

2nd Quarter 2015 Financial Status Report

Finance & Property Services Dept.
September 8, 2015

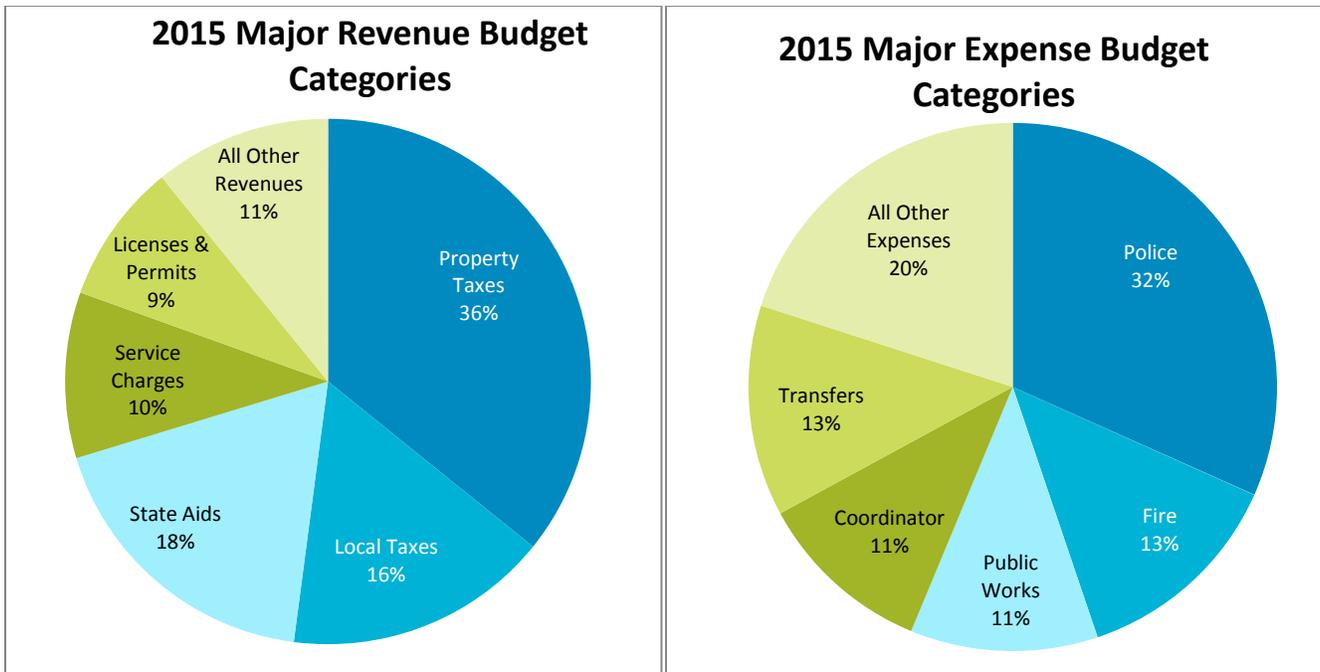
City of Minneapolis
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General Fund

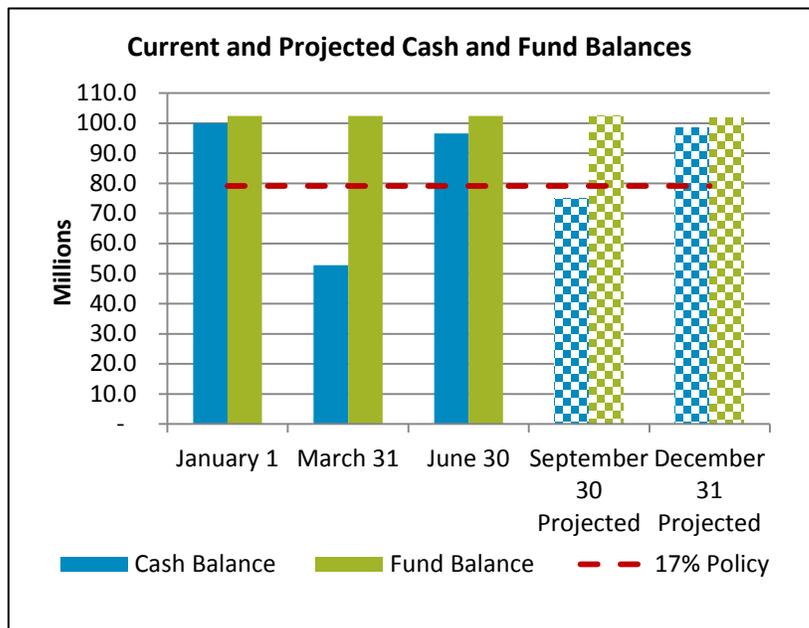
Fund Description

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund by law or administrative action. The Fund's 2015 final revenue budget is \$450.0 million, while the Fund's 2015 final expense budget is \$465.6 million, including transfers.



