



# Fourth Quarter 2020 Financial Status Report

Finance & Property Services Department  
April 28, 2021

**City of Minneapolis**  
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**for the Fourth Quarter of 2020**

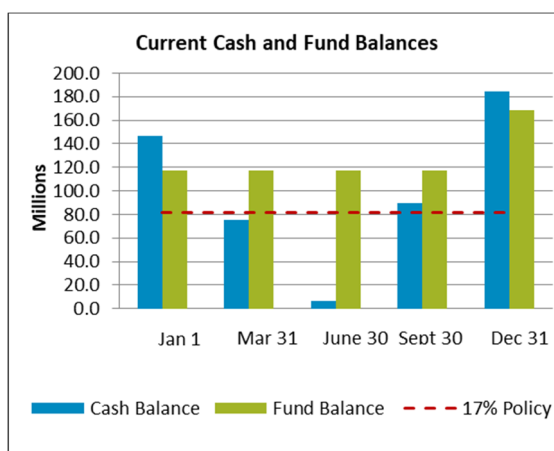
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## Overview

This quarterly report presents the *unaudited* financial position of the select funds of the City as of December 31, 2020. The financial performance of the City during 2020 was impacted by several major events, most notably the COVID-19 pandemic. The City started the year in a very strong financial position, and the first quarter was showing signs of the continued growth we've enjoyed for several years. However, the onset and continuation of the COVID-19 pandemic impacted nearly all aspects of operations. Significant steps were taken to preserve resources in response to projected revenue losses. A temporary spending freeze, a wage and hiring freeze, and budgetary reductions were enacted to help curb spending. Departments responded to these measures and effectively saved millions of dollars. The reduction in spending along with revenue losses less than anticipated resulted in better than expected financial performance in some funds. Activity through year-end 2020 resulted in all but two major funds meeting targeted cash balances. The Sanitary Sewer Fund fell below target cash due to delayed bond sales for capital projects. The Municipal Parking Fund fell short of target cash as a result of a 38% drop in parking revenue as parking demand decreased due to telecommuting and COVID-19 related venue closures. Sales tax revenue decreased 47% in 2020 as businesses shut down and events were cancelled, impacting the Downtown Assets Fund's cash and fund balance. As indicated in the Cash and Investments Report Appendix, the overall book value of cash and investments for the City at December 31, 2020 is \$994.1 million, an increase of \$6.4 million or 0.6% compared to 2019 year-end balance of \$987.7 million. In late July, the City received \$32.3 million in federal CARES Act funding through the State of Minnesota. Additional revenue received offset pandemic related expenses incurred by the City.

## General Fund

The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. The 2020 original budget included a planned use of fund balance of \$10.0 million, however, the year end fund balance increased by \$40.5 million. The 2020 ending fund balance is \$168.6 million, compared to the ending 2019 fund balance of \$128.1. The General Fund cash balance at year-end 2019 was \$146.3 million and ended 2020 at \$184.5 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance at any point in the year.



As shown in the Financial Strength Analysis on pages A-3 and A-4 of this report, from 2017 through 2020, the General Fund's cash balance and fund balance have increased steadily with a cumulative cash increase of \$55.9 million and an increase in fund balance of \$51.5 million. This consistent fund balance and cash position was made possible by rising revenues and strategic use of funds to maintain sustainable operations. Growth from economic development activity pushed revenue from local taxes, licenses and permits, and charges for services consistently over the budgeted amount, yet expenditures were consistently held in line at or below budget. While that growth slowed in 2020, cost reduction measures and use of funds in other areas of the city helped preserve much of the accumulated fund balance in the General Fund.

The City's financial policy for the General Fund balance is to maintain a *minimum* of 17.0% of the following year's expenditure budget. For 2020, this equates to a required ending fund balance of \$81.5 million which is 17.0% of the 2021 General Fund budget of \$479.5 million (excluding transfers and contingency). The ending fund balance of \$168.6 million represents a reserve of 35.2% of the 2021 budget. The planned use of fund

balance in 2021 includes \$7.0 million for budgeted expenditures in excess of budgeted revenues, \$5.6 million in rolled over funding from unspent 2020 appropriations, and a \$27.0 million transfer to the Self-Insurance fund for legal settlement costs. These three uses of 2020 fund balance leave the available fund balance at \$128.9 million in the General Fund. This represents 26.9% of the 2021 budget or 9.9% in excess of the minimum fund balance requirement.

## Special Revenue Funds

The Special Revenue Funds (SRF) are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes and include the Convention Center, Arena (Target Center) Fund, Downtown Assets Fund, the Police SRF, the Neighborhood and Community Relations (NCR) SRF, the Regulatory Services SRF, Grant Funds, the Employee Retirement Funds, and the Community Planning & Economic Development (CPED) SRFs.

At year-end 2020, the total cash balance for the Special Revenue Funds is \$304.8 million, an increase of \$16.0 million or 5.5% compared to 2019 ending balance. The fund balance for the Special Revenue Funds increased to \$356.7 million, an increase of \$14.0 million or 4.3%, compared to 2019. These increases in cash are a change from earlier projections that expected decreases in both cash and fund balances. Much of the change is attributable to two major financial strategies. The Downtown Assets fund transfers money from local tax revenue to the General Fund each year. This transfer was reduced by \$22.0 million to preserve the cash of the Downtown Assets fund. In addition, the Convention Center Fund was scheduled to pay off approximately \$26.0 million in debt in 2020. This debt was restructured to spread the payments over an additional five years, which meant the Convention Center was able to preserve more cash than originally expected. However, the prolonged shutdown of businesses throughout downtown and the City overall greatly impacted the sales, liquor, lodging and other local taxes that would typically be collected on sales at those establishments. As mentioned above, local tax revenue fell by 47% in 2020. The impacts of these lost revenues will result in the need for continued monitoring of the financial health of the special revenue funds supported by these revenues.

## Internal Service Funds

Internal Service Funds are used to account for goods and services provided internally to other government divisions. The Internal Service Funds include: Engineering Materials and Testing Lab; Equipment (Fleet) Services; Property Services; the Public Works Stores, Intergovernmental Services (primarily IT), and the Self-Insurance Fund.

The total cash balance for the Internal Service Funds at year-end 2020 is \$148.2 million, a decrease of \$7.0 million or 4.5% versus 2019 ending cash of \$155.2 million. At the same time, the total net position for all the Internal Service Funds is \$146.4 million, an increase of \$2.2 million or 1.2% from 2019. Because these funds have no debt burden and spending is tied to demand from other City funds, they can more easily delay major project expenses to help preserve cash. The overall increase in net position is due to gains in the medical and dental Self Insurance funds from savings on medical and dental payments, offset by planned losses in the Intergovernmental (IT) and Property Services Funds.

## Enterprise Funds

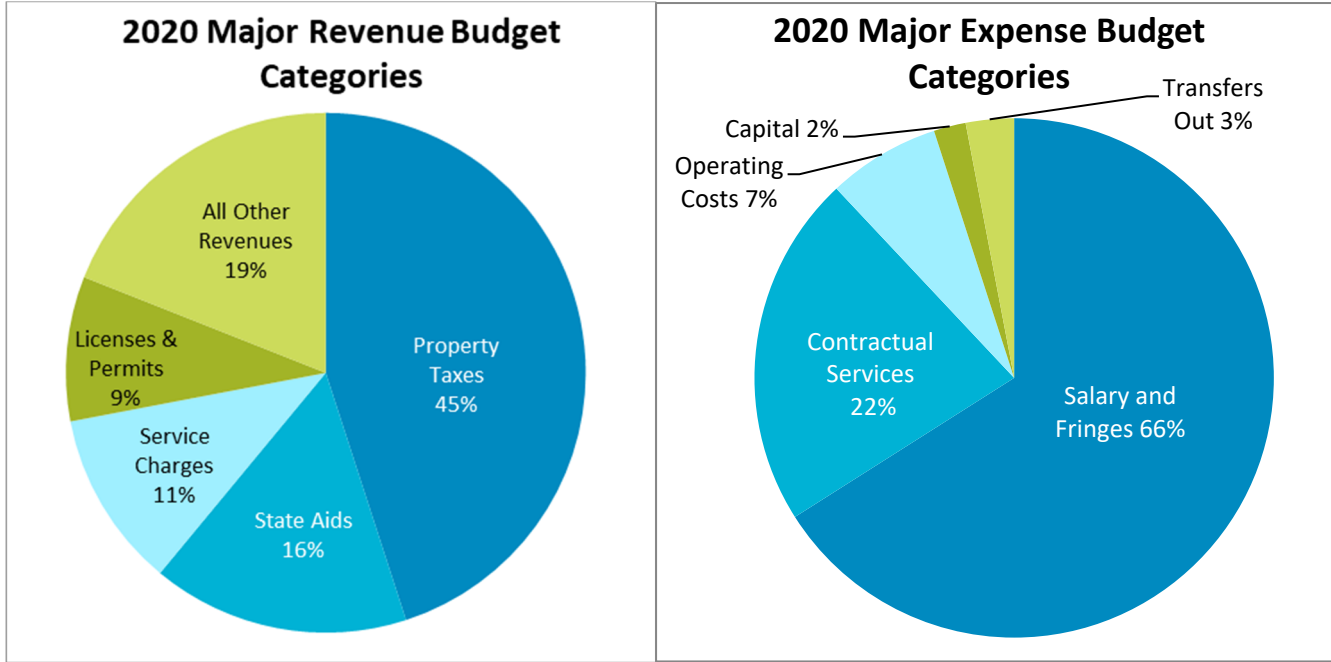
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is \$93.7 million, a decrease of \$41.1 million or 29.9% compared to 2019. Total net position for the Enterprise Funds decreased by \$37.1 million or 3.8% to \$992.1 million at year-end 2020. Operating losses in the utility funds coupled with a planned use of cash to finance projects will result in these losses. Depending on the timing of future bond sales and capital project outlays, the final ending cash and net position may vary significantly from year to year.

**City of Minneapolis  
General Fund  
For the Fourth Quarter Ending December 31, 2020**

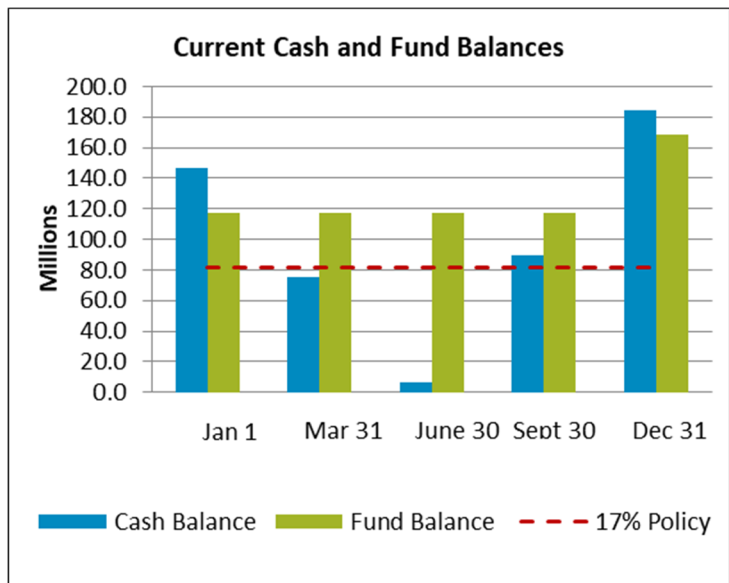
**Fund Description**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2020 final revenue budget is \$533.2 million, while the Fund's 2020 final expense budget is \$505.3 million, including transfers.



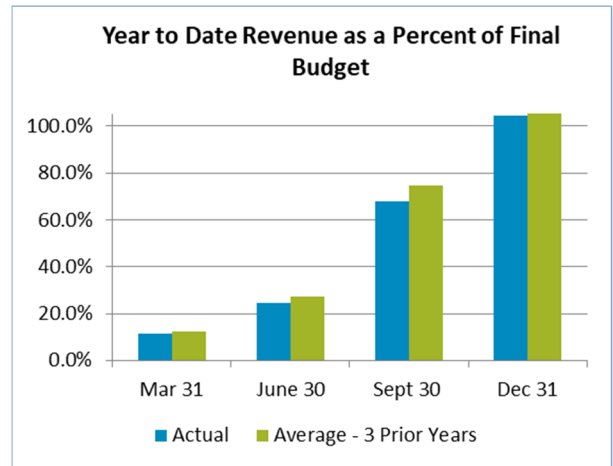
**Cash and Fund Balance**

The fund balance for the General Fund at year-end 2019 was \$128.1 million. The 2020 original budget included a \$10.0 million planned use of fund balance, which changed to a \$28.0 million gain after budget adjustments. The final, unaudited fund balance for December 31, 2020 is \$168.6 million, an increase of \$40.5 million over the January 1 fund balance of \$128.1. The City's financial policy is to maintain 17% of the General Fund's fund balance for the following year's expenditure budget. The policy target for the 2021 General Fund budget of \$479.5 million is \$81.5 million. The ending fund balance of \$168.6 million exceeds the target by \$87.0 million. The planned use of fund balance in 2021 includes \$7.0 million for budgeted expenditures in excess of budgeted revenues, \$5.6 million in rolled over funding from unspent 2020 appropriations, and a \$27.0 million transfer to the Self-Insurance fund for settlement costs. The cash balance at year-end 2019 was \$146.3 million, while the ending 2020 cash balance is \$184.5 million, an increase of \$38.2 million.



## Revenue

More than one-half of General fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are received in July with the remainder received in November. Because of the timing of this revenue, a majority of revenue in the General Fund is received in the last half of the year. Over the past three years, the General Fund has collected 105.6% of budgeted revenue on average. Actual revenue through fourth quarter 2020 total \$536.0 million or 100.5% of the final budget. Economic impacts from COVID-19 have decreased the City's revenues in some areas during 2020. In the General Fund, this is most noticeable in the decreased transfer in from the Downtown Assets fund. Transfers were decreased by \$22.0 million to preserve the cash balance in the Downtown Assets fund where a significant drop in local sales taxes put pressure on cash reserves.

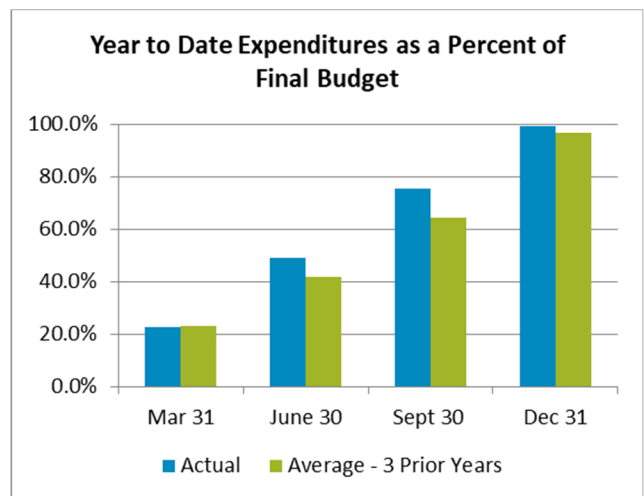


The City received \$32.3 million in Coronavirus Relief Funds from the Federal CARES act. This money was put in the General Fund and used to offset costs incurred by the City related to the response to the COVID-19 pandemic. Some revenue categories were over budget in 2021 including State Aids and Investment income. The General Fund revenues for franchise fees, licenses and permits, and fines and forfeits were under budget during 2020, primarily due to impacts from the pandemic.

## Expenditures

Six departments comprise 84.1% of the General Fund's total current budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

The expenditure budgets for operating departments in the General Fund decreased by \$29.0 million over the course of 2020 in response to the financial pressures of the pandemic. Even with those budgetary reductions, the general fund came in under the reduced budget by \$9.8 million at year end. Over the past three years on average the general fund comes in at 96.6% of budgeted expenditures, and in 2020, the Fund finished at 98.0% of the final budget. While the City incurred significant costs related to the enterprise response to COVID-19 and civil unrest, nearly all departments were able to reduce spending and remain under budget at year end. This reflects the effectiveness of spending reductions, hiring and wage freezes, and other measures intended to curb spending in accordance with projected revenue shortfalls. Overall spending in the General Fund \$37.5 million under the original budget.



