



Third Quarter 2021 Financial Status Report

Finance & Property Services Department
November 17, 2021

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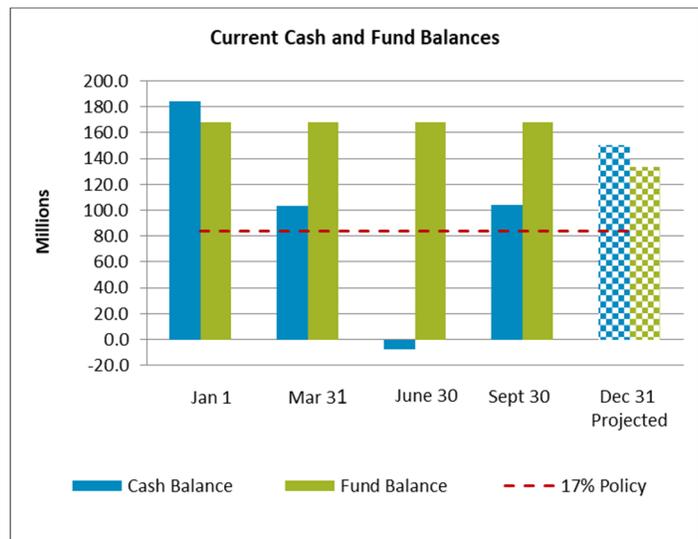
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Overview

This quarterly report presents the complex nature of financial operations for Minneapolis in 2021. The City managed the initial financial impacts of the COVID-19 pandemic with resource preservation through spending freezes, wage and hiring freezes, and furloughs for employees. The assistance of Federal CARES funding in 2020 allowed us to realize a stable fund balance in the General Fund by year-end 2020. Going into 2021, the City continues to be impacted by the pandemic, but also continues to make planful decisions that allow us to see a financial path toward stability. The City received an allocation of \$271.1 million in Federal funding through the American Rescue Plan Act (ARPA). One half of ARPA funding was received in May 2021, and the Council has allocated approximately \$90.2 million for spending in 2021. Revenue losses are trending less than 2020 but remain impactful to several funds. In addition to pandemic related financial concerns, the City continues to feel the impacts of civil unrest and liabilities related to litigation and worker’s compensation costs from activity in 2020. The Self-Insurance fund and Parking fund are projected to fall below minimum cash balance amounts as required by financial policy. The shortfall in Self-Insurance is due to the large liabilities booked for legal and worker’s compensation settlements. The cash shortfall in Parking is due to significant revenue reductions with both on-street and off-street parking revenue coming in lower than expected.

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. The 2021 budget included a planned use of fund balance of \$7.6 million, however, current projections are for a loss of approximately \$34.3 million. The increased loss of fund balance is the result of a \$27.0 million transfer to the Self-Insurance fund to cover the costs of the Floyd Family legal settlement coupled with rollovers of unspent appropriations from prior years. Current year revenue shortfalls are projected to total \$5.5 million. Expenditures are projected to be under budget by \$11.8 million as well.



The 2021 projected ending fund balance is \$133.3 million, compared to the ending 2020 fund balance of \$167.6. The General Fund cash balance at year-end 2019 was \$184.5 million and is projected to end 2021 at \$150.7 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance between the beginning of the year and the end of the second quarter. The September 30, 2021 cash balance is \$104.3 million but will increase by year end with the receipt of the second half of property taxes in December.

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

The City's financial policy for the General Fund balance is to maintain 17% of the following year's expenditure budget less transfers. For 2021, this equates to a required ending fund balance of \$84.2 million. Based on current projected revenues and expenditures, the General Fund is projected to end the year with a fund balance of \$133.3 million which is \$49.1 million over the minimum balance.

Special Revenue Funds

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

At year-end 2021, the total cash balance for the Special Revenue Funds is projected to be \$427.7 million, an increase of \$119.0 million or 41.2% compared to year-end 2020. The fund balance for the Special Revenue Funds is also expected to increase to \$481.0 million, an increase of \$120.2 million or 33.3%, compared to year-end 2020. The increase in both cash and fund balance are due primarily to an infusion of federal grant money. As previously mention the city received the first half of the ARPA funding totaling \$135.1 million in the second quarter of 2021. In early July, the City Council approved spending proposals totaling \$90.2 million for the first phase of programs. The City also received a total of \$16.9 million in Emergency Rental Assistance to assist eligible households through new and existing rental assistance programs. These large prepaid grant programs will likely have remaining balances at year end to be used in future years. Revenue losses from local taxes deposited into the Downtown Assets Funds are projected to continue into 2021. Sales, liquor, lodging and other local taxes will be lower than the amounts collected pre-pandemic and are projected to be \$17.2 million less than 2020.

Internal Service Funds

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

The total cash balance for the Internal Service Funds at year-end 2021 is projected to be \$158.0 million, a slight increase of \$3.2 million or 2.1% versus 2020 ending cash of \$154.8 million. At the same time, the total net position for all the Internal Service Funds is projected to be \$63.5 million, an increase of \$2.4 million or 3.9% from 2020. Because these funds have no debt burden and spending is tied to demand from other City funds, they can more easily delay major project outlay to help preserve cash. In the Self-Insurance funds, there is a projected negative net position of \$(93.6 million). This is due to the long-term liability booked in this fund related to both litigation and worker's compensation claims. These liabilities are actuarially determined and will be paid out over many years.

Enterprise Funds

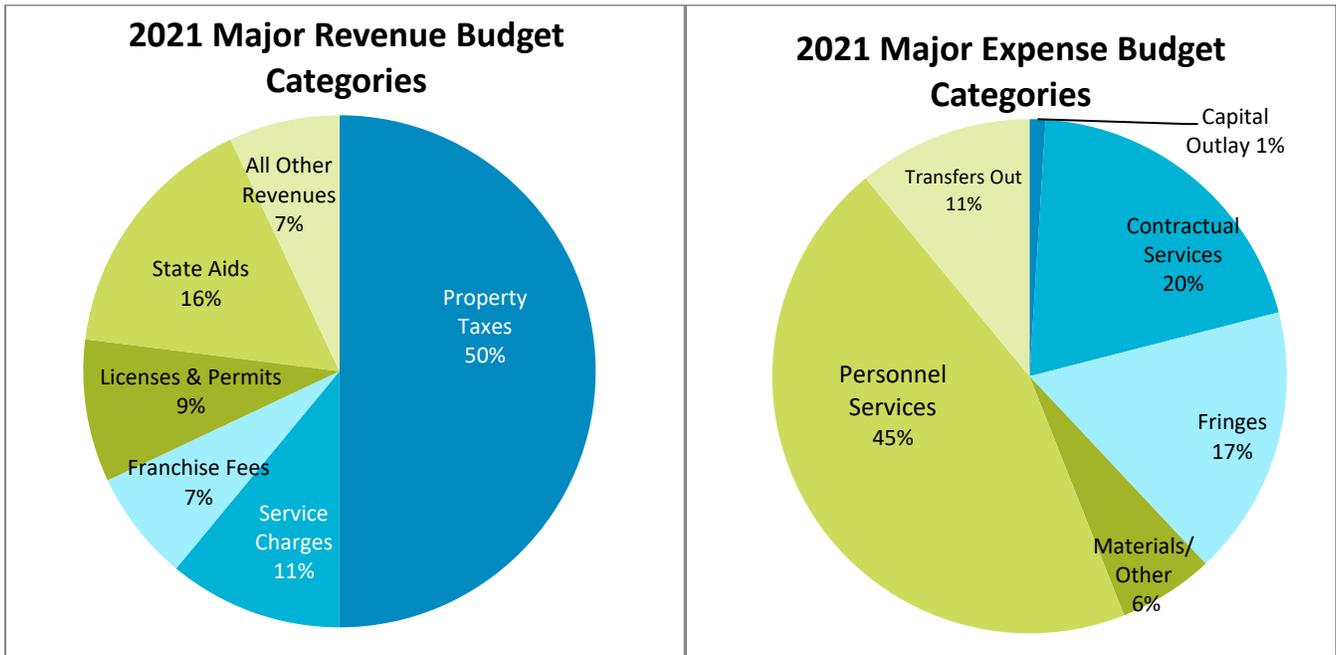
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$115.8 million, an increase of \$10.6 million or 10.1% compared to 2020. Total net position for the Enterprise Funds is projected to decrease \$3.5 million or 0.3% to \$1,048.0 million at year-end 2021. Operating losses primarily in the Parking Fund coupled with a planned use of cash to finance projects in the Water Fund will result in these projected losses. Depending on the timing of bond sales and capital outlays, the final ending cash and net position may vary from these projections.

**City of Minneapolis
General Fund
For the Third Quarter Ending September 30, 2021**

Fund Description

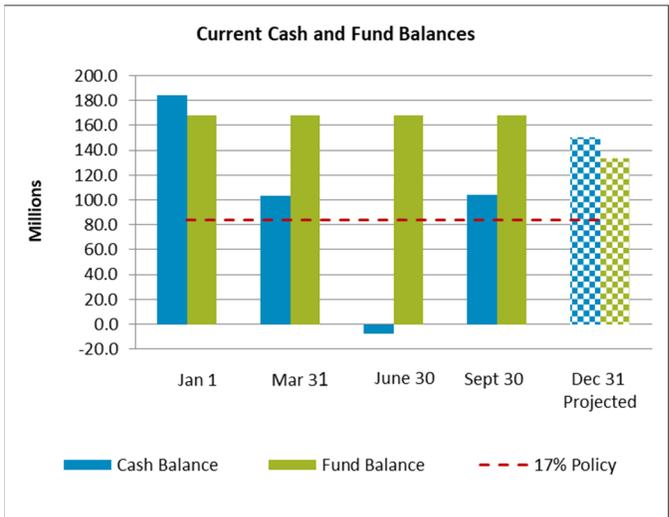
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2021 current revenue budget is \$503.2 million, while the Fund's 2021 current expense budget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



Cash and Fund Balance

The 2020 year-end audited fund balance for the General Fund was \$167.7 million. The 2021 original budget included a planned use of fund balance of \$7.6 million. The 2021 current budget increased the use of fund balance to \$40.6 million, a \$33.0 million increase. The budgeted increase includes a \$27.0 million transfer to the Self- Insurance Fund and rollovers of unspent 2020 appropriations. Projected fund balance for year end 2021 is \$133.3 million, a decrease of \$34.3 million.

Per the City's financial policies: "The City shall maintain a minimum unrestricted fund balance in the General Fund equal to 17% of the following year's General Fund budgeted expenditures, not including transfers out." Removing the transfers from the 2022 Mayor's Recommended Budget results in a proposed General Fund budget of \$495.2 million and a target fund balance of \$84.2 million. The projected 2021 year-end fund balance of \$133.3 million, is \$49.1 million above the fund balance target.

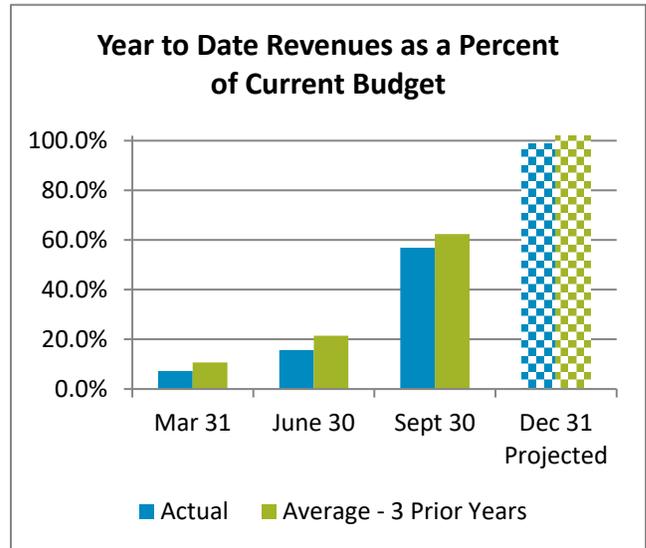


The ending cash balance in 2020 was \$184.5 million. Over one-half of the revenue in the General Fund comes from sources received only two times per year, such as property taxes, special assessments, and state aids. As such, the cash balance fluctuates significantly during the year. As of Sept. 30, the cash balance was \$104.3 million. The year-end 2021 cash balance is projected to be \$150.7 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 were received in July with the remainder to be received in December. The average revenue through the third quarter of the past three years was 62.4% of the budget. Actual revenue through the third quarter of 2021 totals \$286.2 million or 56.9% of the total budget. Covid-19 continues to be the main reason for this decline in revenue in 2021. Year-end revenue is projected to be \$5.5 million or 1.1% under budget.

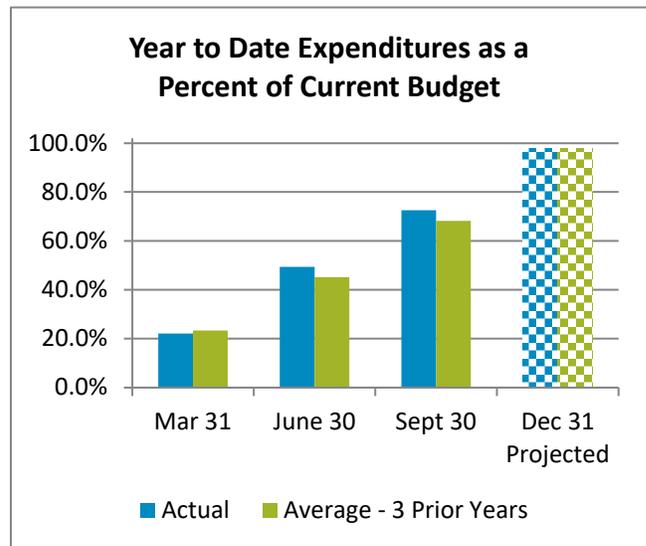
The following revenue categories are projected to come in under budget: Business Licenses and Permits, \$5.19 million; Charges for Services, \$2.6 million; Franchise Fees at \$1.6 million; and Property Taxes at \$5.1 million. All but Property Taxes are generally related to COVID-19 impacts. Property Taxes are projected at 98.0% of budget because the city does not typically collect 100.0% of the property taxes levied in the year they are levied.



