

# FINANCE AND PROPERTY SERVICES

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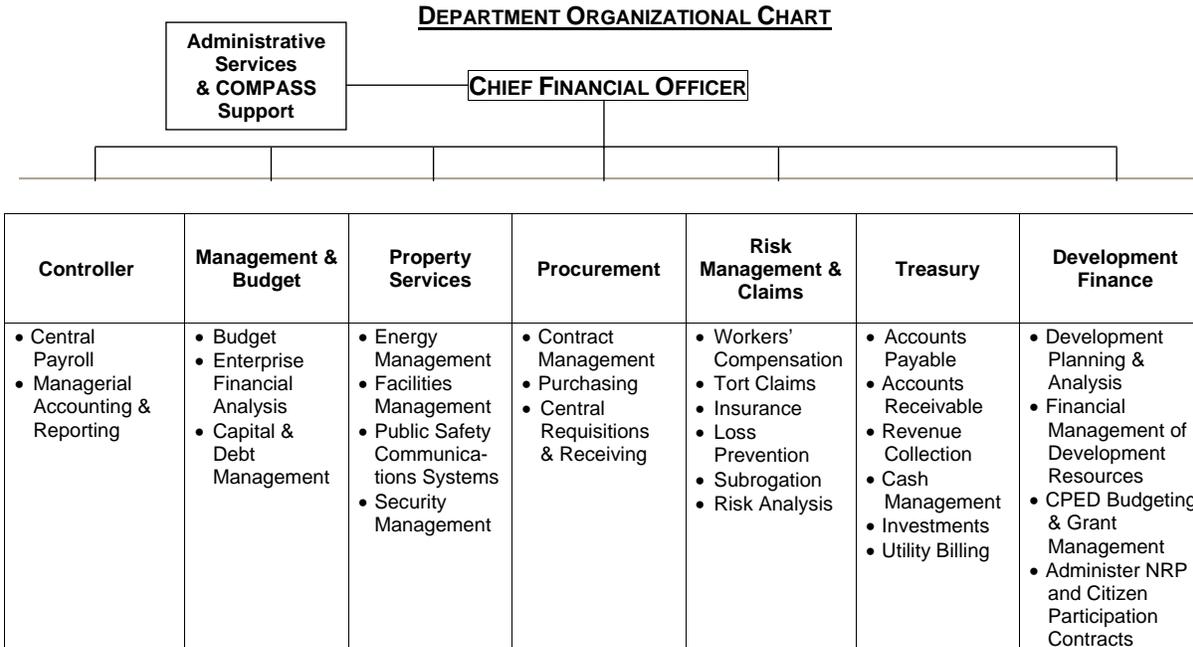
## MISSION

Provide essential financial services, resource and asset management, and guide decisions to ensure the City's lasting vibrancy and financial strength.

## BUSINESS LINES

- ACCOUNTING, REPORTING AND DEPARTMENT SERVICES
- BUY, ORDER AND PAY FOR GOODS AND SERVICES
- CONCENTRATE CASH AND INVEST RESERVES
- ENERGY MANAGEMENT
- ENTERPRISE RESOURCE PLANNING SYSTEM
- FACILITIES MANAGEMENT
- PAY EMPLOYEES
- RADIO SHOP
- RISK MANAGEMENT AND CLAIMS
- SECURITY MANAGEMENT
- STRATEGIC FINANCIAL SERVICES
- UTILITY BILLING

## ORGANIZATIONAL CHART



Goal: A City that Works

**Accounting, Reporting and Department Services**

General Fund: \$7,216,316  
Other Funds: \$282,571

Monitor and report department revenues and expenditures to the City Council, Mayor and department managers; 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; and assist managers during the annual budget process. A critical function of this program is to provide services to City departments that receive grants by tracking and monitoring grant-related revenues and expenses, and reporting this information to grantors so the City remains in compliance and continues to receive and preserve the authority to expend these funds. Another important function is to provide financial analyses and pertinent information necessary to support City development decisions and investment intended to stimulate tax base growth, job creation/retention and the production of new housing units.

**ERP Application Re-Implementation & Application Assessment**

General Fund: \$150,000

The ERP application re-implementation program seeks funds to support the work effort to plan and execute installation of the most current versions of HRIS and COMPASS. It is customary to do a wholesale re-install approximately every five years for software systems. HRIS is due for its latest version in 2013. COMPASS re-implementation will occur in 2014.

**Administer Utility Billing System**

General Fund: \$5,302,727

This program is mandated by Minneapolis City Ordinance and is a collaboration between the Finance and Public Works Department to invoice, collect revenue and provide specific utility customer account information related to the delivery of City water, sewer, solid waste and stormwater services. The revenues generated sustain the operations of these departments, so it is imperative that revenues are billed and collected in an efficient manner.