**City of Minneapolis  
General Fund Revenue & Expenditures  
December 31, 2020**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Year-End Actual</b>	<b>Surplus (Deficit) Revised Budget Versus Actual</b>	<b>Year End as a Percent of Revised Budget</b>
<b>Revenues</b>					
Property Taxes	\$ 233,563,093	\$ 233,563,093	\$ 232,257,310	(1,305,783)	99.4%
State Aids	86,198,149	86,198,149	89,602,651	3,404,502	103.9%
Charges for Services	55,400,445	55,437,945	55,566,849	128,904	100.2%
Franchise Fees	34,379,000	34,379,000	31,181,085	(3,197,915)	90.7%
Licenses & Permits	47,079,159	47,079,159	45,858,727	(1,220,432)	97.4%
Fines & Forfeits	6,670,000	6,670,000	4,489,659	(2,180,341)	67.3%
Special Assessments	3,570,320	3,570,320	3,182,777	(387,543)	89.1%
Investment Income	6,250,000	6,250,000	12,144,410	5,894,410	194.3%
Other Intergovernmental	1,214,381	1,214,381	1,687,151	472,770	138.9%
Other Miscellaneous	715,000	715,000	1,834,112	1,119,112	256.5%
<b>Total Revenues</b>	<b>475,039,547</b>	<b>475,077,047</b>	<b>477,804,730</b>	<b>2,727,683</b>	<b>100.6%</b>
<b>Expenditures</b>					
Police	188,550,933	178,914,859	178,696,194	218,665	99.9%
Fire	71,193,472	69,277,211	69,384,576	(107,365)	100.2%
Human Resources	10,072,551	7,053,713	6,919,245	134,468	98.1%
Finance and Property Services	24,876,671	24,318,343	23,013,708	1,304,635	94.6%
911	10,098,481	9,712,233	9,286,286	425,946	95.6%
311	4,326,426	4,158,226	3,988,270	169,956	95.9%
City Coordinator	10,019,710	8,350,161	7,495,103	855,059	89.8%
Intergovernmental Relations	1,547,116	1,478,300	1,451,686	26,614	98.2%
Communications	2,264,561	2,284,199	2,308,420	(24,220)	101.1%
Emergency Management	1,165,431	2,278,376	2,360,708	(82,332)	103.6%
Neighborhood & Community Relations	2,577,745	829,873	829,734	139	100.0%
City Coordinator - Total	66,948,692	60,463,426	57,653,161	2,810,265	95.4%
Transportation Planning & Design	2,194,689	2,092,813	2,433,243	(340,430)	116.3%
Transportation Plan Programming	2,881,729	2,911,910	2,645,146	266,764	90.8%
Transportation Maintenance & Repair	37,357,337	33,189,593	35,668,786	(2,479,193)	107.5%
Public Works Administration	3,875,567	4,081,832	3,955,962	125,870	96.9%
Traffic & Parking Services	18,933,582	16,641,151	17,737,773	(1,096,622)	106.6%
Public Works - Total	65,242,903	58,917,298	62,440,909	(3,523,611)	106.0%
Regulatory Services	22,363,800	20,384,764	20,214,376	170,389	99.2%
Attorney	10,857,704	10,200,319	9,112,900	1,087,419	89.3%
City Council & City Clerk	9,579,222	9,499,266	9,140,511	358,755	96.2%
City Clerk Elections	6,400,367	6,600,610	4,713,827	1,886,783	71.4%
Contingency	5,100,000	4,493,200	-	4,493,200	0.0%
Payment to MPHA and Park Board	-	2,400,000	2,400,000	-	100.0%
Assessor	6,265,541	6,019,768	5,599,802	419,965	93.0%
CPED	45,408,317	36,757,365	34,958,123	1,799,242	95.1%
Health	13,080,364	18,660,125	18,629,385	30,739	99.8%
Civil Rights	5,057,186	4,630,724	4,567,551	63,173	98.6%
Mayor	2,483,669	2,369,385	2,282,997	86,388	96.4%
Internal Audit	812,665	752,932	724,587	28,345	96.2%
<b>Total Expenditures</b>	<b>519,344,834</b>	<b>490,341,252</b>	<b>480,518,899</b>	<b>9,822,353</b>	<b>98.0%</b>
<b>Other Funding Sources/(Uses)</b>					
Federal Aid - CARES	-	32,282,020	32,282,020	-	100.0%
Transfers In	47,889,000	25,889,000	25,889,000	-	100.0%
Transfers Out Total	(13,647,217)	(14,946,396)	(14,946,396)	-	100.0%
<b>Total Other Funding Sources/(Uses)</b>	<b>\$ 34,241,783</b>	<b>\$ 43,224,624</b>	<b>\$ 43,224,624</b>	<b>\$ -</b>	<b>100.0%</b>

<b>Change in Fund Balance</b>	40,510,456
<b>Fund Balance - January 1, 2020</b>	128,040,017
<b>Fund Balance - December 31, 2020 (Unaudited)</b>	<b>168,550,473</b>

**City of Minneapolis**  
**Convention Center Special Revenue Fund Report**  
**For the Fourth Quarter Ending December 31, 2020**

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, meetings, and cultural, religious, and sporting events, all of which benefit and showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota.

**Revenue**

**Tax Revenue**

The Convention Center Special Revenue Fund activity was historically funded from local sales and hospitality tax receipts in addition to Convention Center operating revenue. Beginning in 2014, the local taxes were receipted directly to the General Fund, and a transfer was made from the General Fund to the Convention Center to fully fund Convention Center operating and non-operating expenditures. Beginning in 2018, the Convention Center Special Revenue Fund is being managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Downtown Assets “umbrella” Fund includes the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), Peavey Plaza, and the Commons. Beginning in 2018, as part of the new Downtown Assets funding structure, the local taxes were receipted directly to the Downtown Assets Fund, and a transfer is being made from the Downtown Assets Fund to the Convention Center Fund to fund Convention Center operations and building debt service.

**Operating Revenue**

Through the December 31, 2020, Convention Center operating revenue ended at nearly \$6.3 million or 34% of the \$18.8 million budget. Rents and Commissions had the strongest finish at \$3.0 million or 39% of budget followed by Charges for Services and Sales at \$2.4 million or 35% of budget, and finally Catering Commissions which came in at \$959,000 or 22% of budget.

The Convention Center’s December 31, 2020 operating revenue of \$6.3 million finished \$14.9 million under the December 31, 2019 operating revenue of \$21.2 million. The reason for the sharp decline was that the Convention Center was heavily impacted by event cancellations and bookings related to the COVID-19 pandemic coupled with the impacts of the social unrest around the City. In 2020, the Convention Center had 74 events with 316,243 attendees. In 2019 the Convention Center had 349 events with 863,835 attendees.

**Non-Operating Revenue**

In 2020, the Convention Center received interest from two separate sources - \$1.1 million from interest on cash balances within the fund, and \$616,044 interest from the \$19.0 million loan from the Convention Center to Debt Service. The loan was paid back in full with interest in 2020. In 2019, the Tallmadge building experienced significant damage from a burst water pipe. The Minneapolis Convention Center received nearly \$2.4 million in 2020 from the insurance claim to repair the damage.

**Expenditures**

**Operating Expenditures**

As the result of the COVID-19 pandemic and the Social unrest within the City, the City reduced 2020 budgets Citywide. The Convention Center’s 2020 operating budget was reduced by \$4.7 million which included \$1.6 million for Meet Minneapolis and \$2.3 million for capital.



Through the fourth quarter of 2020, Convention Center operating expenditures, not including Ongoing Equipment and Improvement, General Fund Overhead, and IT operating expenditures finished at \$18.7 million or 74.0% of budget, and \$6.7 million under budget. Operating expenses are based on event levels and normal day-to-day operations of the building. The Convention Center continues to work on its 'no waste' initiative as well as further enhancements to the energy efficiency practices that were put in place in 2009. The ongoing management of operating expenses includes a variety of cost containment activities:

- Reduction in energy and water consumption
- Identifying and implementing operating efficiencies
- Recycling "waste" initiative
- 

Based on the most current figures available earlier this year, the Convention Center recycled 62% of building waste surpassing the goal of 60% for an overall 2019 - 2020 recycling rate of 60%.

In Ongoing Equipment and Improvements, the Convention Center finished the fourth quarter at \$5.9 million or 73% of the \$8.2 million budget. During 2020, work was done on the Plaza renovation project, the Tallmadge building, steam room renovation, building public space lighting renovation, LED lights retrofit, exterior lights, HVAC upgrades, Terrazzo floor refinishing, chilled water valve replacement, building/security equipment, exhibitor services/back of house remodeling, and the relocation of the command center. These projects allow the Convention Center to remain competitive in the national market. A 2020 budget rollover request will be submitted for most or all of the unspent budget to continue projects in process but were incomplete at year end.

### **Transfers**

The Convention Center Fund annually transfers funds for debt service, in addition to receiving a transfer from the Downtown Assets Fund. In 2020, transfers to debt service for debt issued on the building was budgeted at \$26.8 million which was the final year of building debt. With the significant financial pressure due to Covid-19, the building debt was refinanced to 2025 which reduced the 2020 debt service to \$947,323. The budgeted transfer from the DT Assets Fund to the Convention Center was decreased from a 2020 budget of \$53.5 million to \$6.1 million. There was also a new one-time transfer from the General Fund of \$1.4 million. The transfer was the Convention Center's share of the federal CARES funding the City received.

### **Meet Minneapolis**

Beginning in 2004, Meet Minneapolis entered into a series of loan agreements with the City for its joint venture Internet Destination Sales System (iDSS). A total of three loans were consolidated into one \$10.0 million loan in 2007. The consolidated loan had a 10-year amortization of principal (2008-2017) to be repaid in full in 2017 at a 5% interest rate. In November 2014, Meet Minneapolis sold iDSS, but the principal and interest payments to the City continued. In late 2017, there was a contract amendment which extended Meet Minneapolis' final \$500,000 payment of loan principal with \$15,000 interest to January 2019. Meet Minneapolis' quarterly sales and marketing payment from the City was reduced by the amount of the interest and principal payments due for that period. The principal was accounted for on the balance sheet as a loan receivable while the interest received was classified as revenue in the period in which it was due. The loan interest with principal was paid in full in 2019. With the 2020 budget reductions, Meet Minneapolis's 2020 budget was reduced from \$10.6 million to \$9.0 million, but the Convention Center paid Meet Minneapolis their original budgeted amount of \$10.6 million.

### **Fund and Cash Balance**

The December 31<sup>th</sup>, 2020 fund and cash balances were \$12.4 and \$14.5 million respectively which were decreases of \$20.9 million in cash and \$5.5 million in fund balance from December 31, 2019. The decreases are related to the reduction to the transfer from the DT Assets to the Convention Center from a budgeted \$53.5 million to \$6.1 million.

**CONVENTION CENTER SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the fiscal year ending December 31, 2020**

**CITY OF MINNEAPOLIS, MINNESOTA**

	2020			2019 Actual
	Budget	Actual	Percent of Total	
<b>REVENUE</b>				
Operating Revenue:				
Charges for Services and Sales	6,900,000	2,393,612	35%	8,541,896
Rents and Commissions	7,600,000	2,976,391	39%	8,371,262
Catering Commissions	4,275,000	959,029	22%	4,312,679
<b>Total Operating Revenue</b>	<b>18,775,000</b>	<b>6,329,032</b>	<b>34%</b>	<b>21,225,838</b>
Other Non Operating Revenue:				
Investment Management Services Interest	761,514	1,051,584	138%	1,163,294
Meet Minneapolis (iDSS) Loan Interest	-	-	-	15,000
Interest on Capital Advance	-	616,044	-	214,492
Other	-	2,531,749	-	250,262
<b>Total Other Non Operating Revenue</b>	<b>761,514</b>	<b>4,199,377</b>	<b>551%</b>	<b>1,643,048</b>
<b>Total Non Operating Revenue</b>	<b>761,514</b>	<b>4,199,377</b>	<b>551%</b>	<b>1,643,048</b>
<b>Total Revenue</b>	<b>19,536,514</b>	<b>10,528,409</b>	<b>54%</b>	<b>22,868,885</b>
<b>EXPENDITURES</b>				
Convention Center Operations	25,371,512	18,713,370	74%	25,207,851
Ongoing Equipment and Improvement	8,182,449	5,943,373	73%	13,812,296
General Fund Overhead/IT Operating	2,760,045	2,760,045	100%	2,678,932
Meet Minneapolis	9,041,218	10,636,726	118%	10,241,889
<b>Total Expenditures</b>	<b>45,355,224</b>	<b>38,053,514</b>	<b>84%</b>	<b>51,940,968</b>
Excess of Revenues Over (Under) Expenditures	(25,818,710)	(27,525,106)	107%	(29,072,083)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Downtown Assets	6,088,512	6,088,512	100%	59,520,000
Transfer from the GF (Cares Funds)	1,437,801	1,437,801		
Convention Ctr Debt Service Transfer	(26,806,618)	(947,323)	4%	(26,681,616)
<b>Total Other Financing Sources (Uses)</b>	<b>(19,280,305)</b>	<b>6,578,990</b>	<b>-34%</b>	<b>32,838,385</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(45,099,015)	(20,946,116)		3,766,302
Fund Balance - January 1	33,374,795	33,374,795		29,608,494
<b>Ending Fund Balance</b>	<b>(11,724,220)</b>	<b>12,428,680</b>		<b>33,374,795</b>
<b>Ending Cash Balance (a)</b>		<b>14,486,571</b>		<b>20,024,136</b>

**Notes:**

(a) In 2019 cash in this fund was used to make a \$19,010,000 capital advance to prepay City G.O. bonds. This capital advance was paid in full in 2020

## **Arena Special Revenue Fund For the fourth Quarter Ending December 31, 2020**

The Arena Special Revenue Fund is used to account for the revenues and on-going equipment and improvements, maintenance, operating support, and other specific expenditures of the Target Center. The Target Center is home to the Minnesota Timberwolves, the Minnesota Lynx, and also hosts a wide variety of events such as concerts; high school, college and professional athletic events; and motor sports and ice skating events. These activities showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota. The operator of the Target Center is AEG Management TWN, LLC (AEG).

### **Revenue**

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund. In 2014, rent from the Timberwolves organization was added as a new revenue source. The rent payments are based on a rent schedule, and the 2020 rent payment was approximately \$1.5 million. Beginning in 2018, entertainment tax was removed as a revenue source with the Arena Fund now being managed as part of the Downtown Assets Funds “umbrella”. The Downtown Assets Funds are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Arena Special Revenue Fund also receives interest revenue from investments on cash balances within the fund. The 2020 interest revenue was budgeted at \$61,834 and finished \$166,481 above budget at \$228,315. The 2020 Timberwolves rent finished at budget.

### **Expenditures**

The Arena Special Revenue Fund had a 2020 ongoing equipment and improvements budget of \$6.6 million which included the reduction of \$1.2 million as the result of coordinated 2020 Citywide budget reductions related to the COVID-19 pandemic and social unrest within the City. In 2020, work was undertaken on much needed projects including a building automation system, chilled water pumps, escalator renovation, sanitary sewer, escalator lobby lighting, seat covers, kitchen equipment, sprinkler system, and doors. Capital finished 2020 at \$3.6 million which was \$3.0 million under budget and \$952,000 under 2019. The Arena Special Revenue Fund operations finished 2020 near budget at slightly under \$2.0 million compared to the \$2.0 million budget. As of December 31, 2020, AEG was paid \$1.5 million of their \$1.7 million budget. The City pays AEG required reimbursements to AEG to support Target Center operating costs.

### **Transfers**

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2020 budgeted transfer was \$4.6 million, and finished 2020 at budget. In a planned effort to reduce fund balance while maintaining the Arena Special Revenue Fund as part of the Downtown Assets funds, a transfer of \$759,000 was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances. As part of the Citywide 2020 budget reductions/additions, the \$759,000 transfer was increased to \$4.8 million to further reduce cash and fund balances.

### **Fund/Cash Balance**

The 2020 ending fund balance was \$3.5 million which was a decrease of \$4.0 million from 2019. The primary reason for the decrease is the \$4.0 million increase in the 2020 transfer to the DT Assets Fund, and normal operating revenue and expenses of the building. The 2020 cash balance finished at 4.0 million which was \$5.4 million under 2019. The decline can also be primarily attributed to the increase in the transfer out of the Arena Fund to the DT Assets Fund.

