



# Second Quarter 2020 Financial Status Report

Finance & Property Services Department  
September 30, 2020

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

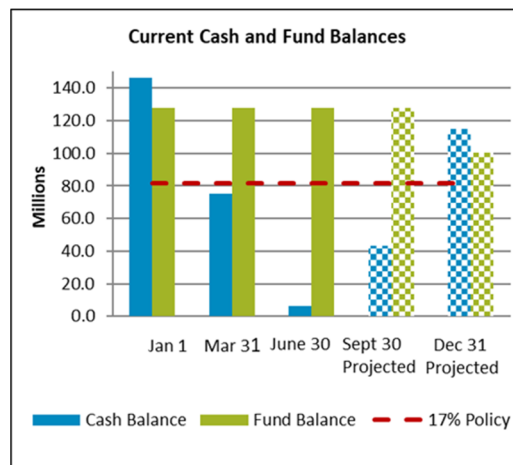
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## Overview

This quarterly report presents the complex nature of financial operations for Minneapolis in 2020. The City started the year in a very strong financial position, and the first quarter was showing signs of the continued growth we’ve enjoyed for several years. However, the onset of the COVID-19 pandemic has since impacted nearly all aspects of operations. Significant steps were taken to preserve resources in response to projected revenue losses of approximately \$156.0 million in 2020. A temporary spending freeze, a wage and hiring freeze, and budgetary reductions have been enacted to help curb spending. While it remains to be seen how impactful the final revenue losses and spending reductions will be, the projections and information provided in this report show preliminary projections. Activity through year-end 2020 is projected to decrease the total cash balance in most funds as compared to the 2019 ending balances, however, all but two major funds are expected to meet targeted balances. The Sanitary Sewer Fund will be below target cash due to delayed bond sales for capital projects. The Municipal Parking Fund is also projected to be under the target cash as a result of significant parking revenue losses due to decreased parking demand as a result of telecommuting and COVID-19 related venue closures. As indicated in the Cash and Investments Report Appendix, the overall book value of cash and investments for the City at June 30, 2020 is \$901.8 million, a decrease of \$85.9 million or 8.7% compared to 2019 year-end balance of \$987.7 million. In late July, the City received just under \$32.3 million in federal CARES Act funding through the State of Minnesota. We anticipate some costs already incurred will be offset by this funding as well as some future costs for specific responses to the pandemic. We will continue to review eligibility guidelines to identify any and all costs that may be applied to this funding source, relieving some budgetary pressure in the funds that originally incurred the expense.

## General Fund

The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. The 2020 Original Budget included a planned use of fund balance of \$10.0 million, however, current projections are for a loss of approximately \$26.7 million. The 2020 projected ending fund balance is \$101.3 million, compared to the ending 2019 fund balance of \$128.0. The General Fund cash balance at year-end 2019 was \$146.3 million and is projected to end 2020 at \$115.0 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance at any point in the year. The June 30, 2020 cash balance is \$6.4 million but will increase significantly once the July property tax revenue is realized.



As shown in the Financial Strength Analysis on pages A-3 and A-4 of this report, from 2016 through 2019, the General Fund’s cash balance and fund balance have increased steadily with a cumulative cash increase of \$24.7 million and an increase in fund balance of \$20.5 million. This consistent fund balance and cash position was made possible by rising revenues and strategic use of funds to maintain sustainable operations. Growth from economic development activity pushed revenue from local taxes, licenses and permits, and charges for services consistently over the budgeted amount, yet expenditures were consistently held in line with, or below budget. While that growth will not continue into 2020, cost reduction measures and use of funds in other areas of the city will preserve much of the accumulated fund balance in the General Fund.

The City's financial policy for the General Fund balance is to maintain 17% of the following year's expenditure budget. For 2020, this equates to a required ending fund balance of \$83.1 million. Based on current projected revenues and expenditures, the General Fund is projected to end the year with a fund balance of \$101.3 million.

## Special Revenue Funds

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

At year-end 2020, the total cash balance for the Special Revenue Funds is projected to be \$249.8 million, a decrease of \$39.0 million or 13.5% compared to 2019 ending balance. The fund balance for the Special Revenue Funds is also expected to decrease to \$309.2 million, a decrease of \$33.5 million or 9.8%, compared to 2019. These decreases in both cash and fund balance are due primarily to revenue lost from local taxes deposited into the Downtown Assets Funds. The sudden and prolonged shutdown of businesses throughout downtown and the City overall greatly impacted the sales, liquor, lodging and other local taxes that would typically be collected on sales at those establishments. In addition, operating losses at the Convention Center will continue until the facility is able to begin hosting events again. From 2014 to 2018, the Convention Center received a large transfer in from the General Fund's local tax revenue to support debt payments and facility operations. Starting in 2018, the local tax revenue is deposited into the Downtown Assets fund and allocated out to the various related funds including Arena Fund, Convention Center Fund, and Peavey Plaza fund.

## Internal Service Funds

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

The total cash balance for the Internal Service Funds at year-end 2020 is projected to be \$159.2 million, a slight increase of \$4.0 million or 2.6% versus 2019 ending cash of \$155.2 million. At the same time, the total net position for all the Internal Service Funds is projected to be \$139.1 million, a decrease of \$5.1 million or 3.5% from 2018. Because these funds have no debt burden and spending is tied to demand from other City funds, they are able to more easily delay major project outlay to help preserve cash. The overall decrease in net position is due to a decrease in the Intergovernmental Services fund related to large depreciation costs offset by gains in the Self Insurance fund from savings on medical and dental payments.

## Enterprise Funds

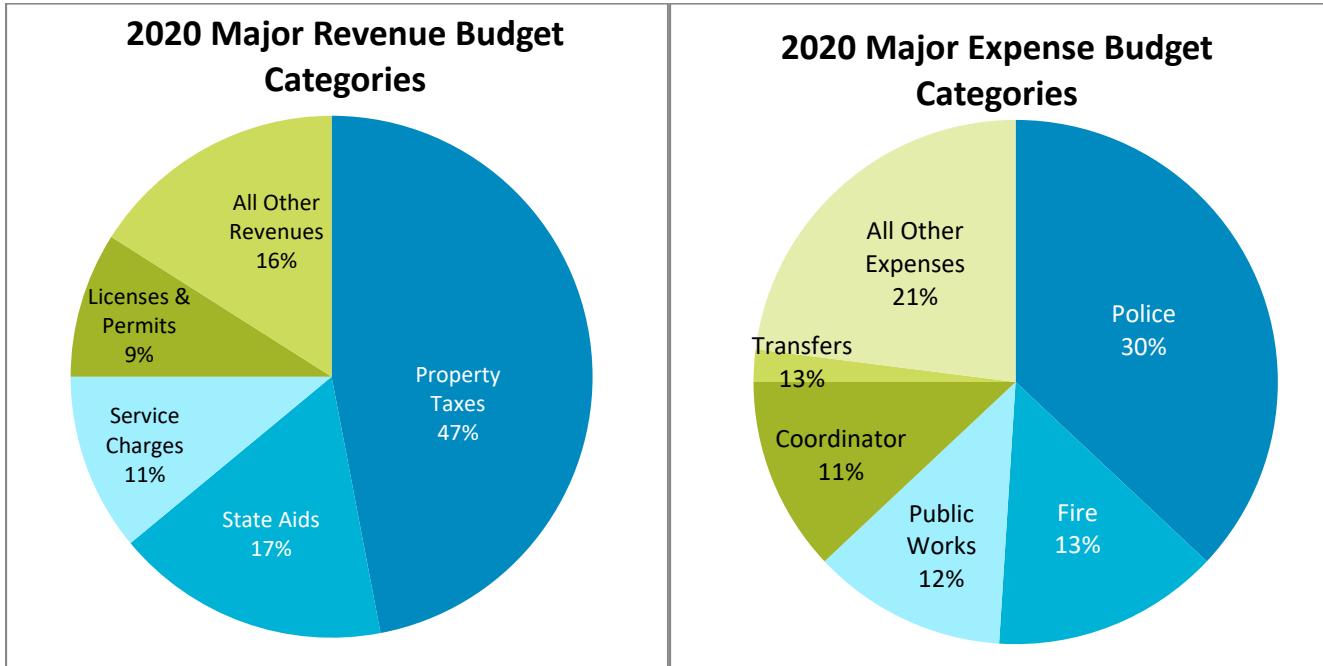
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$63.6 million, a decrease of \$71.2 million or 52.8% compared to 2019. Total net position for the Enterprise Funds is projected to decrease by \$74.3 million or 7.2% to \$954.9 million at year-end 2020. Operating losses in the utility funds coupled with a planned use of cash to finance projects will result in these projected losses. Depending on the timing of bond sales and capital outlays, the final ending cash and net position may vary significantly from these initial projections.

**City of Minneapolis  
General Fund  
For the Second Quarter Ending June 30, 2020**

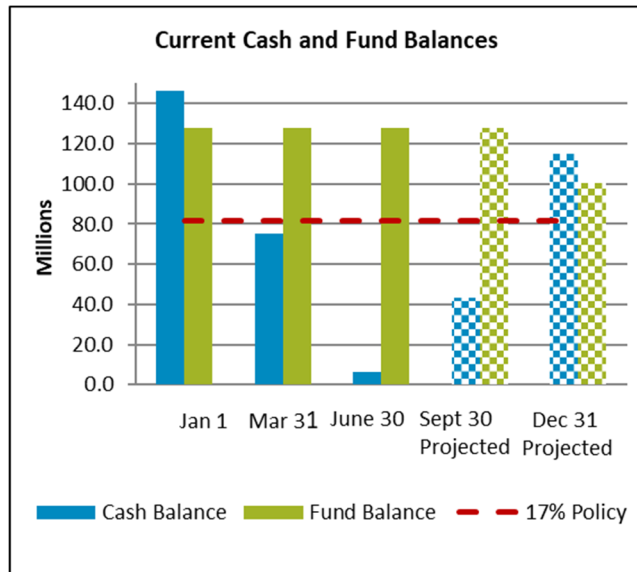
**Fund Description**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2020 current revenue budget is \$501.9 million, while the Fund's 2020 current expense budget is \$489.6 million, including transfers.



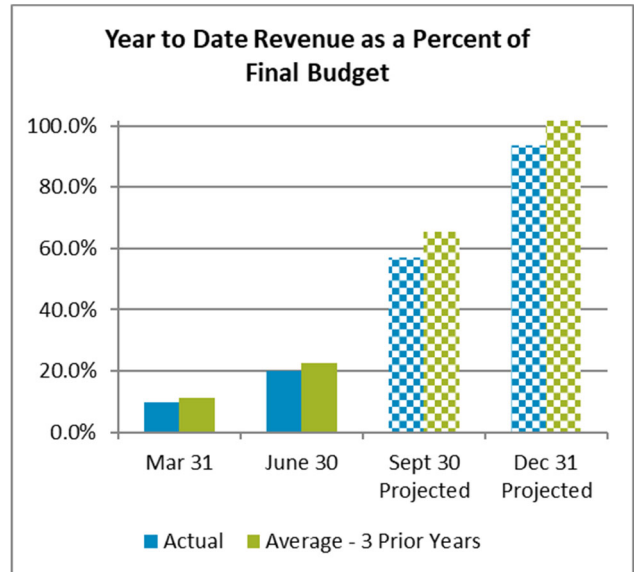
**Cash and Fund Balance**

The fund balance for the General Fund at fiscal year-end 2019 was \$128.0 million. The 2020 Original Budget included a \$10 million planned use of fund balance, which was changed to a \$12.2 million gain through budgetary adjustments. Current projections place the change in fund balance at a loss of (\$26.7 million). The City's financial policy is to maintain 17% of the General Fund's fund balance for the following year's expenditure budget. The 17% fund balance target for the 2020 General Fund budget of \$488.8 million is \$83.1 million. The projected ending fund balance of \$101.3 million exceeds the target by \$18.2 million. The cash balance at year-end 2019 was \$146.3 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 \$6.4 million. This increased significantly with the receipt of the first half property tax settlement in early July. Ending cash for 2020 is projected to be \$115.0 million.



**Revenue**

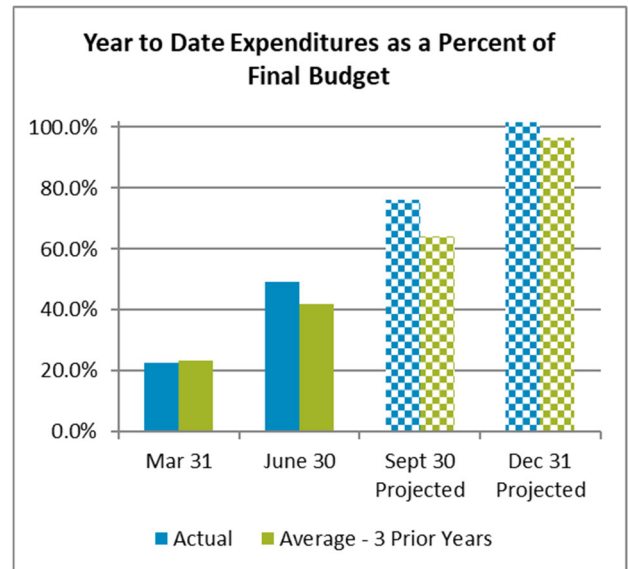
As noted above, more than one-half of General fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are received in July with the remainder received in November. Since such a large portion of General Fund revenue is received after the second quarter of the year, the average revenue through the first half of the past three years is only 22.6% of the budget. Actual revenue through the second quarter 2020 totals \$101.0 million or 19.3% of the total budget. Economic impacts from COVID-19 have decreased the City’s revenues in some areas during the second quarter of 2020. These reductions are projected to continue through year-end, resulting in a projected year-end revenue shortfall of \$30.7 million, 6.1% less than budgeted. Nearly all revenue categories are currently forecast to be less than budgeted with the biggest shortfalls seen in Property Taxes at \$18.7 million under budget and Licenses and Permits at \$7.4 million under budget. In addition to these revenue sources, transfers from other funds to the General Fund were decreased by \$22.0 million to preserve the cash balance in the Downtown Assets fund where a significant drop in local sales taxes is putting pressure on cash reserves.



