

January 12, 2021

LETTER OF TRANSMITTAL

Dear Residents of the City of Minneapolis:

Transmitted, herewith, please find the Fiscal Year 2021 Budget (beginning January 1, 2021 and ending December 31, 2021) for the City of Minneapolis. The annual budget is a policy document which sets the financial course for the City of Minneapolis and defines the service priorities for the community. Adopting and monitoring the budget is a key role of the Mayor and City Council. The budget process affords the Mayor and City Council the opportunity to balance the needs of the City and available resources. The 2021 Adopted Budget is \$1.47 billion, excluding transfers. The budget is structurally balanced and is funded through steady business license fee revenues, sales tax revenue, and a property tax levy reflecting a total increase of 5.75% in the City's tax levy compared to 2020.

The various sections of this budget document provide detailed information about the City and its finances. The Introduction section includes an explanation of how to use the remainder of the document. The Financial Overview section provides details on the City's continued fiscal discipline and financial planning efforts. The City's Strategic Planning efforts and governing Financial Policies follow in their respective sections. The City's financial future as depicted by the Five-Year Financial Direction and six-year capital infrastructure and equipment programs can be found in the subsequent Financial Plans and Capital Program sections. The Operating Departments section provides detailed information for each department, including the mission, business lines, and revenue and expenses.

Information regarding the City's Independent Boards and Commissions, which adopt their own budgets, is contained in the Independent Boards section. Near the end of the document are Financial Schedules that represent the legally adopted appropriations, revenue estimates, project allocations, fees, and charges.

Priorities and Issues

In 2021 Minneapolis will continue to grapple with the COVID-19 pandemic and its impact to our public health and economy. Social distancing measures that are essential to slowing the spread of the virus have also drastically reduced sales tax revenue for the City as well as the personal incomes of many City residents. In 2021 policy makers addressed both new and increased need in our city related to this global health crisis and did so with fewer City resources.

In 2020 the City saw a projected decrease in revenues of over \$100 million. At the same time the City set up free testing sites for COVID-19, distributed personal protection equipment like masks and hand sanitizer, communicated accurate and timely health information to the public, and supported businesses and residents that were suddenly out of work as a result of social distancing restrictions. In May 2020 the death of George Floyd ignited protests in Minneapolis and around the world, sparked civil unrest and continued the urgent public discussion of the future of policing in our city and country. Policy makers responded to these urgent needs, both novel and painfully persistent, in the 2021 budget and did so with total revenues that were 7.2% lower than pre-pandemic projections.

This budget includes \$7.2M in new funding for affordable housing and increases ongoing funding for the Commercial Property Development Fund by \$500,000. It also provides a one-time increase to that fund of \$5M to support communities and businesses as they recover from the pandemic and unrest of 2020. This budget funds new strategies for public safety as recommended by a City workgroup after careful analysis, community engagement and policy maker deliberations, investing \$8.6M to support work in the City coordinator's office, and the Office of Violence Prevention.

This budget includes cuts to service levels in response to lowered sales tax revenues, but also to free up resources to fund the investments detailed above. Departments will hold open nearly 300 positions in 2021, with a planned phased return of funded positions throughout the enterprise in 2022–2024. This budget includes thoughtful reorganization by City departments that have allowed them to maintain our City's most important services, while lowering spending in 2021.

Future Considerations

The City's financial health is strong—but that is only because of hard work, planning, and diligence. The five-year financial direction adopted in this budget calls for continued annual property tax increases of between 3.76 and 5.73% in order to continue providing current service levels and gradually bring staffing levels at the City back to pre-pandemic levels. Planned increases also fund the cost of several programs, including elections, the 20 Year Parks and Streets Investment Plan set in ordinance, Neighborhood Programs, and the Neighborhood and Community Relations department after the original funding arrangements for those programs expired at the end of 2020.

In 2021 Minneapolis will begin to rebuild and recover after a year of unforeseen challenges. This budget maintains core public services while making strategic investments to support that recovery. Over the coming years the City will continue to grapple with balancing rising cost pressures with the need to add additional investments as our population continues to grow, change, and require additional or different services. We are confident that in conjunction with City staff and engaged residents, the proper balance will be met.

Sincerely,



Jacob Frey,
Mayor



Lisa Bender,
Council President

Linea Palmisano
Chair, Budget

**City of Minneapolis
2021 Adopted Budget**

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City of Minneapolis 2021 Adopted Budget

How to Use This Document

The budget book contains some of the best sources of information on governmental activities as well as key financial information for policy makers and managers. The highlights below will guide the reader through the various sections of the budget document.

| | |
|--|--|
| Table of Contents | The table of contents allows the user to pinpoint the page of a particular part of the City's budget. |
| Introduction and Background Information | <p>This section contains a community profile of the City of Minneapolis, including an overview of the City's history, economy, population, and attractions. The section also includes lists of the City's elected officials, department and agency heads, the City's budget principles, and a citywide organization chart. A map of Minneapolis Communities and Neighborhoods and descriptions of the City's form of government are included in this section, as well as a chronology of financial decision making for the City.</p> <p>Descriptions of the major City funds are included in this section, including a bird's - eye view of the relationship between fund types, revenue sources, expenditures and departments/boards.</p> |
| Financial Overview | <p>This section summarizes the key decisions and financial issues addressed in the budget. It includes key charts and graphs which depict the various portions of the City's budget and key revenue trends. A chart of the Minneapolis property tax levy recommendation appears in this section.</p> <p>This section also contains a summary of major decisions in the budget, and enterprise level challenges.</p> |
| Strategic Planning | The strategic planning section lists the set of City goals and strategic directions. The citywide strategic plan provides clear direction for departments' business planning efforts. Annual budget process, dates for this year's budget process, and a description of integration of key processes follow. The City's financial decision calendar displays the annual flow of these processes. Links between the City goals and department five-year business plan goals are described in this section. |
| Financial Policies | This section presents the major financial policies adopted by the City Council and Mayor. |
| Financial Plans | <p>Financial plans for the City's major funds and business lines are found in this section. The five-year financial direction begins this section. A summary of the demands on the property tax levy is included.</p> <p>For fund level plans, the budget, a three-year forecast and two years of actual expenditures are displayed on the financial page. These plans include narratives which summarize what operations are run in the fund, historical financial performance, and current year expenses, revenues, transfers and debt service.</p> |
| Operating Departments | <p>This section provides the most detail on a department-by-department basis, including departments' financial summaries. These summaries include expenditures by program, type (<i>i.e.</i> salaries, benefits, contractual services and operating expenses) and fund; the department's revenue estimates; and positions.</p> <p>Narrative summaries for each department, including primary businesses and program descriptions are included. A brief financial overview of the department is prepared by finance staff. Department organizational charts are included in this section.</p> |

| | |
|----------------------------|--|
| Capital Program | <p>This section outlines the capital program by funding source and in total. A narrative summarizes the program and presents operating cost impacts as described by applicants for the funds. Information about the City's debt - the legal debt margin, outstanding debt, amortization of the debt, and the bond redemption levy - is included. A separate table of contents and glossary are included for this section.</p> <p>The program is also summarized by the commission, board or department which submitted the request along with each major program. A five-year total of the capital program and its allocations are included. A presentation by amount requested by the department/agency, the capital long range improvement committee recommendation, the Mayor's recommend budget, and the adopted budget follows.</p> |
| Independent Boards | <p>This section provides information in a format similar to the City Council operating departments for independent boards. The amounts included are generally those most recently approved by the board of the organization.</p> |
| Financial Schedules | <p>These schedules summarize interfund transactions, revenues by major category, expenditures by fund and agency, the community development block grant program, community planning and economic development program allocations, and positions by department, charges for technology, fleet, property services, rent, and general fund overhead costs by department, all referenced in the appropriation resolutions.</p> |
| Glossary | <p>A glossary is included for key financial and City terms. A more detailed glossary is available on the City of Minneapolis website. For more detail please reference the Glossary section of the City Council's Policies and Procedures page.</p> |

City of Minneapolis 2021 Budget

Elected and Public Officials

Mayor

Jacob Frey

City Council

| | |
|--------------------------------|-----------|
| Lisa Bender, President | 10th Ward |
| Andrea Jenkins, Vice President | 8th Ward |
| Kevin Reich | 1st Ward |
| Cam Gordon | 2nd Ward |
| Steve Fletcher | 3rd Ward |
| Phillipe Cunningham | 4th Ward |
| Jeremiah Ellison | 5th Ward |
| Jamal Osman | 6th Ward |
| Lisa Goodman | 7th Ward |
| Alondra Cano | 9th Ward |
| Jeremy Schroeder | 11th Ward |
| Andrew Johnson | 12th Ward |
| Linea Palmisano | 13th Ward |

Board of Estimate and Taxation

| | |
|------------------------------|--|
| Jacob Frey | Mayor |
| Lisa Bender | City Council President |
| Steve Fletcher | Chair, City Council Finance Subcommittee |
| Carol Becker, Vice President | Elected Member |
| Jono Cowgill | President, Park Board |
| David Wheeler, President | Elected Member |

Minneapolis Park and Recreation Board

| | |
|--------------------------------|-------------------------|
| Jono Cowgill, President | Commissioner District 4 |
| Latrisha Vetaw, Vice President | Commissioner At Large |
| Chris Meyer | Commissioner District 1 |
| Kale Severson | Commissioner District 2 |
| AK Hassan | Commissioner District 3 |
| Stephanie Musich | Commissioner District 5 |
| Brad Bourn | Commissioner District 6 |
| Meg Forney | Commissioner At Large |
| Londel French | Commissioner At Large |

Charter Department Heads / Assistant City Coordinators

| | |
|-------------------|---|
| Dushani Dye | Chief Finance Officer |
| Paul Cameron | Interim Chief Information Officer |
| Patrick Todd | City Assessor |
| Jim Rowader | City Attorney |
| Casey Carl | City Clerk |
| Mark Ruff | City Coordinator |
| Velma Korbel | Civil Rights Director |
| Greta Bergstrom | Communications Director |
| Andrea Brennan | Interim Community Planning and Economic Development Director |
| Jeff Johnson | Convention Center, Director |
| Bryan Tyner | Fire Chief |
| Gretchen Musicant | Health Commissioner |
| Patience Ferguson | Chief Human Resources Officer |
| Fatima Moore | Intergovernmental Relations Director |
| Ryan Patrick | Interim Director of Internal Audit |
| David Rubedor | Neighborhood and Community Relations Director |
| Kim Keller | Director of Regulatory Services |
| Medaria Arradondo | Police Chief |
| Robin Hutcheson | Public Works Director |

Independent Boards/Agencies

| | |
|--------------|--|
| Abdi Warsame | Public Housing Authority Executive Director |
| Al Bangoura | Minneapolis Park and Recreation Superintendent |

City of Minneapolis 2021 Adopted Budget

Budget Principles

1. **Secure the City's long-term financial health.**

- Plan budgets based on ten-year outlook.
- Balance budgets across all funds.

2. **Live within our means.**

- Adopt a revenue and debt policy before making spending decisions.
- Adopt consistent budget policies across all City government units including independent boards.

3. **Challenge assumptions - nothing is off the table.**

- Development agency resources are City resources.
- Unexpected revenue sources go through the same budget process as other revenue.
- While some functions may be identified as core services, they will be scrutinized for efficiencies like anything else.

4. **Provide choices and competition.**

- Departments will provide business plans that include feasible budget options to policymakers.
- Elected officials will make strategic resource decisions, not across-the-board cuts.
- Individual projects in a particular area must not be considered for funding independently of other projects.

5. **Build in collaborative and transparent decision-making.**

- Mayor will involve Council Members and independent agencies and boards in the development of the budget. Employee suggestions and the citizen survey will also be used.

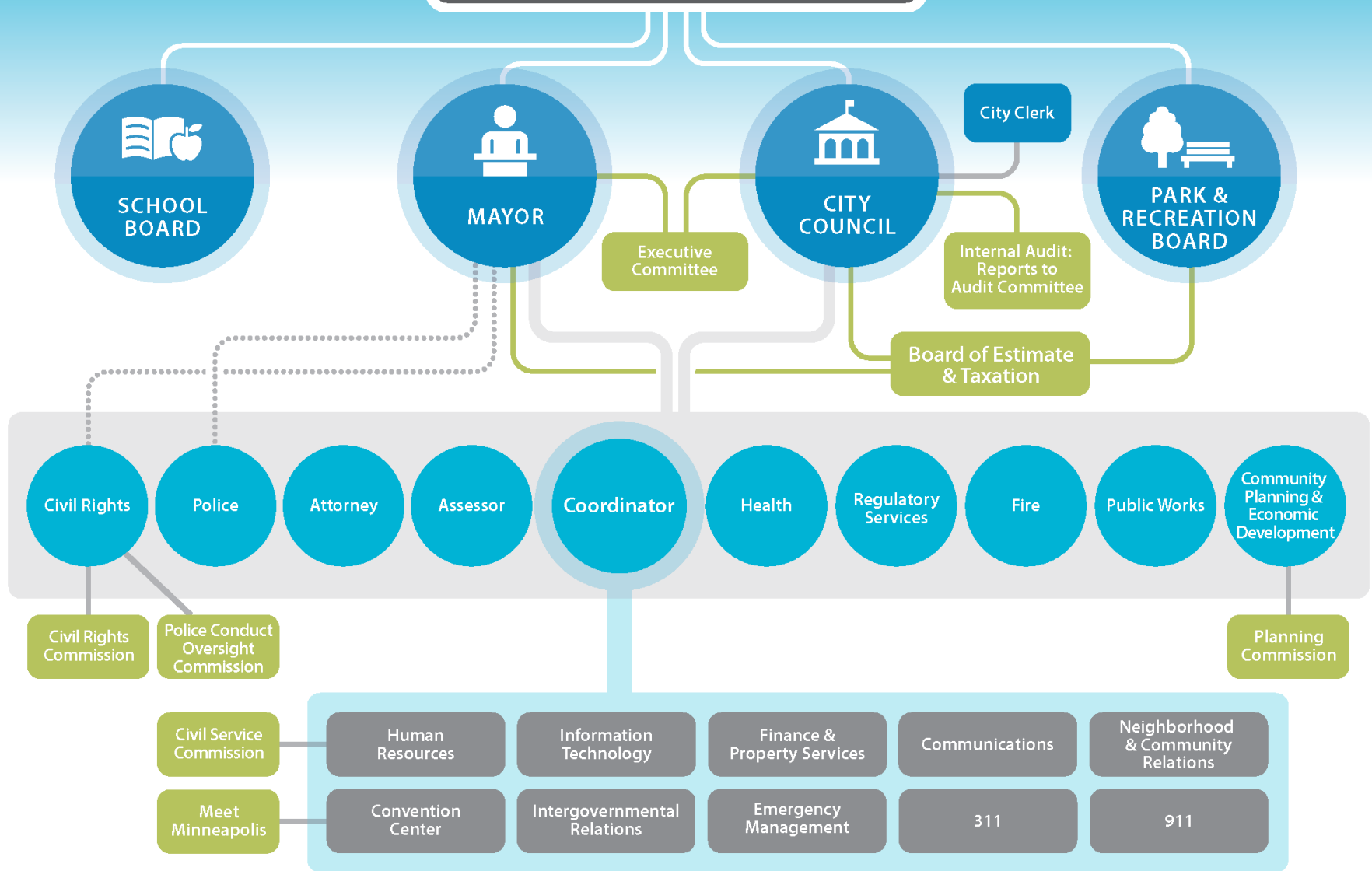
6. **Protect core service delivery by avoiding duplication - both internal and external.**

- Between different City departments and agencies,
- With the county, state, independent boards, or other levels of government,
- With non-profits or the private sector and
- Consolidation or realignment of critical functions is an option.

7. **Demand accountability.**

- Departments are expected to produce measurable outcomes (x dollars = y level of service). Failure to produce measurements will not result in escape from budget cuts.
- Department heads must manage to budget.

RESIDENTS OF MINNEAPOLIS



City of Minneapolis 2021 Adopted Budget

Background Information

COMMUNITY PROFILE

Minneapolis combines the Dakota word for water ("minne") with the Greek word for city ("polis"), a fitting name for the City with 22 of Minnesota's more than 12,000 lakes. Minneapolis is renowned for being an attractive and livable city combining the best of urban life with a strong sense of neighborhood community. Residents enjoy access to jobs, a variety of housing, quality education, exciting cultural and recreational opportunities in beautiful natural surroundings.



Location

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



Climate

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

SOCIAL

History

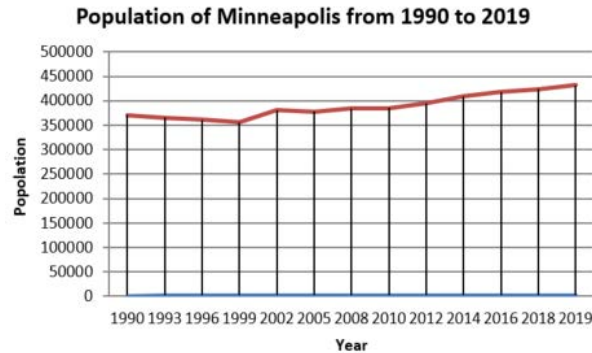
Present-day Minneapolis was Dakota homeland until 1805 when new treaties increased the encroachment by Euro-American settlers into the area. By 1851, a treaty opened the west side of the Mississippi River to settlement resulting in a relocation of the Dakota people.

Early settlers, looking to utilize the river for transportation and power, built home and businesses along both sides of the Mississippi near St. Anthony Falls resulting in the development of two separate villages, Minneapolis and St. Anthony. In 1855 a suspension bridge was constructed to physically link the two and in 1872 Minneapolis and St. Anthony were united to form one city by the State Territorial Legislature.

While the riverfront business industries included millwork, paper, wool, and machinery -lumber and flour milling became the primary economic drivers. The flour milling industry particularly contributed to the growth of Minneapolis as a regional center of commerce by attracting new immigrants and residents and by creating an appealing location for other businesses to thrive. Some of Minneapolis' industries can trace their roots to the boom of the lumber and flour industries.

¹ Source: Minnesota DNR, www.dnr.state.mn.us/faq/mnfacts/climate.html

The United States Census Bureau estimated the population of Minneapolis to be 429,606 residents² as of July 1, 2019. This means that the population of Minneapolis grew by about 12.9% between 2010 and 2019. According to the same bureau³, men and women each make up approximately 50 percent of the population. Children, youth under 18, and seniors aged 65 and above make up 6.5 percent and 19.8 percent, and 10.0 percent of the population respectively. African Americans comprise 19.2 percent of the population, and Hispanic Americans make up 9.6 percent of the population. People of American Indian and Alaska Native descent comprise 1.4 percent of the population, and Asian Americans make up 5.9 percent of the population. People of two or more races make up 4.8 percent of the total population⁴.



ECONOMICS

Economy

In the early years, Minneapolis' economy was based on a booming lumber industry and the processing of Minnesota grain with the tremendous power-generating capabilities of St. Anthony Falls. Large flour mills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill. In 2019, the ten largest Fortune 500 companies headquartered in the metro area are as follows⁵:

| Company Name | Fortune 500 Ranking | Revenues \$ Billions |
|---------------------|---------------------|----------------------|
| United Health Group | 6 | \$226.2 |
| Target | 39 | \$75.4 |
| Best Buy | 74 | \$42.9 |
| 3M | 95 | \$32.8 |
| CHS | 97 | \$32.7 |
| U.S. Bancorp | 117 | \$25.8 |
| C.H. Robinson | 185 | \$16.6 |
| General Mills | 200 | \$15.7 |
| Supervalu | 201 | \$15.7 |
| Land O'Lakes | 212 | \$14.9 |

² Source : U.S. Census Bureau 2019, <https://www.census.gov/quickfacts/minneapoliscityminnesota>

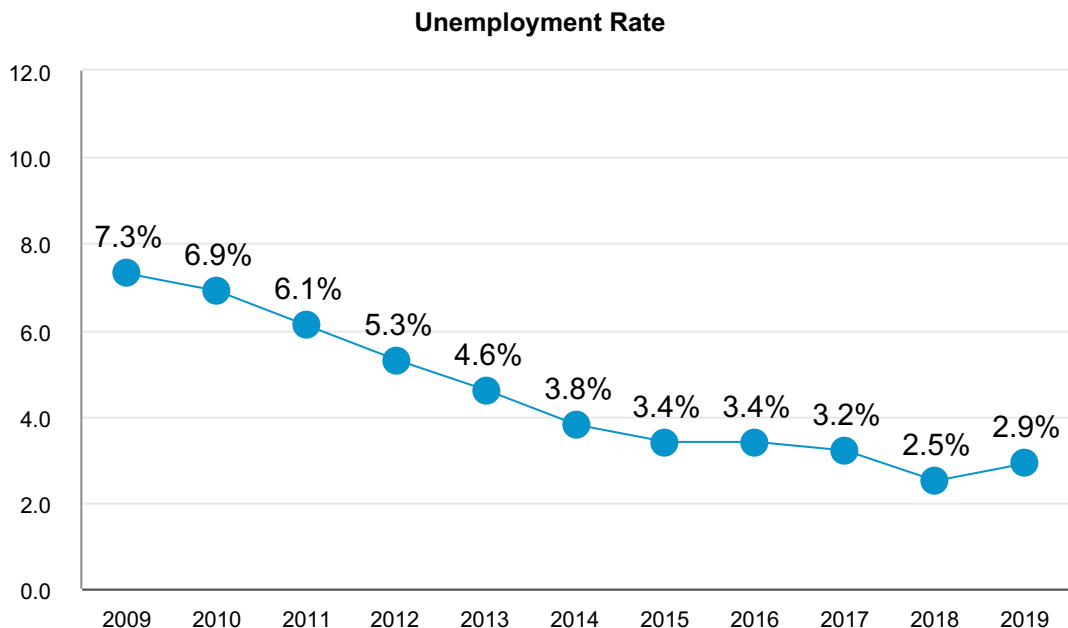
³ Source : U.S. Census Bureau 2019, <https://www.census.gov/quickfacts/fact/table/minneapoliscityminnesota,MN/PST045218>

⁴ Source: U.S. Census Bureau 2019 <https://www.census.gov/quickfacts/minneapoliscityminnesota>

⁵ Source: Fortune 500, <https://fortune.com/fortune500/2019/search/?hqstate=MN>

As of 2017, the city’s largest employment sectors were health care and social assistance (19 percent), professional and technical assistance (12 percent), educational service (10 percent), finance and insurance (10 percent), and accommodation and food service (9 percent)⁶. Minneapolis-Saint Paul area is the home of numerous accredited colleges and universities offering a wide choice of education programs. The city’s highly educated workforce continues to be a driving force of a strong economy. Some of the accredited institutions located within the metropolitan area with high student enrollment includes University of Minnesota-Twin Cities, Walden University, Capella University, and University of St. Thomas. The University of Minnesota’s highly acclaimed medical school and the City’s seven hospitals have made Minneapolis a leader in the medical field.

Since 2009, the city’s unemployment rate has been falling as shown in the graph below⁷:



THRIVING CITY

Neighborhoods

Minneapolis has 87 neighborhoods offering 194,633 residential housing units according to Minneapolis Assessors Office. The city is well known for its socially active residents who have engaged in partnerships with government and business to improve neighborhoods and create economic opportunities. The city shares the nation’s current challenge to increase the number of affordable housing units⁸.



6 Source: MN Department of Employment & Development, <https://apps.deed.state.mn.us/lmi/laus/Results.aspx?geog=2705053245&adjusted=0&periodtype=03&resultset=3&startyear=2010&endyear=2019>

7 Source: <http://www.minneapolismn.gov/residents/neighborhoods/index.htm>

Downtown

Minneapolis downtown is home to offices, retail, parks, hotels, housing, hotels, and corporate headquarters. The vibrancy of downtown is spread throughout the city center, Hennepin Avenue hosts a concentration of theaters and entertainment, Nicollet Mall is the recently renovated arterial center of downtown, and along the river parks and history abound. Buildings in downtown Minneapolis are connected by a system of glass-enclosed bridges, the skyways, which help to keep activity moving during the cold Minneapolis winters.



The Arts

Minneapolis is a city infused with creative energy. From internationally recognized arts organizations (such as the Guthrie Theater, Walker Art Center and the Minneapolis Arts Institute) to community driven cultural groups that transform neighborhoods (such as Juxtaposition Arts and the Native American Community Development Institute), arts and culture are a critical element of what makes Minneapolis vibrant. While cultural offerings improve quality of life, creative enterprises also make important contributions to the city's local economy. Minneapolis is the arts and cultural powerhouse for the State as measured by the number of creative workers, (21,000 jobs) and other economic outputs. Since 2006, the number of creative jobs in Minneapolis has grown by 10%, a larger increase than overall job growth of 7.2%. In 2014, revenues in the nonprofit and for-profit arts and creative industries were \$285 million and \$4.5 billion respectively establishing Minneapolis as a national leader in economic creative vitality. Below is an artwork in the recently upgraded Nicollet Mall.



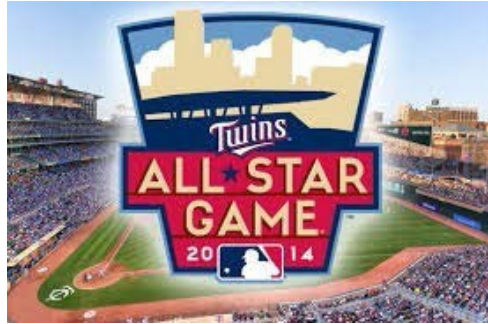
Photo by Blessing Hancock

Education

The city offers several vocational training and specialty schools. The main campus of the University of Minnesota sits on the banks of the Mississippi just minutes from downtown. It is a major land-grant research institution with a long tradition of community and public service, and it ranks among the top 20 universities in the U.S. It is also one of the largest. In addition to the University of Minnesota, other institutions of higher education include Minneapolis Community and Technical College, Dunwoody Institute, Minneapolis College of Art and Design, Augsburg College, Metropolitan State University, the University of Saint Thomas, St. Mary's University, the College of Saint Catherine and Capella University.

Sports and Outdoor Recreation

Many major league teams call Minnesota home. Fans can watch Major League Baseball's Minnesota Twins in action at Target Field, located in the Warehouse District of downtown Minneapolis. US Bank Stadium, home to the National Football League's Minnesota Vikings, opened in 2016. The state of the art facility has a seating capacity of 65,000 fans (expandable to 73,000). The Minnesota Timberwolves of the National Basketball Association and the national champion Minnesota Lynx of the Women's National Basketball Association play downtown in Target Center. Minnesota's National Hockey League team, the Wild, play in Saint Paul. And, Minneapolis has the capacity to host large events of all kinds at the City's Convention Center.

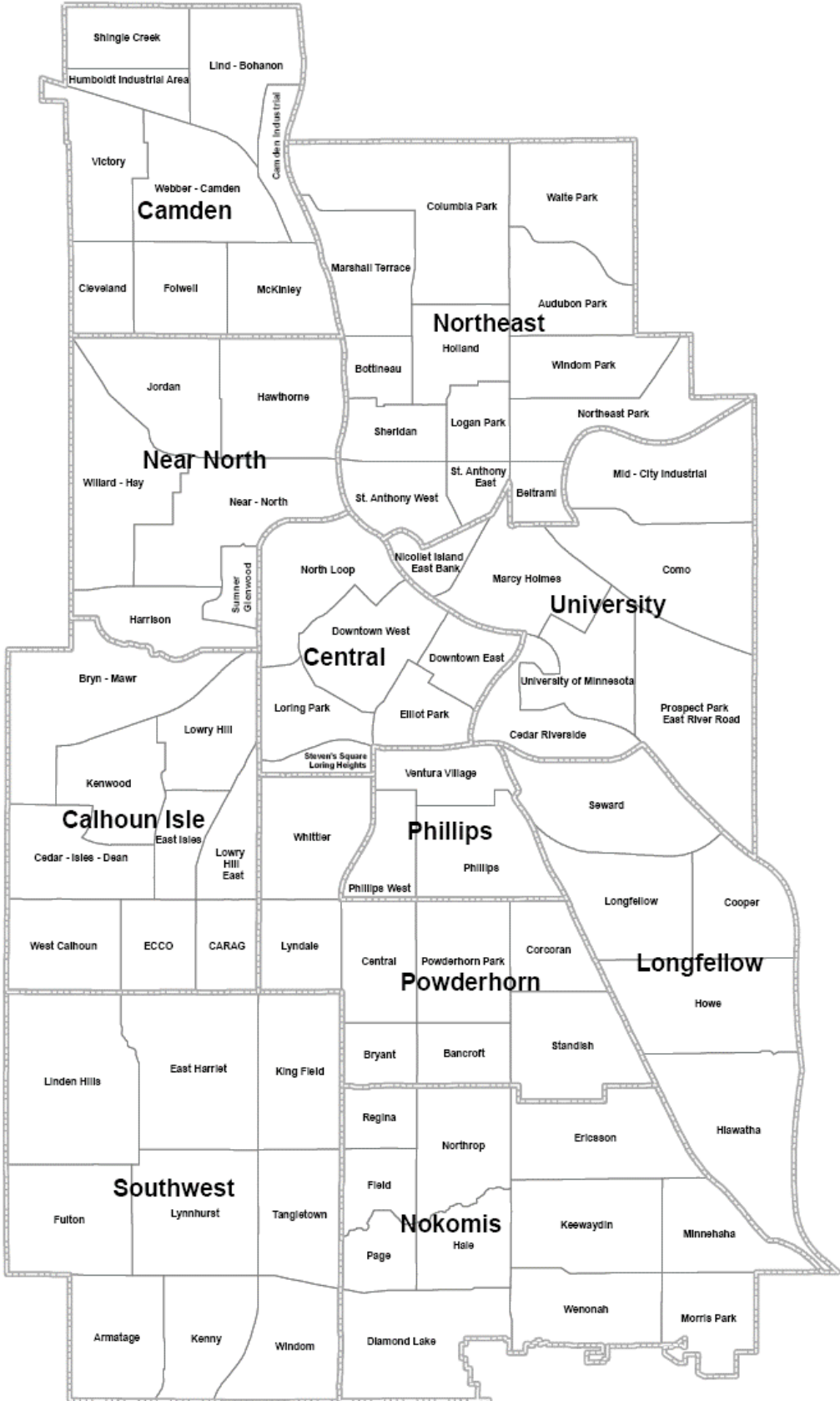


Minneapolis was honored to host Super Bowl LII in February of 2018, and to host the 2019 NCAA Mens Final Four basketball championship, and other national sporting events over the coming years.

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

The City's Park and Recreation Board maintains 87 miles of walking and biking paths. The Park Board also maintains sports fields, outdoor ice rinks, tennis courts, golf courses and supervised beaches. In the winter, residents enjoy ice skating, ice fishing, skiing and ice sailing. Early in Minneapolis' development, the land around five large lakes was dedicated to the public as parkland. With one acre of parkland for every 60 residents, outdoor recreation is an important part of life, and it is estimated that a City park is no more than eight blocks from every home.

MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



Generated by the City of Minneapolis CPED Department, Planning Division

City of Minneapolis 2021 Adopted Budget

Form of Government

The City is a municipal corporation governed by a Mayor-Council form of government. It was incorporated in 1867 and adopted a Charter on November 2, 1920. Thirteen City Council Members from individual wards and the Mayor are elected for terms of four years. There is no term limit on these positions. The Mayor and City Council are jointly responsible for the adoption of the annual budget and a five-year capital improvement program. As required by Charter, the Mayor is responsible for preparing an annual operating and capital budget recommendation for the City Council's consideration. The Mayor has veto power, which the Council may override with a vote of nine members.

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

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

Blended component units

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

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

Discretely presented component units

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

- ***Minneapolis Park and Recreation Board.*** The Minneapolis Park and Recreation Board was established according to Article VI of the City Charter. The nine-member board is elected by the voters of the City and is responsible for developing and maintaining parkland and parkways, as well as planting and maintaining the City's boulevard trees. The Mayor recommends the tax levies and budget for the Park Board, and the City Council and Mayor approve the allocations of local government aid from the state for Park Board operations. All Park Board actions are submitted to the Mayor, and a mayoral veto may be overridden by a vote of two-thirds of the members of the Park

Board. The Board of Estimate and Taxation approves the maximum property tax levy for the Park Board, and the full faith and credit of the City secure debt issued for Park Board projects. The City Finance Officer acts as Treasurer of the Park Board.

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

Related organizations

The City's officials are also responsible for appointing members of the boards of other organizations, but the City's accountability for these organizations ends at making the appointments. The financial information for these organizations is not included in detail in this report.

- ***Meet Minneapolis.*** Greater Minneapolis Convention and Visitors Association was incorporated on July 29, 1987. Greater Minneapolis Convention and Visitors Association (d.b.a. Meet Minneapolis) and its subsidiary, Internet Destination Sales System, Inc. (hereinafter collectively the "Association") comprise the reposting entity for Meet Minneapolis. The Association was organized to promote the City of Minneapolis (the City) as a major destination for conventions and visitor travel, and to achieve maximum utilization of the Minneapolis Convention Center. Toward this purpose, the Association receives funding through annual contracts with the City and the state of Minnesota. The Association is a nonprofit corporation under Section 501 (c) (6) of the Internal Revenue Code. Management also has no operational responsibility over Meet Minneapolis. It is this criterion that results in Meet Minneapolis being reported as a discretely presented component unit. Complete financial statements for Meet Minneapolis and Subsidiary can be obtained from Meet Minneapolis at 250 Marquette Avenue South, Suite 1300, Minneapolis, Minnesota 55401.
- ***Metropolitan Sports Facilities Authority.*** On May 14, 2012 Governor Mark Dayton signed into law a stadium bill which provides for construction and operation of a new National Football League stadium to be located on the Metrodome site. The bill established a new Minnesota Sports Facilities Authority (MSFA) and required that members be appointed within 30 days, the bill also required the Metropolitan Sports Facilities Commission (MSFC) transfer its assets, liabilities, and obligations to the MSFA within 90 days and then abolish the MSFC. The City is obligated to provide funding to build and maintain the new stadium. The MSFA is charged with the design, construction and operation of the new multi-purpose stadium. The MSFA consists of five members. Three authority members, including the chair, are appointed by the governor. Two authority members are appointed by the City of Minneapolis. Complete financial statements for the MSFA can be obtained from the Minnesota Sports Facilities Authority at 900 South Fifth Street, Minneapolis, Minnesota, 55415-1903.
- ***Minneapolis Public Housing Authority.*** The Minneapolis Public Housing Authority (MPHA) is the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis. A nine- member Board of Commissioners governs MPHA. The Mayor of Minneapolis appoints the Board Chairperson, and four Commissioners (one of whom must be a public housing family-development resident) are appointed by the City Council. The mission of the MPHA is to provide well-managed, high-quality housing for eligible families and individuals; to increase the supply of affordable rental housing; and to assist public housing residents in realizing goals of economic independence and self-sufficiency.

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

Joint ventures

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

- **Minneapolis/Saint Paul Housing Finance Board.** The Minneapolis/Saint Paul Housing Finance Board was established in the early 1980s, in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul and the Community Planning and Economic Development Department, and accepted by the Cities of Minneapolis and Saint Paul under Minnesota law. The Community Planning and Economic Development Department's oversight responsibility of the Board is limited to its governing body's ability to appoint only three of the six members of the Board. The territorial jurisdiction of the Board extends beyond the corporate limits of the City of Minneapolis.
- **Minneapolis Youth Coordinating Board.** The Minneapolis Youth Coordinating Board (YCB) was established in the mid-1980s, in accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Park Board, the Mayor and the City Council under authority of State of Minnesota laws. The Board consists of 10 members as follows: the Mayor of the City of Minneapolis, two Hennepin County Commissioners, the Hennepin County Attorney, two Minneapolis School Board members, two Minneapolis City Council members, a Hennepin County District Court Judge, and one member from the Minneapolis Park and Recreation Board.
- **Minneapolis - Duluth / Superior Passenger Rail Alliance.** The Minneapolis - Duluth/Superior Passenger Rail Alliance was established under a joint powers agreement between Anoka County, Hennepin County, Isanti County, Pine County, St. Louis and Lakes Counties Regional Railroad Authority, City of Duluth, City of Minneapolis, and Douglas County (Wisconsin) to explore options for the development of rail transportation between the Twin Cities and Duluth Superior metropolitan areas. The nine member board consists of one elected official selected by each party in the Alliance as well as a member of the Mille Lacs Band of Ojibwe. Each party also appoints an alternate member. The City of Minneapolis pays an annual membership fee to the Alliance to cover the costs of activities. The percentage share of the City in the Alliance's assets, liabilities, and equity cannot be determined at fiscal year-end. St. Louis and Lake Counties Regional Railroad Authority serves as the fiscal agent.

**City of Minneapolis
2021 Adopted Budget**

Chronology of Financial Decision Making and Fiscal Sustainability

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

- 2010 Minneapolis' revised LGA cut is \$25.9 million and Market Value Homestead Credit (MVHC) is eliminated, costing the City an additional \$6.2 million on top of the LGA cuts.
- Minneapolis regains AAA rating from Moody's.
- MERF pension plan consolidated with statewide local government employee pension plan.
- 2011 Minneapolis' LGA is held flat from 2010 in 2011 as a response to the State's structural budget crisis.
- 2012 City implements Priority Budgeting.
- 2013 Moody's Investors Service downgraded Minneapolis Credit Rating to Aa1 due to declining property values, high pension liabilities and dependence on state revenues, despite improved overall financial position.
- 2014 The theme of Minneapolis' bid, "Built for the Bold," emphasized the \$1.0 billion Vikings stadium under construction and the state's friendly ethos, hence bringing the Super Bowl to Minneapolis in 2018.
- 2015 City's closed pension plans meet 80% funding and are fully merged with State plan.
- The City to continue the construction and renewal boom trend by providing \$3.5 million to fully fund the \$50 million redesign of Nicollet Mall, preliminary planning of redevelopment of the Upper Harbor Terminal, purchase of property at Lake Street and Nicollet Avenue as first step to reopen the roadway terminating at that block and substantial completion of the Downtown East mixed use development adjacent to the stadium.
- A total of \$1.4 billion in construction permits were issued for the year; this is the fourth consecutive year that Minneapolis had more than \$1 billion in construction projects approved since 2000.
- 2016 The City signed a long-term funding plan to equitably address long-standing capital and operating needs for City Streets and Neighborhood Parks. The plan provides for \$33 million in funding each year for up to 20 years, totaling \$800 million over next 20 years, to meet both urgent and ongoing needs.
- The City Council in 2016 endorses a site and concept for a new office building and public safety center to complement the historic city hall. The two buildings together are referred to as the "downtown campus". City Council authorizes staff to retain consultants and report back with a more defined schedule, building scope, and cost estimate by the end of 2016 or early 2017. The initial finance plan for downtown campus improvements include cash to help write down the cost of the feasibility analyses in 2017 and the replacement of library G.O. bonds in 2021 with new debt.
- This is the fifth consecutive year that Minneapolis exceeds \$1 billion in construction permits.

2017

A new Downtown Assets Fund, through which City staff can take a coordinated management and investment approach to four major physical assets located in the downtown area (Convention Center, Target Center, Downtown East Commons, and Peavy Plaza) was created. This approach helps maximize revenues from each venue and serves to ensure a dedicated General Fund funding stream coming from the sales taxes these assets help to generate.

The City Council approved design and construction management contracts for the new downtown campus consolidated office building project endorsed in 2016. Current plans call for construction in 2018 and 2019 with a move-in date in early fall, 2020.

This is the sixth consecutive year that Minneapolis surpasses \$1 billion in construction permits issued.

2018

The City sees a million dollar increase to pension costs for sworn personnel in the Fire and Police departments, as the State increased the employer contribution for the Public Employees Retirement Association Police & Fire plans. Another million dollar increase will happen again next year as the State implements the second of two increases.

Positive effects of the move to self-insurance for Medical are felt as the City sees stable utilization within the program and premium increases for 2019 that are well below national averages.

The City increased fees for business licenses, pollution control, rental housing, health licensing, and animal care and control for the first time since 2013. An additional \$3 million in revenues is anticipated, however these activities continue to be largely subsidized by property taxes.

A new IT Governance process aimed at helping to prioritize all departmental technology needs in consideration of each other is implemented, replacing the former Capital Asset Replacement System (CARS) program.

\$50 million of upgrades to the City's century-old water filtration plant are financed through a low-cost loan program from the State of Minnesota's Public Facilities Authority.

The City's commitment to the environment is financially sourced - through increases to franchise fee agreements with private utilities. City Council sets a goal of 100% renewable electricity for enterprise use by 2022, and Citywide by 2030.

2019

This is the eighth consecutive year that Minneapolis surpasses \$1 billion in construction permits issued.

Positive effects of the move to self-insurance for Medical continue as the City sees stable utilization within the program and premium increases for 2020 that are well below national averages.

City of Minneapolis 2021 Adopted Budget

Fund Descriptions

The accounts of the City are organized by fund types. A “fund” is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operations of each fund are monitored with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures / expenses. Following is a listing and description of major City funds.

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

Special Revenue Funds. Special revenue funds are used to account for the proceeds of revenue sources that are restricted by legal and regulatory provisions to finance specific activities. The City has thirty-four Special Revenue Funds, including community and economic development funds. These funds are used to account for the City’s planning and community development goals, most of which are financed through property tax increment financing. Major special revenue funds are described below:

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

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

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

Convention Center. This fund is used to account for the ownership, maintenance, and operation of the Minneapolis Convention Center.

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

Downtown Assets. This fund is an umbrella fund through which sales taxes are received from the State of Minnesota and distributed to the Convention Center, Target Center, Peavey Plaza, Downtown East Commons, and General Fund.

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

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

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

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

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

Park Operating Fund. This fund is used to account for revenue and expenditures related to the cost of operating and maintaining the Minneapolis Parks system.

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

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

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

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

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

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

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

Park Self-Insurance and Internal Service Funds. This fund is used to account for park employees' medical, dental, and life insurance benefit programs and the programs' administrative costs. The fund also accounts for occupational health services, severance payments to employees who have retired or resigned and who meet minimum eligibility requirements, a tort liability program, and a workers' compensation program. The Park Board also has an internal service fund for charges within its programs.

Enterprise Funds. The Enterprise Funds, like the Internal Service Funds, are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where expenses, including depreciation, are recovered principally through user charges. However, the customer is typically the general public or other customers external to the City. The City operates eight enterprise funds. The first five funds listed are reflected in the City's Public Works Department, the River Terminal Fund is reflected in the Community Planning and Economic Development (CPED) department and the Parks Operations Fund is incorporated into the Minneapolis Parks and Recreation Board (MPRB) budget:

Water Works Fund. This fund is used to account for the operation, maintenance and construction projects related to the water delivery system. This fund also accounts for the operations related to the billings for water, sewage and solid waste fees.

Sanitary Sewer Fund. This fund is used to account for the operation, maintenance and construction projects related to the sanitary sewer system.

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

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

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

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

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

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

Permanent Improvement Capital Fund. This fund is used to account for capital acquisition, construction, and improvement projects including bridge construction, sidewalk construction, street construction, energy conservation projects, infrastructure projects, and many Information Technology (IT) projects.

Community Planning and Economic Development. This fund is used to account for the capital project activities of the department of Community Planning and Economic Development.

Municipal Building Commission (MBC) Capital Fund. This fund is used to account for the capital project activities of the MBC, a component unit of the City of Minneapolis.

Park Board Permanent Improvement Capital Fund. This fund is used to account for the capital project activities of the Park Board.

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

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

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

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

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

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

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

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

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

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

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

**City of Minneapolis
2021 Adopted Budget**

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City of Minneapolis 2021 Adopted Budget

Financial Overview

The 2021 Council Adopted Budget for all City funds is \$1.45 billion. This represents an \$77.6 million, or 5.1 percent decrease from the 2020 Council Adopted Budget of \$1.36 billion exclusive of the City's component units. At the same time, the Mayor recommends an overall increase of 5.75 percent in the property tax levy for the City and its component units (including their respective requests for funding their own budgets), raising the total amount levied by \$21.5 million, from \$374.3 million in 2020 to \$395.8 million in 2021. This budget also utilizes accumulated fund balances to fund budgetary items that are one-time or short-term in nature to mitigate budgetary fluctuations and to avoid volatile property tax levies which place undue burden on property taxpayers. The City's financial position is challenged in 2021 due to anticipated continued depression in local sales and entertainment taxes and other revenues due to the effects of the COVID-19 Pandemic. The Financial Overview is presented without transfers to avoid double counting of resources. Transfers have also been removed from charts and graphs within this section, including totals for comparative prior years, unless otherwise noted.

Major Highlights

The 2021 Council Adopted Budget includes significant changes to address future financial and operating challenges. It is important to be aware of these initiatives when making comparisons between budget years, and to understand the context in which these decisions were made.

Cities across the country are grappling with the dual public health and public finance crises presented by COVID-19. Like our peers, Minneapolis has put necessary and prudent social distancing measures in place to stop or slow the spread of the virus, and protect the most vulnerable in our city. These restrictions are not without loss, however. 2020 alone saw a projected \$156 million revenue shortfall, and it is clear those revenues will not be bouncing back immediately in 2021.

The 2021 budget assumes a recovery throughout the year, with restrictions fully easing by year end. This will allow local sales and entertainment tax receipts -- the City revenues hit hardest by the current recession -- to recover gradually as well. In a typical year over \$32 million of local sales and entertainment taxes are transferred in to the City's General Fund to support economic development and general government services. Because of the precipitous loss on receipts, fully \$22 million of that transfer will not take place in 2021. That revenue loss, combined with a drop of over 5% in Local Government Aid from the State of Minnesota created a \$26 million challenge to be addressed in the General Fund.

The 2021 - 2025 Five Year Financial Direction adopted by the City Council last December included an assumed 6.11% levy increase for this year. All departments are seeing cuts to current service levels, and the property tax levy is set to increase by 5.75% in order to balance against the losses described above.

In addition, the Mayor is recommending Council adopt an early retirement incentive program to help balance our budget, service levels, and workforce over the long-run. Rather than cutting positions in the immediate -- which would mean job losses for the newest City hires, the early retirement incentive aims to help older City workers get a start on their retirement plans in advance. These departures will create the space for Departments to thoughtfully reexamine their operations and their organizational charts, and ultimately match staffing needs with service needs in order to continue to provide excellent services at a lower cost.

At the same time, our city continues to grow, and in an economic downturn residents rely on City services more than before. As a result this budget includes investments in new programming related to public safety, affordable housing, and economic inclusion. Specific investments are listed in the Major Changes table later in this section and described in detail in Change Item narrative pages included in the Operating Departments section of this book.

City Spending

For 2021, the budget includes expenditure appropriations corresponding to priorities outlined in the Council Adopted Budget as well as ongoing projects and current City-provided services. Details of the individual expenditure appropriations within the departments and other categories identified in the pie chart below are available in the Operating Departments and Capital Programs sections of this document.

Below is a summary of the 2021 Council Adopted Budget by departmental activity, excluding transfers and independent boards.

Expenditures by Service

(In Millions of Dollars)

| | 2020 Adopted | 2021 Adopted | % Change | \$ Change |
|----------------------------|-----------------|-----------------|--------------|--------------|
| Attorney | 19.4 | 17.3 | -10.7% | -2.1 |
| Coordinator* | 221.4 | 237.8 | 7.4% | 16.4 |
| CPED | 118.6 | 103.4 | -12.8% | -15.2 |
| Convention Center | 58.0 | 41.7 | -28.1% | -16.3 |
| Fire | 71.2 | 70.1 | -1.5% | -1.1 |
| Health | 23.6 | 28.3 | 19.8% | 4.7 |
| Police | 193.3 | 164.3 | -15.0% | -29.0 |
| Regulatory Services | 25.9 | 24.8 | -4.6% | -1.2 |
| Public Works | 398.5 | 387.6 | -2.7% | -10.9 |
| Other City Services** | 45.5 | 40.8 | -10.2% | -4.6 |
| Debt Service | 150.9 | 118.9 | -21.2% | -32.0 |
| Capital Improvement | 161.4 | 172.9 | 7.1% | 11.4 |
| Other*** | 39.4 | 41.5 | 5.5% | 2.2 |
| Total City Spending | 1,527.1 | 1,449.5 | -5.1% | -77.6 |

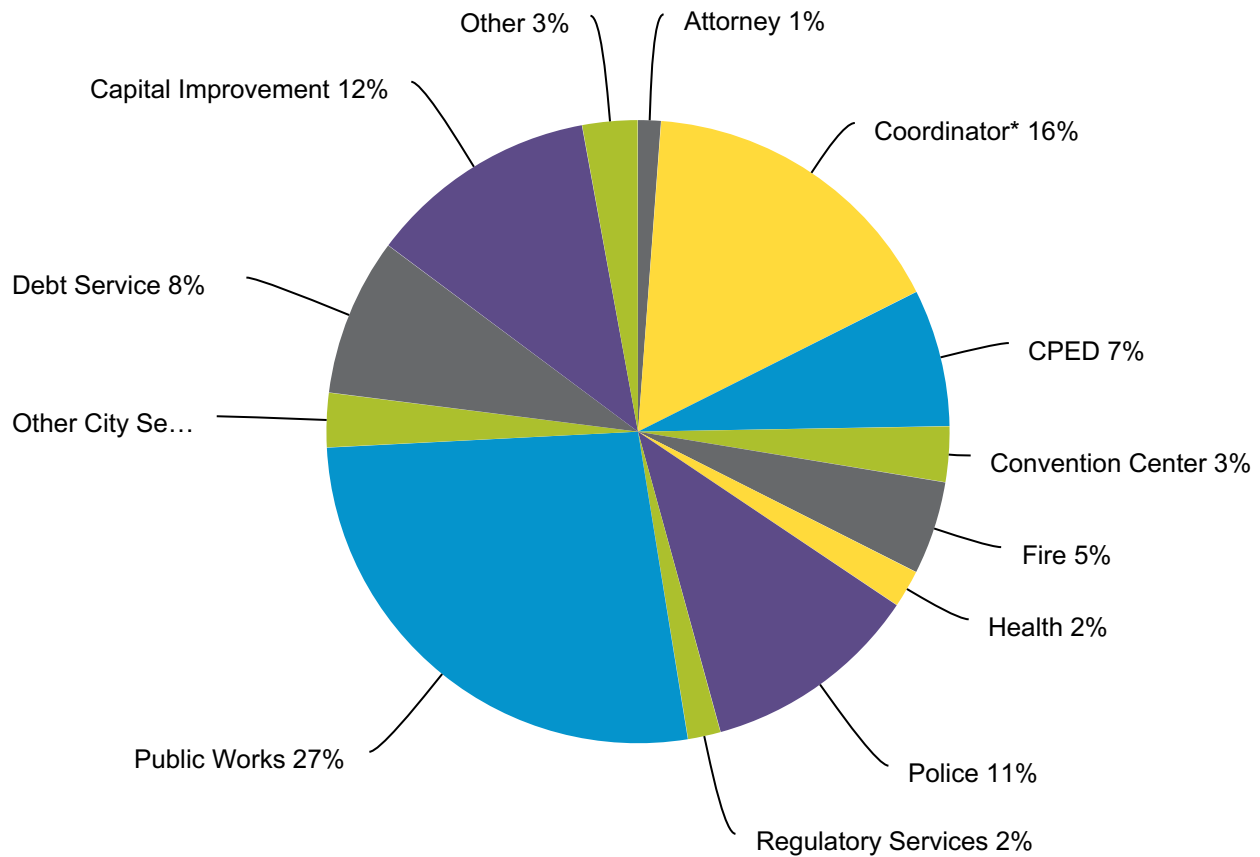
* Includes 311, 911, Communications, Emergency Preparedness, Finance and Property Services, Human Resources, IT, Intergovernmental Relations, and Neighborhood and Community Relations.

** Includes Assessor, Benefits, City Clerk/Elections/Council, Civil Rights, Internal Audit, Mayor, and Workers Compensation.

*** Includes Non-departmental, Health and Welfare, Liability, Contingency and Pensions

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

Total Expenditure Budget - Use of Funds 2021 Council Adopted Budget: \$1.5 Billion



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

** Includes Assessor, Benefits, City Clerk/Elections/Council, Civil Rights, Internal Audit, Mayor, and Workers Compensation.

*** Includes Non-departmental, Health and Welfare, Liability, Contingency and Pensions

City Sources of Revenue

For 2021, the City forecasts \$1.6 billion in revenue from a variety of sources. Many of the City's revenue sources are restricted, meaning they are required to be spent in defined areas or on specific programs or projects. These restrictions limit the City's ability to raise additional funds and to apply the revenue to other departments or programs. For example, the City charges fees for services such as water, sewer and trash pickup, but State law requires that these fees be no higher than the cost of providing the services, including both operating and capital costs. Because these revenues are restricted, the City cannot raise water bills to pay for citywide police services.

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

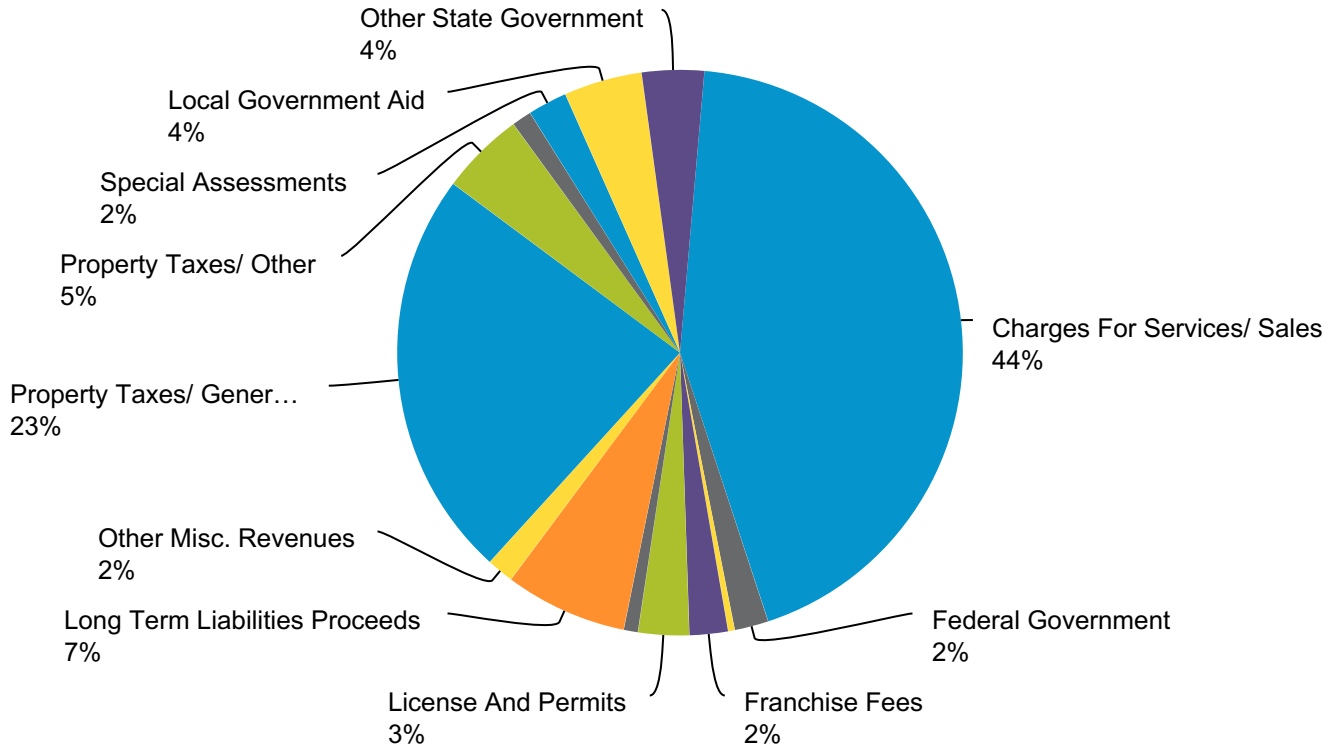
Below is a summary of the 2021 Council Adopted Budget revenues by major category.

Revenue by Category

(In Millions of Dollars)

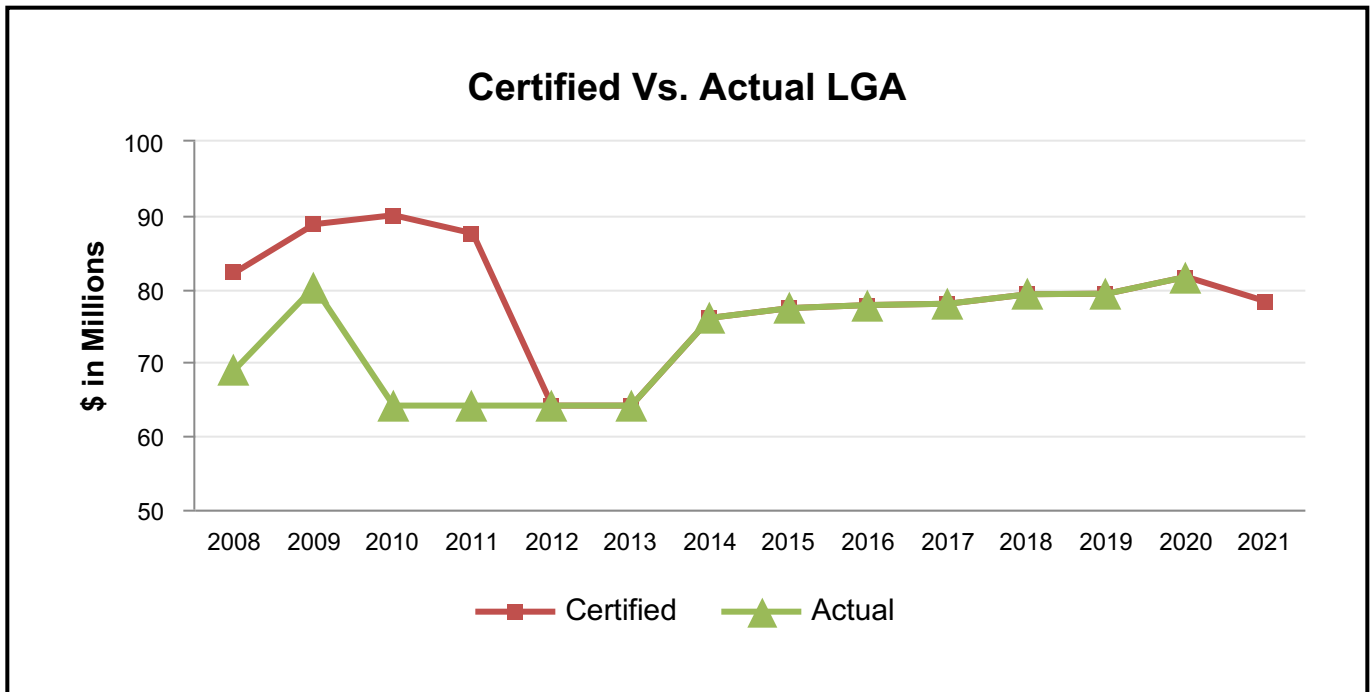
| Revenue Category | 2020 Adopted | 2021 Mayor Recommended | % Change | \$ Change |
|-----------------------------------|-----------------|---------------------------|--------------|--------------|
| CHARGES FOR SALES | 17.2 | 17.1 | -0.6% | -0.1 |
| CHARGES FOR SERVICES | 582.4 | 583.6 | 0.2% | 1.2 |
| FEDERAL GOVERNMENT | 28.8 | 29.9 | 3.8% | 1.1 |
| FINES AND FORFEITS | 6.9 | 5.8 | -15.9% | -1.1 |
| FRANCHISE FEES | 34.4 | 33.9 | -1.5% | -0.5 |
| LICENSE AND PERMITS | 47.8 | 44.8 | -6.3% | -3.0 |
| LOCAL GOVERNMENT | 10.7 | 12.3 | 15.0% | 1.6 |
| LONG TERM LIABILITIES PROCEEDS | 110.8 | 107.8 | -2.7% | -3.0 |
| OTHER MISC REVENUES | 31.1 | 23.7 | -23.8% | -7.4 |
| PROPERTY TAXES - GENERAL | 380.7 | 360.6 | -5.3% | -20.1 |
| PROPERTY TAXES - OTHER | 67.6 | 73.7 | 9.0% | 6.1 |
| SALES AND OTHER TAXES | 93.7 | 17.4 | -81.4% | -76.3 |
| CONTRIBUTIONS | 4.1 | 3.9 | -4.9% | -0.2 |
| GAINS | 0.0 | 0.0 | - | 0.0 |
| INTEREST | 9.7 | 8.9 | -8.2% | -0.8 |
| RENTS | 55.1 | 57.1 | 3.6% | 2.0 |
| SPECIAL ASSESSMENTS | 33.4 | 34.6 | 3.6% | 1.2 |
| STATE GOVERNMENT | 114.1 | 123.6 | 8.3% | 9.5 |
| Total Revenue | 1,628.5 | 1,538.7 | -5.5% | -89.8 |

Total Revenue Budget - Source of Funds 2021 Council Adopted Budget: \$1.5 Billion



Local Government Aid (LGA)

Following several years of uncertainty in funding from the State of Minnesota in the form of LGA, including the loss of over \$70 million from 2008-2011, the State has made slight annual increases to the amount of LGA appropriated to the City of Minneapolis from \$76.1 million in 2014 to a certified amount of \$68.8 million in 2020. Of this amount, the City plans to allocate \$68.1 million for its General Fund, \$9.2 million to the Park Board, and the remaining \$0.2 million to the Municipal Building Commission (MBC). The table below shows the historical certified and actual LGA amounts, as well as the certified LGA levels for 2021 based on current law.



Budget by Fund

The City uses different funds to account for expense and revenue associated with the various services provided. The **General Fund**, where the City accounts for most property tax supported services, represents 33 percent of the 2021 Adopted Budget, an increase from 31.8 percent in the 2020 budget.

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

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

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

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

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

Expense and Revenue By Fund Type

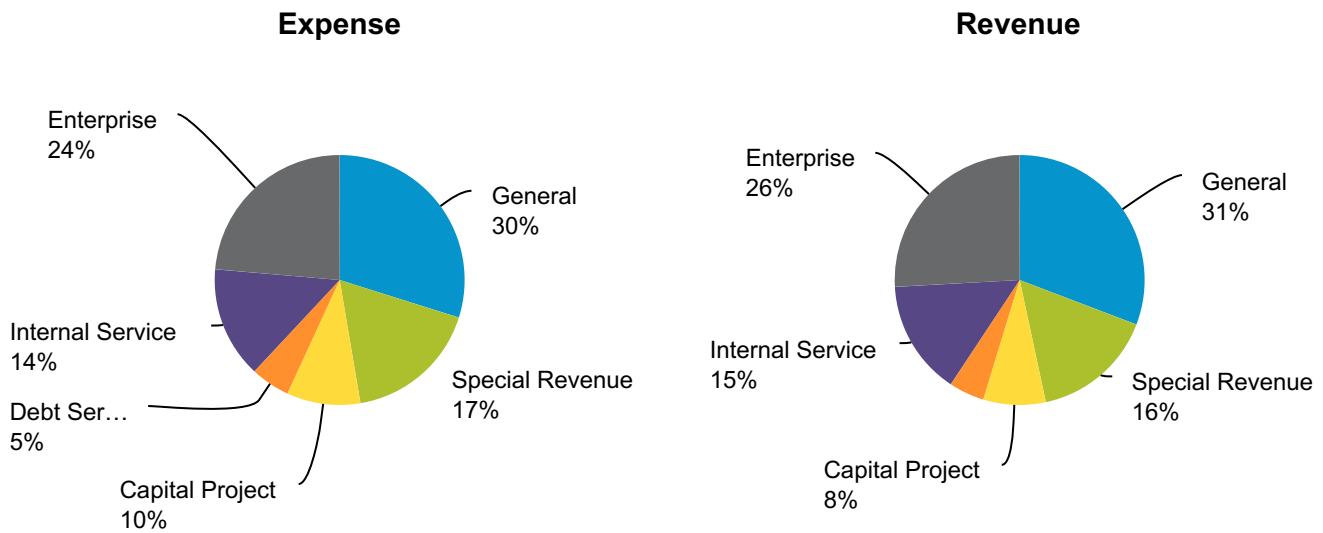
In Millions

(differences in revenue and expenditures are reflective of accumulated use of fund balance)

| | 2020 Adopted | 2021 Adopted | % Change | \$ Change |
|------------------|------------------|------------------|-------------|---------------|
| Expense: | | | | |
| General | \$518.0 | \$484.56 | -6.5% | -\$33.4 |
| Special Revenue | \$196.2 | \$283.32 | 44.4% | \$87.1 |
| Capital Project | \$213.3 | \$154.44 | -27.6% | -\$58.9 |
| Debt Service | \$112.1 | \$82.44 | -26.5% | -\$29.7 |
| Internal Service | \$213.2 | \$233.86 | 9.7% | \$20.7 |
| Enterprise | \$306.4 | \$383.26 | 25.1% | \$76.9 |
| Total | \$1,559.2 | \$1,621.9 | 4.0% | \$62.7 |

| | 2020 Adopted | 2021 Adopted | % Change | \$ Change |
|------------------|------------------|------------------|-------------|--------------|
| Revenue: | | | | |
| General | \$474.4 | \$483.55 | 1.9% | \$9.2 |
| Special Revenue | \$261.4 | \$248.63 | -4.9% | -\$12.8 |
| Capital Project | \$198.2 | \$126.78 | -36.0% | -\$71.4 |
| Debt Service | \$70.5 | \$71.92 | 2.0% | \$1.4 |
| Internal Service | \$220.1 | \$232.68 | 5.7% | \$12.6 |
| Enterprise | \$336.2 | \$406.16 | 20.8% | \$70.0 |
| Total | \$1,560.8 | \$1,569.7 | 0.6% | \$8.9 |

Expense and Revenue By Fund Type



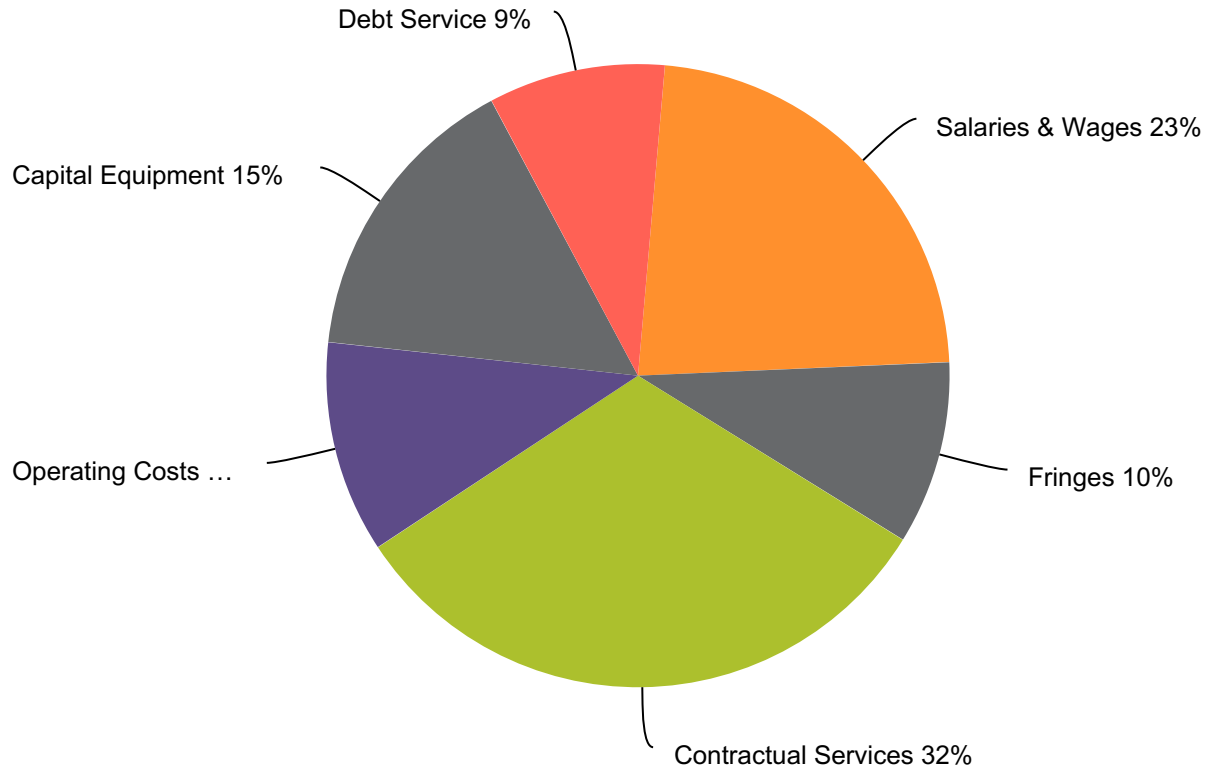
The largest portion of the City's budget is spent on personnel, which comprises \$476.1 million or 32.6 percent of the total budget.

Expense by Category

| Expense Category | 2020 | 2021 Mayor's | % Change | \$ Change |
|----------------------|------------------|------------------|--------------|------------------|
| | Adopted | Recommended | | |
| Salaries & Wages | 359.5 | 332.2 | -7.6% | -27.3 |
| Fringes | 149.8 | 138.0 | -7.9% | -11.8 |
| Contractual Services | 457.3 | 462.5 | 1.1% | 5.2 |
| Operating Costs | 154.2 | 159.3 | 3.3% | 5.1 |
| Capital & Equipment | 295.1 | 224.5 | -23.9% | -70.6 |
| Debt Service | 153.1 | 133.0 | -13.1% | -20.1 |
| Total Expense | \$1,569.0 | \$1,449.5 | -7.6% | (\$119.5) |

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

Total City Budget - Expenditure by Categories 2021 Mayor's Recommended: \$1.5 Billion



Funding for Physical Infrastructure

Six-Year Capital Program Totals: For 2021-2026, the six-year capital program for City departments, independent boards and commissions totals \$1.28 billion including all funding sources. The 2021 portion of this program is \$196.4 million. This budget continues the City's commitment to accelerate funding and completion of improvements to the City's infrastructure. Below is a summary of the six-year capital program by major infrastructure category.

| | | <i>in millions</i> | | | | | | | |
|---|--------------------------------|--------------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------------|
| <u>Submitting Agency</u> | <u>Infrastructure Category</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>Total</u> | <u>Pct of Total</u> |
| Park Board | Neighborhood Parks | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 78.0 | 6.1 % |
| Public Works | Transportation | 72.4 | 69.4 | 135.9 | 91.7 | 129.6 | 134.9 | 633.9 | 49.4 % |
| | Enterprises | 80.9 | 85.4 | 92.8 | 67.4 | 58.6 | 52.4 | 437.5 | 34.1 % |
| Public Works Totals | | 153.3 | 154.8 | 228.7 | 159.1 | 188.2 | 187.3 | 1,071.4 | 83.5 % |
| Other Agencies | City Hall/Public Bldgs/Misc. | 30.1 | 20.4 | 26.6 | 15.0 | 14.5 | 26.8 | 133.4 | 10.4 % |
| Adopted Six-Year Capital Program | | 196.4 | 188.2 | 268.3 | 187.1 | 215.7 | 227.1 | 1,282.8 | 100.0 % |

Funding for Pension Liabilities

The City's property tax levies for its former closed pension funds that have been merged into the Minnesota State Public Employees' Retirement Association (PERA) for 2021 total \$14.8 million, held constant from the 2020 adopted budget. This constant payment is reflective of State action in the 2019 legislative session to restore the MERF funding deal. The three merged funds include:

- The Minneapolis Employee's Retirement Fund (MERF) Division of PERA – fully merged in 2015.
- The Former Minneapolis Police Relief Association (MPRA), a closed fund.
- The Former Minneapolis Fire Relief Association (MFRA), a closed fund.

Teacher's Retirement Association (TRA)

The 2006 Legislative session combined the Minneapolis Teachers Retirement Fund Association (MTRA) with the State's Teachers Retirement Association (TRA). As part of the legislation, the City was required to redirect its annual \$2.25 million MTRA tax levy to TRA through 2037. State law changed the \$2.25 million City levy to a \$2.25 million contribution in 2012. This change increased the total levy for this purpose as the City previously contributed its net TRA levy collection, which was less than \$2.25 million because the City does not collect 100 percent its levy. For 2020, the City will levy \$2.3 million for TRA to insure that net collections provide the \$2.25 million. For the purpose of long-term planning, it is anticipated that these costs will remain constant and end by 2040.

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

The employers' contribution level in PERA's Coordinated Plan for 2021 is 7.5 percent, and the PERA's Police and Fire Plans' employer's contribution remains at 16.95 percent, both same as in 2020. The estimated total cost of contributions to PERA for the City exclusive of its independent boards for 2021 is \$35.5 million, which is covered in the budgets of the departments in which the employees work.

| | | 2020 | 2021 | Change |
|--------------------|-----------|---------------|----------------|-----------------|
| | | (in millions) | | |
| PERA | \$ | 16.6 | \$ 15.5 | \$ (1.1) |
| PERA Police & Fire | \$ | 22.3 | \$ 20 | \$ (2.3) |
| Total | \$ | 38.9 | \$ 35.5 | \$ (3.4) |

Funding for Internal Services Funds' Long-Term Financial Plans

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

Growth in Personnel Costs

Personnel Changes. The 2021 Council Adopted Budget decreases the Full-Time Equivalent (FTE) count of City positions by 335.2 from the 2020 Current Service Level, exclusive of the City's independent boards, from 4,273.6 to 3,964.2 FTEs. Notably, 325.2 of the total positions reduced are not eliminated, but subject to a hiring freeze for 2021. Departments are reviewing opportunities for reorganization and some of those positions may be eliminated in a future year budget, but for the purpose of setting the 2022 current service level they will be considered part of the base budget.

Salary and Wages. The 2021 Council Adopted Budget includes an decrease in personnel expenditures (\$388.3 million in salaries and wages, compared to a 2020 total of \$413.4 million), excluding the City's independent boards.

Benefits. Health and dental insurance expenditures are budgeted to decrease from \$67 million in 2020 to \$59.4 million in 2021, exclusive of the City's independent boards. This is a decrease of \$7.6 million or 11.4 percent due to projected better medical insurance rates.

Council Amendments to the Mayor's 2021 Recommended Budget

The Mayor's Recommended Budget included across-the-board cuts as well as strategic investments to meet the unprecedented challenges faced by our city in 2021. The starting point for the Mayor's 2021 Recommended Budget was the Current Service level, the funding level needed to continue providing ongoing services and programs authorized in the previous year's budget. Departments submitted proposals that cut spending, minimized layoffs and provided an analysis of the proposed cuts' impact on service level and racial equity.

In addition to spending cuts, the Mayor's Recommended Budget included strategic new investments in affordable housing, public safety, and sustainability. Change Item descriptions for these new investments and each department's recommended base cut is included in the Mayor's 2021 Recommended Budget book. To the extent those Change Items were adopted by Council, they are presented again in the 2021 Council Adopted Budget, alongside new items added through amendments during the markup process, below. This book contains only the change items recommended by the Mayor that were adopted by the Council as well as the new items added through amendments during the mark-up process.

Council Changes

The table below outlines the amendments made to the Mayor's Recommended Budget by Council.

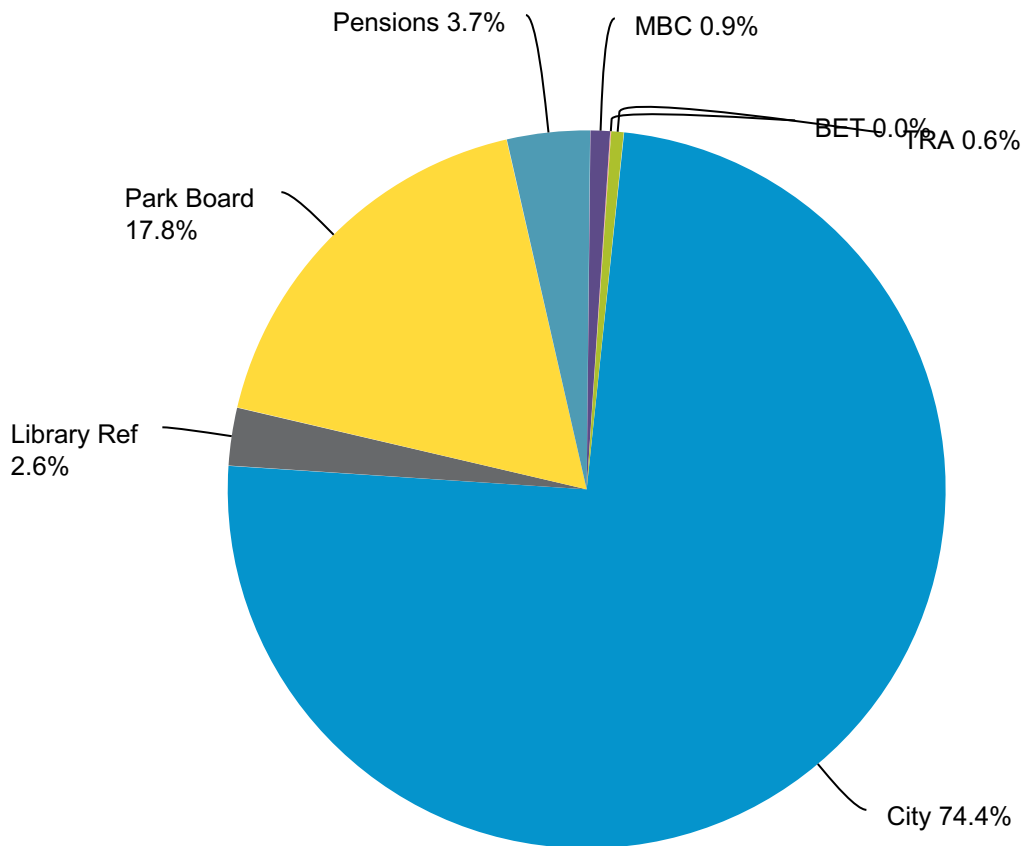
| Item | Change Type | Fund | Amount | Time Period | Amendment | Author(s) |
|--|---|---------|-----------|-------------|-----------|--------------------------------------|
| 311 | | | | | | |
| Safety for All - Recommendation 1 and 3 | Transfer of appropriation from MPD | General | 317,000 | Ongoing | 13.4 | Cunningham, Fletcher, Bender, Gordon |
| City Clerk | | | | | | |
| Move 1 FTE | Transfer of a position from CPED | General | 97,000 | Ongoing | 2.0 | Palmisano |
| City Coordinator | | | | | | |
| Moving the art fund change item | Transfer Cultural Districts Art Fund from CPED to Coordinator | General | 100,000 | Ongoing | 5.0 | Jenkins, Cano |
| General Fund increase for Q4 grant employees | One-time transfer from the 01SNR Fund | General | 52,000 | One-Time | 9.0 | Jenkins, Cano, Ellison, Reich |
| Safety for All - OPI recommendations | Transfer of appropriation from MPD | General | 2,827,000 | Ongoing | | Cunningham, Fletcher, Bender, Gordon |
| Civil Rights | | | | | | |
| Safety for All - Police Conduct Review | Transfer of appropriation from MPD | General | 335,000 | Ongoing | 13.6 | Cunningham, Fletcher, Bender, Gordon |
| Communications | | | | | | |

| Item | Change Type | Fund | Amount | Time Period | Amendment | Author(s) |
|--------------------------------------|---|--|-----------|-------------|-----------|--------------------------------------|
| Funding 1 Temporary FTE | One-time transfer from the 01SNR Fund | General | 100,000 | One-time | 8.0 | Palmisano |
| CPED | | | | | | |
| East African Homeownership Education | One-time transfer from the 01SNR Fund | General | 95,000 | One-time | 11.0 | Osman |
| FPS | | | | | | |
| Staffing Reserve | Transfer of appropriation from MPD | General | 6,427,000 | Ongoing | 16.0 | Cunningham, Fletcher, Bender |
| Staffing Reserve - Additional | One-time use of fund balance | General | 5,000,000 | One-time | 18.0 | Cunningham, Fletcher, Bender |
| Health | | | | | | |
| Rebuild Resilient | Transfer from City Coordinator - Sustainability | General | 1,167,000 | One-time | 1.0 | Palmisano |
| Safety for All - Expansion of OVP | Transfer of appropriation from MPD | General | 1,723,000 | Ongoing | 13.2 | Cunningham, Fletcher, Bender, Gordon |
| Navigators | Transfer of appropriation from MPD | General | 591,000 | Ongoing | 14.0 | Cunningham, Fletcher, Bender |
| North Side Food Shelf | One-time transfer from the 01SNR Fund | General | 25,000 | One-Time | | Cunningham |
| Internal Audit | | | | | | |
| After Action Review | One-time transfer from the 01SNR Fund | General | 230,000 | One-Time | 10.0 | Palmisano |
| NCR | | | | | | |
| Neighborhoods Base Funding Increase | One-time expenditure from the 01SNR Fund | NCR Special Revenue Fund | 416,000 | One-Time | 7.0 | Johnson, Gordon |
| Crime Prevention Specialists | Transfer of FTEs from MPD | General Fund | 695,000 | Ongoing | 15.2 | Cunningham, Fletcher, Bender |
| Crime Prevention Specialists | Transfer of FTEs from MPD | CDBG & UAG Funds | 797,000 | Ongoing | 15.4 | Cunningham, Fletcher, Bender |
| Regulatory Services | | | | | | |
| Tenant Relocation Services | One-time transfer from the General Fund | Regulatory Services Special Revenue Fund | 100,000 | One-time | 6.0 | Cunningham |
| Animal Safety Net | One-time transfer from the 01SNR Fund | General | 280,000 | One-time | 12.0 | Cunningham, Goodman |
| Safety for All - Code Compliance | Transfer of appropriation from MPD | General | 488,000 | Ongoing | 13.5 | Cunningham, Fletcher, Bender, Gordon |

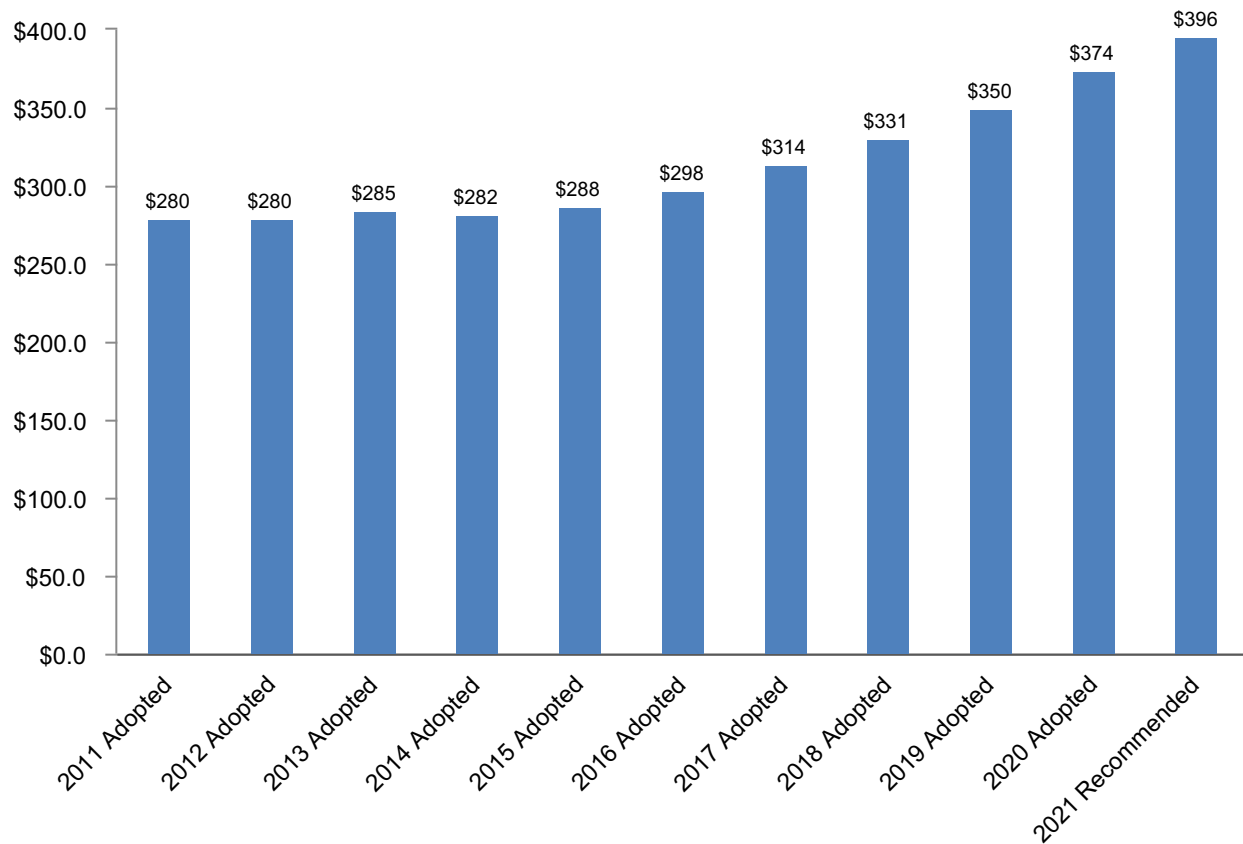
Property Tax Revenue

The 2021 Council Adopted Budget includes an overall property tax levy of \$395.8 million. This levy reflects the combined total for the City, the Minneapolis Park and Recreation Board, and the Municipal Building Commission (MBC) levies, as well as the Library referendum levy which is a \$10.3 million market value based tax levy. The 2021 Council Adopted levy is \$21.5 million more than the 2020 Council Adopted levy of \$374.3 million.

Property Tax by Entity - \$395.8 Million



Historical Property Tax Revenue by Year



Property Taxes on Individual Properties

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

Property Market Values and Tax Base Highlights

The following table shows the estimated market values and corresponding tax capacity by property group for the July 31, 2020 assessment utilized for property taxes payable in 2021 based on preliminary numbers.

City Portion of a Property Tax Bill with 5.75% Levy Increase

Non-Homestead Residential

| <u>Market Value</u> | <u>Tax in 2020</u> | <u>Tax in 2021</u> | <u>Change</u> | <u>% Change</u> |
|---------------------|--------------------|--------------------|---------------|-----------------|
| 158,500 | 872 | 897 | 25 | 2.9 % |
| 220,000 | 1,257 | 1,245 | (12) | (0.9)% |
| 302,500 | 1,741 | 1,712 | (29) | (1.6)% |

Assumes lower value residential property market value increased by 9.3% and higher value increased by 4.5%

Homestead Residential

| <u>Market Value</u> | <u>Tax in 2020</u> | <u>Tax in 2021</u> | <u>Change</u> | <u>% Change</u> |
|---------------------|--------------------|--------------------|---------------|-----------------|
| 220,000 | 1,179 | 1,149 | (29) | (2.5)% |
| 281,500 | 1,587 | 1,528 | (59) | (3.7)% |
| 380,500 | 2,234 | 2,137 | (97) | (4.4)% |

Assumes lower value residential property market value increased by 3% and higher value increased by 1.5%

Apartment

| <u>Market Value</u> | <u>Tax in 2020</u> | <u>Tax in 2021</u> | <u>Change</u> | <u>% Change</u> |
|---------------------|--------------------|--------------------|---------------|-----------------|
| 552,500 | 3,653 | 3,885 | 232 | 6.3 % |
| 1,015,800 | 6,566 | 7,142 | 576 | 8.8 % |
| 2,364,100 | 15,515 | 16,622 | 1,107 | 7.1 % |

Assumes lower value apartment property market value increased by 13% and higher value increased by 13.8%

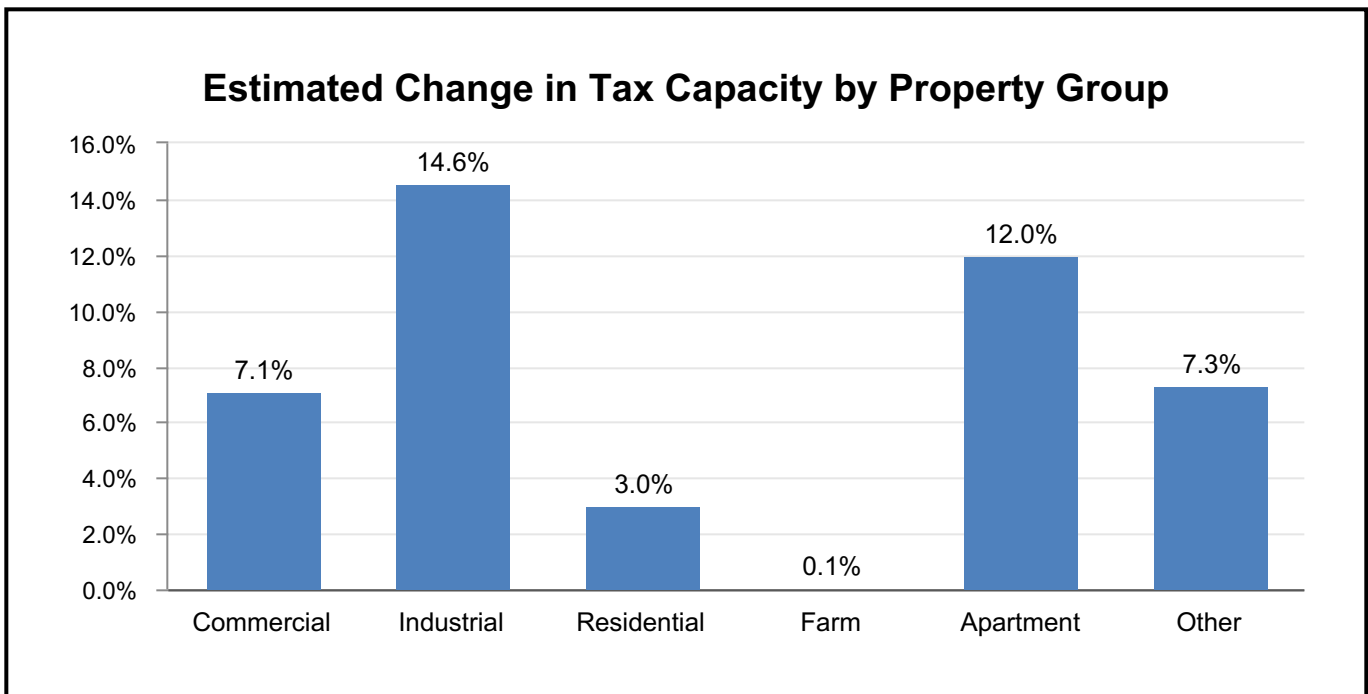
Commercial

| <u>Market Value</u> | <u>Tax in 2020</u> | <u>Tax in 2021</u> | <u>Change</u> | <u>% Change</u> |
|---------------------|--------------------|--------------------|---------------|-----------------|
| 267,300 | 1,706 | 1,761 | 55 | 3.2 % |
| 521,000 | 3,624 | 3,698 | 73 | 2 % |

Assumes lower value commercial property market value increased by 8.2% and higher value increased by 5.9%

2020 Assessment for Taxes Collected in 2021

| Group | 2021 Estimated | | | |
|-----------------|-----------------------|----------------|--------------------|----------------|
| | Market Value | % Total | Tax Capacity | % Total |
| Commercial | 11,098,192,000 | 18.8 % | 219,424,928 | 29.6 % |
| Industrial | 1,853,639,500 | 3.1 % | 36,734,494 | 5.0 % |
| Residential | 34,295,667,800 | 58.2 % | 347,265,020 | 46.8 % |
| Farm | 1,529,100 | 0.0 % | 15,291 | 0.0 % |
| Apartment | 11,693,220,400 | 19.8 % | 137,652,740 | 18.6 % |
| Other | 27,531,900 | 0.0 % | 367,325 | 0.0 % |
| Subtotal | 58,969,780,700 | 100.0 % | 741,459,798 | 100.0 % |



Change in Tax Capacity by Group

The following table provides the estimated changes in tax increment financing, fiscal disparities contribution, and fiscal disparities distribution for taxes payable in 2020 based on preliminary numbers from the City and County assessors:

| For Payable in 2020* | |
|--|--------------------|
| Real Estate Tax Capacity | 741,459,798 |
| Personal Property Tax Capacity | 11,084,163 |
| Gross Tax Capacity | 752,543,961 |
| - Less Tax Increment | -22,210,000 |
| - Less Fiscal Increment Value Captured | -6,193,000 |
| - Less Fiscal Disparities Contribution | -88,352,937 |
| Adjusted Net Tax Capacity | 635,788,024 |

* Property Values July 2020 estimates only at this time

| Change in Market Value for Taxes Payable Year-Over-Year | | | | |
|---|------------------------|---------|-------------|-----------|
| Taxes Payable in: | Commercial/Industrial* | | Residential | Apartment |
| 2007 | 11.8% | | 6.4% | (1.2)% |
| 2008 | 10.4% | | 2.6% | 3.3% |
| 2009 | 1.3% | | (3.1)% | 1.8% |
| 2010 | (0.1)% | | (3.6)% | 0.5% |
| 2011 | (9.8)% | | (4.4)% | (6.7)% |
| 2012 | (4.5)% | | (9.1)% | (5.2)% |
| 2013 | 0.5% | | (5.4)% | 2.8% |
| 2014 | 0.6% | | 0.7% | 8.5% |
| 2015 | 3.3% | | 8.7% | 27.8% |
| 2016 | 16.4% | (10.5)% | 6.1% | 29.8% |
| 2017 | 11.5% | 6.6% | 6.6% | 18.2% |
| 2018 | 10.1% | (6.7)% | 7.7% | 13.9% |
| 2019 | 8.4% | 3.6% | 9.9% | 19.3% |
| 2020 | 5.8% | 5% | 5.7% | 13.3% |
| 2021 | 7.1% | 14.6% | 3% | 12% |

* Effective Taxes Payable year 2016, Industrial property is reported separately from Commercial property.

Source: City Assessor's Office and County Assessor's Office

| 2021 Council Adopted Property Tax Levies | | | | |
|--|--------------------|--------------------|--------------------|---------------------|
| Fund | 2020 | 2021 | % Change From 2020 | \$ Change From 2021 |
| General Fund | 228,149,000 | 247,405,000 | 8.44% | 19,256,000 |
| Minneapolis Park Board | 69,506,000 | 70,326,000 | 1.18% | 820,000 |
| Bond Redemption | 43,830,000 | 47,080,000 | 7.42% | 3,250,000 |
| Pensions (MERF, MPRA, MFRA) | 14,810,000 | 14,810,000 | 0.00% | 0 |
| Board of Estimate and Taxation | 0 | 110,000 | - | 110,000 |
| Municipal Building Commission | 5,414,000 | 3,496,000 | -35.43% | -1,918,000 |
| Teachers' Retirement | 2,300,000 | 2,300,000 | 0.00% | 0 |
| Library Referendum Debt Service | 10,300,000 | 10,300,000 | 0.00% | 0 |
| Total | 374,309,000 | 395,827,000 | 5.75% | 21,518,000 |

**City of Minneapolis
2021 Adopted Budget**

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Strategic and Racial Equity Action Plan

Overview

Every four years at the start of a new elected term, the City of Minneapolis engages in strategic planning to set the four-year vision and goals for the City. This year, the City created a revised strategic planning process that integrates strategic planning and racial equity action planning into a joint plan built on the City's Comprehensive Plan.

The Strategic and Racial Equity Action Plan is used to prioritize work and guide resources toward strategies and actions that address the root-causes of racial disparities and improve outcomes for Black, Indigenous, and People of Color communities. The plan outlines a set of policy and operational priorities that the City will address in the next three years. It creates clear alignment of work from leadership to departments and defines goals at all planning levels which can be objectively measured. Ultimately, the plan provides a common focus and gives direction to City leaders in the development of operational plans and activities.

The City of Minneapolis created the Strategic and Racial Equity Action Plan to ensure implementation of racial equity goals in its work and service delivery. By focusing on a small group of priorities, the City will be more successful in its efforts to embed racial equity principles and strategies into goals, operations, programs, services, and policies. We expect to achieve successful outcomes, and address racial inequities in our city, through effective development, execution, and measurement of the Strategic and Racial Equity Action Plan.

Vision

Minneapolis is an intentionally compassionate city where each of us can reach our full potential while caring for one another, eliminating racial disparities, improving our environment and promoting social well-being. We lead in innovative and creative ways, focused not only on our present needs, but also the success of future generations.

Mission

Our City government takes strategic action to address climate change, dismantle institutional injustice and close disparities in health, housing, public safety and economic opportunities. In partnership with residents, City leaders help to ensure all communities thrive in a safe and healthy city.

Values

- **Equity:** City government works side-by-side with community members to engage all voices, creatively problem solve, and build trust, particularly with those who have been most impacted by inequities. This helps to ensure that opportunities are accessible to everyone.
- **Safety:** People have a strong sense of security and can live peacefully in safe neighborhoods, knowing that City government is accountable for responsive and proactive public safety services.
- **Excellence:** To achieve the best outcomes and the highest quality service, we are forward-thinking and exhibit competence, professionalism, and integrity, and strive for personal growth.
- **Welcoming:** All individuals are welcome, regardless of race, ethnicity or place of origin, gender identity or religious affiliation. This enhances Minneapolis' cultural fabric, economic growth, global competitiveness and overall prosperity for current and future generations.

- **Stewardship:** We serve as trusted stewards of financial, environmental, social, and physical resources, recognizing that resources are for the common good today and tomorrow. We seek solutions that reflect our long-term commitment to end suffering in our city.
- **Transparency:** People can trust City government and hold them accountable for making and communicating decisions grounded in accurate information and integrity. We build credibility by accepting feedback, owning our actions, and providing reliable follow-through.
- **Health:** To achieve physical, emotional and mental health, we all work to ensure equitable access to healthy food, recreational opportunities, natural amenities, positive youth development, and walkable neighborhoods.

Goals

Public Safety: The City prioritizes collaborative and community-inclusive strategies to ensure safety for all members of our community.

Housing: The City prioritizes equitable access to safe, stable, accessible, and affordable housing to eliminate racial disparities in housing.

Economic Development: The City prioritizes economic inclusion so that all workers and families are supported and People of Color, Indigenous and Immigrant (POCII)-owned businesses in all sectors can thrive.

Public Services: The City prioritizes reliable and equitable access to high-quality public services.

Environmental Justice: The City prioritizes sustainable practices and renewable resources to equitably address climate change while restoring and protecting our soil, water and air.

Built Environment & Transportation: The City prioritizes high quality neighborhoods, streets, infrastructure and equitable access to multimodal transportation in all parts of the City through thoughtful planning and design.

Public Health: The City prioritizes positive youth development so that all children can grow healthy and safe.

Arts and Culture: The City prioritizes arts and culture as an important part of inclusive economic development and placemaking in our communities.

Operational Priorities

Spend diversity: Increase the percent count of, and spend with, racially and ethnically diverse for-profit suppliers across all departments.

Racially disaggregated data: Improve the use of racially disaggregated data for decision-making in the legislative process.

Community Engagement: Improve the capacity of appointed boards and commissions (ABCs) to advance the City's racial equity work.

Workforce: Increase the hiring and retention of People of Color and Indigenous People in the City's workforce.

City of Minneapolis 2021 Adopted Budget

Annual Budget Process

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

January-early April

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

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

March

Preliminary prior year-end budget status report

Finance presents a year-end budget status report for the previous year to the Ways and Means/Budget Committee. This is a preliminary report because the audited Comprehensive Annual Financial Report (CAFR) is not available until the second quarter of the year.

March-April

Capital improvement budget development

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

April-June

Operating budget development

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

Capital Long-Range Improvement Committee (CLIC) Process

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

June-August

Mayor's Recommended Budget

The 2020 Mayor's Recommended Budget will be based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor's Office, and staff from the Coordinator's Office and Finance and Property Services for priority-setting. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15 of each year.

September

Maximum proposed property tax levy

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

September-November

City Council budget review and development

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

Truth in Taxation

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

December

City Council budget adoption

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

Calendar of Financial/Business Decisions for 2021 Budget

| January | February | March |
|---|--|--|
| <p>Finance Staff work with internal service departments and Human Resources to develop Current Service Level budget assumptions</p> | | |
| April | May | June |
| <p>Departments submit Capital Budget Requests – around April 1st</p> | <p>Departments prepare 2021 Budget proposals</p> | <p>Departments work with Coordinator’s office to review proposals</p> <p>Departmental meetings with Mayor on 2021 Recommended Budget</p> |
| July | August | September |
| <p>CLIC Executive Committee meets with Mayor regarding Capital Budget Recommendations – mid July</p> | <p>Mayor presented recommended 2021 Budget and update to five year financial direction</p> | <p>Council hearings on Mayor’s recommended 2021 Budget and updates to the five-year financial direction</p> |
| October | November | December |
| <p>Council hearings on Mayor’s 2021 Recommended Budget and updates to the five-year financial direction</p> | | <p>Adoption of 2021 Budget and five year financial direction</p> |

**City of Minneapolis
2021 Adopted Budget**

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City of Minneapolis 2021 Budget

Financial Management Policies

OPERATING BUDGET POLICIES

The objective of the operating budget policies is to ensure that sufficient information is available to decision makers to provide for adequate levels of funding for essential City services at reasonable costs.

Balanced Budget

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

Basis of Budgeting

The basis of budgeting and accounting are the same, except as noted below. The budgets of all governmental funds are created using the modified accrual basis. Revenues are budgeted if they are measurable and available as net current assets. Major revenues determined to meet these standards for accrual and budgeting include the following: property taxes, special assessments, grants-in-aid, intergovernmental revenues, rentals, franchise fees, and intra-city charges.

Interest on investments, short-term notes, and loans receivable are budgeted, but interest on special assessments receivable is not budgeted. Major revenues that are not accrued because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include the following: delinquent property taxes and assessments, licenses, permits, fines and forfeitures. Delinquent property taxes are not budgeted, while the other categories are budgeted on a cash basis.

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

Proprietary (internal service and enterprise) funds use the accrual basis, and revenues are budgeted as they are anticipated to be earned. Unbilled utility service receivables are recorded at year end. Utility service revenue estimates are based on the number of users and volume of service consumed, without a factor for delinquencies. Long-term liabilities are recorded at full cost, including Compensated Absences and the actuarial accrued liability for Other Post - Employment Benefits.

Budgetary Controls

The legal level of budgetary control is at the department level within a fund. The City Coordinator's Departments, the Public Works Department and the City Council/City Clerk/Elections areas are examples of legal levels of budgetary control within a fund, even though budgetary data may be presented at lower levels within the department. Budget amendments at the department/fund level must be approved by the City Council. Budget amendments below the department/fund level may be approved by the appropriate department director, but are not required.

Generally all appropriations for operating activities lapse at year end. Encumbrances and other requests may be approved during the roll-over process after year end [see re-appropriation authority in the Authority of Finance Officer Section].

Purchase orders, certain contracts, and other commitments are recorded as encumbrances, which may reserve appropriation authority. Encumbrances outstanding at year-end are reported as restrictions of

fund balance. The appropriations for these encumbrances do not automatically transfer to the following year, but rather are included as part of the annual roll-over process.

Proprietary Funds vs Discretionary Budget

Proprietary funds include only those internal service and enterprise funds that are considered separate and subject to the intended purposes of those internal services and enterprises. Discretionary budget is the appropriation that is included as part of a department's base budget, but which is not associated with the need to fund the costs of a given position within that department. Whenever discretionary budget is assigned to support a given position on an ongoing basis, it will remain in the base budget but will no longer be considered discretionary.

Service Levels

The City uses a Current Service Level methodology of budgeting, meaning any ongoing service level commitments from a prior year constitute the starting point for the next year's budget. Finance and Property Services, in conjunction with other internal service providing departments, works annually to determine the costs for the continuation of current services into each successive year.

Departments, programs, and activities supported by the General Fund shall receive a target allocation each year to cover assumed expenses for operating costs including: personnel (including salary and fringe), internal services (including IT, Fleet, Rent, etc.), and self-insurance. Departments, programs, and activities supported by non-General Funds shall cover current service level operational expense, including General Fund Overhead expense, with fund revenues.

Changes in service levels shall be governed by the following:

Budget Process

The annual budget process is intended to weigh all competing requests, also known as Change Items, for City resources within expected fiscal constraints. Requests for new programs or activities, or expansion of existing programs or activities, shall be submitted as a part of the annual budget process. These submissions shall conform to a format as prescribed by the Budget Director, and shall - at a minimum - separate operating expenses from programmatic expenses, and articulate what outcomes are expected as a result of the new level of service.

Personnel Expenses

The Budget Office, in conjunction with the Human Resources department, will establish the current service level budget appropriation for each department. Departments are to account for the salaries and benefits of permanent employees within these budget appropriations.

Factors considered in this current service level budget appropriation for personnel include:

- Salaries. Each position, active as of March 1st, will be budgeted at the enterprise-wide average step for its job class, recognizing that some incumbents are paid at a grade higher than the average and others lower. In addition, all newly created job classes will be budgeted at step 4 of their assigned salary range. Exceptions may be granted on a case by case basis at the discretion of the Budget Director. Departments may request an exception only if they can provide replicable data showing that employees in a particular job class are paid higher on average in their department than the enterprise.
- Overtime. Unless specifically directed by the City Council, overtime costs are not included in salary budgets.
- Premium Pay. Different types of premium pay, such as shift differentials, on call pay, etc., will be included in salary budgets to the extent that it is predictable that such costs will be incurred. The Budget Office will work with Human Resources to identify where and to what extent that predictability exists.

- Health Insurance & HRA/VEBA. The Budget Office will work with HR to determine reasonable assumptions for health insurance & HRA/VEBA expense for each department. As an enterprise roughly 60% of employees elect family coverage and 40% elect single coverage. Exceptions may be granted on a case by case basis at the discretion of the Budget Director. Departments may request an exception only if they can provide replicable data showing that their employees elect coverage at a different rate than the enterprise average.

Departments may use projections of bell-curve staffing to adjust the level of employees throughout the year as long as the department does not exceed its appropriated budget. If the department cannot meet its obligations within its adopted budget, as identified in ongoing cooperation with Finance and Property Services, the department may seek budget amendments through requests to the City Council via the Ways & Means Committee.

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

Adding FTE Administratively

Departments may increase their approved FTE complement administratively during the year if they have sufficient discretionary ongoing budget to do so. In cases where departments decide to take such action, the full cost of adding the FTE will be reduced from the following year's discretionary base budget amount in order to pay for the increase.

Position Reclassification and Promotions

During the year departments may, in consultation with Human Resources, decide to reclassify positions and/or promote staff between job classifications - so long as funding exists to support any additional expenses incurred as a result of this action. In cases where departments incur additional salary expense associated with reallocation or promotion, the marginal increase will be reduced from the following year's discretionary base budget amount.

Overtime Limitation

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

Internal Service Fund Charges

Internal service funds' charges shall be fully allocated to the extent possible using approved allocation methodology. Charges allocated to General Fund departments shall be funded per the approved allocation model. Non-General Fund departments, including special revenue funds and enterprise funds, shall fully fund their allocated costs with fund revenues. Additional costs incurred by departments throughout the year shall be funded by the department with the understanding that the expenditures were either planned through the annual budget-setting process or as part of the department's discretionary budget. Appropriation authority used in one year to enhance internal service fund-related costs will be reviewed on an annual basis for continued appropriation in the subsequent budget year, including both operating and non-CIP capital requests. Subject to review by Finance and Property Services and the internal service fund staff, the additional cost and/or service may be funded through the cost recovery model in the subsequent budget year using the approved allocation methodology.

Elected Official Budgets

A year-end deficit of up to 25% will be allowed for each ward and the Mayor's office budget with the exception of the final year of their term (but not for two consecutive years). The deficit will be offset by a corresponding reduction in the Council Member or Mayor's office budget for the current year. If there are savings in a ward or Mayor's budget, these savings may be re-appropriated from one year to the next year, but cannot be re-appropriated following the final year of the term.

Five-Year Financial Direction

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

Self-Supporting Enterprises [including Internal Service Funds]

All enterprise activities of the City shall be self-supporting, including those activities contained within the Internal Service Funds. To the extent that an activity is not self - supporting, long-term financial plans shall be created to secure a self-supporting state in the future.

Grant Funded Programs

General governmental programs financed with grant awards may be budgeted in special revenue funds, and the service program shall be adjusted to reflect the level of available grant funding. Grant funding for permanent improvement funds and internal service and enterprise fund activities shall be accounted for in those funds. Individual grant budgets are controlled in the financial system at the cost category level. In the event of reduced grant funding, City funding sources may be substituted only after all competing program priorities are considered during the annual budget process. Grant programs that require an ongoing City funding commitment shall be specified at the time of grant acceptance and may be rejected on the basis that the City is unwilling or unable to provide continued funding.

Grant Funding in the Five-Year Financial Direction

All appropriations of grant funding require Council approval. Any department applying for grant funding should be aware of the effect on its budget.

Budget effects include, but are not limited to, such items as:

- local match requirements;
- additional costs for maintenance, operation, and replacement of equipment and other capital assets purchased with grant funding; or,
- requirements for maintenance of a minimum staffing level and/or maintenance of effort contribution after the grant ends.

The department requesting the approval and acceptance of grant funding shall determine the amount of additional City resources that will be required to fund any local match requirement as well as the ongoing services, maintenance and operation costs, and positions once the grant funding expires. Those estimates shall be reported to the Finance and Property Services Department, as well as included as information when seeking Council approval for the application, acceptance and/or entering into the grant agreement.

As a condition of accepting the funds, the Council shall identify the amount and source of permanent resources - by adding to, or repurposing within, existing budgets - necessary to fulfil any ongoing commitments associated with the acceptance. If necessary, the Council shall amend the Five-Year Financial Direction to reflect any such changes. In the event the Council fails to provide budgetary

resource necessary to fulfill ongoing commitments associated with the acceptance of a grant, the receiving department shall be responsible for absorbing the costs of those ongoing commitments into their existing budget.

See below for additional grants management policies in the Administrative Policies section of this document.

ALLOCATION MODEL POLICIES

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

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

The primary methodology used is Activity-Based-Costing which links the cost of the service provided to the consumption of the service. In addition, cost allocation models should conform to the following principles:

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

General Fund Allocation Model

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

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

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

Internal Service Funds (ISFs)

All ISFs use cost allocation models to recover costs.

Fleet Services Division (Equipment Services Fund)

The Fleet Services Division (FSD) of the Public Works Department procures, equips, and maintains an enterprise-wide fleet.

Fleet Defined

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

Fleet Acquisitions

- 1) All Fleet units shall be purchased through and maintained by FSD. Exceptions may be granted on a case by case basis by the Director of Public Works or the City Coordinator or designee.
- 2) The benefitting department shall request funding through the annual budget process, or provide funding through their discretionary budget, for additional units or the underfunded portions of replacement units.

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

Information Technology (Intergovernmental Services Fund)

The Information Technology (IT) department provides enterprise-wide purchasing, strategy, development, and maintenance services for the City's IT infrastructure.

IT Defined

For the purposes of this document, IT is inclusive of hardware - including handheld equipment that requires City-maintained software to function, and software - including software as a service (SAAS) applications. IT does not include salary costs of business-side application managers.

IT Acquisitions

All IT shall be purchased through the IT department. Exceptions may be granted on a case by case basis with the approval of the Chief Information Officer, or the City Coordinator or designee. An IT Governance Committee, composed at minimum of the City Coordinator, Chief Finance Officer, and

Chief Information Officer, shall review all proposed IT purchases annually and may recommend a set of priority IT projects based on current resource constraints and applicable City values, goals, and objectives.

Except for the acquisition of new desktop or laptop computers as part of the City's annual refresh cycle, the IT allocation model shall not collect in advance to cover costs associated with the purchase of new IT.

IT Licenses and Maintenance

The IT allocation will include funding for application licenses and maintenance contracts for all IT systems which have been expressly approved by the City Council - including increases to license or maintenance fees upon contract renewals. The IT allocation will also include recovery of administrative costs and fund an adequate reserve as defined in these policies.

The IT allocation will not include application licenses or maintenance contracts for IT systems developed or procured at department discretion.

Self-Insurance (Excluding Medical and Dental Self-Insurance)

The Risk Management division of the Finance & Property Services department manages the City's self-insurance program.

The Self-Insurance allocation for Worker's Compensation and Tort Liability will recover costs to pay claims and other legal liabilities. Estimates for Worker's Compensation and Tort Liability are developed by an outside actuarial firm and assessed to departments based on historic experience.

Legal Services (Self-Insurance Fund)

The Civil division of the City Attorney's office provides legal services for all City departments.

The Legal Services allocation will recover costs to pay for legal services for city departments and city officials as necessary and prudent. Estimates are based on historic usage of legal services by each department.

Property Services (Property Services Fund)

The Property Services division of the Finance & Property Services department provides leasing, space management, construction management services and security services to all City departments.

The Property Services allocation will recover costs of providing the services listed above. Rent estimates will be based on all known information as of March 1 of the year prior to the year for which costs are being allocated. Any additional rent costs beyond what is included in the allocation are the responsibility of the department incurring the expense.

One-Time Costs Assessed

One-time cost increases may be assessed to internal service funds if the financial condition of the fund meets the City's financial policies.

Management Support Charges to Independent Boards

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

REVENUE POLICIES

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

Revenue Structure and Sources

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

Revenues Default to General Fund

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

Shared Revenue Distribution

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

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

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

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

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

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

Local Sales Taxes

The City receives five different sources of local taxes related to entertainment, food and beverage, general retail, and lodging. These local taxes are collected by the State of Minnesota's Department of Revenue and detailed in the State's Sales Tax Fact Sheet 164M. The use of these local taxes are broadly authorized by state laws and statutes and, more narrowly, by annual budgetary decisions by the Mayor and City Council. The following shall guide the City's use of sales tax resources within the Downtown Assets Fund and the associated transfers to the City's general fund:

- Entertainment taxes as defined in Laws of Minnesota 1969 Chapter 1092 can be used for any purpose and are not pledged to any particular operational or capital use. A portion of the entertainment taxes will be utilized within the Downtown Assets Fund for operating costs of assets that are not the convention center or marketing costs. The remainder will be transferred to the City's general fund.
- Sales taxes related to the downtown food and liquor taxes, as well as the lodging taxes, as described in Laws of Minnesota 2012, Chapter 299, Article 3, Section 3 shall first be utilized for:
 - The payment of debt service obligations on the City's Convention Center.
 - The payment of debt service obligations on the City's basketball arena.
 - The payment of the applicable portion of the State of Minnesota's debt service obligations and annual capital and operating cost contribution for the MSFA and its stadium
- Any remainder of the downtown food and liquor taxes, the lodging taxes, together with the 0.5% general sales may then be used for:
 - Operational support of the City's convention center, inclusive of maintenance, service, and marketing agreements.
 - Reserves necessary for the City's convention center and its basketball arena and financing related to these facilities.
 - Economic development.
 - Capital projects generally and any debt service associated with capital projects.

For purposes of the City's annual general fund budget that is supported by local sales taxes, economic development may include a portion of the operations of the Community Planning and Economic Development department, and a portion of any other general fund supported department that enhances the economic vitality of the City.

For purposes of the budget, capital projects can include any general fund cash or debt service for a capital budget item in the City's capital budget in the current year or any prior year budget, either at the original adoption of the budget or added subsequently through amendments.

License, Permit and User Fees

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

Cost of Service

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

Non-Resident Charges

User fees and other appropriate charges shall be levied for City activities, services or facilities in which non-residents participate, whenever practical. Non-resident fees may be set at different levels than charges to residents to minimize the tax burden on City residents. The user fee may not exceed the cost of providing the service.

Enterprise Service Fees and Rates

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

Administrative Fees

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

Fines and Administrative Citations

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

Private Revenues

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

City-Administered Special Assessments

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

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

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

Owners of benefiting properties shall have the option of paying their assessments all at once or in installments as part of their annual real estate taxes following the process outlined in MN Statutes 429.061 and Chapter 10 of the City Charter. The City Council shall determine the number of equal annual installments, not to exceed twenty, in which assessments may be paid. The City Council shall also determine the interest rate to be paid annually on all unpaid installments upon certification of the assessment based on market interest rates. Interest rates shall be determined annually for the new

projects to be assessed based on the Daily Treasury Yield Curve Rates in effect on December 1 of the year prior to the property owner receiving notice of the public hearing of a proposed property assessment. The interest rate will correspond to the anticipated term of the assessment plus 2 percent. An alternate structure for timing interest accrual, shifting all interest to the principal balance, shall also be made available to property owners. The first installment shall be payable in the year following certification of the assessment role to Hennepin County and will be payable in the same manner as real estate taxes. Property owners will receive a bill from the City in November of the year before their first payments are due and can prepay this bill up to December 31st without incurring interest costs.

Uniform Assessment Rate

The Uniform Assessment Rate is a standardized rate applied in street construction and street renovation projects. Assessments shall be part of the funding for all street paving construction/reconstruction projects for which the City is to bear any part of the cost, except for freeways. This rate shall be applied to the square footage per parcel in the project area to arrive at an assessment cost for each benefited property. The goal of the rate is to ensure an equitable distribution of costs between projects and to assess approximately 25% - 75% of construction project costs depending upon the nature of the improvement project. The Uniform Assessment shall be calculated annually and submitted to the City Council's Transportation and Public Works Committee for approval. Separate rates must be established based on the type of project (construction, renovation, or resurfacing), funding category (local or other), and benefited parcel category (non - residential or residential).

Permanent Improvement Fund

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

Method of Payment (Inspections, Code Enforcement and Unpaid Citations / Invoice Assessments)

Owners of properties with unpaid citations and invoices shall have the amount of the outstanding balance certified to the County by December 15th of the year prior to collection following the process outlined in MN Statutes 429.101. The assessed amount shall be payable in the year following certification of the assessed amount and in the same manner as real estate taxes.

Proceeds from Sale of Real Property

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

ADMINISTRATIVE POLICIES

Quarterly and Year-End Reporting

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

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

Operating Costs for Technology

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

Contract Funding

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

Gift Acceptance

Any gifts with a value of \$15,000 or less can be received by individual City departments with written notice to the Finance Officer or his designee. The Finance and Property Services Department shall submit a quarterly gift report to the City Council's Ways and Means Committee for approval. The quarterly gift report shall contain the following information on each donation:

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

For any gifts with a value exceeding \$15,000, the recipient department shall submit a request for authorization to accept the gift directly to the City Council's Ways & Means Committee. Consistent with Minnesota Statutes, section 465.03, the department may not use the gift until it has been approved by a two-thirds vote of the City Council.

Grants Administration

The following provisions apply to the administrative of grant funds within the City.

Applications for Grants

Grant Applications require prior City Council approval if one of the following applies:

1. More than one Department is applying for the same funds and prioritization is required;
2. Grant request exceeds \$250,000;
3. Grant requires any local cash match;
4. Grant requires new hiring to implement the project;
5. The project, if funded, would require an expectation for the City to continue the funding;
6. The application appears to be inconsistent with the City's Annual Budget;
7. The application appears to be inconsistent with the City's Comprehensive Plan, Consolidated Plan, or other adopted Plans or Policies; or
8. The application includes controversial or unclear elements.

Acceptance of Grants

All grant awards need to be formally accepted by City Council and appropriated to a City grant fund. Final, signed grant agreements should be sent to the Procurement Office to be scanned into the financial software for storage.

Changes to Grants after acceptance

Any department which has received a grant shall notify the Finance and Property Services Department of changes in the grant award or terms of the grant that occur after the grant is initially awarded.

Approval of Payments and Procurements

All payments for or procurement of goods and services from external sources, regardless of dollar amount, must be approved. Additionally, where applicable, the system-generated purchase order number will be communicated to the vendor prior to the order being placed. Purchases under \$100,000, with minor exceptions, shall meet the Target Market Program requirements, which can be found at the below link:

<http://www.ci.minneapolis.mn.us/www/groups/public/@finance/documents/webcontent/wcmsp-188040.pdf>

Additional procurement policies and procedures are available for reference at:

<http://www.ci.minneapolis.mn.us/finance/procurement/WCMS1Q - 003577>.

Accounts Receivable Collections Policy

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

PCI Information Security Policy

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

Central Requisitions and Receiving Policy

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

<http://citytalk/finance/central/index.htm>

Medical Self-Insurance

The City began implementing medical self-insurance on January 1, 2018. The City's medical self-insurance plan shall maintain adequate reserve balances as outlined in the reserve policies section of this document. Funding of reserves shall be included in the premium rates paid by the City and employees. Medical self-insurance reserves shall be used only for medical self-insurance purposes and not be allocated for any other purpose. No interest earned shall be retained in and accrue to the medical self-insurance reserve.

If premium holidays (forgiveness of premiums for a set period) are granted, both the City and employees will share in the premium savings on a pro rata basis according to the share of premium paid by each.

If the medical self-insurance fund is dissolved for any reason, the reserve shall be transferred to the City's remaining self-insurance reserves in the Self-Insurance Fund.

City Time Reporting

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

Surplus Property Donation

All donations of surplus property must be in accordance with Minnesota Statute 471.3459, Minneapolis Ordinance 18.160, Minneapolis Surplus Property Disposal Policy, and Minneapolis Surplus Property Disposal Procedures.

Authority of the Finance Officer

The Finance Officer or his designee has the following authorities:

Related to Loans

- To make temporary loans between funds to cover any cash deficits at the end of each fiscal year.

Related to Capital and Debt

- To create or adjust appropriations in any fund to prepay bonds and facilitate transfers for debt service and to make all appropriate transfers and payments relating to debt service and the administration thereof.
- To call (prepay) bonds in advance of maturity for the following types of bonds: net debt, special assessment, enterprise and tax increment provided sufficient excess cash resources are available.
- To approve the closure of non-bond funded capital projects.
- To authorize the Deputy Finance Officer and/or Controller to sign real estate and bond documents in the absence of the Finance Officer.

Related to Appropriations and Transfers

- To amend appropriations related to technical accounting treatment changes.
- To assign fund balance in accordance with GASB 54 based on analysis provided by the City Controller.
- To adjust the appropriations of the special revenue funds for payments to various pension organizations as may be required.

- To establish or adjust appropriations, transfer balances, or make payments to carry out the intent of any action or resolution Passed and Approved, or any legal agreement Passed, Approved and Executed, with respect to any inter-fund loans, advances, residual equity transfers, or operating transfers, or the repayment thereof.
- To make any necessary appropriation adjustments to allow departments to receive and spend funds consistent with Council-approved actions.
- To review and approve any and all transfers of eligible revenues into and out of the Development Account, based on an eligibility assessment and analysis conducted by Finance & Property Services Department staff.
- To approve any and all transfers of eligible revenues into the Property Disposition Fund based on approval by the Facilities, Space and Asset Management Committee and eligibility assessment conducted by Finance & Property Services Department staff.
- To make appropriation adjustments to correct any errors, omissions or misstatements to accurately reflect the intent of the City Council in adopting the Operating or Capital Budget and/or any subsequent City Council action.
- To administratively increase or decrease capital project appropriations to reflect necessary reductions whenever a revenue source is determined to be uncollectible or to increase appropriations upon receipt of funds and/or a reasonable expectation of receipt of funds based on adopted Council actions.
- To appropriate and transfer revenue within the Tax Increment and other special revenue funds consistent with the management of the City's tax increment districts and development program.
- To establish or amend appropriations related to technical accounting treatment changes and to establish and adjust accounts and appropriations, make payments and transfers, process transactions as necessary for the purpose of cash management of revenues, and facilitate any technical corrections, adjustments and completions authorized for the following project/s:
 - Target Center Finance Plan internal allocation models and the appropriations attached to them.

Related to Expenditures and Public Purpose

- To develop, implement, and administer food and gift card policies and procedures in accordance with the Public Purpose doctrine and other legal and accounting guidelines.

Related to Contracts

- To make minor changes to insurance requirements, coverage and limits, defense and indemnification, and similar provisions in contracts, after consultation with the City Attorney or their designee. Before exercising this authority, the Finance Officer must first develop, implement, and administer a procedure, in accordance with legal and risk management guidelines, describing the circumstance under which changes may be acceptable and the reasonable limits to the changes which may be made under this authority.

Related to Grants and CDBG

- To make the necessary project and line item budget adjustments to periodically balance budgets and expenses between objectives within given programs and within normal CDBG program constraints.
- To adjust re-appropriations for grant funds within cost centers as appropriate.
- To appropriate available grant balances.

Related to Claims Administration

- To make the necessary adjustments in Subrogation 3rd party claims, to take the necessary action to increase 3rd party payments and decrease write-offs to the City.
- To provide oversight of related-party or sub-recipient transactions using City or pass-through funds to insure compliance with applicable rules and regulations.

Related to Interest Earnings

- To administratively allocate interest earnings from any City fund as long as such allocations are consistent with State law and federal regulations.

Related to State Aids

- To allocate the State Insurance Aid payments received from the state for pension costs.
- To reduce LGA payments to the Independent Boards if payment of the management support charge, or any other charges required by City Ordinance, are not received prior to the distribution of the December LGA payment. This reduction shall only occur after an affirmative vote of the Council to implement this authority.

Related to Rollover

- To re-appropriate funds and certify that an encumbrance is eligible for re- appropriation at the end of the fiscal year. Additionally, the Finance Officer may reject re-appropriation requests based on the financial health of the fund or extenuating circumstances. To be eligible for re-appropriation, requests must meet all of the following criteria:
 - 1) Be a valid encumbrance;
 - 2) Be a one-time expenditure and not a recurring budget item;
 - 3) Have a purpose consistent with the department’s business plan and included as part of the department’s planned expenditures for the year;
 - 4) Have the budget year appropriation balance available for the encumbered item; and
 - 5) Have a positive fund financial position

FUND BALANCE POLICIES

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

General Fund Cash Flow and Contingency

The City shall maintain a minimum unrestricted fund balance in the General Fund equal to 17% of the following year’s General Fund budgeted expenditures, not including transfers out, to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, to meet unexpected increases in service delivery costs or unexpected revenue shortfalls. These funds are used to avoid cash flow interruptions, generate interest income, and to avoid the need for short-term borrowing.

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

General Fund Operating Contingency

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

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

Non-General Governmental Funds

The appropriate balances shall be the amount needed to maintain positive cash balances throughout the year with exceptions made for those funds associated with economic development purposes, and those under the downtown assets umbrella fund, which may be aggregated by fund type to maintain a positive balance.

Enterprise Funds

The City shall maintain a minimum cash balance in its Enterprise Funds equal to three months of operating expense, or 25% of the funds’ annual operating budget. This balance shall be maintained to ensure adequate maintenance reserves, operating cash flow requirements, debt service requirements

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

Internal Service Funds

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

- *Self-Insurance Fund* shall maintain a cash balance equal to the unpaid claim reserves payable amount on its balance sheet, as defined by the independent actuary plus 10% of the annual department operating budgets within the fund. Net position within the fund should not fall below zero.
- *Medical Self-Insurance Plan* shall maintain a minimum cash balance of 35% of total annual claims. Funding of the reserves shall be included in the premium rates paid by city employees.
- *Fleet Services, Intergovernmental Services, and Property Services Funds*: If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net position shall not fall below two times the fund's annual depreciation amount.
- *Stores and Engineering Materials & Testing Funds* shall maintain cash and net position equal to 15% of the fund's annual operating budget. For the purposes of the cash and net position target, the fund's annual operating budget shall exclude purchases of construction materials for capital projects.

Use of Fund Balances

Fund balance is the accumulation of prior years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net position. For the purposes of the budget, revenue and expense activity includes bond proceeds and debt service. Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions and/or service level efficiencies.

Annual Review

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

ACCOUNTING POLICIES

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

Accounting Standards

The City shall establish and maintain a central accounting system according to GAAP, which are set by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The central system shall be used for financial transactions of all City departments, boards, and independent agencies.

Disclosure and Monitoring

Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor all financial activity on a daily, monthly, and year-end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six months of the fiscal year-end as required by the Office of the Minnesota State Auditor. The CAFR shall be published on the City's website.

INVESTMENT POLICIES

Investment Policy and Strategy

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

<http://www.ci.minneapolis.mn.us/www/groups/public/@finance/documents/webcontent/wcms1p - 128032.pdf>

Depositories

The Finance Officer is authorized to designate current City depositories pursuant to Chapter 118A and the City's investment policy. A list of eligible depositories shall be subject to a Council-approved request for proposals process no less than every five years.

DEVELOPMENT FINANCE POLICIES

The objective of the development finance policies is to provide guidance for public assistance to community development efforts in a manner that balances costs against benefits. City staff shall identify sufficient public and private resources at the time a project is approved to ensure feasible completion and operation of the project. All development financing proposals shall be reviewed to ensure that the proposed finance plan is reasonable, balanced, and the best means by which to achieve City objectives, while adequately protecting citywide financial interests.

Tax Increment Policy

The Tax Increment Policy guides the City's use of the tax increment financing (TIF) tool. It identifies the purposes and conditions under which TIF may be used, and the factors to be considered when evaluating a developer's application for TIF assistance. The policy states that TIF will only be used when the City has the financial capacity to provide the needed public assistance and the developer can clearly demonstrate that the development will be able to meet its financial and public purpose commitments. The City seeks to recapture this public investment to the maximum extent feasible after allowing the developer a reasonable rate of return on their equity. Pay-as-you-go TIF financing is preferable to tax increment bond financing since repayment risk is assumed by the developer instead of the City. The City will only issue general obligation (G.O.) tax increment bonds under certain strict situations that are specified in the policy. Only those public improvements and public redevelopment costs directly associated with a proposed development project can be financed using TIF. The City's current Tax Increment Policy, as approved by the City Council, is available at:

http://www.ci.minneapolis.mn.us/cped/resources/reports/cped_tax_increment_policy

Tax Abatement Policy

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

http://www.ci.minneapolis.mn.us/cped/resources/reports/cped_tax_abatement_historic

Tax Increment Special Revenue Funds and Internal Loans

State statute requires that tax increment (TI) revenues must be segregated from all other revenues of the City and maintained in separate TI (special revenue) funds established for each TIF district. A new TI fund is established whenever a new TIF district is approved. Qualifying expenses are charged to these individual TI funds as they are incurred. If expenses are incurred before the TIF district has generated any TI revenue, then the TI fund will experience a negative fund balance

When a TI fund experiences a negative fund balance, this is considered an "interfund loan" by the Office of the State Auditor. State statutes require that specific actions must be taken by the City to authorize these types of loans. As part of the budget process, and for purpose of covering any temporary negative fund balances in TI funds, the City authorizes interfund loans (also referred to as "capital advances") from other TI funds in the amount needed to offset any negative fund balances.

These loans do not result in the actual transfer of revenue between TI funds, but rather the collective positive fund balance of all the City's TI funds offsets any negative fund balances that may exist in a small number of TI funds. As TI revenue is collected and deposited in a TI fund that has a negative balance, the interfund loan for that TI fund is reduced and eventually paid off.

Housing Improvement Area Policy

The City's Housing Improvement Area (HIA) Policy establishes the conditions under which HIAs may be approved by the City Council, and provides a framework within which requests for the establishment of HIAs will be considered. This Policy briefly describes the statutory requirements of HIAs, and includes a

list of the City's goals and objectives, guidelines, and minimum criteria associated with the use of this financing tool. The administrative process and procedure for the establishment of HIAs in the City is also available in separate documentation.

Development Program and Project Appropriation Expiration

Any appropriation for a CPED development program or project that hasn't spent at least 75% of this appropriation on tangible project activities within a four-year period (including the appropriation year) may be subject to expiration. This test began with 2014 appropriations, which were subject to expiration at the end of 2017 unless the above test was met.

The mechanism for tracking these appropriations shall be an annual "CPED Development Program and Project Status Report" that is presented to the Economic Development & Regulatory Services Committee and the Ways & Means Committee at the request of the chair of either committee. This report shall contain the following information by individual program or project:

- Brief program or project description;
- Year of original appropriation;
- Total appropriation for the most recently completed fiscal year (including any appropriation amounts rolled-over from prior years);
- Annual expenditures for the most recently completed fiscal year;
- Total outstanding encumbrances and Council commitments as of the most recently completed fiscal year; and
- The unexpended and unobligated appropriation balance;

The 2021 report will contain information for calendar years 2016-2019, and will identify those development programs and projects that have not expended at least 75% of their 2016 appropriation, and the amount of the unspent 2016 appropriation that will expire, subject to review by the City Council.

CDBG REPROGRAMMING POLICIES

There are four sources for reprogramming funds:

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

Administrative Allocations

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

Public Service Allocations

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

Program Income

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

PUBLIC PARTICIPATION POLICIES

Consistent with adopted City goals and values, the objective of the Department's public participation policies is to enhance the City's ability to meet financial and policy challenges by promoting a well-informed community and by encouraging public input in the decision-making process. Financial and budget reports are available on the City's web site and in the Finance & Property Services Department offices in Room 325M City Hall.

Financial Reports

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

Budget and Service Priorities

Various methods shall be used to ensure public input into the budgeting process, such as informational hearings, surveys, resident-based review committees and community meetings. The Mayor's recommended budget is available on the City's web site for review shortly after its release in mid-August each year. All City Council budget meetings in the fall are public and advertised as part of the normal Council Committee process. City stakeholders are encouraged to communicate any concerns related to the budget to the Mayor's Office, and to their Council Member.

CAPITAL BUDGET POLICIES

The objective of the capital budget policies is to ensure construction and maintenance of capital assets and infrastructure in the most cost-effective manner.

Capital Improvement Program

The City prepares and adopts a five-year Capital Improvement Program (CIP) that details each capital project, the estimated cost and funding sources. An adopted point rating system is used to rank and prioritize recommended projects. The CIP includes City infrastructure, but does not include capital planning for major City facilities, including the Minneapolis Convention Center or Target Center.

Planning Direction Provided

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

Operating Budget Impacts

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

Repair and Replacement

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

Capital Requests Outside the CIP

In addition to physical assets narrowly defined as infrastructure, the City needs to maintain and replace capital equipment such as fleet and rolling stock, software, personal protective equipment and other depreciable assets that are generally not large enough or of the asset nature to fund through the City's CIP process. These non-CIP assets are addressed via the annual operating budget-setting process, and shall at minimum include consideration of ongoing maintenance costs and future replacements prior to being requested. Fleet replacements shall be included as part of the City's Current Service Level to the extent that they are included in a fleet replacement plan and the responsible department is charged in advance for planned replacements. IT-related requests shall be submitted in cooperation between the requesting department and the IT Department and will be reviewed by the IT Governance Committee to ensure consistency with the City's longer-term technology plan.

Future cost increases above those costs that are presented in individual budget requests or the Fleet Replacement Plan may be funded by submitting another request during the City's annual budget setting process or by using discretionary budget.

Whenever possible, the City shall utilize external resources, but recognize replacement costs associated with externally funded equipment. External resources received after funding has been appropriated shall replace funding for the department and not expand spending to the extent that the external revenue does not allow supplanting. Funding shortfalls in Internal Service Funds in the first year of the plan may be funded by General Fund fund balance with the expectation that recognized shortfalls in subsequent years will be funded through the approved rate models.

Public Art

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

Neighborhood Park and Street Infrastructure Plans

On April 29, 2016, the City Council approved ordinance amendment 2016-031 amending Chapter 16 of the Minneapolis Code of Ordinances by adding Article XIV. Neighborhood Park and Street Infrastructure Plans. The amendment establishes a 20 year funding plan to make significant additional capital improvements to neighborhood parks and street infrastructure utilizing racial and economic equity criteria while also avoiding the uncertainty and inflexibility of various potential ballot measures. The financial plan is fully described in Resolution 2016R-151 also approved on April 29, 2016. Details of the ordinance amendment and funding resolution are available at:

<http://www.minneapolismn.gov/www/groups/public/@council/documents/proceedings/wcmssp-179487.pdf>

CAPITAL PROJECT ADMINISTRATION

Reduction of Appropriations if revenues are not realized

The amounts appropriated for capital projects using various revenue sources are appropriated contingent upon the reasonable expectation of receipt of the identified revenue.

Re-appropriation of Capital Projects

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

Expiration of Revenue-Funded Capital Projects in Enterprise funds

For certain enterprise fund capital projects, annual revenues are designated as the source of funding. These projects are typically for recurring major maintenance projects or ongoing long-term programs. For these projects, the expenditures are to be paid from funds of the appropriation year in which the work occurs. These projects will not have their appropriations carried forward since they receive a new annual appropriation each year based on work needs, existing financial capacity and utility rate considerations. Exceptions for large multi-year standalone enterprise projects will be made on a case by case basis with the approval of the Finance Officer. Bond appropriations authorized for these programs will be carried over upon request.

Reallocation of Bond Resources

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

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

Expiration of Capital Project Funding

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

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

DEBT POLICIES

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

Authority and Oversight

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

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

Guiding Principles for City of Minneapolis Debt Issuance

Method of Sale

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

Selection of Independent Advisors

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

Use of Derivatives

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

Variable Rate Debt

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

Conduit Debt Financings

The City actively participates in conduit business financings. Applications for financing and development proposals are reviewed by City staff to determine if they meet program objectives as determined by City Council financing guidelines and whether the proposal is financially feasible. As part of the application process, City staff will complete a due diligence process and project vetting procedure per established guidelines.

Items reviewed during due diligence reviews may include, but are not limited to, narrative on the company and owners, past three years of financial statements, personal financial statements, tenant and lease data, market feasibility studies, business plans, budget projections, project pro-formas, appraisals, plans and specifications, environmental reviews, insurance covenants, etc. Additionally, the project shall be evaluated for consistency with other City measures related to land use, job

creation and compliance with affirmative action, civil rights, job linkage and other equal employment opportunity requirements.

General Obligation Bonds, Property Tax Supported

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

General Obligation Revenue Bonds

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

Tax Increment Bonds

The City uses tax increment bonds only when such bonds can be shown to be self-supporting from tax increments, or where secured guarantees are provided for potential shortfalls, in order to avoid the use of citywide property tax revenues.

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

Special Obligation Revenue Bonds

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

Bond Term

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

Approvals for Bond Issuance

The amounts appropriated in any City fund to be financed by bond proceeds are contingent upon the necessary approvals for issuance. The Finance Officer is authorized to establish or adjust any bond-financed appropriations when the necessary approvals for issuance of bonds are obtained.

Alternative Financing Arrangements

The Finance Officer is authorized to establish or adjust appropriations, make payments and transfers, and process transactions as necessary for the purpose of providing departments, boards and commissions an internal financing alternative to lease/purchase agreements with external vendors. The Finance Officer may provide capital advances from individual funds to the extent funds are available. The Finance Officer shall establish the term and interest rate applicable to the capital advance. The principal amount of the capital advance may be transferred to the fund of the department, board or commission after the purchase of the asset and execution of an Internal Lease/Purchase Agreement, signed between the department, board or commission and the Finance Officer.

Prior to issuing the capital advance, the Finance Officer shall determine that the department, board or commission has made a commitment in their annual budgets to provide the funds necessary to repay the advance, with interest, over the term of the agreement.

Internal Loans for Bond Defeasance

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

Appropriations for Debt Service

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

Post Issuance Compliance Policy

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

http://www.minneapolismn.gov/www/groups/public/%40clerk/documents/webcontent/wcms1p_096355.pdf

Use of Investment Earnings

The investment earnings from unspent bond proceeds shall be accounted for in separate arbitrage funds and will be allocated to debt service on net debt bond issues and shall be transferred on the scheduled debt service payment dates. The exception to this is that investment earnings on unspent tax increment bonds are to be used only for tax increment-eligible purposes related to that specific tax increment bond issue.

Tax-Exempt Bonds

The annual capital budget resolution constitutes an official declaration pursuant to IRS Treasury Regulations Section 1.150-2 that the City intends to reimburse expenditures which may be made for those projects designated herein to be funded with bond proceeds by incurring tax-exempt debt of the City in the amount of up to 125% of the project costs noted (taking into account the potential increases in actual project costs that may occur due to the timing lag between the budget preparation and the dates of the actual expenditures for project costs and decreases in other sources of funding). The expenditures to be reimbursed include all preliminary expenses for planning, design, legal, consulting services and staff costs reasonably allocated to the project as well as costs incurred and paid for related to the design and construction of the projects after approval of the capital budget. In addition, the City hereby declares its official intent to reimburse itself for expenditures for projects described as bond funded in the annual adopted capital resolution as amended by subsequent related resolutions. The projects are more fully described on Capital Budget Request forms on file in the office of Finance and Property Services.

Source of Repayment

The reasonably expected source of funds to pay debt service on the tax-exempt bonds to be issued by the City consists of the following according to the designated bond type:

| Bond Type | Source |
|--|------------------------------|
| Net Debt | Property Taxes |
| Equipment, Property Services or Information Technology | Internal User Fees |
| Sanitary Sewer | Sanitary Sewer Fund revenues |
| Stormwater Sewer | Stormwater Fund revenues |
| Water | Water Fund revenues |
| Parking | Parking Fund revenues |
| Solid Waste & Recycling Services | Solid Waste revenues |
| Assessment | Special Assessments |
| Tax Increment | Tax Increment revenues |

Future Declarations of Official Intent to Reimburse

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

**City of Minneapolis
2021 Adopted Budget**

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City of Minneapolis 2021 Adopted Budget

Five-year Financial Direction 2022-2026 (Including Information on the City's General Fund)

Introduction

The Five-year Financial Direction reflects the City's ongoing commitment to long-term financial planning. The financial direction provides projections for property tax supported services, including the City's General Fund, pensions, capital and debt. The purpose of recommending a 2022-2026 financial direction is to provide guidance for decision making on available planned resources in the City's General Fund.

General Fund

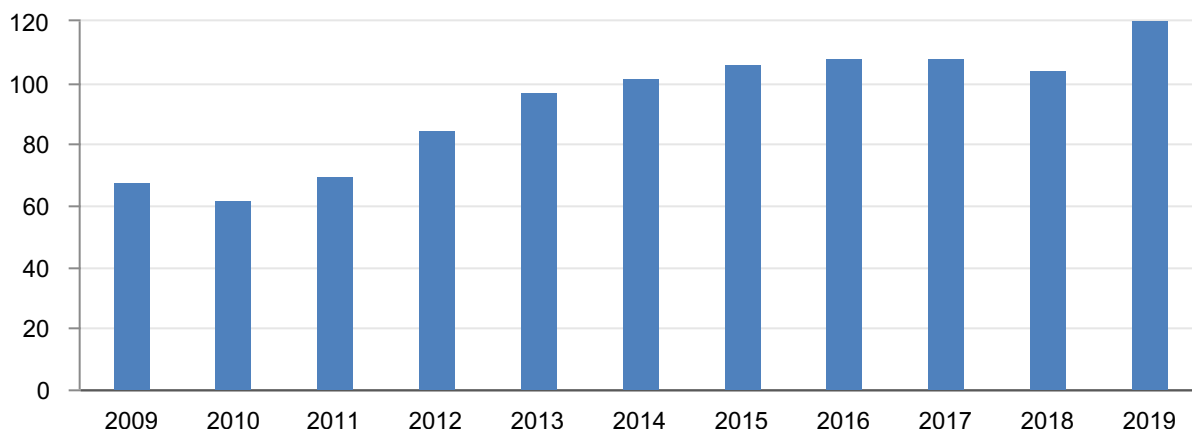
The General Fund is the general operating fund of the City and is the primary funding source for public safety, street paving, snow plowing and other general government services. In 2021 the General Fund revenue, including levying for anticipated delinquencies, is \$503.2 million.

Historical Financial Performance

The results of the General Fund's annual operations at the end of the year reflect the fund's "fund balance," or the amount of available, spendable resources contained within the fund. The balance provides the City a reserve to cushion adverse economic shocks and to meet a portion of the City's cash flow needs. The City's policy is to maintain a minimum unrestricted fund balance of 17% of the following year's budgeted expenditures.

The General Fund began 2020 with a fund balance of \$128 million. The 2019 year-end fund balance in the General Fund is expected to be at \$110 million, which reflects a use of \$10 million included in the 2020 Council Adopted Budget and an additional use of \$8 million included in the 2020 Revised Budget. The expected year-end total is greater than the stated fund balance requirement of 17%, or \$85.4 million, of the following year's expenditure budget.

Fund Balance
(in millions of dollars)



2021 General Fund Revenue Budget

The 2021 Council Adopted budget includes a total of \$503.2 million of revenues for services incorporated in the financial direction, excluding transfers from other funds and use of fund balance. This change of (5.5)% to budgeted revenues is largely because of a \$22 million reduction to the transfer of funds in to the General Fund from the Downtown Assets fund, and a \$4 million decrease in Local Government Aid. Revenues exceed expenses in the General Fund in 2021 in order to account for likely increased delinquency in property taxes paid next year.

General Fund Revenue Budget - Source of Funds

2021 Council Adopted Budget: \$503.2 million
(includes transfers)

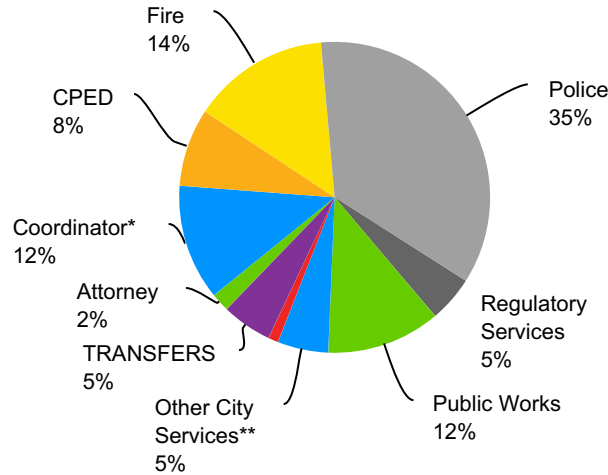
| Revenue Source | 2019 Actual | 2020 Adopted | 2021 Adopted | % Chg from 2020 Adopted | 2020 Adopted % of Total | 2021 Mayor Rec. % of Total |
|-----------------------------------|--------------------|---------------------|---------------------|------------------------------------|------------------------------------|---------------------------------------|
| BUSINESS LICENSES AND PERMITS | 13.2 | 13.6 | 12.6 | -7.2 % | 2.6% | 2.5% |
| CHARGES FOR SALES | 0.1 | 0.1 | 0.1 | -10.7 % | 0.0% | 0.0% |
| CHARGES FOR SERVICES | 58.5 | 52.1 | 55.5 | 6.4 % | 9.8% | 11.0% |
| FINES AND FORFEITS | 7.2 | 6.7 | 5.2 | -22.6 % | 1.3% | 1.0% |
| FRANCHISE FEES | 32.4 | 34.4 | 33.9 | -1.3 % | 6.5% | 6.7% |
| INTEREST REVENUE | (12.5) | 6.3 | 3.9 | -38.4 % | 1.2% | 0.8% |
| LOCAL GRANTS & AIDS | 1.0 | 0.9 | 0.8 | -11.5 % | 0.2% | 0.2% |
| MISCELLANEOUS | 2.6 | 2.9 | 1.8 | -38.0 % | 0.5% | 0.4% |
| NON-BUSINESS LICENSES AND PERMITS | 42.5 | 33.1 | 30.9 | -6.9 % | 6.2% | 6.1% |
| OTHER TAXES | — | — | — | 0.0 % | 0.0% | 0.0% |
| PROPERTY TAXES | 205.5 | 233.6 | 250.9 | 7.4 % | 43.9% | 49.9% |
| RENTS | 0.5 | 0.7 | 0.7 | 0.0 % | 0.1% | 0.1% |
| SPECIAL ASSESSMENTS | 3.4 | 3.6 | 4.7 | 32.5 % | 0.7% | 0.9% |
| STATE GRANTS & AIDS | 87.4 | 86.5 | 82.7 | -4.4 % | 16.3% | 16.4% |
| TRANSFERS | 59.9 | 47.9 | 19.7 | -58.9 % | 9.0% | 3.9% |
| USE OF FUND BALANCE | — | 10.1 | — | -100.0 % | 1.9% | 0.0% |
| Total | \$501.7 | \$532.3 | \$503.2 | (5.5)% | 100.0% | 100.0% |

2021 General Fund Expenditure Budget

The 2021 Council Adopted Budget for City services included in the financial direction is 510.3 million, which includes \$25.7 million in transfers to other funds.

Approximately 66.8% of the overall expenditure budget is related to salaries and benefits. In the General Fund, budgeted salary and wage expenditures decrease from \$251.8 million in 2020 to \$233.0 million in 2021. The salary and wages expense category also includes overtime costs, contractually-obligated payments, and one-time funding for positions that are not permanent. The General Fund provides funding in some shape or form for most City functions. A breakdown of the allocation of the \$498.5 million in the 2021 General Fund budget is reflected in the chart at below.

General Fund Expense Budget - Expenditure by Service
 2021 Council Adopted Budget: 510.3 million
 (includes transfers)



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

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

Five-Year Financial Direction

The Five-year Financial Direction includes property tax levy increases of 5.35% in 2022, 5.73% in 2023, 4.77% in 2024, 4.04% in 2025, and 3.76% in 2026. These percentages reflect funding for statutorily-required costs, the 20 year program for additional investments in streets and parks, and a current service level cost escalator for departments and support services.

The 2021 Recommended Budget is the basis for future projections: In other words, services and activities included in the 2021 Recommended Budget provide the starting point for the 2021-2025 department budget estimates. One-time 2020 supplemental items are removed from department budgets in 2021 and beyond.

The financial direction from 2022 to 2026 contains updates to departmental resources: The financial direction includes the most updated assumptions about contract settlements and other commitments, as well as projected changes in revenue.

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

Capital and Debt Service

As part of the 2018 budget, the amount of property tax supported resources for capital improvements was again increased due to the historic twenty year Street Infrastructure and Neighborhood Park Funding Plan which was approved in April of 2016. For 2019 and future years, the intent is to provide a higher

level of property tax supported (net debt bond) funding along with other resources to improve the overall condition of City streets and neighborhood park infrastructure. As a result of this new plan and base increases, property tax supported bond funding in the 2018 - 2022 five-year plan will be increasing from \$240.7 million to \$251.8 million. The additional resources will improve all types of capital infrastructure with a distinct emphasis on improving street paving, protected bikeways and pedestrian improvements, lighting and traffic related safety improvements and major improvements to neighborhood parks. More detail about the total resources dedicated for the Street Infrastructure and Neighborhood Park Funding Plan can be found in the Capital Budget Narrative Overview later in this document. The City's Water infrastructure is also an area of emphasis in this budget.

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

Funding for Pension Liabilities

The five-year financial direction includes obligations for three closed pension funds that have since been merged into the statewide retirement system, the Public Employees Retirement Association (PERA) of Minnesota. The former closed funds that were merged are the Minneapolis Police Relief Association (MPRA), the Minneapolis Firefighters' Relief Association (MFRA), and the Minneapolis Employees Retirement Fund (MERF). The City has ongoing obligations funded from within departmental budgets to PERA to support current and former employees' retirement plans. The City maintains minimal cash balances to respond to policy changes relating to these closed pensions.

Contingency for Adverse Circumstances

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

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

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

- *Property taxes:* Future projections plan on property tax increases to support future services. Reducing the growth in property taxes in the face of additional budget needs will require the City to continue monitoring other revenue sources and expenditures, as well as looking at creative ways in which to reallocated existing resources.
- *Performance Information:* As the City continues to gain experience with using results information for performance discussions, it will need to undertake benchmark development in using this information for financial decision making.
- *Internal Service Costs:* The City continues to see increasing costs to internal services, particularly in fleet - as vehicle replacement costs are rising; and, in information technology (IT) – as increasing demand for new systems create additional future obligations that must be recognized. The City will need to be mindful of containing these costs while continuing to provide current service levels.
- *Department Increases:* The City will continue to see challenges related to the ability to keep up with increased workloads across the enterprise while mitigating the impact on property tax payers.

- *Aging Facilities:* The City is responsible for facilities, including City Hall, Police Stations, and Fire Stations, that are not contemplated in its existing capital processes. As these facilities need major repairs and maintenance, there will be a need to recognize large out-year commitments to fund these projects.

Assumptions for 2022-2026

- The tax policy is managed in the aggregate, with consideration for allocation by use.
- Out-year projections will be adjusted over time as new information becomes available. In particular, the speed of the economic recovery and subscription to the early retirement incentive program will have significant impact on spending in future years.
- Contingency is maintained to provide cushion for uncertainty related to seasonal and economic conditions proportional to overall anticipate budget increases.
- Personnel costs, inclusive of Health Insurance, are projected to increase 3% annually from 2022 through 2026.
- Staffing reductions borne in the 2021 budget will be brought back over time, as needed, but are not projected to return fully.
- Non Property Tax Revenues in the General Fund are assumed to increase by between 1.0 and 1.5% annually.
- Expenditures for the cost allocation model for internal City departments and the government service fee also include cost escalators.
- Local tax revenue is recorded as direct revenue into the Downtown Assets Fund, and a portion, generated primarily from entertainment taxes, is transferred to the General Fund. Sales tax revenues in the General Fund are used for capital projects, and economic development.

Five Year Financial Direction

| Sources | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Franchise Fees | 33,929,000 | 34,268,000 | 34,611,000 | 34,957,000 | 35,307,000 | 35,660,000 |
| Licenses & Permits | 43,477,000 | 43,576,000 | 43,982,000 | 42,392,000 | 41,806,000 | 42,224,000 |
| Charges for Services | 55,462,000 | 55,466,000 | 56,021,000 | 56,581,000 | 57,147,000 | 57,719,000 |
| Fines & Forfeits | 5,161,000 | 5,213,000 | 5,265,000 | 5,318,000 | 5,371,000 | 5,424,000 |
| Special Assessments | 4,732,000 | 4,779,000 | 4,827,000 | 4,875,000 | 4,924,000 | 4,973,000 |
| State Aids | 82,695,000 | 82,695,000 | 82,695,000 | 82,695,000 | 82,695,000 | 82,695,000 |
| Interest Earnings | 3,850,000 | 1,850,000 | 1,850,000 | 1,850,000 | 1,850,000 | 1,850,000 |
| Other Misc. Revenues | 3,344,000 | 3,067,000 | 3,090,000 | 3,113,000 | 3,136,000 | 3,160,000 |
| Transfers In | 19,668,000 | 28,295,000 | 32,608,000 | 39,125,000 | 41,546,000 | 42,972,000 |
| Use of Fund Balance | 11,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Property Taxes (General Fund + MBC) | 250,901,000 | 269,278,000 | 287,877,000 | 303,480,000 | 316,613,000 | 330,251,000 |
| Total Sources* | 514,219,000 | 533,487,000 | 557,826,000 | 579,386,000 | 595,395,000 | 611,928,000 |
| Uses | | | | | | |
| Base Costs | 501,596,000 | 511,677,000 | 526,216,000 | 541,230,000 | 556,734,000 | 572,744,000 |
| One-Time Change Items & Transfers | 11,682,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| NPP 20 / Parks & Streets Capital | 11,287,000 | 11,690,000 | 11,701,000 | 11,711,000 | 11,722,000 | 11,733,000 |
| Neighborhoods / NCR Engagement | — | — | — | 4,000,000 | 4,000,000 | 4,000,000 |
| Contingency + Other Ongoing | 12,275,000 | 12,534,000 | 12,750,000 | 12,974,000 | 13,205,000 | 13,445,000 |
| Ongoing Change Items | (26,625,000) | — | — | — | — | — |
| Future Investments | | | | | | |
| Continued Hiring Freeze, Phasing Out in 2024 | — | (13,000,000) | (4,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| Elections Base Increase | — | 200,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Total Uses* | 510,215,000 | 528,101,000 | 552,067,000 | 573,315,000 | 589,061,000 | 605,322,000 |

*Total Sources and Total Uses do not match due to anticipated delinquencies in property tax collections.

| Property Tax | 2020 | 2021 | Change | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|--------------------|--------------------|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund | 228,149,000 | 247,405,000 | 8.44 % | 263,700,000 | 282,215,000 | 297,733,000 | 310,780,000 | 324,331,000 |
| Minneapolis Park Board | 69,506,000 | 70,326,000 | 1.18 % | 73,139,000 | 76,065,000 | 79,107,000 | 82,271,000 | 85,562,000 |
| Bond Redemption | 43,830,000 | 47,080,000 | 7.42 % | 47,080,000 | 49,450,000 | 51,850,000 | 54,230,000 | 55,390,000 |
| Pensions | 14,810,000 | 14,810,000 | 0.00 % | 14,810,000 | 14,810,000 | 14,810,000 | 14,810,000 | 14,810,000 |
| Municipal Building Commission | 5,414,000 | 3,496,000 | -35.43 % | 5,578,000 | 5,662,000 | 5,747,000 | 5,833,000 | 5,920,000 |
| Board of Estimate and Taxation | — | 110,000 | 0.00 % | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Teacher's Retirement Association | 2,300,000 | 2,300,000 | 0.00 % | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 |
| Library / Downtown Office Debt Service | 10,300,000 | 10,300,000 | 0.00 % | 10,300,000 | 10,300,000 | 10,300,000 | 10,300,000 | 10,300,000 |
| Total Property Taxes | 374,309,000 | 395,827,000 | 5.75 % | 417,017,000 | 440,912,000 | 461,957,000 | 480,634,000 | 498,723,000 |
| Estimated Change to Total Property Taxes | | | | 5.35 % | 5.73 % | 4.77 % | 4.04 % | 3.76 % |

**City of Minneapolis
2021 Adopted Budget**

Ten-Year Projection of Demands on the Property Tax

Background

Longer term financial planning is integral to the City's budget process. In order to identify and plan for demands on the property tax levy, the City implemented a ten-year property tax projection initiative. The ten-year projection was first produced in the spring of 2002 to surface all the demands on the property tax to which the City had committed. This projection led to the adoption of the 8% maximum property tax policy in the summer of 2002 by both the City Council and the Board of Estimate and Taxation. In January 2003, the City Council and Mayor adopted a five-year financial direction to set resource parameters for department business plans. This policy was subsequently amended in 2010 to fund shared costs and provide consistent levels of operating resources for the City and independent boards. Projections now serve as general guidance for departmental resource planning as the City adopted the Program Budgeting Process.

Assumptions in the Ten-Year Projection

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

Property Tax Levy Assumptions

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

General Fund Operations Assumptions

- It is anticipated that salary settlements will vary within and between bargaining units. Assumptions are updated annually as contracts are settled.
- Cost allocation model for internal city departments and government service fee includes cost escalators.
- Revenues are expected to increase by 1.0 to 1.5 percent annually.
- Out-year projections will be adjusted over time as new information becomes available.

Capital and Debt Assumptions

- Beginning in 2018, the bond levy shows increases to correspond with planned increases in net debt bond allocations as part of the 20-year Street Infrastructure and Neighborhood Park Plan. These increases are possible due to reduced pension costs, lower current debt levels and the decertification of the consolidated tax increment district in 2020 which will increase tax capacity in 2021. As a result of this new plan and base increases, property tax supported bond funding in the 2020-2024 five-year plan increases from \$339.8 million (2019-2023 levels) to \$381.9 million, or by about 12.4%. This capital infusion improves all classes of City infrastructure with a greater

emphasis on paving projects, pedestrian safety, protected bikeways and lighting improvements, traffic safety and signage improvements, bridge improvements and neighborhood park improvements, and includes the impacts of the investment in the new Public Service Center building. These additional resources are supplemented with municipal state aid, special assessments and grant funds to deliver these projects.

- Assumptions for future years are to maintain a robust capital improvement program; and, to be able to retire the bond funded portion of the 20 year Street Infrastructure and Neighborhood Park Plan at its conclusion.

**City of Minneapolis - Details of Annual Demand (changes) in Property Tax Revenue
2020 Budget Factors and Out Year Impacts - 5.75% Levy Increase**

Figures shown in \$000s

| Property Tax | Current Budget | | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2020 | 2021 | Change | | | | | | | | | | |
| GF Levy (less MBC) | 228,149 | 247,405 | 8.44 % | 263,700 | 282,215 | 297,733 | 310,780 | 324,331 | 339,425 | 355,501 | 372,140 | 389,348 | 394,998 |
| MPRB Operating (Tree levy goes away 2022) | 69,506 | 70,326 | 1.18 % | 73,139 | 76,065 | 79,107 | 82,271 | 85,562 | 88,985 | 92,544 | 96,246 | 100,096 | 104,100 |
| Debt Levy | 43,830 | 47,080 | 7.42 % | 47,080 | 49,450 | 51,850 | 54,230 | 55,390 | 57,720 | 60,000 | 60,000 | 60,000 | 60,000 |
| Pensions | 14,810 | 14,810 | — % | 14,810 | 14,810 | 14,810 | 14,810 | 14,810 | 14,810 | 14,810 | 14,810 | 14,810 | 14,810 |
| MBC | 5,414 | 3,496 | (35.43)% | 5,578 | 5,662 | 5,747 | 5,833 | 5,920 | 6,009 | 6,099 | 6,190 | 6,283 | 6,377 |
| BET | — | 110 | — | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 |
| TRA | 2,300 | 2,300 | — % | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 |
| New Building Debt Service | 10,300 | 10,300 | — % | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 |
| Total Property Tax Levy | 374,309 | 395,827 | 5.75 % | 417,017 | 440,912 | 461,957 | 480,634 | 498,723 | 519,659 | 541,664 | 562,096 | 583,247 | 592,995 |
| | | | | | | | | | | | | | |
| % Change Property Tax | | | | 5.35 % | 5.73 % | 4.77 % | 4.04 % | 3.76 % | 4.2 % | 4.23 % | 3.77 % | 3.76 % | 1.67 % |

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Arena Special Revenue Fund

Introduction

The Arena Special Revenue Fund (also known as the Target Center Operations Fund) accounts for the maintenance and operation of the City-funded portion of the Target Center. Convention Center staff are responsible for managing operations within this fund. The City contracts with AEG (Anschutz Entertainment Group), which is one of the leading sports and entertainment presenters in the world, to manage the day-to-day operations of the facility. AEG is paid a management fee for its services based on a revenue sharing formula contained in the management agreement between the City and AEG. Additionally, the City reimbursed AEG for certain expenditures and losses that they incurred during the building renovation.

Sources of funds include rent that is paid by the Minnesota Timberwolves, transfers from the Municipal Parking Fund, and interest earnings. Entertainment tax generated by the facility has historically been a revenue source for the Arena Special Revenue Fund, but that revenue source ended at the beginning of 2018 with the creation of the Downtown Assets umbrella structure. With the Downtown Assets umbrella structure, a transfer was added from the Arena Fund to the Downtown Assets Fund from 2019 - 2025 to maintain fund and cash balances at a targeted level. The transfers from the Municipal Parking Fund are specific pledged amounts that were authorized by the City Council back in 1995 and continue through 2021. With the financial challenges from the COVID-19 pandemic and social unrest within the City, the 2021 transfer from the Parking Fund was reduced by \$1.0 million to \$3.9 million. After 2021 it is assumed that transfers from the Parking Fund will continue at \$5.0 million per year.

There are currently several outstanding bond issues and loans associated with the Target Center. Debt service payments on this debt is not accounted for in the Arena Special Revenue Fund but are accounted for in separate debt service funds. The first bond issue is Taxable G.O. Refunding Bonds, Series 2009D. These bonds refunded older bonds that were issued to acquire the Target Center back in 1995. Starting in 2017, semi-annual debt service on the 2009D bonds are 100% paid with tax increment revenues generated by the City's Consolidated TIF District.

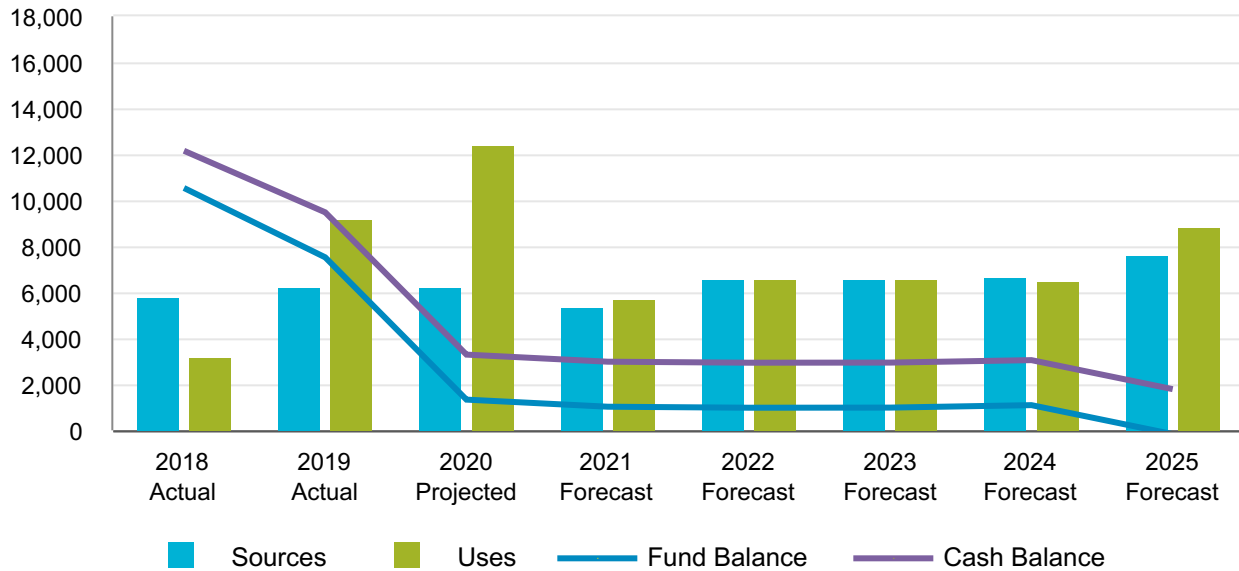
Beginning in 2016 and continuing through 2017, the Target Center underwent a major building renovation. The City's share of the total cost of this renovation was approximately \$74.0 million. In the first half of 2017 the City issued \$39,915,000 Taxable G.O. Sales Tax Refunding Bonds, Series 2017 to finance a portion of these costs. In May 2018 the City issued \$31,560,000 Taxable G.O Bonds, Series 2018 to finance the remaining portion of the renovation costs that were not paid with other City resources. All of the debt associated with the Target Center renovation will be paid with Minneapolis local sales taxes.

Historical Financial Performance

From 2016 - 2017, the financial performance of this fund changed significantly in comparison to prior years. This was predominantly due to the renovation of the Target Center, which resulted in a significant increase in capital improvements, bond financing fees, and operator reimbursement payments which were coupled with a corresponding decrease in fund balance. At the end of 2017, the fund balance was \$8.7 million. This balance increased approximately \$1.9 million to \$10.5 million in 2018 but decreased \$3.0 million in 2019 to \$7.5 million. The decrease can be largely attributed to the new \$2.8 million 2019

transfer from the Arena Fund to the Downtown Assets Fund. The transfer was added to transfer excess cash from the Arena Fund as part of the management structure under the Downtown Assets Umbrella. Capital improvements finished 2019 \$4.7 million under budget. The 2019 budget includes \$4.8 million of the unspent 2018 capital improvements budget which was rolled over to 2019 to continue the work on projects that were in process but unfinished at year end. The 2019 year-ending fund balance of \$7.5 million includes the reduction of \$737,315 for an outstanding accounts receivable which is over one year old and may not be collected.

