



# Third Quarter 2023 Financial Status Report

Finance & Property Services Department  
November 14, 2023

**City of Minneapolis**  
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**for the Third Quarter of 2023**

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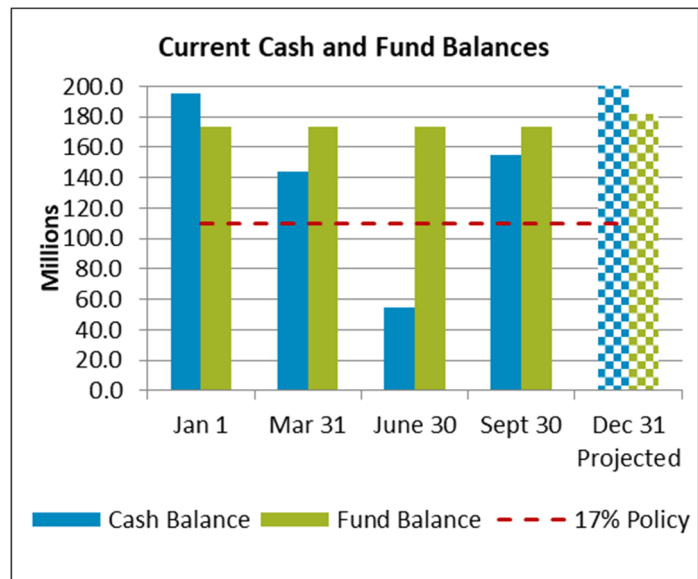
## Overview

The City’s recovery from the economic impacts of the pandemic is ongoing and 2023 is projected to be a year of continued growth. In August 2023 Fitch upgraded the City’s credit rating to AAA while Standard and Poor confirmed their AAA rating. This is the first time the City has earned top ratings from both agencies since 2016. The \$271.2 million of Federal funding through the American Rescue Plan Act the City received in 2021 and 2022 is being spent as planned on projects addressing the economic and public health impacts of the pandemic. Using ARPA funds, the City’s General Fund will replace a portion of reduced revenue again in 2023 with a plan to cease reliance on that funding after 2024. Nearly all funds are meeting or exceeding target balances for cash and fund balance or net position with only the Sanitary Sewer and Parking enterprise funds, and Property Services internal service fund projected to fall below the targeted amount. Local taxes deposited into the Downtown Assets fund are projected to exceed budget for the second year in a row and are exceeding collection rates from 2022.

## 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 original 2023 budget included a planned use of fund balance of \$4.8 million. Subsequent adjustments for rollovers increased the planned use of fund balance to \$37.5 million. At year end, actual fund balance is projected to increase by \$7.3 million.

The 2022 ending fund balance was \$173.7 million and the General Fund cash balance at year-end 2022 was \$195.4 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance at any quarter end during the year. As the chart above shows, the cash balance at mid-year fell to \$54.7 million and is currently at \$155.0. The year-end projected cash balance is \$203.2 million.



As shown in the Financial Strength Analysis on pages A-2 and A-3 of this report, from 2019 through 2022, the General Fund’s cash balance and fund balance have increased with a cumulative cash increase of \$49.1 million and an increase in fund balance of \$45.7 million. The strong fund balance and cash position were made possible in large part by strategic use of federal funds available through the pandemic including CARES and ARPA. These Federal funding sources were used to help maintain sustainable operations even considering the revenue losses experienced in 2020 and 2021. The General Fund continues to exceed the minimum fund balance requirements as required by financial policies.

The City’s financial policy for the General Fund balance is to maintain 17.0% of the following year’s expenditure budget less transfers. Based on the Mayor’s proposed 2024 budget less transfers of \$647.3 million, the required fund balance would be \$110.0 million. Considering projected amounts, the General Fund should finish the year with a fund balance of \$181.5 million which is \$71.5 million over the minimum balance. This equates to 28.0% of the Mayor’s proposed 2024 budget less transfers.

## 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.

Projected 2023 year-end cash for special revenue funds in total is \$399.5 million which is a decrease of \$86.7 million from the year-end 2022 cash balance of \$486.2 million. The cumulative fund balance for the Special Revenue Funds is projected to end at \$374.2 million, an increase of \$8.7 million compared to year-end 2022. The decrease in cash is due primarily to a planned spend down of the ARPA federal funding. As mentioned in the Overview section above, the City received all ARPA funding totaling \$271.2 million in 2021 and 2022 with a plan to spend it down over the next few years. Local taxes are rebounding with 2023 collections budgeted at \$51.4 million and projected to come in at \$70.1 million. Fund balances in special revenue funds are generally restricted or committed for uses consistent with the source of revenue for each fund.

## Internal Service Funds

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

The total cash balance for the Internal Service Funds at year-end 2023 is projected to be \$174.6 million, a decrease of \$2.9 million from the 2022 ending balance of \$177.5 million. At the same time, the total net position for all the Internal Service Funds is projected to decrease by \$2.8 million from \$82.8 million to \$80.0 million. Because these funds have no debt burden and spending is tied to demand from other City funds, spending can be influenced by the needs of other funds. In 2023, Fleet Services fund is projected increase spending on new vehicle purchases that were delayed due to supply chain issues in prior years. The Self-Insurance funds may see an increase in cash because the general liability payments are coming in less than budgeted. The net position of the Self-Insurance funds continues to be negative even considering the \$141.2 million projected cash balance. This negative net position is reflective of the actuarially accrued liabilities for long-term settlements and is not reflective of a lack of resources for short term operations of the funds.

## Enterprise Funds

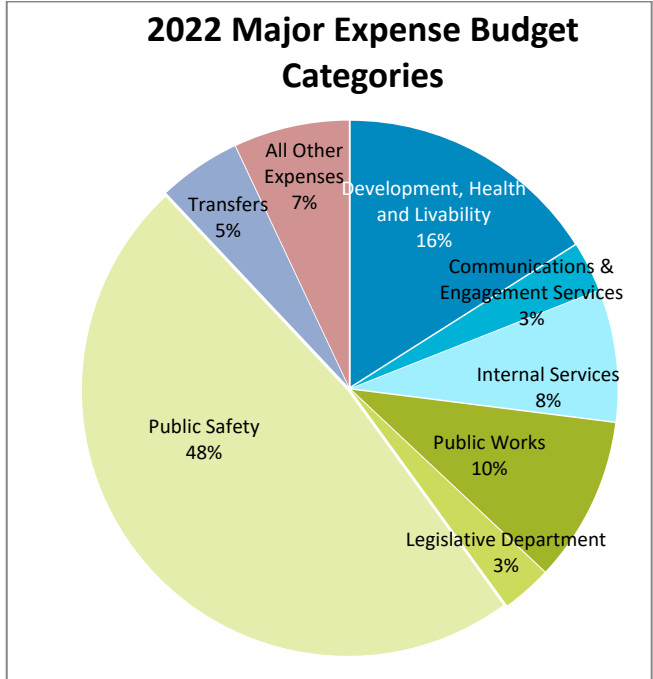
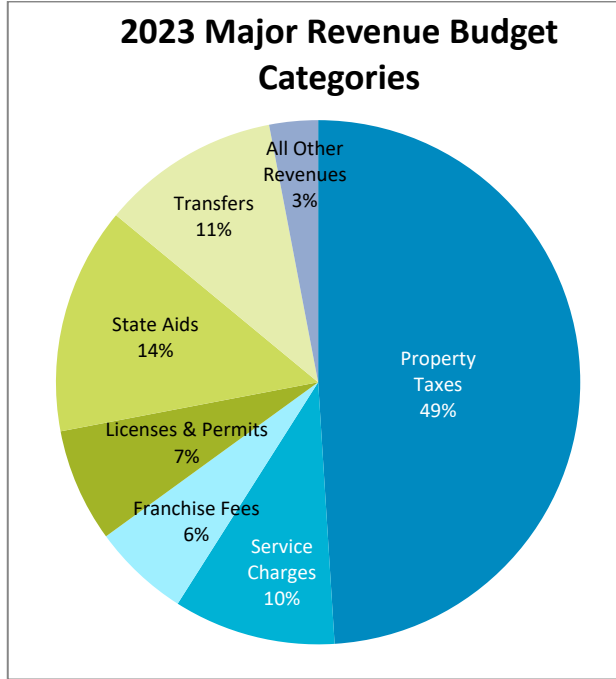
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$110.3 million which is an increase of \$4.1 million from the 2022 ending balance of \$106.2 million. Total net position for the Enterprise Funds is projected to increase by \$4.4 million from \$1,128.0 million at year end 2022 to \$1,132.4 at year end 2023. The Stormwater and Water funds are both projected to increase cash balance as operating revenues will exceed expenses. Both funds are projecting operating costs less than budgeted with minor savings across several categories of expenses including city services, operations, and distribution.

**City of Minneapolis  
General Fund  
For the Third Quarter Ending September 30, 2023**

**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 2023 current revenue budget is \$594.1 million, while the Fund’s 2023 current expense budget is \$631.6 million, including transfers.

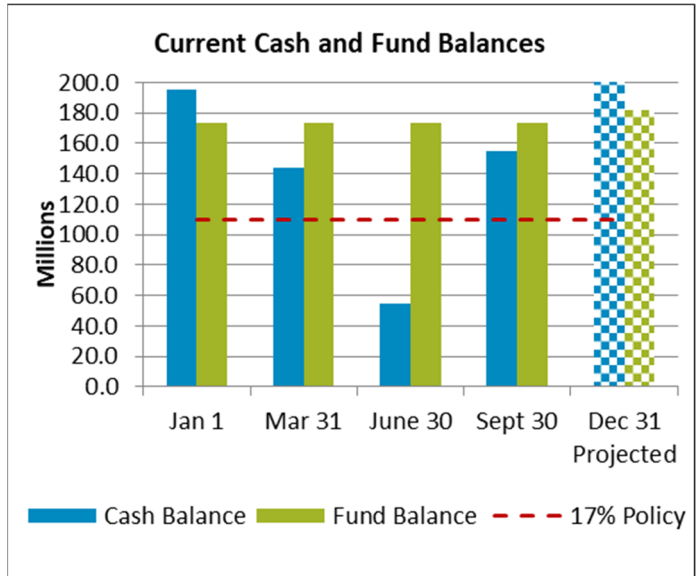


**Cash and Fund Balance**

The 2022 year-end audited cash balance for the General Fund was \$195.4 million, while the fund balance was \$173.7 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 September 30, 2023, the cash balance was \$155.0 million.

The 2023 original budget included a planned use of fund balance of \$4.8 million. The 2023 revised budget’s planned use of fund balance is \$37.5 million, an increase of \$32.7 million. The increased budgeted use of fund balance is the result of rollovers of prior year unspent appropriations and the transfer in of APRA Funds to the General Fund.

The 2023 projected year-end fund balance is \$181.5 million, an increase of \$7.8 million. The difference between the budgeted use of fund balance and the projected growth of fund balance is due to variations in revenue and expense explained on the following page.

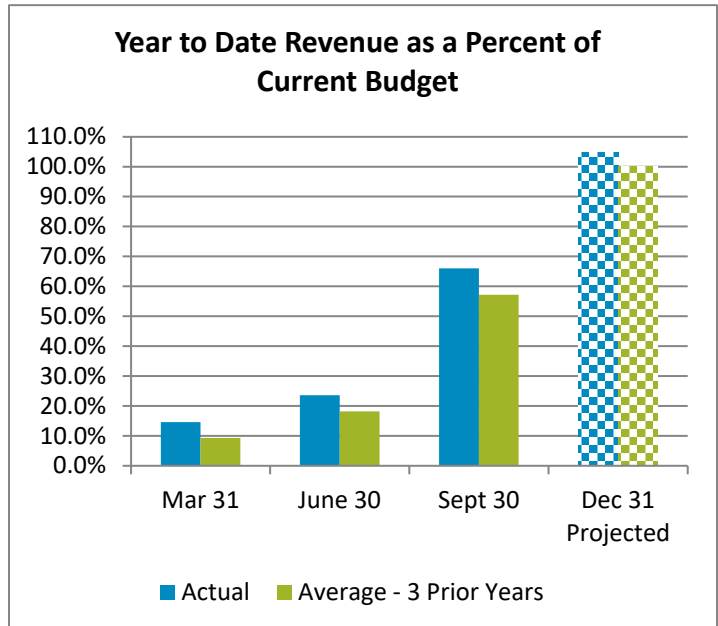


The City's financial policies require a minimum fund balance equal to 17.0% of the next year's General Fund expenditure budget, less transfers out. Based on the Mayor's proposed 2024 budget less transfers of \$647.3 million, the required fund balance would be \$110.0 million. The projected year-end und balance, \$181.5 million, is \$71.5 million above the fund balance target.

**Revenue**

As noted above, more than one-half of General fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are recognized in July with the remainder received in December. Since such a large portion of General Fund revenue is received after the second quarter of the year, the average revenue through the first half of the past three years is only 57.2% of the budget. Actual revenue through the third quarter of 2023 totals \$392.2 million or 66.0% of the total budget.

Although the negative economic impacts of COVID-19 continue to effect Business Licenses and Permits, which are projected to be short of budget by \$3.3 million, year-end general fund revenues in 2023, are projected exceed budget by \$28.4 million, or 4.8%. This includes a one-time unbudgeted Public Safety Aid revenue of \$19.0 million related to legislation passed by the State during the 2023 session. Two other categories projected to exceed budget are Franchise Fees, at \$6.3 million, and Non-Business Licenses and Permits, at \$5.4 million. Property taxes is projected to have a 98.2% collection rate which is consistent with prior years.

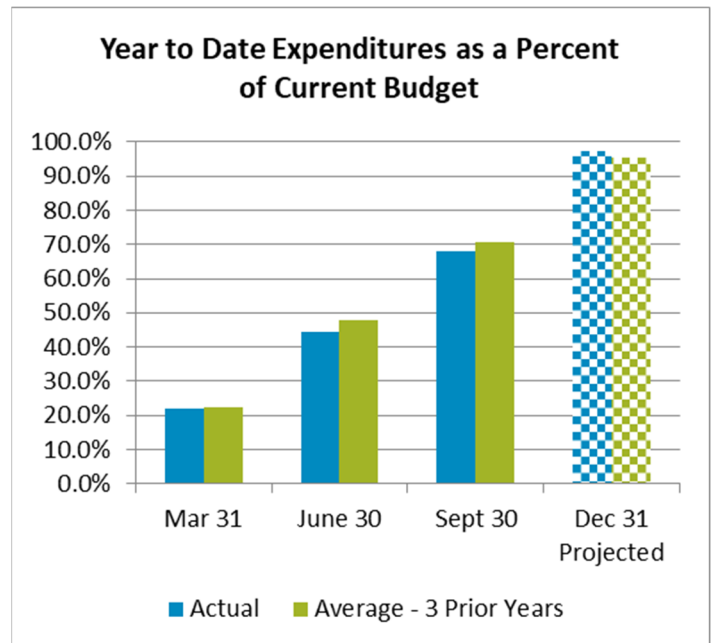


**Expenditures**

The City's four largest divisions comprise 81.5% of the General Fund's total current budget: Public Safety; Development, Health, and Livability; Public Works; and Internal Services. Small percentage variances in any of these large divisions can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

The Public Safety Division is projected to be over budget by \$3.6 million or 1.2% mainly due to staff and overtime costs. The Public Works Division is projected to be over budget by \$5.4 million, or 8.3%. The two main reasons for the overage are the result of \$2.8 million reimbursed work for others, and \$2.2 million in snow and ice removal.

Several departments are projected to be under budget at year end. The primary reasons for underspending are personnel savings and the delay of current year projects and initiatives. In addition, contingency funding of \$13.1 million is planned to be unspent at year end. Overall, General Fund is projected to be \$16.8 million under budget.