**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.

Primarily due to significant overtime and personnel costs related to the response to civil unrest in late May and early June, the Police Department is projected to be \$6.9 million over the reduced 2020 budget. Public Works expects to be over budget by \$2.9 million, with \$2.2 million in transportation maintenance and repair, and \$0.6 million in traffic and parking services. With budgetary reductions across all general fund departments in mid-2020, the projected spending in many departments is at or just below budget. This reflects the effectiveness of spending reductions, hiring and wage freezes, and other measures intended to curb spending in accordance with projected revenue shortfalls. Overall spending in the General Fund is projected to be \$8.3 million more than the reduced budget, but \$35.0 million under the original budget.



**City of Minneapolis  
General Fund  
June 30, 2020**

	Original Budget	Revised Budget	Year-to-Date	Percent of Revised Budget Remaining	Year End	Surplus (Deficit) Budget Versus Projected	Projected Year End as a Percent of Revised
<b>Revenues</b>							
Property Taxes	\$ 233,563,093	\$ 233,563,093	\$ 9,544	100%	\$ 214,878,046	\$ (18,685,047)	92%
Local Taxes	-	-	16,874	0%	16,874	16,874	0%
State Aids	86,198,149	86,198,149	2,890,517	97%	86,863,924	665,775	101%
Charges for Services	55,400,445	56,357,095	27,395,548	51%	57,634,617	1,277,522	102%
Franchise Fees	34,379,000	34,379,000	13,373,902	61%	30,390,010	(3,988,990)	88%
Licenses & Permits	47,079,159	47,079,159	26,986,274	43%	39,664,961	(7,414,198)	84%
Fines & Forfeits	6,670,000	6,670,000	2,591,716	61%	5,252,537	(1,417,463)	79%
Special Assessments	3,570,320	3,570,320	9,839	100%	3,181,113	(389,207)	89%
Investment Income	6,250,000	6,250,000	2,154,170	66%	4,291,240	(1,958,760)	69%
Other Intergovernmental	1,214,381	1,214,381	178,532	85%	1,382,088	167,707	114%
Other Miscellaneous	715,000	715,000	1,407,960	-97%	1,771,645	1,056,645	248%
Contributions	-	-	260	0%	260	260	0%
<b>Total Revenues</b>	<b>475,039,547</b>	<b>475,996,197</b>	<b>77,015,136</b>	<b>84%</b>	<b>445,327,315</b>	<b>(30,668,882)</b>	<b>94%</b>
Transfers In	47,889,000	25,889,000	23,944,500	8%	25,889,000	-	100%
<b>Revenues and Other Sources</b>	<b>\$ 522,928,547</b>	<b>\$ 501,885,197</b>	<b>\$ 100,959,636</b>	<b>80%</b>	<b>\$ 471,216,315</b>	<b>\$ (30,668,882)</b>	<b>94%</b>
<b>Expenditures</b>							
Police	188,550,933	178,406,075	94,976,310	47%	185,321,000	(6,914,925)	104%
Fire	71,193,472	69,314,213	35,225,200	49%	69,314,213	-	100%
Human Resources	10,072,551	7,179,420	3,463,275	52%	6,933,551	245,869	97%
Finance and Property Services	24,876,671	24,692,415	11,902,482	52%	24,561,689	130,726	99%
911	10,098,481	9,729,098	4,659,610	52%	10,729,098	(1,000,000)	110%
311	4,326,426	4,218,292	2,107,714	50%	4,218,292	-	100%
City Coordinator	10,019,710	8,508,922	3,030,752	64%	8,495,209	13,713	100%
Intergovernmental Relations	1,547,116	1,491,481	757,891	49%	1,345,278	146,203	90%
Communications	2,264,561	2,292,405	1,254,154	45%	1,928,892	363,513	84%
Emergency Management	1,165,431	1,140,694	946,228	17%	1,492,102	(351,408)	131%
Neighborhood & Community Relations	2,577,745	832,296	350,811	58%	832,296	-	100%
City Coordinator - Total	66,948,692	60,085,023	28,472,917	53%	60,536,407	(451,384)	101%
Transportation Planning & Design	2,194,689	2,115,688	1,172,953	45%	2,397,000	(281,312)	113%
Transportation Plan Programming	2,881,729	2,960,440	1,272,624	57%	2,860,000	100,440	97%
Transportation Maintenance & Repair	37,357,337	33,218,074	19,130,433	42%	35,400,000	(2,181,926)	107%
Public Works Administration	3,875,567	4,127,028	1,955,758	53%	4,010,063	116,965	97%
Traffic & Parking Services	18,933,582	16,687,709	8,545,084	49%	17,312,704	(624,995)	104%
Public Works - Total	65,242,904	59,108,939	32,076,852	46%	61,979,767	(2,870,828)	105%
Regulatory Services	22,363,800	20,649,225	10,354,803	50%	20,605,820	43,405	100%
Attorney	10,857,704	10,382,040	4,708,309	55%	9,665,295	716,745	93%
City Council & City Clerk	9,579,222	9,595,941	4,648,583	52%	9,382,654	213,287	98%
City Clerk Elections	6,400,367	6,617,639	2,200,601	67%	7,124,445	(506,806)	108%
Contingency	5,100,000	800,000	-	100%	-	800,000	0%
Assessor	6,265,540	6,088,706	2,856,386	53%	5,369,481	719,225	88%
CPED	45,408,317	37,116,342	16,844,637	55%	37,000,000	116,342	100%
Health	13,080,364	15,245,453	5,396,322	65%	15,493,540	(248,087)	102%
Civil Rights	5,057,186	4,697,714	2,106,663	55%	4,696,934	780	100%
Mayor	2,483,669	2,378,370	1,186,434	50%	2,375,073	3,297	100%
Internal Audit	812,665	762,186	405,125	47%	693,017	69,169	91%
<b>Total Expenditures</b>	<b>519,344,835</b>	<b>481,247,866</b>	<b>241,459,142</b>	<b>50%</b>	<b>489,557,646</b>	<b>(8,309,780)</b>	<b>102%</b>
Transfers Out Total	13,647,217	8,394,217	6,824,029	19%	8,394,217	-	100%
<b>Expenditures and Other Uses</b>	<b>\$ 532,992,052</b>	<b>\$ 489,642,083</b>	<b>\$ 248,283,171</b>	<b>49%</b>	<b>\$ 497,951,863</b>	<b>\$ (8,309,780)</b>	<b>102%</b>
<b>Change in Fund Balance</b>						<b>(26,735,548)</b>	
<b>Fund Balance - January 1, 2020</b>						<b>128,040,017</b>	
<b>Fund Balance - December 31, 2020 (Projected)</b>						<b>101,304,469</b>	

**City of Minneapolis**  
**Convention Center Special Revenue Fund Report**  
**For the Second Quarter Ending June 30, 2020**

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

**Revenue**

**Tax Revenue**

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

**Operating Revenue**

Through the June 30, 2020, Convention Center operating revenue ended at nearly \$5.7 million or 30% of the \$18.8 million budget. Rents and Commissions had the strongest finish at \$2.6 million or 35% of budget followed by Charges for Services and Sales at \$2.1 million or 30% of budget, and finally Catering Commissions which came in at \$957,000 or 22% of budget.

The Convention Center June 30, 2020 operating revenue of \$5.7 million finished \$6.4 million under the June 30, 2019 operating revenue of \$12.1 million. The reason for the decline was that the Convention Center was heavily impacted by event cancellations related to the COVID-19 pandemic. The Convention Center projects 2020 operating revenue to finish nearly \$11.5 million under budget, and \$13.9 million under 2019.

**Non-Operating Revenue**

In 2019, the Tallmadge building experienced significant damage from a burst water pipe. The Minneapolis Convention Center has received nearly \$1.9 million in 2020 from insurance claims.

**Expenditures**

**Operating Expenditures**

As the result of the COVID-19 pandemic and damages within the City, the City reduced 2020 budgets citywide, and the Convention Center’s 2020 operating budget was reduced by \$3.7 million which includes \$1.6 million for Meet Minneapolis. The Convention Center’s 2020 capital budget was also decreased by \$10.0 million for a total 2020 decrease of \$13.7 million.

Through the second quarter of 2020, Convention Center operating expenditures, not including Ongoing Equipment and Improvement, General Fund Overhead, and IT operating expenditures finished at \$10.1 million or 42% of budget which was based on event levels and normal day-to-day operations. The Convention Center continues to



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

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

Based on the most current figures available earlier this year, the Convention Center recycled 62% of building waste meeting the goal of 60% for an overall 2019 - 2020 recycling rate of 60%. The Convention Center expects 2020 operating expenses to finish the year \$784,000 under the reduced budget.

In Ongoing Equipment and Improvements, the Convention Center finished the second quarter at nearly \$3.9 million or 47% of the \$8.2 million budget. During the second quarter of 2020, work was done on the Plaza renovation project, the Tallmadge building, steam room renovation, building public space lighting renovation, LED lights retrofit, exterior lights, HVAC upgrades, Terrazzo floor refinishing, chilled water valve replacement, building/security equipment, exhibitor services/back of house remodeling, and the relocation of the command center. These projects allow the Convention Center to remain competitive in the national market. The Convention Center expects Ongoing Equipment and Improvements to finish at \$7.2 million or \$982,000 under the reduced budget.

### **Transfers**

The Convention Center Fund annually transfers funds for debt service, in addition to receiving a transfer from the Downtown Assets Fund. In 2020, transfers to debt service for debt issued on the building is budgeted at nearly \$26.8 million and is projected to finish 2020 at budget. The building debt is expected to be paid off in 2020.

### **Meet Minneapolis**

Beginning in 2004, Meet Minneapolis entered into a series of loan agreements with the City for its joint venture Internet Destination Sales System (iDSS). A total of three loans were consolidated into one \$10.0 million loan in 2007. The consolidated loan had a 10-year amortization of principal (2008-2017) to be repaid in full in 2017 at a 5% interest rate. In November 2014, Meet Minneapolis sold iDSS, but the principal and interest payments to the City continued. In late 2017, there was a contract amendment which extended Meet Minneapolis' final \$500,000 payment of loan principal with \$15,000 interest to January 2019. Meet Minneapolis' quarterly sales and marketing payment from the City was reduced by the amount of the interest and principal payments due for that period. The principal was accounted for on the balance sheet as a loan receivable while the interest received was classified as revenue in the period in which it was due. The loan interest with principal was paid in full in 2019. With the 2020 budget reductions, Meet Minneapolis was budgeted at \$10.6 million in 2020, but due to the City's 2020 budget reductions, Meet Minneapolis's budget was reduced \$1.6 million to \$9.0 million. Meet Minneapolis is projected to finish 2020 at the original budgeted amount of \$10.6 million.

### **Fund and Cash Balance**

The June 30<sup>th</sup>, 2020 fund and cash balances were \$46.9 and \$31.8 million respectively, and the 2020 ending fund and cash balances are projected to be \$26.4 and \$15.3 million which are decreases \$7.0 and \$4.5 million respectively from 2019. The projected lesser decrease of \$4.5 million in cash compared to a \$7.0 million projected decrease in fund balance is the result of \$2.5 million in 2020 loan principal received in 2020 from debt service funds.

**CONVENTION CENTER SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the second quarter ending June 30, 2020**

**CITY OF MINNEAPOLIS, MINNESOTA**

	2020				2019 Actual
	Budget	Actual	Percent of Total	Year End Projection	
<b>REVENUE</b>					
Operating Revenue:					
Charges for Services and Sales	6,900,000	2,101,029	30%	2,704,718	8,541,896
Rents and Commissions	7,600,000	2,625,666	35%	3,070,220	8,371,262
Catering Commissions	4,275,000	957,199	22%	1,535,110	4,312,679
<b>Total Operating Revenue</b>	<b>18,775,000</b>	<b>5,683,893</b>	<b>30%</b>	<b>7,310,048</b>	<b>21,225,838</b>
Other Non Operating Revenue:					
Investment Management Services Interest	761,514	225,821	30%	334,000	1,163,294
Meet Minneapolis (iDSS) Loan Interest	-	-	-	-	15,000
Interest on Capital Advance	-	327,206	-	616,044	214,492
Other	-	1,854,648	-	1,854,648	250,262
<b>Total Other Non Operating Revenue</b>	<b>761,514</b>	<b>2,407,676</b>	<b>316%</b>	<b>2,804,692</b>	<b>1,643,048</b>
<b>Total Non Operating Revenue</b>	<b>761,514</b>	<b>2,407,676</b>	<b>316%</b>	<b>2,804,692</b>	<b>1,643,048</b>
<b>Total Revenue</b>	<b>19,536,514</b>	<b>8,091,569</b>	<b>41%</b>	<b>10,114,740</b>	<b>22,868,885</b>
<b>EXPENDITURES</b>					
Convention Center Operations	24,021,580	10,108,865	42%	23,237,955	25,207,851
Ongoing Equipment and Improvement	8,182,449	3,879,845	47%	7,200,000	13,812,296
General Fund Overhead/IT Operating	2,760,045	1,380,023	50%	2,760,045	2,678,932
Meet Minneapolis	9,041,218	5,568,363	62%	10,636,727	10,241,889
<b>Total Expenditures</b>	<b>44,005,292</b>	<b>20,937,095</b>	<b>48%</b>	<b>43,834,727</b>	<b>51,940,968</b>
Excess of Revenues Over (Under) Expenditures	(24,468,778)	(12,845,527)	52%	(33,719,987)	(29,072,083)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from Downtown Assets	53,530,732	26,765,366	50%	53,530,732	59,520,000
Convention Ctr Debt Service Transfer	(26,806,618)	(403,323)	2%	(26,806,618)	(26,681,616)
<b>Total Other Financing Sources (Uses)</b>	<b>26,724,114</b>	<b>26,362,043</b>	<b>99%</b>	<b>26,724,114</b>	<b>32,838,385</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,255,336	13,516,516		(6,995,873)	3,766,302
Fund Balance - January 1	33,374,795	33,374,795		33,374,795	29,608,494
<b>Ending Fund Balance</b>	<b>35,630,131</b>	<b>46,891,312</b>		<b>26,378,922</b>	<b>33,374,795</b>
<b>Ending Cash Balance (a)</b>		<b>31,794,257</b>		<b>15,533,263</b>	<b>20,024,136</b>

**Notes:**

(a) In 2019 cash in this fund was used to make a \$19,010,000 capital advance to prepay City G.O. bonds. This capital advance will be paid back with TI revenue from four (4) City TIF Districts

## **Arena Special Revenue Fund For the Second Quarter Ending June 30, 2020**

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

### **Revenue**

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund. In 2014, rent from the Timberwolves organization was added as a new revenue source. The rent payments are based on a rent schedule, and the 2020 rent payment was approximately \$1.5 million. Beginning in 2018, entertainment tax was removed as a revenue source with the Arena Fund now being managed as part of the Downtown Assets Funds “umbrella”. The Downtown Assets Funds are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Arena Special Revenue Fund also receives interest revenue from investments on cash balances within the fund. The 2020 interest revenue budget is \$62,000, and 2020 interest revenue is projected to finish well over budget at \$184,000 as the result investment rates and the fund retaining much of its cash throughout the year.

