$1,385,000	0.409
Police Relief Association (MPRA)	\$2,215,000	0.654
Minneapolis Employees Retirement (MERF)	\$2,875,000	0.849
Total	\$146,656,959	43.274

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. 1) 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 \$336,495,010 and a spread levy tax capacity value of \$296,916,795, 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 \$8,100,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2005 for taxes payable in 2006 for debt service associated with the voter approved Library Referendum Bond authorization of \$140,000,000.

Adopted 12/19/05. Yeas, 8; Nays, 4 as follows:

Yeas - Benson, Goodman, Hodges, Johnson, Schiff, Zerby, Lilligren, Ostrow.

Nays - Johnson Lee, Niziolek, Colvin Roy, Zimmermann.

Absent - Samuels.

W&M/Budget - Your Committee recommends passage of the accompanying Resolution fixing the maximum amounts to be expended by the various department for 2006 (2006 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 (Petn No 270854).

Johnson moved that the resolution be amended by deleting the language in footnote "o" and inserting in lieu thereof the following "o) Add 0.8 position and \$70,000 to the Civil Rights department in the general fund for sign language interpreter services. Reduce Communications budget in the general fund by \$70,000." Seconded.

Adopted upon a voice vote.

Absent - Samuels.

Benson moved that the resolution be further amended by adding the following footnote:

“aa) Direct that the Public Works Department convene a cross departmental work-team to define the scope, work and ongoing funding of the position. This definition of the work (including consulting help) may use resources from the salary savings of not hiring the position until later in the year.”
Seconded.

Zerby moved a substitute motion that the resolution be amended by adding the following footnote:

“aa) Move funds for the Centralized Energy Management to Regulatory Services. Direct that the department convene a cross departmental work-team to define the scope, work and ongoing funding of the position. This definition of the work (including consulting help) may use resources from the salary savings of not hiring the position until later in the year.”
Seconded.

Lost upon a voice vote.

Absent - Samuels.

Benson’s motion was adopted upon a voice vote.

Absent - Samuels.

Goodman moved that the resolution be further amended by adding the following footnote:

“bb) Decrease neighborhood development account funding for the “Its All About the Kids” program by \$200,000 and increase funding for the Affordable Housing Trust Fund by \$200,000.”
Seconded.

Lost. Yeas, 6; Nays, 6 as follows:

Yeas - Niziolek, Benson, Goodman, Johnson, Colvin Roy, Schiff.

Nays - Johnson Lee, Hodges, Zimmermann, Zerby, Lilligren, Ostrow.

Absent - Samuels.

Goodman moved that the resolution be further amended by adding the following footnote:

“bb) Decrease funds available for the “affordable ownership combined” program by \$1 million and Create a program entitled “Capital Acquisition Revolving Fund” and appropriate \$1 million into a revolving fund for this purpose. Direct Community Planning & Economic Development (CPED) to return to the Community Development Committee by July 1, 2006, with guidelines for the allocation of these funds.”
Seconded.

Adopted upon a voice vote.

Absent - Samuels.

Zerby moved that the resolution be further amended by adding the following footnote:

“cc) Increase funds to the Minneapolis Police Department by \$300,000 on a one-time basis for use in enforcing Minneapolis Ordinances Chapter 244.2020 and Chapter 389.65 as applied to noisy and unruly assemblies.

Decrease funds available for the Citywide Electronic Citations System by \$180,000. One-time revenue in excess of expenses from the red-light camera operations, up to \$180,000 is appropriated to the Minneapolis Police Department in 2006 for the Citywide Electronic Citations System.

Decrease funds available for the Speed Control by \$120,000. One-time revenue in excess of expenses from the red-light camera operations, up to \$120,000 is appropriated to the Minneapolis Public Works Department in 2006 for the Speed Control.”
Seconded.

Schiff moved a substitute motion that the resolution be amended by adding the following footnote:

“cc) Decrease funds available for the Citywide Electronic Citations System by \$180,000. One-time revenue in excess of expenses from the red-light camera operations, up to \$180,000 is appropriated to the Minneapolis Police Department in 2006 for the Citywide Electronic Citations System.

Decrease funds available for the Speed Control by \$120,000. One-time revenue in excess of expenses from the red-light camera operations, up to \$120,000 is appropriated to the Minneapolis Public Works Department in 2006 for the Speed Control.

Increase funds to Public Works by \$300,000 on a one-time basis for a study to be conducted as part of the Ten Year Transportation Action Plan to assess the use of streetcars on those corridors designated as Definite PTN on Figure 3 of “Access Minneapolis: Technical Report 1: Minneapolis Primary Transit Network, dated November 7, 2005.”
Seconded.

Zerby proposed a further substitute to the Schiff motion.
Ostrow ruled the Zerby substitute to be out of order.
Schiff's motion to substitute was adopted upon a voice vote.
Absent - Samuels.
Schiff's main motion to amend the resolution was adopted upon a voice vote.
Absent - Samuels.

Zerby moved to amend footnote "cc" in the resolution, by leaving \$150,000 for the long-term need for streetcars and allocating \$150,000 into enforcement of unruly party houses in the neighborhoods.
Lost for lack of a second.

The report, with amended resolution, was adopted 12/19/05. Yeas, 7; Nays, 5 as follows:
Yeas - Benson, Hodges, Johnson, Schiff, Zerby, Lilligren, Ostrow.
Nays - Johnson Lee, Niziolek, Goodman, Colvin Roy, Zimmermann.
Absent - Samuels.