**City of Minneapolis  
General Fund Report  
September 30, 2023**

	Original Budget	Current Budget	Year-to-Date Actual	Percent of Revised Budget Remaining	Year End Projection	Surplus (Deficit) Budget Versus Projected	Percent of Revised Budget Remaining
<b>Revenues</b>							
Business Licenses And Permits	\$ 12,121,111	\$ 12,121,111	\$ 6,943,240	42.7%	\$ 8,809,442	\$ (3,311,669)	-27.3%
Charges For Sales	12,350	12,350	112,128	-807.9%	119,831	107,481	870.3%
Charges For Services	56,839,029	56,839,029	43,109,687	24.2%	58,322,461	1,483,432	2.6%
Contributions	-	-	24,161	0.0%	24,661	24,661	0.0%
Fines And Forfeits	5,382,000	5,382,000	4,083,902	24.1%	5,580,037	198,037	3.7%
Franchise Fees	33,939,704	33,939,704	28,577,029	15.8%	40,269,319	6,329,615	18.6%
Interest Revenue	6,837,270	6,837,270	32,474,719	-375.0%	12,764,165	5,926,895	86.7%
Local Grants & Aids	978,675	978,675	805,538	17.7%	1,069,276	90,601	9.3%
Miscellaneous	1,837,000	1,837,000	1,362,622	25.8%	1,837,218	218	0.0%
Non-Business Licenses And Permits	30,296,042	30,296,042	27,416,041	9.5%	35,690,063	5,394,021	17.8%
Property Taxes	291,963,777	291,963,777	146,453,371	49.8%	286,611,701	(5,352,076)	-1.8%
Rents	767,000	767,000	1,147,547	-49.6%	1,292,840	525,840	68.6%
Sales and Other Taxes	-	-	7,232	0.0%	13,366	13,366	0.0%
Special Assessments	4,785,980	4,785,980	2,696,204	43.7%	4,428,637	(357,344)	-7.5%
State Grants & Aids	83,905,982	83,905,982	48,634,798	42.0%	101,279,496	17,373,514	20.7%
<b>Total Revenues</b>	<b>529,665,920</b>	<b>529,665,920</b>	<b>343,848,218</b>	<b>35.1%</b>	<b>558,112,514</b>	<b>28,446,594</b>	<b>5.4%</b>
Transfers In	64,469,828	64,469,828	48,352,371	25.0%	64,469,828	-	0.0%
<b>Revenues and Other Sources</b>	<b>\$ 594,135,748</b>	<b>\$ 594,135,748</b>	<b>\$ 392,200,589</b>	<b>34.0%</b>	<b>\$ 622,582,342</b>	<b>\$ 28,446,594</b>	<b>4.8%</b>
<b>Expenditures</b>							
Arts & Cultural Affairs	979,397	979,397	703,781	28.1%	979,397	(0)	100.0%
Attorney	19,426,764	19,426,764	13,274,555	31.7%	18,080,093	1,346,671	93.1%
Civil Rights	6,073,916	6,433,916	4,020,188	37.5%	5,782,606	651,311	89.9%
Communications & Engagement Services:							
Communications	2,654,124	2,654,124	2,050,621	22.7%	2,626,312	27,812	99.0%
Intergovernmental Relations	1,416,116	1,416,116	1,044,186	26.3%	1,360,643	55,474	96.1%
Neighborhood & Community Relations	8,156,031	8,750,377	4,175,748	52.3%	8,200,000	550,377	93.7%
311	5,858,994	6,202,967	4,464,791	28.0%	6,302,967	(100,000)	101.6%
Contingency	14,758,673	13,130,274	-	100.0%	-	13,130,274	0.0%
Development, Health and Livability:							
CPED	43,897,406	54,621,061	25,516,437	53.3%	54,021,061	600,000	98.9%
Health	16,055,846	16,742,415	9,162,567	45.3%	16,538,927	203,488	98.8%
Regulatory Services	26,275,998	26,531,488	17,801,086	32.9%	24,375,647	2,155,841	91.9%
Internal Services:							
Assessing	7,991,301	9,389,438	5,888,420	37.3%	7,680,591	1,708,847	81.8%
Office of Public Service	3,086,212	3,133,689	1,728,403	44.8%	3,021,689	112,000	96.4%
Finance and Property Services	27,188,814	27,856,903	19,752,076	29.1%	26,438,718	1,418,185	94.9%
Human Resources	8,929,769	9,280,376	6,626,555	28.6%	9,431,142	(150,766)	101.6%
Information Technology	-	2,000,000	229,522	88.5%	900,000	1,100,000	45.0%
Performance Management & Innovation	1,201,618	1,201,618	479,974	60.1%	677,992	523,626	56.4%
Legislative Department:							
City Auditor	1,785,179	1,868,717	1,149,024	38.5%	1,868,717	-	100.0%
City Council & City Clerk	16,919,828	18,803,012	11,290,064	40.0%	17,712,453	1,090,559	94.2%
Mayor	2,701,022	2,722,022	1,928,781	29.1%	2,660,960	61,062	97.8%
Public Safety:							
Emergency Management	1,090,103	1,573,502	1,212,419	22.9%	1,640,278	(66,777)	104.2%
Fire	73,118,620	73,118,620	54,989,740	24.8%	74,118,620	(1,000,000)	101.4%
Neighborhood Safety	12,428,714	13,269,951	6,249,887	52.9%	11,146,595	2,123,356	84.0%
Office of Community Safety	1,398,248	1,398,248	917,277	34.4%	1,398,248	-	100.0%
Police	194,345,830	199,121,830	144,659,494	27.4%	202,021,830	(2,900,000)	101.5%
911	10,369,449	10,369,449	7,870,417	24.1%	10,749,449	(380,000)	103.7%
Public Works							
Transportation Planning & Design	1,981,466	2,010,066	1,474,033	26.7%	2,042,465	(32,399)	101.6%
Transportation Plan Programming	3,049,720	3,200,024	2,006,794	37.3%	2,975,000	225,024	93.0%
Transportation Maintenance & Repair	38,097,604	36,647,604	32,343,098	11.7%	42,472,889	(5,825,285)	115.9%
Public Works Administration	3,366,068	3,566,068	2,639,707	26.0%	3,469,835	96,233	97.3%
Traffic & Parking Services	18,228,590	19,478,590	13,720,485	29.6%	19,353,125	125,465	99.4%
Racial Equity Inc Bel	1,720,767	1,835,767	1,198,986	34.7%	1,835,767	-	100.0%
<b>Total Expenditures</b>	<b>574,552,187</b>	<b>598,734,393</b>	<b>400,569,117</b>	<b>33.1%</b>	<b>581,884,016</b>	<b>16,850,377</b>	<b>97.2%</b>
Transfers Out Total	24,397,274	32,884,672	24,663,505	25.0%	32,884,672	-	100.0%
<b>Expenditures and Other Uses</b>	<b>\$ 598,949,461</b>	<b>\$ 631,619,065</b>	<b>\$ 425,232,621</b>	<b>32.7%</b>	<b>\$ 614,768,688</b>	<b>\$ 16,850,377</b>	<b>97.3%</b>
<b>Change in Fund Balance</b>					<b>7,813,654</b>		
<b>Fund Balance - January 1</b>					<b>173,717,330</b>		
<b>Fund Balance - December 31 (Projected)</b>					<b>181,530,985</b>		

**City of Minneapolis**  
**Convention Center Special Revenue Fund Report**  
**For the Third Quarter Ending September 30, 2023**

**Fund Description:**

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

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

**Revenue:**

Through September 30, 2023, Convention Center operating revenue ended at \$15.1 million or 0.8% over the \$15.0 million operating revenue budget. Charges for Services had the strongest finish at \$6.0 million or 110% of the operating budget followed by Rents and Commissions at \$5.8 million or 92% of budget, and finally Catering Commissions which finished at \$3.4 million or 101.6% of the operating budget. With the strong adverse impact of the pandemic on catering, the Kelber Catering commission structure was restructured in 2021 to a tiered revenue structure where specific amounts of revenue need to be realized before the MCC receives a commission. The new structure was implemented to take financial pressure off Kelber.

Through September 30, 2023, the Convention Center had operating revenue of \$15.1 million, and finished \$2.4 million or 18.9% over September 30, 2022 operating revenue of \$12.7 million. The reason for the increase was that in early 2022 the Convention Center was still recovering from the COVID-19 pandemic. Throughout the later part of 2022, the Convention Center saw a strong recovery which continues in 2023 as events in the building increased. The Convention Center projects 2023 operating revenue to finish at \$17.0 million which is \$2.0 million over budget, and \$750,000 over 2022. The Convention Center also receives revenue from interest on investments, and the 2023 budget is \$0.2 million. The 2023 interest revenue is projected to finish over budget at \$1.5 million and finished Q3 2023 \$1.1 million greater than Q3 2022. The City’s investment staff create year-end market adjustment to adjust City investments to their year-end market value. Depending on the maturity dates of City investments, the market adjustment can have a positive or negative impact to YE investment revenue. Interest revenue is based on cash balances within City funds, as well as investment rates and maturity dates.

Through September 2023, the Convention Center also received miscellaneous revenue of \$58,000 for HVAC rebates, scrap sales, breakage related to building damage during events, chiller building usage and cell phone reimbursements. Most of the miscellaneous revenue is unpredictable and is dependent on if the building has scrap to sell and had building damage which can vary greatly dependent on the extent of the damages.



**Expenses:**

Through the third quarter of 2023, Convention Center operating expenditures not including Ongoing Equipment and Improvements and Meet Minneapolis finished at \$19.8 million or 72.9% of budget which was \$2.2 million over the third quarter 2022 results. Operating expenses are based on event levels and normal day-to-day operations of the building. As operations continue to rebound toward pre-pandemic levels, building expenses climb to support those events. 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

Through the third quarter of 2023, the MCC's recycling rate was 72% with over 277 tons recycled. The 2023 YTD recycling rate is 66% or 709 tons.

The Convention Center expects the 2023 operating expenses to finish the year close to the 2023 budget of \$27.2 million. That represents a \$3.3 million increase from 2022 which is related to an overall increase in event activity as the building has been getting back to normal. As event levels increase, so does revenue and corresponding expenses needed to support the events.

In Ongoing Equipment and Improvements, the Convention Center finished the third quarter of 2023 at \$5.3 million or 37.8% of the \$13.9 million 2023 budget which was \$2.2 million higher than the third quarter of 2022. The Convention Center projects 2023 ongoing equipment and improvements to finish 2023 close to the budget of \$13.9 million. With the impacts of the pandemic, the Convention Center sharply curtailed building projects through cancellations, scope reductions, and deferments. In 2022 and 2023, the Convention Center began work catching up on deferred projects. The Convention Center must continually improve the building to remain competitive with other venues.

The 2023 Meet Minneapolis budget is \$11.2 million which is \$0.7 million over the 2022 budget. Through the third quarter of 2023, Meet Minneapolis expenditures were \$8.5 million or 75.2% of the 2023 budget. It is expected that Meet Minneapolis will finish 2023 at budget.

**Transfers:**

The Convention Center Fund annually transfers funds for debt service (see below), in addition to receiving a transfer from the Downtown Assets Fund. The Convention Center's 2023 transfer in from the Downtown Assets Fund is budgeted at \$37.0 million, which is \$5.9 million over the 2022 budget. It is expected that the 2023 transfer from the Downtown Assets Fund will finish at budget.

**Debt Service:**

Under the previous debt service schedule prior to the refinancing, 2020 would have been the final year of debt service, however, to take pressure off the fund at the height of the pandemic losses, the final debt service payment was refinanced over five additional years. In 2023, transfers to debt service for debt issued on the building is budgeted at \$6.5 million. The 2024 and 2025 debt service are projected to be \$6.6 million and \$6.5 million respectively.

**Fund and Cash Balance:**

The September 30<sup>th</sup>, 2023, fund and cash balances were \$28.3 million and \$21.1 million respectively, and the 2023 ending fund and cash balances are projected to be \$14.5 million and \$19.7 million respectively. The projected fund and cash balances are both decreases of \$3.1 million from 2022. The decreases can be attributed to the projected increases in 2023 spending which includes increases to all expense categories with the exception of debt service. Those increases were partially offset by increased revenues.

**City of Minneapolis**  
**Second Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of Dollars)**

**Minneapolis Convention Center - Special Revenue Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Services	\$ 5,743	\$ 6,330	\$ 5,405	\$ 5,964	\$ 6,400
Rents and Commissions	6,847	7,184	6,306	5,811	7,100
Privileges	3,231	2,737	3,303	3,356	3,500
Interest on Investments	68	(367)	151	1,253	1,500
Other Misc Non Operating	-	64	-	58	40
Transfer from Downtown Assets	31,159	31,159	37,021	27,766	37,021
<b>Total</b>	<b>\$ 47,048</b>	<b>\$ 47,107</b>	<b>\$ 52,186</b>	<b>\$ 44,208</b>	<b>\$ 55,561</b>
<b>Use of Funds:</b>					
Convention Center Operations	\$ 26,000	\$ 23,933	\$ 27,219	\$ 19,833	\$ 27,219
Ongoing Equipment/Improvement	11,045	9,051	13,948	5,275	13,948
Meet Minneapolis	11,038	10,538	11,245	8,459	11,245
Transfer to Debt Service	6,465	6,448	6,252	-	6,252
<b>Total</b>	<b>\$ 54,548</b>	<b>\$ 49,970</b>	<b>\$ 58,664</b>	<b>\$ 33,567</b>	<b>\$ 58,664</b>
<b>Net Change in Fund Balance</b>	<b>\$ (7,500)</b>	<b>\$ (2,863)</b>	<b>\$ (6,478)</b>	<b>\$ 10,641</b>	<b>\$ (3,103)</b>
<b>Ending Fund Balance</b>	<b>\$ 12,982</b>	<b>\$ 17,619</b>	<b>\$ 11,141</b>	<b>\$ 28,260</b>	<b>\$ 14,516</b>
<b>Ending Cash Balance</b>	<b>\$ 15,915</b>	<b>\$ 22,817</b>	<b>\$ 16,339</b>	<b>\$ 21,149</b>	<b>\$ 19,714</b>

**City of Minneapolis**  
**Arena Special Revenue Fund**  
**For the Third Quarter Ending September 30, 2023**

**Fund Description:**

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

**Revenue:**

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund. The 2023 budgeted transfer from the Parking Fund is \$5.0 million which is the same amount budgeted and received from the Parking fund in 2022. Beginning in 2014, the Timberwolves organization started paying rent at the Target Center. The rent payments are based on a rent schedule, and the 2023 rent payment is \$1.6 million. Beginning in 2018, entertainment tax was removed as a revenue source with the Arena Fund now being managed as part of the Downtown Assets Funds "umbrella". The Downtown Assets Funds are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Arena Special Revenue Fund also receives interest revenue from City investments on cash balances within the fund. The 2023 interest revenue budget is \$37,000, and 2023 interest revenue is projected to finish at \$0.7 million. The arena Special Revenue Fund also receives miscellaneous revenue which includes a \$33,000 reimbursement from AEG to the City for a Trump rally held at the Target Center, and a \$64,000 legal settlement for the faulty Target Center ice floor. An additional \$10,000 - \$20,000 is expected to be received from the final settlement by year-end.

**Expenses:**

The Arena Special Revenue Fund has a 2023 ongoing equipment and improvements budget of \$7.0 million which includes nearly \$2.0 million in unspent 2022 funds that were rolled over to 2023 to continue work on projects that were in process but unfinished at year end. Through the third quarter of 2023, \$0.9 million or 13% of the \$7.0 million budget has been expended. The 2023 projection is \$7.0 million which assumes ongoing equipment and improvements finishes at budget. In 2022, ongoing equipment and improvements were budgeted at \$6.2 million and \$1.2 million was expended. Beginning in 2022 and continuing into 2023, the building is catching up on projects that were delayed, deferred, or postponed during the prior years in a deliberate effort to reduce expenses during the impacts of the COVID-19 pandemic.

There is also a \$1.9 million 2023 budget for AEG (the Target Center's operator) under the category Operator Reimbursement, and as of September 30, 2023, there has been \$1.4 million or 75% of the budget expended. It is expected the full \$1.9 million budget will be expended by year-end. In 2023, administrative expenses are budgeted at \$0.3 million, and includes salaries, special assessments/DID fees, and a \$1,000 operating budget. It is expected that administration will finish 2023 approximately \$64,000 over budget as the result of DID fees and special assessments finishing higher than expected and to a lesser extent salaries/fringes finishing higher than expected. The Target Center's project manager's labor is expensed 100% to the Target Center while the department head's associated labor supporting the Target Center is expensed by the actual amount of time the department head spends on Target Center related work. That amount depends on what is going on in that building.

In 2023, Target Center DID fees/special assessments saw significant increases of 10.3% and 11.5% above 2022 for the two Target Center related parcels.

**Transfers:**

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2023 budgeted transfer is \$5.0 million, and the transfer is expected to finish at budget. Through the third quarter of 2023, \$3.8 million or 75% of the \$5.0 million Parking Fund revenue budget has been transferred. The 2022 budgeted transfer was also \$5.0 million which was \$1.1 million higher than 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 2019 - 2023 transfer was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances. The 2023 budgeted transfer out was \$1.9 million which is \$0.4 million more than the 2022 transfer of \$1.5 million. Transfers are underway, and it is expected that 2023 transfers will meet the 2023 budget. This transfer is adjusted annually to assist in maintaining fund and cash balances.

**Fund and Cash Balances:**

The September 30, 2023, ending fund and cash balances were both \$8.1 million, and are projected to decrease by year end to \$2.9 million and \$2.8 million respectively. These decreases for both the fund and cash balances are \$3.6 million under YE 2022. The primary reason for the decreases is projected spending on improvements along with the transfer out of the Arena Fund to the Downtown Assets which is a planned use of fund balance.