### **Expenditures**

The Arena Special Revenue Fund has a 2020 ongoing equipment and improvements budget of \$6.6 million which includes the reduction of \$1.2 million as the result of coordinated 2020 City budget reductions due to the COVID-19 pandemic and property damage within the City. In 2020, work is being undertaken on much needed projects including a building automation system, chilled water pumps, escalator renovation, sanitary sewer, escalator lobby lighting, seat covers, kitchen equipment, sprinkler system, and doors. Based on the most recent projection, capital expenses are projected to finish 2020 at \$5.5 million which is \$2.1 million under 2019 and \$1.1 million under budget. Arena Special Revenue Fund operations are expected to finish 2020 near budget. As of June 30, 2020, AEG has been paid \$1.5 million of the \$1.7 million budget. The City pays required reimbursements to AEG to support Target Center operating costs.

### **Transfers**

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2020 budgeted transfer is \$4.6 million. In a planned effort to reduce fund balance while maintaining the Arena Special Revenue Fund as part of the Downtown Assets funds, a transfer of \$759,000 was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances. Transfers are underway, and it is expected that the transfers will meet the 2020 budget.

### **Fund/Cash Balance**

The 2019 ending fund balance was \$7.5 million, and is projected to decrease to \$5.6 million which is a \$1.9 million in 2020. The primary reason for the \$1.9 million decrease is a \$927,000 increase in projected capital expenses in 2020, a \$174,000 decrease in 2020 interest revenue, and normal operating expenses of the building. With the Downtown Assets management structure, the Arena Fund will receive a transfer from the Downtown Assets Fund to fund operations and capital as necessary in future years. The 2020 cash balance is also projected to have a similar decline of \$1.9 million which is a decline from \$9.5 million in 2019 to a projected \$7.5 million in 2020.

**ARENA SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the fiscal quarter ending June 30, 2020**

	2020				
	Budget	Actual	Percent of Total	Year End Projection	2019 Actual
<b>REVENUES:</b>					
Rents & Commissions	1,520,319	1,520,319	100%	1,520,319	1,490,509
Interest	61,834	51,851	84%	184,000	358,003
<b>Total revenues</b>	<b>1,582,153</b>	<b>1,572,170</b>	<b>99%</b>	<b>1,704,319</b>	<b>1,848,512</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Target Center Operations	(2,014,052)	(1,587,580)	79%	(2,008,000)	(1,922,326)
Target Center Capital	(6,632,198)	(1,101,782)	17%	(5,493,654)	(4,566,924)
Transfer to Downtown Assets	(759,094)	(759,094)	0%	(759,094)	(2,757,000)
Transfer From Municipal Parking Enterprise Fund	4,614,684	2,307,342	50%	4,614,684	4,383,188
<b>Total other financing sources (uses)</b>	<b>(4,790,660)</b>	<b>(1,141,113)</b>	<b>24%</b>	<b>(3,646,064)</b>	<b>(4,863,062)</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(3,208,507)	431,056		(1,941,745)	(3,014,550)
<b>Fund Balance - January 1</b>	<b>7,522,097</b>	<b>7,522,097</b>		<b>7,522,097</b>	<b>10,536,647</b>
<b>Ending Fund Balance</b>	<b>4,313,590</b>	<b>7,953,153</b>		<b>5,580,352</b>	<b>7,522,097</b>
<b>Ending Cash Balance</b>		<b>7,963,175</b>		<b>7,537,385</b>	<b>9,479,130</b>

**Downtown Assets Special Revenue**  
**Including the Downtown Assets, Peavey Plaza, and Commons Funds**  
**For the Second Quarter Ending June 30, 2020**

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

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

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

**Revenue**

The 2020 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$93.7 million. The overwhelming majority of revenues come from local taxes (including sales, liquor, lodging, restaurant and entertainment). Minneapolis local taxes are projected to finish at \$50.4 million which is \$43.0 million under budget based on 2020 collection trends and impacts from the COVID-19 pandemic and property damages in the City. This is \$38.8 million under 2019. Legislation was passed in 2019 which increased the City's lodging tax from 2.125% to 3.0%. The increase went into effect October 1<sup>st</sup>, 2019. With negative cash projected in 2020, interest earnings are projected to be \$0 which is \$236,000 under the 2020 budget.

**Expenditures**

Capital expenditures within the Peavey Plaza fund include \$474,000 which is a rollover from 2019 for unspent funding to complete the renovation of Peavey Plaza. Also included are operating budgets for the Downtown Assets, Peavey Plaza, and the Commons. The \$25,000 Downtown Assets Fund operating budget isn't expected to be spent due to cancelled events related to the COVID-19 pandemic. The Peavey Plaza operating budget of \$424,000 is projected to finish near budget. Peavey Plaza's operating budget is related to the operations and maintenance of Peavey Plaza, in addition to \$18,000 for special assessments. The \$820,000 Commons operating budget finished at budget and was transferred to the Parks Department for the maintenance and operations of the Downtown Commons, in addition to \$67,000 to cover payments for special assessments.

**Transfers**

Budgeted transfers include \$32.7 million to the General Fund, \$53.4 million to the Convention Center to fund debt service, capital, and operating expenses; and nearly \$5.7 million to the Arena Special Revenue Fund (Target Center) for building debt service. The transfer to the General Fund was reduced by \$22.0 million to help preserve cash balance in this fund. In addition, there is a transfer of \$759,000 from the Arena Special Revenue Fund to the Downtown Assets Fund.

**Fund/Cash Balances**

At the end of 2019, the Downtown Assets Funds had a fund balance of nearly \$16.1 million, and a cash balance of \$8.8 million. The 2020 Downtown Assets Funds, fund and cash balances are projected to finish at negative \$(4.3) million and negative \$(11.5) million respectively. The negatives are due to the significant projected decline in local tax revenue related to the impacts of the COVID-19 pandemic.

**DOWNTOWN ASSETS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the second quarter ending June 30, 2020**

	2020				
	Budget	Actual	Percent of Total	Year End Projection	2019 Actual
<b>REVENUES:</b>					
Local Taxes	93,445,722	25,905,480	28%	50,405,745	89,181,551
Interest Revenue (a)	235,801	(2,375)	-1%	-	430,768
<b>Total Revenues</b>	<b>93,681,523</b>	<b>25,903,105</b>	<b>28%</b>	<b>50,405,745</b>	<b>89,612,319</b>
<b>EXPENDITURES</b>					
Downtown Assets Operating	25,000	-	0%	-	887,412
Peavey Plaza Operating	424,000	118,984	28%	424,000	344,111
Peavey Plaza Capital	473,754	179,827	38%	473,754	3,518,481
Commons Operating	820,000	820,000	100%	820,000	814,098
<b>Total Expenditures</b>	<b>1,742,754</b>	<b>1,118,811</b>	<b>64%</b>	<b>1,717,754</b>	<b>5,564,101</b>
Excess of Revenues Over (Under) Expenditures	91,938,769	24,784,294	27%	48,687,991	84,048,218
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer From Other Special Revenue Fund	759,094	759,094	100%	759,094	2,757,000
Transfer to City General 00100	(32,711,000)	(16,355,500)	50%	(10,711,000)	(31,462,000)
Transfer to Downtown Assets 01700	-	-	-	-	(5,696,585)
Transfer to Convention Center	(53,380,732)	(26,765,366)	50%	(53,380,732)	(59,520,000)
Transfer to Other Debt Service Funds	(5,697,635)	(1,266,318)	22%	(5,697,635)	-
<b>Total other financing sources (uses)</b>	<b>(91,030,273)</b>	<b>(43,628,090)</b>	<b>48%</b>	<b>(69,030,273)</b>	<b>(93,921,585)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	908,496	(18,843,795)	-2074%	(20,342,282)	(9,873,367)
<b>Fund Balance - January 1</b>	<b>16,083,942</b>	<b>16,083,942</b>		<b>16,083,942</b>	<b>25,957,309</b>
<b>Ending Fund Balance</b>	<b>16,992,438</b>	<b>(2,759,853)</b>		<b>(4,258,340)</b>	<b>16,083,942</b>
<b>Ending Cash Balance</b>		<b>(2,730,686)</b>		<b>(11,529,468)</b>	<b>8,812,814</b>

**Notes:**

(a) Due to negative forecasted cash balances, the 2020 forecasted interest earnings are displayed at zero

**City of Minneapolis**  
**Police Special Revenue Fund**  
**For the Second Quarter Ending June 30<sup>th</sup>, 2020**

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**Background**

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

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

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

**Historical Financial Performance**

The accumulated fund balance for year end 2019 is \$2.9 million compared to 2018 fund balance of \$2.4 million. Increase in 2019 was mainly due to increase in federal forfeiture revenue of \$315,000; excess APS revenue over expenditures of \$80,000; and excess Vikings/US Bank revenue over expenditures of \$72,000. Remaining differences is mainly due to rounding.

**Revenues**

Revenues for the Police Special Revenue Fund decreased from \$2.7 million in 2018 to \$2.3 million in 2019. Decrease was primarily due to decrease in Vikings/US Bank service revenue of almost \$300,000 as there was no Super Bowl in 2019; Discontinuation of Detox van contract with Hennepin County, resulting decrease in revenue from \$200,000 in 2018 to \$0 in 2019; Decrease in APS revenue of \$140,000 due to loss of APS customers as MPD discontinued APS at the end of 2019; and decrease in Workforce Director revenue by \$140,000 as there was no additional configuration work in 2019 whereas in 2018, additional work was done on behalf of MPD, resulting increase in revenue. These decreases were offset by increase in forfeiture revenue from \$281,000 in 2018 to \$614,000 in 2019. Forfeiture revenue is unpredictable and depend on amount forfeited and number of cases settled /resolved each year.

The total revenue budgeted for 2020 is \$1.4 million compared to \$2.6 million in 2019. The decrease was predominately due to MPD exiting the intellectual properties businesses (APS & WFD), resulting decrease in budgeted APS and WFD revenue from almost \$900,000 in 2019 to \$0 in 2020. Through the second

quarter of 2020, revenue received is \$400,000 compared to the \$1.2 million received through the second quarter of 2019. The decrease is due to decrease APS & WFD revenue and the impact of the Pandemic, leading to a significant drop across the board in 2020. The projected 2019 year-end revenue is just over \$600,000 compared to the budgeted revenue of \$1.4 million. Again, the decrease is due to decrease APS & WFD revenue and the impact of the Pandemic, leading to a significant drop in revenues in 2020.

### ***Expenditures***

Overall expenditures for the Police Special Revenue Fund was \$1.8 million in 2019 compared to \$2.8 million in 2018. Decrease in 2019 was due to decrease of just under \$350,000 in personnel & fringe expenses associated with US Bank Stadium/Vikings non-emergency services as there was no Super Bowl held in Minneapolis in 2019; Transfer of \$350,000 Workforce expenditures to the general fund in 2019 compare to \$0 in 2018; discontinuation of Detox van contract with Hennepin county, resulting decrease in salaries & benefits from \$200,000 in 2018 to \$0 in 2019; and decrease of charitable gambling expenditures from \$475,000 in 2018 to \$180,000 as there was refund in 2019 to charitable organizations. In 2018, a refund totaling over \$200,000 was paid out of the accumulated charitable gambling fund balance to charitable gambling organizations as required by the state of Minnesota. These decreases were offset by increase in forfeiture expenditures of \$200,000 and increase in personnel and fringe expenses associated with snow emergency services contract of \$100,000.

Through the second quarter of 2020, approximately \$500,000 has been expended compared to \$1.0 million through the second quarter of 2019. The decrease in spending is predominately due to discontinuation of APS and transfer of WFD to general fund and decrease in overtime cost associated with non-emergency services contracts. Many of the non-emergency services has been suspended due to the pandemic. The projected 2020 year-end expenditures are \$900,000 compared to budgeted expenditures of \$1.4 million. Due to the ongoing pandemic, State authorities has suspended large gatherings including sporting events and concerts held at various stadiums and as a result, no additional non-emergency service contracts are expected to be performed in the remainder of 2020.

### **Cash and Fund Balance**

The accumulated fund balance for year ending 2019 is \$2.8 million compared to 2018 fund balance of \$2.4 million. Increase in fund balance from 2018 to 2019 was predominately due to transfer of \$350,000 Workforce Director expenditures to general fund along with excess revenue associated with APS and Forfeiture of \$70,000 and 80,000, respectively.

The cash balance for year end 2019 was \$2.8 million compared to \$2.2 million in 2018. Increase in 2019 was mainly due to increase in federal forfeiture revenue of \$315,000; excess APS revenue over expenditures of \$80,000; and excess Vikings/US Bank revenue over expenditures of \$72,000. Remaining differences is mainly due to rounding.

The cash balance as of June 30<sup>th</sup>, 2020 is \$2.7 million compared to cash balance of \$2.6 as of June 30<sup>th</sup>, 2019. The differences is predominately due to excess revenue over expenditures in 2019 of \$150,000 which is offset by shortage of revenue over expenditures in 2020 of \$84,000. Remaining differences is due to rounding.