Financial Snapshot Arena Special Revenue Fund (in thousands of Dollars)



Current Year Projections

Revenue

Based on the most current projections, total uses of funds in 2020 will exceed the 2020 source of funds by \$6.2 million. With the new Downtown Assets structure, the Arena Fund is no longer receiving entertainment tax revenue generated by Target Center events which has historically been a revenue source. The entertainment tax ended in 2017. Based on the most current projections, the 2020 sources of funds are expected to finish approximately \$27,000 over budget as the result of interest earnings on cash balances doing better than expected. Sources are projected to fall below uses by \$6.2 million in 2020 which resulted primarily from a \$4.8 million transfer from the Arena Fund to the DT Asset Fund. The 2021 uses of funds are projected to finish \$308,000 greater than the sources of funds before finishing in the 107,000 to a negative \$1,261 from 2022 - 2025 in a deliberate strategy to reduce and maintain targeted fund and cash balances in this fund while maintaining the fund as part of the larger Downtown Assets umbrella fund.

Expense

It is assumed that total uses of funds in 2020 will finish the year approximately \$27,000 over the budgeted amount as the result of 2020 interest earnings projected to finish \$27,000 over budget. The Target Center has a number of capital improvement projects in process, and some of which may be in process but incomplete at year-end. A 2020 to 2021 rollover request may be submitted for any unspent capital improvements funds to complete projects that are underway but incomplete at year-end. In a planned effort to reduce fund balance while maintaining the Arena Special Revenue Fund as part of the

Downtown Assets umbrella fund, a transfer of \$4.8 million was added to transfer cash from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances.

Change in Net Position & Fund Balance

The projected 2020 change in net position and corresponding reduction in 2020 fund balance is projected to be \$6.2, and the ending fund and cash balances are projected to be \$1.3 and \$3.3 million respectively.

2021 Adopted Budget

Beginning in 2018, the Arena 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 and entertainment taxes that support City spending. For more information on the Downtown Assets Fund, see the corresponding financial plan in this section of the budget book.

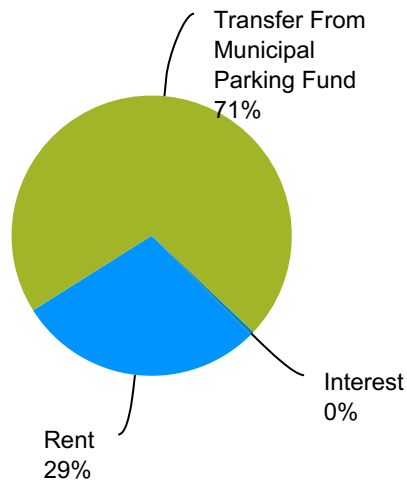
Total sources of funds in 2021 are budgeted at \$5.4 million, and the total uses of funds are budgeted at \$5.7 million. The 2021 projected change in net position is negative \$308,000 and the projected ending fund balance is \$1.0 million.

Revenue

Total sources of funds in 2021 are budgeted at \$5.4 million, which is \$796,000 or 12.8% lower than the total 2020 projected sources of \$6.2 million. Sources of funds include rent, transfers from the Municipal Parking Fund, and interest earnings on cash balances. The pie-chart shows the percentage that each of these sources represents of the total.

The 2021 budgeted amount for rent shows an increase compared to the corresponding projected 2020 figure, while the municipal Parking Fund transfer and interest show decreases. The revenue includes a \$3.9 million in transfers from the Municipal Parking Fund (a decrease of \$762,000 or 16.5%) from 2020, and \$1.6 million in rent (an increase of \$31,000 or 2.0%) from projected 2020, and interest earnings budgeted at \$24,000 which is a decrease of \$65,000 or 73.0% from the 2020 projected amount. Interest earnings are based on cash inflows and outflows within the fund, and the alignment of the Arena Special Revenue Fund within the Downtown Assets umbrella.

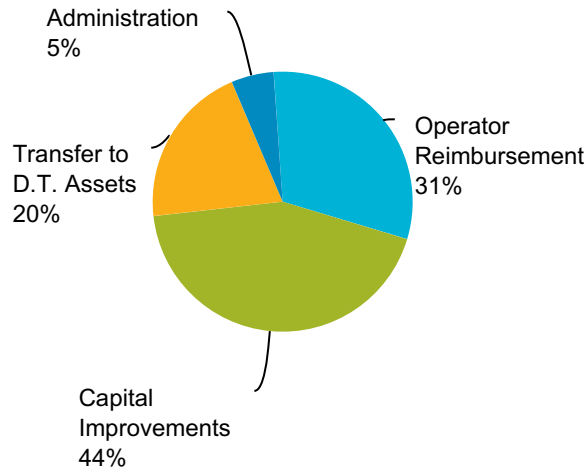
**Source of Funds
(\$6.2 million)**



Expense

Total uses of funds in 2021 are budgeted at \$5.7 million, which is \$6.7 million or 53.8% lower than the total projected uses in 2020 of \$12.4 million. This is primarily due to a \$3.1 million or 55.6% 2021 reduction in capital improvements compared to the 2020 projection along with a \$3.6 million or 75.5% 2021 reduction in the transfer from the Area fund. The 2021 budgeted transfer from the Arena Fund to the DT Assets Fund is \$1.2 million.

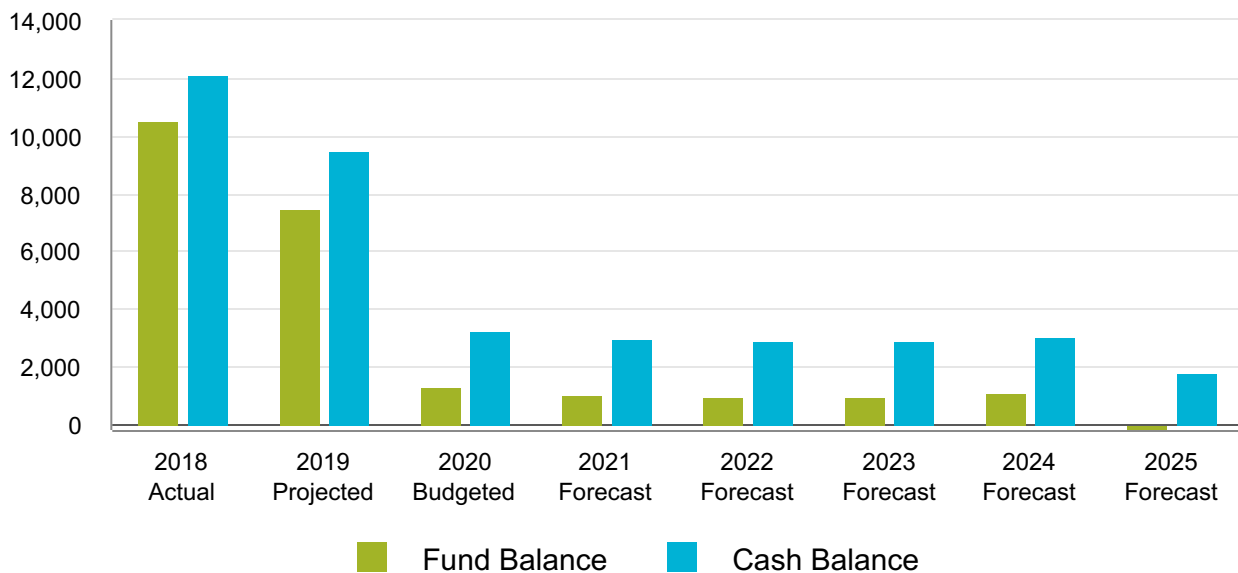
**Use of Funds
(\$5.7 million)**



Fund Balance & Cash Balance

The 2021 net change in fund balance is projected to be a negative \$308,000 which is \$5.9 million higher than projected 2020 of negative \$6.2 million. This comes after a positive net change in 2018 of \$2.6 million, a negative net change in 2019 of \$3.0 million, and a projected negative net change in 2020 of a negative \$6.2 million which significantly reduces fund balance from \$10.5 million at the end of 2018 to a projected balance of \$1.0 million at the end of 2021. The reduction in fund and cash balances are attributed to the addition of a new \$2.8 million 2019 transfer from the Arena Special Revenue Fund to the Downtown Assets Fund, and a \$4.8 million 2020 transfer from the Arena Special Revenue Fund to the Downtown Assets Fund coupled with normal operating and capital expenses needed to operate and maintain the building. In 2025, a transfer of \$911,000 to the Arena Special Revenue Fund from the Downtown Assets Fund was added to increase fund and cash balances to maintain targeted cash and fund balances.

**Arena Fund Cash and Fund Balances
(in thousands of Dollars)**



There are currently is no prescribed minimum fund balance or cash balance amounts for the Arena Special Revenue Fund, however, at the end of 2021 it is anticipated that the fund balance will be \$308,000 or 23.1% lower than the 2020 projected amount, and the cash balance is anticipated to have a corresponding decrease of \$308,000 or 9.4% lower than the projected 2020 amount.

Mayor Recommended Budget

The Mayor recommends \$2.3 million in 2021 budget reductions in this Fund.

**City of Minneapolis
2021 Adopted Budget**

Arena Special Revenue Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Rent | 1,461 | 1,461 | 1,491 | 1,491 | 1,520 | 1,520 | 1,551 | 2.0% | 1,582 | 1,613 | 1,646 | 1,679 |
| Transfer from Municipal Parking Fund | 4,158 | 4,158 | 4,383 | 4,383 | 4,615 | 4,615 | 3,853 | -16.5% | 5,000 | 5,000 | 5,000 | 5,000 |
| Transfer from Arena Reserve Fund | — | — | — | — | — | — | — | — | — | — | — | 911 |
| Interest Earnings | 159 | 192 | 90 | 358 | 62 | 89 | 24 | -73.0% | 21 | 20 | 20 | 23 |
| Total | 159 | 5,811 | 5,964 | 6,232 | 6,197 | 6,224 | 5,428 | -12.8% | 6,603 | 6,633 | 6,666 | 7,613 |
| Use of Funds: | | | | | | | | | | | | |
| Operator Reimbursement | 1,627 | 1,627 | 1,672 | 1,672 | 1,718 | 1,718 | 1,765 | 2.7% | 1,814 | 1,864 | 1,915 | 1,967 |
| Capital Improvements (a) | 6,975 | 1,317 | 9,244 | 4,567 | 6,632 | 5,632 | 2,500 | -55.6% | 2,000 | 2,000 | 2,000 | 5,000 |
| Administration | 283 | 258 | 278 | 250 | 296 | 296 | 303 | 2.4% | 312 | 321 | 331 | 341 |
| Transfer to Downtown Assets Fund | — | — | 2,757 | 2,757 | 759 | 4,765 | 1,168 | -75.5% | 2,521 | 2,442 | 2,313 | 1,566 |
| Total | 8,885 | 3,202 | 13,951 | 9,246 | 9,405 | 12,411 | 5,736 | -53.8% | 6,647 | 6,627 | 6,559 | 8,874 |
| Net Change in Fund Balance | (8,726) | 2,609 | (7,987) | (3,014) | (3,208) | (6,187) | (308) | -95.0% | (44) | 6 | 107 | (1,261) |
| Fund Balance | 5,557 | 10,537 | 2,550 | 7,522 | 4,314 | 1,335 | 1,027 | -23.1% | 983 | 988 | 1,095 | (166) |
| Total Cash Balance | 7,014 | 12,155 | 4,168 | 9,479 | 6,271 | 3,292 | 2,984 | -9.4% | 2,940 | 2,945 | 3,052 | 1,791 |

Notes

(a) The 2019 projected capital improvements includes the 2019 budget (\$4,412) plus the 2018 to 2019 capital rollover (\$4,832) less \$1,000 that will not be spent. Debt service on the 2009 Target Center bonds is paid from Debt Service Fund 05350. Beginning in 2017, semi-annual transfers of tax increment revenues are made from Fund 01CON (Consolidated TIF District) to pay 100% of these expenses. Beginning in 2018, transfers of local sales taxes are made from the Downtown Assets Fund to pay 100% of those expenses. tax increment revenues are made from Fund 01CON (Consolidated TIF District) to pay 100% of these expenses.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Minneapolis Convention Center Fund

Introduction

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

Operating revenues are generated directly from Convention Center operating activities. Exhibit space rent is the largest source of revenue for the Convention Center. Also included in operating revenues is space rental of the Tallmadge Building. Tallmadge Building Space rental revenue ended in 2019 while the City makes decisions on how the building will be used in the future. Charges for services are earned in support of space rent and consist primarily of utility and labor services and ramp parking. Food and beverage commission sales account for privileges. The Convention Center is also supported by local sales & entertainment taxes.

Historical Financial Performance

The Convention Center's 2017 operating revenues reached \$19.8 million or 105% of the \$18.8 million budget. 2018 operating revenue finished at approximately \$22.9 million which was \$3.2 million over 2017, and 115% or \$2.9 million over the \$20.0 million 2018 budget. 2018 operating revenue set a record with the City of Minneapolis hosting Super Bowl XXVI. 2019 operating revenue finished at \$21.2 million which was 115% or \$2.7 million over the \$18.5 million budget, but \$1.7 million under 2018. The City of Minneapolis hosted the NCAA Final Four in 2019.

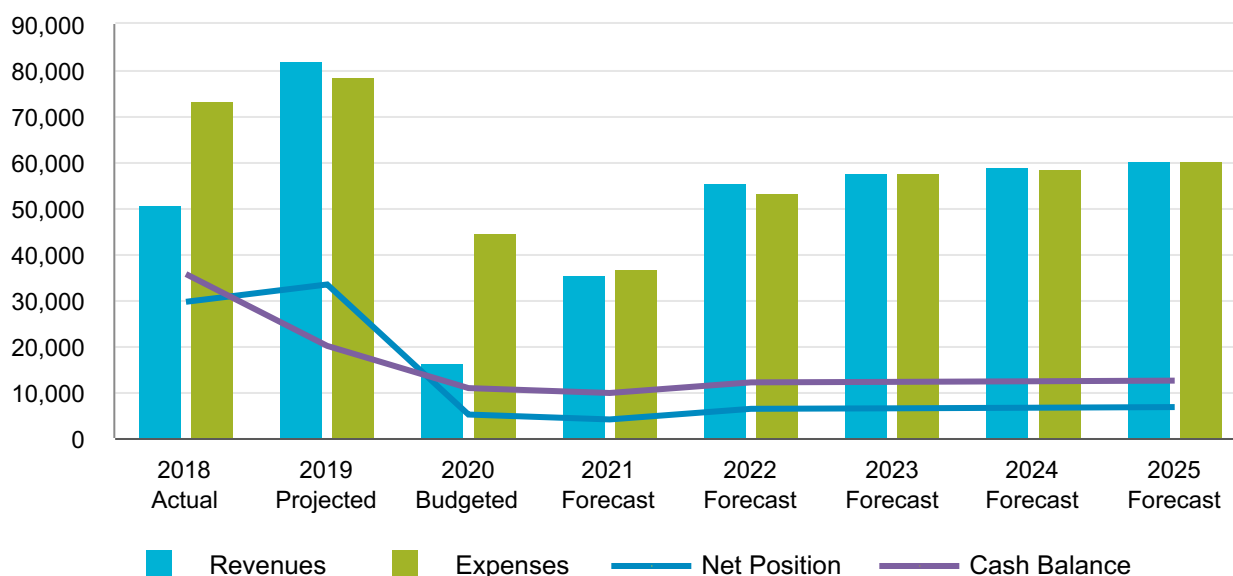
Beginning in 2018, the Convention Center Special Revenue Fund is being managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. For more information on the Downtown Assets Fund, see the corresponding financial plan in this section of the budget book. Beginning in 2018, the Convention Center no longer received a transfer of the local taxes from the General Fund and instead receiving a transfer from the Downtown Assets Fund where the local tax revenues are being receipted. The 2018 transfer from the downtown Assets Fund to the Convention Center was \$26.8 million and was increased to \$59.5 million in 2019. Transfer amounts are adjusted annually based on building needs and debt service.

In 2019, the Convention Center Special Revenue Fund made a capital advance to debt service funds of \$19.0 million and received an interest payment of \$214,000 in the same year. Principal and interest payments will also be made in 2020. The annual interest payments are reflected on the Interest on Capital Advance line on the corresponding statement.

The Convention Center’s operating expenses were \$25.7 million in 2017, \$28.6 million in 2018, and \$27.9 million in 2019 which were the results of the normal day to day operations of the building. Capital expense over the same periods were \$10.9 million, \$9.6 million, and \$13.8 million, and were budgeted based on building facility needs and the Convention Center’s capital budget plan. Actual year-end capital expenses often finish under budget as the result of projects in process, but were incomplete at year-end. The unspent funds were rolled over to the following year to continue the work to complete the projects. Meet Minneapolis expenses were \$10.5 million in 2017, \$10.5 million in 2018, and \$10.2 million in 2019, and were based on annual contractual increases, as well as one-time sales and marketing initiatives.

Current Year Projections

**Financial Snapshot
Convention Center Fund
(in thousands of Dollars)**



Revenues

The 2020 operating revenues are projected to finish approximately at \$6.5 million or \$12.3 million under budget based on the composition of 2020 events. The Convention Center has had numerous event cancellations which were the result of the COVID-19 pandemic. In addition to operating revenue, the Convention Center also receives interest revenue on the cash balances within the fund. The interest revenue is projected to be \$303,000 in 2020. In 2020, there is also a budgeted loan interest payment of \$616,000 from debt service to the Convention Center. The interest payment is annual interest earned on a \$19.1 million loan from the Convention Center to debt service funds. The loan principal and interest was paid off in full in 2020. The annual interest payments are reflected on the Interest on Capital Advance line on the corresponding statement. In addition, there is a budgeted transfer from the Downtown Assets Fund to the Convention Center of \$53.5 million to fund building operations, capital, and the transfer to debt service for building debt. The 2020 transfer was reduced to \$6.1 million to maintain cash in the DT Assets Fund.

Expense

The 2020 operating expenses are projected to finish at \$26.0 million which is \$784,000 below the 2020 adopted budget amount. Ongoing equipment/improvements expenses are projected to finish at \$7.2 million which is \$784,000 under budget. The \$784,000 reduction is a planned reduction coinciding with revenue reductions related to the COVID-19 pandemic. Not included in the original budget is a rollover of

\$7.7 million for unspent 2019 budgeted capital improvements that were in process at the end of 2019 with the majority of the funds being used to complete the Plaza renovation Project. Construction work on the plaza project is underway, and the project is currently complete. The Tallmadge building renovation is currently on hold pending use decisions by the City. The Tallmadge building was heavily damaged from a ruptured water line within the building this past winter and had undergoing demolition and remediation. Meet Minneapolis’s budget was reduced as part of the City’s Phase 1 and 2 budget reductions, but Meet Minneapolis is expected to finish at the \$10.6 million original budget. The Convention Center’s final debt service payment of \$26.8 million was expected to be made in 2020, but the final debt payment was refinanced through 2025 to take pressure off the fund heavily impacted by the COVID-19 pandemic.

Net Income, Cash Balance, Fund Balance

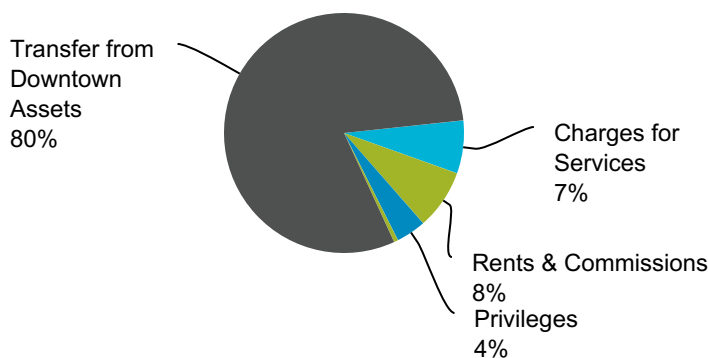
The Convention Center has had a planned use of fund balance to reduce fund and cash balances as part of the management within the Downtown Assets umbrella. With the unexpected revenue loss which resulted from the COVID-19 pandemic, the Convention Center is projected to have a 2020 net loss of \$28.8 million and a corresponding drop in fund balance from \$33.4 million in 2019 to \$4.6 million in 2020. The 2020 cash balance is projected to be \$10.3 million which is \$9.7 million under 2019. In 2020, there was a \$19.1 million loan made from the MCC to debt service. The loan was repaid in 2020, and \$19.1 million was added to the MCC’s 2020 cash. Cash is projected to be \$10.9 million in 2020 and \$9.4 million in 2021 before remaining relatively flat from \$11.7 to \$12.1 million from 2022 - 2025.

2021 Budget

Revenues

2021 is expected to be a difficult year for the Convention Center, and total operating revenue for 2021 is expected to be approximately \$6.9 million which is an increase of \$400,000 over the most recent 2020 projection. The increase is based on 2021 events levels after a very difficult 2020 event year due to the COVID-19 pandemic.

**Source of Funds
(\$35.8 million)**



Expenditures

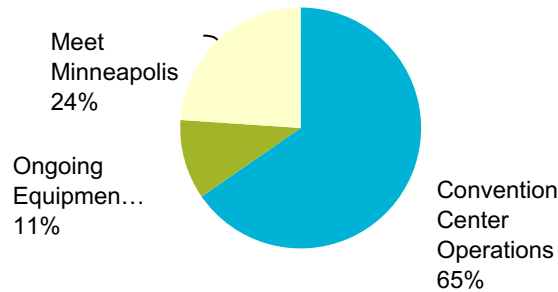
2021 operating expenses are expected to be approximately \$24.0 million which is a decrease of \$2.0 million or 7.7% over the most recent 2020 projection.

Transfers/Debt Service

Beginning in 1993, the Convention Center had a transfer to debt service for building related debt, and transfers were made annually. The final 2020 debt service payment of \$26.8 million was refinanced ,and

is expected to be paid off in 2025. The refinancing was done to take financial pressure off the fund which was heavily impacted by the COVID-19 Pandemic.

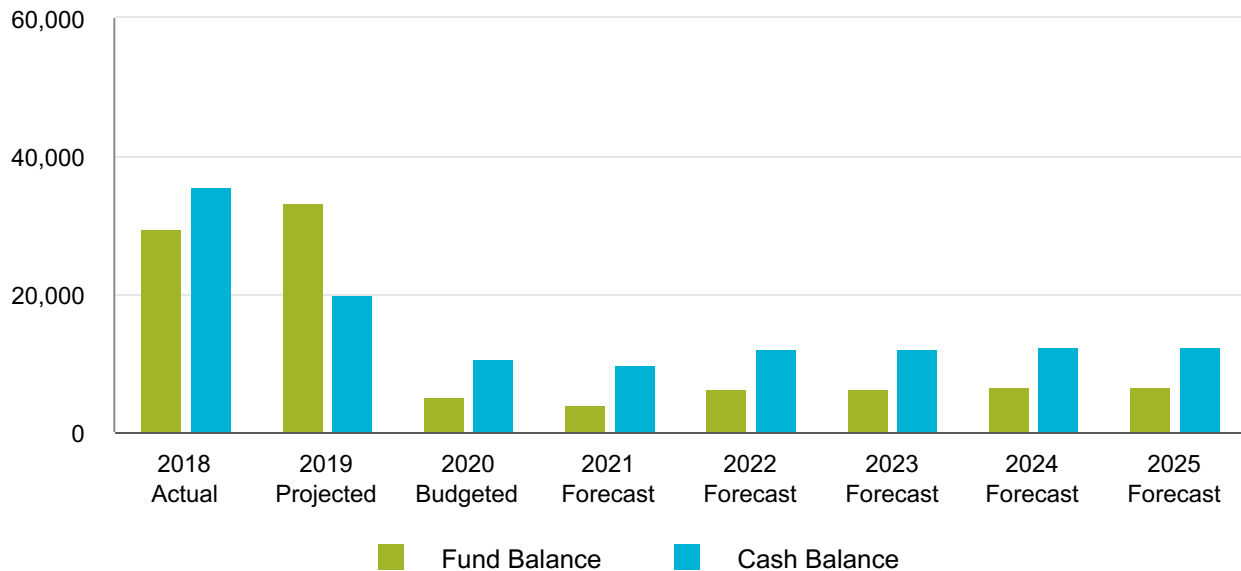
**Use of Funds
(\$36.7 million)**



Net Income, Cash, and Fund Balances

2021 net income is budgeted to finish at a \$883,000 net loss. This comes after a net loss of \$28.3 million in 2020. There has been a planned use of fund and cash balances within the Convention Center Fund to reduce fund and cash balances. This intentional draw down of cash and fund reserves will help build a reserve in the Downtown Assets umbrella fund, of which the Convention Center Fund is a part. Having the Convention Center in the umbrella fund will help provide flexibility in managing all of the City’s major revenue-generating downtown assets. The 2021 ending fund and cash balances are projected to be \$3.7 million and \$9.4 million which are \$883,000 decreases from the most current 2020 projection.

**Convention Center Fund Net Income, Fund, and Cash Balances
(in thousands of Dollars)**



Mayor Recommended Budget

The Mayor recommends \$7.0 million in 2021 reductions to the Minneapolis Convention Center Special Revenue Fund.

City of Minneapolis
2020 Council Adopted Budget
Financial Plan (in thousands of dollars)

Minneapolis Convention Center Special Revenue Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|-------------------------------|-----------------|-----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Charges for Services | 7,300 | 8,977 | 6,700 | 8,543 | 6,900 | 2,153 | 2,553 | 18.6 % | 8,542 | 8,798 | 9,062 | 9,334 |
| Rents and Commissions | 8,196 | 9,297 | 7,830 | 8,371 | 7,600 | 2,898 | 2,898 | 0.0 % | 8,371 | 8,622 | 8,881 | 9,148 |
| Privileges | 4,514 | 4,669 | 4,000 | 4,313 | 4,275 | 1,449 | 1,449 | 0.0 % | 4,313 | 4,442 | 4,575 | 4,713 |
| Interest on Cash Investments | 612 | 967 | 457 | 1,163 | 762 | 303 | 196 | (35.3)% | 210 | 237 | 243 | 245 |
| Interest on Capital Advance | — | — | — | 214 | — | 616 | — | (100.0)% | — | — | — | — |
| Other Misc Non Operating | — | 17 | — | 265 | — | 2,382 | — | (100.0)% | — | — | — | — |
| Transfer from Downtown Assets | 26,811 | 26,811 | 59,520 | 59,520 | 53,531 | 6,616 | 28,734 | 334.3 % | 34,200 | 35,756 | 36,178 | 36,918 |
| Total | 47,433 | 50,738 | 78,507 | 82,389 | 73,068 | 16,417 | 35,830 | 118.2 % | 55,636 | 57,855 | 58,939 | 60,358 |
| Use of Funds: | | | | | | | | | | | | |
| Convention Center Operations | 28,113 | 28,613 | 28,018 | 27,887 | 26,782 | 25,998 | 24,003 | -7.7 % | 28,724 | 29,586 | 30,473 | 31,387 |
| Ongoing Equipment/Improvement | 19,356 | 9,579 | 21,515 | 13,812 | 8,182 | 7,200 | 3,925 | -45.5 % | 7,000 | 10,300 | 10,300 | 10,609 |
| Meet Minneapolis | 10,451 | 10,451 | 10,242 | 10,242 | 9,041 | 10,637 | 8,785 | -17.4 % | 11,038 | 11,245 | 11,456 | 11,685 |
| Transfer to Debt Service | 24,811 | 24,630 | 26,682 | 26,682 | 26,807 | 857 | — | -100.0 % | 6,565 | 6,617 | 6,578 | 6,539 |
| Total | 82,731 | 73,273 | 86,457 | 78,623 | 70,812 | 44,692 | 36,713 | -17.9 % | 53,327 | 57,748 | 58,807 | 60,220 |
| Net Income | (35,298) | (22,535) | (7,950) | 3,766 | 2,256 | (1,470) | (883) | -39.9 % | 2,309 | 107 | 132 | 138 |
| Ending Fund Balance | 16,845 | 29,608 | 21,658 | 33,375 | 35,630 | 4,572 | 3,689 | -19.3 % | 5,998 | 6,106 | 6,237 | 6,376 |
| Ending Cash Balance | 21,325 | 35,640 | 27,690 | 20,024 | 22,279 | 10,850 | 16,240 | 49.7 % | 19,570 | 22,692 | 26,595 | 24,747 |
| Notes | | | | | | | | | | | | |
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**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Downtown Assets Fund

Presented with Downtown East Commons Fund & Peavey Plaza Fund

Introduction

The Downtown Assets Fund was created in 2018. The purpose of this fund is threefold:

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

This umbrella fund holds the operating and debt service funds which support the Minneapolis Convention Center, the Arena Reserve 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 fund. Receipts to the fund are largely made up of local taxes, but may also include transfers and funds from private donations or the State to support capital improvements.

The Convention Center department is responsible for management of operations within the fund.

Historical Financial Performance

The Downtown Assets Fund's 2019 Source of Funds reached \$92.4 million or \$800,000 over budget, and \$2.1 million over 2020. The primary reason for the increase over budget was the 2019 local taxes finishing better than expected, and to a much lesser extent, interest earnings revenue from investments of cash balances within the fund finishing at \$432,000 or \$18,000 over budget.

Use of Funds finished 2019 at \$102.2 million which was \$166,000 under budget. The primary reason for finishing under budget was Peavey Plaza operations finishing \$230,000 under budget, and Peavey Plaza capital finishing \$474,000 under budget which were partially offset by the Downtown Assets operating finishing \$537,000 over budget. The Peavey Plaza capital and operating budgets supported the Peavey Plaza renovation project managed by public works. The 2019 unspent project funds have been rolled over to 2020 to complete the project which was incomplete and in process at year-end 2019. The Downtown Assets operating budget supported the X-Games, and the NCAA Final Four which were both hosted by the City of Minneapolis in 2019.

Current Year Projections

Revenue

Downtown Assets Fund sources of funds are projected to be approximately \$46.5 million in 2020. The overwhelming majority of revenues come from the local taxes (including sales, restaurant, entertainment, liquor, and lodging). Minneapolis local taxes are projected to finish well under budget at \$40.7 million which is \$52.7 million under budget and \$48.5 million under 2019. The decrease from 2019 is due to the impacts of the COVID-19 virus which impacted the city's ability to host large events as well local, and regional, residents ability to access restaurants, bars and stadiums.

There was also a 2019 budgeted transfer of \$2.8 million from the Arena Special Revenue Fund to the Downtown Assets Fund of excess cash. The transfer was increased to \$4.8 million in 2020. The transfer is being made to manage cash and fund balances within the Downtown Assets umbrella. The Downtown Assets are also seeing interest earnings through IMS (Investment Management Services) revenue from cash balances within the fund. 2020 interest earnings are projected to be \$962,000 which is \$726,000 over budget and \$530,000 more than 2019. The increases are due to cash investment yields and cash inflows and outflows within the Fund.

Expense

The projected non-transfer 2020 expenses of \$1.7 million are small in this fund compared to total projected expenses of \$24.7 million. Projected expenses within the fund include a \$474,000 rollover from 2019 to 2020 to continue work on the renovation of Peavey Plaza, \$424,000 for special assessments and operation of Peavey Plaza, and \$820,000 for special assessments and maintenance of the Downtown Commons. The \$820,000 DT Commons budget has been transferred to the Parks Department in 2020.

Budgeted transfers include \$32.7 million to the General Fund, \$53.4 million to the Convention Center, and \$5.7 million to the Arena Special Revenue Fund for building debt service. With the significant financial pressures related to COVID-19 and civil unrest around the City, the \$32.7 million transfer to the GF has been capped at \$10.7 million in 2020, and the transfer from the DT Assets to the Convention Center was reduced to \$6.1 million.

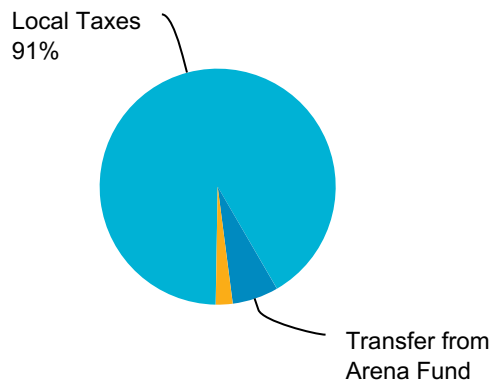
Expenses for the Convention Center and Target Center are discussed separately in the financial plans found in this document.

2021 Budget

Revenue

Local taxes (including sales, restaurant, entertainment, liquor, and lodging) make up the vast majority of the Downtown Assets Fund revenue. In 2021, local taxes are projected to be \$16.8 million which is a decrease of \$23.9 million from the latest 2020 projection of \$40.7 million. In 2020, the Convention Center’s building debt service was going to be paid off in 2020, but the City refinanced the final 2020 payment of \$26.8 million to 2025. It is assumed the local taxes for the City’s portion of the U.S. Bank Stadium debt issued by the state will increase significantly to approximately \$25.0 million in 2021 and beyond. The 2021 IMS (Investment Management Services) interest revenue is projected to be \$429,000 which is \$533,000 under the 2020 projection. Interest revenue projections are based on cash inflows and outflows within the fund, in addition to investment yields.

**Source of Funds
(\$18.4 million)**



Expense

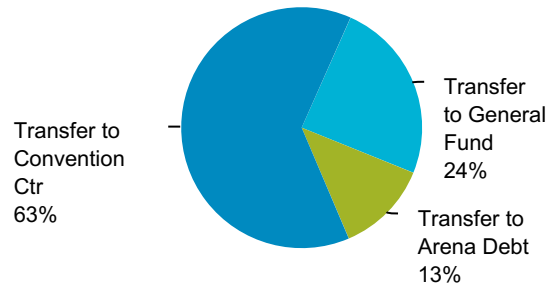
In 2021, non-transfer expenses are budgeted at \$437,000 for Peavey Plaza’s ongoing operating expenses and special assessments. The 2021 Peavey Plaza operating budget is \$13,000 higher than the 2020 budget. Overall, 2021 use of funds is \$18.1 or 73.1% higher than the most recent 2020 use of funds Projection. The increase is primarily from the transfer from the DT Assets to the MCC increasing 334.3% or from \$6.6 million in 2020 to \$28.7 million in 2021.

Expenses for the Convention Center and Target Center are discussed separately in the financial plans found in this document.

Transfers

With the exception of the \$437,000 Peavey Plaza operations budget, the entire 2021 use of funds category is made up of transfers. Budgeted transfers include \$11.1 million to the General Fund which is planned to occur on an ongoing basis; a transfer of \$5.7 million to Arena Fund debt service to pay debt obligations related to the recent renovation of the Target Center, and \$28.7 million to the Convention Center Fund to support operations of that facility. The Arena Fund debt service transfer will recur until the debt is paid, and the debt payments are currently scheduled through 2035. The transfer to the Convention Center increased significantly in 2021. The 2020 transfer was reduced to \$6.1 million from a budgeted \$53.4 million to draw down fund and cash balances within the fund.

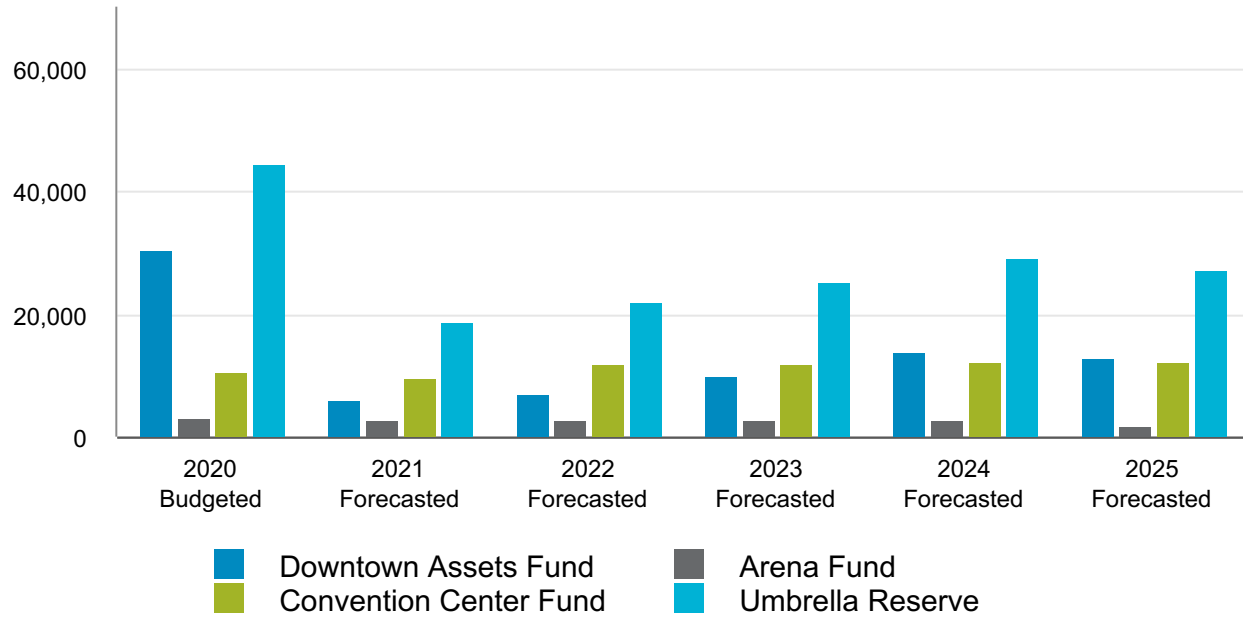
**Use of Funds
(\$46.0 million)**



Cash Balance

The Downtown Assets Fund is designed to provide for a cash reserve which any of the funds can access. The combined reserve, shown as the “umbrella reserve” below is projected to be \$45.1 million in 2020, and a planned use of that reserve will draw it down to \$16.2 million in 2021 and to \$24.7 million in 2025. There is no minimum cash reserve policy for this fund, but the reserve is held to provide a cushion against potential unexpected dips in sales tax receipts, or to provide for emergency repairs to the Downtown Assets.

Downtown Assets Fund Umbrella Cash Reserve (in thousands of dollars)



Mayor Recommended Budget

The Mayor recommends \$12.3 million in 2021 reductions to the DT Assets, Commons, and Peavey Plaza Funds.

City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)

Downtown Assets Fund (including Downtown East Commons Fund & Peavey Plaza Fund)

| | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2019 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|--|-----------------|----------------|----------------|-------------------|-----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | |
| Local Taxes | 88,400 | 89,182 | 93,446 | 40,726 | 16,817 | -58.7% | 51,910 | 62,433 | 71,600 | 73,257 |
| Transfer from Arena Special Revenue Fund | 2,757 | 2,757 | 759 | 4,765 | 1,168 | -75.5% | 2,521 | 2,442 | 2,413 | — |
| Transfer from Commons Bond Proceeds | — | — | — | — | — | 0.0% | — | — | — | — |
| Downtown Assets, Peavey Plaza, and Commons Funds Interest Earnings | 414 | 432 | 236 | 962 | 429 | 0.0% | 492 | 459 | 633 | 585 |
| Total | 91,571 | 92,371 | 94,441 | 46,453 | 18,414 | (60.4)% | 54,923 | 65,334 | 74,646 | 73,842 |
| Use of Funds: | | | | | | | | | | |
| Transfer out to City General Fund | 31,462 | 31,462 | 32,711 | 10,711 | 11,136 | 4 | 10,333 | 20,410 | 28,656 | 30,567 |
| Transfer out to Arena Fund Debt Service | 5,697 | 5,697 | 5,688 | 5,688 | 5,697 | — | 8,875 | 5,696 | 5,670 | 5,680 |
| Transfer out to Convention Center | 59,520 | 59,520 | 53,381 | 6,088 | 28,734 | -10.1 | 34,200 | 35,756 | 36,178 | 36,918 |
| Transfer out to Arena Special Rev Fund | — | — | — | — | — | — | — | — | — | 911 |
| Downtown Assets - Operating | 350 | 887 | — | — | — | -97 | — | — | — | — |
| Commons - Operating | 814 | 814 | 820 | 820 | — | 0 | — | — | — | — |
| Peavey Plaza - Capital | 3,992 | 3,518 | 474 | 474 | — | (100)% | — | — | — | — |
| Peavey Plaza - Operating | 574 | 344 | 424 | 424 | 437 | 0 | 450 | 463 | 477 | 492 |
| Total | 102,409 | 102,242 | 93,498 | 24,205 | 46,004 | -9.3% | 53,858 | 62,325 | 70,981 | 74,568 |
| Net Change in Fund Balance | (10,838) | (9,872) | 944 | 22,248 | (27,590) | -224.0% | 1,065 | 3,009 | 3,665 | (726) |
| Downtown Assets-Ending Fund Balance | 15,119 | 16,084 | 17,028 | 38,332 | 10,742 | -72.0% | 11,807 | 14,816 | 18,481 | 17,755 |
| Downtown Assets - Ending Cash Balance | 5,324 | 8,813 | 9,757 | 31,061 | 2,939 | (88.8)% | 4,004 | 7,013 | 10,678 | 9,952 |
| Arena Special Revenue Fund - Ending Cash Balance | 4,168 | 9,479 | 6,271 | 3,232 | 2,984 | (7.7)% | 2,940 | 2,945 | 3,052 | 1,791 |
| Convention Center Fund - Ending Cash Balance | 27,690 | 20,024 | 22,279 | 10,850 | 9,785 | (9.8)% | 12,094 | 12,202 | 12,333 | 12,472 |
| Downtown Assets Umbrella-Combined Ending Cash Balance | 37,182 | 38,316 | 38,307 | 45,143 | 15,708 | (64)% | 19,038 | 22,160 | 26,063 | 24,215 |

Note: (a) Due to negative forecasted cash balances from 2020 - 2025 forecasted interest earnings are zero

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Neighborhood & Community Relations Special Revenue Fund

Introduction

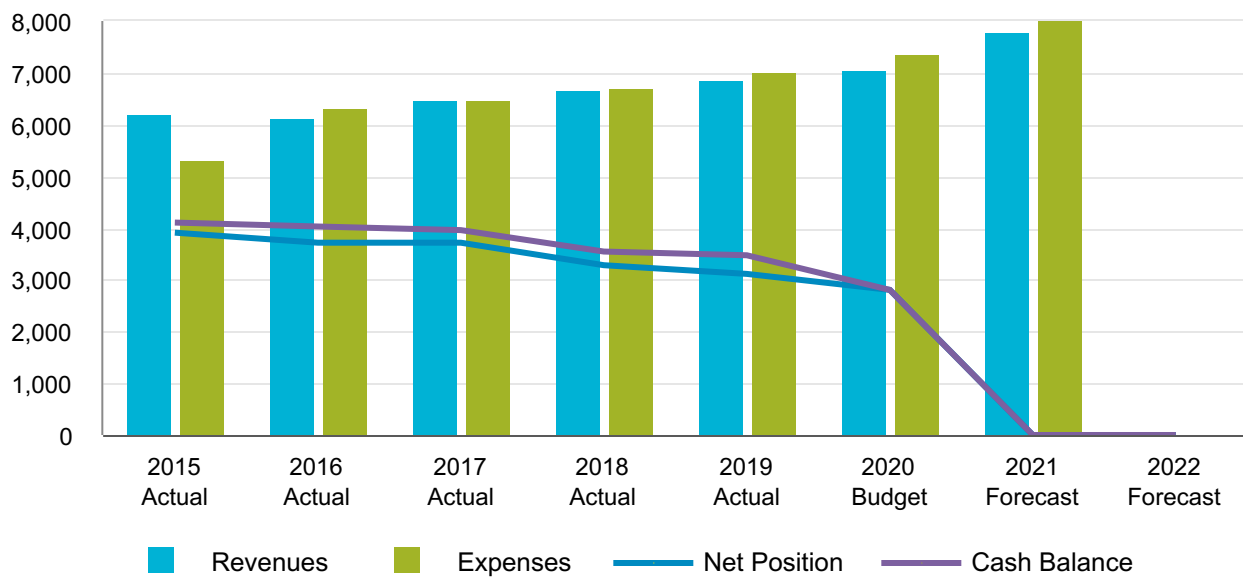
The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by revenues of the Consolidated Redevelopment Tax Increment Financing District. This district was established pursuant to special legislation adopted in 2008, and must be decertified no later than December 31, 2020. This Fund is used for Minneapolis neighborhood-based initiatives and 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 reduced property tax levies in 2012-2013 by using reprogrammed NRP sources 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.

Current Year Projections

**Financial Snapshot
NCR Special Revenue Fund
(in thousands of Dollars)**



Revenues

\$7.1 million will be transferred to the NCR Special Revenue Fund in FY 2020 from the Consolidated Redevelopment Tax Increment Financing District Fund.

Expense

FY 2020 expenditures is projected for \$7.4 million.

Net Position & Cash Balance

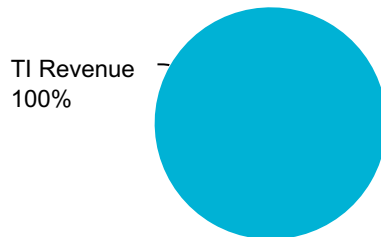
Current year revenue and projected expenditures will result in a \$300,000 reduction in fund balance.

2021 Budget

Revenues

\$7.8 million of TI funds and \$2.8 million of available NCR Special Fund balance will be used in FY 2021. . This will reflect a 10% increase from the FY2020 revenue amount.

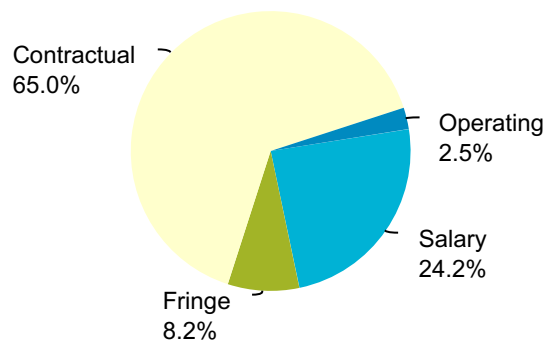
**Source of Funds
(\$7.8 million)**



Expense

There are no significant changes to prior years Programs. NCR Special Revenue 01800 fund \$11 million of expenditures are planned for operations and contractual services.

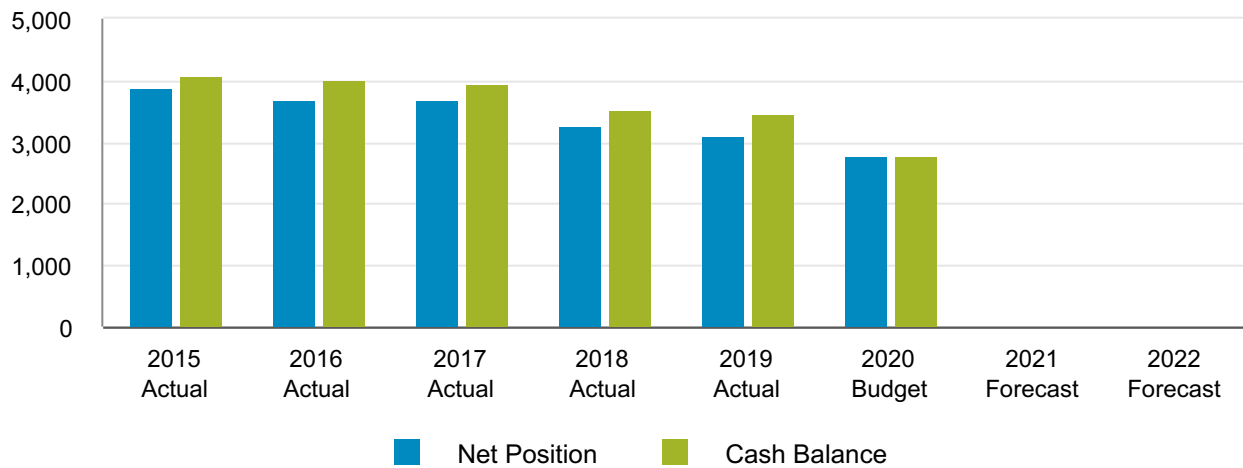
**Use of Funds
(\$10.6 million)**



Net Position & Cash Balance

As of December 31, 2019, the fund net position was \$3.1 million, and the cash balance was \$3.4 million. At the end of 2020 the projected fund net position is \$2.8 million, and the projected cash balance is \$2.8 million. These balances are comparable to the prior year. No significant variance in net position or cash balance is anticipated prior to 2021.

**NCR Special Revenue Fund Net Position & Cash Balance
(in thousands of Dollars)**



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)

Neighborhood and Community Relations Special Revenue Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Projected | 2020 Budget | 2020 Projected | 2021 Budget | % Chg 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|-----------------------------------|----------------|----------------|----------------|-------------------|----------------|-------------------|----------------|----------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Transfer from Tax Increment Funds | 6,682 | 6,682 | 6,883 | 6,883 | 7,089 | 7,089 | 8,221 | | 3,195 | | | |
| Loan recapture | — | 2 | — | — | — | — | — | | | | | |
| Total | 6,682 | 6,684 | 6,883 | 6,883 | 7,089 | 7,089 | 8,221 | 16.0% | 3,195 | — | — | |
| Use of Funds: | | | | | | | | | | | | |
| Personnel Services | 1,265 | 1,136 | 1,285 | 1,165 | 1,345 | 1,364 | 1,574 | 15.4% | — | | | |
| Fringes | 457 | 388 | 478 | 409 | 503 | 482 | 536 | 11.2% | — | | | |
| Contractual Services | 4,757 | 4,969 | 5,016 | 5,345 | 5,331 | 5,400 | 8,752 | 62.1% | 3,195 | | | |
| Materials/Other | 230 | 216 | 104 | 132 | 106 | 152 | 163 | 7.2% | | | | |
| Total | 6,709 | 6,709 | 6,883 | 7,051 | 7,285 | 7,398 | 11,025 | 49.0% | 3,195 | — | — | |
| Net Change in Fund Balance | (27) | (25) | — | (168) | — | (309) | (2,804) | | — | — | — | |
| Fund Balance | 3,279 | 3,281 | 3,281 | 3,113 | 3,113 | 2,804 | — | -100.0% | | | | |
| Total Cash Balance | | 3,545 | | 3,473 | | 2,804 | | | | | | |

**City of Minneapolis
2020 Adopted Budget
Financial Plan**

Police Special Revenue Fund

Introduction

The Police Special Revenue Fund accounts for revenues and expenses related to federal and state administrative forfeitures, lawful gambling and non-emergency service contracts. Historically, the Police Special Revenue Fund has been used to account for revenues and expenses related to the Automated Property System (APS), and the Workforce Director scheduling and payroll system (WFD) as well through December 31, 2019. APS and WFD are proprietary software systems that are owned and managed by the City of Minneapolis and recover expenses from user agreements with other governmental and non-governmental entities. MPD discontinued APS due to lack of competencies, competition and lack of upgrades over the years. MPD also is in the process of exiting the WFD and effective January 1, 2020, financial activities associated with APS (if any) and WFD has been transferred to the General fund.

The non-emergency service contracts are typically entered by the City of Minneapolis Police Department and an external entity, usually located within the City of Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas. In addition, City departments (frequently Public Works) contract with the Police Department to provide additional services at a desired location. The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.

The City of Minneapolis Police Department manages the operation of the fund and use of the funds is generally restricted to public safety.

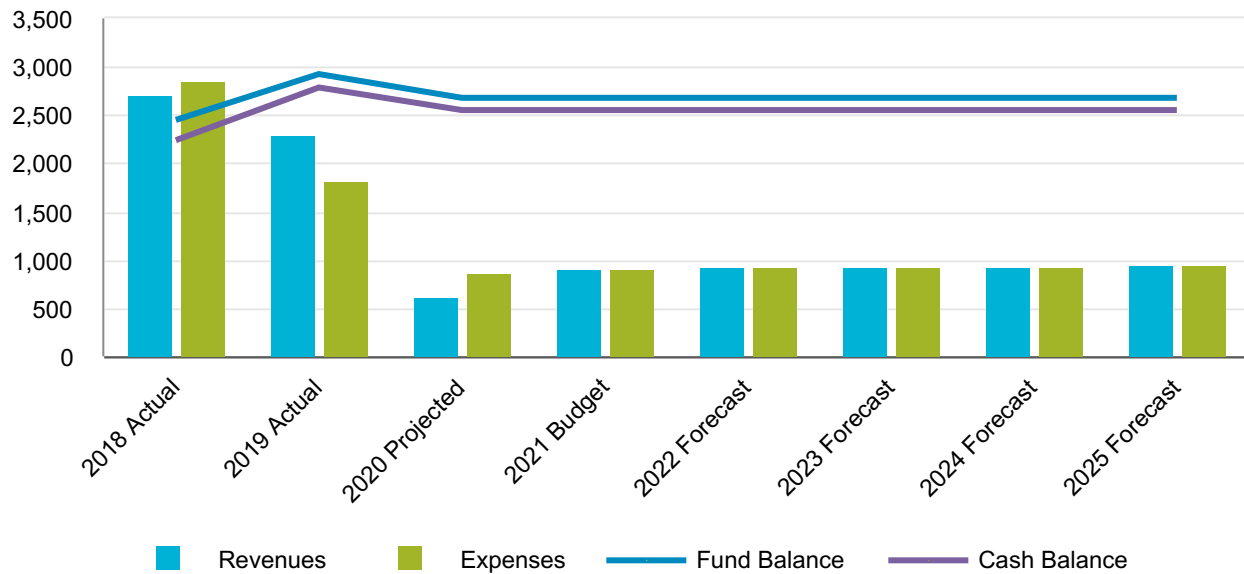
Historical Financial Performance

The accumulated fund balance for 2019 was \$2.9 million compared to \$2.4 million in 2018. The increase in 2019 was mainly due to an increase in federal forfeiture revenue of \$315,000; excess APS revenue over expenditures of \$80,000; and excess Vikings/US Bank revenue over expenditures of \$72,000. Fund balance has increased from \$1.1 million in 2014 to \$2.9 million in 2019. The increase in fund balance over the past five years is primarily due to the following:

- Transfer of Workforce Director expenditures to the general fund of \$250,000, \$300,000, and \$350,000 in 2015, 2016 and 2019, respectively. In addition, Workforce Director received additional revenue of \$150,000 in 2018 from MPD to offset programming/configuration cost incurred on behalf of MPD.
- Excess revenue associated with US Bank Stadium/SMG overtime reimbursement contract of \$217,000 in 2016; \$51,000 in 2017; \$77,000 in 2018; and \$72,000 in 2019.
- Decrease in personnel expenditures in 2015 of approximately \$140,000 due to vacancies.
- Excess forfeiture revenue of \$900,000 from 2014 to 2019.

Current Year Projections

Financial Snapshot Police Special Revenue Fund (in thousands of Dollars)



Revenues

Total projected revenue for 2020 is just over \$600,000 compared with 2020 budget of \$1.4 million. The decrease is predominately due to a decrease in non-emergency service contract revenue from \$800,000 to projected revenue of \$50,000. Due to the ongoing pandemic, state authorities have suspended large gatherings including sporting events and concerts held at various stadiums and as a result, no additional non-emergency service contracts are expected to be performed in the remainder of 2020.

Expenditures

Total projected expenditures for 2020 are approximately \$900,000 compared to 2020 budgeted expenditures of \$1.4 million. The decrease is predominately due to a decrease in salaries/wages and benefits associated with non-emergency services from \$800,000 to \$50,000. The decrease is offset by anticipated spending of \$200,000 on DNA kits. As aforementioned, State authorities have suspended large gatherings including sporting events and concerts held at various stadiums due to the ongoing pandemic and as a result, no additional non-emergency service contracts are expected to be performed in the remainder of 2020. The remaining differences are due to rounding.

Net Position & Cash Balance

The projected current year Fund Balance of \$2.7 million is compared with the budgeted fund balance of \$2.9 million. The decrease is mainly due to anticipated spending of \$200,000 on DNA kits.

The projected current year Cash Balance is \$2.6 million compared with budgeted Cash balance of \$2.8 million. The decrease is mainly due to anticipated spending of \$200,000 on DNA kits.

2021 Budget

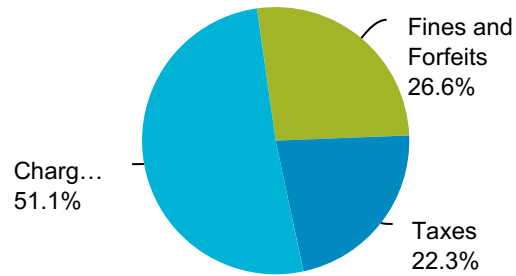
Fiscal Year 2021 budgeted revenue and expense are expected to decrease as the number of large events such as concerts and athletic events including professional sports held at various stadiums within the City of Minneapolis requiring presence or services of law enforcement personnel are expected to decrease due to the pandemic.

Revenues

Budgeted Fiscal Year 2021 revenue is expected to decrease by 37% from 2020 to 2021 due to the fact that number of large events such as concerts and athletic events including professional sports held at various stadiums within the City of Minneapolis requiring presence or services of law enforcement personnel are expected to decrease due to the pandemic. Also, fines and forfeiture revenue fluctuate from year to year as number of forfeiture cases settled in each year fluctuates.

Charges for services and sales makes up 51% of anticipated revenue in 2021 compared to 38% in 2020 projected amount. In 2019, charges for services and sales made up 62% of actual revenue compared to 80% in 2018.

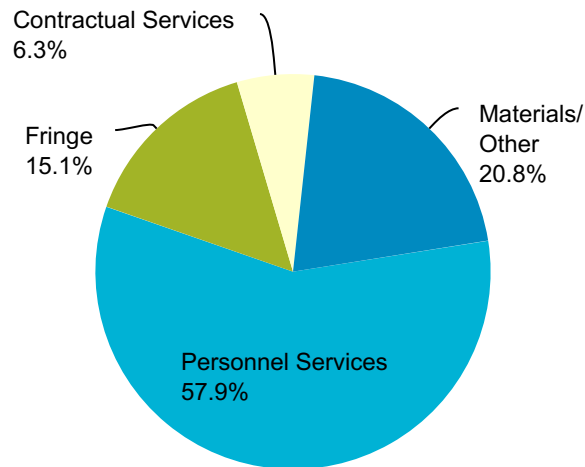
Source of Funds
\$913,000



Expenditures

Salaries and Fringe benefits make 73% of anticipated 2021 expenditures compared to 42% in 2020 projected expenditures. In 2019, actual salaries and fringe benefits made up of 63% of actual expenditures compared to 54% in 2018. The percentage increase from 2018 to 2019 was predominately due to refunding of accumulated gambling fund balance to charitable organization as mandated by the State of Minnesota in 2018 and transfer of contractual service expenditures associated with Workforce Director in 2019 to the General fund which resulted in increased expenditures other than salaries and benefits in 2018 and a decrease in 2019.

Use of Funds
\$913,000



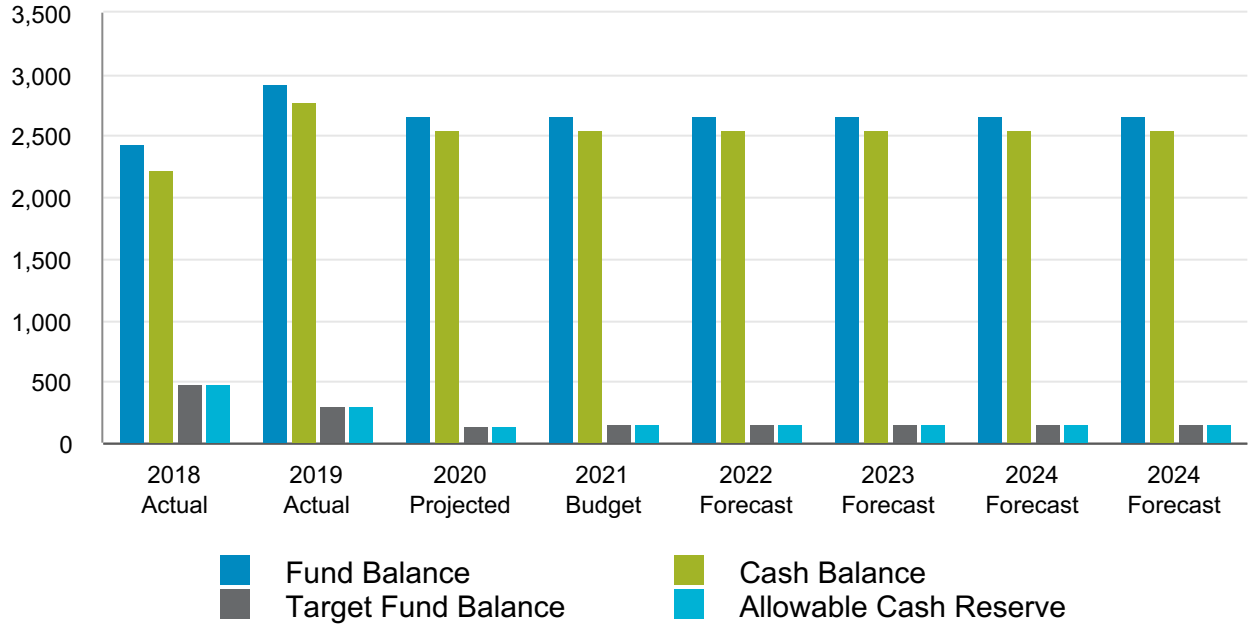
Fund Balance & Cash Balance

Fund balance as of December 31, 2019 and 2018 were \$2.9 million and \$2.4 million respectively. Both the fund balance and cash balance have significantly increased over the past five years. Fund balance increased from \$1.6 million in 2015 to \$2.9 million in 2019. Increase in fund balance from 2018 to 2019 was predominately due to transfer of \$350,000 Workforce Director expenditures to general fund along with excess revenue associated with APS and Forfeiture of \$70,000 and 80,000, respectively.

Cash balance increased from \$1.6 million in 2015 to \$2.8 million in 2019. Projected cash balance in 2020 is \$2.6 million and the projected decrease is predominately due to purchase of DNA kits.

In accordance with the financial reserve policy, target cash reserve is 17% of the following year's budgeted expenditures.

**Police Special Revenue Fund
Fund Balance & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)

Police Special Revenue Fund

| | 2018 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 | % Chg | 2022 | 2023 | 2024 | 2025 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|--------------|--------------|--------------|--------------|
| | Budget | Actual | Budget | Actual | Budget | Projected | Budget | From 2020 Projected | Forecast | Forecast | Forecast | Forecast |
| Source of Funds: | | | | | | | | | | | | |
| Charges for Services and Sales | 2,074 | 2,175 | 2,033 | 1,414 | 978 | 241 | 466 | 93.4% | 475 | 485 | 495 | 505 |
| Fines and Forfeits | 338 | 281 | 338 | 614 | 237 | 237 | 243 | 2.5% | 243 | 243 | 243 | 243 |
| Miscellaneous | — | — | — | — | — | — | — | 0.0% | — | — | — | — |
| Taxes | 200 | 256 | 231 | 263 | 227 | 148 | 204 | 37.8% | 204 | 204 | 204 | 204 |
| Total | 2,612 | 2,712 | 2,602 | 2,291 | 1,442 | 626 | 913 | 45.8% | 922 | 932 | 942 | 952 |
| Use of Funds: | | | | | | | | | | | | |
| Capital Outlay | — | 40 | 14 | 161 | — | 49 | — | 0.0% | — | — | — | — |
| Personnel Services | 1,800 | 1,241 | 1,472 | 904 | 966 | 283 | 526 | 85.9% | 537 | 553 | 570 | 587 |
| Fringes | 357 | 309 | 342 | 246 | 214 | 81 | 137 | 69.1% | 140 | 144 | 148 | 152 |
| Contractual Services | 780 | 1,009 | 487 | 345 | 63 | 245 | 57 | -76.7% | 58 | 61 | 64 | 67 |
| Materials/Other | 275 | 251 | 287 | 159 | 199 | 216 | 189 | -12.5% | 187 | 174 | 160 | 146 |
| Total | 3,212 | 2,850 | 2,602 | 1,815 | 1,442 | 874 | 909 | 4.0% | 922 | 932 | 942 | 952 |
| Net Change in Fund Balance ¹ | (600) | (138) | — | 476 | — | (248) | 4 | | — | — | — | — |
| Fund Balance ¹ | 1,986 | 2,448 | 2,448 | 2,924 | 2,924 | 2,676 | 2,676 | 0.0% | 2,676 | 2,676 | 2,676 | 2,676 |
| Cash Balance | 1,624 | 2,238 | 2,238 | 2,784 | 2,784 | 2,550 | 2,550 | 0.0% | 2,550 | 2,550 | 2,550 | 2,550 |
| Target Cash Reserve ² | 546 | 485 | 442 | 309 | 245 | 149 | 155 | 4.0% | 157 | 158 | 160 | 162 |
| Variance Cash to Target Cash | 1,078 | 1,753 | 1,796 | 2,475 | 2,539 | 2,401 | 2,395 | -0.2% | 2,393 | 2,392 | 2,390 | 2,388 |

¹ The Net Change in Fund Balance and fund balance for 2018 and 2019 are the amounts recorded in the CAFR.

² In accordance with the financial reserve policy, target cash reserve is 17%.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Regulatory Services Special Revenue Fund

Introduction

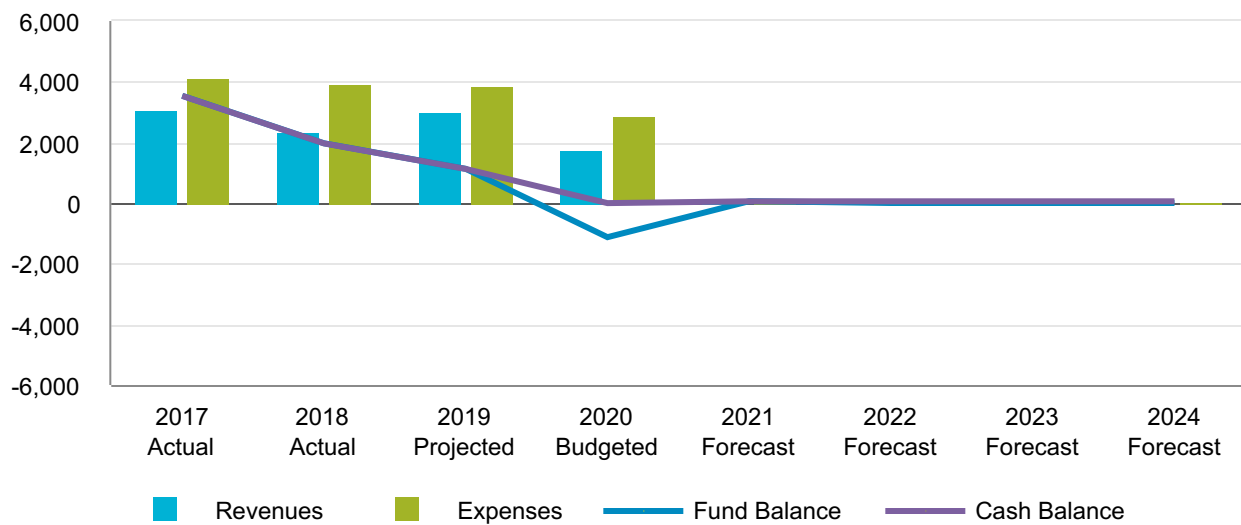
The Regulatory Services Special Revenue Fund accounts for the City’s nuisance building abatement efforts, and operations within the fund are primarily managed by the Regulatory Services Department. The Fund is used for the abatement of buildings that have been deemed to be in nuisance condition pursuant 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.

Historical Financial Performance

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

Current Year Projections

**Financial Snapshot
Regulatory Services Special Revenue Fund
(in thousands of Dollars)**



Revenues

The majority of the revenue in this fund comes from Vacant Building Registrations. Homeowner citations, paid directly or through Special Assessments is another source. Special Assessment revenue has declined to the point that it cannot sustain current expenses in the fund. 2020 fund revenue is projected to be \$2.08M, or \$393,000 under budget due to lower than anticipated special assessment collection.

Expenses

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. As fewer citations are written, fewer contractors are required to perform nuisance abatements, thereby reducing expenditures. Additionally, fewer demolitions are being performed and that has reduced Capital Outlay spending. The 2020 expense budget was reduced by \$263,000, 8%, in the 2020 revised budget. Spending is projected to come in at the revised budget, or \$3.2M. Savings is achieved by holding vacancies open and reducing spending to abating non-emergency nuisance conditions.

Fund Balance & Cash Balance

In 2019, revenue and expense fell short of the adopted budget. The result is that the fund balance was reduced by \$842 thousand. The cash balance was \$1.12 million at the end of 2019. 2020 year end cash balance is expected to decrease by \$1.054M, resulting in an end balance of \$73,000.

2021 Budget

For several years, expenditures relating to nuisance abatement in this fund have outpaced revenues, even with measures in place to contain spending. Because those expenditures are consistently higher than expense, the decision has been made to move all expenses of this fund into the general fund. Sunsetting the fund, for nuisance abatement, in 2021 is part of a multi-year plan to ensure stability of service while transitioning expenses and revenue to the general fund. For 2021, revenue and expense have been moved into the general fund. However, in the council adoption phase of the budget, a change item directed staff to transfer \$100K to a fund for tenant relocation services which will act as a revolving fund.

Revenues

The Council approves a \$100K transfer for tenant relocation services, which will be recorded in the 01900 fund. All nuisance abatement related 2021 revenues will be recorded in the general fund.

Expenditures

The council approves spending on tenant relocation services out of the 01900. All nuisance abatement related expenditures will now be recorded in the general fund as this was part of a long term plan.

Fund Balance & Cash Balance

The fund balance and cash balance for the Regulatory Services Special Revenue Fund was \$1.13 million and \$1.12 million, respectively, as of December 31, 2019. The fund balance and cash balance have been declining for several years. The result of these figures is that there are insufficient operating reserves in this fund to carry it past 2020 without a transfer from other funds. With the new change item, \$100K will be transferred to the fund with an anticipated \$40K in spending for a fund balance of \$60K.

City of Minneapolis
2021 Council Adopted Budget
Financial Plan (in thousands of dollars)

Regulatory Services Special Revenue Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Special Assessments | 3,116 | 2,047 | 2,348 | 1,956 | 2,370 | 1,700 | — | -100.0% | 40 | 40 | 40 | 40 |
| Inspections/Miscellaneous | 248 | 330 | 279 | 286 | 100 | 103 | — | -100.0% | — | — | — | — |
| Transfer In | | | 800 | 800 | | | 100 | | | | | |
| Total | 3,364 | 2,377 | 3,427 | 3,042 | 2,470 | 1,803 | 100 | -94.5% | 40 | 40 | 40 | 40 |
| Use of Funds: | | | | | | | | | | | | |
| Capital Outlay | 425 | 79 | 100 | 14 | 115 | — | — | —% | — | — | — | — |
| Personnel Services | 2,308 | 2,101 | 2,195 | 2,100 | 1,512 | 1,429 | — | -100.0% | — | — | — | — |
| Fringes | 962 | 844 | 883 | 856 | 645 | 670 | — | -100.0% | — | — | — | — |
| Contractual Services | 1,301 | 869 | 1,045 | 888 | 887 | 798 | 40 | -95.0% | 40 | 40 | 40 | 40 |
| Transfer Out | — | — | — | — | — | — | — | | | | | |
| Materials/Other | 49 | 51 | 43 | 26 | 47 | 33 | — | -100.0% | — | — | — | — |
| Total | 5,045 | 3,944 | 4,266 | 3,884 | 3,206 | 2,930 | 40 | -98.6% | 40 | 40 | 40 | 40 |
| Net Change in Fund Balance | (1,681) | (1,567) | (839) | (842) | (736) | (1,127) | 60 | -105.3% | — | — | — | — |
| Fund Balance | 1,855 | 1,969 | 1,130 | 1,127 | 392 | — | 60 | -100.0% | 60 | 60 | 60 | 60 |
| Total Cash Balance | 1,851 | 1,965 | 1,126 | 1,123 | 388 | (4) | 161 | -4,125.0% | 161 | 161 | 161 | 161 |

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Municipal Parking Fund

Introduction

The Municipal Parking Fund, managed by the Public Works Department, accounts for the operation and maintenance of the City parking system. In addition, major parking capital construction, repairs and replacement activities occur in this fund.

Parking Fund revenues and expenses are generated daily from these three system programs:

- Off-street parking (ramps and surface lots)
- On-street parking (parking meters and parking zones)
- Impound Lot (tow operations and vehicle auctions)

Historical Financial Performance

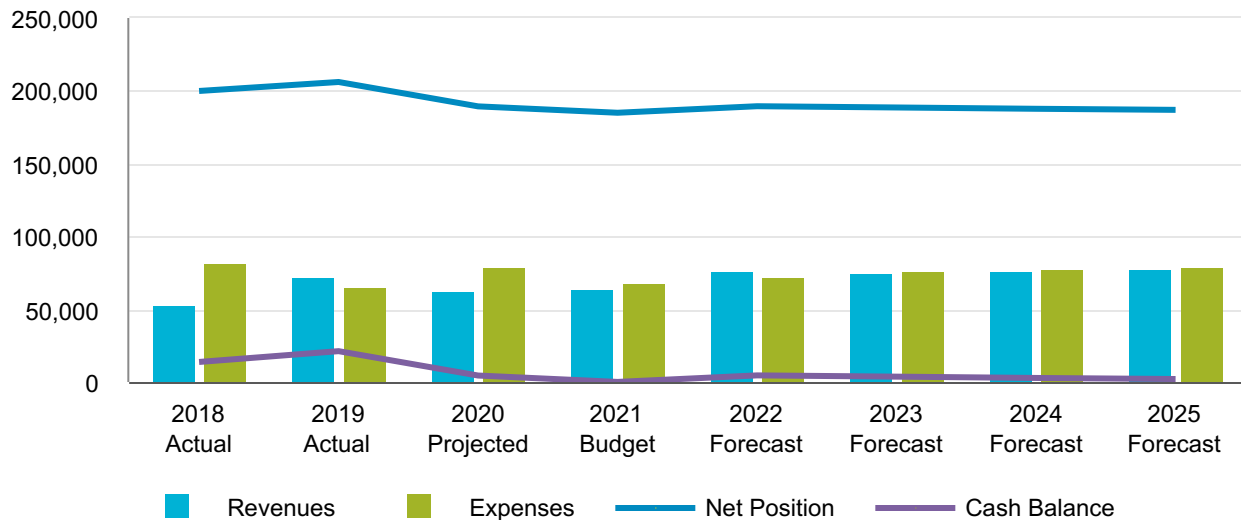
For the most recent five years (2015 to 2019) the Parking Fund's financial condition has historically been stable and positive. The Fund continues to experience financial challenges due to remaining debt levels and funding needs of other City functions. The Fund has transfers out that lead to lower Fund net income. The cash balance has fluctuated yearly based on unique one-time expenses, mostly capital and transfers. The Fund Operating Cash Balance remains positive and at 2019 year-end was \$21.1 million.

For the most recent five years (2015 to 2019) the parking system performance has increased cash flow from operations. The parking system is generally reflective of economic and employment conditions. Steady off-street parking use along with recent economic upturn and employment gains in downtown have resulted in additional off-street parking business. Between 2010 and 2019, the parking meter technology with credit card capability, event rates, additional meter coverage, and improved economic conditions have resulted in strong revenue growth. The recent addition of the parking smartphone app has resulted in on-street revenue growth in both 2018 and 2019. Overall in 2019, the parking system revenue increased about 1% due mainly to the continued increase in parking meter revenue for the above reasons and higher performing parking facilities around US Bank Stadium.

The year-end 2019 overall debt principal was \$58.6 million. The future debt is scheduled over the next 13 years with payments that are relatively constant but fluctuate slightly over those years. The Fund's parking system generates positive earnings and is capable of satisfying its debt service while maintaining its capital assets.

Current Year Projections

Financial Snapshot – Parking Fund (in thousands of Dollars)



Revenues

The current 2020 revenues are underperforming, with the Parking Funds projected operating revenues expected to decrease from 2019 totals by 42.8% from \$71.7 million to \$41.1 million. This is due to the COVID-19 pandemic and its related economic down turn, which has impacted parking volume since March and it's anticipated it will last into 2021.

Expenses

The projected 2020 operating expenses of \$37.9 million are expected to be \$4.6 million under budget and \$7.6 million less than 2019. This would be a 16.7% decrease from 2019 and is mainly related to decreased operations caused by the COVID-19 pandemic.

In addition to operating expenses, the 2020 budget includes \$4.0 million for impound lot capital improvements and \$3.0 million for on-street meter upgrades.

Net Position & Cash Balance

The Parking Fund net position includes all the assets held by the Fund. The Net Position was \$206 million at year-end 2019 and is expected to drop to \$189.3 million by the end of 2020.

The Parking Fund cash balance at year-end 2019 was \$21.1 million. Based on the 2020 projections, the Parking Fund cash balance will decrease to \$4.4 million by year end.

2021 Budget

In 2018 the Government Center Parking ramp was discontinued as a City asset as part of the exchange for the new city office building construction. Since this ramp no longer exists as a city asset both the revenue and expenses for 2019 and future years have been removed from the Parking Fund forecasts.

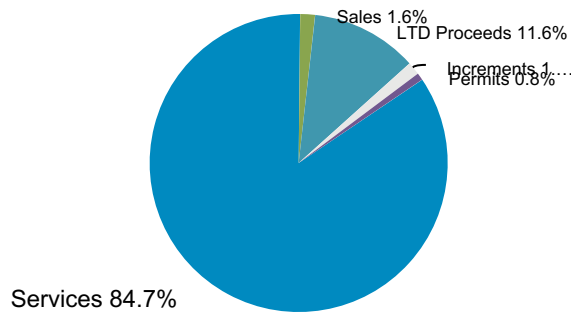
The Parking Fund budget assumed the new Impound Lot construction would start in 2017 and be completed in 2018. The exact timing of the construction is still underway, but it appears the majority of construction may occur in 2020.

Revenues

The 2021 Parking Fund operating revenue budget is expected to increase by 35.4% to \$55.6 million from the \$41.1 million projected 2020 revenue. The 2021 revenue budget is anticipated to project higher than 2020 as a result of a partial recovery from the COVID-19 pandemic and economic downturn.

The Fund also receives special assessments and tax increment revenues. These revenues will remain the same with approximately \$0.9 million in 2020 to \$0.9 million in 2021, primarily due to tax increment. These revenues are expected to slightly increase in 2022 but then remain flat in future years.

**2021 Source of Funds
(\$63.9 million)**

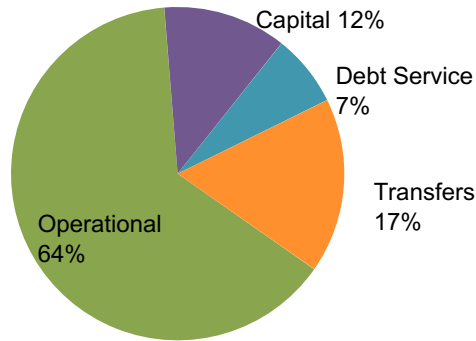


Expenses

The 2021 proposed Parking Fund expense budget is \$68.3 million which is a 14.2% decrease from 2020 projected expenses of \$79.7 million.

The 2021 capital budget decrease from \$10.3 projected in 2020 to \$8.4 million. Both 2020 and 2021 capital increases are due to planned Impound Lot and on-street meter improvements. After these two years, the capital budget returns to a \$5.0 million per year average for future years.

**2021 Use of Funds
(\$68.3 million)**



Transfers

The Fund transfers in and out are reflected in the above revenues and expenses. More specifically, the key transfers out include:

- Target Center Arena Fund transfers are forecast at \$3.9 million in 2021. This transfer out increases to \$5 million in 2022 and beyond.
- General Fund transfers are forecast to remain constant. In 2021, this transfer out will be about \$7.6 million.
- Solid Waste and Recycling annual transfer out of \$146,000 remains constant to support service for bus shelter litter containers.

Debt Service

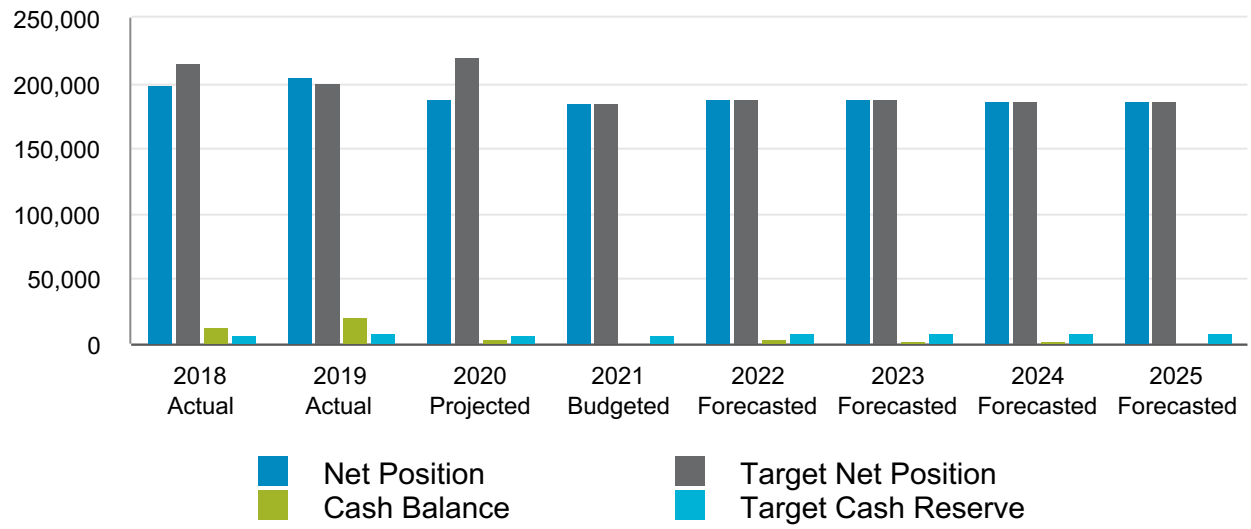
Total debt service, which includes principal and interest on bonds and notes issued for the Parking System is \$4.8 million for 2021. Total debt service payments are forecasted to increase in future years. Opportunities to reduce debt payments are continually monitored and the 2020 projections and out years reflect a 2020 refinancing of existing debt to lower annual and total payments in future years.

Net Position & Cash Balance

The Parking Fund expects net position to decrease from \$206 million at the end of 2019 to \$184.9 million in 2021, due to the COVID-19 pandemic and related loses in revenue.

The City’s financial policy requires the fund to carry a cash balance equal to or greater than three month’s operating expenses, excluding the ABC Ramps. The target cash balance at the end of 2021 is \$7.6 million, with a projected cash balance then of \$50 thousand, it leaves the Fund \$7.5 million under the requirement. The Department will continue to monitor the fund as 2020 progresses to ensure the fund returns to a stable state. Additional revenue options, if needed, are being considered along with further reducing operating and capital expenses.

**Parking Fund
Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)
Municipal Parking Fund

| | 2018 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 | % Chg | 2022 | 2023 | 2024 | 2025 |
|--|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Budget | Actual | Budget | Actual | Budget | Projected | Budget | From 2020 | Forecast | Forecast | Forecast | Forecast |
| | | | | | | | | Projected | | | | |
| Source of Funds: | | | | | | | | | | | | |
| License and Permits | 450 | 782 | 495 | 570 | 695 | 695 | 500 | (28.1)% | 510 | 520 | 531 | 541 |
| Charges for Service, Sales/Permits | 61,139 | 69,100 | 64,191 | 69,426 | 71,125 | 39,374 | 54,117 | 37.4 % | 72,234 | 73,535 | 74,859 | 76,209 |
| Charges for Sales | 1,100 | 1,230 | 1,000 | 1,713 | 1,000 | 1,000 | 1,000 | — % | 1,020 | 1,040 | 1,061 | 1,082 |
| Special Assessments | 543 | — | 543 | — | 543 | — | — | — % | — | — | — | — |
| Exchange of Gov't Center Ramp | 6,000 | (18,121) | — | — | — | — | — | — % | — | — | — | — |
| Other Miscellaneous Revenues | — | 90 | — | 49 | — | — | — | — % | — | — | — | — |
| Tax Increment Transfers In | 1,137 | 749 | 929 | 724 | 883 | 883 | 879 | (0.5)% | 1,175 | 1,140 | 1,105 | 1,107 |
| Proceeds of Long Term Liabilities | 3,700 | — | 1,000 | — | 7,000 | 20,957 | 7,400 | — % | 2,000 | — | — | — |
| Total | 74,069 | 53,830 | 68,158 | 72,482 | 81,246 | 62,909 | 63,896 | 1.6 % | 76,939 | 76,235 | 77,556 | 78,939 |
| Use of Funds: | | | | | | | | | | | | |
| Debt Service | 7,674 | 19,289 | 7,143 | 6,650 | 5,135 | 18,739 | 4,518 | (75.9)% | 6,186 | 8,152 | 8,607 | 8,579 |
| Future Debt Service | — | — | — | — | — | — | 300 | — % | 1,173 | 1,536 | 1,536 | 1,536 |
| General Fund Transfer Out | 7,000 | 8,000 | 7,000 | 7,000 | 7,990 | 7,990 | 7,640 | (4.4)% | 7,640 | 7,640 | 7,640 | 7,640 |
| Target Arena Transfer Out | 4,158 | 4,158 | 4,383 | 4,383 | 4,615 | 4,615 | 3,853 | (16.5)% | 5,000 | 5,000 | 5,000 | 5,000 |
| Debt Service Transfer Out | — | — | — | — | — | — | — | — % | — | — | — | — |
| Sanitation Transfer Out | 146 | 146 | 146 | 146 | 146 | 146 | 146 | — % | 146 | 146 | 146 | 146 |
| PW-Traffic & Parking | 44,160 | 47,365 | 45,962 | 45,495 | 42,526 | 37,908 | 43,429 | 14.6 % | 48,006 | 49,181 | 50,389 | 51,630 |
| PW-Traffic & Parking Capital | 7,200 | 2,965 | 3,000 | 2,309 | 5,500 | 10,252 | 8,400 | (18.1)% | 4,300 | 5,440 | 5,140 | 5,140 |
| Total | 70,338 | 81,923 | 67,634 | 65,983 | 65,912 | 79,650 | 68,286 | (14.3)% | 72,451 | 77,095 | 78,458 | 79,671 |
| Change in Net Position | 3,731 | (28,093) | 524 | 6,499 | 15,334 | (16,741) | (4,390) | (73.8)% | 4,488 | (860) | (902) | (732) |
| Net Position* | 217,011 | 199,883 | 200,407 | 206,049 | 221,383 | 189,308 | 184,918 | (2.3)% | 189,406 | 188,546 | 187,644 | 186,913 |
| Total Cash Balance** | 30,271 | 13,759 | 14,283 | 21,182 | 36,516 | 4,441 | 51 | | 4,539 | 3,679 | 2,777 | 2,046 |
| Operating Cash balance | 30,271 | 13,759 | 14,283 | 21,182 | 36,516 | 4,441 | 51 | | 4,539 | 3,679 | 2,777 | 2,046 |
| Target Cash Reserve | 7,930 | 8,121 | 8,455 | 8,460 | 7,631 | 7,631 | 7,575 | | 8,686 | 8,947 | 9,214 | 9,491 |
| Variance Operating to Target Cash | 22,341 | 5,638 | 5,828 | 12,722 | 28,885 | (3,190) | (7,524) | | (4,147) | (5,268) | (6,437) | (7,445) |

*Change in Net Position does not include any changes in Balance Sheet items

** 2021 totals include \$3M bond and capital appropriation rollovers.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Sanitary Sewer Fund

Introduction

The Sanitary Sewer Fund accounts for the activities related to wastewater collection and treatment. Approximately 53.1% of the expense in the Sanitary Sewer Fund's 2021 budget is comprised of contractual payments made to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment related services. The Sanitary Sewer Fund portion is approximately 95.0% of the total paid by the City to MCES with the remaining 5.0% being provided by the Storm Water Fund. The fund also accounts for City services, operations, maintenance, design work, capital programs, transfers, and long-term debt service associated with the sanitary sewer system.

Sanitary sewer source of fund includes: monthly billing for sewer services, proceeds from sales of bond used for capital programs, SAC fees and miscellaneous activities. Monthly billing for sewer services is the major source of revenue for sanitary sewer follow by bond sales and SAC fees. SAC fees are off-set by expenditures related to the design activities and SAC charges. The Surface Water & Sewer division of the Public Works Department is responsible for the management of operations within this fund.

Historical Financial Performance

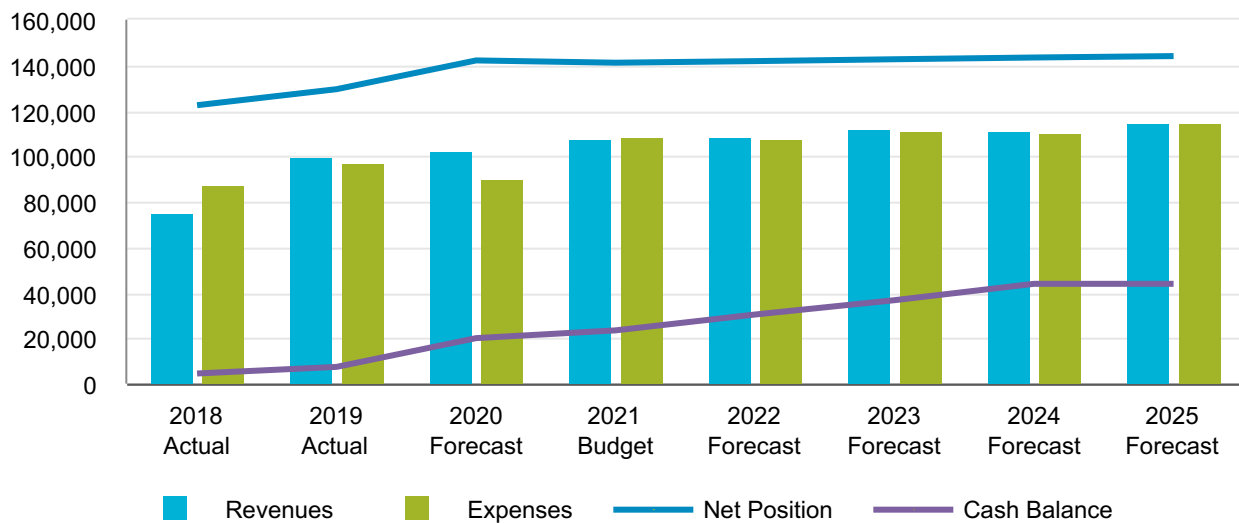
The Sanitary fund has performed consistently over the last five years up until 2018. In 2018, there were very few bonds issued, thus contributing to lower than normal cash balance. Bond issuance increased in 2019 but not enough to bring cash balance up to a more normal historic level. In 2019, the cash balance improved somewhat to \$7.0 million from \$4.5 million in 2018. However, it is projected to gradually climb back up again starting in 2020 and future years. Other than 2018 and 2019, the fund has regularly posted cash balances in the \$16.0 million range and has also maintained its cash reserve above the three months operating threshold. Both the cash balances and cash reserve are projected to be up in the \$17.0-\$22.0 million range starting in 2020 and future years. As a result, the department has been able to use the cash balance to:

- (i) fund operations and construction;
- (ii) meet obligations for shared costs and services with other City departments;
- (iii) appropriately time the sales of bonds to keep debt financing low;
- (iv) structure and restructure the debt schedule for lower interest and payments; and
- (v) control utility rate increases.

The Sewer division will continue its major repairs, upgrades, rehabilitation and cleaning work paying these out of its operating and capital appropriations. The goal has been to maintain, and build upon, unrestricted cash reserve, and fall upon debt financing only as needed. The outlook for the fund for the next five years looks stable with increasing cash and unrestricted reserve balances.

Current Year Projections

Financial Snapshot Sanitary Sewer Fund (in thousands of Dollars)



Revenues

The current operating revenue is projected to be under the budgeted amount of \$86.3 million, by \$1.4 million due to lower operating revenues because of less activities in Minneapolis due to COVID-19. A MET Council grant of \$1.7 million came in May of 2020 to reimburse for 2019 expenses, leading to Other Revenues being higher in 2020.

Proceeds from prior years' bond sales are available in the arbitrage fund to cover infrastructure related costs. This balance has been projected to increase to \$9.6 million from additional bond sales in 2020 compared to \$9.2 million in 2019. Sewer Availability Charges, or SAC, are one-time fees collected from residents or businesses for initial connection to the wastewater system. These fee revenues are collected from property owners and developers and passed on to the Metropolitan Council. Therefore, any increase or decrease in SAC revenues corresponds to similar increase or decrease in SAC expenditures.

Expense

Operating expenses for 2020 are projected at \$70.9 million compared to the revised 2020 budget of \$70.3 million. The projected expenses of \$0.6 million over the budgeted amount is due to SAC charges projected at \$1.0 million over budget, but these higher SAC charges are off-set by higher SAC revenues.

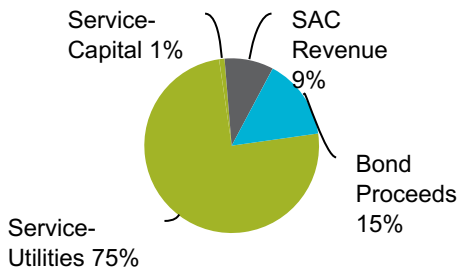
Net Position & Cash Balance

The Sewer fund net position and cash balance are projected to total \$142.1 million and \$20.0 million respectively by the end of 2020. The cash balance is \$7.1 million more than the budgeted amount due to capital projects pushed forward to future years.

2021 Budget

Revenues from operations account for 87.2% of the budget with the remaining 12.8% coming from capital programs which is consistent with prior years. For 2021, use of funds is estimated to increase by 10.4% over 2020's projections.

**Source of Funds
(\$99.3 million)**



Revenues

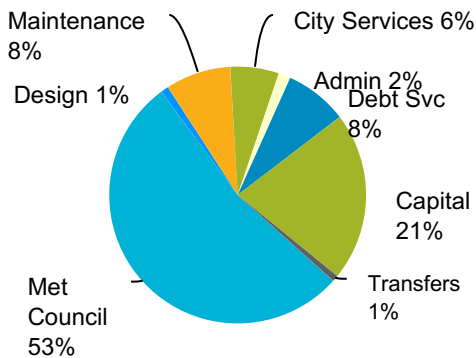
The total revenue budget for the Sanitary Sewer Fund for 2021 is \$108.4 million compared to the 2020 projected revenues of \$103.2 million, an increase of \$5.2 million, or 5.0%. The majority of the change is a result of a combined: (i) increase in service revenues of \$8.3 million, reflecting increases in monthly utility rates; and a decrease in (ii) proceeds from long-term liabilities of \$2.7 million due to more prior year bonds being issued in 2020 than in 2021.

Sanitary Utility Rates

Sanitary sewer rates are comprised of variable and fixed rates. For 2021, the variable sewer rate is proposed to increase to \$4.84 per one hundred cubic feet (one *unit*, or 748 gallons) compared to \$4.54 for 2020, while the fixed rate is set at \$6.80 for 2021 compared to \$6.30 for 2020. Rates were increased to fund sanitary treatment programs, design, maintain, upgrade and rehab sanitary tunnels, and to pay for debt service and shared meter costs.

| Year | Rate (cost per 100 per cubic feet) | % Increase | Average Monthly Bill | Utility Revenue from variable rates |
|------|------------------------------------|------------|----------------------|-------------------------------------|
| 2020 | \$4.54 | 7.8% | \$27.24 | \$62.4 million |
| 2021 | \$4.84 | 6.6% | \$29.04 | \$69.8 million |
| 2022 | \$5.01 | 3.5% | \$30.06 | \$72.2 million |
| 2023 | \$5.17 | 3.2% | \$31.02 | \$74.5 million |
| 2024 | \$5.34 | 3.3% | \$32.04 | \$76.9 million |

**Use of Funds
(\$95.3 million)**



Expense

The total expense budget for 2021 is \$109.4 million compared to the 2020 projected of \$90.6 million, an overall increase of \$18.8 million, and reflects the following changes from the 2020 projection: (i) increase in Met Council charges of \$4.2 million due to a rate increase; (ii) decrease in professional services, upgrades, rehab, repairs, and maintenance work by \$681,000 in the Sewer Maintenance section; (iii) increase in City services, as established by the allocation model of \$422,000; (iv) increase of \$199,000 in Sewer administration largely due to adding sewer service line repairs previously handled in the water fund ; (v) increase in debt services and transfers by \$2.0 million; and (vi) increase in capital programs by \$11.3 million. Capital expenses for 2021 total \$23.2 million, and include a building facility, along with the ongoing inflow/infiltration, sanitary tunnel, and sewer rehab programs.

Met Council sets the rate for treatment services, referred to as Municipal Water Charges (MWC), which are allocated regionally to all users of the system, based upon their proportionate use. The largest expense in the Sanitary Sewer Fund is the service charge paid to Metropolitan Council Environmental Services (MCES) for the treatment of waste water. The estimated payment to MCES for 2021 is \$50.5 million, a 9.8% increase over 2020. The Sanitary Sewer Fund bears \$48.0 million of this cost with the remaining \$2.5 million paid from the Storm Water Fund. Minneapolis is the largest customer in the MCES

system. (Please note this payment is only a portion of the Met Council Environmental Services line as shown on the plan; the SAC payments are included in the plan total).

Transfers

A transfer from this fund is made to the Water Fund to cover shared meter expenses. The transfer was initiated in 2012 and will remain a yearly budget item. For 2021, the transfer amount is estimated at \$1.1 million with future year amounts jointly decided in cooperation with Water department.

Debt Service

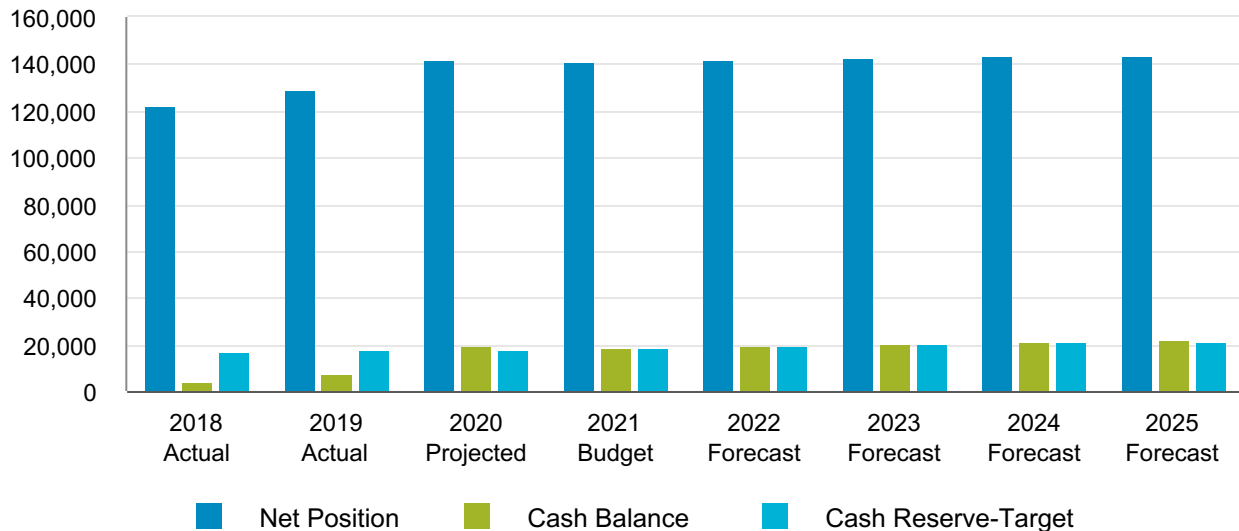
To date, the Fund’s outstanding debt arising from bond financing stands at \$34.1 million, of which nothing has been added yet in 2020. The bonds were sold to finance capital infiltration and inflow programs and upgrade the City’s sewer system. For 2021, \$8.6 million is set aside for debt service payments. For the next five years, bond proceeds will be the major source of funding for capital programs. Yearly payments for interest and principal will continue at or above the 2021 rate.

Net Position & Cash Balance

At the start of the year, cash balance was \$7.4 million, with the Fund’s net position at \$129.4 million. Based on 2020 projections, the cash balance and net position will increase to \$20.0 million and \$142.1 million respectively by the start of 2021. The five years plan forecasts a slight increase, due to increases in utility rates and proceeds from long term liabilities.

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 2021 is \$19.1 million, leaving the fund slightly below the target reserve by \$108,000.

Fund Net Position & Cash Balance
(in thousands of dollars)



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)
Sanitary Sewer Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Projected | 2020 Budget | 2020 Projected | 2021 Budget | % Chg | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|--|----------------|-----------------|----------------|-------------------|----------------|-------------------|----------------|---------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Charges for Service | 70,890 | 68,603 | 76,855 | 72,766 | 81,105 | 11.5 % | 84,568 | 4.3 % | 90,939 | 94,479 | 70,890 | 68,603 |
| SAC Revenues | 15,000 | 13,682 | 9,000 | 10,000 | 10,000 | | 10,000 | — % | 10,000 | 10,000 | 15,000 | 13,682 |
| Other Misc Revenues | 1,045 | 852 | 400 | 2,072 | 606 | (70.8)% | 400 | (34.0)% | 400 | 400 | 1,045 | 852 |
| Charges for Service - Capital | 1,000 | 1,009 | 1,000 | | 1,000 | | 1,000 | — % | 1,000 | 1,000 | 1,000 | 1,009 |
| Proceeds from Long Term Liabilities | 14,500 | 15,730 | 12,000 | 18,377 | 15,679 | (14.7)% | 13,122 | (16.3)% | 9,000 | 9,500 | 14,500 | 15,730 |
| Total | 102,435 | 99,876 | 99,255 | 103,215 | 108,390 | 5 % | 109,090 | 0.6 % | 111,339 | 115,379 | 102,435 | 99,876 |
| Use of Funds: | | | | | | | | | | | | |
| PW-Sewer Design | 1,586 | 1,439 | 1,538 | 1,510 | 1,420 | 1,216 | 1,053 | (25.8)% | 1,081 | 1,109 | 1,138 | 1,168 |
| PW-Sewer Maintenance | 9,648 | 10,121 | 9,669 | 8,950 | 8,266 | 8,116 | 9,001 | 8.9 % | 10,196 | 10,413 | 10,636 | 10,866 |
| MERF Debt Service -New Plan | 210 | 210 | 210 | 210 | 210 | 210 | 210 | — % | 210 | 210 | 210 | 210 |
| Met Council Environment Svcs | 49,398 | 51,437 | 51,036 | 55,766 | 52,866 | 53,910 | 58,137 | 10.0 % | 60,054 | 62,047 | 64,120 | 66,275 |
| Payment for City Services | 5,454 | 5,186 | 6,041 | 5,831 | 6,051 | 6,051 | 6,474 | 7.0 % | 6,582 | 6,692 | 6,804 | 6,919 |
| PW - Sewer Admin | 1,154 | 1,125 | 1,429 | 1,151 | 1,519 | 1,407 | 1,606 | 5.7 % | 1,619 | 1,652 | 1,690 | 1,728 |
| Debt Service | 5,153 | 4,980 | 5,193 | 5,666 | 6,686 | 6,809 | 7,419 | 11.0 % | 9,057 | 8,250 | 4,370 | 4,265 |
| Future Debt Service | — | — | 1,494 | — | 1,725 | — | 1,182 | (31.5)% | 2,262 | 4,101 | 5,708 | 7,404 |
| Transfers | | | | | | | | | | | | |
| To MERF/Gen Debt Service | — | — | — | — | — | — | — | | — | — | — | — |
| To Water Fund | 684 | 684 | 593 | 614 | 879 | 879 | 1,072 | 22.0 % | 1,209 | 1,287 | 1,396 | 1,425 |
| PW- Capital Programs | 13,600 | 12,328 | 18,500 | 18,102 | 14,100 | 11,978 | 23,237 | 64.8 % | 16,122 | 16,122 | 14,500 | 14,500 |
| Total | 86,887 | 87,510 | 95,703 | 97,800 | 93,722 | 90,576 | 109,391 | 16.7 % | 108,392 | 111,883 | 110,572 | 114,760 |
| Change in Net Position | (89) | (11,648) | 6,732 | 7,043 | 5,533 | 12,639 | (1,001) | | 698 | 822 | 767 | 619 |
| Net Position Balance | 121,135 | 122,400 | 129,132 | 129,444 | 134,977 | 142,083 | 141,082 | | 141,780 | 142,602 | 143,369 | 143,988 |
| Cash Balances | 16,076 | 4,474 | 11,207 | 7,375 | 12,908 | 20,013 | 19,012 | | 19,711 | 20,533 | 21,301 | 21,921 |
| Target Cash Reserve | 16,863 | 17,380 | 17,481 | 18,355 | 17,583 | 17,728 | 19,120 | | 19,936 | 20,531 | 21,150 | 21,792 |
| Variance Cash Balance to Target | (787) | (12,906) | (6,274) | (10,980) | (4,675) | 2,286 | (108) | | (225) | 2 | 152 | 130 |

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Solid Waste and Recycling Fund

Background

The Solid Waste and Recycling Fund provides services related to collection, disposal, and recycling of household waste, yard waste, and problem materials. Graffiti removal and the organics program are additional activities. The Solid Waste Division provides weekly and bi-weekly services for trash, yard-waste, organics, and recycling material pickups. It also operates a solid waste transfer station providing service to over 107,000 households. City crews provide approximately one-half of the solid waste collection service in the City with the other half provided through a contract with a consortium of companies specializing in waste collection.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees through monthly utility bills. The Fund also receives yearly grants from Hennepin County. Additional revenue is generated through recyclable sales, miscellaneous services, graffiti abatement, and organic programs. The division of Solid Waste & Recycling is responsible for the management of the operations within this fund.

Historical Financial Performance

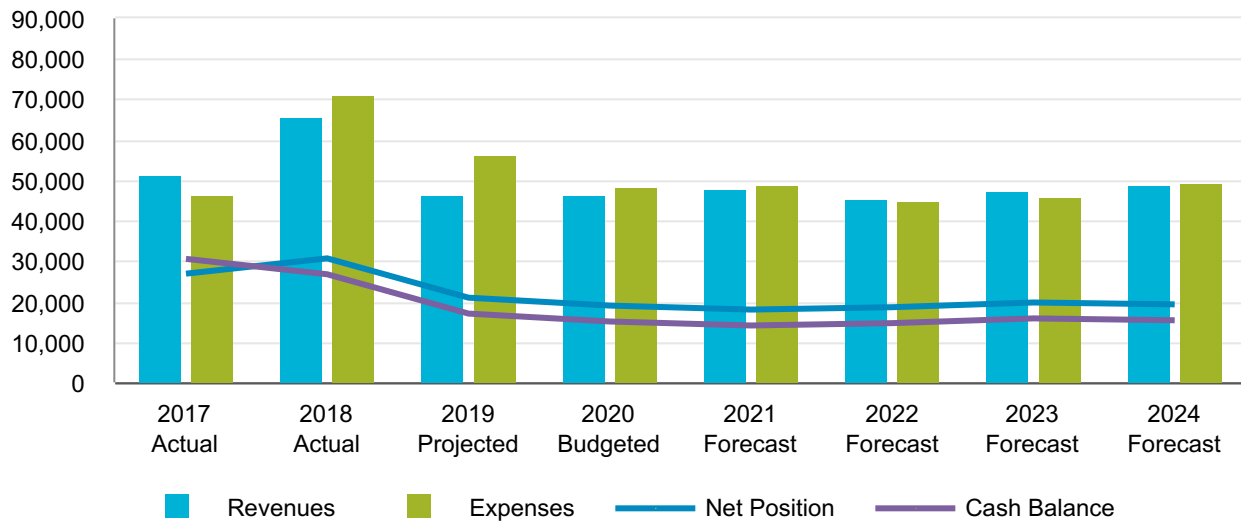
The overall financial condition of the Solid Waste and Recycling Fund has remained stable over the last five years, despite implementing one-sort and organic programs at an additional cost of \$8.9 million. The Fund has been continuously maintaining its cash balance above \$22.6 million, keeping the three-month cash reserve of at least \$9.4 million, and leaving at least \$15.1 million as unrestricted. This changed in 2019 and 2020 as some of the cash balance above the reserve requirement was used to fund part of the new facility. Total revenues for 2019 were at \$66.0 million compared to \$71.1 million in total expenses. Increase in the year's expenditures was expected due to Capital program which will continue for the next few years. Even with this ongoing facility construction, the fund has been able to:

- (i) fund new programs - mattress and electronics hauling and recycling;
- (ii) start new initiatives - zero waste studies, litter prevention, step-up interns, and graffiti abatement programs;
- (iii) meet its obligations for shared costs and services with other City departments;
- (iv) finance the Solid Waste Information System (SWIS) replacement project, and upgrade its software support system;
- (v) replace vehicle, trucks, carts, and other business line equipment on a yearly basis;
- (vi) maintain staffing levels; and
- (vii) control utility rate increases.

The outlook for the Fund for the next five years looks just as stable as the past five. A new \$44.3 million facility was completed in May of 2020 and paid out of fund balance and debt proceeds.

Current Year Projections

Financial Snapshot Solid Waste & Recycling Fund (in thousands of Dollars)



Revenue

For the current year, revenue is projected to reach \$46.6 million compared to \$66.0 million earned in 2019 reflecting an decrease of \$19.4 million mainly due to \$20.5 million in bond sales in 2019 and no bond sales in 2020. Solid waste utility revenue is projected to increase by \$682,000 compared to 2019 due to increase in rates and dwelling units. County recycling grants and miscellaneous revenues are projected to be realized as budgeted in the current year.

Expense

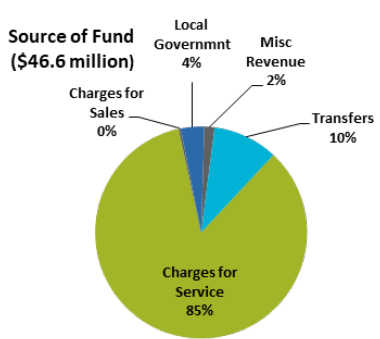
Operating expense for 2020 is projected to equal \$43.3 million compared to \$40.5 million spent in 2019, due to a 10% increase in volume in waste collection and disposal from April, 2020, and forward since more people working from home due to COVID-19. The capital program is projected to incur \$8.0 million in expense in 2020 compared to \$26.8 million spent in 2019. The new building was ready in May of 2020.

Net Position and Cash Balance

Since incurring \$8.0 million of capital expenditures in 2020 without issuing any bonds, cash balance is expected to decrease. For 2020 year-end, net position and cash balance are expected to total \$20.9 million and \$17.0 million respectively.

2021 Budget

Over the last four years, a total of \$28.7 million has been earmarked for a facility improvement to be funded through bonds. The facility was completed in May of 2020 and the Solid Waste personnel moved in to the new facilities. For the 2021 budget, there are no more construction costs budgeted for this project.



Revenues

The total revenue budget for 2021 stands at \$46.6 million compared to \$46.6 million in revenue projected for 2020. This is no change over the 2020 projection and is a result of; (i) increase in service revenue, estimated at \$39.4 million, which is \$116,000 higher than the projection for 2020, due to an increased number of households serviced; (ii) increase in Transfer Station sales by \$56,000.

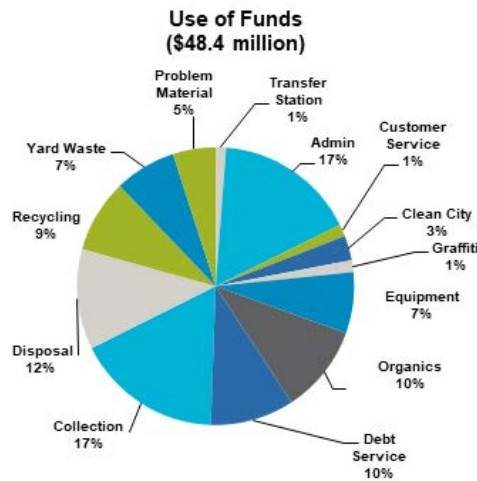
Solid Waste Utility Rates

The Department proposes no increase to the base rate for collection and hauling and remain at \$25.08 per dwelling unit, no increase over the 2020 utility rate, during the COVID-19 pandemic since financial hardship is expected to last through 2021. The estimated number of dwelling units in 2021 is 107,391, an increase of 273 units compared to 2020. The fixed rate for small and large carts remains the same at \$2.00 and \$5.00 for the foreseeable future.

| Year | Base Rate | % Increase | Dwelling Units | Total Planned Revenue from Utility Fee |
|------|-----------|------------|----------------|--|
| 2020 | \$25.08 | 2.3% | 107,118 | \$38.7 million |
| 2021 | \$25.08 | —% | 107,391 | \$38.8 million |
| 2022 | \$26.29 | 4.8% | 107,391 | \$40.3 million |
| 2023 | \$27.55 | 4.8% | 107,391 | \$42.0 million |
| 2024 | \$28.87 | 4.8% | 107,391 | \$43.7 million |
| 2025 | \$30.26 | 4.8% | 107,391 | \$45.4 million |

Expense

The total expenditure budget for 2021 amounts to \$48.4 million compared to \$56.3 million projected for 2020, a decrease of \$7.9 million, or 14.0%. The operating budget totals \$43.6 million and the remaining \$4.8 million is for facility related debt service. The 2021 operating budget, compared to 2020 projections, reflects the following changes: (i) an increase in admin, organics, collection, yard waste, recycling, customer service, and graffiti of \$1.3 million due to new vendor contracts; (ii) a decrease in equipment, transfer stations, disposal and problem materials by \$1.1 million due to less equipment purchases and lower volumes; (iii) a decrease of \$8.0 million in capital spending due to new facility done in 2020; (iv) a decrease in IT projects by \$174,000; (v) decrease in debt services by \$167,000.



Transfers

The Solid Waste and Recycling Fund will continue to receive a \$146,000 transfer from the Parking Fund for litter container pick-ups in the downtown area. The Fund has also been receiving an annual transfer from the General Fund for graffiti removal since 2014. For 2020, General Fund transfers total \$325,000. These transfers are expected to continue with variations in programs and amounts.

Debt Service

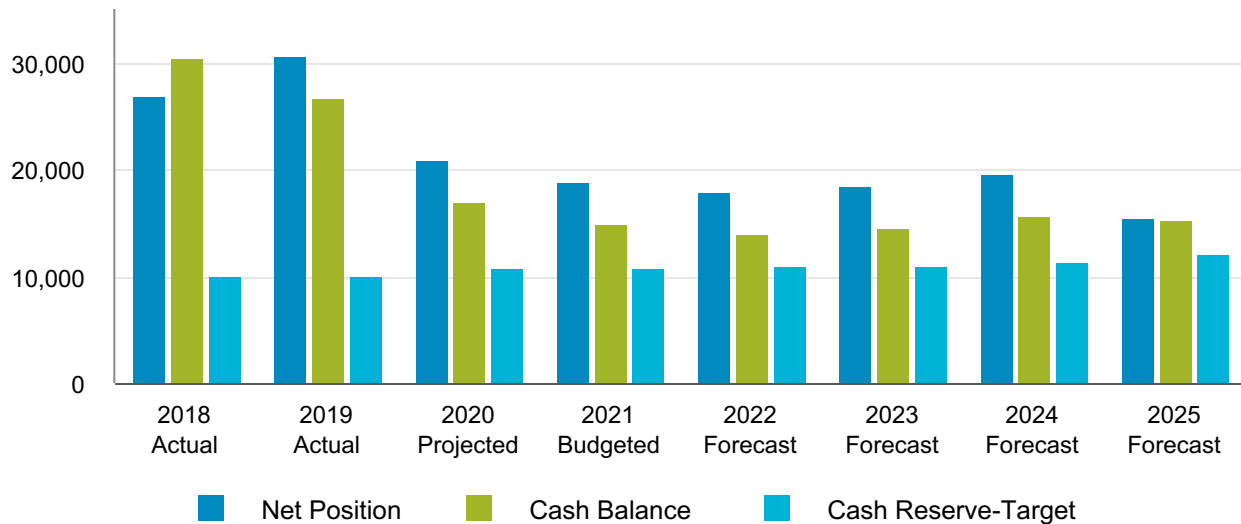
The Fund anticipates \$167,000 decrease in debt service payments for principal and interest in 2021. The decrease is due to no new bonds being issued in 2020 but principal was paid off.

Net Position & Cash Balance

The Solid Waste Fund started the year with a cash balance of \$26.7 million and a net position total of \$30.7 million. Based on the 2020 estimates, the cash balance and net position will decrease to \$17.0 million and \$20.9 million, respectively. The five-year plan forecasts a level net position of \$18.1-18.9 million and a level cash balance of \$14.1 - \$15.9 million, through 2025.

The City's financial policy requires a fund to maintain a cash balance equal to or greater than three months' operating expense. Therefore, the target cash balance throughout 2021 is \$10.9 million making \$4.3 million available for debt services.

Solid Waste Fund Net Position & Cash Balance
(in thousands of dollars)



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)
Solid Waste Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|--|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Sources of Funds: | | | | | | | | | | | | |
| Local Government | 1,701 | 1,682 | 1,768 | 1,854 | 1,659 | 1,659 | 1,671 | 0.7 % | 1,671 | 1,671 | 1,671 | 1,671 |
| Charges for Service | 37,705 | 37,861 | 38,598 | 38,626 | 39,308 | 39,308 | 39,424 | 0.3 % | 40,975 | 42,602 | 44,306 | 46,092 |
| Charges for Sales | 350 | 182 | 350 | 175 | 150 | 150 | 150 | — % | 150 | 150 | 150 | 45 |
| Special Assessments | — | 93 | — | 91 | — | — | — | — % | — | — | — | — |
| Other Misc Revenues, Rents | 758 | 1,029 | 758 | 695 | 758 | 668 | 724 | 8.4 % | 724 | 724 | 724 | 748 |
| Long Term Proceeds - Capital | 3,710 | 9,919 | — | 20,543 | — | — | — | 100 % | — | — | — | — |
| Operating Transfers In: | | | | | | | | | | | | |
| Parking Fund | 146 | 146 | 146 | 146 | 146 | 146 | 146 | — % | 146 | 146 | 146 | 146 |
| General Fund - Graffiti | 325 | 325 | 325 | 325 | 325 | 325 | 325 | — % | 325 | 325 | 325 | 325 |
| Bond Redemption Fund | — | — | 3,523 | 3,523 | 4,324 | 4,324 | 4,136 | — % | 3,953 | — | — | — |
| Total | 44,696 | 51,237 | 45,468 | 65,978 | 46,670 | 46,580 | 46,576 | — % | 47,944 | 45,618 | 47,322 | 49,027 |
| Use of Funds: | | | | | | | | | | | | |
| Collection | 7,709 | 7,553 | 7,734 | 7,955 | 7,223 | 7,800 | 7,951 | 1.9 % | 8,111 | 8,271 | 8,434 | 8,601 |
| Disposal | 5,346 | 5,114 | 5,221 | 5,131 | 4,710 | 5,800 | 5,758 | (0.7)% | 5,812 | 5,930 | 6,051 | 6,174 |
| Recycle | 4,064 | 3,712 | 4,191 | 3,949 | 3,731 | 4,072 | 4,222 | 3.7 % | 4,405 | 4,436 | 4,517 | 4,601 |
| Yard Waste | 3,336 | 3,093 | 3,468 | 3,080 | 3,046 | 3,374 | 3,540 | 4.9 % | 3,605 | 3,671 | 3,738 | 3,806 |
| Problem Material | 2,343 | 2,341 | 2,519 | 2,407 | 2,258 | 2,523 | 2,500 | (0.9)% | 2,615 | 2,682 | 2,750 | 2,821 |
| Transfer Stations | 470 | 591 | 820 | 770 | 658 | 701 | 560 | (20.1)% | 568 | 577 | 586 | 595 |
| Admin | 7,176 | 7,353 | 7,668 | 7,603 | 7,505 | 7,300 | 7,784 | 6.6 % | 7,753 | 7,911 | 8,072 | 8,236 |
| Customer Service | 652 | 528 | 665 | 633 | 680 | 670 | 690 | 3 % | 705 | 720 | 735 | 751 |
| Clean City | 1,557 | 1,359 | 1,567 | 1,213 | 1,500 | 1,350 | 1,424 | 5.5 % | 1,453 | 1,482 | 1,512 | 1,542 |
| Graffiti | 749 | 643 | 837 | 586 | 622 | 680 | 691 | 1.6 % | 705 | 719 | 733 | 748 |
| Equipment | 3,367 | 3,285 | 3,814 | 3,066 | 4,263 | 4,367 | 3,510 | (19.6)% | 3,363 | 2,642 | 2,919 | 5,337 |
| Organics | 4,078 | 4,260 | 4,851 | 4,104 | 4,126 | 4,667 | 5,072 | 8.7 % | 5,161 | 5,252 | 5,345 | 5,440 |
| Capital Program | 3,710 | 6,266 | — | 26,823 | — | 8,000 | — | (100)% | — | — | — | — |
| Debt Service | — | 310 | 4,172 | 3,744 | 4,997 | 4,997 | 4,830 | (3.3)% | 4,677 | 742 | 759 | 840 |
| Total | 44,557 | 46,408 | 47,527 | 71,064 | 45,319 | 56,301 | 48,532 | (13.8)% | 48,933 | 45,035 | 46,151 | 49,492 |
| Change in Net Position | 139 | 4,829 | (2,059) | 3,782 | 1,351 | (9,721) | (1,956) | | (989) | 583 | 1,171 | (465) |
| Net Position Balance | 25,529 | 26,873 | 24,814 | 30,655 | 32,006 | 20,934 | 18,978 | | 17,989 | 18,572 | 19,743 | 19,278 |
| Cash Balance | 24,663 | 30,529 | 28,470 | 26,720 | 28,071 | 16,999 | 15,043 | | 14,054 | 14,638 | 15,809 | 15,344 |
| Target Cash Reserve | 10,212 | 9,958 | 10,839 | 10,124 | 10,081 | 10,826 | 10,926 | | 11,064 | 11,073 | 11,348 | 12,163 |
| Variance Cash Balance to Target | 14,451 | 20,571 | 17,631 | 16,596 | 17,989 | 6,173 | 4,117 | | 2,990 | 3,565 | 4,461 | 3,181 |

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Storm Water Fund

Background

The storm water collection and street cleaning programs make up the budget for the Storm Water Fund. The Fund accounts for the design, construction, and maintenance of the City's storm drain system and street cleaning activities. A portion of the Storm Water Fund is used for sanitary water interceptor and treatment services, a function carried out through the Metropolitan Council Environmental Services (MCES). Street cleaning is a function of the Transportation Maintenance and Repair division of the Public Works department, with funds provided by Storm Water.

Fund resources include monthly utility billing for storm drainage services, quarterly reimbursement for maintenance services provided to the State and County, reimbursement for design work, services provided to other City departments and outside parties; and proceeds from long term liabilities and grants. The Surface Water & Sewer division is responsible for the management of operations within this fund.

Historical Financial Performance

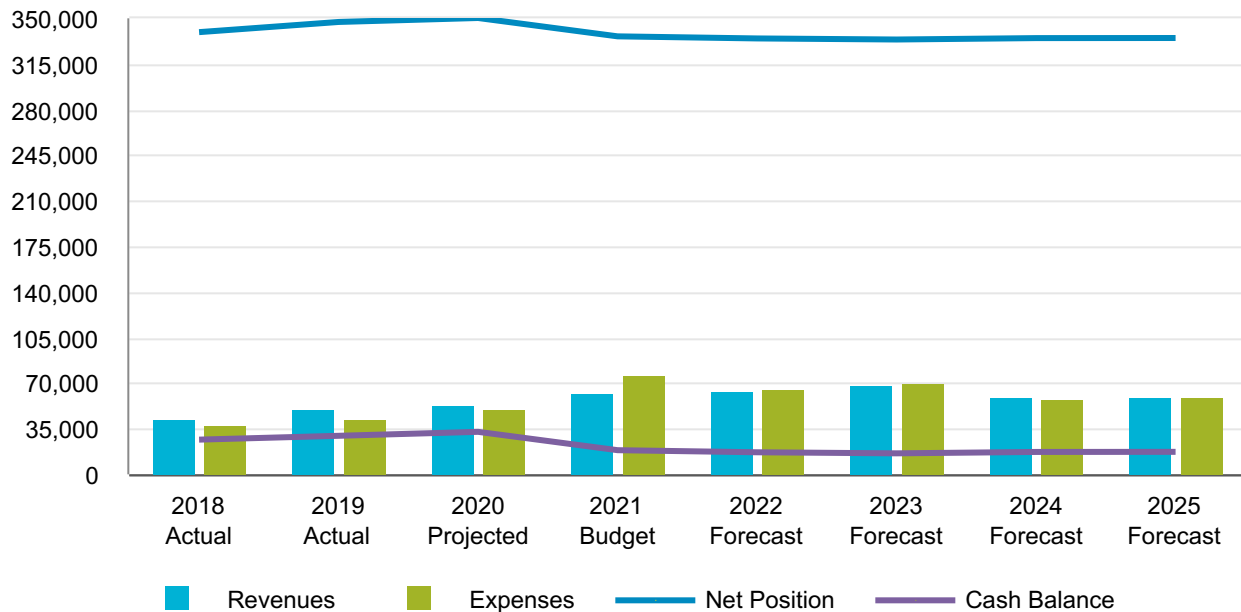
The Storm Water Fund has performed well in the last five years, maintaining a cash balance above \$26 million, and on average, keeping the three-month operating cash reserve to \$7.5 million, restricting an additional \$1.0 million for at-risk-tunnels, and posting an unreserved balance of \$22.2 million at the end of 2019. It has consistently generated operating revenues in excess of operating expenses by \$10 million. As a result, the Fund has been able to:

- (i) Pay off all outstanding bonds and debts issued prior to 2019;
- (ii) Increase personnel for infrastructure and construction programs;
- (iii) Increase capital expenditures for the future years;
- (iv) Meet its obligations for shared costs and services with other City departments;
- (v) Restructure future debt financing; and
- (vi) Control utility rates.

The Fund will continue with design, storm tunnel repair, rehab, televising, cleaning, in addition to flood mitigation and various vegetation maintenance work, using both operating and capital appropriations. The goal has been to maintain, and build upon, unrestricted cash reserves, and continue to use fund balance, and to use debt financing only as needed. With a substantial unrestricted reserve, the fund plans to spend increasingly on capital programs, infrastructure, and major repairs over the next five years.

Current Year Projections

Financial Snapshot Solid Waste and Recycling Fund (in thousands of Dollars)



Revenues

For the current year, operating revenue is projected to come in at \$44.9 million, \$700,000 higher than budgeted. The utility rate for the current year is \$13.42 per equivalent storm units (ESU) compared to \$13.09 for 2019. As per a signed agreement, the maintenance revenue from the State and County will be realized in full as budgeted. Design and capital related revenues reflect and are dependent on capital activities; so as capital expenditures increase, bond revenues and reimbursement increase.

Expense

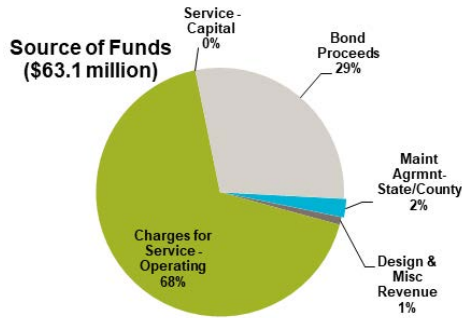
Operating expenses for 2020 are projected at \$29.2 million for the year. In capital programs, \$19.3 million is projected to be spent in the current year which is \$4.7 million more than budgeted. Transfer for shared costs, estimated at \$1.7 million, will be expended as budgeted.

Net Position and Cash Balance

The Storm Fund cash balance and net position have continuously grown in the past five years. For the current year, net position and cash balance are projected to total \$350.3 million, and \$32.6 million respectively. These are slight increases from 2019 actual amounts due to an increase in long term debt related to capital expenditures.

2021 Budget

Revenues from operations account for 71.9% of the budget with the remaining 28.1% coming from the capital program as bond proceeds and service charges. With significant increases in capital expenditures planned for next five years, funds from bond sales are in the plan in order to maintain a positive cash balance. Expenses from operations account for 49.1% of the total budget with 43.0% allocated for capital, 2.6% for transfers, and 5.3% for debt services. The combined sewer flow program has been discontinued from the operating budget but will continue in the capital program.



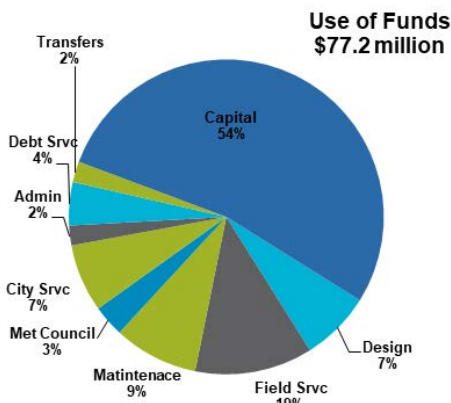
Revenues

The 2021 revenue budget is \$63.1 million, compared to \$54.4 million projected for 2020, reflecting an increase of \$8.7 million. This is due to combined increases in: (i) service revenues by \$329,000, due to increases in monthly utility rates; (ii) decrease in maintenance revenues by \$256,000 as per State and County schedule; (iii) increase in capital revenues by \$8.7 million, due to increases in long term financing; and (iv) a decrease in design revenues of \$173,000 due to planned change of coding design costs directly to the capital projects, thus reducing the intra-fund billing of charges.

Storm Water Utilities Rates

The Department proposed a storm water utility rate operations, transfers, debt services, and capital of \$13.62 per ESU for 2021, which is an increase of programs. \$0.20 over the 2020 rate. It was increased to fund

| Year | Rate per ESU (Equivalent Storm Water Unit) | % Increase | Total Planned Revenue from Utility Fee |
|------|--|------------|--|
| 2020 | \$13.42 | 2.5% | \$42.2 million |
| 2021 | \$13.62 | 1.5% | \$42.5 million |
| 2022 | \$14.03 | 3% | \$43.9 million |
| 2023 | \$14.45 | 3% | \$45.2 million |
| 2024 | \$14.88 | 3% | \$46.6 million |



Expenses

The 2021 total expense budget for the Storm Water Fund is \$77.2 million, an increase of \$25.8 million from the 2020 projection with the following changes: (i) increases in City services of \$258,000, as established by the allocation model; (ii) decreases in fleet and equipment by \$22,000; (iii) an increase in operations and contractual services by \$137,000; (iv) increase in debt services and transfers by \$2.2 million; (v) increase in professional services, storm tunnel cleaning, televising, catch basin repairs, maintenance work of \$158,000; and (vi) increase in capital programs by \$21.4 million. Capital expenses for 2021 total \$40.7 million and include combined sewer overflow, storm tunnel rehab, flood mitigation, and storm-paving programs. These are designated to be funded from cash reserves and bond proceeds. The tunnel rehab program is seeing a significant increase in 2021.

Transfers

Transfers-out of this fund are for an environmental services program in the General Fund which is fixed at \$110,000. An additional \$1.5 million transfer is the Storm Water Fund’s contribution to the Paving program. These transfers will remain a yearly budget item on an ongoing basis.

Debt Service

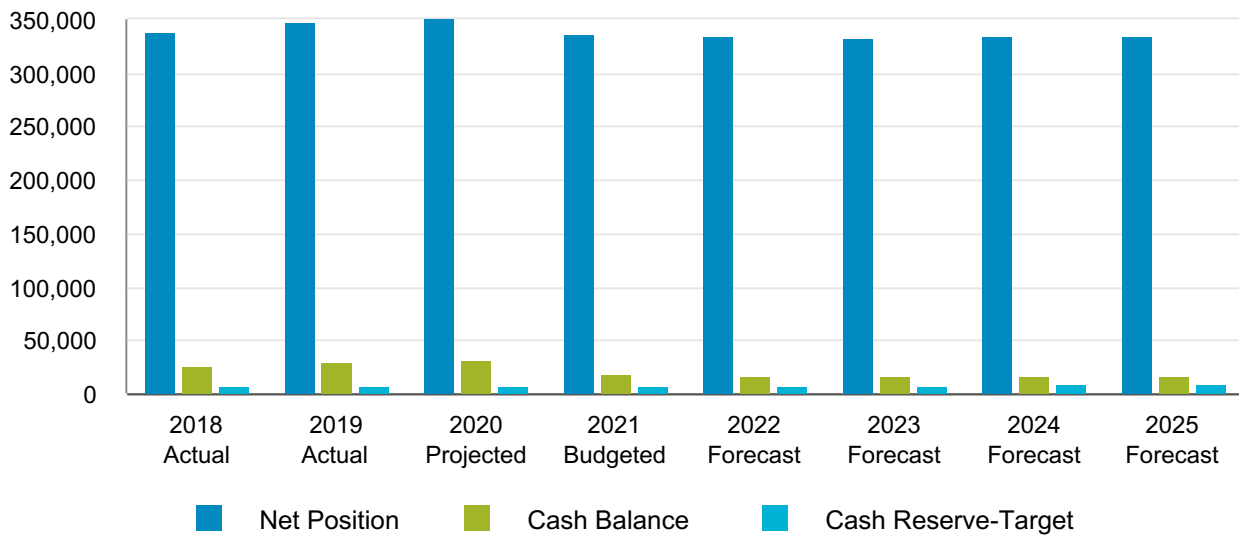
The Fund paid off all of its previous debt service obligations in 2016. Bond funded programs started again in 2019 and an additional \$1.0 million has been added in 2020. As a result, debt service payments of \$1.2 million are estimated for 2020. For 2021, debt service payments of \$3.5 million are budgeted.

Net Position and Cash Balance

The Storm Water Fund started the year with a cash balance at \$29.6 million and a net position total of \$347.2 million. Both the cash balance and net position are projected to increase slightly in 2020 due to bond issuance increased more than capital expenditures for the year. The five-year plan projects a gradual decline in both cash balance and net position as a result of an increase in capital expenditures.

The City’s financial policy requires the fund to carry a cash balance equal to or greater than three month’s operating expense. The target cash balance through 2020 is \$7.2 million making \$22.8 million available as an unrestricted amount to fund capital programs, debt services, and transfers.

**Storm Water Fund Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)
Storm Water Fund

| | 2,018 | 2,018 | 2,019 | 2,019 | 2,020 | 2,020 | 2,021 | % Chg | 2,022 | 2,023 | 2,024 | 2,025 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|---------------|----------------|----------------|----------------|----------------|
| | Budget | Actual | Budget | Actual | Budget | Projected | Budget | From 2020 | Forecast | Forecast | Forecast | Forecast |
| | | | | | | | | Projected | | | | |
| Source of Funds: | | | | | | | | | | | | |
| State Government | 1,196 | 1,315 | 1,346 | 1,312 | 1,403 | 1,403 | 1,155 | (17.7)% | 1,450 | 1,450 | 1,450 | 1,450 |
| Local Government | 335 | 356 | 375 | 356 | 365 | 365 | 357 | (2.2)% | 355 | 355 | 355 | 355 |
| Charges for Service-Operating | 39,679 | 38,822 | 40,735 | 41,213 | 42,220 | 42,220 | 42,549 | 0.8 % | 43,910 | 45,226 | 46,574 | 48,299 |
| Design & Misc Revenues | 2,045 | 1,846 | 1,352 | 1,435 | 166 | 799 | 626 | (21.7)% | 300 | 300 | 300 | 300 |
| Special Assessments | — | 81 | — | 82 | 75 | 75 | 75 | | — | — | — | — |
| Grants Proceeds/Others - Capital | 2,388 | 375 | — | 1,500 | — | — | — | 100 % | — | — | — | — |
| Charges for Service-Capital | 2,000 | 2 | 2,000 | 353 | 2,000 | 1,060 | — | 100 % | — | — | — | — |
| Proceeds of Long Term Liabilities | 2,500 | — | 6,500 | 4,670 | 1,000 | 8,500 | 18,310 | 100 % | 19,022 | 22,022 | 10,500 | 10,000 |
| Total | 50,143 | 42,797 | 52,308 | 50,921 | 47,229 | 54,422 | 63,072 | 15.9 % | 65,037 | 69,353 | 59,179 | 60,404 |
| Use of Funds: | | | | | | | | | | | | |
| PW-Storm Design | 5,038 | 4,726 | 5,575 | 5,526 | 4,936 | 4,754 | 5,606 | 17.9 % | 5,570 | 5,647 | 5,727 | 5,809 |
| PW-Field Services | 9,866 | 9,825 | 9,945 | 9,574 | 9,136 | 9,393 | 9,429 | 0.4 % | 10,036 | 10,339 | 10,651 | 10,973 |
| PW-Storm Maintenance | 8,099 | 7,940 | 7,620 | 6,164 | 6,167 | 6,413 | 6,772 | 5.6 % | 7,171 | 7,299 | 7,431 | 7,568 |
| Metropolitan Council | 2,171 | 2,172 | 2,205 | 2,221 | 2,301 | 2,301 | 2,525 | 9.7 % | 2,625 | 2,731 | 2,840 | 2,954 |
| Payment for City Services | 5,081 | 4,758 | 5,237 | 4,955 | 5,181 | 5,181 | 5,439 | 5 % | 5,525 | 5,612 | 5,700 | 5,790 |
| PW-Admin | 1,254 | 1,046 | 1,527 | 1,047 | 1,111 | 1,111 | 1,585 | 42.7 % | 1,627 | 1,669 | 1,711 | 1,755 |
| Debt Service | — | — | — | 237 | 781 | 791 | 1,928 | 143.7 % | 1,930 | 1,923 | — | — |
| Future Debt Service | — | — | 401 | — | 908 | 454 | 1,528 | 100 % | 3,150 | 5,029 | 6,524 | 7,949 |
| Transfers | 1,625 | 1,625 | 1,640 | 1,648 | 1,655 | 1,655 | 1,671 | 1 % | 1,687 | 1,702 | 1,718 | 1,734 |
| PW- Capital | 19,768 | 6,794 | 18,735 | 11,840 | 14,645 | 19,325 | 40,676 | 110.5 % | 27,322 | 28,222 | 15,800 | 15,800 |
| Total | 52,902 | 38,886 | 52,885 | 43,212 | 46,821 | 51,378 | 77,159 | 50.2 % | 66,643 | 70,173 | 58,102 | 60,332 |
| Def.Capital Proj - Rev Funded | 5,680 | 3,806 | — | — | — | — | — | | — | — | — | — |
| Change in Net Position | (8,439) | 105 | (577) | 7,811 | 408 | 3,044 | (14,087) | | (1,606) | (820) | 1,077 | 73 |
| Net Position | 324,272 | 339,403 | 338,826 | 347,214 | 347,622 | 350,258 | 336,171 | | 334,566 | 333,746 | 334,823 | 334,896 |
| Total Cash Balance | 18,648 | 26,629 | 26,052 | 29,577 | 29,985 | 32,621 | 18,534 | | 16,928 | 16,109 | 17,186 | 17,260 |
| Target Cash Reserve | 7,877 | 7,877 | 8,027 | 7,372 | 7,208 | 7,288 | 7,839 | | 8,139 | 8,324 | 8,515 | 8,712 |
| Target | 10,771 | 18,752 | 18,025 | 22,205 | 22,777 | 25,333 | 10,695 | | 8,790 | 7,785 | 8,671 | 8,548 |

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Water Treatment and Distribution Services Fund

Introduction

The Public Works Water Treatment and Distribution Services Fund accounts for the administration, operation, maintenance, and capital investments of the water treatment and distribution system of the City of Minneapolis. The Water Treatment and Distribution Services Division sells water to retail customers in the City as well as wholesale customers (i.e. the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, along with the Metropolitan Airports Commission). Between 2016 and 2018, the City of New Brighton also purchased water wholesale from the City.

Monthly billing for water sales is the main source of revenue for this fund. The City’s Public Works Water Treatment and Distribution Services Division is responsible for the management of operations within this enterprise fund.

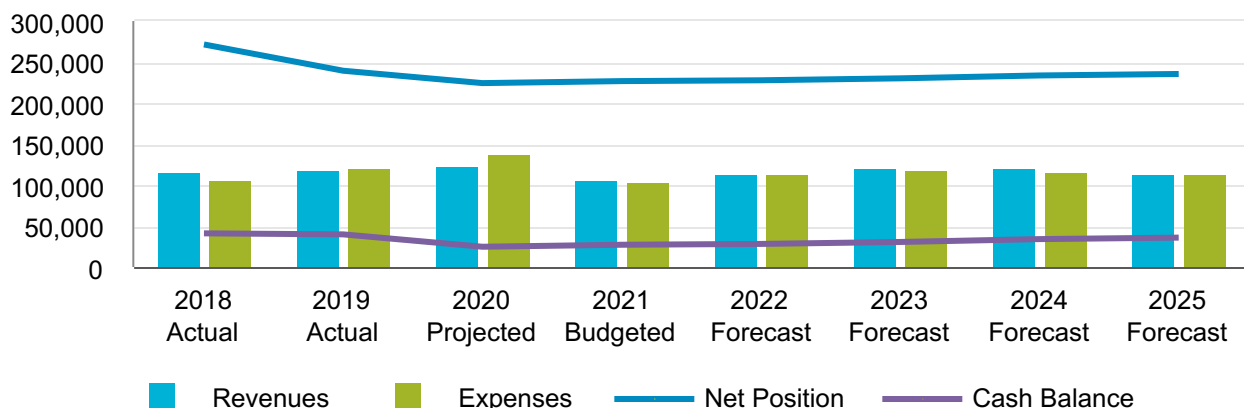
Historical Financial Performance

The net position of the Water Fund increased over the past several years due primarily to scheduled rate increases and deferrals of some major capital improvements and investments. The Water fund reported a decrease in its net position in 2019 due to increase in catch-up work on the past deferred capital programs and debt payments. The fund has performed consistently over the previous five years with its cash balance of those years continuously maintained well above its three-month operating cash reserve requirement.

The long-term health of the fund is stable with significant capital projects planned over the next three to four years which will be funded with a combination of cash reserves and debt financing. This will be accomplished while still keeping the increase to the average monthly residential bill under four percent annually.

Current Year Projections

**Financial Snapshot
Water Fund
(in thousands of Dollars)**



Revenues

The 2020 operating revenues are projected to total \$84.5 million based on current estimate which includes impact of COVID-19. Proceeds from bond sales are another significant revenue source and are expected to surpass the budgeted amount due to deferred capital projects.

Expenses

The 2020 operating expenses are expected to total \$55.5 million which is \$2.8 million lower than budgeted amount of \$58.3 million. The decrease reflects planned savings on salaries, fringes, contractual services. Capital expenses are expected to be higher than originally budgeted for 2020 as a result of work on delayed projects.

Net Position & Cash Balance

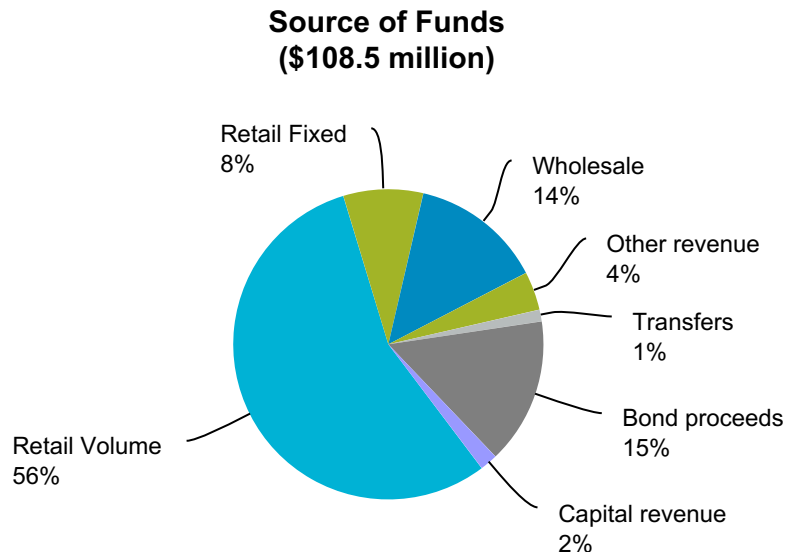
The Water Fund net position is projected to decrease by \$15.1 million in 2020 to a total of \$224.3 million. The cash balance is projected to decrease to \$24.7 million at year end which is still sufficient to cover the three-month operating reserve requirement of \$13.7 million and to partially fund capital projects in the next few years.

2021 Budget

Operating revenues and expenses for the next few years are anticipated to be steady with small percentage increases each year. Due to scheduled improvements to water treatment infrastructure and distribution system, along with a shared cost for bridge construction during 2021-2025, capital expenses and the related bond sale proceeds are expected to increase.

Revenues

The total revenue budget for 2021 is \$108.4 million compared to the 2020 projected revenues of \$124.6 million, a decrease of \$16.1 million, or 12.9%. This is due almost entirely to a \$20.7 million decrease in debt proceeds due to capital projects that carried over from prior years to 2020.



Water Utility Rates

The budget includes a fixed rate charge of \$5.50 based on meter size and a variable rate charge of \$3.68/unit. The fixed rate charge helps to cover the fixed costs of operating the utility which increases the utility's financial stability as it continues to operate in an environment of declining consumption due to conservation efforts. There is no change in rates over 2020.

Projected Revenue from Retail Water Sales

| Year | Fixed Rate (5/8" Meter) | Rate (cost per 100 cubic feet) | Total Cost Per Month for Average Consumer | Total % Change | Total Monthly Cost Increase per Household | Total Planned Revenue from Utility Fee |
|------|-------------------------|--------------------------------|---|----------------|---|--|
| 2021 | \$5.50 | \$3.68 | \$31.26 | —% | \$— | \$69.3 Million |
| 2022 | \$6.50 | \$3.68 | \$32.26 | 3.2% | \$1 | \$70.9 Million |
| 2023 | \$7.50 | \$3.7 | \$33.4 | 3.5% | \$1.14 | \$72.9 Million |
| 2024 | \$8.50 | \$3.72 | \$34.54 | 3.4% | \$1.14 | \$74.9 Million |
| 2025 | \$9.50 | \$3.75 | \$35.75 | 3.5% | \$1.21 | \$77.0 Million |

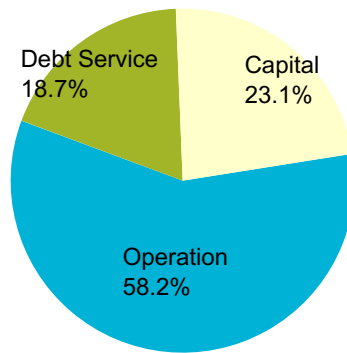
Projected Revenue from Wholesale Water Sales

| Year | % Change | Total Revenue Earned from Utility Fee - Wholesale |
|------|----------|---|
| 2021 | 2.6% | \$14.9 Million |
| 2022 | 2.9% | \$15.4 Million |
| 2023 | 3.5% | \$15.9 Million |
| 2024 | 3.4% | \$16.4 Million |
| 2025 | 3.5% | \$17.0 Million |

Expenses

The 2021 expense budget is \$106.0 million, a 24.1% decrease from 2020 projected expenses of \$139.7 million. The expense budget includes the operating costs of the Division as well as the capital improvement programs. Planned capital projects include improvements to the water distribution network, treatment infrastructure improvements, rehabilitation of the Fridley Filter facility and replacement of the Distribution Maintenance Facility. The 2021 capital budget of \$24.5 million is a decrease from the 2020 projected capital expenses due, in part, to capital projects carried over from prior years to 2020.

**Use of Funds
(\$106.0 million)**



Transfers

For 2021, the transfer-in amount of \$1,325,000 consists mainly of a \$1,072,823 operating transfer from the Sanitary Sewer Fund for its share of the cost of the meter shop. This is an ongoing transfer that is adjusted annually based on actual meter shop expenses incurred. Additional one-time transfer of \$212,000 will be coming in from Property Services for repair works on Kenwood water tower.

Debt Service

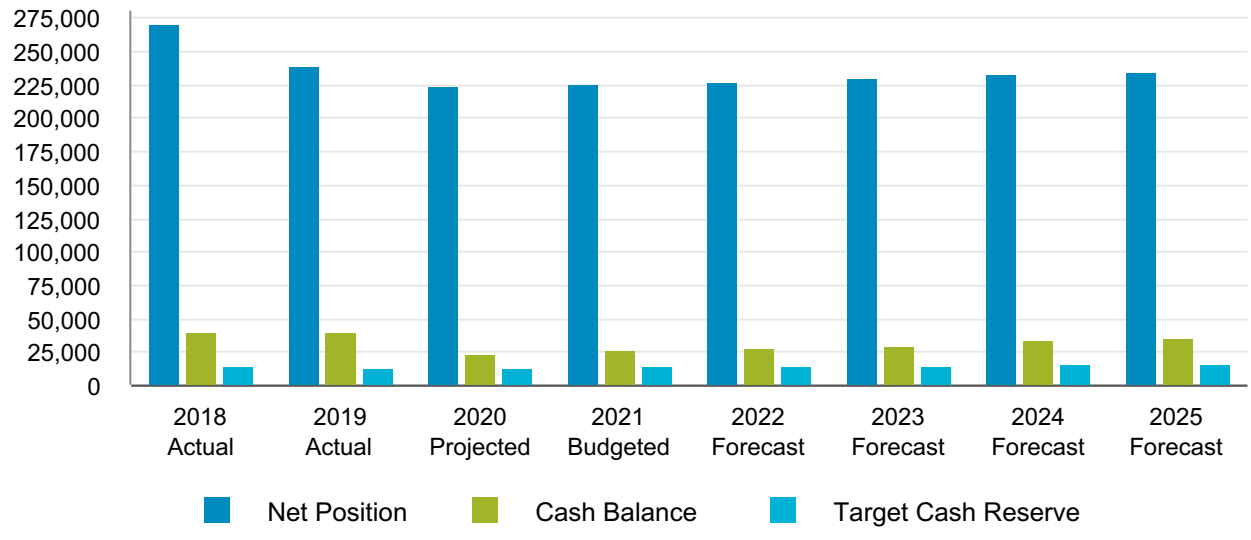
The debt service total of \$19.8 million for 2021 relates to bonds and notes to finance the Water Fund's capital construction program. As of May 2020, the fund's total outstanding debt was \$127.0 million with current debt service running through 2033. Future debt issuance will increase the amount owed and lengthen the payoff schedule.

Net Position & Cash Balance

The 2019 cash balance was \$39.8 million and the Water Fund's net position totaled \$239.3 million. Based on projections, the cash balance and net position will decrease to \$24.7 million and \$224.3 million respectively in 2020.

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 in 2021 is \$15.2 million, leaving \$11.9 million available as an unrestricted amount to fund capital programs and debt service payments. The five-year plan shows the projected cash balance increasing each year with a sufficient three-month operating reserve requirement.

**Water Fund Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)

Water Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | Modified Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|--|----------------|----------------|----------------|----------------|--------------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Water Sales - Retail | | | | | | | | | | | | |
| Volume Rate | 60,500 | 57,017 | 60,664 | 55,158 | 61,501 | 56,233 | 60,291 | 7.2 % | 60,291 | 60,619 | 60,946 | 61,438 |
| Fixed Rate | 7,395 | 7,521 | 8,217 | 8,446 | 9,038 | 9,323 | 9,038 | (3.1)% | 10,682 | 12,325 | 13,968 | 15,612 |
| Water Sales - Wholesale | 15,915 | 15,536 | 14,310 | 13,683 | 15,127 | 14,541 | 14,919 | 2.6 % | 15,353 | 15,891 | 16,428 | 17,000 |
| Other Operating Revenue | 6,542 | 6,452 | 5,760 | 4,751 | 4,085 | 4,377 | 4,366 | (0.3)% | 4,150 | 4,214 | 4,277 | 4,341 |
| Proceeds of Long Term Liabilities * Transfers | 13,635 | 30,490 | 17,890 | 35,466 | 27,485 | 37,210 | 16,525 | (55.6)% | 21,170 | 24,835 | 22,850 | 13,985 |
| From Sewer Fund for Meter Shop | 684 | 684 | 593 | 879 | 879 | 879 | 1,072 | 22 % | 999 | 1,099 | 1,262 | 1,333 |
| From Property Services | | | | | | | 212 | | | | | |
| From General Fund | 27 | 27 | 29 | 29 | 29 | 29 | 41 | 41.4 % | 29 | 29 | 29 | 29 |
| Reimbursed Capital Revenue | 2,000 | 533 | 2,000 | 1,107 | 2,000 | 2,000 | 2,000 | — % | 2,000 | 2,000 | 2,000 | 2,000 |
| Total | 106,698 | 118,260 | 109,463 | 119,519 | 120,144 | 124,592 | 108,464 | (12.9)% | 114,674 | 121,012 | 121,760 | 115,738 |
| Use of Funds: | | | | | | | | | | | | |
| Operating Expense | 60,406 | 56,237 | 61,315 | 56,490 | 58,339 | 55,472 | 61,685 | 11.2 % | 62,697 | 63,698 | 65,226 | 66,793 |
| Debt Service | 16,509 | 17,606 | 17,045 | 19,306 | 19,319 | 19,474 | 19,615 | 0.7 % | 19,051 | 17,621 | 15,653 | 16,072 |
| Future Debt Service | | | 2,547 | | 1,443 | | 200 | 100 % | 2,745 | 4,487 | 6,530 | 9,073 |
| Capital* | 29,390 | 34,228 | 34,340 | 46,364 | 51,435 | 64,736 | 24,525 | (62.1)% | 29,170 | 32,835 | 30,850 | 21,985 |
| Total | 106,305 | 108,071 | 115,247 | 122,160 | 130,536 | 139,682 | 106,025 | (24.1)% | 113,663 | 118,641 | 118,259 | 113,923 |
| Change in Net Position | 393 | 10,189 | (5,784) | (2,641) | (10,391) | (15,090) | 2,439 | | 1,011 | 2,371 | 3,502 | 1,815 |
| Net Position | 252,653 | 271,402 | 265,618 | 239,349 | 222,571 | 224,259 | 226,698 | | 227,709 | 230,080 | 233,582 | 235,397 |
| Total Cash Balance | | 41,041 | | 39,785 | 29,394 | 24,695 | 27,134 | | 28,145 | 30,516 | 34,018 | 35,833 |
| Target Cash Reserve | | 15,102 | | 14,123 | 14,585 | 13,678 | 15,210 | | 15,460 | 15,706 | 16,083 | 16,470 |
| Target | | 25,940 | | 25,663 | 14,809 | 11,017 | 11,924 | | 12,685 | 14,810 | 17,935 | 19,363 |

Notes:

* The unused 2017, 2018 and 2019 Budgeted Capital amount and proceeds from long term liabilities have been reflected in 2020 projections.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Engineering, Materials and Testing Fund

Introduction

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

This fund generates revenues from testing and inspection services provided by the Engineering Laboratory and also from 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 while generating adequate revenue to cover the fund's direct and indirect expenses.

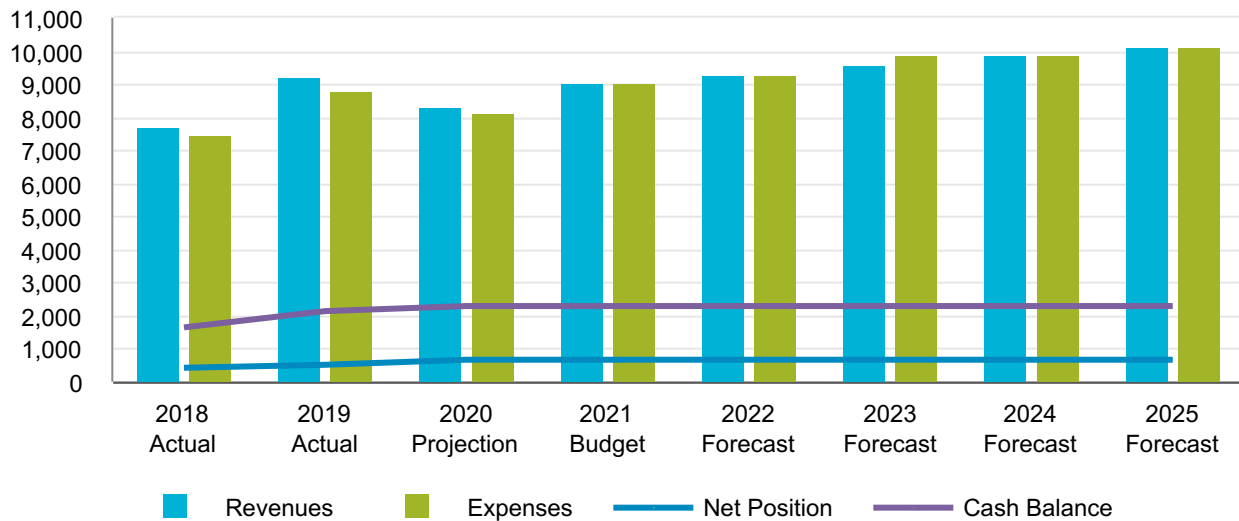
Historical Financial Performance

The rates charged by the fund are reviewed on an annual basis to determine the amount of revenue needed to cover expenses of the fund. In 2013, the overhead rate applied to the procurement and sale of asphalt and concrete was reduced and the fund also reduced the rates charged for inspection services and laboratory testing. The rates were decreased again in 2014 and 2015. In addition to the rates charged, the revenues and expenses fluctuate each year based upon the amount and size of projects.

From year-end 2013 to year-end 2019, the fund's net position has decreased from \$2 million to \$510k. The most significant factor in this decrease is in 2015 the fund implemented GASB No. 68 to record pension liabilities, which reduced the fund's net position significantly. The reduction to net position was also due to the decrease laboratory service fees and the decrease in overhead rates on asphalt and concrete in 2014, which offset by operating gains of \$416,000 in 2013 and \$89,000 in 2019. From year-end 2013 to year-end 2019, the cash balance was \$2.1 million in 2013 and 2018.

Current Year Projections

Financial Snapshot Engineering, Materials and Testing (in thousands of Dollars)



Revenues

The 2020 revenues are projected to be \$8.3 million, which is 7.7% less than the 2020 budgeted revenue of \$9.0 million. This decrease is mainly due to the decrease in Laboratory Service Fee in 2020; and, revenue throughout the year is dependent upon several factors such as weather and the timing of construction projects, which are delayed or cancelled due to the COVID19 pandemic. These variables can result in substantial variances in the amount of revenue (and expenses) recorded throughout the year.

Expense

The 2020 expense is projected to be \$8.2 million, which is 5.2% less than the 2020 budgeted expense of \$8.6 million. As noted above, expenses throughout the year are dependent upon several factors such as weather and the timing of construction projects, which are delayed or canceled due to the COVID19 pandemic situation.

Net Position & Cash Balance

The fund's projected net position at the end of 2020 is \$663k, which is 30% less than the budgeted ending net position of \$909k. This decrease is mainly due to the above stated reasons that resulted in a lower margin. The fund's projected cash balance at the end of 2020 is \$2.3 million, which is 9.7% lower than the budgeted 2020 ending cash balance of \$2.5 million, which is also due to lower projected margin.

2021 Budget

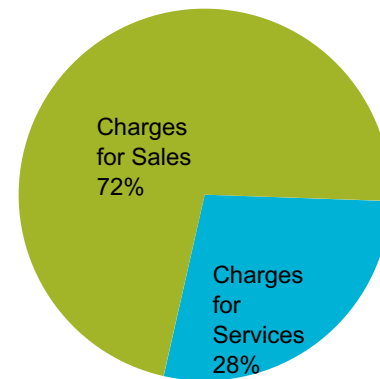
The 2020 budget reflects an increase in revenue and expense from providing services to other divisions of Public Works. The budget for 2020 does not anticipate an increase in the purchase and subsequent reselling of asphalt and concrete.

Revenues

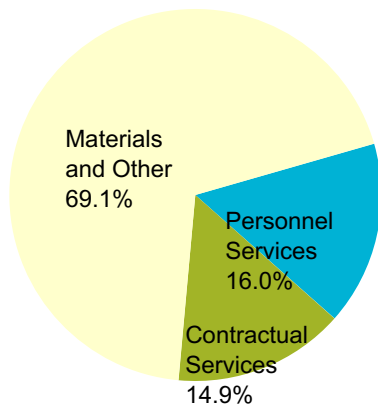
The 2021 revenue budget is \$9.0 million, an increase of 8.6% from the 2020 projected revenue of \$8.3 million due to expected decreases of City projects and maintenance activities in 2020 as a result of the COVID19 pandemic.

The 2021 revenue budget of \$9.0 million shows a slightly increase of \$21 thousand compared to the 2020 revenue budget of \$9.0 million.

Source of Funds (\$9.0 million)



Use of Funds (\$9.0 million)



Expense

The 2021 expense budget is \$9.0 million, an increase of 10.6% from the 2020 projected expense of \$8.2 million. This variance is due to the lower 2020 projected expense as a result of the 2020 budget cut due to COVID19 impacts.

The 2021 expense budget of \$9.0 million is an increase of \$420 thousand compared to the 2020 expense budget of \$8.6 million. This variance is mainly because of the council approved 2020 budget cut/ adjustment due to COVID19.

Transfers

There are no transfers scheduled in 2020 for this fund.

Debt Service

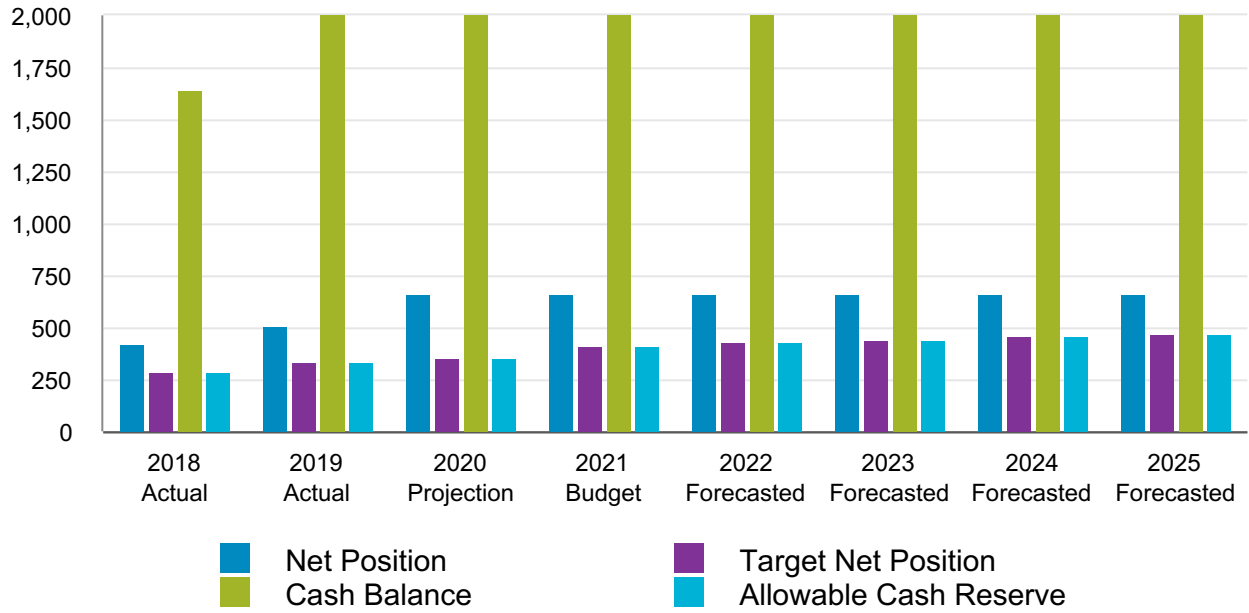
This fund does not have any debt service liabilities.

Net Position & Cash Balance

The net position is projected to be \$663,000 at the end of 2020 and 2021. The financial policy requires that the fund maintains a net position at least equal to 15.0% of the operating budget excluding materials and related costs. For the year ending 2021, the projected net position is \$663,000, which is \$245,000 over the benchmark of \$418,000.

The cash balance is projected to be \$2.3 million at the end of 2020 and 2021. Financial reserve policies for the Engineering, Materials and Testing fund requires that the cash balance should not be less than 15.0% of the operating budget excluding materials and related costs, or \$356,000 for 2020. The fund is expected to exceed the benchmark by \$1.9 million in 2021.

Engineering, Materials and Testing Fund Net Position & Cash Balance (in thousands of dollars)



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)
Engineering, Materials and Testing (Fund: 06000)

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|---|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Charges for Services | 1,755 | 2,199 | 2,007 | 2,650 | 2,536 | 2,271 | 2,557 | 13% | 2,634 | 2,713 | 2,794 | 2,878 |
| Charges for Sales | 5,618 | 5,524 | 6,489 | 6,592 | 6,489 | 6,058 | 6,489 | 7% | 6,684 | 6,885 | 7,092 | 7,305 |
| Total | 7,373 | 7,723 | 8,496 | 9,242 | 9,025 | 8,329 | 9,046 | 9% | 9,318 | 9,598 | 9,886 | 10,183 |
| Use of Funds: | | | | | | | | | | | | |
| Personnel Services | 1,326 | 1,079 | 1,410 | 1,319 | 1,192 | 1,192 | 1,444 | 21% | 1,487 | 1,532 | 1,578 | 1,625 |
| Contractual Services | 613 | 1,072 | 808 | 1,164 | 1,181 | 1,103 | 1,345 | 22% | 1,385 | 1,427 | 1,470 | 1,514 |
| Materials and Other | 5,434 | 5,344 | 6,269 | 6,357 | 6,253 | 5,881 | 6,256 | 6% | 6,444 | 6,637 | 6,837 | 7,043 |
| Total | 7,373 | 7,495 | 8,487 | 8,840 | 8,626 | 8,176 | 9,046 | 11% | 9,318 | 9,598 | 9,886 | 10,183 |
| Change in Net Position¹ | 0 | 309 | 10 | 89 | 399 | 153 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Position¹ | 108 | 420 | 430 | 510 | 909 | 663 | 663 | 0% | 663 | 663 | 663 | 663 |
| Total Cash Balance | 1,527 | 1,640 | 1,650 | 2,132 | 2,531 | 2,285 | 2,285 | | 2,285 | 2,285 | 2,285 | 2,285 |
| Operating Cash balance | 1,527 | 1,640 | 1,650 | 2,132 | 2,531 | 2,285 | 2,285 | | 2,285 | 2,285 | 2,285 | 2,285 |
| Target Cash Reserve³ | 291 | 291 | 333 | 333 | 356 | 356 | 418 | | 431 | 444 | 457 | 471 |
| Variance Operating Cash to Target | 1,236 | 1,349 | 1,317 | 1,799 | 2,175 | 1,929 | 1,867 | | 1,854 | 1,841 | 1,828 | 1,814 |

¹Change in net position, Net Position and Total Cash Balance for 2018 & 2019 actuals are CAFR values.