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**City of Minneapolis**  
**Third Quarter Ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Arena (Target Center) - Special Revenue Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Rent	\$ 1,582	\$ 1,582	\$ 1,613	\$ 1,613	\$ 1,613
Transfer from Municipal Parking Fund	5,000	5,000	5,000	3,750	5,000
Other Miscellaneous Revenue	-	33	33	84	117
Investment Earnings	45	(409)	37	658	700
<b>Total</b>	<b>\$ 6,628</b>	<b>\$ 6,206</b>	<b>\$ 6,684</b>	<b>\$ 6,105</b>	<b>\$ 7,430</b>
<b>Use of Funds:</b>					
Operator Reimbursement	\$ 1,814	\$ 1,814	\$ 1,864	\$ 1,398	\$ 1,814
Ongoing Equipment/Improvements	6,183	1,240	6,969	905	6,969
Administration	306	267	311	234	338
Transfer to Downtown Assets Fund	1,480	1,480	1,924	1,924	1,924
<b>Total</b>	<b>\$ 9,783</b>	<b>\$ 4,800</b>	<b>\$ 11,067</b>	<b>\$ 4,461</b>	<b>\$ 11,045</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,155)</b>	<b>\$ 1,406</b>	<b>\$ (4,383)</b>	<b>\$ 1,644</b>	<b>\$ (3,615)</b>
<b>Ending Fund Balance</b>	<b>\$ 1,190</b>	<b>\$ 6,488</b>	<b>\$ 2,105</b>	<b>\$ 8,132</b>	<b>\$ 2,873</b>
<b>Ending Cash Balance</b>	<b>\$ 1,816</b>	<b>\$ 6,402</b>	<b>\$ 2,019</b>	<b>\$ 8,117</b>	<b>\$ 2,787</b>

**Downtown Assets Special Revenue**  
**Including the Downtown Assets, Peavey Plaza, and Commons Funds**  
**For the Third Quarter Ending September 30, 2023**

**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 Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), the Downtown Commons, and Peavey Plaza. In 2020, the \$0.8 million Downtown Commons operating budget was transferred to the Minneapolis Parks & Recreation Board, and in 2021, 2022, and 2023 the City didn't budget for the Downtown Commons as it is managed/operated by the Minneapolis Parks & Recreation Board. Though each of these funds holds a cash balance to its own, all cash balances are available to support any expense within the funds. Receipts to the fund are largely made up of local taxes, but may also include contributions from private donations or State funding to support capital improvements. The Convention Center department is responsible for management of operations within the fund. Revenues and expenditures for the Convention Center and Target Center are discussed in those funds' respective quarterly reports.

**Revenue:**

The 2023 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$54.0 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 \$70.1 million which is \$18.7 million over the \$51.4 million 2023 budget. The local taxes are based on collection trends, consumer spending habits, and more recently, the impacts from the COVID-19 pandemic which had a severely negative impact on the local tax collections in 2020, 2021, and to a lesser extent, 2022. The \$70.1 million 2023 local tax projection is \$3.4 million over the actual 2022 collections because of increases in activity and the number of events downtown.

Interest revenue is based on City investments of cash balances within the City funds. For the Downtown Assets Fund, the 2023 budget is \$0.7 million and actual revenue is projected to finish at \$3.9 million which is well over budget based on prior month's revenue and market trends.

**Expenses:**

The 2023 Downtown Assets Special Revenue Fund expenses are budgeted at \$56.4 million and are primarily all transfers out of the fund. Transfers make up \$56.0 million of the \$56.4 million 2023 budget. The remaining \$0.4 million is allocated for Peavey Plaza Operating expenses which includes payments to Green Minneapolis to maintain Peavey Plaza, Peavey Plaza Special Assessments/DID Fees, and electricity. There is also a \$57,000 Peavey Plaza capital budget to help with maintaining the Plaza. Expenses are projected to finish close to, but below budget, which is \$8.0 million over 2022 actual year end totals primarily due to an \$8.0 million increase in the 2023 transfers out of the Downtown Assets Special Revenue Fund to the General Fund and the Convention Center Fund.

**Transfers:**

In 2023, transfers out are budgeted at \$56.0 million. Transfers include \$13.3 million to the General Fund, \$37.0 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 2023 budgeted transfer of \$1.9 million from the Arena Special Revenue Fund to the Downtown Assets Fund. This transfer was made to reduce fund and cash balances within the Arena Special Revenue Fund with the Arena Special Revenue

Fund being managed under the Downtown Assets funds umbrella. As of September 30, 2023, all transfers were on schedule and are expected to finish at budget.

**Fund and Cash Balances:**

At the end of 2022, the Downtown Assets Funds had a fund balance of \$53.5 million, and a cash balance of \$45.6 million. The 2023 Downtown Assets Funds, fund and cash balances are projected to finish at \$73.1 million and \$65.1 million respectively which is a \$19.6 million increase to both fund and cash balances from 2022. The increases in both fund and cash balances are due to the 2023 Sources of Funds projected to finish \$16.3 million over the Use Funds primarily due to increases in projected local tax revenue and interest earnings coupled with normal projected cash inflows and outflows within the funds related to 2023 business activity.

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**City of Minneapolis**  
**Third Quarter Ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Downtown Assets Fund (including the Downtown Assets & Peavey Plaza) - Special Revenue Funds**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Local Taxes	\$ 42,917	\$ 66,666	\$ 51,433	\$ 45,188	\$ 70,100
Transfer from Arena Fund	1,480	1,480	1,924	1,924	1,924
Investment Earnings	818	(1,310)	666	3,157	3,900
<b>Total</b>	<b>\$ 45,215</b>	<b>\$ 66,836</b>	<b>\$ 54,023</b>	<b>\$ 50,269</b>	<b>\$ 75,924</b>
<b>Use of Funds:</b>					
Transfer out to City General Fund	\$ 11,136	\$ 11,136	\$ 13,253	\$ 9,940	\$ 13,253
Transfer out to Arena Fund Debt Service	5,695	5,695	5,696	1,038	5,696
Transfer out to Convention Center	31,159	31,159	37,021	27,766	37,021
Peavey Plaza - Capital	54	-	57	-	-
Peavey Plaza - Operating	395	416	398	304	399
<b>Total</b>	<b>\$ 48,439</b>	<b>\$ 48,406</b>	<b>\$ 56,425</b>	<b>\$ 39,048</b>	<b>\$ 56,369</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,224)</b>	<b>\$ 18,430</b>	<b>\$ (2,402)</b>	<b>\$ 11,221</b>	<b>\$ 19,555</b>
<b>Downtown Assets Fund - Ending Fund Balance</b>	<b>\$ 31,842</b>	<b>\$ 53,527</b>	<b>\$ 51,125</b>	<b>\$ 64,748</b>	<b>\$ 73,082</b>
<b>Downtown Assets Fund - Ending Cash Balance</b>	<b>\$ 26,418</b>	<b>\$ 45,550</b>	<b>\$ 43,148</b>	<b>\$ 64,717</b>	<b>\$ 65,105</b>



**City of Minneapolis**  
**Police Department – Special Revenue Fund**  
**For the Third Quarter Ending September 30, 2023**

**Program 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 others.
- The Workforce Director (WFD) system is a proprietary software system owned and managed by the Police department. WFD previously recovered expenses from user agreements with other governmental and non-governmental entities. It was decommissioned for external use in 2020 due to outdated technology and the inability to upgrade the software cost-effectively. 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 December 31, 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. City departments (Public Works, others) periodically contract with Police to provide additional services at the 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, including site inspections, compliance reviews, and corrective action.

**Revenues:**

Revenue for the Police Special Revenue Fund earned through the third quarter ending September 30, 2023, is \$0.7 million, or 61.1% of the budgeted \$1.2 million. The 2023 third quarter revenue decreased by \$0.2 million, or 75.6% from the revenue earned through third quarter of 2022. The decrease in the third quarter 2023 is due to several factors; including \$0.3 million in forfeiture revenue that is unpredictable and depends on the amount forfeited and the number of cases settled each year; the decrease in forfeiture will be offset by the increase in gambling of \$39,000 due to the loosening up of restrictions and the \$46,811 in non-emergency contract services. The projected year end revenue expected to be \$1.1 million and decrease by \$0.1 million or 10% from the \$1.2 million collected in 2022. The decrease is due to several factors; including the variable forfeiture revenue mentioned above and

depends on the amount forfeited and the number of cases settled each year, offset \$41,000 by the increase in gambling and \$0.2 million non-emergency contract service request.

**Expenditures:**

Expenditure for the Police Special Revenue through the third quarter ending September 30, 2023, is \$0.7 million, or 53.6% of the budgeted \$1.2 million. Expenses through the third quarter of 2023 increased by \$0.1 or 14.3% over the total expenditures through the same period in 2022. The increase in expenditures is expected due to several factors, including \$18,474 cost increases in non-emergency services contracts are due to Uptown Special Service District, Twins games at Target field, and \$47,207 cost increase in State Fair service requests for additional safety increase. Overall Expenditure for the Police Special Revenue of the 2023 projected year end is \$1.0 million, or 85% of the budgeted \$1.2 million. No costs incurred to the forfeiture fund offset by additional costs of non-emergency service contracts, \$0.1 million

**Cash and Fund Balances:**

The ending fund and cash balances are projected an increase slightly in 2023 compared with 2022, which is associated with the non-emergency service contract requested and no cost incurred in forfeiture.

The fund balance for the third quarter of 2023 is \$3.8 million, an increase of \$50,000, or 1.3% over the third quarter of 2022, ending a balance of \$3.8 million. The increase in fund balance was primarily due to excess revenue over expenditures from the third quarter of 2023, \$91,000, and the third quarter of 2022 is \$0.4 million.

The fund has maintained a positive cash balance with the third quarter of 2023 ending balance of \$3.7 million, an increase of \$0.8 million or 27.6% from the 2022 third quarter ending balance of \$2.9 million. The increase is due to the previous cash balance carry over.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Police Special Revenue Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Services and Sales	\$ 1,074	\$ 725	\$ 656	\$ 469	\$ 857
Fines and Forfeits	400	427	400	135	48
Miscellaneous					
Taxes	270	191	161	140	202
<b>Total</b>	\$ 1,744	\$ 1,343	\$ 1,217	\$ 743	\$ 1,107
<b>Use of Funds:</b>					
Personnel Services	\$ 1,259	\$ 555	\$ 772	\$ 471	\$ 722
Fringes	85	134	43	103	230
Contractual Services	25	1	14	5	5
Capital Outlay		-		-	
Materials/Other	375	183	387	73	74
<b>Total</b>	\$ 1,744	\$ 873	\$ 1,217	\$ 652	\$ 1,032
<b>Change in Fund Balance</b>	\$ (0)	\$ 400	\$ (0)	\$ 91	\$ 75
<b>Fund Balance</b>	\$ 3,346	\$ 3,744	\$ 3,744	\$ 3,835	\$ 3,819
<b>Total Cash Balance</b>	\$ 3,223	\$ 3,603	\$ 3,603	\$ 3,694	\$ 3,678

**City of Minneapolis**  
**NCR Special Revenue Fund: 01800**  
**For the Third Quarter Ended September 30, 2023**  
**Neighborhood and Community Relations Special Revenue Fund**

**Program 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.

**Revenues:**

From 2023, no new revenue dollars will be transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund.

**Expenditures:**

The 2023 expenditures from this fund through the third quarter of FY 2023 is \$1.3 million for the community engagement and neighborhood-based activities and the total projected expenditures are expected to be \$1.7 million in FY 2023. Source for these expenditures is from the available Fund balance.

**Fund Balance:**

The Fund balance projection for 2023 year-end is \$0.07 million based on the current commitments.

**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report in thousands of dollars**

**Neighborhood Special Revenue Fund (01800)**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Transfer from other Spec Rev funds	\$ 5,534	\$ 5,134	\$ -	\$ -	\$ -
Loan recapture					
<b>Total</b>	<b>5,534</b>	<b>5,134</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Use of Funds</b>					
Personal Services	\$ 500	\$ 541	\$ -	\$ -	\$ -
Fringes	250	209	-	-	-
Contractual services	8,184	5,461	1,700	1,236	1,620
Materials/Other	-	116	-	59	73
<b>Total</b>	<b>8,934</b>	<b>6,327</b>	<b>1,700</b>	<b>1,295</b>	<b>1,693</b>
<b>Change in Fund Balance</b>	<b>\$ (3,400)</b>	<b>\$ (1,193)</b>	<b>\$ (1,700)</b>	<b>\$ (1,295)</b>	<b>\$ (1,693)</b>
<b>Fund Balance</b>		<b>\$ 1,763</b>		<b>\$ 468</b>	<b>\$ 70</b>
<b>Total Cash Balance</b>		<b>\$ 2,184</b>		<b>\$ 467</b>	<b>\$ 70</b>

**City of Minneapolis**  
**Regulatory Services Special Revenue Fund**  
**For the Third Quarter Ending September 30, 2023**

**Fund Description:**

The Regulatory Services Special Revenue fund manages renter relocation funds and special projects related to downtown traffic management intended to last from 2020 through 2022. A project delay extended traffic management through at least Q3 2023. 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. The project will now extend through October 2023.

**Revenue:**

Operating revenue earned through third quarter 2023 is \$0.1 million.

**Expenses:**

Operating expense through third quarter 2023 totaled \$0.4 million.

**Debt Service:**

This fund has no debt obligations in 2023.

**Cash and Fund Balance :**

The fund has maintained a positive cash balance and net position with a third quarter 2023 ending balance of \$0.1 million. Yearend projected cash and fund balance are both \$0.2 million.

**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Fund 01900 Regulatory Services Special Revenue**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Project revenue	-	313		146	288
<b>Total</b>	-	313	-	146	288
<b>Use of Funds Housing related</b>					
Contractual services	-	13	-	87	87
<b>Housing Related total</b>	-	13	-	87	87
<b>Use of Funds Traffic related</b>					
Personnel Services	-	150	-	220	220
Fringes	-	83	-	68	68
<b>Traffic related total</b>	-	298	-	288	288
<b>Change in Fund Balance</b>	-	2	-	(229)	(87)
<b>Fund Balance</b>	189	329	329	100	242
<b>Total Cash Balance</b>	289	329	329	100	242

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**For the Third Quarter Ending September 30, 2023**

**Fund Description:**

The City receives several 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. Beginning in 2021, the City established a new special revenue fund to account for the American Rescue Plan Act State and Local Fiscal Recovery Funds.

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.

**Federal Grants Fund:**

The City accounts for its federal grant activity in Fund 01300. As of September 30, 2023, expenditures were \$11.9 million compared to the 2022 expenditures through September of \$18.4 million. The decrease in federal expenditures of \$6.5 million is primarily a result of spending within the Community Planning and Economic Development (CPED) Department. The U.S. Treasury Emergency Rental Assistance (ERA) grant accounts for majority of the \$6.5 million total decrease.

The ERA funds were 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. A significant majority of those funds were expended in 2022 and will result in continued lower levels of spending in 2023. The ERA funds were 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.

**American Rescue Plan Act (ARPA)**

On May 19, 2021, the City received \$135.6 million of the U.S. Treasury ARPA funds and in June 2022, the City received the second half allocation to that the total allocation of \$271.2 million has been received. ARPA funds are available to cover costs incurred between March 3, 2021, and December 31, 2024, at which time all funds must be obligated. Department project proposals for 2021 totaling \$90.2 million were approved by the Council on July 2. An additional \$8.0 million of funding was approved by City Council on November 17, 2021. In April 2022, a final round of budget proposals was approved which obligated the remaining ARPA funds through 2024.

As of September 30, 2023, a total of \$165.8 million of the City's ARPA funding has been spent. This includes \$58.2 million spent in 2023.



**HUD Consolidated Plan Funds:**

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 have ranged between \$10.0 to \$11.0 million in recent years, pre-pandemic. HUD grant expenditures as of September 30, 2023, total \$13.2 million compared to \$25.2 million through September 2022 which reflects a decrease of \$12.0 million.

During 2020 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 2023 although significantly more was spent in 2022. Major projects that saw significant decreases year over year were the emergency shelter program and multi-family affordable housing. Much of this funding will be spent before the end of 2023.

**Grants Other Fund:**

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of September 30, 2023, are \$18.1 million comparable to the 2022 expenditures through Sept of \$18.2 million. The \$156 thousand decrease in expenditures is due to a variety of spending variations across numerous projects.

**Cash and Fund Balance:**

The grant funds typically carry a small cash and fund balance position. Due to the accounting treatment of both reimbursement and prepaid grants, the funds typically match expenditures and revenues in the same period and prepaid grants result in unearned revenue. The ARPA funding resulted in a large cash balance for year end 2022 and continues to be a larger than usual amount through September 2023. However, accounting principles dictate that we don’t recognize revenue until we incur expenditures, so the fund balance remains relatively small in comparison to the fund balance.