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

	Budget Current Year 2020	Projected Year Ending 2020	For Period Ending 6/30/2020	For Year Ending 2019	For Period Ending 6/30/2019	For Year Ending 2018	For Period Ending 6/30/2018
<b>Revenue</b>							
Charges for Services and Sales	977,500	241,330	162,064	1,414,050	638,114	2,175,449	960,515
Fines and Forfeits	237,362	237,474	170,358	614,458	465,907	281,224	189,586
Taxes	226,779	148,033	70,647	262,501	106,513	255,846	94,641
Total Revenue	1,441,640	626,837	403,069	2,291,010	1,210,534	2,712,519	1,244,742
<b>Expenditures</b>							
Contractual Services	62,947	244,550	49,496	345,400	401,797	1,008,648	543,235
Fringes	214,074	80,620	53,928	246,412	116,903	309,487	149,548
Materials / Other	199,304	215,521	235,218	158,681	111,094	250,984	129,681
Personal Services	965,315	282,551	138,017	903,762	386,443	1,241,315	613,774
Capital Outlay	-	49,455	10,852	161,431	-	40,246	-
Total Expenditures	1,441,641	872,696	487,511	1,815,686	1,016,237	2,850,681	1,436,237
<b>Excess of Revenues Over (Under) Expenditures</b>	-	(245,859)	(84,442)	475,324	194,297	(138,162)	(191,495)
<b>Significant Balance Sheet Items:</b>							
Cash Balance	2,783,520	2,537,661	2,699,078	2,783,520	2,635,074	2,237,746	2,135,272
Fund Balance	2,923,273	2,677,414	2,838,831	2,923,273	2,642,246	2,447,949	2,394,616

**City of Minneapolis  
NCR Special Revenue Fund  
For the Second Quarter Ended June 30, 2020**

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**Neighborhood and Community Relations Special Revenue Fund**

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

**Historical Financial Performance**

This fund was established in 2011. Growth in the fund was impacted by the two year hiatus on tax increment collection. The City decided to reduce property tax levies in 2012-2013 by using reprogrammed NRP resources to fund neighborhood revitalization services for these two years and reduce the captured value of the Consolidated TIF District. As of 2014, the captured value of the district was restored to the amount provided in the original plan.

**Revenues**

The Consolidated Redevelopment Tax Increment Financing District Fund transferred \$3.6 million to the NCR Special Revenue Fund in the first half of 2020, and approximately \$3.7 million more will be transferred in the second half of 2020. The total \$7.3 million transfer will occur as budgeted with no variance.

**Expenditures**

The expenditures from this fund are projected to finish the year at the budgeted amount of \$7.3 million for the community engagement and neighborhood-based activities.

**Fund and Cash Balance**

The Fund balance at year end 2019 was \$3.1 million, a decrease of \$0.2 million from the 2018 ending fund balance of \$3.3 million. The projected 2020 year-end fund balance remains at \$3.1 million as revenues and expenditures are expected to be equal in 2020 resulting in no change to the fund balance. The cash balance at year end 2019 was \$3.5 million, and that is also the projected cash balance for year-end 2020.

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

	Budget Current Year 2020	Projected Year Ending 2020	For Period Ending 6/30/2020	For Year Ending 2019	For Period Ending 6/30/2019	For Year Ending 2018
<b>Revenue</b>						
Special Assessments						
Loan Recapture	-	-	-	-	-	1,662
Other						
Total Revenue	-	-	-	-	-	1,662
<b>Expenditures</b>						
Neighborhood Community Relations	7,284,880	7,284,880	3,552,507	7,051,052	3,429,233	6,708,537
Total Expenditures	7,284,880	7,284,880	3,552,507	7,051,052	3,429,233	6,708,537
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(7,284,880)</b>	<b>(7,284,880)</b>	<b>(3,552,507)</b>	<b>(7,051,052)</b>	<b>(3,429,233)</b>	<b>(6,706,875)</b>
<b>Other Financing Sources (Uses)</b>						
Net transfers in from other funds	7,284,880	7,284,880	-	6,882,605	3,441,303	6,682,141
Net transfers out to other funds						
Total Other Financing Sources (Uses)	7,284,880	7,284,880	-	6,882,605	3,441,303	6,682,141
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(3,552,507)</b>	<b>(168,447)</b>	<b>12,070</b>	<b>(24,734)</b>
<b>Significant Balance Sheet Items:</b>						
Cash Balance		3,473,070	(333,564)	3,473,070	3,366,423	3,544,785
Fund Balance		3,112,775	(439,732)	3,112,775	3,268,557	3,281,222

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

**Background**

The Regulatory Services Special Revenue Fund accounts for the City's nuisance building abatement efforts, and is primarily managed by the Regulatory Services Department with the assistance of the Finance & Property Services Department. The Fund is used for the abatement of buildings that have been deemed to be in nuisance condition pursuant to Chapter 249 for removal of nuisance conditions. Property owners are charged to recover the costs of these activities and all recovered costs are credited back to this fund. The majority of revenue in the fund is received from Special Assessments paid with property taxes twice annually. In 2013 the Construction Code Services division of Regulatory Services was transferred to Community Planning and Economic Development (CPED). In 2019, CPED transferred their spending to the General Fund, and Regulatory Services is responsible for spending and revenue in this fund.

**Historical Financial Performance**

The City established this fund in 2008. Through 2013 it accumulated a fund balance of \$5.5 million. This balance was the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. These two revenue sources were not ongoing, leaving special assessments and direct property owner charges as the only sources of revenue for this fund. Fund balance has been declining in recent years. Anticipation going forward is for revenue to continue to contract, thereby reducing fund balance.

**Revenue**

The majority of revenue in this fund comes from Vacant Building Registration fees. Homeowner citations, paid directly or through Special Assessments is another source of revenue. The total revenue budgeted for 2020 is \$2.47 million; \$2.37 million of this is from special assessments. Through the second quarter of 2020 \$163,000 in revenue had been received compared to \$374,000 in June of 2019, a 56% decrease from the previous year. The 2020 year-end revenue projection is \$2.08 million, or approximately \$393,000 under budget.

**Expenditures**

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. Through the second quarter of 2020, \$1.56 million had been expended as compared to \$1.76 million in 2019. The projected 2020 year-end expenditures are \$3.13 million, which is \$75,000 under budget.

**Cash and Fund Balance**

Fund balance projections depend upon revenue receipts. The Fund Balance for 2020 is budgeted to decrease by \$736,000. Fund balance and cash balance, which mirrors fund balance are projected to decrease by \$1,054,000 in 2020, resulting in ending balances of \$73,000 and \$148,000 respectively.

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

	Budget Current Year 2020	Projected Year Ending 2020	For Period Ending 6/30/2020	For Year Ending 2019	For Period Ending 6/30/2019	For Year Ending 2018	For Period Ending 6/30/2018
<b>Revenue</b>							
Permits and Charges for Services	2,370,000	1,974,084	106,311	1,955,759	45,500	282,486	113,708
Special Assessments	100,000	102,684	57,082	286,489	301,720	2,046,964	276,563
Other	-	-	-	-	26,562	48,188	27,661
<b>Total Revenue</b>	<b>2,470,000</b>	<b>2,076,768</b>	<b>163,393</b>	<b>2,242,248</b>	<b>373,782</b>	<b>2,377,638</b>	<b>417,932</b>
<b>Expenditures</b>							
Regulatory Services	3,205,689	3,130,689	1,555,206	3,883,579	1,764,310	3,835,768	1,849,692
Community & Economic Development	-	-	6,421	-	-	108,044	123,492
<b>Total Expenditures</b>	<b>3,205,689</b>	<b>3,130,689</b>	<b>1,561,627</b>	<b>3,883,579</b>	<b>1,764,310</b>	<b>3,943,812</b>	<b>1,973,184</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(735,689)</b>	<b>(1,053,920)</b>	<b>(1,398,234)</b>	<b>(1,641,331)</b>	<b>(1,390,528)</b>	<b>(1,566,174)</b>	<b>(1,555,252)</b>
<b>Other Financing Sources (Uses)</b>							
Net transfers in from other funds				800,000	400,000		
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(735,689)</b>	<b>(1,053,920)</b>	<b>(1,398,234)</b>	<b>(841,331)</b>	<b>(990,528)</b>	<b>(1,566,174)</b>	<b>(1,555,252)</b>
<b>Significant Balance Sheet Items:</b>							
Cash Balance	466,571	148,339	(195,974)	1,202,259	1,053,062	2,043,590	1,976,409
Fund Balance	391,710	73,478	(270,835)	1,127,398	978,201	1,968,729	1,979,651

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**Quarter Ending June 30, 2020**

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

**Federal Grants Fund (01300)**

The City accounts for its federal grant activity in fund 01300. As of June 30, 2020, expenditures were \$5,955,700 compared to the 2019 expenditures of \$3,791,200. The increase in federal expenditures of \$2,164,570 has a few contributing factors. Health Department spending increased approximately \$421,000. CPED spending variance is larger than usual between years with the actual expenditures as of June 30, 2020 just over \$2 million. At this same time last year CPED had approximately \$220,000 in expenditures. The lower expenditures in 2019 were due to a rearrangement of grant expenditures between funds 01300 and 01400. Police and the City Coordinator experienced some decreases in grant spending that helped to partially offset the increases in other areas.

We anticipate an increase in spending in fund 01300 later in the year to reflect the expenditure of federal grants and financial assistance awards received in the second quarter but not yet expended in the grant fund and associated with coronavirus pandemic response. The City received approximately \$32 million of Corona Relief Funds (CRF) from the U.S. Treasury Department through State of Minnesota. These funds need to be expended by November 15 unless there is an extension to the award. The City also applied for funds through the U.S. Department of Homeland Security for FEMA Public Assistance. The City has recently received a grant from the Office of the Secretary of State through Hennepin County of approximately \$273,000 to assist with the additional cost of Elections due to the pandemic. Both the FEMA and the Election grant have matching requirements that can be met with the Corona Relief Funds.

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

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

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with two other Housing and Urban Development (HUD) Programs, the Emergency Solutions Grant Program (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). HOME Investment Partnerships Program (HOME) program is accounted for

in fund 01500 and the combined amounts are presented in the schedule. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards had declined until 2012 and since has remained around \$10 million until 2020 where the CDBG award increased to \$11 million. The combined HUD Consolidated Plan allocation for 2020 was over \$16 million approximately equivalent to the 2019 allocation. HUD grant expenditures as of June 30 were \$6,369,265 compared to \$7,518,116 for 2019. Variances in expenditures between years are not uncommon due to the nature and timing of larger CPED projects. We anticipate an increase in the expenditures later in 2020 for COVID related expenditures for the CDBG, ESG and HOPWA programs as there are expected revenues from the HUD COVID supplemental grants of \$19,942,279.

### **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, 2020 are \$10,226,620 compared to the 2019 expenditures of \$9,678,661. The increase in 2020 expenditures primarily relates to an increase in CPED spending related to their affordable housing development.

The revenue in the fund as of June 30, 2020 and 2019 is \$13,371,031 and \$13,831,605, respectively. Grants in fund 01600 are both on a cost reimbursement and advance basis. At the end of the year amounts advanced and not expended are shown in the financial statements as unearned revenue, and 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.

### **Capital Grants**

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

**Special Revenue Funds**  
**Grant Funds**  
**Quarter Ending June 30, 2020**

	<b>Federal Grants 01300</b>	<b>HUD Grants 01400 &amp; 01500</b>	<b>Grants Other 01600</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ (1,118,136)	\$ (15,585)	\$ 5,874,322	\$ 4,740,601
Accounts - net	-	25,307	35,000	60,307
Intergovernmental Receivables	-	-	14,566	14,566
Properties Held for Resale	666,309	6,320,766	1,199,750	8,186,825
<b>Total Assets</b>	<b>\$ (451,827)</b>	<b>\$ 6,330,488</b>	<b>\$ 7,123,638</b>	<b>\$ 13,002,299</b>
<b>Liabilities</b>				
Salaries Payable	\$ 91,416	\$ 125,263	\$ 125,218	\$ 341,897
Accounts Payable	337,331	195,898	224,706	757,935
Inter Governmental Payables	-	147,630	-	147,630
Use Taxes Payable	12	-	-	12
Unearned Revenue and Contracts	354,150	-	76,076	430,226
<b>Total Liabilities</b>	<b>\$ 782,909</b>	<b>\$ 468,791</b>	<b>\$ 426,000</b>	<b>\$ 1,677,700</b>
<b>Fund Balance</b>	<b>\$ (1,234,736)</b>	<b>\$ 5,861,697</b>	<b>\$ 6,697,638</b>	<b>\$ 11,324,599</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ (451,827)</b>	<b>\$ 6,330,488</b>	<b>\$ 7,123,638</b>	<b>\$ 13,002,299</b>
<b>Revenue</b>				
Taxes-Charitable Gambling	\$ -	\$ -	\$ 141,093	\$ 141,093
Grants and Shared Revenues	3,656,562	5,221,893	9,342,126	18,220,581
Private Grants and Contributions	-	-	2,659,215	2,659,215
Charges for Services	-	-	651,234	651,234
Fines and forfeits	-	-	23,010	23,010
Interest	-	27,042	-	27,042
Rent & Commissions	-	25,575	-	25,575
Sale of Lands & Buildings	-	368,320	-	368,320
Loan Recapture	260,568	267,366	-	527,934
Miscellaneous Revenue	2,046	-	553,853	555,899
Transfer within Special Revenue Fund	-	-	500	500
<b>Total Revenue</b>	<b>\$ 3,919,176</b>	<b>\$ 5,910,196</b>	<b>\$ 13,371,031</b>	<b>\$ 23,200,403</b>
<b>Expenditures</b>	<b>\$ 5,955,700</b>	<b>\$ 6,369,265</b>	<b>\$ 10,226,620</b>	<b>\$ 22,551,585</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (2,036,524)</b>	<b>\$ (459,069)</b>	<b>\$ 3,144,411</b>	<b>\$ 648,818</b>



**City of Minneapolis**  
**Community Planning & Economic Development (CPED)**  
**Special Revenue Funds**  
**For the Second Quarter Ending June 30, 2020**

<i>Programs</i>	<i>Original Budget</i>	<i>Current Budget</i>	<i>Expended</i>	<i>Budget v. Exp</i>	<i>Cash</i>	<i>Fund Balance</i>
Tax Increment Financing	53,903,390	81,728,602	11,262,151	70,466,451	101,637,273	126,948,396
Housing & Econ Dev	4,271,000	27,369,938	6,908,294	20,461,644	10,843,430	16,612,348
General Development	7339,003	23,867,671	3,055,705	20,811,965	34,663,707	38,030,182
Neighborhood Revitalization	5,800,000	5,800,000	1,817,348	3,982,652	31,187,205	31,450,658
CPED Operating	1,536,313	1,536,313	770,608	765,705	2,367,913	1,635,812
<b>Total</b>	<b>72,849,706</b>	<b>140,302,524</b>	<b>23,814,106</b>	<b>116,488,417</b>	<b>180,699,528</b>	<b>214,677,396</b>

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

**Fund Balance.** The combined fund balance of the CPED Special Revenue Funds at the end of the second quarter 2020 was \$214.7 million. Fund balances are considered either “restricted” or “assigned”. The combined fund balance of the NRP and TIF programs was \$158.4 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 \$56.3 million.