²The Financial Plan includes the 2020 1st phase budget cut of \$398k.

³The Financial Plan includes the 2021 Mayor's proposed budget reductions.

The target cash reserve and the Target Net Position are in accordance with the financial reserve policy for internal service funds. The cash reserve and the Target Net position for the Engineering, Materials and Testing Fund should be maintained at a minimum of 15% of the operating budget, excluding materials and related costs.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Fleet Services Fund

Introduction

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.

Historical Financial Performance

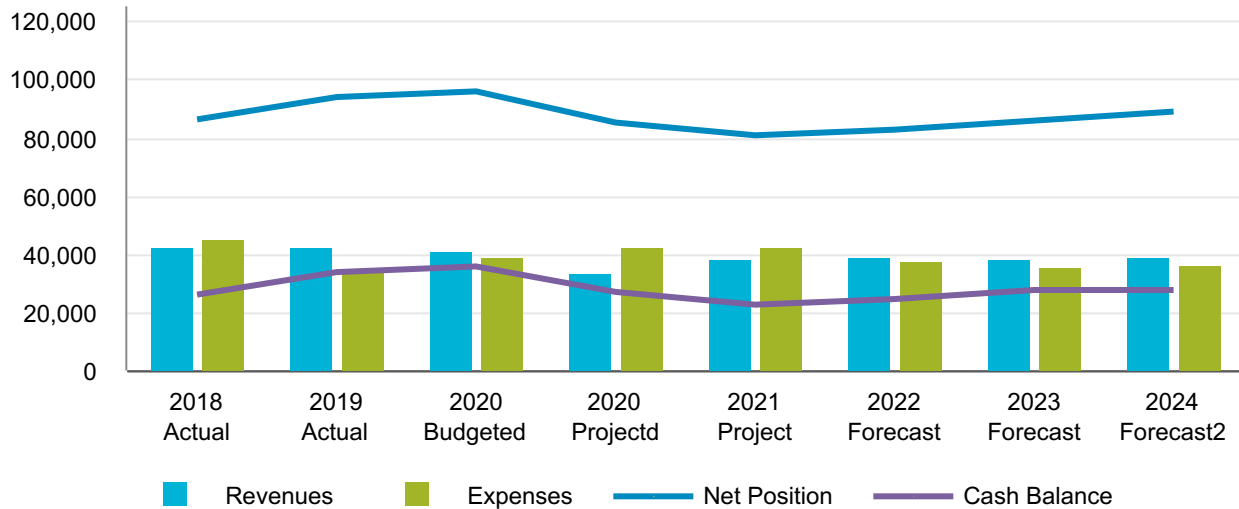
From year-end 2015 through year-end 2019, the Fleet Services fund had an increase in net position of \$31.9 million. Several factors affect the net position, but the increase is primarily due to the increasing net investment in capital assets. Since 2015, the net book value of the Fleet Services Fund's capital assets has increased by \$12.4 million, while the debt related to those assets has also decreased by \$11.6 million due to the payoff of bonds. The combination of increasing asset value and decreasing liabilities has resulted in a decrease to net investment in capital assets of \$26.2 million.

The 2019 ending cash balance of \$33.7 million was an increase of \$10 million from the 2015 ending balance of \$23.7 million. The 2019 target cash reserve was \$3.3 million, an increase of \$532 thousand from 2015. The fund exceeded the target by \$30.4 million in 2019.

In 2015, the fund received a transfer from the General Fund of \$1.9 million as determined by the long-term financial plan to assist with debt service. In addition, Property Services annually collected and transferred a portion of debt service in the rent allocation model for non-Fleet departments that were located at the Currie Maintenance Facility to help offset the debt cost.

Current Year Projections

Financial Snapshot Fleet Services Fund (in thousands of Dollars)



Revenues

The 2020 revenue for the Fleet Services fund is projected to be \$33.6 million which is 18% less than the budgeted amount of \$41.0 million. The projected revenue is less than budgeted primarily due to a decrease of \$15.0 million in rent income. The decrease in rent income is due to cost containment efforts to account for lost revenue of the City in whole, due to COVID-19. Charges for sales revenue is projected to be \$1.6 million under budget due to a decrease in fuel costs which result in lower revenue from the sale of fuel and effects of COVID-19.

Expense

The 2020 expenses are projected to be \$42.3 million or 8% more than the budgeted amount of \$39.1 million. This is mainly due to Fleet capital purchases using procured funds of \$4.9 million from prior year.

Net Position & Cash Balance

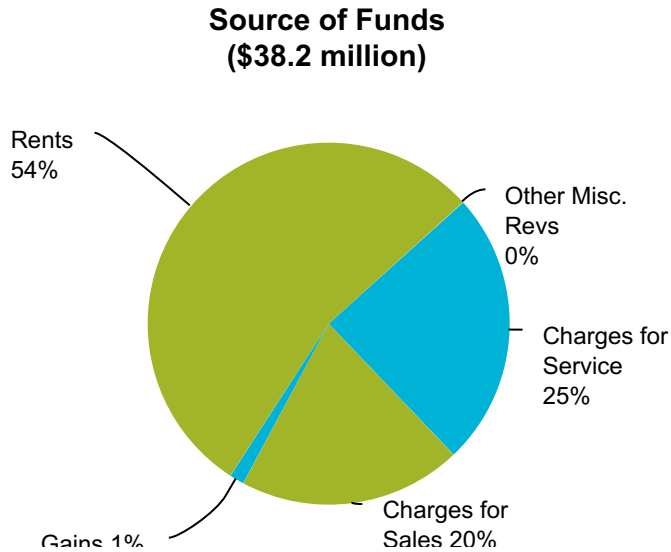
The Fleet Services Division Fund projects net position to be \$85.1 million at the end of 2020, a decrease of 11% from the budgeted amount of \$95.8 million. The reason for this decrease is decrease in revenue is projected to be significantly more than the reduction in expense so the change in net position is forecast as a loss of \$8.8 million.

The year-end 2020 cash balance is projected to be \$26.9 million, a decrease of 24.5% from the budgeted amount of \$35.6 million. The 2020 target cash reserve is projected to be \$3.3 million and the fund is projected to exceed the target by \$23.7 million.

2021 Budget

There are anticipated changes in 2021 for cost containment measure due to COVID19, which will possibly reduce 2021 budgets for the Fleet Services Fund.

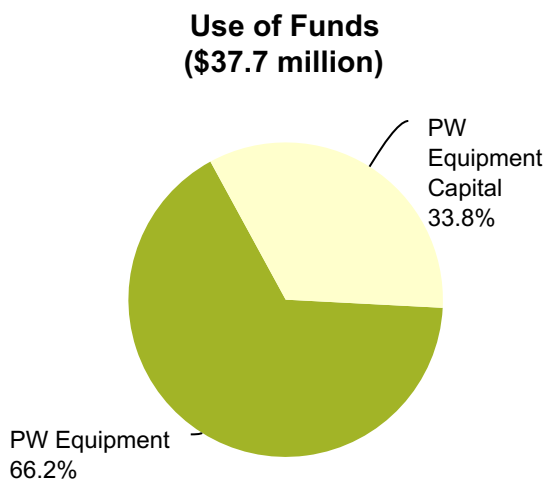
Revenues



Total revenues for 2021 are budgeted at \$38.2 million, a 14% increase from the 2020 projected amount of \$33.6 million and a 7% decrease from the 2020 budgeted amount of \$41.0 million. The decrease in 2021 budgeted revenue over the 2020 budgeted amount is primarily due to a decrease in fleet rental rates used to bill internal customers to cover the replacement cost of vehicles. The increase from the 2020 projected amount is also due to rental and sales revenue.

Expense

The 2021 expense budget is \$37.7 million, a decrease of 11% from the 2020 projected expense of \$42.3 million and a 3.5% decrease from the 2020 budgeted amount of \$39.1 million. The decrease in 2021 budgeted expense over the 2020 projected expense is due to a decrease in equipment purchases. Fleet equipment capital purchases vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others. The decrease is also offset by a one-time \$2.0 million transfer out to the General Fund in 2020 that is not budgeted in 2021.



Transfers

In 2020, the Fleet Services Fund will receive a final transfer of \$317,000 from Property Services to pay a portion of the debt expense related to the Currie Maintenance Facility. The Fleet Services Fund will also make a \$2.0 million transfer to the General Fund in 2020, which is planned to be a one-time transfer. There are no anticipated transfers for 2021.

Debt Service

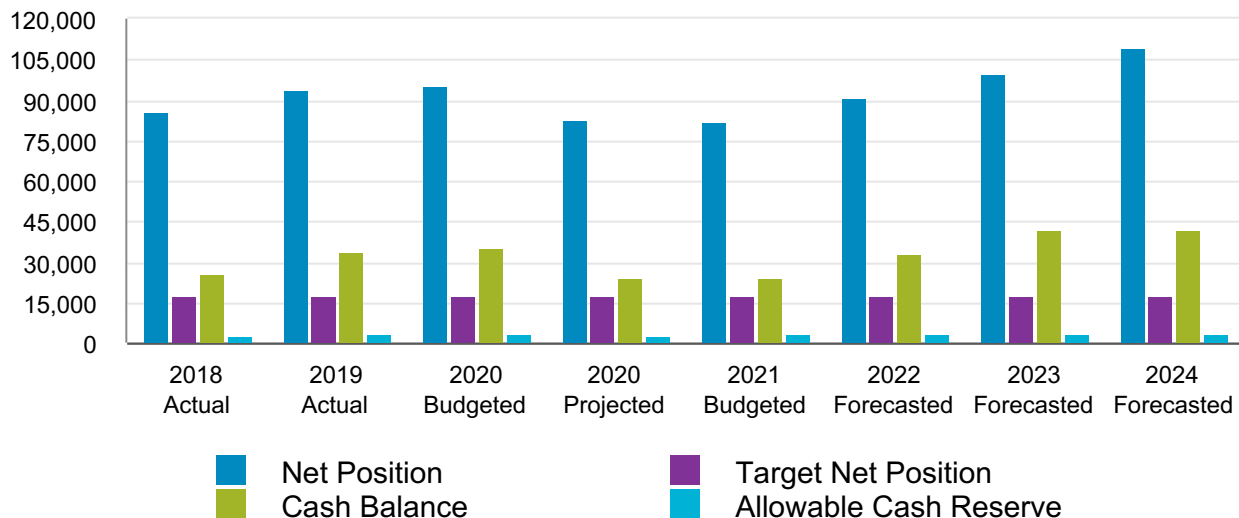
As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. In 2018, the fund paid off the remaining debt obligation of \$9.3 million. There are no further debt obligations in this fund at this time.

Net Position & Cash Balance

The net position at year-end 2021 is budgeted to be \$80.7 million, a decrease 5% from the 2020 projected amount of \$85.1 million. The primary reason is a projected spend down of net position in 2020. The financial policy related to net position for the Fleet Services Division states that the net position should not fall below two times the annual depreciation amount. The Fleet Services Division Fund is projected to be in compliance with this policy in 2020 and 2021 as the target net position is projected to be \$17.9 million for 2020 and \$18.1 million for 2021.

The financial policy related to cash balance for the Fleet Services Division states that the minimum cash balance should be 15.0% of the operating budget plus 1.5 times the next years capital budget. This policy has been updated for 2021 and further. For the year-ending 2021, the cash balance is budgeted to be \$22.5 million, a decrease 16% from the 2020 projected ending balance of \$26.9 million. The decrease is due to the timing of capital equipment purchases. The target cash reserve is \$3.3 million for 2020 and \$16.2 million for 2021. The fund is expected to exceed the target by \$18.8 million in 2020 and \$6.2 million in 2021. The cash balance includes amounts collected for future vehicle replacements which are not reflected in the target cash reserve amount.

Fleet Services Fund Net Position & Cash Balance
(in thousands of dollars)



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)

Fleet Services Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|---|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Charges for Service | 9,225 | 10,694 | 9,773 | 10,729 | 9,399 | 18,698 | 9,378 | (49.8)% | 10,574 | 9,580 | 9,875 | 10,187 |
| Charges for Sales | 8,275 | 9,406 | 8,092 | 7,544 | 7,975 | 6,316 | 7,628 | 20.8 % | 8,706 | 8,820 | 8,937 | 9,058 |
| Gains | 350 | 213 | 350 | 945 | 500 | 500 | 500 | — % | 500 | 500 | 500 | 500 |
| Rents | 19,639 | 21,789 | 20,329 | 23,312 | 22,818 | 7,761 | 20,705 | 166.8 % | 19,613 | 19,749 | 19,889 | 20,034 |
| Other Misc Revenue | 10 | 62 | 10 | 8 | 10 | — | — | — % | — | — | — | — |
| Operating Transfers in | 597 | 597 | 317 | 317 | 317 | 317 | — | (100)% | — | — | — | — |
| Total | 38,095 | 42,761 | 38,871 | 42,855 | 41,019 | 33,592 | 38,211 | 13.8 % | 39,393 | 38,649 | 39,201 | 39,779 |
| Use of Funds: | | | | | | | | | | | | |
| Debt Service | 9,260 | 9,147 | — | — | — | — | — | — % | 300 | 300 | — | — |
| Transfers out | — | — | 1,000 | 1,000 | 2,000 | 2,000 | — | (100)% | 2,920 | 2,920 | — | — |
| PW Equipment Operations | 23,249 | 23,395 | 23,418 | 25,351 | 23,808 | 22,713 | 24,962 | 9.9 % | 25,893 | 25,149 | 25,701 | 26,278 |
| PW Equipment Capital | 12,898 | 13,097 | 15,952 | 8,830 | 13,258 | 22,534 | 12,724 | (43.5)% | 8,349 | 7,172 | 10,392 | 7,641 |
| Total | 45,407 | 45,639 | 40,370 | 35,181 | 39,066 | 47,247 | 37,686 | (20.2)% | 37,462 | 35,541 | 36,093 | 33,919 |
| Change in Net Position¹ | (7,311) | 11,571 | (1,499) | 7,674 | 1,953 | (13,655) | 525 | (74.6)% | 1,931 | 3,108 | 3,108 | 5,860 |
| Net Position¹ | 76,237 | 86,171 | 84,672 | 93,845 | 95,798 | 80,190 | 80,715 | 2.1 % | 82,646 | 85,754 | 88,862 | 94,722 |
| Total Cash Balance | 23,039 | 26,007 | 24,508 | 33,727 | 35,680 | 22,025 | 22,550 | 5.8 % | 24,481 | 27,589 | 27,589 | 33,449 |
| Target Cash Reserve² | 3,333 | 3,333 | 3,358 | 3,358 | 3,417 | 3,252 | 16,268 | 1.7 % | 14,642 | 19,360 | 15,317 | 25,348 |
| Variance Operating Cash to Target | 19,706 | 22,674 | 21,150 | 30,369 | 32,263 | 18,773 | 6,282 | 6.2 % | 9,839 | 8,229 | 12,272 | 8,101 |

1 Change in net position and net position are CAFR values for 2018 and 2019.

2 The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Fleet Services Fund at a minimum should be equal to 15% of the operating budget adjusted for intrafund revenue and expense.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Intergovernmental Services Fund

Introduction

The Intergovernmental Services Internal Service Fund accounts for all the operations of the Information Technology (IT) Department including telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware. Information Technology activities account for 96.1% of the operating activities in the fund. The fund also records transactions for operations within the City Clerk's office related to central mailing and printing services, representing 3.9% of operating activities.

The majority of the fund's revenue is determined by an allocation model, which has four components on the customer expense side: IT application support; IT operations; telecommunications; and special customer specific services. Revenues generated through the allocation model recover the IT operating costs at a level that conforms to the Council-adopted financial plan. The IT Department also earns revenue from the Project Management Office (PMO), which charges City departments for the cost of purchasing or creating technology enhancements and provides quality, low-cost project management for implementing these technology-related projects. The charges to City departments are calculated to generate enough revenue to cover the overhead expense of the department. The City Clerk earns revenue through charges for central mailing and printing services.

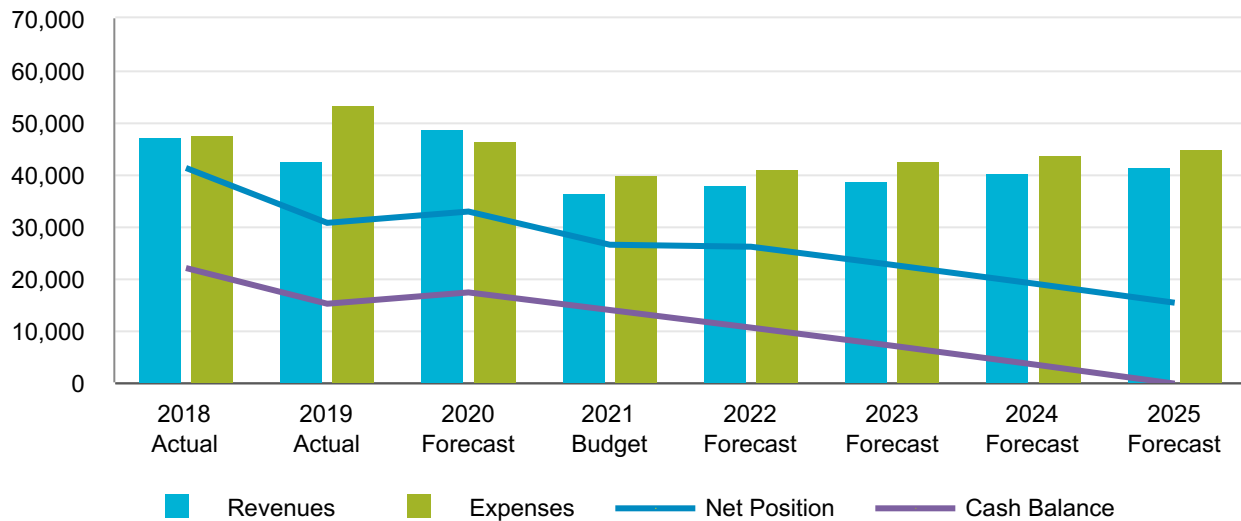
Historical Financial Performance

From year-end 2015 to year-end 2019 the fund's net position decreased from \$62.7 million to \$30.7 million. The decrease in net position from 2015 to 2019 was due to a variety of factors including costs to implement major software projects, planned transfers out to support other funds and the insourcing of support functions. The City Council approved a long-term financial plan for the Intergovernmental Services Fund in September 2000 to ensure sufficient net position and cash balances. By the end of 2014, it was determined that the fund had sufficient net position and cash balances. The decrease in net position during 2019 is partly due to a \$3.0 million transfer out to the Capital Improvement Fund, in 2016.

Over the last five years the Intergovernmental Services Fund revenue has been between \$50.5 million to \$42.7 million. Expenses have been between \$56 million and \$53.3 million. The variances in revenues and expenses from year-to-year are generally the result of PMO activity. In 2015, the City completed the Enterprise Resource Planning program to implement upgrades to the PeopleSoft system. In 2016, the City implemented the Enterprise Land Management System. The implementation of such significant systems causes the fund's revenue and expense to fluctuate as work is completed. In addition, in 2015, the Council approved the use of \$10.0 million of net position to cover one-time costs associated with insourcing the IT helpdesk and desk side support functions, and expenses related to contracting with a new provider for managed services. Most of these expenses, \$6.4 million, occurred in 2015 with the remainder in 2016 and 2017.

Current Year Projections

Financial Snapshot Intergovernmental Services Fund (in thousands of Dollars)



Revenues

The 2020 revenues are projected to be \$48.8 million, which is an increase of 14.3% from 2020 budgeted revenue of \$38.7 million. The 2020 projection includes revenue earned during the current year for PMO projects and work for others that is not budgeted.

Expense

The 2020 expenses are projected to be \$46.6 million, which is an increase of 17.1% from the 2020 budgeted expense amount of \$44.0 million. This is partly due to expenses from customer funded PMO projects not included in the original operating budget but included in the projection as expense is recorded to projects and billed to customers. Also, the City Council approved the rollover of 2019 funds to 2020 for \$6.3 million, including \$1.8 million for the Enterprise Content Management system (ECMS), \$469 thousand for the Management Information Network System (MINS), and \$951 thousand for Property Records & CAMA System.

As a result of the COVID-19 pandemic, the 2020 expense and revenue budgets for the Technology department were decreased by \$2.7 million in an effort to contain costs across the enterprise.

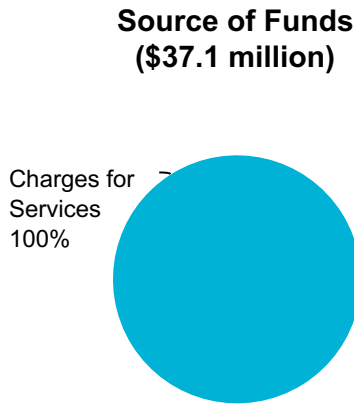
Net Position & Cash Balance

The Intergovernmental Services Fund projects net position to be \$32.8 million at the end of 2020 an increase of \$7.5 million, or 29.6% from the 2020 budgeted ending net position of \$25.3 million. The fund's cash balance is projected to be \$17.3 million at the end of 2020, an increase of \$4.7 million, or 37.3%, from the budgeted ending cash balance of \$12.6 million.

2021 Budget

There are unplanned changes from prior years for the Intergovernmental Services Fund. COVID-19 Cost Containment measures are anticipated and additional expenses for the New Public Service Building are anticipated for 2020 and 2021.

Revenues



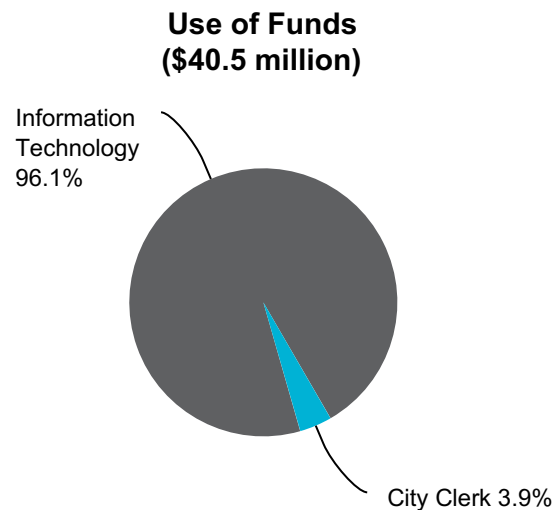
The revenues for 2021 are budgeted at \$37.1 million, a decrease of 4% from the 2020 budgeted amount of \$38.7 million. Charges for services revenue decreased by \$1.9 million in the 2021 budget to align allocation model revenues with the approved expense budget.

The 2021 revenue budget is a decrease of \$11.6 million, or 23.8%, from the 2020 projected revenue. The 2020 projected revenue includes revenue earned during the year for PMO projects that bill other City Departments as the work is completed. And the budget includes a transfer of funds from the General fund.

Expense

The expenses for 2021 are budgeted at \$38.6 million, a decrease of \$5.4 million, or 12.4%, from the 2020 budgeted expense of \$44.0 million. The decrease is mostly due to cost containment measures for losses due to COVID-19.

The 2021 expense budget is a decrease of \$8.0 million, or 17.3% from the 2020 projected expense of \$46.6 million. The decrease is partly due to expenses related to customer funded PMO projects. The budget includes a conservative expense amount for PMO projects, which is increased as work is completed and City departments are billed for services. In addition, the 2020 projected expenses include Cost Containment efforts approved by City Council because of COVID-19 impacts.



Transfers

The 2021 revenue budget includes a \$114,000 transfer from the General Fund for the cost of City Hall rent for the Information Technology and City Clerk departments. The fund has received the rent related transfer on an annual basis but expects to move its workforce to the new Public Service Center by the end of 2020.

Debt Service

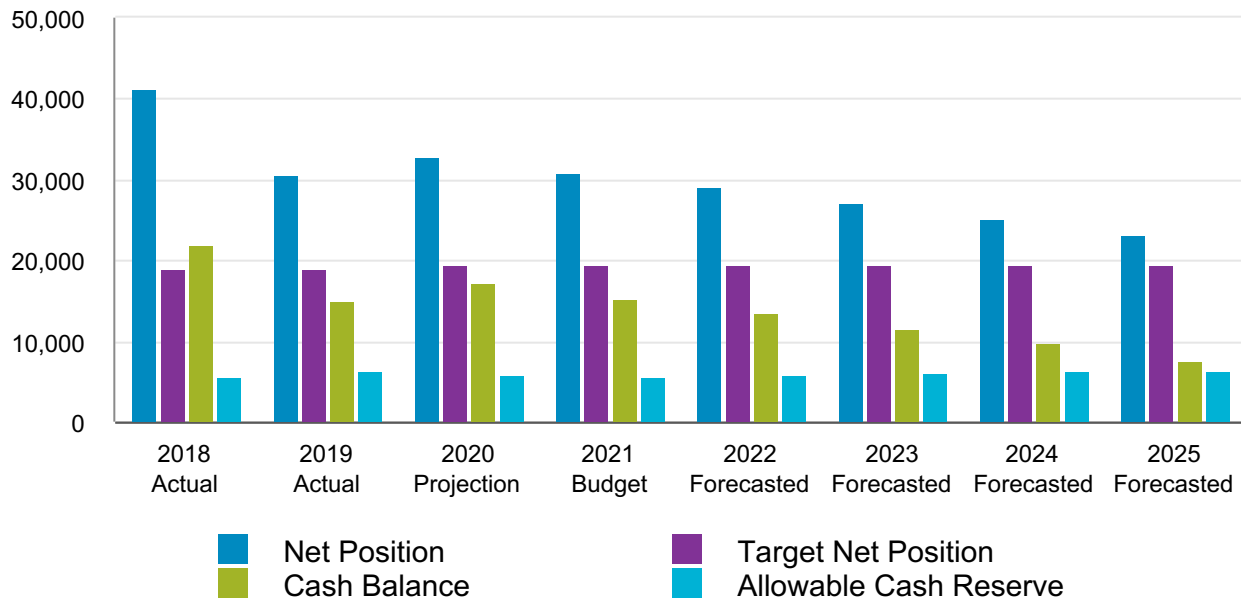
This fund does not have any net debt bonds.

Net Position & Cash Balance

The net position at year-end 2021 is projected to be \$31.0 million, a decrease of \$1.9 million, or 5.7%, from the 2020 ending projected amount of \$32.8 million. The cash balance at year-end 2021 is projected to be \$15.8 million, a decrease of \$1.4 million, or 8.2%, from the 2020 projected ending balance of \$17.3 million. Cash is expected to decrease in 2020 because of the Cost Containment decreases to expense budget.

The financial policy for the Intergovernmental Services fund states that the minimum cash balance should be equal to 15% of the fund’s total budget. The projected 2021 year-end cash balance of \$15.8 million exceeds the target amount of \$5.7 million by \$10.1 million. The financial policy also states that the net position should not fall below two times the fund’s annual depreciation. The estimated target net position for 2020 is \$19.5 million, and the fund is projected to exceed this target by \$13.4 million.

**Intergovernmental Services Fund Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)

Intergovernmental Services Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|---|----------------|----------------|----------------|-----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Charges for Service - IT | 34,079 | 35,904 | 35,508 | 34,328 | 37,058 | 41,729 | 35,644 | (14.6)% | 36,713 | 37,814 | 38,948 | 40,116 |
| Charges for Service - City Clerk | 1,326 | 1,535 | 1,366 | 1,420 | 1,424 | 1,307 | 1,385 | 6 % | 1,427 | 1,470 | 1,514 | 1,559 |
| Work for Others | — | 5,383 | — | 5,755 | — | 5,544 | — | (100)% | — | — | — | — |
| Operating Transfers In | 1,760 | 4,623 | 353 | 1,224 | 209 | 209 | 114 | (45.5)% | 215 | 222 | 228 | 235 |
| Total | 37,165 | 47,445 | 37,227 | 42,727 | 38,691 | 48,789 | 37,143 | (23.9)% | 38,355 | 39,506 | 40,690 | 41,910 |
| Use of Funds: | | | | | | | | | | | | |
| Transfers | — | — | 3,220 | 3,220 | 1,000 | 1,000 | — | (100)% | — | — | — | — |
| City Clerk | 1,403 | 1,804 | 1,459 | 1,671 | 1,486 | 1,311 | 1,506 | 14.9 % | 1,551 | 1,598 | 1,646 | 1,695 |
| Information Technology | 36,593 | 41,107 | 36,565 | 42,255 | 41,555 | 37,714 | 37,062 | (1.7)% | 38,174 | 39,319 | 40,499 | 41,714 |
| Work for Others | — | 4,889 | — | 6,138 | — | 5,434 | — | (100)% | — | — | — | — |
| COVID Response | | | | | | 604 | | | | | | |
| New Public Service Building | | | | | | 550 | | | | | | |
| Total | 37,996 | 47,800 | 41,244 | 53,284 | 44,041 | 46,613 | 38,568 | (17.3)% | 39,725 | 40,917 | 42,145 | 43,409 |
| Change in Net Position | (831) | (5,182) | (4,017) | (10,557) | (5,350) | 2,176 | (1,425) | (165.5)% | (1,370) | (1,411) | (1,455) | (1,499) |
| Net Position | 45,577 | 41,226 | 37,209 | 30,669 | 25,319 | 32,845 | 31,420 | (4.3)% | 30,050 | 28,639 | 27,184 | 25,686 |
| Total Cash Balance | 21,541 | 21,983 | 17,966 | 15,115 | 12,616 | 17,291 | 15,866 | (8.2)% | 14,496 | 13,085 | 11,630 | 10,132 |
| Target Cash Reserve | 5,660 | 5,660 | 5,665 | 6,550 | 6,421 | 5,819 | 5,750 | (1.2)% | 5,959 | 6,138 | 6,322 | 6,511 |
| Variance Operating Cash to Target Cash Reserve | 15,881 | 16,323 | 12,301 | 8,565 | 6,195 | 11,472 | 10,116 | (11.8)% | 8,538 | 6,947 | 5,309 | 3,620 |

1 Change in net position and net position for 2018 and 2019 are the amounts recorded in the CAFR.

2 At year end 2019, fund 06400 has a liability balance of \$1.4 million in unearned revenue resulting from prepayments by City departments for future IT projects. These prepayments result in an increase to the cash balance.

3 The 2020 projected expenses include any potential rollover requests that may be spent in 2019.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Property Services Fund

Introduction

The Property Services Internal Service Fund is responsible for the operations and maintenance of the City-owned buildings including police precinct structures, fire stations, and public works buildings. The Property Services division is responsible for space and asset management, security management, and energy management services for City properties. The fund does not provide services to the Convention Center, Water facilities, or the Minneapolis Park and Recreation Board buildings. The Property Services fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Property Services is part of the Finance and Property Services department within the City Coordinator's department.

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

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

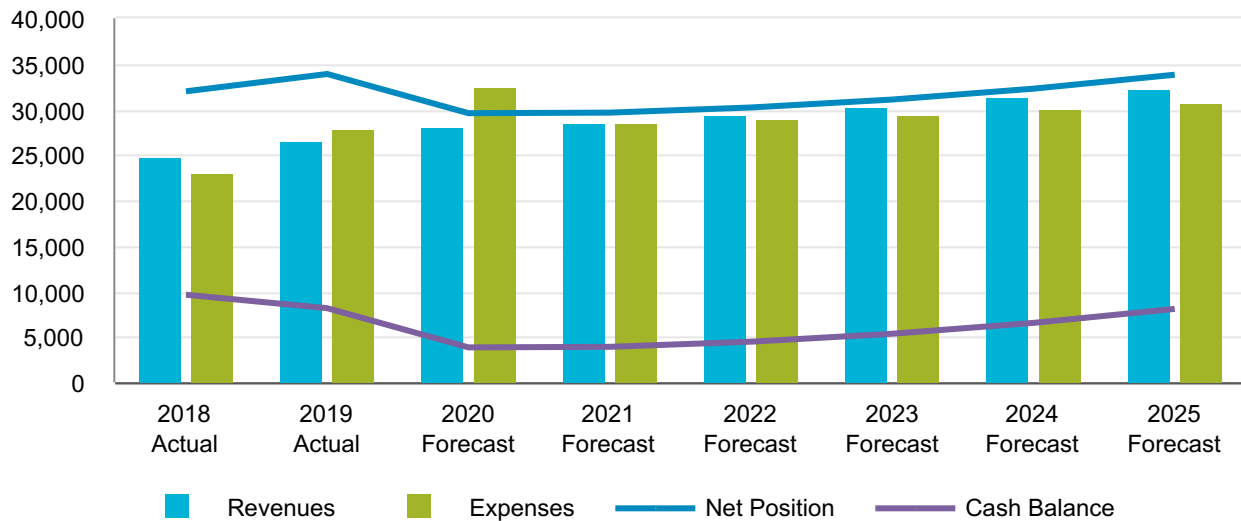
Historical Financial Performance

Over the last five years, the Property Services fund revenue has steadily increased from \$23.3 million in 2015 to \$26.5 million in 2019. The most significant reason for this increase was the collection of \$4.0 million annually in asset preservation rental income beginning in 2016 as part of the allocation model to fund facility repairs and improvements to City owned buildings. The Property Services Fund will continue to collect revenues from City departments that occupy City buildings, to fund improvements for facility repairs and upgrades. This practice replaces funding through net debt bonds.

The Property Services fund increased its net position by \$4.6 million from \$29.3 million at year-end 2015 to \$33.9 million at year-end 2019. As previously noted, starting in 2016 the fund collects an additional \$4.0 million annually in rental income from departments for facility repairs and improvements. Due to the timing of projects over the past three years, less than two-thirds of this funding has been spent, which resulted in increased net position. The council approved a rollover of the 2019 budget of \$4.5 million to 2020 due to delayed asset preservation projects.

Current Year Projections

Financial Snapshot Property Services Fund (in thousands of Dollars)



Revenues

The 2020 revenues are projected to be \$28.2 million, representing an increase of \$3.3 million or 13.4% from the original revenue budget of \$24.9 million. The increase in 2020 projected revenues is mainly due to revenue from work for others. Work for others revenues include discretionary repairs and upgrades which can vary from year to year depending on the available budget of City departments. A base budget is recorded each year and increased as additional projects are completed and billed to other City departments. The 2020 Rent revenues are projected to be \$21.5 million. Included in rent income is the charge to City departments for use of City owned buildings.

Expense

The 2020 expenses are projected to be \$32.5 million, representing an increase of \$5.0 million or 18.3% from the original budgeted expense of \$27.5 million. Included in the 2020 expense budget is a conservative estimate for costs related to projects completed for other City departments. As the projects are requested and expense is realized, the offsetting revenue is collected through the billing process. The 2020 projected work for others expense reflects this increase in expense related to projects completed for other City departments, which shows \$2.1 million projection higher than the 2020 budget. Also, facilities management expenses are projected to be \$2.4 million higher than budget due to higher projected expenses in the Operations and Management and Custodial Operations. The City Council approved \$4.5 million of unspent 2019 appropriation to roll over to 2020. All available funding is expected to be used in 2020 as reflected in the 2020 Facilities Management projections and the 2020 budget.

The fund has an appropriation of \$5.4 million for pass-through costs for the services provided by the Municipal Building Commission for maintaining the City's space in City Hall in 2020.

Net Position & Cash Balance

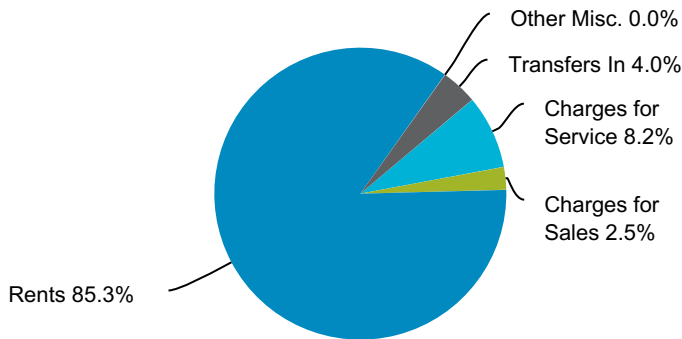
The Property Services Fund’s projected net position at the end of 2020 is \$29.6 million, which is a decrease of \$1.7 million, or 5.4% from the budgeted ending net position of \$31.3 million. This reduction is mainly due to the rollover expenses from prior year to 2020. The fund’s projected cash balance at the end of 2020 is \$3.8 million, which is a decrease of \$1.7 million from the budgeted ending cash balance of \$5.5 million.

The Property Services Fund cash balance includes operating cash, capital preservation project fund and the cash balance in the Property Disposition Fund, a fund that receives proceeds from the sale of City property. The cash balance in the Property Disposition Fund at year-end 2019 was \$1.7 million and is projected to be at \$1.6 million at year-end 2020.

2021 Budget

There are no significant planned or anticipated changes from prior years for the Property Services fund.

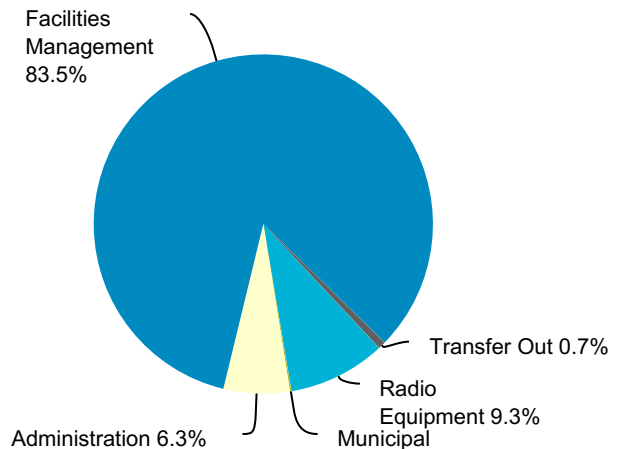
**Source of Funds
(\$28.7 million)**



Revenues

The 2021 revenue budget for this fund is \$28.7 million, representing an increase of 15.4%, or \$3.8 million from the original 2020 revenue budget of \$24.9 million. The increase is due to increased rent charged to departments housed in City owned buildings including the New Office Building for property maintenance and facility repairs, which includes vacant spaces until the vacated buildings are transferred or sold. Also, the 2021 revenue budget for the Work for Others department has been calculated based on historical information rather than being set as a minimum amount as in prior years. This approach will more closely reflect actual operations so there will be fewer adjustments necessary to align the budget with actual activities

**Use of Funds
(\$28.6 million)**



Expense

The 2021 Expense Budget is \$28.6 million, representing a \$1.1 million increase from the \$27.5 million budgeted in 2020. The 4.1% increase is mainly due to the rent increase as a result of the New Office Building and also due to the larger budget cut in 2020 compared to budget reduction in 2021.

Transfers

The 2021 revenue budget includes a General Fund transfer-in for \$1.2 million, which is to cover the cost of City Hall rent for the space occupied by Property Services including the City Hall vacant spaces. The fund has received these transfers on an annual basis and expects the transfers to continue in future years.

The 2021 expense budget includes a transfer-out to the Water Fund for \$212,000. This payment to the Water Fund is needed for some maintenance work at the Kenwood Water Tower. This money is coming out of the Property Service Fund Balance as the fund received revenue for many years through 2018 on the cell phone antennae lease payments on the water tower. The antennae lease revenue is now received by the Water Fund starting from 2019. This transfer is based on the actual maintenance cost incurred up to a maximum amount of \$212,000.

Debt Service

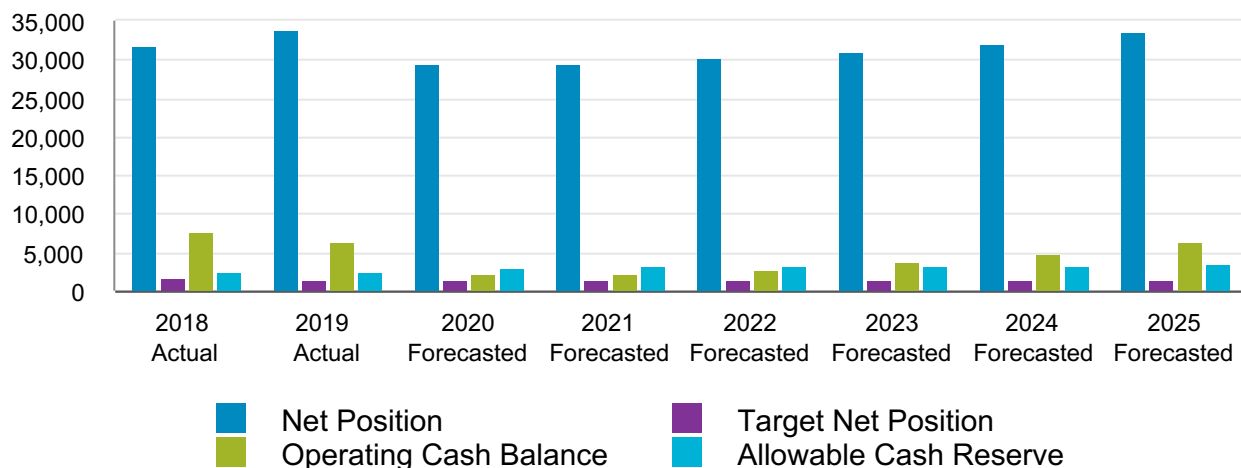
There are no debt service payments planned for 2021. In 2018 the fund paid off its remaining debt obligations.

Net Position & Cash Balance

The Property Services Fund has a 2021 budgeted net position of \$29.6 million. This represents a very slight increase of 0.2% from the 2020 projected amount of \$29.6 million. The financial policy related to net position for the Property Services Fund directs that the net position should not fall below two times the annual depreciation amount. The Property Services Fund is projected to be in compliance with this policy in 2020 and 2021 as the target net position is projected to be \$1.6 in 2020 and \$1.6 million in 2021.

The 2021 budgeted year-end cash balance is \$3.9 million, and the 2020 year-end projected balance is \$3.8 million. The Property Services Fund cash balance includes operating cash and the cash balance in the Property Disposition Fund, a fund that receives proceeds from the sale of City property. The cash balance in the Property Disposition Fund at year-end 2020 is projected at \$1.6 million. Financial reserve policies for the internal service funds determine that the cash reserve for the Property Services Fund should not be less than 15.0% of the operating budget, or \$3.0 million for 2020. It is projected that the fund will not be in compliance with this policy by \$0.9 million.

Property Services Fund Net Position & Cash Balance
(in thousands of dollars)



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)
Property Services Fund (06200, 06210, and 06220)

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|---|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Charges for Services | 1,684 | 1,240 | 1,684 | 1,767 | 1,579 | 1,878 | 2,345 | 24.87 % | 2,415 | 2,487 | 2,562 | 2,639 |
| Charges for Sales | 610 | 666 | 625 | 699 | 680 | 700 | 721 | 3 % | 743 | 765 | 788 | 812 |
| Work For Others | — | 2,161 | — | 2,082 | — | 3,055 | — | (100)% | — | — | — | — |
| Rents | 19,910 | 20,022 | 20,464 | 20,806 | 21,543 | 21,488 | 24,450 | 13.78 % | 25,184 | 25,940 | 26,718 | 27,520 |
| Other Misc. Revenues | 320 | 322 | 820 | 822 | 820 | 842 | 3 | (99.64)% | 3 | 3 | 3 | 3 |
| Sale of Land | — | — | — | — | — | — | — | — % | — | — | — | — |
| Transfers In | 319 | 319 | 228 | 331 | 237 | 237 | 1,156 | 387.76 % | 1,191 | 1,227 | 1,264 | 1,302 |
| Total | 22,843 | 24,731 | 23,821 | 26,507 | 24,859 | 28,200 | 28,675 | 1.68 % | 29,536 | 30,422 | 31,335 | 32,276 |
| Use of Funds: | | | | | | | | | | | | |
| Property Services Administration | 1,479 | 1,516 | 1,760 | 1,928 | 1,702 | 1,889 | 1,805 | (4.45)% | 1,841 | 1,878 | 1,916 | 1,954 |
| Radio Equipment | 2,121 | 2,067 | 2,155 | 2,116 | 2,037 | 2,138 | 2,656 | 24.23 % | 2,709 | 2,763 | 2,818 | 2,874 |
| Municipal Market | 41 | 25 | 41 | 38 | 41 | 60 | 41 | (31.67)% | 42 | 43 | 44 | 45 |
| Facilities Management | 18,995 | 16,614 | 19,198 | 21,386 | 22,806 | 25,221 | 23,900 | (5.24)% | 24,378 | 24,866 | 25,363 | 25,870 |
| Work For Others | — | 1,731 | — | 1,564 | — | 2,304 | — | (100)% | — | — | — | — |
| Debt Service | 845 | 843 | — | — | — | — | — | — % | — | — | — | — |
| Transfers Out | 317 | 317 | 817 | 817 | 895 | 895 | 212 | (76.31)% | — | — | — | — |
| Total | 23,798 | 23,111 | 23,971 | 27,849 | 27,481 | 32,507 | 28,614 | (11.98)% | 28,970 | 29,550 | 30,141 | 30,743 |
| Change in Net Position¹ | (955) | 2,782 | (150) | 1,903 | (2,622) | (4,307) | 61 | | 566 | 872 | 1,194 | 1,533 |
| Net Position¹ | 28,242 | 31,979 | 31,828 | 33,884 | 31,262 | 29,577 | 29,638 | | 30,204 | 31,076 | 32,270 | 33,803 |
| Total Cash Balance² | 6,698 | 9,628 | 9,477 | 8,148 | 5,526 | 3,841 | 3,902 | | 4,468 | 5,340 | 6,534 | 8,067 |
| Operating Cash balance² | 4,968 | 7,898 | 7,747 | 6,418 | 3,970 | 2,285 | 2,346 | | 2,912 | 3,784 | 4,978 | 6,511 |
| Target Cash Reserve³ | 2,495 | 2,495 | 2,550 | 2,550 | 3,049 | 3,049 | 3,309 | | 3,369 | 3,431 | 3,493 | 3,557 |
| Variance Operating Cash to Target Cash Reserve | 2,473 | 5,403 | 5,197 | 3,868 | 921 | (764) | (963) | | (457) | 353 | 1,485 | 2,954 |

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

¹The change in net position and the net position for 2017 and 2018 are the amounts recorded in the CAFR.

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

³The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Property Services Fund should at a minimum be equal to 15.0% of the adjusted operating budget.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Public Works Stores Fund

Introduction

The Public Works Stores Internal Service Fund accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items and the purchase of special goods and services. The fund’s mission is to provide goods in a cost effective manner to City departments. The fund includes the Traffic Stores department, which is managed by Public Works, and the Central Stores department, which is managed by Finance and Property Services. Traffic Stores purchases components for traffic signals, controllers, and street lights. Central Stores purchases the City’s office supplies and non-specialty items. The fund earns revenue by applying overhead charges to inventory sales and transaction processing.

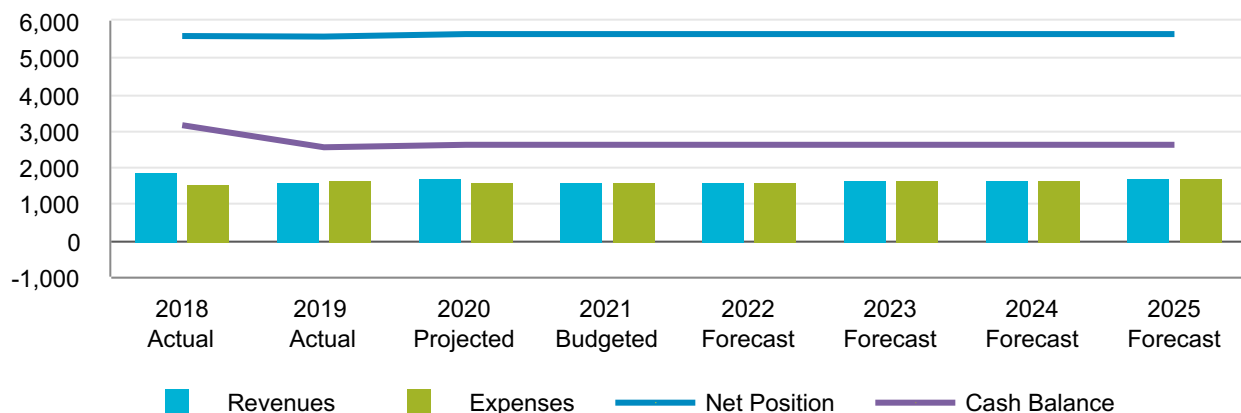
Historical Financial Performance

The fund has steadily increased net position from \$4.4 million at the end of 2015 to \$5.6 million at the end of 2019. The majority of net position is from inventory held by the fund. At the end of 2019, the inventory balance was \$4.9 million. The fund had a negative cash balance in the past and by the end of 2019 the cash balance increased to \$2.5 million. This is an increase of \$2.9 million from the cash balance of negative \$368,680 at the end of 2015. The primary reason for the increase is due to operating gains over several years as well as a reduction in inventory balance.

From year-end 2014 to year-end 2019, the fund’s revenue has remained between \$1.4 million to \$1.6 million. Expenses have remained between \$1.1 million and \$1.8 million. Revenue fluctuates year-to-year based upon the level of inventory purchases by customer departments and requisition processing transactions related to City projects. In addition, starting in 2018, the Traffic Stores department reduced their overhead rate from 22% to 11%, and starting in 2020 Central Stores at the Royalston location has increased their overhead rate from 22% to 26%. This brings them closer to the fund’s break-even point.

Current Year Projections

**Financial Snapshot
Public Works Stores Fund
(in thousands of Dollars)**



Revenues

Revenues for 2020 are projected at \$1.7 million, an increase of 10.7% over the budgeted amount of \$1.5 million. This is primarily due to an increase of \$8,000 in Traffic Stores for selling scrap and a \$157,000 increase in Central Stores, which is the result of additional overhead charges to inventory sales and transactions processing.

Expense

Expenses for 2020 are projected at \$1.6 million, an increase of 7.2% over the budgeted amount of \$1.5 million. This increase is mostly due to higher contractual services of \$97,000, which is primarily from the fencing gate costs at Traffic Stores. These increases are offset by the additional revenue earned through overhead charges.

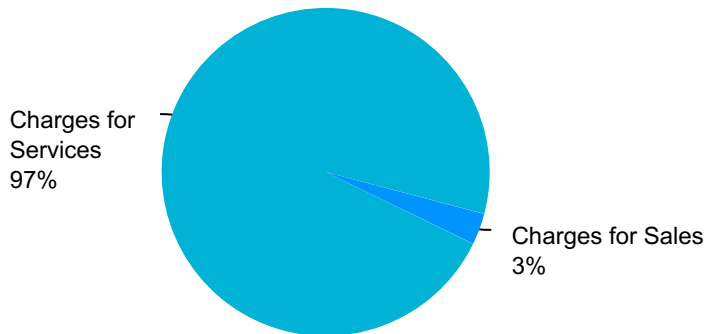
Net Position & Cash Balance

The fund’s projected net position at the end of 2020 is \$5.6 million, which is a slight increase of \$54,000 over the budgeted ending net position of \$5.6 million. This is due to an increase in the Traffic Stores for selling scrap and Central Stores’ overhead charges.

The fund’s projected cash balance at the end of 2020 is \$2.6 million, which is a slight increase of \$54,000 over the budgeted ending cash balance of \$2.6 million. This is due to an increase in the Traffic Stores and Central Stores’ revenues in 2020.

2021 Budget

**Source of Funds
(\$1.6 million)**



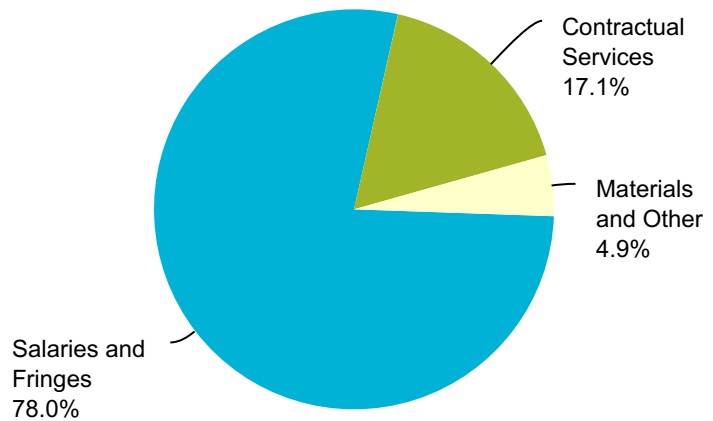
Revenues

Revenues for 2021 are budgeted at \$1.6 million, a slight increase of \$65,000 from the 2020 budget amount of \$1.5 million. The increase in the 2021 budget amount is due to overhead earnings by both Central Stores and Traffic Stores. The 2021 revenue budget reflects a decrease of 5.9% from the 2020 projected amount of \$1.7 million. This decrease from the 2020 projected revenue is due to higher than expected sales in Central Stores overhead earnings in 2020.

Expense

Expenses for 2021 are budgeted at \$1.6 million, a slight increase of \$79,000 from the 2020 budget amount of \$1.5 million, primarily from personnel cost of \$45,000 and contractual services of \$30,000. The 2021 budget reflects a decrease of 1.9% from 2020 projected expenses of \$1.6 million due to higher than expected contractual services in 2020 as described above.

**Use of Funds
(\$1.6 million)**



Transfers

There are no transfers scheduled for this fund in 2021.

Debt Service

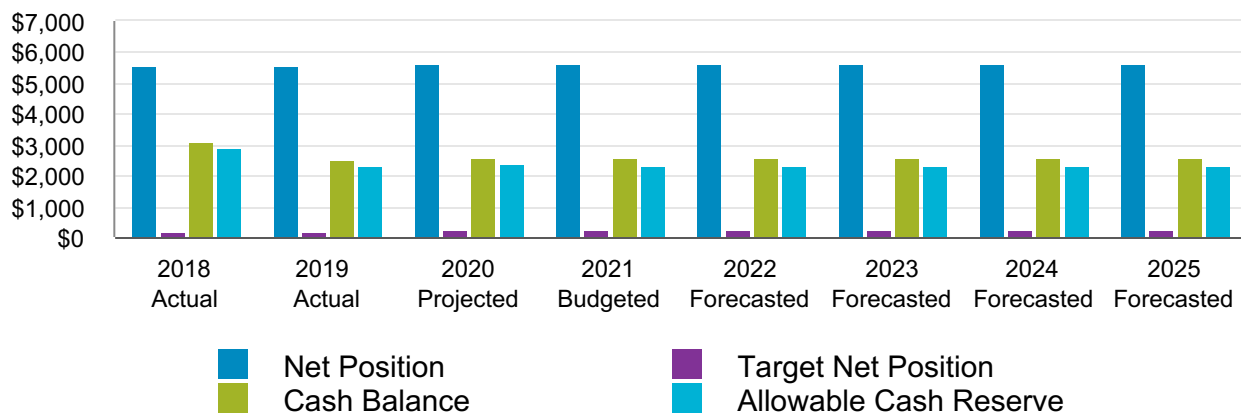
This fund does not have any debt service payments.

Net Position & Cash Balance

The financial policy for this fund states that the fund should maintain a minimum net position equal to 15.0% of the operating budget. The projected year-end net position for both 2020 and 2021 is \$5.6 million. The projected 2020 ending balance exceeds the net position target amount of \$229,000 by \$5.6 million and the projected 2021 ending balance exceeds the net position target amount of \$241,000 by \$5.6 million.

The financial policy for this fund states that the fund should maintain a minimum target cash reserve equal to 15.0% of the operating budget. The projected year-end cash balance for both 2020 and 2021 is \$2.6 million. The projected 2020 ending balance exceeds the cash balance target amount of \$229,000 by \$2.4 million and the projected 2021 ending balance exceeds the cash balance target amount of \$241,000 by \$2.4 million.

**Public Works Stores Fund Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2021 Adopted Budget
Financial Plan (in thousands of dollars)
Public Works Stores Fund

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Projected | 2021 Budget | % Chg From 2020 Projected | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|---|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|---------------------------------|------------------|------------------|------------------|------------------|
| Source of Funds: | | | | | | | | | | | | |
| Charges for Services | 1,453 | 1,840 | 1,474 | 1,599 | 1,493 | 1,650 | 1,558 | (5.6)% | 1,590 | 1,623 | 1,657 | 1,691 |
| Charges for Sales | — | 49 | — | 18 | 50 | 58 | 50 | (13.9)% | 50 | 50 | 50 | 50 |
| Total | 1,453 | 1,889 | 1,474 | 1,617 | 1,543 | 1,708 | 1,608 | (5.9)% | 1,640 | 1,673 | 1,707 | 1,741 |
| Use of Funds: | | | | | | | | | | | | |
| Salaries and Fringes | 1,150 | 1,258 | 1,138 | 1,343 | 1,209 | 1,217 | 1,254 | 3.0 % | 1,285 | 1,317 | 1,350 | 1,384 |
| Contractual Services | 228 | 277 | 265 | 318 | 244 | 342 | 275 | (19.6)% | 276 | 277 | 278 | 278 |
| Materials and Other | 72 | 60 | 71 | 43 | 76 | 81 | 79 | (1.7)% | 79 | 79 | 79 | 79 |
| Total | 1,451 | 1,595 | 1,474 | 1,705 | 1,529 | 1,640 | 1,608 | (1.9)% | 1,640 | 1,673 | 1,707 | 1,741 |
| Change in Net Position¹ | 2 | 463 | — | 463 | 14 | 68 | — | (100)% | — | — | — | — |
| Net Position¹ | 5,569 | 5,580 | 5,580 | 5,565 | 5,579 | 5,633 | 5,633 | — % | 5,633 | 5,633 | 5,633 | 5,633 |
| Total Cash Balance | 2,144 | 3,142 | 3,142 | 2,538 | 2,552 | 2,606 | 2,606 | — % | 2,606 | 2,606 | 2,606 | 2,606 |
| Operating Cash balance | 2,144 | 3,142 | 3,142 | 2,538 | 2,552 | 2,606 | 2,606 | — % | 2,606 | 2,606 | 2,606 | 2,606 |
| Target Cash Reserve² | 218 | 218 | 221 | 221 | 229 | 229 | 241 | 5.2 % | 246 | 251 | 256 | 261 |
| Variance Operating Cash to Target Cash Reserve | 1,926 | 2,924 | 2,921 | 2,317 | 2,322 | 2,377 | 2,365 | 2.1 % | 2,360 | 2,355 | 2,350 | 2,345 |

* This fund includes Central Stores (Department of Finance & Property Services) and Public Works Traffic Stores

¹ The change in net position and net position for 2018 and 2019 are the amounts recorded in the CAFR.

²The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve balance for the PW Stores Fund should be maintained at a minimum of 15.0% of the operating budget.

**City of Minneapolis
2021 Adopted Budget
Financial Plan**

Self-Insurance Fund

Introduction

The Self-Insurance Internal Service 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 January 1, 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. The Dental Insurance is also recorded to the Self-insurance fund instead of the Agency fund. In addition, beginning in 2021 HR employee benefit administration is transferred from the Self-insurance fund to the General fund.

Historical Financial Performance

Over the last five years, the Self-insurance fund had a decrease in net position of \$37.1 million from 2015 through 2019. The decrease was primarily due to a \$20.0 million settlement paid out in a wrongful death case in 2019. The fund has historically recorded a negative net position primarily because of the required accounting recognition of liability for unpaid claims. The 2019 unpaid claims liability is \$78.7 million representing an increase of \$26.7 million from the 2015 unpaid claims liability of \$52.0 million.

For the year ending 2019 the cash balance was \$93.6 million, an increase of \$17.8 million from the 2015 cash balance of \$75.6 million. The 2019 target cash reserve was \$79.9 million, an increase of \$26.9 million from \$53.0 million in 2015. The fund exceeded the target by \$13.7 million in 2019, a decrease of \$9.3 million from \$23.0 million in 2015.

In 2015, the fund transferred a final payment of \$1.0 million to the Intergovernmental Services Fund to assist with payment of debt service.

In 2016 the Self-Insurance fund advanced \$995,000 in connection with the refunding of General Obligation Tax Increment Bonds (Midtown Exchange) and \$2.5 million in connection with the refunding of General Obligation Taxable Block E Refunding Bonds.

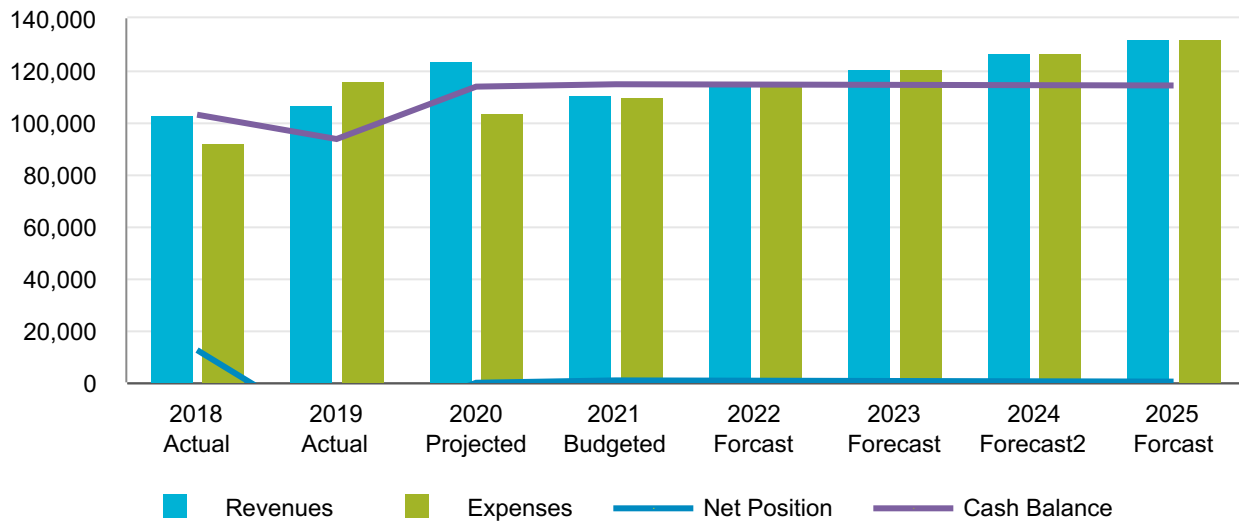
In 2017 the Self-Insurance fund transferred out \$29,000 to the General Fund for costs related to a review of body-worn cameras.

In 2018 the Self-Insurance fund transferred out \$305,000 to the City General fund for body cameras for front line officers and \$8.0 million to the City Capital fund to assist in payment of debt service as determined by the updated 2008 long-term financial plan.

In 2019 the Self- Insurance fund transferred out \$60,000 to the General Fund for costs related to a review of body-worn cameras.

Current Year Projections

Financial Snapshot Self-Insurance Fund (in thousands of Dollars)



Revenues

The 2020 revenues for the Self-Insurance Fund are projected to be \$123.6 million or \$15.3 million more than the budgeted revenue of \$108.3 million. The primary reason for the increase is a \$13.4 million transfer in from 06900 self-insurance fund to 06950 sick leave severance and a \$1.5 million in revenue received for medical insurance premiums. The increase is also related to a \$259,589 increase in revenue received for employee sick leave at retirement and a \$430,716 in revenue received from the State as refunds from medical and indemnity payments and subrogation claims. These increases are partially offset by a decrease of \$599,000 in the revenue received for dental insurance premiums.

Expense

The projected expenses for 2020 are \$103.5 million or \$825,000 more than the budgeted amount of \$102.7 million. The primary reason is due to a \$13.4 million transfer out from 06900 self-insurance fund to 06950 sick leave severance. The increase is partially offset by a \$6.0 million projected decrease in the medical insurance claims, \$4.0 million projected decrease in the amount paid out for tort settlement claims, \$1.4 million projected decrease in the amount paid out for sick leave at retirement, and \$1.2 million projected decrease in the dental insurance claims. These decreases are mostly due to the economic crisis induced by the coronavirus pandemic.

Net Position & Cash Balance

The net position in 2020 is projected to be a negative amount of \$166,000, an increase of \$14.5 million from a negative budgeted amount of \$14.7 million at year end 2019. The increase in net position in 2020 is primarily due to a decrease in medical insurance claims, dental insurance claims, and tort settlement claims during the coronavirus pandemic as describe above.

For the year ending 2020, the cash balance is projected to be \$113.7 million, an increase of \$14.5 million from the budgeted amount of \$99.2 million. The 2020 target cash reserve is projected to be \$107.5 million and the fund is projected to exceed this by \$6.2 million.

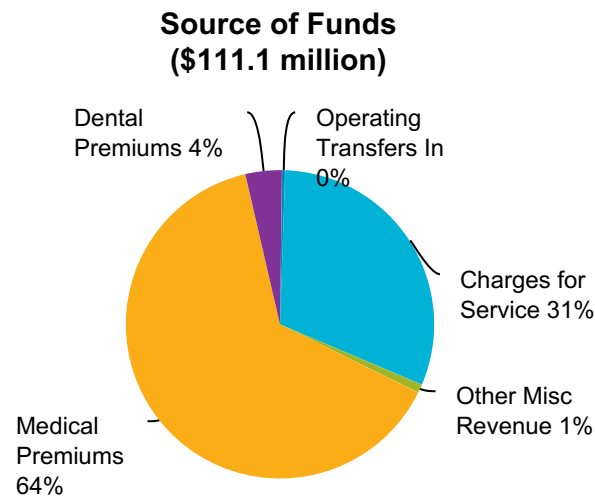
2021 Budget

The 2021 Self-Insurance fund budget includes \$7.5 million of increased expenses compared to the 2020 budget. Liability expenses are increased \$3.0 million per an actuarial study conducted by Aon, which analyzed three large liability claims.

Revenues

The 2021 budgeted revenue is \$111.1 million, a decrease of 10.2% or \$12.5 million from the 2020 projected amount of \$123.6 million. The decrease in the 2021 budget amount is due to a \$13.4 million transfer in from 06900 self-insurance fund to 06950 sick leave severance in 2020, which was not budgeted for 2021. This decrease is partially offset by a \$599,000 increase in revenue received for Dental insurance premiums and a \$430,000 in revenue received for Medical insurance premiums.

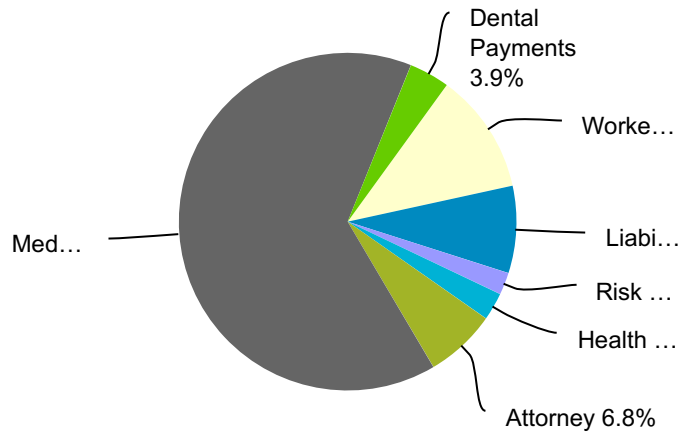
The 2021 revenue budget reflects an increase of 2.6% or \$2.8 million from the 2020 budgeted revenue of \$108.3 million. The primary reason for the increase is due to a \$3.0 million increase in the revenue received for tort liability premiums and a \$1.9 million increase in the revenue received for the medical premiums. These increases are partially offset by a \$2.2 million decrease in revenue received for HR Benefit administration fees, which is no longer in the Self-insurance fund, it consolidates to the General fund.



Expense

The expense budget for 2021 is \$110.2 million, an increase of 6.5% or \$6.7 million from the projected 2020 expenses of \$103.5 million. The primary reason for the increase is due to a \$12.2 million increase in medical claims, a \$1.2 million increase in the dental claims, and a \$7.0 million increase in liability payments. These increases are partially offset by a \$13.4 million transfer out from 06900 self-insurance fund to 06950 sick leave severance in 2020. The 2021 expense budget reflects an increase of 7.3% or \$7.5 million from the 2020 budgeted expense of \$102.70 million due to a \$6.2 million increase in medical claims and a \$3.0 increase in tort settlement claims. These increases are partially offset by a \$2.2 million decrease in HR Benefit administration as described above.

**Use of Funds
(\$111.2 million)**



Transfers

The 2021 revenue budget includes a \$368,000 transfer in from the General Fund for 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.

Debt Service

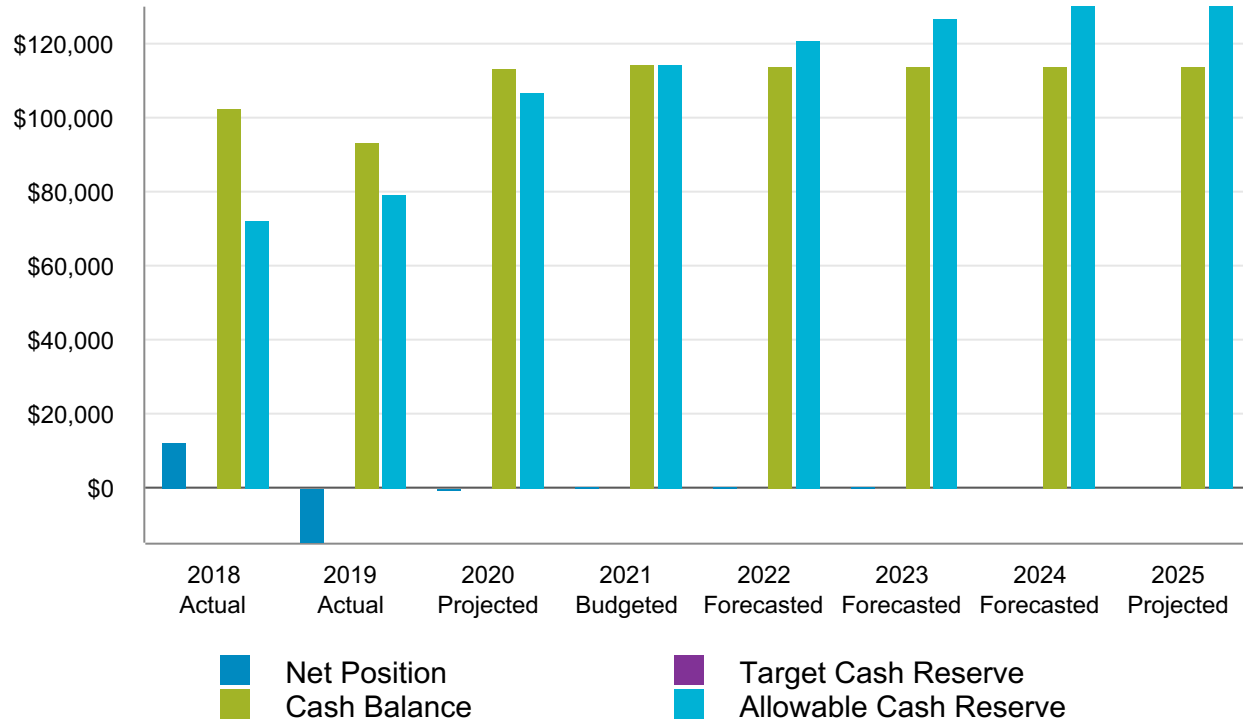
This fund does not have any long-term debt.

Net Position & Cash Balance

The financial reserve policy relating to the internal service funds states that the net position for the Self-Insurance Fund should not fall below zero. The net position at year-end 2021 is projected to be \$748,000, representing an increase of \$914,000 from the 2020 projected a negative net position of \$166,000. The increase in net position is primarily due to the coronavirus pandemic savings in 2020.

The financial reserve policy states that the Self-Insurance Fund should not be less than the total of the unpaid claims liability balance plus 10.0% of the annual operating budgets within the fund. The reserve requirement for Medical-Self Insurance is 35% of claims. For year ending 2021, the cash balance is projected to be \$114.6 million, an increase of 0.8%, or \$914,000 from the 2020 projected amount of \$113.7 million. The 2021 target cash reserve is projected to be \$115.1 million, an increase of 7.0% from the 2020 projected amount of \$107.5 million. The fund is projected to exceed the target by \$6.2 million in 2020 and fall below the target by \$427,000 in 2021.

Self-Insurance Fund Net Position & Cash Balance (in thousands of dollars)



**City of Minneapolis
2020 Adopted Budget
Financial Plan (in thousands of dollars)**

Self-Insurance Fund

| | 2018 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 | % Chg | 2022 | 2023 | 2024 | 2025 |
|---|----------------|-----------------|----------------|-----------------|-----------------|----------------|----------------|------------------------|----------------|-----------------|-----------------|-----------------|
| | Budget | Actual | Budget | Actual | Budget | Projected | Budget | From 2020 Projected | Forecast | Forecast | Forecast | Forecast |
| Source of Funds: | | | | | | | | | | | | |
| Charges for Service | 29,654 | 30,273 | 30,181 | 30,560 | 33,444 | 34,004 | 34,275 | 0.8 % | 34,925 | 36,588 | 38,143 | 39,225 |
| Other Misc Revenues | 1,021 | 3,010 | 1,018 | 2,037 | 1,005 | 1,484 | 1,000 | (32.6)% | 1,000 | 1,000 | 1,000 | 1,000 |
| Medical Insurance Premiums | — | 64,771 | — | 70,011 | 69,224 | 70,742 | 71,172 | 0.6 % | 74,731 | 78,467 | 82,391 | 86,510 |
| Dental Premiums | — | 3,429 | — | 3,659 | 4,271 | 3,672 | 4,271 | 16.3 % | 4,399 | 4,531 | 4,667 | 4,807 |
| Operating Transfers In | 262 | 1,393 | 312 | 312 | 324 | 13,736 | 368 | (97.3)% | 383 | 398 | 414 | 431 |
| Total | 30,937 | 102,876 | 31,511 | 106,579 | 108,268 | 123,637 | 111,086 | (10.2)% | 115,437 | 120,984 | 126,614 | 131,973 |
| Use of Funds: | | | | | | | | | | | | |
| Health and Welfare | 2,725 | 1,612 | 2,793 | 1,685 | 2,863 | 1,508 | 2,934 | 94.5 % | 3,008 | 3,083 | 3,160 | 3,239 |
| Attorney | 7,738 | 7,112 | 8,011 | 7,098 | 7,440 | 6,786 | 7,492 | 10.4 % | 7,717 | 7,948 | 8,187 | 8,432 |
| Workers Compensation | 11,438 | 12,246 | 13,242 | 14,330 | 12,827 | 13,308 | 12,756 | (4.1)% | 13,571 | 14,305 | 15,080 | 15,460 |
| Liability | 4,913 | 1,904 | 4,660 | 23,334 | 6,175 | 2,161 | 9,211 | 326.3 % | 9,724 | 10,289 | 10,696 | 11,013 |
| Human Resources | 1,856 | 1,922 | 2,118 | 1,977 | 2,165 | 2,037 | — | (100.0)% | — | — | — | — |
| Finance Dept - Risk Mgmt/Finance Accounting | 2,274 | 2,224 | 2,114 | 2,376 | 1,923 | 2,269 | 2,336 | 3.0 % | 2,406 | 2,478 | 2,552 | 2,629 |
| Medical Claims and Admin Fees | — | 52,232 | — | 62,218 | 64,999 | 58,954 | 71,172 | 20.7 % | 74,731 | 78,467 | 82,391 | 86,510 |
| Delta Dental payments | — | 3,372 | — | 3,069 | 4,271 | 3,053 | 4,271 | 39.9 % | 4,399 | 4,531 | 4,667 | 4,807 |
| Transfers | 8,305 | 9,436 | 60 | 60 | — | 13,412 | — | | — | — | — | — |
| Total | 39,248 | 92,061 | 32,998 | 116,149 | 102,663 | 103,489 | 110,172 | 6.5 % | 115,555 | 121,102 | 126,732 | 132,090 |
| Change in Net Position ¹ | (8,310) | (12,646) | (1,487) | (32,721) | 5,605 | 20,148 | 914 | (95.5)% | (117) | (117) | (117) | (117) |
| Net Position ¹ | 4,097 | 12,407 | 10,920 | (20,314) | (14,710) | (166) | 748 | (549.9)% | 631 | 513 | 396 | 279 |
| Total Cash Balance | 94,628 | 102,938 | 101,451 | 93,583 | 99,188 | 113,731 | 114,645 | 0.8 % | 114,528 | 114,410 | 114,293 | 114,176 |
| Operating Cash balance | 72,629 | 72,629 | 79,932 | 79,932 | 107,521 | 107,521 | 115,072 | 7.0 % | 121,128 | 127,240 | 133,598 | 140,256 |
| Variance Operating Cash to Target | 21,998 | 30,309 | 21,519 | 13,651 | (8,334) | 6,209 | (427) | (106.9)% | (6,600) | (12,830) | (19,305) | (26,080) |
| Cash Reserve | | | | | | | | | | | | |

¹ Change in net position and net position are CAFR values for 2018 and 2019.

² The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Self-Insurance fund should not be less than the total of the unpaid claims liability balance plus 10.0% of the annual operating budgets within the fund. The reserve requirement for Medical -Self Insurance is 35% of claims.

**City of Minneapolis
2021 Adopted Budget**

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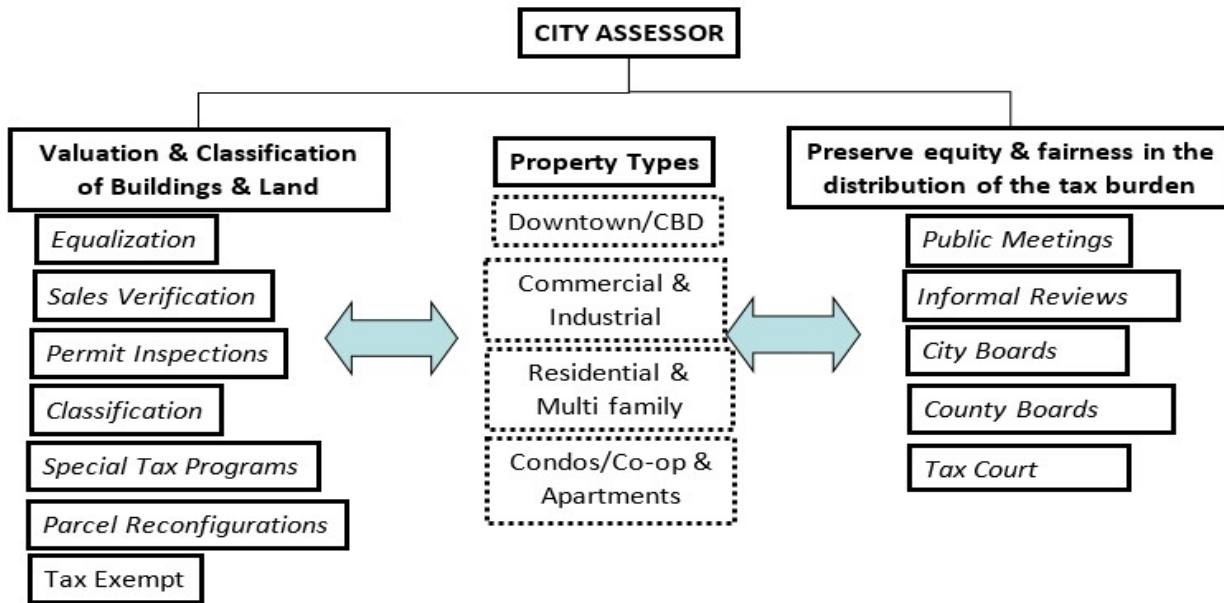
| City Council Operating Departments | |
|---|-----|
| Assessor | 190 |
| Attorney | 196 |
| City Clerk/Elections | 206 |
| City Council | 219 |
| City Coordinator Departments | |
| Total City Coordinator Summary Page | 225 |
| City Coordinator - Administration | 229 |
| 311 | 252 |
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ASSESSOR

Mission

The Minneapolis Assessor's Office serves the taxpayers of the City by valuing and classifying real estate property in an accurate, ethical, equitable and defensible manner as prescribed by state law.

Organization Chart



Appraisals and Assessment Administration

General Fund: \$5,493,000

The Assessor's office is statutorily mandated to determine the market value and classification of all land and improvements annually. An annual assessment includes: Property Inspections; Exemptions and Tax Relief Programs; Data & Record Management; Taxpayer Notification; Taxpayer Appeals and Reviews; Tax Court Litigation, Legislation, Neighborhood and Community Outreach and Business Relations. The office administers property tax programs in an accurate, ethical, equitable and defensible manner as prescribed by state law.

Assessor

Assessor Base Cut

2021 Adopted Change Item

Program: Assessor

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (246) | — | — | — | — |
| IT | (34) | (34) | (34) | (34) | (34) |
| Fleet | — | — | — | — | — |
| Contractual Services | (294) | (294) | (294) | (294) | (294) |
| Other | (20) | (20) | (20) | (20) | (20) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (594) | (348) | (348) | (348) | (348) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|-------|------|------|------|------|
| Change in FTE Count | (2.0) | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the Assessor department budget by \$552K in the general fund. Additional reductions of \$39K are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Description of the Change:

The Assessor's Office will achieve a percent budget reduction for 2021 through a mix of hiring freezes, non-personnel and professional services reductions.

- 1 - Appraisal Supervisor FTE will not be filled
- 1 - Assessor II FTE will not be filled
- Elimination of the CAMA Maintenance fee

With every assessment, the department is committed to delivering fair and equitable values, programs and services that achieve racial equity and advance opportunities for all.

- The loss of the Supervisor and Assessor II position will significantly diminish the number of promotional and leadership opportunities for women and BIPOC staff in the department.
- Delaying or not funding a new CAMA system in 2021 will negatively impact the uniformity, accuracy,

effectiveness, cost and time efficiency in the development, administration and defense of the department's annual assessment.

- Reduction of non-personnel or professional services expenditures will defund Account 507000 which was dedicated to professional training and development of new supervisors and leadership teambuilding.

The current 20-year-old CAMA system is legacy and outdated which can result statistical subtleties that can bias uniformity in the citywide assessment. The department will implement several workarounds to overcome possible bias (progressive or regressive assessment) until a replacement system is funded and available.

Equity Impacts & Results:

The department will continue to monitor the following performance metrics to ensure the annual assessment is fair and equitable in every neighborhood in Minneapolis.

- Sales Ratio: Ratio of Assessed Value to Sale Price
- Coefficient of Dispersion (COD): deviation of individual assessment ratios from the median ratio
- Price Related Differential (PRD): measure of equity between low-value and high-value properties
- Price Related Bias (PRB): Measures the percentage increase (decrease) in assessment ratios relative to percentage increase in property values.

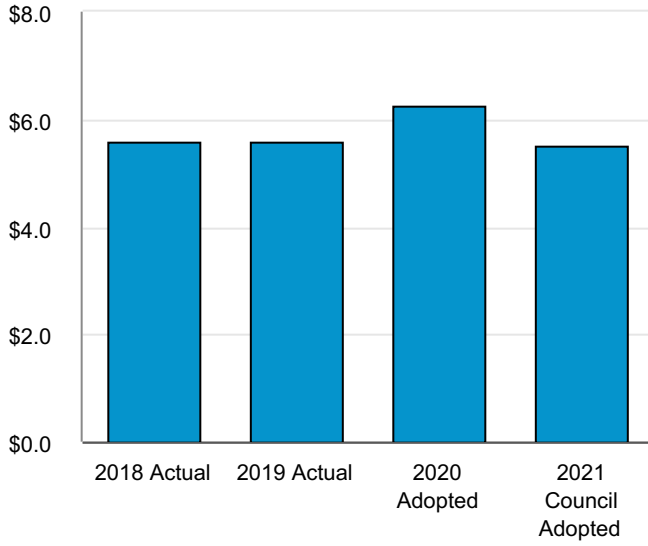
**ASSESSOR
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 3,210,882 | 3,228,381 | 3,399,000 | 3,232,000 | (4.9)% | (167,000) |
| FRINGE BENEFITS | 1,204,922 | 1,141,752 | 1,283,000 | 1,154,000 | (10.1)% | (129,000) |
| CONTRACTUAL SERVICES | 936,640 | 1,023,751 | 1,356,000 | 901,000 | (33.6)% | (455,000) |
| OPERATING COSTS | 226,796 | 194,215 | 227,000 | 206,000 | (9.3)% | (21,000) |
| CAPITAL | — | — | — | — | | 0 |
| TOTAL GENERAL | 5,579,240 | 5,588,099 | 6,265,000 | 5,493,000 | (12.3)% | (772,000) |
| TOTAL EXPENSE | 5,579,240 | 5,588,099 | 6,265,000 | 5,493,000 | (12.3)% | (772,000) |

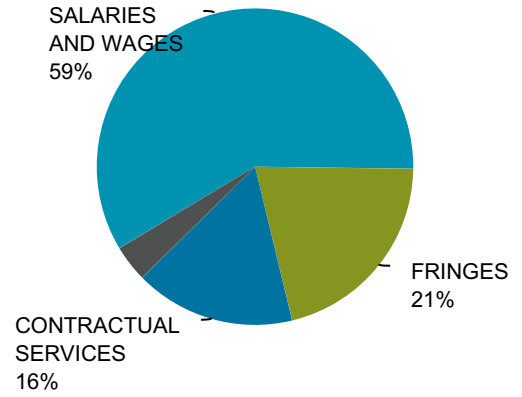
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|-------------|-------------|-----------------|-------------------------|-------------------|----------|
| GENERAL | | | | | | |
| CHARGES FOR SALES | — | — | — | — | 0.0 % | 0 |
| OTHER MISC REVENUES | — | — | — | — | 0.0 % | 0 |
| PROPERTY TAXES | — | — | — | — | 0.0 % | 0 |
| TOTAL GENERAL | — | — | — | — | 0.0 % | 0 |
| TOTAL REVENUE | — | — | — | — | 0.0 % | — |

ASSESSOR EXPENSE AND REVENUE INFORMATION

Expense 2018 - 2021 In Millions



Expense by Category



**ASSESSOR
STAFFING INFORMATION**

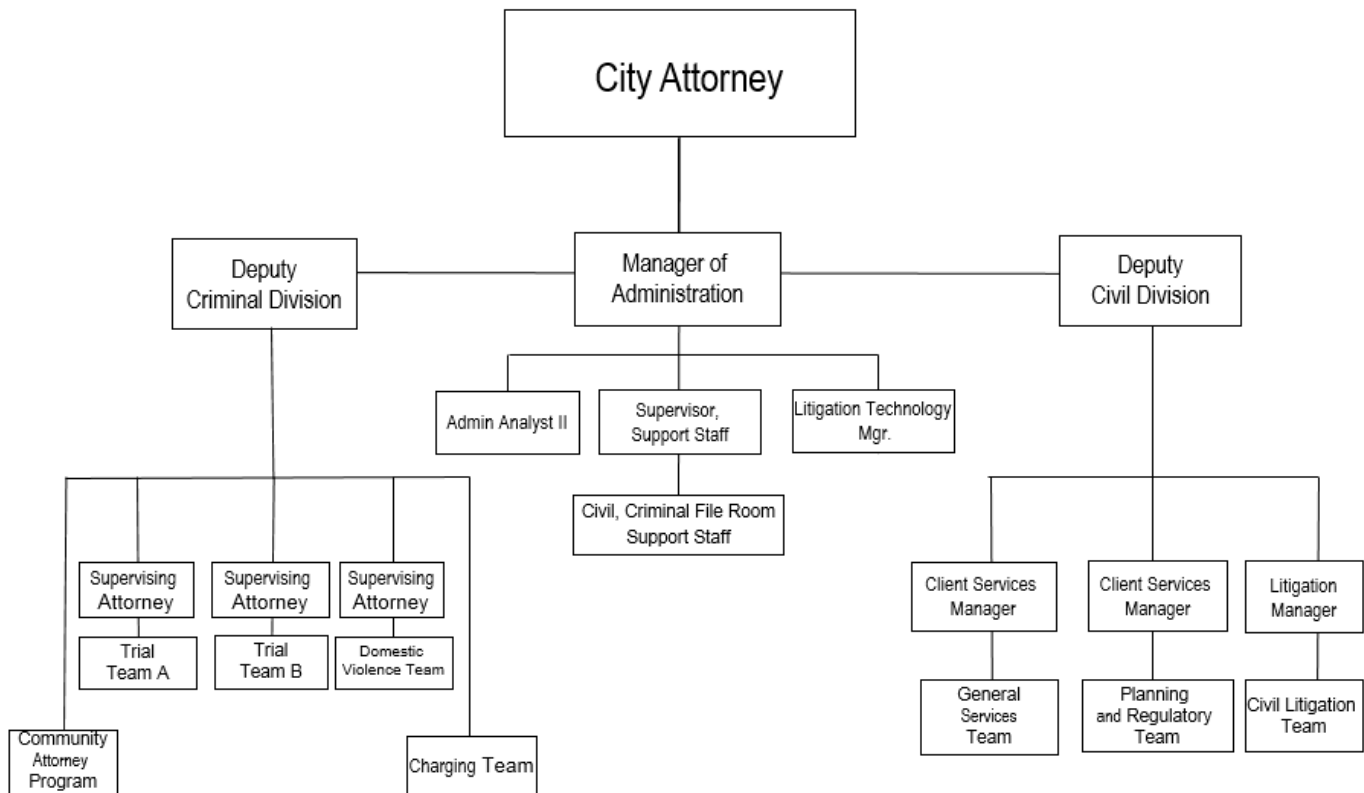
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

CITY ATTORNEY

Mission

The City Attorney department’s mission is to enhance public safety, serve justice and vigorously represent the interests of the City of Minneapolis and its residents by holding criminal offenders accountable and delivering the highest quality, cost effective legal services.

Organization Chart



Criminal Justice

General Fund: \$9,380,000
Other Funds: \$412,000

The Criminal Justice Division of the City Attorney’s Office (CAO) prosecutes all adult crimes punishable by up to a year in jail, including gross misdemeanor, misdemeanor and petty misdemeanor offenses committed in the City of Minneapolis. Prosecution is a mandated function. The criminal prosecution function is divided into four teams: Domestic Violence, Community Attorney and two general trial teams. The office places a special emphasis on domestic violence cases, with a coordinated, collaborative approach ensuring advocacy and services for victims while seeking effective intervention to prevent future violence. The CAO’s community attorneys are housed in each of the five police precincts. The program engages residents and neighborhood businesses in responding to the particular needs and public safety concerns of communities across the City.

The CAO has been a leader in criminal justice reform, without compromising public safety. The CAO has developed unique programs that achieve more effective outcomes by addressing underlying needs of offenders, while reducing the collateral consequences of the criminal justice system. The CAO has greatly increased diversion opportunities and offers pre-charge diversion, allowing individuals to avoid a criminal record. We have reduced the number of individuals booked into jail for lower level offenses and bench warrants.

We have a proven track record of innovation, including the Minneapolis Model for domestic violence prosecutions, the Downtown 100 and Interact, a restorative justice model for misdemeanor obstruction of justice charges. One of the more recent programs is the Pathways program for individuals charged with carrying a weapon without a permit. Instead of incarceration, the program offers a needs assessment and intensive, community-based, trauma-informed programming designed to help these offenders - who are mostly young adult males - to a better future and to avoid future violence. Successful participants avoid a conviction on their record. Prior to this program, those convicted of this offense had a high rate of recidivism and often for violent felonies. The early results from this program are promising. This budget provides ongoing funding for this new program.

Civil Legal Services

Other Funds:

\$7,376,000

The Civil Division of the City Attorney’s Office provides all civil legal services and representation to the City, including its elected officials, departments and boards and commissions and is a highly respected public law office. The Civil Division is divided into two teams, Client Services and Litigation. The Client Services team is called upon to draft ordinances, represent the City in complex real estate and development matters, draft and review contracts and advise the City on a myriad of legal questions ranging from governmental authority and constitutional questions to election law and compliance with the open meeting law and data practices act. The Litigation Team handles all litigation, both defending the City and, when appropriate City employees, as well as bringing affirmative litigation on behalf of the City. In addition to litigation, the team represents the City in labor arbitrations, civil service, worker’s compensation and veteran’s preference proceedings. The team is proactive in working with City officials and department staff to identify issues that raise a potential for litigation and provide advice on preventive measures.

Program: Multiple

Fund: Multiple

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (961) | — | — | — | — |
| IT | (80) | (80) | (80) | (80) | (80) |
| Fleet | — | — | — | — | — |
| Contractual Services | (392) | (392) | (392) | (392) | (392) |
| Other | (67) | (67) | (67) | (67) | (67) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (1,500) | (539) | (539) | (539) | (539) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | -9.3 | — | — | — | — |

Proposal Detail & Background:

The Council approves a \$939,000 reduction to the Criminal Division’s General Fund and a \$480,000 reduction to the Civil Division’s self-insurance fund.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department’s budget and its impact to services and racial equity.

Additional reductions of \$81,053 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

In order to achieve these savings in the Criminal Division, the City Attorney’s Office (CAO) would return unspent dollars we typically have in our diversion contract of \$14,000, along with reducing several administrative operations: taking \$10,000 from office supplies, \$3,000 from other professional services, and \$5,000 from the auto allowance budget. Since 2012, CAO has also seen a 69% decrease in use of the Workhouse for Minneapolis cases. This has created savings used to fund diversion programs like the Pathways program with Urban Ventures for first time gross misdemeanor gun offenses. However, due to COVID19 and the increased use of electronic home monitoring devices, expenses have further decreased. We will continue to watch the trend in this expense item, but we anticipate this remaining low for much of 2021 allowing us to reduce our budget in this line item (for 2021 only) by \$376,172. These

savings total \$408,172 in programmatic or contractual expenses.

In 2021, CAO's Criminal Division would freeze the hiring of one Paralegal, one Case Investigator, one Legal Support Specialist, one Assistant City Attorney and paid law clerks, for a total personnel savings of \$538,477. The total savings to the City is \$946,649.

In order to achieve these savings in the Civil Division, CAO will reduce our professional training fees by \$9,000, our supply budget by \$12,511, and our subscription budget by \$20,700 for a total of \$42,211. The Civil Division only has one large-scale contract with WestLaw/Thomson Reuters (a joint effort with Civil Rights) which is critical to our legal research. The majority of cost savings will come from the personnel budget.

In 2021, CAO's Civil Division would freeze the hiring of an ACAIII (HR Investigator), a Legal Support Specialist, and paid law clerks. Finally, we will realize a savings associated with backfilling a newly vacant ACAII with an ACAI from the Criminal Division. The total personnel savings would be \$419,961, while the total savings overall would be \$462,172.

Equity Impacts & Results:

Approximately 32 percent of the crime victims CAO served in 2019 were BIPOC (940 victims out of a total of 2,529). A significant number of our victims/witnesses are immigrants, refugees, LGBTQ, or those with disabilities (cognitive or physical). This means that by leaving open positions in the Criminal Division, inevitably, people of color are impacted.

Not hiring a Case Investigator would be felt by victims. Our Case Investigators are used to complete pre-charge investigation that is not currently completed by the Minneapolis Police Department. Without this investigation, many of the cases CAO charges would have to be declined due to insufficient evidence.

CAO prosecutes approximately 13,000-15,000 cases each year. 27 attorneys handle approximately 500 cases per year per attorney. Not hiring an Attorney puts an even larger caseload on every prosecutor.

Finally, while the trend for the workhouse is decreasing and has over the past several years, reducing the workhouse budget to \$338,000 for 2021 is a risk. In 2018, CAO spent \$684,000; in 2019, the total was \$484,000; in 2020, CAO is projecting \$182,000.

As an internal service division, CAO's civil work is an integral part of supporting other departments. As a division, our goal is not to say no to our clients, but instead provide options within the constraints of the law in order to achieve the intended racial equity impacts. Being down a Legal Support Specialist, an Administrative Assistant and paid law clerks will hamper our ability to focus exclusively on legal work, as the administrative slack will have to be picked up by everyone. This may reduce our ability to provide innovative legal advice.

From a litigation perspective, we must take and defend anything that comes our way. We do not get to choose our cases. What we can do, is take the lessons learned from our cases and proactively suggest policy changes within departments. Again, with the reduced administrative staff, litigators will be picking up additional administrative burden, decreasing the time available for suggesting policy changes.

Freezing hires for the remainder of 2021 would put more pressure on paralegals and attorneys to spend more time completing administrative work and less time on actual legal work. It's also important to note that this is during a time when the City Attorney's Office – Litigation Division has received eighteen new lawsuits associated with the murder of George Floyd, in addition to all other cases received by the office which all have long life cycles in terms of length of cases. This is also a critical juncture for the Client Services Division as they are extremely busy reviewing Data Practices Act information, responding to

Charter amendment questions, and analyzing all the implications associated with the potential of defunding the police department.

Program: Criminal Justice

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 50 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 50 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves a \$50,000 one-time funding increase to the Criminal Division’s General Fund. The funds will be used for Creative Criminal Justice Work – specifically, offering diversion programs for free.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department’s budget and its impact to services and racial equity.

Description of the Change:

The Criminal Justice system does not benefit all residents equally in terms of race and socioeconomic status. In 2019, 53% of the cases prosecuted or reviewed by our office were Black or African American (per CAO's Case Management System) when Black people and African-Americans make up only 19% of the population of Minneapolis (<http://www.mncompass.org/profiles/city/minneapolis>). CAO has continued to be a leader in criminal justice reform, continually looking at ways to reduce racial and socioeconomic disparities without compromising public safety.

One way CAO would like to explore further reducing racial and economic inequities is by offering our diversion programs at no cost to the participant. CAO would like to offer them free to all qualified individuals, but, at a minimum, would like to offer them free to anyone who qualifies for a public defender. The problem with limiting payment to those who qualify for a public defender is that when we offer

diversion pre-charge, a person has not yet been screened for public defender eligibility. However, by offering diversion pre-charge, we are keeping the offense off the person's record.

Equity Impacts & Results:

In 2019, of the Black defendants who were offered diversion, 29% accepted; conversely, 50% of White defendants who were offered diversion accepted.* The rate was significantly lower for Native Americans, with only 8% accepting diversion. While the cost of diversion isn't the only factor leading people to decline to participate in one of our programs, reducing the barrier of a participation fee may increase participation overall, especially for those with economic inequities.

CAO's diversion programs have not seen increased participation over the years. By offering our programs at no cost to the participant, participation numbers would increase. Increased rates of participation in diversion programs would result in fewer criminal charges on people's records and would reduce the racial disparities in terms of those accepting diversion.

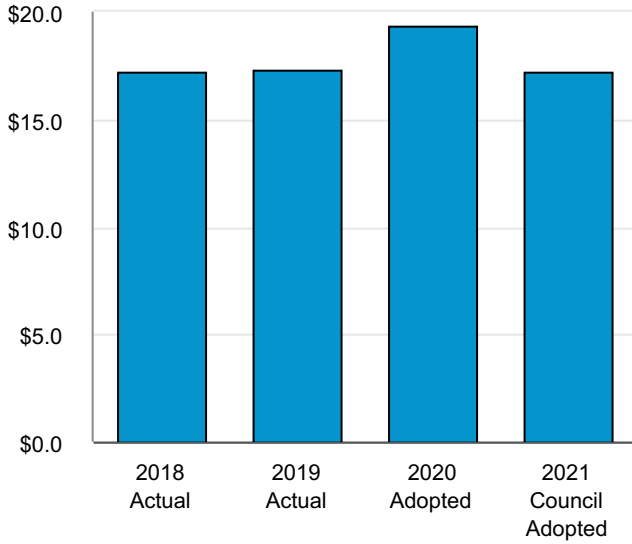
*Currently, there is a barrier to our demographic data in that we receive information from MPD's system (PIMS) into our Case Management System Practice Manager. It often transmits defendant's race as unknown. In the instance of our diversion eligible cases, it's at least 50% of cases where race is unknown

**ATTORNEY
EXPENSE AND REVENUE INFORMATION**

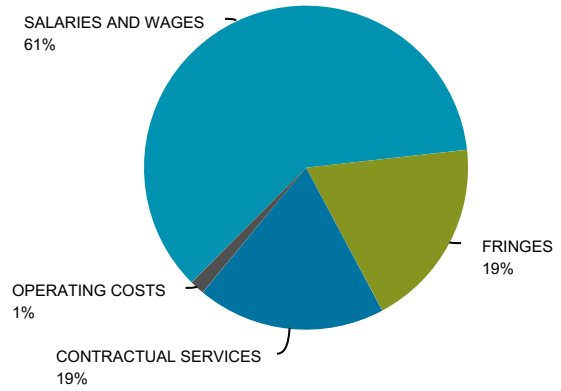
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|--------------------|--------------------|---------------------|-----------------------------|-----------------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 5,567,463 | 5,657,848 | 5,971,000 | 5,525,000 | -7.5% | (446,000) |
| FRINGE BENEFITS | 1,756,065 | 1,826,967 | 2,131,000 | 1,736,000 | -18.5% | (395,000) |
| CONTRACTUAL SERVICES | 2,206,828 | 2,182,301 | 2,593,000 | 1,950,000 | -24.8% | (643,000) |
| OPERATING COSTS | 161,801 | 156,072 | 163,000 | 169,000 | 3.7% | 6,000 |
| TOTAL GENERAL | 9,692,157 | 9,823,188 | 10,858,000 | 9,380,000 | -13.6% | (1,478,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 250,241 | 250,552 | 236,000 | 308,000 | 30.5% | 72,000 |
| FRINGE BENEFITS | 71,630 | 79,591 | 73,000 | 103,000 | 41.1% | 30,000 |
| CONTRACTUAL SERVICES | 89,800 | 46,146 | 8,000 | 1,000 | -87.5% | (7,000) |
| OPERATING COSTS | 4,271 | 1,223 | — | — | | 0 |
| TOTAL SPECIAL REVENUE | 415,942 | 377,512 | 317,000 | 412,000 | 30.0% | 95,000 |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 4,286,455 | 4,279,114 | 5,115,000 | 4,595,000 | -10.2% | (520,000) |
| FRINGE BENEFITS | 1,309,589 | 1,290,089 | 1,589,000 | 1,415,000 | -11.0% | (174,000) |
| CONTRACTUAL SERVICES | 1,385,946 | 1,380,969 | 1,343,000 | 1,279,000 | -4.8% | (64,000) |
| OPERATING COSTS | 124,470 | 141,728 | 137,000 | 86,000 | -37.2% | (51,000) |
| TOTAL INTERNAL SERVICE | 7,106,460 | 7,091,900 | 8,184,000 | 7,375,000 | -9.9% | (809,000) |
| TOTAL EXPENSE | 17,214,559 | 17,292,600 | 19,359,000 | 17,167,000 | -11.3% | (2,192,000) |
| REVENUE | | | | | | |
| | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
| GENERAL | | | | | | |
| CHARGES FOR SERVICES | 8,295 | 6,621 | 10,000 | 10,000 | 0.0% | 0 |
| FINES AND FORFEITS | 16,163 | 11,809 | 5,000 | 5,000 | 0.0% | 0 |
| OTHER MISC REVENUES | 22,410 | 25,075 | 30,000 | 30,000 | 0.0% | 0 |
| TOTAL GENERAL | 46,868 | 43,505 | 45,000 | 45,000 | 0.0% | 0 |
| SPECIAL REVENUE | | | | | | |
| CONTRIBUTIONS | — | — | — | — | 0.0% | 0 |
| FEDERAL GOVERNMENT | 72,850 | 58,877 | — | 82,000 | 0.0% | 82,000 |
| LOCAL GOVERNMENT | 200,000 | 225,000 | 175,000 | 175,000 | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 272,850 | 283,877 | 175,000 | 257,000 | 46.9% | 82,000 |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SERVICES | — | — | — | 7,155,000 | 0.0% | 7,155,000 |
| OTHER MISC REVENUES | 123 | 135 | 8,029,000 | — | -100.0% | (8,029,000) |
| TOTAL INTERNAL SERVICE | 123 | 135 | 8,029,000 | 7,155,000 | -10.9% | (874,000) |
| TOTAL REVENUE | 319,841 | 327,517 | 8,249,000 | 7,457,000 | -9.6% | (792,000) |

ATTORNEY EXPENSE AND REVENUE INFORMATION

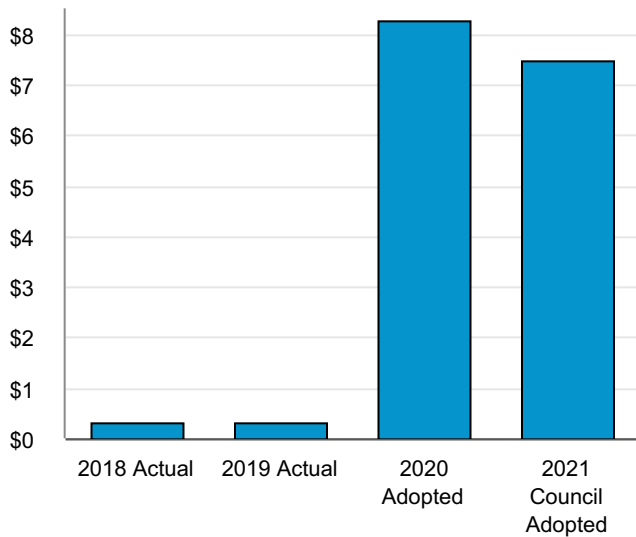
**Expense 2018 - 2021
In Millions**



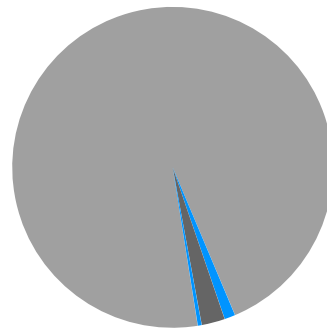
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



CITY ATTORNEY Staffing Information

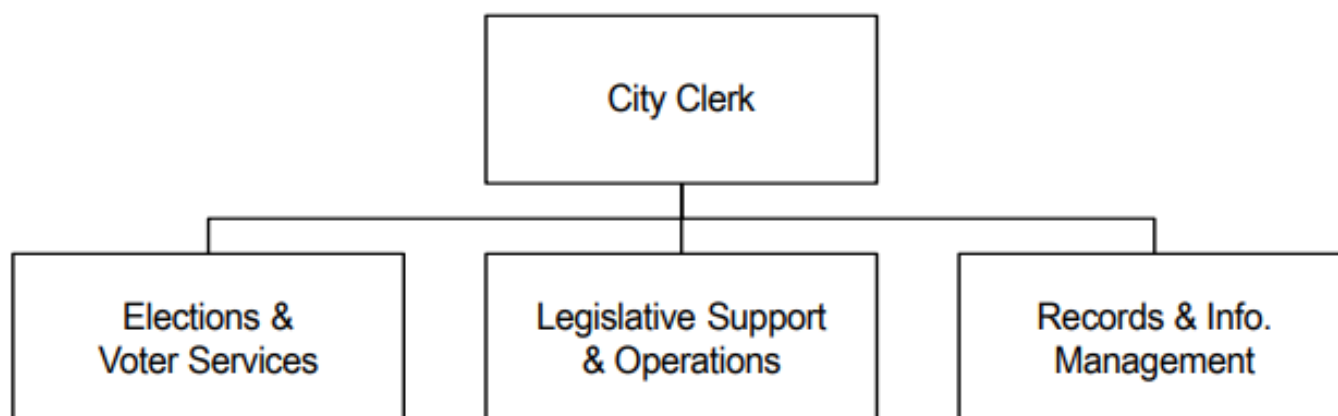
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

CITY CLERK

Mission

The Office of City Clerk is the secretariat of the City Council and facilitates legislative processes. In addition, the office serves as the organizational center for two enterprise programs: elections administration and voter services and records and information management.

Organization Chart



Legislative Support and Operations

General Fund: \$2,710,000

The Legislative Support & Operations Division facilitates legislative and policy-making processes and provides meeting management services for the City Council, its standing policy committees, the independent Audit and Executive committees, as well as other assigned decision-making bodies; publishes and preserves the City Charter and Code of Ordinances; coordinates the appointments process to City boards and commissions; and delivers a myriad of delegated services. Additionally, this division is responsible for administrative operations of the City Council & Clerk Department.

Records & Information Management Division

General Fund: \$1,473,000

Other Funds: \$1,470,000

The Records & Information Management Division manages enterprise information assets across identified lifecycles to ensure business continuity, legal and regulatory compliance, probity, economy, and proper disposition; provides leadership and interdepartmental coordination on information governance, policies, and strategies; fulfills statutory duties assigned to the responsible authority and data compliance official; and oversees the City's archival collections. Additionally, this division provides printing and production services, centralized imaging/scanning, mail/courier/delivery services, and destruction/recycling to all departments.

Elections & Voter Services

General Fund: \$3,246,000

The Elections & Voter Services Division serves as the gateway to representative democracy, protecting voting rights guaranteed by both federal and state constitutions. By ensuring readiness and capability to

conduct an election whenever required, this division ensures eligible voters have equitable, impartial access to the ballot box and that every ballot is accurately and properly counted.

City Clerk

City Clerk Base Cut

2021 Adopted Change Item**Program:** Legislative Support & Administration**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (102) | — | — | — | — |
| IT | (32) | (32) | (32) | (32) | (32) |
| Fleet | — | — | — | — | — |
| Contractual Services | (359) | (359) | (359) | (359) | (359) |
| Other | (26) | (26) | (26) | (26) | (26) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (519) | (417) | (417) | (417) | (417) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | -1 | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the Clerk Department budget by \$100,000 in the General Fund.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$66,346 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

The Office of the City Clerk will leave vacant the Clerk Operation Technician position to meet the 3% cut to its 2021 budget. This position coordinates City Council and City Clerk's Office information management activities and special projects, performs technical and non-technical activities to support the department's equipment, database, network and legislative needs. This position has been vacant since November. The department intended to fill this position earlier but was unable to due to the pandemic. This position would have supported our IT Manager with various technological responsibilities.

The department will work closely with the Informational Technology Department to meet its functions in 2021, but leaving this position vacant will impact the following functions in each program area:

City Council Office

- Coordinate a variety of IT projects
- Manage technology issues
- Oversee web and coordinate network support
- Coordinate new software and application updates to support the needs
- Organize and/or oversee technology training
- Troubleshoot technology issues as they arise

Records and Information Management

- Support Records & Information Management tools including universal content management solutions

Legislative Support and Administration:

- Develop and test legislative system management tools
- Serve as liaison to internal and external technology partners

Equity Impacts & Results:

This change will not impact racial equity.

This change will have no impact on the department's performance measures.

Program: Records & Information Management

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 15 | 15 | 15 | 15 | 15 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 15 | 15 | 15 | 15 | 15 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves a \$15,000 increase to the Clerk’s General Fund budget to provide ongoing contractual support for enterprise document review, redaction, and release for public data requests.

The City is obligated to respond to requests for public records in a reasonable time despite receiving large increases in the number of requests. From 2015 to 2019, the number of requests received increased by 450% but the numbers have been stabilizing (the change between 2017 and 2019 has been 45%).

The Clerk’s Office has a team of three full-time positions to manage public records requests; this expanded in Q4 2020 when the Clerk’s Office absorbed two MPD positions and took over responsibility for conducting review for MPD data requests. This expansion is not expected to bring extra capacity because MPD was at more than full capacity. Instead it is expected to centralize both the work and resources, to allow flexibility in ensuring review can focus on urgent requests as appropriate, whether MPD or not.

Average request close time for requests requiring review/redaction is 65 days—three times that of requests not requiring significant review/redaction. In 2020, the department has engaged between one and three contract/temp reviewers, in large part to provide additional review support to address a backlog of MPD requests including two lawsuits alleging failure to timely respond to data requests.

Description of the Change:

The Clerk’s Office has utilized the services of one full-time contract document reviewer from the legal discovery industry in 2019-2020 to cover staff turnover and to stay abreast of the increasing data request volume. This funding will continue that position for one quarter in order to:

- Allow staff to focus on the existing backlog of MPD data requests requiring review; this responsibility was newly centralized in the clerk’s office.

- Prioritize review during high request volume spikes, such as following an important event.
- Allow Clerk's staff to support an internal project to incorporate MPD request tracking in the City's central request tracking system.

Extending the contract will maintain progress at responding to requests and provide better metrics to determine optimal staffing levels and is a prudent alternative to requesting any FTE positions. Industry standards review rates average between 50-100 pages per hour but assume reviewers are only classifying documents—our reviewers are also required to make spot redactions throughout a document and cite the basis for each redaction. The temporary addition of a reviewer will allow us to review and redact more than 25,000 pages of data in Q1, 2021.

Equity Impacts & Results:

This proposal would focus review efforts on reviewing data requests that have a significant community impact as well as those that effect police and community relations or serve traditionally disenfranchised groups. In particular, this could allow more rapid closing of police data requests regarding events which generates a spike in requests, of which 2020 has numerous examples.

The City's response to data requests directly affects the trust placed in the city by residents. The Mayor has specifically prioritized fulfilling data practice requests in a timely manner, stating that “being committed to transparency in city government means promoting transparency with actions, not just public statements of support for the idea of open government. My office will prioritize fulfilling and complying with all requests by press and other individuals for emails and information sent by my staff using city resources.”

The Clerk's Office has seen steady increases in data requests year over year. From 2015 to 2019, the number of requests received increased by 450% and is on pace to maintain that growth rate. The temporary addition of an extra reviewer for one quarter will allow us to review and redact more than 25,000 pages of data in 2021. It will also allow us to pursue efforts to improve transparency and efficiency. We expect the public interest in government data to continue but hope to temper the strong trend in requests by leveraging technology and process improvements. Multiple initiatives have already occurred or are underway, including:

- Leveraging the centralized data review platform to review and redact large volumes of information
- Expanding the enterprise request management system that allows automation for managing requests to include more police data
- Continuing efforts with IT to ensure more data is available on the City website and OpenData Portal.

These efforts are critical to managing the despite the trend of increased numbers. But the press of increasing numbers of requests has redirected staff from other important work—sometimes the very that would reduce the burden of processing requests.

City Clerk

Committee Clerk Transfer

2021 Adopted Change Item

Program: Legislative Support & Administration

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 97 | 97 | 97 | 97 | 97 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | — | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 97 | 97 | 97 | 97 | 97 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

Proposal Detail & Background:

The Council approves the transfer of 1 FTE and associated funding from the Zoning Land Use Division in Community Planning and Economic Development (CPED) to City Clerk Legislative Support and Administration Division, effective January 1, 2021. This transfer increases the General Fund budget of the Legislative Support and Operations division by \$97,000 and reduces the appropriation from Zoning Land Use by \$97,000.

This amendment is an effort to centralize the clerk functions that pertains to policy making boards and commissions. The specific FTE to be transferred include the existing 1 FTE Committee Clerk performing support functions for the Heritage Preservation Commission and Zoning Board of Adjustment. The City Clerk will assume the full transfer of the above-named position continuously and associated funds shall be budgeted accordingly.

Description of the Change:

With this added position, the Clerk’s Office will make efforts to centralize the clerk function that pertains to Zoning Board of Commission, Planning Commission, and Heritage Preservation Commission, similar to the clerk support we currently provide to City Council and its committee. Currently, we simply lack the capacity to provide consistent clerk services to these boards and commissions. With this transfer, the Clerk’s Office can provide secretariat services, including programming, procedural and technical support, research, and drafting assistance to the policy making boards and commissions, allowing for the effective transaction of municipal business.

Equity Impacts & Results:

The City of Minneapolis has over 50 volunteer-based boards, commissions, and advisory committees with over 500 members. The City actively seeks applicants with diverse backgrounds, life experiences, and perspectives. The City welcomes and encourages public participation in the local decision-making process. All the policy making boards and commissions meetings are open to the public and follow the Minnesota Open Meeting Law. This position will bring consistent and standard clerk support to these policy making boards and commissions to provide responsive and transparent services to the public with diverse backgrounds to encourage public participation in the local decision-making process.

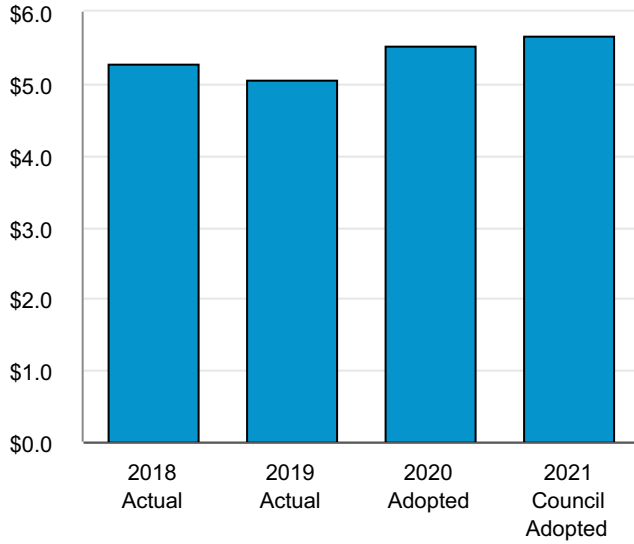
The performance of this effort could be measured in the Legislative Information Management System. The Legislative Support & Administration Division facilitates legislative and policy-making processes and provides meeting management services for the City Council, its standing policy committees, the independent Audit and Executive committees, as well as other assigned decision-making bodies; publishes and preserves the City Charter and Code of Ordinances; coordinates the appointments process to City boards and commissions; and delivers a myriad of delegated services.

**CITY CLERK
EXPENSE AND REVENUE INFORMATION**

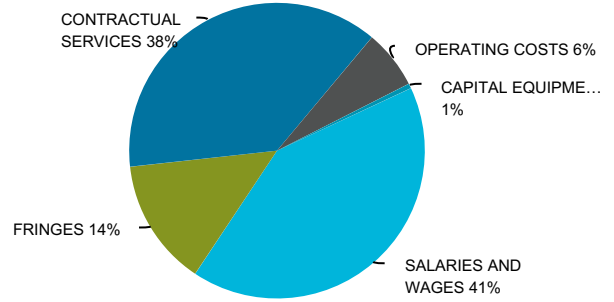
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|--------------------------------------|------------------|------------------|------------------|-------------------------|-------------------|-----------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 1,438,138 | 1,443,924 | 1,698,000 | 2,048,000 | 20.6% | 350,000 |
| FRINGES | 477,888 | 545,054 | 600,000 | 711,000 | 18.5% | 111,000 |
| CONTRACTUAL SERVICES | 1,263,011 | 1,291,602 | 1,391,000 | 1,170,000 | -15.9% | (221,000) |
| OPERATING COSTS | 235,603 | 206,289 | 245,000 | 223,000 | -9.0% | (22,000) |
| CAPITAL EQUIPMENT | 51,301 | 60,648 | 98,000 | 30,000 | -69.4% | (68,000) |
| TOTAL GENERAL | 3,465,941 | 3,547,517 | 4,032,000 | 4,182,000 | 3.7% | 150,000 |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 299,388 | 344,551 | 373,000 | 286,000 | -23.3% | (87,000) |
| FRINGES | 81,503 | 83,017 | 158,000 | 76,000 | -51.9% | (82,000) |
| CONTRACTUAL SERVICES | 1,287,107 | 954,676 | 799,000 | 969,000 | 21.3% | 170,000 |
| OPERATING COSTS | 129,725 | 126,906 | 154,000 | 140,000 | -9.1% | (14,000) |
| CAPITAL EQUIPMENT | — | — | 19,000 | — | -100.0% | (19,000) |
| TOTAL INTERNAL SERVICE | 1,797,723 | 1,509,150 | 1,503,000 | 1,471,000 | -2.1% | (32,000) |
| TOTAL EXPENSE | 5,263,664 | 5,056,667 | 5,535,000 | 5,653,000 | 2.1% | 118,000 |
| REVENUE | | | | | | |
| GENERAL | | | | | | |
| CHARGES FOR SALES | 139 | 40 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 4,800 | 6,300 | 5,000 | 5,000 | 0.0% | 0 |
| NON-BUSINESS LICENSES AND PERMITS | 5,300 | 4,540 | 3,000 | 3,000 | 0.0% | 0 |
| TOTAL GENERAL | 10,239 | 10,880 | 8,000 | 8,000 | 0.0% | 0 |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SERVICES | 1,535,486 | 1,419,969 | 1,424,000 | 1,385,000 | -2.7% | (39,000) |
| TOTAL INTERNAL SERVICE | 1,535,486 | 1,419,969 | 1,424,000 | 1,385,000 | -2.7% | (39,000) |
| TOTAL REVENUE | 1,545,725 | 1,430,849 | 1,432,000 | 1,393,000 | -2.7% | (39,000) |

CITY CLERK EXPENSE AND REVENUE INFORMATION

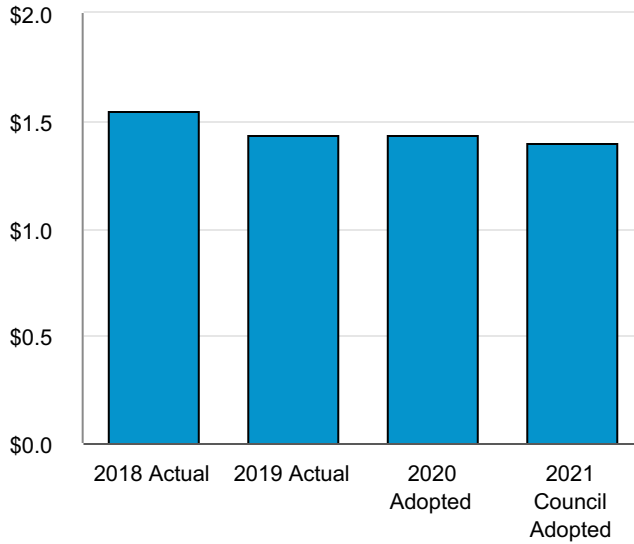
**Expense 2018 - 2021
In Millions**



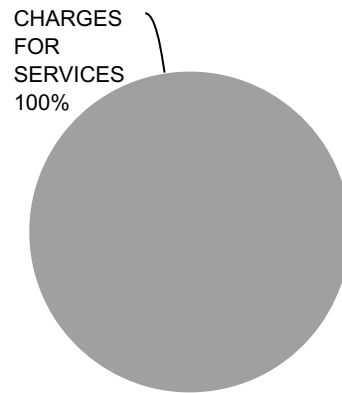
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type

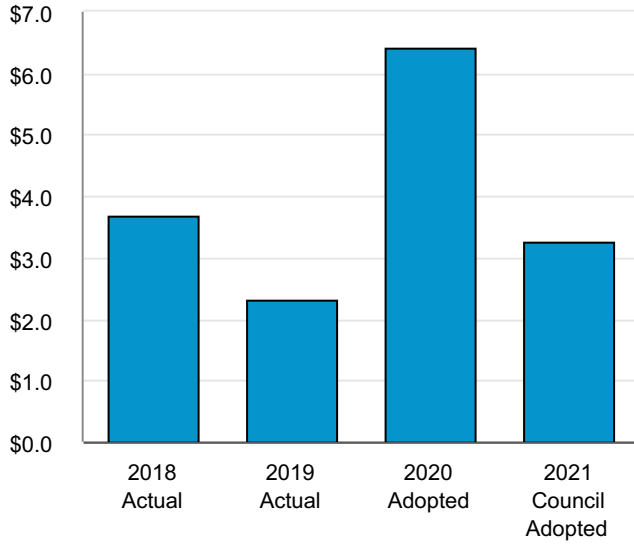


**ELECTIONS & VOTER SERVICES
EXPENSE AND REVENUE INFORMATION**

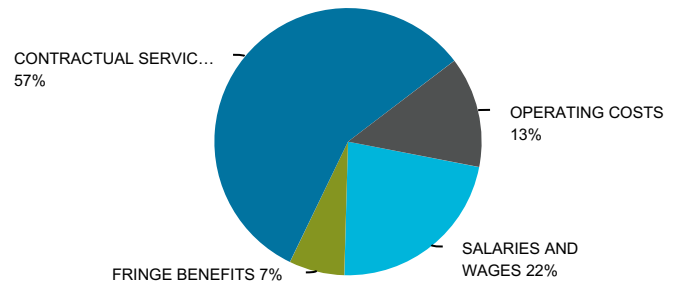
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|------------------|------------------|------------------|-------------------------|-------------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 2,460,806 | 608,060 | 619,000 | 727,000 | 17.4% | 108,000 |
| FRINGE BENEFITS | 347,322 | 257,770 | 213,000 | 218,000 | 2.3% | 5,000 |
| CONTRACTUAL SERVICES | 751,355 | 799,566 | 5,448,000 | 1,866,000 | -65.7% | (3,582,000) |
| OPERATING COSTS | 111,691 | 107,912 | 121,000 | 435,000 | 259.5% | 314,000 |
| CAPITAL | — | 546,037 | — | — | 0.0% | 0 |
| TOTAL GENERAL | 3,671,174 | 2,319,345 | 6,401,000 | 3,246,000 | -49.3% | (3,155,000) |
| TOTAL EXPENSE | 3,671,174 | 2,319,345 | 6,401,000 | 3,246,000 | -49.3% | (3,155,000) |
| REVENUE | | | | | | |
| GENERAL | | | | | | |
| CHARGES FOR SERVICES | 180 | 187,368 | 94,000 | 124,000 | 31.9% | 30,000 |
| CONTRIBUTIONS | — | — | — | — | 0.0% | 0 |
| TOTAL GENERAL | 180 | 187,368 | 94,000 | 124,000 | 31.9% | 30,000 |
| TOTAL REVENUE | 180 | 187,368 | 94,000 | 124,000 | 31.9% | 30,000 |

ELECTIONS & VOTER SERVICES EXPENSE AND REVENUE INFORMATION

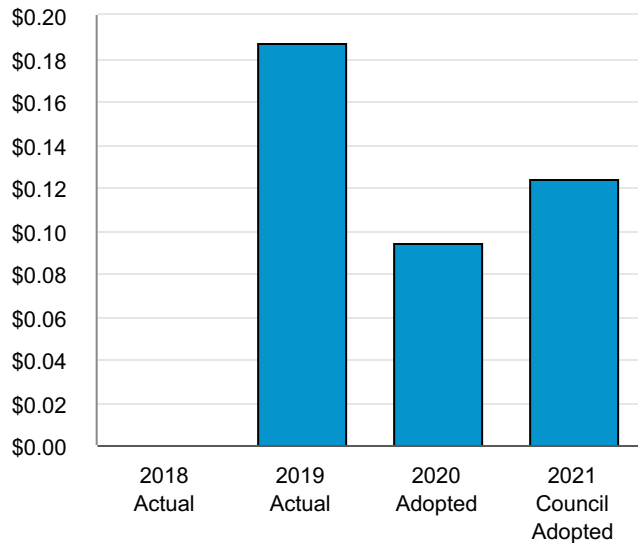
**Expense 2018 - 2021
In Millions**



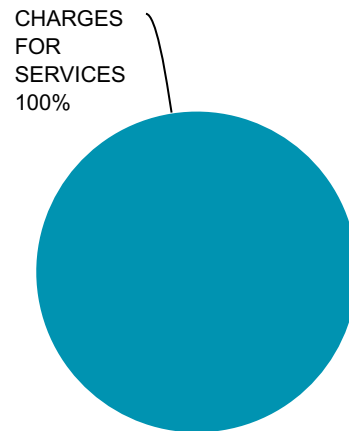
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



CITY CLERK Staffing Information

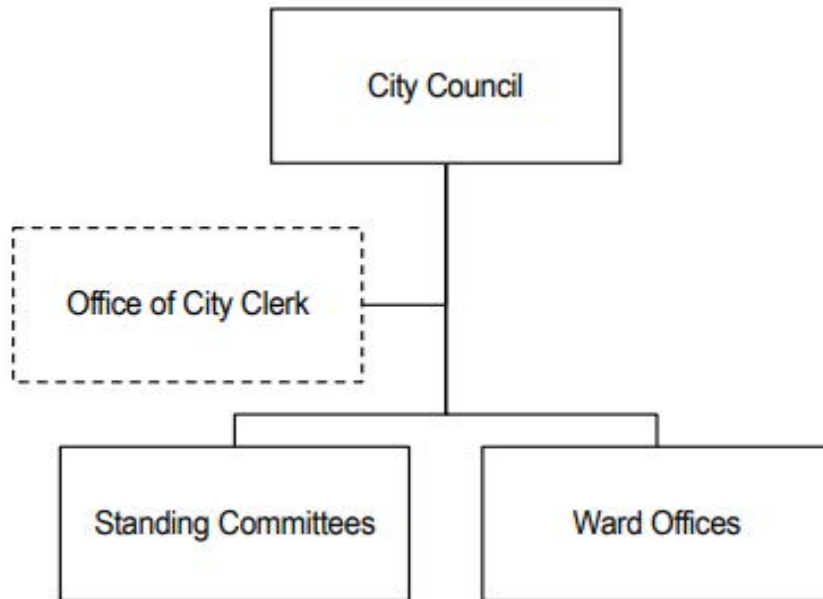
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

CITY COUNCIL

Mission

The City Council maximizes access to municipal government, exercises oversight of City departments and service delivery, and enables informed decision-making for community governance.

Organization Chart



City Council

General Fund: \$5,126,000

The City Council is the legislative body of the City of Minneapolis, providing a direct link between residents and the municipal government. The Council is composed of thirteen Members, each elected from separate wards of approximately 32,000 residents. The Council works in partnership with the Mayor to provide for the general health, safety, and welfare of the community. Without limiting the generality of the foregoing, the Council has the power to:

1. Adopt, amend, and repeal public policies;
2. Levy and apportion taxes, make appropriations and adopt budgets; and
3. Oversee organizational performance and the delivery of municipal services.

City Council

City Council Base Cut

2021 Adopted Change Item**Program:** City Council**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | (26) | (26) | (26) | (26) | (26) |
| Fleet | — | — | — | — | — |
| Contractual Services | (322) | (322) | (322) | (322) | (322) |
| Other | (10) | (10) | (10) | (10) | (10) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (358) | (358) | (358) | (358) | (358) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the City Council budget by \$283,934, or 5%, in the General Fund.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$74,389 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

This reduction will be taken from the allocations for ward budgets, which support Council Members in conducting community outreach, communications, and related representative functions.

Equity Impacts & Results:

Council Members will need to re-prioritize planned community outreach, engagement, and communications activities in the final year of the current elective term to absorb this budgetary reduction. These adjustments are determined by each ward office, so there is no uniform approach to addressing the impact of the reduction.

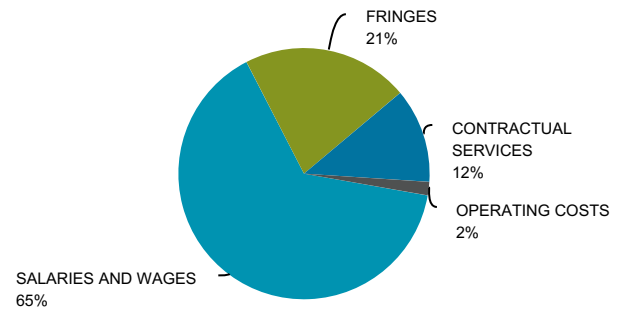
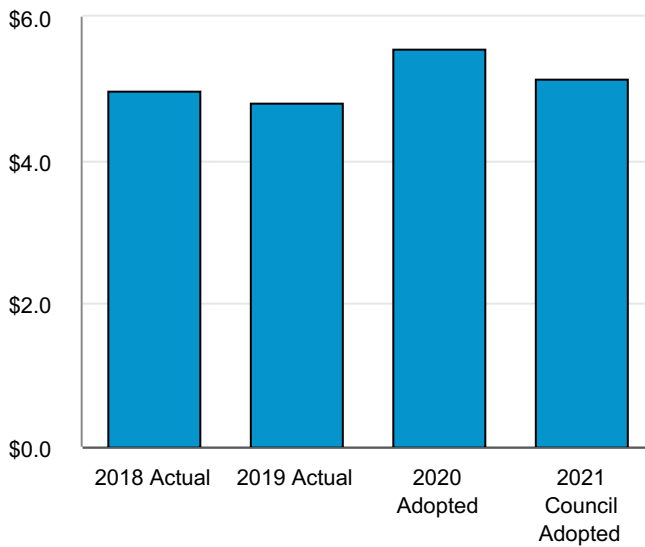
CITY COUNCIL EXPENSE AND REVENUE INFORMATION

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|------------------|------------------|------------------|----------------------|----------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 3,006,479 | 3,027,337 | 3,366,000 | 3,315,000 | -1.5% | (51,000) |
| FRINGES | 962,290 | 888,545 | 1,140,000 | 1,100,000 | -3.5% | (40,000) |
| CONTRACTUAL SERVICES | 736,749 | 680,010 | 955,000 | 623,000 | -34.8% | (332,000) |
| OPERATING COSTS | 253,326 | 203,535 | 86,000 | 89,000 | 3.5% | 3,000 |
| TOTAL GENERAL | 4,958,844 | 4,799,427 | 5,547,000 | 5,127,000 | -7.6% | (420,000) |
| TOTAL EXPENSE | 4,958,844 | 4,799,427 | 5,547,000 | 5,127,000 | -7.6% | (420,000) |

CITY COUNCIL EXPENSE AND REVENUE INFORMATION

Expense by Category

**Expense 2018 - 2021
In Millions**



CITY COUNCIL Staffing Information

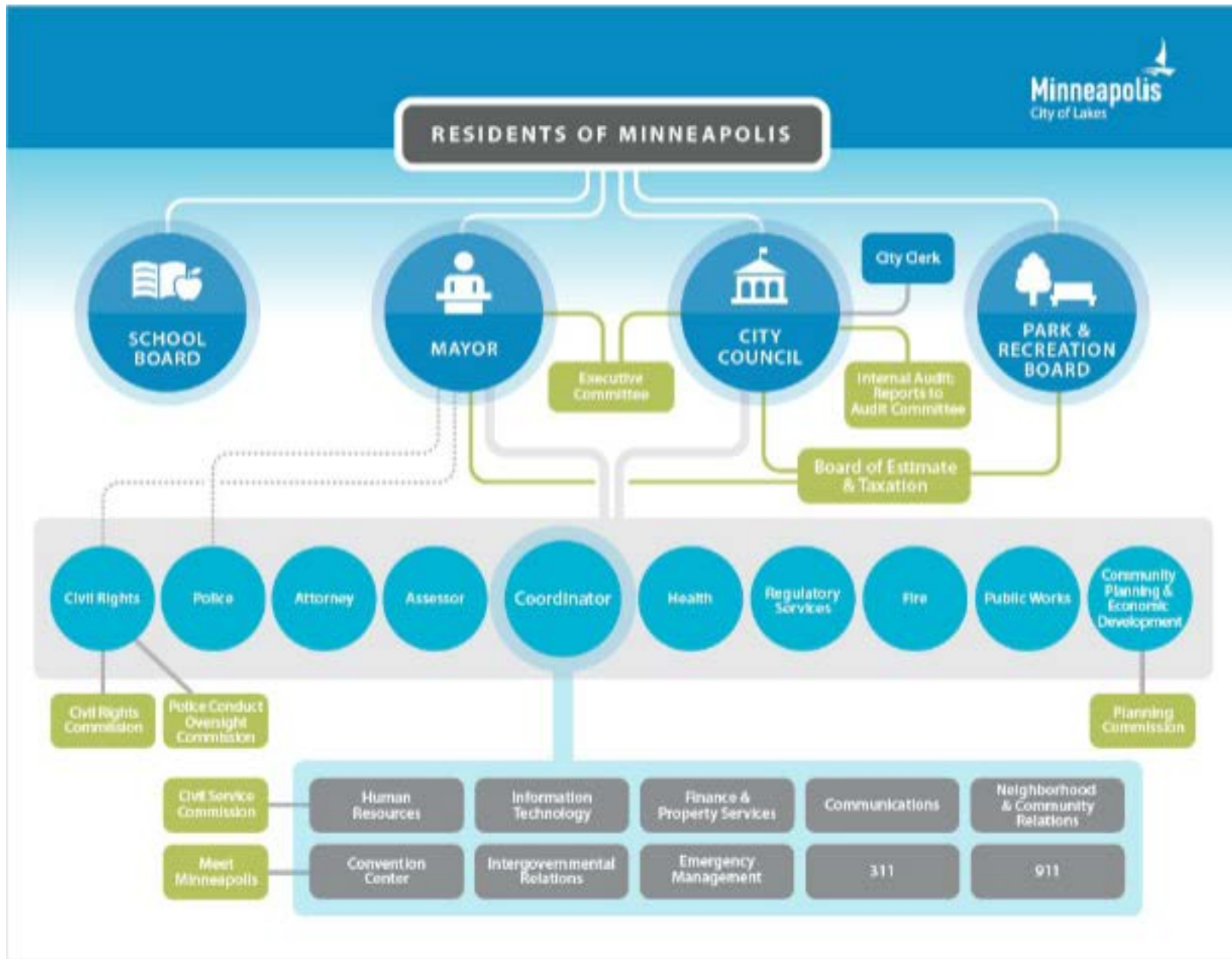
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

CITY COORDINATOR

Mission

The City Coordinator Department provides strategic, administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The City Coordinator is also charged with ensuring alignment and coordination across the enterprise, facilitating strategic and business planning, and supervising the Minneapolis Convention Center, federal programs, large city-wide events, and any other such activities as the City Council may direct.

Organization Chart



EXPENSE AND REVENUE INFORMATION

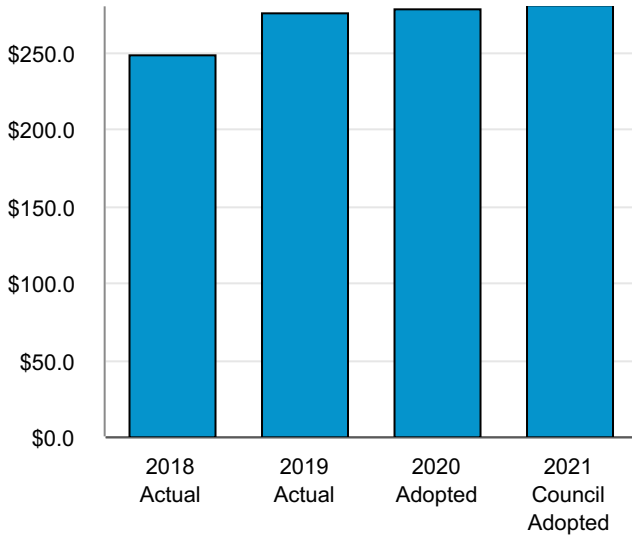
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|---------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 27,580,337 | 28,353,390 | 31,654,000 | 32,536,000 | 2.8% | 882,000 |
| FRINGES | 9,561,615 | 9,848,031 | 11,408,000 | 11,381,000 | -0.2% | (27,000) |
| CONTRACTUAL SERVICES | 14,537,597 | 15,077,940 | 21,439,000 | 26,560,000 | 23.9% | 5,121,000 |
| OPERATING COSTS | 2,645,385 | 2,431,579 | 2,387,000 | 2,094,000 | -12.3% | (293,000) |
| CAPITAL EQUIPMENT | 173,124 | 269,523 | 10,000 | — | -100.0% | (10,000) |
| TRANSFERS | 1,500 | 2,500 | — | — | 0.0% | 0 |
| TOTAL GENERAL | 54,499,558 | 55,982,963 | 66,898,000 | 72,571,000 | 8.5% | 5,673,000 |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 16,564,000 | 16,778,552 | 17,671,000 | 17,379,000 | -1.7% | (292,000) |
| FRINGES | 5,640,651 | 5,869,017 | 6,116,000 | 6,101,000 | -0.2% | (15,000) |
| CONTRACTUAL SERVICES | 94,878,644 | 111,109,335 | 103,360,000 | 109,018,000 | 5.5% | 5,658,000 |
| OPERATING COSTS | 6,949,733 | 7,382,519 | 4,328,000 | 5,463,000 | 26.2% | 1,135,000 |
| CAPITAL EQUIPMENT | 885,005 | 363,286 | 5,050,000 | 4,666,000 | -7.6% | (384,000) |
| TOTAL INTERNAL SERVICE | 124,918,033 | 141,502,709 | 136,525,000 | 142,627,000 | 4.5% | 6,102,000 |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 13,251,796 | 13,332,399 | 13,960,000 | 12,764,000 | -8.6% | (1,196,000) |
| FRINGES | 4,738,709 | 4,936,452 | 5,934,000 | 5,099,000 | -14.1% | (835,000) |
| CONTRACTUAL SERVICES | 37,331,029 | 36,590,220 | 39,164,000 | 38,214,000 | -2.4% | (950,000) |
| OPERATING COSTS | 1,795,689 | 1,801,376 | 1,722,000 | 1,696,000 | -1.5% | (26,000) |
| CAPITAL EQUIPMENT | 11,696,641 | 22,270,004 | 15,112,000 | 6,425,000 | -57.5% | (8,687,000) |
| TRANSFERS | 200,000 | 38,124 | — | 782,000 | 0.0% | 782,000 |
| TOTAL SPECIAL REVENUE | 69,013,864 | 78,968,575 | 75,892,000 | 64,980,000 | -14.4% | (10,912,000) |
| TOTAL EXPENSE | 248,431,455 | 276,454,247 | 279,315,000 | 280,178,000 | 0.3% | 863,000 |

EXPENSE AND REVENUE INFORMATION

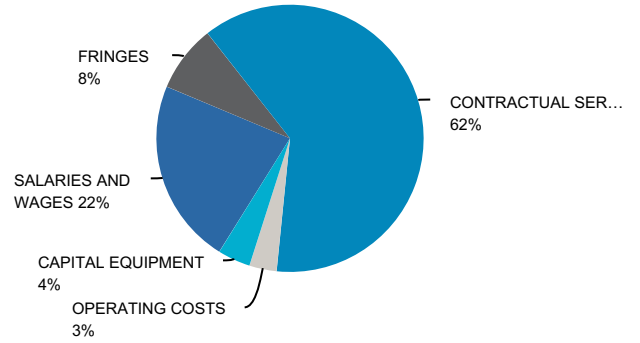
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|----------------------|
| GENERAL | | | | | | |
| CHARGES FOR SALES | — | 462 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 4,105 | 1,950 | — | — | 0.0% | 0 |
| CONTRIBUTIONS | 1,250 | — | — | — | 0.0% | 0 |
| FRANCHISE FEES | 790,958 | 914,696 | 1,250,000 | 800,000 | -36.0% | (450,000) |
| LOCAL GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| RENTS | — | — | — | — | 0.0% | 0 |
| MISCELLANEOUS | 44,479 | 16,664 | — | 300,000 | 0.0% | 300,000 |
| TOTAL FOR GENERAL | 840,792 | 933,772 | 1,250,000 | 1,100,000 | -12.0% | (150,000) |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SALES | 666,027 | 699,417 | 680,000 | 721,000 | 6.0% | 41,000 |
| CHARGES FOR SERVICES | 114,867,103 | 117,379,303 | 117,600,000 | 117,063,000 | -0.5% | (537,000) |
| FINES AND FORFEITS | — | — | — | — | 0.0% | 0 |
| MISCELLANEOUS | 5,342 | 4,740 | 3,000 | 3,000 | 0.0% | 0 |
| OTHER | — | — | — | — | 0.0% | 0 |
| RENTS | 20,339,243 | 21,622,429 | 22,360,000 | 22,490,000 | 0.6% | 130,000 |
| USE OF FUND BALANCE | — | — | (2,640,000) | — | -100.0% | 2,640,000 |
| STATE GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| TOTAL INTERNAL SERVICE | 135,877,715 | 139,705,889 | 138,003,000 | 140,277,000 | 1.6% | 2,274,000 |
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SALES | 400 | — | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 13,646,537 | 12,822,325 | 11,175,000 | 4,002,000 | -64.2% | (7,173,000) |
| CONTRIBUTIONS | 2,385,105 | 2,186,307 | 375,000 | 79,000 | -78.9% | (296,000) |
| FEDERAL GOVERNMENT GRANTS | 959,771 | 431,854 | 1,880,000 | 1,091,000 | -42.0% | (789,000) |
| INTEREST REVENUE | 4,774 | 26,561 | — | — | 0.0% | 0 |
| LOCAL SALES TAXES | — | — | 93,446,000 | 16,817,000 | -82.0% | (76,629,000) |
| MISCELLANEOUS | 19,241 | 21,293 | 5,500,000 | 5,500,000 | 0.0% | 0 |
| RENTS | 10,730,221 | 9,861,772 | 9,120,000 | 4,449,000 | -51.2% | (4,671,000) |
| REVENUES | — | — | 65,000 | — | -100.0% | (65,000) |
| STATE GRANTS & AIDS | 1,119,429 | 1,176,659 | 515,000 | 515,000 | 0.0% | 0 |
| TRANSFERS | 6,684,016 | 6,887,355 | 8,470,000 | 416,000 | -95.1% | (8,054,000) |
| USE OF FUND BALANCE | — | — | 2,555,000 | — | -100.0% | (2,555,000) |
| TOTAL SPECIAL REVENUE | 35,549,494 | 33,414,126 | 133,101,000 | 32,869,000 | -75.3% | (100,232,000) |
| TOTAL REVENUE | 172,268,001 | 174,053,787 | 272,354,000 | 174,246,000 | -36.0% | (98,108,000) |

EXPENSE AND REVENUE INFORMATION

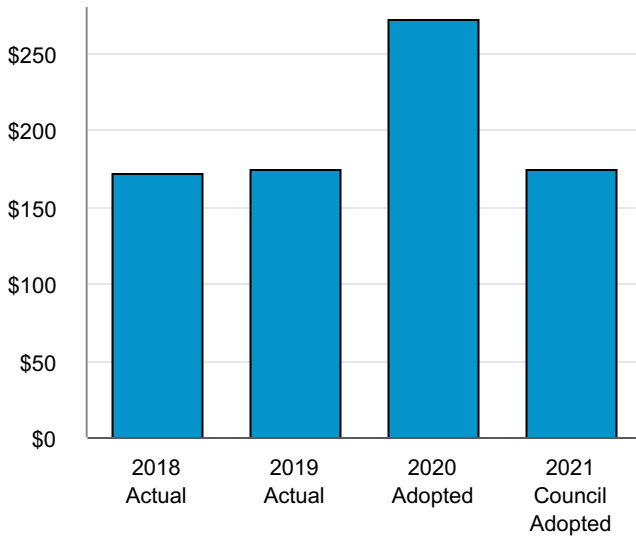
**Expense 2018 - 2021
In Millions**



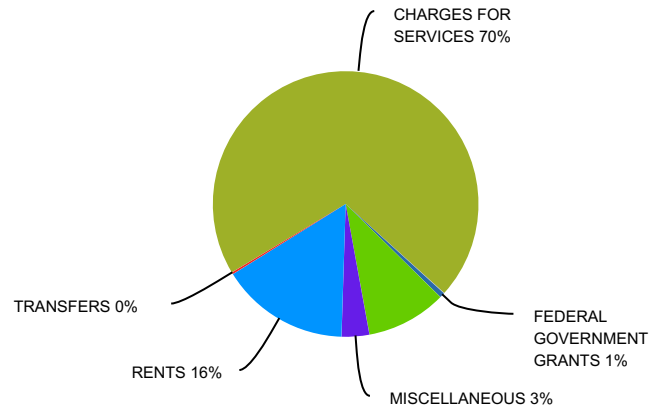
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type

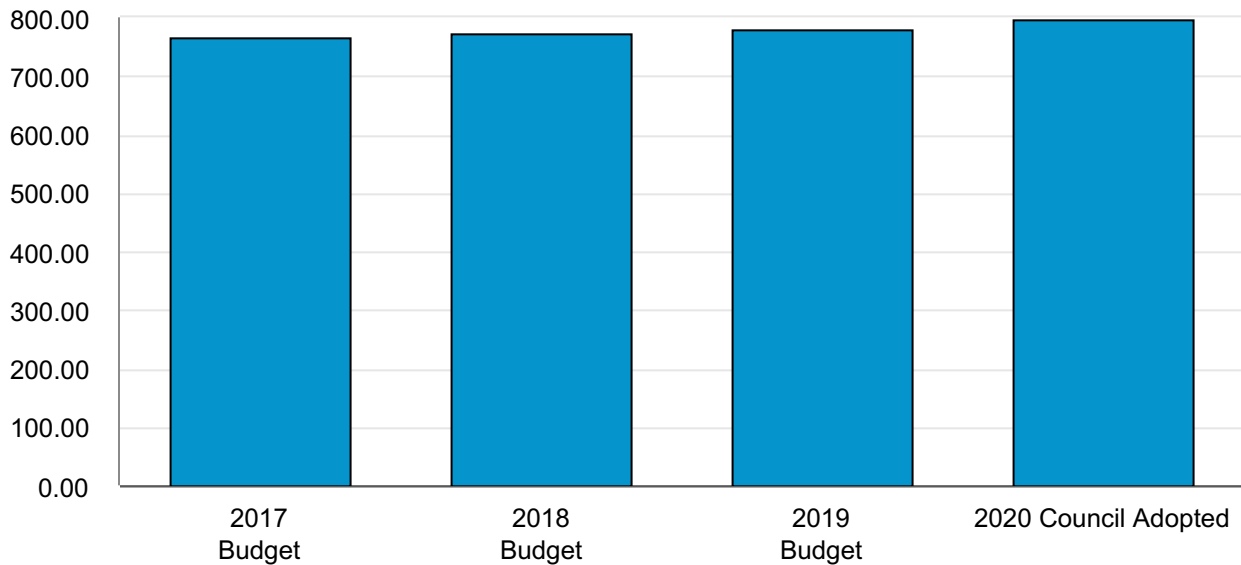


CITY COORDINATOR Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

| Division | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Council Adopted | Percent Change | Change |
|--------------------------------------|---------------|---------------|---------------|----------------------|----------------|--------------|
| 311 | 30.00 | 30.00 | 30.00 | 30.00 | 0.0 % | 0.00 |
| 911 | 85.00 | 85.00 | 85.00 | 85.00 | 0.0 % | 0.00 |
| City Coordinator Admin | 26.00 | 31.00 | 34.00 | 46.00 | 35.3 % | 12.00 |
| Communications | 12.00 | 12.00 | 12.00 | 12.00 | 0.0 % | 0.00 |
| Convention Center | 173.30 | 173.30 | 173.30 | 173.30 | 0.0 % | 0.00 |
| Emergency Management | 8.50 | 8.50 | 8.50 | 8.50 | 0.0 % | 0.00 |
| Finance & Property Services | 255.50 | 258.50 | 263.50 | 265.50 | 0.8 % | 2.00 |
| Human Resources | 53.80 | 55.00 | 56.00 | 56.00 | 0.0 % | 0.00 |
| Information Technology | 96.00 | 92.00 | 92.00 | 93.00 | 1.1 % | 1.00 |
| Intergovernmental Relations | 8.00 | 8.00 | 8.00 | 8.00 | 0.0 % | 0.00 |
| Neighborhood & Community Relations | 17.00 | 18.00 | 18.00 | 18.00 | 0.0 % | 0.00 |
| Total City Coordinator Depts. | 765.10 | 771.30 | 780.30 | 795.30 | 1.9 % | 15.00 |

Positions 2017-2020

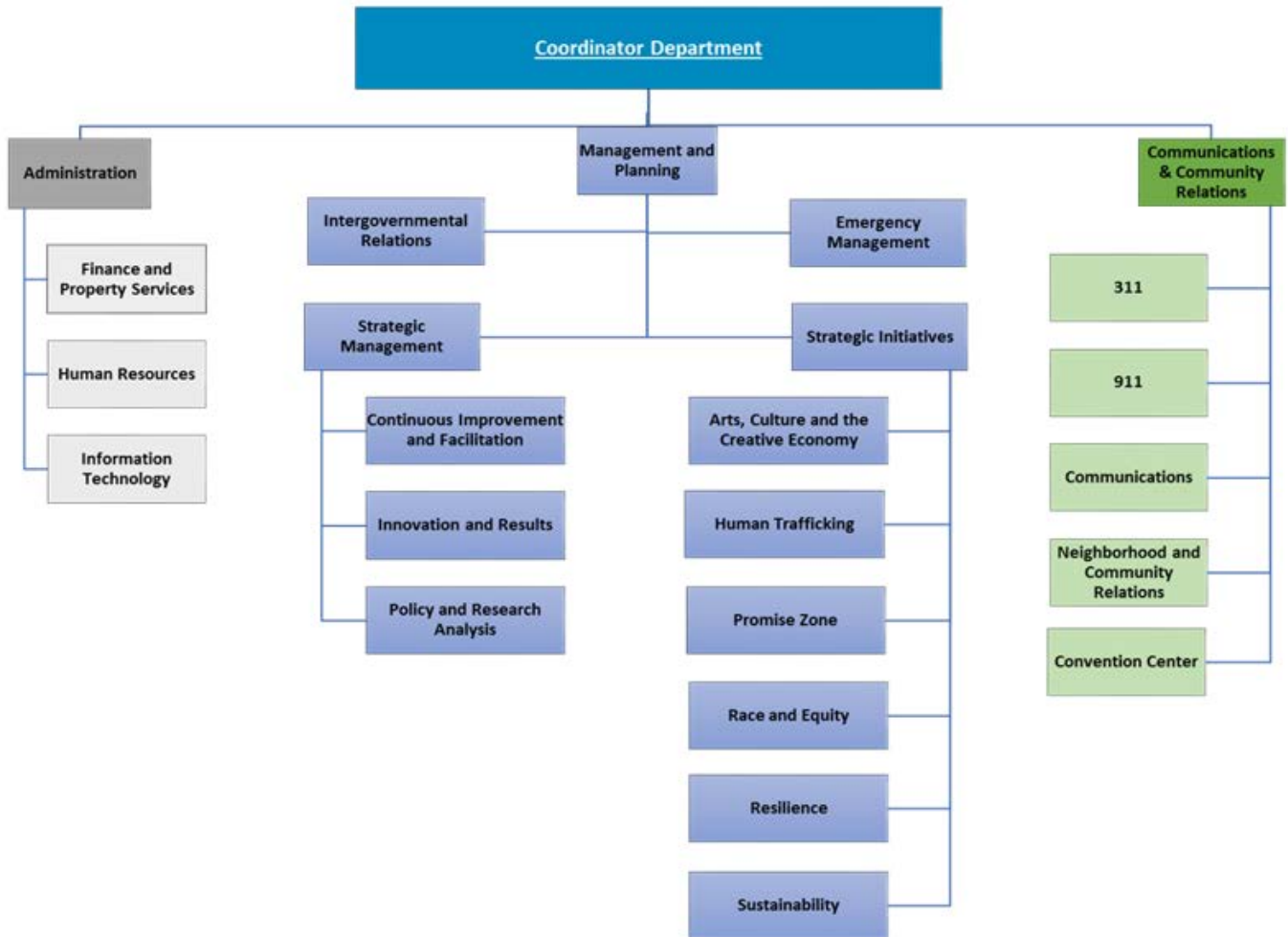


CITY COORDINATOR - ADMINISTRATION

Mission

The City Coordinator Department provides strategic, administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The City Coordinator is also charged with ensuring alignment and coordination on a wide variety of cross-departmental initiatives across the enterprise, facilitating strategic and business planning, and supervising the Minneapolis Convention Center, federal programs, large city-wide events, and any other such activities as the City Council may direct.

Organization Chart



Administration and Partnerships

General Fund: \$1,250,000

This program encompasses oversight of the City's Coordinator Departments, management of partnerships duly approved by City Council, and oversight of Coordinator's Office activities, including strategic initiatives and strategic management. It also provides support and coordination of Citywide large events, as well as coordination of large enterprise committees such as the Citywide Labor Management Committee; the Facilities, Space and Asset Management Committee; and, the Permanent Review Committee.

Strategic Initiatives

General Fund: \$3,929,000

Other Funds: \$387,000

This program provides strategy building oversight and planning of City-wide initiatives that are deemed critical to the business success of the enterprise and also meet stakeholder needs. It develops processes that ensure appropriate prioritization; implementation; growth; development; and approvals for complex initiatives in the City Coordinator's office. Those initiatives include but are not limited to: Sustainability, Race Equity, and Arts Culture and the Creative Economy, as well as complex cross departmental projects.

Strategic Management

General Fund: \$550,000

This program provides the management, administrative and operational direction for the City. It leads planning and implementation of strategic and business specific goals and objectives and manages initiatives that improve the delivery of City services and builds strategic management capacity throughout enterprise. This includes the teams responsible for enterprise and department strategic planning, analysis, reporting, innovation, policy research and analysis, continuous improvement and other City-wide management functions.

Program: Multiple
Fund: Multiple

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| General Fund | 560 | 560 | 560 | 560 | 560 |
| Expenditures | | | | | |
| Personnel | (240) | (207) | (207) | (207) | (207) |
| IT | (28) | (28) | (28) | (28) | (28) |
| Fleet | — | — | — | — | — |
| Contractual Services | (635) | (635) | (635) | (635) | (635) |
| Other | (5) | (5) | (5) | (5) | (5) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (348) | (315) | (315) | (315) | (315) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | (4.7) | (2.0) | (2.0) | (2.0) | (2.0) |

Proposal Detail & Background:

The Council approves reducing the City Coordinator’s Office budget by 6% or \$459,420, plus re-allocation of \$560,492 to support funding for expiring grant programs in 2021. Additional reductions of \$33K are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department’s budget and its impact to services and racial equity.

Description of the Change:

Reductions will come from the following program areas to fill the budget gap and to support grant funded positions through 2021.

Administration and Partnerships

- \$400K one-time reduction to agreement with Minneapolis Downtown Council.
- \$100K one-time reduction to special events.
- \$106,874 one-time reduction to salaries and benefits by delaying filling a vacant position.

Strategic Initiatives

- \$83,427 one-time reduction to salaries and benefits by delaying filling a vacant position.
- \$94,026 one-time reduction to Sustainability (renewable energy sources for City Facilities).

Strategic Management

· \$50K one-time reduction to the new City of Minneapolis Service Center (fka Public Service Area or PSA).

Equity Impacts & Results:

The equity implications for the cuts are most noteworthy in Sustainability. The renewable energy sources for City facilities is an important part of reducing impacts of climate change from City owned facilities. Generally in historically marginalized communities the impacts of climate change and fossil fuel generation of electricity are more concentrated. Therefore, depending on the location of a city facility, and the cut of these program dollars, potential disproportionate impacts would ensue without offset. With that said, there are no current plans for an existing project with those funds next year.

Several grant-funded positions which are both led by people of color and provide important equity work are set to expire or have expired in 2020 and 2021. These positions are Chief Resilience Officer, Senior Advisor for Human Trafficking Prevention, and three program managers in the Division of Race and Equity. Through repurposed dollars those positions will remain funded in 2021.

This change will have a slight impact on response times in the Administration and Partnerships and the Sustainability program areas as we will be delaying filling full time positions in those areas. Given the environmental state of COVID-19 the work of other program areas facing budget reductions will also be cut; therefore, no real impact on expected performance measures.

City Coordinator
Art Grants Full Funding

2021 Adopted Change Item

Program: Strategic Initiatives
Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| General Fund | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 52 | 52 | 52 | 52 | 52 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | — | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 52 | 52 | 52 | 52 | 52 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$52,000 in one-time General Fund dollars to sustain two FTES that support the City’s Creative CityMaking program through the Office of Arts, Culture and the Creative Economy beyond the ending of the Kresge Foundation grant in September 2021. These funds cover the 4th quarter salaries of 2021 so the City has the opportunity to decide for 2022 if and how this work should continue.

The Creative CityMaking (CCM) program has been in operation since 2013 and was developed in partnership with Intermedia Arts. The program operates by providing internal City departments with artist-led engagement services targeted to underserved, underrepresented communities. CCM typically partners community artists with City staff to reimagine community engagement practices and eliminate racial disparities in how the City serves underrepresented communities. Recently it has also provided emergency response funding to support artist-led community recovery and healing projects in response to community emergencies such as the COVID pandemic and the killing of George Floyd. The two FTES provide key support for creative economy and communications work in the Office of Arts, Culture and the Creative Economy.

The program makes tangible the City’s values around equity by supporting city staff to deliver equitable engagement to underserved populations by using artistic practices. It also aligns well with the arts and culture goal for inclusive economic development and placemaking and with numerous arts and culture policy areas in the City’s 2040 Comprehensive Plan as well as the Neighborhoods 2020 plan and the Blueprint for Equitable Engagement.

Description of the Change:

This change adds funding to sustain two FTES in the Office of Arts, Culture and the Creative Economy. These positions support the CCM program, the CCM Creative Response Fund and they are currently funded by a grant from the Kresge Foundation through September of 2021. The two FTES currently

coordinate the City's internal artist engagement and provide departments with the following services:

- Recruit internal projects
- Define and develop project scopes
- Recruit and match community artists to internal projects
- Provide administrative direct services in the areas of :
 1. artist contract management
 2. project management and delivery
 3. evaluation and reporting
 4. arts administration
 5. project permits

They also collaborate with external community stakeholders to develop targeted and appropriate engagement strategies tailored to the needs of underserved populations.

This funding will allow the current staff to close out and report on Kresge funded projects, make necessary process adjustments to the program and implement the new funding allocated by the Council to support artist-led community recovery and healing through the CCM Creative Response Fund.

The funding will stabilize the execution and delivery of arts services supporting the health and safety of residents and in order to mitigate racial disparities. Stabilization is needed at a time when the Office of Arts, Culture and the Creative Economy has seen at least a 60% increase in demand for its services while also seeing a cut to its programming budget. The funding will also allow the City Council to determine the future continuation of the Creative CityMaking program within the city's broader arts reorganization work and it will allow the ACCE office to consider the following projects that have requested artist-led engagement:

- Redistricting with the Division of Race Equity and NCR
- Alternative to Policing with the Coordinator's Innovation Team
- Artist-led community healing and recovery in areas impacted by civil unrest

Equity Impacts & Results:

- The Creative Response Fund serves the following populations: disenfranchised communities who have historically experienced the stress and trauma of racial discrimination
- The underserved underrepresented communities that have historically been served by the Creative CityMaking program are: LGBTQAI communities, renters, immigrant communities, youth, BIPOC residents and business owners on the Northside, Anashinaabe youth and families in South Minneapolis, Cedar Riverside immigrant communities, residents and businesses along Lake Street, Longfellow and the Greenway
- The program works with and funds the work of the following populations: community-based artists, creative workers, culture keepers, creative entrepreneurs, small and mid-sized arts organizations and creative businesses

Since 2013, the CCM program has worked with 10 City departments on 19 unique projects. It has hired 26 artists to collaborate with approx. 21 City staff. The effectiveness of our work is measured through key performance indicators and qualitative interviews under the following program objectives:

- Integrate experienced community artists into the work of City Departments
- Design and test new arts-based approaches to community engagement within each Department's project and engage underserved communities who have not participated in the Department's process
- Enhance City Staff and artists abilities to facilitate community engagement so they can work effectively with underrepresented communities in the future
- Document, evaluate, disseminate Lessons Learned

To date effectiveness of the program can be seen in the following data:

- In 2014 the program delivered 58 community events, created 22 engagement tools and engaged 1,800 residents

- 90% of community participants reported it was their first time participating in a city process
- BIPOC residents responded more often to artist engagement methods than to the City's conventional engagement methods:
 1. 30% response rate to City's conventional methods
 2. 60% response rate to CCM's artist-led engagement methods

City staff have reported in interviews:

“ I think [CCM} has affirmed my own belief that artists should be involved in community engagement and that CCM is extremely important. We can't do it without artists. You can't take what they do and package it”

We are currently completing our evaluation of 2020 work.

City Coordinator

Cultural Districts - Art Fund - Move

2021 Adopted Change Item

Program: Strategic Initiatives

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| General Fund | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 100 | 100 | 100 | 100 | 100 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 100 | 100 | 100 | 100 | 100 |
| Personnel Impacts | | | | | |
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approved increasing the Coordinator budget by \$100,000 in the general funding to increase artistic and cultural expressions in Cultural Districts through funding for arts programming activities.

This recommendation aligns well with the City's adopted policy in the Minneapolis 2040 comprehensive plan around Cultural Districts. "A Cultural District is a contiguous area with a rich sense of cultural and/or linguistic identity rooted in communities significantly populated by people of color, Indigenous people, and/or immigrants." The City Council designated 7 districts in August of 2020. The comp plan policy includes an action step to partner with various stakeholders to develop strategies that elevate the district's cultural and linguistic identity. For this recommendation, staff will administer the funds through the existing Creative Minneapolis program to activities focused in Cultural Districts.

Description of the Change:

While the Cultural Districts designation is new, the Creative Minneapolis program has previously supported artistic and cultural expressions through arts programming in neighborhoods and in commercial districts, some of which are now Council designated Cultural Districts. The program provides activities and events that supports collaboration and partnership between and among creative practitioners and businesses and helps creative workers navigate resources and opportunities. It also includes professional workshops, panels and artistic events tailored to local needs. This funding would support Cultural Districts by seeding planning and implementation of the expanded Creative Minneapolis program activities that support arts and cultural businesses. It will also provide direct funding to support arts and cultural events and activities that promote the cultural identities of Cultural Districts. A range of nonprofits, including arts and cultural groups, will be eligible to apply as partnerships involving multiple groups will result in stronger, more coordinated proposals.

Equity Impacts & Results:

- The Creative Response Fund serves the following populations: disenfranchised communities who have historically experienced the stress and trauma of racial discrimination
- The underserved underrepresented communities that have historically been served by the Creative

CityMaking program are: LGBTQAI communities, renters, immigrant communities, youth, BIPOC residents and business owners on the Northside, Anashinaabe youth and families in South Minneapolis, Cedar Riverside immigrant communities, residents and businesses along Lake Street, Longfellow and the Greenway

- The program works with and funds the work of the following populations: community-based artists, creative workers, culture keepers, creative entrepreneurs, small and mid-sized arts organizations and creative businesses

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To date effectiveness of the program can be seen in the following data:

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" I think [CCM} has affirmed my own belief that artists should be involved in community engagement and that CCM is extremely important. We can't do it without artists. You can't take what they do and package it"

We are currently completing our evaluation of 2020 work.

City Coordinator

Energy & Climate Programming

2021 Adopted Change Item

Program: Strategic Initiatives

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 250 | 250 | 250 | 250 | 250 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 250 | 250 | 250 | 250 | 250 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The council approves \$250,000 in on-going funds to invest in energy efficiency, solar, rebuilding businesses sustainably, and community recovery with a priority on reducing racial disparities, pollution and greenhouse gas emissions. The funding will leverage the green business cost share program infrastructure, sustainability programs and local utility’s rebates and recovery funding.