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**City of Minneapolis**  
**Financial Status Report (in thousands of dollars)**  
**For the Third Quarter Ending September 30, 2023**

**Grants Fund - Federal, State and Local**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Grants - Federal	\$ 38,089	\$ 33,065	\$ 26,461	\$ 4,550	\$ 19,192
APR Local Fiscal Recovery	135,000	98,475	-	58,230	77,627
CDBG & UDAG Funds	28,017	27,576	16,114	10,620	16,343
HOME Grants	5,825	5,897	10,761	4,115	2,968
Grants - Other	31,424	29,784	26,794	23,095	26,698
<b>Total</b>	<b>\$ 238,356</b>	<b>\$ 194,797</b>	<b>\$ 80,130</b>	<b>\$ 100,610</b>	<b>\$ 142,828</b>
<b>Use of Funds:</b>					
Grants - Federal	\$ 38,376	\$ 29,565	\$ 26,374	\$ 11,944	\$ 19,192
APR Local Fiscal Recovery	180,415	101,931	115,170	58,230	77,627
CDBG & UDAG Funds	28,068	27,576	17,189	11,524	16,343
HOME Grants	6,018	5,897	13,417	1,634	2,968
Grants - Other	33,287	26,956	29,079	18,057	26,698
<b>Total</b>	<b>\$ 286,164</b>	<b>\$ 191,926</b>	<b>\$ 201,229</b>	<b>\$ 101,389</b>	<b>\$ 142,828</b>
<b>Net Change in Fund Balance</b>		\$ 2,871		\$ (779)	\$ -
<b>Ending Fund Balance</b>		11,852		\$ 11,074	\$ 11,852
<b>Ending Cash Balance</b>		\$ 176,857		\$ 121,334	\$ 80,502

**City of Minneapolis**  
**Community Planning & Economic Development (CPED)**  
**Special Revenue Funds**  
**For the Third Quarter Ending September 30, 2023**

**CPED Special Revenue Funds** account for governmental funds that are legally restricted to expenditures for specific purposes in several 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 2023 was \$237.8 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the TIF and NRP programs was \$161.7 million, and all this fund balance is considered restricted. The combined fund balance of the Housing & Economic Development, General Development, and CPED Operating programs was \$76.1 million.

**Cash Balance.** The combined cash balance of CPED Special Revenue Funds at the end of the third quarter 2023 was \$204.4 million. This was \$5.8 million higher than at the end of third quarter 2022. The combined cash balance in the TIF and NRP programs at the end of third quarter 2023 was \$136.1 million (66.6% 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 2023 was \$107.5 million, which was \$4.9 million less than cash at the end of third quarter 2022. Third quarter 2023 revenues were \$17.6 million, which were \$5.7 million higher than in 2022. Third quarter 2023 expenditures were \$13.8 million, which was \$4.0 million less than in 2022. In the third quarter of 2023, total revenue exceeded expenditures by \$3.8 million. With additional net transfer out of \$8.4 million, overall fund balance decreased by \$4.6 million from \$137.4 million to \$132.8 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 2023 was \$39.5 million, which was \$14.9 million higher than cash at the end of third quarter 2022. Third quarter 2023 revenue was \$2.7 million, which was \$1.5 million higher than 2022. Third quarter 2023 expenditures were \$5.2 million, which was \$0.9 million less than in 2022. In the third quarter 2023, total expenditures exceeded revenues by \$2.5 million. With the additional net transfer from other funds, overall fund balance increased by \$12.9 million from \$27.7 million to \$40.7 million in third quarter 2023.

**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 2023 was \$28.3 million, which was \$3.0 million lower than cash at the end of third quarter 2022. Third quarter 2023 revenues were \$2.3 million, which was \$1.4 million lower than in 2022. Third quarter 2023 expenditures were \$2.8 million, which was \$1.5 million less than 2022. In third quarter 2023, expenditures exceeded revenue by \$0.5 million. With no net transfers, overall fund balance decreased from \$35.6 million to \$35.2 million in third quarter 2023.

**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 2023 was \$28.7 million, which was \$1.1 million less than cash in the third quarter 2022. Third quarter 2023 revenues were \$2.6 million, which was \$1.0 million higher than in 2022. Third quarter 2023 expenditures were \$1.9 million, which was \$0.2 million lower than in 2022. In third quarter 2023, revenues exceeded expenditures by \$0.7 million. With no transfers, the net impact on current fund balance increased from \$28.2 million to \$28.9 million in third quarter 2023.

**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 2023, this program had a fund balance of \$0.4 million and cash balance of \$0.4 million.

**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**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 2023 Total	Q3 2022 Total
<b>Assets</b>							
Cash	107,457	39,541	28,328	28,653	379	204,358	198,563
Misc receivables	557	-	2	-	2	561	931
Loans receivable	-	5,111	-	-	-	5,111	4,805
Advances to other funds	390	-	-	-	-	390	389
Properties held for resale	25,330	2,127	7,137	226	-	34,820	34,865
<b>Total Assets</b>	<b>133,734</b>	<b>46,779</b>	<b>35,467</b>	<b>28,879</b>	<b>381</b>	<b>245,240</b>	<b>239,553</b>
<b>Liabilities</b>							
Payables	573	58	(7)	-	10	634	1,131
Advances from other funds	389	-	-	-	-	389	389
Deposits held for others	-	992	319	-	(2)	1,309	1,043
Deferred inflow of resources	-	5,112	-	-	-	5,112	4,805
<b>Total Liabilities</b>	<b>962</b>	<b>6,162</b>	<b>312</b>	<b>-</b>	<b>8</b>	<b>7,444</b>	<b>7,368</b>
<b>Total Fund Balance</b>	<b>132,772</b>	<b>40,617</b>	<b>35,155</b>	<b>28,879</b>	<b>373</b>	<b>237,796</b>	<b>232,185</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>133,734</b>	<b>46,779</b>	<b>35,467</b>	<b>28,879</b>	<b>381</b>	<b>245,240</b>	<b>239,553</b>
<b>Revenue</b>							
Property tax increment	10,517	-	-	-	-	10,517	10,945
Fees & charges for services	-	919	130	-	65	1,114	1,253
Inclusionary Zoning - in Lieu	-	-	-	-	-	-	3,312
Interest revenue	6,841	1,695	1,814	1,774	125	12,249	1,606
Rent	43	-	205	-	-	248	335
Sale of land & buildings	68	49	-	-	-	117	-
Loan recapture	108	-	195	800	-	1,103	3,278
<b>Total revenue</b>	<b>17,577</b>	<b>2,663</b>	<b>2,344</b>	<b>2,574</b>	<b>190</b>	<b>25,348</b>	<b>20,729</b>
<b>Expenditures</b>							
Personal services	285	5	677	-	-	967	856
Contractual services	8,670	1,064	1,561	1,884	451	13,630	16,719
Other operating costs	3	25	334	-	-	362	409
Program capital outlay	4,817	4,068	262	-	-	9,147	13,540
<b>Total expenditures</b>	<b>13,775</b>	<b>5,162</b>	<b>2,834</b>	<b>1,884</b>	<b>451</b>	<b>24,106</b>	<b>31,524</b>
<b>Transfers</b>							
Transfers from other funds	1,676	15,400	-	-	-	17,076	18,615
Transfers to other funds(-)	(10,112)	-	-	-	-	(10,112)	(18,032)
<b>Total transfers</b>	<b>(8,436)</b>	<b>15,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,964</b>	<b>583</b>
<b>Change in fund balance</b>	<b>(4,634)</b>	<b>12,901</b>	<b>(490)</b>	<b>690</b>	<b>(261)</b>	<b>8,206</b>	<b>(10,212)</b>
Beginning fund balance	137,406	27,716	35,645	28,189	634	229,590	242,397
<b>Ending fund balance</b>	<b>132,772</b>	<b>40,617</b>	<b>35,155</b>	<b>28,879</b>	<b>373</b>	<b>237,796</b>	<b>232,185</b>

**City of Minneapolis**  
**Engineering, Materials, and Testing – Internal Service Fund**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06000	2023 Budget	09/30/2023 Actual	2023 Year Ending Projected	2022 Year Ending Actual
<b>Operating Revenue</b>	8,417	7,252	9,557	10,107
<b>Operating Expense</b>	8,417	7,261	9,556	10,071
<b>Operating Margin</b>	-	(9)	-	35
<b>Change in Net Position</b>		(9)	-	35
<b>Net Position</b>		697	706	706
<b>Cash Balance</b>		2,575	2,102	2,102

**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 similar 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 2023 is \$7.3 million, or 86.2% of the budgeted amount of \$8.4 million. Operating revenues earned through third quarter 2023 decrease by \$0.1 million or 1.0% short to the third quarter 2022 revenue of \$7.4 million. This slight decrease is mainly due to fewer Asphalt Projects through the third quarter of 2023 compared to the same period in 2022. Generally, revenue (and expenses) for the first half of the year is dependent upon several factors such as weather as well as the timing of construction projects. These variables can result in substantial variances in the amount of revenue (and expenses) recorded through third quarter from year to year.

**Expense:**

Operating expense through third quarter 2023 is \$7.3 million, or 86.3% of the budgeted amount of \$8.4 million. Operating expenses incurred through third quarter 2023 increase by \$68,000 or 1.0% over the 2022 expense of \$7.2 million incurred through the same period. The slight increase is mainly due to fewer vacancies through the third quarter of 2023 compared to the same period in 2022. Generally, expenses through the third quarter of the year are dependent upon several factors such as weather as well as the timing of construction projects, which may be extended due to an unseasonably warm fall.

**Debt Service:**

This fund does not have any debt obligations.

**Transfers:**

This fund does not have any transfers in or out in 2023.

**Forecast:**

The 2023 Operating Revenue and Expense budget is projected to be \$9.6 million. Based on the planned projects for 2023, we expect the fund to finish at budget. While it is projected that the fund will finish the year at budget, the current operating cost is \$68,000 higher than at the same point last year. This is mainly due to more billable projects and fewer vacancies through the third quarter 2023 compared to this period last year. However, the 2023 Revenue and Expense is projected to be less compared to 2022 actuals due to ease of inflation on construction materials and backlog of projects because of COVID-19.

The projected amounts are expected to be higher than the budgeted amounts due to more project activities, which in turn is expected to increase the revenue and expense for the 2023. The 2023 year-end Net Position and Cash Balance are projected to be \$0.7 million and \$2.1 million respectively. There will no change from 2022 since the fund is expected to finish at breakeven margin.

**Cash and Net Position:**

The 2023 third quarter cash balance is \$2.6 million, an increase of \$0.5 million from the 2022 year-end balance of \$2.1 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 30, 2023, the fund had an accrual of \$1.0 million for June invoices for asphalt and concrete that was paid in October; the cash balance has been adjusted to reflect this amount. Financial policies for Cash Reserve are 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 2022 year-end net position was \$0.7 million, which is slightly higher than the 2021 ending balance of \$0.6 million. The slight increase was due to a positive net margin in 2022. 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 2023.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Engineering, Materials and Testing Internal Service Fund**

	2022 Final Budget	2022 Year to Date Actual	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>						
Asphalt / Concrete	\$ 6,309	\$ 5,681	\$ 7,883	\$ 5,735	\$ 5,534	\$ 7,114
Inspection Revenue	2,475	\$ 1,681	2,224	2,682	1,718	2,444
<b>Total</b>	\$ 8,783	\$ 7,363	\$ 10,107	\$ 8,417	\$ 7,252	\$ 9,557
<b>Use of Funds:</b>						
Personnel Services	\$ 1,104	\$ 777	\$ 1,071	\$ 1,106	\$ 836	\$ 1,119
Fringes	401	257	354	415	282	415
Contractual Services	1,164	677	1,029	1,305	783	1,118
Materials/Other	6,091	5,465	7,593	5,567	5,342	6,880
Rent	24	18	24	24	18	24
<b>Total</b>	\$ 8,783	\$ 7,193	\$ 10,071	\$ 8,417	\$ 7,261	\$ 9,556
<b>Change in Net Position</b>	-	\$ 170	35	-	(9)	\$ -
<b>Net Position</b>	\$ 605	\$ 775	\$ 706	\$ 706	\$ 697	\$ 706
<b>Total Cash Balance</b>	\$ 2,027	\$ 2,770	\$ 2,102	\$ 2,102	\$ 2,575	\$ 2,102
<b>Target Cash Reserve</b>	404	\$ 404	404	428	428	428
<b>Variance Total Cash to Target Cash Reserve</b>	1,623	\$ 2,367	1,698	1,674	2,148	1,674



**City of Minneapolis**  
**Fleet Services - Internal Service Fund**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06100	2023 Budget	09/30/2023 Actual	Projected Year End 2023	2022 Actual
<b>Operating Revenue</b>	38,840	27,427	36,429	26,544
<b>Operating Expense</b>	41,456	31,075	39,467	37,044
<b>Change in Net Position</b>	(2,316)	(3,648)	(3,038)	(10,500)
<b>Net Position</b>		81,984	82,594	85,632
<b>Cash Balance</b>		17,373	18,614	21,952

**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, and registers licenses all city vehicles. The City’s fleet of vehicles and equipment has an acquisition value of \$126.7 million and accounts for 77.4% of the net value of the long-term assets in this fund.

**Revenue:**

Operating revenue earned through third quarter 2023 is \$27.4 million or 70.6% of the budgeted amount of \$38.8 million. The revenue earned through third quarter 2023 increased \$7.7 million, or 39.2%, from the \$19.7 million in revenue earned through third quarter 2022. This increase is mostly due to revenue collected on rental of equipment that the fund had to reduce in 2022; the fund used cash reserves to cover expenses. For 2023, the fund will be collecting \$7.5 million in rental costs for the replacement of vehicles.

**Expenses:**

Operating expense through third quarter 2023 totaled \$31.1 million representing 75.5% of the annual budget of \$41.5 million. Expenses through the third quarter of 2023 increase \$2.9 million or 10.5% from the total expense of \$28.1 million through the same period in 2022. The difference is mostly due to the increases of operational spending.

Capital spending for the fund for the third quarter 2023 is \$1.9 million more than the \$6.0 million spent at the end of third quarter 2022.

Fleet Maintenance Department expense for 2023 of \$12.4 million is up from expense of \$10.8 million for the same period in 2022; this is mostly due to an expected increase in salaries and fringes.

Fleet Administration Department expense for 2023 of \$3.8 million is a decrease from the \$4.8 million for the same period in 2022. This department expenses are split between maintenance and field coordination. Decreases are in salaries, fringes, and materials.

Fleet Field Coordination Department expense for 2023 of \$3.9 million is up from expense of \$3.4 million for the same period in 2022. This is mostly due to an increase in the external contract rental of equipment that departments require to complete their projects and the Fleet department does not own.

**Debt Service:**

This fund has no debt obligations in 2023.

**Transfers:**

For 2023, there are no transfers into this fund. There was a transfer out of the fund of \$2.9 million to the Water fund for a capital project.

**Forecast:**

Operating revenue for 2023 is projected to be \$36.4 million which is \$2.4 million or 6.2% less than the budgeted amount of \$38.8 million. Projected revenue is less than budgeted primarily due to a decrease in work orders which will cause labor, parts, and fuel revenues to be reduced.

Total expense is projected to be \$39.5 million or 4.1% less than the budgeted amount of \$41.2 million. After non-operating revenue is recorded, a decrease to net position of \$3.0 million is projected compared to the budgeted decrease of \$2.3 million, resulting in a projected ending net position of \$82.6 million. Ending cash is projected to be \$18.6 million, a decrease of \$3.0 million from the 2022 ending cash balance of \$22.0 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 2023 ending balance of \$17.4 million a decrease of \$13.9 million from the 2022 third quarter ending balance of \$31.3 million. Reserve policies for Internal Service Funds determine that the minimum cash balance should be 15.0% of the fund's total budget plus the capital budget or \$14.2 million.

The net position for year ending in 2022 was \$85.6 million, a decrease of \$13.0 million, or 13.2% under the 2021 ending balance of \$98.6 million. The decrease in net position is due to a decrease in the collection replacement vehicles and timing difference between the delivery and subsequent payment for the vehicles. The net position is projected to be \$82.6 million for 2023.

