

December 2016

LETTER OF TRANSMITTAL

Dear Residents of the City of Minneapolis:

Transmitted, herewith, please find the Fiscal Year 2017 Budget for the City of Minneapolis for the period beginning January 1, 2017 and ending December 31, 2017. The annual budget is a policy document which sets the financial course for the City of Minneapolis and defines the service priorities for the community. Adopting and monitoring the budget is a key role of the Mayor and City Council. The budget process affords the Mayor and City Council the opportunity to balance the needs of the City against available resources. The 2017 Adopted Budget is \$1.45 billion, excluding transfers, and is funded, in part, with a property tax levy that reflects a total increase of 5.5% in the City's tax levy from 2016.

The various sections of this budget document provide detailed information about the City and its finances. The *Introduction* section of the document includes the City's *Budget in Brief* and an explanation of how to use the remainder of the document. The *Financial Overview* section of this document provides details on the City's continued fiscal discipline and financial planning efforts. The City's *Strategic Planning* efforts and governing *Financial Policies* follow in their respective sections. The City's financial future as depicted by the Five-Year Financial Direction and five-year capital infrastructure and equipment programs can be found in the subsequent *Financial Plans* and *Capital Program* sections. The *Operating Departments* section provides detailed information for each department, including the department's mission, business lines, performance measurements, revenue and expenses, and staffing. Information regarding the City's Independent Boards and Commissions, which adopt their own budgets, is contained in the *Independent Boards* section. Near the end of the document are *Financial Schedules* that represent the legally adopted appropriations, revenue estimates, project allocations, fees, and charges.

Priorities and Issues

The City's departments continue to prioritize their work based upon the Values and Goals that were adopted by the Mayor and City Council in March, 2014. These goals are: Living Well; One Minneapolis; A Hub of Economic Activity and Innovation; Great Places; and A City That Works. In their requests for continued and additional funding, departments are required to align each budget allocation request to a specific City Goal. The 2017 Adopted Budget builds upon the City's goals by focusing on efforts to provide significant investments in equity, public safety and infrastructure and economic development, all while aligning costs with appropriate funding streams. The budget prioritizes public safety by providing sufficient funding for additional sworn police officers, civilian support staff, a class of cadets, and additional sworn firefighters while focusing on increasing the diversity of the City's police force. The 2017 budget also prioritizes on improving public safety with community-based safety strategies, including: an often-requested mental health co-responder pilot program; and resources for community to develop collaborative strategies in locations with high levels of youth violence. It also provides additional funding for the continued implementation of police body cameras, and funding to connect youth and students of diverse backgrounds to work in the EMT and firefighter fields through alternative hiring and recruitment program. In support of equity, the budget provides resources for programs that support youth and racial diversity initiatives across



Minneapolis
City of Lakes

all departments. The budget also creates a small business support team intended to streamline the regulatory and staff to encourage more business start-ups or expansion of the businesses, redevelopment of Upper Harbor Terminal, and other growth opportunities in the City. The budget also ensures and increases funding for affordable housing, upgrading streetlights to LED technology, and initiatives to overcome climate change challenges.

The 2017 Adopted Budget is structurally balanced; however, balancing the budget over five years continues to be a challenge with significant financial pressures such as flat state aids, rising service demands and an on-going desire for reducing growth in property taxes. This budget reflects a continued willingness to make difficult decisions in both the short and long-term to address the City's financial challenges. Foreseeable attrition and retirement in the police force and the fire department is an issue that this budget continues to tackle by providing sufficient funding to maintain staffing levels in those departments, with both one-time and ongoing resources.

Short Term Financial Challenges

The City's short term financial challenges for 2017 are manageable due to the presence of longer-term financial planning and the broader economic strength of the City and region. Short term challenges related to capital needs have been mitigated by the City's Capital Asset Request System (CARS) - a tool that enables department to plan for aging equipment and facility upgrades. Funds are also available to provide for property tax relief due to prior year's fiscal restraint and growth in the local economy resulting in increased non-property tax revenues.

Long-Term Financial and Results Planning

The City's long-term financial planning policies enable proactive financial management-matching spending and revenue over the long term and providing stability for Minneapolis residents, visitors, and businesses. These financial policies, and the strong work on linking resources to results through our Results Minneapolis program, provide much better information upon which to base our decisions. Future opportunities and challenges include growing needs for enhanced emergency and security management, continued growth in the cost of providing basic City services due to inflationary pressures and growth in the community, as well as aging office facilities and scattered administrative workforce.

We are pleased to present the 2017 Adopted Budget to the residents of the City of Minneapolis.

Sincerely,



Betsy Hodges
Mayor



Barbara Johnson
Council President



John Quincy
Chair, Ways & Means

Dear Minneapolis residents,

Every four years the City engages in strategic planning to determine citywide goals and strategic directions. In March 2014, the mayor and the City Council adopted five citywide goals. These goals guide the elected officials during the budget process as they decide how to allocate the City's resources. While elected officials may further refine the City's direction, the 2017 Budget was prepared with the following goals as guidance.

Living Well

Minneapolis is safe and livable and has an active and connected way of life.

One Minneapolis

Disparities are eliminated so all Minneapolis residents can participate and prosper.

A Hub of Economic Activity and Innovation

Businesses – big and small – start, move, stay and grow here.

Great Places

Natural and built spaces work together and our environment is protected.

A City That Works

City government runs well and connects to the community it serves.

These goals can be found in more detail on the City's website at

www.minneapolismn.gov/citygoals.

If you have questions about any of the material presented in the Budget in Brief, please call 311 from any landline or cell phone within Minneapolis city limits. For online information about Minneapolis program performance and progress, go to

www.minneapolismn.gov/results.

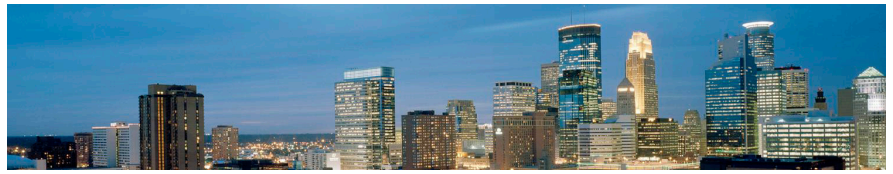
Minneapolis by the numbers

- Population: 410,939*
- Residential housing units: 178,287*
- Residential neighborhoods: 84
- Home ownership rate: 48.1%
- Per capita personal income: \$36,284**
- Median household income: \$71,008**
- Accredited colleges and universities: 21
- Unemployment rate: 3.5%***
- Median age: 31.4 years*
- Land area: 53.97 square miles

*Source: U.S. Census Bureau 2014, www.census.gov/quickfacts/table/PST045216/2743000,00

**Source: Department of Numbers, www.deptofnumbers.com/income/minnesota/minneapolis/

***Source: Department of Numbers, www.deptofnumbers.com/unemployment/minnesota/minneapolis/



2017 City of Minneapolis Budget in Brief

The 2017 City Council Adopted Budget:

- Is \$1.5 billion, a 8.4 percent (or \$112.7 million) increase from the 2016 Adopted Budget of \$1.3 billion, including component units.
- Includes a 5.5 percent increase in the property tax levy.
- Includes \$14.5 million investments in affordable housing.
- Maintains current service levels from 2016, including inflationary and mandated cost increases.
- Provides for increased funding for Neighborhood Parks and Streets with \$30 million in new capital spending and a \$3 million tax levy increase for additional park operating funds as was outlined in the 2016 agreement between the City and the Park and Recreation Board.
- Bolsters public safety by providing \$1.3 million for 15 new sworn Minneapolis Police Officers, 12 for community policing and three for a police/mental health co-responder pilot program.
- Provides more than \$1 million for community-based strategies to improve public safety.
- Provides more than \$1 million for a new Community Service Officer class to build more capacity for a proven, effective pathway into the police department for people of color.
- Provides \$400,000 for five additional full-time sworn firefighters, which will allow the Minneapolis Fire Department to better serve residents and reduce overtime costs.
- Provides resources and staffing to establish a new small business support team.

Budget process

June - August - Mayor developed and submitted recommended budget.

- Mayor met with department leadership.
- Mayor reviewed budget proposals, policy changes and funding options.
- Recommended budget submitted to council (August).

September - December - Hearings held on mayor's recommended budget.

- City Council received budget and referred to the City Council's Ways & Means Committee and Budget Subcommittee.
- City departments and boards presented their budgets to the Ways & Means Committee and Budget Subcommittee.
- Ways & Means Committee considered changes to the mayor's recommended budget.

November - Public hearings held.

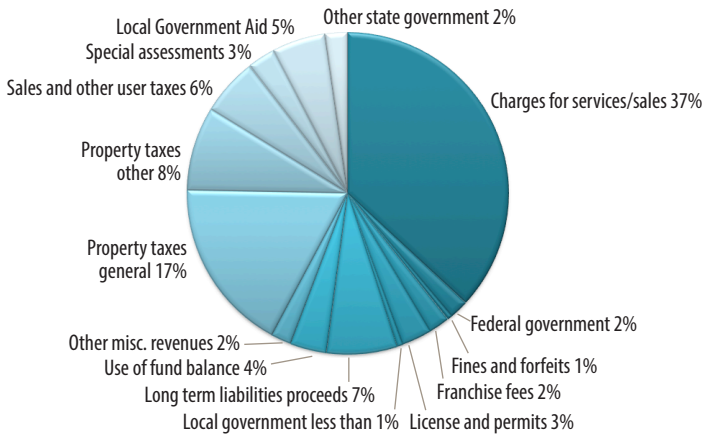
- Property tax notices mailed to property owners, stating the amount of property tax to be paid in 2017 for all jurisdictions, including the City, and dates for public input.
- First public hearing held.

December - Budget adopted.

- Final public meeting held on date of budget adoption.
- Final budget now referred to as the Council Adopted Budget.

How the city is funded

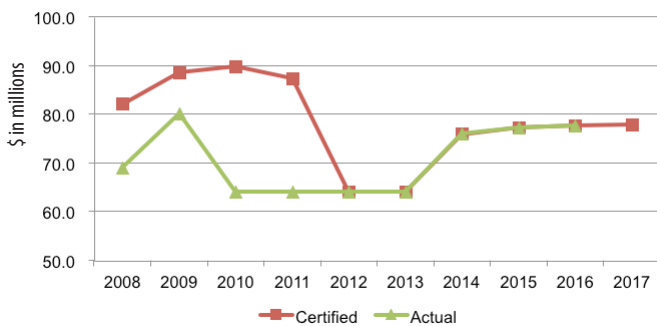
Total revenue budget - sources of funds
2017 Council Adopted Budget: \$1.5 billion



STATE FUNDING

The City receives funding from the State of Minnesota largely in the form of Local Government Aid, or LGA. The State uses a formula to distribute LGA funds to cities throughout Minnesota. For 2017, Minneapolis was appropriated \$78.0 million, an increase of \$0.2 million from 2016. The graph below shows certified and actual levels of LGA funding the City of Minneapolis has been receiving since 2008, as well as projected levels for 2017 based on current law.

Certified vs. actual LGA



For more information on LGA and the distribution formula, please visit [www.ci.minneapolis.mn.us/lga](#).

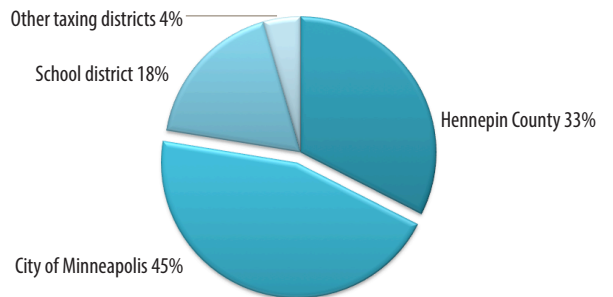
Charges for services and sales revenue

Much of the City's funding comes from services residents and others pay for, such as water, sanitary sewers, storm sewers, trash removal and recycling pickups. The revenue obtained from providing these and other services accounts for about 37 percent of the total revenue for the City's budget.

Property tax

Property taxes comprise approximately 22 percent of overall revenue for the City. Your total property tax dollars are split among several different governmental jurisdictions. The three local jurisdictions that receive the greatest proportion of your property taxes are the City of Minneapolis, Hennepin County, and Special School District No. 1 (*Minneapolis Public Schools*). The City typically receives about 45 percent of the revenue from the overall total property tax payments made by City residential taxpayers. Hennepin County receives about 33 percent, and the School District about 18 percent. The other 4 percent of property tax revenue is split between Metro Mosquito Control, Metropolitan Council, Metro Transit, Hennepin County Regional Railroad Authority, Regional Sewer System, Regional Parks & Museums, Hennepin County Watershed Management, and Hennepin County Public Housing. The City of Minneapolis is only responsible for the city portion of the taxes paid.

2017 Property tax breakdown



* Does not include the school referendum that was approved by voters on Nov 8, 2016.

2017 ADOPTED BUDGET PROPERTY TAX BREAKDOWN (City portion only)

The City's 2017 Adopted Budget includes \$314 million in funding from property taxes, which are used to support many of the City's functions. Under the 2017 Adopted Budget, a Minneapolis home with an estimated value of \$205,500 will pay about \$2,562 in total property taxes for all jurisdictions as listed above (*does not include the school referendum that was approved by voters on Nov. 8, 2016*) with approximately \$1,153 going to the City. See where that \$1,153 in City property taxes goes on the following table:

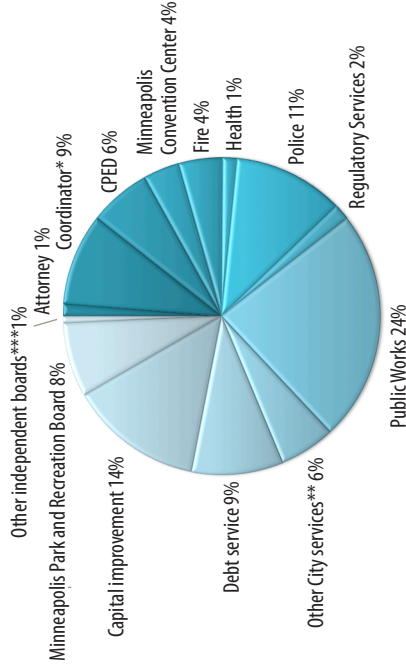
City property tax breakdown for homestead single family property valued at \$205,500



Expenditures

Total expenditure budget - use of funds

2017 Council Adopted Budget: \$1.5 billion



* Includes 311, 911, Communications, Emergency Preparedness, Finance and Property Services, Human Resources, Intergovernmental Relations, IT and Neighborhood and Community Relations.

** Includes City Assessor, benefits, City Clerk/Elections/Council, Civil Rights, contingency, Internal Audit, liability, Mayor's Office, pensions, and worker's compensation.

*** Includes Board of Estimate and Taxation, the City's contribution to the Municipal Building Commission and Library Board

The City's departments

POLICE AND FIRE

The Police Department and Fire Department comprise 16 percent (\$228 million) of the City's overall budget. The City's 2017 Adopted Budget provides funding for 877 sworn police personnel in five different precincts and 406 sworn fire personnel at 19 stations as well as resources to maintain these levels during times of high turnover.

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

Community Planning and Economic Development (CPED) accounts for about 6 percent of the City's budget. CPED's mission is to make Minneapolis more sustainable by helping businesses grow, developing an educated workforce and living-wage jobs, promoting homeownership, building housing, and interpreting and enforcing zoning, building and licensing codes to ensure the safety, health, and livability of our community.

PUBLIC WORKS

At approximately 24 percent, the Public Works Department comprises the largest portion of the City's budget. The main responsibilities of Public Works include enabling safe transportation for residents by maintaining streets, bike paths and sidewalks; providing safe, high-quality drinking water to residents and visitors; managing the sewer systems and facilitating the collection and disposal of trash and recycling.

The City's funds

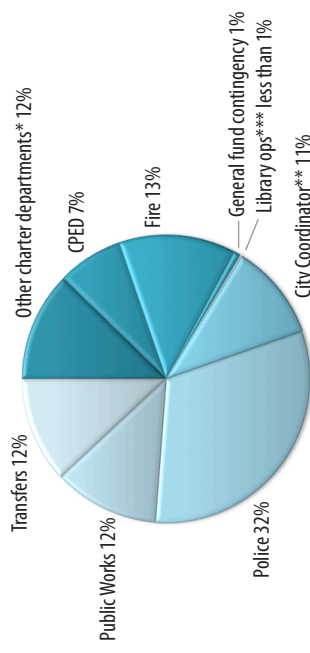
Revenue collected by the City is directed into different funds. These funds help manage City spending by directing the revenue dedicated to specific activities or objectives to a group of related accounts. By maintaining separate funds, the City is able to comply with laws that require certain money to be spent for specific purposes. For example, the City may not raise water bills to pay for police services. About \$969 million or 67 percent of the City's revenue is dedicated for a specific use and is directed to a corresponding fund. Revenue that isn't earmarked for a specific purpose is directed to the General Fund, which pays for the general operations of the City, including police and fire services, street repairs, and regulatory functions.

GENERAL FUND

Because the revenue in the General Fund is not earmarked for any specific purposes, the City has the most discretion in the use of General Fund dollars. This fund comprises about 33 percent of the citywide budget. Its two major sources of funding are local property taxes and Local Government Aid (LGA) from the State. These two sources reflect about 51 percent of the General Fund budget of \$498 million. The remainder of the General Fund revenue is from a variety of sources, including sales and other user taxes, charges for services/sales, and licenses and permits. The following charts show a more detailed look at the General Fund:

General fund expense budget - expenditure by service

2017 Council Adopted Budget: \$498 million (includes transfers)



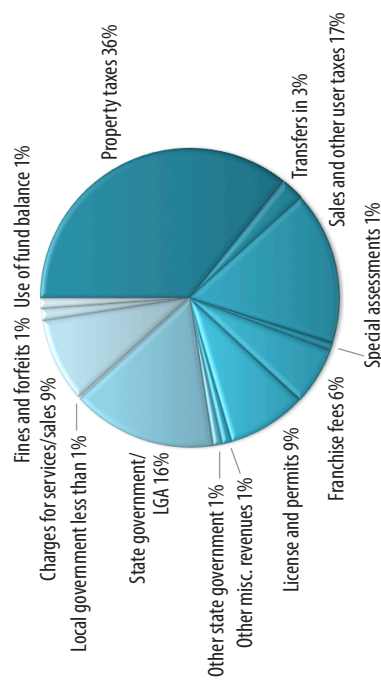
* Other Charter Departments: Assessor, Attorney, Civil Rights, Contingency, Council/Clerk/Elections, Health, Internal Audit, Mayor's Office, and Regulatory Services.

** City Coordinator: 311, 911, Communications, Emergency Management, Finance and Property Services, Intergovernmental Relations, IT, Neighborhood and Community Relations.

*** Library operating expenses.

General fund revenue budget - source of funds

2017 Council Adopted Budget: \$498 million (includes transfers from other funds)



Capital plan

Every year, the City adopts a plan for capital improvements for the next five years. Capital improvements include projects such as street construction, bridges, public buildings, traffic systems, park improvements, sewers and water infrastructure.

Prior to the mayor presenting her recommended budget to the City Council, elected officials gather feedback from residents regarding which capital projects the City should undertake through the Capital Long-Range Improvement Committee. The Capital Long-Range Improvement Committee (CLIC) consists of 33 residents (*seven appointed by the mayor and two appointed by each of the 13 council members to represent their wards*). CLIC members rank proposed capital projects based upon a number of criteria and present their recommendations to the Mayor and City Council.

The 2017 budget includes the first year of the 2017 - 2021 five-year capital plan, with funding of \$195.7 million appropriated for the first year. The five-year total for the capital budget is \$927 million, with 83.5 percent associated with Public Works projects. The three largest capital expenditure categories include: Street Paving, Water Infrastructure, and Storm Sewers. Capital projects tend to be costly; therefore, the City often issues bonds (*or debt*) to finance these projects. The City uses resources received from bond sales to pay for capital projects, and repays investors over time at tax-exempt interest rates using annual revenues as noted below. This process is similar to a homeowner utilizing a home improvement loan to complete a major home repair project.

DEBT SERVICE AND BONDS

The City's total general obligation debt outstanding as of December 31, 2016, is \$651 million. General obligation bonds are backed by the full faith and taxing authority of the City. Approximately 18 percent of this debt is funded with future property tax payments, 34 percent is paid for by fees collected for sewer, water and parking services and the balance is supported by sales taxes, tax increment, special assessments and other user fees. Each year, the City pays between \$110 to \$130 million in principal and interest on its general obligation bonds.

The City's bonds receive among the highest possible ratings from two of the three major credit rating agencies. The ratings represent the strength of the City's credit and thus the safety of investing in City bonds. The City's top bond ratings reflect the sound financial management of the City and allow the City to borrow money from investors at low interest rates.

Utility rates

For 2017, the City Council Adopted utility rates for water and sanitary sewer fees which include both a variable rate component based on water usage and a fixed rate component based on the size of the water meter servicing the property. Solid waste rates are increasing due primarily to the implementation of organics recycling. The table below provides a summary of the anticipated change in an average residential customer's utility bill from 2016 to 2017.

	2016	2017 monthly average*	2017 annual average	2017 monthly dollar change	2017% change
Water*	\$27.65	\$28.71	\$ 345	\$1.06	3.8%
Sanitary sewer	\$24.64	\$26.10	\$ 313	\$1.46	5.9%
Stormwater	\$11.94	\$12.36	\$ 148	\$0.42	3.5%
Solid waste/recycling**	\$27.89	\$28.47	\$ 342	\$0.58	2.1%
Total	\$92.12	\$95.64	\$1,148	\$3.52	3.8%

Combined utility bill
Monthly and annual cost
for average customer

*The average household rate for water is based on seven units of consumption at \$3.53 per unit plus a \$4.00 fixed charge. Sanitary rates are based on six units of water consumption at \$3.55 per unit plus a fixed charge of \$4.80. Stormwater rates are based on one equivalent stormwater unit of 1,530 square feet on impervious surface.

**The solid waste rate is based on a \$23.47 monthly charge with a large recycling cart fee of \$5. Customers can substitute a small cart with a \$2 fee. The large increase in the monthly charge is due to incorporating organics recycling.



If you have questions about any of the material presented in the Budget in Brief, please call 311 or 612-673-3000. For online information about Minneapolis program performance and progress, go to www.minneapolismn.gov/results/index.htm

For reasonable accommodations or alternative formats please contact Finance and Property Services, at 612-673-2079. People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000.

TTY users can call 612-673-2157 or 612-673-2626.

Para asistencia 612-673-2700, Yog xav tau kev pab, hu 612-673-2800, Hadii aad Caawimaad u baahantahay 612-673-3500.

**City of Minneapolis
2017 Budget**

Table of Contents

Introduction and Background		Pages 10-35
How to Use This Document		11
Elected Officials and Department Heads		13
Budget Principles		15
City-Wide Organization Chart		16
GFOA Distinguished Budget Award 2016		17
Community Profile		18
Communities and Neighborhoods Map		23
Form of Government		24
Chronology of Financial Decision Making		28
Fund Descriptions		30
Financial Overview		Pages 36-72
Major Highlights		37
City Spending		41
Sources of Revenue		43
Local Government Aid		45
Major Changes		50
Property Tax		68
Strategic Planning		Pages 73-81
City Vision and Values		74
City Goals and Strategic Directions		75
Annual Budget Process		77
Integrating Key Processes for Budget		80
Results Minneapolis		81
Financial Policies		Pages 82-104
Operating Budget		83
Revenue		85
Fund Balance		89
Accounting		91
Investment		91
Development Finance		91
Public Participation		93
Allocation Model		93
Administrative		95
CDBG Reprogramming		98
Capital Budget		99
Capital Project Administration		100
Debt		101
Financial Plans		Pages 105-174
Five Year Financial Direction 2018 - 2022		106
Demands on the Property Tax: 10 Year Projection		111
Special Revenue Funds		
Arena Reserve Fund		114

**City of Minneapolis
2017 Budget**

Table of Contents

Convention Center Fund	117
Neighborhood & Community Relations Fund	122
Police Special Revenue Fund	124
Regulatory Services Fund	127
Enterprise Funds	
Municipal Parking Fund	129
Sanitary Sewer Fund	134
Solid Waste and Recycling Fund	138
Stormwater Fund	142
Water Fund	146
Internal Service Funds	
Engineering Materials & Testing Fund	151
Fleet Services Fund	154
Intergovernmental Services Fund	158
Property Services Fund	163
Public Works Stores Fund	168
Self-Insurance Fund	171
City Council Operating Departments	Pages 175-431
Assessor	176
Attorney	183
City Clerk/Elections	192
City Council	197
City Coordinator Departments	
Total City Coordinator Summary Page	202
City Coordinator - Administration	208
311	218
911	224
Emergency Management	230
Communications	235
Convention Center	242
Finance and Property Services	251
Human Resources	267
Information Technology	276
Intergovernmental Relations	284
Neighborhood and Community Relations	290
Civil Rights	297
Community Planning and Economic Development	308
Fire	323
Health	333
Internal Audit	344
Mayor	350
Police	355
Public Works	
Total Public Works Summary Pages	367

**City of Minneapolis
2017 Budget**

Table of Contents

Public Works - Administration	381
Fleet Services	385
Solid Waste & Recycling Services	389
Surface Water & Sanitary Sewer - Sanitary Sewer	393
Surface Water & Sanitary Sewer - Stormwater	397
Traffic & Parking Services	401
Transportation Maintenance & Repair	406
Transportation Planning and Engineering	411
Transportation Planning and Programming	416
Water Treatment & Distribution	420
Regulatory Services	424
Capital Program	Pages 432-515
Capital Budget Narrative Overview	433
Five-Year Capital Investment Allocation	446
Five-Year Capital Funding Summary	447
Five-Year PW Capital Summary (Public Works)	449
2017-2021 Council Adopted Capital Resources	450
2017 Bond Redemption Levy	450
Net Debt Bond Allocation	451
Capital Budget Summary	452
Capital Budget Detail for Funded Projects	456
2017-2021 Capital Program Descriptions	470
Operating Cost Implications for 2017 Projects	481
Capital Budget Decision Summary	506
Independent Boards and Agencies	Pages 516-532
Board of Estimate and Taxation	517
Municipal Building Commission	522
Park and Recreation Board	527
Financial Schedules	Pages 533-566
Schedule 1 – Fund Summary and Changes to Fund Balance	534
Schedule 2 – Revenues by Fund and Type	535
Schedule 3 – Expenditures by Fund & Department	537
Schedule 4 – Community Development Block Grant Program	539
Schedule 5 – Staffing Information	543
Schedule 6 – CPED Program Allocations by Fund	546
Schedule 7 – Capital Asset Request System (CARS) Allocations	547
Schedule 8 – Interfund Transfers	558
Schedule 9 – Utility Fees	560
Schedule 9 – Scorecard	564
Glossary	Pages 567-574
Glossary of Terms	567
Resolutions	Pages 575-591
Resolutions	575

**City of Minneapolis
2017 Budget**

Table of Contents

Introduction and Background	Pages 10-35
How to Use This Document	11
Elected Officials and Department Heads	13
Budget Principles	15
City-Wide Organization Chart	16
GFOA Distinguished Budget Award 2016	17
Community Profile	18
Communities and Neighborhoods Map	23
Form of Government	24
Chronology of Financial Decision Making	28
Fund Descriptions	30

City of Minneapolis 2017 Budget

How to Use This Document

The budget book contains 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 through the various sections of the 2017 budget document.

Table of Contents	The table of contents allows the user to pinpoint the page of a particular part of the City's budget.
Introduction and Background Information	<p>This section contains a community profile of the City of Minneapolis, including an overview of the City's history, economy, population, and attractions. The section also includes lists of the City's elected officials, department and agency heads, the City's budget principles, and a citywide organization chart. A map of Minneapolis Communities and Neighborhoods and descriptions of the City's form of government are included in this section, as well as a chronology of financial decision making for the City.</p> <p>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.</p>
Financial Overview	<p>This section summarizes the key decisions and financial issues addressed in the budget. It includes key charts and graphs which depict the various portions of the City's budget and key revenue trends. A chart of the Minneapolis property tax levy recommendation appears in this section.</p> <p>This section also contains a summary of major decisions in the budget, and enterprise level challenges.</p>
Strategic Planning	The strategic planning section lists the set of City goals and strategic directions which were adopted by the Mayor and the City Council in 2010. The citywide strategic plan provides clear direction for departments' business planning efforts. 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 five-year business plan goals are described in this section.
Financial Policies	This section presents the major financial policies adopted by the City Council and Mayor.
Financial Plans	<p>Financial plans for the City's major funds and business lines are found in this section. The five-year financial direction begins this section. A summary of the demands on the property tax levy is included.</p> <p>For fund level plans, 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 current year expenses, revenues, transfers and debt service.</p>

Operating Departments	<p>This section provides the most detail on a department-by-department basis, including departments' financial summaries. These summaries include expenditures by program, type (<i>i.e.</i> salaries, benefits, contractual services and operating expenses) and fund; the department's revenue estimates; and positions.</p> <p>Narrative summaries for each department, including primary businesses and program descriptions are included. A brief financial overview of the department is prepared by finance staff. Department organizational charts are included in this section.</p>
Capital Program	<p>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 applicants 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. A separate table of contents and glossary are included for this section.</p> <p>The program is also summarized by the commission, board or department which submitted the request along with each major program. A five-year total of the capital program and its allocations 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.</p>
Independent Boards	<p>This section provides information in a format similar to the City Council operating departments for independent boards. The amounts included are generally those most recently approved by the board of the organization.</p>
Financial Schedules	<p>These schedules summarize interfund transactions, revenues by major category, expenditures by fund and agency, the community development block grant program, community planning and economic development program allocations, and positions by department, charges for technology, fleet, property services, rent, and general fund overhead costs by department, all referenced in the appropriation resolutions.</p>
Glossary	<p>A glossary is included for key financial and City terms. A more detailed glossary is available on the City of Minneapolis website. For more detail please reference the Glossary section of the City Council's Policies and Procedures page.</p>
Resolution	<p>The Council-Adopted Budget Resolution that outlines Council action on the Mayor's Recommended Budget is included for reference.</p>

**City of Minneapolis
2017 Budget**

Elected and Public Officials

Mayor

Betsy Hodges

City Council

Barbara Johnson, President	4th Ward
Elizabeth Glidden, Vice President	8th Ward
Kevin Reich	1st Ward
Cam Gordon	2nd Ward
Jacob Frey	3rd Ward
Blong Yang	5th Ward
Abdi Warsame	6th Ward
Lisa Goodman	7th Ward
Alondra Cano	9th Ward
Lisa Bender	10th Ward
John Quincy	11th Ward
Andrew Johnson	12th Ward
Linea Palmisano	13th Ward

Board of Estimate and Taxation

Betsy Hodges	Mayor
Barbara Johnson	City Council President
John Quincy	Chair, City Council Ways & Means/Budget Committee
David Wheeler, Vice President	Elected At-Large Member
Anita Tabb	Park Board Commissioner
Carol Becker, President	Elected At-Large Member

Minneapolis Park and Recreation Board

Anita Tabb, President	Commissioner District 4
John Erwin, Vice President	Commissioner At Large
Liz Wielinski	Commissioner District 1
Jon Olson	Commissioner District 2
Scott Vreeland	Commissioner District 3
M. Annie Young	Commissioner At Large
Meg Forney	Commissioner At Large
Steffanie Musich	Commissioner District 5
Brad Bourn	Commissioner District 6

Charter Department Heads / Assistant City Coordinators

Mark Ruff	Chief Finance Officer
Otto Doll	Chief Information Officer
Patrick Todd	City Assessor
Susan Segal	City Attorney
Casey Carl	City Clerk
Spencer Cronk	City Coordinator
Velma Korbelt	Civil Rights Director
Greta Bergstrom	Communications Director
	Community Planning and Economic Development Director
Craig Taylor	Convention Center, Director
Jeff Johnson	Fire Chief
John Fruetel	Health Commissioner
Gretchen Musicant	Chief Human Resources Officer
Patience Ferguson	Intergovernmental Relations Director
Gene Ranieri	Director of Internal Audit
Will Tetsell	Neighborhood and Community Relations Director
David Rubedor	Director of Regulatory Services
Noah Schuchman	Police Chief
Janee Harteau	Public Works Director/City Engineer
Robin Hutcheson	

Independent Boards/Agencies

Cora McCorvey	Public Housing Authority Executive Director
Jayne Miller	Minneapolis Park and Recreation Superintendent

City of Minneapolis 2017 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 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.

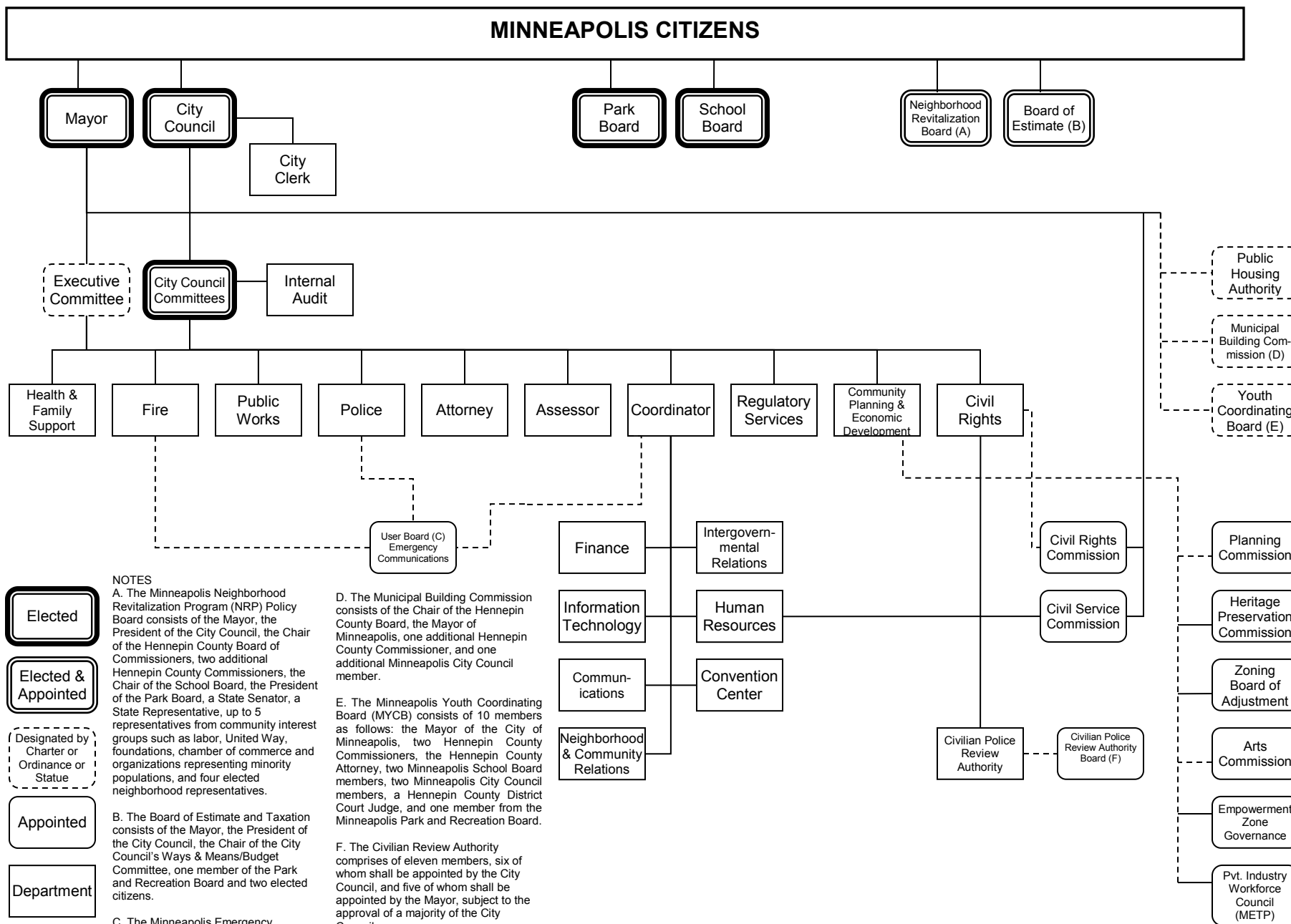
6. Protect core service delivery by avoiding duplication – both internal and external.

- ◆ Between different City departments and agencies,
- ◆ With the county, state, independent boards, or other levels of government,
- ◆ With non-profits or the private sector and
- ◆ 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 budget.

City of Minneapolis



NOTES

A. The Minneapolis 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, a State Senator, a State Representative, up to 5 representatives from community interest groups such as labor, United Way, foundations, chamber of commerce and organizations representing minority populations, 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 and two elected citizens.

C. The Minneapolis Emergency Communications Center (911) 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 Chair of the Hennepin County Board, the Mayor of Minneapolis, one additional Hennepin County Commissioner, and one additional Minneapolis City Council member.

E. The Minneapolis Youth Coordinating Board (MYCB) consists of 10 members as follows: the Mayor of the City of Minneapolis, two Hennepin County Commissioners, the Hennepin County Attorney, two Minneapolis School Board members, two Minneapolis City Council members, a Hennepin County District Court Judge, and one member from the Minneapolis Park and Recreation Board.

F. The Civilian Review Authority comprises of eleven members, six of whom shall be appointed by the City Council, and five of whom shall be appointed by the Mayor, subject to the approval of a majority of the City Council.

Department of Finance,
December, 2016



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Minneapolis
Minnesota**

For the Fiscal Year Beginning

January 1, 2016

Jeffrey R. Emswiler

Executive Director

City of Minneapolis 2017 Budget Background Information

Community Profile

Minneapolis combines the Dakota word for water ("minne") with the Greek word for city ("polis"), a fitting name for the 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 1820s, soldiers from Fort Snelling constructed a sawmill at the confluence of the Minnesota and Mississippi rivers and a flour mill at 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 degrees north latitude and 93.15 degrees 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.

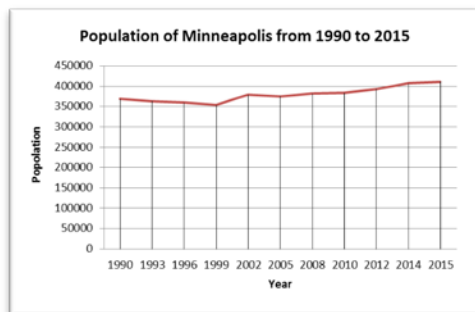
Climate

Minneapolis has an average summer temperature of 70 degrees F and an average winter temperature of 16 degrees F¹. Minneapolis has four distinct seasons, with moderate spring and fall weather. Summer is comfortable because lakes and trees serve as natural air conditioners.



Population

According to census data², Minneapolis is home to an estimated 411,000 people. Males and females each make up approximately 50 percent of the population. Children and youths under 18 and seniors aged 65 and above make up 20 percent and 8 percent of the population respectively. African-Americans comprise 19 percent of the population, and Hispanics make up 11 percent of the population. People of American Indian and Alaska Native descent comprise 2 percent of the



¹ Source: Minnesota DNR

² Source : U.S. Census Bureau 2015

population, and people of Asian ethnicity make up 6 percent of the population. People of another race and those of two or more races make up 4 percent of the population³.

Economy

In the early years, Minneapolis' economy was based on a booming lumber industry and the processing of Minnesota grain with the tremendous power-generating capabilities of St. Anthony Falls. Large flour mills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill. In 2015, the ten largest Fortune 500 companies headquartered in the metro area are as follows⁴:

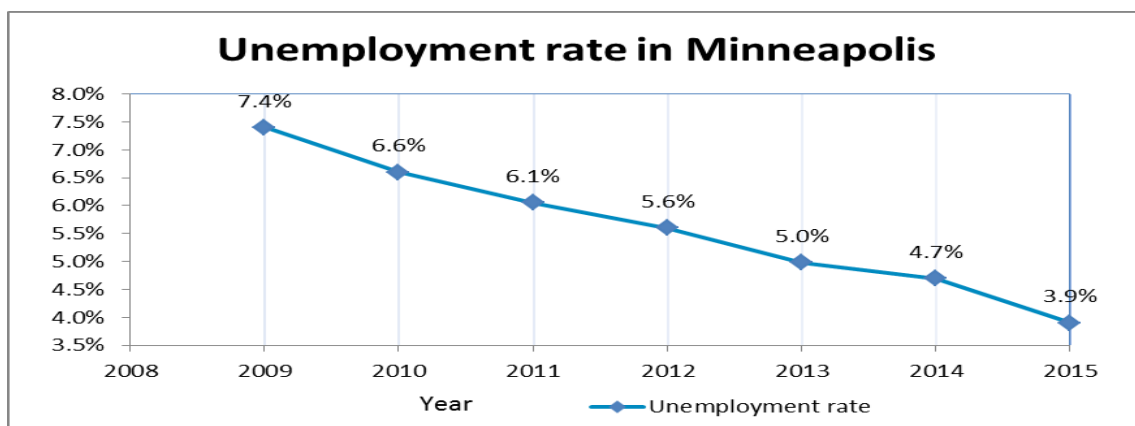
Company Name	Fortune 500 Ranking	Revenues \$ billions
United Health Group	14	130.5
Target Corporation	36	72.6
CHS	69	42.7
Best Buy	72	40.3
3M	98	31.8
US Bancorp	138	21.4
Supervalu	164	17.8
General Mills	171	17.6
Land O' Lakes	203	15.0
Ecolab	213	14.2

As of the second quarter of 2015, the city's largest employment sectors were health care and social assistance (18 percent), professional and technical assistance (11 percent), educational service (10 percent), finance and insurance (9 percent), and accommodation and food service (8 percent). The fastest growing employment sectors from the second quarter of 2014 to the second quarter of 2015 were health care and social assistance, professional and technical services, and finance and insurance⁵.



With 21 accredited colleges and universities in the Minneapolis-Saint Paul area and four ABA-accredited law schools, the city's highly educated workforce continues to be a driving force of a strong economy. The University of Minnesota's highly acclaimed medical school and the City's seven hospitals have made Minneapolis a leader in the medical field.

Since 2009, the city's unemployment rate has been falling as shown in the graph below⁶:



³ Source: U.S. Census Bureau 2015 estimates, <http://quickfacts.census.gov/qfd/states/27/2743000.html>

⁴ Source: MN Department of Employment & Development, <http://mn.gov/deed/business/locating-minnesota/companies-employers/fortune500.jsp>

⁵ Source: "Minneapolis Trends" available at, <http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wcmssp-178343.pdf>

⁶ Source: MN Department of Employment & Development, <https://apps.deed.state.mn.us/lmi/laus/CurrentStats.aspx>

Neighborhoods

Minneapolis has 81 residential neighborhoods offering 177,309 residential housing units⁷. The city is well known for its concerned and active residents who have 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 and preserve housing stock in the face of foreclosures.



Downtown



Minneapolis downtown is home to many corporate headquarters and hotels. Hennepin Avenue has a concentration of theaters and entertainment. Nicollet Mall is the center of downtown. The area has a concentration of retail and office buildings along the street. Buildings in downtown Minneapolis are connected by a system of glass-enclosed bridges, the skyways, which help to keep activity moving during the cold Minneapolis winters⁸.

The arts

Minneapolis is second only to New York City 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. In June of 2006, the Guthrie Theater celebrated the opening of its \$125 million theater on the banks of the Mississippi River on the northeastern edge of downtown. The City also boasts two world-class art museums, the Minneapolis Institute of Art and the Walker Art Center, and is home to the internationally acclaimed Minnesota Orchestra. Neighborhood arts activities including festivals, galleries and events play a growing role in resident art participation.



Education



The Washington Avenue Bridge crosses the Mississippi River and connects the University's East Bank and West Bank

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 land-grant research institution with a long tradition of community and public service, and it ranks among the top 20 universities in the U.S. It is also one of the largest. In addition to the University of Minnesota, other institutions of higher education include Minneapolis Community and Technical College, Dunwoody Institute, Minneapolis College of Art and Design, Augsburg College, Metropolitan State University, the University of Saint Thomas, St. Mary's University, the College of Saint Catherine and Capella University.

⁷ Source: Minneapolis Assessor, January 2013

⁸ Source: <http://www.ci.minneapolis.mn.us/neighborhoods/downtownwest/index.htm>



Sports and outdoor recreation

Many major league teams call Minnesota home. Fans can watch Major League Baseball’s Minnesota Twins in action at Target Field, located in the Warehouse District of downtown Minneapolis. The new Vikings stadium will have a sitting capacity of 65,000 football fans (expandable to 73,000). The Minnesota Timberwolves of the National Basketball Association and the national champion Minnesota Lynx of the Women’s National Basketball Association play downtown in Target Center. Minnesota’s National Hockey League team, the Wild, play in Saint Paul. Minneapolis has the capacity to host large events at the City’s convention center.

Minneapolis residents not only watch sports, they also participate actively. Playing in summer softball leagues, golfing, jogging, swimming, playing tennis, biking, in-line skating, and sailing in the city’s lakes are favorite pastimes.

The city’s Park and Recreation Board maintains 87 miles of walking and biking paths. The Park Board also maintains sports fields, outdoor ice rinks, tennis courts, golf courses and supervised beaches. In the winter, residents enjoy ice skating, ice fishing, skiing and ice sailing. 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 no more than eight blocks from every home.



Nationally recognized

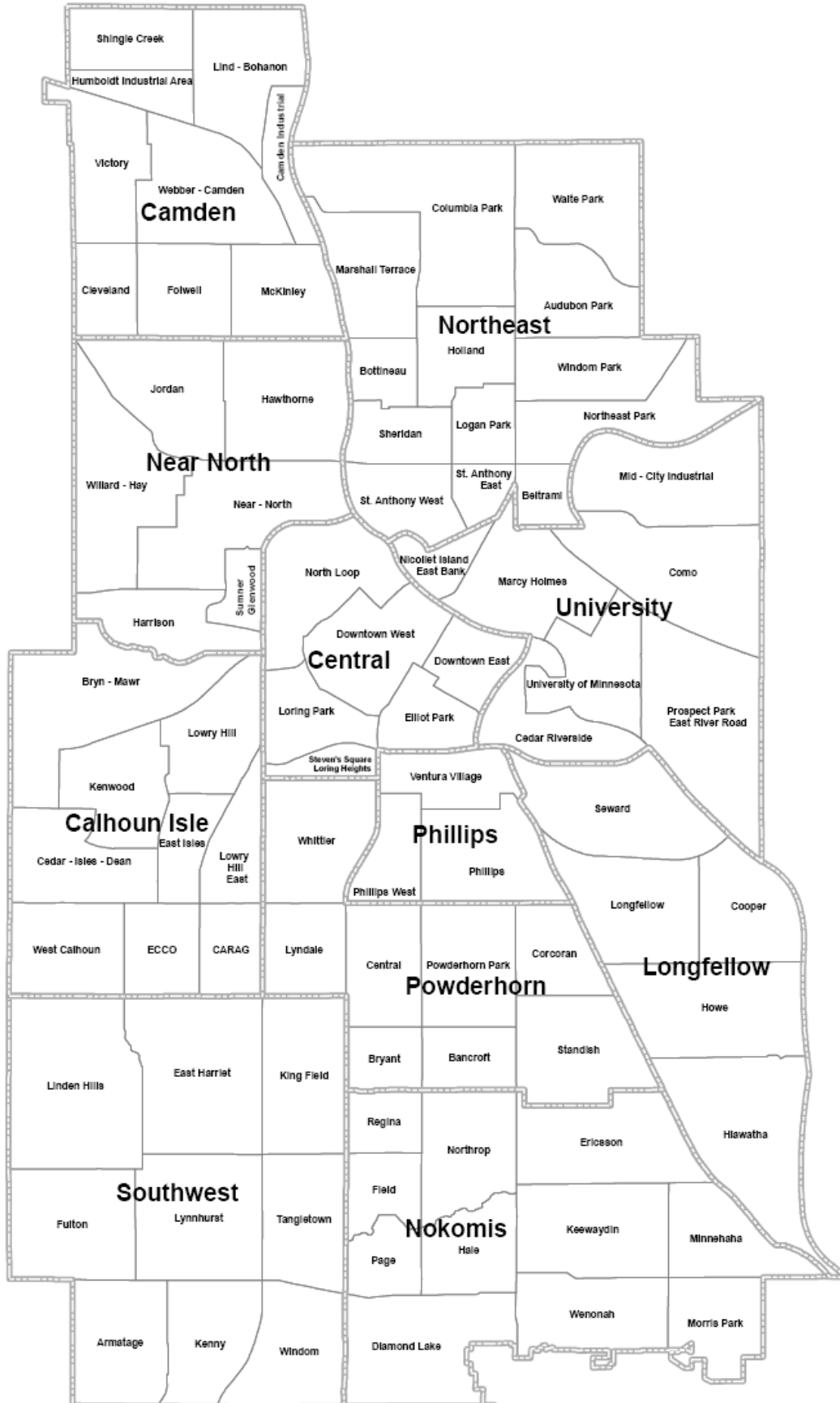
Minneapolis has recently received national recognition as being a great place to visit, to live, run a business, and forge community connections. The following is a sample of some of the city’s recent honors:

- ✚ 2015 Minneapolis ranked top National Park Systems – Trust for Public Land
- ✚ 2015 Ranked eighth best school system in America – *Wallet Hub*
- ✚ 2015 Minneapolis/Saint Paul ranked second greenest city – *Travel & Leisure Magazine*
- ✚ 2015 Minneapolis healthiest city in America – *Livability*
- ✚ 2015 Minneapolis ranked 10th best job market in America – *Zip Recruiter*
- ✚ 2015 Minneapolis metro area ranked in top areas to find a job – *Fortune Magazine*
- ✚ 2015 Minneapolis/Saint Paul named one of top metro areas for business – *MarketWatch*
- ✚ 2015 One of world’s top biking cities – *Travel + Leisure*
- ✚ 2015 Third best bike city – *Bicycling Magazine*
- ✚ 2015 Sixth smartest city in America – *The Daily Beast*
- ✚ 2015 In top 20 best cities for singles – *Forbes Magazine*
- ✚ 2015 Second best city in America for working mothers – *Forbes Magazine*
- ✚ 2015 Minneapolis-Saint Paul ranks in top 25 areas in the nation for energy-efficient buildings – *Environmental Protection Agency*
- ✚ 2015 Minneapolis-Saint Paul area ranked top in the nation for volunteering – *National & Community Service*

- ✚ 2014 Minneapolis named the nation's seventh fittest city – *Men's Fitness*
- ✚ 2014 Ranked among top five dog friendliest cities in the country – *Dog Fancy magazine*
- ✚ 2014 No. 4 city for eating smart, being fit and living well – *Cooking Light*
- ✚ 2014 Third most literate city – *Central Connecticut State University*
- ✚ 2014 No. 3 city to have a baby – *Fit Pregnancy*
- ✚ 2014 Fourth cleanest city in the country – *Travel + Leisure*
- ✚ 2014 Third on America's best cities list – *Outside Magazine*
- ✚ 2014, 2013, 2012 No. 1 National Night Out city (greater than 250,000 population) – *National Association of Town Watch*
- ✚ 2013 Healthiest city in U.S. – *Forbes Magazine*
- ✚ 2013 Third best city to find jobs – *US News*
- ✚ 2013 Gold award for "Bike Friendly Business" – *League of American Bicyclists*
- ✚ 2011 Best city in the country for workers to find employment – *Forbes Magazine*
- ✚ 2011 Best place to live in a big city designed for getting outside – *Men's Journal*
- ✚ 2010 Cleanest city in America – *Travel and Leisure Magazine*
- ✚ 2010 Third best market for young professionals – *Forbes Magazine*
- ✚ 2010 Minneapolis one of the "Best Places to Live in 2010" – *Men's Journal*

For links to more information: www.minneapolismn.gov/visitors.

MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



Generated by the City of Minneapolis CPED Department, Planning Division

City of Minneapolis 2017 Budget

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. Thirteen City Council Members from individual wards and the Mayor 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 the 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.

- ◆ ***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 annually selects one of its members to serve on the BET. By action of the City Council, or such other governing board of a department requesting the sale of bonds, the BET 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 BET also establishes the maximum property tax levies for most City funds.

Discretely presented component units

The following organization is legally separate from the City, but is included in the City's annual budget report and annual financial reports because the primary government is financially accountable.

- ◆ ***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.



- ◆ **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.
- ◆ **Meet Minneapolis.** Greater Minneapolis Convention and Visitors Association was incorporated on July 29, 1987. Greater Minneapolis Convention and Visitors Association (d.b.a. Meet Minneapolis) and its subsidiary, Internet Destination Sales System, Inc. (hereinafter collectively the "Association") comprise the reposting entity for Meet Minneapolis. The Association was organized to promote the City of Minneapolis (the City) as a major destination for conventions and visitor travel, and to achieve maximum utilization of the Minneapolis Convention Center. Toward this purpose, the Association receives funding through annual contracts with the City and the state of Minnesota. The Association is a nonprofit corporation under Section 501 (c) (6) of the Internal Revenue Code. Management also has no operational responsibility over Meet Minneapolis. It is this criterion that results in Meet Minneapolis being reported as a discretely presented component unit. Complete financial statements for Meet Minneapolis and Subsidiary can be obtained from Meet Minneapolis at 250 Marquette Avenue South, Suite 1300, Minneapolis, Minnesota 55401.



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. The financial information for these organizations is not included in detail in this report.

- ◆ **Metropolitan Sports Facilities Authority.** On May 14, 2012 Governor Mark Dayton signed into law a stadium bill which provides for construction and operation of a new National Football League stadium to be located on the Metrodome site. The bill established a new Minnesota Sports Facilities Authority (MSFA) and required that members be appointed within 30 days, the bill also required the Metropolitan Sports Facilities Commission (MSFC) transfer its assets, liabilities, and obligations to the MSFA within 90 days and then abolish the MFSC. The City is obligated to provide funding to build and maintain the new stadium. The MSFA is charged with the design, construction

and operation of the new multi-purpose stadium. The MSFA consists of five members. Three authority members, including the chair, are appointed by the governor. Two authority members are appointed by the City of Minneapolis. Complete financial statements for the MFSA can be obtained from the Minnesota Sports Facilities Authority at 900 South Fifth Street, Minneapolis, Minnesota, 55415-1903.

- ◆ **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 (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.
- ◆ **Minneapolis Telecommunications Network.** The Minneapolis Telecommunications Network (MTN) is a non-profit corporation organized by the City in 1983 under Minnesota Statutes, Chapter 317. Minneapolis Telecommunications Network provides public access media programming to residents of the City as well as providing media production training. Support for MTN comes from Public, Education, and Government (PEG) fees collected as part of agreements between the City and cable service providers. These agreements require cable companies to provide support for public, educational, and government access TV channels. The City Council and Mayor appoint the nine members of the board. There are up to three ex-officio members representing the City of Minneapolis, Comcast Cable, and the Minneapolis Public Schools. Complete financial statements for the MTN can be obtained from the Minneapolis Telecommunications Network at 1620 Central Avenue Suite 175, Minneapolis, Minnesota, 55413-1674.

Joint ventures

The City is a participant in several joint ventures in which it retains an ongoing financial interest or an ongoing financial responsibility. Two of these joint ventures are reflected in the annual budget report for the City: Minneapolis Neighborhood Revitalization Board and Minneapolis Youth Coordinating 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 Minnesota law. 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 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 Park Board, the Mayor and the

City Council under authority of State of Minnesota laws. The Board consists of 10 members as follows: the Mayor of the City of Minneapolis, two Hennepin County Commissioners, the Hennepin County Attorney, two Minneapolis School Board members, two Minneapolis City Council members, a Hennepin County District Court Judge, and one member from the Minneapolis Park and Recreation Board.

- ◆ ***Minneapolis – Duluth / Superior Passenger Rail Alliance.*** The Minneapolis - Duluth /Superior Passenger Rail Alliance was established under a joint powers agreement between Anoka County, Hennepin County, Isanti County, Pine County, St. Louis and Lakes Counties Regional Railroad Authority, City of Duluth, City of Minneapolis, and Douglas County (Wisconsin) to explore options for the development of rail transportation between the Twin Cities and Duluth Superior metropolitan areas. The nine member board consists of one elected official selected by each party in the Alliance as well as a member of the Mille Lacs Band of Ojibwe. Each party also appoints an alternate member. The City of Minneapolis pays an annual membership fee to the Alliance to cover the costs of activities. The percentage share of the City in the Alliance’s assets, liabilities, and equity cannot be determined at fiscal year-end. St. Louis and Lake Counties Regional Railroad Authority serves as the fiscal agent.

**City of Minneapolis
2017 Budget
Chronology of Financial Decision Making and Fiscal Sustainability**

1994	Agreement between the independent boards and the City on the division of Local Government Aid.
Mid-late 1990's	Internal Service Funds deficits begin; Federal COPS grant funds police expansion.
1997	First efforts to quantify and fund the Public Works infrastructure gap; attempt to increase pay as you go capital funding and reduce bonding to reduce interest costs.
1998-2000	Positive stock market returns leads to a reduction in the City's levy requirement for police and fire relief.
2000	Library referendum passes; Mayor and Council agree to enhanced capital funding for the Minneapolis Parks and Recreation Board (MPRB) at a level higher than funding for City projects.
2001	City loses AAA rating from Moody's. Reason cited: internal service fund deficits. Stock market falls – convention center and parking fund suffer directly from economic downturn; pension obligations escalate.
2002	Adoption of maximum property tax increase policy; negative outlook from Fitch rating agency.
2003	Adoption of Five-Year Financial Direction and Commitment to Business Planning; 2% Wage Policy; Local Government Aid (LGA) Reductions by the State of Minnesota. City uses 8% tax increase and 2% wage policy to manage employment costs during budget shortfalls and reduce State funding.
2004	Departments bring forward first five-year business plans.
2006	Fitch removes negative outlook; Moody's maintains Aa1 citing pent up internal demands for spending.
2007	Compensation philosophy replaces the 2% wage policy, Minneapolis Employee Retirement Fund (MERF) pension "liquidity trigger" eliminated by the State Legislature, and Sale of six parking ramps
2008	Minneapolis Library System merges with Hennepin County Library System State Legislature imposes Levy Limits on Local Governments for 2009-2011; Governor unallots State aid in December—Minneapolis' cut: \$13.1 million.
2009	Governor unallots State aid—Minneapolis loses \$8.6 million in 2009; \$21.3 million in 2010.
2010	Minneapolis' revised LGA cut is \$25.9 million and Market Value Homestead

Credit (MVHC) is eliminated, costing the City an additional \$6.2 million on top of the LGA cuts.

Minneapolis regains AAA rating from Moody's.

MERF pension plan consolidated with statewide local government employee pension plan.

2011 Minneapolis' LGA is held flat from 2010 in 2011 as a response to the State's structural budget crisis.

2012 City implements Priority Budgeting.

2013 Moody's Investors Service downgraded Minneapolis Credit Rating to Aa1 due to declining property values, high pension liabilities and dependence on state revenues, despite improved overall financial position.

2014 The theme of Minneapolis' bid, "Built for the Bold," emphasized the \$1.0 billion Vikings stadium under construction and the state's friendly ethos, hence bringing the Super Bowl to Minneapolis in 2018.

2015 City's closed pension plans meet 80% funding and are fully merged with State plan.

The City to continue the construction and renewal boom trend by providing \$3.5 million to fully fund the \$50 million redesign of Nicollet Mall, preliminary planning of redevelopment of the Upper Harbor Terminal, purchase of property at Lake Street and Nicollet Avenue as first step to reopen the roadway terminating at that block and substantial completion of the Downtown East mixed use development adjacent to the stadium.

A total of \$1.4 billion in construction permits were issued for the year; this is the fourth consecutive year that Minneapolis had more than \$1 billion in construction projects approved since 2000.

2016 The City has signed a long – term funding plan to equitably address long – standing capital and operating needs for City Streets and Neighborhood Parks. The plan provides for \$33 million in funding each year for up to 20 years, totaling \$800 million over next 20 years, to meet both urgent and ongoing needs.

The City Council in 2016 has endorsed a site and concept for a new office building and public safety center to complement the historic city hall. The two buildings together are referred to as the "downtown campus". City Council authorized staff to retain consultants and report back with a more defined schedule, building scope, and cost estimate by the end of the 2016 or early 2017. The initial finance plan for downtown campus improvements include cash to help write down the cost of the feasibility analyses in 2017 and the replacement of library G.O. bonds in 2021 with new debt.

This is the fifth consecutive year that Minneapolis is exceeding \$1 billion in construction permits.

**City of Minneapolis
2017 Budget
Background Information**

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.

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 thirty-four Special Revenue Funds, including community and economic development funds. These funds are used to account for the City’s planning and community development goals, most of which are financed through property tax increment financing. Major special revenue funds are described below:

Arena Reserve Fund. This fund is a holding fund for various finance plan revenues to be used for future costs 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 sells 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.

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.

Internal Service Funds. Internal Service Funds are used to account for those City goods and services which are provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City operates six Internal Service Funds for its operations; the Park Self-Insurance and Internal Service Funds are reflected in the MPRB budget:

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

Intergovernmental Services. This fund is used to account for information technology services, central mailing and printing services, and the City's telecommunication operations. These services are provided to City departments as well as the Park Board, Municipal Building Commission, and Youth Coordinating Board.

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 courthouse building, which is accounted for in the Municipal Building Commission Special Revenue Fund.

Equipment Services. 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, as well as the purchase of special goods and services.

Self-Insurance. This fund is used to account for employee benefit program and 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. The Self-Insurance 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.

Enterprise Funds. The Enterprise Funds, like the Internal Service 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. However, the customer is typically the general public or other customers external to the City. The City operates eight enterprise funds. The first five funds listed are reflected in the City's Public Works Department, the River Terminal Fund is reflected in the Community Planning and Economic Development (CPED) department and the Parks Operations Fund is incorporated into the Minneapolis Parks and Recreation Board (MPRB) budget:

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 is used to account for the operation, maintenance and construction projects related to the sanitary sewer system.

Stormwater Fund. This fund is used to account for the operation, maintenance and construction projects related to the stormwater utility system as well as the City's street cleaning operation.

Solid Waste and Recycling Fund. This fund is used to account for the revenues and expenses for solid waste collection, disposal and recycling activities.

Municipal Parking Fund. This fund is used to account for the operation, maintenance and construction of the City's parking facilities as well as on-street parking and the Municipal Impound Lot.

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

Park Operations Fund. This fund is used to account for operation, maintenance and construction of projects related to the Park Board, especially golf courses.

Capital Projects Funds. The Capital Projects Funds are used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types. Sub-funds may be used to account for specific projects and aggregated for reporting purposes.

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 Information Technology (IT) projects.

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.

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 the payment of principal, interest, and related costs on long-term debt obligations. Included in the Debt Service Funds are:

Community Development Agency Fund. This fund is used to account for the debt service activity for the department of Community Planning and Economic Development, including debt service on various non-general obligation tax increment revenue bonds.

Development Debt Service Fund. This fund is used to account for the debt of several projects supported by property tax increments including the Target Center Arena and transfers of sales tax revenues from the Convention Center Special Revenue Fund for related debt.

General Debt Service Fund. This fund is used to account for debt service activity related to General Obligation governmental debt supported by property tax levies or transfers to/from other City funds. Bonds and notes paid within this fund are related to general infrastructure projects, the library referendum and a Section 108 HUD note for the Midtown Exchange.

Special Assessment Debt Service Funds. This series of funds are used to account for debt supported by special assessments.

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

	General Fund	Special Revenue Funds	Internal Service Funds	Enterprise Funds
Major Funds Included:		Convention Center, Community Development Block Grants, Community and Economic Development Grants, Other Grants, Arena Reserve	Engineering Materials, Intergovernmental Services, Property Services, Equipment, Stores, Self-Insurance	Water, Stormwater, Sewer, Solid Waste, Parking
Revenue Sources	Local Government Aid, Property Taxes, Franchise Fees, Licenses and Permits	Grants, Property Tax Increment	Charges for Services, Rents, Transfers from other funds	Utility charges, state grants and contributions, rents
Expenditure Classifications	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and related debt service, liability and workers compensation	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and related debt service
Major Departments	Police, Fire, Public Works, others	Convention Center, Health, Attorney, Fire, Police, Closed Pension Plans	Public Works, Copy Center, City Attorney (Civil Division), IT	Public Works

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

	Capital Projects Funds	Debt Service Funds	Park Board Funds
Major Funds Included	Permanent Improvement Funds, Arbitrage Funds	General Debt, Development Debt, Special Assessment Debt, Community Development Agency	The Park Board has enterprise, internal service and special revenue funds. The general fund is treated as a special revenue fund.
Revenue Sources	Property Taxes, Proceeds from Long Term Liabilities, State Aid	Property Taxes, Sales Taxes, Special Assessments, Property Tax Increment	Property Taxes, Local Government Aid, Charges for Sales (golf courses etc.), Contributions, and Grants
Expenditure Classifications	Capital project expenditures related to street construction and infrastructure projects	Payment of principal, interest and fees on City debt	Personnel, Operating Costs, Contractual Services, Equipment
Major Departments	Public Works	Not applicable	

The number of City Funds above includes smaller boards, such as:

- Municipal Building Commission (funded mainly from Property Tax and State Aids)
- Board of Estimate and Taxation (funded from Property Tax and State Aids)
- Youth Coordinating Board (a joint board funded from the City's General Fund and grants)

**City of Minneapolis
2017 Budget**

Table of Contents

Financial Overview	Pages 36-72
Major Highlights	37
City Spending	41
Sources of Revenue	43
Local Government Aid	45
Major Changes	50
Property Tax	68

City of Minneapolis 2017 Budget

Financial Overview

The 2017 Council Adopted Budget for all City funds is \$1.454 billion was adopted on December 7, 2016. This represents a \$112.7 million, or 8.4 percent, increase from the 2016 Council Adopted Budget of \$1.341 billion inclusive of the City's component units. At the same time, the Council adopted an overall increase of 5.5 percent in the property tax levy for the City and its component units (including their respective requests for funding for their own budgets), raising the total amount levied by \$16.4 million, from \$297.6 million in 2016 to \$313.9 million in 2017. The budget also utilizes accumulated fund balances to fund budgetary items that are one-time or short-term in nature to mitigate budgetary fluctuations and to avoid volatile property tax levies which place undue burden on property taxpayers. The City's financial position has benefited from growth in local sales and entertainment taxes and other revenues due to the continued growth in the local economy. This growth is offset by static or even declining revenues in other areas. Local Government Aid (LGA) from the State of Minnesota is projected to be almost the same in 2017 as in 2016. Other revenues such as franchise fees and certain license and permit revenues are projected to decline slightly. The flat or declining revenues put pressure on property taxes to increase more than inflation to fill the gap for necessary capital and service expenses. The Financial Overview is presented without transfers to avoid double counting of resources. Transfers have also been removed from charts and graphs within this section, including totals for comparative prior years, unless otherwise noted.

Major Highlights

The 2017 Council Adopted Budget includes significant proposals to address future financial and operating challenges. It is important to be aware of these initiatives when making comparisons between budget years, and to understand the context in which these decisions were made.

The highlights include the following:

- The budget for City departments increases by 3.3 percent in 2017, or \$31.7 million. As part of this budget, funds that have accumulated in the various City funds due to a growing economy and fiscal restraint in prior years allows for utilization of fund balances, operating capital items and other one-time items.
- This budget continues to bolster public safety by providing funding for additional Community Service Officers (CSO), twelve more sworn officers for community policing, three officers for mental-health co-responder pilot project, funding dedicated to the Downtown Improvement District for community based policing strategies, and ongoing annual support for police body cameras program. In City Attorney's office, the public safety has been enhanced further by providing resources aimed at domestic violence prevention and restorative justice initiatives. One-time and ongoing funding for a Group Violence Intervention strategy in the Health Department and further funding for additional sworn staff and also for alternative hiring and recruitment initiatives in Fire department.
- In response to a growing need to act more proactively to global climate change, this budget provides resources in the City Coordinator's office for climate action plan. Additional funding is provided to enhance initiatives geared towards clean energy partnerships. Additional

resources have been provided to enhance the City's Creative Making project that has increased the demand for artist-driven initiatives across the City. In support of the Rockefeller Foundation's Resilient Cities program that will enable the City to build urban resilience across the globe and to share in a network of other cities that foster best practices, additional resources have been provided in the City Coordinator's office.

- The 2017 Council Adopted Budget includes resources dedicated to supporting small businesses in navigating the city processes across the enterprise. Also included are funds that are dedicated to support affordable housing in form of Naturally Occurring Affordable Housing, Family Housing and Infill Housing initiatives, and Affordable Housing Trust Fund.
- The 2017 Council Adopted budget lays foundation towards fulfillment of landmark agreement to fund the infrastructure and operations of our neighborhood parks and streets for the next 20 years - investing in streets and parks so that future generations will also enjoy city's most basic infrastructure.
- The City is levying less for the closed pension obligations in 2017 Council Adopted budget compared to previous years. This lower obligation is the result of the City's work with the Legislature in prior years.
- The 2017 Council Adopted Budget includes strategic cuts of nearly \$2.7 million. Approximately \$2.0 million dollars of these cuts come from lower- costs for providing healthcare to employees. The remaining \$0.7 million targeted cuts are in five departments to offset the cost of new investments in those departments.
- On equity, the 2017 Council Adopted budget builds on and continues a strong foundation of equity investments in recent years that are transforming City's operations. This budget provides additional funding for enterprise equity programming the office of equity and inclusion in the City Coordinator's office, Minneapolis TechHIRE program, and Bloomberg-supported iTeam among others.
- The 2017 Council Adopted Budget recognizes that new growth means additional City services are necessary to keep the City functioning well. 2017 is the fifth consecutive year that the City has issued construction permits exceeding \$1 billion. Construction growth in the City impacts a number of functions in the City including permitting and inspections. This budget includes funding for additional staffing in the City Assessor, Regulatory Services, and Minneapolis Health departments to handle increased workloads and provides funding necessary to build supporting infrastructure and recognizes the growth in these revenue sources.
- The Capital Asset Request System, or "CARS," will be used on an ongoing basis in long-range planning for smaller operating capital requests that would normally be budgeted in individual departments. Requests funded within the CARS system include items that are not ongoing in nature such as enterprise software upgrades, vehicle purchases and similarly-valued items. The CARS process provides a rolling five-year perspective of the City's needs for these assets and is intended to create a longer term funding plan.
- Future challenges and opportunities that the 2017 budget addresses, through the five-year financial direction, include the impacts of rebounding property values and continued growth

in the cost of providing City services due to inflationary pressures, as well as levy growth that has not kept pace with inflation.

- The City Council in 2016 endorsed concept for a new office building and public safety center to complement the historic city hall. The two buildings together are referred to as the “downtown campus”. City Council authorized staff to retain consultants and report back with a more defined schedule, building scope, and cost estimate by the end of the 2016 or early 2017. The initial finance plan for downtown campus improvements include cash to help write down the cost of the feasibility analyses in 2017 and the replacement of library General Obligation bonds in 2021 with new debt.

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 specific to department business, several enterprise-wide themes emerge. A summary of enterprise challenges follows:

Resources Necessary to Support a Construction Boom

In the recent couple of years, the City has experienced booming construction as measured by value of permitted projects. This boom is fueled by new office buildings in and around downtown, multiple high-rise apartment buildings, Target Center renovation, and the recently completed new stadium to be used by the Minnesota Vikings and ancillary development. However, the quickly improving economy and construction boom have also put multiple strains on the City in the areas of permitting, assessing, financial planning, compliance monitoring, and public works expansion. These strains, challenge current resources and create a need for additional resources.

Shrinking Workforce and Increased Demands

In response to the economic downturn and increasing hardship on the City’s taxpayers, the City made large cuts to its workforce by eliminating positions across all City departments and component units since 2007. The 2017 budget includes more than 100 fewer FTEs than in 2007, despite additional resources in the recommendation. The reduction in staffing over time places increased pressure on remaining employees as the workloads are increasing as the economy improves and the need for responsive resources increases.

Workforce Turnover

It is anticipated that the City’s workforce will experience high turnover in the coming years due to three factors: a large population of retirement-eligible workers, the above-mentioned shrinking workforce and increased demands, and the rebounding economy allowing for greater workforce mobility. The loss of institutional knowledge and costs of retirement and transition planning has not been fully realized by City departments, despite a continued recognition of and planning for this reality in the 2017 budget.

Increased Demand for Technological Solutions

Departments note the increased technological savvy of customers, and as a result, increased demand of technological approaches to customer service. This translates into additional costs for new equipment and software, and in particular, increased maintenance costs. For example, several enterprise software systems will be upgraded over the next several years, with anticipated costs in the millions of dollars. Other examples include

increased computer and internet bandwidth usage, the growth in demand for wireless connectivity, a drive toward enhancing the City's interaction with residents through technological means, as well as the challenge of training employees in the use of these technologies.

Regulatory Complexity/Unfunded Mandates

Departments have noted increased complexity of protocols and regulations at many levels. Civil Rights identified the increased complexity of investigation protocols. Regulatory Services and Community Planning and Economic Development cite State codes, protocols, and building standards that are placing additional strains on the workload of inspectors. Public Works notes increased costs for inflow and infiltration to meet standards required by Metropolitan Council Environmental Services or facing monetary penalties. The City Clerk notes additional election requirements as a result of the implementation early voting options for citizens as well as . Furthermore, public safety departments face legislative-directed or nationally developed standards, training, or operating procedures. Departments', especially following several years of significant cuts to the City's training programs, indicate a need for increased and improved employee training, as well as recruitment, possibly placing additional short-term strain on productivity, to address the growing complexities of their program administration.

Emergency and Security Management Needs

Ensuring adequate physical security, health security, electronic security (prevention of viruses, hacks, fraud, and other system security threats), information backups, and emergency planning consumes resources of nearly every department. City departments continue to build and strengthen relationships with other governmental entities to maximize the effectiveness of security planning and build systems to mitigate and prevent disasters and crises.

City Spending

For 2017, the budget includes expenditure appropriations corresponding to priorities outlined in the Council Adopted Budget as well as ongoing projects and current City-provided services. Details of the individual expenditure appropriations within the departments and other categories identified in the pie chart below are available in the Operating Departments and Capital Programs sections of this document.

Below is a summary of the 2017 Council Adopted Budget by departmental activity, excluding transfers.

Expenditures by Service

(In Millions of Dollars)

	2016 Adopted	2017 Council Adopted	% Change	\$ Change
Attorney	17.4	18.1	4.1%	0.7
Coordinator*	125.9	136.9	8.7%	11.0
CPED	85.6	91.2	6.6%	5.6
Convention Center	54.6	53.8	-1.5%	-0.8
Fire	62.3	65.1	4.4%	2.8
Health	20.0	21.3	6.3%	1.3
Police	157.8	163.2	3.4%	5.4
Regulatory Services	23.8	24.2	2.1%	0.5
Public Works	334.7	342.2	2.2%	7.5
Other City Services**	85.6	83.3	-2.6%	-2.2
Debt Service	124.1	135.6	9.3%	11.5
Capital Improvement	138.0	198.3	43.7%	60.3
Park Board	102.1	111.0	8.7%	8.9
Other Independent Boards***	9.3	9.7	3.5%	0.3
Total City Spending	1,341.2	1,453.9	8.4%	112.7

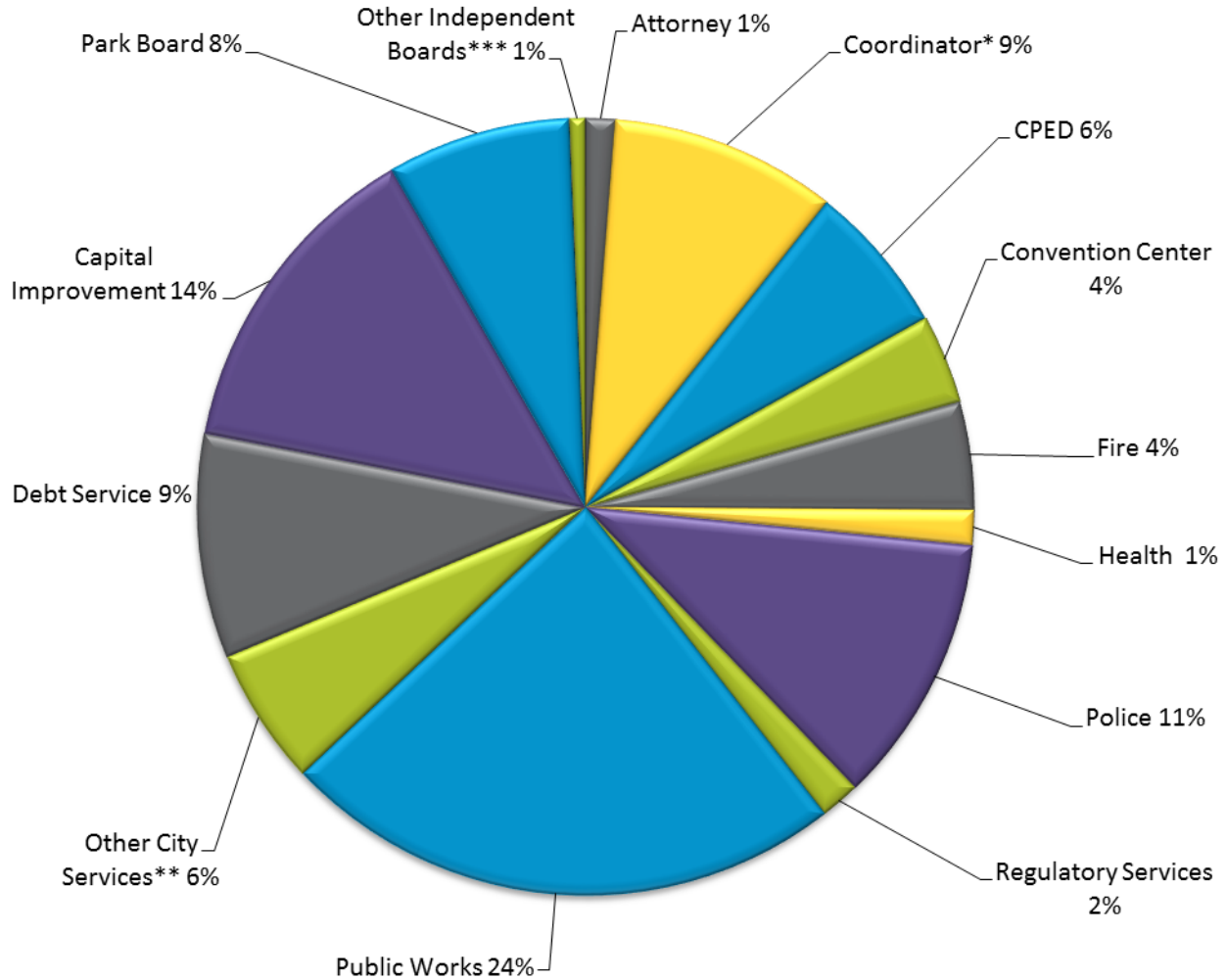
* Includes 311, 911, Communications, Emergency Preparedness, Finance and Property Services, Human Resources, IT, Intergovernmental Relations, and Neighborhood and Community Relations

** Includes Assessor, Benefits, City Clerk/Elections/Council, Civil Rights, Contingency, Internal Audit, Liability, Mayor, Pensions and Worker's Compensation

*** Includes Board of Estimate and Taxation, the City's Contribution to the Library Board and Municipal Building Commission

Note: See "City Council Operating Departments" and section in the budget document for further explanation of changes between years.

Total Expenditure Budget - Use of Funds 2017 Council Adopted Budget: \$1.5 Billion



* Includes 311, 911, Communications, Emergency Preparedness, Finance and Property Services, Human Resources, IT, Intergovernmental Relations, and Neighborhood and Community Relations

** Includes Assessor, Benefits, City Clerk/Elections/Council, Civil Rights, Contingency, Internal Audit, Liability, Mayor, Pensions and Worker's Compensation

*** Includes Board of Estimate and Taxation, the City's Contribution to the Library Board and Municipal Building Commission

City Sources of Revenue

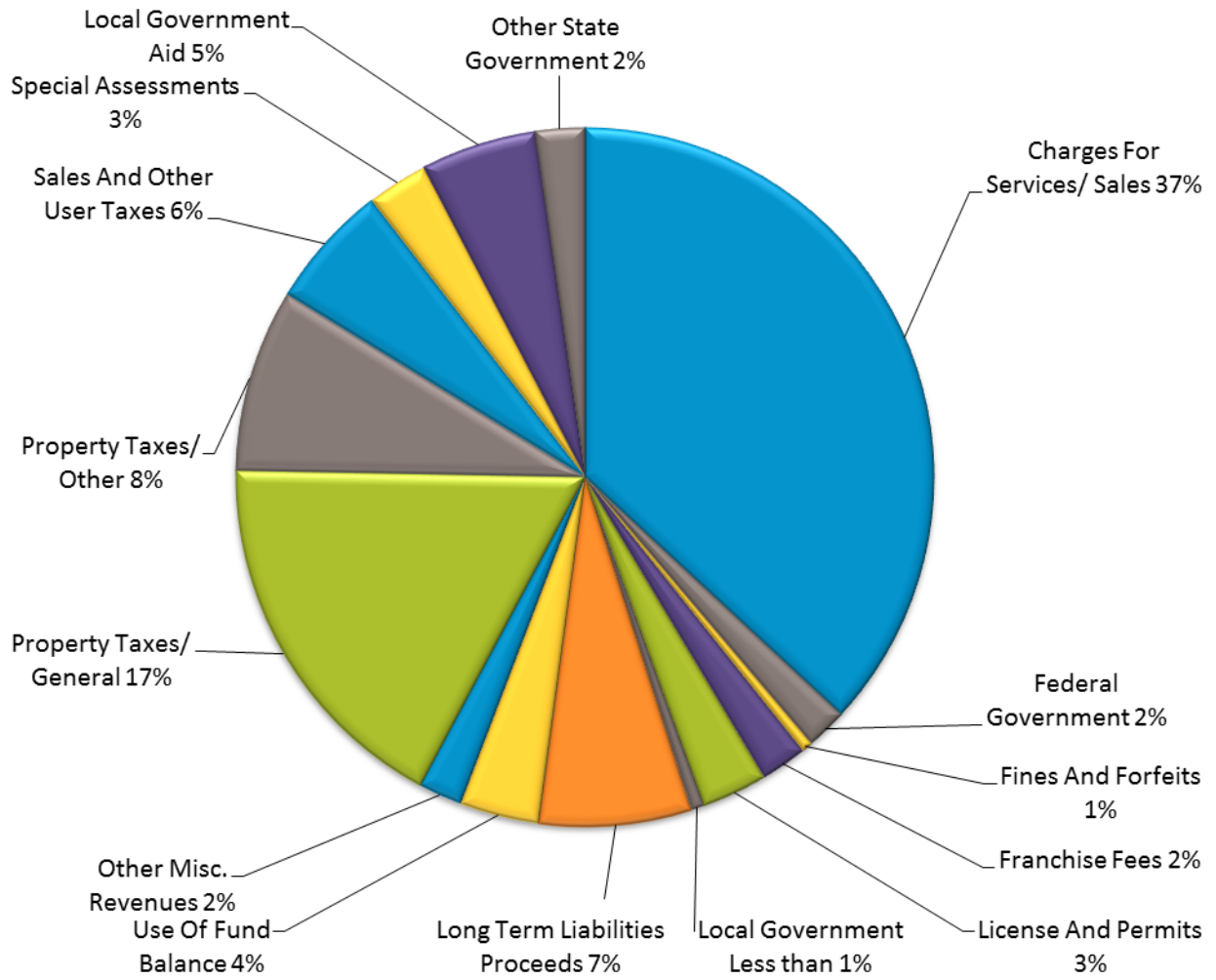
For 2017, the City forecasts \$1.454 billion in revenue from a variety of sources. Many of the City's revenue sources are restricted, meaning they are required to be spent in defined areas or on specific programs or projects. These restrictions limit the City's ability to raise additional funds and to apply the revenue to other departments or programs. For example, the City charges fees for services such as water, sewer and trash pickup, but State law requires that these fees be no higher than the cost of providing the services, including both operating and capital costs. Because these revenues are restricted, the City cannot raise water bills to pay for citywide police services.

Grants and allocations from the Federal Government and other units of government are usually designated for specific needs and purposes. If the City does not spend these resources for their designated purpose, the City will not receive the grants. Bond proceeds must go to purposes for which the debt was incurred. Like many Minnesota cities, Minneapolis pays for core City services (police, fire, streets, parks, etc.) primarily with property taxes and LGA, as well as other general governmental revenues such as licenses and permits as well a fees and interest income.

Below is a summary of the 2017 Council Adopted Budget revenues by major category.

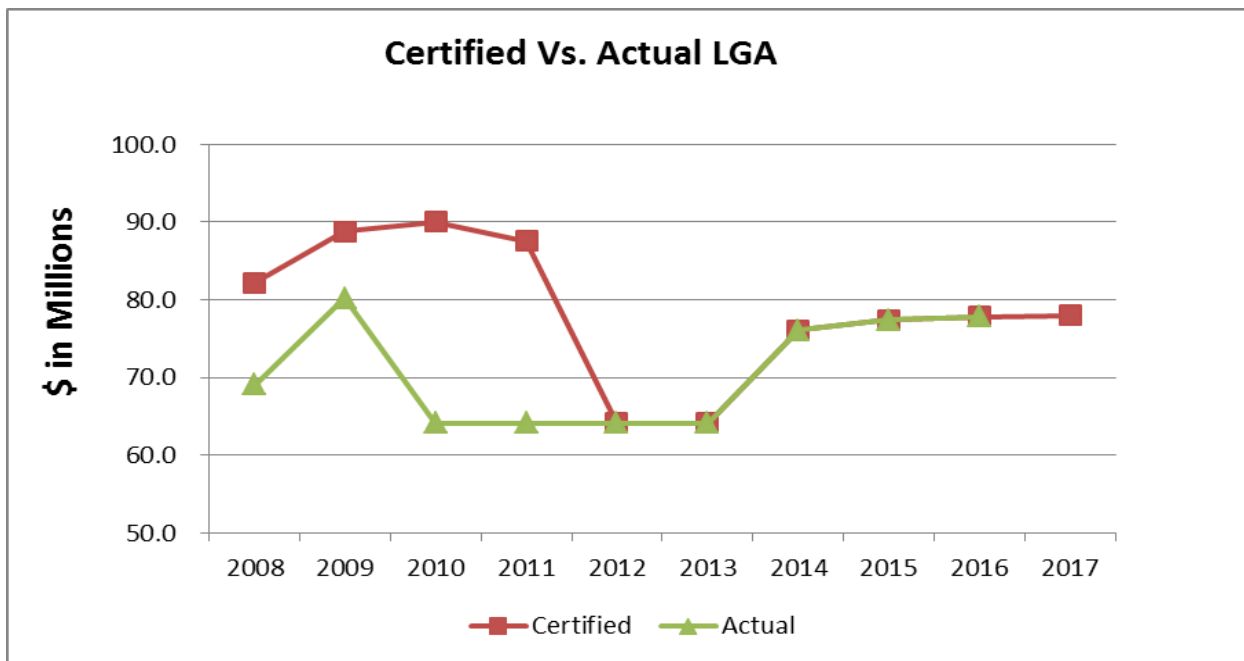
Revenue Category	2016 Adopted	2017 Council Adopted	% Change	\$ Change
Charges For Services/ Sales	520.4	536.5	3.1%	16.2
Federal Government	29.7	27.7	-6.7%	-2.0
Fines And Forfeits	8.1	7.3	-9.8%	-0.8
Franchise Fees	31.5	30.9	-1.7%	-0.6
License And Permits	44.4	44.0	-0.9%	-0.4
Local Government	4.9	8.7	77.1%	3.8
Long Term Liabilities Proceeds	56.7	102.8	81.4%	46.1
Use Of Fund Balance	43.8	53.0	21.1%	9.2
Other Misc. Revenues	29.2	29.7	1.8%	0.5
Property Taxes/ General	243.1	254.0	4.5%	10.9
Property Taxes/ Other	100.5	123.1	22.5%	22.6
Sales And Other User Taxes	77.8	84.1	8.0%	6.2
Special Assessments	35.5	41.0	15.4%	5.5
Local Government Aid	77.8	78.0	0.3%	0.2
Other State Government	37.9	33.1	-12.7%	-4.8
Total Revenue	\$1,341.2	\$1,453.9	8.4%	112.7

Total Revenue Budget - Source of Funds 2017 Council Adopted: \$1.5 Billion



Local Government Aid (LGA)

Following several years of uncertainty in funding from the State of Minnesota in the form of LGA, including the loss of over \$70 million from 2008-2011, the State increased the amount of LGA appropriated to the City of Minneapolis from \$76.1 million in 2014 to \$77.4 million for 2015, with another \$0.4 million added in 2016, bringing the total to \$77.8 million. The certified LGA appropriation for 2017 is \$78.0 million, only \$0.2 million more than 2016. Of this \$78.0 million, the City plans to allocate \$68.5 million for its General Fund, \$9.2 million to the Park Board, and the remaining \$0.2 million to the Municipal Building Commission (MBC). The table below shows the historical certified and actual LGA amounts, as well as the certified LGA levels for 2017 based on current law.



Budget by Fund

The City uses different “funds” to account for expense and revenue associated with the various services provided. The **General Fund**, where the City accounts for most property tax supported services, represents 30.2 percent of the 2017 Council Adopted Budget, down from 31.5 percent in the 2016 budget.

Special Revenue Funds are used for personnel costs, operating costs, contractual services and equipment that are funded by specific revenue sources. Special revenue funds support the convention center, health and family support, public safety, Federal, State and local grants and ongoing support of closed pension funds.

Capital Project Funds include permanent improvement and arbitrage funds and are used for the construction of infrastructure projects.

Debt Service Funds are used to pay interest and principal on City debt.

Internal Services Funds are used to account for business-like services that the City provides to other City departments. Internal services include information technology, equipment (e.g. police squad cars, fire equipment, and other rolling stock), property services, tort claims, and workers compensation claims.

Enterprise Funds include services that the City provides that operate like a “business” – similar to internal service funds but with external customers. Charges for services are expected to recover operating costs, indirect costs, capital investments, and interest expense. Utility rates are set with the intent of funding these costs. Enterprise services of the City include sanitary sewer services, storm water management and flood mitigation, water treatment and distribution, solid waste and recycling, and parking.

Expense and Revenue By Fund Type

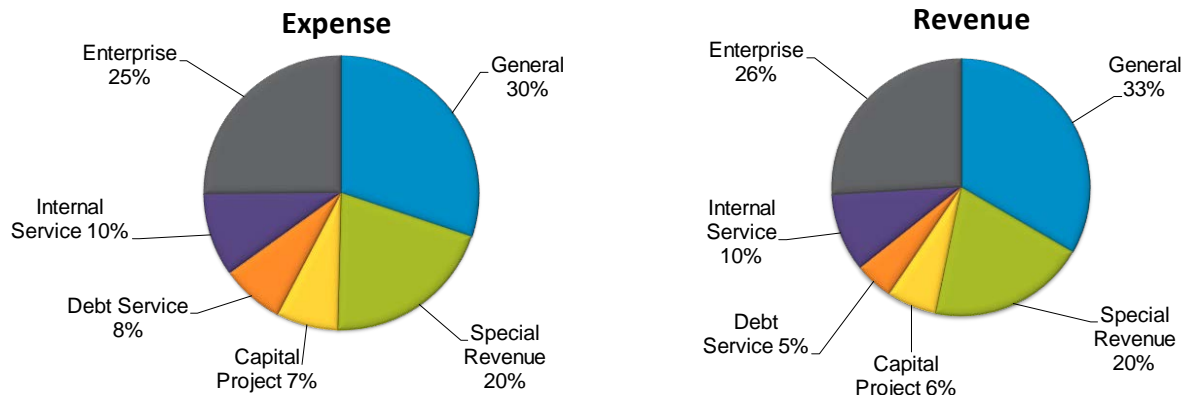
In Millions

	2016 Adopted	2017 Council Adopted	% Change	\$ Change
Expense:				
General	\$421.8	\$438.4	3.9%	\$16.6
Special Revenue	\$276.6	\$294.2	6.3%	\$17.6
Capital Project	\$87.3	\$106.3	21.8%	\$19.0
Debt Service	\$93.0	\$107.3	15.4%	\$14.3
Internal Service	\$140.2	\$142.0	1.3%	\$1.8
Enterprise	\$322.2	\$365.7	13.5%	\$43.5
Total	\$1,341.2	\$1,453.9	8.4%	\$112.7

	2016 Adopted	2017 Council Adopted	% Change	\$ Change
Revenue:				
General	\$484.2	\$485.3	0.2%	\$1.1
Special Revenue	\$260.6	\$288.2	10.6%	\$27.6
Capital Project	\$76.6	\$90.3	18.0%	\$13.8
Debt Service	\$57.9	\$70.1	21.0%	\$12.2
Internal Service	\$133.0	\$142.8	7.4%	\$9.8
Enterprise	\$328.9	\$377.2	14.7%	\$48.3
Total	\$1,341.2	\$1,453.9	8.4%	\$112.7

Note: The chart above shows different levels of revenue and expense by fund type due to the removal of transfers and use of fund balance.

Expense and Revenue By Fund Type



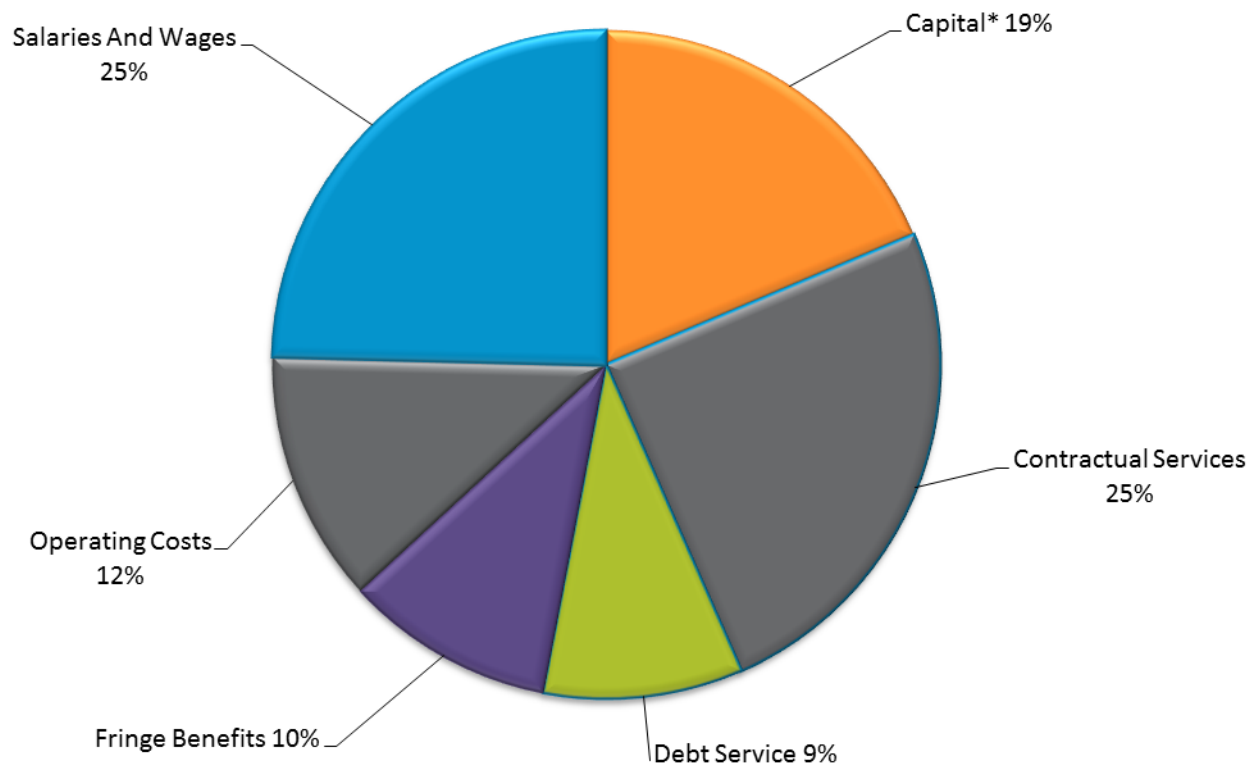
The largest portion of the City's budget is spent on personnel, which comprises \$505.7 million or 34.8 percent of the total budget.

Expense by Category

Expense Category	2016 Adopted	2017 Council Adopted	% Change	\$ Change
Capital*	211.4	270.9	28.1%	59.4
Contractual Services	343.6	360.2	4.8%	16.6
Debt Service	127.4	139.6	9.6%	12.2
Fringe Benefits	146.0	147.9	1.3%	1.8
Operating Costs	175.9	177.5	0.9%	1.6
Salaries And Wages	336.8	357.8	6.3%	21.1
Total Expense	\$1,341.2	\$1,453.9	8.4%	\$112.7

*The Capital category includes capital improvements in the City's Capital Program as well as capital expenditures within operating departments.

Total City Budget - Expenditure by Categories 2017 Council Adopted Budget: \$1.5 Billion



Funding for Physical Infrastructure

Five-Year Capital Program Totals: For 2017 – 2021, the five-year capital program for City departments, independent boards and commissions totals \$927.0 million including all funding sources. The 2017 portion of this program is \$196.0 million. This budget continues the City's commitment to accelerate funding and completion of improvements to the City's infrastructure. Below is a summary of the five-year capital program by major infrastructure category.

Five-Year Capital Investment Allocation Council Adopted Budget								
Submitting Agency	Infrastructure Category	2017	2018	2019	2020	2021	Total	Percent of Total
Budget in Thousands								
MUNICIPAL BUILDING COMMISSION		8,545	3,110	3,020	1,070	100	15,845	1.7%
PARK BOARD		13,223	12,489	12,743	12,691	13,380	64,526	7.0%
PUBLIC WORKS DEPARTMENT	STREET PAVING	50,426	64,609	85,071	63,063	74,378	337,547	36.4%
	SIDEWALKS	3,830	4,040	4,250	4,460	4,670	21,250	2.3%
	BRIDGES	3,090	4,445	400	24,155	3,890	35,980	3.9%
	TRAFFIC CONTROL & STREET LIGHTING	6,672	8,896	6,936	7,025	7,825	37,354	4.0%
	BIKE - PED PROJECTS	1,850	1,400	1,540	2,340	3,535	10,665	1.2%
	SANITARY SEWERS	9,250	9,250	9,250	9,250	9,250	46,250	5.0%
	STORM SEWERS	14,250	24,878	24,330	25,750	27,250	116,458	12.6%
	WATER INFRASTRUCTURE	48,070	49,430	32,200	22,650	15,990	168,340	18.2%
	Public Works Department Totals	137,438	166,948	163,977	158,693	146,788	773,844	83.5%
PUBLIC GROUNDS & FACILITIES		25,387	18,065	4,950	10,450	750	59,602	6.4%
MISCELLANEOUS PROJECTS		11,153	475	485	500	520	13,133	1.4%
	Grand Totals	195,746	201,087	185,175	183,404	161,538	926,950	100.0%

For more details regarding the Five-Year Capital Improvement Program, please see the Capital Program section of this book.

Capital Asset Request System (CARS)

In 2014, the City implemented the CARS process to allow departments to submit budget requests for the replacement of capital equipment items greater than \$5,000 such as technology systems, vehicles and construction equipment and/or other large dollar items necessary to provide services. The CARS process uses a five-year planning horizon similar to the Five-Year Capital Program (for infrastructure) with the intent of establishing normal replacement cycles for all long-term assets used by City Departments. Replacement cycles had already been established for fleet equipment, but not for other asset categories. For the 2017 - 2021 five-year cycle, the City received requests from departments totaling \$109.5 million. For 2017, the requests totaled \$29.2 million. This budget allocates \$4.4 million of General Fund resources and \$20.3 million of non-General Fund resources for this program across all departments.

Funding for Pension Liabilities

The City's property tax levies for its former closed pension funds that have been merged into the Minnesota State Public Employees' Retirement Association (PERA) for 2017 total \$22.3 million. This is a decrease of \$5.0 million from the 2016 level of \$27.3 million. The 2015 State legislature changed PERA's out year investment assumptions from 8.5% to 8.0% which lowers the assumed out year investment returns, increases the unfunded liability amounts and therefore the annual funding requirement.

- The Minneapolis Employee’s Retirement Fund (MERF) Division of PERA – fully merged in 2015.
 - The Former Minneapolis Police Relief Association (MPRA), a closed fund.
 - The Former Minneapolis Fire Relief Association (MFRA), a closed fund.
- The 2016 City ordinance passed for the 20 year funding program for streets and parks assumed that the levy necessary for support of the pension obligations would decrease by \$5 million from 2016 to 2017. In the subsequent four years, the levy to support pension obligations would then rise back to 2016 levels. The five year financial direction reflects the 2016 ordinance.

Teacher’s Retirement Association (TRA):

The 2006 Legislative session combined the Minneapolis Teachers Retirement Fund Association (MTRA) with the State’s Teachers Retirement Association (TRA). As part of the legislation, the City was required to redirect its annual \$2.25 million MTRA tax levy to TRA through 2037. State law changed the \$2.25 million City levy to a \$2.25 million contribution in 2012. This change increased the total levy for this purpose as the City previously contributed its net TRA levy collection, which was less than \$2.25 million because the City does not collect 100% its levy. For 2017, the City will levy \$2.3 million for TRA to insure that net collections provide the \$2.25 million. For the purpose of long-term planning, it is anticipated that these costs will remain constant through 2037.

Public Employees Retirement Association (PERA), the plan for most current City employees:

The employers’ contribution level in PERA’s Coordinated Plan for 2017 is 7.5 percent, the same as in 2016. The PERA’s Police and Fire Plans’ employer’s contribution remained at 16.2 percent for 2017 as was in 2016. The estimated total cost of contributions to PERA for the City for 2017 is \$34.8 million, which is covered in the budgets of the departments in which the employees work.

	2016	2017	Change
		<u>(in millions)</u>	
PERA	\$15.90	\$17.10	\$1.20
PERA Police & Fire	\$18.10	\$17.70	(\$0.40)
Total	\$34.00	\$34.80	\$0.80

Funding for Internal Services Funds’ Long-Term Financial Plans

During the 1990s, external demands negatively impacted the ability for revenue to support the City’s internal services to keep pace with the growth in expenditures. Significant negative cash balances resulted because annual expenses exceeded revenues. By the year 2000, the combined net asset deficit in the Self Insurance, Equipment, and Intergovernmental Services Funds was \$61.7 million. To correct these deficits, the City adopted long-term financial plans between 2000 and 2004 that called for the Self-Insurance, Equipment, Intergovernmental Services, as well as the Property Services internal service funds to rely on transfers from the General Fund through 2019 to eliminate deficits. Fortunately, due to efforts in recent budget cycles, 2014 was the final year of these transfers. The elimination of this obligation will allow General Fund resources to be redeployed to other purposes from 2016 and beyond.

Growth in Personnel Costs

Personnel Changes. The 2017 Council Adopted Budget increases the FTE count of City positions by 217.1 over the 2016 Budget, from 4,890.8 to 5,107.9.

Salary and wages. The 2017 Council Adopted Budget includes an increase in personnel expenditures (\$357.8 million in salaries and wages, compared to a 2016 total of \$336.8 million). It also includes \$147.9 million in fringe benefits, compared to \$146.0 million in 2016.

Benefits. Health and dental insurance expenditures are budgeted to decrease from \$72.0 million in 2016 to \$70.9 million in 2017. This estimate results from better than anticipated renewal rates and changes in coverage selections by employees.

Continuing Library Obligation to Hennepin County

Minneapolis libraries merged with the Hennepin County system in 2008. In addition to the \$9.3 million market value referendum supported by Minneapolis taxpayers, the merger finance plan requires Minneapolis to provide an additional declining base contribution for 10 years, the last year being 2017. In 2017, that contribution is approximately \$0.8 million.

Major Changes in the 2017 Council Adopted Budget

This section of the 2017 Council Adopted Budget describes changes the Mayor and Council made for various departmental program submissions. The changes are organized by department.

Citywide Changes

As a starting point for 2017 budget development, departments were provided a preliminary budget amount and asked to submit, for existing programs, proposals that would provide for the continuation of those programs at the same level of service, or the *Current Service Level*. Departments were also asked to submit supporting documentation for any change items to current programs. Changes made to program proposals by the Mayor and Council, along with new initiatives that they chose to fund, are noted below. Programs proposed by departments that were not recommended for funding in the budget are not included.

The 2017 Council Adopted budget includes proposals that have citywide implications. This budget includes the prudent use of accumulated fund balance from various funds for one-time or time-limited activities. These resources were generated through fiscal restraint that resulted in under-spending in City departments and through revenues that exceeded budgetary expectations due to continued growth in the local economy.

In addition to other sources of funds, this budget uses accumulated fund resources for funding of the Capital Asset Request System, or CARS, that was initiated as part of the 2014 budget to provide a mechanism for budgeting small and mid-level capital requests previously planned for in departmental budgets. CARS requests include items that are not ongoing in nature including enterprise software upgrades, vehicle purchases, equipment, and other capital items. The goal of this effort is to increase transparency in spending and operating costs by including these budgetary requests in a separate process. Now in the fourth year, \$4.4 million of the General Fund and \$20.3 million of other funds has been dedicated to fund items through this request

process, which is used to cover deferred maintenance and replacement costs for existing operational capital, as well as new capital needs.

Departmental Changes

The Council approved several amendments to the Mayor's Recommended Budget that affect departments on a citywide basis. The amendments are reflected under the following department's budgets:

Assessor

Mayor's Recommended Budget: The Mayor recommended the following ongoing General Fund resources: \$113,500 for an additional Lead Appraiser to manage and coordinate all administrative and valuation responsibilities related to property tax exemptions, and \$100,000 for staff education, licensing and training.

Council Adopted Budget: The City Council amended the Mayor's recommendation on a one-time basis by decreasing the Office of the City Assessor by \$25,000 and increasing the Health Department by \$25,000 to be allocated for culturally relevant community-based intervention and street outreach strategies to help the transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

Attorney

Mayor's Recommended Budget: The Mayor recommended the following ongoing General Fund resources; \$55,000 for the Restorative Justice and Interact program which supplements the existing \$45,000 in the base budget and \$110,000 to cover shortfall in funding from the Justice Assistance Grant (JAG) that supports two prosecutor FTEs which supplements the existing \$50,000 in the base budget. The Mayor also recommended the increasing the ongoing General Fund resources by \$200,000, which previously had been available through health care expenses for the budget that were lower than expected. The health care expenses were an overall reduction in the 2017 budget for all department.

The Mayor also recommended the following one-time General Fund resources; \$137,000 for continuation of the Hot Spots Pilot program, \$30,000 to complete the development of an evidence-based community consequences for carrying without Permit Cases, \$25,000 to develop Pre-charge Diversion services to prostitution, and \$20,000 to develop strategies for gun violence reduction.

Council Adopted Budget: The City Council amended the Mayor's recommendations by decreasing on an ongoing basis the City Attorney's Office budget by \$100,000 and increasing the Civil Rights Department's budget by \$100,000 and 1 FTE for the Complaint Investigation Division.

City Clerk

Mayor's Recommended Budget: The Mayor recommended \$100,000 ongoing General Fund resources for a Records Specialist (includes 1.0 FTE).

Council Adopted Budget: The City Council adopted the recommendation for the Record's specialist and separately amended the Mayor's recommendations by decreasing on an ongoing

basis the Office of City Clerk's budget by \$118,202 and 1 FTE and increasing the Community Planning and Economic Development Department's budget by \$118,202 and 1 FTE for the purpose of programming and outreach at the Cedar Riverside Opportunity Center.

City Council

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

City Coordinator Administration

Mayor's Recommended Budget: The Mayor recommended the following ongoing General Fund resources; \$145,000 for strategic management and continuous improvement (includes 1.0 FTE), and \$100,000 for City Wide events. Additionally, the Mayor recommended \$150,000 for a Chief Resiliency Officer Position funded by the Rockefeller Foundation (includes 1.0 FTE).

The Mayor also recommended the following one-time General Fund resources; \$160,000 for the Inclusive Engagement Action team, \$100,000 for Partnership Initiatives, \$15,000 for Promise Zone space lease, \$90,000 for the Clean Energy Partnership, \$45,000 for the Climate Action Plan, \$100,000 for Creative City Making, \$40,000 for Enterprise Equity Programming, and \$15,000 for the Trans Equity Summit and Events.

Council Adopted Budget: The City Council amended the Mayor's recommendations by:

1. Establishing small business support teams of 3 FTE to directly help small business navigate city processes across the Enterprise (particularly in the Business Licensing Division of CPED, Health, and Regulatory Services). The team is to report directly to the City Coordinator's Office and will be comprised of the following:
 - Reallocating \$105,000 and 1 FTE in CPED for a Navigator position and \$25,000 in additional outreach funds as proposed in the Mayor's Recommended Budget, to the City Coordinator's Office.
 - An additional 1 FTE using the \$70,000 increased appropriation to the Communications Department as proposed in the Mayor's Recommended Budget. Finance is directed to reflect the full ongoing cost of the position in the Five-Year Financial Direction.
 - Reallocating \$145,000 and 1 FTE in the City Coordinator's Office currently recommended in the 2017 Budget for "Strategic Management and Continuous Improvement."
2. Increasing on an ongoing basis the City Coordinator's budget by \$1,000,000 (including 1 FTE) for ReCAST program/SAMHSA grant for promoting resilience and equity in communities that have recently faced civil unrest through implementation of evidence-based violence prevention and community youth engagement programs, as well as linkages to trauma-informed behavioral health services.
3. Decreasing on a one-time basis the City Coordinator's Office's budget by \$25,000 and increasing the Health Department by \$25,000 to be allocated for culturally relevant community-based intervention and street outreach strategies to help the transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

The City Council also gave the following staff directions:

1. Directing the City Coordinator's Office to establish a small business workgroup that includes the staff team that has been working together as part of the City's Business Made Simple initiative as well as members of the City's Innovation Team. This workgroup shall review existing efforts, programs, and initiatives focused specifically on the small business community to determine how best to align and/or reorganize small business touch points across the enterprise. The workgroup will be co-chaired by Community Planning and Economic Development and the City Coordinator's Office in coordination with other City departments (particularly the City Attorney's Office) as needed. Specifically, staff is asked to build off the continuous improvement work that has already been initiated to streamline and simplify processes for the business community and:
 - Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. [This review to be facilitated by an external consultant with organizational design experience.];
 - Review and finalize work on an online portal for the business community;
 - Finalize development of business guides and supportive checklists for businesses;
 - Identify and address gaps in processes and service delivery, including the need for additional staff training and other strategies aimed at increasing alignment with the small business community;
 - Research best practices for innovative strategies such as business acceleration programs, development of a municipal design center, cluster-based small business development, creation of entrepreneurial incubator spaces, development of customer service express lanes for basic services, small business recognition programs, micro-lending programs, and others.

Staff is further directed to formalize an external small business advisory council to work alongside staff in this review, and to assist in developing recommendations aimed at increasing small business opportunities, resources, and areas of process improvement. The workgroup is charged with bringing forth a comprehensive report of their review and ensuring recommendations, including those put forward by the small business advisory council, along with any organizational and budgetary impacts or recommendations that stem from this review by no later than May 15, 2017.

The workgroup is directed to Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. This review to be facilitated by an external consultant with organizational design experience.

2. Designate \$35,000 of one-time budget resources to be allocated for the purpose of funding support services for immigrant families. Further, directing staff from City Coordinator departments, including Intergovernmental Relations, Civil Rights, Neighborhood and Community Relations, and Communications, to work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

3. Directing the City Coordinator's Office, including Communications, Neighborhood and Community Relations, and Finance and Property Services, and from the Office of City Clerk, to develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.
 - Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
 - Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
 - Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
 - Sample calendar of an annual participatory budgeting process.
 - Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
 - Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.
4. Directing the City Coordinator's Office, as the leader of Minneapolis' Youth Cabinet, to work with our partners in the Youth Coordinating Board and the Mayor's Office, in conjunction with the City of Saint Paul, to explore the feasibility of a sustainable, scalable universal pre-kindergarten program across our two cities that could eventually be implemented statewide.

This work would:

- Be a unique collaborative effort between the cities of Minneapolis and Saint Paul.
 - Expand on existing research and programs currently in place in Minneapolis and St. Paul public schools, as well as other relevant efforts by other jurisdictions and the State of Minnesota.
 - Develop a plan for the creation of a pilot program with the intent of being able to scale to a universal model, guaranteeing that every 3 and 4 year old in Minneapolis and St. Paul would be provided a public pre-kindergarten education.
 - Address persistent disparities between white children and children of color in academic achievement and life outcomes.
 - This effort is contingent upon the commitment from the City of Saint Paul. City Coordinator staff will report on their work to the Committee of the Whole by September 19, 2017.
5. Directing staff to report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:

- A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
- Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
- Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.
- This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
- The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

311

Mayor's Recommended Budget: The Mayor recommended \$80,000 one-time General Fund resources for Black box integration for providing additional ways to communicate with 311 rather than the relay system currently in use.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

911

Mayor's Recommended Budget: The Mayor recommended \$192,000 one-time General Fund resources for Protocols Software training - an initiative that will optimize the call taking process ensuring all callers receive the same level of care.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Emergency Management

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Civil Rights

Mayor's Recommended Budget: The Mayor recommended the following ongoing General Fund resources: \$100,000 in the Office of Police Conduct Review for an additional Case Investigator (1.0 FTE), \$88,000 in the Contract Compliance division for a Certification Specialist (1.0 FTE), and authorized the department to add 1.0 FTE using existing resources in the Equity division.

The Mayor also recommended \$50,000 one-time General Fund resources for outreach related to the implementation of the Earned Sick and Safe Time ordinance.

Council Adopted Budget: The City Council amended the Mayor's recommendations by decreasing on an ongoing basis the City Attorney's Office budget by \$100,000 and increasing the Civil Rights Department's budget by \$100,000 and 1 FTE for the Complaint Investigation Division.

The City Council also directed the staff to:

- Assign staff to help coordinate response and information regarding hate speech and crimes, as well as acts of discrimination, within the City and with intergovernmental and community partners.
- In collaboration with City Coordinator's departments including Neighborhood and Community Relations, Intergovernmental Relations and Communications, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

Communications

Mayor's Recommended Budget: The Mayor recommended \$70,000 ongoing General Fund resources for Council Core Communications support.

Council Adopted Budget: The City Council amended the Mayor's recommendations by reducing on a one-time basis the \$70,000 increased appropriation to the Communications Department as proposed in the Mayor's Recommended Budget, and using the funds for an additional FTE in small business support team in City Coordinators Office.

The City Council also directed the staff to:

1. In collaboration with Civil Rights and City Coordinator's departments including Neighborhood and Community Relations and Intergovernmental Relations, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.
2. In collaboration with the Office of City Clerk and City Coordinator's departments including Neighborhood and Community Relations, and Finance and Property Services, develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from

community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.
- Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
- Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
- Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
- Sample calendar of an annual participatory budgeting process.
- Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
- Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.

Convention Center

Mayor's Recommended Budget: The Mayor recommended using the fund balance in the Convention Center fund in the amount of \$114,000 in ongoing funding to add a technology services coordinator (1.0 FTE). The Mayor also recommended using fund balance in the Convention Center fund on a one-time basis in the amounts of \$300,000 for enhanced target marketing, \$500,000 for sales initiatives for major events, and \$200,000 for customer experience and major events.

Council Adopted Budget: The City Council amended the Mayor's recommendations by reducing on a one-time basis \$250,000 for enhanced target marketing.

The City Council also directed the staff to report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:

- A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
- Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
- Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify

other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.

- This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
- The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

Community Planning and Economic Development (CPED)

Mayor's Recommended Budget: The Mayor recommended additional ongoing General Fund appropriation of \$150,000 for the Minneapolis TechHIRE program. The Mayor also recommended one-time funding from the General Fund of \$1,500,000 for NOAH – Naturally Occurring Affordable Housing, \$1,000,000 for the Family Housing Initiative, \$250,000 for the Infill Housing initiative, and \$100,000 for the Affordable Housing Trust fund, with an additional \$1,500,000 in non-general funds for the Affordable Housing Trust fund. Additionally, the Mayor recommended one-time general fund appropriations of \$100,000 for Minneapolis Career Pathways, \$75,000 for the Opportunity Hub, and \$25,000 for outreach costs associated with a new Small Business Assistance program. The Mayor also recommended an ongoing reduction of \$260,000 to assist in funding new initiatives.

Council Adopted Budget: The City Council amended the Mayor's recommended budget on a one-time basis by increasing the budget in the CDBG fund by \$596,219 for additional program income, increasing the budget in river terminal fund by \$135,000, increasing the general fund appropriation by \$100,000 for Summit Academy's contextualized GED Program, and decreasing the general fund appropriation by \$25,000 for outreach costs associated with the new Small Business Assistance program.

The City Council also amended the Mayor's recommended budget on an ongoing basis by increasing the budget by \$118,202 and 1.0 FTE for programming and outreach at the Cedar Riverside Opportunity Center, decreasing the budget by \$105,000 and 1.0 FTE to establish a new position in the new small business office in the City Coordinator's department, and decreasing the contribution to Greater MSP by \$115,000 and using those funds to add 1.0 FTE to undertake business retention and expansion activities for small and medium sized businesses, and to work in partnership with the small business support team.

The City Council also directed staff to:

1. Directing the Departments of Community Planning & Economic Development on small business support team to report back to the Community Development & Regulatory Services Committee no later than March 31, 2017, submitting a report detailing their work plan, including how the team will effectively operate, how they will measure their success, regularly report progress, and what, if any, additional operational or budgetary impacts are contained within said work plan. All departments are to assist this team as requested,

working with their respective leadership, the City Council, and the Mayor's Office to advance these goals.

2. Directing the City Coordinator's Office to establish a small business workgroup that includes the staff team that has been working together as part of the City's Business Made Simple initiative as well as members of the City's Innovation Team. This workgroup shall review existing efforts, programs, and initiatives focused specifically on the small business community to determine how best to align and/or reorganize small business touch points across the enterprise. The workgroup will be co-chaired by Community Planning and Economic Development and the City Coordinator's Office in coordination with other City departments (particularly the City Attorney's Office) as needed. Specifically, staff is asked to build off the continuous improvement work that has already been initiated to streamline and simplify processes for the business community and:
 - Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. [This review to be facilitated by an external consultant with organizational design experience.];
 - Review and finalize work on an online portal for the business community;
 - Finalize development of business guides and supportive checklists for businesses;
 - Identify and address gaps in processes and service delivery, including the need for additional staff training and other strategies aimed at increasing alignment with the small business community;
 - Research best practices for innovative strategies such as business acceleration programs, development of a municipal design center, cluster-based small business development, creation of entrepreneurial incubator spaces, development of customer service express lanes for basic services, small business recognition programs, micro-lending programs, and others.

Staff is further directed to formalize an external small business advisory council to work alongside staff in this review, and to assist in developing recommendations aimed at increasing small business opportunities, resources, and areas of process improvement. The workgroup is charged with bringing forth a comprehensive report of their review and ensuring recommendations, including those put forward by the small business advisory council, along with any organizational and budgetary impacts or recommendations that stem from this review by no later than May 15, 2017.

The workgroup is directed to Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. This review to be facilitated by an external consultant with organizational design experience.

3. Report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:
 - A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments

that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.

- Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
- Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.
- This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
- The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

Finance and Property Services

Mayor's Recommended Budget: The Mayor recommended \$100,000 ongoing General Fund resources for an additional Financial Analyst dedicated to working with CPED(1.0 FTE) and ongoing \$60,000 from property services fund for increased security coverage for Public Service Center and City of Lakes building.

The Mayor also recommended the following one-time General Fund resources; \$50,000 for the participatory budget pilot, and \$500,000 to be directed to the Collaborative Safety Strategies.

Council Adopted Budget: The City Council amended the Mayor's recommendations by increasing the Finance and Property Services Department by \$100,000 on a one-time basis to be funded by the Police Special Revenue Fund; \$50,000 is to be spent in the Phillips West Neighborhood and \$50,000 in the Ventura Village Neighborhood for community public safety priorities. The resources should be expended with input from the community and neighborhood organizations.

The City Council also gave the following staff directions:

1. Amend budgets, schedules, and language changes relating to accounting and technical cost allocation adjustments, and program and capital/operating budget corrections.
2. Report to the Ways and Means Committee no later than the end of the second quarter of 2017 with potential scenarios for the City of Minneapolis to divest and stop doing business

with financial institutions that invest in the fossil fuel industry and in projects such as the Dakota Access Pipeline. The potential scenarios review shall include a series of options to meet the City of Minneapolis' banking needs including but not limited to exploring the possibility of establishing a municipal bank or participating in a publicly-owned banking operation.

3. Directing Finance and Property Services staff to:

- Monitor and report on an annual basis on the costs for the Vikings Stadium, its operation and management, and the adjacent parking raps and park; and
- Limit the ongoing City subsidy for operations and capital maintenance of the Viking Stadium to the amounts provided for in statute; and
- Per the staff direction of Sept. 11, 2015, report back to the Community Development and Regulatory Services Committee on the desirability and feasibility of reopening of the Park Use Agreement between the City and Minnesota Sports Facilities Authority (MSFA).

4. Provide options by June 30, 2017, to the Mayor for the 2018 budget for a minimum of \$50,000 for ongoing funding of culturally relevant community-based intervention and street outreach strategies to help the transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

5. Ensure that at least \$250,000 of the \$500,000 allocated for Collaborative Safety Strategies be directed towards work along West Broadway Ave in North Minneapolis. Those funds should be distributed to groups or organizations which have shown a long history of collaborative work along West Broadway and who bring together business and community members and who employ staff focused solely on the improvement and safety of West Broadway. Organizations which do not focus on West Broadway shall not be considered for this funding.

Finance and Property Services staff shall present the process for the disbursement of these funds to the Public Safety, Civil Rights and Emergency Management Committee by March 15, 2017, and these funds shall be distributed by June 16, 2017.

6. Reflect in the Five-Year Financial Direction the full ongoing cost of the small business support additional 1 FTE position that was created by shifting \$70,000 increased appropriation to the Communications Department as proposed in the Mayor's Recommended Budget to the City Coordinator's office.

7. In collaboration with the Office of City Clerk and City Coordinator's departments including Neighborhood and Community Relations, and Communications, develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.

- Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
 - Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
 - Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
 - Sample calendar of an annual participatory budgeting process.
 - Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
 - Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.
8. Report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:
- A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
 - Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
 - Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.
 - This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
 - The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

Fire

Mayor's Recommended Budget: The Mayor recommended \$400,000 ongoing General Fund resources for hiring 5.0 additional full-time sworn firefighters, raising the total number of authorized sworn firefighters to 411. The Mayor recommended a reduction to the department's ongoing General Fund resources for overtime by \$200,000.

The Mayor also recommended \$200,000 one-time General Fund resources to supplement funding for alternative hiring and recruitment.

Council Adopted Budget: The City Council approved the Mayor's recommendations and directed Fire Department to transfer on a one-time basis all 2016 unspent funds of \$42,000 for technical training and outreach to the Health Department for the Next Step hospital-based violence intervention program.

Health

Mayor's Recommended Budget: The Mayor recommended additional ongoing General Fund appropriation of \$100,000 for young male sexual health outreach (1.0 FTE), \$165,000 for health inspectors (2.0 FTE), \$140,000 for Group Violence Intervention, and \$45,000 for Blueprint-Approved Institute youth violence prevention programs.

The Mayor also recommended one-time General Fund appropriations of \$110,000 for a Lead Risk Inspector (1.0 FTE), \$40,000 Youth Violence Prevention summer/fall community engagement, \$10,000 for Healthy Living, \$255,000 for the pollution reduction initiative, \$17,000 for the legacy pollution initiative, \$15,000 for the children's savings account program, \$30,000 for East Africans with disabilities, \$150,000 for Group Violence Intervention, \$60,000 for Inspiring Youth, and \$50,000 for programming for Somali youth. The Mayor also recommended an ongoing reduction of \$65,000 to support funding new initiatives.

Council Adopted Budget: The City Council amended the Mayor's recommendations on a one-time basis by increasing the budget by \$150,000 for programs related to domestic violence prevention, increasing the budget by \$25,000 for Next Step hospital based violence intervention, increasing the budget by \$50,000 for intervention and street outreach strategies to help transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation, decreasing the budget by \$100,000 and 1.0 FTE for Male Sexual Health Outreach.

The City Council directed the Neighborhood and Community Relations Department to transfer their 2016 end-of-year salary savings on a one-time basis not to exceed \$25,000 to the Health Department to augment the culturally relevant community-based intervention and street outreach strategies to help transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

The City Council also directed the Fire Department to transfer \$42,000 of their 2016 unspent funds for technical training to the Health Department for Next Step hospital based violence intervention.

Human Resources

Mayor's Recommended Budget: The Mayor recommended \$122,000 ongoing General Fund resources for an additional 1.0 FTE in the Classification and Compensation unit, and also recommended reduction in department's ongoing General Fund resources by \$50,000.

The Mayor also recommended the following one-time General Fund resources: \$90,000 for Affordable Care Act Compliance and \$50,000 for Cultural Intelligence Training for employees.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Information Technology

Mayor's Recommended Budget: The Mayor recommended the following General Fund resources: \$100,000 for a Business Analyst for the Enterprise Land Management System (1.0 FTE), and \$155,000 for an additional ERP resource in Technology Application Support team (includes 1.0 FTE).

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Intergovernmental Relations

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations and directed the staff to:

1. Bring to the Intergovernmental Relations Committee an item related to City support for legislation creating an enforcement mechanism that will ensure that city and state stadium spending caps are honored.
2. In collaboration with Civil Rights and City Coordinator's departments including Neighborhood and Community Relations and Communications, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

Internal Audit

Mayor's Recommended Budget: The Mayor recommended \$104,000 ongoing General Fund resources for an Internal Audit Manager (includes 1.0 FTE).

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Mayor

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor’s recommendations.

Neighborhood and Community Relations

Mayor’s Recommended Budget: The Mayor recommended \$60,000 in one-time funding from the General Fund for Americans with Disabilities Act action plan, and \$20,000 in one-time funding for senior programming.

Council Adopted Budget: The City Council approved the Mayor’s recommendations and directed the staff to:

1. Collaborate with the Office of City Clerk and City Coordinator’s departments including Finance and Property Services and Communications, to develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities’ existing participatory budgeting process and those cities’ metrics for evaluation of success of the program.
 - Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
 - Methodologies for outreach to the City’s 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
 - Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
 - Sample calendar of an annual participatory budgeting process.
 - Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
 - Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.
2. Directing the Neighborhood and Community Relations Department to transfer their 2016 end-of-year salary savings on a one-time basis not to exceed \$25,000 to the Health Department to augment the culturally relevant community-based intervention and street outreach strategies to help transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.
 3. In collaboration with City Coordinator’s departments including Civil Rights, Intergovernmental Relations and Communications, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

Police

Mayor's Recommended Budget: The Mayor recommended the following ongoing General Fund resources; \$1,093,000 for hiring 20 part time (15.0 FTEs) Community Service Officers, \$325,000 to support body camera technology, \$115,000 for Precinct 1 increased parking cost, \$172,400 for increased uniform allowance, \$1,000,000 for training and classes that includes a 32 person cadet class and class of 22 recruits. The Mayor also recommended \$1,305,000 for adding 12.0 more officers for community policing and 3.0 officers for the mental-health co-responder pilot project, for a total of 15.0 new officers in 2017. This will raise the authorized strength of the Police Department to 877 next year.

The Mayor also recommended the following one-time General Fund resources; \$200,000 for pilot police/mental health co-responders model and \$10,000 for complaint process improvement at the Office of Police Conduct Review (OPCR).

Council Adopted Budget:

The City Council amended the Mayor's recommendation on a one-time basis by increasing the Finance and Property Services Department by \$100,000 to be funded by the Police Special Revenue Fund; \$50,000 is to be spent in the Phillips West Neighborhood and \$50,000 in the Ventura Village Neighborhood for community public safety priorities. The resources should be expended with input from the community and neighborhood organizations.

The City Council also amended the Mayor's recommendation by \$117,033 and 1 FTE on a one-time basis for Sex Trafficking Grant from the Minnesota Department of Public Safety, Office of Justice programs to enhance the investigation and victim support for sex trafficking cases in Minnesota for one year commencing on January 1, 2017.

Public Works

Mayor's Recommended Budget: Please see the divisional sections below for the Mayor's recommendation by division.

Council Adopted Budget: The City Council directed the Public Works staff to report back to the Transportation & Public Works Committee by September 1, 2017, on the environmental benefits, feasibility, reasonable exceptions, cost/benefit analysis, timeline, various alternatives, and a recommended approach to eliminating fossil fuel vehicles in the City. This work will inform the budgetary impact and potential additional requests or adjustment to the department's budget.

Please refer to the individual divisional sections for the Council's amendments to the Mayor's recommendation.

Administration

Mayor's Recommended Budget: The Mayor recommended additional \$500,000 one-time General Fund resources for the Downtown East Commons Operating Reserve.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Fleet Services

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Solid Waste and Recycling

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Surface Water and Sanitary Sewer – Sanitary Sewer

Mayor's Recommended Budget: The Mayor Recommended \$47,400 in ongoing Non - General Fund resources for an Engineering Technician (includes 0.5 FTE) to be funded from utility revenue.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Surface Water and Sanitary Sewer – Stormwater

Mayor's Recommended Budget: The Mayor Recommended \$47,400 in ongoing Non - General Fund resources for an Engineering Technician (includes 0.5 FTE) to be funded from utility revenue.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Traffic and Parking Services

Mayor's Recommended Budget: The Mayor Recommended 2.0 FTEs in ongoing General Fund resources for the Traffic Management system to be funded within the base budget.

The Mayor also recommended additional \$325,000 one-time General Fund resources to accelerate the replacement of the City owned 30 foot street lights to LED technology.

Council Adopted Budget: The City Council amended the Mayor's recommendation on a one-time basis by decreasing the Public Works Department by \$150,000 from the accelerated LED Technology Program, and increasing the Health Department by \$150,000 to be allocated for programs related to domestic violence prevention with the goal of serving families that have experienced domestic violence prioritizing families with very young children, young adolescent males, and non-English speaking families.

The City Council also amended the Mayor's recommendation on a one-time basis by reallocating all 2016 unspent funds from the Fire Department's \$42,000 for technical training and outreach and decreasing the Public Works Department by \$25,000 from the accelerated LED technology program, and increasing the Health Department by \$67,000 for the Next Step hospital-based violence intervention program.

Transportation Maintenance and Repair

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council amended the Mayor's recommendation on a one-time basis by decreasing \$250,000 of new funding to Meet Minneapolis that was designated for enhanced target marketing and increasing the appropriation to the Public Works Department by \$250,000 to be dedicated to the Downtown Improvement District for community based policing strategies.

Transportation Planning and Engineering

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Transportation Planning and Programming

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Water Treatment and Distribution

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

Regulatory Services

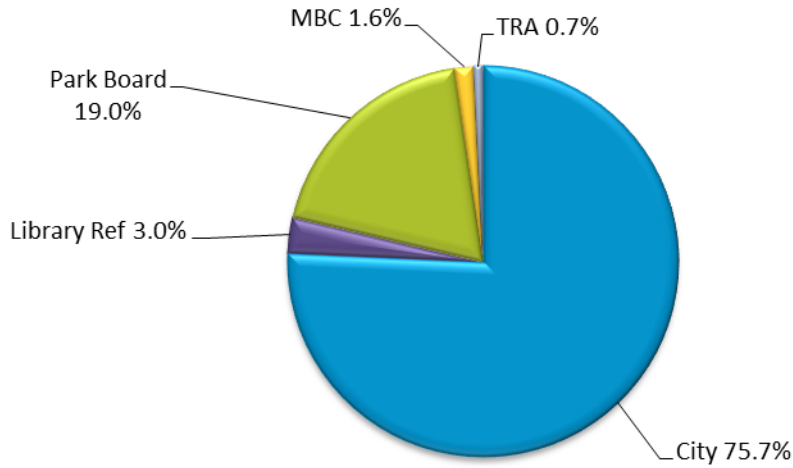
Mayor's Recommended Budget: The Mayor recommended an additional ongoing General Fund appropriation of \$198,000 (2.0 FTE) for Minneapolis Animal Care and Control positions, additional \$120,000 (2.0 FTE) for Code Compliance and Traffic Control positions. The Mayor also recommended a one-time general fund appropriation of \$375,000 in Code Compliance and Traffic Control to increase service hours. The Mayor also recommended an ongoing reduction of \$120,000 to the Regulatory Services budget to support funding new initiatives.

Council Adopted Budget: The City Council approved the Mayor's recommendations.

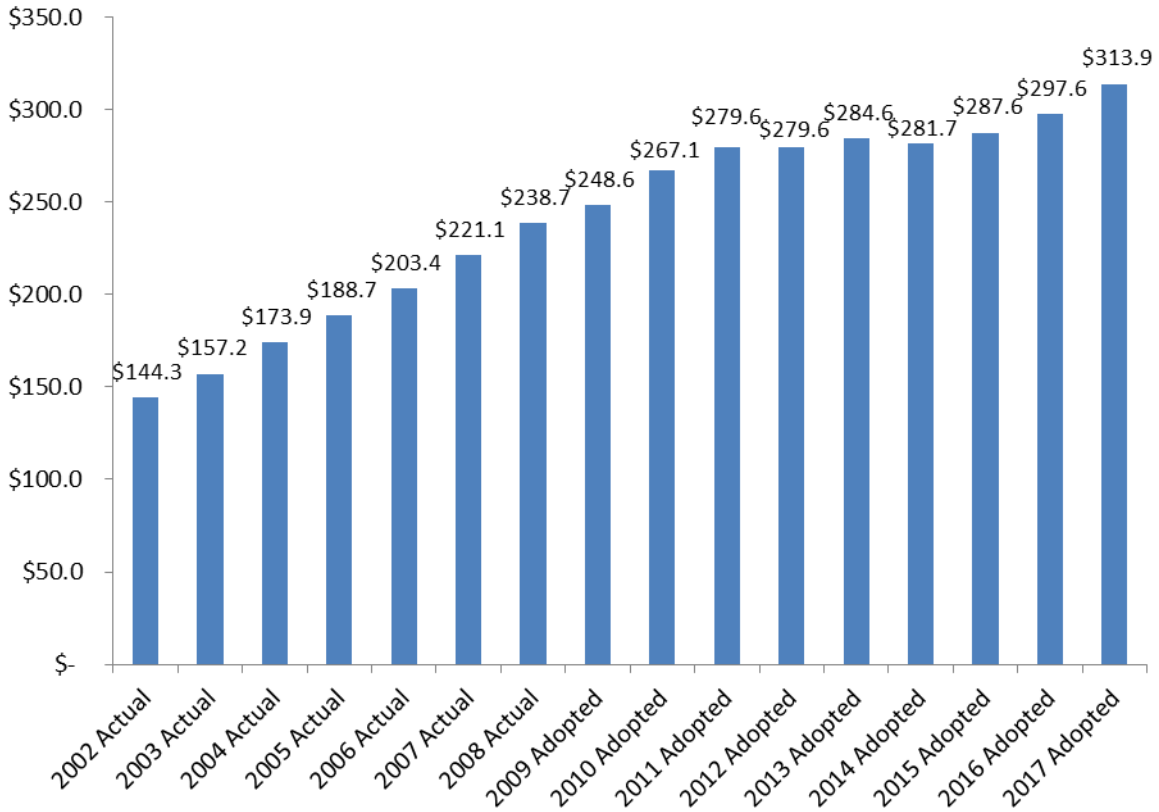
Property Tax Revenue

The City's 2017 Council Adopted Budget includes an overall property tax levy of \$313.9 million. This levy reflects the combined total for the City, the Board of Estimate and Taxation, the Minneapolis Park and Recreation Board, and the Municipal Building Commission (MBC) levies, as well as the Library referendum levy which is a \$9.3 million market value based tax levy. The 2017 recommended levy is \$16.4 million more than the 2016 Council Adopted levy of \$297.6 million.

Property Tax by Entity - \$313.9 Million



Historical Property Tax Revenue by Year



Property Taxes on Individual Properties

Several factors beyond the change in amount levied affect the annual change in property tax owed on a particular property. These factors include the tax base composition within property classifications, the tax rate of the jurisdiction, growth or decline in the value of other properties within the jurisdiction, properties placed in tax increment financing districts, improvements to a property, as well as other factors. Each of these variables may change on a yearly basis,

occasionally resulting in sizeable changes in the amounts of property taxes assessed to any one property.

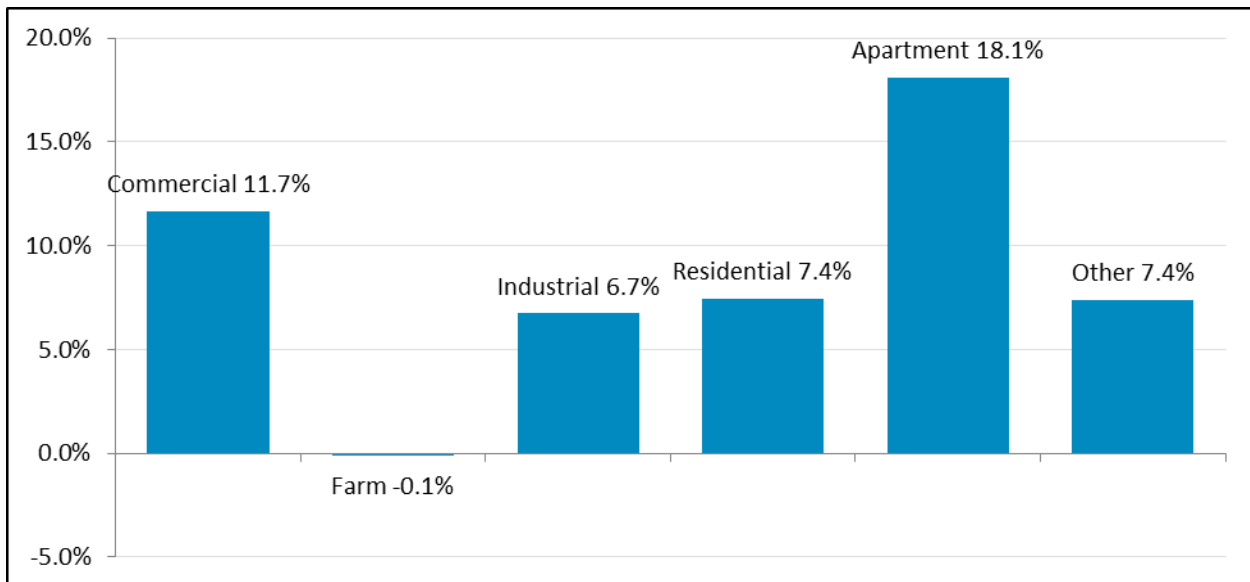
Property Market Values and Tax Base Highlights

The following table shows the estimated market values and corresponding tax capacity by property group as at December 5, 2016 assessment utilized for property taxes payable in 2017 based on preliminary numbers.

2016 Assessment For Taxes Collected in 2017

Group	2017 Estimated		
	Market Value	% Total	Tax Capacity
Commercial	8,469,151,400	19.4%	166,876,701
Farm	1,523,000	0.0%	15,230
Industrial	1,295,694,000	3.0%	25,561,064
Residential	26,608,420,700	61.0%	262,809,231
Apartment	7,196,357,800	16.5%	85,311,348
Other	20,532,300	0.0%	272,880
Subtotal	43,591,679,200	100.0%	540,846,454

Estimated Change in Tax Capacity by Property Group



Change in Tax Capacity by Group

The following table provides the estimated changes in tax increment financing, fiscal disparities contribution, and fiscal disparities distribution for taxes payable in 2017 based on preliminary numbers from the City and County assessors and the Board of Estimate and Taxation:

For Payable in 2017*	
Real Estate Tax Capacity	540,846,454
Personal Property Tax Capacity	9,007,908
Gross Tax Capacity	549,854,362
- Less tax Increment	-42,759,495
- Less Fiscal Increment Value Captured	-5,424,771
- Less Fiscal Disparities Contribution	-62,272,973
+ Plus Fiscal Disparities Distribution	52,548,027
Adjusted Net Tax Capacity	491,945,150

* Estimated market values are as of Dec 5, 2016.

Change in Market Value for Taxes Payable Year-Over-Year			
Taxes Payable in:	Commercial/Industrial	Residential	Apartment
2006	11.4%	12.9%	6.8%
2007	11.8%	6.4%	-1.2%
2008	10.4%	2.6%	3.3%
2009	1.3%	-3.1%	1.8%
2010	-0.1%	-3.6%	0.5%
2011	-9.8%	-4.4%	-6.7%
2012	-4.5%	-9.1%	-5.2%
2013	0.5%	-5.4%	2.8%
2014	0.6%	0.7%	8.5%
2015	3.3%	8.7%	27.8%
2016	16.4%	-10.5%	29.8%
2017	11.5%	6.6%	18.2%

**Industrial property is now reported separately from commercial property.*

Source: City Assessor's Office and Board of Estimate and Taxation

2017 Council Adopted Property Tax Levies

Fund	2016	2017	% Change From 2016	\$ Change From 2016
General Fund	160,446,000	176,851,895	10.2%	16,405,895
Minneapolis Park Board - General	52,583,000	58,013,000	10.3%	5,430,000
Minneapolis Park Board - Tree	1,732,000	1,732,000	0.0%	0
Bond Redemption	37,800,000	37,800,000	0.0%	0
595 (HRA) Levy	129,000		-100.0%	-129,000
Permanent Improvement	1,000,000	500,000	-50.0%	-500,000
Pensions (MERF, MPRA, MFRA)	27,310,000	22,310,000	-18.3%	-5,000,000
Board of Estimate and Taxation	170,000	180,000	5.9%	10,000
Municipal Building Commission	4,810,000	4,954,300	3.0%	144,300
Teachers' Retirement	2,300,000	2,300,000	0.0%	0
Library Referendum Debt Service	9,300,000	9,300,000	0.0%	0
Total	297,580,000	313,941,195	5.5%	16,361,195

**City of Minneapolis
2017 Budget**

Table of Contents

Strategic Planning	Pages 73-81
City Vision and Values	74
City Goals and Strategic Directions	75
Annual Budget Process	77
Integrating Key Processes for Budget	80
Results Minneapolis	81



Minneapolis Strategic Policy

Vision

Minneapolis is a growing and vibrant world-class city with a flourishing economy and a pristine environment, where *all* people are safe, healthy and have equitable opportunities for success and happiness.

Values

WE WILL BE A CITY OF

Equity

Fair and just opportunities and outcomes for all people.

Safety

People feel safe and are safe.

Health

We are focused on the well-being of people and our environment.

Vitality

Minneapolis is a world class city, proud of its diversity and full of life with amenities and activities.

Connectedness

People are connected with their communities, are connected to all parts of the city and can influence government.

Growth

While preserving the city's character, more people and businesses lead to a growing and thriving economy.

WE WORK BY

Innovating and being creative

New ideas drive continuous improvement.

Getting results

Our efficient, effective work meets measurable goals for today and tomorrow.

Engaging the community

All have a voice and are heard.

Valuing employees

Valued and supported employees take pride in public service.

Building public trust

All have access to services and information. We work in an open, ethical and transparent manner.

Collaborating

We work better together as one team. We value our partners, and they value us.

Goals and Strategic Directions

Living well

Minneapolis is safe and livable and has an active and connected way of life

- All neighborhoods are safe, healthy and uniquely inviting.
- High-quality, affordable housing choices exist for all ages, incomes and circumstances.
- Neighborhoods have amenities to meet daily needs and live a healthy life.
- High-quality and convenient transportation options connect every corner of the city.
- Residents and visitors have ample arts, cultural, entertainment and recreational opportunities.
- The city grows with density done well.

One Minneapolis

Disparities are eliminated so all Minneapolis residents can participate and prosper

- Racial inequities (including in housing, education, income and health) are addressed and eliminated.
- All people, regardless of circumstance, have opportunities for success at every stage of life.
- Equitable systems and policies lead to a high quality of life for all.
- All people have access to quality essentials, such as housing, education, food, child care and transportation.
- Residents are informed, see themselves represented in City government and have the opportunity to influence decision-making.

A hub of economic activity and innovation

Businesses – big and small – start, move, stay and grow here

- Regulations, policies and programs are efficient and reliable while protecting the public's interests.
- The workforce is diverse, well-educated and equipped with in-demand skills.
- We support entrepreneurship while building on sector (such as arts, green, tourism, health, education and high-tech) strengths.
- We focus on areas of greatest need and seize promising opportunities.
- Infrastructure, public services and community assets support businesses and commerce.
- Strategies with our City and regional partners are aligned, leading to economic success.

Great places

Natural and built spaces work together and our environment is protected

- All Minneapolis residents, visitors and employees have a safe and healthy environment.
- We sustain resources for future generations by reducing consumption, minimizing waste and using less energy.
- The City restores and protects land, water, air and other natural resources.
- We manage and improve the city's infrastructure for current and future needs.
- Iconic, inviting streets, spaces and buildings create a sense of place.
- We welcome our growing and diversifying population with thoughtful planning and design.

A City that works

City government runs well and connects to the community it serves

- Decisions bring City values to life and put City goals into action.
- Engaged and talented employees reflect our community, have the resources they need to succeed and are empowered to improve our efficiency and effectiveness.
- Departments work seamlessly and strategically with each other and with the community.
- City operations are efficient, effective, results driven and customer focused.
- Transparency, accountability and ethics establish public trust.
- Responsible tax policy and sound financial management provide short-term stability and long-term fiscal health.

**City of Minneapolis
2017 Budget
Strategic Planning
Annual Budget Process**

The City of Minneapolis annual budget process integrates information from the City's strategic and business planning processes, capital long-range improvement committee process and the departmental performance measurement review process (*Results Minneapolis*) to establish annual resource allocations.

January-early April

Department-level assessment of prior year and planning for current year

Analysis of what a department accomplished over the past year leads it to assess its business plan and make appropriate changes to the plan for the next year. Featured elements are reported and the reports made public. This analysis and reporting is the Department Results Minneapolis program.

Additionally, the City engages in citywide strategic planning every four years to develop strategic policy guidance. The vision, values, city goals and strategic directions serve as guideposts for each department as it develops its business plan.

March

Preliminary prior year-end budget status report

Finance 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. The departments prepare and modify capital improvement proposals on an annual basis. Finance and Property Services, Community Planning and Economic Development (CPED), and the Capital Long-Range Improvements Committee (CLIC) review capital improvement proposals of the departments. CLIC is the resident advisory committee to the Mayor and the City Council on capital programming. Capital improvement proposals are due on or around April 1st each year.

April–June

Operating budget development

Departments work in coordination with Finance and Property Services to prepare operating budgets based on programs. In addition to preparing operating budgets for programs, departments prepare proposals that describe policy and organizational changes with financial implications. The program proposals form the basis for the Mayor's budget meetings with departments held in June and July.

Capital Asset Request System (CARS) plan and budget development

Departments work in coordination with Finance and Property Services to prepare five-year plans for the replacement of smaller capital assets and operating capital. The plans are based upon the need for replacements and the addition of capital assets for operational effectiveness. Each request requires a justification and an estimate of the impact on operating budgets, as well as identification of funding sources.

Capital Long-Range Improvement Committee (CLIC) Process

From April through June, the CLIC Committee reviews capital requests, hears presentations from submitting departments and rates the capital requests. They prepare comments about projects and summarize their final recommendations in a report called “The CLIC Report” which is provided to the Mayor and City Council in mid-July as the starting point for their decisions on the Five-Year Capital Plan.

June–August

Mayor's Recommended Budget

The 2017 Mayor’s Recommended Budget will be based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor’s Office, and staff from the Coordinator’s Office and Finance and Property Services for priority-setting. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15 of each year.

September

Maximum proposed property tax levy

As a requirement of State law, the maximum proposed property tax levy increase is authorized by September 30, by the Board of Estimate and Taxation (BET). The BET sets the maximum levies for the City, the Municipal Building Commission, the Public Housing Authority and Minneapolis Parks and Recreation Board.

September–November

City Council budget review and development

The City Council budget review and development process begins with a series of public hearings on the budget. Departments present their Mayor’s Recommended Budget to the Ways and Means and Budget Sub-committee which is comprised of all Councilmembers. Following departmental budget hearings, the Ways and Means and Budget Subcommittee amends and moves forward final budget recommendations to the full City Council. The Committee-recommended budget includes any and all changes that are recommended by the Committee to the Mayor's Recommended Budget.

Truth in Taxation

Truth in Taxation (TNT) 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 based upon the preliminary levies approved in September. These statements also indicate the dates when public hearings will be held to provide opportunities for public input. State law was changed in the 2009 legislative session to eliminate a separate TNT hearing in lieu of a mandate to allow public comments at the meeting at which the final budget adoption occurs. The City Council has maintained a separate hearing however as part of the regularly scheduled budget meetings. According to State law, the meeting at which the budget is adopted must be held after 6:00 p.m., on a date after November 24.

December

City Council budget adoption

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

Financial/Business Decisions 2017 Budget Calendar

January

February

March

April
Departments submit Capital Budget Requests - around April 1 st

May
Departments prepare 2017 budget proposals

June
Departments work with Coordinator's office to review proposals Departmental meetings with Mayor on 2017 Budget

July
CLIC Executive Committee meets with Mayor regarding Capital Budget Recommendations – mid July

August
Mayor presented recommended 2017 Budget and update to five-year financial direction

September
Council hearings on Mayor's recommended 2017 budget and updates to the five-year financial direction

October
Council hearings on Mayor's recommended 2017 budget and updates to the five-year financial direction

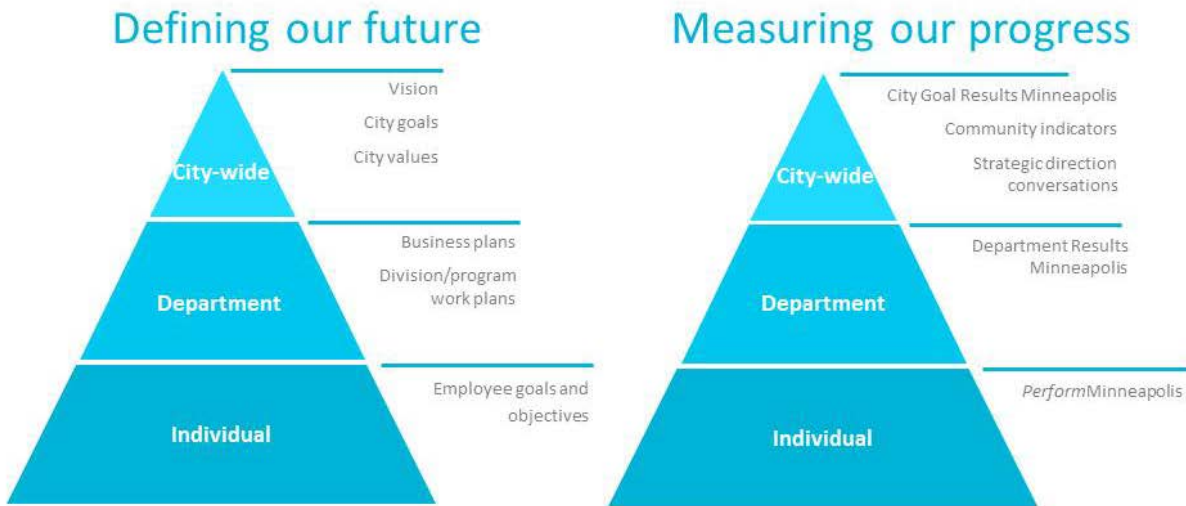
November

December
Adoption of 2017 budget and five-year financial direction

**City of Minneapolis
2017 Budget
Integrating Key City Processes**

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

The diagram below illustrates the linkages among these key City processes. By aligning strategic planning, business planning, budgeting and performance monitoring, Minneapolis is able to plan for the future and ensure its efforts and resources are pointed 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 March 2014, the Mayor and City Council adopted a new set of City Vision, Goals and Strategic Directions. This work builds on previous City goals and a resolution establishing commitment to business planning and the 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 goals?”

City Goal Results Minneapolis

The City Goal Results Minneapolis program helps the City understand how its work is impacting its city goals. The program connects City work and community priorities, as measured by community indicators, by blending a variety of data sources and analysis from City departments and community stakeholders. The results of the analysis are compiled into powerful, insights-based reports and presented at a roundtable to inform City decision making. The reports are also made public.

Department Business plans

The development of the citywide strategic vision, goals and strategic directions is intended to provide clear direction for departments' business planning efforts. Through the planning and budgeting processes, departments are 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 work accordingly. A department's business plan will articulate the alignment of its services with the adopted citywide strategic planning policy.

Business planning is a process that provides both strategic and tactical direction to City departments. A business plan is a mid-range plan (Minneapolis uses a four-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, how to achieve it, what resources to use, and how it will know when it has been successful.

Department Results Minneapolis

The Department Results Minneapolis program uses data to assess a department's progress on its business plan. This information is then used to adapt the following year's work. Departments complete the analysis and updating in the first quarter of the year and report on featured elements. The reports are made public.

The Annual Budget Process

Minneapolis' annual budget process is the process in which the Mayor and City Council articulate their priorities for the upcoming year by allocating City financial resources accordingly. Through the further integration of the City's planning, budgeting and performance measurement processes, it is expected that the decisions surrounding the budget process will be better informed as these planning efforts come to fruition. The business plans provide greater clarity of the intended future direction of departments, and performance measurement helps assess whether current strategies are yielding those expected results.

As stated above, during the planning and budgeting process, departments are given the projected level of financial resources to expect over the next several years and plans are adjusted accordingly.

**City of Minneapolis
2017 Budget**

Table of Contents

Financial Policies	Pages 82-104
Operating Budget	83
Revenue	85
Fund Balance	89
Accounting	91
Investment	91
Development Finance	91
Public Participation	93
Allocation Model	93
Administrative	95
CDBG Reprogramming	98
Capital Budget	99
Capital Project Administration	100
Debt	101

City of Minneapolis 2017 Budget

Financial Management Policies

OPERATING BUDGET POLICIES

The objective of the operating budget policies is to ensure that sufficient information is available to decision makers to provide for adequate levels of funding for 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 [including Internal Service Funds]. All enterprise activities of the City shall be self-supporting, including those activities contained within the Internal Service Funds. To the extent that an activity is not self – supporting, long-term financial plans shall be created to secure a self-supporting state in the future.

Service Levels. 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 should be submitted as a part of the annual budget process.
- **Personnel Expenses.** Departments are to account for the salaries and benefits of permanent employees within their ongoing budget appropriations. Departments may use projections of bell – curve staffing to adjust the level of employees throughout the year as long as the department does not exceed its appropriated budget. If the department cannot meet its obligations within its adopted budget, as identified in ongoing cooperation with Finance and Property Services, the department may seek budget amendments through requests to the City Council via the Ways & Means Committee.

In the event that service levels are not able to be maintained with the current complement of budgeted FTEs as monitored and reported through the *Results Minneapolis* process and other mechanisms, departments may seek to temporarily expand staffing beyond the number of approved FTEs to meet business needs if the department has exhausted the potential to reallocate existing, vacant positions. To accomplish this, departments shall prepare a business case showing the targeted service level, the change in ability to meet the service level, reasons for the change in level of service required, the amount of additional staff resources necessary to meet services and a plan for reduction of staffing if or when the need for service declines. Budget impacts shall be monitored in cooperation with Finance and Property Services throughout the year.

- **Overtime Limitation.** The policy approved by the Mayor and Council limits all departmental overtime to 5% of the budgeted amount for the salaries and wages category in the current budget year.

- **Internal Service Fund Charges.** Internal service funds' charges shall be fully allocated to the extent possible using approved allocation methodology. Charges allocated to General Fund departments shall be funded per the approved allocation model. Non-General Fund departments, including special revenue funds and enterprise funds, shall fully fund their allocated costs with fund revenues. Additional costs incurred by departments throughout the year shall be funded by the department with the understanding that the expenditures were either planned through the Capital Asset Request System (CARS) process or as part of the department's operating budget. Appropriation authority used in one year to enhance internal service fund-related costs will be reviewed on an annual basis for continued appropriation in the subsequent budget year, including both operating and CARS budgets. Subject to review by Finance and Property Services and the internal service fund staff, the additional cost and/or service may be funded through the cost recovery model in the subsequent budget year using the approved allocation methodology.
- **Elected Official Budgets.** A year-end deficit of up to 25% will be allowed for each ward and the Mayor's office budget with the exception of the final year of their term (but not for two consecutive years). The deficit will be offset by a corresponding reduction in the Council Member or Mayor's office budget for the current year. If there are savings in a ward or Mayor's budget, these savings may be re-appropriated from one year to the next year, but cannot be re-appropriated following the final year of the term.
- **Grant Funded Programs.** General governmental programs financed with grant awards may be budgeted in special revenue funds, and the service program shall be adjusted to reflect the level of available grant funding. Grant funding for permanent improvement funds and internal service and enterprise fund activities shall be accounted for in those funds. Individual grant budgets are controlled in the financial system at the cost category level. In the event of reduced grant funding, City funding sources may be substituted only after all competing program priorities are considered during the annual budget process. Grant programs that require an ongoing City funding commitment shall be specified at the time of grant acceptance and may be rejected on the basis that the City is unwilling or unable to provide continued funding.

Basis of Budgeting. The basis of budgeting and accounting are the same, except as noted below. The budgets of all governmental funds are created using the modified accrual basis. Revenues are budgeted if they are measurable and available as net current assets. Major revenues determined to meet these standards for accrual and budgeting include the following: 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 budgeted, but interest on special assessments receivable is not budgeted. Major revenues that are not accrued because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include the following: delinquent property taxes and assessments, licenses, permits, fines and forfeitures. Delinquent property taxes are not budgeted, while the other categories are budgeted on a cash basis.

In the governmental funds, expenditures are generally budgeted when the related fund liability is incurred. Only the current portion of principal and interest expense on general long-term debt is budgeted. Compensated Absences and Other Post-Employment Benefits (OPEB) are not budgeted and are considered expenditures at the time they are paid. Salary expenditures are budgeted based on full time equivalents (FTEs), regardless of the type of pay.

Proprietary [internal service and enterprise] funds use the accrual basis, and 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 and volume of service consumed, without a factor for delinquencies. Long-term liabilities are recorded at full cost, including Compensated Absences and the actuarial accrued liability for Other Post – Employment Benefits.

Budgetary Controls. The legal level of budgetary control is at the department level within a fund. The City Coordinator's Departments, the Public Works Department and the City Council/City Clerk/Elections areas are examples of legal levels of budgetary control within a fund, even though budgetary data may be presented at lower levels within the department. Budget amendments at the department/fund level must be approved by the City Council. Budget amendments below the department/fund level may be approved by the appropriate department director, but are not required. Generally all appropriations for operating activities lapse at year end. Encumbrances and other requests may be approved during the roll-over process after year end [See re-appropriation authority in the Authority of Finance Officer Section].

Purchase orders, certain contracts, and other commitments are recorded as encumbrances, which may reserve appropriation authority. Encumbrances outstanding at year-end are reported as restrictions of fund balance. The appropriations for these encumbrances do not automatically transfer to the following year, but rather are included as part of the annual roll-over process.

Five-Year Financial Direction. City departments prepare business plans with a rolling five-year planning horizon which reflect the anticipated allocation of general City revenues, including property tax and state aid revenue, as well as special revenues other than grant funds. This financial direction is based upon the City's shared revenue distribution policy which aligns the revenue growth of City departments and independent boards. The financial direction is updated annually with each budget release. City departments update their major financial projections prior to their final submission to the Mayor and Council.

Grant Funding in the Five-Year Financial Direction. All applications for grant funding require Council approval. Any department applying for grant funding should be aware of the effect on its budget of one-time-only funding. Effects include such items as local match requirements; additional costs for maintenance, operation, and replacement of equipment and other capital assets purchased with grant funding; as well as grant funding that provides for funding of personnel and requires the maintenance of a minimum staffing level and/or maintenance of effort contribution. The department requesting the approval and acceptance of grant funding shall determine the amount of additional City resources that will be required to fund any local match requirement as well as the ongoing services, maintenance and operation costs, and positions once the grant funding expires. Those estimates shall be reported to the Finance and Property Services Department, as well as included as information when seeking Council approval for accepting and entering into the grant agreement. As a condition of accepting the funds, the Council shall identify permanent resources and amend the Five-Year Financial Direction to reflect adequate resources to cover the costs and retain the positions, if appropriate, once the grant funding ends.

REVENUE POLICIES

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

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

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

Shared Revenue Distribution. Subject to annual review as part of the budget process, major sources of broad-based revenue, including Local Government Aid (LGA) and property tax revenue, shall be treated in the aggregate, allowing for changes in the level of resources to be consistently aligned among the City and independent boards. Future increases and decreases will be aligned with available resources, and the annual percentage change in revenues covered by this policy available for activities of the City, Park Board and MBC will be similar for each entity.

Costs of shared services among the jurisdictions will be funded prior to determining the amount of resources available for general operating expenditures. These costs may include, but are not limited to, closed pension obligations, the Bond Redemption Fund levy, the Permanent Improvement Fund levy, the Minneapolis Public Housing Authority special levy, the Teacher's Retirement Association special levy, the Library Market Value Referendum levy, the levy for the Board of Estimate and Taxation, and shared administrative costs.

City and independent board priorities that require an increase for one entity above others will be clearly described to allow for maximum transparency and should be considered within the context of the impact on the overall organization and the ability to provide for such adjustments.

The annual adjustment in revenues available to each entity in a given budget year for general activities will be based on the projected percentage increase in costs and availability of revenue. The funding available for the activities will be based on the sum of the LGA, total tax collections, and total General Fund revenues after funding the costs of shared services outlined above. Available funding shall exclude funds transferred to other entities, including the following:

- *For the Park Board*, the funding amount shall exclude the General Fund Overhead transfer to the City, the General Fund Administration Fee transfer to the City, and the costs of Park Board Capital Improvements funded from the Park Board levy.
- *For MBC*, the funding amount shall exclude the General Fund Overhead transfer to the City.
- *For the City's General Fund*, the funding amount shall exclude the General Fund Overhead recovered from the Park Board, MBC, and others.

The tax revenue percentage change for the City, the Park Board, and MBC may vary from year to year based on adjustments to LGA, total General Fund revenues, and adjustments to those items excluded from general activities, as well as adjustments to the projected change in cost of providing services. Such adjustments will be reviewed and made subject to the annual budget process.

Local Sales Taxes. The City shall use the proceeds from local sales taxes dedicated by the State for municipal use as funding levels allow for the following purposes:

- For the payment of debt service obligations on the City's convention center.
- For operational support of the City's convention center, inclusive of maintenance, service, and marketing agreements.
- For baseline capital projects and maintenance at City facilities as allowed by law, including the City's convention center and Target Center.
- For establishment of reserves in a tax stabilization account to smooth changes in taxes levied.
- For infrastructure needs that promote economic development.
- For economic development – related public safety needs.
- For discretionary capital projects at the City's convention center and Target Center.
- Other needs as determined by the City.

License, Permit and User Fees. The City may implement user charges to supplement general revenue sources for identified services where the costs are related to the service. The user charge may not exceed the cost of providing the service, although the City may recoup all associated and indirect costs, subject to limitations imposed by Statute, Charter or Ordinance. The City, at the direction of the City Council, may charge less than the cost of providing the service. Fee schedules shall be reviewed with Finance and Property Services and approved by the Council on an annual basis.

Cost of Service. The City shall establish user charges and fees at levels that reflect the cost of providing the service. Components of the user charges may 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.

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 may be set at different levels than charges to residents to minimize the tax burden on City residents. The user fee may not exceed the cost of providing the service.

Enterprise Service Fees and Rates. User charges for Enterprise Services such as water, sewer, stormwater, and solid waste collection, shall be set at rates sufficient to finance all direct and indirect operating, capital, reserve/working capital, and debt service costs. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates shall be set such that these enterprise funds maintain a positive cash position throughout the year and provide for sufficient reserves as determined by fund policy.

Administrative Fees. The General Fund Overhead Allocation Model shall be used to recover General Fund costs attributed to all non-General Fund activities and to allocate costs to General Fund activities for the purpose of calculating indirect costs.

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

Private Revenues. All private money donated and accounted for as public money, contributed or lent to the City shall be subject to grant solicitation and acceptance procedures, deposited in

the appropriate City fund, and accounted for as public money through the City's budget process and financial system.

City – Administered Special Assessments. The City Council has the authority to levy special assessments. There are four main areas of assessments:

- *Capital or Infrastructure/Public Works Improvements:* The most common types of assessments are for infrastructure improvements and replacements such as sidewalks, street improvements, water and sewer line repairs (not including delinquent utility bills) and special service districts.
 - *Park Board:* The most common types of assessments are for tree removal, and parkway and sidewalk reconstruction, similar to Public Works Improvements.
- *Inspections and Code Enforcement:* The 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 fees; and inspections.
 - *Tax-Forfeited Properties:* A portion of nuisance abatement special assessments under State statute may be cancelled for tax-forfeited properties.
- *Unpaid Citations and Invoices:* The most common types are for unpaid administrative citations and utility bills, as well as abatement and service invoices associated with Inspections and Code Enforcement (above).
- *Special Districts.* Assessments may be collected for the purpose of funding special districts to the extent allowed by State statute, City Charter or Ordinance.

Method of Payment (Public Works and Park Board Improvement Assessments).

Owners of benefiting properties shall have the option of paying their assessments all at once or in installments as part of their annual real estate taxes following the process outlined in MN Statutes 429.061 and Chapter 10 of the City Charter. 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 also determine the interest rate to be paid annually on all unpaid installments upon certification of the assessment based on market interest rates. Interest rates shall be determined annually for the new projects to be assessed based on the Daily Treasury Yield Curve Rates in effect on December 1 of the year prior to the property owner receiving notice of the public hearing of a proposed property assessment. The interest rate will correspond to the anticipated term of the assessment plus 2 percent. The first installment shall be payable in the year following certification of the assessment role to Hennepin County and will be payable in the same manner as real estate taxes. Property owners will receive a bill from the City in November of the year before their first payments are due and can prepay this bill up to December 31st without incurring interest costs

Uniform Assessment Rate. The Uniform Assessment Rate is a standardized rate applied in street construction and street renovation projects. Assessments shall be part of the funding for all street paving construction/reconstruction projects for which the City is to bear any part of the cost, except for freeways. This rate shall be applied 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% – 75% of construction project costs depending upon the nature of the improvement project. 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 type of project (construction, renovation, or resurfacing), funding category (local or other), and benefited parcel category (non – residential or residential).

Permanent Improvement Fund. The Permanent Improvement Fund is used to account for construction costs on basic governmental infrastructure projects. The fund is used to record both expenditures on projects and revenues received from outside funding sources as well as such internal sources as capital improvement tax levies, special assessments, and proceeds of bonds issued for public infrastructure projects. All project costs not assessed 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 shall be paid from the Permanent Improvement Fund and offsetting revenue. City Council approval is required in order for the Permanent Improvement Fund to cover funding deficiencies.

Method of Payment (Inspections, Code Enforcement and Unpaid Citations / Invoice Assessments). Owners of properties with unpaid citations and invoices shall have the amount of the outstanding balance certified to the County by December 15th of the year prior to collection following the process outlined in MN Statutes 429.101. The assessed amount shall be payable in the year following certification of the assessed amount and in the same manner as real estate taxes.

Proceeds from Sale of Real Property. City Ord. Sec. 14.120 requires proceeds from the sale of City property used for municipal operations to be deposited into a Property Disposition Fund. The proceeds of this fund are to be used for implementing the City's strategic real estate plan as developed and approved by the Facilities, Space, and Asset Management (FSAM) Committee with the exception of enterprise and proprietary funds and those funds and properties associated with development purposes. The City's Property Disposition Policy shall be reviewed and updated on a regular basis.

FUND BALANCE POLICIES

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

General Fund Cash Flow and Contingency. The City shall maintain a minimum unrestricted fund balance in the General Fund equal to 17% of the following year's General Fund budgeted expenditures to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, to meet unexpected increases in service delivery costs or unexpected revenue shortfalls. These funds are used to avoid cash flow interruptions, generate interest income, and to avoid the need for short-term borrowing.

Adequate operating contingency reserves shall be maintained to provide for business interruption costs and other unanticipated expenditures of a non-recurring nature. Enterprise funds shall also maintain adequate capital fund reserves 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, including the following:

General Fund Operating Contingency. Each year, the City shall budget an operating budget contingency of not less than 1% of all budgeted General Fund expenditures in each of the applicable years planned for in the City's Five-Year Financial Direction.

Non-General Governmental Funds. The appropriate balances shall be the amount needed to maintain positive cash balances throughout the year with exceptions made for those funds associated with economic development purposes which may be aggregated by fund type to maintain a positive balance.

Enterprise Funds. The City shall maintain a minimum cash balance in its Enterprise Funds equal to three months of operating expense, or 25% of the funds' annual operating budget. This balance shall be maintained to ensure adequate maintenance reserves, operating cash flow requirements, debt service requirements and legal restrictions. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained in a manner which charges current consumers to pay for future facilities, with exceptions made for those funds associated with economic development purposes. Balances in excess of three months of operating expense may be utilized for capital purchases and replacements in lieu of debt financing if doing so allows for continued maintenance of appropriate balances and funding plans. Alternatively, surplus cash reserves may be used for early debt retirement at the discretion of the Finance Officer. Financing decisions shall consider the impact on user rates.

Internal Service Funds. The following balances shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions:

- *Self-Insurance Fund* shall maintain a cash balance equal to the unpaid claim reserves payable amount on its balance sheet, as defined by the independent actuary plus 10% of the annual department operating budgets within the fund. Net position within the fund should not fall below zero.
- *Fleet Services, Intergovernmental Services, and Property Services Funds:* If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net position shall not fall below two times the fund's annual depreciation amount.
- *Stores and Engineering Materials & Testing Funds* shall maintain cash and net position equal to 15% of the fund's annual operating budget.

Use of Fund Balances. Fund balance is the accumulation of prior years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net position. For the purposes of the budget, revenue and expense activity includes bond proceeds and debt service. Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and 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 and/or service level efficiencies.

Annual Review. An annual review of cash flow requirements and appropriate fund balances shall be undertaken to determine whether modifications are appropriate for the reserve policy.

ACCOUNTING POLICIES

The objective of the accounting policies is to ensure that all financial transactions of the City and its boards, commissions, and agencies conform to federal and state laws and regulations and generally accepted accounting principles (GAAP).

Accounting Standards. The City shall establish and maintain a central accounting system according to 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 all financial activity on a daily, monthly, and year-end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six months of the fiscal year-end as required by the Office of the Minnesota State Auditor. The CAFR shall be published on the City's website.

INVESTMENT POLICIES

Investment Policy and Strategy. It is the policy of the City that the administration of its funds and the investment of those funds shall be regarded as its highest public trust. The Investment Policy of the City defines the parameters within which funds are invested. The policy establishes the framework for the City's investment program to ensure effective and judicious investment of the City's funds. The Policy is intended to be broad enough to allow investment officer(s) to function properly within the parameters of responsibility and authority, flexible enough to address changing market conditions, and specific enough to safeguard investment assets. The receipt of a market rate of return is secondary to the requirements for safety and liquidity. The earnings from investments are used in a manner that best serves the interests of the City and its various specialized funds. The complete current Investment Policy and Strategy, approved by the City Council.

DEVELOPMENT FINANCE POLICIES

The objective of the development finance policies is to provide guidance for public assistance to community development efforts in a manner that balances costs against benefits. To the greatest extent possible, all development activities are self – supporting. City staff shall identify sufficient public and private resources 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 finance plan is reasonable, balanced, and the best means by which to achieve City objectives, while adequately protecting citywide financial interests.

Tax Increment Policy. The Tax Increment Policy guides the City's use of the tax increment financing (TIF) tool, identifying the purposes and conditions under which TIF will be used and the factors to be considered when evaluating developers' applications for TIF assistance. The policy provides that TIF will only be used when the City has the financial capacity to provide needed public assistance and a developer can clearly demonstrate that the development will be able to meet its financial and public purpose commitments. The City seeks to recapture the public investment to the maximum extent feasible after allowing the developer a reasonable return. Alternatives such as "pay as you go" financing and reimbursing front-end public

redevelopment costs with tax increment revenues are preferable to bond financing. The City will only issue general obligation tax increment bonds in rare situations and under certain strict criteria. Only those public improvements and public redevelopment costs directly associated with or needed to service proposed development plans or projects are to be financed through TIF. The complete current Tax Increment Policy, approved by the City Council is available online.

Tax Abatement Policies. The Policy for the Use of Tax Abatement for Historic Properties identifies the circumstances in which the City will consider the use of tax abatement to support the substantial rehabilitation of designated historic preservation properties. Proposed uses of tax abatements must achieve one or more identified objectives, and the expected benefits to the City must at least equal the City's costs. The complete current policy, approved by the City Council.

Tax Increment Special Revenue Funds and Internal Loans. State statute requires that tax increment (TI) revenues be segregated from all other revenues of the City and maintained in separate funds established for each individual TI district. As a result of this statutory requirement, a separate fund is established at the time a new TI district is approved. Qualifying expenses are charged to these individual district funds as they are incurred. This action could result in negative balances in a fund until TI revenues are generated from the district.

When a district has a negative fund balance, this is considered to be an internal loan by the Office of the State Auditor and the TI Act requires prior, specific action to be taken by the City to authorize these internal inter-fund loans.

As part of the budget process, and for purposes of covering any temporary negative fund balances, the City authorizes the advance of revenues from other TI special revenue funds in the amount needed to offset any negative fund balances incurred within a TI fund prior to or in excess of the collection of sufficient TI revenue. The interest rate paid on any advance will be equal to the rate of interest those revenues would have earned in their respective fund. The term of any advances shall end upon termination of any TI district that carries the negative fund balance. As TI revenues are available in a TI fund that previously had a negative balance, the advance shall be offset by the amount available in that fund.

Capital advances needed for negative fund balances will not result in the actual movement of revenue between funds, but the positive balance of all the City's TI funds must offset any negative balance in a TI fund.

Development Project Funding Allocations and Re-Appropriation. Beginning in 2014, appropriations for those development projects and program allocations, which by the end of four years including the appropriation year, have not moved forward toward implementation as indicated by a minimum of 75% of appropriation expended on tangible project activities are subject to expiration (i.e. unspent 2015 appropriation expires in 2019).

The mechanism for tracking appropriations for multi – year projects shall be an annual report to the Community Development/Regulatory Services, and Ways & Means Committees.

The annual development project and program status report shall contain the following information by individual project or program:

- 1) Brief description
- 2) Year of original appropriation
- 3) Annual appropriation for most recent completed fiscal year;
- 4) Annual expenditures for most recent completed fiscal year;
- 5) Total outstanding encumbrances and Council commitments as of the most recently completed fiscal year end;
- 6) The unexpended and unobligated appropriation balance;

The 2017 report shall include 2014-2016 information and will expand to include subsequent fiscal years in the future years. The 2018 report [with 2014-2017 information] shall identify those development projects and programs whose expenditures in the first year, i.e. 2014, did not meet the 75% of appropriation spending threshold as defined above, and therefore will be subject to having the unspent portion of the 2014 appropriation expire and available for reprogramming, subject to review by the City Council.

PUBLIC PARTICIPATION POLICIES

Consistent with adopted City goals and values, the objective of the Department's 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 budget reports are available on the City's web site and in the Finance & Property Services Department offices in Room 325M City Hall.

Financial Reports. Information regarding the City budget and, financial statements shall be available to residents in various formats and, upon request; translation assistance is available via the City's Neighborhood and Community Relations Department.

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. The Mayor's recommended budget is available on the City's web site for review shortly after its release in mid – August each year. All City Council budget meetings in the fall are public and advertised as part of the normal Council Committee process. City stakeholders are encouraged to communicate any concerns related to the budget to the Mayor's Office, and to their Council Member.

ALLOCATION MODEL POLICIES

The City employs cost allocation models for a variety of purposes:

- Recovery of indirect costs for grants, capital projects, internal and external work-for-others.
- Internal Service Funds cost recovery.
- To support activities and services of departments which are funded by the General Fund and provide services to other departments which are supported by other fund types.
- Provide for a mechanism to calculate the total cost of service when determining user fees and charges.

The primary methodology used is Activity-Based-Costing which links the cost of the service provided to the consumption of the service.

- Cost allocation models should recover indirect labor, depreciation, general and administrative costs, and costs from other allocation models.

- Cost allocation models should abide by grant agreements, contracts and other applicable Federal, State and local guidelines.
- Cost allocation models should be reviewed and updated annually.
- Costs shall be allocated to the fullest extent possible. When feasible, costs deemed non-allocable (for example, un-utilized space in leased facilities) shall be allocated to a non-department specific cost center in the General Fund to maintain the level of funding needed in the Internal Service Fund.

Internal Service Funds (ISF's): All ISF's use cost allocation models to recover costs.