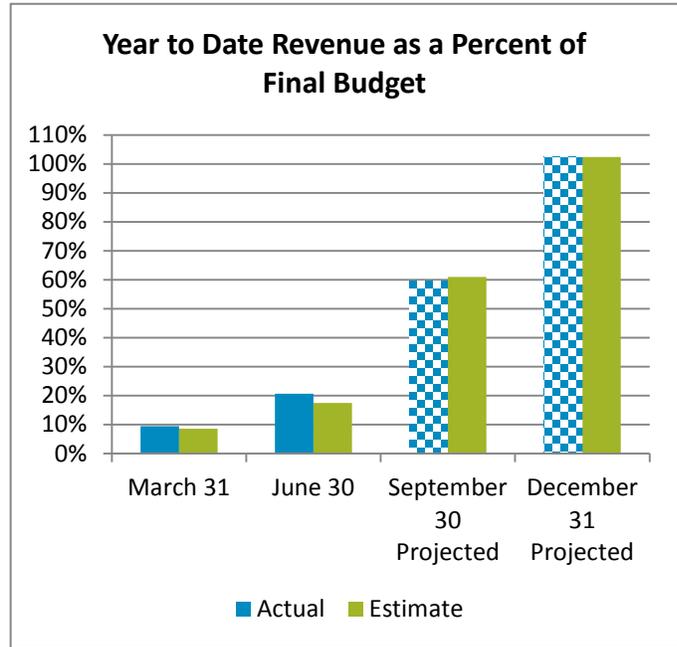
Cash and Fund Balance

The fund balance for the General Fund at fiscal year-end 2014 was \$102.4 million. The budget for 2015 includes a planned use of fund balance totaling \$15.7 million. However, current projections for year-end forecast an excess of expenditures over revenues of only \$0.4 million. Current revenue projections come in over budget by approximately \$8.3 million and expenditure projections come in \$7.0 million under budget. The City's financial policy for General Fund balance is to maintain 17% of the following year's expenditure budget. For 2015, fund balance is projected to be well within the policy guidelines. The cash balance at year-end 2014 was \$100.0 million, while the final cash balance is projected to be \$98.2 million.



Revenues

More than one-half of General fund revenue is related to property taxes, special assessments, and state aids not recorded until after the end of the second quarter. Because of the timing of the revenue, second quarter revenue is estimated at only 17.5% of the total budget. Revenue through the second quarter 2015 totals \$92.9 million or 20.7% of the total budget, slightly ahead of estimates. Year-end projected revenue is nearly \$8.3 million, or 1.8%, more than budgeted. The largest budget variance is predicted to be license and permit revenue with actual revenue forecasted to exceed budget by nearly \$5.0 million. This overage is caused by a continued high level of development activity throughout the City and especially in the downtown area. Charges for services are also projected to be over budget due to an increase in revenue generated from services related to construction projects and loan fees also related to development.

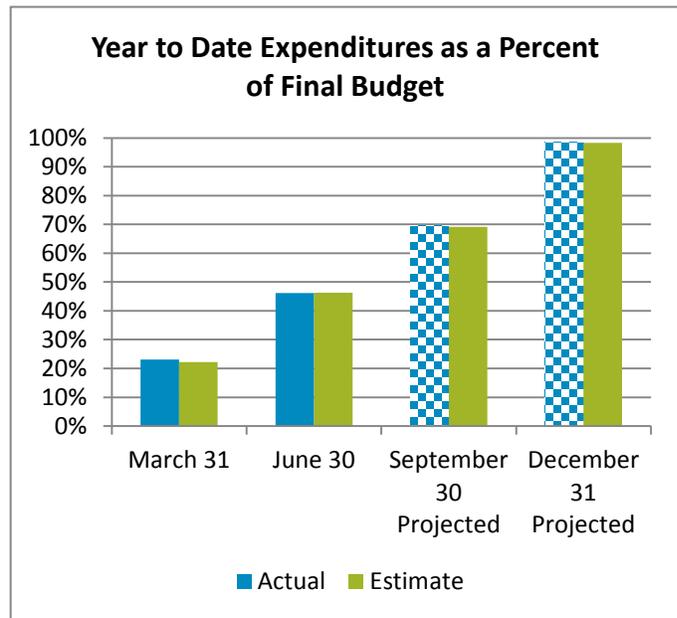


Expenditures

Six departments comprise 78.3% of the total General Fund budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

The Police department projects that expense will exceed budget \$1.3 million by year end due a variety of factors including increased personnel costs and increased contracted service rates. The Fire department is projecting to be under budget by \$0.8 million related to material and services for equipment maintenance and operation.

A milder winter with less snow removal expense is leading Public Works to a projected budgetary savings of \$1.4 million by year end. The City Attorney department projects savings of around \$0.5 million, which is driven by a combination of position vacancies and lower than expected fringe benefit costs. The City Coordinator departments are projecting a total budgetary savings of \$0.9 million, generally due to savings realized by staffing vacancies.



Other departments within the General Fund expect to be within a few percentage points of the current budget by year end. Overall, expenditures are projected to be approximately \$6.7 million less than budgeted for year-end 2015.