Financial reserve policies for the Internal Service Funds determine that the minimum net position for the Fleet Services Division Fund should be twice the depreciation amount or \$18.3 million.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report in (thousands of dollars)**

**Fleet Services Fund - Internal Service Fund**

	2022 Final Budget	2022 Period Ending 9/30/2022	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>						
Charges for Services	\$ 9,999	\$ 6,624	\$ 8,870	\$ 10,603	\$ 7,165	\$ 10,167
Charges for Sales	8,458	6,057	8,153	10,250	6,881	8,610
Gains	500	400	521	500	603	603
Rent	9,107	6,384	8,696	17,487	12,501	16,668
Other Misc Revenue	-	240	304	-	277	381
<b>Total</b>	<b>\$ 28,064</b>	<b>\$ 19,705</b>	<b>\$ 26,544</b>	<b>\$ 38,840</b>	<b>\$ 27,427</b>	<b>\$ 36,429</b>
<b>Use of Funds:</b>						
Transfers Out	\$ 2,920	\$ 2,920	\$ 2,920	\$ 2,920	\$ 2,920	\$ 2,920
PW Equipment Operations	27,818	19,257	23,735	28,239	20,278	26,531
PW Equipment Capital	13,285	5,951	10,389	9,997	7,877	10,016
<b>Total</b>	<b>\$ 44,023</b>	<b>\$ 28,128</b>	<b>\$ 37,044</b>	<b>\$ 41,156</b>	<b>\$ 31,075</b>	<b>\$ 39,467</b>
<b>Change in Net Position</b>	<b>(15,959)</b>	<b>(8,423)</b>	<b>(10,500)</b>	<b>(2,316)</b>	<b>(3,648)</b>	<b>(3,038)</b>
<b>Net Position</b>	<b>\$ 82,654</b>	<b>\$ 92,194</b>	<b>\$ 85,632</b>	<b>\$ 83,316</b>	<b>\$ 81,984</b>	<b>\$ 82,594</b>
<b>Total Cash Balance</b>	<b>\$ 25,592</b>	<b>\$ 31,290</b>	<b>\$ 21,952</b>	<b>\$ 19,636</b>	<b>\$ 17,373</b>	<b>\$ 18,614</b>
<b>Target Cash Reserve</b>	<b>17,353</b>	<b>17,353</b>	<b>17,353</b>	<b>14,169</b>	<b>14,169</b>	<b>14,169</b>
<b>Variance Total Cash to Target Cash Reserve</b>	<b>8,239</b>	<b>13,937</b>	<b>4,599</b>	<b>5,467</b>	<b>3,204</b>	<b>4,445</b>

**City of Minneapolis**  
**Property Services – Internal Service Fund**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06200	2023 Budget	09/30/2023 Actual	Year Ending Projected 2023	Year Ending Actual 2022
Operating Revenue	29,265	22,002	29,617	28,493
Operating Expense	30,622	24,358	37,138	27,682
Operating Margin	(1,357)	(2,355)	(7,520)	811
Change in Net Position		(2,355)	(7,520)	811
Net Position		38,327	33,162	40,682
Cash Balance		7,077	2,316	9,836

**Fund 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 Cell Phone activity, which was part of the Radio Shop, transferred to the IT Department starting from 2022. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2023 revenue and expense budgets for the fund include \$5.2 million 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 in 2020 for the purpose of recording the activities related to the capital repairs, maintenance, 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. Funding for City building capital repairs and upgrades is also managed through the rent allocation model since 2016. 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 2023 is \$22.0 million, or 75.2% of the budgeted amount of \$29.3 million. Operating revenues earned through third quarter 2023 increase by \$1.0 million, or 4.6%, from the revenues earned through the same period in 2022. This is mainly because through the third quarter of 2023, the fund collected \$18.3 million in rent, which is \$0.3 million higher than the \$18.0 million rents collected through third quarter 2022. Rent is determined by an allocation model and generally the amount budgeted is the amount collected by year end. Revenues received from charges for services, including operating repairs and upgrades. Charges also fluctuate based on the amount of discretionary spending available to departments and the timing of work completed.

**Expenses:**

Operating expense through third quarter of 2023 is \$24.4 million, or 79.5% of the total budgeted amount of \$30.6 million. Operating expenses through the third quarter of 2023 increase \$4.0 million, or 19.9%, from the operating expenses through the same period in 2022. The variance is primarily due to an increase of Asset Preservation Projects predicted for 2023 that have been delayed in the previous years. This variance is expected to grow throughout 2023. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work completed.

**Debt:**

There is no outstanding debt service for 2023.

**Transfers:**

For 2023, this fund is budgeted to receive a transfer in from the General Fund totaling \$0.7 million to support the City Hall rent expense. The fund will not have any transfer out in 2023.

**Forecast:**

Operating revenue for 2023 is projected to be \$29.6 million or 1.2% higher than the budgeted amount of \$29.3 million. The operating expense is projected to be \$37.1 million which would be \$6.5 million or 21.3% higher than the budgeted amount of \$30.6 million. The projected expenses are higher than the budgeted expenses due to the expected Asset Preservation Projects to be completed in 2023 that were delayed in prior years. The result is a projected operating margin loss of \$7.5 million, compared to the budgeted operating margin loss of \$1.4 million.

The ending cash balance for 2023 is projected to be \$2.3 million, a decrease of \$7.5 million from the 2022 year-end balance of \$9.8 million. The projected cash decrease in 2023 is mainly due to the expected increase in the capital repairs and upgrade projects that were delayed in the prior years.

**Cash and Net Position:**

The cash balance at the end of third quarter 2023 was \$7.1 million compared to a cash balance of \$9.3 million at the end of third quarter 2022. The cash through the third quarter of 2023 consists of a balance of \$1.9 million in the Property Disposition fund and a balance of \$5.2 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 \$4.6 million for the Property Services fund in 2023.

The net position for the year ending 2022 was \$40.7 million, an increase of \$0.7 million from the net position of \$40.0 million for year ending 2021. This increase is due to the delay of the capital improvement projects in 2022, which are planned to be completed in 2023. 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 2022 was \$1.8 million and the projected net position in 2023 is \$29.6 million greater than the benchmark, which is \$3.6 million.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Property Services Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Services and Sales	\$ 4,580	\$ 3,333	\$ 4,034	\$ 3,174	\$ 4,430
Rents Public Works and Other	23,928	24,048	24,544	18,312	24,500
Miscellaneous Revenue	381	8	3	3	3
Transfer-In from other Funds	1,104	1,104	684	513	684
<b>Total</b>	<b>\$ 29,994</b>	<b>\$ 28,493</b>	<b>\$ 29,265</b>	<b>\$ 22,002</b>	<b>\$ 29,617</b>
<b>Use of Funds:</b>					
Personnel Services	\$ 6,562	\$ 6,838	\$ 7,497	\$ 5,840	\$ 8,578
Fringes	2,563	2,950	2,597	2,414	3,161
Contractual services	18,445	13,885	17,663	12,998	22,143
Materials/Other	1,886	2,631	1,913	2,392	2,304
Rent	1,379	1,379	951	714	951
<b>Total</b>	<b>\$ 30,835</b>	<b>\$ 27,682</b>	<b>\$ 30,622</b>	<b>\$ 24,358</b>	<b>\$ 37,138</b>
<b>Change in Net Position</b>	<b>(841)</b>	<b>811</b>	<b>(1,357)</b>	<b>(2,355)</b>	<b>(7,520)</b>
<b>Net Position</b>	<b>\$ 39,164</b>	<b>\$ 40,682</b>	<b>\$ 39,325</b>	<b>\$ 38,327</b>	<b>\$ 33,162</b>
<b>Total Cash Balance</b>	<b>\$ 8,085</b>	<b>\$ 9,836</b>	<b>\$ 8,479</b>	<b>\$ 7,077</b>	<b>\$ 2,316</b>
<b>Target Cash Reserve</b>	<b>4,625</b>	<b>4,625</b>	<b>4,593</b>	<b>4,593</b>	<b>4,593</b>
<b>Variance Total Cash to Target Cash Reserve</b>	<b>3,460</b>	<b>5,211</b>	<b>3,885</b>	<b>2,484</b>	<b>(2,278)</b>

**City of Minneapolis  
Public Works Stores – Internal Service Funds  
For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06300	2023 Budget	09/30/2023 Actual	2023 Year Ending Projected	Year Ending Actual 2023
Operating Revenue	1,598	1,846	2,473	2,076
Operating Expense	1,598	1,233	1,692	1,710
Operating Margin	-	613	781	365
Change in Net Position		613	781	365
Net Position		7,770	7,939	7,157
Cash Balance		1,374	1,602	820

**Program Description:**

The Public Works Stores Fund, established in 1965, accounts for the centralized procurement, receiving, warehousing and distribution of stocked inventory items and the purchase of special goods and services. The fund’s mission is to provide goods in a cost-effective manner to City departments through 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 2023 is \$1.9 million, 15.5% higher than the budgeted amount of \$1.6 million. The revenue earned through third quarter of 2023 increased by \$0.5 million, or 33.4%, from the revenue earned through third quarter of 2022 of \$1.4 million. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue is due to a \$0.3 million increase in Central Stores overhead charges and a \$0.2 million increase in Traffic Stores overhead charges. The increase in Central Stores is due to increase in purchasing transactions from departments in 2023 compares to 2022. Also, the increase for Traffic Stores charges is primarily due to two reasons: one reason is the increased overhead rate from 11.0% to 12.0% to offset the expenses for a position of Store Coordinator added in 2023. The second reason is Traffic Stores added overhead charges to departments by applying 12.0% to all non-inventory item transactions.

**Expenses:**

Operating expense through the third quarter of 2023 is \$1.2 million, or 77.2% of the budgeted amount of \$1.6 million. The amount expended through third quarter of 2023 increased by \$42,000, or 3.5%, from the \$1.2 million expended through the same period in 2022. The increase is due to increases of \$88,000 in materials purchased which offset by a decrease of \$83,000 in contractual services. Also, an increase of \$36,000 in personal and fringes is due to a new position was created in 2023.

**Debt Service:**

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

**Transfers:**

There are no transfers in or out of this fund in 2023.

**Forecast:**

Operating revenue is projected to total \$2.5 million at year-end, exceeding the budgeted revenue of \$1.6 million by \$0.9 million, or 54.8%. This increase is mostly due to increased overhead charges to inventory sales and processing transactions. Operating expense is projected to be \$1.7 million, representing a 5.9%, or \$0.1 million increase from the budgeted amount of \$1.6 million. The cost of inventory that is resold to City departments is excluded from the total expense of the Public Works Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the fund. These year-end projections result in an increase to net position of \$0.8 million compared to a budgeted increase of \$0, and a projected ending net position of \$7.9 million.

**Cash and Net Position:**

The fund has maintained a positive cash balance at the end of third quarter 2023 of \$1.4 million, an increase \$0.6 million from 2022 year-end balance of \$0.8 million. The increase in cash is primarily due to a \$0.1 million decrease in inventory purchases and an increase of \$0.5 million on sales on merchandise and overhead changes. 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 of \$1.4 million is more than its target.

The fund continues to maintain a positive net position with a 2022 ending balance of \$7.2 million, an increase of \$0.4 million from the 2021 ending balance of \$6.8 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.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**06300 PW Stores Funds - Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Services	\$ 1,564	\$ 1,974	\$ 1,548	\$ 1,799	\$ 2,415
Charges for Sales on Merchandise	20	69	20	48	58
Charges for Sales on Scrap Recycling	30	(1)	30		
Other Aid	-	6	-	-	-
Other Misc. Revenue	-	28	-	-	-
<b>Total</b>	<b>\$ 1,614</b>	<b>\$ 2,076</b>	<b>\$ 1,598</b>	<b>\$ 1,846</b>	<b>\$ 2,473</b>
<b>Use of Funds:</b>					
Personal Services	\$ 876	\$ 836	\$ 890	\$ 646	\$ 912
Fringes	380	248	389	272	370
Contractual Services	274	385	237	202	270
Materials/Other	85	242	82	114	140
<b>Total</b>	<b>\$ 1,614</b>	<b>\$ 1,710</b>	<b>\$ 1,598</b>	<b>\$ 1,233</b>	<b>\$ 1,692</b>
<b>Change in Net Position</b>	<b>0</b>	<b>\$ 365</b>	<b>-</b>	<b>613</b>	<b>781</b>
<b>Net Position</b>	<b>\$ 6,795</b>	<b>\$ 7,157</b>	<b>\$ 7,157</b>	<b>\$ 7,770</b>	<b>\$ 7,939</b>
<b>Total Cash Balance</b>	<b>\$ 1,219</b>	<b>\$ 820</b>	<b>\$ 820</b>	<b>\$ 1,374</b>	<b>\$ 1,602</b>
<b>Target Cash Reserve</b>	<b>242</b>	<b>242</b>	<b>240</b>	<b>240</b>	<b>240</b>
<b>Variance Operating Cash to Target Cash Reserve</b>	<b>977</b>	<b>578</b>	<b>581</b>	<b>1,135</b>	<b>1,362</b>

**City of Minneapolis**  
**Intergovernmental Services (IT) – Internal Service Fund**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06400	2023 Budget	9/30/2023 Actual	Year Ending Projected 2023	Year Ending Actual 2022
Operating Revenue	54,460	38,702	53,621	45,709
Operating Expense	56,377	37,440	52,167	47,687
Change in Net Position		1,262	1,454	(1,978)
Net Position		11,787	11,979	10,525
Cash Balance		7,656	8,844	7,390

**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.

IT collects its revenue using an allocation model that distributes costs to City Departments using full time equivalent staffing counts as the driver for a bulk of revenues, based on the expense budget. There are also charges for any projects or new software and systems that a department may need in the future. These charges are normally paid for by IT and then billed to the internal customer.

**Revenue:**

Operating revenue through the third quarter of 2023 is \$38.7 million, or 71.0% of the annual budgeted amount of \$54.5 million. This is an increase of \$7.0 million, or 22.2%, compared to revenue of \$31.7 million earned through third quarter of 2022. This is due to increases to the allocation model of 3.2% for IT services and transfers of funds into the fund. Work for Others increased \$1.9 million from the third quarter of 2022 to third quarter 2023.

**Expenses:**

Operating expenses through the third quarter of 2023 are \$37.4 million or 66.4% of the annual budgeted amount of \$56.4 million. The operating expense through third quarter increased \$6.3 million, from the 2022 expense of \$31.1 million.

PMO- Work for Others department expenses of \$6.3 million increased by \$1.9 million through the third quarter compared to \$4.4 million through the same period in 2022. There was an increase in Work for Others and project work.

Service Desk expenses of \$1.6 million for third quarter 2023 increased slightly compared to \$1.2 million for the same period in 2022. The increase is due to personnel movement from Infrastructure Services to Service Desk, and regular increase costs of doing business.

Infrastructure Services expenses of \$4.3 million through the third quarter 2023 decreased slightly compared to the 2022 expenditures of \$4.6 million. There were some savings in personnel because of staff movement, but the decrease is immaterial and aligns with changes in the budget.

The remaining departments have no significant changes other than personnel movement between departments, causing over and under expenditures in salaries and fringes. The fund continues to fluctuate as normal course of business change and personnel move and/or promoted based on the needs and skills of employees.

**Debt:**

The fund does not have any outstanding debt service obligations.

**Transfers:**

In 2023, this fund will receive transfers in from the general fund totaling \$3.8 million. The general fund transfer will cover a shortage of revenues collected to cover expenses.

In 2023 the fund will have no transfers out.

**Forecast:**

Operating revenue is projected to be \$53.6 million or \$0.8 million less than the budgeted amount of \$54.5 million. Operating expenses are expected to be \$52.2 million or \$4.2 million less than the budgeted amount of \$56.4 million. These projections resulted in an increase of \$1.5 million in net position. The projection is based on expected invoice payments not yet recorded, projects not yet budgeted, and the \$3.8 million transfer into revenue.

**Cash and Net Position:**

The cash balance at the end of third quarter 2023 is \$7.7 million compared to \$9.8 million for the same period 2022. 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 \$6.8 million.

The 2023 year-end cash balance is projected to be \$8.8 million which represents an increase of \$1.4 million from the cash balance at year-end 2022 of \$7.4 million. The increase is mostly due to the transfer of \$3.8 million into revenue which will help to cover expenses as noted previously.

Financial reserve policies for the Internal Service Funds determine that the minimum net position for the Intergovernmental Services Fund shall be twice the depreciation amount or \$12.1 million. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets, and it is expected that the fund will continue to meet or exceed the target net position in future years.