General Fund Allocation 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 shall be based on a consistent methodology, applied enterprise-wide and developed and administered by the Finance and Property Services Department.

The General Fund overhead allocation model is not self-balancing in nature; costs that should be borne by one department will not be subsidized by another unless it is determined by the Finance and Property Services Department that a phase-in period is necessary.

The General Fund overhead allocation model will adhere to the applicable policies set forth for Internal Service Funds.

One-Time Costs Assessed. One-time cost increases may be assessed to the fund if the financial condition of the fund meets the City's financial policies.

Management Support Charges to Independent Boards. The management support charges to the Independent Boards are based upon standard practices for allocating costs. The method and procedure to calculate the prorated costs and collection of the charge are finalized and communicated to the Independent Boards by December 31 of each year in accordance with the City's revenue policies.

Fleet Services Division (Equipment Services Fund)

Fleet Defined

For the purposes of this document "Fleet Units" or "Units" will be used when referring to the following: City vehicles, on road and off road equipment, mobile equipment, rolling stock, trailers, boats, and associated components/attachments.

Fleet Acquisitions

- 1) All Fleet units shall be purchased through and maintained by the Fleet Services Division ("FSD"). Exceptions may be granted on a case by case basis by the Director of Public Works or the City Coordinator or designee.
- 2) The benefitting department shall request, through the CARS process, funding for additional units or the underfunded portions of replacement units.
 - i. The purchase of a Fleet unit may be funded from a number of different sources including but not limited to: accumulation in the Fleet replacement fund, net debt bonds, General Fund appropriation, fund balance in enterprise or internal service funds, State or Federal capital grants.

- ii. All funds, including State and Federal capital grant money, that are to be used for the purchase of Fleet units will be paid or contributed to the FSD Fund upon initial purchase of the Fleet unit.
 - iii. The funding for the purchase of a replacement unit includes the replacement amount accumulated through the Fleet Services Division rental fee for the specific unit with any shortfalls funded by the using department through the CARS program or operating appropriation.
- 3) Unless purchased for specific closed-ended projects, all units are assumed to be replaced at a later date in accordance with the replacement plan established by FSD.
- i. Exceptions may be granted on a case by case basis by the Director of Public Works or the City Coordinator or designee, if it is determined that an enterprise fund or internal service fund unit will either not be replaced in the future or will be replaced on a pay-as-you-go basis using fund balance. The enterprise or internal service department, in cooperation with the Finance and Property Services Department, must be able to substantiate that funding will be available at the time of replacement. The benefitting department will need to include in its operating budget the ongoing charges for the FSD administrative costs for each item.
 - ii. FSD will establish a monthly replacement/rental fee for the replacement of that unit with a similar unit.
 - iii. The benefitting department must include in its annual budget the total rental fee due to Fleet Services for the units for that budget year.
 - iv. The rental fee will be charged monthly to the department's budget through the City of Minneapolis Fleet Management and accounting system. Cost recovery schedules are available from FSD.
 - v. The rental fee for each unit includes depreciation, an inflationary factor, and administrative charges.
 - vi. The City of Minneapolis is self-insured and any claims or tickets against the City will be charged to the benefitting department.
 - vii. All other charges associated with the unit will be charged to the benefitting department.

ADMINISTRATIVE POLICIES

Quarterly and Year-End Reporting. The Finance and Property Services Department will report to the Ways and Means Committee quarterly and at year-end, expenditures and revenues by department and fund compared to authorized allocations for the prior fiscal year. This report will identify departments and funds with projected expenditures in excess of authorized appropriations and/or revenues projected to be less than budgeted amounts.

Departments with unanticipated or projected year-end actual expenses in excess of authorized appropriations and/or revenues less than budgeted amounts will report to the Ways & Means Committee each quarter for the year following the year of overspending or under-collection of revenues, beginning with the first committee meeting in April. This report should include information on actual spending and revenue collection to date for the current year and forecasts for the balance of the year compared to allocations. If forecasted spending exceeds authorized appropriations, the department will work with Finance and Property Services to present a plan that reduces spending to meet authorized appropriations or otherwise addresses the deficit.

Operating Costs for Technology. Departments are directed to clearly identify, within existing resources, the funds that would be used to finance the ongoing costs related to the purchase or development of technology prior to the expenditure of funds for the purchase or development of

that technology. The sponsoring department should prepare a Receive and File notice for consideration by the respective home committee and the Ways and Means Committee when the annual operating and maintenance cost of any technology project exceeds \$50,000. This notice should be submitted as soon after the sponsoring department has identified the ongoing costs and funding sources. Departments shall work with the Information Technology (IT) Department and Finance and Property Services to ensure those costs are identified and included in the contract for technology services. Departments shall also work with IT to jointly determine the appropriateness of the purpose for the City's technology planning. Operating costs of department-specific technology will be allocated to that department. Technology for use across the City or in support of citywide operations shall be allocated citywide.

Contract Funding. Prior to committing to conditions requiring a minimum purchase under any contract, the department/departments involved must clearly identify the specific funding sources dedicated for such purchases.

Gift Acceptance. Any gifts with a value of \$15,000 or less can be received by individual City departments with written notice to the Finance Officer or his designee. The Finance and Property Services Department shall submit a quarterly gift report to the City Council's Ways and Means Committee for approval. 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 date received and special designations on gift, if any); and
- 4) Funding strings for revenue and expense appropriation increases.

For any gifts with a value exceeding \$15,000, the recipient department shall submit a request for authorization to accept the gift directly to the City Council's Ways & Means Committee. 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.

Approval of Payments and Procurements. All payments for or procurement of goods and services from external sources, regardless of dollar amount, must be approved. Additionally, where applicable, the system-generated purchase order number will be communicated to the vendor prior to the order being placed. Additional procurement policies and procedures are available for reference on the City's website.

Accounts Receivable Collections Policy. Services provided in advance of payment are recorded as accounts receivable. Invoices must be created and recorded as receivables as soon as possible after a billing cycle ends or service is provided. Collections of receivables are managed according to type and age. Collection methods may include the use of collection agencies, cancellation of service and assessment of unpaid amounts to real estate property taxes. Installment arrangements may be utilized to facilitate collections. Receivables that are in dispute or are determined to be uncollectible will be processed in accordance with Minneapolis City Ordinance 509.920 or the City's Write-off Policy depending on the receivable type. All efforts to collect or resolve an outstanding receivable must be done in accordance with Federal Regulations, State Statute and Minneapolis City Ordinance or Charter. Write-offs for delinquent billings shall be managed using the allowance for doubtful accounts methodology rather than the direct write-off method.

PCI Information Security Policy. This policy has been created to ensure compliance with the Payment Card Industry Data Security Standard (“PCI DSS”). The data that resides at and is transmitted from the City of Minneapolis merchant locations includes cardholder data as defined by the Payment Card Industry Security Standards Council. Due to the value of cardholder data and contractual requirements of processing credit cards, it is a high priority for the City of Minneapolis to protect such data and maintain compliance with the Payment Card Industry Data Security Standard.

Central Requisitions and Receiving Policy. The City has developed a Central Requisitions and Receiving process for the purpose of improving and strengthening practices relating to the procurement of goods and services as outlined on the City’s Finance & Property Services Department internal website, accessible only to City staff.

City Time Reporting. Every employee of City departments must follow the City’s Time and Labor guidelines for time reporting and approval of compensation, reporting both working and non-working compensable hours. With the exception of Charter Department Heads, every employee’s timesheet must be approved by a supervisor, regardless of FLSA exemption status.

Authority of the Finance Officer. The Finance Officer or his designee has the following authorities:

- To make temporary loans between funds to cover any cash deficits at the end of each fiscal year.
- To create or adjust appropriations in any fund to prepay bonds and facilitate transfers for debt service and to make all appropriate transfers and payments relating to debt service and the administration thereof.
- To call (prepay) bonds in advance of maturity for the following types of bonds: net debt, special assessment, enterprise and tax increment provided sufficient excess cash resources are available.
- To authorize the Deputy Finance Officer and/or Controller to sign real estate and bond documents in the absence of the Finance Officer.
- To amend appropriations related to technical accounting treatment changes.
- To adjust re-appropriations for grant funds within cost centers as appropriate.
- To assign fund balance in accordance with GASB 54 based on analysis provided by the City Controller.
- To allocate the State Insurance Aid payments received from the state for pension costs.
- To adjust the appropriations of the special revenue funds for payments to various pension organizations as may be required.
- 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 objectives within given programs and within normal CDBG program constraints.
- To make the necessary adjustments in Subrogation 3rd party claims, to take the necessary action to increase 3rd party payments and decrease write-offs to the City.
- To make any necessary appropriation adjustments to allow departments to receive and spend funds consistent with Council-approved actions.

- To provide oversight of related-party or sub-recipient transactions using City or pass-through funds to insure compliance with applicable rules and regulations.
- To review and approve any and all transfers of eligible revenues into and out of the Development Account, based on an eligibility assessment and analysis conducted by Finance & Property Services Department staff.
- To approve any and all transfers of eligible revenues into the Property Disposition Fund based on approval by the Facilities, Space and Asset Management Committee and eligibility assessment conducted by Finance & Property Services Department staff.
- To appropriate available grant balances.
- To make appropriation adjustments to correct any errors, omissions or misstatements to accurately reflect the intent of the City Council in adopting the Operating or Capital Budget and/or any subsequent City Council action.
- To reduce any capital appropriation whenever a revenue source is determined to be uncollectible for whatever reason.
- 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 and development program.
- To approve the closure of non-bond funded capital projects.
- To establish or amend appropriations related to technical accounting treatment changes and 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 internal allocation models and the appropriations attached to them.
 - To reduce LGA payments to the Independent Boards if payment of the management support charge, or any other charges required by City Ordinance, are not received prior to the distribution of the December LGA payment. This reduction shall only occur after an affirmative vote of the Council to implement this authority.
 - To re-appropriate funds and certify that an encumbrance is eligible for re-appropriation at the end of the fiscal year. Additionally, the Finance Officer may reject re-appropriation requests based on the financial health of the fund or extenuating circumstances. To be eligible for re-appropriation, requests must meet all of the following criteria:
 - 1) Be a valid encumbrance;
 - 2) Be a one-time expenditure and not a recurring budget item;
 - 3) Have a purpose consistent with the department's business plan and included as part of the department's planned expenditures for the year;
 - 4) Have the budget year appropriation balance available for the encumbered item; and
 - 5) Have a positive fund financial position

CDBG REPROGRAMMING POLICIES

There are four sources for reprogramming funds:

- 1) Unspent annual administrative appropriations,
- 2) Unspent and not legally obligated public service funds over two years old,
- 3) Cancelled, ineligible or unspent capital funds over four years old,
- 4) Program income.

Administrative Allocations. The intent of the reprogramming policy is to limit administrative fund expenditures to the amount that was appropriated for that calendar year, regardless of the amount that is available from the grant balances. The limitation applies to the City Department's non-contractual, internal costs. Funds that are allocated to grant recipients for administrative purposes are exempt from this provision (e.g.: Legal Aid, Public Housing Citizen Participation). These projects are legal obligations and do not become part of the administrative reprogramming calculation unless the projects were finalized without fully expending the funds.

Public Service Allocations. The amounts that are awarded from and appropriated for public service activities expire two years from the original award date for that CDBG program year that starts on June 1. The Department may roll over appropriations from the prior year, as needed to carry out these activities. After two years, any unspent amounts and those that are not legally obligated are available for reprogramming and will be referred to the reprogramming process.

Program Income. Program income not obligated by existing contracts is available for reprogramming. Projects with a twelve-month period of inactivity shall be cancelled if the project has been authorized for more than three years.

CAPITAL BUDGET POLICIES

The objective of the capital budget policies is to ensure maintenance of capital assets and infrastructure in the most cost-effective 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 sources. An adopted point rating system is used to rank and prioritize recommended projects. The CIP includes City infrastructure, but does not include capital planning for major City facilities, including the Minneapolis Convention Center or Target Center.

Planning Direction Provided. The adoption of the Five-Year Capital Program is to assist in planning and provide direction for City departments, but it does not establish permanent Council commitment to the out-year projects, either in scope or timeline of construction.

Operating Budget Impacts. Operating expenditures/savings of each capital request are included in the cost of implementing the CIP and reflect estimates of all personnel expenses and other operating costs attributable to the capital outlays. Departments receiving capital funds must account for the 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 from current revenues.

Capital Asset Request System (CARS). In addition to physical assets narrowly defined as infrastructure, the City needs to maintain and replace capital equipment such as fleet and rolling stock, software, personal protective equipment and other depreciable assets that are generally not large enough or of the asset nature to fund through the City's CIP process. To plan for these needs, the City has implemented a five-year planning process to identify needs associated with operating capital, including software as well as the aforementioned items. The five-year plan shall be updated and maintained on an annual basis to capture changes in equipment and funding needs. Whenever possible, the City shall utilize external resources, but recognize

replacement costs associated with externally funded equipment. External resources received after funding has been appropriated shall replace funding for the department and not expand spending to the extent that the external revenue does not allow supplanting. Funding shortfalls in Internal Service Funds in the first year of the plan may be funded by General Fund fund balance with the expectation that recognized shortfalls in subsequent years will be funded through the approved rate models. Technology-related CARS requests shall be submitted cooperatively between the user department and Information Technology to ensure that the additional technology is consistent with the City's longer-term technology plan.



Public Art. During each calendar year, the city shall dedicate a minimum amount of funding, regardless of source, to the commissioning, siting, placement, conservation and maintenance of public art. The minimum amount of funding shall be the equivalent of 1.5 percent of the total amount of net debt bonds authorized by the City Council through the City's annual budget process.

CAPITAL PROJECT ADMINISTRATION

Reduction of Appropriations if revenues are not realized. The amounts appropriated for capital projects using various revenue sources are appropriated contingent upon the reasonable expectation of receipt of the identified revenue.

Re-appropriation of Capital Projects. Capital project appropriations automatically roll over from year to year for ongoing or incomplete projects. Appropriations associated with the CARS program shall only roll-over if meeting the roll-over criteria for operations. The balances of prior year appropriations supporting operating budgets and reimbursable projects in capital project funds, internal service funds and enterprise funds do not roll over from year to year.

Expiration of Revenue Funded Capital Projects in Enterprise funds. For certain enterprise fund capital projects, annual revenues are designated as the source of funding. These projects are typically for recurring major maintenance projects or ongoing long-term programs. 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 receive a new annual appropriation each year based on work needs, existing financial capacity and utility rate considerations. Exceptions for large multi-year standalone enterprise projects will be made on a case by case basis with the approval of the Finance Officer. Bond appropriations authorized for these programs will be carried over upon request.

Reallocation of Bond Resources. Reallocation of excess bond proceeds must follow applicable charter, statutory and IRS regulations and provisions related to the issuance and use of those resources consistent with the City's comprehensive plan. Bonds cannot be reallocated until a project is completed and closed or abandoned. At the time of project closing, any excess bond proceeds will be reallocated according to the following priorities:

- 1) Completed projects with existing deficits;
- 2) Approved capital projects or programs with projected deficits;
- 3) Returned to the debt service fund to pay debt service;
- 4) If bond proceeds are returned to the debt service fund, a corresponding increase in capital allocations will be made in the next capital year.

Expiration of Capital Project Funding. For all capital appropriations, the City Council authorizations for bond issuance and project appropriation will expire after a maximum of four years following original project appropriation.

The expiration of bond authorizations and project appropriations under this policy will automatically take place unless a request for extension is specifically made to the Ways and Means Committee and is approved by the City Council.

DEBT POLICIES

The debt management policies provide a framework for managing the City's debt-funded capital financing and economic development activities in a way that preserves the public trust and balances costs to current and future taxpayers without endangering essential City services.

Authority and Oversight. Management responsibility for the City's debt program is delegated to the Finance Officer. The Debt Management Committee advises on the use of debt financing and debt management activities. The Debt Management Committee meets and includes the following persons:

- Finance Officer
- City Attorney
- Deputy Finance Officer
- Director of Capital & Debt Management
- Executive Secretary, Board of Estimate & Taxation
- Director, Development Finance or designee
- Independent Bond Counsel as needed
- Independent Financial Advisor as needed

Guiding Principles for City of Minneapolis Debt Issuance

Method of Sale. The three primary methods of selling bonds include competitive sale, negotiated sale and private placement. The City uses the competitive sale method for its general obligation bond sales unless factors such as structure, size or market conditions compel the use of a negotiated sale. The City may use the negotiated sale method when the characteristics of the transaction require a more specific marketing plan and/or the issue lacks an investment grade rating due to complex security provisions or other factors.

Selection of Independent Advisors. The City uses competitive processes to select all service providers involved in the bond issuance process. The City shall designate a Municipal Advisor for each bond sale.

Use of Derivatives. Derivative-based financing arrangements shall only be used after careful evaluation by knowledgeable staff regarding the benefits of the instruments as well as all of the associated risks including counterparty credit, market, settlement and operating risk.

Variable Rate Debt. The City uses variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Generally, the City maintains no more than 25% of its total debt obligations in variable rate mode.

Conduit Debt Financings. The City actively participates in conduit business financings. Applications for financing and development proposals are reviewed by City staff to determine if they meet program objectives as determined by City Council financing guidelines and whether the proposal is financially feasible. As part of the application process, City staff will complete a due diligence process and project vetting procedure per established guidelines. Items reviewed during due diligence reviews may include, but are not limited to, narrative on the company and owners, past three years of financial statements, personal financial statements, tenant and lease data, market feasibility studies, business plans, budget projections, project pro-formas, appraisals, plans and specifications, environmental reviews, insurance covenants, etc. Additionally, the project shall be evaluated for consistency with other City measures related to land use, job creation and compliance with affirmative action, civil rights, job linkage and other equal employment opportunity requirements.

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

General Obligation Revenue Bonds. The City issues general obligation revenue bonds to finance assets associated with its primary enterprise businesses including stormwater and sanitary sewers, waterworks, solid waste and parking ramps, as well as select other projects, including those financed through the collection of special assessments. Financial feasibility of capital projects is reviewed each year, including a review of the cash basis pro-formas for these funds. Five-year business plans detailing projected operating costs and prior debt obligations are reviewed as well as revenue performance and rate setting analysis to ensure that adequate bond coverage ratios are achieved.

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 citywide 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. Alternatives, such as “pay as you go” financing and reimbursing front-end public redevelopment costs with tax increment revenues, are available as alternatives to bond financing and are to be considered and used when appropriate.

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.

Bond Term. The City shall issue bonds with terms no longer than the economic useful life of the asset financed and frequently chooses terms shorter than the economic life to minimize interest expense. For self-supporting bonds, maturities and associated debt service shall not exceed projected revenue streams.

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.

Alternative Financing Arrangements. 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 available. The Finance Officer shall establish the term and interest rate applicable to the capital advance. The principal amount of the capital advance may 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.



Internal Loans for Bond Defeasance. The Finance Officer is authorized to establish internal loans as an alternative to issuing short to medium term (< 10 years) refunding bonds when bonds become callable. The interest rate to be used for the internal loans will be set using the Daily Treasury Yield Curve Rates at inception of the loan using the term applicable to the weighted average life of the refunding bonds, plus one percent. Internal loans made with tax increment are also subject to interest rate caps set forth in law. To use this approach, the Finance Officer will be required to designate the fund providing the loan proceeds from which the bonds will be paid and will be required to record the loan. The designated loan fund will receive the interest income and the appropriate debt service fund will be used to record the loan principal and interest payments. The loan balance between the designated loan fund and the debt service fund will be adjusted each year based on loan principal paid. Internal loans related to Housing Improvements Areas are not subject to the interest rate restrictions set forth above. A separate resolution will be required to be adopted by the City Council authorizing the loan in lieu of refunding bonds.

Appropriations for Debt Service. Debt service funds shall be appropriated with sufficient funds to pay debt service requirements and the Finance Officer shall be authorized to adjust appropriations to provide for prepayments, loans, transfers and other debt administration costs as necessary.

Post Issuance Compliance Policy. The City of Minneapolis adopted a formal Post-Issuance Compliance Procedure and Policy for Tax Exempt Governmental Bonds on August 3, 2012. This policy establishes the documentation requirements and management actions the City will perform to ensure compliance with the Internal Revenue Code and Treasury Regulations. Compliance with Treasury Regulations is required to maintain the tax-exempt status of the City's bonds.

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 annual 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 in the amount of up to 125% of the project costs noted (taking into account the potential increases in actual project costs that may occur due to the timing lag between the budget preparation and the dates of the actual expenditures for project costs and decreases in other sources of funding). 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 related to the design and construction of the projects after approval of the capital budget. In addition, the City hereby declares its official intent to reimburse itself for expenditures for projects described as bond funded in the annual adopted capital resolution as amended by subsequent related resolutions. The projects are more fully described on Capital Budget Request forms on file in the office of Finance and Property Services.

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	Property Taxes
Equipment, Property Services or Information Technology	Internal User Fees
Sanitary Sewer	Sanitary Sewer Fund revenues
Stormwater Sewer	Stormwater Fund revenues
Water	Water Fund revenues
Parking	Parking Fund revenues
Solid Waste & Recycling Services	Solid Waste revenues
Assessment	Special Assessments
Tax Increment	Tax Increment revenues



Future Declarations of Official Intent to Reimburse. The Finance Officer is authorized to make additional declarations of official reimbursement intent to reimburse expenditures in connection with the projects described herein and other projects for which the City plans to issue tax-exempt bonds to reimburse expenditures pursuant to IRS Treasury Regulations Section 1.150-2. Copies of any such further declarations shall be filed with the Ways & Means Committee and the Board of Estimate and Taxation.

**City of Minneapolis
2017 Budget**

Table of Contents

Financial Plans	Pages 105-174
Five Year Financial Direction 2018 - 2022	106
Demands on the Property Tax: 10 Year Projection	111
Special Revenue Funds	
Arena Reserve Fund	114
Convention Center Fund	117
Neighborhood & Community Relations Fund	122
Police Special Revenue Fund	124
Regulatory Services Fund	127
Enterprise Funds	
Municipal Parking Fund	129
Sanitary Sewer Fund	134
Solid Waste and Recycling Fund	138
Stormwater Fund	142
Water Fund	146
Internal Service Funds	
Engineering Materials & Testing Fund	151
Fleet Services Fund	154
Intergovernmental Services Fund	158
Property Services Fund	163
Public Works Stores Fund	168
Self-Insurance Fund	171

City of Minneapolis 2017 Budget

Five-year Financial Direction 2018-2022 (Including information on the City's General Fund)

Introduction

The Five-year Financial Direction reflects the City's ongoing commitment to long-term financial planning. The financial direction provides projections for property tax supported services, including the City's General Fund, pensions, capital and debt. The purpose of recommending a 2018-2022 financial direction is to provide guidance for decision making on available planned resources in the City's General Fund.

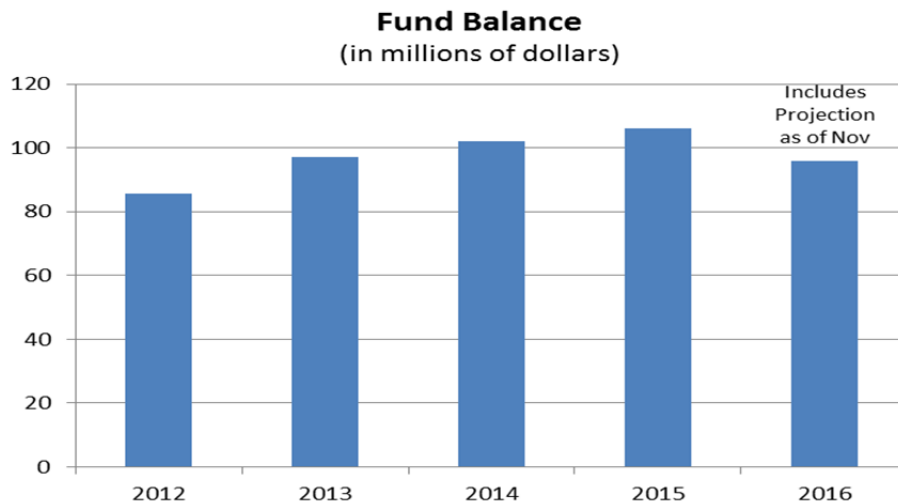
General Fund

The General Fund is the general operating fund of the City and is the primary funding source for public safety, street paving, snow plowing and other general government services. In 2017, the General Fund expenses and revenues, including use of fund balance is \$497.8 million.

Historical Financial Performance

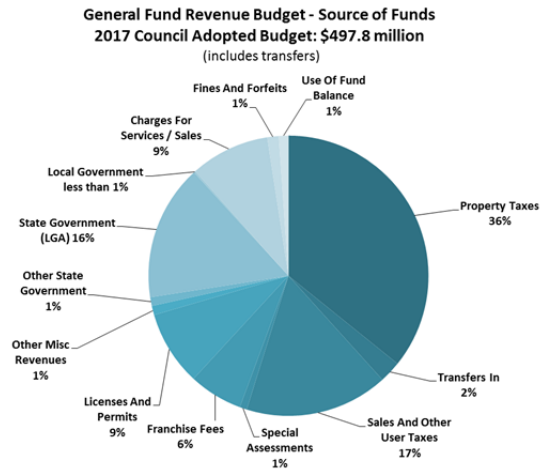
The results of the General Fund's annual operations at the end of the year reflect the fund's "fund balance," or the amount of available, spendable resources contained within the fund. The balance provides the City a reserve to cushion adverse economic shocks and to meet a portion of the City's cash flow needs. The City's policy is to maintain a minimum unrestricted fund balance of 17% of the following year's budgeted expenditures amount to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, and to meet unexpected increases in service delivery costs or unexpected revenue shortfalls.

The General Fund began 2016 with a fund balance of \$106.0 million. The 2016 year-end fund balance in the General Fund as of November 2016 is expected to be at \$96.0 million, which is slightly above the stated fund balance requirement of 17%, or \$83.0 million, of the following year's expenditure budget.



2017 General Fund Revenue Budget

The 2017 Council Adopted budget includes a total of \$497.8 million of revenues for services incorporated in the financial direction, including transfers from other funds and use of fund balance. Budgeted revenues are expected to increase by 2.0% from the 2016 budget from a combination of increased property taxes and transfer in increasing. The increase in these sources is mitigated by the growth in local sales and other user taxes, local government aid and other non-tax revenues which minimize the need for increased property taxes.



Revenue Source	2015 Actual	2016 Adopted	2017 Council Adopted	% Chg from 2016 Adopted	2016 Adopted % of Total	2017 Adopted % of Total
Property Taxes	160.5	160.6	178.2	11.0%	32.9%	35.8%
Sales and Other User Taxes	76.7	76.0	82.3	8.3%	15.6%	16.5%
Franchise Fees	30.1	31.5	30.9	-1.7%	6.4%	6.2%
Licenses and Permits	44.3	43.4	42.9	-1.1%	8.9%	8.6%
State Government / LGA	77.4	77.8	78.0	0.2%	15.9%	15.7%
Other State Government	5.3	4.9	5.0	2.5%	1.0%	1.0%
Charges For Services / Sales	46.9	47.4	45.6	-3.8%	9.7%	9.2%
Local Government	0.8	0.7	1.0	40.3%	0.1%	0.2%
Special Assessments	3.2	3.3	4.1	21.6%	0.7%	0.8%
Fines and Forfeits	6.5	7.3	6.5	-10.5%	1.5%	1.3%
Transfers In	4.3	4.0	12.5	209.5%	0.8%	2.5%
Use of Fund Balance		24.0	5.5	-77.0%	4.9%	1.1%
Misc. Revenues	5.0	7.3	5.3	-27.8%	1.5%	1.1%
Total	461.0	488.2	497.8	2.0%	100.0%	100.0%

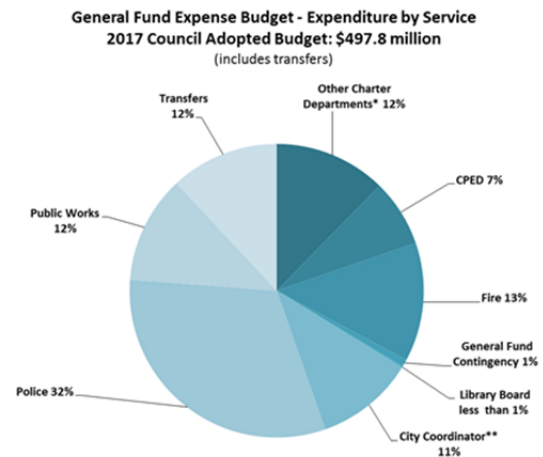
State Aids (including Local Government Aid):

The City's local government aid (LGA) allocation in 2017 is certified at \$78.0 million. This does not reflect potential increases discussed during the 2016 Legislative session. LGA reflects an increase of \$181,000 or 0.2% over the 2016 allocation.

2017 General Fund Expenditure Budget

The 2017 Adopted budget for City services included in the financial direction is \$497.8 million, which includes \$59.4 million in transfers to other funds.

Approximately 60.6% of the overall expenditure budget is related to salaries and benefits. In the General Fund, salary and wage expenditures increased from \$203.5 million in 2016 to \$215.9 million in 2017. The salary and wages expense category also includes overtime costs, contractually-obligated payments, and one-time funding for positions that are not permanent. The General Fund provides funding in some shape or



* Other Departments: Assessor, Attorney, Civil Rights, Council/Clerk/Elections, Health, Internal Audit, Mayor, and Regulatory Services

** City Coordinator: 311, 911, Communications, Emergency Management, Finance and Property Services, Intergovernmental Relations, IT, Neighborhood and Community Relations

form for most City functions. A breakdown of the allocation of the \$497.8 million in the 2017 General Fund budget is reflected in the chart above.

Five-Year Financial Direction

The Five-year Financial Direction includes a property tax levy increase of 5.5% in 2017-2019, 5.19% in 2020, 6.89% in 2021, and 5.0% in 2022. These percentages reflect funding for statutorily-required costs, the 20 year program for additional investments in streets and parks, and a current service level cost escalator for departments and support services.

The 2017 budget is the basis for future projections: In other words, services and activities included in the 2017 budget provide the starting point for the 2018-2022 department budget estimates. One-time 2017 supplemental items are removed from department budgets in 2018 and beyond.

The financial direction from 2018 to 2022 contains updates to departmental resources: The financial direction includes the most updated assumptions about contract settlements and other commitments, as well as projected changes in revenue.

Salary Assumption: - The City adopted a compensation philosophy in 2007, rather than a specific salary policy. It is anticipated that salary settlements will vary within and between bargaining units. Assumptions are updated annually as contracts are settled.

Capital and Debt Service

As part of the 2016 budget, the amount of property tax supported resources for capital improvements was comparable to the previous five-year plan. For 2017 and future years, the intent is to provide a significantly higher level of property tax supported (net debt bond) funding to make significant improvements to City streets and neighborhood park infrastructure. In April of 2016, the Mayor and City Council and the Minneapolis Park and Recreation Board approved an historic twenty year plan supporting increased funding levels for street infrastructure and neighborhood parks. As a result of this new plan and other base increases, net debt bond funding in the 2017 – 2021 five-year plan will be increasing from \$155.0 million to \$240.7 million. The additional resources will improve all types of capital infrastructure with a distinct emphasis on improving street paving, protected bikeways and pedestrian improvements, lighting and traffic related safety improvements and major improvements to neighborhood parks. More detail about the total resources dedicated for the Street Infrastructure and Neighborhood Park Funding Plan can be found in the Capital Budget Narrative Overview later in this document. The City's Water infrastructure is also an area of emphasis in this budget.

The Net Debt Bond (NDB) program is paid for with property tax collections. The five-year financial direction for the bond redemption levy will remain consistent with the previous plan for 2017 but will be increasing in 2018 and beyond to support the new street infrastructure and neighborhood parks funding plan. The increases are possible due in part to lower pension funding costs, lower current debt levels and the decertification of the consolidated tax increment district in 2020 which will increase the City's tax capacity starting in 2021.

Funding for pension liabilities: The five-year financial direction includes obligations for three closed pension funds that have since been merged into the statewide retirement system, the Public Employees Retirement Association (PERA) of Minnesota. The former closed funds that were merged are the Minneapolis Police Relief Association (MPRA), the Minneapolis Firefighters' Relief Association (MFRA), and the Minneapolis Employees Retirement Fund

(MERF). All three funds are administered by PERA. The City has ongoing obligations funded from within departmental budgets to PERA to support current employees' retirement plans. The 2016 City ordinance passed for the 20 year funding program for streets and parks assumed that the levy necessary for support of the pension obligations would decrease by \$5.0 million from 2016 to 2017. In the subsequent four years, the levy to support pension obligations would then rise back to 2016 levels. The five year financial direction reflects the 2016 ordinance.

Contingency for Adverse Circumstances

Contingency exists for adverse circumstances. Examples of adverse circumstances the City has encountered include winter seasons with heavy snowfall, reductions in LGA, unemployment costs and increased pension obligations.

What other pressures does the City face in future planning efforts?

The City faces several pressures for which a policy decision has yet to be reached:

- *Property taxes:* Future projections plan on property tax increases to support future services. Reducing the growth in property taxes in the face of additional budget needs will require the City to continue monitoring other revenue sources and expenditures, as well as looking at creative ways in which to reallocated existing resources.
- *Performance Information:* As the City continues to gain experience with using results information for performance discussions, it will need to undertake benchmark development in using this information for financial decision making.
- *Department Increases:* The City will continue to see challenges related to the ability to keep up with increased workloads across the enterprise while mitigating the impact on property tax payers.
- *Aging Facilities and Infrastructure:* The City is responsible for facilities and infrastructure that is not contemplated in its existing capital processes. As these facilities need major repairs and maintenance, there will be a need to recognize large out-year commitments to fund these projects.

Assumptions for 2017-2022

- The tax policy is managed in the aggregate, with consideration for allocation by use.
- Out-year projections will be adjusted over time as new information becomes available.
- Contingency is maintained to provide cushion for uncertainty related to seasonal and economic conditions proportional to overall anticipate budget increases.
- Health insurance is assumed to be increase by 5.0% in 2017 through 2022.
- Revenues in the General Fund are assumed to increase by 1.7% annually.
- Expenditures for the cost allocation model for internal City departments and the government service fee also include cost escalators.
- Local tax revenue is recorded as direct revenue into the General Fund.

Five Year Financial Direction

Uses:	2016	2017	2018	2019	2020	2021	2022
General Fund Base Cost	409,197,461	423,142,229	437,153,167	452,474,266	468,334,424	484,753,783	501,753,289
General Fund One-times	24,072,384	11,754,054	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
General Fund Commitments	54,978,570	62,878,943	56,800,068	56,829,320	56,859,450	56,890,483	56,922,448
Total Uses	488,248,415	497,775,226	501,953,235	517,303,586	533,193,874	549,644,266	566,675,737

Sources:	2016	2017	2018	2019	2020	2021	2022
Non-Property Tax Resources General Fund	303,601,031	315,389,835	303,945,040	306,907,267	310,756,111	307,786,140	308,153,602
Use of Fund Balance	24,072,384	5,533,496	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Property Tax Resources-HRA	129,000	0	0	0	0	0	0
Property Tax Resources General Fund	160,446,000	176,851,895	190,008,195	202,396,319	214,437,763	233,858,126	250,522,135
Total Sources	488,248,415	497,775,226	501,953,235	517,303,586	533,193,874	549,644,266	566,675,737

Property Tax	2016	2017	% chg	2018	2019	2020	2021	2022
General Fund	160,446,000	176,851,895	10.2%	190,008,195	202,396,319	214,437,763	233,858,126	250,522,135
Minneapolis Park Board	54,315,000	59,745,000	10.0%	62,134,800	64,620,192	67,205,000	69,893,200	72,688,928
Bond Redemption	37,800,000	37,800,000	0.0%	39,350,000	41,510,000	43,830,000	45,880,000	45,880,000
Housing and Redevelopment Authority (HRA)	129,000	0	-100.0%	0	0	0	0	0
Permanent Improvement	1,000,000	500,000	-50.0%	500,000	500,000	500,000	500,000	500,000
Pensions	27,310,000	22,310,000	-18.3%	22,310,000	23,310,000	24,310,000	25,310,000	25,310,000
Board of Estimate and Taxation	165,000	180,000	9.1%	190,000	215,000	230,000	240,000	250,000
Municipal Building Commission	4,810,000	4,954,300	3.0%	5,102,929	5,256,017	5,413,697	5,576,108	5,743,392
Teacher's Retirement Association	2,300,000	2,300,000	0.0%	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Library Debt Service	9,300,000	9,300,000	0.0%	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000
Total	297,575,000	313,941,195	5.5%	331,195,924	349,407,528	367,526,460	392,857,434	412,494,455

Percentage Change from Prior Year	2018	2019	2020	2021	2022
	5.50%	5.50%	5.19%	6.89%	5.00%

City of Minneapolis 2017 Budget

Ten-Year Projection of Demands on the Property Tax

Background

Longer term financial planning is integral to the City's budget process. In order to identify and plan for demands on the property tax levy, the City implemented a ten-year property tax projection initiative. The ten-year projection was first produced in the spring of 2002 to surface all the demands on the property tax to which the City had committed. This projection led to the adoption of the 8% maximum property tax policy in the summer of 2002 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 resource parameters for department business plans. This policy was subsequently amended in 2010 to fund shared costs and provide consistent levels of operating resources for the City and independent boards. Projections now serve as general guidance for departmental resource planning as the City adopted the Program Budgeting Process.

Assumptions in the Ten-Year Projection

For details on the financial outlook for the City, please refer to the schedule of projected demands on the property tax.

Property Tax Levy Assumptions

- Department expenditure budgets will continue to be refined.
- Known obligations will be recognized and incorporated into the Plan.
- Non-property tax revenue sources will be maximized to the extent possible.
- Out-year projections will be adjusted over time as new information becomes available.
- The overall property tax levy is considered in total as well as by intended use.

General Fund Operations Assumptions

- It is anticipated that salary settlements will vary within and between bargaining units. Assumptions are updated annually as contracts are settled.
- Health insurance is assumed to be increase by 5.0 percent in 2017 through 2022.
- Cost allocation model for internal city departments and government service fee includes cost escalators.
- Revenues are expected to increase by 3.0 percent annually.
- Commitments for the library are included in the general fund. In 2010 and beyond, the property tax levy for operations are included in the Hennepin County levy.
- Out-year projections will be adjusted over time as new information becomes available.

Capital and Debt Assumptions

- As a result of increasing the base Net Debt Bond (NDB) program and bond redemption levy for increased infrastructure improvements over the last several years, the bond levy will not increase for 2017. For 2018 and future years, the bond levy will begin to show increases to correspond with planned increases in net debt bond allocations as part of the Street Infrastructure and Neighborhood Park Plan. These increases are possible due to reduced pension costs, lower current debt levels and the decertification of the

consolidated tax increment district in 2020 which will increase tax capacity in 2021. The base NDB funding level increased from \$155.0 million in the previous five-year plan to \$162.2 million in the current five-year plan. An additional \$78.5 million of NDB funding was added for the Street Infrastructure and Neighborhood Park Plan resulting in a total NDB program of \$240.7 million for 2017 – 2021. This capital infusion increases all classes of City infrastructure with a greater emphasis on paving projects, pedestrian safety, protected bikeways and lighting improvements, traffic safety and signage improvements, bridge improvements and neighborhood park improvements. These additional resources are supplemented with municipal state aid, special assessments and grant funds to deliver these projects.

- Assumptions for future years are to maintain a robust capital improvement program for the next 20 years as part of the new Street Infrastructure and Neighborhood Park funding plan and to be able to retire the bond funding portion of the program by the end of the 20 year plan.

**City of Minneapolis - Details of Annual Demand (changes) in Property Tax Revenue
2017 Budget Recommendation Factors and Out Year Impacts - 5.5% Levy Increase**

Property Tax	Current Budget			2018	2019	2020	2021	2022	2023	2024	2025	2026
	2016	2017	% Chg									
General Fund	160,446,000	176,851,895	10.2%	190,008,195	202,396,319	214,437,763	233,858,126	250,522,135	261,494,457	273,799,524	286,636,199	300,026,417
Minneapolis Park Board	54,315,000	59,745,000	10.0%	62,134,800	64,620,192	67,205,000	69,893,200	72,688,928	75,596,485	78,620,344	81,765,158	85,035,764
Bond Redemption	37,800,000	37,800,000	0.0%	39,350,000	41,510,000	43,830,000	45,880,000	45,880,000	45,880,000	45,880,000	45,880,000	45,880,000
Housing and Redevelopment Authority	129,000		-100.0%									
Permanent Improvement	1,000,000	500,000	-50.0%	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Pensions	27,310,000	22,310,000	-18.3%	22,310,000	23,310,000	24,310,000	25,310,000	25,310,000	25,310,000	25,310,000	25,310,000	25,310,000
Board of Estimate and Taxation	165,000	180,000	9.1%	190,000	215,000	230,000	240,000	250,000	257,500	265,225	273,182	281,377
Municipal Building Commission	4,810,000	4,954,300	3.0%	5,102,929	5,256,017	5,413,697	5,576,108	5,743,392	5,915,693	6,093,164	6,275,959	6,464,238
Teacher's Retirement Association	2,300,000	2,300,000	0.0%	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Library Debt Service	9,300,000	9,300,000	0.0%	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000
Total Property Tax	297,575,000	313,941,195	5.5%	331,195,924	349,407,528	367,526,460	392,857,434	412,494,455	426,554,135	442,068,257	458,240,498	475,097,796
		% Change Property Tax		5.50%	5.50%	5.19%	6.89%	5.00%	3.41%	3.64%	3.66%	3.68%

**City of Minneapolis
2017 Budget
Financial Plan**

Arena Special Revenue Fund

Background

The Arena Special Revenue Fund (Arena Fund) accounts for the maintenance and operation of the City-funded portion of the Target Center. The day to day operations are managed by AEG, one of the leading sports and entertainment presenters in the world. The City provides support for the operation of the Arena and pays AEG a fee based upon a revenue sharing formula, if certain criteria are met, for contracted services associated with operating and promoting the Target Center.

The entertainment tax directed to the Arena Fund reflects entertainment tax proceeds generated directly from Target Center activities. The Arena Fund also receives a transfer from the Parking Fund per Council action and the long-term Target Center Finance Plan. The transfer reflects the estimated parking revenue received from events at the Target Center.

The Arena Fund also receives financing from two tax increment financing (TIF) sources: the NBA Arena TIF District (part of the Common Project) and the Consolidated TIF District. These revenues are segregated and restricted to specific purposes, including debt service and capital expenses.

2016 Projections

In 2016, the unrestricted Arena revenue is projected to be \$6.9 million which is 6.0% higher than was projected for the 2016 budget. This increase is a result of the Arena generating more in entertainment taxes and increased investment earnings on the fund balance. For 2016, entertainment tax collections will be nearly \$263,000 greater than the budgeted amount of \$1.4 million and interest earnings on the fund balance are expected to be \$141,000 greater than had been budgeted. The increase is the result of an increased cash balance. For the year, total capital investments are projected to be \$7.9 million. The 2016 budget includes \$5.9 million that was carried forward from 2015 for projects which were started but not completed at the end of 2015. It is expected that nearly \$2.7 million will be requested to be carried over from 2016 to 2017 for capital improvements.

2017 Budget

Revenues

Revenues from the tax increment (TI) sources are budgeted to be \$9.2 million. This does not include the pledge from the Common Project, which will be held separately in a reserve fund to pay debt service on the Series 2009 bonds in those years after the Consolidated TIF District is decertified. Entertainment tax revenues are budgeted at nearly \$1.3 million, a 23.0% decrease from 2016 as a result of the shutdown of the Arena during the renovation project. The parking revenue transfer is budgeted at \$3.9 million which is a \$212,000 increase from 2016. As of 2014, the Arena became tax exempt with respect to the primary tenant. In lieu of property taxes, the primary tenant now makes an annual rent payment.

It is anticipated that debt will be issued in 2017 to finance costs relating to the proposed renovation of the Arena. Local option taxes will be pledged to the payment of this debt and will be budgeted separate and apart from the Arena Special Revenue Fund.

The cumulative TI balance is reserved to pay future debt service on the 2009 Bonds. Based on current projections, when combined with the cumulative balance, sufficient revenue will be available from the TI sources to make principal and interest payments on the 2009 Bonds as they become due.

The Arena Fund expects fund balance/net position on non-TI sources to decrease by \$95,000 as a result of a planned usage of cash reserves to fund planned capital improvements to the Arena.

Expenditures

The only expenditure funded with TI revenue in the 2017 budget is \$5.0 million of existing debt service. Budgeted expenditures to be paid from non-TI sources include \$4.6 million in capital improvements, \$278,000 in administrative costs, and a potential operator reimbursement that is currently projected at \$1.9 million.

Renovation project

The 2017 budget contemplates a significant renovation occurring in 2017. To finance the City's share of the project, it is anticipated that the City will issue taxable general obligation bonds sometime in 2017, with local sales tax revenues being the primary revenue source for repayment of debt service on these bonds. A renovation agreement with AEG, the Timberwolves/Lynx and the City has been negotiated and signed.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Arena Special Revenue Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Tax Increment Funds:									
Common Project TIF Contribution	1,474	1,515	1,556	1,556	-	-100.0%	-	-	-
Common Project TIF Contribution	5,324	6,231	6,152	9,682	9,094	-6.1%	10,202	10,939	-
Interest Earnings (01CPK & 01CON)	51	68	110	126	110	-12.5%	148	173	202
Sub-Total	6,849	7,814	7,818	11,364	9,204	-19.0%	10,350	11,112	202
Use of Tax Increment Funds:									
Transfer to Debt Service (01CPK)	-	1,515	1,556	1,556	-	0.0%	-	-	-
Transfer to Debt Service (01CON)	4,250	2,977	3,184	3,184	5,003	57.1%	5,248	5,468	5,691
Capital Improvements/Admin	-	-	-	-	-	0.0%	-	-	-
Sub-Total	4,250	4,492	4,740	4,740	5,003	5.5%	5,248	5,468	5,691
Net Available After 2009 Debt	2,599	3,322	3,078	6,624	4,201		5,102	5,644	(5,489)
Cumulative TI Balance for 2009 Bonds (see note)	12,828	18,749	25,149	25,373	29,574		34,676	40,320	34,831
Source of Non-Restricted Funds:									
Local Option Taxes	-	2,000	-	-	-	0.0%	-	-	-
Event Parking	3,323	3,523	3,728	3,728	3,940	5.7%	4,158	4,383	4,615
Rent	1,350	1,350	1,350	1,350	1,433	0.0%	1,461	1,491	1,520
Entertainment Tax (Arena Events Only)	1,976	1,580	1,394	1,657	1,270	-23.4%	1,675	1,709	1,743
AEG Capital Investment	232	5	-	-	-	-	-	-	-
Interest Earnings (01260)	34	41	34	175	156	-10.9%	159	162	166
Sub-Total	6,915	8,499	6,506	6,910	6,799	-1.6%	7,453	7,745	8,043
Use of Non-Restricted Funds:									
Capital Improvements	2,020	8,892	10,553	7,900	4,620	-41.5%	4,727	4,412	5,600
Administration	244	260	254	278	274	-1.4%	279	285	291
Bond Interest/Renovation Financing	-	-	-	178	-	-100.0%	-	-	-
Reimbursement of Unamortized Improvements	-	-	3,736	1,557	-	-100.0%	-	-	-
Net Operator Reimbursement / Profit Share	1,265	1,441	1,541	1,900	2,000	5.3%	1,627	1,672	1,718
Sub-Total	3,529	10,593	8,153	11,813	6,894	-41.6%	6,633	6,369	7,609
Net Income for Operations	3,386	(2,094)	(1,647)	(4,903)	(95)	-98.1%	1,294	1,376	434
Cumulative Operations Fund Balance	7,318	8,610	4,869	3,707	3,612		4,906	6,282	6,716
Total Anticipated Capital Expenditures	1,922	8,892	4,622	7,900	4,620		4,727	4,412	5,600

Notes:

Cumulative TI Balance for 2009 Bonds, balance to be maintained and reserved to pay debt service on the 2009 Bonds.
Debt for renovation will be issued in 2017, payable from local sales taxes to be accounted for in separate debt service fund

**City of Minneapolis
FY 2017 Budget
Financial Plan**

Convention Center Special Revenue Fund

Background

The Convention Center Special Revenue Fund is used to account for the maintenance, operation, and marketing of the City-owned Convention Center and related facilities. The Convention Center was created to foster and generate economic growth and vitality by providing facilities and services for conventions, trade shows, exhibits, and meetings, as well as cultural, religious, and sporting events, all of which benefit and showcase the City, the metropolitan region, and the State of Minnesota. The marketing of the Convention Center, as well as the City overall, is supported by providing funding to Meet Minneapolis, an independent, non-profit organization contracted by the City of Minneapolis to market Minneapolis and the Twin Cities as a convention and tourist destination.

Historical Financial Performance

The fiscal year-end 2015 fund balance for the Convention Center Special Revenue Fund was \$67.2 million, an increase of \$6.7 million from 2014. The cash balance in the fund grew by nearly \$8.6 million. Much of the increase can be attributed to transferring the Convention Center Facilities Reserve Fund \$5.4 million fund balance to the Convention Center Fund in 2015. For 2015, the operating deficit (operating revenue less operating expenses) decreased to \$6.3 million from \$8.9 million in 2014. This decrease can be largely attributed to an increase in operating revenue generated from a busy year coupled with a decrease in operating expenses generated from operational efficiencies.

Operating revenues are generated directly from Convention Center operating activities. Exhibit space rent is the largest source of revenue for the Convention Center. Also included in operating revenues is 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. Food and beverage commission sales account for the other miscellaneous operating revenue.

In 2015, total operating revenue was nearly \$18.3 million, which was an increase of nearly \$1.7 million from 2014 and \$842,000 over the 2015 budget.

2016 Projections

Operating revenue is currently projected to come in at nearly \$18.0 million, which is \$303,000 less than 2015. With operating expenses projected to be \$26.1 million, the planned use of fund balance is projected to be \$8.1 million. The ongoing management of operating expenses includes a variety of cost containment activities:

- Reduction in energy and water consumption
- Identifying and implementing operating efficiencies
- Realignment of the workforce
- Managing overtime

Capital investments for equipment, maintenance and improvements are projected to be \$13.0 million, which includes a \$4.8 million rollover to 2016 for obligated, but unspent 2015 funds. City funding of Meet Minneapolis is projected to be \$9.9 million which is \$126,000 below 2015. The current contract with Meet Minneapolis began on 1/1/2015 which sets their base funding at \$9.0 million. City funding also includes one-time funding and incentive funds payable upon achievement of performance.

Local Sales Tax Revenue

Beginning in 2014, local tax revenue is being deposited directly to the General Fund, and the General Fund is transferring sufficient funds to the Convention Center to fund Convention Center operating and non-operating expenditures.

2017 Budget

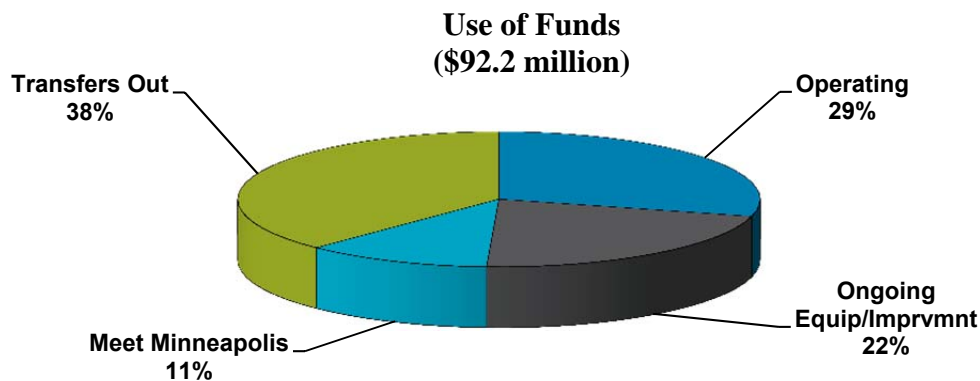
Operating Revenues

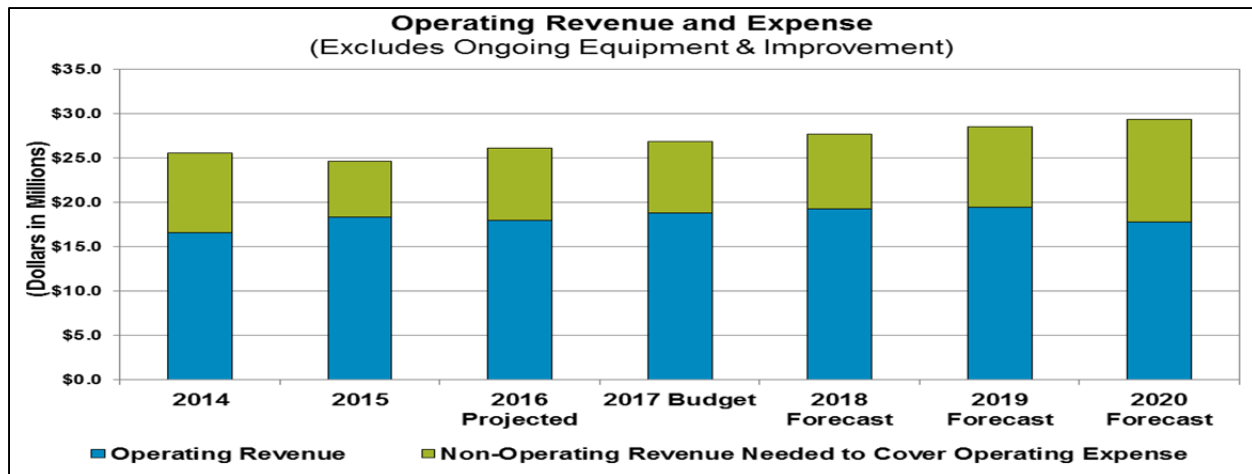
The 2017 revenues for the Convention Center have been adjusted to reflect the actual historical receipts and anticipated event activity. Total operating revenue for 2017 is expected to be nearly \$18.8 million which is an increase of nearly \$772,000 over the most recent 2016 projection. The Convention Center continues to work on operational efficiencies including a “no waste” initiative as well as further enhancements to the energy efficiency practices that were put in place in 2009.

Meet Minneapolis sales and marketing initiatives include targeted markets and expanded event services to enhance the stakeholder and customer experience, as well as continued efforts to bring people downtown with events such as the Creative City Challenge and the Wolf and Moose display which consisted of spectacle-scale animal sculptures of a wolf and moose that are interactive, animated, and illuminated. Although the economy is rebounding, the convention and meeting industry continues to face challenges in controlling costs to remain competitive.

Expenditures

Operating expenses are budgeted at \$26.8 million, up \$697,000 from the projected \$26.1 million in 2016. At this level, the planned use of fund balance is budgeted to be \$8.0 million. The budget for Meet Minneapolis is 10.6 million, up \$706,000 from projected 2016. Some of this funding will be used to support several sales and marketing initiatives. Capital investments for 2017 are budgeted at nearly \$26.0 million, per the long-term capital plan previously adopted by the City Council, and \$10.5 million added for a Plaza renovation project.





Cash/Fund Balance

Beginning in 2015, the Facility Reserve Fund cash and fund balance of \$5.4 million was combined with the Convention Center Fund to reflect the current reporting in the Comprehensive Annual Financial Report (CAFR). At the end of 2017, the fund balance in the Convention Center Special Revenue Fund is projected to be \$39.6 million, and the cash balance is projected to be nearly \$38.7 million. In 2017, there is a planned use of fund balance of nearly \$23.0 million.

Debt Service

The 2017 budget includes funding for transfers out of the Convention Center Fund for debt service payments of nearly \$24.2 million in outstanding building related debt and \$510,000 in debt for the dome replacement.

Transfers

Three transfers were added in 2017. A transfer of nearly \$3.9 million will be made to the General Fund, a \$6.0 million transfer will be made to City Capital, and a \$250,000 transfer will be made to the DID (Downtown Improvement District) for community policing strategies.

Forecast for 2018-2020

Operating revenues are currently forecast at \$19.2 million in 2018, \$19.5 million in 2019, and \$17.8 million in 2020 based on booked events and event projections. 2018 and 2019 are projected to be very busy years at the Convention Center, and based on events levels, 2020 is currently projected to fall under 2018 and 2019 levels.

Operating expenses are forecast to range between \$27.6 million and \$29.3 million, based on a 3.0% inflation factor for planning purposes, which could actually finish lower as a result of on-going cost containment efforts.

Meet Minneapolis is forecast to increase approximately 2.0% per annum over this period based on the contractual increase to their base funding. Capital investments are forecast to be \$7.8 million, \$11.4 million, and \$10.5 million over this period of time as aligned with the Convention Center's long-term capital plan.

No new debt service is forecast and all existing debt service, including the projected debt service from dome replacement, is fully funded.

The General Fund will be transferring sufficient funds to the Convention Center to meet the Convention Center's operating and non-operating expenditure needs.

Mayor's Recommended Budget

The Mayor recommended the following:

A transfer of nearly \$3.9 million was added to the General Fund.

A \$6.0 million transfer was added to City Capital.

\$958,000 was added to Meet Minneapolis.

\$10.5 million was added for the Plaza renovation

Council Adopted Budget

The Council approved the Mayor's Recommendations, and approved a reduction to Meet Minneapolis of \$250,000 and a corresponding transfer to the DID for community policing strategies.

City of Minneapolis
FY 2017 Council Adopted Budget
Financial Plan (in thousands of dollars)
Convention Center Special Revenue Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
<i>Operating Revenues:</i>									
Charges for Services	6,048	6,523	6,000	6,800	6,700	-1.5%	6,875	6,950	6,341
Rents and Commissions	6,819	7,863	7,197	7,211	7,836	8.7%	8,041	8,128	7,416
Other Miscellaneous Operating	3,726	3,903	3,500	3,975	4,223	6.2%	4,332	4,379	3,996
Sub-Total	16,593	18,289	16,697	17,986	18,759	4.3%	19,248	19,457	17,753
<i>Non-Operating Revenues:</i>									
Interest	345	370	184	900	595	-33.9%	607	619	631
Other Misc Non Operating	496	318	114	129	76	-41.1%	-	-	-
Sub-Total	841	688	298	1,029	671	-34.8%	607	619	631
Total	17,434	18,977	16,995	19,015	19,430	2.2%	19,855	20,076	18,384
Use of Funds:									
Convention Center Operations	25,506	24,580	25,924	26,129	26,826	2.7%	27,631	28,460	29,313
Ongoing Equipment/Improvement	10,054	9,055	15,467	13,000	19,953	53.5%	7,833	11,434	10,453
Meet Minneapolis	9,461	10,031	9,905	9,905	10,613	7.1%	10,050	10,241	10,436
Transfer to the DID	-	-	-	-	250	0.0%	-	-	-
Transfer to Debt Service	16,906	23,281	24,092	24,092	24,159	0.3%	24,811	26,863	26,988
Transfer to Debt Service - Domes	1,774	1,040	520	520	510	-1.9%	-	-	-
Transfer to General Fund	-	-	-	-	3,860	0.0%	-	-	-
Transfer To City Capital	-	-	-	-	6,000	0.0%	-	-	-
Total Transfers Out	18,680	24,321	24,612	24,612	34,779	41.3%	24,811	26,863	26,988
Total	63,701	67,987	75,908	73,646	92,171	25.2%	70,325	76,998	77,190
Transfer from General Fund	46,593	50,340	50,050	50,050	49,786	-0.5%	53,520	55,120	56,780
Transfer from Facility Reserve Fund	-	5,400	-	-	-	0.0%	-	-	-
Total Transfers In	46,593	55,740	50,050	50,050	49,786	-0.5%	53,520	55,120	56,780
Net Income	326	6,731	(8,864)	(4,581)	(22,956)	401.1%	3,050	(1,802)	(2,026)
Fund Balance/Retained Earnings:									
Beginning Balance	60,128	60,454	67,186	67,186	62,605	-6.8%	39,649	42,699	40,898
Ending Balance	60,454	67,186	58,322	62,605	39,649	-36.7%	42,699	40,898	38,872
Ending Cash Balance	57,618	66,210	57,346	61,629	38,673	-37.2%	41,723	39,922	37,896
Convention Center Facility Reserve Fund Balance	5,400	-	-	-	-	-	-	-	-

Notes:

In 2004, Meet Minneapolis entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). In 2005, Meet Minneapolis 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. In April of 2006, the City entered into a 3rd loan agreement for \$5 million for additional iDSS start up capital. The three loans were consolidated for a total of \$10 million. The \$10 million consolidated loan will have a 10 year amortization of principle (2008-2017) repaid in full in 2017 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. In November 2014, Meet Minneapolis sold the iDSS, but the loan payments will continue to be made to the City.

In 2011, IT began transferring \$1.5 million annually to the MCC with a final payment of \$1.75 million in 2016 to repay its loan from the MCC. The loan is being accounted for on the balance sheet.

**City of Minneapolis
2017 Budget
Financial Plan**

Neighborhood and Community Relations Special Revenue Fund

Background

The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts funded by the revenues of the Consolidated Redevelopment Tax Increment Financing (TIF) District. The district was established pursuant to special legislation adopted in 2008, and must be decertified no later than December 31, 2020. The tax increment revenue generated by the Consolidated TIF District, for neighborhood revitalization purposes, may be spent anywhere within the City of Minneapolis. The Fund is used primarily for community engagement and neighborhood-based initiatives, as well as NCR administrative costs.

Historical Financial Performance

This fund was established in 2011. Growth in the fund was impacted by the two year hiatus on tax increment collection. The City decided to reduce property tax levies in 2012-2013 by using reprogrammed NRP resources (\$10.0 million) to fund neighborhood revitalization services for these two years. Projected revenue in this fund increased due to a growth in property values within the TIF district. The General Fund contribution to NCR has become minimal in 2015 and 2016, as this special revenue fund now provides the resources for NCR operations.

2017 Budget

Revenues

Revenues for the Neighborhood and Community Relations Special Revenue Fund are budgeted in 2017 at \$6.5 million in transfer-in TIF revenues based on the consolidated tax increment plan allocation for the district. The 2016 projected revenue is \$6.1 million, the same as the budget, and 2015 revenue realized was \$6.2 million.

Expenditures

Expenditures for the Neighborhood and Community Relations special revenue fund include access and outreach support, coordinated engagement services and neighborhood engagement and support programs. The total expenditures budgeted for 2017 is \$6.5 million and is comparable to 2016 projected expenditures of \$6.1 million.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

City of Minneapolis
FY 2017 Council Adopted Budget
Financial Plan (in thousands of dollars)

NCR Special Revenue Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Change from 2016 Proj	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds									
<i>Operating Revenues:</i>									
Charge for services	6	-	-	-	-	-	-	-	-
<i>Non-Operating Revenues:</i>									
Transfer from TI funds	5,520	6,225	6,127	6,127	6,488	5.9%	6,600	6,700	6,800
Total source of funds	5,526	6,225	6,127	6,127	6,488	0	6,600	6,700	6,800
Use of Funds									
Community Services			-						
Personal Services	502	851	1,118	1,118	1,317	17.8%	1,475	1,652	1,850
Fringes	156	265	433	433	483	11.5%	531	584	643
Contractual Services	2,381	4,067	4,441	4,441	4,454	0.3%	4,350	4,210	4,042
Materials / Other	99	169	135	135	234	73.3%	244	254	265
Total Use of funds	3,138	5,352	6,127	6,127	6,488	5.9%	6,600	6,700	6,800
Net Income for Operations	2,388	873	-	-	-	0.0%	-	-	-
Beginning Fund Balance	649	3,037	3,910	3,910	3,910	0.0%	3,910	3,910	3,910
Ending Fund Balance	3,037	3,910	3,910	3,910	3,910	0.0%	3,910	3,910	3,910
Ending Cash Balance	3,064	4,105	4,010	4,010	3,910	-2.5%	4,010	4,005	4,000

Note: Neighborhood & Community Relations (NCR) Special revenue fund 01800 accounts for neighborhood vitalization efforts funded by the revenues of the Consolidated Redevelopment Tax Increment Financing District. This Fund is used primarily for engagement and neighborhood -based initiatives.

**City of Minneapolis
2017 Budget
Financial Plan**

Police Special Revenue Fund

Background

The Police Special Revenue Fund accounts for the City's revenues and expenses related to federal and state administrative forfeitures, lawful gambling, non-emergency service contracts, Automated Property System, and the Workforce Director scheduling and payroll system. The Automated Property and Workforce Director systems are proprietary software systems that are owned and managed by the City of Minneapolis and recover expenses from user agreements with other governmental and non-governmental entities.

The non-emergency service contracts are typically entered into by the City of Minneapolis Police Department and an external entity usually located within the City of Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas.

Periodically, City departments (frequently Public Works) contract with Police to provide additional services at a desired location(s). The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.

Historical Financial Performance

The accumulated fund balance for year ending 2015 is \$1.6 Million compared to 2014 fund balance of \$1.1 million. The increase of \$500,000 in fund balance was primarily due to a decrease in 2015 personnel service costs as a result of vacancies and \$250,000 in one-time Workforce Director expenditures being charged to the General Fund.

Actual revenues for the Police Special Revenue Fund remained consistent between 2014 and 2015. For 2014 and 2015, actual revenue was \$2.2 million. Expenditures for the Police Special Revenue Fund decreased from \$2.1 million in 2014 to \$1.7 million in 2015. The decrease was primarily due to a decrease in 2015 personnel service expenditures and \$250,000 in one-time Workforce Director expenditures being charged to the General Fund.

2017 Budget

Revenues

The total revenue budgeted for 2017 is \$2.9 million compared to the 2016 projected revenue of \$3.3 million. The decrease of \$400,000 is predominately due to less revenue coming in than anticipated from US Bank stadium/Vikings and University of MN TCF Bank overtime reimbursement contracts.

Expenditures

The total expenditures budgeted for 2017 are \$3.0 million compared to 2016 projected expenditures of \$3.2 million. 2017 budgeted expenditures include an initiative to fund safety strategies in Ventura Village and Phillips West neighborhoods approved by the City Council. \$100,000 in unrestricted fund balance will be used to fund this initiative. The overall decrease of \$200,000 is predominately due to overtime costs associated with US Bank stadium event security (bomb sweeps, swat etc.) contracts being less than anticipated.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council amended the 2017 Mayor's recommended budget on a one-time basis by increasing the Finance and Property Services Department budget by \$100,000 to be funded by the Police Special Revenue Fund: \$50,000 is to be spent in the Phillips West Neighborhood and \$50,000 in the Ventura Village Neighborhood for community public safety priorities. The resources should be expended with input from the community and neighborhood organizations.

**City of Minneapolis
FY 2017 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Police Special Revenue Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Charges for Services and Sales	1,660	1,524	3,098	2,698	2,340	-13.3%	2,378	2,417	2,452
Fines and Forfeits	464	503	400	400	400	0.0%	250	250	250
Licences and Permits	-	-	-	-	-		-	-	-
Miscellaneous	-	-	-	-	-		-	-	-
Taxes	131	187	182	182	185	1.4%	185	185	185
Total	2,255	2,213	3,680	3,280	2,924	-10.9%	2,812	2,852	2,887
Use of Funds:									
Personal Services	782	604	2,362	1,862	1,505	-19.2%	1,550	1,597	1,644
Fringes	213	145	223	223	369	65.6%	380	392	403
Contractual Services	815	672	716	716	749	4.7%	554	533	505
Materials / Other	352	239	380	380	401	5.6%	401	401	401
Total	2,161	1,660	3,680	3,180	3,024	-4.9%	2,886	2,923	2,954
Net Change in Fund Balance¹	94	554	-	100	(100)	-	-	-	-
Fund Balance¹	1,096	1,650	1,650	1,750	1,650		1,650	1,650	1,650
Cash Balance	978	1,429	1,429	1,529	1,429		1,429	1,429	1,429
Target Cash Reserve²	324	249	626	541	514		491	497	502
Variance Cash to Target Reserve	654	1,180	804	989	915		939	932	927

* Assumed 3% wage and fringe expense increases for 2018 to 2020. No Workforce Director or APS revenue changes are expected whereas a decrease in fines and forfeiture revenue is anticipated. To balance revenue and expense, a decrease in contractual services expense is expected.

¹ The Net Change in Fund Balance and fund balance for 2014 and 2015 are the amounts recorded in the CAFR.

²The 2016 and 2017 target cash reserve is in accordance with the financial reserve policy of 17% of the operating budget.

**City of Minneapolis
2017 Budget
Financial Plan**

Regulatory Services Special Revenue Fund

Background

The Regulatory Services Special Revenue Fund accounts for the City's nuisance building abatement efforts and is primarily managed by the Regulatory Services Department with the assistance of the Finance & Property Services Department. The Fund is used not only for the abatement of buildings that have been deemed to be in nuisance condition pursuant to Chapter 249 but also for removal of nuisance conditions. Property owners are charged to recover the costs of these activities and all recovered costs are credited back to this fund. In 2013 the Construction Code Services department of Regulatory Services was transferred to Community Planning and Economic Development (CPED). A portion of the activities in the Regulatory Services Special Revenue Fund are now managed by CPED.

Historical Financial Performance

The City established this fund in 2008, and through 2013, it accumulated a fund balance of \$5.5 million. This balance is the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. These two revenue sources did not continue, leaving special assessments and direct property owner charges as the only sources of revenue for this fund. These resources will face challenges in 2017 and beyond as assessments and property charges are declining due to an improved economy where residents have the resources to proactively make property repairs and improvements.

2017 Budget

Revenues

Revenues for the Regulatory Services Special Revenue Fund have been declining since 2011. The total revenue budgeted for 2017 is \$3.4 million; \$3.3 million of this is from special assessments. In 2017 Regulatory Services' share of these revenues is \$3.1 million and CPED's share is \$300,000. Revenue in future years is projected to decline slightly as assessment revenue continues to decline.

Expenditures

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. In order to continue to spend down fund balance, total budgeted expenditures for 2017 are \$5.3 million or \$1.8 million in excess of revenue. Regulatory Services' appropriation is \$5.0 million, and CPED's appropriation is \$238,641.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Regulatory Services Special Revenue Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Change from 2016 Proj	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Special Assessments	3,044	3,850	2,987	3,383	3,300	-2.5%	3,000	2,800	2,700
Inspections/Miscellaneous	339	339	96	357	125	-65.0%	125	125	125
Total	3,383	4,189	3,083	3,740	3,425	-8.4%	3,125	2,925	2,825
Use of Funds:									
Operating Expenses	3,847	4,706	5,103	3,600	5,253	45.9%	4,300	3,300	2,825
Total	3,847	4,706	5,103	3,600	5,253	45.9%	4,300	3,300	2,825
Net Income	(464)	(856)	(2,116)	140	(1,828)	-1405.7%	(1,175)	(375)	-
Fund Balance:									
Beginning Balance	5,471	5,038	4,182	4,182	4,322	3.3%	2,494	1,319	944
Ending Balance	5,038	4,182	2,065	4,322	2,494	-42.3%	1,319	944	944
Ending Cash Balance	5,135	4,279	2,163	4,419	2,591	-41.4%	1,416	1,041	1,041

**City of Minneapolis
2017 Budget
Financial Plan**

Municipal Parking Fund

Background

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

Historical Financial Performance

The financial condition of the Parking Fund has historically been stable, but it continues to experience financial challenges due to remaining debt levels and funding needs by other City functions. The fund generates positive retained earnings and is capable of satisfying its debt service while restoring its productive assets. The fund still has transfers or dividend payments leading to cash balances being lower than financial policy goals.

Parking Fund revenues and expenses are generated from these three lines of activities:

- Off-street parking
- On-street parking
- Impound Lot operations

For historical trends, the 2014 and 2015 operating revenues and expenses are presented in the 2017 Parking Fund budget chart (see following pages). The parking system creates a positive cash flow from parking operations.

Nearly all of the capital costs of the ramps have been financed by debt. Future capital costs are anticipated to be paid for from the cash balance rather than incur more debt.

The fund also receives tax increment transfers to pay part of major development projects in the downtown area. For 2017 \$0.7 million will be collected. Collections are expected to continue to increase by approximately 10.0% each year thereafter.

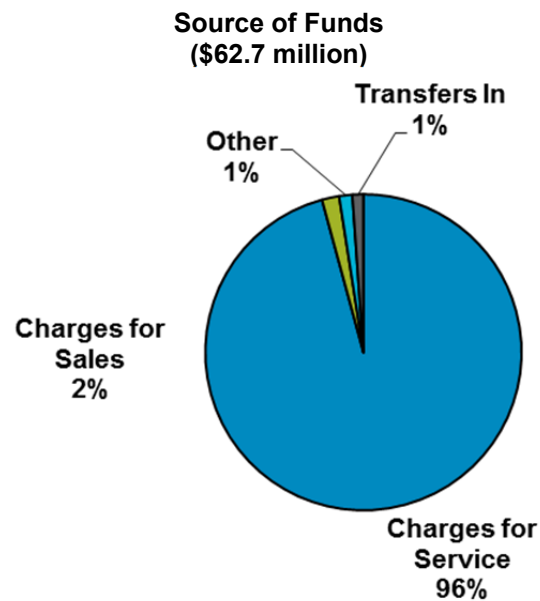
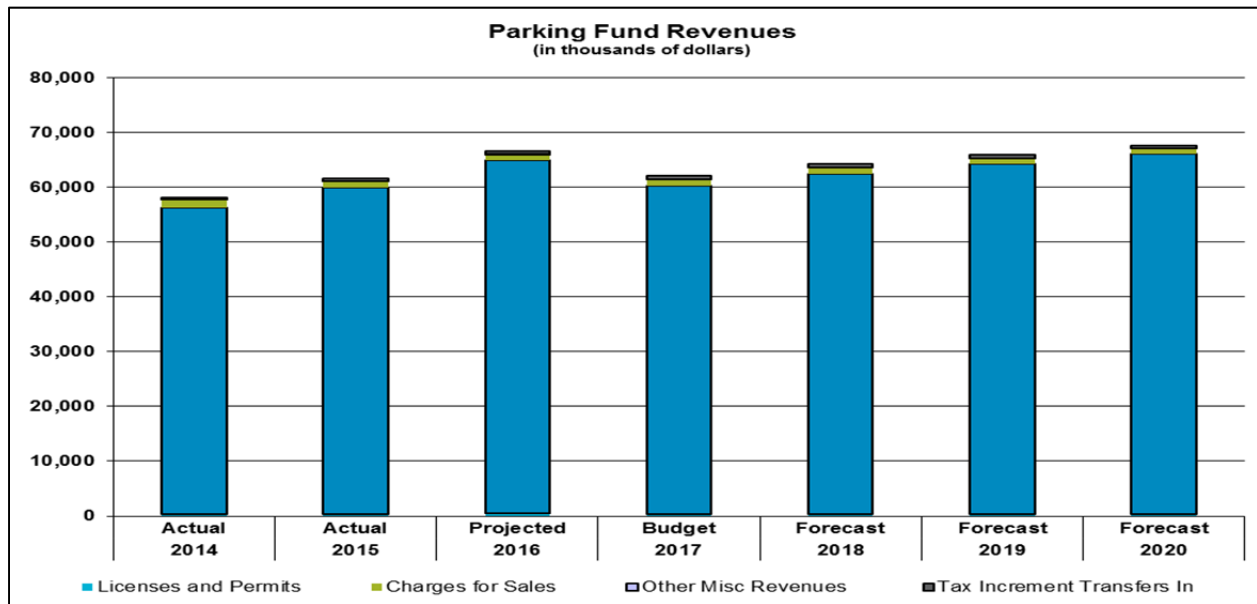
The Parking Fund cash balance at year-end 2015 was \$13.9 million. Based on current and proposed budgets, the Parking Fund cash balance will remain positive and continue to increase from current levels.

2017 Budget

Revenues

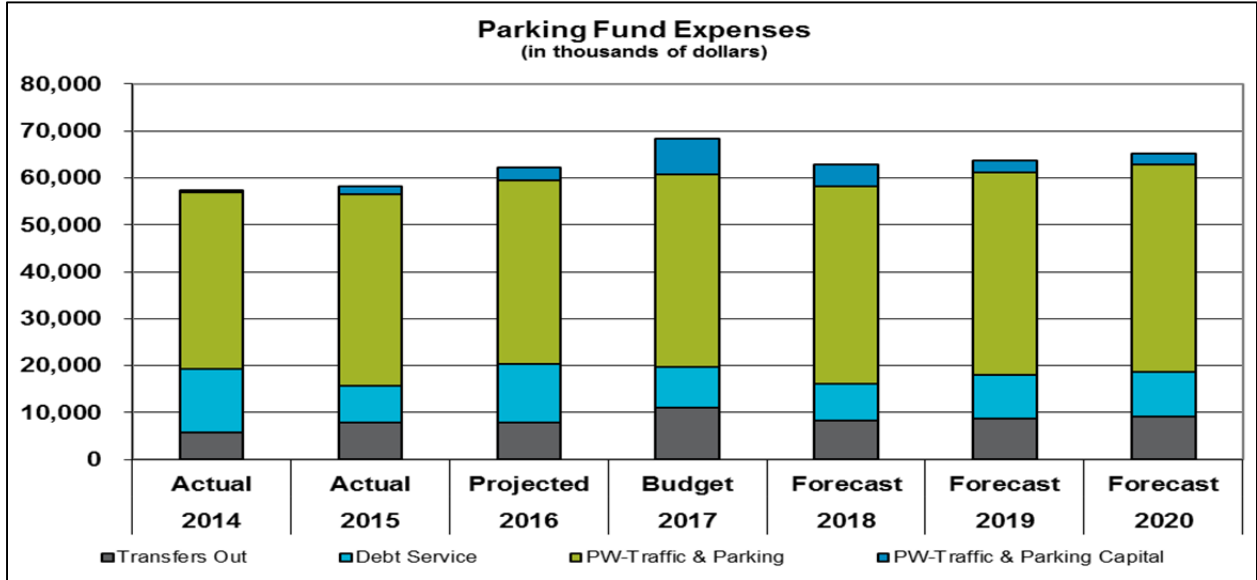
The parking system operating revenue budget for 2017 decreased by 7.0% to \$62.0 million from \$66.6 million projected revenue for 2016. The 2017 revenue budget incorporates an increase in on-street revenues due to implementation of new smart-meters and associated operational changes, a decrease in impounding revenues due to a decline in day-to-day tows, an increase in auction revenues due to an increase in scrap metal prices, and a slight decrease in off-street revenues.

Off-Street System Revenue Assumptions (2017)	
Utilization Percentage in 2014	83%
Number of Parking Stalls in the system	20,060
Forecasted Revenue increase	2016 1.5% 2017 1.5% 2018 1.5%
Assumed rate increases (if any)	1.0%
System-wide average event rate	\$ 15.00
System-wide average daily rate	\$ 9.25
System wide average monthly rate	\$ 155.00
Number of new stalls in the system	2016 (15) 2017 (163) 2018 (1,295)

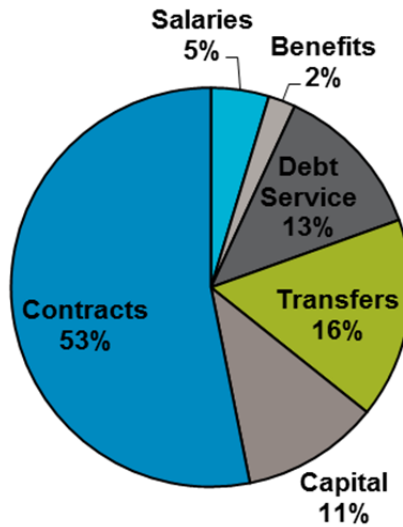


Expenses

The parking system operating budget for 2017 stands at \$41.0 million which is a 5.1% increase from 2016 projected expenses. The increase for 2017 is due to alignment with historical actuals. The capital budget for 2017 is set at \$7.6 million which is an increase due to planned repair and improvement work in the City-owned parking facilities and Impound Lot.



Use of Funds (\$68.2 million)



Debt Service

Total debt service, which includes principal and interest on bonds issued for construction of municipal parking ramps, is \$8.6 million for 2017. Opportunities to reduce debt continue to be examined. It is anticipated that \$5.4 million in bonds will be sold in 2017

Transfers

In 2017 the transfer to the General Fund increases by \$3.08 million and the transfer to the Target Center Arena Fund increases by \$0.2 million from 2016. An annual transfer of \$146,000 to the Solid Waste and Recycling fund supports service for bus shelter litter containers.

Net Position

The Parking Fund expects net position to decrease in 2017. This was a planned decrease due to an increase in the transfer to the General Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)

Municipal Parking Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projects	2017 Budget	% Chg From 2016 Budget	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Licenses and Permits	349	386	316	454	300	-3.5%	336	336	346
Charges for Service, Sales/Permits	55,982	59,646	59,250	64,494	60,043	1.2%	62,161	63,904	65,701
Charges for Sales	1,462	1,055	1,000	1,060	1,100	9.4%	1,100	1,100	1,100
Special Assessments	13	114	543	545	543		543	543	543
Federal Grant	37		-	-	-		-	-	-
Rents (Transportation)	2	10	-	24	-		-	-	-
Other Misc Revenues	20	14	-	35	-		-	-	-
<i>Total Operating Revenue</i>	57,865	61,225	61,109	66,612	61,986	-6.9%	64,140	65,883	67,690
Tax Increment Transfers In	373	525	536	536	704	31.3%	704	536	536
Transfers In from Convention Center Fund*			-	-			-	-	-
Other Transfers In			-	-			-	-	-
<i>Total Transfers In</i>	373	525	536	536	704	31.3%	704	536	536
Proceeds of Long Term Liabilities			-	-	5,400		-	-	-
<i>Total</i>	58,238	61,750	61,645	67,148	68,090	9.6%	64,844	66,419	68,226
Use of Funds:									
Debt Service	13,479	7,854	10,172	12,501	8,624	-12.4%	7,809	9,287	9,557
General Fund Transfer Out*	2,323	4,148	3,919	3,919	7,000	78.6%	4,078	4,200	4,326
Target Arena Transfer Out	3,323	3,523	3,728	3,728	3,940	5.7%	4,158	4,383	4,615
Debt Service Transfer Out		46	-	-	-		-	-	-
Sanitation Transfer Out	146	146	146	146	146		146	146	146
<i>Total Transfers Out</i>	5,792	7,863	7,793	7,793	11,086	42.3%	8,382	8,729	9,087
PW-Traffic & Parking	37,588	40,761	38,888	39,089	40,973	5.3%	42,057	43,133	44,239
PW-Traffic & Parking Capital	415	1,819	2,200	2,750	7,600	196.4%	4,600	2,600	2,400
<i>Total</i>	57,274	58,297	59,053	62,133	68,283	14.9%	62,848	63,749	65,283
Change in Net Position	5,636	4,256	4,211	8,534	(193)	-51.6%	1,810	2,674	4,638
Net Position	176,333	180,588	184,799	189,122	188,929	2.2%	190,739	193,413	198,051
Cash Balances	10,498	13,957	18,749	18,972	19,360	2.0%	21,356	24,026	26,969

Notes:

* Beginning in 2014, local sales taxes previously credited to the Convention Center and transferred to the General Fund and Parking Fund are credited to the General Fund.

Cash Balance does not include depreciation or impact of all arbitrage funds, but does include principal paid on bonds.

Income statement was not available for projections, so the modified fund margin was used to compute retained earnings to reflect the adjustment for depreciation expense and principal paid on bonds.

Revenue and expense forecast are based on anticipated increases.

**City of Minneapolis
2017 Budget
Financial Plan**

Sanitary Sewer Fund

Background

The Sanitary Sewer Fund accounts for the enterprise activity of wastewater collection and treatment. Approximately 62.0% of the operating expenditures in the Sanitary Sewer Fund are comprised of contractual payments made to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. The Sanitary Sewer Fund portion is approximately 95.0% of the total paid by the City to MCES with the remaining 5.0% being provided by the Storm Water Fund. The fund also accounts for the operation, maintenance, City services, design work, capital programs, transfers, and long-term debt services associated with the sanitary sewer system.

Historical Financial Performance

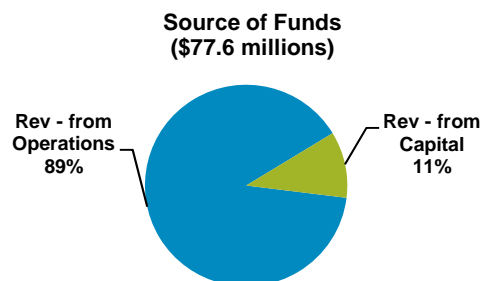
Total 2015 revenues were \$60.4 million compared to \$62.3 million in 2014, a decrease of \$1.9 million, or 3.1%, over 2014. Sewer Availability Charges (SAC) revenues account for \$1.1 million of this decrease. An additional decrease of \$2.7 million is due to the reduction in capital revenues from bond sales since cash reserves have primarily been used as the funding source for capital programs. These decreases were off-set by an increase of \$1.8 million in service and design revenues. Sanitary service revenue totaled \$52.2 million, compared to the 2014 total of \$50.5 million. This increase of \$1.6 million is due to increases in rates which are based on the amount of water used by the account holder. Any increase or decrease in SAC revenues corresponds to a similar increase or decrease in SAC expenditures as SAC charges are passed through to property owners and developers as a direct charge.

The expenditures for 2015 totaled \$68.3 million compared to \$66.5 million in 2014. This is an increase of \$1.7 million, or 2.7%, of which \$800,000 is due to an increase in design and maintenance work which also includes City services. Met Council payments contributed an additional \$1.3 million increase due to a rate increase in the monthly payments. Capital programs and transfers added \$1.3 million to the increase; however, these were off-set by a decrease of \$1.7 million in debt services. Maintenance and design expenditures reflect payments made to vendors and other City departments for fleet, supplies, repairs, contractual, and support services.

2017 Budget

Revenues

The total revenue budget for the Sanitary Sewer Fund for 2017 amounts to \$77.6 million compared to the 2016 projected revenues of \$89.1 million, a decrease of \$11.5 million, or 12.9%. The decrease is due to \$20.8 million in bond proceeds received in 2016. Monthly utility billings, Sewer Access Charge (SAC) permits, design and miscellaneous activities, along with bond proceeds for capital programs make up the revenue sources for the Sanitary Sewer Fund. Revenues from operations account for 89.0% of the budget with the remaining 11.0% coming from capital programs.

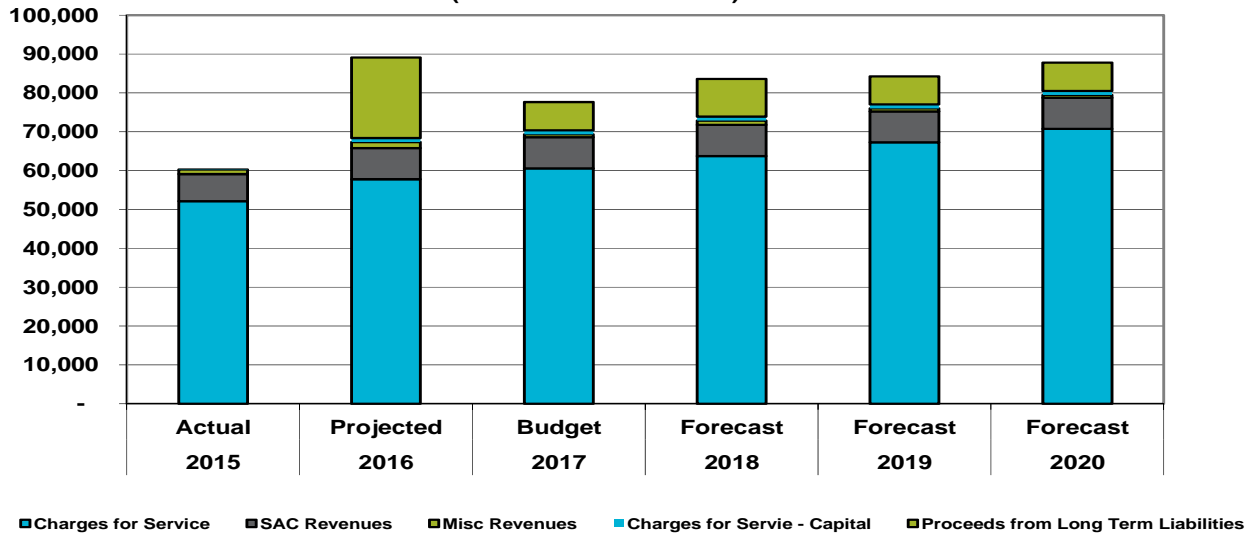


Sanitary Utility Rates

Sanitary sewer rates are comprised of variable and fixed rates. For 2017, the variable sewer rate is proposed to be \$3.55 per one hundred cubic feet (one *unit*, or 748 gallons) compared to \$3.39 for 2016, while the fixed rate is set at \$4.80 compared to \$4.30. Revenue estimates were increased to fund sanitary treatment programs, design and maintenance works, upgrade and rehab sanitary tunnels, and pay for debt services and shared meter costs.

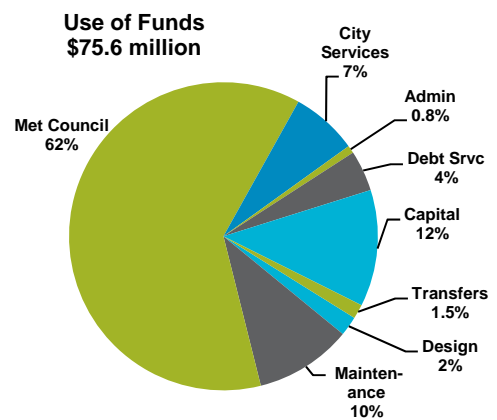
Year	Rate (cost per 100 per cubic feet)	% Increase	Average Monthly Bill	Utility Revenue from variable rates
2017	\$3.55	4.7%	\$21.30	\$52.8 million
2018	\$3.71	4.5%	\$22.26	\$55.2 million
2019	\$3.89	4.8%	\$23.34	\$57.9 million
2020	\$4.07	4.6%	\$24.42	\$60.5 million
2021	\$4.25	4.4%	\$25.50	\$63.2 million

Sanitary Sewer Fund Revenues (in thousands of dollars)



Expenditures

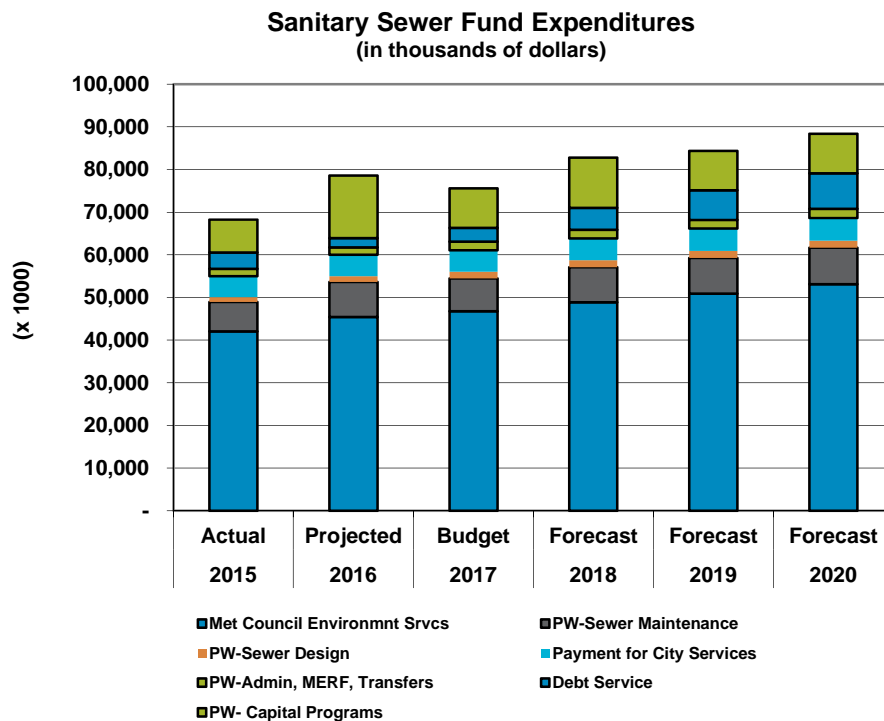
The total expense budget for 2017 amounts to \$75.6 million compared to \$78.6 million projected for 2016. Administration, maintenance and design activities, interdepartmental City services, waste treatment charges, transfers, capital programs, and long-term debt are included in these expenses. An increase of \$1.4 million in Met Council expenditures is anticipated due to an increase in MCES rates over 2016. Met Council sets the rate for treatment services, referred to as Municipal Water Charges (MWC), which is allocated regionally to all users of the system based upon their proportionate use. Supplemental cleaning, flow metering, smoke testing, rehab, upgrades, and design work increased the maintenance budget by \$1.4 million. An additional increase of \$263,000 is the result of increases in personnel, overheads, and rent expenses. However, the decrease of \$1.4 million in debt service, capital programs and transfers along with \$1.2 million in savings on the Maximo and Hiawatha construction projects offsets the overall increase in the 2017 expense budget.



Capital programs for 2017 include inflow/infiltration and sewer tunnel rehab programs. Capital expenses for 2017 total \$9.3 million. The largest expense in the Sanitary Sewer Fund is the service charge paid to Metropolitan Council Environmental Services (MCES) for the treatment of waste water. The estimated payment to MCES for 2017 is \$40.7 million, a 3.6% increase over 2016. The Sanitary Sewer Fund bears 95.0%, or \$38.7 million, of this cost with the remaining \$2.0 million paid from the Storm Water Fund. Minneapolis is the largest customer in the MCES system. (Please note this payment is only a portion of the Met Council Environmental Services line as shown on the plan; the SAC payments are included in the plan total).

Debt Service & Transfers

For 2017, \$3.2 million is set aside as debt service payments for bonds that were sold in prior years to fund capital programs. A transfer from this fund is made to the Water Fund to cover shared meter expenses. For 2017, the transfer is estimated at \$1.2 million.



Fund Balance

The Sanitary Sewer Fund expects its net position and fund balance to increase in 2017 by \$2.0 million.

Mayor’s Recommended Budget

The Mayor recommended a rate of \$3.55 for 2017.

Council Adopted Budget

The City Council approved the Mayor’s recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Sanitary Sewer Fund

	2014	2015	2016	2016	2017	% Chg	2018	2019	2020
	Actual	Actual	Budget	Projected	Budget	2016 Projected	Forecast	Forecast	Forecast
Source of Funds:									
Charges for Service	50,513	52,160	56,822	57,822	60,581	4.8%	63,766	67,247	70,729
SAC Revenues	8,050	6,956	8,000	8,000	8,000		8,000	8,000	8,000
Other Misc Revenues	1,012	1,191	928	1,558	785	-49.6%	1,110	785	785
Charges for Service - Capital	1,139	53	1,000	1,000	1,000		1,000	1,000	1,000
Proceeds from Long Term Liabilities	1,578	-	8,550	20,750	7,250	-65.1%	9,750	7,250	7,250
Total	62,291	60,359	75,300	89,129	77,616	-12.9%	83,626	84,282	87,764
Use of Funds:									
PW-Sewer Design	588	1,141	791	1,367	1,553	13.6%	1,597	1,638	1,680
PW-Sewer Maintenance	7,142	6,901	7,798	8,178	7,662	-6.3%	8,286	8,383	8,556
MERF Debt Service -New Plan	292	292	310	310	210	-32.3%	210	210	210
Met Council Environment Svcs	40,713	42,037	45,445	45,440	46,796	3.0%	48,844	50,879	53,101
Payment for City Services	4,500	4,941	5,042	5,031	5,052	0.4%	5,136	5,222	5,309
PW - Sewer Admin	-	108	544	309	599	93.8%	510	524	538
Debt Service	5,564	3,820	2,136	2,136	3,238	51.6%	3,837	3,819	3,900
Future Debt Service	-	-	1,103	-	-	100.0%	1,316	3,086	4,403
Transfers									
To MERF/Gen Debt Service	-	-	-	-	-		-	-	-
To Water Fund	1,157	1,285	1,328	1,101	1,213	10.1%	1,273	1,337	1,404
PW- Capital Programs	6,551	7,754	10,550	14,711	9,250	-37.1%	11,750	9,250	9,250
Total	66,507	68,278	75,047	78,583	75,572	-3.8%	82,759	84,347	88,352
Deferred Capital Projects-Rev Funded			2,100	-	-	100.0%	-	-	-
Change in Net Position	(4,215)	(7,919)	(1,846)	10,546	2,044		865	(65)	(588)
Net Position Balance	118,582	117,276	115,430	127,822	129,867		130,732	130,666	130,078
Cash Balances									
Operating Cash	18,719	12,324	10,575	22,968	25,012		25,878	25,813	25,225
Construction Cash	401	98	-	-	-		-	-	-
Total Cash Balance	19,120	12,422	10,575	22,968	25,012		25,878	25,813	25,225

**City of Minneapolis
2017 Budget
Financial Plan**

Solid Waste and Recycling Fund

Background

The Solid Waste and Recycling Fund provides services related to collection, disposal, and recycling of household waste, yard waste, and problem materials. Graffiti removal and the organics program are additional activities. The Solid Waste Division provides weekly and bi-weekly services for trash, yard-waste, and recycling materials pickups. It also operates a solid waste transfer station providing service to over 106,000 households. City crews provide approximately one-half of the solid waste collection service in the City with the other half provided through a contract with a consortium of companies specializing in waste collection.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees. The Fund also receives grants from Hennepin County. Additional revenue is generated through recyclable sales, miscellaneous services, graffiti, and organic programs.

Historical Financial Performance

The overall financial condition of the Solid Waste and Recycling Fund has remained stable over the years despite implementing a one-sort program at a cost of \$5.3 million and an organic program which cost an additional \$3.6 million. Total revenues for 2015 were at \$37.2 million compared to \$32.9 million in 2014. The increase of \$4.3 million is mainly due to an increase in utility revenues as a result of base rate increase from \$17.60 per dwelling unit in 2014 to \$21.60 for 2015. Rates were increased to fund the implementation of organics program.

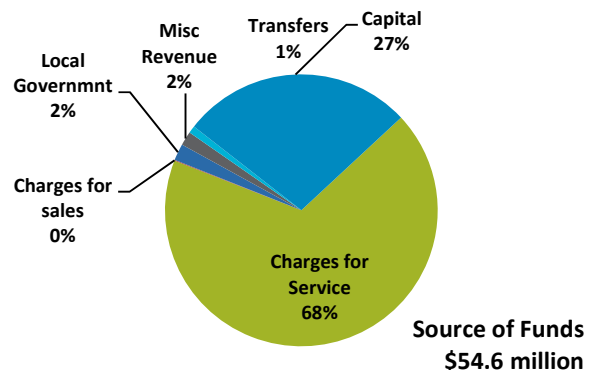
Total expenditures for 2015 came to \$33.6 million compared to \$31.7 million for 2014, an increase of \$1.9 million, or 6.2%. The increase is due to implementation of the city-wide organics program which required purchases of equipment, carts and other one-time roll-out expenses. The increase in utility revenues contributed to the growth of year-end cash balance from \$19.7 million to \$22.6 million.

For 2016 utility revenues from collection services are projected to reach \$36.6 million, and the total revenues for the fund are projected at \$39.5 million. Expenses for the Fund are projected to be \$39.4 million. This amounts to a projected surplus of \$100,000.

2017 Budget

Revenues

The total revenue budget for 2017 amounts to \$54.6 million compared to \$40.1 million projected for 2016. This is an increase of \$14.5 million over the 2016 projection and mainly due to bond proceeds estimated at \$15.0 million to fund capital program scheduled for the year. Service revenue has been estimated at \$37.1 million which is \$357,000 more than the projection for 2016.



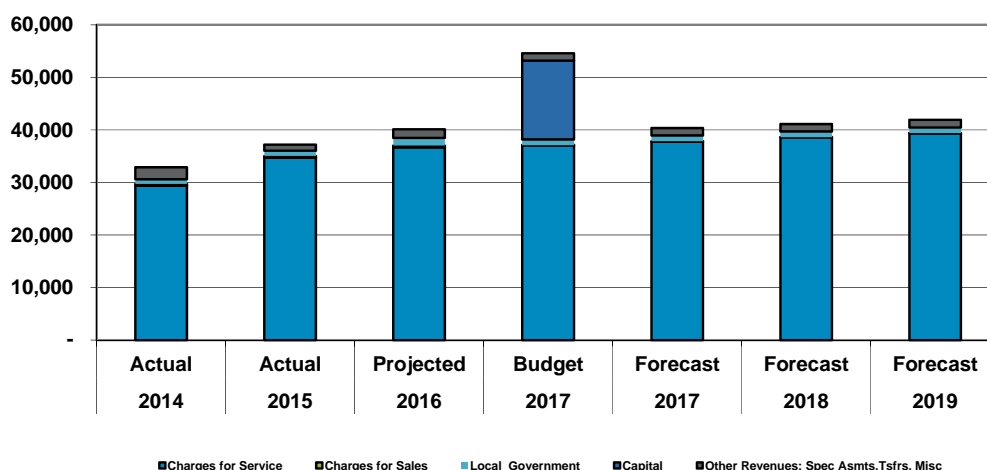
Funds from local governments include a Hennepin County recycling grant of \$1.1 million. Revenues generated from debris removals, maintenance, and various miscellaneous works are estimated at \$550,000. An additional \$410,000 is expected to be generated from other City departments for graffiti related work done on streets, bridges and other City properties.

Solid Waste Utility Rates

The Department proposed to increase the base rate for collection and hauling to \$23.47 per dwelling unit, an increase of \$0.57 over the 2016 utility rate in order to fund increases in salaries, fringes, contractual and operating services, and vehicle replacements.

Revenue Assumptions (2017)	
Number of dwelling units	106,400

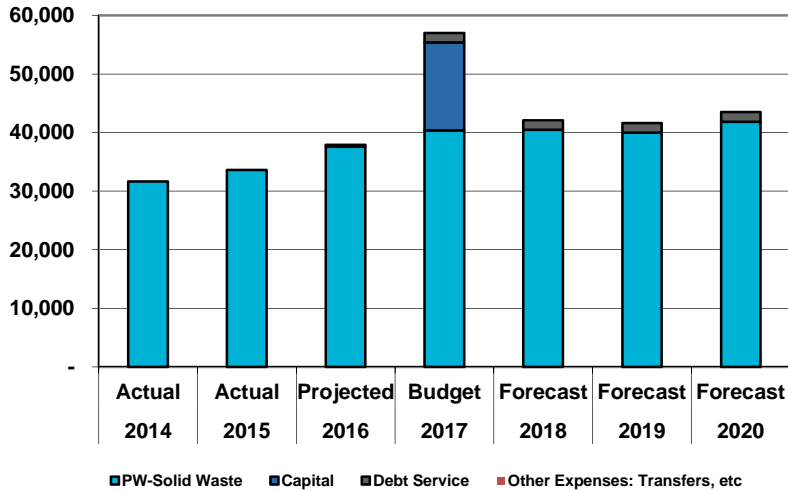
Solid Waste Fund Revenues (in thousands of dollars)



Expenditures

The total expenditure budget for 2017 amounts to \$56.9 million compared to \$37.9 million projected for 2016, an increase of \$19.1 million. The operating budget at \$40.3 million accounts for 71.0% of the total budget. The remaining \$16.6 million, or 29.0%, is for facility construction and debt services. The 2017 operating budget, compared to 2016, reflects the following changes: (i) an increase in salaries and fringes of \$389,000 as a result of new contracts and step increases; (ii) an increase in yard waste, garbage, TV, and mattress collecting, hauling, disposing, and recycling costs of \$830,000 due to new vendor contracts; (iii) an increase in maintenance, rehab and abatement work of \$125,000; (iv) a decrease in equipment, vehicle, and cart purchases by \$600,000 as organics and one-sort programs enter into the operational phase; (v) a decrease in out-reach, postage, printing, educational and roll-out expenses relating to the Organics program by \$400,000; and (vi) an overall decrease of \$100,000 in payment for City services as set by the 2017 allocation model.

Solid Waste Fund Expenditures (in thousands of dollars)



Transfers

The Solid Waste and Recycling Fund will continue to receive \$146,000 from the Parking Fund for litter container pick-ups in the downtown area. The Fund has been receiving an annual transfer from the General Fund for graffiti removals. For 2017, General Fund transfers total \$325,000. These transfers are expected to continue into the future with variations in programs and amounts.

Debt Service

This fund does not have any capital debt service payments in 2016. However, with a capital program estimated at \$15.0 million funded through bond sales set for 2017, the Fund anticipates \$1.6 million in debt service payments, including principal and interest, starting in 2017. These payments will continue on a yearly basis based on the debt service schedule.

Fund Balance

In 2017 the Solid Waste and Recycling Fund plans to use some of its excess cash reserve to fund capital improvements in the amount of \$2.4 million.

Mayor’s Recommended Budget

The Mayor recommended a rate of \$23.47 for 2017.

Council Adopted Budget

The City Council approved the Mayor’s recommendations.

City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)

Solid Waste Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projecte	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Sources of Funds:									
Local Government	872	1,003	1,080	1,500	1,080	-28.0%	1,080	1,080	1,080
Charges for Service	29,380	34,754	36,452	36,708	37,065	1.0%	37,815	38,583	39,370
Charges for Sales	338	297	-	309	45	-85.4%	45	45	45
Special Assessments	106	141	-	130	-		-	-	-
Other Misc Revenues, Rents	1,231	560	920	837	920	9.9%	920	920	920
Long Term Proceeds - Capital	-	-	7,000	-	15,000	100.0%	-	-	-
Operating Transfers In:									
Parking Fund	146	146	146	146	146		146	146	146
General Fund - Graffiti	695	325	423	423	325	-23.2%	342	353	364
General Fund	125	-	50	50	-	100.0%	-	-	-
Total	32,893	37,226	46,071	40,103	54,581	36.1%	40,348	41,127	41,925
Use of Funds:									
PW-Solid Waste	31,656	33,616	40,101	37,587	40,345	7.3%	40,446	39,948	41,835
Capital Program									
Capital	-	-	7,000	337	15,000	100.0%	-	-	-
Debt Service	-	-	-	-	1,646	100.0%	1,650	1,650	1,647
Total Use of funds	31,656	33,616	47,101	37,924	56,991	50.3%	42,096	41,598	43,482
Change in Net Position	1,237	3,609	(1,029)	2,179	(2,410)		(1,749)	(471)	(1,557)
Net Position Balance	28,111	26,288	25,259	28,467	26,057		24,308	23,837	22,281
Cash Balance	19,729	22,568	21,539	24,747	22,337		20,588	20,118	18,561

**City of Minneapolis
2017 Budget
Financial Plan**

Storm Water Fund

Background

The storm water collection and street cleaning programs make up the budget for the Storm Water Fund. The Fund accounts for the design, construction, and maintenance of the City's storm drain system and street cleaning activities. A portion of the Storm Water Fund is used for sanitary water interceptor and treatment services, a function carried out through the Metropolitan Council Environmental Services (MCES). The Fund also accounts for the Combined Sewer Overflow (CSO) program, which separates storm water from the sanitary sewer lines.

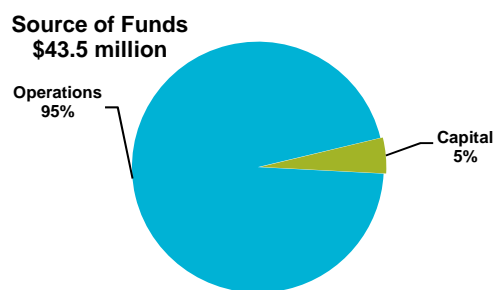
Historical Financial Performance

In 2015 total revenues decreased to \$40.4 million compared to \$43.7 million in 2014. Design and capital revenues account for \$3.8 million of the decrease. This was off-set by an increase of \$0.5 million in operating revenues bringing the net decrease to \$3.3 million. Capital projects in 2015 were paid out of fund balance, replacing bond proceeds as a funding source. Total expenditures in 2015 amounted to \$39.9 million compared to \$45.4 million for 2014, a decrease of \$5.5 million, or 12.1%. Capital programs and debt services account for \$8.6 million of this decrease. This decrease was reduced by \$3.1 million due to increases in maintenance, cleaning, tunnel rehab, and design expenses.

2017 Budget

Revenues

The 2017 revenue budget totals \$43.5 million, compared to \$41.4 million projected for 2016, reflecting an increase of \$2.1 million, or 5.0%. The charges for service revenue, estimated at \$38.6 million, is \$1.3 million more than the 2016 projection due to a planned increase in utility rates. Design, miscellaneous, and maintenance revenues are estimated to increase by \$101,000 due to an increase in capital related design activity and reimbursements from County and State. Capital programs and reimbursable works are all funded from reserves and the increase of \$639,000 from reimbursable works will be off-set by an equal increase in expenditures.



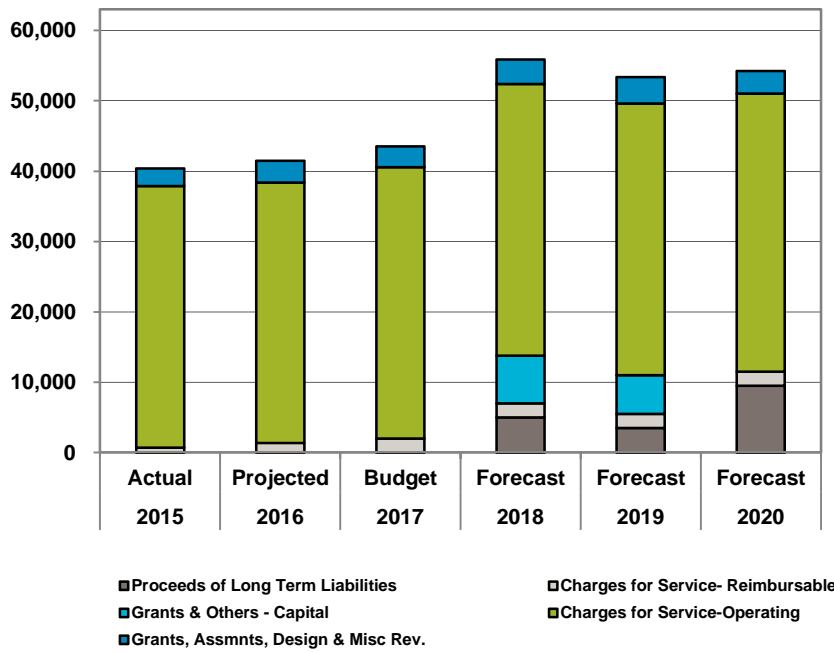
Storm Water Utilities Rates

The Department proposed a storm water utility rate of \$12.36 per ESU for 2017, which is an increase of \$0.42 over the 2016 rate. It was increased to fund capital programs.

Planned rates

Year	Rate per ESU (Equivalent Storm Water Unit)	% Increase	Total Planned Revenue from Utility Fee
2017	\$12.36	3.5%	\$38.6 million
2018	\$12.36	0.0%	\$38.6 million
2019	\$12.36	0.0%	\$38.6 million
2020	\$12.66	2.4%	\$39.5 million
2021	\$12.96	2.4%	\$40.5 million

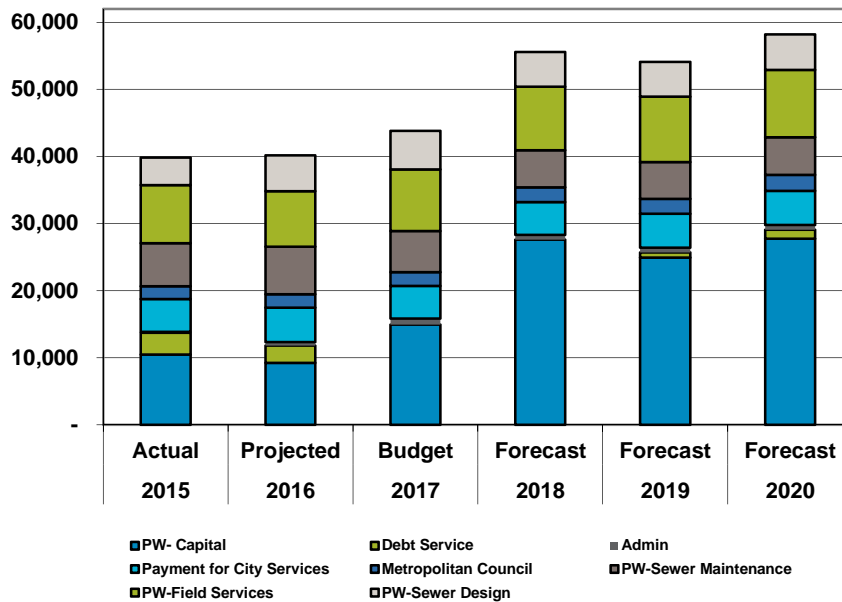
Storm Water Fund Revenues (in thousands of dollars)



Expenditures

The 2017 total expenditure budget for the Storm Water Fund amounts to \$45.4 million compared to \$40.3 million projected for 2016, an increase of \$5.1 million, or 12.8%. The fund's operating budget is used for design, maintenance, overflow programs, Met Council payments, City services, and street cleaning. The operating budget for 2017 totals \$28.8 million which is \$506,000 more than the \$28.3 million projected for 2016. The increase is the result of expenditures related to personnel, consultants, professional services, fleet, and IT services. Capital programs are estimated at \$14.9 million compared to \$9.2 million projected for 2016. For 2017, capital projects are designated to be funded from Storm revenue and cash reserves. The budget anticipates a decrease in net position by \$16.7 million due to an additional \$14.8 million in capital expenditures approved in prior years but projected to be spent in 2017.

Storm Water Fund Expenditures (in thousands of dollars)



Combined Sewer Overflow (CSO)

The Combined Sewer Overflow project started in 2004. Working with property owners, this project aims to identify and disconnect roof drain overflow from the sanitary system. This is an on-going program. For 2017, \$493,000 has been allotted in the operating budget with additional funding coming from the Capital programs.

Debt Service & Transfers

The debt service payments are primarily for bonds that have been sold in prior years to finance the Combined Sewer Overflow (CSO), flood mitigation, and storm water related infrastructure programs. It is projected the Fund will complete paying off all of its debt service obligations by the end of 2016. Bond funded programs are planned for 2018 and debt service payments are anticipated to resume in 2019. Transfer-out of this fund covers environmental services program in the General Fund which is set at \$110,000. An additional amount of \$1.5 million will be transferred as Storm Water contribution to fund Paving program.

Fund Balance

In 2017 the Storm Water Fund plans to use its excess cash reserve to fund capital programs and reduce bonding as a funding source in the amount of \$16.7 million.

Mayor’s Recommended Budget

The Mayor recommended a rate of \$12.36 for 2017.

Council Adopted Budget

The City Council approved the Mayor’s recommendations.

City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)

Storm Water Sewer Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Federal Government	58	6	-	-	-		-	-	-
State Government	1,168	1,385	1,505	1,505	1,327	-11.8%	1,481	1,518	1,558
Local Government	312	336	253	253	318	25.7%	352	358	361
Charges for Service-Operating	36,895	37,206	37,257	37,010	38,578	4.2%	38,578	38,578	39,522
Design & Misc Revenues	3,095	494	2,147	1,104	1,318	19.4%	1,690	1,892	1,312
Special Assessments	288	235	-	247	-		-	-	-
Grants Proceeds/Others - Capital			-		-		6,783	5,525	-
Charges for Service-Capital	1,930	708	2,000	1,361	2,000	47.0%	2,000	2,000	2,000
Proceeds of Long Term Liabilities	-	-	-	-	-		5,000	3,500	9,500
Total Source of Funds	43,746	40,370	43,162	41,480	43,541	5.0%	55,884	53,371	54,254
Use of Funds:									
PW-Sewer Design	3,463	4,072	5,270	5,295	5,757	8.7%	5,202	5,194	5,287
PW-Field Services	7,173	8,678	8,563	8,300	9,148	10.2%	9,461	9,748	10,044
PW-Sewer Maintenance	5,156	6,427	7,229	7,110	6,149	-13.5%	5,553	5,496	5,614
Metropolitan Council	1,725	1,862	1,992	1,960	2,034	3.8%	2,142	2,249	2,366
Payment for City Services	5,559	4,929	5,173	5,171	4,858	-6.1%	4,934	5,011	5,090
Admin		115	886	497	893	100.0%	697	708	720
Debt Service	4,085	3,276	2,600	2,600	-	-100.0%	-	-	-
Future Debt Service	-	-	-	-	-		-	780	1,326
Transfers	6	110	110	110	1,610		1,625	1,640	1,655
PW- Capital	18,231	10,452	14,500	9,214	14,965	62.4%	27,603	24,930	27,735
Total Use of Funds	45,398	39,921	46,323	40,256	45,414	12.8%	57,217	55,756	59,837
Def.Capital Proj - Rev Funded	-	-	6,518	-	14,808		-	-	-
Change in Net Assets	(1,652)	449	(9,679)	1,222	(16,681)		(1,333)	(2,385)	(5,584)
Net Asset Balance	326,461	323,458	313,779	324,680	307,999		306,667	304,282	298,698
Cash Balances	34,961	35,862	26,183	37,084	20,402		19,068	16,683	11,099
Construction Cash	-	-	-	-	-		-	-	-
Total Cash Balance	34,961	35,862	26,183	37,084	20,402		19,068	16,683	11,099

**City of Minneapolis
2017 Budget
Financial Plan**

Water Treatment and Distribution Services Fund

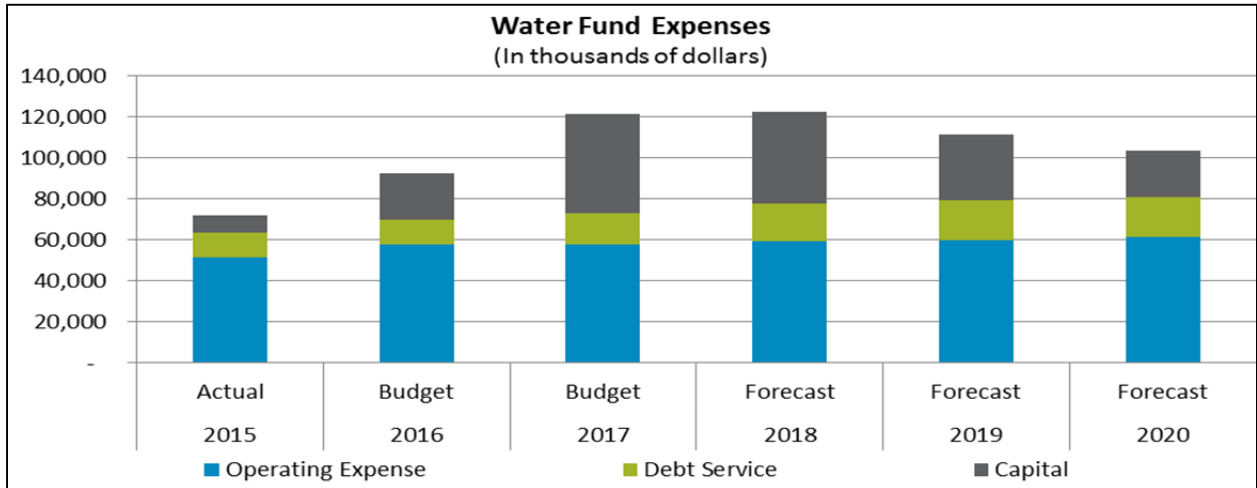
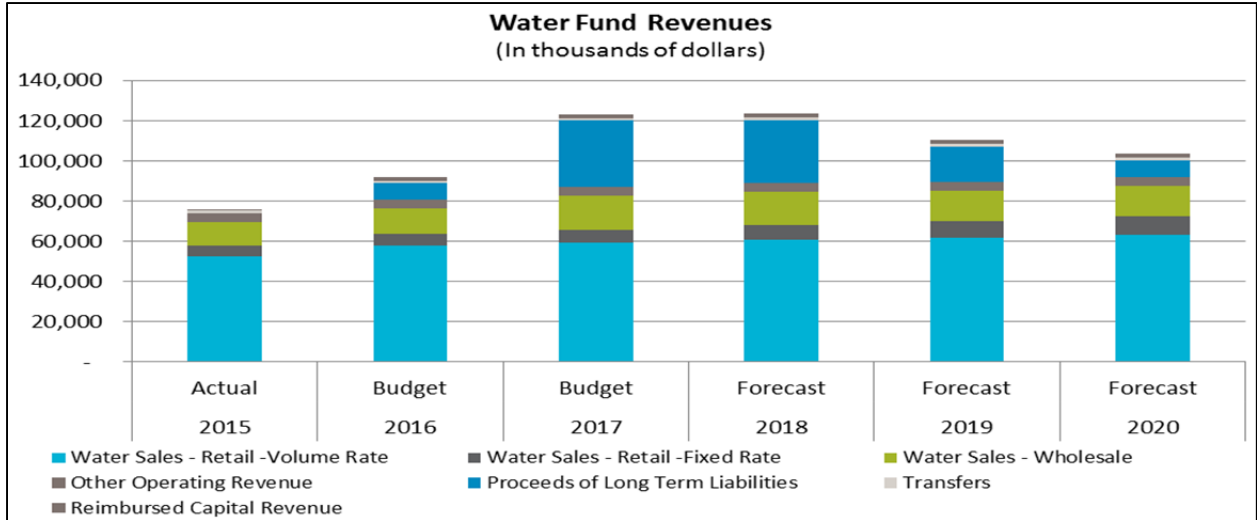
Background

The Public Works Water Treatment and Distribution Services Fund accounts for the administration, operation, maintenance, and capital investments of the water treatment and distribution system of the City of Minneapolis. The City also sells water directly to wholesale customers – the cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, as well as the Metropolitan Airport. Beginning in 2016, the City of New Brighton entered into a contract to purchase water from the City until 2018.

Historical Financial Performance

The net position of the Water Fund has increased over the past several years due primarily to scheduled rate increases and deferrals of some major capital improvements and investments to 2016. The following table shows the revenue earned from retail and wholesale sales for years 2014 – 2015, the projected 2016 revenue, and the 2017 budgeted revenue:

	2014	2015	Source of Revenue	2017 Budget
Bloomington	\$2,988,555	\$3,336,205	\$ 3,420,860	\$3,628,505
Columbia Heights	1,198,178	1,229,950	1,425,596	1,494,337
Hilltop	79,320	79,518	86,833	89,899
Joint Water Commission	5,691,483	6,183,956	6,307,168	7,427,107
Edina	181,090	203,719	165,631	257,519
MAC	857,281	799,775	1,040,757	1,051,440
New Brighton			1,180,044	3,141,494
Total Wholesale	\$10,995,907	\$11,833,122	\$ 13,626,889	\$17,090,301
Volume Rate	\$53,916,478	\$52,744,486	\$54,549,358	\$59,262,277
Fixed Rate	4,052,437	4,907,178	5,686,781	6,573,384
Total Retail	\$57,968,915	\$57,651,664	\$60,236,139	\$65,835,661
Total Revenue	\$68,964,822	\$69,484,786	\$73,863,028	\$82,925,962



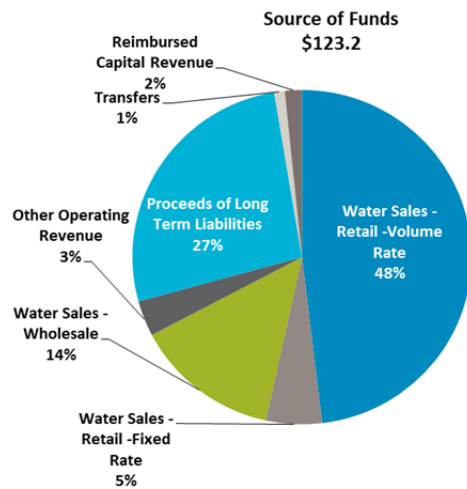
2017 Budget

Revenues

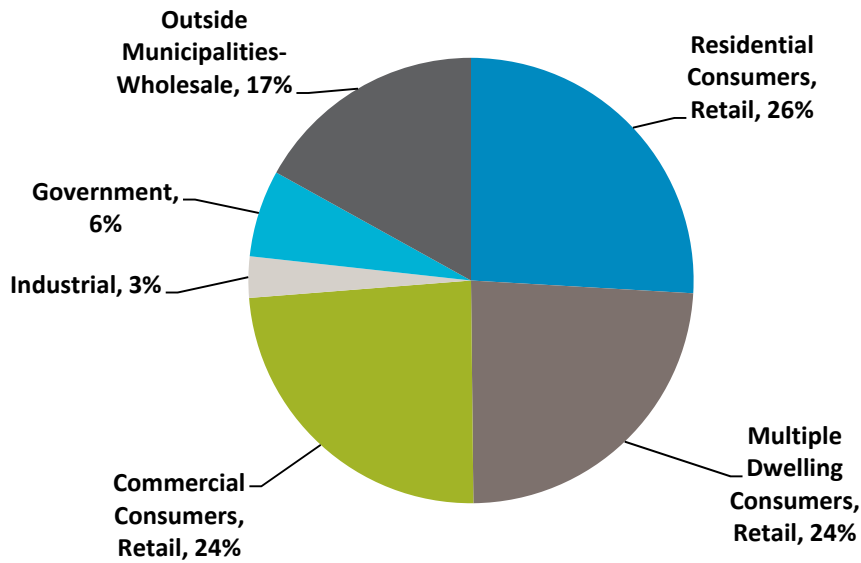
The 2017 revenue budget of \$123.2 million is \$29.7 million more than the 2016 projected revenue budget of \$93.5 million. This increase is mainly due to a \$21 million increase in bond proceeds from 2016 to 2017 and to projected rate increases for the years 2017 – 2022 to pay debt service for the capital program expenses and to repair infrastructure as well as to cover anticipated growth in operating expenses.

Water Utility Rates

The budget includes a fixed rate charge based on meter size as well as a variable rate charge of \$3.53/unit. The fixed rate charge helps to cover the fixed costs of operating the utility which increases the utility's financial stability as it continues to operate in an environment of declining consumption due to conservation efforts.



Charges for Services by Customer Consumption
(Based on 2015 Consumption)



Projected Revenue from Retail Water Sales

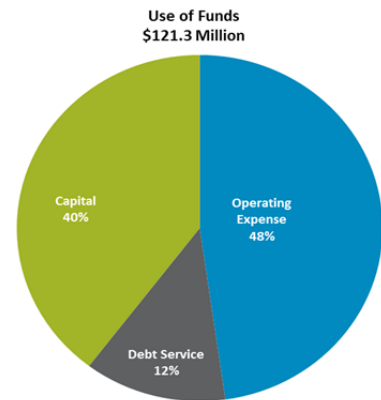
Year	Fixed Rate (5/8" Meter)	Rate (cost per 100 cubic feet)	Total Cost Per Month for Average Consumer	Total % Increase	Total Monthly Cost Increase per Household	Total Planned Revenue from Utility Fee
2015	\$3.00	\$3.37	\$26.59	3.30%	\$0.85	\$62.8 Million
2016	\$3.50	\$3.45	\$27.65	3.99%	\$1.06	\$63.8 Million
2017	\$4.00	\$3.53	\$28.71	3.83%	\$1.06	\$65.8 Million
2018	\$4.50	\$3.61	\$29.77	3.69%	\$1.06	\$68.0 Million
2019	\$5.00	\$3.69	\$30.83	3.56%	\$1.06	\$70.2 Million
2020	\$5.50	\$3.77	\$31.89	3.44%	\$1.06	\$72.3 Million

Projected Revenue from Wholesale Water Sales

Year	% Increase	Total Revenue Earned from Utility Fee - Wholesale
2015	-4.18%	\$12.2 Million
2016	3.50%	\$12.7 Million
2017	34.84%	\$17.1 Million
2018	-1.35%	\$16.9 Million
2019	-11.57%	\$14.9 Million
2020	3.03%	\$15.4 Million

Expenses

The 2017 expense budget is \$121.3 million, a 25.2% increase from 2016 projected expenses of \$96.9 million. The budget provides funding for water treatment and distribution and the capital improvement program. Current capital projects include improvements to the water distribution network, treatment infrastructure improvements, rehabilitation of the Fridley filter facility and replacement of the distribution maintenance facility. The 2017 capital budget of \$48.1 million represents a 58.2% increase from the 2016 projected capital expenses. This increase is largely due to an anticipated \$17 million in costs related to rehabilitation of the Fridley filter facility.



Debt Service and Transfers

The debt service total of \$15.3 million is for bonds and notes sold to finance the Water Fund's Capital Construction program.

Net Position

The Public Works Water Treatment and Distribution Services Fund expect net position to increase \$1.9 million as a result of increased water sales.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (In thousands of dollars)**

Water Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg from 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Water Sales - Retail									
Volume Rate	53,917	52,745	58,026	54,549	59,262	8.6%	60,605	61,948	63,292
Fixed Rate	4,052	4,907	5,752	5,687	6,573	15.6%	7,395	8,217	9,038
Water Sales - Wholesale	10,996	11,833	12,674	13,627	17,090	25.4%	16,860	14,909	15,361
Other Operating Revenue	4,852	4,530	4,177	4,981	4,240	-14.9%	4,303	4,367	4,433
Proceeds of Long Term Liabilities	6,000	-	8,200	11,500	32,820	185.4%	31,080	17,750	8,100
Transfers									
From Sewer Fund for Meter Shop	1,159	1,285	1,328	1,101	1,213	10.2%	1,231	1,250	1,268
From General Fund	25	25	24	24	24	-	24	24	24
Reimbursed Capital Revenue	144	105	2,000	2,000	2,000	-	2,000	2,000	2,000
Total	81,145	75,430	92,181	93,469	123,222	31.8%	123,498	110,465	103,516
Use of Funds:									
Operating Expense	50,869	51,632	57,754	54,450	57,917	6.4%	59,642	60,037	61,393
Debt Service	10,460	11,775	12,041	12,041	15,269	26.8%	13,696	13,430	12,870
Future Debt Service	-	-	-	-	-	-	4,605	5,805	6,483
Capital	13,788	8,868	22,540	30,404	48,100	58.2%	44,430	32,220	22,650
Total	75,117	72,275	92,335	96,895	121,286	25.2%	122,373	111,492	103,396
Water Fund Margin	6,028	3,155	(154)	(3,426)	1,936	-	1,125	(1,027)	120
Water Net Position	221,480	219,678	219,524	216,252	218,188	0.9%	219,313	218,286	218,406
Cash Balance	25,133	30,084	29,930	26,658	28,594	7.3%	29,718	28,691	28,811

**City of Minneapolis
2017 Budget
Financial Plan**

Engineering Materials and Testing Fund

Background

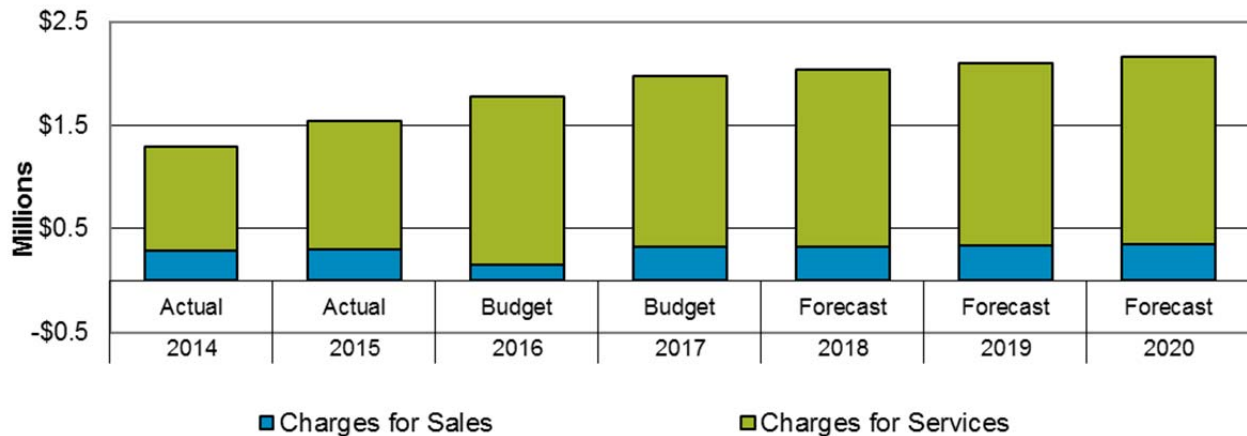
The Engineering, Materials and Testing Fund accounts for transactions related to City purchases of hot-mix asphalt and ready-mix concrete and the related quality control activities for the placement of these materials to assure compliance with State and Federal standards and specifications. The Engineering Laboratory, a component of this fund, provides these quality control activities. In addition, the Engineering Laboratory is responsible for construction inspection and testing services, maintaining a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services.

Historical Financial Performance

The revenue sources for this fund include overhead charged on the procurement of hot-mix asphalt and ready-mix concrete materials along with fees for inspection and testing services by the Engineering Laboratory.

From 2003 through 2008, this fund had a decrease in net position of \$1.5 million of which \$777,000 was due to the loss on the disposal of the asphalt plant after operations were suspended. Beginning in 2008, with a net position of \$27,758, the fund continued to have positive increases through 2013 ending the year with a balance of \$2.0 million. In 2014, it was determined to decrease laboratory service fees and the overhead rates on asphalt and concrete resulting in a decrease net position to a balance of \$1.8 million. For the year ending 2015, the benchmark for net position was \$281,808 and the fund ended the year with \$802,175. The 2015 year-end cash balance was \$1.6 million, a decrease of \$382,053 from the 2014 year-end balance of \$1.9 million.

Engineering Materials and Testing Revenues



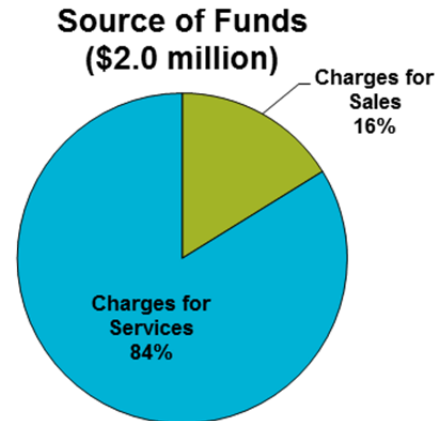
2017 Budget

Revenue

The 2017 revenue budget is \$2.0 million, an increase of 5.7% from the 2016 projected revenue of \$1.9 million. The 2017 budgeted revenue is greater than the 2016 projected due to a yearly increase in City road construction/overlay projects and maintenance activities. The rates continue to be reviewed to ensure accurate capture of revenue sufficient to cover expenses.

This fund generates revenue from testing and inspection services provided by the Engineering Laboratory and the sale of concrete and asphalt from outside vendors to other City departments. Product types and quantities are identified for customer departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses.

The 2017 revenue budget includes \$1.7 million earned from charges for services provided by the Engineering Laboratory and \$320,000 as mark up on the sale of asphalt and concrete. In 2017, overhead rates on asphalt and concrete sales will remain constant with the 2016 rates. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector while generating adequate revenue to cover the fund's direct and indirect expenses.



Expense

The 2017 expense budget is \$2.0 million representing an increase of 5.7% from the 2016 projected expense of \$1.9 million. The 2016 projection is slightly lower than the 2016 budget due to vacant positions. The Engineering, Materials and Testing Fund plans to be fully staffed in 2017. Beginning in 2015, the amount expended for professional services has increased due to an increase in construction projects.

Transfers

There are no transfers scheduled in 2017 for this fund.

Debt Service

This fund does not have any long-term debt.

Net Position and Cash Balance

The net position is projected to be \$813,596 at the end of 2016 and increase to \$824,058 in 2017. The financial policy for this fund determines that the fund should maintain a net position at least equal to 15.0% of the operating budget.

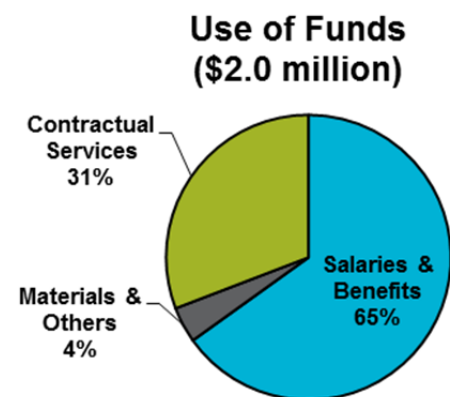
The cash balance is projected to be \$1.6 million in 2016 and to remain flat for 2017.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.



**City of Minneapolis
2017 Budget
Financial Plan (in thousands of dollars)**

Engineering, Materials and Testing

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Charges for Services	1,007	1,243	1,622	1,585	1,657	4.5%	1,706	1,757	1,810
Charges for Sales	290	297	150	287	320	11.6%	330	339	350
Total	1,297	1,540	1,772	1,872	1,977	5.6%	2,036	2,097	2,160
Use of Funds:									
Personnel Services	1,067	1,138	1,273	1,260	1,280	1.6%	1,319	1,358	1,399
Contractual Services	379	494	572	525	606	15.3%	624	643	662
Materials and other	72	247	84	74	80	7.4%	82	85	87
Transfers Out	-	-	-	-	-	-	-	-	-
Total	1,518	1,879	1,929	1,860	1,966	5.7%	2,025	2,086	2,148
Change in Net Position¹	(192)	(450)	(157)	11	10		11	11	11
Net Position¹	1,782	802	645	814	824		835	846	857
Cash Balance	1,936	1,553	1,396	1,564	1,575		1,586	1,597	1,608
Target Cash Reserve²	228	282	289	279	295		304	313	322
Variance Cash to Target Reserve	1,708	1,271	1,107	1,285	1,280		1,282	1,284	1,286

¹Change in net position and net position for 2014 & 2015 are CAFR values.

²The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Engineering, Materials and Testing Fund should be maintained at a minimum of 15% of the operating budget.

**City of Minneapolis
2017 Budget
Financial Plan**

Fleet Services Division Fund

Background

The Fleet Services Division Fund manages the acquisition, maintenance and disposal of approximately 1,700 units of equipment, primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off-road equipment. This fund provides the services of technicians to maintain the equipment. In addition, the fund manages the field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles.

Starting in 2015, the Fleet Services Division assigned nearly all of its fleet (base units) to City departments. The City departments are allocated a rental rate for these units that is calculated through an activity based cost allocation model and designed to capture the replacement cost of the vehicle. The City's fleet of vehicles and equipment has an acquisition value of \$84.3 million and accounts for 53.8% of the net value of the long-term assets in this fund.

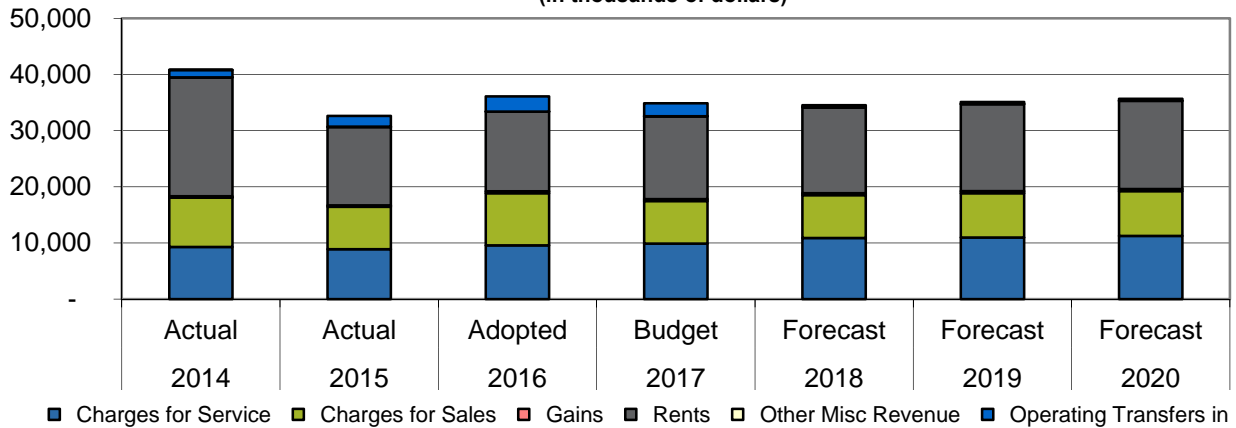
Historical Financial Performance

A primary objective of the Fleet Services Division long-term financial plan is to maintain the fund's net position and cash balance according to the financial policies for the internal service funds. Originally, the long-term financial plan financed fleet purchases by issuing general obligation bonds. The fund followed the plan to maintain a positive cash balance, increase net position, and to end its reliance on bonds to fund the fleet purchases. In 2006, the practice of issuing bonds to finance fleet replacement was discontinued.

The net position at year-end 2015 was \$61.9 million, an increase of \$2.1 million from the 2014 ending position of \$59.8 million. The primary reason for this increase is timing differences between recording rent revenue in 2015 for replacement of vehicles and the delivery of and payment for these vehicles occurring in 2016. In addition, the amount of equipment capitalized in 2015 was \$4.3 million greater than the depreciation recorded. These increases were offset by recognition of pension liabilities.

The 2015 ending cash balance of \$23.7 million was an increase of \$0.5 million from the 2014 ending balance of \$23.2 million. Timing differences between the collection of revenue for equipment replacement in 2015 and the delivery of the equipment in 2016 are the primary reasons for the increase in cash.

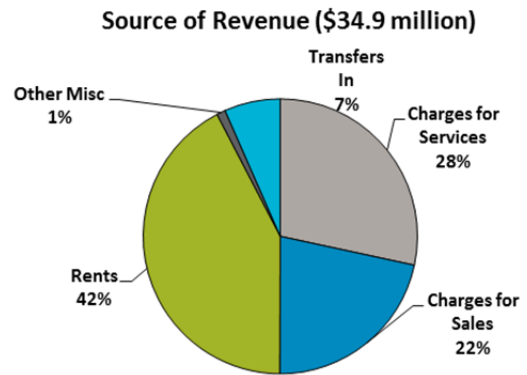
**Fleet Services
Sources of Funds
(in thousands of dollars)**



2017 Budget

Revenue

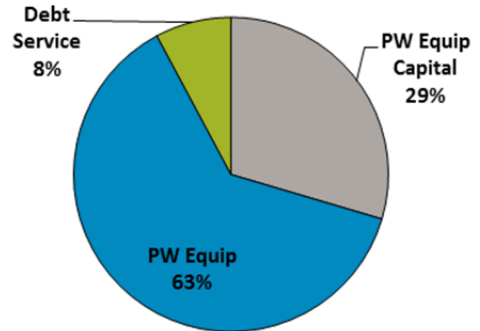
The Fleet Services Division uses activity-based costing to bill internal customers for use of vehicles. This method establishes a fleet rental rate that covers the replacement cost of the vehicles after the useful life. Maintenance, repairs and fuel costs of the fleet are charged separately. These charges are billed at a rate that allows the Fleet Services Division to match revenue to expense. Total revenues for 2017 are budgeted at \$34.9 million, an increase of \$2.3 million from the 2016 projected revenue of \$32.6 million. The increase in 2017 budgeted revenue over the 2016 projected is due to an increase in overhead allocations in 2017 for vehicles assigned on a permanent basis to the departments. These increases are offset by a decrease in base rental rates and transfers in.



Expense

The 2017 expense budget is \$34.3 million which represents a slight decrease from the 2016 projected expense. The decrease in 2017 expense over the 2016 projection is due to a decrease in capital purchases. Fleet equipment capital purchases vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others. This decrease is offset by an increase in expense for fuel and materials. The 2017 operating budget includes \$50,000 related to CARS capital expenditures for fuel station hardware.

Use of Funds (\$34.3 million)



Transfers

In 2017, the Fleet Services Division will receive \$2.0 million as a transfer in from the General Fund to assist with the funding of approved CARS capital expense. Of this amount, \$1.9 million will contribute to the regular lifecycle replacement of the fleet capital assets and \$50,000 will fund the upgrade of a fuel dispenser. In 2017, Property Services will transfer \$345,663 to Fleet Services to pay a portion of the debt expense related to the Currie Maintenance Facility.

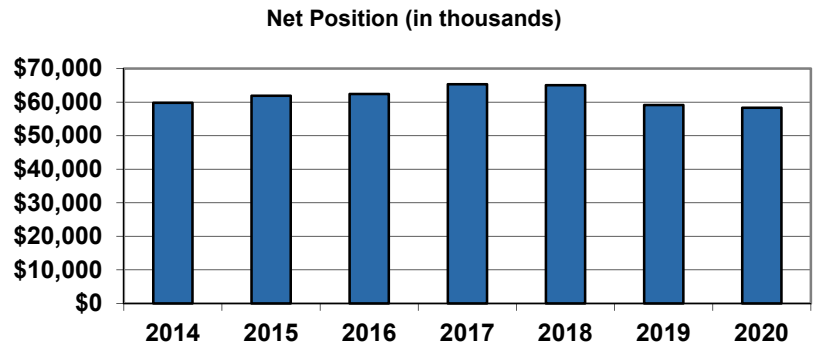
Property Services included a portion of the debt expense in its rent cost allocation model to charge other City departments that are housed in the Currie facility for a portion of the debt.

Debt Service

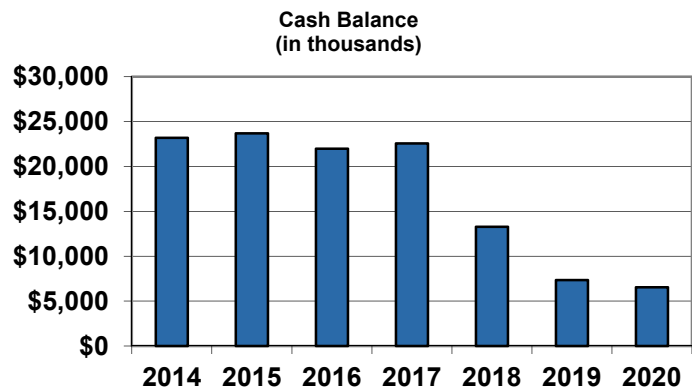
As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. Principal and interest payments totaling \$2.7 million are due in 2017 related to these bonds. The remaining debt obligation of \$9.3 million is due in 2018.

Net Position

The Fleet Services Division Fund expects net position to increase in 2017 and to decrease in 2018 through 2020 as operating revenues are matched to expenses and capital outlay follows the fleet replacement plan. In 2018, the fund will pay off the remaining debt of \$9.3 million. The financial policy related to net position for the Fleet Services Division states that the net position should not fall below two times the annual depreciation amount. The Fleet Services Division Fund is projected to be in compliance with this policy in 2016 and 2017.



The cash balance is projected to increase from 2016 to 2017 due to the timing difference in the collection of revenue for equipment replacement and the delivery of the equipment. The cash balance is projected to decrease from 2018 through 2020 as the fund experiences an increase in capital outlay and funds the payment of debt. The financial policy related to cash balance for the Fleet Services Division states that the minimum cash balance should be 15.0% of the operating budget. The Fleet Services Division Fund is projected to be in compliance with this policy in 2016 and 2017.



Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousand of dollars)**

Fleet Services Division

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Charges for Service	9,309	8,903	9,589	8,950	9,897	10.6%	10,879	10,979	11,250
Charges for Sales	8,797	7,551	9,275	5,670	7,564	33.4%	7,649	7,902	7,996
Gains	214	260	350	350	350	0.0%	350	350	350
Rents	21,175	13,907	14,176	14,908	14,755	-1.0%	15,299	15,509	15,722
Other Misc Revenue	7	87	10	5	10	100.0%	10	10	10
Operating Transfers in	1,289	1,912	2,712	2,712	2,304	-15.0%	346	346	346
Total	40,791	32,620	36,112	32,595	34,880	7.0%	34,533	35,096	35,674
Use of Funds:									
Debt Service	2,335	2,444	2,615	2,615	2,677	2.4%	9,260	-	-
PW Equipment	25,818	19,891	22,595	19,682	21,472	9.1%	21,979	22,449	22,933
PW Equipment Capital	7,540	10,152	11,391	12,013	10,139	-15.6%	12,597	18,573	13,552
Total	35,693	32,487	36,601	34,310	34,288	-0.1%	43,836	41,022	36,485
Change in Net Position¹	9,760	5,000	(489)	(1,715)	592		(9,303)	(5,926)	(812)
Net Position¹	59,822	61,919	63,645	62,419	65,351		65,038	59,112	58,300
Cash Balance	23,187	23,702	23,213	21,987	22,579		13,276	7,350	6,538
Target Cash Reserve²	2,973	2,442	3,239	3,239	3,071		3,147	3,217	3,290
Variance Cash to Target Cash Reserve	20,214	21,260	19,974	18,748	19,508		10,129	4,133	3,248

¹Change in net position and net position are CAFR values.

²The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Fleet Services Division at a minimum should be equal to 15.0% of the operating budget adjusted for intrafund revenue and expense.

**City of Minneapolis
2017 Budget
Financial Plan**

Intergovernmental Services Fund

Background

The Intergovernmental Services Fund accounts for all of the operations of the Information Technology Department (IT) including information and technology functions, managed services contracts, the Project Management Office (PMO), and telecommunications operations. Information Technology activities account for 96.6% of the operating activities in the fund. The fund also records transactions for operations within the City Clerk's office related to central mailing and printing services, representing 3.4% of operating activities. Through the end of 2016, the fund also included a portion of the Human Resources budget designated for internal training.

The PMO office charges City departments for the cost of purchasing or creating technology enhancements and provides quality, low-cost project management for implementing these technology-related projects. The charges to City departments are calculated to generate enough revenue to cover the overhead expense of the department. The majority of the funding for technology projects is derived from City departments' operating budgets.

The Information Technology department continues to be active with new citywide initiatives:

- *Enterprise Content Management System*, Replacement of the current Electronic Content Management System (ECMS) will allow the City to incorporate American with Disabilities Act (ADA) compliance within the public website, support multiple language translations for vital information and institute automated records retention with the new system. Incorporating these critical needs and revamping the information architecture sets the City up to scale for the future.
- *Enterprise Land Management*, The City acquired and implemented a system that provides workflow automation and transaction processing for the City's emergency response resource management, regulatory enforcement, inspections, permitting, development, planning, and constituent self-service and other land management and reporting processes, among many other department-specific projects. The new system was launched in November, 2016.
- *Enterprise Resource Planning (ERP) Program*: The City implemented upgrades to the PeopleSoft systems: financial reporting (Compass), HRIS including HCM (Human Capital Management) and ELM (Enterprise Learning Management), and Business Intelligence (Cognos reporting). The implementation enables more effective integration and collaboration of the components through the ERP perspective resulting in enhanced business processes, better data, and improved financial and HR reports. Hardware and database upgrades were completed in 2013 and the system-wide project was completed in August 2015.

The net position in this fund will remain positive as it continues to provide services to City departments with charges determined through its allocation model and to collect fees for service with PMO. The allocation model assigns costs to customers based on usage of enterprise-wide

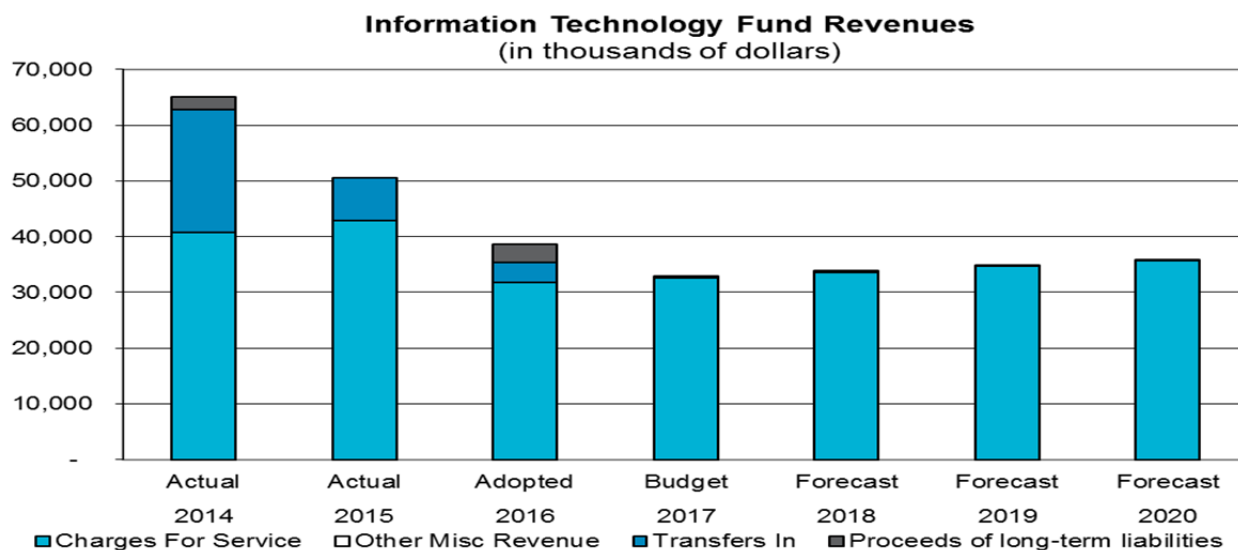
applications and customer specific services. The net position of the fund increases primarily as a result of the capitalization of technology projects.

Historical Financial Performance

The City Council approved a long-term financial plan for the Intergovernmental Services Fund in September 2000, to resolve both the annual operating deficit and accumulated cash deficits in this fund. Since year-end 2002, the fund has achieved positive increases to its net position. As part of the long-term financial plan for the fund, the fund received transfers in from the general fund to assist with debt payments. These transfers in ended in 2014 with a final transfer of \$13.1 million as the majority of the debt obligations were retired in 2012. The fund's cash balance has also steadily increased as projected in the long-term financial plan.

The 2015 net position increased \$567,106 from the 2014 ending balance of \$62.1 million. The increase in net position is primarily due to the capitalization of technology projects of \$10.8 million, which is offset by the recognition of pension liabilities.

The 2015 cash position decreased \$11.5 million from the 2014 ending balance of \$49.9 million, primarily due to the planned use of deferred revenue funds for the ERP and Enterprise Land Management projects and due to the planned use of net position as the funding source for transition expenses related to insourcing the IT helpdesk and desk side support functions starting in 2016. It should be noted that included in the 2015 cash balance is \$7.0 million of unearned revenue, or cash received from other City departments as prepayment for future technology projects.



2017 Budget

Revenues

The 2017 revenue budget is \$32.9 million, a decrease of 23.3% from the 2016 projected revenue of \$42.8 million. The 2016 projection includes revenue earned during the current year for PMO projects. The 2017 budget includes a conservative revenue amount for PMO projects that is increased as work is completed and City departments billed for the services. Charges for service are slightly increased in 2017 as compared to the 2016 original budgeted amount due to increased revenue received from City departments through the cost allocation model.

Allocation Model Implications

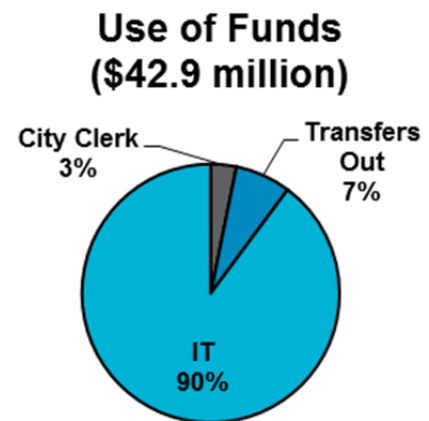
The allocation model has four components on the customer expense side: IT application support; IT operating; telecommunications; and special customer specific services. Through 2016, there was also a small amount for data connectivity. Revenues generated through the allocation model will recover the following:

- IT operating costs at a level that conforms to the Council-adopted financial plan.
- Through 2016, debt service resulting from phone system purchase.
- A small portion for City Clerk data center operations. Through 2016 there was also a small portion for Human Resources operations.

Revenue Assumptions (2017)	
Number of PC's	2,914
Number of telephones	2,956

Expenses

The 2017 expense budget is \$42.9 million, a decrease of 2.9% from 2016 projected expenses. The decrease in the 2017 total expense budget over the 2016 projection is primarily due to expenses from PMO projects. The 2017 budget includes a conservative expense amount for PMO projects that is increased as work is completed and City departments billed for the services. The 2017 operating budget includes \$6.1 million in approved CARS expense.



The 2016 projected operating expense is \$9.0 million over the 2016 budget. This is primarily due to expenses related to customer funded PMO projects not included in the original operating budget but included in the projection as expense is recorded to projects and billed to customers. PMO projects include the Enterprise Land Management project that was completed in November, 2016. The projected 2016 expense budget also includes one-time transition costs related to insourcing the help desk and desk-side support functions, which was a Council approved rollover from 2015 for \$3.3 million.

Capital expense for information technology investments are budgeted in the Intergovernmental Services Fund. Capitalized assets are reported in this fund as is the depreciation expense. For 2016, the capital budget is \$3.3 million, primarily for the Police Report Management System upgrade. For 2017, no capital projects are budgeted. In 2011, the fund began to pay \$1.5 million annually as loan repayment to the Convention Center, with final payment of \$1.75 million paid in 2016.

Transfers

The fund received a transfer from the general fund of \$185,139 in 2016 and \$191,708 in 2017 to fund City Hall rent. The fund also received a transfer of \$1.5 million in 2016 to fund one-time expenses for the CARS program and Service Now Infrastructure Services. In 2016, the fund is also projected to receive transfers of \$512,000 from the Bond Redemption – Debt Service fund for capital project expenses.

In the 2017 budget there is a fund transfer of \$3.0 million to the Capital Improvements Fund for the street infrastructure and neighborhood park funding plan.

Debt Service

No debt service payments are due in 2016 or 2017.

Net Position and Cash Balance

The Intergovernmental Services Fund expects net position to decrease \$1.4 million in 2016 due to the Council approved use of up to \$3.3 million of net position to cover ongoing one-time transition costs related to insourcing help desk and desk-side support functions and contracting for a new managed services provider. Net position is also expected to decrease in 2017 by \$10.1 million. This decrease is due to the planned use of net position to fund a transfer of \$3.0 million to the Capital Improvements Fund and \$6.1 million in approved CARS projects. The financial policy related to the net position for the Intergovernmental Services fund determines that the net position should not fall below two times the fund's annual depreciation. The fund is projected to be in compliance with this policy in 2016 and 2017.

The cash balance is projected to decrease in 2016 to an ending balance of \$30.6 million due to planned use of deferred revenue funds for the Enterprise Land Management and other PMO projects and due to the ongoing transition expenses related to insourcing the IT helpdesk and desk side support functions. The cash balance is also expected to decrease in 2017 by \$10.1 million due to an approved transfer of \$3.0 million to the Capital Improvements Fund and \$6.1 million in approved CARS projects. The financial policy for cash balance states that the minimum cash balance should be equal to 15.0% of the fund's total budget. The fund is projected to be in compliance with this policy in 2016 and 2017.

Mayor's Recommended Budget

Technology requests from other departments amounting to \$4.8 million were included in the IT expenditure budget due to a change in accounting for funding of those items.

A transfer of \$3.0 million to the Capital Improvements Fund was included to fund the street infrastructure and neighborhood park funding plan.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Intergovernmental Services Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Charges For Service	40,720	42,861	31,744	40,654	32,675	-19.6%	33,655	34,665	35,705
Other Miscellaneous Revenue	43	-	-	-	-		-	-	-
Operating Transfers In	22,047	7,659	3,665	2,177	192	-91.2%	192	192	192
Proceeds of Long term Liabilities	2,225	-	3,300	-	-		-	-	-
Total	65,035	50,520	38,709	42,831	32,867	-23.3%	33,847	34,857	35,897
Use of Funds:									
Transfers	523	-	-	-	3,000	100.0%	-	-	-
Debt Service	1,645	2,751	2,000	-	-		-	-	-
City Clerk	1,483	1,765	1,384	1,698	1,376	-19.0%	1,417	1,460	1,504
Human Resources	257	204	308	260	-	-100.0%	-	-	-
Information Technology	41,754	50,196	32,276	41,039	38,558	-6.0%	33,048	33,686	34,528
Capital Projects	805	1,151	3,300	1,237	-	-100.0%	-	-	-
Total	46,467	56,067	39,268	44,234	42,934	-2.9%	34,465	35,146	36,032
Change in Net Position^{1,3}	24,680	4,718	(559)	(1,403)	(10,067)		(618)	(289)	(135)
Net Position¹	62,084	62,651	62,092	61,248	51,181		50,563	50,274	50,139
Cash Balance²	49,888	38,360	31,451	30,607	20,540		19,922	19,633	19,498
Target Cash Reserve	5,074	6,069	5,318	5,318	6,384		5,114	5,216	5,349
Variance Cash to Target Reserve	44,814	32,291	26,133	25,289	14,156		14,809	14,418	14,150

¹ Change in net position and net position for 2014 and 2015 are the amounts recorded in the CAFR.

² At year end 2015, fund 06400 has a liability balance of \$7.0 million in unearned revenue resulting from prepayments by City departments for future IT projects. These prepayments result in an increase to the cash balance.

³ The 2016 projected change in net position decreased \$0.8 million more than the budgeted net change. This is due to the Council approved rollover from 2015 of \$3.3 million of net position to cover one-time ongoing implementation costs associated with insourcing the IT helpdesk and desk side support functions and expenses related to contracting with a new provider for managed services.

**City of Minneapolis
2017 Budget
Financial Plan**

Property Services Fund

Background

The Property Services Fund is an internal service fund responsible for the operations and maintenance of the City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not provide services to the Convention Center, Water facilities, or the Minneapolis Park and Recreation Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. In 2004, the Property Services division assumed the responsibility for space and asset management and security management. In 2007, the division began providing energy management services for City properties.

In April 2011, the Property Services Fund was transitioned from the Public Works department to the Finance and Property Services department within the City Coordinator's department. The activities in this fund remain an internal service fund and report to the Chief Financial Officer.

Historical Financial Performance

This fund collects revenue from the City departments that are either housed in City buildings or use the services provided (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The proposed building and communication equipment charges to City departments are calculated through cost allocation models using historical and anticipated operational costs. The cost recovery structure is configured to enable the fund to charge the amounts required to recover the cost of the goods and services provided to City departments and the cost of the fund's overhead. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Services Fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse the MBC for maintenance and property management services.

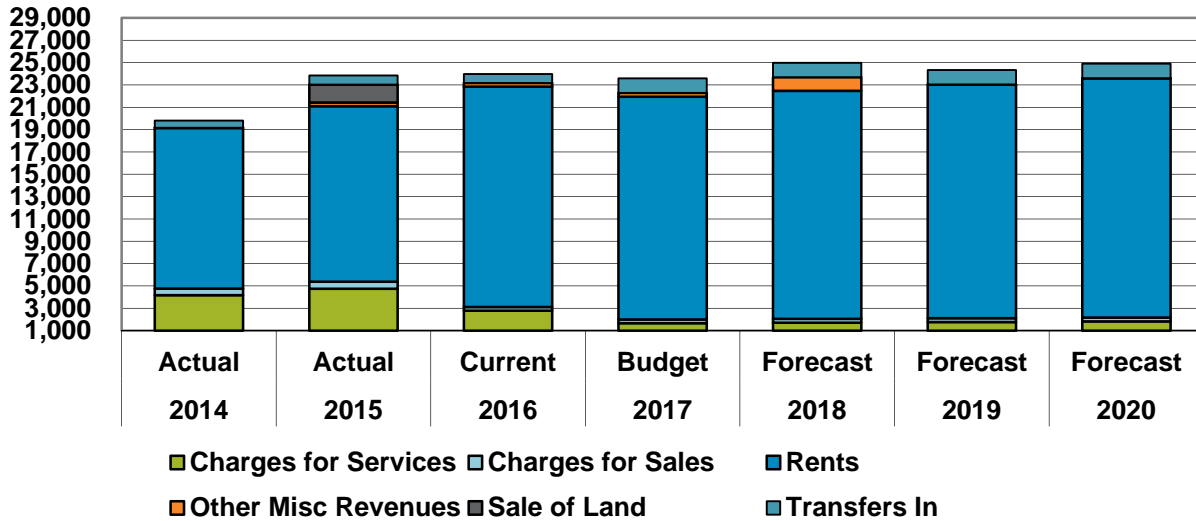
The Property Services Fund had a net position of \$29.5 million at year-end 2015 representing a decrease of \$3.3 million from the 2014 ending net position of \$32.8 million. The decrease in net position is primarily due to an offset from the recognition of pension liabilities. The financial policy for the net position for the Property Services Fund directs that the net position should not fall below two times the annual depreciation amount. The depreciation for Property Services in 2015 was \$1.3 million. The 2015 net position of \$29.5 million is \$26.9 million greater than the benchmark amount.

The 2015 year-end cash balance was \$5.0 million, an increase of \$1.2 million from the 2014 year-end balance of \$3.8 million. The increase was primarily due to the sale of land in the amount of \$1.3 million.

Included in the Property Services Fund is the Property Disposition Fund. This fund was created in section 14.120 of City Ordinance for the purpose of recording proceeds from the sale of City property. The ordinance did not specify the use of proceeds. Some of the proceeds were

expended on capital projects upon City Council approval. The cash balance in the Property Disposition Fund at year-end 2015 was \$1.7 million

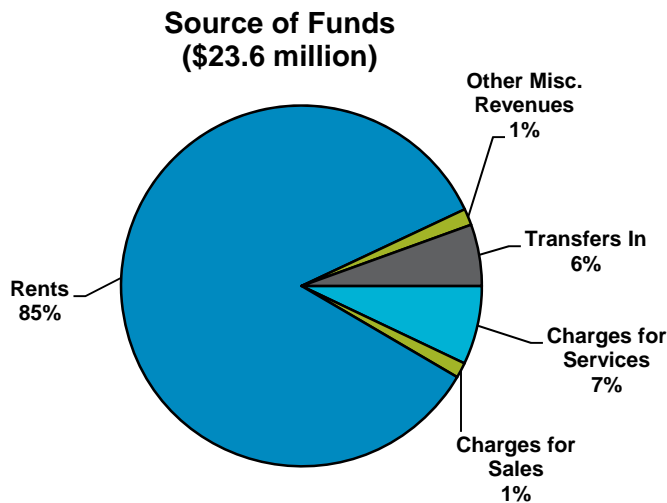
Property Services Revenues (in thousands of dollars)



2017 Budget

Revenues

The 2017 revenue budget for this fund is \$23.6 million, representing a decrease of 11.6% from the projected 2016 revenue of \$26.7 million. The decrease in 2017, when compared to the 2016 projected, is partially due to revenue of \$1.7 million received in 2016 for the sale of vacant land. In addition, the projected revenue received in 2016 from charges for services is significantly more than the amount budgeted in 2017. Charges for services include discretionary repairs and upgrades which can vary from year to year depending on the available budget of City departments. A base budget is recorded each year and increased as additional projects are completed and billed to other City departments. Rent revenue of \$19.9 million budgeted in 2017 increased 1.0% over the amount in 2016. Included in rent income is the charge to City departments for use of City owned buildings. The charges for City owned buildings experienced a slight decrease of 0.4% when compared to these charges for 2016. This decrease was offset by increases in the flow-through amounts charged for external leases and City Hall

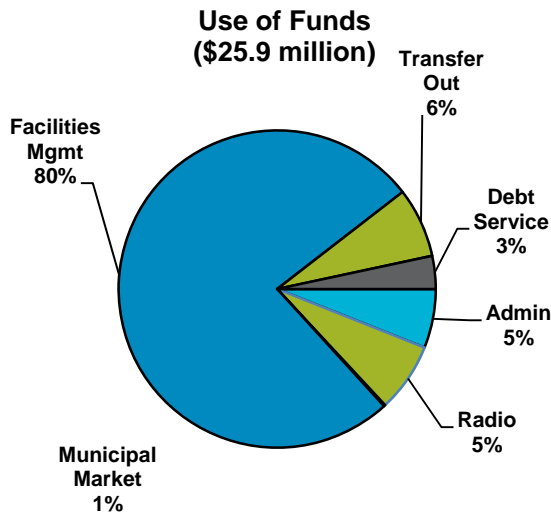


rent. The Property Services Fund will continue to collect revenues from the City departments that occupy City buildings in order to fund capital improvements primarily for facility repairs and upgrades. This practice began in 2016 and replaces funding through net debt bonds.

The Property Services Fund will continue to collect revenues from the City departments that occupy City buildings in order to fund capital improvements primarily for facility repairs and upgrades. This practice began in 2016 and replaces funding through net debt bonds.

Expense

The 2017 expense budget is \$25.9 million, representing an increase of 24.3% from the projected 2016 expense of \$20.8 million. Included in the 2017 expense budget is a conservative estimate for costs related to projects completed for other City departments. As the projects are requested and expense is realized, there is offsetting revenue collected through the billing process.



The 2016 projected Facilities Management expense reflects this increase in expense related to work for others. Also included in the projection for 2016, is an estimated expense of \$500,000 for capital improvements for City buildings. The 2016 budgeted amount for capital improvements is \$4.0 million and the fund collected revenues equal to this amount through the allocation model. In 2016, the fund used the remaining proceeds from net debt bonds for capital improvements before expensing funds from the \$4.0 million. The result was a decrease in the projected total operating expense and a significant increase in the change of net position.

The 2017 expense budget includes \$1.0 million for expenses related to the Downtown Campus. In addition, the fund has an appropriation of \$5.0 million for pass-through costs for services provided by the Municipal Building Commission for maintaining the City's space in City Hall.

Transfers

The 2017 budget includes a General Fund transfer in of \$1.3 million. Of that transfer, \$1.0 million is for costs associated with planning for consolidated Downtown Campus, and \$300,260 is to cover the cost of City Hall rent for the space occupied by Property Services.

The 2017 expense budget includes a transfer out of \$1.8 million. Of that transfer, \$1.5 million is to the General Fund to fund 2017 CARS (Capital Asset Request System). The remaining \$345,663 is to the Fleet Services Division Fund to assist with the debt payment for the Currie Maintenance Facility. Property Services collects the rent payment through the rent allocation model by charging a portion of the debt expense to those departments that occupy space in the facility.

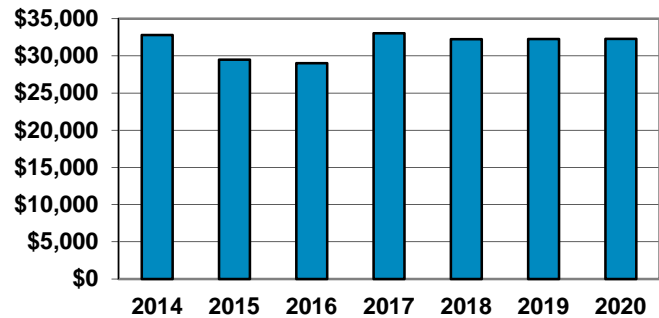
Debt Service

The Radio Shop, a division of Property Services, has management responsibility for the \$14.0 million 800 MHz radio system. The Property Services Fund recognizes the fixed asset, along with the debt related to this project. The Radio Shop funds a portion of the City's public safety initiative through a contribution of \$350,000 a year. The General Fund completed a transfer for debt service in 2013 of \$3.3 million to cover years 2014 through 2018. The fund does not receive additional transfers for debt service. Total debt service for 2017 is \$869,200.

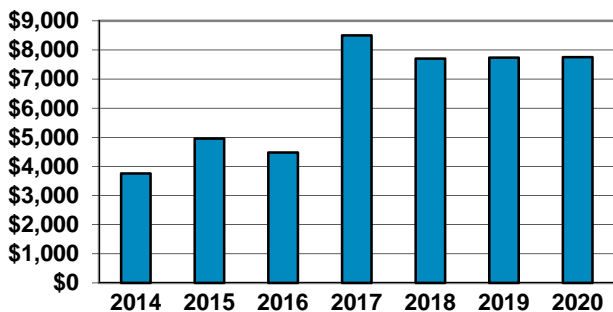
Net Position and Cash Balance

The 2017 net position is projected to be \$33.0 million, a change in net position of -\$2.3 million. Property Services will use fund balance to recoup the negative net position. The negative net position is due to a timing difference between collection of revenue for services provided to City departments and its expenses. Also, unlike previous years, there are no plans to sale any City property in 2017.

Net Position
(in thousands of dollars)



Total Cash Balance
(in thousands of dollars)



The 2017 Property Services Fund cash balance is projected to be \$8.5 million, which includes operating cash and the cash balance in the Property Disposition Fund, a fund that receives proceeds from the sale of City property. The 2016 year-end projected cash balance for the Property Disposition Fund is \$3.4 million, due to additional sales of City property. Financial reserve policies for the internal service funds determine that the cash reserve for the Property Services Fund should not be less than 15.0% of the operating budget, or \$2.7 million for 2017.

Mayor’s Recommended Budget

There are no changes to the Mayor Recommended.

Council Adopted Budget

The City Council approved the Mayor’s recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousand of dollars)**

Property Services Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Charges for Services	4,171	4,754	2,784	3,160	1,665	-47.3%	1,715	1,766	1,819
Charges for Sales	593	617	324	610	324	-46.8%	334	344	354
Rents	14,388	15,731	19,741	20,099	19,949	-0.8%	20,427	20,920	21,427
Other Misc Revenues	3	321	329	345	348	0.9%	1,206	10	10
Sale of Land	-	1,605	-	1,681	-	-100.0%	-	-	-
Transfers In	646	819	799	799	1,300	62.7%	1,300	1,300	1,300
Total	19,802	23,848	23,978	26,695	23,586	-11.6%	24,981	24,340	24,911
Use of Funds:									
Property Services Administration	1,326	1,896	1,444	1,609	1,558	-3.2%	1,605	1,653	1,703
Radio Equipment	1,831	2,180	1,798	1,856	1,830	-1.4%	1,885	1,941	2,000
Municipal Market	42	51	41	61	41	-33.9%	42	43	44
Facilities Management	15,985	17,314	19,957	16,087	19,760	22.8%	20,209	20,671	21,147
Debt Service	848	880	894	894	869	-2.8%	845	-	-
Transfers Out	-	316	326	326	1,846	465.9%	1,196	-	-
Total	20,034	22,638	24,459	20,834	25,903	24.3%	25,781	24,308	24,894
Change in Net Position ¹	(257)	(707)	(481)	5,862	(2,317)		(799)	32	17
Net Position ¹	32,801	29,490	29,008	35,351	33,034		32,235	32,266	32,283
Total Cash Balance	3,758	4,958	4,477	10,820	8,502		7,703	7,735	7,752
Operating Cash balance ²	2,377	3,271	2,789	7,465	5,148		4,349	4,380	4,397
Target Cash Reserve ³	2,127	2,381	2,680	2,136	2,648		2,755	2,840	2,928
Variance Operating Cash to Target Cash Reserve	250	890	109	5,329	2,500		1,594	1,540	1,469

* The Property Services fund includes transactions of the Property Disposition Fund, a fund that receives proceeds from the sale of City property.

¹The change in net position and the net position for 2014 and 2015 are the amounts recorded in the CAFR.

²Total cash balance is the sum of cash recorded in the Property Disposition fund and the Property Services fund. Operating cash is the cash balance generated from Property Service fund operations and recorded in the Property Services fund

³The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Property Services Fund should at a minimum be equal to 15.0% of the adjusted operating budget

**City of Minneapolis
2017 Budget
Financial Plan**

Public Works Stores Fund

Background

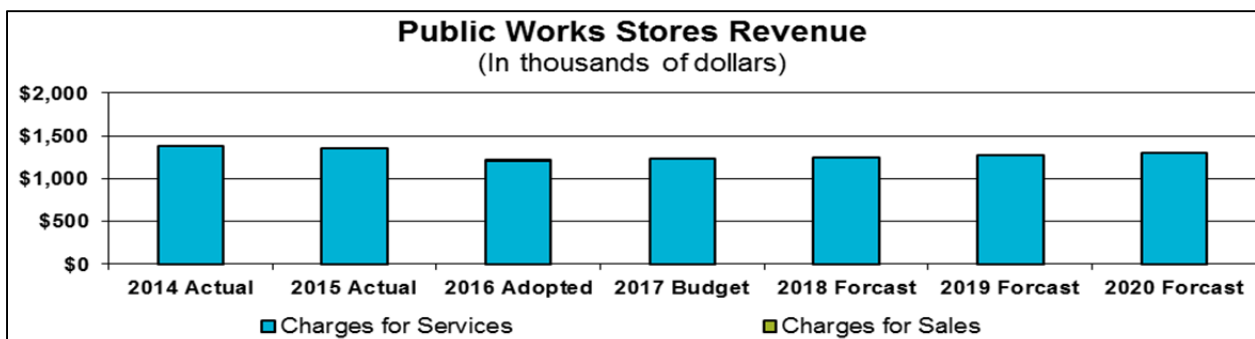
The Public Works Stores Fund accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items and the purchase of special goods and services. The fund’s mission is to provide goods in a cost effective manner to City departments through the Central Stores and Public Works Traffic Stores.

Historical Financial Information

Public Works began operating Central Stores in January 1965 when the stockrooms for Property Services, Bridge maintenance, Paving construction, and Sewer construction and maintenance were combined to establish a central stores operation. In 1980, Central Stores began purchasing the City's office supplies and non-specialty items. Central Stores was transitioned from the Public Works department to a cost center within the Finance & Property Services Department in April 2011. In 2016, Central Stores added a new storeroom at the Royalston Maintenance Facility. Public Works Traffic Stores purchases components for traffic signals, controllers, and street lights.

