

**City of Minneapolis  
2013 Budget  
Financial Plan**

**Regulatory Services Special Revenue Fund**

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**Background**

The Regulatory Services Special Revenue Fund accounts for the City's nuisance building abatement efforts and is primarily managed by the Regulatory Services Department with the assistance of the Finance & Property Services Department. The Fund is used not only for the abatement of buildings that have been deemed to be in nuisance condition pursuant to Chapter 249 but also removal of nuisance conditions. Property owners are charged to recover the costs of these activities and all recovered costs are credited back to this fund. In 2013 the Construction Code Services department of Regulatory Services was transferred to Community Planning and Economic Development (CPED). A portion of the activities in the Regulatory Services Special Revenue Fund are now managed by CPED.

**Historical Financial Performance**

The City established this fund in 2008, and through 2011, it has established a fund balance of \$5.5million. This balance is the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. Both of these revenue sources are not projected to continue leaving special assessments and direct property owner charges as the only sources of revenue for this fund. These resources will face challenges in 2013 and beyond, including lower than expected assessment collections and reductions in grant allocations.

**2013 Budget**

*Revenues*

Revenues for the Regulatory Services Special Revenue Fund have been declining since 2011. The total revenue budgeted for 2013 is \$4.3 million; \$3.9 million of this is from special assessments. In 2013 Regulatory Services share of these revenues is \$3.9 million and CPED's share is \$361,000. Revenue in future years revenue is expected to decline by 5% annually.

*Expenditures*

Expenditures from the Regulatory Services Special Revenue Fund include services such as demolitions, boardups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. In order to continue to spend down fund balance, total budgeted expenditures for 2013 are \$5.0M or \$633,000 in excess of revenue. Regulatory Services appropriation is \$4.6 million, and CPED's appropriation is \$360,000.

**Mayor's Recommended Budget**

The Mayor recommends no changes to this fund.

**Council Adopted Budget**

The Council amended the Mayor's recommendation for this fund through the implementation of the Regulatory Services Transition Committee's plans to move Construction Code Services from Regulatory Services to CPED as part of the 2013 Council Adopted Budget.

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 Regulatory Services Special Revenue Fund

<b>Special Revenue Fund</b>	2010 Actual	2011 Actual	2012 Budget	2012 Projected	2013 Budget	% Chg from 2012 Projected	2014 Forecast	2015 Forecast	2016 Forecast
<b>Source of Funds:</b>									
Special Revenue Fund	7,365	5,944	6,052	4,800	4,568	95%	4,339	4,122	3,916
<b>Uses of Funds:</b>									
Special Revenue Fund	7,247	7,241	8,452	5,000	5,212	104%	5,264	4,328	3,995
<b>Net Income</b>	118	(1,297)	(2,400)	(200)	(644)	322%	(925)	(206)	(79)
<b>Fund Balance at start of year</b>	6,657	6,775	5,478	5,478	5,278		4,634	3,709	3,503
<b>Fund Balance at end of year</b>	6,775	5,478	3,078	5,278	4,634	-	3,709	3,503	3,424