Expenditures

Six departments comprise 73.6% of the General Fund’s total current budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

The Police Department is projecting to be under budget by approximately \$4.7 million or 2.7% due to salary savings related to vacancies. The Fire Department projects overspending of \$3.8 million or 5.3% for overtime costs related to staffing shortages. The Coordinator departments are projected to come in \$5.7 million under budget overall due to staffing vacancies and delayed project spending. Public Works expects to be over budget by \$2.4 million, with \$1.5 million in Transportation Maintenance and Repair primarily due to excess snow removal costs from early in 2021. As of third quarter, the remaining contingency funding is \$4.8 million and is projected to remain unspent. Overall, the General Fund is projected to be \$11.8 million under budget with total spending equal to 97.8% of budget or \$532.0 million. This rate of spending nearly equals the average spending rate of the prior three years where the General Fund spent 97.7% of budget.



**City of Minneapolis
General Fund
September 30, 2021**

	Original Budget	Revised Budget	Year-to-Date	Percent of Revised Budget Remaining	Year End Projection	Surplus (Deficit) Budget Versus Projected	Projected Year End as a Percent of Revised Budget
Revenues							
Business Licenses And Permits	\$ 12,624,775	\$ 12,624,775	\$ 6,518,916	48.4%	\$ 7,569,467	\$ (5,055,308)	60.0%
Charges For Sales	75,350	75,350	42,704	43.3%	74,756	(594)	99.2%
Charges For Services	55,462,185	55,462,185	38,896,327	29.9%	52,865,097	(2,597,087)	95.3%
Contributions	-	-	1,580	0.0%	1,580	1,580	100.0%
Fines And Forfeits	5,161,201	5,161,201	3,391,309	34.3%	4,707,089	(454,112)	91.2%
Franchise Fees	33,929,000	33,929,000	22,183,110	34.6%	32,365,339	(1,563,661)	95.4%
Interest Revenue	3,850,000	3,850,000	3,768,501	2.1%	5,000,000	1,150,000	129.9%
Local Grants & Aids	773,565	773,565	5,451	99.3%	773,565	-	100.0%
Miscellaneous	1,775,000	1,775,000	3,059,639	-72.4%	5,483,248	3,708,248	308.9%
Non-Business Licenses And Permits	30,851,832	30,851,832	22,697,038	26.4%	31,472,540	620,708	102.0%
Property Taxes	250,901,000	250,901,000	127,497,070	49.2%	245,772,898	(5,128,102)	98.0%
Rents	720,000	720,000	839,509	-16.6%	862,315	142,315	119.8%
Sales and Other Taxes	-	-	10,117	0.0%	17,641	17,641	100.0%
Special Assessments	4,731,620	4,731,620	2,580,375	45.5%	4,348,472	(383,148)	91.9%
State Grants & Aids	82,694,623	82,689,469	39,961,978	51.7%	86,703,712	4,014,243	104.9%
Total Revenues	483,550,151	483,544,996	271,453,623	43.9%	478,017,719	(5,527,277)	98.9%
Transfers In	19,668,000	19,668,000	14,751,000	25.0%	19,668,000	-	100.0%
Revenues and Other Sources	\$ 503,218,151	\$ 503,212,996	\$ 286,204,623	43.1%	\$ 497,685,719	\$ (5,527,277)	98.9%
Expenditures							
Police	160,591,310	172,236,975	123,464,555	28.3%	167,536,975	4,700,000	97.3%
Fire	70,128,438	70,128,438	54,596,237	22.1%	73,878,438	(3,750,000)	105.3%
Human Resources	8,517,717	8,517,717	5,941,599	30.2%	8,124,808	392,909	95.4%
Finance and Property Services	23,688,686	25,414,261	17,803,880	29.9%	22,724,975	2,689,286	89.4%
911	9,576,197	9,968,697	6,922,956	30.6%	9,768,697	200,000	98.0%
311	4,592,793	4,729,633	2,950,527	37.6%	4,129,633	600,000	87.3%
City Coordinator	9,753,733	9,557,893	3,864,948	59.6%	7,557,893	2,000,000	79.1%
Intergovernmental Relations	1,203,000	1,203,000	904,544	24.8%	1,226,709	(23,709)	102.0%
Communications	2,461,437	2,461,437	2,081,167	15.4%	2,638,600	(177,163)	107.2%
Emergency Management	1,110,456	1,110,456	780,764	29.7%	1,099,819	10,637	99.0%
Neighborhood & Community Relations	835,000	935,000	534,319	42.9%	935,000	-	100.0%
City Coordinator - Total	61,739,017	63,898,093	41,784,705	34.6%	58,206,133	5,691,960	91.1%
Transportation Planning & Design	1,889,235	1,889,235	1,494,101	20.9%	2,042,581	(153,346)	108.1%
Transportation Plan Programming	2,662,249	2,716,180	1,821,686	32.9%	2,716,180	-	100.0%
Transportation Maintenance & Repair	34,389,680	34,389,680	27,714,999	19.4%	35,948,106	(1,558,426)	104.5%
Public Works Administration	3,286,786	3,286,786	2,444,984	25.6%	3,351,035	(64,249)	102.0%
Traffic & Parking Services	15,950,029	15,950,029	12,349,532	22.6%	16,584,562	(634,533)	104.0%
Public Works - Total	58,177,979	58,231,911	45,825,302	21.3%	60,642,464	(2,410,553)	104.1%
Regulatory Services	24,567,161	24,567,161	16,918,057	31.1%	22,951,755	1,615,406	93.4%
Attorney	9,379,733	9,479,733	6,501,555	31.4%	8,984,565	495,168	94.8%
City Council & City Clerk	9,308,488	9,666,201	6,870,697	28.9%	9,148,103	518,098	94.6%
City Clerk Elections	3,245,589	4,364,476	1,679,376	61.5%	4,354,084	10,392	99.8%
Contingency	16,527,000	4,808,757	-	100.0%	-	4,808,757	0.0%
Assessor	5,492,731	5,492,731	3,855,223	29.8%	5,201,555	291,176	94.7%
CPED	39,820,945	32,495,400	22,223,705	31.6%	32,495,400	-	100.0%
Health	18,068,127	18,595,866	11,902,883	36.0%	18,887,681	(291,815)	101.6%
Civil Rights	4,836,828	4,836,828	3,455,291	28.6%	4,727,803	109,025	97.7%
Mayor	2,305,487	2,305,487	1,655,432	28.2%	2,250,686	54,801	97.6%
Internal Audit	964,866	964,866	631,826	34.5%	962,805	2,061	99.8%
Total Expenditures	485,153,701	482,072,924	341,364,842	29.2%	470,228,448	11,844,475	97.5%
Transfers Out Total	25,703,875	61,803,875	53,102,904	14.1%	61,803,875	-	100.0%
Expenditures and Other Uses	\$ 510,857,576	\$ 543,876,798	\$ 394,467,746	27.5%	\$ 532,032,323	\$ 11,844,475	97.8%
Change in Fund Balance					(34,346,604)		
Fund Balance - January 1, 2021					167,654,124		
Fund Balance - December 31, 2021 (Projected)					133,307,520		

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

Fund Description:

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

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

Revenue:

Through September 30, 2021, Convention Center operating revenue ended at \$4.6 million or 67.3% of the \$6.9 million budget. Rents and Commissions had the strongest finish at \$3.7 million or 127.7% of budget followed by Charges for Services at \$0.9 million or 36.9% of budget. Catering Commissions has recognized very little revenue through the third quarter of 2021 reaching nearly \$1,000 or less than 0.1% of budget from Dunn Brothers revenue. With the strong impacts of the pandemic, the Kelber Catering commission structure was changed to a tiered revenue structure where specific amounts of revenue must be realized before the Convention Center receives a commission. This allows Kelber Catering to maintain operations but decreases expected revenues to the Convention Center. With the new tiered system, and expected revenue results, 2021 is expected to finish 2021 with very little catering privileges.

The Convention Center September 30, 2021 operating revenue of \$4.6 million finished \$1.2 million under the September 30, 2020 operating revenue of \$5.9 million. The reason for the decline was that the Convention Center was heavily impacted by event cancellations related to the COVID-19 pandemic and related health mandates. The Convention Center projects 2021 operating revenue to finish about \$0.6 million under budget which is \$30,000 under the \$6.3 million in 2020.

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

Expenditures:

Through the third quarter of 2021, Convention Center Operations expenditures finished at \$13.0 million or 53.2% of the \$24.4 million budget which was \$1.0 million under the third quarter 2020 results. Operating expenses are based on event levels and normal day-to-day operations. The Convention Center continued to be heavily impacted by the pandemic and related health mandates through the third quarter of 2021.

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

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

The Convention Center expects 2021 operating expenses to finish the year \$4.3 million under the 2021 budget. The reduction is related to reduced expense demands due to a reduction in building events.

In Ongoing Equipment and Improvements, the Convention Center finished the third quarter of 2021 at \$0.7 million or 16.2% of the \$4.3 million budget which was \$4.0 million under the \$4.7 million expended through the third quarter of 2020. The Convention Center projects 2021 ongoing equipment and improvements to finish 2021 at \$3.3 million which is \$1.0 million under budget. With the impacts of the pandemic, the Convention Center sharply curtailed building projects as a planned cost saving measure.

The 2021 Meet Minneapolis budget is \$8.8 million, and \$6.6 million or 75% of budget has been expended through the third quarter of 2021. Through the third quarter of 2020, \$8.1 million was expended. It is expected that Meet Minneapolis will finish 2021 at their \$8.8 million 2021 budget which is \$1.9 million under the \$10.6 million in 2020.

Transfers:

The Convention Center Fund annually transfers funds for debt service (see below), in addition to receiving a transfer from the Downtown Assets Fund. The Convention Center's 2021 transfer from the Downtown Assets is budgeted at \$28.7 million, and \$23.9 million or 83.3% has been expended through the third quarter of 2021 and is expected to finish 2021 at the \$28.7 million budget which is \$22.6 million higher than 2020. In 2020, the transfer was originally budgeted at \$28.7 million. Pandemic related business closures negatively impacted local tax revenue, forcing a reduction in the transfer to just \$6.1 million in 2020. This reduction allowed the Downtown Assets fund to maintain a positive cash balance and allows the City to better manage cash balances going forward.

Debt Service:

In 2021, transfers to debt service for debt issued on the building is budgeted at \$0. To take some pressure off the fund, debt service was refinanced, and the 2021 – 2024 debt service will be interest only with principal due in 2025. Through the third quarter of 2021 \$99,000 had been transferred from the Convention Center Special Revenue Fund to debt service. The 2021 projected debt service is \$82,000. Per debt service City staff, it is expected that \$17,291 will be transferred back to the Convention Center in December after receiving a payment from Kelber Catering.

Fund and Cash Balances:

The September 30, 2021 fund and cash balances were \$20.1 and \$22.7 million respectively, and the 2021 ending fund and cash balances are projected to be \$15.9 and \$18 million respectively which are increases of \$3.5 million for both fund and cash balances from 2020.

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

Minneapolis Convention Center Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services	6,900	2,395	2,553	942	1,600
Rents and Commissions	7,600	2,976	2,898	3,700	4,700
Catering Commissions	4,275	959	1,449	1	1
MN Dept. of Trade & Economic Development	-	-	500	500	500
Interest on Cash Investments	762	1,052	196	152	200
Interest on Capital Advance	-	616	-	-	-
Other Misc Non Operating	-	2,532	-	28	-
Transfer from City General	1,438	1,438	-	-	-
Transfer from Downtown Assets	6,089	6,089	28,734	23,945	28,735
Total	27,063	18,056	36,330	29,268	35,736
Use of Funds:					
Convention Center Operations	28,132	21,474	24,446	13,007	20,100
Ongoing Equipment/Improvement	8,182	5,943	4,333	702	3,300
Meet Minneapolis	9,041	10,637	8,785	6,589	8,785
Transfer to Debt Service	26,807	947	-	99	82
Total	72,162	39,001	37,564	20,397	32,267
Net Change in Fund Balance	(45,099)	(20,945)	(1,234)	8,871	3,469
Ending Fund Balance	(11,724)	12,429	11,195	20,066	15,898
Ending Cash Balance	(13,661)	14,487	13,253	22,716	17,956

City of Minneapolis
Arena Special Revenue Fund
For the Third Quarter Ending September 30, 2021

Fund Description:

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

Revenue:

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund which is budgeted at \$3.9 million for 2021. Since 2014 the Timberwolves organization has paid annual rent, and in 2021 that revenue source is \$1.6 million. The Arena fund is managed as part of the Downtown Assets Funds, which are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis. The Arena Special Revenue Fund also receives interest revenue from City investments on cash balances. The 2021 interest revenue budget is \$24,000, and 2021 interest revenue is expected to finish over budget at \$55,000.

Expenditures:

The Arena Special Revenue Fund has a 2021 ongoing equipment and improvements budget of \$3.0 million. Through the third quarter of 2021, \$0.2 million has been expended, and it's projected that ongoing equipment/improvements will finish at \$1.5 million, 50.0% of the budget. The improvements budget decreased from \$6.6 million in 2020 as the pandemic reduced activity at the Target Center and expenses have been reduced accordingly. There is a \$1.8 million 2021 budget for an operator reimbursement to AEG. As of September 30, 2021, there haven't been any payments made to AEG, but it is expected their \$1.8 million budget will be expended to support Target Center operating costs. Overall expenditures are projected to finish \$1.5 million under budget.