The year-end net position for 2015 was \$4.4 million, a decrease of \$252,552 from the ending net position of \$4.6 million in 2014. The net position at year-end 2015 includes an adjustment of \$604,738 due to recognition of long-term pension liabilities. Of the total adjustment amount, \$386,391 is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015.

The 2015 year-end cash balance was a deficit of \$368,680, a decrease of 83.6% from the 2014 ending cash balance deficit of \$200,801. Financial reserve policies for the internal service funds determine that the cash reserve balance for the PW Stores Fund should be maintained at a minimum of 15% of the operating budget, or \$164,000.



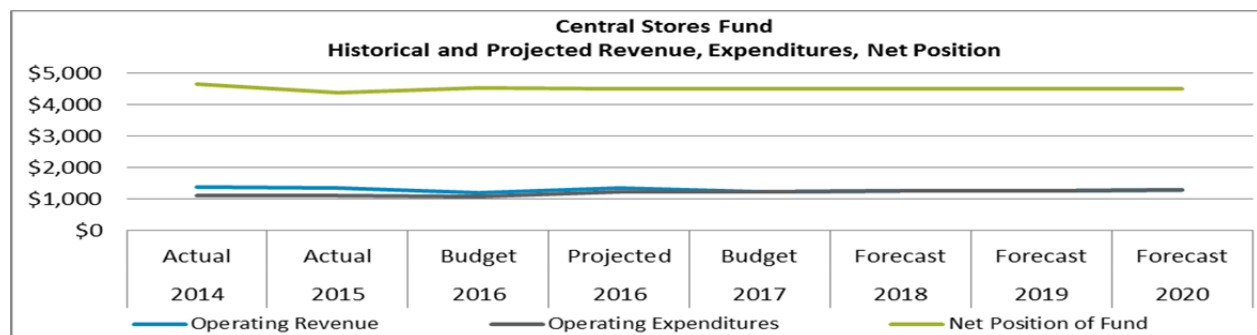
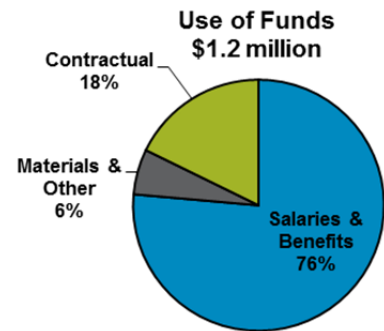
2017 Budget

Revenues

Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. Revenues for 2017 are budgeted at \$1.2 million, a decrease of 33.6% from the 2016 projected revenue of \$1.8 million. The 2016 projected revenues are higher than budgeted due to an increase in inventory transactions processed by Traffic Stores. The 2017 revenue budget is based on the revenue required to recover the direct and indirect costs of each department's operations.

Expenses

The 2017 expense budget of \$1.2 million is a decrease of 3.6% from the 2016 projected expense of \$1.3 million. Salary and fringes are expected to increase in 2017 offset by a decrease in contractual service expense. In 2016, two additional FTEs were added to the Central Stores department with funding through existing ongoing revenue sources. A new Central Stores storeroom was constructed at the Royalston Maintenance Facility in 2016 to provide additional service to City customers.



Transfers

There are no transfers scheduled in 2017 for this fund.

Debt Service

This fund does not have any long-term debt.

Net Position and Cash Balance

The 2017 net position is projected a slightly 0.2% increase as a result of increased overhead charges.

The cash balance is projected to decrease \$1.0 million in 2017 as a result of decreased inventory purchases in 2016. Financial reserve policies for the internal service funds determine that the cash reserve balance for the PW Stores Fund should be maintained at a minimum of 15% of the operating budget, or \$182,000.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (In thousands of dollars)**

Public Works Stores Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Charges for Services	1,384	1,357	1,200	1,780	1,225	-31.2%	1,249	1,274	1,300
Charges for Sales	-	-	10	65	-		-	-	-
Total	1,384	1,357	1,210	1,845	1,225	-33.6%	1,249	1,274	1,300
Use of Funds:									
Salaries and Fringes	775	824	760	879	929	5.7%	952	976	1,000
Contractual Services	306	246	240	295	216	-26.6%	216	216	216
Materials and Other	31	26	71	88	71	-19.0%	71	71	71
Transfers	-	-	-	-	-		-	-	-
Total	1,112	1,097	1,071	1,262	1,216	-3.6%	1,239	1,263	1,288
Change in Net Position¹	549	134	139	584	9		10	11	12
Net Position¹	4,638	4,386	4,525	4,969	4,978		4,988	4,999	5,011
Cash Balance	(201)	(369)	(229)	1,112	120		130	141	153
Target Cash Reserve²	167	164	161	189	182		186	189	193
Variance Cash to Target Reserve	(368)	(533)	(390)	922	(62)		(56)	(48)	(40)

* This fund includes Cental Stores (Department of Finance & Property Services) and Public Works Traffic Stores.

¹ The change in net position and net position for 2014 and 2015 are the amounts recorded in the CAFR.

² The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve balance for the PW Stores Fund should be maintained at a minimum of 15% of the operating budget.

City of Minneapolis 2017 Budget Financial Plan

Self-Insurance Fund

Background

The Self-Insurance Fund records tort liability settlements, workers' compensation claims, severance payments to employees who meet eligibility requirements and the related administrative costs of these and other services. A cost allocation model assigns charges to City departments to recover these expenses.

Historical Financial Performance

Beginning in 2007, a cost allocation model was implemented to recover costs associated with all programs in the fund. The cost allocation model assigns charges to City departments based on a minimum of 5-year claims history for workers' compensation and liability. The model was put in place to raise departmental awareness of Self-Insurance costs and increase their ability to control the cost of premiums in the future through loss prevention programs.

Prior to year-end 2012, the fund historically recorded a negative net position primarily because of the required accounting recognition of the liability for unpaid claims. At year-end 2012, the net position reached a positive balance of \$1.7 million, increasing \$45.0 million from a deficit of \$43.3 million in 2002. The net position at year-end 2015 is \$16.8 million representing a decrease of \$1.5 million from the 2014 net position of \$18.3 million. The net position at year-end 2015 includes an adjustment of \$5.8 million due to recognition of long-term pension liabilities. Of the total adjustment amount, \$3.7 million is reflected in the financial reports as a decrease to beginning net position at January 1, 2015.

The fund experienced an increase in cash of \$5.2 million in 2015, bringing the year-end cash balance to \$76.0 million. The primary reason for the increase in cash balance is the decrease in tort settlements paid in 2015 compared to the amount budgeted for that year. The target cash reserve is \$53.0 million and the fund exceeded the target by \$23.0 million.

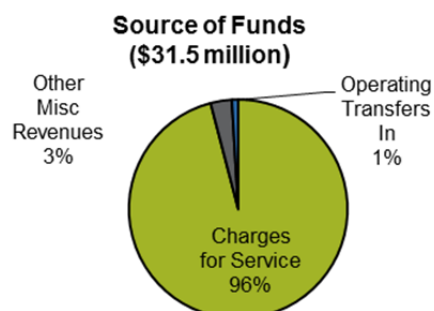
In 2015, the fund transferred a final payment of \$1.0 million to the Intergovernmental Services Fund in accordance with the long-term financial plan.

2017 Budget

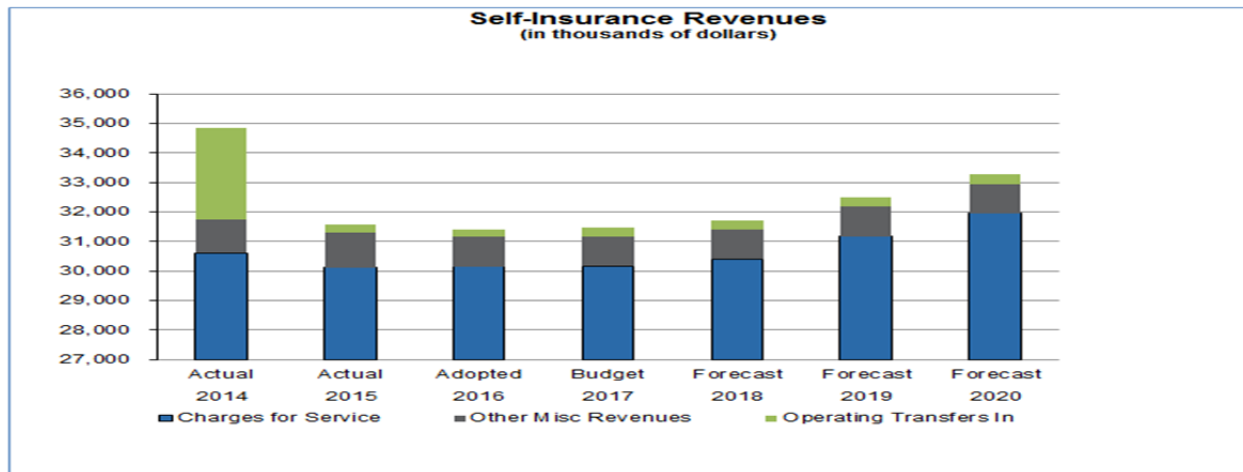
Revenues

Revenue recorded in this fund primarily consists of funds received from City departments through a cost allocation model for services related to litigation, risk management, and employee benefits. In addition, the fund collects revenue to provide for payment of liability settlements and for workers' compensation claims.

The 2017 budgeted revenue for the Self-Insurance Fund is \$31.5 million, a decrease of 2.5% from the 2016 projected



revenue of \$32.3 million. The primary reason for the decrease is a 33.5% decrease in revenue for payments received from the WCRA (Workers Compensation Reinsurance) and the State as refunds for medical and indemnity payments and subrogation claims.



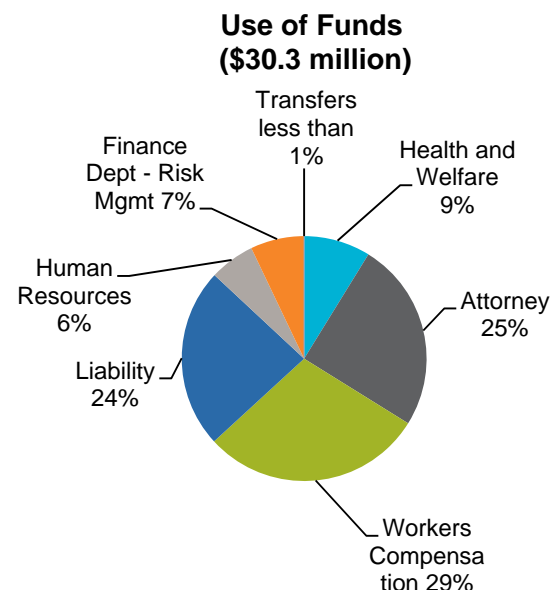
Expenses

The expense budget for 2017 is \$30.3 million, an increase of 18.4% from the projected 2016 expenses of \$25.6 million. The 2016 projected expense budget reflects a 14.3% decrease over the 2016 adopted budget due to a significant decrease in the projected cost of tort settlements. The 2016 projected decrease in tort settlement expense will be offset by an increase in the cost of workers' compensation claims in the same year.

An actuarial study completed at year-end 2014 provided estimated payout amounts for workers' compensation claims and tort settlements for 2016 and 2017. The workers' compensation estimated payments for 2017 are \$7.2 million, an increase of 5.1% from the 2016 estimated payments of \$6.8 million. Liability settlements for 2017 are estimated at \$7.6 million compared to a \$7.5 million estimated for 2016. Actual liability payments for 2016 are projected to be 66.9% less than the amount predicted in the actuarial study.

The Unused Sick Leave program provides a payout of unused sick leave to qualified employees upon separation from the City. Payments are funded by 0.7% gross salary contributions from the City and Park Board into a severance pool. The rate for City police officers and firefighters is 1.1% of gross pay. In recent years, the amount collected from City departments is greater than the payouts to qualified employees. The unpaid balance is retained in the Self-Insurance Fund to provide for future payouts.

Transfers



The 2017 revenue budget includes a \$297,000 transfer from the General Fund for the cost of City Hall rent.

Debt Service

This fund does not have any long-term debt.

Net Position

The net position at year-end 2017 is \$24.7 million representing an increase of \$1.2 million from the 2016 net position of \$23.5 million. The increase in net position in 2017 is primarily the result of a decrease in actual tort settlement payments compared to the predicted payout as determined by the actuarial study. The financial reserve policy relating to the internal service funds states that the net position for the Self-Insurance Fund should not fall below zero.

The financial reserve policy relating to the internal service funds states that the Self-Insurance Fund should maintain a cash balance equal to the unpaid claims liability plus 10.0% of the annual operating budgets within the fund. For year ending 2017, the cash balance is projected to be \$85.6 million, an increase of \$1.2 million from the 2016. The target cash reserve is projected to be \$57.9 million and the fund exceeded the target by \$28.0 million.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**City of Minneapolis
2017 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Self-Insurance Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget	% Chg From 2016 Projected	2018 Forecast	2019 Forecast	2020 Forecast
Source of Funds:									
Charges for Service	30,612	30,120	30,147	30,511	30,172	-1.1%	30,413	31,174	31,953
Other Misc Revenues	1,147	1,176	1,010	1,511	1,005	-33.5%	1,000	1,000	1,000
Operating Transfers In	3,086	292	261	261	297	13.7%	309	321	334
Total	34,845	31,588	31,418	32,282	31,473	-2.5%	31,722	32,495	33,287
Use of Funds:									
Health and Welfare	1,244	990	2,593	980	2,658	171.3%	2,725	2,793	2,863
Attorney	6,452	6,769	7,341	6,405	7,585	18.4%	7,774	7,969	8,168
Workers Compensation	9,771	10,526	8,607	11,373	8,873	-22.0%	9,300	9,735	9,978
Liability	3,286	2,905	7,551	2,543	7,189	182.7%	7,774	7,973	8,172
Human Resources	1,555	1,534	1,641	1,784	1,804	1.1%	1,849	1,895	1,943
Finance Dept - Risk Mgmt	2,859	2,417	2,097	2,469	2,150	-12.9%	2,204	2,259	2,315
Transfers	1,000	1,000	-	-	-	-	-	-	-
Total	26,168	26,140	29,829	25,553	30,258	18.4%	31,625	32,623	33,439
Change in Net Position¹	13,756	2,171	1,588	6,730	1,215		97	(129)	(152)
Net Position¹	18,309	16,805	18,393	23,534	24,749		24,846	24,717	24,565
Cash Balance	70,785	76,035	77,623	84,353	85,568		85,664	85,536	85,384
Target Cash Reserve²	50,937	53,045	55,349	55,307	57,903		60,687	63,685	63,715
Variance Cash to Target Reserve	19,848	22,990	22,274	29,046	27,665		24,977	21,851	21,669

¹Change in net position and net position are CAFR values for 2014 and 2015

²The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Self Insurance fund should not be less than the total of the unpaid claims liability balance plus 10.0% of the annual operating budgets within the fund.

**City of Minneapolis
2017 Budget**

Table of Contents

City Council Operating Departments	Pages 175-431
Assessor	176
Attorney	183
City Clerk/Elections	192
City Council	197
City Coordinator Departments	
Total City Coordinator Summary Page	202
City Coordinator - Administration	208
311	218
911	224
Emergency Management	230
Communications	235
Convention Center	242
Finance and Property Services	251
Human Resources	267
Information Technology	276
Intergovernmental Relations	284
Neighborhood and Community Relations	290
Civil Rights	297
Community Planning and Economic Development	308
Fire	323
Health	333
Internal Audit	344
Mayor	350
Police	355
Public Works	
Total Public Works Summary Pages	367
Public Works - Administration	381
Fleet Services	385
Solid Waste & Recycling Services	389
Surface Water & Sanitary Sewer - Sanitary Sewer	393
Surface Water & Sanitary Sewer - Stormwater	397
Traffic & Parking Services	401
Transportation Maintenance & Repair	406
Transportation Planning and Engineering	411
Transportation Planning and Programming	416
Water Treatment & Distribution	420
Regulatory Services	424

ASSESSOR

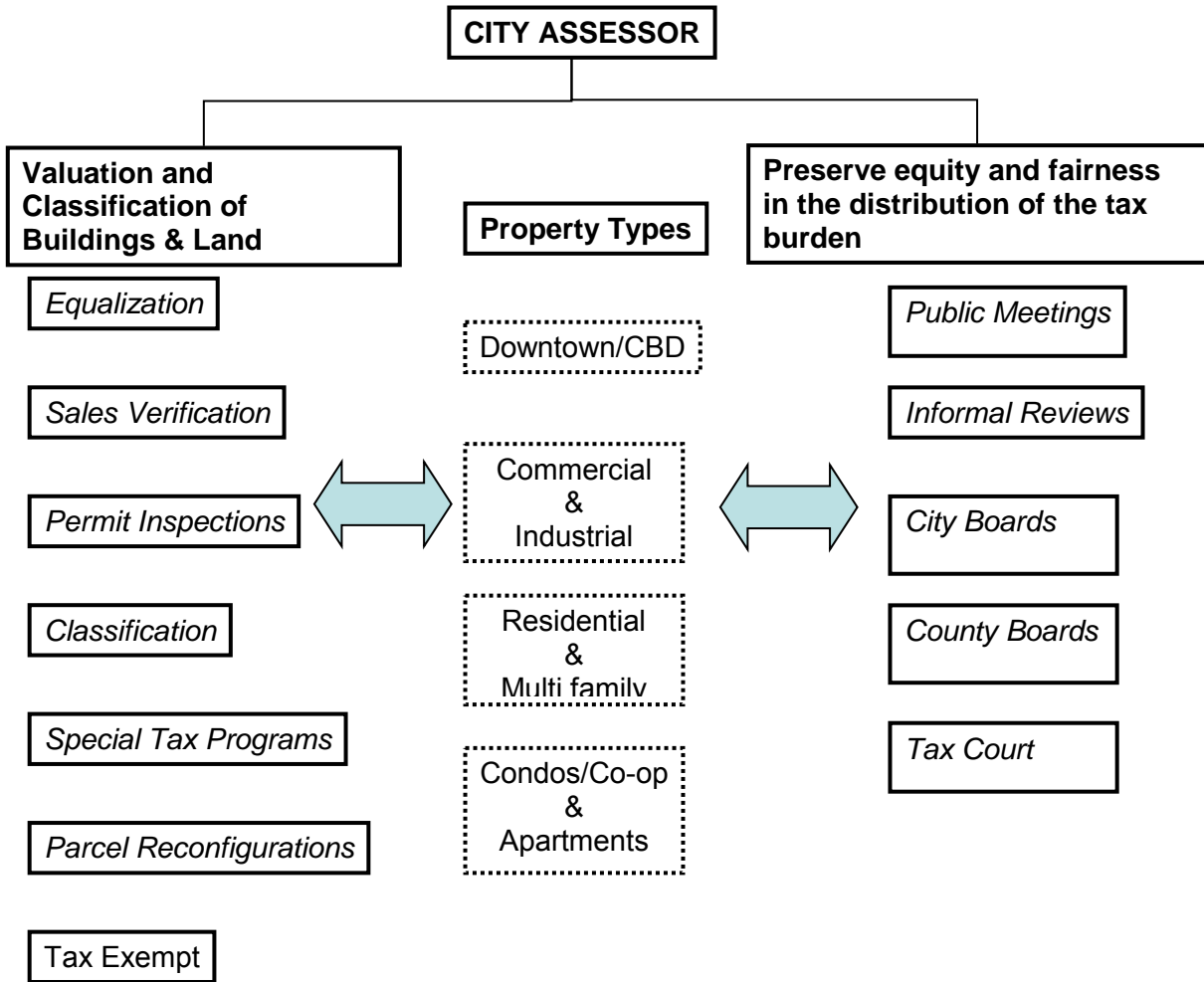
MISSION

The Minneapolis Assessor's Office serves the taxpayers of the City by valuing and classifying real estate property in an accurate, ethical, equitable and defensible manner as prescribed by state law.

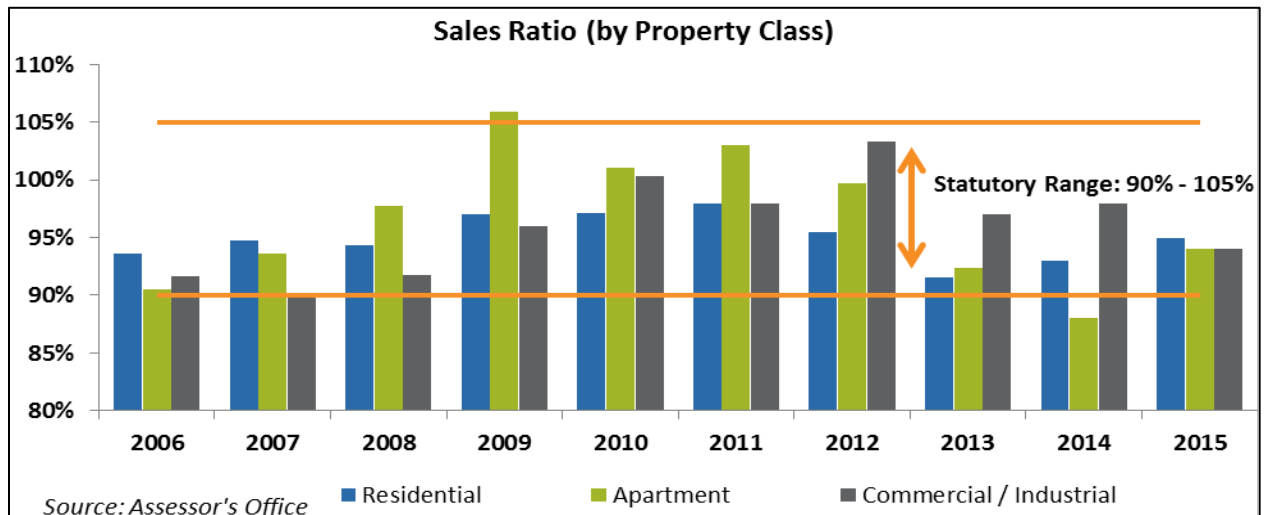
BUSINESS LINES

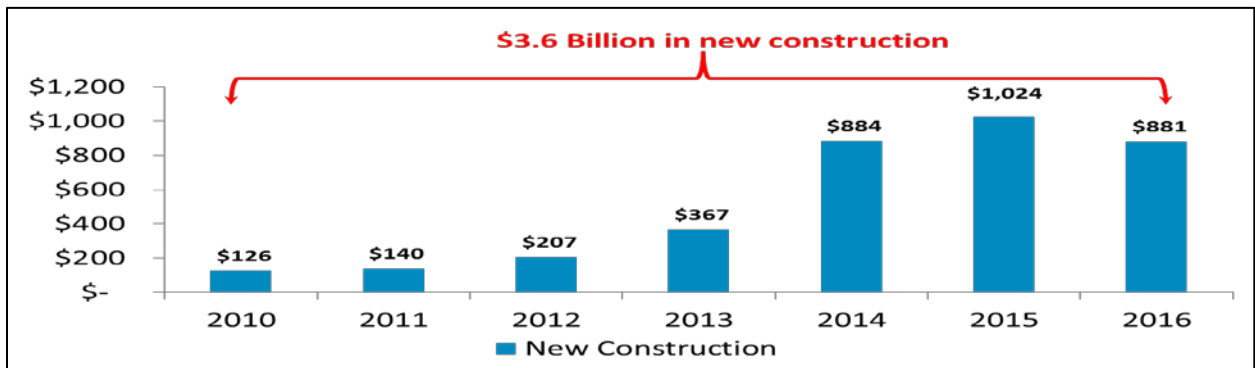
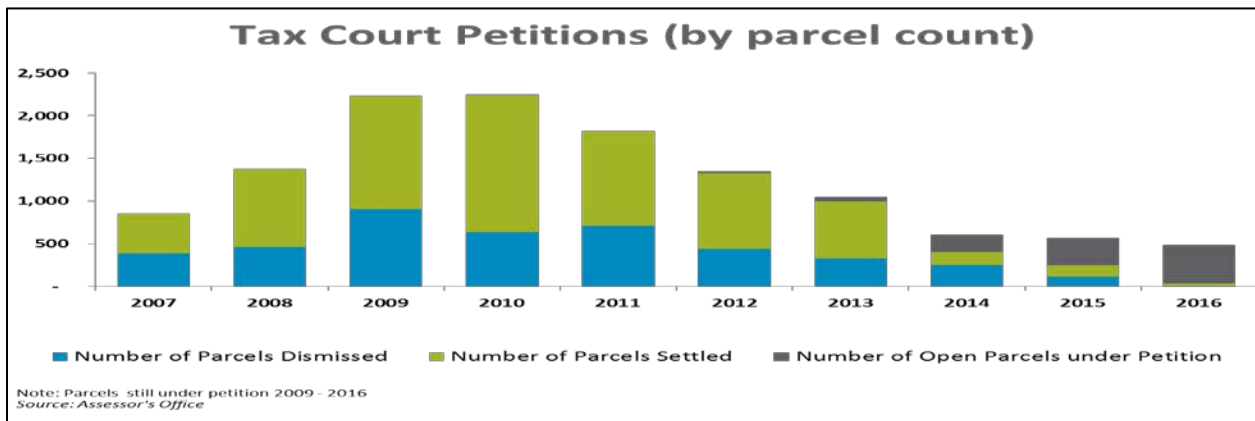
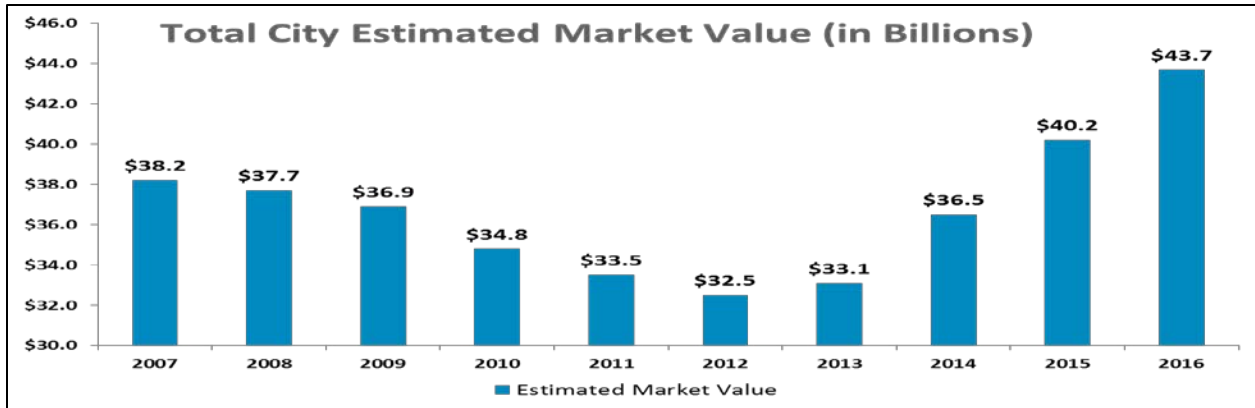
- **Valuation and Classification of Real Estate Property** – Perform the assessment function for all real estate and appropriate personal property and share this information with Hennepin County
 - a. *Valuation* – The annual estimation of value for all taxable and non-taxable real property per state law.
 - i. Per Minnesota statute 20% of the taxable properties must be inspected each year
 - ii. Inspect and update property records for all new construction and significant remodeling, modifications or demolition
 - b. *Classification* – The annual classification and recording of parcels by ownership, property use and property type.
 - i. Evaluate new exempt applications and verify existing exempt organizations
 - ii. Administer and enforce all property tax programs and laws
 - iii. Process existing and new property divisions and combinations
- **Preserve equity and fairness in the distribution of the tax burden** –
 - a. *Appeals and Reviews* – Respond to all informal and formal owner/taxpayer appeals and requests for property reviews. Defend values and classifications at the City and County Boards of Appeal and Equalization.
 - b. *Tax Court Petitions* – Defend the departments assessed values and classifications in Minnesota Tax Court.

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES





A City That Works

Appraisals and Assessment Administration

General Fund: \$5,241,649

The Assessor's office is statutorily mandated to determine the market value and classification of all land and improvements annually. An annual assessment includes: Property Inspections; Exemptions and Tax Relief Programs; Data & Record Management; Taxpayer Notification; Taxpayer Appeals and Reviews; Tax Court Litigation, Legislation, Neighborhood and Community Outreach and Business Relations. The office administers property tax programs in an accurate, ethical, equitable and defensible manner as prescribed by state law.

Financial Analysis

Expenditure

The total Assessor Department's budget increases from \$5.0 million to \$5.2 million from 2016 to 2017. This is an increase of \$214,000 or 4.3%. The Assessor Department's 2017 expenditure budget reflects inflationary increases in operating costs, an additional \$214,000 in ongoing budgetary change items, and one-time \$25,000 reduction described below. The FTE count increases by 1.0 from 2016 to 2017.

Revenue

This department does not produce revenue. Revenues reported in past years in this department are now being accounted for under City's General Revenues.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended the following ongoing General Fund resources: \$113,500 for an additional Lead Appraiser to manage and coordinate all administrative and valuation responsibilities related to property tax exemptions, and \$100,000 for staff education, licensing and training.

Council Adopted Budget

The City Council amended the Mayor's recommendation on a one-time basis by decreasing the Office of the City Assessor by \$25,000 and increasing the Health Department by \$25,000 to be allocated for culturally relevant community-based intervention and street outreach strategies to help the transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

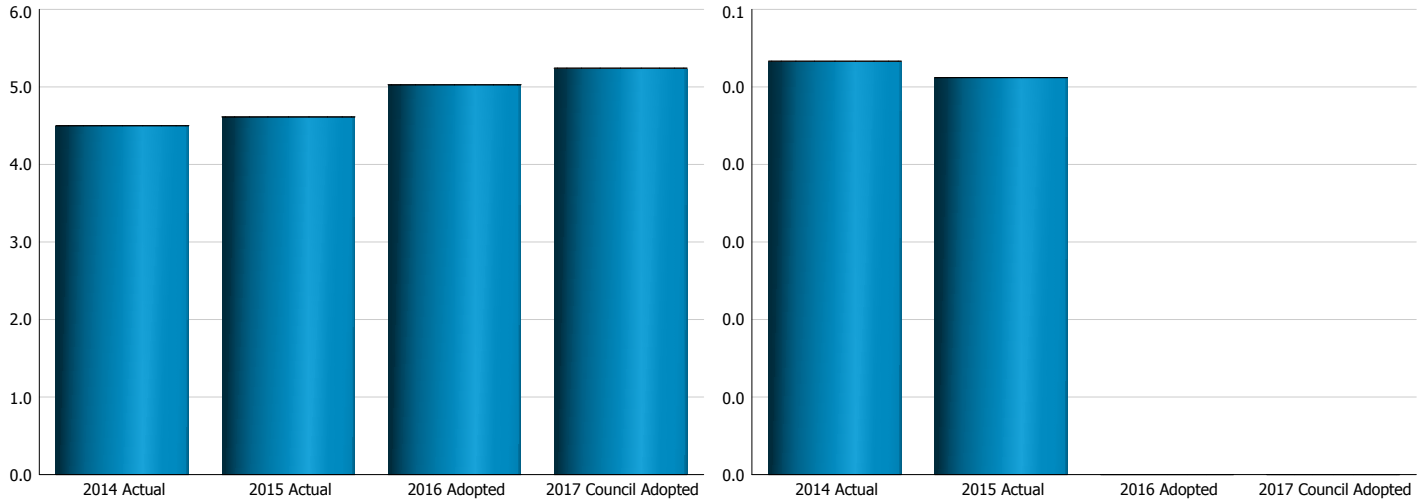
**ASSESSOR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,420,234	2,479,524	2,836,637	3,052,942	7.6%	216,305
FRINGE BENEFITS	954,010	946,232	1,095,724	1,158,030	5.7%	62,306
CONTRACTUAL SERVICES	907,236	972,432	875,547	758,400	-13.4%	(117,147)
OPERATING COSTS	218,167	214,784	219,367	272,277	24.1%	52,910
TOTAL GENERAL	4,499,647	4,612,972	5,027,275	5,241,649	4.3%	214,374
TOTAL EXPENSE	4,499,647	4,612,972	5,027,275	5,241,649	4.3%	214,374
REVENUE						
GENERAL						
CHARGES FOR SALES	1,700	550			0.0%	0
OTHER MISC REVENUES	62	20			0.0%	0
PROPERTY TAXES		50,630			0.0%	0
STATE GOVERNMENT	51,553				0.0%	0
GENERAL	53,315	51,200				0
TOTAL REVENUE	53,315	51,200				

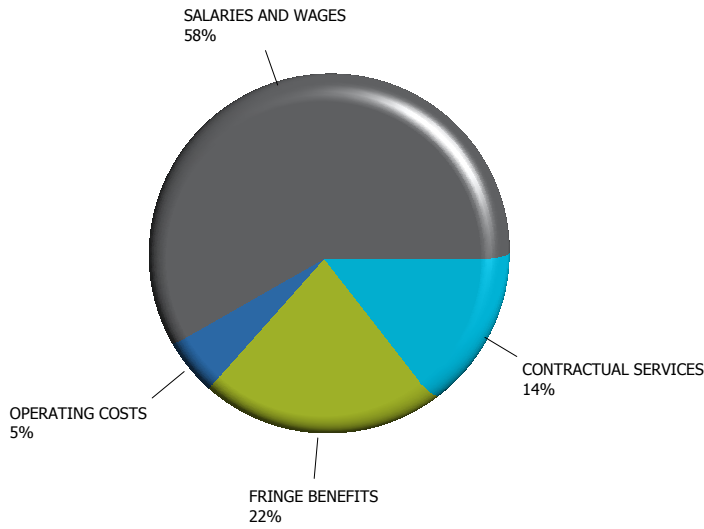
ASSESSOR EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



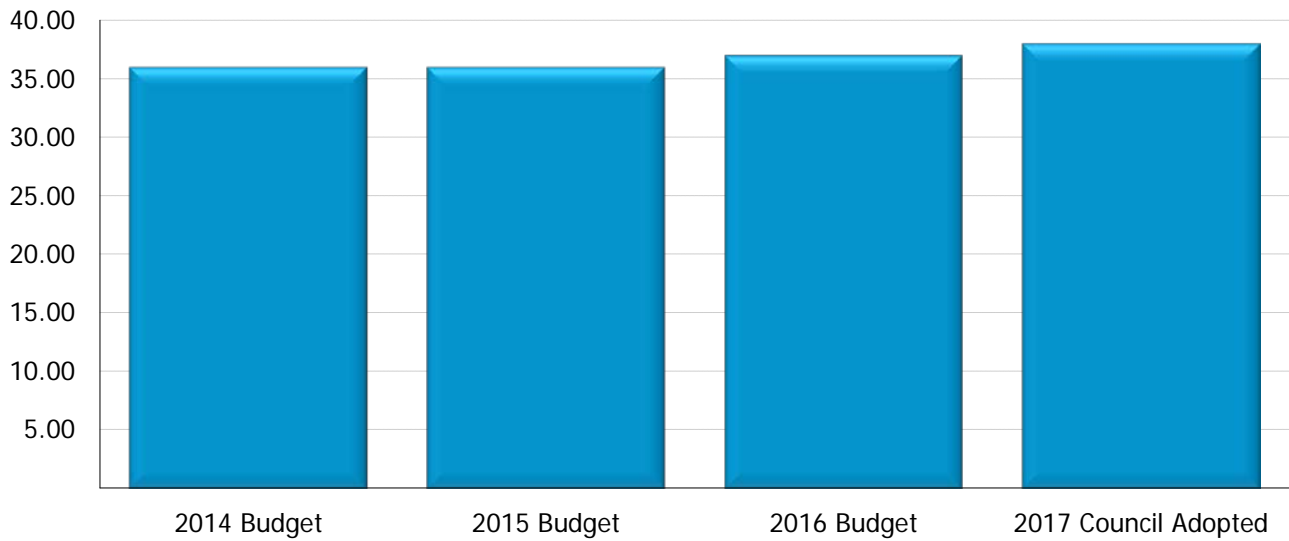
Expense by Category



ASSESSOR Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
ASSESSOR OPERATIONS	36.00	36.00	37.00	38.00	2.7%	1.00
Overall	36.00	36.00	37.00	38.00	2.7%	1.00

Positions 2014-2017



CITY ATTORNEY

MISSION

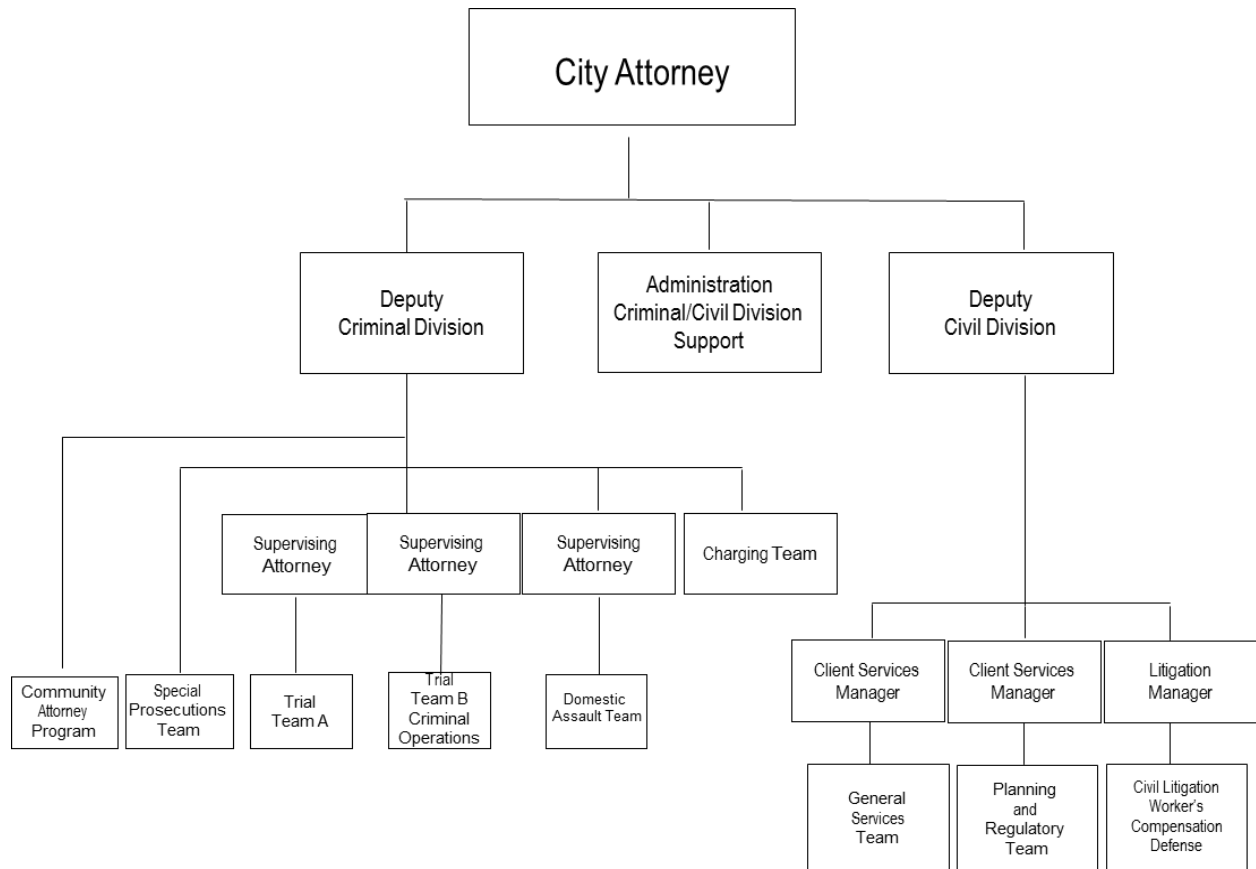
The City Attorney department's mission is to enhance public safety, serve justice and vigorously represent the interests of the City of Minneapolis and its residents by holding criminal offenders accountable and delivering the highest quality, cost effective legal services.

BUSINESS LINES

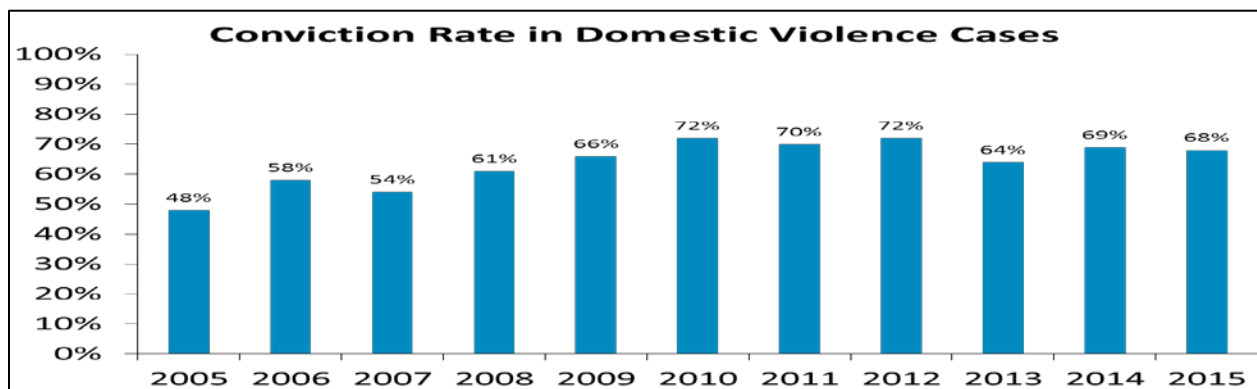
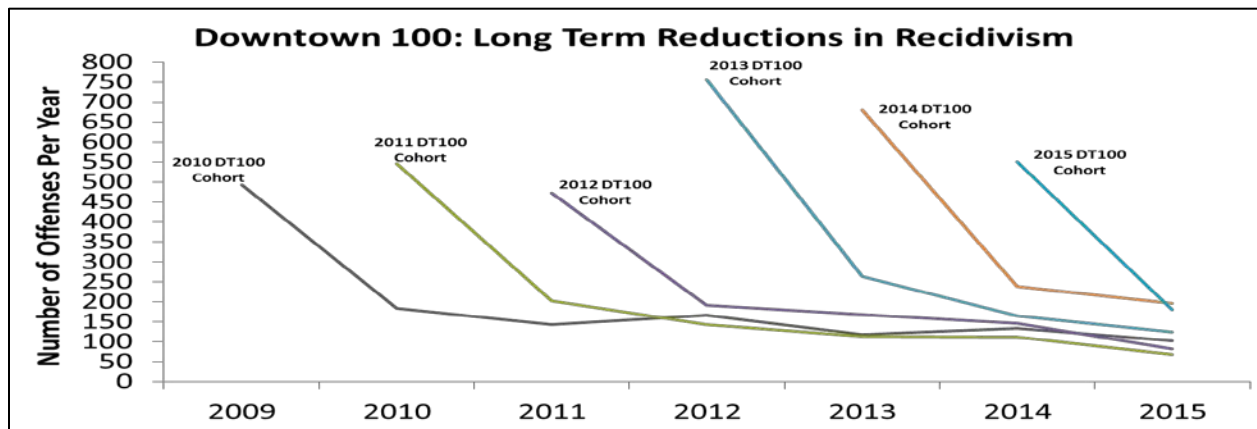
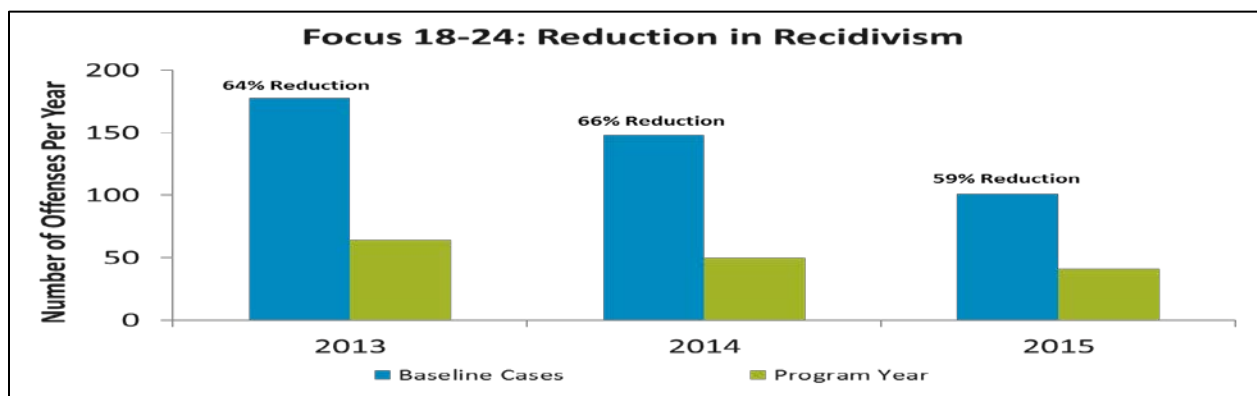
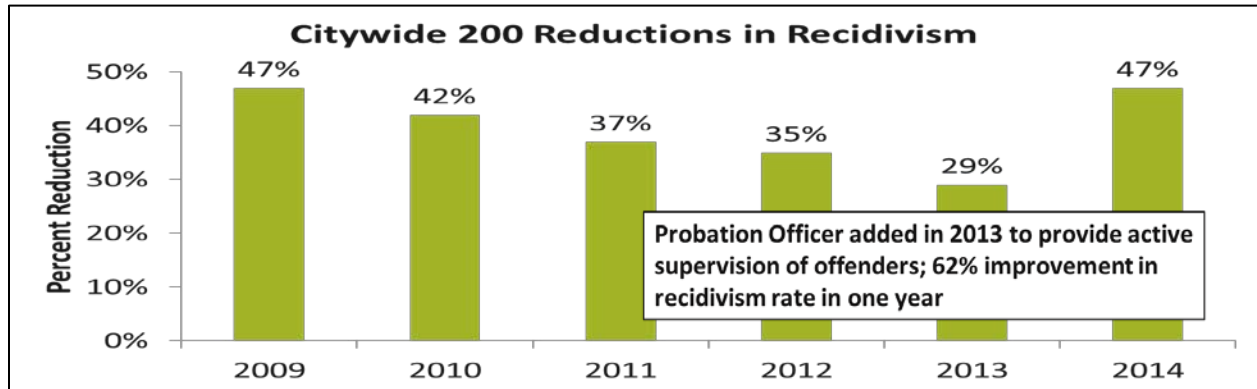
The City Attorney's Office (CAO) has two business lines. They are:

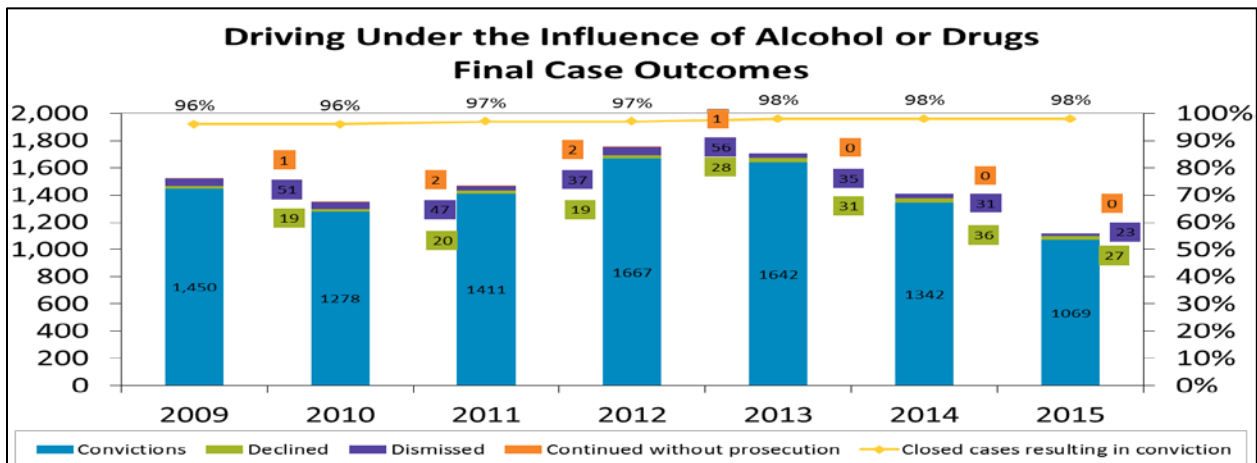
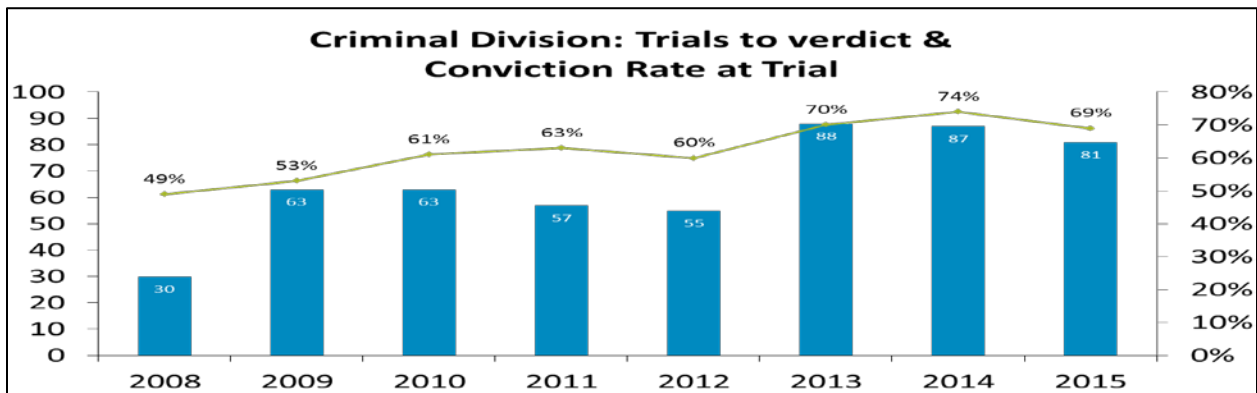
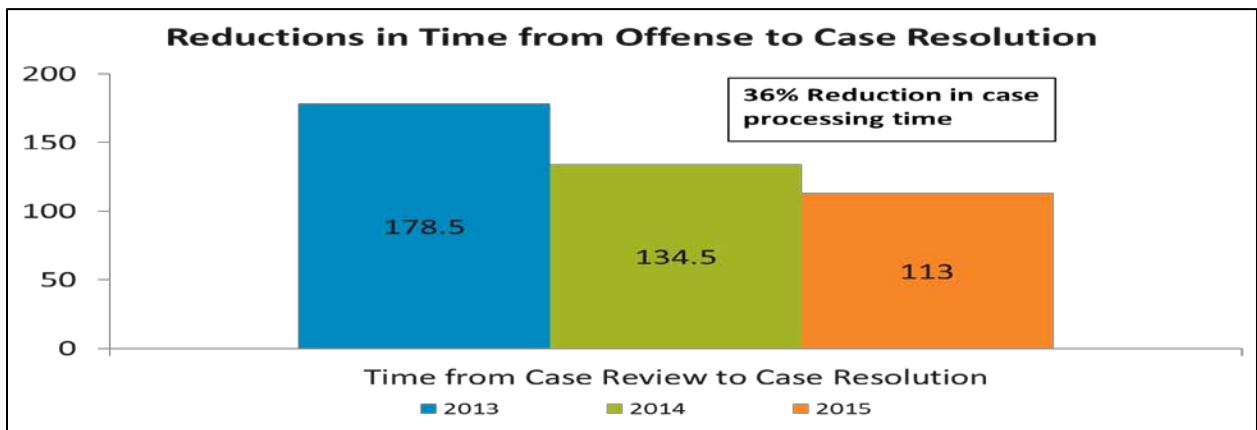
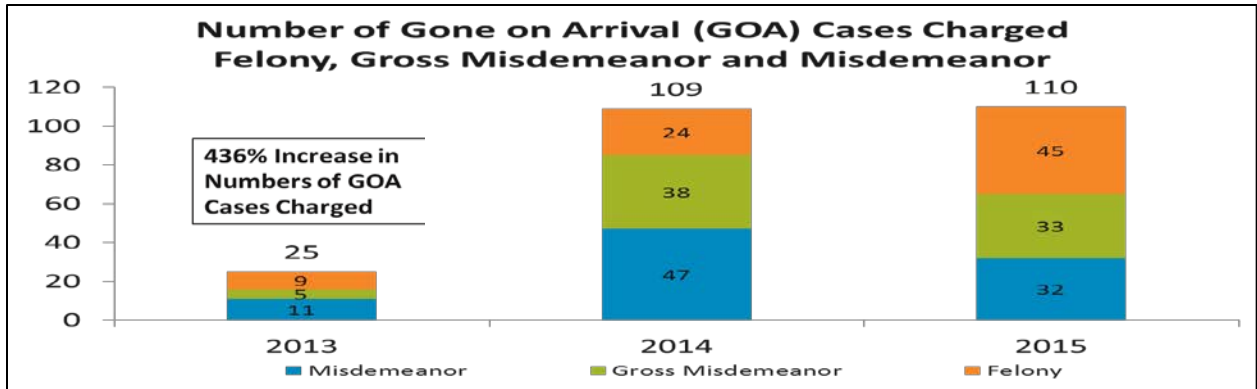
1. Criminal Division: Prosecutes all adult misdemeanor, gross misdemeanor and petty misdemeanor crime in the City of Minneapolis.
2. Civil Division: Delivers legal services for City clients and provides litigation representation.

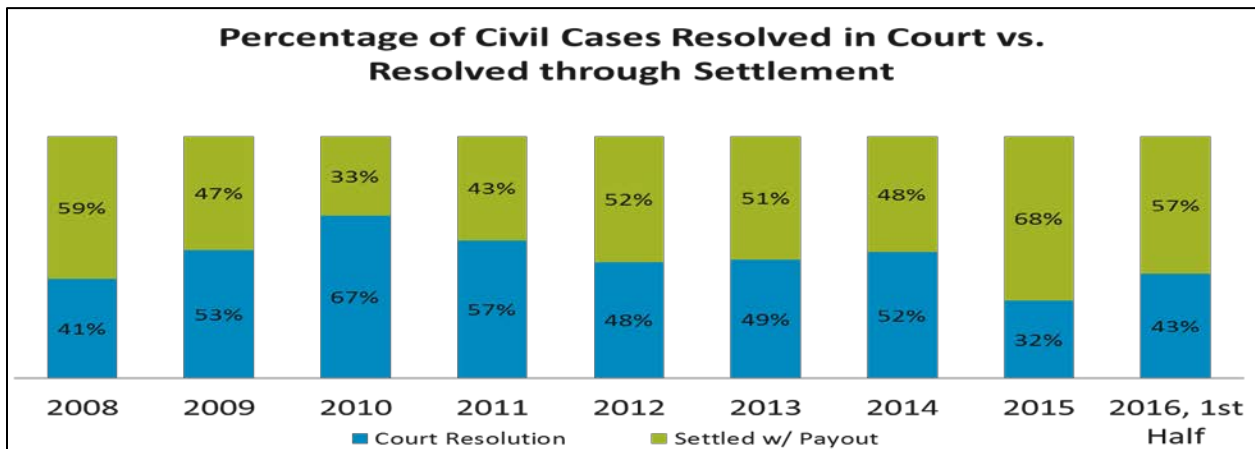
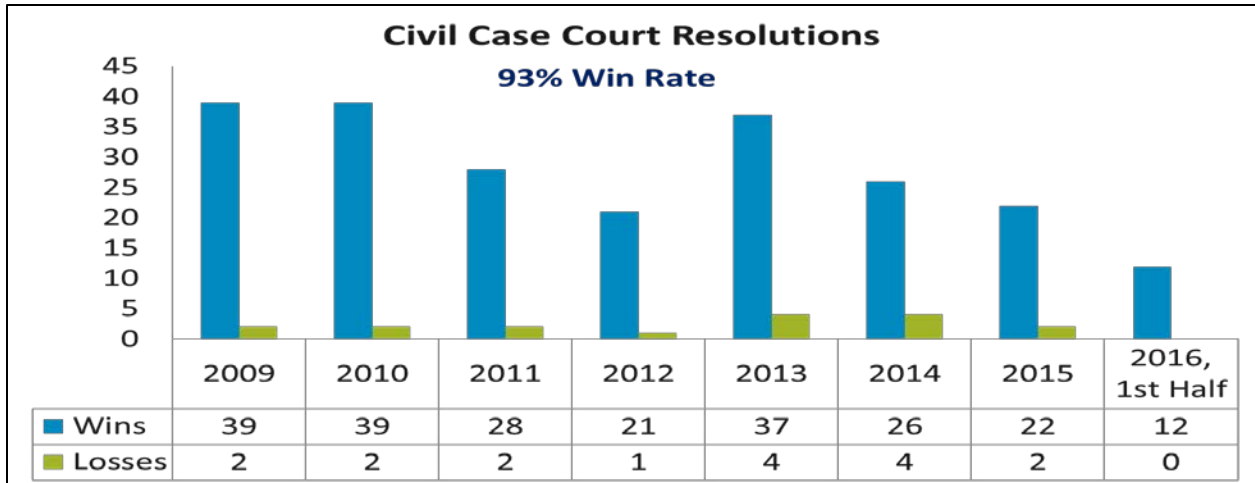
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES







Living Well

Community Attorney

General Fund: \$1,322,896
Other Funds: \$334,933

The CAO houses a prosecutor in each of the 5 MPD Precincts whose mission is to engage the community in neighborhood public safety issues and to serve as a resource for MPD. The program includes 5 Community Attorneys, 3 Paralegals, and Downtown 100 / Focus 18 – 24 Prosecutor. The program engages local residents and neighborhood businesses in responding to public safety concerns in their communities.

Criminal Prosecution

General Fund: \$8,865,323

The Criminal Division of the City Attorney's Office prosecutes all adult gross misdemeanor, misdemeanor and petty misdemeanor offenses in the City of Minneapolis. Prosecution is a mandated function. The criminal prosecution function is divided into five teams: domestic violence, chronic offender prosecutions, and two trial teams that prosecute all other cases.

The Criminal Division takes a holistic approach to its prosecution work, focusing on holding offenders accountable, particularly in cases that are threats to public safety, while offering restorative justice and other problem solving alternatives in appropriate lower level cases. The

CAO is an active partner in the treatment courts and calendars in Hennepin County District Court, including mental health court, veteran's court, GIFT (Gaining Independence for Females in Transition) review calendar, HOMES (Housing Outreach for Minneapolitans Establishing Stability) and DWI court. These courts require extra prosecutor time for appearances, staffing meetings and review calendars but provide impressive results in reducing recidivism and help defendants overcome challenges that led to their violations. The criminal prosecution program also handles appeals of criminal cases to the Minnesota Court of Appeals and the Minnesota Supreme Court.

A City That Works

Civil Litigation

Other Funds: \$3,774,791

The Civil Division Litigation Group represents the City and, when applicable, City officials and employees in all civil litigation and administrative claims and hearing matters. The team is proactive in working with City officials and department staff to identify issues that raise a potential for litigation and provide advice on preventive measures when claims are made against the City. The Group also defends civil rights charges against the City and worker's compensation cases.

Client Services

Other Funds: \$3,809,920

The Client Services Group provides all non-litigation legal services for City clients including elected officials and staff, departments, boards, and commissions. The Group is called upon to draft ordinances and complex real estate and development agreements, draft and review contracts and advise the City on a myriad of legal questions ranging from governmental authority to election law to compliance with the open meeting law and data practices act. The group also represents the City in labor arbitrations, civil service, and veteran's preference proceedings.

Financial Analysis

Expenditure

The total City Attorney Department's budget increases from \$17.4 million to \$18.1 million from 2016 to 2017. This is an increase of \$716,000, or 4.1%. The City Attorney Department's 2017 expenditure budget reflects the following changes from 2016; routine inflationary increases in operating costs and the Mayor's recommended budgetary change items of \$477,000.

Revenue

Revenues are projected to decline by 5.0% or \$13,000 in this department due to a decrease in revenue in Data request and reimbursement from university for law clerk. The department's total revenues in 2017 are projected to be \$247,000.

Fund Allocation

This department is funded primarily by the General Fund at 56.3% with the remainder of the department's funding provided by the Self Insurance Fund at 41.9% and the Special Revenue Fund at 1.8%.

Mayor's Recommended Budget

The Mayor recommended the following ongoing General Fund resources; \$55,000 for the Restorative Justice and Interact program which supplements the existing \$45,000 in the base budget and \$110,000 to cover shortfall in funding from the Justice Assistance Grant (JAG) that supports two prosecutor FTEs which supplements the existing \$50,000 in the base budget. The Mayor also recommended the increasing the ongoing General Fund resources by \$200,000, which previously had been available through health care expenses for the budget that were lower than expected. The health care expenses were an overall reduction in the 2017 budget for all departments.

The Mayor recommended the following one-time General Fund resources; \$137,000 for continuation of the Hot Spots Pilot program, \$30,000 to complete the development of an evidence-based community consequences for carrying without Permit Cases, \$25,000 to develop Pre-charge Diversion services to prostitution, and \$20,000 to develop strategies for gun violence reduction.

Council Adopted Budget

The City Council amended the Mayor's recommendations by decreasing on an ongoing basis the City Attorney's Office budget by \$100,000 and increasing the Civil Rights Department's budget by \$100,000 and 1 FTE for the Complaint Investigation Division.

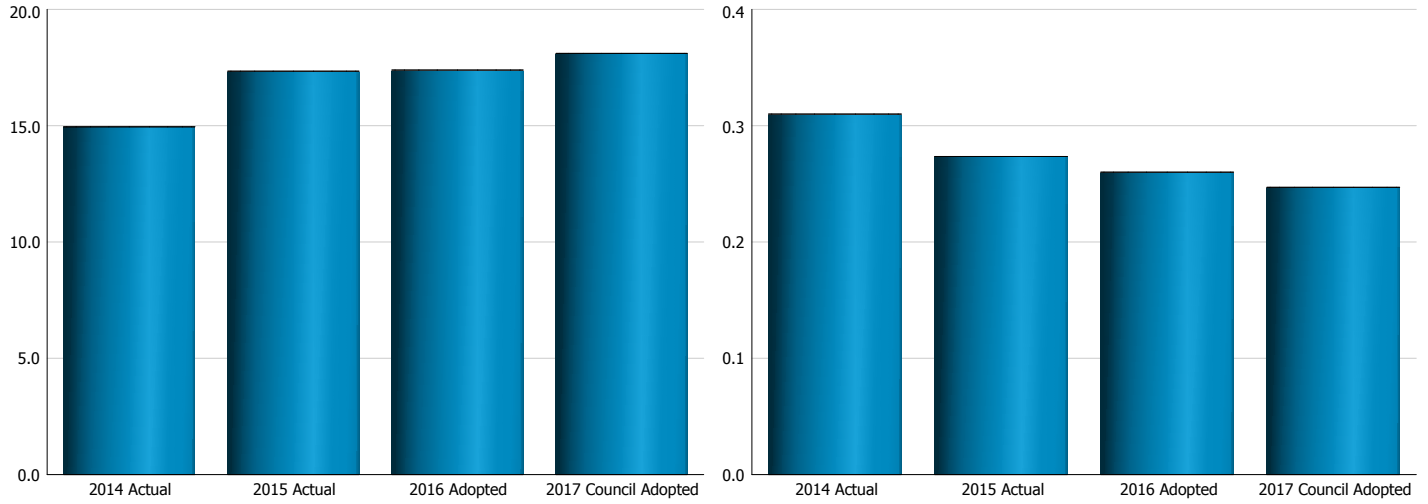
**ATTORNEY
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	4,453,206	4,578,021	4,764,276	5,438,022	14.1%	673,746
FRINGE BENEFITS	1,537,668	1,499,168	1,955,295	2,005,682	2.6%	50,387
CONTRACTUAL SERVICES	2,073,901	2,284,841	2,610,407	2,461,020	-5.7%	(149,387)
OPERATING COSTS	148,321	151,636	245,509	283,495	15.5%	37,986
TOTAL GENERAL	8,213,096	8,513,667	9,575,487	10,188,219	6.4%	612,732
SPECIAL REVENUE						
SALARIES AND WAGES	297,001	262,616	291,112	199,456	-31.5%	(91,656)
FRINGE BENEFITS	83,937	88,908	98,049	63,686	-35.0%	(34,362)
CONTRACTUAL SERVICES	80,981	87,846	85,000	71,791	-15.5%	(13,209)
TOTAL SPECIAL REVENUE	461,919	439,371	474,161	334,933	-29.4%	(139,228)
INTERNAL SERVICE						
SALARIES AND WAGES	3,837,902	4,095,409	4,436,489	4,633,329	4.4%	196,840
FRINGE BENEFITS	1,020,801	2,882,008	1,434,736	1,491,565	4.0%	56,830
CONTRACTUAL SERVICES	1,271,993	1,317,705	1,303,560	1,322,817	1.5%	19,257
OPERATING COSTS	145,479	93,463	165,855	137,000	-17.4%	(28,855)
TOTAL INTERNAL SERVICE	6,276,175	8,388,585	7,340,639	7,584,711	3.3%	244,072
TOTAL EXPENSE	14,951,190	17,341,622	17,390,287	18,107,863	4.1%	717,577
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	11,078	11,965	20,000	12,000	-40.0%	(8,000)
FINES AND FORFEITS		11,776			0.0%	0
OTHER MISC REVENUES	36,639	26,754	30,000	30,000	0.0%	0
GENERAL	47,717	50,495	50,000	42,000	-16.0%	(8,000)
SPECIAL REVENUE						
FEDERAL GOVERNMENT	49,079	20,219			0.0%	0
LOCAL GOVERNMENT	200,000	200,000	200,000	200,000	0.0%	0
SPECIAL REVENUE	249,079	220,219	200,000	200,000	0.0%	0
INTERNAL SERVICE						
CHARGES FOR SERVICES	15	24			0.0%	0
OTHER MISC REVENUES	13,137	2,773	10,000	5,000	-50.0%	(5,000)
INTERNAL SERVICE	13,152	2,796	10,000	5,000	-50.0%	(5,000)
TOTAL REVENUE	309,948	273,511	260,000	247,000	-5.0%	(13,000)

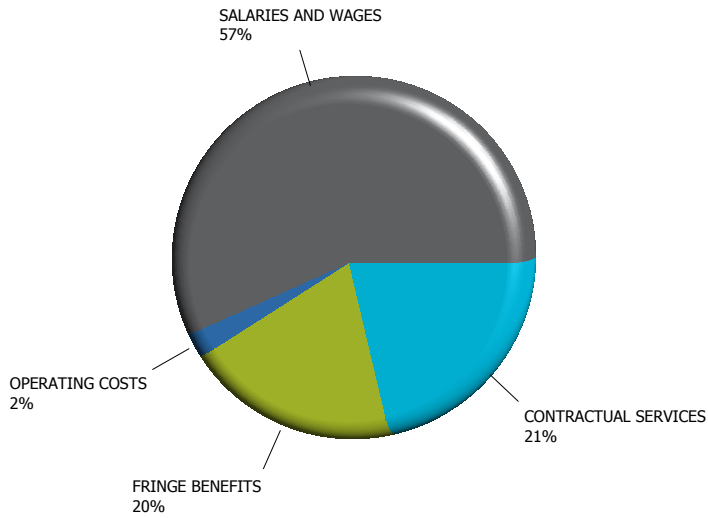
ATTORNEY EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



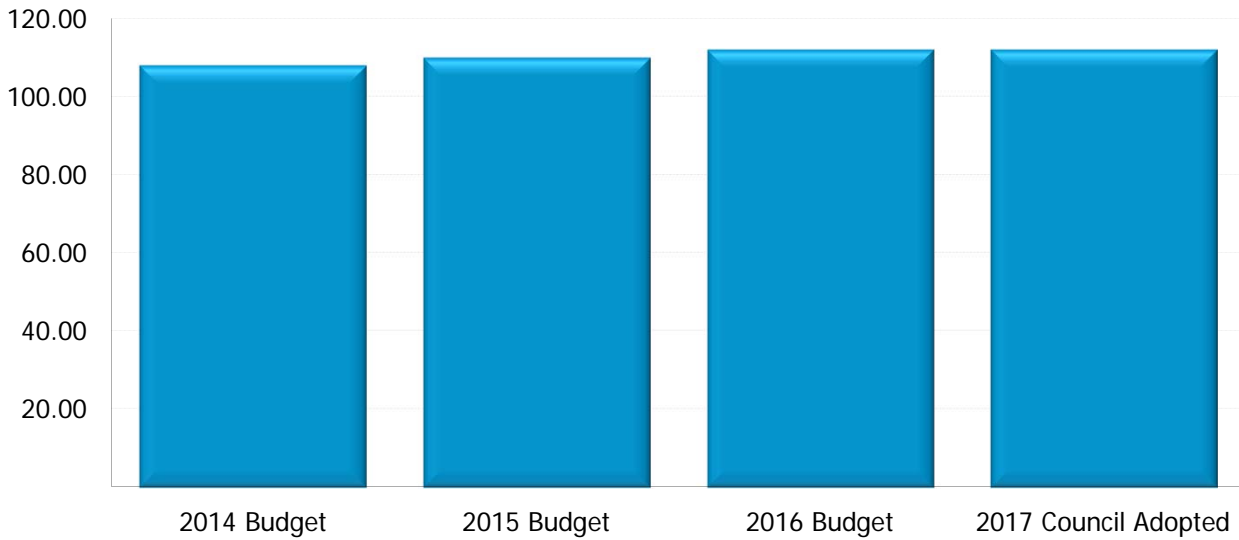
Expense by Category



CITY ATTORNEY Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
CIVIL DIVISION	45.50	47.50	47.50	47.50	0.0%	0
CRIMINAL DIVISION	62.50	62.50	64.50	64.50	0.0%	0
Overall	108.00	110.00	112.00	112.00	0.0%	0

Positions 2014-2017



CITY CLERK

MISSION

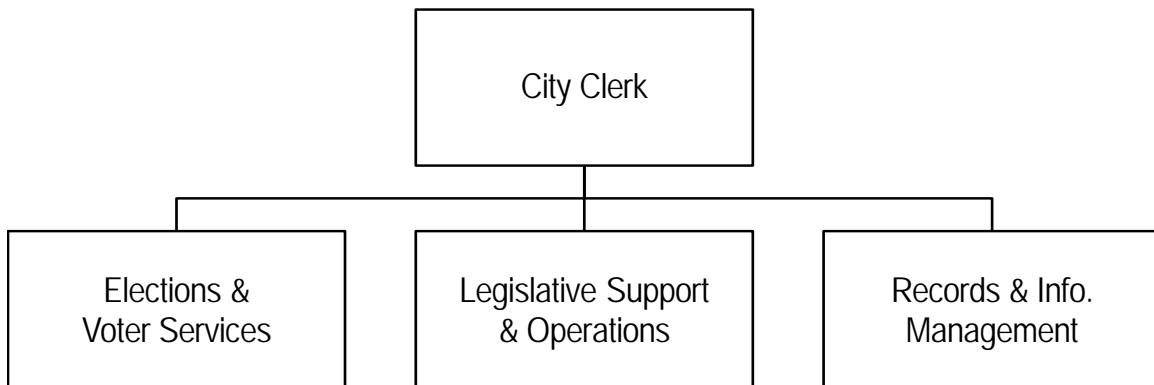
The Office of City Clerk is the secretariat of the City Council and facilitates its legislative processes. In addition, the office serves as the organizational center for three enterprise programs: elections administration; records and information management; and the document solutions center.

BUSINESS LINES

The City Clerk is elected by City Council and serves concurrently as the corporate secretary of the municipal corporation and secretary of its governing body. The office has three distinct lines of business:

1. Elections & Voter Services
2. Records & Information Management
3. Legislative Support

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURE

This department does not participate in Results Minneapolis.

One Minneapolis

Elections & Voter Services

General Fund: \$1,420,628

The Elections & Voter Services program serves as the gateway to representative democracy, protecting rights guaranteed by the federal and state constitutions. By conducting free and fair elections, this program fosters public confidence in electoral processes and in elected officials who serve and represent Minneapolis voters at federal, state, and local levels. The program ensures readiness and capability to conduct an election whenever required in support of the constitutional rights of all qualified voters in the City of Minneapolis.

A City that Works

Office of City Clerk

General Fund: \$3,477,174
Other Funds: \$1,375,717

The Office of City Clerk provides legislative support that ensures legislative processes comply with all legal and procedural requirements and supports effective governance by recording, publishing, and providing access to the official acts, orders, and decisions of the Mayor and City Council.

This program also provides records and information management that ensures all City data and information assets are created, maintained, disposed of or preserved in accordance with legal and operating requirements with due regard for accessibility, business continuity, probity, risk, and economy.

FINANCIAL ANALYSIS

Expenditure

The total City Clerk Department's budget decreases from \$6.4 million to \$6.3 million from 2016 to 2017. This is a decrease of \$134,000 or 2.1%. The City Clerk Department's 2017 expenditure budget reflects the following changes from 2016; routine inflationary increases in operation costs, removal of 2016 council adopted one-time budgetary change time of \$415,000, and the 2017 budgetary change items of \$100,000 in ongoing appropriation.

Revenue

Revenues are projected to increase by 12.4% in this department due to projected increase in Copy Center Services. The department's total revenues in 2017 are projected to be \$1.4 million.

Fund Allocation

This department is funded primarily by the General Fund at 78.1% with the remainder of the department's funding found in the Internal Services fund at 21.9%.

Mayor's Recommended Budget

The Mayor recommended \$100,000 ongoing General Fund resources for a Records Specialist (includes 1.0 FTE).

Council Adopted Budget

The City Council adopted the recommendation for the Record's specialist and separately amended the Mayor's recommendations by decreasing on an ongoing basis the Office of City Clerk's budget by \$118,202 and 1 FTE and increasing the Community Planning and Economic Development Department's budget by \$118,202 and 1 FTE for the purpose of programming and outreach at the Cedar Riverside Opportunity Center.

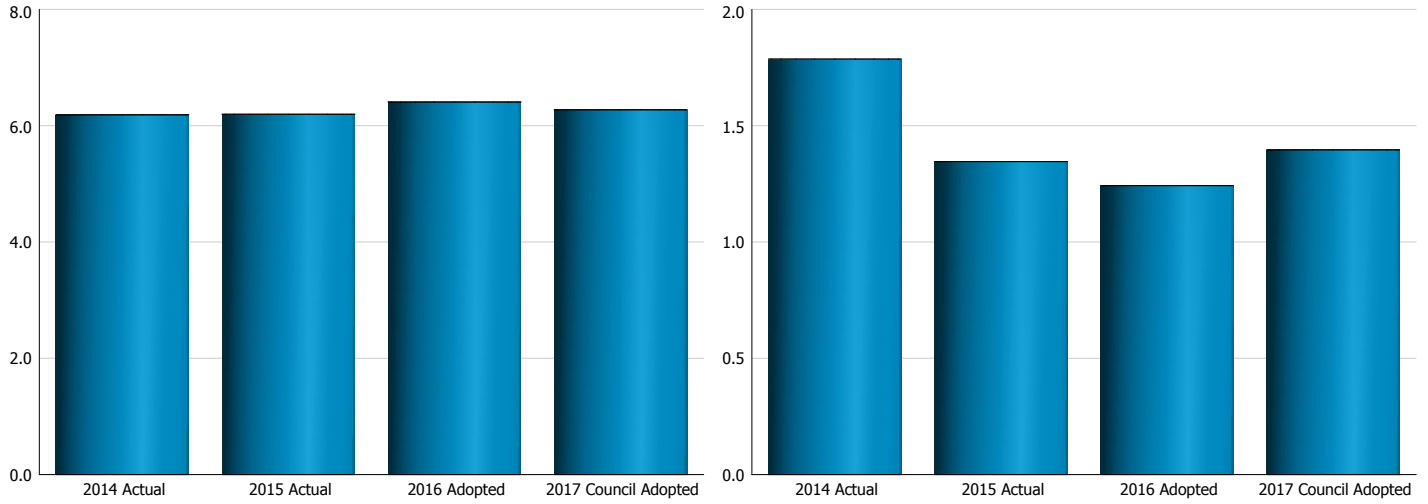
**CITY CLERK
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,231,425	1,545,195	2,113,335	2,315,861	9.6%	202,526
FRINGE BENEFITS	466,755	521,829	695,566	732,396	5.3%	36,830
CONTRACTUAL SERVICES	1,632,441	2,009,271	1,548,842	1,595,193	3.0%	46,351
OPERATING COSTS	381,975	313,935	233,756	237,290	1.5%	3,534
CAPITAL	1,792		432,062	17,062	-96.1%	(415,000)
TOTAL GENERAL	4,714,388	4,390,231	5,023,561	4,897,803	-2.5%	(125,759)
INTERNAL SERVICE						
SALARIES AND WAGES	218,201	221,997	337,847	328,084	-2.9%	(9,763)
FRINGE BENEFITS	60,973	169,161	149,340	148,830	-0.3%	(510)
CONTRACTUAL SERVICES	968,163	1,273,486	785,834	770,744	-1.9%	(15,090)
OPERATING COSTS	225,811	141,627	100,400	117,587	17.1%	17,187
CAPITAL			10,472	10,472	0.0%	0
TOTAL INTERNAL SERVICE	1,473,148	1,806,272	1,383,892	1,375,717	-0.6%	(8,175)
TOTAL EXPENSE	6,187,537	6,196,503	6,407,454	6,273,520	-2.1%	(133,934)
REVENUE						
	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	95	216	300	200	-33.3%	(100)
CHARGES FOR SERVICES	212,020	109,671	101,800	103,000	1.2%	1,200
LICENSE AND PERMITS	2,650	2,380	1,000	2,000	100.0%	1,000
OTHER MISC REVENUES	121,169	30			0.0%	0
GENERAL	335,933	112,297	103,100	105,200	2.0%	2,100
INTERNAL SERVICE						
CHARGES FOR SALES		1,737			0.0%	0
CHARGES FOR SERVICES	1,369,941	1,178,066	1,139,261	1,291,000	13.3%	151,739
GAINS		(34,943)			0.0%	0
TRANSFERS IN	80,380	88,482			0.0%	0
INTERNAL SERVICE	1,450,321	1,233,342	1,139,261	1,291,000	13.3%	151,739
TOTAL REVENUE	1,786,254	1,345,639	1,242,361	1,396,200	12.4%	153,839

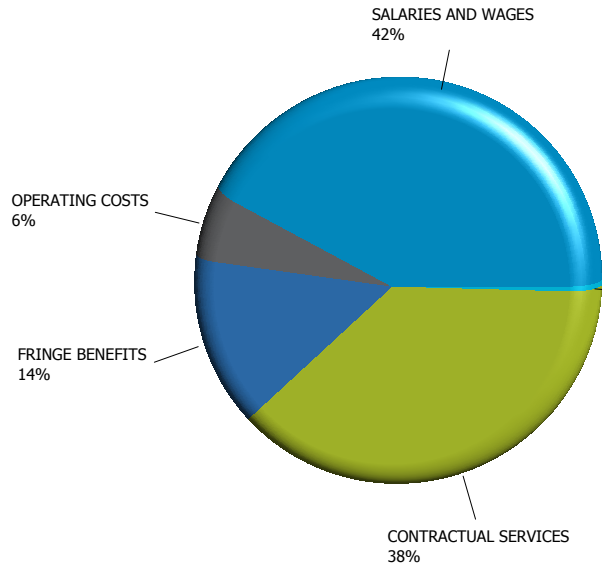
CITY CLERK EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



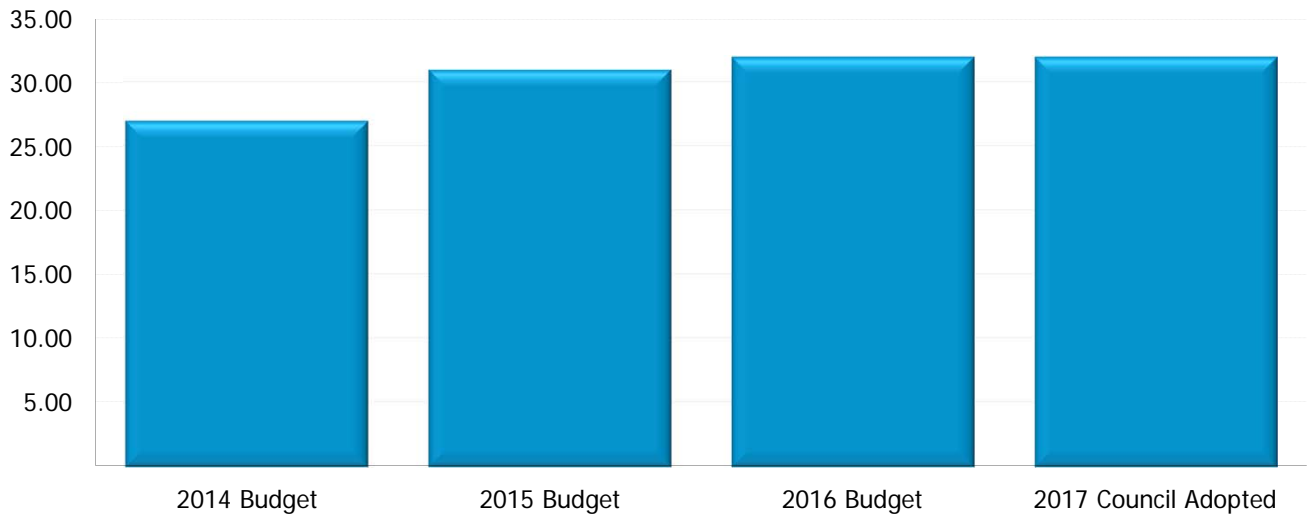
Expense by Category



CITY CLERK Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
CENTRAL MAILING	0.35	0.35	0.05	0.05	0.0%	0
CITY CLERK - ADMINISTRATION	16.00	19.00	20.00	20.00	0.0%	0
COPY CENTER	5.65	4.65	4.95	4.95	0.0%	0
DATA OPERATIONS CENTER		1.00	1.00	1.00	0.0%	0
ELECTIONS & REGISTRATION	5.00	6.00	6.00	6.00	0.0%	0
Overall	27.00	31.00	32.00	32.00	0.0%	0

Positions 2014-2017



CITY COUNCIL

MISSION

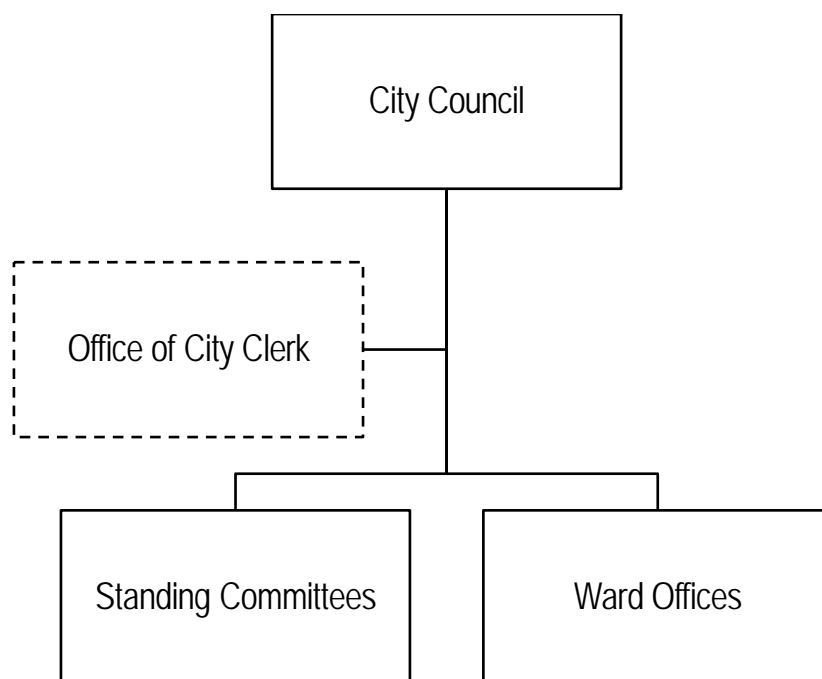
The City Council maximizes access to municipal government, exercises oversight of City departments and service delivery, and enables informed decision-making for community governance.

BUSINESS LINES

The City Council is the elected, representative body of the City government. It formulates public policies in conjunction with the Mayor to ensure the general health, safety, and welfare of the community, exercises oversight of the City's departments, and advocates for community needs and priorities at local, state, and national levels. In summary, the business lines are as follows:

1. Legislative Authority & Policy Enactment
2. Executive Oversight & Evaluation
3. Community Representation

ORGANIZATION CHART



A City that Works

City Council

General Fund: \$4,884,293

The City Council is the legislative body of the City of Minneapolis, providing a direct link between residents and the municipal government. The Council is composed of thirteen Members, each elected from separate wards of approximately 30,000 residents.

The Council works in partnership with the Mayor to provide for the general health, safety, and welfare of the community. Without limiting the generality of the foregoing, the City Council has the power to:

1. Adopt, amend, and repeal public policies;
2. Levy and apportion taxes, make appropriations and adopt budgets; and
3. Oversee organizational performance and the delivery of municipal services.

FINANCIAL ANALYSIS

Expenditure

The total City Council Department's budget remains similar from \$4.9 million to \$4.9 million from 2016 to 2017. This is a slight increase of \$30,000, or 0.1% due to increases in routine inflationary operating costs.

Revenue

This Department does not produce revenue.

Fund Allocation

This department is funded completely by the General Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

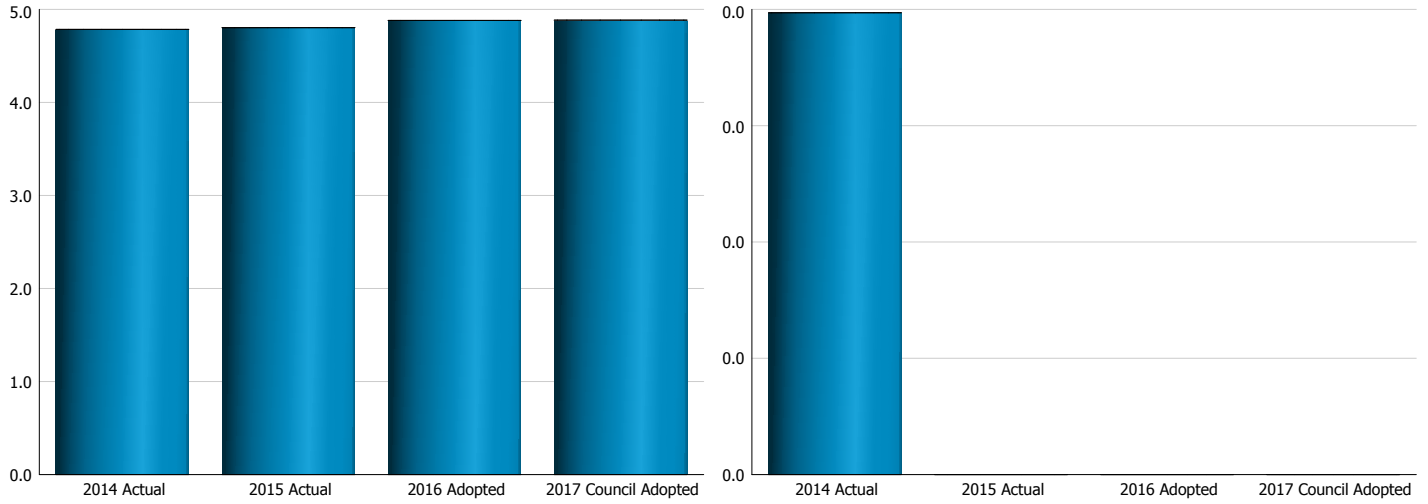
**CITY COUNCIL
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,625,710	2,653,242	2,676,997	2,750,384	2.7%	73,387
FRINGE BENEFITS	890,249	874,890	1,109,165	1,083,451	-2.3%	(25,714)
CONTRACTUAL SERVICES	839,978	820,474	894,680	846,286	-5.4%	(48,394)
OPERATING COSTS	429,083	454,969	200,652	204,172	1.8%	3,520
TOTAL GENERAL	4,785,018	4,803,574	4,881,494	4,884,293	0.1%	2,799
TOTAL EXPENSE	4,785,018	4,803,574	4,881,494	4,884,293	0.1%	2,799
REVENUE						
GENERAL						
OTHER MISC REVENUES	397					
GENERAL	397					
TOTAL REVENUE	397					

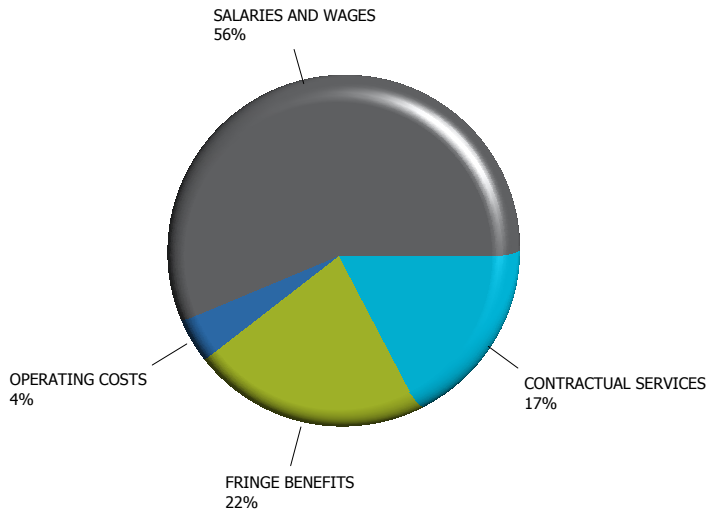
CITY COUNCIL EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



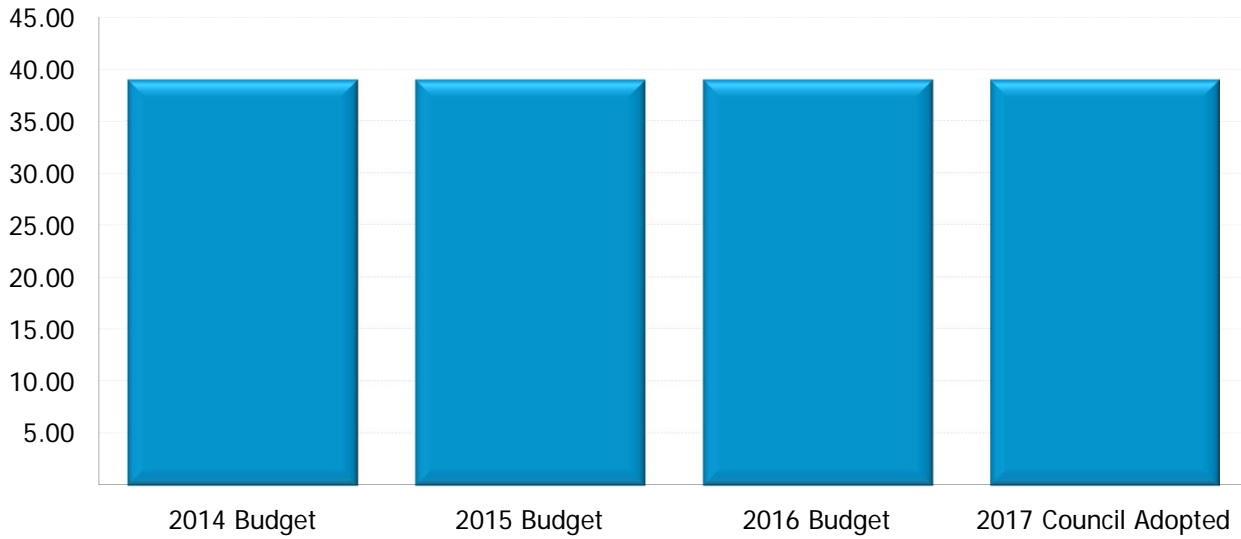
Expense by Category



CITY COUNCIL Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
CITY COUNCIL STAFF	39.00	39.00	39.00	39.00	0.0%	0
Overall	39.00	39.00	39.00	39.00	0.0%	0

Positions 2014-2017



CITY COORDINATOR

MISSION

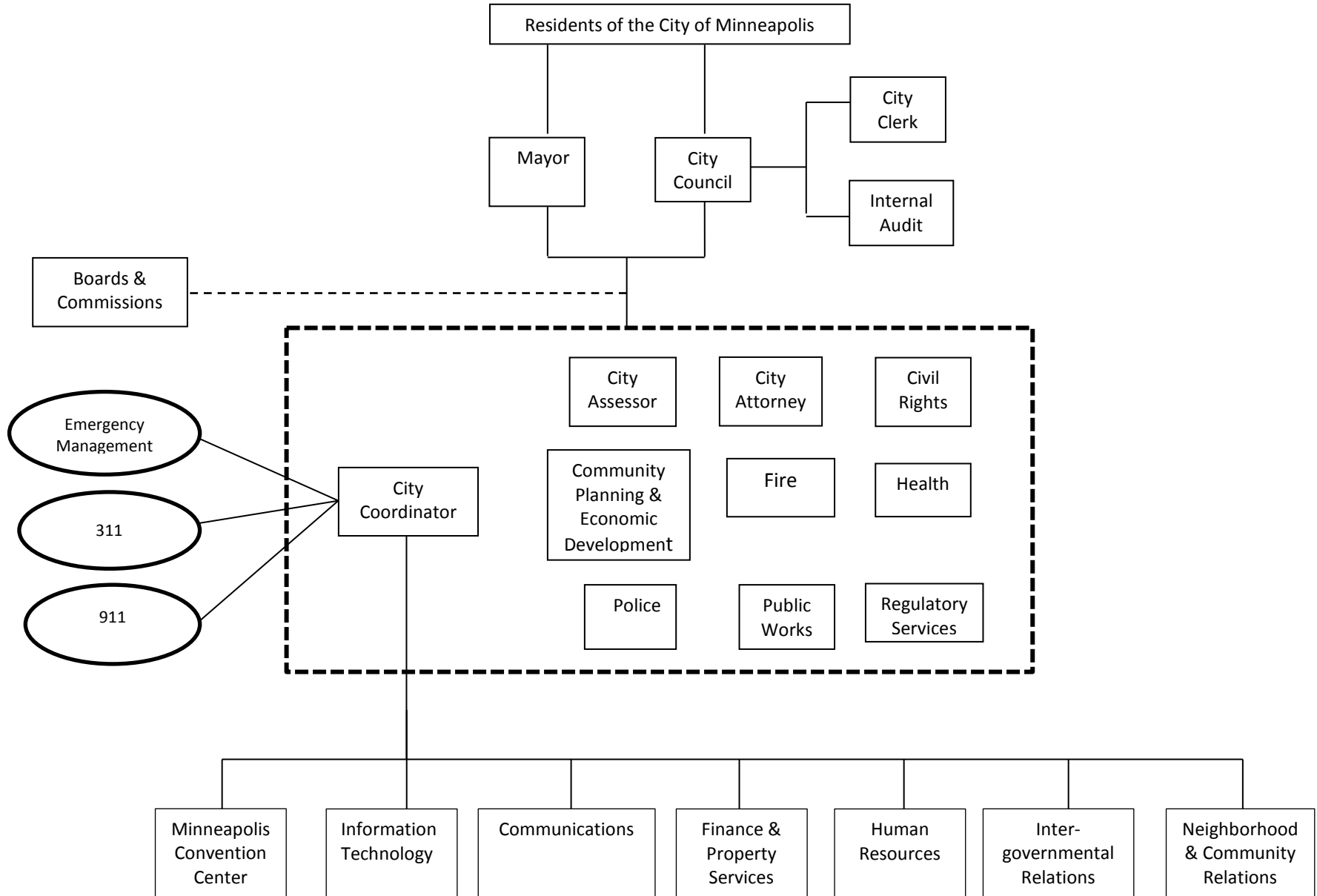
The City Coordinator Department provides strategic, administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The City Coordinator is also charged with ensuring alignment and coordination across the enterprise, facilitating strategic and business planning, and supervising the Minneapolis Convention Center, federal programs, large city-wide events, and any other such activities as the City Council may direct.

BUSINESS LINES

The City Coordinator Department has three primary business lines:

- **Strategic Policy Development and Implementation:** The City Coordinator acts as a strategic policy advisor to the Mayor and City Council and ensures that policy and project implementations are accountable and consistent with Mayor and Council direction.
- **Enterprise Management Services:** The City Coordinator provides strategic direction and oversight to the City's management departments including communications, finance and property services, human resources, information technology, intergovernmental relations, and neighborhood & community relations to ensure that efficient and effective internal services serve all other City departments in successful achievement of their missions.
- **Direct Services:** The City Coordinator has direct management oversight responsibilities to ensure cost-effective, high-quality service and public accountability for line services including emergency preparedness, 911 emergency communications, non-emergency information and services (Minneapolis 311), and the work of the Minneapolis Convention Center.

ORGANIZATION CHART



EXPENSE AND REVENUE INFORMATION

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	23,130,833	23,740,998	25,271,471	27,143,765	7.4%	1,872,295
OPERATING COSTS	2,425,719	2,531,802	2,193,332	2,258,166	3.0%	64,834
FRINGE BENEFITS	8,580,421	8,375,682	10,370,556	10,475,453	1.0%	104,896
CONTRACTUAL SERVICES	15,051,974	14,267,695	12,362,068	13,742,723	11.2%	1,380,655
CAPITAL	883,301	230,237	138,231	512,900	271.0%	374,669
TOTAL GENERAL	50,072,248	49,146,413	50,335,659	54,133,007	7.5%	3,797,349

INTERNAL SERVICE

SALARIES AND WAGES	9,652,908	11,785,534	14,332,208	15,665,096	9.3%	1,332,888
OPERATING COSTS	4,307,513	5,521,742	3,222,303	3,263,304	1.3%	41,001
FRINGE BENEFITS	3,544,442	9,090,133	5,361,444	5,795,500	8.1%	434,056
CONTRACTUAL SERVICES	35,355,661	39,572,541	28,713,710	31,776,631	10.7%	3,062,921
CAPITAL	0		6,976,000	10,092,892	44.7%	3,116,892
TOTAL INTERNAL SERVICE	52,860,524	65,969,951	58,605,664	66,593,422	13.6%	7,987,758

SPECIAL REVENUE

TRANSFERS	10,961	72,756				0
SALARIES AND WAGES	10,453,923	11,388,832	11,911,889	13,054,709	9.6%	1,142,820
OPERATING COSTS	1,842,537	1,972,314	1,610,977	1,815,508	12.7%	204,531
FRINGE BENEFITS	3,825,178	3,944,139	5,392,276	5,483,653	1.7%	91,378
CONTRACTUAL SERVICES	28,837,791	31,037,390	35,384,350	35,255,287	-0.4%	(129,062)
CAPITAL	11,879,164	11,193,898	17,247,421	14,324,561	-16.9%	(2,922,860)
TOTAL SPECIAL REVENUE	56,849,554	59,609,329	71,546,912	69,933,719	-2.3%	(1,613,194)

TOTAL EXPENSE	159,782,327	174,725,693	180,488,235	190,660,148	5.6%	10,171,913
----------------------	--------------------	--------------------	--------------------	--------------------	-------------	-------------------

REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
---------	-------------	-------------	--------------	----------------------	----------------	--------

DEBT SERVICE

INTEREST	171,161				0.0%	0
DEBT SERVICE	171,161					0

GENERAL

CHARGES FOR SALES	1,664	1,612		1,600	0.0%	1,600
CHARGES FOR SERVICES	4,160	2,540			0.0%	0
FRANCHISE FEES	955,080	1,220,393	950,000	1,250,000	31.6%	300,000
OTHER MISC REVENUES	46,296	24,313			0.0%	0
RENTS	190	494			0.0%	0
GENERAL	1,007,390	1,249,353	950,000	1,251,600	31.7%	301,600

INTERNAL SERVICE

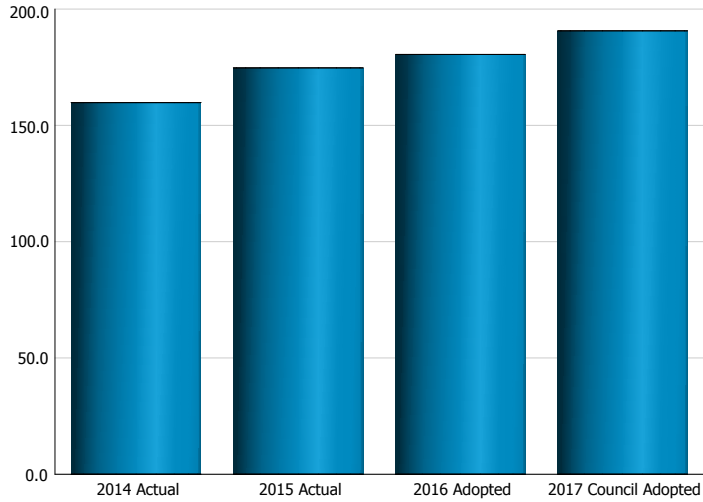
CHARGES FOR SALES	596,370	619,500	324,293	324,293	0.0%	0
-------------------	---------	---------	---------	---------	------	---

EXPENSE AND REVENUE INFORMATION

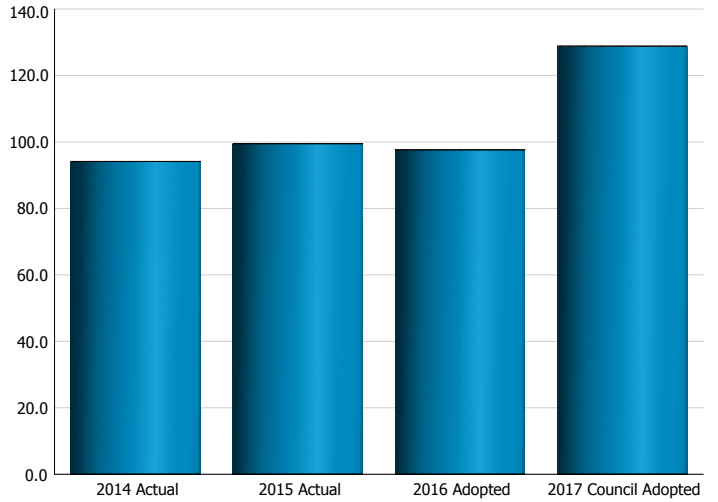
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
CHARGES FOR SERVICES	46,370,425	48,115,936	34,887,031	35,705,711	2.3%	818,680
FINES AND FORFEITS	18,281	27,854			0.0%	0
GAINS		(5,278)			0.0%	0
LONG TERM LIABILITIES PROCEEDS	365,914				0.0%	0
OTHER MISC REVENUES	54,111	76,951	3,000	2,500	-16.7%	(500)
RENTS	14,388,150	16,047,057	19,782,462	20,294,181	2.6%	511,719
TRANSFERS IN	3,580,076	3,704,000			0.0%	0
USE OF FUND BALANCE			909,305	12,378,314	1,261.3%	11,469,009
INTERNAL SERVICE	65,373,328	68,586,020	55,906,091	68,704,999	22.9%	12,798,908
SPECIAL REVENUE						
CHARGES FOR SALES		742			0.0%	0
CHARGES FOR SERVICES	6,051,444	6,525,029	6,000,000	6,700,000	11.7%	700,000
CONTRIBUTIONS	13,814	572,071	900,000	1,044,575	16.1%	144,575
FEDERAL GOVERNMENT	893,828	1,043,820	1,000,000	1,950,000	95.0%	950,000
INTEREST	214,631	165,924	113,628	75,753	-33.3%	(37,875)
LOCAL GOVERNMENT		(50,000)			0.0%	0
OTHER MISC REVENUES	4,025,496	3,959,645	10,500,000	8,522,000	-18.8%	(1,978,000)
RENTS	8,202,829	9,213,203	8,547,000	9,268,631	8.4%	721,631
SALES AND OTHER TAXES	1,976,384	1,580,438	1,394,000	1,270,000	-8.9%	(124,000)
STATE GOVERNMENT	685,959	416,253	515,480	515,480	0.0%	0
TRANSFERS IN	5,520,516	6,225,384	6,127,000	6,487,516	5.9%	360,516
USE OF FUND BALANCE			5,672,939	23,050,952	306.3%	17,378,013
SPECIAL REVENUE	27,584,902	29,652,510	40,770,047	58,884,907	44.4%	18,114,860
TOTAL REVENUE	94,136,781	99,487,884	97,626,138	128,841,506	32.0%	31,215,368

EXPENSE AND REVENUE INFORMATION

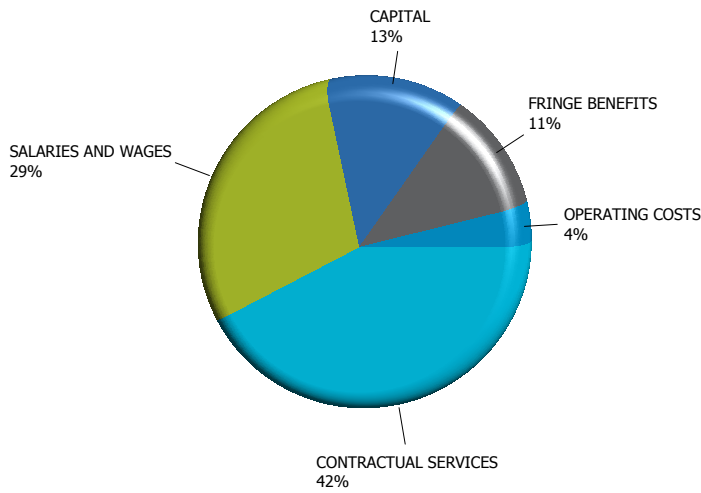
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



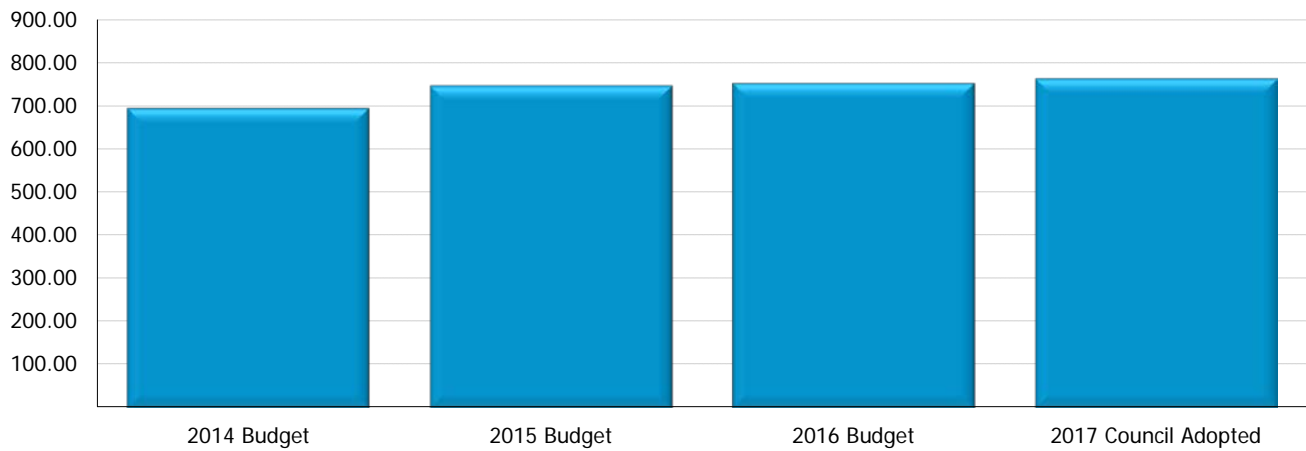
Expense by Category



CITY COORDINATOR Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
311	30.00	31.00	30.00	30.00	0.0%	0
911	80.00	84.00	85.00	85.00	0.0%	0
City Coordinator	10.00	20.00	21.00	26.00	23.8%	5.00
Communications	12.00	12.00	12.00	12.00	0.0%	0
Convention Center	177.10	173.30	173.30	174.30	0.6%	1.00
Emergency Management	4.00	6.50	8.50	8.50	0.0%	0
Finance And Property Services	246.00	251.00	252.50	253.50	0.4%	1.00
Human Resources	50.80	51.80	52.80	53.80	1.9%	1.00
Information Technology	60.00	94.00	94.00	96.00	2.1%	2.00
Intergovernmental Relations	9.00	8.00	8.00	8.00	0.0%	0
Neighborhood & Community Relations	16.50	16.00	17.00	17.00	0.0%	0
Total City Coordinator Depts.	695.40	747.60	754.10	764.10	1.3%	10.00

Positions 2014-2017



CITY COORDINATOR - ADMINISTRATION

One Minneapolis

Equity and Inclusion

General Fund: \$387,450

The Equity & Inclusion program area is focused both on enterprise efforts as well as the City's community and place-based efforts as part of the Minneapolis Promise Zone. Staff partner with elected officials, City departments and community partners to:

- Eliminate racial disparities for Minneapolis residents.
- Identify opportunities and execute solutions within City systems and service delivery to remove barriers for economic and social progress for people of color and Native constituents in our city.
- Eliminate systemic racism through partnership with external agencies, government bodies and community groups across Minnesota and the nation.
- Improve outcomes for residents in the Minneapolis Promise Zone through a focus on 1) reducing racial inequities through community and place-based strategies, 2) increasing community health and safety, 3) improving Cradle to Career outcomes for students, 4) building a more inclusive economy, 5) creating jobs, and 6) promoting stable housing.

Services provided include:

- **Culture Development** – growing employee capacity and skillsets to address race and racial equity and foster their success in eliminating institutional and systemic forms of racism
- **Department Planning & Action** – driving adoption of equity and inclusion best practices within their departments through team development, goal-setting, and policy/procedure review
- **Alignment & Acceleration** – interdepartmental partnerships to address broad enterprise racial equity opportunities, ensuring alignment across departments and bringing promising practices to scale
- **Evaluation & Reporting** – through Results Minneapolis framework, consulting with departments in building One Minneapolis goals as well as reporting on progress of racial equity efforts internally and externally
- **Partnerships** – working with private, public, philanthropic, and non-profit groups to create transformational change in closing racial disparities in Minneapolis, the region, and the state as a whole. This includes development of community turnaround strategies for Minneapolis' most challenged neighborhoods.

Sustainability

General Fund: \$822,221

The Sustainability program area drives citywide and internal sustainability policy through performance measurements, research, planning inter-departmental collaboration and funding development. The program has a particular focus on the Homegrown Minneapolis Initiative (healthy, sustainable locally grown food), climate and energy strategies, tree canopy improvements, and waste reduction strategies. Services include:

- Implementation of the **Clean Energy Partnership's** work plan in partnership with other departments and utility staff

- Continued implementation of building disclosure ordinance including work funded by the McKnight Foundation, Energy Foundation and Minnesota Pollution Control Agency (MPCA)
- Implementation of **Homegrown Minneapolis Initiative** – including developing land access policy, revising regulations, expanding Food Council membership, conducting local food economy/access research and supporting farmers markets.
- Enhancing and implementation of the **City Trees program**
- Assisting with the development of a **Zero Waste initiative**
- Facilitating the implementation of our **Green Zones initiative**

Living Well

Arts, Culture, & the Creative Economy

General Fund: \$473,474

The Arts, Culture and the Creative Economy program area drives citywide and internal arts policy through economic research, performance measures, planning and development. Objectives of the program include:

- Leveraging creative sector talent, resources and skills for inter-departmental collaborations.
- Working with local and regional partners to promote and grow the city through an arts and culture lenses.
- Special focus on Creative City Making, a racial equity initiative and applied learning strategy assisting other departments on their equity and inclusion goals through arts based community engagement, training, resources and talent.

Services provided include:

- Tracking and sharing information on the creative sector in partnership with other departments and community stakeholders. Includes producing Minneapolis Creative Index report and collaborating on economic reports and data with MN Compass, local foundations and agencies.
- Institutionalizing and implementing Creative City Making in partnership with Equity and Inclusion staff to assist City departments with their arts-based community engagement strategies.
- Implementing the Creative City Road Map work plan in partnership with other departments and local partners, and integrates the plan goals into the City's comprehensive planning process.
- Assisting the Minneapolis Convention Center on producing Creative City Challenge projects with Northern Spark.
- Staffing and facilitating projects and partnerships related to Our Town, Artplace and other grants

A City That Works

Strategic Management and Administration

General Fund: \$3,134,295

Other Funds \$1,099,225

Acting as the strategic advising and consulting arm of the enterprise, the Strategic Management and Administration program area encompasses the City's performance and Results management functions, continuous improvement and facilitation functions, and general research and project management consulting services.

Services provided include:

- Providing leadership and strategic guidance toward the development and achievement of **city vision, values and goals**
- Strategic management for the enterprise, serving as leader, convener, aligner, accelerator, problem solver, connector advisor etc.
- Providing **policy guidance** to elected officials
- Administering the City's **Results Management** program focused on planning, resource allocation, performance monitoring and continuous improvement efforts towards improving operational effectiveness and community results
- **Process-mapping** and facilitation on cross-departmental, enterprise and large City initiatives
- Research, reporting and data visualization assistance
- Oversight of various Citywide partnership agreements and large citywide events authorized by City Council, including the **100 Resilient Cities initiative, Super Bowl LII (2018)** and **NCAA Final Four (2019)**

Innovation Team (i-team)

Other Funds: \$895,350

The i-team program serves as an in-house consulting team, providing data analysis and performance measurement, process definition and improvement, project planning and management, and creative/innovative thinking around new and existing resources. Funded primarily through Bloomberg Philanthropies, the Minneapolis i-team is charged with assessing the equitable distribution, both in terms of race and geography, of our City services and their possible impact on our city's disparities (housing, employment, education, safety, health, etc.). Using Bloomberg Philanthropies' tested Innovation Delivery approach, the Innovation Team will help City department/agency leaders use a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results.

Services provided depend on the individual initiatives, but include:

- Data analysis and initiatives performance measurement
- Process definition and improvement
- Project planning and management
- Prototyping and design thinking services
- Program evaluation focused on initiatives and community outcomes

Financial Analysis

Expenditure

The total City Coordinator Department's budget increases from \$5.2 million to \$6.8 million from 2016 to 2017. This is an increase of \$1.6 million, or 31.7%. The City Coordinator Department's 2017 expenditure budget reflects the following changes from 2016; inflationary increases in operational costs, ongoing and one-time budgetary change items with a net effect of additional \$2.1 million, and elimination of one-time funded activities in 2016's budget. In 2016, \$200,000 for Working Families program was administratively moved from City Coordinator's budget to Civil Rights department. The department's total FTE count of 26.0 reflects 5.0 FTE added through 2017 budgetary change items. In 2016, 2.0 FTE were administratively moved to Civil Rights department and 1.0 FTE was moved from Finance and Property Services department to City Coordinator.

Revenue

Revenues are projected to increase by 121.6% due to an additional \$150,000 expected from Rockefeller Foundation for an additional 1.0 FTE, and another \$1.0 million ReCAST program/SAMHSA grant that includes 1.0 FTE. Of this \$1.0 million ReCAST grant, \$50,000 goes to Minneapolis Health Department. City Coordinator department's total revenues in 2017 are projected to be \$2.0 million.

Fund Allocation

This department is primarily funded by General Fund (70.7%) with the remainder of the department's funding found in the Special Revenue grant funds.

Mayor's Recommended Budget

The Mayor recommended the following ongoing General Fund resources; \$145,000 for strategic management and continuous improvement (includes 1.0 FTE), and \$100,000 for City Wide events. Additionally, the Mayor recommended \$150,000 for a Chief Resiliency Officer Position funded by the Rockefeller Foundation (includes 1.0 FTE).

The Mayor also recommended the following one-time General Fund resources; \$160,000 for the Inclusive Engagement Action team, \$100,000 for Partnership Initiatives, \$15,000 for Promise Zone space lease, \$90,000 for the Clean Energy Partnership, \$45,000 for the Climate Action Plan, \$100,000 for Creative City Making, \$40,000 for Enterprise Equity Programming, and \$15,000 for the Trans Equity Summit and Events.

Council Adopted Budget.

The City Council amended the Mayor's recommendations by:

1. Establishing small business support teams of 3 FTE to directly help small business navigate city processes across the Enterprise (particularly in the Business Licensing Division of CPED, Health, and Regulatory Services). The team is to report directly to the City Coordinator's Office and will be comprised of the following:
 - Reallocating \$105,000 and 1 FTE in CPED for a Navigator position and \$25,000 in additional outreach funds as proposed in the Mayor's Recommended Budget, to the City Coordinator's Office.
 - An additional 1 FTE using the \$70,000 increased appropriation to the Communications Department as proposed in the Mayor's Recommended Budget. Finance is directed to reflect the full ongoing cost of the position in the Five-Year Financial Direction.
 - Reallocating \$145,000 and 1 FTE in the City Coordinator's Office currently recommended in the 2017 Budget for "Strategic Management and Continuous Improvement."
2. Increasing on an ongoing basis the City Coordinator's budget by \$1,000,000 (including 1 FTE) for ReCAST program/SAMHSA grant for promoting resilience and equity in communities that have recently faced civil unrest through implementation of evidence-based violence prevention and community youth engagement programs, as well as linkages to trauma-informed behavioral health services.
3. Decreasing on a one-time basis the City Coordinator's Office's budget by \$25,000 and increasing the Health Department by \$25,000 to be allocated for culturally relevant community-based intervention and street outreach strategies to help the

transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

The City Council also gave the following staff directions:

1. Directing the City Coordinator's Office to establish a small business workgroup that includes the staff team that has been working together as part of the City's Business Made Simple initiative as well as members of the City's Innovation Team. This workgroup shall review existing efforts, programs, and initiatives focused specifically on the small business community to determine how best to align and/or reorganize small business touch points across the enterprise. The workgroup will be co-chaired by Community Planning and Economic Development and the City Coordinator's Office in coordination with other City departments (particularly the City Attorney's Office) as needed.

Specifically, staff is asked to build off the continuous improvement work that has already been initiated to streamline and simplify processes for the business community and:

- Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. [This review to be facilitated by an external consultant with organizational design experience.];
- Review and finalize work on an online portal for the business community;
- Finalize development of business guides and supportive checklists for businesses;
- Identify and address gaps in processes and service delivery, including the need for additional staff training and other strategies aimed at increasing alignment with the small business community;
- Research best practices for innovative strategies such as business acceleration programs, development of a municipal design center, cluster-based small business development, creation of entrepreneurial incubator spaces, development of customer service express lanes for basic services, small business recognition programs, micro-lending programs, and others.

Staff is further directed to formalize an external small business advisory council to work alongside staff in this review, and to assist in developing recommendations aimed at increasing small business opportunities, resources, and areas of process improvement.

The workgroup is charged with bringing forth a comprehensive report of their review and ensuring recommendations, including those put forward by the small business advisory council, along with any organizational and budgetary impacts or recommendations that stem from this review by no later than May 15, 2017.

The workgroup is directed to Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. This review to be facilitated by an external consultant with organizational design experience.

2. Designate \$35,000 of one-time budget resources to be allocated for the purpose of funding support services for immigrant families.

Further, directing staff from City Coordinator departments, including Intergovernmental Relations, Civil Rights, Neighborhood and Community Relations, and Communications, to work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

3. Directing the City Coordinator's Office, including Communications, Neighborhood and Community Relations, and Finance and Property Services, and from the Office of City Clerk, to develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.
 - Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
 - Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
 - Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
 - Sample calendar of an annual participatory budgeting process.
 - Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
 - Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.
4. Directing the City Coordinator's Office, as the leader of Minneapolis' Youth Cabinet, to work with our partners in the Youth Coordinating Board and the Mayor's Office, in conjunction with the City of Saint Paul, to explore the feasibility of a sustainable, scalable universal pre-kindergarten program across our two cities that could eventually be implemented statewide.

This work would:

- Be a unique collaborative effort between the cities of Minneapolis and Saint Paul.
- Expand on existing research and programs currently in place in Minneapolis and St. Paul public schools, as well as other relevant efforts by other jurisdictions and the State of Minnesota.
- Develop a plan for the creation of a pilot program with the intent of being able to scale to a universal model, guaranteeing that every 3 and 4 year old in Minneapolis would St. Paul would be provided a public pre-kindergarten education.

- Address persistent disparities between white children and children of color in academic achievement and life outcomes.
 - This effort is contingent upon the commitment from the City of Saint Paul. City Coordinator staff will report on their work to the Committee of the Whole by September 19, 2017.
5. Directing staff to report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:
- A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
 - Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
 - Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.
 - This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
 - The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

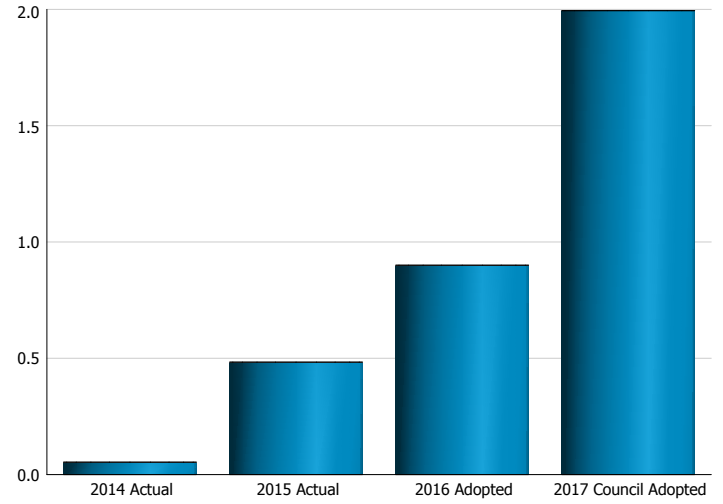
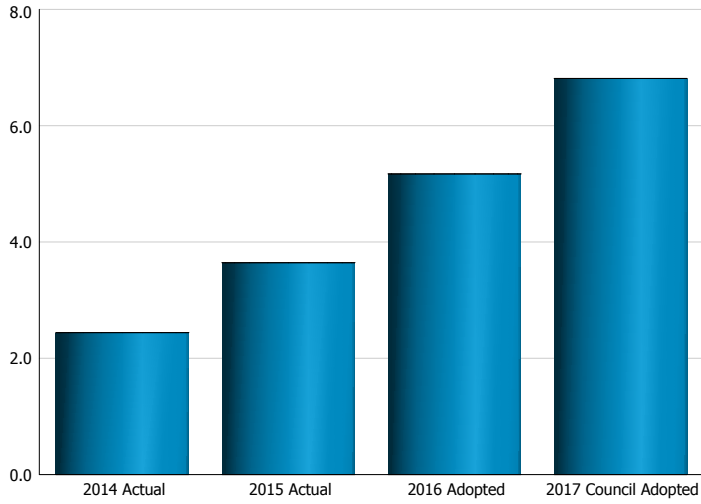
**CITY COORDINATOR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,050,590	1,275,872	1,614,556	1,775,978	10.0%	161,422
FRINGE BENEFITS	318,323	373,907	555,811	570,482	2.6%	14,671
CONTRACTUAL SERVICES	897,891	1,359,594	1,961,994	2,332,295	18.9%	370,301
OPERATING COSTS	119,203	149,785	138,191	138,685	0.4%	494
TOTAL GENERAL	2,386,008	3,159,157	4,270,552	4,817,440	12.8%	546,888
SPECIAL REVENUE						
SALARIES AND WAGES	18,093	251,471	459,206	688,954	50.0%	229,748
FRINGE BENEFITS	4,005	71,205	173,220	237,151	36.9%	63,931
CONTRACTUAL SERVICES	32,976	154,225	267,574	1,063,355	297.4%	795,781
OPERATING COSTS		7,314		5,115		5,115
TOTAL SPECIAL REVENUE	55,075	484,215	900,000	1,994,575	121.6%	1,094,575
TOTAL EXPENSE	2,441,083	3,643,372	5,170,552	6,812,015	31.7%	1,641,463
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS	54,814	471,347	900,000	1,044,575	16.1%	144,575
FEDERAL GOVERNMENT	(1,707)	1,707		950,000	0.0%	950,000
INTEREST		78			0.0%	0
STATE GOVERNMENT		10,000			0.0%	0
SPECIAL REVENUE	53,108	483,132	900,000	1,994,575	121.6%	1,094,575
TOTAL REVENUE	53,108	483,132	900,000	1,994,575	121.6%	1,094,575

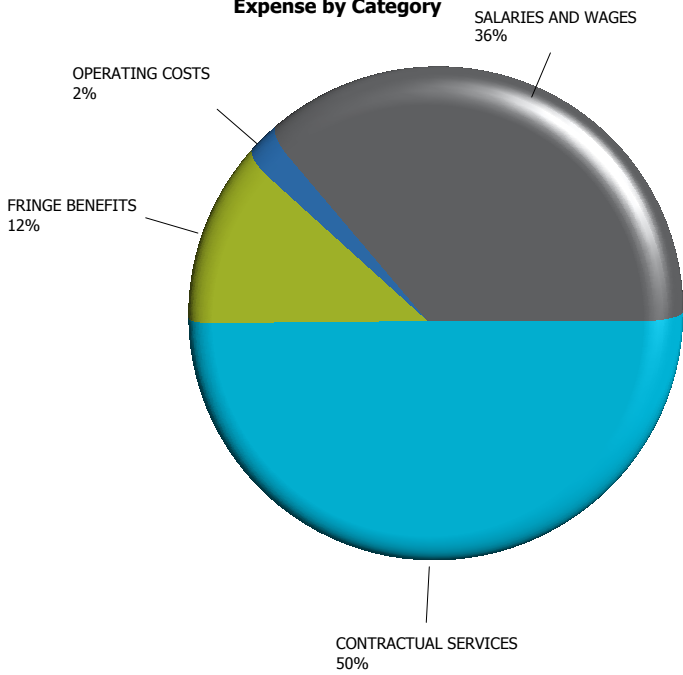
CITY COORDINATOR EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



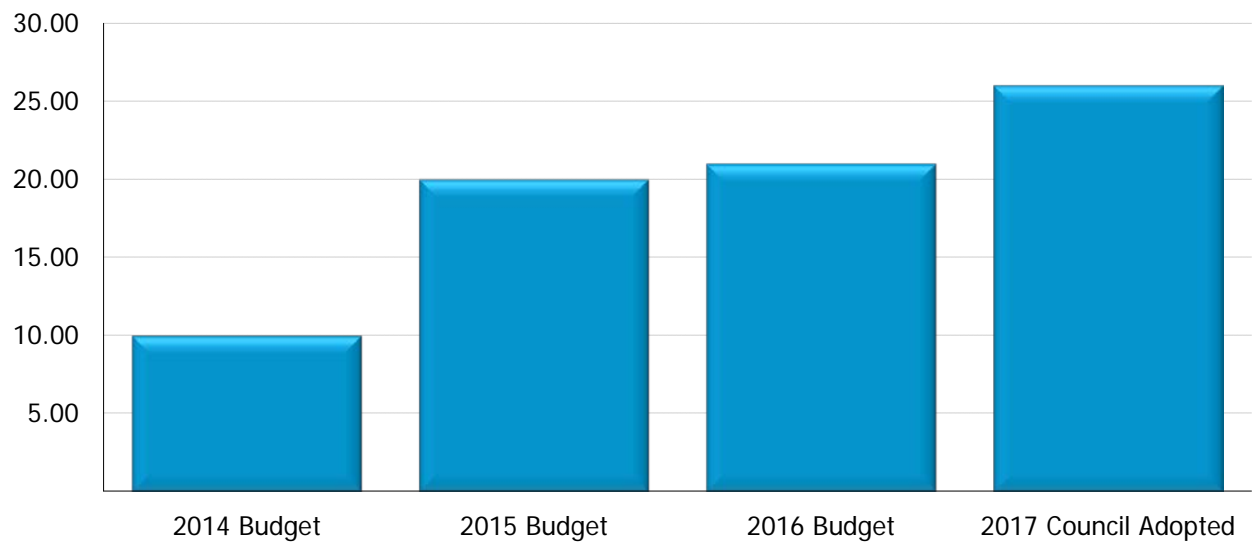
Expense by Category



CITY COORDINATOR Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
ADMINISTRATION	8.00	17.00	18.00	23.00	27.8%	5.00
SUSTAINABILITY	2.00	3.00	3.00	3.00	0.0%	0
Overall	10.00	20.00	21.00	26.00	23.8%	5.00

Positions 2014-2017



MINNEAPOLIS 311

MISSION

311 serves as the single point of contact for local government information and services providing accountability and transparency by:

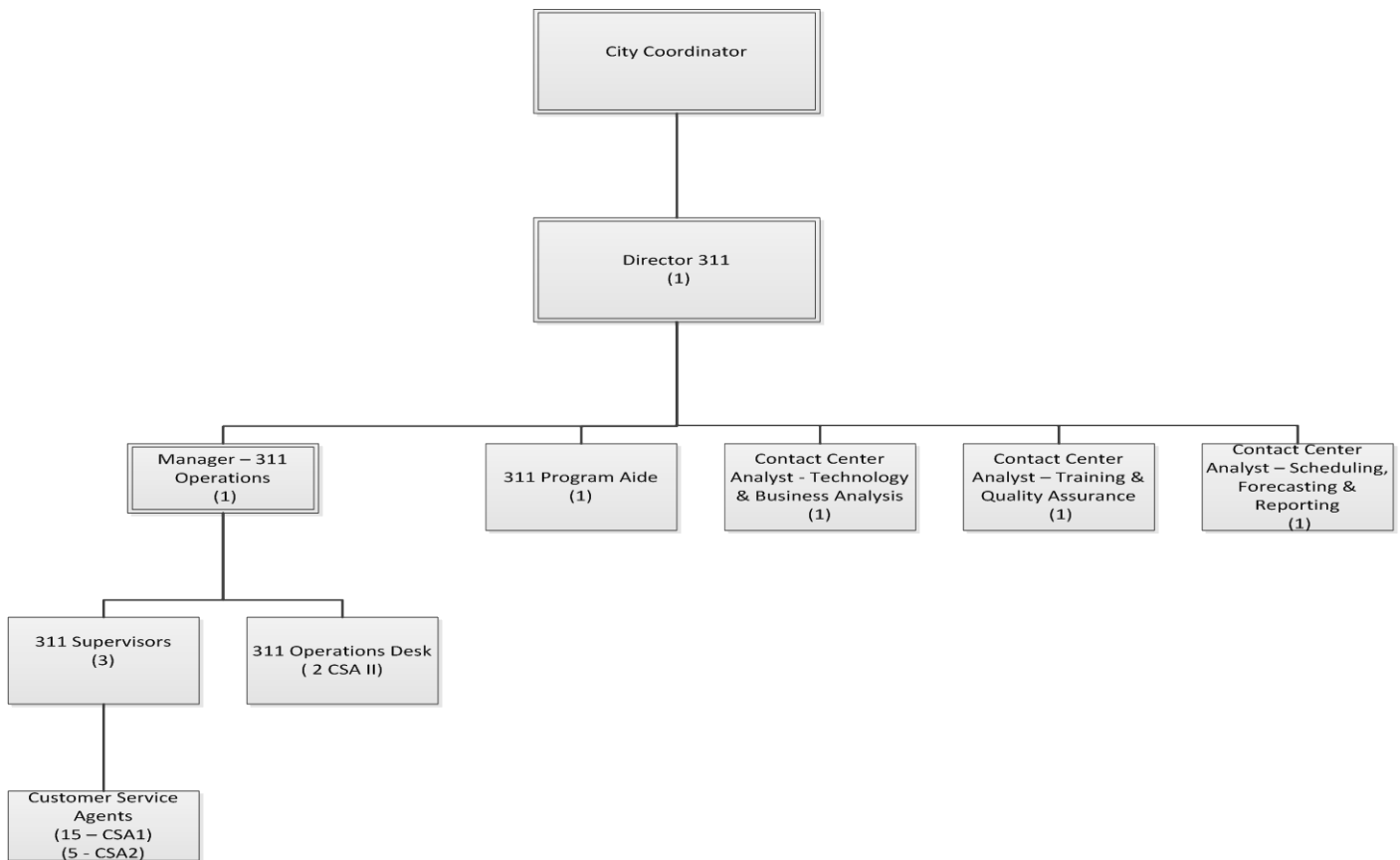
- Simplifying access to information and services
- Enabling organizations to deliver services more effectively
- Tracking requests for service delivery from inception to completion
- Providing process solutions

BUSINESS LINES

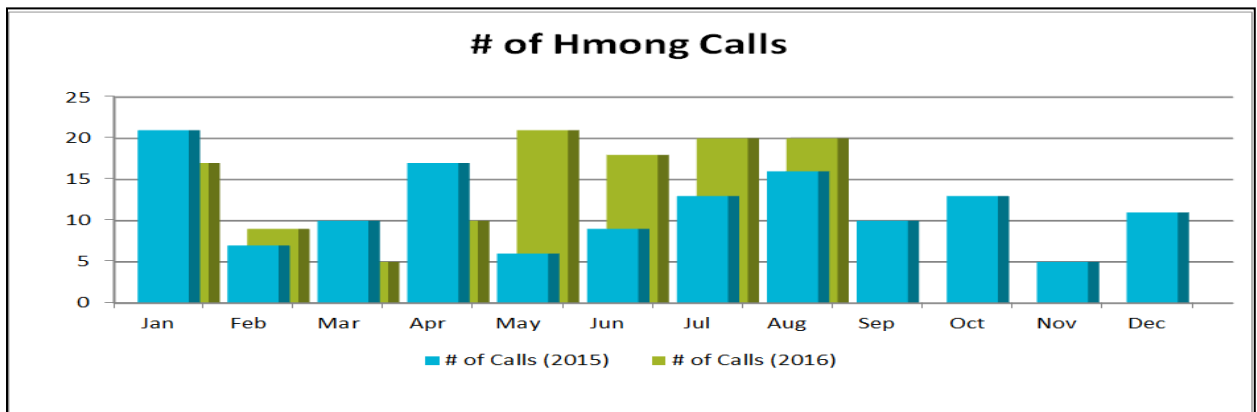
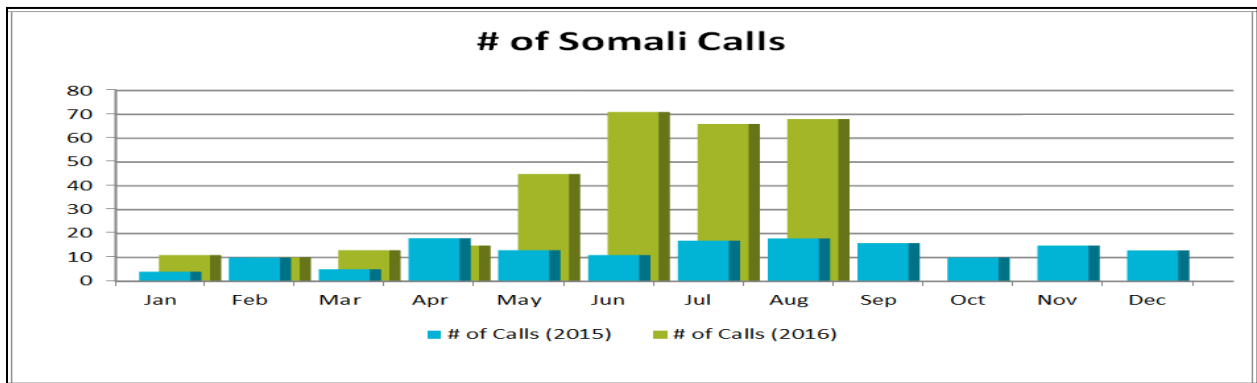
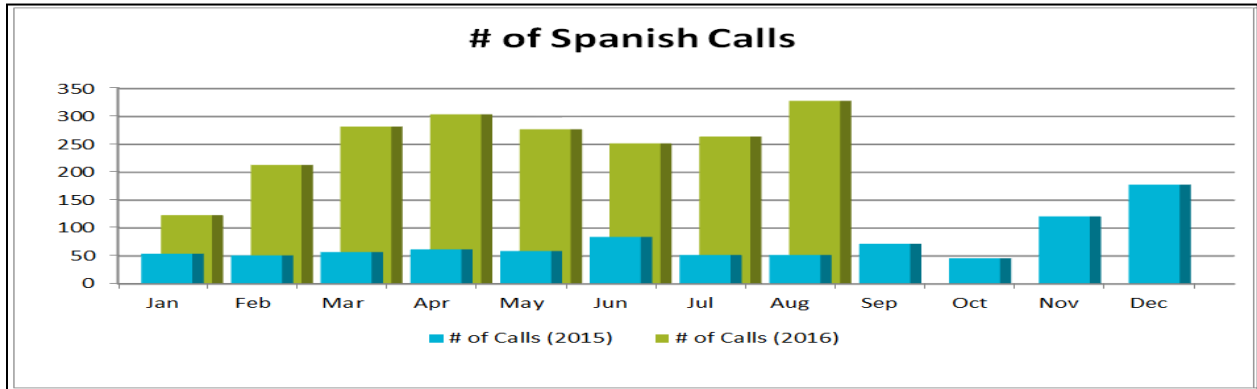
The 311 Department is the primary source of contact for government by providing a single access point for all information and services.

- Answer questions utilizing the department's knowledge tools
- Initiate a Service Request within the Enterprise Case Management (ECM) system for processing by the resolving departments
- When 311 is not able to resolve a customer request or issue, it connects the customer to an expert within the City who can

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES



A City That Works

Minneapolis 311

General Fund: \$4,100,907

311 serves as the single point of contact for local government information and services providing accountability and transparency by simplifying access to information and services, enabling organizations to deliver services more effectively, tracking requests for service delivery from inception to completion and providing process solutions. These services are available via email, voicemail, on the internet using self service, or using the mobile application for smart devices. Language translation is available using the language line, or by contacting 311 directly. 311 routes inquiries to the proper city department by creating a request for service, or transferring a call to an expert.

Financial Analysis

Expenditure

The total 311 Department's budget increases from \$3.8 million to \$4.1 million from 2016 to 2017. This is an increase of \$328,000, or 8.7% due to inflationary cost increases and one-time change items for the 311 text messaging integration.

Revenue

This department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended \$80,000 one-time General Fund resources for Black box integration for providing additional ways to communicate with 311 rather than the relay system currently in use.

Council Adopted Budget

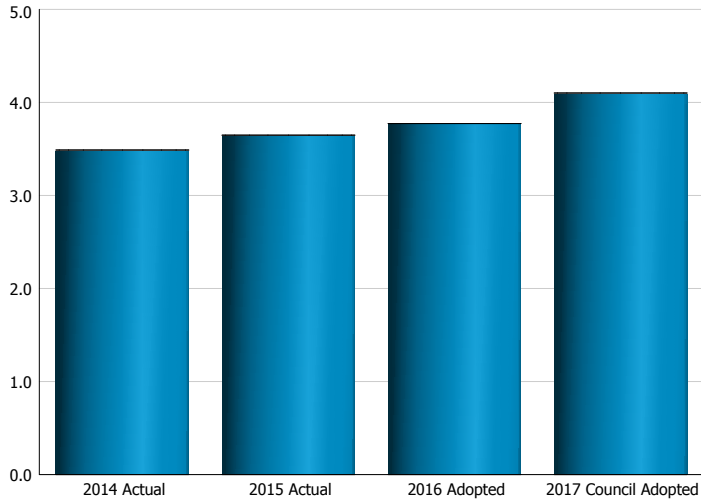
The City Council approved the Mayor's recommendations.

311
EXPENSE AND REVENUE INFORMATION

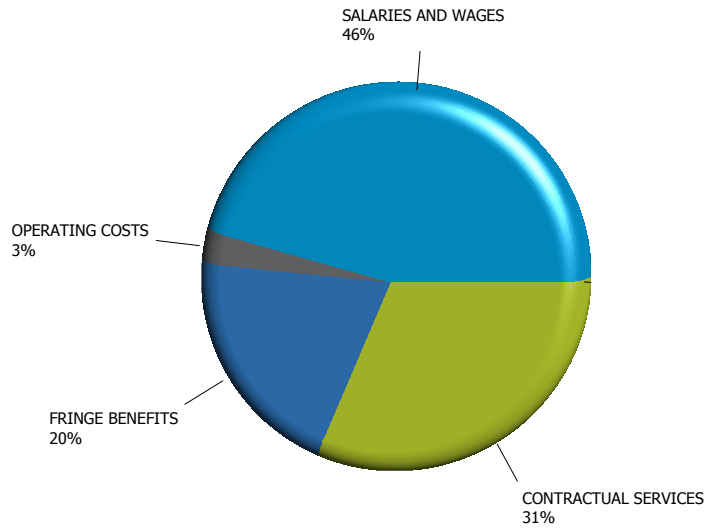
EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,662,871	1,765,097	1,741,940	1,870,183	7.4%	128,243
FRINGE BENEFITS	721,362	741,997	827,861	826,829	-0.1%	(1,032)
CONTRACTUAL SERVICES	1,046,787	982,096	1,088,292	1,288,956	18.4%	200,664
OPERATING COSTS	57,175	109,595	114,732	114,938	0.2%	206
CAPITAL		47,236				0
TOTAL GENERAL	3,488,195	3,646,020	3,772,825	4,100,907	8.7%	328,081
SPECIAL REVENUE						
CONTRACTUAL SERVICES		1,974				0
TOTAL SPECIAL REVENUE		1,974				0
TOTAL EXPENSE	3,488,195	3,647,994	3,772,825	4,100,907	8.7%	328,081

311
EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions



Expense by Category

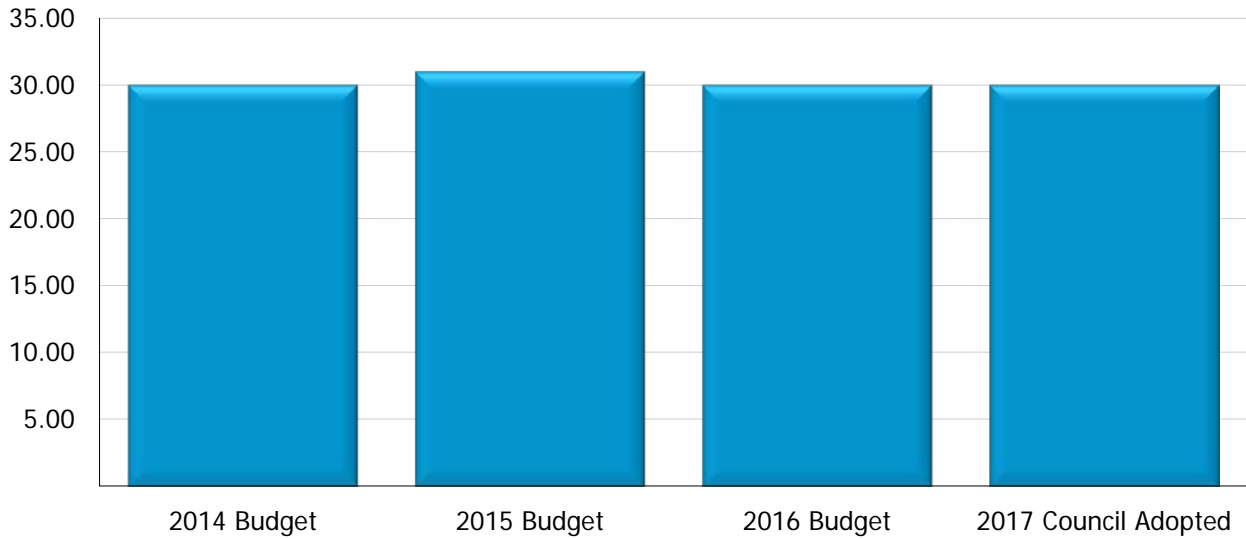


311

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
311	30.00	31.00	30.00	30.00	0.0%	0
Overall	30.00	31.00	30.00	30.00	0.0%	0

Positions 2014-2017



911

MISSION

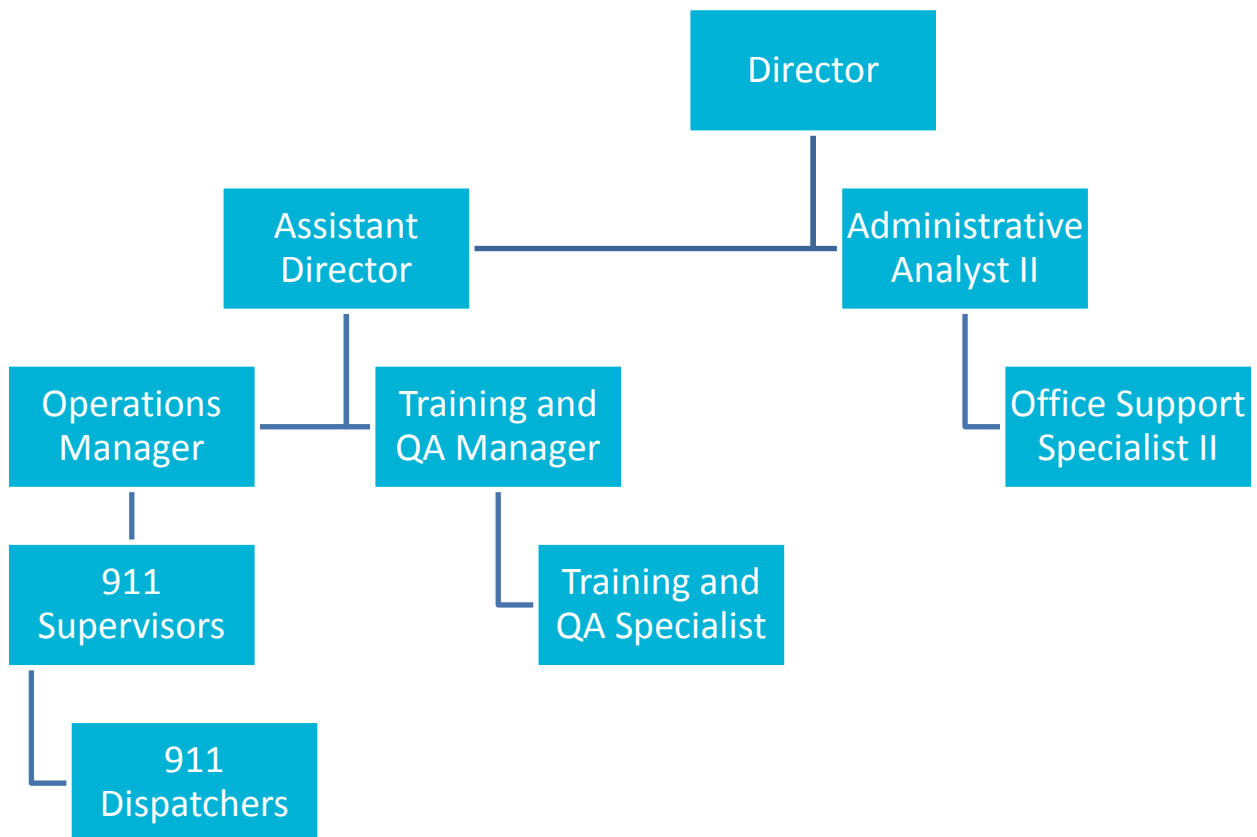
Minneapolis 9-1-1 forms the vital link between the public and the emergency responders. The department strives to collect and disseminate all requests for service in a prompt, courteous, and efficient manner. The department's actions help save lives, protect property and assist the public in their time of need. The department's motto is *"Always here, always ready!"*

BUSINESS LINES

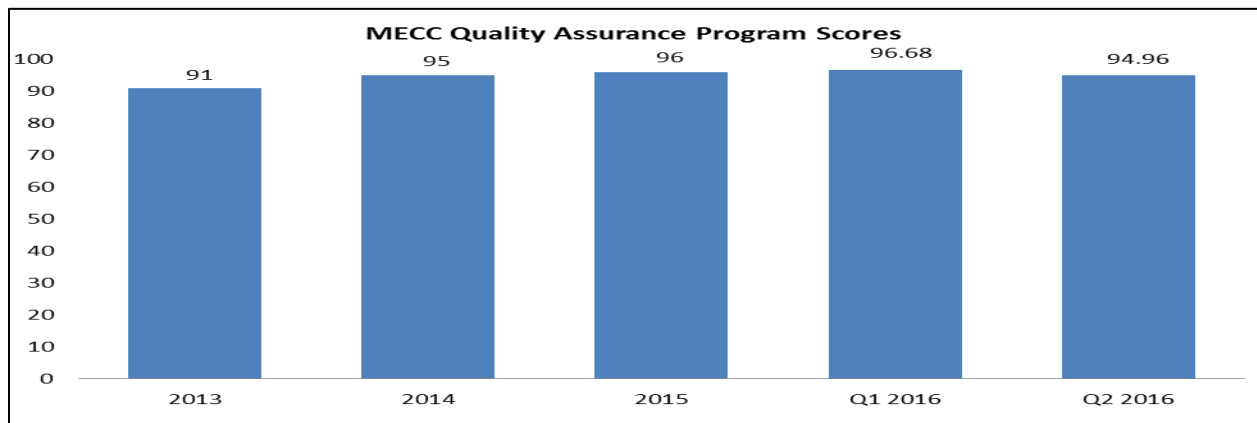
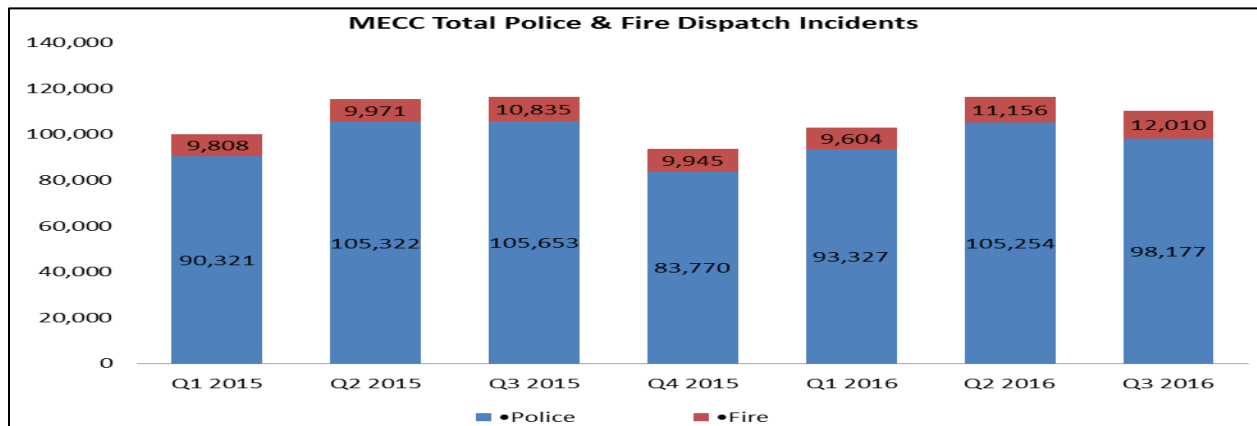
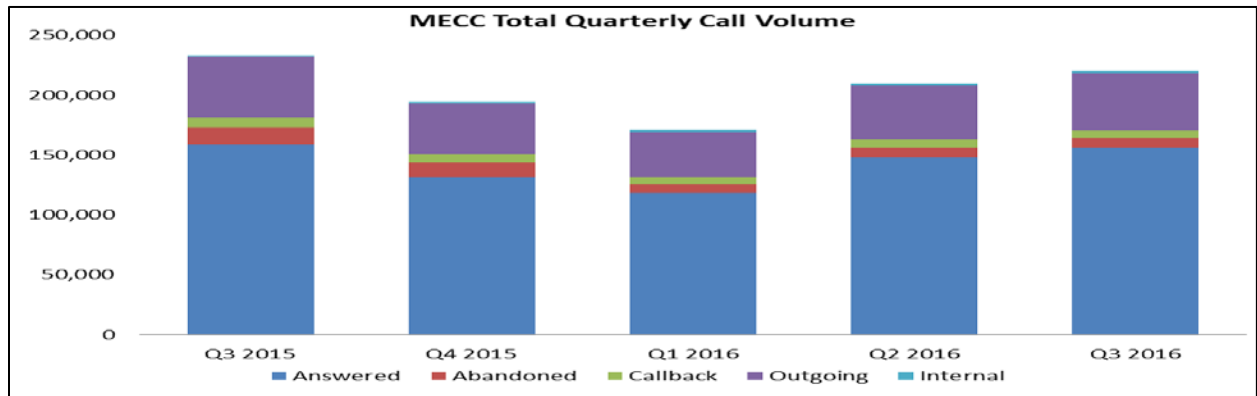
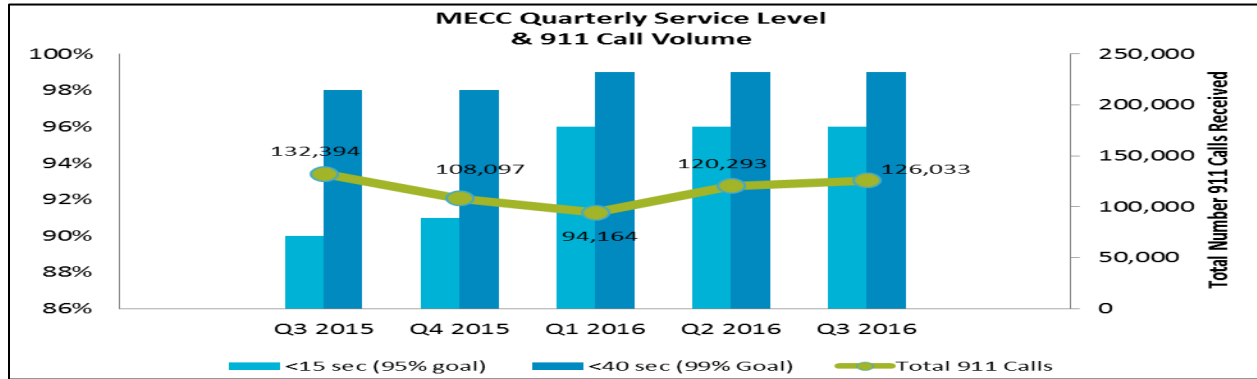
911 Call Handling and Dispatching Operations

911 is the single contact point for emergency services. 911 Department is much more than a call center; it receives, prioritizes, dispatches and manages public safety response throughout the city.

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES



Living Well

911 Call Handling and Dispatch Operations

General Fund: \$9,877,790

Other Funds: \$515,480

911 is the link between the public and emergency public safety response. Professional, supportive and engaged 911 staff receive, prioritize, dispatch and manage public safety response throughout the city. No police car, fire truck or ambulance responds to an emergency in Minneapolis unless the call has first been answered and processed by the 911 department.

Financial Analysis

Expenditure

The total 911 Department's budget increases from \$9.7 million to \$10.4 million from 2016 to 2017. This is an increase of \$666,000, or 6.8% due to inflationary operational expenses, one-time budgetary change items of \$192,000, and \$195,000 in non-capitalized equipment. In 2016, the department administratively reallocated contractual expenditures in Quality Assurance to fund 1.0 FTE (Quality Assurance specialist).

Revenue

The department's projected total revenues – all from State, of \$515,000 in 2017 remain constant with 2016.

Fund Allocation

This department is funded primarily in the General Fund, with the remainder of the department's funding found in the Other Grants fund.

Mayor's Recommended Budget

The Mayor recommended \$192,000 one-time General Fund resources for Protocols Software training - an initiative that will optimize the call taking process ensuring all callers receive the same level of care.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

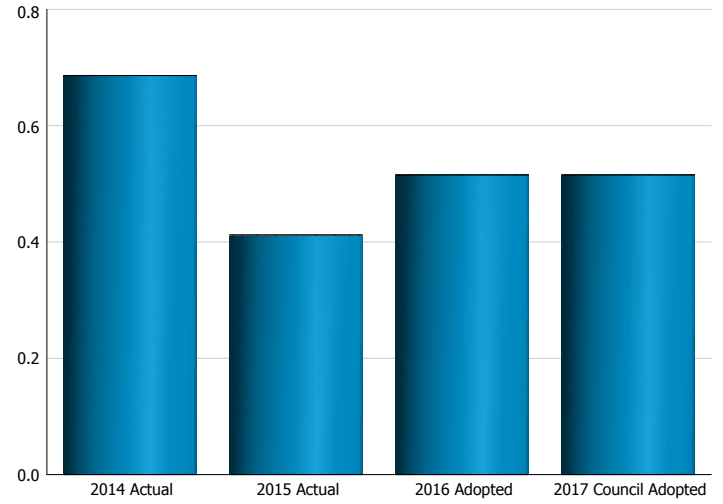
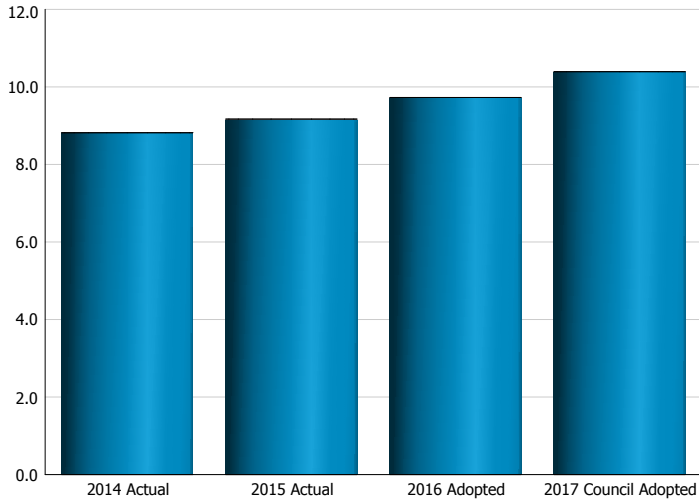
911
EXPENSE AND REVENUE INFORMATION

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	5,177,848	5,496,860	5,710,098	6,073,556	6.4%	363,458
FRINGE BENEFITS	1,886,504	1,880,618	2,316,629	2,326,622	0.4%	9,994
CONTRACTUAL SERVICES	923,251	1,200,821	1,026,644	1,123,888	9.5%	97,244
OPERATING COSTS	144,754	133,396	148,141	148,433	0.2%	292
CAPITAL		47,915	10,626	205,291	1,832.0%	194,665
TOTAL GENERAL	8,132,357	8,759,610	9,212,137	9,877,790	7.2%	665,653
SPECIAL REVENUE						
CONTRACTUAL SERVICES	649,324	389,436	515,480	445,000	-13.7%	(70,480)
OPERATING COSTS	36,635	20,535		70,480		70,480
TOTAL SPECIAL REVENUE	685,959	409,970	515,480	515,480	0	0
TOTAL EXPENSE	8,818,316	9,169,580	9,727,617	10,393,270	6.8%	665,653
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	266	50			0.0%	0
OTHER MISC REVENUES	40				0.0%	0
GENERAL	306	50				0
SPECIAL REVENUE						
CHARGES FOR SERVICES		2,000			0.0%	0
CONTRIBUTIONS		1,974			0.0%	0
INTEREST		1,717			0.0%	0
STATE GOVERNMENT	685,959	406,253	515,480	515,480	0.0%	0
SPECIAL REVENUE	685,959	411,944	515,480	515,480	0.0%	0
TOTAL REVENUE	686,265	411,994	515,480	515,480	0	

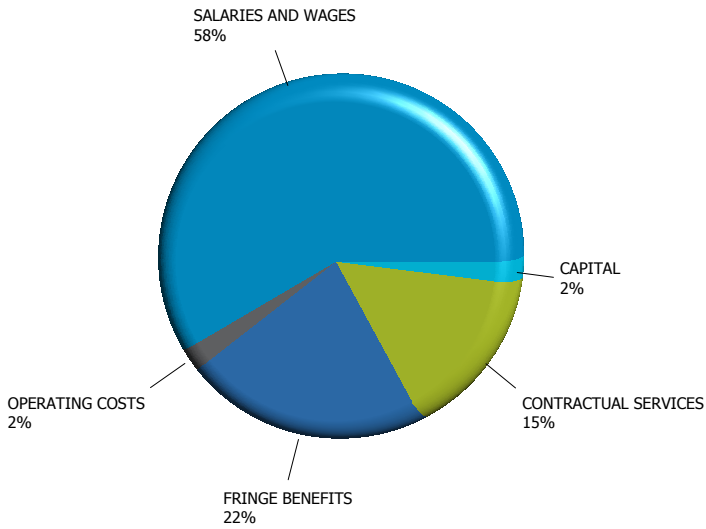
EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



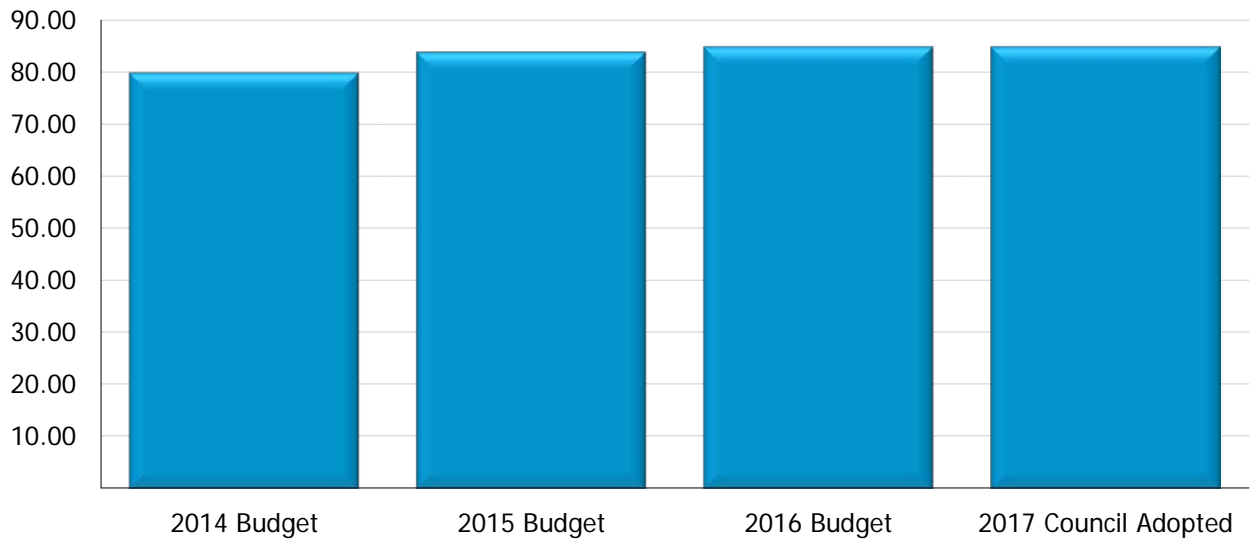
Expense by Category



911 Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
911	80.00	84.00	85.00	85.00	0.0%	0
Overall	80.00	84.00	85.00	85.00	0.0%	0

Positions 2014-2017

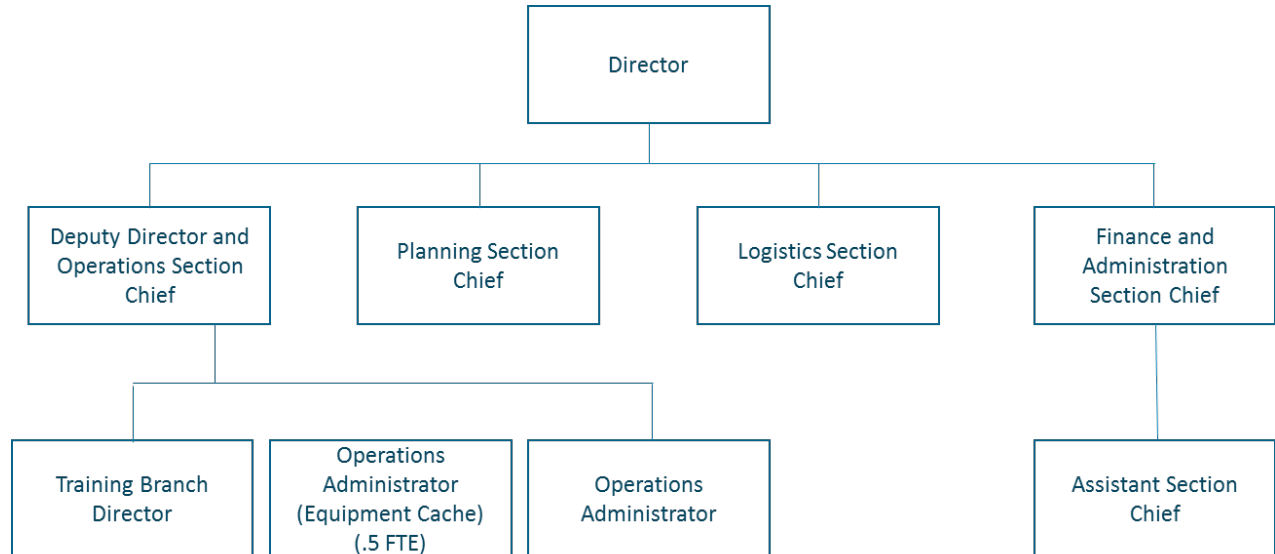


OFFICE OF EMERGENCY MANAGEMENT

MISSION

The Office of Emergency Management (OEM) protects the people who live, work and play in the City of Minneapolis, the State and Nation by building, sustaining and improving the department's capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural or man-made and acts of terrorism.

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES

The Office of Emergency Management measures its performance against the National Fire Protection Standard 1600 and compliance with organizational mandates. Emergency Management also aligns itself with the Coordinator's goals of being collaborative, transformative, and results driven.

Living Well

Office of Emergency Management

General Fund: \$1,204,900
Other Funds: \$1,000,000

The Office of Emergency Management protects the people who live, work and play in the City of Minneapolis, the State and Nation by building, sustaining and improving our capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural, man-made or acts of terrorism. As an enterprise office, the OEM serves other City departments in external emergency management and internal continuity of operations. In order to accomplish its mission, OEM partners with other local, regional, state and federal government as well as the non-profit and private sectors. OEM functions are mandated by Minnesota Statutes as well as Minneapolis Ordinances.

Financial Analysis

Expenditure

The total Emergency Management Department's budget increases from \$1.8 million to \$2.2 million from 2016 to 2017. This is an increase of \$392,000, or 21.6% due to inflationary increases in operating expenses and budgetary change items of \$250,000 million in non-capitalized equipment. Department's total FTE count of 8.5 includes 2.0 FTE that were administratively added in 2016.

Revenue

The department's projected total revenues of 1.0 million in 2017 remain the same as in 2016.

Fund Allocation

This department is partially funded by the General Fund (54.5%), with the remainder of the department's funding found in the Special Revenue grant funds (45.5%).

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

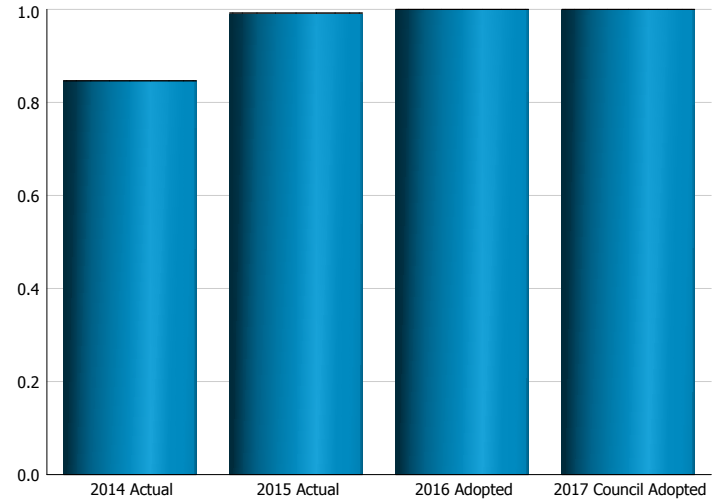
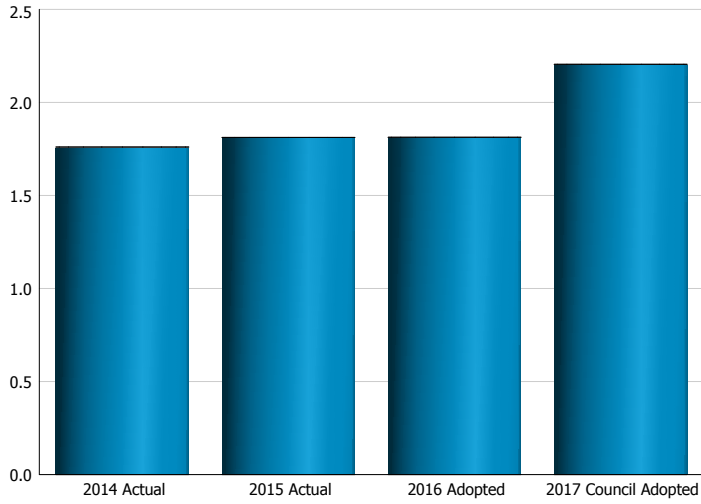
**EMERGENCY MANAGEMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	215,336	335,475	386,970	395,661	2.2%	8,691
FRINGE BENEFITS	65,968	95,198	106,942	128,418	20.1%	21,476
CONTRACTUAL SERVICES	249,367	261,644	268,198	380,637	41.9%	112,439
OPERATING COSTS	36,837	70,030	50,630	50,184	-0.9%	(446)
CAPITAL	296,518	4,885		250,000		250,000
TOTAL GENERAL	864,025	767,233	812,740	1,204,900	48.3%	392,160
SPECIAL REVENUE						
SALARIES AND WAGES	182,668	272,146	225,011	417,554	85.6%	192,542
FRINGE BENEFITS	38,852	50,866	77,617	138,248	78.1%	60,631
CONTRACTUAL SERVICES	446,288	257,667	436,000	192,156	-55.9%	(243,844)
OPERATING COSTS	228,395	280,912				0
CAPITAL		183,061	261,372	252,042	-3.6%	(9,330)
TOTAL SPECIAL REVENUE	896,203	1,044,651	1,000,000	1,000,000	0.0%	0
TOTAL EXPENSE	1,760,228	1,811,884	1,812,740	2,204,899	21.6%	392,159
REVENUE						
SPECIAL REVENUE						
CONTRIBUTIONS	(49,000)				0.0%	0
FEDERAL GOVERNMENT	895,535	1,042,113	1,000,000	1,000,000	0.0%	0
LOCAL GOVERNMENT		(50,000)			0.0%	0
SPECIAL REVENUE	846,535	992,113	1,000,000	1,000,000	0.0%	0
TOTAL REVENUE	846,535	992,113	1,000,000	1,000,000	0	

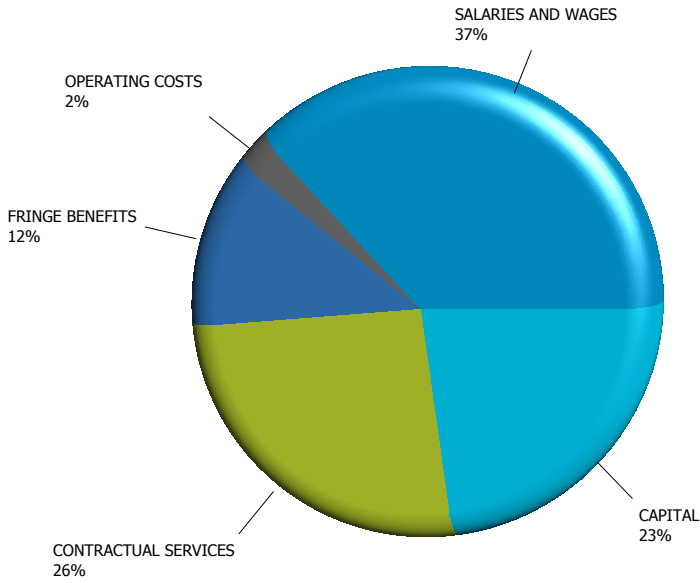
EMERGENCY MANAGEMENT EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



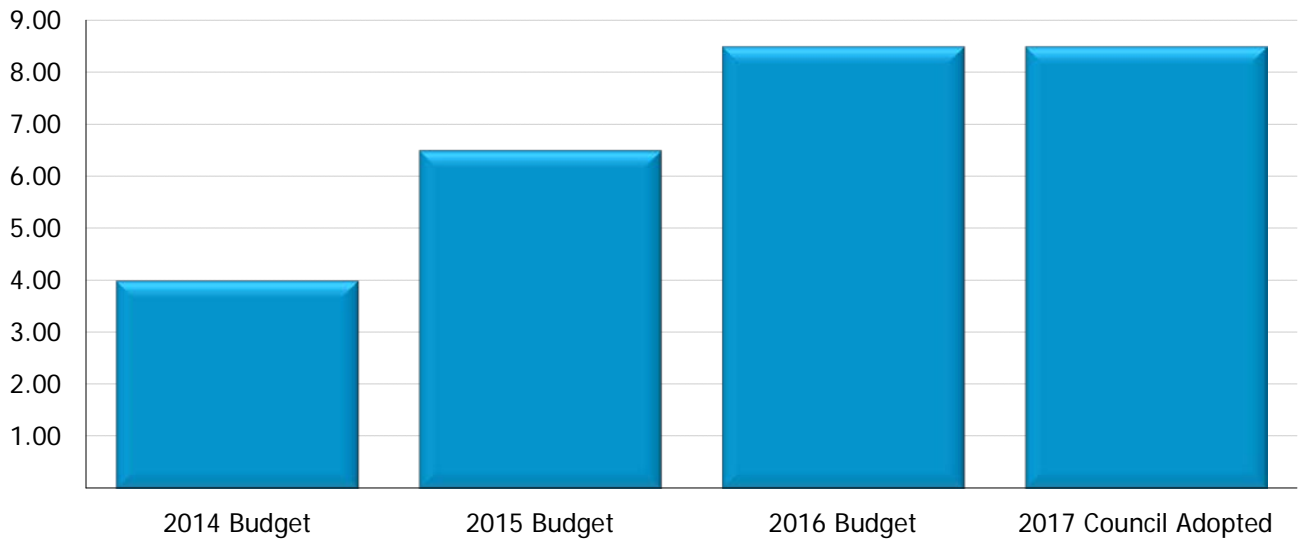
Expense by Category



EMERGENCY MANAGEMENT Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
EMERGENCY MANGEMENT	4.00	6.50	8.50	8.50	0.0%	0
Overall	4.00	6.50	8.50	8.50	0.0%	0

Positions 2014-2017



COMMUNICATIONS DEPARTMENT

MISSION

To actively communicate City government news and information to the public, so people who live, work and play in Minneapolis understand and benefit from the work the City does and know how to engage in the governing process.

BUSINESS LINES

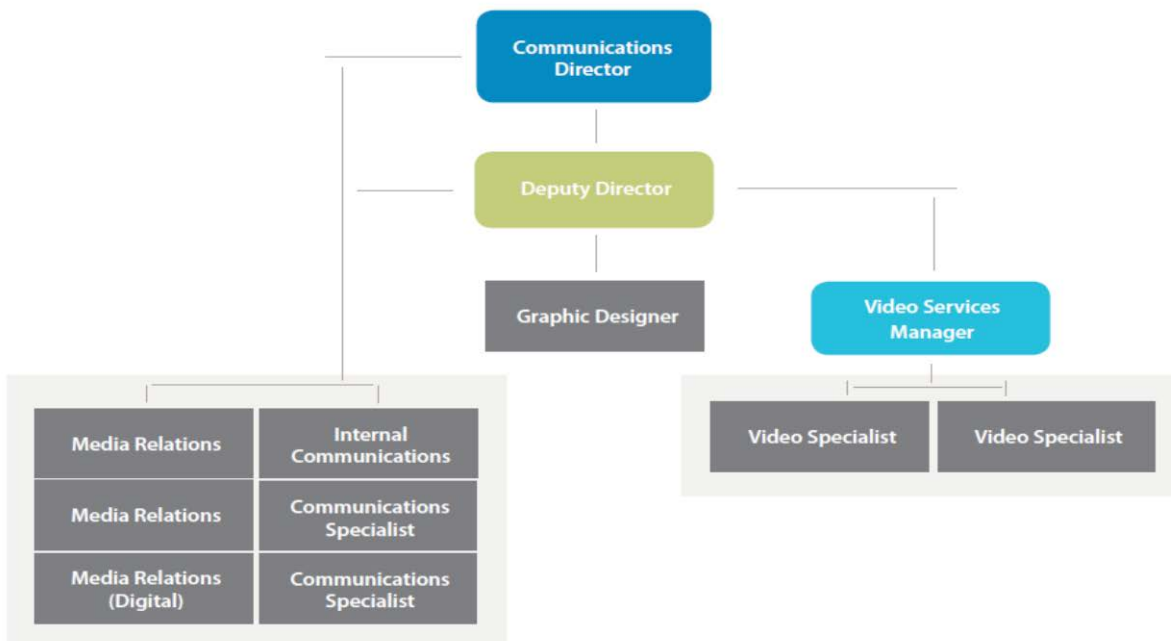
- **Lead external and internal communications planning and execution for the City which includes managing communications challenges and opportunities.**

Communications staff provides strategic communications support for the City. This includes media relations, strategic communications, internal communications, crisis communications, social media, video and graphic design. Communications produces live broadcasts and web streaming of government meetings and manages the City's government access television channels.