**City of Minneapolis
General Fund
June 30, 2015**

	Original Budget	Revised Budget	Year-to-Date Actual	Revised Budget Remaining	Projected Year End Totals	Surplus (Deficit) Budget vs Projected	Projected Year End as a Percent of Revised Budget
Revenues							
Property Taxes	159,478,620	159,478,620	148,541	100%	159,478,620	-	100%
Local Taxes	73,625,186	73,625,186	26,249,674	64%	75,350,000	1,724,814	102%
State Aids	82,419,010	82,419,010	2,330,195	97%	82,419,010	-	100%
Charges for Services	46,227,580	46,227,580	22,205,316	52%	48,750,000	2,522,420	105%
Franchise Fees	28,977,500	29,927,500	14,417,336	52%	31,350,000	1,422,500	105%
Licenses & Permits	39,045,226	39,045,226	22,096,965	43%	43,000,000	3,954,774	110%
Fines & Forfeits	7,248,000	7,248,000	3,227,120	55%	7,000,000	(248,000)	97%
Special Assessments	3,569,492	3,569,492	29,363	99%	3,100,000	(469,492)	87%
Investment Income	2,300,000	2,300,000	(412,780)	118%	1,650,000	(650,000)	72%
Other Intergovernmental	698,860	698,860	75,555	89%	698,860	-	100%
Other Miscellaneous	728,770	728,770	427,783	41%	728,770	-	100%
Contributions	960,000	10,000	-	100%	10,000	-	100%
Total Revenues	445,278,244	445,278,244	90,795,068	80%	453,535,260	8,257,016	102%
Transfers In	4,682,200	4,682,200	2,129,106	55%	4,682,200	-	100%
Revenues and Other Sources	449,960,444	449,960,444	92,924,174	79%	458,217,460	8,257,016	102%
Expenditures							
Police	148,340,932	148,637,855	68,923,199	54%	149,937,855	(1,300,000)	101%
Fire	60,230,520	61,444,858	28,724,696	53%	60,564,000	880,858	99%
Human Resources	7,230,994	7,230,994	3,290,788	54%	6,757,609	473,385	93%
Finance & Property Services	22,170,168	22,170,168	10,616,228	52%	22,170,168	-	100%
911	9,052,193	9,052,193	4,256,543	53%	8,802,193	250,000	97%
311	3,683,465	3,758,465	1,835,325	51%	3,758,465	-	100%
City Coordinator	3,249,011	3,209,011	1,142,551	64%	3,209,011	-	100%
Intergovernmental Relations	1,512,574	1,512,574	683,188	55%	1,362,574	150,000	90%
Communications	2,211,514	2,211,514	1,092,016	51%	2,211,514	-	100%
Emergency Management	767,969	767,969	343,673	55%	767,969	-	100%
Neighborhood & Community Relations	425,415	508,415	117,016	77%	508,415	-	100%
Information Technology	-	125,000	36,809	71%	125,000	-	100%
City Coordinator - Total	50,303,303	50,546,303	23,414,136	54%	49,672,917	873,386	98%
Transportation Planning & Design	3,275,805	2,900,805	1,310,089	55%	2,831,963	68,842	98%
Transportation Plan Programming	-	650,096	107,513	83%	650,096	-	100%
Transportation Maintenance & Repair	31,344,848	31,344,848	14,723,224	53%	30,379,046	965,802	97%
Public Works Administration	3,120,420	3,120,420	1,472,311	53%	3,120,420	-	100%
Traffic & Parking Services	16,114,961	15,874,865	6,784,917	57%	15,488,964	385,901	98%
Public Works - Total	53,856,035	53,891,035	24,398,053	55%	52,470,490	1,420,545	97%
Regulatory Services	17,572,410	17,607,410	7,758,546	56%	17,100,000	507,410	97%
Attorney	9,001,847	9,001,847	3,899,978	57%	8,499,600	502,247	94%
City Council & City Clerk	9,231,429	9,270,054	4,072,949	56%	9,270,054	-	100%
Culture & Recreation - Library	2,363,000	2,363,000	-	100%	2,363,000	-	100%
Contingency	4,007,139	4,007,139	-	100%	-	4,007,139	0%
Assessor	4,869,380	4,869,380	2,199,296	55%	4,729,443	139,937	97%
CPED	32,481,988	32,674,488	14,220,007	56%	32,600,000	74,488	100%
Health	8,438,782	8,438,782	3,414,594	60%	8,509,995	(71,213)	101%
Civil Rights	3,167,684	3,257,184	1,445,910	56%	3,254,776	2,408	100%
Mayor	1,917,292	1,917,292	941,983	51%	1,917,292	-	100%
Internal Audit	507,236	507,236	284,962	44%	560,000	(52,764)	110%
Total Expenditures	406,288,979	408,433,865	183,698,310	55%	401,449,422	6,984,443	98%
Transfers Out	57,192,812	57,192,812	31,346,904	45%	57,192,812	-	100%
Expenditures and Other Uses	463,481,791	465,626,677	215,045,214	54%	458,642,234	6,984,443	98%
Change in Fund Balance					(424,774)		
Fund Balance - January 1, 2015					102,439,346		
Fund Balance - December 31, 2015					102,014,572		

**Convention Center Special Revenue Fund Report
For the Second Quarter Ending June 30, 2015**

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, the metropolitan region, and the State of Minnesota.

