



Second Quarter 2021 Financial Status Report

Finance & Property Services Department
August 18, 2021

**City of Minneapolis
Interim Financial Report
for the Second Quarter of 2021
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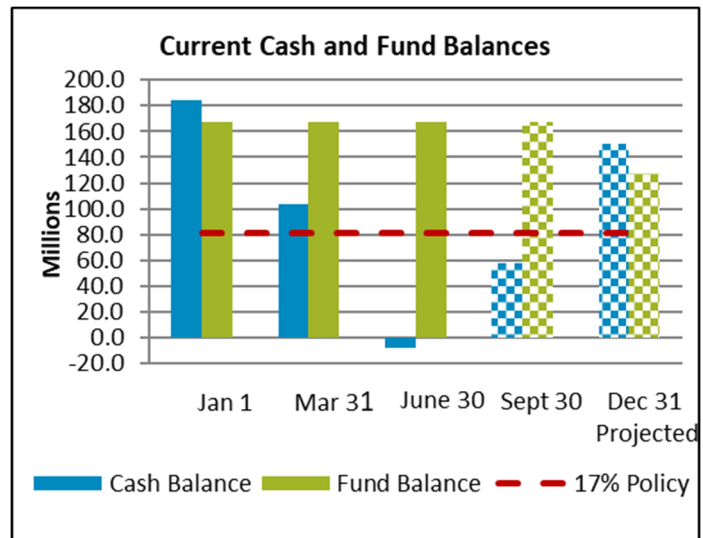
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Overview

This quarterly report presents the complex nature of financial operations for Minneapolis in 2021. The City managed the initial financial impacts of the COVID-19 pandemic with resource preservation through spending freezes, wage and hiring freezes, and furlough days for employees. The assistance of Federal CARES funding in 2020 allowed us to realize a stable fund balance in the General Fund by year-end 2020. Going into 2021, the City continues to be impacted by the pandemic, but also continues to make planful decisions that allow us to see a financial path toward stability. One half of the American Rescue Plan Act (ARPA) funding was received in the second quarter of 2021, and the Council has allocated approximately \$90.2 million for spending in 2021. Overall revenues continue to be impacted by the pandemic, but there is some recovery occurring. In addition to pandemic related financial concerns, the City continues to feel the impacts of civil unrest and liabilities related to litigation and worker’s compensation costs. The Self-Insurance fund, Parking fund, and Sanitary Sewer fund will maintain positive cash balances, but are projected to fall below minimum cash balance amounts as required by financial policy.

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. The 2021 budget included a planned use of fund balance of \$7.6 million, however, current projections are for a loss of approximately \$40.6 million. The increased loss of fund balance is the result of a \$27.0 million transfer to the Self-Insurance fund to cover the costs of the Floyd Family legal settlement coupled with rollovers of unspent appropriations from prior years. Current year revenue shortfalls are projected to total \$10.1 million. Those shortfalls will be offset by an equal amount of under-spending across departments.



The 2021 projected ending fund balance is \$127.0 million, compared to the ending 2020 fund balance of \$167.6 million. The General Fund cash balance at year-end 2019 was \$184.5 million and is projected to end 2021 at \$150.7 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance between the beginning of the year and the end of the second quarter. The June 30, 2021 cash balance is negative \$(7.9 million) but will increase significantly once the July property tax revenue is allocated.

As shown in the Financial Strength Analysis on pages A-2 and A-3 of this report, from 2017 through 2020, the General Fund’s cash balance and fund balance have increased with a cumulative cash increase of \$52.7 million and an increase in fund balance of \$50.6 million. The strong fund balance and cash position were made possible by rising revenues and strategic use of funds helping maintain sustainable operations. While that growth is not projected to continue into 2021, the General Fund will continue to meet the minimum fund balance requirements in the City’s financial policies.

The City’s financial policy for the General Fund balance is to maintain 17% of the following year’s expenditure budget less transfers and contingency. For 2021, this equates to a required ending fund balance of \$81.1 million.

Based on current projected revenues and expenditures, the General Fund is projected to end the year with a fund balance of \$127.0 million which is \$45.9 million over the minimum balance.

Special Revenue Funds

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

At year-end 2021, the total cash balance for the Special Revenue Funds is projected to be \$408.6 million, an increase of \$99.9 million or 34.6% compared to year-end 2020. The fund balance for the Special Revenue Funds is also expected to increase to \$465.2 million, an increase of \$104.4 million or 28.9%, compared to year-end 2020. The increase in both cash and fund balance are due primarily to an infusion of federal grant money. As previously mention the city received the first half of the ARPA funding totaling \$135.1 million in the second quarter of 2021. In early July, the City Council approved spending proposals totaling \$90.2 million for the first phase of program spending in 2021. The City also received a total of \$16.9 million in Emergency Rental Assistance to assist eligible households through new and existing rental assistance programs. These large prepaid grant programs will likely have remaining balances at year end to be used in future years. Revenue losses from local taxes deposited into the Downtown Assets Funds are projected to continue into 2021. While sales, liquor, lodging and other local taxes will still be substantially lower than the amounts collected pre-pandemic, they are projected to be \$6.5 million more than 2020.

Internal Service Funds

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

The total cash balance for the Internal Service Funds at year-end 2021 is projected to be \$158.4 million, a slight increase of \$3.6 million or 2.3% versus 2020 ending cash of \$154.8 million. At the same time, the total net position for all the Internal Service Funds is projected to be \$63.0 million, an increase of \$1.9 million or 3.1% from 2020. Because these funds have no debt burden and spending is tied to demand from other City funds, they can more easily delay major project outlay to help preserve cash. In the Self-Insurance funds, there is a projected negative net position of \$(97.8 million). This is primarily due to the long-term liability booked in this fund related to both litigation and worker's compensation claims. These liabilities are actuarially determined and may be paid out over many years. The City has plans in place to fund future years' liabilities beginning with steps taken in the 2022 budget.

Enterprise Funds

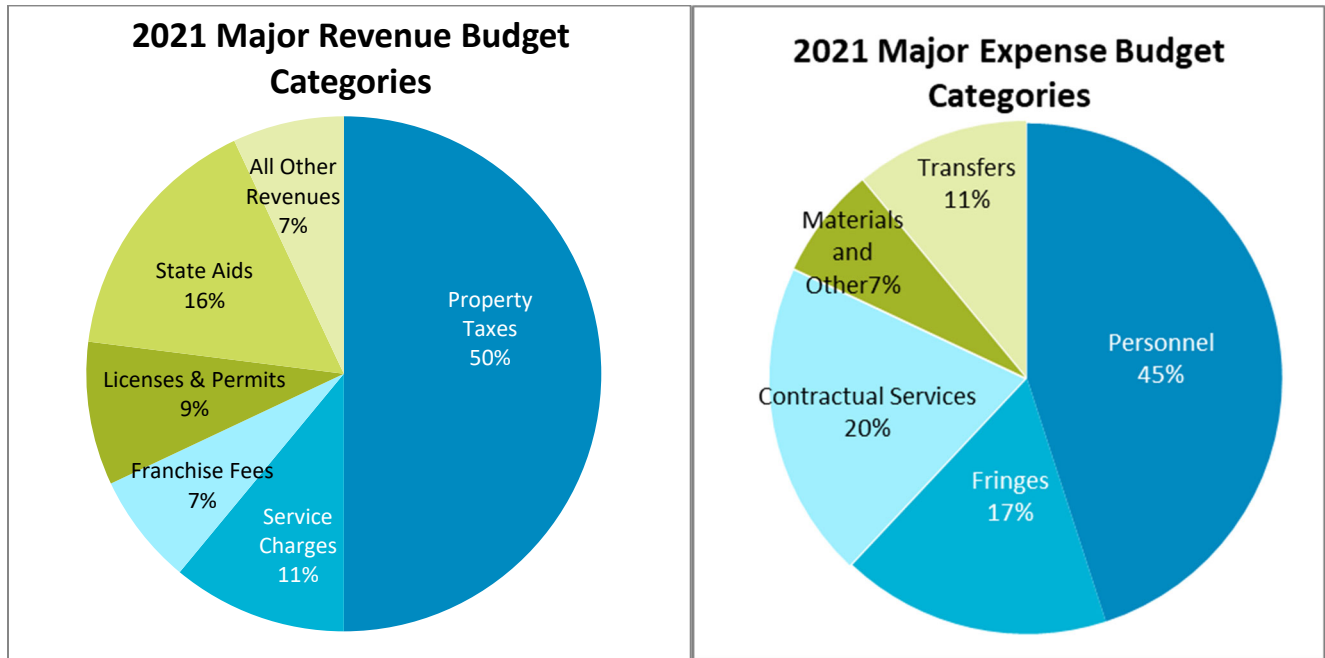
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$92.1 million at year-end 2021, a decrease of \$13.1 million or 12.5% compared to 2020. Total net position for the Enterprise Funds is projected to decrease \$15.7 million or 1.5% to \$1,035.8 million at year-end 2021. Operating losses primarily in the Park Fund coupled with a planned use of cash to finance projects in the Stormwater Fund will result in these projected losses. Depending on the timing of bond sales and capital outlays, the final ending cash and net position may very significantly from these initial projections.

**City of Minneapolis
General Fund
For the Second Quarter Ending June 30, 2021**

Fund Description

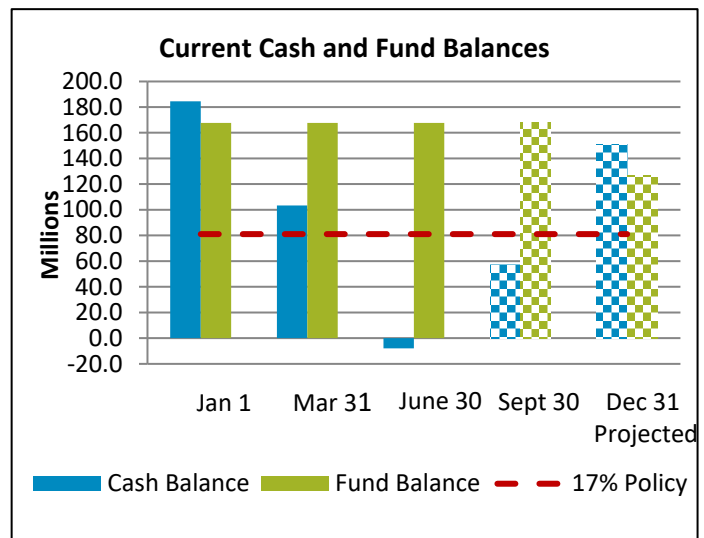
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2021 current revenue budget is \$503.2 million, while the Fund's 2021 current expense budget is \$543.9 million, including transfers.



Cash and Fund Balance

The 2020 year-end audited fund balance for the General Fund was \$167.7 million. The 2021 original budget included a planned use of fund balance of \$7.6 million. The 2021 current budget increased the use of fund balance by \$32.9 million to \$40.6 million. The increased use of fund balance is primarily a result of rollovers of prior year unspent appropriations totaling \$5.6 million and a \$27.0 million transfer to the Self-Insurance Fund. The 2021 projected year-end fund balance is \$127.0 million.

The City's financial policies require a minimum fund balance equal to 17% of the next year's General Fund expenditure budget, less transfers, and contingency budgets. The 2021 budget less transfers and contingency equals \$477.0 million, resulting in a minimum fund balance target of \$81.1 million. The projected year-end fund balance, \$127.0 million, is \$45.9 million above the fund balance target.

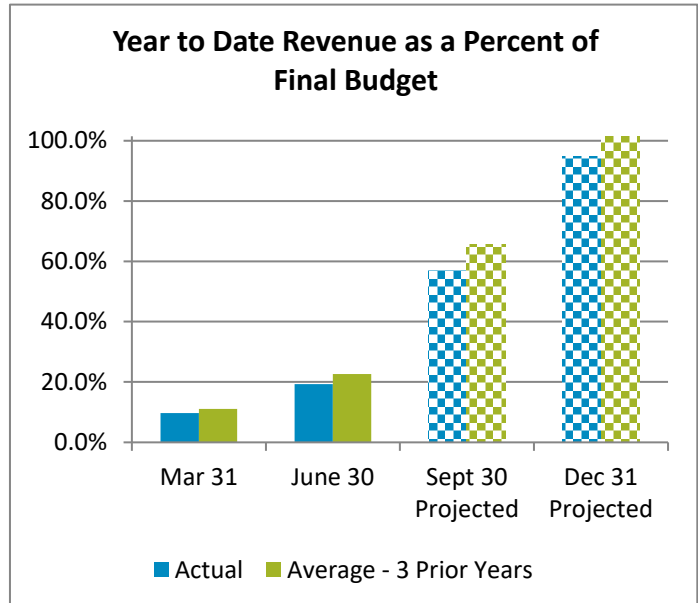


The audited cash balance at 2020 year-end was \$184.5 million. Over one-half of the revenue in the General Fund comes from sources received only two times per year, such as property taxes, special assessments, and state aids. As such, the cash balance fluctuates significantly during the year. As of June 30, the cash balance was negative \$(7.9 million). This increased significantly with the allocation of the first half property tax settlement in early July.

Revenue

As noted above, more than one-half of General fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are received in July with the remainder received in December. Since such a large portion of General Fund revenue is received after the second quarter of the year, the average revenue through the first half of the past three years is only 21.4% of the budget. Actual revenue through the second quarter of 2021 totals \$78.9 million or 15.7% of the total budget.

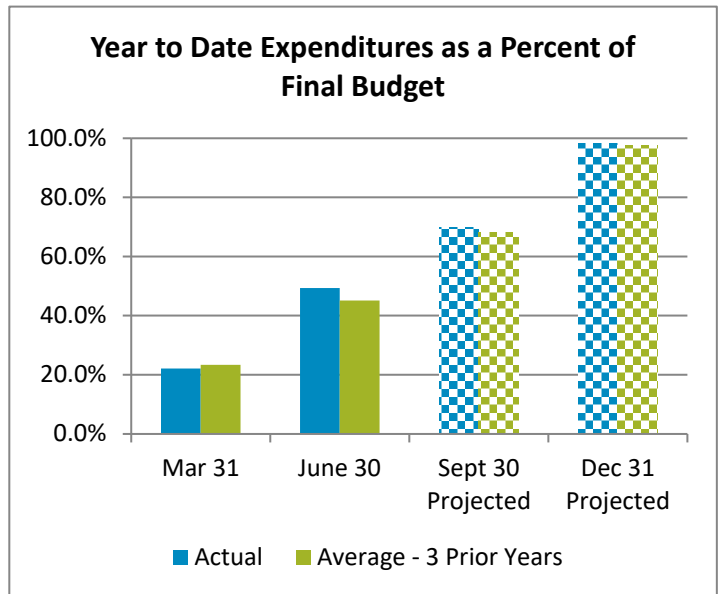
The negative economic impacts of COVID-19 continue to effect general fund revenues in 2021. Year-end revenue is projected to be under budget by \$10.1 million, or 2.0%. The following revenue categories are projected to end the year less than budgeted: Business Licenses and Permits, \$4.9 million; Charges for Services, \$3.7 million; Franchise Fees at 3.6 million; Non-business Licenses and Permits, \$2.7 million; and Property Taxes at \$5.1 million.