**Cash Balance.** The combined cash balance of the CPED Special Revenue Funds at the end of the second quarter 2020 was \$180.7 million. This was \$6.7 million less than at the end of the second quarter 2019. The combined cash balance in the TIF and NRP programs at the end of the second quarter 2020 was \$132.8 million (73.49% of the total).

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

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

Cash at the end of the second quarter 2020 was \$101.6 million, which was \$5.3 million higher than cash at the end of second quarter 2019. Second quarter 2020 revenues came in at \$857,632, which was \$1.2 million less than in 2019. Second quarter 2020 expenditures were \$6.2 million, which was \$1.5 million higher than in 2019. In the second quarter of 2020, total expenditures exceeded revenues by \$5.3 million, net transfers out were \$1.9 million, and fund balance decreased by \$7.2 million from \$134.1 million to \$126.9 million.

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

Cash at the end of the second quarter 2020 was \$10.8 million, which was \$4.1 million less than cash at the end of second quarter 2019. Second quarter 2020 revenues were \$589,933, which was approximately \$41,147 higher than in 2019. Second quarter 2020 expenditures were \$6.9 million, which was \$5.6 million higher than in 2019.

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

Cash at the end of the second quarter 2020 was \$34.7 million, which was \$6.9 million less than cash at the end of second quarter 2019. Second quarter 2020 revenues were \$667,094, which was \$11.2 million less than in 2019. Second quarter 2020 expenditures were \$3.1 million, which was \$.40 million higher than in 2019.

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

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

Cash at the end of the second quarter 2020 was \$31.2 million, which was \$.40 million less than the cash in second quarter 2019. Second quarter 2020 revenues were \$709,377, which was \$142,471 less than in 2019. Second quarter 2020 expenditures were \$1.3 million, which was \$.6 million less than in 2019.

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

At the end of 2011, a large negative fund balance existed in this program. As part of the 2012 budget process, CPED directors developed and approved a five-year deficit work-out plan. The negative fund balance was to be eliminated over a five-year work-out period (2012-2017). In each year, available unrestricted CPED revenues are used to pay 20 percent of the original negative fund balance plus the actual deficit (expenditures over revenues) from the prior year.

As an example, a \$5.0 million negative fund balance in the program would be eliminated by paying \$1.0 million (20%) each year plus the actual deficit from the prior year. So if the prior year deficit was \$350,000, the annual deficit reduction payment would be \$1,350,000. After the five-year period, the only deficits remaining would be from the current year. In the second quarter of 2017 the final payment was made under this work-out plan.

At the end of the second quarter 2020, this program had a fund balance of \$1.6 million and a cash balance of \$2.4 million. Expenditures during this period exceeded revenues by \$.7 million, and there were no transfers from/to other funds.

**CPED Special Revenue Fund Component Programs  
Financial Statement Summaries  
2nd Quarter 2020**

CPED Special Revenue Fund	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q2 2020 Total	Q2 2019 Total
<b>Assets</b>							
Cash	101,637,273	10,843,430	34,663,707	31,187,205	2,367,913	180,699,528	187,448,072
Misc receivables	55,360	-	19,212	12,772	4,265	91,608	114,274
Loans receivable	-	6,227,182	-	-	-	6,227,182	6,227,182
Advances to other funds	389,471	-	-	-	-	389,471	3,272,782
Properties held for resale	25,438,329	5,888,782	3,674,770	251,202	-	35,253,083	34,754,185
<b>Total Assets</b>	<b>127,520,432</b>	<b>22,959,394</b>	<b>38,357,689</b>	<b>31,451,179</b>	<b>2,372,178</b>	<b>222,660,873</b>	<b>231,816,496</b>
<b>Liabilities</b>							
Payables	128,743	20,317	8,037	521	10,476	168,094	154,951
Advances from other funds	389,471	-	-	-	-	389,471	522,782
Deposits held for others	-	99,548	319,470	-	708,291	1,127,309	943,571
Deferred inflow of resources	53,822	6,227,182	-	-	-	6,281,004	6,233,116
General Ledger Suspense	-	-	-	-	17,599	17,599	-
<b>Total Liabilities</b>	<b>572,036</b>	<b>6,347,047</b>	<b>327,507</b>	<b>521</b>	<b>736,366</b>	<b>7,983,477</b>	<b>7,854,420</b>
<b>Total Fund Balance</b>	<b>126,948,396</b>	<b>16,612,348</b>	<b>38,030,182</b>	<b>31,450,658</b>	<b>1,635,812</b>	<b>214,677,396</b>	<b>223,962,075</b>
<b>Total Liabilities &amp; FB</b>	<b>127,520,432</b>	<b>22,959,394</b>	<b>38,357,689</b>	<b>31,451,179</b>	<b>2,372,178</b>	<b>222,660,873</b>	<b>231,816,496</b>
<b>Revenue</b>							
Fees & charges for services	12,952	285,869	152,875	-	37,766	489,461	608,061
Interest revenue	485,899	60,135	224,672	185,013	10,503	966,221	3,010,612
Special Assessments	-	-	-	-	44,683	44,683	-
Rent	38,779	2,287	21,183	-	-	62,249	124,415
Sale of land & buildings	22,935	27,152	16,202	12,467	-	78,756	10,298,980
Loan recapture	207,067	214,290	252,163	511,897	-	1,185,416	1,582,766
Refund	90,000	200	-	-	-	90,200	-
<b>Total revenue</b>	<b>857,632</b>	<b>589,933</b>	<b>667,094</b>	<b>709,377</b>	<b>92,951</b>	<b>2,916,987</b>	<b>15,624,834</b>
<b>Expenditures</b>							
Personal services	-	10,103	300,749	-	-	310,851	858,611
Contractual services	2,480,557	1,384,076	1,307,007	1,183,377	770,608	7,125,625	3,875,206
Other operating costs	-	38,000	277,210	-	-	315,210	364,234
Program capital outlay	3,690,635	5,476,116	1,170,740	110,653	-	10,448,144	6,401,901
<b>Total expenditures</b>	<b>6,171,192</b>	<b>6,908,294</b>	<b>3,055,705</b>	<b>1,294,030</b>	<b>770,608</b>	<b>18,199,829</b>	<b>11,499,952</b>
<b>Transfers</b>							
Transfers from other funds	2,758,154	1,885,500	-	-	-	4,643,654	9,295,995
Transfers to other funds(-)	(4,634,802)	-	-	(523,318)	-	(5,158,119)	(35,107,271)
<b>Total transfers</b>	<b>(1,876,647)</b>	<b>1,885,500</b>	<b>-</b>	<b>(523,318)</b>	<b>-</b>	<b>(514,465)</b>	<b>(25,811,276)</b>
<b>Change in fund balance</b>	<b>(7,190,207)</b>	<b>(4,432,861)</b>	<b>(2,388,612)</b>	<b>(1,107,971)</b>	<b>(677,657)</b>	<b>(15,797,308)</b>	<b>(21,686,394)</b>
Beginning fund balance	134,138,603	21,045,208	40,418,793	32,558,630	2,313,469	230,474,704	245,648,469
<b>Ending fund balance</b>	<b>126,948,396</b>	<b>16,612,348</b>	<b>38,030,182</b>	<b>31,450,658</b>	<b>1,635,812</b>	<b>214,677,396</b>	<b>223,962,075</b>

**City of Minneapolis**  
**Engineering, Materials, and Testing**  
**For the Second Quarter Ending June 30, 2020**

Fund 06000	2020 Budget	06/30/2020 Actual	Projected YE 2020	2019 Actual
Operating Revenue	9,025,424	2,720,856	8,329,509	9,242,251
Operating Expense	8,626,578	2,538,000	8,175,574	8,839,512
Operating Margin	398,846	182,856	153,936	402,739
Change in Net Position		182,856	153,936	402,779
Net Position		692,555	663,635	509,699
Cash Balance		2,174,661	2,286,267	2,132,331

**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 2020 is \$2,720,856, or 30.1% of the budgeted amount of \$9,025,424. The 2020 2<sup>nd</sup> quarter revenue of \$2,720,856 represents an increase of 1.5% over the second quarter 2019 revenue of \$2,681,132. 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 2020 is \$2,538,000, or 29.4% of the budgeted amount of \$8,626,578. The 2020 2<sup>nd</sup> Quarter expense reflects an increase of 10.2% over the 2019 expense of \$2,302,446 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 2020.

**Debt Service:**

This fund does not have any debt obligations.

**Forecast:**

The 2020 Operating revenue is projected to be \$8,329,509 or 92.3% of the budgeted amount of \$9,025,424. Operating expense is projected to be \$8,175,574 or 94.8% of the budgeted amount of \$8,626,578. The Projected amounts are expected to be lower than the budgeted amounts due to COVID19 which resulted in the hiring and wage freeze, which in turn is expected to lower the Revenue and Expense for the 2020. These projections result in an increase of \$153,936 from the 2019 ending net position of \$509,699. The 2020 year-end cash balance is projected to be \$2,286,267, which is higher than the 2019 ending balance of \$2,132,331 due to the expected increase in the Operating Margin.

**Cash and Net Position**

The 2020 second quarter cash balance is \$2,174,661, an increase of \$42,329 from the 2019 year-end balance of \$2,132,331. 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, 2020, the fund had an accrual of \$409,856 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 \$1,764,805. 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 \$361,142.

The 2019 year-end net position was \$509,699 which represents an increase of \$89,699 from the 2018 ending balance of \$420,000. The primary reason for this increase was due to the 2019 higher Operating Margin as a result of more concrete and asphalt sales and more consulting services. 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 \$332,700 for the 2019.

**City of Minneapolis**  
**Fleet Services Internal Service Fund**  
**For the Second Quarter Ending June 30, 2020**

Fund 06100	2020 Budget	06/30/2020 Actual	Projected YE 2020	2019 Actual
Operating Revenue	40,192,816	20,023,630	30,643,000	41,584,609
Operating Expense	23,808,250	11,773,443	23,755,682	25,351,313
Operating Margin	16,384,566	8,250,187	6,887,318	16,233,296
Change in Net Position		3,449,513	(3,283,682)	7,673,903
Net Position		88,476,524	71,274,154	93,844,703
Cash Balance		19,639,440	21,781,941	33,727,402

**Program Description:**

The Fleet Services 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 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 Fleet Services Division assigns nearly all its fleet (base units) to City departments. The City departments are allocated a rental rate for these units that is calculated through an activity-based cost allocation model and designed to capture the replacement cost of the vehicle. The City’s fleet of vehicles and equipment has an acquisition value of \$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 2020 is \$20,023,630 or 50% of the budgeted amount of \$40,192,816. The revenue earned through second quarter 2020 decreased by \$282,655, or 1.4%, from the revenue earned through second quarter 2019. This decrease is due to decreased usage of equipment and lower fuel costs because of the COVID-19 pandemic. Also, to help the City contain costs, Fleet Services has suspended the billing for equipment rentals for the second half of the year, which lowered expected revenue by \$7,761,471.

**Expenses:**

Operating expense through second quarter 2020 totaled \$11,773,443 representing 50% of the annual budget of \$23,808,250. Expenses through the second quarter of 2020 increased \$744,621 or 6.8%, over the total expense through the same period in 2019. The primary reason for this increase is because of capital spending of \$123,477 over the budgeted amount of \$50,000, relating to the purchase of electric car stations and \$92,454 of unbudgeted expenses relating to repair of Fleet office space rented through Property Services.

**Transfers:**

This fund receives a transfer in of \$316,893 from the Property Services Fund to pay a portion of the debt expense related to the Currie Maintenance Facility. Property Services included a portion of the debt expense in its rent cost allocation model to charge other City departments that are housed in the Currie facility for a portion of the debt.

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

**Debt Service:**

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

**Forecast:**

Operating revenue is projected to be \$30,643,000 which is \$9,549,816 or 31% less than the budgeted amount of \$40,192,816. Projected revenue is less than budgeted primarily due to a decrease in usage and lower fuel charges. Also Budgeted revenue for equipment rental was suspended for the last six months of the year which will cut the revenue in half. Operating expense is projected to be \$52,568 or 0.2% less than the budgeted amount of \$23,808,250. After transfers are complete and non-operating revenue is recorded, a decrease to net position of \$3,283,682 is projected compared to the budgeted increase of \$6,223,566, resulting in a projected ending net position of \$71,274,154. Ending cash is projected to be \$20,781,941, a decrease of \$12,945,461 from the 2019 ending cash balance of \$33,727,402. 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 2020 ending balance of \$19,639,440, a decrease of \$9,560,481 from the 2019 second quarter ending balance of \$29,199,921. Reserve policies for internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$3,571,238.

The net position for year ending 2019 was \$93,844,703, an increase of \$7,673,903, or 8.9% over the 2018 ending balance of \$86,170,800. 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. Net position consists of a net investment in capital assets of \$70,489,442 along with \$23,355,262 of unrestricted net position. Financial reserve policies for the internal service funds determine that the minimum net position for the Fleet Services Division Fund should be twice the depreciation amount or \$17,660,624.

**City of Minneapolis  
Property Services Division  
For the Second Quarter Ending June 30, 2020**

Fund 06200	2020 Budget	06/30/2020 Actual	Projected YE 2020	2019 Actual
<b>Operating Revenue</b>	23,801,117	12,949,196	26,911,965	25,353,270
<b>Operating Expense</b>	26,585,748	14,061,030	30,221,995	27,600,136
<b>Operating Margin</b>	(2,784,631)	(1,111,834)	(3,310,030)	(2,246,865)
<b>Change in Net Position</b>		(1,428,485)	(3,952,757)	1,903,552
<b>Net Position</b>		32,455,674	29,931,402	33,884,159
<b>Cash Balance</b>		6,719,766	4,195,494	8,148,251

**Program Description:**

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

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

**Revenue:**

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

Operating revenue recorded through second quarter 2020 is \$12.9 million, or 54.4% of the budgeted amount of \$23.8 million. The 2020 second quarter revenue increased by \$885,000, or 7.3%, from the revenue earned through second quarter 2019. This is mainly because through the second quarter of 2020, the revenue earned from charges for services at City Hall increased \$587,000, or 82.4% from the same period in 2019. Revenue received from charges for services, including operating repairs and upgrades, also fluctuates based on the amount of discretionary spending available to departments and the timing of work done.