Transfers:

As mentioned above, the Arena Special Revenue Fund receives an annual transfer from the Parking Fund which will be \$3.9 million for 2021. In a planned effort to reduce fund and cash balances while maintaining the Arena Special Revenue Fund as part of the Downtown Assets funds, a transfer of \$1.2 million was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce those balances. Transfers are underway, and it is expected that the transfers will meet the 2021 budget. The 2020 transfer from the Arena Fund to the DT Assets Fund was \$4.8 million which was \$3.6 million higher than 2021. This transfer is adjusted annually to help maintain targeted fund and cash balances.

Fund and Cash Balances:

The September 30, 2021 ending fund and cash balances were both \$6.4 million, and are projected to decrease to \$4.3 and \$4.8 million respectively. This is an increase of \$723,000 for both the fund and cash balances from 2020. The primary reasons for the increases are the 2021 sources of funds projection finishing at \$5.5 million or \$723,000 over the use of funds. This is primarily due to the 2021 ongoing equipment/improvements projected to finish 2021 \$2.1 million under 2020, and the 2021 ongoing equipment/improvements budget projected to finish at \$1.5 million or \$1.5 million under the \$3 million 2021 budget coupled with a 2021 \$3.6 million decrease from 2020 in the transfer from the Arena Fund to the DT Assets Fund, which were partially offset by a \$762,000 reduction in the transfer from the Parking Fund.

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

Arena Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Rent	1,520	1,520	1,551	1,551	1,551
Transfer from Municipal Parking Fund	4,615	4,615	3,853	2,890	3,853
Interest Earnings	62	228	24	45	55
Total	6,197	6,363	5,427	4,487	5,459
Use of Funds:					
Operator Reimbursement	1,718	1,713	1,765	-	1,765
Ongoing Equipment/Improvements	6,632	3,614	3,000	236	1,500
Administration	292	263	303	216	303
Transfer to Downtown Assets Fund	4,765	4,765	1,168	1,168	1,168
Total	13,407	10,355	6,235	1,619	4,736
Net Change in Fund Balance	(7,210)	(3,992)	(808)	2,868	723
Ending Fund Balance	312	3,531	2,723	6,399	4,254
Ending Cash Balance	2,269	4,038	3,230	6,391	4,761

**Downtown Assets Special Revenue
Including the Downtown Assets, Peavey Plaza, and Commons Funds
For the Third Quarter Ending September 30, 2021**

Fund Description:

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

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

This collection of funds holds the operating and capital funds which support the Downtown Commons and Peavey Plaza. Though each of these funds holds a cash balance to its own, all cash balances are available to support any expense within the funds. Receipts to the fund are largely made up of local taxes, but may also include contributions from private donations or State funding to support capital improvements.

Revenue:

The 2021 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$13.4 million. The overwhelming majority of revenues come from local taxes including sales, liquor, lodging, restaurant and entertainment. Minneapolis local taxes are projected to finish at \$32.1 million which is \$20.3 million over the 2021 budget based on 2021 collection trends and impacts from the COVID-19 pandemic which has severely impacted local tax collections. The \$32.1 million 2021 projection is \$17.2 million under the actual 2020 collections. Interest revenue is budgeted at \$429,000 and is expected to finish 2021 \$26,000 under budget. Interest revenue is based on interest rates from cash balances within the funds.

Expenditures:

The 2021 Downtown Assets Special Revenue Fund expenses are budgeted at \$46.0 million, and are primarily all transfers out of the fund. Transfers make up \$45.6 million of the \$46.0 million 2021 budget. The remaining \$437,000 is allocated for Peavey Plaza operating expenses which include payments to Green Minneapolis to maintain Peavey Plaza, Peavey Plaza Special Assessments/DID Fees, and electricity. In addition to the operating expenses, there will be an additional cost of \$66,000 to cover final bills for the capital renovation of Peavey Plaza. The Peavey Plaza renovation was substantially completed and reopened in July 2019. Overall expenditures are projected to finish close to budget.

Transfers:

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

Fund and Cash Balances:

At the end of 2020, the Downtown Assets Funds had a fund balance of \$46.5 million, and a cash balance of \$39.2 million. The 2021 Downtown Assets Funds, fund and cash balances are projected to finish at \$34.1 and \$26.9 million respectively which is an \$12.3 million decrease to both fund and cash balances from 2020. The decreases in both fund and cash balances are due to the 2021 uses of funds finishing \$12.3 million under the source of funds which primarily resulted from soft projected local 2021 local taxes.

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

Downtown Assets Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Local Taxes	93,446	49,290	11,850	13,497	32,127
Transfer from Arena Special Revenue Fund	4,765	4,765	1,168	1,168	1,168
Downtown Assets Funds Interest Earnings	236	177	429	302	403
Total	98,446	54,233	13,447	14,967	33,698
Use of Funds:					
Transfer out to City General Fund	32,711	10,711	11,136	8,352	11,136
Transfer out to Arena Fund Debt Service	5,698	5,698	5,697	1,194	5,695
Transfer out to Convention Center	6,089	6,089	28,734	23,945	28,734
Downtown Assets - Operating	25	-	-	-	-
Commons - Operating	820	820	-	-	-
Peavey Plaza - Capital	474	260	-	-	66
Peavey Plaza - Operating	424	288	437	288	379
Total	46,240	23,864	46,004	33,779	46,010
Net Change in Fund Balance	52,206	30,369	(32,557)	(18,812)	(12,312)
Downtown Assets Fund - Ending Fund Balance	68,290	46,452	13,895	27,640	34,140
Downtown Assets Fund - Ending Cash Balance	61,019	39,182	6,625	27,629	26,870

City of Minneapolis
Police Special Revenue Fund
For the Third Quarter Ending September 30, 2021

Fund Description:

The Police Special Revenue Fund accounts for revenues and expenses related to federal and state administrative forfeitures, lawful gambling, and non-emergency service contracts. Historically, the Police Special Revenue Fund had also been used to account for revenues and expenses related to the Automated Property System (APS), and the Workforce Director scheduling and payroll system (WFD). These programs were phased out over the last several years.

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

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

Revenues:

Revenue for the Police Special Revenue Fund earned through third quarter ending September 30, 2021 is \$0.8 million or 92.4% of the budgeted amount of \$0.9 million. The revenue earned through third quarter ending September 30, 2021 increased by \$0.1 million or 16.5%, over revenue earned through the same period in 2020.

The revenue increase is due to several factors including an increase of \$70,556 for charitable gambling activity and an increase of \$0.1 million in non-emergency services as social distancing requirements due to the pandemic were removed. These increases are offset by a decrease in APS and WFD revenue as the programs were decommissioned; forfeiture revenue decrease of approximately \$68,510, as the revenue

is unpredictable and depends on the amount forfeited and number of cases settled each year; snow emergency services contract revenue decrease of approximately \$23,788 as the revenue is unpredictable and depends on weather events.

Expenditures:

Overall expenditures for the Police Special Revenue Fund through third quarter 2021 totaled \$0.8 million or 90.3% of budget. Expenses through the third quarter of 2021 increased \$0.3 million or 66.6%, over the total expense through the same period in 2020. The increase is primarily due to an increase of \$0.3 million in forfeiture expenditures incurred for specific costs for civil unrest; an increase of \$6,566 in charitable gambling expenditures for additional workorders and FSD fuel; and an increase of \$69,420 in overtime costs associated with non-emergency services contracts. These increases are offset by a \$23,788 decrease in personnel and fringe expenses associated with snow emergency services contract.

Cash and Fund Balances:

The fund has maintained a positive cash balance with a third quarter 2021 ending balance of \$2.6 million, a decrease of \$0.3 million or 0.3% from the 2020 third quarter ending balance of \$2.9 million. The decrease in fund balance was primarily due to an increase in forfeiture expenditures for specific costs for civil unrest.

The fund balance for a third quarter 2021 is \$2.8 million, a decrease of \$0.4 million, or 11.8% under the third quarter 2020 ending balance of \$3.2 million. Fund balance is consistent between the two years and reflects slight variances in revenue and expenditures in both years.

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

Police Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services and Sales	978	692	466	290	622
Fines and Forfeits	237	479	243	371	400
Miscellaneous					
Taxes	227	178	204	183	204
Total	1,442	1,349	913	844	1,226
Use of Funds:					
Personnel Services	966	437	530	274	580
Fringes	214	123	137	50	129
Contractual Services	63	665	57	26	171
Capital Outlay	-	49	-	-	-
Materials/Other	199	239	189	475	556
Total	1,442	1,513	913	825	1,436
Change in Fund Balance	-	(164)	-	19	(210)
Fund Balance	2,924	2,760	2,760	2,779	2,550
Total Cash Balance	2,784	2,564	2,564	2,583	2,597

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

Fund Description:

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

Revenues:

Revenues for this fund consist only of transfers from the Consolidated Redevelopment Tax Increment Financing District. Through the third quarter of 2021, \$7.8 million has been transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund. It is anticipated that no additional transfers will take place before the end of the year.

Expenditures:

The expenditures from this fund through the third quarter of 2021 is \$5.5 million for the community engagement and neighborhood-based activities. Total projected expenditures are expected to be end 2021 at \$7.5 million, which is \$3.7 million under budget.

Fund Balance:

The Fund balance projection for 2021 year-end is \$3.4 million based on the current activities.

City of Minneapolis
Third Quarter ending September 30, 2021
Financial Status Report in thousands of dollars

Neighborhood & Community Relations Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Transfer from TI funds	7,089	7,089	8,221	7,805	7,805
Total	7,089	7,089	8,221	7,805	7,805
Use of Funds					
Personal Services	1,295	1,215	1,574	1,121	1,545
Fringes	495	428	543	364	495
Contractual services	5,314	5,425	8,972	3,991	5,421
Materials/Other	70	55	133	27	40
Total	7,174	7,123	11,222	5,503	7,501
Change in Net Position	(85)	(34)	(3,001)	2,302	304
Fund Balance	3,028	3,079	27	5,381	3,383
Total Cash Balance		3,535	3,562	5,426	3,730

City of Minneapolis
Regulatory Services Special Revenue Fund
For the Third Quarter Ending September 30, 2021

Fund Description:

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

Revenue:

Operating revenue earned through third quarter 2021 is \$0.4 million, or 384.0% of the budgeted amount of \$0.1 million. No budget was entered for project revenue in 2021, but current projections show project revenue of just over \$2.0 million for 2021. This is revenue related to Traffic Control work for Public Works' projects.

Expenses:

Operating expense through third quarter 2021 totaled \$0.1 million, all related to the Traffic Control support mentioned above. The yearend expenditure projection is just over \$2.0 million.

Transfers:

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

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

Cash and Fund Balances:

The fund has maintained a positive cash balance and net position with a third quarter 2021 ending balance of \$0.3 million.

City of Minneapolis
Third Quarter ending September 30, 2021
Financial Status Report in thousands of dollars

Regulatory Services Special Revenue Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Special Assessments	2370	1838	-	-	-
Project revenue	4,700	678	-	309	2,020
Transfer In			100	75	100
Total	7,070	2,516	100	384	2,120
Use of Funds Housing related					
Contractual services	3,172	2,894	100	-	40
Housing Related total	3,172	2,894	100	-	40
Use of Funds Traffic related					
Capital Outlay	-	244	-	-	-
Personnel Services	2,821	220	2,500	126	1,868
Fringes	1,209	50	900	-	134
Contractual Services	414	13	400	-	-
Materials/Other	156	33	240	-	18
Traffic related total	4,600	560	4,040	126	2,020
Change in Fund Balance	(702)	(938)	(4,040)	258	60
Fund Balance	(702)	189	(3,851)	189	249
Total Cash Balance		150	(3,701)	502	210

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

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

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

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of September 30, 2021, expenditures were \$14.7 million compared to the 2020 expenditures of \$8.9 million. The increase in federal expenditures of \$5.8 million is primarily a result of spending within the Community Planning and Economic Development (CPED) Department. The U.S. Treasury Emergency Rental Assistance grant accounts for \$6.2 million of the increase which is offset by declines in other programs.

The ERA funds are part of the Consolidated Appropriations Act, 2021 which was enacted on December 27, 2020. The U.S. Treasury is responsible for administering the program. The City received its allocation of \$12.9 million in January 2021. The American Rescue Plan Act of 2021 enacted on March 11, 2021 also managed through the U.S. Treasury provided the City with an additional allocation of \$10.2 million in ERA2 funding of which \$4.1million has been released by U.S. Treasury. ERA funds are used to help eligible households through existing or newly created rental assistance programs.

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

HUD Consolidated Plan Funds (01400 & 01500)

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

with AIDS (HOPWA). HOME Investment Partnerships Program, HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards had declined until 2012 and has ranged between \$10.0 to \$11.0 million in recent years. The combined HUD Consolidated Plan allocation for 2021 was over \$16.0 million approximately equivalent to the 2020 allocation. HUD grant expenditures as of September 30 were \$17.4 million compared to \$8.9 for 2020 which reflects an increase of \$8.6 million, year over year.

During 2020, due to the pandemic, the City was awarded approximately \$22.9 million in HUD COVID-19 Supplemental fund for the CDBG, ESG, and HOPWA programs which continue to be expended in 2021 and future years which will result in higher than usual expenditures in the fund. The Community Planning and Economic Development (CPED) Department spending increased \$9.1 million because of the new funding and is the major contributor to the change in expenditures between 2020 and 2021.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of September 30, 2021 are \$20.8 million compared to the 2020 expenditures of \$15.8 million. The \$5.0 million increase can be attributed primarily to spending in Community Planning and Economic Development (CPED) of \$3.5 million and Police spending increases of almost \$1.1 million.

The revenue in the fund as of September 30, 2021 and 2020 is \$26.4 million and \$24.9 million, respectively. The revenue increase is consistent with there being an increase in expenditures and as most grants are on a cost reimbursement basis, the receipt of the revenue will occur later.