Expenditures

Six departments comprise 75.3% of the General Fund’s total current budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

Public Works expects to be over budget by \$2.7 million, with \$1.5 million in Transportation Maintenance and Repair primarily due to revenue backed work for other funds and snow events. In addition, Traffic and Parking Services is expected to be \$0.9 million over budget for backpay and other labor costs. In addition, the Fire department is experiencing overtime costs beyond what was budgeted and projects to end the year at \$1.8 million over budget.



Several departments are projected to be under budget at year end. The primary reasons for underspending are personnel savings and the delay of current year projects and initiative. In addition, contingency funding of \$5.1 million is planned to be unspent at year end. The cumulative underspending of \$10.1 million will match the projected revenue shortfall of \$10.1 million.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status report
General Fund

	Original Budget	Revised Budget	Year-to-Date	Percent of Revised Budget Remaining	Year End Projection	Surplus (Deficit) Budgt Versus Projected	Projected Year End as a Percent of Revised Budget
Revenues							
Business Licenses And Permits	\$ 12,624,775	\$ 12,624,775	\$ 5,874,674	53.5%	\$ 7,695,718	\$ (4,929,057)	61.0%
Charges For Sales	75,350	75,350	4,656	93.8%	23,975	(51,375)	31.8%
Charges For Services	55,462,185	55,462,185	23,652,623	57.4%	51,744,882	(3,717,303)	93.3%
Contributions	-	-	1,250	0.0%	1,250	1,250	100.0%
Fines And Forfeits	5,161,201	5,161,201	2,169,182	58.0%	4,212,181	(949,020)	81.6%
Franchise Fees	33,929,000	33,929,000	13,739,479	59.5%	30,344,479	(3,584,521)	89.4%
Interest Revenue	3,850,000	3,850,000	2,721,754	29.3%	5,000,000	1,150,000	129.9%
Local Grants & Aids	773,565	773,565	5,451	99.3%	773,565	-	100.0%
Miscellaneous	1,775,000	1,775,000	2,103,817	-18.5%	3,833,120	2,058,120	216.0%
Non-Business Licenses And Permits	30,851,832	30,851,832	15,231,820	50.6%	28,193,211	(2,658,621)	91.4%
Property Taxes	250,901,000	250,901,000	9,041	100.0%	245,772,898	(5,128,102)	98.0%
Rents	720,000	720,000	817,800	-13.6%	892,272	172,272	123.9%
Sales and Other Taxes	-	-	-	0.0%	17,641	17,641	100.0%
Special Assessments	4,731,620	4,731,620	108,103	97.7%	3,618,794	(1,112,826)	76.5%
State Grants & Aids	82,694,623	82,689,469	2,637,515	96.8%	91,355,657	8,666,188	110.5%
Total Revenues	483,550,151	483,544,996	69,077,165	85.7%	473,479,642	(10,065,354)	97.9%
Transfers In	19,668,000	19,668,000	9,834,000	50.0%	19,668,000	-	100.0%
Revenues and Other Sources	\$ 503,218,151	\$ 503,212,996	\$ 78,911,165	84.3%	\$ 493,147,642	\$ (10,065,354)	98.0%
Expenditures							
Police	160,591,310	172,236,975	84,349,144	51.0%	172,236,975	-	100.0%
Fire	70,128,438	70,128,438	35,728,016	49.1%	71,928,438	(1,800,000)	102.6%
Human Resources	8,517,717	8,517,717	3,956,335	53.6%	7,943,958	573,759	93.3%
Finance and Property Services	23,688,686	25,123,018	11,642,804	53.7%	22,724,975	2,398,043	90.5%
911	9,576,197	9,968,697	4,753,251	52.3%	9,968,697	-	100.0%
311	4,592,793	4,729,633	2,018,676	57.3%	4,729,633	-	100.0%
City Coordinator	9,753,733	9,577,893	2,494,402	74.0%	7,927,893	1,650,000	82.8%
Intergovernmental Relations	1,203,000	1,203,000	600,424	50.1%	1,208,029	(5,029)	100.4%
Communications	2,461,437	2,461,437	1,418,430	42.4%	2,441,323	20,114	99.2%
Emergency Management	1,110,456	1,110,456	516,310	53.5%	1,100,657	9,799	99.1%
Neighborhood & Community Relations	835,000	915,000	295,812	67.7%	835,000	80,000	91.3%
City Coordinator - Total	61,739,017	63,606,849	27,696,445	56.5%	58,880,165	4,726,685	92.6%
Transportation Planning & Design	1,889,235	1,889,235	1,038,770	45.0%	2,018,250	(129,015)	106.8%
Transportation Plan Programming	2,662,249	2,716,180	1,197,661	55.9%	2,716,180	-	100.0%
Transportation Maintenance & Repair	34,389,680	34,389,680	19,046,640	44.6%	35,928,476	(1,538,796)	104.5%
Public Works Administration	3,286,786	3,286,786	1,704,936	48.1%	3,390,446	(103,660)	103.2%
Traffic & Parking Services	15,950,029	15,950,029	8,551,068	46.4%	16,855,984	(905,955)	105.7%
Public Works - Total	58,177,979	58,231,911	31,539,076	45.8%	60,909,336	(2,677,425)	104.6%
Regulatory Services	24,567,161	24,567,161	11,252,712	54.2%	22,511,231	2,055,930	91.6%
Attorney	9,379,733	9,479,733	4,364,608	54.0%	9,189,566	290,167	96.9%
City Council & City Clerk	9,308,488	9,666,201	4,586,458	52.6%	9,126,772	539,429	94.4%
City Clerk Elections	3,245,589	4,364,476	891,559	79.6%	4,354,084	10,392	99.8%
Contingency	16,527,000	5,100,000	-	100.0%	-	5,100,000	0.0%
Assessor	5,492,731	5,492,731	2,565,815	53.3%	5,232,702	260,029	95.3%
CPED	39,820,945	32,495,400	14,742,747	54.6%	30,995,400	1,500,000	95.4%
Health	18,068,127	18,595,866	7,285,871	60.8%	18,687,732	(91,866)	100.5%
Civil Rights	4,836,828	4,836,828	2,133,459	55.9%	4,679,705	157,123	96.8%
Mayor	2,305,487	2,305,487	1,140,154	50.5%	2,281,407	24,080	99.0%
Internal Audit	964,866	964,866	309,007	68.0%	941,318	23,548	97.6%
Total Expenditures	485,153,701	482,072,924	228,585,070	52.6%	471,954,831	10,118,092	97.9%
Transfers Out Total	25,703,875	61,803,875	39,826,936	35.6%	61,803,875	-	100.0%
Expenditures and Other Uses	\$ 510,857,576	\$ 543,876,798	\$ 268,412,007	50.6%	\$ 533,758,706	\$ 10,118,092	98.1%
Change in Fund Balance					(40,611,063)		
Fund Balance - January 1					167,654,124		
Fund Balance - December 31 (Projected)					127,043,061		

City of Minneapolis
Convention Center Special Revenue Fund Report
For the Second Quarter Ending June 30, 2021

Fund Description:

The Convention Center Special Revenue Fund is used to account for the maintenance, operation, and marketing of the City-owned Minneapolis Convention Center and related facilities. The Convention Center was created to foster and generate economic growth and vitality by providing facilities and services for conventions, trade shows, exhibits, meetings, and cultural, religious, and sporting events, all of which benefit and showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota.

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

Revenue:

Through the June 30, 2021, Convention Center operating revenue ended at nearly \$3.2 million or 46% of the \$6.9 million budget. Rents and Commissions had the strongest finish at \$2.7 million or 92% of budget followed by Charges for Services at \$0.5 million or 21% of budget. Catering Commissions has not recognized any revenue through the second quarter of 2021. With the strong impact of the pandemic, the Kelber Catering commission structure was changed to a tiered revenue structure where specific amounts of revenue must be realized before the Convention Center receives a commission. This allows Kelber Catering to maintain operations but decreases expected revenues to the Convention Center. With the new tiered system, and expected revenue results, 2021 is expected to finish with \$0 catering privileges.

The Convention Center June 30, 2021 operating revenue of \$3.2 million finished \$2.5 million under the June 30, 2020 operating revenue of \$5.7 million. The reason for the decline was that the Convention Center was heavily impacted by event cancellations related to the COVID-19 pandemic and related health mandates. The Convention Center projects 2021 operating revenue to finish close to budget at \$6.9 million which is \$0.6 million more than 2020.

In 2021, the Convention Center also received \$0.5 million in aid from the State of Minnesota. This aid was intended assist convention and event centers around the state that were negatively impacted by the COVID-19 pandemic.

Expenditures:

Through the second quarter of 2021, Convention Center Operations expenditures finished at \$8.8 million or 37% of budget which was \$2.7 million under the second quarter 2020 results. Operating expenses are based on event levels and normal day-to-day operations. The Convention Center continues to be heavily impacted by the pandemic and related health mandates restricting the size of gatherings through the second quarter of 2021.

The Convention Center continues to work on its 'no waste' initiative as well as further enhancements to the energy efficiency practices that were put in place in 2009. The ongoing management of operating expenses includes a variety of cost containment activities:

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

The Convention Center expects 2021 operating expenses to finish the year \$0.8 million under the 2021 budget. The reduction is related to reduced expense demands due to a reduction in building events.

In Ongoing Equipment and Improvements, the Convention Center finished the second quarter of 2021 at \$0.4 million or 9% of the \$3.5 million budget which was \$4.7 million under the \$8.2 million 2020 budget. During the second quarter of 2021, the \$0.4 million in ongoing equipment/improvements were \$3.5 million under the second quarter of 2020. The Convention Center projects 2021 ongoing equipment and improvements to finish 2021 \$0.8 million under budget. With the impacts of the pandemic, the Convention Center sharply curtailed building projects.

The 2021 Meet Minneapolis budget is \$8.8 million which is \$0.3 million under the 2020 budget. Through the second quarter of 2021, Meet Minneapolis expenditures were \$4.4 million or 50% of the 2021 budget. Through the second quarter of 2020, \$5.6 million was expended for Meet Minneapolis. It is expected that Meet Minneapolis will finish 2021 at their 2021 budget.

Transfers:

The Convention Center Fund annually transfers funds for debt service (see below), in addition to receiving a transfer from the Downtown Assets Fund. The Convention Center's 2021 transfer from the Downtown Assets is budgeted at \$28.7 million and \$14.4 million or 50% has been expended through the second quarter of 2021 and is set to finish 2021 at budget. In 2020, the transfer was originally budgeted at \$28.7 million. Pandemic related business closures negatively impacted local tax revenue, forcing a reduction in the transfer to just \$6.1 million in 2020. This reduction allowed the Downtown Assets fund to maintain a positive cash balance and allows the City to better manage cash balances going forward.

Debt Service:

In 2021, transfers to debt service for debt issued on the building is budgeted at \$0. To take some pressure off the fund, debt service was refinanced, and the 2021 – 2024 debt service will be interest only with principal due in 2025. It is expected that the principal only payment will be \$0.2 million, and through the second quarter of 2021, \$0.1 million has been expended.

Fund and Cash Balances:

The June 30, 2021 fund and cash balances are \$16.1 and \$17.4 million respectively, and the 2021 ending fund and cash balances are projected to be \$13.1 and \$15.1 million which are increases of \$650,000 for both fund and cash balances from 2020.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Minneapolis Convention Center Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services	6,900	2,395	2,553	541	2,800
Rents and Commissions	7,600	2,976	2,898	2,658	4,100
Privileges	4,275	959	1,449	-	-
MN Dept. of Trade & Economic Development	-	-	500	500	500
Interest on Cash Investments	762	1,052	196	107	200
Interest on Capital Advance	-	616	-	-	-
Other Misc Non Operating	-	2,532	-	22	-
Transfer from General Fund	-	-	-	-	-
Transfer from City General	1,438	1,438	-	-	-
Transfer from Downtown Assets	6,089	6,089	28,734	14,367	28,735
Total	27,063	18,056	36,330	18,194	36,335
Use of Funds:					
Convention Center Operations	28,132	21,474	24,038	8,803	23,218
Ongoing Equipment/Improvement	8,182	5,943	4,333	369	3,500
Meet Minneapolis	9,041	10,637	8,785	4,393	8,785
Transfer to Debt Service	26,807	947	-	99	182
Total	72,162	39,001	37,156	13,664	35,685
Net Change in Fund Balance	(45,099)	(20,945)	(826)	4,530	650
Ending Fund Balance	(11,724)	12,429	11,603	16,133	13,079
Ending Cash Balance	(13,661)	14,487	13,661	17,377	15,137

City of Minneapolis
Arena Special Revenue Fund
For the Second Quarter Ending June 30, 2021

Fund Description:

The Arena Special Revenue Fund is used to account for the revenues and on-going equipment and improvements, maintenance, operating support, and other specific expenditures of the Target Center. The Target Center is home to the Minnesota Timberwolves, the Minnesota Lynx, and also hosts a wide variety of events such as concerts; high school, college and professional athletic events; and motor sports and ice skating events. These activities showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota. The operator of the Target Center is AEG Management TWN, LLC (AEG). AEG is the world's leading sports and live entertainment company with over 300 venues owned/operated.

Revenue:

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund. Since 2014 the Timberwolves organization has paid annual rent and in 2021 that revenue source is \$1.6 million. The Arena fund is managed as part of the Downtown Assets Funds, which are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis. These assets support sales, liquor, lodging, restaurant, and entertainment taxes collected by the City. The Arena Special Revenue Fund also receives interest revenue from City investments on cash balances. The 2021 interest revenue budget is \$24,000, and 2021 interest revenue is expected to finish over budget at \$55,000.

Expenditures:

The Arena Special Revenue Fund has a 2021 ongoing equipment and improvements budget of \$3.5 million. Through the second quarter of 2021, \$0.1 million or 4% of the \$3.5 million budget has been expended and it's projected that the fund will finish \$1 million under budget. The improvements budget decreased from \$6.6 million in 2020 as the pandemic reduced activity at the Target Center and expenses have been reduced accordingly. There is a \$1.8 million 2021 budget for operator reimbursement to AEG. As of June 30, 2021, there haven't been any payments made to AEG, but it is expected their \$1.8 million budget will be expended to support Target Center operating costs.

Transfers:

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2021 budgeted transfer is \$3.9 million, and the transfer is expected to finish at budget. The 2020 budgeted transfer was \$4.6 million which was \$0.7 million higher than 2021. The Parking Fund revenue has experienced losses from pandemic impacts, so the 2021 transfer was deliberately reduced to take pressure off the Parking Fund. In a planned effort to reduce fund balance while maintaining the Arena Special Revenue Fund as part of the Downtown Assets funds, a transfer of \$1.2 million was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances. Transfers are underway, and it is expected that the transfers will meet the 2021 budget. The 2020 transfer from the Arena Fund to the DT Assets Fund was \$4.8 million which was \$3.6 million higher than 2021. This transfer is adjusted annually to help maintain targeted fund and cash balances.