The net position at year-end 2023 is projected to be \$12.0 million compared to \$10.5 million for 2022. This increase to net position is partly due to collecting enough revenue to cover expenses and the transfer to the fund.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Intergovernmental Services (IT) Fund Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service - IT	\$ 35,574	\$ 36,383	\$ 39,451	\$ 28,966	\$ 38,649
Charges for Service - City Clerk	1,655	1,602	1,721	970	1,799
Work for Others	457	7,310	9,482	5,912	9,367
Operating Transfers In	300	414	3,806	2,854	3,806
<b>Total</b>	<b>\$ 37,986</b>	<b>\$ 45,709</b>	<b>\$ 54,460</b>	<b>\$ 38,702</b>	<b>\$ 53,621</b>
<b>Use of Funds:</b>					
City Clerk	\$ 1,518	\$ 1,900	\$ 1,446	\$ 967	\$ 1,289
Information Technology	37,398	38,708	46,104	30,221	42,542
Work for Others	2,080	7,079	8,827	6,252	8,336
<b>Total</b>	<b>\$ 40,996</b>	<b>\$ 47,687</b>	<b>\$ 56,377</b>	<b>\$ 37,440</b>	<b>\$ 52,167</b>
<b>Change in Net Position</b>	<b>(3,010)</b>	<b>(1,978)</b>	<b>(1,917)</b>	<b>1,262</b>	<b>1,454</b>
<b>Net Position</b>	<b>\$ 8,661</b>	<b>\$ 10,525</b>	<b>\$ 8,608</b>	<b>\$ 11,787</b>	<b>\$ 11,979</b>
<b>Total Cash Balance</b>	<b>\$ 6,153</b>	<b>\$ 7,390</b>	<b>\$ 5,473</b>	<b>\$ 7,656</b>	<b>\$ 8,844</b>
<b>Target Cash Reserve</b>	<b>5,880</b>	<b>5,880</b>	<b>6,825</b>	<b>6,825</b>	<b>6,825</b>
<b>Variance Total Cash to Target Cash Reserve</b>	<b>273</b>	<b>1,510</b>	<b>(1,352)</b>	<b>831</b>	<b>2,019</b>

**City of Minneapolis**  
**Self-Insurance Funds – Internal Service Funds**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06900-06950	2023 Budget	09/30/2023 Actual	Year Ending Projected 2023	Year Ending Actual 2022
Operating Revenue	125,969	87,486	121,663	144,423
Operating Expense	125,088	84,657	115,970	119,671
Operating Margin	881	2,828	5,693	24,753
Change in Net Position		2,828	5,693	24,753
Net Position		(59,032)	(56,167)	(61,860)
Cash Balance		136,541	141,196	135,503

**Program Description:**

The Self-Insurance Fund accounts for accrued sick leave benefit, tort liability, workers' compensation, 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 workers' compensation expense. The cost allocation model also assigns a charge for risk management services. Beginning in 2021, HR Employee Benefit Administration moved to the General Fund, and in 2022, Attorney's Office moved to the General Fund.

**Revenue:**

Operating revenue through the third quarter of 2023 is \$87.5 million or 69.5% of the annual budgeted amount of \$126.0 million. This is a decrease of \$24.8 million, or 22.1%, compared to \$112.3 million earned through the third quarter of 2022. The primary reason for the decrease is due to two main factors that occurred in 2022, but not in 2023. A transfer of \$18.0 million from the General Fund to assist with the spending increase of the Self Insurance Funds, and an unexpected revenue of \$3.9 million was received from the Workers' Compensation Reinsurance Association as a surplus distribution; for a recalculated share plus another internal adjustment of \$1.0 million in 2022. Additional factors included a decrease of \$3.5 million in premium collections for Medical and Dental due to the delay of annual reimbursements for premium costs to continue medical insurance benefits for disabled peace officers and firefighters, and a decrease of \$3.3 million in Sick Leave at Retirement is due to a miscoding in 2022. This decrease in revenue was partially offset by a \$4.9 million increase in Cost Allocation.

**Expenses:**

Operating expenses through the third quarter of 2023 are \$84.7 million or 67.7% of the annual budgeted amount of \$125.1 million. This is a decrease of \$4.0 million, or 4.5%, compared to \$88.7 million expended through the third quarter of 2022. The decrease in operating expense is due to a \$7.3 million decrease in funds paid out for workers' compensation claims and indemnity expenses which was offset by few increasing factors, a \$1.5 million increase in medical and dental insurance claims, a \$1.3 million increase in General Liability for Litigation Settlements, a \$0.3 million increase in the employee sick leave payout at retirement, and \$0.2 million in payroll accrual for Attorney in 2022.

**Debt Service:**

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

**Transfers:**

There are no transfers in or out for this fund in 2023. In 2022, \$24 million was transferred in to Workers' Compensation Fund and the General Liability Fund to assist with most ongoing spending increases from General Fund.

**Forecast:**

Operating revenue is projected to be \$121.7 million or \$4.3 million less than the budgeted amount of \$126.0 million. The intentional projected decrease is due to under collecting \$3.7 million in Cost Allocations and Employment Services involving allocation charges for Police and Convention Center that was not initially reflected in the 2023 Budget. The projected revenue decreases are also related to a \$0.8 million decrease in dental insurance premiums which is offset by a \$0.2 million increase in medical insurance premiums. Operating expense is projected to be \$116.0 million, or \$9.1 million less than the budgeted amount of \$125.1 million. The primary reason the projected operating expense is less than budgeted is due to decrease in projected expenses of \$7.7 million for litigations in General Liability which partially offset by an increase \$2.2 increase in payments for workers' compensation claims. Additional factors for the decrease also relate to a \$3.2 million decrease in Medical and Dental claims, and a \$0.4 million decrease is due to position vacancies in Risk Management. The projections will result in an expected operating margin gain of \$5.7 million compared to the budgeted operating margin gain of \$0.9 million and a projected ending net position amount of negative \$56.2 million.

**Cash Balance and Net Position:**

The cash balance at end of third quarter is \$136.5 million, or an 3.1% increase, compared to a cash balance of \$132.4 million at end of third quarter 2022. Based on current projections, the cash balance for year end 2023 will be \$141.2 million compared to \$135.5 million at year-end of 2022. The increase in cash and net position in 2023 is primarily the result of an increase in medical insurance premiums compared to the medical claims payout, and the decrease in litigation settlements. Financial reserve policies for the Internal Service Funds determine that 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 \$201.6 million. The unpaid claims liability at year-end of 2023 is \$176.0 million, a decrease of \$1.5 million from the year-end of 2022 unpaid claims liability of \$177.5 million. The cash balance is \$60.4 million less than its target.

The net position at the year-end of 2022 is a negative amount of \$61.9 million, an increase of \$38.1 million from the 2021 year-end net position a negative amount of \$100.0 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.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report in (thousands of dollars)**

**06900-06950 Self-Insurance Fund - Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service(Cost allocations)	\$ 36,110	\$ 36,265	\$ 46,634	\$ 32,212	\$ 42,950
Other Misc. Revenues (Refund from State and Other misc.)	1,000	5,788	1,000	323	1,000
Medical Insurance Premiums	74,731	71,626	72,298	50,799	72,447
Dental Premiums	4,399	3,381	4,334	2,561	3,565
Health and Welfare (Severance-Sick leave at retirement)	3,008	3,364	1,702	1,590	1,702
Operating Transfers In	24,000	24,000	-	-	-
<b>Total</b>	<b>\$ 143,247</b>	<b>\$ 144,423</b>	<b>\$ 125,969</b>	<b>\$ 87,486</b>	<b>\$ 121,663</b>
<b>Use of Funds:</b>					
Attorney (06900)	\$ -	\$ (157)	\$ -	\$ -	\$ -
Risk Management (06900)	2,568	2,072	2,681	1,662	2,217
Liability (06940)	15,351	14,646	23,650	12,479	15,996
Workers Compensation (06930)	18,320	28,253	20,297	15,520	22,530
Medical Claims and Administrative Fees (06910)	74,854	70,412	72,423	51,411	70,389
Delta Dental Payments (06920)	4,399	3,111	4,334	2,281	3,136
Health and Welfare (06950-Severance-Sick leave at retirement)	3,008	1,333	1,702	1,305	1,702
Transfers	-	-	-	-	-
<b>Total</b>	<b>\$ 118,499</b>	<b>\$ 119,671</b>	<b>\$ 125,088</b>	<b>\$ 84,657</b>	<b>\$ 115,970</b>
<b>Change in Net Position</b>	<b>24,748</b>	<b>24,753</b>	<b>881</b>	<b>2,828</b>	<b>5,693</b>
<b>Net Position</b>	<b>\$ (75,218)</b>	<b>\$ (61,860)</b>	<b>\$ (60,979)</b>	<b>\$ (59,032)</b>	<b>\$ (56,167)</b>
<b>Total Cash Balance</b>	<b>\$ 135,503</b>	<b>\$ 135,503</b>	<b>\$ 136,384</b>	<b>\$ 136,541</b>	<b>\$ 141,196</b>
<b>Target Cash Reserve</b>	<b>203,862</b>	<b>203,862</b>	<b>201,564</b>	<b>201,564</b>	<b>201,564</b>
<b>Variance Operating Cash to Target Cash Reserve</b>	<b>(68,359)</b>	<b>(68,359)</b>	<b>(65,180)</b>	<b>(65,023)</b>	<b>(60,368)</b>

**City of Minneapolis**  
**Sanitary Sewer Enterprise Fund**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07100	2023 Budget	09/30/2023 Actual	Projected Year End 2023	2022 Actual
Operating Revenue	100,758	68,909	93,818	95,694
Operating Expense	83,450	54,472	75,252	77,277
Operating Margin	17,308	14,437	18,566	18,417
Change in Net Position		8,970	(670)	4,897
Net Position		170,319	160,679	161,349
Cash Balance		18,114	15,064	15,734

**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 \$68.9 million through the end of the third quarter, the Sanitary Sewer Fund has earned 68.4% of the 2023 operating revenue budget. This is an overall decrease of \$3.0 million, or -4.2%, compared to \$71.9 million earned through September 2022. The utility service revenues increased \$2.1 million compared to 2022 due to an increase in rates and usage. SAC fees, which fluctuate based on overall economic activities outside of City operations, decreased by \$5.7 million. This decrease is offset by an equivalent decrease in sewer availability charges (or SAC expenses).

The variable rate for utility charges was set at \$5.17 per unit, an increase of \$0.16 over 2022. The fixed rate, which is based on meter size, was increased by \$0.50, from \$7.30 to \$7.80.

**Expenses:**

The Sanitary Sewer Fund's total operating expenses through the third quarter were \$54.5 million compared to \$57.9 million through September 2022. This is a decrease of \$3.4 million, or -6.0%. The decrease is due to SAC charges decreasing by \$5.7 million due to less activity.

The Met Council rate increased by 2.9% for 2023 services. The Met Council charges are the largest expense of the fund with a monthly expense of \$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 \$1.0 million and, through the end of the third quarter, \$0.75 million has been transferred to Water Treatment and Distribution Services.

**Debt Service:**

For 2023, the debt service cost was budgeted at \$11.6 million. Through the third quarter, no principal and \$0.9 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 bonds payable total \$52.9 million on September 30, 2023.

**Cash and Net Position:**

The current cash balance is \$18.1 million and the Fund's net position stands at \$170.3 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses, excluding SAC expenses which are just a pass through. Therefore, the targeted cash balance for 2023 is \$17.1 million. The \$15.1 million projected year end cash balance is \$2.0 million under the cash reserve requirement. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance. The Fund's cash balance has doubled since 2019 and is projected to be back in compliance by 2024.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Sanitary Sewer Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service	\$ 83,547	\$ 80,859	\$ 85,318	\$ 63,951	\$ 85,288
SAC Revenues	15,000	12,885	15,000	4,427	8,000
Other Misc Revenues	400	1,950	440	530	530
Charges for Service - Capital	1,000	9	1,000	0	1,000
Proceeds from Long Term Liabilities	16,123	11,034	10,323	1,500	8,822
<b>Total</b>	\$ 116,070	\$ 106,738	\$ 112,081	\$ 70,408	\$ 103,639
<b>Use of Funds:</b>					
PW-Sewer Design	\$ 1,219	\$ 1,056	\$ 1,144	\$ 753	\$ 1,208
PW-Sewer Maintenance	8,159	7,461	8,788	5,448	7,721
MERF	310				
Met Council Environment Svcs	61,808	59,572	63,170	40,502	56,170
Payment for City Services	7,086	7,110	8,303	6,227	8,103
PW - Sewer Admin	1,836	2,079	2,046	1,542	2,050
Debt Service	11,075	10,586	11,636	867	11,373
Future Debt Service					
Transfers					
To Water Fund	1,017	1,017	1,041	781	1,041
PW - Capital Programs	21,623	12,960	14,323	5,320	16,644
<b>Total</b>	\$ 114,133	\$ 101,841	\$ 110,450	\$ 61,438	\$ 104,310
<b>Change in Net Position</b>	\$ 1,937	\$ 4,897	\$ 1,631	\$ 8,970	\$ (670)
<b>Net Position Balance</b>	\$ 149,489	\$ 161,349	\$ 162,980	\$ 170,319	\$ 160,679
<b>Total Cash Balance</b>	\$ 16,975	\$ 15,734	\$ 17,365	\$ 18,114	\$ 15,064
<b>Target Cash Reserve</b>	20,105	20,105	17,113	17,113	17,113
<b>Variance Cash Balance to Target</b>	(3,130)	(4,370)	253	1,001	(2,049)

**City Of Minneapolis**  
**Storm Water Enterprise Fund**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07300	2023 Budget	09/30/2023 Actual	Projected Year End 2023	2022 Actual
<b>Operating Revenue</b>	48,032	35,616	47,343	46,477
<b>Operating Expense</b>	34,618	22,660	31,981	28,960
<b>Operating Margin</b>	13,414	12,956	15,362	17,517
<b>Change in Net Position</b>		(3,059)	3,535	4,106
<b>Net Position</b>		376,990	383,584	380,049
<b>Cash Balance</b>		28,574	34,614	31,080

**Program Description:**

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

**Revenue:**

The \$35.6 million in operating revenues earned through third quarter of 2023 reflects 74.2% of the budgeted amount of \$48.0 million. This is an increase of 2.8%, or \$1.0 million, compared to \$34.6 million earned for the same period in 2022. Storm utility revenues increased by \$1.0 million to \$34.1 million, up from \$33.1 million for the same period in 2022. This is mainly due to a 3.0% increase in rates.

**Expenses:**

Operating expenses through the third quarter were \$22.7 million, or 65.5% of the 2023 budget. The expenses were \$3.1 million, or 15.9% higher than the \$19.5 million reported for the same period in 2022. Though expenses are up from 2022, 2023 expenses are under budget. There are several vacant positions, causing Maintenance and Design to have less activity in the first nine months of 2023.

**Transfers:**

A transfer from this fund is made to the General Fund to support two environmental service FTE's relating to the Clean Water Act of \$0.1 million for 2023. An additional amount of \$1.6 million was transferred to the Capital Paving program as a contribution to help fund the 20-year additional paving plan.

**Debt Service:**

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The fund completed paying off all its debt service obligations by the end of 2016. In 2019, new debt started to be issued on a regular basis due to additional capital programs needing financing. In 2023, payment of interest was \$0.5 million for the first nine months and \$6.4 million in debt service payments are expected to be paid out of the fund by year end.

**Cash and Net Positions:**

The ending cash balance at the end of the third quarter is \$28.6 million and the net position is \$377.0 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2023 is \$8.7 million. The projected \$34.6 million cash balance at year end will leave \$26.0 million as an unrestricted amount to fund capital programs for 2024 and beyond as the department aims to use its excess cash reserve as a major source of funds for upcoming projects.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Storm Water Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
State Government	\$ 1,307	\$ 1,390	\$ 2,174	\$ 1,308	\$ 1,349
Local Government	356	243	255	121	243
Charges for Service-Operating	44,160	44,092	45,476	34,187	45,476
Design & Misc Revenues	801	172	51	-	200
Special Assessments	75	580	75	-	75
Grants Proceeds/Others - Capital	-	1,174	-	-	1,323
Charges for Service-Capital	1,000	703	1,000	36	1,000
Proceeds of Long Term Liabilities	44,623	18,240	10,022	10,547	26,941
<b>Total</b>	<b>\$ 92,322</b>	<b>\$ 66,594</b>	<b>\$ 59,054</b>	<b>\$ 46,200</b>	<b>\$ 76,607</b>
<b>Use of Funds:</b>					
PW-Storm Design	\$ 6,047	\$ 4,788	\$ 6,058	\$ 3,054	\$ 5,043
PW-Field Services	9,488	8,903	9,739	6,474	9,482
PW-Storm Maintenance	7,234	6,549	7,366	4,814	7,291
Metropolitan Council	2,454	2,454	2,526	1,894	2,526
Payment for City Services	5,870	4,990	7,275	5,457	6,375
PW-Admin	1,640	1,277	1,654	966	1,264
Debt Service	4,197	4,345	5,971	546	6,430
Transfers	1,687	1,687	1,703	1,675	1,703
PW- Capital	57,323	27,495	16,522	24,378	32,959
<b>Total</b>	<b>\$ 95,940</b>	<b>\$ 62,487</b>	<b>\$ 58,815</b>	<b>\$ 49,259</b>	<b>\$ 73,073</b>
<b>Change in Net Position</b>	<b>(3,618)</b>	<b>4,106</b>	<b>239</b>	<b>(3,059)</b>	<b>3,535</b>
<b>Net Position</b>	<b>\$ 364,197</b>	<b>\$ 380,049</b>	<b>\$ 380,288</b>	<b>\$ 376,990</b>	<b>\$ 383,584</b>
<b>Total Cash Balance</b>	<b>\$ 33,622</b>	<b>\$ 31,080</b>	<b>\$ 31,318</b>	<b>\$ 28,574</b>	<b>\$ 34,614</b>
<b>Target Cash Reserve</b>	<b>8,183</b>	<b>8,183</b>	<b>8,655</b>	<b>8,655</b>	<b>8,655</b>
<b>Variance Cash Balance to Target</b>	<b>25,439</b>	<b>22,896</b>	<b>22,664</b>	<b>19,919</b>	<b>25,960</b>

**City of Minneapolis  
Water Enterprise Fund  
For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07400	2023 Budget	09/30/2023 Actual	Projected Year End 2023	2022 Actual
<b>Operating Revenue</b>	91,048	71,147	93,720	88,770
<b>Operating Expense</b>	66,012	45,646	62,100	59,197
<b>Operating Margin</b>	25,036	25,501	31,620	29,573
<b>Change in Net Position</b>		12,061	4,761	5,405
<b>Net Position</b>		348,668	341,369	336,608
<b>Cash Balance</b>		42,422	40,391	35,630

**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 to City of Minneapolis hydrants for fire protection. In addition, the Division sells water to the wholesale customers of the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, Edina, and the Metropolitan Airports Commission. Monthly billing for water sales is the main source of revenue for this fund.