American Rescue Plan Act (ARPA) (01330)

On May 19, 2021, the City received \$135.6 million of the U.S. Treasury ARPA funds which represents the first tranche of the \$271.2 million the City has been allocated. Department proposals for 2021 totaling \$90.2 million were approved by the Council on July 2. Fund 01330, a new special revenue fund, was created to account the ARPA award. ARPA funds are available to cover costs incurred between March 3, 2021 and December 31, 2024 at which time all funds must be obligated.

As of September 30, \$0.7 million was expended of which \$0.7 million relates to the furlough paid time off proposal to reimburse staff for the mandatory furlough days taken in 2020. Through September 27, the Finance Officer approved \$9.9 million in contracts of which \$1.4 million has been encumbered as of the quarter ending September 30.

Capital Grants

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

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

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

	Federal Grants 01300	ARPA Grant 01330	HUD Grants 01400 & 01500	Grants Other 01600	Total
Assets					
Cash and Cash Equivalents	8,793	135,374	2,139	8,087	154,393
Accounts - net	25	-	23	14	62
Intergovernmental Receivables	-	-	-	15	15
Properties Held for Resale	665	-	6,295	796	7,756
Total Assets	9,483	135,374	8,457	8,912	162,226
Liabilities					
Salaries Payable	69	10	62	99	240
Accounts Payable	105	-	240	33	378
Inter Governmental Payables	-	-	148	-	148
Deferred Revenue and Contracts	354	-	-	76	430
Total Liabilities	528	10	450	208	1,196
Fund Balance	8,955	135,364	8,007	8,704	25,666
Total Liabilities and Fund Balance	9,483	135,374	8,457	8,912	26,862
Revenue					
Taxes-Charitable Gambling	-	-	-	202	202
Grants and Shared Revenues	22,546	135,596	15,344	20,033	193,519
Special Assessments	-	-	-	20	20
Private Grants and Contributions	-	-	-	5,120	5,120
Charges for Services	-	-	-	515	515
Interest	-	-	290	3	293
Rent & Commissions	-	-	3	-	3
Sale of Lands & Buildings	62	-	777	-	839
Loan Recapture	239	-	2,543	-	2,782
Sale of Documents/Copies	-	-	-	1	1
Miscellaneous Revenue	54	-	194	521	769
Interest Earnings	-	501	-	-	501
Transfer within Special Revenue Fund	-	-	-	4	4
Total Revenue	22,901	136,097	19,151	26,419	204,568
Expenditures	14,687	733	17,439	20,832	53,691
Revenues Over (Under) Expenditures	8,214	135,364	1,712	5,587	150,877

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

Operating Snapshot (in thousands of dollars):

<i>Programs</i>	<i>Original Budget</i>	<i>Current Budget</i>	<i>Expended</i>	<i>Budget v. Exp</i>	<i>Cash</i>	<i>Fund Balance</i>
Tax Increment Financing	47,356	77,904	28,749	49,154	121,066	146,543
Housing & Econ Dev	3,746	24,815	5,569	19,246	17,786	23,191
General Development	5,353	21,784	3,128	18,656	31,159	34,526
Neighborhood Revitalization	6,990	6,990	2,442	4,548	31,777	32,061
CPED Operating	1,551	1,551	1,387	164	1,073	651
Total	64,996	133,044	41,275	91,768	202,861	236,972

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

Fund Balance. The combined fund balance of CPED Special Revenue Funds at the end of the third quarter 2021 was \$237.0 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the NRP and TIF programs was \$178.6 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 \$58.4 million.

Cash Balance. The combined cash balance of CPED Special Revenue Funds at the end of the third quarter 2021 was \$202.9 million. This was \$10.6 million higher than at the end of third quarter 2020. The combined cash balance in the TIF and NRP programs at the end of third quarter 2021 was \$152.8 million (75.3% 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 third quarter 2021 was \$121.1 million, which was \$7.1 million higher than cash at the end of third quarter 2020. Third quarter 2021 revenues were \$15.2 million, which were \$22.3 million less than in 2020. Third quarter 2021 expenditures were \$11.1 million, which was \$8.7 million less than in 2020.

In the third quarter of 2021, total expenditures were less than revenues by \$4.1 million. With the additional net transfer out of \$14.0 million, overall fund balance decreased by \$10.0 million from \$156.5 million to \$146.5 million.

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

Cash at the end of third quarter 2021 was \$17.8 million, which was \$7.1 million more than cash at the end of third quarter 2020. Third quarter 2021 revenue was \$404,000, which was approximately \$287,000 less than 2020. Third quarter 2021 expenditures were \$5.6 million, which was \$2.5 million less than in 2020. With the additional net transfer from other funds, overall fund balance increased by \$4.1 million from \$19.1 million to \$23.2 million in third quarter 2021.

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 third quarter 2021 was \$31.2 million, which was \$2.5 million less than cash at the end of third quarter 2020. Third quarter 2021 revenues were \$2.8 million, which was \$1.3 million higher than in 2020. Third quarter 2021 expenditures were \$3.1 million, which was \$1.8 million less than in 2020.

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

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

Cash at the end of third quarter 2021 was \$31.8 million, which was \$100,000 less than cash in the third quarter 2020. Third quarter 2021 revenues were \$1.9 million, which was \$.4 million higher than in 2020. Third quarter 2021 expenditures were \$1.4 million, which was \$0.7 million less than in 2020. With net transfer to other funds, total fund balance decreased by \$540,000 from \$32.6 million to 32.1 million compared to 2020.

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

At the end of third quarter 2021, this program had a fund balance of \$651,000 and cash balance of \$1.1 million. Expenditures during this period exceeded revenues by \$1.1 million and there were no transfers from/to other funds.

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

CPED Special Revenue Funds

	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q3 2021 Total	Q3 2020 Total
Assets							
Cash	121,066	17,786	31,159	31,777	1,073	202,861	192,331
Misc receivables	321	22	89	80	11	523	145
Loans receivable	-	5,800	-	-	-	5,800	6,227
Advances to other funds	389	-	-	-	-	389	389
Properties held for resale	25,340	5,685	3,625	236	-	34,886	35,253
Total Assets	147,116	29,293	34,873	32,093	1,084	244,459	234,345
Liabilities							
Payables	183	69	27	32	16	327	251
Advances from other funds	390	-	-	-	-	390	389
Deposits held for others	-	234	320	-	417	971	1,108
Deferred inflow of resources	-	5,800	-	-	-	5,800	6,281
General Ledger Suspense	-	-	-	-	-	-	13
Total Liabilities	573	6,103	347	32	433	7,488	8,042
Total Fund Balance	146,543	23,190	34,526	32,061	651	236,971	226,303
Total Liabilities & Fund Balance	147,116	29,293	34,873	32,093	1,084	244,459	234,345
Revenue							
Property tax increment	13,457	-	-	-	-	13,457	36,016
Fees & charges for services	10	251	1,697	-	291	2,249	1,057
Interest revenue	984	100	273	270	22	1,649	1,865
Special Assessments	-	-	-	-	-	-	243
Rent	305	-	15	-	-	320	142
Sale of land & buildings	64	53	188	-	-	305	140
Loan recapture	334	-	615	1,631	-	2,580	2,103
Total revenue	15,154	404	2,788	1,901	313	20,560	41,566
Expenditures							
Personal services	247	3	777	-	(2)	1,025	799
Contractual services	7,612	1,508	1,689	1,338	1,389	13,536	23,611
Other operating costs	(3)	61	171	2	-	231	434
Program capital outlay	3,286	3,996	492	106	-	7,880	11,408
Total expenditures	11,142	5,568	3,129	1,446	1,387	22,672	36,252
Transfers							
Transfers from other funds	3,591	9,260	-	-	-	12,851	6,277
Transfers to other funds(-)	(17,608)	-	-	(995)	-	(18,603)	(15,763)
Total transfers	(14,017)	9,260	-	(995)	-	(5,752)	(9,486)
Change in fund balance	(10,005)	4,096	(341)	(540)	(1,074)	(7,864)	(4,172)
Beginning fund balance	156,548	19,095	34,867	32,601	1,725	244,836	230,475
Ending fund balance	146,543	23,191	34,526	32,061	651	236,972	226,303

City of Minneapolis
Engineering, Materials, and Testing Internal Service Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06000	2021 Budget	09/30/2021 Actual	Projected YE 2021	2020 Actual
Operating Revenue	9,046	6,387	8,244	8,181
Operating Expense	9,046	6,386	8,241	8,226
Operating Margin	-	1	3	(45)
Change in Net Position		1	3	(45)
Net Position		516	518	515
Cash Balance		1,956	1,958	1,955

Program Description:

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

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

Revenue:

Operating revenue earned through third quarter 2021 is \$6.4 million, or 70.6% of the budgeted amount of \$9.0 million. The 2021 third quarter revenue of \$6.4 million represents a decrease of 1.7% over the third quarter 2020 revenue of \$6.5 million. Revenues (and expenses) for the first half of the year are 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 third quarter from year to year.

Expense:

Operating expense through third quarter 2021 is \$6.4 million, or 70.6% of the budgeted amount of \$9.0 million. The 2021 third quarter expense reflects a decrease of 1.4% over the 2020 expense of \$6.5 million incurred through the same period. As noted above, expenses for the first half of the year are dependent upon several factors such as weather as well as the timing of construction projects.

Transfers:

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

Debt Service:

This fund does not have any debt obligations.

Forecast:

The 2021 Operating revenue is projected to be \$8.2 million or 91.1% of the budgeted amount of \$9.0 million. Operating expense is projected to be \$8.2 million or 91.1% of the budgeted amount of \$9.0 million. The Projected amounts are expected to be lower than the budgeted amounts due to COVID19 which resulted in the hiring and wage freeze and reduced project activity, which in turn is expected to lower the revenue and expense for 2021. These projections result in a slight increase of \$3,000 from the 2020 ending net position of \$0.5 million. The 2021 year-end cash balance is projected to be \$2.0 million, which is slightly lower than the balance at the end of the third quarter of \$2.4 million mainly due to the timing differences in payment of invoices.

Cash and Net Position:

The 2021 third quarter cash balance is \$2.4 million, an increase of \$456,000 from the 2020 year-end balance of \$2.0 million. The increase in cash through third 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. On September 30th, 2021, the fund had an accrual of \$0.5 million for September invoices for asphalt, concrete and consultant invoices, that were paid in October. Had these invoices been paid in September, the cash balance would be reduced to \$1.9 million. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15.0% of the operating budget excluding materials and related costs or \$0.4 million.

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

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

Engineering, Materials and Testing Fund Internal Service fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds					
Asphalt / Concrete	6,489	5,889	6,489	4,906	6,099
Inspection revenue	2,536	2,292	2,557	1,480	2,145
Total	9,025	8,181	9,046	6,387	8,244
Use of Funds					
Personnel Services	851	964	1,062	733	970
Fringes	322	318	383	255	322
Contractual services	1,148	1,221	1,313	651	1,021
Materials/Other	6,253	5,690	6,256	4,722	5,896
Rent	34	34	32	24	32
Total	8,607	8,226	9,046	6,386	8,241
Change in Net Position	418	(45)	-	1	3
Net Position	928	515	515	516	518
Total Cash Balance	2,551	1,955	1,955	2,410	1,958

City of Minneapolis
Fleet Services Internal Service Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06100	2021 Budget	09/30/2021 Actual	Projected YE 20201	2020 Actual
Operating Revenue	38,211	28,390	38,946	33,051
Operating Expense	38,866	21,618	39,947	33,335
Change in Net Position	(655)	6,772	(1)	(284)
Net Position		100,617	93,844	93,845
Cash Balance		32,477	25,486	35,396

Program Description:

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

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

Revenue:

Operating revenue earned through third quarter 2021 is \$28.4 million or 74.3% of the budgeted amount of \$38.2 million. The revenue earned through third quarter 2021 increased by \$1.6 million, or 6.0%, from the revenue earned through third quarter 2020. This increase is mostly due to more rentals of equipment.

Expenses:

Operating expense through third quarter 2021 totaled \$21.6 million representing 55.6% of the annual budget of \$38.9 million. Expenses through the third quarter of 2021 decreased \$8.9 million or 29.0% from the total expense of \$30.5 million through the same period in 2020. The difference is partly due to the decrease of transfers out and a decrease of capital spending. Also there has been a decrease in work orders in 2021.

Transfers:

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

Debt Service:

This fund has no debt obligations in 2021.

Forecast:

Operating revenue is projected to be \$38.9 million which is \$0.7 million or 1.9% more than the budgeted amount of \$38.2 million. Projected revenue is more than budgeted primarily due to an increase in external contract rental charges. Operating expense is projected to be \$38.9 million which is \$81,000 or 0.2% more

than the budgeted amount of \$38.9 million. Net position for 2021 is projected to end at a loss of \$1,000 compared to a budgeted loss of \$655,000. Ending cash is projected to be \$25.5 million a decrease of \$9.9 million from the 2020 ending cash balance of \$35.4 million. The decrease in cash is due to the timing of capital purchases, which vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others.

Cash and Net Position:

The fund has maintained a positive cash balance with a third quarter 2021 ending balance of \$32.5 million a decrease of \$1.9 million from the 2020 third quarter ending balance of \$30.6 million. Reserve policies for the Fleet Services fund determine that the minimum cash balance should be 15.0% of the fund's operating budget plus 1.5 times next year's capital or \$23.3 million.