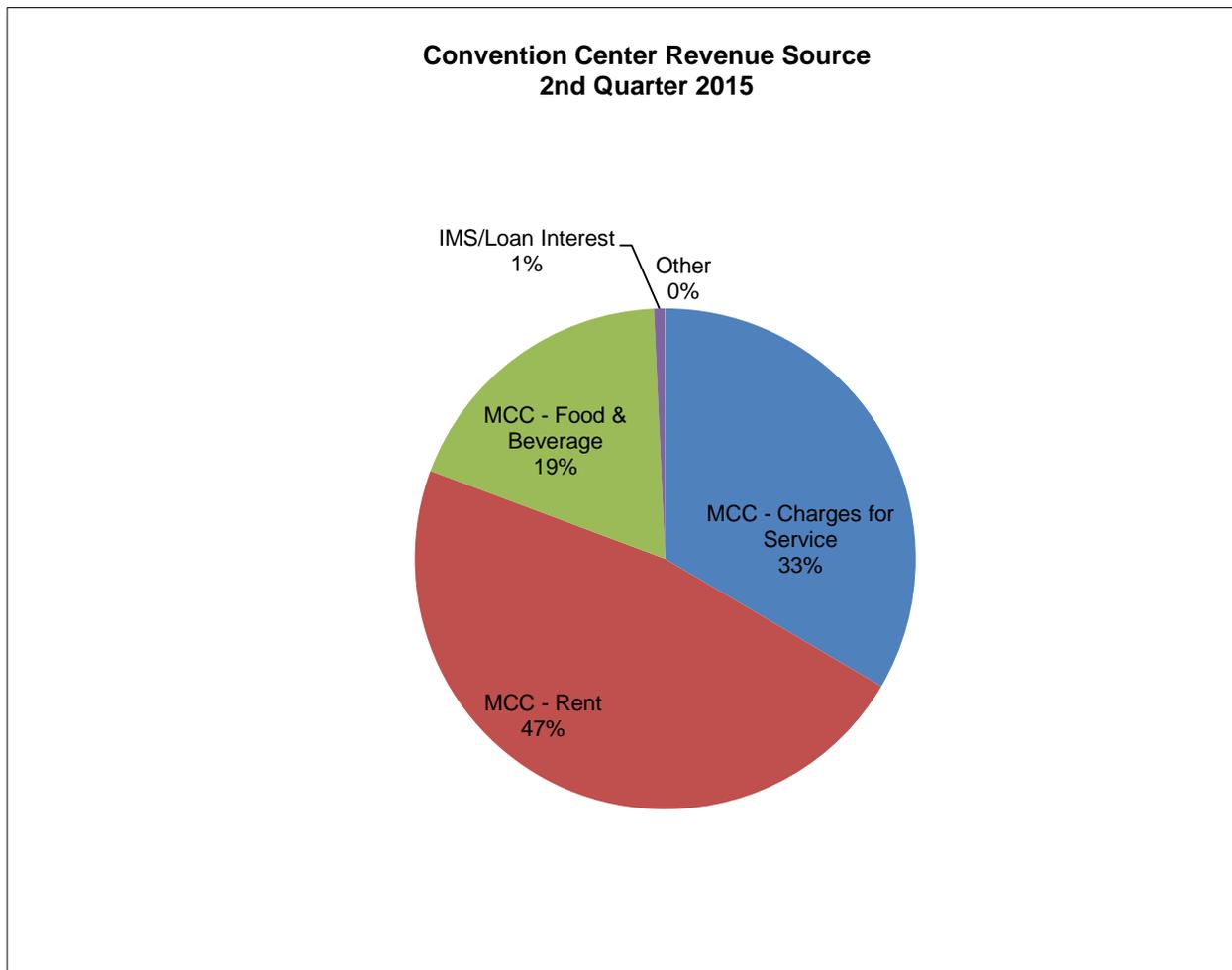
Revenue

Tax Revenue

The Convention Center Special Revenue Fund activity was historically funded from local sales and hospitality tax receipts and Convention Center operating revenue. Beginning in 2014, the local sales taxes are receipted directly to the General Fund, and a transfer is made from the General Fund to the Convention Center to fully fund Convention Center operating and non-operating expenditures. In addition, a portion of the entertainment tax is receipted directly to the Arena Fund (Target Center) to fully credit the Target Center for the entertainment taxes generated from its events.

Operating Revenue

Through the 2nd quarter of 2015, operating revenue ended at approximately \$10.2 million or 58% of the \$17.4 million budget. Rent and Commissions had the strongest finish at approximately \$4.8 million or 64% of budget followed by Charges for Services and Sales at approximately \$3.4 million or 55% of budget, and finally Catering Commissions which came in at \$1.9 million or 52% of budget.



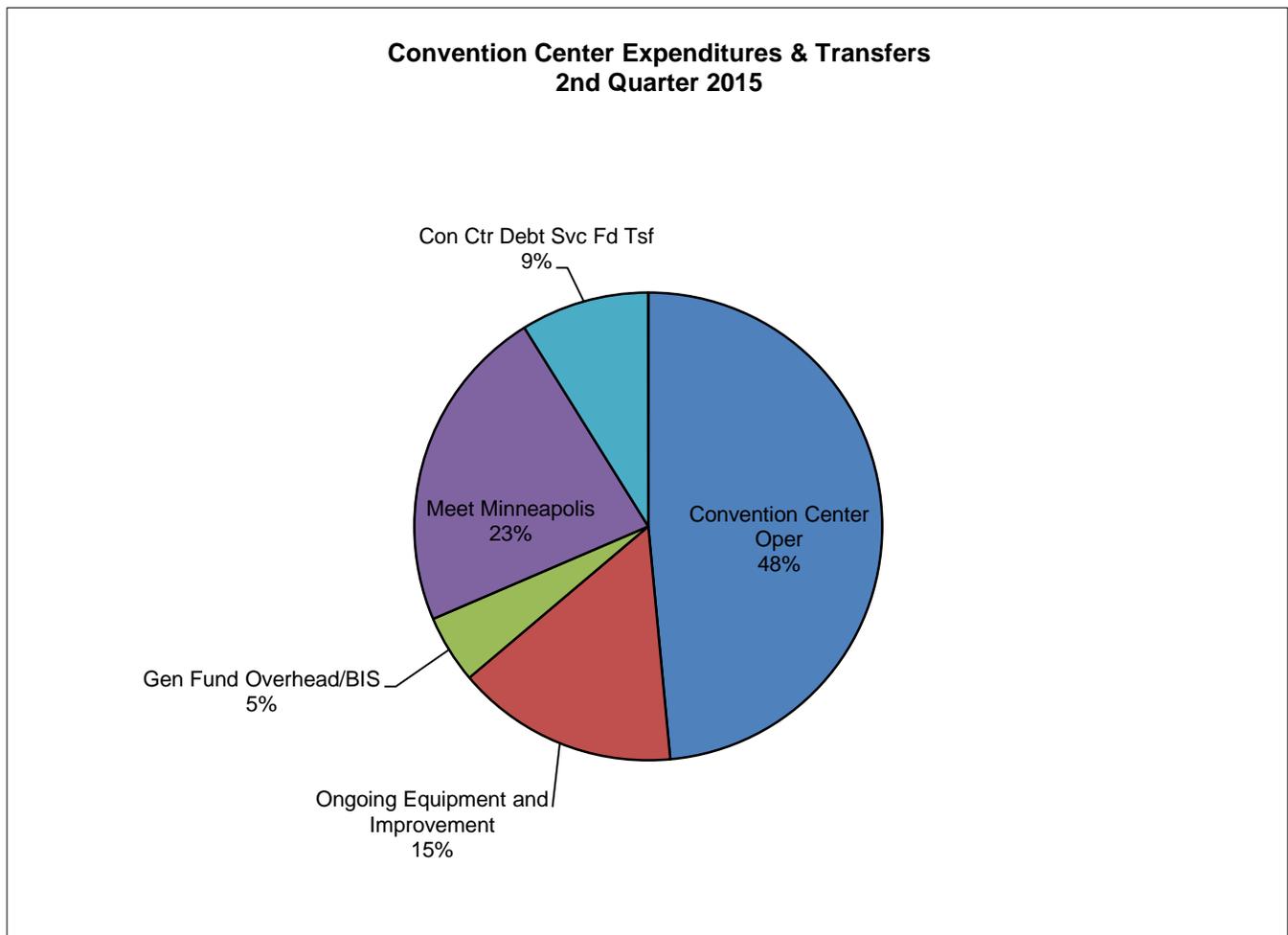
The Convention Center continues to discount rents to be competitive. Through June 30, 2015, the Convention Center hosted 195 events with close to 582,000 attendees. Operating revenues are projected to meet budget. Economic impact to the community as a result of events in 2015 is estimated to be approximately \$250 million.

