

CITY OF MINNEAPOLIS

Mayor's Recommended Budget

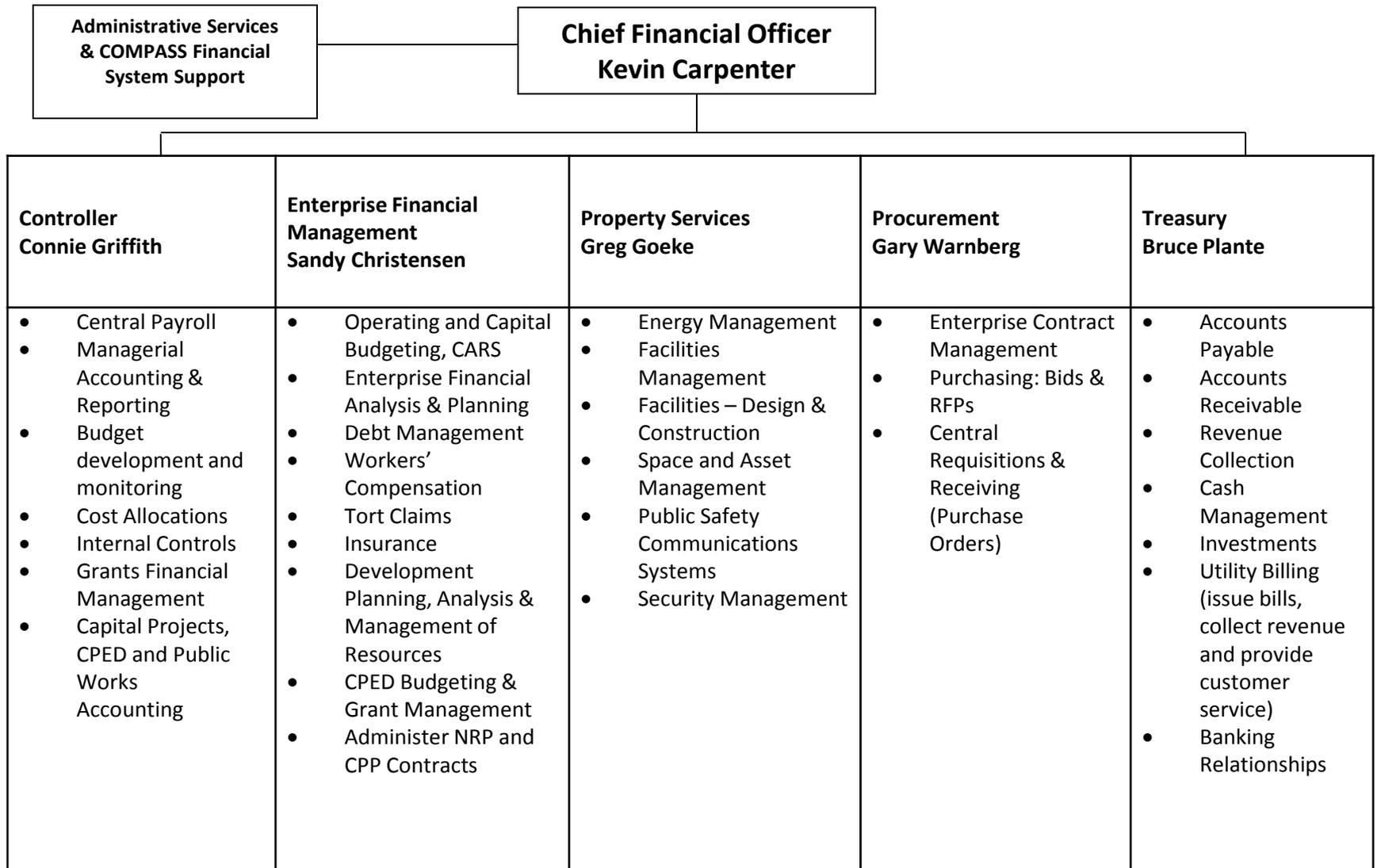
Finance & Property Services Department

October 24, 2014

Budget Book Pages F85-F98



Department Organizational Chart



Recommended budget program overview

Program name	Current funding		Recommended Enhancements (new dollars)		FTEs		Select type of funding	
	General fund	Non-general fund	General fund	Non-general fund	Current	Additional	One time	On-going
Accounting & Financial Reporting	\$6,855,636	\$214,858	\$0	\$0	53.27			
Utility Billing	\$5,526,747	\$0	\$0	\$0	38.27			
Order, Buy & Pay for Goods and Services	\$2,672,750	\$725,392	\$0	\$0	33.27			
Investment, Cash Management and Receivables	\$1,504,574	\$0	\$0	\$0	9.27			
Pay Employees	\$1,283,502	\$0	\$0	\$0	15.27			
Risk Management & Claims	\$34,664	\$2,459,371	\$0	\$0	9.27			
Strategic Financial Services	\$2,879,149	\$0	\$0	\$0	20.47			
Radio Communications & Electronics	\$34,664	\$1,915,725	\$0	\$0	9.27			
Facilities, Energy & Security Management	\$316,633	\$10,369,875	\$0	\$96,198	58.27	1.0		X
MBC/City Hall Operating Costs	\$0	\$5,319,887	\$0	\$0	0.0			
ERP Application & System Functional Support	\$1,061,849	\$0	\$0	\$0	3.37			
2015 Total:	\$22,170,168	\$21,005,108	\$0	\$96,198	250.0	1.0	NA	X
2014 Total:	\$21,876,679	\$20,140,177	NA	NA	250.0	NA	NA	