**ARENA SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the fiscal year ending December 31, 2020**

	2020		Percent of Total	2019 Actual
	Budget	Actual		
<b>REVENUES:</b>				
Rents & Commissions	1,520,319	1,520,319	100%	1,490,509
Interest	61,834	228,315	369%	358,003
<b>Total revenues</b>	<b>1,582,153</b>	<b>1,748,634</b>	<b>111%</b>	<b>1,848,512</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Target Center Operations	(2,009,987)	(1,975,617)	98%	(1,922,326)
Target Center Capital	(6,632,198)	(3,614,172)	54%	(4,566,924)
Transfer to Downtown Assets	(4,764,929)	(4,764,929)	0%	(2,757,000)
Transfer From Municipal Parking Enterprise Fund	4,614,684	4,614,684	100%	4,383,188
<b>Total other financing sources (uses)</b>	<b>(8,792,430)</b>	<b>(5,740,034)</b>	<b>65%</b>	<b>(4,863,062)</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(7,210,277)	(3,991,400)		(3,014,550)
<b>Fund Balance - January 1</b>	<b>7,522,097</b>	<b>7,522,097</b>		<b>10,536,647</b>
<b>Ending Fund Balance</b>	<b>311,820</b>	<b>3,530,697</b>		<b>7,522,097</b>
<b>Ending Cash Balance</b>		<b>4,037,854</b>		<b>9,479,130</b>

**Downtown Assets Special Revenue  
Including the Downtown Assets, Peavey Plaza, and Commons Funds  
For the fourth Quarter Ending December 31, 2020**

The Downtown Assets Special Revenue Fund created in 2018. The purpose of this fund is to:

- clearly delineate the uses of local sales, liquor, lodging, restaurant, and entertainment taxes;
- provide stable, predictable ongoing support from these taxes to the General Fund; and,
- support the comprehensive management of the City's four primary downtown revenue-generating capital assets.

This collection of funds holds the operating and capital funds which support the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), the Downtown Commons, and Peavey Plaza. Though each of these funds holds a cash balance to its own, all cash balances are available to support any expense within the funds. Receipts to the fund are largely made up of local taxes, but may also include contributions from private donations or State funding to support capital improvements. The Convention Center department is responsible for management of operations within the fund. Revenues and expenditures for the Convention Center and Target Center are discussed the those funds' respective quarterly reports.

**Revenue**

The 2020 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$93.7 million. The overwhelming majority of revenues come from local taxes (including sales, liquor, lodging, restaurant and entertainment). The 2020 Minneapolis local taxes finished at \$49.3 million which was \$44.2 million under budget and 439.9 million under 2019 based on 2020 collection trends and impacts from the COVID-19 pandemic and social unrest within the City. Legislation was passed in 2019 which increased the City's lodging tax from 2.125% to 3.0%. The increase went into effect October 1<sup>st</sup>, 2019. Based on investment yields and cash inflows and outflows within the funds, 2020 interest revenue finished at \$177,743 which was \$58,058 under budget. The reduction from budget is the result for very soft 2020 local tax collections related to COVID-19 and civil unrest within the City.

**Expenditures**

Budgeted 2020 capital expenditures within the Peavey Plaza fund include \$474,000 which was a rollover from 2019 of unspent funding to complete the renovation of Peavey Plaza. Also included were operating budgets for the Downtown Assets, Peavey Plaza, and the Downtown Commons. The \$25,000 Downtown Assets Fund operating budget wasn't spent due to cancelled events related to the COVID-19 pandemic. The Peavey Plaza operating budget of \$424,000 budget finished at \$287,784 or \$136,216 under budget. Peavey Plaza's operating budget is related to the operations and maintenance of Peavey Plaza, in addition to \$18,000 for special assessments. The \$820,000 Commons operating budget finished at budget and was transferred to the Parks Department for the maintenance and operations of the Downtown Commons, and included \$67,000 to cover payments for special assessments.

**Transfers**

Budgeted transfers included \$32.7 million to the General Fund, \$53.4 million to the Convention Center to fund debt service, capital, and operating expenses; and nearly \$5.7 million to the Arena Special Revenue Fund (Target Center) for building debt service. In addition, there was a budgeted transfer of \$759,000 from the Arena Special Revenue Fund to the Downtown Assets Fund. This transfer was budgeted to reduce cash and fund balance within the Arena Special Revenue Fund with the Arena Special Revenue Fund being managed under the Downtown Assets "umbrella". As part of a cash and fund balance management strategy related to the pandemic and social unrest, the \$32.7 million transfer from the DT Assets to the GF was reduced and capped at \$10.7 million. The \$53.4 million transfer from the DT Assets to the Convention Center was reduced to \$6.1 million, and the \$759,000 transfer from the Arena Special Revenue Fund to the DT Assets was increased to \$4.8 million to further reduce fund and cash balances.

As of December 31, 2020, all transfers were completed based on the 2020 budgeted changes.

**Fund/Cash Balances**

At the end of 2020, the Downtown Assets Funds had a fund balance of \$46.5 million, and a cash balance of \$39.9 million which were increases of \$30.4 million and \$31.1 million from 2019 respectively. The increases can be primarily associated with the decreases in 2020 transfers out of the DT Assets Fund.

**DOWNTOWN ASSETS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the fiscal year ending December 31, 2020**

	2020		Percent of Total	2019 Actual
	Budget	Actual		
<b>REVENUES:</b>				
Local Taxes	93,445,722	49,289,929	53%	89,181,551
Interest Revenue	235,801	177,743	75%	430,768
<b>Total Revenues</b>	<b>93,681,523</b>	<b>49,467,672</b>	<b>53%</b>	<b>89,612,319</b>
<b>EXPENDITURES</b>				
Downtown Assets Operating	25,000	-	0%	887,412
Peavey Plaza Operating	424,000	287,784	68%	344,111
Peavey Plaza Capital	473,754	259,549	55%	3,518,481
Commons Operating	820,000	820,000	100%	814,098
<b>Total Expenditures</b>	<b>1,742,754</b>	<b>1,367,333</b>	<b>78%</b>	<b>5,564,101</b>
Excess of Revenues Over (Under) Expenditures	91,938,769	48,100,339	52%	84,048,218
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer From Other Special Revenue Fund	4,764,929	4,764,929	100%	2,757,000
Transfer to City General 00100	(32,711,000)	(10,711,000)	33%	(31,462,000)
Transfer to Downtown Assets 01700	-	-	-	(5,696,585)
Transfer to Convention Center	(6,088,512)	(6,088,512)	100%	(59,520,000)
Transfer to Other Debt Service Funds	(5,697,635)	(5,697,635)	100%	-
<b>Total other financing sources (uses)</b>	<b>(39,732,218)</b>	<b>(17,732,218)</b>	<b>45%</b>	<b>(93,921,585)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	52,206,551	30,368,121	58%	(9,873,367)
<b>Fund Balance - January 1</b>	<b>16,083,942</b>	<b>16,083,942</b>		<b>25,957,309</b>
<b>Ending Fund Balance</b>	<b>68,290,493</b>	<b>46,452,064</b>		<b>16,083,942</b>
<b>Ending Cash Balance</b>		<b>39,912,384</b>		<b>8,812,814</b>
<b>Notes:</b>				

**City of Minneapolis**  
**Police Special Revenue Fund**  
**For the 4th Quarter Ending December 31, 2020**

**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 (APS) and Workforce Director (WFD) systems are proprietary software systems that are owned and managed by the City of Minneapolis. APS and WFD, previously used to recover expenses from user agreements with other governmental and non-governmental entities, were decommissioned for external use in 2020 due to outdated technology and the inability to cost effectively upgrade the software. Minimal activity with other entities will continue into the first quarter of 2021. WFD will continue to be used by some departments within the City of Minneapolis, including the MPD, until the software is replaced, which is estimated to occur in 2022.

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

Periodically, City departments (Public Works, others) 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 end 2020 is \$2.8 million compared to 2019 fund balance of \$2.9 million. The decrease from 2019 to 2020 of \$163,000 is primarily due to shortage of APS revenue over expenditures of \$142,000 and shortage of WFD revenue over expenditures of \$147,000 offset by unexpended forfeiture revenue of \$115,000, due to timing of purchases, and other excess revenue associated with various non-emergency contracts and lawful gambling.

**Revenues**

Revenues for the Police Special Revenue Fund decreased from \$2.3 million in 2019 to \$1.3 million in 2020. Decrease in revenue was primary due to the pandemic resulting in a decrease of requested non-emergency service hours for sporting events, concerts and a corresponding loss of \$489,000 in annual revenue; decrease of APS & WFD revenues of \$320,000 due to the decommission of the programs; and a decrease in forfeiture revenue of \$135,000. Forfeiture revenues fluctuate as receipt of proceeds is contingent on timing and settlement of cases.

## **Expenditures**

Overall expenditures for the Police Special Revenue Fund decreased from \$1.8 million in 2019 to \$1.5 million in 2020. Restrictions due to the pandemic contributed to a reduction of requested non-emergency service hours for in-person sports and concert events resulting in an expenditure decrease of \$364,000, a decrease of \$66,000 as charitable gambling activity declined because of social distancing requirements and a decrease costs of APS, \$80,000. Expenditure decreases were offset by increased costs for snow emergency buyback of \$8,000, increased costs of WFD, \$131,000, and an increase in Forfeiture expense of \$64,000 primarily for replacement of Crime Lab equipment.

## **Cash and Fund Balance**

The accumulated fund balance for year ending 2020 is \$2.8 million compared to 2019 fund balance of \$2.9 million. The decrease in 2020 is primary due to shortage of APS revenue over expenditures of \$ 145,000 and shortage of WFD revenue over expenditures of \$146,000; and offset by excess forfeiture revenue of \$116,000. Remaining difference is due to rounding.

The cash balance for year ending 2020 is \$2.6 million compared to \$2.8 million in 2019. Decrease is primary due to excess expenditures over revenue in 2020 of approximately \$163,000 and decrease in payables of \$60,000. Remaining differences is due to rounding.



**City of Minneapolis**  
**Police Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the 4th Quarter/Years 2020, 2019 and 2018**

	<b>Budget Year 2020</b>	<b>For Year Ending 2020</b>	<b>For Year Ending 2019</b>	<b>For Year Ending 2018</b>
<b>Revenue</b>				
Charges for Services and Sales	977,500	691,932	1,414,050	2,175,449
Fines and Forfeits	239,080	479,653	614,458	281,224
Interest Revenue				
Miscellaneous				
Taxes	231,000	177,775	262,501	255,846
<b>Total Revenue</b>	<b>1,447,580</b>	<b>1,349,360</b>	<b>2,291,010</b>	<b>2,712,519</b>
<b>Expenditures</b>				
Capital Outlay	-	49,455	161,431	40,246
Contractual Services	62,947	664,399	345,400	1,008,648
Fringes	213,935	123,435	246,412	309,487
Materials / Other	199,304	238,932	158,681	250,984
Personnel Services	964,438	436,537	903,762	1,241,315
<b>Total Expenditures</b>	<b>1,440,624</b>	<b>1,512,757</b>	<b>1,815,686</b>	<b>2,850,681</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>6,956</b>	<b>(163,397)</b>	<b>475,324</b>	<b>(138,162)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>6,956</b>	<b>(163,397)</b>	<b>475,324</b>	<b>(138,162)</b>
<b>Significant Balance Sheet Items:</b>				
Cash Balance	2,793,987	2,563,859	2,787,031	2,237,746
Fund Balance	2,930,230	2,759,877	2,923,274	2,447,950

**City of Minneapolis**  
**NCR Special Revenue Fund: 01800**  
**For the 4th Quarter Ended December 31, 2020**

**Neighborhood and Community Relations Special Revenue Fund**

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The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by the revenues of the Consolidated Redevelopment Tax Increment Financing 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 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 a portion of the 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 to fund neighborhood revitalization services for these two years and reduce the captured value of the Consolidated TIF District. As of 2014, the captured value of the district was restored to the amount provided in the original plan.

**Revenues**

In FY2020, \$7.1 million was been transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund. In FY2019, \$6.9 million of revenue and in FY 2018, \$6.7 million of revenue was transferred to Neighborhood and Community Relation Special Revenue Fund.

**Expenditures**

The Neighborhood and Community services expenditures from this fund through the fourth quarter of FY 2020 are \$7.1 million. These expenditures are for Access and Outreach support, coordinated engagement services and Neighborhood engagement activities. This fund also serves as the primary source for NCR operating expenditures.

**Fund Balance**

The Cash balance at year-end 2020 is \$3.5 million compared to \$3.5 million at year-end 2019. The Fund balance at year-end 2020 is \$3.1 million compared to \$3.1 million at year-end 2019.

**City of Minneapolis**  
**NCR Special Revenue Fund : 01800**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Years, 2020, 2019, and 2018**

	Budget Year 2020	Actual Year 2020	Actual Year 2019	Actual Year 2018
<b>Revenue</b>				
Special Assessments				
Loan Recapture		-	-	1,662
Other				
Total Revenue	-	-	-	1,662
<b>Expenditures</b>				
Neighborhood Community Relations	7,174,111	7,122,700	7,051,052	6,708,537
Total Expenditures	7,174,111	7,122,700	7,051,052	6,708,537
<b>Excess of Revenues Over (Under) Expenditures</b>	(7,174,111)	(7,122,700)	(7,051,052)	(6,706,875)
<b>Other Financing Sources (Uses)</b>				
Net transfers in from other funds	7,089,083	7,089,083	6,882,605	6,682,141
Net transfers out to other funds				
Total Other Financing Sources (Uses)	7,089,083	7,089,083	6,882,605	6,682,141
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(85,028)	(33,617)	(168,447)	(24,734)
<b>Significant Balance Sheet Items:</b>				
Cash Balance		3,535,186	3,473,070	3,544,785
Fund Balance		3,079,158	3,112,775	3,281,222

**City of Minneapolis**  
**Regulatory Services Special Revenue Fund**  
**For the Fourth Quarter Ending December 30, 2020**

**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 for the abatement of buildings that have been deemed to be in nuisance condition pursuant to Chapter 249 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. The majority of revenue in the fund is received from Special Assessments paid with property taxes twice annually. In 2013 the Construction Code Services division of Regulatory Services was transferred to Community Planning and Economic Development (CPED). In 2019, CPED transferred their spending to the General Fund, and Regulatory Services is responsible for spending and revenue in this fund.

In 2020, Regulatory Services added additional capital to this fund to provide traffic management services around downtown construction. MNDOT began a three-year reconstruction of the Third Avenue Bridge and Public Works began a multi-year resurfacing project focused downtown. Both entities provided \$2.3M for Regulatory Services Traffic Control to provide rush hour traffic management.

**Historical Financial Performance**

The City established this fund in 2008. Through 2013 it accumulated a fund balance of \$5.5 million. This balance was the result of various initiatives in previous years and the availability of grant funds to pay for eligible expenses. These two revenue sources were not ongoing, leaving special assessments and direct property owner charges as the only sources of revenue for this fund. Additionally, the department followed a Council directive to reduce the fund balance and moved permanent expense into the fund. Fund balance has been declining in recent years and is not sustainable. At year end 2020, fund balance related to building abatement will be merged into the general fund.

**Revenue**

Until 2020, the majority of revenue in this fund was from Vacant Building Registration fees. Homeowner citations paid directly or through Special Assessments was another source of revenue. The total revenue for 2020 is \$2.5 million, \$4.6 million under budget. \$4.5 million of the shortfall is anticipated traffic management revenue in future years. \$1.8 million of the budgeted revenue is from special assessments. 2020's year-end revenue was \$2.5 compared to \$2.2 million in 2019.

At year end 2020, the fund balance related to nuisance building abatement was transferred to the general fund. Traffic management revenue related to downtown and Third Avenue Bridge construction will remain in this fund.

**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. Through the fourth quarter of 2020, \$3.5 million had been expended as compared to \$3.9 million in 2019. The 2020 year-end expenditures were \$3.5 million, which was \$4.3 million under budget \$4.5 million in traffic management expenses is anticipated in 2021 and 2022.