We have a once in a generation opportunity to rebuild a significant portion of the City’s commercial corridors for the 22nd century. The technology available today can reduce energy use by 80% compared to the existing building energy use and support the Mayor’s Minneapolis Forward Community Now Initiative. It will help yield immediate and long-term economic transformation, recovery, and healing of Minneapolis. Funding from sustainability, health, CPED, utilities, foundations and business will be leveraged to multiply the investment in Minneapolis multiple times.

Description of the Change:

This initiative will build off the successful sustainability and green cost share programming. The funding will be used to reduce the upfront costs of enhanced energy efficiency equipment and measures and solar PV. Priority will be given to projects that take part in workforce programs and that support Black, Indigenous and People of Color (BIPOC) owned and operated businesses. This funding will leverage existing programs to provide funding directly to businesses and non-profits in Minneapolis. Sustainability and the green cost share program administer the program and has the capacity to invest these new funds without any additional FTEs, IT support or administrative costs.

The funding will be available for investment in the first quarter 2021.

Equity Impacts & Results:

This funding will prioritize communities that need funding to rebuild and recover along culture corridors and in communities with a high percentage of BIPOC and low- income families. This funding will impact

Racial and Ethnic Groups, Lesbian, Gay, Bisexual, Transgender, Queer, and Gender Non-Conforming groups, Persons with Disabilities, and Veterans by providing needed funding to rebuild and restart businesses. The priorities of the new funding will be developed in conjunction with the Minneapolis Forward: Community Now Coalition.

One of the biggest barriers rebuilding in a sustainable way is energy efficient technology is access to capital. This funding would be used to bridge that barrier so that investments in ultra-efficient improvements will not be an additional cost above the basic high energy equipment. The environmental co-benefits are lower pollution and improved air quality as well as lower GHG emissions in areas that have lower than average air quality.

Improved air quality and community health. Leveraged investment in rebuilding resilient and sustainable strategies.

City Coordinator

Strategic Partnerships

2021 Adopted Change Item**Program:** Administration & Partnerships**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 245 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 245 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the City Coordinator’s Office budget on a one-time basis by \$245,000 in the general fund for the Partnerships program.

The Coordinator’s Office has been responsible for the oversight of various enterprise partnerships and ensures that all contracts and agreements comply with appropriate city provisions. Such contracts vary from year to year. This request will provide funding for those Citywide partnership agreements that have been duly authorized and approved by City Council.

Description of the Change:

Over the past several years the City Coordinator’s Office has received one-time funding for partnerships. We are asking that partnerships continue to be funded in 2021. This funding will allow the City to continue contracting with partnership organizations such as Midtown Community Works, Cedar Riverside Center, Greater MSP, Ka Joog, Downtown Improvement District Homeless Response Storage, the Loppet, Minnesota Historical Society/St. Anthony Falls Heritage Board and others. These partnerships support the City in advancing its goals by supporting economic growth; job creation; investing in greenspace and the natural environment; providing a hub for youth and adults to access education and employment opportunities; promoting interpretation and preservation of the historic Minneapolis central riverfront; and more.

Equity Impacts & Results:

The City benefits positively with regard to equity through its partnerships with organizations like Ka Joog, Cedar Riverside, Midtown Community Works, and others. Specific examples include:

Ka Joog is a nationally recognized, Somali nonprofit organization tailored toward enriching the lives of Samali American youth by utilizing the positive elements of education, mentoring, employment, and the arts. Ka Joog’s mission is to motivate youth to pursue higher education, while promoting and building community ties at events throughout Minnesota.

Cedar Riverside is focused on youth and jobs in the Cedar Riverside neighborhood. It offers a community-based workforce training center that has demonstrated success in effectively serving low-income adults, dislocated workers, and youth, in achieving employment-related outcomes, including job placement and job retention support. They also provide recreational development and safety programming for youth.

Midtown Community Works brings together a range of partners to develop and support the Midtown Greenway and to plan for and leverage economic growth in the area, including the Lake Street corridor. In 2018 focus was placed on the design and implementation of a culturally informed wayfinding system for the Greenway and surrounding areas.

These contracts help keep the City connected to major community and infrastructure initiatives, ensuring the City's interests are represented, and that projects are connected to the community we serve.

For example, through the partnership with Greater MSP, Minneapolis benefits from participating with other regional partners, both public and private sector, in the shared goal of a healthy, equitable, growing region; and we gain access to the research and recruiting and policy efforts which Greater MSP leads. This includes:

- Partnering with the City on supplier diversity work by incorporating best practices and coding vendors
- Partnering on cultural districts, bringing best practices around community ownership, resources and opportunities.
- Convening and partnering in our workforce efforts through the Greater Metropolitan Workforce Council.

City Coordinator

OPI Recommendation - City Coordinator

2021 Adopted Change Item

Program: Administration & Partnerships

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 222 | 222 | 222 | 222 | 222 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 2,605 | 2,605 | 2,605 | 2,605 | 2,605 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 2,827 | 2,827 | 2,827 | 2,827 | 2,827 |
| Personnel Impacts | | | | | |
| Change in FTE Count | 2 | 2 | 2 | 2 | 2 |

Proposal Detail & Background:

Ongoing increase in the City Coordinator's Office by \$2.827 million to support the Office of Performance & Innovation (OPI) in facilitating the planning, piloting and implementation of alternatives to police response studies and council actions over the past two years.

In response to a 2018 staff direction the Alternatives to Policing Workgroup (f.k.a. 911/MPD Workgroup) was formed to analyze dispatch call categories to determine whether there are opportunities to expand the City's ability to respond to those calls beyond the Minneapolis Police Department. The workgroup met four times during the Fall of 2019, culminating in a set of recommendations for options to expand emergency response beyond police.

Over the past year the City Coordinator's Office of Performance and Innovation has engaged in a community-centered process to assess the potential impact of alternative responses beyond police for 1) mental health (EDP) 911 calls and 2) priority 3 reporting calls. This culminated in City Council approving several recommendations, outlined in LIMS file [2020-00894](https://lms.minneapolismn.gov/download/file/4737/2021%20budget%20markup%20no%203%20amendments%20packet%20(dec%207%202020).pdf) ([https://lms.minneapolismn.gov/download/file/4737/2021%20budget%20markup%20no%203%20amendments%20packet%20\(dec%207%202020\).pdf](https://lms.minneapolismn.gov/download/file/4737/2021%20budget%20markup%20no%203%20amendments%20packet%20(dec%207%202020).pdf)), that aim to provide the right resources to residents at the right time, leveraging existing City resources and sourcing community resources to meet those needs where they don't currently exist as a part of the City's infrastructure.

Resources from the City Coordinator's that will be devoted to these projects include the entire OPI team and the Director of Strategic Management. This proposal intends to impact the following City goals and priorities:

City Goals: Public Safety, Public Services, Public Health

City Priorities: Public Safety

Description of the Change:

This change item is for leveraging the human centered design process to pilot new initiatives as outlined in LIMS file, [2020-00894](#). The design process is intended to properly test and explore ideas as resources are committed and shifted. Pilots highlight what works and shines a light on any flaws which can then be rectified before full-scale. Pilots are fully formed and detailed — usually for trials near the end of the project - and there is high confidence in the results. The pilots that are specifically funded for 2021 include:

- MH1 Pilot - Mobile Mental Health Crisis Response Teams: A mobile crisis intervention program that will dispatch non-police response to emergency mental health calls. Mental health response teams will include mental health providers and may include EMT/EMS. The goal of this program is to give people experiencing a mental health crisis an alternative to police that can properly assess their needs, provides appropriate care/support while avoiding unnecessary hospitalization and criminalization.
- MH2 Pilot - Train 911 Dispatch in Assessing Mental Health Calls: a portion of 911 call takers/dispatchers/supervisors would receive additional and specialized mental health dispatch training. Their experience would then be evaluated prior to training all dispatchers/supervisors. The training would be facilitated by a third party. The goal is to equip 911 call takers & dispatchers with tools needed to assess mental health calls above and beyond current training so that they may dispatch the most appropriate response option and provide responders with high quality information as it relates to mental health and behavioral issues.
- MH3 Pilot - Embed Mental Health Professionals in 911: Two mental health professionals will be embedded in 911. The mental health professionals will work closely with call takers & dispatchers to help improve mental health triage, divert calls from MPD, and identify the most appropriate response for mental health calls. The goal is to divert 911 mental health calls from MPD by identifying appropriate resources for the person in crisis. The Resident MHP may also be able to provide training to 911 call takers & dispatched allowing for improved triage on a broader scale.
- R4 Pilot- Train non-police City staff to take theft & property damage reports & collect evidence: This pilot will involve sending out a city employee who is a non-sworn officer, to take reports from Minneapolis residents. This responsibility could be rolled into an existing position or become a new one. The goal is to provide residents with an in-person response option to assist with taking theft & property damage reports. This should also help free up MPD time.

This funding will be used to pay for the following items, including but not limited to: contracts with mental health service providers, training for 911 staff, vehicles, technology (for service enhancements), equipment, and supplies. The contractors will provide citywide services; however, the size and number of contracts are TBD. The 2 FTEs for OPI will provide the team with increased capacity to handle the additional work volume of the pilots.

The equipment and supplies in this change item will be used to increase capacity in already existing departments and pilot and test novel programs that are new to the City of Minneapolis.

Due to the novel nature of the initiatives in this change item, specific quantities of equipment are yet to be determined; however, based off preliminary planning we estimate equipment and supplies will be in the range of \$500,000 to \$700,000.

Many departments across the enterprise collaborated at various points in the process to inform the recommendations. This next phase will include continued partnerships with many of these departments, as well as Health/OVP. While exact dates are still being determined, below is a high-level timeline beginning January 2021:

Planning: 3-4 months, mostly to find the appropriate partners and staff up to accommodate pilot workload.

Pilot: 4-6 months – this would allow for multiple adjustments throughout

Analysis: 1-2 months

Council Update: Report to Council in November 2021

Equity Impacts & Results:

The impacts of these initiatives will be citywide as MPD will have increased capacity to respond to the urgent matters most specialized to their skillset. BIPOC communities across the city will likely see reduced interactions with police as alternate responders become available to respond to mental health crisis calls for service and reporting non-emergency incidents becomes more accessible.

On July 17, 2020, City Council approved a resolution declaring racism a public health emergency. According to the resolution, "research has shown that police killings of unarmed Black Americans have adverse effects on mental health among Black American adults overall, and... studies show that Black people are three times as likely to be killed by police as white people in this country." In addition to the disproportionate amount of police harm experienced by BIPOC communities, data supports that people with mental illness experience higher rates of police violence, as well.

These recommendations could decrease police interactions for BIPOC communities by offering a more specialized, supportive response to mental health calls for service and increasing the infrastructure to handle non-emergency issues without police involvement. They also support an aim of the resolution to "[b]uild and implement a comprehensive public safety system that decentralizes BIPOC over-policing and criminalization and is rooted in the public health approach to keep BIPOC communities disproportionately impacted by community violence safe." Based on MPD data around mental health calls for which an EDP form was completed, BIPOC residents are overrepresented making up 52% of these incidents while only representing about 37% of the Minneapolis population. Implementing a more specialized response to mental health calls may also increase access to additional resources that could result in positive mental health outcomes for BIPOC communities.

Success indicators and process benchmarks have not yet been developed for each of the recommendations. This will be a part of the implementation plan that will be created for each initiative.

Related to the work of the next year:

Pilots outlined are planned and implemented

Regular reports are provided regularly to the Mayor and City Council

Analysis of pilots and implementation are completed, including reporting on performance metrics and findings for what is working and what should be adapted

Final recommendations to inform the 2022 budget and long-term implementation are provided in November of 2021.

City Coordinator

TransEquity Summit

2021 Adopted Change Item

Program: Strategic Initiatives

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 15 | 15 | 15 | 15 | 15 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 15 | 15 | 15 | 15 | 15 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The council approves \$15,000 in programming dollars for transgender equity work.

In June 2016, City Council/Mayor adopted a resolution supporting continued efforts to further transgender equity in the City of Minneapolis. In February 2017, City Council/Mayor established the Transgender Equity Council to serve as an advisory board to the City Council on matters of importance to the Transgender community.

Historically the one-time dollars allocated for transgender equity work were directed almost exclusively to support the annual Trans Equity Summit, now in its 7th year. As the Trans Equity Council has matured and established a policy agenda and the City now has a full-time staff person dedicated to driving this body of work, the financial costs far exceed \$15,000. In order to host the Summit each year, for example, the planning committee, led by Race and Equity, secures sponsors. Additionally, costs are offset by a federal grant managed by the division.

Description of the Change:

Beginning with the first Trans Equity Summit, the transgender equity work has been in place for the last seven years.

These funds will be used to cover costs such as:

- Translation and interpretation services for TEC members and transgender programming participants who are deaf, deaf/blind, and/or speak primary languages other than English.
- Provide stipends and cover contracting expenses related to the annual Trans Equity Summit.
- Offset some consulting services costs related to 2021 strategic planning for the TEC and transgender equity in general.

Equity Impacts & Results:

The Transgender equity work focuses on Transgender and Gender Non-conforming groups with a special emphasis on BIPOC members of these communities as well as those members who are living with disabilities. The Transgender equity work is designed to elevate the voices of T/GNC residents in order to enhance City policy and practices towards more equitable outcomes for these communities.

Listed below is some anecdotal data of the positive impacts:

Power in numbers - good to see a room full of folks like me and/or support me.

- Inclusive community, warm, celebratory, serious, grassroots but institutionally recognized.
- Activism, intersectionality, + what individuals can do to make change.

Impacts of this change item will be measured in the following ways:

- Increased registration for the Summit
- Increased attendance at the Summit
- Feedback from an evaluation form
- Steps taken in response to feedback

City Coordinator*Racial Healing***2021 Adopted Change Item****Program:** Strategic Initiatives**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 300 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 300 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$300,000 in programming dollars for racial healing work.

Racial healing is consistent with Mayor and City Council priorities to advance racial equity. The racial healing work amplifies existing work within the Division of Race and Equity to build greater trust and understanding between residents and the City enterprise. This work has historically and is currently largely funded through a federal grant that will sunset in September 2021.

Description of the Change:

The concentrated racial healing process will be an enhancement on existing work within the division. These funds will be used to cover costs such as:

- Securing an outside consultant to help the City shape and implement the process.
- Providing stipends and other cost offsets to partners in the process including, but not limited to, community-based organizations serving cultural communities and resident members of an advisory council
- Contracted services to support and expand internal embodied anti-racism staff capacity-building
- Contracted services to support program evaluation and progress reporting

Equity Impacts & Results:

While the racial healing process will strive to engage all Minneapolis residents and staff of the City of Minneapolis, priority will be given to those individuals who experience the most significant disparities as a result of City policy and practice. These groups are disproportionately Black and American Indian.

The ultimate objective of the racial healing process is to deepen trust and understanding between the City, its employees and its residents through the identification and remediation of past harms. We anticipate the remediation to result in policy change that has a long-term probability of reducing or eliminating disparities for the identified groups.

Transformative structural change that results in greater equity requires an ongoing commitment beyond a single budget cycle. There is a significant risk to impacted communities and City should the process not be supported financially and politically long term. In the four years of the ReCAST Minneapolis program, the Division of Race and Equity has seen significant impacts due to innovative community-informed programming, yet little infrastructure exists in community that has sustainable funding to ensure such programming continues once the ReCAST Minneapolis program sunsets. If this funding and/or political support wanes, we anticipate a deepened distrust between impacted communities and the City resulting in a continued pattern of civil unrest, community-based violence, poor retention of BIPOC staff in the workplace, and more.

Racial healing through the ReCAST Minneapolis program is measured according to community-informed metrics within a navigation plan. We anticipate those metrics informing this broader effort but also leave room for a refinement and replacement of these success measures as we develop an advisory body to help guide the work with the City:

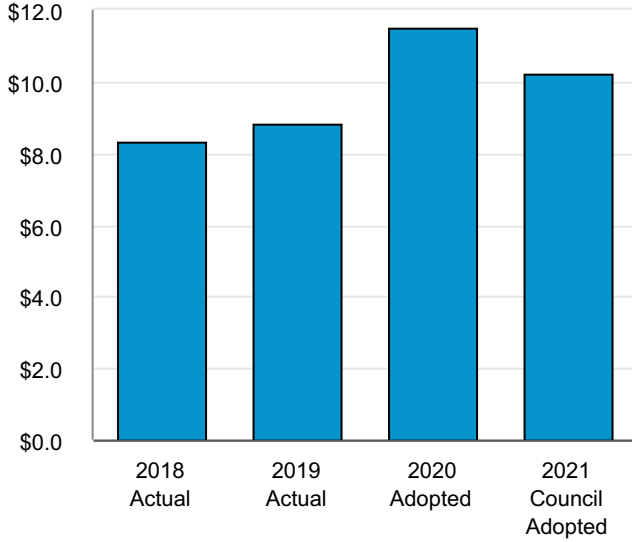
- Impact of this project on City staff
 - Near term
 - Long term
- Number of government policies and practices influenced
- Engagement survey responses
- Number and demographics of City and community members participating
- Growth of City embodied anti-racism community infrastructure – participation and impact measures
- Capacity growth of community-serving mental and behavioral health service providers
- Retention of BIPOC staff within the City of Minneapolis workplace

**CITY COORDINATOR
EXPENSE AND REVENUE INFORMATION**

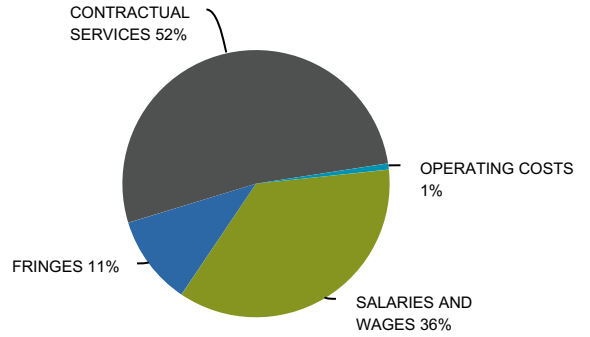
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|-------------------|----------------------|----------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 2,173,440 | 2,218,600 | 3,059,000 | 3,320,000 | 8.5% | 261,000 |
| FRINGES | 614,785 | 712,124 | 866,000 | 1,012,000 | 16.9% | 146,000 |
| CONTRACTUAL SERVICES | 3,016,455 | 3,927,379 | 5,949,000 | 5,344,000 | -10.2% | (605,000) |
| OPERATING COSTS | 247,209 | 194,368 | 96,000 | 78,000 | -18.8% | (18,000) |
| CAPITAL EQUIPMENT | 4,066 | — | — | — | 0.0% | 0 |
| TOTAL GENERAL | 6,055,955 | 7,052,471 | 9,970,000 | 9,754,000 | -2.2% | (216,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 525,170 | 661,215 | 664,000 | 368,000 | -44.6% | (296,000) |
| FRINGES | 160,753 | 189,062 | 233,000 | 98,000 | -57.9% | (135,000) |
| CONTRACTUAL SERVICES | 1,514,015 | 922,018 | 632,000 | — | -100.0% | (632,000) |
| OPERATING COSTS | 51,151 | (1,856) | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 2,251,089 | 1,770,439 | 1,529,000 | 466,000 | -69.5% | (1,063,000) |
| TOTAL EXPENSE | 8,307,044 | 8,822,910 | 11,499,000 | 10,220,000 | -11.1% | (1,279,000) |
| REVENUE | | | | | | |
| | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
| GENERAL | | | | | | |
| LOCAL GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| CONTRIBUTIONS | 1,250 | — | — | — | 0.0% | 0 |
| TOTAL GENERAL | 1,250 | — | — | — | 0.0% | — |
| SPECIAL REVENUE | | | | | | |
| CONTRIBUTIONS | 1,783,164 | 2,140,314 | 375,000 | 79,000 | -78.9% | (296,000) |
| FEDERAL GOVERNMENT GRANTS | 704,344 | 670,142 | 950,000 | 232,000 | -75.6% | (718,000) |
| REVENUES | — | — | 65,000 | — | 0.0% | (65,000) |
| STATE GRANTS & AIDS | 18,452 | (16,840) | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | 139,000 | — | 0.0% | (139,000) |
| TOTAL SPECIAL REVENUE | 2,505,960 | 2,793,616 | 1,529,000 | 311,000 | -79.7% | (1,218,000) |
| TOTAL REVENUE | 2,507,210 | 2,793,616 | 1,529,000 | 311,000 | -79.7% | (1,218,000) |

CITY COORDINATOR EXPENSE AND REVENUE INFORMATION

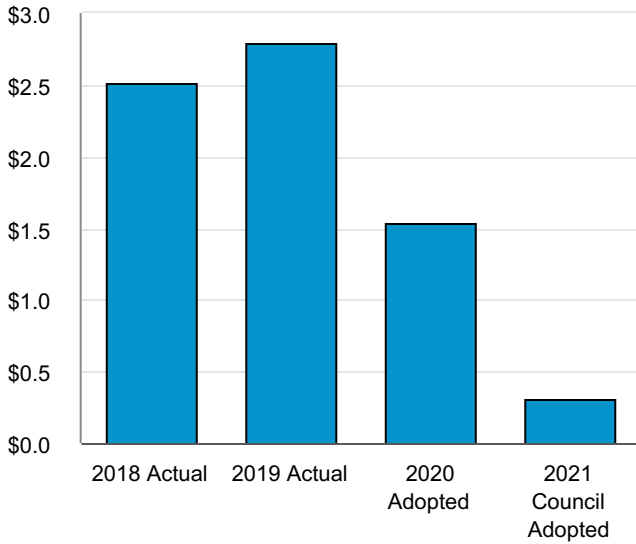
**Expense 2017 - 2020
In Millions**



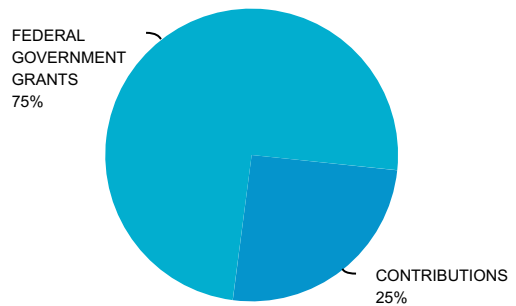
Expense by Category



**Revenue 2017 - 2020
In Millions**



Revenue by Type



CITY COORDINATOR Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

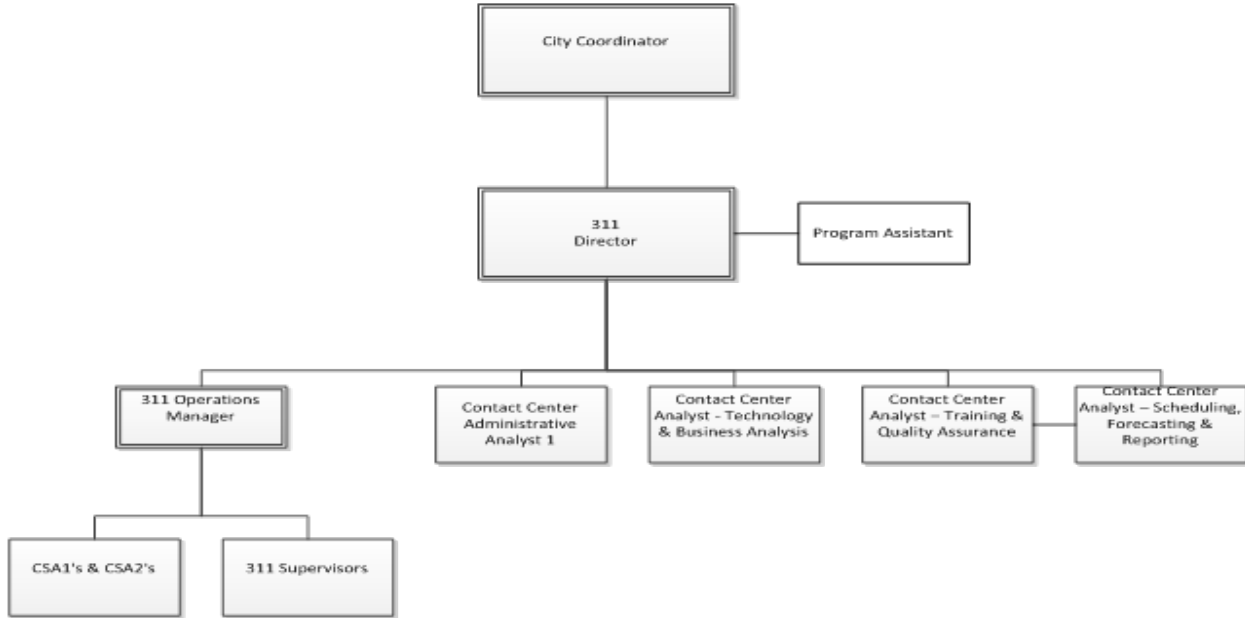
MINNEAPOLIS 311

Mission

311 is the gateway to the City of Minneapolis information and services, providing accountability and transparency by:

- Simplifying access to city information and services
- Allowing departments to deliver services more effectively
- Tracking requests for service delivery from inception to completion
- Providing process solutions for citizen access

Organization Chart



Minneapolis 311

General Fund: \$3,998,000

311 is the gateway to the City of Minneapolis information and services, ensuring customer service excellence by enabling the City to deliver services more effectively. Minneapolis 311 ensures the City provides accountability and transparency to the public by providing non-emergency assistance, creating requests for service by connecting the public with a department expert. Services can be accessed via telephone, mobile app, online, text messaging, email and voicemail. Language line translation is available using the language line or by contact 311 directly.

311

311 Base Cut

2021 Adopted Change Item

Program: 311

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (129) | — | — | — | — |
| IT | (40) | (40) | (40) | (40) | (40) |
| Fleet | — | — | — | — | — |
| Contractual Services | (22) | (22) | (22) | (22) | (22) |
| Other | (12) | (12) | (12) | (12) | (12) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (203) | (74) | (74) | (74) | (74) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | (1.0) | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing 311’s budget by \$169,261, or 4%.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department’s budget and its impact to services and racial equity.

Additional reductions of \$33,739 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

311 will fulfill the majority of this reduction by leaving vacant the Operations Manager position in 2021 (\$129,000). The remainder of this reduction will come from a reduction to the advertising budget (\$5,000), ITS Services (\$10,000), Miscellaneous (\$3,000), and by reducing training, travel, and office supplies budgets (\$23,932).

Equity Impacts & Results:

311 will continue to serve all residents of Minneapolis. 311’s services cover a wide range of needs, including public safety reports, parking and traffic concerns, infrastructure needs, and housing reports. Residents, regardless of location in the City, race, or economic status, can access the services of their government.

This reduction results in a lean operating budget for 311 but should not impact performance and service to City residents.

311**2021 Adopted Change Item***Property Damage & Parking Problems to 311***Program:** 311**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 257 | 257 | 257 | 257 | 257 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 60 | 60 | 60 | 60 | 60 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 317 | 317 | 317 | 317 | 317 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |

Proposal Detail & Background:

The City Council approves \$317,000 in ongoing funding for 311. This funding increases capacity by 3 FTEs in order to expand 311's service offerings to include property damage and parking problem reports.

The expansion of 311's portfolio to include more property damage reports and parking problem reports is part of an enterprise-wide effort to transform and improve public safety in Minneapolis. By adding resources to 311, the City can serve its residents efficiently.

Description of the Change:

311, with this change, will take reports on property damage (report-only) and parking problems. Ongoing funding of \$317,000 will support three FTEs and associated costs, as well as an awareness campaign about reporting options via 311 and the City website.

As with any new agent, there is a 6-8 week hiring process and training lasts 4-5 months. For 2021 and onward, the costs will be \$249,409 annually, including benefits. Technology needs are approximately \$4,942 per each new FTE. 311 will work with MPD to train agents on the new reports so that customer service needs are met. All new agents should be ready to take on the additional new work sometime in May.

Equity Impacts & Results:

311 will continue to serve all residents of Minneapolis. 311's services cover a wide range of needs, including public safety reports, parking and traffic concerns, infrastructure needs, and housing reports. Residents, regardless of location in the City, race, or economic status, can access the services of their government.

This reduction results in a lean operating budget for 311 but should not impact performance and service to City residents.

Theft Report Only Calls from MPD to 311

Program: 311

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 239 | 239 | 239 | 239 | 239 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 8 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 247 | 239 | 239 | 239 | 239 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |

Proposal Detail & Background:

The Council approves adding \$240,000 in ongoing funds and \$8,000 in one-time funds to support three Customer Service Agent Is. These employees will allow the department to expand its customer service portfolio to include Theft-Report Only calls.

The addition of theft reporting to 311's portfolio allows the department to engage in an enterprise-wide effort to transform and improve public safety. By adding resources to 311, the City can serve its residents more efficiently.

Description of the Change:

As part of the effort to support public safety strategies and initiatives related to each department's business lines and areas of expertise, 311 will expand its portfolio to include theft reports. These reports occur when an individual is reporting a theft such as a stolen bike or computer, often for the purposes of insurance reporting. 311 agents currently take 4,600 MPD reports annually already, and this proposal would add 7,400 more. To respond to these increased reports, 311 requires 3 additional FTEs. While training takes several months, these Customer Service Agents would be able to take some reports within their first 3 weeks. For 2021 and onward, the costs will be \$249,409 annually for salary and benefits. One-time technology needs are \$4,942 for each FTE. 311 will work with MPD to train agents on this type of report and ensure the department has proper access to the Police Incident Management System (PIMS).

Equity Impacts & Results:

Racial equity is the motivation for this change. Providing a non-law enforcement option for situations in which there is not an emergency helps make the services of the City government more accessible to all residents and allows the Minneapolis Police Department to focus on its more crucial functions. 311 has earned the trust of the community and by expanding its service level to include this type of report, it is meeting community needs in a new way.

Adding three Customer Service Agents will allow 311 to respond in a timely fashion to an estimated 7,400 theft reports in 2021. Bolstering the customer service capacity of 311 serves residents and visitors of Minneapolis by allowing them the option to make a non-emergency theft report while not diverting law enforcement resources. With proper training, 311 agents will be able to create clear and comprehensive reports that are admissible in legal cases.

311

EXPENSE AND REVENUE INFORMATION

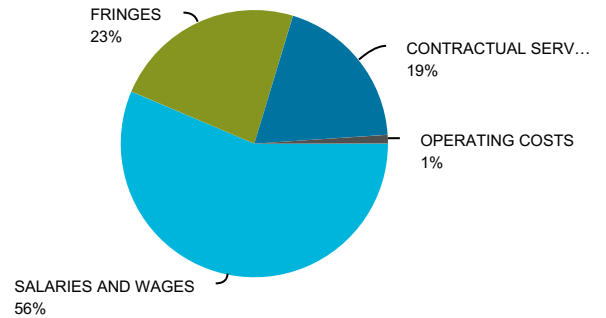
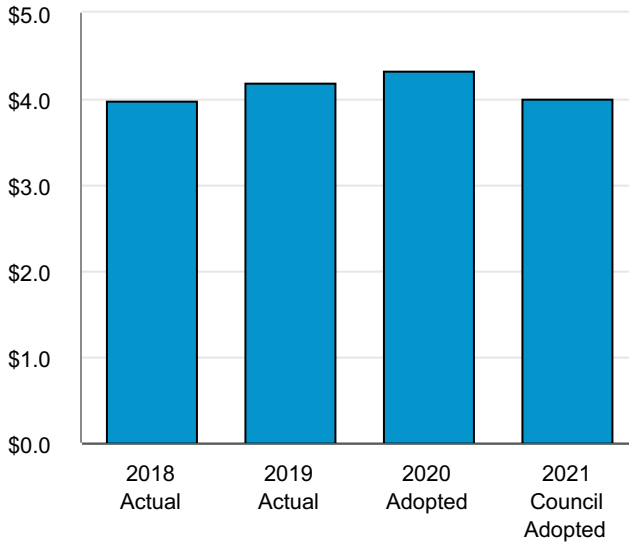
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|----------------------|----------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 1,922,916 | 2,073,478 | 2,075,000 | 2,255,000 | 8.7% | 180,000 |
| FRINGES | 787,955 | 798,273 | 892,000 | 931,000 | 4.4% | 39,000 |
| CONTRACTUAL SERVICES | 1,139,542 | 1,114,024 | 1,279,000 | 771,000 | -39.7% | (508,000) |
| OPERATING COSTS | 104,375 | 77,313 | 80,000 | 42,000 | -47.5% | (38,000) |
| CAPITAL EQUIPMENT | 17,647 | 121,794 | — | — | | 0 |
| TOTAL GENERAL | 3,972,435 | 4,184,882 | 4,326,000 | 3,999,000 | -7.6% | (327,000) |
| SPECIAL REVENUE | | | | | | |
| CAPITAL EQUIPMENT | — | — | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | — | — | — | — | 0.0% | 0 |
| TOTAL EXPENSE | 3,972,435 | 4,184,882 | 4,326,000 | 3,999,000 | -7.6% | (327,000) |

311

EXPENSE AND REVENUE INFORMATION

Expense by Category

Expense 2017 - 2020
In Millions



311 Staffing Information

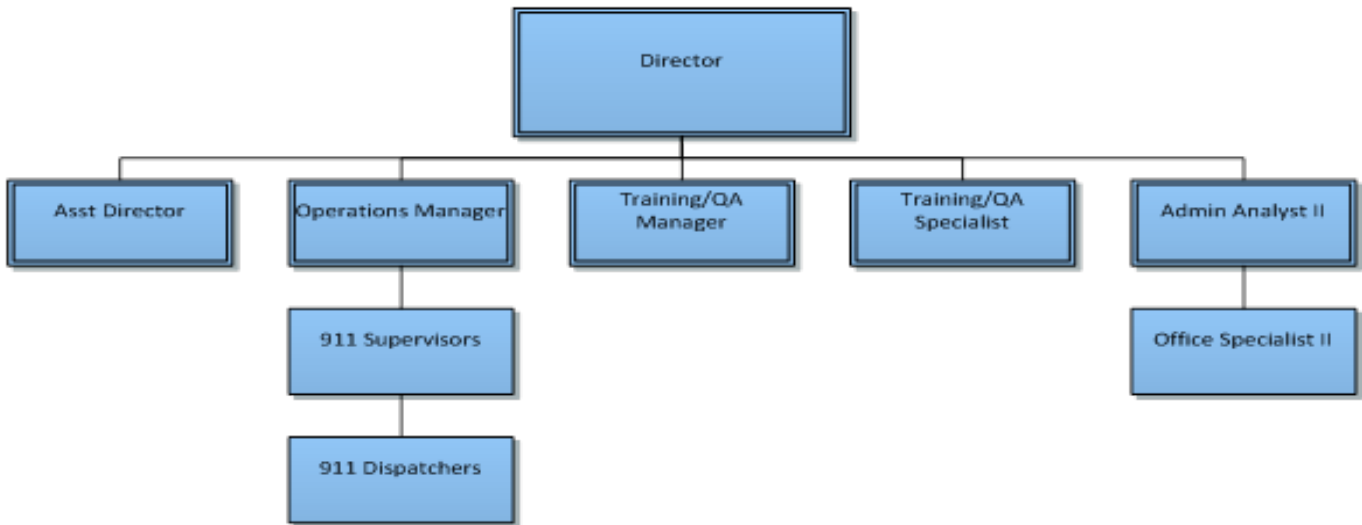
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

911

Mission

Minneapolis 9-1-1 forms the vital link between the public and the emergency responders. The department strives to collect and disseminate all requests for service in a prompt, courteous, and efficient manner. The department's actions help save lives, protect property and assist the public in their time of need.

Organization Chart



911 Call Handling and Dispatch Operations

General Fund:
Other Funds: \$516,000

911 is the link between the public and emergency public safety response. Professional, supportive and engaged 911 staff receive, prioritize, dispatch and manage public safety response throughout the city. No police car, fire truck or ambulance responds to an emergency in Minneapolis unless the call has first been answered and processed by the 911 department.

911

911 Base Cut

2021 Adopted Change Item

Program: 911

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (243) | — | — | — | — |
| IT | (21) | (21) | (21) | (21) | (21) |
| Fleet | — | — | — | — | — |
| Contractual Services | (162) | (162) | (162) | (162) | (162) |
| Other | (15) | (15) | (15) | (15) | (15) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (441) | (198) | (198) | (198) | (198) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | (2.0) | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing MECC’s 2021 budget by \$300,504, or 3%. MECC will accomplish this reduction through personnel and non-personnel reductions.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department’s budget and its impact to services and racial equity.

Additional reductions of \$27,419 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

MECC will accomplish this reduction by leaving a position vacant in 2021 and reducing spending in several areas. The vacant Assistant Director position will remain unfilled for a total savings of \$164,693. Other employees will perform the duties from these two positions. The department’s overtime budget will also be reduced by \$76,705.

Non-personnel spending reductions total \$59,106. These are concentrated in professional services (\$15,000), contractual services (\$10,000), and equipment (\$10,000). Other reductions impact training, transportation, and IT maintenance. These reductions will not impact the services MECC is able to provide to the City and the community.

Equity Impacts & Results:

These reductions will have no known impact on equity.

In leaving vacant these positions, the Director will perform the duties of the Assistant Director along with their current role. The 911 Supervisors will perform the duties of the Office Support Specialist. There will be no major impacts to the departmental functions.

911

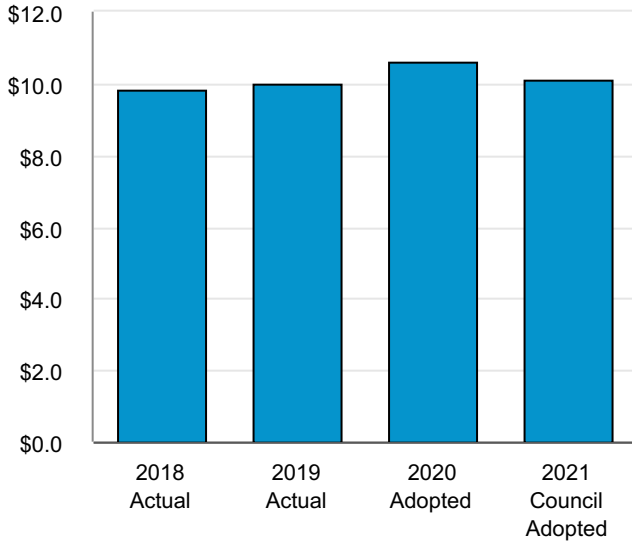
EXPENSE AND REVENUE INFORMATION

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|-------------------|----------------------|----------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 5,886,464 | 6,067,332 | 6,297,000 | 6,243,000 | -0.9% | (54,000) |
| FRINGES | 2,056,423 | 2,153,543 | 2,364,000 | 2,246,000 | -5.0% | (118,000) |
| CONTRACTUAL SERVICES | 1,306,861 | 1,590,591 | 1,311,000 | 1,001,000 | -23.6% | (310,000) |
| OPERATING COSTS | 137,831 | 96,019 | 116,000 | 86,000 | -25.9% | (30,000) |
| CAPITAL EQUIPMENT | (7,927) | — | 10,000 | — | -100.0% | (10,000) |
| TOTAL GENERAL | 9,379,652 | 9,907,485 | 10,098,000 | 9,576,000 | -5.2% | (522,000) |
| SPECIAL REVENUE | | | | | | |
| CONTRACTUAL SERVICES | 387,082 | 41,890 | 457,000 | 467,000 | 2.2% | 10,000 |
| OPERATING COSTS | 40,650 | 25,511 | 59,000 | 48,000 | -18.6% | (11,000) |
| TOTAL SPECIAL REVENUE | 427,732 | 67,401 | 516,000 | 515,000 | -0.2% | (1,000) |
| INTERNAL SERVICE | | | | | | |
| CONTRACTUAL SERVICES | — | — | — | — | 0.0% | 0 |
| INTERNAL SERVICE | — | — | — | — | 0.0% | 0 |
| TOTAL EXPENSE | 9,807,384 | 9,974,886 | 10,614,000 | 10,091,000 | 4.0% | (523,000) |

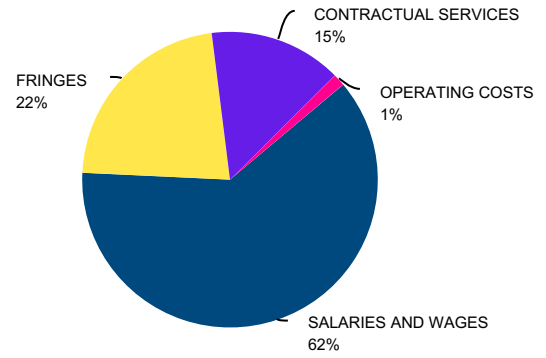
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|----------------|----------------------|----------------|----------|
| GENERAL | | | | | | |
| CHARGES FOR SERVICES | — | — | — | — | 0.0% | 0 |
| TOTAL GENERAL | — | — | — | — | 0.0% | 0 |
| SPECIAL REVENUE | | | | | | |
| INTEREST REVENUE | 4,774 | 11,561 | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | 1,100,977 | 1,193,499 | 515,000 | 515,000 | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 1,105,751 | 1,205,060 | 515,000 | 515,000 | 0.0% | 0 |
| TOTAL REVENUE | 1,105,751 | 1,205,060 | 515,000 | 515,000 | 0.0% | 0 |

911 EXPENSE AND REVENUE INFORMATION

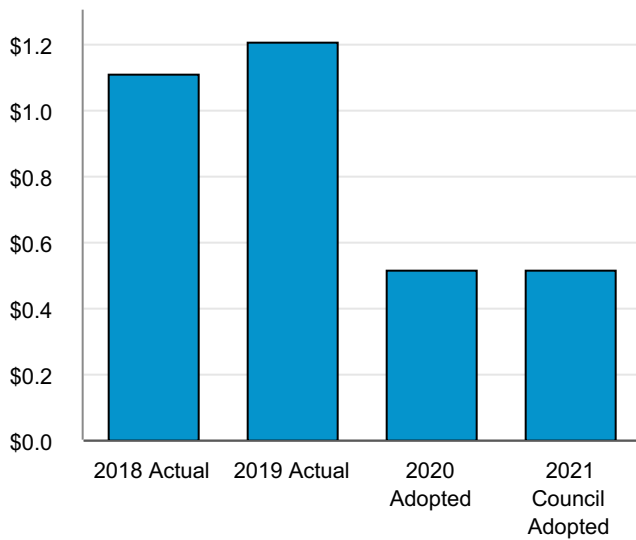
**Expense 2017 - 2020
In Millions**



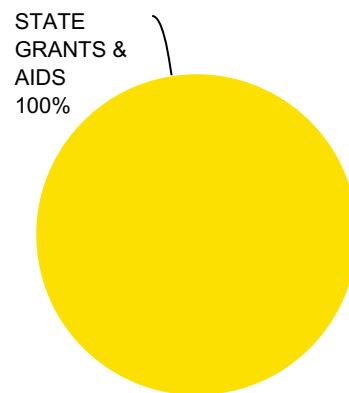
Expense by Category



**Revenue 2017 - 2020
In Millions**



Revenue by Type



911 Staffing Information

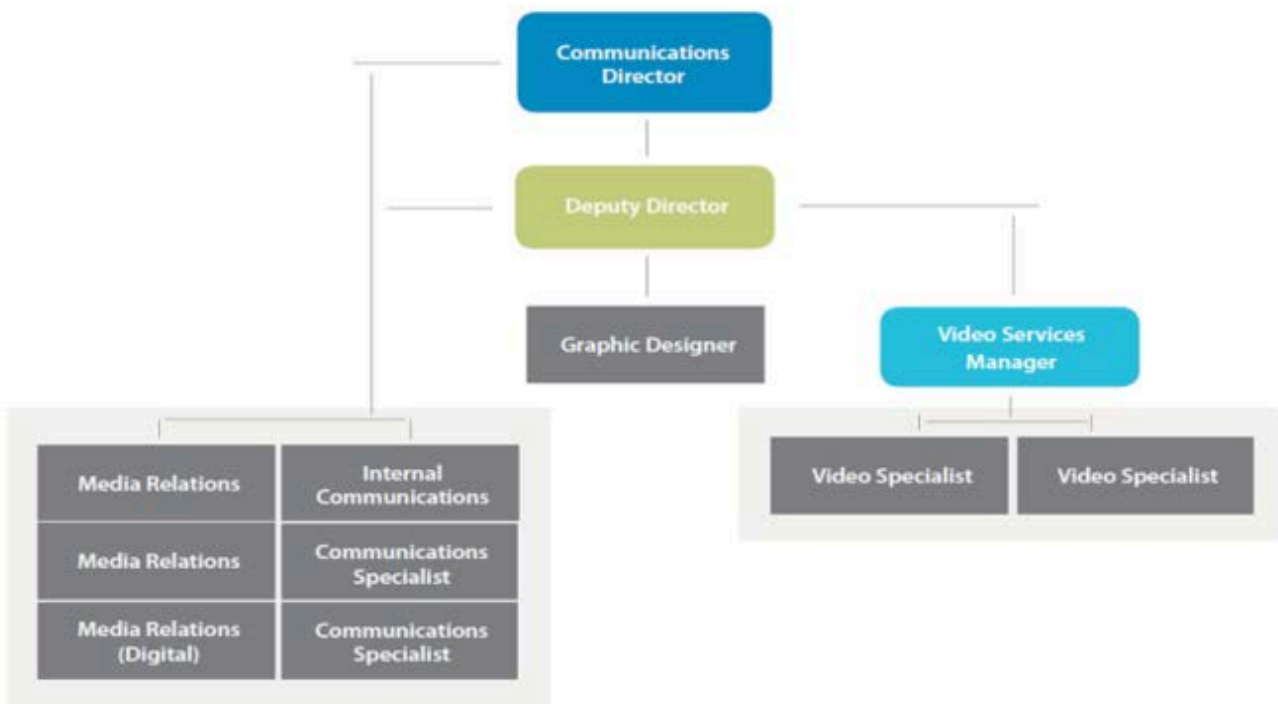
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

COMMUNICATIONS DEPARTMENT

Mission

To actively communicate City government news and information to the public, so people who live, work and play in Minneapolis understand and benefit from the work the City does and know how to engage in the governing process.

Organization Chart



Enterprise Communications

General Fund: \$1,989,000

The Communications Department drives proactive and responsive communications and provides strategic communications support to City departments so the people of Minneapolis have access to City news, information and services. The department’s core work includes: media relations, digital communications, social media, internal employee communications, strategic marketing, video production and graphic design. Communications also produces live and rebroadcast City government meetings and manages the government access TV channels. In addition, Communications oversees the City’s cable TV franchises with Comcast and Century Link, and the contract for public access services.

Public Access TV

General Fund: \$472,000

This is direct funding through a contract with BFRESH Productions to operate the City’s public access TV channels and provide the public with access to television broadcast equipment, training and airtime.

Communications

Communications Base Cut

2021 Adopted Change Item

Program: Enterprise Communications

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (107) | — | — | — | — |
| IT | (8) | (8) | (8) | (8) | (8) |
| Fleet | — | — | — | — | — |
| Contractual Services | (56) | (56) | (56) | (56) | (56) |
| Other | (2) | (2) | (2) | (2) | (2) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (173) | (66) | (66) | (66) | (66) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | -1 | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the Communications Department budget by \$119,000 in the General fund. Additional reductions of \$10,000 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Description of the Change:

With this reduction, the Communications department will hold vacant the Communications Specialist position. This reduction will impact social/digital media enormously in 2021 and beyond as the position would be expanding enterprise digital engagement and corresponding analytics, including social media, digital engagement campaigns and online content. The daily clips would also not be available for the mayor, council, or city staff during 2021 as well as the \$17K cut to contracts for the two media monitoring services that provide this information and data.

Equity Impacts & Results:

The hiring freeze in 2021 may not directly impact the city's racial equity goals. However, losing staff capacity at a time when the demand for public communications and engagement is incredibly high (especially around transforming public safety and economic recovery work due to the pandemic) will require the Communications department to continue reprioritizing work to ensure enterprise equity priority

work remains at the top. The department's overall capacity to create and distribute public information will be reduced and place pressure on remaining staff who are, in some instances, more directly working to provide increased equitable access to news and information for non-English speaking communities and diverse cultural communities. Digital communications is a great asset to cultural communities who may intake information visually and digitally (i.e. visual news and information absorbed through social media channels or online media or short video clips vs. traditional media). The department has worked to protect communications programming such as cultural radio production that directly serve non-English speaking communities.

The inability to fill the Communications Specialist role in 2021 will impact social/digital media enormously in 2021, and beyond, as the position envisioned to replace the retiring Communications Specialist would have taken on significant (and long overdue) duties for managing and expanding enterprise digital engagement and corresponding analytics, including social media, digital engagement campaigns and online content. The City's accounts have approximately 51,500 followers on Facebook, 209,000 on Twitter, 18,000 on TikTok and 5,200 on Instagram. The City also can reach 137,800 NextDoor members. Work that would be lost includes growing additional followers through meaningful engagement. The position also handles daily news clips for the enterprise and work on data analytics, which would be unavailable given the reduction to both the staff position that performs this work and the \$17K in contracts for media monitoring services that would be cut. The position also helps with communications project work including work on the City's internal employee newsletter Minneapolis Matters and a range of communications projects where and when needed including the Youth Coordinating Board work. The position also serves to handle administrative work for our department.

Communications

Cultural Radio Programming

2021 Adopted Change Item

Program: Enterprise Communications

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 50 | 50 | 50 | 50 | 50 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 50 | 50 | 50 | 50 | 50 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | 0 | — | — | — | — |

Proposal Detail & Background:

Communications requests \$50,000 in general fund resources to continue providing ongoing programming in Spanish, Somali and Hmong, as well as outreach to a diverse array of cultural communities in Minneapolis. The funding request will cover annual contracts with the following four media outlets: Somali-American Radio (KALY 101.7 FM); La Raza Spanish radio (AM 1400); KMOJ (89.9 FM) and Hmong radio (WIXK 1590 FM). We expect to maintain existing programming on these stations, including twice per month on KMOJ, every other week on La Raza, and an expansion from once-per month to twice-per-month on KALY and WIXK.

Maintaining the City's four radio programs on KALY, WIXK, La Raza, KMOJ is key to the City's equity goals of providing accessible, culturally-relevant, in-language news and information to our diverse communities. Continuation of these programs will directly affect the Mayor's priorities including affordable housing, economic inclusion, and public safety/police-community relations. Existing communications staff will continue to serve as producers of the 7-8 monthly programs as well as oversight of the bonus public service announcement (PSA) spots negotiated in the contract and ongoing contract management.

Description of the Change:

This funding request will allow our department, in partnership with staff from Neighborhood and Community Relations, to continue providing ongoing City radio programming in Spanish, Somali and Hmong, as well as outreach to a diverse array of cultural communities in Minneapolis. The request will cover annual radio contracts with the following media outlets: Somali-American Radio (KALY 101.7 FM); La Raza Spanish radio (AM 1400); KMOJ (89.9 FM) and Hmong radio (WIXK 1590 FM). Where possible, we would also like to provide some coverage on KRSM radio (98.9 FM), not as a stand-alone program, but to broadcast key announcements from the City in multiple languages. We expect to maintain existing programming on these stations, including twice per month on KMOJ, every other week on La Raza and once-per-month on KALY and WIXK.

Equity Impacts & Results:

To reach and engage audiences that do not communicate in English, rely on an oral tradition of communications or which are traditionally underserved by mainstream media, the City has partnered with local community radio outlets serving our Latino, Somali, Hmong, African-American and Native residents. Community engagement staff from Neighborhood and Community Relations serve as on-air program hosts, conducting interviews in-language and helping to guide programming based on knowledge of particular community needs for City information (i.e. seasonal or programmatic).

Without these formats, the City will have diminished ability to reach large portions of community, widening information disparities which are already prevalent. It is critical that the City have culturally-relevant, in-language message channels to connect vital information and news with these audiences. Additionally, many residents that speak Somali or Hmong do not consume written, translated information but communicate orally, making radio a highly targeted and efficient delivery vehicle. The City has also utilized these existing channels to communicate about the 2020 U.S. Census and would expect to use these channels to discuss the impact of the 2020 U.S. Census count on redistricting. We want to maintain these programs to ensure maximum outreach potential to our immigrant and non-English speaking audiences who have disproportionately fewer connection points to the City in terms of information access.

Should funding be granted again in 2021, the City will be able to maintain key information channels to diverse populations who are disproportionately underserved by traditional media outlets and news sources. Messaging regarding the U.S. Census taking place next year will be especially important to push out via these radio programs, which already have a built-in listener audiences. The City will be able to maintain radio programming and PSAs (snow emergency, elections, street sweeping, emergency information) that reach residential and business audiences who consume information in Spanish, Somali and Hmong. Funds acquired will be used for the following:

- Continuity of bi-weekly City Spanish radio show and PSAs on La Raza radio (AM 1400)
- Continuity of monthly City Somali radio show and PSAs on KALY (101.7 FM)
- Continue monthly City Hmong radio show and PSAs on WIXK (1590 FM)
- Continue bi-monthly City radio show and PSAs on KMOJ (89.9 FM)

The conversational formats allow the City to provide culturally-relevant information and news that resonates with non-English speaking community members, providing greater transparency and access to City services, programs and policies that affect their lives.

Communications

Equipment Maintenance & Support

2021 Adopted Change Item

Program: Enterprise Communications

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 30 | 30 | 30 | 30 | 30 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 30 | 30 | 30 | 30 | 30 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The recommendation is for \$30,000 in ongoing general fund resources for annual costs to contract with vendors to provide software and hardware support of broadcast systems and editing servers, access to a music library and hosting/archiving/stream web content. Funds will be used to support live streaming and connectivity to LIMS content, government channel broadcast system, four editing systems, playback servers and music library.

The funding would support audio/video needs at three locations: the council chamber, editing systems/ server and government channel playback. Audio and video equipment should be maintained to keep everything running smoothly and repaired quickly in case of an emergency. The services performed under these contracts include audio/video equipment support for portable and integrated systems and equipment, remote access support services and emergency assistance. Also provide web content hosting and streaming government channel 24/7, archiving meetings and live streaming of official government meetings and press conferences from a remote location.

Description of the Change:

Providing access to meetings and other government productions online is very essential in providing transparency. The Communications Department A/V equipment won't wait for the moment that's most convenient when it decides to fail. Instead, it will almost certainly fail at a moment that will be inconvenient. Support contracts ensure that our equipment is in optimal condition, mitigating possible failures and reducing the probability of post-outage scrambles to arrange for emergency repair. Hosting and streaming services are also connected with the Clerk's LIMS system, this will only expand as we look to provide simpler solutions.

Equity Impacts & Results:

If these contracts are funded, the City will continue to provide access and transparency for all Minneapolis residents of live Council and committee meetings, Minneapolis Park & Recreation Board

meetings, budget meetings and all other government productions. This support includes connectivity to the automatic captioning system that provides closed captioning on the web and both government channels 24/7.

If funded, equipment and servers will be supported by outside vendors in emergency situations, an accessible music production library and unlimited archiving and streaming of all meetings and video productions. If not funded, the City would run the risk of equipment failure without a means to repair it quickly, loss of online streaming, disconnection of content from LIMS system and access to a broadcast music library for government productions.

Communications

1 Temp Communications position

2021 Adopted Change Item

Program: Enterprise Communications

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 100 | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | — | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 100 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The council recommends increasing the expense budget in the Communications department on a one-time basis by \$100,000 to provide funding for a temporary FTE authorized under Resolution No. 2020R-284 in support of public safety strategies; and, transferring \$100,000 of cash balance from the 01SNR Fund to the General Fund.

As the City of Minneapolis works to transform community safety by exploring new methods of preventing violence and crime, formulating alternative responses and continuing police reform initiatives, the City must also work to redefine and staff public safety communications and engagement in new ways to meet the moment. In many ways, transforming community safety starts with public communications and neighborhood engagement – communications that are racially-equitable, trusted, accurate, timely and objective. As the City seeks to engage the public on these new efforts, a dedicated community safety communications lead is required to focus and coordinate the multi-department communications efforts, developing communications strategies, tactics and messages that are relevant to the diverse communities the individual programs serve.

Description of the Change:

The funding will allow for the creation of a new one-time FTE position which is a new strategic communications lead position within City Communications. This position will support the City's work to transform public safety, including communications support work for the Office of Violence Prevention, alternative response pilot programs involving Health, 311, 911, Minneapolis Police Department, and other enterprise community safety programs. The City's goal is that Minneapolis develops an integrated community safety system to ensure safety for every member of the Minneapolis community. The position was approved initially by Council resolution as support for community safety transformation efforts and will work closely on public communications and engagement efforts with the Office of Violence Prevention within the Health department, the Performance & Innovation team within the Office of City Coordinator, Neighborhood and Community Relations, the Minneapolis Police Department, IT, City Attorney's Office,

911 and 311.

The temporary assignment as a Strategic Communications Coordinator will develop and execute communications plans in collaboration with the Director, Deputy Director, Communications team, program managers and elected officials and work with all staff to respond to media requests for information and provide media and communication services to City Government. The work of this position will include creating and executing strategic communications plans, responding to media inquiries and developing proactive media relations strategies, and managing a digital media presence.

The effective implementation date will begin upon hire in early 2021. The temporary one-time FTE will be managed within the existing Communications department management structure by the department's Deputy Director.

Equity Impacts & Results:

The City of Minneapolis strives to craft communications and messaging reflective of the cultural diversity of the city. This position will be responsible for developing culturally relevant and appropriate messaging related to reimagining public safety. The position will be responsible for understanding the diverse array of audiences that these new program areas and pilots serve and will recommend and develop communications strategies, tactics and messaging that will reach and connect with diverse communities, including non-English speaking communities and communities that do not receive news and information from mainstream media.

The goal of the work is to ensure safety for every member of the Minneapolis community, especially those who are most vulnerable and face the most risks. No person will feel safe or truly be safe if they do not understand how to access the help they need, when they need it. They also need to trust that the programs, services and resources the City provides are here to help and not cause more harm. This begins with communications and authentic engagement including inviting community to participate in the creation of new programs and initiatives and providing impacted audiences equitable access to information that is relevant (not what the City thinks someone needs to hear but information that community needs/wants themselves). The position will work to co-create messaging that places community first in the messaging developed, the trusted messengers engaged and the communications channels used.

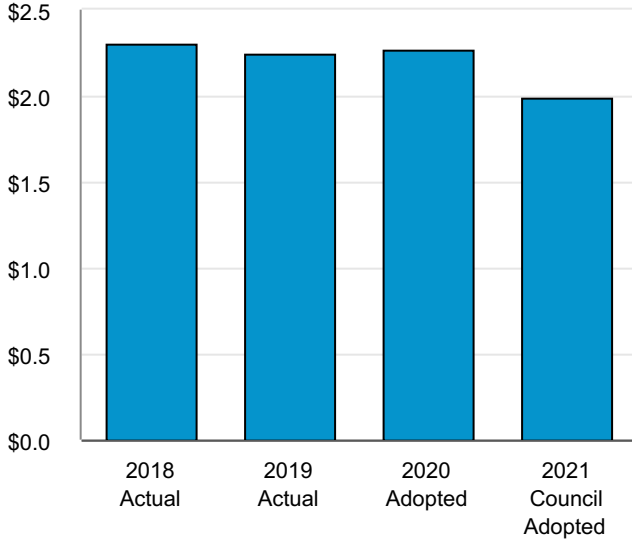
**COMMUNICATIONS
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 916,165 | 911,269 | 1,024,000 | 1,287,000 | 25.7% | 263,000 |
| FRINGES | 303,730 | 304,604 | 356,000 | 364,000 | 2.2% | 8,000 |
| CONTRACTUAL SERVICES | 863,138 | 846,209 | 850,000 | 304,000 | -64.2% | (546,000) |
| OPERATING COSTS | 113,448 | 47,127 | 35,000 | 35,000 | 0.0% | 0 |
| CAPITAL EQUIPMENT | 108,237 | 136,895 | — | — | 0.0% | 0 |
| TOTAL GENERAL | 2,304,718 | 2,246,104 | 2,265,000 | 1,990,000 | -12.1% | (275,000) |
| TOTAL EXPENSE | 2,304,718 | 2,246,104 | 2,265,000 | 1,990,000 | -12.1% | (275,000) |

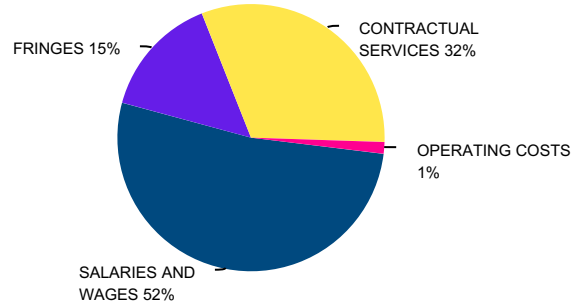
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|----------------|----------------|------------------|-------------------------|-------------------|------------------|
| GENERAL | | | | | | |
| CHARGES FOR SALES | — | — | — | — | #DIV/0! | 0 |
| FRANCHISE FEES | 790,958 | 914,696 | 1,250,000 | 800,000 | -36.0% | (450,000) |
| RENTS | — | — | — | — | 0.0% | 0 |
| TOTAL GENERAL | 790,958 | 914,696 | 1,250,000 | 800,000 | -36.0% | (450,000) |
| TOTAL REVENUE | 790,958 | 914,696 | 1,250,000 | 800,000 | -36.0% | (450,000) |

COMMUNICATIONS EXPENSE AND REVENUE INFORMATION

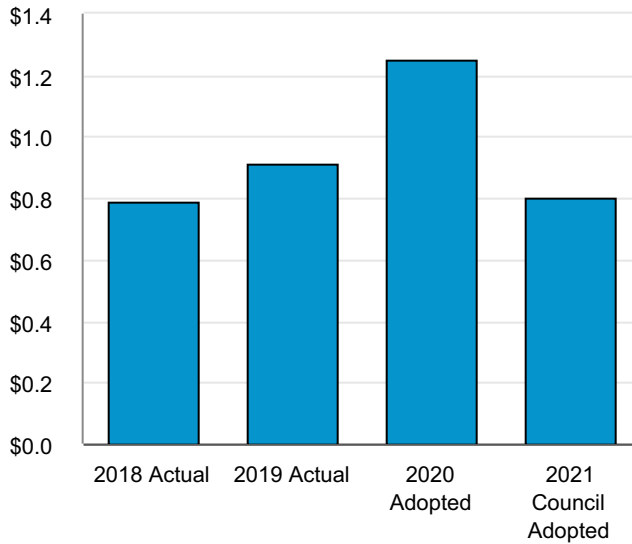
**Expense 2018 - 2021
In Millions**



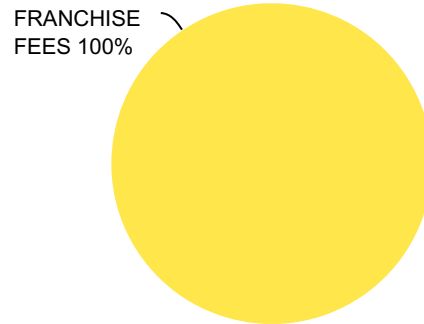
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



COMMUNICATIONS Staffing Information

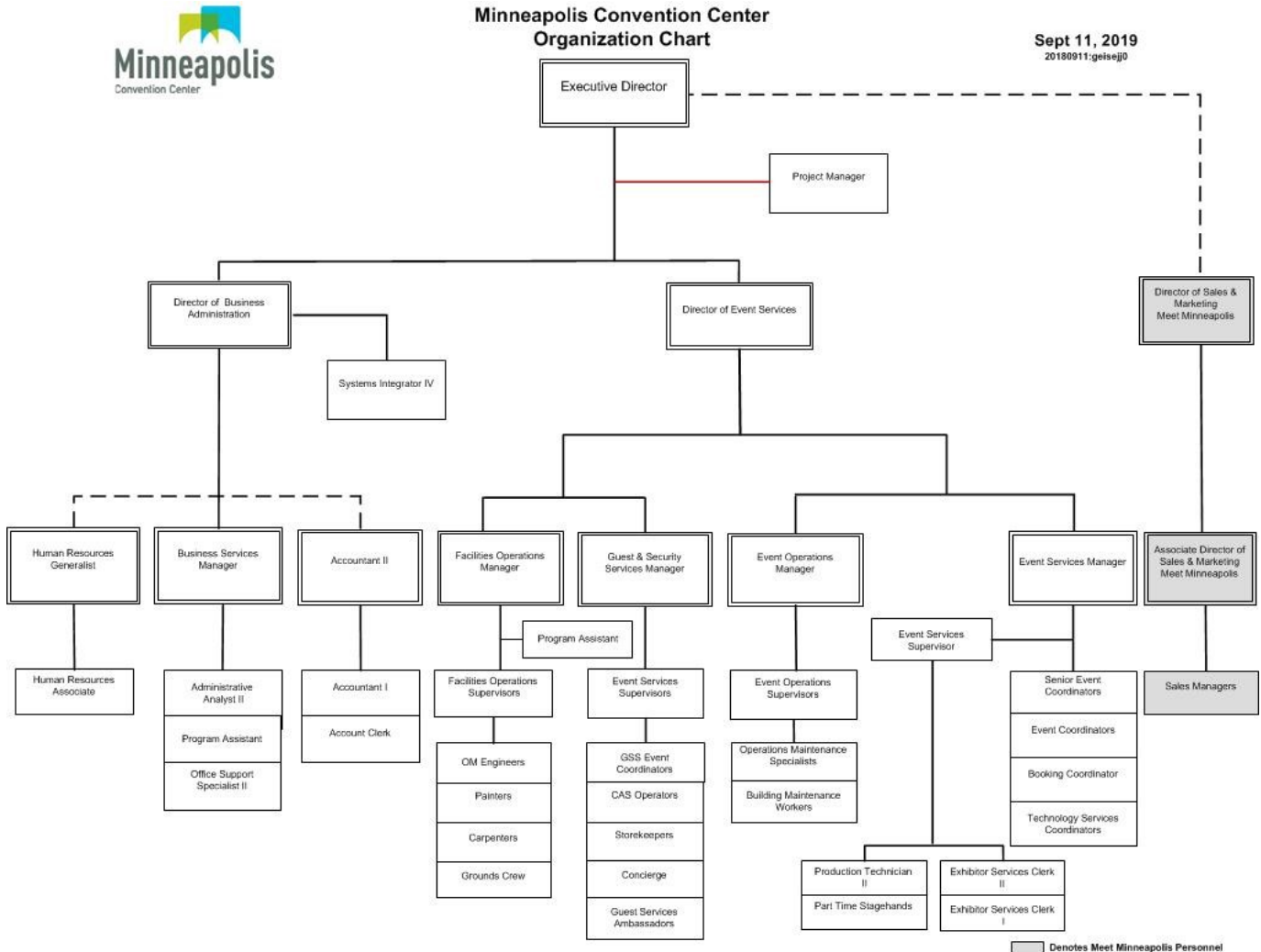
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

MINNEAPOLIS CONVENTION CENTER & DOWNTOWN ASSETS

Mission

The Minneapolis Convention Center will be the best Convention Center by providing an exceptional facility, outstanding internal and external customer service, and responsible use of our resources.

Organization Chart



Minneapolis Convention Center Events Program

Other Fund: \$20,391,000

The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utilities, security and guest services to international, national, regional, state and local clients and their attendees. This program also includes the City's contract with Meet Minneapolis, which provides sales and marketing services for the convention center as well as destination marketing for the City of Minneapolis.

Convention Center events drive economic impact to the City as these clients and their attendees purchase goods and services from the convention center as well as local businesses (hotels, restaurants, retail, recreational, arts) sustaining an estimated 8,600 hospitality jobs and contributing to a vibrant downtown. Meet Minneapolis also pursues leisure travelers and sponsorship opportunities.

Minneapolis Convention Center Facilities Program

Other Fund: \$16,264,000

The Convention Center Facility Program provides the physical building and grounds of the Convention Center as well as the staff to maintain this City asset. The Events Program utilizes the facility to sell and host events. The Facilities Program includes repair and maintenance expenditures as well as Internal Service charges.

Target Center Program

Other Fund: \$4,568,000

The Target Center program provides an operator reimbursement and capital funds for this City-owned facility through a contractual agreement with its operator, AEG.

The Commons Program

Other Fund: \$0

The Commons Program provides operating funds for maintenance, upkeep, and assessments of this City-owned asset.

Peavey Plaza Program

Other Fund: \$437,000

The Peavey Plaza Program provides operating and capital funds for this City-owned asset.

Convention Center

Convention Center Base Cut

2021 Adopted Change Item

Program: Multiple

Fund: Multiple

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|----------|---------|---------|---------|---------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (3,103) | — | — | — | — |
| IT | (59) | (59) | (59) | (59) | (59) |
| Fleet | — | — | — | — | — |
| Contractual Services | (3,392) | (3,392) | (3,392) | (3,392) | (3,392) |
| Other | (3,587) | (3,587) | (3,587) | (3,587) | (3,587) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (10,141) | (7,038) | (7,038) | (7,038) | (7,038) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | (42) | — | — | — | — |

Proposal Detail & Background:

The Council approves decreasing the city's budget across the entire portfolio of the city's downtown assets. Additional reductions of \$72K are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Description of the Change:

Due to current, and forecast, economic conditions, the Mayor recommended achieving targeted cuts through a combination of reductions to personnel, non-personnel, deferrals in capital spending, and internal service fund spending. Below are the reductions across each of Minneapolis' asset programs:

Minneapolis Convention Center Events Program - Reduced event-driven expenses of \$5.2M.

- Event-driven part-time and intermittent staff reduction of \$2.9M. An additional \$100K reduced from overtime and wage freezes.
- Meet Minneapolis contract has been reduced \$1.5M from \$10.3M to \$8.8M, resulting in less sales/marketing for future business.
- Contractual Services supporting event activity are reduced by \$793,300 from \$3M to \$2.2M. Larger contracts included:

1. Event / Building Security \$625,000

2. Temporary Services \$11,000
3. Electrical Services \$150,000

Minneapolis Convention Center Facilities Program – This program is responsible for a significant portion of the convention center’s expenditures:

- Reducing facility expenses by \$1.5M.
- Contractual services are being reduced by \$290,850 in various accounts. Largest reductions (\$273,800) are in repair & maintenance accounts, deferring repair and maintenance.
- Operating costs are being reduced by \$123,875 also in various accounts, including registration fees, employee travel, uniforms and credit card fees, considered discretionary spending.
- Capital expenditures are being reduced by \$1,075,000, deferring upgrades to the facility.

The Commons Program - The department is reducing all funding from Downtown Assets Fund - \$822,000 which will be picked up by the Minneapolis Park Board.

The Target Center Program – This program provides an operator reimbursement and capital funding for this City-owned facility through a contractual agreement with its operator, AEG. The Target Center will be reducing capital expenditures by \$2.8M, deferring facility upgrades not included in the renovation.

Equity Impacts & Results:

Significant reductions were made across all downtown assets as economic uncertainty continues to unfold into 2021.

Minneapolis Convention Center Events Program - At the beginning of 2020, the Minneapolis Convention Center had 342 events budgeted for the year. Of those events, 144 cancelled due to COVID-19. Notably, 90 of those 144 events are Annual groups that Meet Minneapolis has already booked for 2021 and have committed to future years at the Minneapolis Convention Center. In addition, Meet Minneapolis has rebooked 34 of the remaining cancelled events for a future date, and continue working to finalize rebooking of other cancelled events.

As for the future, COVID-19 has impacted the hospitality industry severely and will dictate our recovery. The Minneapolis Convention Center continues to be a place that people want to meet and we have seen that through our solid bookings for 2021, many which are rebookings from this year. Our success in 2021 will come down to our success in managing or defeating the virus in our country and the world.

Significant reductions were made to staffing levels in late 2020 due to a lack of event activity. 2020 budget was not reduced due to timing, the 2021 budget is being reduced. FTE count and overtime for the events program was reduced from 142.3 to 100.66 for a reduction of \$2.9M. This reduction was for intermittent/temporary and part-time staff only.

The Minneapolis Convention Center Events Program employed 142.3 or 82% of our FTE count. That number is reduced to 100.66 FTEs and has a disproportionate impact on people of color. Our workforce demographics in 2019 show that we employed 56% people of color, that number has been reduced to 42%.

Commons Program - This change moves the funding responsibility for Commons from the Downtown Assets Fund to the Minneapolis Park Board.

Minneapolis Convention Center Facilities Program - In 2019, the MCC spent 8% with minority-owned suppliers. Further, the convention center is committed to utilizing Target Market Program (TMP) vendors whenever possible. In 2019, 11% or \$3M of the sourceable spend was with TMP vendors. An analysis of our spending in 2019 shows that 70% or almost \$19M of the sourceable spend was bid or

part of an RFP process. While subcontractors fall into established City SUBP goals, data is not available on this second-tier spending. The Facilities Program employs 31.19 FTEs and there was no equity impact to Facility Program employees.

Target Center - The Target Center program provides cultural and arts activities to the Minneapolis community and provides living wage jobs through those event activities as well as those of their contractors. We look forward to sports and event activity resuming in the future.

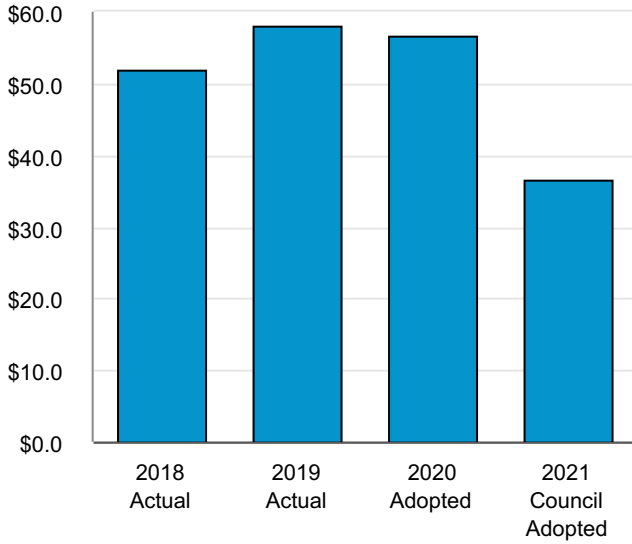
**CONVENTION CENTER
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|---------------------|
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 11,003,037 | 10,747,492 | 11,104,000 | 8,878,000 | -20.0% | (2,226,000) |
| FRINGES | 4,014,260 | 4,127,804 | 4,909,000 | 3,797,000 | -22.7% | (1,112,000) |
| CONTRACTUAL SERVICES | 24,621,694 | 23,778,870 | 24,013,000 | 18,838,000 | -21.6% | (5,175,000) |
| OPERATING COSTS | 1,308,573 | 1,342,301 | 1,543,000 | 1,218,000 | -21.1% | (325,000) |
| CAPITAL EQUIPMENT | 10,895,630 | 18,107,956 | 15,112,000 | 3,925,000 | -74.0% | (11,187,000) |
| TOTAL SPECIAL REVENUE | 51,843,194 | 58,104,423 | 56,681,000 | 36,656,000 | -35.3% | (20,025,000) |
| TOTAL EXPENSE | 51,843,194 | 58,104,423 | 56,681,000 | 36,656,000 | -35.3% | (20,025,000) |

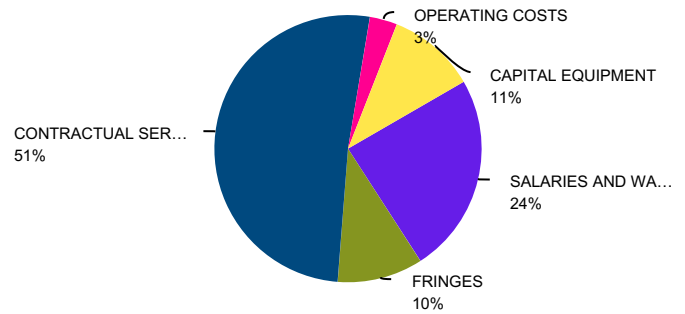
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|---------------------|
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SALES | 400 | — | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 13,646,537 | 12,822,325 | 11,175,000 | 4,002,000 | -64.2% | (7,173,000) |
| CONTRIBUTIONS | 26,927 | 28,969 | — | — | 0.0% | 0 |
| INTEREST REVENUE | — | 15,000 | — | — | 0.0% | 0 |
| LOCAL SALES TAXES | — | — | — | — | 0.0% | 0 |
| MISCELLANEOUS | 17,579 | 21,293 | — | — | 0.0% | 0 |
| RENTS | 10,730,221 | 9,861,772 | 9,120,000 | 2,898,000 | -68.2% | (6,222,000) |
| USE OF FUND BALANCE | — | — | 4,983,000 | — | -100.0% | (4,983,000) |
| TOTAL SPECIAL REVENUE | 24,421,664 | 22,749,359 | 25,278,000 | 6,900,000 | -72.7% | (18,378,000) |
| TOTAL REVENUE | 24,421,664 | 22,749,359 | 25,278,000 | 6,900,000 | -72.7% | (18,378,000) |

CONVENTION CENTER EXPENSE AND REVENUE INFORMATION

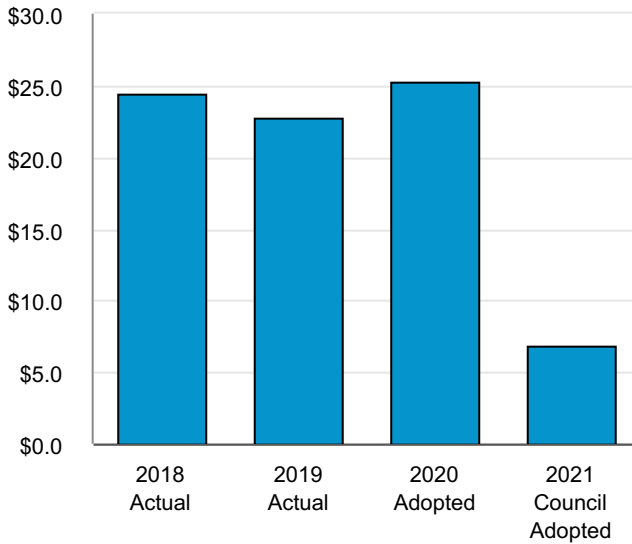
**Expense 2018 - 2021
In Millions**



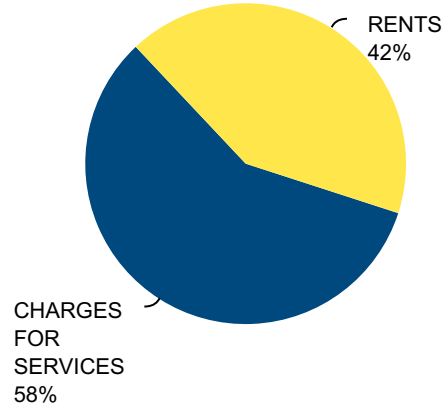
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



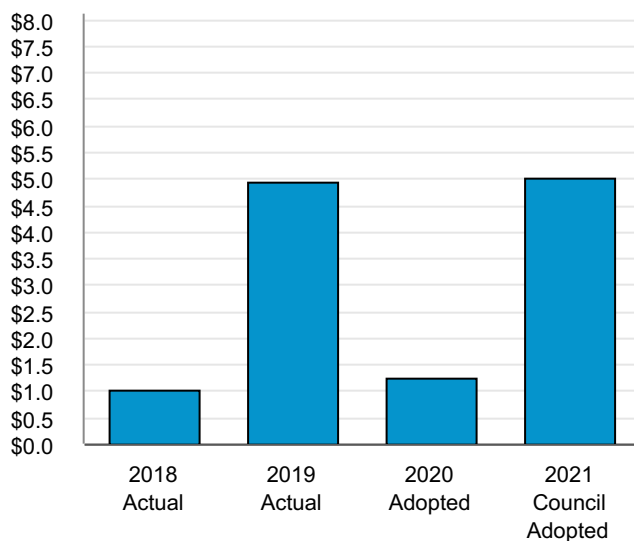
DOWNTOWN ASSETS EXPENSE AND REVENUE INFORMATION

| EXPENSE | 2017 Actual | 2018 Actual | 2019 Adopted | 2020 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|----------------------|----------------|------------------|
| SPECIAL REVENUE | | | | | | |
| SERVICES | 890,174 | 1,324,879 | 1,244,000 | 2,183,000 | 75.5% | 939,000 |
| OPERATING COSTS | 123,158 | 81,556 | — | 119,000 | 0.0% | 119,000 |
| CAPITAL EQUIPMENT | 7,765 | 3,518,481 | — | 2,500,000 | 0.0% | 2,500,000 |
| TOTAL SPECIAL REVENUE | 1,021,097 | 4,924,916 | 1,244,000 | 5,004,000 | 302.3% | 3,760,000 |
| TOTAL EXPENSE | 1,021,097 | 4,924,916 | 1,244,000 | 5,004,000 | 302.3% | 3,760,000 |

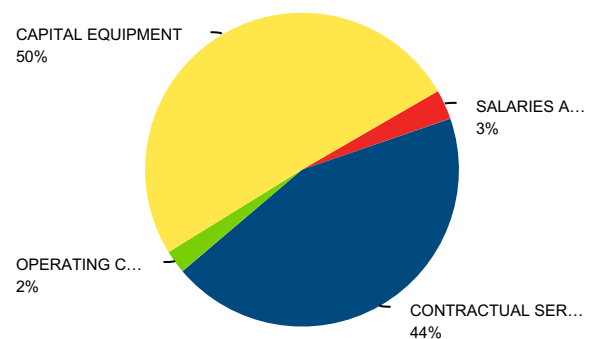
| REVENUE | 2017 Actual | 2018 Actual | 2019 Adopted | 2020 Council Adopted | Percent Change | Change |
|------------------------------|-------------|-------------|-------------------|----------------------|----------------|---------------------|
| SPECIAL REVENUE | | | | | | |
| LOCAL SALES TAXES | — | — | 93,446,000 | 16,817,000 | -82.0% | (76,629,000) |
| RENTS | — | — | — | 1,551,000 | 0.0% | 1,551,000 |
| USE OF FUND BALANCE | — | — | (1,382,000) | — | -100.0% | 1,382,000 |
| TOTAL SPECIAL REVENUE | — | — | 92,064,000 | 18,368,000 | -80.0% | (73,696,000) |
| TOTAL REVENUE | — | — | 92,064,000 | 18,368,000 | -80.0% | (73,696,000) |

DOWNTOWN ASSETS EXPENSE AND REVENUE INFORMATION

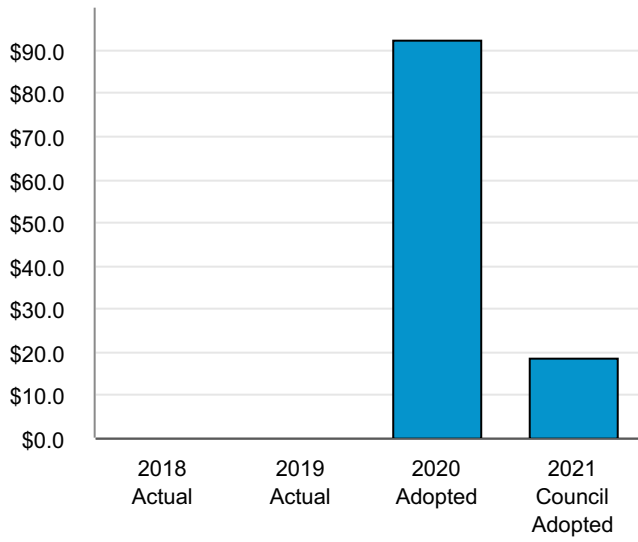
**Expense 2017 - 2020
In Millions**



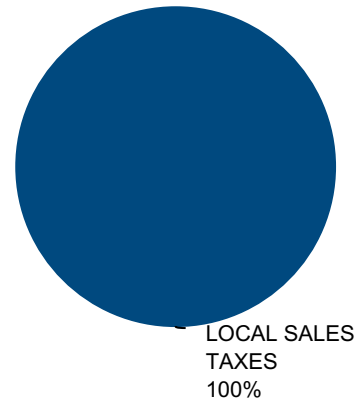
Expense by Category



**Revenue 2017 - 2020
In Millions**



Revenue by Type



CONVENTION CENTER Staffing Information

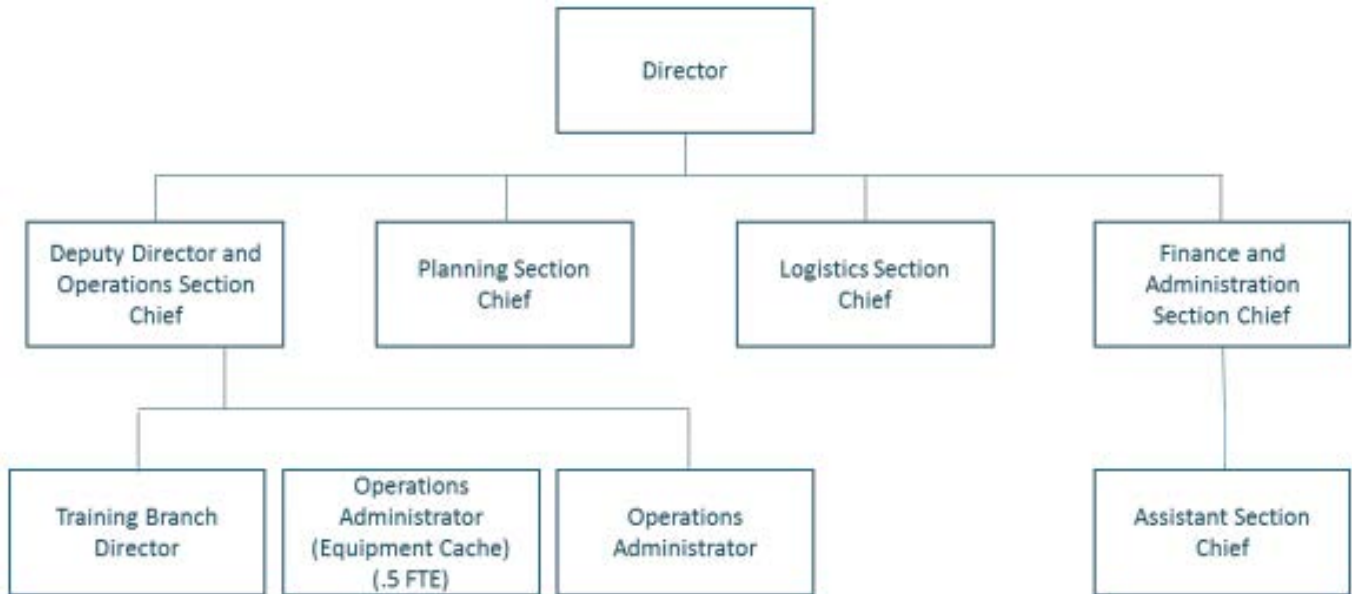
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

OFFICE OF EMERGENCY MANAGEMENT

Mission

The Office of Emergency Management (OEM) protects the people who live, work and play in the City of Minneapolis, the State and Nation by building, sustaining and improving the department's capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural or man-made and acts of terrorism.

Organization Chart



Office of Emergency Management

General Fund: \$1,110,000

Other Funds: \$859,000

The Office of Emergency Management protects the people who live, work and play in the City of Minneapolis, the State and Nation by building, sustaining and improving our capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural, man-made or acts of terrorism. As an enterprise office, the OEM serves other City departments in external emergency management and internal continuity of operations. In order to accomplish its mission, OEM partners with other local, regional, state and federal government as well as the non-profit and private sectors. OEM functions are mandated by Minnesota Statutes as well as Minneapolis Ordinances.

Emergency Management
Emergency Management Base Cut

2021 Adopted Change Item

Program: Emergency Management
Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (108) | (108) | (108) | (108) | (108) |
| IT | (8) | (8) | (8) | (8) | (8) |
| Fleet | — | — | — | — | — |
| Contractual Services | (16) | (16) | (16) | (16) | (16) |
| Other | (3) | (3) | (3) | (3) | (3) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (136) | (136) | (136) | (136) | (136) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | (1.0) | (1.0) | (1.0) | (1.0) | (1.0) |

Proposal Detail & Background:

The Council approves reducing the Office of Emergency Management budget by \$125,000. This reduction requires elimination of the Administrative Analyst Position for savings of \$107,714 and additional \$16,891 from elimination of the BOLD Planning continuity of operations software package.

The unprecedented social distancing and safety restrictions put in place to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and dramatically lowered city revenues. In order to maintain essential city services, respond to the urgent needs of citizens in 2020 and position ourselves for a strong recovery, all departments were asked to reduce their spending in 2021.

Departments were asked to prioritize core services, avoid layoffs and examine and minimize impacts that would exacerbate racial disparities in outcomes. What follows is a description of the reductions to the departments budget, its impact to services and racial equity.

Additional reductions of \$11,531 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

The Administrative Analyst I has the assignment of Assistant Finance and Administrative Section Chief. The duties performed by this position are office management, scheduling, reception, and assisting with grant management under the supervision of the Finance Section Chief. These functions will be reassigned across the team.

The BOLD Planning software package has served its purpose supporting the startup of the Continuity of Operation (COOP) program, and OEM can maintain full functionality without the ongoing cost.

Equity Impacts & Results:

The department does not anticipate an equity impact from this change. The incumbent Administrative Analyst I has been active in City-wide equity work on a voluntary basis, but this is not a requirement or expectation of the position. The Planning Section Chief has the standing assignment of integrating Equity into OEM Operations.

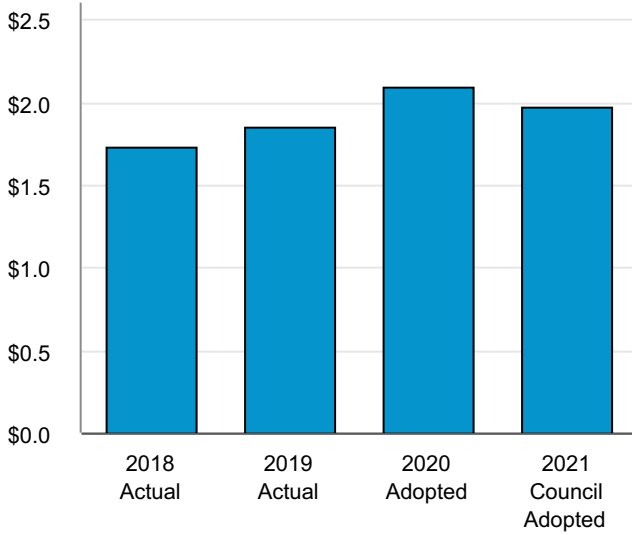
The work done by the Administrative Analyst I is primarily assisting with the deliverables and performance of other team members. Performance for the position is measured by annual performance reviews against a written work assignment. This work will be reassigned across the team as needed with minimal anticipated impact on overall OEM performance.

**EMERGENCY MANAGEMENT
EXPENSE AND REVENUE INFORMATION**

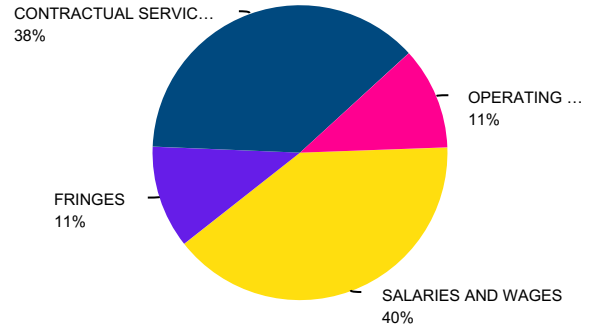
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 394,667 | 390,106 | 438,000 | 397,000 | -9.4% | (41,000) |
| FRINGES | 104,287 | 116,443 | 139,000 | 112,000 | -19.4% | (27,000) |
| CONTRACTUAL SERVICES | 470,965 | 491,025 | 537,000 | 553,000 | 3.0% | 16,000 |
| OPERATING COSTS | 106,455 | 26,707 | 51,000 | 49,000 | -3.9% | (2,000) |
| CAPITAL EQUIPMENT | 51,101 | 10,834 | — | — | 0.0% | 0 |
| TOTAL GENERAL | 1,127,475 | 1,035,115 | 1,165,000 | 1,111,000 | -4.6% | (54,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 291,736 | 395,348 | 460,000 | 390,000 | -15.2% | (70,000) |
| FRINGES | 79,847 | 89,137 | 152,000 | 110,000 | -27.6% | (42,000) |
| CONTRACTUAL SERVICES | 64,880 | 80,738 | 304,000 | 187,000 | -38.5% | (117,000) |
| OPERATING COSTS | 56,997 | 226,525 | 14,000 | 172,000 | | 158,000 |
| CAPITAL EQUIPMENT | 106,182 | 25,000 | — | — | #DIV/0! | 0 |
| TOTAL SPECIAL REVENUE | 599,642 | 816,748 | 930,000 | 859,000 | -7.6% | (71,000) |
| TOTAL EXPENSE | 1,727,117 | 1,851,863 | 2,095,000 | 1,970,000 | -6.0% | (125,000) |
| REVENUE | | | | | | |
| SPECIAL REVENUE | | | | | | |
| CONTRIBUTIONS | 568,259 | 10,269 | — | — | 0.0% | 0 |
| FEDERAL GOVERNMENT GRANTS | 255,427 | (238,288) | 930,000 | 859,000 | -7.6% | (71,000) |
| TOTAL SPECIAL REVENUE | 823,686 | (228,019) | 930,000 | 859,000 | -7.6% | (71,000) |
| TOTAL REVENUE | 823,686 | (228,019) | 930,000 | 859,000 | -7.6% | (71,000) |

EMERGENCY MANAGEMENT EXPENSE AND REVENUE INFORMATION

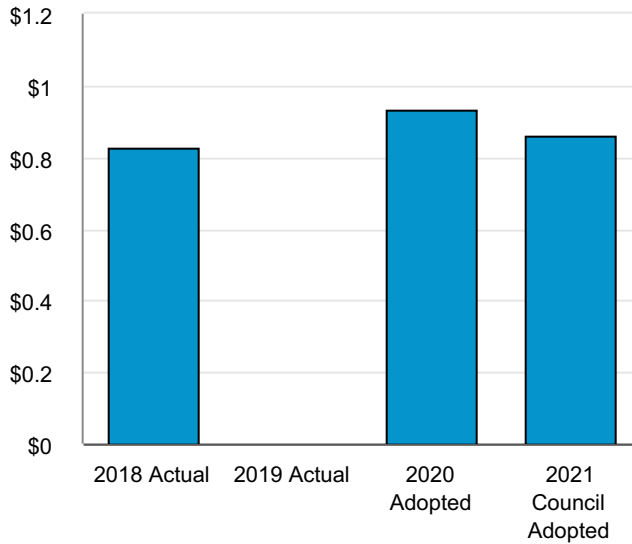
**Expense 2017 - 2020
In Millions**



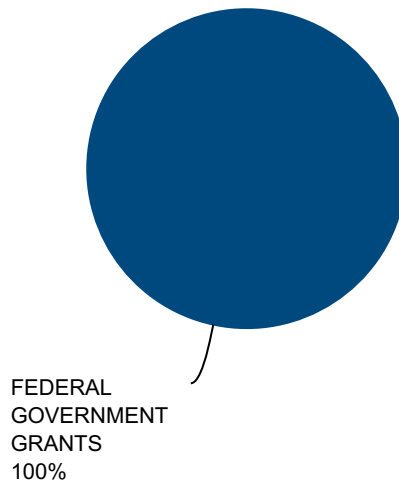
Expense by Category



**Revenue 2017 - 2020
In Millions**



Revenue by Type



EMERGENCY MANAGEMENT Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

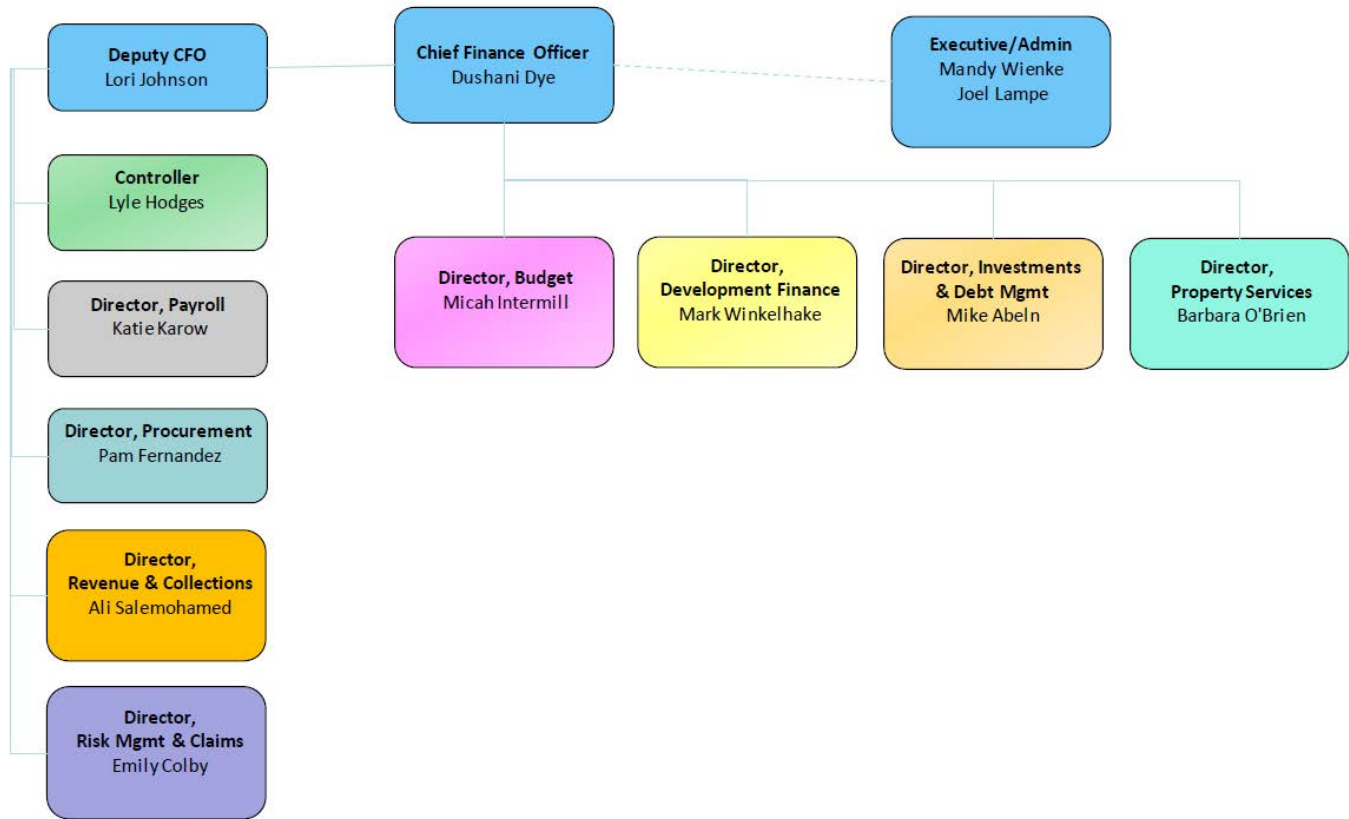
FINANCE & PROPERTY SERVICES DEPARTMENT

Mission

Provide essential financial, resource and asset management services, and engage Enterprise partners in decision-making to uphold the City's lasting vibrancy and strength.

Organization Chart

Finance & Property Services Organizational Chart



Controller

General Fund: \$7,980,000

Other Funds: \$2,283,000

This program plays a critical role in providing financial information to City policy-makers, City staff and decision-makers enabling them to perform their job more effectively and provide services to City residents. Information also is made accessible for external stakeholders such as the public, City investors, bond rating agencies, the State Auditor and grant agencies. A primary goal of this program is to ensure fiscal responsibility through monitoring and internal controls, and provision of financial information for strategic decision-making among department managers and leadership.

Key services provided by this program include: monitor and report department revenues and expenditures to managers and policy-makers including grant-related revenues and expenses, and report this information to grantors, provide information on the City's human and financial resources using COMET (City of Minneapolis Enterprise Technology), prepare City's quarterly financial report and

Comprehensive Annual Financial Report (CAFR), respond to internal and external audits, design and administer rate models that allocate shared costs for internal services and assist managers during the annual budget process and to provide financial analyses and pertinent information necessary to support City decisions and investment.

Procurement

General Fund: \$3,977,000
Other Funds: \$1,248,000

This program manages, facilitates and oversees bidding and contracting for, purchase of and payment for all goods and services for all City departments and independent boards. City departments and independent boards rely on this program for obtaining goods and services through open, competitive and cost effective processes that reflect City values, safe-guarding against malfeasance and for ensuring that vendors are paid in a prompt manner. Through this program external stakeholders also are invited and encouraged to work with the City and establish procurement relationships. Further, this program supports activities related to green purchases and strives to increase the percentage of green purchases throughout City departments, wherever possible.

Revenue & Collections

General Fund: \$5,927,000

Utility billing, a division within Revenue and Collections, is mandated by Minneapolis City Ordinance, is collaboration between the Finance and Property Services and Public Works Departments to invoice, collect revenue and provide specific utility customer account information related to the delivery of City water, sewer, solid waste and storm water services. The revenues generated sustain the operation of these departments making it imperative that revenues are billed and collected in an efficient and timely manner.

In addition, Accounts Receivable, a division within Revenue and Collections, performs accounts receivable activities for non-utility services provided by other City Departments.

Payroll

General Fund: \$1,745,000

This program effectively administers the provisions of twenty-three City labor agreements and labor-related pay work rules, numerous federal and state laws, and detailed chart of accounts coding used by some City departments to efficiently and accurately pay 5,000 to 7,000 City employees every two weeks (the number of City employees on the payroll fluctuates throughout the year). Through this program, the City also pays various benefit-related payments such as health and dental premiums, deferred compensation and mini-flex accounts as well as other payments such as union dues.

Risk Management & Claims

Other Funds: \$2,218,000

The goals of this program are the preservation of City assets, prevention of the loss of financial resources and injury to City employees, administration and management of workers' compensation claims and tort claims (liability claims under \$25,000), unemployment program administration as well as loss prevention activities, which include safety, OSHA, ergonomic programs and subrogation. This program plays a pivotal role in supporting the City in its ability to provide services to residents, administration of claims, and safety to the work environment, employees, and its citizens.

Executive / Administration

General Fund: \$656,000

The Finance Officer (CFO), a position defined by City Charter, is responsible for maintaining the City's financial health so that it can continue to provide a wide array of services to residents, business and visitors, and maintain public health and safety. In addition, this program provides strategic oversight and coordination of the department; and, human resource and administrative support for the department.

Budget

General Fund: \$1,174,000

This program is responsible for the management, planning, and oversight of the City's financial resources and commitments. In doing so, city departments are challenged to think of innovative and cost effective ways to provide their services and optimize the use of their resources. Policy-makers, City Department staff, residents and businesses rely on this program for information and direction on City finances, budget development and strategic use of resources.

Investments, Capital, and Debt Management

General Fund: \$498,000

This program oversees and manages the City's investment relationships to provide the best return on financial assets, is responsible for leading the capital budget process through CLIC, and for managing the city's debt. This program is also responsible for facilitating City bond issues, making debt service payments, and tracking the use of bond authority.

Development Finance

General Fund: \$1,571,000

This program provides financial management, analysis, planning and administrative services to the Community Planning and Economic Development (CPED) Department, the Neighborhood and Community Relations (NCR) Department, the Chief Financial Officer, and elected officials in support of the City's economic development and housing policies, objectives, programs, and projects.

Property Services

General Fund: \$160,000

Other Funds: \$26,364,000

The primary purpose of this program is to comprehensively and strategically provide for the land, facility, and furnishing needs of City owned, operated and leased facilities through various activities including preventive maintenance and corrective maintenance, routine cleaning and maintenance, construction, tenant improvements, space and asset management, and security and life safety needs. Also to provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions. Additionally, to provide centralized internal security management services that reduce risk to the City's Operating Departments. The goals of this program are to provide safe working environments for employees, their clients and visiting members of the public.

Public Safety Staffing Reserve

General Fund: \$11,427,000

Beginning in 2021, and held separate from the rest of the department, Finance & Property Services will hold a budgetary reserve that is transferable to the Police Department through Council action.

Finance & Property Services

Finance & Property Services Base Cut

2021 Adopted Change Item

Program: Multiple

Fund: Multiple

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|---------|---------|---------|---------|---------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (945) | — | — | — | — |
| IT | (181) | (181) | (181) | (181) | (181) |
| Fleet | (1) | (1) | (1) | (1) | (1) |
| Contractual Services | (3,033) | (3,033) | (3,033) | (3,033) | (3,033) |
| Other | (413) | (413) | (413) | (413) | (413) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (4,574) | (3,629) | (3,629) | (3,629) | (3,629) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|-------|------|------|------|------|
| Change in FTE Count | (8.0) | — | — | — | — |

Proposal Detail & Background:

The Mayor recommends reducing the Finance & Property Services Department budget by 4.2% or \$867,000 in the General Fund, 4.1% or \$92,000 in the Self Insurance Fund, and 2.1% or \$721,000 in the Property Services Fund. In addition, a revenue increase of \$845,000 is recommended in the General Fund, reducing the department's draw on limited General Fund resources by a further 4%.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$128,000 in the General Fund, \$91,000 in the Property Services Fund, and \$5,000 in the Self-Insurance Fund are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

General Fund budget adjustments are as follows:

Hold 5 vacant General Fund positions open totaling \$585,000, as follows: 1 position from the Controller's Payroll division, 2 positions from the Controller's Financial Accounting division, 1 position from Development Finance, and 1 position from the Investments, Capital & Debt Management division. Reduce contractual spending by \$57,000 within the Utility Billing division.

Scale back maintenance and operations of the Public Service Center/City of Lakes buildings, resulting in savings of \$225,000.

To further offset the department's ongoing expenses in 2021, it will begin recovering full cost of credit card fees associated with Utility Billing starting mid 2021. This will save property tax levy of \$300,000. An additional \$545,000 in eligible overhead charges from City Enterprise funds, also previously borne by the Property Tax Levy be recovered in revenue.

Self Insurance Fund: To achieve a 4% reduction target (\$92,000), one vacant Worker's Compensation Claims Adjuster position will be held open.

Property Services Fund: the department will hold 2 vacant Operations & Maintenance positions totaling \$256,000, and decrease its Asset Preservation projects budget by \$240,000. The department will further decrease its expense and revenue budget by \$225,000 associated with the aforementioned reduction of maintenance and operations of the Public Service Center/City of Lakes buildings (which work is charged to the General Fund but performed within the Property Services Fund).

Equity Impacts & Results:

Credit card fees that were previously absorbed by the City will now be passed on to the groups that maybe already identified in one of the identified groups.

Impacts will generally be felt by Finance & Property Services' customer departments. In addition to the credit card fees that may have direct equity impact, the department supports a Fellowship program as an additional way to increase pathways to employment for people of color (2019 Department Results – FPS.ppt) that is proposed to be held vacant.

The General Fund and Self-Insurance cuts to staff and contracts will decrease the department's capacity to provide general financial support to other City functions. The Property Services reduction will decrease the division's capacity to respond timely to lower-priority service requests and deliver projects that preserve condition of City facilities occupied by other departments and used by members of the public.

Finance & Property Services

Public Safety Staffing Reserve

2021 Adopted Change Item

Program: Public Safety Staffing Reserve

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|--------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | — | — | — | — | — |
| Other | 11,427 | 6,427 | 6,427 | 6,427 | 6,427 |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 11,427 | 6,427 | 6,427 | 6,427 | 6,427 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | — | — | — | — | — |

Proposal Detail & Background:

The Council approved \$6,427,000 in ongoing general funds and \$5,000,000 in onetime general funds for a Public Safety Staffing Reserve housed in Finance & Property Services.

The Public Safety Staffing Reserve is funded by diverting funds from MPD's planned 2021 overtime budget (\$5,000,000) and, on an ongoing basis, the Community Service Officer program and two recruiting classes (\$6,427,000).

Description of the Change:

The City's Chief Financial Officer shall hold these funds in a Public Safety Staffing Reserve until such time that the City Council authorizes their transfer to the Police Department through Council action. The City's Police Chief can access funds in the Reserve by submitting a report to the committee with jurisdiction over public safety on current staffing levels, future anticipated staffing needs, and the plan to deploy funds.

The aim of the staffing reserve is to ensure that recruitment and staffing strategies comport with broader City goals. It gives City Council the opportunity to ask questions of MPD and allows the Police Chief an opportunity to explain his strategy for the department.

If none of the staffing reserve is accessed, this reduction would have the effect of eliminating the Community Service Officer (CSO) program and two planned recruiting classes.

This change will result in a budget reduction of \$2.3 million on an ongoing basis. CSOs work part-time for MPD while attending an approved, two-year law enforcement program. CSOs are unarmed and play a multifaceted role in the MPD, assisting patrol officers in non-enforcement activities, responding to requests for service, maintaining department equipment, and assisting with traffic control (among other tasks). This reduction comes from salary and fringe expenses as well as tuition payment. CSOs were laid off during the budget reductions necessary for the 2020 revised budget, though MPD had planned to

resume this program in 2021.

MPD had also planned for a total of three recruiting classes in 2021. By cutting two of these classes, the City reduces expenditures by \$4.1 million. MPD sought to train 76 new officers with these two classes. Not filling these positions with new officers during this time of increased attrition has the result of lowering the average number of officers in the City's employ.

The source of onetime funds for this amendment is the unobligated General Fund balance in excess of the 17% requirement under City financial policies. These resources are intended only to be used for anticipated Overtime expense. This funding recognizes the likelihood of MPD overtime expenses during this period of increased attrition.

Equity Impacts & Results:

The City's Chief Financial Officer shall hold these funds in a Public Safety Staffing Reserve until such time that the City Council authorizes their transfer to the Police Department through Council action. The City's Police Chief can access funds in the Reserve by submitting a report to the committee with jurisdiction over public safety on current staffing levels, future anticipated staffing needs, and the plan to deploy funds.

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MPD had also planned for a total of three recruiting classes in 2021. By cutting two of these classes, the City reduces expenditures by \$4.1 million. MPD sought to train 76 new officers with these two classes. Not filling these positions with new officers during this time of increased attrition has the result of lowering the average number of officers in the City's employ.

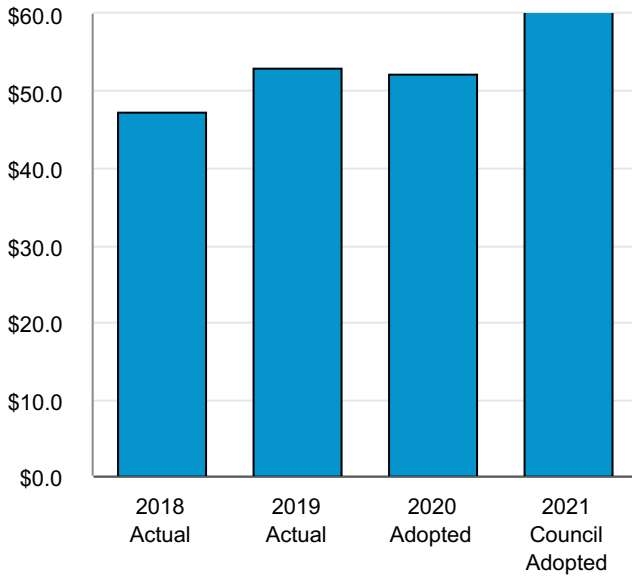
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**FINANCE AND PROPERTY SERVICES
EXPENSE AND REVENUE INFORMATION**

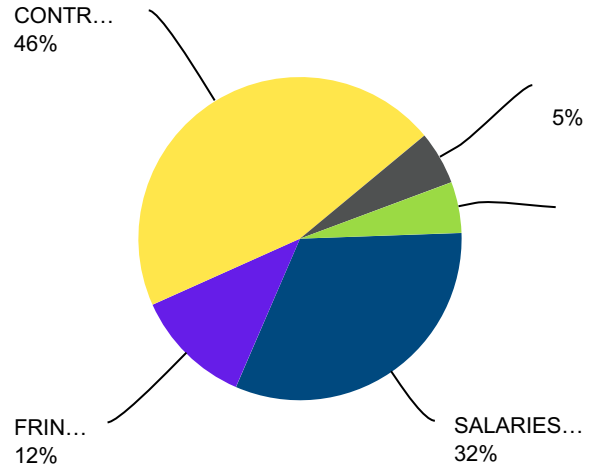
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|-----------------|-------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 11,934,852 | 12,220,316 | 13,763,000 | 13,260,000 | -3.7% | (503,000) |
| FRINGES | 4,268,480 | 4,283,906 | 5,088,000 | 4,715,000 | -7.3% | (373,000) |
| CONTRACTUAL SERVICES | 4,851,902 | 4,844,323 | 4,894,000 | 16,047,000 | 227.9% | 11,153,000 |
| OPERATING COSTS | 1,079,054 | 1,144,849 | 1,132,000 | 1,093,000 | -3.4% | (39,000) |
| CAPITAL EQUIPMENT | — | — | — | — | 0.0% | 0 |
| TOTAL GENERAL | 22,134,288 | 22,493,394 | 24,877,000 | 35,115,000 | 41.2% | 10,238,000 |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 80,829 | 82,333 | 128,000 | 316,000 | 146.9% | 188,000 |
| FRINGES | 22,393 | 22,613 | 45,000 | 94,000 | 108.9% | 49,000 |
| CONTRACTUAL SERVICES | — | — | — | 1,749,000 | | |
| OPERATING COSTS | 1,290 | — | — | 6,000 | | |
| TOTAL SPECIAL REVENUE | 104,512 | 104,946 | 173,000 | 2,165,000 | 1,151.4% | 1,992,000 |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 6,687,479 | 6,713,714 | 7,032,000 | 7,974,000 | 13.4% | 942,000 |
| FRINGES | 2,599,605 | 2,771,142 | 2,631,000 | 3,130,000 | 19.0% | 499,000 |
| CONTRACTUAL SERVICES | 14,182,393 | 18,130,383 | 12,081,000 | 12,915,000 | 6.9% | 834,000 |
| OPERATING COSTS | 1,616,421 | 2,650,624 | 1,640,000 | 2,491,000 | 51.9% | 851,000 |
| CAPITAL EQUIPMENT | 45,430 | 35,932 | 3,686,000 | 3,438,000 | -6.7% | (248,000) |
| TOTAL INTERNAL SERVICE | 25,131,328 | 30,301,795 | 27,070,000 | 29,948,000 | 10.6% | 2,878,000 |
| TOTAL EXPENSE | 47,370,128 | 52,900,135 | 52,120,000 | 67,228,000 | 29.0% | 15,108,000 |
| REVENUE | | | | | | |
| | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
| GENERAL | | | | | | |
| CHARGES FOR SALES | — | 462 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 4,105 | 1,950 | — | — | 0.0% | 0 |
| MISCELLANEOUS | 44,479 | 16,664 | — | 300,000 | 0.0% | 300,000 |
| TOTAL GENERAL | 48,584 | 19,076 | — | 300,000 | 0.0% | 300,000 |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SALES | 666,027 | 699,417 | 680,000 | 721,000 | 6.0% | 41,000 |
| CHARGES FOR SERVICES | 5,261,460 | 7,603,283 | 4,826,000 | 5,771,000 | 19.6% | 945,000 |
| MISCELLANEOUS | 5,342 | 4,740 | 3,000 | 3,000 | 0.0% | 0 |
| STATE GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | (177,000) | — | -100.0% | 177,000 |
| RENTS | 20,339,243 | 21,622,429 | 22,360,000 | 22,490,000 | 0.6% | 130,000 |
| TOTAL INTERNAL SERVICE | 26,272,072 | 29,929,869 | 27,692,000 | 28,985,000 | 4.7% | 1,293,000 |
| TOTAL REVENUE | 26,320,656 | 29,948,945 | 27,692,000 | 29,285,000 | 5.8% | 1,593,000 |

FINANCE AND PROPERTY SERVICES EXPENSE AND REVENUE INFORMATION

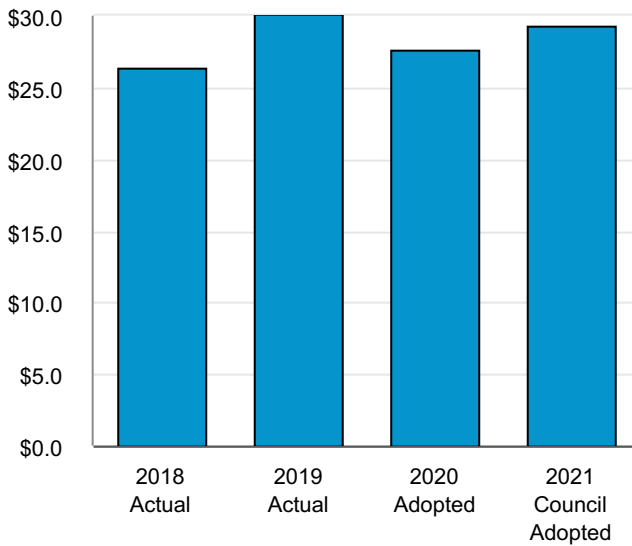
Expense 2018-2021



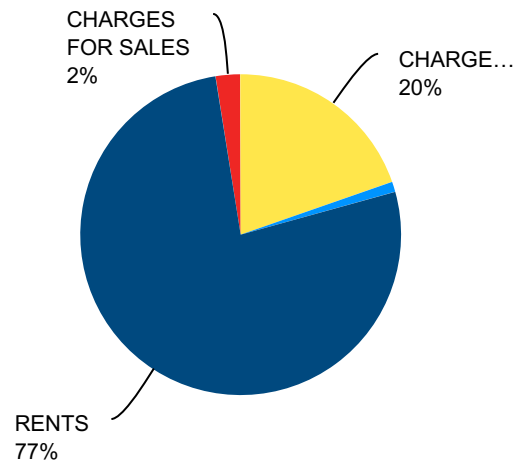
Expense by Category



**Revenue 2018-2021
In Millions**



Revenue by Type



FINANCE & PROPERTY SERVICES DEPARTMENT

Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

HUMAN RESOURCES DEPARTMENT (HR)

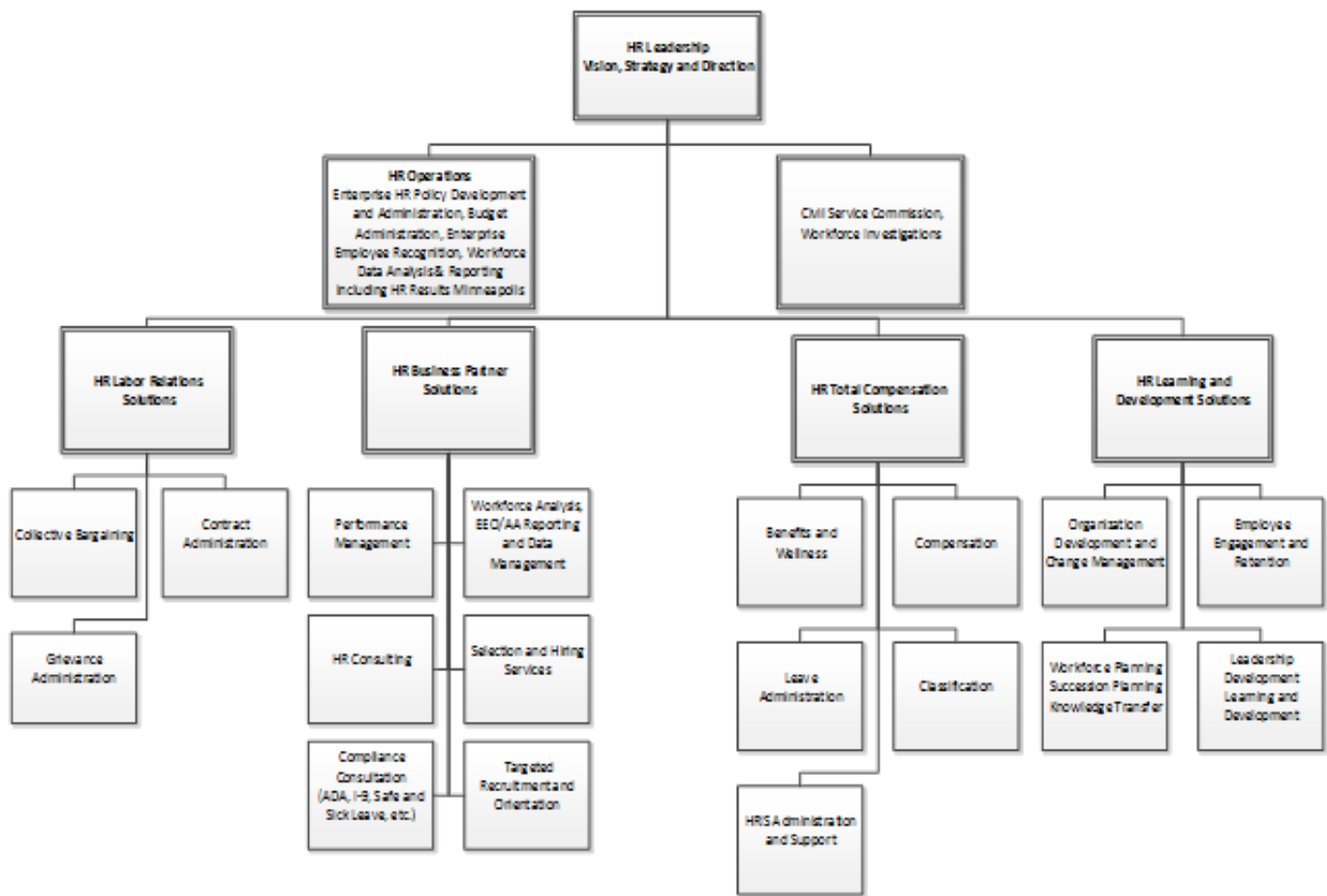
Mission

To attract and engage the best workforce to serve our community.

Human Resources team members demonstrate the following professional qualities, competencies and behaviors:

- **Strategic.** Provide people strategies in alignment with the City's vision and goals.
- **Talent-driven.** Recruit and retain great people to the City and help employees do their best work.
- **Partners.** Work hand in hand with leaders by providing innovative, value-added Human Resource solutions.
- **Ethical and Respectful.** Create policies, practices and processes designed to promote equity and fairness in employee decisions.

Organization Chart



HR Administration

General Fund: \$2,634,000
Other Funds: \$0

Provides enterprise-wide HR leadership and oversight by ensuring the HR strategic direction aligns with City values and goals, ensures fair HR practices in hiring, selection and promotions, ensures EEO and Affirmative Action goals are developed and integrated into enterprise-wide business plans and ensures the integration of racial equity processes in HR programs, policies and practices. HR Administration also ensures that HR practices align with local, state and federal laws and Civil Service rules.

HR Business Partner Solutions

General Fund: \$2,579,000
Other Funds: \$0

Supports the City's goals and values by ensuring effective, value added, human resource services that align and support business objectives through collaboration and strategic partnership with City leaders. Services are focused on attracting, retaining, leading and managing the City's increasingly diverse workforce.

HR Learning & Development Solutions

General Fund: \$770,000

Helps City employees develop their knowledge and skill to accomplish the City's key strategic initiatives while growing their careers. We engage and retain our increasingly diverse workforce by offering a variety of programs and services designed to support their development.

HR Labor Relations

General Fund: \$601,000

Carries out the City's legal obligations under the Minnesota Public Employee Labor Relations Act (PELRA). The division leads and manages all areas of labor relations including the collective bargaining, administration and implementation of 22 collective bargaining agreements. In addition, HR Labor Relations Solutions oversees and implements the City's grievance process. The key activities essential in this program are: negotiate collective bargaining agreements, administer and interpret collective bargaining agreements to insure compliance, provide guidance to City departments on implementation and contract compliance, manage the grievance process, including hearings and addressing third step grievances, oversee contract administration.

HR Total Compensation Solutions

General Fund: \$1,933,000
Other Funds: \$0

Provides leadership and management in the areas of compensation, classifications, benefits, wellness and leave administration. The key services provided in this program are: Benefits and Wellness - develop strategy, design, negotiate and implement health and wellness programs and all other benefit programs, including leaves, Classification Administration - Evaluate work in the context of all other work in the City and maintain the integrity of the classification system. (MN Statutes 471.991-999 and MN Rules Chapter 3920), Compensation Administration - Maintain competitive pay and ensure internal equity based on compensable factors (MN Statutes 471.991-999 and MN Rules Chapter 3920).

HR Self Insurance

Other Funds: \$75,443,000

The HR Self Insurance Fund is a single-employer, self-insured medical plan reserve fund that collects revenues and provides resources to pay for medical claims and related claims and plan administration expenses for employees and their covered dependents. The Fund includes provision for the employee wellness program and stop-loss insurance for protection against large claims and allowances to establish

adequate claim reserves. Fund dollars are used solely for expenses related to the employee medical plan.

Human Resources

Human Resources Base Cut

2021 Adopted Change Item

Program: Multiple

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|---------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (348) | (156) | (156) | (156) | (156) |
| IT | (49) | (49) | (49) | (49) | (49) |
| Fleet | — | — | — | — | — |
| Contractual Services | (590) | (590) | (590) | (590) | (590) |
| Other | (159) | (159) | (159) | (159) | (159) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (1,145) | (953) | (953) | (953) | (953) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|-------|-------|-------|-------|-------|
| Change in FTE Count | (4.0) | (2.0) | (2.0) | (2.0) | (2.0) |

Proposal Detail & Background:

The Council approves reducing the Human Resource Department budget by \$966,000 in the general fund. Additional reductions of \$112K are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Description of the Change:

The HR department will continue to provide all mandatory and required services for the City of Minneapolis in an equitable fashion. HR will remain in compliance with all federal, state and local requirements. All changes to the focus for HR will be to respond to the Mayors emergency order, equity impacts of service delivery, responding to the pandemic, and responding with service to all required legal mandates. The impacts to service levels for the Human Resources department would be significant with a ten percent reduction to the 2021 budget. This impact would include the following:

- Elimination of face-to-face customer service at the front counter for City employees who have questions regarding metro passes, benefits, recruitment, hiring and other HR questions.
- Slower response time for employees for email and phone inquiries regarding metro passes, benefits, recruitment, hiring and other HR questions.

- Elimination of professional organization memberships and professional development (seminars and courses). HR team will not be able to attend seminars and training to keep up on industry knowledge and continue their professional development specifically employment and labor law.

- Professional Services – work in the Total Compensation division will need to be absorbed internally, meaning the Human Resources department would not be able to secure outside expertise for job classification/compensation studies or projects that are over and beyond the day-to-day operations. For example, the Human Resources department has a compensation project will be working to lead a statewide compensation initiative which could involve the League of Minnesota Cities for an expansion of current wage equity legislation. While the State of Minnesota has a state mandate for wage equity mandates for women in the public sector, there is not a similar mandate for BIPOC employees. Also, while the current situation does not allow for increases in salaries, the City still needs to support any and all future State legislation that supports the elimination of the Governor’s salary cap when and if there are opportunities to introduce legislation in future years.

- Learning and Development Solutions (LDS) will assess needs, design and deliver programs and other interventions relying almost exclusively on internal talent. With the exception of limited programming of a cultural agility focus, LDS will no longer bring in consultants to facilitate portions of Leadership U or Leadership U alumni, offer business courses such as Project Management Quickstart, provide external coaching to leaders, may not conduct the MyMinneapolis Mini employee engagement survey after this fall. Our ability to purchase assessments or curriculum will be severely curtailed and will affect services such as DiSC, StrengthsFinder, and the ability to offer an externally validated and normed 360 degree assessment to leaders.

- There will be limited administrative support functions during benefits open enrollment, which is the busiest times of year for the benefits and Total Compensation team. Our hope was to be able to slowly transition to more automation. Unfortunately, due to the cuts in the Human Capital Management System, there will be no dollars available for COMET functionality improvements or systems enhancements or continued development of automated business processes to improve efficiencies, timeliness and accuracy of transactional data. As a result, the HR function will continue to rely on manual processes—which will have a major impact on HR and Payroll’s ability to accurately and timely administer labor contracts and ongoing changes in pay, benefits and leave programs for employees.

- Policy decisions and its impact to the HR department. The City has continued to implement policies that impact the Minneapolis community in the areas of Minimum Wage, Safe and Sick Time and Wage Theft. Most recently, there was a staff directive regarding identifying alternative staffing models for 911. The COVID-19 pandemic also created additional work for the Total Compensation and Labor Relations, HR Business Partner division in the areas of leave administration and communication with departments and labor partners. There has also been a great deal of HR support for the PSC project. Because of the multiple manual systems, these decisions will continue to have a huge impact on HR staff—which means that there will be a slower response time as priorities continue to shift.

- Communications regarding employee benefits, wellness and compensation will be done on a minimal basis, meaning that we meet compliance obligations but will not have budget dollars to do more than required. This may impact employees and their understanding/knowledge of benefits and wellness programs available to them.

The department head and deputy director job study are indefinitely on hold but was half completed when we had to end the study due to COVID and the budget reductions. This means we will not be able to align these jobs at updated and competitive classification and salary levels.

HR Administration – The HR Administration Division will focus resources and capacity on the increase in Anti-Discrimination Harassment & Retaliation investigations and complaints, responding to the large

increase in data requests from the media and multiple lawsuits/investigations, the change in service delivery from in person to the digital format, managing the enterprise HR Continuity of Operation Plan (COOP) until the end of the pandemic, administering work for the Civil Service Commission, reporting data for enterprise strategic racial equity action plan, and leading the HR department.

HR Labor Relations (LR) – The LR Division will focus on the relationship with our labor partners. In order to reach a total department reduction for the HR Department, the LR Division would make reductions to only a few line items in the budget.

HR Business Partner Solutions (BPS) – BPS division will continue to provide strategic HR advise and guidance to all departments. In order to reach the ten percent budget reduction goal, BPS will focus on service needs and move capacity to areas of need. Because of the budget reductions BPS will not need to focus as much capacity on hiring, recruitment and onboarding. BPS will focus on furloughs, pandemic issues to the workforce, reduction in work force strategy, implementing benefits changes, and other HR priorities for departments.

The LDS division will be focusing service in 2021 on the change which occurred in 2020. All learning opportunities are switched to an online and digital learning format. This will continue until the end of the pandemic.

HR Total Compensation (TC) – The HR TC division anticipates continued changes in the benefits package and health insurance for 2021. Health insurance and many other benefits and leaves are required by federal, state and local requirements and the TC division will continue to ensure the City of Minneapolis complies for 2021.

Equity Impacts & Results:

The department focused on the changing service levels and needs of the enterprise. It is projected 2 of the 4 positions identified for layoff, or not to be replaced, are persons of color. The percentage of POC in HR is 32%. If the planned layoff occurred, after the layoff the percentage of POC would be 30%. Human resources would look to fill open needed positions with POC in order to limit impacts on equity to the department and organization.

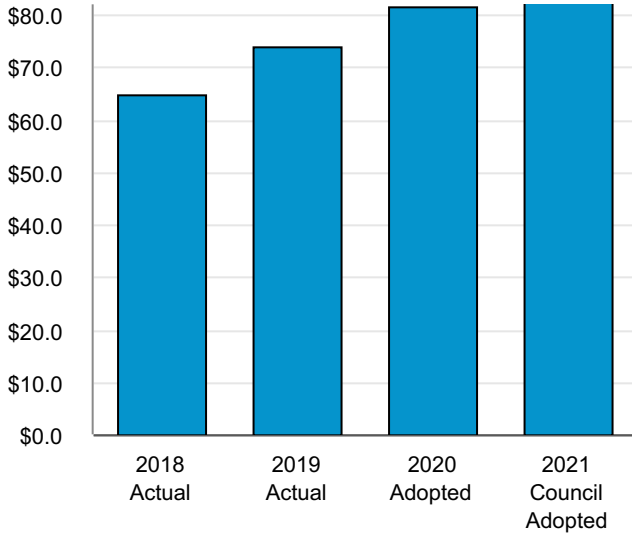
The HR department will focus on conducting services like training, safe space conversations, wage theft notifications, and other services internally. The pandemic, George Floyd murder and budget reductions increased many service areas and work for the department, there has been a decrease in hiring and recruitment. The department reassigned staff internally to help with increase in data requests, and support for all departments with budgetary leave, furloughs and other reductions in force options. There is an increase in benefits management with the pandemic and for advising departments on staff during these unprecedented times. This reduction would limit the capacity for any new or non-critical services—there is hope that the HR department can take a leadership role in supporting and encouraging workforce planning for departments—as well as reinforcing the importance of reviewing and envisioning the future of work. HR will lead and champion racial equity, it is our hope that a stronger spotlight and focus can be created on an enterprise leadership level.

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

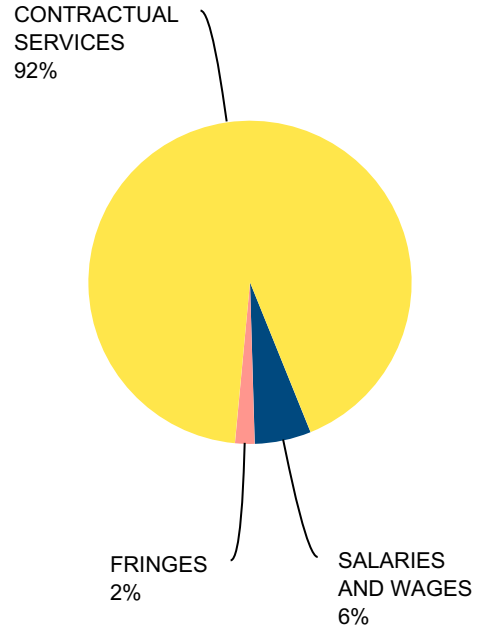
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 3,467,078 | 3,605,243 | 4,103,000 | 4,717,000 | 15.0% | 614,000 |
| FRINGES | 1,177,233 | 1,223,003 | 1,417,000 | 1,634,000 | 15.3% | 217,000 |
| CONTRACTUAL SERVICES | 1,932,223 | 1,593,289 | 3,857,000 | 1,623,000 | -57.9% | (2,234,000) |
| TRANSFERS | 1,500 | 2,500 | — | — | 0.0% | 0 |
| OPERATING COSTS | 715,590 | 685,543 | 696,000 | 545,000 | -21.7% | (151,000) |
| TOTAL GENERAL | 7,293,624 | 7,109,578 | 10,073,000 | 8,519,000 | -15.4% | (1,554,000) |
| SPECIAL REVENUE | | | | | | |
| CONTRACTUAL SERVICES | 430 | — | — | — | 0.0% | 0 |
| OPERATING COSTS | 1,059 | — | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 1,489 | — | — | — | 0.0% | 0 |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 855,555 | 874,300 | 1,097,000 | — | -100.0% | (1,097,000) |
| FRINGES | 334,467 | 328,683 | 372,000 | — | -100.0% | (372,000) |
| CONTRACTUAL SERVICES | 56,170,729 | 65,713,324 | 70,026,000 | 75,443,000 | 7.7% | 5,417,000 |
| OPERATING COSTS | 12,488 | 8,038 | 13,000 | — | -100.0% | (13,000) |
| TOTAL INTERNAL SERVICE | 57,373,239 | 66,924,345 | 71,508,000 | 75,443,000 | 5.5% | 3,935,000 |
| TOTAL EXPENSE | 64,668,352 | 74,033,923 | 81,581,000 | 83,962,000 | 2.9% | 2,381,000 |
| REVENUE | | | | | | |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SERVICES | 70,047,743 | 75,250,212 | 75,716,000 | 75,443,000 | -0.4% | (273,000) |
| MISCELLANEOUS | — | — | — | — | 0.0% | 0 |
| FINES AND FORFEITS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | (4,225,000) | — | -100.0% | 4,225,000 |
| TOTAL INTERNAL SERVICE | 70,047,743 | 75,250,212 | 71,491,000 | 75,443,000 | 5.5% | 3,952,000 |
| TOTAL REVENUE | 70,047,743 | 75,250,212 | 71,491,000 | 75,443,000 | 5.5% | 3,952,000 |

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

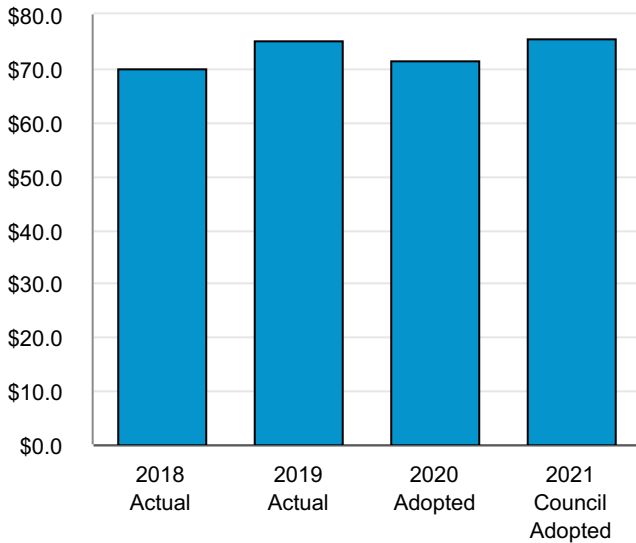
**Expense 2018 - 2021
In Millions**



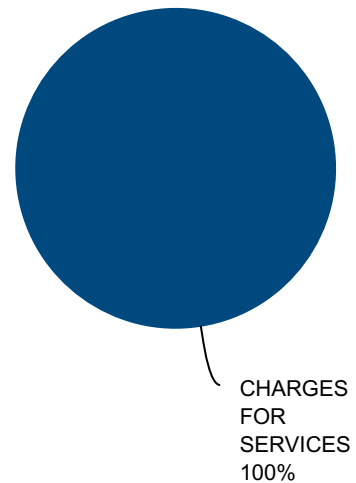
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



HUMAN RESOURCES

Staffing Information

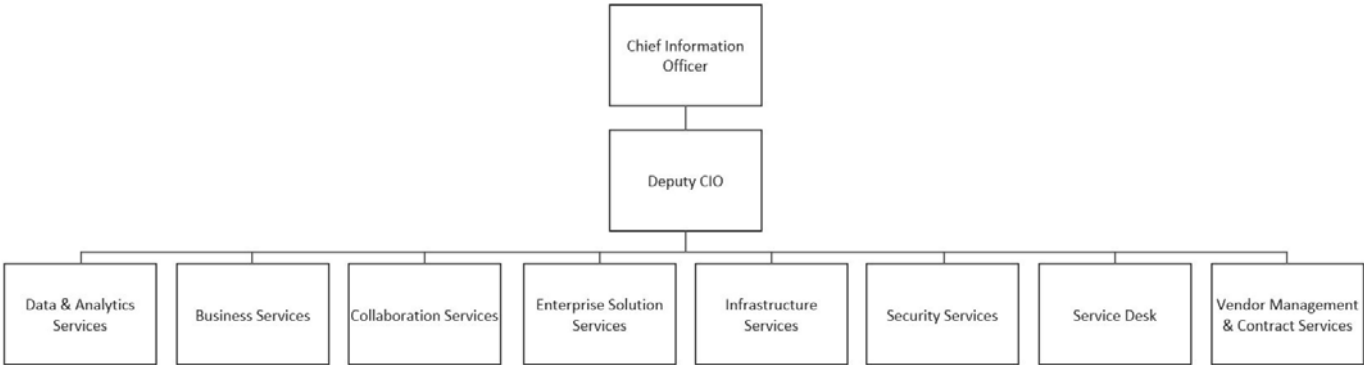
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

INFORMATION TECHNOLOGY

Mission

The mission of Information Technology (IT) is to deliver innovative, high quality, cost effective decision support, technology, infrastructure and workforce enablement services to City departments and residents in support of their business goals and objectives. IT strives to be a valued partner to *transform Minneapolis through technology* by providing innovative technology solutions to meet City needs, challenges and opportunities.

Organization Chart



Workforce Enablement Services

Other Funds: \$21,691,000

Workforce Enablement Services leverages technology to increase worker productivity. It includes the project management office, contract administration, IT solution development and engineering services, and portfolio management for enterprise resource planning, public safety, and land management, etc.

Decision Support Services

Other Funds: \$1,312,000

The Decision Support Services program utilizes technology to turn the city’s data into information and knowledge for better decision making. The program supports enterprise applications for document management, business intelligence, advanced analytics and data visualization. It provides work team support through electronic communications.

Infrastructure Services

Other Funds: \$14,235,000

The Infrastructure Services program maintains computers and networks for high availability, reliability and performance. It includes architect services, security services, service desk, desk side support, oversight of managed services and broadband services contracts. Enterprise applications such as email and office applications, telecommunications and network services as well as copiers are also included in this program.

Information Technology

IT Department Base Cut

2021 Adopted Change Item**Program:** Multiple**Fund:** Info Tech - Internal Service

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | (1,705) | (1,705) | (1,705) | (1,705) | (1,705) |
| Other | (257) | (257) | (257) | (257) | (257) |
| Net Budgetary Impact | — | | | | |
| Expenditures - Revenues | (1,962) | (1,962) | (1,962) | (1,962) | (1,962) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Mayor recommends reducing the Information Technology Department budget by 5% or \$1,951,000 in the Intergovernmental Services Fund.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$8,000 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

Budget adjustments will be made in non-personnel areas as follows:

A reduction of \$860,000 from the IT Workforce Enablement Program. This includes a \$112,000 reduction in discretionary spending on trainings, supplies, and food and beverages; a \$277,000 reduction in professional services spending; and a \$469,000 reduction in spending on various system maintenance contracts due to a combination of price negotiations and cuts to non-vital or underutilized systems.

A reduction of \$980,000 from the IT Infrastructure Services Program. This includes a reduction of

\$604,000 driven by a renegotiation with a major IT solutions provider based on market conditions; a reduction of \$240,000 in professional services contractual spending that supports the IT Service Desk function; and a reduction of \$136,000 in spending on IT hardware maintenance under this program.

A reduction of \$111,000 from the IT Decision Support Services Program. This is a reduction to professional services contractual spending in support of the department's work to support Citywide document management, business intelligence, advanced analytics and data visualization.

Equity Impacts & Results:

The department will not be eliminating positions as part of its proposal. However, professional services reductions may have an impact on current or potential future BIPOC-owned technology suppliers. For example, cost reductions during 2020 resulted in reductions in payments to BIPOC suppliers by \$66,000.

As a result, these reductions will:

Significantly reduce IT's ability to augment staff and niche expertise/skillsets with contracted resources. This impacts IT's ability to quickly respond to issues with some critical systems (ie. 40% slower response rate).

Lessen the City's security posture (ie. data security and data privacy).

Reduce IT's ability to stay current with the industry and employee skillsets (ie. training and system updates/upgrades, also known as "technology debt").

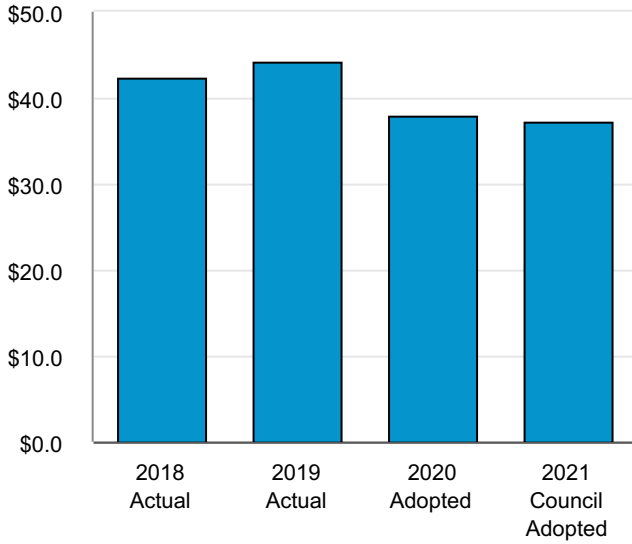
Reduce IT's ability to keep its infrastructure current and stable (ie. more downtime, more interruptions, higher percentage of system unavailability).

**INFORMATION TECHNOLOGY
EXPENSE AND REVENUE INFORMATION**

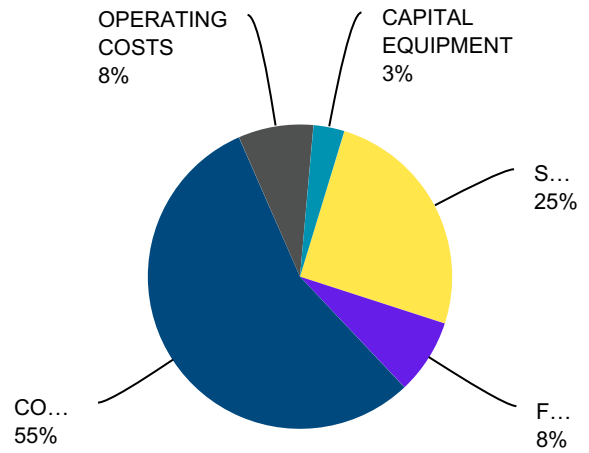
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 9,020,966 | 9,190,538 | 9,542,000 | 9,405,000 | -1.4% | (137,000) |
| FRINGES | 2,706,579 | 2,769,192 | 3,113,000 | 2,972,000 | -4.5% | (141,000) |
| CONTRACTUAL SERVICES | 24,525,522 | 27,265,628 | 21,253,000 | 20,660,000 | -2.8% | (593,000) |
| OPERATING COSTS | 5,320,824 | 4,723,857 | 2,675,000 | 2,972,000 | 11.1% | 297,000 |
| CAPITAL EQUIPMENT | 839,575 | 327,354 | 1,365,000 | 1,228,000 | -10.0% | (137,000) |
| TOTAL INTERNAL SERVICE | 42,413,466 | 44,276,569 | 37,948,000 | 37,237,000 | -1.9% | (711,000) |
| TOTAL EXPENSE | 42,413,466 | 44,276,569 | 37,948,000 | 37,237,000 | -1.9% | (711,000) |
| REVENUE | | | | | | |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SERVICES | 39,557,900 | 34,525,808 | 37,057,000 | 35,849,000 | -3.3% | (1,208,000) |
| MISCELLANEOUS | — | — | — | — | 0.0% | 0 |
| OTHER | — | — | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | 1,761,000 | — | -100.0% | (1,761,000) |
| TOTAL INTERNAL SERVICE | 39,557,900 | 34,525,808 | 38,818,000 | 35,849,000 | -7.6% | (2,969,000) |
| TOTAL REVENUE | 39,557,900 | 34,525,808 | 38,818,000 | 35,849,000 | -7.6% | (2,969,000) |

INFORMATION TECHNOLOGY EXPENSE AND REVENUE INFORMATION

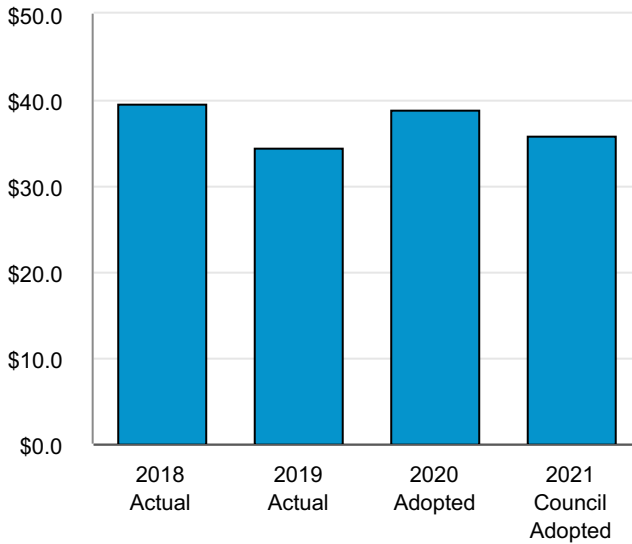
**Expense 2018 - 2021
In Millions**



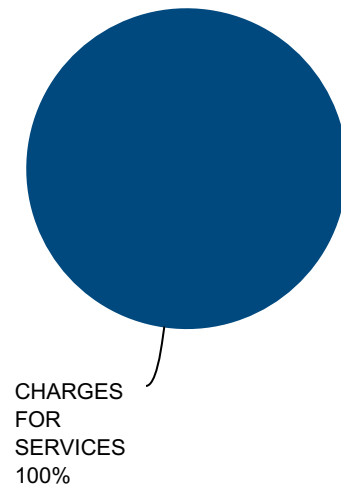
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



INFORMATION TECHNOLOGY Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

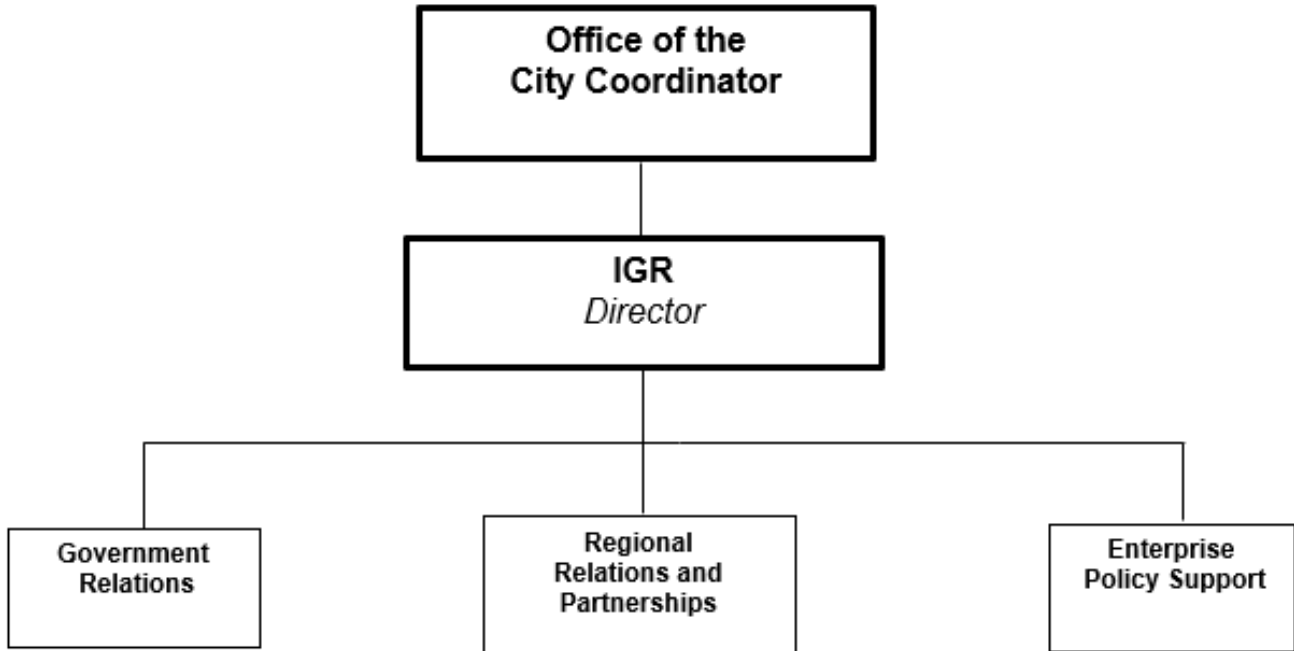
INTERGOVERNMENTAL RELATIONS

Mission

Effectively represent the City of Minneapolis with integrity and dedication to its partners at multiple levels of governance: federal, state, regional, and local in order to achieve legislative and program success.

Organization Chart

ORGANIZATION CHART



Intergovernmental Relations (IGR)

General Fund: \$1,203,000

This program provides resources for advocacy activities with federal agencies, state branches and regional bodies. Under the leadership of the department's director, the program represents city interests at the federal and state level, and enhances the city's partnership and communications with metropolitan and local units of government, and the Metropolitan Airports Commission. Specifically, the program provides for:

Federal Government Relations

IGR advocates for both legislative and administrative policies on behalf of the City to Congress and federal agencies. The work in Washington, D.C. is completed by contracted firms while IGR administers the program locally. Business plan objectives related to this program include identifying federal funding opportunities and support of policy priorities that meet the City's values and goals.

Services provided under this program include (1) assisting in the development of City Council approved federal agenda; (2) providing information to city officials and staff regarding federal issues; (3) arranging for meetings with Washington-based federal elected officials and staff; and (4) consulting on city grant applications for federal assistance and proposed federal regulations.

State Government Relations

IGR works with the legislative and executive branches of Minnesota state government to foster the development of the city and the state. A legislative agenda and policies that include city positions on numerous public policy issues is adopted annually by the City Council. Additionally, this program is responsible for liaising with state agencies, other local units of government, partners associations, and outside organizations to further City objectives.

Services provided under this activity are: (1) informing city staff on the legislative process and on legislation that could impact their respective areas of work; (2) preparation of the legislative agenda; (3) publication of a legislative newsletter; (4) assisting elected city officials and staff at legislative meetings; (5) drafting legislation and supporting documents; (6) advocating for the City's position on relevant legislation and providing information to state lawmakers regarding the impact of legislation on the City; and (7) maintaining communication with state agencies.

Regional Relations and Partnerships

IGR works with the interests of the City of Minneapolis at the Metropolitan Council and the Metropolitan Airports Commission (MAC). IGR works with city officials and staff to develop responses to and recommendations for regional development policies and programs. IGR also aids city officials and staff in reviewing Metropolitan Council and MAC policies and plans through monitoring Metropolitan Council and MAC meetings, serving on work groups, and staffing the city's Airport Working Group. Program staff also serves on policy committees of the Metro Cities organization.

Enterprise Policy Support

IGR provides support to city enterprise policy initiatives that address City's federal or state legislative agenda priorities but also provides policy planning assistance. Current work includes opportunity zones, opioid policy response, and local support of immigration friendly programming initiatives.

Intergovernmental Relations

IGR Base Cut

2021 Adopted Change Item**Program:** Intergovernmental Relations**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | (6) | (6) | (6) | (6) | (6) |
| Fleet | — | — | — | — | — |
| Contractual Services | (134) | (134) | (134) | (134) | (134) |
| Other | (9) | (9) | (9) | (9) | (9) |
| Net Budgetary Impact | — | | | | |
| Expenditures - Revenues | (149) | (149) | (149) | (149) | (149) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | — | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the Intergovernmental Relations department budget by \$139,000 in the general fund. Additional reductions of \$9,000 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Description of the Change:

This change item is a 10% reduction in IGR's 2021 budget proposal. Most of the reduction will be in professional service contracts and the rest through personnel savings. The 10% reduction will affect the salary of the new director, professional service contracts, a membership and several non-personnel line items. IGR recommends eliminating a state lobbying contract and retaining the federal lobbying and the remaining state lobbying contract.

Currently the City has two state lobbying contracts. To meet the reduction goal one contract would be eliminated. The service level status would decrease capacity and therefore the topics covered by the City would need to be reduced. In some policy areas IGR would work with our partners – Metro Cities and the League of Minnesota Cities and other advocacy groups. It should be noted that while the department

proposes to retain the federal lobbying contract, federal lobbying resources were already reduced for 2020 when the dynamics in Washington warranted that action. However, the pandemic and its health and economic impacts has significantly increased the need to engage at the federal level. Therefore, federal resources are slim, but the department is working to maximize influence by enhancing outreach to the Congressional Delegation and increasing engagement with National organizations.

The proposed budget reductions will not affect IGR's staff which is 40% persons of color. In developing the budget all staff participated in the budget review process.

Equity Impacts & Results:

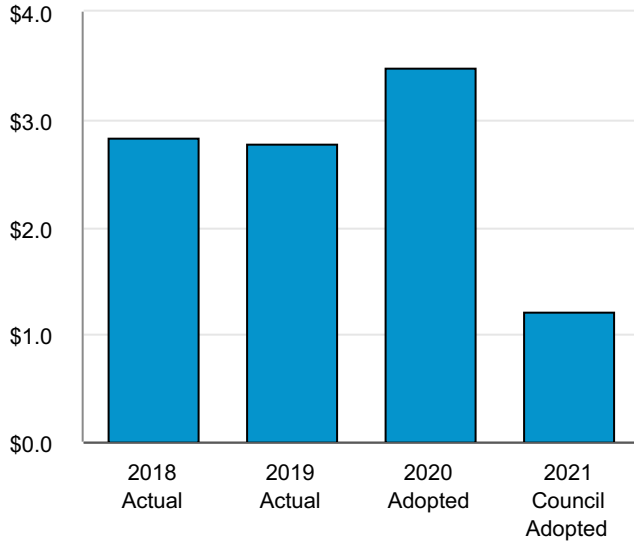
Federal and state representation is an existing activity. The department's legislative performance is measured by comparing the legislative actions to the City's legislative agenda and policies. Soon after the close of the regular session, IGR presents a detailed written report to the City Council and Mayor. The report identifies City policies that have been accomplished as well as the status of other policies supported by the City. Results vary by such variables as the state budget, and positions of legislative and executive leadership and local government organizations.

**INTERGOVERNMENTAL RELATIONS
EXPENSE AND REVENUE INFORMATION**

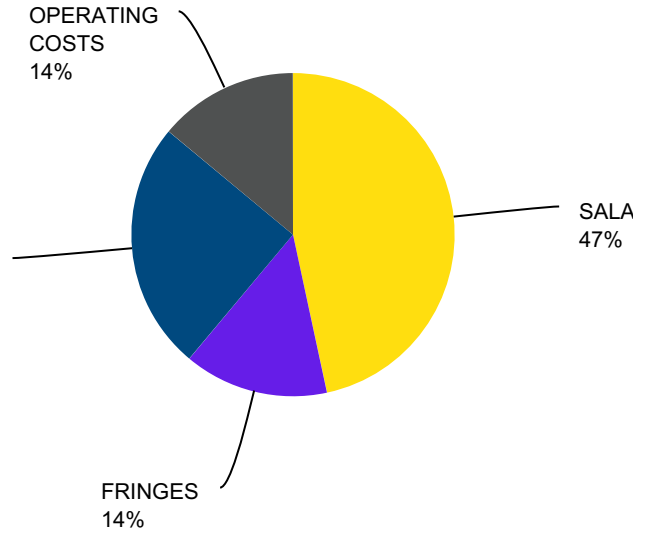
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|-------------------------|-------------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 710,920 | 656,983 | 706,000 | 561,000 | -20.5% | (145,000) |
| FRINGES | 195,309 | 193,262 | 222,000 | 174,000 | -21.6% | (48,000) |
| CONTRACTUAL SERVICES | 440,887 | 425,072 | 439,000 | 300,000 | -31.7% | (139,000) |
| OPERATING COSTS | 141,423 | 159,653 | 180,000 | 168,000 | -6.7% | (12,000) |
| TOTAL GENERAL | 1,488,539 | 1,434,970 | 1,547,000 | 1,203,000 | -22.2% | (344,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 147,968 | 108,171 | 189,000 | — | -100.0% | (189,000) |
| FRINGES | 48,016 | 36,251 | 65,000 | — | -100.0% | (65,000) |
| CONTRACTUAL SERVICES | 1,147,939 | 1,188,318 | 1,676,000 | — | -100.0% | (1,676,000) |
| OPERATING COSTS | — | 590 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 1,343,923 | 1,333,330 | 1,930,000 | — | -100.0% | (1,930,000) |
| TOTAL EXPENSE | 2,832,462 | 2,768,300 | 3,477,000 | 1,203,000 | -65.4% | (2,274,000) |
| REVENUE | | | | | | |
| SPECIAL REVENUE | | | | | | |
| CONTRIBUTIONS | 6,755 | 6,755 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 6,755 | 6,755 | — | — | 0.0% | 0 |
| TOTAL REVENUE | 6,755 | 6,755 | — | — | 0.0% | — |

INTERGOVERNMENTAL RELATIONS EXPENSE AND REVENUE INFORMATION

**Expense 2017 - 2021
In Millions**



Expense by Category



INTERGOVERNMENTAL RELATIONS Staffing Information

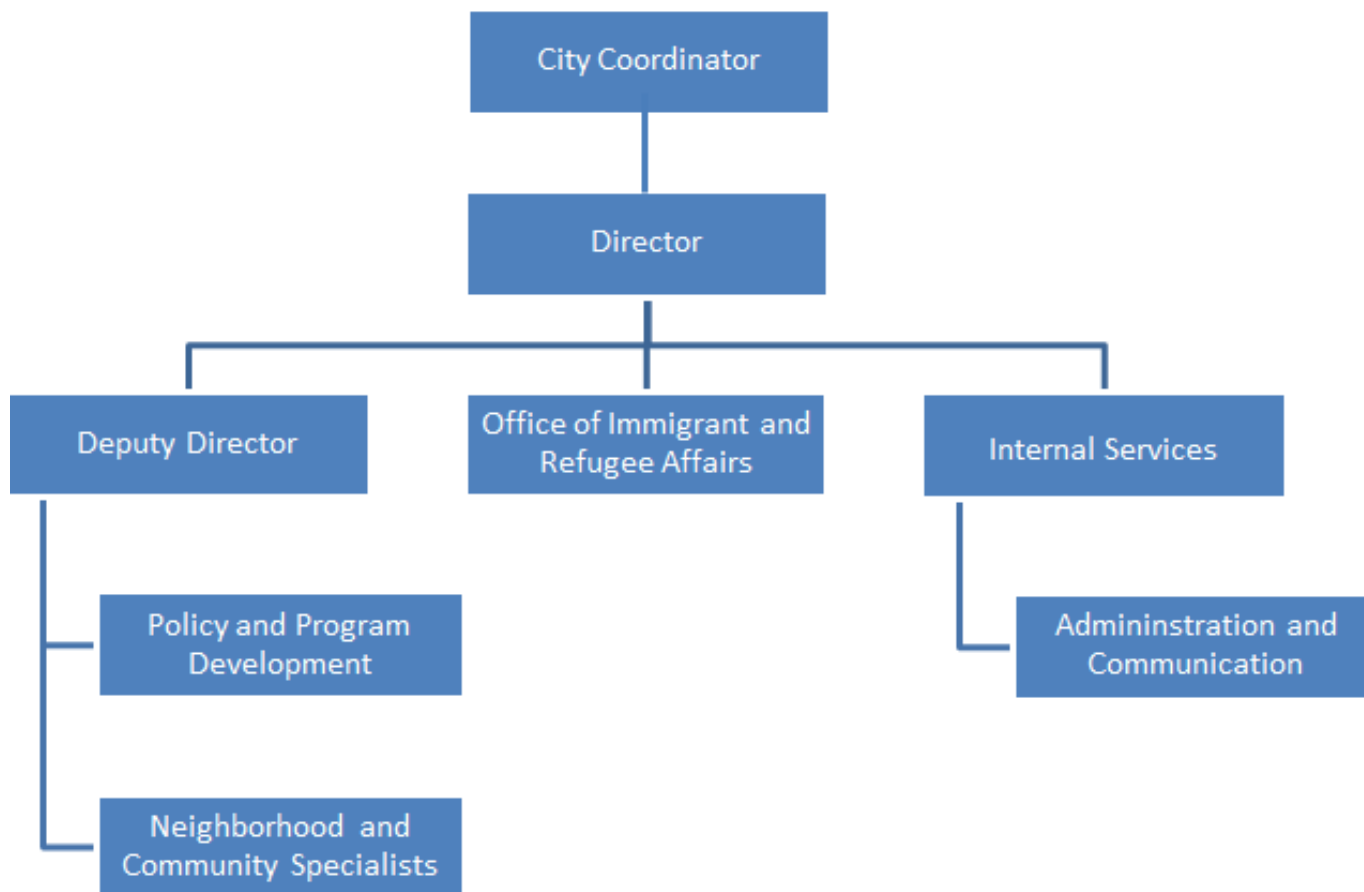
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

NEIGHBORHOOD AND COMMUNITY RELATIONS

Mission

The mission of Neighborhood and Community Relations (NCR) department is to connect the community to the City and the City to the community. NCR fosters public participation and meaningful engagement of all residents by removing barriers and creating equitable access to City programs, services and the decision making process.

Organization Chart



Access and Outreach Support

General Fund: \$0
Other Funds: \$428,000

Access and Outreach provides the logistical and office support for cultural engagement services and federally mandated programming. The program is aimed at broadening engagement through enterprise support of federal mandates and the elimination of barriers to participation by underrepresented groups in neighborhood organizations, boards and commissions and City governance. The services provided include ADA compliance, implementation of the City’s ADA transition plan, implementation of language access plan, interpretation and translation services, and administration of program funding for the One Minneapolis Fund. The Office of Immigrant and Refugee Affairs (OIRA) works to make Minneapolis a safe and welcoming city by ensuring that all residents, especially in times of immigration crisis, are able to obtain immigration legal orientation and representation, regardless of ability to pay, with the goal of

increasing community stability as well as the integration and civic engagement of immigrant and refugee residents.

Coordinated Engagement Services

Other Funds: 4,000,000

This program builds a coordinated resident engagement strategy for the city. Following the City's adopted Core Principles of Engagement, this program provides staff support to the City's engagement systems - neighborhood organizations, boards and commissions and enterprise engagement efforts. The various efforts underway at NCR will be connected to and coordinated with other engagement related activities in the city and with multijurisdictional partners. This program includes a blueprint for equitable engagement, which includes American Indian Memorandum of Understanding, Latino Advisory Committee, staff support to the city's 70 neighborhood organizations, Minneapolis for a Lifetime, ongoing engagement with cultural communities, diversification of the city's 18 advisory boards and commissions, city Academy, and staff support to four advisory commissions. In 2019 and 2020, this program will lead the city's efforts to get a complete count of all residents during the 2020 Census.

Neighborhood Engagement and Support

Other Funds: \$15,395,000

This program supports the department's support services for neighborhood organizations. The program helps sustain a world-class community engagement program through neighborhood-based priority setting, planning and implementation; and the coordination of this work with the work of the City. This program also includes the direct allocations to neighborhood organizations through the three primary funding programs. The services provided include Community Participation Program (CPP) allocation, Neighborhood Revitalization Program (NRP) allocation, Community Innovation Fund (CIF) funding, and other support services such as contract management, directors and officers insurance, auditing, training, legal support and other related activities.

Operations

Other Funds: \$0

This program provides department-wide leadership and support for internal City services including budget, business planning, IT, technology services and space. The operations program is also responsible for coordinating department related contracts and invoices, internal and external communications, the department website and committee actions and council process.

Neighborhood & Community Relations

Aging Support Services

2021 Adopted Change Item

Program: Access and Outreach Support

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 140 | 140 | 140 | 140 | 140 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 140 | 140 | 140 | 140 | 140 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the Neighborhood and Community Relations Department (NCR) budget by \$140,000 in ongoing general funds for aging support services. NCR has been providing funding to four community-based agencies that provide services citywide to our aging community since 2016.

NCR requests \$140,000 of on-going funding to support partnership grants with organizations to provide supportive services for older and aging adults so they can remain active members of our city. These contracts serve diverse elders with the goal of being able to remain a part of their communities. This includes elders in high-rises, specifically subsidized housing. These services support the Strategic Racial Equity Action Plan (SREAP) strategic need of “Supporting Housing Stability” by supporting elders so they can remain in their homes, including services to ensure the safety and support needed to accomplish that.