Resolution 2005R-655, fixing the maximum amounts to be expended by the various departments for 2006, from the various funds under the jurisdiction of the City Council for which the City Council levies taxes, was adopted 12/19/05 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 2005R-655
By Johnson

Fixing the maximum amounts to be expended by the various departments for 2006 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 (Community Development Block Grant Program Allocations), 5, 6, 7, 8, 9, 10, 11, 12, and 14 as published in the final 2006 Budget Book.

REVENUE ESTIMATES:

2006 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 2006.

CDBG Allocations set forth are based on current estimates of the City's Fiscal Year 2006 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 April 2006 grant submission.

2006 Operating Budget
Resolution Footnotes:

a) Administrative Financial Policies, as included in the Financial Policies Section of the 2006 Adopted Budget book, are hereby adopted as part of the 2006 budget.

b) Be it Further Resolved that this resolution may be cited as the "General Appropriation Resolution of 2006."

Additions/Changes to Financial Policies (as needed)

c) Add existing CDBG reprogramming policy to the financial policies in the budget book. Amend capital allocation language to define process for reprogramming these funds.

Changes to the Recommended Budget

d) Increase the transfer to the property services fund by \$30,000 to fund community center operations. Reduce contingency by a like amount.

e) Amend tree initiative recommendation to include \$100,000 allocation (of the \$300,000) to the Tree Trust for administering the program with the Folwell and Marshall Terrace Neighborhoods

f) Add 4 positions back that had been reduced for 311; eliminate the recommended proposal for Regulatory Services to contract with outside parties for inspections during peak periods.

g) Reduce development fee revenue estimate in Regulatory Services by \$20,000, increase revenue estimate in City Attorney's office by \$20,000.

h) Add \$1.63 million in assessment revenue from the Walker ramp offset by a \$1.63 million land lease payment.

i) Reduce the 311/911 position count by 5.5 positions to reflect financial changes included in the Mayor's recommendation.

j) Clarify the extension of CRM charges (Lagan contract) to departments through 2008.

k) Reduce amount of traffic control shift from Regulatory Services to Police by \$382,000 and reduce transfer from parking to the general fund by a like amount. Increase PW-Traffic and Parking Services by \$531,000.

l) Clarify language regarding police camera one-time money to target the funds towards cameras and other surveillance technology with priority given to projects with local matching funds as approved by the Council.

m) In CDBG, correct the amount of the Curfew Truancy program to \$98,000 from \$94,000.

n) Amend the Civil Rights budget to eliminate 2 contract compliance positions rather than 1 manager position.

o) Add 0.8 position and \$70,000 to the Civil Rights department in the general fund for sign language interpreter services. Reduce Communications budget in the general fund by \$70,000.

p) Eliminate the one-time funding for the Domestic Abuse Project in the Attorney's budget in the general fund by \$75,000; Add \$75,000 for the Domestic Abuse Project to the Health and Family Support Department on a one time basis; direct that Health and Family Support to continue funding the DAP Contract at least at that level into the future, or on an ongoing basis and that the Health and Family Support Department be directed include a strategy for permanent funding in its business plan for 2006.

q) Add one position and \$75,000 back to the Communications department; Increase the CPED General Fund Overhead charge by \$75,000; Leave the additional position in CPED for communications marketing, funded from the general fund for \$100,000

r) Move Homelessness initiative funding (\$100,000) from CPED to Intergovernmental Relations – Grants and Special Projects; fund the initiative from Community Development Block Grant funding on a one-time basis. Add to the Consolidated Plan an administrative allocation for the homelessness initiative for \$100,000. Reduce the affordable housing trust fund allocation to CPED by \$70,000 in the Multifamily Affordable Housing allocation. Spread the remaining \$30,000 in reductions proportionally across all the administrative grants (excluding the Youth Coordinating Board allocation, which is set by joint powers agreement)”

s) Adjust capital allocation in the Convention Center to eliminate allocation for Life Sciences challenge funding. Allocate this funding to pay for replacement of the failed Terrazzo flooring. The Convention Center should conduct a feasibility study on the Life Sciences initiative. This amendment returns the capital allocations to the amounts recommended by the Center’s Capital improvement committee.

t) Adopt the department five year business plans as presented during the budget hearings before Ways and Means from September 20th to October 19th, 2005. Business plans were presented for the following departments and are therefore adopted: Assessor, Attorney, Civil Rights, Clerk/Elections, Community Planning and Economic Development, Coordinator (including 911/311, BIS, MCC, Finance, HR, IGR, Communications & Regulatory Services), Fire, Health and Family Support, Public Works.

u) Add funding to Regulatory Services for Graffiti Removal for \$100,000 paid for from contingency pending year end financial status. This is a one-time appropriation and will be reappropriated as a part of the 2006 reappropriation action.

Directions to Staff

v) Prohibit the reassignment of the 20 traffic officers to non-traffic related duties without specific authorization from Council, except in the event of an emergency.

w) Direct Public Works/Police Department to continue their efforts to develop and execute a Service Level Agreement that defines the necessary Traffic Control Agent activities and performance measures to effectively monitor and ensure excellent on-going services; and report back the Ways and Means Committee by July 1, 2006 with any needed budget adjustments.

x) That proper City officers be authorized to execute and/or amend contracts to carry out the intent of the 2006 Consolidated Plan program allocations, as further detailed in the 2006 Adopted Budget book, Section 6 Financial Schedules, Schedule 4 – CDBG Program, to include CDBG, HOME, ADDI, ESG, and HOPWA entitlement grants.

y) That the proper City officers be authorized to develop the Fiscal Year 2006 Consolidated plan, including any amendments made in the Ways & Means/Budget Committee approved CDBG schedule.

z) 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 2006 Consolidated Plan funding.