Operating Expenditures

Through the 2nd quarter of 2015, Convention Center operating expenses, not including Ongoing Equipment and Improvement, IT, and General Fund Overhead, finished at approximately \$11.1 million or 46% of budget. 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
- Managing overtime

In Ongoing Equipment and Improvements, the Convention Center finished Q2 at approximately \$3.5 million or 25% of the nearly \$13.9 million budget which includes a nearly \$4.4 million 2015 rollover of obligated and unspent 2014 funds. In 2015, the Convention Center is working on much needed projects such as lobby railing replacement/enhancement, exhibit hall fronts video boards/wood cladding, HVAC coil replacement, interior painting of public spaces, exterior doors, LED lighting upgrade, Hall B – E color dome lights, Hall A concession stand remodel, AV equipment, building lighting controls, and auditorium sound. These projects allow the Convention Center to remain competitive in national market.



Transfers

The Convention Center Fund annually transfers funds for debt service, in addition to receiving a transfer from the General Fund. In 2015, transfers for debt service for debt issued for the building and building domes are budgeted in total at 24.5 million. The building debt is expected to be paid off in 2020. The transfer from the General Fund is budgeted at \$50.3 million to fund Convention Center operating and non-operating expenditures. In addition, the Convention Center is receiving a \$1.5 million transfer from the IT Department for a capital advance. The IT transfer is being accounted for on the balance sheet.

Meet Minneapolis

In 2004, Meet Minneapolis entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). Meet Minneapolis requested that the Council advance an additional \$2.5 million for the project in 2005. In August 2005, the loans were rolled together and a promissory note was issued for \$5 million. The City entered into a 3rd loan agreement for \$5 million for additional iDSS start-up capital in April 2006. The three loans were consolidated for a total of \$10 million. The loan draws were capped in May 2007. The consolidated loan has a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriations from the City funding, as well as profit from the iDSS. The total of the loan was nearly \$9.1 million. Quarterly interest payments began on 03/31/08, and annual principal payments began on 12/31/08. Interest and principal payments coincide with Meet Minneapolis's quarterly sales and marketing payments from the City. Meet Minneapolis's quarterly sales and marketing payment from the City is reduced by the amount of the interest and principal payments due for that particular period. The principle is accounted for on the balance sheet as a loan receivable while the interest received is classified as revenue in the period in which it is due. In November 2014, Meet Minneapolis sold iDSS, but the principal and interest payments to the City will continue. Meet Minneapolis is budgeted at nearly \$10.1 million for 2015, and is expected to finish the year \$40 thousand under budget as the result of a new Meet Minneapolis contract being executed in 2015.

Fund/Cash Balance

Beginning in 2015, the Facility Reserve Fund cash and fund balance of \$5.4 million are being reported under the Convention Center Fund to reflect the current reporting in the Comprehensive Annual Financial Report (CAFR). The 2014 ending fund balance was nearly \$60.5 million, and is projected to decrease to nearly \$59.1 million or \$(1.4) million in 2015. Factoring out the \$5.4 million addition of the Facility Reserve fund balance, the 2015 decrease in fund balance can be primarily attributed to a \$5.8 million increase in debt service and a \$3.8 million increase in capital.

**CONVENTION CENTER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending June 30, 2015**

CITY OF MINNEAPOLIS, MINNESOTA

	2015				
	Budget	Actual	Percent of Total	Year End Projection	2014 Actual
REVENUE					
Operating Revenue:					
Charges for Services and Sales	6,200,000	3,426,705	55%	6,200,000	6,048,042
Rents and Commissions	7,597,000	4,830,119	64%	7,597,000	6,852,829
Catering Commissions	3,650,000	1,900,831	52%	3,650,000	3,726,471
Total Operating Revenue	17,447,000	10,157,655	58%	17,447,000	16,627,342
Other Non Operating Revenue:					
Investment Management Services Interest	396,000	(16,797)	-4%	180,000	345,080
Meet Minneapolis (iDSS) Loan Interest	164,130	88,377	54%	164,130	214,631
Other	-	1,981	-	-	246,929
Total Other Non Operating Revenue	560,130	73,561	13%	344,130	806,640
Total Non Operating Revenue	560,130	73,561	13%	344,130	806,640
Total Revenue	18,007,130	10,231,216	57%	17,791,130	17,433,982
EXPENDITURES					
Convention Center Operations	24,348,402	11,134,111	46%	24,348,402	23,262,470
Ongoing Equipment and Improvement	13,894,021	3,520,369	25%	13,894,021	10,095,303
General Fund Overhead/IT Operating	2,154,543	1,077,274	50%	2,154,543	2,202,535
Meet Minneapolis	10,071,000	5,190,000	52%	10,031,000	9,460,573
Total Expenditures	50,467,966	20,921,754	41%	50,427,966	45,020,881
Excess of Revenues Over (Under) Expenditures	(32,460,836)	(10,690,538)	33%	(32,636,836)	(27,586,899)
OTHER FINANCING SOURCES (USES)					
General Fund Transfer - Operating Subsidy	50,340,000	25,170,000	50%	50,340,000	46,593,000
General Fund Transfer - Mounted Patrol, Econ Dev	-	-	-	-	-
Convention Ctr Debt Service Transfer	(24,502,125)	(2,035,342)	8%	(24,502,125)	(18,679,741)
Total Other Financing Sources (Uses)	25,837,875	23,134,658	90%	25,837,875	27,913,259
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,622,961)	12,444,120		(6,798,961)	326,360
Fund Balance - January 1	71,254,976	71,254,976		71,254,976	65,528,166
Ending Fund Balance	64,632,015	83,699,096		64,456,015	65,854,526
Ending Cash Balance		73,906,246		56,219,707	57,618,218

Arena Special Revenue Fund Q2 2015 Report

The Arena Special Revenue Fund (Target Center) is used to account for the on-going equipment and improvements, maintenance, operating support, and other specific expenditures related to the facility. The Target Center is home to the Minnesota Timberwolves and the Minnesota Lynx, and also hosts a wide variety of events such as concerts, circuses, and motor sport and ice events which showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota. The Arena operator is AEG Management MN, LLC (AEG).