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

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

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

Fleet Services Internal Service Fund

	2020	2020	2021	2021	2021
	Final	Year End	Current	Year to Date	Projected
	Budget	Actual	Budget	Actual	Year End
Source of Funds:					
Net transfer in from other funds	317	317	-	-	-
Charges for Services	9,399	8,665	9,378	5,936	8,423
Charges for Sales	7,975	6,316	7,628	4,638	6,639
Gains	500	754	500	711	711
Rent	22,818	16,998	20,705	17,021	23,071
Other Misc Revenue	10	1	-	84	102
Total Operating Revenue	41,019	33,051	38,211	28,390	38,946
Use of Funds:					
Transfers out	2,000	2,000	-	-	-
PW Equipment Operations	23,808	22,237	24,917	18,151	24,998
PW Equipment Capital1	13,258	9,098	13,949	3,467	13,949
Total Operating Expenses	39,066	33,335	38,866	21,618	38,947
Change in Net Position	1,953	(284)	(655)	6,772	(1)
Net Position¹	88,124	93,845	93,190	100,617	93,844
Cash Balance (TB)	35,680	35,396	26,040	32,477	25,486

City of Minneapolis
Property Services Internal Service Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06200	2021 Budget	09/30/2021 Actual	Projected YE 2021	2020 Actual
Operating Revenue	26,291	19,451	26,512	27,703
Operating Expense	30,094	17,382	28,457	29,146
Operating Margin	(3,803)	2,068	(1,946)	(1,443)
Change in Net Position		2,068	(1,946)	(1,443)
Net Position		38,345	34,331	36,278
Cash Balance		8,224	4,377	6,323

Program Description:

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

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

Revenue:

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

Operating revenue recorded through third quarter 2021 is \$19.5 million, or 74.0% of the budgeted amount of \$26.3 million. The 2021 third quarter revenue decreased by \$1.7 million, or 8.2%, from the revenue earned through third quarter of 2020. This is mainly because through the third quarter of 2020, the fund collected \$0.7 million as miscellaneous revenue through rent allocation (\$0.5 million from CPED for PSC debt financing and \$0.2 million for Currie Debt Payment), but this program ended in 2020. This makes the 2021 revenue lower compared to 2020. Revenue received from charges for services, including operating repairs and upgrades, also fluctuates based on the amount of discretionary spending available to departments and the timing of work done.

Expenses:

Operating expense through third quarter of 2021 is \$17.4 million, or 57.8% of the total budgeted amount of \$30.1 million. The 2021 third quarter expense decreased \$5.0 million, or 22.4%, from the operating expense recorded through third quarter 2020. The variance is primarily due to decreased expenses in 2021 due to delay in Asset Preservation Projects and fewer Work for Others' projects in 2021. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work done.

Transfers:

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

Debt Service:

There is no outstanding debt service for 2021.

Forecast:

2021 Operating revenue is projected to be \$26.5 million or 0.8% more than the budgeted amount of \$26.3 million. The operating expense is projected to be \$28.5 million or 5.4% less than the budgeted amount of \$30.1 million. The projected expenses are less than the budgeted expenses due to the \$2 million expected delay in capital repairs and upgrades. The result is a projected operating margin loss of \$1.9 million, compared to the budgeted operating margin loss of \$3.8 million. The projected operating loss is mostly due to the City Council approved rollover of unspent 2020 asset preservation funds to 2021 for \$3.9 million, which in turn is offset by the \$2.0 million expected project delays in 2021.

The 2021 ending cash balance is projected to be \$4.4 million, a decrease of \$1.9 million from the 2020 year-end balance of \$6.3 million. The decrease in cash is due to timing and some of the capital repairs and upgrade projects, originally budgeted in 2020, are expected to be completed in 2021.

Cash and Net Position:

The cash balance at the end of third quarter 2021 was \$8.2 million compared to a cash balance of \$6.2 million at the end of third quarter 2020. The cash through the third quarter of 2021 consists of a balance of \$1.9 million in the Property Disposition fund and a balance of \$6.3 million in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$4.5 million for the Property Services fund in 2021.

The net position for the year ending 2020 was \$36.3 million, an increase of \$2.4 million from the net position of \$33.9 million for year ending 2019. This increase is due to the delay of the capital improvement projects in 2020, which are planned to be completed in 2021. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2020 was \$0.8 million and the projected net position in 2021 is \$32.7 million greater than the benchmark, which is \$1.6 million.

City of Minneapolis
Third Quarter ending September 30, 2021
Financial Status Report in thousands of dollars

Property Services Internal Service Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services and Sales	2,259	5,102	3,066	2,169	3,302
Rents Public Works and Other	21,543	21,510	22,450	16,699	22,435
Miscellaneous Revenue	820	855	3	3	3
Transfer-In from other funds	237	237	772	579	772
Total	24,858	27,703	26,291	19,451	26,512
Use of Funds					
Personnel Services	4,229	5,801	6,530	4,751	6,417
Fringes	1,631	2,472	2,541	2,036	2,634
Contractual services	21,750	17,185	18,202	8,512	16,103
Materials/Other	1,087	1,895	1,632	1,352	2,115
Rent	897	897	977	732	976
Transfer-Out to other funds	895	895	212	-	212
Total	30,490	29,146	30,094	17,382	28,457
Change in Net Position	(5,632)	(1,443)	(3,803)	2,068	(1,946)
Net Position	28,252	36,277	32,474	38,345	34,331
Total Cash Balance	2,516	6,323	2,520	8,224	4,377

City of Minneapolis
Public Works Stores Internal Service Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 06300	2021 Budget	09/30/2021 Actual	Year Ending Projected 2021	Year Ending Actual 2020
Operating Revenue	1,608	1,492	1,931	1,911
Operating Expense	1,608	1,204	1,666	1,800
Operating Margin	-	288	265	351
Change in Net Position		288	265	351
Net Position		6,204	6,181	5,916
Cash Balance		1,331	1,391	1,126

Fund Description:

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

Revenue:

Operating revenue through the third quarter of 2021 is \$1.5 million, or 92.8% of the budgeted amount of \$1.6 million. The revenue earned through third quarter of 2021 increased by \$0.1 million, or 8.3%, from the revenue earned through third quarter of 2020. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue is due to a \$77,607 increase in Central stores overhead charges at the Royalston location and a \$83,349 increase in overhead charges in Traffic stores. These revenue increases are offset by a decrease in Central stores overhead charges at the Hiawatha location of \$37,107 and a decrease in Traffic stores for selling merchandise to outside customer of \$10,104.

Expenses:

Operating expense through the third quarter of 2021 is \$1.2 million, or 74.9% of the budgeted amount of \$1.6 million. The amount expended through third quarter of 2021 decreased by \$87,000, or 6.8%, from the \$1.3 million expended through the same period in 2020. The decrease is due to decreases in materials of \$92,000, and personal cost of \$15,000. Those expenses decreases are partially offset by an increase in contractual services of \$19,000. This reduction in expense is due to the budget cut for an economic crisis induced by the coronavirus pandemic in 2020 which is carrying over into 2021.

Transfers:

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

Debt Service:

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

Forecast:

Operating revenue is projected to total \$1.9 million at year-end, exceeding the budgeted revenue of \$1.6 million by \$0.3 million, or 20.1%. This increase is mostly due to increased overhead charges to inventory sales and transaction processing. Operating expense is projected to be \$1.7 million, representing a 3.6%, or \$58,000 increase from the budgeted amount of \$1.6 million. The cost of inventory that is resold to City departments is excluded from the total expense of the Public Works Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the fund. These year-end projections will result in projected operating margin gain of \$0.3 million as compared to a budgeted margin of \$0, and a projected ending net position of \$6.2 million.

Cash and Net Position:

The fund has maintained a positive cash balance at the end of third quarter 2021 is \$1.4 million, an increase of \$0.3 million from 2020 year-end balance of \$1.1 million. The increase in cash is primarily due to an increase in operating margin as described above. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15.0% of the annual operating budget, or \$0.2 million. The cash balance is \$1.1 million more than its target.

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

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

Public Works Stores Internal Service Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Services	1,493	1,824	1,558	1,439	1,872
Charges for Sales	50	87	50	54	59
Total	1,543	1,911	1,608	1,492	1,931
Use of Funds					
Personal Services	836	850	873	612	838
Fringes	372	373	381	286	382
Contractual services	244	336	275	285	371
Materials/Other	76	241	79	22	74
Total	1,529	1,800	1,608	1,204	1,666
Change in Net Position	14	351	-	288	265
Net Position	5,579	5,916	5,916	6,204	6,181
Total Cash Balance	2,552	1,126	1,126	1,331	1,391
Target Cash Reserve	229	229	241	241	241
Variance Operating Cash to Target Cash Reserve	2,323	897	885	1,090	1,150

**City of Minneapolis
Intergovernmental Services Internal Service Fund
For the Third Quarter Ending September 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 06400	2021 Budget	09/30/2021 Actual	Projected YE 2021	2020 Actual
Operating Revenue	40,252	30,745	41,022	46,375
Operating Expense	43,054	30,822	41,323	47,457
Change in Net Position		(77)	(301)	(1,082)
Net Position		22,512	22,288	22,589
Cash Balance		10,311	12,275	10,735

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 third quarter of 2021 is \$30.7 million, or 76.4% of the annual budgeted amount of \$40.2 million. This is a decrease of \$1.3 million, or 4.0%, compared to revenue of \$32.0 million earned through third quarter of 2020. This decrease is because of cost saving measures in the allocation model and contractual services.

Expenses:

Operating expenses through the third quarter are \$30.8 million or 71.6% of the annual budgeted amount of \$43 million. The operating expense through third quarter decreased \$4.4 million, or 12.5%, from the 2020 expense of \$35.2 million.

City Clerk's expenses are \$0.6 million less in 2021 than in 2020 which is approximately \$32,000 less than 2020.

Administration expenses of \$11.5 million through the third quarter decreased 6.5% over the 2020 amount of \$12.3 million through the same period. This decrease is mostly due to 16.0% decrease for licenses.

PMO-Work for Others department expenses of \$1.5 million decreased by \$1.4 million through the third quarter or 48.3% under the 2020 amount of \$2.9 million through the same period. This decrease is due to cost saving measures by putting projects on hold for 2021 and less work for others being performed.

Infrastructure Services expenses of \$4.1 million decreased by \$0.1 million, or 3.7% through the third quarter under the 2020 amount of \$4.2 million through the same period. This decrease is due to less repair and maintenance expenses and capital hardware expenses. Also, there were more Service Now orders for equipment in 2020 because employees were working remotely due to the pandemic.

Debt:

The fund does not have any outstanding debt service obligations.

Transfers:

In 2021 this fund will receive transfers in from the general fund totaling \$114,000. The general fund transfer is for City Hall rent.

The fund has no transfers out in 2021.

Forecast:

Operating revenue is projected to be \$41.0 million or \$0.8 million more than the budgeted amount of \$40.2 million. Operating expenses are expected to be \$41.3 million or \$1.7 million less than the budgeted amount of \$43.1 million. These projections result in an expected operating margin deficit of \$0.3 million compared to a budgeted operating margin deficit of \$2.8 million. The projected deficit is better than budgeted because of savings of \$1.2 million for managed services and due to expected projects and work for others that is not included in the original budgeted.

The fund is projecting a net position of \$22.3 million compared to a budgeted ending fund balance of \$19.8 million. The 2021 projected year-end net position represents a decrease of 1% from the 2020 net position of \$22.6 million.

The year-end cash balance is projected to be \$12.3 million which represents an increase of 14% from the cash balance at year-end 2020 of \$10.7 million. This increase is due to using less of the budget than the prior year.

Cash and Net Position:

The cash balance at the end of third quarter is \$10.3 million, representing a decrease of \$22,000 from third quarter 2020 and a decrease of \$0.4 million from 2020 year-end balance of \$10.7 million. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15.0% of the fund's total budget or \$6.5 million.

The net position at year-end 2021 is projected to be \$22.3 million. 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 which equates to \$18.9 million for the Intergovernmental Services Fund. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the fund will continue to exceed the target net position in future years.

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

Intergovernmental Services Internal Service Fund

	2020 Actual Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date 2021	2021 Projected Year End
Source of Funds:					
Charges for Service - IT	37,058	38,478	35,663	26,980	35,973
Charges for Service - City Clerk	1,424	1,678	1,385	1,121	1,385
Work for Others	-	4,428	3,090	2,559	3,550
Operating Transfers In	209	1,791	114	85	114
Total	38,691	46,375	40,252	30,745	41,022
Use of Funds:					
Transfers	1,000	1,000	-	-	-
City Clerk	1,502	2,037	1,470	933	1,470
Information Technology	37,309	34,358	40,728	27,146	36,195
Work for Others	641	6,865	856	2,662	3,550
COVID	-	3,197	-	81	108
Total	40,452	47,457	43,054	30,822	41,323
Change in Net Position	(1,761)	(1,082)	(2,802)	(77)	(301)
Net Position	25,319	22,589	19,787	22,512	22,288
Total Cash Balance	12,616	10,735	12,674	10,311	12,275

**City of Minneapolis
Self-Insurance Internal Service Fund
For the Third Quarter Ending September 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 06900-06950	2021 Budget	09/30/2021 Actual	Projected YE 2021	Actual YE 2020
Operating Revenue	138,336	108,378	134,720	106,282
Operating Expense	110,306	71,851	130,487	91,658
Operating Margin	28,030	36,527	4,233	14,624
Change in Net Position		36,527	4,233	(77,525)
Net Position		(61,312)	(93,607)	(97,840)
Cash Balance		142,797	112,364	108,131

Program Description:

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

Revenue:

Operating revenue through the third quarter of 2021 is \$108.4 million or 78.3% of the annual budgeted amount of \$138.3 million. This is an increase of \$25.8 million, or 31.2%, compared to \$82.6 million earned through the third quarter of 2020. The primary reason for the increase is due to a transfer of \$27.0 million from the general fund to support civil liability payments. This revenue increase is offset by a \$1.3 million decrease in medical insurance premiums.

Expenses:

Operating expenses through the third quarter of 2021 are \$71.8 million or 65.1% of the annual budgeted amount of \$110.3 million. This is an increase of \$7.3 million, or 6.6%, compared to \$64.5 million expended through the third quarter of 2020. The increase in operating expense is due to a \$1.0 million increase in the employee sick leave payout at retirement. The increase is also related to an increase in medical claims of \$3.9 million and an increase in workers' compensation payments of \$3.3 million. These expense increases are offset by a decrease in HR expenditures of \$1.5 million, due to the transfer of the HR department to the general fund.