At year-end 2020, the fund balance related to nuisance building abatement was transferred to the general fund. Traffic management expense related to downtown and Third Avenue Bridge construction will remain in the special revenue fund.

**Cash and Fund Balance**

Fund balance projections depend upon revenue receipts. Cash balance and fund balance decreased by \$938,000 in 2020, resulting in ending balances of \$213,000 and \$138,000 respectively.

City of Minneapolis  
Regulatory Services Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For Forth Quarter/Years 2020, 2019, and 2018

	Budget Year 2020	For Year Ending 2020	For Year Ending 2019	For Year Ending 2018
<b>Nuisance Building Abatement Efforts</b>				
<b>Revenue</b>				
Permits and Charges for Services	100,000	124,247	134,009	282,486
Special Assessments	2,370,000	1,838,446	1,955,759	2,046,964
Other		(6,756)	101,941	48,188
Total Revenue	2,470,000	1,955,937	2,191,709	2,377,638
<b>Expenditures</b>				
Regulatory Services	3,172,477	2,894,211	3,883,579	3,835,768
Community & Economic Development			-	108,044
Total Expenditures	3,172,477	2,894,211	3,883,579	3,943,812
<b>Excess of Revenues Over (Under) Expenditures</b>	(702,477)	(938,274)	(1,691,870)	(1,566,174)
<b>Other Financing Sources (Uses)</b>				
Net transfers in from other funds			800,000	-
Net transfers out to other funds				-
Total Other Financing Sources (Uses)	-	-	800,000	-
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(702,477)	(938,274)	(891,870)	(1,566,174)
<b>Significant Balance Sheet Items:</b>				
Cash Balance	449,243	213,446	1,151,720	2,043,590
Fund Balance	374,382	138,585	1,076,859	1,968,729
<b>Traffic Control projects</b>				
<b>Revenue</b>				
Traffic Control projects	4,600,000	560,483		
<b>Expenditures</b>				
Traffic Control projects	4,600,000	560,483		
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-	-
<b>Significant Balance Sheet Items:</b>				
Cash Balance		139,521	1,202,259	2,043,590
Fund Balance		189,123	1,127,398	1,968,729

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**Year Ending December 31, 2020**

The City receives a number of federal and state grants that are recorded in the Federal (01300), HUD Consolidated Plan (01400 & 01500), and Grants Other (01600) funds. These grants have varying grant periods and are used for a broad range of purposes. Since the City records its financial information on a modified accrual basis, the timing of cash receipts can result in grant funds reflecting a deficit cash balance throughout the year. For annual reporting purposes, cash deficits are eliminated through inter-fund borrowing.

Grants are received both on a cost reimbursement and an advance basis. For the City's audited financial statements advanced but not yet expended grant awards are shown in the financial statements as unearned revenue and respectively, amounts that are due to the City are recorded as intergovernmental receivables. Some amounts are earned and reserved for a restricted purpose and those amounts remain as restricted fund balance. The accompanying financial schedule does not include the year end revenue accrual and deferral adjustments.

**Federal Grants Fund (01300)**

The City accounts for its federal grant activity in fund 01300. As of December 31, 2020, expenditures were \$13,321,413 compared to the 2019 expenditures of \$12,071,772. The increase in federal expenditures of \$1,249,691 is primarily a result in an increase in federal awards received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the pandemic.

In addition to the grant awards received and expended in fund 01300, the City received approximately \$32 million of Corona Relief Funds (CRF) from the U.S. Treasury Department through the State of Minnesota. These funds were used to cover the cost of Public Health and Public Safety costs across the enterprise for expenditures related to responding to and mitigating the spread of the virus.

The federal grants fund includes other sources of federal revenue in support of the Police Department task force activities. Police receive reimbursement from the Alcohol Tobacco and Firearms (ATF), Drug Enforcement Administration (DEA), Federal Bureau of Investigations (FBI), and other task forces to reimburse the City for some of the overtime costs associated with officers that work on specific task forces.

**HUD Consolidated Plan Funds (01400 & 01500)**

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with two other Housing and Urban Development (HUD) Programs, the Emergency Solutions Grant Program (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). HOME Investment Partnerships Program, HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards had declined until 2012 and since

has remained around \$10 million. The combined HUD Consolidated Plan allocation for 2019 was over \$16 million approximately equivalent to the 2018 allocation. HUD grant expenditures as of December 31 were \$18,069,587 compared to \$14,591,721 for 2019 which reflects an increase of \$3,477,866 from 2019. During 2020, due to the pandemic, the City was awarded approximately \$22.9 million in HUD COVID-19 Supplemental fund for the CDBG, ESG, and HOPWA programs.

#### **Grants Other Fund (01600)**

The fund is used to account for non-federal grants and other restricted revenue sources.

The expenditures as of December 31, 2020 are \$32,054,245 compared to the 2019 expenditures of \$27,009,704. The increase in 2020 expenditures primarily relates to an increase in CPED spending related to their affordable housing development and costs related to the 2020 Election.

The revenue in the fund as of December 31, 2020 and 2019 is \$35,099,694 and \$26,646,285, respectively. The increase primarily relates to two large contributions received in 2020. Community Planning and Economic Development received a grant for \$4 million from the Minneapolis Saint Paul Housing Finance Board for housing activities. The City Clerk's Office received an award of approximately \$2.3 million from the Center for Tech and Civic Life to implement the Safe Voting Plan for the 2020 Election.

#### **Capital Grants**

In addition to the grants that are recorded in the funds reflected above, the City's Department of Public Works receives various grants through the Federal Government, Minnesota Department of Transportation, Metropolitan Council, and Hennepin County. These grants are generally recorded in Fund 04100, the Permanent Improvement Capital Projects fund.

**Special Revenue Funds**  
**Grant Funds**  
**Year Ending December 31, 2020**

	<b>Federal Grants 01300</b>	<b>HUD Grants 01400 &amp; 01500</b>	<b>Grants Other 01600</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 381,651	\$ 323,854	\$ 6,762,567	\$ 7,468,072
Accounts - net	246	31,721	152,970	184,937
Intergovernmental Receivables	387,650		120,230	507,880
Due from Other Funds			1,750,000	1,750,000
Properties Held for Resale	665,307	6,294,966	796,000	7,756,273
<b>Total Assets</b>	<b>\$ 1,434,854</b>	<b>\$ 6,650,541</b>	<b>\$ 9,581,767</b>	<b>\$ 17,667,162</b>
<b>Liabilities</b>				
Salaries Payable	\$ 89,905	\$ 48,269	\$ 126,644	\$ 264,818
Accounts Payable	889,919	991,033	3,184,094	5,065,046
Inter Governmental Payables		147,630	27	147,657
Due to Other Funds	1,750,000			1,750,000
Use Taxes Payable	12			12
Deferred Revenue and Contracts	354,150		76,076	430,226
<b>Total Liabilities</b>	<b>\$ 3,083,986</b>	<b>\$ 1,186,932</b>	<b>\$ 3,386,841</b>	<b>\$ 7,657,759</b>
<b>Fund Balance</b>	<b>\$ (1,649,132)</b>	<b>\$ 5,463,609</b>	<b>\$ 6,194,926</b>	<b>\$ 10,009,403</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,434,854</b>	<b>\$ 6,650,541</b>	<b>\$ 9,581,767</b>	<b>\$ 17,667,162</b>
<b>Revenue</b>				
Taxes-Charitable Gambling	\$ -	\$ -	\$ 187,876	\$ 187,876
Grants and Shared Revenues	10,514,672	10,803,677	23,817,130	45,135,479
Special Assessments		1,787	139,991	141,778
Private Grants and Contributions			9,583,940	9,583,940
Charges for Services			761,243	761,243
Interest		801,896	52,401	854,297
Rent & Commissions		34,677		34,677
Sale of Lands & Buildings	3,189	744,487		747,676
Loan Recapture	320,444	4,505,786		4,826,230
Sale of Documents/Copies			978	978
Miscellaneous Revenue	33,189	345,920	553,135	932,244
Transfer within Special Revenue Fund		-	3,000	3,000
<b>Total Revenue</b>	<b>\$ 10,871,494</b>	<b>\$ 17,238,230</b>	<b>\$ 35,099,694</b>	<b>\$ 63,209,418</b>
<b>Expenditures</b>	<b>\$ 13,321,413</b>	<b>\$ 18,069,587</b>	<b>\$ 32,054,245</b>	<b>\$ 63,445,245</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (2,449,919)</b>	<b>\$ (831,357)</b>	<b>\$ 3,045,449</b>	<b>\$ (235,827)</b>



**City of Minneapolis**  
**Community Planning & Economic Development (CPED)**  
**Special Revenue Funds**  
**For the Fourth Quarter Ending December 31, 2020**

<i>Programs</i>	<i>Original Budget</i>	<i>Current Budget</i>	<i>Expended</i>	<i>Budget v. Exp</i>	<i>Cash</i>	<i>Fund Balance</i>
Tax Increment Financing	53,903,390	80,014,585	51,337,935	28,676,651	131,202,036	156,548,011
Housing & Econ Dev	4,271,000	21,769,938	9,801,373	11,968,566	10,984,559	15,863,605
General Development	7,339,003	23,839,598	7,768,280	16,071,318	32,073,620	34,866,678
Neighborhood Revitalization	5,800,000	4,975,000	4,245,796	729,204	32,676,175	32,601,110
CPED Operating	1,536,313	1,536,313	1,720,449	(184,136)	2,663,772	1,725,006
<b>Total</b>	<b>72,849,706</b>	<b>132,135,434</b>	<b>74,873,832</b>	<b>57,261,602</b>	<b>209,600,161</b>	<b>241,604,410</b>

**CPED Special Revenue Funds** account for governmental funds that are legally restricted to expenditures for specific purposes in a number of housing and economic development programs. The programs that are operated within these funds were established to increase the City’s economic competitiveness, ensure an array of attractive housing choices, support strong and diverse neighborhoods, and preserve historic structures. These programs are funded primarily through state and local grants, tax increment financing (TIF), and administrative fees collected from the issuance of housing and economic development revenue bonds. All special revenue funds are restricted to the legal purposes of the special revenue they contain.

**Fund Balance.** The combined fund balance of CPED Special Revenue Funds at the end of the fourth quarter 2020 was \$241.6 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the NRP and TIF programs was \$189.1 million, and all of this fund balance is considered restricted. The combined fund balance of the Housing & Economic Development, General Development, and CPED Operating programs was \$52.5 million.

**Cash Balance.** The combined cash balance of CPED Special Revenue Funds at the end of the fourth quarter 2020 was \$209.6 million. This was \$9.7 million higher than at the end of the fourth quarter 2019. The combined cash balance in the TIF and NRP programs at the end of the fourth quarter 2020 was \$163.9 million (78.2% of the total).

**Tax Increment Financing.** This program accounts for financial resources that are used for the acquisition and improvement of land and buildings in designated areas of the City. Authorized under the TIF Act (Minnesota Statutes, Section 469.174–469.1799, as amended), this is a major financing tool available to the City to assist with the development and redevelopment of property within the City that would not occur “but for” the use of this tool.

The primary source of revenue for this program is tax increment, which is comprised of property taxes generated from the new incremental value of specific development. Generally, this revenue is used to pay outstanding TIF bonds, notes and loans. Tax increment revenues of the program are segregated by TIF district and must be spent according to the provisions of the TIF Act.

Cash at the end of the fourth quarter 2020 was \$131.2 million, which was \$20.2 million higher than cash at the end of fourth quarter 2019. Fourth quarter 2020 revenues were \$71.1 million, which was \$2.7 million higher than in 2019. Fourth quarter 2020 expenditures were \$31.8 million, which was \$561,362 less than in 2019. In the

fourth quarter of 2020, revenue exceeded expenditures by \$39.2 million, net transfer out were \$16.7 million, and fund balance increased by \$22.5 million from \$134.0 million to \$156.5 million.

**Housing & Economic Development.** Prior to 2014, Housing and Economic Development program activities were generally funded by administrative fees generated through the City's issuance of conduit debt (e.g. housing revenue bonds, industrial development revenue bonds, etc.). Since 2014, these activities have been largely funded through the City's General Fund where these administrative fees are now deposited.

Cash at the end of the fourth quarter 2020 was \$11.0 million, which was \$5.0 million less than cash at the end of fourth quarter 2019. Fourth quarter 2020 revenues were \$1.1 million, which was approximately \$68,280 higher than in 2019. Fourth quarter 2020 expenditures were \$9.8 million, which was \$3.4 million less than in 2019.

**General Development.** This program provides loans and grants to outside organizations to assist with housing and economic development activities within the City, as well as providing interim loans to specific CPED projects. This program is capitalized with land sale proceeds, parking revenues, rental income from development projects, and loan payments that are not part of the Housing and Economic Development program.

Cash at the end of the fourth quarter 2020 was \$32.1 million, which was \$5.1 million less than cash at the end of fourth quarter 2019. Fourth quarter 2020 revenues were \$2.3 million, which was \$10.6 million less than in 2019. Fourth quarter 2020 expenditures were \$7.8 million, which was \$1.5 million higher than in 2019.

**Neighborhood Revitalization Program.** This program was established in 1990 and focuses on the delivery of City services, including housing and economic development loans and grants to individual neighborhoods based on the priorities set by the people who live and work in those neighborhoods.

The program is funded from tax increment and other revenues of the City's Common Project. From 1990 through 2011 this program was administered by the NRP Policy Board. This board was established under State law, and operated pursuant to a joint powers agreement between the City, County, School District, Park Board and Library Board. After the joint powers agreement expired in 2012 the program came under the management of the City's Neighborhood and Community Relations (NCR) Department. The revenues remaining in this program are restricted in their use by State law.

Cash at the end of the fourth quarter 2020 was \$32.7 million, which was \$235,600 less than the cash in fourth quarter 2019. Fourth quarter 2020 revenues were \$2.9 million, which was \$0.7 million less than in 2019. Fourth quarter 2020 expenditures were \$3.4 million, which was \$1.2 million less than in 2019.

**CPED Operating.** This program provides the working capital for CPED's administrative costs. The program also provides financing for projects that are not eligible for CPED's restrictive revenue sources.

At the end of the fourth quarter 2020, this program had a fund balance of \$1.7 million and cash balance of \$2.7 million. Expenditures during this period exceeded revenues by nearly \$0.6 million, and there were no transfers from/to other funds.