Amendments adopted by City Council

aa) Direct that the Public Works Department convene a cross departmental work-team to define the scope, work and ongoing funding of the position. This definition of the work (including consulting help) may use resources from the salary savings of not hiring the position until later in the year.

bb) Decrease funds available for the "affordable ownership combined" program by \$1 million and Create a program entitled "Capital Acquisition Revolving Fund" and appropriate \$1 million into a revolving fund for this purpose. Direct Community Planning & Economic Development (CPED) to return to the Community Development Committee by July 1, 2006, with guidelines for the allocation of these funds.

cc) Decrease funds available for the Citywide Electronic Citations System by \$180,000. One-time revenue in excess of expenses from the red-light camera operations, up to \$180,000 is appropriated to the Minneapolis Police Department in 2006 for the Citywide Electronic Citations System.

Decrease funds available for the Speed Control by \$120,000. One-time revenue in excess of expenses from the red-light camera operations, up to \$120,000 is appropriated to the Minneapolis Public Works Department in 2006 for the Speed Control.

Increase funds to Public Works by \$300,000 on a one-time basis for a study to be conducted as part of the Ten Year Transportation Action Plan to assess the use of streetcars on those corridors designated as Definite PTN on Figure 3 of "Access Minneapolis: Technical Report 1: Minneapolis Primary Transit Network, dated November 7, 2005."

Adopted 12/19/05. Yeas, 7; Nays, 5 as follows:

Yeas - Benson, Hodges, Johnson, Schiff, Zerby, Lilligren, Ostrow.

Nays - Johnson Lee, Niziolek, Goodman, Colvin Roy, Zimmermann.

Absent - Samuels.

W&M/Budget - Your Committee, having under consideration a report relating to the 2005 Theatre Operating Budget, and their being no required action needed on the proposed 2006 budget due to imminent sale of the theatres, now recommends that said report be received and filed. (Petn No. 270852)

Adopted 12/19/05.

Absent - Samuels.

W&M/Budget - Your Committee, having under consideration the action of the Neighborhood Revitalization Program (NRP) Policy Board approving the NRP 2006 Administrative Budget, now recommends:

a) Approval of the 2006 NRP Administrative Budget as set forth in Petn No 270853);

b) Passage of the accompanying resolution increasing the Community Planning & Economic Development Department (CPED) agency fund CNR-NRP Program Fund (CNR0-890-3550) appropriation by \$1,512,293 and requesting that the Community Planning & Economic Development Department (CPED) immediately transfer \$1,512,293 to the NRP's City of Minneapolis Fund 230; and

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.

Adopted 12/19/05.

Absent - Samuels.

RESOLUTION 2005R-656

By Johnson

Amending The 2006 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution be amended by increasing Fund CNR0-890-3550 by \$1,512,293.
Adopted 12/19/05.
Absent - Samuels.

W&M/Budget - Your Committee recommends passage of the accompanying resolution approving the property tax levy for the 2005 taxes, payable in 2006, for the Minneapolis Public Housing Authority, for which the City Council levies taxes.
Adopted 12/19/05.
Absent - Samuels.

Resolution 2005R-657, approving the property tax levy for the 2005 taxes, payable in 2006, for the Minneapolis Public Housing Authority, was adopted 12/19/05 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 2005R-657
By Johnson

Approving the property tax levy for the 2005 taxes, payable in 2006, 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 2005 property tax, payable in 2006, not to exceed \$1,169,859.

FUND	CERTIFIED LEVY AMOUNT	TAX CAPACITY RATES ¹
Public Housing Authority	\$1,169,859	0.342

¹ Tax capacity rates are estimated based on a net tax capacity value of \$336,495,010 and a spread levy tax capacity value of \$296,916,795.
Adopted 12/19/05.
Absent - Samuels.

W&M/Budget - Your Committee recommends passage of the accompanying resolution adopting the 2006-2010 Five Year Capital Program, as shown in the "Capital Section" of the adopted 2006 Budget Book (Petn No 270854), fixing the maximum amounts of capital funds to be expended by the various funds under the jurisdiction of the City Council.

Vice President Lilligren assumed the Chair.

Ostrow moved that the resolution be amended by deleting the language in footnote "d" and inserting in lieu the following:

"d) Reduce Art in Public Places by \$100,000 in all five years of the capital plan. Add a project for \$100,000 in all five years of the plan entitled "Public Works Project Enhancement Fund" for the purpose of leveraging funds for projects conducted collaboratively with other jurisdictions.

Public Works is directed to give priority in the development of the 2007-2011 Capital Budget to the funding of this Fund in an amount sufficient to provide needed flexibility for projects done in collaboration with other jurisdictions." Seconded.

Goodman called the question. Seconded.
Adopted upon a voice vote.
Absent - Samuels.

Ostrow's motion lost. Yeas, 5; Nays, 7 as follows:

Yeas - Niziolek, Schiff, Zerby, Lilligren, Ostrow.

Nays - Johnson Lee, Benson, Goodman, Hodges, Johnson, Colvin Roy, Zimmermann.

Absent - Samuels.

The report was adopted 12/19/05. Yeas, 11; Nays, 1 as follows:

Yeas - Johnson Lee, Benson, Goodman, Hodges, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Ostrow.

Nays - Niziolek.

Absent - Samuels.