Accounting & Financial Reporting

- Describe the program
 - Monitor and report department revenues and expenditures to managers and policy-makers
 - Prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR)
 - Respond to internal and external audits
 - Design and administer rate models that allocate shared costs for internal services
 - Assist managers during the annual budget process; and provide functional support of COMPASS

Goals and Values: Accounting and Financial Reporting

Goals	
Does this program move the City closer to achieving any of the following goals?	
Living well: Minneapolis is safe and livable and has an active and connected way of life	
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	
A City that works: City government runs well and connects to the community it serves	X

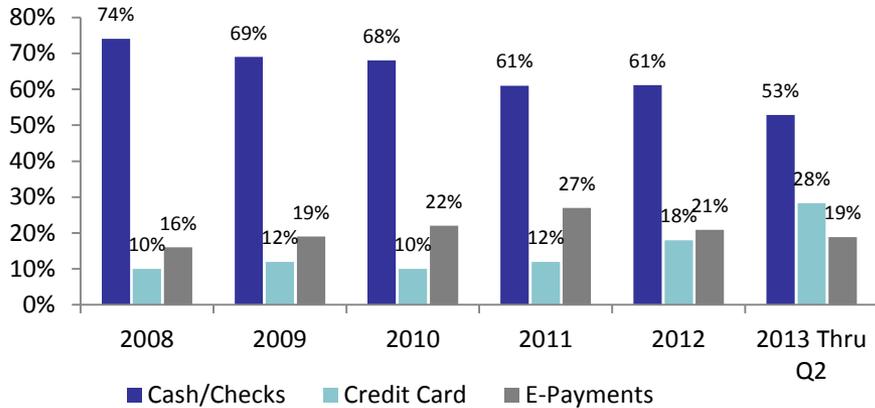
Values	
Does this program move the City closer to achieving any of the following values?	
Equity	
Safety	
Health	
Vitality	X
Connectedness	X
Growth	X

Utility Billing

- Describe the program
 - Bill and collect revenue for City utilities
 - Issue monthly utility bills that include charges for water, sanitary sewer, stormwater and solid waste
 - Respond to customer queries regarding utility charges, initiating service, payment arrangements, water usage, past due amounts, meter services, etc.