**CPED Special Revenue Fund Component Programs**  
**Financial Statement Summaries**  
**4th Quarter 2020**

CPED Special Revenue Fund	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q4 2020 Total	Q4 2019 Total
<b>Assets</b>							
Cash	131,202,036	14,216,409	32,073,620	32,676,175	2,663,772	212,832,011	199,947,003
Misc receivables	856,939	21,714	86,405	92,829	7,170,113	8,228,000	8,183,572
Loans receivable	-	5,799,870	-	-	-	5,799,870	6,227,182
Advances to other funds	389,471	-	-	-	-	389,471	522,782
Properties held for resale	25,339,525	5,685,378	3,625,297	235,802	-	34,886,002	35,253,083
<b>Total Assets</b>	<b>157,787,970</b>	<b>25,723,371</b>	<b>35,785,321</b>	<b>33,004,806</b>	<b>9,833,885</b>	<b>262,135,354</b>	<b>250,133,621</b>
<b>Liabilities</b>							
Payables	850,488	686,939	599,173	403,696	7,469,698	10,009,995	11,651,270
Advances from other funds	389,471	-	-	-	-	389,471	522,782
Deposits held for others	-	141,107	319,470	-	639,181	1,099,758	1,214,152
Deferred inflow of resources	-	5,799,870	-	-	-	5,799,870	6,270,713
<b>Total Liabilities</b>	<b>1,239,959</b>	<b>6,627,916</b>	<b>918,643</b>	<b>403,696</b>	<b>8,108,879</b>	<b>17,299,094</b>	<b>19,658,918</b>
<b>Total Fund Balance</b>	<b>156,548,011</b>	<b>19,095,455</b>	<b>34,866,678</b>	<b>32,601,110</b>	<b>1,725,006</b>	<b>244,836,260</b>	<b>230,474,704</b>
<b>Total Liabilities &amp; FB</b>	<b>157,787,970</b>	<b>25,723,371</b>	<b>35,785,321</b>	<b>33,004,806</b>	<b>9,833,885</b>	<b>262,135,354</b>	<b>250,133,621</b>
<b>Revenue</b>							
Property tax increment	67,179,244	-	-	-	-	67,179,244	63,734,942
Fees & charges for services	291,617	341,254	649,399	-	1,039,689	2,321,958	1,922,237
Interest revenue	3,073,582	277,238	928,992	871,533	92,297	5,243,642	6,778,556
Rent	203,256	2,287	49,675	-	-	255,218	290,031
Sale of land & buildings	39,000	217,104	26,656	12,467	-	295,227	10,372,275
Loan recapture	288,567	214,290	610,916	2,038,631	-	3,152,404	4,120,113
<b>Total revenue</b>	<b>71,075,265</b>	<b>1,052,173</b>	<b>2,265,638</b>	<b>2,922,631</b>	<b>1,131,986</b>	<b>78,447,692</b>	<b>87,218,154</b>
<b>Expenditures</b>							
Personal services	299,555	3,599	957,550	-	-	1,260,703	1,220,825
Contractual services	24,393,568	3,644,502	4,816,569	3,172,772	1,720,449	37,747,859	11,836,282
Other operating costs	1,000	138,569	494,265	-	-	633,833	757,335
Program capital outlay	7,153,782	6,014,703	1,499,897	197,428	-	14,865,810	44,524,316
<b>Total expenditures</b>	<b>31,847,905</b>	<b>9,801,373</b>	<b>7,768,280</b>	<b>3,370,200</b>	<b>1,720,449</b>	<b>54,508,206</b>	<b>58,338,757</b>
<b>Transfers</b>							
Transfers from other funds	2,770,880	7,002,850	-	1,381,046	-	11,154,776	24,330,417
Transfers to other funds(-)	(19,490,028)	-	-	(875,597)	-	(20,365,625)	(68,882,477)
<b>Total transfers</b>	<b>(16,719,149)</b>	<b>7,002,850</b>	<b>-</b>	<b>505,449</b>	<b>-</b>	<b>(9,210,849)</b>	<b>(44,552,060)</b>
<b>Change in fund balance</b>	<b>22,508,212</b>	<b>(1,746,350)</b>	<b>(5,502,642)</b>	<b>57,880</b>	<b>(588,463)</b>	<b>14,728,637</b>	<b>(15,672,664)</b>
Beginning fund balance	134,039,799	20,841,804	40,369,320	32,543,230	2,313,469	230,107,623	246,147,367
<b>Ending fund balance</b>	<b>156,548,011</b>	<b>19,095,455</b>	<b>34,866,678</b>	<b>32,601,110</b>	<b>1,725,006</b>	<b>244,836,260</b>	<b>230,474,704</b>

\*Q4 2020 Beginning Fund Balance reduced from \$230,474,704 to \$230,107,623 by \$367,000 due to land sales which reduced Properties Held for Sales and Fund Balance

**City of Minneapolis**  
**Engineering, Materials, and Testing**  
**For the Fourth Quarter Ending December 31, 2020**

Fund 06000	2020 Budget	2020 Actual	2019 Actual	2018 Actual
Operating Revenue	9,025,424	8,181,268	9,242,251	7,722,917
Operating Expense	8,607,089	8,225,966	8,839,512	7,526,984
Operating Margin	418,335	(44,698)	402,739	195,933
Change in Net Position	-	(44,698)	402,779	195,933
Net Position		465,001	509,699	420,000
Cash Balance		1,954,698	2,132,331	1,640,165

**Program Description:**

The Engineering, Materials and Testing Fund records transactions related to City purchases of hot-mix asphalt and ready-mix Concrete. This fund also accounts for the transactions associated with the quality control activities for the placement of these materials and assures 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.

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. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses. 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 and generates adequate revenue to cover the fund's direct and indirect expenses.

**Revenue:**

Operating revenue earned through fourth quarter 2020 is \$8,181,268 or 90.6% of the budgeted amount of \$9,025,424. The 2020 4<sup>th</sup> quarter revenue of \$8,181,268 represents a decrease of 11.5% over the fourth quarter 2019 revenue of \$9,242,251. The decrease is mainly due to less activities/projects in 2020 due to COVID19. Revenues (and expenses) throughout the year are also dependent upon several factors such as weather as well as the timing of construction projects. These variables can result in substantial variances in the amount of revenue (and expenses) recorded through fourth quarter from year to year.

**Expense:**

Operating expense through fourth quarter 2020 is \$8,225,966, or 95.6% of the budgeted amount of \$8,607,089. The 2020 4<sup>th</sup> Quarter expense reflects a decrease of 6.9% over the 2019 expense of \$8,839,512 incurred through the same period. As noted above, the main reason for the decrease is due to less activities/projects in 2020 due to COVID19. Expenses throughout the fourth quarter of the year are also dependent upon several factors such as weather as well as the timing of construction projects.

**Transfers:**

This fund does not have any transfers in or out in 2020.

**Debt Service:**

This fund does not have any debt obligations.

**Cash and Net Position**

The 2020 fourth quarter cash balance is \$1,954,698, a decrease of \$177,633 from the 2019 year-end balance of \$2,132,331. The decrease in cash through fourth quarter is due to timing differences between the receipt and payment of invoices for asphalt and concrete and billing these purchases to other City departments. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15.0% of the operating budget excluding materials and related costs or \$353,147 for 2020.

The 2020 year-end net position was \$465,001 which represents a decrease of \$44,698 from the 2019 ending balance of \$509,699. The primary reason for this decrease was due to the 2020 lower Operating Margin as a result of less concrete and asphalt sales and less inspection services due to COVID19. The financial policy for the net position for this fund determines that net position should not be less than 15.0% of the annual operating budget excluding materials and related costs, or \$353,147 for the 2020.

**City of Minneapolis**  
**Fleet Services Internal Service Fund**  
**For the Fourth Quarter Ending December 31, 2020**

Fund 06100	2020 Budget	12/31/2020 Actual	Year Ending 2019	Year Ending 2018
<b>Operating Revenue</b>	40,192,817	32,680,779	41,579,658	40,635,313
<b>Operating Expense</b>	23,727,987	24,523,905	23,922,214	23,395,482
<b>Operating Margin</b>	16,464,830	8,156,875	17,657,444	17,239,832
<b>Change in Net Position</b>		(1,840,792)	9,293,896	10,561,819
<b>Net Position</b>		93,623,904	95,464,696	86,170,800
<b>Cash Balance</b>		23,144,810	33,720,761	26,006,698

**Program Description:**

The Fleet Services Internal Service 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, snowplows, 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. The Public Works Department is responsible for management of the operations within the fund.

The Fleet Services Division develops fleet replacement programs for all vehicles and equipment to meet the needs of 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. Fleet Management also monitors and reports on fleet utilization, registers and licenses all City vehicles. The City’s fleet of vehicles and equipment has an acquisition value of \$100.1 million and accounts for 64.2% of the net value of the long-term assets in this fund.

**Revenue:**

Operating revenue earned through fourth quarter 2020 is \$32,680,779, or 81% of the budgeted amount of \$40,192,817. The revenue earned through fourth quarter 2020 decreased by \$8,898,878, or 21%, from the revenue earned through fourth quarter 2019. This decrease is due to reduced usage of equipment and lower fuel costs because of the COVID-19 pandemic. Also, to help the City contain costs, Fleet Services suspended the billing for equipment rentals for the last half of the year, which lowered expected revenue to \$8,248,806 of the \$15,585,613 budgeted.

**Expenses:**

Operating expense through fourth quarter 2020 totaled \$24,523,905 representing 1% increase over the annual budget of \$23,727,987. Expenses through the fourth quarter of 2020 increased \$601,691 or 3%, over the total expense through the same period in 2019. This increase is a normal increase in the costs of doing business.

**Transfers:**

This fund receives a transfer in of \$317,000 from the Property Services Fund 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.

This fund also has a transfer of \$2,000,000 that will be going to the general fund in order balance cash reserves for the fund.

**Debt Service:**

This fund has no debt obligations in 2020. All debt obligations were repaid in full in 2018.

**Cash and Net Position:**

The fund has maintained a positive cash balance with a fourth quarter 2020 ending balance of \$23,144,810 a decrease of \$10,575,951 from the 2019 fourth quarter ending balance of \$33,720,761. Reserve policies for internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$5,750,696.

The net position for year ending 2020 is \$93,623,904, a decrease of \$1,840,792, or 2% under the 2019 ending balance of \$95,464,696. The decrease in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles. The decrease is also due to cost containment efforts over the year because of the pandemic and budget reductions.

Net position consists of a net investment in capital assets of \$70,489,442 along with \$23,355,262 of unrestricted net position. Financial reserve policies for the internal service funds determine that the minimum net position for the Fleet Services Division Fund should be twice the depreciation amount or \$18,198,188.

**City of Minneapolis**  
**Property Services Division**  
**For the Fourth Quarter Ending December 31, 2020**

Fund 06200	2020 Budget	2020 Actual	2019 Actual	2018 Actual
<b>Operating Revenue</b>	26,604,539	26,611,326	25,353,270	24,089,604
<b>Operating Expense</b>	29,594,991	28,250,647	27,600,136	21,809,075
<b>Operating Margin</b>	(2,990,452)	(1,639,320)	(2,246,865)	2,280,530
<b>Change in Net Position</b>		(2,256,978)	(2,725,880)	1,761,838
<b>Net Position</b>		31,627,182	33,884,160	31,980,607
<b>Cash Balance</b>		6,322,808	8,148,251	9,627,665

**Program Description:**

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2020 revenue and expense budgets for the fund were increased by \$5,413,000 to account for this flow-through rental charge. The City departments located in City Hall receive a General Fund appropriation to fund the charge for the rent.

Included in the Property Services Division 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.

**Revenue:**

Property Services earns revenue through rent charged to departments housed in City owned buildings, for property maintenance and by performing facility repairs and upgrades. Beginning in 2016, funding for City building capital repairs and upgrades is also managed through the rent allocation model. City departments that occupy City buildings are charged additional rent to fund these projects. Previously, capital repairs and upgrades were funded through net debt bonds. The amount allocated annually for this purpose is \$4,000,000.

Operating revenue recorded through fourth quarter 2020 is \$26.6 million, or 100% of the budgeted amount of \$26.6 million. The 2020 fourth quarter revenue increased by \$1.3 million, or 5.0%, from the revenue earned through the fourth quarter 2019. This is mainly because through the fourth quarter of 2020, the revenue earned from charges for services at City Hall increased by \$554 thousand, or 12.2% from the same period in 2019. Revenue received from charges for services, including operating repairs and upgrades, also fluctuates based on the amount of discretionary spending available to departments and the timing of work done.



**Expenses:**

Operating expense through fourth quarter of 2020 is \$28.3 million, or 95.5% of the total budgeted amount of \$29.6 million. The 2020 fourth quarter expense increased \$651 thousand, or 2.4%, from the operating expense recorded through fourth quarter 2019. The 2020 increase is primarily due to increased expenses related to 2019 delayed projects which were rolled over to 2020. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work done.

**Transfers:**

For 2020, this fund received a transfer in from the General Fund totaling \$237k to support the City Hall rent expense. The fund also transferred out \$317k to the Fleet Services Division fund to assist with the debt related to the Currie Maintenance Facility, and \$500,000 for the financing of the new Public Service Center (PSC) Loan. Property Services collected the Fleet Services payment of \$317k through the rent allocation model from City departments housed in Currie. It collected \$500k from CPED through the rent model to finance the PSC Loan. Property Services also transferred out \$78k to the General fund in 2020 from its Operating Budget per the 2020 council approved Budget.

**Debt Service:**

There is no outstanding debt service for 2020.

**Cash and Net Position:**

The cash balance at the end of fourth quarter 2020 was \$6.3 million compared to a cash balance of \$8.1 million at the end of fourth quarter 2019. The decrease in cash through the 2020 fourth quarter is due to timing differences between the receipt and payment of invoices. The cash through the fourth quarter of 2020 consists of a balance of \$1.5 million in the Property Disposition fund and a balance of \$4.8 million in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$4.4 million for the Property Services fund in 2020.

The net position for the year ending 2020 was \$31.6 million, a decrease of \$2.3 million from the net position of \$33.9 million for year ending 2019. This decrease is mainly due to the delay of the capital improvement projects in 2019, which were completed in 2020. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2020 is \$814,322 and the net position in 2020 is \$30 million greater than the benchmark, which is \$1.6 million.

**City of Minneapolis  
Public Works Stores  
For the Fourth Quarter Ending December 31, 2020**

Fund 06300	2020 Budget	2020 Actual	2019 Actual	2018 Actual
<b>Operating Revenue</b>	1,543,038	1,884,397	1,617,080	1,889,153
<b>Operating Expense</b>	1,527,834	1,800,254	1,704,715	1,595,088
<b>Operating Margin</b>	15,203	84,143	(87,634)	294,065
<b>Change in Net Position</b>		108,355	(15,577)	463,251
<b>Net Position</b>		5,672,965	5,564,611	5,580,188
<b>Cash Balance</b>		1,126,327	2,537,676	3,141,607

**Program Description:**

The Public Works Stores Fund, established in 1965, 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 Traffic Stores. In 2016, Central Stores added a new storeroom located at the Royalston Maintenance Facility. The Royalston storeroom provides the same services as the Hiawatha location.

**Revenue:**

Operating revenue earned through fourth quarter 2020 is \$1,884,397, or 122% of the budgeted amount of \$1,543,038. The revenue earned through fourth quarter represents an increase of \$267,317, or 17%, over revenue of \$1,617,080 earned through fourth quarter 2019. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue is due to a \$74,517 increase in Traffic Stores overhead charges and a \$68,699 increase in selling scrap and merchandise to outside customers. The increase is also due to a \$124,101 increase in Central stores overhead charges and transactions processing.

**Expenses:**

Operating expense recorded through fourth quarter 2020 is \$1,800,254, or 118% of the budgeted amount of \$1,527,834. The amount expended through fourth quarter 2020 increased by \$95,539, or 6%, from the \$1,704,715 expended through the same period in 2019. The increase in operating expense is due primarily to an increase in repair & maintenance supplies of \$138,062 that is a part of writing-off the obsolete inventory in Traffic Stores. The increase is also due to an increase in Traffic Stores work for others for fencing gate work of \$39,569 and for a precast project of \$29,430. These increases are partially offset by a reduction of \$119,988 in personnel, which is driven by the COVID-19 pandemic.

**Transfers:**

There are no transfers in or out of this fund.

**Debt Service:**

The Public Works Stores Fund does not have any debt obligations.

**Cash and Net Position:**

The cash balance at the end of fourth quarter 2020 is \$1,126,327, a decrease of \$1,411,349 from the 2019 year-end balance of \$2,537,676. The decrease in cash is primarily due to a \$1,589,879 increase in inventory purchases. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15.0% of the annual operating budget, or \$229,175.

The fund continues to maintain a positive net position with a 2020 ending balance of \$5,672,965, an increase of \$108,354 from the 2019 ending balance of \$5,564,611. The financial policy for the net position for the Public Works Stores Fund determines that a net position should be maintained equal to 15% of the annual operating budget, or \$229,175.

**City of Minneapolis  
Intergovernmental Services Fund  
For Year Ending December 31, 2020**

Fund 06400	2020 Budget	12/31/2020 Actual	2019 Actual	2018 Actual
Operating Revenue	45,328,252	44,584,721	41,503,334	41,286,648
Operating Expense	50,736,088	46,457,502	50,063,434	47,331,718
Operating Margin	(5,407,837)	(1,872,782)	(8,560,100)	(6,045,070)
Change in Net Position		(11,440,576)	(20,320,997)	(12,610,785)
Net Position		20,521,141	30,668,000	41,226,205
Cash Balance		7,572,033	15,115,705	21,983,072

**Program Description:**

The Intergovernmental Services Fund accounts for operations of Information Technology (IT) and the City Clerk's printing services. IT is comprised of telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware.

**Revenue:**

Operating revenue through the fourth quarter of 2020 is \$44,584,721, or 98.4% of the annual budgeted amount of \$45,328,252. This is an increase of \$3,081,387, or 6.9%, compared to revenue of \$41,503,334 earned through fourth quarter of 2019.