Debt Service:

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

Transfers:

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

Forecast:

Operating revenue is projected to be \$134.7 million or \$3.6 million less than the budgeted amount of \$138.3 million. The source of this reduction is due to a \$2.9 million projected decrease in medical insurance premiums and a \$0.9 million decrease in dental insurance premiums. Operating expense is projected to be \$130.5 million, or \$20.2 million more than the budgeted amount of \$110.3 million. The primary reason that operating expense is projected to be more than budgeted is due to a \$27.0 million settlement paid out for civil liabilities and \$9.5 million to be paid out for workers' compensation claims. The increase in projected expenses are offset by a decrease in medical claims of \$7.9 million and a decrease in dental claims of \$1.1 million. The projections will result in a projected operating margin gain of \$4.2 million as compared to the budgeted operating margin gain of \$28.0 million.

These year-end projections result in an increase to net position of \$23.8 million, compared to the budgeted amount of a negative \$69.8 million, and a projected ending net position amount of a negative \$93.6 million. The projected ending cash balance for 2021 is \$112.4 million compared to \$108.1 million at year-end 2020. The increase in cash and net position in 2021 is primarily the result of an increase in medical insurance premiums compared to the medical claims payout.

Cash Balance and Net Position:

The cash balance at end of third quarter is \$142.8 million, or an 24.6% increase, compared to a cash balance of \$109.4 million at end of third quarter 2020. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self-Insurance Fund should be equal to the unpaid claims liability plus 10.0% of the fund's operating budget and 35.0% of medical self-insurance claims or \$203.2 million. The unpaid claims liability at year-end 2021 is \$178.5 million, an increase of \$5.9 million from the year-end 2020 unpaid claims liability of \$172.6 million. The cash balance is \$60.4 million less than its target.

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

City of Minneapolis
Third Quarter ending September 30, 2021
Financial Status Report in thousands of dollars

Self-Insurance Internal Service Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Service(Cost allocations+Employment Serv)	31,132	30,790	31,591	23,629	31,591
Other Misc Revenues (Refund from State+Other misc)	1,021	1,341	1,000	775	1,000
Medical Ins Premiums	69,224	67,595	71,172	51,844	68,307
Dental Premiums	4,271	3,481	4,271	2,532	3,331
Health and Welfare (Severence-Sick leave at retirement)	2,863	3,075	2,934	2,322	3,123
Operating Transfers In	324	-	27,368	27,276	27,368
Total	108,835	106,282	138,336	108,378	134,720
Use of Funds:					
Attorney (06900)	7,338	6,862	7,376	5,352	7,176
Human Resources (06900)	2,182	2,099	-	(32)	-
Finance Dept - Risk Mgmt/Financial Accounting (06900)	2,456	2,088	2,586	1,752	2,137
Liability (06940)	6,175	3,624	9,211	1,837	30,198
Workers Compensation (06930)	12,827	13,435	12,756	12,713	22,282
Medical Claims and Admin Fees (06910)	64,999	59,327	71,172	45,877	63,237
Delta Dental payments (06920)	4,271	2,918	4,271	2,332	3,187
Health and Welfare (06950-Sev.-Sick leave at retirement)	2,863	1,305	2,934	2,021	2,271
Total	103,111	91,658	110,306	71,851	130,487
Change in Net Position (operating margin)	5,724	(77,525)	28,030	36,527	4,233
Net Position	(14,591)	(97,840)	(69,809)	(61,312)	(93,607)
Total Cash Balance	99,307	108,131	136,162	142,797	112,364
Target Cash Reserve	194,697	194,697	203,204	203,204	203,204
Variance Operating Cash to Target Cash Reserve	(95,390)	(86,565)	(67,043)	(60,407)	(90,840)

City of Minneapolis
Sanitary Sewer Enterprise Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 07100	2021 Budget	09/30/21 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	91,711	63,840	87,196	85,220
Operating Expense	76,833	52,198	73,426	70,963
Operating Margin	14,878	11,642	13,770	14,257
Change in Net Position		1,689	5,456	10,938
Net Position		141,057	144,824	139,368
Cash Balance		12,488	18,962	13,506

Program Description:

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

Revenues:

Monthly utility billing for sewer services is the main source of revenue. With sewer operating revenue of \$63.8 million recognized through the end of third quarter, the Sanitary Sewer Fund earned 69.6% of the 2021 revenue budget. This is an increase of \$1.2 million, or 1.9%, compared to \$62.6 million earned through September of 2020. The utility service revenues accounted for \$4.7 million of the increase due to increase in rates. SAC fees, which fluctuate based on overall economic activities outside of City operations, decreased by \$3.7 million. This decrease is offset by an equivalent decrease in sewer availability charges (or SAC expenses). Year-end operating revenues are projected to be \$1.5 million under budget related to charges for services and an additional \$3 million under in SAC fees.

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

Expenses:

The Sanitary Sewer Fund's total operating expenses through the third quarter were \$52.2 million compared to \$52.8 million for 2020. This is a decrease of \$0.6 million, or 1.1%, and reflects the following changes from 2020. SAC charges decreased by \$3.7 million due to less activities in the first nine months due to Covid-19 and Met Council charges increased by \$3.2 million. The year-end operating expense projection is \$3.4 million under budget of which \$3 million is lower SAC charges.

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

Transfers:

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$1.1 million and, through the end of the third quarter, \$0.8 million has been transferred to Water Treatment and Distribution Services.

Debt Service:

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

Cash and Net Position:

The current cash balance is \$12.5 million and the Fund's net position stands at \$141.1 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance for 2021 was \$19.2 million. The \$0.2 million Cash Reserve shortage is largely due to lower commercial revenues due to COVID-19 in 2020 as well as the first number of months in 2021. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance.

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

Sanitary Sewer Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Service	76,855	72,922	81,505	58,887	79,996
SAC Revenues	9,000	10,574	10,000	4,787	7,000
Other Misc Revenues	400	1,724	207	166	200
Charges for Service - Capital	1,000	1,164	1,000	-	1,000
Proceeds from Long Term Liabilities	12,000	14,865	13,000	209	17,696
Total	99,255	101,249	105,711	64,048	105,892
Use of Funds:					
PW-Sewer Design	1,417	1,208	1,053	583	1,087
PW-Sewer Maintenance	8,258	8,017	9,119	5,308	8,413
MERF Debt Service -New Plan	210	210	210		210
Met Council Environment Svcs	52,865	54,330	58,137	39,839	55,152
Payment for City Services	6,051	5,728	6,614	5,062	6,614
PW - Sewer Admin	1,506	1,470	1,700	1,405	1,950
Debt Service	6,686	6,457	7,597	651	7,597
Future Debt Service	1,725	-	-	-	200
Transfers					
To Water Fund	879	879	1,072	804	1,072
PW - Capital Programs	14,100	12,012	17,000	8,706	18,141
Total	93,697	90,311	102,502	62,359	100,436
Deferred Capital Projects-Rev Funded			-		-
Change in Net Position	5,558	10,938	3,209	1,689	5,456
Net Position Balance	135,002	139,368	142,577	141,057	144,824
Total Cash Balance	12,989	13,506	16,715	12,488	18,962
Target Cash Reserve	17,577	17,741	19,208	19,208	18,357
Variance Cash Balance to Target	(4,588)	(4,235)	(2,493)	(6,720)	605

City of Minneapolis
Storm Water Enterprise Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 07300	2021 Budget	09/30/2021 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	44,767	33,613	44,949	45,980
Operating Expense	31,878	19,227	30,222	28,195
Operating Margin	12,889	14,386	14,727	17,785
Change in Net Position		(2,979)	10,500	(3,520)
Net Position		352,436	365,915	355,415
Cash Balance		23,954	39,167	28,667

Program Description:

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

Revenue:

Operating Revenues earned through third quarter of 2021 were \$33.6 million, or 75.1% of the budgeted amount of \$44.8 million. This is a decrease of \$54,000, or 0.2% compared to \$33.7 million earned for the same period in 2020. Storm utility revenues increased \$1.2 million, or 3.9%, to \$32.4 million, up from \$31.2 million for the same period in 2020. This is mainly due to the 1.5% increase in rates. Other services provided decreased by \$1 million due to a decrease in work done for the Park Board. Year-end operating revenue projections are expected to be slightly over budget.

Expenses:

Operating expenses through the third quarter were \$19.2 million, or 60.3% of the 2021 expense budget. The expenses were \$0.7 million, or 3.6%, lower than the \$19.9 million reported for the same period in 2020, due mainly to \$0.4 million less spent on work for others including work done for the Park Board and \$0.4 million less spent on Street Cleaning due to the civil unrest in 2020. Year-end operating expenses are projected to be \$1.6 million under budget.

Transfers:

A transfer from this fund is made to General Fund to support two environmental service related FTE's relating to the Clean Water Act. For 2021, this was \$110,000 of which \$82,500 has been transferred so far. An amount of \$1.6 million was transferred to the Capital Paving program during the third quarter as a contribution to help fund the 20-year additional paving plan.

Debt Service:

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The Fund completed paying off all its debt service obligations by the end 2016. In 2019 new debt started to be issued on a regular basis due to additional capital programs needing financing. In 2021, payment of interest was \$106,681 for the first nine month. For the remainder of 2021, an additional \$99,675 of interest and \$1.7 million in principal are expected to be paid out of the fund.

Cash and Net Position:

The ending cash balance at the end of the third quarter is \$24 million and net position stands at \$352.4 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2021 is \$8.0 million. The projected \$39.2 million cash balance at year end will leave \$31.2 million as unrestricted amount to fund capital programs for 2022 and beyond as the department aims to use its excess cash reserve as a major source of funds for upcoming projects.

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

Storm Water Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
State Government	1,403	1,347	1,160	1,089	1,518
Local Government	530	1,148	356	-	-
Charges for Service-Operating	42,220	42,260	42,549	32,368	42,931
Design & Misc Revenues	-	1,084	626	156	426
Special Assessments	75	141	75	-	75
Grants Proceeds/Others - Capital	-	-	-	-	9,310
Charges for Service-Capital	2,000	80	1,000	-	1,000
Proceeds of Long Term Liabilities	1,000	1,425	13,000	166	8,500
Total	47,228	47,485	58,767	33,778	63,759
Use of Funds:					
PW-Storm Design	4,910	4,383	5,606	2,390	4,478
PW-Field Services	9,132	9,660	9,811	6,224	9,799
PW-Storm Maintenance	6,161	5,971	6,772	3,721	6,699
Metropolitan Council	2,301	2,301	2,525	1,894	2,525
Payment for City Services	5,181	4,770	5,579	4,148	5,579
PW-Admin	1,094	1,110	1,585	850	1,142
Debt Service	781	710	1,931	107	1,931
Future Debt Service	908	-	-	-	500
Transfers	1,655	1,655	1,671	1,644	1,671
PW- Capital	14,612	20,445	26,500	15,780	18,935
Total	46,735	51,005	61,981	36,757	53,259
Change in Net Position	493	(3,520)	(3,214)	(2,979)	10,500
Net Position	347,707	355,415	352,201	352,436	365,915
Total Cash Balance	30,070	28,667	25,453	23,954	39,167
Target Cash Reserve	7,195	7,049	7,970	7,970	7,555
Variance Cash Balance to Target	22,875	21,618	17,484	15,985	31,612

**City of Minneapolis
Water Enterprise Fund
For the Third Quarter Ending September 30, 2021**

Operating Snapshot (in thousands of dollars):

Fund 07400	2021 Budget	9/30/2021 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	88,614	65,625	86,624	84,748
Operating Expense	61,665	40,412	56,861	52,683
Operating Margin	26,949	25,213	29,763	32,065
Change in Net Position		3,572	4,819	(6,616)
Net Position		305,484	286,171	281,351
Cash Balance		25,942	35,209	30,390

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 Water Treatment and Distribution Services Division sources, treats, and distributes drinking water to retail customers in the City and provides water for fire protection and other City uses. In addition, the Division sells water to the wholesale customers of the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, along with the Metropolitan Airports Commission. Monthly billing for water sales is the main source of revenue for this fund.

Revenue:

The operating revenues for 2021 are projected to total \$86.6 million, or 97.8%, of the 2021 budgeted amount of \$88.6 million. Through the third quarter, the Water Fund earned revenue of \$65.6 million compared to \$63.7 earned for the same period in 2020. The revenues stand at 74.1% of the operating budget which is slightly less than the targeted goal. Even with anticipated increases in revenues from water line repairs and design work during the fourth quarter, the Fund is on pace to fall slightly short of budgeted revenue for the year.

Expense:

The operating expenses for the year are projected to total \$56.9 million or 92.2% of the 2021 budget of \$61.7 million. For the nine months ending in September, the Fund spent \$40.4 million compared to \$40.1 million for the same period in 2020. The difference reflects the following changes: (i) decrease in salaries and fringes by \$40,000; (ii) decrease in contractual and professional services relating to repairs, maintenance, upgrades, and construction works by \$100,000; (iii) decrease in delivery services, energy, and water line works by \$0.6 million; (iv) increase in City services by \$0.7 million; (v) increase in chemical usage by \$0.3 million; and (vi) increase in fleet and capital outlay by \$100,000.

The expenses through September are less than 75% of the budgeted amount but in line with previous years. However, these expenses will increase in the fourth quarter as seasonal expenses such as snow removals, water line repairs, and capital purchases catch up.

Transfers:

For 2021 the transfer amount of \$1.3 million consists primarily of a \$1.1 million operating transfer from the Sanitary Sewer Fund for its share of the cost of the meter shop. The Fund will also receive \$41,000 from General Fund towards the cost of rent in City Hall. An additional \$0.2 million will be transferred from Property services for repair work of Kenwood Tower. Through the end of the third quarter, \$0.8 million has been realized.