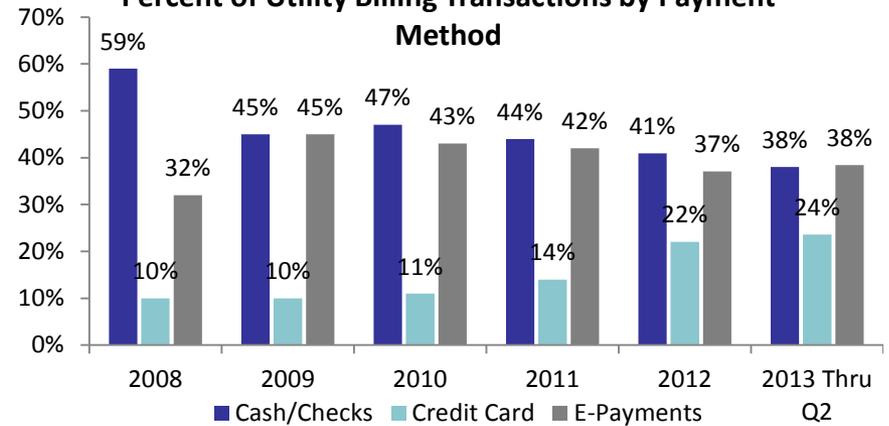
Justification: Utility Billing

Utility Billing Revenues by Payment Method



Source: Enquesta Reports

Percent of Utility Billing Transactions by Payment Method



Source: Enquesta Reports

Goals and Values: Utility Billing

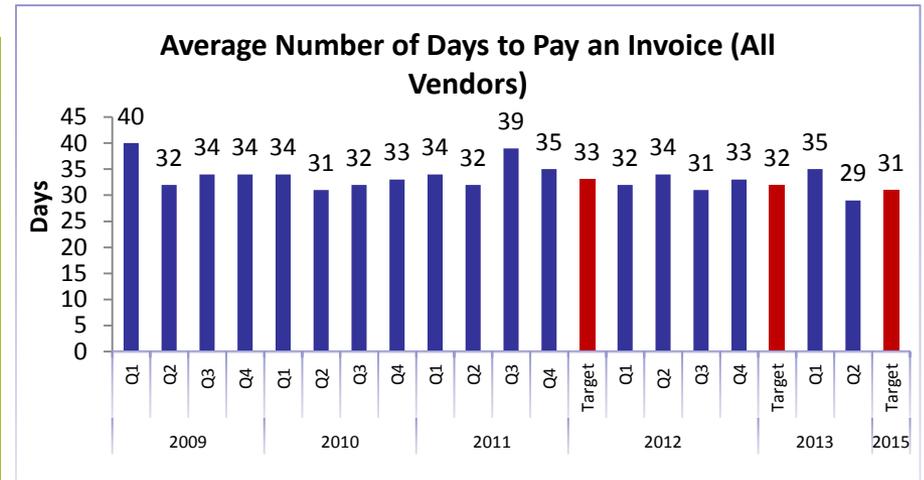
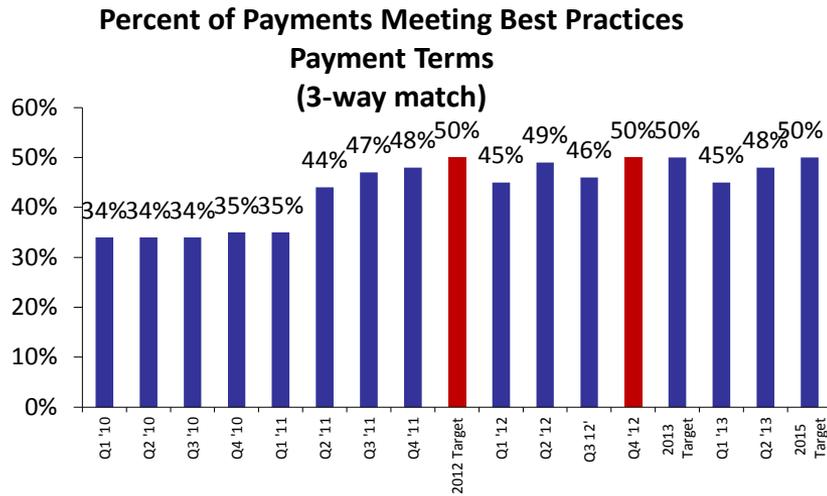
Goals	
Does this program move the City closer to achieving any of the following goals?	
Living well: Minneapolis is safe and livable and has an active and connected way of life	X
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	
Great places: Natural and built spaces work together and our environment is protected	
A City that works: City government runs well and connects to the community it serves	X

Values	
Does this program move the City closer to achieving any of the following values?	
Equity	X
Safety	
Health	
Vitality	
Connectedness	X
Growth	X

Order, Buy & Pay for Goods & Services

- Describe the program
 - Facilitate the purchase of goods and services on the most favorable terms according to state law and City policies
 - Assure contracts are consistent with good business practices and City policies
 - Create requisitions for goods and services, document receipt of goods and services, and pay vendors

Justification: Order, Buy & Pay for Goods & Services



Goals and Values: Order, Buy & Pay for Goods & Services

Goals

Does this program move the City closer to achieving any of the following goals?