Description of the Change:

Residents are living longer and healthier lives and as a result the desire for residents to remain in their communities is growing. The Minneapolis for a Lifetime Action Plan and the Minneapolis for a Lifetime: Age Friendly Action Plan identify that the aging population in Minneapolis will need housing, transportation, and health and wellness support services in order to remain in their community as they age.

Since 2016, NCR has been funding community partner grants to organizations that provide critical services to Minneapolis’ aging community. With \$140,000, it is estimated that four services agencies will be able to continue to provide 2,200 services to seniors and their caregivers across the city on an annual basis. Services will continue to include chore services such as snow removal, lawn maintenance, home repair, health and wellness activities such as blood pressure check, fitness classes, health education, healthy eating and balance improvement, in home services such as nurse home visits, caregiver support

and rides to medical appointments, grocery visits and other locations. The City's Senior Community Engagement Specialist, housed in NCR will manage these contracts. Contracts are offered on an annual basis, with an annual report required.

Equity Impacts & Results:

In 2011, the leading edge of the baby boomers turned 65 years old. Their numbers will continue to increase dramatically over the next twenty years. Surveys show that the vast majority of older adults want to remain in their homes and communities. The City's elders that access support services are single family homeowners, renters in multi-unit communities, and are from diverse communities. Women and our non-white elders require additional support due to the long-standing inequities of employment discrimination and wealth distribution.

Housing stability for elders is not just a matter of wanting to remain in place, there is a financial burden to maintain private or rental property for people on a fixed or limited income. Wilder Research shows that, "the number of homeless seniors in Minnesota is rising at a rate faster than any other age group." (Source <https://www.minnpost.com/metro/2019/03/report-highlights-growing-number-of-homeless-seniors-in-minnesota/>). Services provided for seniors through this funding reduces the financial and emotional stress for elders to remain in their housing.

With a total funding allocation of \$140,000, it is estimated that four services agencies will be able to continue to provide roughly 2,200 services to seniors and their caregivers across the entire city on an annual basis. Services will continue to include chore services such as snow removal, lawn maintenance, home repair, health and wellness activities such as blood pressure check, fitness classes, health education, healthy eating and balance improvement, in home services such as nurse home visits, caregiver support and rides to medical appointments, grocery visits and other locations. Contracts with service providers require each to submit a performance report which provides the number of elders served, impact of service (elders remained in their homes, repeat readmission to hospitals reduced, etc.).

Neighborhood & Community Relations

2021 Recommended Change Item

OPI Recommendation - NCR - Crime Prevention Specialist Move

Program:

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 1,482 | 1,482 | 1,482 | 1,482 | 1,482 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 10 | 10 | 10 | 10 | 10 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 1,492 | 1,492 | 1,492 | 1,492 | 1,492 |
| Personnel Impacts | | | | | |
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves moving all Crime Prevention Specialists (including 16 currently funded FTEs and one unfunded vacant FTE position) from the Police Department to the Neighborhood & Community Relations Department through by reducing expense budget in the Police Department in the General Fund (00100 Fund) by \$695,000 and increasing the NCR Department in the General Fund (00100 Fund) by \$695,000 and reducing the expense budget in the CDBG/UDAG Fund (01400 Fund) by \$797,000 and increasing the expense budget in the NCR Department in the CDBG/UDAG Fund (01400 Fund) by \$797,000.

Violence as a part of our daily lives is unacceptable. Further, some Minneapolitans face a much higher risk of being victims of violence: 80% of gun violence victims are Black and the majority are young. We need to treat violence with a public health approach because it spreads like a disease to those who have been exposed to it. However, violence is not inevitable; it can be prevented, treated, and even cured. We can do this by investing in scientifically proven violence prevention and intervention strategies and in the community members leading efforts in our neighborhoods. Providing capacity, training and other support to our City's formal neighborhood system and other community -based organizations will be critical to the success of implementing a new public safety model, curbing violence and creating a racially equitable city.

Description of the Change:

By moving the CPS staff into NCR, the City will support more connections between community and neighborhood organizations, help train residents on new models of community safety and policing, and build an equitable model for community-based policing. The City Council has adopted the Neighborhoods 2020 framework and program guidelines which will transform how the City's 70 neighborhood organizations approach their work from an equity perspective. The guidelines build in both a financial and programmatic aspects that incentivize collaborations and partnerships between CBOs and neighborhood

organizations.

Equity Impacts & Results:

The City's neighborhood organizations have historically worked closely with the Minneapolis Police Department on crime and safety issues. They have adopted a number of measures to address issues that impact their specific communities often times funding specific MPD initiatives, supporting crime deterrent measures and organizing block club.

As the City transforms our public safety approach by centering racial equity and building broader inclusion, it will be important to transform all aspects of the work. The City Council recently adopted the Neighborhoods 2020 framework and program guidelines for the purpose of transforming how the City's 70 neighborhood organizations approach their work from an equity perspective. The guidelines build in both a financial and programmatic aspects that incentivize collaborations and partnerships between CBOs and neighborhood organizations.

By moving the CPS staff into NCR, the City will be providing capacity to support our community partners in public safety initiatives. The connections between CBOs and neighborhood organizations, as incentivized in Neighborhoods 2020, further support alignment with the City's racial equity goals.

As the City further develops the public safety model and the transition of the CPS staff into NCR are developed, performance measures will be formally established.

Neighborhood & Community Relations

Neighborhoods Base Funding

2021 Recommended Change Item

Program: Neighborhood & Engagement Support

Fund: NCR - Special Revenue

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|---------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 416,000 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 416,000 | — | — | — | — |
| Personnel Impacts | | | | | |
| Change in FTE Count | | | | | |
| | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the expense budget for Neighborhood Engagement & Support (8450140) by \$416,000; and draw down the unobligated fund balance generated by interest earnings on unspent NRP funds. These monies are to be used to increase the 2021 base funding level under the Neighborhoods 2020 Formula to \$25,000 per neighborhood per year, pro-rated to \$12,500 per neighborhood for the months of July through December 2021, as well as a corresponding increase in the Equitable Engagement Fund of \$208,000.

In support of the City’s goal to engage diverse communities, the City of Minneapolis will have an equitable civic participation system that enfranchises everyone, recognizes the core and vital service that neighborhood organizations provide to the City and builds people’s long-term capacity to organize to improve lives and neighborhoods.

Minneapolis has a network of 70 nonprofit neighborhood organizations covering all neighborhoods of the city (except industrial areas). Neighborhood-level community organizing and the neighborhood organizations that support it play a critical role in keeping residents informed, connected to their community and empowered to guide and influence decisions that affect their lives. Neighborhood organizations have helped improve safety, celebrate diversity, build community, preserve housing stock, promote economic vitality, foster a sustainable environment and improve health throughout the city.

Description of the Change:

\$208,000 will be used to increase the 2021 base funding level under the Neighborhoods 2020 Formula to \$25,000 per neighborhood per year, pro-rated to \$12,500 per neighborhood for the months of July through December 2021. The City of Minneapolis created the Citywide Neighborhood Network Fund to strengthen the City’s neighborhood-based community engagement system and ensure that it effectively and equitably builds the capacity of residents to improve their neighborhoods

An additional \$208,000 will be added to the Equitable Engagement Fund of \$208,000. The Equitable Engagement Fund supports projects and programs that engage communities throughout the city, especially those that engage historically underrepresented residents meaningfully and effectively about policies, programs and decision-making at the local level. The Equitable Engagement Fund will further the goals and priorities of the City as stated in the Strategic Racial Equity Action Plan (SREAP) external policy goals and the Minneapolis 2040 Comprehensive Plan. The Equitable Engagement Fund is available to eligible neighborhood organizations and the funding amount is based on a formula that promotes equity.

Equity Impacts & Results:

The Neighborhoods 2020 program guidelines are centered on equity in our community. The guidelines align with the City’s adopted Strategic Racial Equity Action Plan (SREAP) and the Minneapolis 2040 Comprehensive Plan, which states that “Minneapolis will have an equitable civic participation system that enfranchises everyone, recognizes the core and vital service neighborhood organizations provide to the City of Minneapolis, and builds people’s long-term capacity to organize and improve their lives and neighborhoods.”

The Neighborhoods 2020 program furthers the City’s goal of addressing racial equity through three distinct recommendations: First, the funding formula has been updated to center racial equity. CURA looked at multiple data points when considering what formula to recommend. Second, by separating the base funding formula from impact funding, the City can fund activities that further racial equity. Third, the program requires that neighborhood boards reflect the demographic makeup of the communities they represent. While this has been a shared goal of the City and neighborhood organizations historically, the new program requires neighborhood organizations to demonstrate that they have achieved this goal.

Neighborhood organizations funded through the Neighborhoods 2020 programs will be required to submit annual reports and participate in a board diversity survey report every other year. Annual reports will collect data about completed activities as well as the impact of funds.

Success indicators and benchmarks will be identified during the program implementation process, be included in the annual reports and can be aligned the SREAP and the 2040 Comprehensive Plan goals.

Using a competitive application process will allow NCR to regularly review funding impacts. The application process also allows for success indicators and benchmarks to be updated to align with the City’s SREAP and Comprehensive Plan goals as the work progresses.

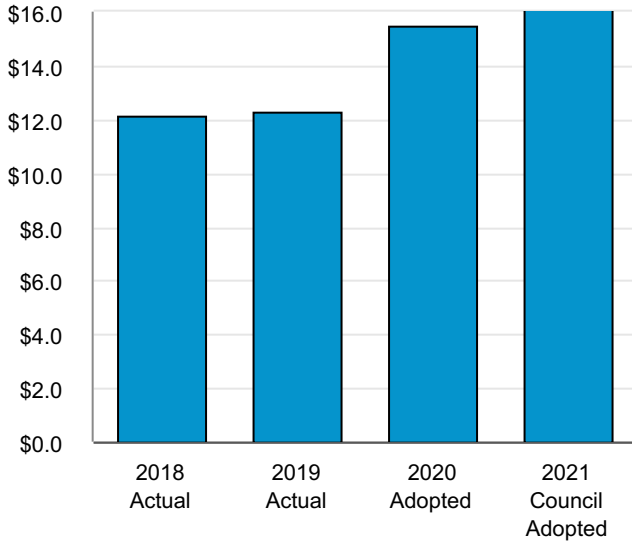
In 2024, NCR will use a third party to conduct another racial equity analysis to compare the effectiveness of historical engagement practices to those under the new program guidelines.

**NEIGHBORHOOD & COMMUNITY RELATIONS
EXPENSE AND REVENUE INFORMATION**

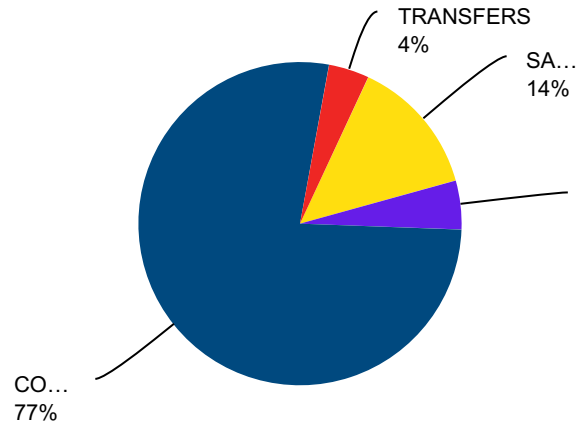
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 173,835 | 210,063 | 190,000 | 501,000 | 163.7% | 311,000 |
| FRINGES | 53,413 | 62,873 | 65,000 | 194,000 | 198.5% | 129,000 |
| CONTRACTUAL SERVICES | 515,624 | 246,028 | 2,323,000 | 140,000 | -94.0% | (2,183,000) |
| TOTAL GENERAL | 742,872 | 518,964 | 2,578,000 | 835,000 | -67.6% | (1,743,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 1,203,056 | 1,258,231 | 1,415,000 | 2,160,000 | 52.7% | 745,000 |
| FRINGES | 413,440 | 440,155 | 529,000 | 749,000 | 41.6% | 220,000 |
| CONTRACTUAL SERVICES | 8,704,815 | 9,253,507 | 10,839,000 | 14,790,000 | 36.5% | 3,951,000 |
| OPERATING COSTS | 212,811 | 126,749 | 106,000 | 133,000 | 25.5% | 27,000 |
| CAPITAL EQUIPMENT | 687,064 | 618,567 | — | — | 0.0% | 0 |
| TRANSFERS | 200,000 | 38,124 | — | 782,000 | 0.0% | 782,000 |
| TOTAL SPECIAL REVENUE | 11,421,186 | 11,735,333 | 12,889,000 | 18,614,000 | 44.4% | 5,725,000 |
| TOTAL EXPENSE | 12,164,058 | 12,254,297 | 15,467,000 | 19,449,000 | 25.7% | 3,982,000 |
| REVENUE | | | | | | |
| SPECIAL REVENUE | | | | | | |
| MISCELLANEOUS | 1,662 | — | 5,500,000 | 5,500,000 | 0.0% | 0 |
| TRANSFERS | 6,682,141 | 6,882,605 | 8,470,000 | 416,000 | -95.1% | (8,054,000) |
| USE OF FUND BALANCE | — | — | (1,185,000) | — | -100.0% | 1,185,000 |
| TOTAL SPECIAL REVENUE | 6,683,803 | 6,882,605 | 12,785,000 | 5,916,000 | -53.7% | (6,869,000) |
| TOTAL REVENUE | 6,683,803 | 6,882,605 | 12,785,000 | 5,916,000 | -53.7% | (6,869,000) |

NEIGHBORHOOD & COMMUNITY RELATIONS EXPENSE AND REVENUE INFORMATION

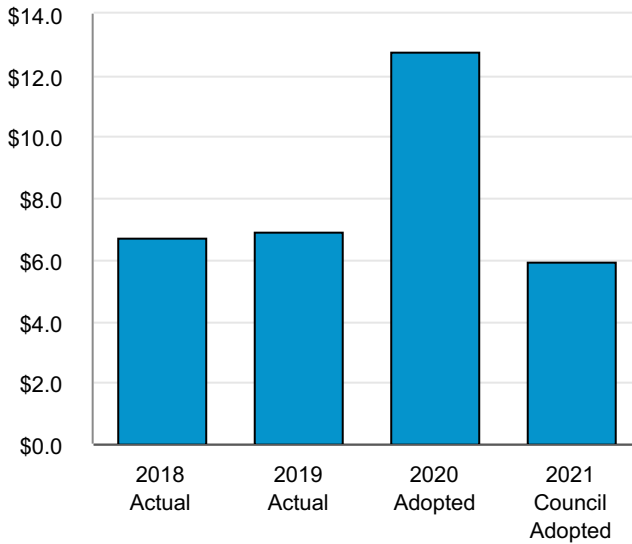
**Expense 2018 - 2021
In Millions**



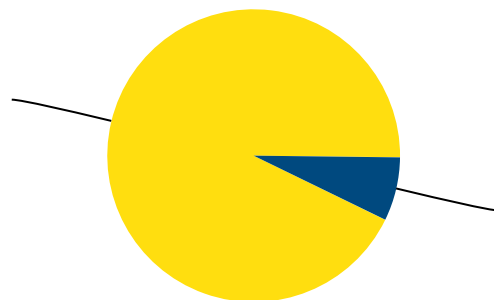
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



NEIGHBORHOOD & COMMUNITY RELATIONS Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

CIVIL RIGHTS

Mission

The mission of the Minneapolis Department of Civil Rights is to enforce Minneapolis Code of Ordinances Title 7 (non-discrimination); Title 9, Chapter 172 (civilian police review authority); Title 16, Chapter 423 (small and underutilized business programs); Title 23, Chapter 6 (prevailing wage); Title 2, Chapter 40 (workplace regulations); and to promote understanding of civil rights among residents, business and government.

Organization Chart



Complaint Investigations

General Fund: \$691,000

Other Funds: \$36,000

The Complaint Investigation Division (CID) is required by City Ordinance to neutrally enforce the City's anti-discrimination laws and policies by investigating complaints of discrimination. Also, through a work sharing agreement with the U.S. Equal Employment Opportunity Commission (EEOC), the City serves as a Fair Employment Practice Agency (FEPA), investigating employment discrimination claims dual-filed and/or cases transferred from the EEOC. This program also administers an Alternative Dispute Resolution (ADR) Program to resolve complaints that allege discrimination and provide staff support to the Minneapolis Civil Rights Commission.

Equity Division

General Fund: \$560,000

This Civil Rights Equity Division (CRED) program in collaboration with other City departments supports and encourages efforts in the City to develop policies, practices, and strategic investments to reverse racial disparity trends, eliminate institutional racism, and ensure that outcomes and opportunities for all people are no longer predictable by race. In support of the divisions within the Civil Rights Department

and in cooperation with its private, public, and nonprofit partners, CRED works to create fair and just opportunities and outcomes for all people. The division also manages Urban Scholars, the City's leadership development internship program for post-secondary students from diverse racial and ethnic backgrounds.

Contract Compliance

General Fund: \$1,605,000

Other Funds: \$344,000

This Contract Compliance Division (CCD) ensures that City of Minneapolis procurement of construction and development services, commodities and supplies, and professional and technical services includes women, minorities, and low income workers and businesses. CCD also ensures that workers on construction and development projects are paid in accordance with prevailing wage laws. This division monitors and ensures compliance in four primary program areas that affect the general fund: Affirmative Action, Minority and Women Business Inclusion, Low Income Residents and Business Inclusion, and Prevailing Wage Compliance.

Office of Police Conduct Review

General Fund: \$1,309,000

The Office of Police Conduct Review (OPCR) ensures the processing of police conduct complaints in a fair manner with a civilian-sworn leadership model of oversight. OPCR utilizes a hybrid review panel of community members and police officers to issue recommendations. The OPCR provides staff support to the Police Conduct Oversight Commission (Commission), an all civilian commission that recommends policy and training that is positioned to change a culture, build community trust and have a lasting impact on the practice of police oversight. The Commission provides transparency, citizen engagement, and meaningful participation related to police conduct by advising on police policy, auditing OPCR cases, and engaging the community in discussions of police procedure. The ultimate goal is to foster mutual respect between the Minneapolis Police Department and all populations of the city of Minneapolis.

Labor Standards Enforcement

General Fund: \$672,000

The Labor Standards Enforcement Division (LSED) oversees compliance with the City's Workplace Regulations ordinances which include Sick and Safe Time and Municipal Minimum Wage. The work of the division is performed in support of the City wide goal of One Minneapolis with a focus on resident safety, well-being and prosperity. The program also provides staff support to the Workplace Advisory Group, an appointed group of approximately 15 community stakeholders that focus on workplace issues and serves as a resource on outreach and implementation of the Sick and Safe Time Ordinance and Municipal Minimum Wage ordinances. Services provided by this division include culturally specific education and outreach to employees; educating of employers on their requirements and their obligations; technical assistance to employers; complaint investigation; workplace audits; and, compliance reporting.

Civil Rights

Civil Rights Base Cut

2021 Adopted Change Item

Program: Multiple

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (301) | — | — | — | — |
| IT | (27) | (27) | (27) | (27) | (27) |
| Fleet | — | — | — | — | — |
| Contractual Services | (99) | (99) | (99) | (99) | (99) |
| Other | (33) | (33) | (33) | (33) | (33) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (461) | (159) | (159) | (159) | (159) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|-------|------|------|------|------|
| Change in FTE Count | (2.0) | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the Minneapolis Department of Civil Rights budget by 7%, or \$336,370.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$46,478 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

Office of Administration & Policy

There are no reductions specific to the Office of Administration & Policy (OAP). In previous fiscal years, OAP budget was broken out by percentage across divisions. As a result, it is captured in the discretionary reductions to travel budgets.

Complaint Investigations Division

Complaint Investigations Division (CID) is returning the 2020 budget allocation of 0.5 FTE and funding for an additional program assistant to assist with intake processing and initial handling of cases. This represents a savings of \$40,000. To reduce spending on discretionary items, MDCR intends to extend the emphasis on remote participation in conferences, trainings, and other engagement opportunities

through 2021. This action results in savings of \$2,000 in CID.

Contract Compliance

MDCR plans to eliminate two vacant positions within the Contract Compliance Division. To offset the impact, the department is in the process of restructuring to merge the work of multiple divisions and find efficiencies through increased collaboration. These two positions are the Director of Contract Compliance (\$147,739) and a Contract Compliance Officer (\$114,478). CCD will extend the emphasis on remote participation in conferences, trainings, and other engagement opportunities through 2021, for a savings of \$2,000.

Office of Police Conduct Review

OPCR's reduction of the professional services allocation by \$5,000 will reduce the resources previously used for transcription and meeting minutes. OPCR will extend the emphasis on remote participation in conferences, trainings, and other engagement opportunities through 2021, for a savings of \$7,200.

Civil Rights Equity Division

Reducing the Civil Rights Equity Division Professional Services budget by \$15,000 will eliminate any annual refreshes to program curriculum and materials, including evaluation and strategic planning services as well as communications and marketing efforts. MDCR intends to extend the emphasis on remote participation in conferences, trainings, and other engagement opportunities through 2021 for a savings of \$2,000.

Labor Standards Enforcement Division

MDCR intends to extend the emphasis on remote participation in conferences, trainings, and other engagement opportunities through 2021 for a savings of \$2,000.

Equity Impacts & Results:

Across all programs, MDCR anticipates a minimal equity impact to its reduced travel budget impact since remote participation options have increased dramatically due to the ongoing health emergency stemming from coronavirus.

The lack of a Program Assistant in CID should have a minimal impact on equity. Since the declaration of a public health emergency, CID has been deliberate about finding new and increased methods of communicating with residents. These changes have reduced much of the staff demand created by the need for in-person interviews and physical document processing. It is the hope that these improvements offset the reduced staff capacity that would have been established by this position.

The equity impact of reductions to positions within Contract Compliance will understandably have a direct impact on marginalized communities, BIPOC/WBE businesses, and low wage workers in Minneapolis. Contract Compliance has a direct impact on BIPOC/WBE businesses and employee inclusion rates on city funded contracts. The forfeiture of positions/position funding in this division was addressed by merging Contract Compliance with our Labor Standards Enforcement Division. The hope is that by merging these labor and inclusion focused divisions, the impact of losing positions in this area can be mitigated as best as possible. Existing disparities to impacted communities continue to be addressed through the supplier diversity work being done in the City as well as through continuing the use of the in-depth disparity study research reports enlisted by the department.

Reductions in OPCR should have minimal equity impact since it has begun exploration of replacement options including the use of audio recordings in place of expanded minutes and an increase in staff training to provide internal resources for transcription and minute taking.

The equity impact of the proposed reduction to the professional services allocation for the Civil Rights Equity Division should be minimal to none for 2021 programming. 2020 required adaptive programming

with the results of 2019 program evaluation and recommended changes not being relevant. The efforts of the 2019 evaluation and strategic planning will be applied to 2021 without additional costs.

CID maintains detailed metrics relating to case processing volumes and turnaround times. The results impact of this change should be negligible due to the increased use of new technologies and methods of reaching residents.

Through the efforts to restructure, the Contract Compliance reductions will have a mitigated impact. While much of what is measured relating to Contract Compliance is dependent on the construction contract volume for a given year, CCD is still able to measure turnaround times for reviews and monitoring of projects and can compare that data to previous years.

OPCR reductions should have minimal impact to results or anything relating to case processing.

In CRED, there will be minimal impact to programmatic results since expansion of programming had not yet begun.

Civil Rights

Office of Police Conduct Review Increase

2021 Adopted Change Item

Program: Police Conduct Review

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 225 | 225 | 225 | 225 | 225 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 110 | 110 | 110 | 110 | 110 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 335 | 335 | 335 | 335 | 335 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |

Proposal Detail & Background:

The Council approves \$225,000 for 2.0 FTE Case Investigator positions and \$110,000 in ongoing funding.

The Office of Police Conduct Review (OPCR) ensures police conduct complaints are processed fairly in order to foster mutual respect between the Minneapolis Police Department (MPD) and all populations of the City of Minneapolis. These efforts are a cornerstone of Mayoral efforts to increase police-community relations and ensure the effective operations of the City's civilian oversight mechanism.

OPCR received a record number of complaints in 2018, and that level seems to be an ongoing trend. Compared to last year, Q1 of 2019 saw a 25% increase in complaints over 2018.

When OPCR is overloaded with complaints, investigations take longer, joint supervisors must make faster decisions, and corrective action is less likely to occur in a timely fashion. OPCR won't trade quality for speed, but we will hit a breaking point.

Community members filing complaints also frequently request civilian investigators and more civilians are needed to meet this growing need.

The shift to civilian investigations decreases the resources needed to be allocated by MPD to a similar function while also providing increased transparency to members of the public.

Description of the Change:

This change item is an addition to an existing function of the Office of Police Conduct Review.

This proposed request will allocate an additional 2.0 FTE Case Investigator positions as well as the associated funding for the creation and operation of these positions. Currently, OPCR operates with 4

dedicated civilian Case Investigators. Data analysis from Q4 of 2017 and Q1 of 2018 shows a 72% increase in complaints filed compared to the same period of the prior year. As roughly a quarter of complaints filed lead to full investigations, this represents a substantial increase. A similar analysis from Q1 of 2019 has shown a 25% increase from the same period in 2018.

The work being performed by OPCR investigators provides direct support to both Internal Affairs and the Minneapolis Police Department. While reducing the need for MPD to allocate resources to this work it also provides increased transparency and accountability which benefits all parties involved.

OPCR already has the structure and procedures in place for case investigators and would be ready to train and implement staff as soon as allocations and resource provision is complete.

Equity Impacts & Results:

Across all programs, MDCR anticipates a minimal equity impact to its reduced travel budget impact since remote participation options have increased dramatically due to the ongoing health emergency stemming from coronavirus.

The lack of a Program Assistant in CID should have a minimal impact on equity. Since the declaration of a public health emergency, CID has been deliberate about finding new and increased methods of communicating with residents. These changes have reduced much of the staff demand created by the need for in-person interviews and physical document processing. It is the hope that these improvements offset the reduced staff capacity that would have been established by this position.

The equity impact of reductions to positions within Contract Compliance will understandably have a direct impact on marginalized communities, BIPOC/WBE businesses, and low wage workers in Minneapolis. Contract Compliance has a direct impact on BIPOC/WBE businesses and employee inclusion rates on city funded contracts. The forfeiture of positions/position funding in this division was addressed by merging Contract Compliance with our Labor Standards Enforcement Division. The hope is that by merging these labor and inclusion focused divisions, the impact of losing positions in this area can be mitigated as best as possible. Existing disparities to impacted communities continue to be addressed through the supplier diversity work being done in the City as well as through continuing the use of the in-depth disparity study research reports enlisted by the department.

Reductions in OPCR should have minimal equity impact since it has begun exploration of replacement options including the use of audio recordings in place of expanded minutes and an increase in staff training to provide internal resources for transcription and minute taking.

The equity impact of the proposed reduction to the professional services allocation for the Civil Rights Equity Division should be minimal to none for 2021 programming. 2020 required adaptive programming with the results of 2019 program evaluation and recommended changes not being relevant. The efforts of the 2019 evaluation and strategic planning will be applied to 2021 without additional costs.

CID maintains detailed metrics relating to case processing volumes and turnaround times. The results impact of this change should be negligible due to the increased use of new technologies and methods of reaching residents.

Through the efforts to restructure, the Contract Compliance reductions will have a mitigated impact. While much of what is measured relating to Contract Compliance is dependent on the construction contract volume for a given year, CCD is still able to measure turnaround times for reviews and monitoring of projects and can compare that data to previous years.

OPCR reductions should have minimal impact to results or anything relating to case processing.

In CRED, there will be minimal impact to programmatic results since expansion of programming had not

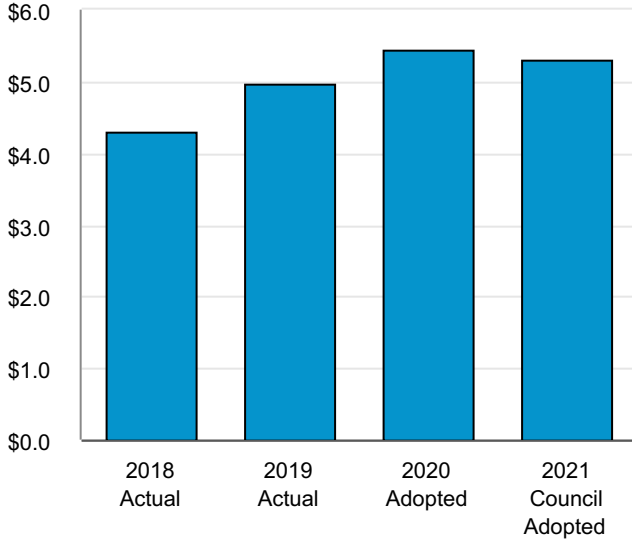
yet begun.

**CIVIL RIGHTS
EXPENSE AND REVENUE INFORMATION**

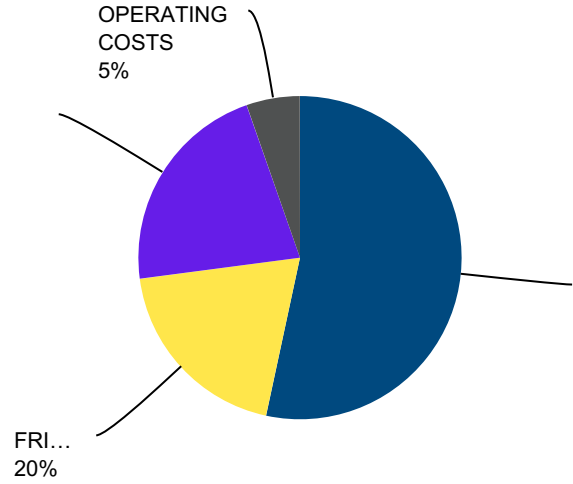
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|--------------------|--------------------|-------------------------|---------------------------------|---------------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 2,143,626 | 2,423,246 | 2,594,000 | 2,607,000 | 0.5% | 13,000 |
| FRINGES | 673,115 | 747,324 | 965,000 | 959,000 | -0.6% | (6,000) |
| CONTRACTUAL SERVICES | 866,316 | 1,109,837 | 1,171,000 | 988,000 | -15.6% | (183,000) |
| OPERATING COSTS | 316,709 | 306,283 | 328,000 | 283,000 | -13.7% | (45,000) |
| TOTAL GENERAL | 3,999,766 | 4,586,690 | 5,058,000 | 4,837,000 | -4.4% | (221,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 230,167 | 299,234 | 252,000 | 217,000 | -13.9% | (35,000) |
| FRINGES | 73,842 | 88,433 | 91,000 | 75,000 | -17.6% | (16,000) |
| CONTRACTUAL SERVICES | — | — | 37,000 | 162,000 | 337.8% | 125,000 |
| OPERATING COSTS | 1,803 | — | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 305,812 | 387,667 | 380,000 | 454,000 | 19.5% | 74,000 |
| TOTAL EXPENSE | 4,305,578 | 4,974,357 | 5,438,000 | 5,291,000 | -2.7% | (147,000) |
| REVENUE | | | | | | |
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SERVICES | 31,350 | 31,350 | — | — | 0.0% | 0 |
| CONTRIBUTIONS | 220,563 | 277,749 | — | 74,000 | 0.0% | 74,000 |
| FEDERAL GOVERNMENT GRANTS | 263,732 | 296,435 | 36,000 | 36,000 | 0.0% | 0 |
| MISCELLANEOUS | 5,120 | 7,420 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 520,765 | 612,954 | 36,000 | 110,000 | 205.6% | 74,000 |
| TOTAL REVENUE | 520,765 | 612,954 | 36,000 | 110,000 | 205.6% | 74,000 |

CIVIL RIGHTS EXPENSE AND REVENUE INFORMATION

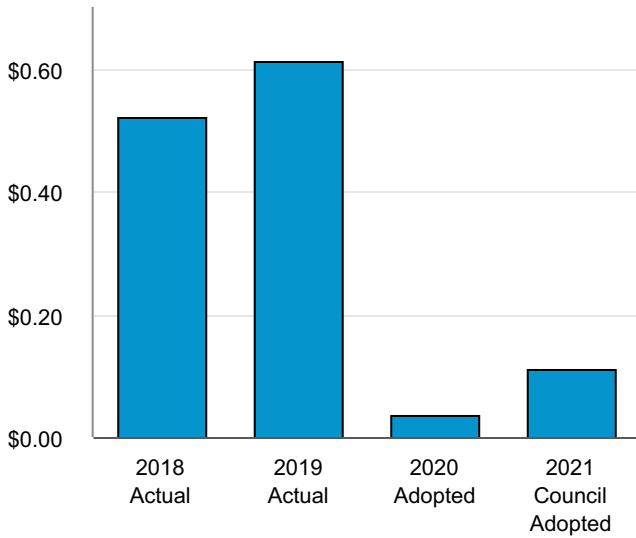
**Expense 2018 - 2021
In Millions**



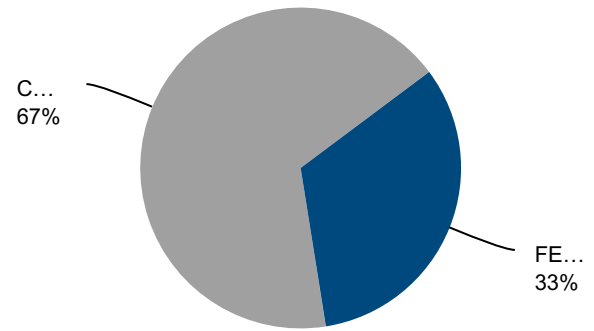
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



CIVIL RIGHTS Staffing Information

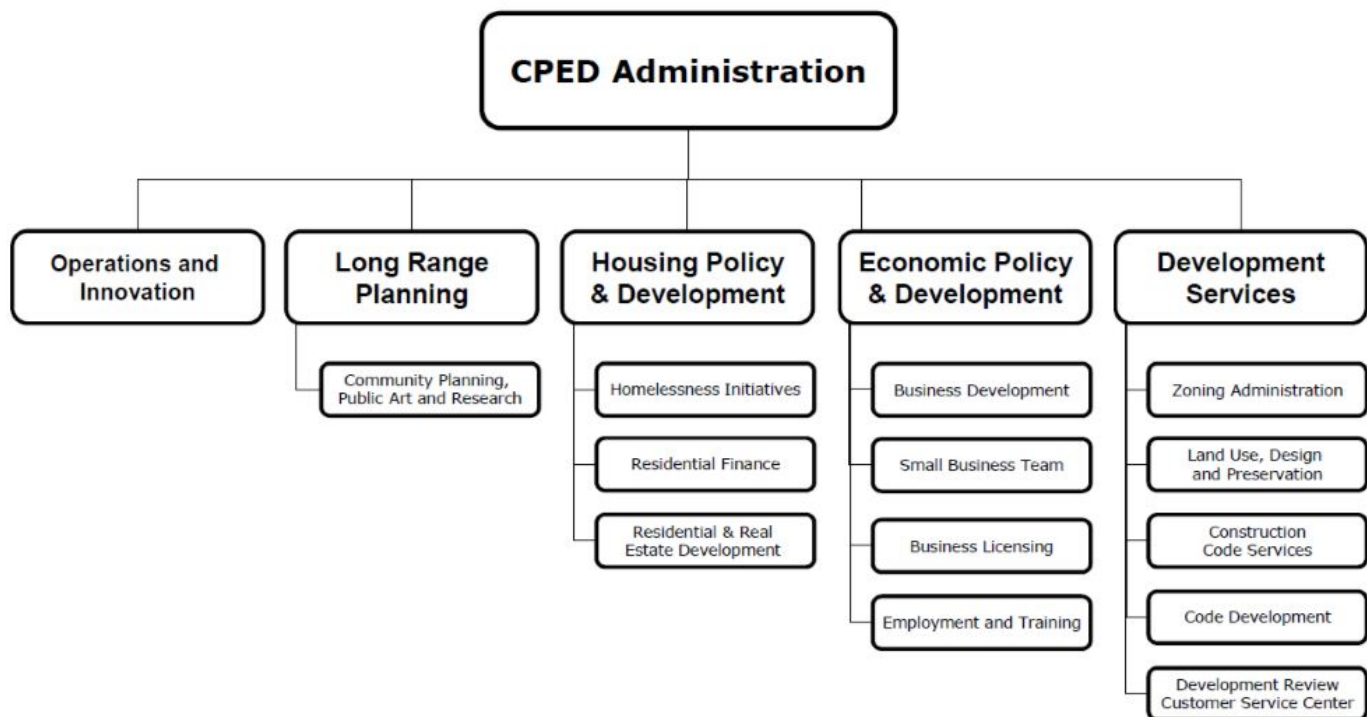
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

Mission

Grow a vibrant, livable, safely built city for everyone.

Organization Chart



Administration and Support

General Fund: \$6,662,000

Other Funds: \$1,578,000

This division provides department-wide leadership and support for internal City services including budget, technology services, business process improvements, finances, information-technology, communications, fleet management, space management, employee engagement, and workforce planning, and community engagement/outreach. It is also responsible for oversight and management of data analytics and administrative enforcement. The division strives to improve and facilitate accountability and innovation throughout its divisions, providing analysis and long-range thinking that supports responsible decision making. It is also responsible for coordination of projects, public policy process and implementation, committee actions and council process.

Housing Policy & Development

General Fund: \$2,696,000

Other Funds: \$388,000

Housing Policy & Development establishes housing policy, finances and redevelops single and multifamily residential real estate to stimulate private investment, increase the tax base and sustain a healthy housing market.

Affordable Housing Development

General Fund: \$5,346,000

Other Funds: \$15,661,000

This program provides necessary financing for the development, redevelopment or preservation of affordable and mixed income rental housing to meet current and future resident needs, stimulate private investment, increase tax base, and sustain a healthy housing market.

Homeownership Support & Development

General Fund: \$3,110,000

Other Funds: \$6,789,000

This program is designed to assist with the development, redevelopment and support of ownership housing of 1-4 units. The work is critical to promote high quality and healthy housing, and promote affordable, sustainable homeownership, with a strong focus on reducing racial disparities in homeownership rates. The major sub programs include Minneapolis Homes: Buy, Build, Rehab, Home Ownership Works, Homeownership Opportunity Minneapolis, Homeownership Counseling and Education, Homeowner Rehab, Vacant and Boarded program and property management of vacant properties.

Economic Policy & Development

General Fund: \$243,000

Economic policy & Development supports investment that grows businesses, jobs and the City's tax base, and works to ensure that Minneapolis residents are competitive for those jobs.

Business Development

General Fund: \$2,503,000

Other Funds: 0

Business Development helps businesses to start, stay and grow in Minneapolis to expand job growth, business ownership, tax base and commercial vitality particularly for those populations and neighborhoods that have been disenfranchised. To accomplish its work, Business Development has an array of programs and projects including small business loans and facade grants, business technical assistance, site search assistance, and commercial real estate development.

Adult Workforce Development & Youth Training

General Fund: \$1,503,000

Other Funds: \$8,790,000

Funding for the City's Minneapolis Works, Career Pathways, and WIOA Adult programs, Dislocated Worker Program, and Youth Programs (Step Up and Year Round WIOA Youth) that, through a network of community-based providers, help In 2018, through its various programs and strategies, Adult Workforce Development programs assisted over 2,000 Minneapolis residents through employment training, career navigation, and job counseling services; over 1,200 gained employment; 600 earned industry-recognized training; hundreds continue in training into 2019; average wage change from program entry to exit was +35.5%.

Business Licensing

General Fund: \$2,883,000

This program regulates business licensing for liquor establishments and over 200 other types of businesses. Business Licensing annually licenses 11,000 businesses and individuals. The services include assisting business owners through various stages of the business onboarding processes. These stages include license application review, background checks, collection of license fees with an annual renewal billing system, and onsite facility inspections. Onsite facility inspections allow Business Licensing to verify that the business delivers on the level of service commitment to its patrons as defined in the license agreement and serves as an opportunity to provide education, where appropriate, to help the business succeed in the City.

Small Business Program

General Fund: \$873,000

Small Business provides direct, one on one assistance to business owners and entrepreneurs in navigating City requirements, regulations, and resources. In addition to this central role, the Team also conducts small business outreach and engagement with a particular focus on communities of color and supports City improvement efforts to make Minneapolis an easier place to start and grow small businesses.

CPED Long Range Planning Division

General Fund: \$1,376,000

Other Funds: \$1,191,000

Long Range Planning Division has three key components:

- (1) Comprehensive Planning actively aligns the City’s planning, economic development, housing development, and transportation planning functions into a sustainable, regional framework for managed growth over the next generation.
- (2) Research activities guide and inform our planning work; this includes developing and utilizing applied research derived from quantitative and qualitative methods and data.
- (3) The Art in Public Places program is comprised of six areas of regular work activity which include the commissioning and creation of art in public places, conservation, technical assistance to other agencies, public art policy, proposals for art on city property, proposals for art on private property, and working with cultural communities.

Development Services Policy & Development

General Fund: \$304,000

Development Services manages zoning administration, land use, design and preservation review, construction code services and the customer service center that serves as the front door for the City’s consolidated development activities.

Development Services Policy & Development - Customer Service Center

General Fund: \$2,172,000

The Customer Service Center serves as the front door and service center for the City’s consolidated development activities and focuses on consistent, streamlined customer service. It ensures high-quality development while requiring that building construction and rehabilitation projects meet the City’s standards in terms of safety, livability and health and environmental sensitivity. Business licenses, rental licenses and critical parking permits may also be obtained at this center.

Land Use, Design and Preservation

General Fund: \$2,324,000

Other Funds: \$999,000

The Land Use, Design, Preservation and Zoning department guides development as required by law, helping residents and property owners invest in the City in a way that aligns with the City's comprehensive plan and development regulations. The department is responsible for managing, reviewing, and enforcing land use, zoning, preservation, and environmental review applications. The department staffs and administers public processes, including public meetings of the City Planning Commission, Heritage Preservation Commission and Zoning Board of Adjustment. The department performs administrative reviews and preservation permits at the customer service center, as well as guiding ongoing regulatory reform affecting land use and development.

Construction Codes Services

General Fund: \$7,826,000

Construction Code Services (CCS) ensures the comprehensive application of the Minnesota State Building Code and applicable city ordinances. CCS consists of the three business lines of construction plan review, construction inspections, and programs. Construction plan review accepts all applications for building, elevator, mechanical, and plumbing work that require a plan review and a permit. Plans are reviewed and permits are issued for these projects. Construction inspections performs all required inspections for building, elevator, mechanical, and plumbing work covered by issued permits and respond to complaints regarding construction projects. Programs include elevator registration and annual inspections, code compliance, truth-in-sale-of-housing, certificate of occupancy, and fire escrow.

CPED Debt Service & Transfers

Other Funds: \$26,026,000

This program relates to the administration and management of certain CPED financial resources, both with external partners and between CPED funds. This program provides for the transfer of revenues necessary to pay annual debt service on bonds and other contractual obligations issued to undertake various CPED activities as well as the internal transfer of eligible revenues to finance CPED development activities.

CPED

CPED Base Cut

2021 Adopted Change Item**Program:** Multiple**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | (700) | (700) | (700) | (700) | (700) |
| Expenditures | | | | | |
| Personnel | (2,762) | (1,285) | (1,285) | (1,285) | (1,285) |
| IT | (213) | (213) | (213) | (213) | (213) |
| Fleet | (2) | (2) | (2) | (2) | (2) |
| Contractual Services | (581) | (581) | (581) | (581) | (581) |
| Other | (319) | (319) | (319) | (319) | (319) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (3,177) | (1,700) | (1,700) | (1,700) | (1,700) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | (22.0) | (10.0) | (10.0) | (10.0) | (10.0) |

Proposal Detail & Background:

The Council approves a departmental reorganization, staff reduction, and reduced program allocations to achieve a 7% general fund reduction target. Additional reductions of \$416K are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Description of the Change:

The proposal for reductions described below include department reorganization that balances the needs for cuts with the obligation to deliver on department's core work to reduce inequity. This proposal addresses basic needs of community through target cuts and gained organizational efficiencies. The department has prioritized investments in affordable housing and economic inclusion, avoiding reductions in housing and employment and training teams.

CPED proposed budget reductions and reorganization were developed to achieve the following goals:

- Center race equity in our workforce and our services to the community
- Update organizational structure to better respond to community-centered processes
- Ability to respond with agility to community needs in rapidly changing environment, including crisis response
- Ability to marshal and prioritize resources to address greatest needs with highest impact

investments

- Increase capacity to respond to higher priority work, such as policy and zoning code changes that can be done in the short and medium term with minimal programmatic funding
- Create efficiencies and synergy through improved collaboration, systems, and use of data
- Improve the way that we tell our story – proactively and more consistently and transparently share CPED-led outcomes and expand opportunities for the public to engage with our work
- Achieve budget reduction with minimal impact on race equity - in both our workforce and our services to the community. Any reductions in workforce should occur at all levels of the organization.

CPED's proposal for 7% General Fund reduction target of \$2,995,000 includes \$2.37M savings in personnel costs (hiring freeze/elimination of 11.2 vacant positions and layoffs/eliminations of 10 currently filled positions) and a \$637,000 cut in discretionary spending and program allocation. A more detailed description of the proposal follows.

CPED Long Range Planning Division

CPED recommends elimination of the Long-Range Planning (LRP) Division as part of the CPED's reorganization plan. Minneapolis 2040 is adopted and in effect. We have now shifted to developing regulations, policy and other implementation strategies to achieve Minneapolis 2040 goals. This work must be developed and operationalized with intentional prioritization, direction, resources and support, integrated in work groups throughout the Department. Under this plan, the Long-Range Planning Director position is eliminated and the Community Planning team moves to Development Services to work closely with other planning work units. This approach will achieve budget cost savings by eliminating a director level position, without negatively impacting race equity. It will also achieve efficiencies and synergy by integrating Long Range Planning staff expertise within CPED to inform policy and programmatic changes to support and advance 2040 goals. This reorganization will bring \$198,00 savings which includes \$63,500 reduction in discretionary spending.

Administration and Support

The new office building will also allow reorganization and realignment of administrative functions and operations within the department to create efficiencies within Operations & Innovation. CPED recommends the elimination of one position and a \$43,000 cut in the discretionary spending from the Administration and Support team budget.

Housing Policy and Development

CPED recommends reducing the 4d budget by \$150,000. These funds are used to cover City expenses related to payment of document recording fees and Low-Income Rental Classification (LIRC) application fees to Minnesota Housing. In 2019 and 2020, these costs were less than \$100,000, so this budget reduction is not expected to reduce service levels in the program. CPED recommends a \$23,200 cut in discretionary spending from the Housing Policy and Development team budget.

Economic Policy & Development

CPED will gain efficiencies when it moves into the new Public Service building. The reality of changing technologies has created different business needs for some customer service-related team coupled with the need to cut costs, the division will reorganize and reduce in select service areas. CPED recommends the elimination of 3 positions and a \$77,600 cut in discretionary spending from the Economic Policy and Development team budget.

Development Services

CPED recommends the elimination of 9 positions (including 3 vacant positions) through the discontinuation of a business line under construction code services. This service is increasingly difficult to deliver because of challenges with recruiting and retaining qualified staff. CPED will work with the State to ensure the services are provided. CPED also recommends a \$142,700 cut in discretionary

spending from Development Services budget.

Equity Impacts & Results:

CPED's budget reduction proposal was developed with the goal of minimizing negative impacts on race equity. The proposal:

- centers race equity in our workforce and our services to the community;
- strives to maintain capacity in affordable housing and employment and training work, recognizing that these are high impact investments in eliminating racial disparities in housing, educational attainment, employment and income;
- includes layoffs/job eliminations at all levels of the organization;
- increases our capacity to respond to BIPOC community needs in rapidly changing environment, including crisis response;
- increases our capacity to respond to higher priority work, including work to eliminate racial disparities; and
- Improves the way that we tell our story – proactively and more consistently and transparently share CPED-led outcomes and expand opportunities for the public to engage with our work.

CPED's work primarily supports BIPOC communities and therefore we cannot sustain a 7% budget reduction without affecting our ability to advance race equity goals. Some of our layoffs/job eliminations may affect BIPOC staff. Reductions in staffing, and therefore overall staff capacity, will reduce our ability to respond to community needs through economic development services, which will disproportionately affect small, BIPOC owned businesses or aspiring businesses. This reduction will reduce our ability to respond to new opportunities to reduce racial disparities.

CPED will continue to provide adequate baseline service levels and the department is working on process changes to minimize impacts; however, these cuts will cause delays in the service delivery and require prioritization of work on implementing existing programs and limit department's ability to innovate. These cuts will increase the importance of the City's relationship with community-based organizations to deliver outcomes.

Program: Housing Policy & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 8,500 | — | — | — | — |
| Other | 900 | 1,000 | 1,000 | 1,000 | 1,000 |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 9,400 | 1,000 | 1,000 | 1,000 | 1,000 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the department's budget by \$900,000 in 2021 and \$1,000,000 in 2022 and beyond in ongoing general funding to increase the base budget for the Affordable Housing Trust Fund (AHTF) and \$6,300,000 of Tax Increment Financing (TIF) for a one-time increase. The AHTF provides gap financing for the production and preservation of affordable rental housing.

This recommendation directly addresses the Mayor’s priority of expanding access to affordable housing and the SREAP goal to reduce involuntary displacement in rental housing for Black, Indigenous, and People of Color (BIPOC) communities. Minneapolis renters are facing increasing housing costs with decreasing incomes, and the city has fewer affordable housing units today than it did 15 years ago. The global pandemic highlights how disparities in housing quality have serious health impacts for residents, especially children, and the energy cost burden is disproportionately high for low income renters. The AHTF is one of the primary tools for providing financing to help close the gap between what it costs to provide decent, safe housing and what low income residents can afford. Significant resources for the AHTF, which increases the number of projects that can be fully funded and constructed on a faster timeline, is a critical strategy to expand access to affordable housing.

Description of the Change:

This recommendation is an expansion of an established program, and paired with approximately \$7.7 million in base budget, will create an \$8 million AHTF base budget. An \$8 million AHTF will allow for the production and/or preservation of 160-267 additional units at 30% and 50% AMI (awards ranging from \$30,000-\$50,000/unit). An additional one-time investment of \$6.3 million of TIF funding for 2021 will allow for total investment of \$15 million in the AHTF, supporting a total of 300 – 500 housing units affordable to households with incomes at or below 50% AMI. A \$15 million investment in the AHTF will enable the City to achieve the 2020-2030 annual goal assigned by the Metropolitan Council (150 units at 50% AMI and 155 units at 30% AMI).

The AHTF complements other enterprise work that addresses the need for more affordable housing. It directly overlaps with the federal Low Income Housing Tax Credit program and the Housing Revenue Bond program, and is in some ways constrained by the resources available in those programs. Due to the costs associated with housing development, it is rarely feasible to finance a new project without bonds, tax credits and/or TIF in addition to AHTF.

The City relies on multiple partners to execute the AHTF program including private developers (nonprofit/for profit) and other funding partners (federal, state, regional, local). The AHTF directly expands access to affordable housing. Other challenges listed in the background section are addressed through program requirements related to affordability level and term, green and healthy building requirements, and locational choice incentives.

Equity Impacts & Results:

BIPOC communities are disproportionately impacted by housing instability caused by the shortage of affordable rental housing, including rent and energy cost burden and formal/informal evictions.

The AHTF is a critical tool the City uses to implement its duty to Affirmatively Further Fair Housing. There are many requirements in the AHTF designed to reduce disparities in housing by expanding choice and access to safe, healthy and affordable housing.

AHTF resources will be used with other financial tools (housing tax credits, tax exempt bonds, tax increment financing) and to leverage other funding sources (debt, private equity, Minnesota Housing, Hennepin County, private philanthropy, etc.) to increase the number of affordable housing units produced and preserved. Projects funded through the AHTF are required to remain affordable for a minimum of 30 years. Historically, CPED reported on units produced and preserved below 80% of Area Median Income (AMI) and below 50% of AMI. In 2019, CPED began reporting on outcomes at 30%, 50%, and 60% of AMI consistent with Met Council annual goals. By program rule, AHTF resources only support units at or below 50% AMI, and priority is given to units affordable to households with incomes at or below 30% AMI.

An AHTF investment of \$15 million will support the production/preservation of 300 - 500 affordable housing units. This funding level will enable the City to meet the 2020-2030 annual goal assigned by the Metropolitan Council (150 units at 50% AMI and 155 units at 30% AMI).

CPED

Commercial Property Development Fund

2021 Adopted Change Item**Program:** Economic Planning & Development**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | — | — | — | — | — |
| Other | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the CPED department budget by \$5,000,000 in one-time development funding and \$500,000 in ongoing general funding into the Commercial Property Development Fund (CPDF). This fund provides patient debt capital on favorable terms to commercial development projects located in economically challenged areas. These funds will support commercial development projects in the City identified, in part, by the Minneapolis Forward Community Now Coalition.

This recommendation aligns well with the Mayor's priority around economic inclusion and City Council's adopted Economic Development goal to grow BIPOC-owned businesses and for the Built Environment. Economically challenged neighborhoods face barriers in attracting equity and debt capital for commercial property development. These barriers include, but are not limited to:

- Significant deferred maintenance on the inventory of commercial properties
- Reluctance of lenders to support projects at levels needed
- Lack of generational wealth and development experience in the hands of would-be developers
- Lower rents available to projects in challenged communities
- Smaller commercial spaces required by potential tenants results in higher leasehold improvement costs
- The perception and/or reality of higher crime rates, which discourages lenders, tenants, investors and developers from undertaking projects

Description of the Change:

While the City has provided financing for commercial property revitalization for years, for example through Great Streets Real Estate Gap Financing loans, the scale and terms of the assistance with this recommendation increases this support. The CPDF will provide patient debt capital in larger dollar amounts than other existing financing tools. It will also offer more favorable terms including the deferral of payments of interest and principal; instead the loans will be due-on-sale of the property and will not

accrue interest. Examples of projects that received CPDF support include the renovation of 927 West Broadway and Baldwin Square. City staff will seek to use the City's contribution to the CPDF to leverage contributions from other community development-oriented local and national foundations. The City will commit and disburse the loan funds on schedules determined by the needs of eligible projects. With this recommendation, the Fund could provide and catalyze financing multiple real estate projects.

Equity Impacts & Results:

The CPDF is targeted to benefit real estate projects located in area of need, particularly in racially segregated areas with concentrated poverty. The projects often clean up blighted or underutilized properties and provide commercial and/or social services to the community. As part of the development process, Community Now stakeholders, neighborhood groups and other community stakeholders will provide input on the project.

Funding will allow commercial revitalization projects to occur that otherwise would not. This leads to strengthened commercial ecosystems in a community, job opportunities, improved commercial building conditions, and an enhanced tax base. Projects can start with more confidence and reach completion sooner, ultimately supporting the City's goals of growing businesses owned by BIPOC communities and the Mayor's goal of implementing economic inclusion.

Program: Economic Planning & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 100 | 100 | 100 | 100 | 100 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 100 | 100 | 100 | 100 | 100 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the CPED department budget by \$100,000 in the general funding to increase artistic and cultural expressions in Cultural Districts through funding for murals and arts programming activities.

This recommendation aligns well with the City’s adopted policy in the Minneapolis 2040 comprehensive plan around Cultural Districts. “A Cultural District is a contiguous area with a rich sense of cultural and/or linguistic identity rooted in communities significantly populated by people of color, Indigenous people, and/or immigrants.” The City Council designated 7 districts in August of 2020. The comp plan policy includes an action step to partner with various stakeholders to develop strategies that elevate the district’s cultural and linguistic identity. For this recommendation, staff will administer the funds through the existing Great Streets program and can devote some of the existing base funding for Great Streets programs to activities focused in Cultural Districts.

Description of the Change:

While a focus on Cultural Districts designation is new, the Great Streets program has previously supported artistic and cultural expressions through murals and programming in neighborhood commercial districts, some of which are likely to be Cultural Districts. The Great Streets façade improvement program provides matching grants to business and property owners for improvements to the outside of commercial buildings. The business district support program of Great Streets provides funding to local, community-based organizations for a range of activities that organize, promote, and activate neighborhood commercial districts. Artistic-oriented events and activations, and the creation of murals have been eligible activities. This funding would support the Cultural Districts along West Broadway, Cedar Avenue, and East Lake Street.

Great Streets works through local, community-based organizations to implement the program and disburse funding. Staff will add a category to the requests for proposals in 2020 for both facade and

business district support focused on murals and artistic programming, respectively, to support Cultural Districts. The funding will seed planning and implementation activities for 2-6 projects. A range of nonprofits, including arts and cultural groups, are eligible to apply for Great Streets funding. Partnerships involving multiple groups often result in stronger, more coordinated proposals.

Equity Impacts & Results:

The Cultural Districts policy is rooted in the goal to strengthen commercial areas and protect the racial diversity and uplift the cultural identity of the city's areas where a significant portion of the population is comprised of Black, Indigenous, and immigrant people of color. The recommendation will bring additional funding to Cultural Districts to support their cultural identity. Administering the program through local, community-based organizations, as Great Streets is, will help ensure the selected activities reflect the people living and working in the districts.

This recommendation will support and catalyze greater artistic and cultural expressions in Cultural Districts, particularly along West Broadway, Cedar Avenue, and East Lake Street. The amount of funding awarded and disbursed for these activities could be tracked. Depending on the activity, the nature of the community partnerships involved, the numbers of participants or event attendees, and/or the outcomes from the activities, with the help of the local administering organizations, could be tracked.

Program: Economic Planning & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 400 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 400 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the CPED department budget by \$400,000 in one-time general funding into the Minneapolis Forward Initiative. This fund provides program funding for City activities that support recommendations from the Minneapolis Forward Community Now Coalition. These recommendations address eight action areas with strategies and tactics to achieve equitable and inclusive outcomes on the community’s path to recovery from COVID-19 and the events after the death of George Floyd.

This recommendation aligns well with the Mayor’s priority around economic inclusion and City Council’s adopted Economic Development goal to grow Black, Indigenous, People of Color-owned businesses and for the Built Environment. Minneapolis Forward centers voices and experiences of community historically excluded from decision making in the identification of needs and actions to emerge as a stronger, more resilient community.

Description of the Change:

The Minneapolis Forward Community Now Coalition has produced or will produce a series of recommendations and tactics in eight action areas:

1. Business Retention
2. Prioritize Black, Indigenous, People of Color/Minority-Owned Businesses
3. Supporting Entrepreneurs who Invest in the Community
4. Real Estate Owners & Tenants
5. Housing Preservation
6. Inclusive Economic Solutions
7. Immediate Needs of Impacted Residents
8. Reimagining Public Spaces

The members of the Community Now Coalition represent impacted businesses and associations, cultural

institutions, business and economic development partners who are deeply rooted in and accountable to community. Black, Indigenous, and People of Color leadership is central and at the forefront of this work for the entire city. The recommended strategies and tactics of this coalition provide a guide for the City's, community's, and other partners' work to build a more inclusive city. The funds in this program will support the City's activities that address the strategies and tactics.

Equity Impacts & Results:

Minneapolis Forward centers voices and experiences of community historically excluded from decision making in the identification of needs and actions to emerge as a stronger, more resilient community. These voices set the agenda of actions, unedited by the City, and it is incumbent on the City, the community, and other partners to address these actions in support of Black, Indigenous, and People of Color in Minneapolis as the primary beneficiaries.

Funding Minneapolis Forward Initiative will allow the City to support the Community Now Coalition's identified strategies and tactics. Our work can address and remove barriers to economic progress in areas of need and reduce the disparities between white and non-white residents. Collaborative partnership with those most impacted by these disparities will lead to strengthened commercial ecosystems in the community, job opportunities, improved living conditions, and an enhanced tax base. These funds support the City's goals of growing businesses owned by Black, Indigenous, and People of Color communities and the Mayor's goal of implementing economic inclusion.

Program: Housing Policy & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | — | — | — | — | — |
| Other | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Mayor recommends increasing the CPED department budget by \$2,000,000 in the ongoing general funding for Minneapolis Homes program.

Minneapolis has one of the worst homeownership disparity gaps in the country. This request addresses the council and mayoral priority of promoting inclusive and equitable development. This was a high priority recommendation of the Homeownership Roundtable convened by the Mayor’s Housing Committee. The proposed activity of providing development gap assistance to create new housing opportunities furthers City goals to grow the population, reduce racial disparity rates in homeownership, and provide a diversity of housing stock to meet population needs.

Description of the Change:

The recently approved City Council action related to this program allows for the inclusion of non City-owned land. This position expands opportunity to create more perpetual affordable ownership housing units in areas of the city where City’s land inventory is a low. The cost for developing these vacant lots are more than what they will sell for, so there is a need to subsidize these units through development gap assistance. Funds will be used to support development of approximately 40 housing units with about half being perpetually affordable homeownership units developed in Minneapolis.

Minneapolis Homes builds off historic investments. From 2008-2014, the City invested \$115 million in foreclosure recovery efforts and disaster relief from the North Minneapolis tornado. As a result, the CPED-owned vacant lots are concentrated in the geographic areas that are the most vulnerable and most affected by past discriminatory policies. In these geographic areas there are higher rates of disinvestment and high concentration of residents in poverty. A more recent trend that is concentrated in these areas is resident displacement—distressed ownership housing is being purchased and converted to rental and rental rates are increasing faster than the incomes of area residents.

Equity Impacts & Results:

The City of Minneapolis and Twin Cities region have the worst racial disparities in homeownership in the nation. Communities of color in the City of Minneapolis are more likely to be cost burdened and pay higher energy costs. Minneapolis Homes seeks to mitigate these disparities by stabilizing households in homeownership.

Historically, approximately 70% of homebuyers of Minneapolis Homes (formerly Green Homes North) housing units have been existing residents of the City of Minneapolis, with average household incomes around 60% of area median income (AMI). Given the increasing market concern about displacement of existing residents the continuation and extension of this program to provide affordable homeownership opportunity was critical. The most recent program change will result in a rate of service to a lower average household income because the cap is changed from 115% AMI to 80% AMI. The Minneapolis Homes program has a strong history of a high rate of service (approximately 70%) to Black/African American households.

The proposed activity will increase the number of housing units created and increase the rate of service to households of color, while serving a lower income bracket. It is anticipated that the increase in housing units created through the program will result in more units affordable to households at 80% AMI or below, which is a measure in the department's Results Minneapolis report. The developer is required to provide the homebuyer's demographic information at closing. This information is a critical piece of the reporting of our results. Lastly, by consolidating programs to simplify the application process, permitting the full subsidy need for housing units, and providing pathways for owner-occupied buyers to directly apply for City land and financing opportunities, it is believed the changes will result in a more BIPOC and community-led developers to participate in the program.

Program: Economic Planning & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 250 | 250 | 250 | 250 | 250 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 250 | 250 | 250 | 250 | 250 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the CPED Department budget by \$250,000 in on-going general funding to fund additional scholarships, tuition support, and wrap-around services in tech training programs within MSP TechHire and attract new partners and increase opportunities for Minneapolis residents to enter the tech career pathway.

The technology sector has for years lagged in recruiting people of color and women to the various jobs within the broad definition of IT. Recent developments within employer networks have prioritized opening the sector to new and diverse talent. MSP TechHire was designed to address the lagging and open new access points for diverse talent. This project works to create new access points for diverse talent and skills that allow for access to career opportunities in tech that pay family-sustaining wages.

In 2019 and 2020, Employment and Training has been leveraging existing career pathways funds (local and federal) to match current MSP TechHire funding. In total we will match dollar for dollar any new commitment of financial support in the 2021 budget.

Description of the Change:

MSP TechHire is an ongoing initiative, started in 2015 with support from the Obama administration, it continues to operate with a mix of federal and local dollars. Examples of what the program will buy include:

- On-going investment will support contracts with community-based providers to offer outreach and wrap-around services to job seekers interested in IT careers and offer tuition assistance to low-income individuals, to reduce the barrier to entry into quality tech training courses. A small portion of any funding will support the administrative duties associated with oversight.
- This is part of a broader career pathways strategy that brings together accelerated learning models,

employer input and commitments, and community-based workforce development supports.

- To be deliberate with our career pathways strategies, Employment and Training works closely with many external partners (community-based organizations, businesses with IT needs, education/training providers) and CPED business development.

- Equity and inclusion is a primary goal, and we work with a network of culturally/social conscious and competent organizations to further this goal. Currently partners include: Jewish Family and Children's Services, American Indian OIC/Takoda Institute, Prime Digital Academy, Minnesota Computers for Schools, CompTIA Tech Academy, and more than 500 employer that have hired our trained graduates.

Equity Impacts & Results:

MSP TechHire was designed based on the national strategy to address workforce gaps in IT for people of color and women, two key demographic groups well underrepresented in the sector's labor force.

Since 2015, the initiative has graduated 2,064 students from accelerated programs, 40% are people of color and 30% are women - well above the industry averages. 1,866 graduates are employed in full-time positions with an average wage gain of \$14.11 per hour. MSP TechHire has engaged over 500 employers across a range of industries all with IT workforce needs.

The recommended \$250,000 will enable the department to reach an enrollment into TechHire of over 200 participants and to diversify the training offerings to attract more residents to the IT sector and at a wider range of job types. All MSP TechHire participants supported by City of Minneapolis dollars are entered into our performance tracking system, Workforce One, allowing for Employment and Training staff to access real time programmatic updates and performance metrics.

Program: Housing Policy & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | — | — | — | — | — |
| Other | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the department's budget by \$2,000,000 in ongoing general funding for programs supporting preservation of Naturally Occurring Affordable Housing (NOAH) properties.

This proposal impacts the City goal of promoting Housing Stability. NOAH properties generally refer to unsubsidized multifamily, Class C rental housing projects that have at least 20% of the units with rents affordable to households with incomes at or below 60% of the Area Median Income (AMI). Minneapolis has approximately 30,000 Class C units in buildings of 4 or more units, and fewer than 15,000 of these units have rents affordable to households with incomes at or below 60% AMI. Preservation of NOAH properties is a critical issue given the growing overall shortage of affordable housing. NOAH properties remain attractive to local and national speculators intent on maximizing cash flow through increasingly higher rents. Once a NOAH property is up-scaled or torn down, its affordability is lost.

Description of the Change:

This is a continuation of one-time budget support of existing programs including:

NOAH Preservation Fund – \$1,000,000 to assist eligible preservation buyers to acquire and preserve NOAH rental property in Minneapolis that is at risk of increased rents to protect low income tenants occupying such housing that are at risk of involuntary displacement. At \$25,000/unit City support, funds will support acquisition of an additional 40 units.

Small and Medium Multifamily Loan Program – \$1,000,000 land banking program to acquire and stabilize buildings with 2 or more units that are occupied by low to moderate income tenants. These properties are susceptible to market pressure resulting in property sales, increased evictions, and rising rents. The program goal is to remove these properties from the speculative market and restrict them as affordable for the long-term. At \$35,000 - \$50,000/unit, funds will support acquisition and/or property management costs for an additional 20-30 units.

City partners for the NOAH Preservation Fund include experienced nonprofit housing owner operators, public agencies, the Land Bank Twin Cities and local Community Development Financial Institutions (CDFIs). City partners for the SMMF Land Banking Pilot Program include the Twin Cities Local Initiatives, Support Corporation (LISC), the Land Bank Twin Cities, experienced mission-driven and/or community-based long-term owners, and tenant organizing and cooperative groups.

Equity Impacts & Results:

According to the City’s Strategic Racial Equity Action Plan (SREAP), affordable, safe housing is a crucial foundation for BIPOC communities, BIPOC communities in Minneapolis experience involuntary displacement at a higher rate than white communities. The City relies on property owners to provide stable rental housing situations. By supporting acquisitions of naturally occurring affordable housing (NOAH), we can help BIPOC renters access the housing they need.

NOAH preservation will help to reduce housing disparities among affected groups by expanding location choice and access to decent, safe, affordable housing, The SMMF program achieves similar goals and is specifically designed to support acquisition of small scale buildings throughout the entire city, and disposition strategies prioritize expansion of community-based ownership. Whenever possible, the City works with program partners to sell SMMF properties through processes that give priority to developers, investors, and community-based organizations with ties to the neighborhoods where they are purchasing property.

To date the NOAH Preservation Fund has supported the acquisition and long term preservation of 209 units; and the SMMF program has led to acquisition of 69 apartments in collaboration with the Land Bank, Twin Cities and Inquilinxs Unidxs Por Justicia (United Renters for Justice), a tenant organizing group.

Program: Housing Policy & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | (1,500) | 2,200 | 2,200 | 2,200 | 2,200 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (1,500) | 2,200 | 2,200 | 2,200 | 2,200 |
| Personnel Impacts | | | | | |
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the CPED department budget by \$2,200,000 in the ongoing general funding for Stable Homes Stable Schools program.

In Minneapolis Public Schools (MPS), 6.0 percent (2,350) of students experienced homelessness during the 2019-20 school year. Nearly half of all elementary students experiencing homelessness attend just 15 MPS schools. Increasing rents and record low vacancy rates in Minneapolis create insurmountable barriers for some low-income families to find affordable housing.

A significant barrier to student success is a lack of long-term stable housing. Research shows that students who have experienced homelessness are less likely to graduate high school and less likely to attend secondary level education programs. All students are more successful when families have long-term housing, starting from the elementary school years.

This funding supports the City goal of promoting housing stability and reducing involuntary displacement in rental housing for Black, Indigenous, People of Color and Immigrant communities.

Description of the Change:

Stable Homes Stable Schools began as a pilot initiative, which was first funded in 2019. The 2019 and 2020 budgets included \$3.35 million and \$3 million respectively in one-time funding for the pilot. This allocation provides ongoing funding of \$2.2 million annually for Stable Homes Stable Schools. This change provides more certainty for program partners and participants about the stability of the funding, and right sizes the program to maintain current service levels while continuing to add families.

The program is a collaborative effort with Minneapolis Public Housing Authority (MHPA), Minneapolis Public Schools (MPS), Hennepin County, and the Pohlada Family Foundation.

The program focuses on the MPS elementary schools that face the highest levels of homelessness. The initial cohort of 15 schools has been expanded to 18 schools.

The initiative supports children and families in two ways:

- First, the Housing Stability Fund provides low barrier funding to families who are housed but are facing housing instability or eviction. These families are eligible to receive one-time financial assistance to secure their housing by paying off their outstanding rent, utility bills, or other costs. The Pohlad Family Foundation has committed \$746,000 over three years for this part of the program. In addition, Hennepin County was awarded funds from the State of Minnesota Homework Starts with Home program to supplement the prevention dollars from the Pohlad Family Foundation and increase service support for families.

- Second, the rental assistance program supports families who are currently homeless, including those who are doubled-up. Families receive a 3-year commitment of rental assistance and individualized supportive services to help achieve long-term housing stability.

The City contracts with MPHA to administer the rental assistance payments to participating families and to administer a third-party services contract. The third-party service provider is currently the YMCA. City funds are used to support housing subsidies, supportive services, program management costs and evaluation. MPHA funds 40 percent of the rental assistance costs. Three years of prevention funds are secured from the Pohlad Family Foundation. Hennepin County was awarded approximately \$800,000 from Minnesota Housing Finance Agency to provide additional support for the program, including staffing for a school stability specialist at MPS. Additionally, Hennepin County provide in-kind staff time to support program implementation.

The proposal complements the City's support for Heading Home Hennepin and the Minneapolis-Hennepin Office to End Homelessness goals of ending and preventing family homelessness. It complements work of City departments of CPED, Regulatory Services, and Health, to promote quality housing, healthy homes and affordable housing for low income families and children.

Equity Impacts & Results:

Low-income families with children experiencing homelessness and housing instability in Minneapolis are disproportionately people of color. Homelessness causes trauma in the lives of children and families. Housing instability negatively impacts the health and success of both children and parents, perpetuating income and wealth inequality.

As of August 11, 2020:

- 95% of eligible referred families for the Housing Stability Funds (Preventing Homelessness) are BIPOC, including 72% Black/African American and 5% Indigenous.
- 96% of eligible referred families in the Rental Assistance program (Ending Homelessness) are BIPOC, including 65% Black/African American and 15% Indigenous.

Stable Homes Stable Schools began on April 1, 2019 and the staff team has been closely monitoring results. From April 1, 2019 through July 10, 2020, 1,402 children in 489 families were served by the program, meaning the families either received housing stability payments or have been housed through the rental assistance program. Minneapolis Public Schools (MPS) is tracking data to see how well families in the program meet the outcomes of:

- School stability
- Improved school attendance
- Improved behavior at school
- Improvement in academic indicators
- Increased parent engagement

Early results from the 2019-2020 school year show that families who participated in Stable Homes Stable Schools had a higher percentage of enrollment in an MPS school and enrollment in the same school compared to other Homeless and Highly Mobile students and the district overall. Daily attendance was also higher for students receiving rental assistance from Stable Homes Stable Schools as compared to other Homeless and Highly Mobile students.

The project team will also be working with researchers at the University of Minnesota on a robust evaluation of the initiative that tracks both the housing and educational outcomes of participating families.

CPED

Tenant Resource Center

2021 Adopted Change Item**Program:** Housing Policy & Development**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 25 | 25 | 25 | 25 | 25 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 25 | 25 | 25 | 25 | 25 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the CPED Department budget by \$25,000 in the ongoing general funding for the Tenant Resource Center. Launched in January 2020, the Tenant Resource Center (TRC) is a collaborative resource for Hennepin County tenants. The TRC supports Hennepin County residents who are at risk of eviction or homelessness through a collaborative partnership between community, non-profits, and government. The goal of the TRC is to help people maintain stability in their housing situation and avoid the “service run around” that sometimes comes with the need to access multiple community resources to ensure stability in housing.

Since its inception, the TRC has served over 700 residents, most of them from Minneapolis. During the pandemic, the center has served as a central resource for people needing rent help due to COVID-19. The goal is to help tenants navigate the systems and access resources to ensure they can maintain their housing situation and improve housing stability. This proposal meets the City goal of promoting housing stability.

Description of the Change:

This \$25,000 allocation provides an infusion of funds into the TRC to support its general operating expenses including items such as further development of a virtual platform and rent at the Urban League, where the TRC is located. Partner agencies contribute staff and planning assistance to the center. These agencies include Mid-Minnesota Legal Aid, Community Mediation and Restorative Services, the Conflict Resolution Center, Hennepin County Economic Supports and many employment service and homeless prevention agencies.

The launch of the TRC in 2020 allowed our community to have a step up in addressing the impact of COVID-19. The partnerships we had forged and the resources we had already linked together through the TRC were instrumental in our ability to infuse COVID-19 rent assistance into the community.

The TRC operations are supported by multiple City departments and offices including active participation in the TRC board and renter referrals around safety, habitability conditions, and fears of landlord retaliation.

Equity Impacts & Results:

Research led by Dr. Brittany Lewis at the University of Minnesota has demonstrated that evictions disproportionately affect residents of North Minneapolis and disproportionately affect single Black mothers. From Dr. Lewis’ study entitled the Illusion of Choice:

“From 2013-2015, approximately 50% of renter households in North Minneapolis experienced at least one eviction filing, a rate that is almost 25% higher than the 55402 zip code, which experienced the next highest rate of eviction filings in the city of Minneapolis. This disparity is particularly relevant given that these two zip codes contain just 8% of all rental units in the city.”

The Tenant Resource Center was designed by North Minneapolis residents and advocates shortly after a prominent Northside landlord lost his rental license. Residents and advocates participate in a monthly review of the TRC where decisions about how the center is run or how outcomes are measured are explored.

Access to the TRC is low barrier. Phone calls are returned daily and connections are made to appropriate resources. There is no cost for the service. Translation services are available if needed. Prior to COVID-19, the TRC was very convenient for residents of North Minneapolis with daily in-person hours. In its current virtual state, access to the center’s resources are virtual-only, which eases the access for tenants from across Minneapolis to use the TRC.

The primary outcome of the TRC is to avoid eviction. During our state’s moratorium on evictions, the TRC has operated with the same intent, helping tenants understand that rent still needs to be paid during the eviction moratorium and helping them navigate emergency resources available to do so. The TRC is working to minimize the eventual impact on renters when evictions for non-payment of rent are allowed. The moratorium on eviction has allowed the TRC to build relationships with landlords who request help for their tenants.

City support of the TRC supports the City’s SREAP housing goal and is included as part of the quarterly SREAP report to Council.

TRC guests responded well to the human-center approach to eviction prevention. Even if partners couldn’t solve their crisis, guests felt they were treated with respect and kindness. The principles practiced at the TRC will help inform the county’s inclusion of customer feedback into the redesign of emergency assistance.

Service partners appreciated co-location and the ability to build relationships between agencies. These relationships have allowed the county to make more expedient progress on the redesign of county emergency assistance and the coordination of homeless prevention in Hennepin County.

The TRC has developed a Resident Feedback Tool that will be used to measure impact of the TRC in last quarter 2020 and ongoing in 2021. Two resident feedback tools will be utilized, one at the conclusion of the initial interaction with the TRC and one after the resolution of the tenant’s situation. A third source of impact will include tracking indicators such as: initial time spent waiting to connect with the TRC, total time spent interacting with the “system”, number of forms or verifications that have to be submitted, compliance burden on the resident, resolution of initial system interaction, and approval or denial for resources.

We expect the TRC to continue to serve about 100 people each month.

Program: Housing Policy & Development

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 125 | 125 | 125 | 125 | 125 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 125 | 125 | 125 | 125 | 125 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves increasing the department budget by \$125,000 in ongoing general funding to support free and confidential legal information and referral services for Minneapolis renters.

This recommendation addresses the Mayoral priority of protecting Minneapolis renters. This service was recommended as a priority in the Housing Stability Roundtable convened by the Mayor’s Housing Committee in early 2018. The estimated cost of providing this service for Minneapolis renters is at least \$164,000 per year, based on the cost of serving 3,244 Minneapolis renters in 2018, a figure which increased to 3,722 renters in 2019.

Description of the Change:

This service has been supported by the City in the amount of \$100,000 annually in the 2015-2018 budgets. It was increased to \$125,000 in 2019, continuing with a \$125,000 allocation in the 2020 budget.

Minneapolis is now a majority renter city facing increasing affordable housing challenges, particularly for low income renters, who are disproportionately people of color. Given the ongoing and increasing importance of renter protections, staff recommends transitioning this budget item from a one-time to an on-going budget item.

The city contracts with a non-profit service provider for this service. Currently, this service is provided by HOME Line. The City issued an RFP for this service in early 2019, staff is recommending continuing to contract with HOME Line. A contract with HOME Line was approved by the HPD Committee on May 8, 2019. It is expected that at least 3,200 Minneapolis tenants will be served by this program. The most common issues advised on include: repairs, return of security deposits, eviction prevention, advice about notices and leases, infestations/bed bugs, and privacy intrusions.

This service complements housing inspection and rental licensing work of Regulatory Services, and furthers the goals of the Renters First Housing Policy, adopted by the City in 2019.

Equity Impacts & Results:

The Hotline service is available in the following languages: English, Spanish, Somali, and Hmong. The vast majority (86%) of clients serviced are low or extremely low-income households under HUD guidelines. In 2019, 3,722 renter households were served, 65% were female headed households, 51% were BIPOC (black, indigenous, and people of color) including 36% African American, 7% Hispanic, 3% Native American, 2% Asian Pacific Islander, 3% other.

In 2019, 3,722 Minneapolis renter households, representing 8,110 total renters, benefited from this service. This is nearly a 15% increase in households served compared to 2018 (3,244 renter households served). An estimated \$411,559 in damage deposits and rent abatements were secured for Minneapolis renters, and the service helped prevent 333 evictions.

CPED*East African Homeownership Education***2021 Adopted Change Item****Program:** Housing Policy & Development**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 95 | 95 | 95 | 95 | 95 |
| Other | | | | | |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 95 | 95 | 95 | 95 | 95 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

This pilot program is intended to provide culturally-specific education and advocacy services to East African residents to assist with homeownership and tenant advocacy needs. The total amount requested is \$95,000 and will be contracted with a non-profit organization to deliver said services.

The City of Minneapolis has one of the highest homeownership disparity gaps in the country. Ward 6 is home to the highest East African population in the City and most are renters. It is believed that cultural, language and unfamiliarity with meandering through the housing process are all barriers to this population securing sustainable/affordable homeownership or retaining safe and affordable rental housing.

Description of the Change:

This pilot is an extension of an existing activity that provides homeownership counseling and outreach to Black, Indigenous, People of Color and Immigrant (BIPOCI) communities. The addition to this activity is two-fold—tenant advocacy and specific to a geography—Ward 6.

To ensure the success of the pilot, the intent is to release a request for proposals for interested vendors to respond. As the focus is deliver culturally-specific services to the target population, it is imperative that the selected vendor is trusted by the community and has the skills and experience to deliver the required outcome. The selected vendor will perform outreach efforts to the targeted community and will work with CPED and Regulatory Services staff to share homeownership opportunity information to those who would be interested in purchasing a home or maintaining their existing homes and tenant rights information for renters. The services will include:

- Homebuyer counseling
- Providing options to financing the purchase of a new home or rehab of existing home
- Conducting tenant rights workshops/seminars so that the targeted community understands their

rights and ensure they are successful tenants.

Equity Impacts & Results:

This program is designed to target Ward 6 residents with special attention to the BIPOC communities which are predominantly East African communities. It is hoped that this work compliments other activities that the City currently undertakes to address the housing disparities in our city. In today's market with low vacancy rates, some renters are paying more for rent that they would if they were owners of their homes. This pilot will assist the targeted community understand what their options are and assist them achieve their goal of securing a sustainable affordable housing for their families.

As this is a pilot, the vendor will be asked to track the number of households served and the outcomes delivered by each interaction.

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|--------------------|--------------------|--------------------|----------------------|----------------|---------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 15,304,825 | 16,711,176 | 17,536,000 | 15,546,000 | -11.3% | (1,990,000) |
| FRINGES | 5,469,041 | 5,965,990 | 6,501,000 | 5,555,000 | -14.6% | (946,000) |
| CONTRACTUAL SERVICES | 7,859,482 | 8,763,019 | 13,866,000 | 7,130,000 | -48.6% | (6,736,000) |
| OPERATING COSTS | 2,703,393 | 2,558,092 | 2,371,000 | 2,352,000 | -0.8% | (19,000) |
| CAPITAL EQUIPMENT | 3,658,715 | 824,493 | 5,084,000 | 9,238,000 | 81.7% | 4,154,000 |
| TOTAL GENERAL | 34,995,456 | 34,822,770 | 45,358,000 | 39,821,000 | -12.2% | (5,537,000) |
| DEBT SERVICE | | | | | | |
| TRANSFERS | 1,992,007 | 2,265,087 | — | 2,820,000 | 0.0% | 2,820,000 |
| CAPITAL EQUIPMENT | 2,110,824 | 2,132,518 | 2,149,000 | 2,167,000 | 0.8% | 18,000 |
| TOTAL DEBT SERVICE | 4,102,831 | 4,397,605 | 2,149,000 | 4,987,000 | 132.1% | 2,838,000 |
| CAPITAL PROJECT | | | | | | |
| CONTRACTUAL SERVICES | 261,938 | 410,654 | — | — | 0.0% | 0 |
| OPERATING COSTS | 369 | 3,092 | — | — | 0.0% | 0 |
| CAPITAL EQUIPMENT | — | 4,900 | — | 747,000 | 0.0% | 747,000 |
| TOTAL CAPITAL PROJECT | 262,307 | 418,646 | — | 747,000 | 0.0% | 747,000 |
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 100,176 | 96,158 | 106,000 | 107,000 | 0.9% | 1,000 |
| FRINGES | 36,918 | 35,888 | 35,000 | 39,000 | 11.4% | 4,000 |
| CONTRACTUAL SERVICES | 1,017,263 | 999,278 | 1,238,000 | 1,238,000 | 0.0% | 0 |
| OPERATING COSTS | — | — | 1,000 | 1,000 | 0.0% | 0 |
| CAPITAL EQUIPMENT | 65,776 | — | — | — | 0.0% | 0 |
| TOTAL ENTERPRISE | 1,220,133 | 1,131,324 | 1,380,000 | 1,385,000 | 0.4% | 5,000 |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 5,095,321 | 5,301,617 | 4,743,000 | 4,851,000 | 2.3% | 108,000 |
| FRINGES | 1,431,934 | 1,480,902 | 1,709,000 | 1,680,000 | -1.7% | (29,000) |
| CONTRACTUAL SERVICES | 9,454,270 | 10,604,629 | 14,839,000 | 26,890,000 | 81.2% | 12,051,000 |
| OPERATING COSTS | 4,218,452 | 1,600,514 | 1,842,000 | 1,814,000 | -1.5% | (28,000) |
| CAPITAL EQUIPMENT | 44,508,654 | 41,902,113 | 46,571,000 | 24,548,000 | -47.3% | (22,023,000) |
| TRANSFERS | 14,738,793 | 12,744,682 | 11,302,000 | 5,522,000 | -51.1% | (5,780,000) |
| TOTAL SPECIAL REVENUE | 79,447,424 | 73,634,457 | 81,006,000 | 65,305,000 | -19.4% | (15,701,000) |
| TOTAL EXPENSE | 120,028,151 | 114,404,802 | 129,893,000 | 112,245,000 | -13.6% | (17,648,000) |

| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|---------|-------------|-------------|--------------|----------------------|----------------|--------|
|---------|-------------|-------------|--------------|----------------------|----------------|--------|

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

GENERAL

| | | | | | | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|---------------|--------------------|
| BUSINESS LICENSES AND PERMITS | 7,693,447 | 8,054,150 | 7,200,000 | 7,105,000 | -1.3% | (95,000) |
| CHARGES FOR SALES | 144 | 30 | 2,000 | — | -100.0% | (2,000) |
| CHARGES FOR SERVICES | 2,912,475 | 3,839,359 | 3,310,000 | 2,398,000 | -27.6% | (912,000) |
| CONTRIBUTIONS | — | — | — | — | 0.0% | 0 |
| FINES AND FORFEITS | 82,283 | 64,410 | 190,000 | 56,000 | -70.5% | (134,000) |
| INTEREST REVENUE | 157,281 | 147,123 | — | 100,000 | 0.0% | 100,000 |
| MISCELLANEOUS | 2,155,249 | 1,835,744 | 2,050,000 | 1,000,000 | 0.0% | (1,050,000) |
| NON-BUSINESS LICENSES AND PERMITS | 28,270,932 | 34,174,656 | 26,828,000 | 24,351,000 | 0.0% | (2,477,000) |
| SPECIAL ASSESSMENTS | — | — | 300,000 | 100,000 | -66.7% | (200,000) |
| TOTAL GENERAL | 41,271,811 | 48,115,472 | 39,880,000 | 35,110,000 | -12.0% | (4,770,000) |

SPECIAL REVENUE

| | | | | | | |
|-----------------------------------|--------------------|--------------------|-------------------|-------------------|---------------|---------------------|
| CHARGES FOR SALES | 4,383,315 | 11,428,988 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 2,972,480 | 1,011,759 | — | 500,000 | 0.0% | 500,000 |
| CONTRIBUTIONS | 120,201 | 121,402 | — | — | 0.0% | 0 |
| FEDERAL GOVERNMENT GRANTS | 20,555,467 | 22,296,735 | 4,967,000 | 5,790,000 | 16.6% | 823,000 |
| FINES AND FORFEITS | 8,000 | 8,000 | — | — | 0.0% | 0 |
| INTEREST REVENUE | 900,495 | 334,491 | 2,382,000 | 4,316,000 | 81.2% | 1,934,000 |
| LOCAL GRANTS & AIDS | 8,450,510 | 11,734,705 | — | — | 0.0% | 0 |
| MISCELLANEOUS | 10,682,183 | 5,580,488 | 1,877,000 | 6,619,000 | 252.6% | 4,742,000 |
| NON-BUSINESS LICENSES AND PERMITS | 118,459 | 87,052 | — | — | 0.0% | 0 |
| PROPERTY TAXES | 59,359,640 | 63,695,021 | 66,886,000 | 23,350,000 | -65.1% | (43,536,000) |
| RENTS | 2,559,690 | 250,555 | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 248,204 | 369,699 | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | 3,625,328 | 6,285,949 | 1,800,000 | 2,000,000 | 11.1% | 200,000 |
| TRANSFERS | 12,110,206 | 4,016,106 | 683,000 | 4,937,000 | 622.8% | 4,254,000 |
| USE OF FUND BALANCE | — | — | (6,573,000) | — | -100.0% | 6,573,000 |
| TOTAL SPECIAL REVENUE | 126,094,178 | 127,220,950 | 72,022,000 | 47,512,000 | -34.0% | (24,510,000) |

CAPITAL PROJECT

| | | | | | | |
|------------------------------|----------------|----------------|----------|----------------|----------------|----------------|
| BOND SALES | — | — | — | 747,000 | #DIV/0! | 747,000 |
| TRANSFERS | 319,000 | 394,000 | — | — | 0.0% | 0 |
| TOTAL CAPITAL PROJECT | 319,000 | 394,000 | — | 747,000 | #DIV/0! | 747,000 |

DEBT SERVICE

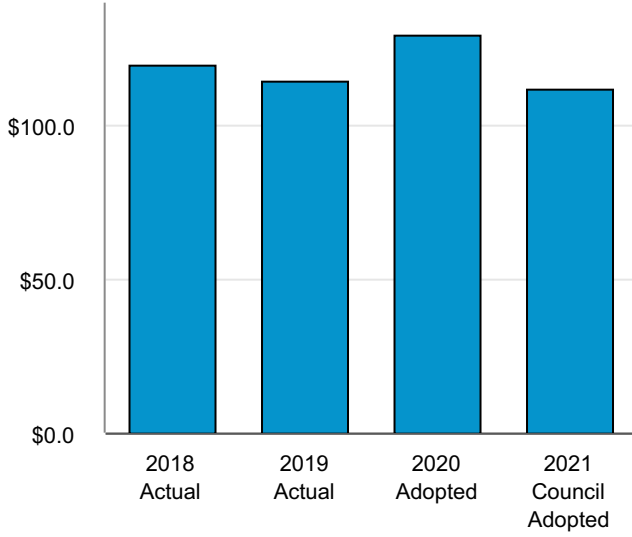
| | | | | | | |
|---------------------------|------------------|------------------|------------------|------------------|---------------|------------------|
| INTEREST REVENUE | 16,491 | 36,798 | — | 100,000 | 0.0% | 100,000 |
| PROPERTY TAXES | — | — | — | — | 0.0% | 0 |
| TRANSFERS | 4,683,018 | 3,987,779 | 2,149,000 | 4,997,000 | 132.5% | 2,848,000 |
| USE OF FUND BALANCE | — | — | — | — | 0.0% | 0 |
| TOTAL DEBT SERVICE | 4,699,509 | 4,024,577 | 2,149,000 | 5,097,000 | 137.2% | 2,948,000 |

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

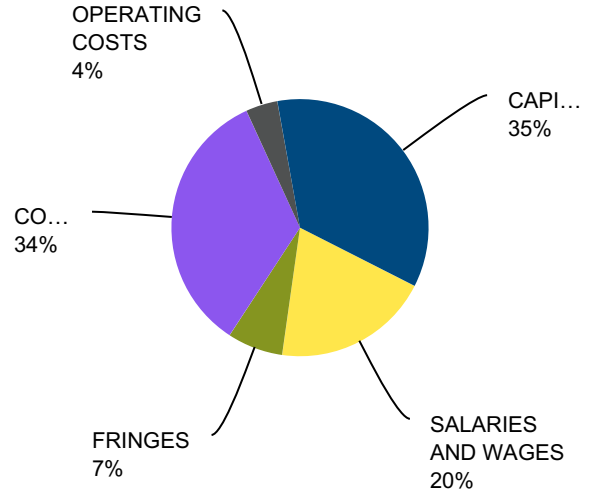
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|---------------------|
| ENTERPRISE | | | | | | |
| CHARGES FOR SERVICES | 1,051,230 | 777,294 | 1,100,000 | 300,000 | -72.7% | (800,000) |
| RENTS | 1,175 | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | 6,779,000 | — | -100.0% | (6,779,000) |
| TOTAL ENTERPRISE | 1,052,405 | 777,294 | 7,879,000 | 300,000 | -96.2% | (7,579,000) |
| TOTAL REVENUE | 173,436,903 | 180,532,293 | 121,930,000 | 88,766,000 | -27.2% | (33,164,000) |

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT EXPENSE AND REVENUE INFORMATION

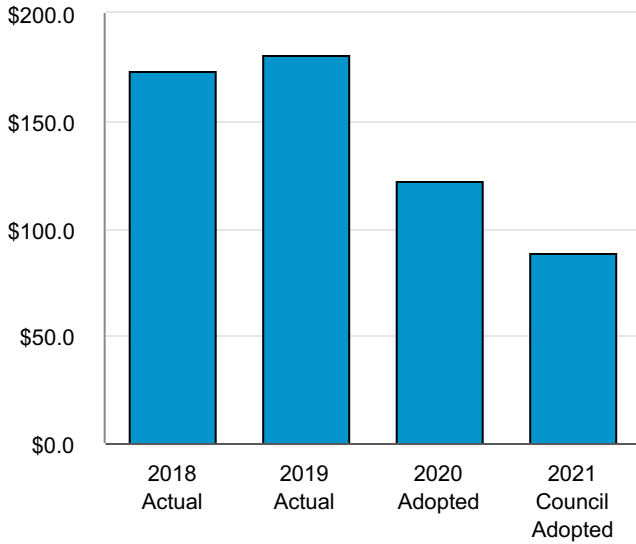
**Expense 2018 - 2021
In Millions**



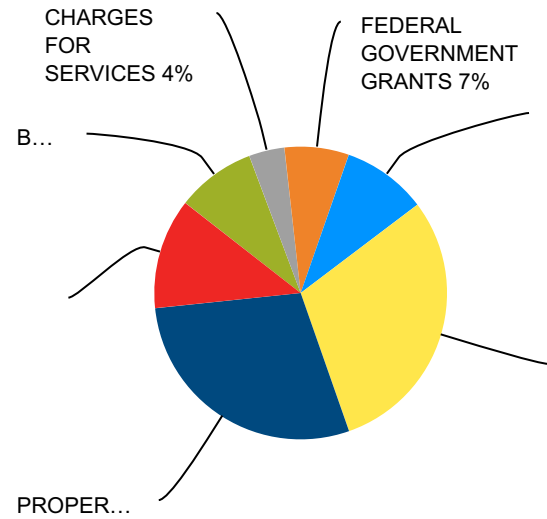
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



COMMUNITY PLANNING & ECONOMIC DEVELOPMENT

Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

FIRE

Mission

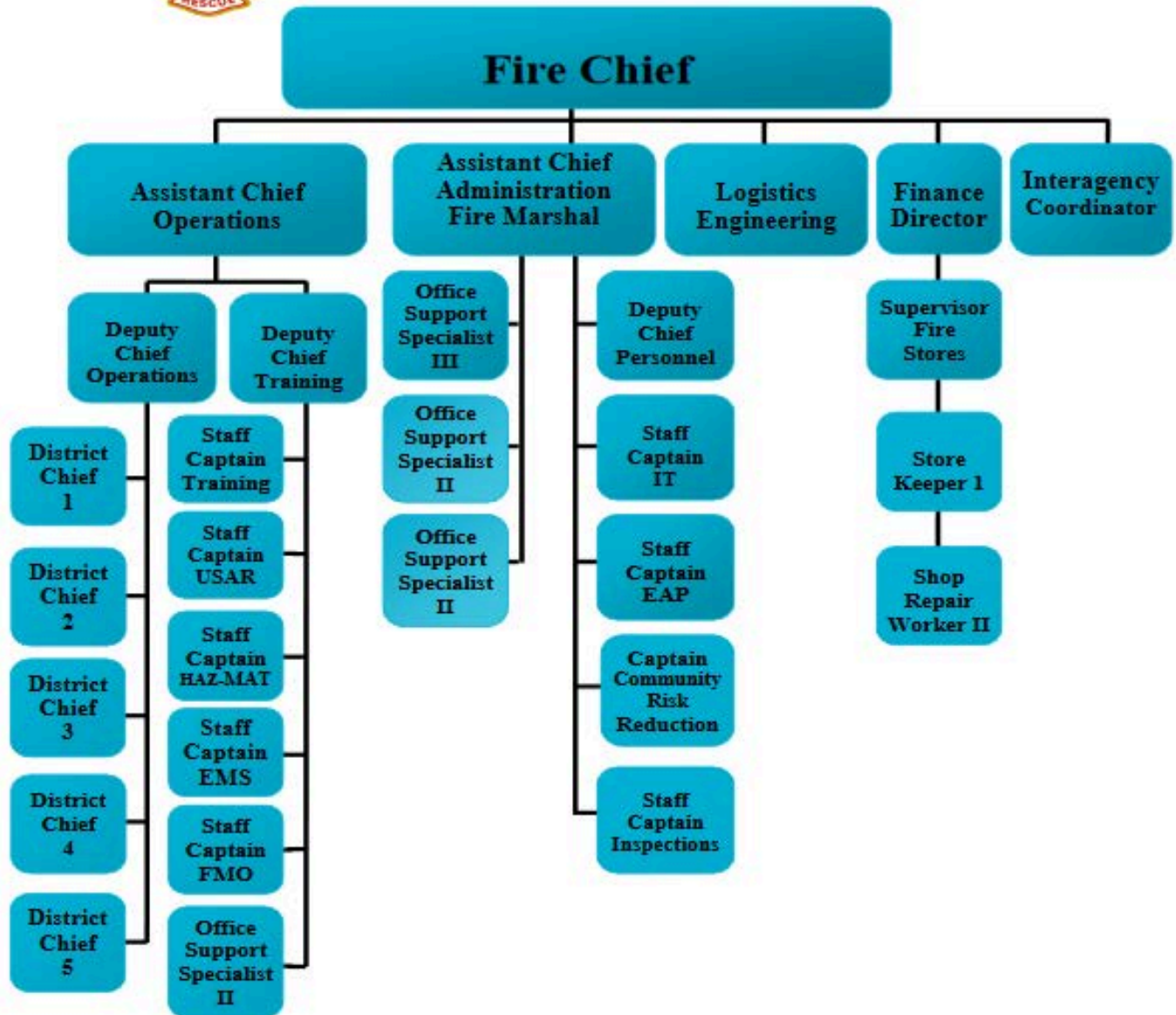
The Minneapolis Fire Department is thoroughly trained and ready to protect lives, property and the environment by rapidly responding to emergencies and hazardous situations. The department is committed to prevention by proactively working with the community to reduce risk to life, property and the environment.

Organization Chart



Minneapolis Fire Department

1-400.00 - Organizational Chart



March, 2016

Fire Suppression, Emergency Medical Service and Technical Rescue General Fund: \$49,547,000

Fire Suppression, Emergency Medical Service and Technical Rescue describes the increased demand for services by cross-trained personnel who perform multiple functions in a growing range of services, such as Fire Response, Emergency & Medical Services, Hazardous Materials Response (Terrorism/WMD Response), Technical Rescue, Community Outreach and Prevention Education.

Training & Recruitment General Fund: \$11,357,000

The Training program is fundamental in building and maintaining firefighter's skills. The program aims at and developing a high-performing diverse workforce where personal strengths are recognized and individual differences are respected. The aim is to create potential career opportunities both internal and external, and cross disciplinary.

Community Risk Reduction and Community Outreach General Fund: \$9,224,000

Prevention is the best form of suppression. The Community Risk Reduction and Community Outreach program promotes prevention/community risk reduction by proactively working with and in the community to support changes that will preserve life, property and the environment. This can be accomplished through community education, coaching organizations, focusing on school age children for early interventions and providing warning equipment to residents. The highest need populations include juveniles, non-English speaking residents, low income and our aging populations.

Fire Department

Fire Department Base Cut

2021 Adopted Change Item

Program: Training & Recruitment

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|---------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (575) | — | — | — | — |
| IT | (55) | (55) | (55) | (55) | (55) |
| Fleet | (2) | (2) | (2) | (2) | (2) |
| Contractual Services | (319) | (319) | (319) | (319) | (319) |
| Other | (229) | (229) | (229) | (229) | (229) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (1,180) | (605) | (605) | (605) | (605) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | (1) | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the Fire Department budget by \$861,000 in the General Fund.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$269,787 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

The reduction in non-contractual overtime of \$455,000 paired with the ongoing hiring freeze could lead to staffing shortages that could cause the temporary closing of apparatus. The department would need to re-evaluate our minimum daily staffing level.

The other non-personnel reductions totaling \$320,000 would have minimal impact on current service levels. The reduction in the annual health fair would be in not offering additional testing and adhering to OSHA mandated tests only. The reduction in the stores budget would reduce our on-hand inventory of station supplies.

These changes would only impact the Fire Suppression, EMS & Technical Rescue program.

Leaving vacant the Office Support Specialist position in 2021 saves an additional \$86,000.

Equity Impacts & Results:

There will be little to no impact on equity. These cost saving measures were selected with that in mind.

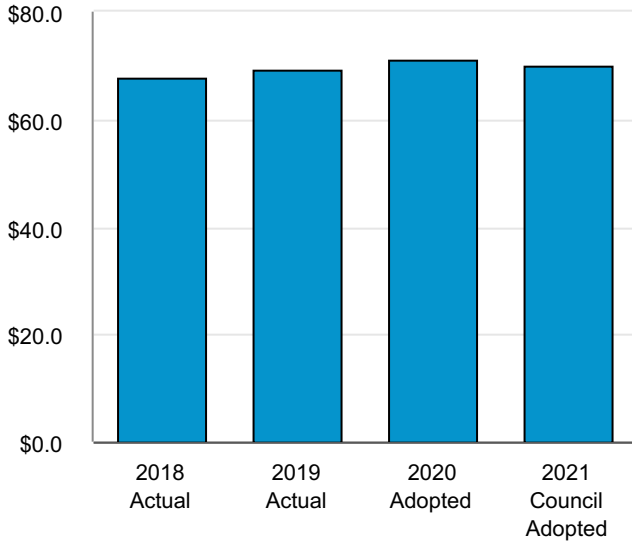
A staffing shortage that causes the closing of apparatus and/or the closing of stations could have, as a by-product, an impact on response time.

**FIRE
EXPENSE AND REVENUE INFORMATION**

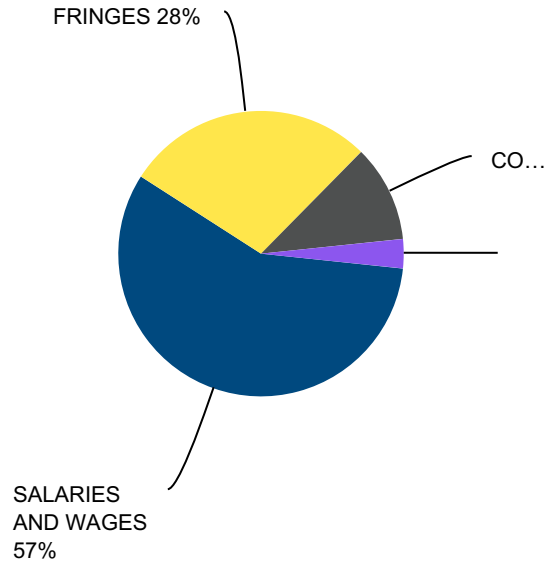
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|-------------------|-------------------|-------------------|----------------------|----------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 39,467,213 | 39,738,601 | 40,552,000 | 40,124,000 | -1.1% | (428,000) |
| FRINGES | 17,267,798 | 18,146,550 | 18,912,000 | 19,750,000 | 4.4% | 838,000 |
| CONTRACTUAL SERVICES | 8,510,843 | 8,512,128 | 9,169,000 | 7,664,000 | -16.4% | (1,505,000) |
| OPERATING COSTS | 2,145,751 | 2,313,424 | 2,211,000 | 2,315,000 | 4.7% | 104,000 |
| CAPITAL EQUIPMENT | 117,465 | 286,684 | 350,000 | 275,000 | -21.4% | (75,000) |
| TOTAL GENERAL | 67,509,070 | 68,997,387 | 71,194,000 | 70,128,000 | -1.5% | (1,066,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | (4,856) | 41,303 | — | — | 0.0% | 0 |
| FRINGES | (5,701) | 10,595 | — | — | 0.0% | 0 |
| CONTRACTUAL SERVICES | 72,502 | 89,531 | — | 10,000 | 0.0% | 10,000 |
| OPERATING COSTS | 4,317 | 2,992 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 66,262 | 144,421 | — | 10,000 | 0.0% | 10,000 |
| TOTAL EXPENSE | 67,575,332 | 69,141,808 | 71,194,000 | 70,138,000 | -1.5% | (1,056,000) |
| REVENUE | | | | | | |
| | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
| GENERAL | | | | | | |
| CHARGES FOR SALES | 397 | 758 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 146,351 | 336,890 | 272,000 | 279,000 | 2.6% | 7,000 |
| DESCRIPTION PENDING | | | | | 0.0% | 0 |
| MISCELLANEOUS | 6,399 | 13 | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | (1,823) | — | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | 2,149,328 | 2,247,654 | 1,980,000 | 1,980,000 | 0.0% | 0 |
| TOTAL GENERAL | 2,300,652 | 2,585,315 | 2,252,000 | 2,259,000 | 0.3% | 7,000 |
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SERVICES | 33,636 | 93,344 | — | — | 0.0% | 0 |
| CONTRIBUTIONS | 101,835 | 65,458 | — | 10,000 | 0.0% | 10,000 |
| STATE GRANTS & AIDS | 19,000 | 16,000 | — | — | 0.0% | 0 |
| FEDERAL GOVERNMENT GRANTS | (1) | — | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 154,470 | 174,802 | — | 10,000 | 0.0% | 10,000 |
| TOTAL REVENUE | 2,455,122 | 2,760,117 | 2,252,000 | 2,269,000 | 0.8% | 17,000 |

FIRE EXPENSE AND REVENUE INFORMATION

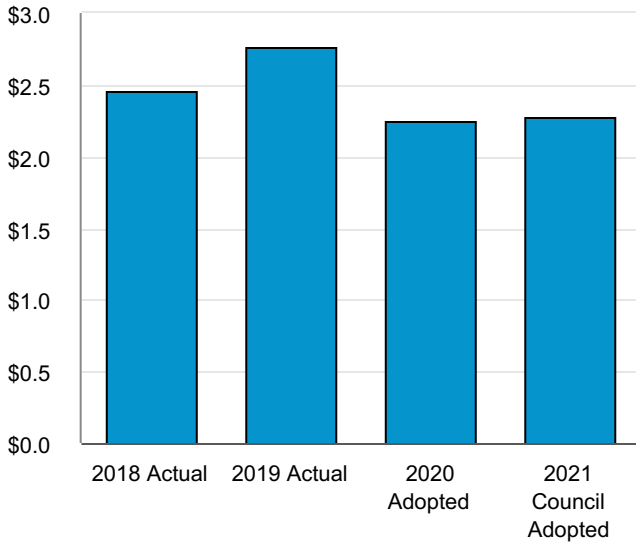
**Expense 2018 - 2021
In Millions**



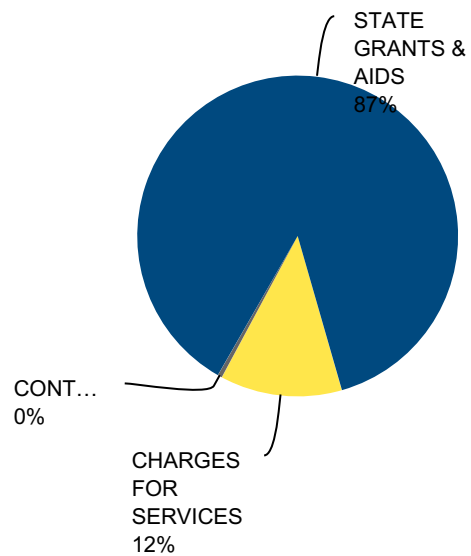
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



FIRE Staffing Information

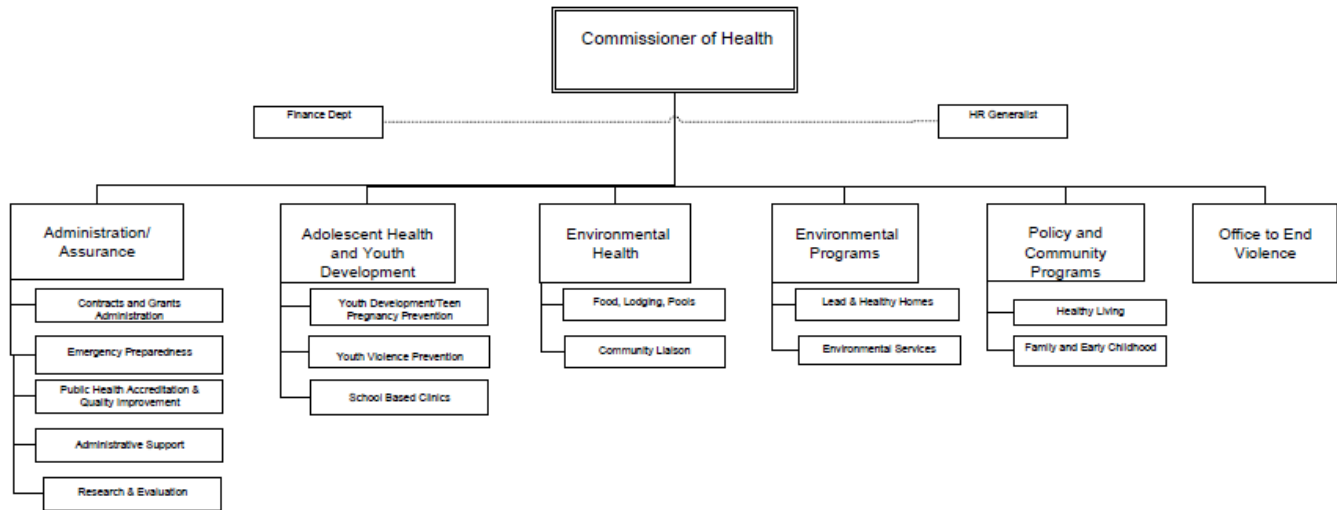
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

HEALTH DEPARTMENT

Mission

The Minneapolis Health Department improves the quality of life for all people in the city by protecting the environment, preventing disease and injury, promoting healthy behaviors, and creating a city that is a healthy place to live, work, and play.

Organization Chart



Family and Early Childhood

General Fund: \$511,000
Other Funds: \$1,676,000

Programs and services promote healthy birth outcomes, positive parent-child interaction, child growth and development, family self sufficiency, nutrition education, and family planning and connection to early childhood education. Additional programs promote school ready children.

School Based Clinic Program

General Fund: \$93,000
Other Funds: \$3,750,000

The Department operates School Based Clinics (SBC) in six Minneapolis public high schools and health education and screening services at one alternative school site for pregnant and parenting teens. All clinic services are provided by medical, behavioral health, and health education professionals. The focus is on adolescent health services including acute illness care, well-teen exams, reproductive care, nutrition education, immunizations, individual and group health education, and mental health screenings, diagnostic assessments and counseling.

Youth Development and Community Health

General Fund: \$682,000
Other Funds: \$1,101,000

This program includes policy work and out-of-school time services for low income youth; collaborative partnerships with schools, county and community based agencies; technical assistance and training to

youth workers, teachers and volunteers; comprehensive sexual healthy education; and coordination of the City's prevention response to the Safe Harbors Act.

Office of Violence Prevention

General Fund: \$6,698,000

Other Funds: \$697,000

The Health Department leads and coordinates citywide efforts around violence prevention through policy work, planning, community support, and programming. Activities include service coordination with jurisdictional partners, capacity building with small community-based agencies, and partnerships on community engagement activities. MHD programming includes: Group Violence Intervention, in collaboration with the Minneapolis Police Department; hospital-based violence intervention, in partnership with HCMC and North Memorial; the Juvenile Supervision Center for curfew, truancy, and low-level offenders alongside Hennepin County and Minneapolis Public Schools; individualized case management and mentoring for youth at risk of involvement with violence; street and community outreach and positive youth engagement; and implementation of a teen dating violence curriculum.

Senior Services

General Fund: \$0

The Minnesota Visiting Nurse Agency provides home health care/therapeutic services for eligible high-risk and low-income seniors age 60 and older who lack medical reimbursement. Eligible seniors receive skilled nursing and therapy visits and home health aide/ homemaker visits; a significant number require interpreter services.

Lead Poisoning and Healthy Homes

General Fund: \$526,000

Other Funds: \$863,000

The Lead Poisoning Prevention and Healthy Homes initiative assures residential homes are safe from lead hazards by conducting inspections for children with diagnosed lead poisoning. The program repairs lead hazards to protect children from exposure to lead which interferes with brain development during a critical stage. Minneapolis currently inspects homes of children with a blood lead level of 5 ug/dl of blood. A Federal grant also supports efforts to address other healthy homes concerns such as radon, asthma triggers, and slip/trip/fall hazards.

Emergency Preparedness and Infectious Disease Prevention

General Fund: \$32,000

Other Funds: \$422,000

The Minneapolis Health Department is required by Minnesota statute and City Charter to assure the health and safety of residents and visitors from infectious disease; to prepare for and respond to emergencies; and assist the community in recovery. The Department does so through collaboration, contracts, and participation in a community-wide continuum of care. Public health response includes: routine prevention and intervention activities (provided through contract with Hennepin County); response to small events such as measles and food borne illness; planning and preparing to host large events such as the Super Bowl and NCAA Final Four; support for residents affected by natural or other disasters such as the Northside tornado; and, response to large public health emergencies such as a flu epidemic.

Food Lodging and Pools

General Fund: \$3,176,000

The Food Lodging and Pools program ensures commercial and institutional foods are safe and in compliance with state and local health codes by conducting more than 8,000 inspections a year of over 5,000 facilities including restaurants, schools, board and lodging facilities, hotels, pools, tanning and body arts establishments, day care centers, farmers markets, groceries, and food vendors. Health inspectors investigate all food and water borne illness outbreaks that occur in the City. The Health Department has become a national leader in providing outreach, education and business support to all our licensed food businesses with a special focus on providing culturally and linguistically appropriate support to immigrant managers and workers.

Environmental Services

General Fund: \$3,001,000

Environmental Services protects environmental and public health from the adverse effects of pollution through two states delegated well programs, one federally mandated storm water program, nine local environmental permits, and immediate response to spills and citizen concern. The Health Department has become a progressive leader in local environmental work conducting local air quality studies, management of the Midwest's first energy disclosure policy, the strongest renewable energy incentives by any city in the country and nationally recognized partnership programs with local businesses to improve neighborhood environmental quality.

Minneapolis Healthy Living Initiative

Other Funds: \$939,000

The Healthy Living Initiative is a collection of 34 projects implemented at 640 sites with community partners to increase opportunities for healthy eating, physical activity and tobacco-free living in public housing, schools, neighborhoods, clinics, food shelves, stores, restaurants, worksites and other settings. The goal of these strategies is to reduce the burden of tobacco- and obesity-related chronic diseases on individuals, communities, employers, and the health care system.

Core Public Health Infrastructure

General Fund: \$2,840,000

Other Funds: \$1,190,000

As a local public health entity operating under a Community Health Board (City Council), the department is mandated by Minnesota Statutes, chapter 145A, to provide directly or contract for essential public health services for Minneapolis residents. An adequate public health infrastructure includes a governance structure, assessing community health needs, setting health priorities, meeting state reporting requirements, engaging the community, advocating for policy changes, fostering healthy environments, and ensuring that staffing reflects the diversity of the Minneapolis community. In Minneapolis, grant writing to address priority needs is also an essential component of the Public Health Infrastructure.

Health Department

Health Department Base Cut

2021 Adopted Change Item

Program: Multiple

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (332) | — | — | — | — |
| IT | (86) | (86) | (86) | (86) | (86) |
| Fleet | (1) | (1) | (1) | (1) | (1) |
| Contractual Services | (293) | (293) | (293) | (293) | (293) |
| Other | (92) | (92) | (92) | (92) | (92) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (803) | (471) | (471) | (471) | (471) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|-------|------|------|------|------|
| Change in FTE Count | (6.4) | — | — | — | — |

Proposal Detail & Background:

The Council approves reducing the Minneapolis Health Department's General Fund budget by \$707,842, in 2021.

The unprecedented social distancing and safety restrictions put in place to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and dramatically lowered city revenues. In order to maintain essential city services, respond to the urgent needs of citizens in 2020 and position ourselves for a strong recovery, all departments were asked to reduce their spending in 2021.

Departments were asked to prioritize core services, avoid layoffs and examine and minimize impacts that would exacerbate racial disparities in outcomes. What follows is a description of the reductions to the departments budget, its impact to services and racial equity.

Additional reductions of \$95,612 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

Food, Lodging and Pools

This cut of \$128,967 will reduce our ability to contract with food safety consultants to assist small businesses, especially ethnic and minority groups. It deeply impacts our ability to provide food safety education and training to poorly performing food businesses. In 2019, trainings were offered in 9 different languages. In July 2020, the department trained consultants on the requirements of the COVID Preparedness Plan so they could work with businesses. The expanded duties include educating on COVID and helping food business owners write their COVID Preparedness Business Plan to keep their workers and customers safe. This opportunity will be lost. Of the 8 consultants we have under contract, 7

are women, 3 are Spanish speaking, and one is Somali speaking. Contracts range from \$5,000 to \$70,000.

Environmental Programs

Environmental Programs is budgeted to hire two Environmental Inspector II positions. The department will hire one such position and leave the other vacant in 2021. One of these positions, currently vacant, would support the Youth Development and STEM pathways program.

These cuts will reduce our capacity to contract with community partners to deliver service and conduct outreach on energy/solar in affordable housing, small business owners, non-profits, and families with children impacted by lead poisoning and asthma. We have spread out the cuts across Environmental Services and Lead and Healthy Homes to reduce the amount of funds that come out of each section. We still have funding we can operate with in these areas in 2021 with a reduced capacity.

A \$37,000 cut to Professional Services will result in reduced capacity to work with Environmental Initiative, Neighborhood Hub, Center for Energy and Environment, and Energy Smart. These partnerships deliver services to small businesses and non-profits.

A \$20,000 cut to the MVNA contract results in less contact time with nurses who address asthma and lead exposure.

A \$29,000 reduction to the outreach budget will result in fewer resources for pamphlets, radio show fees, advertising, social media, less translation, items to encourage families to get tested for lead exposure.

Environmental Services will not participate in technical trainings such as installation training, tank inspection training, lead assessor training, and erosion control training.. The program will also reduce its travel budget, given the limited out-of-city trainings it will be attending in 2021. These efforts save \$9,000.

We will also be limited in the amount of air quality testing we can conduct including air, water, and soil sampling. We typically use all the funding for this program, and it is helpful in leveraging work with other partners like the University of Minnesota, Minnesota Pollution Control Agency, and Minnesota Department of Health. Savings total \$7,694.

In the Lead and Healthy Homes program, staff will reduce laboratory testing and swab clean-ups. The effect will be a reduced ability for test for and clean up lead when there is a high blood lead level detected. We are evaluating ways to offset these budgetary reductions of \$28,440 through grant dollars.

Maternal, Child and Adolescent Health

The City of Minneapolis contracts with Hennepin Healthcare to provide home visiting and therapeutic services to high risk and low-income seniors age 60 and over residing in Minneapolis. Minneapolis individuals and families who are without medical reimbursement or (<200%) poverty level are served as well as persons whose care needs are beyond what insurance companies will cover through Medical Assistance. These activities are part of the Health department safety net services minimizing barriers to access to needed medical services for the elderly.

The \$70,000 reduction to budget will eliminate the Seniors home visiting program. There are no other resources currently available to provide this service.

Minneapolis Healthy Living

The Minneapolis Healthy Living Initiative will shift \$16,660 in personnel budgets from the General Fund to grant funds. The Statewide Health Improvement Partnership (SHIP) budget will now cover personnel expenses of \$8,106, and the Local Public Health grant will cover \$8,494 in personnel expenses. This

reduces General Fund spending in this program while allowing services to remain steady.

Core Public Health Infrastructure

Core Public Health Infrastructure will reduce its personnel budgets by leaving vacant several positions and moving some General Fund personnel expenses to grant funds. A Customer Service Representative II-C (\$86,780) position will be left vacant in 2021. Vacancy savings from Research Associate-C position) in the 01600 grant will be used to move personnel expenses from department leadership out of the General Fund. This action saves \$97,978 from the General Fund. Finally, confirmed retirements in 2021 will result in partial-year savings of \$130,193.

School Based Clinics

Two vacant Medical Assistant positions will remain unfilled until August 15, 2021. These vacancies allow for savings of \$97,978 in the General Fund.

These programs will not be experiencing any reductions in 2021:

- Homegrown Minneapolis
- Office of Violence Prevention
- Emergency Preparedness
- Opioid Response

Equity Impacts & Results:

Food, Lodging and Pools food industry consulting often serves minority-owned establishments, often where English is a second language, or there are marginal English skills. This approach is a unique way to help businesses be successful and resulted in a 25% increase in their next food inspection score. Additionally, the consultants have been trained to work with food businesses on their COVID Preparedness Plans. The program will be revamped with the remaining \$71,033 to offer fewer kitchen consulting visits per business to maintain the City's Economic Development and Public Service goals from the Strategic and Racial Equity Action Plan (SREAP).

Environmental pollution disproportionately impacts BIPOC communities. Our testing serves predominately BIPOC members of our communities from Vietnamese nail salon workers, high percentage of BIPOC people in neighborhoods surrounding Auto Body shops, urban garden site soil testing, or fine particulate testing in high traffic areas.

The neighborhoods with the highest level of lead poisonings and asthma are high percentage BIPOC communities. Reduced spending on testing and mitigation will have a disproportionate impact on BIPOC communities.

Health Department

Group Violence Intervention (GVI)

2021 Adopted Change Item

Program: Office of Violence Prevention

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 100 | 100 | 100 | 100 | 100 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 100 | 100 | 100 | 100 | 100 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Mayor recommends \$100,000 in ongoing funding for continued operation of the Group Violence Intervention (GVI) strategy. GVI is an evidence-based approach that relies on a partnership of community members, social service providers, and law enforcement standing and acting together to address the actions of groups most responsible for driving serious violence. GVI is based on the premise that a relatively small number of individuals drive a large share of violence in cities. According to analysis from John Jay College, in 2016 roughly 60% of shootings in Minneapolis involved groups/gangs.

In 2017, the Office of Violence Prevention (OVP) launched the GVI strategy to address group/gang violence. In 2020, efforts began to expand GVI to South Minneapolis. Additional work is needed to cement the approach within South Minneapolis. One-time funding can be challenging for ongoing development and implementation efforts because of the uncertainty around sustainability it creates for potential partners and community.

GVI addresses the 2020 mayoral priorities of public safety and improved police-community relations and the City goals of public safety and public health. Existing OVP staffing resources will continue to support implementation. Existing OVP programmatic resources (Next Step, Minneapolis Street Outreach Initiative) can be leveraged to provide complementary services to individuals served through the initiative.

Description of the Change:

This is a change to an existing activity, making one-time funds ongoing.

The core elements of the GVI approach include moral engagement, a legitimate and credible offer of support and services for those wishing to make a change, and just and legitimate legal consequences for those who continue to cause violence.

Funds will be used for contracts with individuals and/or organizations who will provide services to individuals who are trying to exit a life of violence. Services may include support around securing safe and stable housing, addressing trauma, engaging with positive peer networks, getting connected to traditional social services, and accessing crucial real time needs that can often make a big difference in keeping someone on a positive path. Additionally, funds may be used to host community events, plan and host “call-ins” to deliver the messages of GVI to potential participants, materials and supplies, research and evaluation support, and/or training and technical assistance. GVI complements the OVP’s continuum of community-oriented violence prevention, intervention, and response, by filling a gap for services focused toward the small number of group-involved individuals who may be most likely to be a victim or perpetrator of serious violence.

Equity Impacts & Results:

Specific neighborhoods and communities—particularly BIPOC communities—face a disproportionate burden of violence. The homicide rate for Black Americans in the U.S. is, on average, eight times higher than that for white Americans (CDC, 2017). Many urban areas, and in particular those that experience the most gun violence, also face significant poverty, inequality, and racial segregation (Sampson, 2013).

OVP strategies, including GVI, are designed to acknowledge and address these structural issues. Through GVI, participants—the vast majority of whom identify as part of BIPOC communities—have increased access to resources and services. In that way, GVI works to mitigate some of the harm caused by longstanding structural inequities.

Additionally, people from BIPOC communities have traditionally been overincarcerated and are overrepresented in the criminal justice system. GVI plays a role in helping to divert people away from further system involvement, thereby helping to interrupt the pipeline to prison and reducing potential for all of the collateral consequences associated with justice system involvement.

Implementation of GVI began in Minneapolis in 2017. Because GVI activities are focused more during the summer months, May – September is used as the period for data comparison.

In 2016 (prior to GVI), there were 93 gang-/group-member involved non-fatal shootings in Minneapolis between May 4 – September 21.

In 2017 (the first year of GVI implementation) the number of gang-/group-member involved non-fatal shootings between May 4 – September 21 dropped to 42.

In 2018, the number dropped again, to 25 for the same period.

In 2019, there were 27 during the period.

Additionally, GVI has led to better understanding of the ongoing group/gang and gun violence issues in Minneapolis and better-established relationships with key violence prevention stakeholders in the Minneapolis community.

Measures used to assess the success of GVI include police data to capture violence trends, social service and participant progress outcomes provided by contracted partners, and community feedback.

Health Department

Office of Violence Prevention - Expansion

2021 Adopted Change Item

Program: Office of Violence Prevention

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 150 | 150 | 150 | 150 | 150 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 100 | 100 | 100 | 100 | 100 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 250 | 250 | 250 | 250 | 250 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |

Proposal Detail & Background:

The Council approves \$100,000 in ongoing funds to establish a community-based office presence for the Office of Violence Prevention (OVP) and \$150,000 in ongoing funds to be used for personnel costs associated with a 1.0 FTE Community & Interagency Engagement Manager. That individual will strengthen the Office of Violence Prevention's (OVP) ability to effectively engage with community, systems partners, and policy makers and across the City enterprise.

Violence is a community-wide concern, and effective violence prevention approaches must be community-based and community-inclusive.

While the current OVP office location offers ample space for staff, space for activities is limited. This limits the OVP's ability to offer the kinds of community-inclusive offerings that can be critical for authentically engaging communities, building relationships and trust, and promoting safe, healthy and thriving communities.

Additionally, the current downtown location creates accessibility challenges. OVP staff strive to prioritize accessibility, but there are practical barriers. The OVP engages with a wide swath of the community; for many who don't live downtown, transportation, traffic, and parking challenges reduce accessibility. Additionally, there are barriers associated with some residents' and communities' perceptions of formal seats of government power.

A more community-friendly OVP location would address the 2020 mayoral priorities of public safety and improved police-community relations and the City goals of public safety and public health.

The Health Department began doing youth violence prevention work in 2006. In 2016, the department received a federal grant that broadened the focus beyond youth violence. Soon after, the department launched new initiatives (Next Step hospital-based violence intervention and Group Violence Intervention) focused on a broader age range. This expansion contributed to the formation of the OVP in 2018. The

OVP's focus and program areas have continued to expand, and that growth has outpaced growth in the size of the staff team.

Creation of the OVP was intended in part to allow for coordination of violence prevention efforts across the City enterprise and with partners and community. With current staffing, it is challenging to meet the level of coordination necessary and to manage the expanding reach of those relationships in order to ensure accessibility to community.

The addition of this position addresses the 2020 mayoral priorities of public safety and improved police-community relations and the City goals of public safety and public health.

Description of the Change:

These are new items.

Funds will be used for costs associated with a new community-friendly office space for the OVP. Specifically, costs may include lease, technology and other equipment needs, furnishings, and improvements to increase community perceptions of accessibility.

A community-friendly office space will complement the OVP's existing emphasis on providing accessible, community-inclusive services by enhancing the OVP's reach and credibility with community. It will allow for more consistent and effective relationship development with community, including not only violence prevention-focused community partners but also residents and other stakeholders not currently or typically engaged in violence prevention work.

Additionally, having more space will provide the OVP and violence prevention partners a location for meetings, community gatherings, and activities related to OVP programmatic efforts (e.g. provider/participant meetings, groups, mentoring sessions, etc.).

The Community & Interagency Engagement Manager will complement the OVP's existing staff team, filling a gap for a staff who can be dedicated to interfacing with community, policy makers, and systems partners.

Increased staff capacity will allow for more consistent and effective relationship development with community. This will include not only violence prevention-focused community partners, but also residents and other stakeholders not currently or typically engaged in violence prevention work.

Additionally, the increased staff capacity will allow the OVP to better and more consistently engage with policy makers, other enterprise staff, and staff from other jurisdictions and systems. This is important because to sustainably create safe and thriving communities, the OVP's focus needs to expand beyond just programmatic initiatives to include work that addresses systems and policy change and work to change social norms and conditions.

Equity Impacts & Results:

While violence affects people across Minneapolis, it takes an inequitable toll. Specific neighborhoods and communities—particularly BIPOC communities—face a disproportionate burden of violence in Minneapolis. A community-friendly OVP office presence will help mitigate that by reducing barriers to accessibility and bringing the OVP closer to those communities, improving access to resources and services. The Community & Interagency Engagement position will result in a staff person who can engage in intentional community engagement efforts across the geographic and cultural communities in the City that are most impacted by violence. Fortifying the accessibility of the OVP within diverse communities is a critical step toward increasing the OVP's ability to address the inequitable toll of violence.

Additionally, the OVP engages in a significant amount of capacity building with community-based violence prevention providers. The majority of the agencies who participate in that work are BIPOC-led. A community-friendly office presence with ample space for programmatic offerings may offer additional partnership opportunities through which those agencies could more readily engage the communities they serve.

The OVP's approach is designed to acknowledge and address structural barriers and the interplay between social, political, and economic factors and violence. In that way, the work of the OVP is inextricably tied to race equity work. Presently, this approach occurs primarily through programmatic efforts. The addition of a Community & Interagency Engagement position that can effectively work across the community, systems, and policy maker levels will allow the OVP to expand in this area and to work toward systems and policy approaches that can mitigate some of the harm caused by longstanding structural violence.

Finally, the OVP's approach is designed to acknowledge and address structural barriers and the interplay between social, political, and economic factors and violence. In that way, the work of the OVP is inextricably tied to race equity work. Intentionally emphasizing accessibility via a community-accessible physical location may communicate a commitment toward reducing structural barriers.

A new, community-based office presence is intended to result in:

- More inclusive OVP operation
- Increased levels of community engagement, particularly with those communities that experience disproportionate burdens of violence
- Increased community-driven violence prevention initiatives
- Increased community access to resources and services
- Increased trust between community and government

Results of this addition may be monitored through consideration of factors such as community perception of OVP accessibility, new partnerships developed, level of engagement from new partners, level of engagement from existing partners, and evaluation of community-inclusive programming held at the space.

Incorporation of the Community & Interagency Engagement position is intended to result in:

- More effective OVP operation
- More inclusive OVP operation
- Increased levels of community engagement, particularly with those communities that experience disproportionate burdens of violence
- Increased community-driven violence prevention initiatives
- Increased focus on policy and systems change

In addition to individual staff performance expectations, results of this addition may be monitored through consideration of factors such as community perception of OVP accessibility, new partnerships developed, level of engagement from new partners, level of engagement from existing partners, and policy and systems efforts undertaken.

If effective, both initiatives will lead to a safer, healthier, and thriving community free from violence.

Health Department

2021 Adopted Change Item

Office of Violence Prevention - Minneapolis Violence Interruption

Program: Office of Violence Prevention

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|-------|-------|-------|-------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 500 | 500 | 500 | 500 | 500 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |

Proposal Detail & Background:

The Council approves \$2,500,000 in ongoing funding for staffing and program costs associated with ongoing implementation of the Minneapolis Street Outreach Initiative. Through this initiative, Outreach Workers will provide peacemaking/peacekeeping, violence interruption, and community engagement through street- and community-based outreach. The initiative is intended to promote safe, healthy, and thriving communities.

In 2020, the City has experienced an increase in shootings and violent crime. The Office of Violence Prevention (OVP) already employs two evidence-based strategies that have been shown to reduce violent crime—hospital-based violence intervention and Group Violence Intervention. However, those efforts typically intervene with individuals after some amount of violence has already occurred. Street-based outreach focused on violence interruption is another evidence-based strategy shown to reduce violent crime. Compared to the two existing strategies, the interruption-focused outreach is more proactive, offering potential to cool violence hot spots by stopping conflict before they become violent.

The Initiative addresses the 2020 mayoral priorities of public safety and improved police-community relations and the City goals of public safety and public health. Existing OVP staffing resources will support implementation. Existing OVP programmatic resources—e.g. Group Violence Intervention—can be leveraged to provide further services to individuals served through the initiative.

Description of the Change:

This will be ongoing continuation of an initiative introduced in 2020.

Funds will be used for OVP staff to provide coordination and oversight, contracts to support Outreach Worker wages, outreach supplies (e.g. uniforms, safety equipment), and training and technical assistance. This initiative will complement the OVP's existing continuum of community-oriented violence prevention, intervention, and response, filling a gap for proactive, street-based violence interruption and

intervention.

Outreach teams will be made up of Outreach Workers who are “credible messengers”—individuals from the community who have themselves experienced violence and/or who are familiar with the impact violence has on communities and who have strong relationships with young adults, neighborhood members, community leaders, and service providers.

Outreach Workers will use knowledge of their communities, relationships, informal mediation, and non-physical conflict resolution to stop conflicts before they happen and as they are happening. They will also work to mobilize community to reject violence through strategies like awareness building, community gatherings, peace walks, and other methods. They will work with community to address barriers and reduce risk by providing resources and referrals to services. Services will also include work to heal communities after violence has occurred in order to break the cycle of violence.

Equity Impacts & Results:

While violence affects people across Minneapolis, it takes an inequitable toll. Specific neighborhoods and communities—particularly BIPOC communities—face a disproportionate burden of violence in Minneapolis. This initiative seeks to mitigate that by focusing services specifically toward those neighborhoods and communities.

OVP strategies (including this one) are designed to acknowledge and address structural barriers and the interplay between social, political, and economic factors and violence. In that way, this type of violence prevention work is inextricably tied to race equity work. Through this initiative, participants—many of whom are likely to identify as part of BIPOC communities—will have increased access to resources and services. In that way, the initiative is meant to mitigate some of the harm caused by longstanding structural violence.

Additionally, people from BIPOC communities have traditionally been over-incarcerated and are over-represented in the criminal justice system. This initiative may play a role in helping to divert people from further system involvement, thereby helping to interrupt the pipeline to prison and reducing potential for all of the collateral consequences associated with justice system involvement.

The initiative is intended to promote safe, healthy, and thriving communities that are free from violence by:

- Reducing group/gang member involved shootings
- Increasing community perception of safety
- Increasing neighborhood cohesion
- Promoting access to resources and services (e.g. basic needs, housing, employment skills and training, mentorship)
- Increasing trust between community and government

Outreach teams will be expected to document all shift activities, capturing both quantitative outputs (number of individuals engaged) and firsthand qualitative reflections (highlights, challenges). Team Leads will provide quantitative measures (number of shifts, number of outreach hours) and qualitative information (successes, barriers, resident/neighborhood feedback). Additional information may be sought from Outreach Workers, partners, and residents through surveys, interviews, and/or focus groups.

Health Department**2021 Adopted Change Item***Office of Violence Prevention - Expanded Programming and Staffing***Program:** Office of Violence Prevention**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 714 | 714 | 714 | 714 | 714 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 1,723 | 1,723 | 1,723 | 1,723 | 1,723 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |

Proposal Detail & Background:

The Council approves \$1.723 million in ongoing funds for the expansion of the Office of Violence Prevention. Funds will support existing programming and the creation of new programming. Funds will also support seven additional FTEs to ensure adequate staff capacity to implement and evaluate programming and other efforts.

The Office of Violence Prevention uses a community-focused, public health approach to help ensure that everyone in the City is part of a safe, healthy, and thriving community free from the impacts of violence. The roots of the Office of Violence Prevention's efforts extend back to work the Health Department has done since 2006. Starting in 2015, the Office of Violence Prevention began expanding services to include new populations of focus and new approaches. This included launching Group Violence Intervention (Project LIFE), hospital-based violence intervention (Next Step), and capacity building for small agencies doing community-led violence prevention work (Blueprint Approved Institute) strategies to meet some of the need in the City. Promising results with those initiatives, continued expansion, and a desire to better coordinate violence prevention and community safety efforts across the City enterprise led to the formal establishment of the Office of Violence Prevention in 2018. With creation of the Office of Violence Prevention came establishment of the Violence Prevention Fund, which further invests in community-led strategies for addressing violence-related issues identified by community.

These initiatives have all demonstrated promise and impact. But, availability of resources has at times limited their reach. As the City continues to pursue a holistic approach to ensuring violence-free communities that incorporates strategies rooted in both evidence and the experiences and wisdom of community, additional investment will allow for scaling up of some of these initiatives to help ensure they reach the need present in the community. Additionally, continuing to build a holistic approach necessitates flexibility to continue to incorporate new approaches. Additional investment will allow for exploration and implementation of such approaches, including de-escalation and restorative justice work.

As the Office of Violence Prevention's body of work has grown significantly, the size of the staff team has not kept pace. In order to effectively design, implement and monitor existing work, proactively and reactively engage community, plan and implement new work, and create and maintain effective partnerships, additional FTEs are needed.

These investments will support and augment existing Health Department budget resources, including funds for programming and staff. The Office of Violence Prevention holds federal and state grants to fund some staff time and programmatic efforts. Additionally, the Office of Violence Prevention has numerous relationships with partners who provide resources of various kinds to support strategies.

This work is intended to address the City goals of Public Safety, Public Services, and Public Health and the 2020 priority area of Public Safety. Additionally, the work of the Office of Violence Prevention is directly linked to the Public Safety goal area of the City's Strategic and Racial Equity Action Plan.

Description of the Change:

This investment will complement the Office of Violence Prevention's existing continuum of community-oriented violence prevention, intervention, and response services. It will support new activities and allow for expansion of existing activities and strategies, including:

Developing and implementing the Group Violence Intervention/Project LIFE on the Southside. Project LIFE reduces street group-involved homicide and gun violence. It helps create accountability, fosters internal social pressure that deters violence, and sets clear community standards against violence. It offers an "honorable exit" from a life of violence and provides a path for those who want to change. In 2017, the Office of Violence Prevention (OVP) launched the GVI strategy in North Minneapolis. In 2020, efforts began to expand GVI to South Minneapolis. Additional ongoing funding will make it possible to cement the approach on the Southside.

Expanding the Next Step program. Next Step is a hospital-based program that connects victims of violent injury to resources and support. The program works with people who are in the hospital because they are the victim of a stabbing or gunshot. Staff provide immediate bedside support for participants and their families. They meet with participants who want further support with changing their lives and stopping the cycle of violence.

Expanding the Blueprint Approved Institute (BPAI). Through BPAI, we support grassroots community organizations doing violence prevention work. We work with them to build skills and increase their organizational capacity. Our office also provides funding for them to put their capacity building into practice. They use those funds for summer youth violence prevention programming. In that, they're supported with hands-on guidance from us and a cohort of peers. This capacity building enhances agencies' services and increases their ability to secure other funds.

Continuing implementation of the Violence Prevention Fund. The Violence Prevention Fund invests in community-led strategies to address violence. The community-led work uses a variety of approaches. In 2019, the Office of Violence Prevention invested \$325,000 in 10 agencies. The recipients: carried out over 100 events; engaged over 7,400 people in programming; served over 5,700 meals; provided stipends and meaningful skills training to 44 young people; had 1,600 outreach contacts/connections to resources, and reported over 160 partnerships in action across the City.

Exploring and investing in new opportunities to support community de-escalation and restorative work. To accomplish all of that, funds will be used for contracts with partners and community-based providers who provide the on-the-ground services for these initiatives. Funds will also be used to support expansion of the Office of Violence Prevention staff team, adding one Public Health Specialist and three Public Health Specialist IIs to focus on programmatic initiatives, two community navigators to provide culturally- and community-specific outreach, and one Senior Public Health Researcher to assist with research,

evaluation, translation, dissemination, and sustainability.

Equity Impacts & Results:

Office of Violence Prevention initiatives address the sociocultural and structural factors that underlie violence. While violence affects people everywhere, it takes an inequitable toll on specific neighborhoods and populations, including young people and BIPOC communities. Multiple forms of oppression contribute to violence, and these must be acknowledged and addressed. Violence can be intertwined with macro-level factors such as employment barriers, income inequality, rapid social change, inequitable access, and more. With that in mind, Office of Violence Prevention strategies go beyond enforcement to acknowledge and address structural barriers and the influence of social factors. In that way, this type of violence prevention work is inextricably tied to race equity work.

Most participants who receive support through the Office of Violence Prevention's programmatic initiatives identify as part of BIPOC communities. By providing resources directly, facilitating access to resources, and ensuring other supportive services, Office of Violence Prevention initiatives seek to mitigate some of the harm caused by longstanding structural violence.

The first incarnation of Project LIFE has focused on the Northside. Through that, most participants have been young African American men. As the model expands to serve additional communities on the Southside, we anticipate that Project LIFE will begin to engage people from the Native American, East African, and Latinx communities as well.

People from BIPOC communities have traditionally been overincarcerated and are overrepresented in the criminal justice system. Because some Office of Violence Prevention initiatives can help to divert people from further system involvement, the Office of Violence Prevention plays a valuable role in working to interrupt the pipeline to prison—and all the collateral consequences associated with justice-system involvement—for BIPOC communities.

Finally, most agencies that participate in the Office of Violence Prevention's capacity building work are BIPOC-led. The Office of Violence Prevention helps to contribute to race equity by building capacity for those agencies to grow and do further business with the City.

Office of Violence Prevention Initiatives are intended to promote safe, healthy, and thriving communities that are free from violence by:

- Reducing group/gang member involved shootings
- Reducing reinjury for those who have been impacted by violence
- Increasing community perception of safety
- Promoting access to resources and services (e.g. basic needs, housing, employment skills and training, mentorship) for those who need them
- Promoting community-driven violence prevention initiatives and activities
- Increasing trust between community and government

Measures used to assess the success of initiatives include police data to capture violence trends, social service and participant progress outcomes, and community feedback.

Health Department

Pilot Programming Fund - Fast Track

2021 Adopted Change Item

Program: Core Public Health Infrastructure

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 10 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 10 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$10,000 in one-time funds to continue and expand on the Fast Track Initiative Action plan created by community stakeholders in partnership with the Health Department.

As of August 19, 2020, there were 26 total cases of HIV associated with a current outbreak, including 21 of those cases in Hennepin County. The outbreak is among people who inject drugs (PWID). Many individuals were also diagnosed with hepatitis C virus and experiencing homelessness.

This proposal supports the city's goal of public safety, through preventing the spread of infectious disease in Minneapolis through engaging our public health partners, community organizations and residents most affected by HIV/AIDS. The Health Department has committed .15 FTE total staff time to work on Fast Track. This August, the Health Department was awarded \$157,113 from the Minnesota Department of Human Services to provide outreach to the unsheltered homeless focusing on IV drug users. Additionally, the Health Department has secured a two-year CDC Public Health Associate that will spend half their time on Fast Track.

Description of the Change:

The Minneapolis Fast Track Task Force has worked to develop a plan so that there can be measured and demonstrated success in the four long-term goals:

1. 90% of PLWHIV will know their status;
2. 90% of people who know their HIV-positive status will receive treatment;
3. 90% of PLWHIV on HIV treatment will have suppressed viral loads; and
4. Zero stigma and discrimination against PLWHIV

This proposal will cover costs to associated with continuing work on the Fast Track action plan that was developed with the stakeholder group and a new focus on the overlap of opioid drug use and HIV infection. This work consists of assisting community clinics meet Fast Track designation criteria and

implementing undetectable=untransmittable (U=U), reducing stigma and discrimination for people living with HIV/AIDS through an awareness raising campaign and focusing on the intersection of opioid use and HIV infection. The money will go out to community stakeholders to provide training, resources and costs associated with meeting the Fast Track action plan. The Health department will continue to work with internal partners, Hennepin County and the state and use the expertise and direction of the Fast Track stakeholder group to meet the long-term goals.

Equity Impacts & Results:

HIV affects people of every background, race, gender identity, sexual orientation, age and socioeconomic status, but disproportionately impacts marginalized populations and contribute to health disparities, particularly among men, who have sex with men (MSM), transgender individuals, and people of color. MSM have the highest rate of HIV diagnosis compared to any other sub-category. In 2017, the estimated rate of HIV diagnosis among MSM was 150.0 per 100,000, more than 56 times higher than the rate among non-MSM men. African-born and African-Americans (non-Hispanic) had the highest rate of diagnoses in 2017 with 55.6 HIV diagnoses per 100,000 population and 46.6 HIV diagnoses per 100,000 respectively. This represents a rate of HIV diagnosis among the black, African-born community that is 25 times higher than the white non-Hispanic population. The rate among African-American (non-Hispanic) population is 21 times higher than white non-Hispanic population. In 2017, 3% of new reported cases HIV were attributed to transgender individuals. Additionally, the need for a community-based approach driven by data is important because it will give us a better sense of people disconnected from treatment and care. Communities of color, transgender individuals, and MSM are the most disproportionately impacted by HIV/AIDS and historically marginalized by health care systems.

Existing Activities:

1. Assist community clinics to move from "opt-in" testing of HIV by working with clinics to develop a protocol for opt-out HIV testing including resources and technical assistance.
2. Create a Fast Track clinic designation for clinics that provide rapid testing for HIV, have a provider that prescribes PrEP, and has providers and staff who participated in LGBTQ competency training. The Health Department is currently working with one pilot clinic to implement this strategy. The clinic will inform how to engage and implement opt-in testing at additional clinics. Provide training and technical assistance to 3 community clinics to implement U=U

New Activity:

Address current HIV outbreak in Hennepin County among the unsheltered homeless and IV drug users by working collaboratively with community partners, the Fast Track stakeholder partners, Hennepin County, and the State of Minnesota to establish roles and responsibilities of each jurisdiction.

Health Department

Pilot Programming Fund - Opioid Peer Recovery

2021 Adopted Change Item**Program:** Core Public Health Infrastructure**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 50 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 50 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$50,000 to support the implementation of a pilot opioid response program based in Minneapolis Fire Department Station 7. The Minneapolis Health Department will partner with the Minneapolis Fire Department and one or more community partners to implement this project.

This project first proposed by the Fire Department in fall of 2019 has been implemented in a variety of cities across the country and has some precedent of success. This model allows for members of the community to go to their local fire station to be connected to services and supports related to opioid use. This could include a referral to treatment, a referral to harm reduction services, recovery supports, etc. Fire Station 7 is close to communities and neighborhoods that are experiencing the opioid epidemic at disparate rates. Community-based partnerships would be developed to do the service provision. An appropriate community partner would be chosen to provide peer recovery coaches to provide the services. Potential partners include Twin Cities Recovery, Recovery Corps, Native American Community Clinic, or Turning Point.

Description of the Change:

This is a new initiative.

This money would go to support a community partner, who would hire a peer recovery coach to work specifically out of one fire station providing services to Minneapolis resident seeking supports and services for their treatment and recovery from drug use. Because this would be a pilot project there are no existing contracts. A partnership and eventual contract would be developed. Potential partners include Twin Cities Recovery, Recovery Corps, Native American Community Clinic or Turning Point.

The administration of this project would be done by existing staff of the Opioid Response. When this pilot is up and running, it will provide drug users and addicts an additional place in the community where they could access needed services and supports. Because the fire stations are located in the heart of the

communities targeted by this pilot project, the ease of access for community members is key to the project's success. There is no anticipated need for equipment or supplies.

This pilot project fits nicely within our current opioid response. In the recommendations that came out of the Mayor's Multi-Jurisdictional Opioid Response Task Force, there is a call for community-based responses to the opioid epidemic. This is just that – a peer based response that is culturally relevant and is placed in the community. We will need to partner with the Minneapolis Fire Department and community-based organizations. We will partner with one, to fund them to hire a Peer Recovery Specialist. Other partnerships will be developed for the purpose of providing services and supports to those individuals that are engaged in this project.

The opioid epidemic has hit Minneapolis hard, but especially in communities of color. In particular, the American Indian, East African and African American communities are experiencing this epidemic disproportionately. This project will be piloted at a fire station in the heart of these communities. Health should be able to get this project implemented within 4-6 months of receiving the approval for the funding. Two main things will need to occur in order for the project to begin. One is to work with a fire station to make sure there is a smooth transition and incorporation of this project into their location and their work. Second, a contractual relationship will need to be established with a community based organization in order to provide the peer recovery specialist.

Equity Impacts & Results:

This project will be directed towards the East African and American Indian communities. This pilot will be established in one of two fire stations located in the midst of these two communities in south Minneapolis. As those from these two communities engage in the project, they will be connected to the appropriate services and supports to help them in their recovery from addiction to opioids (and other drugs). The Opioid Response is already deeply engaged with these two communities and this model in a partial response to their request for community-based, culturally responsive programming.

The area that these two communities experience the most disparities is in the number of overdoses and deaths as a result of an overdose. It is intended that the services and supports they receive through this project will decrease those disparities. By connecting them to harm reduction, treatment and recovery services their likelihood of success is improved.

This funding should result in a positive impact on the East African and American Indian communities. We should see it reflected in a reduction of overdoses, reduction in number of deaths as a result of overdose, an increased number of individuals seeking treatment and accessing recovery supports.

Health Department

Rebuild Resilient

2021 Adopted Change Item

Program: Environmental Services

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 1,167 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 1,167 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves an increase of \$1,167,000 on a one-time basis to the Environmental Services program in the Minneapolis Health Department's General Fund budget.

These funds are to be used in 2021 for the Rebuild Resilient program, specifically to support energy efficiency and solar projects in BIPOC communities – especially those efforts undertaken as part of rebuilding West Broadway, Lake Street, and other areas impacted by the unrest due to the killing of George Floyd.

This change item prioritizes and dedicates climate change funding for rebuild and recovery efforts as part of the overall Minneapolis Forward initiative.

Description of the Change:

Rebuild Resilient is a reframing of the Green Cost Share program to focus on BIPOC communities and specifically properties damaged during the civil unrest in the Spring of 2020. The funding will be invested directly in businesses, non-profits, and multi-family buildings and will leverage investment in physical and economic recovery. This initiative will leverage \$20,000,000 in investments across the city in solar and energy efficiency savings. Businesses and property owners will be saving \$1,500,000 annually from the investments.

This initiative leverages relationships with CenterPoint, Xcel, Chamber of Commerce, Center for Energy Environment, Lake Street Council, West Broadway Area and Business Coalition and Community Energy Resource Teams to bring technical assistance and additional resources to those making investments in the recovery. The program also works across divisions and departments to dovetail services and outreach. The reframing of the Green Cost Share Program allows the city to build off an already successful program with administrative capacity to put services on the ground immediately.

Equity Impacts & Results:

The Rebuild Resilient effort is specifically focused to deliver services to high percentage BIPOC communities. We have intentional outreach in these neighborhoods of Minneapolis. There are higher percentage matches, higher amounts of matches on projects and higher priority given to Green Zones and Great Streets priority areas with high percentage BIPOC populations. We have had success through the Green Cost Share Program with this approach. The Rebuild Resilient initiative applies even greater funding and prioritization to BIPOC communities.

All program results are meticulously tracked and displayed on our program dashboard:

<https://app.smartsheet.com/dashboards/R7gjCHg3F6X3VRh2jx7qrgqq3q8w9744QjQcf281>

Environmental Services has delivered on 575 pollution reduction projects including energy efficiency and solar initiatives since 2012. Its intentional focus on Green Zones has resulted in 35% of projects falling in green zones or great streets while only 20% of properties are in these areas. The program has served 1,561 low income tenants with thousands of dollars in savings. The historical data shows us we can expect that our intentional incentives and outreach will result in greater percentage of projects for impacted businesses and in BIPOC communities.

Health Department

Community Navigators

2021 Adopted Change Item

Program: Office of Violence Prevention

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 584 | 584 | 584 | 584 | 584 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 7 | 7 | 7 | 7 | 7 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 591 | 591 | 591 | 591 | 591 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$591,000 in ongoing funds to cover personnel costs for 6 FTE Community Navigator positions. As part of this, the Community Navigators will be situated within the Office of Violence Prevention.

In fall of 2018, the Police Department began employing civilian Community Navigators to liaise between marginalized communities and the Police Department. Since then, the Community Navigators have played a valued and vital role in driving trust-building, supporting violence prevention and intervention efforts, and providing resources and supports to victims of crime and violence with a focus on several specific areas/communities of focus.

Some of the Navigator positions were previously grant funded, with uncertainty around sustainability when those grant funds expire.

The presence of the Navigators in the Office of Violence Prevention will complement the existing continuum of violence prevention services. Likewise, existing Office of Violence Prevention programmatic resources can be leveraged to complement the valuable work of the Navigators and to create additional opportunities and resources for the Navigators to employ in their work with their communities of focus.

The work of the Community Navigators addresses the City goals of Public Safety, Public Services, and Public Health and the 2020 priority area of Public Safety.

Description of the Change:

This is a change to an existing activity.

This change provides financial stability for the Community Navigator positions. Ongoing funds will sustainably support personnel costs for one community engagement manager to supervise the

Community Navigators, two Community Navigators, and three Bilingual Community Navigators (an additional two Navigators will be supported with funding from a separate change item associated with budget amendment 14A1).

Additionally, this change will create opportunity to expand the reach of the services the Navigators provide and to continue to build bridges within the City's continuum of community safety response. The Community Navigators are a significant asset for the City in terms of cultural competency, community relationships, and resource navigation expertise. They also have valuable relationships within the Police Department and knowledge of Police Department operations. Situating the Navigators in the Office of Violence Prevention will integrate them within a broad holistic community safety system of response. In doing so, they will be able to retain their existing skills, relationships, and experience from the Police Department while integrating direct connections to the Office of Violence Prevention's community- and victim-centered initiatives into their approach, serving as a vital bridge across the Police Department, the Office of Violence Prevention, and community.

Equity Impacts & Results:

Office of Violence Prevention initiatives address the sociocultural and structural factors that underlie violence. While violence affects people everywhere, it takes an inequitable toll on specific neighborhoods and populations, including BIPOC communities. Many Office of Violence Prevention Initiatives are designed to address that inequitable burden. Most participants who receive support through the Office of Violence Prevention's programmatic initiatives identify as part of BIPOC communities. By providing resources directly, facilitating access to resources, and ensuring other supportive services, Office of Violence Prevention initiatives seek to mitigate some of the harm caused by longstanding structural violence perpetrated against historically marginalized communities. The addition of Community Navigators will significantly strengthen the Office of Violence Prevention's ability to do that, providing invaluable capacity to more effectively serve the LGBTQIA+, Southeast Asian, Native American, Latinx, African American, and East African communities.

Additionally, many Office of Violence Prevention initiatives work directly with victims of violence. With their existing experience and skill in providing victim-support services and their cultural and issue-specific expertise, the Navigators will enhance the Office of Violence Prevention's—and the City's—ability to serve victims of domestic/intimate partner violence and victims who identify as part of the LGBTQIA+, Southeast Asian, Native American, Latinx, African American, and/or East African communities.

Office of Violence Prevention Initiatives are intended to promote safe, healthy, and thriving communities that are free from violence. The Community Navigators will contribute to this by:

- Increasing access to relevant services for victims of violence
- Increasing community perception of safety
- Promoting access to resources (e.g. basic needs, housing, employment skills and training, mentorship) for those who need them
- Promoting community-driven violence prevention initiatives and activities
- Increasing trust between community and government
- Contributing to more inclusive community safety services
- Increasing effective community safety collaboration across the City enterprise
- Increasing levels of community engagement, particularly with communities that experience disproportionate burdens of violence

Results of this addition may be monitored through consideration of factors such as community perception of Office of Violence Prevention accessibility, new partnerships developed, level of engagement from new partners, level of engagement from existing partners, community feedback, and other measures.

Health Department

North Minneapolis Food Shelf

2021 Adopted Change Item**Program:** Homegrown Minneapolis**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 25 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 25 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$25,000 on a one-time basis for the Health Department to support the development of a food shelf in North Minneapolis.

North Minneapolis, particularly the far Northside, suffers from a severe food resource deficit along with being disproportionately impacted by unemployment and housing insecurity. There are no permanent food shelves to serve over half of the Northside's geographic space.

Since pandemic shutdowns and impacts began in March 2020, communities in Minneapolis have increasingly experienced an acute challenge to food security and basic needs being met, with concentrations of job loss occurring in some of our neighborhoods that already experienced the highest concentrations of poverty and racial segregation. North Minneapolis is one such community.

Food shelves have made impressive efforts and progress in expanding to meet the new demand, which has exceeded their supply and capacity, and locations. The goal of this funding is to expand food shelf capacity in the far Northside of Minneapolis, not just during the pandemic but beyond, making this a sustainable community support.

Addressing food insecurity is also a priority of the City, as community needs have increased exponentially during the pandemic.

Description of the Change:

The Camden Promise, one of the only non-profits in the 4th Ward, has led the development of a new "farmers market" style, permanent food shelf to be opened in 2021. It will serve North Minneapolis residents at sufficient scale to appropriately distribute culturally specific foods to BIPOC and low-income residents in the worst food desert in Hennepin County.

The Camden Promise's food distribution numbers pre-Covid (February 2020) were at 2,100 people and

80,000 pounds of food. Since the economic downturn of COVID-19 and the killing of George Floyd, their numbers have jumped to 35,700 people and over 260,000 pounds of food (June 2020). In addition to their own food distribution work, The Camden Promise works with other community partners, sharing culturally specific foods and larger food donations that come into North Minneapolis. They also work with these organizations to help grow their own capacity and overcome systemic obstacles to receiving resources. The new building will help to continue and/or expand this collaborative work.

This \$750,000 development project has been funded through partnerships with community religious organizations, individual donors, \$130,000 from CUB Foods, and approximately \$340,000 in CARES funding from the City of Minneapolis, Hennepin County, and the State of Minnesota/Hunger Solutions. This \$25,000 in one-time funding from the 2021 City of Minneapolis budget will aid in the development of the project.

Equity Impacts & Results:

North Minneapolis is home to the city’s most diverse residents who are often people of color and low income. Research partners from the University of Minnesota Institute on the Environment created GIS maps showing changes in food access throughout the summer, by income level and geographic location. Data shows that the number of free food distribution sites (e.g. food shelves, pop-up food sites, school-based food giveaways) decreased by half between June and September 2020 (after a rapid increase to the level of distribution activity in June), while potential demand for the remaining sites doubled.

Camden’s Promise will provide needed food and other resources primarily to BIPOC residents in North Minneapolis.

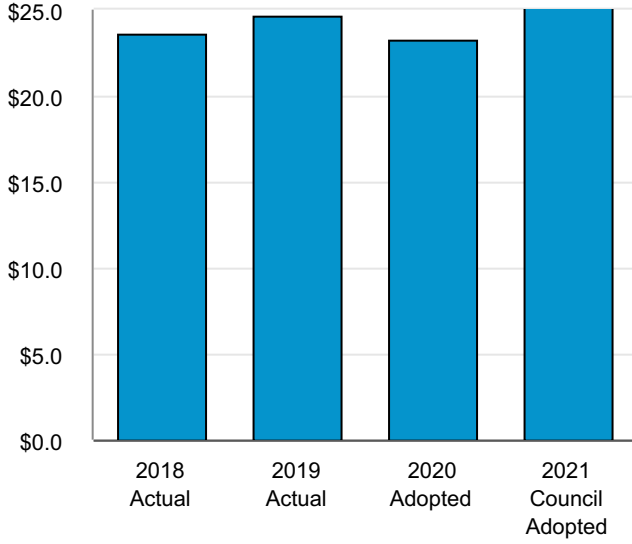
As stated above, the establishment of this new community food support will address food insecurity in North Minneapolis. Metrics include the number of people who will receive food and the amount of food provided on a monthly and annual basis.

**MINNEAPOLIS HEALTH DEPARTMENT
EXPENSE AND REVENUE INFORMATION**

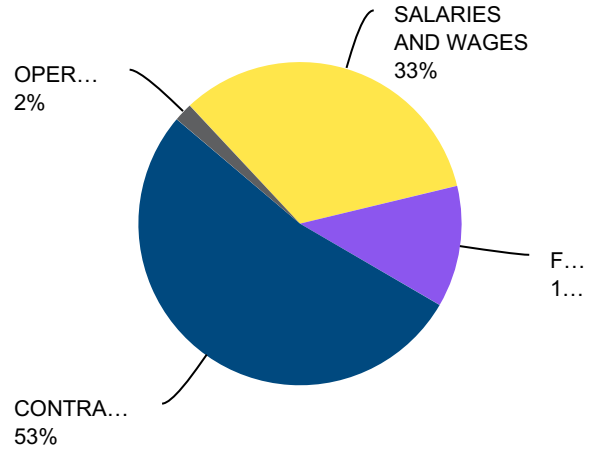
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-----------------------------------|-------------------|-------------------|-------------------|----------------------|----------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 4,673,757 | 4,839,868 | 4,800,000 | 5,598,000 | 16.6% | 798,000 |
| FRINGES | 1,759,143 | 1,675,734 | 1,772,000 | 2,086,000 | 17.7% | 314,000 |
| CONTRACTUAL SERVICES | 4,672,917 | 6,488,523 | 5,234,000 | 10,066,000 | 92.3% | 4,832,000 |
| OPERATING COSTS | 367,890 | 384,362 | 445,000 | 318,000 | -28.5% | (127,000) |
| CAPITAL EQUIPMENT | 25,215 | 17,840 | — | — | 0.0% | 0 |
| TOTAL GENERAL | 11,498,922 | 13,406,327 | 12,251,000 | 18,068,000 | 47.5% | 5,817,000 |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 3,393,458 | 3,573,181 | 3,902,000 | 3,799,000 | -2.6% | (103,000) |
| FRINGES | 1,182,058 | 1,257,075 | 1,467,000 | 1,360,000 | -7.3% | (107,000) |
| CONTRACTUAL SERVICES | 7,012,212 | 5,893,441 | 5,056,000 | 4,885,000 | -3.4% | (171,000) |
| OPERATING COSTS | 480,157 | 497,274 | 570,000 | 211,000 | -63.0% | (359,000) |
| CAPITAL EQUIPMENT | — | — | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 12,067,885 | 11,220,971 | 10,995,000 | 10,255,000 | -6.7% | (740,000) |
| TOTAL EXPENSE | 23,566,807 | 24,627,298 | 23,246,000 | 28,323,000 | 21.8% | 5,077,000 |
| REVENUE | | | | | | |
| | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
| GENERAL | | | | | | |
| BUSINESS LICENSES AND PERMITS | 173,059 | 171,533 | 180,000 | 180,000 | 0.0% | 0 |
| CHARGES FOR SERVICES | 72 | 4,015 | — | — | 0.0% | 0 |
| FINES AND FORFEITS | 28,860 | 29,530 | 35,000 | 20,000 | -42.9% | (15,000) |
| MISCELLANEOUS | 106,917 | 98,283 | 100,000 | 100,000 | 0.0% | 0 |
| NON-BUSINESS LICENSES AND PERMITS | 2,499,299 | 2,814,074 | 2,500,000 | 2,411,000 | -3.6% | (89,000) |
| SPECIAL ASSESSMENTS | 9,401 | 1,010 | — | — | 0.0% | 0 |
| TOTAL GENERAL | 2,817,608 | 3,118,445 | 2,815,000 | 2,711,000 | -3.7% | (104,000) |
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SERVICES | 1,109,395 | 1,025,672 | 1,012,000 | 969,000 | -4.2% | (43,000) |
| CONTRIBUTIONS | 915,513 | 1,082,447 | 300,000 | 7,000 | -97.7% | (293,000) |
| FEDERAL GOVERNMENT GRANTS | 4,549,163 | 3,458,218 | 4,143,000 | 4,289,000 | 3.5% | 146,000 |
| LOCAL GRANTS & AIDS | 95,306 | 94,651 | — | — | 0.0% | 0 |
| MISCELLANEOUS | 521,545 | 847,481 | 200,000 | 200,000 | 0.0% | 0 |
| OTHER TAXES | 169,334 | 187,439 | 7,000 | 122,000 | 1,642.9% | 115,000 |
| STATE GRANTS & AIDS | 2,861,350 | 3,239,129 | 4,636,000 | 4,607,000 | -0.6% | (29,000) |
| USE OF FUND BALANCE | — | — | (16,000) | — | -100.0% | 16,000 |
| TOTAL SPECIAL REVENUE | 10,221,606 | 9,935,037 | 10,282,000 | 10,194,000 | -0.9% | (88,000) |
| TOTAL REVENUE | 13,039,214 | 13,053,482 | 13,097,000 | 12,905,000 | -1.5% | (192,000) |

MINNEAPOLIS HEALTH DEPARTMENT EXPENSE AND REVENUE INFORMATION

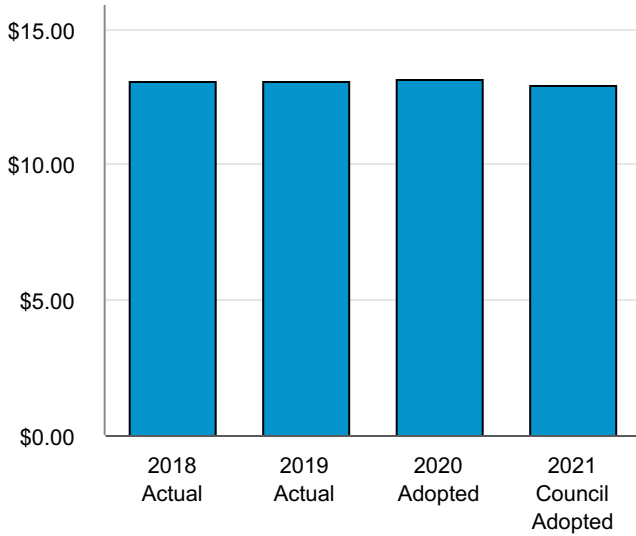
**Expense 2018 - 2021
In Millions**



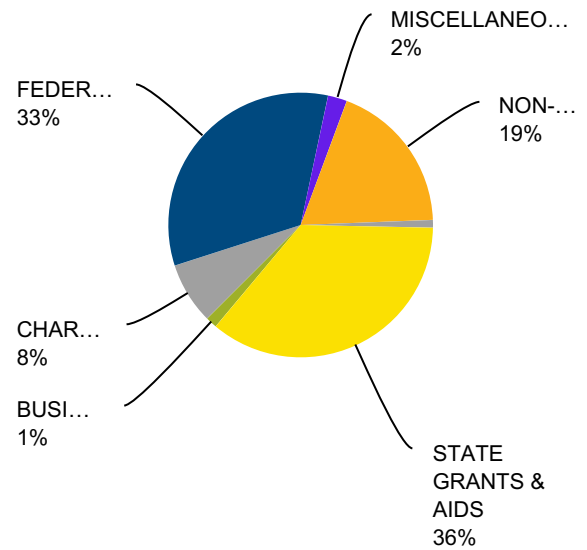
Expense by Category



**Revenue 2018- 2021
In Millions**



Revenue by Type



MINNEAPOLIS HEALTH DEPARTMENT Staffing Information

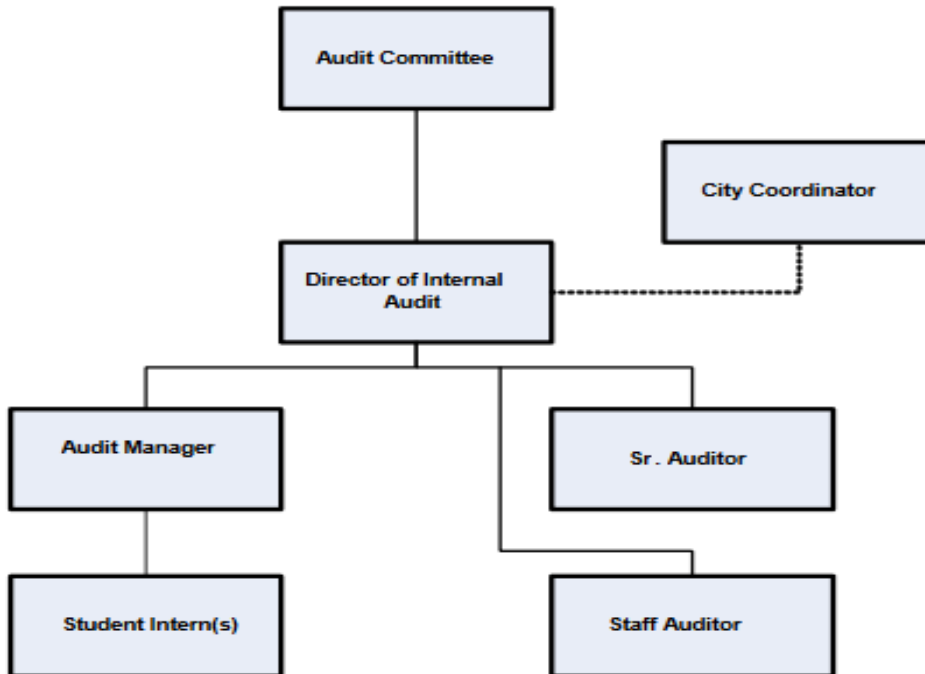
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

INTERNAL AUDIT

Mission

To serve the City of Minneapolis and the public interest by providing objective services that enhance the City's ability to manage risk, improve internal controls, optimize efficiencies, reduce costs and strengthen accountability.