Debt Service:

Debt service payments relate to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2021, including both principal and interest payments, is expected to total \$19.8 million. Through the third quarter, \$2.4 million in interest and \$11.5 million in principal have been paid. In the fourth quarter of 2021, it is expected that \$12.3 million in bonds will be issued to finance capital projects. This additional debt issuance will increase debt service payments in future years.

Cash Balance and Net Position:

The ending cash balance as of September 30, 2021 was \$25.9 million compared to \$24.0 million at the end of third quarter 2020. City policy requires an operating cash reserve equal to or greater than three months of operating expenses. Based on the current budget, the targeted amount is \$15.4 million. With the projected year end cash balance of \$35.2 million, an adequate amount will be available to maintain operating cash reserves and fund capital programs and debt service payments.

The net position for the third quarter ending 2021 is \$305.5 million but is projected to decrease to \$286.2 million by year end. Increases in expenses, revenue shortfalls and yearly debt service payments will be the contributing factors for this decrease.

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

Water Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date 9/30/2021	2021 Projected Year End
Source of Funds:					
Water Sales - Retail					
Volume Rate	61,501	56,210	60,291	44,152	57,683
Fixed Rate	9,038	9,293	9,038	6,980	9,393
Water Sales - Wholesale	15,127	14,731	14,919	12,290	15,550
Other Operating Revenues	4,085	4,514	4,365	2,202	3,997
Proceeds from Long Term Liabilities	27,485	22,703	15,525	10,615	24,327
Transfers	908	908	1,325	834	1,325
Proceeds from Capital	2,000	1,115	2,000	492	1,532
Total	120,144	109,474	107,464	77,566	113,807
Use of Funds:					
Payments for City Services	11,384	10,226	12,116	9,084	11,274
Administration	3,593	3,132	3,460	2,177	3,241
Engineering	1,545	1,485	1,619	1,062	1,407
Operations	28,249	26,094	29,942	18,965	27,385
Distribution	8,962	8,307	10,260	6,943	9,894
Meter Shop	1,771	1,185	1,444	816	1,167
Reimbursables	2,835	2,254	2,825	1,365	2,492
Debt Services					
Principal	17,237	16,175	16,570	11,505	16,570
Interest	3,525	2,595	3,240	2,376	3,240
Capital	51,435	44,637	23,525	19,701	32,317
Total	130,536	116,090	105,000	73,993	108,988
Change in Net Position	(10,392)	(6,616)	2,463	3,572	4,819
Net Position	266,489	281,351	283,814	305,484	286,171
Total Cash Balance		30,390	31,617	25,942	35,209

City of Minneapolis
Municipal Parking Enterprise Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 07500*	2021 Budget	09/30/21 Actuals	Projected Year End 2021	2020 Actuals
Revenue	55,617	29,449	43,286	44,497
Expenses	43,076	24,831	34,965	37,836
Operating Margin	12,541	4,618	8,321	6,661
Change in Net Position*		(10,782)	(6,389)	(15,726)
Net Position		180,719	185,112	191,501
Cash Balance		(4,441)	163	6,153

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

Fund Description:

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

Revenues:

Through the third quarter of 2021, actual operating revenues are down in comparison to same period in 2020 by 15.7%. Total revenues earned for the first nine months were only 70.6% of expected budget for that timeframe. The decrease is from:

- On-street parking is down 3.1% compared to 2020.
- Off-street ramps and lots are down 31.8% compared to 2020.
- Impound Lot revenues increased 47.0% compared to 2020.

Overall, revenues were down during the first nine months of 2021 mainly due to the continued impact of the COVID-19 pandemic, which continues to restrict both business and employment activity downtown. Some lowered restrictions over summer and early fall have allowed On-Street and Off-Street parking revenues to increase slightly and the fund expects fourth quarter economic activity to continue to increase.

Expenses:

The first nine months of 2021 operating expenses are lower than the 2020 expenses for the same period by 13.9%. Total expenses were 76.9% of the year-to-date budget for the nine months. The variance is from:

- On-street parking was up by 1.8% compared to 2020.
- Off-street ramps and lots are down 21.8% compared to 2020.
- Impound Lot expenses are up by 27.1% compared to 2020.

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

Transfers:

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

Debt Service:

For 2021, the debt service budget is \$4.5 million. The outstanding balance of bond principal as of September 30, 2021 is \$30.8 million and the outstanding balance of note principal is \$27.2 million. The Convention Center has loaned the Parking Fund \$5.5 million to reduce the debt service being paid by the Parking Fund. During 2020, \$4.0 million in bonds were sold to fund Capital projects and the plan is to sell another \$9.9 million in the fourth quarter of 2021 for meter and impound lot capital projects.

Cash and Net Position:

The end of the third quarter 2021 cash balance is negative (\$4.4 million) which is a decrease of \$10.6 million from the 2020 year-end balance. The City's policy is to have a targeted cash balance equal to 25% of the operating budget (excluding non-city owned ramps). Therefore, the target cash balance, excluding the Off-Street Parking: State Owned-Direct Expense Budget is \$7.5 million. The difference is negative \$11.9 million, which is primarily a result of projected revenues at year-end being \$12.3 million under budget, due to the continued impacts of the COVID-19 pandemic. This causes the fund to be under financial policy. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance. The planned \$9.9 million bond sale in the fourth quarter of 2021 will help reduce the cash deficit at year end and continued economic recovery will help increase Fund revenues in 2021 and beyond.

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

Municipal Parking Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Charges for Service, Sales/Permits:					
<i>Off-Street Parking: City Owned</i>	30,519	13,913	20,004	8,003	13,189
<i>Off-Street Parking: State Owned</i>	15,800	12,388	14,441	6,295	9,500
<i>Towing</i>	5,149	4,824	5,434	4,779	6,427
<i>On-Street Meters</i>	21,895	13,371	15,738	10,371	14,170
Other Miscellaneous Revenues	-	1	-	-	-
Tax Increment Transfers In	883	216	879	783	879
Proceeds of Long Term Liabilities**	7,000	16,975	7,400	-	9,900
Total	81,246	61,688	63,896	30,232	54,065
Use of Funds:					
Debt Service	5,135	18,739	4,484	723	3,604
Future Debt Service		-	300	-	-
General Fund Transfer Out	7,990	7,990	7,640	5,730	7,640
Target Arena Transfer Out	4,615	4,615	3,853	2,890	3,853
Debt Service Transfer Out	-	45	-	-	-
Sanitation Transfer Out	146	146	146	110	146
PW-Traffic & Parking:					
<i>Off-Street Parking: City Owned</i>	21,341	18,570	20,701	11,836	16,808
<i>Off-Street Parking: State Owned</i>	12,029	10,086	13,134	5,832	7,734
<i>Towing</i>	4,669	5,140	5,344	4,020	5,956
<i>On-Street Meters</i>	4,466	4,040	3,896	3,143	4,467
PW-Traffic & Parking Capital**	5,500	8,043	10,805	6,732	9,847
Total	65,891	77,414	70,303	41,015	60,055
Change in Net Position	15,355	(15,726)	(6,407)	(10,782)	(5,989)
Net Position*	221,383	191,501	185,094	180,719	185,512
Total Cash Balance	36,516	5,323	(1,084)	(4,441)	163
Target Cash Reserve	7,631	6,938	7,485	7,485	7,485
Variance Total Cash to Target Cash Reserve	28,885	(1,615)	(8,569)	(11,926)	(7,322)

Notes:

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

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

City of Minneapolis
Solid Waste and Recycling Enterprise Fund
For the Third Quarter Ending September 30, 2021

Operating Snapshot (in thousands of dollars):

Fund 07700	2021 Budget	09/30/21 Actual	Projected Year End 2021	2020 Actual
Operating Revenue	41,968	31,313	42,987	42,002
Operating Expense	43,702	31,348	43,186	42,743
Operating Margin	(1,734)	(35)	(199)	(741)
Change in Net Position		(155)	5,678	(7,064)
Net Position		34,753	40,586	34,908
Cash Balance		15,007	22,259	16,081

Fund Description:

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

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

Revenue :

Operating revenues earned through third quarter of 2021 were \$31.3 million, or 74.6% of the budgeted amount of \$42.0 million. The revenue earned through the third quarter of 2021 increased by \$ 0.9 million, or 2.9%, from the revenue earned through third quarter of 2020. This increase is due to increased market prices for recycling material. Sale of recycling material has increased by \$ 0.8 million compared to the same period last year. The Hennepin County recycling grant of \$1.8 million was received in the fourth quarter.

Expenses:

Operating expenses through third quarter of 2021 were \$ 31.3 million, or 71.7% of the budgeted amount of \$43.7 million. Expenses through the third quarter of 2021 decreased \$0.7 million, or 2.2%, over the expenses through the same period in 2020. Admin increased by \$0.5 million compared to the same period in 2020 due to an increase in property rent since they moved into their new facility in late May of 2020. Equipment expenses decreased by \$1.1 million compared to 2020 due to the timing of vehicle replacements.

Transfers:

Transfers of \$0.5 million into the Solid Waste and Recycling fund the first nine months of 2021 included \$0.1 million from the Parking Fund for the Litter Container Program, \$0.2 million from the General Fund for graffiti removal and zero waste studies, and a General Fund transfer of \$0.2 million to cover a portion of the Debt Service payments related to the new facility.

Debt Service:

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

Cash and Net Position:

The fund's cash balance as of the end of the third quarter was \$15 million and the net position amounted to \$34.8 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the projection, the 2021 targeted amount is \$10.8 million, leaving projected unrestricted cash of \$11.8 million.

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

Solid Waste and Recycling Enterprise Fund

	2020 Final Budget	2020 Year End Actual	2021 Current Budget	2021 Year to Date Actual	2021 Projected Year End
Source of Funds:					
Local Government & Other Grants	1,659	1,824	1,671	553	1,824
Charges for Service	39,308	39,449	39,424	29,605	39,475
Charges for Sales	150	98	150	811	1,050
Special Assessments	-	199	-	-	-
Other Misc Revenues, Rents	758	432	724	345	638
Long Term Proceeds - Capital	-	328	-	-	6,300
Operating Transfers In:					
Parking Fund	146	146	146	110	146
General Fund - Graffiti	325	325	325	244	325
Bond Redemption Fund	4,324	4,324	4,136	188	4,136
Total	46,670	47,125	46,576	31,855	53,894
Use of Funds:					
Collection	7,223	7,765	8,051	6,069	8,051
Disposal	4,710	6,150	5,758	4,560	6,200
Recycle	3,731	3,807	4,322	2,812	3,820
Yard Waste	3,046	3,171	3,540	2,148	3,200
Problem Material	2,258	2,535	2,500	1,830	2,500
Transfer Stations	658	653	560	424	645
Admin	7,505	6,975	7,784	5,715	7,700
Customer Service	680	650	690	463	650
Clean City	1,500	1,409	1,424	845	1,300
Graffiti	622	592	691	534	720
Equipment	4,263	4,495	3,510	2,407	3,700
Organics	4,126	4,541	4,872	3,543	4,700
Capital Program	-	6,779	-	177	200
Debt Service	4,997	4,667	4,830	485	4,830
Total	45,319	54,189	48,532	32,010	48,216
Change in Net Position	1,351	4,253	(1,956)	(155)	5,678
Net Position Balance	32,006	34,908	32,952	34,753	40,586
Cash Balance	28,071	16,081	14,125	15,007	22,259
Target Cash Reserve	10,081	10,686	10,926	10,926	10,796
Variance Cash Balance to Target	17,989	5,395	3,199	4,081	11,463

**CPED Enterprise Fund Component Programs
For the Third Quarter Ending September 30, 2021**

The **CPED Enterprise Fund** operated a series of business-type activities designed to enhance housing options and economic development within the City. There are two active program components.

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

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

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

CPED Enterprise Funds

	General Agency Reserve Fund System 2020	General Agency Reserve Fund System 2021	River Terminal 2020	River Terminal 2021
ASSETS				
Current assets:				
Cash and cash equivalents	1,930	1,961	(1,855)	(1,956)
Total current assets	1,930	1,961	(1,855)	(1,956)
Noncurrent assets:				
Loans and notes receivable	-	4	-	-
Capital assets (net of accumulated depreciation)	-	-	3,848	3,843
Total noncurrent assets	-	4	3,848	3,843
Total assets	1,930	1,965	1,993	1,887
LIABILITIES				
Current liabilities:				
Accounts Payable	11	7	-	-
Other current liabilities	5	6	-	-
Total current liabilities	16	13	-	-
Noncurrent liabilities:				
Bonds payable	-	-	-	-
Compensated absences payable	2	4	-	2
Total noncurrent liabilities	2	4	-	2
Total liabilities	18	17	-	2
NET POSITION				
Invested in capital assets, net of related debt	-	-	3,848	3,843
Restricted	1,912	1,948	-	-
Unrestricted	-	-	(1,855)	(1,958)
Total net position	1,912	1,948	1,993	1,885
Total liabilities & net position	1,930	1,965	1,993	1,887