Living well: Minneapolis is safe and livable and has an active and connected way of life	
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

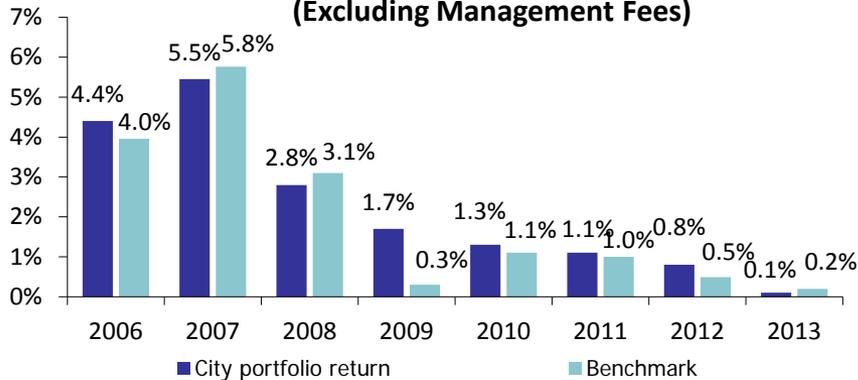
Equity	X
Safety	
Health	
Vitality	X
Connectedness	X
Growth	X

Investment, Cash Management & Receivables

- Describe the program
 - Invest City funds, monitor bank accounts and cash balances, make electronic fund transfers and payments
 - Manage incoming funds through citywide receivable work

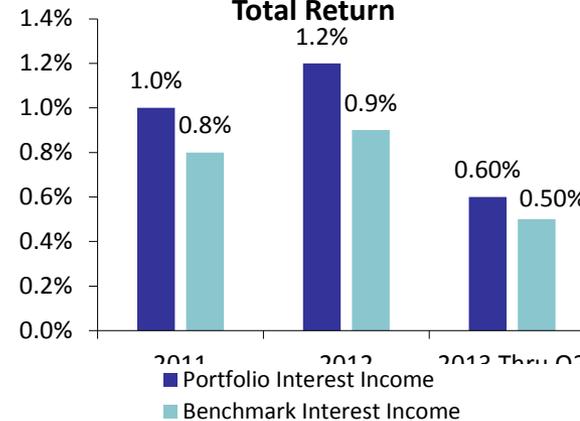
Justification: Investment, Cash Management & Receivables

**Total Return On Operating Assets
(Excluding Management Fees)**



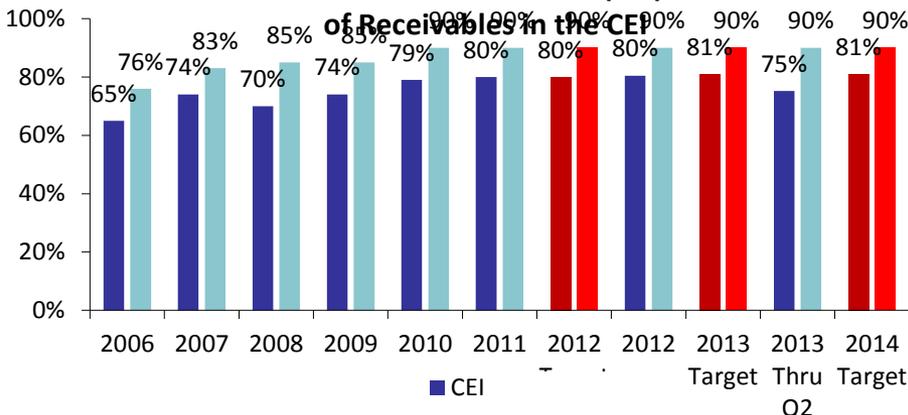
Note: For the years ended December 31. For 2013, YTD 6/30/13

**Interest Income Component of
Total Return**



Source: Quarterly Investment Reports

**Collections Effectiveness Indicator (CEI) and Percent
of Receivables in the CEI**



Note: Data is as of 12/31 each year. 2006-2009 represent utility receivables only. Starting in 2010, the target CEI is a combination of COMPASS and utility

Goals and Values: Investment, Cash Management & Receivables

Goals	
Does this program move the City closer to achieving any of the following goals?	
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One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	
A City that works: City government runs well and connects to the community it serves	X

Values	
Does this program move the City closer to achieving any of the following values?	
Equity	X
Safety	
Health	
Vitality	X
Connectedness	
Growth	X

Pay Employees

- Describe the program
 - Pay employees according to labor agreements, state and federal laws, and City policies
 - Manage, in conjunction with HR, employee deductions for benefits, taxes, pensions, etc.
 - Expense reimbursements

Goals and Values: Pay Employees

Goals

Does this program move the City closer to achieving any of the following goals?