Resolution 2005R-658, adopting the 2006-2010 Five Year Capital Program, was adopted 12/19/05 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 2005R-658
By Johnson**

Adopting the 2006 - 2010 Five Year Capital Program and fixing the maximum amounts for 2006 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 2006 - 2010 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 2006:

Fund	Agency	Org	Project	Amounts (in thousands)	Revenue Source Description
4200	MBC - CAPITAL IMPROVEMENTS FUND				
	901 MUNICIPAL BUILDING COMMISSION CAPITAL IMPROVEMENT				
	9013 MBC CITY/COUNTY CAPITAL IMPROVEMENTS				
			MBC01 Life Safety Improvements	125	Net Debt Bonds
			MBC02 Mechanical Systems Upgrade	500	Net Debt Bonds
			MBC05 Moat /Inner Court Water Proofing	635	Net Debt Bonds
			MBC08 Interior Court Green Roof Project	200	Sewer Revenue (SW030)
			4200-901-9013 Subtotal	1,460	
			4200-901 Subtotal	1,460	
			TOTAL FOR FUND 4200	1,460	
4400	LIBRARY - CAPITAL IMPROVEMENTS FUND				
	907 LIBRARY BOARD CAPITAL IMPROVEMENT				
	9072 LIBRARY CAPITAL IMPROVEMENT				
			MPL10 North Regional Capital Improvements	1,600	Net Debt Bonds
			MPL10 North Regional Capital Improvements	1,270	Libr Referendum Bonds
			MPL15 Southeast Community Library		
			Capital Improvements	200	Libr Referendum Bonds
			4400-907-9072 Subtotal	3,070	
			4400-907 Subtotal	3,070	
			TOTAL FOR FUND 4400	3,070	

3700 PARK - CAPITAL IMPROVEMENTS - ASSESSED FUND		
910 PARK BOARD CAPITAL IMPROVEMENT		
9140 FORESTRY & TREE DISEASE CONTROL		
PRKDT Diseased Tree Removal	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	250	Park Board Tax Levy
PRK04 Athletic Field Renovation	1,170	Net Debt Bonds
PRK04 Athletic Field Renovation	210	Park Board Tax Levy
PRK07 Tennis Court Rehabilitation	200	Park Board Tax Levy
PRK09 HVAC Improvements	100	Park Board Tax Levy
PRK11 Roof Replacement	100	Park Board Tax Levy
4300-910-9136 Subtotal	2,030	
4300-910 Subtotal	2,030	
TOTAL FOR FUND 4300	2,030	
4100 CITY-CAPITAL IMPROVEMENTS FUND		
890 COMMUNITY PLANNING & ECONOMIC DEVELOPMENT		
8962 COMMUNITY PLANNING		
ART01 Art in Public Places (ART06)	200	Net Debt Bonds
4100-890-8962 Subtotal	200	
4100-890 Subtotal	200	
923 PUBLIC WORKS PROPERTY SERVICES CAPITAL		
9242 PROPERTY SERVICES CAPITAL		
PSD01 Facilities Repair and Improvements (PS601)	1,325	Net Debt Bonds
PSD02 Public Works Hiawatha Facility	11,062	Net Debt Bonds
PSD03 Facilities - Space Improvements (PS603)	275	Net Debt Bonds
FIR01 City/County EOC/Training Facility	95	Net Debt Bonds
FIR01 City/County EOC/Training Facility	1,000	Hennepin County
FIR02 Facility Improvements - Fire Station #17	1,020	Net Debt Bonds
4100-923-9242 Subtotal	14,777	
4100-923 Subtotal	14,777	
937 PUBLIC WORKS PAVING CONSTRUCTION		
9372 PAVING CONSTRUCTION		
PV001 2006 Parkway Paving (PV601)	350	Net Debt Bonds
PV001 2006 Parkway Paving (PV601)	50	Assessment Bonds
PV003 Lynnhurst Renovation (PV603)	1,735	Net Debt Bonds
PV003 Lynnhurst Renovation (PV603)	281	Assessment Bonds
PV004 2006 CSAH Paving Program (PV604)	250	Net Debt Bonds
PV004 2006 CSAH Paving Program (PV604)	750	Assessment Bonds
PV005 Snelling Ave Extension	599	Net Debt Bonds
PV006 2006 Alley Renovation (PV606)	234	Net Debt Bonds
PV006 2006 Alley Renovation (PV606)	79	Assessment Bonds

PV007	University Research Park (formerly SEMI)	183	Net Debt Bonds
PV007	University Research Park formerly SEMI)	56	Assessment Bonds
PV007	University Research Park formerly SEMI)	2,287	State of Minnesota
PV009	I-35W Crosstown Interchange Reconstruction	17	Net Debt Bonds
PV009	I-35W Crosstown Interchange Reconstruction	468	Municipal State Aid
PV015	27th Ave S	2,038	Net Debt Bonds
PV015	27th Ave S	3,753	Municipal State Aid
PV015	27th Ave S	788	Assessment Bonds
PV020	Loring Greenway	1,103	Net Debt Bonds
PV020	Loring Greenway	400	Assessment Bonds
PV022	Lyndale Ave N	614	Net Debt Bonds
PV022	Lyndale Ave N	1,585	Municipal State Aid
PV022	Lyndale Ave N	302	Assessment Bonds
PV034	Elliot & 10th Ave S Cul-de-sacs	140	Net Debt Bonds
PV034	Elliot & 10th Ave S Cul-de-sacs	80	Assessment Bonds
PV034	Elliot & 10th Ave S Cul-de-sacs	50	Hennepin County
PV034	Elliot & 10th Ave S Cul-de-sacs	15	Midtown Exchange Dev
PV036	Mid-City Industrial	1,593	Net Debt Bonds
PV036	Mid-City Industrial	1,810	Assessment Bonds
PV00R	Reimbursable Paving Projects (PV60R)	3,500	Reimbursements
PW001	Public Works Project Enhancements	200	Net Debt Bonds
	4100-937-9372 Subtotal	25,310	