**Order, Buy and Pay for Goods and Services**

General Fund: \$2,445,119  
Other Funds: \$666,157

This program manages, facilitates and oversees the purchase of and payment for all goods and services for all City departments and independent boards. A goal of this program is to facilitate the purchase of goods and services on the most favorable terms according to state law and City policies, and assure contracts are consistent with good business practices and City policies. Additional activities covered under this program include creating requisitions for goods and services, issuing purchase orders, documenting receipt of goods and services, and paying vendors as well as administration of bid and request for proposal processes, price agreements and contract management. The Central Stores functional formerly housed in Public Works is also included in this program.

**Investment, Cash Management, Receivables and Cash Receipting**

General Fund: \$1,410,869

Selecting, contracting, and monitoring Investment Managers responsible for investing City funds for all City Departments. Daily monitoring, analysis, and forecasting of cash flow to ensure that

the City is able to meet its funding requirements for vendor payments and employee payroll. This includes monitoring the activity of approximately fifteen (15) bank accounts and sub-accounts.

**Pay Employees**

General Fund: \$1,255,654

Perform payroll functions according to twenty-three different City labor contract agreements and numerous work rules surrounding pay, and federal and state regulations. Proof and audit employee payroll time on a daily, weekly and bi-weekly schedule in order to ensure paychecks are produced for City Council, Mayor, City department and independent board employees on a bi-weekly basis. Manage federal and state tax withholdings and process bi-weekly (payroll) tax deposits.

**Risk Management**

General Fund: \$27,921  
Other Funds: \$2,535,112

The goals of this program are the preservation of City assets, prevention of the loss of financial resources and injury to City employees, administration and management of workers' compensation claims and tort claims (liability claims under \$25,000), unemployment program administration as well as loss prevention activities, which include safety, OSHA, ergonomic programs and subrogation.

**Strategic Financial Services**

General Fund: \$1,043,779

Perform financial analyses and planning on various issues impacting the City Enterprise (*i.e.*, pension reform, labor forecasting), provide financial information and advice to policy-makers and City leadership, support informed and strategic decision-making, provide debt management, and develop and administer the annual Citywide process for capital and operating budget development.

**Security Management**

General Fund: \$27,921  
Other Funds: \$244,664

This program is responsible for development and implementation of enterprise internal security plans, policies and procedures for municipal buildings, grounds, and other property. The program conducts security risk and vulnerability assessments, and audits in response to department security and life safety needs. This includes comprehensive capital improvements/modifications to existing facilities and planned requirements for new facilities. The goals of this program are to provide safe working environments for employees, their clients and visiting members of the public. This is accomplished by employing adequate security measures that provide for the protection of people and property.

**Facilities Management**

General Fund: \$27,921  
Other Funds: \$9,000,808

The purpose of this enterprise program is to comprehensively and strategically provide for the land, facility, and furnishing needs of the City's operating departments in order for the services to be provided to the public in an efficient and effective manner. All services are to be provided with the holistic goal of managing the City's facilities in an environmentally responsible manner.

**MBC Reimbursement for Cost**

Other Funds: \$4,841,234

This program is a 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).

**ERP Application (COMPASS)**

General Fund: \$1,358,712

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. Together, 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. This program maintains existing technology functional support for the COMPASS system related to Finance staff (3.0 FTEs) and IT costs for technical staff, system maintenance and support.

Goal: Eco-Focused

**Energy Management**

General Fund: \$27,921

Other Funds: \$167,722

The goal of this program is to centralize energy management and provide enterprise-wide services that support energy conservation, renewable energy and alternate fuels, and emissions reduction, for the City's municipal operations and associated operating departments. This program is responsible for oversight of City use of major energy sources such as electricity, natural gas, district energy (steam and chilled water), managing internal conservation and education programs, managing or providing assistance on energy-related capital projects, procurement, budgeting, and accounting for energy purchases, data analysis (software application) of energy consumption, renewable energy initiatives, and emissions reduction efforts.

Goal: A Safe Place to Call Home

**Radio Shop**

General Fund: \$27,921

Other Funds: \$2,047,072

The primary purpose of this program is to maintain and provide Public Safety Communications Systems and 800 mhz radio equipment to ensure communications capabilities during emergencies as well as day-to-day City operations.

**FINANCIAL ANALYSIS**

**Expenditure**

The total Finance and Property Service Department's budget increased from \$39.1 million to \$40.1 million from 2012 to 2013. This is an increase of \$1 million, or 2.5%. The General Fund budget is \$20.3 million. The department increased 0.5 FTE from 2012 staffing levels within existing resources. The Mayor recommends adding 1 FTE, for a net addition of 1.5 FTE.