Fund and Cash Balances:

The June 30, 2021 ending fund and cash balances were both \$5.6 million, and are projected to decrease in 2021 to \$3.3 and \$3.8 million for fund and cash respectively. This is an increase of \$277,000 for both the fund and cash balances from 2020. The primary reasons for the decreases are the 2021 sources of funds projection of \$5.5 million finishing \$277,000 over the use of funds. This is primarily due to a \$3.6 million 2021 decrease in the transfer to the DT Assets Fund, and a \$1.1 million decrease in projected 2021 ongoing equipment and improvements expenses from 2020 which were partially offset by a \$762,000 reduction in the transfer from the Parking Fund.

City of Minneapolis
Second Quarter Ending June 30, 2021
Financial Status Report (in thousands of dollars)

Arena Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Rent	1,520	1,520	1,551	1,551	1,551
Transfer from Municipal Parking Fund	4,615	4,615	3,853	1,927	3,853
Interest Earnings	62	228	24	31	55
Total	6,197	6,363	5,428	3,508	5,459
Use of Funds:					
Operator Reimbursement	1,718	1,713	1,765	-	1,765
Ongoing Equipment/Improvements	6,632	3,614	3,500	140	2,500
Administration	292	263	303	174	303
Transfer to Downtown Assets Fund	4,765	4,765	1,168	1,168	1,168
Total	13,407	10,355	6,736	1,481	5,736
Net Change in Fund Balance	(7,210)	(3,992)	(1,308)	2,027	(277)
Ending Fund Balance	312	3,531	2,223	5,558	3,254
Ending Cash Balance	2,269	4,038	2,730	5,554	3,761

Downtown Assets Special Revenue
Including the Downtown Assets, Peavey Plaza, and Commons Funds
For the Second Quarter Ending June 30, 2021

Fund Description:

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

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

This collection of funds holds the operating and capital funds which support the Downtown Commons and Peavey Plaza. In 2020, the \$820,000 Downtown Commons operating budget was transferred to the Minneapolis Parks & Recreation Board, and in 2021 the City has no budget for the Downtown Commons. Though each of these funds holds a cash balance to its own, all cash balances are available to support any expense within the funds. Receipts to the fund are largely made up of local taxes, but may also include contributions from private donations or State funding to support capital improvements.

Revenue:

The 2021 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$13.4 million. The overwhelming majority of revenues come from local taxes including sales, liquor, lodging, restaurant and entertainment. Minneapolis local taxes are projected to finish at \$55.8 million which is \$44.9 million over the 2021 budget based on 2021 collection trends and impacts from the COVID-19 pandemic which has severely impacted local tax collection. The \$55.8 million 2021 projection is \$6.5 million over the actual 2020 collections. Interest revenue is budgeting \$0.4 million and is expected to finish 2021 at budget.

Expenditures:

The 2021 Downtown Assets Special revenue expenses are budgeted at \$46.0 million, and are primarily all transfers out of the fund. Transfers make up \$45.6 million of the \$46.0 million 2021 budget. The remaining \$0.4 million is allocated for Peavey Plaza Operating expenses which include payments to Green Minneapolis to maintain Peavey Plaza, Peavey Plaza Special Assessments/DID Fees, and electricity. Expenditures are projected to finish close to budget.

Transfers:

Transfers out of the DT Assets Fund are budgeted at \$45.6 and include \$11.1 million to the General Fund, \$28.7 million to the Convention Center to fund debt service, capital, and operating expenses; and nearly \$5.7 million to the Arena Special Revenue Fund (Target Center) building debt service. In addition, there is a 2021 budgeted transfer of \$1.2 million from the Arena Special Revenue Fund to the Downtown Assets Fund. This transfer was made to reduce cash within the Arena Special Revenue Fund with the Arena Special Revenue Fund being managed under the Downtown Assets funds umbrella. As of June 30, 2021, all transfers were on schedule and are expected to finish at budget.

Fund and Cash Balances:

At the end of 2020, the Downtown Assets Funds had a fund balance of \$46.5 million, and a cash balance of \$39.2 million. The 2021 Downtown Assets Funds, fund and cash balances are projected to finish at \$57.8 and \$50.5 million respectively which is an \$11.4 million increase to both fund and cash balances from 2020. The increases in both fund and cash balances are due to the 2021 sources of funds finishing \$11.4 million over the use of funds which primarily resulted from a sharp increase in the 2021 projected local taxes.

City of Minneapolis
Second Quarter Ending June 30, 2021
Financial Status report (in thousands of dollars)

Downtown Assets Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Local Taxes	93,446	49,290	11,850	5,897	55,748
Transfer from Arena Special Revenue Fund	4,765	4,765	1,168	1,168	1,168
Downtown Assets Funds Interest Earnings	236	177	429	237	440
Total	98,446	54,233	13,447	7,301	57,356
Use of Funds:					
Transfer out to City General Fund	32,711	10,711	11,136	5,568	11,136
Transfer out to Arena Fund Debt Service	5,698	5,698	5,697	1,194	5,695
Transfer out to Convention Center	6,089	6,089	28,734	14,367	28,734
Downtown Assets - Operating	25	-	-	-	-
Commons - Operating	820	820	-	-	-
Peavey Plaza - Capital	474	260	-	-	-
Peavey Plaza - Operating	424	288	437	198	437
Total	46,240	23,864	46,004	21,327	46,002
Net Change in Fund Balance	52,206	30,369	(32,557)	(14,026)	11,354
Downtown Assets Fund - Ending Fund Balance	68,290	46,452	13,895	32,426	57,806
Downtown Assets Fund - Ending Cash Balance	61,019	39,182	6,625	32,415	50,536

City of Minneapolis
Police Special Revenue Fund
For the Second Quarter Ending June 30, 2021

Fund Description:

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 had also been used to account for revenues and expenses related to the Automated Property System (APS), and the Workforce Director scheduling and payroll system (WFD). These programs were phased out over the last several years.

The fund revenues and expenses are associated with the following purposes:

- Federal and state administrative forfeiture programs are restricted to law enforcement and are designed to supplement and enhance, not supplant, agency resources. Revenue is used to account for a variety of law-enforcement needs including some types of equipment, investigative expenditures, DWI related enforcement, training, and other.
- The Automated Property (APS) and Workforce Director (WFD) systems are proprietary software systems that are owned and managed by the Police department. APS and WFD previously recovered expenses from user agreements with other governmental and non-governmental entities. They were decommissioned for external use in 2020 due to outdated technology and the inability to cost effectively upgrade the software. Minimal activity with other entities continued into the first quarter of 2021. WFD consultant work continued through June 30, 2021. WFD, currently supported by the City's IT Department, continues to be used internally and expenses have been transferred to the General Fund as of July 1, 2021.
- The non-emergency service contracts are typically entered by the City of Minneapolis Police Department and an external entity usually located within Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas. Periodically, City departments (Public Works, others) contract with Police to provide additional services at a desired location(s). The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.
- Lawful Gambling regulatory tax revenue and expenses are restricted to regulating lawful gambling includes site inspections, compliance reviews, and corrective action.

Revenues:

Revenue for the Police Special Revenue Fund through second quarter ending June 30, 2021 is \$0.6 million or 68.0% of the budgeted amount of \$0.9 million. The revenue earned through second quarter ending June 30, 2021 increased by \$0.1 million or 13.1%, over revenue earned through the same period in 2020.

The revenue increase is due to several factors including a forfeiture settlement of \$0.1 million; and increases in charitable gambling, non-emergency services totaling \$0.1 million. These increases are offset

by an expected WFD and APS revenue decrease of approximately \$0.1 million, as the programs were decommissioned.

Expenditures:

Overall expenditures for the Police Special Revenue Fund through second quarter 2021 totaled \$655,973.42 or 71.9% of budget. Expenses through the second quarter of 2021 decreased \$114,433 or 13%, over the total expense through the same period in 2020. The decrease is primarily due to a \$192,713 reduction of the decommissioned APS and WFD programs offset by additional forfeiture expenses of \$151,881 incurred for specific costs for civil unrest, and increased costs of non-emergency service contracts, \$146,809.

Cash and Fund Balances:

The fund has maintained a positive cash balance with a second quarter 2021 ending balance of \$2.5 million, a decrease of \$0.2 million from the 2020 second quarter ending balance of \$2.7 million.

The fund balance for a second quarter 2021 is \$2.7 million, a decrease of \$0.1 million, or 4.1% under the second quarter 2020 ending balance of \$2.8 million. Fund balance is consistent between the two years and reflects slight variances in revenue and expenditures in both years.

City of Minneapolis
Second Quarter Ending June 30, 2021
Financial Status Report (in thousands of dollars)

Police Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services and Sales	978	692	466	201	475
Fines and Forfeits	237	479	243	318	299
Miscellaneous					
Taxes	227	178	204	102	204
Total	1,442	1,349	913	621	978
Use of Funds:					
Personnel Services	966	437	530	185	501
Fringes	214	123	137	35	112
Contractual Services	63	665	57	149	192
Capital Outlay	-	49	-		
Materials/Other	199	239	189	287	300
Total	1,442	1,513	913	656	1,105
Change in Fund Balance	-	(164)	-	(35)	(127)
Fund Balance	2,924	2,760	2,760	2,725	2,633
Total Cash Balance	2,784	2,564	2,564	2,529	2,805

City of Minneapolis
Neighborhood & Community Relations Special Revenue Fund
For the Second Quarter Ended June 30, 2021

Fund Description:

The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by the revenues of the Consolidated Redevelopment Tax Increment Financing District, which was decertified on December 31, 2020. The tax increment revenue generated by the district, for neighborhood revitalization purposes, may be spent anywhere within the City of Minneapolis. The Fund is used primarily for community engagement and neighborhood-based initiatives, as well as a portion of the NCR administrative costs.

Revenues:

Revenues for this fund consist of only transfer from the Consolidated Redevelopment Tax Increment Financing District. Through the second quarter of 2021, \$3.9 million has been transferred out of the budget of \$8.2 million. Approximately and \$3.9 million more is projected to be transferred, leaving the total revenue \$0.4 million under budget for 2021.

Expenditures:

The expenditures from this fund through the second quarter of 2021 are \$3.5 million for the community engagement and neighborhood-based activities. This is 31.5% of the total budgeted amount of \$11.2 million. Year-end projected expenditures are expected to be \$7.9 million in FY 2021, or \$3.3 million under budget. The underspending is driven primarily by reductions in contractual service costs.

Cash and Fund Balance

The cash balance for this fund at the end of the second quarter of 2020 is \$3.5million, just slightly less than the cash balance at the beginning of 2021. Cash is projected to end the year at \$3.4 million.

Fund balance at the beginning of 2021 was \$3.1 million and the fund is projecting a year end 2021 fund balance of \$3.0 million. The decrease is due to expenditures exceeding revenues by \$0.1 million.

City of Minneapolis
Second Quarter Ending June 30, 2021
Financial Status Report (in thousands of dollars)

Neighborhood & Community Relations Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Transfer from TI funds	7,089	7,089	8,221	3,903	7,805
Total	7,089	7,089	8,221	3,903	7,805
Use of Funds					
Personal Services	1,295	1,215	1,574	754	1,508
Fringes	495	428	543	248	496
Contractual services	5,314	5,425	8,972	2,516	5,832
Materials/Other	70	55	133	17	67
Total	7,174	7,123	11,222	3,535	7,903
Change in Fund Balance	-85	-34	(3,001)	368	(98)
Fund Balance	3,028	3,079		3,447	2,982
Total Cash Balance		3,535		3,520	3,438

City of Minneapolis
Regulatory Services Special Revenue Fund
For the Second Quarter Ending June 30, 2021

Fund Description:

The Regulatory Services Special Revenue fund manages the Renter Relocation funds, and special projects related to downtown traffic management for years 2020-2022. Renter relocation funds are used to assist renters with moving costs if a rental license is revoked. The fund also holds project funds for traffic management for downtown traffic projects. In years 2020-2022, the State and City sought additional traffic management services for major construction projects in downtown Minneapolis. Regulatory Services did not have staff capacity for these projects, so hired staff for the duration of the projects.

Revenue:

Operating revenue earned through second quarter 2021 is \$0.2 million, or 248% of the budgeted amount of \$0.1 million. Project revenues drove collections over budget. The project revenues are from Public Works' projects for which Regulatory Services Traffic Control is providing traffic control services. It is expected these projects will be completed in 2022.

Expenditures:

Operating expense through second quarter 2021 totaled \$0.1 million. Expenses were exclusively related personnel services for traffic control agents providing support to the Public Works projects.

Transfers:

In 2021, this fund receives a one-time transfer in of \$100,000 from the General Fund for renter relocation. The transfer is one time, and revenue will be credited to the fund.

Cash and Fund Balances:

The cash balance at the end of 2020 for the Regulatory Services fund was \$0.2, and the fund is projected to end 2021 with a cash balance of \$0.2 million. Likewise, the fund balance for this fund is currently \$0.2 million and is projected to end the year at \$0.2 million.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Regulatory Services Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Special Assessments	2,370	1,838	-	-	-
Project revenue	4,700	678	-	198	2,020
Transfer In			100	50	100
Total	7,070	2,516	100	248	2,120
Use of Funds Housing related					
Contractual services	3,172	2,894	100	-	40
Housing Related total	3,172	2,894	100	-	40
Use of Funds Traffic related					
Capital Outlay	-	244	-	-	-
Personnel Services	2,821	220	2,500	60	1,868
Fringes	1,209	50	900	9	134
Contractual Services	414	13	400	-	-
Materials/Other	156	33	240	-	18
Traffic related total	4,600	560	4,040	69	2,020
Total Use of Funds	7,772	3,454	4,140	69	2,060
Change in Fund Balance	(702)	(938)	(4,040)	179	60
Fund Balance	(702)	189	(3,851)		249
Total Cash Balance		150			210

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
For the Second Quarter Ending June 30, 2021

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

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

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of June 30, 2021, expenditures were \$6.8 million compared to the 2020 expenditures of \$6.0. The increase in federal expenditures of \$0.8 million is primarily a result the Emergency Rental Assistance (ERA) grant expenditures of \$2.0 million offset by decline in grant award spending in other areas.

The ERA funds are part of the Consolidated Appropriations Act, 2021 which was enacted on December 27, 2020. The U.S. Treasury is responsible for administering the program. The City received its allocation of \$12.9 million in January 2021. The American Rescue Plan Act of 2021 enacted on March 11, 2021 also managed through the U.S. Treasury provided the City with an additional \$4.1 million of ERA2 funding. ERA funds are used to help eligible households through existing or newly created rental assistance programs.