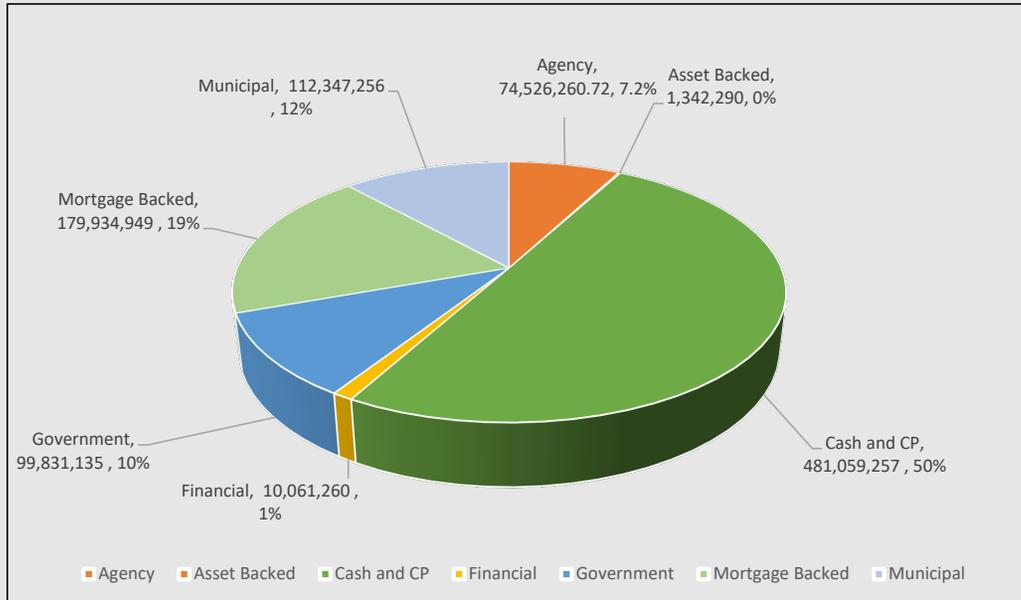
City of Minneapolis
Third Quarter ending September 30, 2021
Financial Status Report (in thousands of dollars)

CPED Enterprise Funds

	General Agency Reserve Fund System 2020	General Agency Reserve Fund System 2021	River Terminal 2020	River Terminal 2021
Operating revenues				
Charges for sales and services	232	61	554	406
Total operating revenues	<u>232</u>	<u>61</u>	<u>554</u>	<u>406</u>
Operating expenses:				
Personal services	114	111	-	-
Contractual services	6	(48)	537	377
Total operating expenses	<u>120</u>	<u>63</u>	<u>537</u>	<u>377</u>
Operating income	<u>112</u>	<u>(2)</u>	<u>17</u>	<u>29</u>
Nonoperating revenues (expenses)				
Interest on investments	-	-	-	-
Total nonoperating revenue (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>112</u>	<u>(2)</u>	<u>17</u>	<u>29</u>
Net transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	112	(2)	17	29
Total net position - January 1	1,799	1,950	1,976	1,860
Total net position - December 31	<u><u>1,911</u></u>	<u><u>1,948</u></u>	<u><u>1,993</u></u>	<u><u>1,889</u></u>

Cash and Investment Report
9/30/2021

Account	Book Yield %	Book Value	Accrued	Unrlzd G/(L)	Market Value	Mkt Value + Accrued
Internal Managed	0.2	\$ 400,378,597	\$ 185,644	\$ (0)	\$ 400,502,981	\$ 400,564,241
Internal Core	1.2	121,566,305	334,676	966,361	122,541,520	122,867,342
Core GPA	0.7	107,268,132	212,679	374,040	107,642,189	107,854,850
Core RBC	1.8	239,316,251	650,553	2,258,144	241,576,053	242,224,948
Core T. Rose	0.6	25,415,908	38,927	(327,217)	25,088,740	25,127,617
Bond Proceeds	0.6	33,223,648	78,484	-	33,302,133	33,302,133
General Agency Reserve Funds System	0.9	26,761,785	149,285	250,208	27,012,515	27,161,278
Total Portfolio	0.8	\$ 953,930,627	\$ 1,650,246	\$ 3,521,536	\$ 957,666,131	\$ 959,102,409
Development Debt Reserves		3,033,639			3,033,639	3,033,639
Cash on hand		(234,243)			(234,243)	(234,243)
Total All Portfolios	0.8	\$ 956,730,023	\$ 1,650,246	\$ 3,521,536	\$ 960,465,528	\$ 961,901,805



Market Sector	Market Value + Accrued	% of Portfolio
Agency	\$ 74,526,261	7.8%
Asset Backed	1,342,290	0.1%
Cash and CP	481,059,257	50.2%
Financial	10,061,260	1.0%
Government	99,831,135	10.4%
Mortgage Backed	179,934,949	18.8%
Municipal	112,347,256	11.7%
Total	\$ 959,102,409	100.0%

Risk Metric	Value%
Duration	1.5
Convexity	-0.7
WAL	1.4
Years to Final Maturity	4.0
Years to Effective Maturity	1.4
Yield	0.6
Book Yield	0.8
Avg Credit Rating	AAA/Aaa/AAA

City of Minneapolis

Financial Strength Analysis - Third Quarter 2021

FINANCIAL STRENGTH ANALYSIS - (in millions)					Increase (Decrease)		Total Increase (Decrease) 2017 -		Average Annual Increase		PROJECTED YE 2021
	2017	2018	2019	2020	\$	%	\$	%	\$	%	
General Fund Cash Balance	131.8	121.3	146.3	184.5	38.2	29.0%	52.7	43.3%	17.6	14.4%	150.7
General Fund Total Fund Balance	117.1	104.2	128.0	167.7	39.7	33.9%	50.6	47.1%	16.9	15.7%	133.3
Overall City Cash Position*	792.0	876.6	967.8	891.1	(76.7)	-9.7%	99.1	13.0%	33.0	4.3%	
Overall City Net Assets/Position	2,083.6	2,257.8	2,424.0	2,491.3	67.3	3.2%	407.7	22.0%	135.9	7.3%	
Overall Unrestricted Net Assets/Position	(274.4)	(314.9)	(130.5)	(201.7)	(71.2)	25.9%	72.7	-28.3%	24.2	-9.4%	
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Convention Center - Cash	56.6	35.6	20.0	14.5	(5.5)	-9.7%	(42.1)	-64.3%	(14.0)	-21.4%	18.0
Convention Center - Fund Balance	52.1	29.6	33.4	12.4	(21.0)	-40.3%	(39.7)	-62.5%	(13.2)	-20.8%	15.9
Arena Fund (Target Center) - Cash	10.1	12.2	9.5	4.0	(5.5)	-54.5%	(6.1)	-40.1%	(2.0)	-13.4%	4.8
Arena Reserve (Target Center) - Fund Balance	8.7	10.5	7.5	3.5	(4.0)	-46.0%	(5.2)	-46.8%	(1.7)	-15.6%	4.3
Downtown Assets Fund - Cash	-	16.2	8.8	39.9	31.1	100.0%	39.9	246.3%			26.9
Downtown Assets Fund - Fund Balance	-	26.0	16.2	46.5	30.3	100.0%	46.5	178.8%			34.1
Police SRF - Cash	2.2	2.2	2.8	2.6	(0.2)	-9.1%	0.4	19.0%	0.1	6.3%	2.6
Police SRF - Fund Balance	2.6	2.4	2.9	2.8	(0.1)	-3.8%	0.2	8.3%	0.1	2.8%	2.6
NCR SRF - Cash	3.5	3.6	3.5	3.5	0.0	0.0%	0.0	0.0%	0.0	0.0%	3.4
NCR SRF - Fund Balance	3.3	3.3	3.1	3.1	0.0	0.0%	(0.2)	-5.4%	(0.1)	-1.8%	3.7
Regulatory Services SRF - Cash	3.5	2.0	1.2	0.2	(1.0)	-28.6%	(3.3)	-70.2%	(1.1)	-23.4%	0.2
Regulatory Services SRF - Fund Balance	3.5	2.0	1.1	0.2	(0.9)	-25.7%	(3.3)	-71.7%	(1.1)	-23.9%	0.2
Grant Funds - Cash	5.3	0.4	6.0	7.5	1.5	28.3%	2.2	-100.0%	0.7	-33.3%	130.0
Grant Funds - Fund Balance	11.2	4.9	4.4	10.1	5.7	50.9%	(1.1)	-9.6%	(0.4)	-3.2%	140.0
Comm Planng & Econ Dev (CPED) - Cash Total	177.8	210.4	199.9	212.8	12.9	7.3%	35.0	21.1%	11.7	7.0%	215.0
Comm Planng & Econ Dev (CPED) - Fund Bal Total	214.4	245.7	230.5	245.0	14.5	6.8%	30.6	15.1%	10.2	5.0%	240.0
Employee Retirement Funds - Cash	29.0	31.1	36.5	23.1	(13.4)	-46.2%	(5.9)	-22.5%	(2.0)	-7.5%	26.2
Employee Retirement Funds - Fund Balance	29.2	31.3	36.7	36.6	(0.1)	-0.3%	7.4	27.8%	2.5	9.3%	39.6
Other Special Revenue Funds - Cash	0.5	0.5	0.6	0.6	0.0	0.0%	0.1	12.5%	0.0	4.2%	0.6
Other Special Revenue Funds - Fund Balance	0.5	0.5	6.9	0.6	(6.3)	-1260.0%	0.1	20.0%	0.0	6.7%	0.6
Total Special Revenue Funds - Cash	288.5	314.2	288.8	308.7	19.9	6.9%	20.2	7.2%	6.7	2.4%	427.7
Total Special Revenue Funds - Fund Balance	325.5	356.2	342.7	360.8	18.1	5.6%	35.3	10.8%	11.8	3.6%	481.0

* 2017-2020 Overall City Cash Position is the Market Value of cash and cash equivalents as reported in the City of Minneapolis Comprehensive Annual Financial Report. \$28.7M invested for General Agency Reserve Fund Systems (GARFS) and \$80.4M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)					Increase (Decrease)		Total Increase (Decrease) 2017		Average Annual Increase		PROJECTED YE 2021
2017	2018	2019	2020	\$	%	\$	%	\$	%		
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Engr. Materials & Testing - Cash	1.5	1.6	2.1	1.9	(0.2)	-13.3%	0.4	26.7%	0.1	8.9%	2.0
Engr. Materials & Testing - Net Position	(0.1)	0.4	0.5	0.5	0.0	0.0%	0.6	200.0%	0.2	66.7%	0.5
Equipment Services - Cash	30.4	26.0	33.7	26.7	(7.0)	-23.0%	(3.7)	-13.8%	(1.2)	-4.6%	25.5
Equipment Services - Net Position	74.5	86.2	93.8	93.6	(0.2)	-0.3%	19.1	28.5%	6.4	9.5%	93.8
Property Services - Cash	8.1	9.6	8.2	6.3	(1.9)	-23.5%	(1.8)	-17.5%	(0.6)	-5.8%	4.4
Property Services - Net Position	28.4	32.0	33.9	36.3	2.4	8.5%	7.9	26.4%	2.6	8.8%	34.3
PW Stores - Cash	2.0	3.1	2.5	1.1	(1.4)	-70.0%	(0.9)	-75.0%	(0.3)	-25.0%	1.4
PW Stores - Net Position	5.3	5.6	5.6	5.9	0.3	5.7%	0.6	13.0%	0.2	4.3%	6.2
Intergovernmental Services - Cash	23.6	22.0	15.1	10.7	(4.4)	-18.6%	(12.9)	-41.7%	(4.3)	-13.9%	12.3
Intergovernmental Services - Net Position	47.4	41.2	30.7	22.6	(8.1)	-17.1%	(24.8)	-41.5%	(8.3)	-13.8%	22.3
Self Insurance Fund - Cash	90.0	102.9	93.6	108.1	14.5	16.1%	18.1	22.6%	6.0	7.5%	112.4
Self Insurance Fund - Net Position	23.8	12.4	(20.3)	(97.8)	(77.5)	-325.6%	(121.6)	-573.6%	(40.5)	-191.2%	(93.6)
Total Internal Service Funds - Cash	155.6	165.2	155.2	154.8	(0.4)	-0.3%	(0.8)	-0.5%	(0.3)	-0.2%	158.0
Total Internal Service Funds - Net Position	179.3	177.8	144.2	61.1	(83.1)	-46.3%	(118.2)	-64.6%	(39.4)	-21.5%	63.5
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Sanitary Sewer - Cash	17.8	4.5	7.4	13.5	6.1	34.3%	(4.3)	-23.5%	(1.4)	-7.8%	18.9
Sanitary Sewer - Net Position	121.2	122.4	129.4	139.4	10.0	8.3%	18.2	15.3%	6.1	5.1%	144.8
Stormwater - Cash	27.1	26.6	33.1	28.7	(4.4)	-16.2%	1.6	4.5%	0.5	1.5%	39.2
Stormwater - Net Position	333.0	339.4	347.2	355.4	8.2	2.5%	22.4	6.8%	7.5	2.3%	365.9
Water Enterprise - Cash	40.1	48.4	46.1	40.8	(5.3)	-13.2%	0.7	1.7%	0.2	0.6%	35.2
Water Enterprise - Net Position	250.8	271.4	283.3	303.3	20.0	8.0%	52.5	22.5%	17.5	7.5%	286.2
Municipal Parking - Cash	26.5	13.8	21.5	6.1	(15.4)	-58.1%	(20.4)	-118.6%	(6.8)	-39.5%	0.2
Municipal Parking - Net Position	212.2	199.9	206.0	191.5	(14.5)	-6.8%	(20.7)	-11.0%	(6.9)	-3.7%	185.5
Solid Waste & Recycling - Cash	24.5	30.5	26.7	16.1	(10.6)	-43.3%	(8.4)	-33.2%	(2.8)	-11.1%	22.3
Solid Waste & Recycling - Net Position	25.3	26.9	30.7	34.9	4.2	16.6%	9.6	37.6%	3.2	12.5%	40.6
Comm Plannng & Econ Dev (CPED) - Cash**	1.5	0.1	0.0	0.0	0.0	0.0%	(1.5)	-107.1%	(0.5)	-35.7%	-
Comm Plannng & Econ Dev (CPED) - Net Position	40.3	39.1	32.6	27.0	(5.6)	-13.9%	(13.3)	-33.2%	(4.4)	-11.1%	25.0
Total Enterprise Funds - Cash	137.5	123.9	134.8	105.2	(29.6)	-21.5%	(32.3)	-23.0%	(10.8)	-7.7%	115.8
Total Enterprise Funds - Net Position	982.8	999.1	1,029.2	1,051.5	22.3	2.3%	68.7	7.4%	22.9	2.5%	1,048.0
**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.											