**Expenses:**

Operating expense through second quarter of 2020 is \$14.1 million, or 52.9% of the total budgeted amount of \$26.6 million. The 2020 second quarter expense increased \$2.6 million, or 22.3%, from the operating expense recorded through second quarter 2019. The 2020 increase is primarily due to increased expenses



related to 2019 delayed projects which were rolled over to 2020. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work done.

**Transfers:**

For 2020, this fund receives a transfer in from the General Fund totaling \$237,000 to support the City Hall rent expense. The fund will also transfer out \$317,000 to the Fleet Services Division fund to assist with the debt related to the Currie Maintenance Facility, and \$500,000 for the financing of the new Public Service Center (PSC) Loan. Property Services collects the Fleet Services payment of \$317,000 through the rent allocation model from City departments housed in Currie; and it collects \$500,000 from CPED through the rent model to finance the PSC Loan.

**Debt Service:**

There is no outstanding debt service for 2020.

**Forecast:**

2020 Operating revenue is projected to be \$26.9 million or 13.1% more than the budgeted amount of \$23.8 million. The operating expense is projected to be \$30.2 million or 13.7% more than the budgeted amount of \$26.6 million. The projected expenses are more than the budgeted expenses due to the timing of capital repairs and upgrades. The result is a projected operating margin loss of \$3.3 million, compared to the budgeted operating margin loss of \$2.8 million. The projected operating loss is mostly due to the City Council approved rollover of unspent 2019 asset preservation funds to 2020 for \$4.5 million, which in turn is offset by the projected \$1.4 million operating gain due to the hiring and wage freeze approved in 2020 as the 1st phase budget adjustment.

The 2020 ending cash balance is projected to be \$4.2 million, a decrease of \$3.9 million from the 2019 year-end balance of \$8.1 million. The decrease in cash is due to timing; some of the capital repairs and upgrade projects, originally budgeted in 2019, are expected to be completed in 2020.

**Cash and Net Position:**

The cash balance at the end of second quarter 2020 was \$6.7 million compared to a cash balance of \$10.1 million at the end of second quarter 2019. The cash through the second quarter of 2020 consists of a balance of \$1.6 million in the Property Disposition fund and a balance of \$2.6 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 million for the Property Services fund in 2020.

The net position for the year ending 2019 was \$33.9 million, an increase of \$1.9 million from the net position of \$32.0 million for year ending 2018. This increase is due to the delay of the capital improvement projects in 2019, which are planned to be completed in 2020. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2019 was \$814,443 and the projected net position in 2020 is \$28.3 million greater than the benchmark, which is \$1.6 million.

**City of Minneapolis  
Public Works Stores  
For the Second Quarter Ending June 30, 2020**

Fund 06300	2020 Budget	06/30/2020 Actual	Projected YE 2020	2019 Actual
<b>Operating Revenue</b>	1,543,038	841,401	1,831,173	1,617,080
<b>Operating Expense</b>	1,528,906	828,991	1,721,549	1,704,715
<b>Operating Margin</b>	14,131	12,409	109,623	(87,634)
<b>Change in Net Position</b>		12,409	109,623	68,526
<b>Net Position</b>		5,577,020	5,674,234	5,564,611
<b>Cash Balance</b>		878,263	2,647,299	2,537,676

**Program Description:**

The Public Works Stores Fund, established in 1965, accounts for the centralized procurement, receiving, warehousing and distribution of stocked inventory items and the purchase of special goods and services. The fund's mission is to provide goods in a cost-effective manner to City departments through the Central Stores and Traffic Stores. In 2016, Central Stores added a new storeroom located at the Royalston Maintenance Facility. The Royalston storeroom will provide the same services as the Hiawatha location.

**Revenue:**

Operating revenue through the second quarter of 2020 is \$841,401, or 54.5% of the budgeted amount of \$1,543,038. This is an increase of \$188,499, or 28.9%, compared to revenue of \$652,902 earned through second quarter of 2019. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue is due a \$74,495 increase in Traffic Stores for selling scrap and a \$114,003 increase in Central stores overhead charges and transactions processing.

**Expenses:**

Operating expense through the second quarter of 2020 is \$828,991, or 54.2% of the budgeted amount of \$1,528,906. The amount expended through second quarter of 2020 decreased by \$25,395, or 3.0%, from the \$854,386 expended through the same period in 2019. The decrease is due to a reduction of \$66,820 in personnel and \$5,848 in materials and supplies, which is driven by the COVID-19 pandemic. These decreases are partially offset by an increased \$44,983 in Contractual services, which is mostly due to fencing gate project charges at 300 Border Traffic stores.

**Transfers:**

There are no transfers in or out of this fund in 2020.

**Debt Service:**

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

**Forecast:**

Operating revenue is projected to total \$1,831,173 at year-end, exceeding the budgeted revenue of \$1,543,038 by \$288,135, or 18.7%. This increase is mostly due to increased overhead charges to inventory sales and transaction processing. Operating expense is projected to be \$1,721,549, representing a 12.6%, or \$192,643 increase from the budgeted amount of \$1,528,906. 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 \$109,623 compared to a budgeted decrease of \$14,131, and a projected ending net position of \$5,674,234.

**Cash and Net Position:**

The cash balance at the end of second quarter 2020 is \$878,263, a decrease of \$1,659,413 from the 2019 year-end balance of \$2,537,676. The decrease in cash is primarily due to a 40.1% increase in inventory purchases. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15.0% of the annual operating budget, or \$229,336.

The fund continues to maintain a positive net position with a 2019 ending balance of \$5,564,611, a decrease of \$15,577 from the 2018 ending balance of \$5,580,188. 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 \$221,089.

**City of Minneapolis  
Intergovernmental Services Fund  
For the Second Quarter Ending June 30, 2020**

Fund 06400	2020 Budget	06/30/2020 Actual	Projected YE 2020	2019 Actual
Operating Revenue	38,482,018	21,950,534	43,901,000	41,503,334
Operating Expense	43,040,810	21,984,739	45,407,812	50,063,434
Operating Margin	(4,558,792)	(34,205)	(1,506,812)	(8,560,100)
Change in Net Position		(5,161,537)	(11,761,476)	(20,320,997)
Net Position		27,205,807	24,110,147	30,668,000
Cash Balance		12,587,918	10,600,000	15,115,705

**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 2020 is \$21,950,534, or 75% of the annual budgeted amount of \$38,482,018. This is an increase of \$996,917, or 4.7%, compared to revenue of \$20,953,617 earned through second quarter of 2019.

**Expenses:**

Operating expenses through the second quarter are \$21,984,739 or 49% of the annual budgeted amount of \$43,040,810. The operating expense through second quarter increased \$254,827, or 1.2%, from the 2019 expense of \$21,729,912.

Administration expenses of \$8,025,439 through the second quarter increased 5% over the 2019 amount of \$7,642,262 through the same period. Staffing levels from year to year can greatly impact costs over each period.

Collaboration Services expenses of \$623,935 through the second quarter decreased 37% from the 2019 amount of \$851,758 through the same period. This decrease is due to the reduced use of contracted positions to backfill regular full-time positions.

**Debt:**

The fund does not have any outstanding debt service obligations.

**Transfers:**

In 2020 this fund will receive transfers in from the general fund totaling \$209,184 for City Hall rent.

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

**Forecast:**

Operating revenue is projected to be \$43,901,000 or \$5,419,082 more than the budgeted amount of \$38,481,918. Operating expenses are expected to be \$45,407,812 or \$2,367,002 more than the budgeted amount of \$43,040,810. These projections result in an expected operating margin deficit of \$1,506,812 as compared to a budgeted operating margin deficit of \$4,558,792. The budgeted operating margin deficit is mostly due to the City Council approved rollover of 2019 funds to 2020 of \$6,316,902.

The fund is projecting a decrease to net position of \$11,761,476 compared to a budgeted decrease of \$14,813,456. The projected decrease to net position is less than budgeted primarily due to cost containment reductions to the original budget due to COVID-19. 2020 projected year-end net position of \$13,702,901 represents a decrease of 55% from the 2019 net position of \$30,668,000.

The year-end cash balance is projected to be \$10,600,000 which represents a decrease of 30% from the cash balance at year-end 2019 of \$15,115,705. The decrease is mostly due to the City Council approved rollover of 2019 funds to 2020 for \$6,316,902. This expense will be realized in 2020, decreasing cash. The decrease in cash is also due to the use of an estimated \$237,187 in unearned revenue to fund PMO projects.

**Cash and Net Position:**

The cash balance at the end of second quarter is \$12,587,918, representing a decrease of \$2,527,787 from the 2019 year-end balance of \$15,115,705. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15.0% of the fund's total budget or \$6,102,748.

The net position at year-end 2020 is projected to be \$24,110,147, a decrease of \$6,557,853 from the year-end 2019 net position of \$30,668,000. This decrease to net position is primarily due to the fact that the fund does not recover revenue for depreciation expense on the capital assets recorded in this fund. Because the assets are typically high-dollar, short life software items, the annual depreciation expense results in a reduction of net position in most years. 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 \$18,927,698. The fund's projected net position for year-end 2020 is \$5,182,449 more than the minimum requirement.

**City of Minneapolis  
Self-Insurance Fund  
For the Second Quarter Ending June 30, 2020**

Fund 06900	2020 Budget	06/30/2020 Actual	Projected YE 2020	Actual YE 2019
Operating Revenue	108,494,200	55,525,599	110,047,388	106,257,549
Operating Expense	103,213,451	40,430,481	82,767,107	116,088,906
Operating Margin	5,280,749	15,095,118	27,280,281	(9,831,357)
Change in Net Position		15,259,935	27,604,408	(32,721,426)
Net Position		(5,054,520)	7,289,954	(20,314,455)
Cash Balance		106,318,022	118,662,495	93,582,733

**Program Description:**

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

**Revenue:**

Operating revenue through the second quarter of 2020 is \$55,525,599 or 51.2% of the annual budgeted amount of \$108,494,200. This is an increase of \$4,355,605, or 8.5%, compared to \$51,169,994 earned through the second quarter of 2019. The increase is due to medical insurance premiums received of \$3,121,360 and an increase in workers compensation premiums received of \$301,782. The increase in revenue is also related to a \$760,231 increase in the revenue received for tort liability premiums. These revenue increases are offset by a decrease in the employment services of \$288,525.

**Expenses:**

Operating expenses through the second quarter of 2020 are \$40,430,481 or 39.2% of the annual budgeted amount of \$103,213,451. This is a decrease of \$23,930,655, or 37.2%, compared to \$64,361,136 expended through the second quarter of 2019. The decrease in operating expense is due to a higher than expected tort liability settlement paid out for a wrongful death case in 2019 of \$20,000,000. The decreases are also related to a \$2,116,494 decrease in medical insurance claims, a \$457,929 decrease in dental insurance claims, and a \$810,143 decrease in workers' compensation claims, which is due to the economic crisis induced by the coronavirus pandemic.

**Debt Service:**

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

**Transfers:**

In 2020, the fund receives a transfer in from the general fund totaling \$324,127 to assist with the cost of City Hall rent for the City Attorney's Office. The expense budget does not include a transfer out to the general fund for body cameras for front line officers.

**Forecast:**

Operating revenue is projected to be \$110,047,388 or \$1,553,188 more than the budgeted amount of \$108,494,200. The source of this increase is due to a \$1,517,796 projected increase in payments received for medical insurance premiums, a \$584,399 increase in workers compensation premiums, and a \$259,589 projected increase in the revenue received from City departments to fund the unused sick leave program. These projected increases are offset by a decrease in dental insurance premiums of \$599,357 and a decrease in revenue received for employment services of \$241,940. Operating expense is projected to be \$82,767,107, or \$20,446,344 less than the budgeted amount of \$103,213,451. The primary reason that operating expense is projected to be less than budgeted is due to a \$13,113,186 decrease in medical insurance premiums, a \$1,557,978 decrease in dental insurance premiums, a \$4,014,302 decrease in Liability settlement paid out, and a \$1,220,991 decrease in the amount paid out for sick leave at retirement. These decreases are mostly driven by the economic crisis induced by the coronavirus pandemic. The projections will result in a projected operating margin gain of \$27,280,281 as compared to the budgeted operating margin gain of \$5,280,749.

The net position in 2020 is projected to increase by \$27,604,408, compared to the budgeted decrease of \$5,604,876 resulting in a projected year-end net position of \$7,289,954. The projected ending cash balance for 2020 is \$106,318,022 compared to \$93,582,733 at year-end 2019. The increase in cash and net position in 2020 is driven by the coronavirus pandemic savings in 2020 as described above.

**Cash Balance and Net Position:**

The cash balance at end of second quarter is \$106,318,022, or a 21.9% increase, compared to a cash balance of \$87,237,320 at the end of second quarter 2019. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self-Insurance Fund should be equal to the unpaid claims liability plus 10.0% of the fund's operating budget and 35.0% of medical self-insurance claims or \$107,576,458. The unpaid claims liability at year-end 2020 is \$85,419,779, an increase of \$6,712,296 from the year-end 2019 unpaid claims liability of \$78,707,483. The cash balance is \$1,258,436 less than its target.

The net position at year-end 2019 was a negative amount of \$20,314,455, which is a decrease of \$32,721,426 from the 2018 year-end net position of \$12,406,971. The decrease in net position is primarily due the result of a \$20,000,000 settlement paid out as described above coupled with recording the full sick leave severance liability in the employee benefits fund. Historically, the sick leave severance liability was allocated out to the proprietary fund departments, however the payments are collected and made from the employee benefits fund, so the liability is now recorded in that fund alone. The financial reserve policy relating to the internal service funds states that the net position for the Self Insurance Fund should not fall below zero. The projected year-end 2020 net position for the fund is a positive \$7,289,954.