**Expenses:**

Operating expenses through the fourth quarter are \$46,457,502 or 91.6% of the annual budgeted amount of \$50,736,088. The operating expense through fourth quarter decreased \$3,605,932, or 7.2%, from the 2019 expense of \$50,063,434.

Collaboration Services expenses of \$1,380,290 through the fourth quarter decreased 43% under the 2019 amount of \$2,413,732 through the same period. This decrease is due to the less use of contracted positions until regular full-time positions were filled.

Managed Services expenses of \$5,001,501 through the fourth quarter decreased 12% under the 2019 amount of \$5,654,537 through the same period. This decrease is due to expenses coming in less than anticipated.

Infrastructure Services expenses of \$6,176,481 through the fourth quarter increased 22% over the 2019 amount of \$5,067,134 through the same period. This increase is due to the need for equipment due to employees working from home through the pandemic.

Central Mailing/Copy Center expenses of \$2,037,145 through the fourth quarter increased 80% over the 2019 amount of \$1,134,651 through the same period. This increase is due to over-spending for postage and professional services.

**Debt:**

The fund does not have any outstanding debt service obligations.

**Transfers:**

In 2020 this fund had transfers in of \$1,372,502 from the general fund, which included \$209,184 for City Hall rent.

In 2020, the fund included a transfer out of \$1 million for Capital Improvement fund for costs of the new downtown campus, planned on a one-time basis.

**Cash and Net Position:**

The cash balance at the end of fourth quarter is \$7,572,033, representing a decrease of \$7,543,672 from the 2019 year-end balance of \$15,115,705. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15.0% of the fund's total budget or \$7,728,654.

The net position at year-end 2020 is \$20,521,141, a decrease of \$10,146,859, from the year-end 2019 net position of \$30,668,000. This decrease to net position is partly due to the transfer out of \$1 million to the Capital Improvements Fund in 2020 and a decrease to the original budget because of the City's need to contain costs due to lost revenue as a result of COVID-19.

Financial reserve policies for the internal service funds determine that the minimum net position for the Intergovernmental Services Fund should be twice the depreciation amount or \$18,390,585. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the fund will continue to exceed the target net position in future years.

**City of Minneapolis  
Self-Insurance Fund  
For the Fourth Quarter Ending December 31, 2020**

Fund 06900	2020 Budget	2020 Actual	2019 Actual	2018 Actual
<b>Operating Revenue</b>	108,494,200	106,260,923	106,257,549	101,414,681
<b>Operating Expense</b>	103,110,924	91,658,071	116,088,906	82,624,453
<b>Operating Margin</b>	5,383,276	14,602,853	(9,831,357)	18,790,228
<b>Change in Net Position</b>		14,947,851	(32,721,426)	(12,645,690)
<b>Net Position</b>		(5,366,603)	(20,314,455)	12,406,971
<b>Cash Balance</b>		108,131,238	93,582,733	102,937,989

**Program Description:**

The Self-Insurance Fund accounts for accrued sick leave benefit, tort liability, workers' compensation, civil attorney and risk management services, and the administrative functions to support these activities. An activity-based cost allocation model determines the charge allocated to City departments to provide for self-insurance related to tort liability and workers compensation. The annual charges are calculated using data determined by an actuarial study based on each City department's responsibility for liability and worker compensation expense. The cost allocation model also assigns a charge for HR employee benefit administration and attorney and risk management services. Beginning in 2018, the Medical Plan is no longer insured by Medica. The City is self-insured and will use its own fund to pay for employees' medical expenses, and contracts with Medica for administrative services. Dental Insurance is also recorded in the Self-insurance fund instead of the Agency fund.

**Revenue:**

Operating revenue through the fourth quarter of 2020 is \$106,260,923, or 98% of the annual budgeted amount of \$108,494,200. This is a slight increase of \$3,374, compared to \$106,257,549 earned through the fourth quarter of 2019. The primary reason for the increase is due to an increase in tort liability premiums received of \$1,487,051 and an increase in the revenue received for workers compensation premiums of \$906,327. The increase in revenue is also related to a \$552,988 increase in administrative functions. These increases are partially offset by a decrease in medical & dental insurance premiums payments received of \$2,594,286, a decrease in risk management services received of \$251,983, and a \$96,724 decrease in unused sick leave program for qualified employees.

**Expenses:**

Operating expense through the fourth quarter 2020 is \$91,658,071 or 89% of the annual budgeted amount of \$103,110,924. This is a decrease of \$24,430,835 or 21%, compared to \$116,088,906 expended through the fourth quarter of 2019. The decrease in operating expense is due primarily to a \$19,710,064 decrease in liability settlement paid out and a \$3,041,996 decrease in medical & dental insurance claims. In addition, the decrease is due to a \$895,860 decrease in workers compensation claims and a \$380,380 decrease in unused sick leave program. These decreases are mostly driven by the economic crisis induced by the coronavirus pandemic.

**Debt Service:**

The Self-Insurance Fund does not have outstanding debt obligations.

**Transfers:**

In 2020, the fund receives a transfer in from the general fund totaling \$324,127 to assist with the cost of City Hall rent for the City Attorney's Office. The fund receives a transfer in on an annual basis and expects this transfer to continue in future years. The fund also transfers in and out within the self-insurance fund of \$13,411,938 from 06900 self-insurance fund to 06950 sick leave severance fund.

**Cash Balance and Net Position:**

The cash balance at end of fourth quarter is \$108,131,238, representing an increase of \$14,548,505 from the 2019 year-end balance of \$93,582,733. The increase in cash is primarily due to a net cash received for medical & dental self-insurance of \$8,830,637 and a \$2,594,106 net cash received for liability settlement. In addition, the increase in cash is due to a \$1,770,030 net cash received for the Unused Sick Leave program and a \$1,161,179 net cash received for Attorney services. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self-Insurance Fund should be equal to the unpaid claims liability plus 10.0% of the fund's operating budget and 35.0% of medical self-insurance claims or \$107,566,205. The unpaid claims liability at year-end 2020 is \$85,419,779, an increase of \$6,712,296 from the year-end 2019 unpaid claims liability of \$78,707,483. The cash balance is \$563,379 above its target.

The net position at year-end 2020 is a negative amount of \$5,366,603, an increase of \$14,947,852 from the 2019 year-end net position of negative \$20,314,455. 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.

**City of Minneapolis  
Sanitary Sewer Fund  
For the Fourth Quarter Ending December 31, 2020**

<b>Fund 07100</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Operating Revenue</b>	86,255,289	83,556,737	83,136,915	74,064,847
<b>Operating Expense</b>	70,306,669	70,962,694	73,208,089	69,518,923
<b>Operating Margin</b>	15,948,620	12,594,043	9,928,825	4,545,924
<b>Change in Net Position</b>		13,642,969	5,396,487	(8,944,908)
<b>Net Position</b>		141,439,933	127,796,964	122,400,477
<b>Cash Balance</b>		13,274,830	7,377,680	4,474,385

**Program Description:**

The Sanitary Sewer Fund accounts for the enterprise activity of wastewater collection and treatment. The Fund pays 95.0% of the contractual payments to Metropolitan Council Environmental Services (MCES) for wastewater collection and treatment services. The fund also accounts for City services, operation, maintenance, design work, capital programs, transfers, and long-term debt services associated with the sanitary sewer system.

**Revenues:**

Monthly utility billing for sewer services is the main source of revenue. With sewer revenue of \$83.6 million recognized through the end of fourth quarter, the Sanitary Sewer Fund earned 96.9% of the 2020 revenue budget. This is an overall increase of \$419,822, or 0.5%, compared to \$83.1 million earned in 2019. The utility service revenues accounted for a \$4.3 million increase compared to 2019 due to an increase in rates. Design revenues decreased by \$791,020 due to decrease in capital related activities. SAC fees, which fluctuate based on overall economic activities outside of City operations, decreased by \$3.1 million. This decrease is offset by an equivalent decrease in sewer availability charges (or SAC expenses).

The variable rate for utility charges was set at \$4.54 per unit, an increase of \$0.33 over 2019. The fixed rate, which is based on meter size, was increased by \$0.50, from \$5.80 to \$6.30.

**Expenses:**

The Sanitary Sewer Fund's total operating expenses through the fourth quarter were \$71.0 million compared to \$73.2 million for 2019. This is a decrease of \$2.2 million, or 3.1%, and reflects the following changes from 2019: (i) SAC charges decrease of \$3.0 million due to less activities in the last nine months of 2020 due to Covid-19; (ii) Met Council charges increase of \$1.8 million due to rate increase; (iii) decrease in Sewer Maintenance by \$932,000 due to budget cuts and open positions not filled; and (iv) increase in Sewer Admin by \$318,000 due to certain position that were vacant in 2019 and filled in early 2020; and (v) decrease in Sewer Design by \$302,000 due to less capital related activities.



The Met Council rate increased by 3.6% for 2020 services. These municipal wastewater discharge rates are set by the Metropolitan Council on a yearly basis and are based on an allocation of overall costs incurred by MCES for waste processing for customer communities.

**Transfers:**

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$879,121 and by the end of 2020, all of it had been transferred to Water Treatment and Distribution Services.

**Debt Service:**

For 2020, the debt service cost was budgeted at \$8.4 million. During the year, \$6.8 million in principal and \$757,000 in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing. The Fund's long-term debt totals \$43.2 million of which \$6.4 million is payable within a year.

**Cash and Net Position:**

The current cash balance is \$13,274,830, up from \$7,377,680 at the end of 2019. The Fund's net position stands at \$141,439,933. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance for 2020 was \$17.6 million. The \$4.3 million cash reserve target shortfall is in part made up of \$5.5 million in unsold bonds that will be issued in 2021 or after. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance.

**City of Minneapolis  
Storm Water Fund  
For the Fourth Quarter Ending December 31, 2020**

Fund 07300	2020 Revised Budget	2020 Actual	2019 Actual	2018 Actual
<b>Operating Revenue</b>	46,153,760	45,979,910	44,316,792	42,339,478
<b>Operating Expense</b>	28,780,220	28,194,796	29,487,624	30,467,310
<b>Operating Margin</b>	17,373,541	17,785,113	14,829,167	11,872,167
<b>Change in Net Position</b>		(4,238,148)	(2,042,199)	(4,755,160)
<b>Net Position</b>		333,122,343	337,360,491	339,402,690
<b>Cash Balance</b>		28,662,426	29,616,123	26,629,779

**Program Description:**

The Storm Water Fund is responsible for the design, construction and maintenance of City's storm drain system, and street cleaning activities. A portion of the Fund is used for sanitary water interceptor and treatment services and pays 5.0% of the contractual payments to Met Council Environmental Services (MCES). This fund also accounts for the combined sewer overflow (CSO) program, capital programs and debt service payments. Fund resources include monthly utility billing for storm drainage services, reimbursement for maintenance services provided to State and County, reimbursement for services provided to other City departments, outside parties and design activities, and proceeds from long term liabilities and grants.

**Revenue:**

The \$45,979,910 in revenues earned through the fourth quarter reflects 99.6% of the operating revenue budget. This is an increase of \$1,663,118 compared to \$44,316,792 earned for the same period in 2019. Storm utility revenues increased by 2.9% to \$42,400,997, up from \$41,212,886 for the same period in 2019. This is mainly due to the 2.5% increase in rates. Other services provided decreased by \$350,578 due to a decrease in work done for the Park Board. Reimbursements, with a total of \$2,494,417, based on maintenance agreement with the State and County, made up the rest of the operating revenue.

**Expenses:**

Operating expenses through the fourth quarter were \$28,194,7964, or 98.0% of the 2020 expense budget. The expenses were \$1,292,828 or 4.4%, lower than the \$29,487,624 reported for 2019, due mainly to: (i) \$1,143,439 less spent on design and water resources due to budget cuts for professional services and open positions not filled in 2020. Also, \$250,000 was due to not hiring interns this summer; (ii) \$192,960 less spent on Maintenance, and (iii) \$185,392 less spent on City Services due to budget cuts.

**Transfers:**

A transfer from this fund is made to General Fund to support two environmental service FTE's relating to Clean Water Act of \$110,000 for 2020. An additional amount of \$1,545,000 was transferred during the fourth quarter to the Capital Paving program as a contribution to help fund the 20-year additional paving plan.

**Debt Service:**

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The Fund completed paying off all of its debt service obligations by the end 2016. For the last couple of years there have not been any debt service costs. In 2019 new debt was issued. In 2020, payment of interest was \$109,805 and principal payments was \$600,000.

**Cash and Net Positions:**

The ending cash balance at the end of the fourth quarter stands at \$28,662,426 and net position stands at \$333,122,343. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2020 is \$7,195,055. This will leave \$21,467,371 as unrestricted amount to fund capital programs for 2021 and beyond as the department aims to use its cash reserve as the main source of funds together with additional bond issuance.

**City of Minneapolis  
Water Enterprise Fund  
For Fourth Quarter Ending December 31, 2020**

Fund 07400	2020 Budget	2020 Actual	2019 Actual	2018 Actual
Operating Revenue	89,751,102	83,552,775	80,847,541	85,307,434
Operating Expense	58,238,899	52,683,038	56,489,656	56,236,815
Operating Margin	31,512,203	30,869,736	24,357,885	29,070,618
Change in Net Position		(1,916,359)	3,532,191	(11,935,885)
Net Position		281,351,092	274,934,233	271,402,042
Cash Balance		30,408,570	39,784,542	41,043,326

**Program Description:**

This Fund accounts for the administration, operation, maintenance, and capital investments of the Public Works Water Treatment and Distribution Services Division of the City. The City sells water to retail customers in the City as well as directly to wholesale customers – the cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, Edina, and the Metropolitan Airports Commission.

**Revenue:**

The operating revenues for the year 2020 was \$83,552,775 or 93.1% of the 2020 budgeted amount. This is an increase of \$2,705,234 compared to 2019 total of \$80,847,541. Increase in revenue is mainly due to increase in water usage and rate increases for the year.

**Expense:**

The operating expenses for the year totaled \$52,683,038 or 90.5% of the 2020 budget. This is \$3,806,619 , or 6.7%, lower than the 2019 actual amount of \$56,489,657 and reflects the following changes: (i) decrease in salaries and fringes by \$77,800; (ii) decrease in City services by \$446,564; (iii) decrease in chemical usage and treatment by \$690,169; (iv) decrease in fleet and capital outlay by \$1,419,558; (v) decrease in contractual and professional services relating to repairs, maintenance, upgrades, and construction works by \$1,467,925, and (vi) increase in electricity, other utility bills, and delivery services by \$285,397.

**Transfers:**

For 2020 the transfer amount of \$908,130 consists primarily of a \$879,121 operating transfer from the Sanitary Sewer Fund for its share of the cost of the meter shop. Through the end of the quarter, all of the transfers have been realized.

**Debt Service:**

Debt service payments relate to the bonds and notes sold to finance the Water Division’s capital improvement program. The amount of debt service for 2020, including both principal and interest payments, was \$18,769,733. During 2020, an additional \$18,565,000 in bonds were issued to finance water main, automated meter, renewable energy, renovation of the softening

plant chemical system, and various other capital projects. This additional debt issuance will increase debt service payments in future years.

**Cash Balance and Net Position:**

The ending cash balance as of December 31, 2020 was \$30,408,570 compared to \$39,784,542 at the end of 2019. City policy requires an operating cash reserve equal to or greater than three months of operating expenses. Based on the current budget, the targeted amount is \$14,559,725. The year-end cash balance and the stable operating revenue will provide adequate reserves to fund operations, capital programs, and debt service payments going into 2021.

**City of Minneapolis  
Municipal Parking Fund  
For the 4th Quarter Ended December 31, 2020**

Fund 07500	2020 Budget	12/31/20 Actuals	2019 Actuals
Revenue	73,363,481	44,496,892	71,758,459
Expenses	42,505,479	37,836,154	45,495,310
Operating Margin	30,858,002	6,660,738	26,263,149
Change in Net Position*		(18,633,847)	5,379,564
Net Position		186,629,065	205,262,912
Cash Balance		5,247,339	21,181,894

\* Change in Net Position includes all non-operating expenditures and revenues such as depreciation expense, bond interest expense and transfers between funds.