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

HUD Consolidated Plan Funds (01400 & 01500)

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

ranged between \$10.0 to \$11.0 million in recent years. The combined HUD Consolidated Plan allocation for 2021 was over \$16.0 million approximately equivalent to the 2020 allocation. HUD grant expenditures as of June 30 were \$9.7 million compared to \$6.4 million for 2020 which reflects an increase of \$3.3 million from 2020. During 2020, due to the pandemic, the City was awarded approximately \$22.9 million in HUD COVID-19 Supplemental fund for the CDBG, ESG, and HOPWA programs which continue to be expended in 2021 and future years which will result in higher than usual expenditures in these funds.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of June 30, 2021 are \$14.1 million compared to the 2020 expenditures of \$10.2 million. The increase in 2021 expenditures primarily relates to an increase in CPED spending related to their affordable housing development. Overall spending in CPED increased by \$3.9 million in 2021 compared to the prior year.

The revenue in the fund as of June 30, 2021 and 2020 is \$19.1 million and \$13.4 million, respectively. The increase is consistent with the increase in expenditures.

Capital Grants

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

City of Minneapolis
Second Quarter Ending June 30, 2021
Financial Status report (in thousands of dollars)

Federal, CDBG, and Other State and Local Grants Special Revenue Funds

	Federal Grants 01300	HUD Grants 01400 & 01500	Grants Other 01600	Total
Assets				
Cash and Cash Equivalents	13,897	1,468	7,611	22,976
Accounts - net	-	30	6	36
Intergovernmental Receivables	-	-	15	15
Properties Held for Resale	665	6,295	796	7,756
Total Assets	14,562	7,793	8,428	30,783
Liabilities				
Salaries Payable	75	68	155	298
Accounts Payable	130	177	96	403
Inter Governmental Payables	-	148	-	148
Deferred Revenue and Contracts	354	-	77	431
Total Liabilities	559	393	328	1,280
Fund Balance	14,003	7,400	8,100	29,503
Total Liabilities and Fund Balance	14,562	7,793	8,428	30,783
Revenue				
Taxes-Charitable Gambling	-	-	174	174
Grants and Shared Revenues	19,732	8,902	13,058	41,692
Private Grants and Contributions	-	-	4,961	4,961
Charges for Services	-	-	401	401
Interest	-	129	-	129
Rent & Commissions	-	2	2	4
Sale of Lands & Buildings	24	273	-	297
Loan Recapture	229	1,295	-	1,524
Miscellaneous Revenue	54	193	504	751
Transfer within Special Revenue Fund	-	-	4	4
Total Revenue	20,039	10,794	19,104	49,937
Expenditures	6,776	9,690	14,124	30,590
Revenues Over (Under) Expenditures	13,263	1,104	4,980	19,347

City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Second Quarter Ending June 30, 2021

Operating Snapshot (in thousands of dollars):

<i>Programs</i>	<i>Original Budget</i>	<i>Current Budget</i>	<i>Expended</i>	<i>Budget v. Exp</i>	<i>Cash</i>	<i>Fund Balance</i>
Tax Increment Financing	47,356	76,854	14,865	61,989	120,052	145,535
Housing & Econ Dev	3,746	24,814	3,306	21,508	12,179	17,678
General Development	5,352	21,784	1,666	20,118	30,691	34,021
Neighborhood Revitalization	6,990	6,990	1,421	5,569	32,205	32,460
CPED Operating	1,551	1,551	777	774	1,983	1,005
Total	64,996	131,994	22,036	109,958	197,111	230,699

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

Fund Balance. The combined fund balance of CPED Special Revenue Funds at the end of the second quarter 2021 was \$230.7 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the NRP and TIF programs was \$178.0 million, and all of this fund balance is considered restricted. The combined fund balance of the Housing & Economic Development, General Development, and CPED Operating programs was \$52.7 million.

Cash Balance. The combined cash balance of CPED Special Revenue Funds at the end of the second quarter 2021 was \$197.1 million. This was \$9.7 million higher than at the end of second quarter 2020. The combined cash balance in the TIF and NRP programs at the end of second quarter 2021 was \$152.3 million (77.2% of the total).

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

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

Cash at the end of second quarter 2021 was \$120.1 million, which was \$18.5 million higher than cash at the end of second quarter 2020. Second quarter 2021 revenues were \$1.2 million, which was approximately \$365,000 higher than in 2020. Second quarter 2021 expenditures were \$5.7 million, which was \$.5 million less than in 2021.

In the second quarter of 2021, total expenditures exceeded revenue by \$4.5 million. With the additional net transfer out of \$6.6 million, overall fund balance decreased by \$11.0 million from \$156.5 million to \$145.5 million.

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

Cash at the end of second quarter 2021 was \$12.2 million, which was \$1.4 million more than cash at the end of second quarter 2020. Second quarter 2021 revenue was \$0.3 million, which was approximately \$0.3 million less than 2020. Second quarter 2021 expenditures were \$3.3 million, which was \$3.6 million less than in 2020.

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

Cash at the end of second quarter 2021 was \$30.7 million, which was \$4.0 million less than cash at the end of second quarter 2020. Second quarter 2021 revenues were \$0.8 million, which was \$0.2 million higher than in 2020. Second quarter 2021 expenditures were \$1.7 million, which was \$1.4 million less than in 2020.

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

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

Cash at the end of second quarter 2021 was \$32.2 million, which was \$1.0 million higher than cash in the second quarter 2020. Second quarter 2021 revenues were \$1.3 million, which was \$.5 million higher than in 2020. Second quarter 2021 expenditures were \$0.6 million, which was \$0.7 million less than in 2020.

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

At the end of second quarter 2021, this program had a fund balance of \$1.0 million and cash balance of \$2.0 million. Expenditures during this period exceeded revenues by nearly \$0.7million and there were no transfers from/to other funds.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

CPED Special Revenue Funds

	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q2 2021 Total	Q2 2020 Total
Assets							
Cash	120,052	12,179	30,691	32,205	1,983	197,110	187,448
Misc receivables	338	22	81	80	11	532	114
Loans receivable	-	5,800	-	-	-	5,800	6,227
Advances to other funds	389	-	-	-	-	389	3,273
Properties held for resale	25,339	5,685	3,625	236	-	34,885	34,754
Total Assets	146,118	23,686	34,397	32,521	1,994	238,716	231,816
Liabilities							
Payables	195	4	57	60	566	882	155
Advances from other funds	389	-	-	-	-	389	523
Deposits held for others	-	204	319	-	424	947	944
Deferred inflow of resources	-	5,800	-	-	-	5,800	6,233
Total Liabilities	584	6,008	376	60	990	8,018	7,855
Total Fund Balance	145,534	17,678	34,021	32,461	1,004	230,698	223,961
Total Liabilities & Fund Balance	146,118	23,686	34,397	32,521	1,994	238,716	231,816
Revenue							
Fees & charges for services	958	183	96	-	38	1,275	608
Interest revenue	64	75	201	198	18	556	3,011
Rent	6	-	2	-	-	8	124
Sale of land & buildings	-	8	171	-	-	179	10,299
Loan recapture	195	-	349	1,082	-	1,626	1,583
Total revenue	1,223	266	819	1,280	56	3,644	15,625
Expenditures							
Personal services	176	4	521	-	(2)	699	859
Contractual services	2,510	927	805	513	777	5,532	3,875
Other operating costs	(3)	35	113	2	3	150	364
Program capital outlay	2,988	2,341	227	106	-	5,662	6,402
Total expenditures	5,671	3,307	1,666	621	778	12,043	11,500
Transfers							
Transfers from other funds	2,629	1,623	-	-	-	4,252	9,296
Transfers to other funds(-)	(9,192)	-	-	(800)	-	(9,992)	(35,107)
Total transfers	(6,563)	1,623	-	(800)	-	(5,740)	(25,811)
Change in fund balance	(11,011)	(1,418)	(847)	(141)	(722)	(14,139)	(21,686)
Beginning fund balance	156,545	19,096	34,868	32,602	1,726	244,837	245,647
Ending fund balance	145,534	17,678	34,021	32,461	1,004	230,698	223,961

City of Minneapolis
Engineering, Materials, and Testing
For the Second Quarter Ending June 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06000	2021 Budget	06/30/2021 Actual	Projected YE 2021	2020 Actual
Operating Revenue	9,046	3,101	8,444	8,181
Operating Expense	9046	2,948	8,423	8,226
Operating Margin	-	152	21	(45)
Change in Net Position		152	21	(45)
Net Position		667	536	515
Cash Balance		2,072	1,976	1,955

Program Description:

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

This fund generates revenue from testing and inspection services provided by the Engineering Laboratory and the sale of concrete and asphalt from outside vendors to other City departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector and generates adequate revenue to cover the fund's direct and indirect expenses.

Revenue:

Operating revenue earned through second quarter 2021 is \$3.1 million, or 34.3% of the budgeted amount of \$9.0 million. The 2021 second quarter revenue of \$3.1 million represents an increase of 14.0% over the second quarter 2020 revenue of \$2.7 million. Revenue (and expenses) for the first half of the year is dependent upon several factors such as weather as well as the timing of construction projects. These variables can result in substantial variances in the amount of revenue (and expenses) recorded through second quarter from year to year.

Expense:

Operating expense through second quarter 2021 is \$3.0 million, or 32.6% of the budgeted amount of \$9.0. The 2021 second Quarter expense reflects an increase of 16.2% over the 2020 expense of \$2.5 million incurred through the same period. As noted above, expenses for the first half of the year are dependent upon several factors such as weather as well as the timing of construction projects.

Transfers:

This fund does not have any transfers in or out in 2021.

Debt Service:

This fund does not have any debt obligations.

Forecast:

The 2021 Operating revenue is projected to be \$8.4 million or 93.3% of the budgeted amount of \$9.0 million. Operating expense is projected to be \$8.4 million or 93.1% of the budgeted amount of \$9.0 million. The projected amounts are expected to be lower than the budgeted amounts due to COVID19 which resulted in the hiring and wage freeze, and lower project activities, which in turn is expected to lower the revenue and expense for the 2021. These projections result in a slight increase of \$21,000 from the 2020 ending net position of \$0.5 million. The 2021 year-end cash balance is projected to be \$2.0 million, which is slightly higher than the 2020 ending balance of \$2.1 million due to the expected increase in the operating margin.

Cash and Net Position

The 2021 second quarter cash balance is \$2.1 million, an increase of \$0.1 million from the 2020 year-end balance of \$2.0 million. The increase in cash through second quarter is due to timing differences between the receipt and payment of invoices for asphalt and concrete and billing these purchases to other City departments. At June 30, 2021, the fund had an accrual of \$0.4 million for June invoices for asphalt and concrete that was paid in July. Had these invoices been paid in June, the cash balance would be reduced to \$1.6 million. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15.0% of the operating budget excluding materials and related costs or \$0.4 million.

The 2020 year-end net position was \$0.5 million as it was in the 2019 ending balance of \$0.5 million. The financial policy for the net position for this fund determines that net position should not be less than 15.0% of the annual operating budget excluding materials and related costs, or \$0.4 million for the 2020.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Engineering, Materials and Testing Internal Service fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Asphalt / Concrete	6,489	5,889	6,489	2,351	6,099
Inspection revenue	2,536	2,292	2,557	750	2,345
Total	9,025	8,181	9,046	3,101	8,444
Use of Funds					
Personnel Services	851	964	1,062	462	970
Fringes	322	318	383	168	322
Contractual services	1,148	1,221	1,313	425	1,203
Materials/Other	6,253	5,690	6,256	1,877	5,896
Rent	34	34	32	16	32
Total	8,607	8,226	9,046	2,948	8,423
Change in Net Position	418	(45)	-	152	21
Net Position	928	515	515	667	536
Total Cash Balance	2,551	1,955	1,955	2,072	1,976

City of Minneapolis
Fleet Services Internal Service Fund
For the Second Quarter Ending June 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06100	2021 Budget	06/30/2021 Actual	Projected YE 20201	2020 Actual
Operating Revenue	38,211	19,029	38,531	33,051
Operating Expense	38,866	17,745	39,101	33,335
Change in Net Position	(655)	1,284	(570)	(284)
Net Position		95,129	93,275	93,845
Cash Balance		30,143	25,929	35,396

Program Description:

The Fleet Services Internal Service Fund manages the acquisition, maintenance, and disposal of approximately 1,700 units of equipment, primarily the City’s fleet of vehicles, including police cars, fire trucks, snowplows, sedans, and pickup trucks along with off-road equipment. This fund provides the services of technicians to maintain the equipment. In addition, the fund manages the field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles. The Public Works Department is responsible for management of the operations within the fund.

The Fleet Services Division develops fleet replacement programs for all vehicles and equipment to meet the needs of City departments. The City departments are allocated a rental rate for these units that is calculated through an activity-based cost allocation model and designed to capture the replacement cost of the vehicle. Fleet Management also monitors and reports on fleet utilization, registers and licenses all City vehicles. The City’s fleet of vehicles and equipment has an acquisition value of \$100.1 million and accounts for 64.2% of the net value of the long-term assets in this fund.

Revenue:

Operating revenue earned through second quarter 2021 is \$19.0 million or 49.7% of the budgeted amount of \$38.2 million. The revenue earned through second quarter 2021 decreased by \$1.3 million, or 6%, from the revenue earned through second quarter 2020. This decrease is due to less usage of equipment, lower fuel costs, and because there were no transfers into the fund from other funds as there were in 2020.

Expenses:

Operating expense through second quarter 2021 totaled \$17.7 million representing 45.5% of the annual budget of \$38.9 million. Expenses through the second quarter of 2021 decreased \$55 from the total expense of \$17.8 million through the same period in 2020. Minor variances in spending categories are in line with the budget and expectations.

Transfers:

For 2021 there will be no transfers in or out for the fund.

Debt Service:

This fund has no debt obligations in 2021.

Forecast:

Operating revenue is projected to be \$38.5 million which is \$320 thousand or 0.8% more than the budgeted amount of \$38.2 million. Projected revenue is more than budgeted primarily due to an increase in external contract rental charges. Operating expense is projected to be \$39.1 million or 0.5% more than the budgeted

amount of \$38.9. After non-operating revenue is recorded, a decrease to net position of \$0.5 million is projected compared to the budgeted decrease of \$655 thousand, resulting in a projected ending net position of \$93 million. Ending cash is projected to be \$25.9 million a decrease of \$8.3 million from the 2020 ending cash balance of \$35.4 million. The decrease in cash is due to the timing of capital purchases, which vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others.

Cash and Net Position:

The fund has maintained a positive cash balance with a second quarter 2021 ending balance of \$30.1 million a decrease of \$4.1 million from the 2020 second quarter ending balance of \$34.2 million. Reserve policies for internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget plus 1.5 times the next year's capital or \$23.3 million.

The net position for year ending 2020 was \$93.8 million, an increase of \$7.7 million, or 8.9% over the 2019 ending balance of \$86.2 million. The increase in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles.