Revenue

Arena Special Revenue Fund activity was historically funded from entertainment tax, a transfer from the Parking Fund, and a reimbursement from tax increment revenues for eligible capital improvements. In 2014, a new revenue source was added where the Timberwolves organization is paying rent. The 2015 rent payment was \$1.35 million. The entertainment taxes are being receipted directly to the Arena Special Revenue Fund (Target Center) to fully credit the Target Center for the entertainment taxes generated from their events.

Expenditures

The Arena Special Revenue Fund has an ongoing equipment and improvements budget of nearly \$8.9 million which includes a 2014 to 2015 rollover of obligated but unspent funds of \$3.9 million. Work is currently underway on much needed projects including movable floor controls, elevator modernization, catering kitchen remodeling, building automation system, ice floor concrete and domestic water and waste lines. The Arena Special Revenue Fund anticipates meeting budget. In addition, the Arena Special Revenue Fund pays any required reimbursement to AEG to support Arena operating costs. The current maximum operator reimbursement for 2015 is \$1.5 million. As of the end of the second quarter, no operating support has been requested by AEG, although it is anticipated that funding requests will be made later in the year.

Transfers

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2015 budgeted transfer is \$3.5 million. The transfers are on schedule, and it is expected that the transfer will meet the 2015 budget.

Debt Service

As of June 30, 2015, \$45.9 million of the general obligation tax increment bonds issued to fund the acquisition of the Target Center, and subsequently refunded, remains outstanding. It is anticipated that the debt will be retired in full in 2025. This debt is payable from tax increment revenue generated from eligible tax increment districts. Based on current revenue projections, there will be sufficient tax increment to pay all debt service on the bonds. The tax increment and debt payments are accounted for within CPED Funds and are included in the quarterly report for the CPED Special Revenue Funds.

Fund Balance

The 2015 ending fund balance is projected to be approximately \$5.7 million, which assumes projected revenue, operating expenses, and capital expenditures meet projections in 2015.

ARENA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending June 30, 2015

	2015			
	Budget	Actual	Year End Projection	2014 Actual
REVENUES:				
Entertainment Tax	1,300,000	1,300,000	1,300,000	1,976,384
Rents & Commissions	1,350,000	1,350,000	1,350,000	1,350,000
Interest	40,800	(7,962)	34,000	33,872
Total revenues	2,690,800	2,642,038	2,684,000	3,360,256
OTHER FINANCING SOURCES (USES):				
Target Center Operations	(1,759,620)	(123,451)	(1,726,000)	(1,344,603)
Target Center Capital	(8,886,572)	(612,801)	(8,886,572)	(1,953,639)
Municipal Parking Enterprise Fund	3,522,696	1,726,000	3,522,696	3,323,206
Total other financing sources (uses)	(7,123,496)	989,748	(7,089,876)	24,964
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,432,696)	3,631,786	(4,405,876)	3,385,220
Fund Balance - January 1	10,076,177	10,076,177	10,076,177	6,690,957
Ending Fund Balance	5,643,481	13,707,963	5,670,301	10,076,177
Ending Cash Balance		13,684,409	6,336,432	10,742,308

City of Minneapolis
Police Special Revenue Fund

The Police Special Revenue Fund accounts for the City's revenues and expenses related to federal and state administrative forfeitures, lawful gambling, automated pawn system, and the Workforce Director scheduling and payroll system. The automated pawn and Workforce Director system are proprietary software systems that are owned and managed by the City of Minneapolis and recovers expenses from use agreements with other governmental entities.

Historical Financial Performance

The accumulated fund balance for year ending 2014 was \$1.1 million. This was an increase from the 2013 fund balance of \$1 million. Prior to 2013 fund balance had been decreasing primarily due to expenses exceeding revenues related to the automated pawn system and the Workforce Director. The rates related to the automated pawn system have since been increased to cover the costs. This has helped to stabilize the cash balance at \$1.1 million.

Revenues

Revenues for the Police Special Revenue Fund have increased from \$2 million in 2013 to \$2.3 million in 2014. The total revenue budgeted for 2015 is \$2.1 million. Through the 2nd quarter of 2015, \$1,038,126 in revenue had been received compared to \$820,266 in June of 2014. The projected 2015 year end revenues are expected to be at budget or \$2.1 million.

Expenditures

Expenditures for the Police Special Revenue Fund increased from \$1.8 million in 2013 to \$2.1 million in 2014. Through the 2nd quarter of 2015, \$672,586 has been expended as compared to \$724,287 in 2014. The projected 2015 year end expenditures are expected to be at budget or \$2.1 million.

Fund Balance

Based on the 2015 Projections, the Fund Balance at year end is expected to be \$1.1 million, no change from 2014.

City of Minneapolis
Police Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For Second Quarter/Years 2015, 2014, and 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014	For Period Ending 6/30/2014	For Year Ending 2013
Revenue						
Charges for Services and Sales	1,555,000	1,555,000	702,568	1,660,104	574,549	1,478,693
Fines and Forfeits	400,000	400,000	243,566	463,645	178,445	362,011
Miscellaneous	-	-	1,500	-	1,500	-
Taxes	177,438	177,438	90,493	131,216	65,773	156,686
	-	-	-	-	-	-
Total Revenue	2,132,438	2,132,438	1,038,126	2,254,966	820,266	1,997,389
Expenditures						
Contractual Services	879,861	879,861	200,742	814,639	156,936	740,083
Fringes	194,411	194,411	53,771	212,783	103,613	201,018
Materials / Other	331,839	331,839	179,175	352,049	126,934	154,517
Personal Services	726,327	726,327	238,898	781,591	336,804	740,852
	-	-	-	-	-	-
Total Expenditures	2,132,438	2,132,438	672,586	2,161,062	724,287	1,836,471
Excess of Revenues Over (Under) Expenditures	0	0	365,541	93,903	95,979	160,918
Other Financing Sources (Uses)						
Net transfers in from other funds						
Net transfers out to other funds						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	365,541	93,903	95,979	160,918
Significant Balance Sheet Items:						
Cash Balance		1,496,279	1,400,551	1,496,279	1,043,677	1,073,701
Fund Balance		1,095,527	1,461,067	1,095,527	1,001,623	1,001,623