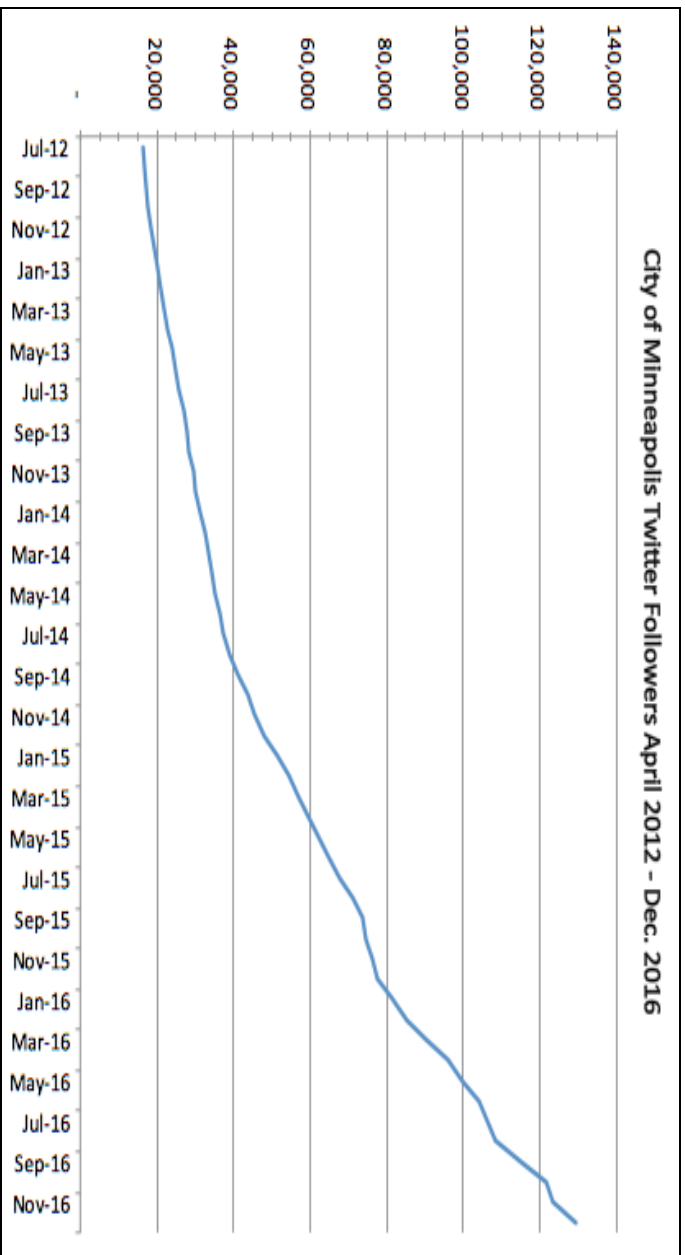
- **Manage the City's cable franchises and public access television contract**

Communications manages the City's cable franchises and oversees the contract for public access television service through Minneapolis Telecommunications Network (MTN).

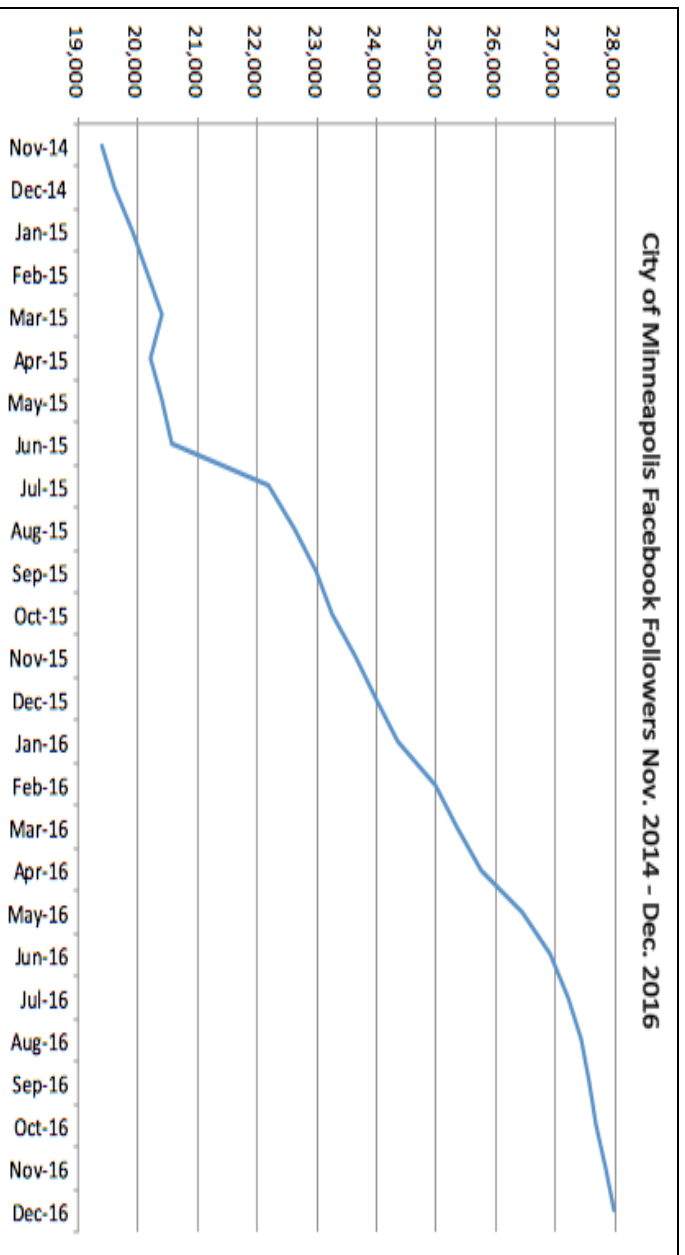
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES



Twitter: @CityMinneapolis, 122K followers, (56.7% increase since Dec. 2015), 2016 Impressions: 3,044,000



Facebook: City of Minneapolis Government, 27.6K followers, (14% increase since Dec. 2015), 2016 Impressions: 3,197,320

A City That Works

Enterprise Communications

General Fund: \$1,781,204

The Communications Department drives strategic proactive and reactive communications plans and strategies and provides communications support to City departments so the people of Minneapolis are aware of and have access to City news, information and services. The department's core work includes: media relations, crisis communications, social media, web content, internal communications, video production and graphic design. Communications also produces live and rebroadcast City government meetings and manages the government access TV channels. In addition, Communications oversees the City's cable TV franchises with Comcast and Century Link, and the contract with the Minneapolis Telecommunications Network (MTN) for public access services.

One Minneapolis

Public Access TV

General Fund: \$472,496

This is direct funding through a contract with Minneapolis Telecommunications Network (MTN) to operate the City's public access TV channels and provide the public with access to television broadcast equipment, training and airtime. MTN serves diverse populations by providing access to all City residents including those who produce programs in languages other than English.

Financial Analysis

Expenditure

The total Communications Department's budget increases from \$2.2 million to \$2.3 million from 2016 to 2017. This is an increase of \$17,000, or 0.8% due to inflationary increases in operational expenses and \$50,000 in non-capitalized equipment in 2017 being partially offset by elimination of one-time non-capitalized equipment expenditure in 2016.

Revenue

Revenues are projected to increase by 31.7% in this department due to an increase in PEG fees from cable subscribers. The department's total revenues in 2017 are projected to be \$1.3 million.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended \$70,000 ongoing General Fund resources for Council Core Communications support.

Council Adopted Budget

The City Council amended the Mayor's recommendations by reducing on a one-time basis the \$70,000 increased appropriation to the Communications Department as proposed in the Mayor's Recommended Budget, and using the funds for an additional FTE in small business support team in City Coordinators Office.

The City Council also directed the staff to:

In collaboration with Civil Rights and City Coordinator's departments including Neighborhood and Community Relations and Intergovernmental Relations, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

In collaboration with the Office of City Clerk and City Coordinator's departments including Neighborhood and Community Relations, and Finance and Property Services, develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.
- Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
- Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
- Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
- Sample calendar of an annual participatory budgeting process.
- Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
- Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.

**COMMUNICATIONS
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	795,223	751,890	881,348	936,825	6.3%	55,477
FRINGE BENEFITS	281,996	261,099	343,496	343,015	-0.1%	(481)
CONTRACTUAL SERVICES	806,956	848,957	790,431	822,107	4.0%	31,676
OPERATING COSTS	105,011	98,688	101,547	101,753	0.2%	206
CAPITAL	176,783	130,201	119,996	50,000	-58.3%	(69,996)
TOTAL GENERAL	2,165,970	2,090,834	2,236,818	2,253,700	0.8%	16,882

TOTAL EXPENSE	2,165,970	2,090,834	2,236,818	2,253,700	0.8%	16,882
----------------------	------------------	------------------	------------------	------------------	-------------	---------------

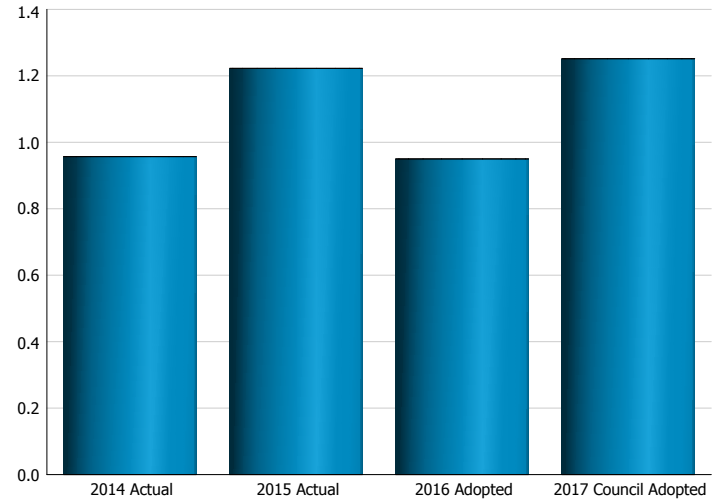
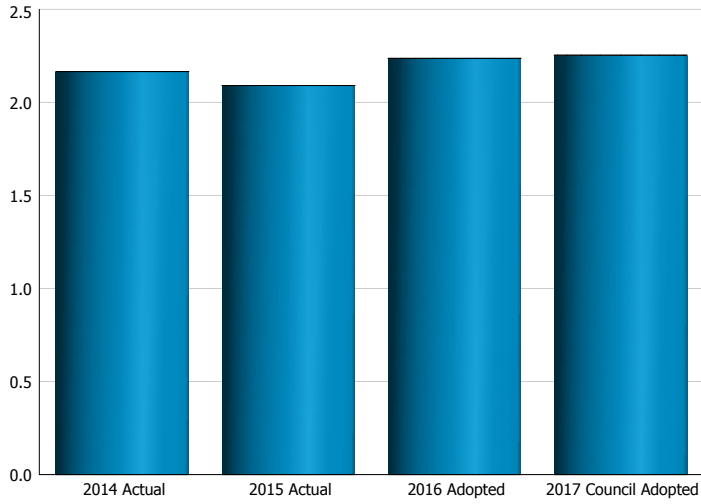
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	1,664	1,596		1,600	0.0%	1,600
CHARGES FOR SERVICES		45			0.0%	0
FRANCHISE FEES	955,080	1,220,393	950,000	1,250,000	31.6%	300,000
RENTS	190	494			0.0%	0
GENERAL	956,934	1,222,529	950,000	1,251,600	31.7%	301,600

TOTAL REVENUE	956,934	1,222,529	950,000	1,251,600	31.7%	301,600
----------------------	----------------	------------------	----------------	------------------	--------------	----------------

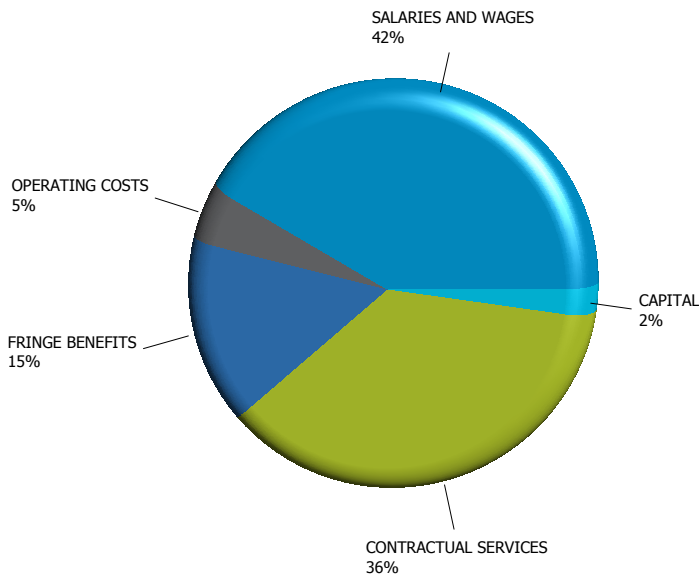
COMMUNICATIONS EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

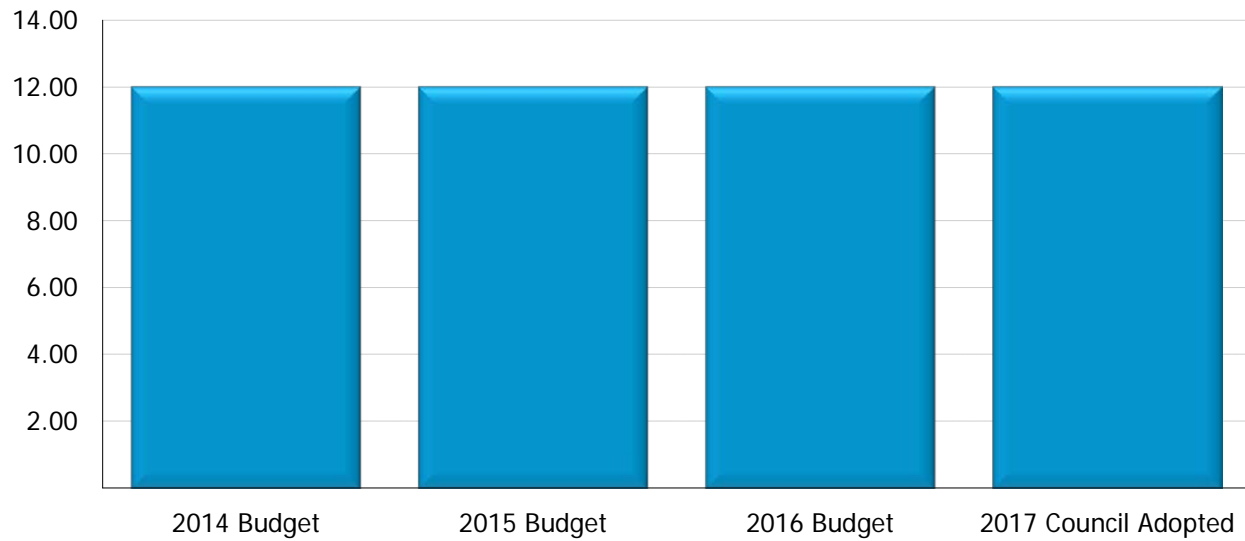


COMMUNICATIONS

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
COMMUNICATIONS	12.00	12.00	12.00	12.00	0.0%	0
Overall	12.00	12.00	12.00	12.00	0.0%	0

Positions 2014-2017



MINNEAPOLIS CONVENTION CENTER

MISSION

The Minneapolis Convention Center will be the best Convention Center by providing an exceptional facility, outstanding internal and external customer service, and responsible use of our resources.

BUSINESS LINES

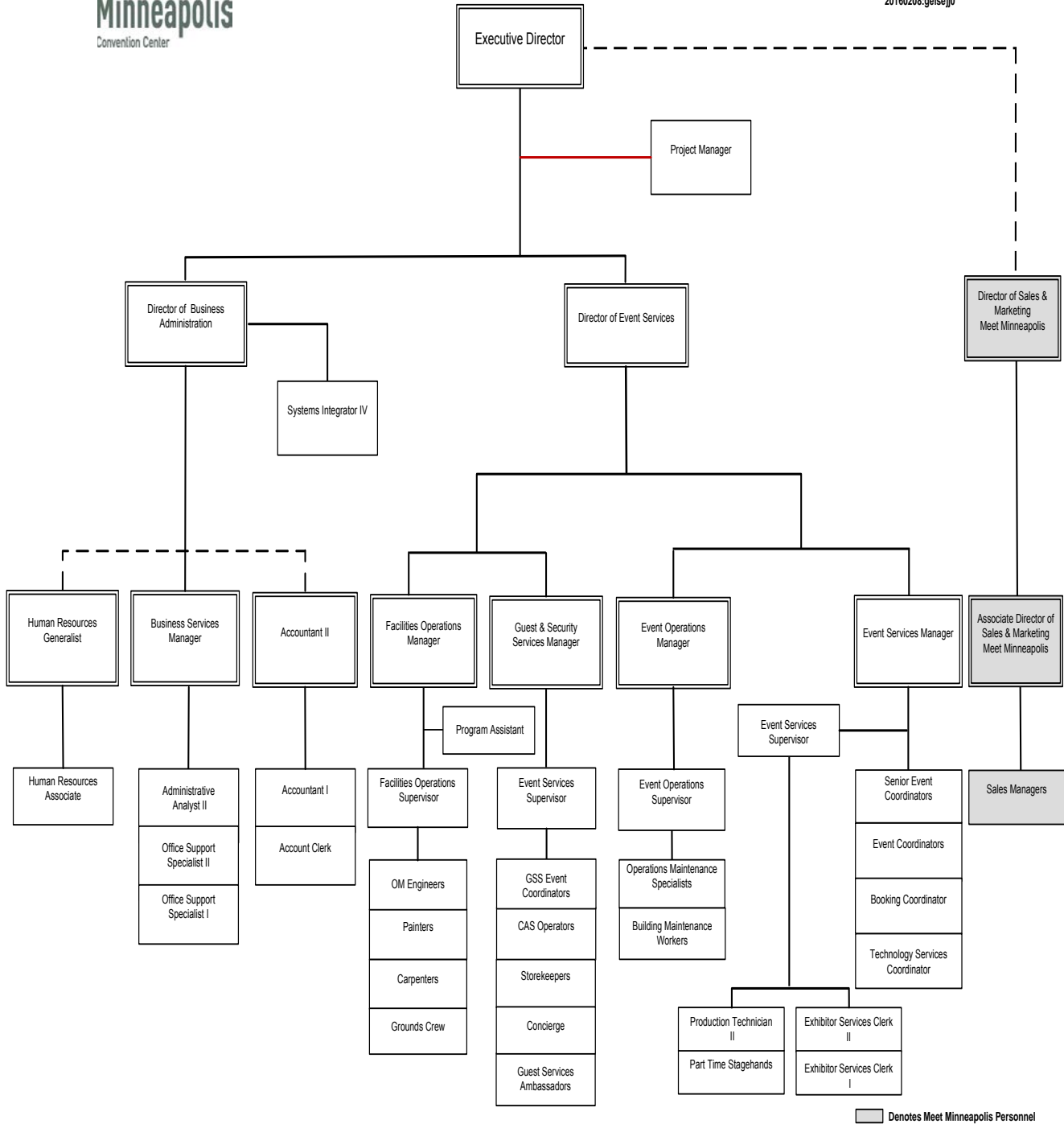
- **Event Services** is responsible for providing an exceptional product through the coordination of both in-house departments and contracted services for these major event activities: Event Services, Event Operations, Custodial Operations, Guest Services, Parking and Marshalling operations, Safety & Security, and Technology Services. These business units work to address the areas of production, set-up, event coordination, and other client needs.
- **Facility Services** ensures that sufficient building, and capital resources are available to maintain a world-class facility for our customers. Proper maintenance, contract management, and capital planning are keys to maintaining a world-class facility. Facility Services coordinates the areas of building and grounds maintenance, and capital project planning and management.
- **Sales and Marketing Services** provide the first point of contact for all business. This group is responsible for providing information about the facility, identifying and attracting events, maintaining relationships, and gathering data on how the MCC serves customers. The majority of these services are provided through our partnership with Meet Minneapolis, in coordination with the Convention Center's Executive Management Team.
- **Business and Employee Services** addresses the need for depth and sophistication of the business reporting requirements for our Executive Management Team and stakeholders, as well as responds to employee relations and employee development needs. We recognize that the labor force at the Convention Center must be fully developed, fully utilized, and fully recognized in order to move us to the next level of superior customer service.

ORGANIZATION CHART

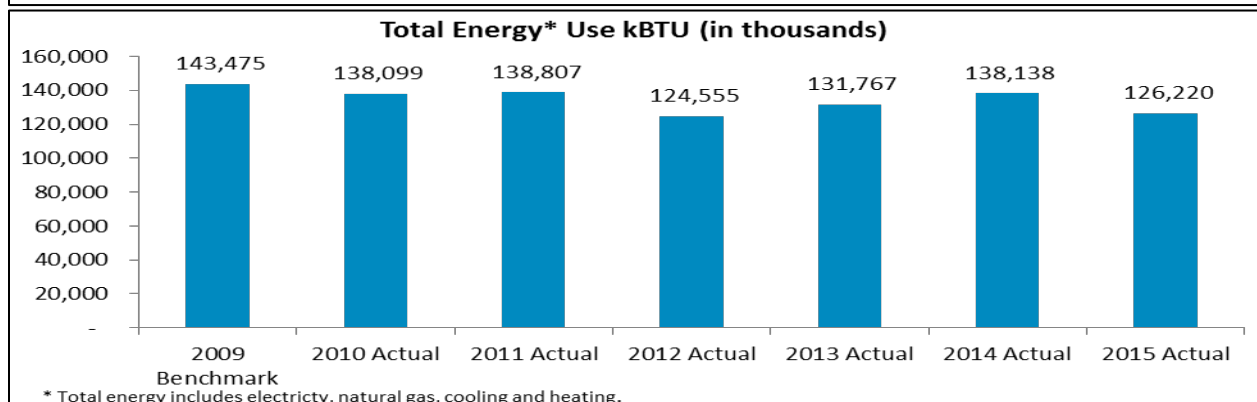
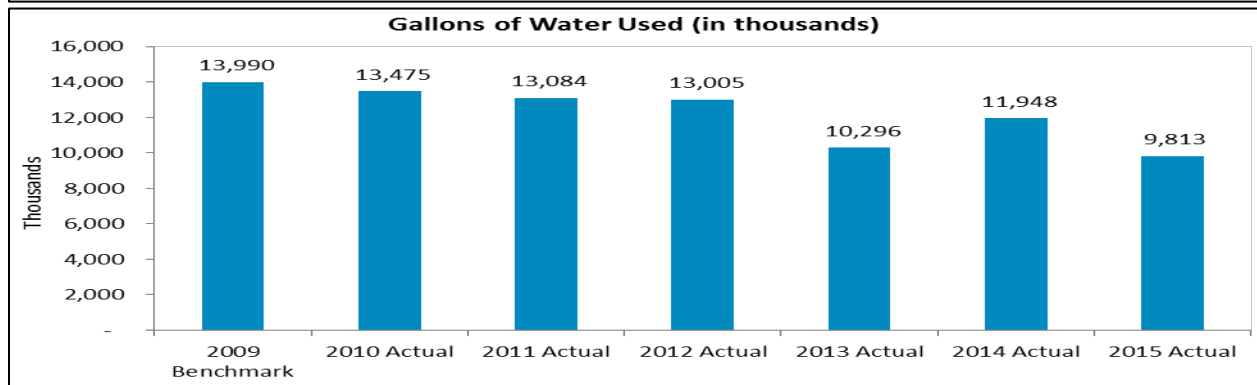
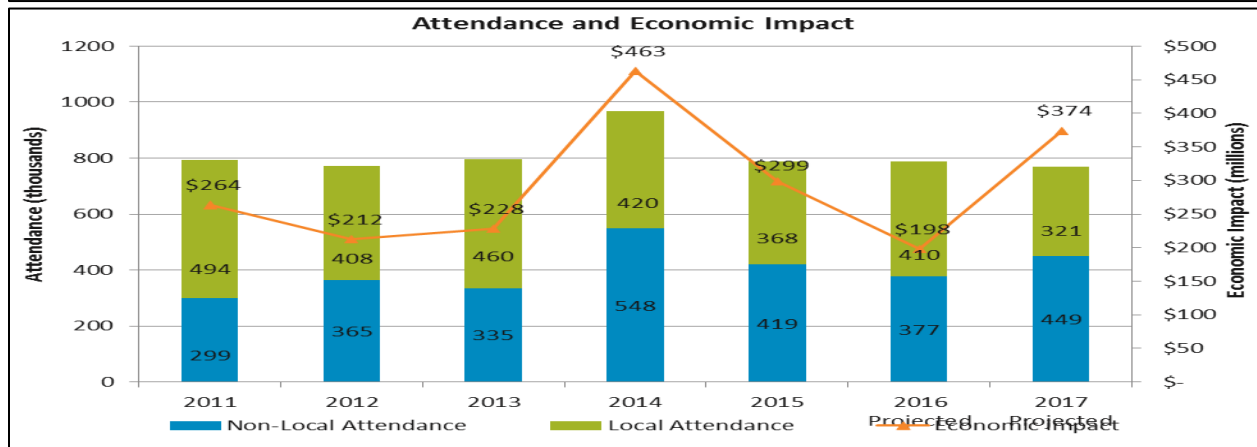
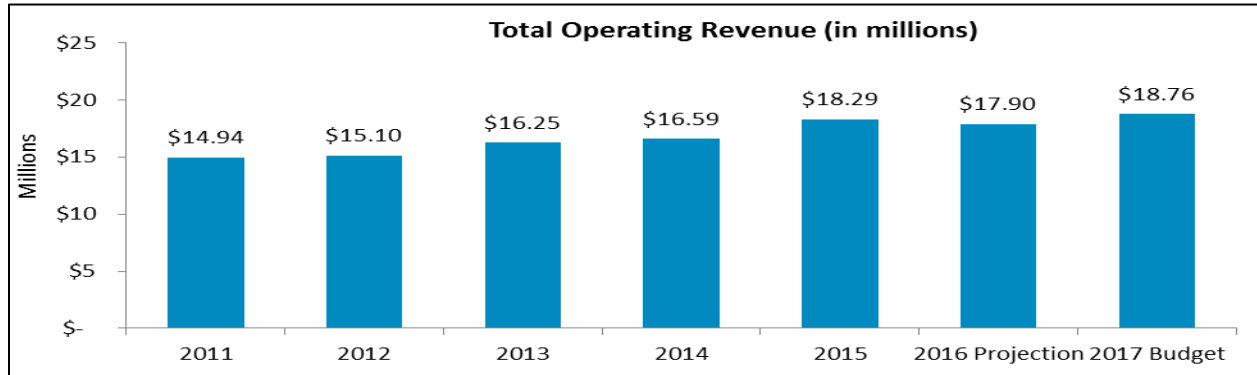


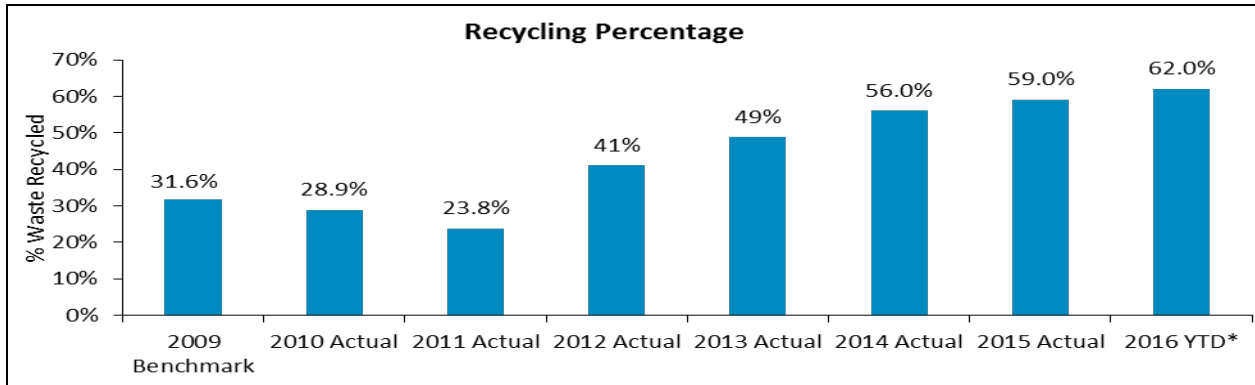
Minneapolis Convention Center Organization Chart

February 8, 2016
20160208:geisej0



SELECTED RESULTS MINNEAPOLIS MEASURES





A Hub of Economic Activity and Innovation

Minneapolis Convention Center Events Program

Other Fund: \$25,385,570

The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utilities, security and guest services to international, national, regional, state and local clients and their attendees. This program also includes the City's contract with Meet Minneapolis, which provides sales and marketing services for the convention center as well as destination marketing for the City of Minneapolis.

Convention Center events drive economic impact to the City as these clients and their attendees purchase goods and services from the convention center as well as local businesses (hotels, restaurants, retail, recreational, arts) contributing to a vibrant downtown. Meet Minneapolis also pursues leisure travelers and sponsorship opportunities.

Minneapolis Convention Center Facilities

Other Fund: \$21,416,856

The Convention Center Facility Program provides the physical building and grounds of the Convention Center as well as the staff to maintain this City asset. The Events Program utilizes the facility to sell and host events. The Facilities Program includes repair and maintenance expenditures.

Minneapolis Convention Center Tallmadge Building

Other Fund: \$90,000

The Convention Center Tallmadge Building is currently operated as an office building that is leased to local businesses. In 2017, the future of the Tallmadge Building will be evaluated and decided upon. All lease contracts are set to expire in 2017. Significant improvements are needed to the Tallmadge Building.

Target Center

Other Fund: \$6,893,560

The Target Center program provides an operator reimbursement and capital funds for this City-owned facility through a contractual agreement with its operator, AEG.

FINANCIAL ANALYSIS

Expenditure

For 2017, the Convention Center Department's budget is \$53.8 million, a decrease of 1.5% from the 2016 budget of \$54.6 million.

Revenue

Revenues are projected to increase by 76.7% in this department due to an increase in funding for capital projects. The department's total revenues in 2017 are projected to be \$44.6 million as compared to \$25.2 million in the 2016 budget.

Fund Allocation

This department is funded primarily in the Convention Center and Arena Funds and from funds transferred from the General Fund.

Mayor's Recommended Budget

The Mayor recommended using the fund balance in the Convention Center fund in the amount of \$114,000 in ongoing funding to add a technology services coordinator (1.0 FTE). The Mayor also recommended using fund balance in the Convention Center fund on a one-time basis in the amounts of \$300,000 for enhanced target marketing, \$500,000 for sales initiatives for major events, and \$200,000 for customer experience and major events.

Council Adopted Budget

The City Council amended the Mayor's recommendations by reducing on a one-time basis \$250,000 for enhanced target marketing.

The City Council also directed the staff to report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:

- A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
- Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
- Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant

operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.

- This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
- The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

**CONVENTION CENTER
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	9,320,984	9,611,992	9,719,963	10,337,837	6.4%	617,874
FRINGE BENEFITS	3,501,416	3,432,697	4,552,752	4,534,600	-0.4%	(18,152)
CONTRACTUAL SERVICES	22,176,404	21,639,180	21,876,014	23,335,507	6.7%	1,459,493
OPERATING COSTS	1,477,674	1,470,689	1,476,301	1,505,523	2.0%	29,222
CAPITAL	11,842,646	10,877,279	16,986,049	14,072,519	-17.2%	(2,913,530)
TOTAL SPECIAL REVENUE	48,319,123	47,031,838	54,611,080	53,785,986	-1.5%	(825,094)

TOTAL EXPENSE	48,319,123	47,031,838	54,611,080	53,785,986	-1.5%	(825,094)
----------------------	-------------------	-------------------	-------------------	-------------------	--------------	------------------

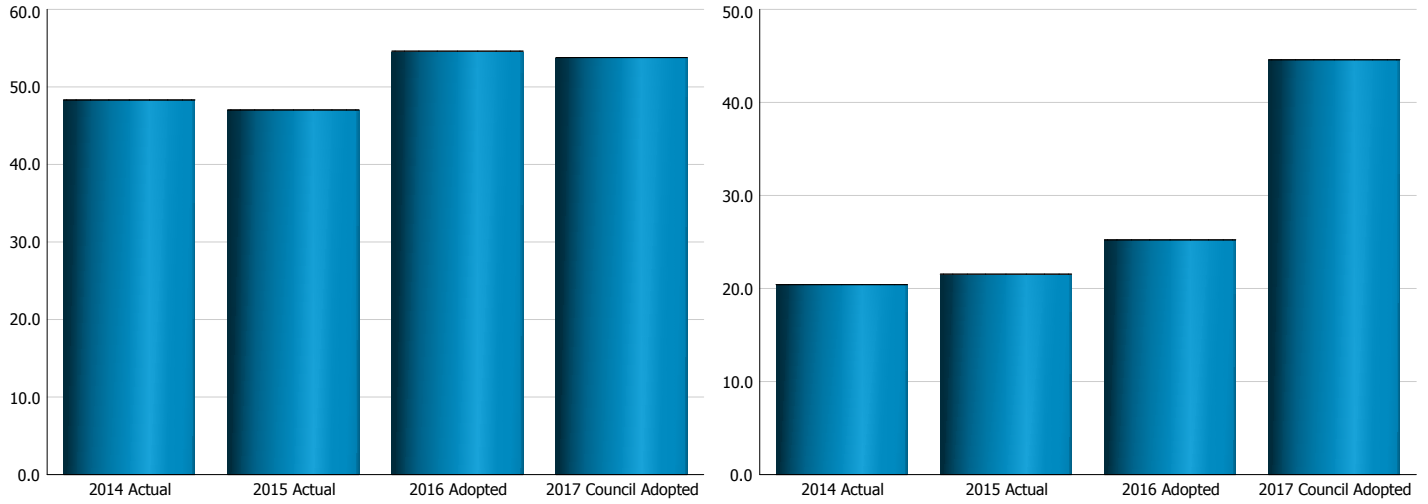
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES		742			0.0%	0
CHARGES FOR SERVICES	6,048,044	6,523,029	6,000,000	6,700,000	11.7%	700,000
CONTRIBUTIONS		98,750			0.0%	0
INTEREST	214,631	164,130	113,628	75,753	-33.3%	(37,875)
OTHER MISC REVENUES	3,973,399	3,959,645	3,500,000	4,222,000	20.6%	722,000
RENTS	8,202,829	9,213,203	8,547,000	9,268,631	8.4%	721,631
SALES AND OTHER TAXES	1,976,384	1,580,438	1,394,000	1,270,000	-8.9%	(124,000)
USE OF FUND BALANCE			5,672,939	23,050,952	306.3%	17,378,013
SPECIAL REVENUE	20,415,287	21,539,938	25,227,567	44,587,336	76.7%	19,359,769

TOTAL REVENUE	20,415,287	21,539,938	25,227,567	44,587,336	76.7%	19,359,769
----------------------	-------------------	-------------------	-------------------	-------------------	--------------	-------------------

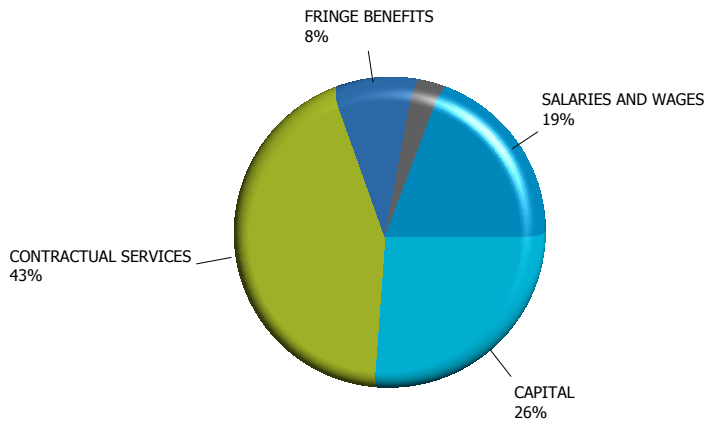
CONVENTION CENTER EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



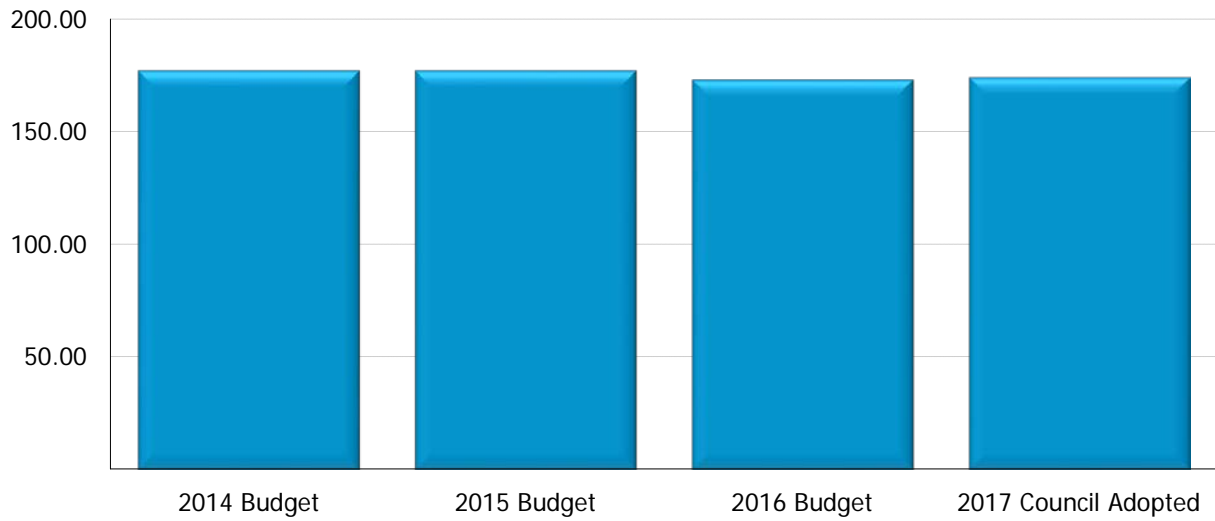
Expense by Category



CONVENTION CENTER Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
CONVENTION CENTER	177.30	176.30	172.10	173.10	0.6%	1.00
TARGET CENTER		1.00	1.20	1.20	0.0%	0
Overall	177.30	177.30	173.30	174.30	0.6%	1.00

Positions 2014-2017



FINANCE & PROPERTY SERVICES DEPARTMENT

MISSION

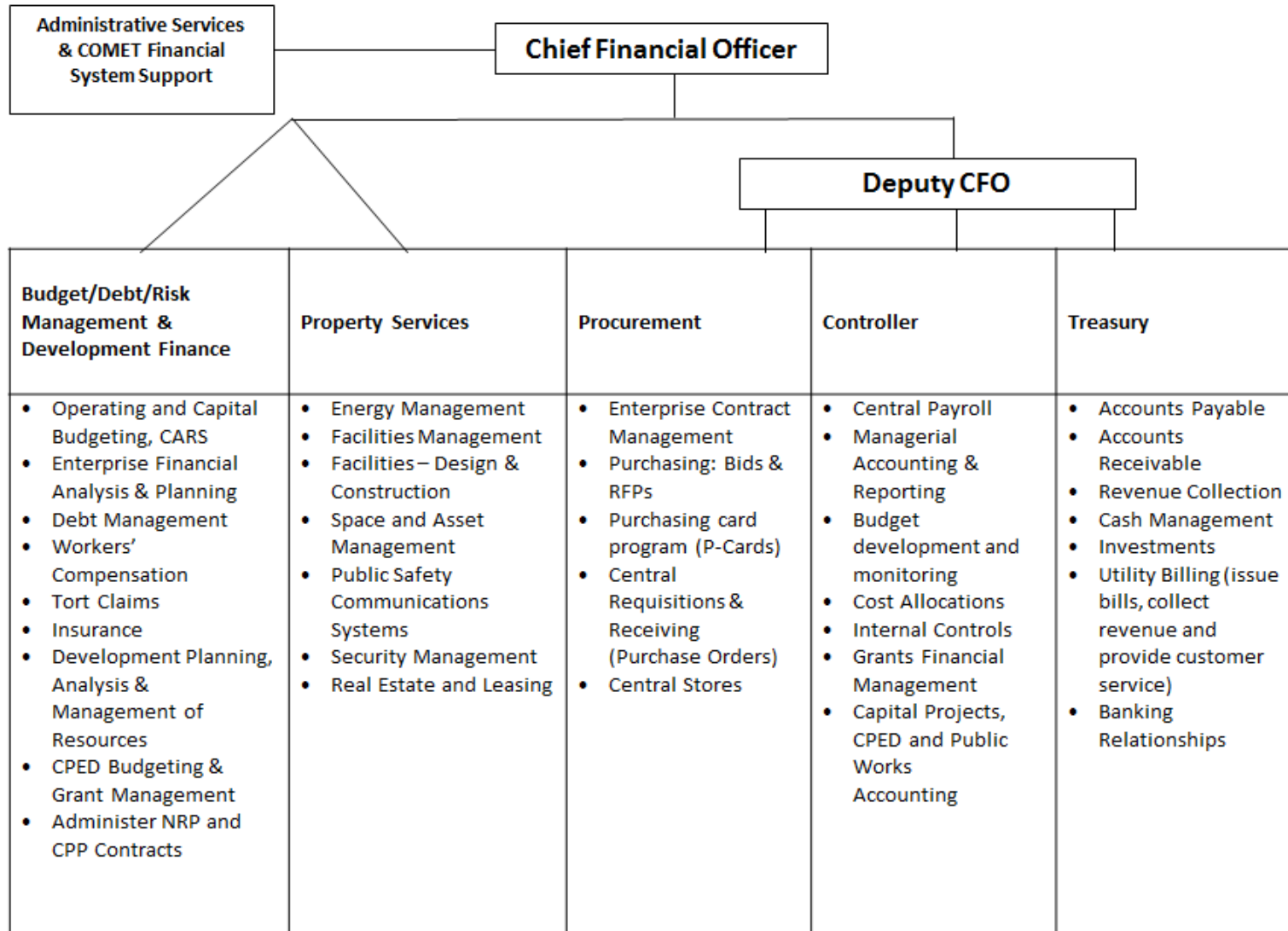
Provide essential financial, resource and asset management services, and engage Enterprise partners in decision-making to uphold the City's lasting vibrancy and strength.

BUSINESS LINES

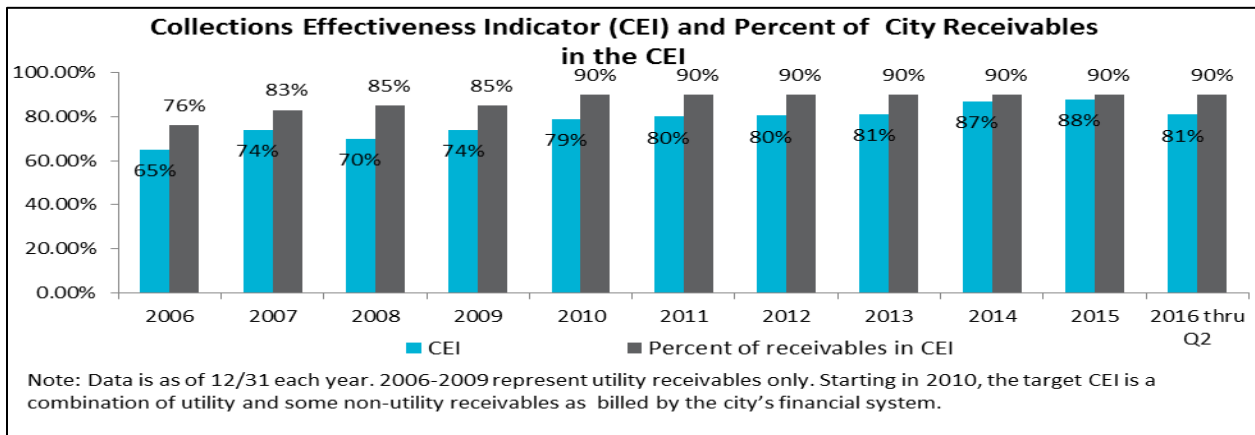
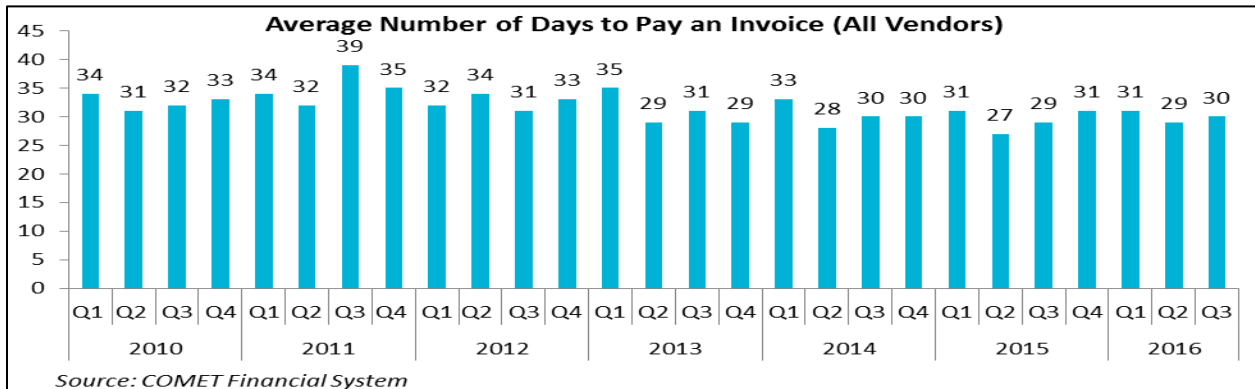
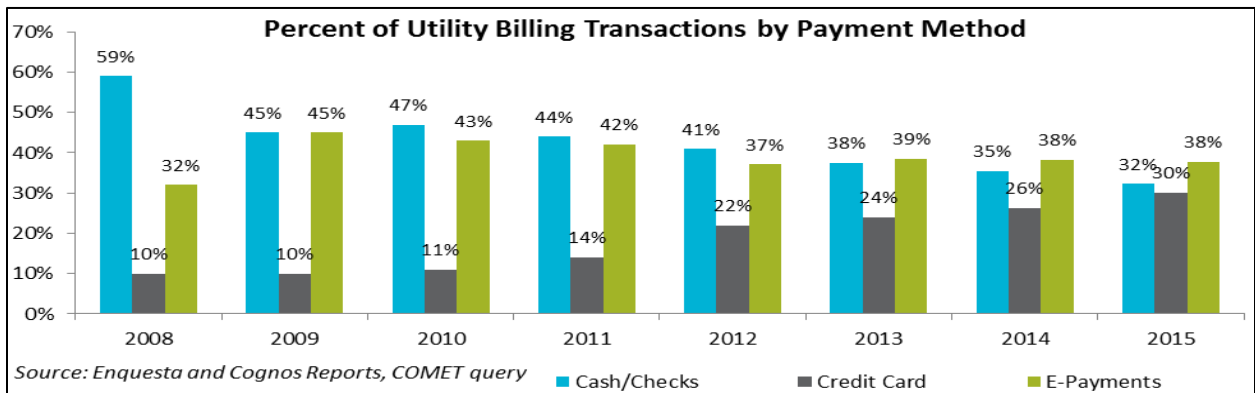
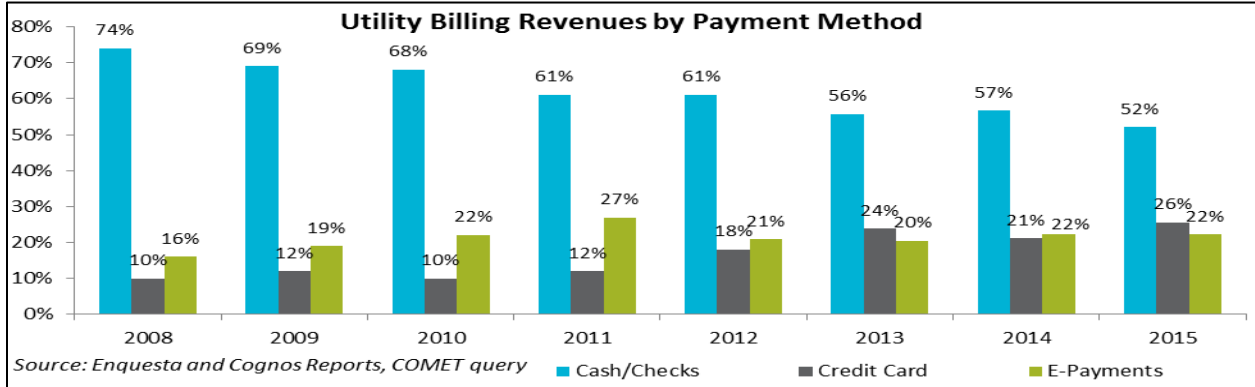
- **ACCOUNTING AND FINANCIAL REPORTING** – monitor and report department revenues and expenditures to managers and policy-makers; prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR); respond to internal and external audits; design and administer rate models that allocate shared costs for internal services; assist managers during the annual budget process; and provide functional support of COMPASS; provide services to City departments that receive grants by tracking and monitoring grant-related revenues and expenses, and reporting this information to grantors so the City remains in compliance and continues to receive and preserve the authority to expend these funds; and provide financial analyses and pertinent information necessary to support City development decisions and investment intended to stimulate tax base growth, job creation/retention and the production of new housing units.
- **BUY, ORDER AND PAY FOR GOODS AND SERVICES** – facilitate the purchase of goods and services on the most favorable terms according to state law and City policies; assure contracts are consistent with good business practices and City policies; create requisitions for goods and services, issue purchase orders, document receipt of goods and services, and pay vendors.
- **ERP APPLICATION AND SYSTEM FUNCTIONAL SUPPORT** – this information technology system also known as COMPASS is used to provide information on the City's financial resources to include tracking of financial transactions on a daily, monthly and annual basis, maintaining historical records and details on how each employee is paid and where their time should be charged and recording contractual information, approvals for purchases, quantity, type and price of goods and services purchased, the department making the purchase, and the financial coding to which charges should be applied.
- **FACILITIES, ENERGY AND SECURITY MANAGEMENT** -- comprehensively and strategically provide for the land, facility, and furnishing needs of City owned, operated and leased facilities through various activities including preventive maintenance and corrective maintenance, routine cleaning and maintenance, construction, tenant improvements, space and asset management, and security and life safety needs. Further provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions.
- **INVESTING, CASH MANAGEMENT AND RECEIPTING** – invest City funds, monitor bank accounts and cash balances, make electronic fund transfers and payments, and bill and collect revenue for utilities and do citywide receivable work. Issue monthly utility bills that include charges for water, sanitary sewer, stormwater and solid waste.

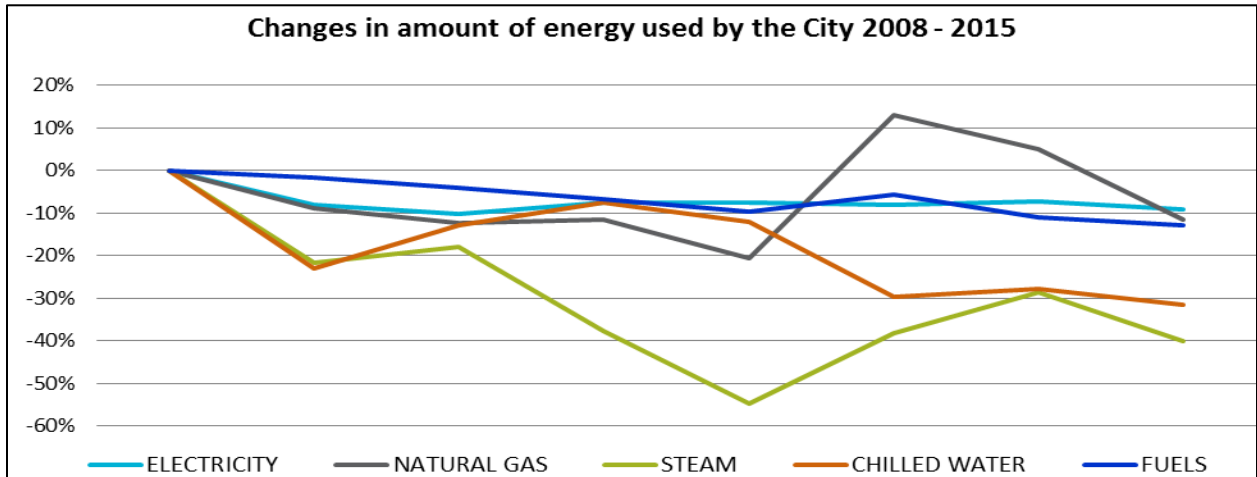
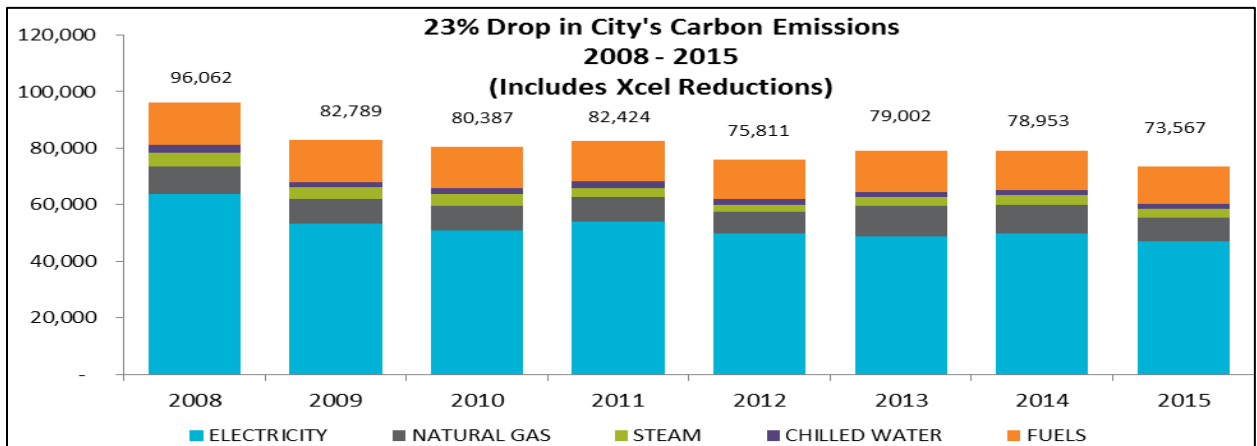
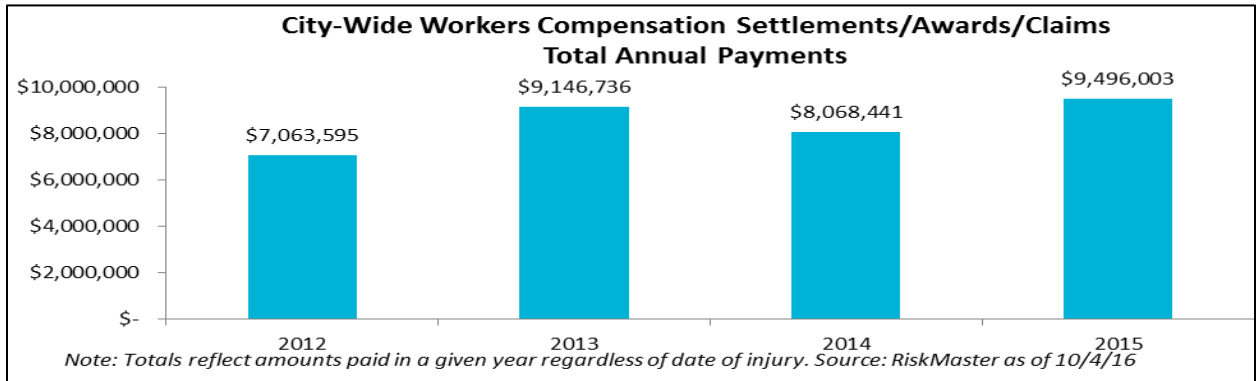
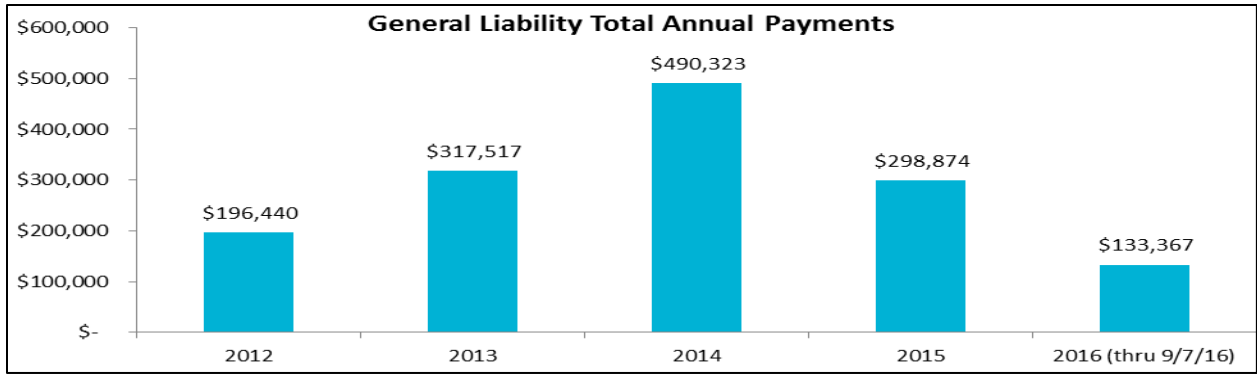
- **MBC CITY HALL OPERATING COSTS** – mechanism to collect revenue for City operating departments housed in City Hall to be paid to the Municipal Building Commission (MBC) as a reimbursement for the City's pro-rated portion of the operating costs (the remainder is paid by Hennepin County).
- **PAY EMPLOYEES** – pay employees according to labor agreements, state and federal laws, and City policies.
- **RADIO COMMUNICATIONS AND ELECTRONICS** – provide, maintain, and manage public safety radio communications systems to meet the needs of the City during emergencies as well as day-to-day operations. In addition, provide for and support (in partnership with the Information Technology Department) the comprehensive communications, data, video, and electronics needs of the City's Operating Departments.
- **RISK MANAGEMENT AND CLAIMS** – protect City assets, prevent loss of money and injury to City employees, and manage claims for workers' compensation and tort.
- **STRATEGIC FINANCIAL SERVICES** – lead City annual budget and long-term financial planning process, initiate financial analyses on issues impacting the City Enterprise, and provide financial information and advice to policy-makers and City leadership.
- **UTILITY BILLING** – all activities associated with billing, payment collection and processing and call center services for City utilities (sewer, water and waste collection).

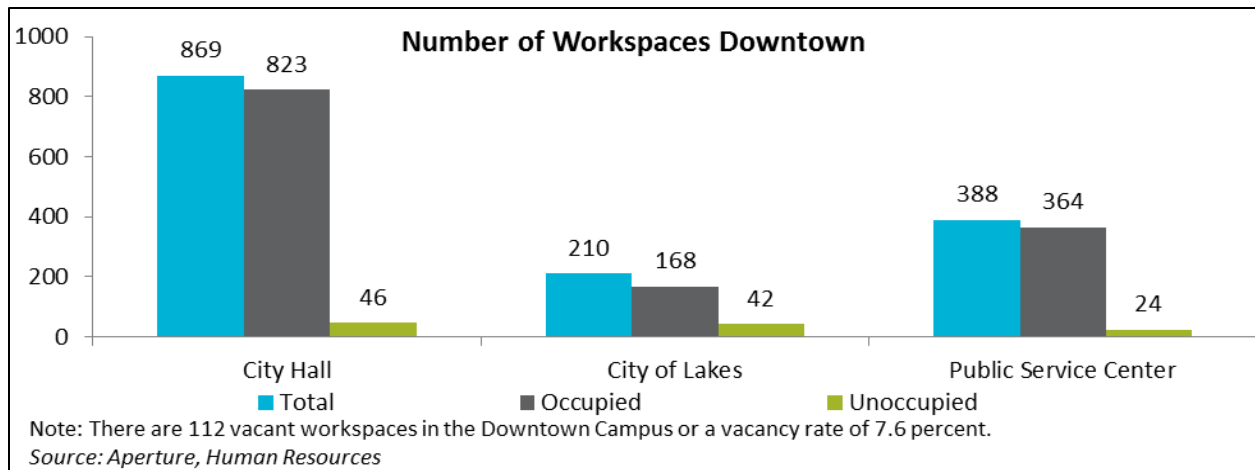
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES







A Hub of Economic Activity and Innovation

Accounting and Financial Reporting

General Fund: \$6,568,607
Other Funds: \$182,961

This program plays a critical role in providing financial information to City policy-makers, City staff and decision-makers enabling them to perform their job more effectively and provide services to City residents. Information also is made accessible for external stakeholders such as the public, City investors, bond rating agencies, the State Auditor and grant agencies. A primary goal of this program is to ensure fiscal responsibility through monitoring and internal controls, and provision of financial information for strategic decision-making among department managers and leadership.

Key services provided by this program includes: monitor and report department revenues and expenditures to managers and policy-makers including grant-related revenues and expenses, and report this information to grantors, prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR), respond to internal and external audits, design and administer rate models that allocate shared costs for internal services and assist managers during the annual budget process and to provide financial analyses and pertinent information necessary to support City decisions and investment.

Order, Buy and Pay for Goods and Services

General Fund: \$3,268,345
Other Funds: \$892,647

This program manages, facilitates and oversees bidding and contracting for, purchase of and payment for all goods and services for all City departments and independent boards. City departments and independent boards rely on this program for obtaining goods and services through open, competitive and cost effective processes that reflect City values, safe-guarding against malfeasance and for ensuring that vendors are paid in a prompt manner. Through this program external stakeholders also are invited and encouraged to work with the City and establish procurement relationships. Further, this program supports activities related to green purchases and strives to increase the percentage of green purchases throughout City departments, wherever possible.

One Minneapolis

Utility Billing System

General Fund: \$5,128,144

This program is mandated by Minneapolis City Ordinance and is collaboration between the Finance and Property Services and Public Works Departments to invoice, collect revenue and provide specific utility customer account information related to the delivery of City water, sewer, solid waste and storm water services. The revenues generated sustain the operations of these departments, so it is imperative that revenues are billed and collected in an efficient manner.

Investment, Cash Management and Receivables

General Fund: \$1,429,983

This program oversees and manages the City's investment and banking relationships to provide the best return on financial assets and provide customers with the most current banking products and payment channels. This program is further charged with daily monitoring, analysis, and forecasting of cash flow to ensure that the City is able to meet its funding requirements for vendor payments and employee payroll. The functions of receipting, depositing, and reporting City revenues from all City Departments including revenues received by cash, credit card, and electronic payments are also performed by this program.

A City That Works

Pay Employees

General Fund: \$1,690,770

This program effectively administers the provisions of twenty-three City labor agreements and labor-related pay work rules, numerous federal and state laws, and detailed chart of accounts coding used by some City departments to efficiently and accurately pay 5,000 to 7,000 City employees every two weeks (the number of City employees on the payroll fluctuates throughout the year). Through this program, the City also pays various benefit-related payments such as health and dental premiums, deferred compensation and mini-flex accounts as well as other payments such as union dues.

Risk Management & Claims

General Fund: \$38,188
Other Funds: \$2,149,928

The goals of this program are the preservation of City assets, prevention of the loss of financial resources and injury to City employees, administration and management of workers' compensation claims and tort claims (liability claims under \$25,000), unemployment program administration as well as loss prevention activities, which include safety, OSHA, ergonomic programs and subrogation. This program plays a pivotal role in supporting the City in its ability to provide services to residents, administration of claims, and safety to the work environment, employees, and its citizens.

ERP Application & System Functional Support

General Fund: \$525,900

This program provides services related to the Enterprise Resource Planning (ERP) system used by both Finance and Human Resources, and technically supported by the Information Technology Department – the Human Resources Information System (HRIS) and the City's "COMPASS" financial system, which through recent upgrade efforts was re-launched as COMET (City of Minneapolis Enterprise Technology). The COMETs system provides information on the City's human and financial resources. Information from the COMET ERP

system is used for managing the City's financial resources, long-term planning and making decisions on how these limited resources should be invested or expended. The City shares financial information with external stakeholders such as City residents and businesses, bond rating agencies, investors, State Auditor, and other public and private organizations. This data is used by all parties to inform and empower them, and for planning, making decisions and offering suggestions regarding the ways in which the City does business and invests financial resources. The ERP system provides access to current and historical financial information for the entire City. Using data from the ERP, Finance regularly publishes and makes publicly available financial information on the budget and annual audited financial statements to support transparency and access to quality information.

Living Well

Strategic Financial Services

General Fund: \$3,591,768

Other Funds: \$100,000

The goal of this program is to support and maintain the City's financial health so the City can continue to provide its array of services to residents, businesses and visitors, and maintain public health and safety. Through the use of projections and financial analyses, this program strives to provide information to policy-makers and others for making important decisions about the future and stability of the City. In addition, as part of the annual budget process coordinated and administered under this program, City departments are challenged to think of innovative and cost effective ways to provide their services and optimize the use of their resources. Policy-makers, City Department staff, residents and businesses rely on this program for information and direction on City finances, budget development and strategic use of resources.

Radio Communications & Electronics

General Fund: \$38,188

Other Funds: \$2,129,580

The primary purpose of this program is to provide, maintain, and manage public safety radio communications systems to meet the needs of the City during emergencies as well as day-to-day operations. This program also provides for and supports (in partnership with the Information Technology Department) the comprehensive communications, data, video, and electronics needs of the City's Operating Departments.

Facilities, Energy & Security Management

General Fund: \$183,682

Other Funds: \$15,790,467

The primary purpose of this program is to comprehensively and strategically provide for the land, facility, and furnishing needs of City owned, operated and leased facilities through various activities including preventive maintenance and corrective maintenance, routine cleaning and maintenance, construction, tenant improvements, space and asset management, and security and life safety needs. Also to provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions. Additionally, to provide centralized internal security management services that reduce risk to the City's Operating Departments. The goals of this program are to provide safe working environments for employees, their clients and visiting members of the public.

Great Places

MBC/City Hall Operating Costs

Other Funds: \$5,268,574

This purpose of this program is to provide a mechanism to collect revenue for operating departments housed in City Hall to be paid to the Municipal Building Commission (MBC) as a reimbursement for the City's pro-rated portion of the building operating costs (the remainder is paid by Hennepin County). The MBC is a four-member independent board consisting of: President - Chair, Hennepin County Board; Vice President - Mayor, City of Minneapolis; County Member - Hennepin County Commissioner; and City Member - City Council Member. A state statute governs the authority and responsibility of the MBC to preserve, maintain and care for one building - the Minneapolis City Hall and Hennepin County Courthouse.

Financial Analysis

Expenditure

The total Finance and Property Services Department's budget increases from \$46.2 million to \$49.0 million from 2016 to 2017. This is an increase of \$2.8 million, or 6.0%. The Finance and Property Services Department's 2017 expenditure budget reflects the following changes from 2016; inflationary increases in operational costs and job reclassifications, \$1.7 million increase in contractual services in Internal Service Funds, and ongoing and one-time budgetary change items of \$810,000. The department's total FTE count of 253.50 reflects 1.0 FTE added through 2017 budgetary change items. In 2016, the department administratively added 2.5 FTEs (2.0 in Central Stores and 0.5 in Property Services), and 1.0 FTE was transferred to City Coordinator's Office.

Revenue

Revenues are projected to increase by 10.1% due to increased Radio rental equipment usage, and external leases collected by Property Services. The department's total revenues in 2017 are projected to be \$ 25.5 million.

Fund Allocation

This department is 53.6% funded by Internal Service funds, 45.9% General Fund with the remainder of the department's funding found in the Special Revenue grant funds.

Mayor's Recommended Budget

The Mayor recommended \$100,000 ongoing General Fund resources for an additional Financial Analyst dedicated to working with CPED(1.0 FTE) and ongoing \$60,000 from property services fund for increased security coverage for Public Service Center and City of Lakes building.

The Mayor also recommended the following one-time General Fund resources; \$50,000 for the participatory budget pilot, and \$500,000 to be directed to the Collaborative Safety Strategies.

Council Adopted Budget

The City Council amended the Mayor's recommendations by increasing the Finance and Property Services Department by \$100,000 on a one-time basis to be funded by the Police Special Revenue Fund; \$50,000 is to be spent in the Phillips West Neighborhood and \$50,000 in the Ventura Village Neighborhood for community public safety priorities. The resources should be expended with input from the community and neighborhood organizations.

The City Council also gave the following staff directions:

1. Amend budgets, schedules, and language changes relating to accounting and technical cost allocation adjustments, and program and capital/operating budget corrections.
2. Report to the Ways and Means Committee no later than the end of the second quarter of 2017 with potential scenarios for the City of Minneapolis to divest and stop doing business with financial institutions that invest in the fossil fuel industry and in projects such as the Dakota Access Pipeline. The potential scenarios review shall include a series of options to meet the City of Minneapolis' banking needs including but not limited to exploring the possibility of establishing a municipal bank or participating in a publicly-owned banking operation.
3. Directing Finance and Property Services staff to:
 - Monitor and report on an annual basis on the costs for the Vikings Stadium, its operation and management, and the adjacent parking ramps and park; and
 - Limit the ongoing City subsidy for operations and capital maintenance of the Viking Stadium to the amounts provided for in statute; and
 - Per the staff direction of Sept. 11, 2015, report back to the Community Development and Regulatory Services Committee on the desirability and feasibility of reopening of the Park Use Agreement between the City and Minnesota Sports Facilities Authority (MSFA).
4. Provide options by June 30, 2017, to the Mayor for the 2018 budget for a minimum of \$50,000 for ongoing funding of culturally relevant community-based intervention and street outreach strategies to help the transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.
5. Ensure that at least \$250,000 of the \$500,000 allocated for Collaborative Safety Strategies be directed towards work along West Broadway Ave in North Minneapolis. Those funds should be distributed to groups or organizations which have shown a long history of collaborative work along West Broadway and who bring together business and community members and who employ staff focused solely on the improvement and safety of West Broadway. Organizations which do not focus on West Broadway shall not be considered for this funding.

Finance and Property Services staff shall present the process for the disbursement of these funds to the Public Safety, Civil Rights and Emergency Management Committee by March 15, 2017, and these funds shall be distributed by June 16, 2017.
6. Reflect in the Five-Year Financial Direction the full ongoing cost of the small business support additional 1 FTE position that was created by shifting \$70,000 increased appropriation to the Communications Department as proposed in the Mayor's Recommended Budget to the City Coordinator's office.
7. In collaboration with the Office of City Clerk and City Coordinator's departments including Neighborhood and Community Relations, and Communications, develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.
 - Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
 - Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
 - Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
 - Sample calendar of an annual participatory budgeting process.
 - Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
 - Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.
8. Report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:
- A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
 - Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
 - Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.
 - This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
 - The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

FINANCE AND PROPERTY SERV EXPENSE AND REVENUE INFORMATION

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	10,340,991	10,472,748	11,102,366	11,792,074	6.2%	689,708
FRINGE BENEFITS	3,936,596	3,801,447	4,688,185	4,686,711	0.0%	(1,474)
CONTRACTUAL SERVICES	6,512,392	7,029,621	5,016,678	5,214,554	3.9%	197,876
OPERATING COSTS	837,503	850,176	762,144	762,627	0.1%	483
CAPITAL	410,000		7,609	7,609	0.0%	0
TOTAL GENERAL	22,037,482	22,153,993	21,576,983	22,463,575	4.1%	886,592
SPECIAL REVENUE						
SALARIES AND WAGES	161,045	128,373	156,829	134,318	-14.4%	(22,511)
FRINGE BENEFITS	39,739	31,562	70,731	48,644	-31.2%	(22,088)
CONTRACTUAL SERVICES	182	39		100,000		100,000
TOTAL SPECIAL REVENUE	200,966	159,974	227,560	282,961	24.3%	55,401
INTERNAL SERVICE						
SALARIES AND WAGES	5,194,354	5,866,805	5,596,563	6,137,013	9.7%	540,450
FRINGE BENEFITS	1,876,038	4,334,490	2,438,666	2,544,121	4.3%	105,455
CONTRACTUAL SERVICES	13,501,419	13,012,438	10,419,020	12,099,726	16.1%	1,680,706
OPERATING COSTS	1,368,947	2,239,954	1,603,994	1,647,335	2.7%	43,341
CAPITAL	0		4,323,000	3,803,000	-12.0%	(520,000)
TOTAL INTERNAL SERVICE	21,940,758	25,453,686	24,381,244	26,231,195	7.6%	1,849,952
TOTAL EXPENSE	44,179,206	47,767,653	46,185,787	48,977,732	6.0%	2,791,945
REVENUE						
GENERAL						
CHARGES FOR SALES		16			0.0%	0
CHARGES FOR SERVICES	3,894	2,445			0.0%	0
OTHER MISC REVENUES	36,020	23,520			0.0%	0
GENERAL	39,914	25,982				0
DEBT SERVICE						
INTEREST	171,161				0.0%	0
DEBT SERVICE	171,161					0
INTERNAL SERVICE						
CHARGES FOR SALES	592,898	617,499	324,293	324,293	0.0%	0
CHARGES FOR SERVICES	5,593,028	6,007,661	2,695,033	2,563,640	-4.9%	(131,393)
LONG TERM LIABILITIES PROCEEDS	365,914				0.0%	0
OTHER MISC REVENUES	11,269	74,037	3,000	2,500	-16.7%	(500)
RENTS	14,388,150	16,047,057	19,782,462	20,294,181	2.6%	511,719

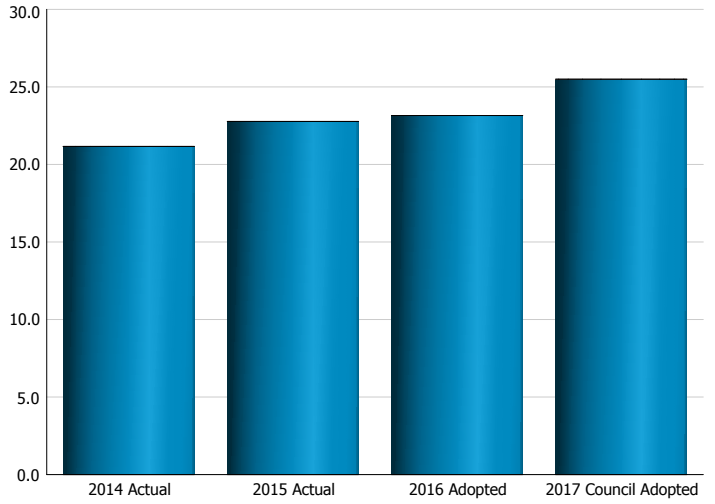
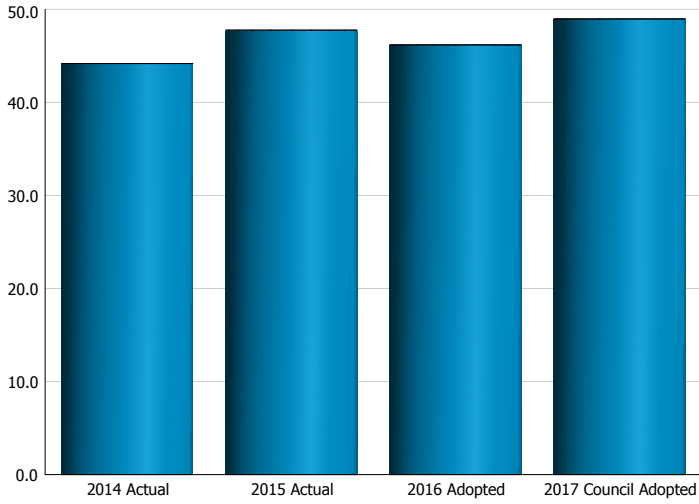
**FINANCE AND PROPERTY SERV
EXPENSE AND REVENUE INFORMATION**

REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
USE OF FUND BALANCE			350,595	2,311,256	559.2%	1,960,661
INTERNAL SERVICE	20,951,259	22,746,255	23,155,383	25,495,870	10.1%	2,340,487
TOTAL REVENUE	21,162,334	22,772,236	23,155,383	25,495,870	10.1%	2,340,487

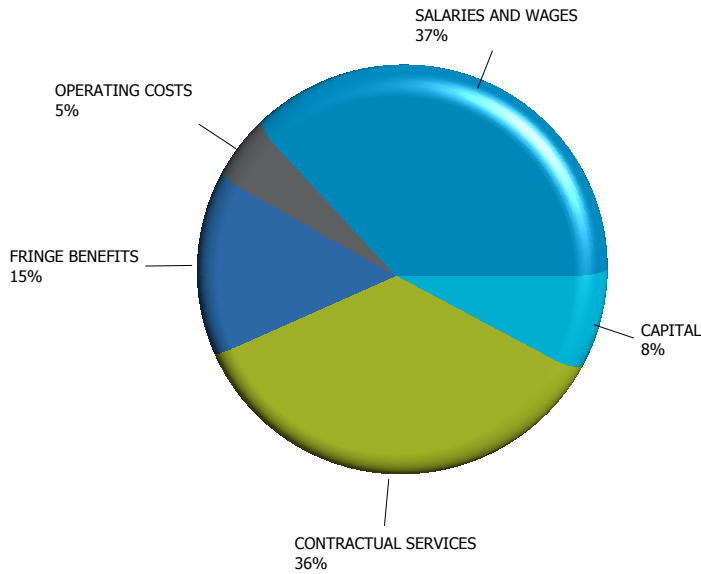
FINANCE AND PROPERTY SERV EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

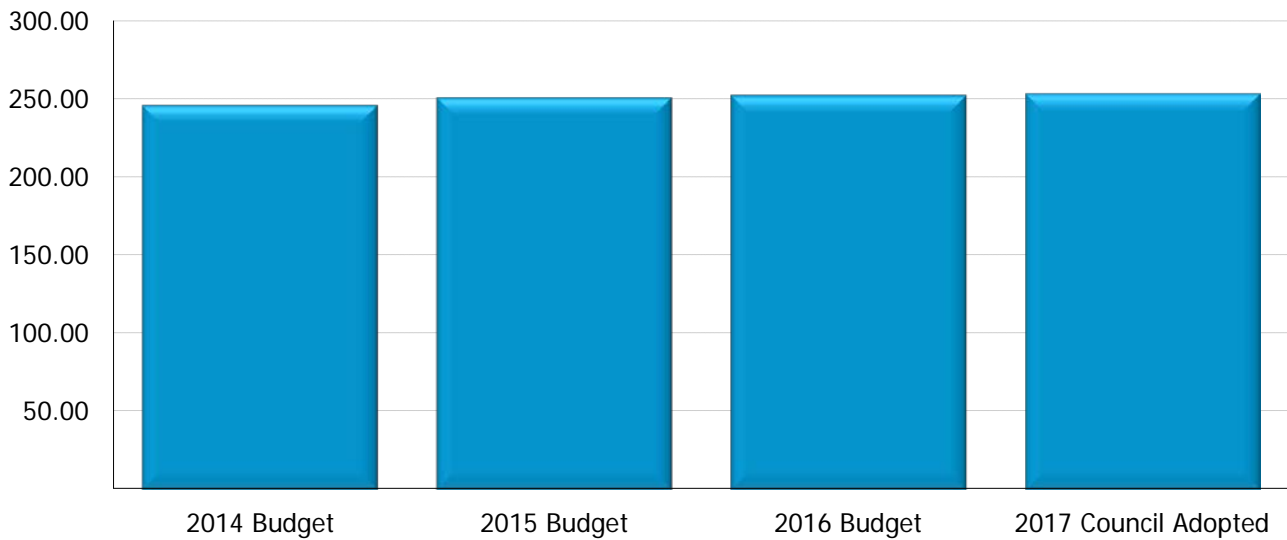


FINANCE & PROPERTY SERVICES DEPARTMENT

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
CONTROLLER	68.00	68.00	68.00	68.00	0.0%	0
DEVELOPMENT FINANCE	11.00	13.00	11.00	10.00	-9.1%	(1.00)
EXECUTIVE	6.00	6.00	6.00	6.00	0.0%	0
MANAGEMENT & BUDGET	7.00	7.00	8.00	9.00	12.5%	1.00
PROCUREMENT	24.00	25.00	27.00	27.00	0.0%	0
PROPERTY SERVICES	66.00	68.00	68.50	68.50	0.0%	0
RISK MANAGEMENT	9.00	9.00	9.00	9.00	0.0%	0
TREASURY	55.00	55.00	55.00	56.00	1.8%	1.00
Overall	246.00	251.00	252.50	253.50	0.4%	1.00

Positions 2014-2017



HUMAN RESOURCES DEPARTMENT (HR)

MISSION

Working together in a spirit of continuous improvement, the Human Resources Department provides leadership and guidance that fosters a work environment designed to meet the needs and challenges of a vibrant world-class city.

Human Resources team members demonstrate the following professional qualities, competencies and behaviors:

- **Strategic.** Provide people strategies in alignment with the City's vision and goals.
- **Talent-driven.** Recruit and retain great people to the City and help employees do their best work.
- **Partners.** Work hand in hand with leaders by providing innovative, value-added Human Resource solutions.
- **Ethical and Respectful.** Create policies, practices and processes designed to promote equity and fairness in employee decisions.

BUSINESS LINES: (DIVISIONS)

The Human Resources Department has four divisions: HR Administration, Employee Services, HR Technology Solutions and Strategic Workforce Solutions.

HR Administration – Ensures: HR strategic direction aligns with City values and goals; Fair human resource practices in hiring, selection and promotion; Integration of racial equity processes into HR programs, policies and practices; and Affirmative action goals and timelines are developed and integrated into enterprise-wide plans. Services, leadership and oversight are provided in the following areas:

- HR Policy Review and Development
- Civil Service Commission Administration - Ensures fair human resource practices in hiring, selection and promotions.
- HR Policy Development, EEO/Affirmative Action Leadership - Ensures affirmative action goals and timelines are developed and integrated into enterprise-wide business plans.
- Human Resource Racial Equity Leadership - Ensures integration of racial equity processes into HR programs, policies and practices.
- Human Resources Results Management
- Administration of enterprise employee recognition including the STAR Awards Program.
- Enterprise-wide HR Initiatives

Employee Services – Provides leadership and management in the areas of labor relations, compensation, classifications, benefits, FMLA administration, the Sick Leave Donation Program, and discrimination, harassment and retaliation investigations. Services provided include the following:

- Labor Relations: Provide strategic and operational leadership and implementation for all of the City's collective bargaining processes and oversee contract administration. (MN Statutes 179A)

- Benefits and Wellness: Develop strategy, design, negotiate and implement health and wellness programs and all other benefit programs.
- Classification Administration: Evaluate work in the context of all other work in the City and maintain the integrity of the classification system. (MN Statutes 471.991-999 and MN Rules Chapter 3920)
- Compensation Administration: Maintain competitive pay, insure internal equity based on compensable factors. (MN Statutes 471.991-999 and MN Rules Chapter 3920)
- Employee Complaint Investigations: Provide an administrative avenue for the resolution of Title VII complaints - discrimination, harassment and retaliation.
- Leave Administration: Family Medical Leave Act (FMLA) and Paid Parental Leave.

HR Technology Solutions - Provides implementation, support, training and ongoing innovative solutions enterprise-wide on system applications for hiring, benefits, compensation, performance management and compliance. Services provided include the following:

- HR information systems administration and support.
- Benefits administration systems support.
- I-9 administration.
- Processing of operational data that drives payroll services.
- System integrations across the enterprise related to human resources data.
- Applicable system security and training.
- Advice, consultation and strategic planning for systems enterprise-wide with touch points to human capital.
- Reporting to federal, state & local agencies. Responses to data requests and information for analysis and planning.

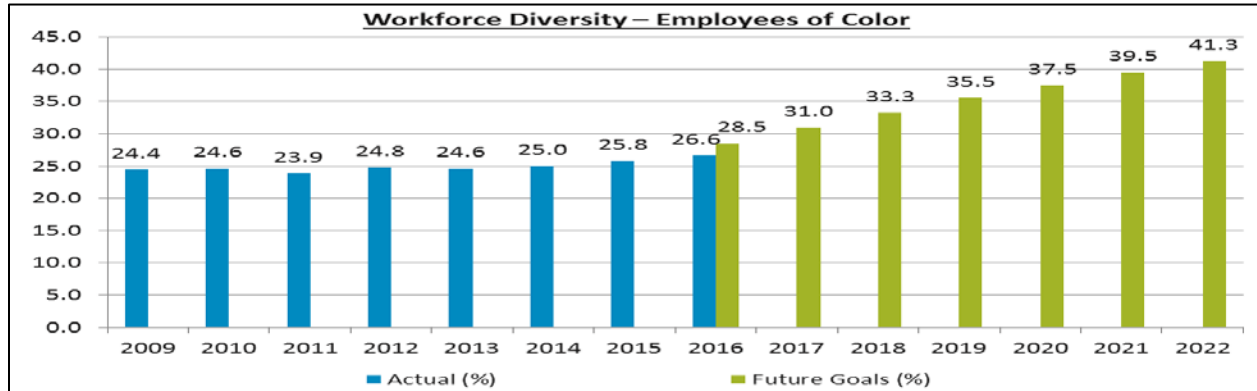
Strategic Workforce Solutions - Provides employee and organizational opportunities that enable increased employee skills and effective and efficient leadership of the employees who conduct the City's work. Programming is focused on attracting, retaining, leading and managing the City's workforce:

- Recruitment and Retention
- Performance Management
- Employee Engagement
- Orientation and Onboarding
- Leadership and Professional Development
- Employment Equity and Workforce Planning
- Legal Compliance

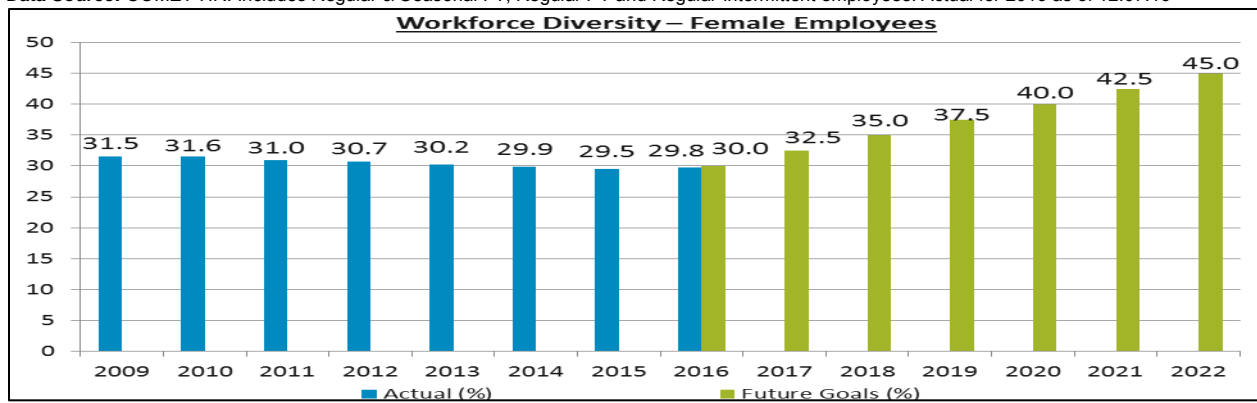
ORGANIZATION CHART



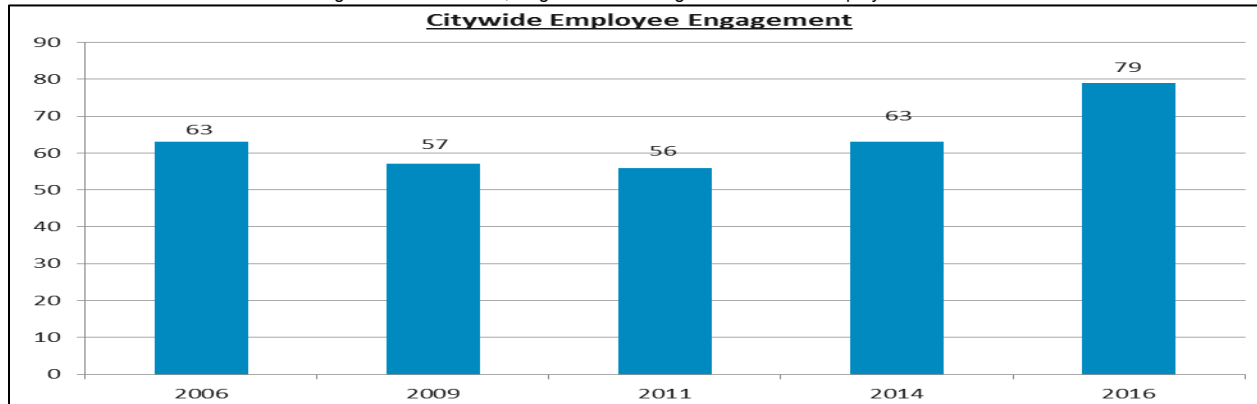
SELECTED RESULTS MINNEAPOLIS MEASURES



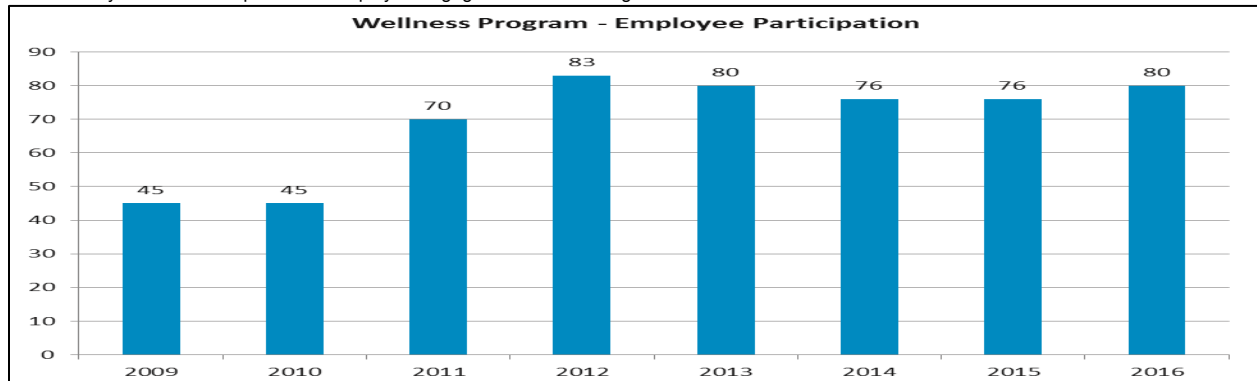
Data Source: COMET-HR. Includes Regular & Seasonal FT, Regular PT and Regular Intermittent employees. Actual for 2016 as of 12.07.16



Data Source: COMET-HR. Includes Regular & Seasonal FT, Regular PT and Regular Intermittent employees. Actual for 2016 as of 12.07.16



Note: Survey items that comprised the Employee Engagement Index changed in 2016



A City that Works

HR Administration

General Fund: \$2,223,110

HR Administration provides enterprise-wide HR leadership and oversight by ensuring the HR strategic direction aligns with City values and goals, ensures fair HR practices in hiring, selection and promotions, ensures EEO and Affirmative Action goals are developed and integrated into enterprise-wide business plans and ensures the integration of racial equity processes in HR programs, policies and practices. HR Administration also ensures that HR practices align with local, state and federal laws and Civil Service rules.

HR Technology Solutions (HRTS)

General Fund: \$614,089

Other Funds: \$451,124

HR Technology Solutions is responsible for the planning, implementation, support and training of information systems that intersect with HR services for the City, Independent Boards, and Agencies. This work is done in collaboration with partner departments that support the infrastructure and finances of the City. These systems track applicant and employee data, provide salary and benefits administration, learning management, performance management, time tracking, payroll, and integrations to a variety of other systems utilized across the organization. The data collected is used for analysis, compliance with federal & state reporting requirements and data requests from internal and external parties. These technologies allow the City and individual departments to track and report on key employee information that supports them in meeting their business objectives, provides employees with individualized information and supports the total rewards strategy of the City.

Strategic Workforce Solutions

General Fund: \$3,615,567

Strategic Workforce Solutions provides employee and organizational opportunities that enable increased employee skills and effective and efficient leadership of the employees who conduct the City's work. Programming is focused on attracting, retaining, leading and managing the City's workforce and includes: recruitment and retention, performance management, employee engagement, orientation and onboarding, training and development, workforce planning and legal compliance. The program encompasses HR Generalist Teams, Enterprise Learning & Development, *PerformMinneapolis*, Testing and Staffing Services, Equal Opportunity and Workforce Planning.

Living Well

Employee Services

General Fund: \$1,086,393

Other Funds: \$1,352,880

Employee Services includes Benefits & Wellness, Classification, Compensation, Complaint Investigation and Labor Relations. The key activities essential in this program are: labor contract negotiation and administration, compensation administration, classification administration, complaint investigation, leave administration, and benefits administration, including negotiating and implementing employee healthcare, life and long-term disability insurance, dental care, all other benefit plans, and wellness programs.

Financial Analysis

Expenditure

The total Human Resources Department's budget increased from \$8.6 million to \$9.3 million from 2016 to 2017. This is an increase of \$702,000, or 8.1%. The Human Resources Department's 2017 expenditure budget reflects the following changes from 2016: inflationary increases in operating costs, ongoing and one-time budgetary change items with a net effect of additional \$211,000. An additional 1.0 FTE in change items increases the FTE count in 2017 to a total of 53.80 FTEs. The department administratively added 1.0 FTE in 2016.

Revenue

Revenues are projected to increase by 10.7% in this department due to an increase in charges for services provided through internal service funding. The increase is related to the 1.0 FTE that got moved from the General Fund to the Self Insurance Fund. The department's total revenues in 2017 are projected to be \$1.8 million.

Fund Allocation

This department is funded primarily by the General Fund at 80.6%, with the remainder of the department's funding found in the Self Insurance Fund at 19.4%.

Mayor's Recommended Budget

The Mayor recommended \$122,000 ongoing General Fund resources for an additional 1.0 FTE in the Classification and Compensation unit, and also recommended reduction in department's ongoing General Fund resources by \$50,000.

The Mayor also recommended the following one-time General Fund resources: \$90,000 for Affordable Care Act Compliance and \$50,000 for Cultural Intelligence Training for employees.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

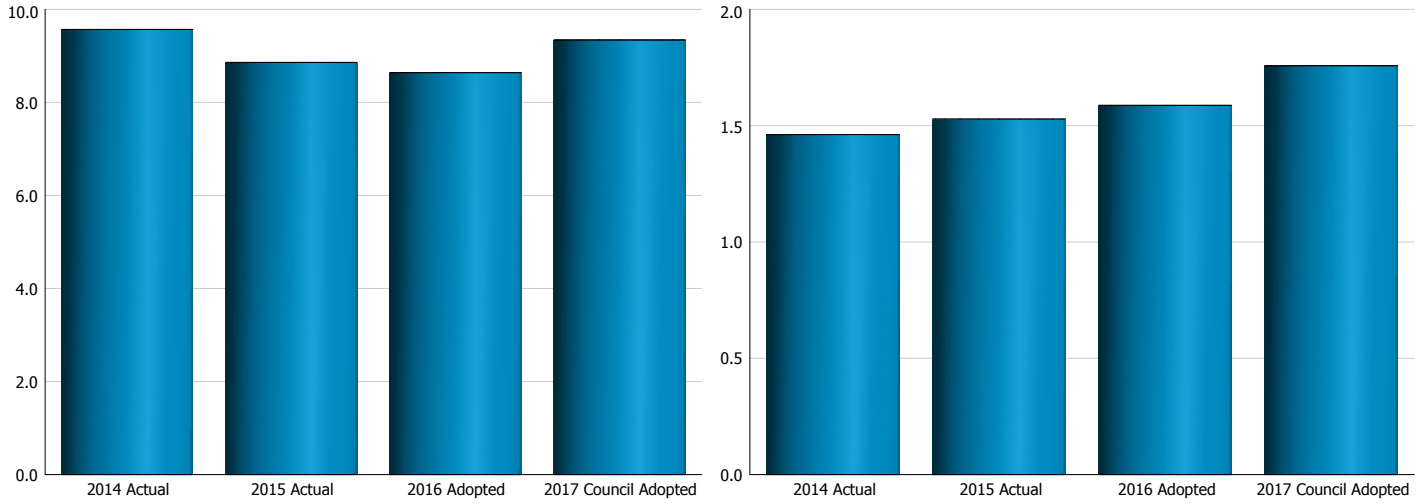
HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,795,925	2,917,420	3,224,747	3,616,581	12.2%	391,834
FRINGE BENEFITS	999,404	1,019,459	1,313,045	1,370,209	4.4%	57,163
CONTRACTUAL SERVICES	3,217,403	2,005,266	1,523,626	1,858,106	22.0%	334,480
OPERATING COSTS	780,593	904,720	630,870	694,264	10.0%	63,394
TOTAL GENERAL	7,793,323	6,846,865	6,692,288	7,539,160	12.7%	846,872
INTERNAL SERVICE						
SALARIES AND WAGES	715,835	844,811	814,057	895,177	10.0%	81,120
FRINGE BENEFITS	230,716	577,754	308,536	323,791	4.9%	15,255
CONTRACTUAL SERVICES	816,936	569,945	766,883	571,631	-25.5%	(195,252)
OPERATING COSTS	12,018	20,256	59,171	13,405	-77.3%	(45,766)
TOTAL INTERNAL SERVICE	1,775,506	2,012,766	1,948,647	1,804,004	-7.4%	(144,643)
TOTAL EXPENSE	9,568,829	8,859,631	8,640,935	9,343,164	8.1%	702,229
REVENUE						
	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
OTHER MISC REVENUES	10,236	793			0.0%	0
GENERAL	10,236	793				0
INTERNAL SERVICE						
CHARGES FOR SERVICES	1,433,235	1,496,856	1,587,394	1,757,897	10.7%	170,503
FINES AND FORFEITS	18,281	27,854			0.0%	0
OTHER MISC REVENUES		2,914			0.0%	0
INTERNAL SERVICE	1,451,516	1,527,624	1,587,394	1,757,897	10.7%	170,503
TOTAL REVENUE	1,461,752	1,528,417	1,587,394	1,757,897	10.7%	170,503

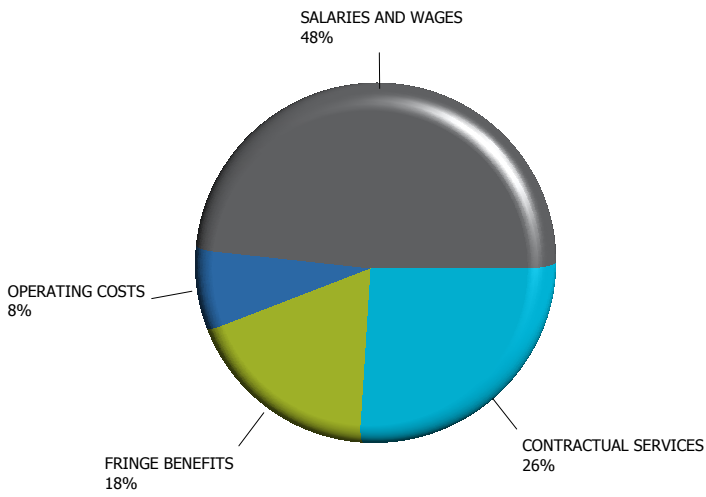
HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



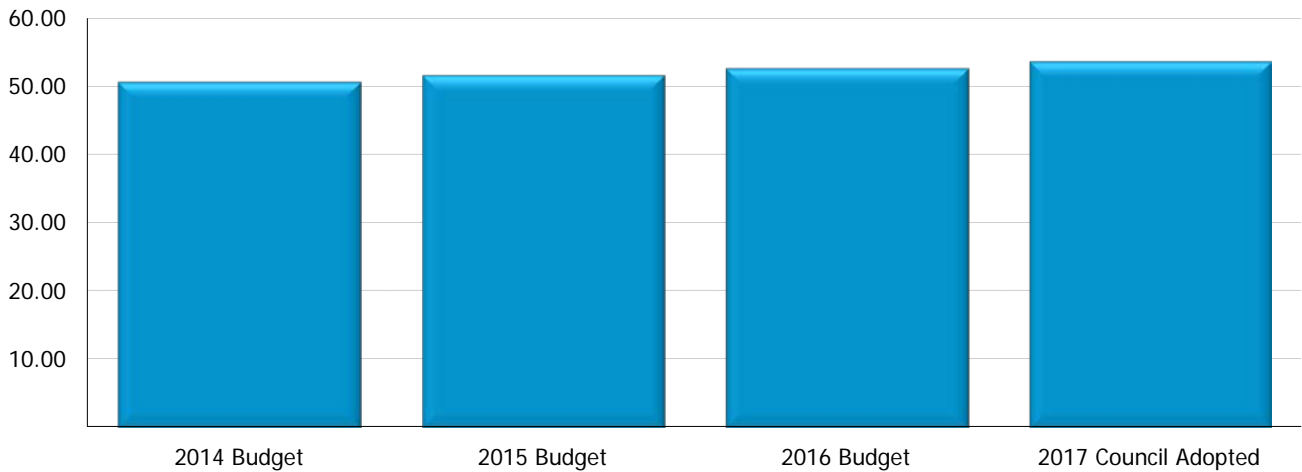
Expense by Category



HUMAN RESOURCES Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
HR ADMINISTRATION	12.00	3.00	4.00	4.00	0.0%	0
HR EMPLOYEE SERVICES	11.80	11.80	12.80	13.80	7.8%	1.00
HR TECHNOLOGY SOLUTIONS	6.00	7.00	7.00	8.00	14.3%	1.00
STRATEGIC WORKFORCE SOLUTIONS	21.00	30.00	29.00	28.00	-3.4%	(1.00)
Overall	50.80	51.80	52.80	53.80	1.9%	1.00

Positions 2014-2017



INFORMATION TECHNOLOGY

MISSION

The mission of Information Technology (IT) is to deliver innovative, high quality, cost effective decision support, infrastructure and workforce enablement services to City departments and residents in support of their business goals and objectives. IT strives to be a valued partner to *transform Minneapolis through technology* by providing innovative technology solutions to meet City needs, challenges and opportunities.

BUSINESS LINES

- **Decision Support Services**

City workers need real-time, integrated information from a digitized city. The City's computing applications make use of electronic data that requires databases and analytic tools to be architected, installed, configured, administered and maintained. From this data, City Departments require reporting, business intelligence, data analytics, modeling, simulation and data visualization services. IT accomplishes this through managed services contracts, professional services contracts and IT staff.

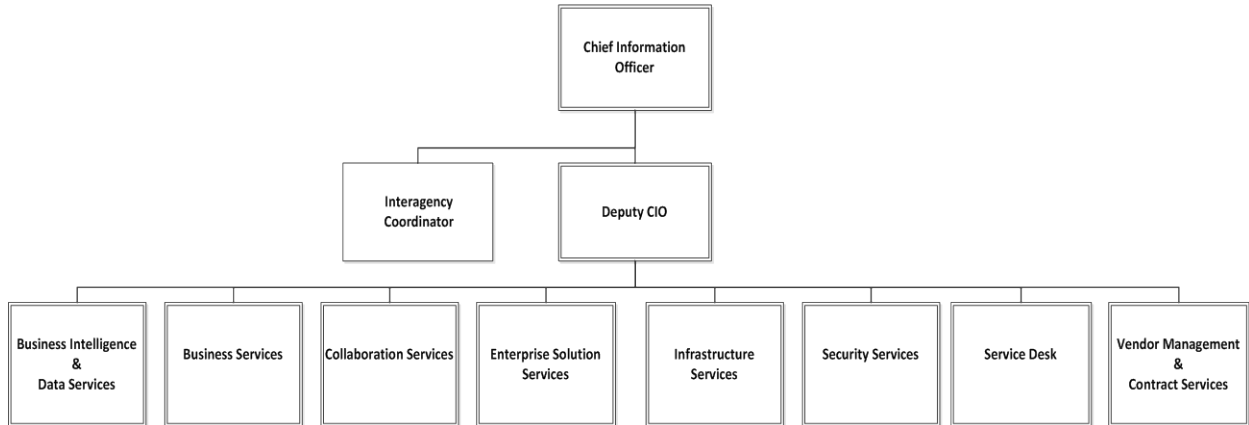
- **Infrastructure Services**

City workers need reliable and effective information services to do their job. The City's computing applications run on computers embedded in networks that require architecture, installation, configuration, administration and maintenance services. The City has deployed both commercial and in-house communications networks throughout the city to connect employees with their computing applications, each other, outside networks and the Internet. Data, voice and video are transported through land line and wireless City networks. IT accomplishes this through managed services contracts, telecommunications services contracts and IT staff.

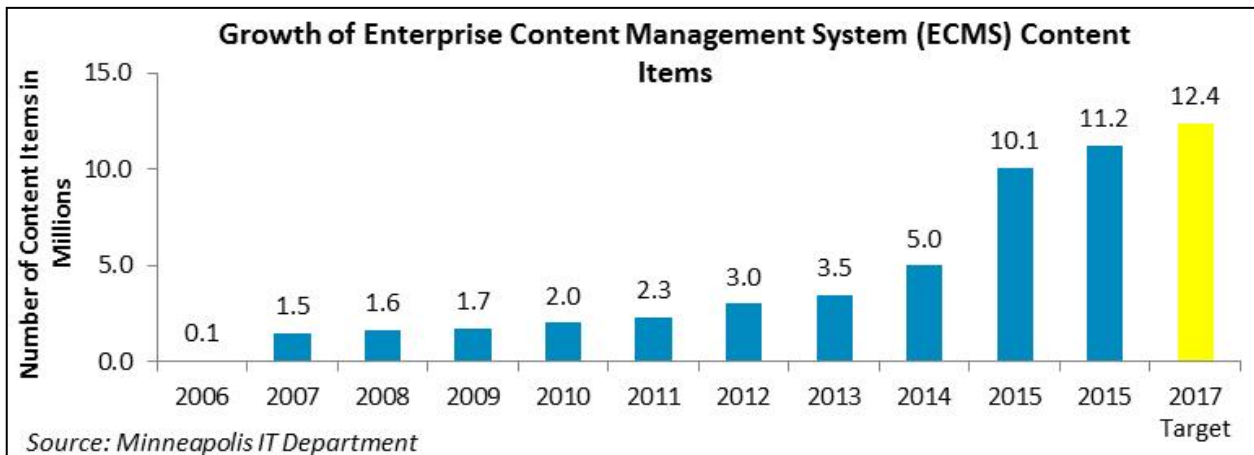
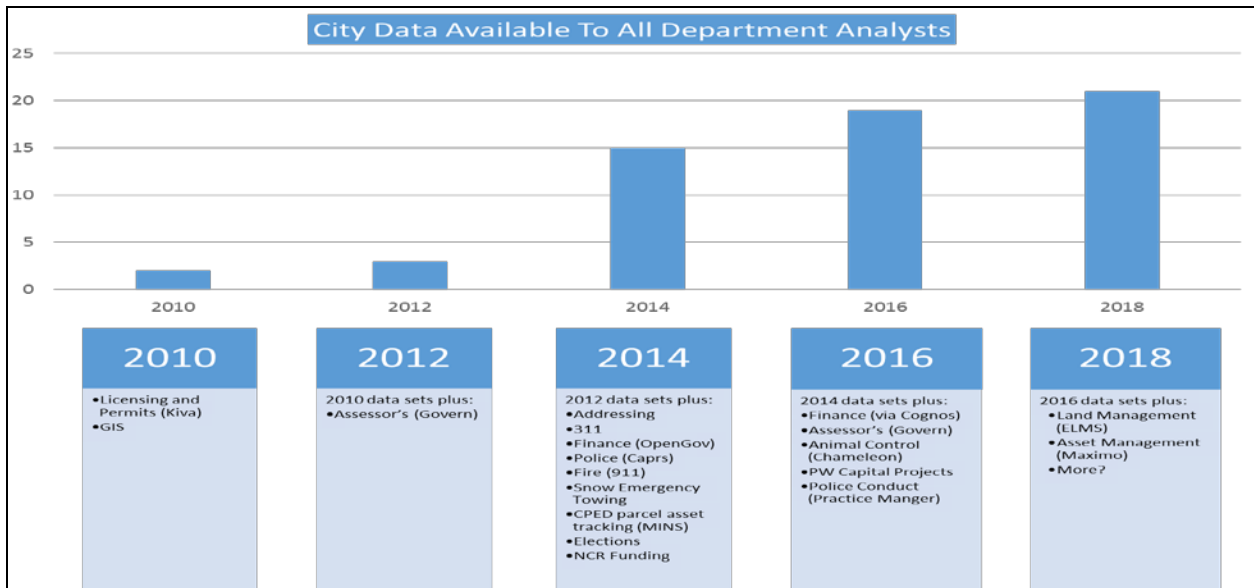
- **Workforce Enablement Services**

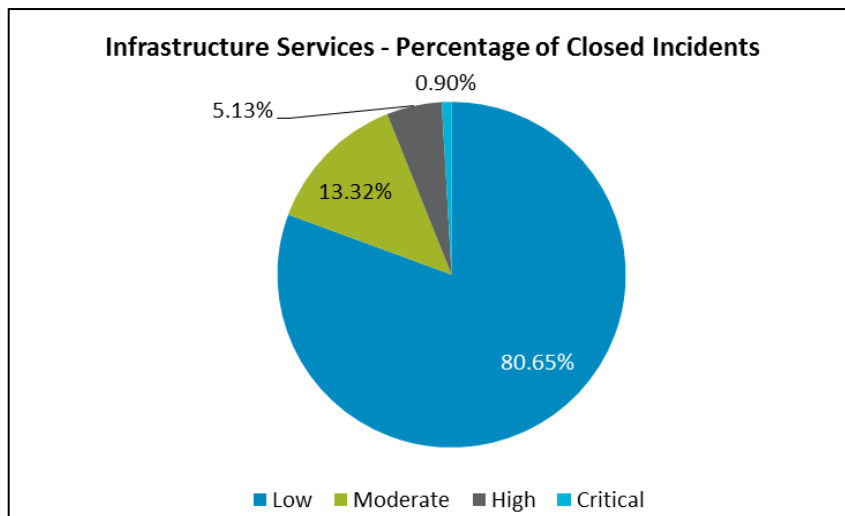
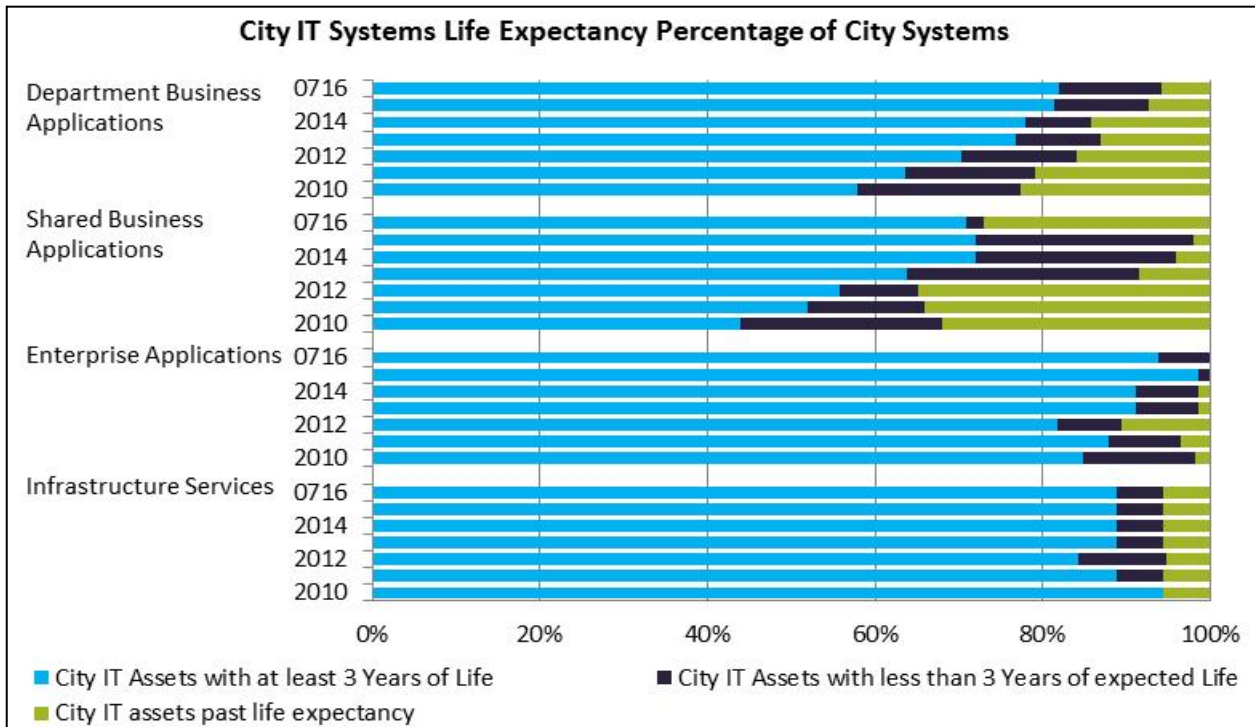
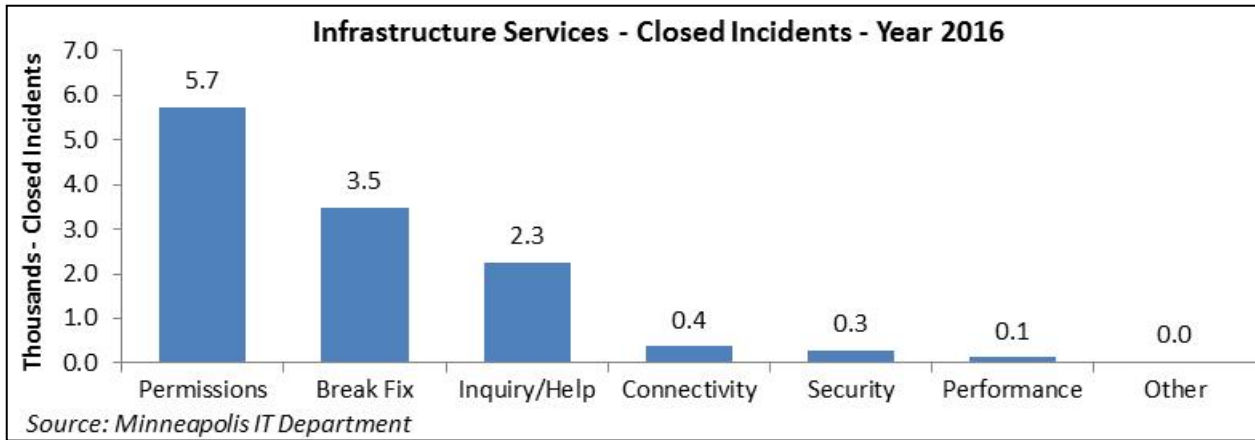
City workers rely on systems of record applications and other information technology to function. Computer software systems and applications require project management, requirements gathering, business and technical architecture, installation, configuration, administration and maintenance activities. IT accomplishes this through several professional services contracts and IT staff.

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES





A City that Works

Workforce Enablement Services

Other Funds: \$12,739,317

Workforce Enablement Services leverages technology to increase worker productivity. It includes the project management office, contract administration, IT solution development and engineering services, and portfolio management for ERP, Public Safety, and Land Management.

Decision Support Services

Other Funds: \$4,275,204

The Decision Support Services program utilizes technology to turn the city's data into information and knowledge for better decision making. The program supports enterprise applications for document management, business intelligence, advanced analytics and data visualization. It provides work team support through electronic communications.

Infrastructure Services

Other Funds: \$21,543,701

The Infrastructure Services program maintains computers and networks for high availability, reliability and performance. It includes architect services, security services, service desk, deskside support, oversight of managed services and broadband services contracts. Enterprise applications such as email and office applications, telecommunications and network services as well as copiers are also included in this program.

Financial Analysis

Expenditure

The total Information Technology Department's budget increases from \$32.3 million to \$38.6 million from 2016 to 2017. This is an increase of \$6.3 million, or 19.5%. The Information Technology Department's 2017 expenditure budget reflects the following changes from 2016: inflationary increases in operational costs, ongoing budgetary change items of \$255,000 in 2.0 additional FTE's, and \$1.3 million in department's non-capitalized equipment. Additionally, technology non-capitalized equipment requests from other departments amounting to \$4.8 million are included in the department's expenditure budget due to a change in accounting for funding of those items. The department's 2017 total FTE count of 96.0 FTE includes 2.0 new FTE in change items.

Revenue

Revenues are projected to increase by 33.0% in this department due to increased charges for services to align with expenses included in cost allocation model, and use of net position to fund non-capitalized equipment requests and additional 2.0 FTE positions. The department's total revenues in 2017 are projected to be \$41.5 million.

Fund Allocation

This department is funded completely in the Intergovernmental Services Fund.

Mayor's Recommended Budget

The Mayor recommended the following ongoing resources from Intergovernmental Services Fund: \$100,000 for a Business Analyst for the Enterprise Land Management System (1.0 FTE), and \$155,000 for an additional ERP resource in Technology Application Support team (includes 1.0 FTE).

Council Adopted Budget

The City Council approved the Mayor's recommendations.

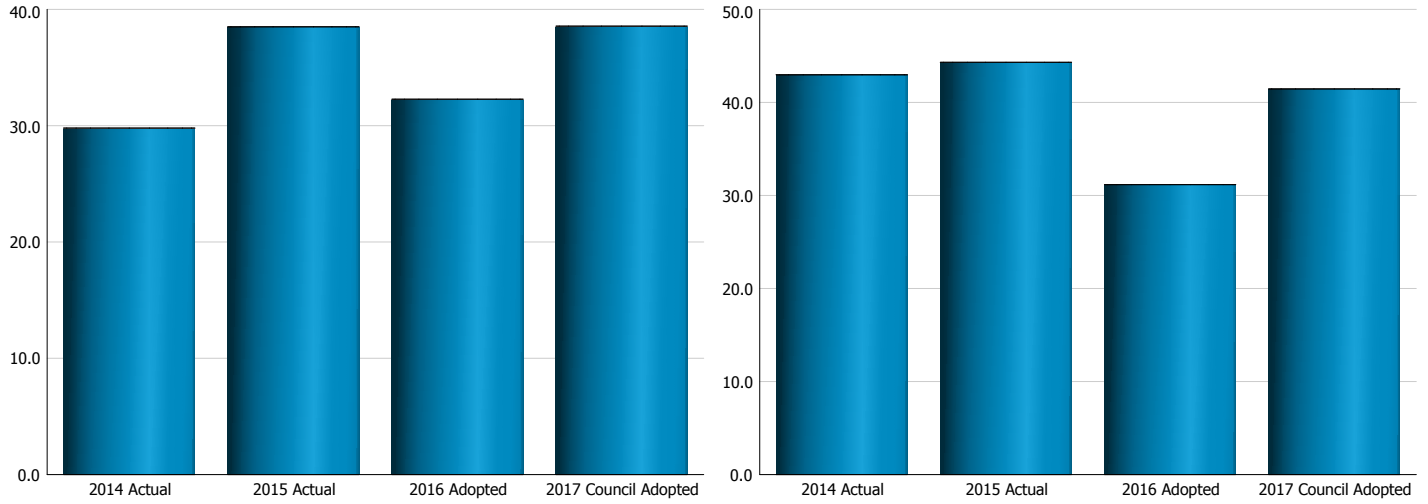
**INFORMATION TECHNOLOGY
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	16,580					0
FRINGE BENEFITS	5,435					0
CONTRACTUAL SERVICES	622,259					0
OPERATING COSTS	3,184					0
TOTAL GENERAL	647,458					0
INTERNAL SERVICE						
SALARIES AND WAGES	3,742,720	5,073,919	7,921,587	8,632,905	9.0%	711,318
FRINGE BENEFITS	1,437,688	4,177,890	2,614,241	2,927,587	12.0%	313,346
CONTRACTUAL SERVICES	21,037,306	25,990,158	17,527,807	19,105,274	9.0%	1,577,467
OPERATING COSTS	2,926,548	3,261,532	1,559,138	1,602,564	2.8%	43,426
CAPITAL			2,653,000	6,289,892	137.1%	3,636,892
TOTAL INTERNAL SERVICE	29,144,261	38,503,499	32,275,773	38,558,222	19.5%	6,282,449
TOTAL EXPENSE	29,791,719	38,503,499	32,275,773	38,558,222	19.5%	6,282,449
REVENUE						
INTERNAL SERVICE						
CHARGES FOR SALES	3,472	2,000			0.0%	0
CHARGES FOR SERVICES	39,344,162	40,611,419	30,604,604	31,384,174	2.5%	779,570
GAINS		(5,278)			0.0%	0
OTHER MISC REVENUES	42,843				0.0%	0
TRANSFERS IN	3,580,076	3,704,000			0.0%	0
USE OF FUND BALANCE			558,710	10,067,058	1,701.8%	9,508,348
INTERNAL SERVICE	42,970,553	44,312,142	31,163,314	41,451,232	33.0%	10,287,918
TOTAL REVENUE	42,970,553	44,312,142	31,163,314	41,451,232	33.0%	10,287,918

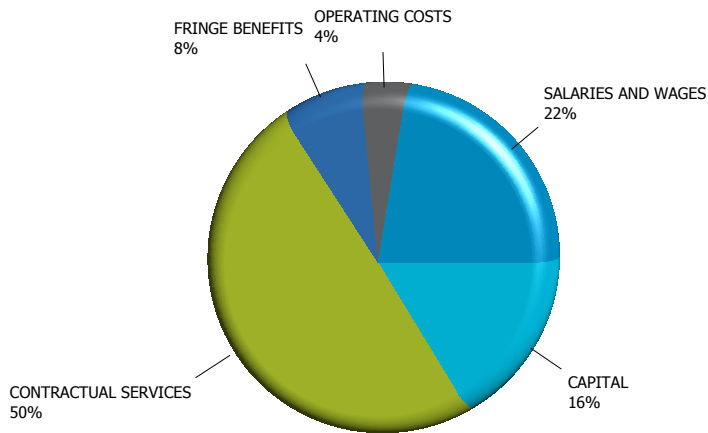
INFORMATION TECHNOLOGY EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

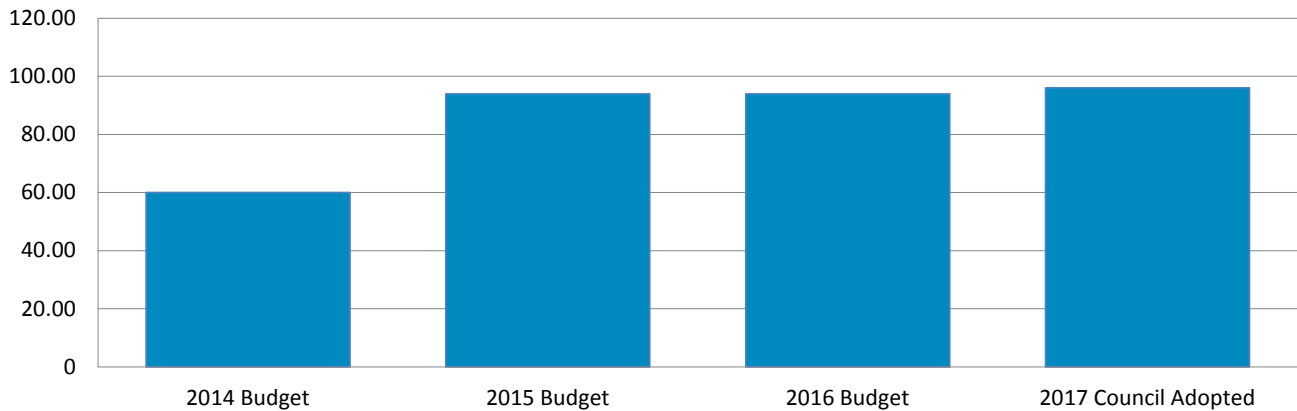


INFORMATION TECHNOLOGY

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council		
				Adopted	% Change	Change
ADMINISTRATION	12.00	11.00	8.00	9.00	12.5%	1.00
BUSINESS INTELLIGENCE AND DATA SERVICES	9.75	7.80	5.00	6.80	36.0%	1.80
BUSINESS SERVICES	26.90	26.75	28.25	27.25	-3.5%	(1.00)
ENTERPRISE SOLUTION SERVICES	4.60	7.70	8.90	7.10	-20.2%	(1.80)
INFRASTRUCTURE SERVICES	6.75	15.75	18.85	17.85	-5.3%	(1.00)
IT COLLABORATION SERVICES		4.00	4.00	5.00	25.0%	1.00
SECURITY SERVICES		3.00	3.00	3.00	0.0%	0
SERVICE DESK		18.00	18.00	20.00	11.1%	2.00
Overall	60.00	94.00	94.00	96.00	2.1%	2.00

Positions 2014-2017



INTERGOVERNMENTAL RELATIONS

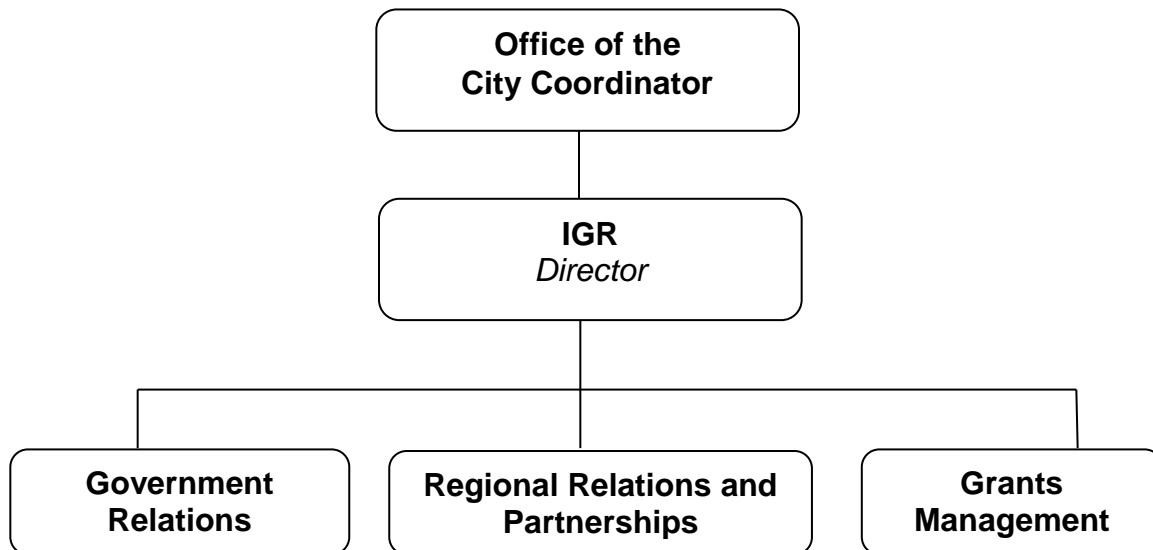
MISSION

Effectively represent the City of Minneapolis with integrity and dedication to its partners at multiple levels of governance: federal, state, regional, and local in order to achieve legislative and program success.

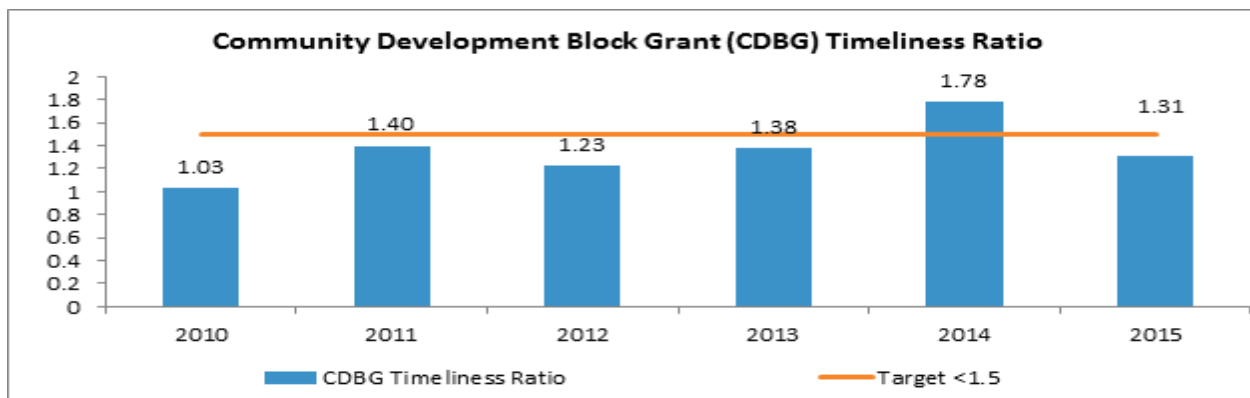
BUSINESS LINES

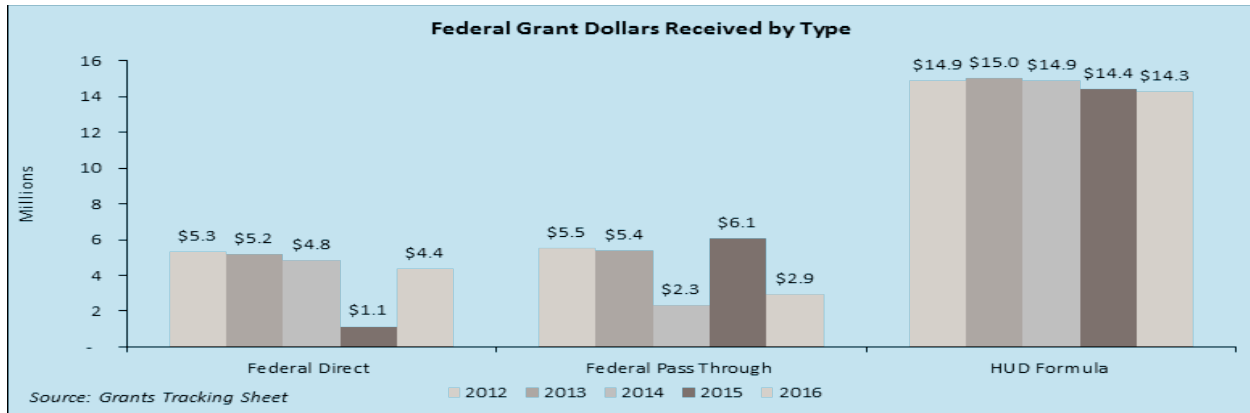
- Consolidated Plan / Federal and Grant Management
- Federal Government Relations
- State Government Relations
- Regional Relations and Partnerships

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES





Great Places

Grant Management

General Fund: \$151,878
Other Funds: \$1,469,250

This program provides federal and state resources to support city services and programs including but not limited to community development, housing, economic development, job training, public safety, public health and public infrastructure improvements. The resources obtained are primarily focused on low and moderate income households.

Services provided under this program are: (1) administrating the United States Department of Housing and Urban Development's (HUD) community development programs; (2) technical assistance to city departments and the Promise Zone regarding federal and state grants; (3) preparation and submission of the annual community development plan and performance report to HUD; (4) issuance of requests for proposals and monitoring and managing of recipients of the federal community development program resources.

One Minneapolis

Federal Government Relations

General Fund: \$334,954

This program advocates for both legislative and administrative policies on behalf of the City to Congress and federal agencies. The work in Washington, D.C. is completed by contracted firms while IGR administers the program locally. Business plan objectives related to this program include identifying federal funding opportunities that meet City's values and goals.

Services provided under this program include (1) assisting in the development of a city council approved federal agenda; (2) providing information to city officials and staff regarding federal issues; (3) arranging for meetings with Washington-based federal elected officials and staff ; and (4) consulting on city grant applications for federal assistance and proposed federal regulations.

State Government Relations

General Fund: \$806,908

The objective of this program is to work with the legislative and executive branches of Minnesota state government to foster the development of the city and the state. An annual legislative agenda and policies that include city positions on numerous public policy issues is

annually adopted by the city council. In addition to the legislative component of this program is to liaison with state agencies regarding joint projects.

Services provided under this program are: (1) informing city staff in the legislative process; (2) preparation of the legislative agenda; (3) publication of a weekly legislative newsletter; (4) assisting elected officials and staff at legislative meetings; (5) drafting legislation and supporting information including fact sheets; and (6) maintaining communication with state agencies.

Regional Relations and Partnerships

General Fund: \$317,571

The objective of this program is to represent the interests of the City of Minneapolis at the Metropolitan Council and the Metropolitan Airports Commission (MAC). The program works with city officials and staff to develop responses to and offer recommendations for regional policies and programs. The program also provides assistance to city officials and staff in reviewing Met Council and MAC policies and plans. The program staff monitors Met Council and MAC meetings, serves on work groups, and staffs the city's Airport Working Group. Program staff also serves on policy committees of the Metro Cities.

Financial Analysis

Expenditure

The total Intergovernmental Relations Department's budget increases from \$2.6 million to \$3.1 million from 2016 to 2017. This is an increase of \$458,000, or 17.5% primarily due to \$388,000 increase in Special Revenue grant funded activities. The General Fund portion of the expenditure budget reflects \$70,000 inflationary increases in operational expenditures.

Revenue

This department does not produce revenue.

Fund Allocation

This department is funded 52.0% in the General Fund and 48.0% funding found in the Special Revenue grant funds.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendations and directed the staff to:

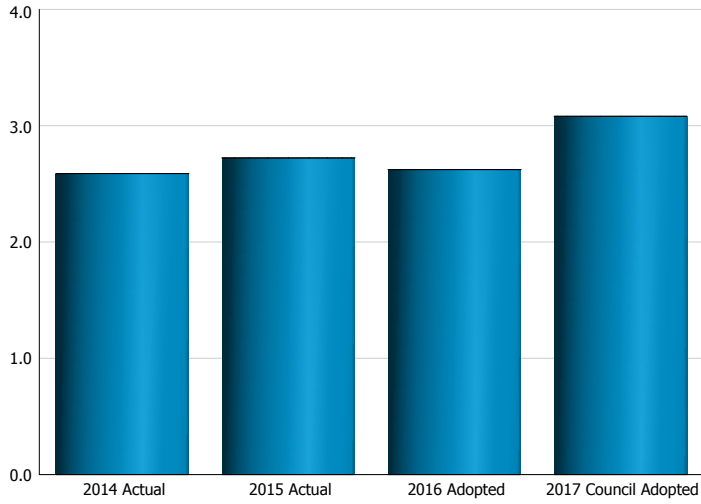
1. Bring to the Intergovernmental Relations Committee an item related to City support for legislation creating an enforcement mechanism that will ensure that city and state stadium spending caps are honored.
2. In collaboration with Civil Rights and City Coordinator's departments including Neighborhood and Community Relations and Communications, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

**INTERGOVERNMENTAL RELATIONS
EXPENSE AND REVENUE INFORMATION**

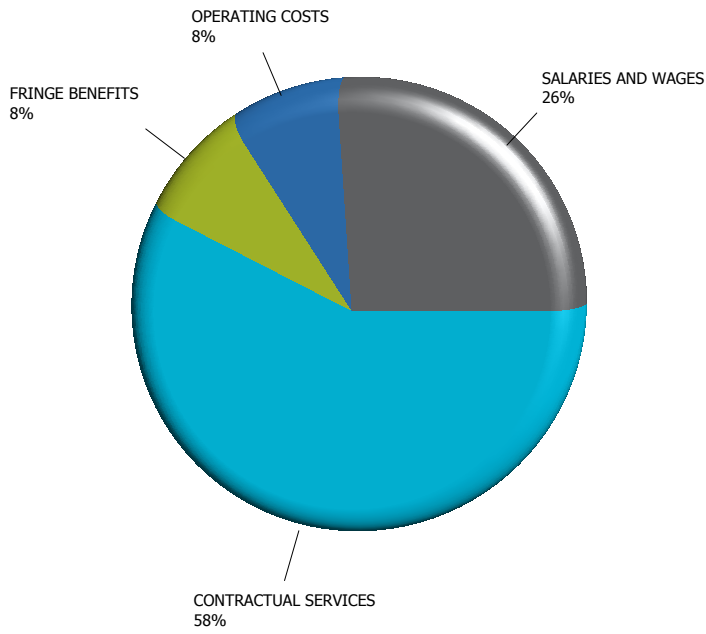
EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	621,404	557,729	560,595	627,444	11.9%	66,849
FRINGE BENEFITS	184,875	151,291	192,438	198,476	3.1%	6,038
CONTRACTUAL SERVICES	417,736	444,223	541,205	538,109	-0.6%	(3,096)
OPERATING COSTS	294,382	211,415	247,077	247,282	0.1%	205
TOTAL GENERAL	1,518,397	1,364,660	1,541,315	1,611,311	4.5%	69,996
SPECIAL REVENUE						
SALARIES AND WAGES	156,270	148,109	174,490	175,301	0.5%	811
FRINGE BENEFITS	47,502	48,293	59,802	59,070	-1.2%	(732)
CONTRACTUAL SERVICES	864,437	1,161,134	847,010	1,234,879	45.8%	387,869
OPERATING COSTS	1,700	551				0
TOTAL SPECIAL REVENUE	1,069,910	1,358,087	1,081,302	1,469,250	35.9%	387,948
TOTAL EXPENSE	2,588,308	2,722,747	2,622,617	3,080,561	17.5%	457,944

INTERGOVERNMENTAL RELATIONS EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions



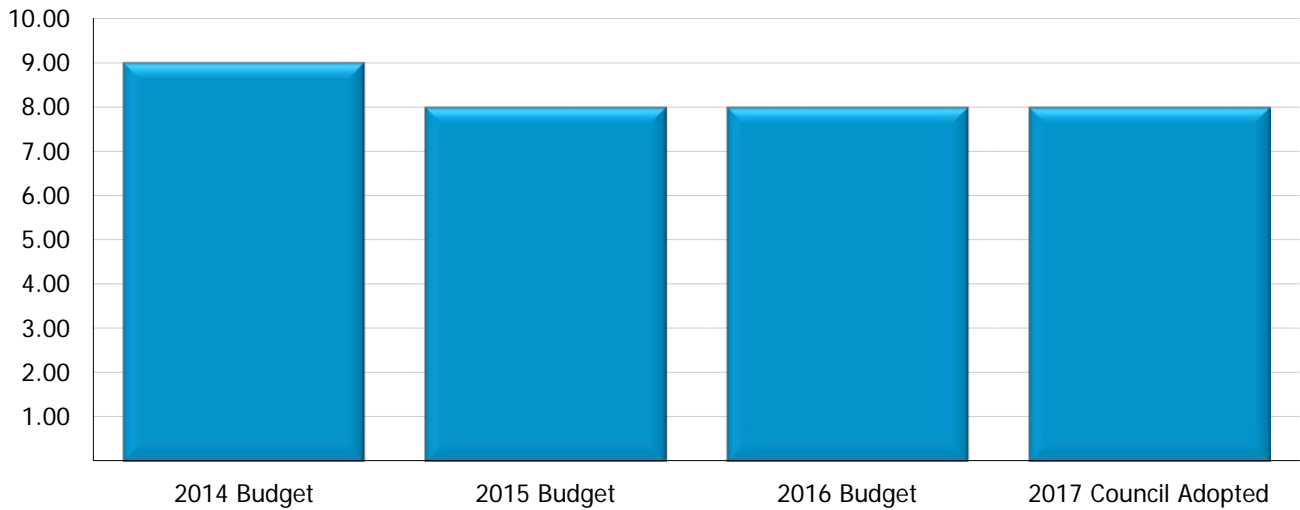
Expense by Category



INTERGOVERNMENTAL RELATIONS Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
GRANTS & SPECIAL PROJECTS	3.68	3.25	3.25	3.25	0.0%	0
INTERGOVERNMENTAL RELATNS	5.32	4.75	4.75	4.75	0.0%	0
Overall	9.00	8.00	8.00	8.00	0.0%	0

Positions 2014-2017



NEIGHBORHOOD AND COMMUNITY RELATIONS

MISSION

The mission of Neighborhood and Community Relations (NCR) department is to strengthen the City's quality of life through vigorous community participation, resident involvement in neighborhood and community organizations, and supporting clearly defined links between the City, City services, neighborhood and community organizations.

BUSINESS LINES

1. Access and Outreach Support

The Access and Outreach Team provides support for a broad range of engagement activities to cultural communities and under-engaged groups in the City enterprise. It also manages various state and federally mandated programs that create equity in accessibility.

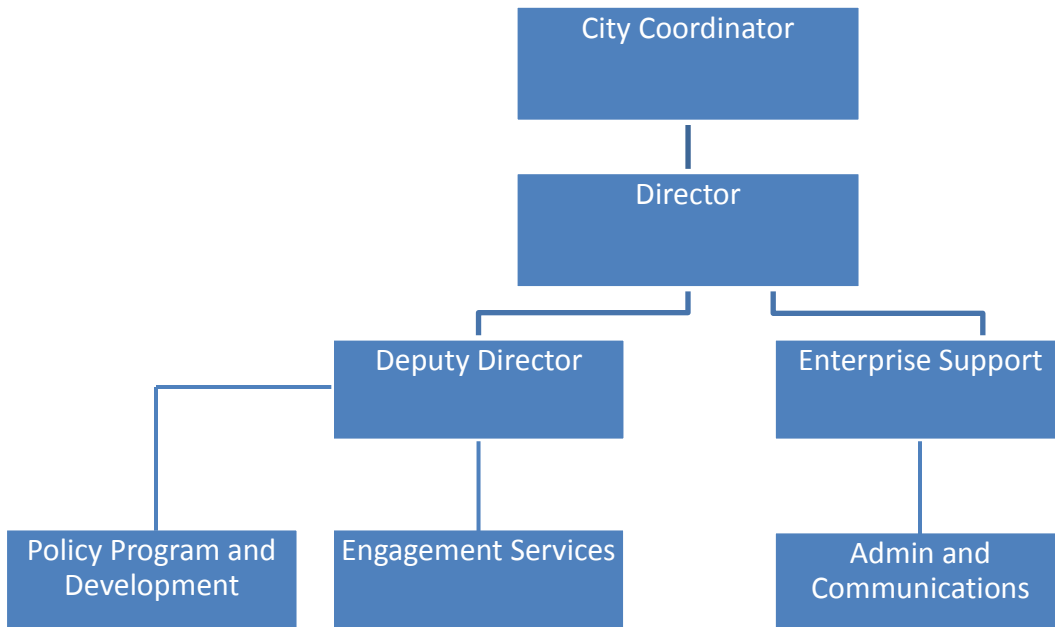
2. Coordinated Engagement Services

The department serves as a resource to all City departments and staff to develop new and dynamic ways to incorporate community participation activities in its work. Through broader and inclusive engagement, City departments are better informed about meeting community needs. The department strives to align the priorities of the City, neighborhoods and community organizations.

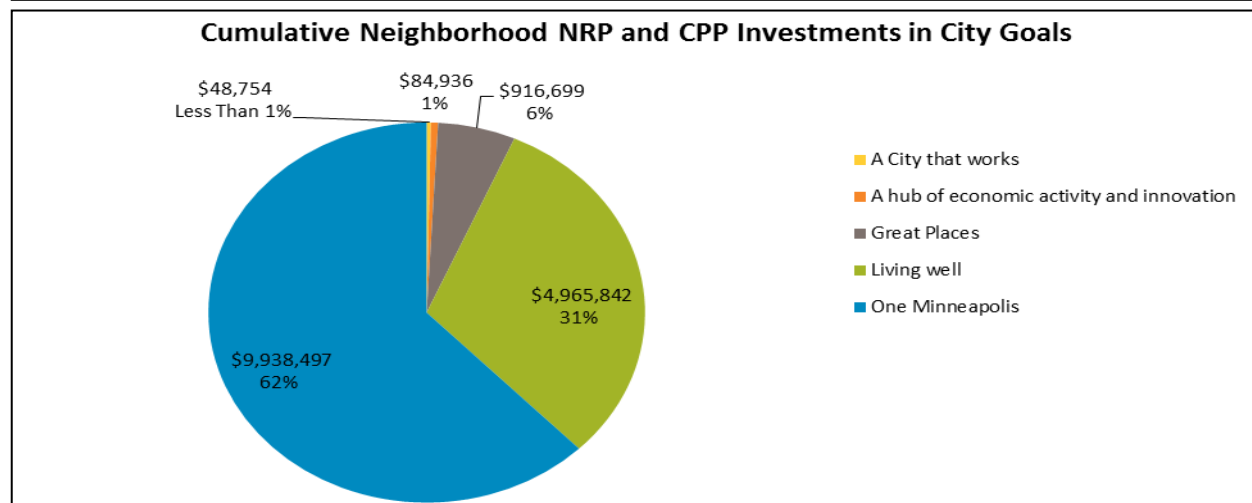
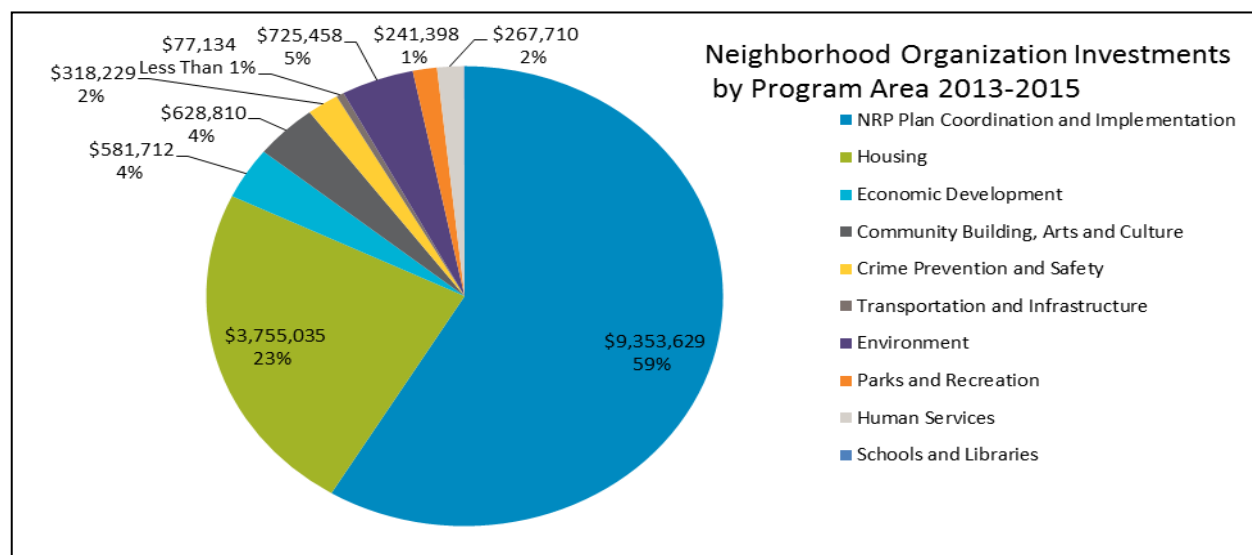
3. Neighborhood Engagement and Support

The department provides logistical and organizational support for neighborhood programs throughout the City.

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES



One Minneapolis

Access and Outreach Support

General Fund: \$264,225
Other Funds: \$560,124

Access and Outreach provides the logistical and office support for cultural engagement services and federally mandated programming. The program is aimed at broadening engagement through enterprise support of federal mandates and the elimination of barriers to participation by underrepresented groups in neighborhood organizations, boards and commissions and City governance. The services provided include ADA compliance, implementation of the City's ADA transition plan, implementation of language access plan, interpretation and translation services, and administration of program funding for the One Minneapolis Fund.

Living Well

Coordinated Engagement Services

Other Funds: \$1,242,250

This program builds a coordinated resident engagement strategy for the city. Following the City's adopted Core Principles of Engagement, this program provides staff support to the City's engagement systems – neighborhood organizations, boards and commissions and enterprise engagement efforts. The various efforts underway at NCR will be connected to and coordinated with other engagement related activities in the city and with multijurisdictional partners. This program includes a blueprint for equitable engagement, which includes American Indian Memorandum of Understanding, Latino Engagement Task Force, staff support to the city's 70 neighborhood organizations, Minneapolis for a Lifetime, ongoing engagement with cultural communities, diversification of the city's 18 advisory boards and commissions, city Academy, and staff support to four advisory commissions.

Neighborhood Engagement and Support

Other Funds: \$9,083,093

This program supports the department's support services for neighborhood organizations. The program helps sustain a world-class community engagement program through neighborhood-based priority setting, planning and implementation; and the coordination of this work with the work of the City. This program also includes the direct allocations to neighborhood organizations through the three primary funding programs. The services provided include Community Participation Program (CPP) allocation, Neighborhood Revitalization Program (NRP) allocation, Community Innovation Fund (CIF) funding, and other support services such as contract management, directors and officers insurance, auditing, training, legal support and other related activities.

Financial Analysis

Expenditure

For 2017, the Neighborhood and Community Relations budget is \$11.1 million, a decrease of 17.0% from the 2016 budget of \$13.4 million.

Revenue

In 2017, the department anticipates \$10.8 million in revenue, a decrease of 17.8% from 2016 revenue of \$13.1 million.

Fund Allocation

This department is funded primarily by the NCR Special Revenue Fund, with remainder of the department's funding in General Fund.

Mayor's Recommended Budget

The Mayor recommended \$60,000 in one-time funding from the General Fund for Americans with Disabilities Act action plan, and \$20,000 in one-time funding for senior programming.

Council Adopted Budget

The City Council approved the Mayor's recommendations and directed the staff to:

1. Collaborate with the Office of City Clerk and City Coordinator's departments including Finance and Property Services and Communications, to develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.

Staff will report back to the Ways and Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:

- A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.
 - Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
 - Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
 - Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures that could be delegated to a participatory budget process.
 - Sample calendar of an annual participatory budgeting process.
 - Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.
 - Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.
2. Directing the Neighborhood and Community Relations Department to transfer their 2016 end-of-year salary savings on a one-time basis not to exceed \$25,000 to the Health Department to augment the culturally relevant community-based intervention and street outreach strategies to help transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.
 3. In collaboration with City Coordinator's departments including Civil Rights, Intergovernmental Relations and Communications, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

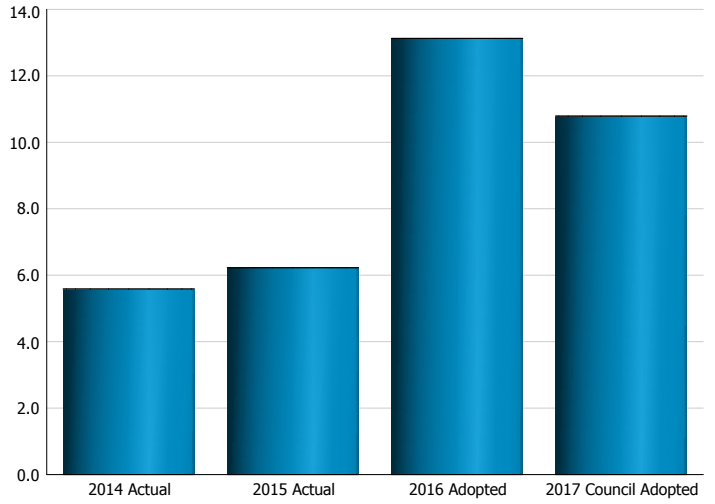
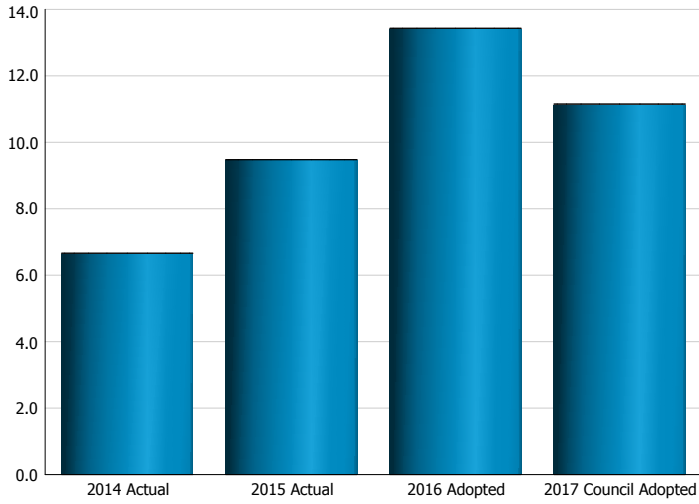
NEIGHBORHOOD & COMMUNITY RELATIONS EXPENSE AND REVENUE INFORMATION

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	454,066	167,907	48,852	55,464	13.5%	6,612
FRINGE BENEFITS	179,959	50,664	26,148	24,690	-5.6%	(1,458)
CONTRACTUAL SERVICES	357,933	135,474	145,000	184,071	26.9%	39,071
OPERATING COSTS	47,075	3,996				0
TOTAL GENERAL	1,039,032	358,041	220,000	264,225	20.1%	44,225
SPECIAL REVENUE						
SALARIES AND WAGES	614,861	976,741	1,176,389	1,300,746	10.6%	124,357
FRINGE BENEFITS	193,663	309,516	458,153	465,941	1.7%	7,787
CONTRACTUAL SERVICES	4,668,180	7,433,734	11,442,272	8,884,390	-22.4%	(2,557,882)
OPERATING COSTS	98,133	192,313	134,676	234,390	74.0%	99,714
CAPITAL	36,518	133,558				0
TRANSFERS	10,961	72,756				0
TOTAL SPECIAL REVENUE	5,622,317	9,118,620	13,211,490	10,885,467	-17.6%	(2,326,023)
TOTAL EXPENSE	6,661,349	9,476,661	13,431,490	11,149,692	-17.0%	(2,281,798)
REVENUE						
SPECIAL REVENUE						
CHARGES FOR SERVICES	3,400				0.0%	0
CONTRIBUTIONS	8,000				0.0%	0
OTHER MISC REVENUES	52,097		7,000,000	4,300,000	-38.6%	(2,700,000)
TRANSFERS IN	5,520,516	6,225,384	6,127,000	6,487,516	5.9%	360,516
SPECIAL REVENUE	5,584,013	6,225,384	13,127,000	10,787,516	-17.8%	(2,339,484)
TOTAL REVENUE	5,584,013	6,225,384	13,127,000	10,787,516	-17.8%	(2,339,484)

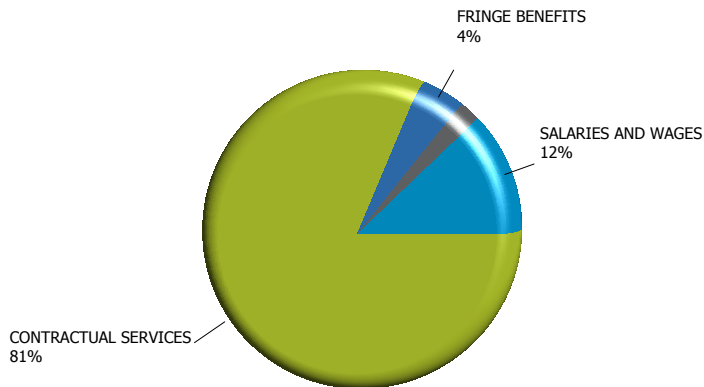
NEIGHBORHOOD & COMMUNITY RELATIONS EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



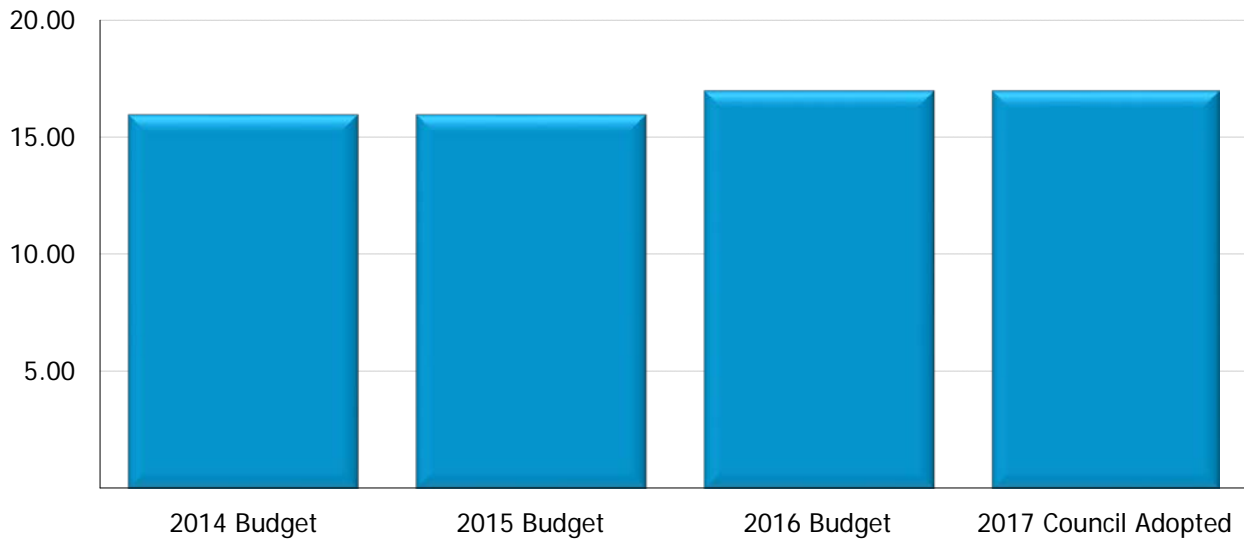
Expense by Category



NEIGHBORHOOD & COMMUNITY RELATIONS Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
ADMINISTRATION	16.00	16.00	17.00	17.00	0.0%	0
Overall	16.00	16.00	17.00	17.00	0.0%	0

Positions 2014-2017



CIVIL RIGHTS

MISSION

The mission of the Minneapolis Department of Civil Rights is to enforce Minneapolis Code of Ordinances Title 7 (non-discrimination); Title 9, Chapter 172 (civilian police review authority); Title 16, Chapter 423 (small and underutilized business programs); Title 23, Chapter 6 (prevailing wage); and to promote understanding of civil rights among residents, business and government.

BUSINESS LINES

The Minneapolis Department of Civil Rights (MDCR) is composed of five business lines: the Complaint Investigations Division; the Contract Compliance Division; the Office of Police Conduct Review; the Civil Rights Equity Division; and the Labor Standards Enforcement Division.

The Complaint Investigations Division (CID) investigates and resolves allegations of illegal discrimination as required by the Minneapolis Civil Rights Ordinance (MCRO) and a federal work share agreement with the US Equal Employment Opportunity Commission (EEOC). This program neutrally enforces the City's anti-discrimination laws and policies by investigating complaints of discrimination in multiple areas including, but not limited to: education, housing, and public services. Also, through a work share agreement with (EEOC), the City serves as a Fair Employment Practice Agency (FEPA), investigating employment discrimination claims dual-filed and/or cases transferred from the EEOC. In lieu of the formal investigatory process, the division maintains an Alternative Dispute Resolution (ADR) program.

Services provided:

- Handles complaints of discrimination in accordance with the Minneapolis Civil Rights Ordinance.
- Oversees an alternative dispute-resolution/mediation program.
- Engages with schools, communities, and non-profit organizations to further the work of the department.
- Reviews cases on appeal and preside over administrative hearings
- Provides administrative support to the Minneapolis Commission on Civil Rights

The Contract Compliance Division (CCD) works to eliminate discrimination by ensuring that City projects and contracts include women, minorities, and low income resident workers and businesses. The Division also ensures that all workers on construction projects are paid fairly. This division conducts compliance on five program areas that affect the general fund: 1) Affirmative Action, 2) Minority and Women Business Inclusion, 3) Female and Minority Workforce Inclusion, 4) Low Income Residents Workforce and Business Inclusion, and 5) Labor Compliance.

Services provided:

- Provides guidance, review and compliance on Affirmative Action Plans for City contractors to ensure affirmative action and equal employment opportunity laws are complied with.
- Administers the Small and Underutilized Business Program to ensure minority and women owned businesses are included on City contracts and projects.

- Sets business inclusion goals for all contracts and projects over \$50,000.
- Conducts good faith efforts reviews of City contractors.
- Conducts outreach to and certify Disadvantaged Business Enterprises (DBEs).
- Enforces City's construction workforce goals to ensure female and minorities are utilized on City construction projects.
- Administers the HUD Section 3 Program to ensure low income resident workers and businesses are included on City construction projects.
- Monitors and enforces labor compliance and prevailing wage laws under the Federal Davis-Bacon and Related Acts to ensure workers are paid appropriately.
- Administer the back payment of wages to workers.

The Office of Police Conduct Review (OPCR) processes police conduct complaints in a fair manner with a civilian-sworn leadership model of oversight; utilizing a hybrid review panel of community members and police officers to issue recommendations that are just; and supporting an all civilian based commission that recommends policy and training that is positioned to change a culture, build community trust and have a lasting impact on the practice of police oversight.

Services provided:

- Fairly, objectively, and neutrally addresses complaints of police misconduct through investigations, mediations, and the coaching process.
- Manages the Police Conduct Review Panel that makes recommendations based on supportive information to promote adherence to the highest standard of police conduct.
- Provides transparency, citizen engagement, and meaningful participation related to police conduct through the Police Conduct Oversight Commission by advising on police policy, auditing OPCR cases, and engaging the community in discussions and police procedure.
- Provides administrative support to the Police Conduct Review Panel and the Police Conduct Oversight Commission.

The Civil Rights Equity Division (CRED) leads the department's equity work in support of the City wide goal of One Minneapolis and is charged with improving equitable service delivery and organizational culture across divisions through the use of an equity lens and framework and to support the City's various enterprise equity initiatives. By addressing racial bias in decision making through the implementation and increased use of racial equity tools and training, CRED aims to improve operations, internal systems, policies and programs, and organizational culture.

CRED also oversees Urban Scholars, the City's leadership and professional development program for students of diverse racial and ethnic backgrounds. The program works to raise awareness, and address the core causes, of the employment disparities across the Metro by partnering with organizations and growing the pipeline of recently-graduated professionals.

Services provided:

- Manages and administer the Urban Scholars Program for the City and its regional partners
- Improves equitable service delivery and organizational culture across MDCR divisions through the intentional use of an equity lens and framework.
- Creates, strengthens, and maintains external partnership in order to advance local and regional equity work.

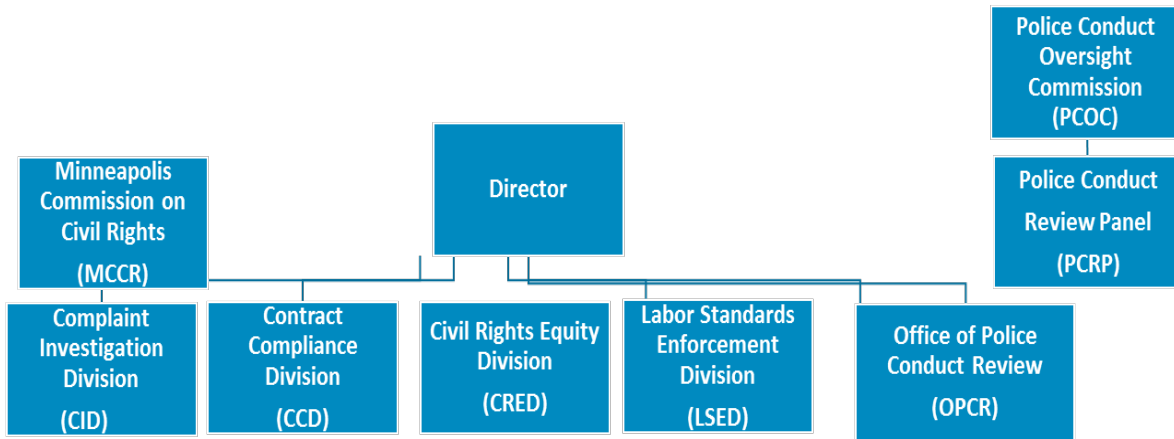
The Labor Standards Enforcement Division (LSED) oversees compliance with the City’s Sick and Safe Time ordinance. The work of the division is performed in support of the City wide goal of One Minneapolis with a focus on resident safety, well-being and prosperity.

LSED also provides staff support to the Workplace Advisory Group, an appointed group of approximately 20 community stakeholders that focus on workplace issues and serves as resource on outreach and implementation of the Sick and Safe Time Ordinance.

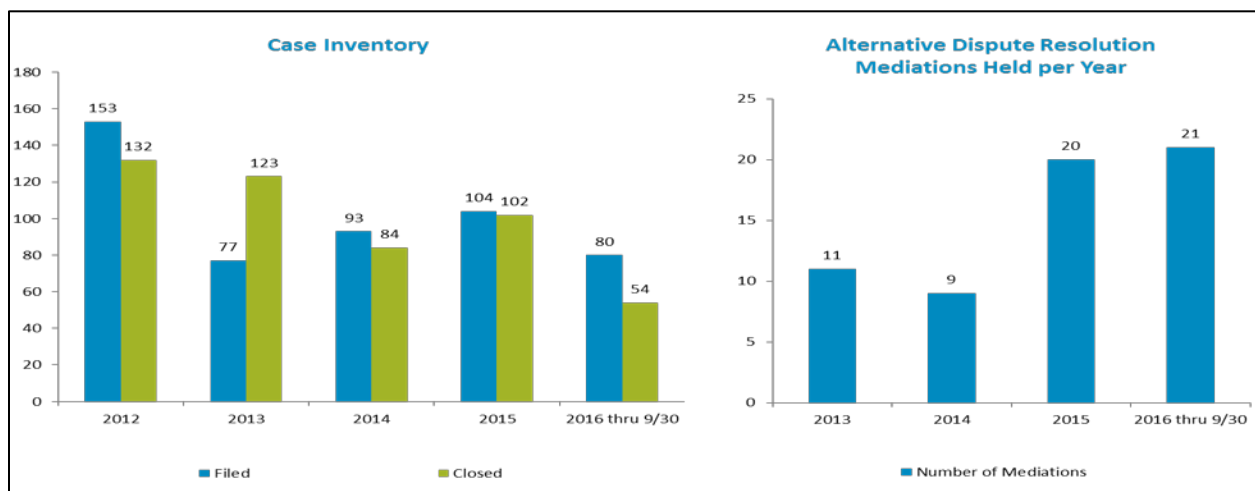
Services provided:

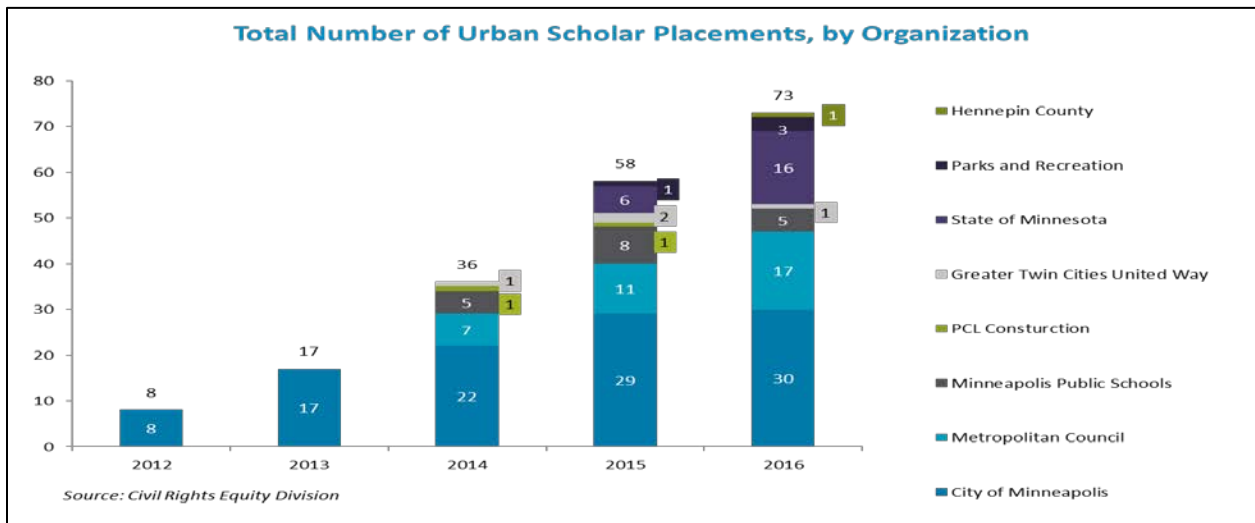
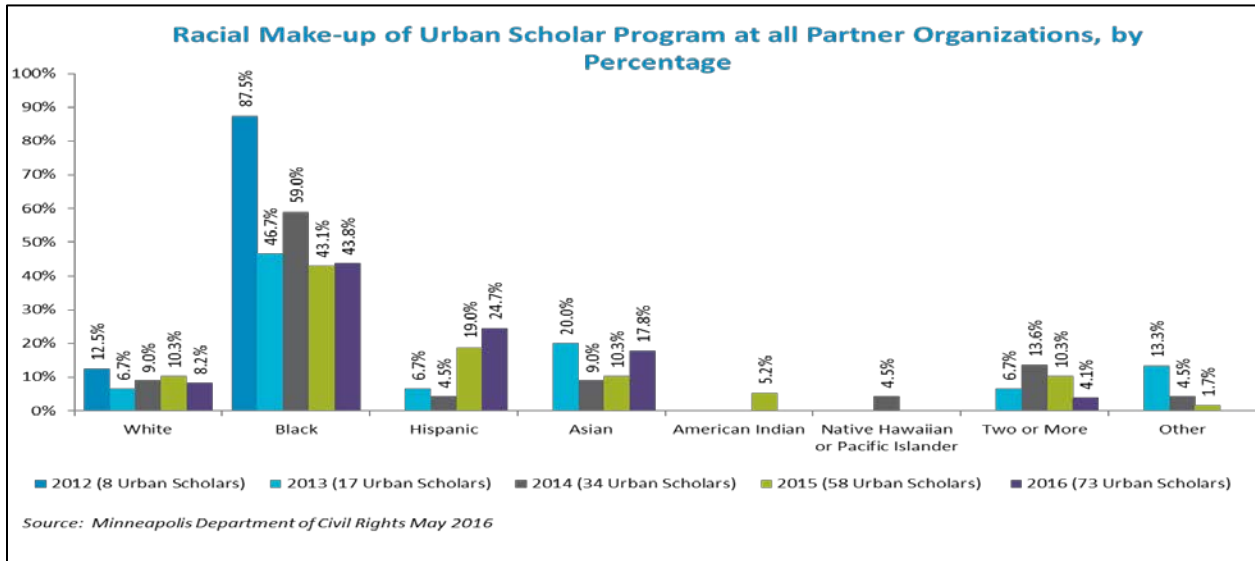
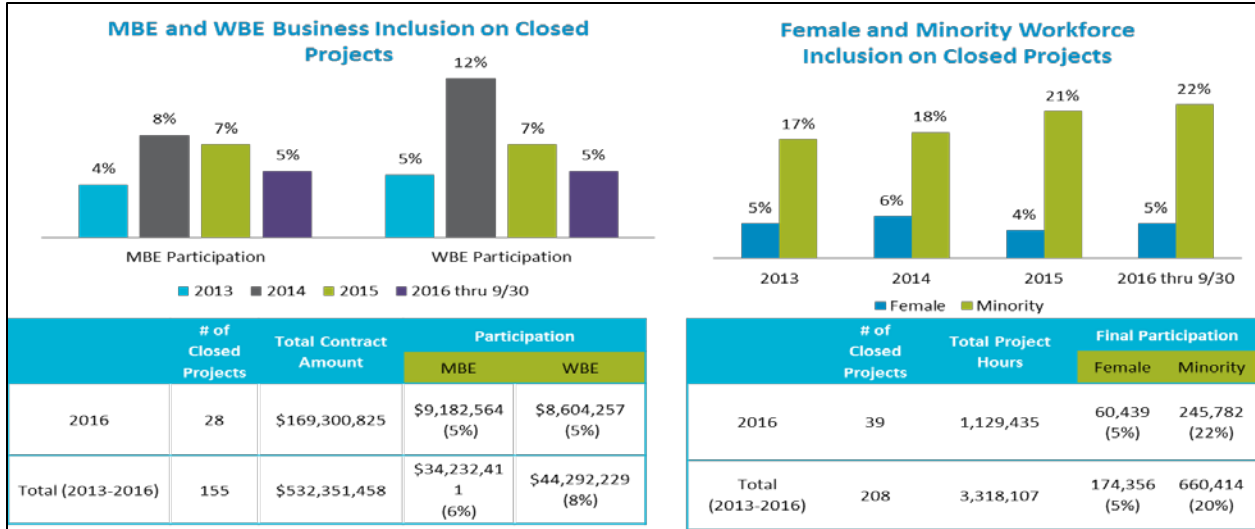
- Offers culturally specific education and outreach to employees
- Educates employers on their requirements and obligations
- Provides technical assistance to employers
- Investigates complaints
- Conducts workplace audits
- Oversees compliance reporting

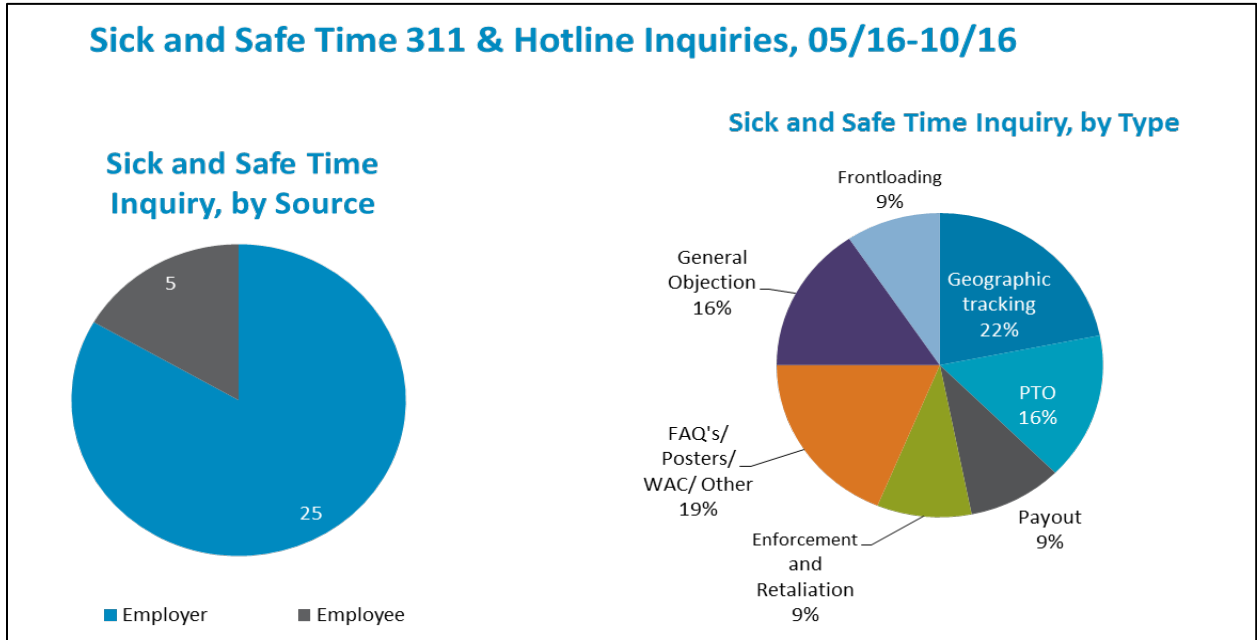
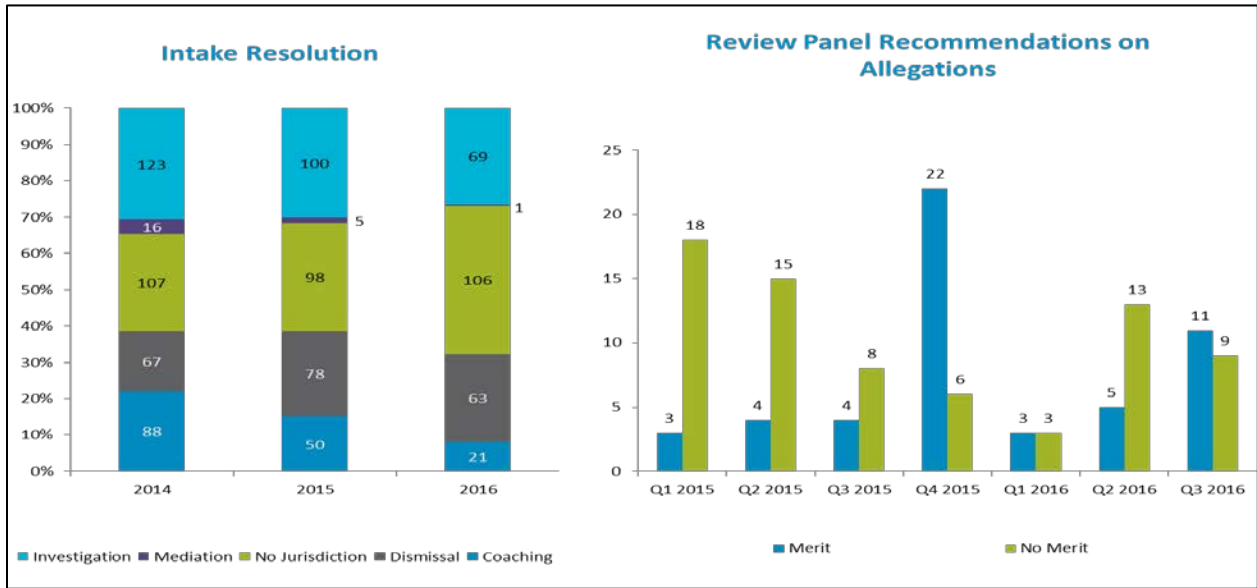
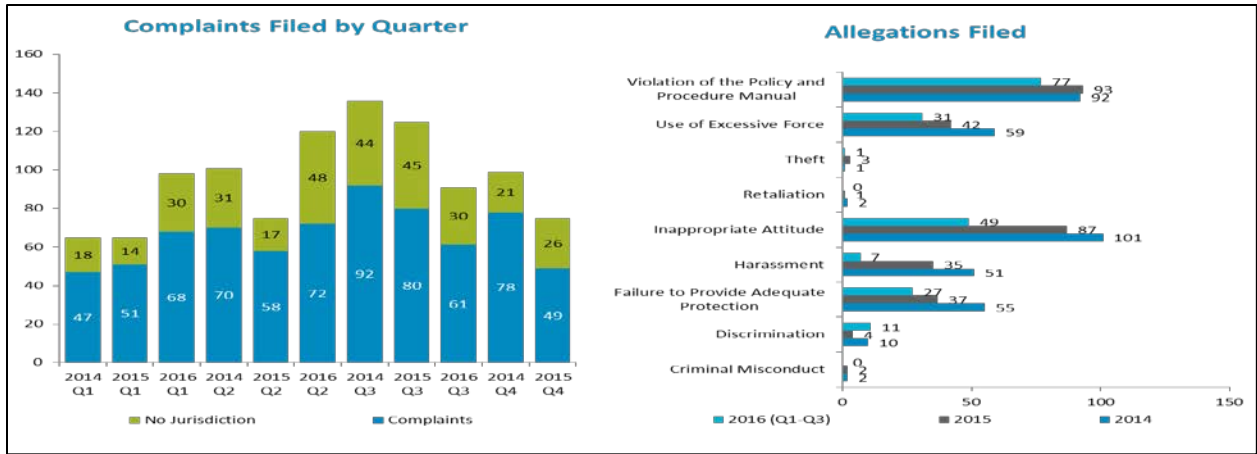
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES







One Minneapolis

Complaint Investigations

General Fund: \$680,186
Other Funds: \$41,000

The Complaint Investigation Division (CID) is required by City Ordinance to neutrally enforce the City's anti-discrimination laws and policies by investigating complaints of discrimination. Also, through a work sharing agreement with the U.S. Equal Employment Opportunity Commission (EEOC), the City serves as a Fair Employment Practice Agency (FEPA), investigating employment discrimination claims dual-filed and/or cases transferred from the EEOC. This program also administers an Alternative Dispute Resolution (ADR) Program to resolve complaints that allege discrimination and provide staff support to the Minneapolis Civil Rights Commission.