**Revenue:**

Operating revenues for 2023 are projected to total \$93.7 million or 102.9% of the 2023 budgeted amount of \$91.0 million. Through the third quarter, the Water Fund earned \$71.1 million compared to \$66.5 million for the same period in 2022. The increase in revenue of \$4.6 million was due to an increase in water usage and increased rates. As a result, operating revenues are higher than 75% of the budgeted amount.

**Expense:**

Operating expenses for the year are projected to total \$62.1 million or 94.1% of the 2023 budget of \$66.0 million. For the nine months ending in September, the Fund spent \$45.6 million compared to \$44.1 million for the same period in 2022. This is an increase of \$1.6 million, or 3.5%, of which \$1.2 million is due to the increasing cost of chemicals. Additional increases in: City provided services of \$0.2 million; fleet and capital outlay of \$0.6 million; delivery services, energy and utility bills of \$0.4 million; contractual and professional services relating to repairs, maintenance, and upgrades of \$0.7 million were offset, in part, by decreases in salaries and fringes of \$0.2 million, water line repairs of \$0.5 million, and construction works of 0.8 million.

The expenses through September are less than 75% of the budgeted amount but are in line with previous years. Some expenses are seasonal or were deferred to future dates; therefore, operating expenses are expected to increase in the fourth quarter.

**Transfers:**

For 2023, the transfer amount of \$1.1 million consists primarily of a \$1.0 million operating transfer from the Sanitary Sewer Fund for its share of the cost of metering. Through the end of the third quarter, \$0.8 million has been transferred into the Water Fund.

**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 2023, which includes both principal and interest payments, is expected to total \$22.5 million. Through the third quarter, \$2.4 million in interest and \$10.5 million in principal have been paid. In the third quarter, \$24.6 million of bonds were sold to help finance capital projects. This additional debt issuance will increase debt service payments in future years.

**Cash Balance and Net Position:**

As of September 30, 2023, the ending cash balance was \$42.4 million and net position was \$348.7 million. By comparison, on September 30, 2022, the cash balance was \$38.7 million and net position was \$330.7 million. 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 \$16.5 million. With a projected year end cash balance of \$40.4 million, an adequate amount of cash will be available to maintain operating cash reserves, fund capital programs, and make future debt service payments.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**  
**Water Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Water Sales - Retail					
Volume Rate	\$ 58,359	\$ 57,026	\$ 58,765	\$ 45,986	\$ 59,411
Fixed Rate	10,973	11,103	12,729	9,543	12,844
Water Sales - Wholesale	14,998	15,749	15,727	13,669	17,518
Other Operating & Misc Revenues	4,239	4,892	3,827	1,949	3,948
Proceeds from Long Term Liabilities	21,995	21,548	30,760	15,791	18,825
Transfers	1,058	1,058	1,082	811	1,082
Proceeds from Capital	2,000	788	2,000	1,001	1,281
<b>Total</b>	<b>\$ 113,621</b>	<b>\$ 112,164</b>	<b>\$ 124,889</b>	<b>\$ 88,750</b>	<b>\$ 114,907</b>
<b>Use of Funds:</b>					
Payments for City Services	\$ 12,447	\$ 11,737	\$ 12,454	\$ 9,337	\$ 11,603
Administration	3,735	3,275	4,165	2,403	3,738
Engineering	2,341	1,838	2,177	1,297	1,754
Operations	29,887	29,900	32,333	23,382	31,799
Distribution	9,816	9,171	11,183	6,950	9,987
Meter Shop	1,393	941	1,483	953	1,293
Reimbursables	2,570	2,335	2,217	1,324	1,927
<b>Debt Services</b>					
Principal	17,315	17,315	18,936	10,450	17,160
Interest	3,330	2,770	3,572	2,405	3,784
Capital	29,995	27,477	38,760	18,188	27,101
<b>Total</b>	<b>\$ 112,828</b>	<b>\$ 106,759</b>	<b>\$ 127,280</b>	<b>\$ 76,689</b>	<b>\$ 110,146</b>
<b>Change in Net Position</b>	<b>792</b>	<b>5,405</b>	<b>(2,391)</b>	<b>12,061</b>	<b>4,761</b>
<b>Net Position</b>	<b>\$ 310,291</b>	<b>\$ 336,608</b>	<b>\$ 334,217</b>	<b>\$ 348,668</b>	<b>\$ 341,369</b>
<b>Total Cash Balance</b>	<b>\$ 35,007</b>	<b>\$ 35,630</b>	<b>\$ 33,239</b>	<b>\$ 42,422</b>	<b>\$ 40,391</b>
<b>Target Cash Reserve</b>	<b>15,547</b>	<b>15,547</b>	<b>16,503</b>	<b>16,503</b>	<b>16,503</b>
<b>Variance Total Cash to Target Cash Reserve</b>	<b>19,460</b>	<b>20,083</b>	<b>16,736</b>	<b>25,919</b>	<b>23,888</b>



**City of Minneapolis  
Municipal Parking Enterprise Fund  
For the Third Quarter Ended September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07500	2023 Budget	9/30/2023 Actuals	Projected Year End 2023	2022 Actuals
<b>Operating Revenue</b>	61,923	48,260	64,050	55,326
<b>Operating Expense</b>	41,365	34,173	47,000	42,799
<b>Operating Margin</b>	20,558	14,087	17,050	12,527
<b>Change in Net Position</b>		9,906	(2,401)	(809)
<b>Net Position</b>		188,919	176,612	179,013
<b>Cash Balance</b>		1,872	(2,347)	54

**Program Description:**

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

**Revenues:**

The 2023 operating revenues are up in comparison to 2022 by 17.5%. Actual operating revenues were 4.0% over the budgeted revenues for the first nine months. The increase is from:

- On-street parking is up 11.5% compared to 2022.
- Off-street ramps and lots are up 22.8% compared to 2022.
- Impound Lot revenues increased 11.2% compared to 2022.

Overall, revenues have continued to increase since 2022 mainly due to reduced restrictions related to the COVID-19 pandemic, which allowed an increase in both business and employment activity downtown. These much lower restrictions since 2022 have allowed On-Street and Off-Street parking revenues to increase and the fund expects 2023 economic activity to continue to increase.

**Expenses:**

The 2023 operating expenses are up in comparison to 2022 expenses by 13.6%. Total actual expenses are currently 10.2% over the 2023 budget for the first nine months. The variance is from:

- On-street parking was down by 3.2% compared to 2022.
- Off-street ramps and lots were up 14.1% compared to 2022.
- Impound Lot expenses are up by 23.5% compared to 2022.

Overall, expenses were up as compared to 2022 mainly due to the increased activity in 2023 which causes certain variable expenses to be higher such as credit card fees, utilities and maintenance. This is especially true with off-street expenses. Impound lot expenses are up in 2023 in part because of higher contracted security services but are only expected to be 6.8% higher than 2022 by the end of the year.

**Transfers to and from other funds:**

The 2023 transfers into and out of the Parking Fund are programmed and planned according to the 2023 budget. During the year of 2023, \$4.6 million will be transferred in from Tax Increment Funding and other special revenue funds. During 2023, \$9.1 million of funds will be transferred out (\$4.0 million to the General Fund, \$5.0 million to the Target Center and \$0.1 million to the Solid Waste Fund).

**Debt Service:**

For 2023, the debt service budget is \$13.5 million. The outstanding balance of bond principal as of September 30, 2023, is \$33.0 million and the outstanding balance of note principal is \$26.6 million. The Police Relief Pension Reserve Fund had loaned the Parking Fund \$4.5 million coming into 2023 which has been paid back in full during 2023.

**Other Financial Items:**

The September 30, 2023, cash balance is \$1.9 million which is an increase of \$1.8 million from the 2022 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 \$7.2 million. The targeted cash reserve balance deficit is \$5.3 million, which is primarily a result of the effects of activity restrictions lessening in the post-pandemic economy, and a slow return of employees downtown which affects city economic activity. 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. Continued economic recovery will help increase Fund revenues in 2024 and beyond.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Fund 07500 Municipal Parking**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service, Sales/Permits:					
<i>Off-Street Parking: City Owned</i>	\$ 22,385	\$ 16,749	\$ 21,441	\$ 15,441	\$ 20,650
<i>Off-Street Parking: State Owned</i>	13,680	13,125	13,500	11,556	15,000
<i>Towing</i>	5,539	6,901	5,717	5,596	7,400
<i>On-Street Meters</i>	19,353	18,552	21,265	15,667	21,000
Tax Increment Transfers In	879	1,175	4,579	4,579	4,579
<b>Total</b>	<b>\$ 61,836</b>	<b>\$ 56,501</b>	<b>\$ 66,502</b>	<b>\$ 52,839</b>	<b>\$ 68,629</b>
<b>Use of Funds:</b>					
Debt Service	\$ 8,320	\$ 6,534	\$ 13,492	\$ 1,192	\$ 13,492
Future Debt Service	300	-	-	-	-
General Fund Transfer Out	4,000	1,400	4,000	3,000	4,000
Target Arena Transfer Out	5,000	5,000	5,000	3,750	5,000
Sanitation Transfer Out	146	146	146	110	146
PW-Traffic & Parking:					
<i>Off-Street Parking: City Owned</i>	19,852	19,875	18,071	16,027	21,500
<i>Off-Street Parking: State Owned</i>	12,496	10,453	12,480	9,049	13,000
<i>Towing</i>	5,273	7,117	5,618	5,719	7,600
<i>On-Street Meters</i>	4,430	5,354	5,196	3,378	4,900
PW-Traffic & Parking Capital**	1,383	1,432	1,000	708	1,392
<b>Total</b>	<b>\$ 61,200</b>	<b>\$ 57,311</b>	<b>\$ 65,003</b>	<b>\$ 42,933</b>	<b>\$ 71,030</b>
<b>Change in Net Position</b>	<b>636</b>	<b>(809)</b>	<b>1,498</b>	<b>9,906</b>	<b>(2,401)</b>
<b>Net Position*</b>	<b>\$ 190,869</b>	<b>\$ 179,013</b>	<b>\$ 180,511</b>	<b>\$ 188,919</b>	<b>\$ 176,612</b>
<b>Total Cash Balance</b>		\$ 54	\$ 1,552	\$ 1,872	\$ (2,347)
<b>Target Cash Reserve</b>	7,389	7,389	7,221	7,221	7,221
<b>Variance Total Cash to Target Cash Reserve</b>	<b>(7,389)</b>	<b>(7,335)</b>	<b>(5,669)</b>	<b>(5,349)</b>	<b>(9,568)</b>

**City of Minneapolis**  
**Solid Waste and Recycling Enterprise Fund**  
**For the Third Quarter Ending September 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07700	2023 Budget	09/30/2023 Actual	Projected Year End 2023	2022 Actual
Operating Revenue	46,475	34,502	45,917	45,237
Operating Expense	48,728	33,245	46,232	43,173
Operating Margin	(2,253)	1,257	(315)	2,064
Change in Net Position		1,221	(1,192)	1,479
Net Position		46,293	43,880	45,072
Cash Balance		24,308	22,530	23,722

**Fund Description:**

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

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

**Revenue:**

Operating revenues earned through the third quarter of 2023 were \$34.5 million, or 74.2% of the budgeted amount of \$46.5 million. The revenue earned through the third quarter of 2023 increased by \$1.2 million, or 3.4%, from the revenue earned through third quarter of 2022. This increase is mainly due to increased utility rates from the previous year.

**Expenses:**

Operating expenses through the third quarter of 2023 were \$33.2 million, or 68.2% of the budgeted amount of \$48.7 million. Expenses through the third quarter of 2023 increased \$1.0 million, or 3.2%, over the expenses through the same period in 2022. Collection, recycle, yard waste and problem material divisions increased by a combined total of \$0.7 million from 2022 due to contractual services rate increases and higher processing fees. The Clean City division increased \$0.2 million due to continued encampment cleanup efforts. Equipment expenses were \$0.4 million less than the same period in 2022, though the full equipment budget is expected to be spent in 2023.

**Transfers:**

Transfers of \$0.5 million into the Solid Waste and Recycling fund for 2023 include \$0.2 million from the Parking Fund for the Litter Container Program, and \$0.3 million from the General Fund for graffiti removal.

**Debt Service:**

Bonds were sold for the new facility prior to 2020 and an additional \$6.8 million in bonds were sold the second half of 2021. The facility was occupied at the end of May of 2020. There were no bond principal payments through the third quarter of 2023. Interest payments were \$0.4 million through the third quarter and another \$1.0 million of debt service payments will be paid before the end of the year.

**Cash and Net Positions:**

The fund's cash balance as of the end of the third quarter was \$24.3 million and the net position was \$46.3 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the 2023 budget, the targeted amount is \$12.2 million, leaving an unrestricted cash balance of \$12.1 million. This amount will provide adequate coverage of future operating cash reserve requirements and debt service payments.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Solid Waste & Recycling Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Local Government & Other Grants	\$ 1,422	\$ 1,516	\$ 2,040	\$ 1,510	\$ 1,514
Charges for Service	41,202	40,725	43,192	32,425	43,414
Charges for Sales	225	1,161	404	107	140
Special Assessments	-	1,228	-	-	-
Other Misc Revenues, Rents	724	608	838	460	849
Operating Transfers In:					
Parking Fund	146	146	146	110	146
General Fund - Graffiti	325	325	325	244	325
Bond Redemption Fund	3,953	3,953	-	-	-
<b>Total</b>	<b>\$ 47,997</b>	<b>\$ 49,661</b>	<b>\$ 46,946</b>	<b>\$ 34,855</b>	<b>\$ 46,388</b>
<b>Use of Funds:</b>					
Collection	\$ 8,380	\$ 8,203	\$ 8,942	\$ 6,451	\$ 8,760
Disposal	6,256	5,982	6,517	4,456	5,970
Recycle	4,197	4,038	4,395	3,127	4,235
Yard Waste	4,379	3,369	4,455	2,438	3,608
Problem Material	2,666	2,112	2,618	1,816	2,438
Transfer Stations	571	546	785	415	570
Admin	8,187	8,078	8,929	6,403	8,610
Customer Service	713	678	761	471	625
Clean City	1,274	1,874	1,510	1,521	2,045
Graffiti	750	590	634	274	374
Equipment	3,441	3,112	4,077	2,173	4,077
Organics	4,898	4,592	5,103	3,700	4,920
Capital Program	-	8	-	-	-
Debt Service	5,307	5,001	1,348	389	1,348
<b>Total</b>	<b>\$ 51,019</b>	<b>\$ 48,183</b>	<b>\$ 50,076</b>	<b>\$ 33,634</b>	<b>\$ 47,580</b>
<b>Change in Net Position</b>	<b>\$ (3,022)</b>	<b>\$ 1,479</b>	<b>\$ (3,130)</b>	<b>\$ 1,221</b>	<b>\$ (1,192)</b>
<b>Net Position Balance</b>	<b>\$ 40,623</b>	<b>\$ 45,072</b>	<b>\$ 41,942</b>	<b>\$ 46,293</b>	<b>\$ 43,880</b>
<b>Cash Balance</b>	<b>\$ 20,206</b>	<b>\$ 23,722</b>	<b>\$ 20,592</b>	<b>\$ 24,308</b>	<b>\$ 22,530</b>
<b>Target Cash Reserve</b>	<b>11,428</b>	<b>11,428</b>	<b>12,182</b>	<b>12,182</b>	<b>12,182</b>
<b>Variance Cash Balance to Target</b>	<b>8,778</b>	<b>12,294</b>	<b>8,410</b>	<b>12,126</b>	<b>10,348</b>

**CPED Enterprise Fund Component Programs  
For the Third Quarter Ending September 30, 2023**

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

The **General Agency Reserve Fund System (GARFS)** is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the “A+” rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. Only the administrative operations portion of the fund is presented. Other information is maintained by a trustee and not available for inclusion for second quarter. The net position of the fund at the end of third quarter 2023 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 City is preparing the site for redevelopment to include housing options, recreational activities, and jobs-intensive businesses.