9386 BRIDGE CONSTRUCTION

BR101	Major Bridge Repair and Rehabilitation (BR601)	200	Net Debt Bonds
BR102	East River Parkway Bridge over Bridal Veil Falls	1,145	Net Debt Bonds
BR102	East River Parkway Bridge over Bridal Veil Falls	826	State of Minnesota
	4100-937-9386 Subtotal	2,171	

9390 SIDEWALK REPLACEMENT

SWK01	2006 Sidewalk Repair Program (SWK06)	160	Net Debt Bonds
SWK01	2006 Sidewalk Repair Program (SWK06)	2,040	Assessments
	4100-937-9390 Subtotal	2,200	
	4100-937 Subtotal	29,681	

943 PUBLIC WORKS TRANSPORTATION CAPITAL

9432 STREET LIGHTING CAPITAL

PV015	27th Ave S	12	Net Debt Bonds
PV015	27th Ave S	359	Municipal State Aid
PV022	Lyndale Ave N	5	Net Debt Bonds
PV022	Lyndale Ave N	21	Municipal State Aid

TR008	Parkway Street Lighting Replacement (TR608)	345	Net Debt Bonds
TR011	City Street Light Renovation (TR611)	300	Net Debt Bonds
	4100-943-9432 Subtotal	1,042	

9440 FIELD OPERATIONS CAPITAL

PV003	Lynnhurst Renovation (PV603)	30	Net Debt Bonds
PV015	27th Ave S	149	Net Debt Bonds
PV015	27th Ave S	165	Municipal State Aid
PV022	Lyndale Ave N	164	Net Debt Bonds
PV022	Lyndale Ave N	164	Municipal State Aid
TR003	LED Replacement Program (TR603)	200	Net Debt Bonds
TR005	Controller Conversion (TR605)	300	Net Debt Bonds
TR006	Priority Vehicle Control System (TR606)	25	Net Debt Bonds
TR006	Priority Vehicle Control System (TR606)	400	Municipal State Aid
TR007	Traffic & Pedestrian Safety Improvements (TR607)	307	Net Debt Bonds
TR007	Traffic & Pedestrian Safety Improvements (TR607)	17	Municipal State Aid
TR007	Traffic & Pedestrian Safety Improvements (TR607)	17	Hennepin County
TR013	Railroad Crossing Safety Improvements (TR613)	186	Municipal State Aid
TR013	Railroad Crossing Safety Improvements (TR613)	48	Hennepin County
TR014	LRT TOD Improvements (TR614)	100	Assessment Bonds
TR014	LRT TOD Improvements (TR614)	300	Hennepin County
TR00R	Reimbursable Transportation Projects (TR60R)	600	Reimbursements
	4100-943-9440 Subtotal	3,172	

9470 COMMUTER BIKE ROUTE SYSTEM IMPROVEMENTS

BIK01	Cedar Lake Trail (Phase 3)	583	Net Debt Bonds
BIK04	18th Ave NE Bikeway	300	Net Debt Bonds
BIK08	Hiawatha Trail Connections	223	Net Debt Bonds
BIK08	Hiawatha Trail Connections	264	Federal Government
BIK18	Hennepin/1st Ave NE Bike Lanes	100	Net Debt Bonds
	4100-943-9470 Subtotal	1,470	
	4100-943 Subtotal	5,684	

970 CAPITAL IMPROVEMENTS NON-DEPARTMENTAL

9719 NEAR NORTH IMPLEMENTATION

CDA01	Heritage Park Redevelopment Project	1,000	Net Debt Bonds
CDA01	Heritage Park Redevelopment Project	2,147	Assessment Bonds

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	3,147
	4100-970 Subtotal	3,147
	TOTAL FOR FUND 4100	53,489

6100 EQUIPMENT SERVICES INTERNAL SERVICE FUND

927 PUBLIC WORKS EQUIPMENT SERVICES

9275 EQUIPMENT PURCHASES

FLEET	Fleet Equipment Purchases	6,140	Equipment Fund
	6100-927-9275 Subtotal	6,140	
	6100-927 Subtotal	6,140	
	TOTAL FOR FUND 6100	6,140	

6200 PROPERTY SERVICES INTERNAL SERVICE FUND

923 PUBLIC WORKS PROPERTY SERVICES CAPITAL

9242 PROPERTY SERVICES CAPITAL

PSD07	Repurposing City Owned Buildings	100	Property Services Fund
	6200-923-9242 Subtotal	100	
	6200-923 Subtotal	100	
	TOTAL FOR FUND 6200	100	

6400 INFORMATION TECHNOLOGY INTERNAL SERVICE FUND

972 INFORMATION TECHNOLOGY SYSTEMS CAPITAL

9725 TECHNOLOGY INFRASTRUCTURE

BIS02	Central Traffic Signal Computer Replacement	200	Net Debt Bonds
BIS02	Central Traffic Signal Computer Replacement	50	State of Minnesota
BIS02	Central Traffic Signal Computer Replacement	50	Hennepin County
BIS02	Central Traffic Signal Computer Replacement	100	Operating Dept Funds
BIS03	Enterprise Document Management	250	Net Debt Bonds
BIS03	Enterprise Document Management	25	Operating Dept Funds
BIS04	Enterprise Infrastructure Capacity Upgrade	350	Net Debt Bonds
BIS05	Enterprise Reporting	150	Net Debt Bonds
BIS06	GIS Application Infrastructure Upgrade	250	Net Debt Bonds
BIS07	HRIS Upgrade	75	Net Debt Bonds
BIS10	Finance System Consolidation/Upgrade	250	Net Debt Bonds
BIS10	Finance System Consolidation/Upgrade	1,450	Operating Dept Funds
	6400-972-9725 Subtotal	3,200	
	6400-972 Subtotal	3,200	
	TOTAL FOR FUND 6400	3,200	