**Program Description:**

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

**Revenues:**

The 2020 fourth quarter actual operating revenues are down in comparison to 2019 by 38.0%. The decrease is from:

- On-street parking is down 37.8% compared to 2019.
- Off-street ramps and lots are down 39.9% compared to 2019.
- Impound Lot revenues are down 25.7% compared to 2019.

Overall revenues were down during the year of 2020 mainly due to the COVID-19 pandemic severely restricting both business and employment activity downtown. Impound lot revenue was also lower than 2019 due to less snow emergencies in 2020.

**Expenses:**

The 2020 operating expenses are lower than the 2019 expenses by 16.8%. The variance is from:

- Impound Lot expenses are down by 11.7% compared to 2019.
- On-street meters are down by 19.4% compared to 2019.
- Off-street ramps and lots are down 17.3% compared to 2019.

Overall, expenses were down as compared to 2019 mainly due to the COVID-19 pandemic severely restricting both business and employment activity downtown which lead to proactive reductions in fixed expenses, as well as some variable expenses being lower such as credit card fees.

**Transfers to and from other funds:**

The 2020 transfers into and out of the Parking Fund are programmed and planned according to the 2020 budget. During the year of 2020, \$216,125 was transferred in from Tax Increment Funding and \$12,750,684 of funds was transferred out (\$7,990,000 to the General Fund, \$4,614,684 to the Target Center and \$146,000 to Solid Waste).

**Debt Service:**

For 2020, the debt service budget is \$5,134,488. The outstanding balance of bond principal as of December 31, 2020 is \$30,845,000 and the outstanding balance of note principal is \$27,205,000. In 2019, \$6,875,000 of bonds were called and prepaid. The Convention Center has loaned the Parking Fund \$6,175,000 to reduce the debt service being paid by the Parking Fund. During 2020, \$4,000,000 in bonds were sold to fund Capital projects.

**Other Financial Items:**

The end of the fourth quarter 2020 cash balance is \$5,247,339 which is a decrease of \$15,934,555 from the 2019 year-end balance. The City's policy is to have a targeted cash balance equal to 25% of the operating budget (excluding non-city owned ramps). Therefore, the target cash balance, excluding the Off-Street Parking: State Owned-Direct Expense Budget is \$7,619,031. The difference is -\$2,371,692, which is primarily a result of revenues being under budget by \$28,866,589, due to the COVID-19 pandemic. This causes the fund to be under financial policy. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance.

**City Of Minneapolis**  
**Solid Waste and Recycling Fund**  
**For the Fourth Quarter Ending December 31, 2020**

Fund 07700	2020 Budget	2020 Actual	2019 Actual	2018 Actual
<b>Operating Revenue</b>	41,874,865	41,849,705	41,349,714	40,690,497
<b>Operating Expense</b>	40,293,535	42,743,384	40,497,181	39,831,922
<b>Operating Margin</b>	1,581,330	(893,679)	852,533	858,575
<b>Change in Net Position</b>		(5,190,073)	(3,593,613)	3,571,524
<b>Net Position</b>		18,089,400	23,279,473	26,873,087
<b>Cash Balance</b>		16,089,569	26,720,048	30,529,141

**Program Description**

The Solid Waste and Recycling Fund account for the City's solid waste and recycling collection, disposal, graffiti removal, and a solid waste transfer station that serves over 107,000 dwelling units. Pick-up services for trash, yard waste, and recyclables are provided on a weekly and a biweekly basis. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collections. Also accounted for in this fund are various initiatives such as Clean City neighborhood clean sweeps; city-wide litter and graffiti abatement and removals, and an organics program.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees through the monthly utility bills. The fund also receives yearly grants from Hennepin County. Additional revenue is generated through sales of recyclable materials, graffiti abatement, and miscellaneous services.

**Revenue**

With operating revenues through the end of the fourth quarter totaling \$41.8 million, 99.9% of the budgeted revenue has been realized. This is an increase of \$500,000 or 1.2%, compared to \$41.3 million earned through the fourth quarter of 2019. Utility revenues were \$39.4 million compared to \$38.6 million for 2019 for a gain of \$823,200 as a result of an increase in dwelling units and base rate increase of \$0.55 per dwelling unit. Rates were increased in order to fund increases in salaries, fringes, contractual and operating services and vehicle replacements. Recyclable Sales decreased from \$175,100 in 2019 to \$98,200 in 2020 due to deteriorating recycling market conditions. Charges for Other Services decreased from \$695,500 in 2019 to \$478,500 in 2020 largely due to the Transfer Station not being able to receive payments due to Covid-19 restrictions, The Hennepin County recycling grant totaled \$1,824,200, down from \$1,853,600 in 2019.

**Expenses:**

Operating expenses through the fourth quarter were \$42.7 million compared to \$40.5 million in 2019. This is an increase of \$2,246,200 or 5.5%. The biggest increase was Equipment expenses that increased by \$1,428,900 due to the timing of vehicle replacements. Due to Covid-19 and people working from home, as well as increases in



MRI's and SET's (disposal) rates, volume increased significantly from April and forward and therefore Disposal and Organics, increased by \$1,019,500, and \$436,800, respectively, compared to 2019. Admin expenses decreased by \$628,700 due to less software expenses related to the SWIS Now project.

**Transfers:**

Transfers into the Solid Waste and Recycling fund of \$4.8 million included \$146,000 from the Parking Fund for the Litter Container Program, \$325,000 from the General Fund for graffiti removal and zero waste studies, and a General Debt Service transfer of \$4,324,000 to cover a portion of the Debt Service payments related to the new facility.

**Debt Service:**

Bonds were sold for the new facility prior to 2020. The facility was occupied at the end of May of 2020. There were \$3,835,000 of bond principal payments through the fourth quarter of 2020. Interest payments were \$831,900 for the year.

**Cash and Net Positions:**

The Fund's cash balance as of the end of the fourth quarter was \$16.1 million and the net position amounted to \$18.1 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the projection, the 2020 targeted amount is \$10.7 million, leaving unrestricted cash reserve equivalent to \$5.4 million.

**CPED Enterprise Fund Component Programs  
For the Fourth Quarter Ending December 31, 2020**

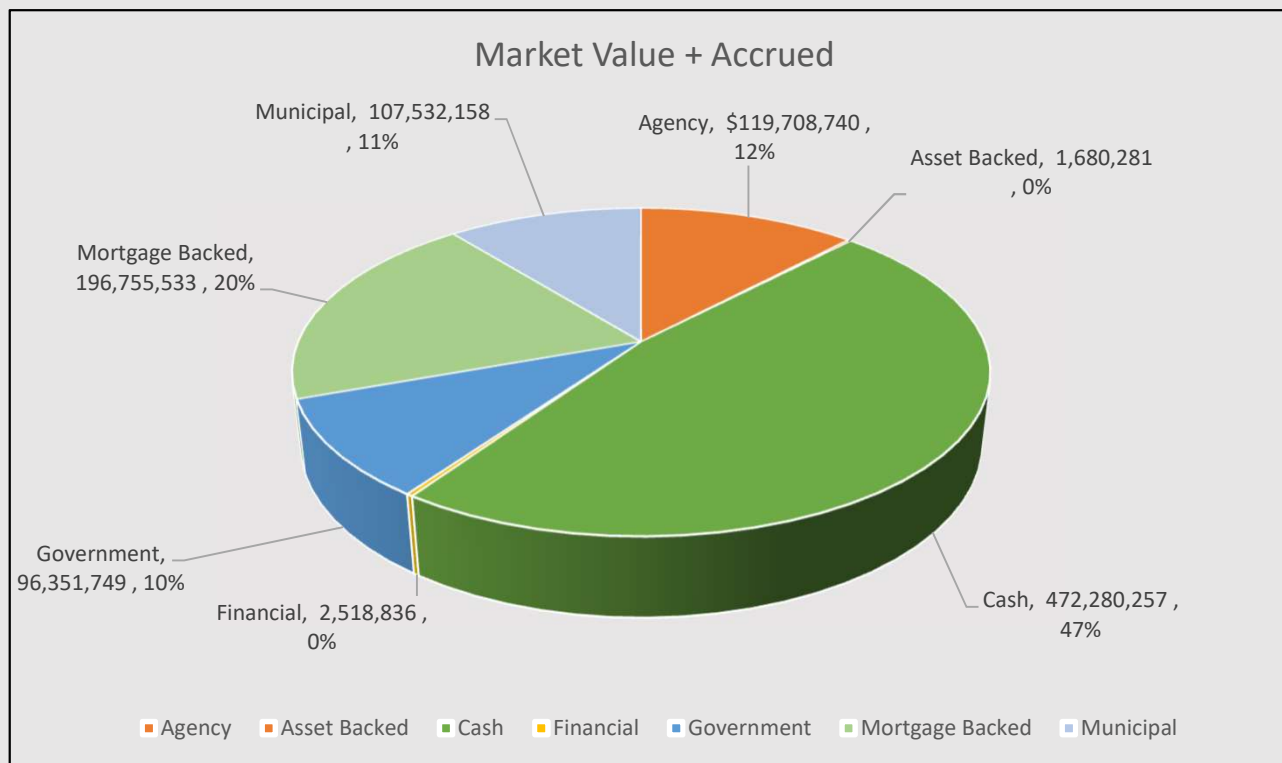
The **CPED Enterprise Fund** operated a series of business-type activities designed to enhance housing options and economic development within the City. Of the five program components operating within this fund, three programs have closed with two remaining active.

The **General Agency Reserve Fund System (GARFS)** is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the “A+” rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. Only the administrative operations portion of the fund is presented at December 31, 2020. Other information is maintained by a trustee and not available for inclusion for fourth quarter. The net position of the fund at the end of fourth quarter 2020 was \$1,952,487.

The **River Terminal** component operates a public terminal facility located on the Mississippi River in north Minneapolis. The barge related activities of the terminal have ended. The facility is currently used primarily as leased space for commodity storage. The City intends to redevelop the site for park and jobs-intensive business uses.

**Cash and Investment Report**  
12/31/2020

Account	Book Yield %	Book Value	Accrued	Unrlzd G/(L)	Market Value	Mkt Value + Accrued
Internal Managed	0.4	\$ 400,603,967	\$ 98,744	\$ 681	\$ 400,607,283	\$ 400,706,027
Internal Core	2.1	119,950,031	581,778	2,183,214	122,147,979	122,729,757
Core GPA	1.2	106,093,741	418,433	1,338,025	107,431,766	107,850,199
Core RBC	1.9	236,001,264	712,419	6,293,332	242,294,674	243,007,093
Core T. Rose	0.6	25,335,387	34,164	(13,970)	25,321,519	25,355,683
Bond Proceeds	0.8	71,331,875	-	-	71,331,878	71,331,878
General Agency Reserve Funds System	1.0	25,270,931	162,315	412,763	25,684,602	25,846,917
<b>Total Portfolio</b>	<b>1.1</b>	<b>\$ 984,587,196</b>	<b>\$ 2,007,853</b>	<b>\$ 10,214,046</b>	<b>\$ 994,819,701</b>	<b>\$ 996,827,554</b>
Development Debt Reserves		2,985,132			2,985,132	\$ 2,985,132
Cash on hand		6,528,139			6,528,139	6,528,139
<b>Total All Portfolios</b>	<b>1.1</b>	<b>\$ 994,100,466</b>	<b>\$ 2,007,853</b>	<b>\$ 10,214,046</b>	<b>\$ 1,004,332,972</b>	<b>\$ 1,006,340,824</b>



Market Sector	Market Value + Accrued	% of Portfolio
Agency	\$ 119,708,740	11.2%
Asset Backed	1,680,281	0.2%
Cash	472,280,257	38.2%
Financial	2,518,836	3.2%
Government	96,351,749	12.8%
Mortgage Backed	196,755,533	22.7%
Municipal	107,532,158	11.6%
	<b>\$ 996,827,554</b>	<b>100.0%</b>

Risk Metric	Value%
Duration	1.3
Convexity	0.1
WAL	1.3
Years to Final Maturity	4.1
Years to Effective Maturity	1.3
Yield	1.1
Book Yield	1.4
Avg Credit Rating	AAA/Aaa/AAA