<p>Living well: Minneapolis is safe and livable and has an active and connected way of life</p>	
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<p>A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here</p>	
<p>Great places: Natural and built spaces work together and our environment is protected</p>	
<p>A City that works: City government runs well and connects to the community it serves</p>	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	
Safety	
Health	
Vitality	
Connectedness	
Growth	

Risk Management & Claims

- Describe the program
 - Protect City assets, prevent loss of money and injury to City employees and residents, and manage claims for workers' compensation and tort
 - Oversee insurance

Justification: Risk Management & Claims

Agency Name	Claim Amounts			Claim Payments		
	2011	2012	2013	2011	2012	2013
Public Works	\$ 330,897	\$ 166,641	\$ 185,061	\$ 139,908	\$ 82,130	\$ 82,049
Police Department	\$ 108,085	\$ 103,004	\$ 80,729	\$ 27,108	\$ 18,018	\$ 52,925
Fire Department	\$ 24,135	\$ 3,411	\$ 16,320	\$ 600		
Regulatory Services	\$ 31,025	\$ 15,193	\$ 12,535	\$ 10,141	\$ 2,337	\$ 914
Other	\$ 4,353	\$ 21,523	\$ 18,107	\$ 941	\$ 365	\$ 1,942
Total	\$ 498,495	\$ 306,361	\$ 299,843	\$ 194,418	\$ 102,850	\$ 138,430

Workers Compensation Payments			
Year	2011	2012	2013*
Public Works	\$ 2,584,712	\$ 2,364,007	\$ 1,974,680
Police Department	\$ 1,791,605	\$ 2,172,152	\$ 750,522
Fire Department	\$ 1,155,454	\$ 1,840,714	\$ 1,421,524
Regulatory Services	\$ 198,316	\$ 97,229	\$ 151,953
Convention Center	\$ 119,497	\$ 33,349	\$ 10,685
Finance Department	\$ 289	\$ 96,101	\$ 50,214
CPED	\$ 971	\$ 847	\$ 13,404
Assessors	\$ 31,507	\$ 39,549	\$ 21,916
Emergency Communications	\$ 20,074	\$ 2,995	\$ 18,332
City Attorney	\$ 55,380	\$ 18,980	\$ 65,815
City Clerk	\$ 14,416	\$ 5,652	\$ 27,554
Health	\$ 32,807	\$ 74,641	\$ 22,584
Human Resources	\$ 15,017	\$ 51,486	\$ 115,178
Civil Rights	\$ 11,799	\$ 7,152	\$ 59,750
Communications	\$ 3,142	\$ 5	
BIS	\$ 2,208	\$ 1,170	
311	\$ 170	\$ 13,011	\$ 14,398
Total	\$ 6,037,362	\$ 6,819,040	\$ 4,718,508

Notes:

1. * Dollars represent payments made within the calendar year except 2013 which is through 6/30/13
2. The totals are accurate as of 6/30/13

Links to goals and values #6

Goals	
Does this program move the City closer to achieving any of the following goals?	
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A City that works: City government runs well and connects to the community it serves	X

Values	
Does this program move the City closer to achieving any of the following values?	
Equity	X
Safety	X
Health	X
Vitality	
Connectedness	
Growth	X

Strategic Financial Services

- Describe the program
 - Lead City annual budget and long-term financial planning process
 - Initiate financial analyses on issues impacting the City Enterprise
 - Provide financial information and advice to policy-makers and City leadership
 - Insure adequate and appropriate resources for Enterprise Initiatives

Goals and Values: Strategic Financial Services

Goals

Does this program move the City closer to achieving any of the following goals?

Living well: Minneapolis is safe and livable and has an active and connected way of life	X
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A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

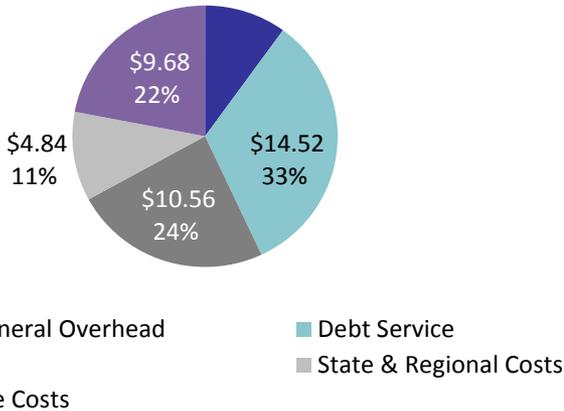
Equity	
Safety	
Health	
Vitality	X
Connectedness	X
Growth	X