**City Of Minneapolis  
Sanitary Sewer Fund  
For the Second Quarter Ending June 30, 2020**

Fund 07100	2020 Budget	06/30/20 Actual	Projected Year End 2020	2019 Actual
<b>Operating Revenue</b>	86,255,289	42,884,216	82,174,730	83,136,915
<b>Operating Expense</b>	70,332,607	36,407,055	70,332,607	73,208,089
<b>Operating Margin</b>	15,922,682	6,477,161	11,842,123	9,928,825
<b>Change in Net Position</b>		3,534,273	12,555,223	5,396,487
<b>Net Position</b>		131,331,238	140,352,187	127,796,964
<b>Cash Balance</b>		7,706,803	11,869,102	7,374,818

**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 waste water 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 \$42,884,216 recognized through the end of second quarter, the Sanitary Sewer Fund earned 49.7% of the 2020 revenue budget. This is an increase of \$1.0 million, or 2.5%, compared to \$41,858,2497 earned in 2019. The utility service revenues accounted for \$1.4 million of the increase due to increase in rates. Design revenues decreased by \$47,000 due to decrease in capital related activities. SAC fees, which fluctuate based on overall economic activities outside of City operations, decreased by \$372,000. This decrease is off-set by an equivalent decrease in sewer availability charges (or SAC expenses).

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

**Expenses:**

The Sanitary Sewer Fund's total operating expenses through the second quarter were \$36,407,055 compared to \$36,083,996 for 2019. This is an increase of \$324,000, or 0.9%, and reflects the following changes from 2019: (i) SAC charges decrease of \$852,000 due to less activities in second quarter due to Covid-19; (ii) Met Council charges increase of \$758,000; (iii) increase in Sewer Maintenance by \$219,000; and (iv) increase in Sewer Design by \$136,000 due to an increase in maintenance program activities.



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

**Transfers:**

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$879,121 and, through the end of the second quarter, \$439,565 has been transferred to Water Treatment and Distribution Services.

**Debt Service:**

For 2020, the debt service cost was budgeted at \$8.4 million. Through the second quarter, no principal and \$493,000 in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing. The Fund's long-term debt totals \$34,070,000.

**Cash and Net Position:**

The current cash balance is \$7,706,803 and the Fund's net position stands at \$131,329,913. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance for 2020 was \$17,583,152. The shortage is due in part to \$7.0 million in bonds for capital construction that were not sold in 2019, but delayed until 2020, and as of June 30, 2020, the bonds have not yet been sold.

The Net Position at year end 2019 includes recognition of long-term pension liabilities in accordance with GASB Statement No. 68.

**City Of Minneapolis  
Storm Water Fund  
For the For the Second Quarter Ending June 30, 2020**

Fund 07300	2020 Revised Budget	06/30/2020 Actual	Projected Year End End 2020	2019 Actual
<b>Operating Revenue</b>	44,153,760	22,728,348	44,786,420	44,316,792
<b>Operating Expense</b>	28,832,169	13,811,602	29,902,476	29,487,624
<b>Operating Margin</b>	15,321,591	8,916,745	14,883,944	14,829,167
<b>Change in Net Position</b>		(4,699,424)	(14,270,369)	(2,042,199)
<b>Net Position</b>		332,661,067	323,090,122	337,360,491
<b>Cash Balance</b>		26,299,552	15,345,755	29,616,123

**Program Description:**

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

**Revenue:**

The \$22,728,348 in revenues earned through the second quarter reflects 51.5% of the operating revenue budget. This is an increase of \$1.1 million compared to \$21,597,078 earned for the same period in 2019. Storm utility revenues increased by 2.6% to \$21,185,926, up from \$20,648,840 for the same period in 2019. This is mainly due to the 2.5% increase in rates. Other services provided increased by \$577,000 due to an increase in work done for the Park Board. Reimbursements, with a total of \$743,762, based on maintenance agreement with the State and County, made up for the rest of the operating revenue.

**Expenses:**

Operating expenses through the second quarter were \$13,811,602, or 47.9% of the 2020 expense budget. The expenses were \$1,000,471 or 7.8%, higher than the \$12,811,131 reported for 2019, due mainly to: (i) \$616,238 more spent on street cleaning after the civil unrest in 2020; (ii) \$291,281 more spent on Storm Maintenance, and (iii) \$87,075 more spent on Administrative costs.

**Transfers:**

A transfer from this fund is made to General Fund to support two environmental service related FTE's relating to Clean Water Act. For 2020, this was \$110,000. An additional amount of \$1.5 million was transferred to the Capital Paving program as a contribution to help fund the 20-year additional paving plan.

**Debt Service:**

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The Fund completed paying off all its debt service obligations by the end 2016. For the last couple of years there have not been any debt service costs. In 2019 new debt was issued. In 2020, payment of interest was \$90,300 for the first six month. For the remainder of 2020, an additional \$998,050 of interest and \$600,000 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 stands at \$26,299,552 and net position stands at \$332,661,067. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2020 is \$7,475,619. This will leave \$12,117,470 as unrestricted amount to fund capital programs for 2021 and beyond as the department aims to use it cash reserve as the main source of funds.

The Net Position at year end 2019 includes recognition of long-term pension liabilities in accordance with GASB Statement No. 68.

**City of Minneapolis  
Water Enterprise Fund  
For Second Quarter Ending June 30, 2020**

Fund 07400	2020 Budget	6/30/2020 Actual	Projected Year End 2020	2019 Actual
<b>Operating Revenue</b>	89,751,102	39,199,060	83,882,825	80,847,541
<b>Operating Expense</b>	58,338,700	26,012,559	55,393,685	56,489,657
<b>Operating Margin</b>	31,412,402	13,186,500	28,489,140	24,357,883
<b>Change in Net Position</b>		(2,614,792)	(10,180,577)	3,532,188
<b>Net Position</b>		282,900,227	264,753,656	274,934,233
<b>Cash Balance</b>		34,928,574	16,667,325	39,784,542

**Program Description:**

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

**Revenue:**

The operating revenues for the year 2020 are projected to total \$83,882,825 or 93.5% of the 2020 budgeted amount. Through the second quarter, the Water Fund has revenue of \$39,199,060 compared to \$38,534,216 earned in 2019. Although the revenues through June are less than 50% of the projected amount, these are expected to catch up in the second half of the year.

**Expense:**

Projected operating expenses for the year are \$55,393,685 which is 1.9% lower than the 2019 actual amount of \$56,489,657. For the quarter ending in June, the Fund spent \$26,012,559 compared to \$25,905,589 for 2019 and reflects the following changes: (i) increase in salaries and fringes by \$238,803; (ii) increase in City services by \$35,403; (iii) increase in chemical usage, energy and utility bills, and delivery services by \$429,862; (iv) decrease in fleet and capital outlay by \$217,264; and (v) decrease in contractual and professional services relating to repairs, maintenance, upgrades, and construction works by \$379,834.

**Transfers:**

For 2020 the transfer amount of \$908,121 consists primarily of a \$879,121 operating transfer from the Sanitary Sewer Fund for its share of the cost of the meter shop. Through the end of the quarter, \$454,065 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 2020, including both principal and interest payments, is expected to be \$19,474,443 even though current payments total

\$1,433,651. During 2020, an additional \$20,000,000 in bonds will be issued to help finance water main, automated meter, renewable energy, and renovation of the softening plant chemical system along with other capital projects. This additional debt issuance will increase debt service payments in future years.

**Cash Balance and Net Position:**

The ending cash balance as of June 30, 2020 was \$34,928,574 compared to \$39,784,542 at the end of 2019. City policy requires an operating cash reserve equal to or greater than 3 months of operating expenses. Based on the current budget, the targeted amount is \$14,584,675. With the projected year end cash balance of \$16,677,325 and a projected monthly operating revenue of \$7,447,294, an adequate amount will be available to maintain operating cash reserves and fund capital programs, and debt service payments.

**City of Minneapolis  
Municipal Parking Fund  
For the 2nd Quarter Ended June 30, 2020**

Fund 07500*	2020 Budget	06/30/20 Actuals	Projected Year End 2020	2019 Actuals
Revenue	73,363,481	24,037,903	41,069,000	71,758,459
Expenses	42,562,889	19,457,155	37,908,000	45,495,310
Operating Margin	30,800,592	4,580,748	3,161,000	26,263,149
Change in Net Position		(6,053,182)	(21,013,325)	5,379,564
Net Position		199,209,730	184,249,587	205,262,912
Cash Balance		17,691,343	3,787,000	21,181,894

**Program Description:**

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

**Revenues:**

The 2020 second quarter actual operating revenues are down in comparison to 2019 by 33.7%. The decrease is from:

- On-street parking is down 32% compared to 2019.
- Off-street ramps and lots are down 33.8% compared to 2019.
- Impound Lot revenues are down 38.4% compared to 2019.

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

**Expenses:**

The 2020 operating expenses are lower than the 2019 expenses by 15.2%. The variance is from:

- Impound Lot expenses are down by 20.6% compared to 2019.
- On-street meters are down by 11.3% compared to 2019.
- Off-street ramps and lots are down 14.9% compared to 2019.

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

**Transfers to and from other funds:**

The 2020 transfers into and out of the Parking Fund are programmed and planned according to the 2020 budget. During 2020, \$883,000 will be transferred in from Tax Increment Funding and \$12,750,684 of funds will be transferred out (\$7,990,000 to the General Fund, \$4,614,684 to the Target Center and \$146,000 to Solid Waste).

**Debt Service:**

For 2020, the debt service budget is \$5,134,488. The outstanding balance of bond principal as of June 30, 2020 is \$31,205,000 and the outstanding balance of note principal is \$27,400,000. In 2019, \$6,875,000 of bonds were called and prepaid. The Convention Center has loaned the Parking Fund \$6,175,000 to reduce the debt service being paid by the Parking Fund. During 2020, it is expected that \$7,000,000 in bonds will be sold to fund Capital projects.

**Other Financial Items:**

The end of the second quarter 2020 cash balance is \$17,691,343 which is a decrease of \$3,490,551 from the 2019 year-end balance. The City's policy is to have a targeted cash balance equal to 25% of the operating budget (excluding non-city owned ramps). Therefore, the target cash balance, excluding the Off-Street Parking: State Owned-Direct Expense Budget is \$7,631,036. The difference is \$10,060,307 which is retained and programmed for future debt service payments and potential future major parking capital projects.

**City Of Minneapolis  
Solid Waste and Recycling Fund  
For the Second Quarter Ending June 30, 2020**

Fund 07700	2020 Budget	06/30/20 Actual	Projected Year End 2020	2019 Actual
<b>Operating Revenue</b>	41,874,865	19,866,676	41,784,865	41,349,714
<b>Operating Expense</b>	40,322,481	20,856,199	43,492,000	40,497,181
<b>Operating Margin</b>	1,552,384	(989,522)	(1,707,135)	852,533
<b>Change in Net Position</b>		(6,372,424)	(10,888,788)	(3,593,613)
<b>Net Position</b>		16,907,049	12,390,685	23,279,473
<b>Cash Balance</b>		18,877,515	15,831,260	26,720,048

**Program Description**

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

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

**Revenue**

With operating revenues through the end of the second quarter totaling \$19.9 million, 47.4% of the budgeted revenue has been realized. This is an increase of \$148,400 or 0.8%, compared to \$19.7 million earned through the second quarter of 2019. Utility revenues were \$19,545,000 compared to \$19,336,000 for 2019 for a gain of \$209,000 as a result of an increase in dwelling units and base rate increase of \$0.54 per dwelling unit. Rates were increased in order to fund increases in salaries, fringes, contractual and operating services and vehicle replacements. The Hennepin County recycling grant of \$1,659,000 will be received in the fourth quarter.

**Expenses:**

Operating expenses through the second quarter were \$20.9 million compared to \$19.2 million in 2019. This is an increase of \$1,615,300 or 8.4%. The biggest increase was Equipment expenses that increased by \$974,000 due to the timing of vehicle replacements. Due to Covid-19 and people working from home, as well as increases in MRI's and SET's (disposal) rates , volume increased significantly during the second quarter



and therefore Disposal, Yard Waste, Organics, and Large Items increased by \$393,000, \$201,000, \$145,000, and \$131,000 respectively, compared the same time period in 2019. Admin expenses decreased by \$258,000 due to less software expenses related to the SWIS Now project.

**Transfers:**

Transfers into the Solid Waste and Recycling fund of \$481,125 included \$36,500 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 \$282,125 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 was no bond principal payment through the second quarter of 2020, although \$3,835,000 of principal is expected to be paid by the end of the year. Interest payments were \$580,900 through the second quarter and another \$580,900 of interest will be paid before the end of the year.

**Cash and Net Positions:**

The Fund's cash balance as of the end of the second quarter was \$18.9 million and the net position amounted to \$16.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the projection, the 2020 targeted amount is \$10.9 million, leaving unrestricted cash reserve equivalent to \$8.0 million.

The Net Position at year end 2019 includes recognition of long-term pension liabilities in accordance with GASB Statement No. 68

**CPED Enterprise Fund Component Programs  
For the Second Quarter Ending June 30, 2020**

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

The **General Agency Reserve Fund System (GARFS)** is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the “A+” rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. Only the administrative operations portion of the fund is presented at December 31, 2019. 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 2020 was \$1,901,623 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.