Organization Chart



Internal Audit

General Fund: \$965,000

Internal Audit provides objective and independent assessment on the effectiveness and efficiency of City operations and reports results to the Audit Committee at public meetings. Through an annual risk assessment process, Internal Audit collaborates with management to identify program or department risks and expected controls to manage those risks. Risks may include financial, operational, information technology, reputation, regulatory, third party, and strategic risks. Internal Audit analyzes annual department/program risk assessment results to update the overall audit plan which must be approved by the Audit Committee. During an audit engagement, Internal Audit independently assesses the design and operating effectiveness of controls that mitigate key risks in scope for the audit. Internal Audit also provides consulting services upon management request but does not participate in management decision-making. Internal Audit conducts investigations when requested through the complaints management process.

Internal Audit

Internal Audit Base Cut

2021 Adopted Change Item**Program:** Internal Audit**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | (4) | (4) | (4) | (4) | (4) |
| Fleet | — | — | — | — | — |
| Contractual Services | (44) | (44) | (44) | (44) | (44) |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (49) | (49) | (49) | (49) | (49) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves a 3.6% reduction to the 2021 Internal Audit budget through non-personnel reductions, amounting to \$28,361. The reduction will come from the Internal Audit professional services budget.

The unprecedented social distancing and safety restrictions put in place to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and dramatically lowered city revenues. In order to maintain essential city services, respond to the urgent needs of citizens in 2020 and position ourselves for a strong recovery, all departments were asked to reduce their spending in 2021.

Departments were asked to prioritize core services, avoid layoffs and examine and minimize impacts that would exacerbate racial disparities in outcomes. What follows is a description of the reductions to the department's budget, its impact to services and racial equity.

Additional reductions of \$4,381 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

This change to an existing activity will reduce other use of professional services by Internal Audit. Internal Audit will likely significantly reduce current contracts with external consulting firms. Internal Audit works with these consultants to complete audits that require a high degree of technical expertise not found in the City of Minneapolis. For example, when auditing cybersecurity controls, Internal Audit would require a cybersecurity expert to perform complex testing.

Equity Impacts & Results:

Internal Audit verifies that existing controls sufficiently mitigate risks to key programs in the City of Minneapolis. When programs have deficient controls, the likelihood of negative events impacting programs increases. Many Internal Audit projects impact diverse communities. For example, Internal Audit currently has four projects related to policing equity on the 2020 audit plan, a project related to affordable housing on the 2021 plan, and more.

By reducing the budget for professional services, Internal Audit staff will need to narrow the scope of current projects to complete all necessary work. This will likely impact both the speed and depth of current efforts, and as such, audit projects addressing equity issues will take longer to complete and provide reduced coverage.

By significantly reducing the availability of consultant services, Internal Audit will complete fewer audit projects annually. Audits currently planned for 2021 will be narrowed to accommodate the skills the team currently possesses. There will be no personnel changes, and the team will continue its work on existing engagements.

Internal Audit
After Action Review

2021 Adopted Change Item

Program: Internal Audit
Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 230 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 230 | — | — | — | — |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$230,000 in onetime funding for Internal Audit to retain outside experts to conduct an after action review (“AAR”) of the civil unrest following George Floyd’s death. The AAR will cover the City’s actions in detail from May 25, 2020 to June 3, 2020, and involve interviews, community input, data analysis, and walk-throughs.

After requests from leadership, on June 25, 2020 the Policy and Government Oversight Committee received a presentation on the coordination of an outside review of the actions taken by the City of Minneapolis in response to the protests after the death of George Floyd and expressed support for the project. Staff from the Office of Emergency Management, Internal Audit, and City Coordinator determined that because so many departments were involved in the response to the unrest, Internal Audit represented one of the few neutral contract managers for the project. Further, Internal Audit has experience conducting projects that span the enterprise. Internal Audit will use staff to help coordinate the outside expert’s review.

Description of the Change:

This is a new initiative and a contract with a new service provider. The City currently does not contract with a vendor with the skill set needed to perform the review. The contract will pay for neutral subject matter experts in public safety, fire, disaster response, and emergency management. The review will help address gaps in service and provide a comprehensive narrative detailing the City’s response to the civil unrest. The entirety of the City enterprise responded to or was affected by the civil unrest and could therefore be perceived as biased. As such, the neutrality of an outside vendor will lend credibility to findings in the report.

Internal Audit has received bids for the project and the requested amount in this proposal represents an average cost to conduct this work.

Equity Impacts & Results:

Internal Audit verifies that existing controls sufficiently mitigate risks to key programs in the City of Minneapolis. When programs have deficient controls, the likelihood of negative events impacting programs increases. Many Internal Audit projects impact diverse communities. For example, Internal Audit currently has four projects related to policing equity on the 2020 audit plan, a project related to affordable housing on the 2021 plan, and more.

By reducing the budget for professional services, Internal Audit staff will need to narrow the scope of current projects to complete all necessary work. This will likely impact both the speed and depth of current efforts, and as such, audit projects addressing equity issues will take longer to complete and provide reduced coverage.

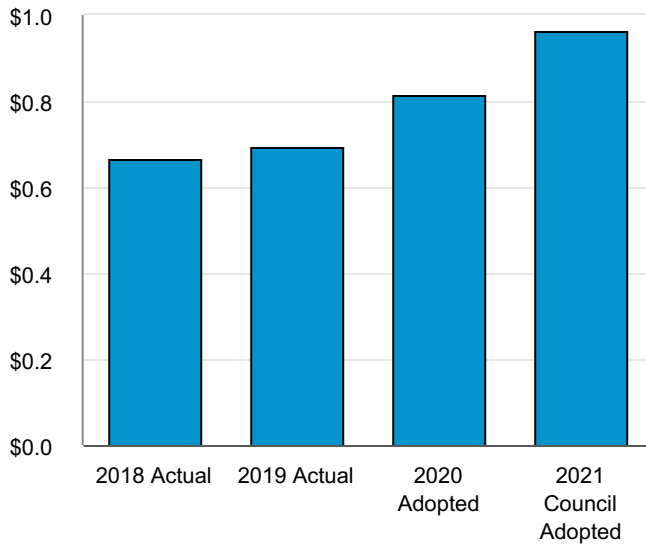
By significantly reducing the availability of consultant services, Internal Audit will complete fewer audit projects annually. Audits currently planned for 2021 will be narrowed to accommodate the skills the team currently possesses. There will be no personnel changes, and the team will continue its work on existing engagements.

INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

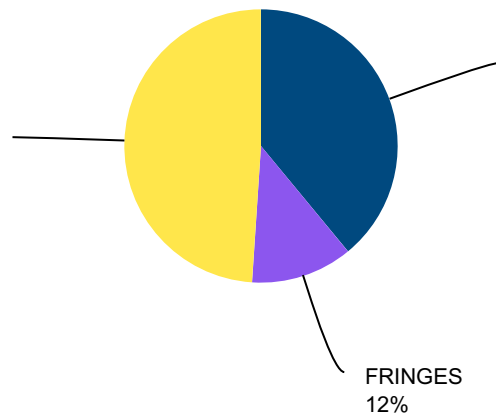
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|----------------|----------------|----------------|----------------------|----------------|----------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 322,516 | 307,351 | 412,000 | 373,000 | -9.5% | (39,000) |
| FRINGES | 86,934 | 83,191 | 132,000 | 115,000 | -12.9% | (17,000) |
| CONTRACTUAL SERVICES | 233,911 | 294,543 | 260,000 | 468,000 | 80.0% | 208,000 |
| OPERATING COSTS | 21,223 | 6,954 | 8,000 | 9,000 | 12.5% | 1,000 |
| TOTAL GENERAL | 664,584 | 692,039 | 812,000 | 965,000 | 18.8% | 153,000 |
| TOTAL EXPENSE | 664,584 | 692,039 | 812,000 | 965,000 | 18.8% | 153,000 |

INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

**Expense 2018 - 2021
In Millions**



Expense by Category



INTERNAL AUDIT Staffing Information

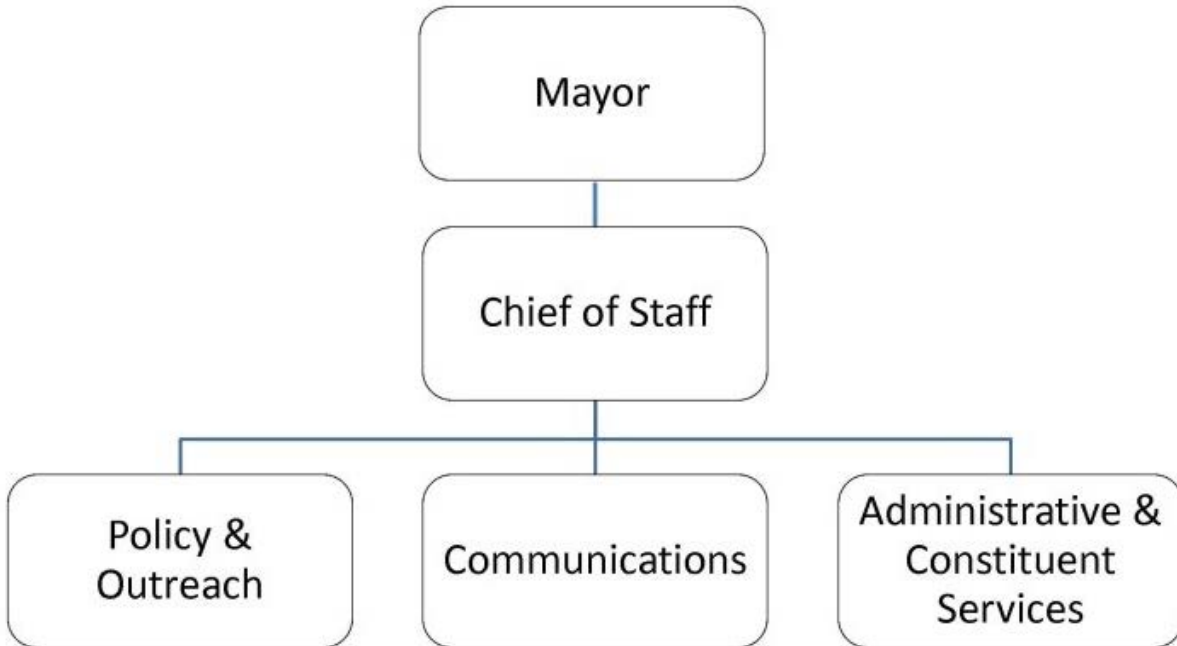
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

MAYOR

Mission

Dedicated to making Minneapolis a vibrant, safe city that offers opportunity for all.

Organizational Chart



Mayor Policy & Operations

General Fund: \$2,305,000

This program is charged with leading strategic policy development and supports policy implementation to meet the goals of the city. The program is also in charge of nominating and supporting strong department heads, overseeing the performance and accountability of the Police and Civil Rights departments, and developing responsible fiscal policies and an annual budget that reflects the City's goals.

Mayor

Mayor Base Cut

2021 Adopted Change Item**Program:** Policy & Operations**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (122) | — | — | — | — |
| IT | (10) | (10) | (10) | (10) | (10) |
| Fleet | — | — | — | — | — |
| Contractual Services | (63) | (63) | (63) | (63) | (63) |
| Other | (25) | (25) | (25) | (25) | (25) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (220) | (98) | (98) | (98) | (98) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | (1.0) | — | — | — | — |

Proposal Detail & Background:

The Mayor recommends reducing the Mayor's Office budget by 5%, or \$114,750 in the General Fund.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$34,947 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

The reduction will come from salary and fringe benefits savings of the vacant Principal Policy Aide position.

Equity Impacts & Results:

This role focused on community engagement and outreach. Specifically, the previous incumbent worked to ensure neighborhood organizations, and organizations that represent diverse communities, were engaged in our budget process, among other projects. In addition, the policy portfolio carried by the previous incumbent stretched from the 2020 Census, worker protections, and immigration. That portfolio of work has since been dispersed among policy and communication staff.

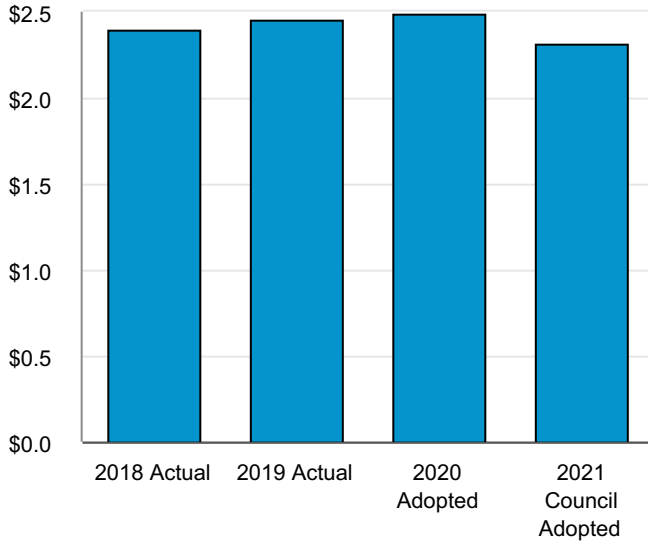
As this position remains unfilled, the Mayor's Office will continue to have less focused capacity on the aforementioned items.

**MAYOR
EXPENSE AND REVENUE INFORMATION**

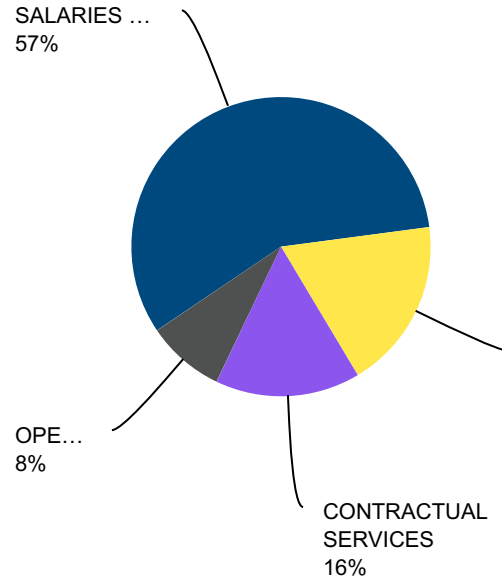
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 1,281,678 | 1,375,296 | 1,402,000 | 1,320,000 | -5.8% | (82,000) |
| FRINGES | 442,077 | 428,884 | 470,000 | 427,000 | -9.1% | (43,000) |
| CONTRACTUAL SERVICES | 428,759 | 413,304 | 393,000 | 363,000 | -7.6% | (30,000) |
| OPERATING COSTS | 234,389 | 219,446 | 219,000 | 196,000 | -10.5% | (23,000) |
| TOTAL GENERAL | 2,386,903 | 2,436,930 | 2,484,000 | 2,306,000 | -7.2% | (178,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 10,606 | 12,500 | — | 9,000 | 0.0% | 9,000 |
| FRINGES | 1,894 | — | — | 2,000 | 0.0% | 2,000 |
| TOTAL SPECIAL REVENUE | 12,500 | 12,500 | — | 11,000 | 0.0% | 11,000 |
| TOTAL EXPENSE | 2,399,403 | 2,449,430 | 2,484,000 | 2,317,000 | -6.7% | (167,000) |
| REVENUE | | | | | | |
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
| SPECIAL REVENUE | | | | | | |
| CONTRIBUTIONS | 50,525 | 38,025 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 50,525 | 38,025 | — | — | 0.0% | 0 |
| TOTAL REVENUE | 50,525 | 38,025 | — | — | 0.0% | — |

MAYOR EXPENSE AND REVENUE INFORMATION

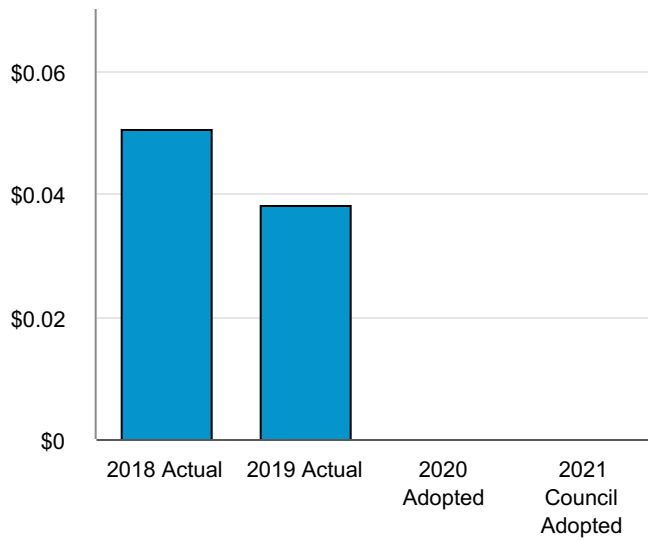
**Expense 2018 - 2021
In Millions**



Expense by Category



**Revenue 2018 - 2021
In Millions**



MAYOR Staffing Information

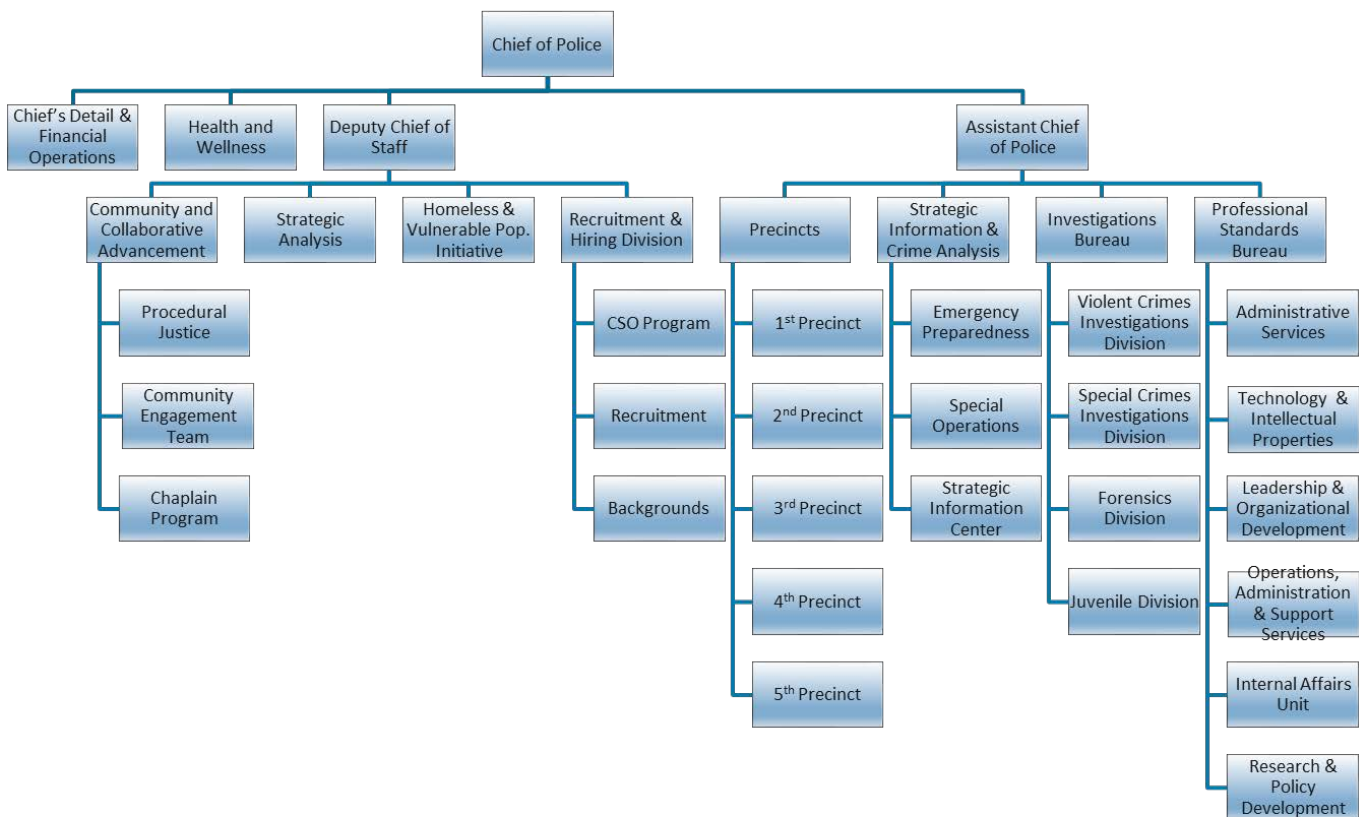
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

MINNEAPOLIS POLICE DEPARTMENT

Mission

The Minneapolis Police Department is committed to providing quality and professional service in partnership with all communities to continue to advance the City's safety, growth and viability. The department is committed to excellence through the development, accountability and support of its employees to achieve their full potential.

Organization Chart



MPD Public Safety Services

General Fund: 92,881,275
Other Funds: 709,919

The chief responsibility of MPD is maintaining law and order and restoring peace when public safety is threatened. Public Safety Services includes all the work in the City's five police precincts including 911 response and patrol, Property Crimes investigations, Community Response Teams (CRT), the Bicycle Rapid Response Team (BRRT), and Mounted Patrol. In addition, Crime Prevention Specialists, civilian staff assigned to each precinct, serve the community by conducting outreach, education and assist neighbors with problem solving in the neighborhoods. Co-Responder Teams, also assigned to each of the

five precincts, are comprised of a mental health worker paired with a police officer. They serve the community by responding to 911 calls in which citizens are in the midst of a mental health crisis and are able to provide on scene support. Services provided within the Patrol Bureau are truly the "backbone" of the Minneapolis Police Department.

MPD Investigations and Forensics

General Fund: \$34,722,000
Other Funds: 1,599,000

Investigations and Forensics provides both initial and follow-up investigations regarding criminal activity in Minneapolis, compiles comprehensive and factual case files to be presented in court, and assists with proactive enforcement to curtail future criminal activity from occurring. The employees who conduct criminal investigations and provide forensics services work ethically and professionally to provide justice for victims and their families. The program includes three units. The Violent Crimes Investigations Division includes both reactive units (Homicide, Assault, Robbery, and Weapons) and proactive units (FBI Safe Streets Task Force, DEA Task Force, ATF Task Force and the Violent Crimes Apprehension Team). Investigators assigned to the Special Crimes Division also work collaboratively with criminal justice partners and community stakeholders to investigate and hold those who commit crimes accountable. Special Crimes Units include: Domestic Assault, Crimes against Children (child abuse and juvenile sex trafficking, absent/missing children), Sex Crimes, Traffic Investigations, and Licensing. The Juvenile Division is also part of the Investigative Bureau. It not only contains investigative resources and personnel dedicated to working cases involving juvenile suspects, it also includes robust outreach efforts like the Police Activities League (PAL), School Resource Officers (SROs) and the Juvenile Outreach and Diversion Unit. Finally, MPD Forensic professionals provide scientifically-based information through the analysis of physical evidence collected at crime scenes, and is responsible for the identification, analysis, and preservation of physical evidence that meet professional standards in order to be admissible in court.

MPD Community and Collaborative Advancement

General Fund: \$ 3,666,600
Other Funds: \$0

The MPD is working diligently to increase community relationships and public safety partnerships, and that mission focuses on building community trust. The Community and Collaborative Advancement Division is dedicated to improving the way police interact with the public, and how the characteristics of those interactions shape crime rates and the public's view of the police. The program's goal is to enable the MPD to respectfully provide effective, unbiased public safety, and enhance community partnerships that encourage collaborative problem solving. The Division is comprised of various components - Community Crime Prevention, a Community Engagement Team, the Community Navigators, the Procedural Justice Unit, the Strategic Analysis Unit, Recruiting and Hiring, and the Community Service Officer Program.

MPD Special Operations and Intelligence

General Fund: 8,532,000
Other Funds: 446,000

The Special Operations and Intelligence Division delivers specialized response to support both the patrol and investigations mission. Officers assigned to this program have undergone specialized training and are equipped with state of the art equipment allowing them to effectively respond to rapidly evolving, unexpected police emergencies which might otherwise result in substantial loss of life and/or property damage. Special Operations personnel are the first group to be called in the event of a large-scale disaster or event. Services provided under this program include crisis negotiation, mobile command, SWAT response, Bomb Squad, Canine, and special events/dignitary protection, and Police Reserves. The program also includes the Strategic Information Center, which combines real-time intelligence, deep

data mining, and link analysis to aid in the deployment of department resources and maximize effectiveness. To assist in operations, incidents and arrests are reviewed for criminal patterns, threats, gang involvement, and criminal associations.

MPD Professional Standards, Administration, and Professional Development

General Fund: 20,559,542

Other Funds: 944,513

The MPD's Administration (Chief, Assistant Chief, Deputy Chiefs and Finance Director) lead the department through the allocation of financial and personnel resources under the umbrella of improving trust, accountability and professional service. The Administration determines how to best leverage the various programs and external resources to address needs and emerging public safety issues. While providing vital public safety services is at the core of the services the Department provides, the Office of Professional Standards ensures integrity, accountability and professional service within the MPD through the Internal Affairs and the Leadership and Organizational Development Divisions (training and the academy). Also included under Administration are Property and Evidence, Business Technology, Fleet and Support Services, and other support services.

Police Department

Police Department Base Cut

2021 Adopted Change Item**Program:** Multiple**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (16,235) | — | — | — | — |
| IT | (450) | (450) | (450) | (450) | (450) |
| Fleet | (11) | (11) | (11) | (11) | (11) |
| Contractual Services | (83) | (83) | (83) | (83) | (83) |
| Other | (1,275) | (1,275) | (1,275) | (1,275) | (1,275) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (18,054) | (1,819) | (1,819) | (1,819) | (1,819) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | (140.0) | — | — | — | — |

Proposal Detail & Background:

The Council approves a \$12,581,193 reduction to the Minneapolis Police Department's (MPD) General Fund budget in 2021. A higher attrition rate in 2020/2021 due to an unanticipated increase in retirements and other separations will result in 770 active sworn officers in 2021 and a savings of \$14.2 million. The Mayor recommends a target level of 888 sworn officers in the MPD, however due to higher than normal attrition and reduced city revenues, 118 sworn positions will be held vacant in 2021. In addition, a hiring freeze on 19 non-sworn officer positions within MPD will result in additional personnel savings of \$1.9 million. The savings is offset by \$400,000 in additional training costs for newly hired officers and anticipated overtime of \$5,000,000 to partially offset reduced hours/capacity due to sworn officer vacancies.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$1,424,444 are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

Over 100 MPD sworn staff are expected to separate from the Department in 2020 and the first quarter of 2021. The separations are in addition to the average annual attrition of 42 sworn staff. This reduction in

sworn staff will negatively impact the operations of the department by causing a significant staffing shortage and lead to increased response times. In order to partially compensate for the lost capacity, MPD expects to see an increase in overtime hours and expenditures as staffing levels decrease. In addition to the currently budgeted \$3.5 million for overtime in 2021, MPD projects an additional \$5 million due to the decrease in capacity. The increase in overtime cost covers less than 30% of the operational capacity decrease due to the increase in attrition.

To minimize the impact of sworn staff leaving the department, MPD will need to hire and train additional staff while utilizing overtime hours to cover a portion of the expected staffing shortage. Sworn personnel will be redeployed from several units to Public Safety Services (Patrol) and Investigations to maintain staffing levels to meet the demands of 911 response and investigatory work.

Public safety services (911 response) and investigatory work is the primary function of the MPD. In order to maintain staffing levels in these areas, sworn staff will be redeployed from several units to Public Safety (911 response) and investigatory work. This will result in an FTE/effort decrease in the other Bureaus. The following are examples of current or expected impacts due to vacancies:

Community and Collaborative Advancement Bureau:

- Outreach efforts in the Community Engagement Team and the Procedural Justice unit

Professional Standards:

- In-service training delays
- Delays in completion/response of nonessential work and projects

Patrol:

- Reduced strength leading to increase in response times,
- Limited response to livability issues, flexible assignments, property crimes investigations, and other based on workload and staffing
- Elimination of neighborhood beats in order to maintain 911 response staffing

Investigations

- Reduction in proactive investigatory work
- Combining units and assignment of cases based on triage process
- Reduction in capacity resulting in increased turnaround/investigatory time

MPD will also need to hire and train recruits to minimize reliance on overtime and reduce employee burnout. In 2021, MPD seeks to conduct training for 76 Recruits and 28 Cadets, more than double the number of hires in a typical year. A Recruit class of 38 is expected to start in February 2021 and another Recruit class is expected to start in July 2021. A Cadet class of 28 is expected to start in December 2021 and graduate in August 2022.

The Mayor recommends re-starting the CSO program and hiring 28 Community Service Officers (CSOs). As part of the 2020 budget cuts, all CSOs were laid off, effectively resulting in the termination of the CSO program.

The Minneapolis Police Department (MPD) is firmly committed to establishing a culture of inclusivity. As the most diverse police department in the state of Minnesota the MPD continuously works towards making its workforce reflective of the communities it serves. As part of this goal, MPD established the Community Service Officer (CSO) program. A Community Service Officer (CSO) works approximately 30-40 hours per week in the Minneapolis Police Department for up to three years while enrolled as a student in an approved, two-year law enforcement program and works toward completion of MN Peace Officers Standards and Training (POST) licensing requirements. MPD pays the CSO's salary and educational expenses. Past CSO classes have resulted in hiring of classes that more closely reflect the

community.

Equity Impacts & Results:

This request impacts the entire population served by the MPD. However, residents of neighborhoods with elevated level of crimes might be impacted more as funding of overtime and hiring of additional officers will enable the City to deploy resources to areas impacted by crime.

MPD is committed to building a workforce that reflects the diversity of Minneapolis residents. Recruitment efforts are the primary opportunity for MPD to contribute toward the City's goal of racial equity. Diversifying the department strengthens its connection to the community, building new relationships and trust across the City.

The CSO program provides educational opportunities to pursue a career as a Minneapolis police officer. The programs provide salaries and educational degree support to more racially and economically diverse candidates while they complete necessary higher education requirements to become fully qualified MPD police officers. The Cadet program also provides more diverse candidates as Cadets can qualify for hiring with a degree other than law enforcement. This opens up the MPD to a broader pool of candidates. Cadets and CSOs are recruited from city communities and inherently reflect the social and cultural foundations of our city. They are essential to diversifying the workforce and changing the culture of the Department in line with the MPD Chief's vision.

By implementing these changes, MPD will be able to train sworn staff and partially fill positions vacated due to increased attrition. At the 2021 proposed hiring rate, it will take approximately 2-2.5 years to replace the additional attrition that is expected in 2020. In addition, by budgeting for overtime, MPD will have the funds to cover staffing shortages and mandate officers to work overtime when needed. Continuous reliance on overtime isn't a long-term solution but will be utilized temporary to fill the gaps in staffing.

Police Department

Co-Responder Program

2021 Adopted Change Item**Program:** Public Safety Services**Fund:** General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 455 | 455 | 455 | 455 | 455 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 455 | 455 | 455 | 455 | 455 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$455,000 in ongoing funds to continue the Co-Responder program in all Precincts. Funding would cover the cost of four mental health professionals.

With the addition of one additional mental health professional provided through grant funding received by Hennepin County Community Outreach for Psychiatric Emergencies (COPE), the MPD will be able to provide five teams, one per Precinct.

The MPD receives over 5,500 Emotionally Disturbed Person (EDP) calls annually. While officers have Crisis Intervention Training, they do not always have adequate time or training to effectively help individuals in crisis or have in-depth knowledge of services available. The purpose of the Minneapolis Police Co-Responder Program is to provide effective and compassionate crisis intervention to individuals with mental illness in the community. The Unit delivers comprehensive services to those with a mental illness as they work alongside Hennepin County mental health professionals who can conduct onsite assessments with greater knowledge of resources available.

The goals of the program include:

- Reduce hospitalization and/or arrest of mentally ill individuals
- Reduce injuries to officers, individuals experiencing mental illness and others involved
- Reduce future Use of Force events
- Reduce time non Co-Responder officers spend on EDP calls
- Provide a service where there is currently a gap. Disparities exists in obtaining mental health services and this program fills some of that gap. While services exist in every precinct to provide support to those who experience mental illness, access to them may not be so easy to acquire
- Continuing the program would allow MPD to advance community outreach, assist some of our most vulnerable citizens to receive timely and appropriate help, and reduce overall costs.

Due to the effectiveness the pilot program in 2018, the collaborative effort, embraced by both the

Community and the Police Officers, was expanded with one-time funding in 2019 to include all Precincts. Funding was provided in 2020 to fund the program through 2020. Expansion required hiring mental health professionals by Hennepin County, securing office space within each Precinct, vehicle purchases, and the assignment of five MPD officers dedicated to the program.

Description of the Change:

The requested funding of \$455,000 would continue the program on a permanent basis and covers the contract cost with Hennepin County for 4 mental health professionals dedicated to the City-wide Co-Responder program. One health professional is funded through a grant secured by Hennepin County.

The MPD currently provides five full-time officers, oversight, vehicles, computers, and space for the program and within MPD's current budget, plus the cost of supervision and administration of the program. The officers work full time with five mental health professionals. The continued 2021 funding would be used to contract with Hennepin County for the mental health professionals. MPD's current cost for five officers would continue under MPD's current service level.

Some of the follow-up EDP calls are based on data/tips received from patrol officers, Crime Prevention Staff, or the community requesting that the Co-Responder Unit look into a possible EDP to ensure that they are receiving the appropriate mental health resources and services. Additional staff would enable officers and Community members to more easily gain access to specialized staff for quicker response to help those in need.

The Co-Responder program allows for effective and compassionate crisis intervention, provides time for professionals to arrange for services and support, reduces hospitalization and/or time in jail for those with mental illness, allows non-EDP officers more time to spend on non-EDP calls, and reduces overall cost of care.

Equity Impacts & Results:

In the second quarter of 2020, Hennepin County put a temporary hold on the program due to COVID 19; however, the need continues and has been exacerbated by COVID 19. Prior statistics show that the co-responder program allows EDP clients, both adults and juveniles, to remain in their homes and helps community members gain quicker access and support services. The program allows mental health assessments to be conducted by the Co-Responder mental health professionals leading to faster access to services.

Performance metrics are compiled, analyzed, and reported through the City of Minneapolis Public Health & Safety Committee to communicate program effectiveness.

In 2019, 2,270 total contacts were made via 911 response calls or follow-up from team members. Of these 2,270 total contacts, 1,093 were 911-dispatched calls and 1,177 were follow-up service. 2,025 of these events were for adults. 793 total assessments were conducted by the COPE mental health professional that is assigned to the Co-Responder Unit, and there were two instances of Use of Force after an altercation between clients and officers.

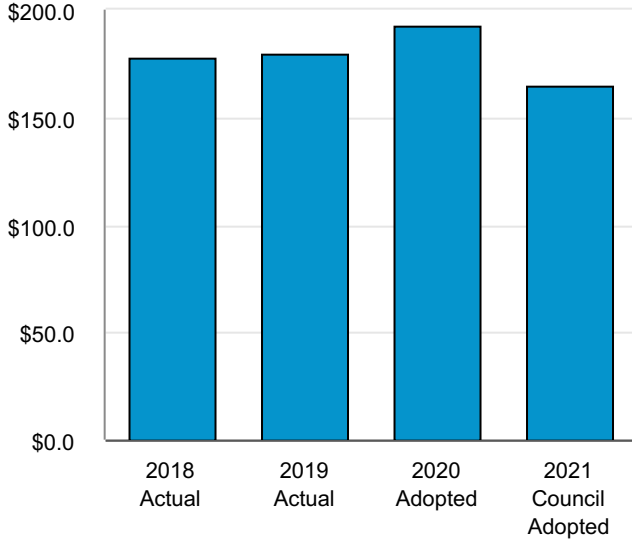
POLICE
EXPENSE AND REVENUE INFORMATION

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|--------------------|--------------------|--------------------|----------------------|----------------|---------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 97,199,188 | 99,643,145 | 103,959,000 | 87,830,000 | -15.5% | (16,129,000) |
| FRINGES | 36,523,229 | 37,954,310 | 41,323,000 | 34,429,000 | -16.7% | (6,894,000) |
| SERVICES | 27,387,407 | 27,410,523 | 28,873,000 | 25,782,000 | -10.7% | (3,091,000) |
| OPERATING COSTS | 10,538,678 | 9,555,187 | 13,867,000 | 12,550,000 | -9.5% | (1,317,000) |
| CAPITAL EQUIPMENT | 1,307,678 | 383,872 | 276,000 | — | -100.0% | (276,000) |
| TOTAL GENERAL | 172,956,180 | 174,947,037 | 188,298,000 | 160,591,000 | -14.7% | (27,707,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 2,638,255 | 2,658,107 | 3,062,000 | 2,124,000 | -30.6% | (938,000) |
| FRINGES | 616,997 | 682,833 | 909,000 | 330,000 | -63.7% | (579,000) |
| SERVICES | 870,532 | 971,864 | 349,000 | 341,000 | -2.3% | (8,000) |
| OPERATING COSTS | 389,521 | 233,775 | 356,000 | 713,000 | 100.3% | 357,000 |
| CAPITAL EQUIPMENT | 388,033 | 356,026 | 27,000 | 193,000 | 614.8% | 166,000 |
| TOTAL SPECIAL REVENUE | 4,903,338 | 4,902,605 | 4,703,000 | 3,701,000 | -21.3% | (1,002,000) |
| TOTAL EXPENSE | 177,859,518 | 179,849,642 | 193,001,000 | 164,292,000 | -14.9% | (28,709,000) |

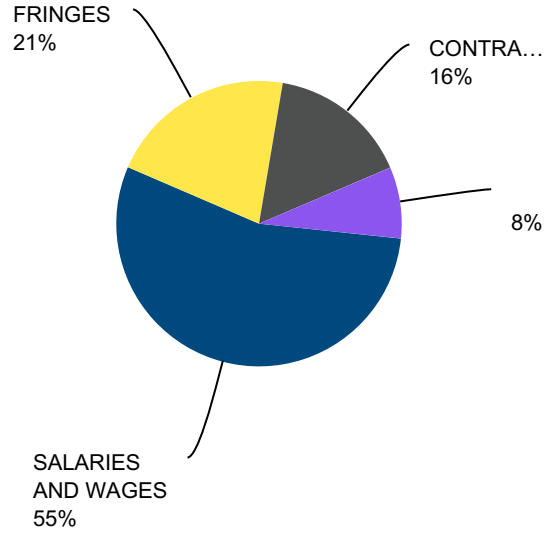
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|-------------------|-------------------|-------------------|----------------------|----------------|------------------|
| GENERAL | | | | | | |
| CHARGES FOR SALES | 1,325 | 299 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 1,228,824 | 1,198,131 | 1,450,000 | 1,450,000 | 0.0% | 0 |
| FINES AND FORFEITS | 1,077,045 | 1,009,557 | 1,050,000 | 900,000 | -14.3% | (150,000) |
| MISCELLANEOUS | 30,457 | 60,671 | — | — | 0.0% | 0 |
| LICENSES AND PERMITS | — | — | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | 8,569,763 | 9,078,639 | 7,160,000 | 7,160,000 | 0.0% | 0 |
| TOTAL GENERAL | 10,907,414 | 11,347,297 | 9,660,000 | 9,510,000 | -1.6% | (150,000) |
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SERVICES | 1,220,787 | 724,563 | 978,000 | 467,000 | -52.2% | (511,000) |
| CONTRIBUTIONS | 122,889 | 121,833 | — | — | 0.0% | 0 |
| GRANTS | 1,540,607 | 2,268,068 | 2,116,000 | 2,427,000 | 14.7% | 311,000 |
| FINES AND FORFEITS | 281,224 | 614,458 | 239,000 | 243,000 | 1.7% | 4,000 |
| INTEREST REVENUE | — | — | — | — | 0.0% | 0 |
| MISCELLANEOUS | — | — | — | — | 0.0% | 0 |
| LICENSES AND PERMITS | 941,590 | 658,045 | — | — | 0.0% | 0 |
| OTHER TAXES | 255,846 | 262,501 | 231,000 | 204,000 | -11.7% | (27,000) |
| STATE GRANTS & AIDS | 302,286 | 153,431 | 395,000 | 428,000 | 8.4% | 33,000 |
| TOTAL SPECIAL REVENUE | 4,665,229 | 4,802,899 | 3,959,000 | 3,769,000 | -4.8% | (190,000) |
| TOTAL REVENUE | 15,572,643 | 16,150,196 | 13,619,000 | 13,279,000 | -2.5% | (340,000) |

POLICE EXPENSE AND REVENUE INFORMATION

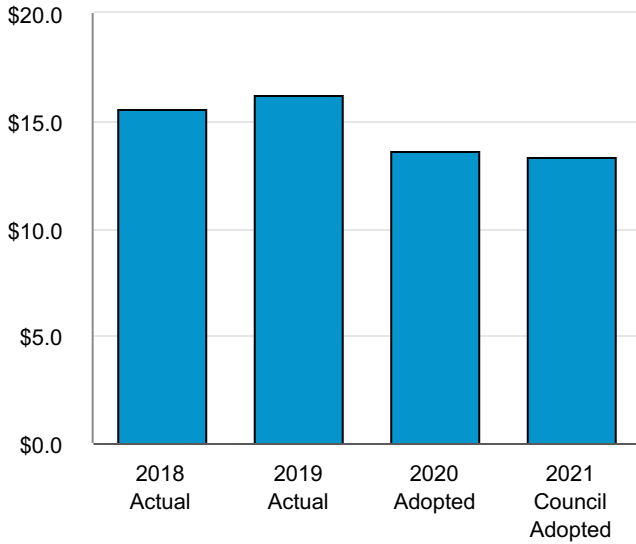
**Expense 2018 - 2021
In Millions**



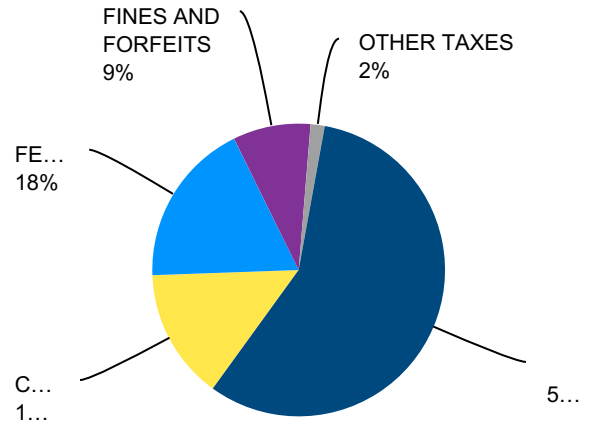
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



MINNEAPOLIS POLICE DEPARTMENT Staffing Information

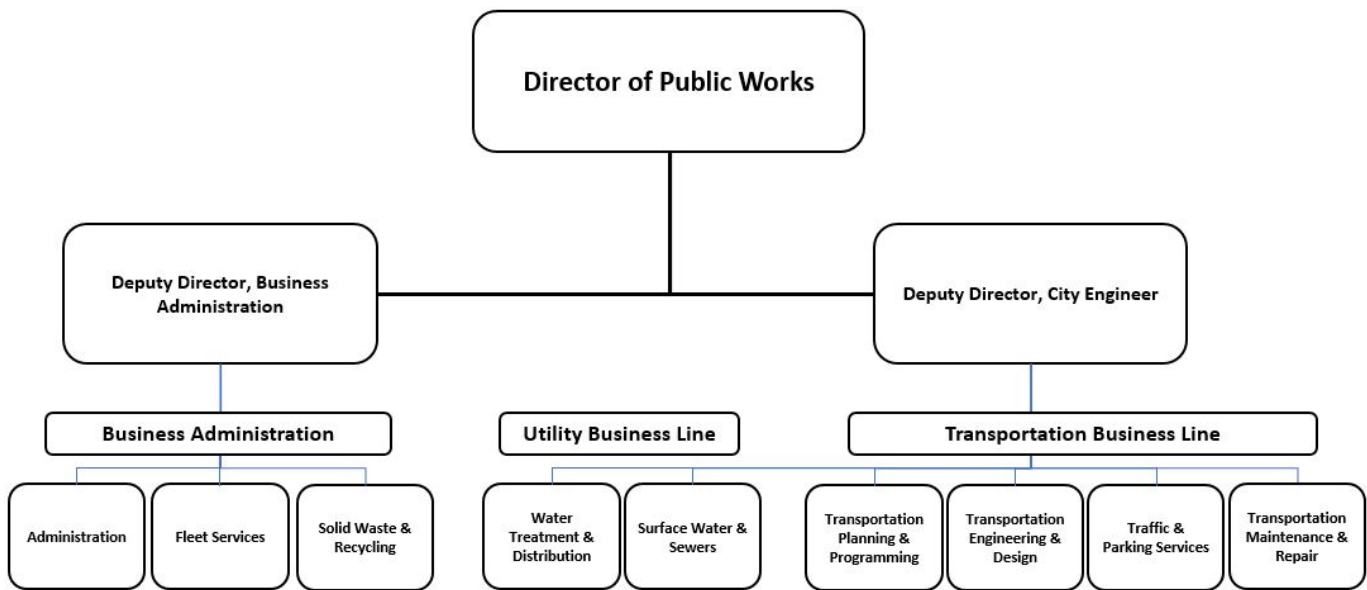
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

PUBLIC WORKS DEPARTMENT

Mission

To be effective stewards of the public infrastructure, and provide valued city services that contributes to public safety, economic vitality and neighborhood livability in Minneapolis.

Organization Chart



Public Works Administration

General Fund: \$3,286,000

The Public Works Administration program provides leadership and support to the Public Works Department. This includes working with City leaders in maintaining and preserving its public infrastructure, delivering related essential services as efficiently as possible with the financial resources provided and ensuring that public safety is not compromised. This program also supports the department in the areas of finance, personnel, safety and training, emergency management, and interagency collaboration.

Fleet Operations

Other Funds: \$37,641,000

The Fleet Operations program provides fleet management, service maintenance, and field support. Fleet management includes developing fleet replacement programs for all vehicles and equipment to meet the needs of using departments. Service maintenance includes set-up, maintenance, repair, and decommissioning of all vehicles and equipment as well as managing fueling sites at City-owned facilities and environmental compliance with federal, state, and local laws, rules, and policies. Field support includes logistics services for the department including dispatching, supplemental staffing, equipment movement, and rental equipment services.

Solid Waste & Recycling

Other Funds: \$43,701,000

The solid waste and recycling program manages collection of solid waste, recyclables, white goods, and yard waste for 100,000 residential customers as well as supports clean city programs such as graffiti abatement. Services provided by this program include collection and disposal of solid waste, collection of recyclable materials including household organics and household electronics, collection and disposal of large items such as appliances, and collection of yard waste.

Sanitary Sewer

Other Funds: \$76,833,000

The Sanitary Sewer program meets regulatory requirements while collecting sanitary flow data within the City of Minneapolis for Metropolitan Council Environmental Service (MCES) treatment and discharge to the Mississippi River. Maintaining system flow is critical in minimizing the risk of sanitary backups and combined sewer overflows to the Mississippi River. Activities in this program include the design and analysis of the sanitary system for self-cleaning velocity in pipes and identifying sources of clear water. It also includes daily cleaning and operation of the system as well as emergency responses and payments to MCES for the treatment of the sanitary discharge.

Stormwater Sewer

Other Funds: \$22,066,000

The Stormwater program meets regulatory requirements while collecting stormwater and treating it prior to entering the lakes, creeks and rivers in the City of Minneapolis. Maintaining stormwater in the system is essential to control the flow of stormwater and minimize flooding risks while protecting water quality. Activities range from the design and analysis of the stormwater system including pipes and water quality infrastructure components to implementation and completion of regulatory activities, as well as daily cleaning and ongoing operation of the system.

Transportation Maintenance

General Fund: \$34,390,000

Other Funds: \$18,404,000

The Transportation Maintenance program provides basic maintenance and repair services on city streets, bridges, alleys, and sidewalks. Services include street sweeping, pothole patch and repair, crack sealing, sealcoating, utility cut restoration, and other pavement-related repairs, as well as snow and ice control and other winter maintenance services, including enforcing the City's sidewalk shoveling ordinance in the winter season, and acts as a first responder for bridge and storm-related emergency response. This program also provides year round basic maintenance on all greenspaces, minimalls, plazas, and bike trails in the public right-of-way throughout the City.

Transportation Operations and Mobility

General Fund: \$18,092,000

Other Funds: \$43,790,000

The Transportation Operations and Mobility program supports the operations of the transportation system. This includes existing traffic control devices, their related infrastructure for traffic management and safety equipment, and all streetlights. The impound lot, on-street and off-street parking, which includes a portfolio of City and State-owned and leased parking ramps and parking lots are also included in this program.

Transportation Planning, Design, and Engineering

General Fund: \$2,410,000

Other Funds: \$25,718,000

The Transportation Planning, Design and Engineering program plans, designs, and engineers a safe, complete, efficient and integrated multi-modal transportation system. Transportation planning involves long-range multi-modal transportation planning; coordination and development of the Public Works Capital Improvement Plan; partnerships with other public agencies; grant applications for outside funding sources; and community engagement around transportation projects along with representing the City on policy boards and technical and advisory committees. This program provides transportation design and engineering for Minneapolis roadways, bridges, streetscapes, and bike trails as well as manages the coordination of work associated with State of Minnesota and Hennepin County projects within Minneapolis. This program also provides varying degrees of construction management and oversight of construction requirements for all roadways, bridges, streetscapes, and bike paths within Minneapolis.

Potable Water

General Fund: \$61,665,000

The Potable Water program provides for the distribution of clean and reliable drinking water to every residential and non-residential City customer. The program also provides water for fire-fighting and maintains a system to bill and collect for the water used to provide sustainability of the water system.

Public Works Department

Public Works Base Cut

2021 Adopted Change Item

Program: Multiple

Fund: Multiple

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|---------|---------|---------|---------|---------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (3,628) | — | — | — | — |
| IT | (237) | (237) | (237) | (237) | (237) |
| Fleet | (795) | (795) | (795) | (795) | (795) |
| Contractual Services | (868) | (868) | (868) | (868) | (868) |
| Other | (4,362) | (4,362) | (4,362) | (4,362) | (4,362) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (9,890) | (6,262) | (6,262) | (6,262) | (6,262) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|--------|------|------|------|------|
| Change in FTE Count | (32.0) | — | — | — | — |

Proposal Detail & Background:

Public Works Program Reductions

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Additional reductions of \$665,000 in the General Fund and \$55,000 in the Fleet Services Fund are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

Description of the Change:

The Mayor's 2021 budget recommendation includes a reduction to the Public Works department of \$5,975,000 including 27 FTEs in General Fund programs, and \$2,377,000 including 5 FTEs in the Fleet Services Fund.

Public Works Administration- Reduction of \$203,000 including 1 FTE. Reduced administrative support for enterprise safety training and reduction of 1 administrative staff person. Reduced operational spending including training and employee development.

Transportation Maintenance- Reduction of \$3,390,000 including 13.1 FTE. Reduced service level in non-

safety related activities including graffiti, mowing, weed control, structure and planting repair, concrete repair, litter pickup. Reduced seal coat and crack sealing. Defer capital maintenance equipment. Winter service level reduction for trail and protected bike lanes, reduced weekend and overtime snow work, alley plow, and complaint response. Reduction to parking ramp maintenance program. Reduced operational spending including training and employee development.

Transportation Operations and Mobility- Reduction of \$1,884,000 including 9.0 FTE. Eliminate pole painting. Delayed sign, signal, and pole repairs. Shift 4.5 FTE to capital work to perform meter installation, pole replacement, and work for others projects. Reduced operational spending including training and employee development.

Transportation Planning, Design, and Engineering- Reduction of \$484,000 includes 3.9 FTE. Reduced project capacity in Transportation Planning and Programming division and Transportation Engineering and Design division. Reduced operational spending including training and employee development.

Fleet Operations - Reduction of \$2,377,000 including 5.0 FTE. Vehicle repair delays resulting in longer out-of-service times due to prioritizing Emergency Response vehicles. Reduced fuel budget assumptions. Reduced operational spending including training and employee development.

Equity Impacts & Results:

The proposed budget program reductions reduce general citywide service levels in the areas identified above, without specific impacts to particular neighborhoods or areas. Public Works is committed to advancing the city's Racial Equity Action Plan within these funding levels and will monitor service level impacts in 2021 to ensure they are consistent with the city's equity goals.

The newest hiring 'class' in Public Works includes 49% BIPOC. By foregoing hiring to fill vacancies in 2021 the department will miss an opportunity to recruit a more diverse workforce.

Reduced resources in the areas of street maintenance, traffic operations, fleet maintenance, and training support will degrade service levels by extending both general service timelines and response times to 311 service requests.

Impacted Performance Measures:

- Increase in maximum number of hours to return full parking during snow emergencies
- Reduction in percent of 311 Pothole complaints resolved within SLA (Service Level Agreement)
- Reduction in percent of 311 Sidewalk Snow and Ice complaints resolved within SLA
- Reduction in percent of 311 Sidewalk Structural complaints resolved within SLA
- Reduction in percent of 311 Street Snow and Ice complaints resolved within SLA
- Reduction in City fleet vehicle availability
- Potential increase in number of employee injury claims
- Potential increase in number of injury claims per 100 employees
- Reduction in percent of 311 Street Light Trouble complaints resolved within SLA
- Reduction in percent of 311 Traffic Sign Repair complaints resolved within SLA
- Reduction in percent of 311 Traffic Signal Trouble complaints resolved within SLA

**PUBLIC WORKS
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|---------------------|
| CAPITAL PROJECT | | | | | | |
| SALARIES AND WAGES | 4,044,142 | 4,647,387 | 5,134,000 | 5,946,000 | 15.8% | 812,000 |
| FRINGES | 1,480,078 | 1,653,951 | 1,855,000 | 2,209,000 | 19.1% | 354,000 |
| CONTRACTUAL SERVICES | 10,232,816 | 10,323,435 | 7,546,000 | 9,623,000 | 27.5% | 2,077,000 |
| OPERATING COSTS | 86,419 | 93,486 | 120,000 | 112,000 | -6.7% | (8,000) |
| CAPITAL EQUIPMENT | 50,670 | 29,238 | 80,000 | 80,000 | 0.0% | 0 |
| TOTAL CAPITAL PROJECT | 15,894,125 | 16,747,497 | 14,735,000 | 17,970,000 | 22.0% | 3,235,000 |
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 36,475,890 | 38,051,841 | 42,061,000 | 40,912,000 | -2.7% | (1,149,000) |
| FRINGES | 17,462,176 | 18,334,984 | 20,596,000 | 20,456,000 | -0.7% | (140,000) |
| CONTRACTUAL SERVICES | 119,390,930 | 120,324,874 | 124,026,000 | 123,480,000 | -0.4% | (546,000) |
| OPERATING COSTS | 63,719,116 | 64,896,153 | 66,227,000 | 70,043,000 | 5.8% | 3,816,000 |
| CAPITAL EQUIPMENT | 1,841,118 | 1,916,057 | 11,155,000 | 2,263,000 | -79.7% | (8,892,000) |
| TOTAL ENTERPRISE | 238,889,230 | 243,523,909 | 264,065,000 | 257,154,000 | -2.6% | (6,911,000) |
| GENERAL | | | | | | |
| SALARIES AND WAGES | 21,430,175 | 23,199,694 | 21,733,000 | 19,396,000 | -10.8% | (2,337,000) |
| FRINGES | 9,711,977 | 10,465,801 | 10,263,000 | 9,614,000 | -6.3% | (649,000) |
| CONTRACTUAL SERVICES | 24,301,805 | 24,235,517 | 24,265,000 | 20,937,000 | -13.7% | (3,328,000) |
| OPERATING COSTS | 8,825,507 | 9,520,824 | 8,841,000 | 8,175,000 | -7.5% | (666,000) |
| CAPITAL EQUIPMENT | 381,664 | 114,829 | 141,000 | 56,000 | -60.3% | (85,000) |
| TOTAL GENERAL | 64,651,128 | 67,536,665 | 65,243,000 | 58,178,000 | -10.8% | (7,065,000) |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 6,364,034 | 6,845,607 | 6,736,000 | 6,306,000 | -6.4% | (430,000) |
| FRINGES | 3,061,853 | 3,028,456 | 3,138,000 | 2,701,000 | -13.9% | (437,000) |
| CONTRACTUAL SERVICES | 9,433,722 | 10,122,314 | 10,290,000 | 11,010,000 | 7.0% | 720,000 |
| OPERATING COSTS | 12,597,291 | 13,601,845 | 14,541,000 | 15,516,000 | 6.7% | 975,000 |
| CAPITAL EQUIPMENT | 12,619,402 | 9,906,726 | 12,451,000 | 11,514,000 | -7.5% | (937,000) |
| TOTAL INTERNAL SERVICE | 44,076,302 | 43,504,948 | 47,156,000 | 47,047,000 | -0.2% | (109,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | — | 336 | — | — | 0.0% | 0 |
| FRINGES | — | 192 | — | — | 0.0% | 0 |
| CONTRACTUAL SERVICES | 7,007,505 | 7,053,503 | 7,296,000 | 7,296,000 | 0.0% | 0 |
| OPERATING COSTS | — | 9,843 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 7,007,505 | 7,063,874 | 7,296,000 | 7,296,000 | 0.0% | 0 |
| TOTAL EXPENSE | 370,518,290 | 378,376,893 | 398,495,000 | 387,645,000 | -2.7% | (10,850,000) |

**PUBLIC WORKS
EXPENSE AND REVENUE INFORMATION**

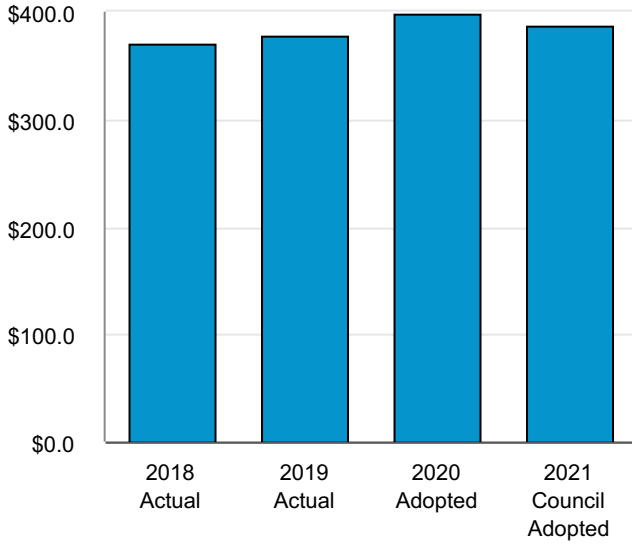
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|------------------|
| CAPITAL PROJECT | | | | | | |
| CHARGES FOR SERVICES | 13,721,991 | 17,590,829 | 10,891,000 | 10,718,000 | -1.6% | (173,000) |
| MISCELLANEOUS | 26,118 | 22,238 | — | — | 0.0% | 0 |
| PERMITS | 217,958 | 160,941 | 310,000 | 310,000 | 0.0% | 0 |
| TRANSFERS | — | — | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 118,694 | 236,042 | 100,000 | 100,000 | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | 2,934,000 | 5,652,000 | 0.0% | 2,718,000 |
| TOTAL CAPITAL PROJECT | 14,084,761 | 18,010,050 | 14,235,000 | 16,780,000 | 17.9% | 2,545,000 |
| ENTERPRISE | | | | | | |
| CHARGES FOR SALES | 1,382,020 | 2,210,076 | 1,384,000 | 1,391,000 | 0.5% | 7,000 |
| CHARGES FOR SERVICES | 305,563,873 | 313,695,426 | 327,612,000 | 315,880,000 | -3.6% | (11,732,000) |
| FINES AND FORFEITS | (9,204) | 46,725 | — | 50,000 | 0.0% | 50,000 |
| GAIN ON SALE OF ASSETS | 253,386 | — | — | — | 0.0% | 0 |
| LOCAL GRANTS & AIDS | 2,237,074 | 2,210,039 | 2,024,000 | 2,015,000 | -0.4% | (9,000) |
| MISCELLANEOUS | 133,262 | 48,814 | — | — | 0.0% | 0 |
| PERMITS | 895,244 | 679,890 | 773,000 | 702,000 | -9.2% | (71,000) |
| OTHER | — | — | — | — | 0.0% | 0 |
| RENTS | 967,386 | 111,415 | 49,000 | 115,000 | 134.7% | 66,000 |
| SPECIAL ASSESSMENTS | 1,586,415 | 664,377 | 1,864,000 | 1,352,000 | -27.5% | (512,000) |
| STATE GRANTS & AIDS | 1,321,115 | 1,321,147 | 1,403,000 | 1,167,000 | -16.8% | (236,000) |
| TRANSFERS | 684,147 | 593,310 | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | (21,352,000) | — | -100.0% | 21,352,000 |
| TOTAL ENTERPRISE | 315,014,718 | 321,581,219 | 313,757,000 | 322,672,000 | 2.8% | 8,915,000 |
| GENERAL | | | | | | |
| CHARGES FOR SALES | 111,883 | 73,201 | 82,000 | 75,000 | -8.5% | (7,000) |
| CHARGES FOR SERVICES | 13,319,236 | 15,671,868 | 12,569,000 | 13,054,000 | 3.9% | 485,000 |
| LOCAL GRANTS & AIDS | 949,165 | 999,265 | 875,000 | 774,000 | -11.5% | (101,000) |
| MISCELLANEOUS | 488,809 | 332,548 | 360,000 | 245,000 | -31.9% | (115,000) |
| PERMITS | 3,157,469 | 3,561,489 | 2,240,000 | 2,590,000 | 15.6% | 350,000 |
| RENTS | 760,185 | 517,474 | 720,000 | 720,000 | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 2,304,208 | 2,590,981 | 2,759,000 | 2,754,000 | -0.2% | (5,000) |
| STATE GRANTS & AIDS | 5,619,718 | 5,571,766 | 5,346,000 | 5,234,000 | -2.1% | (112,000) |
| TOTAL GENERAL | 26,710,673 | 29,318,592 | 24,951,000 | 25,446,000 | 2.0% | 495,000 |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SALES | 14,240,091 | 14,680,353 | 15,015,000 | 14,666,000 | -2.3% | (349,000) |
| CHARGES FOR SERVICES | 13,334,941 | 13,755,527 | 12,242,000 | 12,245,000 | 0.0% | 3,000 |
| GAIN ON SALE OF ASSETS | 729,897 | 569,516 | — | — | 0.0% | 0 |
| MISCELLANEOUS | 3,859 | 3,418 | 10,000 | — | -100.0% | (10,000) |
| RENTS | 21,789,178 | 23,311,817 | 22,818,000 | 20,705,000 | -9.3% | (2,113,000) |
| STATE GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | (1,244,000) | 566,000 | -145.5% | 1,810,000 |
| TOTAL INTERNAL SERVICE | 50,097,966 | 52,320,631 | 48,841,000 | 48,182,000 | -1.3% | (659,000) |

**PUBLIC WORKS
EXPENSE AND REVENUE INFORMATION**

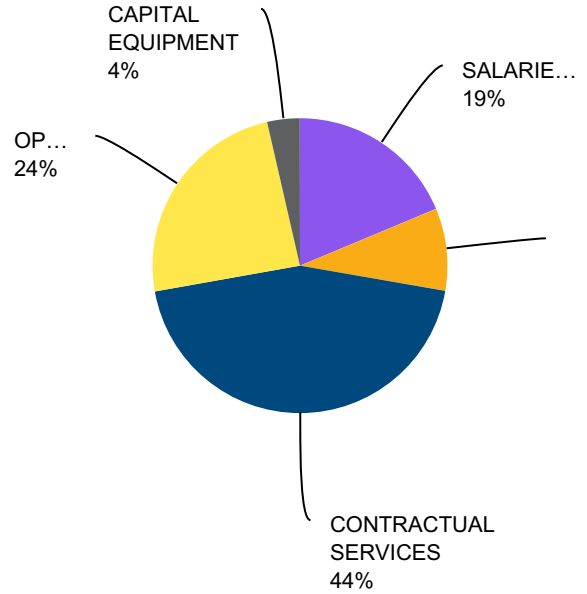
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|--------------------|--------------------|-------------------------|---------------------------------|---------------------------|-------------------|
| SPECIAL REVENUE | | | | | | |
| CONTRIBUTIONS | 11,910 | 50,795 | — | — | 0.0% | 0 |
| MISCELLANEOUS | 41,344 | 21,493 | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 6,747,614 | 7,174,534 | 7,296,000 | 6,913,000 | -5.2% | (383,000) |
| STATE GRANTS & AIDS | 23,313 | 9,505 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 6,824,181 | 7,256,327 | 7,296,000 | 6,913,000 | -5.2% | (383,000) |
| TOTAL REVENUE | 412,732,299 | 428,486,819 | 409,080,000 | 419,993,000 | 2.7% | 10,913,000 |

PUBLIC WORKS EXPENSE AND REVENUE INFORMATION

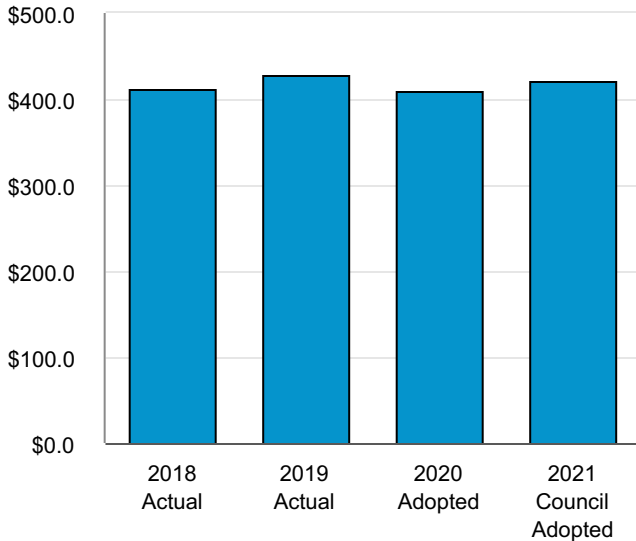
**Expense 2018 - 2021
In Millions**



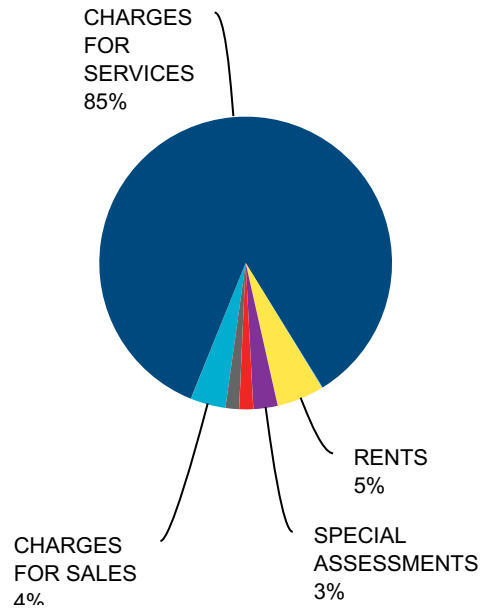
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



PUBLIC WORKS Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

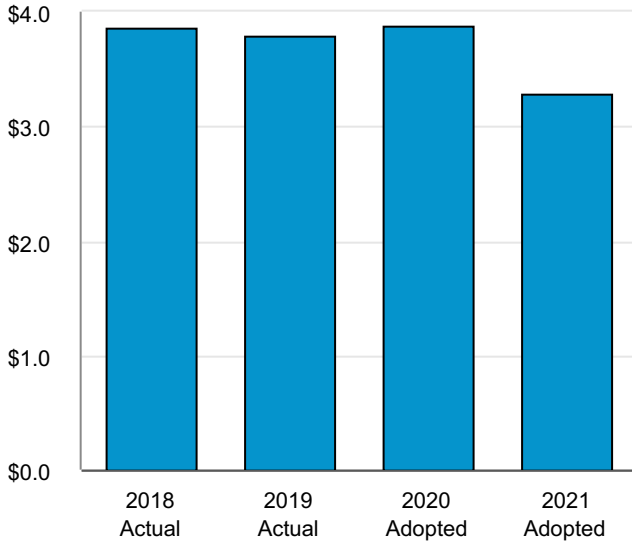
**PUBLIC WORKS ADMINISTRATION
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|----------------------|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 1,409,680 | 1,588,675 | 1,728,000 | 1,641,000 | -5.0% | (87,000) |
| FRINGES | 435,287 | 463,834 | 522,000 | 471,000 | -9.8% | (51,000) |
| CONTRACTUAL SERVICES | 1,281,679 | 909,600 | 1,102,000 | 632,000 | -42.6% | (470,000) |
| OPERATING COSTS | 737,635 | 827,005 | 523,000 | 543,000 | 3.8% | 20,000 |
| CAPITAL EQUIPMENT | — | — | 1,000 | — | -100.0% | (1,000) |
| TOTAL GENERAL | 3,864,281 | 3,789,114 | 3,876,000 | 3,287,000 | -15.2% | (589,000) |
| TOTAL EXPENSE | 3,864,281 | 3,789,114 | 3,876,000 | 3,287,000 | -15.2% | (589,000) |

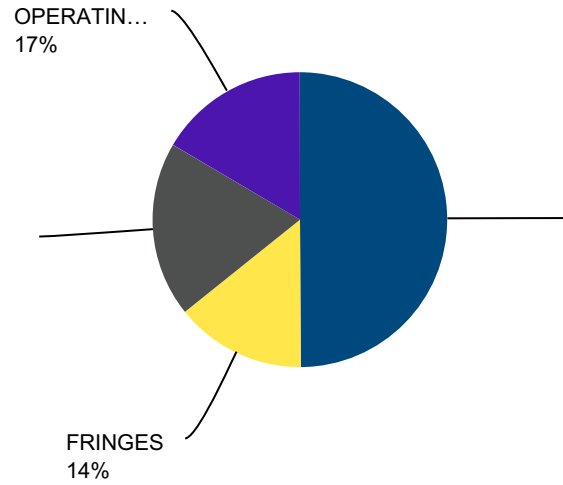
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------------|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| GENERAL | | | | | | |
| CHARGES FOR SALES | — | — | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES AND PERMITS | 2,664,870 | 2,854,307 | 2,649,000 | 2,377,000 | -10.3% | (272,000) |
| GENERAL | 3,502,385 | 3,859,925 | 3,324,000 | 3,202,000 | -3.7% | (122,000) |
| TOTAL REVENUE | 3,502,385 | 3,859,925 | 3,324,000 | 3,202,000 | -3.7% | (122,000) |

PUBLIC WORKS ADMINISTRATION EXPENSE AND REVENUE INFORMATION

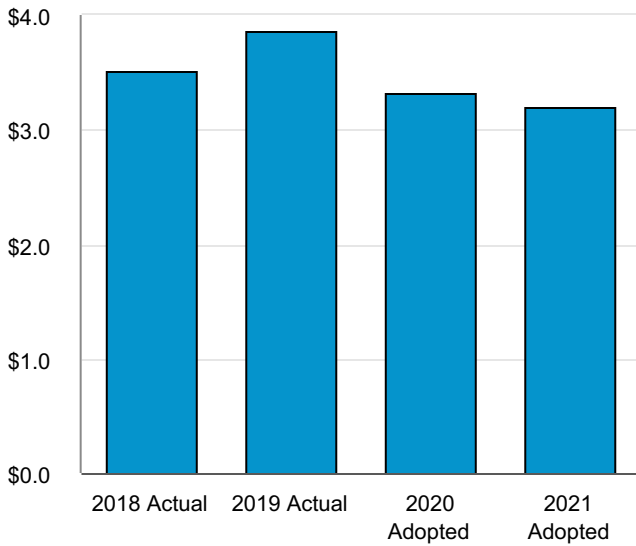
**Expense 2018-2021
In Millions**



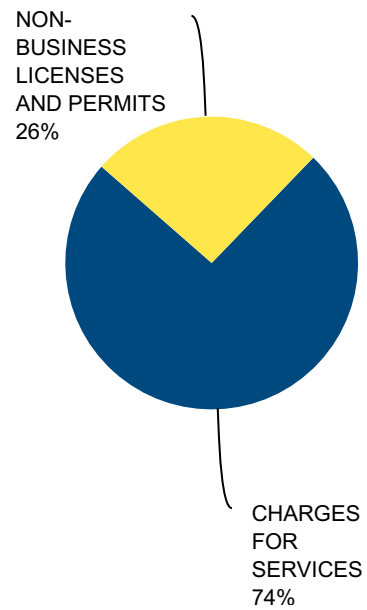
Expense by Category



**Revenue 2018-2021
In Millions**



Revenue by Type



PUBLIC WORKS ADMINISTRATION Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

**FLEET SERVICES
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|------------------|
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 5,351,718 | 5,610,702 | 5,484,000 | 5,041,000 | -8.1% | (443,000) |
| FRINGES | 2,718,000 | 2,620,064 | 2,635,000 | 2,229,000 | -15.4% | (406,000) |
| CONTRACTUAL SERVICES | 8,294,671 | 8,894,650 | 8,960,000 | 9,633,000 | 7.5% | 673,000 |
| OPERATING COSTS | 7,409,127 | 7,237,927 | 8,245,000 | 9,225,000 | 11.9% | 980,000 |
| CAPITAL EQUIPMENT | 12,619,402 | 9,906,726 | 12,451,000 | 11,514,000 | -7.5% | (937,000) |
| TOTAL INTERNAL SERVICE | 36,392,918 | 34,270,069 | 37,775,000 | 37,642,000 | -0.4% | (133,000) |

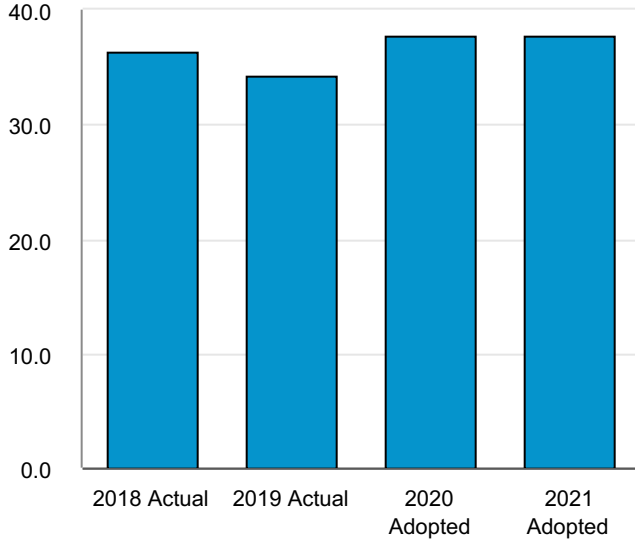
| | | | | | | |
|----------------------|-------------------|-------------------|-------------------|-------------------|--------------|------------------|
| TOTAL EXPENSE | 36,392,918 | 34,270,069 | 37,775,000 | 37,642,000 | -0.4% | (133,000) |
|----------------------|-------------------|-------------------|-------------------|-------------------|--------------|------------------|

| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SALES | 8,666,851 | 8,069,751 | 8,476,000 | 8,127,000 | -4.1% | (349,000) |
| CHARGES FOR SERVICES | 10,693,560 | 10,728,897 | 9,399,000 | 9,378,000 | -0.2% | (21,000) |
| GAIN ON SALE OF ASSETS | 729,897 | 569,516 | — | — | 0.0% | 0 |
| MISCELLANEOUS | 3,859 | 3,418 | 10,000 | — | -100.0% | (10,000) |
| RENTS | 21,789,178 | 23,311,817 | 22,818,000 | 20,705,000 | -9.3% | (2,113,000) |
| STATE GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | 1,499,000 | 566,000 | -62.2% | (933,000) |
| TOTAL INTERNAL SERVICE | 41,883,345 | 42,683,399 | 42,202,000 | 38,776,000 | -8.1% | (3,426,000) |

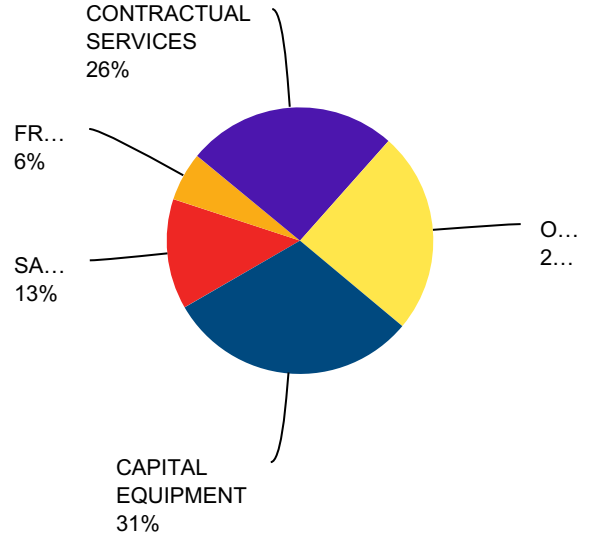
| | | | | | | |
|----------------------|-------------------|-------------------|-------------------|-------------------|--------------|--------------------|
| TOTAL REVENUE | 41,883,345 | 42,683,399 | 42,202,000 | 38,776,000 | -8.1% | (3,426,000) |
|----------------------|-------------------|-------------------|-------------------|-------------------|--------------|--------------------|

FLEET SERVICES EXPENSE AND REVENUE INFORMATION

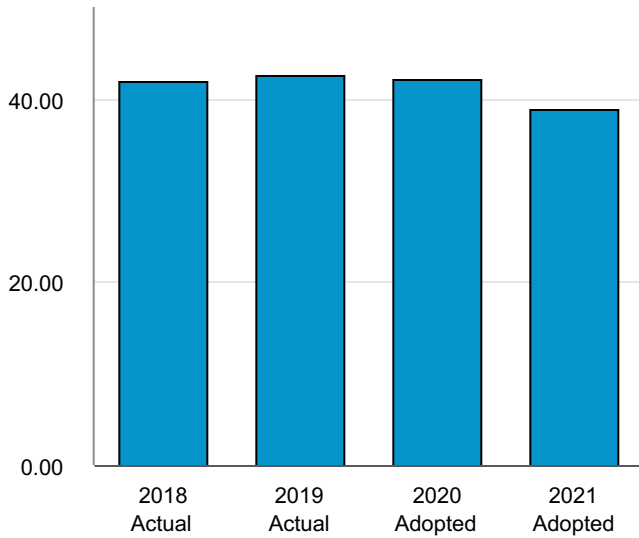
**Expense 2018 - 2021
In Millions**



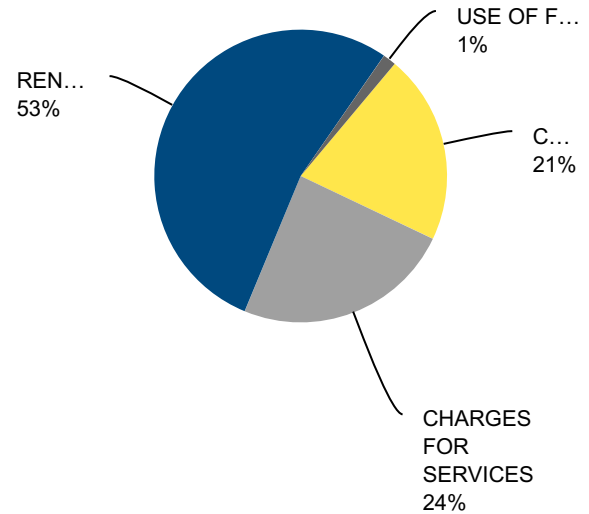
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



FLEET SERVICES Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

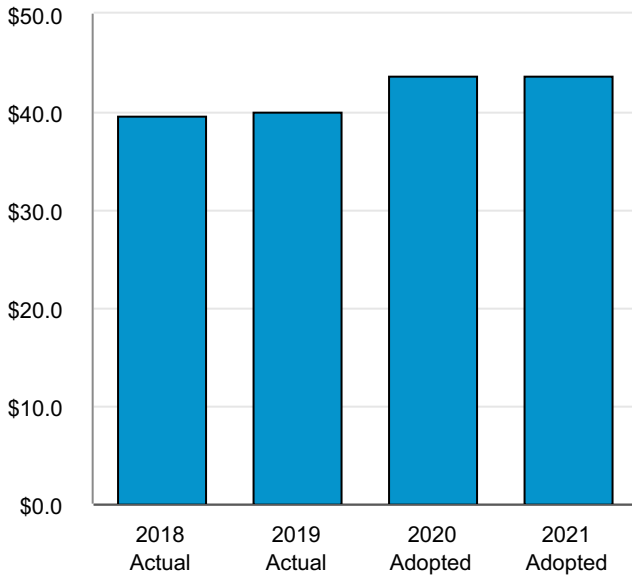
**SOLID WASTE & RECYCLING
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|---------------|
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 8,550,567 | 8,572,733 | 9,684,000 | 9,563,000 | -1.2% | (121,000) |
| FRINGES | 4,774,375 | 4,814,170 | 5,418,000 | 5,152,000 | -4.9% | (266,000) |
| CONTRACTUAL SERVICES | 22,334,340 | 22,933,253 | 24,273,000 | 25,638,000 | 5.6% | 1,365,000 |
| OPERATING COSTS | 2,646,101 | 2,709,939 | 2,032,000 | 2,172,000 | 6.9% | 140,000 |
| CAPITAL EQUIPMENT | 1,367,697 | 987,010 | 2,257,000 | 1,178,000 | -47.8% | (1,079,000) |
| TOTAL ENTERPRISE | 39,673,080 | 40,017,105 | 43,664,000 | 43,703,000 | 0.1% | 39,000 |
| TOTAL EXPENSE | 39,673,080 | 40,017,105 | 43,664,000 | 43,703,000 | 0.1% | 39,000 |

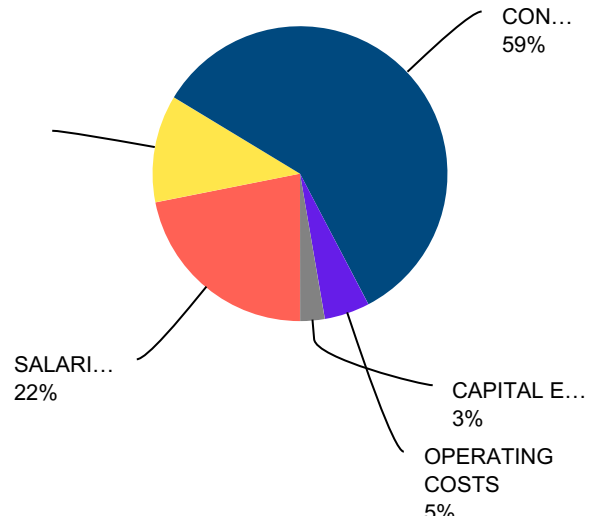
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| ENTERPRISE | | | | | | |
| CHARGES FOR SALES | 201,325 | 175,311 | 150,000 | 150,000 | 0.0% | 0 |
| CHARGES FOR SERVICES | 38,278,902 | 38,939,857 | 40,066,000 | 40,148,000 | 0.2% | 82,000 |
| GAIN ON SALE OF ASSETS | 253,386 | — | — | — | 0.0% | 0 |
| LOCAL GRANTS & AIDS | 1,681,690 | 1,853,648 | 1,659,000 | 1,659,000 | 0.0% | 0 |
| MISCELLANEOUS | 27,117 | 6,359 | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 174,093 | 205,699 | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | 6,478 | 8,706 | — | 12,000 | 0.0% | 12,000 |
| USE OF FUND BALANCE | — | — | 1,991,000 | — | -100.0% | (1,991,000) |
| TOTAL ENTERPRISE | 40,622,991 | 41,189,580 | 43,866,000 | 41,969,000 | -4.3% | (1,897,000) |
| TOTAL REVENUE | 40,622,991 | 41,189,580 | 43,866,000 | 41,969,000 | -4.3% | (1,897,000) |

SOLID WASTE & RECYCLING EXPENSE AND REVENUE INFORMATION

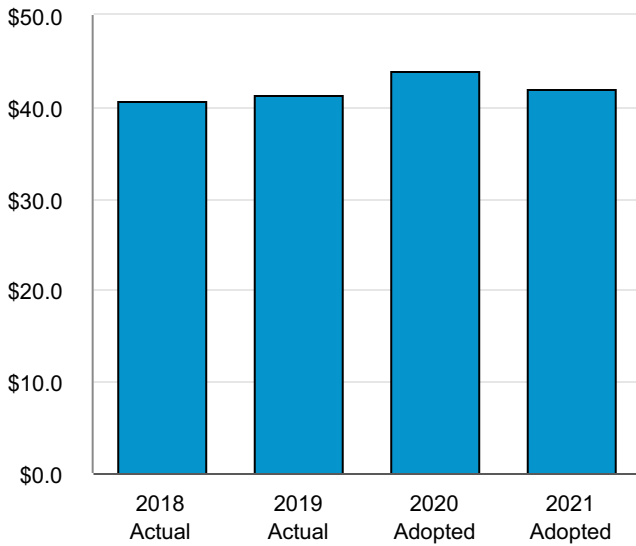
Expense 2018 - 2021



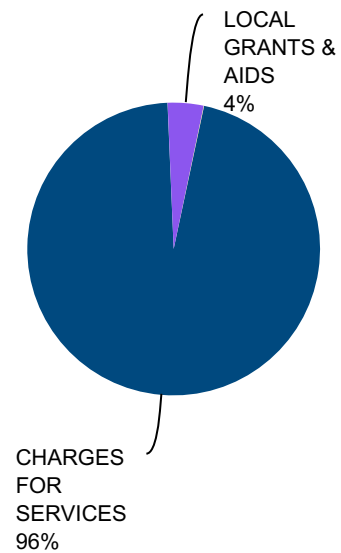
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



SOLID WASTE & RECYCLING

Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

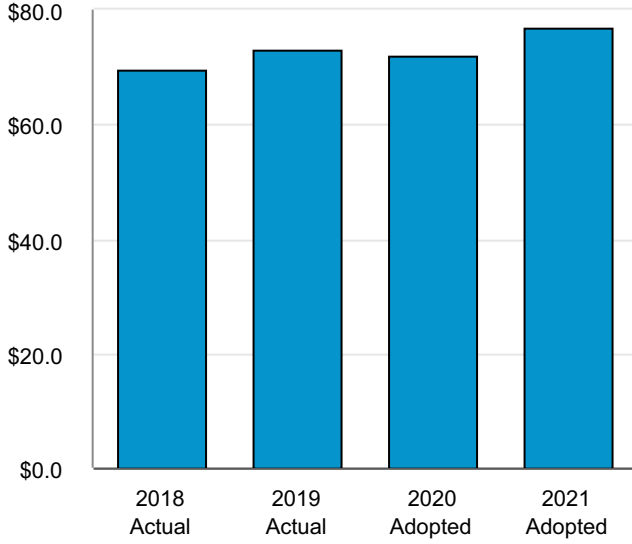
**SANITARY SEWER
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 3,805,448 | 3,935,501 | 4,178,000 | 4,247,000 | 1.7% | 69,000 |
| FRINGES | 1,865,057 | 1,937,729 | 2,198,000 | 2,085,000 | -5.1% | (113,000) |
| CONTRACTUAL SERVICES | 21,172,848 | 23,682,857 | 20,150,000 | 20,888,000 | 3.7% | 738,000 |
| OPERATING COSTS | 42,461,852 | 43,468,996 | 45,361,000 | 49,363,000 | 8.8% | 4,002,000 |
| CAPITAL EQUIPMENT | 48,165 | 114,402 | 50,000 | 250,000 | 400.0% | 200,000 |
| TOTAL ENTERPRISE | 69,353,370 | 73,139,485 | 71,937,000 | 76,833,000 | 6.8% | 4,896,000 |
| TOTAL EXPENSE | 69,353,370 | 73,139,485 | 71,937,000 | 76,833,000 | 6.8% | 4,896,000 |

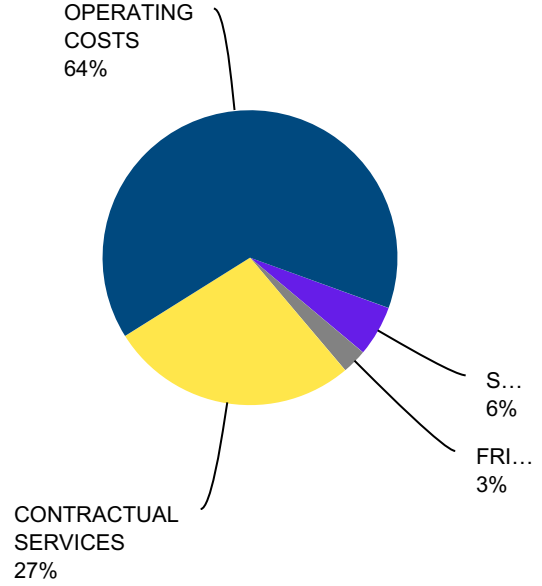
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| ENTERPRISE | | | | | | |
| CHARGES FOR SALES | 13,560 | 20,239 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 73,936,192 | 83,029,808 | 86,255,000 | 91,711,000 | 6.3% | 5,456,000 |
| NON-BUSINESS LICENSES AND PERMITS | — | — | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 115,027 | 86,787 | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | (5,028,000) | — | -100.0% | 5,028,000 |
| TOTAL ENTERPRISE | 74,064,779 | 83,136,834 | 81,227,000 | 91,711,000 | 12.9% | 10,484,000 |
| TOTAL REVENUE | 74,064,779 | 83,136,834 | 81,227,000 | 91,711,000 | 12.9% | 10,484,000 |

SANITARY SEWER EXPENSE AND REVENUE INFORMATION

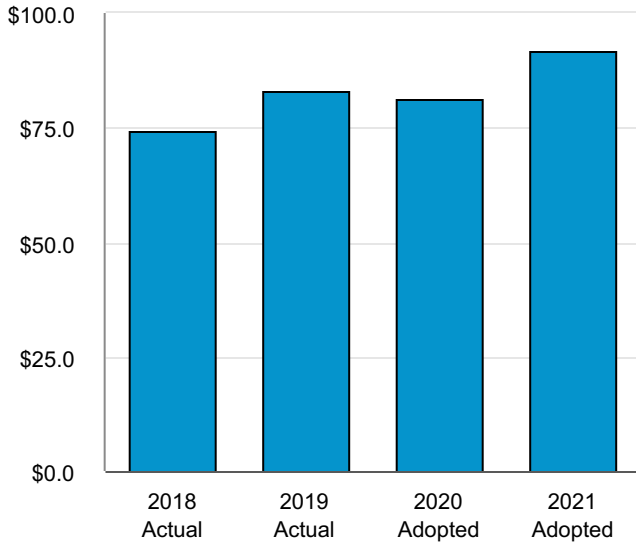
**Expense 2018-2021
In Millions**



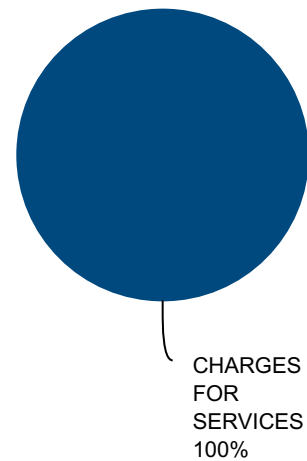
Expense by Category



**Revenue 2018-2021
In Millions**



Revenue by Type



SANITARY SEWER Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

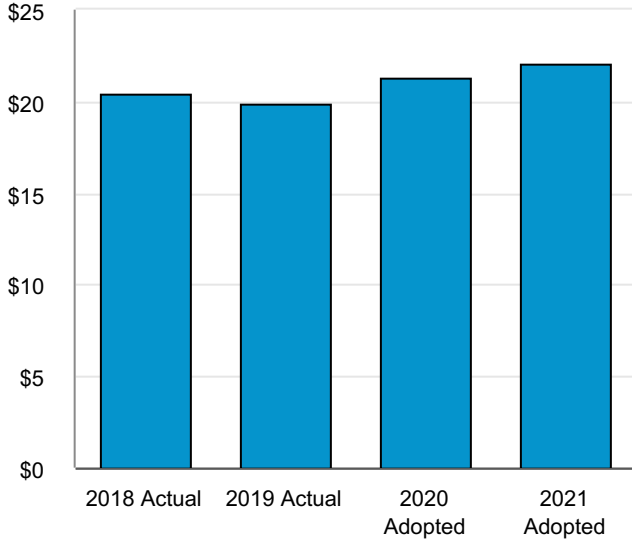
**STORMWATER SEWER
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|-------------------------|-------------------|-------------------|-------------------|-------------------|----------------|----------------|
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 3,915,230 | 4,118,519 | 4,292,000 | 4,303,000 | 0.3% | 11,000 |
| FRINGES | 1,719,671 | 1,718,633 | 1,778,000 | 1,759,000 | -1.1% | (19,000) |
| CONTRACTUAL SERVICES | 11,549,430 | 10,629,020 | 11,520,000 | 12,028,000 | 4.4% | 508,000 |
| OPERATING COSTS | 3,127,504 | 3,271,194 | 3,427,000 | 3,702,000 | 8.0% | 275,000 |
| CAPITAL EQUIPMENT | 136,165 | 94,817 | 275,000 | 275,000 | 0.0% | 0 |
| TOTAL ENTERPRISE | 20,448,000 | 19,832,183 | 21,292,000 | 22,067,000 | 3.6% | 775,000 |
| TOTAL EXPENSE | 20,448,000 | 19,832,183 | 21,292,000 | 22,067,000 | 3.6% | 775,000 |

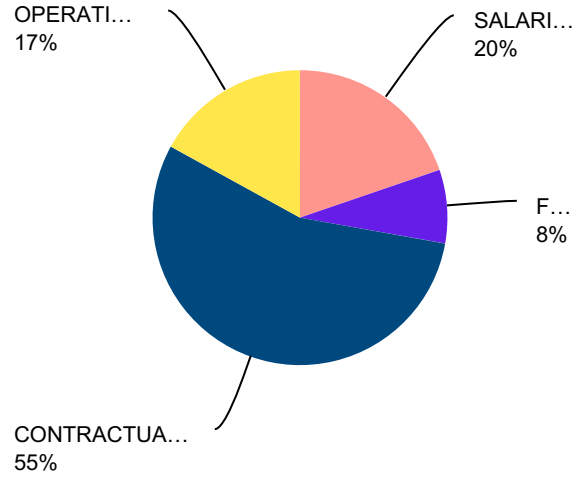
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|-------------------------|-------------------|-------------------|-------------------|-------------------|----------------|-------------------|
| ENTERPRISE | | | | | | |
| CHARGES FOR SALES | — | — | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 40,273,223 | 42,586,769 | 42,220,000 | 43,124,000 | 2.1% | 904,000 |
| FINES AND FORFEITS | (9,204) | 46,725 | — | 50,000 | 0.0% | 50,000 |
| LOCAL GRANTS & AIDS | 278,524 | 79,531 | 82,000 | 80,000 | -2.4% | (2,000) |
| SPECIAL ASSESSMENTS | 80,513 | 82,348 | 75,000 | 75,000 | 0.0% | 0 |
| STATE GRANTS & AIDS | 116,725 | 112,491 | 176,000 | 95,000 | -46.0% | (81,000) |
| USE OF FUND BALANCE | — | — | (9,430,000) | — | -100.0% | 9,430,000 |
| TOTAL ENTERPRISE | 40,739,781 | 42,907,864 | 33,123,000 | 43,424,000 | 31.1% | 10,301,000 |
| TOTAL REVENUE | 40,739,781 | 42,907,864 | 33,123,000 | 43,424,000 | 31.1% | 10,301,000 |

STORMWATER SEWER EXPENSE AND REVENUE INFORMATION

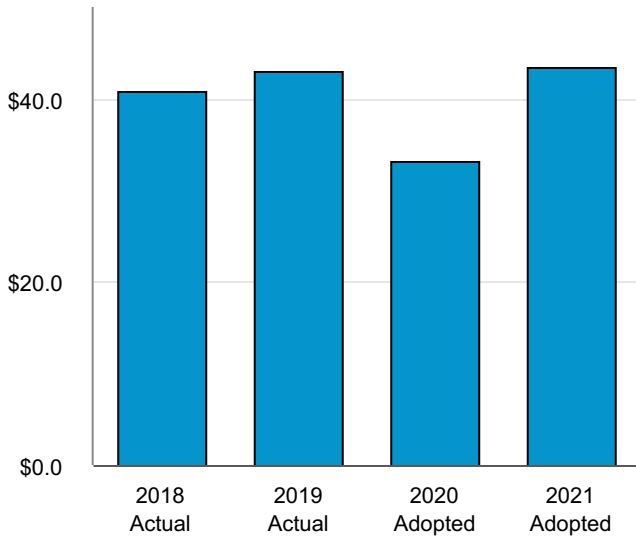
**Expense 2018-2021
In Millions**



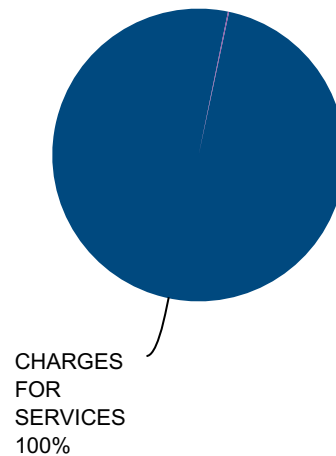
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



STORMWATER SEWER Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

**TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|----------------|---------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 4,848,304 | 5,350,696 | 5,343,000 | 4,392,000 | -17.8% | (951,000) |
| FRINGES | 2,104,353 | 2,331,891 | 2,260,000 | 1,866,000 | -17.4% | (394,000) |
| CONTRACTUAL SERVICES | 7,662,439 | 7,227,943 | 8,625,000 | 7,104,000 | -17.6% | (1,521,000) |
| OPERATING COSTS | 2,327,810 | 2,604,885 | 2,705,000 | 2,589,000 | -4.3% | (116,000) |
| CAPITAL EQUIPMENT | 14,414 | 8,642 | — | — | 0.0% | 0 |
| TOTAL GENERAL | 16,957,320 | 17,524,057 | 18,933,000 | 15,951,000 | -15.8% | (2,982,000) |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 199,457 | 241,575 | 194,000 | 203,000 | 4.6% | 9,000 |
| FRINGES | 78,609 | 84,101 | 97,000 | 89,000 | -8.2% | (8,000) |
| CONTRACTUAL SERVICES | 73,246 | 67,843 | 31,000 | 32,000 | 3.2% | 1,000 |
| OPERATING COSTS | (155,670) | 10,244 | 33,000 | 35,000 | 6.1% | 2,000 |
| TOTAL INTERNAL SERVICE | 195,642 | 403,763 | 355,000 | 359,000 | 1.1% | 4,000 |
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 3,633,649 | 4,216,486 | 4,162,000 | 3,728,000 | -10.4% | (434,000) |
| FRINGES | 1,534,004 | 1,690,910 | 1,845,000 | 1,945,000 | 5.4% | 100,000 |
| CONTRACTUAL SERVICES | 35,339,472 | 36,270,053 | 38,385,000 | 35,005,000 | -8.8% | (3,380,000) |
| OPERATING COSTS | 3,425,320 | 3,202,224 | 3,247,000 | 2,397,000 | -26.2% | (850,000) |
| CAPITAL EQUIPMENT | 29,931 | 440 | 8,000,000 | — | -100.0% | (8,000,000) |
| TOTAL ENTERPRISE | 43,962,376 | 45,380,113 | 55,639,000 | 43,075,000 | -22.6% | (12,564,000) |
| TOTAL EXPENSE | 61,115,338 | 63,307,933 | 74,927,000 | 59,385,000 | -20.7% | (15,542,000) |

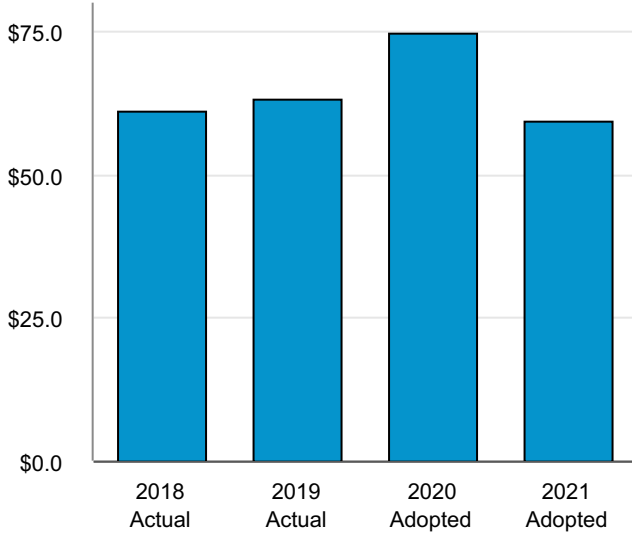
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-----------------------------------|------------------|------------------|------------------|----------------------|----------------|----------------|
| GENERAL | | | | | | |
| CHARGES FOR SALES | 82,811 | 40,922 | 72,000 | 65,000 | -9.7% | (7,000) |
| CHARGES FOR SERVICES | 1,227,444 | 1,543,713 | 832,000 | 1,150,000 | 38.2% | 318,000 |
| LOCAL GRANTS & AIDS | 768,466 | 764,666 | 690,000 | 593,000 | -14.1% | (97,000) |
| MISCELLANEOUS | 487,319 | 332,548 | 360,000 | 245,000 | -31.9% | (115,000) |
| NON-BUSINESS LICENSES AND PERMITS | 2,270,959 | 2,485,751 | 1,510,000 | 1,710,000 | 13.2% | 200,000 |
| RENTS | 760,185 | 517,474 | 720,000 | 720,000 | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 198,071 | 192,421 | 200,000 | 195,000 | -2.5% | (5,000) |
| STATE GRANTS & AIDS | 1,677,836 | 1,672,754 | 1,315,000 | 1,438,000 | 9.4% | 123,000 |
| TOTAL GENERAL | 7,473,091 | 7,550,249 | 5,699,000 | 6,116,000 | 7.3% | 417,000 |

**TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

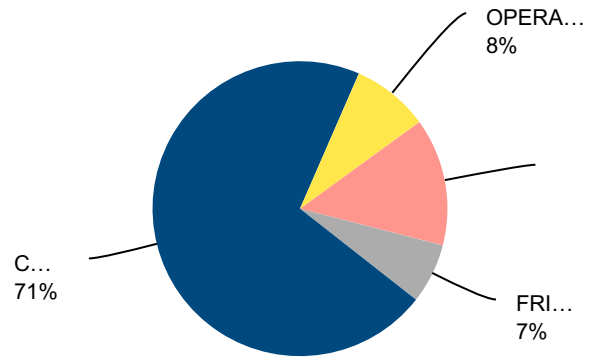
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|---------------------|
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SALES | 49,028 | 18,491 | 50,000 | 50,000 | 0.0% | 0 |
| CHARGES FOR SERVICES | 442,676 | 376,490 | 306,000 | 310,000 | 1.3% | 4,000 |
| TOTAL INTERNAL SERVICE | 491,704 | 394,981 | 356,000 | 360,000 | 1.1% | 4,000 |
| ENTERPRISE | | | | | | |
| CHARGES FOR SALES | 870,309 | 1,713,413 | 1,000,000 | 1,000,000 | 0.0% | 0 |
| CHARGES FOR SERVICES | 68,282,224 | 69,080,264 | 70,876,000 | 53,971,000 | -23.9% | (16,905,000) |
| GAIN ON SALE OF ASSETS | — | — | — | — | 0.0% | 0 |
| MISCELLANEOUS | 10,835 | 12,439 | — | — | 0.0% | 0 |
| NON-BUSINESS LICENSES AND PERMITS | 782,144 | 569,740 | 695,000 | 590,000 | -15.1% | (105,000) |
| OTHER | — | — | — | — | 0.0% | 0 |
| RENTS | 967,386 | 53,785 | 49,000 | 56,000 | 14.3% | 7,000 |
| SPECIAL ASSESSMENTS | — | — | 543,000 | — | -100.0% | (543,000) |
| USE OF FUND BALANCE | — | — | (522,000) | — | -100.0% | 522,000 |
| TOTAL ENTERPRISE | 70,912,898 | 71,429,641 | 72,641,000 | 55,617,000 | -23.4% | (17,024,000) |
| TOTAL REVENUE | 78,877,693 | 79,374,871 | 78,696,000 | 62,093,000 | -21.1% | (16,603,000) |

TRAFFIC AND PARKING SERVICES EXPENSE AND REVENUE INFORMATION

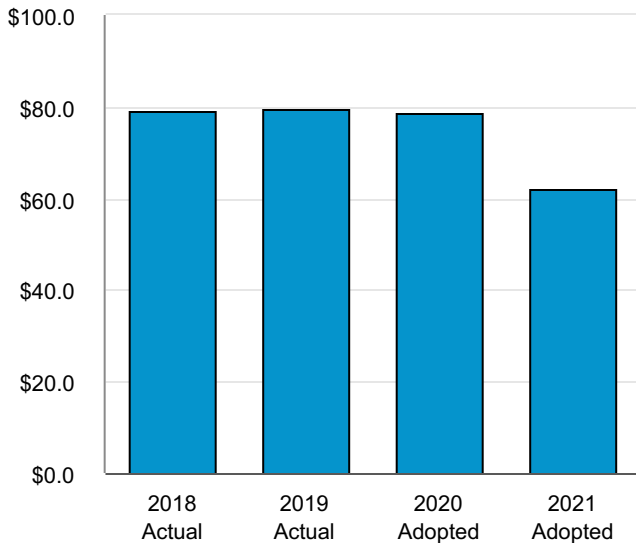
**Expense 2018 - 2021
In Millions**



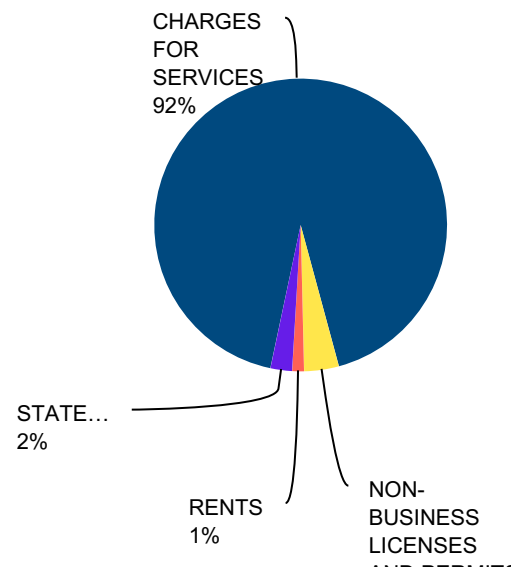
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



TRAFFIC AND PARKING SERVICES

Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

**TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

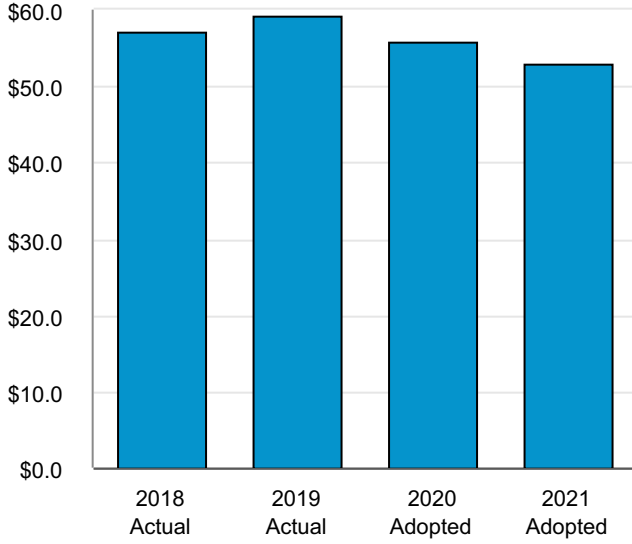
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 12,572,257 | 13,547,244 | 11,675,000 | 10,753,000 | -7.9% | (922,000) |
| FRINGES | 6,294,730 | 6,771,638 | 6,454,000 | 6,378,000 | -1.2% | (76,000) |
| CONTRACTUAL SERVICES | 14,087,595 | 14,879,677 | 13,539,000 | 12,264,000 | -9.4% | (1,275,000) |
| OPERATING COSTS | 5,699,422 | 6,007,434 | 5,549,000 | 4,940,000 | -11.0% | (609,000) |
| CAPITAL EQUIPMENT | 367,250 | 106,187 | 140,000 | 56,000 | -60.0% | (84,000) |
| TOTAL GENERAL | 39,021,254 | 41,312,180 | 37,357,000 | 34,391,000 | -7.9% | (2,966,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | — | 336 | — | — | 0.0% | 0 |
| FRINGES | — | 192 | — | — | 0.0% | 0 |
| CONTRACTUAL SERVICES | 7,007,505 | 7,053,503 | 7,296,000 | 7,296,000 | 0.0% | 0 |
| OPERATING COSTS | — | 9,843 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 7,007,505 | 7,063,874 | 7,296,000 | 7,296,000 | 0.0% | 0 |
| CAPITAL PROJECT | | | | | | |
| SALARIES AND WAGES | 335,477 | 366,136 | 396,000 | 400,000 | 1.0% | 4,000 |
| FRINGES | 143,371 | 136,999 | 153,000 | 167,000 | 9.2% | 14,000 |
| CONTRACTUAL SERVICES | 862,141 | 760,954 | 668,000 | 704,000 | 5.4% | 36,000 |
| OPERATING COSTS | 16,712 | 6,994 | 22,000 | 25,000 | 13.6% | 3,000 |
| TOTAL CAPITAL PROJECT | 1,357,701 | 1,271,083 | 1,239,000 | 1,296,000 | 4.6% | 57,000 |
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 2,493,949 | 2,359,632 | 2,862,000 | 2,870,000 | 0.3% | 8,000 |
| FRINGES | 1,320,847 | 1,381,246 | 1,578,000 | 1,737,000 | 10.1% | 159,000 |
| CONTRACTUAL SERVICES | 5,140,088 | 5,202,654 | 4,856,000 | 4,504,000 | -7.2% | (352,000) |
| OPERATING COSTS | 755,841 | 620,624 | 702,000 | 701,000 | -0.1% | (1,000) |
| TOTAL ENTERPRISE | 9,710,725 | 9,564,156 | 9,998,000 | 9,812,000 | -1.9% | (186,000) |
| TOTAL EXPENSE | 57,097,185 | 59,211,293 | 55,890,000 | 52,795,000 | -5.5% | (3,095,000) |

**TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

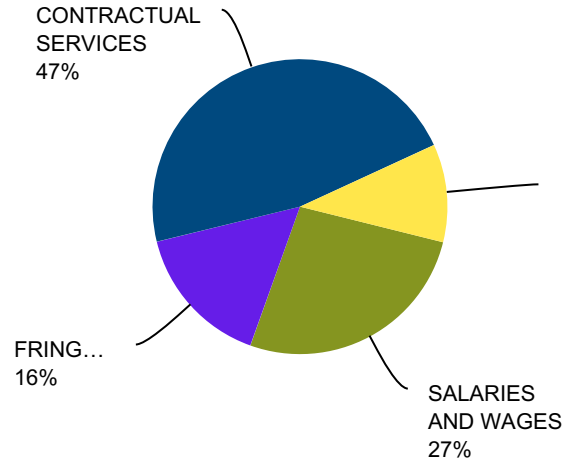
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| GENERAL | | | | | | |
| CHARGES FOR SALES | 29,072 | 32,279 | 10,000 | 10,000 | 0.0% | 0 |
| CHARGES FOR SERVICES | 8,028,980 | 9,346,389 | 7,988,000 | 8,027,000 | 0.5% | 39,000 |
| LOCAL GRANTS & AIDS | 180,699 | 234,599 | 185,000 | 181,000 | -2.2% | (4,000) |
| MISCELLANEOUS | 70 | — | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 2,106,137 | 2,398,560 | 2,559,000 | 2,559,000 | 0.0% | 0 |
| STATE GRANTS & AIDS | 3,941,882 | 3,899,012 | 4,031,000 | 3,796,000 | -5.8% | (235,000) |
| TOTAL GENERAL | 14,286,840 | 15,910,839 | 14,773,000 | 14,573,000 | -1.4% | (200,000) |
| SPECIAL REVENUE | | | | | | |
| CONTRIBUTIONS | 11,910 | 50,795 | — | — | 0.0% | 0 |
| MISCELLANEOUS | 41,344 | 21,493 | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 6,747,614 | 7,174,534 | 7,296,000 | 6,913,000 | -5.2% | (383,000) |
| STATE GRANTS & AIDS | 23,313 | 9,505 | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 6,824,181 | 7,256,327 | 7,296,000 | 6,913,000 | -5.2% | (383,000) |
| CAPITAL PROJECT | | | | | | |
| MISCELLANEOUS | 26,104 | 22,238 | — | — | 0.0% | 0 |
| NON-BUSINESS LICENSES AND PERMITS | 217,958 | 160,941 | 310,000 | 310,000 | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 118,694 | 236,042 | 100,000 | 100,000 | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | 328,000 | — | -100.0% | (328,000) |
| TOTAL CAPITAL PROJECT | 362,756 | 419,221 | 738,000 | 410,000 | -44.4% | (328,000) |
| ENTERPRISE | | | | | | |
| CHARGES FOR SALES | 2,448 | 772 | — | — | 0.0% | 0 |
| CHARGES FOR SERVICES | 829 | 13,694 | 1,000 | 1,000 | 0.0% | 0 |
| LOCAL GRANTS & AIDS | 276,860 | 276,860 | 284,000 | 277,000 | -2.5% | (7,000) |
| STATE GRANTS & AIDS | 1,197,912 | 1,199,950 | 1,227,000 | 1,060,000 | -13.6% | (167,000) |
| TOTAL ENTERPRISE | 1,478,049 | 1,491,276 | 1,512,000 | 1,338,000 | -11.5% | (174,000) |
| TOTAL REVENUE | 22,951,826 | 25,077,663 | 24,319,000 | 23,234,000 | -4.5% | (1,085,000) |

TRANSPORTATION MAINTENANCE AND REPAIR EXPENSE AND REVENUE INFORMATION

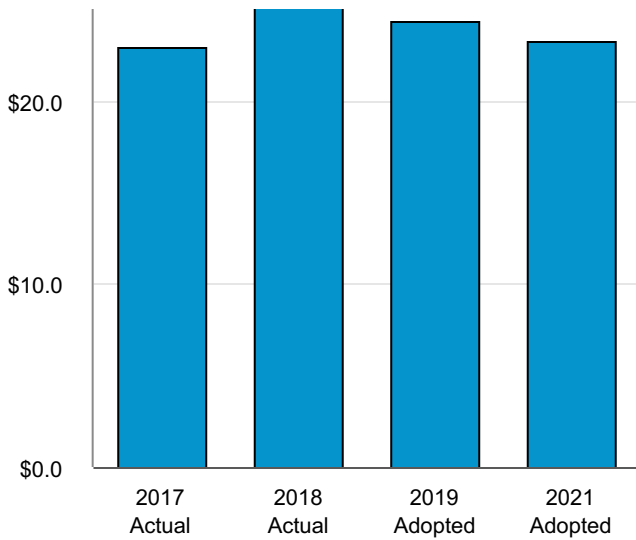
**Expense 2018 - 2021
In Millions**



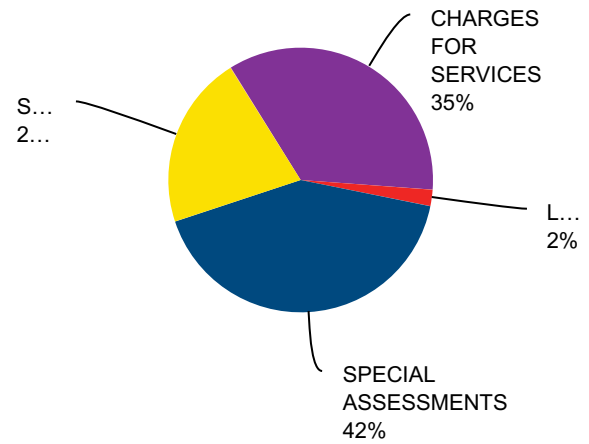
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



TRANSPORTATION MAINTENANCE AND REPAIR Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

**TRANSPORTATION ENGINEERING & DESIGN
EXPENSE AND REVENUE INFORMATION**

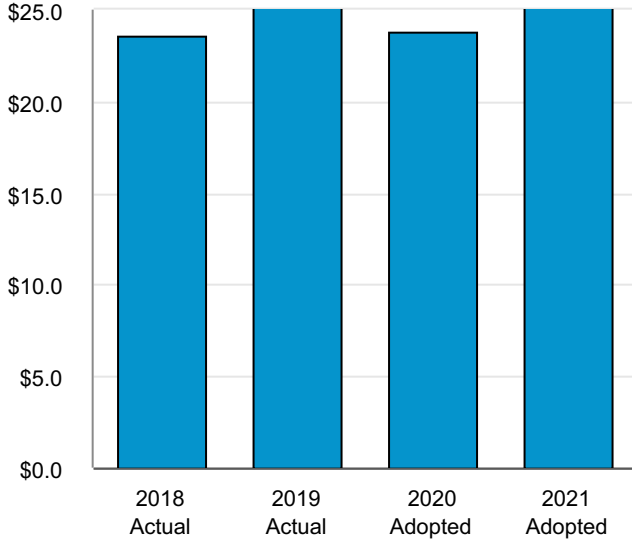
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 1,120,346 | 1,212,215 | 1,236,000 | 1,057,000 | -14.5% | (179,000) |
| FRINGES | 401,114 | 437,197 | 468,000 | 379,000 | -19.0% | (89,000) |
| CONTRACTUAL SERVICES | 465,220 | 464,186 | 452,000 | 392,000 | -13.3% | (60,000) |
| OPERATING COSTS | 23,700 | 24,563 | 38,000 | 61,000 | 60.5% | 23,000 |
| TOTAL GENERAL | 2,010,380 | 2,138,161 | 2,194,000 | 1,889,000 | -13.9% | (305,000) |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | — | — | — | — | 0.0% | 0 |
| FRINGES | — | — | — | — | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | — | — | — | — | | 0 |
| CAPITAL PROJECT | | | | | | |
| SALARIES AND WAGES | 3,590,835 | 4,071,601 | 4,369,000 | 5,102,000 | 16.8% | 733,000 |
| FRINGES | 1,296,653 | 1,429,436 | 1,587,000 | 1,886,000 | 18.8% | 299,000 |
| CONTRACTUAL SERVICES | 9,040,237 | 9,048,263 | 6,437,000 | 8,448,000 | 31.2% | 2,011,000 |
| OPERATING COSTS | 69,707 | 86,492 | 98,000 | 87,000 | -11.2% | (11,000) |
| CAPITAL EQUIPMENT | 50,670 | 29,238 | 80,000 | 80,000 | 0.0% | 0 |
| TOTAL CAPITAL PROJECT | 14,048,102 | 14,665,030 | 12,571,000 | 15,603,000 | 24.1% | 3,032,000 |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 812,859 | 993,330 | 1,058,000 | 1,062,000 | 0.4% | 4,000 |
| FRINGES | 265,244 | 324,291 | 406,000 | 383,000 | -5.7% | (23,000) |
| CONTRACTUAL SERVICES | 1,065,805 | 1,159,821 | 1,299,000 | 1,345,000 | 3.5% | 46,000 |
| OPERATING COSTS | 5,343,834 | 6,353,674 | 6,262,000 | 6,256,000 | -0.1% | (6,000) |
| TOTAL INTERNAL SERVICE | 7,487,742 | 8,831,116 | 9,025,000 | 9,046,000 | 0.2% | 21,000 |
| TOTAL EXPENSE | 23,546,224 | 25,634,307 | 23,790,000 | 26,538,000 | 11.6% | 2,748,000 |

**TRANSPORTATION ENGINEERING & DESIGN
EXPENSE AND REVENUE INFORMATION**

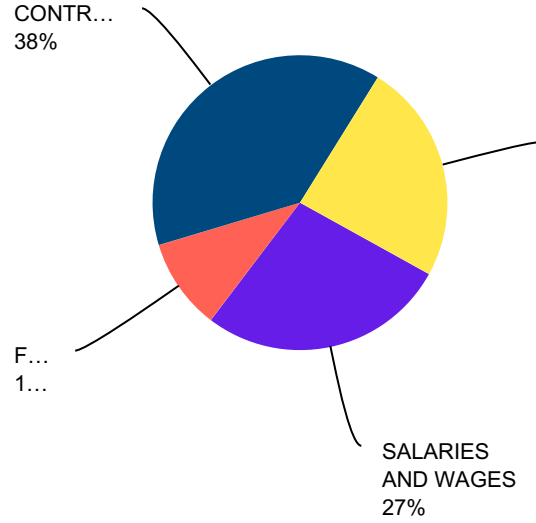
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| GENERAL | | | | | | |
| CHARGES FOR SERVICES | 1,397,942 | 1,927,459 | 1,100,000 | 1,500,000 | 36.4% | 400,000 |
| MISCELLANEOUS | 1,420 | — | — | — | 0.0% | 0 |
| PERMITS | 48,995 | 70,120 | 55,000 | 55,000 | 0.0% | 0 |
| TOTAL GENERAL | 1,448,357 | 1,997,579 | 1,155,000 | 1,555,000 | 34.6% | 400,000 |
| CAPITAL PROJECT | | | | | | |
| CHARGES FOR SERVICES | 12,863,760 | 16,359,795 | 10,090,000 | 10,000,000 | -0.9% | (90,000) |
| TRANSFERS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | 2,480,000 | 5,416,000 | 118.4% | 2,936,000 |
| TOTAL CAPITAL PROJECT | 12,863,760 | 16,359,795 | 12,570,000 | 15,416,000 | 22.6% | 2,846,000 |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SALES | 5,524,212 | 6,592,111 | 6,489,000 | 6,489,000 | 0.0% | 0 |
| CHARGES FOR SERVICES | 2,198,705 | 2,650,140 | 2,536,000 | 2,557,000 | 0.8% | 21,000 |
| MISCELLANEOUS | — | — | — | — | 0.0% | 0 |
| STATE GRANTS & AIDS | — | — | — | — | 0.0% | 0 |
| USE OF FUND BALANCE | — | — | — | — | 0.0% | 0 |
| TOTAL INTERNAL SERVICE | 7,722,917 | 9,242,251 | 9,025,000 | 9,046,000 | 0.2% | 21,000 |
| TOTAL REVENUE | 22,035,034 | 27,599,625 | 22,750,000 | 26,017,000 | 14.4% | 3,267,000 |

TRANSPORTATION ENGINEERING & DESIGN EXPENSE AND REVENUE INFORMATION

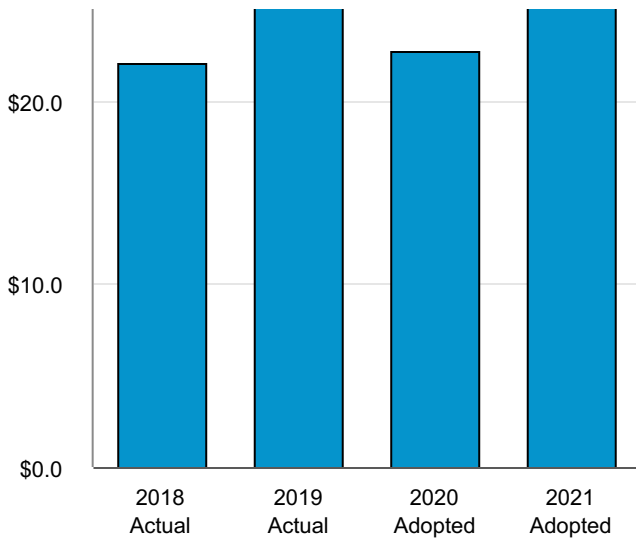
**Expense 2018 - 2021
In Millions**



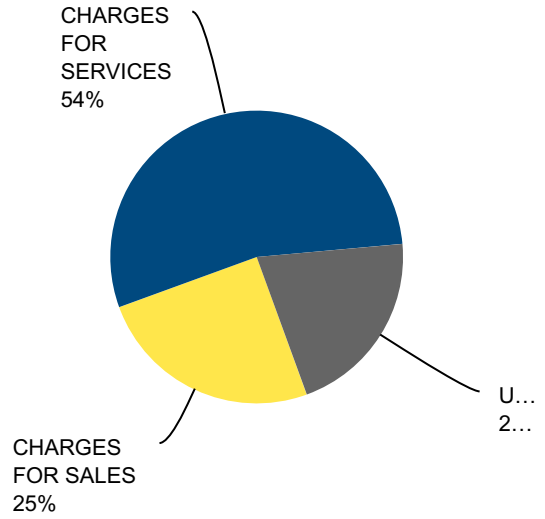
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



TRANSPORTATION ENGINEERING & DESIGN Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

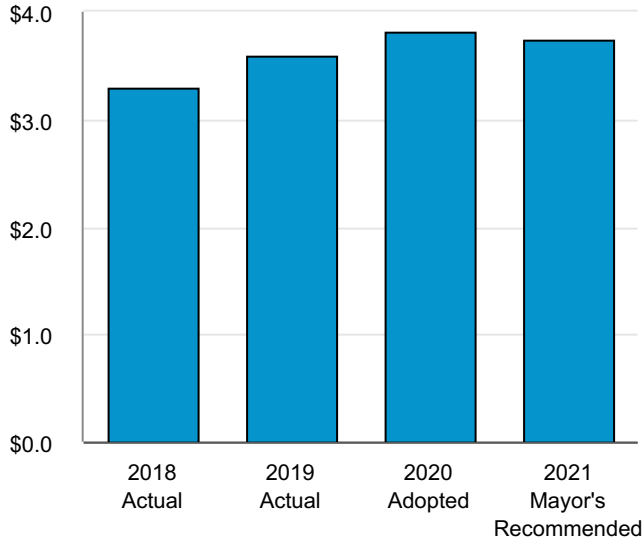
**TRANSPORTATION PLANNING & PROGRAMMING
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 1,479,588 | 1,500,864 | 1,751,000 | 1,554,000 | -11.3% | (197,000) |
| FRINGES | 476,493 | 461,241 | 559,000 | 521,000 | -6.8% | (38,000) |
| CONTRACTUAL SERVICES | 804,872 | 754,111 | 545,000 | 545,000 | 0.0% | 0 |
| OPERATING COSTS | 36,940 | 56,937 | 26,000 | 42,000 | 61.5% | 16,000 |
| TOTAL GENERAL | 2,797,893 | 2,773,153 | 2,881,000 | 2,662,000 | -7.6% | (219,000) |
| CAPITAL PROJECT | | | | | | |
| SALARIES AND WAGES | 117,830 | 209,650 | 370,000 | 444,000 | 20.0% | 74,000 |
| FRINGES | 40,054 | 87,516 | 116,000 | 156,000 | 34.5% | 40,000 |
| CONTRACTUAL SERVICES | 330,438 | 514,218 | 441,000 | 471,000 | 6.8% | 30,000 |
| TOTAL CAPITAL PROJECT | 488,322 | 811,384 | 927,000 | 1,071,000 | 15.5% | 144,000 |
| TOTAL EXPENSE | 3,286,215 | 3,584,537 | 3,808,000 | 3,733,000 | -2.0% | (75,000) |

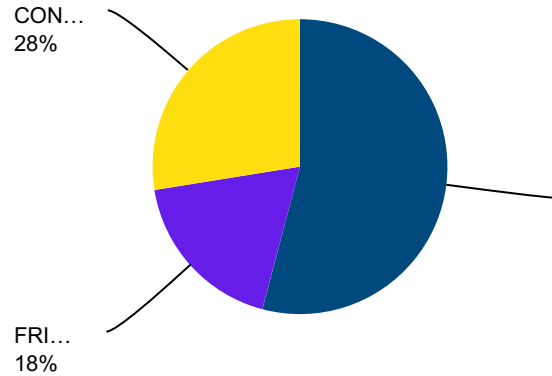
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|------------------------------|----------------|------------------|-----------------|-----------------|-------------------|---------------|
| GENERAL | | | | | | |
| CHARGES FOR SERVICES | — | — | — | — | 0.0% | 0 |
| TOTAL GENERAL | — | — | — | — | | 0 |
| CAPITAL PROJECT | | | | | | |
| CHARGES FOR SERVICES | 858,231 | 1,231,034 | 801,000 | 718,000 | -10.4% | (83,000) |
| USE OF FUND BALANCE | — | — | 126,000 | 235,000 | 86.5% | 109,000 |
| TOTAL CAPITAL PROJECT | 858,231 | 1,231,034 | 927,000 | 953,000 | 2.8% | 26,000 |
| TOTAL REVENUE | 858,231 | 1,231,034 | 927,000 | 953,000 | 2.8% | 26,000 |

TRANSPORTATION PLANNING & PROGRAMMING EXPENSE AND REVENUE INFORMATION

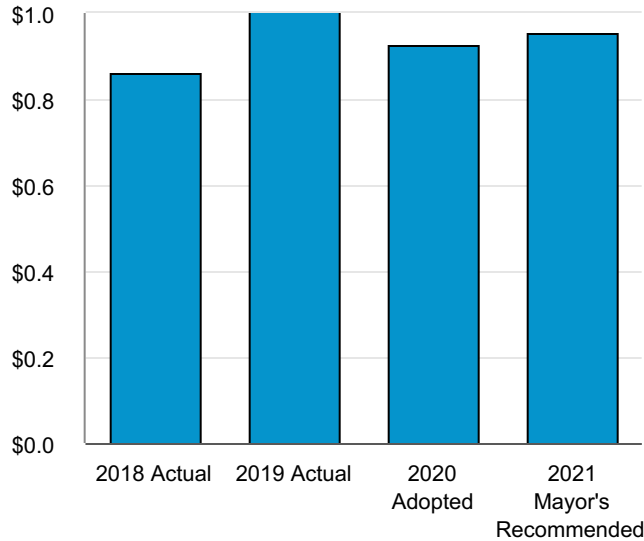
**Expense 2018 - 2021
In Millions**



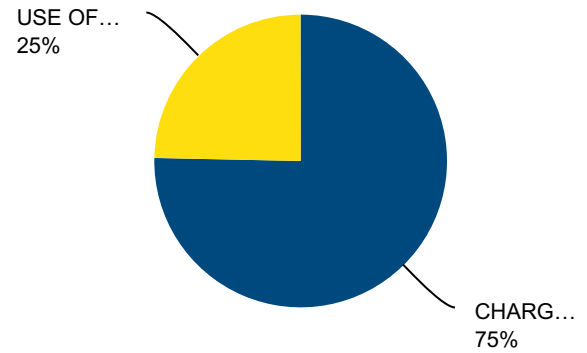
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



TRANSPORTATION PLANNING & PROGRAMMING Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

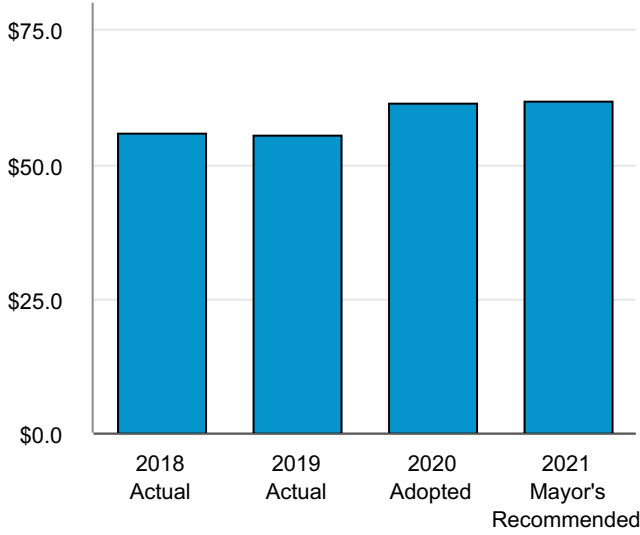
**WATER TREATMENT & DISTRIBUTION SERVICES
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|-------------------------|--------------------|--------------------|-------------------------|-------------------------|---------------------------|----------------|
| ENTERPRISE | | | | | | |
| SALARIES AND WAGES | 14,077,047 | 14,848,970 | 16,883,000 | 16,201,000 | -4.0% | (682,000) |
| FRINGES | 6,248,222 | 6,792,296 | 7,779,000 | 7,779,000 | 0.0% | 0 |
| CONTRACTUAL SERVICES | 23,854,752 | 21,607,037 | 24,842,000 | 25,418,000 | 2.3% | 576,000 |
| OPERATING COSTS | 11,302,498 | 11,623,176 | 11,457,000 | 11,707,000 | 2.2% | 250,000 |
| CAPITAL EQUIPMENT | 259,160 | 719,388 | 573,000 | 560,000 | -2.3% | (13,000) |
| TOTAL ENTERPRISE | 55,741,679 | 55,590,867 | 61,534,000 | 61,665,000 | 0.2% | 131,000 |
| TOTAL EXPENSE | 55,741,679 | 55,590,867 | 61,534,000 | 61,665,000 | 0.2% | 131,000 |

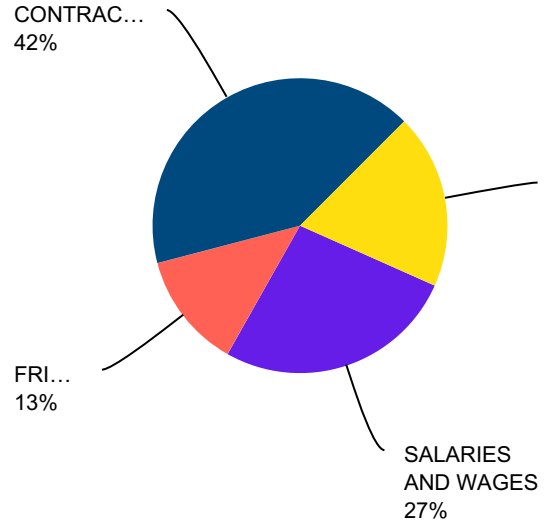
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | Percent Change | Change |
|------------------------------|--------------------|--------------------|-------------------------|-------------------------|---------------------------|------------------|
| ENTERPRISE | | | | | | |
| CHARGES FOR SALES | 294,378 | 300,341 | 234,000 | 241,000 | 3.0% | 7,000 |
| CHARGES FOR SERVICES | 84,792,503 | 80,045,034 | 88,194,000 | 86,925,000 | -1.4% | (1,269,000) |
| MISCELLANEOUS AND PERMITS | 95,310 | 30,016 | — | — | 0.0% | 0 |
| RENTS | 113,100 | 110,150 | 78,000 | 112,000 | 43.6% | 34,000 |
| SPECIAL ASSESSMENTS | — | 57,630 | — | 59,000 | 0.0% | 59,000 |
| USE OF FUND BALANCE | 1,216,782 | 289,543 | 1,245,000 | 1,277,000 | 2.6% | 32,000 |
| STATE GRANTS & AIDS | — | — | (8,363,000) | — | -100.0% | 8,363,000 |
| TRANSFERS | — | — | — | — | 0.0% | 0 |
| TRANSFERS | 684,147 | 593,310 | — | — | 0.0% | 0 |
| TOTAL ENTERPRISE | 87,196,220 | 81,426,024 | 81,388,000 | 88,614,000 | 8.9% | 7,226,000 |
| TOTAL REVENUE | 87,196,220 | 81,426,024 | 81,388,000 | 88,614,000 | 8.9% | 7,226,000 |

WATER TREATMENT & DISTRIBUTION SERVICES EXPENSE AND REVENUE INFORMATION

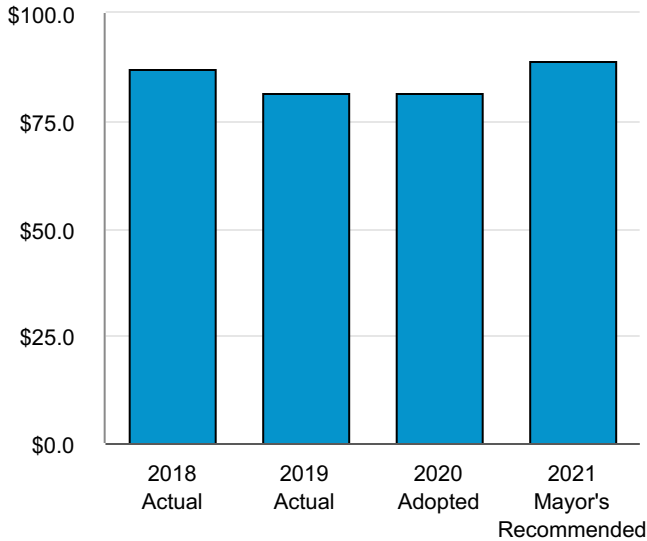
**Expense 2018 - 2021
In Millions**



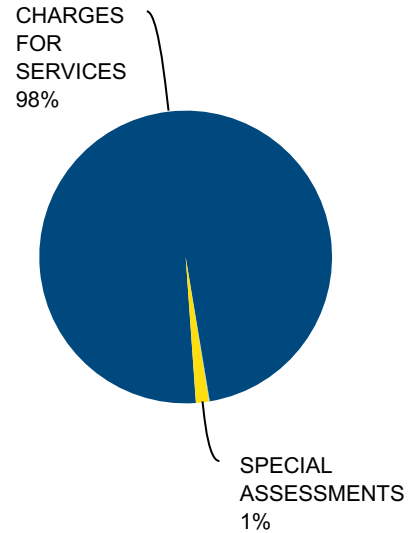
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



WATER TREATMENT & DISTRIBUTION SERVICES

Staffing Information

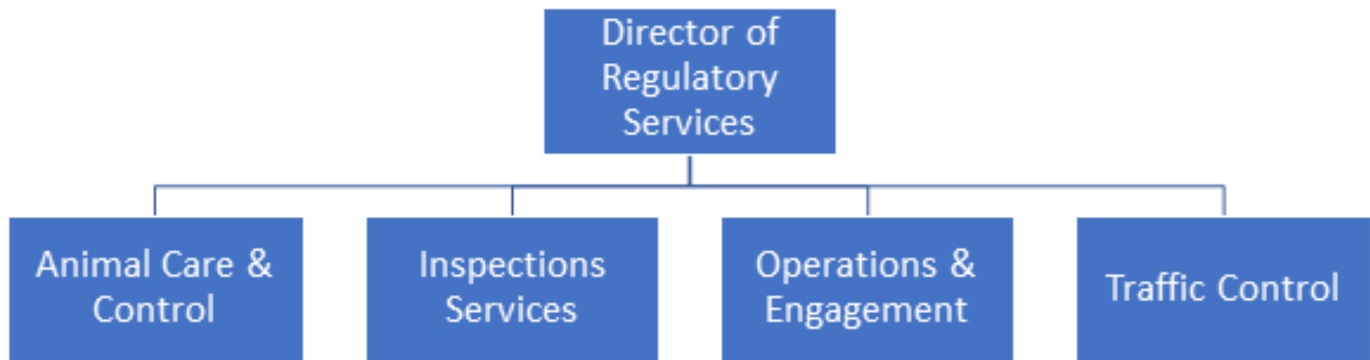
Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

REGULATORY SERVICES

Mission

The Minneapolis Regulatory Services Department strengthens communities by partnering with residents, neighborhoods and businesses to make the city safer, healthier and more inviting for all.

Organization Chart



Animal Care & Control (MACC)

General Fund: \$3,489,000

Minneapolis Animal Care & Control has a dual focus on public safety and shelter care that allows for a holistic view of animal welfare. MACC works with MPD, City Attorney, and non-profit partners to address criminal conduct involving animals. MACC promotes sound animal welfare policies such as pet licenses and spay and neuter programs; impounding, kenneling and providing proper veterinary care for injured, stray or surrendered animals; and adopting out pets in search of forever homes. MACC also conducts rabies quarantines for all bites to humans involving animals.

Inspection Services (IS)

General Fund: \$9,363,000

Other Fund: \$91,000

The Inspections division has a joint residential and commercial focus and provides a range of programs and activities designed to ensure safe and quality properties for property owners, businesses and renters. The division is responsible for managing Minneapolis's built structures through enforcement of licensing standards and consistent enforcement of the Fire Code and Housing Maintenance Code. The division works with rental property owners and renters to ensure all of our rental units - more than 100,000 - are safe and healthy; conducts commercial fire code inspections; resolves situations with hazardous structures through both Restoration Agreements and demolitions; provides plan review and inspections for fire suppression/prevention permits and systems; and manages the inventory of facilities with hazardous materials.

Code Compliance & Traffic Control (Traffic)

General Fund: \$6,257,000

Traffic Control provides parking enforcement and intersection control to assist traffic flow at intersections by providing for additional throughput on lights, allowing for additional turns and pedestrian movement.

This allows for safer, more efficient traffic flow during rush hour, special events, around construction sites and during emergencies and natural disasters. CCTC also coordinates with public works for street cleaning operations and snow emergencies. CCTC also responds to 311-reported parking violation and abandoned vehicle service requests.

Operations & Engagement

General Fund: \$4,201,000

Other Funds: \$0

Operations & Engagement provides department-wide leadership and support for internal City services including budget, technology services, business planning, process improvement, finances, IT, space, employee engagement, workforce planning, and community engagement/outreach. It is also responsible for oversight and management of data quality, data analytics and administrative enforcement. It oversees the administrative hearing program and is responsible for coordination of projects, public policy process and implementation, committee actions and council process.

Regulatory Services

Regulatory Services Base Cut

2021 Adopted Change Item

Program: Multiple

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|---------|---------|---------|---------|---------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | (2,088) | (800) | (800) | (800) | (800) |
| IT | (109) | (109) | (109) | (109) | (109) |
| Fleet | (3) | (3) | (3) | (3) | (3) |
| Contractual Services | (168) | (168) | (168) | (168) | (168) |
| Other | (96) | (96) | (96) | (96) | (96) |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | (2,463) | (1,176) | (1,176) | (1,176) | (1,176) |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|--------|-------|-------|-------|-------|
| Change in FTE Count | (15.1) | (4.0) | (4.0) | (4.0) | (4.0) |

Proposal Detail & Background:

The Council approves reducing the Regulatory Services budget by \$1.6M in the general fund. Additional reductions of \$289K are due to reduced expenses owed to internal service departments. These departments provide key services to the City enterprise, such as rent, fuel and vehicle maintenance, and IT systems and support.

The unprecedented public health response to curb the COVID-19 pandemic of 2020 impacted the lives of all city residents and significantly impacted city revenues. In order to maintain essential city services, respond to the urgent needs of residents, and position ourselves for a strong recovery, all departments have been asked to reduce spending in 2021.

Departments are expected to prioritize core services, minimize the need for layoffs, and examine and minimize impacts that would exacerbate racial disparities in outcomes of City services. What follows is a description of the reductions to the department's budget and its impact to services and racial equity.

Description of the Change:

The department loses 4 filled positions due to a planned reorganization; Regulatory Services was able to meet the required reductions without additional layoffs. Overall, at this staffing level, the department would have limited ability for proactive enforcement and would shift to routine and urgent work.

The reorganization involves the Housing Inspection Services, Fire Inspection Services and Operations + Engagement divisions. It works to increase efficiencies and capacity of the inspections teams, provide structural changes to support our Renter First work, and streamline our administrative functions. In addition, the reorganization responds to budget shortfalls and challenges.

Animal Care & Control

Holding a CSR vacancy will result in customer impacts including timely permit processing and hours the shelter is open to the public. Due to staffing constraints, this reduction requires the shelter be closed Saturday and Sunday and work on an appointment-only basis during the week. Other administrative positions will be required to back fill to maintain counter operations. In addition, CSRs assist with pet adoptions, transfer and return to owner; holding this vacancy will slow this system.

Inspections Services

This proposed budget holds 2.25 inspector FTE vacancies in Inspections Services. Holding multiple vacancies in this division will result in significant reduction in proactive inspection work as well as increased response time for habitability complaints, including those originating from renters. This is at a time when we will experience an increase in renter complaints due to new expectations around MPHA properties.

Operations + Engagement

Impacts at this level include reductions in our Operations + Engagement division, on top of 6 of the 7 positions the department contributed toward the Revolving Fund over the past few years. With these additional reductions, we will see extended response times in processing/collection of fees and permits, more administrative work being moved to field staff - decreasing the amount of time they can spend in the field - and more difficulty ensuring quality control in ELMS.

Traffic Control

Holding vacancies in this division (three full time agents and one supervisor position) will result in limited enforcement beyond rush hour and limited operational hours during the week (8am-6:30pm M-F) and weekend (limited Saturday service, no Sunday service). There would also be extended response times for complaints and Traffic Control would have less flexibility to provide services for construction or emergency situations.

Non-personnel

The recommended 2021 budget also includes \$227,000 in non-personnel cuts, resulting in impacts to the department's contract services, equity and inclusion efforts, nuisance abatement and short term rental enforcement.

- **Contract services:** This scenario represents a 65% cut to our routine contractual services, which include the following activities: administrative hearing officers, emergency veterinarians, disposal of euthanized animals, pick-up and disposal of roadkill, and DNA and evidence testing for criminal investigations. MACC will use internal staff for roadkill pickup in response to 311 complaints, which will slow our response. MACC will be judicious in determining which cases to send out for criminal investigations and may limit our investigation ability.

- **Equity and inclusion:** As part of our commitment to racial equity and understanding of our role as the community enforcement department in the City, Regulatory Services invests heavily in equity and inclusion, including individualized development plans that tie to performance reviews, regular trainings and workshops and a very active Equity and Inclusion team that sponsors and facilitates regular events. We also support professional development of employees recognizing that their enhanced skill sets enable us to be better at delivering public service. A \$25,000 cut to this work represents a 94% reduction and significantly reduces our training and development for the year.

- **Nuisance conditions:** Regulatory Services spends an average of \$530,000 annually on nuisance abatement activities. This budget scenario continues the 2020 budget for nuisance abatement at \$430,000, representing a 20% reduction in actual spending. In prior years, the department has closed this gap through vacancy savings. This will not be an option in 2021, at a time when we should expect demand for this service to increase – as was seen in the economic crisis in 2009 and 2010. It is also important to note that Regulatory Services does not control spending in two significant nuisance

conditions – hazardous trees and emergency board ups. These conditions account for 45% of the average spending (60% in 2020) in this account. In both of those situations, we serve as a pass-through entity, without control as to whether the expenses are incurred. This has a ripple effect on our ability to send contractors out to abate neighborhood nuisance conditions of long grass and trash piles, resulting in substandard neighborhood conditions. Historically, neighborhoods with high percentages of BIPOC residents are disproportionately impacted by nuisance conditions.

In 2020, we have seen a significant upswing in board ups due to multiple periods of social unrest. The increase has been offset by a reduction in contractor spending on long grass, tree removal and trash clean up due to light touch abatement for COVID-19 but we cannot depend on this counterbalance in future years.

Additionally, we recommend considering an alternate path for assessed contractor payments that are related to emergencies such as civil unrest and disasters. In emergency situations the board ups cannot be delayed and the work must fully secure the structures or there is significant risk of future harm and loss. Tying this work to other budget items jeopardizes the City's ability to respond to issues throughout the year.

Short-term rental enforcement: Our contract to scrub short term rental postings allows the City to proactively enforce the short-term rental industry. This scenario requires us to cancel this contract. Given our current data and technology capabilities, we cannot do this work in house.

Equity Impacts & Results:

The department took care to thoughtfully identify and, where possible, minimize equity impacts in the recommended 2021 budget. Equity impacts related to holding vacancies and staff reductions include:

- **Animal Care + Control:** Holding vacancies at MACC limits staff available for community access to safety net programs ensuring all resident can live healthy and safe lives with animals, including free kenneling for animals temporarily displaced due to domestic violence, owners' emergency medical issue, and disasters; a medical grant program for low income individuals; weekly low cost vaccination clinics; and other innovative programs to ensure pets and families stay together.
- **Inspections Services:** Holding multiple vacancies in this division will result in significant reduction in proactive inspection work as well as increased response time for habitability complaints, including those originating from renters. This is at a time when we will experience an increase in renter complaints due to new expectations around MPHA properties and recognize an urgent need to evolve our work to better respond to COVID-sensitive situations and renters at risk of displacement due to eviction.
- **Operations + Engagement:** Operations + Engagement serves as the hub for the department's Equity and Inclusion work and integrates that work into our field divisions. The workload impact of resource reductions are felt among BIPOC and white bodied staff and reduce our ability to support and respond to the demands of our growing diverse resident and employee population.
- **Traffic Control:** Code Compliance Specialist positions serve as a proven City entry point for BIPOC and female employees. Holding vacancies further delays a City workforce mirroring its population.

The equity-related impacts to the proposed non-personnel cuts are included in the Description of Change and Results section (above).

Regulatory Services

Pilot Programming Fund - Tenant Navigator

2021 Adopted Change Item

Program: Housing Inspections Services

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 30 | 30 | 30 | 30 | 30 |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 30 | 30 | 30 | 30 | 30 |

| Personnel Impacts | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$30,000 in one time general funding and the conversion of one general fund Inspector position into a Rental Housing Liaison and associated vehicle costs. This position will use culturally agile relationship building skills and housing knowledge to support renter rights in complex and sensitive housing situations. Rental Housing Liaisons will also provide a renter-focused approach in implementing policies.

This recommendation supports the Mayor’s affordable housing and economic inclusion priorities by protecting renter rights. Compared to homeowners, renters are more likely to belong to minority groups as well as be more vulnerable to market forces, cost-burdened, and living in environments conducive to predatory practices. These positions also build public trust by ensuring renters have access to services and information and that their voices are brought into decisions about their housing. Demand for these roles continues to grow, driven by: implementation of Renter First, an increasing number of renter protections in City ordinance, increases in the number of Tenant Remedies Actions and conditions on rental properties, and an increased awareness of the role and value of the Rental Housing Liaisons.

Description of the Change:

Rental Housing Liaisons increase the department’s capacity to proactively and positively focus on renter stability and renter-specific concerns that can result in displacement. Included when the City is taking an action that could impact the renter’s housing stability or if the renter has indicated a potential violation of a renter protection, Rental Housing Liaisons engage directly with the resident and then the property owner to understand and help resolve the situation. Their work ensures renters are partners in the inspection process and understand the City’s regulatory process. The Rental Housing Liaison and case inspector work together, with the inspector focused on making sure the violations are abated and the Rental Housing Liaison providing further support for the renter.

Additionally, Rental Housing Liaisons support Tenant Remedies Actions, promote 311, help build trust in residents and cross-train their inspector colleagues. As inspectors, they also carry an inspections case load, keeping their skills sharp and allowing the department to stay on track with its service goals. Given our current experience with 3 Liaison positions in Housing and Fire Inspection Services, we are capable of immediately hiring for these positions.

Equity Impacts & Results:

Rental Housing Liaisons break down barriers and address systemic oppression in housing for vulnerable renters by helping to shift the power dynamic in complex and sensitive situations. This added capacity in turn creates greater opportunities for renters to participate fully in community life. Liaisons have the cultural agility skills needed to effectively communicate with the diversity of Minneapolis. The impacts of the program reach beyond the individual cases, with current Liaisons appearing on cultural radio shows and answering live calls, attending community meetings, and encouraging renters to participate. Rental Housing Liaisons also contribute to effectively implementing and guiding work and policies that prioritize the needs of the renter when enforcing. They have built and are continuing to build networks within the community, identifying gaps in services and creating innovative partnerships to fill those gaps. As we work to fill these positions, the Department will be especially interested in candidates who speak multiple languages.

Comprehensive tracking systems are being built for this program so that we can better understand the populations served and whether we're meeting our goals of increasing housing stability and livability. Measures will include a) inspectors utilizing these services, b) geographic locations of cases, c) renter demographics, d) possible clusters by property owner and e) case outcomes. For our Renter First Policy we are also hosting sessions with all of our Housing and Fire Inspectors to see how this policy reinforces our current direction and takes us to the next level as we take actions that hold noncompliant property owners accountable while minimizing the impact on renters. We will be asking staff who work with rental licensing inspectors for their input on the types of metrics we should track.

Regulatory Services

OPI Recommendation - Regulatory Services

2021 Recommended Change Item

Program: Code Compliance & Traffic Control

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | 398 | 398 | 398 | 398 | 398 |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 73 | — | — | — | — |
| Other | 16 | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 488 | 398 | 398 | 398 | 398 |
| Personnel Impacts | | | | | |
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

This programming will allow the Traffic Control division within Regulatory Services to expand working hours for responding to most 911 parking calls currently handled by the Minneapolis Police Department (MPD). This is a first step in adding the late-night shift currently covered by MPD, a time with a high number of parking complaints.

The aftermath of the killing of George Floyd coupled with the coronavirus pandemic have seen both an increase in the number of crimes throughout Minneapolis and a decline in the number of MPD officers available to respond. In order to provide both timely and varied response options to the public, the Public Health and Safety Committee commissioned a 911/MPD Workgroup to evaluate 911 response data and provide alternative response solutions from other departments.

Description of the Change:

This proposal moves forward the 911/MPD Workgroup efforts through an initial investment in Regulatory Services for late-night parking enforcement. Its intention is to help alleviate MPD's stressed staffing levels by expanding Traffic Control's capacity to respond to most 911 calls for parking violations during the third-shift. The funding allows Regulatory Services to pilot late-night parking enforcement with one supervisor and three Code Compliance Specialists including equipment. The Supervisor will direct work and manage the late-night operation. Code Compliance Specialists will respond to 911 calls regarding parking violations and supplement their work with other code compliance activities, as needed. Additionally, Regulatory Services will join the Innovation Team in assessing the effectiveness of the pilot and providing recommendations on a future staffing model and associated budgeting needs.

Regulatory Services benefits from an existing parking violations framework and through this change can effectively scale up the current day shifts to include a late-night shift. New Code Compliance Specialists in Traffic Control will receive the training required to handle late-night parking complaints while serving in an already established infrastructure in a cost-effective manner. The department will evaluate the need for other personnel and non-personnel expenses once the program is underway, as budget allows. This program supports the City goals of public safety and public services.

Equity Impacts & Results:

Shifting late-night parking violations from MPD to Regulatory Services allows MPD to focus on violent crimes and provide timely services to residents who reside in areas that have experienced high increases in crime rates. Traffic Control responses provide a safer alternative to individuals who are apprehensive about interacting with the police and might therefore not report parking violations for fear of interacting with an armed officer. If these residents felt comfortable calling in violations that affected them, it would help reduce the inequities derived from higher reporting neighborhoods that subsequently see higher numbers of violation resolutions. It might also improve relationships with the City if calling in a violation resulted in a timely response and resolution.

Traffic Control would also provide a customer service-oriented approach that could improve daily interactions and work on rebuilding trust with the community. Furthermore, the division of Traffic Control has traditionally attracted a high percentage of BIPOC staff that is more representative of the community and could approach these interactions with a high degree of cultural agility.

A successful pilot will determine whether this funding provides sufficient staffing levels to handle late-night parking complaints, as well as identify other requirements necessary to operate effectively and safely. Regulatory Services will track the number of parking complaints, response times, and ability to meet service level agreements. The pilot design process will inform additional metrics. Information is collected in LAGAN and our ticket writing system. This pilot and its results will also allow us to adequately plan for any future expansions, from both the wins and opportunities we encounter. Similar to the survey information gathered for the 911/MPD Workgroup, follow up surveys could compare the community's satisfaction levels and willingness to interact with the City.

Regulatory Services

Tenant Relocation Services

2021 Recommended Change Item

Program: Housing Inspections Services

Fund: Regulatory Services Special

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 100 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 100 | — | — | — | — |
| Personnel Impacts | | | | | |
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

Housing Inspections requests a one-time \$100,000 revolving fund for the Tenant Relocation Fees program which provides assistance for renters displaced through no fault of their own.

The Tenant Relocation Fee ordinance passed in December 2019 with the goals of further protecting renter rights and providing help in finding affordable housing. The ordinance establishes relocation assistance equal to 3 months of rent for renters who are displaced due to the revocation or cancellation of a rental dwelling license through no fault of their own. By providing a relocation fee we are ensuring better options for renters as obtaining new housing requires time and unanticipated funds, especially in Minneapolis's tight rental market. If the property owner is unable or unwilling to pay the required relocation fee, the ordinance provides that either non-profits can assist with putting rent in escrow or the amount can be assessed on property taxes. For escrow, the issues must be identified in advance, with courts ultimately deciding if renters are entitled to the escrow. For assessments, a rental relocation assistance fund provides the funds upfront to renters, with the City recouping costs once the assessments are paid.

Description of the Change:

This proposal sets up a revolving fund that allows renters timely access to their relocation fees. When a property owner is held accountable for the condition of their building, renters can be unexpectedly displaced through no fault of their own. As a result, in considering license revocation, building condemnation, or license denial, Regulatory Services employs many housing tools that aim to preserve renter stability including, but not limited to, administrative citations, voluntary conditions on rental licenses, Tenant Remedies Action, Emergency Tenant Remedies Actions, and the Emergency Repair Board. If these housing stability tools are unable to remedy housing issues in substandard buildings with multiple serious and unresolved violations, the department can feel confident taking stronger actions against property owners, knowing that Renter Relocation assistance serves as an additional safety net

for displaced renters. This one-time change item is set up as a revolving fund to replenish itself and provide for on-going renter assistance. This option is in line with feedback from housing advocates who support improving living conditions, as long as there are additional supports for finding housing afterwards. Ultimately, this proposal provides a better outcome for renters through relocation fees that allow people to pay for moving-related costs, temporary housing, or deposits.

Equity Impacts & Results:

This proposal impacts renters, especially renters for whom relocation costs would be a financial burden. In Minneapolis, BIPOC communities comprise a majority of renters and also experience additional barriers to housing. When renters have to move without relocation assistance, they might be forced to seek housing outside of Minneapolis—upsetting schooling or work routines—or accept housing in substandard conditions. This funding will reduce disparities for renters and help uphold housing standards across the board, ensuring that more renters can live in safe, healthy, and dignified housing. In drafting the Rental Relocation Fees ordinance, nonprofits representing renters participated in discussions on how to best implement the ordinance. The main concerns centered on how to ensure that renters had access to the fees in a timely manner so they can successfully find new housing. With this change item, we're addressing these concerns.

If we were able to provide a financial safety net to displaced renters, the department would have an additional tool when considering whether to take stronger actions against nonresponsive property owners. This would result in tracking the number of actions taken by the department that a) result in displacement and b) require the use of the renter relocation fees revolving fund. By tracking the individuals requiring renter relocation assistance, we could potentially ask renters to provide data disaggregated by race and other factors in order to better track success indicators. By collecting such data, we could better anticipate housing needs and understand the renter stories of individuals and families that might need targeted housing support.

Regulatory Services

Animal Safety Net Pilot Program

2021 Recommended Change Item

Program: Minneapolis Animal Care & Control

Fund: General Fund

| Overall Impact (\$000s) | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|---------|------|------|------|------|
| Revenue Sources | | | | | |
| Not Applicable | — | — | — | — | — |
| Expenditures | | | | | |
| Personnel | — | — | — | — | — |
| IT | — | — | — | — | — |
| Fleet | — | — | — | — | — |
| Contractual Services | 280,000 | — | — | — | — |
| Other | — | — | — | — | — |
| Net Budgetary Impact | | | | | |
| Expenditures - Revenues | 280,000 | — | — | — | — |
| Personnel Impacts | | | | | |
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Change in FTE Count | | — | — | — | — |

Proposal Detail & Background:

The Council approves \$280,000 in one-time funding to sustain the Minneapolis Animal Care and Control Animal Safety Net program. This program allows individuals and families to focus on their mental and physical health and safety, without added concern for their companion pets.

In times of need, animals are often a barrier to families and individuals leaving unstable or abusive situations to seek safe, stable housing, particularly during times of transition. The Animal Welfare Institute reports that across multiple surveys, between 18% and 48% of domestic violence women survivors postpone leaving a dangerous situation due to worries about the safety of their pets. The Animal Safety Net is designed to help residents prioritize their own health by providing a safe place for their animals.

In cases of sickness or major life transitions, the Animal Safety Net also provides a short-term safe alternative, allowing individuals to focus on wellness and stability. It also provides low-cost vaccines and microchips, long-term foster care, grants to help low-income individuals with pet expenses, and minor medical or grooming needs performed by MACC staff. This request supports the City goal of prioritizing reliable and equitable access to high-quality public services and public health.

Description of the Change:

The program unifies and provides strategic direction to amplify existing activities, including:

- Domestic Violence Program
- Emergency Sheltering for pets during an owner’s medical emergency
- Emergency Sheltering for unexpected housing displacement due to disasters, such as fire
- Weekly low-cost vaccine and microchip clinics
- Foster Program for extended care of displaced owned animals being housed while the owner recovers

- Critical Care Assistance grant-based funding to assist low-income individuals with emergency care for their pet
- Field Assistance Program, a resource to help individuals work through barriers to pet care including education and moderate assistance such as medical advice from our veterinarians, grooming by our ACTs, and medical examination and medical prescriptions. Officers work through the issue with the owner until it is corrected and resolved. Referrals to other programs to assist the owner in resolving issues can also be provided.

In order to maximize its impact and ensure we are reaching those who need it most, if allocated, these dollars would be used to:

- Solidify the structure of the Animal Safety Net program, including a foster program
- Increase our partnerships with community organizations and shelters across the city
- Pursue grant writing
- Cover expenses that are incurred by these families including vet and sheltering fees

Equity Impacts & Results:

A significant number of individuals helped by this program are experiencing physical, or mental, trauma or illness. Many animal owners in the City do not have the resources or support systems required to help care for their animals during turbulent times. This program allows individuals to focus on healing themselves, without worry about losing their companion animal or judgment for putting their own health first. In 2019, MACC helped approximately 70 families who were working through medical issues or displacement due to issues such as residential fires or domestic violence.

Many of these activities are targeted specifically at low-income individuals and households who cannot otherwise afford these services. Given that Minneapolis has one of the worst racial inequality records in the nation, disproportionate amounts of BIPOC residents are low-income. According to a Washington Post May 2020 article, in Minneapolis “the typical black household earns only 44 percent as much as the typical white one” amounting to an average gap of \$47,000. During the COVID-19 pandemic these disparities have increased, as BIPOC populations have been more negatively affected both by the coronavirus and its subsequent impacts. These historical and recent disparities result in higher percentages of BIPOC residents who are eligible for the Animal Safety Net program. By increasing the funding for these programs, the City can positively impact the lives of BIPOC residents and their pets. This change item will allow us prepare sustainable and proactive programming and explore external funding.

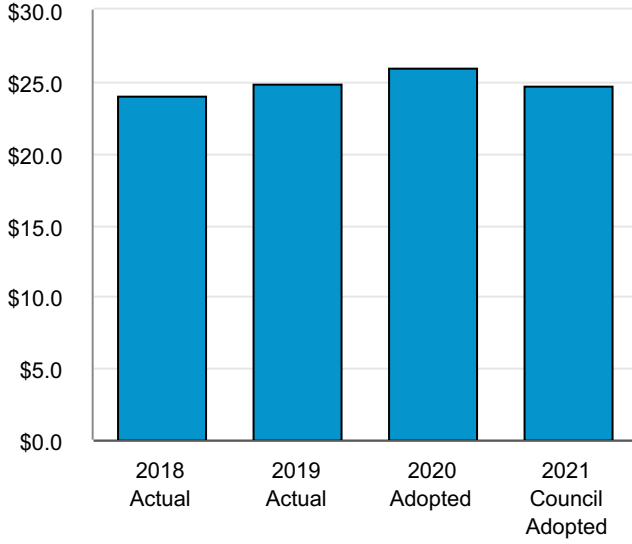
MACC will track the number of pets and individuals that we serve as part of the Animal Safety Net program, including duration, services, and possible demographic data. Additionally, we will work ahead to systematize programming, solidify partnerships and pursue grants. Performance data will be collected through MACC records, participant interviews, health of animals upon arrival and departure from the shelter, and number of animals reconnected with their owners.