# GENERAL FUND HISTORICAL ANALYSIS WORKSHEET

Revenues:	2017 Actual	2018 Actual	2019 Actual	2020 Actual	Increase (Decrease) 2019 to 2020		Total Increase (Decrease) 2017-2020		Average Yearly Change	
					\$	%	\$	%	\$	%
Property Taxes	180,883,107	193,250,285	205,538,763	\$ 232,257,310	26,718,547	13.0%	51,374,203	28.4%	17,124,734	9.5%
Local Tax*	81,977,678	63,942	19,817	-	(19,817)	-100.0%	(81,977,678)	-100.0%		
State Aids	84,110,670	85,903,260	86,563,548	89,602,651	3,039,103	3.5%	5,491,981	6.5%	1,830,660	2.2%
Charges for Services	53,407,484	56,649,434	60,922,907	55,566,849	(5,356,058)	-8.8%	2,159,365	4.0%	719,788	1.3%
Franchise Fees	32,143,175	34,771,576	32,369,911	31,181,085	(1,188,826)	-3.7%	(962,090)	-3.0%	(320,697)	-1.0%
Licenses and Permits	45,205,194	47,480,900	55,729,199	45,858,727	(9,870,472)	-17.7%	653,533	1.4%	217,844	0.5%
Fines and Forfeits	7,556,399	7,137,929	7,245,779	4,489,659	(2,756,120)	-38.0%	(3,066,740)	-40.6%	(1,022,247)	-13.5%
Special Assessments	3,151,941	2,981,234	3,416,921	3,182,777	(234,144)	-6.9%	30,836	1.0%	10,279	0.3%
Investment Income	3,186,280	6,955,384	14,184,157	12,144,410	(2,039,747)	-14.4%	8,958,130	281.1%	2,986,043	93.7%
Other Shared Taxes	1,019,880	1,858,632	1,862,241	1,687,151	(175,090)	-9.4%	667,271	65.4%	222,424	21.8%
Other Miscellaneous	972,406	3,269,956	923,405	1,834,112	910,707	98.6%	861,706	88.6%	287,235	29.5%
Contributions	5,234	1,343	8,002	-	(8,002)	-100.0%	32,276,786	616675.3%	10,758,929	205558.4%
Federal Aid - CARES	-	-	-	32,282,020	32,282,020	100.0%	32,282,020	100.0%		
<b>Total Revenues</b>	<b>493,619,448</b>	<b>440,323,875</b>	<b>468,784,650</b>	<b>510,086,750</b>	<b>9,020,080</b>	<b>1.9%</b>	<b>16,467,302</b>	<b>3.3%</b>	<b>5,489,101</b>	<b>1.1%</b>
Transfers In	12,498,777	39,887,000	60,197,000	25,889,000	(34,308,000)	-57.0%	13,390,223	107.1%	4,463,408	35.7%
<b>Revenues and Other Sources</b>	<b>506,118,225</b>	<b>480,210,875</b>	<b>528,981,650</b>	<b>535,975,750</b>	<b>(25,287,920)</b>	<b>-4.8%</b>	<b>29,857,525</b>	<b>5.9%</b>	<b>9,952,508</b>	<b>2.0%</b>
<b>Expenditures :</b>										
Police	162,435,753	173,676,579	176,189,638	178,696,194	2,506,556	1.4%	16,260,441	10.0%	5,420,147	3.3%
Fire	66,165,942	67,585,950	69,151,380	69,384,576	233,196	0.3%	3,218,634	4.9%	1,072,878	1.6%
Human Resources	7,293,288	7,391,375	7,173,616	6,919,245	(254,371)	-3.5%	(374,043)	-5.1%	(124,681)	-1.7%
Finance and Property Services	22,125,701	22,220,529	22,799,309	23,013,708	214,399	0.9%	888,007	4.0%	296,002	1.3%
911	9,714,416	9,487,224	9,917,500	9,286,286	(631,214)	-6.4%	(428,130)	-4.4%	(142,710)	-1.5%
311	4,113,129	3,980,428	4,189,331	3,988,270	(201,061)	-4.8%	(124,859)	-3.0%	(41,620)	-1.0%
City Coordinator	4,739,974	6,072,608	7,263,976	7,495,103	231,127	3.2%	2,755,129	58.1%	918,376	19.4%
Intergov Relations	1,536,770	1,497,351	1,442,794	1,451,686	8,892	0.6%	(85,084)	-5.5%	(28,361)	-1.8%
Communications	2,235,576	2,323,431	2,258,411	2,308,420	50,009	2.2%	72,844	3.3%	24,281	1.1%
Emergency Management	1,170,264	1,127,914	1,039,771	2,360,708	1,320,937	127.0%	1,190,444	101.7%	396,815	33.9%
Neighbrhd and Comm Rel	264,209	810,659	692,544	829,734	137,190	19.8%	565,525	214.0%	188,508	71.3%
<b>Coordinator - Total</b>	<b>53,193,327</b>	<b>54,911,518</b>	<b>56,777,252</b>	<b>57,653,161</b>	<b>875,909</b>	<b>1.5%</b>	<b>4,459,834</b>	<b>8.4%</b>	<b>1,486,611</b>	<b>2.8%</b>
Trans Plan and Design	1,819,860	2,013,312	2,301,892	2,433,243	131,351	5.7%	613,383	33.7%	204,461	11.2%
Transportation Plan Programming	2,266,508	2,774,212	2,645,146	2,645,146	(129,066)	-4.7%	378,638	16.7%	126,213	5.6%
Trans Maint and Repair	34,295,211	39,466,311	41,631,530	35,668,786	(5,962,744)	-14.3%	1,373,575	4.0%	457,858	1.3%
Administration	3,850,016	3,886,294	3,798,485	3,955,962	157,477	4.1%	105,946	2.8%	35,315	0.9%
Traf and Parkng Svcs	17,318,058	17,060,005	18,020,421	17,737,773	(282,648)	-1.6%	419,715	2.4%	139,905	0.8%
<b>Public Works - Total</b>	<b>59,549,653</b>	<b>65,299,899</b>	<b>68,526,540</b>	<b>62,440,909</b>	<b>(6,085,631)</b>	<b>-8.9%</b>	<b>2,891,256</b>	<b>4.9%</b>	<b>963,752</b>	<b>1.6%</b>
Regulatory Services	19,398,893	20,293,398	20,779,051	20,214,376	(564,675)	-2.7%	815,483	4.2%	271,828	1.4%
Attorney	9,675,770	9,701,826	9,837,466	9,112,900	(724,566)	-7.4%	(562,870)	-5.8%	(187,623)	-1.9%
City Council & City Clerk	10,530,914	12,312,745	11,096,018	13,854,338	2,758,320	24.9%	3,323,424	31.6%	1,107,808	10.5%
Culture and Recreation -Library	780,000	-	-	-	-	100.0%	(780,000)	-100.0%	(260,000)	-100.0%
Contingency**	-	-	-	2,400,000	2,400,000	100.0%	2,400,000	100.0%	800,000	100.0%
Assessor	5,189,041	5,593,191	5,602,225	5,599,800	(2,423)	0.0%	410,761	7.9%	136,920	2.6%
CPED	33,460,311	35,964,087	36,091,645	34,958,123	(1,133,522)	-3.1%	1,497,812	4.5%	499,271	1.5%
Health	10,425,848	11,675,967	13,994,818	18,629,385	4,634,567	33.1%	8,203,537	78.7%	2,734,512	26.2%
Civil Rights	3,728,355	4,021,500	4,601,210	4,567,551	(33,659)	-0.7%	839,196	22.5%	279,732	7.5%
Mayor	2,001,246	2,395,845	2,438,761	2,282,997	(155,764)	-6.4%	281,751	14.1%	93,917	4.7%
Internal Audit	594,514	668,800	699,814	724,587	24,773	3.5%	130,073	21.9%	43,358	7.3%
<b>Total Expenditures</b>	<b>437,129,567</b>	<b>464,101,307</b>	<b>475,785,818</b>	<b>480,518,899</b>	<b>4,733,081</b>	<b>1.0%</b>	<b>43,389,332</b>	<b>9.9%</b>	<b>14,463,111</b>	<b>3.3%</b>
Transfers Out	59,388,203	29,010,855	29,348,631	14,946,396	(14,402,235)	-49.1%	(44,441,807)	-74.8%	(14,813,936)	-24.9%
<b>Expenditures and Other Uses</b>	<b>496,517,770</b>	<b>493,112,162</b>	<b>505,134,449</b>	<b>495,465,295</b>	<b>(9,669,154)</b>	<b>-1.9%</b>	<b>(1,052,475)</b>	<b>-0.2%</b>	<b>(350,825)</b>	<b>-0.1%</b>
<b>Change in Fund Balance</b>	<b>9,600,455</b>	<b>(12,901,287)</b>	<b>23,847,201</b>	<b>40,510,456</b>	<b>16,663,255</b>	<b>173.6%</b>	<b>30,910,001</b>	<b>322.0%</b>	<b>10,303,334</b>	<b>107.3%</b>
<b>Fund Balance - January 1</b>	<b>107,497,379</b>	<b>117,097,834</b>	<b>104,196,547</b>	<b>128,040,017</b>				<b>0.0%</b>		
<b>Fund Balance - December 31</b>	<b>117,097,834</b>	<b>104,196,547</b>	<b>128,043,748</b>	<b>168,550,473</b>	<b>40,506,725</b>	<b>34.6%</b>	<b>51,452,639</b>	<b>43.9%</b>	<b>17,150,880</b>	<b>14.6%</b>

\*Between 2015 and 2017, all Local Tax were deposited directly into the General Fund and the General Fund increased transfers out to the Convention Center to cover the difference between the costs of operations/capital and its operating revenues. Beginning in 2018, Local Taxes were all deposited in the Downtown Assets Fund and a transfer in was created to move funds to the General Fund.

\*\* In 2020, \$2,400,000 was paid to Park Board (\$2,000,000) and MPHA (\$400,000) in accordance with agreements to use part of the City's CARES allocation to support those entities' expenditures.

# City of Minneapolis

## Financial Strength Analysis - 4th Quarter 2020

FINANCIAL STRENGTH ANALYSIS - (in millions)					Increase (Decrease) Compared to 2019		Total Increase (Decrease) 2017 - 2020		Average Annual Increase (Decrease)	
	2017	2018	2019	2020	\$	%	\$	%	\$	%
General Fund Cash Balance	131.8	121.3	146.3	187.7	41.4	31.4%	55.9	42.4%	18.6	14.1%
General Fund Total Fund Balance	117.1	104.2	128.0	168.6	40.6	34.7%	51.5	44.0%	17.2	14.7%
Overall City Cash Position*	792.0	876.6	967.8	978.6	10.8	1.4%	186.6	23.6%	62.2	7.9%
Overall City Net Assets/Position**	2,083.6	2,257.8	2,424.0		(2,424.0)	-116.3%	(2,083.6)	-100.0%	(694.5)	-33.3%
Overall Unrestricted Net Assets/Position**	(274.4)	(314.9)	(130.5)		130.5	-47.6%	274.4	-100.0%	91.5	-33.3%
<b>SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>										
Convention Center - Cash	56.6	35.6	20.0	14.5	(5.5)	-9.7%	(42.1)	-74.4%	(14.0)	-24.8%
Convention Center - Fund Balance	52.1	29.6	33.4	12.4	(21.0)	-40.3%	(39.7)	-76.2%	(13.2)	-25.4%
Arena Fund (Target Center) - Cash	10.1	12.2	9.5	4.0	(5.5)	-54.5%	(6.1)	-60.4%	(2.0)	-20.1%
Arena Reserve (Target Center) - Fund Balance	8.7	10.5	7.5	3.5	(4.0)	-46.0%	(5.2)	-59.8%	(1.7)	-19.9%
Downtown Assets Fund - Cash	-	16.2	8.8	39.9	31.1	100.0%				
Downtown Assets Fund - Fund Balance	-	26.0	16.2	46.5	30.3	100.0%				
Police SRF - Cash	2.2	2.2	2.8	2.6	(0.2)	-9.1%	0.4	18.2%	0.1	6.1%
Police SRF - Fund Balance	2.6	2.4	2.9	2.8	(0.1)	-3.8%	0.2	7.7%	0.1	2.6%
NCR SRF - Cash	3.5	3.6	3.5	3.5	0.0	0.0%	0.0	0.0%	0.0	0.0%
NCR SRF - Fund Balance	3.3	3.3	3.1	3.1	0.0	0.0%	(0.2)	-6.1%	(0.1)	-2.0%
Regulatory Services SRF - Cash	3.5	2.0	1.2	0.1	(1.1)	-31.4%	(3.4)	-97.1%	(1.1)	-32.4%
Regulatory Services SRF - Fund Balance	3.5	2.0	1.1	0.2	(0.9)	-25.7%	(3.3)	-94.3%	(1.1)	-31.4%
Grant Funds - Cash	5.3	0.4	6.0	7.5	1.5	28.3%	2.2	41.5%	0.7	13.8%
Grant Funds - Fund Balance	11.2	4.9	4.4	10.0	5.6	50.0%	(1.2)	-10.7%	(0.4)	-3.6%
Comm Planng & Econ Dev (CPED) - Cash Total	177.8	210.4	199.9	209.6	9.7	5.5%	31.8	17.9%	10.6	6.0%
Comm Planng & Econ Dev (CPED) - Fund Bal Total	214.4	245.7	230.5	241.6	11.1	5.2%	27.2	12.7%	9.1	4.2%
Employee Retirement Funds - Cash	29.0	31.1	36.5	23.1	(13.4)	-46.2%	(5.9)	-20.3%	(2.0)	-6.8%
Employee Retirement Funds - Fund Balance	29.2	31.3	36.7	36.6	(0.1)	-0.3%	7.4	25.3%	2.5	8.4%
Other Special Revenue Funds - Cash	0.5	0.5	0.6		(0.6)	-120.0%	(0.5)	-100.0%	(0.2)	-33.3%
Other Special Revenue Funds - Fund Balance	0.5	0.5	6.9		(6.9)	-1380.0%	(0.5)	-100.0%	(0.2)	-33.3%
<b>Total Special Revenue Funds - Cash</b>	<b>288.5</b>	<b>314.2</b>	<b>288.8</b>	<b>304.8</b>	<b>16.0</b>	<b>5.5%</b>	<b>(23.6)</b>	<b>-8.2%</b>	<b>(7.9)</b>	<b>-2.7%</b>
<b>Total Special Revenue Funds - Fund Balance</b>	<b>325.5</b>	<b>356.2</b>	<b>342.7</b>	<b>356.7</b>	<b>14.0</b>	<b>4.3%</b>	<b>(15.3)</b>	<b>-4.7%</b>	<b>(5.1)</b>	<b>-1.6%</b>

\* 2019 amount is Market Value of cash and cash equivalents as reported in the City of Minneapolis Comprehensive Annual Financial Report (CAFR); does not include approximately \$35.2M invested for General Agency Reserve Fund Systems (GARFS) and \$67.1M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)					Increase (Decrease) Compared to 2019		Total Increase (Decrease) 2017 - 2020		Average Annual Increase (Decrease)	
	2017	2018	2019	2020	\$	%	\$	%	\$	%
<b>INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>										
Engr. Materials & Testing - Cash	1.5	1.6	2.1	2.0	(0.1)	-6.7%	0.5	33.3%	0.2	11.1%
Engr. Materials & Testing - Net Position	(0.1)	0.4	0.5	0.5	0.0	0.0%	0.6	-600.0%	0.2	-200.0%
Equipment Services - Cash	30.4	26.0	33.7	23.1	(10.6)	-34.9%	(7.3)	-24.0%	(2.4)	-8.0%
Equipment Services - Net Position	74.5	86.2	93.8	93.6	(0.2)	-0.3%	19.1	25.6%	6.4	8.5%
Property Services - Cash	8.1	9.6	8.2	6.3	(1.9)	-23.5%	(1.8)	-22.2%	(0.6)	-7.4%
Property Services - Net Position	28.4	32.0	33.9	31.6	(2.3)	-8.1%	3.2	11.3%	1.1	3.8%
PW Stores - Cash	2.0	3.1	2.5	1.1	(1.4)	-70.0%	(0.9)	-45.0%	(0.3)	-15.0%
PW Stores - Net Position	5.3	5.6	5.6	5.6	0.0	0.0%	0.3	5.7%	0.1	1.9%
Intergovernmental Services - Cash	23.6	22.0	15.1	7.6	(7.5)	-31.8%	(16.0)	-67.8%	(5.3)	-22.6%
Intergovernmental Services - Net Position	47.4	41.2	30.7	20.5	(10.2)	-21.5%	(26.9)	-56.8%	(9.0)	-18.9%
Self Insurance Fund - Cash	90.0	102.9	93.6	108.1	14.5	16.1%	18.1	20.1%	6.0	6.7%
Self Insurance Fund - Net Position	23.8	12.4	(20.3)	(5.4)	14.9	62.6%	(29.2)	-122.7%	(9.7)	-40.9%
<b>Total Internal Service Funds - Cash</b>	<b>155.6</b>	<b>165.2</b>	<b>155.2</b>	<b>148.2</b>	<b>(7.0)</b>	<b>-4.5%</b>	<b>(7.4)</b>	<b>-4.8%</b>	<b>(2.5)</b>	<b>-1.6%</b>
<b>Total Internal Service Funds - Net Position</b>	<b>179.3</b>	<b>177.8</b>	<b>144.2</b>	<b>146.4</b>	<b>2.2</b>	<b>1.2%</b>	<b>(32.9)</b>	<b>-18.3%</b>	<b>(11.0)</b>	<b>-6.1%</b>
<b>ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>										
Sanitary Sewer - Cash	17.8	4.5	7.4	13.3	5.9	33.1%	(4.5)	-25.3%	(1.5)	-8.4%
Sanitary Sewer - Net Position	121.2	122.4	129.4	141.4	12.0	9.9%	20.2	16.7%	6.7	5.6%
Stormwater - Cash	27.1	26.6	33.1	28.7	(4.4)	-16.2%	1.6	5.9%	0.5	2.0%
Stormwater - Net Position	333.0	339.4	347.2	333.1	(14.1)	-4.2%	0.1	0.0%	0.0	0.0%
Water Enterprise - Cash	40.1	48.4	46.1	30.4	(15.7)	-39.2%	(9.7)	-24.2%	(3.2)	-8.1%
Water Enterprise - Net Position	250.8	271.4	283.3	281.4	(1.9)	-0.8%	30.6	12.2%	10.2	4.1%
Municipal Parking - Cash	26.5	13.8	21.5	5.2	(16.3)	-61.5%	(21.3)	-80.4%	(7.1)	-26.8%
Municipal Parking - Net Position	212.2	199.9	206.0	186.6	(19.4)	-9.1%	(25.6)	-12.1%	(8.5)	-4.0%
Solid Waste & Recycling - Cash	24.5	30.5	26.7	16.1	(10.6)	-43.3%	(8.4)	-34.3%	(2.8)	-11.4%
Solid Waste & Recycling - Net Position	25.3	26.9	30.7	18.1	(12.6)	-49.8%	(7.2)	-28.5%	(2.4)	-9.5%
Comm Planng & Econ Dev (CPED) - Cash**	1.5	0.1	0.0	0.0	0.0	0.0%	(1.5)	-100.0%	(0.5)	-33.3%
Comm Planng & Econ Dev (CPED) - Net Position	40.3	39.1	32.6	31.5	(1.1)	-2.7%	(8.8)	-21.8%	(2.9)	-7.3%
<b>Total Enterprise Funds - Cash</b>	<b>137.5</b>	<b>123.9</b>	<b>134.8</b>	<b>93.7</b>	<b>(41.1)</b>	<b>-29.9%</b>	<b>(43.8)</b>	<b>-31.9%</b>	<b>(14.6)</b>	<b>-10.6%</b>
<b>Total Enterprise Funds - Net Position</b>	<b>982.8</b>	<b>999.1</b>	<b>1,029.2</b>	<b>992.1</b>	<b>(37.1)</b>	<b>-3.8%</b>	<b>9.3</b>	<b>0.9%</b>	<b>3.1</b>	<b>0.3%</b>

\*\*Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.