Equity Division

General Fund: \$594,281

This Civil Rights Equity Division (CRED) program in collaboration with other City departments supports and encourages efforts in the City to develop policies, practices, and strategic investments to reverse racial disparity trends, eliminate institutional racism, and ensure that outcomes and opportunities for all people are no longer predictable by race. In support of the divisions within the Civil Rights Department and in cooperation with its private, public, and nonprofit partners, CRED works to create fair and just opportunities and outcomes for all people. The division also manages Urban Scholars, the City's leadership development internship program for post-secondary students from diverse racial and ethnic backgrounds.

A City that Works

Contract Compliance

General Fund: \$1,659,852
Other Funds: \$321,644

This Contract Compliance Division (CCD) ensures that City of Minneapolis procurement of construction and development services, commodities and supplies, and professional and technical services includes women, minorities, and low income workers and businesses. CCD also ensures that workers on construction and development projects are paid in accordance with prevailing wage laws. This division monitors and ensures compliance in four primary program areas that affect the general fund: Affirmative Action, Minority and Women Business Inclusion, Low Income Residents and Business Inclusion, and Prevailing Wage Compliance.

Living Well

Office of Police Conduct Review

General Fund: \$728,317

The Office of Police Conduct Review (OPCR) ensures the processing of police conduct complaints in a fair manner with a civilian-sworn leadership model of oversight. OPCR utilizes a hybrid review panel of community members and police officers to issue recommendations. The OPCR provides staff support to the Police Conduct Oversight Commission (Commission), an all civilian commission that recommends policy and training that is positioned to change a culture, build community trust and have a lasting impact on the practice of police oversight. The Commission provides transparency, citizen engagement, and meaningful participation related to police conduct by advising on police policy, auditing OPCR cases, and engaging the community

in discussions of police procedure. The ultimate goal is to foster mutual respect between the Minneapolis Police Department and all populations of the city of Minneapolis.

Labor Standards Enforcement

General Fund: \$198,450

The Labor Standards Enforcement Division (LSED) oversees compliance with the City's Sick and Safe Time ordinance. The work of the division is performed in support of the City wide goal of One Minneapolis with a focus on resident safety, well-being and prosperity. The program also provides staff support to the Workplace Advisory Group, an appointed group of approximately 20 community stakeholders that focus on workplace issues and serves as a resource on outreach and implementation of the Sick and Safe Time Ordinance. Services provided under this program include culturally specific education and outreach to employees; educating of employers on their requirements and their obligations; technical assistance to employers; complaint investigation; workplace audits; and, compliance reporting.

Financial Analysis

Expenditure

The total Civil Rights Department's budget increases from \$3.6 million to \$4.2 million from 2016 to 2017. This is an increase of \$591,000 or 16.3%. The Civil Rights Department's 2017 expenditure budget reflects the following changes from 2016; inflationary increases in operational expenses and ongoing and one-time budgetary change items with a net effect of additional \$338,000. Department's 2017 total FTE count of 29.0 FTEs reflects an increase of 4.0 FTEs from 2016 due to; 1.0 FTE funded within existing resources, and 3.0 FTEs in new funding. The 2016 budget includes 2.0 FTE that were transferred from City Coordinator's office.

Revenue

Revenues are projected to decline by \$4,500 in this department due to a decrease in Equal Employment Opportunities Commission (EEOC) charge resolutions in the City's federal grant fund. The department's total revenues in 2017 are projected to be \$41,000.

Fund Allocation

This department is funded primarily by the General Fund, with the remainder of the department's funding found in the CDBG funds and other federal grant funds.

Mayor's Recommended Budget

The Mayor recommended the following ongoing General Fund resources: \$100,000 in the Office of Police Conduct Review for an additional Case Investigator (1.0 FTE), \$88,000 in the Contract Compliance division for a Certification Specialist (1.0 FTE), and authorized the department to add 1.0 FTE using existing resources in the Equity division.

The Mayor also recommended \$50,000 one-time General Fund resources for outreach related to the implementation of the Earned Sick and Safe Time ordinance.

Council Adopted Budget

The City Council amended the Mayor's recommendations by decreasing on an ongoing basis the City Attorney's Office budget by \$100,000 and increasing the Civil Rights Department's budget by \$100,000 and 1 FTE for the Complaint Investigation Division.

The City Council also directed the staff to:

- Assign staff to help coordinate response and information regarding hate speech and crimes, as well as acts of discrimination, within the City and with intergovernmental and community partners.
- In collaboration with City Coordinator's departments including Neighborhood and Community Relations, Intergovernmental Relations and Communications, work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.

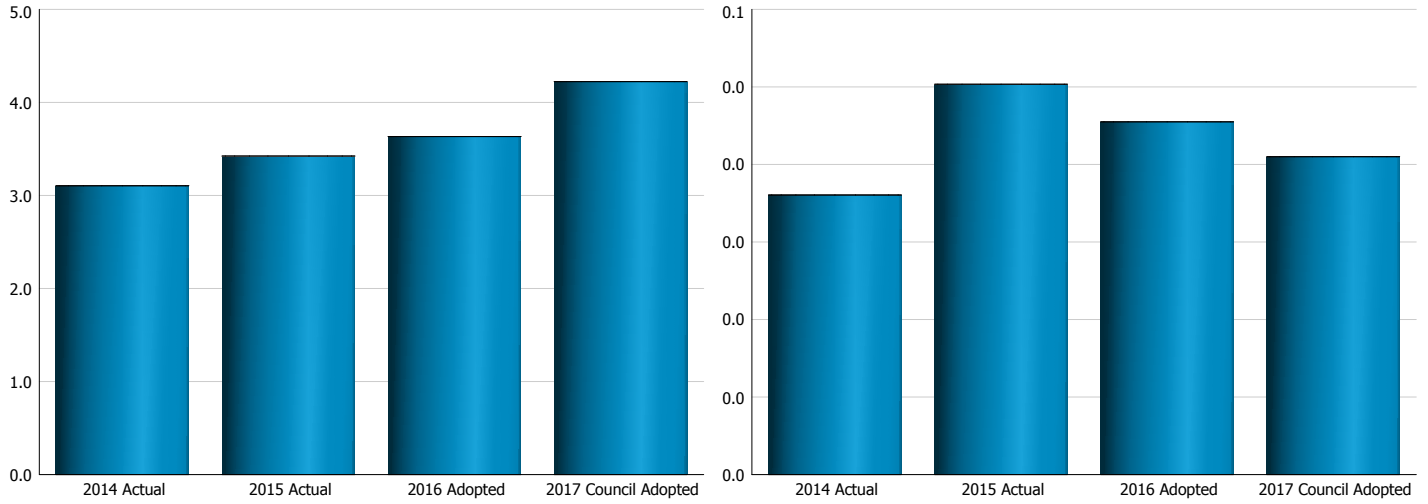
**CIVIL RIGHTS
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,223,387	1,517,522	1,279,806	1,824,391	42.6%	544,585
FRINGE BENEFITS	441,685	506,566	570,743	760,977	33.3%	190,234
CONTRACTUAL SERVICES	591,088	677,425	1,064,869	869,531	-18.3%	(195,338)
OPERATING COSTS	518,796	405,671	394,828	406,187	2.9%	11,359
TOTAL GENERAL	2,774,956	3,107,184	3,310,246	3,861,086	16.6%	550,839
SPECIAL REVENUE						
SALARIES AND WAGES	209,946	197,861	235,812	230,462	-2.3%	(5,350)
FRINGE BENEFITS	95,733	81,879	41,629	91,182	119.0%	49,553
CONTRACTUAL SERVICES	3,345	21,096	45,500	41,000	-9.9%	(4,500)
OPERATING COSTS	20,532	15,565				0
TOTAL SPECIAL REVENUE	329,556	316,402	322,940	362,644	12.3%	39,703
TOTAL EXPENSE	3,104,512	3,423,586	3,633,187	4,223,729	16.3%	590,543
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	72	37			0.0%	0
OTHER MISC REVENUES	30				0.0%	0
GENERAL	102	37				0
SPECIAL REVENUE						
CHARGES FOR SERVICES		17,574			0.0%	0
CONTRIBUTIONS	5,500	4,500			0.0%	0
FEDERAL GOVERNMENT	30,459	28,234	45,500	41,000	-9.9%	(4,500)
SPECIAL REVENUE	35,959	50,308	45,500	41,000	-9.9%	(4,500)
TOTAL REVENUE	36,061	50,344	45,500	41,000	-9.9%	(4,500)

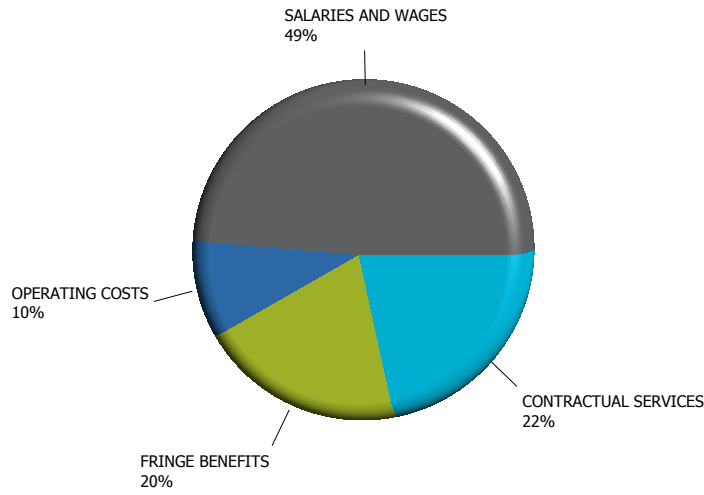
CIVIL RIGHTS EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



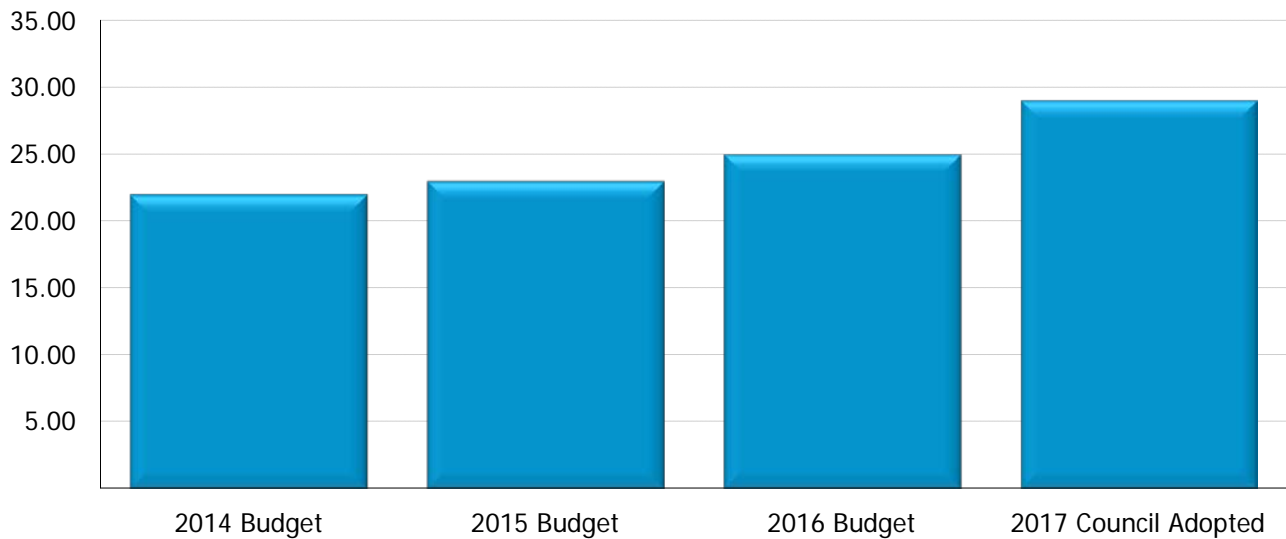
Expense by Category



CIVIL RIGHTS

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
COMPLAINT INVESTIGATION	5.52	5.52	5.52	6.52	18.1%	1.00
CONTRACT COMPLIANCE	8.74	9.74	9.74	10.74	10.3%	1.00
EQUITY IN EMPLOYMENT	2.22	2.22	2.22	3.22	45.0%	1.00
LABOR STANDARDS ENFORCEMENT			2.00	2.00	0.0%	0
POLICE CONDUCT REVIEW	5.52	5.52	5.52	6.52	18.1%	1.00
Overall	22.00	23.00	25.00	29.00	16.0%	4.00

Positions 2014-2017



COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

MISSION

Grow a vibrant, livable, safely built city for everyone.

BUSINESS LINES

Long Range Planning

Long Range Planning prepares and maintains the City's comprehensive plan, small area plans, and strategic planning initiatives; conducts research; oversees the Public Art Program; guides public realm and urban design principles; guides development; manages historic preservation studies, and partners in implementation.

Economic Policy & Development

Economic policy & Development supports investment that grows businesses, jobs and the City's tax base, and works to ensure that Minneapolis residents are competitive for those jobs.

Housing Policy & Development

Housing Policy & Development establishes housing policy, finances and redevelops single and multifamily residential real estate to stimulate private investment, increase the tax base and sustain a healthy housing market.

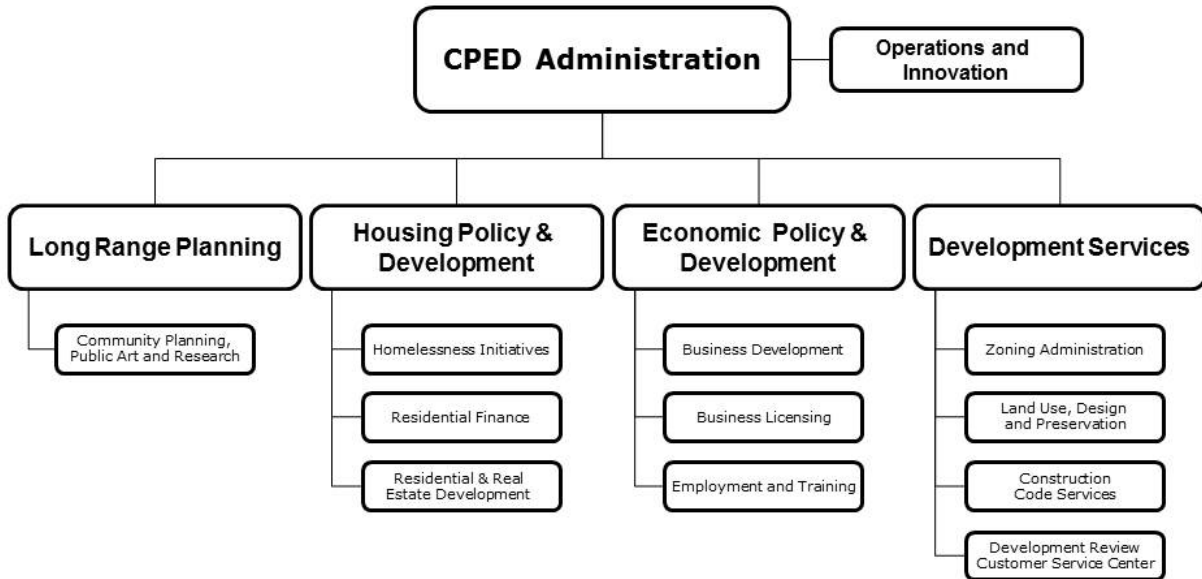
Development Services

Development Services manages zoning administration, land use, design and preservation review, construction code services and the customer service center that serves as the front door for the City's consolidated development activities.

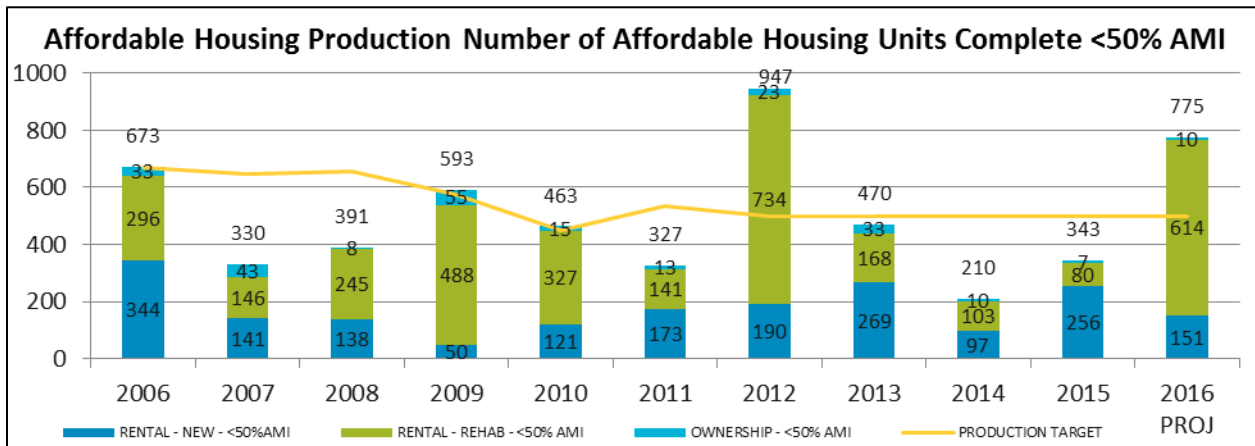
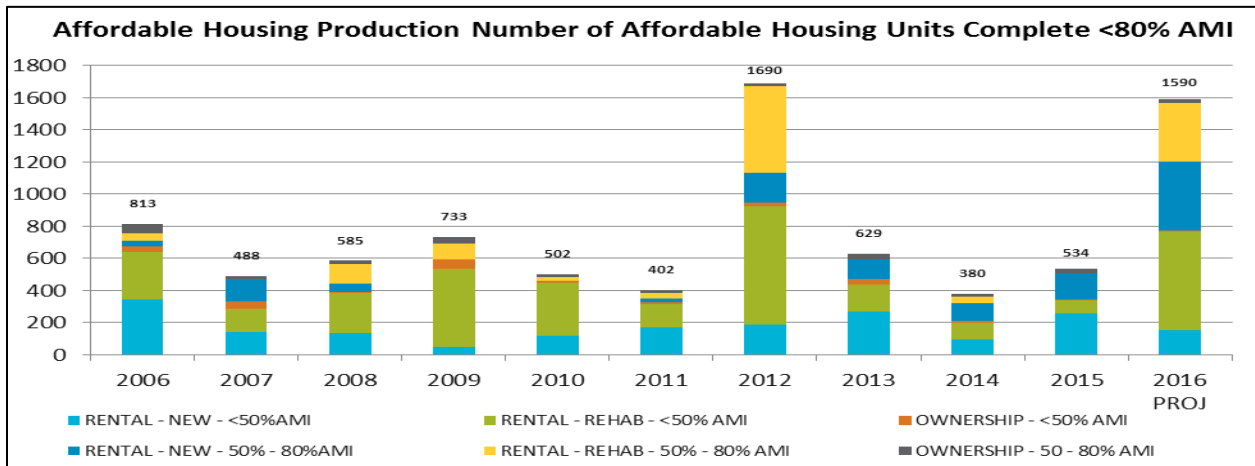
Operations & Innovation

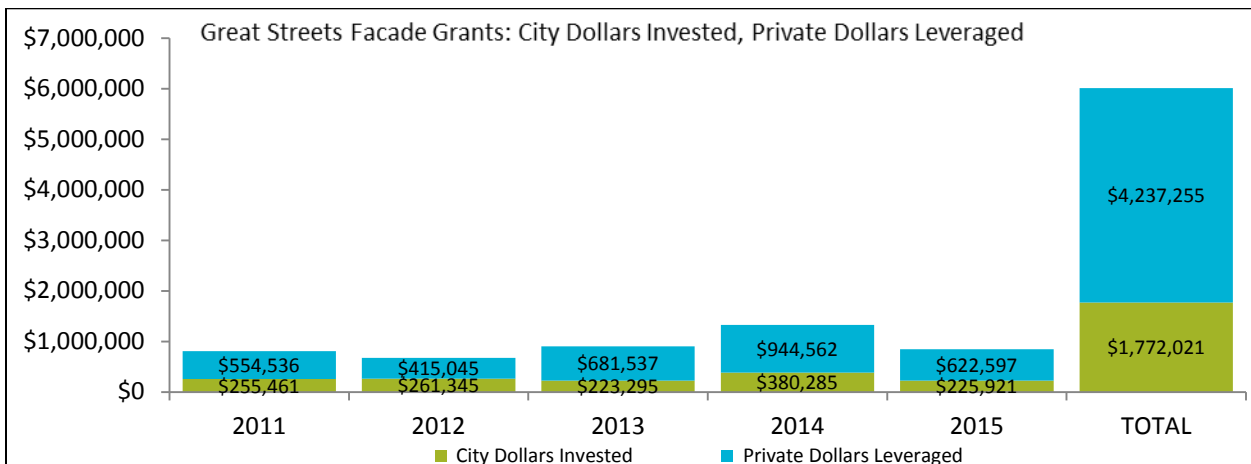
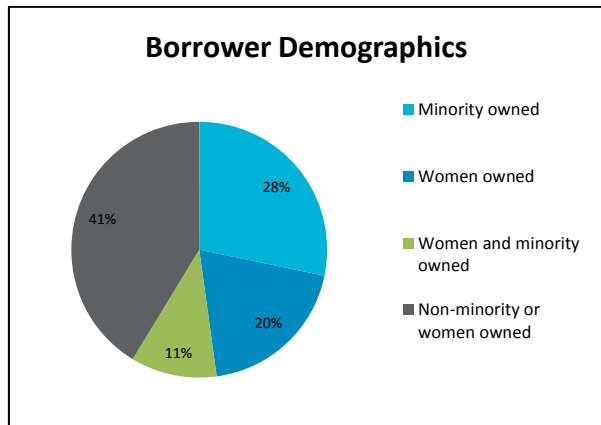
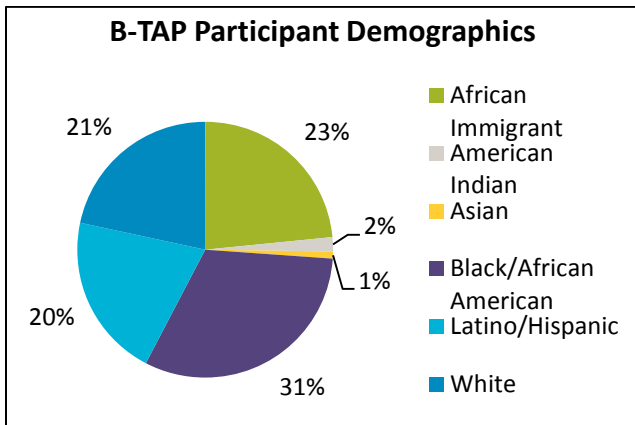
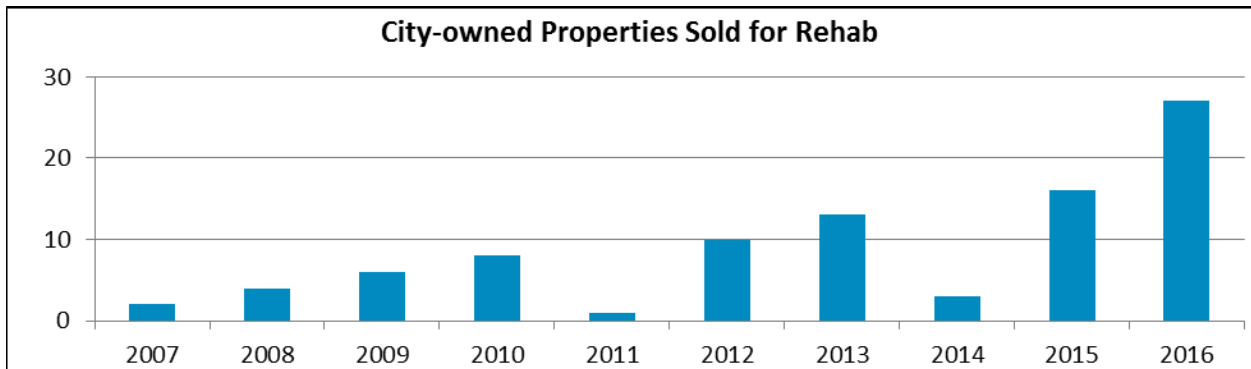
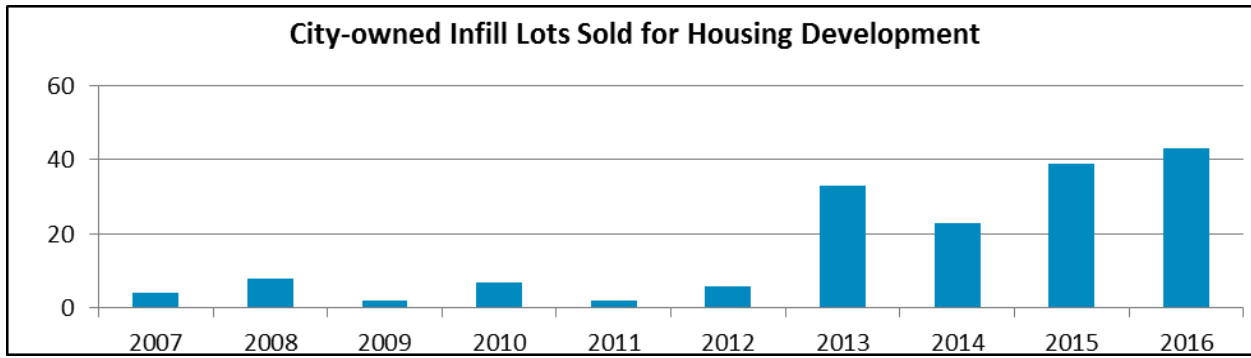
Operations & Innovation supports the entire department by providing internal support services and solutions, interdepartmental coordination, and implementation of enterprise and department goals and policies.

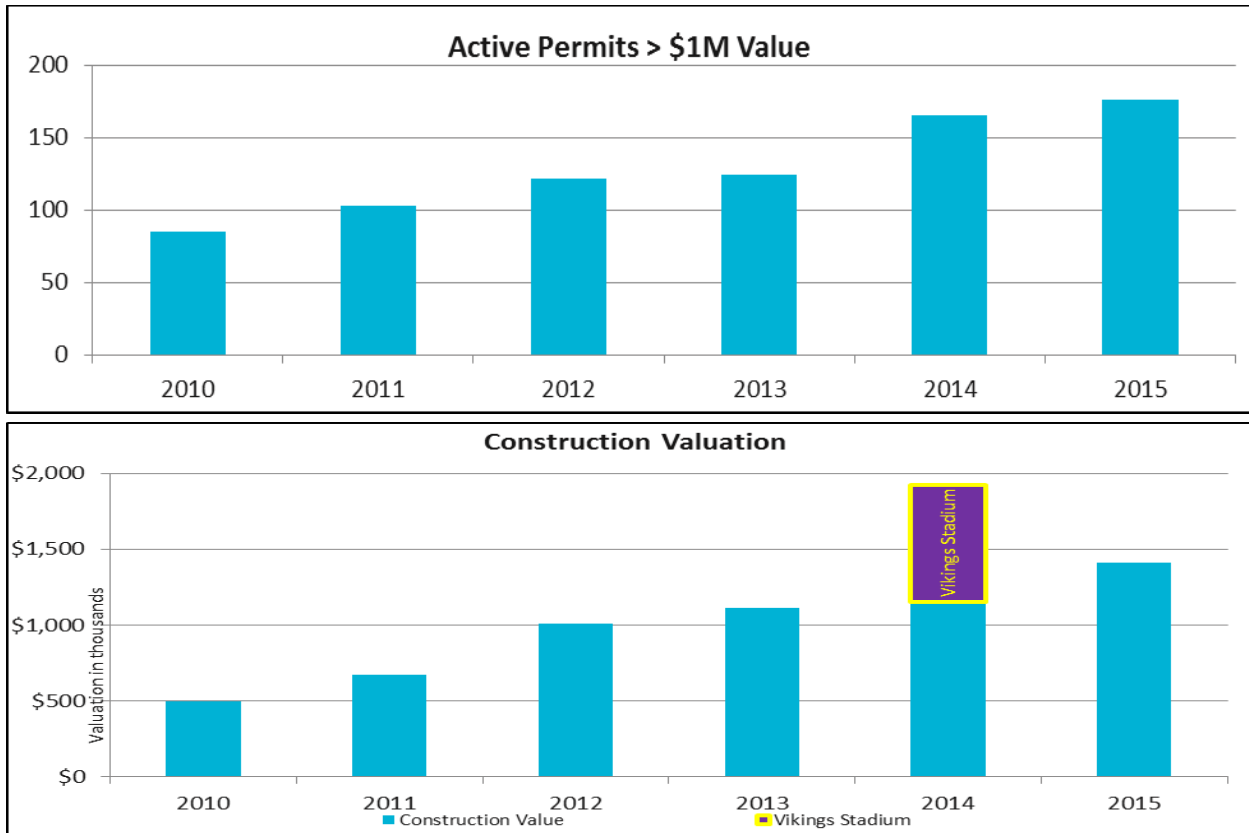
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES







A Hub of Economic Activity and Innovation

CPED Long Range Planning Division

General Funds: \$2,265,945
Other Funds: \$1,211,783

Long Range Planning Division has four key components:

- (1) Comprehensive Planning actively aligns the City's planning, economic development, housing development, and transportation planning functions into a sustainable, regional framework for managed growth over the next generation.
- (2) Research includes civic technology initiative, creative financing and applied research.
- (3) Art in Public Places is comprised of six areas of regular work activity which include art in public places, conservation, technical assistance to other agencies, public art policy, proposals for art on city property, proposals for art on private property.
- (4) Qualitative Urbanism focuses on creating a separated design review track for CPED owned properties, creating public realm strategic plan and guidelines, establishing consistent graphic standards for requests for proposals and requests for qualifications and establishing coordinated governmental framework for all public realm improvements.

Adult Workforce Development

General Fund: \$1,019,469
Other Funds: \$4,719,328

Adult Workforce Development supports Minneapolis residents in gaining employment through three programs; Minneapolis Works and RENEW Minneapolis, both serving low-income Minneapolis job seekers; and the Dislocated Worker Program, helping recently laid off adults

return to the workforce. In partnership with fifteen community-based agencies the adult programs provide career counseling, job readiness training, job search assistance, and job placement.

Many of the clients served through the program have multiple barriers to employment, including ex-offender status, lack of consistent work history, unstable housing, low educational attainment, and/or chemical dependency.

In 2013, the Adult Workforce Development programs assisted over 2,000 Minneapolis residents through employment training, career navigation, and job counseling services; where nearly 1,000 gained employment. The remaining 1,000 continue to utilize employment services provided by these programs to secure permanent or temporary employment. The average cost per participant in the adult programs is \$2,618, including tuition assistance for nearly 40% of all participants.

Youth Training and Development

General Fund: \$1,278,021
Other Funds: \$3,399,010

The City of Minneapolis Youth Programs aim to create a strong future workforce by reducing youth unemployment and racial employment disparities. The youth programs provide employment for low-income Minneapolis youth, ages 14-21, are comprised of two distinct but well linked programs; the STEP-UP Program and the Year Round WIA Youth Program. Both programs are designed to give Minneapolis youth from minority communities and low-income families the tools to find their place within the workforce.

STEP-UP, the most recognized Minneapolis youth program, serves close to 2,000 Minneapolis youth every summer, connecting them to real and valuable summer work experiences. STEP-UP interns receive critical work readiness training prior to being placed in a summer job. Through STEP-UP, youth learn good work habits, earn wages, and gain experience while providing valuable services to local businesses. Augmenting the summer job experience is the opportunity to attend camp, participate in workshops, and earn high school credit via classroom training.

The Year Round WIA Youth Program provides over 1,000 youth - all of whom have multiple barriers, including homelessness, high school dropouts, juvenile criminal records, etc. - with year round stabilization programming, including employment placement services. This program increases youths' long-term employability by enhancing educational, occupational, and leadership skills.

Development Services - Customer Service Center

General Fund: \$2,766,345
Other Funds: \$143,115

The Customer Service Center serves as the front door and service center for the City's consolidated development activities and focuses on consistent, streamlined customer service. It ensures high-quality development while requiring that building construction and rehabilitation projects meet the City's standards in terms of safety, livability and health and environmental sensitivity. Business licenses, pet licensing and critical parking permits may also be obtained at this center.

Business Development

General Fund: \$5,686,951

Other Funds: \$4,512,468

CPED works with businesses to start, stay and grow in Minneapolis with the objectives of equitable job growth, tax base growth and community vitality. The toolbox includes business loans and façade grants, business consulting and technical assistance, site search assistance, and commercial real estate development.

Living Well

Homeownership Support & Development

General Fund: \$1,907,121

Other Funds: \$4,646,558

This program is designed to assist with the development and support of ownership housing. The portion of the strategy is critical to return the housing market to a more healthy condition. This program is used to support development through rehabilitation. The main focus of the program is to provide prevention, reinvention, repositioning and property management. The major sub programs include Green Homes North, Home Ownership Works, Minneapolis Advantage program, Senior Citizen Housing Initiative, Owner Occupied Rehab, Vacant and Boarded program and property management of vacant and boarded properties,

Affordable Housing Development

General Fund: \$4,578,689

Other Funds: \$9,753,311

This program provides necessary financing for the development or redevelopment of housing that is safe and affordable with projects that are eco-friendly and create significant construction and property management industry jobs.

Land Use, Design and Preservation

General Fund: \$2,845,281

Other Funds: \$897,108

The Land Use, Design, Preservation and Zoning department guides development as required by law, helping residents and property owners invest in the City in a way that aligns with the City's comprehensive plan and development regulations. The department is responsible for managing, reviewing, and enforcing land use, zoning, preservation, and environmental review applications. The department staffs and administers public processes, including public meetings of the City Planning Commission, Heritage Preservation Commission and Zoning Board of Adjustment. The department performs administrative reviews and preservation permits at the customer service center, as well as guiding ongoing regulatory reform affecting land use and development.

A Safe Place to Call Home

Business Licensing

General Fund: \$4,093,098

Other Funds: \$222,626

This program regulates business licensing for liquor establishments and over 200 other types of businesses and annually licenses 11,000 businesses and individuals. The service includes assisting business owners through various regulatory processes, license application review, background checks, on-site facility inspections, and the collection of license fees with an annual renewal billing system.

Construction Code Services

General Fund: \$10,407,422
Other Funds: \$715,687

Construction Code Services (CCS) ensures the comprehensive application of the Minnesota State Building Code and applicable city ordinances. CCS consists of the three business lines of construction plan review, construction inspections, and programs. Construction plan review accepts all applications for building, elevator, mechanical, and plumbing work that require a plan review and a permit. Plans are reviewed and permits are issued for these projects. Construction inspections performs all required inspections for building, elevator, mechanical, and plumbing work covered by issued permits and respond to complaints regarding construction projects. Programs include elevator registration and annual inspections, code compliance, truth-in-sale-of-housing, certificate of occupancy, and fire escrow.

A City that Works

CPED Debt Service & Transfers

Other Funds: \$35,505,077

This program relates to the administration and management of certain CPED financial resources, both with external partners and between CPED funds. This program provides for the transfer of revenues necessary to pay annual debt service on bonds and other contractual obligations issued to undertake various CPED activities as well as the internal transfer of eligible revenues to finance CPED development activities.

FINANCIAL ANALYSIS

Expenditure

For 2017, Community Planning and Economic Development’s (CPED) budget is \$101.1 million, an increase of 3.7% or \$3.6 million from the 2016 budget. The increase is attributable to routine inflationary operating increases and the recommended additions.

Revenue

In 2017, the department anticipates \$104.3 million in revenue, an increase of \$0.5 million or 0.5% from 2016. Revenues in the department exceed expenditures due to the nature of license and permit fees as general fund resources that are used to fund city-wide operations.

Fund Allocation

In 2017, 36.4% of the department’s budget is funded from general fund resources, or \$36.8 million. The remaining budget is funded from federal and state grants, tax increment property taxes and transfers as well as other resources.

Mayor’s Recommended Budget

The Mayor recommended additional ongoing General Fund appropriation of \$150,000 for the Minneapolis TechHIRE program. The Mayor also recommended one-time funding from the General Fund of \$1,500,000 for NOAH – Naturally Occurring Affordable Housing, \$1,000,000 for the Family Housing Initiative, \$250,000 for the Infill Housing initiative, and \$100,000 for the Affordable Housing Trust fund, with an additional \$1,500,000 in non-general funds for the Affordable Housing Trust fund. Additionally, the Mayor recommended one-time general fund appropriations of \$100,000 for Minneapolis Career Pathways, \$75,000 for the Opportunity Hub, and \$25,000 for outreach costs associated with a new Small Business Assistance program.

The Mayor also recommended an ongoing reduction of \$260,000 to assist in funding new initiatives.

Council Adopted Budget

The City Council amended the Mayor's recommended budget on a one-time basis by increasing the budget in the CDBG fund by \$596,219 for additional program income, increasing the budget in river terminal fund by \$135,000, increasing the general fund appropriation by \$100,000 for Summit Academy's contextualized GED Program, and decreasing the general fund appropriation by \$25,000 for outreach costs associated with the new Small Business Assistance program.

The City Council also amended the Mayor's recommended budget on an ongoing basis by increasing the budget by \$118,202 and 1.0 FTE for programming and outreach at the Cedar Riverside Opportunity Center, decreasing the budget by \$105,000 and 1.0 FTE to establish a new position in the new small business office in the City Coordinator's department, and decreasing the contribution to Greater MSP by \$115,000 and using those funds to add 1.0 FTE to undertake business retention and expansion activities for small and medium sized businesses, and to work in partnership with the small business support team.

The City Council also directed staff to:

1. Directing the Departments of Community Planning & Economic Development on small business support team to report back to the Community Development & Regulatory Services Committee no later than March 31, 2017, submitting a report detailing their work plan, including how the team will effectively operate, how they will measure their success, regularly report progress, and what, if any, additional operational or budgetary impacts are contained within said work plan. All departments are to assist this team as requested, working with their respective leadership, the City Council, and the Mayor's Office to advance these goals.
2. Directing the City Coordinator's Office to establish a small business workgroup that includes the staff team that has been working together as part of the City's Business Made Simple initiative as well as members of the City's Innovation Team. This workgroup shall review existing efforts, programs, and initiatives focused specifically on the small business community to determine how best to align and/or reorganize small business touch points across the enterprise. The workgroup will be co-chaired by Community Planning and Economic Development and the City Coordinator's Office in coordination with other City departments (particularly the City Attorney's Office) as needed.

Specifically, staff is asked to build off the continuous improvement work that has already been initiated to streamline and simplify processes for the business community and:

- Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. [This review to be facilitated by an external consultant with organizational design experience.];
- Review and finalize work on an online portal for the business community;
- Finalize development of business guides and supportive checklists for businesses;

- Identify and address gaps in processes and service delivery, including the need for additional staff training and other strategies aimed at increasing alignment with the small business community;
- Research best practices for innovative strategies such as business acceleration programs, development of a municipal design center, cluster-based small business development, creation of entrepreneurial incubator spaces, development of customer service express lanes for basic services, small business recognition programs, micro-lending programs, and others.

Staff is further directed to formalize an external small business advisory council to work alongside staff in this review, and to assist in developing recommendations aimed at increasing small business opportunities, resources, and areas of process improvement. The workgroup is charged with bringing forth a comprehensive report of their review and ensuring recommendations, including those put forward by the small business advisory council, along with any organizational and budgetary impacts or recommendations that stem from this review by no later than May 15, 2017.

The workgroup is directed to Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. This review to be facilitated by an external consultant with organizational design experience.

3. Report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:
 - A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning and Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
 - Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
 - Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales and Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.
 - This funding plan would provide predictability in the use of Sales and Entertainment Tax for these assets. The plan would have an eye toward ensuring

the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.

- The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	13,825,813	13,708,079	14,676,627	15,232,955	3.8%	556,327
FRINGE BENEFITS	4,904,943	4,659,241	5,680,807	5,638,749	-0.7%	(42,058)
CONTRACTUAL SERVICES	5,442,353	7,581,064	7,883,625	8,018,051	1.7%	134,426
OPERATING COSTS	2,452,727	2,695,912	2,846,717	2,799,857	-1.6%	(46,860)
CAPITAL	2,293,821	2,164,350	4,695,730	5,158,730	9.9%	463,000
TOTAL GENERAL	28,919,658	30,808,646	35,783,507	36,848,342	3.0%	1,064,836
DEBT SERVICE						
CONTRACTUAL SERVICES	40			600		600
CAPITAL				48,420		48,420
DEBT SERVICE	2,562,690	25,671,736	3,184,960	3,959,730	24.3%	774,770
TRANSFERS	647,458	2,422,866		4,780		4,780
TOTAL DEBT SERVICE	3,210,188	28,094,602	3,184,960	4,013,530	26.0%	828,570
CAPITAL PROJECT						
SALARIES AND WAGES	67,350	(14,330)				0
FRINGE BENEFITS	24,164	(2,274)				0
CONTRACTUAL SERVICES	207,501	240,182				0
OPERATING COSTS	1,366	1,037				0
CAPITAL		97,340		653,000		653,000
TOTAL CAPITAL PROJECT	300,382	321,956		653,000		653,000
ENTERPRISE						
SALARIES AND WAGES	115,740	92,535	111,005	97,949	-11.8%	(13,056)
FRINGE BENEFITS	44,713	35,500	37,741	31,556	-16.4%	(6,185)
CONTRACTUAL SERVICES	2,056,832	1,208,951	1,213,507	1,237,507	2.0%	24,000
OPERATING COSTS	4,037	17,691	1,000	1,000	0.0%	0
CAPITAL	5,763	1,667				0
DEBT SERVICE	474					0
TRANSFERS	45,300					0
TOTAL ENTERPRISE	2,272,858	1,356,344	1,363,253	1,368,012	0.3%	4,759
SPECIAL REVENUE						
SALARIES AND WAGES	3,815,036	4,552,586	3,891,224	4,125,539	6.0%	234,315
FRINGE BENEFITS	1,079,664	1,271,176	1,444,318	1,454,987	0.7%	10,669
CONTRACTUAL SERVICES	13,726,478	12,044,414	20,190,901	22,672,596	12.3%	2,481,695
OPERATING COSTS	4,197,208	5,175,763	716,927	1,240,908	73.1%	523,981
CAPITAL	35,627,095	47,689,923	18,923,852	18,863,528	-0.3%	(60,324)
DEBT SERVICE			104,709		-100.0%	(104,709)
TRANSFERS	19,555,253	17,370,565	11,871,406	11,333,971	-4.5%	(537,435)
TOTAL SPECIAL REVENUE	78,000,735	88,104,427	57,143,337	59,691,529	4.5%	2,548,192

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
TOTAL EXPENSE	112,703,822	148,685,974	97,475,056	102,574,413	5.2%	5,099,357

REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	4,241	92	1,000	1,000	0.0%	0
CHARGES FOR SERVICES	3,376,205	2,823,489	4,153,000	3,340,000	-19.6%	(813,000)
FINES AND FORFEITS	106,038	87,872	163,000	157,000	-3.7%	(6,000)
INTEREST	175,662	177,485			0.0%	0
LICENSE AND PERMITS	37,742,397	32,545,029	32,368,000	32,452,000	0.3%	84,000
OTHER MISC REVENUES	2,448,935	2,621,227	2,977,000	2,540,000	-14.7%	(437,000)
SPECIAL ASSESSMENTS	29,543	660	30,000	30,000	0.0%	0
STATE GOVERNMENT	1,552				0.0%	0
GENERAL	43,884,574	38,255,854	39,692,000	38,520,000	-3.0%	(1,172,000)

SPECIAL REVENUE						
CHARGES FOR SALES	1,171,865	4,426,714			0.0%	0
CHARGES FOR SERVICES	3,162,629	2,015,553	180,000	0	-100.0%	(180,000)
CONTRIBUTIONS	182,600	112,269			0.0%	0
FEDERAL GOVERNMENT	(4,298,135)	6,991,613	4,507,201	4,640,982	3.0%	133,781
FINES AND FORFEITS	30,000	(12,000)			0.0%	0
GAINS	86,000				0.0%	0
INTEREST	96,364	416,443	497,208	539,825	8.6%	42,617
LICENSE AND PERMITS	196,694	197,694			0.0%	0
LOCAL GOVERNMENT	1,787,045	10,332,444			0.0%	0
OTHER MISC REVENUES	8,349,738	7,425,048	3,481,074	1,916,653	-44.9%	(1,564,421)
PROPERTY TAXES	43,301,011	44,427,535	40,950,390	48,131,640	17.5%	7,181,250
RENTS	4,130,360	3,045,947	962,500	962,500	0.0%	0
SALES AND OTHER TAXES	109	42			0.0%	0
SPECIAL ASSESSMENTS	15,724	187,349	300,000	300,000	0.0%	0
STATE GOVERNMENT	12,449,774	5,717,612	1,845,000	2,000,000	8.4%	155,000
TRANSFERS IN	10,404,217	8,700,710	2,559,446	1,591,000	-37.8%	(968,446)
USE OF FUND BALANCE			4,290,540	276,638	-93.6%	(4,013,902)
SPECIAL REVENUE	81,065,994	93,984,973	59,573,359	60,359,238	1.3%	785,879

CAPITAL PROJECT						
LONG TERM LIABILITIES PROCEEDS				653,000	0.0%	653,000
TRANSFERS IN	297,000	318,000			0.0%	0
CAPITAL PROJECT	297,000	318,000		653,000		653,000

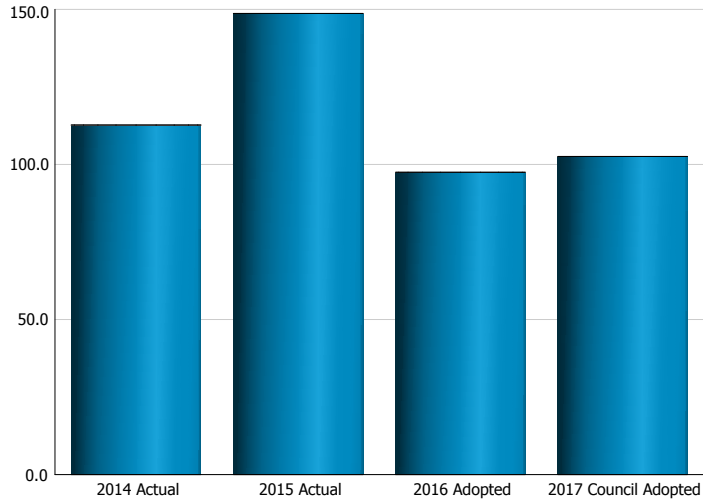
DEBT SERVICE						
INTEREST	130	(384)			0.0%	0
LONG TERM LIABILITIES PROCEEDS		22,844,573			0.0%	0

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

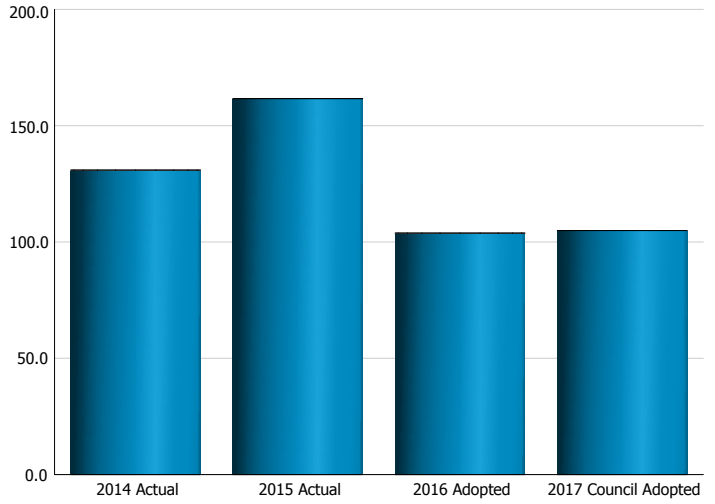
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
PROPERTY TAXES				53,800	0.0%	53,800
TRANSFERS IN	3,364,711	4,086,233	3,184,960	3,959,730	24.3%	774,770
DEBT SERVICE	3,364,841	26,930,422	3,184,960	4,013,530	26.0%	828,570
ENTERPRISE						
CHARGES FOR SALES	75,675				0.0%	0
CHARGES FOR SERVICES	1,721,864	1,224,091	400,000	1,280,000	220.0%	880,000
GAINS	70,675				0.0%	0
INTEREST	27,740	25,500			0.0%	0
LONG TERM LIABILITIES PROCEEDS	(70,675)				0.0%	0
RENTS	17,217	208,167			0.0%	0
TRANSFERS IN	447,490	692,586			0.0%	0
USE OF FUND BALANCE			963,253	88,012	-90.9%	(875,241)
ENTERPRISE	2,289,986	2,150,344	1,363,253	1,368,012	0.3%	4,759
TOTAL REVENUE	130,902,395	161,639,593	103,813,572	104,913,780	1.1%	1,100,208

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

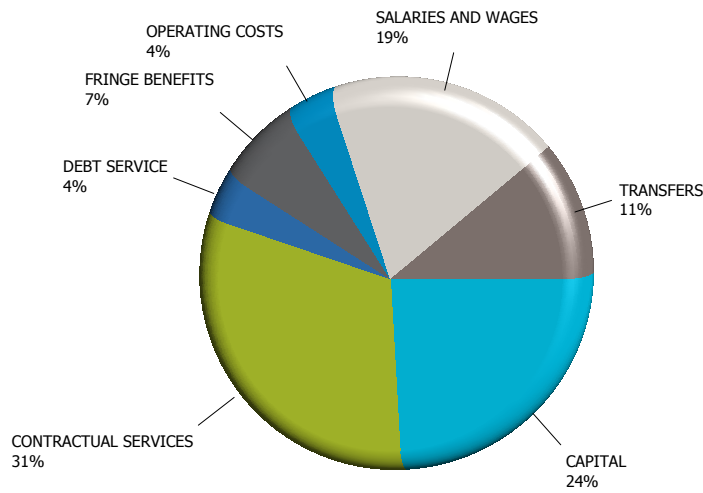
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



Expense by Category

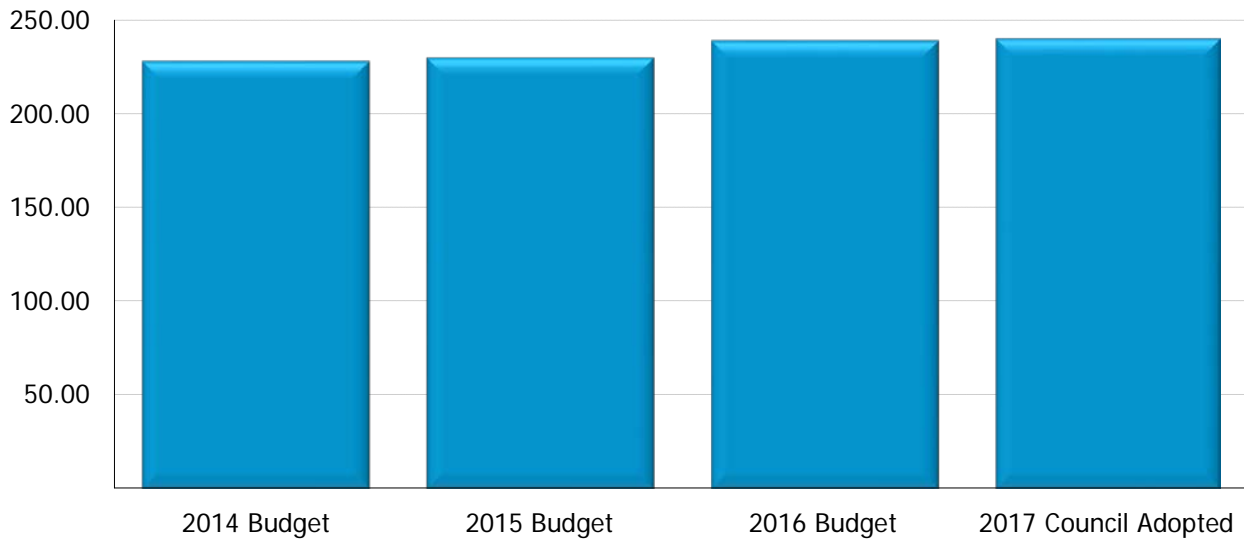


COMMUNITY PLANNING & ECONOMIC DEVELOPMENT

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
TOTAL CPED	228.00	230.00	239.00	240.00	0.4%	1.00
Overall	228.00	230.00	239.00	240.00	0.4%	1.00

Positions 2014-2017



FIRE

MISSION

The Minneapolis Fire Department is thoroughly trained and ready to protect lives, property and the environment by rapidly responding to emergencies and hazardous situations. The department is committed to prevention by proactively working with the community to reduce risk to life, property and the environment.

BUSINESS LINES

The Minneapolis Fire Department maintains a state of readiness in order to:

1. Respond to minimize loss of life or property and environmental impact

- Provide Emergency Medical Services (EMS), Fire suppression, Technical Rescue and Hazardous Material mitigation for anyone who lives in, works in or visits the City 24 hours per day, 7 days a week
- Provide Regional Emergency Service reciprocal support to others needing help, including deployment of the All Hazard Incident Management Team (AHIMT) and Minnesota Task Force One (MNTF1—a State asset of specially trained personnel in technical rescue), for natural disasters, homeland security, emergency preparedness, high impact incidents, as well as fulfilling the department's mutual aid and automatic aid agreements.

2. Promote prevention/community risk reduction by collaboratively working with and in the community to support changes to help preserve life, property and the environment

- Utilize the department's positive professional reputation to build lasting connections with residents and businesses throughout the community to foster safety education such as:
Arson Prevention - Safety Awareness School Programs, - Emergency Evacuation Plans and Drills - Public Service Announcements - Community Outreach Programs (e.g. smoke detector give away, blood pressure screening, etc.)
- Provide Fire Watch for Convention Center, sports facilities and other events as required
- Conduct building familiarization of high hazard properties and high risk hazardous materials facilities.

ORGANIZATION CHART

Fire Chief

Respond to Minimize Loss of Life or Property and Environmental Impact

Emergency Medical

Fire Suppression

Hazardous Materials Response and Mitigation e.g. meth labs, chemical leaks, large & small fuel leaks

Post Incident / Arson Investigation

Specialty Rescues
 Technical Level 1 & 2 Rescues
 Confined Space Rescue
 Trench Rescue
 High Angle
 Structural Collapse
 Vehicle and Machinery Rescue
 Surface Water Rescue
 Ice Rescue
 Urban Search and Rescue (USAR)
 Mass Casualty/Bioterrorism (decontamination) Unit
 WMD/Terrorism/Improvised Explosive Device Response
 Chemical, Biological, Radiological, Nuclear, Explosive

Mutual Aid / Automatic Aid
 Regional Emergency Response
 Minnesota Task Force One

Promote Prevention / Community Risk Reduction

Community Outreach

Community Education

Arson Prevention

Staff Wellness Training

Prepare staff to respond to any given emergent or emergency situation

Fire Watch

Fire Marshal / FIS

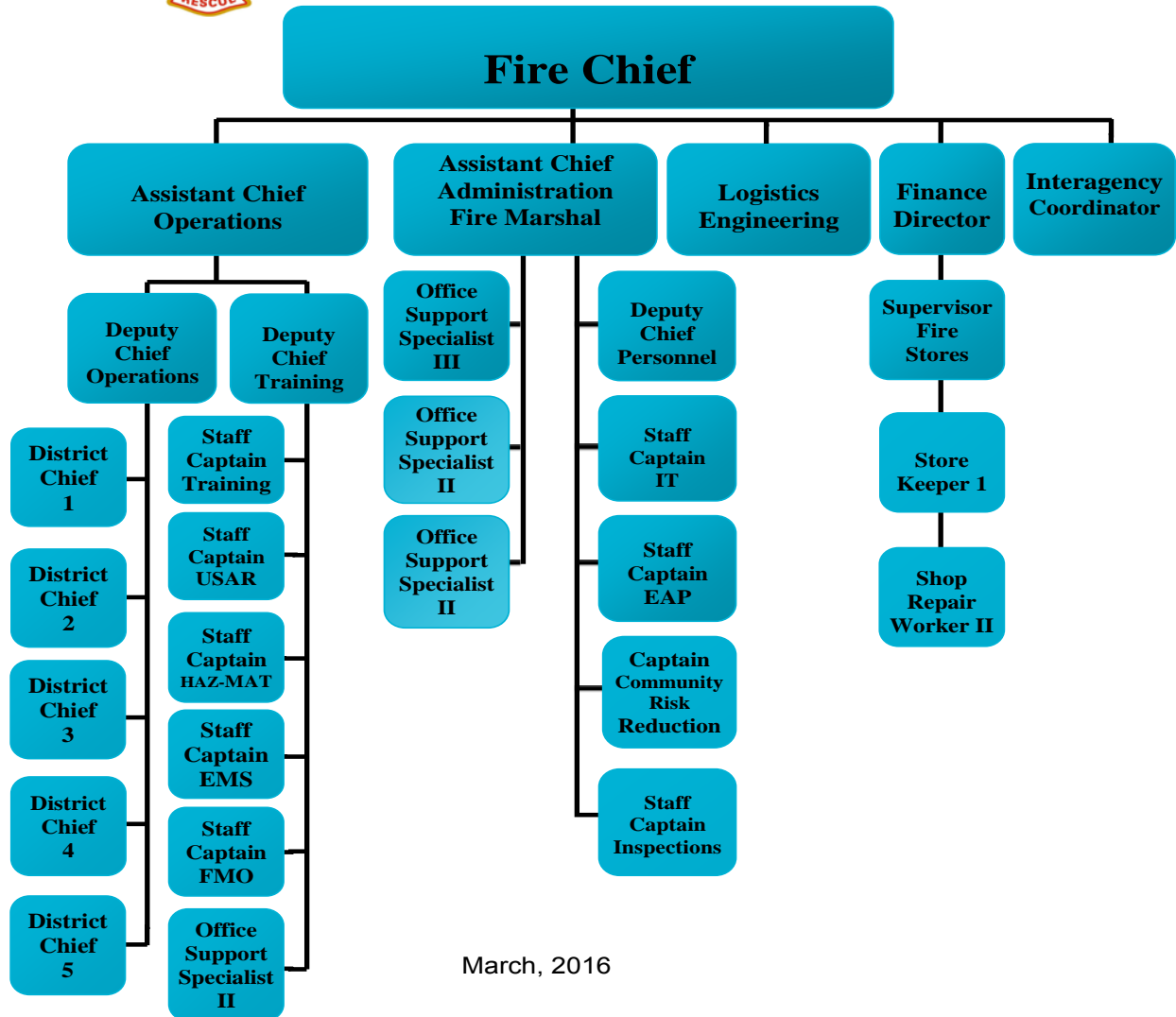
Building familiarization inspections of high hazard properties and high risk hazardous materials facilities.

Certificate of occupancy, fire alarm plan review, suppression plan review, hazardous materials facilities inspections

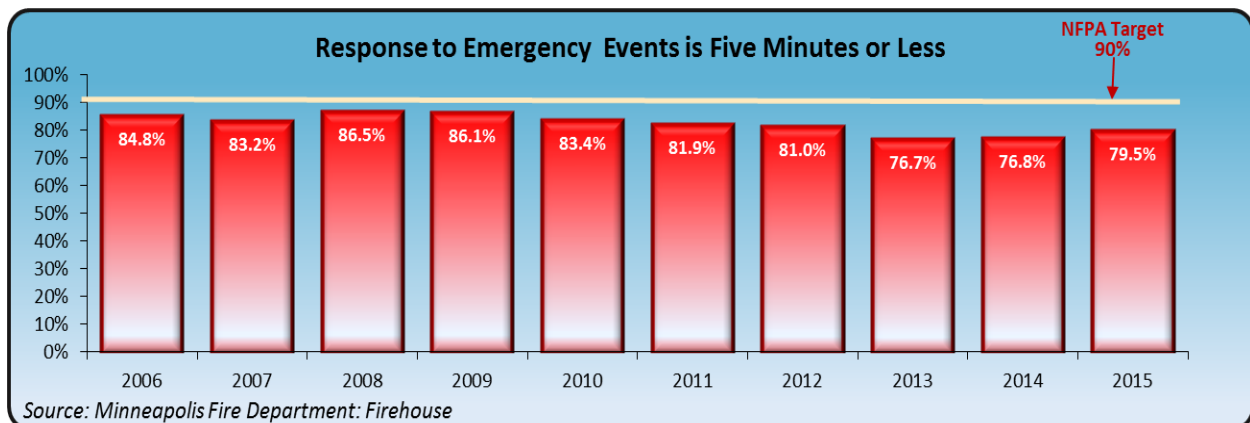
Permit issuing: commercial hoods, extinguisher, fireworks, special events, hazardous materials, suppression (sprinkler)



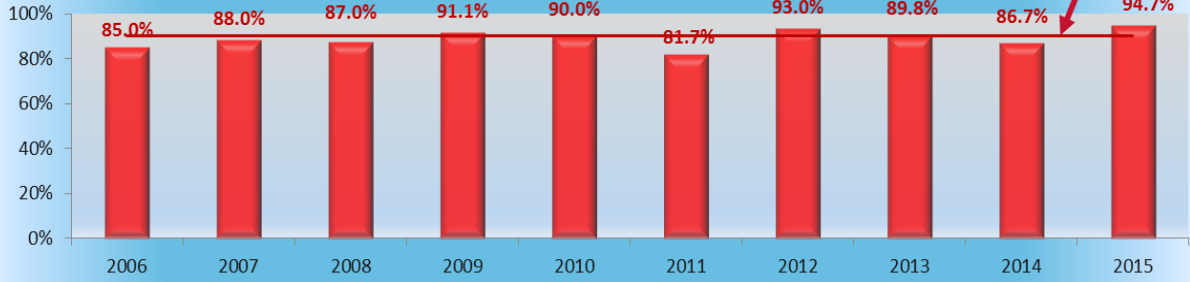
Minneapolis Fire Department
1-400.00 - Organizational Chart



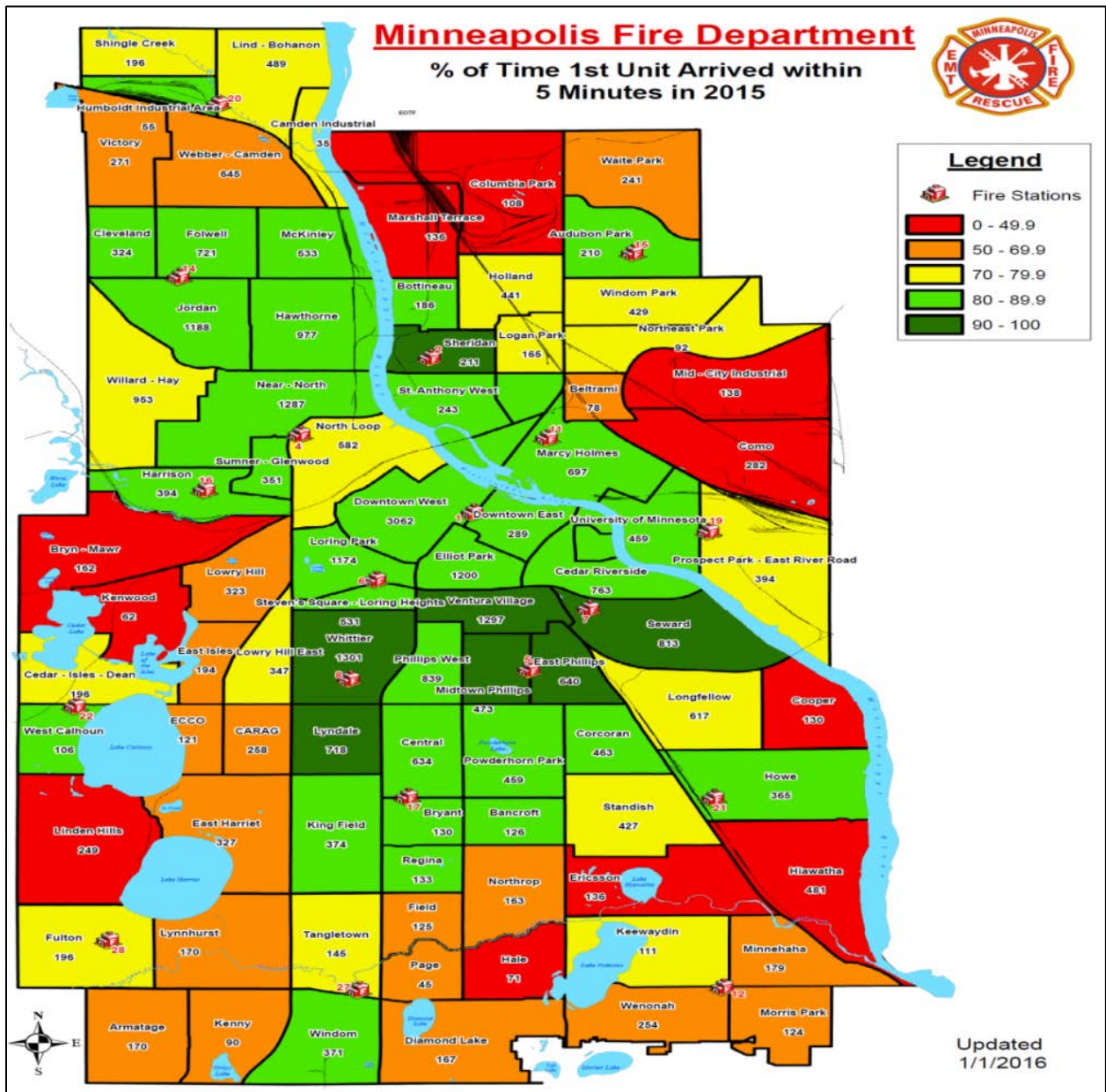
SELECTED RESULTS MINNEAPOLIS MEASURES

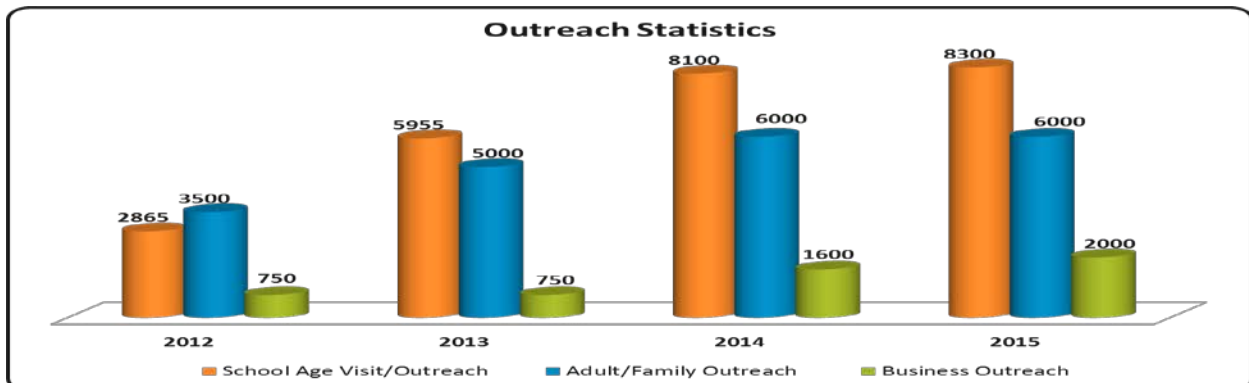
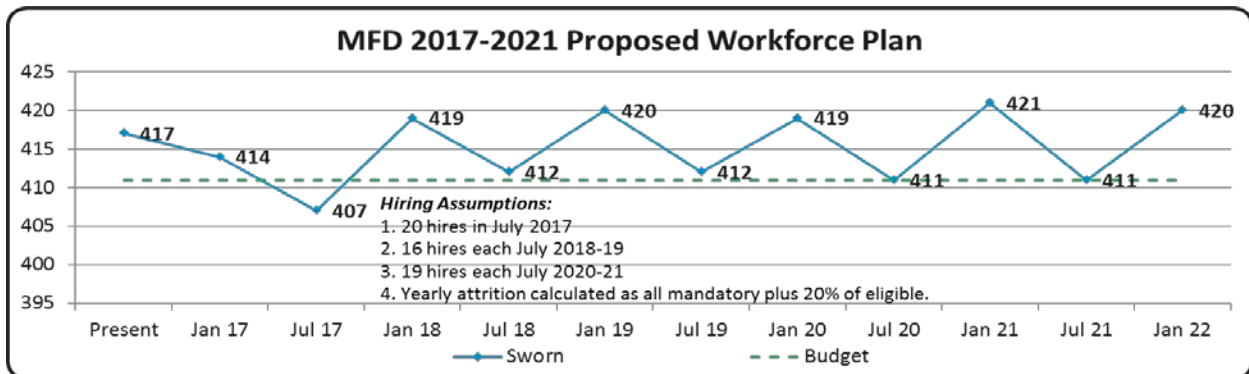
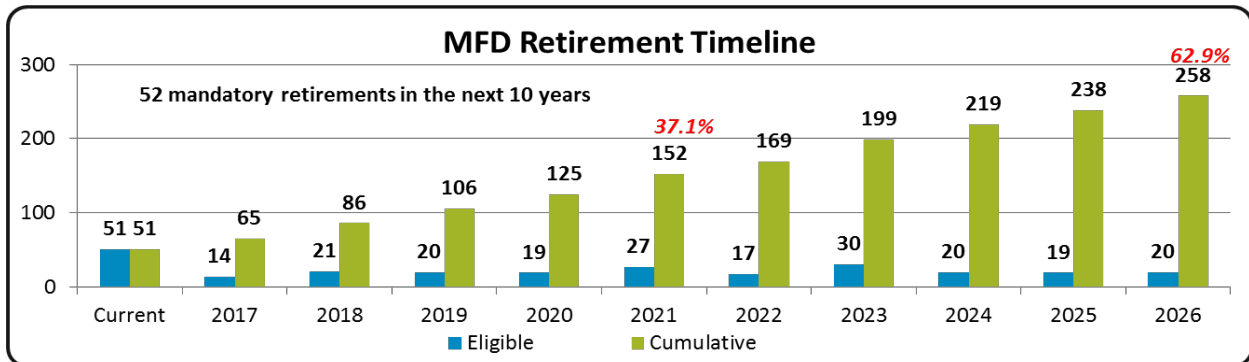
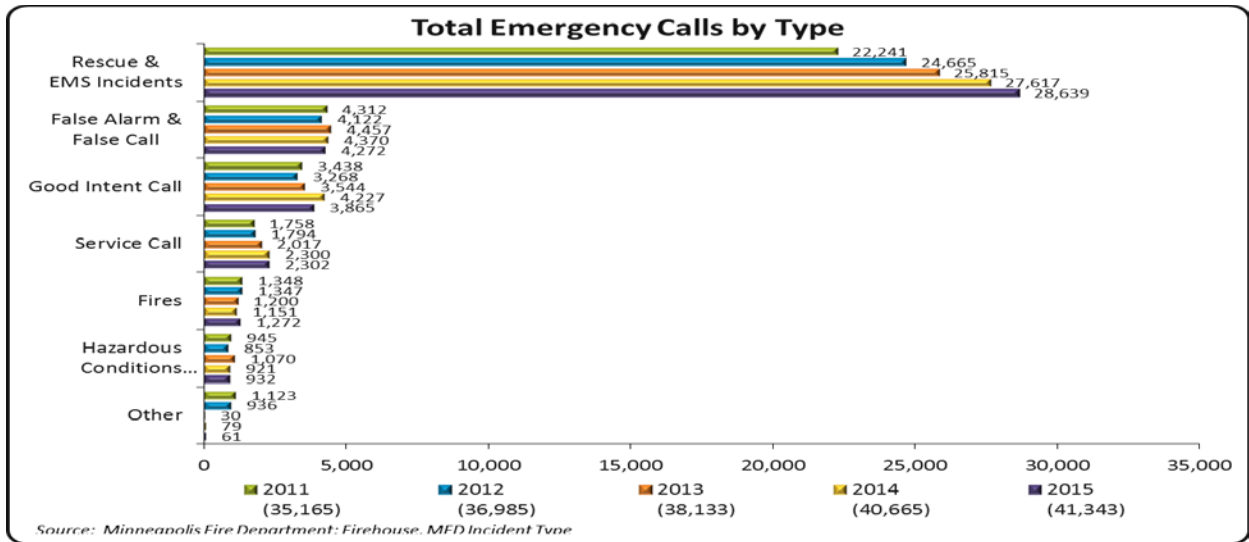


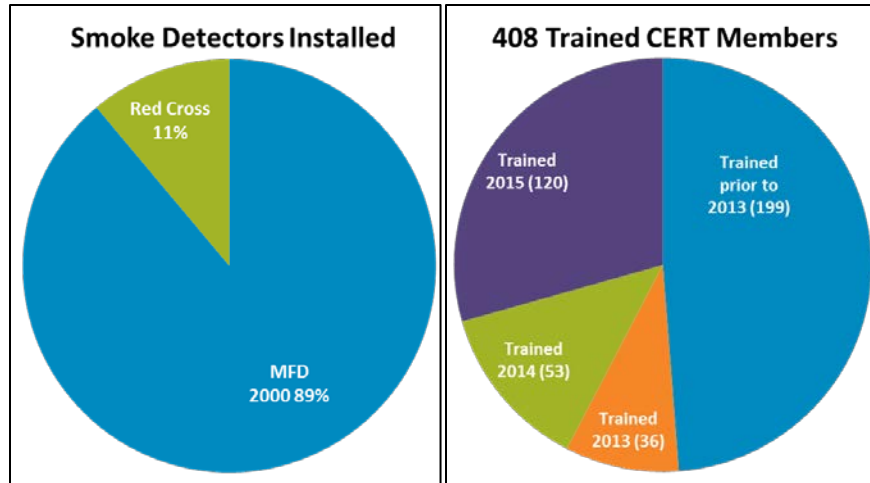
14 Firefighters on Scene to a Structure Fire in 09:20:00 or Less NFPA Target 90%



Note: NFPA standard of 9 minutes used; before 2009, the percentages were based on a standard of 14 firefighters on the scene in eight minutes or less. In 2009, the standard was changed to 9 minutes. In 2010, the NFPA changed the standard to 9 minutes and 20 seconds.







A City That Works

Fire Suppression, Emergency Medical Service and Technical Rescue

General Fund: \$46,491,440
Other Funds: \$10,000

Fire Suppression, Emergency Medical Service and Technical Rescue describes the increased demand for services by cross-trained personnel who perform multiple functions in a growing range of services, such as Fire Response, Emergency & Medical Services, Hazardous Materials Response (Terrorism/WMD Response), Technical Rescue, Community Outreach and Prevention Education.

One Minneapolis

Training & Recruitment

General Fund: \$9,593,533

The Training program is fundamental in building and maintaining firefighter’s skills. The program aims at and developing a high-performing diverse workforce where personal strengths are recognized and individual differences are respected. The aim is to create potential career opportunities both internal and external, and cross disciplinary.

Living Well

Community Risk Reduction and Community Outreach

General Fund: \$9,001,155

Prevention is the best form of suppression. The Community Risk Reduction and Community Outreach program promotes prevention/community risk reduction by proactively working with and in the community to support changes that will preserve life, property and the environment. This can be accomplished through community education, coaching organizations, focusing on school age children for early interventions and providing warning equipment to residents. The highest need populations include juveniles, non-English speaking residents, low income and our aging populations.

Financial Analysis

Expenditure

The total Fire Department's budget increases from \$62.3 million to \$65.1 million from 2016 to 2017. This is an increase of \$2.8 million, or 4.4%. The Fire Department's 2017 expenditure budget reflects the following changes from 2016; routine inflationary increases in operation costs, \$2.0 million increase in Personnel cost, \$380,000 in department's non-capitalized capital equipment, and the budgetary change items of \$400,000 in ongoing and \$200,000 in one-time with a reduction to the department's ongoing General Fund resources for overtime by \$200,000.

Revenue

Revenues are projected to be flat to 2016 in this department. The department's total revenues in 2017 are projected to be \$2.0 million.

Fund Allocation

This department is funded completely in the General Fund with the exception of \$10,000 in private donations/contributions.

Mayor's Recommended Budget

The Mayor recommended \$400,000 ongoing General Fund resources for hiring 5.0 additional full-time sworn firefighters, raising the total number of authorized sworn firefighters to 411. The Mayor recommended a reduction to the department's ongoing General Fund resources for overtime by \$200,000.

The Mayor also recommended \$200,000 one-time General Fund resources to supplement funding for alternative hiring and recruitment.

Council Adopted Budget

The City Council approved the Mayor's recommendations and directed Fire Department to transfer on a one-time basis all 2016 unspent funds of \$42,000 for technical training and outreach to the Health Department for the Next Step hospital-based violence intervention program.

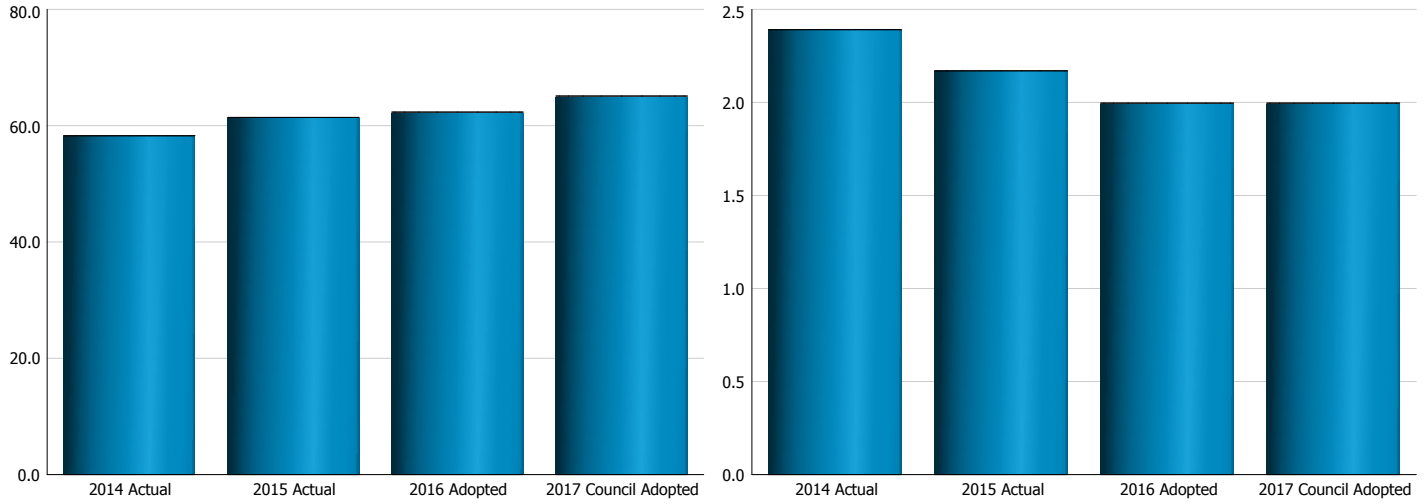
**FIRE
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	33,823,333	35,031,782	35,213,096	37,719,547	7.1%	2,506,451
FRINGE BENEFITS	15,067,667	15,364,176	15,753,988	15,531,486	-1.4%	(222,503)
CONTRACTUAL SERVICES	6,603,505	7,109,342	8,490,644	8,728,946	2.8%	238,302
OPERATING COSTS	2,039,569	2,117,700	2,622,924	2,576,150	-1.8%	(46,774)
CAPITAL	267,440	1,691,629	242,899	529,999	118.2%	287,100
TOTAL GENERAL	57,801,515	61,314,629	62,323,551	65,086,128	4.4%	2,762,577
SPECIAL REVENUE						
SALARIES AND WAGES	329,320	94,203				0
FRINGE BENEFITS	106,063					0
CONTRACTUAL SERVICES	28,922		10,000	10,000	0.0%	0
OPERATING COSTS	4,575	8,470				0
TOTAL SPECIAL REVENUE	468,881	102,672	10,000	10,000	0	0
TOTAL EXPENSE	58,270,396	61,417,301	62,333,551	65,096,128	4.4%	2,762,577
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	1,089	235	250	250	0.0%	0
CHARGES FOR SERVICES	131,868	164,949	186,000	186,000	0.0%	0
OTHER MISC REVENUES	40	553			0.0%	0
RENTS	6				0.0%	0
STATE GOVERNMENT	1,788,352	1,901,593	1,800,000	1,800,000	0.0%	0
GENERAL	1,921,355	2,067,330	1,986,250	1,986,250	0.0%	0
SPECIAL REVENUE						
CONTRIBUTIONS	1,245	1,292	10,000	10,000	0.0%	0
FEDERAL GOVERNMENT	382,415	7,177			0.0%	0
STATE GOVERNMENT	86,150	94,203			0.0%	0
SPECIAL REVENUE	469,811	102,672	10,000	10,000	0.0%	0
TOTAL REVENUE	2,391,166	2,170,002	1,996,250	1,996,250	0	

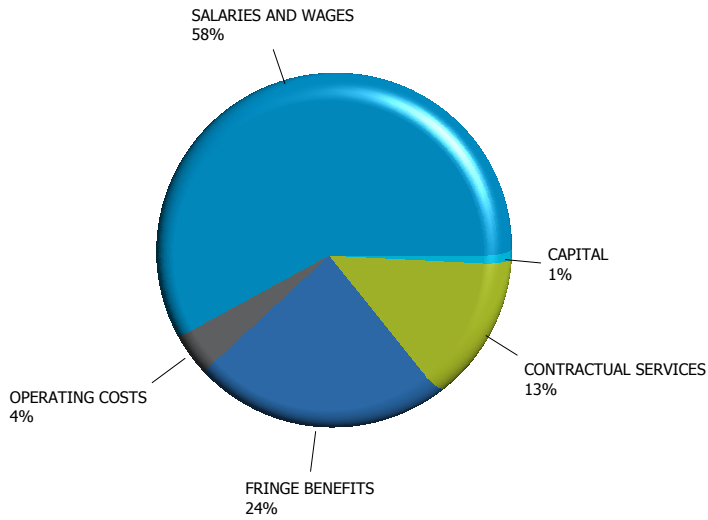
FIRE EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



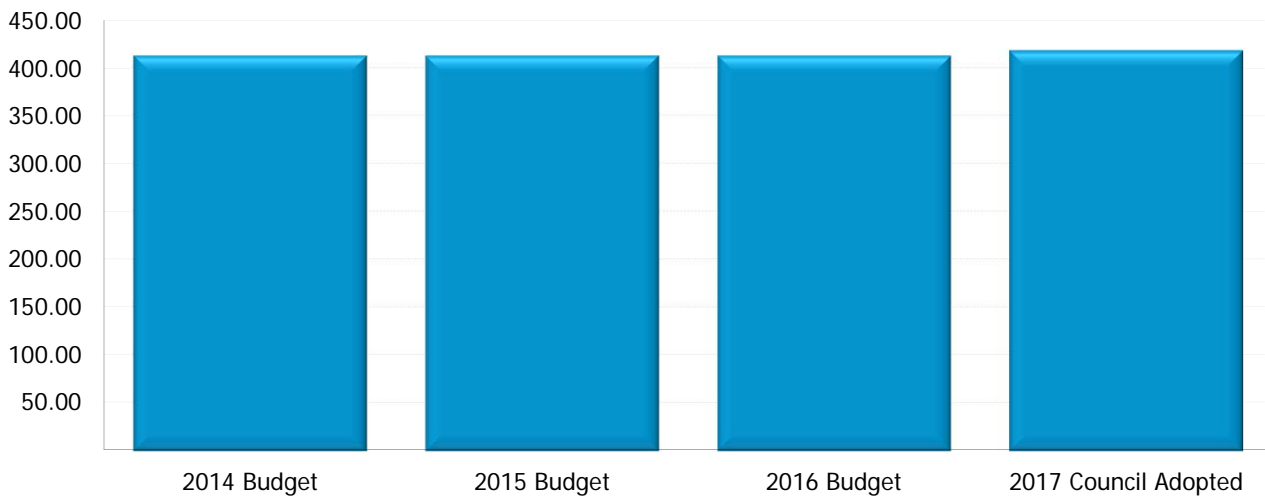
Expense by Category



FIRE Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
FIRE EMERGENCY RESPONSE	281.25	283.85	288.83	293.83	1.7%	5.00
FIRE EMPLOYEE TRAINING AND DEV	47.05	65.67	60.68	60.68	0.0%	0
FIRE GRANTS AND DONATIONS	3.00				0.0%	0
FIRE PREVENTION SERVICES	81.70	63.48	63.48	63.48	0.0%	0
Overall	413.00	413.00	413.00	418.00	1.2%	5.00

Positions 2014-2017



HEALTH DEPARTMENT

MISSION

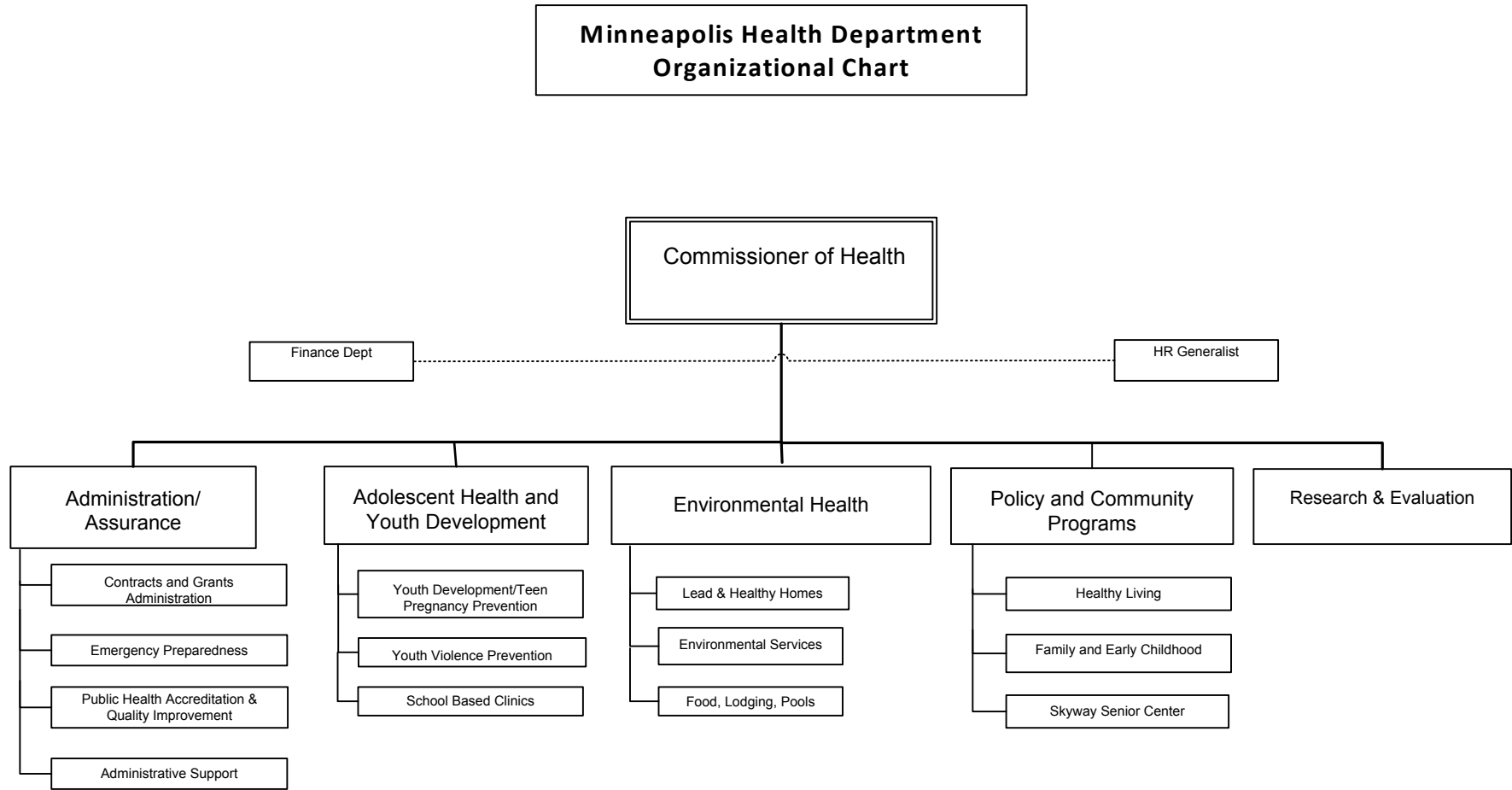
The Minneapolis Health Department improves the quality of life for all people in the city by protecting the environment, preventing disease and injury, promoting healthy behaviors, and creating a city that is a healthy place to live, work, and play.

BUSINESS LINES

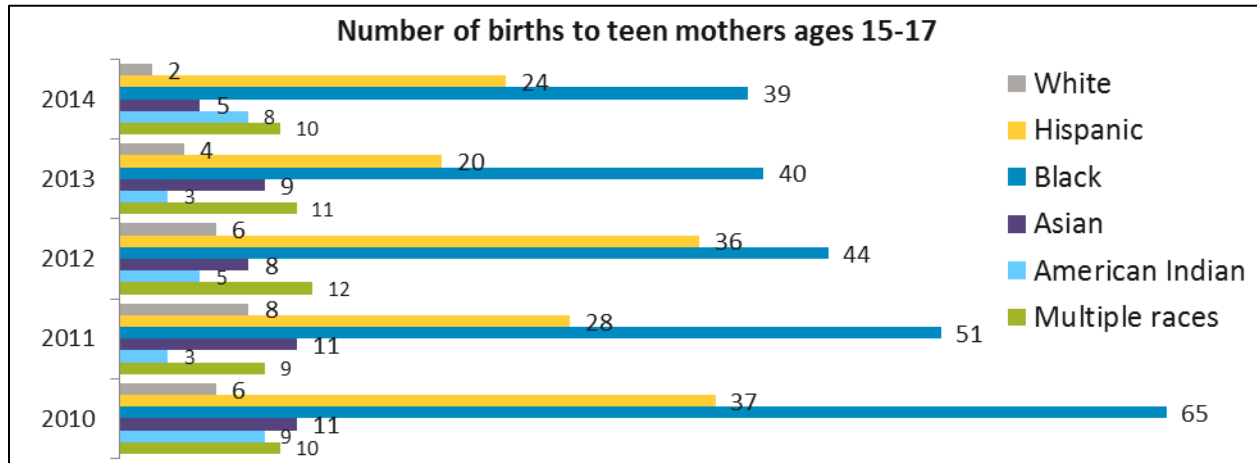
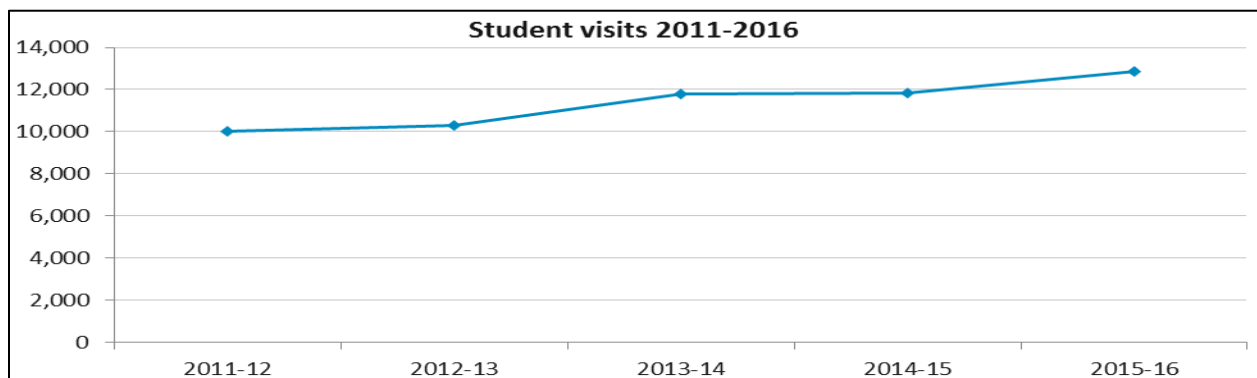
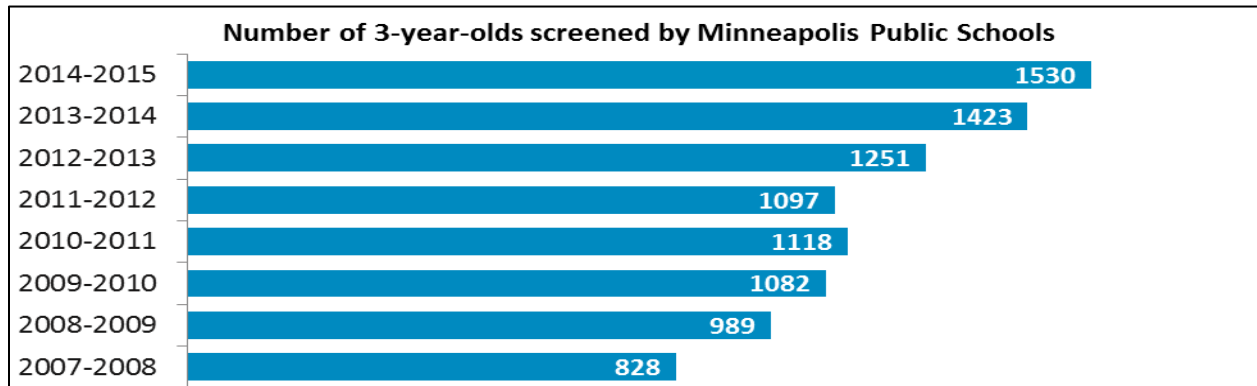
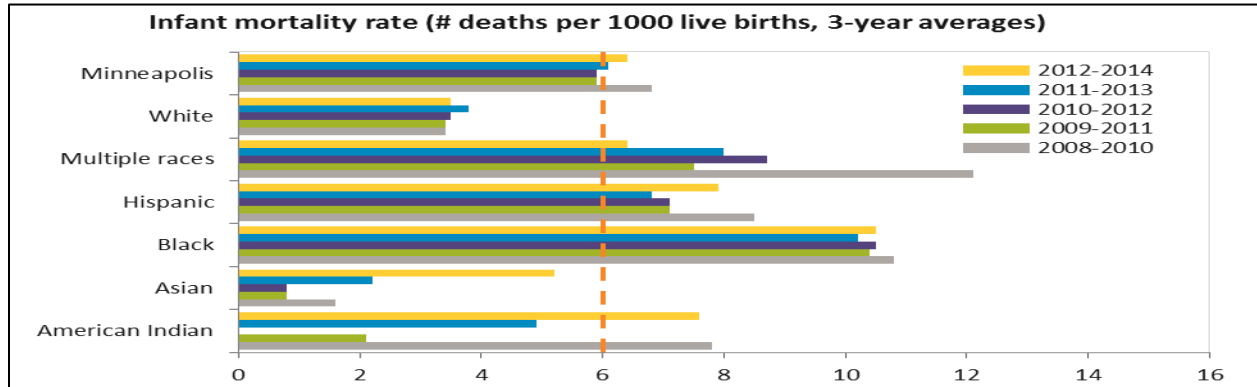
As a local public health entity operating under a Community Health Board (City Council), the department is mandated by state statute 145A to provide directly or contract for essential public health services for Minneapolis residents: Assure an adequate public health infrastructure; Promote healthy communities and healthy behaviors; Prevent the spread of infectious disease; Protect against environmental health hazards; Prepare for and respond to disasters, and assist communities in recovery; and, Assure the quality and accessibility of health services.

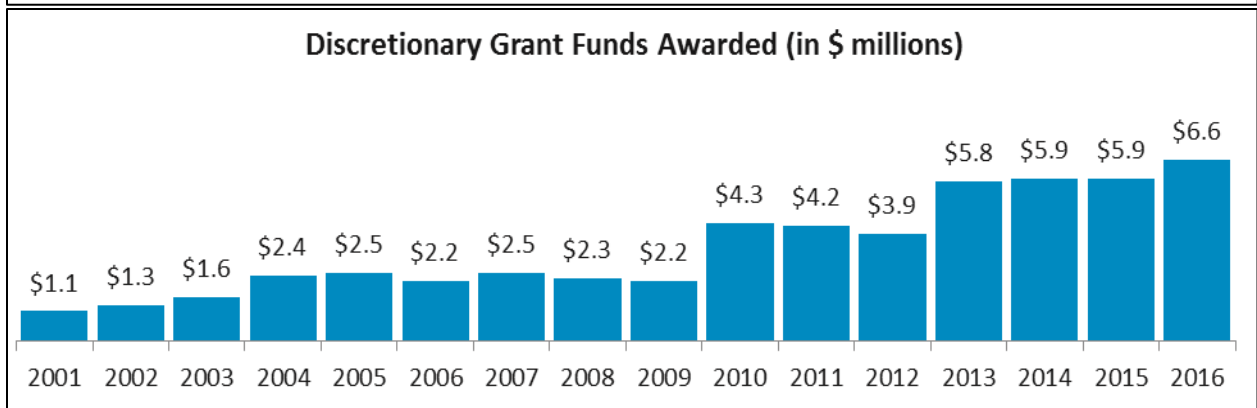
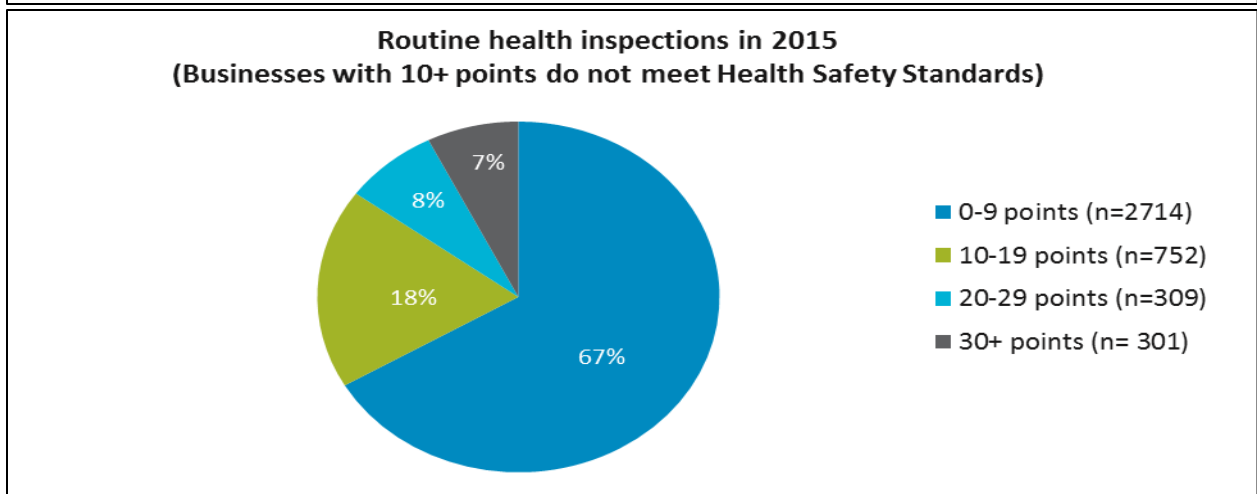
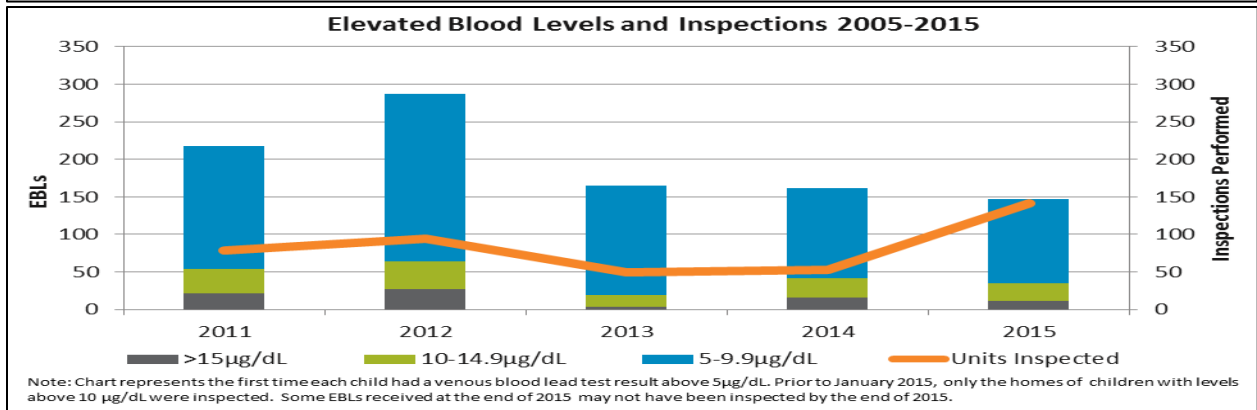
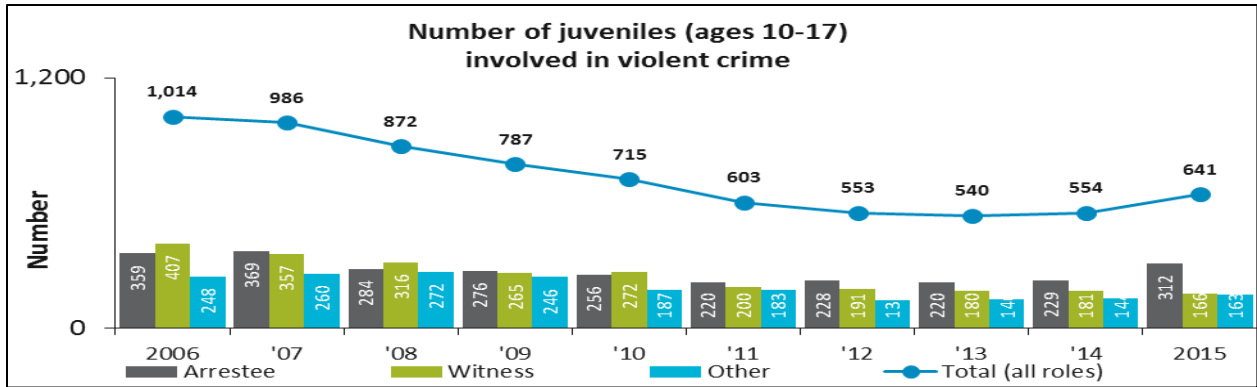
- Adolescent Health and Youth Development
 - School Based Clinics
 - Youth development and teen pregnancy prevention
 - Youth violence prevention
- Environmental Health
 - Food Lodging and Pools
 - Lead and Healthy Homes
 - Environmental Services
- Research and Evaluation
 - Data collection, analysis and dissemination
 - Research projects
 - Program Evaluation
- Policy and Community Programs
 - Local, state and federal policy initiatives
 - Maternal/paternal and child health, Healthy Start
 - Healthy Living
 - Skyway Senior Center
- Administration and Assurance
 - Emergency Preparedness
 - Contract management, grants
 - Administrative support
 - Enterprise liaison
 - Accreditation

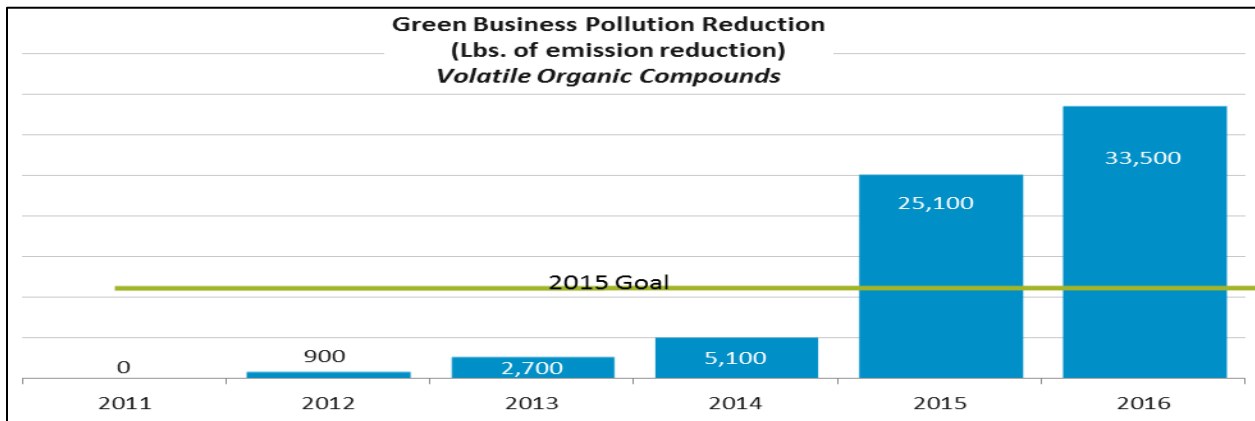
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES







Many People, One Minneapolis

Family and Early Childhood

General Fund: \$541,930
Other Funds: \$2,508,547

Several programs and services promote healthy birth outcomes, positive parent-child interaction, child growth and development, family self sufficiency, nutrition education, and family planning and connection to early childhood education. Additional programs promote school ready children.

School Based Clinic Program

General Fund: \$268,955
Other Funds: \$2,669,273

The Department operates School Based Clinics (SBC) in seven Minneapolis public high schools. All clinic services are provided by medical, behavioral health, and health education professionals. The focus is on adolescent health services including acute illness care, well-teen exams, reproductive care, nutrition education, immunizations, individual and group health education, and mental health screenings, diagnostic assessments and counseling.

Youth Development and Sexual Health

General Fund: \$628,223
Other Funds: \$1,082,834

This program includes policy work and out-of-school time services for low income youth; collaborative partnerships with schools, county and community based agencies; technical assistance and training to youth workers, teachers and volunteers; culturally competent sexuality education; and coordination of the City's prevention response to the Safe Harbors Act.

Youth Violence Prevention

General Fund: \$840,890
Other Funds: \$246,534

The Health Department leads and coordinates citywide efforts to implement the Youth Violence Prevention Blueprint for Action through policy, planning, community support, and programming. Activities include: planning and service coordination with jurisdictional partners, technical assistance to community-based agencies, oversight of the Juvenile Supervision Center for curfew, truancy, and low-level offenders, and individualized case management and mentoring for youth at risk of involvement with violence.

Senior Services

General Fund: \$70,000
Other Funds: \$182,800

The Skyway Senior Center is a safe, friendly, and comfortable place for people age 50 and older to gather in downtown Minneapolis to participate in a variety of activities, such as physical fitness, health and wellness, learning opportunities and socialization events. The Center serves more than 15,500 seniors annually with an average daily visitor count of 73.

The Minnesota Visiting Nurse Agency provides home health care/therapeutic services for eligible high-risk and low-income seniors age 60 and older who lack medical reimbursement. Eligible seniors receive skilled nursing and therapy visits and home health aide/ homemaker visits; a significant number require interpreter services.

Living Well

Lead Poisoning and Healthy Homes

General Fund: \$596,009
Other Funds: \$1,096,145

The Lead Poisoning Prevention and Healthy Homes initiative assures residential homes are safe from lead hazards by conducting inspections for children with diagnosed lead poisoning. The program repairs lead hazards to protect children from exposure to lead which interferes with brain development during a critical stage. Minneapolis currently inspects homes of children with a blood lead level of 5 ug/dl of blood. A Federal grant also supports efforts to address other healthy homes concerns such as radon, asthma triggers, and slip/trip/fall hazards.

Emergency Preparedness and Infectious Disease Prevention

General Fund: \$45,237
Other Funds: \$433,148

The Minneapolis Health Department is required by Minnesota statute and City Charter to assure the health and safety of residents and visitors from infectious disease. The Department does so through collaboration, contracts, and participation in a community-wide continuum of care. That response includes routine prevention and intervention activities (provided through contract by Hennepin County); responses to small events, such as tuberculosis and food borne illness; support for residents affected by natural or other disasters, such as the Northside tornado, and responses to large public health emergencies such as a flu epidemic.

Food Lodging and Pools

General Fund: \$2,945,052

The Food Lodging and Pools program ensures commercial and institutional foods are safe and in compliance with state and local health codes by conducting more than 7,000 inspections a year of over 5,000 facilities including restaurants, schools, board and lodging facilities, hotels, pools, tanning and body arts establishments, day care centers, farmers markets, groceries, and food vendors.

Eco-Focused

Environmental Services

General Fund: \$1,785,804

Environmental Services protects environmental and public health from the adverse effects of pollution through two state delegated well programs, one federally mandated storm water

program, nine local environmental permits, and immediate response to spills and citizen concern. The Health Department has become a progressive leader in local environmental work with the most comprehensive air quality study of any major city, managing the Midwest's first energy disclosure policy, and the most aggressive partnership programs with local businesses to improve neighborhood environmental quality in the country.

Livable Communities, Healthy Lives

Minneapolis Healthy Living Initiative

General Fund: \$10,000
Other Funds: \$1,549,757

The Healthy Living Initiative is a collection of 23 strategies implemented with community partners to increase opportunities for healthy eating, physical activity and tobacco-free living in public housing, schools, neighborhoods, clinics, food shelves, stores, restaurants, worksites and other settings. The goal of these strategies is to reduce the burden of tobacco- and obesity-related chronic diseases on individuals, communities, employers, and the health care system.

A City that Works

Core Public Health Infrastructure

General Fund: \$2,676,421
Other Funds: \$1,079,592

As a local public health entity operating under a Community Health Board (City Council), the department is mandated by Minnesota Statutes, chapter 145A, to provide directly or contract for essential public health services for Minneapolis residents. An adequate public health infrastructure includes a governance structure, assessing community health needs, setting health priorities, meeting state reporting requirements, engaging the community, advocating for policy changes, fostering healthy environments, and ensuring that staffing reflects the diversity of the Minneapolis community. In Minneapolis, grant writing to address priority needs is also an essential component of the Public Health Infrastructure.

Financial Analysis

Expenditure

For 2017, the Minneapolis Health Department budget is increasing to \$21.1 million, a 5.7% increase over the 2016 budget. The General Fund portion of the department's budget is increasing by 15.4%, or \$1.4 million, reflecting routine inflationary operating increases and internal service charges, as well as budgetary change items. Special revenue-funded expenditures are decreasing by \$0.2 million or 2.1%.

Revenue

Total revenue for the Minneapolis Health Department is projected to decrease by 0.7% to \$12.9 million in 2017. The decrease is primarily associated with a decrease in federal grants.

Fund Allocation

This department is funded partially by the General Fund (49%), with the remaining funding from in State and Other Funds and Federal Funds (51%).

Mayor's Recommended Budget

The Mayor recommended additional ongoing General Fund appropriation of \$100,000 for young male sexual health outreach (1.0 FTE), \$165,000 for health inspectors (2.0 FTE), \$140,000 for

Group Violence Intervention, and \$45,000 for Blueprint-Approved Institute youth violence prevention programs.

The Mayor also recommended one-time General Fund appropriations of \$110,000 for a Lead Risk Inspector (1.0 FTE), \$40,000 Youth Violence Prevention summer/fall community engagement, \$10,000 for Healthy Living, \$255,000 for the pollution reduction initiative, \$17,000 for the legacy pollution initiative, \$15,000 for the children's savings account program, \$30,000 for East Africans with disabilities, \$150,000 for Group Violence Intervention, \$60,000 for Inspiring Youth, and \$50,000 for programming for Somali youth. The Mayor also recommended an ongoing reduction of \$65,000 to support funding new initiatives

Council Adopted Budget

The City Council amended the Mayor's recommendations on a one-time basis by increasing the budget by \$150,000 for programs related to domestic violence prevention, increasing the budget by \$25,000 for Next Step hospital based violence intervention, increasing the budget by \$50,000 for intervention and street outreach strategies to help transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation, decreasing the budget by \$100,000 and 1.0 FTE for Male Sexual Health Outreach.

The City Council directed the Neighborhood and Community Relations Department to transfer their 2016 end-of-year salary savings on a one-time basis not to exceed \$25,000 to the Health Department to augment the culturally relevant community-based intervention and street outreach strategies to help transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

The City Council also directed the Fire Department to transfer \$42,000 of their 2016 unspent funds for technical training to the Health Department for Next Step hospital based violence intervention.

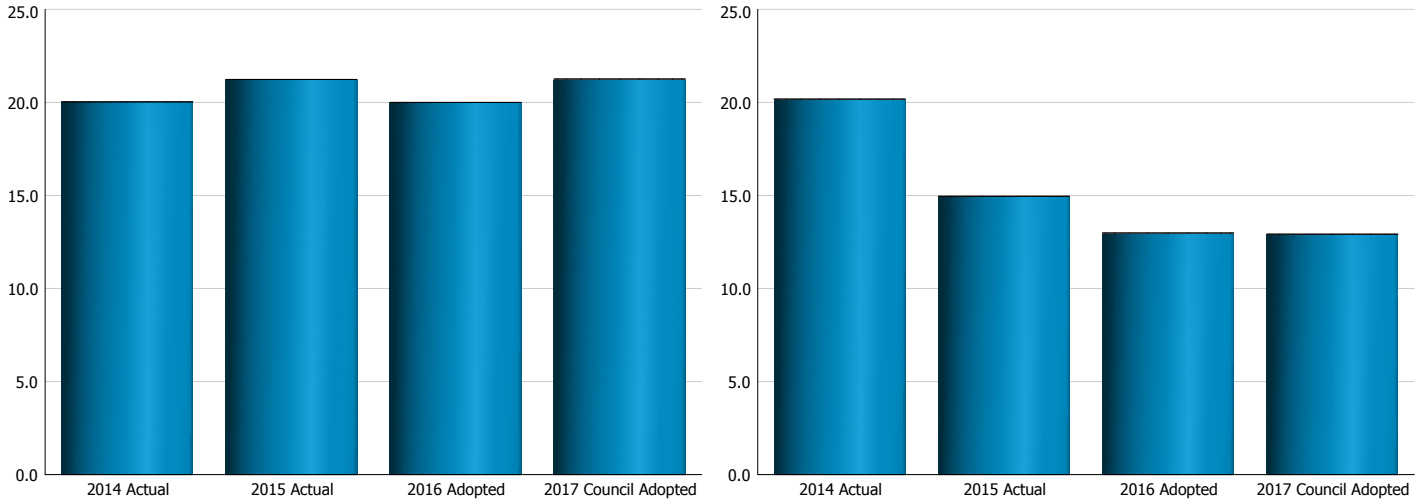
**MINNEAPOLIS HEALTH DEPARTMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,972,569	3,450,316	3,542,415	3,837,724	8.3%	295,309
FRINGE BENEFITS	1,155,820	1,291,388	1,436,134	1,540,081	7.2%	103,947
CONTRACTUAL SERVICES	2,912,217	3,066,172	3,038,762	3,605,370	18.6%	566,608
OPERATING COSTS	480,060	480,876	896,531	1,425,346	59.0%	528,815
TOTAL GENERAL	7,520,666	8,288,752	8,913,842	10,408,521	16.8%	1,494,678
SPECIAL REVENUE						
SALARIES AND WAGES	3,427,362	3,301,280	3,897,976	3,762,116	-3.5%	(135,860)
FRINGE BENEFITS	1,210,560	1,138,654	1,539,168	1,460,904	-5.1%	(78,264)
CONTRACTUAL SERVICES	7,600,452	8,022,588	4,220,900	4,143,262	-1.8%	(77,638)
OPERATING COSTS	267,116	483,004	1,427,255	1,482,348	3.9%	55,093
CAPITAL	3,189					0
TOTAL SPECIAL REVENUE	12,508,680	12,945,526	11,085,299	10,848,630	-2.1%	(236,670)
TOTAL EXPENSE	20,029,345	21,234,277	19,999,142	21,257,151	6.3%	1,258,009
REVENUE						
GENERAL						
CHARGES FOR SERVICES		(4,628)			0.0%	0
FINES AND FORFEITS	84,117	89,896	80,000	90,000	12.5%	10,000
LICENSE AND PERMITS	2,210,708	2,310,096	2,190,474	2,540,000	16.0%	349,526
OTHER MISC REVENUES	141,660	110,363	125,000	100,000	-20.0%	(25,000)
SPECIAL ASSESSMENTS	5,477	14,116			0.0%	0
GENERAL	2,441,962	2,519,843	2,395,474	2,730,000	14.0%	334,526
SPECIAL REVENUE						
CHARGES FOR SALES	3,183				0.0%	0
CHARGES FOR SERVICES	697,725	934,687	763,833	985,811	29.1%	221,978
CONTRIBUTIONS	280,156	337,612	186,000	230,675	24.0%	44,675
FEDERAL GOVERNMENT	12,685,076	6,486,922	5,282,817	5,022,485	-4.9%	(260,332)
INTEREST	79	58			0.0%	0
LOCAL GOVERNMENT	150,685	226,664	188,668		-100.0%	(188,668)
OTHER MISC REVENUES	112,502	53,606	1,800	1,800	0.0%	0
SALES AND OTHER TAXES	44,371	114,895		7,000	0.0%	7,000
STATE GOVERNMENT	3,761,780	4,280,752	3,912,808	3,940,265	0.7%	27,457
USE OF FUND BALANCE			249,535		-100.0%	(249,535)
SPECIAL REVENUE	17,735,557	12,435,197	10,585,461	10,188,036	-3.8%	(397,425)
TOTAL REVENUE	20,177,519	14,955,040	12,980,935	12,918,036	-0.5%	(62,899)

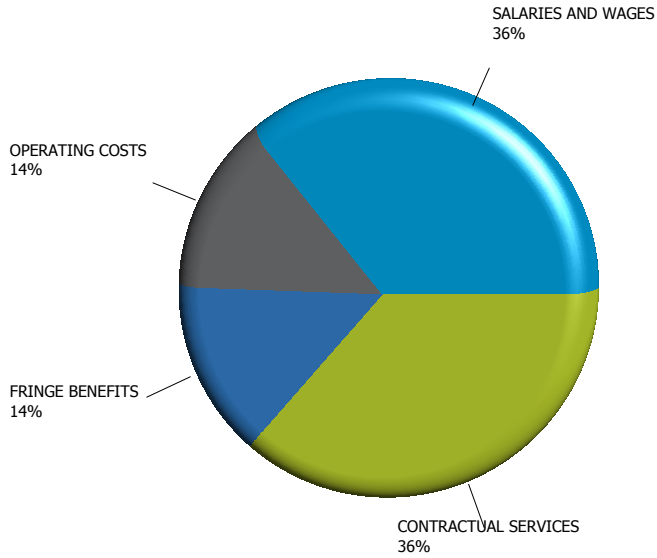
MINNEAPOLIS HEALTH DEPARTMENT EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



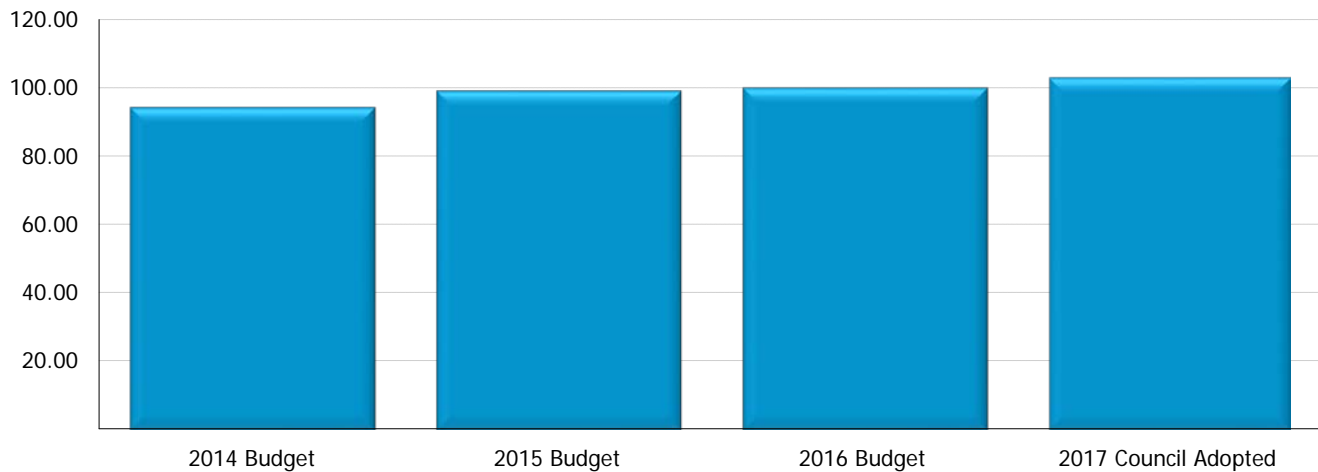
Expense by Category



MINNEAPOLIS HEALTH DEPARTMENT Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
CORE INFRASTRUCTURE	13.10	14.55	15.75	15.75	0.0%	0
EMERGENCY PREP & INFECTIOUS DISEASE	2.60	2.70	2.60	2.60	0.0%	0
ENVIRONMENTAL SERVICES	10.50	11.50	11.75	11.75	0.0%	0
FOOD LODGING AND POOLS	21.00	22.00	23.00	25.00	8.7%	2.00
HEALTHY HOMES AND ENVIRONMENT						0
HEALTHY LIVING	6.55	7.35	7.40	7.40	0.0%	0
LEAD AND HEALTHY HOMES	9.30	9.00	9.00	10.00	11.1%	1.00
PERINATAL EARLY CHILDHOOD/FAMILY	2.35	4.00	2.35	2.35	0.0%	0
SCHOOL BASED CLINICS	23.30	22.30	23.30	23.30	0.0%	0
SENIOR SERVICES	1.00	1.10	1.00	1.00	0.0%	0
YOUTH DEVEL- TEEN PREG PREV	1.20	1.30	1.40	1.40	0.0%	0
YOUTH VIOLENCE PREVENTION	3.40	3.50	2.50	2.50	0.0%	0
Overall	94.30	99.30	100.05	103.05	3.0%	3.00

Positions 2014-2017



INTERNAL AUDIT

MISSION

To serve the City of Minneapolis and the public interest by providing objective services that enhance the City's ability to manage risk, improve internal controls, optimize efficiencies, reduce costs and strengthen accountability.

BUSINESS LINES

Powers and duties of the Internal Auditor:

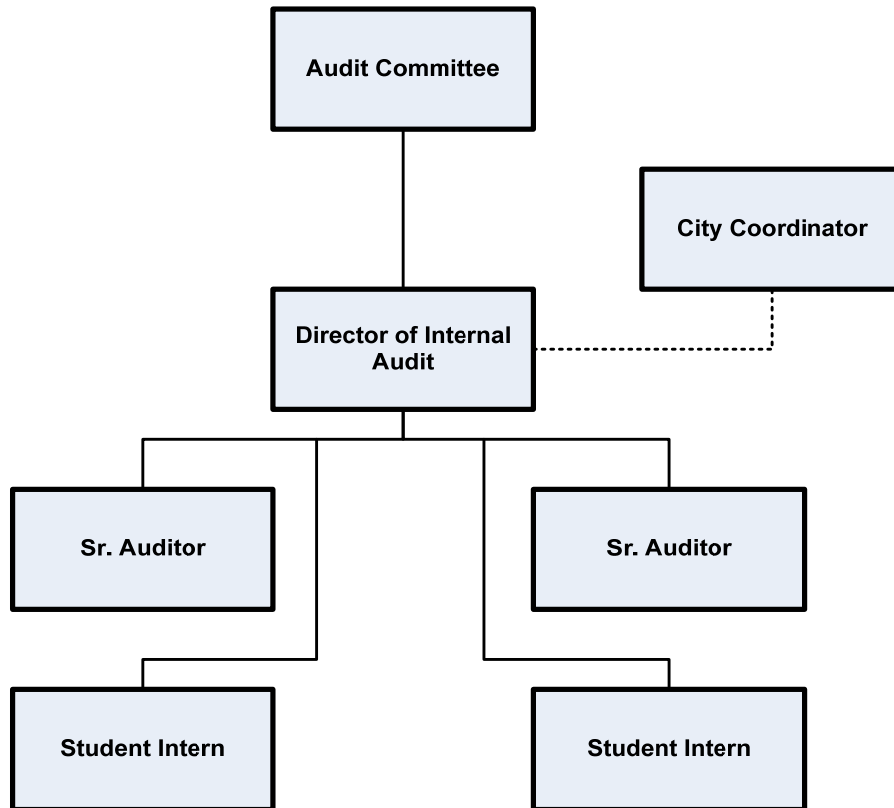
a) The internal auditor shall:

- 1) Establish guidelines, policies, and procedures for the conduct of periodic internal audits.
- 2) Develop an annual audit plan to be submitted to the Audit Committee for approval.
- 3) Conduct investigations of alleged or suspected impropriety, fraud, misappropriation, or other misuse of City funds, shall seek advice from the City attorney as appropriate and report any suspected criminal activity to appropriate law enforcement authorities.
- 4) Appraise the audit committee on the adequacy of action taken by departments to correct report deficiencies.
- 5) Implement a comprehensive audit plan to review and evaluate the adequacy and effectiveness of the City's internal system of financial controls to ensure:
 - The reliability and integrity of financial records and reports.
 - Compliance with policies, procedures, ordinances, rules and statutes related to expenditures and financial controls.
 - The assets are safeguarded from loss.
- 6) Coordinate with external auditors and assist in the implementation of corrective actions recommended by external auditors as appropriate.
- 7) Submit an annual report to the mayor and City Council indicating audits completed, major findings, corrective actions taken by administrative managers, and significant findings which have not been fully addressed by management.

b) The internal auditor may:

- 1) Subject to the approval of the audit committee, conduct special reviews and programmatic reviews at the request of the mayor, City Council, finance officer, City departments, boards and commissions.
- 2) Provide assistance to City departments, boards and commissions for evaluation of financial controls. (2009-Or-190, § 4, 12-18-09)

ORGANIZATION CHART



A City that Works

Internal Audit

General Fund: \$720,549

This program provides independent, objective, timely and reliable information to City Departments, Residents and Policy Makers regarding risk management and opportunities to improve the City's ability to efficiently and effectively meet its objectives. The Internal Audit department is in a unique position to help functions within the City evaluate high-risk activities or programs and provide insights into opportunities to improve processes or controls to align with an appropriate and reasonable level of risk management. The outcome of this program will enable the City to manage financial, operational, technological, reputational and regulatory risks in the achievement of its goals while exemplifying its values. Services provided under this program include audits, consultations, investigations and Ad Hoc Projects.

Financial Analysis

Expenditure

The total Internal Audit Department's budget increases from \$592,000 to \$721,000 from 2016 to 2017. This is an increase of \$128,000 or 21.7% primarily due to increases in routine inflationary operational costs and the ongoing budgetary change items of \$104,000 (includes 1.0 FTE).

Revenue

This Department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended \$104,000 ongoing General Fund resources for an Internal Audit Manager (includes 1.0 FTE).

Council Adopted Budget

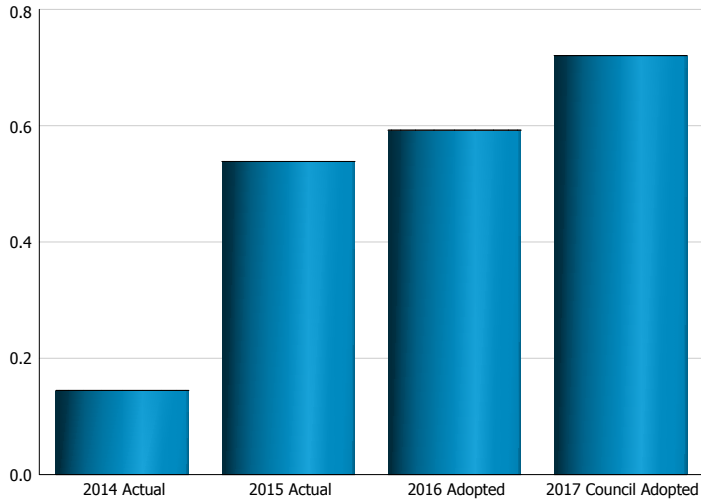
The City Council approved the Mayor's recommendations.

**INTERNAL AUDIT
EXPENSE AND REVENUE INFORMATION**

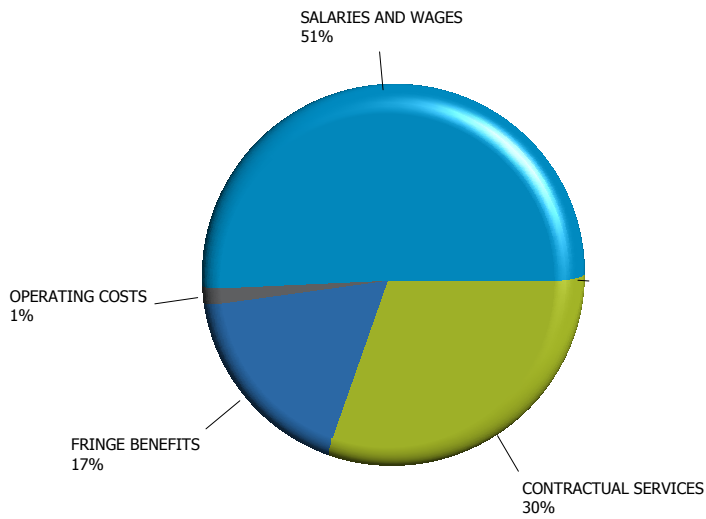
EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	55,258	228,698	274,994	365,525	32.9%	90,531
FRINGE BENEFITS	15,034	60,453	94,698	125,692	32.7%	30,994
CONTRACTUAL SERVICES	67,246	236,286	212,138	218,901	3.2%	6,763
OPERATING COSTS	7,128	10,406	10,431	10,431	0.0%	0
CAPITAL		2,609				0
TOTAL GENERAL	144,666	538,452	592,261	720,549	21.7%	128,288
TOTAL EXPENSE	144,666	538,452	592,261	720,549	21.7%	128,288

INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions



Expense by Category

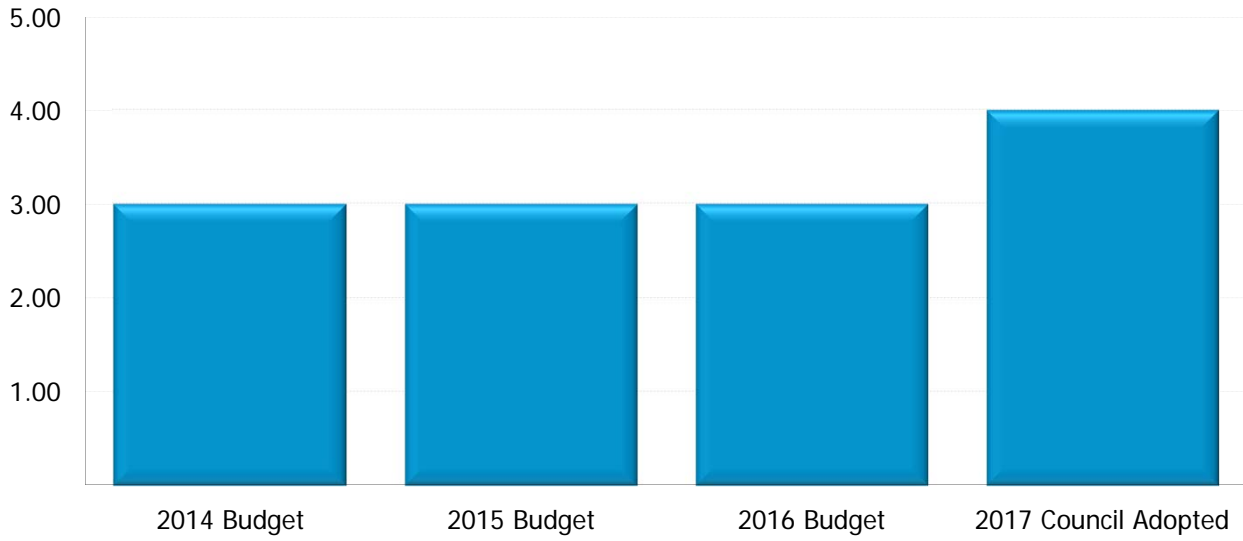


INTERNAL AUDIT

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
INTERNAL AUDIT	3.00	3.00	3.00	4.00	33.3%	1.00
Overall	3.00	3.00	3.00	4.00	33.3%	1.00

Positions 2014-2017



MAYOR

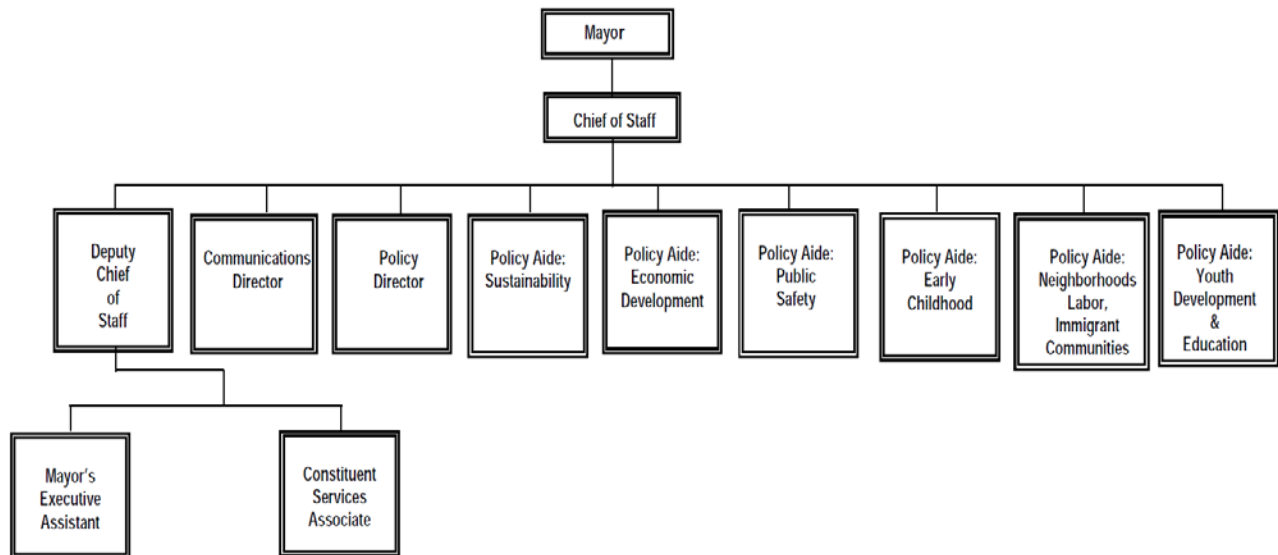
MISSION

Dedicated to making Minneapolis a vibrant, safe city that offers opportunity for all.

BUSINESS LINES

- **Policy Development**
 - Lead and support policy development that reflects the City's five-year goals.
 - Partner with the City Council to develop and lead the strategic direction for the City.
 - Develop responsible fiscal policies and an annual budget that reflects City's goals.
 - Support the work of the City to provide better, more coordinated and responsive services.
 - Ensure that the community is actively engaged as an active partner in City work.
- **Policy & Program Promotion**
 - Champion the innovations and successes of Minneapolis as a premier destination, a growing economic and cultural leader.
 - Promote education excellence as the lynchpin to a successful city.
- **Policy & Program Implementation**
 - Nominate and support strong City department heads.
 - Oversee the performance and accountability of the Police and Civil Rights departments.
 - Through *Results Minneapolis* as well as department head evaluations, ensure that the City enterprise is accountable for results.

ORGANIZATIONAL CHART



SELECTED RESULTS MINNEAPOLIS MEASURE

This department does not participate in Results Minneapolis.

Mayor Policy & Operations

General Fund: \$2,071,925

This program leads strategic policy development and supports policy implementation based on the five City goals. This program assists in developing and leading the strategic direction for the city and support functions needed to do this. The program is also in charge of nominating and supporting strong department heads, overseeing the performance and accountability of the Police and Civil Rights department, and developing responsible fiscal policies and an annual budget that reflects the City's goals.

Financial Analysis

Expenditure

The total Mayor department's budget increases from \$2.0 million to \$2.1 million from 2016 to 2017. This is an increase of \$84,000 or 4.2% due to inflationary increases in operating expenses.

Revenue

This department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

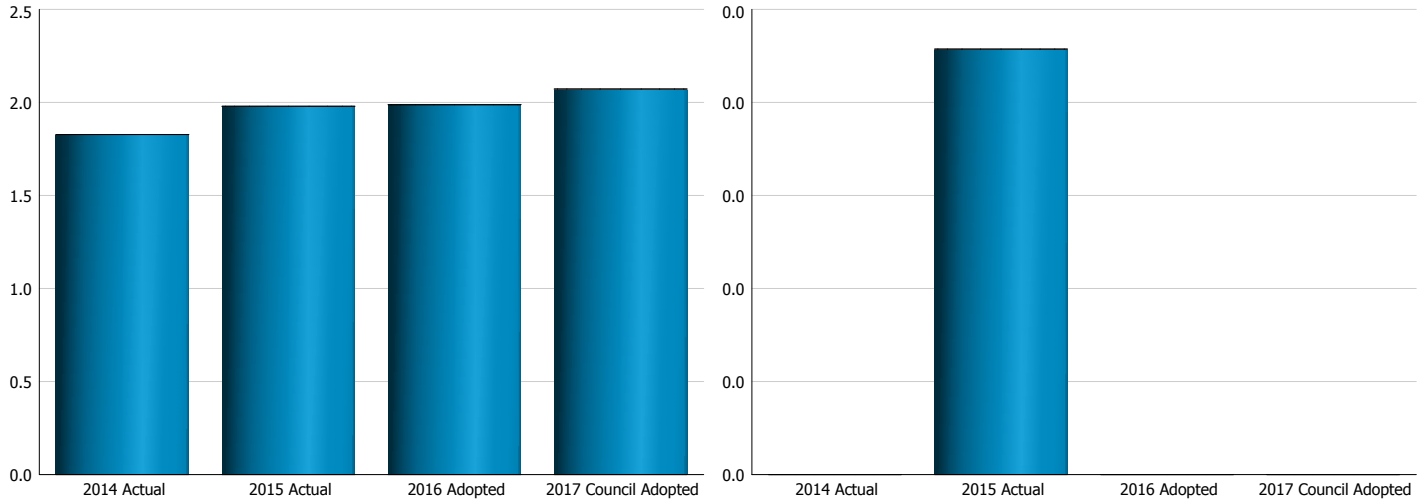
**MAYOR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	881,461	933,335	1,019,673	1,077,552	5.7%	57,879
FRINGE BENEFITS	293,672	288,689	388,844	392,663	1.0%	3,818
CONTRACTUAL SERVICES	282,338	354,525	349,834	365,632	4.5%	15,798
OPERATING COSTS	369,897	355,931	229,363	236,078	2.9%	6,715
TOTAL GENERAL	1,827,368	1,932,480	1,987,715	2,071,925	4.2%	84,210
SPECIAL REVENUE						
SALARIES AND WAGES		28,878				0
FRINGE BENEFITS		12,776				0
CONTRACTUAL SERVICES		5,238				0
TOTAL SPECIAL REVENUE		46,891				0
TOTAL EXPENSE	1,827,368	1,979,371	1,987,715	2,071,925	4.2%	84,210
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS		45,729			0.0%	0
SPECIAL REVENUE		45,729				0
TOTAL REVENUE		45,729				

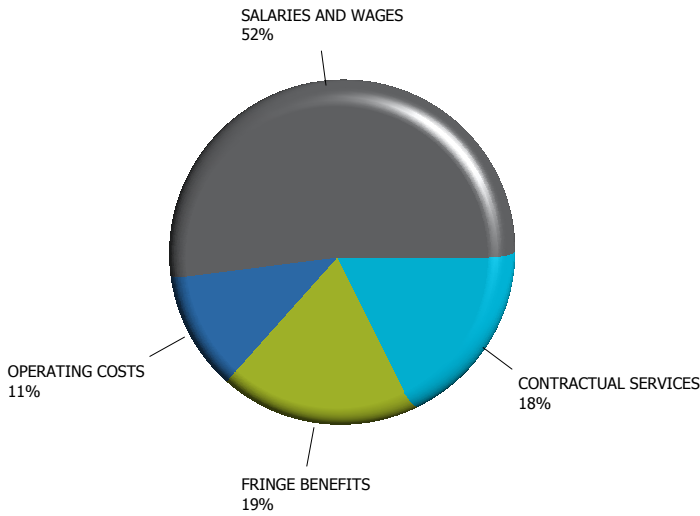
MAYOR EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



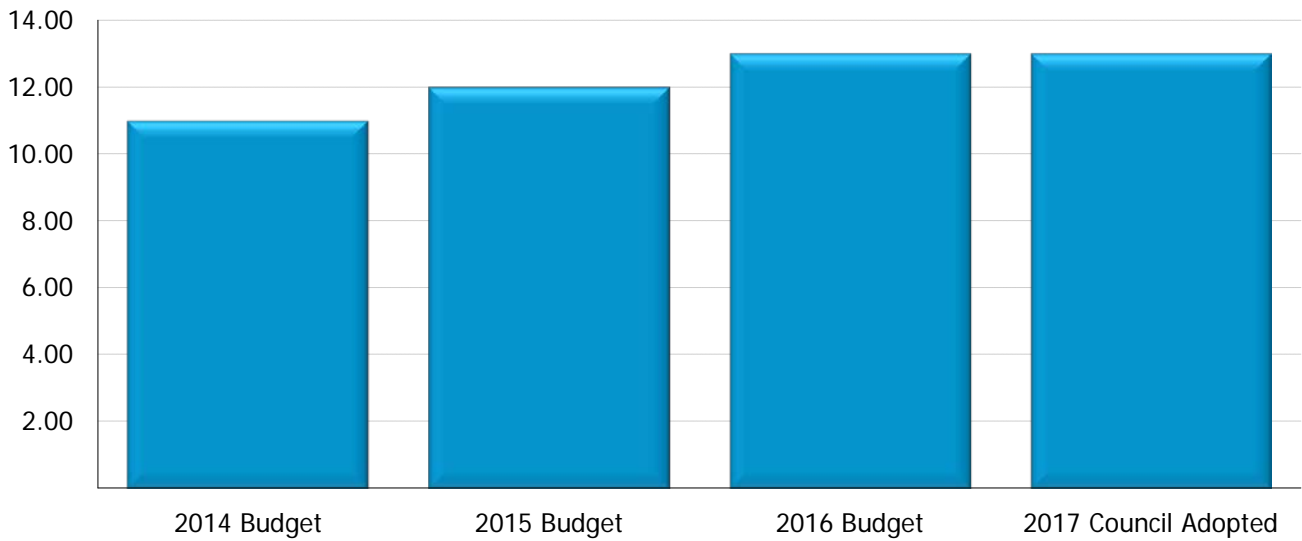
Expense by Category



MAYOR Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
MAYOR - ADMINISTRATION	11.00	12.00	13.00	13.00	0.0%	0
Overall	11.00	12.00	13.00	13.00	0.0%	0

Positions 2014-2017



MINNEAPOLIS POLICE DEPARTMENT

MISSION

The Minneapolis Police Department is committed to providing quality and professional service in partnership with all communities to continue to advance the City's safety, growth and viability. The department is committed to excellence through the development, accountability and support of its employees to achieve their full potential.

BUSINESS LINES

Patrol Bureau

- Precincts
 - Patrol (911 Response, Directed Patrol), Investigations, Community Response Teams (CRT), Canine, Mounted Patrol, BRRT, and Crime Prevention Specialists.

Investigations Bureau

- Violent Crimes
 - Assault, Violent Crime Investigations, Homicide, FBI Cold Cases, Violent Criminal Apprehension Team, Joint Terrorism Task Force, Robbery, Safe Streets, Weapons Investigations
- Special Crimes Investigations Division
 - Juvenile Investigations, Crimes Against Children, Juvenile Trafficking, Juvenile Investigations, Juvenile Outreach and Diversion, PAL, School Resource Officer Program, Licensing Investigations, Auto Theft Prevention, Financial Crimes Unit, Sex Crimes, Predatory Registration Section, Traffic Investigations, Arson
- Forensics Division
 - Lab, Field Operations, Firearms/Tool mark, Forensic Garage, Photo Lab, MAFIN, Computer Forensics, Video Forensics

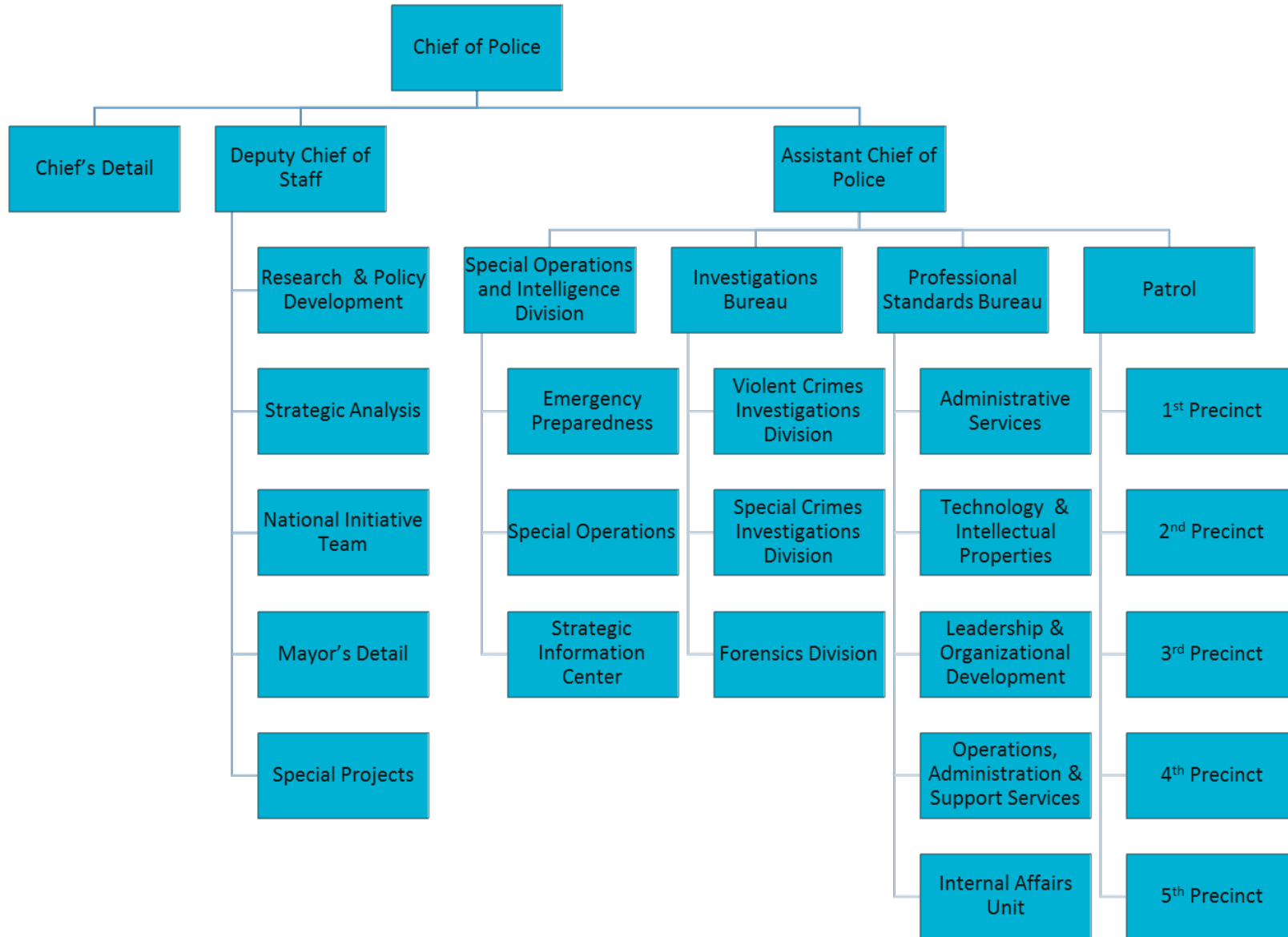
Strategic Information and Crime Analysis Division

- Special Operations Unit
 - Bomb/Arson, Crisis Negotiations, Mobile Command, SWAT
- Emergency Preparedness Unit
 - Community Engagement Team, and Special Events
- Strategic Information Center
 - Crime Analysis, Gang Interdiction Team, Strategic Information Unit

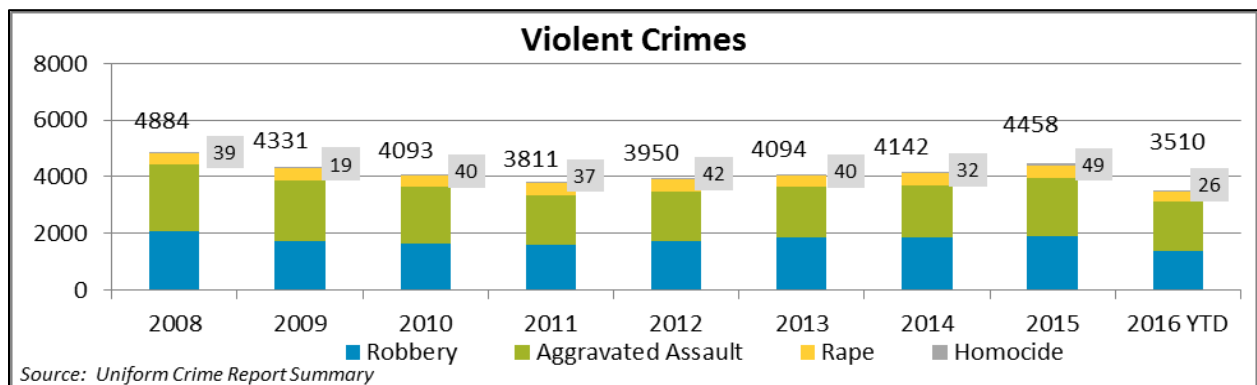
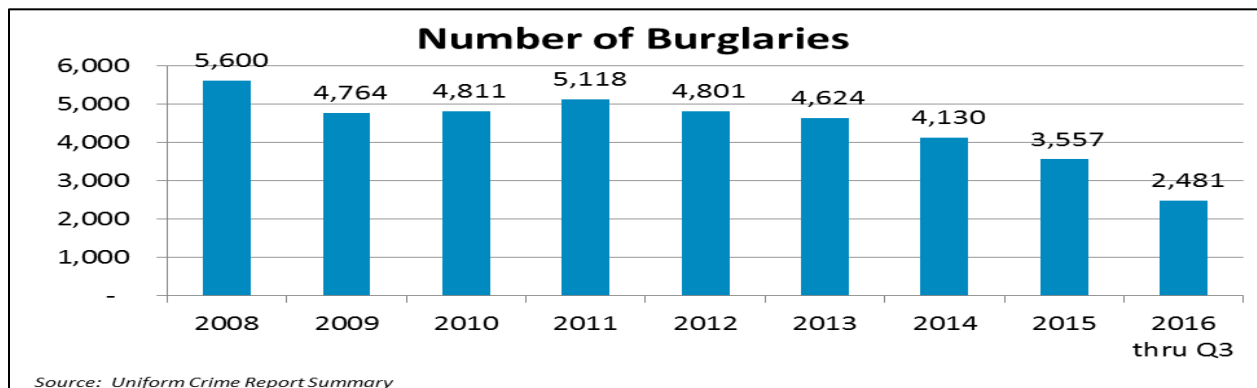
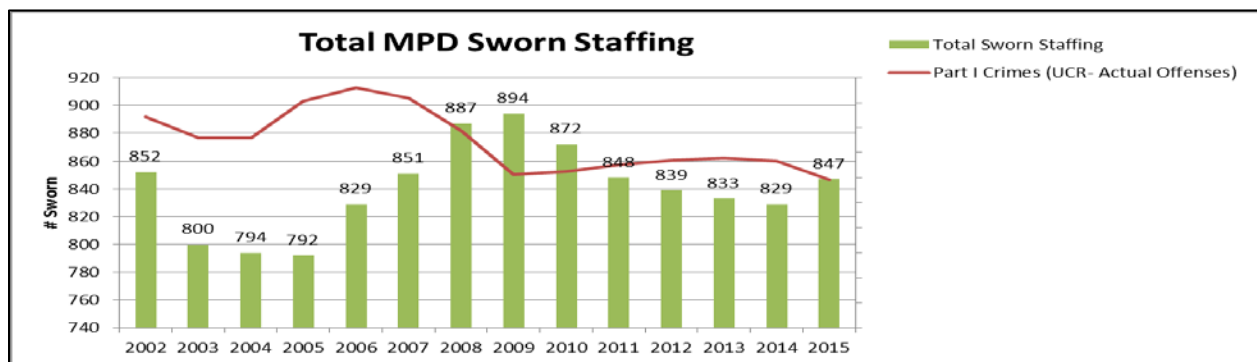
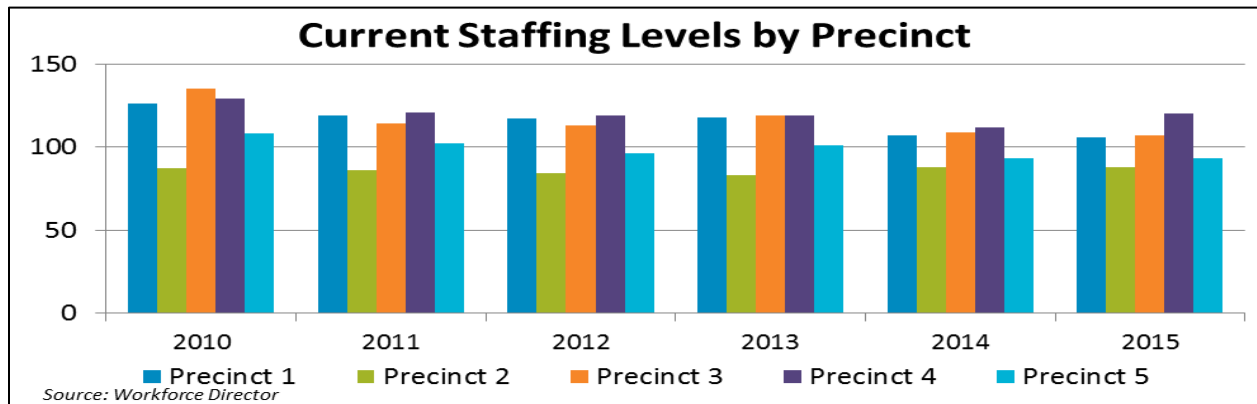
Office of Professional Standards

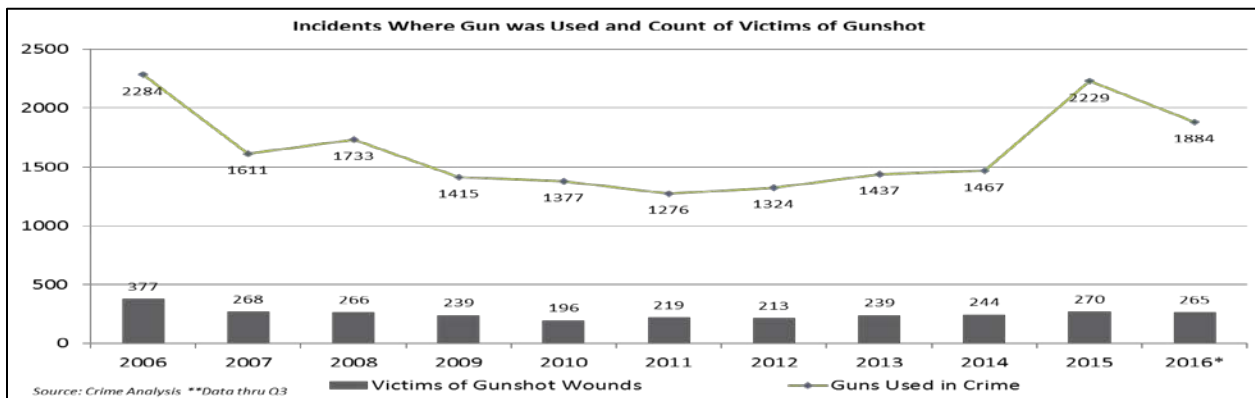
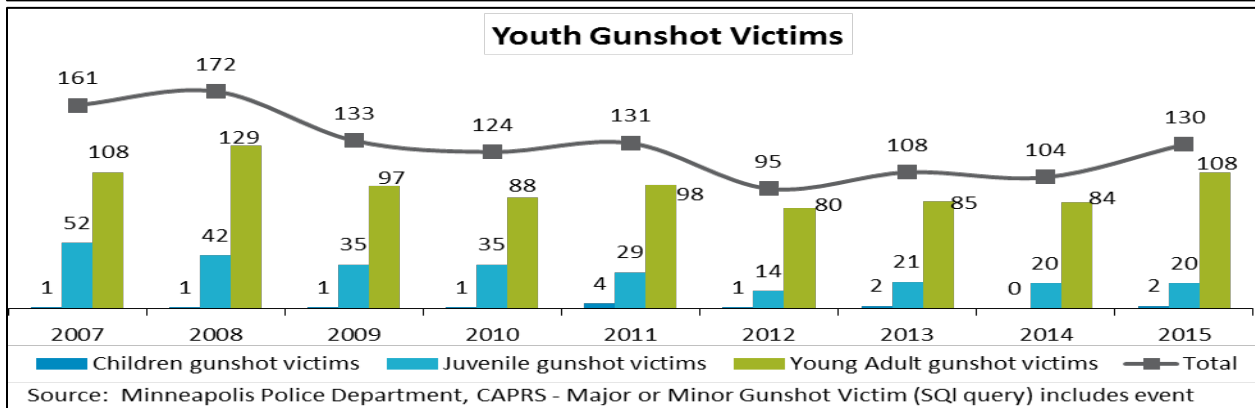
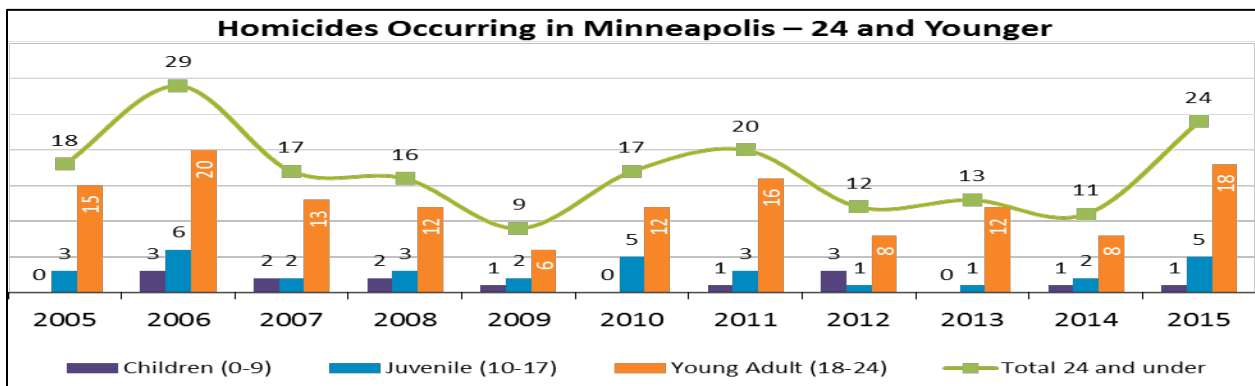
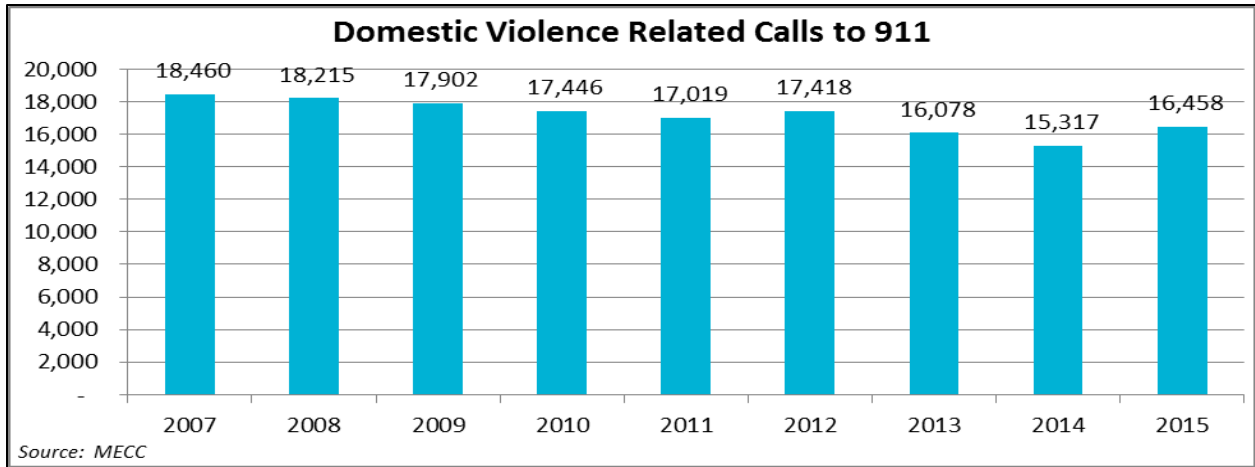
- Administrative Services
- Technology and Support Services
- Internal Affairs Unit
- Operations and Administration
 - Support Services, Fleet, Police Stores, Property and Evidence, Records, Transcriptions
 - Recruitment and Hiring, Community Service Officers Program, Backgrounds
- Leadership and Organizational Development
 - Academy, In-Service Training, Pre-Service Training

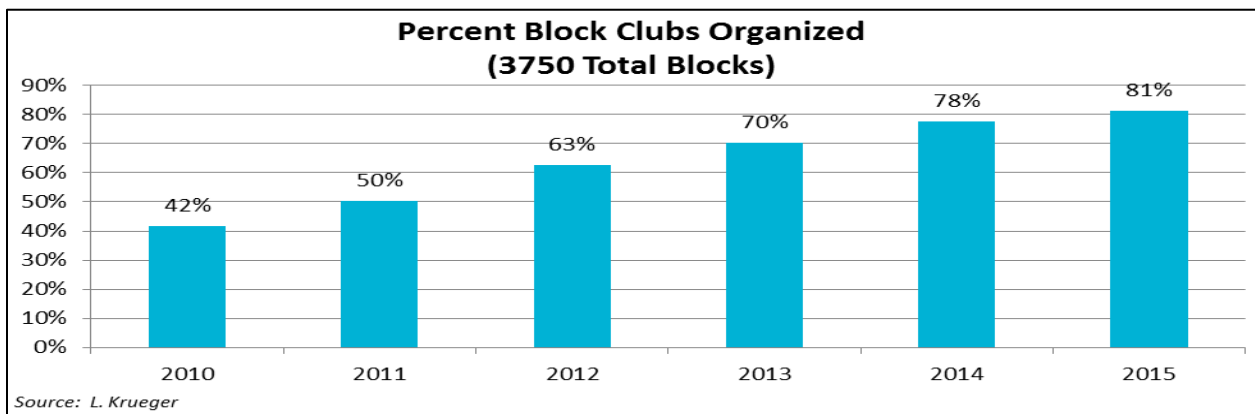
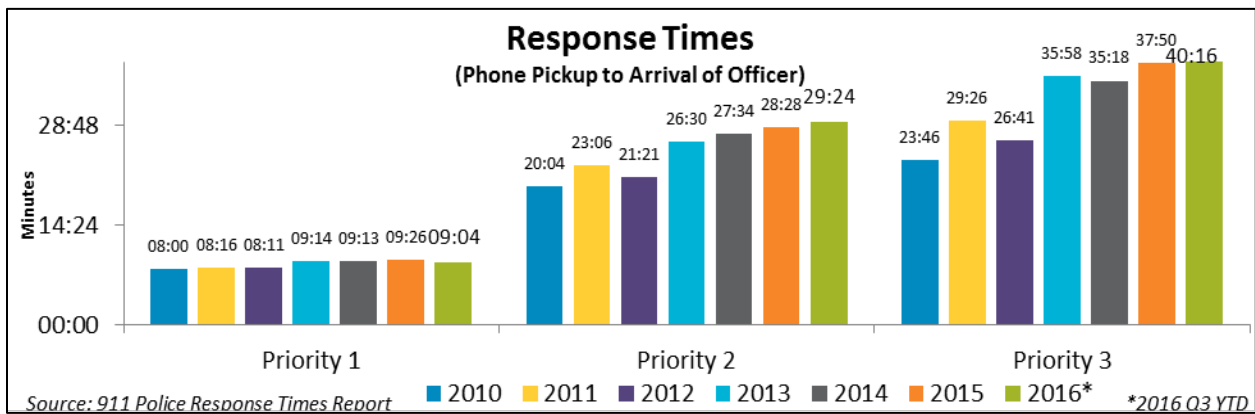
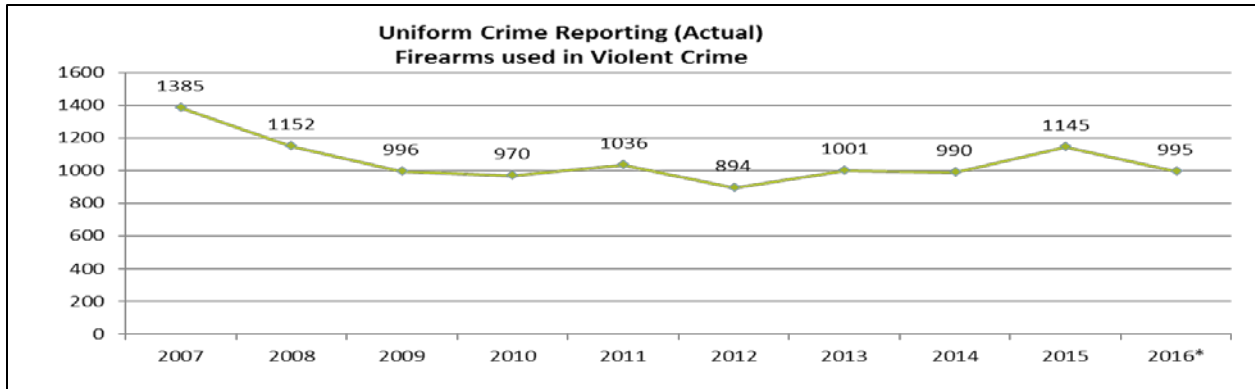
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES







A City That Works

MPD Emergency Response Services

General Fund: \$2,580,612
Other Funds: \$1,547,103

The Emergency Response Services Program is designed to deliver specialized response assets to support the patrol mission. Officers assigned to this program have undergone specialized training and are equipped with state of the art equipment which allows them to effectively respond to rapidly evolving, unexpected police emergencies which might otherwise result in substantial loss of life and/or property damage. Emergency Response Services personnel are the first group to be called in the event of a large-scale disaster or event. Services provided under this program include crisis negotiation, mobile command, SWAT response team and special events/dignitary protection.

MPD Public Safety ServicesGeneral Fund: \$94,587,811
Other Funds: \$879,352

The chief responsibility of MPD is maintaining law and order and restoring peace when public safety is threatened. The Public Safety Services program is comprised of several components: 911 Responders from five precincts which include regular Patrol, Directed Patrol, Mounted Patrol, Canine Unit, Bike Patrol, and the Investigative Units from the precincts which include Property Crimes, and Community Response Teams (CRT). Services provided within this program are truly the "backbone" of the Minneapolis Police Department.

Living Well**MPD Administration, Training, and Crime Lab**General Fund: \$29,015,760
Other Funds: \$1,424,775

The Executive arm of the MPD is the foundation for all MPD activities. The Administration determines resource allocation and how to best leverage the various programs and external resources to address needs and emerging public safety issues. This program includes the Chief's Detail, Finance, Internal Affairs, Leadership and Organizational Development Training, Recruitment and Hiring, Academy, Community Service Officers Program, Forensic Division, Research & Policy Development, Property & Evidence, Business Technology, Fleet, and other Support Services.

MPD Violent Crimes InvestigationsGeneral Fund: \$10,517,918
Other Funds: \$350,500

Violent Crimes Investigations is responsible for investigating violent crimes, weapons, and gang cases as well as some narcotics offenses. Investigators work with multiple task forces leveraging federal, state, local and private resources and skills to bring focus to high priority community issues and to investigate and hold offenders accountable. The program includes: Homicide, Robbery, Assault, Weapons Unit, and the Task Forces (FBI Joint Terrorism, DEA, VCAT, and Safe Streets).

MPD Criminal Intelligence and Analysis

General Fund: \$3,585,222

The MPD Criminal Intelligence Program is comprised of the Strategic Information and Crime Analysis Division which includes the Crime Analysis Unit and the Strategic Information Center. The program combines real-time intelligence, deep data+ mining and link analysis, and crime analysis to aid in the deployment of department resources and maximize effectiveness. To assist in operations, incidents and arrests are reviewed for criminal patterns, threats, gang involvement, and criminal associations.

Special Crimes InvestigationsGeneral Fund: \$14,318,003
Other Funds: 1,013,028

The program works collaboratively with criminal justice partners and community stakeholders to investigate and hold those who commit crimes accountable. Works proactively through multi-agency partnerships, to reduce juvenile and other crime, provide stability and respond quickly to threats to public safety. These crimes includes: Domestic Assault, Crimes Against Children (child abuse and juvenile sex trafficking, absent/missing children), Sex Crimes, Traffic

Investigations, Licensing, Juvenile Investigations, Juvenile Outreach and Diversion (PAL, School Resource Officer, Juvenile Diversion).

One Minneapolis

MPD Community Engagement

General Fund: \$2,515,179
Other Funds: \$827,400

This program is engineered to develop working relationships within the Citizen and Business Community to reduce fear of crime, improve community/police cooperation, provide education and communication, and improve the quality of life in Minneapolis. The Community Engagement Program is comprised of various components – Community Crime Prevention, a Community Engagement Team, and the Gang Interdiction Team. The Crime Prevention Specialists (CPS) develop working relationships with neighborhoods to reduce the fear of crime, improve community and police cooperation and improve the quality of life in Minneapolis by recruiting and training block leaders, teaching crime identification and prevention techniques, presenting safety and educational materials, publishing and distributing crime alerts, promoting National Night Out, resolving complaints about problem properties, and responding to crime trends. The Gang Interdiction Team helps identify, prevent, disrupt, and diffuse gang violence through targeted enforcement, interaction, and intelligence gathering and sharing. The Community Engagement Team helps educate Community organizations, collaborates and communicates with Communities to help resolve crime problems, promote crime prevention, and community risk reduction.

FINANCIAL ANALYSIS

Expenditure

The total Minneapolis Police Department's budget increases from \$157.8 million to \$163.2 million from 2016 to 2017. This is an increase of \$5.4 million, or 3.4%. The Police Department's 2017 expenditure budget reflects the following changes from 2016; routine inflationary increases in operation costs, \$1.2 million in department's non-capitalized capital equipment, and the budgetary change items of \$4.0 million in ongoing and \$310,000 in one-time.

Revenue

Revenues are projected to increase by 5.0% in this department. This was partially due to the contract for the school resource officers that increased by \$200,000. The department's total revenues in 2017 are projected to be \$15.0 million excluding the use of fund balance.

Fund Allocation

This department is funded primarily in the General Fund, with the remainder of the department's funding found in the Special Revenue, Federal Grant, Other Grant funds and the CDBG fund.

Mayor's Recommended Budget

The Mayor recommended the following ongoing General Fund resources; \$1,093,000 for hiring 20 part time (15.0 FTE) Community Service Officers, \$325,000 to support body camera technology, \$115,000 for Precinct 1 increased parking cost, \$172,400 for increased uniform allowance, \$1,000,000 for training and classes that includes a 32 person cadet class and class of 22 recruits. The Mayor's also recommended \$1,305,000 for adding 12.0 more officers for community policing and 3.0 officers for the mental-health co-responder pilot project, for a total of

15.0 new officers in 2017. This will raise the authorized strength of the Police Department to 877 next year.

The Mayor also recommended the following one-time General Fund resources; \$200,000 for pilot police/mental health co-responders model and \$10,000 for complaint process improvement at the Office of Police Conduct Review (OPCR).

Council Adopted Budget

The City Council amended the Mayor's recommendation on a one-time basis by increasing the Finance and Property Services Department by \$100,000 to be funded by the Police Special Revenue Fund; \$50,000 is to be spent in the Phillips West Neighborhood and \$50,000 in the Ventura Village Neighborhood for community public safety priorities. The resources should be expended with input from the community and neighborhood organizations.

The City Council also amended the Mayor's recommendation by \$117,033 and 1 FTE on a one-time basis for Sex Trafficking Grant from the Minnesota Department of Public Safety, Office of Justice programs to enhance the investigation and victim support for sex trafficking cases in Minnesota for one year commencing on January 1, 2017.