City of Minneapolis
NCR Special Revenue Fund: 01800
Quarter Ending June 30, 2015

Neighborhood and Community Relations Special Revenue Fund

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. The district was established pursuant to special legislation adopted in 2008, and must be decertified no later than December 31, 2020. The tax increment revenue generated by the district, for neighborhood revitalization purposes, may be spent anywhere within the City of Minneapolis. The Fund is used primarily for community engagement and neighborhood-based initiatives, as well as a portion of the NCR administrative costs.

Historical Financial Performance

This fund was established in 2011. Growth in the fund was impacted by the two year hiatus on tax increment collection. The City decided to reduce property tax levies in 2012-2013 by using reprogrammed NRP resources to fund neighborhood revitalization services for these two years and reduce the captured value of the Consolidated TIF District. As of 2014, the captured value of the district was restored to the amount provided in the original plan.

Revenues

\$3.4 million will be transferred to the NCR Special Revenue Fund for the first half of FY 2015 from the Consolidated Redevelopment Tax Increment Financing District Fund and a similar amount is projected for the second half of the year also.

Expenditures

The total expenditures from this fund through the second quarter of 2015 are \$2.4 million. Projected expenditures for 2015 are \$6 million to be used for community engagement and neighborhood based activities within the city.

Fund Balance

Fund balance projection for 2015 year end is \$3.8 million based on the current activities.

City of Minneapolis
NCR Special Revenue Fund : 01800
Statement of Revenues, Expenditures and Changes in Fund Balance
For Years, 2015, 2014, and 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014	For Period Ending 6/30/2014	For Year Ending 2013
Revenue						
Special Assessments				2,175		-
Loan Recapture				3,400	3,400	18,814
Other						
Total Revenue	-		-	5,575	3,400	18,814
Expenditures						
Neighborhood Community Relations	6,225,384	6,000,000	2,448,566	3,138,045	1,398,803	1,517,155
Total Expenditures	6,225,384	6,000,000	2,448,566	3,138,045	1,398,803	1,517,155
Excess of Revenues Over (Under) Expenditures	(6,225,384)	(6,000,000)	(2,448,566)	(3,132,470)	(1,395,403)	(1,498,341)
Other Financing Sources (Uses)						
Net transfers in from other funds	6,225,384	6,800,000	-	5,520,516	-	1,200,000
Net transfers out to other funds						-
Total Other Financing Sources (Uses)	6,225,384	6,800,000	-	5,520,516	-	1,200,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	800,000	(2,448,566)	2,388,046	(1,395,403)	(298,341)
Significant Balance Sheet Items:						
Cash Balance		4,042,614	619,710	3,064,234	(726,764)	680,738
Fund Balance		3,836,712	588,146	3,036,712	(746,737)	648,666

07-13-15

City of Minneapolis
Regulatory Services Special Revenue Fund

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 for 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 2013, it accumulated a fund balance of \$5.5 million. 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 2015 and beyond, including lower than expected assessment collections.

Revenues

Revenues for the Regulatory Services Special Revenue Fund have been declining since 2011. The total revenue budgeted for 2015 is \$3.8 million; \$3.7 million of this is from special assessments. Through the 2nd quarter of 2015, \$1,006,681 in revenue had been received compared to \$725,421 in June of 2014. 2015 year end revenue projections are \$3.4 million, or approximately \$441,000 under budget. Revenue in future years is projected to decline by 5-10% annually.

Expenditures

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. Through the 2nd quarter of 2015, \$2.1 million had been expended as compared to \$1.5 million in 2014. The projected 2015 year end expenditures are expected to be \$5.3 million, very near the 2015 budget.

Fund Balance

Based on the 2015 Projections, the Fund Balance at year end is expected to be \$3.1 million, a \$2.0 million decrease from 2014 year end. Based on dropping revenue projections and some new initiatives going forward, the Fund Balance is expected to drop further in future years.

City of Minneapolis
Regulatory Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For Second Quarter/Years 2015, 2014, and 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014	For Period Ending 6/30/2014	For Year Ending 2013
Revenue						
Permits and Charges for Services	97,000	180,000	121,887	334,698	324,789	328,497
Special Assessments	3,724,000	3,600,000	890,378	3,044,421	389,245	3,570,577
Other			(5,584)	34,789	11,387	6,992
Total Revenue	3,821,000	3,780,000	1,006,681	3,413,908	725,421	3,906,066
Expenditures						
Regulatory Services	5,033,988	4,731,949	2,006,912	3,579,206	1,379,779	3,373,538
Community & Economic Development	300,000	300,000	135,843	268,083	128,627	268,835
Total Expenditures	5,333,988	5,031,949	2,142,756	3,847,289	1,508,406	3,642,373
Excess of Revenues Over (Under) Expenditures	(1,512,988)	(1,251,949)	(1,136,075)	(433,380)	(782,985)	263,693
Other Financing Sources (Uses)						
Net transfers in from other funds						
Net transfers out to other funds						(168)
Total Other Financing Sources (Uses)	-	-	-	-	-	(168)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,512,988)	(1,251,949)	(1,136,075)	(433,380)	(782,985)	263,525
Significant Balance Sheet Items:						
Cash Balance		3,883,228	3,992,176	5,135,177	4,758,207	5,494,985
Fund Balance		3,785,576	3,901,450	5,037,525	4,687,920	5,470,905

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending June 30, 2015

The City receives a number of federal and state grants that are recorded in the Federal (01300), Community Development Block Grant (CDBG) (01400), HOME (01500) and Grants Other (01600) funds. These grants have varying grant periods and are used for a 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. For annual reporting purposes, cash deficits are eliminated through inter-fund borrowing.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of June 30, 2015 expenditures were \$6,280,041 compared to the 2014 expenditures of \$6,273,132. The expenditure levels are fairly consistent between 2015 and 2014 unlike prior years that were impacted by remaining Recovery grants winding down.