**Revenue**

In 2013, the department anticipates \$16.7 million in revenue, a 0.4% increase from 2012.

## **Fund Allocation**

In 2013, 51% of the department's budget is from the General Fund. The remaining budget comes from internal service funds and grants.

## **Mayor's Recommended Budget**

The Mayor recommended no programmatic changes to the proposed budget and recommends funding 1 additional FTE to augment existing internal controls, particularly around grant management. In addition, the Mayor recommended \$150,000 in one-time funding, in conjunction with \$850,000 in one-time funding in HR, to support upgrades to the enterprise Compass and HRIS systems.

## **Council Adopted Budget**

Council approved the Mayor's recommendations and directed the Finance and Property Services department to:

- Amend all schedules and language according to amended budgets.
- Adjust the five year financial direction according to amended budgets and staff directions.
- City Departments are directed to work with the Finance Department to review and analyze the City's existing fee structure to determine fiscal relationship between cost of providing activities and ability to recoup costs. The study shall be complete by April 1, 2013, and presented to the Ways & Means/Budget Committee and the Regulatory, Energy & Environment Committee during their regularly scheduled meetings in April 2013.
- City Departments are further directed to work with the Finance Department and City Attorney to incorporate the results of the fees study into the development of a methodology and process to support any proposed ongoing adjustments to existing fees. The proposed methodology and process shall be presented to the Ways & Means/Budget Committee and Regulatory, Energy & Environment Committee by June 30, 2013.
- The City Coordinator and Chief Financial Officer are directed to lead a staff working group, also including the heads of the Departments of Regulatory Services, Health and Family Support, Fire and Community Planning and Economic Development, to oversee the operational execution of the Regulatory Services reorganization. This group will manage the various finance and accounting, technology, space and other related changes to various operational and processing activities necessary to reflect the movement of certain business units to new departments.

**FINANCE AND PROPERTY SERV  
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2010 Actual	2011 Actual	2012 Adopted	2013 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	9,634,774	9,487,169	9,650,708	10,020,490	3.8%	369,781
FRINGE BENEFITS	3,572,264	3,446,677	3,874,485	4,004,278	3.3%	129,793
CONTRACTUAL SERVICES	5,428,155	5,485,475	5,389,540	5,548,360	2.9%	158,820
OPERATING COSTS	825,896	744,342	710,658	742,045	4.4%	31,387
CAPITAL	1,035	1,035	7,609	7,609	0.0%	0
<b>TOTAL GENERAL</b>	<b>19,462,123</b>	<b>19,164,698</b>	<b>19,633,000</b>	<b>20,322,781</b>	<b>3.5%</b>	<b>689,781</b>

<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	338,690	293,896	207,521	206,934	-0.3%	(586)
FRINGE BENEFITS	113,534	102,285	75,386	74,419	-1.3%	(967)
CONTRACTUAL SERVICES	1,555,564	976,374	5,823	1,218	-79.1%	(4,605)
OPERATING COSTS	50,155	93,685	0			0
CAPITAL	9,704	40,091	0			0
<b>TOTAL SPECIAL REVENUE</b>	<b>2,067,646</b>	<b>1,506,332</b>	<b>288,730</b>	<b>282,571</b>	<b>-2.1%</b>	<b>(6,158)</b>

<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	4,879,592	4,959,742	4,746,029	5,053,489	6.5%	307,460
FRINGE BENEFITS	2,418,833	2,327,194	2,206,958	2,301,280	4.3%	94,322
CONTRACTUAL SERVICES	10,743,002	10,264,856	10,550,933	10,449,880	-1.0%	(101,053)
OPERATING COSTS	1,119,835	1,296,091	1,651,352	1,667,043	1.0%	15,691
CAPITAL	0	0	63,644	31,076	-51.2%	(32,568)
<b>TOTAL INTERNAL SERVICE</b>	<b>19,161,261</b>	<b>18,847,882</b>	<b>19,218,916</b>	<b>19,502,768</b>	<b>1.5%</b>	<b>283,852</b>

<b>TOTAL EXPENSE</b>	<b>40,691,031</b>	<b>39,518,913</b>	<b>39,140,646</b>	<b>40,108,121</b>	<b>2.5%</b>	<b>967,475</b>
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REVENUE	2010 Actual	2011 Actual	2012 Adopted	2013 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	0	416	0		0.0%	0
CHARGES FOR SERVICES	0	1,402	0		0.0%	0
INTEREST	0	110	0		0.0%	0
OTHER MISC REVENUES	12,299	19,267	0		0.0%	0
<b>GENERAL</b>	<b>12,299</b>	<b>21,194</b>				<b>0</b>