**POLICE
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	79,057,456	84,736,786	83,050,830	86,988,880	4.7%	3,938,051
FRINGE BENEFITS	29,947,196	30,649,998	34,339,675	33,826,762	-1.5%	(512,913)
CONTRACTUAL SERVICES	20,003,920	20,176,588	21,977,548	23,010,492	4.7%	1,032,944
OPERATING COSTS	10,806,573	11,630,521	11,369,551	11,664,171	2.6%	294,620
CAPITAL	1,049,076	690,441	2,035,705	1,630,202	-19.9%	(405,503)
TOTAL GENERAL	140,864,221	147,884,333	152,773,308	157,120,507	2.8%	4,347,199
SPECIAL REVENUE						
SALARIES AND WAGES	2,559,891	2,263,866	2,671,284	3,036,375	13.7%	365,091
FRINGE BENEFITS	610,893	551,744	760,459	853,269	12.2%	92,810
CONTRACTUAL SERVICES	1,122,124	990,551	1,074,950	938,301	-12.7%	(136,649)
OPERATING COSTS	434,869	336,439	517,749	1,214,213	134.5%	696,463
CAPITAL	49,236	149,582				0
TOTAL SPECIAL REVENUE	4,777,014	4,292,182	5,024,442	6,042,157	20.3%	1,017,715
TOTAL EXPENSE	145,641,234	152,176,515	157,797,751	163,162,664	3.4%	5,364,913
REVENUE						
	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	868	229			0.0%	0
CHARGES FOR SERVICES	1,233,544	1,299,953	1,300,000	1,575,000	21.2%	275,000
FEDERAL GOVERNMENT		0			0.0%	0
FINES AND FORFEITS	1,817,342	1,542,644	1,750,000	1,300,000	-25.7%	(450,000)
LICENSE AND PERMITS	24,546	(390)			0.0%	0
OTHER MISC REVENUES	2,826	3,621			0.0%	0
STATE GOVERNMENT	6,650,647	6,784,253	6,700,000	6,800,000	1.5%	100,000
GENERAL	9,729,774	9,630,310	9,750,000	9,675,000	-0.8%	(75,000)
SPECIAL REVENUE						
CHARGES FOR SERVICES	615,205	450,342	1,564,932	2,339,582	49.5%	774,650
CONTRIBUTIONS	64,359	16,069			0.0%	0
FEDERAL GOVERNMENT	1,489,966	1,696,337	2,114,144	2,012,608	-4.8%	(101,535)
FINES AND FORFEITS	463,645	502,885	400,000	400,000	0.0%	0
LICENSE AND PERMITS	1,049,533	1,073,277			0.0%	0
LOCAL GOVERNMENT		1,329			0.0%	0
OTHER MISC REVENUES		1,229			0.0%	0
SALES AND OTHER TAXES	131,216	186,863	182,250	184,826	1.4%	2,576
STATE GOVERNMENT	302,377	227,387	294,295	412,674	40.2%	118,379
USE OF FUND BALANCE				100,000	0.0%	100,000
SPECIAL REVENUE	4,116,301	4,155,719	4,555,621	5,449,690	19.6%	894,070

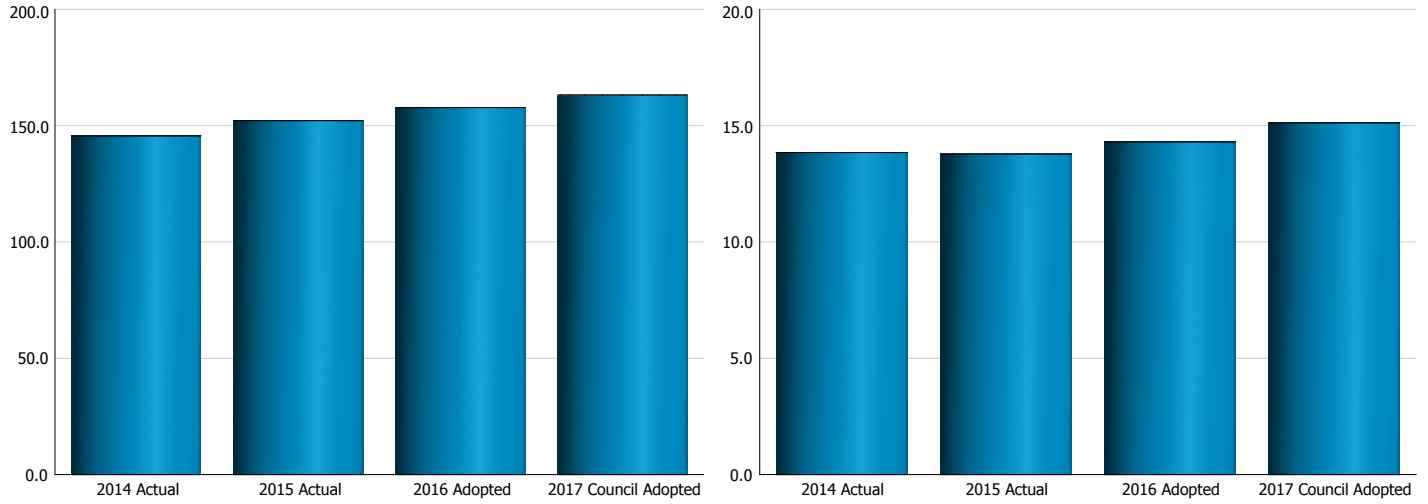
**POLICE
EXPENSE AND REVENUE INFORMATION**

REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
TOTAL REVENUE	13,846,075	13,786,029	14,305,621	15,124,690	5.7%	819,070

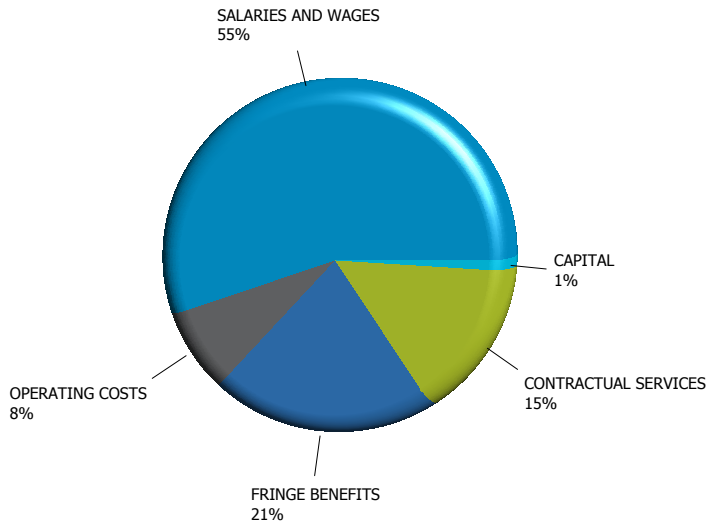
POLICE EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

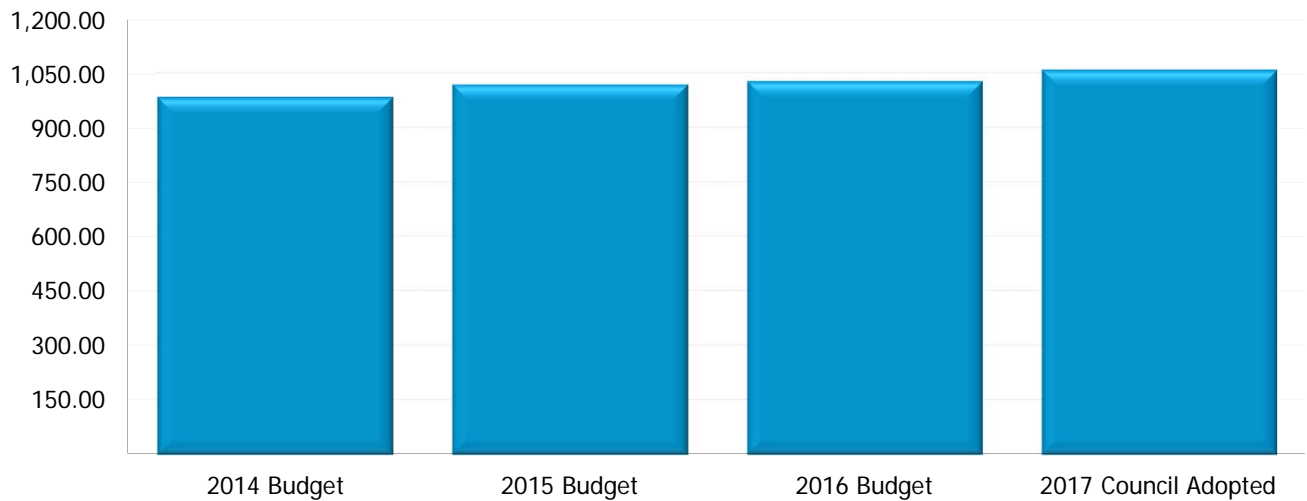


MINNEAPOLIS POLICE DEPARTMENT

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
INVESTIGATIONS	155.00	201.00	206.00	202.50	-1.7%	(3.50)
PATROL	646.00	642.00	615.00	629.00	2.3%	14.00
POLICE ADMINISTRATION	14.50	12.50	18.50	27.00	45.9%	8.50
PROFESSIONAL STANDARDS	147.00	138.00	140.00	156.00	11.4%	16.00
STRATEGIC INFORMATION MNGMT	23.00	27.00	50.00	46.00	-8.0%	(4.00)
Overall	985.50	1,020.50	1,029.50	1,060.50	3.0%	31.00

Positions 2014-2017



PUBLIC WORK DEPARTMENTS

MISSION

To be effective stewards of the public infrastructure, and provide valued city services those contribute to public safety, economic vitality and neighborhood livability in Minneapolis.

BUSINESS LINES

- **Internal Services**

The 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. Fleet Services is the only division in the Internal Services business line.

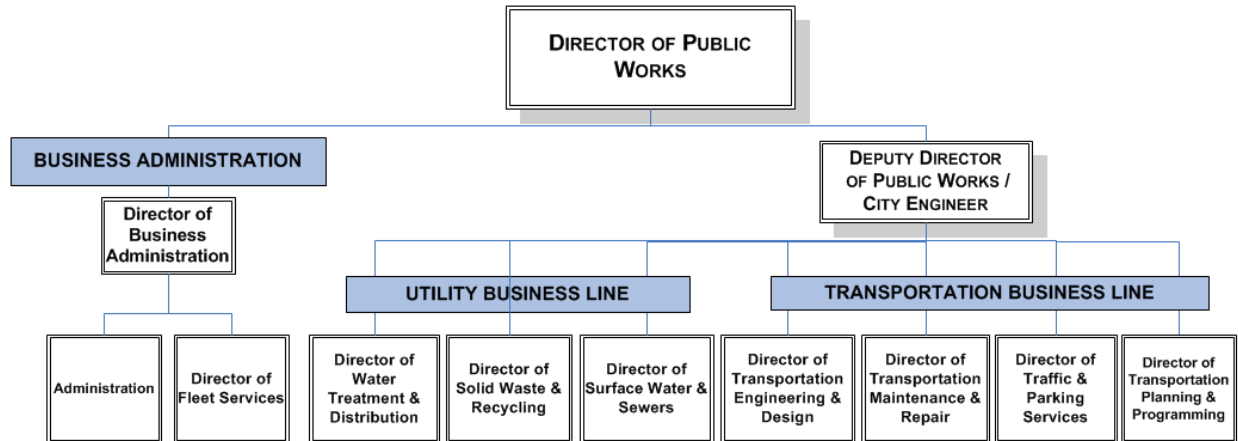
- **Utilities**

This business line provides services that promote the health and safety of people and property by providing potable water, managing non-potable water, and maintaining a clean city through the collection and disposal of solid waste, recyclables, problem materials, yard waste, and coordination of Clean City activities. The three divisions of the Utilities business line are Surface Water and Sewers, Water Treatment and Distribution, and Solid Waste and Recycling Services.

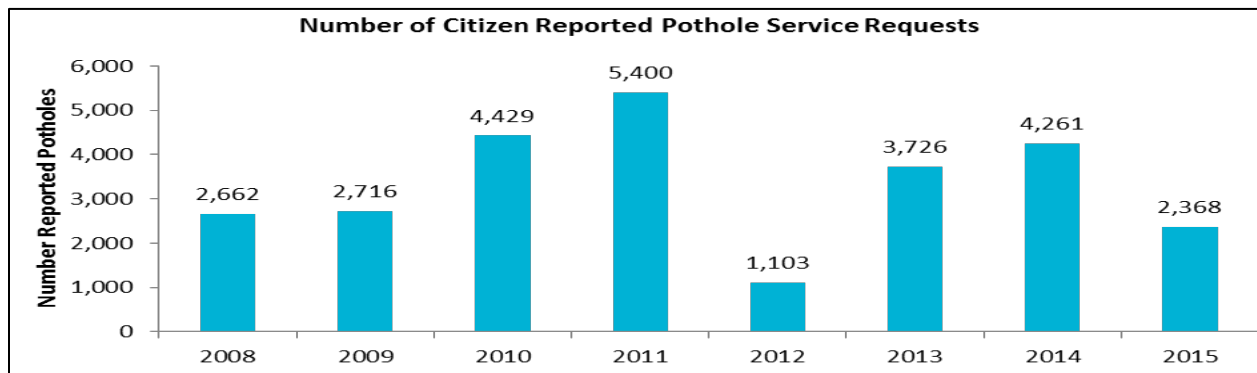
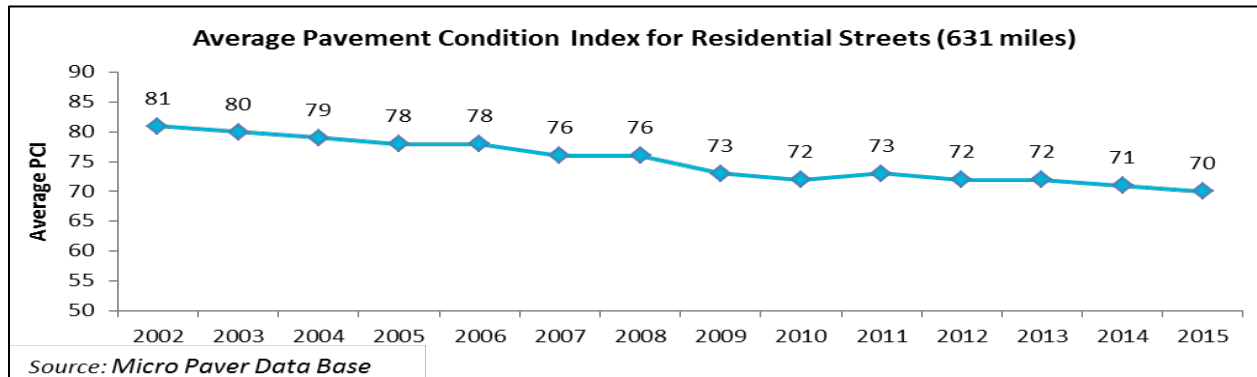
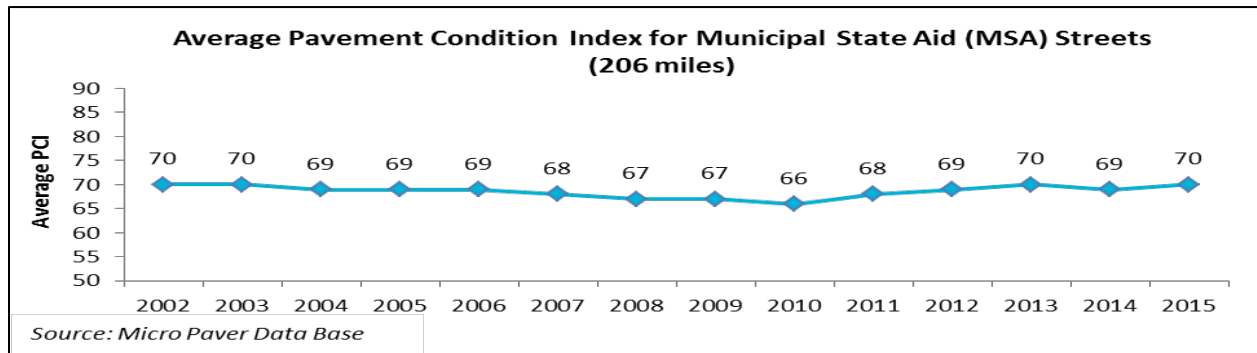
- **Transportation**

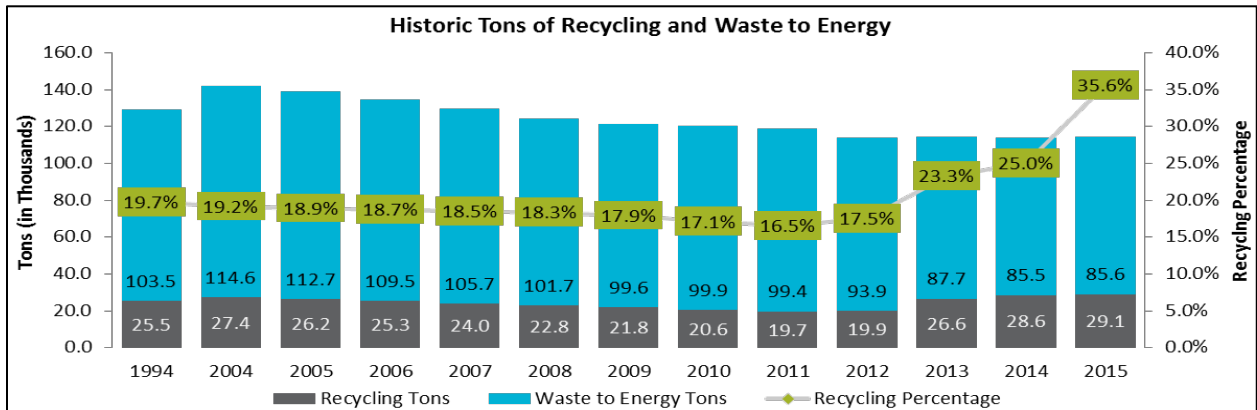
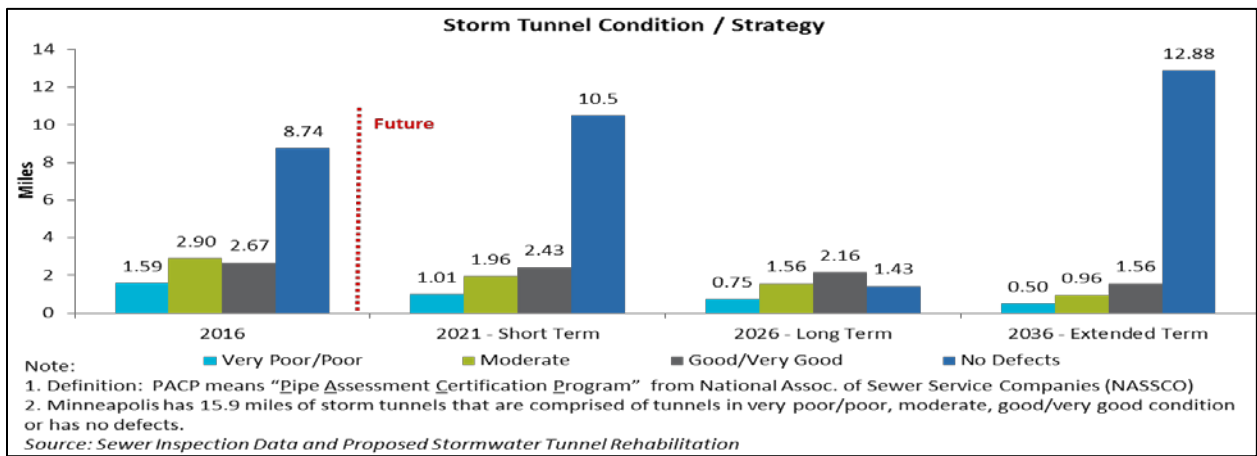
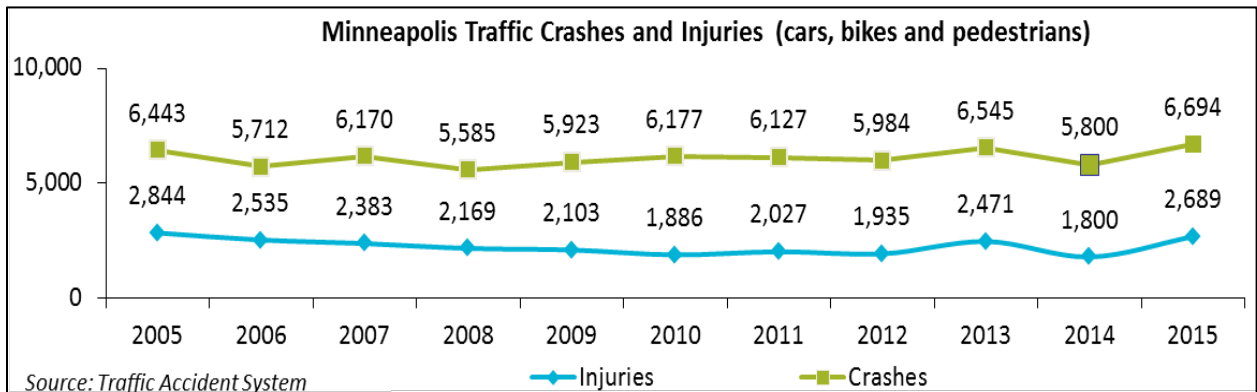
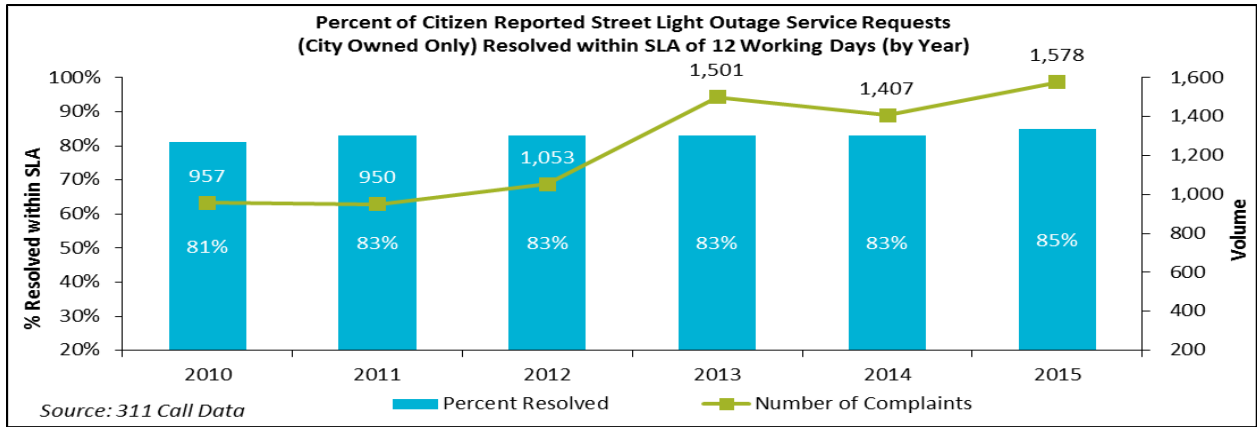
The Transportation Business Line exists to offer people a variety of safe, convenient options for moving throughout the City and within the region. Transportation options enhance the aesthetics of the environment, improving livability, while contributing to economic vitality through the safe, efficient movement of people and goods. The four divisions in the Transportation business line are Traffic and Parking Services, Transportation Engineering and Design, Transportation Planning and Programming, and Transportation Maintenance and Repair.

ORGANIZATION CHART



SELECTED RESULT MINNEAPOLIS MEASURES





A City that Works

Fleet Management

Other Funds: \$12,628,201

Fleet Management develops fleet replacement programs for all vehicles and equipment to meet the needs of using departments. Fleet Management also monitors and reports on fleet utilization, registers and licenses all City vehicles, and re-markets units through several outlets to maximize return.

Public Works Administration

General Fund: \$3,917,600

Public Works Administration provides leadership to its divisions and works with City leaders in maintaining and preserving its public infrastructure, delivering related essential services as efficiently as possible with the financial resources provided and ensuring that public safety is not compromised. The program strives to improve and facilitate accountability and innovation throughout its divisions, providing analysis and long-range thinking that supports responsible decisionmaking.

Fleet Field Support

Other Funds: \$2,371,035

Field Support provides support to field operations through staffing and equipment resources. It also supports the department by providing services in safety, training, and emergency management. Field Support exchanges information with Public Works divisions and other City of Minneapolis departments and agencies to support the planning and scheduling of construction and maintenance activities as well as requests to support special events. This information includes project requirements and requests for services, equipment status, and qualified personnel. This section also coordinates training for field employees (City and Park Board) to meet federal, state and local law, rules, and policies.

Maintenance Operations

Other Funds: \$16,611,631

Maintenance and Operations is responsible for set-up, maintenance, repair, and decommissioning of all vehicles and equipment in the City's fleet. This operation also manages fueling sites at City-owned facilities and environmental compliance with federal, state, and local laws, rules, and policies.

Traffic

General Fund: \$9,881,089

Other Funds: \$323,610

This division operates and maintains the existing traffic control devices (800 signals, 100,000 traffic signs and numerous pavement markings), their related infrastructure components and the necessary traffic management and safety equipment. Key activities include maintenance of fixtures and poles, response to and repair of crash damages, the central traffic signal computer and its communication system, traffic crash databases, Gopher One-Call locating, traffic safety analyses and studies, monitoring the traffic flow and operations, and the managing traffic related to events. These efforts are accomplished for all modes of travel (pedestrian, bike, transit, rail, truck and automobile).

Construction Management

Other Funds: \$1,966,071

This program provides varying degrees of construction management and oversight of construction requirements for all roadways, bridges, streetscapes, and bike paths within the City of Minneapolis. This oversight includes projects with the State of Minnesota (with and without Federal participation) and Hennepin County, and is accomplished utilizing both internal and external resources. These activities include, but are not limited to, field surveying activities, geotechnical analysis, field inspection, material inspection and research, and overall quality control including a significant amount of the actual lab testing being performed by the City's in-house facility.

Additionally, Construction Management takes the lead on construction-related environmental contamination issues associated with construction projects, including a fully-trained staff to deal with site-specific construction contingency and remedial action plans, as well as managing the necessary contracts and consultants.

Street Maintenance and Repair

General Fund: \$10,768,427

This program provides basic maintenance and repair services on over 1,000 miles of City streets and parkways as well as 400 miles of alleys. This program also includes general pothole patch and repair, preventative maintenance such as crack sealing and sealcoating, utility cut restoration, and other pavement-related repairs.

Snow and Ice Control

General Fund: \$13,216,903

This program provides snow and ice control as well as other winter maintenance services on City streets, alleys, bridges and public sidewalks.

Malls and Plazas Maintenance

General Fund: \$2,189,871

This program provides for basic maintenance and repair services on all greenspaces, minimalls and plazas, and bike trails in the public right-of-way throughout the City. It includes both summer mowing and turf care, cleaning and litter/debris collection, landscape maintenance, and any structural, lighting and other maintenance needs as appropriate, as well as winter snow and ice control services. It encompasses 180 acres of greenspace requiring various levels of service from high-end plazas to boulevards, medians and open areas along streets and highways.

Ramp Maintenance and Repair

General Fund: \$2,833,571

This program supports the operations of a group of State and City-owned parking ramps and lots including minor concrete patching, crack sealing, caulking, concrete surface sealing and other preventative maintenance. The program also provides for basic summer maintenance and winter sidewalk snow and ice control on some City-owned properties managed by the Property Services Division.

Great Places

Solid Waste and Recycling

Other Funds: \$40,345,138

The purpose of this program is to manage collection of solid waste, recyclables, white goods, and yard waste for 100,000 residential customers as well as support clean city programs such

as graffiti abatement. Services provided by this program include collection and disposal of solid waste, collection of recyclable materials including household organics and household electronics, collection and disposal of large items such as appliances, and collection of yard waste.

Street Cleaning

Other Funds: \$9,148,113

The Street Cleaning program mitigates surface water runoff pollution and addresses general cleanliness of streets and alleys and overall neighborhood livability. Street and alley sweeping helps to remove pollutants before they enter the City's water bodies, protecting these important natural resources. This program also supports storm response debris removal and cleaning from streets and alleys, parade and other event cleanup from streets and the public right-of-way, and responding to general trash, debris or other materials that are illegally left or dumped in the public right-of-way.

Potable Water Supply

Other Funds: \$57,917,069

This program provides for the distribution of clean and reliable drinking water to every residential and non-residential City customer. The program also provides water for fire-fighting and maintains a system to bill and collect for the water used to provide sustainability of the water system.

Sanitary - Collection and Treatment

Other Funds: \$61,871,157

The sanitary program meets regulatory requirements while collecting sanitary flow data within the City of Minneapolis for Metropolitan Council Environmental Service (MCES) treatment and discharge to the Mississippi River. Maintaining system flow is critical in minimizing the risk of sanitary backups and combined sewer overflows to the Mississippi River. Activities in this program include the design and analysis of the sanitary system for self-cleaning velocity in pipes and identifying sources of clear water. It also includes daily cleaning and operation of the system as well as emergency responses and payments to MCES for the treatment of the sanitary discharge.

Stormwater - Collection and Treatment

Other Funds: \$19,691,172

The stormwater program meets regulatory requirements while collecting stormwater and treating it prior to entering the lakes, creeks and rivers in the City of Minneapolis. Maintaining stormwater in the system is essential to control the flow of stormwater and minimize flooding risks while protecting water quality. Activities range from the design and analysis of the stormwater system including pipes and water quality infrastructure components to implementation and completion of regulatory activities, as well as daily cleaning and ongoing operation of the system.

Living Well

Minneapolis Impound Lot

Other Funds: \$5,313,973

The Minneapolis Impound Lot, operated by the Public Works Department, is responsible for towing, storing and processing vehicles removed by law enforcement in accordance to applicable City ordinances and State statutes. It also auctions off unclaimed vehicles through

public and dealer auctions and offers such services to other City departments and divisions whenever needed.

Sidewalk

Other Funds: \$1,218,929

This program supports pedestrian passage on the 2,000 miles of sidewalks in the public right-of-way. It is composed of two parts: Sidewalk maintenance and repair during the summer construction season, and enforcement of the City's sidewalk shoveling ordinances in the winter season. The Sidewalk Section also manages the occasional installation of new sidewalk, orders temporary repairs on a complaint basis, and monitors the installation of sidewalk intersection pedestrian ramps for compliance with the Americans with Disabilities Act.

Street Lighting

General Fund: \$6,941,185

This program encompasses the operation and maintainance of the existing 48,000 streetlights including both city metal pole lights (20,000) and Xcel wood pole lights (28,000). Key components include electricity, replacing bulbs and ballasts, infrastructure maintenance of fixtures and poles, and responding to crash damages.

Transportation Planning and Programming

General Fund: \$2,292,774

Other Funds: \$122,412

Transportation Planning and Programming develops and coordinates policies and actions to promote a safe, efficient and integrated multi-modal transportation system, safe and well-maintained public infrastructure, and community connectedness. Transportation planning involves long-range multi-model transportation planning; coordination and development of the Public Works Capital Improvement Plan; partnerships with other public agencies such as Met Council, Hennepin County, and the State of Minnesota; grant applications for outside funding sources; and community engagement around transportation projects along with representing the City on policy boards and technical and advisory committees. This program also encompasses Minneapolis' advisory efforts and planning analysis related to the Minneapolis-St. Paul International Airport.

Bridge Maintenance and Repair

General Fund: \$2,988,523

This program encompasses basic maintenance and repair services on over 600 City vehicular, pedestrian and other bridges and provides support for the bridge inspections and the construction unit of the Public Works Transportation Engineering and Design Division. It also provides for water rescue support. This group also plays a key role as a first responder for bridge and storm-related emergency response.

Surface Transportation Management

General Fund: \$1,912,086

This program encompasses the oversight or Right of Way management. The city's roads, sidewalks, and alleys exist on public Right of Way that requires management from a use and real estate perspective. This includes providing encroachment permits, banner permits, Right of Way vacation requests, real estate management, and special assessment support for all Public Works projects and programs.

Surface Transportation Capital

Other Funds: \$11,476,836

The Surface Transportation Capital group provides oversight of all engineering and design for Minneapolis roadways, bridges, streetscapes, and bike trails. This program also manages the coordination of work associated with State of Minnesota and Hennepin County projects within Minneapolis.

A Hub of Economic Activity and Innovation

On-Street Parking

Other Funds: \$4,238,945

The On-Street Parking program is designed to leverage existing public right-of-ways to provide safe, accessible and affordable short-term parking in a manner that encourages economic growth while protecting the interest of local residents. The program utilizes parking meters and special permits to achieve its goals.

Off-Street Parking

Other Funds: \$31,419,956

The Off-Street program is responsible for managing a portfolio of City and State-owned and leased parking ramps and parking lots. As an integral part of the City's transportation infrastructure, these parking facilities promote the City's multi-modal vision. Designed, in part, on a hub-and-spoke model, the system leverages a network of skyways, bike paths and transit routes to offer a multimodal transportation solution to residents, visitors and commuters while reducing traffic congestion in the downtown core. Additionally, several facilities were built as part of development agreements and continue to play an important role in the area of economic development.

Special Service Districts

General Fund: \$2,137,800
Other Funds: \$6,469,648

This program provides for service delivery and administrative support for 16 Council Adopted Special Service Districts in Minneapolis. This includes the Downtown Improvement District Special Service District, commonly called the DID.

FINANCIAL ANALYSIS

Expenditure

The total expenditure budget for all Public Works divisions combined is \$342.1 million for 2017. This is an increase of 2.2% or \$7.5 million over the 2016 budget. The largest appropriation increases are found in the capital project fund, with a budgeted increase of 35.5% from 2016. The 2017 budget includes the ongoing 3.0 FTEs and one-time appropriation of \$900,000.

Revenue

Total revenue for all Public Works divisions combined is projected to be \$367.1 million, excluding the use of fund balance. This is an increase of 3.0% or \$10.6 million over the 2016 budget.

Fund Allocation

The department is funded from a variety of sources including Enterprise Funds (67.2%), the General Funds (17.3%), Internal Service Funds (9.9%), Capital Project Funds (3.7%), and Special Revenue Funds (1.8%).

Mayor's Recommended Budget

Please refer to the individual divisional sections for the Mayor's recommendations.

Council Adopted Budget

The City Council directed the Public Works staff to report back to the Transportation & Public Works Committee by September 1, 2017, on the environmental benefits, feasibility, reasonable exceptions, cost/benefit analysis, timeline, various alternatives, and a recommended approach to eliminating fossil fuel vehicles in the City. This work will inform the budgetary impact and potential additional requests or adjustment to the department's budget.

Please refer to the individual divisional sections for the Council's amendments to the Mayor's recommendation.

EXPENSE AND REVENUE INFORMATION

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
CAPITAL PROJECT						
SALARIES AND WAGES	3,070,814	1,863,170	3,710,433	3,905,488	5.3%	195,055
OPERATING COSTS	86,700	74,001	112,485	122,661	9.0%	10,176
FRINGE BENEFITS	1,156,438	1,097,399	1,445,428	1,466,470	1.5%	21,042
CONTRACTUAL SERVICES	4,223,690	5,083,944	4,110,590	7,243,558	76.2%	3,132,968
CAPITAL	268	29,554	80,000	80,000	0.0%	0
TOTAL CAPITAL PROJECT	8,537,910	8,148,068	9,458,936	12,818,177	35.5%	3,359,241
ENTERPRISE						
SALARIES AND WAGES	30,865,401	31,751,946	34,907,183	36,657,466	5.0%	1,750,282
OPERATING COSTS	52,556,113	58,089,675	61,046,428	61,606,366	0.9%	559,938
FRINGE BENEFITS	13,852,737	26,833,177	17,430,068	17,730,366	1.7%	300,297
CONTRACTUAL SERVICES	97,208,502	98,302,446	107,818,072	111,409,530	3.3%	3,591,458
CAPITAL	311,409	700,644	4,583,769	2,541,794	-44.5%	(2,041,975)
TOTAL ENTERPRISE	194,794,162	215,677,888	225,785,521	229,945,522	1.8%	4,160,001
GENERAL						
SALARIES AND WAGES	17,280,458	18,216,486	17,784,193	18,537,841	4.2%	753,647
OPERATING COSTS	7,670,065	8,742,229	9,582,946	10,568,994	10.3%	986,048
FRINGE BENEFITS	8,425,435	7,790,406	8,805,515	8,525,961	-3.2%	(279,554)
CONTRACTUAL SERVICES	21,324,110	17,947,171	20,624,425	21,286,530	3.2%	662,105
CAPITAL	202,941	323,023	234,054	160,502	-31.4%	(73,552)
TOTAL GENERAL	54,903,009	53,019,315	57,031,134	59,079,828	3.6%	2,048,694
INTERNAL SERVICE						
SALARIES AND WAGES	5,237,160	5,388,516	5,870,361	6,114,852	4.2%	244,492
OPERATING COSTS	9,766,233	6,944,926	9,497,138	7,738,866	-18.5%	(1,758,272)
FRINGE BENEFITS	2,493,235	4,989,942	3,238,683	3,191,251	-1.5%	(47,432)
CONTRACTUAL SERVICES	8,994,853	6,029,049	6,480,427	6,898,884	6.5%	418,457
CAPITAL			11,159,083	9,956,695	-10.8%	(1,202,388)
TOTAL INTERNAL SERVICE	26,491,480	23,352,433	36,245,692	33,900,548	-6.5%	(2,345,144)
SPECIAL REVENUE						
SALARIES AND WAGES	20,115	20,182				0
OPERATING COSTS		205				0
FRINGE BENEFITS	7,004	7,087				0
CONTRACTUAL SERVICES	6,225,554	6,237,153	6,203,796	6,469,648	4.3%	265,852
TOTAL SPECIAL REVENUE	6,252,673	6,264,627	6,203,796	6,469,648	4.3%	265,852
TOTAL EXPENSE	290,979,234	306,462,330	334,725,079	342,213,723	2.2%	7,488,645

EXPENSE AND REVENUE INFORMATION

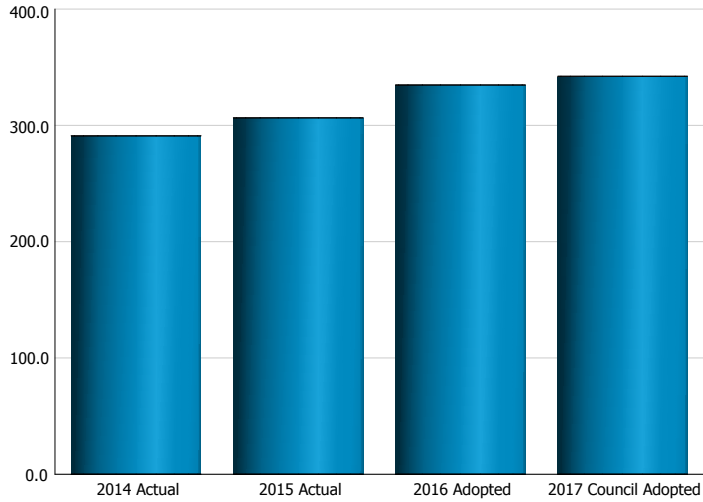
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
CAPITAL PROJECT						
CHARGES FOR SALES	3				0.0%	0
CHARGES FOR SERVICES	3,603,359	7,930,601	5,500,000	3,865,000	-29.7%	(1,635,000)
FEDERAL GOVERNMENT	(45,226)	39,339			0.0%	0
LICENSE AND PERMITS	323,836	289,534	310,000	310,000	0.0%	0
OTHER MISC REVENUES		70			0.0%	0
SPECIAL ASSESSMENTS	137,753	167,445	90,000	90,000	0.0%	0
TRANSFERS IN	700,000				0.0%	0
USE OF FUND BALANCE			3,558,937	8,553,177	140.3%	4,994,240
CAPITAL PROJECT	4,719,726	8,426,989	9,458,937	12,818,177	35.5%	3,359,240
ENTERPRISE						
CHARGES FOR SALES	1,979,471	1,657,660	1,018,000	1,163,000	14.2%	145,000
CHARGES FOR SERVICES	257,682,010	265,166,540	280,770,650	292,740,359	4.3%	11,969,709
FEDERAL GOVERNMENT	88,138	5,883			0.0%	0
FINES AND FORFEITS	92,884	15,349	45,000	45,000	0.0%	0
GAINS	173,374				0.0%	0
LICENSE AND PERMITS	571,178	556,754	416,000	490,000	17.8%	74,000
LOCAL GOVERNMENT	1,183,271	1,338,876	1,453,275	1,398,502	-3.8%	(54,773)
OTHER MISC REVENUES	86,164	21,244			0.0%	0
RENTS	2,105	9,867			0.0%	0
SPECIAL ASSESSMENTS	1,917,879	1,672,341	1,993,231	1,983,481	-0.5%	(9,750)
STATE GOVERNMENT	1,203,906	1,404,441	1,404,601	1,347,865	-4.0%	(56,736)
TRANSFERS IN	1,156,681	1,285,170			0.0%	0
USE OF FUND BALANCE			2,227,967	495,996	-77.7%	(1,731,971)
ENTERPRISE	266,137,061	273,134,126	289,328,724	299,664,203	3.6%	10,335,479
GENERAL						
CHARGES FOR SALES	86,327	42,911	75,140	55,000	-26.8%	(20,140)
CHARGES FOR SERVICES	11,336,127	12,915,609	11,118,930	11,080,335	-0.3%	(38,595)
FRANCHISE FEES	43,479				0.0%	0
GAINS		5,016			0.0%	0
LICENSE AND PERMITS	2,848,759	3,664,356	2,240,000	2,242,000	0.1%	2,000
LOCAL GOVERNMENT	623,305	779,673	698,860	980,663	40.3%	281,803
LONG TERM LIABILITIES PROCEEDS		(5,016)			0.0%	0
OTHER MISC REVENUES	224,874	364,271	186,000	209,000	12.4%	23,000
RENTS		8,957			0.0%	0
SPECIAL ASSESSMENTS	1,992,488	2,110,920	2,376,601	2,937,800	23.6%	561,199
STATE GOVERNMENT	4,561,937	4,377,629	4,937,709	5,015,006	1.6%	77,297
GENERAL	21,717,296	24,264,326	21,633,240	22,519,804	4.1%	886,564
INTERNAL SERVICE						
CHARGES FOR SALES	9,089,695	7,846,434	9,785,380	8,233,826	-15.9%	(1,551,554)

EXPENSE AND REVENUE INFORMATION

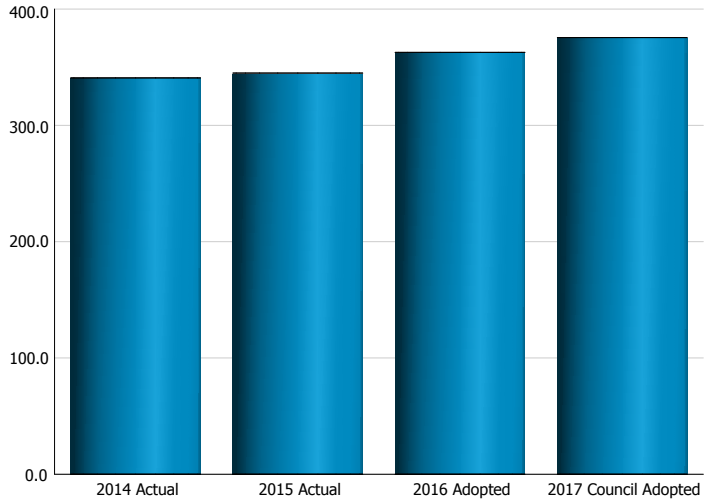
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
CHARGES FOR SERVICES	10,918,868	10,699,438	11,671,110	11,879,330	1.8%	208,220
GAINS	215,973	259,521			0.0%	0
LONG TERM LIABILITIES PROCEEDS	(1,644)				0.0%	0
OTHER MISC REVENUES	285,855	97,448	10,000	10,000	0.0%	0
RENTS	21,175,349	13,907,011	14,176,277	14,754,974	4.1%	578,697
USE OF FUND BALANCE			506,362	(604,375)	-219.4%	(1,110,737)
INTERNAL SERVICE	41,684,097	32,809,851	36,149,129	34,273,755	-5.2%	(1,875,374)
SPECIAL REVENUE						
CONTRIBUTIONS	91,310	16,307			0.0%	0
LOCAL GOVERNMENT		8,000			0.0%	0
OTHER MISC REVENUES	2,300				0.0%	0
SPECIAL ASSESSMENTS	6,462,188	6,297,816	6,203,796	6,219,648	0.3%	15,852
STATE GOVERNMENT	13,102	10,000			0.0%	0
SPECIAL REVENUE	6,568,899	6,332,123	6,203,796	6,219,648	0.3%	15,852
TOTAL REVENUE	340,827,080	344,967,415	362,773,826	375,495,587	3.5%	12,721,761

EXPENSE AND REVENUE INFORMATION

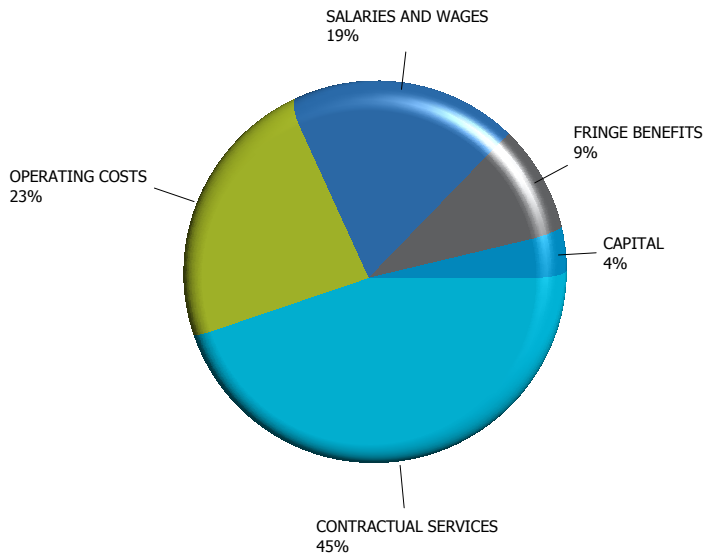
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



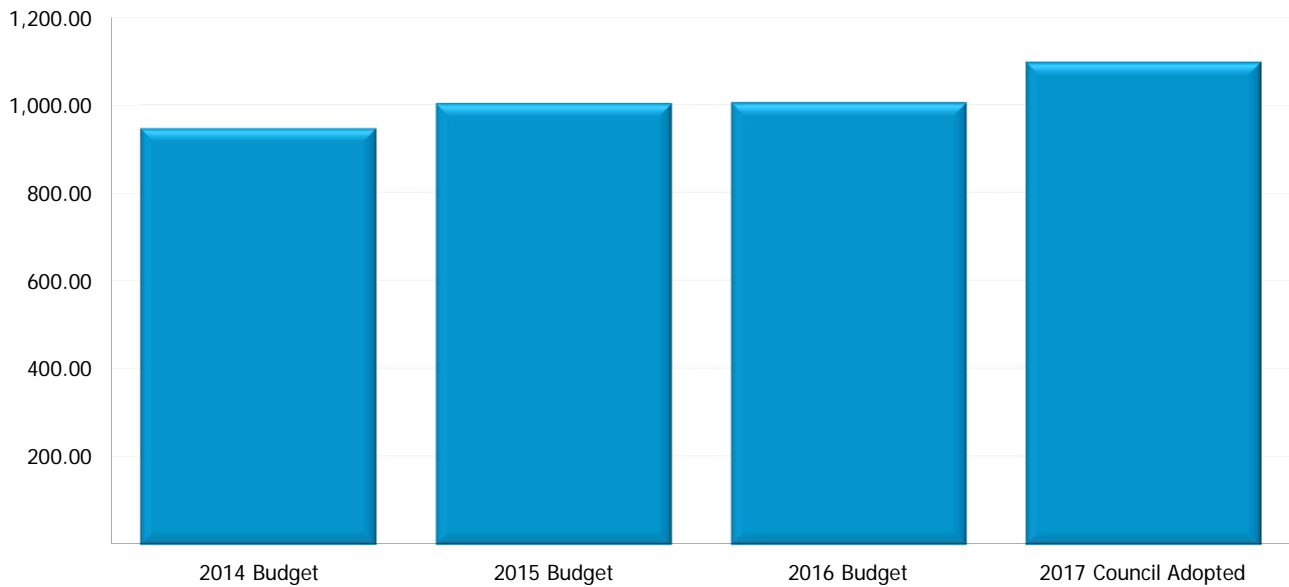
Expense by Category



PUBLIC WORKS Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
PW - ADMINISTRATIVE SERVICES	16.00	16.00	16.00	16.00	0.0%	0
PW - FLEET	78.00	75.00	75.00	75.00	0.0%	0
PW - SOLID WASTE	134.33	151.00	151.00	151.00	0.0%	0
PW - SURFACE WATER & SEWERS-SANITARY	45.00	47.50	47.75	48.25	1.0%	0.50
PW - SURFACE WATER & SEWERS-STORMWATR	48.50	50.75	51.00	51.50	1.0%	0.50
PW - TRAFFIC AND PARKING SERVICES	98.10	104.10	103.00	105.00	1.9%	2.00
PW - TRANSPORTATION MAINTENANCE AND REPAIR	206.95	216.15	216.15	216.15	0.0%	0
PW - TRANSPORTATION PLAN/PROGRAMING		15.00	17.00	17.00	0.0%	0
PW - TRANSPORTATION PLANNING AND ENGINEERING	78.50	75.00	75.00	75.00	0.0%	0
PW - WATER TREATMENT & DISTR.	192.50	193.00	193.00	193.00	0.0%	0
PW - CAPITAL	49.10	61.00	61.00	150.00	145.9%	89.00
Overall	946.98	1,004.50	1,005.90	1,097.90	9.1%	92.00

Positions 2014-2017



Financial Analysis – Public Works Administration

Expenditure

The total Administration Division's budget increased from \$3.3 million to \$3.9 million from 2016 to 2017. This is an increase of \$635,000, or 19.3%. This division's 2017 expenditure budget reflects the following changes from 2016; routine inflationary increases in operating costs, increasing costs allocated to the division for IT and self-insurance charges, and the one-time budgetary change items of \$500,000.

Revenue

Revenues are projected to be flat to 2016 in this department. The department's total revenues in 2017 are projected to be \$3.1 million.

Fund Allocation

This division is funded completely by the General Fund.

Mayor's Recommended Budget

The Mayor recommended additional \$500,000 one-time General Fund resources for the Downtown East Commons Operating Reserve.

Council Adopted Budget

The City Council approved the Mayor's recommendation.

**PW - ADMINISTRATIVE SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,196,695	1,269,263	1,361,087	1,428,457	4.9%	67,370
FRINGE BENEFITS	369,696	373,548	487,256	493,052	1.2%	5,797
CONTRACTUAL SERVICES	601,880	631,124	676,020	742,820	9.9%	66,800
OPERATING COSTS	573,977	731,318	690,077	1,251,271	81.3%	561,194
CAPITAL	819		68,052	2,000	-97.1%	(66,052)
TOTAL GENERAL	2,743,067	3,005,253	3,282,491	3,917,600	19.3%	635,109

TOTAL EXPENSE	2,743,067	3,005,253	3,282,491	3,917,600	19.3%	635,109
----------------------	------------------	------------------	------------------	------------------	--------------	----------------

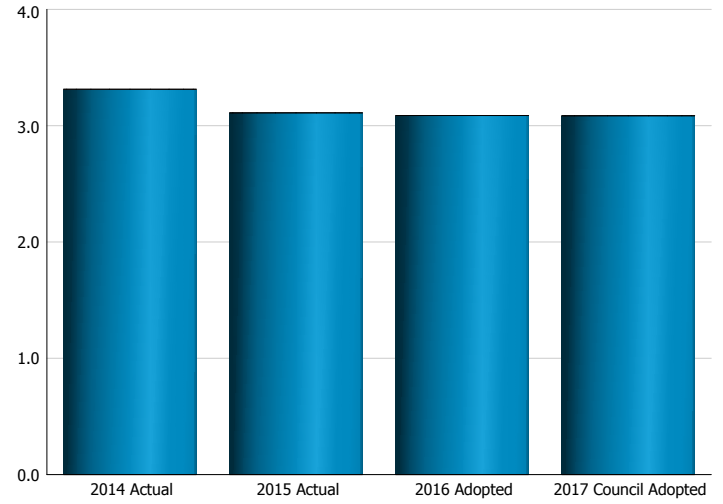
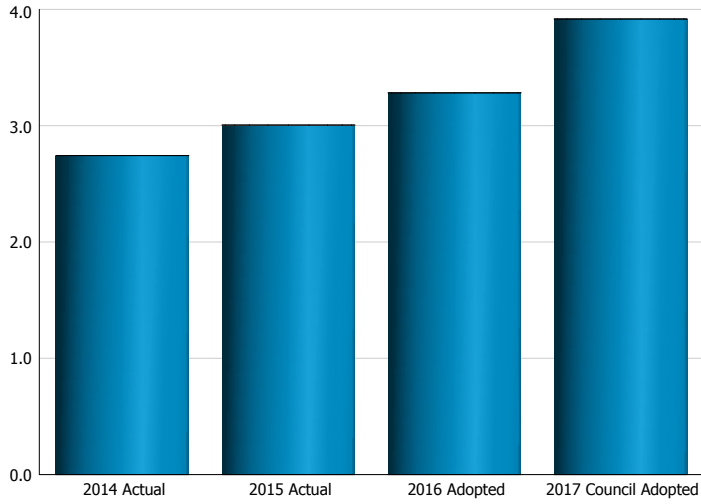
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	60	57			0.0%	0
CHARGES FOR SERVICES	2,387,511	2,446,707	2,487,400	2,485,589	-0.1%	(1,811)
LICENSE AND PERMITS	925,505	663,828	600,000	600,000	0.0%	0
GENERAL	3,313,076	3,110,592	3,087,400	3,085,589	-0.1%	(1,811)

TOTAL REVENUE	3,313,076	3,110,592	3,087,400	3,085,589	-0.1%	(1,811)
----------------------	------------------	------------------	------------------	------------------	--------------	----------------

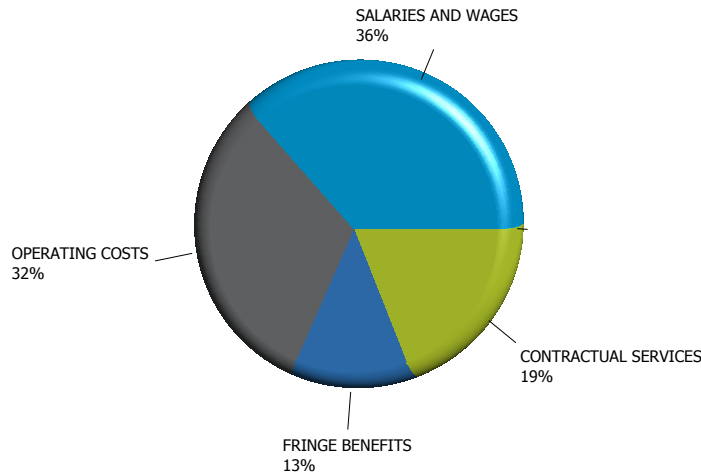
**PW - ADMINISTRATIVE SERVICES
EXPENSE AND REVENUE INFORMATION**

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

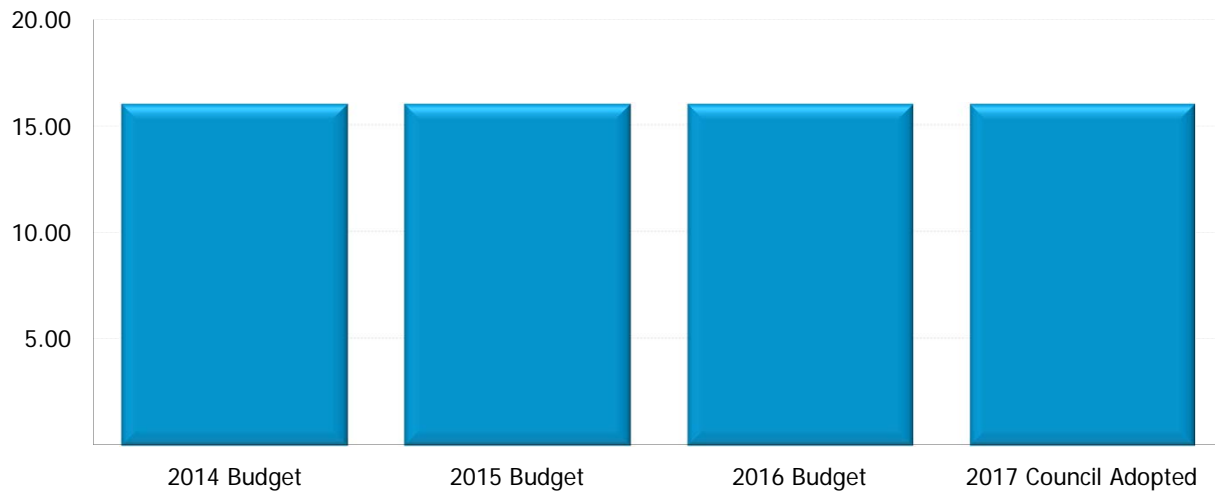


PW - ADMINISTRATIVE SERVICES

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
MANAGEMENT SERVICES	13.00	13.00	13.00	13.00	0.0%	0
SAFETY/RISK MANAGEMENT	3.00	3.00	3.00	3.00	0.0%	0
Overall	16.00	16.00	16.00	16.00	0.0%	0

Positions 2014-2017



Financial Analysis – Public Works Fleet Services

Expenditure

The total PW-Fleet Services Department's budget decreases from \$34.0 million to \$31.6 million from 2016 to 2017. This is a reduction of \$2.4 million, or 7.0%. The PW-Fleet Services Department's 2017 expenditure budget reflects the following changes from 2016: planned reduction in capital purchases based on the vehicle and equipment replacement schedule and reduction in motor fuel budget to align with cost allocation model.

Revenue

Revenues are projected to decrease by 2.5% in this department due to a decrease in revenue received from sale of parts and fuel to align rates charged with customer usage. The department's total revenues in 2017 are projected to be \$32.6 million excluding the use of fund balance.

Fund Allocation

This division is funded completely by the Fleet Services Fund, which consists of resources accumulated through charges to other departments.

Mayor's Recommended Budget

The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendation.

**PW - FLEET
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
SALARIES AND WAGES	4,226,966	4,331,229	4,788,377	5,015,572	4.7%	227,195
FRINGE BENEFITS	2,157,882	4,251,416	2,786,428	2,748,269	-1.4%	(38,159)
CONTRACTUAL SERVICES	8,491,488	5,478,367	5,865,298	6,258,118	6.7%	392,820
OPERATING COSTS	9,654,333	6,839,155	9,386,071	7,632,214	-18.7%	(1,753,857)
CAPITAL			11,159,083	9,956,695	-10.8%	(1,202,388)
TOTAL INTERNAL SERVICE	24,530,668	20,900,167	33,985,258	31,610,868	-7.0%	(2,374,390)

TOTAL EXPENSE	24,530,668	20,900,167	33,985,258	31,610,868	-7.0%	(2,374,390)
----------------------	-------------------	-------------------	-------------------	-------------------	--------------	--------------------

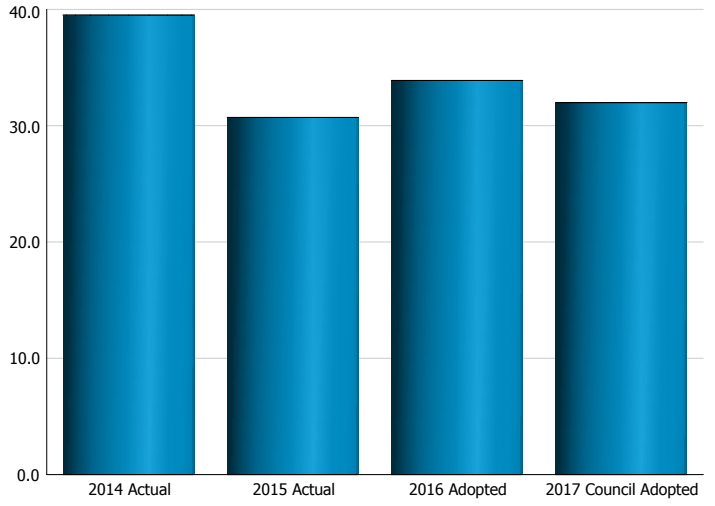
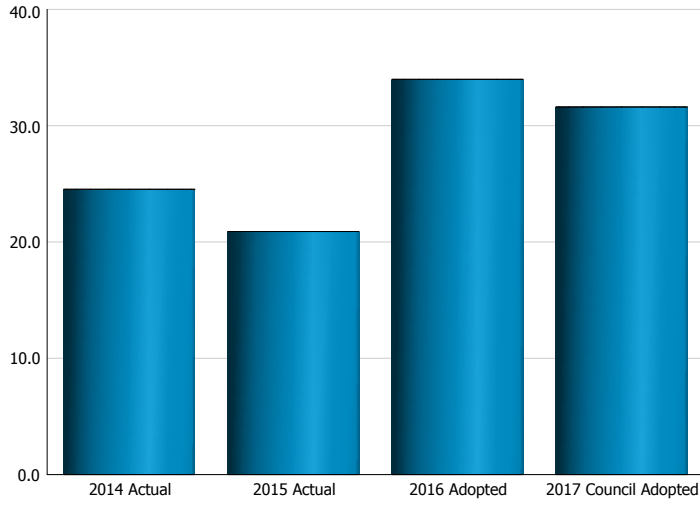
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
CHARGES FOR SALES	8,799,543	7,550,657	9,625,380	7,913,826	-17.8%	(1,711,554)
CHARGES FOR SERVICES	9,289,376	8,902,936	9,589,046	9,896,862	3.2%	307,816
GAINS	214,329	259,521			0.0%	0
OTHER MISC REVENUES	27,108	87,365	10,000	10,000	0.0%	0
RENTS	21,175,349	13,907,011	14,176,277	14,754,974	4.1%	578,697
USE OF FUND BALANCE			487,992	(591,587)	-221.2%	(1,079,579)
INTERNAL SERVICE	39,505,705	30,707,490	33,888,695	31,984,075	-5.6%	(1,904,620)

TOTAL REVENUE	39,505,705	30,707,490	33,888,695	31,984,075	-5.6%	(1,904,620)
----------------------	-------------------	-------------------	-------------------	-------------------	--------------	--------------------

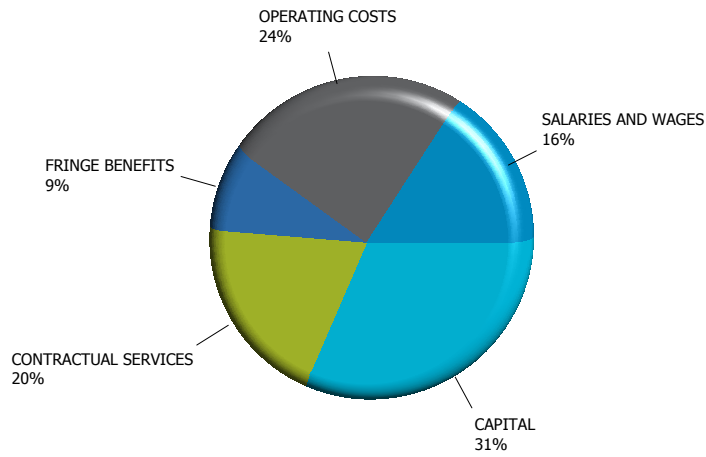
**PW - FLEET
EXPENSE AND REVENUE INFORMATION**

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



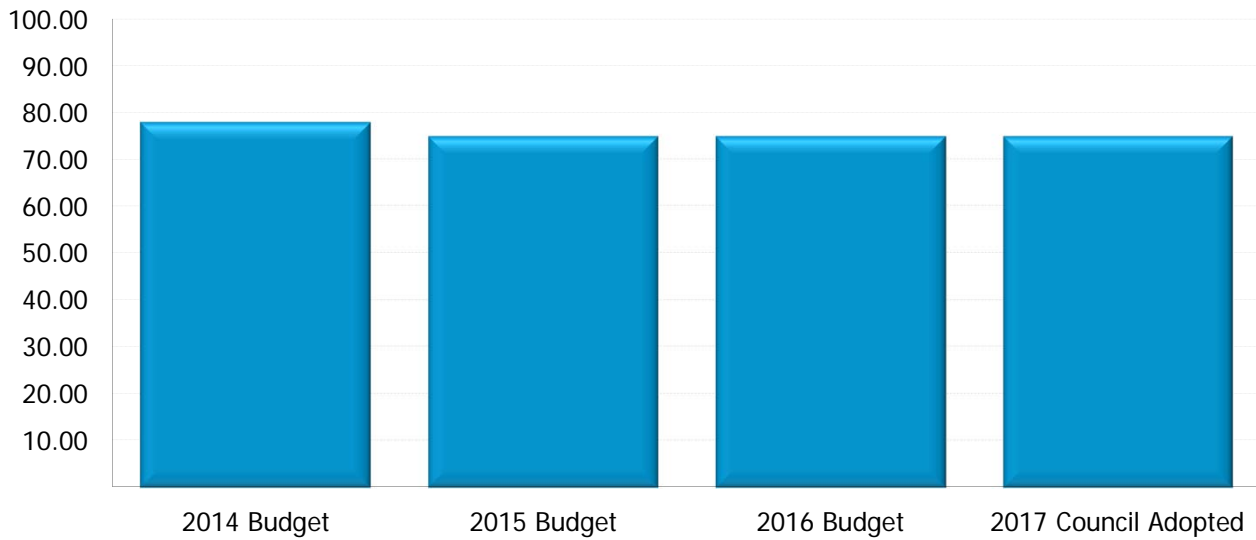
Expense by Category



PW - FLEET Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
FSD Administration	10.00	10.00	10.00	10.00	0.0%	0
FSD Operations	8.00	5.00	5.00	4.00	-20.0%	(1.00)
MAINTENANCE	60.00	60.00	60.00	61.00	1.7%	1.00
Overall	78.00	75.00	75.00	75.00	0.0%	0

Positions 2014-2017



Financial Analysis – Public Works Solid Waste & Recycling

Expenditure

The total Solid Waste and Recycling Department's budget increased from \$40.1 million to \$40.3 million from 2016 to 2017. This is an increase of \$245,000 or 0.6%. The Solid Waste and Recycling Department's 2017 expenditure budget reflects the following changes from 2016: reduction in step-up and outreach programs along with zero-waste, and other recycling studies by \$80,000, decrease in postage, printing, roll-out and educational expenses relating to Organics program by \$300,000, decrease in equipment, vehicle, and cart purchases by \$600,000 as Organics and One-sort programs have entered into operational phase, overall decrease of \$100,000 in payment to City services as set by the 2017 allocation model, increase in yard waste, garbage, TV, and mattress collection, hauling, disposing, and recycling contracts by \$830,000, and increase in graffiti abatement work by \$125,000.

Revenue

Revenues are projected to increase by 1.7% in this department due to increase of \$600,000 in utility revenues as a result of rate increase in the monthly billings from \$22.89 to \$23.47 per dwelling unit. The department's total revenues in 2017 are projected to be \$39.1 million excluding the use of fund balance.

Fund Allocation

This division is funded completely by the Solid Waste & Recycling Fund, which is an enterprise activity.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendation.

**PW - SOLID WASTE
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	7,068,253	7,129,288	8,735,895	9,153,975	4.8%	418,080
FRINGE BENEFITS	3,690,179	6,603,882	4,879,363	4,865,550	-0.3%	(13,814)
CONTRACTUAL SERVICES	17,327,340	17,562,993	21,536,658	22,151,273	2.9%	614,615
OPERATING COSTS	1,973,577	2,697,652	2,856,682	2,660,941	-6.9%	(195,741)
CAPITAL		0	2,091,907	1,513,399	-27.7%	(578,508)
TOTAL ENTERPRISE	30,059,349	33,993,815	40,100,506	40,345,138	0.6%	244,632

TOTAL EXPENSE	30,059,349	33,993,815	40,100,506	40,345,138	0.6%	244,632
----------------------	-------------------	-------------------	-------------------	-------------------	-------------	----------------

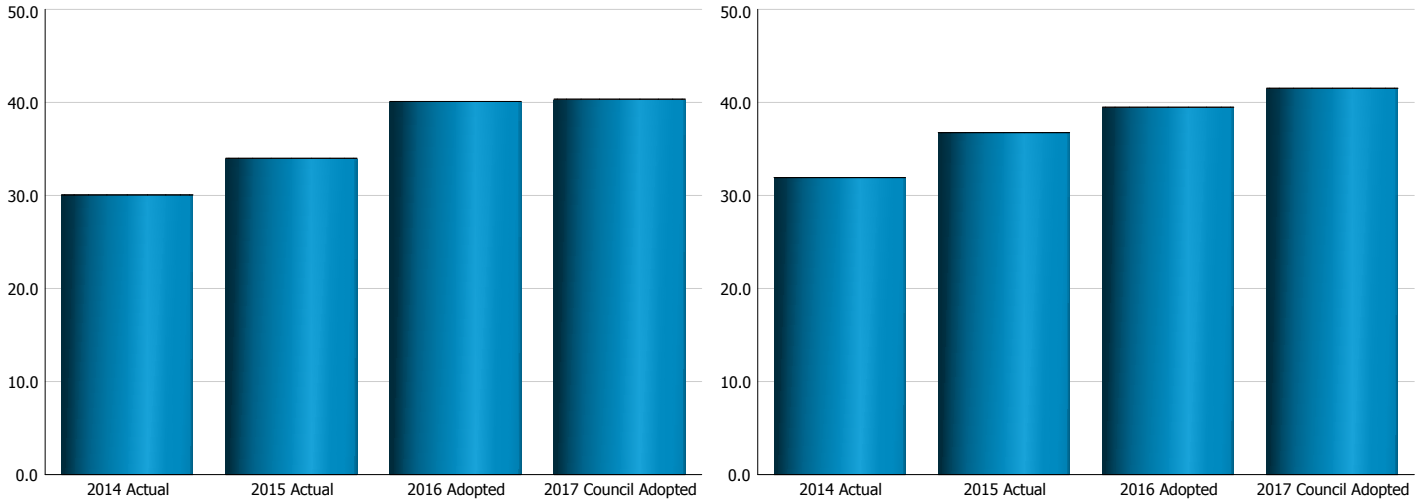
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	386,260	297,363	18,000	63,000	250.0%	45,000
CHARGES FOR SERVICES	30,181,240	35,203,584	37,143,947	37,756,995	1.7%	613,048
FINES AND FORFEITS	36				0.0%	0
GAINS	173,374				0.0%	0
LICENSE AND PERMITS		(360)			0.0%	0
LOCAL GOVERNMENT	871,608	1,002,790	1,080,000	1,080,000	0.0%	0
OTHER MISC REVENUES	12,282	264			0.0%	0
SPECIAL ASSESSMENTS	275,620	231,611	190,000	190,000	0.0%	0
STATE GOVERNMENT	19,283	19,283	19,823	20,374	2.8%	551
USE OF FUND BALANCE			1,029,736	2,410,219	134.1%	1,380,483
ENTERPRISE	31,919,703	36,754,535	39,481,506	41,520,588	5.2%	2,039,082

TOTAL REVENUE	31,919,703	36,754,535	39,481,506	41,520,588	5.2%	2,039,082
----------------------	-------------------	-------------------	-------------------	-------------------	-------------	------------------

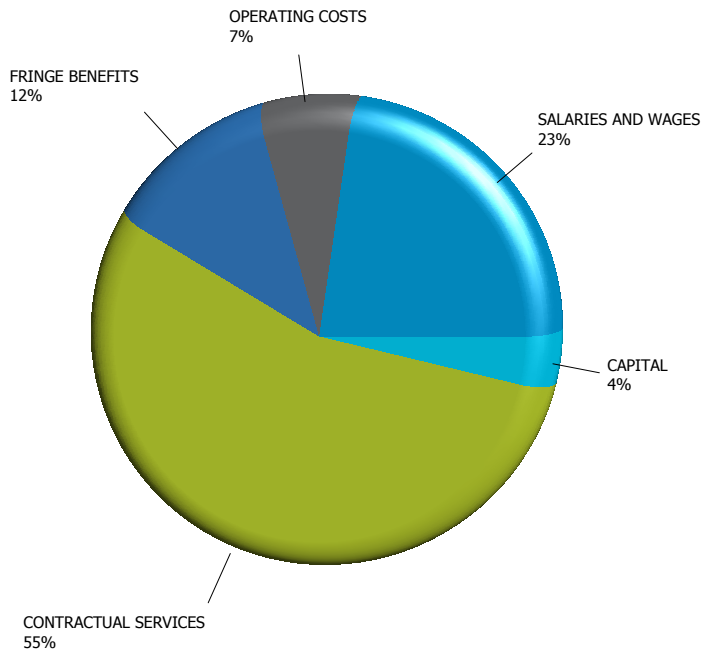
PW - SOLID WASTE EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

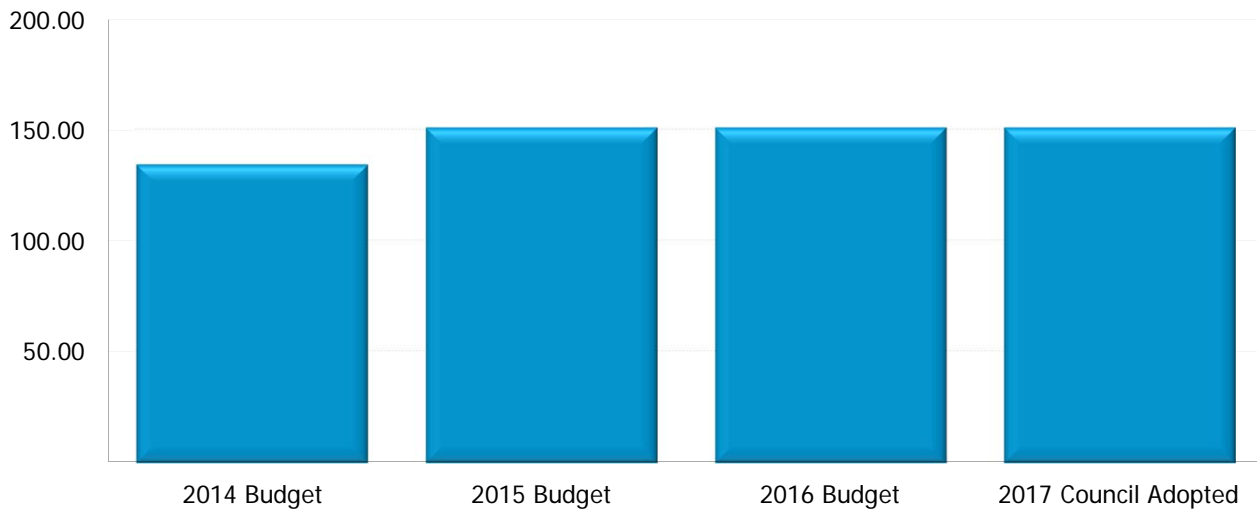


PW - SOLID WASTE

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
ADMINISTRATION	11.33	16.00	16.00	16.00	0.0%	0
CLEAN CITY	21.00	19.00	19.00	19.00	0.0%	0
COLLECTION	38.00	38.00	38.00	38.00	0.0%	0
CUSTOMER SERVICE	8.00	8.00	8.00	8.00	0.0%	0
EQUIPMENT	10.00	12.00	12.00	12.00	0.0%	0
LARGE ITEM/PROBLEM MATERIAL	7.00	8.00	8.00	8.00	0.0%	0
ORGANICS	3.00	17.00	17.00	17.00	0.0%	0
RECYCLING	20.00	20.00	20.00	20.00	0.0%	0
TRANSFER STATIONS	1.00	1.00	1.00	1.00	0.0%	0
YARD WASTE PROGRAM	15.00	12.00	12.00	12.00	0.0%	0
Overall	134.33	151.00	151.00	151.00	0.0%	0

Positions 2014-2017



Financial Analysis – Public Works Sanitary Sewer

Expenditure

The total Sanitary Sewer Department's operating budget increased from \$60.0 million to \$61.9 million from 2016 to 2017. This is an increase of \$2.0 million, or 3.2%. The Sanitary Sewer Department's 2017 expenditure budget reflects the following changes from 2016: estimated rate increase of 3.6% in monthly Met Council fees for waste water discharge totaling \$38.7 million, an increase of \$1.4 million over 2016, routine inflationary increases in operation costs, increase in payments to City services by \$100,000 as set by the 2017 allocation model charges, increase in contractual services by \$1.5 million relating to design, cleaning, rehab, flow metering, and smoke testing work, decrease in operating cost by \$400,000 due to reduction in Maximo software and training expenses, and decrease in Hiawatha addition program by \$750,000 due to scheduling and timing of construction.

Revenue

Revenues are projected to increase by 5.5% in this department due to increase of \$3.8 million in service (utility) revenues. Utility revenues increased because of variable rate increase of \$0.16 and a fixed rate increase of \$0.50 in the monthly utility billings. The department's total revenues in 2017 are projected to be \$69.4 million excluding the use of fund balance.

Fund Allocation

This division is funded completely in the Sanitary Sewer Fund, which is an enterprise activity.

Mayor's Recommended Budget

The Mayor Recommended \$47,400 ongoing Non-General Fund resources for an Engineering Technician (includes 0.5 FTE) to be funded from utility revenue.

Council Adopted Budget

The City Council approved the Mayor's recommendation.

**PW - SURFACE WATER & SEWERS-SANITARY
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	3,015,184	3,075,831	3,016,091	3,181,820	5.5%	165,729
FRINGE BENEFITS	1,485,891	2,890,507	1,634,959	1,643,844	0.5%	8,884
CONTRACTUAL SERVICES	14,602,339	13,475,237	15,614,991	17,298,596	10.8%	1,683,605
OPERATING COSTS	34,132,181	37,006,235	38,832,790	39,665,108	2.1%	832,318
CAPITAL		47,145	831,077	81,789	-90.2%	(749,288)
TOTAL ENTERPRISE	53,235,594	56,494,955	59,929,908	61,871,157	3.2%	1,941,249

TOTAL EXPENSE	53,235,594	56,494,955	59,929,908	61,871,157	3.2%	1,941,249
----------------------	-------------------	-------------------	-------------------	-------------------	-------------	------------------

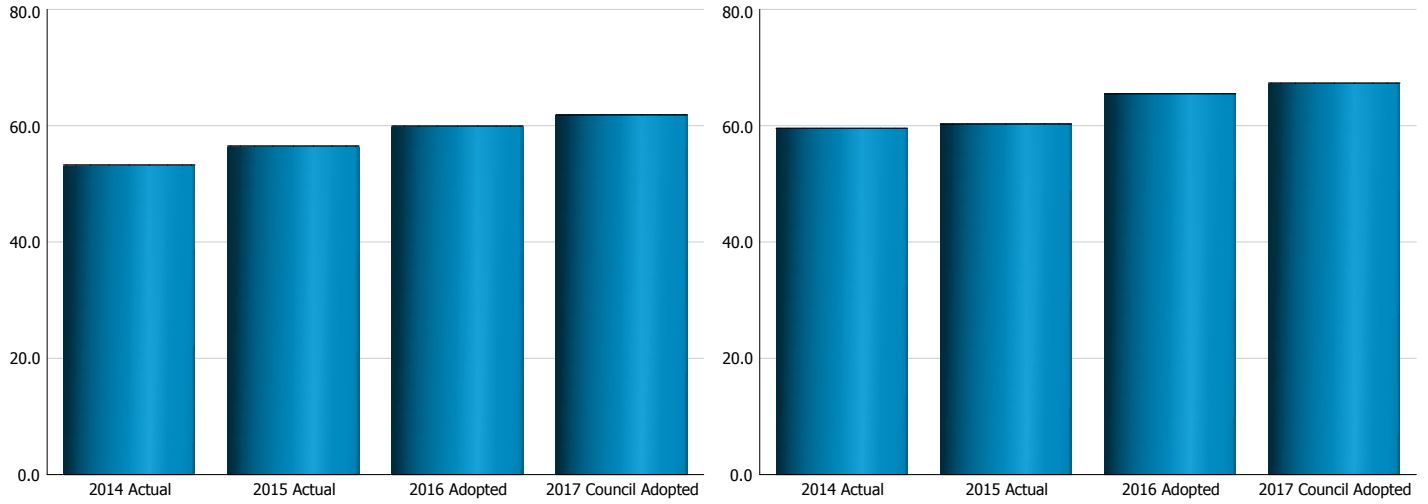
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	10,002	6,749			0.0%	0
CHARGES FOR SERVICES	59,233,777	60,100,041	65,649,950	69,266,268	5.5%	3,616,318
FEDERAL GOVERNMENT	630				0.0%	0
LICENSE AND PERMITS	180,325	80,985	100,000	100,000	0.0%	0
OTHER MISC REVENUES	70	115			0.0%	0
SPECIAL ASSESSMENTS	127,221	118,273			0.0%	0
STATE GOVERNMENT	210				0.0%	0
USE OF FUND BALANCE			(253,045)	(2,044,181)	707.8%	(1,791,136)
ENTERPRISE	59,552,234	60,306,164	65,496,905	67,322,087	2.8%	1,825,182

TOTAL REVENUE	59,552,234	60,306,164	65,496,905	67,322,087	2.8%	1,825,182
----------------------	-------------------	-------------------	-------------------	-------------------	-------------	------------------

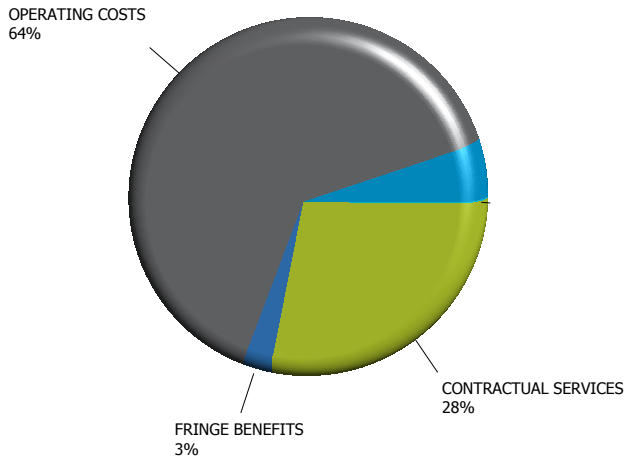
**PW - SURFACE WATER & SEWERS-SANITARY
EXPENSE AND REVENUE INFORMATION**

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

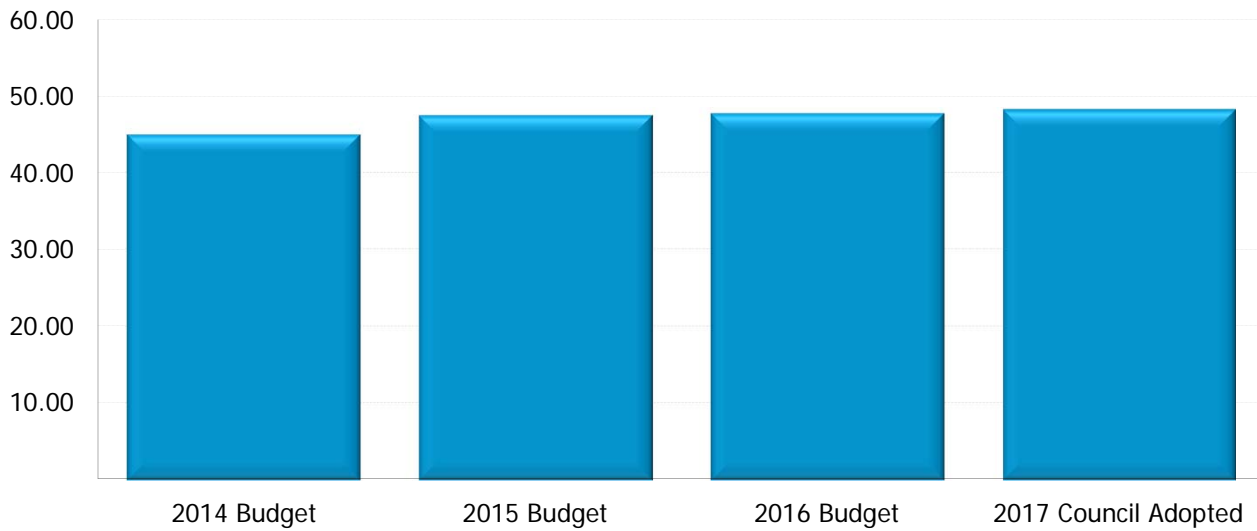


PW - SURFACE WATER & SEWERS-SANITARY

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
DESIGN	6.50	5.50	5.50	5.50	0.0%	0
SANITARY SEWER	38.50	38.75	38.75	39.25	1.3%	0.50
SEWER ADMINISTRATION		3.25	3.50	3.50	0.0%	0
Overall	45.00	47.50	47.75	48.25	1.0%	0.50

Positions 2014-2017



Financial Analysis – Public Works Stormwater

Expenditure

The total Storm Water Department's budget decreased from \$20.5 million to \$19.7 million from 2016 to 2017. This is a decrease of \$859,000, or 4.2%. The Storm Water Department's 2017 expenditure budget reflects the following changes from 2016: increase in FTE's by 0.75, or \$220,000, due to reassignment of Financial Analyst fully to Sanitary Sewer and Storm Water and addition of Engineer Tech III position, increase in expenditures related to fleet services and IT services amounting to \$226,000 as set by 2017 allocation model, increase in consulting and professional services works by \$203,000, decrease in maintenance, repair, contractual works related to cleaning and storm televising by \$230,000, decrease in payment to City services by \$315,000 as set by the 2017 allocation model, decrease in operating costs and license fees by \$400,000, and decrease in Hiawatha addition program by \$522,000 due to rescheduling and timing of construction.

Revenue

Revenues are projected to increase by 1.2% in this department due to increase of \$1.3 million in service (utility) revenues. Utility revenues increased due to rate increase from \$11.94 to \$12.36 per ESU in the monthly billings. The department's total revenues in 2017 are \$40.1 million excluding the use of fund balance.

Fund Allocation

This division is funded completely in the Stormwater Fund, which is an enterprise activity.

Mayor's Recommended Budget

The Mayor Recommended \$47,400 ongoing Non-General Fund resources for an Engineering Technician (includes 0.5 FTE) to be funded from utility revenue.

Council Adopted Budget

The City Council approved the Mayor's recommendation.

**PW - SURFACE WATER & SEWERS-STORMWATR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	2,825,153	2,966,105	3,503,335	3,673,451	4.9%	170,116
FRINGE BENEFITS	1,171,522	3,680,917	1,760,255	1,781,084	1.2%	20,829
CONTRACTUAL SERVICES	9,254,183	9,415,597	11,383,220	11,348,566	-0.3%	(34,654)
OPERATING COSTS	2,652,565	3,300,134	3,300,905	2,811,906	-14.8%	(489,000)
CAPITAL		242,694	602,577	76,165	-87.4%	(526,412)
TOTAL ENTERPRISE	15,903,423	19,605,446	20,550,292	19,691,172	-4.2%	(859,120)

TOTAL EXPENSE	15,903,423	19,605,446	20,550,292	19,691,172	-4.2%	(859,120)
----------------------	-------------------	-------------------	-------------------	-------------------	--------------	------------------

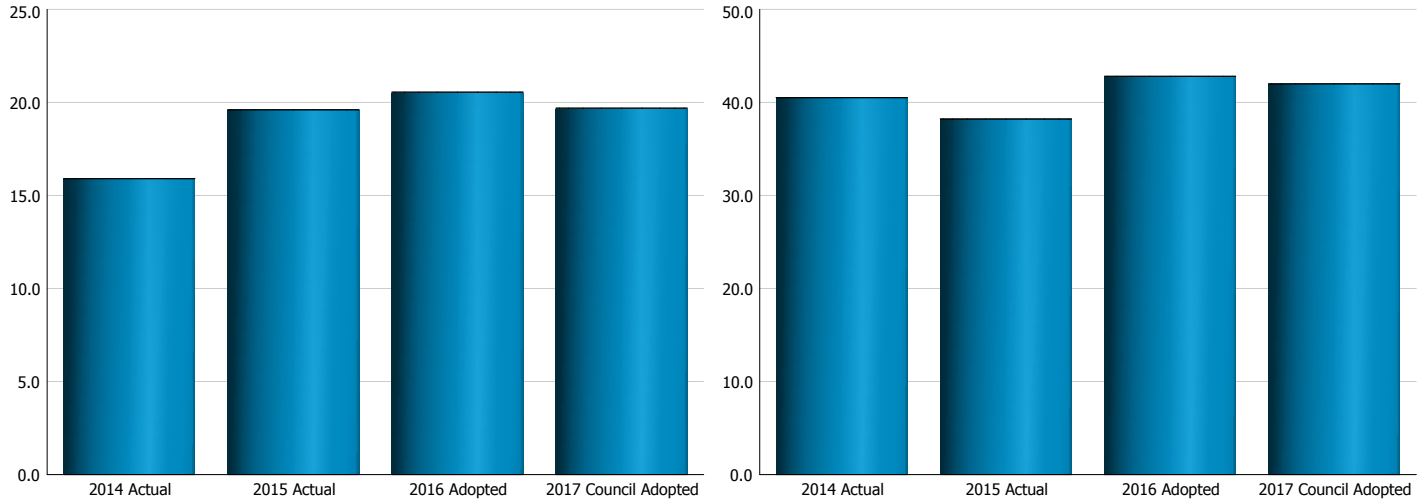
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES		232			0.0%	0
CHARGES FOR SERVICES	39,898,040	37,682,220	39,348,870	39,840,234	1.2%	491,364
FEDERAL GOVERNMENT	10,857	691			0.0%	0
FINES AND FORFEITS	92,847	14,099	45,000	45,000	0.0%	0
LICENSE AND PERMITS	1,550	1,276			0.0%	0
LOCAL GOVERNMENT	75,000		76,500	58,614	-23.4%	(17,886)
OTHER MISC REVENUES		20			0.0%	0
SPECIAL ASSESSMENTS	269,269	235,264			0.0%	0
STATE GOVERNMENT	164,540	285,541	176,820	180,893	2.3%	4,073
USE OF FUND BALANCE			3,161,149	1,873,059	-40.7%	(1,288,090)
ENTERPRISE	40,512,103	38,219,342	42,808,339	41,997,800	-1.9%	(810,539)

TOTAL REVENUE	40,512,103	38,219,342	42,808,339	41,997,800	-1.9%	(810,539)
----------------------	-------------------	-------------------	-------------------	-------------------	--------------	------------------

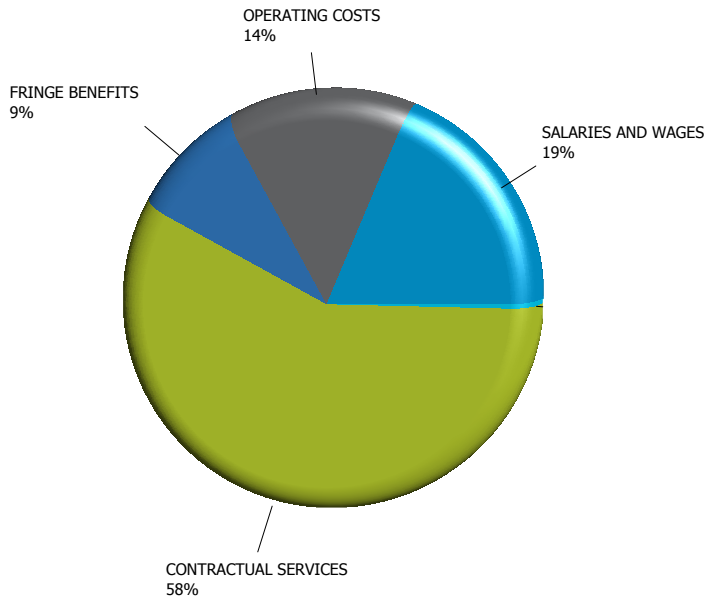
**PW - SURFACE WATER & SEWERS-STORMWATR
EXPENSE AND REVENUE INFORMATION**

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



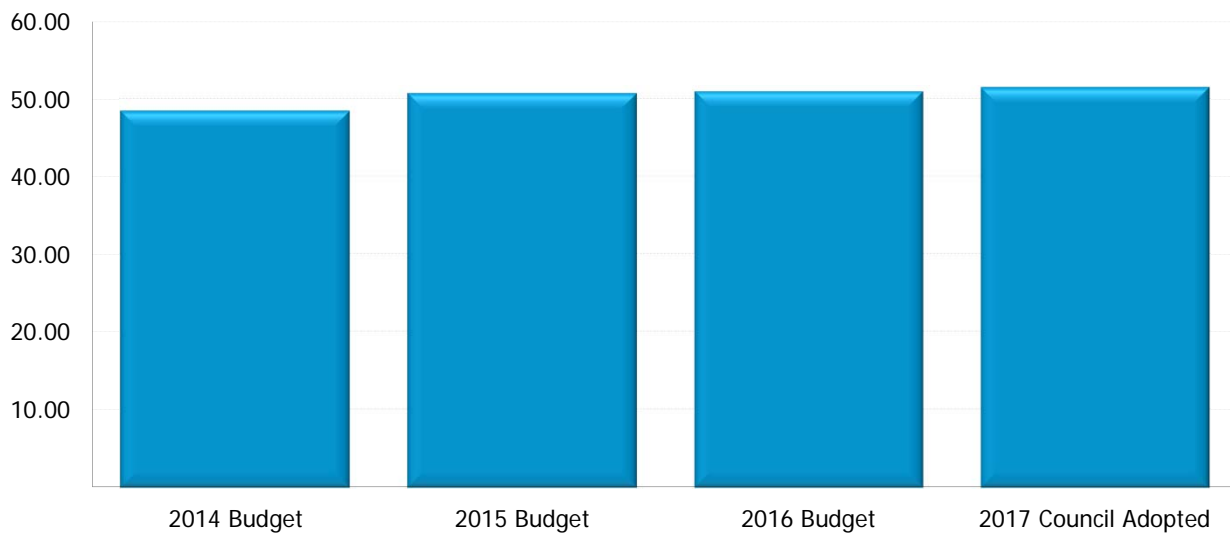
Expense by Category



PW - SURFACE WATER & SEWERS-STORMWATR Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
CSO PHASE II	6.00	2.00	2.00	3.00	50.0%	1.00
SANITARY_STORMWATER DESIGN	20.00	22.00	22.00	22.00	0.0%	0
SEWER MAINTENANCE	22.50	22.50	22.50	23.00	2.2%	0.50
STORMWATER ADMINISTRATION		4.25	4.50	3.50	-22.2%	(1.00)
Overall	48.50	50.75	51.00	51.50	1.0%	0.50

Positions 2014-2017



Financial Analysis – Public Works Traffic & Parking

Expenditure

Traffic & Parking Division's budget increases from \$55.9 million to \$58.1 million from 2016 to 2017. This is an increase of \$2.2 million or 3.9%. This division's 2017 expenditure budget reflects the following changes from 2016; the one-time budgetary change items of \$150,000.

Revenue

Revenues are projected to increase by 2.0% in this department due to alignment with historical actuals primarily in parking and lane use. The department's total revenues in 2017 are projected to be \$67.5 million excluding the use of fund balance.

Fund Allocation

This department is funded primarily by the Parking Fund (91.9%), with the remainder of the department's funding in the General Fund (7.7%) and Internal Services (Traffic Stores) fund (0.5%).

Mayor's Recommended Budget

The Mayor Recommended 2.0 FTE in ongoing General Fund resources for the Traffic Management system to be funded within the base budget.

The Mayor also recommended additional \$325,000 one-time General Fund resources to accelerate the replacement of the City owned 30 foot street lights to LED technology.

Council Adopted Budget

The City Council amended the Mayor's recommendation on a one-time basis by decreasing the Public Works Department by \$150,000 from the accelerated LED Technology Program, and increasing the Health Department by \$150,000 to be allocated for programs related to domestic violence prevention with the goal of serving families that have experienced domestic violence prioritizing families with very young children, young adolescent males, and non-English speaking families.

The City Council also amended the Mayor's recommendation on a one-time basis by reallocating all 2016 unspent funds from the Fire Department's \$42,000 for technical training and outreach and decreasing the Public Works Department by \$25,000 from the accelerated LED technology program, and increasing the Health Department by \$67,000 for the Next Step hospital-based violence intervention program.

**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	3,861,901	3,829,984	3,916,566	4,074,228	4.0%	157,663
FRINGE BENEFITS	1,902,352	1,723,456	1,685,985	1,588,048	-5.8%	(97,937)
CONTRACTUAL SERVICES	7,334,074	6,983,292	7,627,510	7,646,857	0.3%	19,347
OPERATING COSTS	2,235,798	2,519,227	3,497,759	3,513,140	0.4%	15,381
CAPITAL	16,842	1,982				0
TOTAL GENERAL	15,350,967	15,057,941	16,727,820	16,822,274	0.6%	94,454
INTERNAL SERVICE						
SALARIES AND WAGES	208,437	198,408	177,478	179,929	1.4%	2,451
FRINGE BENEFITS	85,179	130,831	83,880	81,923	-2.3%	(1,957)
CONTRACTUAL SERVICES	120,354	51,613	43,038	34,996	-18.7%	(8,042)
OPERATING COSTS	57,379	6,505	26,762	26,762	0.0%	0
TOTAL INTERNAL SERVICE	471,348	387,357	331,158	323,610	-2.3%	(7,548)
ENTERPRISE						
SALARIES AND WAGES	2,748,143	3,014,690	3,106,454	3,218,650	3.6%	112,196
FRINGE BENEFITS	939,008	2,218,936	1,330,442	1,414,792	6.3%	84,350
CONTRACTUAL SERVICES	31,363,329	32,898,975	31,986,827	32,960,224	3.0%	973,397
OPERATING COSTS	2,601,691	2,519,725	2,464,297	3,379,208	37.1%	914,911
CAPITAL	11,663	87,750				0
TOTAL ENTERPRISE	37,663,835	40,740,076	38,888,020	40,972,874	5.4%	2,084,854
TOTAL EXPENSE	53,486,149	56,185,374	55,946,998	58,118,757	3.9%	2,171,759

REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	57,570	43,741	50,000	45,000	-10.0%	(5,000)
CHARGES FOR SERVICES	1,004,820	1,345,666	725,000	1,015,000	40.0%	290,000
LICENSE AND PERMITS	1,885,314	2,959,143	1,615,000	1,612,000	-0.2%	(3,000)
LOCAL GOVERNMENT	479,408	494,871	554,963	795,000	43.3%	240,037
OTHER MISC REVENUES	224,874	363,907	185,000	208,000	12.4%	23,000
RENTS		8,957			0.0%	0
SPECIAL ASSESSMENTS	194,442	200,847	190,000	190,000	0.0%	0
STATE GOVERNMENT	1,298,040	1,277,986	1,298,039	1,315,000	1.3%	16,961
GENERAL	5,144,467	6,695,117	4,618,002	5,180,000	12.2%	561,998

INTERNAL SERVICE						
CHARGES FOR SALES			10,000		-100.0%	(10,000)
CHARGES FOR SERVICES	622,528	553,173	460,000	325,935	-29.1%	(134,065)
OTHER MISC REVENUES	258,747	9,218			0.0%	0
USE OF FUND BALANCE			(138,842)	(2,325)	-98.3%	136,517

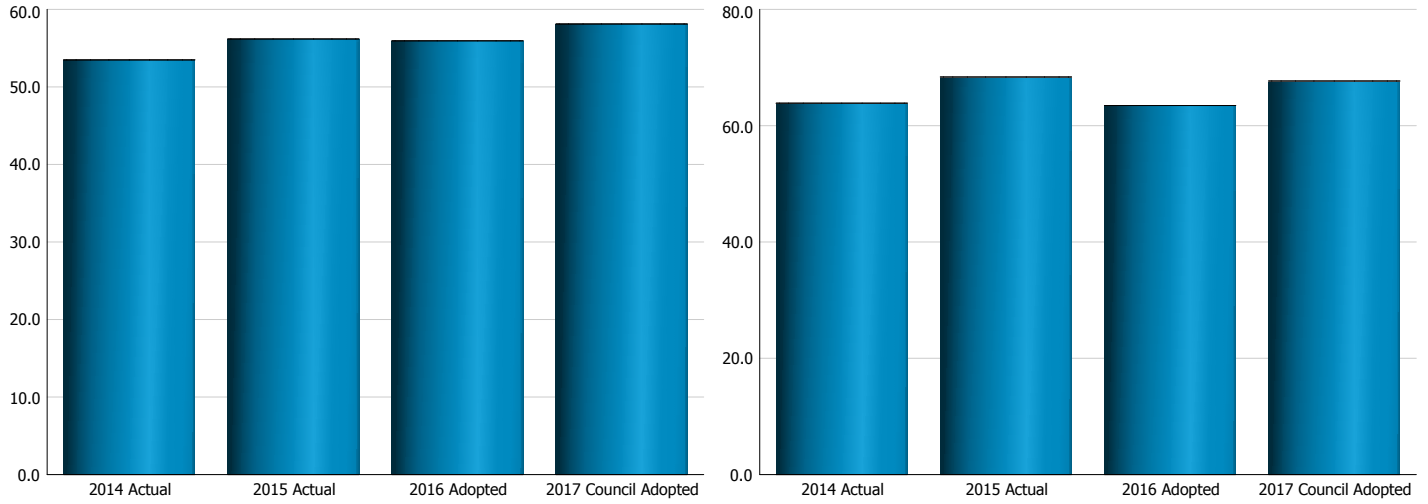
**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
INTERNAL SERVICE	881,275	562,391	331,158	323,610	-2.3%	(7,548)
ENTERPRISE						
CHARGES FOR SALES	1,462,018	1,055,111	1,000,000	1,100,000	10.0%	100,000
CHARGES FOR SERVICES	55,981,462	59,645,093	59,249,326	60,042,000	1.3%	792,674
FEDERAL GOVERNMENT	29,920				0.0%	0
FINES AND FORFEITS		1,250			0.0%	0
LICENSE AND PERMITS	349,534	386,252	316,000	300,000	-5.1%	(16,000)
OTHER MISC REVENUES	20,388	13,566			0.0%	0
RENTS	2,105	9,867			0.0%	0
SPECIAL ASSESSMENTS			543,481	543,481	0.0%	0
USE OF FUND BALANCE			(2,591,526)	192,967	-107.4%	2,784,493
ENTERPRISE	57,845,428	61,111,139	58,517,281	62,178,448	6.3%	3,661,167
TOTAL REVENUE	63,871,170	68,368,648	63,466,441	67,682,058	6.6%	4,215,617

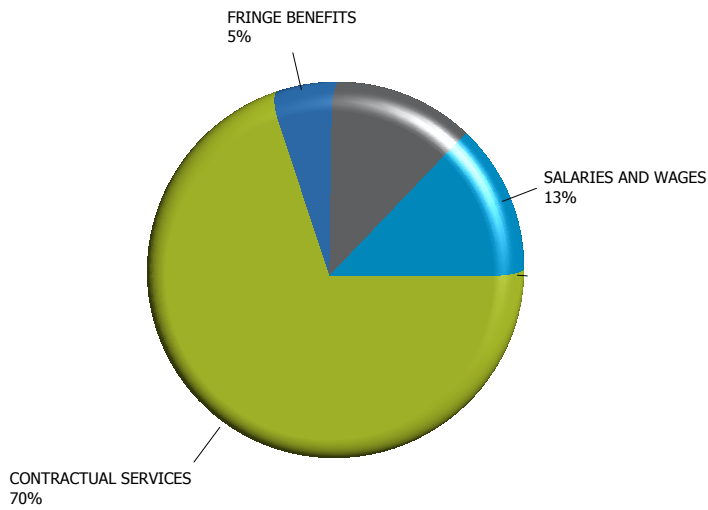
**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



Expense by Category

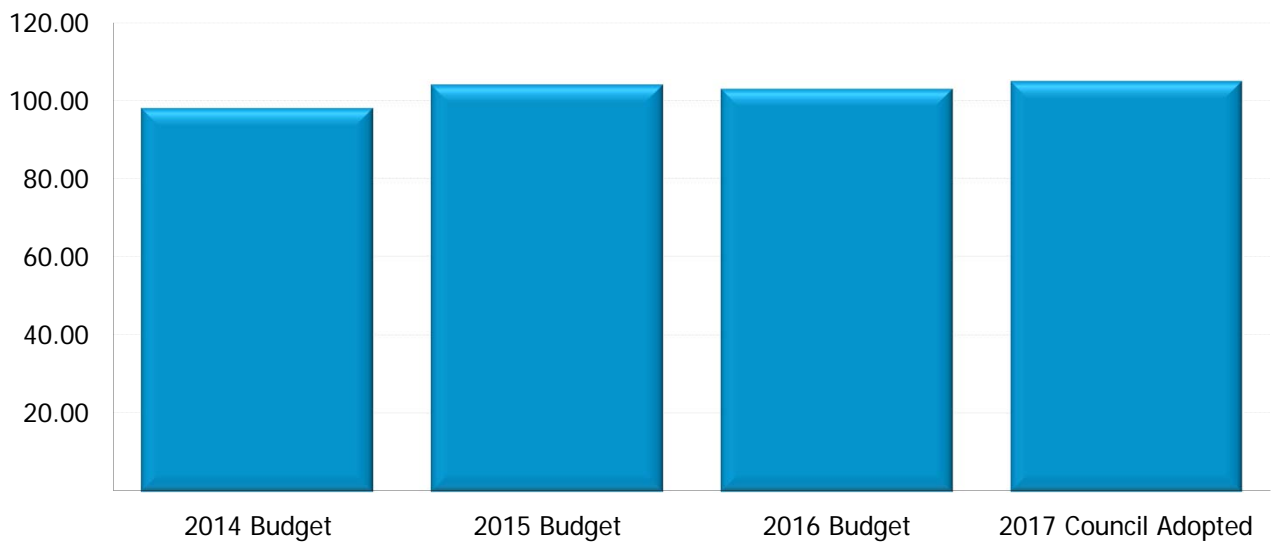


PW - TRAFFIC AND PARKING SERVICES

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
FIELD OPERATIONS	38.50	39.55	39.45	40.95	3.8%	1.50
INVENTORY	3.00	3.00	3.00	3.00	0.0%	0
OFF-STREET PARKING	11.10	11.50	11.50	11.25	-2.2%	(0.25)
ON-STREET PARKING	13.95	15.05	15.05	15.30	1.7%	0.25
PLANNING & DESIGN	4.95	5.65	5.65	6.15	8.8%	0.50
STREET LIGHTING	5.65	6.45	5.45	5.45	0.0%	0
TOWING AND IMPOUND	20.95	22.90	22.90	22.90	0.0%	0
Overall	98.10	104.10	103.00	105.00	1.9%	2.00

Positions 2014-2017



Financial Analysis – Public Works Transportation Maintenance & Repair

Expenditure

The total Transportation Maintenance and Repair Division's budget increases from \$48.5 million to \$50.9 million from 2016 to 2017. This is an increase of \$2.5 million or 5.1%. The Transportation Maintenance and Repair Division's 2017 expenditure budget reflects the following changes from 2016: addition of \$800,000 for additional preventative maintenance work, addition of \$561,199 in expense and revenue for Special Service Districts, and addition of \$119,648 in expense and revenue for West Broadway Special Service District.

Revenue

Revenue is projected to increase by \$264,000 or 1.2% in this division due primarily to increases in the division's Utility Cut Revenue, State and County Aide Revenue and Special Service Districts Revenue. The division's total revenue budget for 2017 is projected to be \$21.7 million excluding the use of fund balance.

Fund Allocation

The division is funded primarily by the General Fund (63%), with the remainder of the division's funding found in the Special Revenue Funds (28.7%), Enterprise Funds (6.5%) and Capital Project Funds (1.8%).

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council amended the Mayor's recommendation on a one-time basis by decreasing \$250,000 of new funding to Meet Minneapolis that was designated for enhanced target marketing and increasing the appropriation to the Public Works Department by \$250,000 to be dedicated to the Downtown Improvement District for community based policing strategies.

**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	10,657,992	10,075,402	10,146,413	10,552,527	4.0%	406,114
FRINGE BENEFITS	5,561,293	5,015,136	5,727,566	5,542,730	-3.2%	(184,836)
CONTRACTUAL SERVICES	13,000,510	9,355,829	11,241,028	12,151,233	8.1%	910,205
OPERATING COSTS	4,807,695	5,428,262	5,301,330	5,732,602	8.1%	431,272
CAPITAL	185,280	321,041	156,002	156,002	0.0%	0
TOTAL GENERAL	34,212,771	30,195,670	32,572,339	34,135,094	4.8%	1,562,755
SPECIAL REVENUE						
CONTRACTUAL SERVICES	6,160,314	6,242,408	6,203,796	6,469,648	4.3%	265,852
OPERATING COSTS		4				0
TOTAL SPECIAL REVENUE	6,160,314	6,242,412	6,203,796	6,469,648	4.3%	265,852
CAPITAL PROJECT						
SALARIES AND WAGES	347,000	284,306	369,516	377,325	2.1%	7,809
FRINGE BENEFITS	130,213	97,830	155,332	151,944	-2.2%	(3,388)
CONTRACTUAL SERVICES	292,801	316,750	649,695	679,616	4.6%	29,921
OPERATING COSTS	10,866	12,507	6,675	10,044	50.5%	3,369
CAPITAL	268	6,604				0
TOTAL CAPITAL PROJECT	781,149	717,997	1,181,218	1,218,929	3.2%	37,711
ENTERPRISE						
SALARIES AND WAGES	1,917,544	2,618,209	2,362,074	2,654,616	12.4%	292,541
FRINGE BENEFITS	661,559	1,035,448	1,105,603	1,302,248	17.8%	196,645
CONTRACTUAL SERVICES	4,108,234	4,177,849	4,274,731	4,457,641	4.3%	182,910
OPERATING COSTS	485,404	764,782	820,372	733,608	-10.6%	(86,764)
TOTAL ENTERPRISE	7,172,742	8,596,288	8,562,781	9,148,113	6.8%	585,332
TOTAL EXPENSE	48,326,975	45,752,367	48,520,133	50,971,784	5.1%	2,451,651

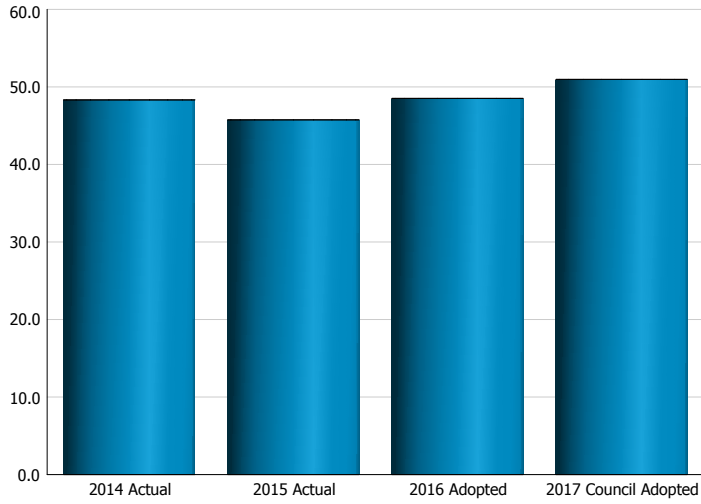
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	28,697	(887)	25,140	10,000	-60.2%	(15,140)
CHARGES FOR SERVICES	7,215,963	8,214,519	7,281,530	6,979,746	-4.1%	(301,784)
FRANCHISE FEES	43,479				0.0%	0
GAINS		5,016			0.0%	0
LOCAL GOVERNMENT	143,897	134,802	143,897	185,663	29.0%	41,766
LONG TERM LIABILITIES PROCEEDS		(5,016)			0.0%	0
OTHER MISC REVENUES		363	1,000	1,000	0.0%	0
SPECIAL ASSESSMENTS	1,798,046	1,910,073	2,186,601	2,747,800	25.7%	561,199
STATE GOVERNMENT	3,263,897	3,099,643	3,639,670	3,700,006	1.7%	60,336

**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

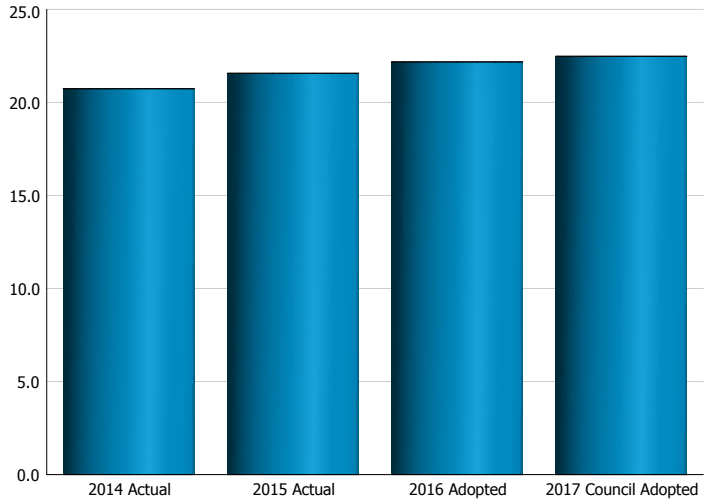
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL	12,493,979	13,358,513	13,277,838	13,624,215	2.6%	346,377
SPECIAL REVENUE						
CONTRIBUTIONS		1,675			0.0%	0
LOCAL GOVERNMENT		8,000			0.0%	0
OTHER MISC REVENUES	2,300				0.0%	0
SPECIAL ASSESSMENTS	6,462,188	6,297,816	6,203,796	6,219,648	0.3%	15,852
STATE GOVERNMENT	13,102				0.0%	0
SPECIAL REVENUE	6,477,589	6,307,491	6,203,796	6,219,648	0.3%	15,852
CAPITAL PROJECT						
CHARGES FOR SERVICES	(2,730)				0.0%	0
LICENSE AND PERMITS	323,836	289,534	310,000	310,000	0.0%	0
SPECIAL ASSESSMENTS	137,753	167,445	90,000	90,000	0.0%	0
USE OF FUND BALANCE			781,218	818,929	4.8%	37,711
CAPITAL PROJECT	458,859	456,979	1,181,218	1,218,929	3.2%	37,711
ENTERPRISE						
CHARGES FOR SALES	1,056	1,802			0.0%	0
CHARGES FOR SERVICES	2,512	324	10,000	10,000	0.0%	0
FEDERAL GOVERNMENT	46,730	5,192			0.0%	0
LOCAL GOVERNMENT	236,663	336,086	296,775	259,888	-12.4%	(36,887)
STATE GOVERNMENT	1,019,873	1,099,617	1,207,958	1,146,598	-5.1%	(61,360)
ENTERPRISE	1,306,834	1,443,022	1,514,733	1,416,486	-6.5%	(98,247)
TOTAL REVENUE	20,737,262	21,566,005	22,177,585	22,479,278	1.4%	301,693

**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

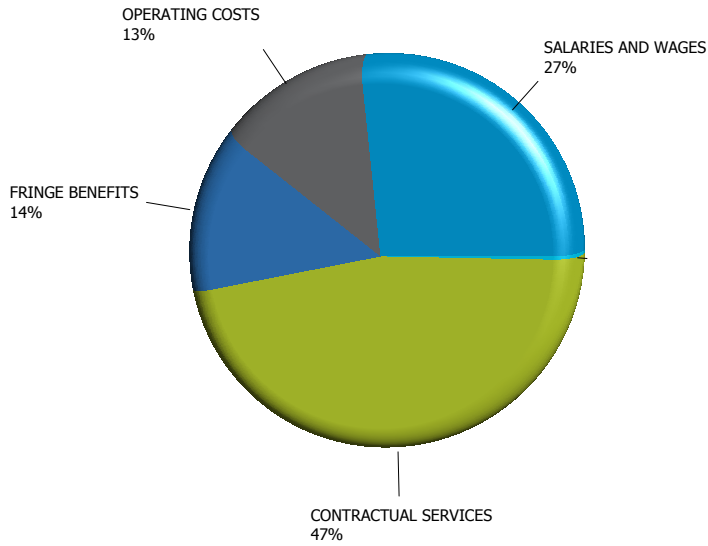
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



Expense by Category

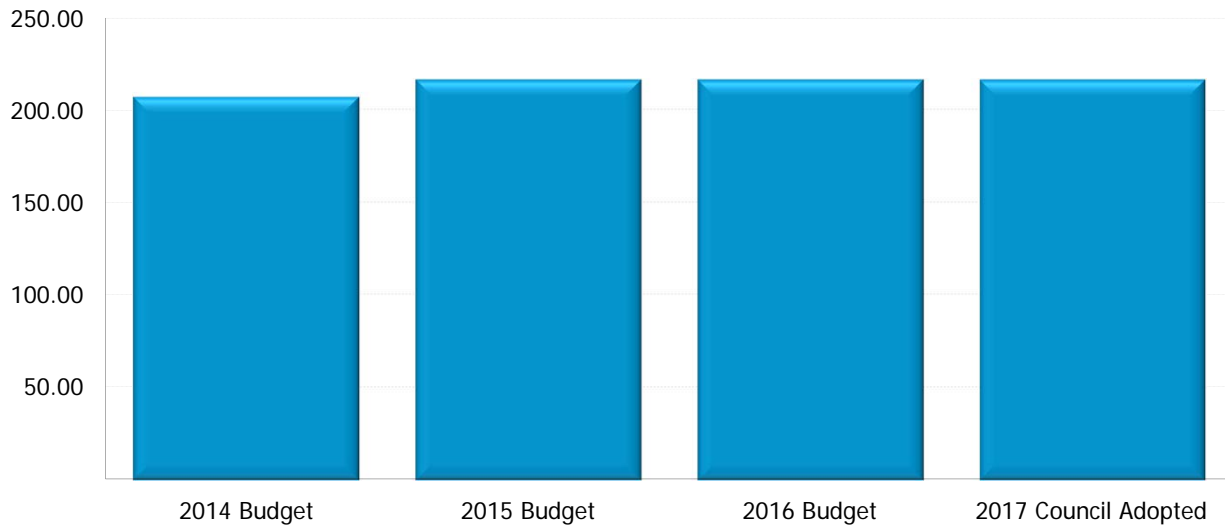


PW - TRANSPORTATION MAINTENANCE AND REPAIR

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
BRIDGE MAINTENANCE & REPAIR	17.00	17.00	17.00	17.00	0.0%	0
MALLS & PLAZAS - MAINTENANCE	10.40	10.20	10.20	10.20	0.0%	0
Ramp Maintenance	17.00	17.00	17.00	17.00	0.0%	0
SIDEWALK INSPECTION	6.00	6.00	6.00	6.00	0.0%	0
SNOW & ICE CONTROL	50.00	52.40	52.40	52.40	0.0%	0
STREET ADMINISTRATION	8.50	10.50	10.50	10.50	0.0%	0
STREET CLEANING	46.05	46.05	46.05	46.05	0.0%	0
STREET MAINTENANCE & REPAIR	52.00	57.00	57.00	57.00	0.0%	0
Overall	206.95	216.15	216.15	216.15	0.0%	0

Positions 2014-2017



Financial Analysis – Public Works Transportation Planning & Engineering

Expenditure

The total Transportation Engineering & Design Department's budget increases from \$12.2 million to \$15.4 million from 2016 to 2017. This is an increase of \$3.1 million or 25.7% due to increase in contractual services for design services.

Revenue

Revenues are projected to decline by 18.9% in this department due to the timing of the Capital Project startup. The department's total revenues in 2017 are projected to be \$6.4 million excluding the use of fund balance.

Fund Allocation

This division is funded primarily by the Capital Transportation Planning & Engineering Fund (74.7%), with the remainder of the division's funding found in the General Fund (12.5%) and Internal Service Funds (12.8%).

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

**PW - TRANSPORTATION PLANNING AND ENGINEERING
EXPENSE AND REVENUE INFORMATION**

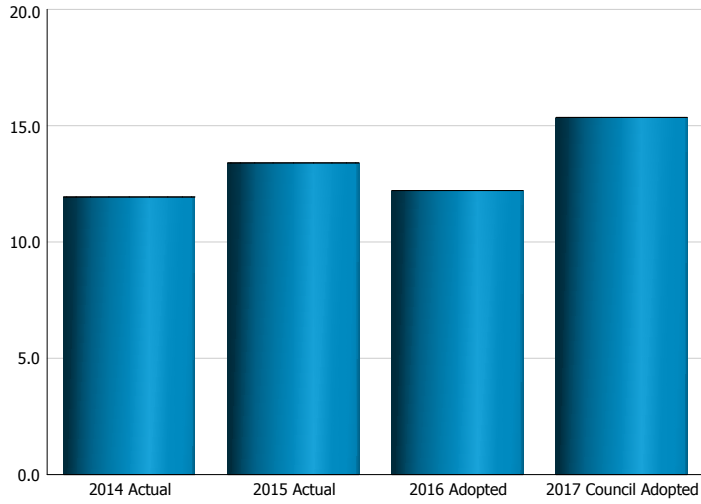
EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,563,869	2,686,870	1,091,566	1,120,620	2.7%	29,055
FRINGE BENEFITS	592,094	553,285	444,418	425,780	-4.2%	(18,638)
CONTRACTUAL SERVICES	387,646	621,472	414,469	321,881	-22.3%	(92,588)
OPERATING COSTS	52,596	62,457	47,102	43,804	-7.0%	(3,298)
CAPITAL			7,500		-100.0%	(7,500)
TOTAL GENERAL	2,596,204	3,924,085	2,005,055	1,912,086	-4.6%	(92,970)
SPECIAL REVENUE						
SALARIES AND WAGES	20,115	20,182				0
FRINGE BENEFITS	7,004	7,087				0
CONTRACTUAL SERVICES	65,239	(15,255)				0
OPERATING COSTS		201				0
TOTAL SPECIAL REVENUE	92,359	12,215				0
CAPITAL PROJECT						
SALARIES AND WAGES	2,723,814	1,578,864	3,340,917	3,436,320	2.9%	95,403
FRINGE BENEFITS	1,026,225	999,569	1,290,096	1,283,957	-0.5%	(6,139)
CONTRACTUAL SERVICES	3,930,889	4,767,194	3,460,896	6,563,942	89.7%	3,103,046
OPERATING COSTS	75,833	61,494	105,810	112,617	6.4%	6,807
CAPITAL		22,950	80,000	80,000	0.0%	0
TOTAL CAPITAL PROJECT	7,756,761	7,430,071	8,277,719	11,476,836	38.6%	3,199,118
INTERNAL SERVICE						
SALARIES AND WAGES	801,758	858,561	904,505	919,352	1.6%	14,846
FRINGE BENEFITS	250,174	607,559	368,375	361,059	-2.0%	(7,316)
CONTRACTUAL SERVICES	383,011	498,241	572,091	605,770	5.9%	33,679
OPERATING COSTS	54,521	69,639	84,305	79,890	-5.2%	(4,415)
TOTAL INTERNAL SERVICE	1,489,464	2,033,999	1,929,276	1,966,071	1.9%	36,795
TOTAL EXPENSE	11,934,789	13,400,370	12,212,050	15,354,993	25.7%	3,142,943
REVENUE						
	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	727,834	908,718	625,000	600,000	-4.0%	(25,000)
LICENSE AND PERMITS	37,940	41,385	25,000	30,000	20.0%	5,000
GENERAL	765,774	950,103	650,000	630,000	-3.1%	(20,000)
SPECIAL REVENUE						
CONTRIBUTIONS	91,310	14,632			0.0%	0

**PW - TRANSPORTATION PLANNING AND ENGINEERING
EXPENSE AND REVENUE INFORMATION**

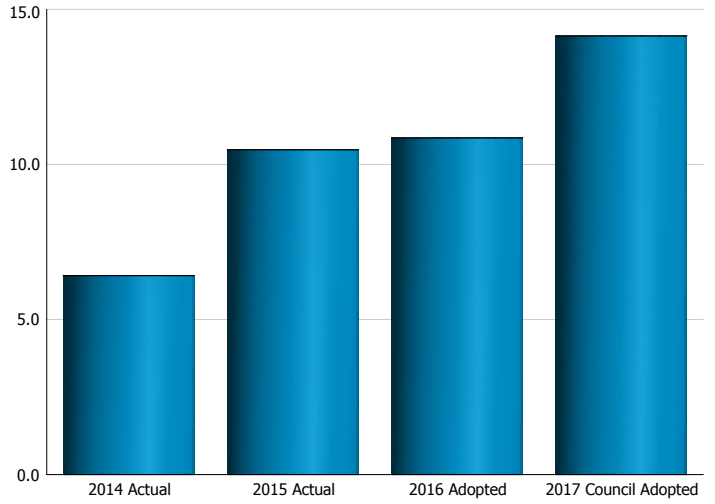
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
SPECIAL REVENUE	91,310	14,632				0
CAPITAL PROJECT						
CHARGES FOR SALES	3				0.0%	0
CHARGES FOR SERVICES	3,606,089	7,930,601	5,500,000	3,815,000	-30.6%	(1,685,000)
FEDERAL GOVERNMENT	(45,226)	39,339			0.0%	0
OTHER MISC REVENUES		70			0.0%	0
TRANSFERS IN	700,000				0.0%	0
USE OF FUND BALANCE			2,777,719	7,734,248	178.4%	4,956,529
CAPITAL PROJECT	4,260,867	7,970,010	8,277,719	11,549,248	39.5%	3,271,529
INTERNAL SERVICE						
CHARGES FOR SALES	290,153	295,777	150,000	320,000	113.3%	170,000
CHARGES FOR SERVICES	1,006,964	1,243,328	1,622,064	1,656,533	2.1%	34,469
OTHER MISC REVENUES		865			0.0%	0
USE OF FUND BALANCE			157,212	(10,463)	-106.7%	(167,675)
INTERNAL SERVICE	1,297,117	1,539,970	1,929,276	1,966,070	1.9%	36,794
TOTAL REVENUE	6,415,067	10,474,715	10,856,995	14,145,318	30.3%	3,288,323

**PW - TRANSPORTATION PLANNING AND ENGINEERING
EXPENSE AND REVENUE INFORMATION**

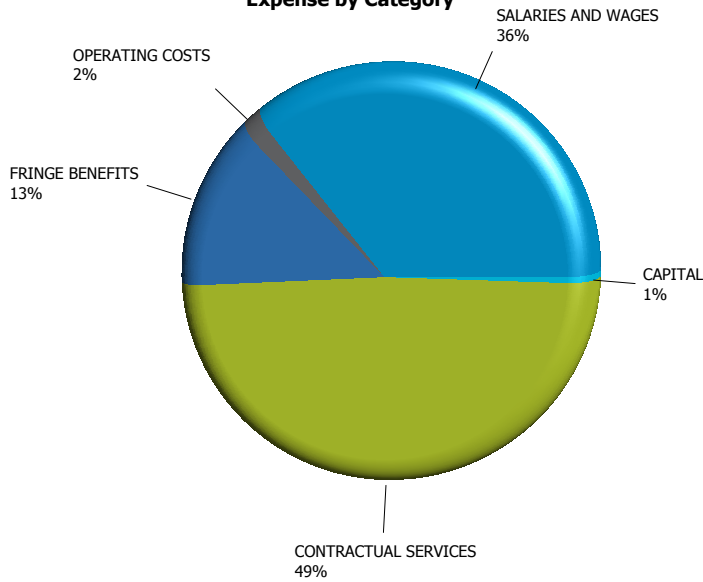
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



Expense by Category

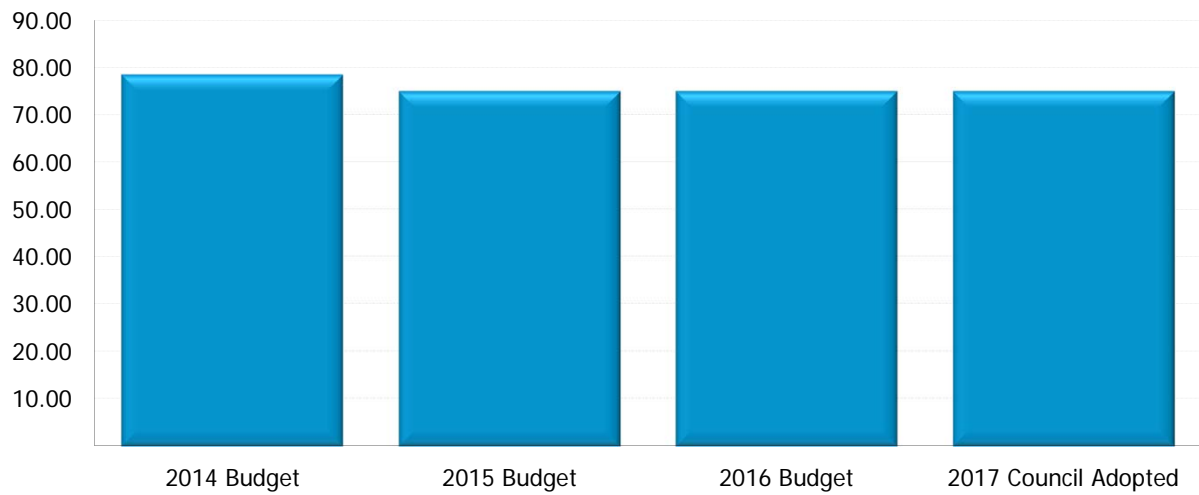


PW - TRANSPORTATION PLANNING AND ENGINEERING

Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
Bridge Inspections	2.50	2.50	2.50	2.50	0.0%	0
ENGINEERING LABORATORY	11.50	13.50	13.50	13.50	0.0%	0
PLANNING AND DESIGN	44.00	46.00	46.00	46.00	0.0%	0
SP ASSESS & ROW MGNT	13.50	6.00	6.00	6.00	0.0%	0
Utility Connections	7.00	7.00	7.00	7.00	0.0%	0
Overall	78.50	75.00	75.00	75.00	0.0%	0

Positions 2014-2017



Financial Analysis – Public Works Transportation Planning & Programming

Expenditure

The total Transportation Planning & Programming Department's budget of \$2.4 million remains similar from 2016 to 2017. This is a slight reduction of \$28,000, or 1.2%. The Transportation Planning & Programming Department's 2017 expenditure budget reflects the following changes from 2016: increase of 1.0 FTE in the General Fund funded with existing resources and increase of 1.0 FTE in Capital Fund funded with capital project revenue for design work.

Revenue

Revenues are projected to increase in this department to reflect the anticipated design work on capital projects in Capital Transportation Planning & Engineering Fund. The department's total revenues in 2017 are projected to be \$50,000.

Fund Allocation

This department is funded primarily by the General Fund with the remainder in Capital Transportation Planning & Engineering Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

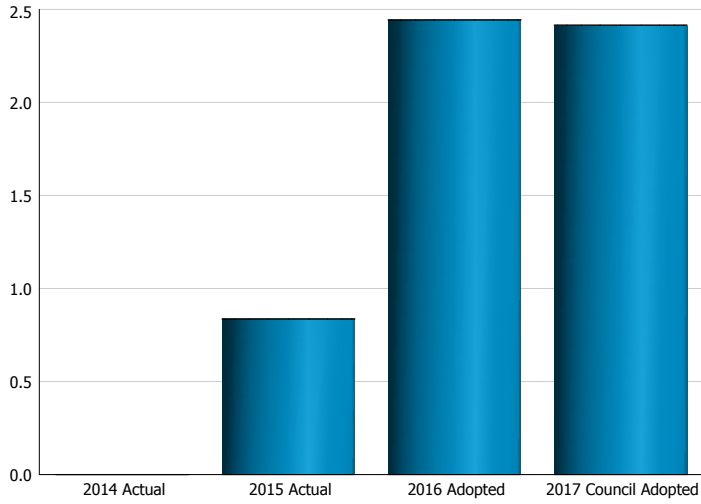
The City Council approved the Mayor's recommendations.

**PW - TRANSPORTATION PLAN/PROGRAMING
EXPENSE AND REVENUE INFORMATION**

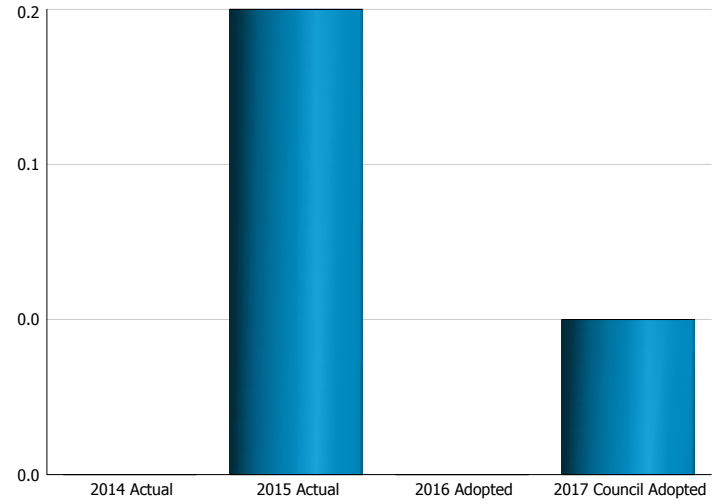
EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES		354,966	1,268,562	1,362,008	7.4%	93,446
FRINGE BENEFITS		124,981	460,290	476,350	3.5%	16,061
CONTRACTUAL SERVICES		355,454	665,398	423,739	-36.3%	(241,659)
OPERATING COSTS		965	46,678	28,177	-39.6%	(18,501)
CAPITAL			2,500	2,500	0.0%	0
TOTAL GENERAL		836,365	2,443,428	2,292,774	-6.2%	(150,654)
CAPITAL PROJECT						
SALARIES AND WAGES				91,843		91,843
FRINGE BENEFITS				30,569		30,569
TOTAL CAPITAL PROJECT				122,412		122,412
TOTAL EXPENSE		836,365	2,443,428	2,415,186	-1.2%	(28,242)
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
LOCAL GOVERNMENT		150,000			0.0%	0
GENERAL		150,000				0
CAPITAL PROJECT						
CHARGES FOR SERVICES				50,000	0.0%	50,000
CAPITAL PROJECT				50,000		50,000
TOTAL REVENUE		150,000		50,000		50,000

**PW - TRANSPORTATION PLAN/PROGRAMING
EXPENSE AND REVENUE INFORMATION**

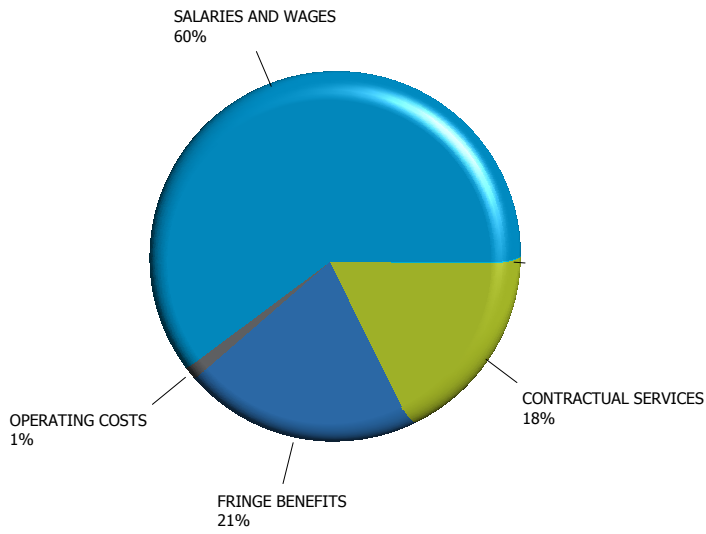
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



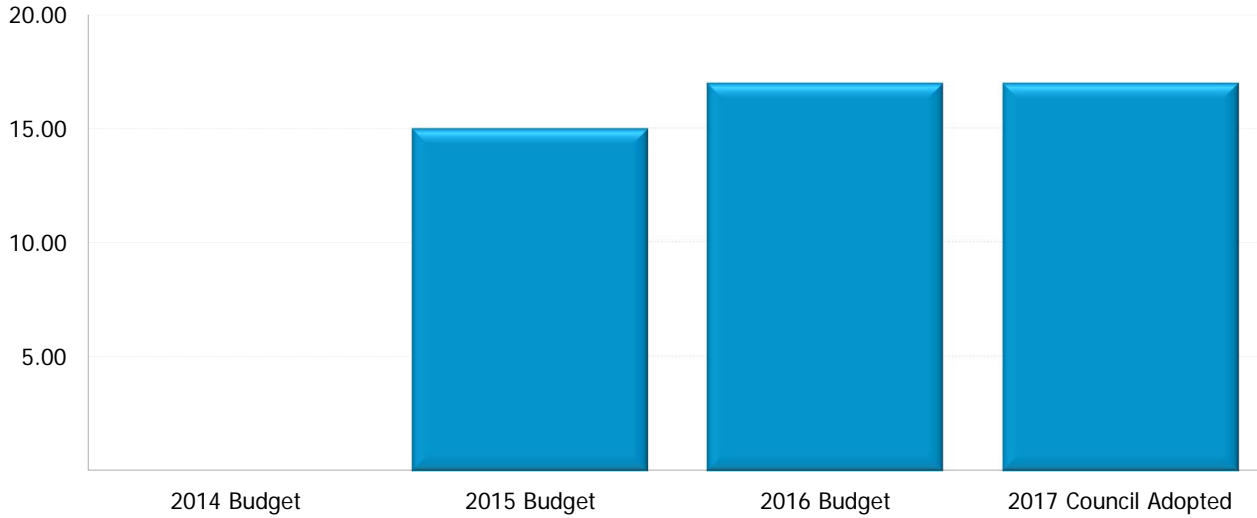
Expense by Category



PW - TRANSPORTATION PLAN/PROGRAMING
Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
TRANSPORTATION PLAN/PROGRAMING		15.00	17.00	17.00	0.0%	0
Overall	0	15.00	17.00	17.00	0.0%	0

Positions 2014-2017



Financial Analysis – Public Works Water Treatment & Distribution Services

Expense

The total Water Treatment and Distribution Services Department's budget increases from \$57.8 million to \$57.9 million from 2016 to 2017. This is an increase of \$163,000 or 0.3%. The Water Treatment and Distribution Services Department's 2017 expenditure budget reflects the following changes from 2016: Salaries increased 4.2% with the same amount of FTEs and decrease in Property insurance costs by \$340,000.

Revenue

Revenues are projected to increase by 8.1% in this department due to a fixed charge rate increase of 50 cents per month and volume charge rate increase of 8 cents per unit. A short term Wholesale contract with the City of New Brighton is expected to bring in \$3.1 million in volume sales. The department's total revenues in 2017 are projected to be \$87.2 million.

Fund Allocation

This division is funded completely in the Water Treatment and Distribution Services Fund, which is an enterprise activity.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

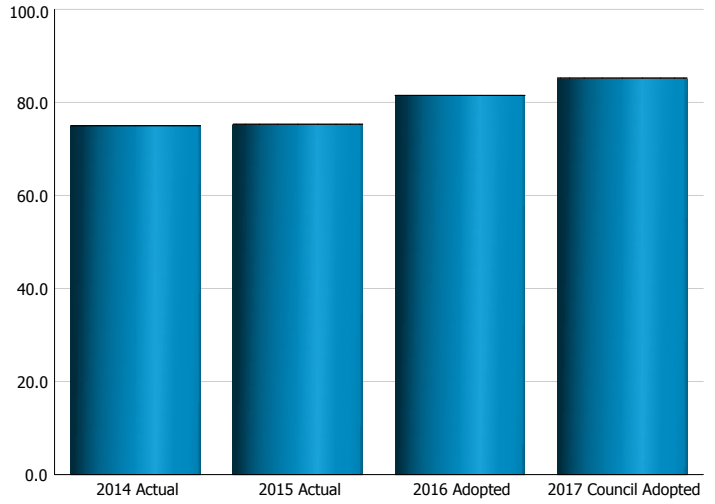
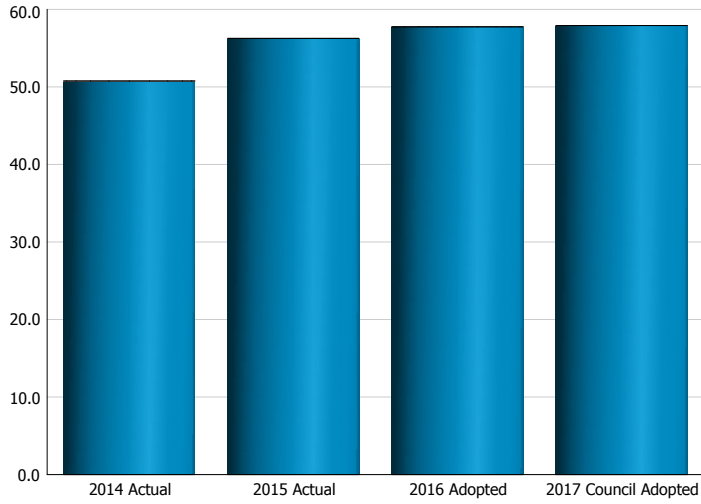
**PW - WATER TREATMENT & DISTR.
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRACTUAL SERVICES		10,000				0
TOTAL SPECIAL REVENUE		10,000				0
ENTERPRISE						
SALARIES AND WAGES	13,291,124	12,947,823	14,183,333	14,774,954	4.2%	591,621
FRINGE BENEFITS	5,904,578	10,403,487	6,719,446	6,722,849	0.1%	3,403
CONTRACTUAL SERVICES	20,553,078	20,771,796	23,021,645	23,193,229	0.7%	171,584
OPERATING COSTS	10,710,695	11,801,148	12,771,382	12,355,596	-3.3%	(415,786)
CAPITAL	299,746	323,055	1,058,208	870,441	-17.7%	(187,767)
TOTAL ENTERPRISE	50,759,221	56,247,307	57,754,014	57,917,069	0.3%	163,054
TOTAL EXPENSE	50,759,221	56,257,307	57,754,014	57,917,069	0.3%	163,054
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
STATE GOVERNMENT		10,000			0.0%	0
SPECIAL REVENUE		10,000				0
ENTERPRISE						
CHARGES FOR SALES	120,135	296,402			0.0%	0
CHARGES FOR SERVICES	72,384,980	72,535,279	79,368,557	85,824,862	8.1%	6,456,305
FEDERAL GOVERNMENT	0				0.0%	0
LICENSE AND PERMITS	39,769	88,602		90,000	0.0%	90,000
OTHER MISC REVENUES	53,424	7,279			0.0%	0
SPECIAL ASSESSMENTS	1,245,770	1,087,192	1,259,750	1,250,000	-0.8%	(9,750)
TRANSFERS IN	1,156,681	1,285,170			0.0%	0
USE OF FUND BALANCE			881,653	(1,936,068)	-319.6%	(2,817,721)
ENTERPRISE	75,000,759	75,299,924	81,509,960	85,228,794	4.6%	3,718,834
TOTAL REVENUE	75,000,759	75,309,924	81,509,960	85,228,794	4.6%	3,718,834

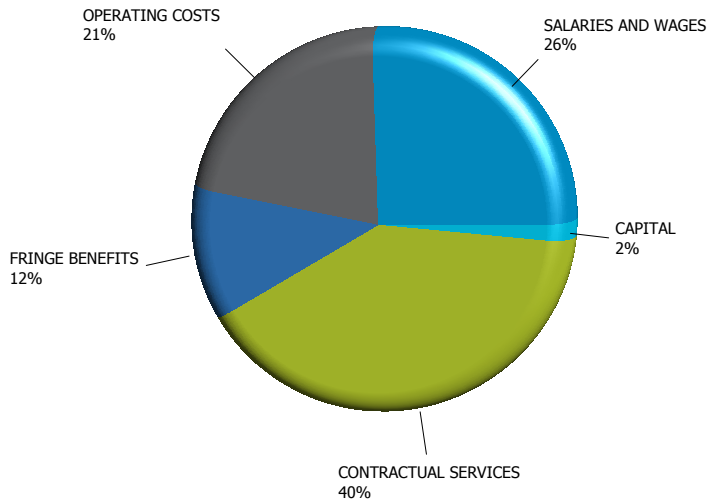
**PW - WATER TREATMENT & DISTR.
EXPENSE AND REVENUE INFORMATION**

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



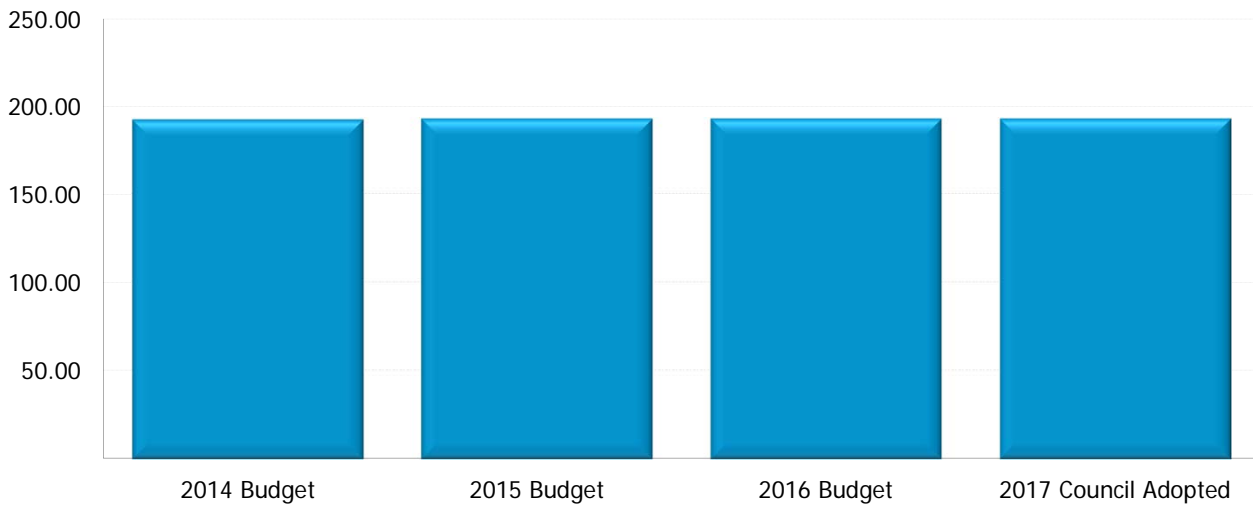
Expense by Category



PW - WATER TREATMENT & DISTR. Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
DISTRIBUTION	67.00	59.50	59.50	61.50	3.4%	2.00
METER SHOP	20.00	20.00	20.00	19.00	-5.0%	(1.00)
OPERATIONS - WATER	85.00	89.50	89.50	88.50	-1.1%	(1.00)
REIMBURSABLE ALTERATIONS	3.00	9.00	9.00	9.00	0.0%	0
WATER ADMINISTRATION & PERMITS	3.50	6.00	6.00	6.00	0.0%	0
WATER ENGINEERING	14.00	9.00	9.00	9.00	0.0%	0
Overall	192.50	193.00	193.00	193.00	0.0%	0

Positions 2014-2017



REGULATORY SERVICES

MISSION

The Minneapolis Regulatory Services Department strengthens communities by partnering with residents, neighborhoods and businesses to make the city safer, healthier and more inviting for all.

BUSINESS LINES

Housing Inspection Services

Housing Inspection Services provides quality and consistent enforcement of the Minneapolis Housing Maintenance and other applicable codes to maintain, improve, and preserve the city's existing housing stock and promote neighborhood stabilization. The division's services include the Problem Properties Unit, which identifies and resolves problem properties, conducts emergency board ups, and manages condemned, boarded, and vacant buildings in a multi-departmental, multi-agency case management approach.

Fire Inspection Services

Fire Inspection Services delivers quality and consistent enforcement of the fire code, conducts life safety and housing inspections of residential buildings with greater than three units, and administers the Commercial Building Registration and Commercial Vacant Building Registration programs.

Traffic Control

Traffic Control maintains traffic flow management for events, emergencies and other traffic situations and city-wide parking enforcement, promoting safety and access in downtown and commercial corridors as well as removing residential hazards and nuisances.

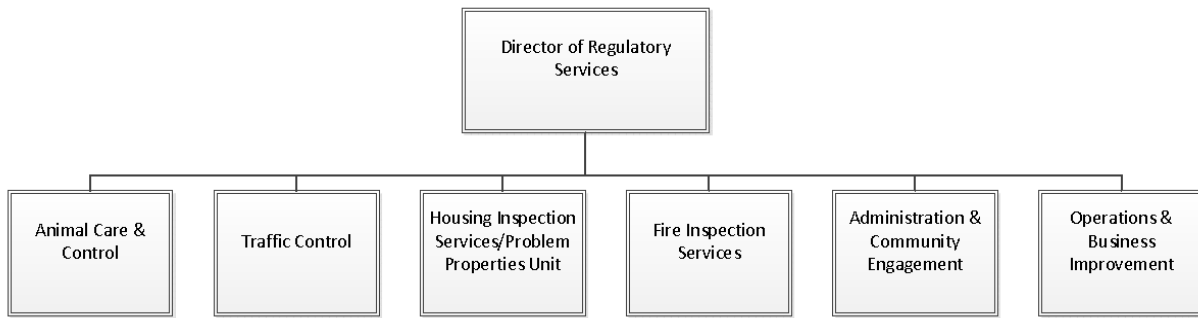
Animal Care & Control

Minneapolis Animal Care & Control creates safe and healthy communities for people and animals through shelter care and adoption, investigation of dangerous animal and animal cruelty cases, public education, issuance of agricultural permits and pet licenses, and enforcement of statutes and local ordinances.

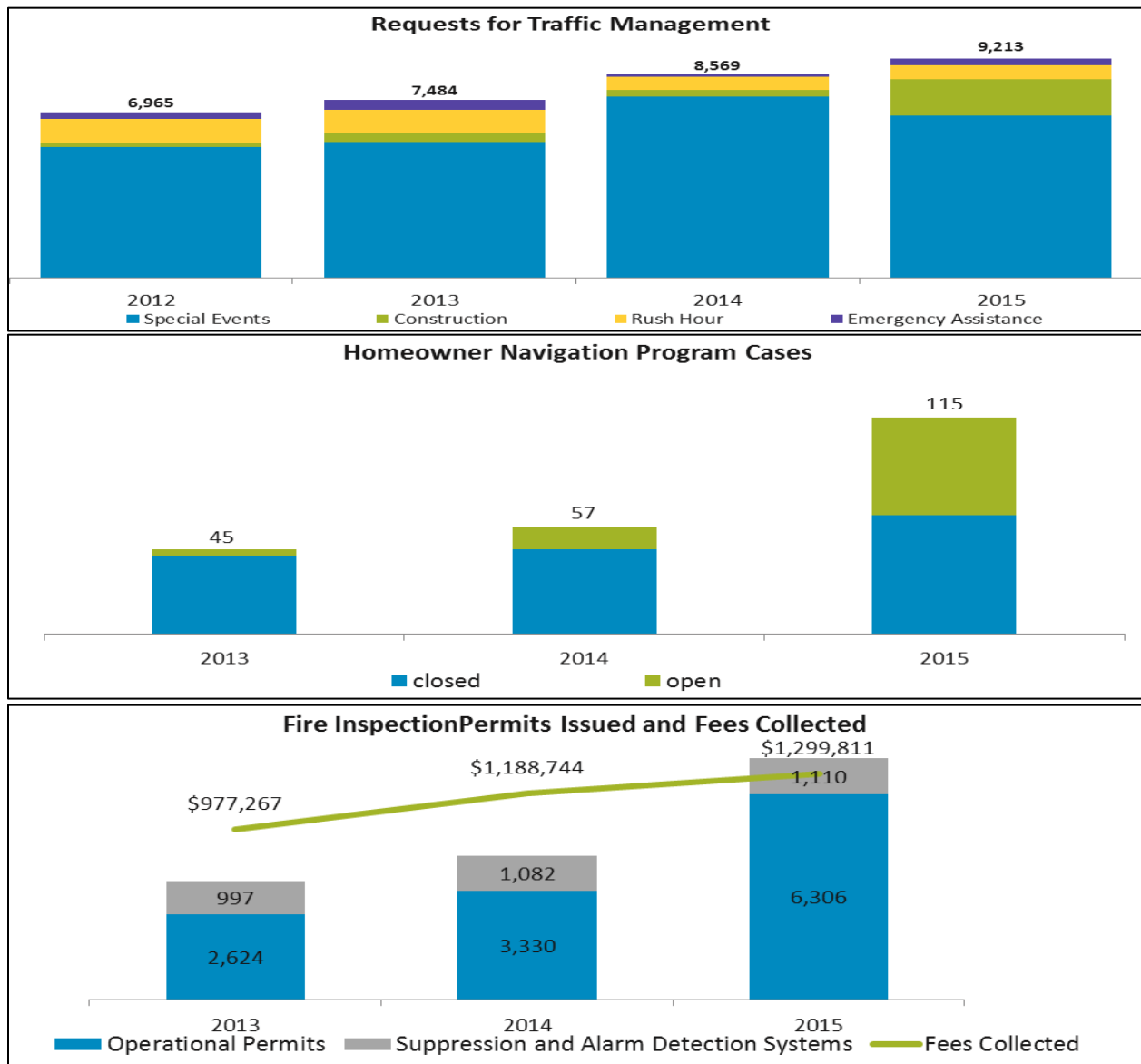
Administration

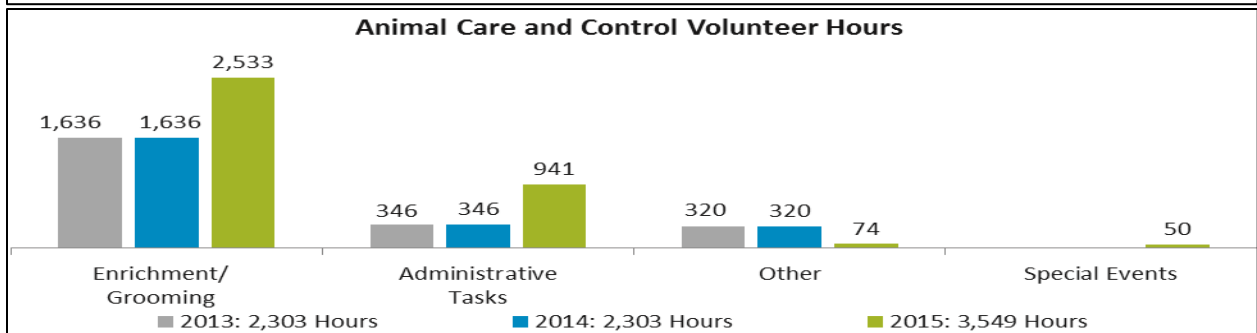
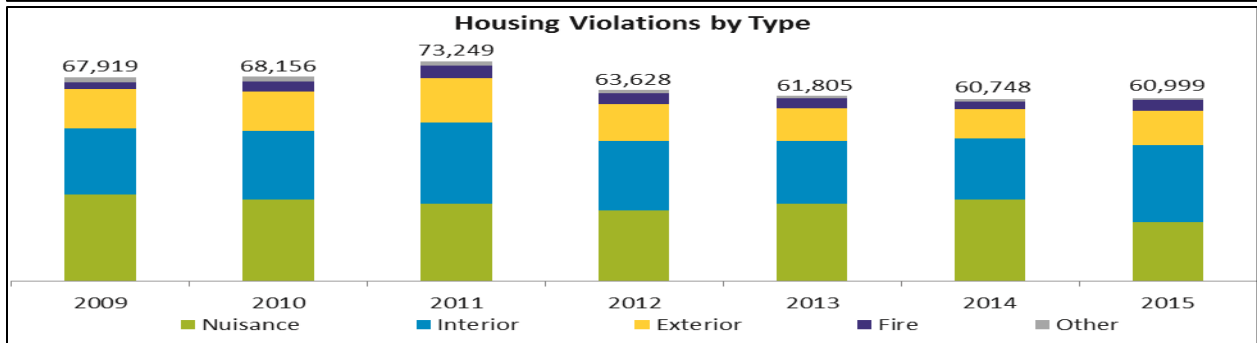
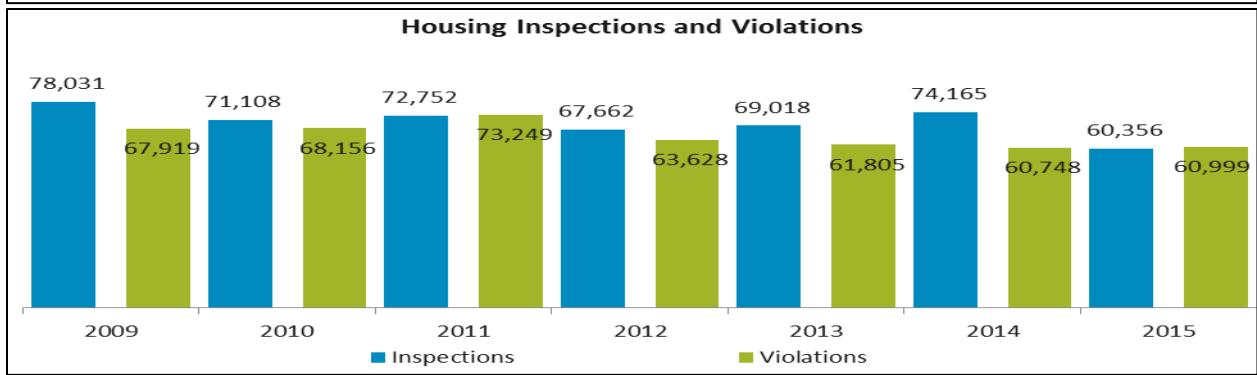
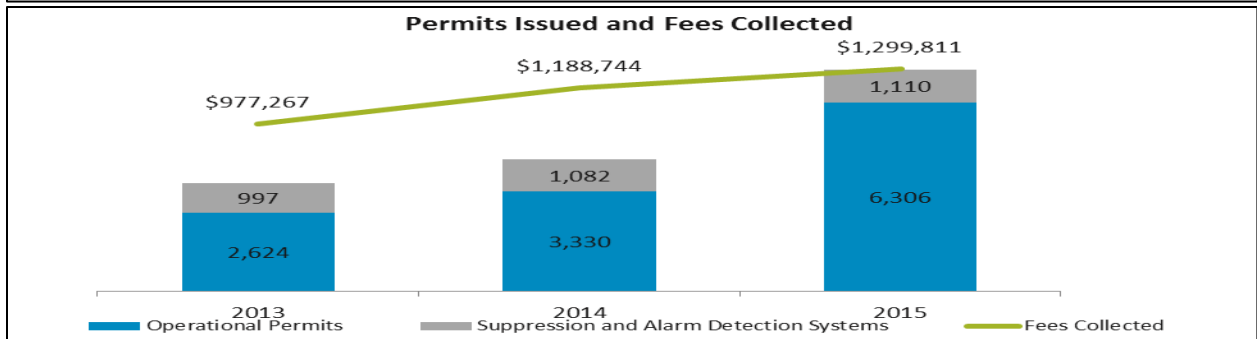
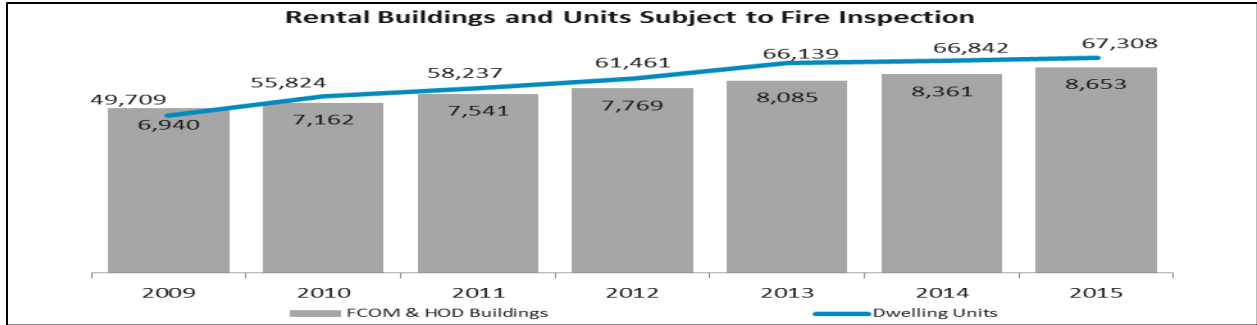
Regulatory Services administration includes both the Administration & Community Engagement division and the Operations division. These divisions manage administrative and operational policies and functions including customer service, community engagement, enterprise initiatives and data analysis functions for the department.

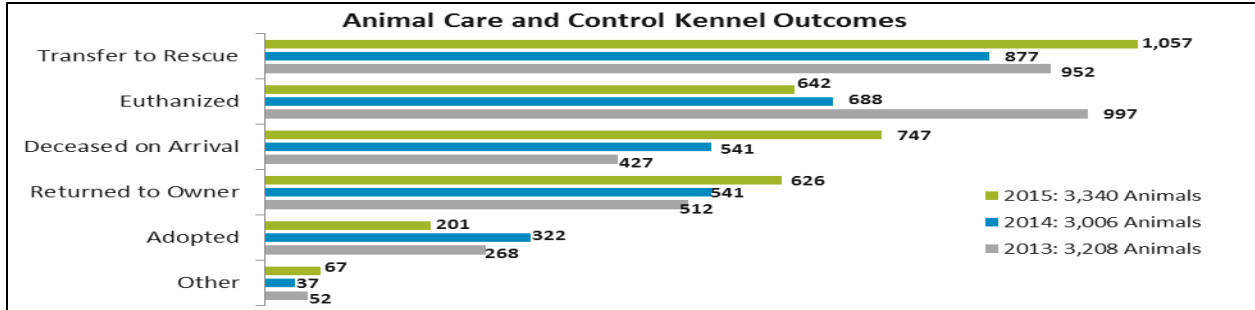
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES







Living Well

Minneapolis Animal Care & Control (MACC)

General Fund: \$3,482,613
Other Funds: \$75,000

Minneapolis Animal Care & Control has a dual focus on public safety and shelter care that allows for a holistic view of animal welfare. MACC works with MPD, City Attorney, and non-profit partners to address criminal conduct involving animals. MACC promotes sound animal welfare policies such as pet licenses and spay and neuter programs; impounding, kenneling and providing proper veterinary care for injured, stray or surrendered animals; and adopting out pets in search of forever homes. MACC also conducts rabies quarantines for all bites to humans involving animals.

Fire Inspection Services (FIS)

General Fund: \$2,969,757

Fire Inspection Services is responsible for managing all Fire Suppression/Protection Permits including plan review and site inspections, conducting commercial and residential inspections in partnership with the Minneapolis Fire Department and managing the City’s Hazardous Materials facilities inventory and inspections. FIS also reviews and inspects thousands of fire suppression systems and supports and answers complex fire code questions. FIS inspects high-occupancy residential dwelling units and conducts hundreds of commercial inspections annually.

Housing Inspections Services (HIS)

General Fund: \$4,297,159
Other Funds: \$4,007,749

HIS provides a range of programs and activities designed to ensure safe and quality properties. Mandated activities include enforcement of those portions of the International Property Maintenance Code pertaining to rental licensing, removal of hazardous structures and legal due process requirements for special assessments. HIS is responsible for managing the city’s housing stock through enforcement of licensing standards and consistent enforcement of the Housing Maintenance Code. It is also responsible for code enforcement in rental properties of 1-3 units and all vacant residential buildings, removing substandard housing through demolition activity and creating incentives to rehab vacant properties by using and managing redevelopment through restoration agreements.

Traffic Control (TC)

General Fund: \$5,430,526

Traffic Control provides parking enforcement and intersection control to assist traffic flow at intersections by providing for additional throughput on lights, allowing for additional turns and pedestrian movement. This allows for safer, more efficient traffic flow during rush hour, special

events, around construction sites and during emergencies and natural disasters. TC also coordinates with public works for street cleaning operations and snow emergencies. TC also responds to 311-reported parking violation and abandoned vehicle service requests.

Administration & Community Engagement

General Fund: \$930,176
Other Funds: \$637,042

This division is responsible for oversight and management of data quality, administrative enforcement, employee engagement and professional development and effective and equitable community outreach/ engagement. This includes the Homeowner Navigation program which works to identify the unique needs of our senior, disabled and low-income population as they work to meet compliance goals.

Operations

General Fund: \$1,956,435
Other Funds: \$454,418

This division provides department-wide leadership and support for budget, technology services, business planning, process improvement, analytics, finances, IT, space and workforce planning. It oversees the administrative hearing program and is responsible for coordination of projects, public policy process and implementation, committee actions and council process.

FINANCIAL ANALYSIS

Expenditure

For 2017, the Department of Regulatory Services budget is \$24.2 million, an increase of 2.1% over the 2016 budget of \$23.7 million. The General Fund portion of the department's budget is increasing by 1.9%, or \$0.3 million, reflecting routine inflationary operating increases and internal service charges. Special revenue funded expenditures are budgeted to increase by 2.8% for community engagement activities.

Revenue

Total revenues associated with Regulatory Services' activities are budgeted to decrease by 5.4% or \$1.0 million over the 2016 level. The projected General Fund revenue for 2016 is \$12.6 million, a decrease of 8.4% from 2016. The department's Special Revenue Funds revenues are projected to increase by 3.1%. Special Revenue Fund revenue is projected at \$5.0 million.

Fund Allocation

This department is funded primarily by the General Fund, with the remainder of the department's funding found in the special revenue funds.

Mayor's Recommended Budget

The Mayor recommended an additional ongoing General Fund appropriation of \$198,000 (2.0 FTE) for Minneapolis Animal Care and Control positions, additional \$120,000 (2.0 FTE) for Code Compliance and Traffic Control positions. The Mayor also recommended a one-time general fund appropriation of \$375,000 in Code Compliance and Traffic Control to increase service hours. The Mayor also recommended an ongoing reduction of \$120,000 to the Regulatory Services budget to support funding new initiatives.

Council Adopted Budget

The City Council approved the Mayor's recommendations.

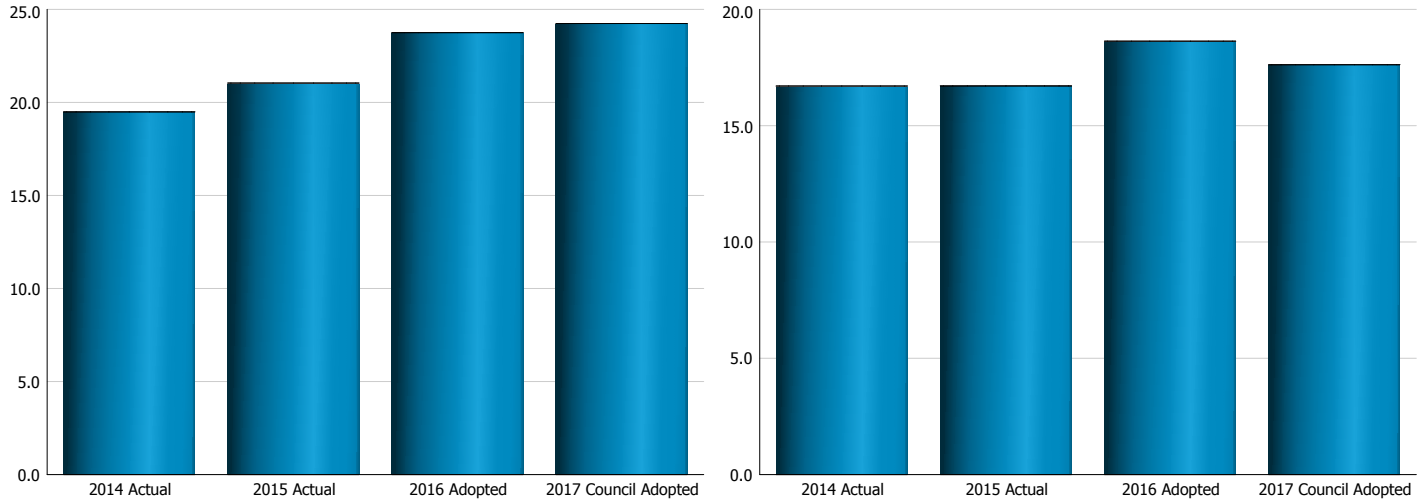
**REGULATORY SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	7,780,076	7,967,769	9,044,751	9,649,043	6.7%	604,292
FRINGE BENEFITS	3,230,763	3,186,639	3,941,403	4,058,849	3.0%	117,446
CONTRACTUAL SERVICES	2,912,724	3,642,080	3,858,714	3,812,965	-1.2%	(45,748)
OPERATING COSTS	1,700,775	1,569,949	1,097,296	1,170,809	6.7%	73,513
CAPITAL	113,000		775,000	375,000	-51.6%	(400,000)
TOTAL GENERAL	15,737,337	16,366,436	18,717,164	19,066,666	1.9%	349,502
SPECIAL REVENUE						
SALARIES AND WAGES	1,698,425	2,379,702	2,278,942	2,412,594	5.9%	133,652
FRINGE BENEFITS	621,154	887,110	752,007	975,563	29.7%	223,555
CONTRACTUAL SERVICES	1,191,119	1,188,523	1,531,558	1,299,267	-15.2%	(232,292)
OPERATING COSTS	42,670	82,944	45,929	61,785	34.5%	15,856
CAPITAL	201,295	135,368	425,000	425,000	0.0%	0
TOTAL SPECIAL REVENUE	3,754,663	4,673,647	5,033,437	5,174,209	2.8%	140,772
TOTAL EXPENSE	19,492,000	21,040,083	23,750,601	24,240,875	2.1%	490,274
REVENUE						
	2014 Actual	2015 Actual	2016 Adopted	2017 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	550,537	734,212	596,000	593,000	-0.5%	(3,000)
CONTRIBUTIONS	15				0.0%	0
FINES AND FORFEITS	5,171,464	4,704,782	5,319,500	4,998,000	-6.0%	(321,500)
LICENSE AND PERMITS	6,438,550	5,795,200	6,612,000	5,698,400	-13.8%	(913,600)
OTHER MISC REVENUES	197,164	198,368	286,000	201,000	-29.7%	(85,000)
SPECIAL ASSESSMENTS	922,078	1,209,976	941,000	1,102,500	17.2%	161,500
GENERAL	13,279,809	12,642,538	13,754,500	12,592,900	-8.4%	(1,161,600)
SPECIAL REVENUE						
CHARGES FOR SERVICES	147,003	109,132	146,000	125,000	-14.4%	(21,000)
CONTRIBUTIONS	77,897	160,727	25,000	25,000	0.0%	0
FINES AND FORFEITS	3,052		3,000		-100.0%	(3,000)
LICENSE AND PERMITS	156,801				0.0%	0
OTHER MISC REVENUES	4,763	48,559		50,000	0.0%	50,000
SPECIAL ASSESSMENTS	3,042,201	3,748,121	2,684,000	3,000,000	11.8%	316,000
STATE GOVERNMENT	(6,899)				0.0%	0
USE OF FUND BALANCE			2,020,155	1,828,299	-9.5%	(191,856)
SPECIAL REVENUE	3,424,817	4,066,539	4,878,155	5,028,299	3.1%	150,144
TOTAL REVENUE	16,704,627	16,709,077	18,632,655	17,621,199	-5.4%	(1,011,456)

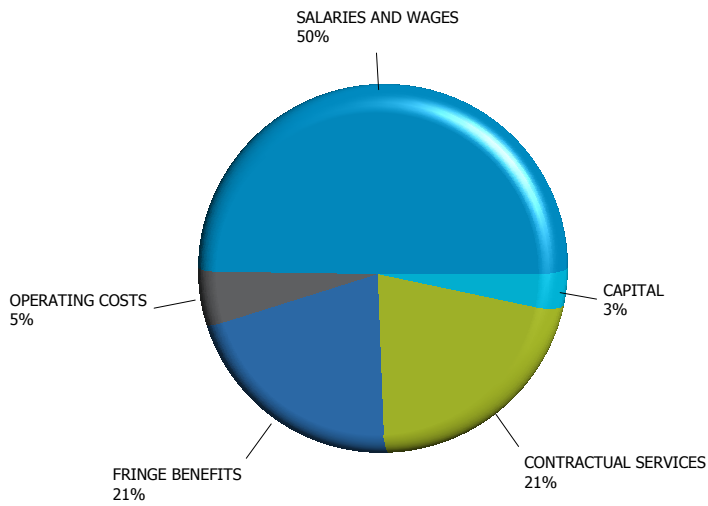
REGULATORY SERVICES EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

Revenue 2014 - 2017
In Millions



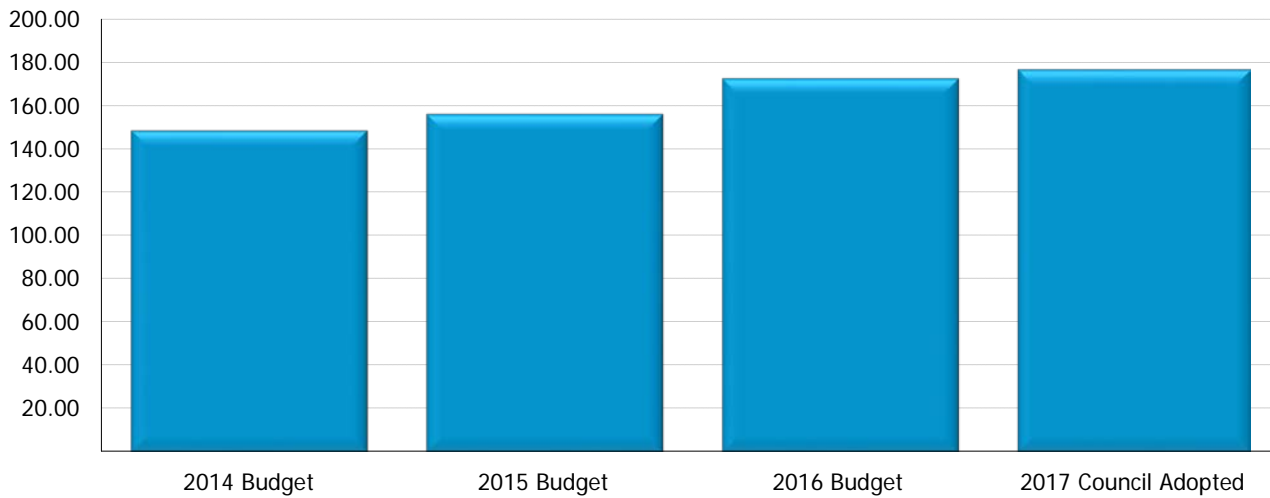
Expense by Category



REGULATORY SERVICES Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
ADMIN AND COMMUNITY ENGAGEMENT		11.50	13.00	13.00	0.0%	0
ADMINISTRATION	7.00	6.00				0
ANIMAL CONTROL	21.00	23.00	23.00	25.00	8.7%	2.00
FIRE INSPECTIONS	15.00	18.00	22.00	22.00	0.0%	0
HOUSING INSPECTIONS	49.00	36.00	45.00	45.00	0.0%	0
OPS & BUSINESS PROCESS IMPROVEMENT		8.00	16.00	16.00	0.0%	0
PROBLEM PROPERTIES	13.00	10.00	10.00	10.00	0.0%	0
TRAFFIC CONTROL	44.00	44.00	44.00	46.00	4.5%	2.00
Overall	149.00	156.50	173.00	177.00	2.3%	4.00

Positions 2014-2017



**City of Minneapolis
2017 Budget**

Table of Contents

Capital Program	Pages 432-515
Capital Budget Narrative Overview	433
Five-Year Capital Investment Allocation	446
Five-Year Capital Funding Summary	447
Five-Year PW Capital Summary (Public Works)	449
2017-2021 Council Adopted Capital Resources	450
2017 Bond Redemption Levy	450
Net Debt Bond Allocation	451
Capital Budget Summary	452
Capital Budget Detail for Funded Projects	456
2017-2021 Capital Program Descriptions	470
Operating Cost Implications for 2017 Projects	481
Capital Budget Decision Summary	506

City of Minneapolis
2017 – 2021 Capital Program
Capital Budget Narrative Overview

CAPITAL IMPROVEMENT BUDGET DEVELOPMENT

The City adopts a five-year capital improvement program (CIP) that is updated annually. Each year, City departments & independent boards and commissions prepare new and/or modify existing capital budget requests (CBRs). The CBRs are then reviewed by the Capital Long-Range Improvement Committee (CLIC) which is a citizen advisory committee to the Mayor and City Council. The CLIC process is facilitated by Finance & Property Services staff.

CLIC is comprised of 33 appointed members, including two members per Council Ward and seven at-large members appointed by the Mayor. The overall committee elects a Chair and Vice Chair. The committee functions with two programmatic task forces of approximately the same number of members. Each task force, “Transportation” and “Human Development”, 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 task force members receive and review all CBRs for their program areas as submitted by the various City departments, independent boards and commissions.

During several half-day or full-day meetings, departments and boards formally present their requests and offer explanations. Task force members then rate all proposals using a rating system with specific criteria and create a numerical ranking for each project. Highest-ranking projects are then balanced against proposed available resources by year to arrive at a five-year capital improvement program recommendation to the Mayor and City Council.

CLIC’s recommendations serve as the starting point 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, although appropriation is only adopted for the first year.

For this five-year plan covering years 2017 - 2021, there were 97 CBRs reviewed and rated. The total requested capital budget for the five years was \$810.34 million, not including the new Street Infrastructure and Neighborhood Park Funding Plan which was approved after CBR’s were due.

HIGHLIGHTS OF THE 2017-2021 COUNCIL ADOPTED CAPITAL IMPROVEMENT PROGRAM

Five-Year Capital Program Totals: For 2017 – 2021, the five-year capital program for City departments, independent boards and commissions totals \$926.95 million including all funding sources. The 2017 portion of this program is \$195.75 million. On April 29, 2016, the Mayor and City Council approved Ordinance 2016-031 and Resolution 2016R-151 establishing a new 20 year plan for expanded Street Infrastructure and Neighborhood Park funding. Of the \$926.95 million in this five-year plan, \$170.34 million is from the new expanded program and additional funding sources leveraged by this new plan. This budget demonstrates significant commitments to improve the City and Park Board infrastructure.

The table below provides a high level summary of the Council Adopted five-year capital program. Funding for individual projects can be found in the “Capital Budget Detail for Funded Projects” report later in this document.

Submitting Agency	Infrastructure Category	2017	2018	2019	2020	2021	Total	Percent of Total
Budget in Thousands								
PARK BOARD	NEIGHBORHOOD PARKS	13,223	12,489	12,743	12,691	13,380	64,526	6.96%
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE	65,868	83,390	98,197	101,043	94,298	442,796	47.77%
	UTILITY FEE BASED ENTERPRISES	71,570	83,558	65,780	57,650	52,490	331,048	35.71%
	Public Works Department Totals	137,438	166,948	163,977	158,693	146,788	773,844	83.48%
OTHER AGENCIES	CITY HALL, PUBLIC BLDGS, MISC.	45,085	21,650	8,455	12,020	1,370	88,580	9.56%
COUNCIL ADOPTED FIVE-YEAR CAPITAL PROGRAM		195,746	201,087	185,175	183,404	161,538	926,950	100.00%

Property Tax Supported Net Debt Bond Program:

The Net Debt Bond (NDB) program is funded by property tax revenue. As a result of increasing the NDB program for additional infrastructure improvements over the last several years and the new 20 year funding plan for streets and parks, the bond redemption levy will begin to show increases in 2018 and future years to support the additional debt service to be incurred. These increases are possible due to reduced pension costs, lower current debt levels and the decertification of the consolidated tax increment district in 2020 which will increase the tax capacity in 2021. These property tax supported bonds help to leverage many other funding sources in the five-year plan. Below are highlights of certain NDB totals (in millions) – individual project funding details are presented later in this document.