Radio Communications & Electronics

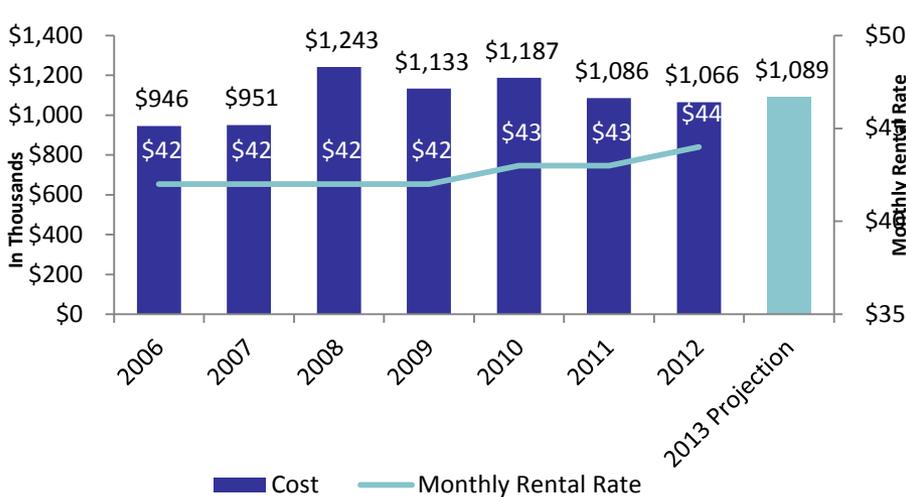
- Describe the program
 - Provide, maintain, and manage public safety radio communications systems to meet the needs of the City during emergencies as well as day-to-day operations
 - Provide for and support (in partnership with the Information Technology Department) the comprehensive communications, data, video, and electronics needs of the City's Operating Departments

Justification: Radio Communications & Electronics

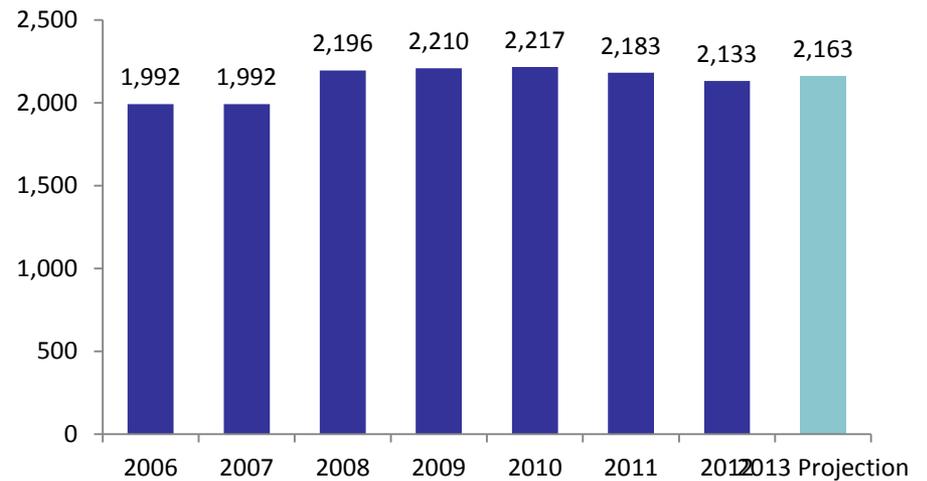
Radio System Costs as a Portion of Monthly Individual Radio Unit Cost (2012)



Radio System Total Costs and Monthly Rental Cost



Radio System Number of Radio Units Rented



Goals and Values: Radio Communications & Electronics

Goals	
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Values	
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Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Facilities, Energy & Security Management

- Describe the program
 - Comprehensively and strategically provide for the land, facility, and furnishing needs of City owned, operated and leased facilities through various activities including preventive maintenance and corrective maintenance, routine cleaning and maintenance, construction, tenant improvements, space and asset management, and security and life safety needs
 - Provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions
 - Provide centralized internal security management services that reduce the risk to the City's Operating Departments

Enhancements: Facilities, Energy & Security Management

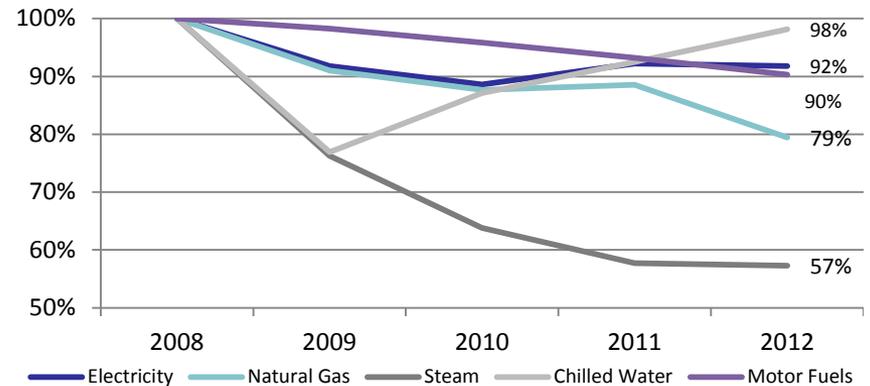
- Addition of \$96,198 to base budget for 1.0 painter trade FTE to address project needs
 - Special Projects for City wide needs
 - Improve overall appearance of City-owned facilities and work spaces