Financial reserve policies for the internal service funds determine that the minimum net position for the Fleet Services Division Fund should be twice the depreciation amount or \$19.8 million.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Fleet Services Internal Service Fund

	2020 Final Budget	2020 Year end Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Net transfer in from other funds	317	317	-	-	-
Charges for Services	9,399	8,665	9,378	4,001	8,906
Charges for Sales	7,975	6,316	7,628	3,031	6,455
Gains	500	754	500	625	625
Rent	22,818	16,998	20,705	11,305	22,412
Other Misc Revenue	10	1	-	67	133
Total Operating Revenue	41,019	33,051	38,211	19,029	38,531
Use of Funds:					
Transfers out	2,000	2,000	-	-	-
PW Equipment Operations	23,808	22,237	24,917	14,931	25,152
PW Equipment Capital	13,258	9,098	13,949	2,814	13,949
Total Operating Expenses	39,066	33,335	38,866	17,745	39,101
Change in Net Position	1,953	(284)	(655)	1,284	(570)
Net Position	88,124	93,845	93,190	95,129	93,275
Cash Balance	35,680	35,396	26,040	30,143	25,929

City of Minneapolis
Property Services – Internal Service Fund
For the Second Quarter Ending June 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06200	2021 Budget	06/30/2021 Actual	Projected YE 2021	2020 Actual
Operating Revenue	26,291	13,008	26,410	27,703
Operating Expense	30,094	11,528	28,255	29,146
Operating Margin	(3,803)	1,481	(1,845)	(1,443)
Change in Net Position		1,481	(1,845)	(1,443)
Net Position		37,758	34,432	36,278
Cash Balance		7,537	4,478	6,323

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City’s emergency communications network. The Property Service fund collects the rental charge for City Hall and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2021 revenue and expense budgets for the fund were increased by \$3.5 million (after the \$2.0 million council approved MBC rent reduction) to account for this flow-through rental charge. The City departments located in City Hall receive a General Fund appropriation to fund the charge for the rent.

Included in the Property Services Division is the Property Disposition Fund (06210) and Asset Preservation Fund (06220). The Property Disposition Fund was created in section 14.120 of City Ordinance for the purpose of recording proceeds from the sale of City property. The ordinance did not specify the use of proceeds. Some of the proceeds were expended on capital projects upon City Council approval. The Asset Preservation Fund was created since 2020 for the purpose of recording the activities related to the capital repairs and upgrades.

Revenue:

Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Beginning in 2016, funding for City building capital repairs and upgrades is also managed through the rent allocation model. City departments that occupy City buildings are charged additional rent to fund these projects. Previously, capital repairs and upgrades were funded through net debt bonds. The amount allocated annually for this purpose is \$4.0 million.

Operating revenue recorded through second quarter 2021 is \$13.0 million, or 49.5% of the budgeted amount of \$26.3 million. The 2021 second quarter revenue decreased by \$0.7 million, or 5.3%, from the revenue earned through second quarter 2020. This is mainly because through the second quarter of 2020, the fund collected \$0.7 million as miscellaneous revenue through rent allocation (\$0.5 million from CPED for PSC debt financing and \$0.2 million for Currie Debt Payment); but this program ended in 2020; and this makes the 2021 revenue less compare to 2020. Revenue received from charges for services, including operating repairs and upgrades, also fluctuates based on the amount of discretionary spending available to departments and the timing of work done.

Expenses:

Operating expense through second quarter of 2021 is \$11.5 million, or 38.3% of the total budgeted amount of \$30.1 million. The 2021 second quarter expense decreased \$3.2 million, or 21.9%, from the operating expense recorded through second quarter 2020. The variance is primarily due to increased expenses in 2020 due to rolled over projects. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work done.

Transfers:

For 2021, this fund receives a transfer in from the General Fund totaling \$0.8 million to support the City Hall rent expense. The fund will also transfer out \$0.2 million to the Water Fund to cover the cost for the maintenance at the Kenwood Water Tower. The transfer will be made for the amount equal to the incurred cost up to \$0.2 million.

Debt Service:

There is no outstanding debt service for 2021.

Forecast:

2021 Operating revenue is projected to be \$26.4 million or 0.5% more than the budgeted amount of \$26.3 million. The operating expense is projected to be \$28.3 million or 6.1% less than the budgeted amount of \$30.1 million. The projected expenses are less than the budgeted expenses due to the \$2 million expected delay in capital repairs and upgrades. The result is a projected operating margin loss of \$1.8 million, compared to the budgeted operating margin loss of \$3.8 million. The projected operating loss is mostly due to the City Council approved rollover of unspent 2020 asset preservation funds to 2021 for \$3.9 million, which in turn is offset by the \$2.0 million expected project delays in 2021.

The 2021 ending cash balance is projected to be \$4.5 million, a decrease of \$1.8 million from the 2020 year-end balance of \$6.3 million. The decrease in cash is due to timing and some of the capital repairs and upgrade projects, originally budgeted in 2020, are expected to be completed in 2021.

Cash and Net Position:

The cash balance at the end of second quarter 2021 was \$7.5 million compared to a cash balance of \$6.5 million at the end of second quarter 2020. The cash through the second quarter of 2021 consists of a balance of \$1.7 million in the Property Disposition fund and a balance of \$5.9 million in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$4.5 million for the Property Services fund in 2021.

The net position for the year ending 2020 was \$36.3 million, an increase of \$2.4 million from the net position of \$33.9 million for year ending 2019. This increase is due to the delay of the capital improvement projects in 2020, which are planned to be completed in 2021. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2020 was \$0.8 million and the projected net position in 2021 is \$32.8 million greater than the benchmark, which is \$1.6 million.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report in thousands of dollars

Property Services Internal Service fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services and Sales	2,259	5,102	3,066	1,480	3,246
Rents Public Works and Other	21,543	21,510	22,450	11,140	22,388
Miscellaneous Revenue	820	855	3	2	3
Transfer-In from other funds	237	237	772	386	772
Total	24,858	27,703	26,291	13,008	26,410
Use of Funds					
Personnel Services	4,229	5,801	6,530	3,137	6,750
Fringes	1,631	2,472	2,541	1,304	2,587
Contractual services	21,750	17,185	18,202	5,658	16,035
Materials/Other	1,087	1,895	1,632	940	1,694
Rent	897	897	977	489	977
Transfer-Out to other funds	895	895	212	-	212
Total	30,490	29,146	30,094	11,528	28,255
Change in Net Position	(5,632)	(1,443)	(3,803)	1,481	(1,845)
Net Position	28,252	36,277	32,474	37,758	34,432
Total Cash Balance	2,516	6,323	2,520	7,537	4,478

**City of Minneapolis
Public Works Stores
For the Second Quarter Ending June 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 06300	2021 Budget	06/30/2021 Actual	Year Ending Projected 2021	Year Ending Actual 2020
Operating Revenue	1,608	924	2,034	1,911
Operating Expense	1,608	862	1,695	1,800
Operating Margin	-	62	339	351
Change in Net Position		62	339	351
Net Position		5,978	6,255	5,916
Cash Balance		974	1,466	1,126

Fund Description:

The Public Works Stores Fund accounts for the centralized procurement, receiving, warehousing and distribution of stocked inventory items and the purchase of special goods and services. The fund's mission is to provide goods in a cost-effective manner to City departments through two Central Stores warehouses and one Traffic Stores warehouse.

Revenue:

Operating revenue through the second quarter of 2021 is \$0.9 million, or 57.5% of the budgeted amount of \$1.6 million. The revenue earned through second quarter of 2021 increased by \$82,747, or 9.8%, from the revenue earned through second quarter 2020. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue is due to a \$68,514 increase in Central stores overhead charges at the Hiawatha location and a \$31,186 increase in overhead charges in Traffic stores. These revenue increases are offset by a decrease in Central stores overhead charges at the Roylton location of \$16,129 and a decrease in Traffic Stores for selling merchandise to outside customer of \$824.

Expenses:

Operating expense through the second quarter of 2021 is \$0.9 million, or 53.6% of the budgeted amount of \$1.6 million. The amount expended through second quarter of 2021 increased by \$32,885, or 4.0%, from the \$828,991 expended through the same period in 2020. The increase is due to an increase in contractual services of \$68,584. This expense increase is partially offset by a decrease in personnel of \$22,237 and in material of \$13,462. This reduction in expense is due to the budget cut for an economic crisis induced by the coronavirus pandemic in 2020. It is carrying over into 2021.

Transfers:

There are no transfers in or out of this fund in 2021.

Debt Service:

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

Forecast:

Operating revenue is projected to total \$2.0 million at year-end, exceeding the budgeted revenue of \$1.6 million by \$0.4 million or 26.5%. This increase is mostly due to increased overhead charges to inventory sales and transaction processing. Operating expense is projected to be \$1.7 million, representing a 5.4%, or \$86,907 increase from the budgeted amount of \$1.6 million. The cost of inventory that is resold to City departments is excluded from the total expense of the Public Works Stores Fund. As a result, increased

inventory purchases do not increase the overall expense of the fund. These year-end projections result in an increase to net position of \$0.1 million compared to a budgeted increase of \$0, and a projected ending net position of \$6.2 million.

Cash and Net Position:

The fund has maintained a positive cash balance at the end of second quarter 2021 is \$1.0 million, a decrease \$0.1 million from 2020 year-end balance of \$1.1 million. The decrease in cash is primarily due to a 4.0% increase in inventory purchases. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15.0% of the annual operating budget, or \$0.2 million. The cash balance is \$0.7 million more than its target.

The fund continues to maintain a positive net position with a 2020 ending balance of \$5.9 million, an increase of \$0.3 million from the 2019 ending balance of \$5.6 million. The financial policy for the net position for the Public Works Stores Fund determines that a net position should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Public Works Stores Internal Service Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services	1,493	1,824	1,558	882	1,959
Charges for Sales	50	87	50	42	75
Total	1,543	1,911	1,608	924	2,034
Use of Funds					
Personal Services	835	850	873	395	816
Fringes	372	373	381	184	381
Contractual services	244	336	275	212	375
Materials/Other	76	241	79	71	123
Total	1,528	1,800	1,608	862	1,695
Change in Net Position	15	351	-	62	339
Net Position	5,580	5,916	5,916	5,978	6,255
Total Cash Balance	2,553	1,126	1,126	974	1,466
Target Cash Reserve	229	229	241	241	241
Variance Operating Cash to Target Cash Reserve	2,324	897	885	733	1,224

City of Minneapolis
Intergovernmental Services Fund
For the Second Quarter Ending June 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06400	2021 Budget	06/30/2021 Actual	Projected YE 2021	2020 Actual
Operating Revenue	37,348	20,548	40,905	46,375
Operating Expense	38,707	20,858	41,304	47,457
Change in Net Position		(310)	(399)	(1,082)
Net Position		22,279	22,190	22,589
Cash Balance		11,560	11,560	14,033

Program Description:

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

Revenue:

Operating revenue through the second quarter of 2021 is \$20.5 million, or 55.0% of the annual budgeted amount of \$37.3 million. This is a decrease of \$1.5 million, or 6.8%, compared to revenue of \$22.0 million earned through second quarter of 2020. This decrease is because of cost saving measures in the allocation model which results in lower charges to other City departments and lower revenue to the IT fund.

Expenses:

Operating expenses through the second quarter are \$20.9 million or 53.9% of the annual budgeted amount of \$38.7 million. The operating expense through second quarter decreased \$1.6 million, or 7.2%, from the 2020 expense of \$22.5 million.

Administration expenses of \$7.9 million through the second quarter decreased 1.5% over the 2020 amount of \$8.0 million through the same period. This decrease is mostly due to a 16.0% decrease for licenses.

PMO- Work for others department expenses of \$1.1 million decreased by \$0.7 million through the second quarter or 38.9% under the 2020 amount of \$1.8 million through the same period. This decrease is due to cost saving measures by putting projects on hold for 2021 and less work for others being performed.

Infrastructure Services expenses of \$2.6 million decreased by \$0.6 million or, 18.8% through the second quarter. Less than the 2020 amount of \$3.2 million through the same period. This decrease is due to fewer repair and maintenance expenses and capital hardware expenses. Also, there were more Service Now orders for equipment in 2020 as employees transitioned to remote work which was new for most.

Debt:

The fund does not have any outstanding debt service obligations.

Transfers:

In 2021 this fund will receive transfers in from the general fund totaling \$0.1 million for City Hall rent.

In 2021, the fund includes will have no transfers out which is \$1.0 million less than 2020.

Forecast:

Operating revenue is projected to be \$40.9 million or \$3.6 million more than the budgeted amount of \$37.3. Operating expenses are expected to be \$41.3 million or \$2.6 million more than the budgeted amount of \$38.7 million. These projections result in an expected operating margin deficit of \$0.4 million as compared to a budgeted operating margin deficit of \$1.4 million. The projected deficit is due mainly to expected projects and work for others that is not budgeted.

The fund is projecting a net position of \$22.2 million compared to a budgeted \$21.2 million. The projected increase of \$1 million to net position is primarily due to less project work for others expense and because there were no transfers out of the fund for 2021. 2021 projected year-end net position of \$22.2 million represents a decrease of 26.4% from the 2020 net position of \$30.2 million.

The year-end cash balance is projected to be \$12.2 million which represents a decrease of 3.2% from the cash balance at year-end 2020 of \$12.6 million. The decrease is mostly due to the use of an estimated \$83,802 in unearned revenue to fund PMO projects.

Cash and Net Position:

The cash balance at the end of second quarter is \$11.6 million, representing a decrease of \$1.0 million from the second quarter of 2020, and a decrease of \$2.4 million from 2020 year-end balance of \$14.0 million. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15.0% of the fund's total budget or \$5.8 million.

The net position at year-end 2021 is projected to be \$22.2 million, a decrease of \$0.4 million from the year-end 2020 net position of \$22.6 million. This decrease to net position is partly due to efforts to contain costs and to limit projects for others. These efforts are to recover from losses due to the pandemic in 2020.

Financial reserve policies for the internal service funds determine that the minimum net position for the Intergovernmental Services Fund should be twice the depreciation amount or \$18.9 million. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the fund will continue to exceed the target net position in future years.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Intergovernmental Services Internal Service Fund

	2020 Actual Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Service - IT	37,058	38,478	35,205	17,605	35,210
Charges for Service - City Clerk	1,424	1,678	1,385	788	1,385
Work for Others	-	4,428	644	2,098	4,196
Operating Transfers In	209	1,791	114	57	114
Total	38,691	46,375	37,348	20,548	40,905
Use of Funds:					
Transfers	1,000	1,000	-	-	-
City Clerk	1,486	2,037	1,470	561	1,470
Information Technology	41,555	34,358	36,381	18,398	36,148
Work for Others	-	6,865	856	1,829	3,547
COVID	-	3,197	-	70	139
Total	44,041	47,457	38,707	20,858	41,304
Change in Net Position	(5,350)	(1,082)	(1,359)	(310)	(399)
Net Position	25,319	22,589	21,230	22,279	22,190
Total Cash Balance	12,616	14,033	12,674	11,560	12,275

City of Minneapolis
Self-Insurance Fund
For the Second Quarter Ending June 30, 2021
Report in thousands of dollars

Operating Snapshot (in thousands of dollars):

Fund 06900-06950	2021 Budget	06/30/2021 Actual	Projected YE 2021	Actual YE 2020
Operating Revenue	138,336	81,550	139,814	120,018
Operating Expense	110,306	46,559	135,699	105,070
Operating Margin	28,030	34,991	4,114	14,948
Change in Net Position		34,991	4,114	(77,525)
Net Position		(62,849)	(93,725)	(97,840)
Cash Balance		141,425	112,246	108,131

Program Description:

The Self-Insurance Fund accounts for accrued sick leave benefit, tort liability, workers' compensation, civil attorney and risk management services, and the administrative functions to support these activities. An activity-based cost allocation model determines the charge allocated to City departments to provide for self-insurance related to tort liability and workers' compensation. The annual charges are calculated using data determined by an actuarial study based on each City department's responsibility for liability and worker compensation expense. The cost allocation model also assigns a charge for HR employee benefit administration and attorney and risk management services. Beginning in 2021, HR employee benefit administration is recorded to the General Fund instead of the Self-insurance fund.