NDB Resources for Capital Improvements: The base NDB funding levels have been averaging approximately \$155 million for each five-year plan over the last three capital budget cycles. This budget increases the base amount for 2017 - 2021 to \$162.21 million in the five-year plan to continue significant improvements to the City’s infrastructure. In addition, the plan below reflects the portion of the Street Infrastructure & Neighborhood Park Plan that will be funded with NDB. The new higher NDB levels will improve all classes of City infrastructure with a greater emphasis on paving projects, pedestrian and bikeway connections, traffic safety, signage and lighting improvements, bridge improvements and significant additional park improvements. These additional resources are combined with municipal state aid, special assessments and grant funds. Total funding for individual projects can be found in the “Capital Budget Detail for Funded Projects” report later in this document.

\$ millions	2017	2018	2019	2020	2021	TOTAL
NDB Base Funding Totals	\$ 30.17	\$ 31.66	\$ 32.47	\$ 33.22	\$ 34.69	\$ 162.21
NDB Streets Infrastructure	\$ 5.20	\$ 6.20	\$ 7.50	\$ 9.50	\$ 10.10	\$ 38.50
NDB Neighborhood Parks	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 40.00
Total NDB by year	\$ 43.37	\$ 45.86	\$ 47.97	\$ 50.72	\$ 52.79	\$ 240.71

Street Infrastructure and Neighborhood Park Funding Plan: The new expanded funding for streets and neighborhood parks is included in this budget. The total dollar increases for the five-year plan have been broken out into several existing and new paving projects for the Street Infrastructure piece along with additional special assessments and municipal state aid adjustments as determined by the Public Works Department. For the Park Board, funds of \$8

million per year were added to the PRKCP Neighborhood Parks Capital Infrastructure project. The total resources added by funding source are summarized in the table below:

\$ millions	2017	2018	2019	2020	2021	TOTAL
NDB - Parks	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 40.00
NDB - Streets-all lines below	\$ 5.20	\$ 6.20	\$ 7.50	\$ 9.50	\$10.10	\$ 38.50
Stormwater Revenue	\$ 1.50	\$ 1.52	\$ 1.53	\$ 1.54	\$ 1.56	\$ 7.65
Transfer from Conv Ctr	\$ 6.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6.00
Transfer from Gen Fund	\$ 5.50	\$ 5.91	\$ 5.53	\$ 4.95	\$11.29	\$ 33.18
Transfer from Intergovtl Fund	\$ 3.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3.00
Transfer from Self Ins Fund	\$ 0	\$ 8.00	\$ 0	\$ 0	\$ 0	\$ 8.00
Transfer from Spec Rev Fund	\$ 0	\$ 0	\$ 7.50	\$ 6.50	\$ 0	\$ 14.00
Special Assessments	\$ 3.31	\$ 8.85	\$ 4.10	\$ 1.61	\$.74	\$ 18.61
Municipal State Aid	\$ -4.79	\$ 1.73	\$ 4.68	\$.07	\$ -.29	\$ 1.40
Total funding added by year	\$27.72	\$40.21	\$38.84	\$32.17	\$31.40	\$170.34

Public Works – NDB funding: The 2017 capital budget includes \$17.76 million in base NDB funding for Public Works projects and \$5.20 million in new Street Infrastructure NDB. Below is a summary of the 2017 - 2021 NDB allocation for Public Works infrastructure programs.

\$ millions	2017	2018	2019	2020	2021	TOTAL
NDB – Public Works base	\$ 17.76	\$ 20.17	\$ 22.99	\$ 19.22	\$ 30.86	\$ 111.00
NDB – Street Infrastructure	\$ 5.20	\$ 6.20	\$ 7.50	\$ 9.50	\$ 10.10	\$ 38.50
Total Public Works NDB	\$ 22.96	\$ 26.37	\$ 30.49	\$ 28.72	\$40.96	\$ 149.50

Neighborhood Parks NDB and Park Capital Levy funding: The 2017 – 2021 capital budget includes \$2.50 million of base NDB and \$8 million of new Neighborhood Parks NDB funding for each year. The 2017 budget includes \$10.5 million of net debt bonds, and \$2.42 million of park capital levy. Below is a summary of the total 2017 – 2021 funding for neighborhood parks capital improvements, excluding the Diseased Tree Program.

\$ millions	2017	2018	2019	2020	2021	TOTAL
NDB – Park Board base	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 12.50
NDB – Neighborhood Parks	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 40.00
Park Capital Levy	\$ 2.42	\$ 1.69	\$ 1.95	\$ 1.89	\$ 2.58	\$ 10.53
Total Neighborhood Parks	\$12.92	\$12.19	\$12.45	\$12.39	\$13.08	\$ 63.03

In addition to the neighborhood parks funding mentioned above, the Park Board also allocated an additional \$.92 million of Park Capital Levy funding for Parkway Street Light Replacement in this five-year capital plan. This project will be managed by the Public Works Department and will also utilize additional net debt bond funding.

NDB funding for Municipal Building Commission (MBC), Public Grounds & Facilities, and Miscellaneous Projects: The 2017 capital budget includes \$9.92 million in NDB funding for these categories. Projects include building improvements for Police, Fire and other City buildings, including City Hall, public safety radio system replacements and public art. These categories comprise 16.1% of the available NDB resources in the five-year plan. Below is a summary of the 2017 - 2021 NDB funding for MBC, Public Grounds & Facilities, and Miscellaneous projects, including Public Art at 1.5% of the total NDB in 2017.

\$ millions	2017	2018	2019	2020	2021	TOTAL
NDB – Other Agencies	\$ 9.92	\$ 8.99	\$ 6.98	\$ 11.50	\$ 1.32	\$ 38.71

Utility Fee/Rate Supported Capital: The 2017 - 2021 capital budget includes funding for sanitary and storm sewers and water infrastructure improvements which are supported by utility rates. Long-term financial plans are used to determine utility fees required to support operations and infrastructure costs. The table below does not include utility fund contributions of \$11.23 million over the five-year period for utility work performed as part of certain paving or bridge projects, most of which relates to storm sewer contributions on the new street infrastructure program. Utility Fees can be found in the Financial Schedules section of this book. Below is a summary of the Council Adopted capital program for these enterprises:

Submitting Agency	Infrastructure Category	2017	2018	2019	2020	2021	Total	Percent of Total
Budget in Thousands								
PUBLIC WORKS	UTILITY FEE BASED ENTERPRISES							
	SANITARY SEWERS	9,250	9,250	9,250	9,250	9,250	46,250	13.97%
	STORM SEWERS	14,250	24,878	24,330	25,750	27,250	116,458	35.18%
	WATER INFRASTRUCTURE	48,070	49,430	32,200	22,650	15,990	168,340	50.85%
	Public Works Utility Fee Based Totals	71,570	83,558	65,780	57,650	52,490	331,048	100.00%

Relationship between the Capital and Operating Budgets: As part of each capital budget request, submitting agencies identify whether the capital request will result in an increase or decrease in annual operating costs. Departments are instructed to manage operating cost increases or decreases within existing operating budget funding levels. More information about operating costs can be found in the “Operating Cost Implications for Approved 2017 Projects” report later in this document.

CITY DEBT

Minneapolis' total general obligation debt increased from \$643 million at 12/31/2015 to \$651 million at 12/31/2016.

In 2016, the City of Minneapolis issued bonds and notes totaling \$157.961 million. Of this amount, \$39.585 million of bonds and notes were issued to refund existing debt and \$118.376 million of general obligation bonds and notes were issued to finance new capital improvements. Below are details of the 2016 debt issuances.

In December 2015, the City issued a \$25.00 million Tax-Exempt General Obligation Note, Series 2015A to US Bank to finance a portion of the costs of a complete renovation of the Nicollet Mall roadway and streetscape in downtown Minneapolis. The note was issued on December 18, 2015 to provide up to 24 months of drawdown flexibility for the project to reimburse expenses on a

monthly basis during construction. Upon completion, or no later than December 18, 2017, this note will be taken out with a general obligation fixed rate bond financing. The fixed rate bonds will be paid for with special assessments levied on benefitting property owners in a broad section of the downtown area. The special assessments will begin in 2017. The tax-exempt note is in variable rate mode and accrues interest based on the weekly SIFMA index plus a bank spread. Upon closing on December 18th, 2015, the City completed the first reimbursement draw for \$5.00 million. During 2016, the City completed additional draws of \$3.50 million on this note.

In December 2015, the City also issued a \$18.70 million Tax-Exempt General Obligation Note, Series 2015B to US Bank to finance a variety of capital construction projects such as streets, bridges, traffic control, park projects, and municipal building projects. The note was issued on December 18, 2015 and has a maximum three-year term. It is the City's intent to complete all draws within 24 months to reimburse project expenses on a monthly basis during construction. The tax-exempt note is in variable rate mode and accrues interest based on the weekly SIFMA index plus a bank spread. Upon closing on December 18th, 2015, the City completed the first reimbursement draw for \$15.00 million. During 2016, the City completed additional draws of \$3.70 million and paid off \$18.00 million on this note leaving a \$.70 million liability on the City's books as of December 31, 2016.

In December 2015, the City also issued a \$6.30 million Tax-Exempt General Obligation Note, Series 2015C to US Bank. The proceeds of this note were received on January 19, 2016 and were used on this same day to refund the 2018 – 2021 callable maturities of the City's General Obligation Various Purpose Refunding Bonds, Series 2005B totaling \$6.24 million. A portion of the proceeds were used to pay the accrued interest on the callable maturities from December 1, 2015 to January 19, 2016 and to pay costs of issuing the note. The tax-exempt note is in variable rate mode and will accrue interest based on the weekly SIFMA index plus a bank spread. This note will have a three-year term expiring on December 18, 2018 and may be extended. The note has maturities structured from 2018 – 2021 corresponding to the refunded bonds. Since this note is in variable rate mode, it is not possible to determine the refunding savings generated. The full \$6.30 million is outstanding on the City's books as of December 31, 2016.

In March 2016, the City issued a \$74.00 million Taxable General Obligation Sales Tax Note (Target Center Project), Series 2016 to Wells Fargo Bank, National Association to finance the City's share of the re-construction and upgrade of the Target Center Arena in downtown Minneapolis. The other funding partners include \$49.00 million from the Minnesota Timberwolves Basketball Limited Partnership; a Minnesota limited partnership and \$5.9 million from AEG Management TWN, LLC, the manager of the facility. The note was issued on March 23, 2016 and will provide up to 364 days of drawdown flexibility for the project to reimburse a proportionate share of expenses on a monthly basis during construction. The City and the bank may agree to extend the drawdown facility but the note matures on March 23, 2018. The City intends to complete a general obligation fixed rate bond financing to take out the note sometime before the maturity date. The general obligation note and general obligation fixed rate bonds will be paid for with local sales tax revenue. During 2016, the City completed draws totaling \$25.066 million on this note. The taxable note is in variable rate mode and accrues interest based on the weekly LIBOR index rate plus a bank spread. The interest rate at the inception of the note was .65%.

In October 2016, the City issued \$119.395 million of General Obligation Improvement and Various Purpose Bonds, Series 2016. These bonds were issued for a variety of purposes including \$7.185 million for special assessment projects related to street reconstruction and resurfacing, \$46.675 million for a variety of capital infrastructure improvements, \$20.75 million for

sanitary sewer improvements, \$11.50 million for water infrastructure improvements, \$28.845 million to refund the General Obligation Various Purpose Bonds, Series 2009 dated May 21, 2009 and \$4.44 million to refund the General Obligation Various Purpose Refunding Bonds, Series 2009B dated November 19, 2009. The bonds were dated October 20, 2016 and were issued with fixed interest rates at 2% and a final maturity date of December 1, 2026. Details of the refunding portions of this bond sale follow.

For the \$28.845 million of refunding bonds associated with the General Obligation Various Purpose Bonds, Series 2009, there were two business purposes included. For the City's Parking Ramp operation, refunding bonds of \$17.60 million were issued and generated a bond premium of \$.368 million. These proceeds after paying an underwriter discount were used on December 1, 2016 to pay off \$17.95 million of refunded bonds. The City realized aggregate debt service savings of \$1.595 million and an economic gain of \$1.901 million or 9.42% net present value savings on the refunded bonds debt service. For the City's Water Enterprise, refunding bonds of \$11.245 million were issued and generated a bond premium of \$.267 million. These proceeds after paying an underwriter discount were used on December 1, 2016 to pay off \$11.50 million of refunded bonds. As a result of this portion of the refunding with a two year shorter maturity structure, the City realized aggregate debt service savings of \$2.819 million and an economic gain of \$2.08 million or 15.33% net present value savings on the refunded bonds debt service.

For the \$4.44 million of refunding bonds associated with the General Obligation Various Purpose Bonds, Series 2009B, the City received a \$.085 bond premium. The proceeds after paying an underwriter discount were used on December 1, 2016 to pay off \$4.44 million of refunded bonds. The City realized aggregate debt service savings of \$.592 million and an economic gain of \$.565 million or 11.12% net present value savings on the refunded bonds debt service.

Minnesota Public Facilities Authority Notes

The City has entered into six general obligation notes with the Minnesota Public Facilities Authority (PFA) to finance the City's drinking water ultra-filtration project and new filter presses project. The notes are part of a federally sponsored below market financing program related to the Safe Drinking Water Act and the City saves 1.5% on interest costs by participating in the program. The interest rates on the six notes range from 1.00% - 2.83% and the final maturity dates range from 8/20/19 to 8/20/27. The City received proceeds totaling \$104.188 million over the years and at December 31, 2016, the outstanding debt balance of the six general obligation notes in this program is \$71.52 million.

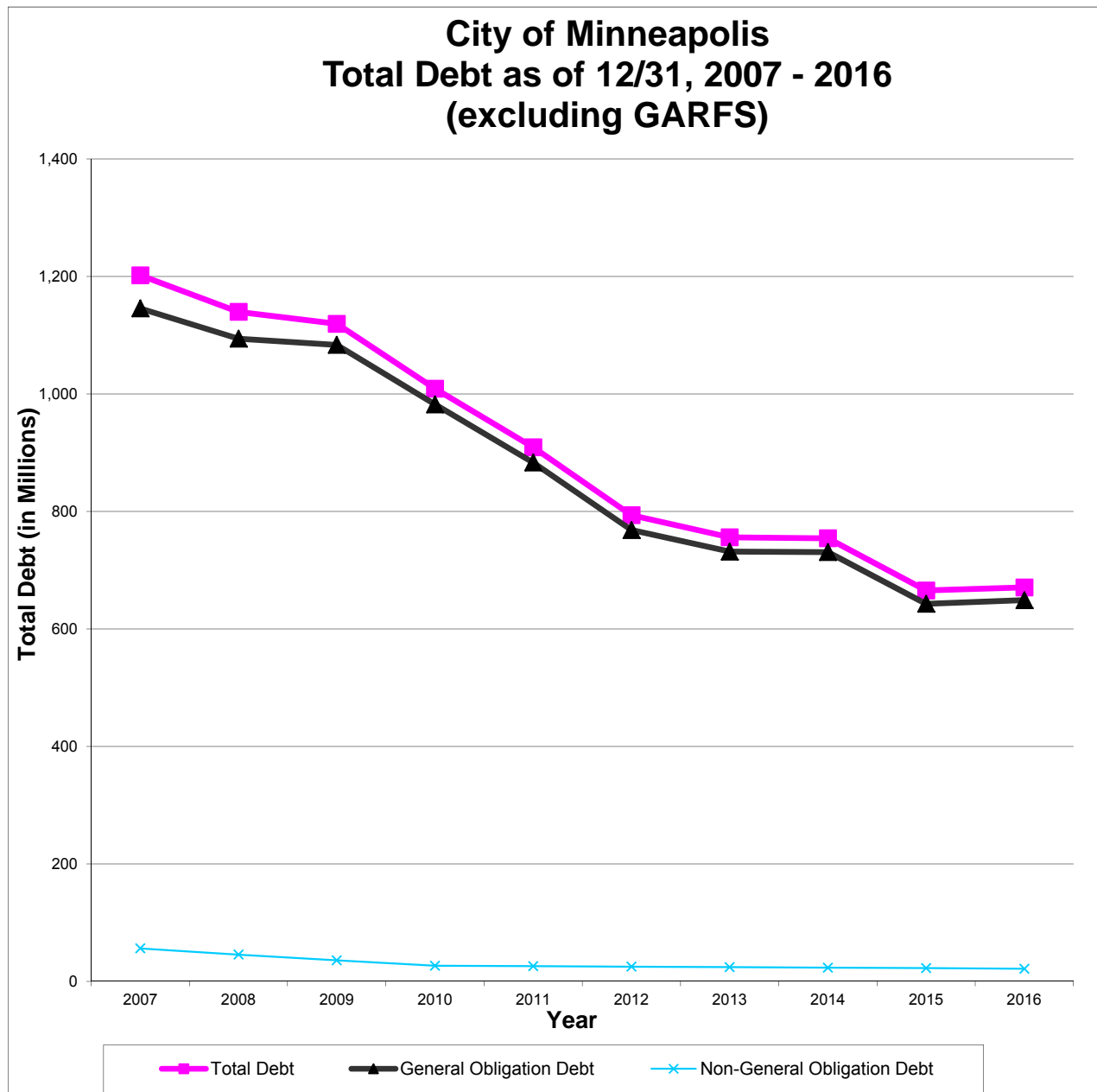
Discrete Component Unit Debt

Due to current debt issuance policies, the City issues debt on behalf of the Minneapolis Park & Recreation Board and the Municipal Building Commission and previously issued debt for the Minneapolis Library Board. The Minneapolis Public Library System was merged into the Hennepin County Library System on January 1, 2008. As of December 31, 2016, \$92.52 million of the outstanding governmental debt is related to activities of these discretely presented component units and is reported within the debt balances of the primary government. Of this balance, \$66.94 million is related to library improvements transferred to the Hennepin County Library System. The capital assets purchased with funds obtained from this debt issuance are held by the respective discrete component units and are reported with their capital assets on the Statement of Net Position, with the exception of the library assets now held by Hennepin County.

DEBT TRENDS

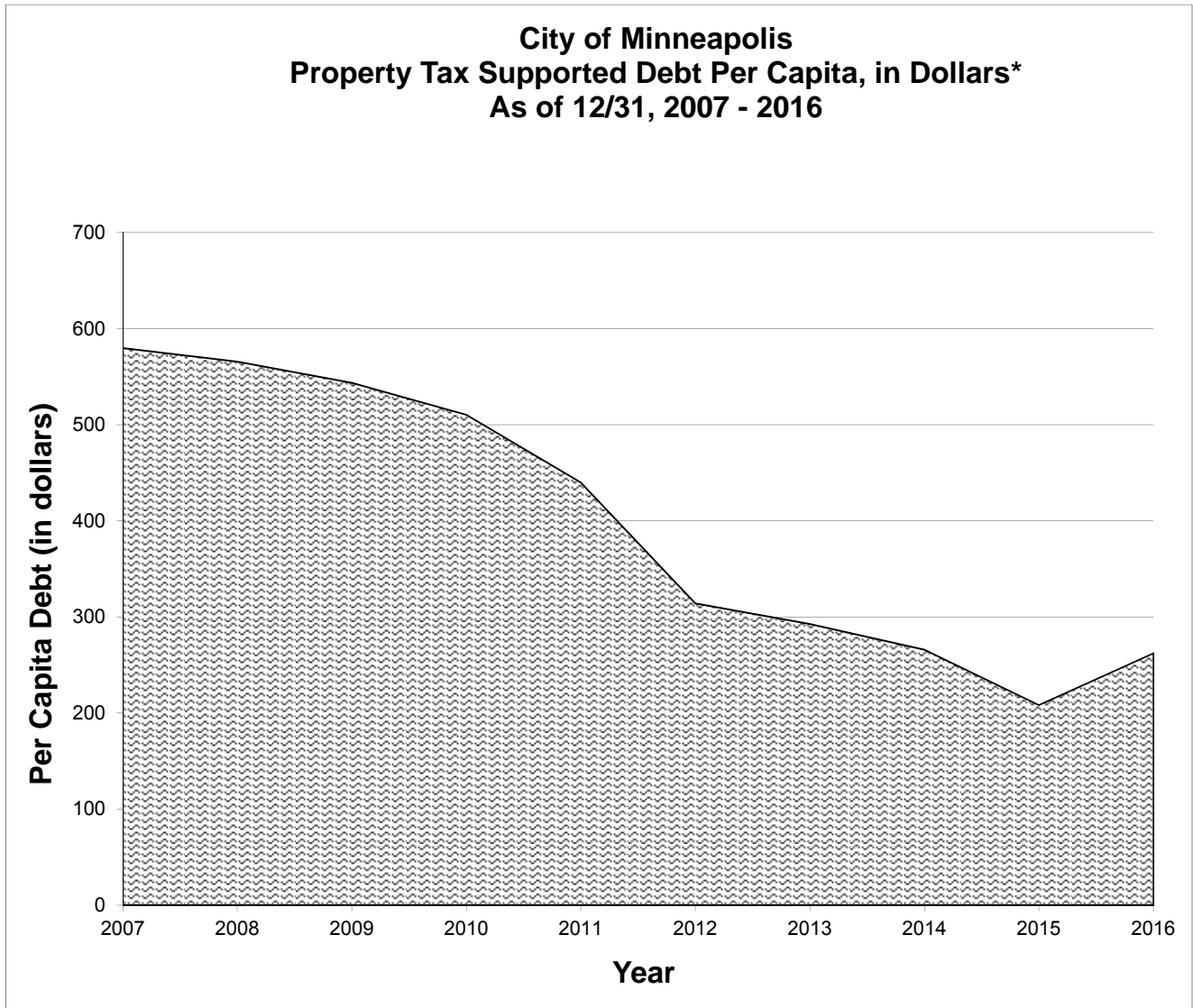
Management of the City's debt involves consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes of the charts below, \$76.3 million of General Agency Reserve Fund System (GARFS or common bond fund) bonds are not included as City Debt.

The accompanying chart shows a ten-year history of the total City debt level for years 2007 – 2016. The total includes general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which includes tax increment backed revenue bonds and notes.



PER CAPITA DEBT

The chart below shows changes in general obligation debt per capita over the past decade for the portion of the City's debt paid for with property taxes. From 2002 to 2006, the City issued significant property tax supported debt to fund the Library Referendum capital program and to pay unfunded pension obligations resulting in a spike in the debt per capita. The reductions from 2006 to 2013 are partially due to the City using one-time resources to accelerate the pay down of all categories of property tax supported debt including infrastructure, library referendum and pension bonds. All pension bonds were paid off in 2012. In October 2016, there was a large issuance of infrastructure bonds which contributed to the spike up.

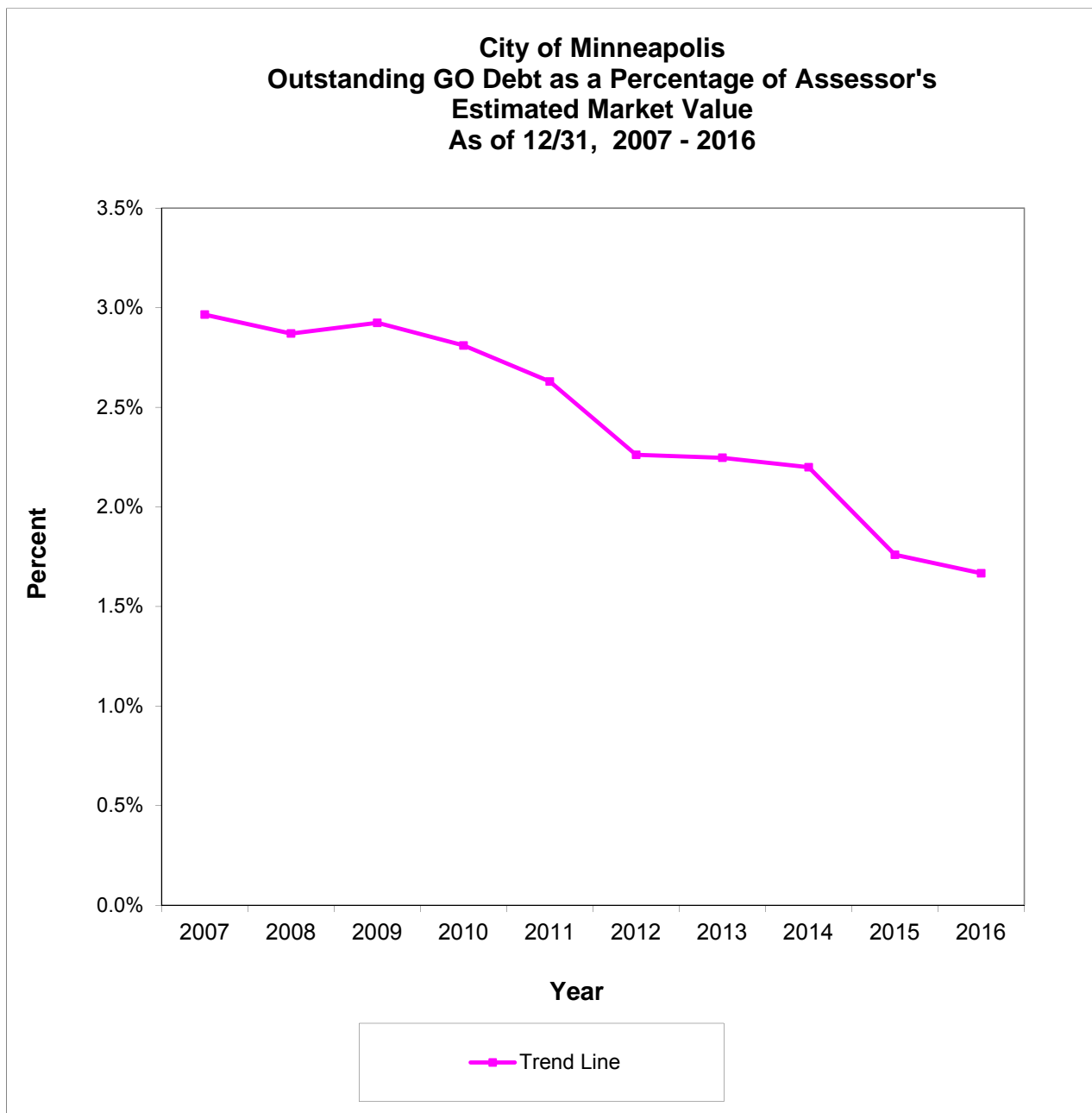


* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Funding from self-supporting enterprises of the City offset a portion of the property tax supported pension related debt included above. Population figures used in this graph come from the official census in 2010 or from data provided by the Metropolitan Council for the later years.

DEBT CAPACITY – TOTAL DEBT

A primary goal of the City's debt management effort is to maintain the ability to incur debt at low interest rates without endangering the ability to finance essential City services.

One key management ratio used in monitoring the City's debt is total general obligation (GO) debt outstanding as a percent of estimated market value of Minneapolis' taxable property. The ratio of outstanding GO debt to taxable market value has remained below three percent since 2007 even though property values declined over \$6 billion from 2008 to 2013. During this difficult period, the trend line benefitted from a reduction of \$414 million in Total Debt applicable to the calculation. Property values have now recovered from the recession and new development has created significant additional market value while debt has continued to be reduced which is contributing to the improvement in the ratio for 2014 to 2016.



COMPUTATION OF THE CITY'S LEGAL DEBT MARGIN

The following is the computation of the estimated legal debt margin as of December 31, 2016. This calculation determines the maximum statutory limit of general obligation debt that can be issued by the City and be funded by property taxes.

		Dollars in Thousands
Real Property (2016 Market Value)	\$	39,881,277
Personal Property (2016 Market Value)		415,403
Adjustment for Exempt Personal Property (1966 Market Value)		298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution		(65,133)
Total Assessed Value		40,529,577
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	\$	1,350,986
General Obligation Bonds Subject to Debt Limit:		
Supported by Property Tax Levy		115,315
Supported by Special Assessments:		
Park Diseased Trees		560
Self-Supporting (Supported by Internal User Charges):		
Park Board - Land for athletic fields & energy efficiency		12,050
Public Works Fleet and Equipment		11,330
Property Services Fund		1,640
Total General Obligation Bonds Subject to Debt Limit		140,895
Less: Estimated Assets in Debt Service Fund at 12/31/16		(30,180)
Total Debt Applicable to Debt Limit		110,715
Legal Margin for New Bonds Subject to Debt Limit	\$	1,240,271

SUMMARY OF OUTSTANDING CITY DEBT

Long-term liabilities (in thousands) at December 31, 2016 are detailed below.

	Balance 1/1/2016	Additions	Retirements	Balance 12/31/2016	Amounts Due Within One Year
Governmental activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds*	\$ 90,165	\$ 46,175	\$ 21,725	\$ 114,615	\$ 52,965
Property Tax Supported GO Notes*	15,000	3,700	18,000	700	700
Self-Supporting GO Bonds	190,775	-	21,920	168,855	22,590
Self-Supporting GO Notes	-	25,066	-	25,066	-
GO Improvement Bonds	34,293	12,125	11,242	35,176	7,801
GO Improvement Notes	5,000	3,500	-	8,500	1,000
Tax Increment GO Bonds	76,355	-	13,675	62,680	4,915
Tax Increment GO Notes	3,650	-	440	3,210	460
Revenue Bonds	22,710	-	1,085	21,625	1,320
Revenue Notes	13,695	-	9,580	4,115	410
Internal Service Fund Related GO Bonds	16,005	-	3,035	12,970	3,160
Total Governmental Bonds and Notes	467,648	90,566	100,702	457,512	95,321
Business-type activities:					
<u>Bonds and Notes</u>					
Stormwater Fund GO Bonds	2,500	-	2,500	0	-
Sanitary Sewer Fund GO Bonds	5,800	20,750	2,000	24,550	2,700
Water Fund GO Bonds	21,475	22,745	16,530	27,690	6,235
Water Fund GO Note	75,870	-	4,360	71,520	6,530
Municipal Parking Fund GO Bonds	67,487	17,600	32,878	52,209	4,389
Municipal Parking Fund GO Notes	38,545	6,300	1,375	43,470	1,475
CPED Related Non-GO Bonds					
General Agency Reserve Fund System Bonds	84,790	-	8,475	76,315	3,380
Total Bonds and Notes	296,467	67,395	68,108	295,754	24,709
Grand Total Bonds & Notes	\$ 764,115	\$ 157,961	\$ 168,810	\$ 753,266	\$ 120,030

* This category includes debt issued for the City's general infrastructure capital program and the library referendum.

AMORTIZATION OF OUTSTANDING GOVERNMENTAL CITY DEBT

As of December 31, 2016, annual debt service requirements for Governmental activities* (in thousands) to maturity follows:

Year Ending	Bonds		Notes	
	Principal	Interest	Principal	Interest
Dec 31:				
2017	\$ 89,591	\$ 12,649	\$ 2,570	\$ 1,329
2018	58,825	10,581	6,925	1,243
2019	61,505	8,992	6,985	1,026
2020	43,640	7,222	7,045	806
2021	14,510	5,700	7,105	584
2022 – 2026	70,365	20,446	10,961	573
2027 – 2031	18,890	12,223	-	-
2032 – 2036	13,420	9,017	-	-
2037 – 2041	18,070	5,478	-	-
2042 – 2044	14,135	1,010	-	-
Total	\$ 402,951	\$ 93,317	\$ 41,591	\$ 5,561

Year Ending	Internal Service Fund Bonds		Total Governmental Activity Bonds & Notes	
	Principal	Interest	Principal	Interest
Dec 31:				
2017	\$ 3,160	\$ 386	\$ 95,321	\$ 14,364
2018	9,810	294	75,560	12,118
2019	-	-	68,490	10,018
2020	-	-	50,685	8,028
2021	-	-	21,615	6,284
2022 – 2026	-	-	81,326	21,019
2027 – 2031	-	-	18,890	12,223
2032 – 2036	-	-	13,420	9,017
2037 – 2041	-	-	18,070	5,478
2042 – 2044	-	-	14,135	1,010
Total	\$ 12,970	\$ 680	\$ 457,512	\$ 99,559

* Governmental activities include the basic infrastructure assets required to provide services to the residents such as parks, libraries, streets, roads, bridges, traffic signals, street lighting, police and fire stations, public buildings, technology platforms, fleet equipment, etc. Governmental activities are supported by property taxes, other governmental aids and other general revenues.

AMORTIZATION OF OUTSTANDING BUSINESS TYPE CITY DEBT

As of December 31, 2016, annual debt service requirements for Business-type activities* (in thousands) to maturity follows:

Year Ending	Bonds		Notes		Total		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Dec 31:								
2017	\$ 16,704	\$ 6,992	\$ 8,005	\$ 2,998	\$ 24,709	\$ 9,990		
2018	14,180	6,331	9,550	2,791	23,730	9,122		
2019	15,585	5,937	9,845	2,540	25,430	8,477		
2020	15,485	5,505	10,240	2,282	25,725	7,787		
2021	15,540	5,068	8,755	2,009	24,295	7,077		
2022 – 2026	64,635	18,886	34,945	7,100	99,580	25,986		
2027 – 2031	15,945	11,310	21,230	2,398	37,175	13,708		
2032 – 2036	17,425	6,358	6,120	274	23,545	6,632		
2037 – 2040	11,565	1,559	-	-	11,565	1,559		
Total	\$ 187,064	\$ 67,946	\$ 108,690	\$ 22,392	\$ 295,754	\$ 90,338		

* Business-type activities include those City functions that operate similar to a private business such as Water, Stormwater and Sanitary Sewer Services, Solid Waste and Recycling and Parking Ramps. Business-type activities are supported by user fees charged for services provided. Business activities also include some economic development activities that help spur private development, the debt of which is paid for by the private businesses benefited.

Budget in Thousands

Submitting Agency	2017	2018	2019	2020	2021	Total	% of Total
MUNICIPAL BUILDING COMMISSION	8,545	3,110	3,020	1,070	100	15,845	1.71%
PARK BOARD	13,223	12,489	12,743	12,691	13,380	64,526	6.96%
PUBLIC WORKS DEPARTMENT	137,438	166,948	163,977	158,693	146,788	773,844	83.48%
PUBLIC GROUNDS & FACILITIES	25,387	18,065	4,950	10,450	750	59,602	6.43%
MISCELLANEOUS PROJECTS	11,153	475	485	500	520	13,133	1.42%
Total	195,746	201,087	185,175	183,404	161,538	926,950	100.00%

Public Works Department Breakdown

Budget in Thousands

Infrastructure Category	2017	2018	2019	2020	2021	Total	% of Total
STREET PAVING	50,426	64,609	85,071	63,063	74,378	337,547	36.41%
SIDEWALKS	3,830	4,040	4,250	4,460	4,670	21,250	2.29%
BRIDGES	3,090	4,445	400	24,155	3,890	35,980	3.88%
TRAFFIC CONTROL & STREET LIGHTING	6,672	8,896	6,936	7,025	7,825	37,354	4.03%
BIKE - PED PROJECTS	1,850	1,400	1,540	2,340	3,535	10,665	1.15%
SANITARY SEWERS	9,250	9,250	9,250	9,250	9,250	46,250	4.99%
STORM SEWERS	14,250	24,878	24,330	25,750	27,250	116,458	12.56%
WATER INFRASTRUCTURE	48,070	49,430	32,200	22,650	15,990	168,340	18.16%
Total	137,438	166,948	163,977	158,693	146,788	773,844	83.48%

Five-Year Capital Funding Summary

Council Adopted Budget

General Infrastructure Funding Summary	Budget in Thousands					Total
	2017	2018	2019	2020	2021	
Convention Center Revenue	10,500	0	0	0	0	10,500
Federal Grants	1,640	3,075	12,700	7,000	5,985	30,400
Hennepin County Grants	4,595	2,155	1,950	1,050	400	10,150
Municipal State Aid	4,820	10,400	14,580	9,800	9,800	49,400
Net Debt Bonds	43,375	45,860	47,970	50,715	52,785	240,705
Other Local Govts	121	0	1,000	0	2,000	3,121
Park Capital Levy	2,485	13,220	2,274	1,891	2,580	22,450
Private Contributions	0	0	0	0	0	0
Reimbursements	4,100	4,100	4,100	4,100	4,100	20,500
Special Assessments	15,395	23,070	19,645	14,330	18,550	90,990
State Grants	0	0	0	21,885	0	21,885
Transfer from Conv Ctr	6,000	0	0	0	0	6,000
Transfer from General Fund	5,500	5,909	5,526	4,953	11,287	33,175
Transfer from Intergovtl Fund	3,000	0	0	0	0	3,000
Transfer from Self Ins Fund	0	8,000	0	0	0	8,000
Transfer from Special Revenue Funds	0	0	7,500	6,500	0	14,000
Transfer from Stormwater Fund	1,500	1,515	1,530	1,545	1,561	7,651
Total General Infrastructure Funding	103,031	117,304	118,775	123,769	109,048	571,927

Enterprise Fund Capital Funding Summary	Budget in Thousands					Total
	2017	2018	2019	2020	2021	
Other Local Govts	0	6,783	5,525	0	0	12,308
Parking Bonds	5,400	0	0	0	0	5,400
Reimbursements	5,000	5,000	5,000	5,000	5,000	25,000
Sanitary Bonds	7,250	9,750	7,250	7,250	7,250	38,750
Sanitary Revenue	1,000	1,000	1,000	1,000	1,000	5,000
Solid Waste Bonds	15,000	0	0	0	0	15,000
Stormwater Bonds	0	5,000	3,500	9,500	10,500	28,500
Stormwater Revenue	12,965	13,820	13,905	16,235	14,750	71,675
Water Bonds	32,820	31,080	17,750	8,100	1,340	91,090
Water Revenue	13,280	11,350	12,470	12,550	12,650	62,300
Total Enterprise Fund Capital Funding	92,715	83,783	66,400	59,635	52,490	355,023

City-Wide Capital Funding Summary	Budget in Thousands					Total	Breakdown
	2017	2018	2019	2020	2021		
Enterprise Bonds	60,470	45,830	28,500	24,850	19,090	178,740	19.28%
Enterprise Revenue	27,245	26,170	27,375	29,785	28,400	138,975	14.99%
Municipal State Aid	4,820	10,400	14,580	9,800	9,800	49,400	5.33%

Five-Year Capital Funding Summary

Council Adopted Budget

City-Wide Capital Funding Summary	Budget in Thousands					Total	Breakdown
	2017	2018	2019	2020	2021		
Net Debt Bonds	43,375	45,860	47,970	50,715	52,785	240,705	25.97%
Other	44,441	49,757	47,105	53,924	32,913	228,140	24.61%
Special Assessments	15,395	23,070	19,645	14,330	18,550	90,990	9.82%
Total City-Wide Capital Program Funding	195,746	201,087	185,175	183,404	161,538	926,950	100.00%

Five-Year Capital Funding Summary (Public Works)

Council Adopted Budget

General Infrastructure Funding Summary	Budget in Thousands					Total
	2017	2018	2019	2020	2021	
Federal Grants	1,640	3,075	12,700	7,000	5,985	30,400
Hennepin County Grants	330	495	475	525	350	2,175
Municipal State Aid	4,820	10,400	14,580	9,800	9,800	49,400
Net Debt Bonds	22,955	26,370	30,490	28,720	40,965	149,500
Other Local Govts	121	0	1,000	0	2,000	3,121
Park Capital Levy	62	531	331	0	0	924
Reimbursements	4,100	4,100	4,100	4,100	4,100	20,500
Special Assessments	15,095	22,770	19,345	14,030	18,250	89,490
State Grants	0	0	0	21,885	0	21,885
Transfer from Conv Ctr	6,000	0	0	0	0	6,000
Transfer from General Fund	5,500	5,909	5,526	4,953	11,287	33,175
Transfer from Intergovtl Fund	3,000	0	0	0	0	3,000
Transfer from Self Ins Fund	0	8,000	0	0	0	8,000
Transfer from Special Revenue Funds	0	0	7,500	6,500	0	14,000
Transfer from Stormwater Fund	1,500	1,515	1,530	1,545	1,561	7,651
Total General Infrastructure Funding	65,123	83,165	97,577	99,058	94,298	439,221

Enterprise Fund Capital Funding Summary	Budget in Thousands					Total
	2017	2018	2019	2020	2021	
Other Local Govts	0	6,783	5,525	0	0	12,308
Reimbursements	5,000	5,000	5,000	5,000	5,000	25,000
Sanitary Bonds	7,250	9,750	7,250	7,250	7,250	38,750
Sanitary Revenue	1,000	1,000	1,000	1,000	1,000	5,000
Stormwater Bonds	0	5,000	3,500	9,500	10,500	28,500
Stormwater Revenue	12,965	13,820	13,905	16,235	14,750	71,675
Water Bonds	32,820	31,080	17,750	8,100	1,340	91,090
Water Revenue	13,280	11,350	12,470	12,550	12,650	62,300
Total Enterprise Fund Capital Funding	72,315	83,783	66,400	59,635	52,490	334,623

Public Works Capital Funding Summary	Budget in Thousands					Total	Breakdown
	2017	2018	2019	2020	2021		
Enterprise Bonds	40,070	45,830	28,500	24,850	19,090	158,340	20.46%
Enterprise Revenue	27,245	26,170	27,375	29,785	28,400	138,975	17.96%
Municipal State Aid	4,820	10,400	14,580	9,800	9,800	49,400	6.38%
Net Debt Bonds	22,955	26,370	30,490	28,720	40,965	149,500	19.32%
Other	27,253	35,408	43,687	51,508	30,283	188,139	24.31%
Special Assessments	15,095	22,770	19,345	14,030	18,250	89,490	11.56%
Total Public Works Capital Program Funding	137,438	166,948	163,977	158,693	146,788	773,844	100.00%

2017 - 2021 Council Adopted Capital Resources For Property Tax Supported (Net Debt) Bond Program

<u>Recommended Resources by Category</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Totals</u> (000's)
Available Resources:						
2017 - 2021 Base NDB Program	30,175	31,660	32,470	33,215	34,685	162,205
Street Infrastructure and Neighborhood Park Funding Plan:						
Street Infrastructure NDB Increase	5,200	6,200	7,500	9,500	10,100	38,500
Neighborhood Parks NDB Increase	8,000	8,000	8,000	8,000	8,000	40,000
Total NDB increases for Streets and Neighborhood Parks	13,200	14,200	15,500	17,500	18,100	78,500
Grand Total Adopted NDB Program	43,375	45,860	47,970	50,715	52,785	240,705

This resource summary represents the City's commitment for General Infrastructure assets which includes parks, public buildings, streets, bridges, bike & pedestrian improvements, traffic signals and any other capital assets used for providing basic city services. These resources also leverage significant additional funding from special assessments, municipal state aid, other government grants, etc.

2017 Bond Redemption Levy for Capital Program

	Amount (000's)
Tax Levy Certified for Bond Redemption in 2016	37,800
Bond Redemption Levy Adjustment	0 Per Five-Year Financial Direction 2017 - 2021
Tax Levy Certified for Bond Redemption in 2017	<u>37,800</u> For supporting ongoing Capital Programs



Net Debt Bond Allocation

Council Adopted Budget

Summarized by Major Type of Infrastructure

Budget in Thousands

Description of Major Category	2017	2018	2019	2020	2021	Total	% Total
MUNICIPAL BUILDING COMMISSION	4,280	1,450	1,545	545	50	7,870	3.3%
PARK BOARD	10,500	10,500	10,500	10,500	10,500	52,500	21.8%
PUBLIC WORKS DEPARTMENT	22,955	26,370	30,490	28,720	40,965	149,500	62.1%
PUBLIC GROUNDS & FACILITIES	4,987	7,065	4,950	10,450	750	28,202	11.7%
MISCELLANEOUS PROJECTS	653	475	485	500	520	2,633	1.1%
Total Net Debt Bond Allocation	43,375	45,860	47,970	50,715	52,785	240,705	100%

Budget in Thousands

Major Category	Type of Infrastructure	2017	2018	2019	2020	2021	Total
MUNICIPAL BUILDING COMMISSION		4,280	1,450	1,545	545	50	7,870
		9.9%	3.2%	3.2%	1.1%	0.1%	3.3%
PARK BOARD		10,500	10,500	10,500	10,500	10,500	52,500
		24.2%	22.9%	21.9%	20.7%	19.9%	21.8%
PUBLIC WORKS DEPARTMENT	STREET PAVING	15,255	17,470	23,425	20,570	28,915	105,635
		35.2%	38.1%	48.8%	40.6%	54.8%	43.9%
	SIDEWALKS	325	335	345	355	365	1,725
		0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
	BRIDGES	2,170	3,275	400	900	3,585	10,330
		5.0%	7.1%	0.8%	1.8%	6.8%	4.3%
	TRAFFIC CONTROL & STREET LIGHTING	3,355	3,890	4,780	4,555	5,100	21,680
		7.7%	8.5%	10.0%	9.0%	9.7%	9.0%
BIKE - PED PROJECTS	1,850	1,400	1,540	2,340	3,000	10,130	
	4.3%	3.1%	3.2%	4.6%	5.7%	4.2%	
PUBLIC GROUNDS & FACILITIES		4,987	7,065	4,950	10,450	750	28,202
		11.5%	15.4%	10.3%	20.6%	1.4%	11.7%
MISCELLANEOUS PROJECTS		653	475	485	500	520	2,633
		1.5%	1.0%	1.0%	1.0%	1.0%	1.1%
Total Net Debt Bond Allocation		43,375	45,860	47,970	50,715	52,785	240,705



Capital Budget Summary

Council Adopted Budget

Budget in Thousands

			2017	2018	2019	2020	2021	Total
MUNICIPAL BUILDING COMMISSION		MBC01 Life Safety Improvements	1,230	350	200	250	100	2,130
		MBC02 Mechanical Systems Upgrade	900	505	925	820	0	3,150
		MBC09 Critical Power Capital Project	5,000	0	0	0	0	5,000
		MBC10 Exterior Improvements	1,234	2,255	1,895	0	0	5,384
		MBC11 Elevator Upgrades and Modernization	181	0	0	0	0	181
Total for MUNICIPAL BUILDING COMMISSION			8,545	3,110	3,020	1,070	100	15,845
PARK BOARD		PRK01 Building Improvements Program	596	0	0	0	0	596
		PRK02 Playground and Site Improvements Program	2,284	1,413	1,001	2,775	322	7,795
		PRK03 Shelter - Pool - Site Improvements Program	0	1,195	1,327	266	0	2,788
		PRK04 Athletic Fields -Site Improvements Program	0	400	335	0	236	971
		PRK31 Bossen Park Field Improvements	862	0	0	0	0	862
		PRK33 Bryn Mawr Meadows Field Improvements	0	0	0	0	2,945	2,945
		PRKCP Neighborhood Parks Capital Infrastructure	9,181	9,181	9,780	9,350	9,577	47,069
		PRKDT Diseased Tree Removal	300	300	300	300	300	1,500
Total for PARK BOARD			13,223	12,489	12,743	12,691	13,380	64,526
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV001 Parkway Paving Program	871	750	1,750	750	750	4,871
		PV006 Alley Renovation Program	625	250	0	0	0	875
		PV019 6th Ave N (5th St N to dead end)	480	0	0	0	0	480
		PV054 8th St S (Hennepin Ave to Chicago Ave)	0	0	10,515	2,290	0	12,805
		PV056 Asphalt Pavement Resurfacing Program	6,915	6,915	6,915	6,915	6,915	34,575
		PV059 Major Pavement Maintenance Program	250	250	250	250	250	1,250
		PV063 Unpaved Alley Construction	200	200	0	0	0	400
		PV074 CSAH & MnDOT Cooperative Projects	4,200	4,690	2,045	845	500	12,280
		PV075 Development Infrastructure Program	500	500	500	500	500	2,500
		PV080 18th Ave NE (Monroe to Johnson St NE)	6,460	0	0	0	0	6,460
		PV084 54th St W (Penn to Lyndale Ave S)	3,435	0	0	0	0	3,435
		PV087 34th Ave S (54th St E to Minnehaha Pkwy)	0	8,270	0	0	0	8,270
		PV094 4th St SE (25th to 29th Ave SE)	2,780	0	0	0	0	2,780
		PV095 4th St N & S (2nd Ave N to 4th Ave S)	0	7,140	0	0	0	7,140
		PV096 42nd Ave N (Xerxes to Lyndale Ave N)	13,020	0	0	0	0	13,020
		PV097 18th Ave NE Trail Gap	0	665	0	0	0	665
		PV098 Hiawatha Trail Gap (28th to 32nd St E)	0	1,195	0	0	0	1,195
		PV102 5th St S Reconnection (11th to 15th Ave S)	1,500	0	0	0	0	1,500
		PV103 61st St W (Lyndale Ave S to Nicollet Ave S)	0	4,435	0	0	0	4,435
		PV104 ADA Ramp Replacement Program	500	500	500	500	500	2,500
		PV108 Concrete Streets Rehabilitation Program	4,000	4,000	4,000	4,000	4,000	20,000
		PV111 46th Ave S (46th St S to Godfrey Parkway)	475	0	0	0	0	475
		PV113 29th St W Phase 2	0	0	0	0	2,645	2,645
PV114 U of M Protected Bikeways	0	0	1,850	0	0	1,850		
PV115 Emerson-Fremont Ave N Ped Enhancements	0	0	2,765	0	0	2,765		



Capital Budget Summary

Council Adopted Budget

			Budget in Thousands						
			2017	2018	2019	2020	2021	Total	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV116 North Loop Pedestrian Improvements	0	0	2,500	0	0	2,500	
		PV117 Broadway St NE (Stinson Blvd to City Limits)	0	0	8,565	0	0	8,565	
		PV118 Hennepin Ave (Wash Ave N to 12th St S)	0	0	0	15,603	362	15,965	
		PV121 Hennepin Ave (Lake St W to 36th St W)	690	5,020	0	0	0	5,710	
		PV122 Dowling Ave (I-94 to 1st St N)	0	0	0	0	0	0	
		PV123 Logan Park Industrial	0	0	0	0	2,896	2,896	
		PV124 Mid City Industrial	0	14,440	0	0	0	14,440	
		PV125 35th St E (RR Tracks to Dight Ave)	0	0	320	0	0	320	
		PV126 Bryant Ave S (50th St E to Lake St E)	0	0	2,955	14,130	0	17,085	
		PV127 37th Ave NE (Central Ave NE to Stinson Blvd)	0	0	0	0	9,450	9,450	
		PV131 Res Neighborhood Reconst Projects	0	0	13,050	13,015	13,050	39,115	
		PV132 1st Ave S/Marquette (12th St to Lake St)	0	0	0	0	8,860	8,860	
		PV134 28th Ave S (TH62 Ramp to 59th St E)	25	375	0	0	0	400	
		PV135 North Loop Paving	0	0	9,250	0	0	9,250	
		PV136 Emerson Ave N (Plymouth to Broadway)	0	0	2,425	0	0	2,425	
		PV137 29th Ave NE (Central to Stinson)	0	0	0	0	5,815	5,815	
		PV139 18th Ave NE (Johnson to Stinson)	0	250	3,620	0	0	3,870	
		PV140 13th Ave NE (Sibley to Wash Sts NE)	0	0	0	0	5,685	5,685	
		PV141 Grand Ave S (Lake to 46th)	0	1,264	7,796	765	0	9,825	
		PV143 North Industrial	0	0	0	0	4,245	4,245	
	PV144 18th Ave N (Wash Ave to 2nd St)	0	0	0	0	275	275		
	PV145 North Loop Industrial	0	0	0	0	4,180	4,180		
	PV99R Reimbursable Paving Projects	3,500	3,500	3,500	3,500	3,500	17,500		
	Total for STREET PAVING			50,426	64,609	85,071	63,063	74,378	337,547
		SIDEWALKS	SWK01 Defective Hazardous Sidewalks	3,830	4,040	4,250	4,460	4,670	21,250
	Total for SIDEWALKS			3,830	4,040	4,250	4,460	4,670	21,250
		BRIDGES	BR101 Major Bridge Repair and Rehabilitation	400	400	400	400	400	2,000
	BR106 1st Ave S over HCRRA		0	4,045	0	0	0	4,045	
	BR117 1st St N Bridge over Bassetts Creek		0	0	0	1,370	0	1,370	
	BR123 28th Ave S over Minnehaha Creek		2,690	0	0	0	0	2,690	
	BR127 Nicollet Ave over Minnehaha Creek		0	0	0	22,385	2,370	24,755	
	BR133 Cedar Lake Road Bridges over Bassett Cr & RR		0	0	0	0	1,120	1,120	
Total for BRIDGES			3,090	4,445	400	24,155	3,890	35,980	
	TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	372	801	681	350	350	2,554	
		TR010 Traffic Management Systems	30	210	1,030	650	1,100	3,020	
		TR011 City Street Light Renovation	450	625	1,000	1,000	1,000	4,075	
		TR021 Traffic Signals	1,870	1,575	1,750	1,750	2,000	8,945	
		TR022 Traffic Safety Improvements	2,005	3,740	480	1,280	1,380	8,885	
		TR024 Pedestrian Street Lighting Corridors	450	450	500	500	500	2,400	
		TR025 Sign Replacement Program	895	895	895	895	895	4,475	



Capital Budget Summary

Council Adopted Budget

Budget in Thousands

			2017	2018	2019	2020	2021	Total
PUBLIC WORKS DEPARTMENT	TRAFFIC CONTROL & STREET LIGHTING	TR99R Reimbursable Transportation Projects	600	600	600	600	600	3,000
		Total for TRAFFIC CONTROL & STREET LIGHTING	6,672	8,896	6,936	7,025	7,825	37,354
	BIKE - PED PROJECTS	BIK28 Protected Bikeways Program	1,250	1,000	1,140	1,940	1,000	6,330
		BP001 Safe Routes to School Program	600	400	400	400	400	2,200
		BP002 Prospect Park Trail	0	0	0	0	1,390	1,390
		BP003 Midtown Greenway Trail Mill & Overlay	0	0	0	0	745	745
	Total for BIKE - PED PROJECTS		1,850	1,400	1,540	2,340	3,535	10,665
	SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehab Program	4,750	4,750	4,750	4,750	4,750	23,750
		SA036 Infiltration & Inflow Removal Program	3,500	3,500	3,500	3,500	3,500	17,500
		SA99R Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000	1,000	5,000
	Total for SANITARY SEWERS		9,250	9,250	9,250	9,250	9,250	46,250
	STORM SEWERS	SW004 Implementation of US EPA Storm Water Regs	250	250	250	250	250	1,250
		SW005 Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500	1,500	7,500
		SW011 Storm Drains and Tunnels Rehab Program	6,500	9,000	10,000	8,000	8,500	42,000
		SW018 Flood Area 29 & 30 - Fulton Neighborhood	0	3,288	6,580	0	0	9,868
		SW032 I-35W Storm Tunnel Reconstruction	0	0	0	0	1,000	1,000
		SW034 Flood Area 21 - Bloomington Pond	0	4,840	0	0	0	4,840
		SW039 Flood Mitigation - Stormwater Alternatives	3,000	3,000	3,000	3,000	3,000	15,000
		SW040 Central City Parallel Storm Tunnel	1,000	1,000	1,000	11,000	11,000	25,000
		SW99R Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000	2,000	10,000
	Total for STORM SEWERS		14,250	24,878	24,330	25,750	27,250	116,458
	WATER INFRASTRUCTURE	WTR12 Water Distribution Improvements	7,250	7,350	7,450	7,550	7,650	37,250
		WTR18 Water Distribution Facility	7,500	12,500	0	0	0	20,000
WTR23 Treatment Infrastructure Improvements		3,000	4,000	5,000	5,000	5,000	22,000	
WTR24 Fridley Filter Plant Rehabilitation		18,500	16,500	9,500	0	0	44,500	
WTR26 Recarbonation System Replacement		4,500	0	0	0	0	4,500	
WTR27 Automated Meter Infrastructure		2,620	700	1,800	1,700	0	6,820	
WTR28 Ultrafiltration Module Replacement		2,200	2,200	2,200	2,200	0	8,800	
WTR29 Columbia Heights Campus Upgrades		500	4,180	4,250	4,200	1,340	14,470	
WTR9R Reimbursable Watermain Projects		2,000	2,000	2,000	2,000	2,000	10,000	
Total for WATER INFRASTRUCTURE		48,070	49,430	32,200	22,650	15,990	168,340	
Total for PUBLIC WORKS DEPARTMENT			137,438	166,948	163,977	158,693	146,788	773,844
PUBLIC GROUNDS & FACILITIES	FIR11 Fire Station #11	885	2,465	1,000	0	0	4,350	
	FIR12 Fire Station No. 1 Renovation & Expansion	0	0	0	3,000	0	3,000	
	FIR13 Fire Station No. 4 Apparatus Bay Addition	0	0	0	0	750	750	
	MPD02 Property & Evidence Warehouse	4,002	0	0	0	0	4,002	
	MPD04 Mounted Police Facility	0	0	0	0	0	0	
	PSD15 Traffic Maintenance Facility Improvement	0	0	0	0	0	0	



Capital Budget Summary

Council Adopted Budget

Budget in Thousands

			2017	2018	2019	2020	2021	Total
PUBLIC GROUNDS & FACILITIES		PSD16 Farmers Market Improvements	100	0	0	0	0	100
		PSD17 East Side Storage and Maintenance Facility	15,000	11,000	1,250	2,750	0	30,000
		PSD18 Regulatory Services Facility	0	0	0	0	0	0
		PSD19 Impound Lot Facility	5,400	0	0	0	0	5,400
		RAD01 Public Safety Radio System Replacement	0	4,600	2,700	4,700	0	12,000
Total for PUBLIC GROUNDS & FACILITIES			25,387	18,065	4,950	10,450	750	59,602
MISCELLANEOUS PROJECTS		ART01 Art in Public Places	653	475	485	500	520	2,633
		CV001 Convention Center Plaza & Streetscape	10,500	0	0	0	0	10,500
Total for MISCELLANEOUS PROJECTS			11,153	475	485	500	520	13,133
Grand Totals			195,746	201,087	185,175	183,404	161,538	926,950

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

2017 2018 2019 2020 2021 Total

		2017	2018	2019	2020	2021	Total	
MUNICIPAL BUILDING COMMISSION	MBC01 Life Safety Improvements	Hennepin County Grants	625	175	100	125	50	1,075
		Net Debt Bonds	605	175	100	125	50	1,055
	Total		1,230	350	200	250	100	2,130
	MBC02 Mechanical Systems Upgrade	Hennepin County Grants	450	385	450	400	0	1,685
		Net Debt Bonds	450	120	475	420	0	1,465
	Total		900	505	925	820		3,150
	MBC09 Critical Power Capital Project	Hennepin County Grants	2,500	0	0	0	0	2,500
		Net Debt Bonds	2,500	0	0	0	0	2,500
	Total		5,000					5,000
	MBC10 Exterior Improvements	Hennepin County Grants	600	1,100	925	0	0	2,625
		Net Debt Bonds	634	1,155	970	0	0	2,759
	Total		1,234	2,255	1,895			5,384
	MBC11 Elevator Upgrades and Modernization	Hennepin County Grants	90	0	0	0	0	90
		Net Debt Bonds	91	0	0	0	0	91
Total		181	0	0			181	
Total for MUNICIPAL BUILDING COMMISSION		8,545	3,110	3,020	1,070	100	15,845	

PARK BOARD	PRK01 Building Improvements Program	Net Debt Bonds	232	0	0	0	0	232
		Park Capital Levy	364	0	0	0	0	364
	Total		596					596
	PRK02 Playground and Site Improvements Program	Net Debt Bonds	1,406	905	838	2,234	322	5,705
		Park Capital Levy	878	508	163	541	0	2,090
	Total		2,284	1,413	1,001	2,775	322	7,795
	PRK03 Shelter - Pool - Site Improvements Program	Net Debt Bonds	0	1,195	1,327	266	0	2,788
		Total	0	1,195	1,327	266		2,788
	PRK04 Athletic Fields -Site Improvements Program	Net Debt Bonds	0	400	335	0	0	735
		Park Capital Levy	0	0	0	0	236	236
	Total			400	335		236	971
	PRK31 Bossen Park Field Improvements	Net Debt Bonds	862	0	0	0	0	862
		Total	862					862

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total	
PARK BOARD		PRK33 Bryn Mawr Meadows Field Improvements	Net Debt Bonds	0	0	0	0	2,178	2,178	
			Park Capital Levy	0	0	0	0	767	767	
		Total			0	0	2,945	2,945		
	PRKCP Neighborhood Parks Capital Infrastructure	Net Debt Bonds	8,000	8,000	8,000	8,000	8,000	40,000		
		Park Capital Levy	1,181	1,181	1,780	1,350	1,577	7,069		
	Total		9,181	9,181	9,780	9,350	9,577	47,069		
	PRKDT Diseased Tree Removal	Special Assessments	300	300	300	300	300	1,500		
	Total		300	300	300	300	300	1,500		
	Total for PARK BOARD				13,223	12,489	12,743	12,691	13,380	64,526
	PUBLIC WORKS DEPARTMENT	STREET PAVING	PV001 Parkway Paving Program	Net Debt Bonds	700	700	700	700	700	3,500
Other Local Govts				121	0	1,000	0	0	1,121	
Special Assessments				50	50	50	50	50	250	
Total				871	750	1,750	750	750	4,871	
PV006 Alley Renovation Program			Net Debt Bonds	575	200	0	0	0	775	
			Special Assessments	50	50	0	0	0	100	
Total				625	250	0	0	0	875	
PV019 6th Ave N (5th St N to dead end)			Net Debt Bonds	440	0	0	0	0	440	
			Stormwater Revenue	40	0	0	0	0	40	
Total				480					480	
PV054 8th St S (Hennepin Ave to Chicago Ave)		Federal Grants	0	0	6,445	0	0	6,445		
		Municipal State Aid	0	0	920	0	0	920		
		Net Debt Bonds	0	0	530	2,290	0	2,820		
		Special Assessments	0	0	1,425	0	0	1,425		
		Stormwater Revenue	0	0	450	0	0	450		
		Transfer from General Fund	0	0	275	0	0	275		
		Transfer from Special Revenue Funds	0	0	375	0	0	375		
	Transfer from Stormwater Fund	0	0	75	0	0	75			
Water Revenue	0	0	20	0	0	20				
Total		0		10,515	2,290		12,805			

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV056 Asphalt Pavement Resurfacing Program	Municipal State Aid	1,000	1,000	1,000	1,000	1,000	5,000
			Net Debt Bonds	1,000	1,000	1,000	1,000	1,000	5,000
			Special Assessments	4,915	4,915	4,915	4,915	4,915	24,575
		Total		6,915	6,915	6,915	6,915	6,915	34,575
		PV059 Major Pavement Maintenance Program	Net Debt Bonds	250	250	250	250	250	1,250
			Total		250	250	250	250	250
		PV063 Unpaved Alley Construction	Net Debt Bonds	150	150	0	0	0	300
			Special Assessments	50	50	0	0	0	100
			Total		200	200	0	0	0
		PV074 CSAH & MnDOT Cooperative Projects	Net Debt Bonds	3,600	3,500	1,700	500	500	9,800
			Special Assessments	600	1,190	345	345	0	2,480
			Total		4,200	4,690	2,045	845	500
		PV075 Development Infrastructure Program	Net Debt Bonds	500	500	500	500	500	2,500
			Total		500	500	500	500	500
		PV080 18th Ave NE (Monroe to Johnson St NE)	Municipal State Aid	1,525	0	0	0	0	1,525
Net Debt Bonds	340		0	0	0	0	340		
Special Assessments	1,225		0	0	0	0	1,225		
Stormwater Revenue	150		0	0	0	0	150		
Transfer from Conv Ctr	1,200		0	0	0	0	1,200		
Transfer from General Fund	1,100		0	0	0	0	1,100		
Transfer from Intergovtl Fund	600		0	0	0	0	600		
Transfer from Stormwater Fund	300		0	0	0	0	300		
Water Revenue	20		0	0	0	0	20		
Total		6,460	0				6,460		

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV084 54th St W (Penn to Lyndale Ave S)	Net Debt Bonds	100	0	0	0	0	100
			Stormwater Revenue	125	0	0	0	0	125
			Transfer from Conv Ctr	1,200	0	0	0	0	1,200
			Transfer from General Fund	1,100	0	0	0	0	1,100
			Transfer from Intergovtl Fund	600	0	0	0	0	600
			Transfer from Stormwater Fund	300	0	0	0	0	300
			Water Revenue	10	0	0	0	0	10
		Total	3,435					3,435	
		PV087 34th Ave S (54th St E to Minnehaha Pkwy)	Municipal State Aid	0	2,650	0	0	0	2,650
			Net Debt Bonds	0	620	0	0	0	620
	Special Assessments		0	2,690	0	0	0	2,690	
	Transfer from General Fund		0	885	0	0	0	885	
	Transfer from Self Ins Fund		0	1,200	0	0	0	1,200	
	Transfer from Stormwater Fund		0	225	0	0	0	225	
	Total		8,270				8,270		
	PV094 4th St SE (25th to 29th Ave SE)	Net Debt Bonds	1,360	0	0	0	0	1,360	
		Special Assessments	1,270	0	0	0	0	1,270	
		Stormwater Revenue	150	0	0	0	0	150	
	Total	2,780	0	0			2,780		
	PV095 4th St N & S (2nd Ave N to 4th Ave S)	Net Debt Bonds	0	955	0	0	0	955	
		Special Assessments	0	790	0	0	0	790	
		Transfer from General Fund	0	2,065	0	0	0	2,065	
		Transfer from Self Ins Fund	0	2,800	0	0	0	2,800	
		Transfer from Stormwater Fund	0	530	0	0	0	530	
	Total		7,140	0			7,140		

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV096 42nd Ave N (Xerxes to Lyndale Ave N)	Net Debt Bonds	245	0	0	0	0	245
			Special Assessments	2,925	0	0	0	0	2,925
			Stormwater Revenue	250	0	0	0	0	250
			Transfer from Conv Ctr	3,600	0	0	0	0	3,600
			Transfer from General Fund	3,300	0	0	0	0	3,300
			Transfer from Intergovtl Fund	1,800	0	0	0	0	1,800
			Transfer from Stormwater Fund	900	0	0	0	0	900
			Total	13,020	0	0			13,020
		PV097 18th Ave NE Trail Gap	Net Debt Bonds	0	665	0	0	0	665
		Total			665				665
		PV098 Hiawatha Trail Gap (28th to 32nd St E)	Net Debt Bonds	0	1,195	0	0	0	1,195
		Total			1,195				1,195
		PV102 5th St S Reconnection (11th to 15th Ave S)	Net Debt Bonds	1,500	0	0	0	0	1,500
		Total		1,500					1,500
		PV103 61st St W (Lyndale Ave S to Nicollet Ave S)	Municipal State Aid	0	1,885	0	0	0	1,885
			Net Debt Bonds	0	800	0	0	0	800
			Special Assessments	0	1,525	0	0	0	1,525
			Stormwater Revenue	0	225	0	0	0	225
		Total			4,435	0	0	0	4,435
		PV104 ADA Ramp Replacement Program	Net Debt Bonds	500	500	500	500	500	2,500
		Total		500	500	500	500	500	2,500
		PV108 Concrete Streets Rehabilitation Program	Net Debt Bonds	3,500	3,500	3,500	3,500	3,500	17,500
			Special Assessments	500	500	500	500	500	2,500
		Total		4,000	4,000	4,000	4,000	4,000	20,000
		PV111 46th Ave S (46th St S to Godfrey Parkway)	Net Debt Bonds	470	0	0	0	0	470
			Special Assessments	5	0	0	0	0	5
		Total		475					475

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

2017 2018 2019 2020 2021 Total

		Budget in Thousands							
		2017	2018	2019	2020	2021	Total		
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV113 29th St W Phase 2	Net Debt Bonds	0	0	0	0	2,350	2,350
			Special Assessments	0	0	0	0	295	295
		Total					0	2,645	2,645
		PV114 U of M Protected Bikeways	Federal Grants	0	0	955	0	0	955
			Net Debt Bonds	0	0	895	0	0	895
		Total				1,850			1,850
		PV115 Emerson-Fremont Ave N Ped Enhancements	Federal Grants	0	0	1,000	0	0	1,000
			Net Debt Bonds	0	0	1,765	0	0	1,765
		Total				2,765			2,765
		PV116 North Loop Pedestrian Improvements	Federal Grants	0	0	1,000	0	0	1,000
			Net Debt Bonds	0	0	1,500	0	0	1,500
		Total				2,500			2,500
		PV117 Broadway St NE (Stinson Blvd to City Limits)	Federal Grants	0	0	3,300	0	0	3,300
			Municipal State Aid	0	0	1,845	0	0	1,845
			Net Debt Bonds	0	0	260	0	0	260
			Special Assessments	0	0	3,010	0	0	3,010
			Stormwater Revenue	0	0	150	0	0	150
		Total				8,565			8,565
		PV118 Hennepin Ave (Wash Ave N to 12th St S)	Federal Grants	0	0	0	7,000	0	7,000
			Municipal State Aid	0	0	0	5,000	0	5,000
			Net Debt Bonds	0	0	0	978	362	1,340
			Special Assessments	0	0	0	1,075	0	1,075
			Stormwater Revenue	0	0	0	250	0	250
Transfer from General Fund	0		0	0	495	0	495		
Transfer from Special Revenue Funds	0		0	0	650	0	650		
Transfer from Stormwater Fund	0		0	0	155	0	155		
Total					15,603	362	15,965		
PV121 Hennepin Ave (Lake St W to 36th St W)	Municipal State Aid	690	3,390	0	0	0	4,080		
	Net Debt Bonds	0	750	0	0	0	750		
	Special Assessments	0	880	0	0	0	880		
Total		690	5,020			0	5,710		

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

2017 2018 2019 2020 2021 Total

		Budget in Thousands							
		2017	2018	2019	2020	2021	Total		
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV123 Logan Park Industrial	Net Debt Bonds	0	0	0	0	476	476
			Special Assessments	0	0	0	0	2,420	2,420
		Total						2,896	2,896
		PV124 Mid City Industrial	Net Debt Bonds	0	321	0	0	0	321
			Special Assessments	0	6,400	0	0	0	6,400
			Transfer from General Fund	0	2,959	0	0	0	2,959
			Transfer from Self Ins Fund	0	4,000	0	0	0	4,000
			Transfer from Stormwater Fund	0	760	0	0	0	760
		Total			14,440			0	14,440
		PV125 35th St E (RR Tracks to Dight Ave)	Net Debt Bonds	0	0	300	0	0	300
			Special Assessments	0	0	20	0	0	20
		Total				320		0	320
		PV126 Bryant Ave S (50th St E to Lake St E)	Municipal State Aid	0	0	885	1,690	0	2,575
			Net Debt Bonds	0	0	2,070	4,885	0	6,955
			Special Assessments	0	0	0	1,340	0	1,340
			Stormwater Revenue	0	0	0	365	0	365
			Transfer from General Fund	0	0	0	2,230	0	2,230
			Transfer from Special Revenue Funds	0	0	0	2,925	0	2,925
			Transfer from Stormwater Fund	0	0	0	695	0	695
		Total				2,955	14,130	0	17,085
PV127 37th Ave NE (Central Ave NE to Stinson Blvd)	Federal Grants	0	0	0	0	5,450	5,450		
	Net Debt Bonds	0	0	0	0	2,000	2,000		
	Other Local Govts	0	0	0	0	2,000	2,000		
Total						9,450	9,450		
PV131 Res Neighborhood Reconst Projects	Net Debt Bonds	0	0	4,069	5,467	6,855	16,391		
	Special Assessments	0	0	1,700	1,700	1,700	5,100		
	Transfer from General Fund	0	0	2,761	2,228	3,950	8,939		
	Transfer from Special Revenue Funds	0	0	3,750	2,925	0	6,675		
	Transfer from Stormwater Fund	0	0	770	695	545	2,010		
Total				13,050	13,015	13,050	39,115		

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV132 1st Ave S/Marquette (12th St to Lake St)	Municipal State Aid	0	0	0	0	5,105	5,105
			Net Debt Bonds	0	0	0	0	1,190	1,190
			Special Assessments	0	0	0	0	1,280	1,280
			Transfer from General Fund	0	0	0	0	1,130	1,130
			Transfer from Stormwater Fund	0	0	0	0	155	155
		Total					8,860	8,860	
		PV134 28th Ave S (TH62 Ramp to 59th St E)	Net Debt Bonds	25	350	0	0	0	375
			Special Assessments	0	25	0	0	0	25
		Total		25	375				400
		PV135 North Loop Paving	Municipal State Aid	0	0	6,840	0	0	6,840
			Net Debt Bonds	0	0	400	0	0	400
			Special Assessments	0	0	1,285	0	0	1,285
			Transfer from General Fund	0	0	275	0	0	275
			Transfer from Special Revenue Funds	0	0	375	0	0	375
			Transfer from Stormwater Fund	0	0	75	0	0	75
		Total				9,250			9,250
		PV136 Emerson Ave N (Plymouth to Broadway)	Municipal State Aid	0	0	1,935	0	0	1,935
			Net Debt Bonds	0	0	175	0	0	175
			Special Assessments	0	0	315	0	0	315
		Total				2,425			2,425
		PV137 29th Ave NE (Central to Stinson)	Municipal State Aid	0	0	0	0	680	680
			Net Debt Bonds	0	0	0	0	2,380	2,380
			Special Assessments	0	0	0	0	825	825
Transfer from General Fund	0		0	0	0	1,695	1,695		
Transfer from Stormwater Fund	0		0	0	0	235	235		
Total					5,815	5,815			

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV139 18th Ave NE (Johnson to Stinson)	Net Debt Bonds	0	250	1,665	0	0	1,915
			Special Assessments	0	0	500	0	0	500
			Transfer from General Fund	0	0	555	0	0	555
			Transfer from Special Revenue Funds	0	0	750	0	0	750
			Transfer from Stormwater Fund	0	0	150	0	0	150
		Total		250	3,620			3,870	
		PV140 13th Ave NE (Sibley to Wash Sts NE)	Municipal State Aid	0	0	0	0	935	935
			Net Debt Bonds	0	0	0	0	2,080	2,080
			Special Assessments	0	0	0	0	740	740
			Transfer from General Fund	0	0	0	0	1,695	1,695
			Transfer from Stormwater Fund	0	0	0	0	235	235
	Total					5,685	5,685		
	PV141 Grand Ave S (Lake to 46th)	Municipal State Aid	0	0	405	765	0	1,170	
		Net Debt Bonds	0	1,264	1,646	0	0	2,910	
		Special Assessments	0	0	1,375	0	0	1,375	
		Transfer from General Fund	0	0	1,660	0	0	1,660	
		Transfer from Special Revenue Funds	0	0	2,250	0	0	2,250	
		Transfer from Stormwater Fund	0	0	460	0	0	460	
	Total		1,264	7,796	765		9,825		
	PV143 North Industrial	Net Debt Bonds	0	0	0	0	2,405	2,405	
		Special Assessments	0	0	0	0	555	555	
		Transfer from General Fund	0	0	0	0	1,130	1,130	
		Transfer from Stormwater Fund	0	0	0	0	155	155	
	Total					4,245	4,245		
	PV144 18th Ave N (Wash Ave to 2nd St)	Net Debt Bonds	0	0	0	0	240	240	
		Special Assessments	0	0	0	0	35	35	
	Total					275	275		

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

2017 2018 2019 2020 2021 Total

				2017	2018	2019	2020	2021	Total	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV145 North Loop Industrial	Net Debt Bonds	0	0	0	0	1,627	1,627	
			Special Assessments	0	0	0	0	630	630	
			Transfer from General Fund	0	0	0	0	1,687	1,687	
			Transfer from Stormwater Fund	0	0	0	0	236	236	
		Total					4,180	4,180		
		PV99R Reimbursable Paving Projects	Reimbursements	3,500	3,500	3,500	3,500	3,500	17,500	
		Total		3,500	3,500	3,500	3,500	3,500	17,500	
	Total for STREET PAVING				50,426	64,609	85,071	63,063	74,378	337,547
	SIDEWALKS	SWK01 Defective Hazardous Sidewalks	Net Debt Bonds	325	335	345	355	365	1,725	
			Special Assessments	3,505	3,705	3,905	4,105	4,305	19,525	
			Total	3,830	4,040	4,250	4,460	4,670	21,250	
	Total for SIDEWALKS				3,830	4,040	4,250	4,460	4,670	21,250
	BRIDGES	BR101 Major Bridge Repair and Rehabilitation	Net Debt Bonds	400	400	400	400	400	2,000	
			Total	400	400	400	400	400	2,000	
		BR106 1st Ave S over HCRRA	Municipal State Aid	0	1,170	0	0	0	1,170	
Net Debt Bonds			0	2,875	0	0	0	2,875		
Total				4,045				4,045		
BR117 1st St N Bridge over Bassetts Creek		Stormwater Revenue	0	0	0	1,370	0	1,370		
		Total				1,370		1,370		
BR123 28th Ave S over Minnehaha Creek		Municipal State Aid	920	0	0	0	0	920		
		Net Debt Bonds	1,770	0	0	0	0	1,770		
Total				2,690	0			2,690		
BR127 Nicollet Ave over Minnehaha Creek		Net Debt Bonds	0	0	0	500	2,370	2,870		
		State Grants	0	0	0	21,885	0	21,885		
Total							22,385	2,370	24,755	
BR133 Cedar Lake Road Bridges over Bassett Cr & RR	Municipal State Aid	0	0	0	0	305	305			
	Net Debt Bonds	0	0	0	0	815	815			
Total								1,120	1,120	
Total for BRIDGES				3,090	4,445	400	24,155	3,890	35,980	

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total	
PUBLIC WORKS DEPARTMENT	TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	Net Debt Bonds	310	270	350	350	350	1,630	
			Park Capital Levy	62	531	331	0	0	924	
		Total			372	801	681	350	350	2,554
		TR010 Traffic Management Systems	Hennepin County Grants	0	175	350	0	225	750	
			Municipal State Aid	0	0	320	625	695	1,640	
			Net Debt Bonds	30	35	360	25	180	630	
		Total			30	210	1,030	650	1,100	3,020
		TR011 City Street Light Renovation	Net Debt Bonds	450	625	1,000	1,000	1,000	4,075	
		Total			450	625	1,000	1,000	1,000	4,075
		TR021 Traffic Signals	Hennepin County Grants	300	300	125	125	125	975	
			Municipal State Aid	235	0	125	125	125	610	
			Net Debt Bonds	1,335	1,275	1,500	1,500	1,750	7,360	
		Total			1,870	1,575	1,750	1,750	2,000	8,945
		TR022 Traffic Safety Improvements	Federal Grants	1,640	3,075	0	0	0	4,715	
			Hennepin County Grants	30	20	0	400	0	450	
			Municipal State Aid	145	0	0	290	650	1,085	
			Net Debt Bonds	190	645	480	590	730	2,635	
		Total			2,005	3,740	480	1,280	1,380	8,885
		TR024 Pedestrian Street Lighting Corridors	Net Debt Bonds	450	450	500	500	500	2,400	
		Total			450	450	500	500	500	2,400
TR025 Sign Replacement Program	Municipal State Aid	305	305	305	305	305	1,525			
	Net Debt Bonds	590	590	590	590	590	2,950			
Total			895	895	895	895	895	4,475		
TR99R Reimbursable Transportation Projects	Reimbursements	600	600	600	600	600	3,000			
Total			600	600	600	600	600	3,000		
Total for TRAFFIC CONTROL & STREET LIGHTING				6,672	8,896	6,936	7,025	7,825	37,354	
BIKE - PED PROJECTS	BIK28 Protected Bikeways Program	Net Debt Bonds	1,250	1,000	1,140	1,940	1,000	6,330		
		Total	1,250	1,000	1,140	1,940	1,000	6,330		
	BP001 Safe Routes to School Program	Net Debt Bonds	600	400	400	400	400	2,200		
		Total	600	400	400	400	400	2,200		

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

2017 2018 2019 2020 2021 Total

				2017	2018	2019	2020	2021	Total	
PUBLIC WORKS DEPARTMENT	BIKE - PED PROJECTS	BP002 Prospect Park Trail	Federal Grants	0	0	0	0	535	535	
			Net Debt Bonds	0	0	0	0	855	855	
		Total						1,390	1,390	
		BP003 Midtown Greenway Trail Mill & Overlay	Net Debt Bonds	0	0	0	0	745	745	
			Total	0				745	745	
	Total for BIKE - PED PROJECTS				1,850	1,400	1,540	2,340	3,535	10,665
	SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehab Program	Sanitary Bonds	4,750	4,750	4,750	4,750	4,750	23,750	
			Total	4,750	4,750	4,750	4,750	4,750	23,750	
		SA036 Infiltration & Inflow Removal Program	Sanitary Bonds	2,500	2,500	2,500	2,500	2,500	12,500	
			Sanitary Revenue	1,000	1,000	1,000	1,000	1,000	5,000	
Total		3,500	3,500	3,500	3,500	3,500	17,500			
SA99R Reimbursable Sanitary Sewer Projects		Reimbursements	1,000	1,000	1,000	1,000	1,000	5,000		
Total		1,000	1,000	1,000	1,000	1,000	5,000			
Total for SANITARY SEWERS				9,250	9,250	9,250	9,250	9,250	46,250	
STORM SEWERS	SW004 Implementation of US EPA Storm Water Regs	Stormwater Revenue	250	250	250	250	250	1,250		
		Total	250	250	250	250	250	1,250		
	SW005 Combined Sewer Overflow Improvements	Stormwater Revenue	1,500	1,500	1,500	1,500	1,500	7,500		
		Total	1,500	1,500	1,500	1,500	1,500	7,500		
	SW011 Storm Drains and Tunnels Rehab Program	Stormwater Bonds	0	2,500	3,500	4,000	4,000	14,000		
		Stormwater Revenue	6,500	6,500	6,500	4,000	4,500	28,000		
	Total		6,500	9,000	10,000	8,000	8,500	42,000		
	SW018 Flood Area 29 & 30 - Fulton Neighborhood	Other Local Govts	0	2,388	5,525	0	0	7,913		
		Stormwater Revenue	0	900	1,055	0	0	1,955		
	Total			3,288	6,580			9,868		
	SW032 I-35W Storm Tunnel Reconstruction	Stormwater Bonds	0	0	0	0	1,000	1,000		
		Total					1,000	1,000		
	SW034 Flood Area 21 - Bloomington Pond	Other Local Govts	0	4,395	0	0	0	4,395		
Stormwater Revenue		0	445	0	0	0	445			
Total			4,840				4,840			

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

2017 2018 2019 2020 2021 Total

				2017	2018	2019	2020	2021	Total	
PUBLIC WORKS DEPARTMENT	STORM SEWERS	SW039 Flood Mitigation - Stormwater Alternatives	Stormwater Revenue	3,000	3,000	3,000	3,000	3,000	15,000	
		Total		3,000	3,000	3,000	3,000	3,000	15,000	
		SW040 Central City Parallel Storm Tunnel	Stormwater Bonds	0	0	0	5,500	5,500	11,000	
			Stormwater Revenue	1,000	1,000	1,000	5,500	5,500	14,000	
		Total		1,000	1,000	1,000	11,000	11,000	25,000	
		SW99R Reimbursable Sewer & Storm Drain Projects	Reimbursements	2,000	2,000	2,000	2,000	2,000	10,000	
	Total		2,000	2,000	2,000	2,000	2,000	10,000		
	Total for STORM SEWERS				14,250	24,878	24,330	25,750	27,250	116,458
	WATER INFRASTRUCTURE	WTR12 Water Distribution Improvements	Water Revenue	7,250	7,350	7,450	7,550	7,650	37,250	
			Total	7,250	7,350	7,450	7,550	7,650	37,250	
		WTR18 Water Distribution Facility	Sanitary Bonds	0	2,500	0	0	0	2,500	
			Stormwater Bonds	0	2,500	0	0	0	2,500	
			Water Bonds	7,500	7,500	0	0	0	15,000	
		Total		7,500	12,500				20,000	
		WTR23 Treatment Infrastructure Improvements	Water Revenue	3,000	4,000	5,000	5,000	5,000	22,000	
Total		3,000	4,000	5,000	5,000	5,000	22,000			
WTR24 Fridley Filter Plant Rehabilitation		Water Bonds	17,000	16,500	9,500	0	0	43,000		
		Water Revenue	1,500	0	0	0	0	1,500		
Total		18,500	16,500	9,500			44,500			
WTR26 Recarbonation System Replacement		Water Bonds	3,500	0	0	0	0	3,500		
		Water Revenue	1,000	0	0	0	0	1,000		
Total		4,500					4,500			
WTR27 Automated Meter Infrastructure		Water Bonds	2,620	700	1,800	1,700	0	6,820		
Total		2,620	700	1,800	1,700		6,820			
WTR28 Ultrafiltration Module Replacement	Water Bonds	2,200	2,200	2,200	2,200	0	8,800			
Total		2,200	2,200	2,200	2,200		8,800			
WTR29 Columbia Heights Campus Upgrades	Water Bonds	0	4,180	4,250	4,200	1,340	13,970			
	Water Revenue	500	0	0	0	0	500			
Total		500	4,180	4,250	4,200	1,340	14,470			

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2017	2018	2019	2020	2021	Total
PUBLIC WORKS DEPARTMENT	WATER INFRASTRUCTURE	WTR9R Reimbursable Watermain Projects	Reimbursements	2,000	2,000	2,000	2,000	2,000	10,000
		Total		2,000	2,000	2,000	2,000	2,000	10,000
	Total for WATER INFRASTRUCTURE			48,070	49,430	32,200	22,650	15,990	168,340
Total for PUBLIC WORKS DEPARTMENT				137,438	166,948	163,977	158,693	146,788	773,844
PUBLIC GROUNDS & FACILITIES		FIR11 Fire Station #11	Net Debt Bonds	885	2,465	1,000	0	0	4,350
		Total		885	2,465	1,000			4,350
		FIR12 Fire Station No. 1 Renovation & Expansion	Net Debt Bonds	0	0	0	3,000	0	3,000
		Total			0		3,000		3,000
		FIR13 Fire Station No. 4 Apparatus Bay Addition	Net Debt Bonds	0	0	0	0	750	750
		Total						750	750
		MPD02 Property & Evidence Warehouse	Net Debt Bonds	4,002	0	0	0	0	4,002
		Total		4,002					4,002
		PSD16 Farmers Market Improvements	Net Debt Bonds	100	0	0	0	0	100
		Total		100	0	0	0		100
		PSD17 East Side Storage and Maintenance Facility	Net Debt Bonds	0	0	1,250	2,750	0	4,000
			Park Capital Levy	0	11,000	0	0	0	11,000
			Solid Waste Bonds	15,000	0	0	0	0	15,000
	Total			15,000	11,000	1,250	2,750		30,000
		PSD19 Impound Lot Facility	Parking Bonds	5,400	0	0	0	0	5,400
Total		5,400					5,400		
	RAD01 Public Safety Radio System Replacement	Net Debt Bonds	0	4,600	2,700	4,700	0	12,000	
	Total			4,600	2,700	4,700		12,000	
Total for PUBLIC GROUNDS & FACILITIES				25,387	18,065	4,950	10,450	750	59,602
MISCELLANEOUS PROJECTS		ART01 Art in Public Places	Net Debt Bonds	653	475	485	500	520	2,633
		Total		653	475	485	500	520	2,633
		CV001 Convention Center Plaza & Streetscape	Convention Center Revenue	10,500	0	0	0	0	10,500
		Total		10,500					10,500
Total for MISCELLANEOUS PROJECTS				11,153	475	485	500	520	13,133
Grand Totals				195,746	201,087	185,175	183,404	161,538	926,950

MUNICIPAL BUILDING COMMISSION

MBC01 Life Safety Improvements

The MBC life safety program includes installation of building sprinkler, fire alarm, smoke detection, and public address systems.

MBC02 Mechanical Systems Upgrade

The MBC Mechanical Systems Upgrade includes renovation and upgrade of the heating, ventilating and air conditioning (HVAC) systems in City Hall.

MBC09 Critical Power Capital Project

The project will upgrade emergency power systems in the City Hall.

MBC10 Exterior Improvements

This project addresses building envelope issues including waterproofing, exterior windows and doors, and masonry.

MBC11 Elevator Upgrades and Modernization

This project will upgrade and modernize six (6) of the fifteen (15) existing elevators at the City Hall / Courthouse.

PARK BOARD

PRK01 Building Improvements Program

Renovation and improvement of two recreation center buildings.

PRK02 Playground and Site Improvements Program

This project will reconfigure and replace worn out play equipment and additional amenities where budget allows.

PRK03 Shelter - Pool - Site Improvements Program

Wading pool upgrades at parks throughout the city.

PRK04 Athletic Fields -Site Improvements Program

Improvements include soil amendments, re-grading, re-seeding, irrigation, lighting, drainage, amenities and parking.

PRK31 Bossen Park Field Improvements

Renovation and redesign for ball diamonds and soccer fields at Bossen Park.

PRK33 Bryn Mawr Meadows Field Improvements

Renovation and possible redesign for athletic fields at Bryn Mawr Meadows.

PRKCP Neighborhood Parks Capital Infrastructure

This project will be used to fund ADA improvements, artificial turf, grant matches, sidewalk replacement, operations and neighborhood recreation center rehabilitation, park amenity rehabilitation, parkway paving and lighting, service area master plans, and projects at Northtown Bridge, Smith Triangle, and The Mall. Until specific projects are determined, this project will also reflect the additional resources for neighborhood parks approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

PRKDT Diseased Tree Removal

Removing diseased trees from private property.

PUBLIC WORKS DEPARTMENT

STREET PAVING

PV001 Parkway Paving Program

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program will renovate rather than totally reconstruct the roadways.

PV006 Alley Renovation Program

Repair and overlay existing alleys and repair or replace retaining walls that are currently in poor condition.

PV019 6th Ave N (5th St N to dead end)

Reconstruction of a deteriorated roadway in the North Loop Historic District.

PV054 8th St S (Hennepin Ave to Chicago Ave)

Reconstruction of existing roadway.

PV056 Asphalt Pavement Resurfacing Program

The objective of this program is to resurface approximately 15 to 20 miles of streets each year to extend their useful life. Resurfacing will help to slow the deterioration of the city's aging street network and delay the cost of reconstructing the roadway by at least 10 years. Until specific paving projects are defined, this project will also reflect the additional resources for street infrastructure approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

PV059 Major Pavement Maintenance Program

This project will upgrade pavement conditions and/or extend the life of the roadways in the City.

PV063 Unpaved Alley Construction

Place concrete pavement and any necessary storm drain and retaining walls in existing dirt or oiled dirt surfaced alleys.

PV074 CSAH & MnDOT Cooperative Projects

Project funding to be used for City's share of cooperative paving/bridge projects with Hennepin County and MnDOT.

PV075 Development Infrastructure Program

This project would provide funding for various City wide development projects.

PV080 18th Ave NE (Monroe to Johnson St NE)

Reconstruction of existing roadway with an off street bicycle trail.

PV084 54th St W (Penn to Lyndale Ave S)

Reconstruction of existing concrete pavement with parking and bicycle lanes.

PV087 34th Ave S (54th St E to Minnehaha Pkwy)

Rehabilitation or reconstruction of existing roadway.

PV094 4th St SE (25th to 29th Ave SE)

Reconstruct existing concrete roadway.

PV095 4th St N & S (2nd Ave N to 4th Ave S)

Reconstruction of existing roadway.

PV096 42nd Ave N (Xerxes to Lyndale Ave N)

Reconstruction of existing roadway.

PV097 18th Ave NE Trail Gap

Complete existing facility from 6th St NE to Washington St NE.

PV098 Hiawatha Trail Gap (28th to 32nd St E)

Extend existing trail to fill gap along LRT/Hiawatha Corridor.

PV102 5th St S Reconnection (11th to 15th Ave S)

Repurpose existing 5th St S as a two way street from 11th Ave S to 15th Ave S.

PV103 61st St W (Lyndale Ave S to Nicollet Ave S)

Reconstruct existing street.

PV104 ADA Ramp Replacement Program

Replace pedestrian ramps to meet new standards set by the Americans with Disabilities Act.

PV108 Concrete Streets Rehabilitation Program

This program would repair and rehabilitate various existing concrete streets in the City.

PV111 46th Ave S (46th St S to Godfrey Parkway)

Reconstruction of roadway with new sidewalk and asphalt pavement.

PV113 29th St W Phase 2

Reconstruction of existing roadway to be replaced with woonerf concept.

PV114 U of M Protected Bikeways

Construction of protected bike lanes on several streets in the vicinity of the University of Minnesota.

PV115 Emerson-Fremont Ave N Ped Enhancements

Implementation of pedestrian enhancements on the project corridor.

PV116 North Loop Pedestrian Improvements

Implementation of Bump Outs, Enhanced Pedestrian Crossings and Signal Modifications.

PV117 Broadway St NE (Stinson Blvd to City Limits)

Reconstruction of existing roadway to include pedestrian and bicycle amenities.

PV118 Hennepin Ave (Wash Ave N to 12th St S)

Reconstruction of existing roadway with pedestrian and bicycle amenities.

PV121 Hennepin Ave (Lake St W to 36th St W)

Reconstruct the existing street.

PV122 Dowling Ave (I-94 to 1st St N)

Reconstruct existing street to new connection at 1st St N.

PV123 Logan Park Industrial

Reconstruction of oil dirt and paver streets.

PV124 Mid City Industrial

Reconstruction of existing concrete and oil dirt streets.

PV125 35th St E (RR Tracks to Dight Ave)

Repair existing RR crossing and street.

PV126 Bryant Ave S (50th St E to Lake St E)

Reconstruction of existing street/bike boulevard.

PV127 37th Ave NE (Central Ave NE to Stinson Blvd)

Reconstruction of existing concrete roadway, narrowing traffic area and adding an off street trail in cooperation with Columbia Heights.

PV131 Res Neighborhood Reconst Projects

The project includes reconstruction of segments of residential streets within a residential paving area that warrant repairs beyond those provided in the residential resurfacing program. This includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

PV132 1st Ave S/Marquette (12th St to Lake St)

The project includes new sidewalks with ADA pedestrian ramps, implementing protected bikeways, new roadway pavement, new curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV134 28th Ave S (TH62 Ramp to 59th St E)

The project includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and pavement markings.

PV135 North Loop Paving

The project includes reconstruction of 5th Ave N (north of 5th St N to Washington Ave), 7th Ave N (4th St N to Washington Ave), and 3rd St N (5th Ave N to 10th Ave N). The project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and pavement markings.

PV136 Emerson Ave N (Plymouth to Broadway)

The project includes new sidewalks with ADA pedestrian ramps, implementing protected bikeways, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV137 29th Ave NE (Central to Stinson)

The project will include new sidewalks with ADA pedestrian ramps, on-street bike lanes, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV139 18th Ave NE (Johnson to Stinson)

The project will include new sidewalks with ADA pedestrian ramps, improving the existing trail facility, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV140 13th Ave NE (Sibley to Wash Sts NE)

The project will include new sidewalks with ADA pedestrian ramps, on-street bike lanes, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV141 Grand Ave S (Lake to 46th)

The project includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and pavement markings.

PV143 North Industrial

The project includes reconstruction of segments of local streets within the industrial areas between I-94, 23rd Ave N, 34th Ave N, and the Mississippi River. This project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

PV144 18th Ave N (Wash Ave to 2nd St)

The project includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and pavement markings.

PV145 North Loop Industrial

The project includes reconstruction of segments of local streets within the North Loop neighborhood's industrial area, which is generally defined as between I-94, 6th Ave N, 10th Ave N, and 12th Ave N. The project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

PV99R Reimbursable Paving Projects

Work to be done for others with 100% recovery from requesting agency.

SIDEWALKS

SWK01 Defective Hazardous Sidewalks

To provide a hazard free pedestrian passage over approximately 2,000 miles of public sidewalk by inspecting and replacing defective public sidewalks and adding ADA compliant curb ramps where needed.

BRIDGES

BR101 Major Bridge Repair and Rehabilitation

Major repair and rehabilitation of existing city bridges to extend the operational life.

BR106 1st Ave S over HCRRA

Reconstruction of the existing bridge over the Midtown Greenway.

BR117 1st St N Bridge over Bassetts Creek

Reconstruction of a structurally deficient bridge.

BR123 28th Ave S over Minnehaha Creek

Replace existing Bridge over Minnehaha Creek.

BR127 Nicollet Ave over Minnehaha Creek

Bridge Rehabilitation.

BR133 Cedar Lake Road Bridges over Bassett Cr & RR

Reconstruct existing bridges over Bassett Creek and BNSF railroad.

TRAFFIC CONTROL & STREET LIGHTING

TR008 Parkway Street Light Replacement

This project consists of replacement of deteriorated services, poles, fixtures and electrical wiring associated with the lighting systems in place along the parkways throughout the City.

TR010 Traffic Management Systems

This project consists of updating and retiming all the traffic signal systems within the City.

TR011 City Street Light Renovation

This project consists of renovating the City's existing decorative street lighting facilities.

TR021 Traffic Signals

This project consists of replacing old and outdated traffic signal equipment.

TR022 Traffic Safety Improvements

This project consists of seven traffic related improvements: 1) Overhead Signal Additions, 2) Operational and Safety Improvements, 3) Signal and Delineation, 4) Mastarm Mounted Street Name Signing, 5) Street & Bridge Navigation Lighting, 6) Pedestrian Safety, and 7) Railroad Crossing Safety.

TR024 Pedestrian Street Lighting Corridors

Construct pedestrian level lighting on various pedestrian corridors throughout the City.

TR025 Sign Replacement Program

Replace deficient signs with new signs that meet current reflectivity standards.

TR99R Reimbursable Transportation Projects

Work for others funding to be reimbursed by department, business or individuals requesting the work.

BIKE - PED PROJECTS

BIK28 Protected Bikeways Program

This program will create a network of bikeways which provide bicyclists with a physical means of protection from motor vehicles on roadways as recommended in the Bicycle Master Plan.

BP001 Safe Routes to School Program

This program will make safety improvements to roadways and intersections to encourage bicycling and walking to and from Minneapolis Schools.

BP002 Prospect Park Trail

This project will add a Bike/Ped trail from Franklin Ave SE to 27th Ave SE utilizing the existing Railroad right of way.

BP003 Midtown Greenway Trail Mill & Overlay

Phase I renovation of the Midtown Greenway.

SANITARY SEWERS

SA001 Sanitary Tunnel & Sewer Rehab Program

This program will rehabilitate and repair sanitary sewer pipes, lift stations & tunnels.

SA036 Infiltration & Inflow Removal Program

The focus of this program is to remove inflow and infiltration of water from the sanitary sewer system and redirect this clear water to the storm sewer system and/or other best management practices.

SA99R Reimbursable Sanitary Sewer Projects

Work to be done for others with 100% recovery from requesting agency.

STORM SEWERS

SW004 Implementation of US EPA Storm Water Regs

This project provides solutions for Stormwater pollution mitigation measures.

SW005 Combined Sewer Overflow Improvements

Construction of stormwater systems so that catch basins and drains in public ROW can be disconnected from the sanitary sewer and reconnected to a storm sewer.

SW011 Storm Drains and Tunnels Rehab Program

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

SW018 Flood Area 29 & 30 - Fulton Neighborhood

The goal of this project is to protect Fulton neighborhood homes and businesses from flooding by using runoff volume and runoff rate control.

SW032 I-35W Storm Tunnel Reconstruction

Construction of 19 new relief tunnels along the existing St. Mary's Tunnel.

SW034 Flood Area 21 - Bloomington Pond

Project will increase runoff by disconnecting combined sewer overflow areas from the sanitary sewer and then use storm water volume reduction to protect homes near Bloomington Pond from flooding as a result of the increased runoff.

SW039 Flood Mitigation - Stormwater Alternatives

The purpose of this program is to address localized flooding and drainage problems City-wide. Where practical, environmentally friendly "green infrastructure" stormwater practices such as rain gardens, bioswales, constructed wetlands, pervious pavements and hard surface reduction will be utilized.

SW040 Central City Parallel Storm Tunnel

Construction of a new parallel tunnel in the Central City storm tunnel system.

SW99R Reimbursable Sewer & Storm Drain Projects

Work to be done for others with 100% recovery from requesting agency.

WATER INFRASTRUCTURE

WTR12 Water Distribution Improvements

Maintain and sustain existing water distribution system infrastructure citywide.

WTR18 Water Distribution Facility

Site acquisition, planning, design, and construction of a new Water Distribution Maintenance Facility.

WTR23 Treatment Infrastructure Improvements

Maintain viability of existing water infrastructure through regular upgrades.

WTR24 Fridley Filter Plant Rehabilitation

Renovate many parts of the Fridley Filtration Plant (1925 vintage) to improve finished water quality and reliability.

WTR26 Recarbonation System Replacement

Replace carbon dioxide storage and feed system.

WTR27 Automated Meter Infrastructure

Implementation of Advanced Metering Infrastructure.

WTR28 Ultrafiltration Module Replacement

Replace membrane modules in Ultrafiltration plant.

WTR29 Columbia Heights Campus Upgrades

Improve or replace century-old structures on Columbia Heights campus.

WTR9R Reimbursable Watermain Projects

This project provides working capital for watermain projects reimbursable by other City Departments or private businesses.

PUBLIC GROUNDS & FACILITIES

FIR11 Fire Station #11

Planning, design, and construction of a new Fire Station #11 at an existing City-owned site.

FIR12 Fire Station No. 1 Renovation & Expansion

The project would plan, design, renovate and expand the current Fire Station #1 at its current location.

FIR13 Fire Station No. 4 Apparatus Bay Addition

Fire Station #4 Apparatus Bay Addition.

MPD02 Property & Evidence Warehouse

Acquire and modify an existing warehouse facility.

MPD04 Mounted Police Facility

Design and construct a new Police Mounted Patrol Facility on City owned property.

PSD15 Traffic Maintenance Facility Improvement

The scope of the project is to complete the final phase of the renovation and modernization of the Traffic Maintenance Facility.

PSD16 Farmers Market Improvements

This project will provide for the long term capital improvement plan for the Farmer's Market site and facilities.

PSD17 East Side Storage and Maintenance Facility

Redevelop 340 27th Ave NE for Municipal Operations for large scale storage and maintenance (to potentially include the Park and Recreation Board).

PSD18 Regulatory Services Facility

To acquire an adequate site and to design and construct a new facility to meet the program needs of Housing and Fire Inspections.

PSD19 Impound Lot Facility

This project will provide for needed site improvements (drainage, lighting, security, landscape screening), and for the comprehensive renovation and expansion, or replacement, of the Impound service building at or near its current location.

RAD01 Public Safety Radio System Replacement

Replace hardware and update infrastructure of the ARMER interoperable radio system.

MISCELLANEOUS PROJECTS

ART01 Art in Public Places

This ongoing program incorporates public art into the City's capital program as stand alone artworks or as integrated into public infrastructure.

CV001 Convention Center Plaza & Streetscape

Refresh and increase the functionality of the plaza.

MBC01 Life Safety Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase / (Decrease) Amount: 5,000

Year Increase / (Decrease) takes effect: 2017

Project Description:

The MBC life safety program includes installation of building sprinkler, fire alarm, smoke detection, and public address systems.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There will be some additional operating costs for additional testing and inspections of the additional fire sprinkler and fire alarm items. We anticipate an additional cost of \$5,000 / year. This is equal to the cost of 1 quarter testing for the building per year.

MBC02 Mechanical Systems Upgrade

Existing or New Infrastructure: Existing

Operating Cost Implication: Decrease

Increase / (Decrease) Amount: (160,000)

Year Increase / (Decrease) takes effect: 2017

Project Description:

The MBC Mechanical Systems Upgrade includes renovation and upgrade of the heating, ventilating and air conditioning (HVAC) systems in City Hall.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Installation of four energy wheels and a chilled water side economizer have been completed. The energy wheels and water side economizer capture energy from exhaust air and utilize that energy to heat, cool, or humidify incoming ventilation air. Originally the outside air intake units were scheduled at the end of the project. They have been rescheduled to capitalize on energy savings and to coordinate construction sequencing issues

MBC09 Critical Power Capital Project

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

The project will upgrade emergency power systems in the City Hall.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating Costs for the MBC will be unchanged by the project. Replacement of failing electrical equipment will reduce future maintenance costs. No cost has been assigned for the reduced risk to government operations or the public during a future natural disaster or homeland security event.

Operating Cost Implications for Approved 2017 Projects

MBC10 Exterior Improvements

Existing or New Infrastructure: New

Operating Cost Implication: Decrease

Increase / (Decrease) Amount: (130,000)

Year Increase / (Decrease) takes effect: 2020

Project Description:

This project addresses building envelope issues including waterproofing, exterior windows and doors, and masonry.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating costs relating to the Exterior Improvements Project.
Costs below are construction costs only for Waterproofing and Masonry

Year	Waterproofing/Heat Tape costs	Masonry costs	Window Film costs
2012	\$157,000.00		
2013		\$10,400.00	
2014	\$45,000.00	\$46,000.00	\$10,400.00
2015	\$152,500.00		\$10,400.00
Totals	\$354,500.00	\$46,000.00	\$31,200.00

Grand Total: \$431,700.00

Cost/year based on last 3 years: \$143,900.00

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not applicable

MBC11 Elevator Upgrades and Modernization

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2018

Project Description:

This project will upgrade and modernize six (6) of the fifteen (15) existing elevators at the City Hall / Courthouse.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There will be some electrical cost savings relative to traditional elevators for all upcoming elevator projects because they will utilize regenerative drive technology, which results in 20-40% energy savings relative to traditional elevators. We do not meter electrical consumption at each elevator and so the existing consumption and cost is not known.

PRK01 Building Improvements Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

Renovation and improvement of two recreation center buildings.

Describe how operating cost increases or decreases were determined and include details such as personnel

costs, materials, contracts, energy savings, etc:

All of these projects are intended to improve the efficiency of the buildings. The potential for savings was identified in work the Minneapolis Park and Recreation Board completed with McKinstry. This work included the review of recreation centers at Lake Nokomis, Logan, Matthews, McRae, and Pershing Parks to determine possible energy savings based on McKinstry's "Guaranteed Savings Performance Contract" model. This analysis showed that it may be possible for the MPRB to achieve 20 to 29% in savings per building with lighting improvements and controls, temperature controls, building envelope improvements (door jams, window/door weather stripping, wall/joist seams, roof intrusions), water conservation improvements, and vending machine controls. Energy efficiency improvements made at these facilities produced an estimated savings of \$25,000 in the first year.

Other improvements such as improved insulation and new sensor activated water faucets would result in additional savings. The exact savings depends on the current condition of the building.

Adding air conditioning, however, will increase the costs of operating the building. Due to the addition of air conditioning in some facilities, the MPRB is not projecting an overall decrease in operating costs due to the energy efficiency improvements.

PRK02 Playground and Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

This project will reconfigure and replace worn out play equipment and additional amenities where budget allows.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating costs are generally decreased, as replacement and updating of playgrounds at the end of the expected lifespan reduces the need for emergency repairs and removal of damaged or unsafe equipment from public use. However, direct operating cost savings are unlikely to be realized as there are many playgrounds in the system and operational savings will be shifted to other aging playgrounds.

PRK31 Bossen Park Field Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

Renovation and redesign for ball diamonds and soccer fields at Bossen Park.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This is based on costs of maintaining other upgraded neighborhood park fields, such as the field at Rev. Dr. Martin Luther King Jr Park. Costs are associated with irrigation, aeration and fertilization of the turf.

Operating Cost Implications for Approved 2017 Projects

PRKCP Neighborhood Parks Capital Infrastructure

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

This project will be used to fund ADA improvements, artificial turf, grant matches, sidewalk replacement, operations and neighborhood recreation center rehabilitation, park amenity rehabilitation, parkway paving and lighting, service area master plans, and projects at Northtown Bridge, Smith Triangle, and The Mall. Until specific projects are determined, this project will also reflect the additional resources for neighborhood parks approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The sidewalk/interior path replacement, operational facilities rehabilitation, synthetic turf rehabilitation, recreation center rehabilitation and neighborhood rehabilitation funds will be a direct replacement and will reduce the need for emergency fixes or temporary fixes.

The operating cost impacts of the grant match will depend on the projects that are selected for funding. If the project will result in an increase in operating cost, the grant request will require Park Board approval.

ADA improvements will be applied to existing infrastructure and are not expected to increase operating costs.

The Smith Triangle and The Mall projects are renovations of existing park areas and facilities that are in decline. Therefore, operational costs may be reduced through these capital improvements.

PRKDT Diseased Tree Removal

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2016

Project Description:

Removing diseased trees from private property.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

N/A

PV001 Parkway Paving Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program will renovate rather than totally reconstruct the roadways.

Describe how operating cost increases or decreases were determined and include details such as personnel

costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a parkway in poor condition is estimated at \$7,000 per mile per year for a this type of roadway. It is estimated that approximately 3 miles of parkway will be resurfaced, resulting in an estimated cost to maintain of \$21,000 annually.

PV006 Alley Renovation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

Repair and overlay existing alleys and repair or replace retaining walls that are currently in poor condition.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

The current street maintenance expenditure for alleys in “poor” or “very poor” condition is estimated at approximately \$500 per alley per year. Over the five years of this program, 48 alleys will be improved. Approximately 10 alleys per year will be resurfaced, the estimated annual cost to maintain these alleys is \$5,000 per year.

PV019 6th Ave N (5th St N to dead end)

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2016

Project Description:

Reconstruction of a deteriorated roadway in the North Loop Historic District.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain an MSA type of street is estimated at \$10,000 per mile per. Given the length of this project at 0.28 miles, the estimated annual cost to maintain this roadway is \$2,800 per year.

PV056 Asphalt Pavement Resurfacing Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

The objective of this program is to resurface approximately 15 to 20 miles of streets each year to extend their useful life. Resurfacing will help to slow the deterioration of the city's aging street network and delay the cost of reconstructing the roadway by at least 10 years. Until specific paving projects are defined, this project will also reflect the additional resources for street infrastructure approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$5,000 per mile per year for a residential type of roadway. Given the length of this project at 25 miles, the estimated annual cost to maintain this roadway is \$125,000.

PV059 Major Pavement Maintenance Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

This project will upgrade pavement conditions and/or extend the life of the roadways in the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway.

PV063 Unpaved Alley Construction

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2016

Project Description:

Place concrete pavement and any necessary storm drain and retaining walls in existing dirt or oiled dirt surfaced alleys.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

Operating Cost Implications for Approved 2017 Projects

In general, the cost to maintain an unpaved alley is estimated at \$1,900 per mile per year. Given the length of this project at 0.15 miles, the estimated annual cost to maintain these alleys is \$285.

PV074 CSAH & MnDOT Cooperative Projects

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

Project funding to be used for City's share of cooperative paving/bridge projects with Hennepin County and MnDOT.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There will be no relative increase or decrease. Hennepin County provides Minneapolis funds to complete maintenance on their roads. Rebuilding a road releases maintenance money to other county roadways where additional maintenance is needed.

PV075 Development Infrastructure Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

This project would provide funding for various City wide development projects.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway.

PV080 18th Ave NE (Monroe to Johnson St NE)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Reconstruction of existing roadway with an off street bicycle trail.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system. In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway. Given the length of this project at .75 miles, the estimated annual cost to maintain this roadway is \$7,500.

PV084 54th St W (Penn to Lyndale Ave S)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2016

Project Description:

Reconstruction of existing concrete pavement with parking and bicycle lanes.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain an MSA type of street is estimated at \$10,000 per mile per. Given the length of this project at 1 mile, the estimated annual cost to maintain this roadway is \$10,000 per year.

PV094 4th St SE (25th to 29th Ave SE)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Reconstruct existing concrete roadway.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway. Given the length of this project at 0.28 miles, the estimated annual cost to maintain this roadway is \$2,800.

PV096 42nd Ave N (Xerxes to Lyndale Ave N)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2018

Project Description:

Reconstruction of existing roadway.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway. Given the length of this project at 1.5 miles, the estimated annual cost to maintain this roadway is \$15,000.

PV102 5th St S Reconnection (11th to 15th Ave S)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2018

Project Description:

Repurpose existing 5th St S as a two way street from 11th Ave S to 15th Ave S.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway. Given the length of this project at 0.75 miles, the estimated annual cost to maintain this roadway is \$7,500 per year.

PV104 ADA Ramp Replacement Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Replace pedestrian ramps to meet new standards set by the Americans with Disabilities Act.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

No increase in annual operating costs.

PV108 Concrete Streets Rehabilitation Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2017

Project Description:

This program would repair and rehabilitate various existing concrete streets in the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$5,000 per mile per year for a residential type of roadway. Given the length of this project at 0.38 miles, the estimated annual cost to maintain this roadway is \$1,900 per year.

PV111 46th Ave S (46th St S to Godfrey Parkway)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Reconstruction of roadway with new sidewalk and asphalt pavement.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway. Given the length of this project at 0.07 miles, the estimated annual cost to maintain this roadway is \$700 per year.

PV121 Hennepin Ave (Lake St W to 36th St W)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2021

Project Description:

Reconstruct the existing street.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway. Given the length of this project at 0.75 miles, the estimated annual cost to maintain this roadway is \$7,500 per year.

Operating Cost Implications for Approved 2017 Projects

PV134 28th Ave S (TH62 Ramp to 59th St E)

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

The project includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and pavement markings.

PV99R Reimbursable Paving Projects

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Work to be done for others with 100% recovery from requesting agency.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Street Maintenance Department would cover any routine costs that would result from the improvements made by this program.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

SWK01 Defective Hazardous Sidewalks

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

To provide a hazard free pedestrian passage over approximately 2,000 miles of public sidewalk by inspecting and replacing defective public sidewalks and adding ADA compliant curb ramps where needed.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Not Applicable

BR101 Major Bridge Repair and Rehabilitation

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (20,000) **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Major repair and rehabilitation of existing city bridges to extend the operational life.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

Cost impacts represent an analysis of "Routine Bridge Maintenance" expenses.

BR123 28th Ave S over Minnehaha Creek

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (2,000) **Year Increase / (Decrease) takes effect:** 2018

Project Description:

Replace existing Bridge over Minnehaha Creek.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

The amount is an average cost estimate based on the tracked financial system provided by the Bridge Maintenance Foreman.

TR008 Parkway Street Light Replacement

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (6,000) **Year Increase / (Decrease) takes effect:** 2016

Project Description:

This project consists of replacement of deteriorated services, poles, fixtures and electrical wiring associated with the lighting systems in place along the parkways throughout the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

It's estimated that personnel cost would be reduced by \$4,500 and equipment rental by \$1,500. As LED lights are installed savings of \$100 in maintenance and \$25 in electricity per fixture can be anticipated. At 40 poles and fixtures replaced per year the annual energy and maintenance savings cost are \$5,000.

TR010 Traffic Management Systems

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

This project consists of updating and retiming all the traffic signal systems within the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The new communication links require about the same operating and maintenance costs as the existing network.

TR011 City Street Light Renovation

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (7,500) **Year Increase / (Decrease) takes effect:** 2017

Project Description:

This project consists of renovating the City's existing decorative street lighting facilities.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Approximately 500 LED fixtures can be converted per year in the 2016 budget. These should save approximately \$50 per year energy savings and \$50 per year in amortized maintenance savings for a total of \$100 per fixture or \$50,000 per year. Pole painting about 150 poles per year should add 10 years of life per pole at \$30 per year amortized replacement cost for a total of \$45,000. Pole replacements should save \$5000 per year in emergency overtime costs. Total savings of \$100,000 per year.

TR021 Traffic Signals

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (20,000) **Year Increase / (Decrease) takes effect:** 2016

Project Description:

This project consists of replacing old and outdated traffic signal equipment.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

In general, the cost to maintain the signal system will be reduced by \$20,000 per year. The replacement of aging and obsolete traffic signal system equipment will reduce the amount of money spent on maintenance for the replacement of failing equipment, while also reducing personnel time spent maintaining the aging and obsolete traffic signal system equipment. This would free up more time that can be used on previously understaffed work activities.

TR022 Traffic Safety Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase / (Decrease) Amount: 6,000

Year Increase / (Decrease) takes effect: 2016

Project Description:

This project consists of seven traffic related improvements: 1) Overhead Signal Additions, 2) Operational and Safety Improvements, 3) Signal and Delineation, 4) Mastarm Mounted Street Name Signing, 5) Street & Bridge Navigation Lighting, 6) Pedestrian Safety, and 7) Railroad Crossing Safety.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Overhead signal additions would increase operating costs by \$15.00 per unit per year. There are 60 overhead signal structures proposed for construction from 2017 to 2021.

TR024 Pedestrian Street Lighting Corridors

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2016

Project Description:

Construct pedestrian level lighting on various pedestrian corridors throughout the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Ongoing costs include electricity, pole knockdowns, and bulb replacements. New poles will utilize LED technology, which are highly efficient both in terms of electrical usage and ongoing maintenance. Public Works will adjust operating expense requests as the number of street light poles increases, but expects future operational savings in the existing street lighting system as existing fixtures are converted to LED. Some marginal energy savings from replacing pre-existing wood pole lighting, but added LED poles should offset that savings

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

TR025 Sign Replacement Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Replace deficient signs with new signs that meet current reflectivity standards.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This program will only replace existing signs. There will be no change in annual operating cost.

TR99R Reimbursable Transportation Projects

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

Work for others funding to be reimbursed by department, business or individuals requesting the work.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Traffic Control Maintenance Department would cover any routine costs that would result from the improvements made by this program.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

BIK28 Protected Bikeways Program

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2017

Project Description:

This program will create a network of bikeways which provide bicyclists with a physical means of protection from motor vehicles on roadways as recommended in the Bicycle Master Plan.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Public Works is still assessing the costs of maintenance for protected bikeways. To date, we have limited experience with protected bikeway maintenance costs as follows: 0.4 miles of trails at \$10,560/centerline mile; 3.7 miles of two-way protected bike lanes on one side of the street at \$52,800/centerline mile, 5.3 miles of one-way protected bike lanes in each direction of travel on two-way streets at \$68,640/centerline mile, and 16.2 miles of one-way protected bike lanes in one direction of travel on one-way streets at \$34,320/mile. Public Works is having ongoing discussions regarding the appropriate level of maintenance for protected bikeways, particularly for winter operations including plowing.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Maintenance costs for protected bikeways will vary depending on the type of facility installed. Public Works has calculated estimates for annual maintenance of protected bikeways, although it is based on a very small sample of locations. As more protected bikeway projects are implemented Public Works will better understand maintenance costs and expects to build efficiencies into its operations.

Operating Cost Implications for Approved 2017 Projects

BP001 Safe Routes to School Program

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase / (Decrease) Amount: 1,000

Year Increase / (Decrease) takes effect: 2017

Project Description:

This program will make safety improvements to roadways and intersections to encourage bicycling and walking to and from Minneapolis Schools.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

A typical project within this program would add an additional \$1000 in annual operating costs. This includes some additional winter maintenance costs, sign and pavement marking replacement, and pedestrian signal repair.

Additional winter maintenance costs were estimated for typical treatments within the program such as pedestrian medians, traffic circles, and curb extensions. An additional allowance was given for signage, striping and pedestrian signal maintenance based on the typical frequency of these items.

SA001 Sanitary Tunnel & Sewer Rehab Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (100,000) **Year Increase / (Decrease) takes effect:** 2016

Project Description:

This program will rehabilitate and repair sanitary sewer pipes, lift stations & tunnels.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The decreased amount of operating costs represents savings in labor, equipment and material expenses associated with the ongoing maintenance and small repair of the areas in most need of rehabilitation within the sanitary sewer system. Clear water can also be removed with these projects, potentially reducing the MCES treatment costs.

SA036 Infiltration & Inflow Removal Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2016

Project Description:

The focus of this program is to remove inflow and infiltration of water from the sanitary sewer system and redirect this clear water to the storm sewer system and/or other best management practices.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating Costs were determined with past practices, and this work does not result in a change in operating costs.

SA99R Reimbursable Sanitary Sewer Projects

Existing or New Infrastructure: Operating Cost Implication: No Change

Increase / (Decrease) Amount: Year Increase / (Decrease) takes effect:

Project Description:

Work to be done for others with 100% recovery from requesting agency.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Sanitary Sewer Maintenance Department would cover any routine costs that would result from the improvements made by this program.

SW004 Implementation of US EPA Storm Water Regs

Existing or New Infrastructure: New Operating Cost Implication: No Change

Increase / (Decrease) Amount: Year Increase / (Decrease) takes effect:

Project Description:

This project provides solutions for Stormwater pollution mitigation measures.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Construction of new stormwater best management practices (BMPs) may require additional maintenance costs which will be paid for from the stormwater utility maintenance funding depending on the BMP constructed. Maintenance costs will be highly dependent on the BMP selected. Many of these BMPs do not have enough data to determine annual maintenance costs. The department is working towards tracking and identifying these costs.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

SW005 Combined Sewer Overflow Improvements

Existing or New Infrastructure: New Operating Cost Implication: No Change

Increase / (Decrease) Amount: Year Increase / (Decrease) takes effect:

Project Description:

Construction of stormwater systems so that catch basins and drains in public ROW can be disconnected from the sanitary sewer and reconnected to a storm sewer.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating Costs were determined with past practices, and this work does not result in increased operating costs.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

Operating Cost Implications for Approved 2017 Projects

SW011 Storm Drains and Tunnels Rehab Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (300,000) **Year Increase / (Decrease) takes effect:** 2016

Project Description:

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The decreased amount of operating costs represents savings in labor, equipment and material expenses associated with the ongoing maintenance and small repair of the areas in most need of rehabilitation within the storm drain tunnel system.

SW039 Flood Mitigation - Stormwater Alternatives

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

The purpose of this program is to address localized flooding and drainage problems City-wide. Where practical, environmentally friendly "green infrastructure" stormwater practices such as rain gardens, bioswales, constructed wetlands, pervious pavements and hard surface reduction will be utilized.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This project may increase annual operating and maintenance costs of the Surface Water & Sewers Division of Public Works for maintenance of the BMPs. However, this project may decrease annual operating and maintenance costs of the same division for addressing localized flooding issues. Any increase would be paid from the Stormwater Utility enterprise fund.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

SW040 Central City Parallel Storm Tunnel

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Construction of a new parallel tunnel in the Central City storm tunnel system.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The decreased amount of operating costs represents savings in labor, equipment and material expenses associated with the ongoing tunnel inspections and maintenance within the Central City storm tunnel system

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

SW99R Reimbursable Sewer & Storm Drain Projects

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Work to be done for others with 100% recovery from requesting agency.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Storm Sewer Maintenance Department would cover any routine costs that would result from the improvements made by this program.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

WTR12 Water Distribution Improvements

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (10,000) **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Maintain and sustain existing water distribution system infrastructure citywide.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

- Reduced maintenance needed for replaced fire hydrants.
- A significant portion of the allocation for WTR12 is used for water main cleaning and lining or structural lining, which consists of scraping the inside of cast iron water mains to remove built up mineral deposits and installing a smooth liner. The improved flow characteristics (reduced frictional loss) of the lined water main will incrementally reduce pumping costs in maintaining water system pressures.
- Water meters under-report when they are past their service life and the internal components are worn. This means that the customer is not paying for all of the water used. Water meter replacement does not necessarily achieve cost savings but does assist in cost recovery.

WTR18 Water Distribution Facility

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Site acquisition, planning, design, and construction of a new Water Distribution Maintenance Facility.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

To be determined. Newly constructed industrial facilities have more complex mechanical, electrical, and life-safety systems than the buildings they replace. The advantage is that the systems provide for a healthier and safer environment for the staff. Although the systems are more energy efficient (approximately 30%) the savings are offset by bringing more fresh air, exhausting harmful pollutants, and controlling temperature and humidity with more precision. Similarly, the maintenance savings of having new systems is offset by having more systems to maintain.

Operating Cost Implications for Approved 2017 Projects

The end result is there may not be any operational savings with the new building. The true savings will be with the effectiveness of the operation.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

If there are any additional operating costs (compared to existing), these costs will be included in the 5 year financial plan for the City.

WTR23 Treatment Infrastructure Improvements

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Maintain viability of existing water infrastructure through regular upgrades.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Planning for neutral change or decrease in operating cost. Attempts to improve efficiency are pursued wherever possible.

WTR24 Fridley Filter Plant Rehabilitation

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Renovate many parts of the Fridley Filtration Plant (1925 vintage) to improve finished water quality and reliability.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Generally plan for neutral change in operating cost. Attempt to improve efficiency wherever possible.

WTR26 Recarbonation System Replacement

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (15,000) **Year Increase / (Decrease) takes effect:** 2018

Project Description:

Replace carbon dioxide storage and feed system.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The proposed system reduces costs by more efficient injection of the purchased Carbon Dioxide compared with the existing system.

WTR27 Automated Meter Infrastructure

Existing or New Infrastructure: New **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (100,000) **Year Increase / (Decrease) takes effect:** 2023

Project Description:

Implementation of Advanced Metering Infrastructure.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

At present time, most of the remote meter readings for billing are collected by a receiver in a van that drives every street in the City once a month. The new automated meter reading systems use a fixed network with receivers that serve a several block range that convey the signal to the City's billing system. This would eliminate the need for the equipped van and the employee to drive it. However, some of these savings will be offset by costs associated with maintaining the AMI software and related infrastructure.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Annual operating costs are expected to decline for this project.

WTR28 Ultrafiltration Module Replacement

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Replace membrane modules in Ultrafiltration plant.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The project will decrease operating costs, but it is difficult to predict the amount. As ultrafiltration modules near the end of their life, the repair frequency increases, causing the need for increased labor costs. Replacing the modules in a timely manner will reduce the cost of repair labor.

WTR29 Columbia Heights Campus Upgrades

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Improve or replace century-old structures on Columbia Heights campus.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Planning for neutral change or decrease in operating cost.

WTR9R Reimbursable Watermain Projects

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

This project provides working capital for watermain projects reimbursable by other City Departments or private businesses.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Water Maintenance Department would cover any routine costs that would result from the improvements made by this program. Generally plan for neutral change or decrease in operating cost. Attempt to improve efficiency wherever possible.

FIR11 Fire Station #11

Existing or New Infrastructure: New **Operating Cost Implication:** Increase

Increase / (Decrease) Amount: 20,000 **Year Increase / (Decrease) takes effect:** 2019

Project Description:

Planning, design, and construction of a new Fire Station #11 at an existing City-owned site.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Newly constructed fire stations have more complex mechanical, electrical, and life-safety systems than the buildings they replace. The advantage is that the systems provide for a healthier and safer environment for the firefighters. Although the systems are more energy efficient (approximately 30%) the savings are offset by bringing more fresh air, exhausting harmful pollutants, and controlling temperature and humidity with more precision. Similarly, the maintenance savings of having new systems is offset by having more systems to maintain. The stations will be designed to be more efficient and effective to clean on a daily basis. The Firefighters self-perform the cleaning of the station therefore there will not be any financial offset.

The end result is there will not be any operational savings with the new building. It is anticipated that the costs may actually be \$20,000 a year higher based on comparative stations. The average maintenance costs (3-year average)(2013- 2015) for the current Fire Station #11 was \$52,092 and the average maintenance costs for the newly constructed FS #14 for the same period of time was \$66,621. Energy costs in 2015 for FS#11 were \$18,643 (\$1.60

per square foot) and were \$21,323 (\$1.42 per square foot) for Fire Station #14.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:
Increased costs have been planned for in the City's 5-year financial plan.

MPD02 Property & Evidence Warehouse

Existing or New Infrastructure: New **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (70,000) **Year Increase / (Decrease) takes effect:** 2017

Project Description:

Acquire and modify an existing warehouse facility.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

With the current structure of three locations, the amount of time spent driving between these locations costs the city and the department substantial expense. For one trip to pick up or drop off evidence from Harriet Ave to the NE warehouse and back costs the city \$48 in salary. If the same items were in one location, it would take roughly 15 minutes to handle the same items at a cost of \$6. There is a \$42 savings by having items in one location.

Also, this operation utilizes valuable City Hall space that can be utilized by other departments and reduce the City's overall cost (\$70,000 per year) for leased space downtown.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:
NA

PSD16 Farmers Market Improvements

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2020

Project Description:

This project will provide for the long term capital improvement plan for the Farmer's Market site and facilities.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

It is anticipated that any increase in operating costs will be funded through rental fees paid by the growers.

PSD17 East Side Storage and Maintenance Facility

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

Redevelop 340 27th Ave NE for Municipal Operations for large scale storage and maintenance (to potentially include the Park and Recreation Board).

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Increased operating costs will be accounted for in the rates for services as part of the City's 5-year financial plan.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Fees for service.

PSD19 Impound Lot Facility

Existing or New Infrastructure: New

Operating Cost Implication: Increase

Increase / (Decrease) Amount: 10,000

Year Increase / (Decrease) takes effect: 2018

Project Description:

This project will provide for needed site improvements (drainage, lighting, security, landscape screening), and for the comprehensive renovation and expansion, or replacement, of the Impound service building at or near its current location.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

New or renovated buildings have more complex mechanical, electrical, and life-safety systems than those that were original to the building. The advantage is that the systems provide for a healthier and safer environment for the City staff. Although the systems are more energy efficient (approximately 30%) the savings are offset by bringing more fresh air, exhausting harmful pollutants, and controlling temperature and humidity with more precision. Similarly, having the maintenance savings (fewer break-down repairs) of having new systems is offset by having more systems to maintain. The larger savings is the cost avoidance of complete system failure that would require relocation of staff until the problem is resolved.

The end result is there will not be significant operational savings with the systems.

The building will be either expanded or replaced, therefore there will be a small increase in operating costs estimated to be \$10,000 per year.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

The increased costs can be absorbed within the current operating budget.

ART01 Art in Public Places

Existing or New Infrastructure: New

Operating Cost Implication: Increase

Increase / (Decrease) Amount: 3,300

Year Increase / (Decrease) takes effect: 2019

Project Description:

This ongoing program incorporates public art into the City's capital program as stand alone artworks or as integrated

into public infrastructure.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

During design development for each public art project, a design assessment is conducted by an art conservator with input from the people who maintain the project site. This assessment outlines the annual maintenance needs and costs, as well as the costs of periodic treatments, such as repainting. After this assessment, staff works with the artist to identify design changes which could decrease maintenance costs and make the artwork more durable. This process has resulted in a 67% decrease in maintenance costs since 2003. The above figure is based on the average annual cost of maintaining an artwork.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Basic annual maintenance, such as cleaning and debris removal is provided by project partners and property owners. More complex annual maintenance procedures, such as graffiti removal and new coatings are funded annually through CPED's general fund.

CV001 Convention Center Plaza & Streetscape

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Refresh and increase the Functionality of the Plaza.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

N/A – we anticipate our operating costs remaining the same. Security and grounds maintenance costs will remain the same. Any increased costs from increased activity will be offset with operating revenues generated.



2017 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	5,500	5,500	1,230	1,230
MBC02 Mechanical Systems Upgrade	MBC	900	900	900	900
MBC09 Critical Power Capital Project	MBC	5,000	0	5,000	5,000
MBC10 Exterior Improvements	MBC	2,155	2,155	1,234	1,234
MBC11 Elevator Upgrades and Modernization	MBC	181	0	181	181
PRK01 Building Improvements Program	Park Board	596	596	596	596
PRK02 Playground and Site Improvements Program	Park Board	2,284	2,284	2,284	2,284
PRK31 Bossen Park Field Improvements	Park Board	862	862	862	862
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,181	1,181	9,181	9,181
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PV001 Parkway Paving Program	Public Works	870	871	871	871
PV006 Alley Renovation Program	Public Works	250	275	275	625
PV019 6th Ave N (5th St N to dead end)	Public Works	480	480	480	480
PV056 Asphalt Pavement Resurfacing Program	Public Works	6,915	6,915	28,115	6,915
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	0	200	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	4,200	4,200	4,200	4,200
PV075 Development Infrastructure Program	CPED	0	0	500	500
PV080 18th Ave NE (Monroe to Johnson St NE)	Public Works	4,495	4,495	4,495	6,460
PV084 54th St W (Penn to Lyndale Ave S)	Public Works	3,435	3,435	3,435	3,435
PV094 4th St SE (25th to 29th Ave SE)	Public Works	2,390	2,390	2,390	2,780
PV096 42nd Ave N (Xerxes to Lyndale Ave N)	Public Works	0	0	0	13,020
PV102 5th St S Reconnection (11th to 15th Ave S)	Public Works	1,500	1,500	1,500	1,500
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	610	610	610	4,000
PV111 46th Ave S (46th St S to Godfrey Parkway)	Public Works	475	475	475	475
PV121 Hennepin Ave (Lake St W to 36th St W)	Public Works	0	0	0	690
PV134 28th Ave S (TH62 Ramp to 59th St E)	Public Works	0	0	0	25
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	3,830	3,830	3,830	3,830
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR123 28th Ave S over Minnehaha Creek	Public Works	2,690	2,690	2,690	2,690
TR008 Parkway Street Light Replacement	Public Works	310	372	372	372
TR010 Traffic Management Systems	Public Works	30	30	30	30
TR011 City Street Light Renovation	Public Works	445	445	450	450
TR021 Traffic Signals	Public Works	1,870	1,870	1,870	1,870
TR022 Traffic Safety Improvements	Public Works	2,005	2,005	2,005	2,005
TR024 Pedestrian Street Lighting Corridors	Public Works	445	445	450	450
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600



2017 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
BIK28 Protected Bikeways Program	Public Works	1,250	1,250	1,250	1,250
BP001 Safe Routes to School Program	Public Works	450	450	450	600
BP003 Midtown Greenway Trail Mill & Overlay	Public Works	0	703	0	0
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	4,750	4,750	4,750	4,750
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	6,500	6,500	6,500	6,500
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	3,000	3,000	3,000	3,000
SW040 Central City Parallel Storm Tunnel	Public Works	1,000	1,000	1,000	1,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	7,250	7,250	7,250	7,250
WTR18 Water Distribution Facility	Public Works	7,500	7,500	7,500	7,500
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	18,500	18,500	18,500	18,500
WTR26 Recarbonation System Replacement	Public Works	4,500	4,500	4,500	4,500
WTR27 Automated Meter Infrastructure	Public Works	2,620	2,620	2,620	2,620
WTR28 Ultrafiltration Module Replacement	Public Works	2,200	2,200	2,200	2,200
WTR29 Columbia Heights Campus Upgrades	Public Works	500	500	500	500
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
FIR11 Fire Station #11	Fire Department	0	0	885	885
MPD02 Property & Evidence Warehouse	Police Department	4,200	4,200	4,200	4,002
MPD04 Mounted Police Facility	Police Department	50	0	0	0
PSD16 Farmers Market Improvements	Other Departments	0	0	100	100
PSD17 East Side Storage and Maintenance Facility	Public Works	15,000	15,821	15,000	15,000
PSD19 Impound Lot Facility	Public Works	5,400	0	5,400	5,400
ART01 Art in Public Places	CPED	419	450	455	653
CV001 Convention Center Plaza & Streetscape	Convention Center	21,000	0	10,500	10,500
Total		181,888,000	151,700,000	196,966,000	195,746,000



2018 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	350	350	350	350
MBC02 Mechanical Systems Upgrade	MBC	505	505	505	505
MBC10 Exterior Improvements	MBC	2,255	2,255	2,255	2,255
MBC11 Elevator Upgrades and Modernization	MBC	576	0	0	0
PRK02 Playground and Site Improvements Program	Park Board	913	913	1,413	1,413
PRK03 Shelter - Pool - Site Improvements Program	Park Board	695	695	1,195	1,195
PRK04 Athletic Fields -Site Improvements Program	Park Board	400	400	400	400
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,181	1,181	9,181	9,181
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PV001 Parkway Paving Program	Public Works	750	750	750	750
PV006 Alley Renovation Program	Public Works	250	250	250	250
PV056 Asphalt Pavement Resurfacing Program	Public Works	6,915	6,915	28,539	6,915
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	0	0	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	4,690	4,690	4,690	4,690
PV075 Development Infrastructure Program	CPED	0	0	500	500
PV080 18th Ave NE (Monroe to Johnson St NE)	Public Works	1,965	1,965	1,965	0
PV087 34th Ave S (54th St E to Minnehaha Pkwy)	Public Works	2,130	2,130	2,130	8,270
PV095 4th St N & S (2nd Ave N to 4th Ave S)	Public Works	4,510	4,510	4,510	7,140
PV096 42nd Ave N (Xerxes to Lyndale Ave N)	Public Works	3,875	3,875	3,875	0
PV097 18th Ave NE Trail Gap	Public Works	665	665	665	665
PV098 Hiawatha Trail Gap (28th to 32nd St E)	Public Works	1,195	1,195	1,195	1,195
PV103 61st St W (Lyndale Ave S to Nicollet Ave S)	Public Works	0	0	0	4,435
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	610	610	610	4,000
PV121 Hennepin Ave (Lake St W to 36th St W)	Public Works	0	0	0	5,020
PV124 Mid City Industrial	Public Works	0	0	0	14,440
PV134 28th Ave S (TH62 Ramp to 59th St E)	Public Works	0	0	0	375
PV139 18th Ave NE (Johnson to Stinson)	Public Works	0	0	0	250
PV141 Grand Ave S (Lake to 46th)	Public Works	0	0	0	1,264
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,040	4,040	4,040	4,040
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR106 1st Ave S over HCRRRA	Public Works	4,045	4,045	4,045	4,045
TR008 Parkway Street Light Replacement	Public Works	270	801	801	801
TR010 Traffic Management Systems	Public Works	210	210	210	210
TR011 City Street Light Renovation	Public Works	625	625	625	625
TR021 Traffic Signals	Public Works	1,575	1,575	1,575	1,575
TR022 Traffic Safety Improvements	Public Works	3,740	3,740	3,740	3,740
TR024 Pedestrian Street Lighting Corridors	Public Works	450	450	450	450



2018 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,000	1,000	1,000	1,000
BP001 Safe Routes to School Program	Public Works	400	400	400	400
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	4,750	4,750	4,750	4,750
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	9,000	9,000	9,000	9,000
SW018 Flood Area 29 & 30 - Fulton Neighborhood	Public Works	3,288	3,288	3,288	3,288
SW034 Flood Area 21 - Bloomington Pond	Public Works	4,840	4,840	4,840	4,840
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	3,000	3,000	3,000	3,000
SW040 Central City Parallel Storm Tunnel	Public Works	1,000	1,000	1,000	1,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	7,350	7,350	7,350	7,350
WTR18 Water Distribution Facility	Public Works	12,500	12,500	12,500	12,500
WTR23 Treatment Infrastructure Improvements	Public Works	4,000	4,000	4,000	4,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	16,500	16,500	16,500	16,500
WTR27 Automated Meter Infrastructure	Public Works	700	700	700	700
WTR28 Ultrafiltration Module Replacement	Public Works	2,200	2,200	2,200	2,200
WTR29 Columbia Heights Campus Upgrades	Public Works	4,180	4,180	4,180	4,180
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
FIR11 Fire Station #11	Fire Department	3,350	3,350	2,465	2,465
FIR12 Fire Station No. 1 Renovation & Expansion	Fire Department	3,000	0	0	0
MPD04 Mounted Police Facility	Police Department	1,000	0	0	0
PSD15 Traffic Maintenance Facility Improvement	Public Works	2,000	0	0	0
PSD16 Farmers Market Improvements	Other Departments	100	0	0	0
PSD17 East Side Storage and Maintenance Facility	Public Works	11,000	11,000	11,000	11,000
RAD01 Public Safety Radio System Replacement	Other Departments	6,000	4,600	4,600	4,600
ART01 Art in Public Places	CPED	443	465	475	475
Total		167,881,000	160,158,000	190,407,000	201,087,000

2019 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	200	200	200	200
MBC02 Mechanical Systems Upgrade	MBC	925	925	925	925
MBC10 Exterior Improvements	MBC	1,895	1,895	1,895	1,895
MBC11 Elevator Upgrades and Modernization	MBC	2,956	0	0	0
PRK02 Playground and Site Improvements Program	Park Board	2,501	2,501	1,001	1,001
PRK03 Shelter - Pool - Site Improvements Program	Park Board	1,827	1,827	1,327	1,327
PRK04 Athletic Fields -Site Improvements Program	Park Board	335	335	335	335
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,780	1,780	9,780	9,780
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PV001 Parkway Paving Program	Public Works	1,750	1,750	1,750	1,750
PV006 Alley Renovation Program	Public Works	250	0	0	0
PV054 8th St S (Hennepin Ave to Chicago Ave)	Public Works	10,515	10,515	10,515	10,515
PV056 Asphalt Pavement Resurfacing Program	Public Works	6,915	6,915	28,971	6,915
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	0	0	0
PV074 CSAH & MnDOT Cooperative Projects	Public Works	2,045	2,045	2,045	2,045
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV095 4th St N & S (2nd Ave N to 4th Ave S)	Public Works	2,630	2,630	2,630	0
PV096 42nd Ave N (Xerxes to Lyndale Ave N)	Public Works	9,145	9,145	9,145	0
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	610	610	610	4,000
PV114 U of M Protected Bikeways	Public Works	1,850	1,850	1,850	1,850
PV115 Emerson-Fremont Ave N Ped Enhancements	Public Works	2,765	2,765	2,765	2,765
PV116 North Loop Pedestrian Improvements	Public Works	2,500	2,500	2,500	2,500
PV117 Broadway St NE (Stinson Blvd to City Limits)	Public Works	8,565	8,565	8,565	8,565
PV125 35th St E (RR Tracks to Dight Ave)	Public Works	0	0	320	320
PV126 Bryant Ave S (50th St E to Lake St E)	Public Works	0	0	0	2,955
PV131 Res Neighborhood Reconst Projects	Public Works	0	0	0	13,050
PV135 North Loop Paving	Public Works	0	0	0	9,250
PV136 Emerson Ave N (Plymouth to Broadway)	Public Works	0	0	0	2,425
PV139 18th Ave NE (Johnson to Stinson)	Public Works	0	0	0	3,620
PV141 Grand Ave S (Lake to 46th)	Public Works	0	0	0	7,796
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,250	4,250	4,250	4,250
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
TR008 Parkway Street Light Replacement	Public Works	350	681	681	681
TR010 Traffic Management Systems	Public Works	1,030	1,030	1,030	1,030
TR011 City Street Light Renovation	Public Works	1,000	600	1,000	1,000
TR021 Traffic Signals	Public Works	1,750	1,750	1,750	1,750
TR022 Traffic Safety Improvements	Public Works	480	480	480	480

2019 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
TR024 Pedestrian Street Lighting Corridors	Public Works	500	500	500	500
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,140	1,140	1,140	1,140
BP001 Safe Routes to School Program	Public Works	400	400	400	400
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	4,750	4,750	4,750	4,750
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	10,000	10,000	10,000	10,000
SW018 Flood Area 29 & 30 - Fulton Neighborhood	Public Works	6,580	6,580	6,580	6,580
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	3,000	3,000	3,000	3,000
SW040 Central City Parallel Storm Tunnel	Public Works	1,000	1,000	1,000	1,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	7,450	7,450	7,450	7,450
WTR23 Treatment Infrastructure Improvements	Public Works	5,000	5,000	5,000	5,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	9,500	9,500	9,500	9,500
WTR27 Automated Meter Infrastructure	Public Works	1,800	1,800	1,800	1,800
WTR28 Ultrafiltration Module Replacement	Public Works	2,200	2,200	2,200	2,200
WTR29 Columbia Heights Campus Upgrades	Public Works	4,250	4,250	4,250	4,250
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
FIR11 Fire Station #11	Fire Department	1,000	1,000	1,000	1,000
MPD04 Mounted Police Facility	Police Department	1,000	0	0	0
PSD15 Traffic Maintenance Facility Improvement	Public Works	2,000	0	0	0
PSD16 Farmers Market Improvements	Other Departments	1,000	0	0	0
PSD17 East Side Storage and Maintenance Facility	Public Works	9,000	0	1,250	1,250
RAD01 Public Safety Radio System Replacement	Other Departments	6,000	2,700	2,700	2,700
ART01 Art in Public Places	CPED	517	480	485	485
Total		166,301,000	145,989,000	176,520,000	185,175,000

2020 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	250	250	250	250
MBC02 Mechanical Systems Upgrade	MBC	820	820	820	820
PRK02 Playground and Site Improvements Program	Park Board	2,775	2,775	2,775	2,775
PRK03 Shelter - Pool - Site Improvements Program	Park Board	766	766	266	266
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,350	1,350	9,350	9,350
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PV001 Parkway Paving Program	Public Works	750	750	750	750
PV006 Alley Renovation Program	Public Works	250	0	0	0
PV054 8th St S (Hennepin Ave to Chicago Ave)	Public Works	2,290	2,290	2,290	2,290
PV056 Asphalt Pavement Resurfacing Program	Public Works	6,915	6,915	29,413	6,915
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	0	0	0
PV074 CSAH & MnDOT Cooperative Projects	Public Works	845	845	845	845
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV103 61st St W (Lyndale Ave S to Nicollet Ave S)	Public Works	4,265	4,265	4,265	0
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	610	610	610	4,000
PV113 29th St W Phase 2	Public Works	2,645	2,645	2,645	0
PV118 Hennepin Ave (Wash Ave N to 12th St S)	Public Works	15,625	15,625	15,625	15,603
PV126 Bryant Ave S (50th St E to Lake St E)	Public Works	8,920	2,421	0	14,130
PV131 Res Neighborhood Reconst Projects	Public Works	0	0	0	13,015
PV141 Grand Ave S (Lake to 46th)	Public Works	0	0	0	765
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,460	4,460	4,460	4,460
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR117 1st St N Bridge over Bassetts Creek	Public Works	1,370	1,370	1,370	1,370
BR127 Nicollet Ave over Minnehaha Creek	Public Works	22,385	22,385	22,385	22,385
TR008 Parkway Street Light Replacement	Public Works	350	350	350	350
TR010 Traffic Management Systems	Public Works	650	650	650	650
TR011 City Street Light Renovation	Public Works	1,000	1,400	1,000	1,000
TR021 Traffic Signals	Public Works	1,800	1,800	1,800	1,750
TR022 Traffic Safety Improvements	Public Works	1,280	1,280	1,280	1,280
TR024 Pedestrian Street Lighting Corridors	Public Works	500	500	500	500
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,940	1,940	1,940	1,940
BP001 Safe Routes to School Program	Public Works	400	400	400	400
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	4,750	4,750	4,750	4,750
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000



2020 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	8,000	8,000	8,000	8,000
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	3,000	3,000	3,000	3,000
SW040 Central City Parallel Storm Tunnel	Public Works	11,000	11,000	11,000	11,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	7,550	7,550	7,550	7,550
WTR23 Treatment Infrastructure Improvements	Public Works	5,000	5,000	5,000	5,000
WTR27 Automated Meter Infrastructure	Public Works	1,700	1,700	1,700	1,700
WTR28 Ultrafiltration Module Replacement	Public Works	2,200	2,200	2,200	2,200
WTR29 Columbia Heights Campus Upgrades	Public Works	4,200	4,200	4,200	4,200
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
FIR12 Fire Station No. 1 Renovation & Expansion	Fire Department	0	3,000	3,000	3,000
MPD04 Mounted Police Facility	Police Department	1,200	0	0	0
PSD16 Farmers Market Improvements	Other Departments	2,000	0	0	0
PSD17 East Side Storage and Maintenance Facility	Public Works	0	0	2,750	2,750
PSD18 Regulatory Services Facility	Other Departments	1,000	0	0	0
RAD01 Public Safety Radio System Replacement	Other Departments	0	4,700	4,700	4,700
ART01 Art in Public Places	CPED	454	495	500	500
Total		154,660,000	151,152,000	181,584,000	183,404,000



2021 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	100	100	100	100
PRK02 Playground and Site Improvements Program	Park Board	322	322	322	322
PRK04 Athletic Fields -Site Improvements Program	Park Board	236	236	236	236
PRK33 Bryn Mawr Meadows Field Improvements	Park Board	3,445	3,445	2,945	2,945
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,577	1,577	9,577	9,577
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PV001 Parkway Paving Program	Public Works	750	750	750	750
PV006 Alley Renovation Program	Public Works	250	0	0	0
PV056 Asphalt Pavement Resurfacing Program	Public Works	6,915	6,915	29,863	6,915
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	0	0	0
PV074 CSAH & MnDOT Cooperative Projects	Public Works	500	500	500	500
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV103 61st St W (Lyndale Ave S to Nicollet Ave S)	Public Works	170	170	170	0
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	610	610	610	4,000
PV113 29th St W Phase 2	Public Works	0	0	0	2,645
PV118 Hennepin Ave (Wash Ave N to 12th St S)	Public Works	0	0	0	362
PV121 Hennepin Ave (Lake St W to 36th St W)	Public Works	5,710	5,710	5,710	0
PV122 Dowling Ave (I-94 to 1st St N)	Public Works	1,000	1,000	1,000	0
PV123 Logan Park Industrial	Public Works	5,155	5,155	5,155	2,896
PV124 Mid City Industrial	Public Works	8,190	8,190	5,564	0
PV125 35th St E (RR Tracks to Dight Ave)	Public Works	320	320	0	0
PV126 Bryant Ave S (50th St E to Lake St E)	Public Works	10,225	2,835	10,776	0
PV127 37th Ave NE (Central Ave NE to Stinson Blvd)	Public Works	9,450	9,450	9,450	9,450
PV131 Res Neighborhood Reconst Projects	Public Works	0	0	0	13,050
PV132 1st Ave S/Marquette (12th St to Lake St)	Public Works	0	0	0	8,860
PV137 29th Ave NE (Central to Stinson)	Public Works	0	0	0	5,815
PV140 13th Ave NE (Sibley to Wash Sts NE)	Public Works	0	0	0	5,685
PV143 North Industrial	Public Works	0	0	0	4,245
PV144 18th Ave N (Wash Ave to 2nd St)	Public Works	0	0	0	275
PV145 North Loop Industrial	Public Works	0	0	0	4,180
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,670	4,670	4,670	4,670
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR127 Nicollet Ave over Minnehaha Creek	Public Works	2,370	2,370	2,370	2,370
BR133 Cedar Lake Road Bridges over Bassett Cr & RR	Public Works	1,120	0	1,120	1,120
TR008 Parkway Street Light Replacement	Public Works	350	350	350	350
TR010 Traffic Management Systems	Public Works	1,100	1,100	1,100	1,100
TR011 City Street Light Renovation	Public Works	1,000	1,000	1,000	1,000



2021 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
TR021 Traffic Signals	Public Works	2,000	2,000	2,000	2,000
TR022 Traffic Safety Improvements	Public Works	1,380	1,380	1,380	1,380
TR024 Pedestrian Street Lighting Corridors	Public Works	500	500	500	500
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,000	1,000	1,000	1,000
BP001 Safe Routes to School Program	Public Works	400	400	400	400
BP002 Prospect Park Trail	Public Works	1,390	1,390	1,390	1,390
BP003 Midtown Greenway Trail Mill & Overlay	Public Works	745	0	745	745
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	4,750	4,750	4,750	4,750
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	8,500	8,500	8,500	8,500
SW032 I-35W Storm Tunnel Reconstruction	Public Works	1,000	1,000	1,000	1,000
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	3,000	3,000	3,000	3,000
SW040 Central City Parallel Storm Tunnel	Public Works	11,000	11,000	11,000	11,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	7,650	7,650	7,650	7,650
WTR23 Treatment Infrastructure Improvements	Public Works	5,000	5,000	5,000	5,000
WTR29 Columbia Heights Campus Upgrades	Public Works	1,340	1,340	1,340	1,340
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
FIR13 Fire Station No. 4 Apparatus Bay Addition	Fire Department	750	750	750	750
PSD16 Farmers Market Improvements	Other Departments	2,000	0	0	0
PSD18 Regulatory Services Facility	Other Departments	3,750	0	0	0
ART01 Art in Public Places	CPED	525	510	520	520
Total		139,610,000	123,640,000	161,458,000	161,538,000

**City of Minneapolis
2017 Budget**

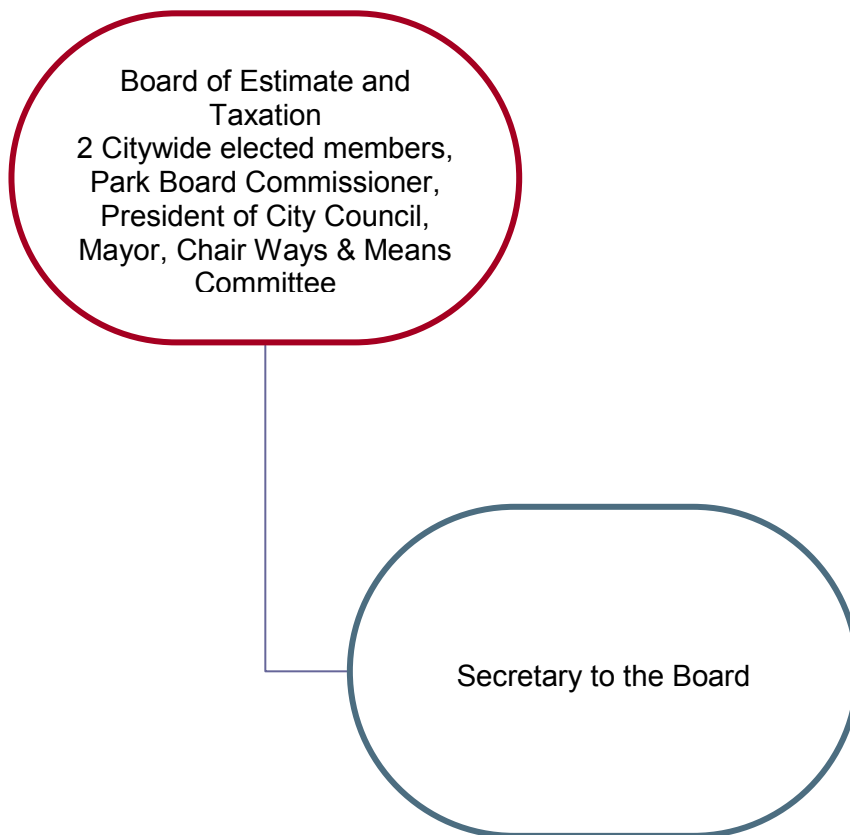
Table of Contents

Independent Boards and Agencies	Pages 516-532
Board of Estimate and Taxation	517
Municipal Building Commission	522
Park and Recreation Board	527

BOARD OF ESTIMATE AND TAXATION

MISSION

The mission of the Board of Estimate & Taxation (“BET”) is to obtain citizen input relating to setting the maximum tax levies of the City for compliance with the City Charter and The Truth In Taxation State Statute. The Board, after receiving recommendations from the [Mayor](#) and [City Council](#) and the Public, sets the maximum tax levies by individual levy for the following: General Fund, Permanent Improvement Fund, Bond Redemption Fund, Minneapolis Fire Relief Association, Minneapolis Police Relief Association, Minneapolis Employees Retirement Fund, Minneapolis Public Housing Authority, Economic Development Chapter 595 levy, Teacher’s retirement Association levies Mn Stat Chap 357 Sec 4 and Laws of Mn 1996 Chap 438 Art 4 Sec 9. Municipal Building Commission, Board of Estimate & Taxation, Lake Pollution Control, Tree Preservation & Reforestation, Shade Tree Diseased Control, Park Rehabilitation & Parkway Maintenance, Park and Recreation. The Board, on an affirmative vote of at least 5, authorizes the City to issue General Obligation Bonds of the City of Minneapolis which are used to support the City’s Capital Infrastructure Program - the exception is for Tax Increment Bonds which are issued by the City Council.



Upon request by the City Council and the Park and Recreation Board, BET may vote to authorize the City to incur indebtedness by issuing and selling bonds, and by doing so, pledges full faith and credit of the City for payment of principal and interest. BET establishes the maximum property tax levies for funds of the City under the State’s Truth-in-Taxation requirements and the City Charter.

FINANCIAL ANALYSIS

Expenditure

The 2017 expense budget for BET is \$216,000, a 0.9% increase from 2016. Personnel related costs comprise 86 percent of the budget, with contractual and operating expenses representing the remaining 14%.

Revenue

The revenue budget is \$211,683, an increase of 0.8 percent from the 2016 adopted budget. The Board receives all its revenue from property tax.

Mayor's Recommended Budget

The Mayor made no changes to the Board's proposed budget.

Adopted Budget

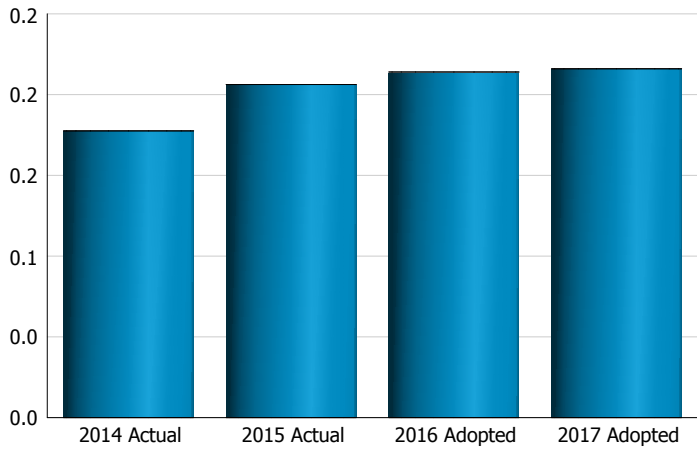
The Board approved the Mayor's recommendation.

**BOARD OF ESTIMATE & TAXATION
EXPENSE AND REVENUE INFORMATION**

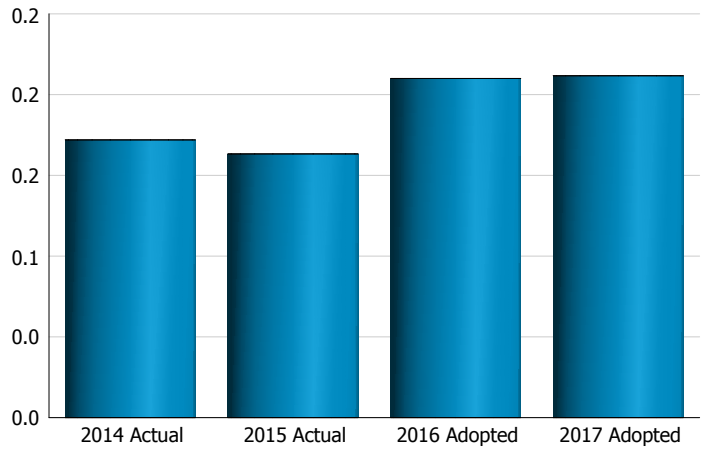
EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	133,842	146,491	145,996	149,812	2.6%	3,816
FRINGE BENEFITS	20,244	22,686	35,035	34,974	-0.2%	(61)
CONTRACTUAL SERVICES	20,896	21,428	16,997	17,784	4.6%	787
OPERATING COSTS	2,572	15,644	15,972	13,430	-15.9%	(2,542)
TOTAL SPECIAL REVENUE	177,554	206,249	214,000	216,000	0.9%	2,000
TOTAL EXPENSE	177,554	206,249	214,000	216,000	0.9%	2,000
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Adopted	Percent Change	Change
SPECIAL REVENUE						
PROPERTY TAXES	171,752	163,067	170,000	180,000	5.9%	10,000
SALES AND OTHER TAXES	5	9			0.0%	0
STATE GOVERNMENT	210	223			0.0%	0
USE OF FUND BALANCE			40,000	31,683	-20.8%	(8,317)
SPECIAL REVENUE	171,967	163,298	210,000	211,683	0.8%	1,683
TOTAL REVENUE	171,967	163,298	210,000	211,683	0.8%	1,683

BOARD OF ESTIMATE & TAXATION EXPENSE AND REVENUE INFORMATION

Expense 2014 - 2017
In Millions

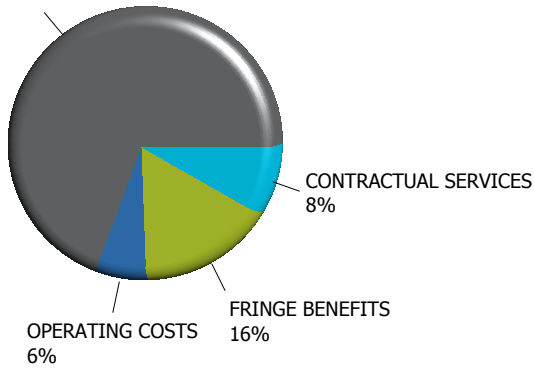


Revenue 2014 - 2017
In Millions



Expense by Category

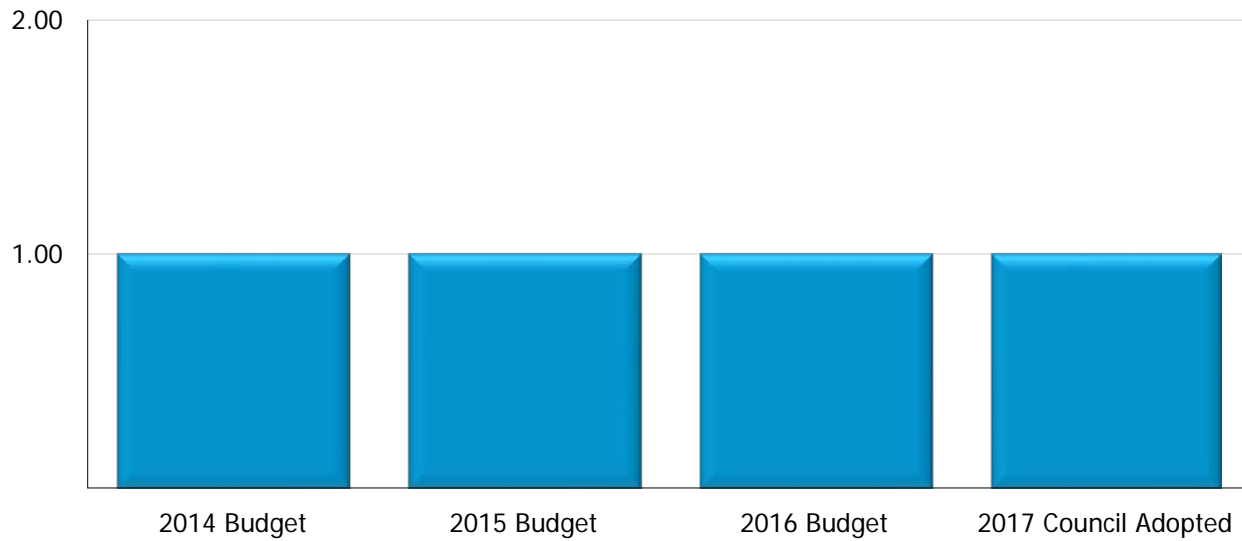
SALARIES AND WAGES
69%



BOARD OF ESTIMATE AND TAXATION Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Council Adopted	% Change	Change
BOARD STAFF & ADMIN	1.00	1.00	1.00	1.00	0.0%	0
Overall	1.00	1.00	1.00	1.00	0.0%	0

Positions 2014-2017



MUNICIPAL BUILDING COMMISSION

MISSION

The Municipal Building Commission (MBC) was created by state statute in 1904 and charged with 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 for Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for maintaining the building operating systems including mechanical, electrical, fire/life/safety, and elevators. In addition, the MBC is responsible for providing custodial, utility, security, repair, and maintenance services.

Control of Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC 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, 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 Building:

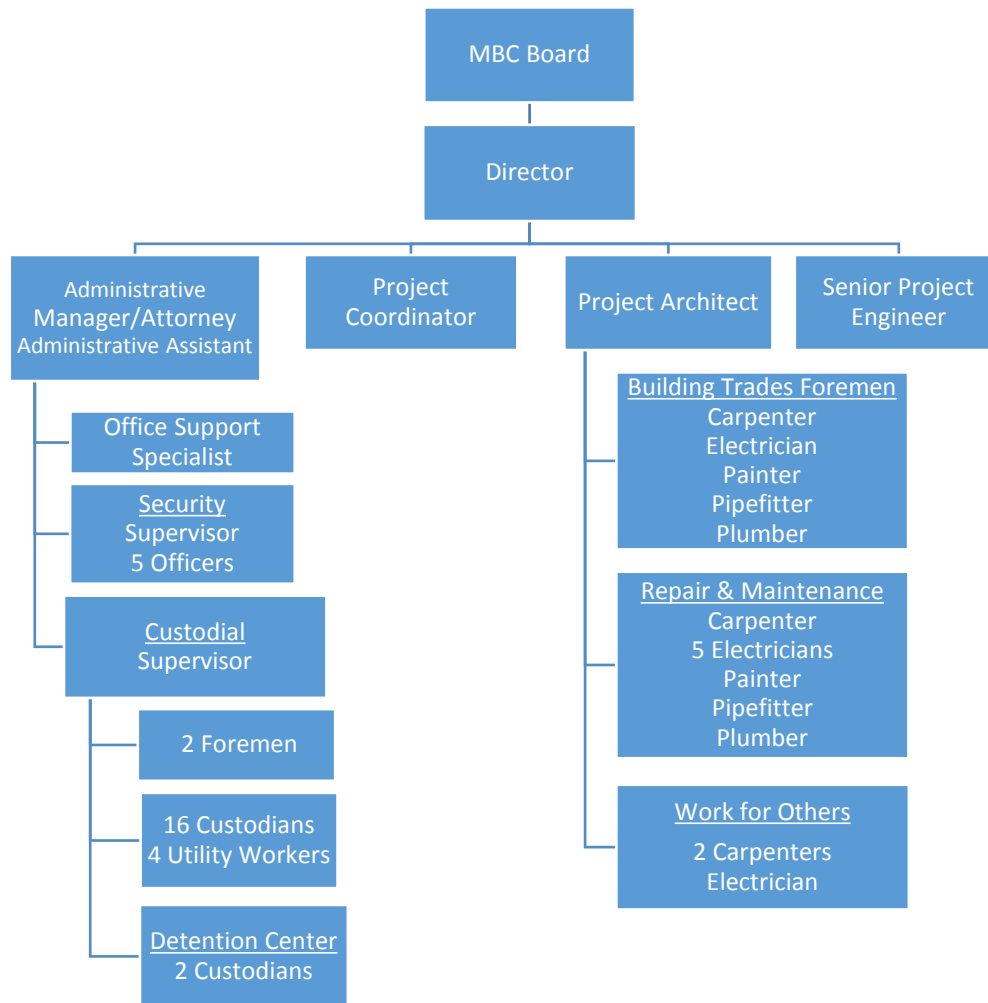
The MBC is responsible for all historic preservation activities in the building. Historic preservation refers to any and all activity, both operating and capital, in keeping with the agency's mission to provide effective and efficient services to operate, maintain, and preserve the historic landmark City Hall and Courthouse Building and ensure a safe and functional environment for City and County government employees, citizens and elected officials. The MBC recently celebrated the 125 anniversary of the laying of the building cornerstone, with a community event.

Significant Budget Changes

MBC Administrative, Custodial & Security, and Repair & Improvement program costs are divided between the City (60%) and County (40%). The County funds all of the Adult Detention Center costs. Significant operating budget changes are:

- The 2017 Administration Budget is 7% lower than in 2016, mostly due to a significant reduction in the Minneapolis Employee Retirement Fund allocation. The MERF is now 80% funded and merged into the Public Employee Retirement Fund and the MBC's 2017 MERF supplemental payment was lowered by \$108,000.
- The 2017 Professional Services budget is \$60,000 higher and the Repair/Maintenance Contract budget is \$277,000 higher due to the Operating cost impact of Stage 22/23 work.
- The contract Security Services budget is \$156,00 higher due to internal staffing vacancies and increasing event coverage requirements.

MBC ORGANIZATION CHART



FINANCIAL ANALYSIS

Expense

Municipal Building Commission's 2017 budget of \$9.5 million is \$326,802 or 3.6% more than the 2016 budget. Personnel costs and contractual services represent 53 percent and 38 percent of the expenditure budget, respectively.

Revenue

The revenue budget for MBC is \$9.5 million, a 3.6% increase from 2016. The board will receive nearly all of its revenues from charges for services.

Mayor's Recommended Budget

The Mayor recommended a 3.0 percent (or \$144,300) levy increase that is payable to MBC.

Adopted Budget

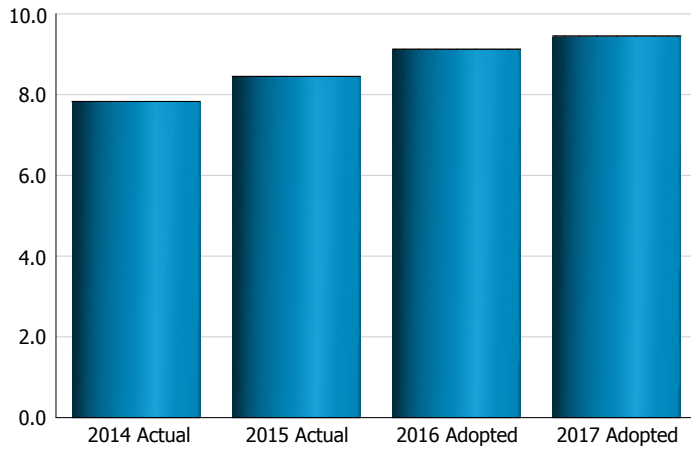
The Board approved the Mayor's recommendations.

**MUNICIPAL BUILDING COMMISSION
EXPENSE AND REVENUE INFORMATION**

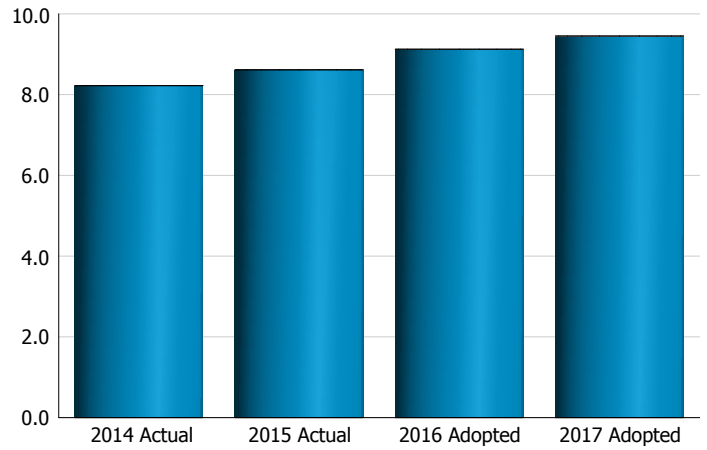
EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	2,300,222	2,418,031	3,542,567	3,540,492	-0.1%	(2,075)
FRINGE BENEFITS	1,053,162	1,040,069	1,522,129	1,514,806	-0.5%	(7,323)
CONTRACTUAL SERVICES	3,501,502	3,947,367	3,285,749	3,597,702	9.5%	311,953
OPERATING COSTS	975,777	1,037,449	773,529	762,224	-1.5%	(11,305)
CAPITAL		8,290		35,552		35,552
TOTAL SPECIAL REVENUE	7,830,663	8,451,206	9,123,974	9,450,776	3.6%	326,802
<hr/>						
TOTAL EXPENSE	7,830,663	8,451,206	9,123,974	9,450,776	3.6%	326,802
<hr/>						
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES		3,181			0.0%	0
CHARGES FOR SERVICES	7,914,131	8,228,605	8,889,781	9,216,052	3.7%	326,271
OTHER MISC REVENUES	3,586	1,471			0.0%	0
RENTS	75,529	73,801			0.0%	0
STATE GOVERNMENT	228,957	307,889	234,193	234,724	0.2%	531
SPECIAL REVENUE	8,222,204	8,614,947	9,123,974	9,450,776	3.6%	326,802
<hr/>						
TOTAL REVENUE	8,222,204	8,614,947	9,123,974	9,450,776	3.6%	326,802

MUNICIPAL BUILDING COMMISSION EXPENSE AND REVENUE INFORMATION

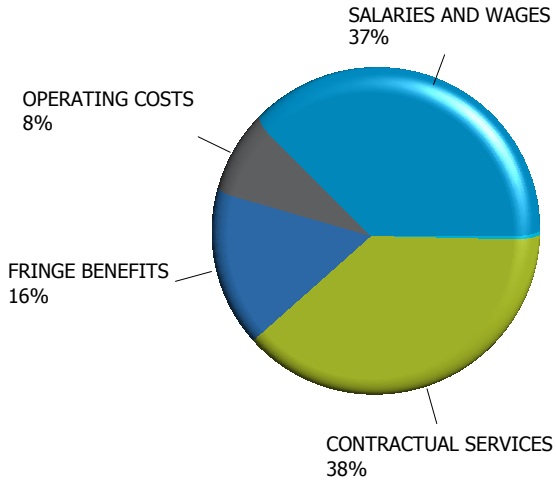
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



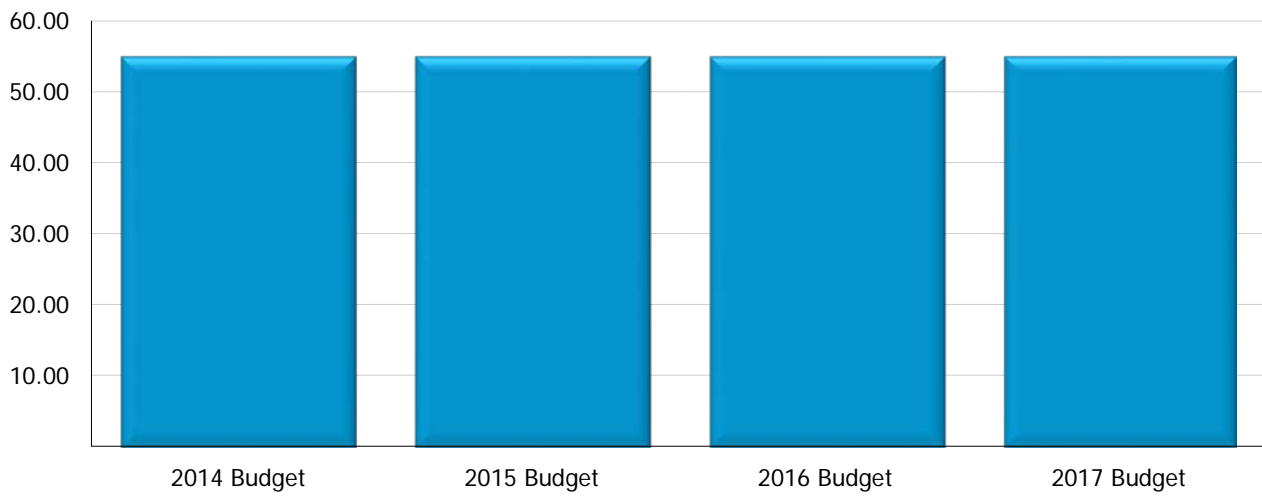
Expense by Category



MUNICIPAL BUILDING COMMISSION Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Budget	% Change	Change
ADMINISTRATION	6.00	6.00	6.00	6.00	0.0%	0
ADULT DETENTION CENTER	2.00	2.00	2.00	2.00	0.0%	0
CUSTODIAL AND SECURITY	29.00	29.00	29.00	29.00	0.0%	0
MBC - WORK FOR OTHERS	3.00	3.00	3.00	3.00	0.0%	0
REPAIRS AND IMPROVEMENTS	15.00	15.00	15.00	15.00	0.0%	0
Overall	55.00	55.00	55.00	55.00	0.0%	0

Positions 2014-2017



MINNEAPOLIS PARK AND RECREATION BOARD

MISSION

The Minneapolis Park and Recreation Board shall permanently preserve, protect, maintain, improve and enhance its natural resources, parkland and recreational opportunities for current and future generations.

The Minneapolis Park and Recreation Board exists to provide places and recreation opportunities for all people to gather, celebrate, contemplate and engage in activities that promote health, well-being, community and the environment.

BUSINESS LINES

- Park Administrative Services
- Asset Management
- Community Outreach
- Environmental Management
- Forestry
- Information Technology Services
- Park Police
- Planning
- Recreation

2014-2018 MPRB Strategic Direction

Strategic directions guide annual budget, budget goal and work plan development, and are meant to guide short-term implementation of the 2007 – 2020 Comprehensive Plan. In January and February of 2014, the Commissioners of the Minneapolis Park and Recreation Board shared and discussed vision, issues/challenges, strength/opportunities, organization effectiveness, and desired accomplishments. This information was used to guide the development of the strategic directions and implementation plan to be utilized over the term of this Board. The 2014-2018 Strategic Direction and Implementation Plan represents Board and Superintendent priorities that are aligned with comprehensive plan goals and objectives. The 2014-2018 Strategic Direction and Implementation Plan was adopted by the Board on June 4, 2014.

What we do

Strategic Direction A: Create and implement sustainable and equitable development and maintenance plans for the built infrastructure.

Strategic Direction B: Assess and deliver programs, services, and facilities that equitably meet the community's park and recreation needs, leveraging relationships with partners.

Strategic Direction C: Develop and implement a strategic, sustainable, and equitable approach to the management and protection of the system's land, air and water resources.

How we do our work

Strategic Direction 1: Address equity and access issues within the organization and across the park and recreation system.

Strategic Direction 2: Be measurable and accountable; ensure organization decisions are data driven and customer focused.

Strategic Direction 3: Engage all users. Communicate well and often. Listen and empower.

Strategic Direction 4: Build capacity – financial, staffing, partnerships, volunteers - to achieve MPRB’s mission, vision, and goals.

The 2014-2018 MPRB Implementation Plan can be found in the Board’s published budget book.