Justification: Facilities, Energy & Security Management

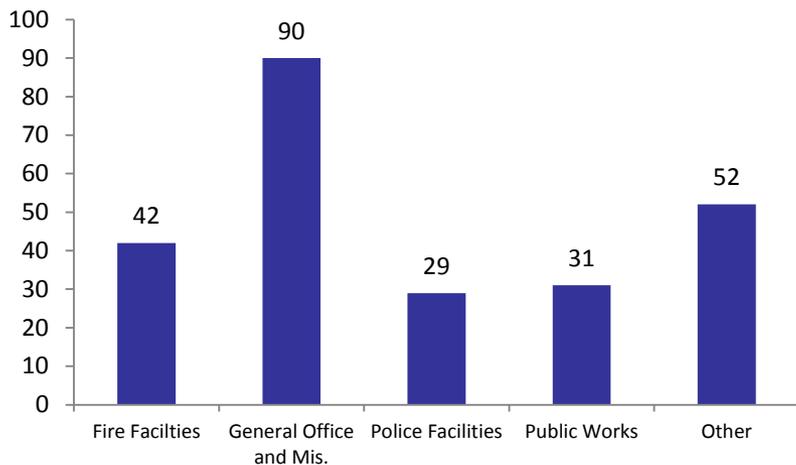
Capital Funding for Facilities Repair & Maintenance Industry Standard vs. City Recommended/Approved



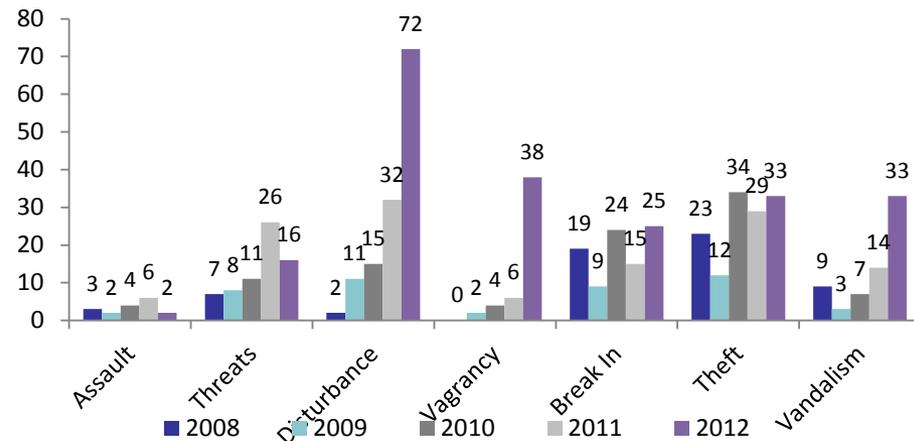
Change in Municipal Utility Usage 2008-2012



Average Age of Municipal facilities By Square Foot



Security Incidents



Goals and Values: Facilities, Energy & Security Management

Goals	
Does this program move the City closer to achieving any of the following goals?	
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Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	X

Values	
Does this program move the City closer to achieving any of the following values?	
Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	
Growth	X

MBC/City Hall Operating Costs

- Describe the program
 - Mechanism to collect revenue for Operating Departments housed in City Hall to be paid to the Municipal Building Commission (MBC) as a reimbursement for the City's pro-rated portion of the operating costs (the remainder is paid by Hennepin County)

Goals and Values: MBC/City Hall

Operating Costs

Goals	
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Great places: Natural and built spaces work together and our environment is protected	X
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Values	
Does this program move the City closer to achieving any of the following values?	
Equity	
Safety	
Health	
Vitality	X
Connectedness	X
Growth	

ERP Application & System Functional Support

- Describe the program
 - The Enterprise Resource Planning (ERP) system is used by both Finance and Human Resources to provide services to the City Council, Mayor, City department leaders and staff, City businesses and residents, and other external stakeholders
 - “ERP” refers to the Human Resources Information System (HRIS) and the City’s “COMPASS” financial system
 - These two systems provide information on the City’s human and financial resources. For Finance, this includes every financial transaction that takes place on a daily, monthly and annual basis. A historical record is maintained for every paycheck issued, details on how each employee is paid and where their time should be charged, contractual information, approvals for purchases, quantity, type and price of goods and services purchased, the department making the purchase, and the department, project or grant to which charges should be applied. The system also tracks complex financial information involving thousands of codes for assigning employee labor time and non-personnel expenditures for City departments

Goals and Values: ERP Application & System Functional Support

Goals	
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Values	
Does this program move the City closer to achieving any of the following values?	
Equity	
Safety	
Health	
Vitality	X
Connectedness	X
Growth	

How is the department doing?