7100 SANITARY SEWER ENTERPRISE FUND

932 PUBLIC WORKS SEWER CONSTRUCTION

9322 SEWER CONSTRUCTION

PV003	Lynnhurst Renovation (PV603)	57	Sewer Revenue
SW001	Storm & Sanitary Sewer Rehabilitation (SW601)	625	Sewer Bonds
	7100-932-9322 Subtotal	682	
	7100-932 Subtotal	682	
	TOTAL FOR FUND 7100	682	

7300 STORM SEWER ENTERPRISE FUND

932 PUBLIC WORKS SEWER CONSTRUCTION

9322 SEWER CONSTRUCTION

CDA01	Heritage Park Redevelopment Project	250	Sewer Revenue
PV003	Lynnhurst Renovation (PV603)	58	Sewer Revenue
PV007	University Research Park (formerly SEMI)	495	Sewer Revenue
PV015	27th Ave S	500	Sewer Bonds
PV015	27th Ave S	166	Sewer Revenue
PV022	Lyndale Ave N	249	Sewer Revenue
SW001	Storm & Sanitary Sewer Rehabilitation (SW601)	1,875	Sewer Bonds
SW002	Miscellaneous Storm Drains (SW602)	220	Sewer Revenue
SW004	Implement Storm Water Regulations (SW604)	150	Sewer Revenue
SW008	City Facilities - CSO Separation	400	Sewer Revenue
SW028	Diamond Lake 35W/62 Water Quality Improvements	497	Sewer Bonds
SW030	Alternative Stormwater Management Strategies	500	Sewer Bonds
SW030	Alternative Stormwater Management Strategies	200	Sewer Revenue
SW031	Lake Hiawatha / Blue Water Partnership	700	Sewer Bonds
SW00R	Reimbursable Sewer Projects (SW60R)	3,000	Reimbursements
	7300-932-9322 Subtotal	9,260	
	7300-932 Subtotal	9,260	
	TOTAL FOR FUND 7300	9,260	

7400 WATER ENTERPRISE FUND

950 PUBLIC WORKS WATER CAPITAL

9515 WATER TREATMENT CAPITAL

WTR09	Ultrafiltration Program	13,500	Water Bonds
WTR09	Ultrafiltration Program	1,500	Water Revenue
	7400-950-9515 Subtotal	15,000	

9535 WATER DISTRIBUTION CAPITAL

CDA01	Heritage Park Redevelopment Project	250	Water Revenue
WTR12	2006 Water Distribution Improvements (WT612)	4,500	Water Revenue
WTR14	The MWW Facilities Security Improvement	2,000	Water Bonds
WTR15	Pump Station No. 4 Rehabilitation	6,000	Water Bonds
WTR19	Water Reservoir Redundancy	750	Water Bonds
WTR19	Water Reservoir Redundancy	750	State of Minnesota
	7400-950-9535 Subtotal	14,250	

9545 WATER REIMBURSABLE CAPITAL

WTR0R Reimbursable Water		
Projects (WT60R)	2,000	Reimbursements
7400-950-9545 Subtotal	2,000	
7400-950 Subtotal	31,250	
TOTAL FOR FUND 7400	31,250	

7500 MUNICIPAL PARKING ENTERPRISE FUND

943 PUBLIC WORKS TRANSPORTATION CAPITAL

9464 OFF-STREET PARKING

RMP01 Parking Facilities - Repair and Improvements	1,700	Parking Bonds
RMP03 2006 Bicycle Parking (RMP06)	35	Parking Revenue
7500-943-9464 Subtotal	1,735	
7500-943 Subtotal	1,735	
TOTAL FOR FUND 7500	1,735	

GRAND TOTALS FOR

ALL FUNDS	112,916
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Be It Further Resolved that the 2006 Capital Budget Amendments incorporate into the Capital Resolution the following:

a) Move \$100,000 of net debt bond funding from PSD07 Repurposing City Owned Buildings to the PSD03 Facilities - Space Improvements project and fund PSD07 with \$100,000 of excess land sale proceeds from the Property Services Fund 6200.

b) Reduce the Public Works Facilities - Repair and Improvements project PSD01 by \$175,000 and increase the PSD03 Facilities - Space Improvements project by \$175,000.

c) Move \$395,000 from 2007 to 2006 for the FIR02 Facility Improvements - Fire Station #17 project. Offset this move by shifting \$395,000 from 2006 to 2007 for the FIR01 City/County EOC/Training Facility.

d) Reduce Art in Public Places by \$200,000 in all five years of the capital plan; Add a project for \$200,000 in all five years of the plan entitled "Public Works Project Enhancement Fund" the purpose of which would be to do environmental improvements, public art, pedestrian improvements, or to leverage funds for projects conducted collaboratively with other jurisdictions. Projects will go through a ranking process through Transportation and Public Works; Arts projects would go through the arts commission.

e) Move 2007 through 2009 Capital Appropriation for Hiawatha Public Works Facility Project (PSD02) to 2006; direct that expenditures made from that appropriation follow the 2007 through 2009 appropriations for the Mayor's recommended 5 year plan. Your committee recommends approval of the Hiawatha Public Works Facility Project (PSD02) and concurs with planning for an anticipated completion date of June 1, 2009. Your committee further recommends approval of the total project budget of \$15,000,000 and appropriating the remaining \$11,062,000 for the project in 2006 as well as authorizing the Board of Estimate and Taxation to issue and sell general obligation bonds of \$11,062,000 for the Hiawatha Public Works Facility Project. This appropriation will allow the City to enter into the contracts in 2006 that will obligate the City to the Project. Your committee directs that the 2007 through 2009 appropriations in the Hiawatha Public Works Facility Project be reduced by \$4,500,000 in 2007, \$3,500,000 in 2008, and \$3,062,000 in 2009 to accommodate the \$11,062,000

appropriation in 2006. Your committee directs Public Works to plan for the expenditures made from this appropriation to be made \$4,500,000 in 2007; \$3,500,000 in 2008; and \$3,062,000 in 2009.