Minneapolis Park and Recreation Board 2017 Annual Budget

More information regarding the Minneapolis Park and Recreation Board (MPRB) 2017 Annual Budget, and the Board’s published budget book can be found at www.minneapolisparcs.org.

FINANCIAL ANALYSIS

Expense

The Board’s 2017 expense budget is \$112.8 million, an 8.7% increase over 2016. Special Revenue funded activities accounts for most of this increase (\$6.6 million) with the remainder found in enterprise and internal service charges. The Park Board expenditure budget reflects additional 65.10 FTE’s in 2017.

Revenue

The Board’s 2017 revenue budget is \$112.8 million, a 10.5% increase over 2016. Special revenues account for approximately 82% of the MPRB revenues with internal service and enterprise fees accounting for 9% each.

Mayor’s Recommended Budget

The Mayor recommended a 10.3% (or \$5.4 million) levy increase that is payable to the Park Board general revenues.

Board Adopted Budget

The Board approved the Mayor’s recommendations.

**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2014 Actual	2015 Actual	2016 Adopted	2017 Adopted	Percent Change	Change
CAPITAL PROJECT						
CONTRACTUAL SERVICES	24	5				0
TOTAL CAPITAL PROJECT	24	5				0
DEBT SERVICE						
OPERATING COSTS	0					0
TOTAL DEBT SERVICE	0					0
INTERNAL SERVICE						
SALARIES AND WAGES	1,661,364	1,526,405	1,935,761	2,025,496	4.6%	89,735
FRINGE BENEFITS	2,984,753	2,512,883	2,519,987	2,565,612	1.8%	45,625
CONTRACTUAL SERVICES	841,163	1,182,270	807,381	926,740	14.8%	119,359
OPERATING COSTS	1,459,905	1,376,531	1,806,256	1,818,670	0.7%	12,414
CAPITAL	1,109,545	2,015,313	2,007,600	2,976,450	48.3%	968,850
TOTAL INTERNAL SERVICE	8,056,730	8,613,403	9,076,985	10,312,968	13.6%	1,235,983
SPECIAL REVENUE						
SALARIES AND WAGES	30,874,646	31,936,170	35,098,617	38,154,410	8.7%	3,055,793
FRINGE BENEFITS	12,049,149	12,782,865	14,125,915	15,181,478	7.5%	1,055,563
CONTRACTUAL SERVICES	16,223,120	16,223,939	15,928,005	16,690,028	4.8%	762,023
OPERATING COSTS	15,088,254	16,733,467	15,436,378	16,814,831	8.9%	1,378,453
CAPITAL	1,507,807	1,113,348	2,974,393	3,203,621	7.7%	229,228
TRANSFERS	5,409,162	4,238,569	1,660,000	1,747,383	5.3%	87,383
TOTAL SPECIAL REVENUE	81,152,138	83,028,358	85,223,308	91,791,751	7.7%	6,568,443
ENTERPRISE						
SALARIES AND WAGES	3,473,746	3,388,588	3,421,210	3,604,119	5.3%	182,909
FRINGE BENEFITS	1,228,615	1,233,255	1,179,598	1,186,142	0.6%	6,544
CONTRACTUAL SERVICES	3,393,798	4,206,952	3,043,704	3,422,439	12.4%	378,735
OPERATING COSTS	1,482,849	1,211,599	1,259,351	1,443,452	14.6%	184,101
CAPITAL	17,834	1,337,009	539,583	998,780	85.1%	459,197
DEBT SERVICE	20,367					0
TRANSFERS	5,230	200,000	25,250	25,000	-1.0%	(250)
TOTAL ENTERPRISE	9,622,440	11,577,403	9,468,696	10,679,932	12.8%	1,211,236
TOTAL EXPENSE	98,831,332	103,219,168	103,768,989	112,784,651	8.7%	9,015,662

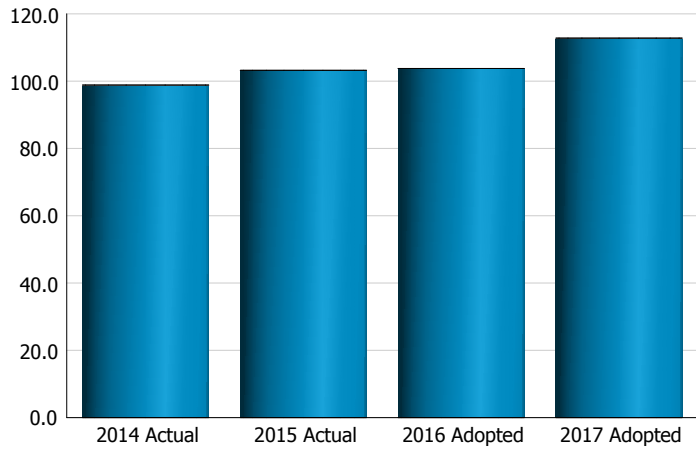
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	13,960	13,410			0.0%	0
CHARGES FOR SERVICES	6,107,396	6,390,158	6,889,836	7,116,307	3.3%	226,471
CONTRIBUTIONS	197,465	157,189	89,454	97,269	8.7%	7,815

**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

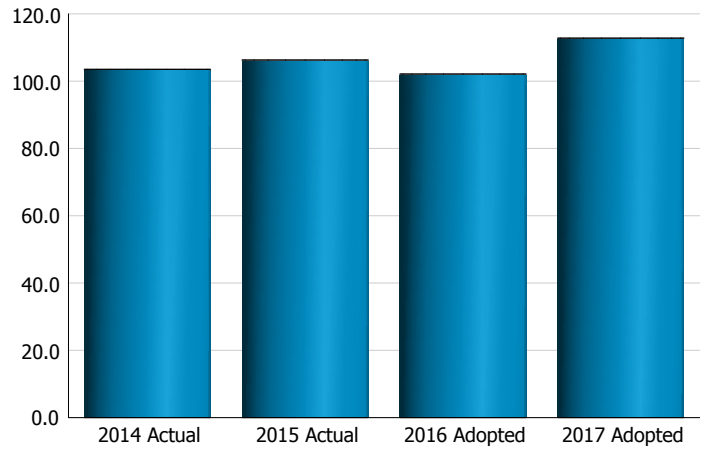
REVENUE	2014 Actual	2015 Actual	2016 Adopted	2017 Adopted	Percent Change	Change
FEDERAL GOVERNMENT	178,633	249,821			0.0%	0
FINES AND FORFEITS	1,815,139	304,308	347,000	327,000	-5.8%	(20,000)
INTEREST	531				0.0%	0
LICENSE AND PERMITS	313,886	220,528	290,000	294,375	1.5%	4,375
LOCAL GOVERNMENT	1,777,981	1,308,960	14,910	1,366,418	9,064.4%	1,351,508
OTHER MISC REVENUES	50,585	2,903,091	28,000	18,678	-33.3%	(9,322)
PROPERTY TAXES	60,476,481	62,986,691	64,938,694	71,150,093	9.6%	6,211,399
RENTS	1,084,058	1,364,189	1,075,563	987,445	-8.2%	(88,118)
SALES AND OTHER TAXES	1,584	2,899	263,675	303,000	14.9%	39,325
STATE GOVERNMENT	9,870,112	10,209,970	9,932,437	9,945,732	0.1%	13,295
TRANSFERS IN	7,330	125,000	25,000	25,000	0.0%	0
USE OF FUND BALANCE			(201,261)	160,434	-179.7%	361,695
SPECIAL REVENUE	81,895,142	86,236,215	83,693,308	91,791,751	9.7%	8,098,443
INTERNAL SERVICE						
CHARGES FOR SALES	13,284	219,421	33,000	33,000	0.0%	0
CHARGES FOR SERVICES	1,483,235	1,524,757	1,718,122	1,789,672	4.2%	71,550
GAINS	54,952				0.0%	0
LONG TERM LIABILITIES PROCEEDS	695,007				0.0%	0
OTHER MISC REVENUES	2,113,538	2,142,910	2,163,359	2,197,208	1.6%	33,849
RENTS	4,462,890	4,922,690	5,112,504	5,731,389	12.1%	618,885
TRANSFERS IN		178,600			0.0%	0
USE OF FUND BALANCE			(80,000)	561,699	-802.1%	641,699
INTERNAL SERVICE	8,822,905	8,988,378	8,946,985	10,312,968	15.3%	1,365,983
ENTERPRISE						
CHARGES FOR SALES			1,000		-100.0%	(1,000)
CHARGES FOR SERVICES	7,597,668	7,980,674	8,620,215	9,585,956	11.2%	965,741
CONTRIBUTIONS	46,270	476,664			0.0%	0
FEDERAL GOVERNMENT		148,290			0.0%	0
LICENSE AND PERMITS	10,650	11,749			0.0%	0
LONG TERM LIABILITIES PROCEEDS	163,550				0.0%	0
OTHER MISC REVENUES	53,807	25,075	16,000	16,000	0.0%	0
RENTS	2,078,586	2,310,873	1,529,288	2,064,459	35.0%	535,171
TRANSFERS IN	2,851,181	98,735			0.0%	0
USE OF FUND BALANCE			(698,057)	(986,483)	41.3%	(288,426)
ENTERPRISE	12,801,713	11,052,060	9,468,446	10,679,932	12.8%	1,211,486
TOTAL REVENUE	103,519,760	106,276,653	102,108,739	112,784,651	10.5%	10,675,912

PARK BOARD EXPENSE AND REVENUE INFORMATION

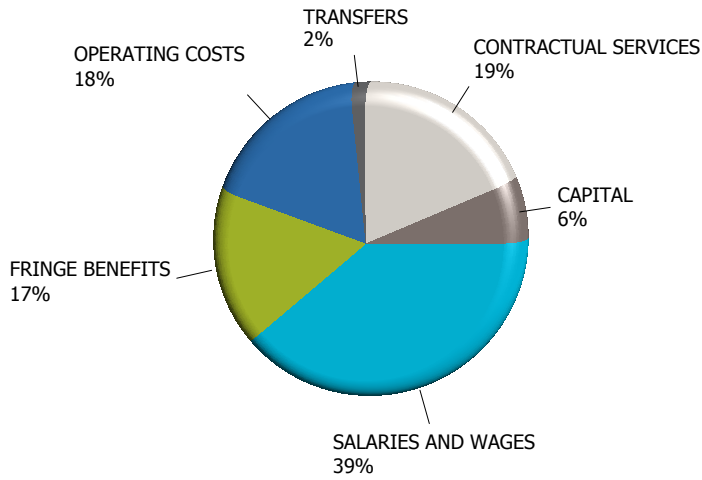
Expense 2014 - 2017
In Millions



Revenue 2014 - 2017
In Millions



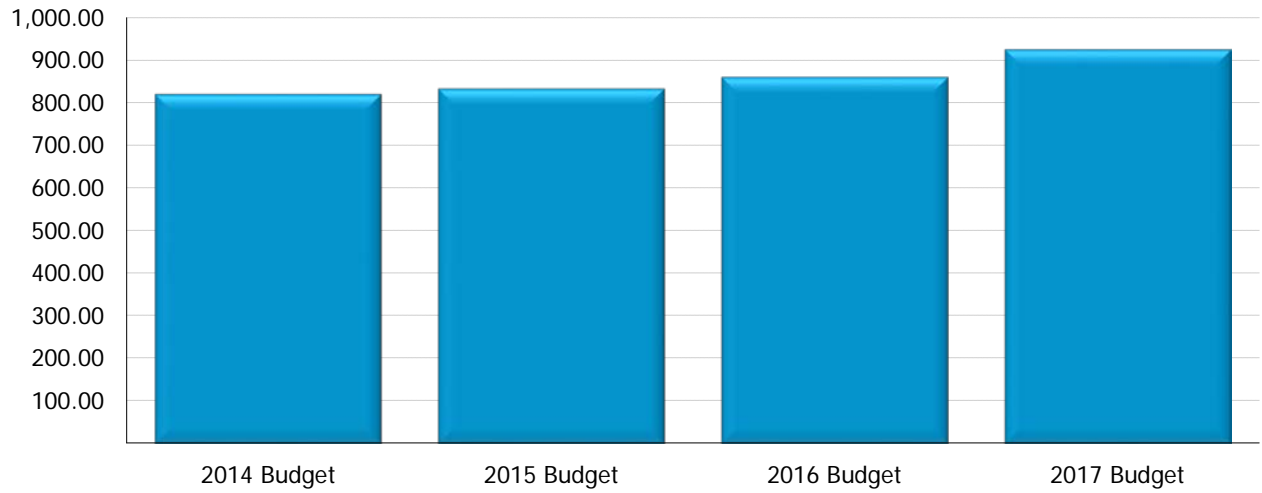
Expense by Category



PARK BOARD Staffing Information

Division	2014 Budget	2015 Budget	2016 Budget	2017 Budget	% Change	Change
Park Board	819.24	832.00	859.26	924.36	7.6%	65.10
Overall	819.24	832.00	859.26	924.36	7.6%	65.10

Positions 2014-2017



**City of Minneapolis
2017 Budget**

Table of Contents

Financial Schedules	Pages 533-566
Schedule 1 – Fund Summary and Changes to Fund Balance	534
Schedule 2 – Revenues by Fund and Type	535
Schedule 3 – Expenditures by Fund & Department	537
Schedule 4 – Community Development Block Grant Program	539
Schedule 5 – Staffing Information	543
Schedule 6 – CPED Program Allocations by Fund	546
Schedule 7 – Capital Asset Request System (CARS) Allocations	547
Schedule 8 – Interfund Transfers	558
Schedule 9 – Utility Fees	560
Schedule 9 – Scorecard	564

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

		Total Revenue	Total Expense	Change in Fund Balance
GENERAL	GENERAL FUND	492,241,730	497,775,225	(5,533,495)
	GENERAL FUND - FUND BALANCE USES	5,533,496	0	
TOTAL GENERAL & USE OF FUND BALANCE		497,775,226	497,775,226	0
SPECIAL	TAX INCREMENT ADMINISTRATION	45,000	45,000	0
REVENUE	ECONOMIC DEVELOPMENT	56,456,604	56,456,604	0
	BOARD OF ESTIMATE AND TAXATION	216,000	216,000	0
	DOWNTOWN IMPROVEMENT DISTRICT	6,469,648	6,469,648	0
	POLICE DEPT - SPECIAL REVENUE	3,024,408	3,024,408	0
	ARENA - RESERVE	6,893,560	6,893,560	0
	GRANTS - FEDERAL	11,636,093	11,636,094	0
	CDBG & UDAG FUNDS	13,649,240	13,649,240	0
	HOME	2,030,982	2,030,982	0
	GRANTS - OTHER	9,423,280	9,423,280	0
	CONVENTION CENTER OPERATIONS	92,171,209	92,171,209	0
	NCR - SPECIAL REVENUE	6,487,516	6,487,516	0
	REGULATORY SRVS SPECIAL REVENUE	5,253,300	5,253,300	0
	EMPLOYEE RETIREMENT	36,363,800	36,363,800	0
	PARK	91,791,751	91,791,751	0
	MUNICIPAL BUILDING COMMISSION	9,450,776	9,450,776	0
TOTAL SPECIAL REVENUE		351,363,165	351,363,165	0
CAPITAL	CAPITAL IMPROVEMENTS	71,763,000	71,763,000	0
PROJECT	CAPITAL TP & E	11,599,248	11,599,248	0
	CAPITAL SIDEWALK INSPECTIONS	1,218,929	1,218,929	0
	PARK - CAPITAL IMPROVEMENTS	13,223,000	13,223,000	0
	MBC - CAPITAL IMPROVEMENTS	8,545,000	8,545,000	0
TOTAL CAPITAL PROJECT		106,349,177	106,349,177	0
DEBT	DC GROUP	53,800	53,800	0
SERVICE	IMPROVEMENT BONDS	9,799,438	9,799,438	0
	DECEASED TREE ASSESSMENT D/S	132,139	132,139	0
	BOND REDEMPTION - DEBT SERVICE	42,229,677	42,229,677	0
	OTH SELF SUPPORTING DEBT SERVC	1,218,188	1,218,188	0
	MIDTOWN EXCH 108 LOAN ACCOUNT	614,637	614,637	0
	CPED DEBT SERVICE	3,959,730	3,959,730	0
	DOWNTOWN EAST	2,744,928	2,744,928	0
	LIBRARY REF DEBT SERVICE	13,877,400	13,877,400	0
	CONVENTION CENTER-DEBT SERVICE	24,669,125	24,669,125	0
	TARGET CENTER	5,003,409	5,003,409	0
	TAX INCREMENT - DEBT SERVICE	3,007,463	3,007,463	0
TOTAL DEBT SERVICE		107,309,934	107,309,934	0
INTERNAL	MATERIALS & LAB-INTERNAL SVC	1,966,070	1,966,070	0
SERVICE	EQUIPMENT - INTERNAL SERVICE	24,149,117	24,149,117	0
	EQUIPMENT ACQUISITION FUND	10,138,651	10,138,651	0
	PROPERTY SERVICES	25,903,483	25,903,484	0
	STORES - INTERNAL SERVICE	1,216,257	1,216,257	0
	INFO TECH - INTERNAL SERVICE	42,933,940	42,933,940	0
	SELF INSURANCE-INTERNAL SVC	30,258,237	30,258,237	0
	PARK - INTERNAL SERVICE	8,115,760	8,115,760	0
	PARK-SELF INSURE-INTERNAL SVC	2,197,208	2,197,208	0
TOTAL INTERNAL SERVICE		146,878,723	146,878,723	0
ENTERPRISE	RIVER TERMINAL	1,193,007	1,193,007	0
	GARFS	175,005	175,005	0
	SURFACE WATER & SEWER-SANITARY	75,572,087	75,572,087	0
	SURFACE WATER & SEWER-STORMWATER	45,414,287	45,414,287	0
	WATER - ENTERPRISE	121,285,971	121,285,971	0
	MUNICIPAL PARKING-ENTERPRISE	68,282,721	68,282,721	0
	SOLID WASTE - ENTERPRISE	56,991,588	56,991,588	0
	PARK - OPERATIONS - ENTERPRISE	10,679,932	10,679,932	0
TOTAL ENTERPRISE		379,594,598	379,594,598	0
TOTAL ALL FUNDS		1,589,270,824	1,589,270,824	0

SCHEDULE TWO
REVENUES BY FUND AND TYPE
(excludes transfers)

		2014 Actual	2015 Adopted	2016 Adopted	2017 Council Adopted	% Change
GENERAL	PROPERTY TAXES	163,648,202	160,487,056	160,575,000	178,170,071	11.0%
	SALES AND OTHER TAXES	74,320,785	76,722,142	76,000,000	82,300,000	8.3%
	FRANCHISE FEES	33,530,799	30,118,463	31,450,000	30,900,000	-1.7%
	LICENSE AND PERMITS	49,267,609	44,316,671	43,411,474	42,934,400	-1.1%
	STATE GOVERNMENT	80,653,654	81,833,964	82,674,393	82,978,397	0.4%
	LOCAL GOVERNMENT	623,305	779,673	698,860	980,663	40.3%
	CHARGES FOR SERVICES	46,496,540	46,827,716	47,339,813	45,554,692	-3.8%
	CHARGES FOR SALES	96,056	45,882	77,190	58,550	-24.1%
	FINES AND FORFEITS	7,178,961	6,539,031	7,312,500	6,545,000	-10.5%
	SPECIAL ASSESSMENTS	3,084,571	3,201,518	3,347,601	4,070,300	21.6%
	INTEREST	1,862,388	1,612,918	2,200,000	2,200,000	0.0%
	RENTS	196	9,451	-	-	-
	CONTRIBUTIONS	215	-	-	-	-
	OTHER MISC REVENUES	3,244,136	3,388,668	5,110,200	3,080,000	-39.7%
USE OF FUND BALANCE	-	-	24,022,384	5,533,496	-77.0%	
TOTAL GENERAL FUND		464,007,417	455,883,153	484,219,415	485,305,569	0.2%
SPECIAL REVENUE	PROPERTY TAXES	133,776,836	137,407,727	135,072,884	146,165,533	8.2%
	SALES AND OTHER TAXES	2,154,617	1,887,362	1,839,925	1,764,826	-4.1%
	LICENSE AND PERMITS	1,716,913	1,507,242	290,000	294,375	1.5%
	FEDERAL GOVERNMENT	24,897,946	32,770,788	23,530,390	26,099,662	10.9%
	STATE GOVERNMENT	32,167,225	26,489,162	21,591,213	21,905,875	1.5%
	LOCAL GOVERNMENT	4,901,429	13,515,059	403,578	1,566,418	288.1%
	CHARGES FOR SERVICES	24,695,534	24,671,081	24,434,382	26,482,752	8.4%
	CHARGES FOR SALES	1,189,008	4,473,051	-	-	-
	FINES AND FORFEITS	2,311,836	795,193	750,000	727,000	-3.1%
	SPECIAL ASSESSMENTS	9,520,113	10,233,286	9,187,796	9,519,648	3.6%
	INTEREST	1,682,598	1,993,922	828,096	1,366,563	65.0%
	GAINS	86,000	-	-	-	-
	RENTS	13,504,776	13,709,141	10,585,063	11,218,576	6.0%
	CONTRIBUTIONS	1,286,942	1,830,642	1,210,454	1,407,519	16.3%
OTHER MISC REVENUES	17,130,617	18,914,464	18,813,874	15,312,131	-18.6%	
USE OF FUND BALANCE	-	-	12,071,908	24,400,113	102.1%	
TOTAL SPECIAL REVENUE		271,022,391	290,198,120	260,609,563	288,230,991	10.6%
CAPITAL PROJECT/ GOVERNMENT AL FUNDS	PROPERTY TAXES	1,258,473	1,013,322	1,000,000	1,062,000	6.2%
	SALES AND OTHER TAXES	32	56	-	-	-
	LICENSE AND PERMITS	323,836	289,534	310,000	310,000	0.0%
	FEDERAL GOVERNMENT	3,745,089	3,985,120	6,210,000	1,640,000	-73.6%
	STATE GOVERNMENT	6,624,816	21,021,016	10,000,000	4,820,000	-51.8%
	LOCAL GOVERNMENT	39,340	1,998,793	2,335,000	4,716,000	102.0%
	CHARGES FOR SERVICES	8,689,666	19,518,814	9,600,000	7,965,000	-17.0%
	CHARGES FOR SALES	337,524	482,942	-	-	-
	SPECIAL ASSESSMENTS	1,580,053	2,050,755	12,290,000	15,485,000	26.0%
	INTEREST	13,956	(21,234)	-	-	-
	RENTS	-	76,454	-	-	-
	CONTRIBUTIONS	391,876	143,509	-	-	-
	OTHER MISC REVENUES	1,224,934	2,070,425	1,652,000	2,423,000	46.7%
	USE OF FUND BALANCE	-	-	3,558,937	8,553,177	140.3%
LONG TERM LIABILITIES PROCEEDS	-	-	29,630,000	43,375,000	46.4%	
TOTAL CAPITAL PROJECT		24,229,596	52,629,505	76,585,937	90,349,177	18.0%
DEBT SERVICE	PROPERTY TAXES	39,107,258	48,378,975	46,914,000	51,731,200	10.3%
	SALES AND OTHER TAXES	935	2,000	-	-	-
	STATE GOVERNMENT	36,179	49,473	-	-	-
	SPECIAL ASSESSMENTS	11,345,205	10,294,888	8,691,963	9,931,577	14.3%
	INTEREST	432,429	322,140	-	-	-
	RENTS	181,384	181,384	-	-	-
	CONTRIBUTIONS	500,000	500,000	-	-	-
	OTHER MISC REVENUES	971,079	1,348,884	393,888	5,647,865	1333.9%
	USE OF FUND BALANCE	-	-	1,877,308	2,744,928	46.2%
	LONG TERM LIABILITIES PROCEEDS	97,461,258	37,844,573	-	-	-
TOTAL DEBT SERVICE		150,035,728	98,922,317	57,877,159	70,055,570	21.0%

SCHEDULE TWO
REVENUES BY FUND AND TYPE
(excludes transfers)

		2014 Actual	2015 Adopted	2016 Adopted	2017 Council Adopted	% Change
INTERNAL SERVICE	CHARGES FOR SERVICES	87,583,834	89,658,050	77,524,790	79,079,362	2.0%
	CHARGES FOR SALES	9,699,349	10,253,074	10,142,673	8,591,119	-15.3%
	FINES AND FORFEITS	18,281	27,854	-	-	
	GAINS	270,926	234,226	-	-	
	RENTS	40,026,389	34,876,758	39,071,243	40,780,544	4.4%
	OTHER MISC REVENUES	8,180,634	3,495,649	3,186,359	3,214,708	0.9%
	USE OF FUND BALANCE	-	-	(252,656)	11,120,672	-4501.5%
	LONG TERM LIABILITIES PROCEEDS	1,109,277	23,665	3,300,000	-	-100.0%
TOTAL INTERNAL SERVICE	146,888,690	138,569,277	132,972,409	142,786,405	7.4%	
ENTERPRISE	LICENSE AND PERMITS	581,828	568,503	416,000	490,000	17.8%
	FEDERAL GOVERNMENT	239,840	154,173	-	-	
	STATE GOVERNMENT	1,457,921	1,430,897	1,404,601	1,347,865	-4.0%
	LOCAL GOVERNMENT	1,638,823	2,042,753	1,453,275	1,398,502	-3.8%
	CHARGES FOR SERVICES	267,254,297	274,501,602	294,790,865	308,606,315	4.7%
	CHARGES FOR SALES	2,057,276	1,661,340	1,019,000	1,163,000	14.1%
	FINES AND FORFEITS	92,884	15,349	45,000	45,000	0.0%
	SPECIAL ASSESSMENTS	1,516,877	1,985,771	1,993,231	1,983,481	-0.5%
	INTEREST	41,923	27,684	-	-	
	GAINS	244,049	-	-	-	
	RENTS	2,097,909	2,528,907	1,529,288	2,064,459	35.0%
	CONTRIBUTIONS	46,270	476,664	-	-	
	OTHER MISC REVENUES	173,155	46,319	16,000	16,000	0.0%
	USE OF FUND BALANCE	-	-	2,493,163	(402,475)	-116.1%
LONG TERM LIABILITIES PROCEEDS	92,875	-	23,750,000	60,470,000	154.6%	
TOTAL ENTERPRISE	277,535,925	285,439,961	328,910,423	377,182,147	14.7%	
TOTAL FUNDS	1,333,719,749	1,321,642,332	1,341,174,906	1,453,909,860	8.4%	

* Detailed schedule by specific fund and specific department will be available upon request.

** For 2017 Council Adopted, transfers in the amount of \$122,249,824 are detailed in Schedule 8.

SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT
(excludes transfers)

		2014 Actual	2015 Adopted	2016 Adopted	2017 Council Adopted	% Change	
GENERAL	311	3,488,195	3,646,020	3,772,825	4,100,907	8.7%	
	911	8,132,357	8,759,610	9,212,137	9,877,790	7.2%	
	ASSESSOR	4,499,647	4,612,972	5,027,275	5,241,649	4.3%	
	ATTORNEY	8,213,096	8,513,667	9,575,487	10,188,219	6.4%	
	CITY CLERK	4,714,388	4,390,231	5,023,561	4,897,803	-2.5%	
	CITY COORDINATOR	2,386,008	3,159,157	4,270,552	4,817,440	12.8%	
	CITY COUNCIL	4,785,018	4,803,574	4,881,494	4,884,293	0.1%	
	CIVIL RIGHTS	2,774,956	3,107,184	3,310,246	3,861,086	16.6%	
	COMMUNICATIONS	2,165,970	2,090,834	2,236,818	2,253,700	0.8%	
	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	28,919,658	30,808,646	35,783,507	36,848,342	3.0%	
	EMERGENCY MANAGEMENT	864,025	767,233	812,740	1,204,900	48.3%	
	FINANCE AND PROPERTY SERV	22,037,482	22,153,993	21,576,983	22,463,575	4.1%	
	FIRE	57,801,515	61,314,629	62,323,551	65,086,128	4.4%	
	GENERAL FUND CONTINGENCY	-	-	4,000,000	4,000,000	0.0%	
	HUMAN RESOURCES	7,793,323	6,846,865	6,692,288	7,539,160	12.7%	
	INFORMATION TECHNOLOGY	647,458	-	-	-	-	
	INTERGOVERNMENTAL RELATIONS	1,518,397	1,364,660	1,541,315	1,611,311	4.5%	
	INTERNAL AUDIT	144,666	538,452	592,261	720,549	21.7%	
	LIBRARY BOARD	3,238,244	2,363,131	1,560,000	780,000	-50.0%	
	MAYOR	1,827,368	1,932,480	1,987,715	2,071,925	4.2%	
	MINNEAPOLIS HEALTH DEPARTMENT	7,520,666	8,288,752	8,913,842	10,408,521	16.8%	
	NEIGHBORHOOD & COMMUNITY RELATIONS	1,039,032	358,041	220,000	264,225	20.1%	
	POLICE	140,864,221	147,884,333	152,773,308	157,120,507	2.8%	
	PW - ADMINISTRATIVE SERVICES	2,743,067	3,005,253	3,282,491	3,917,600	19.3%	
	PW - TRAFFIC AND PARKING SERVICES	15,350,967	15,057,941	16,727,820	16,822,274	0.6%	
	PW - TRANSPORTATION MAINTENANCE AND REPAIR	34,212,771	30,195,670	32,572,339	34,135,094	4.8%	
	PW - TRANSPORTATION PLAN/PROGRAMING	-	-	2,443,428	2,292,774	-6.2%	
	PW - TRANSPORTATION PLANNING AND ENGINEERING	2,596,205	3,924,085	2,005,055	1,912,086	-4.6%	
REGULATORY SERVICES	15,737,337	16,366,436	18,717,164	19,066,666	1.9%		
TOTAL GENERAL FUND		386,016,038	396,253,850	421,836,204	438,388,522	3.9%	
SPECIAL REVENUE	911	685,959	409,970	515,480	515,480	0.0%	
	ATTORNEY	461,919	439,371	474,161	334,933	-29.4%	
	BOARD OF ESTIMATE & TAXATION	177,554	206,249	214,000	216,000	0.9%	
	CAPITAL IMPROVEMENTS	1,164,775	1,043,455	-	10,500,000	-	
	CITY COORDINATOR	55,075	484,215	900,000	1,994,575	121.6%	
	CIVIL RIGHTS	329,556	316,402	322,940	362,644	12.3%	
	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	58,445,482	70,795,900	45,271,931	48,357,558	6.8%	
	CONVENTION CENTER	48,319,123	47,031,838	54,611,080	53,785,986	-1.5%	
	EMERGENCY MANAGEMENT	896,203	1,044,651	1,000,000	1,000,000	0.0%	
	FINANCE AND PROPERTY SERV	200,966	159,974	227,560	282,961	24.3%	
	FIRE	468,881	102,673	10,000	10,000	0.0%	
	INTERGOVERNMENTAL RELATIONS	1,069,910	1,358,087	1,081,302	1,469,250	35.9%	
	MAYOR	-	46,891	-	-	-	
	MINNEAPOLIS HEALTH DEPARTMENT	12,508,680	12,945,526	11,085,299	10,848,630	-2.1%	
	MPHA	(149,639)	-	-	-	-	
	MPLS EMPLOYEE RETIREMT FD	34,919,676	37,612,164	38,673,800	36,363,800	-6.0%	
	MUNICIPAL BUILDING COMMISSION	7,830,663	8,451,206	9,123,974	9,450,776	3.6%	
	NEIGHBORHOOD & COMMUNITY RELATIONS	5,611,356	9,045,864	13,211,490	10,885,467	-17.6%	
	NON DEPARTMENTAL	64,803	64,803	64,803	64,803	0.0%	
	NON-CPED	2,059	13,232	-	-	-	
	PARK BD - CAP IMPROV	116,573	47,339	-	-	-	
	PARK BOARD	75,742,976	78,789,789	83,563,308	90,044,368	7.8%	
	POLICE	4,777,014	4,292,182	5,024,442	6,042,157	20.3%	
	PW - TRANSPORTATION MAINTENANCE AND REPAIR	6,160,314	6,242,412	6,203,796	6,469,648	4.3%	
	REGULATORY SERVICES	3,754,663	4,673,647	5,033,437	5,174,209	2.8%	
	TOTAL SPECIAL REVENUE		263,614,542	285,617,840	276,612,805	294,173,245	6.3%
	CAPITAL PROJECT/ GOVERNMENTAL FUNDS	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	300,382	321,956	-	653,000	-
		CAPITAL IMPROVEMENTS	49,232,616	71,765,646	73,425,000	79,655,000	8.5%
PARK BD - CAP IMPROV		14,732,873	18,470,761	4,452,000	13,223,000	197.0%	
PW - TRANSPORTATION MAINTENANCE AND REPAIR		781,149	717,997	1,181,218	1,218,929	3.2%	
PW - TRANSPORTATION PLAN/PROGRAMING		-	-	-	122,412	-	
PW - TRANSPORTATION PLANNING AND ENGINEERING	7,756,761	7,430,071	8,277,719	11,476,836	38.6%		
TOTAL CAPITAL PROJECT/ GOVERNMENTAL FUNDS		72,803,782	98,706,431	87,335,936	106,349,177	21.8%	

SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT
(excludes transfers)

		2014 Actual	2015 Adopted	2016 Adopted	2017 Council Adopted	% Change
DEBT SERVICE	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	2,562,730	25,671,736	3,184,960	4,008,750	25.9%
	DEBT SERVICE	92,174,110	100,294,064	89,830,377	103,296,404	15.0%
	TOTAL DEBT SERVICE	94,736,840	125,965,801	93,015,337	107,305,154	15.4%
INTERNAL SERVICE	ATTORNEY	6,276,175	8,388,585	7,340,639	7,584,711	3.3%
	CAPITAL IMPROVEMENTS	(29,655)	1,264,057	3,300,000	-	-100.0%
	CITY CLERK	1,473,148	1,806,272	1,383,892	1,375,717	-0.6%
	DEBT SERVICE	428,749	389,220	5,509,150	3,546,100	-35.6%
	FINANCE AND PROPERTY SERV	21,940,758	25,453,686	24,381,244	26,231,195	7.6%
	HEALTH AND WELFARE	1,243,924	989,728	2,593,363	2,658,197	2.5%
	HUMAN RESOURCES	1,775,506	2,012,766	1,948,647	1,804,004	-7.4%
	INFORMATION TECHNOLOGY LIABILITY	29,144,261	38,503,499	32,275,773	38,558,222	19.5%
		(0)	3,806,300	7,551,027	7,188,875	-4.8%
	PARK BOARD	8,056,730	8,613,403	9,076,985	10,312,968	13.6%
	PW - FLEET	24,530,668	20,900,167	33,985,258	31,610,868	-7.0%
	PW - TRAFFIC AND PARKING SERVICES	471,348	387,357	331,158	323,610	-2.3%
	PW - TRANSPORTATION PLANNING AND ENGINEERING	1,489,464	2,033,999	1,929,276	1,966,071	1.9%
	WORKERS COMPENSATION	12,258,088	10,957,175	8,607,208	8,872,521	3.1%
TOTAL INTERNAL SERVICE	109,059,164	125,506,213	140,213,621	142,033,060	1.3%	
ENTERPRISE	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	2,227,558	1,356,344	1,363,253	1,368,012	0.3%
	CAPITAL IMPROVEMENTS	142,374	109,908	56,790,000	94,915,000	67.1%
	DEBT SERVICE	5,229,606	5,025,986	28,778,777	28,777,235	0.0%
	PARK BOARD	9,617,210	11,377,403	9,443,446	10,654,932	12.8%
	PW - SOLID WASTE	30,059,349	33,993,815	40,100,506	40,345,138	0.6%
	PW - TRAFFIC AND PARKING SERVICES	37,663,835	40,740,076	38,888,020	40,972,874	5.4%
	PW - TRANSPORTATION MAINTENANCE AND REPAIR	7,172,742	8,596,288	8,562,781	9,148,113	6.8%
	PW - WATER TREATMENT & DISTR.	50,759,221	56,247,307	57,754,014	57,917,069	0.3%
	PW - SURFACE WATER & SEWERS-SANITARY	72,803,806	98,706,436	59,929,908	61,871,157	3.2%
	PW - SURFACE WATER & SEWERS-STORMWATR	92,174,110	97,628,756	20,550,292	19,691,172	-4.2%
TOTAL ENTERPRISE	307,849,809	353,782,319	322,160,997	365,660,701	13.5%	
TOTAL FUNDS	1,234,080,175	1,385,832,453	1,341,174,899	1,453,909,860	8.4%	

* Detailed schedule by specific fund and specific department will be available upon request.

** For 2017 Council Adopted, transfers in the amount of \$122,249,824 are detailed in Schedule 8.

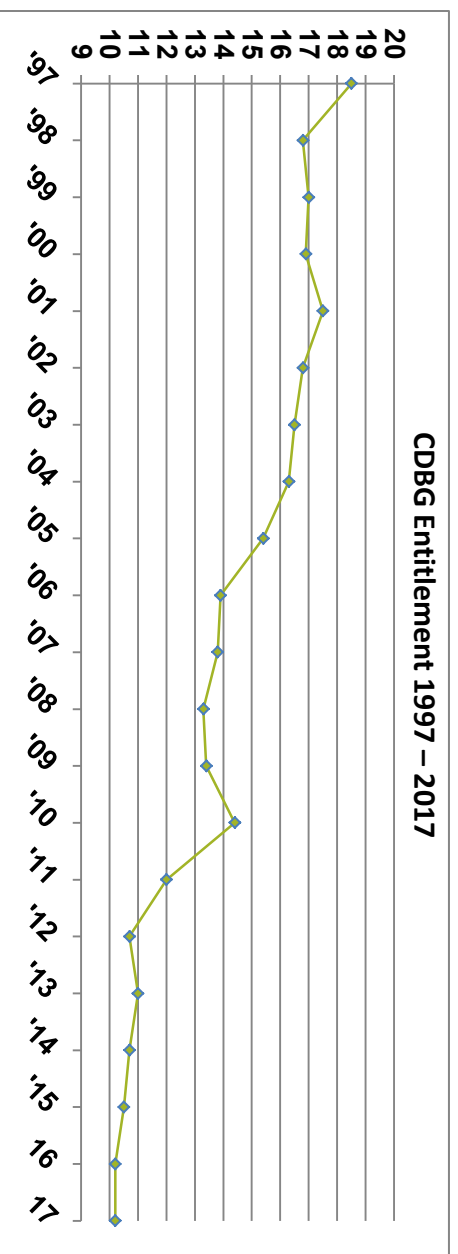
City of Minneapolis 2017 Budget Community Development Block Grant (CDBG)

Background

This fund is used to account for the Federal grants received under the Community Development Block Grant (CDBG) 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 Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). Based on the City's Consolidated Plan submitted to the U.S. Department of Housing and Urban Development (HUD), 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

The Consolidated Plan funds are budgeted to coincide with the City's annual calendar year budgeting process, although the funds are not available until June 1 of each year. The programs are managed on a cost reimbursement basis and therefore the CDBG fund balance amount at any given time is the result of timing differences between entitlement grant revenue receipts and grant expenditure disbursements. The graph below reflects the trend in CDBG funding for the past 20 years. After several years of declining funding levels, 2009 and 2010 were the first years the actual funding had exceeded the anticipated funding by approximately 2%. Those two years were followed by more than a 16% reduction in 2011 with the actual HUD award of approximately \$12 million. From 2012 through 2016, the funding level has remained around \$10 million. For 2017, the City is anticipating the funding to be similar to the 2016 funding of \$10.2 million.



2017 Budget

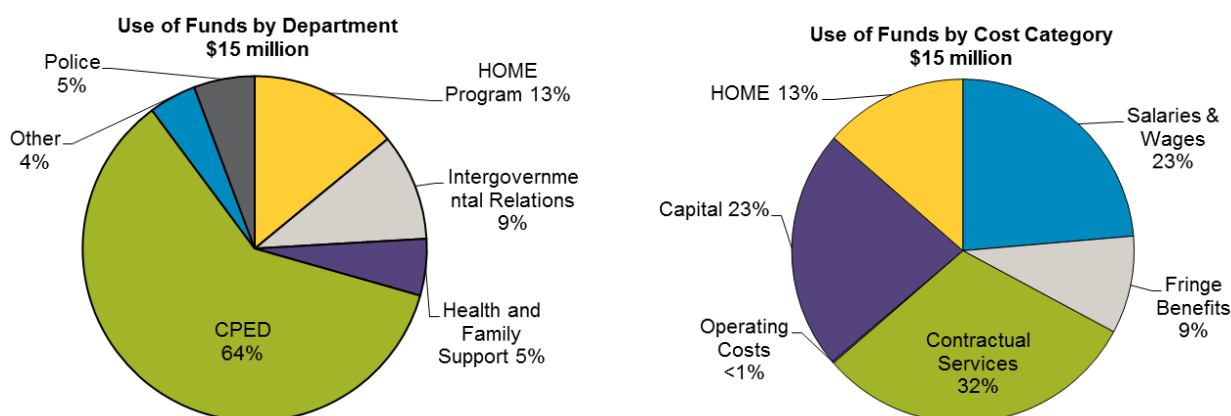
Revenues

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 most recent actions of Congress.

The other HUD Consolidated Plan programs, HOME, ESG, and HOPWA are also projected to remain similar to the amounts allocated for the 2016 funding levels. Final award numbers from Congress should be available in early 2017. The HUD appropriation formula, which changed in 2002, includes variable factors based on 2010 American Community Survey (ACS) and the 2010 Census information. The Census information includes population changes among all the cities within the total HUD appropriation.

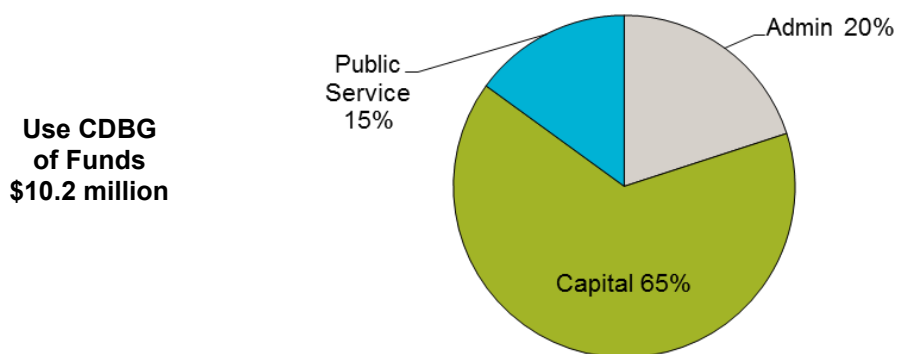
Expenditures

The City distributes its entitlement funds received through the HUD Consolidated Plan to various departments to carry out program activities, and awards funds to private and public not-for-profit organizations. In addition to entitlement funds, the expenditures include the reprogramming of program income generated in the prior year. The graphs below reflect the distribution of the budgeted Consolidated Plan and program income by department and by cost category.



CDBG Allocations

The graph below shows the distribution of the CDBG allocation in 2017. The public service and administration categories have a 15% and a 20% cap, respectively. The calculation for the caps is based on the expenditures during the grant program year from June 1 to May 31.



Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$4 million. This amount reflects what the City borrowed against its entitlement to fund the Block E economic development project. The original over-obligation was \$7.4 million. Since 2001 unspent CDBG funds and a percentage of program income has been applied to reduce the over obligation.

During the 2014 budget process, eligible tax increment revenues were identified to pay down this remaining deficit in 2015 and future years.

Mayor's Recommended Budget

The Mayor recommended the estimated funding level for 2017 to remain consistent with the 2016 actual allocations taking into consideration spending caps in the public service and administration categories. The actual HUD allocations were 14% higher in total than the 2016 Council adopted budget.

Council Adopted Budget

The council approved the Mayor's recommendations.

SCHEDULE FOUR
Year 43 (2017) - COMMUNITY DEVELOPMENT BLOCK GRANT

Organization	Project	2015 Consolidated Plan	2016 Consolidated Plan	2017 Council Adopted
Capital /Other---CDBG				
Community Planning & Economic Development	Adult Training, Placement and Retention	\$ 1,215,600	\$ 1,169,841	\$ 1,228,610
	High Density Corridor Initiative	564,200	542,962	462,730
	Multi-Family/Affordable Housing	3,193,840	3,073,613	3,202,122
	NEDF/CEDF (Great Streets)	119,900	115,386	87,726
	Home Ownership Support & Development		300,000	182,803
	Vacant and Boarded Building Program	1,708,200	1,343,897	1,440,353
Subtotal CPED capital		6,801,740	6,545,699	6,604,344
Health Department	Lead Reduction	59,500	57,260	57,260
Total Capital/Other (65%)		6,861,240	6,602,959	6,661,604
Public Service---CDBG				
Community Planning & Economic Development	Youth Employment	247,303	210,208	234,093
	Build Leaders		320,000	100,000
Police Department	Community Crime Prevention Specialists	874,100	742,985	827,400
Health Department	Way to Grow	206,600	163,218	206,600
	Juvenile Supervision Center (Curfew Truancy Program)	100,000	100,000	100,000
	Domestic Abuse Project	73,100	59,527	69,200
Total Public Service (15%)		1,501,103	1,595,938	1,537,293
Public Service - 15% Cap		1,567,928	1,512,739	1,537,293
Administration---CDBG				
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance/Monitoring	326,400	321,644	321,644
Community Planning & Economic Development	Planning - Administration	876,807	864,031	864,031
Health Department	Mid-Minnesota Legal Aid	24,000	23,650	23,650
	Grant Administration	60,400	59,520	59,520
	Way to Grow Administration	14,600	14,388	14,388
	Youth Violence Prevention	154,000	151,756	151,756
Finance Department	Program Administration	175,000	161,181	161,181
Intergovernmental Relations	Grants & Special Projects	170,300	167,818	167,818
	Mid-Minnesota Legal Aid	39,000	38,432	38,432
Youth Coordinating Board	Administration	64,803	64,803	64,803
Neighborhood & Community Relations	Access & Outreach (Multicultural Affairs)	99,400	97,951	97,951
Regulatory Services	New Problem Properties Strategy	85,800	84,550	84,550
Total Administration (20%)		2,090,510	2,049,724	2,049,724
Administration 20% cap		2,090,571	2,049,724	2,049,724
CDBG Total of Requests (100%)		10,452,853	10,248,621	10,248,621
CDBG Revenue		10,452,853	10,248,621	10,248,621
Other Consolidated Plan Entitlement Funds				
HOME Investment Partnerships				
Community Planning & Economic Development	Affordable Housing Trust Fund (AHTF)	1,406,189	1,205,214	1,195,261
	Home Ownership Works (HOW)	351,547	632,623	632,623
	CPED Administration	180,303	189,204	188,098
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	15,000
Emergency Solutions Grant (ESG)				
Community Planning & Economic Development	Emergency Solutions Grant Programs	734,089	720,394	720,394
	Street Outreach	150,000	150,000	150,000
	CPED Administration	66,683	65,572	65,572
Intergovernmental Relations	Grants & Special Projects Administration	5,000	5,000	5,000
Housing Opportunities for Persons with AIDS (HOPWA)				
	Third Party Contractors/Subrecipients/Subgrantees	1,039,291	1,055,095	1,055,095
Grand Total Consolidated Plan		\$ 14,400,955	\$ 14,286,723	\$ 14,275,664

*This schedule represents the distribution of entitlement funds only excluding any program income

**SCHEDULE FIVE
SUMMARY OF POSITIONS BY DEPARTMENT**

	2014 Budget	2015 Budget	2016 Budget*	2017 Council Adopted	Change	% change
CITY COORDINATOR						
311	31.00	31.00	30.00	30.00	-	0.0%
911	80.00	84.00	85.00	85.00	-	0.0%
CITY COORDINATOR	11.00	20.00	21.00	26.00	5.00	23.8%
COMMUNICATIONS	12.00	12.00	12.00	12.00	-	0.0%
CONVENTION CENTER	177.30	173.30	173.30	174.30	1.00	0.6%
EMERGENCY MANAGEMENT	6.50	6.50	8.50	8.50	-	0.0%
FINANCE AND PROPERTY SERV	250.00	251.00	252.50	253.50	1.00	0.4%
HUMAN RESOURCES	50.80	51.80	52.80	53.80	1.00	1.9%
INFORMATION TECHNOLOGY	60.00	94.00	94.00	96.00	2.00	2.1%
INTERGOVERNMENTAL RELATIONS	8.00	8.00	8.00	8.00	-	0.0%
NEIGHBORHOOD & COMMUNITY RELATIONS	16.00	16.00	17.00	17.00	-	0.0%
CITY COORDINATOR	702.60	747.60	754.10	764.10	10.00	1.3%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT						
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	228.00	230.00	239.00	240.00	1.00	0.4%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	228.00	230.00	239.00	240.00	1.00	0.4%
OTHER CHARTER DEPARTMENTS						
ASSESSOR	36.00	36.00	37.00	38.00	1.00	2.7%
ATTORNEY	108.00	110.00	112.00	112.00	-	0.0%
CITY CLERK	27.00	31.00	32.00	32.00	-	0.0%
CITY COUNCIL	39.00	39.00	39.00	39.00	-	0.0%
CIVIL RIGHTS	22.00	23.00	25.00	29.00	4.00	16.0%
FIRE	413.00	413.00	413.00	418.00	5.00	1.2%
INTERNAL AUDIT	3.00	3.00	3.00	4.00	1.00	33.3%
MAYOR	11.00	12.00	13.00	13.00	-	0.0%
MINNEAPOLIS HEALTH DEPARTMENT	94.30	99.30	100.05	103.05	3.00	3.0%
POLICE	985.50	1,020.50	1,029.50	1,060.50	31.00	3.0%
REGULATORY SERVICES	149.00	156.50	173.00	177.00	4.00	2.3%
OTHER CHARTER DEPARTMENTS	1,887.80	1,943.30	1,976.55	2,025.55	49.00	2.5%
PUBLIC WORKS						
PW - ADMINISTRATIVE SERVICES	16.00	16.00	16.00	16.00	-	0.0%
PW - FLEET SERVICES	78.00	75.00	75.00	75.00	-	0.0%
PW - SOLID WASTE & RECYCLING	134.33	151.00	151.00	151.00	-	0.0%
PW - TRAFFIC AND PARKING SERVICES	98.10	104.10	103.00	105.00	2.00	1.9%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	206.95	216.15	216.15	216.15	-	0.0%
PW - TRANSPORTATION PLANNING AND ENGINEERING	78.50	75.00	75.00	75.00	-	0.0%
PW - WATER TREATMENT & DISTRIBUTION	192.50	193.00	193.00	193.00	-	0.0%
PW - SURFACE WATER & SEWERS-SANITARY	45.00	47.50	47.75	48.25	0.50	1.0%
PW - SURFACE WATER & SEWERS-STORMWATER	48.50	50.75	51.00	51.50	0.50	1.0%
PW - TRANSPORTATION PLANNING & PROGRAMING	-	15.00	17.00	17.00	-	0.0%
PW - CAPITAL	49.10	61.00	61.00	150.00	89.00	145.9%
PUBLIC WORKS	946.98	1,004.50	1,005.90	1,097.90	92.00	9.1%
CITY	3,765.38	3,925.40	3,975.55	4,127.55	152.00	3.8%
INDEPENDENT BOARDS						
MINNEAPOLIS PARK & RECREATION BOARD	819.24	832.00	859.26	924.36	65.10	7.6%
BOARD OF ESTIMATE & TAXATION	1.00	1.00	1.00	1.00	-	0.0%
MUNICIPAL BUILDING COMMISSION	55.00	55.00	55.00	55.00	-	0.0%
INDEPENDENT BOARDS	875.24	888.00	915.26	980.36	65.10	7.1%
TOTAL CITY	4,640.62	4,813.40	4,890.81	5,107.91	217.10	4.4%

* 2016 FTE counts may differ from 2016 adopted budget due to mid year adjustments, including funding and organizational changes.

SCHEDULE FIVE 2017 FOOTNOTES

Note: *The 2016 budgeted numbers may differ from 2016 Council Adopted Budget due to mid-year adjustments, including funding and organizational changes during the fiscal year 2016.*

The following department's staffing level remains unchanged from 2016;

- ✓ 311
- ✓ 911
- ✓ Communications
- ✓ Emergency Management
- ✓ Intergovernmental Relations
- ✓ Neighborhood and Community Relations
- ✓ Attorney
- ✓ City Clerk
- ✓ City Council
- ✓ Mayor

City Coordinator Administration: The department's staffing levels increase by five FTE from 2016.

Convention Center: The department's staffing levels increase by one FTE from 2016.

Finance and Property Services: The department's staffing levels increase by one FTE from 2016.

Human Resources: The department's staffing levels increase by one FTE from 2016.

Information Technology: The department's staffing levels increase by two FTE from 2016.

Community Planning and Economic Development: The department's staffing levels increase by one FTE from 2016.

Assessor: The department's staffing levels increase by one FTE from 2016.

Civil Rights: The department's staffing levels increase by four FTE from 2016.

Fire: The department's staffing levels increase by five FTE from 2016. The total FTE count for this department does not reflect cadet hiring as they are not considered in the FTE count until they become full-time staff.

Internal Audit: The department's staffing levels increase by one FTE from 2016.

Health: The department's staffing levels increase by three FTE from 2016.

Police: The department's staffing levels increase by thirty one FTE from 2016. CSO's /Cadets/ Recruits are placed in Professional standards/training division of MPD until after they are sworn in, after which most of them are allocated to Patrol division.

Regulatory Services: The department's staffing levels increase by four FTE from 2016.

Public Works

- ✓ **Traffic and Parking Services:** The division's staffing levels increase by two FTE from 2016.
- ✓ **Surface Water and Sewers – Sanitary:** The division's staffing levels increase by 0.50 FTE from 2016.
- ✓ **Surface Water and Sewers – Stormwater:** The division's staffing levels increase by 0.50 FTE from 2016.
- ✓ **Capital:** The division's staffing levels increase by eighty nine FTE from 2016.

The staffing levels of the following divisions of Public Works remain unchanged from 2016;

- ✓ Administration
- ✓ Fleet Services
- ✓ Solid Waste and Recycling
- ✓ Transportation Maintenance and Repair
- ✓ Transportation Planning and Engineering
- ✓ Water Treatment and Distribution
- ✓ Transportation Planning and Programming

Independent Boards:

- ✓ **Minneapolis Parks and Recreation Board (MPRB):** Staffing levels increase by 65.10 FTE from 2016.
- ✓ **Board of Estimate and Taxation (BET):** Staffing levels remain unchanged from 2016.
- ✓ **Minneapolis Building Commission (MBC):** Staffing levels remain unchanged from 2016.

SCHEDULE SEVEN 2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests										ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND	
YEAR	DEPARTMENT	PROJECT TITLE	PROJECT TYPE	ANNUAL COST	GRANT FUNDING	UTILITY ENTERPRISE	SPEC REV/ FUND BAL	GENERAL FUND	FIVE YEAR COST	USEFUL LIFE	OPERATING COST	FUNDING SOURCE	TOTAL AMOUNT	OTHER FUNDING	RECOMMEND GEN FUND AMOUNT
<i>2017 Section</i>															
2017	911	911 Training & EOC Remodel	Renovation	194,665	-	-	-	194,665	194,665	20	-	-	194,665		194,665
2017	911	Recording system for NG911 phone and radio	Replacement	500,000	-	-	-	500,000	500,000	10	-	-			
2017	Assessor	Technology System: Property Records and CAMA system	Replacement	1,000,000	-	-	-	1,000,000	1,200,000	10	-	-	1,000,000	1,000,000	
2017	Office of the City Clerk	Centralized Public Data Request Management System	Addition	100,000	-	-	-	100,000	220,000	5	30,000	-			
2017	Office of the City Clerk	Data Review and Redaction System	Addition	100,000	-	-	-	100,000	180,000	5	10,000	-			
2017	Office of the City Clerk	Physical Records Asset Management System	Replacement	80,000	-	-	-	80,000	160,000	10	20,000	-			
2017	Office of the City Clerk	In-House Production Imaging System	Addition	80,000	-	-	-	80,000	80,000	5	-	-			
2017	Office of the City Clerk	Sustaining Precinct Additions	Addition	54,600	-	-	-	54,600	273,000	-	54,600	-			
2017	Office of the City Clerk	Voting Booths	Replacement	40,000	-	-	-	40,000	200,000	20	40,000	-			
2017	Office of the City Clerk	Election Management System (EMS)	Replacement	23,111	-	-	-	23,111	115,555	10	23,111	-			
2017	Office of the City Clerk	Constituent Relationship Management Software	Replacement	90,000	-	-	-	90,000	210,000	5	30,000	-			
2017	Office of the City Clerk	Legislative Management System (LIMS), ongoing costs	Other	180,892	-	-	-	180,892	502,692	5	-	-	180,892	180,892	
2017	Civil Rights	Contract Compliance Management System Software	Addition	500,000	-	-	-	500,000	890,000	-	-	-	500,000	500,000	
2017	Civil Rights	Space Allocation	Other	4,100	-	-	-	4,100	8,200	-	-	-			
2017	Communications	Production equipment: switcher	Replacement	50,000	-	-	-	50,000	50,000	10	-	-	50,000		50,000
2017	Communications	Council Chambers equipment: lighting & chambers monitor	Replacement	35,000	-	-	-	35,000	35,000	5	-	-			
2017	Communications	audio recording & asset management	Addition	36,000	-	-	-	36,000	36,000	8	-	-			
2017	Comm Planning/Econ Development	Qmatic -- Development Review	Replacement	158,900	-	-	-	158,900	227,050	8	12,000	-			
2017	Comm Planning/Econ Development	Management Information Network System (MINS) - CPED	Replacement	1,746,231	-	-	-	1,746,231	4,998,443	5	150,000	-	1,736,200	1,736,200	
2017	Emergency Management	OEM Share of Technology at Strategic Information Ctr	Replacement	16,500	-	-	-	16,500	92,000	Varies	-	-			
2017	Emergency Management	Downtown Warning Sirens	Addition	500,000	-	-	-	500,000	500,000	50	-	200,000	250,000		250,000
2017	Finance & Property Services	Upgrade Utility Billing System	Upgrade	400,000	-	-	-	400,000	800,000	5+	-	-			
2017	Finance & Property Services	AED Life Safety Systems	Replacement	60,000	-	-	-	60,000	60,000	10	-	-			
2017	Finance & Property Services	Video Management System	Replacement	185,000	-	-	-	185,000	185,000	8	-	-			
2017	Finance & Property Services	Traka Key Management System	Addition	50,000	-	-	-	50,000	100,000	12	-	-			
2017	Finance & Property Services	Access Management System	Replacement	45,000	-	-	-	45,000	45,000	12	-	-			
2017	Finance & Property Services	Aperture software replacement	Replacement	260,193	-	-	-	260,193	260,193	-	16,380	-			
2017	Fire	Personal Protective Equipment	Replacement	110,000	-	-	-	110,000	550,000	Varies	-	-	110,000		110,000
2017	Fire	Fire Hose	Replacement	21,000	-	-	-	21,000	105,000	Varies	-	-			
2017	Fire	Mobile Data Computers	Replacement	270,000	-	-	-	270,000	270,000	Varies	7,500	-	270,000		270,000
2017	Fire	Projectors at the EOTF in rooms 121, 123, 126	Replacement	20,000	-	-	-	20,000	96,000	5	-	-			
2017	Human Resources	HR Applicant Testing Integration (Critical and NeoGov)	Other	9,500	-	-	-	9,500	50,437	-	10,000	-			
2017	Human Resources	Annual license fees for onboarding system software	Addition	53,045	-	-	-	53,045	221,920	5	51,500	-			
2017	Human Resources	Annual license fees for succession planning software	Addition	132,613	-	-	-	132,613	554,801	5	128,750	-			
2017	Information Technology	Application Security Testing	Addition	200,000	-	-	-	200,000	200,000	Ongoing	50,000	-	200,000	200,000	
2017	Information Technology	Enterprise Content Management System	Replacement	1,000,000	-	-	-	1,000,000	1,700,000	5+	150,000	-	1,000,000	1,000,000	
2017	Information Technology	Enterprise Address Data	Addition	50,000	-	-	-	50,000	50,000	5+	5,000	-	50,000	50,000	
2017	Information Technology	Smart Building Datasets	Upgrade	75,000	-	-	-	75,000	75,000	5+	-	-			
2017	Information Technology	Basic ADA Tools	Addition	60,000	-	-	-	60,000	100,000	5	10,000	-			
2017	Information Technology	Technology Tool Refresh Fund	Addition	50,000	-	-	-	50,000	250,000	5	-	-			
2017	Information Technology	GIS Professional Services	Other	25,000	-	-	-	25,000	125,000	5	-	-			
2017	Information Technology	Enterprise Aerial Photographs	Addition	50,000	-	-	-	50,000	50,000	Ongoing	-	-			
2017	MPD	Mobile Data Computers	Replacement	350,000	-	-	-	350,000	1,260,000	8	-	-	145,000		145,000
2017	MPD	NetMotion	Replacement	30,000	-	-	-	30,000	30,000	3	-	-	30,000	30,000	
2017	MPD-Training	Hamilton (training) Computer Lab	Addition	300,000	-	-	-	300,000	300,000	5	-	-	300,000		300,000
2017	MPD	In Squad Video	Replacement	240,000	-	-	-	240,000	620,000	6	-	-	200,000		200,000
2017	MPD	CJIS Compliance	Replacement	25,000	-	-	-	25,000	25,000	3	10,000	-	25,000		25,000

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests											ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND
YEAR DEPARTMENT	PROJECT TITLE	PROJECT TYPE	ANNUAL COST	GRANT FUNDING	UTILITY ENTERPRISE	SPEC REV/ FUND BAL	GENERAL FUND	FIVE YEAR COST	USEFUL LIFE	OPERATING COST	FUNDING SOURCE	TOTAL AMOUNT	TOTAL OTHER FUNDING	RECOMMEND GEN FUND AMOUNT	
2017 MPD-Strategic Info Center	Milestone Public Safety Camera System	Addition	225,000	-	-	-	225,000	675,000	Varies	-	-	225,000		225,000	
2017 MPD	License Plate Recognition System	Replacement	100,000	-	-	-	100,000	170,000	6	-	-				
2017 MPD-Strategic Info Center	MPD share of technology at Strategic Information Ctr	Replacement	21,000	-	-	-	21,000	662,000	Varies	-	-				
2017 Police	Tactical ballistic vests with rifle plates	Replacement	162,000	-	-	-	162,000	162,000	5	-	-	162,000		162,000	
2017 Police	Tactical ballistic helmets	Replacement	60,000	-	-	-	60,000	60,000	5	-	-	60,000		60,000	
2017 MPD Pre-service Training	PortaCount Gas Mask Fit testing/calibration equipment	Replacement	63,202	-	-	-	63,202	80,212	5	5,670	-	63,202		63,202	
2017 MPD	Bomb Squad dismountable X-ray sytem	Addition	160,000	-	-	-	160,000	160,000	15	500	-				
2017 Police	Level 3 ballistic bunker	Replacement	9,000	-	-	-	9,000	9,000	5	-	-				
2017 Police	SWAT negotiator throw phone	Upgrade	27,000	-	-	-	27,000	27,000	10	-	-				
2017 Police	Suppressors (M4 and AI rifles)	Addition	26,400	-	-	-	26,400	79,200	5	-	-				
2017 Police	Ballistic blanket	Replacement	9,000	-	-	-	9,000	9,000	5	-	-				
2017 Police	Level 4 ballistic bunker on wheels	Addition	9,000	-	-	-	9,000	9,000	5	-	-				
2017 MPD - Crime Lab Unit	Advanced Cell Phone Forensic Data Extraction (Chip-Off)	Addition	26,000	-	-	-	26,000	26,000	5	-	-				
2017 MPD-Crime Lab Unit (Field Ops)	Cyanoacrylate Fuming Chamber	Replacement	20,000	-	-	-	20,000	20,000	12	-	-				
2017 MPD - Traffic Investigation	Leica Robotic Total Station	Replacement	35,000	-	-	-	35,000	37,000	10	500	-				
2017 Police - Property and Evidence	Security lockers	Addition	24,000	-	-	-	24,000	24,000	25	-	-				
2017 Police - Property and Evidence	Walk-in refrigeration and freezer units	Replacement	40,000	-	-	-	40,000	40,000	20	-	-				
2017 MPD - Crime Lab Unit	3D Laser Scanner (software and hardware)	Addition	90,000	-	-	-	90,000	90,000	10	-	-				
2017 MPD-Strategic Info Center	Camera Trailers	Replacement	10,000	-	-	-	10,000	100,000	8	-	-				
2017 Police	PEQ15 IR Illuminator	Addition	39,000	-	-	-	39,000	39,000	10	-	-				
2017 MPD	Windscribe Digital Dictation System	Replacement	40,000	-	-	-	40,000	85,000	4	-	-				
2017 MPD- Investigations	Cell phones with data plan for all investigators	Addition	82,400	-	-	-	82,400	314,600	5	-	-				
2017 MPD - Crime Lab Unit	Rimage Disc Publishing System	Replacement	13,000	-	-	-	13,000	13,000	7	-	-				
2017 MPD - Crime Lab Unit	Forensic Processing Computer System	Replacement	8,800	-	-	-	8,800	26,400	3	-	-				
2017 MPD	Police Information Management System	Replacement	1,300,000	-	-	-	1,300,000	1,300,000	10	700,000	5,800,000	1,300,000	1,300,000		
2017 PW Fleet Services Division	deficit funding repay what was "borrowed"	Replacement	100,000	-	-	-	100,000	100,000	-	-	-				
2017 Fleet-Comm Planning/Econ Development	Annual Vehicle Replacement Schedule	Replacement	371,594	-	-	325,691	45,903	1,709,327	Varies	-	-	371,594	325,691	45,903	
2017 Fleet-Emergency Management	Annual Vehicle Replacement Schedule	Replacement	64,632	-	-	57,117	7,515	102,866	Varies	-	-	64,632	57,117	7,515	
2017 Fleet-Fire	Annual Vehicle Replacement Schedule	Replacement	1,759,111	-	-	1,427,304	331,807	12,346,098	Varies	-	-	1,759,111	1,427,304	331,807	
2017 Fleet-Minneapolis Health	Annual Vehicle Replacement Schedule	Replacement	26,721	-	-	22,100	4,621	293,237	Varies	-	-	26,721	22,100	4,621	
2017 Fleet-M.B.C. Building Commission	Annual Vehicle Replacement Schedule	Replacement	18,310	-	-	16,498	1,812	18,310	Varies	-	-	18,310	16,498	1,812	
2017 Fleet-MPD	Annual Vehicle Replacement Schedule	Replacement	1,663,948	-	-	1,277,942	386,006	9,459,601	Varies	-	-	1,663,948	1,277,942	386,006	
2017 PW- Fleet Services Division	Annual Vehicle Replacement Schedule	Replacement	456,632	-	-	389,967	66,665	938,347	Varies	-	-	456,632	389,967	66,665	
2017 PW-Fleet Svc Task Unit Equipment	Annual Vehicle Replacement Schedule	Replacement	565,005	-	-	267,206	297,799	783,051	Varies	-	-	565,005	267,206	297,799	
2017 PW- Surface Water & Sewers	Annual Vehicle Replacement Schedule	Replacement	143,357	-	35,451	107,906	-	4,155,286	Varies	-	-	143,357	143,357		
2017 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	658,149	-	180,806	477,343	-	2,708,868	Varies	-	-	658,149	658,149		
2017 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	779,871	-	54,319	725,552	-	4,942,322	Varies	-	-	779,871	779,871		
2017 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	1,634,595	-	-	1,080,229	554,366	11,702,481	Varies	-	-	1,634,595	1,080,229	554,366	
2017 PW- Transportation Engineering & Design	Annual Vehicle Replacement Schedule	Replacement	121,654	-	-	100,344	21,310	625,083	Varies	-	-	121,654	100,344	21,310	
2017 PW-Traffic	Annual Vehicle Replacement Schedule	Replacement	460,529	-	-	397,961	62,568	1,979,261	Varies	-	-	460,529	397,961	62,568	
2017 PW-Water	Annual Vehicle Replacement Schedule	Replacement	779,818	-	122,893	656,925	-	2,581,090	Varies	-	-	779,818	779,818		
2017 Fleet-Regulatory Services	Annual Vehicle Replacement Schedule	Replacement	311,977	-	-	184,319	127,658	1,555,654	Varies	-	-	311,977	184,319	127,658	
2017 PW Solid Waste & Recycling	Replace the Solid Waste Information System (SWIS).	Replacement	1,000,000	-	1,000,000	-	-	1,000,000	TBD	-	-	1,000,000	1,000,000		
2017 PW Fleet Services Division	Fuel Dispenser Upgrade	Replacement	50,000	-	-	-	50,000	200,000	-	-	-	50,000		50,000	
2017 PW Fleet Services Division	Upgrade M5 (AssetWorks Fleet Management System) to SQL	Other	65,000	-	-	-	65,000	65,000	-	-	-	65,000	65,000		
2017 PW Fleet Services Division	Develop an interface to and from M5 and HRIS	Upgrade	50,000	-	-	-	50,000	50,000	Varies	-	-				
2017 PW Fleet Services Division	PW Fleet Dispatch System	Addition	40,000	-	-	-	40,000	40,000	Varies	4,000	-				

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests	PROJECT	PROJECT	ANNUAL	GRANT	UTILITY	SPEC REV/	GENERAL	FIVE YEAR	USEFUL	ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND	
YEAR DEPARTMENT	TITLE	TYPE	COST	FUNDING	ENTERPRISE	FUND BAL	FUND	COST	LIFE	OPERATING	FUNDING	TOTAL	OTHER	GEN FUND	
										COST	SOURCE	AMOUNT	FUNDING	AMOUNT	
2017 PW Fleet Services Division	Develop a capability to report from M5 using COGNOS	Other	30,000	-	-	-	30,000	30,000	-	-	-				
2017 PW Planning & Design	Upgrade of Bentley Engineering Project Design Suite	Replacement	200,000	-	200,000	-	-	200,000	5	-	-	200,000	200,000		
2017 Fleet-Solid Waste and Recycling	Replace Vehicle	Replacement	1,460,874	-	1,460,874	-	-	6,568,031	Varies	-	-	1,460,874	1,460,874		
2017 PW_ Sanitary Sewer	Annual Capital program	Other	62,400	-	62,400	-	-	337,979	-	-	-	62,400	62,400		
2017 PW_ Stormwater	Annual Capital program	Other	46,176	-	46,176	-	-	250,104	-	-	-	46,176	46,176		
2017 PW-Traffic & Parking Services (Ramps)	Parking system ramps and their systems	Renovation	2,550,000	-	2,550,000	-	-	12,650,000	Varies	-	-	2,550,000	2,550,000		
2017 PW- Water	Annual Capital program	Other	1,050,000	-	1,050,000	-	-	5,250,000	-	-	-	1,050,000	1,050,000		
2017 Regulatory Services	Office space and surgical suite at MACC	Renovation	375,000	-	-	-	375,000	1,075,000	15	-	-	375,000		375,000	
2017 Regulatory Services	Bird and small animal housing	Upgrade	27,000	-	-	-	27,000	27,000	15	-	-				
2017 Regulatory Services	Electronic Chalking Software and Hardware	Addition	50,000	-	-	-	50,000	50,000	8	-	-				
2017 Regulatory Services	MACC tablets	Replacement	15,000	-	-	-	15,000	15,000	4	-	-				
2017 Regulatory Services	River Road facility SMART boards	Addition	36,000	-	-	-	36,000	36,000	8	-	-				
2017 Total			29,184,505	-	6,762,919	7,514,404	14,907,182	109,472,509		1,519,511	6,000,000	24,727,312	20,339,415	4,387,897	
<i>Summary of 2017 Requests</i>															
	By Type	Renovation	3,119,665	-	2,550,000	-	569,665								
		Replacement	20,888,714	-	3,054,343	7,514,404	10,319,967								
		Addition	3,124,058	-	-	-	3,124,058								
		Other	1,473,068	-	1,158,576	-	314,492								
		Upgrade	579,000	-	-	-	579,000								
		Total	29,184,505	-	6,762,919	7,514,404	14,907,182								
	By Priority	Must Do	19,912,312	-	2,552,045	7,514,404	9,845,863								
		High	5,546,800	-	1,660,874	-	3,885,926								
		Medium	3,716,593	-	2,550,000	-	1,166,593								
		Low	8,800	-	-	-	8,800								
		Total	29,184,505	-	6,762,919	7,514,404	14,907,182								

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests										ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND	
YEAR	DEPARTMENT	PROJECT TITLE	PROJECT TYPE	ANNUAL COST	GRANT FUNDING	UTILITY ENTERPRISE	SPEC REV/ FUND BAL	GENERAL FUND	FIVE YEAR COST	USEFUL LIFE	OPERATING COST	FUNDING SOURCE	TOTAL AMOUNT	OTHER FUNDING	RECOMMEND GEN FUND AMOUNT
<i>2018 Section</i>															
2018	911	Replace 911 Workstation Furniture	Replacement	270,000	-	-	-	270,000	540,000	15	-	-			
2018	Assessor	Technology System: Property Records and CAMA system	Replacement	200,000	-	-	-	200,000	1,200,000	10	-	-			
2018	Office of the City Clerk	Centralized Public Data Request Management System	Addition	30,000	-	-	-	30,000	220,000	5	30,000	-			
2018	Office of the City Clerk	Data Review and Redaction System	Addition	20,000	-	-	-	20,000	180,000	5	10,000	-			
2018	Office of the City Clerk	Physical Records Asset Management System	Replacement	20,000	-	-	-	20,000	160,000	10	20,000	-			
2018	Office of the City Clerk	Sustaining Precinct Additions	Addition	54,600	-	-	-	54,600	273,000	-	54,600	-			
2018	Office of the City Clerk	Voting Booths	Replacement	40,000	-	-	-	40,000	200,000	20	40,000	-			
2018	Office of the City Clerk	Election Management System (EMS)	Replacement	23,111	-	-	-	23,111	115,555	10	23,111	-			
2018	Office of the City Clerk	Constituent Relationship Management Software	Replacement	30,000	-	-	-	30,000	210,000	5	30,000	-			
2018	Office of the City Clerk	Legislative Management System (LIMS), ongoing costs	Other	84,800	-	-	-	84,800	502,692	5	-	-			
2018	Civil Rights	Contract Compliance Management System Software	Addition	300,000	-	-	-	300,000	890,000	-	-	-			
2018	Comm Planning/Econ Development	Qmatic -- Development Review	Replacement	22,331	-	-	-	22,331	227,050	8	12,000	-			
2018	Comm Planning/Econ Development	Management Information Network System (MINS) - CPED	Replacement	2,292,606	-	-	-	2,292,606	4,998,443	5	150,000	-			
2018	Comm Planning/Econ Development	Cell Phone Upgrade -- Construction Code Services	Replacement	15,000	-	-	-	15,000	15,000	5	-	-			
2018	Emergency Management	OEM Share of Technology at Strategic Information Ctr	Replacement	9,000	-	-	-	9,000	92,000	Varies	-	-			
2018	Emergency Management	Downtown Warning Sirens	Addition	-	-	-	-	-	500,000	50	-	200,000			
2018	Finance & Property Services	Upgrade Utility Billing System	Upgrade	400,000	-	-	-	400,000	800,000	5+	-	-			
2018	Finance & Property Services	Traka Key Management System	Addition	30,000	-	-	-	30,000	100,000	12	-	-			
2018	Finance & Property Services	Aperture software replacement	Replacement	-	-	-	-	-	260,193	-	16,380	-			
2018	Fire	Personal Protective Equipment	Replacement	110,000	-	-	-	110,000	550,000	Varies	-	-			
2018	Fire	Fire Hose	Replacement	21,000	-	-	-	21,000	105,000	Varies	-	-			
2018	Fire	Mattresses and furniture for all of the fire stations	Replacement	15,000	-	-	-	15,000	60,000	10	-	-			
2018	Fire	Thermal Imagers	Replacement	22,500	-	-	-	22,500	90,000	Varies	-	-			
2018	Fire	Hazardous materials equipment & gas detection monitors	Replacement	20,000	-	-	-	20,000	80,000	5	-	-			
2018	Fire	Mobile Data Computers	Replacement	-	-	-	-	-	270,000	Varies	7,500	-			
2018	Fire	Projectors at the EOTF in rooms 121, 123, 126	Replacement	8,000	-	-	-	8,000	96,000	5	-	-			
2018	Human Resources	HR Applicant Testing Integration (Critical and NeoGov)	Other	9,785	-	-	-	9,785	50,437	-	10,000	-			
2018	Human Resources	Annual license fees for onboarding system software	Addition	54,636	-	-	-	54,636	221,920	5	51,500	-			
2018	Human Resources	Annual license fees for succession planning software	Addition	136,591	-	-	-	136,591	554,801	5	128,750	-			
2018	Information Technology	Application Security Testing	Addition	-	-	-	-	-	200,000	Ongoing	50,000	-			
2018	Information Technology	Enterprise Content Management System	Replacement	500,000	-	-	-	500,000	1,700,000	5+	150,000	-			
2018	Information Technology	Enterprise Address Data	Addition	-	-	-	-	-	50,000	5+	5,000	-			
2018	Information Technology	Basic ADA Tools	Addition	10,000	-	-	-	10,000	100,000	5	10,000	-			
2018	Information Technology	Technology Tool Refresh Fund	Addition	50,000	-	-	-	50,000	250,000	5	-	-			
2018	Information Technology	GIS Professional Services	Other	25,000	-	-	-	25,000	125,000	5	-	-			
2018	MPD	Mobile Data Computers	Replacement	350,000	-	-	-	350,000	1,260,000	8	-	-			
2018	MPD	In Squad Video	Replacement	240,000	-	-	-	240,000	620,000	6	-	-			
2018	MPD	CJIS Compliance	Replacement	-	-	-	-	-	25,000	3	10,000	-			
2018	MPD-Strategic Info Center	Milestone Public Safety Camera System	Addition	225,000	-	-	-	225,000	675,000	Varies	-	-			
2018	MPD	License Plate Recognition System	Replacement	40,000	-	-	-	40,000	170,000	6	-	-			
2018	MPD-Strategic Info Center	MPD share of technology at Strategic Information Ctr	Replacement	257,500	-	-	-	257,500	662,000	Varies	-	-			
2018	MPD Pre-service Training	PortaCount Gas Mask Fit testing/calibration equipment	Replacement	-	-	-	-	-	80,212	5	5,670	-			
2018	MPD	Bomb Squad dismountable X-ray sytem	Addition	-	-	-	-	-	160,000	15	500	-			
2018	Police	Suppressors (M4 and AI rifles)	Addition	26,400	-	-	-	26,400	79,200	5	-	-			

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests YEAR DEPARTMENT	PROJECT TITLE	PROJECT TYPE	ANNUAL COST	GRANT FUNDING	UTILITY ENTERPRISE	SPEC REV/ FUND BAL	GENERAL FUND	FIVE YEAR COST	USEFUL LIFE	ANNUAL OPERATING COST	EXTERNAL FUNDING SOURCE	RECOMMEND	TOTAL	RECOMMEND
												TOTAL AMOUNT	OTHER FUNDING	GEN FUND AMOUNT
2018 MPD - Traffic Investigation	Leica Robotic Total Station	Replacement	500	-	-	-	500	37,000	10	500	-			
2018 MPD-Strategic Info Center	Camera Trailers	Replacement	10,000	-	-	-	10,000	100,000	8	-	-			
2018 MPD	Windscribe Digital Dictation System	Replacement	15,000	-	-	-	15,000	85,000	4	-	-			
2018 MPD	Digital Image Management System (DIMS)	Replacement	40,000	-	-	-	40,000	40,000	4	-	-			
2018 MPD- Investigations	Cell phones with data plan for all investigators	Addition	77,400	-	-	-	77,400	314,600	5	-	-			
2018 MPD-Crime Lab Unit	Computer Server	Addition	12,500	-	-	-	12,500	12,500	5	-	-			
2018 MPD - Crime Lab Unit	Rimage Disc Publishing System	Replacement	35,000	-	-	-	35,000	35,000	7	-	-			
2018 MPD - Crime Lab Unit	Forensic Comparison Microscope - Firearms	Replacement	75,000	-	-	-	75,000	75,000	20	-	-			
2018 MPD	Mobile Squad Printers	Replacement	9,000	-	-	-	9,000	27,000	5	-	-			
2018 MPD	Bomb Squad TCV	Upgrade	175,000	-	-	-	175,000	175,000	20	-	-			
2018 Police	Thermal Scope	Addition	12,000	-	-	-	12,000	12,000	10	-	-			
2018 Police	Range - R	Addition	9,000	-	-	-	9,000	9,000	10	-	-			
2018 Police	Invisio communications	Addition	38,000	-	-	-	38,000	38,000	10	-	-			
2018 MPD - Crime Lab Unit	High End Video Processing Computer System	Replacement	6,000	-	-	-	6,000	6,000	3	-	-			
2018 MPD	Police Information Management System	Replacement	-	-	-	-	-	1,300,000	10	700,000	5,800,000			
2018 Fleet-Information Technology	Annual Vehicle Replacement Schedule	Other	24,848	-	-	22,216	2,632	54,848	-	-	-			
2018 Fleet-Comm Planning/Econ Development	Annual Vehicle Replacement Schedule	Replacement	220,251	-	-	191,482	28,769	1,709,327	Varies	-	-			
2018 Fleet-Finance & Property Svcs	Annual Vehicle Replacement Schedule	Replacement	32,272	-	-	28,667	3,605	354,026	Varies	-	-			
2018 Fleet-Fire	Annual Vehicle Replacement Schedule	Replacement	619,061	-	-	530,769	88,292	12,346,098	Varies	-	-			
2018 Fleet-MPD	Annual Vehicle Replacement Schedule	Replacement	1,401,348	-	-	1,190,604	210,744	9,459,601	Varies	-	-			
2018 PW- Fleet Services Division	Annual Vehicle Replacement Schedule	Replacement	114,731	-	-	92,956	21,775	938,347	Varies	-	-			
2018 PW-Fleet Svc Task Unit Equipment	Annual Vehicle Replacement Schedule	Replacement	52,654	-	-	42,144	10,510	783,051	Varies	-	-			
2018 PW- Surface Water & Sewers	Annual Vehicle Replacement Schedule	Replacement	1,492,505	-	337,007	1,155,498	(0)	4,155,286	Varies	-	-			
2018 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	313,173	-	-	218,819	94,354	2,708,868	Varies	-	-			
2018 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	724,016	-	193,442	530,574	0	4,942,322	Varies	-	-			
2018 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	4,022,724	-	-	3,000,039	1,022,685	11,702,481	Varies	-	-			
2018 PW- Transportation Engineering & Design	Annual Vehicle Replacement Schedule	Replacement	274,000	-	-	249,165	24,835	625,083	Varies	-	-			
2018 PW-Traffic	Annual Vehicle Replacement Schedule	Replacement	646,210	-	-	592,334	53,876	1,979,261	Varies	-	-			
2018 PW-Water	Annual Vehicle Replacement Schedule	Replacement	190,998	-	27,822	163,176	(0)	2,581,090	Varies	-	-			
2018 Fleet-Regulatory Services	Annual Vehicle Replacement Schedule	Replacement	107,056	-	-	77,652	29,404	1,555,654	Varies	-	-			
2018 PW Fleet Services Division	Fuel Dispenser Upgrade	Replacement	50,000	-	-	-	50,000	200,000	-	-	-			
2018 PW Fleet Services Division	PW Fleet Dispatch System	Addition	-	-	-	-	-	40,000	Varies	4,000	-			
2018 Fleet-Solid Waste and Recycling	Replace Vehicle	Replacement	1,673,743	-	1,673,743	-	-	6,568,031	Varies	-	-			
2018 PW_ Sanitary Sewer	Annual Capital program	Other	64,896	-	64,896	-	-	337,979	-	-	-			
2018 PW_ Stormwater	Annual Capital program	Other	48,023	-	48,023	-	-	250,104	-	-	-			
2018 PW-Traffic & Parking Services (Ramps)	Parking system ramps and their systems	Renovation	2,600,000	-	2,600,000	-	-	12,650,000	Varies	-	-			
2018 PW- Water	Annual Capital program	Other	1,050,000	-	1,050,000	-	-	5,250,000	-	-	-			
2018 PW Trans. Engineering & Design	Reconfig layout of 2nd & 3rd floors/City of Lakes	Renovation	500,000	-	-	-	500,000	500,000	-	-	-			
2018 Regulatory Services	Office space and surgical suite at MACC	Renovation	700,000	-	-	-	700,000	1,075,000	15	-	-			
2018 Total			23,399,769	-	5,994,933	8,086,092	9,318,744	109,472,509		1,519,511	6,000,000			

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests		PROJECT	PROJECT	ANNUAL	GRANT	UTILITY	SPEC REV/	GENERAL	FIVE YEAR	USEFUL	ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND
YEAR	DEPARTMENT	TITLE	TYPE	COST	FUNDING	ENTERPRISE	FUND BAL	FUND	COST	LIFE	OPERATING	FUNDING	TOTAL	OTHER	GEN FUND
											COST	SOURCE	AMOUNT	FUNDING	AMOUNT
<i>2019 Section</i>															
2019	911	Replace 911 Workstation Furniture	Replacement	270,000	-	-	-	270,000	540,000	15	-	-			
2019	Office of the City Clerk	Centralized Public Data Request Management System	Addition	30,000	-	-	-	30,000	220,000	5	30,000	-			
2019	Office of the City Clerk	Data Review and Redaction System	Addition	20,000	-	-	-	20,000	180,000	5	10,000	-			
2019	Office of the City Clerk	Physical Records Asset Management System	Replacement	20,000	-	-	-	20,000	160,000	10	20,000	-			
2019	Office of the City Clerk	Sustaining Precinct Additions	Addition	54,600	-	-	-	54,600	273,000	-	54,600	-			
2019	Office of the City Clerk	Voting Booths	Replacement	40,000	-	-	-	40,000	200,000	20	40,000	-			
2019	Office of the City Clerk	Election Management System (EMS)	Replacement	23,111	-	-	-	23,111	115,555	10	23,111	-			
2019	Office of the City Clerk	Constituent Relationship Management Software	Replacement	30,000	-	-	-	30,000	210,000	5	30,000	-			
2019	Office of the City Clerk	Legislative Management System (LIMS), ongoing costs	Other	103,400	-	-	-	103,400	502,692	5	-	-			
2019	Civil Rights	Contract Compliance Management System Software	Addition	45,000	-	-	-	45,000	890,000	-	-	-			
2019	Communications	Computer editing hardware, software and storage	Replacement	60,000	-	-	-	60,000	60,000	5	-	-			
2019	Comm Planning/Econ Development	Qmatic -- Development Review	Replacement	22,713	-	-	-	22,713	227,050	8	12,000	-			
2019	Comm Planning/Econ Development	Management Information Network System (MINS) - CPED	Replacement	654,606	-	-	-	654,606	4,998,443	5	150,000	-			
2019	Emergency Management	OEM Share of Technology at Strategic Information Ctr	Replacement	47,000	-	-	-	47,000	92,000	Varies	-	-			
2019	Emergency Management	Downtown Warning Sirens	Addition	-	-	-	-	-	500,000	50	-	200,000			
2019	Finance & Property Services	Traka Key Management System	Addition	20,000	-	-	-	20,000	100,000	12	-	-			
2019	Fire	Personal Protective Equipment	Replacement	110,000	-	-	-	110,000	550,000	Varies	-	-			
2019	Fire	Fire Hose	Replacement	21,000	-	-	-	21,000	105,000	Varies	-	-			
2019	Fire	Mattresses and furniture for all of the fire stations	Replacement	15,000	-	-	-	15,000	60,000	10	-	-			
2019	Fire	Thermal Imagers	Replacement	22,500	-	-	-	22,500	90,000	Varies	-	-			
2019	Fire	Jaws of Life	Replacement	35,000	-	-	-	35,000	35,000	10	-	-			
2019	Fire	Hazardous materials equipment & gas detection monitors	Replacement	20,000	-	-	-	20,000	80,000	5	-	-			
2019	Fire	Mobile Data Computers	Replacement	-	-	-	-	-	270,000	Varies	7,500	-			
2019	Fire	Projectors at the EOTF in rooms 121, 123, 126	Replacement	46,000	-	-	-	46,000	96,000	5	-	-			
2019	Human Resources	HR Applicant Testing Integration (Critical and NeoGov)	Other	10,079	-	-	-	10,079	50,437	-	10,000	-			
2019	Human Resources	Annual license fees for onboarding system software	Addition	56,275	-	-	-	56,275	221,920	5	51,500	-			
2019	Human Resources	Annual license fees for succession planning software	Addition	140,689	-	-	-	140,689	554,801	5	128,750	-			
2019	Information Technology	Application Security Testing	Addition	-	-	-	-	-	200,000	Ongoing	50,000	-			
2019	Information Technology	Enterprise Content Management System	Replacement	100,000	-	-	-	100,000	1,700,000	5+	150,000	-			
2019	Information Technology	Enterprise Address Data	Addition	-	-	-	-	-	50,000	5+	5,000	-			
2019	Information Technology	Basic ADA Tools	Addition	10,000	-	-	-	10,000	100,000	5	10,000	-			
2019	Information Technology	Technology Tool Refresh Fund	Addition	50,000	-	-	-	50,000	250,000	5	-	-			
2019	Information Technology	GIS Professional Services	Other	25,000	-	-	-	25,000	125,000	5	-	-			
2019	MPD	Mobile Data Computers	Replacement	280,000	-	-	-	280,000	1,260,000	8	-	-			
2019	MPD	In Squad Video	Replacement	140,000	-	-	-	140,000	620,000	6	-	-			
2019	MPD	CJIS Compliance	Replacement	-	-	-	-	-	25,000	3	10,000	-			
2019	MPD-Strategic Info Center	Milestone Public Safety Camera System	Addition	112,500	-	-	-	112,500	675,000	Varies	-	-			
2019	MPD	License Plate Recognition System	Replacement	10,000	-	-	-	10,000	170,000	6	-	-			
2019	MPD-Strategic Info Center	MPD share of technology at Strategic Information Ctr	Replacement	145,000	-	-	-	145,000	662,000	Varies	-	-			
2019	MPD Pre-service Training	PortaCount Gas Mask Fit testing/calibration equipment	Replacement	-	-	-	-	-	80,212	5	5,670	-			
2019	MPD	Bomb Squad dismountable X-ray sytem	Addition	-	-	-	-	-	160,000	15	500	-			
2019	Police	Suppressors (M4 and AI rifles)	Addition	26,400	-	-	-	26,400	79,200	5	-	-			
2019	MPD - Traffic Investigation	Leica Robotic Total Station	Replacement	500	-	-	-	500	37,000	10	500	-			
2019	MPD-Strategic Info Center	Camera Trailers	Replacement	40,000	-	-	-	40,000	100,000	8	-	-			

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests											ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND
YEAR DEPARTMENT	PROJECT TITLE	PROJECT TYPE	ANNUAL COST	GRANT FUNDING	UTILITY ENTERPRISE	SPEC REV/ FUND BAL	GENERAL FUND	FIVE YEAR COST	USEFUL LIFE	OPERATING COST	FUNDING SOURCE	TOTAL AMOUNT	OTHER FUNDING	GEN FUND AMOUNT	
2019 MPD	Windscribe Digital Dictation System	Replacement	15,000	-	-	-	15,000	85,000	4	-	-				
2019 MPD- Investigations	Cell phones with data plan for all investigators	Addition	77,400	-	-	-	77,400	314,600	5	-	-				
2019 MPD - Crime Lab Unit	Forensic Processing Computer System	Replacement	8,800	-	-	-	8,800	26,400	3	-	-				
2019 MPD	Mobile Squad Printers	Replacement	9,000	-	-	-	9,000	27,000	5	-	-				
2019 MPD	Advance Public Safety Citation Writer (APS)	Replacement	60,000	-	-	-	60,000	120,000	4	-	-				
2019 MPD	Bomb Squad Robot	Addition	277,000	-	-	-	277,000	277,000	10	-	-				
2019 MPD	Police Information Management System	Replacement	-	-	-	-	-	1,300,000	10	700,000	5,800,000				
2019 Fleet-Comm Planning/Econ Development	Annual Vehicle Replacement Schedule	Replacement	160,816	-	-	142,040	18,777	1,709,327	Varies	-	-				
2019 Fleet-Finance & Property Svcs	Annual Vehicle Replacement Schedule	Replacement	138,955	-	-	123,282	15,673	354,026	Varies	-	-				
2019 Fleet-Fire	Annual Vehicle Replacement Schedule	Replacement	9,529,289	-	-	8,966,128	563,161	12,346,098	Varies	-	-				
2019 Fleet-Minneapolis Health	Annual Vehicle Replacement Schedule	Replacement	121,433	-	-	107,551	13,882	293,237	Varies	-	-				
2019 Fleet-MPD	Annual Vehicle Replacement Schedule	Replacement	2,572,706	-	-	2,112,825	459,881	9,459,601	Varies	-	-				
2019 PW- Fleet Services Division	Annual Vehicle Replacement Schedule	Replacement	188,984	-	-	164,518	24,466	938,347	Varies	-	-				
2019 PW-Fleet Svc Task Unit Equipment	Annual Vehicle Replacement Schedule	Replacement	4,392	-	-	1,108	3,284	783,051	Varies	-	-				
2019 PW-Safety	Annual Vehicle Replacement Schedule	Replacement	23,771	-	-	20,560	3,211	23,771	Varies	-	-				
2019 PW- Surface Water & Sewers	Annual Vehicle Replacement Schedule	Replacement	511,374	-	169,680	341,694	(0)	4,155,286	Varies	-	-				
2019 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	183,105	-	-	158,799	24,306	2,708,868	Varies	-	-				
2019 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	510,737	-	49,197	461,540	(0)	4,942,322	Varies	-	-				
2019 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	1,225,789	-	-	1,065,185	160,604	11,702,481	Varies	-	-				
2019 PW- Transportation Engineering & Design	Annual Vehicle Replacement Schedule	Replacement	69,929	-	-	52,983	16,946	625,083	Varies	-	-				
2019 PW-Traffic	Annual Vehicle Replacement Schedule	Replacement	312,184	-	-	274,322	37,862	1,979,261	Varies	-	-				
2019 PW-Water	Annual Vehicle Replacement Schedule	Replacement	558,679	-	(44,965)	603,644	0	2,581,090	Varies	-	-				
2019 Fleet-Regulatory Services	Annual Vehicle Replacement Schedule	Replacement	297,706	-	-	221,644	76,062	1,555,654	Varies	-	-				
2019 PW Fleet Services Division	Fuel Dispenser Upgrade	Replacement	50,000	-	-	-	50,000	200,000	-	-	-				
2019 PW Fleet Services Division	PW Fleet Dispatch System	Addition	-	-	-	-	-	40,000	Varies	4,000	-				
2019 Fleet-Solid Waste and Recycling	Replace Vehicle	Replacement	490,782	-	490,782	-	-	6,568,031	Varies	-	-				
2019 PW_ Sanitary Sewer	Annual Capital program	Other	67,492	-	67,492	-	-	337,979	-	-	-				
2019 PW_ Stormwater	Annual Capital program	Other	49,944	-	49,944	-	-	250,104	-	-	-				
2019 PW-Traffic & Parking Services (Ramps)	Parking system ramps and their systems	Renovation	2,600,000	-	2,600,000	-	-	12,650,000	Varies	-	-				
2019 PW- Water	Annual Capital program	Other	1,050,000	-	1,050,000	-	-	5,250,000	-	-	-				
2019 Total			24,021,639	-	4,432,130	14,817,823	4,771,687	109,472,509		1,519,511	6,000,000				

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests		PROJECT	PROJECT	ANNUAL	GRANT	UTILITY	SPEC REV/	GENERAL	FIVE YEAR	USEFUL	ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND
YEAR	DEPARTMENT	TITLE	TYPE	COST	FUNDING	ENTERPRISE	FUND BAL	FUND	COST	LIFE	OPERATING	FUNDING	TOTAL	OTHER	GEN FUND
											COST	SOURCE	AMOUNT	FUNDING	AMOUNT
<u>2020 Section</u>															
2020	Office of the City Clerk	Centralized Public Data Request Management System	Addition	30,000	-	-	-	30,000	220,000	5	30,000	-			
2020	Office of the City Clerk	Data Review and Redaction System	Addition	20,000	-	-	-	20,000	180,000	5	10,000	-			
2020	Office of the City Clerk	Physical Records Asset Management System	Replacement	20,000	-	-	-	20,000	160,000	10	20,000	-			
2020	Office of the City Clerk	Sustaining Precinct Additions	Addition	54,600	-	-	-	54,600	273,000	-	54,600	-			
2020	Office of the City Clerk	Voting Booths	Replacement	40,000	-	-	-	40,000	200,000	20	40,000	-			
2020	Office of the City Clerk	Election Management System (EMS)	Replacement	23,111	-	-	-	23,111	115,555	10	23,111	-			
2020	Office of the City Clerk	Constituent Relationship Management Software	Replacement	30,000	-	-	-	30,000	210,000	5	30,000	-			
2020	Office of the City Clerk	Legislative Management System (LIMS), ongoing costs	Other	71,800	-	-	-	71,800	502,692	5	-	-			
2020	Civil Rights	Contract Compliance Management System Software	Addition	45,000	-	-	-	45,000	890,000	-	-	-			
2020	Communications	HD camera and gear	Replacement	15,000	-	-	-	15,000	15,000	800 hrs	-	-			
2020	Comm Planning/Econ Development	Qmatic -- Development Review	Replacement	23,106	-	-	-	23,106	227,050	8	12,000	-			
2020	Comm Planning/Econ Development	Management Information Network System (MINS) - CPED	Replacement	160,000	-	-	-	160,000	4,998,443	5	150,000	-			
2020	Emergency Management	OEM Share of Technology at Strategic Information Ctr	Replacement	3,000	-	-	-	3,000	92,000	Varies	-	-			
2020	Emergency Management	Downtown Warning Sirens	Addition	-	-	-	-	-	500,000	50	-	200,000			
2020	Finance & Property Services	Aperture software replacement	Replacement	-	-	-	-	-	260,193	-	16,380	-			
2020	Fire	Personal Protective Equipment	Replacement	110,000	-	-	-	110,000	550,000	Varies	-	-			
2020	Fire	Fire Hose	Replacement	21,000	-	-	-	21,000	105,000	Varies	-	-			
2020	Fire	Mattresses and furniture for all of the fire stations	Replacement	15,000	-	-	-	15,000	60,000	10	-	-			
2020	Fire	Thermal Imagers	Replacement	22,500	-	-	-	22,500	90,000	Varies	-	-			
2020	Fire	Hazardous materials equipment & gas detection monitors	Replacement	20,000	-	-	-	20,000	80,000	5	-	-			
2020	Fire	Mobile Data Computers	Replacement	-	-	-	-	-	270,000	Varies	7,500	-			
2020	Fire	Projectors at the EOTF in rooms 121, 123, 126	Replacement	2,000	-	-	-	2,000	96,000	5	-	-			
2020	Human Resources	HR Applicant Testing Integration (Critical and NeoGov)	Other	10,381	-	-	-	10,381	50,437	-	10,000	-			
2020	Human Resources	Annual license fees for onboarding system software	Addition	57,964	-	-	-	57,964	221,920	5	51,500	-			
2020	Human Resources	Annual license fees for succession planning software	Addition	144,909	-	-	-	144,909	554,801	5	128,750	-			
2020	Information Technology	Application Security Testing	Addition	-	-	-	-	-	200,000	Ongoing	50,000	-			
2020	Information Technology	Enterprise Content Management System	Replacement	100,000	-	-	-	100,000	1,700,000	5+	150,000	-			
2020	Information Technology	Enterprise Address Data	Addition	-	-	-	-	-	50,000	5+	5,000	-			
2020	Information Technology	Basic ADA Tools	Addition	10,000	-	-	-	10,000	100,000	5	10,000	-			
2020	Information Technology	GIS Professional Services	Other	25,000	-	-	-	25,000	125,000	5	-	-			
2020	MPD	Mobile Data Computers	Replacement	280,000	-	-	-	280,000	1,260,000	8	-	-			
2020	MPD	CJIS Compliance	Replacement	-	-	-	-	-	25,000	3	10,000	-			
2020	MPD-Strategic Info Center	Milestone Public Safety Camera System	Addition	112,500	-	-	-	112,500	675,000	Varies	-	-			
2020	MPD	License Plate Recognition System	Replacement	10,000	-	-	-	10,000	170,000	6	-	-			
2020	MPD-Strategic Info Center	MPD share of technology at Strategic Information Ctr	Replacement	217,500	-	-	-	217,500	662,000	Varies	-	-			
2020	MPD Pre-service Training	PortaCount Gas Mask Fit testing/calibration equipment	Replacement	17,010	-	-	-	17,010	80,212	5	5,670	-			
2020	MPD	Bomb Squad dismountable X-ray system	Addition	-	-	-	-	-	160,000	15	500	-			
2020	MPD - Traffic Investigation	Leica Robotic Total Station	Replacement	500	-	-	-	500	37,000	10	500	-			
2020	MPD-Strategic Info Center	Camera Trailers	Replacement	40,000	-	-	-	40,000	100,000	8	-	-			
2020	MPD	Windscribe Digital Dictation System	Replacement	15,000	-	-	-	15,000	85,000	4	-	-			
2020	MPD- Investigations	Cell phones with data plan for all investigators	Addition	77,400	-	-	-	77,400	314,600	5	-	-			
2020	MPD	Mobile Squad Printers	Replacement	9,000	-	-	-	9,000	27,000	5	-	-			
2020	MPD	Advance Public Safety Citation Writer (APS)	Replacement	60,000	-	-	-	60,000	120,000	4	-	-			
2020	MPD	Police Information Management System	Replacement	-	-	-	-	-	1,300,000	10	700,000	5,800,000			
2020	Fleet-Information Technology	Annual Vehicle Replacement Schedule	Other	30,000	-	-	26,823	3,177	54,848	-	-	-			
2020	Fleet-Comm Planning/Econ Development	Annual Vehicle Replacement Schedule	Replacement	956,666	-	-	861,179	95,487	1,709,327	Varies	-	-			
2020	Fleet-Emergency Management	Annual Vehicle Replacement Schedule	Replacement	38,234	-	-	33,818	4,416	102,866	Varies	-	-			
2020	Fleet-Finance & Property Svcs	Annual Vehicle Replacement Schedule	Replacement	72,799	-	-	66,477	6,322	354,026	Varies	-	-			

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests										ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND	
YEAR	DEPARTMENT	PROJECT TITLE	PROJECT TYPE	ANNUAL COST	GRANT FUNDING	UTILITY ENTERPRISE	SPEC REV/ FUND BAL	GENERAL FUND	FIVE YEAR COST	USEFUL LIFE	OPERATING COST	FUNDING SOURCE	TOTAL AMOUNT	OTHER FUNDING	GEN FUND AMOUNT
2020	Fleet-Fire	Annual Vehicle Replacement Schedule	Replacement	76,237	-	-	67,485	8,752	12,346,098	Varies	-	-			
2020	Fleet-Minneapolis Health	Annual Vehicle Replacement Schedule	Replacement	145,083	-	-	130,468	14,615	293,237	Varies	-	-			
2020	Fleet-MPD	Annual Vehicle Replacement Schedule	Replacement	1,319,622	-	-	1,224,761	94,861	9,459,601	Varies	-	-			
2020	PW- Fleet Services Division	Annual Vehicle Replacement Schedule	Replacement	120,000	-	-	91,264	28,736	938,347	Varies	-	-			
2020	PW-Fleet Svc Task Unit Equipment	Annual Vehicle Replacement Schedule	Replacement	161,000	-	-	163,711	(2,711)	783,051	Varies	-	-			
2020	PW- Surface Water & Sewers	Annual Vehicle Replacement Schedule	Replacement	942,050	-	179,131	762,919	(0)	4,155,286	Varies	-	-			
2020	PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	933,441	-	-	787,505	145,936	2,708,868	Varies	-	-			
2020	PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	2,007,698	-	327,050	1,680,648	0	4,942,322	Varies	-	-			
2020	PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	2,852,209	-	-	2,474,934	377,275	11,702,481	Varies	-	-			
2020	PW- Transportation Engineering & Design	Annual Vehicle Replacement Schedule	Replacement	75,500	-	-	64,586	10,914	625,083	Varies	-	-			
2020	PW-Traffic	Annual Vehicle Replacement Schedule	Replacement	440,338	-	-	387,958	52,380	1,979,261	Varies	-	-			
2020	PW-Water	Annual Vehicle Replacement Schedule	Replacement	906,595	-	138,452	768,143	(0)	2,581,090	Varies	-	-			
2020	Fleet-Regulatory Services	Annual Vehicle Replacement Schedule	Replacement	748,915	-	-	674,305	74,610	1,555,654	Varies	-	-			
2020	PW Fleet Services Division	Fuel Dispenser Upgrade	Replacement	50,000	-	-	-	50,000	200,000	-	-	-			
2020	PW Fleet Services Division	PW Fleet Dispatch System	Addition	-	-	-	-	-	40,000	Varies	4,000	-			
2020	Fleet-Solid Waste and Recycling	Replace Vehicle	Replacement	1,570,773	-	1,570,773	-	-	6,568,031	Varies	-	-			
2020	PW_ Sanitary Sewer	Annual Capital program	Other	70,192	-	70,192	-	-	337,979	-	-	-			
2020	PW_ Stormwater	Annual Capital program	Other	51,942	-	51,942	-	-	250,104	-	-	-			
2020	PW-Traffic & Parking Services (Ramps)	Parking system ramps and their systems	Renovation	2,400,000	-	2,400,000	-	-	12,650,000	Varies	-	-			
2020	PW- Water	Annual Capital program	Other	1,050,000	-	1,050,000	-	-	5,250,000	-	-	-			
2020 Total				18,982,575	-	5,787,540	10,266,984	2,928,051	109,472,509		1,519,511	6,000,000			

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests	PROJECT	PROJECT	ANNUAL	GRANT	UTILITY	SPEC REV/	GENERAL	FIVE YEAR	USEFUL	ANNUAL	EXTERNAL	RECOMMEND	TOTAL	RECOMMEND
YEAR DEPARTMENT	TITLE	TYPE	COST	FUNDING	ENTERPRISE	FUND BAL	FUND	COST	LIFE	OPERATING	FUNDING	TOTAL	OTHER	GEN FUND
										COST	SOURCE	AMOUNT	FUNDING	AMOUNT
2021 Section														
2021 Office of the City Clerk	Centralized Public Data Request Management System	Addition	30,000	-	-	-	30,000	220,000	5	30,000	-			
2021 Office of the City Clerk	Data Review and Redaction System	Addition	20,000	-	-	-	20,000	180,000	5	10,000	-			
2021 Office of the City Clerk	Physical Records Asset Management System	Replacement	20,000	-	-	-	20,000	160,000	10	20,000	-			
2021 Office of the City Clerk	Sustaining Precinct Additions	Addition	54,600	-	-	-	54,600	273,000	-	54,600	-			
2021 Office of the City Clerk	Voting Booths	Replacement	40,000	-	-	-	40,000	200,000	20	40,000	-			
2021 Office of the City Clerk	Election Management System (EMS)	Replacement	23,111	-	-	-	23,111	115,555	10	23,111	-			
2021 Office of the City Clerk	Constituent Relationship Management Software	Replacement	30,000	-	-	-	30,000	210,000	5	30,000	-			
2021 Office of the City Clerk	Legislative Management System (LIMS), ongoing costs	Other	61,800	-	-	-	61,800	502,692	5	-	-			
2021 Comm Planning/Econ Development	Qmatic -- Development Review	Replacement	-	-	-	-	-	227,050	8	12,000	-			
2021 Comm Planning/Econ Development	Management Information Network System (MINS) - CPED	Replacement	145,000	-	-	-	145,000	4,998,443	5	150,000	-			
2021 Emergency Management	OEM Share of Technology at Strategic Information Ctr	Replacement	16,500	-	-	-	16,500	92,000	Varies	-	-			
2021 Emergency Management	Downtown Warning Sirens	Addition	-	-	-	-	-	500,000	50	-	200,000			
2021 Finance & Property Services	Aperture software replacement	Replacement	-	-	-	-	-	260,193	-	16,380	-			
2021 Fire	Personal Protective Equipment	Replacement	110,000	-	-	-	110,000	550,000	Varies	-	-			
2021 Fire	Fire Hose	Replacement	21,000	-	-	-	21,000	105,000	Varies	-	-			
2021 Fire	Mattresses and furniture for all of the fire stations	Replacement	15,000	-	-	-	15,000	60,000	10	-	-			
2021 Fire	Thermal Imagers	Replacement	22,500	-	-	-	22,500	90,000	Varies	-	-			
2021 Fire	Hazardous materials equipment & gas detection monitors	Replacement	20,000	-	-	-	20,000	80,000	5	-	-			
2021 Fire	Mobile Data Computers	Replacement	-	-	-	-	-	270,000	Varies	7,500	-			
2021 Fire	Projectors at the EOTF in rooms 121, 123, 126	Replacement	20,000	-	-	-	20,000	96,000	5	-	-			
2021 Human Resources	HR Applicant Testing Integration (Critical and NeoGov)	Other	10,692	-	-	-	10,692	50,437	-	10,000	-			
2021 Human Resources	Annual license fees for onboarding system software	Addition	-	-	-	-	-	221,920	5	51,500	-			
2021 Human Resources	Annual license fees for succession planning software	Addition	-	-	-	-	-	554,801	5	128,750	-			
2021 Information Technology	Application Security Testing	Addition	-	-	-	-	-	200,000	Ongoing	50,000	-			
2021 Information Technology	Enterprise Content Management System	Replacement	-	-	-	-	-	1,700,000	5+	150,000	-			
2021 Information Technology	Enterprise Address Data	Addition	-	-	-	-	-	50,000	5+	5,000	-			
2021 Information Technology	Basic ADA Tools	Addition	10,000	-	-	-	10,000	100,000	5	10,000	-			
2021 Information Technology	Technology Tool Refresh Fund	Addition	50,000	-	-	-	50,000	250,000	5	-	-			
2021 Information Technology	GIS Professional Services	Other	25,000	-	-	-	25,000	125,000	5	-	-			
2021 MPD	CJIS Compliance	Replacement	-	-	-	-	-	25,000	3	10,000	-			
2021 MPD	License Plate Recognition System	Replacement	10,000	-	-	-	10,000	170,000	6	-	-			
2021 MPD-Strategic Info Center	MPD share of technology at Strategic Information Ctr	Replacement	21,000	-	-	-	21,000	662,000	Varies	-	-			
2021 MPD Pre-service Training	PortaCount Gas Mask Fit testing/calibration equipment	Replacement	-	-	-	-	-	80,212	5	5,670	-			
2021 MPD	Bomb Squad dismountable X-ray sytem	Addition	-	-	-	-	-	160,000	15	500	-			
2021 MPD - Traffic Investigation	Leica Robotic Total Station	Replacement	500	-	-	-	500	37,000	10	500	-			
2021 MPD	Police Information Management System	Replacement	-	-	-	-	-	1,300,000	10	700,000	5,800,000			
2021 Fleet-Finance & Property Svcs	Annual Vehicle Replacement Schedule	Replacement	110,000	-	-	99,587	10,413	354,026	Varies	-	-			
2021 Fleet-Fire	Annual Vehicle Replacement Schedule	Replacement	362,400	-	-	298,524	63,876	12,346,098	Varies	-	-			
2021 Fleet-MPD	Annual Vehicle Replacement Schedule	Replacement	2,501,977	-	-	2,445,213	56,764	9,459,601	Varies	-	-			
2021 PW- Fleet Services Division	Annual Vehicle Replacement Schedule	Replacement	58,000	-	-	52,514	5,486	938,347	Varies	-	-			
2021 PW- Surface Water & Sewers	Annual Vehicle Replacement Schedule	Replacement	1,066,000	-	106,836	959,164	(0)	4,155,286	Varies	-	-			
2021 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	621,000	-	-	515,498	105,502	2,708,868	Varies	-	-			
2021 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	920,000	-	105,443	814,557	(0)	4,942,322	Varies	-	-			
2021 PW-Transportation Maintenance & Repair	Annual Vehicle Replacement Schedule	Replacement	1,967,164	-	-	1,619,722	347,442	11,702,481	Varies	-	-			

SCHEDULE SEVEN
2017 - 2021 CAPITAL ASSET REQUEST SYSTEM (CARS) - SUMMARY OF ANNUAL REQUESTS (BY YEAR-BY DEPARTMENT)

Requests	PROJECT TITLE	PROJECT TYPE	ANNUAL COST	GRANT FUNDING	UTILITY ENTERPRISE	SPEC REV/ FUND BAL	GENERAL FUND	FIVE YEAR COST	USEFUL LIFE	ANNUAL OPERATING COST	EXTERNAL FUNDING SOURCE	RECOMMEND TOTAL AMOUNT	TOTAL OTHER FUNDING	RECOMMEND GEN FUND AMOUNT
2021 PW- Transportation Engineering & Design	Annual Vehicle Replacement Schedule	Replacement	84,000	-	-	77,883	6,117	625,083	Varies	-	-			
2021 PW-Traffic	Annual Vehicle Replacement Schedule	Replacement	120,000	-	-	110,873	9,127	1,979,261	Varies	-	-			
2021 PW-Water	Annual Vehicle Replacement Schedule	Replacement	145,000	-	7,991	137,009	0	2,581,090	Varies	-	-			
2021 Fleet-Regulatory Services	Annual Vehicle Replacement Schedule	Replacement	90,000	-	-	89,231	769	1,555,654	Varies	-	-			
2021 PW Fleet Services Division	PW Fleet Dispatch System	Addition	-	-	-	-	-	40,000	Varies	4,000	-			
2021 Fleet-Solid Waste and Recycling	Replace Vehicle	Replacement	1,371,859	-	1,371,859	-	-	6,568,031	Varies	-	-			
2021 PW_ Sanitary Sewer	Annual Capital program	Other	72,999	-	72,999	-	-	337,979	-	-	-			
2021 PW_ Stormwater	Annual Capital program	Other	54,019	-	54,019	-	-	250,104	-	-	-			
2021 PW-Traffic & Parking Services (Ramps)	Parking system ramps and their systems	Renovation	2,500,000	-	2,500,000	-	-	12,650,000	Varies	-	-			
2021 PW- Water	Annual Capital program	Other	1,050,000	-	1,050,000	-	-	5,250,000	-	-	-			
2021 Total			13,879,921	-	5,269,147	7,219,776	1,390,999	109,472,509		1,519,511	6,000,000			

Summary of Requests for all Years						
Funding Source	2017	2018	2019	2020	2021	Total
Grant Funding	-	-	-	-	-	-
Utility Funding	6,762,919	5,994,933	4,432,130	5,787,540	5,269,147	28,246,669
Special Revenue	7,514,404	8,086,092	14,817,823	10,266,984	7,219,776	47,905,079
General Fund	14,907,182	9,318,744	4,771,687	2,928,051	1,390,999	33,316,661
Total Requests	29,184,505	23,399,769	24,021,639	18,982,575	13,879,921	109,472,509

Requests by Year and Type						
Project Type	2017	2018	2019	2020	2021	Total
Renovation	3,119,665	3,800,000	2,600,000	2,400,000	2,500,000	14,419,665
Replacement	20,888,714	16,631,290	19,195,861	14,670,887	9,940,811	81,327,562
Addition	3,124,058	1,086,127	919,864	602,373	164,600	5,897,022
Other	1,473,068	1,307,352	1,305,915	1,309,315	1,274,510	6,670,160
Upgrade	579,000	575,000	-	-	-	1,154,000
Total Requests	29,184,505	23,399,769	24,021,639	18,982,575	13,879,921	109,472,509

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

	14 Actual	15 Actual	2016 Budget	2017 Council Adopted	Description (2017 transfers)
TRANSFER TO OTHER SPEC REV FDS	4,000		4,000	4,317	Transfer related to Centralized Leases Action
TRANSFER TO CONV CTR 01760	46,593,000	50,340,000	50,000,000	49,786,220	Local Taxes collected in the General Fund
			50,000	-	Sister City
TRANSFER TO EMPLOYEE RETIREMENT 01990	1,500,000	2,004,000		-	Pension Management Plan
TRANSFER TO CAPITAL 04100				5,500,000	Street Infrastructure and Neighborhood Park Funding Plan
	1,340,000	306,874	10,750,000	-	10th Ave Bridge, DTE Commons, and Development Infrastructure Program
TRANSFER TO EQUIPMENT 06100	1,288,580	1,595,603	2,385,750	1,958,030	Transfer related CARS
TRANSFER TO PROP SVCS 06200	646,206	818,727	279,322	300,260	Transfer related to Centralized Leases Action
			520,000	-	Transfer related CARS
TRANSFER TO INFO TECH 06400	19,341,100	3,792,482	185,139	191,708	Includes transfers related to Centralized Leases Action
			1,430,000	-	Transfer related CARS
			50,000	-	Service Now Infrastructure Services
TRANSFER TO CITY SELF INS 06900	3,085,500	292,000	261,000	296,657	Transfer related to Centralized Leases Action
TRANSFER TO WATER 07400	27,000	25,000	24,000	24,511	Centralized Leases Action
TRNSFR TO SOLID WASTE 07700	820,000	325,000	423,000	325,000	Graffiti remediation efforts
			50,000	-	Zero Waste Studies
00100 - GENERAL FUND	74,645,386	59,499,686	66,412,211	59,386,703	
01279 - CONVENTION CENTER FACILITIES -RESERVE					
TRANSFER TO OTHER SPEC REV FDS		5,400,450		-	
019MO - MERF PENSION BONDS		5,400,450		-	
01760 - CONVENTION CENTER OPERATIONS					
TRANSFER TO CITY GENERAL 00100				3,859,657	Transfer related to CARS & one-times
TRANSFER TO SPECIAL REVENUE 01100				250,000	Community Based Policing Strategies
TRANSFER TO CITY CAPITAL 04100				6,000,000	Street Infrastructure and Neighborhood Park Funding Plan
TRNSFR TO CNV CTR DBT SVC 05300	18,679,741	24,320,713	24,612,125	24,669,125	Convention Center related debt
01760 - CONVENTION CENTER OPERATIONS	18,679,741	24,320,713	24,612,125	34,778,782	
019PO - POLICE RELIEF					
TRANSFER TO OTHER SPEC REV FDS	16,834			-	
019MO - MERF PENSION BONDS	16,834			-	
VARIOUS - TIF FUNDS					
TRNSFR TO TAX INC DBT SVC 05900	13,395,465	7,162,026	8,736,694	3,007,463	TIF debt service reimbursement
TRNSFR TO PARKING 07500	372,660	525,443	535,950	704,273	TIF debt service reimbursement
TRANSFER TO OTHER DEBT SVC FDS	4,604,279	4,875,571	604,399	5,618,046	TIF debt service reimbursement
VARIOUS - TIF FUNDS	18,372,404	12,563,040	9,877,043	9,329,782	
VARIOUS PURPOSE BOND FUNDS					
TRANSFER TO CITY CAPITAL 04100	24,473,352	24,155,347		-	
TRANSFER TO MBC CAPITAL 34200	297,250	647,042		-	
TRANSFER TO PARK GENERAL 11500		125,000		-	
TRANSFER TO PARK CAPITAL 14300	5,398,342	2,082,610		-	
TRNSFR TO GEN DEBT SVC 05250	360,035	82,219		-	
TRNSFR TO OTHER DEBT SVC FDS	1,829,333	2,665,308		-	
TRNSFR TO INFO TECH 06400		115,538		-	
TRNSFR TO SANITARY SEW 07100	97,742			-	
VARIOUS PURPOSE BOND FUNDS	32,456,055	29,873,064		-	
IMPROVEMENT BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100	5,926,117			-	
TRANSFER TO CAPITAL ARBITRAGE	99,024			-	
TRNSFR TO OTHER DEBT SVC FDS	763,233	498,116		-	
TRNSFR TO GEN DEBT SVC 05250	15,652			-	
TRNSFR TO SANITARY SEW 07100	91,892			-	
TRNSFR TO WATER 07400		80,035		-	
IMPROVEMENT BOND ARBITRAGE	6,895,918	578,151		-	
05250 - BOND REDEMPTION - DEBT SERVICE					
TRANSFER TO INFO TECH 06400	1,705,935	2,751,188	2,000,000	-	IT new capital
05250 - BOND REDEMPTION - DEBT SERVICE	1,705,935	2,751,188	2,000,000	-	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

	14 Actual	15 Actual	2016 Budget	2017 Council Adopted	Description (2017 transfers)
06200 - PROPERTY - INTERNAL SERVICE					
TRANSFER TO CITY GENERAL 00100				1,500,000	Transfer related to CARS
TRANSFER TO EQUIPMENT 06100		316,216	326,162	345,663	Property Services debt paid by Fleet
06200 - PROPERTY - INTERNAL SERVICE		316,216	326,162	1,845,663	
06400 - INFO TECH - INTERNAL SERVICE					
TRANSFER TO CAPITAL ARBITRAGE	498,552			-	
TRANSFER TO CITY CAPITAL 04100				3,000,000	Street Infrastructure and Neighborhood Park Funding Plan
TRNSFR TO GEN DEBT SVC 05250	24,218			-	
06400 - INFO TECH - INTERNAL SERVICE	522,770			3,000,000	
06900 - SELF INSURANCE-INTERNAL SVC					
TRANSFER TO INFO TECH 06400	1,000,000	1,000,000		-	To assist in payment of debt service as determined by the updated 2008 long-term financial plan
06900 - SELF INSURANCE-INTERNAL SVC	1,000,000	1,000,000		-	
07100 - SANITARY SEWER FUND					
TRANSFER TO WATER 07400	1,156,681	1,285,170	1,328,400	1,212,666	To fund Sanitary Sewer's obligation to support the Meter Shop operations
07100 - SANITARY SEWER FUND	1,156,681	1,285,170	1,328,400	1,212,666	
07300 - STORMWATER FUND					
TRANSFER TO CITY GENERAL 00100		110,000	110,000	110,000	Funds 2 Environmental Services FTEs
TRANSFER TO CITY CAPITAL 04100				1,500,000	Street Infrastructure & Neighborhood Funding Plan
TRNSFR TO SANITARY SEWER 07100	5,920			-	
07300 - STORMWATER FUND	5,920	110,000	110,000	1,610,000	
07400 - WATER - ENTERPRISE					
TRNSFR TO GEN DEBT SVC 05250	65,306			-	
TRANSFER TO OTHER DEBT SVC FDS	241,432			-	
07400 - WATER - ENTERPRISE	306,738			-	
07500 - MUNICIPAL PARKING-ENTERPRISE					
TRANSFER TO CITY GENERAL 00100	2,323,200	4,148,200	3,919,000	7,000,000	Inclues, annual contribution from parking fund per the parking fund workout plan
TRANSFER TO OTHER SPEC REV FDS	3,323,206	3,522,696	3,728,377	3,940,228	Target center finance plan
TRNSFR TO GEN DEBT SVC 05250		45,925		-	
TRNSFR TO SOLID WASTE 07700	146,000	146,000	146,000	146,000	Litter container collection (added in 2001)
07500 - MUNICIPAL PARKING-ENTERPRISE	5,792,406	7,862,821	7,793,377	11,086,228	
SUMMARY	161,556,788	145,560,499	112,459,318	122,249,824	

SCHEDULE NINE

UTILITY FEES SCHEDULE

The **2017 Council Adopted Rates** for Water and Sanitary Sewer fees include both a variable rate component based on water usage and a fixed rate component based on the size of the water meter servicing the property. The table below provides a summary of the anticipated change in an average residential customer's utility bill from **2016 to 2017**.

Combined Utility Bill Monthly and Annual Cost for Average Customer

	2016	2017 Monthly Average*	2017 Annual Average	2017 monthly dollar change	2017 % change
Water*	\$27.65	\$28.71	\$345	\$1.06	3.8%
Sanitary Sewer	\$24.64	\$26.10	\$313	\$1.46	5.9%
Stormwater	\$11.94	\$12.36	\$148	\$0.42	3.5%
Solid Waste/Recycling**	\$27.89	\$28.47	\$342	\$0.58	2.1%
<i>Total</i>	\$92.12	\$95.64	\$1,148	\$3.52	3.8%

*The average household rate for water is based on 7 units of consumption at \$3.53 per unit plus a \$4.00 fixed charge. Sanitary rates are based on 6 units of water consumption at \$3.55 per unit plus a fixed charge of \$4.80. Stormwater rates are based on 1 equivalent Stormwater unit of 1,530 square feet on impervious surface.

**The solid waste rate is based on a \$23.47 monthly charge with a large recycling cart fee of \$5.00. Customers can substitute a small cart with a \$2.00 fee. The large increase in the monthly charge is due to incorporating organics recycling.

Water

The following rates are effective with utility billings for water meters read from and after **January 1, 2017**. Charges commence when the street valve is turned on for water service. The meter rates for water are hereby fixed and shall be collected as follows:

Customer	Rate
Customers not otherwise mentioned	\$3.53 / 100 cubic feet
Municipalities, Municipal Corporations, Villages & customers outside the corporate limits of the city	\$3.68 / 100 cubic feet
Contractual Customers*	\$* / 100 cubic feet

*Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis

SCHEDULE NINE

UTILITY FEES SCHEDULE

In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

Meter Size (Inches)	Fixed Charge
5/8	\$4.00
3/4	\$6.00
1	\$10.00
1 1/2	\$20.00
2	\$32.00
3	\$64.00
4	\$100.00
6	\$200.00
8	\$320.00
10	\$460.00
12	\$1,320.00

Sanitary Sewer

The sanitary sewer rates rate shall be applied to utility billings for water meters read from and after **January 1, 2017**.

Service	Rate
Sanitary Sewer (Inside City of Minneapolis)	\$3.55 / 100 cubic feet
Sanitary Sewer (Outside City of Minneapolis)*	\$3.55 / 100 cubic feet*
Sanitary Sewer only (Outside the City of Minneapolis)	\$26.00 / Month

*When the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size as show below

In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

Meter Size (Inches)	Fixed Charge
5/8	\$4.80
3/4	\$7.20
1	\$12.00
1 1/2	\$24.00
2	\$38.40
3	\$76.80
4	\$120.00
6	\$240.00
8	\$384.00
10	\$552.00
12	\$1,584.00

SCHEDULE NINE

UTILITY FEES SCHEDULE

Stormwater

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:

Single Family Residential Developed Property	Stormwater Rate
High (>1578 sq. ft.) *ESU=1.25	\$15.45
Medium (≥1485 & ≤1578 sq. ft.) *ESU=1.00	\$12.36
Low (<1485 sq. ft.) *ESU=0.75	\$9.27

*The Equivalent Stormwater Unit (ESU) rate is **\$12.36**. The ESU measurement is 1,530 square feet of impervious area.

Stormwater charges for **all other properties** will be based on the following calculation:

$$\text{Monthly Fee} = (\text{Gross Lot Size in sq. ft.} \times \text{Runoff Coefficient}) \div 1,530 \text{ sq. ft.} = \# \text{ of ESU}$$

$$\# \text{ of ESU} \times \$ 12.36$$

The runoff coefficient assumed for each land use category is shown below.

Land Use	Coefficient Applied
Bar-Rest. Entertainment	0.75
Car Sales Lot	0.95
Cemetery w/Monuments	0.20
Central Business District	1.00
Common Area	0.20
Garage or Misc. Res	0.55
Group Residence	0.75
Ind. Warehouse- Factory	0.90
Industrial Railway	0.85
Institution-Sch.- Church	0.90
Misc. Commercial	0.90
Mixed Comm. -Res -Apt	0.75
Multi-Family Apartment	0.75
Multi-Family Residential	0.40
Office	0.91
Parks &Playgrounds	0.20
Public Accommodations	0.91
Retail	0.91
Single Family Attached	0.75
Single Family Detached	ESU
Sport or Rec. Facility	0.60
Utility	0.90
Vacant Land Use	0.20
Vehicle Related Use	0.90

SCHEDULE NINE

UTILITY FEES SCHEDULE

Solid Waste and Recycling

Solid waste and recycling variable rate charges associated with water meter read dates from and after **January 1, 2017**, the charges shall be as follows:

Type of Charge	Rate (Dwelling Unit / Month)
Base Charge	\$23.47
Small Cart Disposal	\$2.00
Large Cart Disposal	\$5.00

SCHEDULE TEN

Schedule 10 - General Fund - Fund Balance Policy

Cash Flow and Contingency. The City shall maintain a minimum unrestricted General Fund balance of 17% of the following year's General Fund budgeted expenditures amount to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, and to meet unexpected increases in service delivery costs or unexpected revenue shortfalls. These funds are used to avoid cash flow interruptions, generate interest income, and to avoid the need for short-term borrowing.

General Fund*	2014	2015	2016
Fund Balance - Policy	\$78.8	\$83.0	\$84.6
Fund Balance - Actual	\$102.4	\$106.0	\$96.0

* in millions; 2016 amounts represent estimated year-end balances.

Schedule 10 - Enterprise Fund Cash Balance Policy

Enterprise Funds. The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions. 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. The City shall maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense.

Enterprise Fund Cash Requirements*	2014	2015	2016
Sanitary Sewer Fund - Policy	\$13.3	\$14.0	\$15.0
Sanitary Sewer Fund - Actual	\$17.7	\$15.6	\$19.0
Stormwater Fund - Policy	\$7.0	\$6.6	\$6.6
Stormwater Fund - Actual	\$30.8	\$30.2	\$39.0
Solid Waste Fund - Policy	\$8.2	\$9.0	\$9.2
Solid Waste Fund - Actual	\$17.4	\$22.1	\$24.9
Water Fund - Policy	\$13.1	\$14.0	\$14.4
Water Fund - Actual	\$25.1	\$30.1	\$26.7
Parking Fund - Policy	\$9.5	\$9.3	\$8.0
Parking Fund - Actual	\$14.6	\$14.0	\$14.0

* in millions; 2016 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are *highlighted and italicized*

SCHEDULE TEN

Schedule 10 - Internal Service Fund Balance Policy

Internal Service Funds: The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions.

- Self-Insurance Fund shall maintain a cash balance equal to the unpaid claims payable amount on its balance sheet plus 10% of the annual department operating budgets within the fund. Net Position within the fund should not fall below zero.

- Fleet Services, Intergovernmental Services and Property Services Funds: If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net Position shall not fall below two times the fund's annual depreciation amount.

- Stores and Engineering Materials & Testing Funds shall maintain cash and net Positions equal to 15% of the fund's annual operating budget.

Internal Service Fund Balance Requirements*	2014	2015	2016
Self Insurance Fund Cash Balance Policy	\$50.9	\$53.0	\$55.3
Self Insurance Fund Cash Balance Actual	\$70.8	\$76.0	\$84.3
Self Insurance Fund Net Position Policy	\$0.0	\$0.0	\$0.0
Self Insurance Fund Net Position Actual	\$18.3	\$16.8	\$23.5
Fleet Services Fund Cash Balance Policy	\$3.0	\$2.4	\$3.2
Fleet Services Fund Cash Balance Actual	\$23.2	\$23.7	\$22.0
Fleet Services Fund Net Position Policy	\$13.0	\$13.2	\$13.6
Fleet Services Fund Net Position Actual	\$59.8	\$61.9	\$62.4
Intergovernmental Services Fund Cash Balance Policy	\$5.1	\$6.1	\$5.3
Intergovernmental Services Fund Cash Balance Actual	\$49.9	\$38.4	\$30.6
Intergovernmental Services Fund Net Position Policy	\$13.6	\$9.1	\$12.6
Intergovernmental Services Fund Net Position Actual	\$62.1	\$62.7	\$61.2
Property Services Fund Cash Balance Policy	\$2.1	\$2.4	\$2.4
Property Services Fund Cash Balance Actual	\$3.8	\$5.0	\$8.1
Property Services Fund Net Position Policy	\$2.7	\$2.7	\$2.7
Property Services Fund Net Position Actual	\$32.8	\$29.5	\$32.7
Stores Fund Cash Balance Policy	\$0.2	\$0.2	\$0.2
Stores Fund Cash Balance Actual	<i>-\$0.2</i>	<i>-\$0.1</i>	\$1.1
Stores Fund Net Position Policy	\$0.2	\$0.2	\$0.2
Stores Fund Net Position Actual	\$4.6	\$4.4	\$5.0
Engineering Materials & Testing Fund Cash Balance Policy	\$0.2	\$0.3	\$0.3
Engineering Materials & Testing Fund Cash Balance Actual	\$1.9	\$1.6	\$1.4
Engineering Materials & Testing Fund Net Position Policy	\$0.2	\$0.3	\$0.3
Engineering Materials & Testing Fund Net Position Actual	\$1.8	\$0.8	\$0.6

* in millions; 2016 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are *highlighted and italicized*

SCHEDULE TEN

Schedule 10 - Variable Rate Debt Policy

Variable Rate Debt. The City uses variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Generally, the City maintains no more than 25% of its total debt obligations in variable rate mode. It also strives for no more than 25% of the debt in variable rate mode within the major business functions that issue debt such as the Stormwater, Sanitary Sewer, Water and Parking funds or the Convention Center.

Variable Rate Debt by Fund	2014	2015	2016
Total General Obligation Debt	5.8%	9.7%	12.4%
Property Tax Supported Debt	0.0%	14.3%	0.6%
Special Assessment Debt	0.0%	12.7%	19.5%
Tax Increment Debt	0.0%	4.6%	4.9%
Parking Fund Debt	<i>34.7%</i>	<i>36.4%</i>	<i>45.4%</i>

*Policy: No more than 25%; 2016 amounts represent year-end
Rates that are not meeting the Rate Policy are **highlighted and italicized***

City of Minneapolis 2017 Budget

Glossary of Terms

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.

Actuarial Accrued Liability – Term used in connection with defined benefit pension and other post-employment benefit plans to describe that portion of the present value of benefits promised to employees that will not be provided through future normal cost.

Actuarial Assumptions – Term used in connection with defined benefit pension and other post-employment benefit plans to describe assumptions that an actuary must make as to the occurrence of future events affecting benefit costs (e.g., mortality).

Actuarial Value of Assets – Term used in connection with defined benefit pension and other post-employment benefit plans. The value assigned to plan assets for actuarial purposes. Because this value often represents an average over time, and because the valuation date may be different from the reporting date, the actuarial value of assets may differ from the amount reported in the financial statements as of the end of the fiscal period.

Advance Refunding – Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (i.e., refunding in advance of redemption).

ACN – Automatic Collision Notification.

ADA – Americans with Disabilities Act.

ADR – Alternative Dispute Resolution program.

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.

Appropriation – Spending authority created by City Council resolutions that are signed into law with related revenue estimates, which includes all revenues, transfers, allocations, and other legally authorized budget changes. Appropriations expire at the end of the

year unless action is taken by the Council (or delegated to the City Finance Officer) to reappropriate unspent balances.

Arbitrage – In government finance, the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities.

Assessed Valuation – Valuation set upon real estate or other property by a government as a basis for levying taxes.

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

ASP – Application Service Provider.

Balanced Budget – Refers to a budget in which revenues are equal to expenditures.

Basis of Budgeting – Method used to determine when revenues and expenditures are recognized for budgetary purposes.

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, and two elected citizens.

BLOA – Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

Bond Anticipation Note – Short term, interest-bearing note issued by a government in anticipation of bond proceeds to be received at a later date. The note is retired from proceeds of the bonds to which it is related.

Bonds – General Obligation Bonds (GO Bonds): A bond secured by the "full faith and credit" of the issuing government and backed by taxing power.

Business-type Activities – One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

CAD – Computer Aided Dispatch.

CAFR – Comprehensive Annual Financial Report.

CAMA – Computer Assisted Mass Appraisal.

CAO – City Attorney's Office.

Capital Assets – Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

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.

CARS – The City's Capital Asset Request System used for planning medium-sized capital needs including upgrades and replacements in the budget and out-year planning.

Cash – In the context of cash flows reporting, not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Cash Basis of Accounting – Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

CBA – Collective Bargaining Agreement.

CBR – Capital Budget Request

CCS – Construction Code Services, a division / program within Community Planning and Economic Development department.

CCU/D – Contract Compliance Unit/Division.

CDBG – Community Development Block Grant. Grants provided to the City, based on its submitted consolidated plan. They are 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.

CID – Complaint Investigations Division

CIP – Capital Improvement Program

Claims – Requests for reimbursement for damages resulting from fault or liability of the City.

Classification Rate – The percentage set by State statute that is applied to the market value of each property to arrive at the tax capacity.

CLIC – Capital Long-Range Improvement Committee - a committee of 33 private residents 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.

CMS – Case Management System (City Attorney's Office).

COLA – Cost of Living Adjustment.

COMET - COMPASS is anticipated to change to COMET (City of Minneapolis Enterprise Technology) – an upgraded City software system for human resources, financials, and business information reporting and analysis.

COMPASS – The City's implementation of Oracle's PeopleSoft Financial Systems Enterprise Resource Planning, which replaced FISCOL. In 2016, COMET is anticipated to replace COMPASS.

Component Unit – Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Conduit Debt – Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

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 earmarked for emergency or 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.

CPED – Community Planning and Economic Development Department. CPED is directed to oversee and coordinate all City planning and development activity.

CPC – City Planning Commission.

CPI – Consumer Price Index.

CPP - Community Participation Program.

CRA – Civilian Review Authority.

CSA – County-State Aid, received by the City for work done on County roads.

CSAH – County State Aid Highways.

CRM – Customer Relationship Management.

CRT – Community Response Team.

CSO – Combined Sewer Overflow, which separates the remaining storm sewer lines that are connected to sanitary sewer lines. (Public Works).

CSO – Community Service Officer. (Police Department)

CY - Calendar Year or Current Year.

DAPT – Domestic Abuse Prosecution Team, in the City Attorney's office.

Debt Service – Amount of resources required for payment of principal and interest on outstanding bonds and notes.

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.

Defined Benefit Pension Plan – Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service and compensation.

Depreciation – reduction in the value of an asset with the passage of time, due in particular to wear and tear.

Direct Expense – Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function.

Duration – In the context of investment disclosure, a measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

EAP – Employee Assistance Program.

ECM – Enterprise Case Management.

EIM - Enterprise Information Management.

EMIS – Equipment Management Information System.

Employer Contributions – Term used in the context of pension and other post-employment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

EOTF – Emergency Operations Training Facility.

Encumbrances – Commitments related to unperformed (executable) contracts for goods or services. For financial reporting purposes, encumbrance accounting is restricted to governmental funds.

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. Examples include the Water and Sewer Funds.

enQuesta – an application database to provide operational and management reports for Utility Billing.

Equivalent Stormwater Unit (ESU) - The stormwater utility fee is based on impervious area and is charged on a per unit basis. Each ESU (Equivalent Stormwater Unit) is 1,530 square feet of impervious area on a property.

ESG – Emergency Solutions Grant

Expenditure – Funds paid, or designated to be paid, for an asset or goods and services.

Fiduciary Funds – Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Final Amended Budget – Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. Also referred to as current budget or amended budget.

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.

Formula Grants – Government-mandated or voluntary non-exchange transactions involving the provision of resources based upon established criteria (e.g., number

of full-time equivalent students) other than the incurrence of qualifying expenditures.

FSAM – Facilities Space & Asset Management. This committee consists of the City Coordinator (Co-chair), City Engineer (Co-chair), and two department heads. Staff in attendance includes the Director of Management and Budget, Facility Manager/Staff, and Space and Asset Manager/Staff.

FTE (Full Time Equivalent) – A unit of measurement to account for the number of positions authorized to departments.

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 – Difference between assets and liabilities reported in a governmental fund.

Fund Classifications – One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.

Fund Financial Statements – Basic financial statements presented on the basis of funds, in contrast to government-wide financial statements.

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.

Fund Type – One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Funded Ratio – In the context of defined benefit pension and other post-employment benefit plans, the actuarial value of assets expressed as a percentage of the actuarial accrued liability.

FY – Fiscal Year.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board.

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

General Obligation Debt – General obligation debt reduced by the amount of any accumulated resources restricted to repaying the principal of such debt.

GFOA – Government Finance Officers Association, the professional association of finance professionals in the public sector.

Governmental Activities – Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental Entity – For accounting and financial reporting purposes, an entity subject to the hierarchy of GAAP applicable to state and local governmental unity.

Governmental Funds – Used to account for functions of the City principally supported by taxes and intergovernmental revenues.

Government-wide Financial Statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities.

HPC – Heritage Preservation Commission.

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.

HRA – Housing and Redevelopment Authority.

HRIS – Human Resources Information System.

Systems

IDSS – Internet Destination Sales System, a venture of Meet Minneapolis

IGR – Intergovernmental Relations.

Improvement – Addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change normally is added to the book value of the asset.

Indirect Expenses – Expenses that cannot be specifically associated with a given service, program or department and thus, cannot be clearly associated with a particular functional category.

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.

Infrastructure – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

IT – Information Technology – Directed to deliver innovative high quality, cost effective civic enablement, decision support, infrastructure and workforce empowerment services to City departments and residents. Predecessors were BIS (Business Information Services) and Technology Infrastructure Services.

Interfund Activity – Activity between funds of the primary government, included blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal.

Interfund Loans – Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

Interfund Transfers – Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

ISF - Internal Service Funds – 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.

IWR – Utility Billing's Interactive Web Response application.

JP – Joint Powers.

Legal Debt Margin – Excess of the amount of debt legally authorized over the amount of debt outstanding.

Legal Level of Budgetary Control – Level at which a government's management may not reallocate resources without special approval from the legislative body.

LGA – Local Government Aid.

LMC – League of Minnesota Cities.

LMV - Limited Market Value. A limitation on the amount that a property's market value may grow from one year to the next for purposes of property taxation. It was enacted to help mitigate rising property taxes resulting from rapidly inflating property values. The program was eliminated in 2010.

Major Fund – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that the fund is particularly important to financial statement users.

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.

Mayor's Recommendation – The recommended annual budget by the Mayor as required by the City Charter.

MBC – Municipal Building Commission, a component unit of the City which operates the City Hall/Courthouse Building.

MCC – Minneapolis Convention Center.

MCCR – Minneapolis Commission on Civil Rights.

MHD – Minneapolis Health Department.

Meet Minneapolis (MM) – The City's official Convention and Visitor's Association.

MERF – Minneapolis Employee Retirement Fund, a closed retirement plan for general City employees that merged with the statewide plan.

METP – Minneapolis Employment and Training Program.

MFD – Minneapolis Fire Department.

MFRA – Minneapolis Firefighter's Relief Association, a retirement plan for firefighters that is closed to new members.

Minneapolis 311 – Serves as the single point of contact to the City for all non-emergency requests for information and services, which simplifies citizen access to city services and information; enables city employees to deliver services more effectively; tracks requests for service delivery from inception to completion; and provides access to city services by voice, e-mail and the web.

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.

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.

MPRA – Minneapolis Police Relief Association, a retirement plan for police officers that is closed to new members.

MPRB – Minneapolis Park and Recreation Board, a directly elected body that is responsible for the City's park and recreation programs and assets.

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.

MTRA – MN Teachers Retirement Fund Association

MVHC – Market Value Homestead Credit.

MVNA – Minneapolis Visiting Nurse's Association, a community non-profit.

NCEC – Neighborhood and Community Engagement Commission.

NCR – Neighborhood and Community Relations.

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.

Net Tax Levy – This is the total tax levy (including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

NFPA – National Fire Protection Association, accreditation organization for Fire Departments.

NLC – National League of Cities.

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

Normal Cost – In the context of defined benefit pension and other post-employment benefit plans, that portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

OJP – Office of Justice Programs

Operating Activities – Term used in connection with cash flows reporting. Operating activities generally

results from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities.

Operating Budget – Financial plan that allows City departments to maintain adequate service levels at reasonable costs by following sound financial management practices. Each City department 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 Revenues and Expenses – Cost of goods sold and services provided to customers and the revenue thus generated.

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, and the Park Tax funds.

OPCR – Office of Police Conduct Review.

Original Budget – First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances.

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.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits. Other post-employment benefits (OPEB) include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

Outcome Measures – In the context of service efforts and accomplishments reporting, indicators that measure accomplishments or results that occur (at least partially) because of services provided. Results also include measures of public perceptions of outcomes.

Own-source Revenues – Revenues that are generated by a government itself (e.g., tax revenues; water and sewer charges; investment income) rather than provided

from some outside source (e.g., intergovernmental aid and shared revenues).

Pass-through Grants – Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

PAVER – Pavement Management System software application that computes the Pavement Condition Index (PCI) of roads and parking lots.

Payment In Lieu of Taxes (PILOT) – Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

PCI – Pavement Condition Index, used to rate the condition of pavement.

Pension Benefits – Retirement income and all other benefits (e.g. disability benefits, death benefits, life insurance) except healthcare benefits that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Post-employment healthcare benefits are considered other post-employment benefits, regardless of how they are provided.

Pension Cost – Accrual measure of the periodic cost of an employer's participation in a defined benefit pension plan.

Pension Obligation Bonds – Bonds issued by employers to finance one or more elements of their pension obligation to employees.

Pension Plan – Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

PERA – Public Employees Retirement Association, state-wide pension plan, to which a majority of the City's employees belong.

Post-employment – Period following termination of employment, including the time between termination and retirement.

Post-employment Healthcare Benefits – Medical, dental, vision and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

PI – Permanent Improvement.

PM – Performance Management.

Primary Government – Term used in connection with defining the financial reporting entity. A state government or general purpose local government. Also,

a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entity.

Program Revenue - Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry; as a whole they reduce the net cost of the function to be financed from the government's general revenues.

Proprietary Funds – Funds that focus on the determination of operating income, changes in net assets or cost recovery, financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PW – Public Works.

RCV – Ranked-choice voting.

Reappropriation – Inclusion of a balance from the prior year's budget as part of the budget of the subsequent fiscal year. Reappropriation is common for encumbrances outstanding at the end of a fiscal year that a government intends to honor in the subsequent fiscal year.

Refunding – Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

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

Results Minneapolis – A management tool the City uses to systematically track performance toward achieving the city's five-year goals and 2020 vision.

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.

SAFER - Staffing for Adequate Fire and Emergency Response. A federal grant program aiming to help fire departments increase the number of frontline firefighters. SAFER is part of the Assistance to Firefighters Grants and is under the purview of the Office of Grants and Training of the Department of Homeland Security.

SBC – School Based Clinics.

SCADA – Supervisory Control and Data Acquisition: a control systems program that provides monitoring, control, historical logging, and reporting data for industrial systems - for water treatment and water pumping systems.

Schedule of Employer Contributions – In the context of defined benefit pension plans and other post-employment benefit plans, trend data on employers' annual required contribution to a plan of actual contributions.

Schedule of Funding Progress – In the context of defined benefit pension plans and other post-employment benefit plans, trend data on the relationship between the actuarial value of plan assets and the related actuarial accrued liability.

SDP – Service Delivery Plan.

Special Assessment – Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Funds – Used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities.

Sponsor – In the context of pension and other post-employment benefits, the entity that established the plan.

SW&R – Solid Waste and Recycling.

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 (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 --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.

Tax-Increment Financing (TIF) – Financing secured by the anticipated incremental increase in tax revenue, resulting from the redevelopment of an area.

TISH – Truth in the Sale of Housing, a business function of Construction Code Services division of CPED.

TNT – Truth in Taxation Statement mailed to property owners each November, with approximate City taxes to be paid in following year.

Total Expenses – The total costs of a cost center or department including debt service and capital improvements.

Transfer – Movement of funds from one City Fund to another.

TRA – Teachers Retirement Association

UB – Utility billing.

Unallotment – Executive branch power to reduce spending to avoid a deficit without legislative action.

Undesignated Unreserved Fund Balance – Available expendable financial resources in a governmental fund that are not the object of tentative management plans (i.e., designations).

Unfunded Actuarial Accrued Liability – Excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, the excess of the actuarial value of assets over the actuarial accrued liability, or the funding excess.

Unrealized Gains and Losses – Difference between the carrying value of an asset and its fair value prior to sale.

Variable-rate Investment – In the context of investment disclosure, and investment with terms that provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter).

VCAT – Violent Criminal Apprehension Team.

VPN – Virtual Private Network.

WC – Worker Compensation.

YCB – Youth Coordinating Board, a joint power agreement of the City.

YTD – Year to date.

**CITY OF MINNEAPOLIS
2017 COUNCIL ADOPTED BUDGET RESOLUTIONS**

**RESOLUTION 2016R-517
By Quincy**

Approving the 2016 property tax levies, payable in 2017, 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 2016 for taxes payable in 2017 for the following funds:

FUND	CERTIFIED LEVY AMOUNT
General Fund	\$176,852,000
Municipal Building Commission	\$4,954,000
Permanent Improvement	\$500,000
Bond Redemption	\$37,800,000
Firefighters Relief Association (MFRA)	\$1,700,000
Police Relief Association (MPRA)	\$9,410,000
Minneapolis Employees Retirement (MERF)	\$11,200,000
Total	\$242,416,000

Be It Further Resolved that the difference between the amounts herein levied for the Bond Redemption Fund and the aggregate of levies previously certified to the Hennepin County Auditor are made up by cash from prior years' balances. The dollar amount shown in the levy is 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 \$9,300,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2016 for taxes payable in 2017 for debt service associated with the voter approved Library Referendum Bond authorization of 2000 for \$140,000,000.

Be It Further Resolved that the Certified Local Government Aid (LGA) Amount estimated at \$77,981,491 shall be initially distributed as follows:

Municipal Building Commission	\$234,724
Minneapolis Park & Recreation Board	\$9,203,376
General Fund	\$68,543,391
Total	\$77,981,491

RESOLUTION 2016R-518

By Quincy

Fixing the maximum amounts to be expended by the various departments for 2017 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 named fund types the maximum appropriation amounts as outlined in Financial Schedules 1, 2, 3, 4 (Community Development Block Grant ("CDBG") Program Allocations), 6 and 7 as published in the final 2017 Adopted Budget Book.

That the proper City officers be authorized to execute and/or carry out the intent of the 2017 Consolidated Plan program allocations (CDBG, HOME, ESG and HOPWA entitlement grants), as amended, including the 2017 Adopted Budget Schedule 4 CDBG Program, and Schedules 6 CPED Program Allocations by fund.

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 2017 Consolidated Plan funding.

2017 Operating Budget Resolution Footnotes

1. Financial Management Policies, as included in the Financial Policies Section of the 2017 Adopted Budget book, are hereby adopted as part of the 2017 budget.
2. That this resolution may be cited as the "2017 General Appropriation Resolution."

Changes to the Recommended Budget

1. Amending the 2017 Mayor's Recommended Budget to establish a small business support team of 3 FTE to directly help small business navigate city processes across the Enterprise (particularly in the Business Licensing Division of CPED, Health, and Regulatory Services).
The team is to report directly to the City Coordinator's Office and will be comprised of the following:
 1. \$105,000 and 1 FTE in CPED for a Navigator position and \$25,000 in additional outreach funds as proposed in the Mayor's Recommended Budget.
 2. 1 FTE created in CPED using the \$70,000 increased appropriation to the Communications Department as proposed in the Mayor's Recommended Budget. Finance is directed to reflect the full ongoing cost of the position in the Five-Year Financial Direction.
 3. \$145,000 and 1 FTE in the City Coordinator's Office currently recommended in the 2017 Budget for "Strategic Management and Continuous Improvement."
2. Amending the 2017 Mayor's Recommended Budget for Community Planning & Economic Development (CPED) on a one-time basis to replace Residential Housing Fund (01SFR) of \$250,000 in CPED with \$250,000 from Community Development Block Grant (CDBG) Fund (01400) program

income and increase CPED budget in the Residential Housing Fund (01SRF) by \$250,000 to be used for the Infill Housing initiative.

3. Amending the 2017 Mayor's Recommended Budget for the Public Works and Health Departments on a one-time basis by decreasing the Public Works Department by \$150,000 from the accelerated LED Technology Program, and increasing the Health Department by \$150,000 to be allocated for programs related to domestic violence prevention with the goal of serving families that have experienced domestic violence prioritizing families with very young children, young adolescent males, and non-English speaking families.
4. Amending the 2017 Mayor's Recommended Budget for the Office of City Clerk and Community Planning & Economic Development (CPED) Department on an ongoing basis by decreasing the Office of City Clerk by \$118,202 and 1 FTE, and increasing the CPED Department by \$118,202 and 1 FTE for the purpose of programming and outreach at the Cedar Riverside Opportunity Center.
5. Amending the 2017 Mayor's Recommended Budget on a one-time basis by decreasing \$250,000 of new funding to Meet Minneapolis that was designated for enhanced target marketing and increasing the appropriation to the Public Works Department by \$250,000 to be dedicated to the Downtown Improvement District for community based policing strategies.
6. Amending the 2017 Mayor's recommended budget for Community Planning and Economic Development (CPED) on an ongoing basis by decreasing to \$10,000 the \$125,000 annual sponsorship payment to Greater MSP/Minneapolis Saint Paul Regional Economic Development Partnership and authorizing one new FTE in the economic development division and appropriating \$115,000 to fund the FTE. The purpose of the FTE is to undertake business retention and expansion activities for small and medium sized businesses and to work in partnership with the three FTE in the small business support team.
7. Amending the 2017 Mayor's recommended budget for the Fire, Public Works, and Health Departments on a one-time basis by reallocating all 2016 unspent funds from the Fire Department's \$42,000 for technical training and outreach and decreasing the Public Works Department by \$25,000 from the accelerated LED technology program, and increasing the Health Department by \$67,000 for the Next Step hospital-based violence intervention program.
8. Amending the 2017 Mayor's recommended budget on a one-time basis by increasing the Finance and Property Services Department by \$100,000 to be funded by the Police Special Revenue Fund; \$50,000 is to be spent in the Phillips West Neighborhood and \$50,000 in the Ventura Village Neighborhood for community public safety priorities. The resources should be expended with input from the community and neighborhood organizations.
9. Amending the 2017 Mayor's recommended budget for the City Attorney's Office and Civil Rights Department on an ongoing basis by decreasing the City Attorney's Office by \$100,000 and increasing the Civil Rights Department by \$100,000 and 1 FTE for the Complaint Investigation Division.
10. Amending the 2017 Mayor's recommended budget for the Office of the City Assessor, the City Coordinator's Office, and the Health Departments on a one-time basis by decreasing the Office of the City Assessor by \$25,000 and decreasing the City Coordinator's Office by \$25,000 and increasing the Health Department by \$50,000 to be allocated for culturally relevant community-based

intervention and street outreach strategies to help the transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.

11. Amending the 2017 Mayor's recommended budget for the Health and Community Planning and Economic Development Departments on a one-time basis by decreasing the Health Department by \$100,000 from the Male Sexual Health Outreach Program and increasing the Community Planning & Economic Development Department by \$100,000 to be allocated for Summit Academy's contextualized GED Program.

Directions to Staff

1. Directing the Finance and Property Service Department to amend budgets, schedules, and language changes relating to accounting and technical cost allocation adjustments, and program and capital/operating budget corrections.
2. Directing the Departments of Community Planning & Economic Development on small business support team to report back to the Community Development & Regulatory Services Committee no later than March 31, 2017, submitting a report detailing their work plan, including how the team will effectively operate, how they will measure their success, regularly report progress, and what, if any, additional operational or budgetary impacts are contained within said work plan.
All departments are to assist this team as requested, working with their respective leadership, the City Council, and the Mayor's Office to advance these goals.
3. Directing the City Coordinator's Office to establish a small business workgroup that includes the staff team that has been working together as part of the City's Business Made Simple initiative as well as members of the City's Innovation Team. This workgroup shall review existing efforts, programs, and initiatives focused specifically on the small business community to determine how best to align and/or reorganize small business touch points across the enterprise. The workgroup will be co-chaired by Community Planning & Economic Development and the City Coordinator's Office in coordination with other City departments (particularly the City Attorney's Office) as needed. Specifically, staff is asked to build off the continuous improvement work that has already been initiated to streamline and simplify processes for the business community and:
 1. Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. [This review to be facilitated by an external consultant with organizational design experience.];
 2. Review and finalize work on an online portal for the business community;
 3. Finalize development of business guides and supportive checklists for businesses;
 4. Identify and address gaps in processes and service delivery, including the need for additional staff training and other strategies aimed at increasing alignment with the small business community;
 5. Research best practices for innovative strategies such as business acceleration programs, development of a municipal design center, cluster-based small business development, creation of entrepreneurial incubator spaces, development of customer service express lanes for basic services, small business recognition programs, micro-lending programs, and others.

Staff is further directed to formalize an external small business advisory council to work alongside staff in this review, and to assist in developing recommendations aimed at increasing small business opportunities, resources, and areas of process improvement.

The workgroup is charged with bringing forth a comprehensive report of their review and ensuring recommendations, including those put forward by the small business advisory council, along with any organizational and budgetary impacts or recommendations that stem from this review by no later than May 15, 2017.

The workgroup is directed to Review programs and business lines within CPED to determine how best to reconfigure workflows [and/or business lines], along with aligning these efforts with the City's racial equity goals, in order to accelerate small business efforts. This review to be facilitated by an external consultant with organizational design experience.

4. Directing the Public Works Department to report back to the Transportation & Public Works Committee by September 1, 2017, on the environmental benefits, feasibility, reasonable exceptions, cost/benefit analysis, timeline, various alternatives, and a recommended approach to eliminating fossil fuel vehicles in the City. This work will inform the budgetary impact and potential additional requests or adjustment to the department's budget.
5. Directing the City Coordinator's Office to designate \$35,000 of one-time budget resources to be allocated for the purpose of funding support services for immigrant families.
Further, directing staff from City Coordinator departments, including Intergovernmental Relations, Civil Rights, Neighborhood & Community Relations, and Communications, to work with community stakeholder organizations such as the Immigrant Law Center of Minnesota and others to clarify priority needs for immigrant community services and research potential additional financial and in-kind support from private and other public agency sources. Staff will report to the Intergovernmental Relations Committee with a proposed plan no later than March 31, 2017.
6. Directing the City Coordinator's Office, including Communications, Neighborhood & Community Relations, and Finance & Property Services, and from the Office of City Clerk, to develop a plan for a participatory budgeting program. In so doing, City staff will utilize input from community stakeholders and City advisory committees such as CLIC, NCEC, and cultural and community organizations.
Staff will report back to the Ways & Means Committee no later than June 10, 2017, with a plan for a participatory budgeting program. The program may include the following components:
 1. A best practices report of other cities' existing participatory budgeting process and those cities' metrics for evaluation of success of the program.
 2. Recommendations for the participatory budgeting process including expected number of participants, methodologies of voting, and organizing structure.
 3. Methodologies for outreach to the City's 70 neighborhood organizations, cultural and community organizations, and under-represented groups and groups of residents who have not traditionally participated in City programs, including youth.
 4. Recommended range dollar amounts and components of the budget, preferably one-time capital or operating expenditures, that could be delegated to a participatory budget process.
 5. Sample calendar of an annual participatory budgeting process.
 6. Identification of other public, non-profit, and private partners that may be willing to provide resources for the participatory budgeting process.

7. Outline of City administrative dollars and potential funding sources for an annual participatory budgeting process.
7. Directing staff to report back to the City Council by March 1, 2017, with an analysis and recommendations to sustain the vitality of Minneapolis's downtown assets and to promote a long-term financial strategy to maintain these assets, as follows:
 1. A staff committee, similar to FSAM, which is led by the City Coordinator that meets regularly to evaluate operational needs and recommend ongoing capital investments that may occur outside of the typical budget process. Membership of the committee will include the directors of the Convention Center, Public Works, Community Planning & Economic Development, and Finance departments, as well as ex-officio representation from Downtown Council/Downtown Improvement District, Hennepin Theater Trust, and Meet Minneapolis.
 2. Provide an analysis of the condition, needs, estimated subsidy, and anticipated capital requirements to ensure the vitality and long-term utility of the City-owned assets.
 3. Develop a recommendation of a funding plan that examines the resources available in the Convention Center Fund, through the Sales & Entertainment Tax revenue and identify other appropriate revenue sources to provide capital and operating support to downtown assets. Downtown assets are generally defined as facilities or areas which the City owns, leases, contributes significant operating support to, or has a primary financing relationship with, including the Convention Center, Target Center, Peavey Plaza, and Commons.
 4. This funding plan would provide predictability in the use of Sales & Entertainment Tax for these assets. The plan would have an eye toward ensuring the investments will enhance revenues of the Sales Taxes, which increases returns to the General Fund.
 5. The committee will develop a 5-year recommended capital spending plan on an annual basis.

To formulate such a plan, before March 1, 2017, staff is directed to obtain input from City partners including but not limited to Meet Minneapolis, Downtown Council/DID, Green Minneapolis, and Hennepin Theater Trust.

8. Directing Finance and Property Services staff to report to the Ways & Means Committee no later than the end of the second quarter of 2017 with potential scenarios for the City of Minneapolis to divest and stop doing business with financial institutions that invest in the fossil fuel industry and in projects such as the Dakota Access Pipeline. The potential scenarios review shall include a series of options to meet the City of Minneapolis' banking needs including but not limited to exploring the possibility of establishing a municipal bank or participating in a publicly-owned banking operation.
9. Directing the Civil Rights Department to assign staff to help coordinate response and information regarding hate speech and crimes, as well as acts of discrimination, within the City and with intergovernmental and community partners.
10. Directing Finance and Property Services staff to:
 1. Monitor and report on an annual basis on the costs for the Vikings Stadium, its operation and management, and the adjacent parking ramps and park; and
 2. Limit the ongoing City subsidy for operations and capital maintenance of the Vikings Stadium to the amounts provided for in statute; and

3. Per the staff direction of Sept. 11, 2015, report back to the Community Development & Regulatory Services Committee on the desirability and feasibility of reopening of the Park Use Agreement between the City and Minnesota Sports Facilities Authority (MSFA).
11. Directing Intergovernmental Relations staff to bring to the Intergovernmental Relations Committee an item related to City support for legislation creating an enforcement mechanism that will ensure that city and state stadium spending caps are honored.
12. Directing the Neighborhood and Community Relations Department to transfer their 2016 end-of-year salary savings on a one-time basis not to exceed \$25,000 to the Health Department to augment the culturally relevant community-based intervention and street outreach strategies to help transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.
13. Directing the Finance and Property Services Department to provide options by June 30, 2017, to the Mayor for the 2018 budget for a minimum of \$50,000 for ongoing funding of culturally relevant community-based intervention and street outreach strategies to help the transgender, American Indian, and young women and girl victims of sex trafficking and commercial sexual exploitation.
14. Directing the City Coordinator's Office, as the leader of Minneapolis' Youth Cabinet, to work with our partners in the Youth Coordinating Board and the Mayor's Office, in conjunction with the City of Saint Paul, to explore the feasibility of a sustainable, scalable universal pre-kindergarten program across our two cities that could eventually be implemented statewide.

This work would:

1. Be a unique collaborative effort between the cities of Minneapolis and Saint Paul.
2. Expand on existing research and programs currently in place in Minneapolis and St. Paul public schools, as well as other relevant efforts by other jurisdictions and the State of Minnesota.
3. Develop a plan for the creation of a pilot program with the intent of being able to scale to a universal model, guaranteeing that every 3 and 4 year old in Minneapolis would St. Paul would be provided a public pre-kindergarten education.
4. Address persistent disparities between white children and children of color in academic achievement and life outcomes.

This effort is contingent upon the commitment from the City of Saint Paul. City Coordinator staff will report on their work to the Committee of the Whole by September 19, 2017.

15. Directing Finance and Property Services staff to ensure that at least \$250,000 of the \$500,000 allocated for Collaborative Safety Strategies be directed towards work along West Broadway Ave in North Minneapolis. Those funds should be distributed to groups or organizations which have shown a long history of collaborative work along West Broadway and who bring together business and community members and who employ staff focused solely on the improvement and safety of West Broadway. Organizations which do not focus on West Broadway shall not be considered for this funding.
Finance and Property Services staff shall present the process for the disbursement of these funds to the Public Safety, Civil Rights & Emergency Management Committee by March 15, 2017, and these funds shall be distributed by June 16, 2017.

Technical Changes

1. Amending the Mayor's 2017 Recommended Budget by \$135,000; increasing Fund 07ERT expense for the Upper Harbor Terminal in the Community Planning & Economic Development Department.
2. Amending the Mayor's 2017 Recommended Budget to reflect the correct budget revenue accounts in the Community Planning and Economic Development Department for Upper Harbor Terminal in Fund 07ERT by increasing revenue by \$980,000, and decreasing use of fund balance by \$980,000.
3. Amending the Mayor's 2017 Recommended Budget by \$596,219; increasing Fund 01400 expense for Community Development Block Grant program income in the Community Planning & Economic Development Department.
4. Amending the 2017 Mayor's Recommended Budget by increasing on an ongoing basis the City Coordinator's budget by \$1,000,000 (including 1 FTE) for ReCAST program/SAMHSA grant for promoting resilience and equity in communities that have recently faced civil unrest through implementation of evidence-based violence prevention and community youth engagement programs, as well as linkages to trauma-informed behavioral health services.
5. Amending the 2017 Mayor's Recommended Budget by \$117,033 and 1 FTE on a one-time basis for Sex Trafficking Grant from the Minnesota Department of Public Safety, Office of Justice programs to enhance the investigation and victim support for sex trafficking cases in Minnesota for one year commencing on January 1, 2017.
6. Amending the Mayor's 2017 Recommended Budget to change financial policies relating to debt policies.

RESOLUTION 2016R-519

By Quincy

Adopting the 2017 - 2021 Five-Year Capital Program and fixing the maximum amounts for 2017 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 2017 - 2021 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 2017 as detailed in the Capital Section of the 2017 Adopted Budget:

Fund Department	Amount (thousands \$)
34200 9010901 MBC CAPITAL IMPROVEMENTS	8,545
14300 9101000 PARK CAPITAL IMPROVEMENTS	12,923
14370 9103000 PARK CAPITAL IMPROVEMENTS – ASSESSED	300
01760 9010970 NON DEPARTMENTAL CAPITAL (Convention Center)	10,500
04100 9010937 PUBLIC WORKS STREET PAVING CAPITAL IMPROVEMENTS	50,281
04100 9010938 PUBLIC WORKS BRIDGE CAPITAL IMPROVEMENTS	3,090
04100 9010939 PUBLIC WORKS SIDEWALK CAPITAL IMPROVEMENTS	3,830
04100 9010943 PUBLIC WORKS TRAFFIC CAPITAL IMPROVEMENTS	7,922
<i>TOTAL PUBLIC WORKS FUND 04100 CAPITAL IMPROVEMENTS</i>	<i>65,123</i>
04100 9010923 PROPERTY SERVICES CAPITAL IMPROVEMENTS	4,987
04100 8900420 COMMUNITY PLANNING (Art) 1	653
<i>TOTAL CITY FUND 04100 CAPITAL IMPROVEMENTS</i>	<i>70,763</i>
07100 9010932 SANITARY SEWER ENTERPRISE FUND CAPITAL	9,250
07300 9010932 STORM SEWER ENTERPRISE FUND CAPITAL	14,965
07400 9010950 WATER SEWER ENTERPRISE FUND CAPITAL	48,100
07500 9010946 PARKING RAMP CAPITAL	5,400
07700 9010964 SOLID WASTE CAPITAL	15,000
<i>GRAND TOTAL ALL FUNDS</i>	<i>195,746</i>

**2017 Capital Budget
Resolution Footnotes**

1. Amending the Mayor’s Recommended 2017 Capital Budget by increasing the ART01 Art in Public Places project by \$198,000, and decreasing the MPD02 Property & Evidence Warehouse project by \$198,000 to establish the art program at 1.5% of the net debt bond allocation per ordinance.

**RESOLUTION 2016R-520
By Quincy**

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$11,590,000 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 authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$11,590,000, 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 paving, mill and overlays, alley resurfacing, retaining walls, streetscapes, landscaping, curb and gutter, street lighting, traffic management plans, ornamental lighting and bike lane development, of which assessments shall be collected in successive equal annual installments, payable in the same manner as real estate taxes, with the number of installments determined by the type of improvement and current City Council policy.

PV001	Parkway Paving Program (PV1701)	\$50,000
PV006	Alley Renovation Program (PV1706)	50,000
PV056	Asphalt Pavement Resurfacing Program (PV1756)	4,915,000
PV063	Unpaved Alley Construction (PV1763)	50,000
PV074	CSAH & MnDOT Cooperative Project (PV1774)	600,000
PV080	18th Ave NE (Monroe to Johnson St NE)	1,225,000
PV094	4th St SE (25th to 29th Ave SE)	1,270,000
PV096	42nd Ave N (Xerxes to Lyndale Ave N)	2,925,000
PV108	Concrete Streets Rehabilitation Program (PV17108)	500,000
PV111	46th Ave S (46th St S to Godfrey Parkway)	5,000
	Total	\$11,590,000

RESOLUTION 2016R-521

By Quincy

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$43,375,000 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 authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds, in the amount of \$43,375,000, the proceeds of which are to be used as follows:

Municipal Building Commission, in the amount of \$4,280,000

MBC01	MBC Safety Improvements	\$605,000
MBC02	Mechanical Systems Upgrade	450,000
MBC09	Critical Power Capital Project	2,500,000
MBC10	Exterior Improvements	634,000
MBC11	Elevator Upgrades and Modernization	91,000

Park & Recreation Board, in the amount of \$10,500,000

PRK01	Building Improvements Program	\$232,000
PRK02	Playground and Site Improvements Program	1,406,000
PRK31	Bossen Park Field Improvements	862,000
PRKCP	Neighborhood Parks Capital Infrastructure	8,000,000

City Council, in the amount of \$28,595,000

PV001	Parkway Paving Program (PV1701)	\$700,000
PV006	Alley Renovation Program (PV1706)	575,000
PV019	6th Ave N (5th St N to dead end)	440,000
PV056	Asphalt Pavement Resurfacing Program (PV1756)	1,000,000
PV059	Major Pavement Maintenance Program (PV1759)	250,000
PV063	Unpaved Alley Construction (PV1763)	150,000
PV074	CSAH & MnDOT Cooperative Projects (PV1774)	3,600,000
PV075	Development Infrastructure Program	500,000
PV080	18th Ave NE (Monroe to Johnson St NE)	340,000
PV084	54th St W (Penn to Lyndale Ave S)	100,000
PV094	4th St SE (25th to 29th Ave SE)	1,360,000
PV096	42nd Ave N (Xerxes to Lyndale Ave N)	245,000
PV102	5th St S Reconnection (11th to 15th Ave S)	1,500,000
PV104	ADA Ramp Replacement Program (PV17104)	500,000
PV108	Concrete Streets Rehabilitation Program (PV17108)	3,500,000
PV111	46th Ave S (46th St S to Godfrey Parkway)	470,000
PV134	28th Ave S (TH62 Ramp to 59th St E)	25,000
SWK01	Defective Hazardous Sidewalks (SWK17)	325,000
BR101	Major Bridge Repair and Rehabilitation (BR17101)	400,000
BR123	28th Ave S over Minnehaha Creek	1,770,000

TR008	Parkway Street Light Replacement (TR1708)	310,000
TR010	Traffic Management Systems (TR1710)	30,000
TR011	City Street Light Renovation (TR1711)	450,000
TR021	Traffic Signals (TR1721)	1,335,000
TR022	Traffic Safety Improvements (TR1722)	190,000
TR024	Pedestrian Street Lighting Corridors (TR1724)	450,000
TR025	Sign Replacement Program (TR1725)	590,000
BIK28	Protected Bikeways Program (BIK1728)	1,250,000
BP001	Safe Routes to School Program (BP1701)	600,000
FIR11	New Fire Station No. 11	885,000
MPD02	Property & Evidence Warehouse	4,002,000
PSD16	Farmers Market Improvements	100,000
ART01	ART in Public Places (ART2017)	653,000
	Total	\$43,375,000

RESOLUTION 2016R-522

By Quincy

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$60,470,000 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 authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$60,470,000, the proceeds of which are to be used for sanitary sewer, water and solid waste projects as follows:

Sanitary Sewer Projects – Fund 07100 - \$7,250,000:

SA001 Sanitary Tunnel & Sewer Rehab Program (SA1701)	\$4,750,000
SA036 Infiltration & Inflow Removal Program (SA1736)	2,500,000

Water Projects – Fund 07400 - \$32,820,000:

WTR18 Water Distribution Facility	7,500,000
WTR24 Fridley Filter Plant Rehabilitation	17,000,000
WTR26 Recarbonation System Replacement	3,500,000
WTR27 Automated Meter Infrastructure	2,620,000
WTR28 Ultrafiltration Module Replacement	2,200,000

Parking Projects- Fund 07500 - \$5,400,000:

PSD19 Impound Lot Facility	5,400,000
----------------------------	-----------

Solid Waste Projects – Fund 07700 - \$15,000,000:

PSD17 East Side Storage and Maintenance Facility	15,000,000
--	------------

Total **\$60,470,000**

RESOLUTION 2016R-523
By Quincy

Designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2017.

Resolved by The City Council of The City of Minneapolis:

Water Rate

Effective with utility billings for water meters read from and after January 1, 2017, the meter rates for water are hereby fixed and shall be collected as follows:

Charges commence when the street valve is turned on for water service.

1. Three dollars and fifty-three cents (\$3.53) per one hundred (100) cubic feet for customers not otherwise mentioned.
2. Three dollars and sixty-eight cents (\$3.68) 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.
3. Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis.
4. In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

<u>Meter Size</u>	<u>Fixed Charge</u>
5/8-inch	\$ 4.00
3/4-inch	6.00
1-inch	10.00
1 1/2-inch	20.00
2-inch	32.00
3-inch	64.00
4-inch	100.00
6-inch	200.00
8-inch	320.00
10-inch	460.00
12-inch	1,320.00

5. The fixed charge for a property serviced by a combined fire/general service line shall be based on the small side register of the combined meter, provided the volume of water used on the large side register does not exceed 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year. In addition to the fixed charge, a fire line rate shall be assessed according to the size of the large side register at the annual rates established in provision (6) of this section.

The fixed charge for a property serviced by a combined fire/general service line shall be based on the large side register of the combined meter, when volume of water used on the large side register exceeds 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year.

The fixed charge for a combined fire/general service line shall remain in place for the entire year.

6. 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	\$ 40.00
4 inch pipe connection	\$ 60.00
6 inch pipe connection	\$120.00
8 inch pipe connection	\$190.00
10 inch pipe connection	\$275.00
12 inch pipe connection	\$790.00

When the seal of any of the valves connecting with such fire protection pipes shall be broken, it shall be forthwith resealed by a Public Works - Water Division representative. All connections for fire systems must have a post indicator valve installed at the curb if ordered by the superintendent of the waterworks. (Code 1960, As Amend., § 606.030; Ord. of 12-28-73, § 1)

The sanitary sewer rates and stormwater service rate shall be applied to utility billings for water meters read from and after January 1, 2017.

Sanitary Sewer Rate

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:

1. The sanitary sewer rate applicable inside the City of Minneapolis is **three dollars and fifty-five cents (\$3.55)** per one hundred (100) cubic feet.

2. In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

<u>Meter Size</u>	<u>Fixed Charge</u>
5/8-inch	\$ 4.80
3/4-inch	7.20
1-inch	12.00
1 1/2-inch	24.00
2-inch	38.40

3-inch	76.80
4-inch	120.00
6-inch	240.00
8-inch	384.00
10-inch	552.00
12-inch	1,584.00

3. The sanitary sewer rate applicable outside the City of Minneapolis for all sewage flow generated is **three dollars and fifty-five cents (\$3.55)** per one hundred (100) cubic feet when the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size per section (2).

4. Sanitary sewer only service outside the City of Minneapolis shall be twenty six dollars (\$26.00) per month.

5. 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.

6. 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.

Stormwater Rate

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:

1. The Equivalent Stormwater Unit (ESU) rate is **twelve dollars and thirty-six cents (\$12.36)**. The ESU measurement is 1,530 square feet of impervious area.

2. 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 **fifteen dollars and forty-five cents (\$15.45)**.

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 **twelve dollars and thirty-six cents (\$12.36)**.

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 **nine dollars and twenty-seven cents (\$9.27)**.

3. Stormwater charges for all other properties will be based on the following calculation:
 (Gross Lot Size in sq.ft. X Runoff Coefficient) ÷ 1,530 sq. ft.= # of ESU
 # of ESU X \$ 12.36 = 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
Single Family Detached	ESU
Sport or Rec. Facility	.60
Utility	.90
Vacant Land Use	.20
Vehicle Related Use	.90

Solid Waste and Recycling Rate

Solid waste and recycling variable rate charges associated with water meter read dates from and after January 1, 2017, the charges shall be as follows:

1. The base unit charge shall be twenty-three dollars and forty-seven cents (\$23.47) per dwelling unit per month.
2. The cart disposal charge shall be two dollars (\$2.00) per month for each small cart.
3. The cart disposal charge shall be five dollars (\$5.00) per month for each large cart assigned to a dwelling unit.