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**City of Minneapolis**  
**Third Quarter ending September 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**CPED Enterprise Funds**

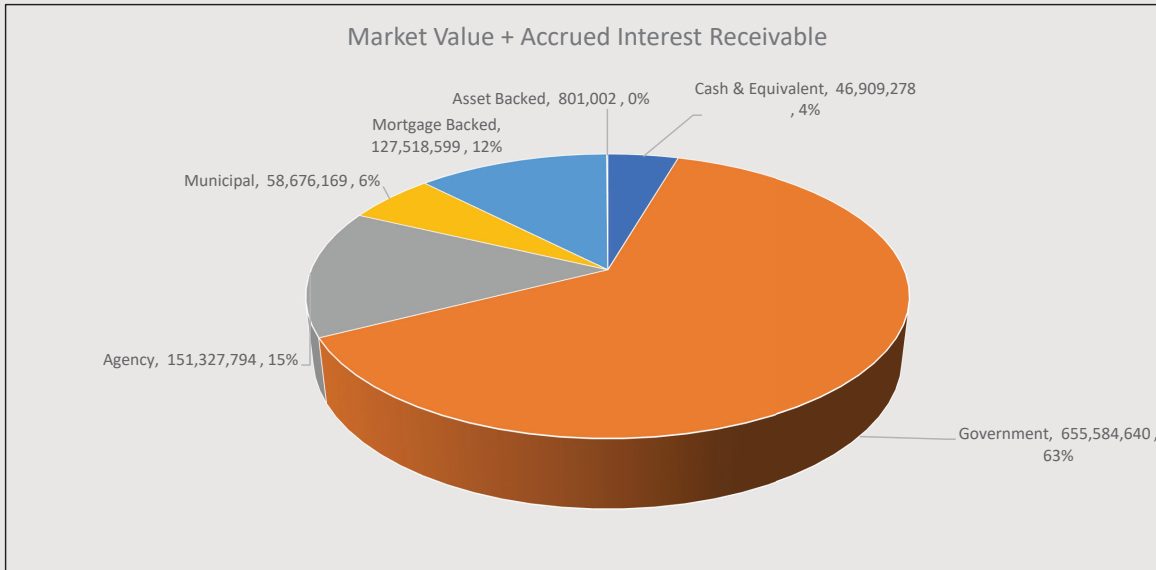
	General Agency Reserve Fund System 2022	General Agency Reserve Fund System 2023	River Terminal 2022	River Terminal 2023
<b>Operating revenues</b>				
Charges for sales and services	110	152	7	(164)
<b>Total operating revenues</b>	<b>110</b>	<b>152</b>	<b>7</b>	<b>(164)</b>
<b>Operating expenses:</b>				
Personal services	111	113	-	-
Contractual services	13	2	534	298
<b>Total operating expenses</b>	<b>124</b>	<b>115</b>	<b>534</b>	<b>298</b>
<b>Operating income</b>	<b>(14)</b>	<b>37</b>	<b>(527)</b>	<b>(462)</b>
<b>Nonoperating revenues (expenses)</b>				
Interest on investments	-	-	-	-
<b>Total nonoperating revenue (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before transfers</b>	<b>(14)</b>	<b>37</b>	<b>(527)</b>	<b>(462)</b>
<b>Net transfers from (to) other funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(14)</b>	<b>37</b>	<b>(527)</b>	<b>(462)</b>
<b>Total net position - January 1</b>	<b>1,954</b>	<b>1,845</b>	<b>1,818</b>	<b>1,218</b>
<b>Total net position - December 31</b>	<b>1,940</b>	<b>1,882</b>	<b>1,291</b>	<b>756</b>



**Cash and Investment Report**  
9/30/2023

Portfolio	Book Yield %	Book Value	Unrlzd G/(L)	Market Value	Accrued Interest Receivable	Market Value + Accrued Interest Receivable
Operating Account*	5.2	\$ 186,384,176	\$ (173,847)	\$ 186,210,329	\$ -	\$ 186,210,329
Core City of Minneapolis*	3.1	492,390,440	(27,609,519)	464,780,921	1,475,286	466,256,207
Core Royal Bank of Canada**	2.4	249,074,985	(27,676,327)	221,398,658	662,477	222,061,135
Core Government Portfolio Advisors**	2.5	108,758,616	(2,870,873)	105,887,743	560,947	106,448,690
Core T. Rose**	1.0	25,768,220	(2,305,081)	23,463,139	36,336	23,499,474
Yield Restricted Bond Proceeds*	3.9	6,280,405	-	6,280,405	-	6,280,405
Convention Center Debt Service*	4.0	6,709,207	(141,073)	6,568,135	9,105	6,577,240
General Agency Reserve Funds System**	3.1	23,920,060	(584,649)	23,335,411	148,590	23,484,001
<b>Total Portfolio</b>	<b>3.2</b>	<b>\$ 1,099,286,109</b>	<b>\$ (61,361,369)</b>	<b>\$ 1,037,924,741</b>	<b>\$ 2,892,741</b>	<b>\$ 1,040,817,481</b>
Development Debt Reserves		3,439,587		3,439,587		3,439,587
Cash on hand net of outstanding checks		8,211,700		8,211,700		8,211,700
<b>Total All Portfolios</b>		<b>\$ 1,110,937,396</b>	<b>\$ (61,361,369)</b>	<b>\$ 1,049,576,028</b>	<b>\$ 2,892,741</b>	<b>\$ 1,052,468,768</b>

\* Internally managed; \*\* Externally managed



Market Sector	Market Value + Accrued Interest Receivable	% of Portfolio
Cash & Equivalent	46,909,278	4.5%
Government	655,584,640	63.0%
Agency	151,327,794	14.5%
Municipal	58,676,169	5.6%
Mortgage Backed	127,518,599	12.3%
Asset Backed	801,002	0.1%
Commercial Paper	-	0.0%
<b>Total</b>	<b>\$ 1,040,817,481</b>	<b>100.0%</b>

Metric	Value
Duration	2.8
Convexity	0.27
WAL	3.3
Years to Avg Final Maturity*	4.8
Years to Avg Effective Maturity*	4.7
Book Yield	3.2
Yield to Worst	5.2
Average Credit Rating	AAA/Aaa/AA+

\* Weighted by Market Value at period end.

**City of Minneapolis**  
**Financial Strength Analysis - Third Quarter 2023**

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change 2022 Compared to 2021		Total Increase (Decrease) 2019 - 2022		Average Annual Increase (Decrease)		Projected
	2019	2020	2021	2022	\$	%	\$	%	\$	%	2023
General Fund Cash Balance	146.3	184.5	159.4	195.4	36.0	22.6%	49.1	33.6%	16.4	11.2%	203.2
General Fund Total Fund Balance	128.0	167.7	142.8	173.7	30.9	21.6%	45.7	35.7%	15.2	11.9%	181.5
Overall City Cash Position*	967.8	891.1	1,029.8	1,124.0	94.2	9.1%	156.2	16.1%	52.1	5.4%	
Overall City Net Assets/Position	2,424.0	2,491.3	2,589.0	2,768.9	179.9	6.9%	344.9	14.2%	115.0	4.7%	
Overall Unrestricted Net Assets/Position	(130.5)	(201.7)	(141.0)	(15.0)	126.0	-89.4%	115.5	-88.5%	38.5	-29.5%	
<b>SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Convention Center - Cash	20.0	14.5	23.9	22.8	(1.1)	-4.6%	2.8	14.0%	0.9	4.7%	19.7
Convention Center - Fund Balance	33.4	12.4	20.9	17.6	(3.3)	-15.8%	(15.8)	-47.3%	(5.3)	-15.8%	14.5
Arena Fund (Target Center) - Cash	9.5	4.0	5.0	6.4	1.4	28.0%	(3.1)	-32.6%	(1.0)	-10.9%	2.8
Arena Reserve (Target Center) - Fund Balance	7.5	3.5	4.3	6.5	2.2	51.2%	(1.0)	-13.3%	(0.3)	-4.4%	2.9
Downtown Assets Fund - Cash	8.8	39.9	29.6	45.6	16.0	54.1%	36.8	418.2%	12.3	139.4%	65.1
Downtown Assets Fund - Fund Balance	16.2	46.5	35.1	53.5	18.4	52.4%	37.3	230.2%	12.4	76.7%	73.1
Police SRF - Cash	2.8	2.6	2.5	3.6	1.1	44.0%	0.8	28.6%	0.3	9.5%	3.7
Police SRF - Fund Balance	2.9	2.8	3.3	3.7	0.4	12.1%	0.8	27.6%	0.3	9.2%	3.8
NCR SRF - Cash	3.5	3.5	3.3	2.2	(1.1)	-33.3%	(1.3)	-37.1%	(0.4)	-12.4%	0.1
NCR SRF - Fund Balance	3.1	3.1	3.0	1.8	(1.2)	-40.0%	(1.3)	-41.9%	(0.4)	-14.0%	0.1
Regulatory Services SRF - Cash	1.2	0.2	0.3	0.3	0.0	0.0%	(0.9)	-75.0%	(0.3)	-25.0%	0.2
Regulatory Services SRF - Fund Balance	1.1	0.2	0.3	0.3	0.0	0.0%	(0.8)	-72.7%	(0.3)	-24.2%	0.2
Grant Funds - Cash	6.0	7.5	141.8	177.0	35.2	24.8%	171.0	2850.0%	57.0	950.0%	80.5
Grant Funds - Fund Balance	4.4	10.1	9.0	13.5	4.5	50.0%	9.1	206.8%	3.0	68.9%	11.9
Comm Planng & Econ Dev (CPED) - Cash Total	199.9	212.8	209.7	197.3	(12.4)	-5.9%	(2.6)	-1.3%	(0.9)	-0.4%	196.8
Comm Planng & Econ Dev (CPED) - Fund Bal Total	230.5	245.0	242.4	229.6	(12.8)	-5.3%	(0.9)	-0.4%	(0.3)	-0.1%	229.1
Employee Retirement Funds - Cash	36.5	23.1	28.1	31.0	2.9	10.3%	(5.5)	-15.1%	(1.8)	-5.0%	30.6
Employee Retirement Funds - Fund Balance	36.7	36.6	39.0	39.0	0.0	0.0%	2.3	6.3%	0.8	2.1%	38.6
<b>Total Special Revenue Funds - Cash</b>	<b>288.2</b>	<b>308.1</b>	<b>444.2</b>	<b>486.2</b>	<b>42.0</b>	<b>9.5%</b>	<b>198.0</b>	<b>68.7%</b>	<b>66.0</b>	<b>22.9%</b>	<b>399.5</b>
<b>Total Special Revenue Funds - Fund Balance</b>	<b>335.8</b>	<b>360.2</b>	<b>357.3</b>	<b>365.5</b>	<b>8.2</b>	<b>2.3%</b>	<b>29.7</b>	<b>8.8%</b>	<b>9.9</b>	<b>2.9%</b>	<b>374.2</b>

\* 2019-2022 Overall City Cash Position is the Market Value of cash and cash equivalents as reported in the City of Minneapolis Annual Comprehensive Financial Report (ACFR); does not include approximately \$22.9M invested for General Agency Reserve Fund Systems (GARFS) and \$80.0M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change 2022 Compared to 2021		Total Increase (Decrease) 2019 - 2022		Average Annual Increase (Decrease)		Projected
	2019	2020	2021	2022	\$	%	\$	%	\$	%	2023
<b>INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Engr. Materials & Testing - Cash	2.1	1.9	2.0	2.1	0.1	5.0%	0.0	0.0%	0.0	0.0%	2.1
Engr. Materials & Testing - Net Position	0.5	0.5	0.6	0.7	0.1	16.7%	0.2	40.0%	0.1	13.3%	0.7
Equipment Services - Cash	33.7	26.7	34.7	21.9	(12.8)	-36.9%	(11.8)	-35.0%	(3.9)	-11.7%	18.6
Equipment Services - Net Position	93.8	93.6	98.6	85.6	(13.0)	-13.2%	(8.2)	-8.7%	(2.7)	-2.9%	82.6
Property Services - Cash	8.2	6.3	8.9	9.8	0.9	10.1%	1.6	19.5%	0.5	6.5%	2.3
Property Services - Net Position	33.9	36.3	40.0	40.7	0.7	1.8%	6.8	20.1%	2.3	6.7%	33.2
PW Stores - Cash	2.5	1.1	1.2	0.8	(0.4)	-33.3%	(1.7)	-68.0%	(0.6)	-22.7%	1.6
PW Stores - Net Position	5.6	5.9	6.8	7.2	0.4	5.9%	1.6	28.6%	0.5	9.5%	7.9
Intergovernmental Services - Cash	15.1	10.7	9.2	7.4	(1.8)	-19.6%	(7.7)	-51.0%	(2.6)	-17.0%	8.8
Intergovernmental Services - Net Position	30.7	22.6	11.7	10.5	(1.2)	-10.3%	(20.2)	-65.8%	(6.7)	-21.9%	11.8
Self Insurance Fund - Cash	93.6	108.1	110.8	135.5	24.7	22.3%	41.9	44.8%	14.0	14.9%	141.2
Self Insurance Fund - Net Position	(20.3)	(97.8)	(100.0)	(61.9)	38.1	-38.1%	(41.6)	204.9%	(13.9)	68.3%	(56.2)
<b>Total Internal Service Funds - Cash</b>	<b>155.2</b>	<b>154.8</b>	<b>166.8</b>	<b>177.5</b>	<b>10.7</b>	<b>6.4%</b>	<b>22.3</b>	<b>14.4%</b>	<b>7.4</b>	<b>4.8%</b>	<b>174.6</b>
<b>Total Internal Service Funds - Net Position</b>	<b>144.2</b>	<b>61.1</b>	<b>57.7</b>	<b>82.8</b>	<b>25.1</b>	<b>43.5%</b>	<b>(61.4)</b>	<b>-42.6%</b>	<b>(20.5)</b>	<b>-14.2%</b>	<b>80.0</b>
<b>ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Sanitary Sewer - Cash	7.4	13.5	15.0	15.7	0.7	4.7%	8.3	112.2%	2.8	37.4%	15.1
Sanitary Sewer - Net Position	129.4	139.4	147.6	161.3	13.7	9.3%	31.9	24.7%	10.6	8.2%	160.7
Stormwater - Cash	33.1	28.7	29.2	31.1	1.9	6.5%	(2.0)	-6.0%	(0.7)	-2.0%	34.6
Stormwater - Net Position	347.2	355.4	351.9	380.0	28.1	8.0%	32.8	9.4%	10.9	3.1%	383.6
Water Enterprise - Cash	46.1	40.8	34.2	35.6	1.4	4.1%	(10.5)	-22.8%	(3.5)	-7.6%	40.4
Water Enterprise - Net Position	283.3	303.3	309.5	336.6	27.1	8.8%	53.3	18.8%	17.8	6.3%	341.4
Municipal Parking - Cash	21.5	6.1	1.2	0.1	(1.1)	-91.7%	(21.4)	-99.5%	(7.1)	-33.2%	(2.3)
Municipal Parking - Net Position	206.0	191.5	190.2	179.0	(11.2)	-5.9%	(27.0)	-13.1%	(9.0)	-4.4%	176.6
Solid Waste & Recycling - Cash	26.7	16.1	23.2	23.7	0.5	2.2%	(3.0)	-11.2%	(1.0)	-3.7%	22.5
Solid Waste & Recycling - Net Position	30.7	34.9	43.6	45.1	1.5	3.4%	14.4	46.9%	4.8	15.6%	43.9
Comm Planng & Econ Dev (CPED) - Cash**	-	-	-	-	-	0.0%	-	0.0%	0.0	0.0%	-
Comm Planng & Econ Dev (CPED) - Net Position	32.6	27.0	26.9	26.0	(0.9)	-3.3%	(6.6)	-20.2%	(2.2)	-6.7%	26.2
<b>Total Enterprise Funds - Cash</b>	<b>134.8</b>	<b>105.2</b>	<b>102.8</b>	<b>106.2</b>	<b>3.4</b>	<b>3.3%</b>	<b>(28.6)</b>	<b>-21.2%</b>	<b>(9.5)</b>	<b>-7.1%</b>	<b>110.3</b>
<b>Total Enterprise Funds - Net Position</b>	<b>1,029.2</b>	<b>1,051.5</b>	<b>1,069.7</b>	<b>1,128.0</b>	<b>58.3</b>	<b>5.5%</b>	<b>98.8</b>	<b>9.6%</b>	<b>32.9</b>	<b>3.2%</b>	<b>1,132.4</b>
<b>**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.</b>											