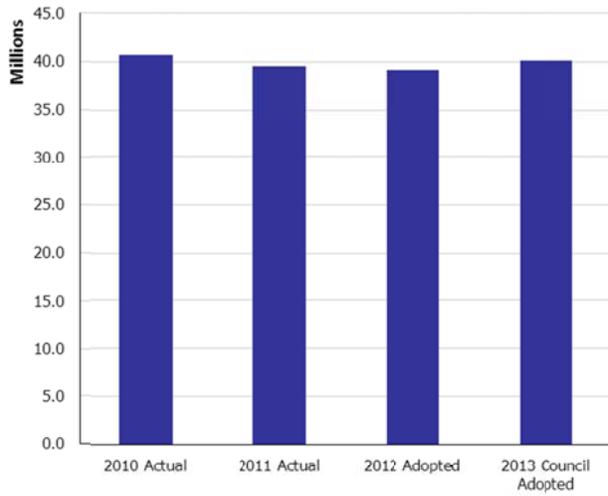
<b>SPECIAL REVENUE</b>						
FEDERAL GOVERNMENT	12,386	363,899	0		0.0%	0
LOCAL GOVERNMENT	1,250,000	(1,250,000)	0		0.0%	0
STATE GOVERNMENT	0	1,750,742	0		0.0%	0
<b>SPECIAL REVENUE</b>	<b>1,262,386</b>	<b>864,641</b>				<b>0</b>

**INTERNAL SERVICE**

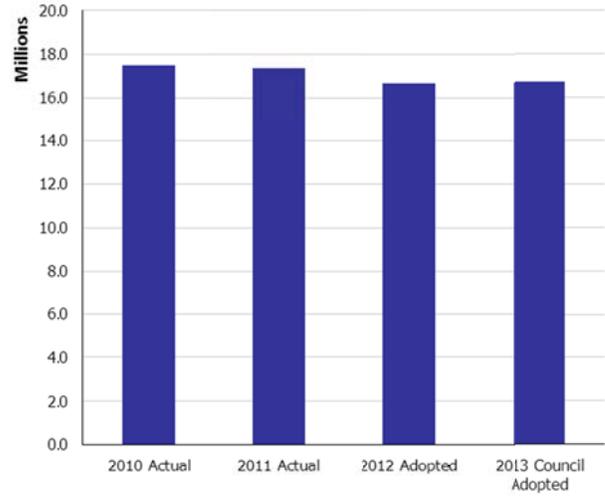
**FINANCE AND PROPERTY SERV  
EXPENSE AND REVENUE INFORMATION**

<b>REVENUE</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
CHARGES FOR SALES	284,866	301,160	355,000	360,325	1.5%	5,325
CHARGES FOR SERVICES	3,365,253	3,377,594	2,965,600	2,405,000	-18.9%	(560,600)
FEDERAL GOVERNMENT	0	26,895	0		0.0%	0
OTHER MISC REVENUES	142,321	76,727	3,000	3,000	0.0%	0
RENTS	12,427,824	12,700,464	13,351,440	13,965,731	4.6%	614,291
STATE GOVERNMENT	0	8,965	0		0.0%	0
<b>INTERNAL SERVICE</b>	<b>16,220,264</b>	<b>16,491,803</b>	<b>16,675,040</b>	<b>16,734,056</b>	<b>0.4%</b>	<b>59,016</b>
<b>TOTAL REVENUE</b>	<b>17,494,949</b>	<b>17,377,638</b>	<b>16,675,040</b>	<b>16,734,056</b>	<b>0.4%</b>	<b>59,016</b>