Adopted 12/19/05. Yeas, 11; Nays, 1 as follows:

Yeas - Johnson Lee, Benson, Goodman, Hodges, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Ostrow.

Nays - Niziolek.

Absent - Samuels.

President Ostrow resumed the Chair.

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 2006 Capital Appropriation Resolution.

Adopted 12/19/05.

Absent - Samuels.

Resolutions 2005R-659 through 2005R-665, 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 2006 Capital Appropriation Resolution, were adopted 12/19/05 by the City Council. A complete copy of these resolutions are available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2005R-659

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 12/19/05.

Absent - Samuels.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2005R-660

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$8,883,000 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 \$8,883,000, 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	2006 Parkway Paving (PV601)	50,000
PV003	Lynnhurst Renovation (PV603)	281,000
PV004	2006 CSAH Paving Program (PV604)	750,000
PV006	2006 Alley Renovation (PV606)	79,000
PV007	University Research Park (formerly SEMI)	56,000
PV015	27th Ave S	788,000
PV020	Loring Greenway	400,000
PV022	Lyndale Ave N	302,000
PV034	Elliot & 10th Ave S Cul-de-sacs	80,000
PV036	Mid-City Industrial	1,810,000
TR014	LRT TOD Improvements (TR614)	100,000
CDA01	Heritage Park Redevelopment Project	2,147,000
SWK01	2006 Sidewalk Repair Program (SWK06)	2,040,000
	Total	\$8,883,000

Adopted 12/19/05.

Absent - Samuels.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2005R-661

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$34,136,000 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 \$34,136,000, the proceeds of which are to be used as follows:

Municipal Building Commission, in the amount of \$1,260,000

MBC01	Life Safety Improvements	125,000
MBC02	Mechanical Systems Upgrade	500,000
MBC05	Moat /Inner Court Water Proofing	635,000

Library Board, in the amount of \$1,600,000

MPL10	North Regional Capital Improvements	1,600,000
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Park & Recreation Board, in the amount of \$1,170,000

PRK04	Athletic Field Renovation	1,170,000
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City Council, in the amount of \$30,106,000

ART01	Art in Public Places (ART06)	200,000
PSD01	Facilities Repair and Improvements (PS601)	1,325,000
PSD02	Public Works Hiawatha Facility	11,062,000
PSD03	Facilities - Space Improvements (PS603)	275,000
FIR01	City/County EOC/Training Facility	95,000
FIR02	Facility Improvements - Fire Station #17	1,020,000
PV001	2006 Parkway Paving (PV601)	350,000
PV003	Lynnhurst Renovation (PV603)	1,765,000
PV004	2006 CSAH Paving Program (PV604)	250,000
PV005	Snelling Ave Extension	599,000
PV006	2006 Alley Renovation (PV606)	234,000
PV007	University Research Park (formerly SEMI)	183,000
PV009	I-35W Crosstown Interchange Reconstruction	17,000
PV015	27th Ave S	2,199,000
PV020	Loring Greenway	1,103,000
PV022	Lyndale Ave N	783,000
PV034	Elliot & 10 th Ave S Cul-de-sacs	140,000
PV036	Mid-City Industrial	1,593,000
PW001	Public Works Project Enhancements	200,000
BR101	Major Bridge Repair and Rehabilitation (BR601)	200,000
BR102	East River Parkway Bridge over Bridal Veil Falls	1,145,000
SWK01	2006 Sidewalk Repair Program (SWK06)	160,000
TR008	Parkway Street Lighting Replacement (TR608)	345,000
TR011	City Street Light Renovation (TR611)	300,000
TR003	LED Replacement Program (TR603)	200,000
TR005	Controller Conversion (TR605)	300,000
TR006	Priority Vehicle Control System (TR606)	25,000
TR007	Traffic & Pedestrian Safety Improvements (TR607)	307,000
BIK01	Cedar Lake Trail (Phase 3)	583,000
BIK04	18th Ave NE Bikeway	300,000
BIK08	Hiawatha Trail Connections	223,000
BIK18	Hennepin/1st Ave NE Bike Lanes	100,000
CDA01	Heritage Park Redevelopment Project	1,000,000
BIS02	Central Traffic Signal Computer Replacement	200,000
BIS03	Enterprise Document Management	250,000
BIS04	Enterprise Infrastructure Capacity Upgrade	350,000
BIS05	Enterprise Reporting	150,000
BIS06	GIS Application Infrastructure Upgrade	250,000
BIS07	HRIS Upgrade	75,000
BIS10	Finance System Consolidation/Upgrade	250,000
Total	\$30,106,000	

Adopted 12/19/05.
Absent - Samuels.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2005R-662

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$4,697,000 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 \$4,697,000, the proceeds of which are to be used for flood mitigation, sewer, and storm drain/tunnel projects, as follows:

PV015	27th Ave S	500,000
SW001	Storm & Sanitary Sewer Rehabilitation (SW601)	2,500,000
SW028	Diamond Lake 35W/62 Water Quality Improvements	497,000
SW030	Alternative Stormwater Management Strategies	500,000
SW031	Lake Hiawatha / Blue Water Partnership	700,000
Total		\$4,697,000

Adopted 12/19/05.