**REGULATORY SERVICES
EXPENSE AND REVENUE INFORMATION**

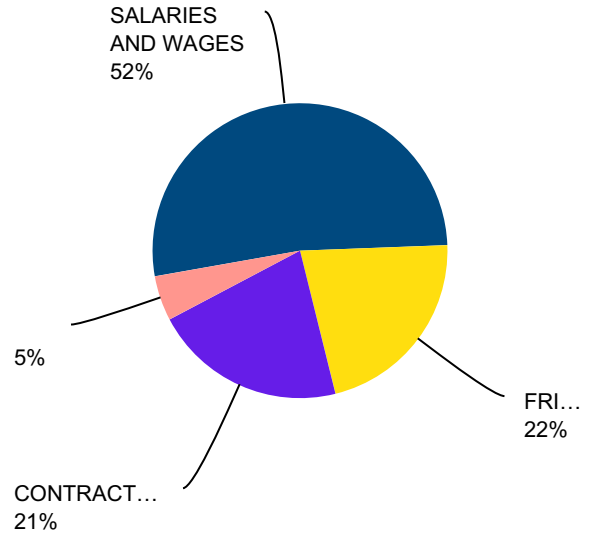
| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|--------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 10,482,525 | 10,794,360 | 12,070,000 | 12,829,000 | 6.3% | 759,000 |
| FRINGES | 4,105,477 | 4,259,799 | 4,988,000 | 5,349,000 | 7.2% | 361,000 |
| CONTRACTUAL SERVICES | 3,823,457 | 4,404,133 | 4,145,000 | 5,130,000 | 23.8% | 985,000 |
| OPERATING COSTS | 1,585,340 | 1,270,412 | 1,160,000 | 1,219,000 | 5.1% | 59,000 |
| CAPITAL EQUIPMENT | 20,903 | 9,546 | — | 40,000 | 0.0% | 40,000 |
| TOTAL GENERAL | 20,017,702 | 20,738,250 | 22,363,000 | 24,567,000 | 9.9% | 2,204,000 |
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 2,107,372 | 2,158,364 | 1,704,000 | 71,000 | -95.8% | (1,633,000) |
| FRINGES | 847,359 | 869,788 | 709,000 | 19,000 | -97.3% | (690,000) |
| CONTRACTUAL SERVICES | 918,459 | 1,019,924 | 1,001,000 | 100,000 | -90.0% | (901,000) |
| OPERATING COSTS | 44,543 | 54,653 | 53,000 | — | -100.0% | (53,000) |
| CAPITAL EQUIPMENT | 70,067 | 13,693 | 115,000 | — | -100.0% | (115,000) |
| TOTAL SPECIAL REVENUE | 3,987,800 | 4,116,422 | 3,582,000 | 190,000 | -94.7% | (3,392,000) |
| TOTAL EXPENSE | 24,005,502 | 24,854,672 | 25,945,000 | 24,757,000 | -4.6% | (1,188,000) |
| REVENUE | | | | | | |
| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
| GENERAL | | | | | | |
| BUSINESS LICENSES AND PERMITS | 3,947,061 | 4,926,690 | 6,225,000 | 5,340,000 | -14.2% | (885,000) |
| CHARGES FOR SERVICES | 775,812 | 882,274 | 825,000 | 1,019,000 | 23.5% | 194,000 |
| CONTRIBUTIONS | 89 | 1,155 | — | — | 0.0% | 0 |
| FINES AND FORFEITS | 5,922,496 | 6,127,254 | 5,390,000 | 4,180,000 | -22.4% | (1,210,000) |
| MISCELLANEOUS | 396,772 | 279,236 | 325,000 | 100,000 | -69.2% | (225,000) |
| NON-BUSINESS LICENSES AND PERMITS | 1,582,130 | 1,929,261 | 1,550,000 | 1,497,000 | -3.4% | (53,000) |
| SPECIAL ASSESSMENTS | 556,358 | 824,869 | 512,000 | 1,878,000 | 266.8% | 1,366,000 |
| TOTAL GENERAL | 13,180,718 | 14,970,739 | 14,827,000 | 14,014,000 | -5.5% | (813,000) |
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SERVICES | 131,692 | 130,736 | 100,000 | — | -100.0% | (100,000) |
| CONTRIBUTIONS | 101,188 | 109,269 | — | — | 0.0% | 0 |
| FINES AND FORFEITS | 6,600 | 550 | — | — | 0.0% | 0 |
| SPECIAL ASSESSMENTS | 2,065,710 | 1,969,605 | 2,370,000 | — | -100.0% | (2,370,000) |
| USE OF FUND BALANCE | — | — | 1,022,000 | — | -100.0% | (1,022,000) |
| TOTAL SPECIAL REVENUE | 2,305,190 | 2,210,160 | 3,492,000 | — | -100.0% | (3,492,000) |
| TOTAL REVENUE | 15,485,908 | 17,180,899 | 18,319,000 | 14,014,000 | -23.5% | (4,305,000) |

REGULATORY SERVICES EXPENSE AND REVENUE INFORMATION

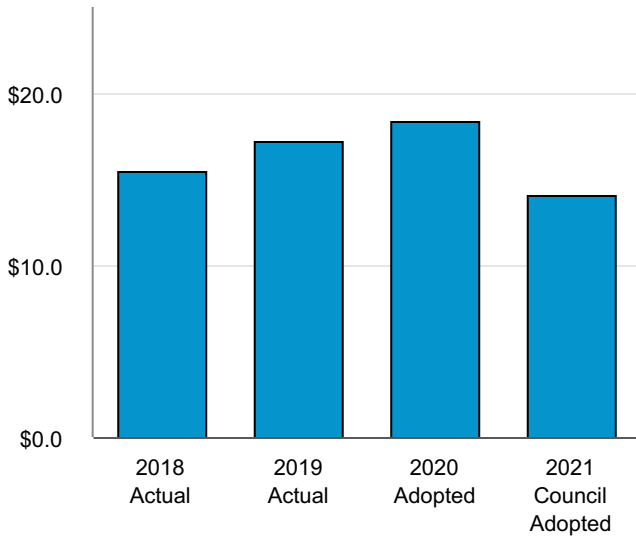
**Expense 2018 - 2021
In Millions**



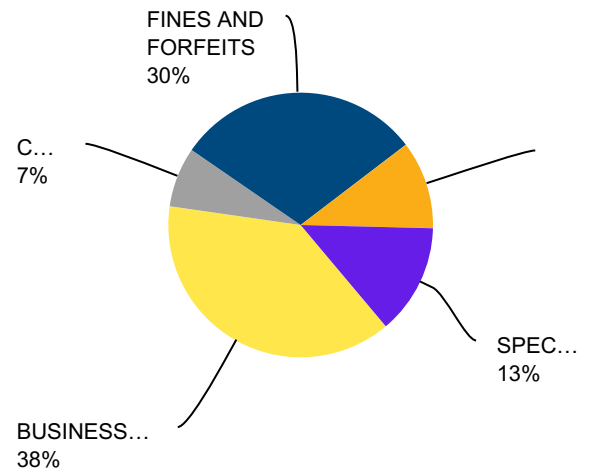
Expense by Category



**Revenue 2018 - 2021
In Millions**



Revenue by Type



REGULATORY SERVICES
Staffing Information

Detailed information on department staffing can be found on Schedule 5 in the Financial Schedules section at the end of this budget book.

**City of Minneapolis
2021 Adopted Budget**

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City of Minneapolis
2021-2026 Capital Program
Capital Budget Overview

CAPITAL IMPROVEMENT BUDGET DEVELOPMENT

The City adopts a six-year capital improvement program (CIP) that is updated annually. Each year, City departments & independent boards and commissions prepare new and/or modify existing capital budget requests (CBRs). The CBRs are then reviewed by the Capital Long- Range Improvement Committee (CLIC) which is a citizen advisory committee to the Mayor and City Council. The CLIC process is facilitated by Finance & Property Services staff.

CLIC is comprised of 33 appointed members, including two members per Council Ward and seven at-large members appointed by the Mayor. The overall committee elects a Chair and Vice Chair. The committee functions with two programmatic task forces of approximately the same number of members. Each task force, “Transportation” and “Human Development”, elects a Chair and Vice Chair. Collectively, these six elected members form the Executive Committee and represent CLIC in meetings with the Mayor and City Council. The task force members receive and review all CBRs for their program areas as submitted by the various City departments, independent boards and commissions.

In a typical year, CLIC convenes several half-day or full-day meetings, during which departments and boards formally present their requests and offer explanations. Task force members then rate all proposals using a rating system with specific criteria and create a numerical ranking for each project. Highest-ranking projects are then balanced against proposed available resources by year to arrive at a five-year capital improvement program recommendation to the Mayor and City Council. All meetings were held remotely this year in light of the COVID-19 Pandemic, but the committee completed its work none-the-less.

CLIC’s recommendations serve as the starting point from which the Mayor and City Council’s decisions are made. The Mayor makes recommendations on the capital budget as well as the operating budget. The Council adopts the five-year capital plan simultaneously with the operating budget, although appropriation is only adopted for the first year.

For this six-year plan covering years 2021-2026, there were 130 CBRs reviewed and rated. The total requested capital budget for the five years was \$1.413 billion.

HIGHLIGHTS OF THE 2021-2026 COUNCIL ADOPTED CAPITAL IMPROVEMENT PROGRAM

Six-Year Capital Program Totals: For 2021-2026, the six-year capital program for City departments, independent boards and commissions totals \$1.283 billion including all funding sources. The 2021 portion of this program is \$196.4 million. This budget demonstrates significant commitments to improving the City and Park Board’s infrastructure.

The table below provides a high level summary of the Council Adopted five-year capital program. Funding for individual projects can be found in the “Capital Budget Detail for Funded Projects” report later in this document.

| Submitting Agency | Infrastructure Category | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total | Percent of Total |
|--|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Budget in Thousands | | | | | | | | | |
| PARK BOARD | NEIGHBORHOOD PARKS | 12,981 | 12,979 | 12,980 | 12,981 | 12,980 | 12,980 | 77,881 | 6.07 % |
| PUBLIC WORKS | TRANSPORTATION | 76,397 | 73,350 | 141,067 | 96,863 | 134,696 | 140,082 | 662,455 | 51.65 % |
| | UTILITY FEE BASED ENTERPRISES | 76,856 | 81,432 | 87,617 | 62,287 | 53,430 | 47,250 | 408,872 | 31.88 % |
| | Public Works Department Totals | 153,253 | 154,782 | 228,684 | 159,150 | 188,126 | 187,332 | 1,071,327 | 83.53 % |
| OTHER AGENCIES | CITY HALL, PUBLIC BLDGS, MISC. | 30,128 | 20,369 | 26,575 | 15,035 | 14,516 | 26,755 | 133,377 | 10.40 % |
| COUNCIL ADOPTED FIVE-YEAR CAPITAL PROGRAM | | 196,362 | 188,130 | 268,239 | 187,166 | 215,622 | 227,067 | 1,282,586 | 100.00 % |

Property Tax Supported Net Debt Bond Program:

The Net Debt Bond (NDB) program is funded by property tax revenue, and is used to finance infrastructure improvements and to leverage other important funding sources presented in the five-year plan. As a result of increasing the NDB program for additional infrastructure improvements over the last several years and the 20-year funding plan for streets and parks, the bond redemption levy will increase in 2021 and future years to support the additional debt service that will be incurred. The impact of these increases will be mitigated due to the decertification of the consolidated tax increment district in 2020 which will increase the tax capacity in 2021. Below are highlights of the 2021-2026 NDB program.

NDB Resources for Capital Improvements: The base NDB funding levels have averaged approximately \$171.5 million for each five-year plan over the last three capital budget cycles. This budget includes a base amount of \$170.2 million in the five-year plan, and \$207.9 million across the new six-year planning window, to continue significant improvements to the City’s infrastructure. The table below reflects increases in the Street Infrastructure & Neighborhood Park Plan to be funded with NDB. The new higher NDB levels will improve all classes of City infrastructure with a greater emphasis on paving projects, pedestrian and bikeway connections, traffic safety, signage and lighting improvements, bridge improvements and significant additional park improvements. These additional resources are combined with municipal state aid, special assessments and grant funds. Total funding for individual projects can be found in the “Capital Budget Detail for Funded Projects” report later in this document.

| \$ thousands | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | TOTAL |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| NDB Base Funding Totals | \$ 32,041 | \$ 33,023 | \$ 33,800 | \$ 35,000 | \$ 36,300 | \$ 37,700 | \$ 207,864 |
| Streets Infrastructure Increase | 10,100 | 10,140 | 9,880 | 9,510 | 9,041 | 8,467 | 57,138 |
| Neighborhood Parks Increase | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 48,000 |
| New Public Service Center | 8,700 | — | 4,300 | — | — | — | 13,000 |
| Total Property Tax-Supported Debt | 52,941 | 57,063 | 55,980 | 52,510 | 53,341 | 54,167 | 326,002 |

Street Infrastructure and Neighborhood Park Funding Plan: The new expanded 20-year funding (over base) for streets and neighborhood parks is included in this budget. The total dollar increases for the five-year plan have been broken out into several existing and new paving projects for Street Infrastructure along with additional special assessments and municipal state aid adjustments as determined by the Public Works Department. For the Park Board, funds of \$8 million per year were added to various neighborhood park projects, with prospective interest increases that must be affirmed prior to enactment. The total resources added by funding source (excluding special assessments and municipal state aid) are summarized in the table below:

| \$ millions | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | TOTAL |
|--|----------|----------|----------|----------|----------|----------|-----------|
| NDB - Parks | \$ 8.00 | \$ 8.00 | \$ 8.00 | \$ 8.00 | \$ 8.00 | \$ 8.00 | \$ 48.00 |
| NDB - Streets | 10.10 | 10.14 | 9.88 | 9.51 | 9.04 | 8.47 | 57.14 |
| Stormwater Revenues - Streets | 1.56 | 1.58 | 1.59 | 1.61 | 1.62 | 1.64 | 9.60 |
| General Fund Transfer - Streets | 11.29 | 11.69 | 12.41 | 13.23 | 14.17 | 15.23 | 78.02 |
| Total funding added by year | \$ 30.95 | \$ 31.41 | \$ 31.88 | \$ 32.35 | \$ 32.83 | \$ 33.34 | \$ 192.76 |

Public Works – NDB funding: The 2021 capital budget includes \$22.1 million in base NDB funding for Public Works projects and \$10.1 million in new Street Infrastructure NDB. Below is a summary of the 2020-2026 NDB allocation for Public Works infrastructure programs.

| \$ millions | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | TOTAL |
|------------------------------------|----------|----------|----------|----------|----------|----------|-----------|
| NDB - Public Works base | \$ 22.11 | \$ 19.47 | \$ 40.09 | \$ 36.67 | \$ 45.66 | \$ 72.15 | \$ 236.15 |
| NDB - Street Infrastructure | 10.10 | 10.14 | 9.88 | 9.51 | 9.04 | 8.47 | 57.14 |
| Total Public Works NDB | \$ 32.21 | \$ 29.61 | \$ 49.97 | \$ 46.18 | \$ 54.70 | \$ 80.62 | \$ 293.29 |

Neighborhood Parks NDB and Park Capital Levy funding: The 2021-2026 capital budget includes an average of \$2.4 million of base NDB per year, and \$8 million of new Neighborhood Parks NDB funding. The 2021 budget includes \$10.5 million of net debt bonds, and \$2.2 million of park capital levy. Below is a summary of the total 2021-2026 funding for neighborhood parks capital improvements, excluding the Diseased Tree Removal Program which is funded through special assessment bonds.

| \$ millions | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | TOTAL |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|
| NDB - Park Board base | \$ 2.50 | \$ 2.50 | \$ 2.50 | \$ 2.50 | \$ 2.50 | \$ 2.50 | \$ 15.00 |
| NDB - Neighborhood Parks | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 48.00 |
| Park Capital Levy | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 | 13.08 |
| Total Neighborhood Parks | \$ 12.68 | \$ 12.68 | \$ 12.68 | \$ 12.68 | \$ 12.68 | \$ 12.68 | \$ 76.08 |

The Park Capital Levy is a portion of the Park Board's total tax levy dedicated to capital improvements at the discretion of the Park Board.

NDB funding for Municipal Building Commission (MBC), Public Grounds & Facilities, and Miscellaneous Projects: The 2021 capital budget includes \$2.6 million in NDB funding for these categories. Projects include building improvements for Police, Fire and other City buildings, including City Hall and public art. These categories comprise 20.7% of the available NDB resources in the six-year plan. Below is a summary of the 2021-2026 NDB funding for MBC, Public Grounds & Facilities, and Miscellaneous projects, including Public Art which is funded at 1.5% of the total NDB in 2021-2026. The new Public Service Center also utilizes the NDB program in the 2021-2026 plan, with additional funding coming from non-NDB program debt sources; debt service for this project will be provided by a combination of tax levies continued after the City’s library debt obligations are fully paid and from enterprise and fee revenues.

| \$ millions | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | TOTAL |
|------------------------------|---------|----------|----------|----------|----------|----------|----------|
| NDB - Other | \$ 7.43 | \$ 11.21 | \$ 17.50 | \$ 13.56 | \$ 14.52 | \$ 26.76 | \$ 90.98 |
| PSC CIP/Charter Bonds | \$ 8.70 | \$ — | \$ 4.30 | | | | \$ 13.00 |

Utility Fee/Rate Supported Capital: The 2021-2026 capital budget includes funding for sanitary and storm sewers and water infrastructure improvements which are supported by utility rates. Long-term financial plans are used to determine utility fees required to support operations and infrastructure costs. The table below does not include utility fund contributions of \$9.6 million over the five-year period for utility work performed as part of certain paving projects, most of which relates to storm sewer contributions on the new street infrastructure program. Utility Fees can be found in the Financial Schedules section of this book. Below is a summary of the Council Adopted capital program for these enterprises:

PUBLIC WORKS UTILITY FEE-BASED ENTERPRISES

(in millions)

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total | Percent of Total |
|----------------------|----------|----------|----------|----------|----------|----------|-----------|------------------|
| SANITARY SEWERS | \$ 18.50 | \$ 14.82 | \$ 14.82 | \$ 13.50 | \$ 13.50 | \$ 13.50 | \$ 88.65 | 24.60 % |
| STORM SEWERS | 28.00 | 27.12 | 28.02 | 15.80 | 15.80 | 15.80 | 130.55 | 36.23 % |
| WATER INFRASTRUCTURE | 22.53 | 25.97 | 29.84 | 28.85 | 19.99 | 13.95 | 141.12 | 39.17 % |
| TOTAL | \$ 69.03 | \$ 67.91 | \$ 72.68 | \$ 58.15 | \$ 49.29 | \$ 43.25 | \$ 360.32 | 100.00 % |

Relationship between the Capital and Operating Budgets: As part of each capital budget request, submitting agencies identify whether the capital request will result in an increase or decrease in annual operating costs. Departments are instructed to manage operating cost increases or decreases within existing operating budget funding levels.

Off-Ramps

Compared to past years, the 2021-2026 capital program presents a more fulsome picture of the demands on the City’s NDB program, and related debt service levy. The 2021 and 2022 years are fully balanced against available resources, however the 2023-2026 years exceed the current bonding levels that have been incorporated into the City’s financial direction. To the extent that the projects in years 2023-2026 are priorities, the City will face a decision in the subsequent budget year whether to increase bonding levels and related levies. Alternatively, to the extent that the capital program needs to be reduced, those projects that begin in years 2022-2026 represent “off ramps”, i.e. investment needs that can be deferred by 1-2 years or indefinitely, with less immediate disruption than would occur if an active project were halted.

As shown below, the total unsupported programming across the 6 years is \$133.6 million. Pursuing 1-year, 2-year, and indefinite deferrals of projects scheduled to begin in 2022-2026 would reduce the total six-year program by \$71.4 million, \$113.8 million, and \$205.1 million respectively, and a combination of these measures can be used to maximize the number of projects delivered in a given year.

"Off-Ramp" Projects in years 2022-2026

| | <i>in thousands</i> | | | | | | |
|--|---------------------|---------|----------|----------|----------|----------|-----------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
| Recommended NDB Level | 50,141 | 51,323 | 52,000 | 53,000 | 54,000 | 55,000 | 315,464 |
| NDB Unsupported Programming (A) | — | — | 25,992 | 17,245 | 25,713 | 62,872 | 131,821 |
| Total NDB Programming | 50,141 | 51,323 | 77,992 | 70,245 | 79,713 | 117,872 | 447,285 |
| Projects Beginning in 2022 | | 5,704 | 12,747 | 6,257 | 970 | — | 25,678 |
| Projects Beginning in 2023-2026 | | — | 23,151 | 39,101 | 39,332 | 77,811 | 179,395 |
| Total | | 5,704 | 35,898 | 45,358 | 40,302 | 77,811 | 205,073 |
| NDB Unsupported Programming (See (A) above) | | — | 25,992 | 17,245 | 25,713 | 62,872 | 131,821 |
| Reductions achievable by 1-year deferrals | | (5,704) | (29,909) | (7,665) | 7,324 | (35,494) | (71,448) |
| Reductions achievable by 2-year deferrals | | (5,704) | (35,898) | (39,369) | (2,609) | (30,185) | (113,765) |
| Reductions achievable by indefinite deferrals | | (5,704) | (35,898) | (45,358) | (40,302) | (77,811) | (205,073) |

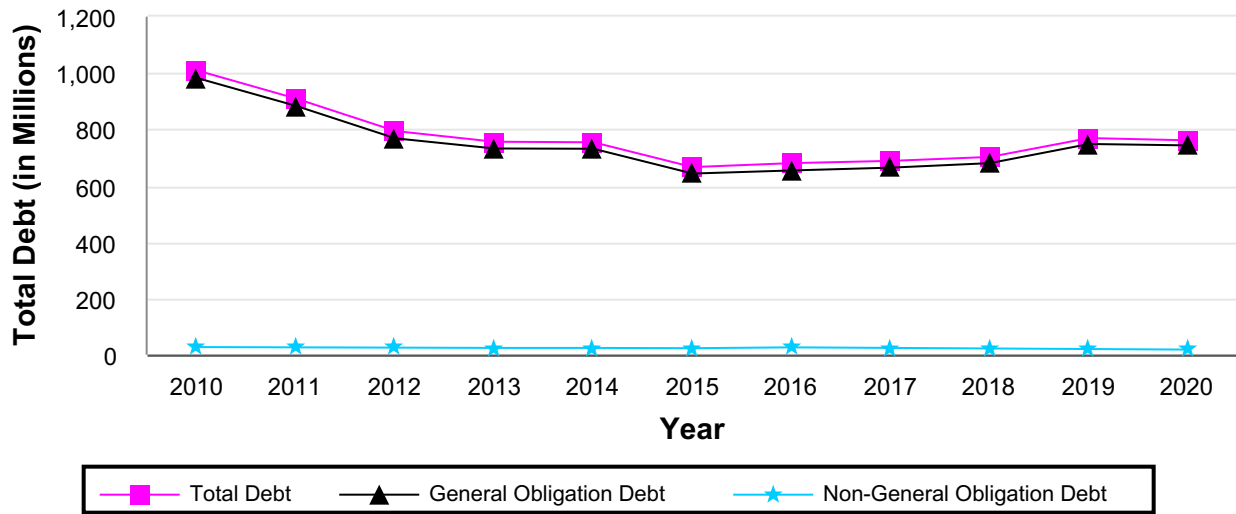
CITY DEBT

Minneapolis' total outstanding general obligation debt is decreased from \$748 million as of December 31, 2019 to \$743 million for the year ending December 31, 2020. These totals include debt that the City issues on behalf of its discrete component units, the Minneapolis Park & Recreation Board and the Municipal Building Commission, and debt the City has previously issued on behalf of the Minneapolis Library Board. Within the scope of its debt policy, the City continuously explores for advantageous terms and debt instruments to finance its long term capital improvements.

DEBT TRENDS

Management of the City's debt involves consideration of not only the absolute amount of debt, but also of yearly trends in the relationship of the debt to other financial measures. The accompanying chart shows a ten-year history of the total City debt level for years 2010-2020. The total includes general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which includes tax increment backed revenue bonds and notes.

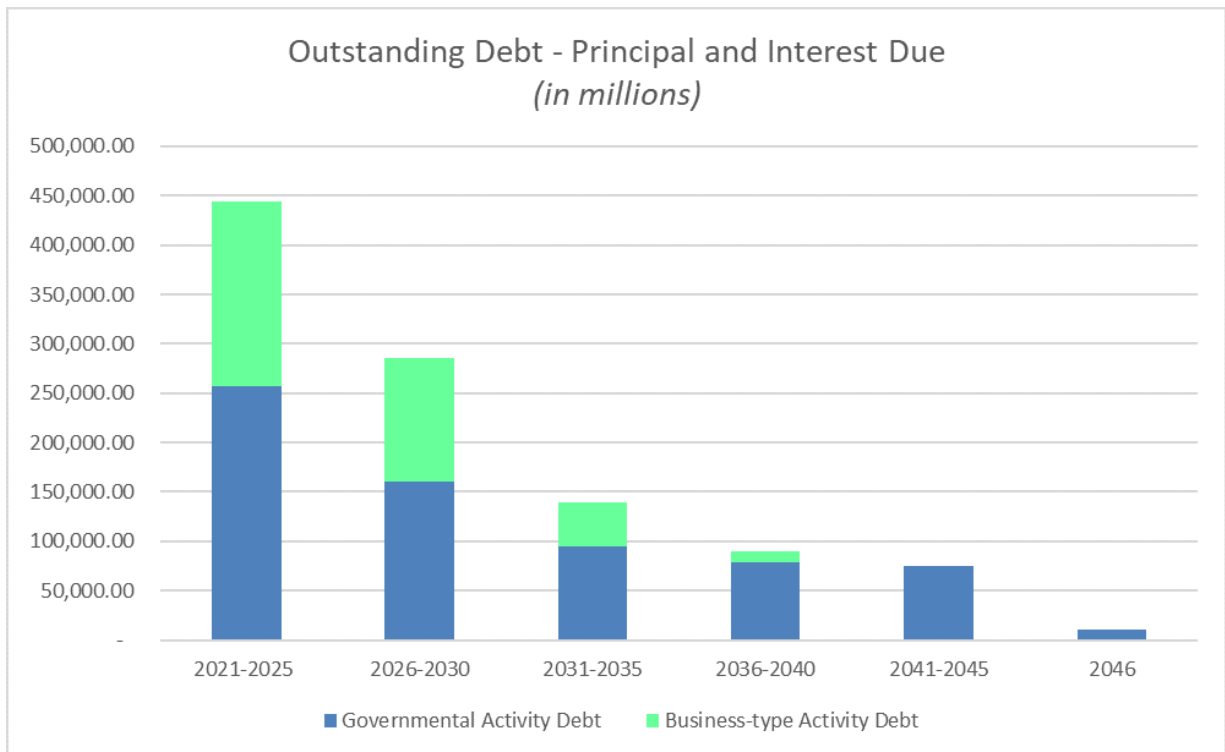
City of Minneapolis Total Debt as of 12/31, 2010-2020



AMORTIZATION OF OUTSTANDING CITY DEBT

The debt service requirements for outstanding City Debt as of December 31, 2020 are presented below. This includes debt for governmental activities, which are supported by property taxes, other governmental aids and general revenues, and for business-type activities, which are supported by user fees and in certain cases by private businesses that benefited directly from the debt issuance.

Outstanding Debt - Principal and Interest Due (in millions)



For the 2021-2025 period, average annual debt service requirements for outstanding Governmental Activity Debt is \$51.3 million and it is \$37.5 million for outstanding Business-type Activity Debt.

ANNUAL DEBT SERVICE REQUIREMENTS (in thousands)

| Year Ending Dec 31 | Governmental Activity | | Business Type | | Total |
|--------------------|-----------------------|------------|---------------|-----------|-----------|
| | Principal | Interest | Principal | Interest | |
| 2021 \$ | 45,245 \$ | 17,077 \$ | 31,975 \$ | 9,521 \$ | 103,818 |
| 2022 | 37,535 | 15,197 | 34,990 | 8,334 | 96,056 |
| 2023 | 31,025 | 13,842 | 31,860 | 7,255 | 83,982 |
| 2024 | 23,415 | 12,693 | 25,455 | 6,404 | 67,967 |
| 2025 | 48,605 | 11,807 | 26,220 | 5,691 | 92,323 |
| 2021-2025 | 185,825 | 70,616 | 150,500 | 37,202 | 444,143 |
| 2026-2030 | 113,345 | 46,929 | 106,847 | 17,825 | 284,946 |
| 2031-2035 | 63,205 | 31,738 | 37,430 | 6,714 | 139,087 |
| 2036-2040 | 58,195 | 20,445 | 9,945 | 1,454 | 90,039 |
| 2041-2045 | 66,135 | 8,561 | — | — | 74,696 |
| 2046 | 10,585 | 361 | — | — | 10,946 |
| \$ | 486,705 \$ | 178,289 \$ | 304,722 \$ | 63,195 \$ | 1,043,857 |

FUTURE DEBT CAPACITY

The City monitors its debt levels continuously against its legal maximums as determined by its statutory debt limit, which restricts the City's "net debt" (gross debt less certain current revenues and excluding certain obligations) from exceeding 3-1/3% of the market value of its taxable property. This ratio has remained below 3% since 2007 and resources requested under the 2021-2026 CIP are not projected to exceed this level.

The City also evaluates the impact of its debt levels in consideration of its overall demands on the property tax levy, as described in the Financial Plans found earlier in this document. Within the Financial Plans, the Ten-Year Projection of Demands on the Property Tax addresses the assumed operational cost increases for the General Fund.

The latest information on the City's debt capacity can be found in its latest available bond offering document published on the City's finance website, www.minneapolismn.gov/finance.

Six-Year Capital Investment Allocation Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total | n |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Municipal Building Commission | 9,203 | 10,118 | 4,100 | 2,350 | — | — | 25,771 | 2.01 % |
| Park Board | 12,980 | 12,979 | 12,980 | 12,981 | 12,980 | 12,980 | 77,880 | 6.07 % |
| Public Works | 153,253 | 154,782 | 228,684 | 159,150 | 188,126 | 187,332 | 1,071,327 | 83.53 % |
| Public Grounds and Facilities | 20,178 | 9,472 | 21,618 | 11,849 | 13,680 | 25,910 | 102,707 | 8.01 % |
| Miscellaneous Projects | 747 | 779 | 858 | 836 | 836 | 845 | 4,901 | 0.38 % |
| Grand Total | 196,361 | 188,130 | 268,239 | 187,166 | 215,622 | 227,067 | 1,282,586 | 100.00% |

Public Works Department Breakdown

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total | n |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|
| PW Street Paving | 51,462 | 46,380 | 104,892 | 73,768 | 78,191 | 104,247 | 458,940 | 42.84 % |
| PW Sidewalks | 2,760 | 2,760 | 2,860 | 2,880 | 2,880 | 2,880 | 17,020 | 1.59 % |
| PW Bridges | 2,100 | 2,880 | 14,810 | 2,230 | 35,640 | 7,220 | 64,880 | 6.06 % |
| PW Traffic Control and Street Lighting | 8,070 | 11,065 | 10,195 | 9,945 | 9,945 | 10,195 | 59,415 | 5.55 % |
| PW Active Mobility | 1,000 | 1,000 | 500 | 500 | 500 | 500 | 4,000 | 0.37 % |
| PW Bike-Ped | 7,005 | 5,265 | 2,670 | 2,400 | 2,400 | 9,900 | 29,640 | 2.77 % |
| PW Sanitary Sewer | 17,000 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 89,500 | 8.35 % |
| PW Stormwater Sewer | 26,500 | 26,800 | 27,700 | 16,800 | 16,800 | 16,800 | 131,400 | 12.27 % |
| PW Water | 32,790 | 38,715 | 45,280 | 30,850 | 21,985 | 15,950 | 185,570 | 17.32 % |
| PW Fleet | 566 | 1,417 | 137 | 137 | 145 | — | 2,402 | 0.22 % |
| PW Parking | 4,000 | 4,000 | 5,140 | 5,140 | 5,140 | 5,140 | 28,560 | 2.67 % |
| Grand Total | 153,253 | 154,782 | 228,684 | 159,150 | 188,126 | 187,332 | 1,071,327 | 100.00% |

Six-Year Capital Funding Summary

Council Adopted Budget

General Infrastructure and Enterprise Funding Summary

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| General Infrastructure | | | | | | | |
| CIP/Charter Bonds | \$ 8,700 | \$ — | \$ 4,300 | \$ — | \$ — | \$ — | \$ 13,000 |
| Federal Grants | 2,100 | 4,745 | 7,750 | — | — | 5,000 | 19,595 |
| Hennepin County Grants | 5,352 | 5,809 | 6,370 | 2,175 | 1,000 | 1,000 | 21,706 |
| Municipal State Aid | 11,918 | 12,100 | 12,000 | 11,900 | 11,900 | 11,800 | 71,618 |
| Net Debt Bonds | 49,012 | 49,551 | 75,592 | 70,245 | 79,713 | 117,872 | 441,984 |
| Other | 566 | 1,717 | 437 | 137 | 145 | — | 3,002 |
| Other Local Governments | 300 | — | 39,411 | — | 2,909 | — | 42,620 |
| Park Capital Levy | 2,180 | 2,180 | 2,180 | 2,180 | 2,180 | 2,180 | 13,080 |
| Private Contributions | — | — | — | — | — | — | — |
| Reimbursements | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 24,600 |
| Sidewalk Assessments | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| Special Assessment Bonds | 9,732 | 8,255 | 10,561 | 11,996 | 9,761 | 13,856 | 64,161 |
| State Grants | — | — | — | — | 27,690 | — | 27,690 |
| Transfer from General Fund | 19,287 | 12,689 | 12,405 | 13,534 | 14,174 | 15,228 | 87,317 |
| Transfer from Stormwater Fund | 1,561 | 1,577 | 1,593 | 1,609 | 1,625 | 1,641 | 9,606 |
| General Infrastructure Total | 116,808 | 104,723 | 178,699 | 119,876 | 157,197 | 174,677 | 851,979 |
| Enterprise | | | | | | | |
| Net Debt Bonds | 1,128 | 1,772 | 2,400 | — | — | — | 5,300 |
| Parking Bonds | 4,400 | 2,000 | — | — | — | — | 6,400 |
| Parking Revenue | 1,000 | 2,300 | 5,440 | 5,140 | 5,140 | 5,140 | 24,160 |
| Reimbursements | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 24,000 |
| Sanitary Bonds | 15,500 | 13,123 | 12,123 | 8,500 | 8,000 | 8,500 | 65,745 |
| Sanitary Revenue | 3,000 | 2,000 | 3,000 | 5,000 | 5,500 | 5,000 | 23,500 |
| Solid Waste & Recycling Bonds | — | 800 | 600 | — | — | — | 1,400 |
| Stormwater Bonds | 15,500 | 17,023 | 18,523 | 7,500 | 7,000 | 7,500 | 73,045 |
| Stormwater Revenue | 12,500 | 10,300 | 9,700 | 8,300 | 8,800 | 8,300 | 57,900 |
| Transfer from Internal Service Fund | — | 2,920 | 2,920 | — | — | — | 5,840 |
| Water Bonds | 16,525 | 21,170 | 24,835 | 22,850 | 13,985 | 7,950 | 107,315 |
| Water Revenue | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 36,000 |
| Enterprise Total | 79,553 | 83,408 | 89,541 | 67,290 | 58,425 | 52,390 | 430,605 |
| Grand Total | 196,361 | 188,131 | 268,240 | 187,166 | 215,622 | 227,067 | 1,282,584 |

City-Wide Capital Funding Summary

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total | Breakdown |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Enterprise Bonds | 51,925 | 54,115 | 56,080 | 38,850 | 28,985 | 23,950 | 253,905 | 19.80 % |
| Enterprise Revenue | 22,500 | 20,600 | 24,140 | 24,440 | 25,440 | 24,440 | 141,560 | 11.04 % |
| Municipal State Aid | 11,918 | 12,100 | 12,000 | 11,900 | 11,900 | 11,800 | 71,618 | 5.58 % |
| Net Debt Bonds | 50,140 | 51,323 | 77,992 | 70,245 | 79,713 | 117,872 | 447,284 | 34.87 % |
| CIP/Charter Bonds | 8,700 | — | 4,300 | — | — | — | 13,000 | 1.01 % |
| Other | 41,446 | 41,737 | 83,166 | 29,735 | 59,823 | 35,149 | 291,056 | 22.69 % |
| Special Assessments | 9,732 | 8,255 | 10,561 | 11,996 | 9,761 | 13,856 | 64,161 | 5.00 % |
| Grand Total | 196,361 | 188,130 | 268,239 | 187,166 | 215,622 | 227,067 | 1,282,584 | 100.00% |

Note: Transfers from Stormwater and Sanitary Sewer Funds are actually reflected in certain Street Paving Projects in the Capital Budget Detail for Funded Projects report found later in this document.

Six-Year Capital Funding Summary (Public Works)

Council Adopted Budget

General Infrastructure and Enterprise Funding Summary

| | Budget in thousands | | | | | | |
|-------------------------------------|---------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
| General Infrastructure | | | | | | | |
| Federal Grants | 2,100 | 4,745 | 7,750 | — | — | 5,000 | 19,595 |
| Hennepin County Grants | 750 | 750 | 4,320 | 1,000 | 1,000 | 1,000 | 8,820 |
| Municipal State Aid | 11,918 | 12,100 | 12,000 | 11,900 | 11,900 | 11,800 | 71,618 |
| Net Debt Bonds | 32,214 | 29,614 | 49,967 | 46,184 | 54,697 | 80,617 | 293,293 |
| Other | 566 | 1,417 | 137 | 137 | 145 | — | 2,402 |
| Other Local Governments | 300 | — | 39,411 | — | 2,909 | — | 42,620 |
| Reimbursements | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 24,600 |
| Sidewalk Assessments | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| Special Assessment Bonds | 9,432 | 7,955 | 10,261 | 11,696 | 9,461 | 13,556 | 62,361 |
| State Grants | — | — | — | — | 27,690 | — | 27,690 |
| Transfer from General Fund | 11,287 | 11,689 | 12,405 | 13,234 | 14,174 | 15,228 | 78,017 |
| Transfer from Stormwater Fund | 1,561 | 1,577 | 1,593 | 1,609 | 1,625 | 1,641 | 9,606 |
| General Infrastructure Total | 76,228 | 75,947 | 143,944 | 91,860 | 129,701 | 134,942 | 652,622 |
| Enterprise | | | | | | | |
| Parking Bonds | 3,000 | 2,000 | | | | | 5,000 |
| Parking Revenue | 1,000 | 2,000 | 5,140 | 5,140 | 5,140 | 5,140 | 23,560 |
| Reimbursements | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 24,000 |
| Sanitary Bonds | 15,500 | 12,823 | 11,823 | 8,500 | 8,000 | 8,500 | 65,145 |
| Sanitary Revenue | 3,000 | 2,000 | 3,000 | 5,000 | 5,500 | 5,000 | 23,500 |
| Stormwater Bonds | 15,500 | 16,823 | 18,323 | 7,500 | 7,000 | 7,500 | 72,645 |
| Stormwater Revenue | 12,500 | 10,300 | 9,700 | 8,300 | 8,800 | 8,300 | 57,900 |
| Transfer from Internal Service Fund | — | 2,920 | 2,920 | — | — | — | 5,840 |
| Water Bonds | 16,525 | 19,970 | 23,835 | 22,850 | 13,985 | 7,950 | 105,115 |
| Water Revenue | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 36,000 |
| Enterprise Total | 77,025 | 78,836 | 84,741 | 67,290 | 58,425 | 52,390 | 418,705 |
| Grand Total | 153,253 | 154,783 | 228,685 | 159,150 | 188,126 | 187,332 | 1,071,327 |

Public Works Capital Funding Summary

| | Budget in thousands | | | | | | Total | Breakdown |
|---------------------|---------------------|----------------|----------------|----------------|----------------|----------------|------------------|-----------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | | |
| Enterprise Bonds | 50,525 | 51,615 | 53,980 | 38,850 | 28,985 | 23,950 | 247,905 | 23.14 % |
| Enterprise Revenue | 22,500 | 20,300 | 23,840 | 24,440 | 25,440 | 24,440 | 140,960 | 13.16 % |
| Municipal State Aid | 11,918 | 12,100 | 12,000 | 11,900 | 11,900 | 11,800 | 71,618 | 6.68 % |
| Net Debt Bonds | 32,214 | 29,614 | 49,967 | 46,184 | 54,697 | 80,617 | 293,293 | 27.38 % |
| Other | 26,664 | 33,198 | 78,636 | 26,080 | 57,643 | 32,969 | 255,190 | 23.82 % |
| Special Assessments | 9,432 | 7,955 | 10,261 | 11,696 | 9,461 | 13,556 | 62,361 | 5.82 % |
| Grand Total | 153,253 | 154,782 | 228,684 | 159,150 | 188,126 | 187,332 | 1,071,327 | 100.00 % |

**2021-2026 Council Adopted Net Debt Bond Resources
For Property Tax Supported Bond Program**

| Recommended Resources by Year (000s) | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Totals |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Available NDB Resources: | | | | | | | |
| 2021-2026 Base NDB Program | 31,669 | 33,629 | 38,967 | 37,742 | 38,000 | 39,000 | 219,007 |
| Mayor Adjustments to Base NDB Program | 372 | (446) | (5,167) | (2,742) | (1,700) | (1,300) | (10,983) |
| Council Adopted Base NDB Program* | 32,041 | 33,183 | 33,800 | 35,000 | 36,300 | 37,700 | 208,024 |

* Base funding includes an average of \$10.0 million per year for Streets and \$2.5 million per year for Parks based on 2016 funding levels before the Streets and Parks Infrastructure Ordinance was approved on April 29, 2016.

| Expanded Street Infrastructure and Neighborhood Park Funding Plan (NDB portion only): | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Street Infrastructure NDB Increase** | 10,100 | 10,140 | 9,880 | 9,510 | 9,041 | 8,467 | 57,138 |
| Neighborhood Parks NDB Increase | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 48,000 |
| Total NDB Increases for Streets and Neighborhood Parks | 18,100 | 18,140 | 17,880 | 17,510 | 17,041 | 16,467 | 105,138 |
| Grand Total Recommended NDB Program | 50,141 | 51,323 | 51,680 | 52,510 | 53,341 | 54,167 | 313,162 |

This resource summary represents the City's commitment for General Infrastructure assets which includes parks, public buildings, streets, bridges, bike & pedestrian improvements, traffic signals and other capital assets used for providing basic city services. These resources also leverage significant additional funding from special assessments, municipal state aid, other government grants, etc.

**The Street Infrastructure portion of the 20 year plan includes additional cash transfers from the General Fund, special revenue funds, stormwater revenues and special assessments not shown above.

2021 Bond Redemption Levy for Capital Program

| | Amount (000's) | |
|--|-------------------|---|
| Tax Levy Certified for Bond Redemption in 2021 | 43,830 | |
| Bond Redemption Levy Base Adjustment | 270 | Per Five-Year Financial Direction 2020-2024 |
| Streets & Parks Funding Increase | 2,050 | Per Streets & Parks Ordinance Funding Plan |
| Pension & TIF Decertification Adjustment | 930 | Adjustment |
| Tax Levy Certified for Bond Redemption in 2021*** | 47,080 | For supporting ongoing Capital Programs |

*** Planning for NDB levels above include long-term financial plans that anticipate future bond redemption levy increases for the 20-Year Streets & Neighborhood Parks Plan, inflationary increases, current cash balances in the debt service fund, an estimate of interest earnings and currently structured debt service.

Net Debt Bond Allocation

Council Adopted Budget

Summarized by Major Type of Infrastructure

| | Budget in thousands | | | | | | Total | Breakdown |
|--|---------------------|---------------|---------------|---------------|---------------|----------------|----------------|-----------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | | |
| Municipal Building Commission | 2,602 | 5,059 | 2,050 | 1,175 | — | — | 10,886 | 2.43 % |
| Park Board | 10,500 | 10,499 | 10,500 | 10,501 | 10,500 | 10,500 | 63,001 | 14.09 % |
| Public Works | | | | | | | | |
| PW Street Paving | 15,109 | 11,809 | 20,847 | 31,829 | 34,622 | 58,522 | 172,738 | 38.62 % |
| PW Sidewalks | 760 | 760 | 860 | 880 | 880 | 880 | 5,020 | 1.12 % |
| PW Bridges | 2,100 | 2,880 | 10,115 | 2,230 | 7,950 | 7,220 | 32,495 | 7.26 % |
| PW Traffic Control and Street Lighting | 4,870 | 5,220 | 7,095 | 8,345 | 8,345 | 8,595 | 42,470 | 9.50 % |
| PW Active Mobility | 1,000 | 1,000 | 500 | 500 | 500 | 500 | 4,000 | 0.89 % |
| PW Bike-Ped | 5,110 | 2,765 | 2,670 | 2,400 | 2,400 | 4,900 | 20,245 | 4.53 % |
| PW Water | 3,265 | 5,180 | 7,880 | — | — | — | 16,325 | 3.65 % |
| Public Works Total | 32,214 | 29,614 | 49,967 | 46,184 | 54,697 | 80,617 | 293,293 | 65.57 % |
| Public Grounds and Facilities | 4,078 | 5,372 | 14,618 | 11,549 | 13,680 | 25,910 | 75,207 | 16.81 % |
| Miscellaneous Projects | 747 | 779 | 858 | 836 | 836 | 845 | 4,899 | 1.10 % |
| Grand Total | 50,141 | 51,323 | 77,993 | 70,245 | 79,713 | 117,872 | 447,286 | 100.00 % |

Capital Budget Summary

Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Municipal Building Commission | | | | | | | |
| MBC01 - Life Safety Improvements | 2,585 | 3,118 | — | — | — | — | 5,703 |
| MBC02 - Mechanical Systems Upgrade | 5,709 | 3,000 | 2,500 | — | — | — | 11,209 |
| MBC10 - Exterior Improvements | — | — | — | — | — | — | — |
| MBC12 - Safety Improvements - Non-Stagework Areas | 910 | 4,000 | 1,600 | 2,350 | — | — | 8,860 |
| MBC13 - 1st Street Reconstruction Sidewalk Enhancements | — | — | — | — | — | — | — |
| Municipal Building Commission Total | 9,204 | 10,118 | 4,100 | 2,350 | — | — | 25,772 |
| Park Board | | | | | | | |
| PRK02 - Playground and Site Improvements Program | 1,245 | 1,041 | 1,420 | 1,172 | 1,275 | 1,404 | 7,557 |
| PRK03 - Shelter - Pool - Site Improvements Program | — | 544 | 300 | — | — | — | 844 |
| PRK04 - Athletic Fields - Site Improvement Program | 516 | — | — | — | — | — | 516 |
| PRK33 - Bryn Mawr Meadows Field Improvements | 2,780 | 665 | — | — | — | — | 3,445 |
| PRK36 - North Commons Park Implementation | 1,000 | — | — | — | — | — | 1,000 |
| PRK37 - Powderhorn Park Implementation | 460 | 641 | — | — | — | — | 1,101 |
| PRK38 - Sibley Field Park Implementation | 300 | — | — | — | — | — | 300 |
| PRK40 - Elliot Park Implementation | — | — | 515 | 988 | — | — | 1,503 |
| PRK41 - East Phillips Park Implementation | — | 428 | — | — | 970 | — | 1,398 |
| PRK42 - Farview Park Implementation | — | — | 750 | 500 | — | — | 1,250 |
| PRK43 - Audubon Park Implementation | — | — | — | 1,355 | 100 | — | 1,455 |
| PRK44 - Bottineau Park Implementation | — | — | — | — | 1,400 | — | 1,400 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 2,064 | 5,565 | 5,910 | 4,906 | 5,175 | 7,516 | 31,137 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 | 300 | 300 | 1,800 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 4,315 | 3,795 | 3,785 | 3,760 | 3,760 | 3,760 | 23,175 |
| Park Board Total | 12,980 | 12,979 | 12,980 | 12,981 | 12,980 | 12,980 | 77,881 |
| Public Works | | | | | | | |
| PW - Street Paving | | | | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 | 750 | 750 | 4,500 |
| PV006 - Alley Renovation Program | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 | 7,015 | 7,015 | 42,090 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |
| PV063 - Unpaved Alley Construction | 220 | 220 | 220 | 220 | 220 | 220 | 1,320 |
| PV074 - CSAH & MnDOT Cooperative Projects | 4,325 | 4,850 | 2,075 | 1,750 | 6,318 | 500 | 19,818 |
| PV075 - Development Infrastructure Program | 500 | 500 | 500 | 500 | 500 | 500 | 3,000 |
| PV092 - Technology Drive NE and 37th Ave NE | — | — | — | — | — | — | — |
| PV095 - 4th St N & S (2nd Ave N to 4th Ave S) | 1,500 | — | — | — | — | — | 1,500 |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 | 500 | 500 | 3,000 |
| PV108 - Concrete Streets Rehabilitation Program | 5,130 | 2,638 | 4,259 | 3,453 | 4,852 | 4,852 | 25,184 |
| PV113 - 29th St W Phase 2 | — | — | — | — | — | — | — |
| PV118 - Hennepin Ave (Wash Ave N to 12th St S) | 3,000 | — | — | — | — | — | 3,000 |
| PV122 - Dowling Ave (I-94 to 1st St N) | — | — | 32,315 | — | — | — | 32,315 |
| PV123 - Logan Park Industrial | — | — | — | 6,920 | — | — | 6,920 |
| PV126 - Bryant Ave S (50th St W to Lake St W) | — | 8,563 | 9,022 | 1,857 | — | — | 19,442 |
| PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd) | — | — | 13,142 | — | — | — | 13,142 |
| PV131 - Res Neighborhood Reconst Projects | 2,968 | 3,471 | 4,074 | 4,074 | 4,074 | 4,074 | 22,735 |
| PV132 - 1st Ave S (Lake St to Franklin Ave) | — | — | 3,863 | 6,187 | — | — | 10,050 |
| PV137 - 29th Ave NE (Central to Stinson) | — | — | 4,860 | 3,246 | — | — | 8,106 |

| | | | | | | | |
|---|---|---|---|---|---|-------|-------|
| PV138 - 26th St E (Minnehaha Ave to 29th Ave S) | — | — | — | — | — | 5,630 | 5,630 |
|---|---|---|---|---|---|-------|-------|

Capital Budget Summary

Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---------------|---------------|----------------|---------------|---------------|----------------|----------------|
| PV140 - 13th Ave NE (Sibley St NE to 4th St NE) | — | — | — | 7,150 | — | — | 7,150 |
| PV141 - Grand Ave S (Lake St. W to 48th St W) | 6,327 | 8,750 | 2,000 | — | — | — | 17,077 |
| PV142 - Downtown East Paving | 3,285 | 840 | — | — | — | — | 4,125 |
| PV143 - North Industrial | — | — | — | — | — | — | — |
| PV146 - 9th St SE (6th Ave SE to 9th Ave SE) | — | — | — | — | — | — | — |
| PV150 - 1st Ave N (10th St N to Wash Ave) | — | — | — | 6,741 | — | — | 6,741 |
| PV152 - Plymouth Ave (Washington Ave N to 10th Ave N) | 5,332 | — | — | — | — | — | 5,332 |
| PV153 - 60th St W (Xerxes Ave S to Sunrise Drive) | — | — | — | — | — | — | — |
| PV154 - Franklin Ave W (Henn Ave S to Lyndale Ave S) | — | 2,283 | — | — | — | — | 2,283 |
| PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE) | 6,235 | — | — | — | — | — | 6,235 |
| PV157 - 33rd Avenue NE, Central Avenue to Stinson | — | — | — | — | — | — | — |
| PV158 Hennepin Ave (Lake St W to Douglas Ave) | — | — | 13,922 | 7,653 | — | — | 21,575 |
| PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave) | — | — | — | — | — | — | — |
| PV160 - 1st Ave S (Franklin Ave to Grant St) | — | — | — | — | 6,973 | — | 6,973 |
| PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl) | — | — | — | — | — | 17,996 | 17,996 |
| PV162 - 42nd Street E, Nicollet Ave to Cedar Ave | — | — | — | — | — | — | — |
| PV163 - 31st Street E, Blaisdell Ave to Bloomington Ave | — | — | — | — | 15,282 | 4,733 | 20,015 |
| PV164 - Nicollet Ave, Minnehaha Parkway to 31st Street | — | — | — | — | — | — | — |
| PV165 - 35th Street Nicollet Avenue to Chicago Avenue | — | — | — | — | — | 9,413 | 9,413 |
| PV166 - 2nd Street NE, Broadway to Lowry Avenue | — | — | — | — | — | — | — |
| PV167 - Dowling Ave N, Thomas to Lyndale | — | — | — | 964 | 13,171 | — | 14,135 |
| PV169 - 38th Street, Lyndale Ave to Park Ave | — | — | — | — | 14,536 | 2,285 | 16,821 |
| PV170 - 11th Avenue S, 8th Street to 24th Street | — | — | — | 10,788 | — | — | 10,788 |
| PV171 - 30th Street, Nicollet Avenue to Chicago Avenue | — | — | — | — | — | — | — |
| PV172 - Chicago Ave, Lake Street to 38th Street | — | — | — | — | — | 12,748 | 12,748 |
| PV173 - Chicago Ave, 49th Street to 60th Street | — | — | — | — | — | — | — |
| PV174 - 30th Street, Nicollet Avenue to Chicago Avenue | — | — | — | — | — | 11,148 | 11,148 |
| PV175 - 38th Street, Park Ave to 23rd Ave S | — | — | — | — | — | 17,883 | 17,883 |
| PV176 - Chicago Ave, 38th Street to 46th Street | — | — | — | — | — | — | — |
| PV177 - 38th St E and Chicago Ave | 375 | 2,000 | 2,375 | — | — | — | 4,750 |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 21,000 |
| PW - Street Paving Total | 51,462 | 46,380 | 104,892 | 73,768 | 78,191 | 104,247 | 458,940 |
| PW - Sidewalks | | | | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,460 | 2,460 | 2,560 | 2,580 | 2,580 | 2,580 | 15,220 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 | 300 | 300 | 1,800 |
| PW - Sidewalks Total | 2,760 | 2,760 | 2,860 | 2,880 | 2,880 | 2,880 | 17,020 |
| PW - Bridges | | | | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 | 400 | 400 | 2,400 |
| BR106 - 1st Ave S over HCRRA | — | — | 6,640 | — | — | — | 6,640 |
| BR127 - Nicollet Ave over Minnehaha Creek | — | — | — | — | 30,490 | — | 30,490 |
| BR133 - Cedar Lake Road Bridge over BNSF Railroad | — | — | 4,860 | — | — | — | 4,860 |
| BR134 - Bridge 9 Program | 1,700 | 2,480 | 2,910 | 1,830 | 4,750 | 6,820 | 20,490 |
| PW - Bridges Total | 2,100 | 2,880 | 14,810 | 2,230 | 35,640 | 7,220 | 64,880 |
| PW - Traffic Control and Street Lighting | | | | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 | 350 | 350 | 2,100 |

| | | | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| TR010 - Traffic Management Systems | 875 | 1,000 | 1,850 | 1,850 | 1,850 | 1,850 | 9,275 |
| TR011 - City Street Light Renovation | 1,000 | 1,000 | 1,500 | 1,500 | 1,500 | 1,500 | 8,000 |

Capital Budget Summary

Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| TR021 - Traffic Signals | 1,250 | 2,125 | 2,250 | 2,000 | 2,000 | 2,250 | 11,875 |
| TR022 - Traffic Safety Improvements | 2,600 | 4,495 | 1,750 | 1,750 | 1,750 | 1,750 | 14,095 |
| TR024 - Pedestrian Street Lighting Corridors | 500 | 600 | 1,000 | 1,000 | 1,000 | 1,000 | 5,100 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 | 895 | 895 | 5,370 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 | 600 | 600 | 3,600 |
| PW - Traffic Control and Street Lighting Total | 8,070 | 11,065 | 10,195 | 9,945 | 9,945 | 10,195 | 59,415 |
| PW - Vision Zero | | | | | | | |
| VZ001 - Vision Zero Program | 1,000 | 1,000 | 500 | 500 | 500 | 500 | 4,000 |
| PW - Vision Zero Total | 1,000 | 1,000 | 500 | 500 | 500 | 500 | 4,000 |
| PW - Bike-Ped | | | | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| BP001 - Safe Routes to Schools Program | 700 | 2,000 | 400 | 400 | 400 | 400 | 4,300 |
| BP003 - Midtown Greenway Trail Mill & Overlay | 1,605 | — | — | — | — | — | 1,605 |
| BP004 - Pedestrian Safety Program | 600 | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,600 |
| BP005 - Queen Ave N Bike Boulevard | 3,100 | — | — | — | — | — | 3,100 |
| BP006 - 18th Ave NE Trail Gap (Marshall to California) | — | 265 | 270 | — | — | — | 535 |
| BP007 - Northside Greenway Phase 1, Humboldt/Irving Ave N | — | — | — | — | — | 7,500 | 7,500 |
| PW - Bike-Ped Total | 7,005 | 5,265 | 2,670 | 2,400 | 2,400 | 9,900 | 29,640 |
| PW - Sanitary Sewer | | | | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 48,000 |
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 15,000 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 5,500 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 20,500 |
| PW - Sanitary Sewer Total | 17,000 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 89,500 |
| PW - Stormwater Sewer | | | | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 | 750 | 750 | 4,500 |
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 21,000 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 5,000 | 5,000 | 6,000 | 7,000 | 7,000 | 7,000 | 37,000 |
| SW040 - Central City Parallel Storm Tunnel | 14,000 | 14,000 | 13,000 | — | — | — | 41,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| SWPVR - Storm Sewer Paving Project Program | 2,000 | 2,300 | 3,200 | 4,300 | 4,300 | 4,300 | 20,400 |
| PW - Stormwater Sewer Total | 26,500 | 26,800 | 27,700 | 16,800 | 16,800 | 16,800 | 131,400 |
| PW - Water | | | | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 54,000 |
| WTR18 - Water Distribution Facility | 9,265 | 12,415 | 15,115 | — | — | — | 36,795 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 18,000 |
| WTR27 - Advanced Metering Infrastructure | 2,200 | 1,200 | 740 | — | — | — | 4,140 |
| WTR29 - Columbia Heights Campus Upgrades | — | 450 | 3,525 | 4,800 | 4,585 | 1,700 | 15,060 |
| WTR31 - Electrical Service Rehabilitation | 2,800 | 7,000 | 4,600 | 4,300 | 3,400 | 250 | 22,350 |
| WTR32 - Softening Plant Chemical System Imprvmnts. | 25 | 3,650 | 7,150 | 2,750 | — | — | 13,575 |
| WTR33 - 3rd Ave Bridge Water Main | 1,000 | — | — | — | — | — | 1,000 |
| WTR34 - Fridley Facilities and Campus Improvements | 3,500 | — | — | — | — | — | 3,500 |
| WTR35 - Renewable Energy at Water Treatment Campuses | — | — | 150 | 5,000 | — | — | 5,150 |

| | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| PW - Water Total | 32,790 | 38,715 | 45,280 | 30,850 | 21,985 | 15,950 | 185,570 |

**Capital Budget Summary
Council Adopted Budget**

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| PW - Fleet | | | | | | | |
| FLT01 - Fuel and Charging Stations | 336 | 292 | 112 | 112 | 120 | — | 972 |
| FLT02 - Vehicle Hoists | 200 | 75 | 25 | 25 | 25 | — | 350 |
| FLT03 - Vehicle Maintenance System | 30 | 1,050 | — | — | — | — | 1,080 |
| PW - Water Total | 566 | 1,417 | 137 | 137 | 145 | — | 2,402 |
| PW - Parking | | | | | | | |
| PK004 - Off-Street Systems | 1,000 | 2,000 | 5,000 | 5,000 | 5,000 | 5,000 | 23,000 |
| PK008 - On-Street Systems | 3,000 | 2,000 | 140 | 140 | 140 | 140 | 5,560 |
| PW - Parking Total | 4,000 | 4,000 | 5,140 | 5,140 | 5,140 | 5,140 | 28,560 |
| Public Works Total | 153,253 | 154,782 | 228,684 | 159,150 | 188,126 | 187,332 | 1,071,327 |
| Public Grounds and Facilities | | | | | | | |
| FIR11 - New Fire Station No. 11 | — | — | 5,000 | 4,144 | — | — | 9,144 |
| FIR12 - New Fire Station No. 1 | 1,250 | — | — | — | — | — | 1,250 |
| FIR14 - New Fire Station No. 19 | — | — | — | — | 1,000 | 13,000 | 14,000 |
| MPD04 - New 1st Police Precinct | — | 2,000 | 6,100 | 4,400 | — | — | 12,500 |
| MPD05 - 4th Police Precinct | 100 | — | — | 2,000 | 6,100 | 4,400 | 12,600 |
| PSD15 - Traffic Maintenance Facility Improvement | — | — | — | — | — | — | — |
| PSD16 - Farmer's Market Improvements | — | — | — | — | — | — | — |
| PSD18 - Regulatory Services Facility | — | — | — | — | — | — | — |
| PSD19 - Impound Lot Facility | 1,400 | — | — | — | — | — | 1,400 |
| PSD20 - City Hall & New Public Service Center | 14,700 | 1,000 | 4,300 | 300 | — | — | 20,300 |
| PSD21 - Hiawatha Training & Recruitment Center | 1,128 | 4,872 | 5,100 | — | — | — | 11,100 |
| PSD22 - Reg Services MACC | — | 50 | — | — | — | — | 50 |
| PSD23 - MPD Training & Wellness Facility | 100 | — | — | — | 6,000 | 8,000 | 14,100 |
| PSD24 - Solar (TBD) | 1,500 | 1,550 | 1,118 | 1,005 | 580 | 510 | 6,263 |
| Public Grounds and Facilities Total | 20,178 | 9,472 | 21,618 | 11,849 | 13,680 | 25,910 | 102,707 |
| Miscellaneous Projects | | | | | | | |
| ART01 - Art in Public Places | 747 | 779 | 858 | 836 | 836 | 845 | 4,899 |
| Miscellaneous Projects Total | 747 | 779 | 858 | 836 | 836 | 845 | 4,899 |
| Grand Total | 196,362 | 188,130 | 268,240 | 187,166 | 215,622 | 227,067 | 1,282,586 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|--------------|---------------|--------------|--------------|--------------|--------------|---------------|
| Municipal Building Commission | | | | | | | |
| MBC01 - Life Safety Improvements | | | | | | | |
| Hennepin County Grants | 1,292 | 1,559 | — | — | — | — | 2,851 |
| Net Debt Bonds | 646 | 1,559 | — | — | — | — | 2,205 |
| Transfer from General Fund | 646 | | | | | | 646 |
| MBC01 - Life Safety Improvements Total | 2,585 | 3,118 | — | — | — | — | 5,703 |
| MBC02 - Mechanical Systems Upgrade | | | | | | | |
| Hennepin County Grants | 2,854 | 1,500 | 1,250 | — | — | — | 5,605 |
| Net Debt Bonds | 1,500 | 1,500 | 1,250 | — | — | — | 4,251 |
| Transfer from General Fund | 1,354 | | | — | — | — | 1,354 |
| MBC02 - Mechanical Systems Upgrade Total | 5,709 | 3,000 | 2,500 | — | — | — | 11,209 |
| MBC12 - Safety Improvements - Non-Stagework Areas | | | | | | | |
| Hennepin County Grants | 455 | 2,000 | 800 | 1,175 | — | — | 4,430 |
| Net Debt Bonds | 455 | 2,000 | 800 | 1,175 | — | — | 4,430 |
| MBC12 - Safety Improvements - Non-Stagework Areas Total | 910 | 4,000 | 1,600 | 2,350 | — | — | 8,860 |
| Municipal Building Commission Total | 9,203 | 10,118 | 4,100 | 2,350 | — | — | 25,772 |
| Park Board | | | | | | | |
| PRK02 - Playground and Site Improvements Program | | | | | | | |
| Net Debt Bonds | 1,222 | 365 | 500 | 132 | 425 | 468 | 3,112 |
| Park Capital Levy | 23 | 676 | 920 | 1,040 | 850 | 936 | 4,445 |
| PRK02 - Playground and Site Improvements Program Total | 1,245 | 1,041 | 1,420 | 1,172 | 1,275 | 1,404 | 7,557 |
| PRK03 - Shelter - Pool - Site Improvements Program | | | | | | | |
| Net Debt Bonds | — | 544 | 300 | — | — | — | 844 |
| PRK03 - Shelter - Pool - Site Improvements Program Total | — | 544 | 300 | — | — | — | 844 |
| PRK04 - Athletic Fields - Site Improvement Program | | | | | | | |
| Net Debt Bonds | 115 | — | — | — | — | — | 115 |
| Park Capital Levy | 401 | — | — | — | — | — | 401 |
| PRK04 - Athletic Fields - Site Improvement Program Total | 516 | — | — | — | — | — | 516 |
| PRK33 - Bryn Mawr Meadows Field Improvements | | | | | | | |
| Net Debt Bonds | 2,003 | 389 | — | — | — | — | 2,392 |
| Park Capital Levy | 777 | 276 | — | — | — | — | 1,053 |
| PRK33 - Bryn Mawr Meadows Field Improvements Total | 2,780 | 665 | — | — | — | — | 3,445 |
| PRK36 - North Commons Park Implementation | | | | | | | |
| Net Debt Bonds | 800 | — | — | — | — | — | 800 |
| Park Capital Levy | 200 | — | — | — | — | — | 200 |
| PRK36 - North Commons Park Implementation Total | 1,000 | — | — | — | — | — | 1,000 |
| PRK37 - Powderhorn Park Implementation | | | | | | | |
| Net Debt Bonds | 460 | 441 | — | — | — | — | 901 |
| Park Capital Levy | — | 200 | — | — | — | — | 200 |
| PRK37 - Powderhorn Park Implementation Total | 460 | 641 | — | — | — | — | 1,101 |
| PRK38 - Sibley Field Park Implementation | | | | | | | |
| Net Debt Bonds | 300 | — | — | — | — | — | 300 |
| PRK38 - Sibley Field Park Implementation Total | 300 | — | — | — | — | — | 300 |
| PRK40 - Elliot Park Implementation | | | | | | | |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Debt Bonds | — | — | 515 | 738 | — | — | 1,253 |
| Park Capital Levy | — | — | — | 250 | — | — | 250 |
| PRK40 - Elliot Park Implementation Total | — | — | 515 | 988 | — | — | 1,503 |
| PRK41 - East Phillips Park Implementation | | | | | | | |
| Net Debt Bonds | — | 428 | — | — | 970 | — | 1,398 |
| PRK41 - East Phillips Park Implementation Total | — | 428 | — | — | 970 | — | 1,398 |
| PRK42 - Farview Park Implementation | | | | | | | |
| Net Debt Bonds | — | — | 500 | 500 | — | — | 1,000 |
| Park Capital Levy | — | — | 250 | — | — | — | 250 |
| PRK42 - Farview Park Implementation Total | — | — | 750 | 500 | — | — | 1,250 |
| PRK43 - Audubon Park Implementation | | | | | | | |
| Net Debt Bonds | — | — | — | 1,125 | 100 | — | 1,225 |
| Park Capital Levy | — | — | — | 230 | — | — | 230 |
| PRK43 - Audubon Park Implementation Total | — | — | — | 1,355 | 100 | — | 1,455 |
| PRK44 - Bottineau Park Implementation | | | | | | | |
| Net Debt Bonds | — | — | — | — | 1,000 | — | 1,000 |
| Park Capital Levy | — | — | — | — | 400 | — | 400 |
| PRK44 - Bottineau Park Implementation Total | — | — | — | — | 1,400 | — | 1,400 |
| PRKCP - Neighborhood Parks Capital Infrastructure | | | | | | | |
| Net Debt Bonds | 1,901 | 5,232 | 5,585 | 4,906 | 4,905 | 6,932 | 29,461 |
| Park Capital Levy | 164 | 333 | 325 | — | 270 | 584 | 1,676 |
| PRKCP - Neighborhood Parks Capital Infrastructure Total | 2,065 | 5,565 | 5,910 | 4,906 | 5,175 | 7,516 | 31,137 |
| PRKDT - Diseased Tree Removal | | | | | | | |
| Special Assessment Bonds | 300 | 300 | 300 | 300 | 300 | 300 | 1,800 |
| PRKDT - Diseased Tree Removal Total | 300 | 300 | 300 | 300 | 300 | 300 | 1,800 |
| PRKRP - Neighborhood Parks Rehabilitation Program | | | | | | | |
| Net Debt Bonds | 3,700 | 3,100 | 3,100 | 3,100 | 3,100 | 3,100 | 19,200 |
| Park Capital Levy | 615 | 695 | 685 | 660 | 660 | 660 | 3,975 |
| PRKRP - Neighborhood Parks Rehabilitation Program Total | 4,315 | 3,795 | 3,785 | 3,760 | 3,760 | 3,760 | 23,175 |
| Park Board Total | 12,981 | 12,979 | 12,980 | 12,981 | 12,980 | 12,980 | 77,881 |
| Public Works | | | | | | | |
| PW - Paving | | | | | | | |
| PV001 - Parkway Paving Program Total | 750 | 750 | 750 | 750 | 750 | 750 | 4,500 |
| PV006 - Alley Renovation Program | | | | | | | |
| Net Debt Bonds | 200 | 200 | 200 | 200 | 200 | 200 | 1,200 |
| Special Assessment Bonds | 50 | 50 | 50 | 50 | 50 | 50 | 300 |
| PV006 - Alley Renovation Program Total | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |
| PV056 - Asphalt Pavement Resurfacing Program | | | | | | | |
| Net Debt Bonds | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 12,600 |
| Special Assessment Bonds | 4,915 | 4,915 | 4,915 | 4,915 | 4,915 | 4,915 | 29,490 |
| (blank) | — | — | — | — | — | — | — |
| PV056 - Asphalt Pavement Resurfacing Program Total | 7,015 | 7,015 | 7,015 | 7,015 | 7,015 | 7,015 | 42,090 |
| PV059 - Major Pavement Maintenance Program | | | | | | | |
| Net Debt Bonds | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--|--------------|--------------|---------------|--------------|--------------|--------------|---------------|
| PV059 - Major Pavement Maintenance Program Total | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |
| PV063 - Unpaved Alley Construction | | | | | | | |
| Net Debt Bonds | 170 | 170 | 170 | 170 | 170 | 170 | 1,020 |
| Special Assessment Bonds | 50 | 50 | 50 | 50 | 50 | 50 | 300 |
| PV063 - Unpaved Alley Construction Total | 220 | 220 | 220 | 220 | 220 | 220 | 1,320 |
| PV074 - CSAH & MnDOT Cooperative Projects | | | | | | | |
| Net Debt Bonds | 4,325 | 4,700 | 2,075 | 1,040 | 3,409 | 500 | 16,049 |
| Other Local Governments | — | — | — | — | 2,909 | — | 2,909 |
| Special Assessment Bonds | — | 150 | — | 710 | — | — | 860 |
| PV074 - CSAH & MnDOT Cooperative Projects Total | 4,325 | 4,850 | 2,075 | 1,750 | 6,318 | 500 | 19,818 |
| PV075 - Development Infrastructure Program | | | | | | | |
| Net Debt Bonds | 500 | 500 | 500 | 500 | 500 | 500 | 3,000 |
| PV075 - Development Infrastructure Program Total | 500 | 500 | 500 | 500 | 500 | 500 | 3,000 |
| PV095 - 4th St N & S (2nd Ave N to 4th Ave S) | | | | | | | |
| Net Debt Bonds | 1,500 | — | — | — | — | — | 1,500 |
| PV095 - 4th St N & S (2nd Ave N to 4th Ave S) Total | 1,500 | — | — | — | — | — | 1,500 |
| PV104 - ADA Ramp Replacement Program | | | | | | | |
| Net Debt Bonds | 500 | 500 | 500 | 500 | 500 | 500 | 3,000 |
| PV104 - ADA Ramp Replacement Program Total | 500 | 500 | 500 | 500 | 500 | 500 | 3,000 |
| PV108 - Concrete Streets Rehabilitation Program | | | | | | | |
| Net Debt Bonds | 3,630 | — | 3,523 | 2,953 | 4,352 | 4,352 | 18,810 |
| Special Assessment Bonds | 500 | 500 | 500 | 500 | 500 | 500 | 3,000 |
| Transfer from General Fund | 1,000 | 1,531 | 236 | — | — | — | 2,767 |
| Transfer from Stormwater Fund | — | 607 | — | — | — | — | 607 |
| PV108 - Concrete Streets Rehabilitation Program Total | 5,130 | 2,638 | 4,259 | 3,453 | 4,852 | 4,852 | 25,184 |
| PV118 - Hennepin Ave (Wash Ave N to 12th St S) | | | | | | | |
| Municipal State Aid | 532 | — | — | — | — | — | 532 |
| Transfer from General Fund | 2,468 | — | — | — | — | — | 2,468 |
| PV118 - Hennepin Ave (Wash Ave N to 12th St S) Total | 3,000 | — | — | — | — | — | 3,000 |
| PV122 - Dowling Ave (I-94 to 1st St N) | | | | | | | |
| Federal Grants | — | — | 750 | — | — | — | 750 |
| Net Debt Bonds | — | — | 840 | — | — | — | 840 |
| Other Local Governments | — | — | 27,965 | — | — | — | 27,965 |
| Special Assessment Bonds | — | — | 175 | — | — | — | 175 |
| Transfer from General Fund | — | — | 2,585 | — | — | — | 2,585 |
| PV122 - Dowling Ave (I-94 to 1st St N) Total | — | — | 32,315 | — | — | — | 32,315 |
| PV123 - Logan Park Industrial | | | | | | | |
| Net Debt Bonds | — | — | — | 4,190 | — | — | 4,190 |
| Special Assessment Bonds | — | — | — | 2,730 | — | — | 2,730 |
| Transfer from General Fund | — | — | — | — | — | — | — |
| PV123 - Logan Park Industrial Total | — | — | — | 6,920 | — | — | 6,920 |
| PV126 - Bryant Ave S (50th St W to Lake St W) | | | | | | | |
| Municipal State Aid | — | 4,940 | 2,945 | — | — | — | 7,885 |
| Net Debt Bonds | — | 500 | 2,093 | — | — | — | 2,593 |
| Special Assessment Bonds | — | 2,130 | — | — | — | — | 2,130 |
| Transfer from General Fund | — | 623 | 3,564 | 1,857 | — | — | 6,044 |
| Transfer from Stormwater Fund | — | 370 | 420 | — | — | — | 790 |
| PV126 - Bryant Ave S (50th St W to Lake St W) Total | — | 8,563 | 9,022 | 1,857 | — | — | 19,442 |
| PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd) | | | | | | | |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|--------------|--------------|---------------|--------------|--------------|--------------|---------------|
| Municipal State Aid | — | — | 675 | — | — | — | 675 |
| Net Debt Bonds | — | — | 1,000 | — | — | — | 1,000 |
| Other Local Governments | — | — | 10,071 | — | — | — | 10,071 |
| Special Assessment Bonds | — | — | 400 | — | — | — | 400 |
| Transfer from General Fund | — | — | 536 | — | — | — | 536 |
| Transfer from Stormwater Fund | — | — | 460 | — | — | — | 460 |
| PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd) Total | — | — | 13,142 | — | — | — | 13,142 |
| PV131 - Res Neighborhood Reconst Projects | | | | | | | |
| Net Debt Bonds | 82 | 861 | 3,808 | 3,808 | 3,808 | 3,808 | 16,175 |
| Special Assessment Bonds | 577 | — | 266 | 266 | 266 | 266 | 1,641 |
| Transfer from General Fund | 2,309 | 2,010 | — | — | — | — | 4,319 |
| Transfer from Stormwater Fund | — | 600 | — | — | — | — | 600 |
| PV131 - Res Neighborhood Reconst Projects Total | 2,968 | 3,471 | 4,074 | 4,074 | 4,074 | 4,074 | 22,735 |
| PV132 - 1st Ave S (Lake St to Franklin Ave) | | | | | | | |
| Municipal State Aid | — | — | 1,916 | — | — | — | 1,916 |
| Net Debt Bonds | — | — | 223 | 632 | — | — | 855 |
| Special Assessment Bonds | — | — | 1,390 | — | — | — | 1,390 |
| Transfer from General Fund | 0 | — | 33 | 4 | 5,555 | — | 5,889 |
| PV132 - 1st Ave S (Lake St to Franklin Ave) Total | — | — | 3,863 | 6,187 | — | — | 10,050 |
| PV137 - 29th Ave NE (Central to Stinson) | | | | | | | |
| Municipal State Aid | — | — | — | 3,246 | — | — | 3,246 |
| Net Debt Bonds | — | — | — | — | — | — | — |
| Special Assessment Bonds | — | — | 670 | — | — | — | 670 |
| Transfer from General Fund | — | — | 4,190 | — | — | — | 4,190 |
| PV137 - 29th Ave NE (Central to Stinson) Total | — | — | 4,860 | 3,246 | — | — | 8,106 |
| PV138 - 26th St E (Minnehaha Ave to 29th Ave S) | | | | | | | |
| Net Debt Bonds | — | — | — | — | — | 3,896 | 3,896 |
| Special Assessment Bonds | — | — | — | — | — | 930 | 930 |
| Transfer from Stormwater Fund | — | — | — | — | — | 804 | 804 |
| PV138 - 26th St E (Minnehaha Ave to 29th Ave S) Total | — | — | — | — | — | 5,630 | 5,630 |
| PV140 - 13th Ave NE (Sibley St NE to 4th St NE) | | | | | | | |
| Municipal State Aid | — | — | — | 4,000 | — | — | 4,000 |
| Net Debt Bonds | — | — | — | 2,280 | — | — | 2,280 |
| Special Assessment Bonds | — | — | — | 870 | — | — | 870 |
| Transfer from General Fund | — | — | — | — | — | — | — |
| PV140 - 13th Ave NE (Sibley St NE to 4th St NE) Total | — | — | — | 7,150 | — | — | 7,150 |
| PV141 - Grand Ave S (Lake St. W to 48th St W) | | | | | | | |
| Municipal State Aid | 2,760 | 3,661 | — | — | — | — | 6,421 |
| Net Debt Bonds | 777 | 1,265 | 490 | — | — | — | 2,532 |
| Special Assessment Bonds | 1,950 | — | — | — | — | — | 1,950 |
| Transfer from General Fund | 840 | 3,824 | 960 | — | — | — | 5,624 |
| Transfer from Stormwater Fund | — | — | 550 | — | — | — | 550 |
| PV141 - Grand Ave S (Lake St. W to 48th St W) Total | 6,327 | 8,750 | 2,000 | — | — | — | 17,077 |
| PV142 - Downtown East Paving | | | | | | | |
| Municipal State Aid | 491 | — | — | — | — | — | 491 |
| Special Assessment Bonds | 600 | — | — | — | — | — | 600 |
| Transfer from General Fund | 2,194 | 840 | — | — | — | — | 3,034 |
| PV142 - Downtown East Paving Total | 3,285 | 840 | — | — | — | — | 4,125 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|--------------|--------------|---------------|--------------|--------------|---------------|---------------|
| PV150 - 1st Ave N (10th St N to Wash Ave) | | | | | | | |
| Municipal State Aid | — | — | — | 2,741 | — | — | 2,741 |
| Net Debt Bonds | — | — | — | 1,399 | — | — | 1,399 |
| Special Assessment Bonds | 0 | — | 0 | 600 | — | — | 600 |
| Transfer from General Fund | — | — | — | 579 | — | — | 579 |
| Transfer from Stormwater Fund | — | — | — | 1,422 | — | — | 1,422 |
| PV150 - 1st Ave N (10th St N to Wash Ave) Total | — | — | — | 6,741 | — | — | 6,741 |
| PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N) | | | | | | | |
| Municipal State Aid | 3,470 | — | — | — | — | — | 3,470 |
| Special Assessment Bonds | 325 | — | — | — | — | — | 325 |
| Transfer from General Fund | 584 | — | — | — | — | — | 584 |
| Transfer from Stormwater Fund | 953 | — | — | — | — | — | 953 |
| PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N) Total | 5,332 | — | — | — | — | — | 5,332 |
| PV154 - Franklin Ave W (Henn Ave S to Lyndale Ave S) | | | | | | | |
| Municipal State Aid | — | 1,249 | — | — | — | — | 1,249 |
| Net Debt Bonds | — | 63 | — | — | — | — | 63 |
| Special Assessment Bonds | — | 110 | — | — | — | — | 110 |
| Transfer from General Fund | — | 861 | — | — | — | — | 861 |
| PV154 - Franklin Ave W (Henn Ave S to Lyndale Ave S) Total | — | 2,283 | — | — | — | — | 2,283 |
| PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE) | | | | | | | |
| Municipal State Aid | 3,320 | — | — | — | — | — | 3,320 |
| Special Assessment Bonds | 415 | — | — | — | — | — | 415 |
| Transfer from General Fund | 1,892 | — | — | — | — | — | 1,892 |
| Transfer from Stormwater Fund | 608 | — | — | — | — | — | 608 |
| PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE) Total | 6,235 | — | — | — | — | — | 6,235 |
| PV158 Hennepin Ave (Lake St W to Douglas Ave) | | | | | | | |
| Federal Grants | — | — | 7,000 | — | — | — | 7,000 |
| Municipal State Aid | — | — | 4,964 | 949 | — | — | 5,913 |
| Net Debt Bonds | — | — | — | 5,784 | — | — | 5,784 |
| Special Assessment Bonds | — | — | 1,795 | — | — | — | 1,795 |
| Transfer from General Fund | — | — | — | 920 | — | — | 920 |
| Transfer from Stormwater Fund | — | — | 163 | — | — | — | 163 |
| PV158 Hennepin Ave (Lake St W to Douglas Ave) Total | — | — | 13,922 | 7,653 | — | — | 21,575 |
| PV160 - 1st Ave S (Franklin Ave to Grant St) | | | | | | | |
| Municipal State Aid | — | — | — | — | 3,538 | — | 3,538 |
| Net Debt Bonds | — | — | — | — | 1,201 | — | 1,201 |
| Special Assessment Bonds | — | — | — | — | 715 | — | 715 |
| Transfer from General Fund | — | — | — | — | 1,519 | — | 1,519 |
| PV160 - 1st Ave S (Franklin Ave to Grant St) Total | — | — | — | — | 6,973 | — | 6,973 |
| PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl) | | | | | | | |
| Municipal State Aid | — | — | — | — | — | 3,800 | 3,800 |
| Net Debt Bonds | — | — | — | — | — | 10,348 | 10,348 |
| Special Assessment Bonds | — | — | — | — | — | 1,275 | 1,275 |
| Transfer from General Fund | — | — | — | — | — | 2,573 | 2,573 |
| PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl) Total | — | — | — | — | — | 17,996 | 17,996 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

| | Budget in thousands | | | | | | |
|--|---------------------|----------|----------|---------------|---------------|---------------|---------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
| PV163 - 31st Street E, Blaisdell Ave to Bloomington Ave | | | | | | | |
| Municipal State Aid | — | — | — | — | 4,443 | — | 4,443 |
| Net Debt Bonds | — | — | — | — | 3,731 | — | 3,731 |
| Special Assessment Bonds | — | — | — | — | 1,095 | — | 1,095 |
| Transfer from General Fund | — | — | — | — | 6,013 | 4,733 | 10,746 |
| PV163 - 31st Street E, Blaisdell Ave to Bloomington Ave Total | — | — | — | — | 15,282 | 4,733 | 20,015 |
| PV165 - 35th Street Nicollet Avenue to Chicago Avenue | | | | | | | |
| Net Debt Bonds | — | — | — | — | — | 8,068 | 8,068 |
| Special Assessment Bonds | — | — | — | — | — | 1,345 | 1,345 |
| PV165 - 35th Street Nicollet Avenue to Chicago Avenue Total | — | — | — | — | — | 9,413 | 9,413 |
| PV167 - Dowling Ave N, Thomas to Lyndale | | | | | | | |
| Municipal State Aid | — | — | — | 964 | 3,919 | — | 4,883 |
| Net Debt Bonds | — | — | — | — | — | — | — |
| Special Assessment Bonds | — | — | — | — | 985 | — | 985 |
| Transfer from General Fund | — | — | — | — | 6,642 | — | 6,642 |
| Transfer from Stormwater Fund | — | — | — | — | 1,625 | — | 1,625 |
| PV167 - Dowling Ave N, Thomas to Lyndale Total | — | — | — | 964 | 13,171 | — | 14,135 |
| PV169 - 38th Street, Lyndale Ave to Park Ave | | | | | | | |
| Net Debt Bonds | — | — | — | — | 13,701 | 2,285 | 15,986 |
| Special Assessment Bonds | — | — | — | — | 835 | — | 835 |
| PV169 - 38th Street, Lyndale Ave to Park Ave Total | — | — | — | — | 14,536 | 2,285 | 16,821 |
| PV170 - 11th Avenue S, 8th Street to 24th Street | | | | | | | |
| Net Debt Bonds | — | — | — | 5,323 | — | — | 5,323 |
| Special Assessment Bonds | — | — | — | 955 | — | — | 955 |
| Transfer from General Fund | — | — | — | 4,323 | — | — | 4,323 |
| Transfer from Stormwater Fund | — | — | — | 187 | — | — | 187 |
| PV170 - 11th Avenue S, 8th Street to 24th Street Total | — | — | — | 10,788 | — | — | 10,788 |
| PV172 - Chicago Ave, Lake Street to 38th Street | | | | | | | |
| Municipal State Aid | — | — | — | — | — | 4,200 | 4,200 |
| Net Debt Bonds | — | — | — | — | — | 5,233 | 5,233 |
| Special Assessment Bonds | — | — | — | — | — | 1,720 | 1,720 |
| Transfer from General Fund | — | — | — | — | — | 1,595 | 1,595 |
| PV172 - Chicago Ave, Lake Street to 38th Street Total | — | — | — | — | — | 12,748 | 12,748 |
| PV174 - 36th Street, Nicollet Avenue to Chicago Avenue | | | | | | | |
| Net Debt Bonds | — | — | — | — | — | 9,793 | 9,793 |
| Special Assessment Bonds | — | — | — | — | — | 1,355 | 1,355 |
| PV174 - 36th Street, Nicollet Avenue to Chicago Avenue Total | — | — | — | — | — | 11,148 | 11,148 |
| PV175 - 38th Street, Park Ave to 23rd Ave S | | | | | | | |
| Municipal State Aid | — | — | — | — | — | 3,800 | 3,800 |
| Net Debt Bonds | — | — | — | — | — | 5,819 | 5,819 |
| Special Assessment Bonds | — | — | — | — | — | 1,100 | 1,100 |
| Transfer from General Fund | — | — | — | — | — | 6,327 | 6,327 |
| Transfer from Stormwater Fund | — | — | — | — | — | 837 | 837 |
| PV175 - 38th Street, Park Ave to 23rd Ave S Total | — | — | — | — | — | 17,883 | 17,883 |
| PV177 - 38th St E and Chicago Ave | | | | | | | |
| Net Debt Bonds | 375 | — | 2,375 | — | — | — | 2,750 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--|---------------|---------------|----------------|---------------|---------------|----------------|----------------|
| Transfer from General Fund | | 2,000 | | — | — | — | 2,000 |
| PV177 - 38th St E and Chicago Ave Total | 375 | 2,000 | 2,375 | — | — | — | 4,750 |
| PV99R - Reimbursable Paving Projects | | | | | | | |
| Reimbursements | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 21,000 |
| PV99R - Reimbursable Paving Projects Total | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 21,000 |
| PW Street Paving Total | 51,462 | 46,380 | 104,892 | 73,768 | 78,191 | 104,247 | 458,940 |
| PW Sidewalks | | | | | | | |
| SWK01 - Defective Hazardous Sidewalks | | | | | | | |
| Net Debt Bonds | 460 | 460 | 560 | 580 | 580 | 580 | 3,220 |
| Sidewalk Assessments | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| SWK01 - Defective Hazardous Sidewalks Total | 2,460 | 2,460 | 2,560 | 2,580 | 2,580 | 2,580 | 15,220 |
| SWK02 - Sidewalk Gaps | | | | | | | |
| Net Debt Bonds | 300 | 300 | 300 | 300 | 300 | 300 | 1,800 |
| SWK02 - Sidewalk Gaps Total | 300 | 300 | 300 | 300 | 300 | 300 | 1,800 |
| PW Sidewalks Total | 2,760 | 2,760 | 2,860 | 2,880 | 2,880 | 2,880 | 17,020 |
| PW Bridges | | | | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | | | | | | | |
| Net Debt Bonds | 400 | 400 | 400 | 400 | 400 | 400 | 2,400 |
| BR101 - Major Bridge Repair and Rehabilitation Total | 400 | 400 | 400 | 400 | 400 | 400 | 2,400 |
| BR106 - 1st Ave S over HCRRA | | | | | | | |
| Hennepin County Grants | — | — | 3,320 | — | — | — | 3,320 |
| Net Debt Bonds | — | — | 3,320 | — | — | — | 3,320 |
| BR106 - 1st Ave S over HCRRA Total | — | — | 6,640 | — | — | — | 6,640 |
| BR127 - Nicollet Ave over Minnehaha Creek | | | | | | | |
| Net Debt Bonds | — | — | — | — | 2,800 | — | 2,800 |
| State Grants | — | — | — | — | 27,690 | — | 27,690 |
| BR127 - Nicollet Ave over Minnehaha Creek Total | — | — | — | — | 30,490 | — | 30,490 |
| BR133 - Cedar Lake Road Bridge over BNSF Railroad | | | | | | | |
| Net Debt Bonds | — | — | 3,485 | — | — | — | 3,485 |
| Other Local Governments | — | — | 1,375 | — | — | — | 1,375 |
| BR133 - Cedar Lake Road Bridge over BNSF Railroad Total | — | — | 4,860 | — | — | — | 4,860 |
| BR134 - Bridge 9 Program | | | | | | | |
| Net Debt Bonds | 1,700 | 2,480 | 2,910 | 1,830 | 4,750 | 6,820 | 20,490 |
| BR134 - Bridge 9 Program Total | 1,700 | 2,480 | 2,910 | 1,830 | 4,750 | 6,820 | 20,490 |
| PW Bridges Total | 2,100 | 2,880 | 14,810 | 2,230 | 35,640 | 7,220 | 64,880 |
| PW Traffic Control & Street Lighting | | | | | | | |
| TR008 - Parkway Street Light Replacement | | | | | | | |
| Net Debt Bonds | 350 | 350 | 350 | 350 | 350 | 350 | 2,100 |
| TR008 - Parkway Street Light Replacement Total | 350 | 350 | 350 | 350 | 350 | 350 | 2,100 |
| TR010 - Traffic Management Systems | | | | | | | |
| Hennepin County Grants | — | — | 250 | 250 | 250 | 250 | 1,000 |
| Net Debt Bonds | 875 | 1,000 | 1,600 | 1,600 | 1,600 | 1,600 | 8,275 |
| TR010 - Traffic Management Systems Total | 875 | 1,000 | 1,850 | 1,850 | 1,850 | 1,850 | 9,275 |
| TR011 - City Street Light Renovation | | | | | | | |
| Net Debt Bonds | 1,000 | 1,000 | 1,500 | 1,500 | 1,500 | 1,500 | 8,000 |
| TR011 - City Street Light Renovation Total | 1,000 | 1,000 | 1,500 | 1,500 | 1,500 | 1,500 | 8,000 |
| TR021 - Traffic Signals | | | | | | | |
| Hennepin County Grants | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--|--------------|---------------|---------------|--------------|--------------|---------------|---------------|
| Municipal State Aid | 500 | 1,250 | 1,000 | — | — | — | 2,750 |
| Net Debt Bonds | 500 | 625 | 1,000 | 1,750 | 1,750 | 2,000 | 7,625 |
| TR021 - Traffic Signals Total | 1,250 | 2,125 | 2,250 | 2,000 | 2,000 | 2,250 | 11,875 |
| TR022 - Traffic Safety Improvements | | | | | | | |
| Federal Grants | 1,100 | 2,745 | — | — | — | — | 3,845 |
| Hennepin County Grants | 250 | 500 | 500 | 500 | 500 | 500 | 2,750 |
| Municipal State Aid | 500 | 500 | 500 | — | — | — | 1,500 |
| Net Debt Bonds | 750 | 750 | 750 | 1,250 | 1,250 | 1,250 | 6,000 |
| TR022 - Traffic Safety Improvements Total | 2,600 | 4,495 | 1,750 | 1,750 | 1,750 | 1,750 | 14,095 |
| TR024 - Pedestrian Street Lighting Corridors | | | | | | | |
| Net Debt Bonds | 500 | 600 | 1,000 | 1,000 | 1,000 | 1,000 | 5,100 |
| TR024 - Pedestrian Street Lighting Corridors Total | 500 | 600 | 1,000 | 1,000 | 1,000 | 1,000 | 5,100 |
| TR025 - Sign Replacement Program | | | | | | | |
| Net Debt Bonds | 895 | 895 | 895 | 895 | 895 | 895 | 5,370 |
| TR025 - Sign Replacement Program Total | 895 | 895 | 895 | 895 | 895 | 895 | 5,370 |
| TR99R - Reimbursable Transportation Projects | | | | | | | |
| Reimbursements | 600 | 600 | 600 | 600 | 600 | 600 | 3,600 |
| TR99R - Reimbursable Transportation Projects Total | 600 | 600 | 600 | 600 | 600 | 600 | 3,600 |
| PW Traffic Control and Street Lighting Total | 8,070 | 11,065 | 10,195 | 9,945 | 9,945 | 10,195 | 59,415 |
| PW Traffic Control & Street Lighting | | | | | | | |
| VZ001 - Vision Zero Program | | | | | | | |
| Net Debt Bonds | 1,000 | 1,000 | 500 | 500 | 500 | 500 | 4,000 |
| VZ001 - Vision Zero Program Total | 1,000 | 1,000 | 500 | 500 | 500 | 500 | 4,000 |
| PW Active Mobility Total | 1,000 | 1,000 | 500 | 500 | 500 | 500 | 4,000 |
| PW Bike - Ped | | | | | | | |
| BIK28 - Protected Bikeways Program | | | | | | | |
| Net Debt Bonds | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| BIK28 - Protected Bikeways Program Total | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| BP001 - Safe Routes to Schools Program | | | | | | | |
| Federal Grants | — | 1,000 | — | — | — | — | 1,000 |
| Net Debt Bonds | 400 | 1,000 | 400 | 400 | 400 | 400 | 3,000 |
| Other Local Governments | 300 | — | — | — | — | — | 300 |
| BP001 - Safe Routes to Schools Program Total | 700 | 2,000 | 400 | 400 | 400 | 400 | 4,300 |
| BP003 - Midtown Greenway Trail Mill & Overlay | | | | | | | |
| Net Debt Bonds | 1,605 | — | — | — | — | — | 1,605 |
| BP003 - Midtown Greenway Trail Mill & Overlay Total | 1,605 | — | — | — | — | — | 1,605 |
| BP004 - Pedestrian Safety Program | | | | | | | |
| Federal Grants | — | 1,000 | — | — | — | — | 1,000 |
| Municipal State Aid | — | 500 | — | — | — | — | 500 |
| Net Debt Bonds | 600 | 500 | 1,000 | 1,000 | 1,000 | 1,000 | 5,100 |
| BP004 - Pedestrian Safety Program Total | 600 | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,600 |
| BP005 - Queen Ave N Bike Boulevard | | | | | | | |
| Federal Grants | 1,000 | — | — | — | — | — | 1,000 |
| Hennepin County Grants | 250 | — | — | — | — | — | 250 |
| Municipal State Aid | 345 | — | — | — | — | — | 345 |
| Net Debt Bonds | 1,505 | — | — | — | — | — | 1,505 |
| BP005 - Queen Ave N Bike Boulevard Total | 3,100 | — | — | — | — | — | 3,100 |
| BP006 - 18th Ave NE Trail Gap (Marshall to California) | | | | | | | |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Debt Bonds | — | 265 | 270 | — | — | — | 535 |
| BP006 - 18th Ave NE Trail Gap (Marshall to California) Total | — | 265 | 270 | — | — | — | 535 |
| BP007 - Northside Greenway Phase 1, Humboldt/Irving Ave N | | | | | | | |
| Federal Grants | — | — | — | — | — | 5,000 | 5,000 |
| Net Debt Bonds | — | — | — | — | — | 2,500 | 2,500 |
| BP007 - Northside Greenway Phase 1, Humboldt/ Irving Ave N Total | — | — | — | — | — | 7,500 | 7,500 |
| PW Bike-Ped Total | 7,005 | 5,265 | 2,670 | 2,400 | 2,400 | 9,900 | 29,640 |
| PW Sanitary Sewer | | | | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | | | | | | | |
| Sanitary Bonds | 7,500 | 8,000 | 7,000 | 6,000 | 5,500 | 6,000 | 40,000 |
| Sanitary Revenue | 500 | — | 1,000 | 2,000 | 2,500 | 2,000 | 8,000 |
| SA001 - Sanitary Tunnel & Sewer Rehab Program Total | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 48,000 |
| SA036 - Infiltration & Inflow Removal Program | | | | | | | |
| Sanitary Bonds | 2,500 | 2,500 | 2,500 | 1,500 | 1,500 | 1,500 | 12,000 |
| Sanitary Revenue | — | — | — | 1,000 | 1,000 | 1,000 | 3,000 |
| SA036 - Infiltration & Inflow Removal Program Total | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 15,000 |
| SA99R - Reimbursable Sanitary Sewer Projects | | | | | | | |
| Reimbursements | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| SA99R - Reimbursable Sanitary Sewer Projects Total | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| SAPVR - Sanitary Sewer Paving Project Program | | | | | | | |
| Sanitary Bonds | 3,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 8,000 |
| Sanitary Revenue | 2,500 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,500 |
| SAPVR - Sanitary Sewer Paving Project Program Total | 5,500 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 20,500 |
| PW Sanitary Sewer Total | 17,000 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 89,500 |
| PW Stormwater Sewer | | | | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | | | | | | | |
| Stormwater Revenue | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |
| SW004 - Implementation of US EPA Storm Water Regs Total | 250 | 250 | 250 | 250 | 250 | 250 | 1,500 |
| SW005 - Combined Sewer Overflow Improvements | | | | | | | |
| Stormwater Revenue | 750 | 750 | 750 | 750 | 750 | 750 | 4,500 |
| SW005 - Combined Sewer Overflow Improvements Total | 750 | 750 | 750 | 750 | 750 | 750 | 4,500 |
| SW011 - Storm Drains and Tunnels Rehab Program | | | | | | | |
| Stormwater Bonds | 500 | 1,500 | 1,500 | 1,500 | 1,000 | 1,500 | 7,500 |
| Stormwater Revenue | 3,000 | 2,000 | 2,000 | 2,000 | 2,500 | 2,000 | 13,500 |
| SW011 - Storm Drains and Tunnels Rehab Program Total | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 21,000 |
| SW039 - Flood Mitigation - Stormwater Alternatives | | | | | | | |
| Stormwater Bonds | 2,000 | 2,000 | 5,000 | 6,000 | 6,000 | 6,000 | 27,000 |
| Stormwater Revenue | 3,000 | 3,000 | 1,000 | 1,000 | 1,000 | 1,000 | 10,000 |
| SW039 - Flood Mitigation - Stormwater Alternatives Total | 5,000 | 5,000 | 6,000 | 7,000 | 7,000 | 7,000 | 37,000 |
| SW040 - Central City Parallel Storm Tunnel | | | | | | | |
| Stormwater Bonds | 10,500 | 12,000 | 10,500 | — | — | — | 33,000 |
| Stormwater Revenue | 3,500 | 2,000 | 2,500 | — | — | — | 8,000 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| SW040 - Central City Parallel Storm Tunnel Total | 14,000 | 14,000 | 13,000 | — | — | — | 41,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | | | | | | | |
| Reimbursements | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects Total | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 |
| SWPVR - Storm Sewer Paving Project Program | | | | | | | |
| Stormwater Revenue | 2,000 | 2,300 | 3,200 | 4,300 | 4,300 | 4,300 | 20,400 |
| SWPVR - Storm Sewer Paving Project Program Total | 2,000 | 2,300 | 3,200 | 4,300 | 4,300 | 4,300 | 20,400 |
| PW Stormwater Sewer Total | 26,500 | 26,800 | 27,700 | 16,800 | 16,800 | 16,800 | 131,400 |
| PW Water | | | | | | | |
| WTR12 - Water Distribution Improvements | | | | | | | |
| Water Bonds | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 36,000 |
| Water Revenue | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 18,000 |
| WTR12 - Water Distribution Improvements Total | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 54,000 |
| WTR18 - Water Distribution Facility | | | | | | | |
| Net Debt Bonds | 3,265 | 5,180 | 7,880 | — | — | — | 16,325 |
| Sewer Bonds | 2,500 | 1,323 | 1,323 | — | — | — | 5,145 |
| Stormwater Bonds | 2,500 | 1,323 | 1,323 | — | — | — | 5,145 |
| Transfer from Internal Service Fund | — | 2,920 | 2,920 | — | — | — | 5,840 |
| Water Bonds | 1,000 | 1,670 | 1,670 | — | — | — | 4,340 |
| WTR18 - Water Distribution Facility Total | 9,265 | 12,415 | 15,115 | — | — | — | 36,795 |
| WTR23 - Treatment Infrastructure Improvements | | | | | | | |
| Water Revenue | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 18,000 |
| WTR23 - Treatment Infrastructure Improvements Total | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 18,000 |
| WTR27 - Advanced Metering Infrastructure | | | | | | | |
| Water Bonds | 2,200 | 1,200 | 740 | — | — | — | 4,140 |
| WTR27 - Advanced Metering Infrastructure Total | 2,200 | 1,200 | 740 | — | — | — | 4,140 |
| WTR29 - Columbia Heights Campus Upgrades | | | | | | | |
| Water Bonds | — | 450 | 3,525 | 4,800 | 4,585 | 1,700 | 15,060 |
| WTR29 - Columbia Heights Campus Upgrades Total | — | 450 | 3,525 | 4,800 | 4,585 | 1,700 | 15,060 |
| WTR31 - Electrical Service Rehabilitation | | | | | | | |
| Water Bonds | 2,800 | 7,000 | 4,600 | 4,300 | 3,400 | 250 | 22,350 |
| WTR31 - Electrical Service Rehabilitation Total | 2,800 | 7,000 | 4,600 | 4,300 | 3,400 | 250 | 22,350 |
| WTR32 - Softening Plant Chemical System Improvements | | | | | | | |
| Water Bonds | 25 | 3,650 | 7,150 | 2,750 | — | — | 13,575 |
| WTR32 - Softening Plant Chemical System Improvements Total | 25 | 3,650 | 7,150 | 2,750 | — | — | 13,575 |
| WTR33 - 3rd Ave Bridge Water Main | | | | | | | |
| Water Bonds | 1,000 | — | — | — | — | — | 1,000 |
| WTR33 - 3rd Ave Bridge Water Main Total | 1,000 | — | — | — | — | — | 1,000 |
| WTR34 - Fridley Facilities and Campus Improvements | | | | | | | |
| Water Bonds | 3,500 | — | — | — | — | — | 3,500 |
| WTR34 - Fridley Facilities and Campus Improvements Total | 3,500 | — | — | — | — | — | 3,500 |
| WTR35 - Renewable Energy at Water Treatment Campuses | | | | | | | |
| Water Bonds | — | — | 150 | 5,000 | — | — | 5,150 |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| WTR35 - Renewable Energy at Water Treatment Campuses Total | — | — | 150 | 5,000 | — | — | 5,150 |
| WTR9R- Reimbursable Water Main Projects | | | | | | | |
| Reimbursements | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| WTR9R- Reimbursable Water Main Projects Total | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| PW Water Total | 32,790 | 38,715 | 45,280 | 30,850 | 21,985 | 15,950 | 185,570 |
| PW Fleet | | | | | | | |
| FLT01 - Fuel and Charging Stations | | | | | | | |
| Other | 336 | 292 | 112 | 112 | 120 | — | 972 |
| FLT01 - Fuel and Charging Stations Total | 336 | 292 | 112 | 112 | 120 | — | 972 |
| FLT02 - Vehicle Hoists | | | | | | | |
| Other | 200 | 75 | 25 | 25 | 25 | — | 350 |
| FLT02 - Vehicle Hoists Total | 200 | 75 | 25 | 25 | 25 | — | 350 |
| FLT03 - Vehicle Maintenance System | | | | | | | |
| Other | 30 | 1,050 | — | — | — | — | 1,080 |
| FLT03 - Vehicle Maintenance System Total | 30 | 1,050 | — | — | — | — | 1,080 |
| PW Fleet Total | 566 | 1,417 | 137 | 137 | 145 | — | 2,402 |
| PW Parking | | | | | | | |
| PK004 - Off-Street Systems | | | | | | | |
| Parking Revenue | 1,000 | 2,000 | 5,000 | 5,000 | 5,000 | 5,000 | 23,000 |
| PK004 - Off-Street Systems Total | 1,000 | 2,000 | 5,000 | 5,000 | 5,000 | 5,000 | 23,000 |
| PK008 - On-Street Systems | | | | | | | |
| Parking Bonds | 3,000 | 2,000 | — | — | — | — | 5,000 |
| Parking Revenue | — | — | 140 | 140 | 140 | 140 | 560 |
| PK008 - On-Street Systems Total | 3,000 | 2,000 | 140 | 140 | 140 | 140 | 5,560 |
| PW Parking Total | 4,000 | 4,000 | 5,140 | 5,140 | 5,140 | 5,140 | 28,560 |
| Public Works Total | 12,981 | 12,979 | 12,980 | 12,981 | 12,980 | 12,980 | 77,881 |
| Public Grounds & Facilities | | | | | | | |
| FIR11 - New Fire Station No. 11 | | | | | | | |
| Net Debt Bonds | — | — | 5,000 | 4,144 | — | — | 9,144 |
| FIR11 - New Fire Station No. 11 Total | — | — | 5,000 | 4,144 | — | — | 9,144 |
| FIR12 - New Fire Station No. 1 | | | | | | | |
| Net Debt Bonds | 1,250 | — | — | — | — | — | 1,250 |
| FIR12 - New Fire Station No. 1 Total | 1,250 | — | — | — | — | — | 1,250 |
| FIR14 - New Fire Station No. 19 | | | | | | | |
| Net Debt Bonds | — | — | — | — | 1,000 | 13,000 | 14,000 |
| FIR14 - New Fire Station No. 19 Total | — | — | — | — | 1,000 | 13,000 | 14,000 |
| MPD04 - New 1st Police Precinct | | | | | | | |
| Net Debt Bonds | — | 2,000 | 6,100 | 4,400 | — | — | 12,500 |
| MPD04 - New 1st Police Precinct Total | — | 2,000 | 6,100 | 4,400 | — | — | 12,500 |
| MPD05 - 4th Police Precinct | | | | | | | |
| Net Debt Bonds | 100 | — | — | 2,000 | 6,100 | 4,400 | 12,600 |
| MPD05 - 4th Police Precinct Total | 100 | — | — | 2,000 | 6,100 | 4,400 | 12,600 |
| PSD19 - Impound Lot Facility | | | | | | | |
| Parking Bonds | 1,400 | — | — | — | — | — | 1,400 |
| PSD19 - Impound Lot Facility Total | 1,400 | — | — | — | — | — | 1,400 |
| PSD20 - City Hall & New Public Service Center | | | | | | | |
| CIP/Charter Bonds | 8,700 | — | 4,300 | — | — | — | 13,000 |
| Transfer from General Fund | 6,000 | 1,000 | — | 300 | — | — | 7,300 |
| PSD20 - City Hall & New Public Service Center Total | 14,700 | 1,000 | 4,300 | 300 | — | — | 20,300 |
| PSD21 - Hiawatha Training & Recruitment Center | | | | | | | |

Capital Budget Detail for Funded Projects
Council Adopted Budget

Budget in thousands

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---------------|--------------|---------------|---------------|---------------|---------------|----------------|
| Net Debt Bonds | 1,128 | 1,772 | 2,400 | — | — | — | 5,300 |
| Other | — | 300 | 300 | — | — | — | 600 |
| Parking Revenue | — | 300 | 300 | — | — | — | 600 |
| Sanitary Bonds | — | 300 | 300 | — | — | — | 600 |
| Solid Waste & Recycling Bonds | — | 800 | 600 | — | — | — | 1,400 |
| Stormwater Bonds | — | 200 | 200 | — | — | — | 400 |
| Water Bonds | — | 1,200 | 1,000 | — | — | — | 2,200 |
| PSD21 - Hiawatha Training & Recruitment Center Total | 1,128 | 4,872 | 5,100 | — | — | — | 11,100 |
| PSD22 - Reg Services MACC | | | | | | | |
| Net Debt Bonds | — | 50 | — | — | — | — | 50 |
| PSD22 - Reg Services MACC Total | — | 50 | — | — | — | — | 50 |
| PSD23 - MPD Training & Wellness Facility | | | | | | | |
| Net Debt Bonds | 100 | — | — | — | 6,000 | 8,000 | 14,100 |
| PSD23 - MPD Training & Wellness Facility Total | 100 | — | — | — | 6,000 | 8,000 | 14,100 |
| PSD24 - Solar (TBD) | | | | | | | |
| Net Debt Bonds | 1,500 | 1,550 | 1,118 | 1,005 | 580 | 510 | 6,263 |
| PSD24 - Solar (TBD) Total | 1,500 | 1,550 | 1,118 | 1,005 | 580 | 510 | 6,263 |
| Public Grounds & Facilities Total | 20,178 | 9,472 | 21,618 | 11,849 | 13,680 | 25,910 | 102,707 |
| Miscellaneous Projects | | | | | | | |
| ART01 - Art in Public Places | | | | | | | |
| Net Debt Bonds | 747 | 779 | 858 | 836 | 836 | 845 | 4,899 |
| ART01 - Art in Public Places Total | 747 | 779 | 858 | 836 | 836 | 845 | 4,899 |
| Miscellaneous Projects Total | 747 | 779 | 858 | 836 | 836 | 845 | 4,899 |

Miscellaneous Projects

ART01 - Art in Public Places

This ongoing program incorporates public art into the City's capital program as stand alone artworks or as integrated into public infrastructure.

Municipal Building Commission

MBC01 - Life Safety Improvements

Installation of building sprinkler, fire alarm, smoke detection, and public address systems.

MBC02 - Mechanical Systems Upgrade

Renovation and upgrade of the heating, ventilating and air conditioning (HVAC) systems in City Hall.

MBC12 - Safety Improvements - Non-Stagework Areas

Provide for safety and security infrastructure improvements in non-stagework areas.

MBC13 - 4th Street Reconstruction - Sidewalk Enhancements

Update the look, increase pedestrian safety, and better accommodate the bikeway along the 4th Street side of the City Hall/Courthouse.

Park Board

PRK02 - Playground and Site Improvements Program

This project will reconfigure and replace worn out play equipment and additional amenities where budget allows.

PRK03 - Shelter - Pool - Site Improvements Program

Wading pool upgrade at Fuller Park, including accessibility improvements.

PRK04 - Athletic Fields - Site Improvement Program

Improvements include soil amendments, re-grading, re-seeding, irrigation, lighting, drainage, amenities and parking.

PRK33 - Bryn Mawr Meadows Field Improvements

Renovation and possible redesign for athletic fields at Bryn Mawr Meadows.

PRK36 - North Commons Park Implementation

Implementation of various recreational improvements, based on results of the in-progress North Service Area Master Plan.

PRK37 - Powderhorn Park Implementation

Implementation of various recreational improvements, as called for in the South Service Area Master Plan.

PRK38 - Sibley Field Park Implementation

Implementation of various recreational improvements, as called for in the South Service Area Master Plan.

PRK40 - Elliot Park Implementation

Implementation of various recreational improvements, as called for in the Downtown Service Area Master Plan.

PRK41 - East Phillips Park Implementation

This project will implement a variety of recreational improvements at East Phillips Park in south Minneapolis.

PRK42 - Farview Park Implementation

This project will implement a variety of recreational improvements at Farview Park in north Minneapolis.

PRK43 - Audubon Park Implementation

This project will implement a variety of recreational improvements at Audubon Park in northeast Minneapolis.

PRK44 - Bottineau Park Implementation

This project will implement a variety of recreational improvements at Bottineau Park in northeast Minneapolis.

PRKCP - Neighborhood Parks Capital Infrastructure

This project reflects the additional resources for neighborhood parks approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016. Parks included here have allocations of \$1,060,000 or less.

PRKDT - Diseased Tree Removal

Removing diseased trees from private property.

PRKRP - Neighborhood Parks Rehabilitation Program

Rehabilitation of existing park facilities, as authorized under the "Neighborhood Park and Street Infrastructure Plans" in 10 distinct categories.

Public Grounds and Facilities

FIR11 - New Fire Station No. 11

Planning, design, and construction of a new Fire Station #11 at an existing City-owned site.

FIR12 - New Fire Station No. 1

The project would plan, design, renovate and expand the current Fire Station #1 at its current location or construction of a new station as part of a redevelopment strategy.

FIR14 - New Fire Station No. 19

Planning, design, and construction of a new Fire Station No. 19 on property yet to be identified and acquired, in the UofM TCF Bank Stadium area.

MPD04 - New 1st Police Precinct

Planning, design, and construction of a new Police Precinct No. 1 on property yet to be identified and acquired, in the downtown north area.

MPD05 - 4th Police Precinct

This Project will plan, design, and construct a new Police Precinct No. 4 on property to be identified and acquired in the northwest area of the City that it serves. Accommodations will be required, either through lease or construction, for secure parking spaces.

PSD15 - Traffic Maintenance Facility Improvement

The scope of the project is to complete the final phase of the renovation and modernization of the Traffic Maintenance Facility.

PSD16 - Farmer's Market Improvements

This project will provide for the long term capital improvement plan for the Farmer's Market site and facilities.

PSD18 - Regulatory Services Facility

To acquire an adequate site and to design and construct a new facility to meet the program needs of Housing and Fire Inspections.

PSD19 - Impound Lot Facility

This project will provide for needed site improvements (drainage, lighting, security, landscape screening), and for the comprehensive renovation and expansion, or replacement, of the Impound service building at or near its current location.

PSD20 - City Hall & New Public Service Center

This project will consist of renovations to the City's space in the historic City Hall at 350 South 5th St and construction of a new office building/public service center located adjacent to City Hall at 501 4th Ave S.

PSD21 - Hiawatha Training & Recruitment Center

This new center will better facilitate and encourage local neighborhood hiring as well as provide space for local business incubators.

PSD22 - Reg Services MACC

A master planning effort has been requested to identify changes that could be made to the existing facility, since the site footprint is at its maximum.

PSD23 - MPD Training & Wellness Facility

New Training & Wellness Center for City MPD, Fire, Emergency Responders and regional partner needs.

PSD24 - Solar (TBD)

This Project will plan, design, and construct behind the meter solar photovoltaic arrays on City built assets between 2021 and 2026.

Public Works

Street Paving

PV001 - Parkway Paving Program

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program will renovate rather than totally reconstruct the roadways.

PV006 - Alley Renovation Program

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program will renovate rather than totally reconstruct the roadways.

PV056 - Asphalt Pavement Resurfacing Program

The objective of this program is to resurface approximately 15 to 20 miles of streets each year to extend their useful life. Resurfacing will help to slow the deterioration of the city's aging street network and delay the cost of reconstructing the roadway by at least 10 years. Until specific paving projects are defined, this project will also reflect the additional resources for street infrastructure approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

PV059 - Major Pavement Maintenance Program

This project will upgrade pavement conditions and/or extend the life of the roadways in the City.

PV063 - Unpaved Alley Construction

Place concrete pavement and any necessary storm drain and retaining walls in existing dirt or oiled dirt surfaced alleys.

PV074 - CSAH & MnDOT Cooperative Projects

Project funding to be used for City's share of cooperative paving/bridge projects with Hennepin County and MnDOT.

PV075 - Development Infrastructure Program

This project would provide funding for various City wide development projects.

PV092 - Technology Drive NE and 37th Ave NE

The proposed project will reconstruct approximately 0.6 miles of 37th Avenue NE and Technology Drive.

PV095 - 4th St N & S (2nd Ave N to 4th Ave S)

Reconstruction of existing roadway.

PV104 - ADA Ramp Replacement Program

Replace pedestrian ramps to meet new standards set by the Americans with Disabilities Act.

PV108 - Concrete Streets Rehabilitation Program

This program would repair and rehabilitate various existing concrete streets in the City.

PV113 - 29th St W Phase 2

Reconstruction of existing roadway to be replaced with woonerf concept.

PV118 - Hennepin Ave (Wash Ave N to 12th St S)

Reconstruction of existing roadway with pedestrian and bicycle amenities.

PV122 - Dowling Ave (I-94 to 1st St N)

Reconstruct existing street to new connection at 1st St N.

PV123 - Logan Park Industrial

Reconstruction of oil dirt and paver streets.

PV126 - Bryant Ave S (50th St W to Lake St W)

Reconstruction of existing street/bike boulevard.

PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)

Reconstruction of existing concrete roadway, narrowing traffic area and adding an off-street trail in cooperation with Columbia Heights.

PV131 - Res Neighborhood Reconst Projects

The project includes reconstruction of segments of residential streets within a residential paving area that warrant repairs beyond those provided in the residential resurfacing program. This includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

PV132 - 1st Ave S (Lake St to Franklin Ave)

Reconstruction of existing right-of-way, to include new sidewalks, ADA pedestrian ramps, bicycle accommodations, pavement, curb and gutter, and utility improvements.

PV137 - 29th Ave NE (Central to Stinson)

The project will include new sidewalks with ADA pedestrian ramps, on-street bike lanes, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV138 - 26th St E (Minnehaha Ave to 29th Ave S)

Reconstruction of existing roadway.

PV140 - 13th Ave NE (Sibley St NE to 4th St NE)

Reconstruction of Existing roadway, sidewalks, bike lanes, with curb and gutter.

PV141 - Grand Ave S (Lake St. W to 48th St W)

The project includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and pavement markings.

PV142 - Downtown East Paving

Reconstruction of several streets in the area near the US Bank Stadium.

PV143 - North Industrial

The project includes reconstruction of segments of local streets within the industrial areas between I-94, 23rd Ave N, 34th Ave N, and the Mississippi River. This project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

PV146 - 9th St SE (6th Ave SE to 9th Ave SE)

Reconstruction of existing roadway.

PV150 - 1st Ave N (10th St N to Wash Ave)

Reconstruction of existing roadway.

PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)

Reconstruction of existing roadway.

PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)

Reconstruction of existing right-of-way, to include new sidewalks, potential bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

PV154 - Franklin Ave W (Henn Ave S to Lyndale Ave S)

Reconstruction of existing roadway.

PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)

Reconstruction of existing roadway, sidewalk, signals, street lighting, curb and gutter.

PV157 - 33rd Avenue NE, Central Avenue to Stinson

The proposed project will reconstruct approximately 1.0 miles of 33rd Avenue Northeast between Central Avenue North and Stinson Boulevard.

PV158 Hennepin Ave (Lake St W to Douglas Ave)

Reconstruction of existing roadway, sidewalks, signals, street lighting, etc.

PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)

Reconstruction of existing right-of-way, to include new sidewalks, potential bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

PV160 - 1st Ave S (Franklin Ave to Grant St)

Reconstruction of existing right-of-way, to include new sidewalks, bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)

Reconstruction of existing right-of-way, to include new sidewalks, bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

PV162 - 42nd Street E, Nicollet Ave to Cedar Ave

The proposed project will reconstruct approximately 1.5 miles of 42nd Street East between Nicollet Avenue and Cedar Avenue.

PV163 - 31st Street E, Blaisdell Ave to Bloomington Ave

The proposed project will reconstruct approximately 1.3 miles of 31st Street East between Blaisdell Avenue and Bloomington Avenue South.

PV164 - Nicollet Ave, Minnehaha Parkway to 61st Street

2021-2026 Capital Program Descriptions

The proposed project will reconstruct approximately 0.95 miles of Nicollet Avenue between Minnehaha Parkway and 61st Street West.

PV165 - 35th Street Nicollet Avenue to Chicago Avenue

The proposed project is a complete reconstruction of 35th Street East from Nicollet Avenue to Chicago Avenue.

PV166 - 2nd Street NE, Broadway to Lowry Avenue

The proposed project will reconstruct approximately 1 mile of 2nd Street Northeast between Broadway Street Northeast and Lowry Avenue North.

PV167 - Dowling Ave N, Thomas to Lyndale

The proposed project will reconstruct approximately 1.25 miles of Dowling Ave North between Thomas Avenue North and Lyndale Avenue North.

PV169 - 38th Street, Lyndale Ave to Park Ave

The proposed project will reconstruct approximately 1.25 miles of 38th Street E/W between Lyndale Avenue and Park Avenue.

PV170 - 11th Avenue S, 8th Street to 24th Street

The proposed project will reconstruct approximately 0.72 miles of 11th Avenue South between 8th Street E and 24th Street E.

PV171 - 60th Street, Nicollet Avenue to Chicago Avenue

The proposed project will reconstruct approximately 0.75 miles of 60th St E between Nicollet Ave and Chicago Ave.

PV172 - Chicago Ave, Lake Street to 38th Street

The proposed project will reconstruct approximately 1.0 miles of Chicago Avenue South between Lake Street and 38th Street East.

PV173 - Chicago Ave, 49th Street to 60th Street

The proposed project is a complete reconstruction of approximately 1.4 miles of Chicago Avenue from 49th St E to 60th St E.

PV174 - 36th Street, Nicollet Avenue to Chicago Avenue

The proposed project will reconstruct approximately 0.75 miles of 36th Street E between Nicollet Avenue and Chicago Avenue.

PV175 - 38th Street, Park Ave to 23rd Ave S

The proposed project will reconstruct approximately 1.3 miles of 38th St E between Park Ave and 23rd Ave S.

PV176 - Chicago Ave, 38th Street to 46th Street

The proposed project will reconstruct approximately 1.0 miles of Chicago Avenue South between 38th Street and 46th Street.

PV99R - Reimbursable Paving Projects

Work to be done for others with 100% recovery from requesting agency.

Bridges

BR101 - Major Bridge Repair and Rehabilitation

Major repair and rehabilitation of existing city bridges to extend the operational life.

BR106 - 1st Ave S over HCRRA

Major repair and rehabilitation of existing city bridges to extend the operational life.

BR127 - Nicollet Ave over Minnehaha Creek

Bridge Rehabilitation.

BR133 - Cedar Lake Road Bridge over BNSF Railroad

Reconstruct existing bridges over Bassett Creek and Burlington Northern Santa Fe railroad.

BR134 - Bridge 9 Program

Ongoing safety projects to maintain the bike/ped bridge crossing the Mississippi River.

Traffic Control and Street Lighting

TR008 - Parkway Street Light Replacement

This project consists of replacement of deteriorated services, poles, fixtures and electrical wiring associated with the lighting systems in place along the parkways throughout the City.

TR010 - Traffic Management Systems

This project consists of updating and retiming all the traffic signal systems within the City.

TR011 - City Street Light Renovation

This project consists of renovating the City's existing decorative street lighting facilities.

TR021 - Traffic Signals

This project consists of replacing old and outdated traffic signal equipment.

TR022 - Traffic Safety Improvements

This project consists of seven traffic related improvements: 1) Overhead Signal Additions, 2) Operational and Safety Improvements, 3) Signal and Delineation, 4) Mastarm Mounted Street Name Signing, 5) Street & Bridge Navigation Lighting, 6) Pedestrian Safety, and 7) Railroad Crossing Safety.

TR024 - Pedestrian Street Lighting Corridors

Construct pedestrian level lighting on various pedestrian corridors throughout the City.

TR025 - Sign Replacement Program

Replace deficient signs with new signs that meet current reflectivity standards.

TR99R - Reimbursable Transportation Projects

Work for others funding to be reimbursed by department, business or individuals requesting the work.

Parking

PK004 - Off-Street Systems

Provide capital upgrades for 16 parking ramps located in downtown Minneapolis.

PK008 - On-Street Systems

The project will replace pay stations following a Request for Proposals issued in November of 2019.

Sidewalks

SWK01 - Defective Hazardous Sidewalks

To provide a hazard free pedestrian passage over approximately 2,000 miles of public sidewalk by inspecting and replacing defective public sidewalks and adding ADA compliant curb ramps where needed.

SWK02 - Sidewalk Gaps

Construction of sidewalks where gaps in the sidewalk system exist.

Active Mobility

VZ001 - Vision Zero Program

This program will concentrate safety improvements on selected High Injury Streets as identified in the City's Vision Zero Action Plan.

Bike-Ped

BIK28 - Protected Bikeways Program

This program will create a network of bikeways which provide bicyclists with a physical means of protection from motor vehicles on roadways as recommended in the Bicycle Master Plan.

BP001 - Safe Routes to Schools Program

This program will make safety improvements to roadways and intersections to encourage bicycling and walking to and from Minneapolis Schools.

BP003 - Midtown Greenway Trail Mill & Overlay

Phase I renovation of the Midtown Greenway.

BP004 - Pedestrian Safety Program

Street improvements to create safer pedestrian/bicycle crossings at intersections.

BP005 - Queen Ave N Bike Boulevard

Creation of a bicycle boulevard on Queen Ave N.

BP006 - 18th Ave NE Trail Gap (Marshall to California)

The project will add an off street trail connecting the East River Trail to the 18th Ave NE Trail.

BP007 - Northside Greenway Phase 1, Humboldt/Irving Ave N

The proposed project will create a Neighborhood Greenway along Humboldt/Irving Ave N for approximately 2.5 miles in North Minneapolis, extending from 44th Ave N to 26th Ave N.

Fleet

FLT01 - Fuel and Charging Stations

Upgrade fuel dispensing systems and fluid dispensing system at Currie Maintenance Facility (\$260,000 over 2 years) and install electric vehicle charging stations at various City owned facilities (\$712,000 over 5 years).

FLT02 - Vehicle Hoists

Replace aging vehicle hoists at both Currie and Royalston maintenance facilities.

FLT03 - Vehicle Maintenance System

To upgrade the current system and ensure vendor support during the RFP process.

Sanitary Sewer

SA001 - Sanitary Tunnel & Sewer Rehab Program

This program will rehabilitate and repair sanitary sewer pipes, lift stations & tunnels.

SA036 - Infiltration & Inflow Removal Program

The focus of this program is to remove inflow and infiltration of water from the sanitary sewer system and redirect this clear water to the storm sewer system and/or other best management practices.

SA99R - Reimbursable Sanitary Sewer Projects

Work to be done for others with 100% recovery from requesting agency.

SAPVR - Sanitary Sewer Paving Project Program

Data-driven repair and rehabilitation activities, with coordination between sanitary sewer and capital paving projects.

Stormwater Sewer

SW004 - Implementation of US EPA Storm Water Regs

This project provides solutions for stormwater pollution mitigation measures.

SW005 - Combined Sewer Overflow Improvements

Construction of stormwater systems so that catch basins and drains in public right of way can be disconnected from the sanitary sewer and reconnected to a storm sewer.

SW011 - Storm Drains and Tunnels Rehab Program

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

SW039 - Flood Mitigation - Stormwater Alternatives

The purpose of this program is to address localized flooding and drainage problems City-wide. Where practical, environmentally friendly "green infrastructure" stormwater practices such as rain gardens, bioswales, constructed wetlands, pervious pavements and hard surface reduction will be utilized.

SW040 - Central City Parallel Storm Tunnel

Construction of a new parallel tunnel in the Central City storm tunnel system.

SW99R - Reimbursable Sewer & Storm Drain Projects

Work to be done for others with 100% recovery from requesting agency.

SWPVR - Storm Sewer Paving Project Program

Data-driven repair and rehabilitation activities, with coordination between storm sewer and capital paving projects.

Water

WTR12 - Water Distribution Improvements

Maintain and sustain existing water distribution system infrastructure citywide.

WTR18 - Water Distribution Facility

Site acquisition, planning, design, and construction of a new water distribution maintenance facility.

WTR23 - Treatment Infrastructure Improvements

Maintain viability of existing water infrastructure through regular upgrades.

WTR27 - Advanced Metering Infrastructure

Implementation of advanced metering infrastructure.

WTR29 - Columbia Heights Campus Upgrades

Improve or replace century-old structures on Columbia Heights campus.

WTR31 - Electrical Service Rehabilitation

Rehabilitation of the electrical equipment at the Fridley Campus.

WTR32 - Softening Plant Chemical System Improvements

Replacement of lime chemical feed equipment and upgrade/expansion of on-line lime storage at the Fridley Softening Plant.

WTR33 - 3rd Ave Bridge Water Main

Shoring and renovation related to the 36" water main that hangs from the 3rd Avenue Bridge deck, in conjunction with MnDOT's bridge deck replacement and sub-structure renovation project.

WTR34 - Fridley Facilities and Campus Improvements

Design and implementation of a master plan for the Fridley Campus, including one or more buildings to more efficiently run the business of the utility.

WTR35 - Renewable Energy at Water Treatment Campuses

Design and installation of a 1-Megawatt photovoltaic solar array at the Columbia Heights water treatment campus.

WTR9R- Reimbursable Water Main Projects

This project provides working capital for watermain projects reimbursable by other City Departments or private businesses.

2021 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|----------------------|------------------|-------------------|-----------------|
| MISCELLANEOUS PROJECTS | | | | |
| ART01 - Art in Public Places | 750 | 750 | 747 | 747 |
| MUNICIPAL BUILDING COMMISSION | | | | |
| MBC01 - Life Safety Improvements | 2,585 | 1,292 | 2,585 | 2,585 |
| MBC02 - Mechanical Systems Upgrade | 4,331 | 4,331 | 5,709 | 5,709 |
| MBC10 - Exterior Improvements | 5,550 | — | — | — |
| MBC12 - Safety Improvements - Non-Stagework Areas | 910 | 910 | 910 | 910 |
| MBC13 - 4th Street Reconstruction - Sidewalk Enhancements | 300 | — | — | — |
| PARK BOARD | | | | |
| PRK02 - Playground and Site Improvements Program | 1,245 | 1,245 | 1,245 | 1,245 |
| PRK03 - Shelter - Pool - Site Improvements Program | — | — | — | — |
| PRK04 - Athletic Fields - Site Improvement Program | 516 | 516 | 516 | 516 |
| PRK33 - Bryn Mawr Meadows Field Improvements | 2,780 | 2,780 | 2,780 | 2,780 |
| PRK36 - North Commons Park Implementation | 1,000 | 1,000 | 1,000 | 1,000 |
| PRK37 - Powderhorn Park Implementation | 460 | 460 | 460 | 460 |
| PRK38 - Sibley Field Park Implementation | 300 | — | 300 | 300 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 2,065 | 2,065 | 2,065 | 2,065 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 4,315 | 4,315 | 4,315 | 4,315 |
| PUBLIC GROUNDS AND FACILITIES | | | | |
| FIR12 - New Fire Station No. 1 | 1,313 | 1,313 | 1,250 | 1,250 |
| MPD04 - New 1st Police Precinct | 4,000 | — | — | — |
| MPD05 - 4th Police Precinct | — | — | 100 | 100 |
| PSD15 - Traffic Maintenance Facility Improvement | 200 | — | — | — |
| PSD18 - Regulatory Services Facility | 1,000 | — | — | — |
| PSD19 - Impound Lot Facility | 1,400 | 1,400 | 1,400 | 1,400 |
| PSD20 - City Hall & New Public Service Center | 6,000 | 6,000 | 8,800 | 14,700 |
| PSD21 - Hiawatha Training & Recruitment Center | — | — | 1,128 | 1,128 |
| PSD23 - MPD Training & Wellness Facility | 100 | — | 100 | 100 |
| PSD24 - Solar (TBD) | 2,000 | 2,000 | 1,500 | 1,500 |
| PUBLIC WORKS | | | | |
| PW ACTIVE MOBILITY | | | | |
| VZ001 - Vision Zero Program | 1,000 | 1,000 | 1,000 | 1,000 |
| PW BIKE-PED | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP001 - Safe Routes to Schools Program | 700 | 700 | 700 | 700 |
| BP003 - Midtown Greenway Trail Mill & Overlay | 1,605 | 1,605 | 1,605 | 1,605 |
| BP004 - Pedestrian Safety Program | 600 | 600 | 600 | 600 |

2021 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| BP005 - Queen Ave N Bike Boulevard | 3,100 | 3,100 | 3,100 | 3,100 |
| PW BRIDGES | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 |
| BR134 - Bridge 9 Program | 1,700 | 1,700 | 1,700 | 1,700 |
| PW FLEET | | | | |
| FLT01 - Fuel and Charging Stations | 336 | 336 | 336 | 336 |
| FLT02 - Vehicle Hoists | 200 | 200 | 200 | 200 |
| FLT03 - Vehicle Maintenance System | 30 | 30 | 30 | 30 |
| PW PARKING | | | | |
| PK004 - Off-Street Systems | 2,000 | 2,000 | 1,000 | 1,000 |
| PK008 - On-Street Systems | 3,000 | 3,000 | 3,000 | 3,000 |
| PW SANITARY SEWER | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 |
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 5,500 | 5,500 | 5,500 | 5,500 |
| PW SIDEWALKS | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,460 | 2,460 | 2,460 | 2,460 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 |
| PW STORMWATER SEWER | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 |
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 5,000 | 5,000 | 5,000 | 5,000 |
| SW040 - Central City Parallel Storm Tunnel | 14,000 | 14,000 | 14,000 | 14,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SWPVR - Storm Sewer Paving Project Program | 2,000 | 2,000 | 2,000 | 2,000 |
| PW PAVING | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 |
| PV006 - Alley Renovation Program | 250 | — | 250 | 250 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 |
| PV063 - Unpaved Alley Construction | 220 | — | 220 | 220 |
| PV074 - CSAH & MnDOT Cooperative Projects | 4,325 | 4,325 | 4,325 | 4,325 |
| PV075 - Development Infrastructure Program | 500 | — | 500 | 500 |
| PV095 - 4th St N & S (2nd Ave N to 4th Ave S) | 1,500 | — | 1,500 | 1,500 |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 |
| PV108 - Concrete Streets Rehabilitation Program | 5,130 | 5,130 | 5,130 | 5,130 |
| PV118 - Hennepin Ave (Wash Ave N to 12th St S) | 3,000 | 3,000 | 3,000 | 3,000 |
| PV131 - Res Neighborhood Reconst Projects | 2,968 | 2,968 | 2,968 | 2,968 |

2021 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| PV141 - Grand Ave S (Lake St. W to 48th St W) | 8,559 | 8,559 | 6,327 | 6,327 |
| PV142 - Downtown East Paving | 3,285 | — | 3,285 | 3,285 |
| PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N) | 5,332 | 5,332 | 5,332 | 5,332 |
| PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE) | 6,235 | 6,235 | 6,235 | 6,235 |
| PV177 - 38th St E and Chicago Ave | — | — | 375 | 375 |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 |
| PW TRAFFIC CONTROL & STREET LIGHTING | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 |
| TR010 - Traffic Management Systems | 875 | 875 | 875 | 875 |
| TR011 - City Street Light Renovation | 1,000 | 1,000 | 1,000 | 1,000 |
| TR021 - Traffic Signals | 1,250 | 1,250 | 1,250 | 1,250 |
| TR022 - Traffic Safety Improvements | 2,600 | 2,600 | 2,600 | 2,600 |
| TR024 - Pedestrian Street Lighting Corridors | 500 | 500 | 500 | 500 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 |
| PW WATER TREATMENT & DISTRIBUTION | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 |
| WTR18 - Water Distribution Facility | 9,265 | 7,633 | 9,265 | 9,265 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 |
| WTR27 - Advanced Metering Infrastructure | 2,200 | 2,200 | 2,200 | 2,200 |
| WTR31 - Electrical Service Rehabilitation | 2,800 | 2,800 | 2,800 | 2,800 |
| WTR32 - Softening Plant Chemical System Improvements | 25 | 25 | 25 | 25 |
| WTR33 - 3rd Ave Bridge Water Main | 1,000 | 1,000 | 1,000 | 1,000 |
| WTR34 - Fridley Facilities and Campus Improvements | 3,500 | 3,500 | 3,500 | 3,500 |
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 |
| Grand Total | 199,530 | 179,400 | 190,463 | 196,363 |

2022 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| MISCELLANEOUS PROJECTS | | | | |
| ART01 - Art in Public Places | 765 | 765 | 779 | 779 |
| MUNICIPAL BUILDING COMMISSION | | | | |
| MBC01 - Life Safety Improvements | 6,236 | 3,118 | 3,118 | 3,118 |
| MBC02 - Mechanical Systems Upgrade | 6,236 | 6,236 | 3,000 | 3,000 |
| MBC12 - Safety Improvements - Non-Stagework Areas | 4,450 | 4,450 | 4,000 | 4,000 |
| PARK BOARD | | | | |
| PRK02 - Playground and Site Improvements Program | 1,041 | 1,041 | 1,041 | 1,041 |
| PRK03 - Shelter - Pool - Site Improvements Program | 544 | 544 | 544 | 544 |
| PRK33 - Bryn Mawr Meadows Field Improvements | 665 | 665 | 665 | 665 |
| PRK37 - Powderhorn Park Implementation | 641 | 641 | 641 | 641 |
| PRK41 - East Phillips Park Implementation | 428 | — | 428 | 428 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 5,565 | 5,565 | 5,565 | 5,565 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 3,795 | 3,795 | 3,795 | 3,795 |
| PUBLIC GROUNDS AND FACILITIES | | | | |
| MPD04 - New 1st Police Precinct | 6,100 | — | 2,000 | 2,000 |
| PSD15 - Traffic Maintenance Facility Improvement | 2,000 | — | — | — |
| PSD16 - Farmer's Market Improvements | 2,500 | — | — | — |
| PSD18 - Regulatory Services Facility | 3,750 | — | — | — |
| PSD20 - City Hall & New Public Service Center | 7,700 | 7,700 | 6,900 | 1,000 |
| PSD21 - Hiawatha Training & Recruitment Center | 6,000 | 6,000 | 4,872 | 4,872 |
| PSD22 - Reg Services MACC | 50 | — | 50 | 50 |
| PSD23 - MPD Training & Wellness Facility | 6,000 | — | — | — |
| PSD24 - Solar (TBD) | 1,550 | 1,550 | 1,550 | 1,550 |
| PUBLIC WORKS | | | | |
| PW ACTIVE MOBILITY | | | | |
| VZ001 - Vision Zero Program | 1,000 | 1,000 | 1,000 | 1,000 |
| PW BIKE-PED | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP001 - Safe Routes to Schools Program | 2,000 | 2,000 | 2,000 | 2,000 |
| BP004 - Pedestrian Safety Program | 2,000 | 2,000 | 2,000 | 2,000 |
| BP006 - 18th Ave NE Trail Gap (Marshall to California) | 265 | 265 | 265 | 265 |
| PW BRIDGES | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 |
| BR134 - Bridge 9 Program | 2,480 | 2,480 | 2,480 | 2,480 |
| PW FLEET | | | | |

2022 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| FLT01 - Fuel and Charging Stations | 292 | 292 | 292 | 292 |
| FLT02 - Vehicle Hoists | 75 | 75 | 75 | 75 |
| FLT03 - Vehicle Maintenance System | 1,050 | 1,050 | 1,050 | 1,050 |
| PW PARKING | | | | |
| PK004 - Off-Street Systems | 2,000 | 2,000 | 2,000 | 2,000 |
| PK008 - On-Street Systems | 2,000 | 2,000 | 2,000 | 2,000 |
| PW SANITARY SEWER | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 |
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 3,000 | 3,000 | 3,000 | 3,000 |
| PW SIDEWALKS | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,460 | 2,460 | 2,460 | 2,460 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 |
| PW STORMWATER SEWER | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 |
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 5,000 | 5,000 | 5,000 | 5,000 |
| SW040 - Central City Parallel Storm Tunnel | 14,000 | 14,000 | 14,000 | 14,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SWPVR - Storm Sewer Paving Project Program | 2,300 | 2,300 | 2,300 | 2,300 |
| PW PAVING | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 |
| PV006 - Alley Renovation Program | 250 | — | 250 | 250 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 |
| PV063 - Unpaved Alley Construction | 220 | — | 220 | 220 |
| PV074 - CSAH & MnDOT Cooperative Projects | 5,850 | 5,850 | 4,850 | 4,850 |
| PV075 - Development Infrastructure Program | 500 | — | 500 | 500 |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 |
| PV108 - Concrete Streets Rehabilitation Program | 5,053 | 5,053 | 2,638 | 2,638 |
| PV122 - Dowling Ave (I-94 to 1st St N) | 13,860 | 13,860 | — | — |
| PV126 - Bryant Ave S (50th St W to Lake St W) | 10,796 | 10,796 | 8,563 | 8,563 |
| PV131 - Res Neighborhood Reconst Projects | 4,148 | 4,148 | 3,471 | 3,471 |
| PV141 - Grand Ave S (Lake St. W to 48th St W) | 8,518 | 8,518 | 8,750 | 8,750 |
| PV142 - Downtown East Paving | 840 | — | 840 | 840 |
| PV154 - Franklin Ave W (Henn Ave S to Lyndale Ave S) | 2,283 | 2,283 | 2,283 | 2,283 |
| PV177 - 38th St E and Chicago Ave | — | — | 2,000 | 2,000 |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 |

2022 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|----------------------|------------------|-------------------|-----------------|
| PW TRAFFIC CONTROL & STREET LIGHTING | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 |
| TR010 - Traffic Management Systems | 1,000 | 1,000 | 1,000 | 1,000 |
| TR011 - City Street Light Renovation | 1,500 | 1,500 | 1,000 | 1,000 |
| TR021 - Traffic Signals | 2,125 | 2,125 | 2,125 | 2,125 |
| TR022 - Traffic Safety Improvements | 4,495 | 4,495 | 4,495 | 4,495 |
| TR024 - Pedestrian Street Lighting Corridors | 600 | 600 | 600 | 600 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 |
| PW WATER TREATMENT & DISTRIBUTION | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 |
| WTR18 - Water Distribution Facility | 14,415 | 10,825 | 12,415 | 12,415 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 |
| WTR27 - Advanced Metering Infrastructure | 1,200 | 1,200 | 1,200 | 1,200 |
| WTR29 - Columbia Heights Campus Upgrades | 450 | 450 | 450 | 450 |
| WTR31 - Electrical Service Rehabilitation | 7,000 | 7,000 | 7,000 | 7,000 |
| WTR32 - Softening Plant Chemical System Improvements | 3,650 | 3,650 | 3,650 | 3,650 |
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 |
| Grand Total | 241,551 | 212,205 | 194,030 | 188,130 |

2023 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| MISCELLANEOUS PROJECTS | | | | |
| ART01 - Art in Public Places | 780 | 780 | 858 | 858 |
| MUNICIPAL BUILDING COMMISSION | | | | |
| MBC02 - Mechanical Systems Upgrade | — | — | 2,500 | 2,500 |
| MBC12 - Safety Improvements - Non-Stagework Areas | 1,150 | 1,150 | 1,600 | 1,600 |
| PARK BOARD | | | | |
| PRK02 - Playground and Site Improvements Program | 1,420 | 1,420 | 1,420 | 1,420 |
| PRK03 - Shelter - Pool - Site Improvements Program | 300 | 300 | 300 | 300 |
| PRK40 - Elliot Park Implementation | 515 | 515 | 515 | 515 |
| PRK42 - Farview Park Implementation | 750 | — | 750 | 750 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 5,910 | 5,910 | 5,910 | 5,910 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 3,785 | 3,785 | 3,785 | 3,785 |
| PUBLIC GROUNDS AND FACILITIES | | | | |
| FIR11 - New Fire Station No. 11 | 5,000 | 5,000 | 5,000 | 5,000 |
| MPD04 - New 1st Police Precinct | 2,400 | — | 6,100 | 6,100 |
| MPD05 - 4th Police Precinct | 100 | — | — | — |
| PSD15 - Traffic Maintenance Facility Improvement | 2,000 | — | — | — |
| PSD16 - Farmer's Market Improvements | 2,500 | — | — | — |
| PSD20 - City Hall & New Public Service Center | 4,300 | 4,300 | 4,300 | 4,300 |
| PSD21 - Hiawatha Training & Recruitment Center | 5,100 | 5,100 | 5,100 | 5,100 |
| PSD23 - MPD Training & Wellness Facility | 8,000 | — | — | — |
| PSD24 - Solar (TBD) | 1,118 | 1,118 | 1,118 | 1,118 |
| PUBLIC WORKS | | | | |
| PW ACTIVE MOBILITY | | | | |
| VZ001 - Vision Zero Program | 500 | 500 | 500 | 500 |
| PW BIKE-PED | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP001 - Safe Routes to Schools Program | 400 | 400 | 400 | 400 |
| BP004 - Pedestrian Safety Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP006 - 18th Ave NE Trail Gap (Marshall to California) | 270 | 270 | 270 | 270 |
| PW BRIDGES | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 |
| BR106 - 1st Ave S over HCRRA | 6,640 | 6,640 | 6,640 | 6,640 |
| BR133 - Cedar Lake Road Bridge over BNSF Railroad | 4,860 | — | 4,860 | 4,860 |
| BR134 - Bridge 9 Program | 2,910 | 2,910 | 2,910 | 2,910 |

2023 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| PW FLEET | | | | |
| FLT01 - Fuel and Charging Stations | 112 | 112 | 112 | 112 |
| FLT02 - Vehicle Hoists | 25 | 25 | 25 | 25 |
| PW PARKING | | | | |
| PK004 - Off-Street Systems | 5,000 | 5,000 | 5,000 | 5,000 |
| PK008 - On-Street Systems | 140 | 140 | 140 | 140 |
| PW SANITARY SEWER | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 |
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 3,000 | 3,000 | 3,000 | 3,000 |
| PW SIDEWALKS | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,560 | 2,560 | 2,560 | 2,560 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 |
| PW STORMWATER SEWER | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 |
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 6,000 | 6,000 | 6,000 | 6,000 |
| SW040 - Central City Parallel Storm Tunnel | 13,000 | 13,000 | 13,000 | 13,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SWPVR - Storm Sewer Paving Project Program | 3,200 | 3,200 | 3,200 | 3,200 |
| PW PAVING | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 |
| PV006 - Alley Renovation Program | 250 | — | 250 | 250 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 |
| PV063 - Unpaved Alley Construction | 220 | — | 220 | 220 |
| PV074 - CSAH & MnDOT Cooperative Projects | 2,375 | 2,375 | 2,075 | 2,075 |
| PV075 - Development Infrastructure Program | 500 | — | 500 | 500 |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 |
| PV108 - Concrete Streets Rehabilitation Program | 4,259 | 4,259 | 4,259 | 4,259 |
| PV122 - Dowling Ave (I-94 to 1st St N) | 840 | 840 | 32,315 | 32,315 |
| PV123 - Logan Park Industrial | 6,920 | — | — | — |
| PV126 - Bryant Ave S (50th St W to Lake St W) | 8,647 | 8,647 | 9,022 | 9,022 |
| PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd) | 13,142 | 13,142 | 13,142 | 13,142 |
| PV131 - Res Neighborhood Reconst Projects | 4,074 | 4,074 | 4,074 | 4,074 |
| PV132 - 1st Ave S (Lake St to Franklin Ave) | 6,148 | 6,148 | 3,863 | 3,863 |
| PV137 - 29th Ave NE (Central to Stinson) | — | — | 4,860 | 4,860 |
| PV141 - Grand Ave S (Lake St. W to 48th St W) | — | — | 2,000 | 2,000 |

2023 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| PV158 Hennepin Ave (Lake St W to Douglas Ave) | 18,672 | 18,672 | 13,922 | 13,922 |
| PV177 - 38th St E and Chicago Ave | — | — | 2,375 | 2,375 |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 |
| PW TRAFFIC CONTROL & STREET LIGHTING | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 |
| TR010 - Traffic Management Systems | 1,850 | 1,850 | 1,850 | 1,850 |
| TR011 - City Street Light Renovation | 1,500 | 1,500 | 1,500 | 1,500 |
| TR021 - Traffic Signals | 2,500 | 2,500 | 2,250 | 2,250 |
| TR022 - Traffic Safety Improvements | 1,750 | 1,750 | 1,750 | 1,750 |
| TR024 - Pedestrian Street Lighting Corridors | 1,000 | 1,000 | 1,000 | 1,000 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 |
| PW WATER TREATMENT & DISTRIBUTION | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 |
| WTR18 - Water Distribution Facility | 13,115 | 10,175 | 15,115 | 15,115 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 |
| WTR27 - Advanced Metering Infrastructure | 740 | 740 | 740 | 740 |
| WTR29 - Columbia Heights Campus Upgrades | 3,525 | 3,525 | 3,525 | 3,525 |
| WTR31 - Electrical Service Rehabilitation | 4,600 | 4,600 | 4,600 | 4,600 |
| WTR32 - Softening Plant Chemical System Improvements | 7,150 | 7,150 | 7,150 | 7,150 |
| WTR35 - Renewable Energy at Water Treatment Campuses | 150 | 150 | 150 | 150 |
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 |
| Grand Total | 245,532 | 214,092 | 268,240 | 268,240 |

2024 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| MISCELLANEOUS PROJECTS | | | | |
| ART01 - Art in Public Places | 795 | 795 | 836 | 836 |
| MUNICIPAL BUILDING COMMISSION | | | | |
| MBC12 - Safety Improvements - Non-Stagework Areas | 2,350 | 2,350 | 2,350 | 2,350 |
| PARK BOARD | | | | |
| PRK02 - Playground and Site Improvements Program | 1,172 | 1,172 | 1,172 | 1,172 |
| PRK40 - Elliot Park Implementation | 988 | 988 | 988 | 988 |
| PRK42 - Farview Park Implementation | 500 | — | 500 | 500 |
| PRK43 - Audubon Park Implementation | 1,355 | — | 1,355 | 1,355 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 4,906 | 4,906 | 4,906 | 4,906 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 3,760 | 3,760 | 3,760 | 3,760 |
| PUBLIC GROUNDS AND FACILITIES | | | | |
| FIR11 - New Fire Station No. 11 | 4,144 | 4,144 | 4,144 | 4,144 |
| FIR14 - New Fire Station No. 19 | 1,000 | — | — | — |
| MPD04 - New 1st Police Precinct | — | — | 4,400 | 4,400 |
| MPD05 - 4th Police Precinct | 4,000 | — | 2,000 | 2,000 |
| PSD20 - City Hall & New Public Service Center | 2,300 | 2,300 | 300 | 300 |
| PSD23 - MPD Training & Wellness Facility | 8,000 | — | — | — |
| PSD24 - Solar (TBD) | 505 | 505 | 1,005 | 1,005 |
| PUBLIC WORKS | | | | |
| PW ACTIVE MOBILITY | | | | |
| VZ001 - Vision Zero Program | 500 | 500 | 500 | 500 |
| PW BIKE-PED | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP001 - Safe Routes to Schools Program | 400 | 400 | 400 | 400 |
| BP004 - Pedestrian Safety Program | 1,000 | 1,000 | 1,000 | 1,000 |
| PW BRIDGES | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 |
| BR134 - Bridge 9 Program | 1,830 | 1,830 | 1,830 | 1,830 |
| PW FLEET | | | | |
| FLT01 - Fuel and Charging Stations | 112 | 112 | 112 | 112 |
| FLT02 - Vehicle Hoists | 25 | 25 | 25 | 25 |
| PW PARKING | | | | |
| PK004 - Off-Street Systems | 5,000 | 5,000 | 5,000 | 5,000 |

2024 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| PK008 - On-Street Systems | 140 | 140 | 140 | 140 |
| PW SANITARY SEWER | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 |
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 3,000 | 3,000 | 3,000 | 3,000 |
| PW SIDEWALKS | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,580 | 2,580 | 2,580 | 2,580 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 |
| PW STORMWATER SEWER | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 |
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 7,000 | 7,000 | 7,000 | 7,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SWPVR - Storm Sewer Paving Project Program | 4,300 | 4,300 | 4,300 | 4,300 |
| PW PAVING | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 |
| PV006 - Alley Renovation Program | 250 | — | 250 | 250 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 |
| PV063 - Unpaved Alley Construction | 220 | — | 220 | 220 |
| PV074 - CSAH & MnDOT Cooperative Projects | 1,750 | 1,750 | 1,750 | 1,750 |
| PV075 - Development Infrastructure Program | 500 | — | 500 | 500 |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 |
| PV108 - Concrete Streets Rehabilitation Program | 3,453 | 3,453 | 3,453 | 3,453 |
| PV123 - Logan Park Industrial | — | — | 6,920 | 6,920 |
| PV126 - Bryant Ave S (50th St W to Lake St W) | — | — | 1,857 | 1,857 |
| PV131 - Res Neighborhood Reconst Projects | 4,074 | 4,074 | 4,074 | 4,074 |
| PV132 - 1st Ave S (Lake St to Franklin Ave) | 4,132 | 4,132 | 6,187 | 6,187 |
| PV137 - 29th Ave NE (Central to Stinson) | 8,106 | — | 3,246 | 3,246 |
| PV140 - 13th Ave NE (Sibley St NE to 4th St NE) | 9,205 | — | 7,150 | 7,150 |
| PV150 - 1st Ave N (10th St N to Wash Ave) | 6,741 | — | 6,741 | 6,741 |
| PV158 Hennepin Ave (Lake St W to Douglas Ave) | 2,903 | 2,903 | 7,653 | 7,653 |
| PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave) | 7,441 | — | — | — |
| PV162 - 42nd Street E, Nicollet Ave to Cedar Ave | 17,273 | — | — | — |
| PV164 - Nicollet Ave, Minnehaha Parkway to 61st Street | 1,830 | — | — | — |
| PV167 - Dowling Ave N, Thomas to Lyndale | — | — | 964 | 964 |
| PV170 - 11th Avenue S, 8th Street to 24th Street | — | — | 10,788 | 10,788 |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 |

2024 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|--|-------------------------|---------------------|----------------------|--------------------|
| PW TRAFFIC CONTROL & STREET LIGHTING | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 |
| TR010 - Traffic Management Systems | 1,850 | 1,850 | 1,850 | 1,850 |
| TR011 - City Street Light Renovation | 1,500 | 1,500 | 1,500 | 1,500 |
| TR021 - Traffic Signals | 2,500 | 2,500 | 2,000 | 2,000 |
| TR022 - Traffic Safety Improvements | 1,750 | 1,750 | 1,750 | 1,750 |
| TR024 - Pedestrian Street Lighting Corridors | 1,000 | 1,000 | 1,000 | 1,000 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 |
| PW WATER TREATMENT & DISTRIBUTION | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 |
| WTR29 - Columbia Heights Campus Upgrades | 4,800 | 4,800 | 4,800 | 4,800 |
| WTR31 - Electrical Service Rehabilitation | 4,300 | 4,300 | 4,300 | 4,300 |
| WTR32 - Softening Plant Chemical System Improvements | 2,750 | 2,750 | 2,750 | 2,750 |
| WTR35 - Renewable Energy at Water Treatment Campuses | 5,000 | 5,000 | 5,000 | 5,000 |
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 |
| Grand Total | 201,850 | 135,429 | 187,166 | 187,166 |

2025 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| MISCELLANEOUS PROJECTS | | | | |
| ART01 - Art in Public Places | 810 | 810 | 836 | 836 |
| PARK BOARD | | | | |
| PRK02 - Playground and Site Improvements Program | 1,275 | 1,275 | 1,275 | 1,275 |
| PRK41 - East Phillips Park Implementation | 970 | — | 970 | 970 |
| PRK43 - Audubon Park Implementation | 100 | — | 100 | 100 |
| PRK44 - Bottineau Park Implementation | 1,400 | 1,400 | 1,400 | 1,400 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 5,175 | 5,175 | 5,175 | 5,175 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 3,760 | 3,760 | 3,760 | 3,760 |
| PUBLIC GROUNDS AND FACILITIES | | | | |
| FIR14 - New Fire Station No. 19 | 13,000 | — | 1,000 | 1,000 |
| MPD05 - 4th Police Precinct | 6,100 | — | 6,100 | 6,100 |
| PSD23 - MPD Training & Wellness Facility | — | — | 6,000 | 6,000 |
| PSD24 - Solar (TBD) | 580 | 580 | 580 | 580 |
| PUBLIC WORKS | | | | |
| PW ACTIVE MOBILITY | | | | |
| VZ001 - Vision Zero Program | 500 | 500 | 500 | 500 |
| PW BIKE-PED | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP001 - Safe Routes to Schools Program | 400 | 400 | 400 | 400 |
| BP004 - Pedestrian Safety Program | 1,000 | 1,000 | 1,000 | 1,000 |
| PW BRIDGES | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 |
| BR127 - Nicollet Ave over Minnehaha Creek | 30,490 | 30,490 | 30,490 | 30,490 |
| BR134 - Bridge 9 Program | 4,750 | 4,750 | 4,750 | 4,750 |
| PW FLEET | | | | |
| FLT01 - Fuel and Charging Stations | 120 | 120 | 120 | 120 |
| FLT02 - Vehicle Hoists | 25 | 25 | 25 | 25 |
| PW PARKING | | | | |
| PK004 - Off-Street Systems | 5,000 | 5,000 | 5,000 | 5,000 |
| PK008 - On-Street Systems | 140 | 140 | 140 | 140 |
| PW SANITARY SEWER | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 |

2025 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 3,000 | 3,000 | 3,000 | 3,000 |
| PW SIDEWALKS | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,580 | 2,580 | 2,580 | 2,580 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 |
| PW STORMWATER SEWER | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 |
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 7,000 | 7,000 | 7,000 | 7,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SWPVR - Storm Sewer Paving Project Program | 4,300 | 4,300 | 4,300 | 4,300 |
| PW PAVING | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 |
| PV006 - Alley Renovation Program | 250 | — | 250 | 250 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 |
| PV063 - Unpaved Alley Construction | 220 | — | 220 | 220 |
| PV074 - CSAH & MnDOT Cooperative Projects | 6,318 | 6,318 | 6,318 | 6,318 |
| PV075 - Development Infrastructure Program | 500 | — | 500 | 500 |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 |
| PV108 - Concrete Streets Rehabilitation Program | 4,852 | 4,852 | 4,852 | 4,852 |
| PV131 - Res Neighborhood Reconst Projects | 4,074 | 4,074 | 4,074 | 4,074 |
| PV153 - 60th St W (Xerxes Ave S to Sunrise Drive) | 6,842 | — | — | — |
| PV160 - 1st Ave S (Franklin Ave to Grant St) | 6,973 | — | 6,973 | 6,973 |
| PV163 - 31st Street E, Blaisdell Ave to Bloomington Ave | — | — | 15,282 | 15,282 |
| PV164 - Nicollet Ave, Minnehaha Parkway to 61st Street | 9,117 | — | — | — |
| PV166 - 2nd Street NE, Broadway to Lowry Avenue | 11,852 | — | — | — |
| PV167 - Dowling Ave N, Thomas to Lyndale | 14,135 | — | 13,171 | 13,171 |
| PV169 - 38th Street, Lyndale Ave to Park Ave | — | — | 14,536 | 14,536 |
| PV170 - 11th Avenue S, 8th Street to 24th Street | 10,788 | — | — | — |
| PV171 - 60th Street, Nicollet Avenue to Chicago Avenue | 7,812 | — | — | — |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 |
| PW TRAFFIC CONTROL & STREET LIGHTING | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 |
| TR010 - Traffic Management Systems | 1,850 | 1,850 | 1,850 | 1,850 |
| TR011 - City Street Light Renovation | 1,500 | 1,500 | 1,500 | 1,500 |
| TR021 - Traffic Signals | 2,500 | 2,500 | 2,000 | 2,000 |
| TR022 - Traffic Safety Improvements | 1,750 | 1,750 | 1,750 | 1,750 |

2025 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| TR024 - Pedestrian Street Lighting Corridors | 1,000 | 1,000 | 1,000 | 1,000 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 |
| PW WATER TREATMENT & DISTRIBUTION | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 |
| WTR29 - Columbia Heights Campus Upgrades | 4,585 | 4,585 | 4,585 | 4,585 |
| WTR31 - Electrical Service Rehabilitation | 3,400 | 3,400 | 3,400 | 3,400 |
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 |
| Grand Total | 239,653 | 150,994 | 215,622 | 215,622 |

2025 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| MISCELLANEOUS PROJECTS | | | | |
| ART01 - Art in Public Places | 810 | 810 | 836 | 836 |
| PARK BOARD | | | | |
| PRK02 - Playground and Site Improvements Program | 1,275 | 1,275 | 1,275 | 1,275 |
| PRK41 - East Phillips Park Implementation | 970 | — | 970 | 970 |
| PRK43 - Audubon Park Implementation | 100 | — | 100 | 100 |
| PRK44 - Bottineau Park Implementation | 1,400 | 1,400 | 1,400 | 1,400 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 5,175 | 5,175 | 5,175 | 5,175 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 3,760 | 3,760 | 3,760 | 3,760 |
| PUBLIC GROUNDS AND FACILITIES | | | | |
| FIR14 - New Fire Station No. 19 | 13,000 | — | 1,000 | 1,000 |
| MPD05 - 4th Police Precinct | 6,100 | — | 6,100 | 6,100 |
| PSD23 - MPD Training & Wellness Facility | — | — | 6,000 | 6,000 |
| PSD24 - Solar (TBD) | 580 | 580 | 580 | 580 |
| PUBLIC WORKS | | | | |
| PW ACTIVE MOBILITY | | | | |
| VZ001 - Vision Zero Program | 500 | 500 | 500 | 500 |
| PW BIKE-PED | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP001 - Safe Routes to Schools Program | 400 | 400 | 400 | 400 |
| BP004 - Pedestrian Safety Program | 1,000 | 1,000 | 1,000 | 1,000 |
| PW BRIDGES | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 |
| BR127 - Nicollet Ave over Minnehaha Creek | 30,490 | 30,490 | 30,490 | 30,490 |
| BR134 - Bridge 9 Program | 4,750 | 4,750 | 4,750 | 4,750 |
| PW FLEET | | | | |
| FLT01 - Fuel and Charging Stations | 120 | 120 | 120 | 120 |
| FLT02 - Vehicle Hoists | 25 | 25 | 25 | 25 |
| PW PARKING | | | | |
| PK004 - Off-Street Systems | 5,000 | 5,000 | 5,000 | 5,000 |
| PK008 - On-Street Systems | 140 | 140 | 140 | 140 |
| PW SANITARY SEWER | | | | |

2025 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 |
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 3,000 | 3,000 | 3,000 | 3,000 |
| PW SIDEWALKS | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,580 | 2,580 | 2,580 | 2,580 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 |
| PW STORMWATER SEWER | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 |
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 7,000 | 7,000 | 7,000 | 7,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SWPVR - Storm Sewer Paving Project Program | 4,300 | 4,300 | 4,300 | 4,300 |
| PW PAVING | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 |
| PV006 - Alley Renovation Program | 250 | — | 250 | 250 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 |
| PV063 - Unpaved Alley Construction | 220 | — | 220 | 220 |
| PV074 - CSAH & MnDOT Cooperative Projects | 6,318 | 6,318 | 6,318 | 6,318 |
| PV075 - Development Infrastructure Program | 500 | — | 500 | 500 |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 |
| PV108 - Concrete Streets Rehabilitation Program | 4,852 | 4,852 | 4,852 | 4,852 |
| PV131 - Res Neighborhood Reconst Projects | 4,074 | 4,074 | 4,074 | 4,074 |
| PV153 - 60th St W (Xerxes Ave S to Sunrise Drive) | 6,842 | — | — | — |
| PV160 - 1st Ave S (Franklin Ave to Grant St) | 6,973 | — | 6,973 | 6,973 |
| PV163 - 31st Street E, Blaisdell Ave to Bloomington Ave | — | — | 15,282 | 15,282 |
| PV164 - Nicollet Ave, Minnehaha Parkway to 61st Street | 9,117 | — | — | — |
| PV166 - 2nd Street NE, Broadway to Lowry Avenue | 11,852 | — | — | — |
| PV167 - Dowling Ave N, Thomas to Lyndale | 14,135 | — | 13,171 | 13,171 |
| PV169 - 38th Street, Lyndale Ave to Park Ave | — | — | 14,536 | 14,536 |
| PV170 - 11th Avenue S, 8th Street to 24th Street | 10,788 | — | — | — |
| PV171 - 60th Street, Nicollet Avenue to Chicago Avenue | 7,812 | — | — | — |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 |
| PW TRAFFIC CONTROL & STREET LIGHTING | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 |
| TR010 - Traffic Management Systems | 1,850 | 1,850 | 1,850 | 1,850 |
| TR011 - City Street Light Renovation | 1,500 | 1,500 | 1,500 | 1,500 |

2025 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| TR021 - Traffic Signals | 2,500 | 2,500 | 2,000 | 2,000 |
| TR022 - Traffic Safety Improvements | 1,750 | 1,750 | 1,750 | 1,750 |
| TR024 - Pedestrian Street Lighting Corridors | 1,000 | 1,000 | 1,000 | 1,000 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 |
| PW WATER TREATMENT & DISTRIBUTION | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 |
| WTR29 - Columbia Heights Campus Upgrades | 4,585 | 4,585 | 4,585 | 4,585 |
| WTR31 - Electrical Service Rehabilitation | 3,400 | 3,400 | 3,400 | 3,400 |
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 |
| Grand Total | 239,653 | 150,994 | 215,622 | 215,622 |

2026 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| MISCELLANEOUS PROJECTS | | | | |
| ART01 - Art in Public Places | 825 | 825 | 845 | 845 |
| PARK BOARD | | | | |
| PRK02 - Playground and Site Improvements Program | 1,404 | 1,404 | 1,404 | 1,404 |
| PRKCP - Neighborhood Parks Capital Infrastructure | 7,516 | 7,516 | 7,516 | 7,516 |
| PRKDT - Diseased Tree Removal | 300 | 300 | 300 | 300 |
| PRKRP - Neighborhood Parks Rehabilitation Program | 3,760 | 3,760 | 3,760 | 3,760 |
| PUBLIC GROUNDS AND FACILITIES | | | | |
| FIR14 - New Fire Station No. 19 | — | — | 13,000 | 13,000 |
| MPD05 - 4th Police Precinct | 2,400 | — | 4,400 | 4,400 |
| PSD23 - MPD Training & Wellness Facility | — | — | 8,000 | 8,000 |
| PSD24 - Solar (TBD) | 510 | 510 | 510 | 510 |
| PUBLIC WORKS | | | | |
| PW ACTIVE MOBILITY | | | | |
| VZ001 - Vision Zero Program | 500 | 500 | 500 | 500 |
| PW BIKE-PED | | | | |
| BIK28 - Protected Bikeways Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP001 - Safe Routes to Schools Program | 400 | 400 | 400 | 400 |
| BP004 - Pedestrian Safety Program | 1,000 | 1,000 | 1,000 | 1,000 |
| BP007 - Northside Greenway Phase 1, Humboldt/Irving Ave N | 7,500 | 7,500 | 7,500 | 7,500 |
| PW BRIDGES | | | | |
| BR101 - Major Bridge Repair and Rehabilitation | 400 | 400 | 400 | 400 |
| BR134 - Bridge 9 Program | 6,820 | 5,144 | 6,820 | 6,820 |
| PW PARKING | | | | |
| PK004 - Off-Street Systems | 5,000 | 5,000 | 5,000 | 5,000 |
| PK008 - On-Street Systems | 140 | 140 | 140 | 140 |
| PW SANITARY SEWER | | | | |
| SA001 - Sanitary Tunnel & Sewer Rehab Program | 8,000 | 8,000 | 8,000 | 8,000 |
| SA036 - Infiltration & Inflow Removal Program | 2,500 | 2,500 | 2,500 | 2,500 |
| SA99R - Reimbursable Sanitary Sewer Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SAPVR - Sanitary Sewer Paving Project Program | 3,000 | 3,000 | 3,000 | 3,000 |
| PW SIDEWALKS | | | | |
| SWK01 - Defective Hazardous Sidewalks | 2,580 | 2,580 | 2,580 | 2,580 |
| SWK02 - Sidewalk Gaps | 300 | 300 | 300 | 300 |
| PW STORMWATER SEWER | | | | |
| SW004 - Implementation of US EPA Storm Water Regs | 250 | 250 | 250 | 250 |
| SW005 - Combined Sewer Overflow Improvements | 750 | 750 | 750 | 750 |

2026 CAPITAL BUDGET DECISION SUMMARY

in thousands

| | Department Requested | CLIC Recommended | Mayor Recommended | Council Adopted |
|---|-------------------------|---------------------|----------------------|--------------------|
| SW011 - Storm Drains and Tunnels Rehab Program | 3,500 | 3,500 | 3,500 | 3,500 |
| SW039 - Flood Mitigation - Stormwater Alternatives | 7,000 | 7,000 | 7,000 | 7,000 |
| SW99R - Reimbursable Sewer & Storm Drain Projects | 1,000 | 1,000 | 1,000 | 1,000 |
| SWPVR - Storm Sewer Paving Project Program | 4,300 | 4,300 | 4,300 | 4,300 |
| PW PAVING | | | | |
| PV001 - Parkway Paving Program | 750 | 750 | 750 | 750 |
| PV006 - Alley Renovation Program | 250 | — | 250 | 250 |
| PV056 - Asphalt Pavement Resurfacing Program | 7,015 | 7,015 | 7,015 | 7,015 |
| PV059 - Major Pavement Maintenance Program | 250 | 250 | 250 | 250 |
| PV063 - Unpaved Alley Construction | 220 | — | 220 | 220 |
| PV074 - CSAH & MnDOT Cooperative Projects | 500 | 500 | 500 | 500 |
| PV075 - Development Infrastructure Program | 500 | — | 500 | 500 |
| PV092 - Technology Drive NE and 37th Ave NE | 5,934 | — | — | — |
| PV104 - ADA Ramp Replacement Program | 500 | 500 | 500 | 500 |
| PV108 - Concrete Streets Rehabilitation Program | 4,852 | 4,852 | 4,852 | 4,852 |
| PV113 - 29th St W Phase 2 | 3,006 | — | — | — |
| PV131 - Res Neighborhood Reconst Projects | 4,074 | 4,074 | 4,074 | 4,074 |
| PV138 - 26th St E (Minnehaha Ave to 29th Ave S) | 5,630 | 5,630 | 5,630 | 5,630 |
| PV143 - North Industrial | 5,830 | — | — | — |
| PV146 - 9th St SE (6th Ave SE to 9th Ave SE) | 2,070 | — | — | — |
| PV157 - 33rd Avenue NE, Central Avenue to Stinson | 10,838 | — | — | — |
| PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl) | 17,546 | — | 17,996 | 17,996 |
| PV163 - 31st Street E, Blaisdell Ave to Bloomington Ave | 20,015 | — | 4,733 | 4,733 |
| PV165 - 35th Street Nicollet Avenue to Chicago Avenue | 9,413 | — | 9,413 | 9,413 |
| PV169 - 38th Street, Lyndale Ave to Park Ave | 14,536 | — | 2,285 | 2,285 |
| PV172 - Chicago Ave, Lake Street to 38th Street | 12,748 | — | 12,748 | 12,748 |
| PV173 - Chicago Ave, 49th Street to 60th Street | 14,829 | — | — | — |
| PV174 - 36th Street, Nicollet Avenue to Chicago Avenue | 11,148 | — | 11,148 | 11,148 |
| PV175 - 38th Street, Park Ave to 23rd Ave S | 17,883 | — | 17,883 | 17,883 |
| PV176 - Chicago Ave, 38th Street to 46th Street | 11,223 | — | — | — |
| PV99R - Reimbursable Paving Projects | 3,500 | 3,500 | 3,500 | 3,500 |
| PW TRAFFIC CONTROL & STREET LIGHTING | | | | |
| TR008 - Parkway Street Light Replacement | 350 | 350 | 350 | 350 |
| TR010 - Traffic Management Systems | 1,850 | 1,850 | 1,850 | 1,850 |
| TR011 - City Street Light Renovation | 1,500 | 1,500 | 1,500 | 1,500 |
| TR021 - Traffic Signals | 2,500 | 2,500 | 2,250 | 2,250 |
| TR022 - Traffic Safety Improvements | 1,750 | 1,750 | 1,750 | 1,750 |
| TR024 - Pedestrian Street Lighting Corridors | 1,000 | 1,000 | 1,000 | 1,000 |
| TR025 - Sign Replacement Program | 895 | 895 | 895 | 895 |
| TR99R - Reimbursable Transportation Projects | 600 | 600 | 600 | 600 |
| PW WATER TREATMENT & DISTRIBUTION | | | | |
| WTR12 - Water Distribution Improvements | 9,000 | 9,000 | 9,000 | 9,000 |
| WTR23 - Treatment Infrastructure Improvements | 3,000 | 3,000 | 3,000 | 3,000 |
| WTR29 - Columbia Heights Campus Upgrades | 1,700 | 1,700 | 1,700 | 1,700 |
| WTR31 - Electrical Service Rehabilitation | 250 | 250 | 250 | 250 |
| WTR9R- Reimbursable Water Main Projects | 2,000 | 2,000 | 2,000 | 2,000 |
| Grand Total | 285,110 | 123,045 | 227,067 | 227,067 |

**City of Minneapolis
2021 Recommended Budget**

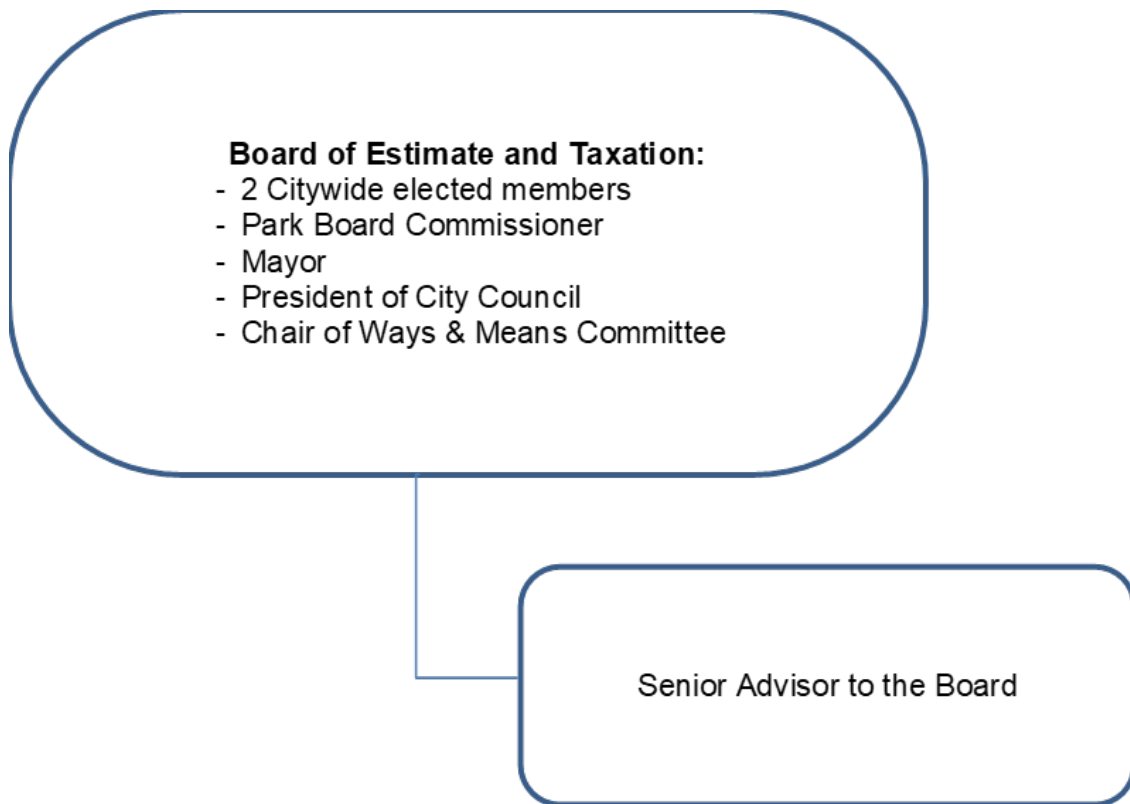
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BOARD OF ESTIMATE AND TAXATION

MISSION

The mission of the Board of Estimate & Taxation (“BET”) is to obtain citizen input on the maximum tax levies of the City per the City Charter and The Truth In Taxation State Statute. The Board, after receiving recommendations from the Mayor, City Council, and Minneapolis Park and Recreation Board (MPRB), and requests from the Public via a hearing, sets the maximum tax levies by individual levy for the following: General Fund, Permanent Improvement Fund, Bond Redemption Fund, Minneapolis Fire Relief Association, Minneapolis Police Relief Association, Minneapolis Employees Retirement Fund, Minneapolis Public Housing Authority, Economic Development Chapter 595 levy, Teacher’s Retirement Association levy, Municipal Building Commission, Board of Estimate & Taxation, Lake Pollution Control, Tree Preservation & Reforestation, Shade Tree Diseased Control, Park Rehabilitation & Parkway Maintenance, Park and Recreation. When requested by the City Council and/or the MPRB, the BET may authorize the issuance and sale of General Obligation Bonds to support the respective Capital Infrastructure Programs. The BET requires a two-thirds (four of six) affirmative vote on such actions. The BET action pledges the full faith and credit of the City for payment of principal and interest. BET does not serve a role in the authorization and issuance of Tax Increment Bonds, the City fills that role.