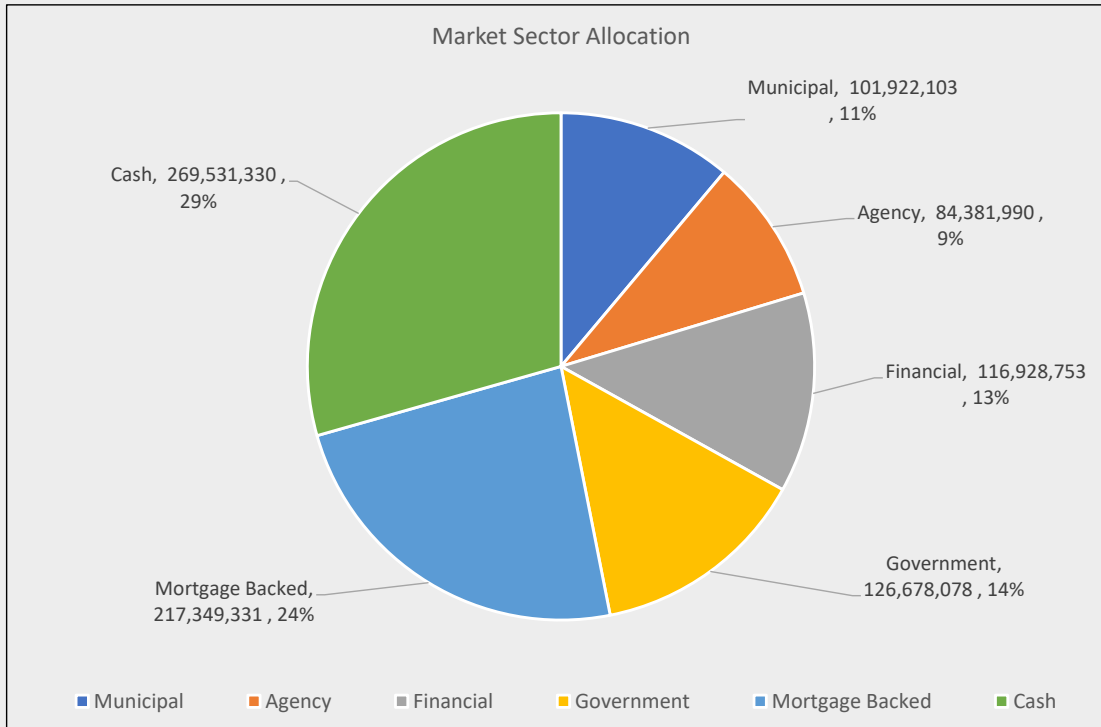
The **Housing Development** component accounts for various home ownership and home improvement loan programs. This fund has closed.

The **Theatres** component was created to account for the operations of the State, Orpheum, and Pantages Theatres. This fund has closed.

The **Economic Development Program** component accounts for certain defaulted properties, and for the Capital Investment Fund Program with the Federal Home Loan Bank, which provided loans to businesses for economic development and the creation of jobs. This fund has closed.

**City of Minneapolis  
Cash and Investment Report  
6/30/2020**

Account	Book Yield %	Book Value	Accrued	Unrlzd G/(L)	Market Value + Accrued
Internal Managed	0.9	\$ 251,116,082	\$ 394,275	\$ -	\$ 251,510,356
Internal Core	2.1	139,475,494	658,924	3,171,462	143,305,880
Government Portfolio Advisors	1.7	104,705,639	559,695	2,264,959	107,530,366
RBC	2.3	233,162,303	777,924	6,438,258	240,378,485
T. Rose & Associates	1.0	25,239,876	38,487	36,130	25,314,493
Bond Proceeds	1.9	109,344,104	89,156	14,945	109,433,260
General Agency Reserve Funds System	0.8	32,401,900	160,706	446,952	33,009,558
<b>Total Portfolio</b>	<b>1.7</b>	<b>\$ 895,445,398</b>	<b>\$ 2,679,166</b>	<b>\$ 12,372,707</b>	<b>\$ 910,482,398</b>
Cash on hand (net of checks outstanding)		5,246,170			5,246,170
Development debt reserves		1,063,017			1,063,017
<b>Total Cash and Investment</b>	<b>1.7</b>	<b>\$ 901,754,585</b>	<b>\$ 2,679,166</b>	<b>\$ 12,372,707</b>	<b>\$ 916,791,585</b>



Market Sector	Market Value + Accrued	% of Portfolio
Municipal	101,922,103	11.1%
Agency	84,381,990	9.2%
Financial	116,928,753	12.8%
Government	126,678,078	13.8%
Mortgage Backed	217,349,331	23.7%
Cash	269,531,330	29.4%
<b>Total</b>	<b>\$ 916,791,585</b>	<b>100.0%</b>

Risk Metric	Value %
Duration	1.4
Convexity	-0.9
WAL	1.6
Years to Final Maturity	5.0
Years to Effective Maturity	1.6
Book Yield	1.7
Avg Credit Rating	AAA/Aaa/AAA



# City of Minneapolis

## Financial Strength Analysis - 2nd Quarter 2020

FINANCIAL STRENGTH ANALYSIS - (in millions)					Increase (Decrease) Compared to 2018		Total Increase (Decrease) 2016 - 2019		Average Annual Increase (Decrease)		2020 ANALYSIS
	2016	2017	2018	2019	\$	%	\$	%	\$	%	PROJECTED YE 2020
General Fund Cash Balance	121.6	131.8	121.3	146.3	25.0	19.0%	24.7	20.3%	8.2	6.8%	115.0
General Fund Total Fund Balance	107.5	117.1	104.2	128.0	23.8	20.3%	20.5	19.1%	6.8	6.4%	101.3
Overall City Cash Position*	762.7	792.0	876.6	967.8	91.2	11.5%	205.1	26.9%	68.4	9.0%	950.0
Overall City Net Assets/Position**	1,851.4	2,083.6	2,257.8	2,424.0	166.2	8.0%	572.6	30.9%	190.9	10.3%	
Overall Unrestricted Net Assets/Position**	(256.8)	(274.4)	(314.9)	(130.5)	184.4	-67.2%	126.3	-49.2%	42.1	-16.4%	
<b>SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Convention Center - Cash	65.5	56.6	35.6	20.0	(15.6)	-27.6%	(45.5)	-69.5%	(15.2)	-23.2%	15.5
Convention Center - Fund Balance	63.5	52.1	29.6	33.4	3.8	7.3%	(30.1)	-47.4%	(10.0)	-15.8%	26.4
Arena Fund (Target Center) - Cash	15.2	10.1	12.2	9.5	(2.7)	-26.7%	(5.7)	-37.5%	(1.9)	-12.5%	7.5
Arena Reserve (Target Center) - Fund Balance	11.1	8.7	10.5	7.5	(3.0)	-34.5%	(3.6)	-32.4%	(1.2)	-10.8%	5.6
Downtown Assets Fund - Cash	-	-	16.2	8.8	(7.4)	100.0%	8.8	54.3%			(11.5)
Downtown Assets Fund - Fund Balance	-	-	26.0	16.2	(9.8)	100.0%	16.2	62.3%			(4.3)
Police SRF - Cash	2.1	2.2	2.2	2.8	0.6	27.3%	0.7	33.3%	0.2	11.1%	2.5
Police SRF - Fund Balance	2.4	2.6	2.4	2.9	0.5	19.2%	0.5	20.8%	0.2	6.9%	2.7
NCR SRF - Cash	4.0	3.5	3.6	3.5	(0.1)	-2.9%	(0.5)	-12.5%	(0.2)	-4.2%	3.5
NCR SRF - Fund Balance	3.7	3.3	3.3	3.1	(0.2)	-6.1%	(0.6)	-16.2%	(0.2)	-5.4%	3.1
Regulatory Services SRF - Cash	4.7	3.5	2.0	1.2	(0.8)	-22.9%	(3.5)	-74.5%	(1.2)	-24.8%	0.1
Regulatory Services SRF - Fund Balance	4.6	3.5	2.0	1.1	(0.9)	-25.7%	(3.5)	-76.1%	(1.2)	-25.4%	0.1
Grant Funds - Cash	(2.2)	5.3	0.4	6.0	5.6	105.7%	8.2	-372.7%	2.7	-124.2%	1.0
Grant Funds - Fund Balance	11.4	11.2	4.9	4.4	(0.5)	-4.5%	(7.0)	-61.4%	(2.3)	-20.5%	4.5
Comm Planng & Econ Dev (CPED) - Cash Total	166.2	177.8	210.4	199.9	(10.5)	-5.9%	33.7	20.3%	11.2	6.8%	196.5
Comm Planng & Econ Dev (CPED) - Fund Bal Total	202.1	214.4	245.7	230.5	(15.2)	-7.1%	28.4	14.1%	9.5	4.7%	230.2
Employee Retirement Funds - Cash	26.2	29.0	31.1	36.5	5.4	18.6%	10.3	39.3%	3.4	13.1%	34.2
Employee Retirement Funds - Fund Balance	26.6	29.2	31.3	36.7	5.4	18.5%	10.1	38.0%	3.4	12.7%	34.4
Other Special Revenue Funds - Cash	0.8	0.5	0.5	0.6	0.1	20.0%	(0.2)	-25.0%	(0.1)	-8.3%	0.5
Other Special Revenue Funds - Fund Balance	0.5	0.5	0.5	6.9	6.4	1280.0%	6.4	1280.0%	2.1	426.7%	6.5
Total Special Revenue Funds - Cash	282.5	288.5	314.2	288.8	(25.4)	-8.8%	6.3	2.2%	2.1	0.7%	249.8
Total Special Revenue Funds - Fund Balance	325.9	325.5	356.2	342.7	(13.5)	-4.1%	16.8	5.2%	5.6	1.7%	309.2

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

FINANCIAL STRENGTH ANALYSIS - (in millions)					Increase (Decrease) Compared to 2018		Total Increase (Decrease) 2016 - 2019		Average Annual Increase (Decrease)		2020 ANALYSIS
	2016	2017	2018	2019	\$	%	\$	%	\$	%	PROJECTED YE 2020
<b>INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Engr. Materials & Testing - Cash	1.5	1.5	1.6	2.1	0.5	33.3%	0.6	40.0%	0.2	13.3%	2.3
Engr. Materials & Testing - Net Position	0.3	(0.1)	0.4	0.5	0.1	-100.0%	0.2	66.7%	0.1	22.2%	0.7
Equipment Services - Cash	26.9	30.4	26.0	33.7	7.7	25.3%	6.8	25.3%	2.3	8.4%	20.8
Equipment Services - Net Position	67.1	74.5	86.2	93.8	7.6	10.2%	26.7	39.8%	8.9	13.3%	71.3
Property Services - Cash	10.3	8.1	9.6	8.2	(1.4)	-17.3%	(2.1)	-20.4%	(0.7)	-6.8%	4.2
Property Services - Net Position	29.9	28.4	32.0	33.9	1.9	6.7%	4.0	13.4%	1.3	4.5%	30.0
PW Stores - Cash	1.2	2.0	3.1	2.5	(0.6)	-30.0%	1.3	108.3%	0.4	36.1%	2.6
PW Stores - Net Position	4.6	5.3	5.6	5.6	0.0	0.0%	1.0	21.7%	0.3	7.2%	5.7
Intergovernmental Services - Cash	30.9	23.6	22.0	15.1	(6.9)	-29.2%	(15.8)	-51.1%	(5.3)	-17.0%	10.6
Intergovernmental Services - Net Position	59.8	47.4	41.2	30.7	(10.5)	-22.2%	(29.1)	-48.7%	(9.7)	-16.2%	24.1
Self Insurance Fund - Cash	80.0	90.0	102.9	93.6	(9.3)	-10.3%	13.6	17.0%	4.5	5.7%	118.7
Self Insurance Fund - Net Position	21.2	23.8	12.4	(20.3)	(32.7)	-137.4%	(41.5)	-195.8%	(13.8)	-65.3%	7.3
<b>Total Internal Service Funds - Cash</b>	<b>150.8</b>	<b>155.6</b>	<b>165.2</b>	<b>155.2</b>	<b>(10.0)</b>	<b>-6.4%</b>	<b>4.4</b>	<b>2.9%</b>	<b>1.5</b>	<b>1.0%</b>	<b>159.2</b>
<b>Total Internal Service Funds - Net Position</b>	<b>182.9</b>	<b>179.3</b>	<b>177.8</b>	<b>144.2</b>	<b>(33.6)</b>	<b>-18.7%</b>	<b>(38.7)</b>	<b>-21.2%</b>	<b>(12.9)</b>	<b>-7.1%</b>	<b>139.1</b>
<b>ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Sanitary Sewer - Cash	18.3	17.8	4.5	7.4	2.9	16.3%	(10.9)	-59.6%	(3.6)	-19.9%	11.9
Sanitary Sewer - Net Position	119.3	121.2	122.4	129.4	7.0	5.8%	10.1	8.5%	3.4	2.8%	140.4
Stormwater - Cash	35.9	27.1	26.6	33.1	6.5	24.0%	(2.8)	-7.8%	(0.9)	-2.6%	15.3
Stormwater - Net Position	327.2	333.0	339.4	347.2	7.8	2.3%	20.0	6.1%	6.7	2.0%	323.1
Water Enterprise - Cash	42.1	40.1	48.4	46.1	(2.3)	-5.7%	4.0	9.5%	1.3	3.2%	16.7
Water Enterprise - Net Position	233.3	250.8	271.4	283.3	11.9	4.7%	50.0	21.4%	16.7	7.1%	264.8
Municipal Parking - Cash	17.2	26.5	13.8	21.5	7.7	29.1%	4.3	25.0%	1.4	8.3%	3.8
Municipal Parking - Net Position	188.2	212.2	199.9	206.0	6.1	2.9%	17.8	9.5%	5.9	3.2%	184.2
Solid Waste & Recycling - Cash	25.3	24.5	30.5	26.7	(3.8)	-15.5%	1.4	5.5%	0.5	1.8%	15.8
Solid Waste & Recycling - Net Position	25.5	25.3	26.9	30.7	3.8	15.0%	5.2	20.4%	1.7	6.8%	12.4
Comm Planng & Econ Dev (CPED) - Cash**	1.4	1.5	0.1	0.0	(0.1)	-6.7%	(1.4)	-100.0%	(0.5)	-33.3%	0.1
Comm Planng & Econ Dev (CPED) - Net Position	40.1	40.3	39.1	32.6	(6.5)	-16.1%	(7.5)	-18.7%	(2.5)	-6.2%	30.0
<b>Total Enterprise Funds - Cash</b>	<b>140.2</b>	<b>137.5</b>	<b>123.9</b>	<b>134.8</b>	<b>10.9</b>	<b>7.9%</b>	<b>(5.4)</b>	<b>-3.9%</b>	<b>(1.8)</b>	<b>-1.3%</b>	<b>63.6</b>
<b>Total Enterprise Funds - Net Position</b>	<b>933.6</b>	<b>982.8</b>	<b>999.1</b>	<b>1,029.2</b>	<b>30.1</b>	<b>3.1%</b>	<b>95.6</b>	<b>10.2%</b>	<b>31.9</b>	<b>3.4%</b>	<b>954.9</b>
<b>**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.</b>											