- As an enterprise-focused department, Finance & Property Services (FPS) delivers broad-based programs to meet the needs of the City Enterprise.
- FPS continually monitors programs to determine more effective and efficient ways of delivering program outcomes.
- Through the Enterprise Resource Planning (ERP) Program and MAXIMO system implementation, several FPS programs will experience information system and business process improvements.

Finance and Property Services

CARS Recommendation*

PROJECT DESCRIPTION	TYPE	REQUESTED AMOUNT	RECOMMEND AMOUNT	OTHER FUNDING	RECOMMEND GEN FUND AMOUNT	ANNUAL OPERATING COST
City Facilities Access Control System	Repl	15,000	15,000	0	15,000	0
Payment kiosks for Utility Billing	Add	42,000	42,000	0	42,000	12,000
Public Safety two-way radios	Repl	350,000	350,000	0	350,000	0
Reconfigure existing workstations, relocate existing staff and equipment to temporary location and back and build two new pre-trial rooms for City Attorney.	Add	70,000	70,000	70,000	0	0
Relocation cost to relocate the two Regulatory Services Field Inspectors groups.	Repl	100,540	100,540	0	100,540	0
Annual Vehicle Replacement Schedule	Repl	59,328	59,328	59,328	0	0

*reflects only items recommended – for details of other requests, please see CARS Report

ERP

CARS Recommendation*

PROJECT DESCRIPTION	TYPE	REQUESTED AMOUNT	RECOMMEND AMOUNT	OTHER FUNDING	RECOMMEND GEN FUND AMOUNT	ANNUAL OPERATING COST
ERP Program upgrades to PeopleSoft financial and human resource/ payroll/time&labor systems and implementation of Cognos BI Analytics software and reporting system.	Repl	3,600,000	3,600,000	0	3,600,000	0

*reflects only items recommended – for details of other requests, please see CARS Report

Finance and Property Services Capital Recommendation - 2015

Project	Mayor Recommended
PSD01 Facilities - Repair and Improvements	1,200
PSD03 Facilities - Space Improvements	750
PSD11 Energy Conservation and Emission Reduction	500
RAD01 Public Safety Radio System Replacement	1,700

2015 Budget Compared to 2014

FINANCE AND PROPERTY SERV				
EXPENSE INFORMATION				
EXPENSE	2014 Adopted	2015 Mayor's Recommended	Percent Change	Change
GENERAL				
SALARIES AND WAGES	10,459,685	11,022,063	5.4%	562,378
FRINGE BENEFITS	4,485,189	4,521,418	0.8%	36,229
CONTRACTUAL SERVICES	5,769,862	5,825,516	1.0%	55,654
OPERATING COSTS	744,334	751,562	1.0%	7,228
CAPITAL	417,609	49,609	-88.1%	(368,000)
TOTAL GENERAL	21,876,679	22,170,168	1.3%	293,489
SPECIAL REVENUE				
SALARIES AND WAGES	182,381	157,345	-13.7%	(25,036)
FRINGE BENEFITS	68,785	57,513	-16.4%	(11,272)
CONTRACTUAL SERVICES				0
OPERATING COSTS				0
CAPITAL				0
TOTAL SPECIAL REVENUE	251,166	214,858	-14.5%	(36,308)
INTERNAL SERVICE				
SALARIES AND WAGES	5,228,860	5,595,253	7.0%	366,393
FRINGE BENEFITS	2,364,760	2,492,843	5.4%	128,083
CONTRACTUAL SERVICES	10,358,353	11,188,485	8.0%	830,132
OPERATING COSTS	1,585,963	1,603,792	1.1%	17,829
CAPITAL	351,076	6,076	-98.3%	(345,000)
TOTAL INTERNAL SERVICE	19,889,011	20,886,448	5.0%	997,437
TOTAL EXPENSE	42,016,856	43,271,475	3.0%	1,254,618

2015 Expenditure Budget Highlights

- Budget reflects increase in salary and fringe costs to support current service levels, the shift of certain existing FTEs into FPS, and fully accounting for all City leasing costs
- The budget supports adding 1.0 Painter FTE in the Property Services Division as a result of increased workload

Questions?

THANK YOU