Revenue:

Operating revenue through the second quarter of 2021 is \$81.6 million or 59.0% of the annual budgeted amount of \$138.3 million. This is an increase of \$25.9 million, or 46.4%, compared to \$55.7 million earned through the second quarter of 2020. The primary reason for the increase is due to a transfer of \$27.0 million from the General fund to support the Floyd settlement payment. This revenue increase is offset by a \$1.0 million decrease in premium stabilization medical and a \$252,579 decrease in payments received from the State as refunds for medical and indemnity payments and subrogation claims.

Expenses:

Operating expenses through the second quarter of 2021 are \$46.5 million or 42.2% of the annual budgeted amount of \$110.3 million. This is an increase of \$6.1 million, or 5.6%, compared to \$40.4 million expended through the second quarter of 2020. The increase in operating expense is due to a \$4.4 million increase in medical insurance claims and a \$1.1 million increase in the employee sick leave payout at retirement. The increase is also related to a \$0.8 million in amount paid out for workers' compensation claims and a \$0.3 million for workers' compensation legal consulting services. These expense increases are offset by a decrease in HR employee benefit of \$1.0 million.

Debt Service:

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

Transfers:

In 2021, the fund receives a transfer in from the general fund totaling \$0.4 million to assist with the cost of City Hall rent for the City Attorney's Office. The fund also receives a transfer in from the General Fund of \$27.0 million to support the Floyd settlement payment.

Forecast:

Operating revenue is projected to be \$139.8 million or \$1.5 million more than the budgeted amount of \$138.3 million. The source of this increase is due to a \$2.3 million projected increase in payments received for duty disabled officers. The projected revenue increases are offset by a decrease in dental insurance premiums of \$785,627. Operating expense is projected to be \$135.7 million, or \$25.4 million more than the budgeted amount of \$110.3 million. The primary reason that operating expense is projected to be more than budgeted is due to a \$27.0 million settlement paid out to the Floyd family and a \$12.5 million to be paid out for workers' compensation claims. The increase in projected expenses are offset by a decrease in Medical claims and admin fees of \$10.0 and a decrease in Dental claims of \$1.1 million. The projections will result in a projected operating margin gain of \$4.1 million as compared to the budgeted operating margin gain of \$28.0 million.

These year-end projections result in an increase to net position of \$35.0 million, compared to the budgeted \$28.0 million, and a projected ending net position amount of negative \$93.7 million. The projected ending cash balance for 2021 is \$112.2 million compared to \$108.1 million at year-end 2020. The increase in cash and net position in 2021 primarily the result of an increase in medical insurance premiums compared to the medical claims payout.

Cash Balance and Net Position:

The cash balance at end of second quarter is \$141.4 million, or an 25.8% increase, compared to a cash balance of \$106.3 million at end of second quarter 2020. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self-Insurance Fund should be equal to the unpaid claims liability plus 10.0% of the fund's operating budget and 35.0% of medical self-insurance claims or \$203.2 million. The unpaid claims liability at year-end 2021 is \$178.5 million, an increase of \$5.9 million from the year-end 2020 unpaid claims liability of \$172.6 million. The cash balance is \$61.8 million less than its target.

The net position at year-end 2020 is a negative amount of \$97.8 million, an increase of \$77.5 million from the 2019 year-end net position a negative amount of \$20.3 million. The financial reserve policy relating to the internal service funds states that the net position for the Self Insurance Fund should not fall below zero.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report in thousands of dollars

Self-Insurance Fund Internal Service Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Service(Cost allocations+Employment Serv)	31,132	30,849	31,591	15,756	31,512
Other Misc Revenues (Refund from State+Other misc)	1,021	1,282	1,000	704	1,000
Medical Ins Premiums	69,224	67,595	71,172	34,636	73,404
Dental Premiums	4,271	3,481	4,271	1,747	3,485
Health and Welfare (Severence-Sick leave at retirement)	2,863	3,075	2,934	1,522	3,043
Operating Transfers In	324	13,736	27,368	27,184	27,368
Total	108,835	120,018	138,336	81,550	139,814
Use of Funds:					
Attorney (06900)	7,338	6,862	7,376	3,527	7,119
Human Resources (06900)	2,182	2,099	-	(32)	-
Finance Dept - Risk Mgmt/Financial Accounting (06900)	2,456	2,088	2,586	1,318	2,355
Liability (06940)	6,175	3,624	9,211	1,451	30,123
Workers Compensation (06930)	12,827	13,435	12,756	7,287	28,818
Medical Claims and Admin Fees (06910)	64,999	59,327	71,172	29,594	61,197
Delta Dental payments (06920)	4,271	2,918	4,271	1,563	3,153
Health and Welfare (06950-Sev.-Sick leave at retirement)	2,863	1,305	2,934	1,852	2,934
Transfers	-	13,412			
Total	103,111	105,070	110,306	46,559	135,699
Change in Net Position	5,724	(77,525)	28,030	34,991	4,114
Net Position	(14,591)	(97,840)	(69,809)	(62,849)	(93,725)
Total Cash Balance	99,307	108,131	136,162	141,425	112,246
Target Cash Reserve	194,697	194,697	203,204	203,204	203,204
Variance Operating Cash to Target Cash Reserve	(95,390)	(86,565)	(67,043)	(61,779)	(90,958)

**City of Minneapolis
Sanitary Sewer Fund
For the Second Quarter Ending June 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 07100	2021 Budget	06/30/21 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	91,711	40,673	86,738	85,220
Operating Expense	76,833	34,288	73,532	70,963
Operating Margin	14,878	6,385	13,206	14,257
Change in Net Position		2,067	190	10,938
Net Position		141,435	139,558	139,368
Cash Balance		13,393	13,696	13,506

Program Description:

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

Revenues:

Monthly utility billing for sewer services is the main source of revenue. With sewer revenue of \$40.7 million recognized through the end of second quarter, the Sanitary Sewer Fund earned 44.3% of the 2021 revenue budget. This is a decrease of \$2.2 million, or 5.2%, compared to \$42.9 million earned through June of 2020. The utility service revenues accounted for \$2.6 million of the increase due to increase in rates. SAC fees, which fluctuate based on overall economic activities outside of City operations, decreased by \$4.9 million. This decrease is offset by an equivalent decrease in sewer availability charges (or SAC expenses).

The variable rate for utility charges was set at \$4.84 per unit, an increase of \$0.30 over 2020. The fixed rate, which is based on meter size, was increased by \$0.50, from \$6.30 to \$6.80.

Expenses:

The Sanitary Sewer Fund's total operating expenses through the second quarter were \$34.3 million compared to \$36.4 million for 2020. This is an decrease of \$2.1 million, or 5.8%, and reflects the following changes from 2020: (i) SAC charges decreased by \$4.2 million due to less activities in the first six months due to Covid-19; (ii) Met Council charges increase of \$2.1 million; (iii) decrease in Sewer Maintenance by \$0.4 million; and (iv) increase in Admin of \$0.3 million due to an increase in Private Sewer Line Repairs.

The Met Council rate increased by 9.7% for 2021 services. The Met Council charges are the largest expense of the fund and the monthly expense is \$4.0 million. These municipal wastewater discharge rates are set by the Metropolitan Council on a yearly basis and are based on an allocation of overall costs incurred by MCEs for waste processing for customer communities.

Transfers:

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$1.1 million and, through the end of the second quarter, \$0.5 million has been transferred to Water Treatment and Distribution Services.

Debt Service:

For 2021, the debt service cost was budgeted at \$7.6 million. Through the second quarter, no principal and \$0.7 million in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing. The Fund's long-term debt totals \$43.2 million on June 30, 2021.

Cash and Net Position:

The current cash balance is \$13.4 million and the Fund's net position stands at \$141.4 million. 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 was \$19.2 million. The \$5.8 million Cash Reserve shortage is largely due to lower commercial revenues due to COVID-19 in 2020 as well as the first few months in 2021. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance.

The Net Position at year end 2020 includes recognition of long-term pension liabilities in accordance with GASB Statement No. 68.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Sanitary Sewer Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Service	76,855	72,922	81,505	38,344	79,688
SAC Revenues	9,000	10,574	10,000	2,299	7,000
Other Misc Revenues	400	1,724	207	31	50
Charges for Service - Capital	1,000	1,164	1,000	-	1,000
Proceeds from Long Term Liabilities	12,000	14,865	13,000	209	18,500
Total	99,255	101,249	105,711	40,882	106,238
Use of Funds:					
PW-Sewer Design	1,417	1,208	1,053	415	1,189
PW-Sewer Maintenance	8,258	8,017	9,119	3,366	8,502
MERF Debt Service -New Plan	210	210	210	-	210
Met Council Environment Svcs	52,865	54,330	58,137	26,334	55,148
Payment for City Services	6,051	5,728	6,614	3,280	6,614
PW - Sewer Admin	1,506	1,470	1,700	893	1,869
Debt Service	6,686	6,457	7,597	651	7,597
Future Debt Service	1,725	-	-	-	200
Transfer to Water Fund	879	879	1,072	535	1,072
PW - Capital Programs	14,100	12,012	17,000	3,340	23,647
Total	93,697	90,311	102,502	38,815	106,048
			-		-
Change in Net Position	5,558	10,938	3,209	2,067	190
Net Position Balance	135,002	139,368	142,577	141,435	139,558
Total Cash Balance	12,989	13,506	16,715	13,393	13,696
Target Cash Reserve	17,577	17,741	19,208	19,208	18,383
Variance Cash Balance to Target	(4,588)	(4,235)	(2,493)	(5,816)	(4,687)

**City of Minneapolis
Storm Water Fund
For the Second Quarter Ending June 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 07300	2021 Budget	06/30/2021 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	44,767	22,232	44,767	45,980
Operating Expense	31,878	12,568	29,678	28,195
Operating Margin	12,889	9,664	15,089	17,785
Change in Net Position		(1,415)	(14,752)	(3,520)
Net Position		354,000	340,663	355,415
Cash Balance		26,237	13,915	28,667

Program Description:

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

Revenue:

Operating Revenues earned through second quarter of 2021 were \$22.2 million, or 49.7% of the budgeted amount of \$44.8 million. This is a decrease of \$0.5 million, or 2.2% compared to \$22.7 million earned for the same period in 2020. Storm utility revenues increased \$0.4 million, or 1.8%, to \$21.6 million, up from \$21.2 million for the same period in 2020. This is mainly due to the 1.5% increase in rates. Other services provided decreased by \$0.7 million due to a decrease in work done for the Park Board. Reimbursements, with a total revenue of \$0.6 million, based on maintenance agreement with the State and County, made up the rest of the operating revenue.

Expenses:

Operating expenses through the second quarter were \$12.6 million, or 39.4% of the 2021 expense budget. The expenses were \$1.2 million, or 9.0%, lower than the \$13.8 million reported for the same period in 2020, due mainly to: (i) \$0.7 million less spent on work for others including work done for the Park Board; (ii) \$0.5 million less spent on Street Cleaning due to the civil unrest in 2020; (iii) \$0.5 million less spent on Design due to less activities in 2021 as well as open positions not filled, and (iv) \$0.3 million more spent on Water Resources due to more activities in this area. Resources from Design were re-assigned to Water Resources.

Transfers:

A transfer from this fund is made to General Fund to support two environmental service-related FTE's relating to the Clean Water Act. For 2021, this was \$110,000 of which \$55,000 has been transferred so far. An additional amount of \$1.6 million will be transferred to the Capital Paving program during the fourth quarter as a contribution to help fund the 20-year additional paving plan.

Debt Service:

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The Fund completed paying off all its debt service obligations by the end 2016. In 2019 new debt started to be issued on a regular basis due to additional capital programs needing financing. In 2021, payment of interest was \$0.1 million for the first six months. For the remainder of 2021, an additional \$0.1 million of interest and \$1.7 million in principal are expected to be paid out of the fund.

Cash and Net Positions:

The ending cash balance at the end of the second quarter is \$26.2 million and net position stands at \$354.0 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2021 is \$8.0 million. The projected \$13.9 million cash balance at year end will leave \$5.9 million as unrestricted amount to fund capital programs for 2021 and beyond as the department aims to use its cash reserve as the main source of funds.

The Net Position at year end 2020 includes recognition of long-term pension liabilities in accordance with GASB Statement No. 68.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Storm Water Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
State Government	1,403	1,347	1,160	603	1,160
Local Government	530	1,148	356	-	356
Charges for Service-Operating	42,220	42,260	42,549	21,573	42,549
Design & Misc Revenues	-	1,084	626	56	626
Special Assessments	75	141	75	-	75
Grants Proceeds/Others - Capital	-		-	-	9,310
Charges for Service-Capital	2,000	80	1,000	-	1,000
Proceeds of Long Term Liabilities	1,000	1,425	13,000	166	6,000
Total	47,228	47,485	58,767	22,398	61,077
Use of Funds:					
PW-Storm Design	4,910	4,383	5,606	1,793	4,676
PW-Field Services	9,132	9,660	9,811	4,403	9,922
PW-Storm Maintenance	6,161	5,971	6,772	1,976	5,863
Metropolitan Council	2,301	2,301	2,525	1,262	2,525
Payment for City Services	5,181	4,770	5,579	2,568	5,579
PW-Admin	1,094	1,110	1,585	565	1,113
Debt Service	781	710	1,931	107	1,931
Future Debt Service	908	-	-	-	500
Transfers	1,655	1,655	1,671	55	1,671
PW- Capital	14,612	20,445	26,500	11,083	42,049
Total	46,735	51,005	61,981	23,813	75,829
Change in Net Position	493	(3,520)	(3,214)	(1,415)	(14,752)
Net Position	347,707	355,415	352,201	354,000	340,663
Total Cash Balance	30,070	28,667	25,453	26,237	13,915
Target Cash Reserve	7,195	7,049	7,970	7,970	7,970
Variance Cash Balance to Target	22,875	21,618	17,484	18,267	5,945

**City of Minneapolis
Water Enterprise Fund
For the Second Quarter Ending June 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 07400	2021 Budget	6/30/2021 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	88,614	39,062	84,759	84,748
Operating Expense	61,665	26,099	57,183	52,683
Operating Margin	26,949	12,963	27,576	32,065
Change in Net Position		7,631	1,074	(6,616)
Net Position		304,072	304,324	303,250
Cash Balance		30,420	41,914	40,840

Program Description:

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

Revenue:

The operating revenues for 2021 are projected to total \$84.8 million or 95.7% of the 2021 budgeted amount of \$88.6 million. This decrease reflects projected actual retail water sales which have been impacted by COVID-19. Through the second quarter, the Water Fund earned revenue of \$39.1 million compared to \$39.2 earned for the same period in 2020. Although the revenues through June are less than 50.0% of the budgeted amount, this is not unexpected because of the seasonality of water sales and revenues are expected to increase in the second half of the year.