Absent - Samuels.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2005R-663

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$22,250,000 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 \$22,250,000, the proceeds of which are to be used for Water Works related projects, as follows:

WTR09	Ultrafiltration Program*	13,500,000
WTR14	The MWW Facilities Security Improvement	2,000,000
WTR15	Pump Station No. 4 Rehabilitation	6,000,000
WTR19	Water Reservoir Redundancy	750,000
Total		\$22,250,000

* - It is anticipated that 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 12/19/05.

Absent - Samuels.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2005R-664

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$1,700,000 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 \$1,700,000, the proceeds of which are to be used for Parking Facility related projects, as follows:

RMP01	Parking Facilities - Repair and Improvements	1,700,000
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Adopted 12/19/05.
Absent - Samuels.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2005R-665

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis Library referendum bonds in the amount of \$1,470,000 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 \$1,470,000, the proceeds of which are to be used for capital improvements to community libraries and debt service to be paid with proceeds from the special library referendum passed November 2000, as follows:

MPL10	North Regional Remodeling & Restoration	1,270,000
MPL15	Southeast Community Library Capital Improvements	200,000
	Total	\$1,470,000

Adopted 12/19/05.
Absent - Samuels.

W&M/Budget - Your Committee recommends passage of the accompanying resolution designating the utility rates for water, sewer, stormwater, solid waste, and recycling services, effective on and after January 1, 2006.

Adopted 12/19/05.
Absent - Samuels.

Resolution 2005R-666, designating the utility rates for water, sewer, stormwater, solid waste, and recycling services, effective on and after January 1, 2006, was adopted 12/19/05 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 2005R-666
By Johnson**

Designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2006.

Resolved by The City Council of The City of Minneapolis:

Effective with utility billings for water meters read from and after January 1, 2006, 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 sixty-two cents (\$2.62) per one hundred (100) cubic feet for customers not otherwise mentioned, within the limits of the City of Minneapolis.
- (c) Two dollars and sixty-two cents (\$2.62) 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 sixty-two cents (\$2.62) 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 seventy-one cents (\$2.71) 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 seventy-seven cents (\$2.77) 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:

Meter Size	Net Net Minimum Monthly Bill	Minimum 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

(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:

1½ inch pipe connection	\$ 30.00
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.

The sanitary sewer rates and stormwater service rate shall be applied to utility billings for water meters read from and after January 1, 2006.

The sanitary sewer 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 sanitary sewer rate applicable inside the City of Minneapolis is two dollars and ten cents (\$2.10) per one hundred (100) cubic feet. The minimum sanitary sewer rate shall be two dollars (\$2.00) per month.

(b) The sanitary sewer rate applicable outside the City of Minneapolis for all sewage flow generated is two dollars and ten cents (\$2.10) per one hundred (100) cubic feet. The minimum sanitary sewer rate shall be six dollars (\$6.00) per month. Sanitary sewer only service shall be thirteen dollars (\$13.00) per month.

(c) The sanitary sewer 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 sanitary sewer 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.

The stormwater rate, subject to the provisions in Chapter 510, of the Minneapolis Code of Ordinances, is imposed on each and every Single-Family Residential Developed Property, Other Residential Developed Property, Non-Residential Developed Property, and Vacant Property, other than Exempt Property, and the owner and non-owner users, and is hereby set as follows:

(a) The Equivalent Stormwater Unit (ESU) rate is nine dollars and seventeen cents (\$9.17). The ESU measurement is 1,530 square feet of impervious area.

(b) The stormwater rate imposed on Single-Family Residential Developed Properties shall be categorized into three tiers based on the estimated amount of impervious area as follows:

High – Single-Family Residential Developed Property – greater than one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.25 and the stormwater rate set at eleven dollars and forty-six cents (\$11.46).

Medium – Single-Family Residential Developed Property – equal to or greater than one thousand four hundred and eighty-five (1,485) square feet and less than or equal to one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.00 and the stormwater rate set at nine dollars and seventeen cents (\$9.17).

Low – Single-Family Residential Developed Property – less than one thousand four hundred and eighty-five (1,485) square feet of estimated impervious area. The ESU shall be .75 and the stormwater rate set at six dollars and eighty-eight cents (\$6.88).

(c) Stormwater charges for all other properties will be based on the following calculation:

$$\frac{(\text{Gross Lot Size in sq.ft.} \times \text{Runoff Coefficient})}{1,530 \text{ sq. ft.}} = \# \text{ of ESU}$$

$$\# \text{ of ESU} \times \$ 9.17 = \text{Monthly Fee}$$

The runoff coefficient assumed for each land use category is shown below.

<u>Land Use</u>	<u>Coefficient Applied</u>
Bar-Rest.-Entertainment	.75
Car Sales Lot	.95
Cemetery w/Monuments	.20
Central Business District	1.00
Common Area	.20
Garage or Misc. Res.	.55
Group Residence	.75
Ind. Warehouse-Factory	.90
Industrial railway	.85
Institution-Sch.-Church	.90
Misc. Commercial	.90
Mixed Comm.-Res-Apt	.75
Multi-Family Apartment	.75
Multi-Family Residential	.40
Office	.91
Parks & Playgrounds	.20
Public Accommodations	.91
Retail	.91
Single Family Attached	.75
Sport or Rec. Facility	.20
Utility	.90
Vacant Land Use	.20
Vehicle Related Use	.90

Solid waste and recycling variable rate charges associated with water meter read dates from and after January 1, 2006, 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 12/19/05.

Absent - Samuels.

Lilligren moved to adjourn. Seconded.

Adopted by unanimous consent 12/19/05.

Absent - Samuels.

Merry Keefe,
City Clerk

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