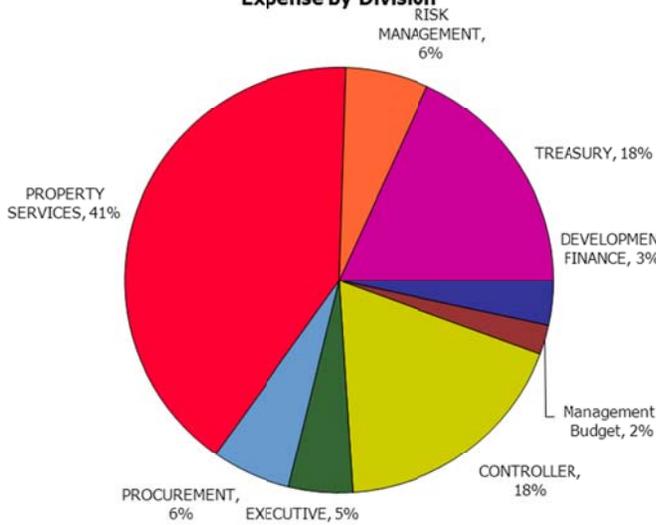
**Expense 2010 - 2013**



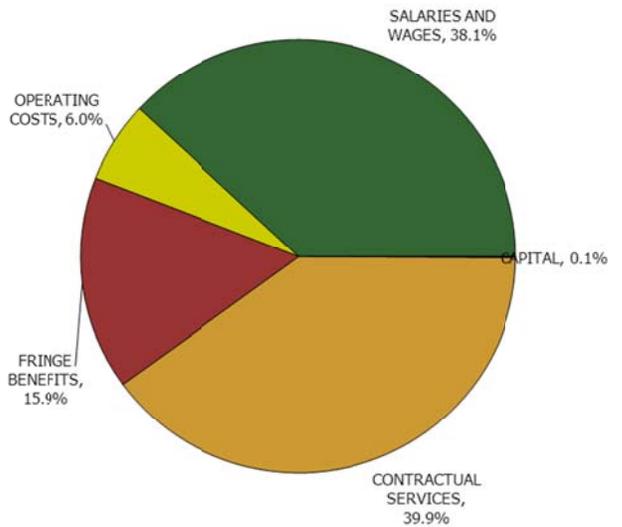
**Revenue 2010 - 2013**



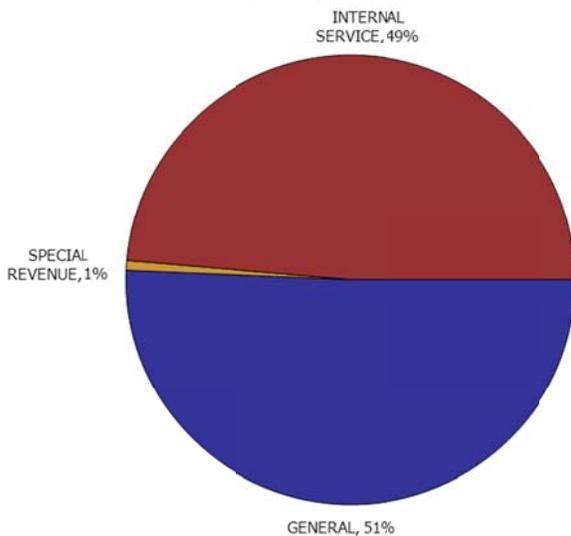
**Expense by Division**



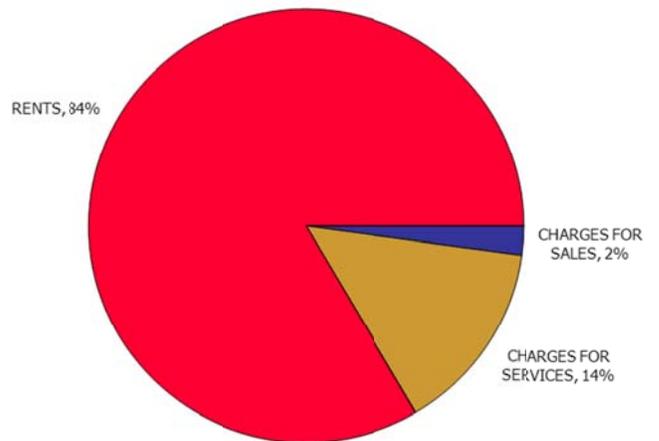
**Expense by Category**



**Expense by Fund**



**Direct Revenue by Type**



# FINANCE AND PROPERTY SERV

## Staffing Information

Division	2010 Budget	2011 Budget	2012 Budget	2013 Council Adopted	% Change	Change
CONTROLLER	93.00	90.00	92.00	68.00	-26.1%	(24.00)
DEVELOPMENT FINANCE	8.00	10.00	10.00	10.00	0.0%	0
EXECUTIVE	10.00	10.00	10.00	6.00	-40.0%	(4.00)
FINANCE AND PROPERTY SERV						0
Management & Budget				7.00		7.00
PROCUREMENT	9.00	9.00	9.00	23.00	155.6%	14.00
PROPERTY SERVICES	61.00	59.00	62.00	63.50	2.4%	1.50
RISK MANAGEMENT	8.00	9.00	9.00	9.00	0.0%	0
TREASURY	51.00	50.00	47.00	54.00	14.9%	7.00
Overall	240.00	237.00	239.00	240.50	1%	1.50

### Positions 2010-2013