**BOARD OF ESTIMATE AND TAXATION
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|----------------|----------------|-----------------|-------------------------|-------------------|--------------|
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 170,265 | 83,266 | 70,000 | 70,000 | 0.0 % | 0 |
| FRINGES | 25,161 | 13,440 | 12,000 | 11,000 | -8.3 % | (1,000) |
| CONTRACTUAL SERVICES | 18,061 | 20,303 | 18,000 | 22,000 | 22.2 % | 4,000 |
| OPERATING COSTS | 5,410 | 4,756 | 12,000 | 12,000 | 0.0 % | 0 |
| TOTAL SPECIAL REVENUE | 218,897 | 121,765 | 112,000 | 115,000 | 2.7 % | 3,000 |
| TOTAL EXPENSE | 218,897 | 121,765 | 112,000 | 115,000 | 2.7 % | 3,000 |

| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|-------------|-------------|-----------------|-------------------------|-------------------|------------------|
| SPECIAL REVENUE | | | | | | |
| PROPERTY TAXES | 190,643 | 210,310 | 0 | 110,000 | | |
| USE OF FUND BALANCE | 0 | 0 | 111,000 | 0 | (100.0)% | (111,000) |
| TOTAL SPECIAL REVENUE | — | — | 111,000 | — | (100.0)% | (111,000) |
| TOTAL REVENUE | — | — | 111,000 | — | (100.0)% | (111,000) |

MUNICIPAL BUILDING COMMISSION

MISSION

The Municipal Building Commission (MBC) was created by state statute in 1904 and charged with exclusive care and control of the Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain, and preserve this historic landmark building and ensure a safe and functional environment for City and County government employees, citizens, and elected officials.

BUSINESS LINES

Care for Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for maintaining the building operating systems including mechanical, electrical, fire/ life/safety, and elevators. In addition, the MBC is responsible for providing custodial, utility, security, repair, and maintenance services.

Control of Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Historic Preservation of the Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for all historic preservation activities in the building. Historic preservation refers to any and all activity, both operating and capital, in keeping with the agency's mission to provide effective and efficient services to operate, maintain, and preserve the historic landmark City Hall and Courthouse Building and ensure a safe and functional environment for City and County government employees, citizens and elected officials. The MBC recently celebrated the completion of the historic Clock Restoration Project and completion of repairs to the Bells Support system. The City Hall/ Courthouse Catering and Events program helps facilitate historic preservation activities in the building by providing financial support of the Historic Preservation Fund.

Financial Arrangements and City Funding Relationships

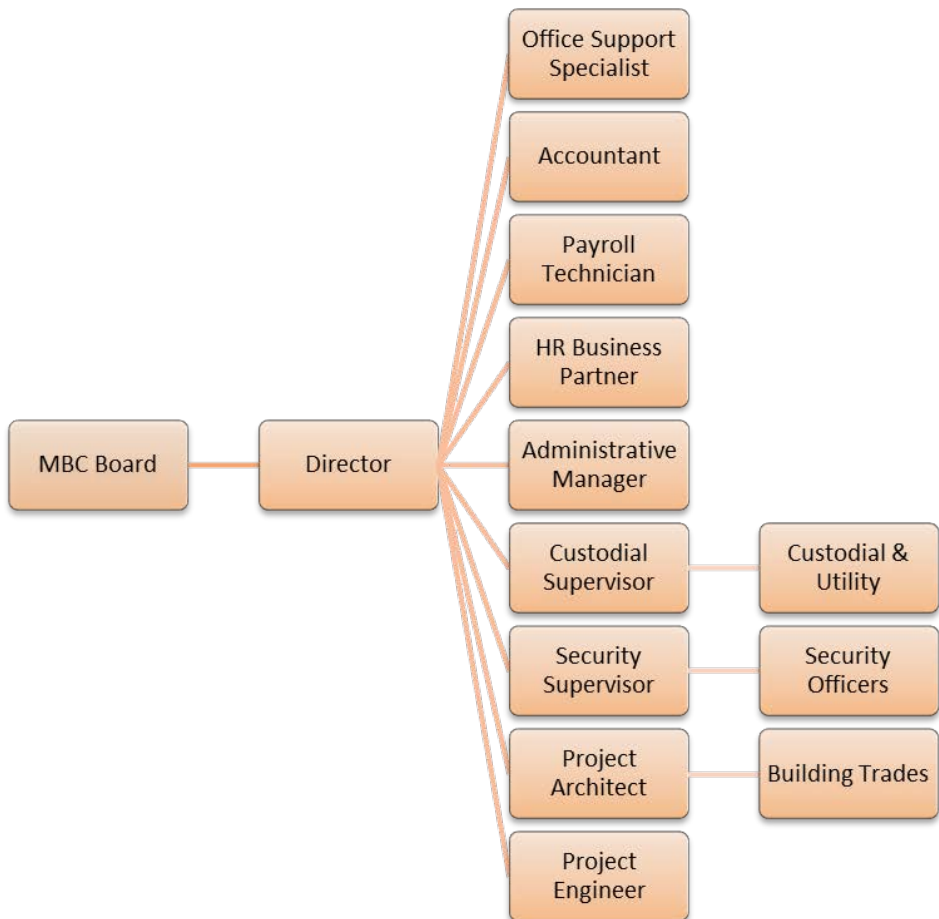
Funding Sources

The revenue budget for MBC in 2020 was \$9.8 million, approximately 40% funded by Hennepin County and approximately 60% funded by City property tax levy and state Local Government Aid (LGA). The 40/60 contribution rate is based on occupancy.

2021 City Funding

The MBC, consisting of an appointed Board of Commissioners made up of two County and two City elected officials, sets its own budget in conformance with County and City guidelines and levy targets. By State Statute, the Mayor serves as the Vice President of the MBC Board and the second City member is an appointee of the Minneapolis City Council. The MBC has historically been the recipient of about 0.3% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MBC budget is set independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MBC and dedicated specific allocations to functions carried out by the MBC. To compensate for a reduction in the City property tax levy allocation for 2021, the City's portion of the 2021 MBC budget is being supported with funds from the existing operating budget fund balance.

MBC ORGANIZATION CHART



**MUNICIPAL BUILDING COMMISSION
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| SPECIAL REVENUE | | | | | | |
| SALARIES AND WAGES | 2,818,064 | 2,785,660 | 3,958,000 | 4,017,000 | 1.5 % | 59,000 |
| FRINGES | 1,212,017 | 1,263,802 | 2,057,000 | 1,827,000 | -11.2 % | (230,000) |
| CONTRACTUAL SERVICES | 4,298,398 | 3,449,778 | 3,131,000 | 3,157,000 | 0.8 % | 26,000 |
| OPERATING COSTS | 506,078 | 705,553 | 571,000 | 606,000 | 6.1 % | 35,000 |
| CAPITAL | — | — | 26,000 | 26,000 | 0.0 % | — |
| TOTAL SPECIAL REVENUE | 8,834,557 | 8,204,793 | 9,743,000 | 9,633,000 | -1.1 % | (110,000) |
| TOTAL EXPENSE | 8,834,557 | 8,204,793 | 9,743,000 | 9,633,000 | -1.1 % | (110,000) |

| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|------------------------------|------------------|------------------|------------------|-------------------------|-------------------|--------------------|
| SPECIAL REVENUE | | | | | | |
| CHARGES FOR SERVICES | 8,261,005 | 9,065,984 | 9,627,000 | 7,680,000 | -20.2 % | (1,947,000) |
| MISCELLANEOUS | 389 | 35 | — | — | 0.0 % | — |
| RENTS | 4,085 | 4,031 | — | — | 0.0 % | — |
| STATE GRANTS & AIDS | 238,627 | 238,870 | 246,000 | 236,000 | (4.1)% | (10,000) |
| TOTAL SPECIAL REVENUE | 8,504,106 | 9,308,920 | 9,873,000 | 7,916,000 | (19.8)% | (1,957,000) |
| TOTAL REVENUE | 8,504,106 | 9,308,920 | 9,873,000 | 7,916,000 | (19.8)% | (1,957,000) |

MINNEAPOLIS PARK AND RECREATION BOARD

MISSION

The Minneapolis Park and Recreation Board shall permanently preserve, protect, maintain, improve and enhance its natural resources, parkland and recreational opportunities for current and future generations.

The Minneapolis Park and Recreation Board exists to provide places and recreation opportunities for all people to gather, celebrate, contemplate and engage in activities that promote health, well-being, community and the environment.

BUSINESS LINES

- Care & Maintenance of the Park System
- Recreation Facility Operations and Programming
- Planning for Development & Redevelopment of the Park System
- Park Safety & Security
- Executive Management
- Administrative Support Services
- Park System Communications & Marketing
- Enterprise Operations
- Acquisition, Construction and Improvement of the Park System

Financial Arrangements and City Funding Relationships

2021 City Funding

The MPRB, consisting of an independently elected Board of Commissioners sets its own budget and levy independently of the City, subject to the maximum levies certified by the Board of Estimate and Taxation. The MPRB has historically been the recipient of about 11.8% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MPRB budget is set independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MPRB and dedicated specific allocations to functions carried out by the MPRB. In 2016, the Mayor, City Council, the Park Board reached an agreement to fund the infrastructure and operations of our neighborhood parks and streets for the next 20 years, transparently and equitably.

More information regarding the Minneapolis Park and Recreation Board (MPRB) 2021 Annual Budget, and the Board's published budget book can be found at www.minneapolisparcs.org.

**MINNEAPOLIS PARK & RECREATION BOARD
EXPENSE AND REVENUE INFORMATION**

| EXPENSE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|--------------------|
| SPECIAL REVENUE FUND | | | | | | |
| SALARIES AND WAGES | 39,734,917 | 41,643,257 | 45,261,000 | 44,237,000 | -2.3 % | (1,024,000) |
| FRINGES | 15,356,934 | 15,934,732 | 17,282,000 | 17,491,000 | 1.2 % | 209,000 |
| CONTRACTUAL SERVICES | 14,879,512 | 17,530,149 | 18,698,000 | 16,543,000 | -11.5 % | (2,155,000) |
| OPERATING COSTS | 17,809,666 | 19,176,863 | 20,270,000 | 21,228,000 | 4.7 % | 958,000 |
| CAPITAL | 198,675 | 272,455 | 3,597,000 | 3,497,000 | -2.8 % | (100,000) |
| TRANSFERS | 5,945,799 | 8,036,488 | 1,527,000 | 1,527,000 | 0.0 % | — |
| TOTAL SPECIAL REVENUE | 93,925,503 | 102,593,944 | 106,635,000 | 104,523,000 | -2.0 % | (2,112,000) |
| CAPITAL PROJECTS FUND | | | | | | |
| SALARIES AND WAGES | 26,037 | 7,366 | 728,000 | 746,000 | 2.5 % | 18,000 |
| FRINGES | 4,230 | 2,930 | 211,000 | 220,000 | 4.3 % | 9,000 |
| CONTRACTUAL SERVICES | 7,270,914 | 5,341,168 | 1,294,000 | 709,000 | -45.2 % | (585,000) |
| OPERATING COSTS | 313,714 | 74,948 | — | 500,000 | 0.0 % | 500,000 |
| CAPITAL EQUIPMENT | 10,620,939 | 12,426,123 | 20,125,000 | 23,907,000 | 18.8 % | 3,782,000 |
| TRANSFERS | 130,000 | 130,000 | — | — | 0.0 % | — |
| TOTAL CAPITAL PROJECTS | 18,365,834 | 17,982,535 | 22,358,000 | 26,082,000 | 16.7 % | 3,724,000 |
| INTERNAL SERVICE FUND | | | | | | |
| SALARIES AND WAGES | 2,060,876 | 2,138,103 | 2,374,000 | 2,181,000 | -8.1 % | (193,000) |
| FRINGES | 1,853,513 | 1,718,278 | 2,637,000 | 2,324,000 | -11.9 % | (313,000) |
| CONTRACTUAL SERVICES | 1,294,223 | 1,075,983 | 1,089,000 | 1,035,000 | -5.0 % | (54,000) |
| OPERATING COSTS | 1,583,333 | 1,744,015 | 1,708,000 | 1,702,000 | 0.0 % | (6,000) |
| CAPITAL EQUIPMENT | 2,287,997 | 3,390,251 | 3,284,000 | 3,191,000 | -2.8 % | (93,000) |
| TOTAL INTERNAL SERVICE | 9,079,942 | 10,066,630 | 11,092,000 | 10,433,000 | -5.9 % | (659,000) |
| ENTERPRISE FUND | | | | | | |
| SALARIES AND WAGES | 3,818,945 | 4,020,257 | 4,179,000 | 4,405,000 | 5.4 % | 226,000 |
| FRINGES | 1,326,483 | 1,473,860 | 1,449,000 | 1,505,000 | 3.9 % | 56,000 |
| CONTRACTUAL SERVICES | 3,249,052 | 3,198,615 | 3,692,000 | 4,216,000 | 14.2 % | 524,000 |
| OPERATING COSTS | 1,298,485 | 1,174,966 | 1,470,000 | 1,512,000 | 0.0 % | 42,000 |
| CAPITAL EQUIPMENT | 119,750 | 564,144 | 2,320,000 | 2,007,000 | -13.5 % | (313,000) |
| TRANSFERS | 765,050 | 705,050 | 0 | 40,000 | 0.0 % | 40,000 |
| TOTAL ENTERPRISE | 10,577,765 | 11,136,892 | 13,110,000 | 13,685,000 | 4.4 % | 575,000 |
| TOTAL EXPENSE | 131,949,044 | 141,780,001 | 153,195,000 | 154,723,000 | 1.0 % | 1,528,000 |

| REVENUE | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Council Adopted | Percent Change | Change |
|-------------------------------|--------------------|--------------------|--------------------|----------------------|----------------|--------------------|
| SPECIAL REVENUE FUND | | | | | | |
| CHARGES FOR SALES | 19,382 | 4,902 | 5,000 | 5,000 | 0.0 % | — |
| CHARGES FOR SERVICES | 6,985,122 | 8,033,369 | 8,714,000 | 5,318,000 | -39.0 % | (3,396,000) |
| CONTRIBUTIONS | 3,068,502 | 328,120 | 108,000 | 139,000 | 28.7 % | 31,000 |
| FEDERAL GOVERNMENT GRANTS | 25,075 | 28,463 | — | 25,000 | 0.0 % | 25,000 |
| FINES AND FORFEITS | 319,114 | 290,932 | 316,000 | 316,000 | 0.0 % | — |
| INTEREST REVENUE | 261,434 | 795,581 | — | — | 0.0 % | — |
| LOCAL GRANTS & AIDS | 2,919,598 | 1,666,394 | 1,327,000 | 1,533,000 | 15.5 % | 206,000 |
| MISCELLANEOUS | 318,291 | 84,078 | 24,000 | 24,000 | 0.0 % | — |
| PERMITS | 238,278 | 176,413 | 294,000 | 294,000 | 0.0 % | — |
| OTHER TAXES | 4,056 | 5,779 | 221,000 | 221,000 | 0.0 % | — |
| PROPERTY TAXES | 74,622,503 | 79,203,612 | 83,499,000 | 85,446,000 | 2.3 % | 1,947,000 |
| RENTS | 1,483,739 | 1,580,901 | 1,151,000 | 1,225,000 | 6.4 % | 74,000 |
| STATE GRANTS & AIDS | 9,539,249 | 9,541,726 | 9,649,000 | 9,898,000 | 2.6 % | 249,000 |
| TRANSFERS | 25,000 | — | — | 40,000 | 0.0 % | 40,000 |
| USE OF FUND BALANCE | — | — | 49,000 | — | -100.0 % | (49,000) |
| TOTAL SPECIAL REVENUE | 99,829,343 | 101,740,270 | 105,357,000 | 104,484,000 | -0.8 % | (873,000) |
| CAPITAL PROJECTS FUND | | | | | | |
| BOND SALES | — | — | 6,800,000 | 10,500,000 | 54.4 % | 3,700,000 |
| CONTRIBUTIONS | 120,912 | 414,990 | — | — | 0.0 % | — |
| FEDERAL GOVERNMENT GRANTS | — | 36,749 | — | — | 0.0 % | — |
| INTEREST REVENUE | (5,782) | (46,713) | — | — | 0.0 % | — |
| LOCAL GRANTS & AIDS | 10,777,480 | 4,903,458 | 4,850,000 | 2,452,000 | -49.4 % | (2,398,000) |
| LOCAL SALES TAXES | — | — | — | — | 0.0 % | — |
| MISCELLANEOUS | 442,986 | 85,384 | 1,760,000 | 2,180,000 | 23.9 % | 420,000 |
| SPECIAL ASSESSMENTS | 190,104 | 100,515 | 300,000 | 300,000 | 0.0 % | — |
| STATE GRANTS & AIDS | 1,557,880 | 257,622 | 5,482,000 | 5,024,000 | -8.4 % | (458,000) |
| TRANSFERS | 13,924,501 | 16,808,854 | 2,226,000 | 5,626,000 | 152.7 % | 3,400,000 |
| TOTAL CAPITAL PROJECTS | 27,008,081 | 22,560,859 | 21,418,000 | 26,082,000 | 21.8 % | 4,664,000 |
| INTERNAL SERVICE FUND | | | | | | |
| CHARGES FOR SALES | 198,328 | 343,861 | 200,000 | 200,000 | 0.0 % | — |
| CHARGES FOR SERVICES | 2,012,764 | 2,288,893 | 2,370,000 | 2,262,000 | -4.6 % | (108,000) |
| MISCELLANEOUS | 2,310,436 | 2,533,514 | 2,150,000 | 1,935,000 | -10.0 % | (215,000) |
| RENTS | 5,593,856 | 5,760,387 | 6,101,000 | 5,381,000 | -11.8 % | (720,000) |
| TRANSFERS | 270,050 | 270,050 | — | — | 0.0 % | — |
| USE OF FUND BALANCE | — | — | 546,000 | — | -100.0 % | (546,000) |
| TOTAL INTERNAL SERVICE | 10,385,434 | 11,196,705 | 11,367,000 | 9,778,000 | -14.0 % | (1,589,000) |
| ENTERPRISE FUND | | | | | | |
| CHARGES FOR SERVICES | 8,218,094 | 6,829,881 | 10,558,000 | 8,771,000 | -16.9 % | (1,787,000) |
| MISCELLANEOUS | 15,140 | 9,382 | 10,000 | 10,000 | 0.0 % | — |
| PERMITS | 14,670 | 14,250 | — | — | 0.0 % | — |
| RENTS | 2,728,543 | 2,446,360 | 2,241,000 | 1,978,000 | -11.7 % | (263,000) |
| USE OF FUND BALANCE | — | — | (445,000) | — | -100.0 % | 445,000 |
| TOTAL ENTERPRISE | 10,976,447 | 9,299,873 | 12,364,000 | 10,759,000 | -13.0 % | (1,605,000) |
| TOTAL REVENUE | 148,199,305 | 144,797,707 | 150,506,000 | 151,103,000 | 0.4 % | 597,000 |

**City of Minneapolis
2021 Recommended Budget**

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SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

| | | Total Revenue | Total Expense | Change in Fund Balance |
|--|----------------------------------|----------------------|----------------------|---------------------------|
| GENERAL | GENERAL FUND | 503,218,000 | 510,263,000 | (7,045,000) |
| TOTAL GENERAL & USE OF FUND BALANCE | | 503,218,000 | 510,263,000 | (7,045,000) |
| SPECIAL REVENUE | TAX INCREMENT ADMINISTRATION | 7,000 | 10,000 | (3,000) |
| | ECONOMIC DEVELOPMENT | 47,699,000 | 64,986,000 | (17,287,000) |
| | DOWNTOWN ASSETS | 18,413,000 | 46,004,000 | (27,591,000) |
| | PEAVEY PLAZA | 0 | 437,000 | (437,000) |
| | COMMONS | 0 | 0 | 0 |
| | DOWNTOWN IMPROVEMENT DISTRICT | 6,913,000 | 7,296,000 | (383,000) |
| | POLICE DEPT - SPECIAL REVENUE | 913,000 | 910,000 | 3,000 |
| | ARENA - RESERVE | 5,427,000 | 5,735,000 | (308,000) |
| | GRANTS - FEDERAL | 10,926,000 | 11,081,000 | (155,000) |
| | CDBG & UDAG FUNDS | 14,860,000 | 14,919,000 | (59,000) |
| | HOME | 2,790,000 | 2,790,000 | 0 |
| | GRANTS - OTHER | 9,185,000 | 9,197,000 | (12,000) |
| | CONVENTION CENTER OPERATIONS | 35,830,000 | 36,656,000 | (826,000) |
| | NCR - SPECIAL REVENUE | 8,222,000 | 11,222,000 | (3,001,000) |
| | REGULATORY SRVS SPECIAL REVENUE | 100,000 | 100,000 | 0 |
| | EMPLOYEE RETIREMENT | 25,136,000 | 24,194,000 | 942,000 |
| TOTAL SPECIAL REVENUE | | 186,420,000 | 235,537,000 | (49,117,000) |
| CAPITAL PROJECT | CAPITAL IMPROVEMENTS | 76,094,000 | 76,094,000 | 0 |
| | CAPITAL TP & E | 16,370,000 | 16,673,000 | (303,000) |
| | CAPITAL SIDEWALK INSPECTIONS | 410,000 | 1,297,000 | (887,000) |
| | PROPERTY SERVICES CAPITAL | 25,093,000 | 25,093,000 | 0 |
| TOTAL CAPITAL PROJECT | | 117,967,000 | 119,157,000 | (1,190,000) |
| DEBT SERVICE | IMPROVEMENT BONDS | 9,300,000 | 9,300,000 | 0 |
| | STREET CAR VALUE CAPTURE FUND | 0 | 0 | 0 |
| | BOND REDEMPTION - DEBT SERVICE | 47,080,000 | 48,646,000 | (1,566,000) |
| | OTH SELF SUPPORTING DEBT SERVC | 1,158,000 | 1,158,000 | 0 |
| | MIDTOWN EXCH 108 LOAN ACCOUNT | 606,000 | 606,000 | 0 |
| | CPED DEBT SERVICE | 5,097,000 | 4,987,000 | 110,000 |
| | DOWNTOWN EAST | 3,550,000 | 3,535,000 | 15,000 |
| | CIP Bond Debt Service | 5,183,000 | 6,183,000 | (1,000,000) |
| | LIBRARY REF DEBT SERVICE | 9,025,000 | 8,730,000 | 295,000 |
| | CONVENTION CENTER-DEBT SERVICE | 0 | 182,000 | (182,000) |
| | TARGET CENTER | 0 | 0 | 0 |
| | TARGET CTR SALES TAX DS | 5,697,000 | 5,697,000 | 0 |
| | TAX INCREMENT - DEBT SERVICE | 2,452,000 | 2,452,000 | 0 |
| TOTAL DEBT SERVICE | | 89,148,000 | 91,476,000 | (2,328,000) |
| INTERNAL SERVICE | MATERIALS & LAB-INTERNAL SVC | 9,046,000 | 9,046,000 | 0 |
| | EQUIPMENT - INTERNAL SERVICE | 24,711,000 | 24,992,000 | (281,000) |
| | EQUIPMENT ACQUISITION FUND | 14,066,000 | 12,649,000 | 1,417,000 |
| | PROPERTY SERVICES | 28,675,095 | 28,614,385 | 60,710 |
| | STORES - INTERNAL SERVICE | 1,608,000 | 1,608,000 | 0 |
| | INFO TECH - INTERNAL SERVICE | 37,347,000 | 38,708,000 | (1,361,000) |
| | SELF INSURANCE-INTERNAL SVC | 111,086,000 | 110,056,000 | 1,030,000 |
| TOTAL INTERNAL SERVICE | | 226,539,095 | 225,673,385 | 865,710 |
| ENTERPRISE | RIVER TERMINAL | 0 | 1,193,000 | (1,193,000) |
| | GARFS | 300,000 | 192,000 | 108,000 |
| | SURFACE WATER & SEWER-SANITARY | 108,711,000 | 102,502,000 | 6,209,000 |
| | SURFACE WATER & SEWER-STORMWATER | 71,262,000 | 61,981,000 | 9,281,000 |
| | WATER - ENTERPRISE | 113,464,000 | 105,000,000 | 8,464,000 |
| | MUNICIPAL PARKING-ENTERPRISE | 61,896,000 | 64,598,000 | (2,702,000) |
| | SOLID WASTE - ENTERPRISE | 46,576,000 | 48,532,000 | (1,956,000) |
| TOTAL ENTERPRISE | | 402,209,000 | 383,998,000 | 18,211,000 |
| TOTAL ALL FUNDS | | 1,525,501,095 | 1,566,104,385 | (40,603,290) |

SCHEDULE TWO
REVENUES BY FUND AND TYPE
(excludes transfers)

| | | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | % Change |
|------------------------|-----------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| GENERAL | BUSINESS LICENSES AND PERMITS | 11,813,567 | 13,152,373 | 13,605,000 | 12,625,000 | -7.2% |
| | CHARGES FOR SALES | 138,841 | 74,790 | 84,000 | 75,000 | -10.7% |
| | CHARGES FOR SERVICES | 53,517,658 | 58,482,144 | 52,546,000 | 55,462,000 | 5.5% |
| | CONTRIBUTIONS | 1,339 | 1,155 | — | — | |
| | DESCRIPTION PENDING | | | | | |
| | FINES AND FORFEITS | 7,137,800 | 7,245,991 | 6,670,000 | 5,161,000 | -22.6% |
| | FRANCHISE FEES | 33,772,721 | 32,369,912 | 34,379,000 | 33,929,000 | -1.3% |
| | INTEREST REVENUE | 7,314,311 | (12,472,221) | 6,250,000 | 3,850,000 | -38.4% |
| | LOCAL GRANTS & AIDS | 949,165 | 999,265 | 875,000 | 774,000 | -11.5% |
| | LOCAL SALES TAXES | — | — | — | — | |
| | MISCELLANEOUS | 3,256,279 | 2,649,115 | 2,865,000 | 1,775,000 | -38.0% |
| | NON-BUSINESS LICENSES AND PERMITS | 35,515,130 | 42,484,020 | 33,121,000 | 30,852,000 | -6.9% |
| | OTHER TAXES | 63,942 | 19,817 | — | — | |
| | PROPERTY TAXES | 193,218,169 | 205,487,774 | 233,563,000 | 250,901,000 | 7.4% |
| | RENTS | 760,185 | 517,480 | 720,000 | 720,000 | 0.0% |
| | SPECIAL ASSESSMENTS | 2,868,144 | 3,416,860 | 3,570,000 | 4,732,000 | 32.5% |
| | STATE GRANTS & AIDS | 86,800,717 | 87,405,590 | 86,537,000 | 82,695,000 | -4.4% |
| | USE OF FUND BALANCE | — | — | 10,066,000 | — | -100.0% |
| | TOTAL GENERAL FUND | 437,127,968 | 441,834,065 | 484,851,000 | 483,551,000 | -0.3% |
| SPECIAL REVENUE | CHARGES FOR SALES | 4,403,097 | 11,433,890 | 5,000 | 5,000 | 0.0% |
| | CHARGES FOR SERVICES | 34,392,012 | 32,939,102 | 31,605,000 | 18,937,000 | -40.1% |
| | CONTRIBUTIONS | 7,215,731 | 4,494,961 | 783,000 | 308,000 | -60.7% |
| | FEDERAL GOVERNMENT GRANTS | 23,137,474 | 17,432,561 | 26,678,000 | 27,838,000 | 4.3% |
| | FINES AND FORFEITS | 614,938 | 913,940 | 555,000 | 559,000 | 0.7% |
| | INTEREST REVENUE | 5,929,464 | 9,931,272 | 3,442,000 | 4,964,000 | 44.2% |
| | LOCAL GRANTS & AIDS | 12,491,782 | 14,406,039 | 1,502,000 | 1,708,000 | 13.7% |
| | LOCAL SALES TAXES | — | — | 93,446,000 | 16,817,000 | -82.0% |
| | MISCELLANEOUS | 14,814,614 | 9,880,714 | 10,855,000 | 15,597,000 | 43.7% |
| | PERMITS | 1,298,327 | 921,510 | 294,000 | 294,000 | 0.0% |
| | OTHER TAXES | 437,583 | 458,191 | 459,000 | 547,000 | 19.2% |
| | PROPERTY TAXES | 158,579,972 | 168,573,861 | 167,496,000 | 126,004,000 | -24.8% |
| | RENTS | 14,789,741 | 11,709,259 | 10,272,000 | 5,674,000 | -44.8% |
| | REVENUES | — | — | 65,000 | — | -100.0% |
| | SPECIAL ASSESSMENTS | 9,061,528 | 9,513,838 | 9,666,000 | 6,913,000 | -28.5% |
| | STATE GRANTS & AIDS | 21,329,973 | 25,388,671 | 22,022,000 | 22,467,000 | 2.0% |
| | USE OF FUND BALANCE | — | — | (983,000) | — | -100.0% |
| | TOTAL SPECIAL REVENUE | 308,496,236 | 317,997,809 | 378,162,000 | 248,632,000 | -34.3% |

SCHEDULE TWO
REVENUES BY FUND AND TYPE
(excludes transfers)

| | | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | % Change |
|---------------------------|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| CAPITAL PROJECT/ | BOND SALES | — | — | 45,272,000 | 63,840,000 | 41.0% |
| GOVERNMENTAL FUNDS | CHARGES FOR SALES | 1,656,649 | 2,209,269 | — | — | |
| | CHARGES FOR SERVICES | 20,004,205 | 27,011,302 | 14,991,000 | 14,818,000 | -1.2% |
| | CONTRIBUTIONS | 120,912 | 414,990 | — | — | |
| | FEDERAL GOVERNMENT GRANTS | 8,427,358 | 10,106,929 | 7,000,000 | 2,100,000 | -70.0% |
| | INTEREST REVENUE | 567,003 | 471,988 | — | — | |
| | LOCAL GRANTS & AIDS | 11,028,470 | 6,590,291 | 1,645,000 | 7,804,000 | 374.4% |
| | MISCELLANEOUS | 2,687,616 | 1,272,349 | 2,180,000 | 2,180,000 | 0.0% |
| | PERMITS | 217,958 | 160,941 | 310,000 | 310,000 | 0.0% |
| | OTHER TAXES | — | — | — | — | |
| | PROPERTY TAXES | 7,363,480 | (313,809) | 6,800,000 | — | -100.0% |
| | SPECIAL ASSESSMENTS | 1,667,492 | 1,200,207 | 12,352,000 | 11,832,000 | -4.2% |
| | STATE GRANTS & AIDS | 10,455,291 | 14,821,105 | 19,207,000 | 17,242,000 | -10.2% |
| | USE OF FUND BALANCE | — | — | 4,280,000 | 5,652,000 | 32.1% |
| | TOTAL CAPITAL PROJECT | 69,228,960 | 63,964,331 | 114,037,000 | 126,778,000 | 11.2% |
| DEBT SERVICE | BOND REFUNDING | 31,560,000 | — | — | — | |
| | CONTRIBUTIONS | 2,980,000 | 3,240,000 | 3,426,000 | 3,550,000 | 3.6% |
| | DESCRIPTION PENDING | | | | | |
| | INTEREST REVENUE | 843,696 | 1,317,871 | — | 100,000 | |
| | MISCELLANEOUS | 1,166,488 | 1,144,055 | 4,120,000 | 1,158,000 | -71.9% |
| | NOTE SALES | — | — | — | — | |
| | OTHER TAXES | 12,932 | 3,981 | — | — | |
| | INTEREST | 897,527 | — | — | — | |
| | PROPERTY TAXES | 49,195,414 | 51,472,814 | 54,130,000 | 57,380,000 | 6.0% |
| | RENTS | 181,384 | 181,384 | — | — | |
| | SPECIAL ASSESSMENTS | 11,437,809 | 9,345,540 | 8,844,000 | 9,734,000 | 10.1% |
| | STATE GRANTS & AIDS | 55,357 | 49,936 | — | — | |
| | USE OF FUND BALANCE | — | — | 1,473,000 | — | -100.0% |
| | TOTAL DEBT SERVICE | 98,330,607 | 66,755,581 | 71,993,000 | 71,922,000 | -0.1% |
| INTERNAL SERVICE | CHARGES FOR SALES | 14,722,149 | 15,723,631 | 15,895,000 | 15,587,000 | -1.9% |
| | CHARGES FOR SERVICES | 159,712,220 | 153,742,461 | 154,774,000 | 165,012,000 | 6.6% |
| | DESCRIPTION PENDING | | | | | |
| | FINES AND FORFEITS | — | — | — | — | |
| | GAIN ON SALE OF ASSETS | 1,100,419 | 569,516 | — | — | |
| | INTEREST REVENUE | 15,280 | 9,320 | — | — | |
| | MISCELLANEOUS | 5,266,479 | 4,017,029 | 11,192,000 | 2,938,000 | -73.7% |
| | OTHER | — | — | — | — | |
| | RENTS | 47,722,277 | 50,694,633 | 51,279,000 | 48,576,000 | -5.3% |
| | STATE GRANTS & AIDS | — | — | — | — | |
| | USE OF FUND BALANCE | — | — | (3,545,000) | 566,000 | -116.0% |
| | TOTAL INTERNAL SERVICE | 228,538,824 | 224,756,590 | 229,595,000 | 232,679,000 | 1.3% |
| ENTERPRISE | BOND SALES | — | — | 37,985,000 | 42,925,000 | 13.0% |
| | CHARGES FOR SALES | 1,382,020 | 2,210,076 | 1,384,000 | 1,391,000 | 0.5% |
| | CHARGES FOR SERVICES | 315,537,904 | 322,371,562 | 344,271,000 | 328,952,000 | -4.4% |
| | FEDERAL GOVERNMENT GRANTS | — | — | — | — | |
| | FINES AND FORFEITS | (9,204) | 46,725 | — | 50,000 | |
| | GAIN ON SALE OF ASSETS | 253,386 | — | — | — | |
| | INTEREST REVENUE | 13,151 | 2,937 | — | — | |

SCHEDULE TWO
REVENUES BY FUND AND TYPE
(excludes transfers)

| | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | % Change |
|-------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| LOCAL GRANTS & AIDS | 2,612,892 | 2,210,039 | 2,024,000 | 2,015,000 | -0.4% |
| LOCAL SALES TAXES | — | — | — | — | |
| MISCELLANEOUS | 148,402 | 58,196 | 985,000 | 10,000 | -99.0% |
| PERMITS | 909,914 | 694,140 | 773,000 | 702,000 | -9.2% |
| OTHER | — | — | — | — | |
| RENTS | 3,697,104 | 2,557,775 | 2,290,000 | 2,093,000 | -8.6% |
| SPECIAL ASSESSMENTS | 1,600,462 | 695,025 | 1,864,000 | 1,352,000 | -27.5% |
| STATE GRANTS & AIDS | 1,321,115 | 1,321,147 | 1,403,000 | 1,167,000 | -16.8% |
| USE OF FUND BALANCE | — | — | 13,652,000 | 25,500,000 | 86.8% |
| TOTAL ENTERPRISE | 327,467,146 | 332,167,622 | 406,631,000 | 406,157,000 | -0.1% |
| TOTAL FUNDS | 1,469,189,741 | 1,447,475,998 | 1,685,269,000 | 1,569,719,000 | -6.9% |

* Detailed schedule by specific fund and specific department will be available upon request.

** For 2021 the Council Adopted Budget, transfers in the amount of \$106,377,000 are detailed in Schedule 7.

SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT
(excludes transfers)

| | | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | % Change |
|------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------|
| GENERAL | 311 | 3,972,435 | 4,184,882 | 4,326,000 | 3,998,000 | -7.6% |
| | 911 | 9,379,652 | 9,907,485 | 10,098,000 | 9,576,000 | -5.2% |
| | ASSESSOR | 5,579,240 | 5,588,099 | 6,266,000 | 5,493,000 | -12.3% |
| | ATTORNEY | 9,692,157 | 9,823,188 | 10,858,000 | 9,380,000 | -13.6% |
| | CITY CLERK | 3,465,941 | 3,547,517 | 4,032,000 | 4,183,000 | 3.7% |
| | CITY COORDINATOR | 6,055,955 | 7,052,471 | 9,970,000 | 9,754,000 | -2.2% |
| | CITY COUNCIL | 4,958,844 | 4,799,427 | 5,548,000 | 5,126,000 | -7.6% |
| | CIVIL RIGHTS | 3,999,766 | 4,586,690 | 5,057,000 | 4,837,000 | -4.4% |
| | COMMUNICATIONS | 2,304,718 | 2,246,104 | 2,265,000 | 2,461,000 | 8.7% |
| | CPED | 34,995,456 | 34,822,770 | 45,358,000 | 39,821,000 | -12.2% |
| | ELECTIONS | 3,671,174 | 2,319,345 | 6,400,000 | 3,246,000 | -49.3% |
| | EMERGENCY MANAGEMENT | 1,127,475 | 1,035,115 | 1,165,000 | 1,110,000 | -4.7% |
| | FINANCE & PROPERTY SERVICES | 22,134,288 | 22,493,394 | 24,877,000 | 35,116,000 | 41.2% |
| | FIRE | 67,509,070 | 68,997,387 | 71,193,000 | 70,128,000 | -1.5% |
| | GENERAL FUND CONTINGENCY | — | — | 5,100,000 | 5,100,000 | 0.0% |
| | HEALTH | 11,498,922 | 13,406,327 | 12,250,000 | 18,068,000 | 47.5% |
| | HUMAN RESOURCES | 7,292,124 | 7,107,078 | 10,073,000 | 8,518,000 | -15.4% |
| | INTERGOVERNMENTAL RELATIONS | 1,488,539 | 1,434,970 | 1,547,000 | 1,203,000 | -22.2% |
| | INTERNAL AUDIT | 664,584 | 692,039 | 813,000 | 965,000 | 18.7% |
| | MAYOR | 2,386,903 | 2,436,930 | 2,484,000 | 2,305,000 | -7.2% |
| | NEIGHBORHOOD & COMMUNITY RELATIONS | 742,872 | 518,964 | 2,578,000 | 835,000 | -67.6% |
| | POLICE | 172,956,180 | 174,947,037 | 188,298,000 | 160,591,000 | -14.7% |
| | PW - Admin | 3,864,281 | 3,789,114 | 3,876,000 | 3,287,000 | -15.2% |
| | PW - Traffic & Parking | 16,957,320 | 17,524,057 | 18,934,000 | 15,950,000 | -15.8% |
| | PW - Transportation Engineering, and Design | 2,010,380 | 2,138,161 | 2,195,000 | 1,889,000 | -13.9% |
| | PW - Transportation Maintenance & Repair | 39,021,254 | 41,312,180 | 37,357,000 | 34,390,000 | -7.9% |
| | PW - Transportation Planning & Programming | 2,797,893 | 2,773,153 | 2,882,000 | 2,662,000 | -7.6% |
| | REGULATORY SERVICES | 20,017,702 | 20,738,250 | 22,364,000 | 24,567,000 | 9.9% |
| | TOTAL GENERAL FUND | 460,545,125 | 470,222,134 | 518,164,000 | 484,559,000 | -6.5% |
| SPECIAL REVENUE | 911 | 427,732 | 67,401 | 515,000 | 515,000 | 0.0% |
| | ATTORNEY | 415,942 | 377,512 | 317,000 | 412,000 | 30.0% |
| | BOARD OF ESTIMATE & TAXATION | 218,897 | 121,765 | 111,000 | 115,000 | 3.6% |
| | CAPITAL IMPROVEMENTS | 322,334 | (9,627) | — | — | 0.0% |
| | CITY COORDINATOR | 2,251,089 | 1,770,439 | 1,529,000 | 466,000 | -69.5% |
| | CIVIL RIGHTS | 305,812 | 387,667 | 381,000 | 454,000 | 19.2% |
| | CONVENTION CENTER | 51,843,194 | 58,104,423 | 56,681,000 | 36,656,000 | -35.3% |
| | CPED | 64,708,631 | 60,889,775 | 69,704,000 | 59,782,000 | -14.2% |
| | DOWNTOWN ASSETS | 1,021,097 | 4,924,916 | 1,244,000 | 5,005,000 | 302.3% |
| | EMERGENCY MANAGEMENT | 599,642 | 816,748 | 930,000 | 859,000 | -7.6% |
| | FINANCE & PROPERTY SERVICES | 104,512 | 104,946 | 172,000 | 2,165,000 | 1,158.7% |
| | FIRE | 66,262 | 144,421 | — | 10,000 | 0.0% |
| | HEALTH | 12,067,885 | 11,220,971 | 10,995,000 | 10,255,000 | -6.7% |
| | INTERGOVERNMENTAL RELATIONS | 1,343,923 | 1,333,330 | 1,929,000 | — | -100.0% |
| | MAYOR | 12,500 | 12,500 | — | 12,000 | 0.0% |
| | MUNICIPAL BUILDING COMMISSION | 8,834,557 | 8,204,793 | 9,743,000 | 9,633,000 | -1.1% |
| | NEIGHBORHOOD & COMMUNITY RELATIONS | 11,221,186 | 11,697,209 | 12,890,000 | 17,832,000 | 38.3% |
| | OTHER/NON-DEPARTMENTAL | 64,803 | 74,523 | 75,000 | 75,000 | 0.0% |
| | PARK BOARD | 88,258,072 | 94,828,914 | 105,107,000 | 102,996,000 | -2.0% |
| | PENSIONS | 30,163,029 | 24,193,872 | 25,144,000 | 24,194,000 | -3.8% |
| | POLICE | 4,903,338 | 4,902,605 | 4,703,000 | 3,700,000 | -21.3% |
| | PW - Transportation Maintenance & Repair | 7,007,505 | 7,063,874 | 7,296,000 | 7,296,000 | 0.0% |
| | REGULATORY SERVICES | 3,987,800 | 4,116,422 | 3,582,000 | 190,000 | -94.7% |
| | TOTAL SPECIAL REVENUE | 290,151,231 | 295,349,399 | 313,048,000 | 282,622,000 | -9.7% |
| SERVICE | 311 | — | — | — | — | 0.0% |
| SERVICE | 911 | — | — | — | — | 0.0% |

SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT
(excludes transfers)

| | 2018 Actual | 2019 Actual | 2020 Adopted | 2021 Adopted | % Change |
|---|----------------------|----------------------|----------------------|----------------------|---------------|
| ATTORNEY | 7,106,460 | 7,091,900 | 8,184,000 | 7,376,000 | -9.9% |
| CAPITAL IMPROVEMENTS | 2,914,246 | (15,756) | — | — | 0.0% |
| CITY CLERK | 1,797,723 | 1,509,150 | 1,502,000 | 1,470,000 | -2.1% |
| DEBT SERVICE - NON DEPARTMENTAL | 146,123 | — | — | — | 0.0% |
| FINANCE & PROPERTY SERVICES | 25,131,328 | 30,301,795 | 27,069,000 | 29,947,000 | 10.6% |
| GENERAL LIABILITY | 1,685,350 | 22,526,284 | 6,175,000 | 9,211,000 | 49.2% |
| HUMAN RESOURCES | 57,373,239 | 66,924,345 | 71,508,000 | 75,443,000 | 5.5% |
| INFORMATION TECHNOLOGY | 42,413,466 | 44,276,569 | 37,948,000 | 37,238,000 | -1.9% |
| OTHER/NON-DEPARTMENTAL | 1,612,075 | 1,685,340 | 2,863,000 | 2,934,000 | 2.5% |
| PARK BOARD | 9,079,942 | 10,066,630 | 11,093,000 | 10,433,000 | -5.9% |
| PW - Fleet | 36,392,918 | 34,270,069 | 37,775,000 | 37,642,000 | -0.4% |
| PW - Traffic & Parking | 195,642 | 403,763 | 355,000 | 360,000 | 1.4% |
| PW - Transportation Engineering, and Design | 7,487,742 | 8,831,116 | 9,025,000 | 9,046,000 | 0.2% |
| WORKER'S COMP | 12,235,735 | 5,359,011 | 13,012,000 | 12,756,000 | -2.0% |
| TOTAL INTERNAL SERVICE | 205,571,989 | 233,230,216 | 226,509,000 | 233,856,000 | 3.2% |
| CAPITAL PROJECTS | | | | | |
| CAPITAL IMPROVEMENTS | 102,049,821 | 171,577,281 | 106,581,000 | 109,643,000 | 2.9% |
| CPED | 262,307 | 418,646 | — | 747,000 | 0.0% |
| PARK BOARD | 18,235,834 | 17,852,535 | 22,358,000 | 26,082,000 | 16.7% |
| PW - Transportation Engineering, and Design | 14,048,102 | 14,665,030 | 12,571,000 | 15,603,000 | 24.1% |
| PW - Transportation Maintenance & Repair | 1,357,701 | 1,271,083 | 1,238,000 | 1,297,000 | 4.8% |
| PW - Transportation Planning & Programming | 488,322 | 811,384 | 926,000 | 1,070,000 | 15.6% |
| TOTAL CAPITAL PROJECTS | 136,442,087 | 206,595,959 | 143,674,000 | 154,442,000 | 7.5% |
| DEBT SERVICE | | | | | |
| CPED | 2,110,824 | 2,132,518 | 2,149,000 | 2,167,000 | 0.8% |
| DEBT SERVICE - NON DEPARTMENTAL | 145,816,124 | 158,774,332 | 109,942,000 | 80,278,000 | -27.0% |
| TOTAL DEBT SERVICE | 147,926,948 | 160,906,850 | 112,091,000 | 82,445,000 | -26.4% |
| ENTERPRISE | | | | | |
| CAPITAL IMPROVEMENTS | 59,738,762 | 75,447,362 | 71,680,000 | 72,425,000 | 0.0% |
| CPED | 1,220,133 | 1,131,324 | 1,379,000 | 1,385,000 | 0.4% |
| DEBT SERVICE - NON DEPARTMENTAL | 4,496,889 | 6,126,042 | 40,993,000 | 38,652,000 | -5.7% |
| PARK BOARD | 9,812,715 | 10,431,842 | 13,110,000 | 13,646,000 | 4.1% |
| PW - Sanitary | 69,353,370 | 73,139,485 | 71,938,000 | 76,833,000 | 6.8% |
| PW - Solid Waste | 39,673,080 | 40,017,105 | 43,665,000 | 43,702,000 | 0.1% |
| PW - Stormwater | 20,448,000 | 19,832,183 | 21,293,000 | 22,067,000 | 3.6% |
| PW - Traffic & Parking | 43,962,376 | 45,380,113 | 55,639,000 | 43,076,000 | -22.6% |
| PW - Transportation Maintenance & Repair | 9,710,725 | 9,564,156 | 9,997,000 | 9,811,000 | -1.9% |
| PW - Water | 55,741,679 | 55,590,867 | 61,533,000 | 61,665,000 | 0.2% |
| TOTAL ENTERPRISE | 314,157,769 | 336,660,479 | 391,227,000 | 383,262,000 | -2.0% |
| TOTAL FUNDS | 1,554,795,149 | 1,702,965,037 | 1,704,713,000 | 1,621,186,000 | -4.9% |

* Detailed schedule by specific fund and specific department will be available upon request.

** For the 2021 Council Adopted budget, transfers are detailed in Schedule 7.

SCHEDULE FOUR
Year 47 (2021) - COMMUNITY DEVELOPMENT BLOCK GRANT

| Organization | Project | 2019 Consolidat ed Plan | 2020 Consolidated Plan | 2021 Council Adopted (nearest thousand) |
|--|---|-------------------------------|------------------------------|---|
| Capital /Other---CDBG | | | | |
| Development | Adult Training, Placement and Retention | 1,325,200 | 1,361,948 | 1,362,000 |
| | High Density Corridor Initiative | 499,100 | 494,109 | 494,000 |
| | Multi-Family/Affordable Housing | 3,454,000 | 3,720,000 | 3,720,000 |
| | NEDF/CEDF (Great Streets) | 94,600 | 93,654 | 94,000 |
| | Home Ownership Support & Development | 197,200 | 195,228 | 195,000 |
| | Vacant and Boarded Building Program | 1,553,700 | 1,488,163 | 1,488,000 |
| | Subtotal CPED capital | 7,123,800 | 7,353,102 | 7,353,000 |
| Health Department | Lead Reduction | 61,800 | 109,323 | 109,000 |
| Total Capital/Other (65%) | | 7,185,600 | 7,462,425 | 7,462,000 |
| Public Service---CDBG | | | | |
| Community Planning & Economic Development | Youth Employment | 253,800 | 251,099 | 251,000 |
| | Youth Pre-Employment Services | 108,400 | 107,246 | 107,000 |
| Police Department | Community Crime Prevention Specialists | 897,000 | 887,455 | 91,000 |
| NCR Department | Community Crime Prevention Specialists | | | 797,000 |
| Health Department | Way to Grow | 224,000 | 221,616 | 222,000 |
| | Program) | 100,000 | 100,000 | 100,000 |
| | Domestic Abuse Project | 75,000 | 74,202 | 74,000 |
| Total Public Service (15%) | | 1,658,200 | 1,641,618 | 1,642,000 |
| Public Service - 15% Cap | | 1,658,208 | 1,693,848 | 1,694,000 |
| Administration---CDBG | | | | |
| Civil Rights Department | Fair Housing Initiative/Davis Bacon Compliance/Monitoring | 347,900 | 344,300 | 344,000 |
| Community Planning & Economic Development | Planning - Administration | 934,600 | 924,928 | 925,000 |
| Health Department | Mid-Minnesota Legal Aid | 25,600 | 25,335 | 25,000 |
| | Grant Administration | 64,400 | 63,734 | 64,000 |
| | Way to Grow Administration | 5,100 | 5,047 | 5,000 |
| | Youth Violence Prevention | 164,100 | 162,402 | 162,000 |
| Finance Department | Program Administration | 174,299 | 172,495 | 173,000 |
| Intergovernmental Relations | Grants & Special Projects | 181,500 | 179,089 | 179,000 |
| | Mid-Minnesota Legal Aid | 41,600 | 41,169 | 41,000 |
| Youth Coordinating Board | Administration | 74,523 | 74,523 | 75,000 |
| Neighborhood & Community Relations | Access & Outreach (Multicultural Affairs) | 105,900 | 104,804 | 105,000 |
| Regulatory Services | New Problem Properties Strategy | 91,400 | 90,454 | 90,000 |
| Total Administration (20%) | | 2,210,922 | 2,188,280 | 2,188,000 |
| Administration 20% cap | | 2,210,944 | 2,258,465 | 2,258,000 |
| CDBG Total of Requests (100%) | | 11,054,722 | 11,292,323 | 11,292,000 |
| CDBG Revenue | | 11,054,722 | 11,292,323 | 11,292,000 |
| Other Consolidated Plan Entitlement | | | | |
| HOME Investment Partnerships | | | | |
| Development | Affordable Housing Trust Fund (AHTF) | 1,535,643 | 1,939,395 | 1,939,000 |
| | Home Ownership Works (HOW) | 826,885 | 643,754 | 644,000 |
| | CPED Administration | 247,503 | 191,671 | 192,000 |
| Finance and Property Services Department | Grants & Special Projects Administration | 15,000 | 15,000 | 15,000 |
| | | 2,625,031 | 2,789,820 | 2,790,000 |
| Emergency Solutions Grant (ESG) | | | | |
| Development | Emergency Solutions Grant Programs | 707,501 | 732,926 | 733,000 |
| | Street Outreach | 150,000 | 150,000 | 150,000 |
| | CPED Administration | 66,064 | 64,000 | 64,000 |
| Finance and Property Services Department | Homelessness Info Mgmt Sys (HMIS) Support | 18,950 | 19,427 | 19,000 |
| | Grants & Special Projects Administration | 5,000 | 5,000 | 5,000 |

SCHEDULE FOUR
Year 47 (2021) - COMMUNITY DEVELOPMENT BLOCK GRANT

| Organization | Project | 2019 Consolidat ed Plan | 2020 Consolidated Plan | 2021 Council Adopted (nearest thousand) |
|--|---|-------------------------------|------------------------------|---|
| | | 947,515 | 971,353 | 971,000 |
| Housing Opportunities for Persons with AIDS (HOPWA) | | | | |
| <u>Finance and Property Services Department</u> | | | | |
| | Third Party Contractors/Subrecipients/Subgrantees | 1,492,383 | 1,682,990 | 1,683,000 |
| | Grants & Special Projects Administration | 46,156 | 50,000 | 50,000 |
| | | 1,538,539 | 1,732,990 | 1,733,000 |
| Grand Total Consolidated Plan | | 16,165,807 | 16,786,486 | 16,786,000 |

* This schedule represents the distribution of entitlement funds only excluding any program income.

¹ In 2020 the Grants & Special Projects Division of Intergovernmental Relations Department was moved to Finance and Property Services

**SCHEDULE FIVE
SUMMARY OF POSITIONS BY DEPARTMENT**

| Department & Program | 2021 Current | 2021 Council Adopted | | |
|--|---------------|----------------------|------------------------|----------------------|
| | Service Level | Positions Funded | Positions Held Vacant* | Positions Eliminated |
| 311 | 29.8 | 35.0 | (1.0) | — |
| 311 | 29.8 | 35.0 | (1.0) | — |
| 911 | 85.0 | 84.0 | (1.0) | — |
| 911 | 85.0 | 84.0 | (1.0) | — |
| Assessor | 38.0 | 36.0 | (2.0) | — |
| Assessor | 38.0 | 36.0 | (2.0) | — |
| Capital | 134.1 | 134.0 | — | — |
| Capital | 134.1 | 134.0 | — | — |
| City Attorney | 113.3 | 104.0 | (9.3) | — |
| Civil Legal Services | 47.5 | 43.5 | (4.0) | — |
| Criminal Justice | 65.8 | 60.5 | (5.3) | — |
| City Clerk | 28.0 | 28.0 | (1.0) | — |
| Legislative Support & Administration | 13.0 | 13.0 | (1.0) | — |
| Records & Information Management | 15.0 | 15.0 | — | — |
| City Coordinator | 40.9 | 38.0 | (2.6) | — |
| Administration & Partnerships | 4.0 | 4.0 | (1.0) | — |
| Strategic Initiatives | 17.9 | 17.9 | (1.0) | — |
| Strategic Management | 19.0 | 19.0 | — | — |
| City Council | 39.0 | 39.0 | — | — |
| City Council | 39.0 | 39.0 | — | — |
| Civil Rights | 35.0 | 34.5 | (2.5) | — |
| Complaint Investigation | 6.4 | 5.9 | (0.5) | — |
| Contract Compliance | 10.7 | 8.7 | (2.0) | — |
| Equity in Employment | 4.2 | 4.2 | — | — |
| Labor Standards Enforcement | 5.2 | 5.2 | — | — |
| Police Conduct Review | 8.5 | 10.5 | — | — |
| Communications | 14.0 | 13.0 | (1.0) | — |
| Enterprise Communications | 14.0 | 13.0 | (1.0) | — |
| Convention Center | 173.3 | 131.7 | (41.6) | — |
| Events | 144.3 | 102.7 | (41.6) | — |
| Facilities | 27.8 | 27.8 | — | — |
| Target Center | 1.2 | 1.2 | — | — |
| CPED | 251.0 | 229.0 | (12.0) | (10.0) |
| Administration & Support | 13.0 | 12.0 | (1.0) | (1.0) |
| Development Services | 118.0 | 106.0 | (5.0) | (6.0) |
| Economic Planning & Development | 70.0 | 64.0 | (3.0) | (3.0) |
| Housing Policy & Development | 37.0 | 36.0 | (1.0) | — |
| Long Range Planning | 13.0 | 11.0 | (2.0) | — |
| Elections | 8.0 | 8.0 | — | — |
| Elections & Voter Services | 8.0 | 8.0 | — | — |
| Emergency Management | 8.5 | 7.5 | — | (1.0) |
| Emergency Management | 8.5 | 7.5 | — | (1.0) |
| Finance & Property Services | 283.0 | 275.0 | (8.0) | — |
| Budget | 6.0 | 6.0 | — | — |
| Controller | 62.0 | 60.0 | (2.0) | — |
| Development Finance | 10.0 | 9.0 | (1.0) | — |
| Executive & Administration | 4.0 | 4.0 | — | — |
| Investments, Capital & Debt Mgmt | 4.0 | 3.0 | (1.0) | — |
| Payroll | 16.0 | 15.0 | (1.0) | — |
| Procurement | 41.0 | 41.0 | — | — |
| Property Services | 87.0 | 85.0 | (2.0) | — |
| Revenue & Collections | 44.0 | 44.0 | — | — |
| Risk Management & Claims | 9.0 | 8.0 | (1.0) | — |

| | | | | |
|---|----------------|--------------|----------------|--------------|
| Fire Department | 428.0 | 427.0 | (1.0) | — |
| Outreach | 64.8 | 64.8 | — | — |
| Non-Sworn | 1.5 | 1.5 | — | — |
| Sworn | 63.3 | 63.3 | — | — |
| Fire Suppression, EMS & Technical Rescue | 294.9 | 293.9 | (1.0) | — |
| Non-Sworn | 5.7 | 4.7 | (1.0) | — |
| Sworn | 289.2 | 289.2 | — | — |
| Training & Recruitment | 68.2 | 68.2 | — | — |
| Non-Sworn | 1.8 | 1.8 | — | — |
| Sworn | 66.4 | 66.4 | — | — |
| Subtotal - Non-Sworn | 9.0 | 8.0 | (1.0) | — |
| Subtotal - Sworn | 419.0 | 419.0 | — | — |
| Health Department | 112.5 | 125.1 | (6.4) | — |
| Core Public Health Infrastructure Preparation | 16.9 | 16.6 | (0.3) | — |
| Environmental Services | 3.3 | 1.5 | (1.8) | — |
| Family & Early Childhood | 14.0 | 12.5 | (1.5) | — |
| Food, Lodging, & Pools | 1.1 | 1.1 | — | — |
| Homegrown Minneapolis | 26.5 | 26.0 | (0.5) | — |
| Lead Poisoning & Healthy Homes | 1.0 | 1.0 | — | — |
| Minneapolis Healthy Living Initiative | 9.0 | 8.0 | (1.0) | — |
| Minneapolis Healthy Living Initiative | 7.4 | 7.4 | — | — |
| Office of Violence Prevention | 6.8 | 25.8 | — | — |
| School Based Clinic Program | 24.0 | 22.8 | (1.2) | — |
| Youth Development & Sexual Health | 1.6 | 1.5 | (0.1) | — |
| Opioid Response | 1.0 | 1.0 | — | — |
| Human Resources | 56.0 | 52.0 | (2.0) | (2.0) |
| HR Administration | 8.0 | 6.0 | (1.0) | (1.0) |
| HR Business Partner Solutions | 24.0 | 24.0 | — | — |
| HR Labor Relations | 4.0 | 4.0 | — | — |
| HR Learning & Development Solutions | 6.0 | 5.0 | — | (1.0) |
| HR Total Compensation | 14.0 | 13.0 | (1.0) | — |
| Information Technology | 93.0 | 93.0 | — | — |
| Decision Support Services | 9.0 | 9.0 | — | — |
| Infrastructure Services | 37.0 | 37.0 | — | — |
| Workforce Enablement Services | 47.0 | 47.0 | — | — |
| Intergovernmental Relations | 5.0 | 5.0 | — | — |
| Intergovernmental Relations | 5.0 | 5.0 | — | — |
| Internal Audit | 4.0 | 4.0 | — | — |
| Internal Audit | 4.0 | 4.0 | — | — |
| Mayor | 14.0 | 13.0 | (1.0) | — |
| Policy & Operations | 14.0 | 13.0 | (1.0) | — |
| Neighborhood & Community Relations | 18.0 | 35.0 | — | — |
| Operations | 18.0 | 35.0 | — | — |
| Police Department | 1,077.0 | 866.0 | (161.0) | — |
| Community and Collaborative Advancement | 67.0 | 24.0 | (9.0) | — |
| Non-Sworn | 37.0 | 3.0 | — | — |
| Sworn | 30.0 | 21.0 | (9.0) | — |
| Investigations and Forensics | 226.5 | 191.5 | (35.0) | — |
| Non-Sworn | 49.5 | 48.5 | (1.0) | — |
| Sworn | 177.0 | 143.0 | (34.0) | — |
| Professional Development | 134.5 | 112.5 | (22.0) | — |
| Non-Sworn | 71.5 | 54.5 | (17.0) | — |
| Sworn | 63.0 | 58.0 | (5.0) | — |
| Public Safety Services | 603.0 | 502.0 | (72.0) | — |
| Non-Sworn | 25.0 | 7.0 | (2.0) | — |

| | | | | |
|---|----------------|----------------|----------------|---------------|
| Sworn | 578.0 | 490.0 | (91.0) | — |
| Special Operations and Intelligence | 46.0 | 42.0 | (2.0) | — |
| Non-Sworn | 6.0 | 5.0 | (1.0) | — |
| Sworn | 40.0 | 37.0 | (1.0) | — |
| Subtotal - Non-Sworn | 189.0 | 118.0 | (21.0) | — |
| Subtotal - Sworn | 888.0 | 749.0 | (140.0) | — |
| PW - Admin | 17.0 | 16.0 | (1.0) | — |
| Public Works Administration | 17.0 | 16.0 | (1.0) | — |
| PW - Fleet | 75.0 | 70.0 | (5.0) | — |
| Fleet Operations | 75.0 | 70.0 | (5.0) | — |
| PW - Sanitary | 60.3 | 60.0 | — | — |
| Sanitary - Collection & Treatment | 60.3 | 60.0 | — | — |
| PW - Solid Waste | 150.0 | 150.0 | — | — |
| Solid Waste & Recycling | 150.0 | 150.0 | — | — |
| PW - Stormwater | 54.3 | 54.0 | — | — |
| Stormwater - Collection & Treatment | 54.3 | 54.0 | — | — |
| PW - Traffic & Parking | 118.5 | 106.3 | (12.2) | — |
| Transportation Operations & Mobility | 118.5 | 106.3 | (12.2) | — |
| PW - Transportation Engineering, and Design | 91.0 | 90.6 | (1.9) | — |
| Transportation Operations & Mobility | 15.5 | 13.6 | (1.9) | — |
| Transportation Planning, Design, & Engineering | 75.5 | 77.0 | — | — |
| PW - Transportation Maintenance & Repair | 220.9 | 208.0 | (13.0) | — |
| Transportation Maintenance | 220.9 | 208.0 | (13.0) | — |
| PW - Transportation Planning & Programming | 23.5 | 24.0 | (2.0) | — |
| Transportation Planning, Design, & Engineering | 23.5 | 24.0 | (2.0) | — |
| PW - Water | 198.8 | 199.0 | — | — |
| PW - Water | 198.8 | 199.0 | — | — |
| Regulatory Services | 178.4 | 168.6 | (15.8) | (3.0) |
| Code Compliance & Traffic Control | 48.0 | 48.0 | (4.0) | — |
| Fire Inspections Services | 24.0 | 21.0 | (2.0) | (1.0) |
| Housing Inspections Services | 46.0 | 46.0 | (5.0) | — |
| Minneapolis Animal Care & Control | 27.0 | 25.2 | (1.8) | — |
| Operations & Engagement | 33.4 | 28.4 | (3.0) | (2.0) |
| Total | 4,273.6 | 3,964.2 | (304.3) | (16.0) |

*Positions held vacant in 2021 are considered part of the Current Service Level for 2022. For additional detail regarding the planned phase out of the City's hiring freeze, see the Five Year Financial Direction section of this budget.

**Council added several positions in the adoption process: 2 FTEs were added to the City Coordinator for OPI recommendations, 4 FTEs were added to Reg Services for OPI recommendations

***Council added 1 temp FTE for Communications

****17 Crime Prevention Specialists were transferred from MPD to NCR

| | 2021 CPED PROGRAM ALLOCATION BY FUNDING SOURCE | | | | | | | | | | | |
|--|--|--------------------|--------------------|-------------------|-----------------------------|------------------|--------------------------|------------------|------------------------|----------------|----------------------------------|------------------|
| | 2019 | 2020 | 2021 | | | | | | | | | |
| | Adopted Budget | Adopted Budget | Adopted Budget | General Fund | 1400 CDBG & ESG Prog Income | 01500 (HOME) | State and Federal Grants | Develop Funds | TIF for Affordable Hsg | GARFS | Restricted Dev Funds & TIF Funds | Other Funds |
| ADMINISTRATION AND SUPPORT | 10,145,000 | 10,401,000 | 8,239,967 | 6,662,183 | 26,445 | - | - | - | - | - | - | 1,551,339 |
| LONG RANGE PLANNING | 3,124,000 | 3,187,000 | 2,500,327 | 1,375,954 | 377,838 | - | - | - | - | - | - | 746,535 |
| ADMINISTRATION AND OPERATIONS | 2,324,000 | 2,417,000 | 1,753,792 | 1,375,954 | 377,838 | - | - | - | - | - | - | - |
| ART IN PUBLIC PLACES | 800,000 | 770,000 | 746,535 | - | - | - | - | - | - | - | - | 746,535 |
| HOUSING & POLICY DEVELOPMENT | 4,294,000 | 3,894,000 | 3,183,667 | 2,695,893 | 487,774 | - | - | - | - | - | - | - |
| ADMINISTRATION AND OPERATIONS | 564,000 | 458,000 | 445,893 | 445,893 | - | - | - | - | - | - | - | - |
| STABLE HOMES, STABLE SCHOOLS | 3,350,000 | 3,000,000 | 2,200,000 | 2,200,000 | - | - | - | - | - | - | - | - |
| OFFICE TO END HOMELESSNESS | - | 50,000 | 50,000 | 50,000 | - | - | - | - | - | - | - | - |
| VACANT & BOARDED HOUSING PROG | 115,000 | 118,000 | 118,808 | - | 118,808 | - | - | - | - | - | - | - |
| AFFORDABLE HOUSING PROGRAMS (Multi-Family) | 115,000 | 118,000 | 118,808 | - | 118,808 | - | - | - | - | - | - | - |
| EMERGENCY SOLUTIONS GRANT PROG | 150,000 | 150,000 | 250,158 | - | 250,158 | - | - | - | - | - | - | - |
| AFFORDABLE HOUSING | 26,440,000 | 24,760,000 | 21,006,578 | 5,345,894 | 4,518,719 | 1,939,395 | - | 452,570 | 8,500,000 | - | - | 250,000 |
| ADMINISTRATION AND OPERATIONS | 1,236,000 | 1,376,000 | 1,373,464 | 920,894 | - | - | - | 452,570 | - | - | - | - |
| AFFORDABLE HSG TRUST FUND | 20,058,000 | 16,205,000 | 16,155,754 | 2,400,000 | 3,316,359 | 1,939,395 | - | - | 8,500,000 | - | - | - |
| AFFORDABLE HOUSING PROGRAMS (Multi-Family) | - | - | - | - | - | - | - | - | - | - | - | - |
| NOAH - Naturally Occurring Affordable Housing | 3,300,000 | 3,000,000 | 2,000,000 | 2,000,000 | - | - | - | - | - | - | - | - |
| EMERGENCY SOLUTIONS GRANT PROG | 767,000 | 749,000 | 796,926 | - | 796,926 | - | - | - | - | - | - | - |
| HIGH DENSITY CORRIDOR HOUSING | 377,000 | 405,000 | 405,434 | - | 405,434 | - | - | - | - | - | - | - |
| MPHA ENERGY EFFICIENCY IMPROVEMENTS | - | 2,300,000 | - | - | - | - | - | - | - | - | - | - |
| TENANT HOTLINE | 125,000 | 125,000 | 25,000 | 25,000 | - | - | - | - | - | - | - | - |
| TENANT LEGAL SERVICES | 175,000 | 100,000 | - | - | - | - | - | - | - | - | - | - |
| LOW BARRIER HOUSING INITIATIVE | - | 250,000 | - | - | - | - | - | - | - | - | - | - |
| 4D PROGRAM | 250,000 | 250,000 | 250,000 | - | - | - | - | - | - | - | - | 250,000 |
| EVICTON REPRESENTATION PROGRAM | 150,000 | - | - | - | - | - | - | - | - | - | - | - |
| HOMEOWNERSHIP SUPPORT & DEV | 14,077,000 | 10,106,000 | 9,798,691 | 3,109,691 | 2,308,116 | 835,425 | - | 674,913 | - | - | 1,574,546 | 1,296,000 |
| ADMINISTRATION AND OPERATIONS | 375,000 | 380,000 | 881,280 | 714,691 | - | - | - | 166,589 | - | - | - | - |
| MINNEAPOLIS HOMES | 5,163,000 | 3,129,000 | 2,500,000 | 2,000,000 | - | - | - | - | - | - | - | 500,000 |
| VACANT & BOARDED HOUSING PROG | 1,325,000 | 1,370,000 | 1,369,355 | - | 1,369,355 | - | - | - | - | - | - | - |
| HIGH DENSITY CORRIDOR HOUSING | 86,000 | 89,000 | 88,675 | - | 88,675 | - | - | - | - | - | - | - |
| AFFORDABLE HSG TRUST FUND | 420,000 | 438,000 | 419,597 | - | 284,833 | 134,764 | - | - | - | - | - | - |
| HOM (Homeownership Opportunity in Minneapolis) | 721,000 | 721,000 | 704,324 | - | - | - | - | 508,324 | - | - | - | 196,000 |
| HOMEOWNERSHIP COUNSELING AND OUTREACH | 225,000 | 175,000 | 175,000 | 175,000 | - | - | - | - | - | - | - | - |
| HOW - HOME OWNERSHIP WORKS | 1,206,000 | 1,210,000 | 1,200,662 | - | - | 700,662 | - | - | - | - | - | 500,000 |
| HOMEOWNERSHIP CAPACITY | 100,000 | 100,000 | 100,000 | - | - | - | - | - | - | - | - | 100,000 |
| HOMEOWNER REHABILITATION PROGRAMS | 1,057,000 | 1,060,000 | 565,253 | - | 565,253 | - | - | - | - | - | - | - |
| HOUSING REPLACEMENT WATERSHED | 1,017,000 | 1,024,000 | 1,385,320 | - | - | - | - | - | - | - | 1,385,320 | - |
| HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS | 149,000 | 159,000 | - | - | - | - | - | - | - | - | - | - |
| COMMON PROJECTS UNCERTIFIED | 233,000 | 251,000 | 189,226 | - | - | - | - | - | - | - | 189,226 | - |
| AFFORDABLE MISSING MIDDLE | 500,000 | - | - | - | - | - | - | - | - | - | - | - |
| HOUSING STABILIZATION | 1,500,000 | - | - | - | - | - | - | - | - | - | - | - |
| EAST AFRICAN EDUCATION PROGRAM | - | - | 95,000 | 95,000 | - | - | - | - | - | - | - | - |
| TENANT STABILITY HOTLINE | - | - | 125,000 | 125,000 | - | - | - | - | - | - | - | - |
| ECONOMIC POLICY AND DEVELOPMENT | 477,000 | 392,000 | 242,912 | 242,912 | - | - | - | - | - | - | - | - |
| BUSINESS DEVELOPMENT | 9,153,000 | 12,197,000 | 13,570,107 | 2,502,712 | 67,209 | - | - | 2,155,469 | - | 191,710 | 6,453,007 | 2,200,000 |
| ADMINISTRATION AND OPERATIONS | 2,586,000 | 2,609,000 | 2,028,181 | 1,497,712 | - | - | - | 530,469 | - | - | - | - |
| SMALL BUSINESS REVOLVING LOAN PROG | 2,200,000 | 2,200,000 | 2,200,000 | - | - | - | - | - | - | - | - | 2,200,000 |
| SMALL BUSINESS PARTNERSHIP | 105,000 | 105,000 | 105,000 | 105,000 | - | - | - | - | - | - | - | - |
| GREAT STREETS PROGRAM | 1,461,000 | 1,621,000 | 917,209 | - | 67,209 | - | - | 850,000 | - | - | - | - |
| COMM. PROP. DEVELOPMENT | - | 2,700,000 | 5,500,000 | 500,000 | - | - | - | - | - | - | 5,000,000 | - |
| CULTURAL DIST - ART FUND | - | 100,000 | - | - | - | - | - | - | - | - | - | - |
| MINNEAPOLIS FORWARD INITIATIVE | - | - | 400,000 | 400,000 | - | - | - | - | - | - | - | - |
| CULTURAL DIST- CO-OP & EMPLOYEE OWNER FUND | - | 100,000 | - | - | - | - | - | - | - | - | - | - |
| BUSINESS TECHNICAL ASSISTANCE PROG | 350,000 | 350,000 | - | - | - | - | - | - | - | - | - | - |
| CAPITAL ACQUISITION REVOLVING FUND | 500,000 | 500,000 | 500,000 | - | - | - | - | 500,000 | - | - | - | - |
| COMMERCIAL PROPERTY MANAGEMENT | 120,000 | 120,000 | 120,000 | - | - | - | - | 120,000 | - | - | - | - |
| COMMON PROJECTS UNCERTIFIED | 185,000 | 186,000 | 185,000 | - | - | - | - | - | - | - | 185,000 | - |
| RIVER TERMINAL | 1,348,000 | 1,348,000 | 1,348,007 | - | - | - | - | 155,000 | - | - | 1,193,007 | - |
| GARFS | 163,000 | 163,000 | 191,710 | - | - | - | - | - | 191,710 | - | - | - |
| LAKE STREET AND NICOLLET | 75,000 | 75,000 | 75,000 | - | - | - | - | - | - | - | 75,000 | - |
| AFRICAN AMERICAN MUSEUM | 40,000 | - | - | - | - | - | - | - | - | - | - | - |
| SMALL BUSINESS TEAM | 343,000 | 497,000 | 872,846 | 872,846 | - | - | - | - | - | - | - | - |
| ADMINISTRATION AND OPERATIONS | - | - | 522,846 | 522,846 | - | - | - | - | - | - | - | - |
| BUSINESS TECHNICAL ASSISTANCE PROG | 350,000 | 350,000 | 350,000 | 350,000 | - | - | - | - | - | - | - | - |
| BUSINESS LICENSING | 3,186,000 | 3,293,000 | 2,883,495 | 2,883,495 | - | - | - | - | - | - | - | - |
| ADULT WORKFORCE DEVELOPMENT | 5,720,000 | 5,625,000 | 7,000,264 | 1,203,278 | 1,464,839 | - | 2,757,213 | 1,574,934 | - | - | - | - |
| YOUTH TRAINING AND DEVELOPMENT | 4,086,000 | 3,981,000 | 3,292,954 | 300,100 | 255,454 | - | 2,242,787 | 494,613 | - | - | - | - |
| DEVELOPMENT SERV - POLICY & DEVELOPMENT | 295,000 | 303,000 | 304,407 | 304,407 | - | - | - | - | - | - | - | - |
| LAND USE, DESIGN & PRESERVATION | 2,936,000 | 3,037,000 | 3,322,614 | 2,333,407 | 989,207 | - | - | - | - | - | - | - |
| DEVELOPMENT SERVICES - CSC | 2,121,000 | 2,169,000 | 2,172,174 | 2,172,174 | - | - | - | - | - | - | - | - |
| CONSTRUCTION CODE SERVICES | 9,301,000 | 9,489,000 | 7,825,705 | 7,825,705 | - | - | - | - | - | - | - | - |
| TRANSFER AND DEBT SERVICES | 35,167,000 | 37,312,000 | 26,026,167 | - | - | - | - | - | - | - | 26,026,167 | - |
| TOTAL | 130,865,000 | 130,643,000 | 112,242,876 | 39,830,651 | 10,495,601 | 2,774,820 | 5,000,000 | 5,352,499 | 8,500,000 | 191,710 | 34,053,720 | 6,043,874 |

**SCHEDULE SEVEN
INTERFUND TRANSFER EXPENSE**

| | 2018 Actual | 2019 Actual | 2020 Budget | 2021 Mayor Rec | Description (2021 transfers) |
|---|-------------------|-------------------|-------------------|-------------------|---|
| TRANSFER TO OTHER SPEC REV FDS 01000 | 4,000 | 5,000 | — | | |
| TRANSFER TO OTHER SPEC REV FDS 01100 | 250,000 | — | — | | |
| TRANSFER TO OTHER SPEC REV FDS 00100 | — | — | 3,771,000 | 3,246,000 | Transfer to CPED special revenue fund |
| TRANSFER TO SPECIAL REVENUE | | | | 51,241 | Centralized Lease Action: 42200 YCB |
| TRANSFER TO REGULATORY SERVICES 01900 | — | 800,000 | — | 100,000 | Transfer to fund the Tenant Relocation Fees Revolving Fund, added in Council Amendments. |
| TRANSFER TO TAX INCREMENT FUNDS | — | 16,471,000 | — | | |
| TRANSFER TO MBC CAPITAL 34200 | — | 200,000 | — | 2,000,181 | Capital transfer to Municipal Building Commission, added with the Capital Budget |
| TRANSFER TO CONV CTR 01760 | — | — | — | | |
| TRANSFER TO CAPITAL 04100 | 5,909,000 | 8,526,000 | 5,752,158 | 11,286,656 | Capital Projects including 20 Year Streets |
| TRANSFER TO CAPITAL ARBITRAGE | — | — | 3,000,000 | | |
| TRANSFER TO PROPERTY SRV CAPITAL 0418 | — | 5,100,000 | — | 6,000,000 | One time transfer to capital funds for New Public Service Building Costs, added with the capital budget |
| TRANSFER TO OTHER DEBT SERVICE FUNDS | — | — | — | 1,400,000 | General Fund Contribution to New PSC Debt Service |
| TRANSFER TO EQUIPMENT 06100 | 280,000 | — | — | | |
| TRANSFER TO PROP SVCS 06200 | 219,071 | 228,000 | 236,748 | 772,136 | Transfer related to Centralized Leases Action, reduced in Technical Amendment at adoption |
| | — | — | — | | |
| | 100,000 | — | — | | |
| TRANSFER TO INFO TECH 06400 | 192,784 | 203,000 | 209,184 | 113,571 | Includes transfers related to Centralized Leases Action |
| | 1,567,000 | — | — | | |
| | — | 150,000 | — | | |
| TRANSFER TO CITY SELF INS 06900 | 262,000 | 312,000 | 324,127 | 368,334 | Transfer related to Centralized Leases Action |
| TRANSFER TO WATER 07400 | 27,000 | 29,000 | 29,000 | 40,756 | Transfer related to Centralized Leases Action |
| TRANSFER TO SOLID WASTE 07700 | 325,000 | 325,000 | 325,000 | 325,000 | Graffiti remediation efforts |
| 00100 - GENERAL FUND | 9,135,855 | 32,349,000 | 13,647,217 | 25,703,875 | |
| 01260 - ARENA | | | | | |
| TRANSFER TO DOWNTOWN ASSETS | — | 2,757,000 | 759,094 | 1,167,519 | Part of Downtown Assets Financial Plan |
| 01260 - ARENA | | 2,757,000 | 759,094 | 1,167,519 | |
| 01700 - DOWNTOWN ASSETS | | | | | |
| TRANSFER TO CITY GENERAL 00100 | 21,000,000 | 31,200,000 | 32,711,000 | 11,136,000 | Local Taxes supporting the General Fund |
| TRANSFER TO CITY GENERAL 00100 | 9,850,000 | — | — | | |
| TRANSFER TO CITY GENERAL 00100 | — | 262,000 | — | | |
| TRANSFER TO CONV CTR 01760 | 26,811,000 | 26,682,000 | 53,531,000 | 28,734,500 | Convention Center Operating and Capital |
| TRANSFER TO CONV CTR 01760 | — | 32,838,000 | — | | |
| TRANSFER TO OTHER DEBT SERVICE FUNDS | 5,661,000 | 5,697,000 | 5,697,635 | 5,697,210 | Sales Tax Supported Arena Debt Service |
| TRANSFER TO PEAVY PLAZA 01710 | 4,400,000 | — | 424,000 | 436,720 | Peavey Plaza operating |
| TRANSFER TO COMMONS 01720 | 750,000 | — | 820,000 | — | |
| 01700 - DOWNTOWN ASSETS | 68,472,000 | 96,679,000 | 93,183,635 | 46,004,430 | |
| 01760 - CONVENTION CENTER OPERATIONS | | | | | |
| TRANSFER TO CNV CTR DBT SVC 05300 | 24,811,125 | 26,682,000 | 26,806,618 | — | |
| 01760 - CONVENTION CENTER OPERATIONS | 24,811,125 | 26,682,000 | 26,806,618 | — | |
| 019FO - FIRE PENSION BONDS | | | | | |
| TRANSFER TO CITY GENERAL 00100 | — | 2,500,000 | 1,000,000 | | |
| 019FO - FIRE PENSION BONDS | — | 2,500,000 | 1,000,000 | — | |
| 019PO - POLICE PENSION BONDS | | | | | |
| TRANSFER TO CITY GENERAL 00100 | — | 2,500,000 | 1,000,000 | | |
| 019PO - POLICE PENSION BONDS | — | 2,500,000 | 1,000,000 | — | |
| VARIOUS - TIF FUNDS | | | | | |
| TRANSFER TO CITY GENERAL 00100 | 122,000 | — | — | | |
| TRANSFER TO TAX INC DBT SVC 05900 | 3,007,313 | 3,773,000 | 2,528,664 | 2,191,738 | TIF debt service reimbursement |
| TRANSFER TO PARKING 07500 | 1,136,668 | 929,000 | 883,000 | 879,313 | TIF debt service reimbursement |

**SCHEDULE SEVEN
INTERFUND TRANSFER EXPENSE**

| | 2018 Actual | 2019 Actual | 2020 Budget | 2021 Mayor Rec | Description (2021 transfers) |
|---|-------------------|-------------------|------------------|-------------------|---|
| TRANSFER TO OTHER DEBT SVC FDS | 5,805,803 | 18,343,000 | 595,000 | 605,850 | TIF debt service reimbursement |
| TRANSFER TO NCR SPECIAL REV FUND 01800 | | | | 7,805,000 | Transfer to NCR Special Revenue Fund from consolidated TIF |
| VARIOUS - TIF FUNDS | 10,071,784 | 23,045,000 | 4,006,664 | 11,481,901 | |
| VARIOUS PURPOSE BOND FUNDS | | | | | |
| TRANSFER TO OTHER DEBT SVC FDS | — | — | 3,304,088 | — | |
| TRANSFER TO INFO TECH 06400 | — | — | — | — | |
| VARIOUS PURPOSE BOND FUNDS | — | — | — | — | |
| 01SDA- DEVELOPMENT ACCOUNT | | | | | |
| TRANSFER TO DOWNTOWN ASSETS | — | 10,000,000 | — | — | |
| 01SDA- DEVELOPMENT ACCOUNT | — | 10,000,000 | — | — | |
| 01SNR - NRP NON TAX INCREMENT | | | | | |
| TRANSFER TO CITY GEN 00100 | | | | 782,000 | One-time transfer to General fund to support several one-time spending initiatives, added in Council amendments |
| 01SNR - NRP NON TAX INCREMENT | | | | 782,000 | |
| IMPROVEMENT BOND ARBITRAGE | | | | | |
| TRANSFER TO DOWNTOWN ASSETS 01720 | 420,000 | — | — | — | |
| IMPROVEMENT BOND ARBITRAGE | 420,000 | — | — | — | |
| 041SC - STREET CAR VALUE CAPTURE FUND | | | | | |
| TRANSFER TO GENERAL FUND 00100 | — | 2,000,000 | 2,000,000 | — | |
| 041SC - STREET CAR VALUE CAPTURE FUND | — | 2,000,000 | 2,000,000 | — | |
| 04G01 - BOND REDEMPTION - DEBT SERVICE | | | | | |
| TRANSFER TO SOLID WASTE FUND 07700 | — | 2,586,000 | — | — | |
| TRANSFER TO OTHER DEBT SVC FDS | — | — | 2,841,300 | — | |
| 04G01 - BOND REDEMPTION - DEBT SERVICE | — | 2,586,000 | 2,841,300 | — | |
| 05250 - BOND REDEMPTION - DEBT SERVICE | | | | | |
| TRANSFER TO SOLID WASTE 07700 | — | 3,523,000 | 4,324,250 | 4,136,250 | Net 2018 East Side Storage Facility Bond Debt Service |
| TRANSFER TO OTHER DEBT SERVICE FUNDS | | | | 2,507,513 | One-time Transfer to support debt service on the NPSB, added as a technical amendment in council adoption. |
| 05250 - BOND REDEMPTION - DEBT SERVICE | — | 3,523,000 | 4,324,250 | 6,643,763 | |
| 06100 - EQUIPMENT INTERNAL SERVICE | | | | | |
| TRANSFER TO CITY GEN 00100 | — | 1,000,000 | 2,000,000 | — | |
| 06100 - EQUIPMENT INTERNAL SERVICE | — | 1,000,000 | 2,000,000 | — | |
| 06200 - PROPERTY - INTERNAL SERVICE | | | | | |
| TRANSFER TO CITY GENERAL 00100 | — | — | 78,000 | — | |
| TRANSFER TO OTHER DEBT SVC FDS | — | 500,000 | 500,000 | — | |
| TRANSFER TO WATER 07400 | — | — | — | 212,000 | One-time refund of Water revenues that were collected into 06200. |
| TRANSFER TO EQUIPMENT 06100 | 316,893 | 317,000 | 316,893 | — | |
| 06200 - PROPERTY - INTERNAL SERVICE | 316,893 | 817,000 | 894,893 | 212,000 | |
| 06400 - INFO TECH - INTERNAL SERVICE | | | | | |
| TRANSFER TO CITY CAPITAL 04100 | — | 3,000,000 | — | — | |
| TRANSFER TO CITY GEN 00100 | — | 220,000 | — | — | |
| TRANSFER TO CITY GEN 00100 | — | — | 1,000,000 | — | |
| TRANSFER TO OTHER SPEC REV FDS | — | — | — | — | |
| 06400 - INFO TECH - INTERNAL SERVICE | — | 3,220,000 | 1,000,000 | — | |
| 06900 - SELF INSURANCE-INTERNAL SVC | | | | | |
| TRANSFER TO CITY GENERAL 00100 | 305,000 | 60,000 | — | — | |
| TRANSFER TO CITY CAPITAL 04100 | 8,000,000 | — | — | — | |

**SCHEDULE SEVEN
INTERFUND TRANSFER EXPENSE**

| | 2018 Actual | 2019 Actual | 2020 Budget | 2021 Mayor Rec | Description (2021 transfers) |
|---|--------------------|--------------------|--------------------|--------------------|--|
| 06900 - SELF INSURANCE-INTERNAL SVC | 8,305,000 | 60,000 | — | — | |
| 07100 - SANITARY SEWER FUND | | | | | |
| TRANSFER TO WATER 07400 | 684,147 | 593,000 | 879,121 | 1,071,823 | Supports the Meter Shop operations |
| 07100 - SANITARY SEWER FUND | 684,147 | 593,000 | 879,121 | 1,071,823 | |
| 07300 - STORMWATER FUND | | | | | |
| TRANSFER TO CITY GENERAL 00100 | 110,000 | 110,000 | 110,000 | 110,000 | Funds 2 Environmental Services FTEs |
| TRANSFER TO CITY CAPITAL 04100 | 1,515,000 | 1,530,000 | 1,545,000 | 1,561,000 | Street Infrastructure & Neighborhood Funding Plan |
| 07300 - STORMWATER FUND | 1,625,000 | 1,640,000 | 1,655,000 | 1,671,000 | |
| 07500 - MUNICIPAL PARKING-ENTERPRISE | | | | | |
| TRANSFER TO CITY GENERAL 00100 | 7,000,000 | 7,000,000 | 7,990,000 | 7,640,000 | Includes annual contribution from parking fund per the parking fund workout plan |
| TRANSFER TO OTHER SPEC REV FDS | 4,158,435 | 4,383,000 | 4,614,684 | 3,853,124 | Target center finance plan |
| TRNSFR TO GEN DEBT SVC 05250 | | — | — | — | |
| TRNSFR TO SOLID WASTE 07700 | 146,000 | 146,000 | 146,000 | 146,000 | Litter container collection |
| 07500 - MUNICIPAL PARKING-ENTERPRISE | 11,304,435 | 11,529,000 | 12,750,684 | 11,639,124 | |
| 07ERZ - GARFS | | | | | |
| TRANSFER TO CITY CAPITAL 04100 | — | 7,500,000 | 6,500,000 | — | |
| 07ERZ - GARFS | — | 7,500,000 | 6,500,000 | — | |
| SUMMARY | 135,146,239 | 230,980,000 | 175,248,476 | 106,377,435 | |

In addition to the transfers above, the Council approves \$8,342,000 in transfers in the TIF and CPED Special Revenue Funds. Detailed schedule by specific fund and specific department will be available upon request.

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

The **2021 Council Adopted Rates** for Water and Sanitary Sewer fees include both a variable rate component based on water usage and a fixed rate component based on the size of the water meter servicing the property. The Stormwater Sewer fees are based on the size of the property and an accepted stormwater runoff coefficient, and the Solid Waste and Recycling fees are presented as a base fee plus a large/small cart component. Factors affecting the utility rates are discussed in the Financial Plans for the respective enterprise funds. The table below provides a summary of the anticipated change in an average residential customer’s combined utility bill from **2020 to 2021**.

Monthly and Annual Cost for Average Customer

| | 2020 | 2021 Average* | 2021 Annual Average | 2021 monthly dollar change | 2021 % change |
|--------------------------------|-----------------|--------------------------|--------------------------------|---------------------------------------|--------------------------|
| Water* | \$31.26 | \$31.26 | \$375.12 | \$— | — % |
| Sanitary Sewer | \$33.54 | \$35.84 | \$430.08 | \$2.30 | 6.9 % |
| Stormwater | \$13.42 | \$13.62 | \$163.44 | \$0.20 | 1.5 % |
| Solid Waste/Recycling** | \$30.08 | \$30.08 | \$360.96 | \$— | — % |
| Total | \$108.30 | \$110.80 | \$1,329.60 | \$2.50 | 2.3 % |

*The average household rate for water is based on 7 units of consumption at \$3.68 per unit plus a \$5.50 fixed charge. Sanitary rates are based on 6 units of water consumption at \$4.84 per unit plus a fixed charge of \$6.80. Stormwater rates are based on 1 equivalent Stormwater unit of 1,530 square feet on impervious surface at \$13.62 per unit.

**The solid waste rate is based on a \$25.08 monthly charge with a large recycling cart fee of \$5.00. Customers can substitute a small cart with a \$2.00 fee.

Over the five-year period from **2021 to 2025**, the average residential customer’s combined utility bill is anticipated to change as shown in the table below.

Monthly Cost for Average Customer, 2021-2025

| | 2,020 | 2,021 | 2,022 | 2,023 | 2,024 | 2,025 |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Water | \$ 31.26 | \$ 31.26 | \$ 32.26 | \$ 33.40 | \$ 34.54 | \$ 35.75 |
| Sanitary Sewer | \$ 33.54 | \$ 35.84 | \$ 37.36 | \$ 38.82 | \$ 40.34 | \$ 41.98 |
| Stormwater | \$ 13.42 | \$ 13.62 | \$ 14.03 | \$ 14.45 | \$ 14.88 | \$ 15.43 |
| Solid Waste/Recycling | \$ 30.08 | \$ 30.08 | \$ 31.29 | \$ 32.55 | \$ 33.87 | \$ 35.26 |
| Total | \$ 108.30 | \$ 110.80 | \$ 114.94 | \$ 119.22 | \$ 123.63 | \$ 128.42 |
| Percent change | | 2.3 % | 3.7 % | 3.7 % | 3.7 % | 3.9 % |
| \$ change | | \$ 2.50 | \$ 4.14 | \$ 4.28 | \$ 4.41 | \$ 4.79 |

Anticipated annual revenues from utility billing rates are presented below.

Annual Utility Billing Revenues,2021-2025 (in thousands)

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Water | \$ 70,539 | \$ 69,330 | \$ 70,973 | \$ 72,944 | \$74,915 | \$77,050 |
| Sanitary Sewer | 76,855 | 81,311 | 84,568 | 87,683 | 90,939 | 94,479 |
| Stormwater | 41,995 | 42,621 | 43,904 | 45,218 | 46,564 | 48,285 |
| Recycling | 38,718 | 38,774 | 40,325 | 41,952 | 43,656 | 45,442 |
| Total | 228,107 | 232,036 | 239,770 | 247,797 | 256,074 | 265,256 |
| Percent change | | 1.7 % | 3.3 % | 3.3 % | 3.3 % | 3.6 % |
| \$ change | | \$ 3,928.68 | \$ 7,734.68 | \$ 8,026.16 | \$8,277.21 | \$9,182.01 |

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

Water

The following rates are effective with utility billings for water meters read from and after **January 1, 2021**. Charges commence when the street valve is turned on for water service. The meter rates for water are hereby fixed and shall be collected as follows:

| Customer | Rate |
|--|-------------------------|
| Customers not otherwise mentioned | \$3.68 / 100 cubic feet |
| Municipalities, Municipal Corporations, Villages & customers outside the corporate limits of the city | \$3.83 / 100 cubic feet |
| Contractual Customers* | \$* / 100 cubic feet |

*Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis

In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

| Meter Size (Inches) | Fixed Charge |
|---------------------|--------------|
| 5/8 | \$ 5.50 |
| 3/4 | 8.25 |
| 1 | 13.75 |
| 1 1/2 | 27.50 |
| 2 | 44.00 |
| 3 | 88.00 |
| 4 | 137.50 |
| 6 | 275.00 |
| 8 | 440.00 |
| 10 | 632.50 |
| 12 | 1,815.00 |

Rates for other services and material provided shall be updated from prior levels (2015). These comprise both increases and decreases to current fees, with a net effect of increasing overall rate revenues by a projected \$200,000 or 0.25% of total budgeted revenue. The updated rates will be as shown below:

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|--|-----------|----------------------|-----------------|
| Sales and Installation of new equipment requested by the customer (Includes lost & Damaged Equipment) | | | |
| 5/8" Water Meter | \$ 54 | \$ 62 | N/A |
| 3/4" Water Meter | \$ 70 | \$ 62 | N/A |
| 1" Water Meter | \$ 95 | \$ 62 | N/A |
| 1 1/2" Water Meter | \$ 221 | \$ 62 | N/A |
| 2" Water Meter | \$ 289 | \$ 62 | N/A |
| 3" Water Meter | \$ 1,089 | \$ 62 | N/A |
| 4" Water Meter | \$ 1,471 | \$ 62 | N/A |

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|--|-----------|----------------------|-----------------|
| 6" Water Meter | \$ 2,418 | \$ 62 | N/A |
| Meter Transmitting Unit (MTU) | \$ 75 | \$ 62 | N/A |
| Meter Couplings/Flanges | | | |
| 5/8" Water Meter | \$ 12 | \$ 62 | N/A |
| 3/4" Water Meter | \$ 15 | \$ 62 | N/A |
| 1" Water Meter | \$ 25 | \$ 62 | N/A |
| 1 1/2" Water Meter | \$ 150 | \$ 62 | N/A |
| 2" Water Meter | \$ 206 | \$ 62 | N/A |
| Services | | | |
| Remove or Drain a Water Meter | N/A | \$ 62 | N/A |
| Water Meter Testing | N/A | \$ 62 | N/A |
| Water Meter Reading, Missed Appointments, and Posting Fees | N/A | \$ 62 | N/A |
| Shut Off Valve Flushing | N/A | \$ 62 | N/A |
| Water Turn-On or Shut-Off | N/A | \$ 62 | N/A |
| Winter Surcharge (December 1st - April 1st) | N/A | N/A | \$ 25 |
| Water Main Shut Down | | | |
| 12" and Smaller | N/A | N/A | \$ 520 |
| 16" and Larger | N/A | N/A | \$ 936 |
| Penalties | | | |
| Water Meter Tampering Penalty | N/A | N/A | \$ 200 |
| Water Meter Bypass Valve Tampering Penalty | N/A | N/A | \$ 500 |
| Unauthorized Water Service Turn-On Penalty | N/A | N/A | \$ 500 |
| Water System Valve Tampering Penalty | N/A | N/A | \$ 500 |
| Violation of Water Emergency Declaration Penalty | N/A | N/A | \$ 25 |
| Permits | | | |
| Water Hydrant Usage | N/A | N/A | \$ 350 |
| Hydrant Sanitation for Potable Water Usage | N/A | N/A | \$ 160 |
| Equipment Deposit | N/A | N/A | \$ 3,200 |
| Meter Set | N/A | N/A | \$ 50 |
| Temporary Water Meter | N/A | N/A | \$ 350 |
| Equipment Deposit | N/A | N/A | \$ 3,200 |
| Large Water Main Tap by Tap Size * | | | |
| 6x4" | N/A | N/A | \$ 1,755 |
| 6x6" | N/A | N/A | \$ 1,943 |
| 8x4" | N/A | N/A | \$ 1,862 |
| 8x6" | N/A | N/A | \$ 2,004 |

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|---|-----------|----------------------|-----------------|
| 8x8" | N/A | N/A | \$ 2,487 |
| 10x4" | N/A | N/A | \$ 2,122 |
| 10x6" | N/A | N/A | \$ 2,174 |
| 10x8" | N/A | N/A | \$ 2,216 |
| 12x4" | N/A | N/A | \$ 2,003 |
| 12x6" | N/A | N/A | \$ 2,205 |
| 12x8" | N/A | N/A | \$ 2,506 |
| 12x12" | N/A | N/A | \$ 3,659 |
| 16x4" | N/A | N/A | \$ 1,905 |
| 16x6" | N/A | N/A | \$ 2,135 |
| 16x8" | N/A | N/A | \$ 2,719 |
| 16x12" | N/A | N/A | \$ 3,659 |
| 24x4" | N/A | N/A | \$ 2,296 |
| 24x6" | N/A | N/A | \$ 2,495 |
| 24x8" | N/A | N/A | \$ 3,184 |
| 24x12" | N/A | N/A | \$ 5,080 |
| 30x4" | N/A | N/A | \$ 2,770 |
| 30x6" | N/A | N/A | \$ 2,770 |
| 30x8" | N/A | N/A | \$ 5,381 |
| 36x4" | N/A | N/A | \$ 3,382 |
| 36x6" | N/A | N/A | \$ 3,382 |
| 36x8" | N/A | N/A | \$ 3,512 |
| 36x12" | N/A | N/A | \$ 6,464 |
| Small Water Main Tap by Size * | | | |
| 3/4x3/4" | N/A | N/A | \$ 247 |
| 1x1" | N/A | N/A | \$ 267 |
| 1x1 1/4" | N/A | N/A | \$ 285 |
| Water Main Tap Discontinue by Size * | | | |
| 6x2" | N/A | N/A | \$ 853 |
| 6x3" | N/A | N/A | \$ 853 |
| 6x4" | N/A | N/A | \$ 892 |
| 8x2" | N/A | N/A | \$ 923 |
| 8x3" | N/A | N/A | \$ 923 |
| 8x4" | N/A | N/A | \$ 923 |
| 8x6" | N/A | N/A | \$ 1,122 |
| 10x2" | N/A | N/A | \$ 1,033 |
| 10x3" | N/A | N/A | \$ 1,033 |
| 10x4" | N/A | N/A | \$ 1,033 |
| 10x6" | N/A | N/A | \$ 1,074 |
| 10x8" | N/A | N/A | \$ 1,074 |

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|-------------|-----------|----------------------|-----------------|
| 12x2" | N/A | N/A | \$ 991 |
| 12x3" | N/A | N/A | \$ 991 |
| 12x4" | N/A | N/A | \$ 991 |
| 12x6" | N/A | N/A | \$ 997 |
| 12x8" | N/A | N/A | \$ 997 |
| 16x2" | N/A | N/A | \$ 1,340 |
| 16x3" | N/A | N/A | \$ 1,340 |
| 16x4" | N/A | N/A | \$ 1,340 |
| 16x6" | N/A | N/A | \$ 1,973 |
| 16x8" | N/A | N/A | \$ 1,973 |
| 16x12" | N/A | N/A | \$ 1,973 |
| 24x2" | N/A | N/A | \$ 2,055 |
| 24x3" | N/A | N/A | \$ 2,055 |
| 24x4" | N/A | N/A | \$ 2,055 |
| 24x6" | N/A | N/A | \$ 2,055 |
| 24x8" | N/A | N/A | \$ 2,055 |
| 24x12" | N/A | N/A | \$ 2,055 |

** When site specific circumstances preclude the use of standard methods, the fee will be based on the City's estimate. The standard fee includes installation and \$50 permit fee but not excavation. Modifications to the work that may result in additional costs incurred are the responsibility of the customer.*

***All fees above are presented prior to application of sales tax.*

Sanitary Sewer

The sanitary sewer rates rate shall be applied to utility billings for water meters read from and after **January 1, 2021**.

| Service | Rate |
|---|--------------------------|
| Sanitary Sewer (Inside City of Minneapolis) | \$4.84 / 100 cubic feet |
| Sanitary Sewer (Outside City of Minneapolis)* | \$4.84 / 100 cubic feet* |
| Sanitary Sewer only (Outside the City of Minneapolis) | \$35.84 / Month |

*When the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size as show below

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

| Meter Size (Inches) | Fixed Charge |
|----------------------------|---------------------|
| 5/8 | 6.80 |
| 3/4 | 10.20 |
| 1 | 17.00 |
| 1 1/2 | 34.00 |
| 2 | 54.40 |
| 3 | 108.80 |
| 4 | 170.00 |
| 6 | 340.00 |
| 8 | 544.00 |
| 10 | 782.00 |
| 12 | 2,244.00 |

Stormwater

The stormwater rate, subject to the provisions in Chapter 510, of the Minneapolis Code of Ordinances, is imposed on each and every Single-Family Residential Developed Property, Other Residential Developed Property, Non-Residential Developed Property, and Vacant Property, other than Exempt Property, and the owner and non-owner users, and is hereby set from and after **January 1, 2021** as follows:

| Single Family Residential Developed Property | Stormwater Rate |
|---|------------------------|
| High (>1578 sq. ft.) *ESU=1.25 | \$ 17.03 |
| Medium (≥1485 & ≤1578 sq. ft.) *ESU=1.00 | 13.62 |
| Low (<1485 sq. ft.) *ESU=0.75 | 10.22 |

*The Equivalent Stormwater Unit (ESU) rate is **\$13.62**. The ESU measurement is 1,530 square feet of impervious area.

Stormwater charges for **all other properties** will be based on the following calculation:

$$\text{Monthly Fee} = (\text{Gross Lot Size in sq. ft.} \times \text{Runoff Coefficient}) \div 1,530 \text{ sq. ft.} = \# \text{ of ESU}$$

$$\# \text{ of ESU} \times \$ 13.62$$

The runoff coefficient assumed for each land use category is shown below.

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

| Land Use | Coefficient | Land Use (cont'd) | Coefficient |
|---------------------------|--------------------|--------------------------|--------------------|
| Bar-Rest.-Entertainment | 0.75 | Multi-Family Apartment | 0.75 |
| Car Sales Lot | 0.95 | Multi-Family Residential | 0.4 |
| Cemetery w/Monuments | 0.2 | Office | 0.91 |
| Central Business District | 1 | Parks & Playgrounds | 0.2 |
| Common Area | 0.2 | Public Accommodations | 0.91 |
| Garage or Misc. Res | 0.55 | Retail | 0.91 |
| Group Residence | 0.75 | Single Family Attached | 0.75 |
| Ind. Warehouse- Factory | 0.9 | Single Family Detached | ESU |
| Industrial Railway | 0.85 | Sport or Rec. Facility | 0.6 |
| Institution-Sch.- Church | 0.9 | Utility | 0.9 |
| Misc. Commercial | 0.9 | Vacant Land Use | 0.2 |
| Mixed Comm. -Res -Apt | 0.75 | Vehicle Related Use | 0.9 |

Solid Waste and Recycling

Solid waste and recycling variable rate charges associated with water meter read dates from and after **January 1, 2021** are set as follows:

| Type of Charge | Unit |
|-----------------------|-------------|
| Base Charge | \$ 25.08 |
| Disposal | 2 |
| Disposal | 5 |

General Fund - Fund Balance Policy

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

| General Fund* | 2018 | 2019 | 2020 |
|-----------------------|---------|---------|---------|
| Fund Balance - Policy | \$83.8 | \$87.3 | \$88.1 |
| Fund Balance - Actual | \$104.2 | \$128.0 | \$111.9 |

* in millions; 2020 amounts represent estimated year-end balances.

Enterprise Fund Cash Balance Policy

Enterprise Funds. The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained so current consumers are not required to pay for future facilities. The City shall maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense.

| Enterprise Fund Cash Requirements* | 2018 | 2019 | 2020 |
|------------------------------------|--------|--------|--------|
| Sanitary Sewer Fund - Policy | \$18.0 | \$18.5 | \$17.3 |
| Sanitary Sewer Fund - Actual | \$4.5 | \$7.5 | \$15.4 |
| Stormwater Fund - Policy | \$8.5 | \$8.6 | \$9.6 |
| Stormwater Fund - Actual | \$26.6 | \$33.1 | \$28.1 |
| Solid Waste Fund - Policy | \$10.0 | \$10.3 | \$10.7 |
| Solid Waste Fund - Actual | \$50.7 | \$26.7 | \$16.9 |
| Water Fund - Policy | \$16.0 | \$17.2 | \$13.7 |
| Water Fund - Actual | \$48.4 | \$46.2 | \$35.3 |
| Parking Fund - Policy | \$13.5 | \$13.4 | \$9.9 |
| Parking Fund - Actual | \$14.3 | \$21.5 | \$5.9 |

* in millions; 2020 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are highlighted and italicized

Internal Service Fund Balance Policy

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

- Self-Insurance Fund shall maintain a cash balance equal to the unpaid claims payable amount on its balance sheet plus 10% of the annual department operating budgets within the fund. Net Position within the fund should not fall below zero.

- Fleet Services, Intergovernmental Services and Property Services Funds: If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net Position shall not fall below two times the fund's annual depreciation amount.

- Stores and Engineering Materials & Testing Funds shall maintain cash and net Positions equal to 15% of the fund's annual operating budget.

| Internal Service Fund Balance Requirements* | 2018 | 2019 | 2020 |
|--|-------------|-------------|-------------|
| Self Insurance Fund Cash Balance Policy | \$75.4 | \$82.0 | \$96.1 |
| Self Insurance Fund Cash Balance Actual | \$102.9 | \$93.6 | \$113.0 |
| Self Insurance Fund Net Position Policy | — | — | — |
| Self Insurance Fund Net Position Actual | \$12.4 | (\$20.3) | \$1.4 |
| Fleet Services Fund Cash Balance Policy | \$6.8 | \$6.1 | \$5.9 |
| Fleet Services Fund Cash Balance Actual | \$26.0 | \$33.7 | \$22.9 |
| Fleet Services Fund Net Position Policy | \$16.4 | \$17.7 | \$17.9 |
| Fleet Services Fund Net Position Actual | \$86.2 | \$93.8 | \$87.2 |
| Intergovernmental Services Fund Cash Balance Policy | \$5.7 | \$6.2 | \$7.3 |
| Intergovernmental Services Fund Cash Balance Actual | \$22.0 | \$15.1 | \$15.3 |
| Intergovernmental Services Fund Net Position Policy | \$22.4 | \$21.1 | \$18.6 |
| Intergovernmental Services Fund Net Position Actual | \$41.2 | \$30.7 | \$25.9 |
| Property Services Fund Cash Balance Policy | \$3.6 | \$3.6 | \$4.1 |
| Property Services Fund Cash Balance Actual | \$9.6 | \$8.1 | \$2.9 |
| Property Services Fund Net Position Policy | \$1.7 | \$1.6 | \$1.6 |
| Property Services Fund Net Position Actual | \$32.0 | \$33.9 | \$28.6 |
| Stores Fund Cash Balance Policy | \$0.2 | \$0.2 | \$0.2 |
| Stores Fund Cash Balance Actual | \$3.1 | \$2.5 | \$2.7 |
| Stores Fund Net Position Policy | \$0.2 | \$0.2 | \$0.2 |
| Stores Fund Net Position Actual | \$5.6 | \$5.6 | \$5.7 |
| Engineering Materials & Testing Fund Cash Balance Policy | \$1.1 | \$1.3 | \$1.3 |
| Engineering Materials & Testing Fund Cash Balance Actual | \$1.6 | \$2.1 | \$2.3 |
| Engineering Materials & Testing Fund Net Position Policy | \$1.1 | \$1.3 | \$1.3 |
| Engineering Materials & Testing Fund Net Position Actual | \$0.4 | \$0.5 | \$0.7 |

* in millions; 2020 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are highlighted and italicized

Variable Rate Debt Policy

Variable Rate Debt. The City uses variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Generally, the City maintains no more than 25% of its total debt obligations in variable rate mode. It also strives for no more than 25% of the debt in variable rate mode within the major business functions that issue debt such as the Stormwater, Sanitary Sewer, Water and Parking funds or the Convention Center.

| Variable Rate Debt by Fund | 2018 | 2019 | 2020 |
|-----------------------------------|--------------|--------------|--------------|
| Total General Obligation Debt | 4.5% | — | — |
| Property Tax Supported Debt | — | — | — |
| Special Assessment Debt | 6.2% | 3.76% | 3.76% |
| Tax Increment Debt | — | — | — |
| Parking Fund Debt | 39.5% | 46.8% | 46.8% |

Policy: No more than 25%; 2019 amounts represent year-end balances.
Rates that are not meeting the Rate Policy are highlighted and italicized

RESOLUTION

By Palmisano

Approving the 2020 property tax levies, payable in 2021, for the various funds of the City of Minneapolis for which the City Council levies taxes.

Resolved by The City Council of The City of Minneapolis:

That the following taxes and tax levies are hereby assessed against and levied based on taxable value upon the real and personal property in the City of Minneapolis in 2020 for taxes payable in 2021 for the following funds:

| FUND | CERTIFIED LEVY AMOUNT |
|---|------------------------------|
| General Fund | 247,405,000 |
| Municipal Building Commission | 3,496,000 |
| Bond Redemption | 48,355,000 |
| Firefighters Relief Association (MFRA) | 2,200,000 |
| Police Relief Association (MPRA) | 1,000,000 |
| Minneapolis Employees Retirement (MERF) | 11,610,000 |
| Total | 314,066,000 |

Be It Further Resolved that the difference between the amounts herein levied for the Bond Redemption Fund and the aggregate of levies previously certified to the Hennepin County Auditor are made up by cash from prior years' balances. The dollar amount shown in the levy is hereby certified and such amounts to be determined by the County Auditor are to be due to the City under the "Fiscal Disparities" law.

Be It Further Resolved that a tax levy of \$2,300,000 be assessed on all real estate and personal property in the City of Minneapolis in 2020 for taxes payable in 2021 to provide funds towards liabilities due to the Teacher's Retirement Association.

Be It Further Resolved that a tax levy of \$9,025,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2020 for taxes payable in 2021 for debt service associated with the voter approved Library Referendum Bond authorization of 2000 for \$140,000,000.

Be It Further Resolved that the Certified Local Government Aid (LGA) Amount estimated at \$78,313,191 shall be initially distributed as follows:

| RECIPIENT | CERTIFIED LGA AMOUNT |
|-------------------------------------|-----------------------------|
| Municipal Building Commission | 235,722 |
| Minneapolis Park & Recreation Board | 9,242,523 |
| General Fund | 68,834,946 |
| Total | 78,313,191 |

RESOLUTION

By Palmisano

Fixing the maximum amounts to be expended by the various departments for 2021 from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees.

Resolved by The City Council of The City of Minneapolis:

That there be appropriated out of the monies in the City Treasury and revenues of the City applicable to named fund types the maximum appropriation amounts as outlined in Financial Schedules 1, 2, 3, 4 (Community Development Block Grant (“CDBG”) Program Allocations, 6 and 7 as published in the final 2021 Adopted Budget Book.

That the proper City officers be authorized to execute and/or carry out the intent of the 2020 Consolidated Plan program allocations (CDBG, HOME, ESG and HOPWA entitlement grants), as amended, including the 2021 Adopted Budget Schedule 4 CDBG Program and Schedule 6 CPED Program Allocations by fund.

That the proper City officers be authorized to enter into any necessary grant agreements with the Department of Housing and Urban Development to receive Fiscal Year 2020 Consolidated Plan funding.

RESOLUTION

By Palmisano

Adopting the 2021–2026 Six-Year Capital Program and fixing the maximum amounts for 2021 to be expended by the various funds under the jurisdiction of the City Council.

Resolved by The City Council of The City of Minneapolis:

That the Six-Year Capital Program for 2021–2026 is hereby adopted and that there be appropriated out of the monies of the City Treasury and revenues of the City applicable to specifically named funds and revenue sources, the following maximum appropriation amounts for 2021 as detailed in the Capital Section of the 2021 Adopted Budget:

| <u>Fund</u> | <u>Department</u> | <u>Amount</u> |
|---|---|--------------------|
| 34200 | 9010901 Municipal Building Commission | \$ 9,203,467 |
| 14300 | 9101000 Park Capital Improvements | 12,680,000 |
| 14370 | 9103000 Park Capital Improvements - Assessed | 300,000 |
| 04100 | 9010937 Public Works Street Paving Capital Improvements | 51,462,000 |
| 04100 | 9010943 Public Works Bike-Ped Capital Improvements | 7,005,000 |
| 04100 | 9010943 Public Works Active Mobility Capital Improvements | 1,000,000 |
| 04100 | 9010938 Public Works Bridges Capital Improvements | 2,100,000 |
| 04100 | 9010939 Public Works Sidewalk Capital Improvements | 2,760,000 |
| 04100 | <u>9010943 Public Works Traffic Capital Improvements</u> | <u>8,070,000</u> |
| Total Public Works Fund 04100 Capital Improvements | | 72,397,000 |
| 04100 | 9010923 Property Services Capital Improvements | 2,950,000 |
| 04100 | <u>8900420 Community Planning</u> | <u>747,000</u> |
| Total City Fund 04100 Capital Improvements | | 76,094,000 |
| 04180 | 9010923 Property Services Capital Improvements | 14,700,000 |
| 04190 | 9010923 Property Services Capital Improvements | 10,393,000 |
| 06110 | 6750200 Public Works Fleet Services Capital Improvements | 566,000 |
| 07100 | 9010932 Public Works Sanitary Sewer Capital Improvements | 17,000,000 |
| 07300 | 9010932 Public Works Stormwater Capital Improvements | 26,500,000 |
| 07400 | 9010950 Public Works Water Capital Improvements | 23,525,000 |
| <u>07500</u> | <u>9010946 Public Works Parking Ramp Capital Improvements</u> | <u>5,400,000</u> |
| Grand Total All Funds | | 196,361,467 |

RESOLUTION

By Palmisano

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$9,432,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$9,432,000, the proceeds of which are to be used for the purpose of paying the portion of the cost of making and constructing certain local improvements to be assessed against benefited properties as estimated by the City Council and the Park Board, including assessable portions of the costs relating to paving, mill and overlays, alley resurfacing, retaining walls, streetscapes, landscaping, curb and gutter, street lighting, traffic management plans, ornamental lighting and bike lane development, of which assessments shall be collected in successive equal annual installments, payable in the same manner as real estate taxes, with the number of installments determined by the type of improvement and current City Council policy.

| | | |
|-------|---|-----------|
| PV001 | Parkway Paving Program (PV00121) | 50,000 |
| PV006 | Alley Renovation Program (PV00621) | 50,000 |
| PV056 | Asphalt Pavement Resurfacing Program (PV05621) | 4,915,000 |
| PV063 | Unpaved Alley Construction (PV06321) | 50,000 |
| PV108 | Concrete Streets Rehabilitation Program (PV10821) | 500,000 |
| PV131 | Residential Neighborhood Reconstruction Projects (PV13121) | 577,000 |
| PV141 | Grand Ave S (Lake St. W to 48 th St W) (PV14121) | 1,950,000 |
| PV142 | Downtown East Paving (PV14221) | 600,000 |
| PV152 | Plymouth Ave (Washburn Ave N to Penn Ave N) (PV15221) | 325,000 |
| PV156 | Johnson St NE (18 th Ave NE to Lowry Ave NE) (PV15621) | 415,000 |

RESOLUTION

By Palmisano

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$300,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$300,000, the proceeds of which are to be used for the PRKDT Diseased Tree Removal program. Assessments shall be collected in five successive equal annual installments, payable in the same manner as real estate taxes.

RESOLUTION

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$50,141,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds, in the amount of \$50,141,000, the proceeds of which are to be used as follows:

Municipal Building Commission, in the amount of \$2,602,000

| | | |
|-------|---|-----------|
| MBC01 | Life Safety Improvements | 646,000 |
| MBC02 | Mechanical Systems Upgrade | 1,500,000 |
| MBC12 | Safety Improvements - Non-Stagework Areas | 455,000 |

Park & Recreation Board, in the amount of \$10,500,000

| | | |
|-------|--|-----------|
| PRK02 | Playground and Site Improvements Program | 1,505,000 |
| PRK04 | Athletic Fields - Site Improvement Program | 125,000 |
| PRK33 | Bryn Mawr Meadows Field Improvements | 1,190,000 |
| PRK36 | North Commons Park Implementation | 800,000 |
| PRK37 | Powderhorn Park Implementation | 430,000 |
| PRK38 | Sibley Field Park Implementation | 300,000 |
| PRKCP | Neighborhood Parks Capital Infrastructure | 2,095,000 |
| PRKRP | Neighborhood Parks Rehabilitation Program | 4,055,000 |

City Council, in the amount of \$37,039,000

| | | |
|-------|---|-----------|
| BIK28 | Protected Bikeways Program (BIK2821) | 1,000,000 |
| BP001 | Safe Routes to Schools Program (BP00121) | 400,000 |
| BP003 | Midtown Greenway Trail Mill & Overlay (BP00321) | 1,605,000 |
| BP004 | Pedestrian Safety Program (BP00421) | 600,000 |
| BP005 | Queen Ave N Bike Boulevard (BP00521) | 1,505,000 |
| BR101 | Major Bridge Repair and Rehabilitation (BR10121) | 400,000 |
| BR134 | Bridge 9 Program (BR13421) | 1,700,000 |
| PV001 | Parkway Paving Program (PV00121) | 700,000 |
| PV006 | Alley Renovation Program (PV00621) | 200,000 |
| PV056 | Asphalt Pavement Resurfacing Program (PV05621) | 2,100,000 |
| PV059 | Major Pavement Maintenance Program (PV05921) | 250,000 |
| PV063 | Unpaved Alley Construction (PV06321) | 170,000 |
| PV074 | CSAH & MnDOT Cooperative Projects (PV07421) | 4,325,000 |
| PV075 | Development Infrastructure Program (PV07521) | 500,000 |
| PV095 | 4th St N & S (2nd Ave N to 4th Ave S) (PV09521) | 1,500,000 |
| PV104 | ADA Ramp Replacement Program (PV10421) | 500,000 |
| PV108 | Concrete Streets Rehabilitation Program (PV10821) | 3,630,000 |
| PV131 | Res Neighborhood Reconst Projects (PV13121) | 82,000 |
| PV141 | Grand Ave S (Lake St. W to 48th St W) (PV14121) | 777,000 |
| PV177 | 38th St E and Chicago Ave (PV17721) | 375,000 |
| SWK01 | Defective Hazardous Sidewalks (SWK0121) | 460,000 |
| SWK02 | Sidewalk Gaps (SWK0221) | 300,000 |
| TR008 | Parkway Street Light Replacement (TR00821) | 350,000 |
| TR010 | Traffic Management Systems (TR01021) | 875,000 |
| TR011 | City Street Light Renovation (TR01121) | 1,000,000 |
| TR021 | Traffic Signals (TR02121) | 500,000 |
| TR022 | Traffic Safety Improvements (TR02221) | 750,000 |
| TR024 | Pedestrian Street Lighting Corridors (TR02421) | 500,000 |
| TR025 | Sign Replacement Program (TR02521) | 895,000 |
| VZ001 | Vision Zero Program (VZ00121) | 1,000,000 |
| WTR18 | Water Distribution Facility (WTR1821) | 3,265,000 |
| ART01 | Art in Public Places (ART0121) | 747,000 |
| FIR12 | New Fire Station No. 1 (FIR1221) | 1,250,000 |
| MPD05 | 4th Police Precinct (MPD0521) | 100,000 |
| PSD23 | MPD Training & Wellness Facility (PSD2321) | 100,000 |
| PSD24 | Solar (TBD) (PSD2421) | 1,500,000 |
| PSD21 | Hiawatha Training & Recruitment Center (PSD2121) | 1,128,000 |

RESOLUTION

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$48,925,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$48,925,000, the proceeds of which are to be used for Sanitary Sewer, Stormwater, Water and Parking projects as follows:

Sanitary Sewer Projects – Fund 07100 - \$15,500,000

| | | |
|-------|---|-----------|
| WTR18 | Water Distribution Facility | 2,500,000 |
| SA001 | Sanitary Tunnel & Sewer Rehab Program (SA00121) | 7,500,000 |
| SA036 | Infiltration & Inflow Removal Program (SA03621) | 2,500,000 |
| SAPVR | Sanitary Sewer Paving Project Program (SAPVR21) | 3,000,000 |

Stormwater Projects – Fund 07300 - \$15,500,000

| | | |
|-------|--|------------|
| WTR18 | Water Distribution Facility | 2,500,000 |
| SW011 | Storm Drains and Tunnels Rehab Program | 500,000 |
| SW039 | Flood Mitigation - Stormwater Alternatives (SW03921) | 2,000,000 |
| SW040 | Central City Parallel Storm Tunnel | 10,500,000 |

Water Projects – Fund 07400 - \$16,525,000

| | | |
|-------|--|-----------|
| WTR18 | Water Distribution Facility | 1,000,000 |
| WTR12 | Water Distribution Improvements | 6,000,000 |
| WTR27 | Advanced Metering Infrastructure | 2,200,000 |
| WTR31 | Electrical Service Rehabilitation | 2,800,000 |
| WTR32 | Softening Plant Chemical System Improvements | 25,000 |
| WTR33 | 3rd Ave Bridge Water Main | 1,000,000 |
| WTR34 | Fridley Facilities and Campus Improvements | 3,500,000 |

Parking Projects – Fund 07500 - \$1,400,000

| | | |
|-------|----------------------|-----------|
| PSD19 | Impound Lot Facility | 1,400,000 |
|-------|----------------------|-----------|

**RESOLUTION 2021R-
By Palmisano**

Designating the utility rates for water, sewer, stormwater and solid waste services effective with water meters read on and after January 1, 2021.

Resolved by The City Council of The City of Minneapolis:

Water Rate

Effective with utility billings for water meters read from and after January 1, 2021, and commencing whenever the street valve is turned on for water service, the meter rates for water are hereby fixed and shall be collected as follows:

1. Three dollars and sixty-eight cents (\$3.68) per one hundred (100) cubic feet for customers not otherwise mentioned.
2. Three dollars and eighty-three cents (\$3.83) per one hundred (100) cubic feet to municipalities, municipal corporations, villages and customers outside the corporate limits of the city where service is furnished through individual customer meters.
3. Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis.
4. In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

| <u>Meter Size</u> | <u>Fixed Charge</u> |
|-------------------|---------------------|
| 5/8-inch | \$5.50 |
| 3/4-inch | \$8.25 |
| 1-inch | \$13.75 |
| 1 1/2-inch | \$27.50 |
| 2-inch | \$44.00 |
| 3-inch | \$88.00 |
| 4-inch | \$137.50 |
| 6-inch | \$275.00 |
| 8-inch | \$440.00 |
| 10-inch | \$632.50 |
| 12-inch | \$1,815.00 |

5. The fixed charge for a property serviced by a combined fire/general service line shall be based on the small side register of the combined meter, provided the volume of water used on the large side register does not exceed 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year.

The fixed charge for a property serviced by a combined fire/general service line shall be based on the large side register of the combined meter, when volume of water used on the large side register exceeds 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year.

The fixed charge for a combined fire/general service line shall remain in place for the entire year.

6. All fire standpipes, supply pipes and automatic sprinkler pipes with detector meters, direct meters or non-metered, shall be assessed according to size of connection at the following rates each per annum for the service and inspection of the fire protection pipes and meters installed, as follows:

| <u>Fire Line Pipe Size</u> | <u>Annual Charge</u> |
|----------------------------|----------------------|
| 1½ inch pipe connection | \$30.00 |
| 2-inch pipe connection | \$30.00 |
| 3-inch pipe connection | \$40.00 |
| 4-inch pipe connection | \$60.00 |
| 6-inch pipe connection | \$120.00 |
| 8-inch pipe connection | \$190.00 |
| 10-inch pipe connection | \$275.00 |
| 12-inch pipe connection | \$790.00 |

When the seal of any of the valves connecting with such fire protection pipes shall be broken, it shall be resealed by authority of the director of the Minneapolis Water Treatment and Distribution Services Division. All connections for fire systems must have a post indicator valve installed at the curb if ordered by the director of the Minneapolis Water Treatment and Distribution Services Division. (98-Or-135, § 4, 11-13-98; 2012-Or-076, § 75, 11-16-12)

7. Rates for other services and materials provided shall be fixed as follows:

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|--|------------------|-----------------------------|------------------------|
| Sales and Installation of New Equipment Requested by the Customer (Includes Lost & Damaged Equipment) | | | |
| 5/8" Water Meter | \$ 54 | \$ 62 | N/A |
| 3/4" Water Meter | \$ 70 | \$ 62 | N/A |
| 1" Water Meter | \$ 95 | \$ 62 | N/A |
| 1 1/2" Water Meter | \$ 221 | \$ 62 | N/A |
| 2" Water Meter | \$ 289 | \$ 62 | N/A |
| 3" Water Meter | \$ 1,089 | \$ 62 | N/A |
| 4" Water Meter | \$ 1,471 | \$ 62 | N/A |
| 6" Water Meter | \$ 2,418 | \$ 62 | N/A |
| Meter Transmitting Unit (MTU) | \$ 75 | \$ 62 | N/A |

Meter Couplings/Flanges

| | | | |
|--------------------|--------|-------|-----|
| 5/8" Water Meter | \$ 12 | \$ 62 | N/A |
| 3/4" Water Meter | \$ 15 | \$ 62 | N/A |
| 1" Water Meter | \$ 25 | \$ 62 | N/A |
| 1 1/2" Water Meter | \$ 150 | \$ 62 | N/A |
| 2" Water Meter | \$ 206 | \$ 62 | N/A |

Services

| | | | |
|-------------------------------|-----|-------|-----|
| Remove or Drain a Water Meter | N/A | \$ 62 | N/A |
| Water Meter Testing | N/A | \$ 62 | N/A |

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|--|-----------|----------------------|-----------------|
| Water Meter Reading, Missed Appointments, and Posting Fees | N/A | \$ 62 | N/A |
| Shut Off Valve Flushing | N/A | \$ 62 | N/A |
| Water Turn-On or Shut-Off | N/A | \$ 62 | N/A |
| Winter Surcharge (December 1st - April 1st) | N/A | N/A | \$ 25 |
| Water Main Shut Down | | | |
| 12" and Smaller | N/A | N/A | \$ 520 |
| 16" and Larger | N/A | N/A | \$ 936 |
| Penalties | | | |
| Water Meter Tampering Penalty | N/A | N/A | \$ 200 |
| Water Meter Bypass Valve Tampering Penalty | N/A | N/A | \$ 500 |
| Unauthorized Water Service Turn-On Penalty | N/A | N/A | \$ 500 |
| Water System Valve Tampering Penalty | N/A | N/A | \$ 500 |
| Violation of Water Emergency Declaration Penalty | N/A | N/A | \$ 25 |
| Permits | | | |
| Water Hydrant Usage | N/A | N/A | \$ 350 |
| Hydrant Sanitation for Potable Water Usage | N/A | N/A | \$ 160 |
| Equipment Deposit | N/A | N/A | \$ 3,200 |
| Meter Set | N/A | N/A | \$ 50 |
| Temporary Water Meter | N/A | N/A | \$ 350 |
| Equipment Deposit | N/A | N/A | \$ 3,200 |
| Large Water Main Tap by Tap Size * | | | |
| 6x4" | N/A | N/A | \$ 1,755 |
| 6x6" | N/A | N/A | \$ 1,943 |
| 8x4" | N/A | N/A | \$ 1,862 |
| 8x6" | N/A | N/A | \$ 2,004 |
| 8x8" | N/A | N/A | \$ 2,487 |
| 10x4" | N/A | N/A | \$ 2,122 |

| | | | |
|--------|-----|-----|----------|
| 10x6" | N/A | N/A | \$ 2,174 |
| 10x8" | N/A | N/A | \$ 2,216 |
| 12x4" | N/A | N/A | \$ 2,003 |
| 12x6" | N/A | N/A | \$ 2,205 |
| 12x8" | N/A | N/A | \$ 2,506 |
| 12x12" | N/A | N/A | \$ 3,659 |
| 16x4" | N/A | N/A | \$ 1,905 |
| 16x6" | N/A | N/A | \$ 2,135 |
| 16x8" | N/A | N/A | \$ 2,719 |
| 16x12" | N/A | N/A | \$ 3,659 |
| 24x4" | N/A | N/A | \$ 2,296 |
| 24x6" | N/A | N/A | \$ 2,495 |

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|-------------|-----------|----------------------|-----------------|
| 24x8" | N/A | N/A | \$ 3,184 |
| 24x12" | N/A | N/A | \$ 5,080 |
| 30x4" | N/A | N/A | \$ 2,770 |
| 30x6" | N/A | N/A | \$ 2,770 |
| 30x8" | N/A | N/A | \$ 5,381 |
| 36x4" | N/A | N/A | \$ 3,382 |
| 36x6" | N/A | N/A | \$ 3,382 |
| 36x8" | N/A | N/A | \$ 3,512 |
| 36x12" | N/A | N/A | \$ 6,464 |

Small Water Main Tap by Size *

| | | | |
|----------|-----|-----|--------|
| 3/4x3/4" | N/A | N/A | \$ 247 |
| 1x1" | N/A | N/A | \$ 267 |
| 1x1 1/4" | N/A | N/A | \$ 285 |

Water Main Tap Discontinue by Size *

| | | | |
|-------|-----|-----|----------|
| 6x2" | N/A | N/A | \$ 853 |
| 6x3" | N/A | N/A | \$ 853 |
| 6x4" | N/A | N/A | \$ 892 |
| 8x2" | N/A | N/A | \$ 923 |
| 8x3" | N/A | N/A | \$ 923 |
| 8x4" | N/A | N/A | \$ 923 |
| 8x6" | N/A | N/A | \$ 1,122 |
| 10x2" | N/A | N/A | \$ 1,033 |
| 10x3" | N/A | N/A | \$ 1,033 |
| 10x4" | N/A | N/A | \$ 1,033 |
| 10x6" | N/A | N/A | \$ 1,074 |
| 10x8" | N/A | N/A | \$ 1,074 |
| 12x2" | N/A | N/A | \$ 991 |

| | | | |
|--------|-----|-----|----------|
| 12x3" | N/A | N/A | \$ 991 |
| 12x4" | N/A | N/A | \$ 991 |
| 12x6" | N/A | N/A | \$ 997 |
| 12x8" | N/A | N/A | \$ 997 |
| 16x2" | N/A | N/A | \$ 1,340 |
| 16x3" | N/A | N/A | \$ 1,340 |
| 16x4" | N/A | N/A | \$ 1,340 |
| 16x6" | N/A | N/A | \$ 1,973 |
| 16x8" | N/A | N/A | \$ 1,973 |
| 16x12" | N/A | N/A | \$ 1,973 |
| 24x2" | N/A | N/A | \$ 2,055 |
| 24x3" | N/A | N/A | \$ 2,055 |
| 24x4" | N/A | N/A | \$ 2,055 |
| 24x6" | N/A | N/A | \$ 2,055 |

| Description | Materials | Hourly Servicing Fee | Flat Rate Total |
|-------------|-----------|----------------------|-----------------|
| 24x8" | N/A | N/A | \$ 2,055 |
| 24x12" | N/A | N/A | \$ 2,055 |

** When site specific circumstances preclude the use of standard methods, the fee will be based on the City's estimate. The standard fee includes installation and \$50 permit fee but not excavation. Modifications to the work that may result in additional costs incurred are the responsibility of the customer.*

***All fees above are presented prior to application of sales tax.*

Sanitary Sewer Rate

The sanitary sewer rates to be charged for properties within and outside the City of Minneapolis that are served directly by the City of Minneapolis sewer system and that are all served either directly or indirectly by the sewage disposal system constructed, maintained and operated by the Metropolitan Council Environmental Services under and pursuant to Minnesota Statutes Sections 473.517, 473.519 and 473.521, Sub. 2, from and after January 1, 2021, are hereby set as follows:

1. The sanitary sewer rate applicable inside the City of Minneapolis is four dollars and eighty-four cents (\$4.84) per one hundred (100) cubic feet.
2. In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

| <u>Meter Size</u> | <u>Fixed Charge</u> |
|-------------------|---------------------|
| 5/8-inch | \$6.80 |
| 3/4-inch | \$10.20 |
| 1-inch | \$17.00 |
| 1 1/2-inch | \$34.00 |
| 2-inch | \$54.40 |

| | |
|---------|------------|
| 3-inch | \$108.80 |
| 4-inch | \$170.00 |
| 6-inch | \$340.00 |
| 8-inch | \$544.00 |
| 10-inch | \$782.00 |
| 12-inch | \$2,244.00 |

3. The sanitary sewer rate applicable outside the City of Minneapolis for all sewage flow generated is four dollars and fifty-four cents (\$4.84) per one hundred (100) cubic feet when the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size per section (b).
4. Sanitary sewer only service outside the City of Minneapolis shall be thirty-five dollars and eighty-four cents (\$35.84) per month.
5. The sanitary sewer charge for residential property not exceeding three (3) residential units shall be based on the volume of water used during the winter season which is defined as a four (4) month period between November 1 and March 31.
6. The sanitary sewer charge for residential property exceeding three (3) residential units and all other commercial and industrial property shall be based on measured sewage volume or the total water volume used during the billing period as is appropriate.

Stormwater Rate

The stormwater rate, subject to the provisions in Chapter 510, of the Minneapolis Code of Ordinances, is imposed on each and every Single-Family Residential Developed Property, Other Residential Developed Property, Non-Residential Developed Property, and Vacant Property, other than Exempt Property, and the owner and non-owner users, from and after January 1, 2021, and is hereby set as follows:

1. The Equivalent Stormwater Unit (ESU) rate is thirteen dollars and sixty-two cents (\$13.62). The ESU measurement is 1,530 square feet of impervious area.
2. The stormwater rate imposed on Single-Family Residential Developed Properties shall be categorized into three tiers based on the estimated amount of impervious area as follows:

High – Single-Family Residential Developed Property – greater than one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.25 and the stormwater rate set at seventeen dollars and three cents (\$17.03).

Medium – Single-Family Residential Developed Property – equal to or greater than one thousand four hundred and eighty-five (1,485) square feet and less than or equal to one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.00 and the stormwater rate set thirteen dollars and sixty-two cents (\$13.62).

Low – Single-Family Residential Developed Property – less than one thousand four hundred and eighty-five (1,485) square feet of estimated impervious area. The ESU shall be .75 and the stormwater rate set at ten dollars and twenty-two cents (\$10.22).

3. Stormwater charges for all other properties will be based on the following calculation:
 $(\text{Gross Lot Size in sq.ft.} \times \text{Runoff Coefficient}) \div 1,530 \text{ sq. ft.} = \# \text{ of ESU}$
 $\# \text{ of ESU} \times \$ 13.62 = \text{Monthly Fee}$

The runoff coefficient assumed for each land use category is shown below.

| <u>Land Use</u> | <u>Coefficient Applied</u> |
|------------------------------|----------------------------|
| Bar-Restaurant-Entertainment | .75 |
| Car Sales Lot | .95 |
| Cemetery w/Monuments | .20 |
| Central Business District | 1.00 |
| Common Area | .20 |
| Garage or Misc. Res. | .55 |
| Group Residence | .75 |
| Ind. Warehouse-Factory | .90 |
| Industrial railway | .85 |
| Institution-Sch.-Church | .90 |
| Misc. Commercial | .90 |
| Mixed Comm.-Res-Apt | .75 |
| Multi-Family Apartment | .75 |
| Multi-Family Residential | .40 |
| Office | .91 |
| Parks & Playgrounds | .20 |
| Public Accommodations | .91 |
| Retail | .91 |
| Single Family Attached | .75 |
| Single Family Detached | ESU |
| Sport or Rec. Facility | .60 |
| Utility | .90 |
| Vacant Land Use | .20 |
| Vehicle Related Use | .90 |

Solid Waste Rate

The solid waste and recycling charges associated with water meter read dates from and after January 1, 2021, shall be as follows:

1. The base unit charge shall be twenty-five dollars and eight cents (\$25.08) per dwelling unit per month.
2. The cart disposal charge shall be two dollars (\$2.00) per month for each small cart.

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3. The cart disposal charge shall be five dollars (\$5.00) per month for each large cart assigned to a dwelling unit.

**City of Minneapolis
2021 Recommended Budget**

Glossary of Terms

AC - Animal Control.

Accrual Basis of Accounting - Recognizes transactions when they occur regardless of the related cash flows. Recognizes revenues in the accounting period in which they are earned and measurable.

ACH - Automated Clearing House.

Actuarial Accrued Liability - Term used in connection with defined benefit pension and other post-employment benefit plans to describe that portion of the present value of benefits promised to employees that will not be provided through future normal cost.

Actuarial Assumptions - Term used in connection with defined benefit pension and other post-employment benefit plans to describe assumptions that an actuary must make as to the occurrence of future events affecting benefit costs (e.g., mortality).

Actuarial Value of Assets - Term used in connection with defined benefit pension and other post-employment benefit plans. The value assigned to plan assets for actuarial purposes. Because this value often represents an average over time, and because the valuation date may be different from the reporting date, the actuarial value of assets may differ from the amount reported in the financial statements as of the end of the fiscal period.

Advance Refunding - Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (i.e., refunding in advance of redemption).

ACN - Automatic Collision Notification.

ADA - Americans with Disabilities Act.

ADR - Alternative Dispute Resolution program.

Agency - This is the term for the highest organizational level, in most cases a city department or independent board.

Agency Funds - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

AHTF - Affordable Housing Trust Fund.

Amortization - Process of allocating the cost of an intangible asset over a period of time / Also refers to the repayment of loan principal over time

Appropriation - Spending authority created by City Council resolutions that are signed into law with related revenue estimates, which includes all revenues, transfers, allocations, and other legally

authorized budget changes. Appropriations expire at the end of the year unless action is taken by the Council (or delegated to the City Finance Officer) to reappropriate unspent balances.

Arbitrage - In government finance, the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities.

Assessed Valuation - Valuation set upon real estate or other property by a government as a basis for levying taxes.

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

ASP - Application Service Provider.

Audit - examination of an entity's accounting records, as well as the physical inspection of its assets

Balanced Budget - Refers to a budget in which revenues are equal to expenditures.

Basis of Budgeting - Method used to determine when revenues and expenditures are recognized for budgetary purposes.

BET - Board of Estimate and Taxation, consisting of the Mayor, the President of the City Council, the Chair of the City Council's Ways and Means/Budget Committee, one member of the Park and Recreation Board, and two elected citizens.

BIPOC - Black, Indigenous, and people of color.

BLOA - Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

Body Camera - A small video camera worn on the body, typically used by police officers to record arrests, evidence from crime scenes

Bond Anticipation Note - Short term, interest-bearing note issued by a government in anticipation of bond proceeds to be received at a later date. The note is retired from proceeds of the bonds to which it is related.

Bonds - General Obligation Bonds (GO Bonds): A bond secured by the "full faith and credit" of the issuing government and backed by taxing power.

Budget - Estimate of income and expenditure for a set period.

Business-type Activities - One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

CAD - Computer Aided Dispatch.

CAFR - Comprehensive Annual Financial Report.

CAMA - Computer Assisted Mass Appraisal.

CAO - City Attorney's Office.

Capital Assets - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Improvement Plan (CIP) - A five-year plan for proposed capital improvements. The first year of the CIP is formally adopted as the Capital Budget.

Capital Program - see Capital Improvement Plan (CIP).

Capital Projects Funds - Used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types.

Cash - In the context of cash flows reporting, not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Cash Basis of Accounting - Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

CBA - Collective Bargaining Agreement.

CBR - Capital Budget Request.

CCS - Construction Code Services, a division / program within Community Planning and Economic Development department.

CCU/D - Contract Compliance Unit/Division.

CDBG - Community Development Block Grant. Grants provided to the City, based on its submitted consolidated plan. They are annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

CID - Complaint Investigations Division

CIP - Capital Improvement Program

Claims - Requests for reimbursement for damages resulting from fault or liability of the City.

Classification Rate - The percentage set by State statute that is applied to the market value of each property to arrive at the tax capacity.

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

CMS - Case Management System (City Attorney's Office).

COLA - Cost of Living Adjustment.

COMET - City of Minneapolis Enterprise Technology - an upgraded City software system for human resources, financials, and business information reporting and analysis.

Component Unit - Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Conduit Debt - Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

Contingency - Budget for undesignated expenditures. These expenditures cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. These funds are earmarked for emergency or unanticipated expenses, special projects or shortfalls in revenue. The release of these funds is governed by the City Council.

Contractual Services - The summary expense category, which displays expenses such as contracts for service, quasi-contractual arrangement such as utilities, or services billed by another unit of government.

CPED - Community Planning and Economic Development Department. CPED is directed to oversee and coordinate all City planning and development activity.

CPC - City Planning Commission.

CPI - Consumer Price Index.

CPP - Community Participation Program.

CRA - Civilian Review Authority.

CSA - County-State Aid, received by the City for work done on County roads.

CSAH - County State Aid Highways.

CRM - Customer Relationship Management.

CRT - Community Response Team.

CSO - Combined Sewer Overflow, which separates the remaining storm sewer lines that are connected to sanitary sewer lines. (Public Works).

CSO - Community Service Officer. (Police Department)

CY - Calendar Year or Current Year.

DAPT - Domestic Abuse Prosecution Team, in the City Attorney's office.

Debt Service - Amount of resources required for payment of principal and interest on outstanding bonds and notes.

Debt Service Funds - Used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

Defined Benefit Pension Plan - Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service and compensation.

Depreciation - reduction in the value of an asset with the passage of time, due in particular to wear and tear.

Direct Expense - Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function.

Duration - In the context of investment disclosure, a measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

EAP - Employee Assistance Program.

ECM - Enterprise Case Management.

EIM - Enterprise Information Management.

EMIS - Equipment Management Information System.

Employer Contributions - Term used in the context of pension and other post-employment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

EOTF - Emergency Operations Training Facility.

Encumbrances - Commitments related to unperformed (executable) contracts for goods or services. For financial reporting purposes, encumbrance accounting is restricted to governmental funds.

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

Enterprise Funds - Used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Examples include the Water and Sewer Funds.

enQuesta - an application database to provide operational and management reports for Utility Billing.

Equivalent Stormwater Unit (ESU) - The stormwater utility fee is based on impervious area and is charged on a per unit basis. Each ESU (Equivalent Stormwater Unit) is 1,530 square feet of impervious area on a property.

ESG - Emergency Solutions Grant

Expenditure - Funds paid, or designated to be paid, for an asset or goods and services.

Fiduciary Funds - Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Final Amended Budget - Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. Also referred to as current budget or amended budget.

Fiscal Disparities - Fiscal disparities is a law by which commercial-industrial tax base growth is shared annually among metropolitan taxing jurisdictions according to a statutory formula.

Formula Grants - Government-mandated or voluntary non-exchange transactions involving the provision of resources based upon established criteria (e.g., number of full-time equivalent students) other than the incurrence of qualifying expenditures.

FSAM - Facilities Space & Asset Management. This committee consists of the City Coordinator (Co-chair), City Engineer (Co-chair), and two department heads. Staff in attendance includes the Director of Management and Budget, Facility Manager/Staff, and Space and Asset Manager/Staff.

FTE (Full Time Equivalent) - A unit of measurement to account for the number of positions authorized to departments.

Fund - A major accounting vehicle used by the city to account for revenues, expenditures, assets, and liabilities of major sectors of city activities as established by legal requirements.

Fund Balance - Difference between assets and liabilities reported in a governmental fund.

Fund Classifications - One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.

Fund Financial Statements - Basic financial statements presented on the basis of funds, in contrast to government-wide financial statements.

Fund Summary - A budgetary document that summarizes on an annual basis the activities of a city fund. It compares revenues with expenditures on an annual basis. This budget fund summary may not be the same as the audited financial statement since the fund summary includes only resources which are available to pay expenses of the fund (i.e., excludes inventory and depreciation) during the current year.

Fund Type - One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Funded Ratio - In the context of defined benefit pension and other post-employment benefit plans, the actuarial value of assets expressed as a percentage of the actuarial accrued liability.

FY - Fiscal Year.

GAAP - Generally Accepted Accounting Principles.

GASB - Governmental Accounting Standards Board.

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

General Obligation Debt - General obligation debt reduced by the amount of any accumulated resources restricted to repaying the principal of such debt.

GFOA - Government Finance Officers Association, the professional association of finance professionals in the public sector.

Governmental Activities - Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental Entity - For accounting and financial reporting purposes, an entity subject to the hierarchy of GAAP applicable to state and local governmental unity.

Governmental Funds - Used to account for functions of the City principally supported by taxes and intergovernmental revenues.

Government-wide Financial Statements - Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities.

HPC - Heritage Preservation Commission.

HOME - Home Investment Partnerships Program, a U.S. Department of Housing and Urban Development grant program.

HOPWA - Housing Opportunities for People With Aids, a U.S. Department of Housing and Urban Development grant program.

HRA - Housing and Redevelopment Authority.

HRIS - Human Resources Information System.

iDSS - Internet Destination Sales System, a venture of Meet Minneapolis.

IGR - Intergovernmental Relations.

Improvement - Addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change normally is added to the book value of the asset.

Indirect Expenses - Expenses that cannot be specifically associated with a given service, program or department and thus, cannot be clearly associated with a particular functional category.

Industrial Revenue Bond - Bond proceeds are used to finance the purchase or construction of facilities or equipment to be leased to a private corporation. The bonds are backed by the revenue generated by the lease payment and ultimately by the credit of the corporation.

Infrastructure - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

IT - Information Technology - Directed to deliver innovative high quality, cost effective civic enablement, decision support, infrastructure and workforce empowerment services to City departments and residents. Predecessors were BIS (Business Information Services) and Technology Infrastructure Services.

Interfund Activity - Activity between funds of the primary government, included blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal.

Interfund Loans - Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

Interfund Transfers - Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

ISF - Internal Service Funds - Funds used to account for those City services which are financed and operated in a manner similar to private business enterprises and the customer is other City departments instead of the public.

IWR - Utility Billing's Interactive Web Response application.

JP - Joint Powers.

Legal Debt Margin - Excess of the amount of debt legally authorized over the amount of debt outstanding.

Legal Level of Budgetary Control - Level at which a government's management may not reallocate resources without special approval from the legislative body.

LGA - Local Government Aid.

LMC - League of Minnesota Cities.

LMV - Limited Market Value. A limitation on the amount that a property's market value may grow from one year to the next for purposes of property taxation. It was enacted to help mitigate rising property taxes resulting from rapidly inflating property values. The program was eliminated in 2010.

MACC - Minneapolis Animal Care and Control.

Major Fund - Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that the fund is particularly important to financial statement users.

Market Value - The estimated amount as determined by the City Assessor that a willing seller and a willing buyer would agree upon for a piece of property.

Mayor's Recommendation - The recommended annual budget by the Mayor as required by the City Charter.

MBC - Municipal Building Commission, a component unit of the City which operates the City Hall/Courthouse Building.

MCC - Minneapolis Convention Center.

MCCR - Minneapolis Commission on Civil Rights.

MHD - Minneapolis Health Department.

Meet Minneapolis (MM) - The City's official Convention and Visitor's Association.

MERF - Minneapolis Employee Retirement Fund, a closed retirement plan for general City employees that merged with the statewide plan.

METP - Minneapolis Employment and Training Program.

MFD - Minneapolis Fire Department.

MFRA - Minneapolis Firefighter's Relief Association, a retirement plan for firefighters that is closed to new members.

Minneapolis 311 - Serves as the single point of contact to the City for all non-emergency requests for information and services, which simplifies citizen access to city services and information; enables city employees to deliver services more effectively; tracks requests for service delivery from inception to completion; and provides access to city services by voice, e-mail and the web.

Modified Accrual Accounting - Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

MPD - Minneapolis Police Department.

MPHA - Minneapolis Public Housing Authority, the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis.

MPRA - Minneapolis Police Relief Association, a retirement plan for police officers that is closed to new members.

MPRB - Minneapolis Park and Recreation Board, a directly elected body that is responsible for the City's park and recreation programs and assets.

MRI - Municipal Refuse Incorporated, provider of solid waste disposal in parts of Minneapolis.

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

MTRA - MN Teachers Retirement Fund Association.

MVHC - Market Value Homestead Credit.

MVNA - Minneapolis Visiting Nurse's Association, a community non-profit.

NCEC - Neighborhood and Community Engagement Commission.

NCR - Neighborhood and Community Relations.

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

Net Tax Levy - This is the total tax levy (including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

NFPA - National Fire Protection Association, accreditation organization for Fire Departments.

NLC - National League of Cities.

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

Normal Cost - In the context of defined benefit pension and other post-employment benefit plans, that portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

OJP - Office of Justice Programs.

Operating Activities - Term used in connection with cash flows reporting. Operating activities generally results from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities.

Operating Budget - Financial plan that allows City departments to maintain adequate service levels at reasonable costs by following sound financial management practices. Each City department prepares its own budget for review by the Mayor to assist the Mayor in preparing a budget recommendation for the City Council. A department's Operating Budget authorizes designated spending, revenue, and personnel levels.

Operating Revenues and Expenses - Cost of goods sold and services provided to customers and the revenue thus generated.

Operating Tax Funds - Those funds at least partially financed by property taxes, which support the normal functions of city government. They include the General fund, Board of Estimate and Taxation fund, Municipal Building Commission fund, and the Park Tax funds.

OPCR - Office of Police Conduct Review.

Original Budget - First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances.

Original/Current Appropriation - The amount of money allocated by the respective governing body for the budgeted year. The original appropriation is the amount approved at the time the budget was initially adopted. The current appropriation is the original budget as amended to reflect any approved changes.

Other Post-Employment Benefits (OPEB) - Post-employment benefits other than pension benefits. Other post-employment benefits (OPEB) include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

Outcome Measures - In the context of service efforts and accomplishments reporting, indicators that measure accomplishments or results that occur (at least partially) because of services provided. Results also include measures of public perceptions of outcomes.

OVP - Office of Violence Prevention.

Own-source Revenues - Revenues that are generated by a government itself (e.g., tax revenues; water charges; investment income) rather than provided from some outside source (e.g., intergovernmental aid and shared revenues).

Pass-through Grants - Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

PAVER - Pavement Management System software application that computes the Pavement Condition Index (PCI) of roads and parking lots.

Payment In Lieu of Taxes (PILOT) - Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

PCI - Pavement Condition Index, used to rate the condition of pavement.

Pension Benefits - Retirement income and all other benefits (e.g. disability benefits, death benefits, life insurance) except healthcare benefits that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Post-employment healthcare benefits are considered other post-employment benefits, regardless of how they are provided.

Pension Cost - Accrual measure of the periodic cost of an employer's participation in a defined benefit pension plan.

Pension Obligation Bonds - Bonds issued by employers to finance one or more elements of their pension obligation to employees.

Pension Plan - Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

PERA - Public Employees Retirement Association, state-wide pension plan, to which most of the City's employees belong.

Post-employment - Period following termination of employment, including the time between termination and retirement.

Post-employment Healthcare Benefits - Medical, dental, vision and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

PI - Permanent Improvement.

PM - Performance Management.

Primary Government - Term used in connection with defining the financial reporting entity. A state government or general purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entity.

Program Revenue - Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry; as a whole they reduce the net cost of the function to be financed from the government's general revenues.

Proprietary Funds - Funds that focus on the determination of operating income, changes in net assets or cost recovery, financial position, and cash flows. There are two types of proprietary funds: enterprise funds and internal service funds.

PW - Public Works.

RCV- Ranked-choice voting.

Reappropriation - Inclusion of a balance from the prior year's budget as part of the budget of the subsequent fiscal year. Reappropriation is common for encumbrances outstanding at the end of a fiscal year that a government intends to honor in the subsequent fiscal year.

Refunding - Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

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

Results Minneapolis - A management tool the City uses to systematically track performance toward achieving the city's five-year goals and 2020 vision.

Revenue - Funds received from various sources - used to finance City expenditures.

RFP - Request for Proposal, the process by which the City receives service descriptions and estimates of costs from potential providers of a service.

SAFER - Staffing for Adequate Fire and Emergency Response. A federal grant program aiming to help fire departments increase the number of frontline firefighters. SAFER is part of the Assistance to Firefighters Grants and is under the purview of the Office of Grants and Training of the Department of Homeland Security.

SBC - School Based Clinics.

SCADA - Supervisory Control and Data Acquisition: a control systems program that provides monitoring, control, historical logging, and reporting data for industrial systems - for water treatment and water pumping systems.

Schedule of Employer Contributions - In the context of defined benefit pension plans and other post-employment benefit plans, trend data on employers' annual required contribution to a plan of actual contributions.

Schedule of Funding Progress - In the context of defined benefit pension plans and other post-employment benefit plans, trend data on the relationship between the actuarial value of plan assets and the related actuarial accrued liability.

SDP - Service Delivery Plan.

Special Assessment - Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities.

Sponsor - In the context of pension and other post-employment benefits, the entity that established the plan.

SW&R - Solid Waste and Recycling.

Tax Capacity - That amount of estimated market value subject to taxes after the total estimated value is multiplied by a "tax classification rate".

Tax Capacity Rate - After calculating the dollars to be levied, each taxing jurisdiction uses the total tax capacity to calculate their "tax capacity rate". This rate is essentially the percentage of tax capacity to be paid in taxes.

Tax Classification Rate - The percentage set by state statute that is applied to the market value of each property classification to arrive at tax capacity (replaced assessment ratios).

Tax Increment (TI) - Tax increment of real property within a municipality whose assessed valuation for tax purposes is frozen when the tax increment district is certified. The proceeds from the tax increment bond sale are used to develop this distressed or under-utilized property. Taxes collected from the frozen assessed valuation continue to be distributed to the various taxing districts. As development caused the valuation of the property of rise, the difference or increment between the frozen valuation levels and increased value after development provides the needed payment to pay off the bonds.

Tax Increment Finance Bonds - Bonds sold to investors to raise capital for development activities. Interest paid to bond purchasers is usually exempt from state and federal taxation, although TIF bonds can also be sold to investors with no interest exemption from state and federal taxes.

Tax-Increment Financing (TIF) - Financing secured by the anticipated incremental increase in tax revenue, resulting from the redevelopment of an area.

TISH - Truth in the Sale of Housing, a business function of Construction Code Services division of CPED.

TNT - Truth in Taxation Statement mailed to property owners each November, with approximate City taxes to be paid in following year.

Total Expenses - The total costs of a cost center or department including debt service and capital improvements.

Transfer - Movement of funds from one City Fund to another.

TRA - Teachers Retirement Association

UB - Utility billing.

Unallotment - Executive branch power to reduce spending to avoid a deficit without legislative action.

Undesignated Unreserved Fund Balance - Available expendable financial resources in a governmental fund that are not the object of tentative management plans (*i.e.*, designations).

Unfunded Actuarial Accrued Liability - Excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, the excess of the actuarial value of assets over the actuarial accrued liability, or the funding excess.

Unrealized Gains and Losses - Difference between the carrying value of an asset and its fair value prior to sale.

Variable-rate Investment - In the context of investment disclosure, and investment with terms that provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter).

VCAT - Violent Criminal Apprehension Team.

VPN - Virtual Private Network.

WC - Worker Compensation.

YCB - Youth Coordinating Board, a joint power agreement of the City.

YTD - Year to date.