Expense:

The operating expenses for the year are projected to total \$57.2 million or 92.7% of the 2021 budget of \$61.7 million. For the six months ending in June, the Fund spent \$26.1 million compared to \$26.0 for the same period in 2020 and reflects the following changes: (i) decrease in salaries and fringes by \$60,000; (ii) decrease in fleet and capital outlay by \$100,000; (iii) decrease in delivery services, chemical usage, energy and utility bills by \$30,000; (iv) increase in City services by \$100,000; and (v) increase in contractual and professional services relating to repairs, maintenance, upgrades, and construction works by \$0.2 million.

The expenses through June are less than 50% of the budgeted amount which was expected and in line with previous years. However, these expenses will increase in the third and fourth quarters.

Transfers:

For 2021 the transfer amount of \$1.3 million consists primarily of a \$1.1 million operating transfer from the Sanitary Sewer Fund for its share of the cost of the meter shop. The Fund will also receive \$41,000 from General fund towards the cost of rent in City Hall. An additional \$0.2 million will be transferred from Property services for repair work of Kenwood Towers. Through the end of the second quarter, \$0.6 million has been realized.

Debt Service:

Debt service payments relate to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2021, including both principal and interest payments, is expected total \$19.8 million. Through the second quarter, \$1.6 million in interest has been paid. In the second half of 2021, it is expected that \$12.3 million in bonds will be issued to help finance capital projects. This additional debt issuance will increase debt service payments in future years.

Cash Balance and Net Position:

The ending cash balance as of June 30, 2021 was \$30.4 million compared to \$34.9 million at the end of second quarter 2020. City policy requires an operating cash reserve equal to or greater than three months of operating expenses. Based on the current budget, the targeted amount is \$15.4 million. With the projected year end cash balance of \$40.8 million, an adequate amount will be available to maintain operating cash reserves and fund capital programs, and debt service payments.

The net position for the second quarter ending 2021 is \$304.1 million but is projected to decrease to \$303.3 by year end. Increases in expenses, revenue shortfalls and yearly debt service payments will be the contributing factors for this decrease.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Water Enterprise Fund

	2020	2020	2021	2021	2021
	Final	Year End	Current	Year to Date	Projected
	Budget	Actual	Budget	Actual	Year End
Source of Funds:					
Water Sales - Retail					
Volume Rate	61,501	56,210	60,291	25,818	55,490
Fixed Rate	9,038	9,293	9,038	4,620	9,405
Water Sales - Wholesale	15,127	14,731	14,919	7,401	15,654
Other Operating Revenues	4,085	4,514	4,365	1,223	4,210
Proceeds from Long Term Liabilities	27,485	22,703	15,525	7,113	23,652
Transfers	908	908	1,325	556	1,325
Proceeds from Capital	2,000	1,115	2,000	329	2,000
Total	120,144	109,474	107,464	47,061	111,736
Use of Funds:					
Payments for City Services	11,384	10,226	12,116	5,749	11,274
Administration	3,593	3,132	3,460	1,480	3,370
Engineering	1,545	1,485	1,619	725	1,597
Operations	28,249	26,094	29,942	12,169	27,816
Distribution	8,962	8,307	10,260	4,534	9,490
Meter Shop	1,771	1,185	1,444	561	1,314
Reimbursables	2,835	2,254	2,825	882	2,322
Debt Services					
Principal	17,237	16,175	16,570	0	16,570
Interest	3,525	2,595	3,240	1,570	3,240
Capital	51,435	44,637	23,525	11,760	33,670
Total	130,536	116,090	105,000	39,430	110,662
Change in Net Position	(10,392)	(6,616)	2,463	7,631	1,074
Net Position	266,489	303,250	305,713	304,072	304,324
Total Cash Balance		40,840	31,617	30,420	41,914

**City of Minneapolis
Municipal Parking Fund
For the Second Quarter Ending June 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 07500	2021 Budget	06/30/21 Actuals	Projected Year End 2021	2020 Actuals
Revenue	55,617	17,719	46,919	44,497
Expenses	43,076	16,412	37,589	37,836
Operating Margin	12,541	1,307	9,330	6,661
Change in Net Position*		(7,793)	(5,381)	(15,726)
Net Position		183,708	186,120	191,501
Cash Balance		(1,503)	772	6,153

*Change in Net Position does include some non-operating expenditures and revenues such as, bond interest expense and transfers between funds, but does not include depreciation.

Fund Description:

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

Revenues:

Through the second quarter of 2021, actual operating revenues are down in comparison to same period in 2020 by 26.3%. Total revenues earned for the first six months were only 63.7% of expected budget for that timeframe. The decrease is from:

- On-street parking being down 8.7% compared to 2020.
- Off-street ramps and lots are down 45.2% compared to 2020.
- Impound Lot revenues increased 41.9% compared to 2020.

Overall, revenues were down during the first six months of 2021 mainly due to the continued impact of the COVID-19 pandemic, which is severely restricting both business and employment activity downtown. The continued decreases in On-Street and Off-Street parking is in line with expectations given current economic and environmental conditions. The fund expects economic activity to increase over the second half of the year.

Expenses:

The first six months of 2021 operating expenses are lower than the 2020 expenses for the same period by 15.7%. Total expenses were 76.2% of the year-to-date budget for the six months. The variance is from:

- On-street parking was down by 5.2% compared to 2020.
- Off-street ramps and lots are down 22.6% compared to 2020.
- Impound Lot expenses are up by 19.9% compared to 2020.

Overall, expenses were down as compared to 2020 mainly due to the continued COVID-19 pandemic severely restricting both business and employment activity downtown, which has led to some variable expenses being lower such as credit card fees.

Transfers:

The 2021 transfers into and out of the Parking Fund are programmed and planned according to the 2021 budget. During the year of 2021, \$0.9 million will be transferred in from Tax Increment Funding and \$11.6 million of funds will be transferred out (\$7.6 million to the General Fund, \$3.8 million to the Target Center and \$146,000 to Solid Waste).

Debt Service:

For 2021, the debt service budget is \$4.5 million. The outstanding balance of bond principal as of June 30, 2021 is \$30.8 million and the outstanding balance of note principal is \$27.2 million. The Convention Center has loaned the Parking Fund \$5.5 million to reduce the debt service being paid by the Parking Fund. During 2020, \$4.0 million in bonds were sold to fund Capital projects.

Cash and Net Position:

The end of the second quarter 2021 cash balance is negative \$(1.5 million) which is a decrease of \$7.7 million from the 2020 year-end balance. The City's policy is to have a targeted cash balance equal to 25% of the operating budget (excluding non-city owned ramps). Therefore, the target cash balance, excluding the Off-Street Parking: State Owned-Direct Expense Budget is \$7.5 million. The difference is negative \$(9.0 million), which is primarily a result of revenues being under budget by \$10.1 million, due to the continued impacts of the COVID-19 pandemic. This causes the fund to be under financial policy. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance.

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Municipal Parking Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Service, Sales/Permits:					
<i>Off-Street Parking: City Owned</i>	30,519	13,913	20,004	4,237	15,003
<i>Off-Street Parking: State Owned</i>	15,800	12,388	14,441	3,747	11,854
<i>Towing</i>	5,149	4,824	5,434	3,058	5,337
<i>On-Street Meters</i>	21,895	13,371	15,738	6,676	14,725
Special Assessments			-	-	-
Exchange of Gov't Center Ramp			-	-	-
Other Miscellaneous Revenues		1	-	-	-
Tax Increment Transfers In	883	216	879	783	879
Proceeds of Long Term Liabilities**	7,000	16,975	7,400		10,400
Total	81,246	61,688	63,896	18,501	58,198
Use of Funds:					
Debt Service	5,135	18,739	4,484	689	3,604
Future Debt Service		-	300	-	-
General Fund Transfer Out	7,990	7,990	7,640	3,820	7,640
Target Arena Transfer Out	4,615	4,615	3,853	1,927	3,853
Debt Service Transfer Out	-	45	-	-	-
Sanitation Transfer Out	146	146	146	73	146
PW-Traffic & Parking:					
<i>Off-Street Parking: City Owned</i>	21,341	18,570	20,701	7,801	17,932
<i>Off-Street Parking: State Owned</i>	12,029	10,086	13,134	3,835	10,354
<i>Towing</i>	4,669	5,140	5,344	2,788	4,848
<i>On-Street Meters</i>	4,466	4,040	3,896	1,987	4,455
PW-Traffic & Parking Capital**	5,500	8,043	10,805	3,374	10,747
Total	65,891	77,414	70,303	26,294	63,579
Change in Net Position	15,355	(15,726)	(6,407)	(7,793)	(5,381)
Net Position*	221,383	191,501	185,094	183,708	186,120
Total Cash Balance	36,516	6,153	(254)	(1,503)	772
Target Cash Reserve	7,631	6,938	7,485	7,485	7,485
Variance Total Cash to Target Cash Reserve	28,885	(785)	(7,739)	(8,988)	(6,713)

Notes:

*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
Solid Waste and Recycling Fund
For the Second Quarter Ending June 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 07700	2021 Budget	06/30/21 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	41,968	20,344	42,730	42,002
Operating Expense	43,702	20,923	43,374	42,743
Operating Margin	(1,734)	(579)	(644)	(741)
Change in Net Position		(774)	5,233	(7,064)
Net Position		34,134	40,141	34,908
Cash Balance		15,586	21,814	16,081

Fund Description

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

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

Revenue

Operating revenue earned through second quarter of 2021 were \$20.3 million, or 48.5% of the budgeted amount of \$42.0 million. The revenue earned through the second quarter of 2021 increased by \$0.5 million, or 2.4%, from the revenue earned through second quarter of 2020. This increase is due to increased market prices for recycling material. Sale of recycling material has increased by \$0.4 million compared to the same period last year. The Hennepin County recycling grant of \$1.7 million will be received in the fourth quarter.

Expenses:

Operating expenses through second quarter of 2021 were \$20.9 million, or 47.9% of the budgeted amount of \$43.7 million. Expenses through the second quarter of 2021 increased \$67,000, or 0.3%, over the expenses through the same period in 2020. The biggest increase was Organics which increased \$0.3 million over the same period in 2020 due to larger volume and replacing carts. Admin increased by \$0.2 million due to an increase in property rent since they moved into their new facility in late May of 2020. Collection and Disposal increased by \$0.1 million each, or 3.5% and 4.0%, respectively,

compared the same period in 2020. This was due to increase in contractual expenses as well as volume increase due to more people working from home. Equipment expenses decreased by \$0.6 million compared to 2020 due to the timing of vehicle replacements. Some other areas were lower than budget and 2020 due to open positions.

Transfers:

Transfers of \$423,625 into the Solid Waste and Recycling fund the first six months of 2021 included \$73,000 from the Parking Fund for the Litter Container Program, \$162,500 from the General Fund for graffiti removal and zero waste studies, and a General Fund transfer of \$188,125 to cover a portion of the Debt Service payments related to the new facility.

Debt Service:

Bonds were sold for the new facility prior to 2020. The facility was occupied at the end of May of 2020. There were no bond principal payments through the second quarter of 2021, although \$3.9 million of principal is expected to be paid by the end of the year. Interest payments were \$0.5 million through the second quarter and another \$0.5 million of interest will be paid before the end of the year. \$6.3 million of bonds are expected to be sold during the second half of 2021, to finance investments made in the new facility.

Cash and Net Position:

The fund's cash balance as of the end of the second quarter was \$15.6 million and the net position amounted to \$34.1 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the projected ending cash balance of \$21.8 million and the 2021 targeted amount of \$10.9 million, the fund will have unrestricted cash of \$10.9 million.

The Net Position at year end 2020 includes recognition of long-term pension liabilities in accordance with GASB Statement No. 68

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

Solid Waste & Recycling Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Local Government & Other Grants	1,659	1,824	1,671	3	1,671
Charges for Service	39,308	39,449	39,424	19,633	39,424
Charges for Sales	150	98	150	463	925
Special Assessments	-	199	-	-	-
Other Misc Revenues, Rents	758	432	724	246	710
Long Term Proceeds - Capital	-	328	-	-	6,300
Operating Transfers In:					
Parking Fund	146	146	146	73	146
General Fund - Graffiti	325	325	325	162	325
Bond Redemption Fund	4,324	4,324	4,136	188	4,136
Total	46,670	47,125	46,576	20,768	53,637
Use of Funds:					
Collection	7,223	7,765	8,051	4,066	8,051
Disposal	4,710	6,150	5,758	2,970	6,250
Recycle	3,731	3,807	4,322	1,876	3,850
Yard Waste	3,046	3,171	3,540	1,371	3,400
Problem Material	2,258	2,535	2,500	1,215	2,500
Transfer Stations	658	653	560	291	581
Admin	7,505	6,975	7,784	3,767	7,700
Customer Service	680	650	690	294	640
Clean City	1,500	1,409	1,424	578	1,300
Graffiti	622	592	691	349	720
Equipment	4,263	4,495	3,510	1,740	3,510
Organics	4,126	4,541	4,872	2,405	4,872
Capital Program	-	6,779	-	133	200
Debt Service	4,997	4,667	4,830	485	4,830
Total	45,319	54,189	48,532	21,542	48,404
Change in Net Position	1,351	(7,064)	(1,956)	(774)	5,233
Net Position Balance	32,006	34,908	32,952	34,134	40,141
Cash Balance	28,071	16,081	14,125	15,586	21,814
Target Cash Reserve	10,081	10,686	10,926	10,926	10,926
Variance Cash Balance to Target	17,989	5,395	3,199	4,660	10,888

**CPED Enterprise Fund Component Programs
For the Second Quarter Ending June 30, 2021**

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

The **General Agency Reserve Fund System** (GARFS) is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the “A+” rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. Only the administrative operations portion of the fund is presented. Other information is maintained by a trustee and not available for inclusion for second quarter. The net position of the fund at the end of second quarter 2021 was \$1.9 million.

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

City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

CPED Enterprise Funds

	General Agency Reserve Fund System 2020	General Agency Reserve Fund System 2021	River Terminal 2020	River Terminal 2021
ASSETS				
Current assets:				
Cash and cash equivalents	1,920	1,955	(1,868)	(1,905)
Total current assets	1,920	1,955	(1,868)	(1,905)
Noncurrent assets:				
Loans and notes receivable	-	4	6	-
Capital assets (net of accumulated depreciation)	-	-	3,848	3,843
Total noncurrent assets	-	4	3,854	3,843
Total assets	1,920	1,959	1,986	1,938
LIABILITIES				
Current liabilities:				
Accounts Payable	11	9	-	-
Other current liabilities	6	6	-	-
Total current liabilities	17	15	-	-
Noncurrent liabilities:				
Bonds payable	-	-	-	-
Compensated absences payable	2	4	-	2
Total noncurrent liabilities	2	4	-	2
Total liabilities	19	19	-	2
NET POSITION				
Invested in capital assets, net of related debt	-	-	3,848	3,843
Restricted	1,901	1,940	-	-
Unrestricted	-	-	(1,862)	(1,907)
Total net position	1,901	1,940	1,986	1,936
Total liabilities & net position	1,920	1,959	1,986	1,938

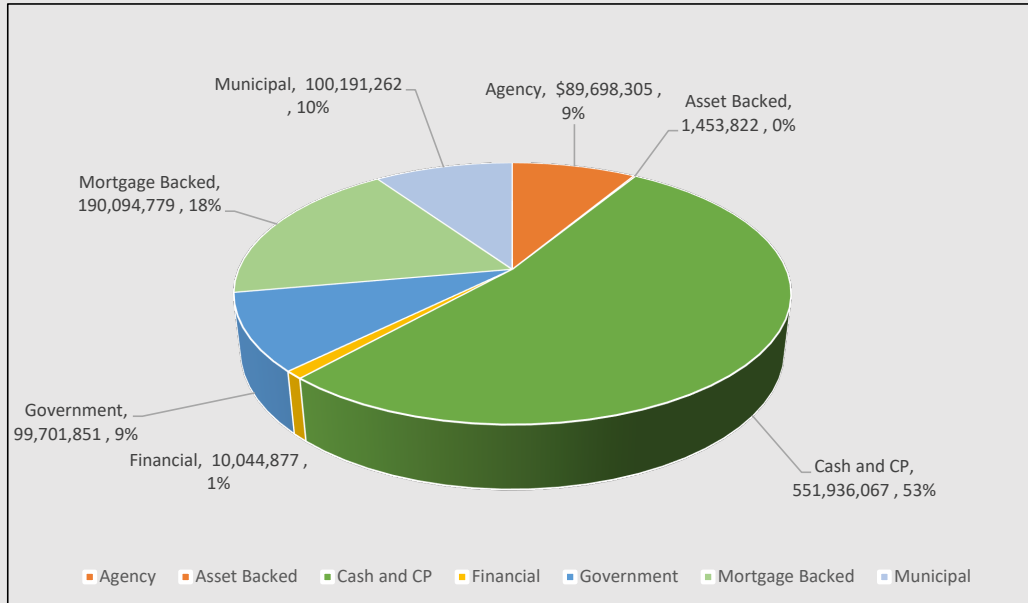
City of Minneapolis
Second Quarter ending June 30, 2021
Financial Status Report (in thousands of dollars)

CPED Enterprise Funds

	General Agency Reserve Fund System 2020	General Agency Reserve Fund System 2021	River Terminal 2020	River Terminal 2021
Operating revenues				
Charges for sales and services	174	15	368	355
Total operating revenues	174	15	368	355
Operating expenses:				
Personal services	78	74	-	-
Contractual services	5	(48)	360	274
Total operating expenses	83	26	360	274
Operating income	91	(11)	8	81
Nonoperating revenues (expenses)				
Interest on investments	11	-	-	-
Total nonoperating revenue (expenses)	11	-	-	-
Income (loss) before transfers	102	(11)	8	81
Net transfers from (to) other funds	-	-	-	-
Change in net position	102	(11)	8	81
Total net position - January 1	1,799	1,901	1,976	1,984
Total net position - December 31	1,901	1,890	1,984	2,065

Cash and Investment Report
6/30/2021

Account	Book Yield %	Book Value	Accrued	Unrlzd G/(L)	Market Value	Mkt Value + Accrued
Internal Managed	0.2	\$ 463,632,425	\$ 44,877	\$ (0)	\$ 463,632,425	\$ 463,677,302
Internal Core	1.4	121,118,298	429,424	1,248,747	122,367,045	122,796,468
Core GPA	0.8	106,922,221	300,370	605,401	107,527,622	107,827,992
Core RBC	1.8	238,341,036	643,230	3,201,366	241,542,402	242,185,632
Core T. Rose	0.5	25,398,576	31,936	(286,994)	25,111,582	25,143,518
Bond Proceeds	0.7	55,284,972	-	-	55,284,972	55,284,972
General Agency Reserve Funds System	0.9	25,743,245	168,580	293,253	26,036,498	26,205,078
Total Portfolio	0.8	\$ 1,036,440,773	\$ 1,618,416	\$ 5,061,773	\$ 1,041,502,547	\$ 1,043,120,963
Development Debt Reserves		1,058,340			1,058,340	1,058,340
Cash on hand		2,166,813			2,166,813	2,166,813
Total All Portfolios	0.8	\$ 1,039,665,926	\$ 1,618,416	\$ 5,061,773	\$ 1,044,727,699	\$ 1,046,346,116



Market Sector	Market Value + Accrued	% of Portfolio
Agency	\$ 89,698,305	8.6%
Asset Backed	1,453,822	0.1%
Cash and CP	551,936,067	52.9%
Financial	10,044,877	1.0%
Government	99,701,851	9.6%
Mortgage Backed	190,094,779	18.2%
Municipal	100,191,262	9.6%
Total	\$ 1,043,120,963	100.0%

Risk Metric	Value%
Duration	1.4
Convexity	-0.6
WAL	1.4
Years to Final Maturity	3.9
Years to Effective Maturity	1.4
Yield	0.5
Book Yield	0.8
Avg Credit Rating	AAA/Aaa/AAA

City of Minneapolis
Financial Strength Analysis - Second Quarter 2021

FINANCIAL STRENGTH ANALYSIS - (in millions)					(Decrease) Compared to		(Decrease) 2017 - 2020		Increase (Decrease)		PROJECTED YE 2021
	2017	2018	2019	2020	\$	%	\$	%	\$	%	
General Fund Cash Balance	131.8	121.3	146.3	184.5	38.2	29.0%	52.7	43.3%	17.6	14.4%	150.7
General Fund Total Fund Balance	117.1	104.2	128.0	167.7	39.7	33.9%	50.6	47.1%	16.9	15.7%	127.0
Overall City Cash Position*	792.0	876.6	967.8	891.1	(76.7)	-9.7%	99.1	13.0%	33.0	4.3%	
Overall City Net Assets/Position	2,083.6	2,257.8	2,424.0	2,491.3	67.3	3.2%	407.7	22.0%	135.9	7.3%	
Overall Unrestricted Net Assets/Position	(274.4)	(314.9)	(130.5)	(201.7)	(71.2)	25.9%	72.7	-28.3%	24.2	-9.4%	
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Convention Center - Cash	56.6	35.6	20.0	14.5	(5.5)	-9.7%	(42.1)	-64.3%	(14.0)	-21.4%	15.1
Convention Center - Fund Balance	52.1	29.6	33.4	12.4	(21.0)	-40.3%	(39.7)	-62.5%	(13.2)	-20.8%	13.1
Arena Fund (Target Center) - Cash	10.1	12.2	9.5	4.0	(5.5)	-54.5%	(6.1)	-40.1%	(2.0)	-13.4%	3.8
Arena Reserve (Target Center) - Fund Balance	8.7	10.5	7.5	3.5	(4.0)	-46.0%	(5.2)	-46.8%	(1.7)	-15.6%	3.3
Downtown Assets Fund - Cash	-	16.2	8.8	39.9	31.1	100.0%	39.9	246.3%			50.5
Downtown Assets Fund - Fund Balance	-	26.0	16.2	46.5	30.3	100.0%	46.5	178.8%			57.8
Police SRF - Cash	2.2	2.2	2.8	2.6	(0.2)	-9.1%	0.4	19.0%	0.1	6.3%	2.8
Police SRF - Fund Balance	2.6	2.4	2.9	2.8	(0.1)	-3.8%	0.2	8.3%	0.1	2.8%	2.6
NCR SRF - Cash	3.5	3.6	3.5	3.5	0.0	0.0%	0.0	0.0%	0.0	0.0%	3.4
NCR SRF - Fund Balance	3.3	3.3	3.1	3.1	0.0	0.0%	(0.2)	-5.4%	(0.1)	-1.8%	3.0
Regulatory Services SRF - Cash	3.5	2.0	1.2	0.2	(1.0)	-28.6%	(3.3)	-70.2%	(1.1)	-23.4%	0.2
Regulatory Services SRF - Fund Balance	3.5	2.0	1.1	0.2	(0.9)	-25.7%	(3.3)	-71.7%	(1.1)	-23.9%	0.2
Grant Funds - Cash	5.3	0.4	6.0	7.5	1.5	28.3%	2.2	-100.0%	0.7	-33.3%	91.0
Grant Funds - Fund Balance	11.2	4.9	4.4	10.1	5.7	50.9%	(1.1)	-9.6%	(0.4)	-3.2%	105.0
Comm Planng & Econ Dev (CPED) - Cash Total	177.8	210.4	199.9	212.8	12.9	7.3%	35.0	21.1%	11.7	7.0%	215.0
Comm Planng & Econ Dev (CPED) - Fund Bal Total	214.4	245.7	230.5	245.0	14.5	6.8%	30.6	15.1%	10.2	5.0%	240.0
Employee Retirement Funds - Cash	29.0	31.1	36.5	23.1	(13.4)	-46.2%	(5.9)	-22.5%	(2.0)	-7.5%	26.2
Employee Retirement Funds - Fund Balance	29.2	31.3	36.7	36.6	(0.1)	-0.3%	7.4	27.8%	2.5	9.3%	39.6
Other Special Revenue Funds - Cash	0.5	0.5	0.6	0.6	0.0	0.0%	0.1	12.5%	0.0	4.2%	0.6
Other Special Revenue Funds - Fund Balance	0.5	0.5	6.9	0.6	(6.3)	-1260.0%	0.1	20.0%	0.0	6.7%	0.6
Total Special Revenue Funds - Cash	288.5	314.2	288.8	308.7	19.9	6.9%	20.2	7.2%	6.7	2.4%	408.6
Total Special Revenue Funds - Fund Balance	325.5	356.2	342.7	360.8	18.1	5.6%	35.3	10.8%	11.8	3.6%	465.2

* 2017-2020 Overall City Cash Position is the Market Value of cash and cash equivalents as reported in the City of Minneapolis Annual Comprehensive Financial Report, but does not include approximately \$28.7M invested for General Agency Reserve Fund Systems (GARFS) and \$80.4M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)					(Decrease) Compared to		(Decrease) 2017 - 2020		Increase (Decrease)		PROJECTED YE 2021
2017	2018	2019	2020	\$	%	\$	%	\$	%		
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Engr. Materials & Testing - Cash	1.5	1.6	2.1	1.9	(0.2)	-13.3%	0.4	26.7%	0.1	8.9%	2.0
Engr. Materials & Testing - Net Position	(0.1)	0.4	0.5	0.5	0.0	0.0%	0.6	200.0%	0.2	66.7%	0.5
Equipment Services - Cash	30.4	26.0	33.7	26.7	(7.0)	-23.0%	(3.7)	-13.8%	(1.2)	-4.6%	25.9
Equipment Services - Net Position	74.5	86.2	93.8	93.6	(0.2)	-0.3%	19.1	28.5%	6.4	9.5%	93.3
Property Services - Cash	8.1	9.6	8.2	6.3	(1.9)	-23.5%	(1.8)	-17.5%	(0.6)	-5.8%	4.5
Property Services - Net Position	28.4	32.0	33.9	36.3	2.4	8.5%	7.9	26.4%	2.6	8.8%	34.4
PW Stores - Cash	2.0	3.1	2.5	1.1	(1.4)	-70.0%	(0.9)	-75.0%	(0.3)	-25.0%	1.5
PW Stores - Net Position	5.3	5.6	5.6	5.9	0.3	5.7%	0.6	13.0%	0.2	4.3%	6.3
Intergovernmental Services - Cash	23.6	22.0	15.1	10.7	(4.4)	-18.6%	(12.9)	-41.7%	(4.3)	-13.9%	12.3
Intergovernmental Services - Net Position	47.4	41.2	30.7	22.6	(8.1)	-17.1%	(24.8)	-41.5%	(8.3)	-13.8%	22.2
Self Insurance Fund - Cash	90.0	102.9	93.6	108.1	14.5	16.1%	18.1	22.6%	6.0	7.5%	112.2
Self Insurance Fund - Net Position	23.8	12.4	(20.3)	(97.8)	(77.5)	-325.6%	(121.6)	-573.6%	(40.5)	-191.2%	(93.7)
Total Internal Service Funds - Cash	155.6	165.2	155.2	154.8	(0.4)	-0.3%	(0.8)	-0.5%	(0.3)	-0.2%	158.4
Total Internal Service Funds - Net Position	179.3	177.8	144.2	61.1	(83.1)	-46.3%	(118.2)	-64.6%	(39.4)	-21.5%	63.0
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Sanitary Sewer - Cash	17.8	4.5	7.4	13.5	6.1	34.3%	(4.3)	-23.5%	(1.4)	-7.8%	13.7
Sanitary Sewer - Net Position	121.2	122.4	129.4	139.4	10.0	8.3%	18.2	15.3%	6.1	5.1%	139.6
Stormwater - Cash	27.1	26.6	33.1	28.7	(4.4)	-16.2%	1.6	4.5%	0.5	1.5%	13.9
Stormwater - Net Position	333.0	339.4	347.2	355.4	8.2	2.5%	22.4	6.8%	7.5	2.3%	340.7
Water Enterprise - Cash	40.1	48.4	46.1	40.8	(5.3)	-13.2%	0.7	1.7%	0.2	0.6%	41.9
Water Enterprise - Net Position	250.8	271.4	283.3	303.3	20.0	8.0%	52.5	22.5%	17.5	7.5%	304.3
Municipal Parking - Cash	26.5	13.8	21.5	6.1	(15.4)	-58.1%	(20.4)	-118.6%	(6.8)	-39.5%	0.8
Municipal Parking - Net Position	212.2	199.9	206.0	191.5	(14.5)	-6.8%	(20.7)	-11.0%	(6.9)	-3.7%	186.1
Solid Waste & Recycling - Cash	24.5	30.5	26.7	16.1	(10.6)	-43.3%	(8.4)	-33.2%	(2.8)	-11.1%	21.8
Solid Waste & Recycling - Net Position	25.3	26.9	30.7	34.9	4.2	16.6%	9.6	37.6%	3.2	12.5%	40.1
Comm Plannng & Econ Dev (CPED) - Cash**	1.5	0.1	0.0	0.0	0.0	0.0%	(1.5)	-107.1%	(0.5)	-35.7%	-
Comm Plannng & Econ Dev (CPED) - Net Position	40.3	39.1	32.6	27.0	(5.6)	-13.9%	(13.3)	-33.2%	(4.4)	-11.1%	25.0
Total Enterprise Funds - Cash	137.5	123.9	134.8	105.2	(29.6)	-21.5%	(32.3)	-23.0%	(10.8)	-7.7%	92.1
Total Enterprise Funds - Net Position	982.8	999.1	1,029.2	1,051.5	22.3	2.3%	68.7	7.4%	22.9	2.5%	1,035.8
**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.											