HUD Consolidated Plan Funds (01400 & 01500)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Solutions Grant Program (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA). The 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 declined until 2012. Beginning June 1, 2012 the award was \$3.1 million less than the prior year. Since that time the allocation has remained around \$10 million. HUD grant expenditures as of June 30 were \$13,100,242 compared to \$7,073,572 for 2014. The higher expenditures in 2015 are primarily due to an increase in building rehabilitation activity in both the HOME and CDBG grants.

In 1990, the Council committed \$7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive CDBG funding each year. However, should the CDBG funding cease, the over-commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City has previously reprogrammed unspent CDBG project balances to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of \$1,624,299. Since 2008, in accordance with the reprogramming policy, an additional \$1,930,104 has been reprogrammed resulting in a current deficit balance of \$4,237,453. During the 2014 budget process, eligible tax increment revenues were identified to pay down this remaining deficit in 2015 and future years.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of June 30, 2015 are \$9,152,501 compared to the 2014 expenditures of \$9,174,557. The revenue in the fund as of June 30, 2015 and 2014 is \$9,934,329 and \$11,414,237, respectively. The decline in revenue is primarily a result of fewer County grants and State pollution grants through the second quarter of 2015.

Capital Grants

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

Special Revenue Funds
Grant Funds
Quarter Ending June 30, 2015

	Federal Grants 01300	HUD Grants 01400 & 01500	Grants Other 01600	Total
Assets				
Cash and cash equivalents	\$ (4,758,644)	\$ (4,249,510)	\$ 2,782,134	\$ (6,226,020)
Accounts - net	14,238	15,424	6,718	36,380
Special Assessments Receivable				-
Intergovernmental Receivables	693,952		580	694,532
Loans Receivable				-
Properties held for resale	1,316,704	5,993,819	1,199,750	8,510,273
Total Assets	\$ (2,733,750)	\$ 1,759,733	\$ 3,989,182	\$ 3,015,165
Liabilities				
Salaries payable	\$ 87,585	\$ 143,240	\$ 239,177	\$ 470,002
Accounts payable	621,496	5,825	8,417	635,738
Inter Governmental Payables				-
Deferred revenue & Contracts	5,708		76,076	81,784
Deferred Special Assessments				-
Total Liabilities	\$ 714,789	\$ 149,065	\$ 323,670	\$ 1,187,524
Fund Balance	\$ (3,448,539)	\$ 1,610,668	\$ 3,665,512	\$ 1,827,641
Total Liabilities and Fund Balance	\$ (2,733,750)	\$ 1,759,733	\$ 3,989,182	\$ 3,015,165
Revenue				
Taxes-Charitable Gambling			\$ 100,876	\$ 100,876
Grants and Shared Revenues	\$ 1,119,901	\$ 8,227,262	7,579,790	16,926,953
Loan Origination Fees				-
Special Assessments		9,961		9,961
Private Contributions			1,558,559	1,558,559
Charges for Services			679,309	679,309
Licenses & Permits				-
Fines and forfeits				-
Interest		15,362		15,362
Rent & Commissions		5,439		5,439
Sale of Lands & Buildings	26,202	222,709		248,911
Loan Recapture	345,051	207,548		552,599
Sale of Equipment				-
Refund of Prior Years Expended				-
Miscellaneous Revenue	23,645	28,813	15,795	68,253
Transfer within Special Revenue Fund				-
Total Revenue	\$ 1,514,799	\$ 8,717,094	\$ 9,934,329	\$ 20,166,222
Expenditures	\$ 6,280,041	\$ 13,100,242	\$ 9,152,501	\$ 28,532,784
Revenues Over (Under) Expenditures	\$ (4,765,242)	\$ (4,383,148)	\$ 781,828	\$ (8,366,562)

CDBG Program Year 41
Beginning June 1, 2015
June 30, 2015

City Council Official Proceedings: April 17, 2015

Project	Adopted Budget 2014R-519	Adjustment Amount Council	Final HUD Allocation Council	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Lead Reduction	\$ 61,000	\$ (1,500)	\$ 59,500	\$ -	\$ -	\$ -	\$ -	\$ 59,500	\$ -	\$ -	\$ 59,500	
Adult Training, Placement and Retention	1,247,500	(31,900)	1,215,600	-	-	-	-	1,215,600	-	-	1,215,600	
High density corridor housing	579,000	(14,800)	564,200	-	-	-	-	564,200	-	-	564,200	
NEDF/CEDF (Great Streets)	123,000	(3,100)	119,900	-	-	-	-	119,900	-	-	119,900	
Multi-Family/Affordable Housing	3,277,540	(83,700)	3,193,840	-	-	-	-	3,193,840	-	-	3,193,840	
Vacant & Boarded Housing	1,753,000	(44,800)	1,708,200	-	-	-	-	1,708,200	-	-	1,708,200	
Subtotal Capital Grants	\$ 7,041,040	\$ (179,800)	\$ 6,861,240	\$ -	\$ -	\$ -	\$ -	\$ 6,861,240	\$ -	\$ -	\$ 6,861,240	
Public Service Grants:												
Community Crime Prevention Specialists	\$ 897,000	\$ (22,900)	\$ 874,100	\$ -	\$ -	\$ -	\$ -	\$ 874,100	\$ 36,182	\$ -	\$ 874,100	
Domestic Abuse Project	75,000	(1,900)	73,100	-	-	-	-	73,100	-	-	73,100	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	
Way to Grow	212,000	(5,400)	206,600	-	-	-	-	206,600	-	-	206,600	
Youth Employment & Training	253,000	(5,697)	247,303	-	-	-	-	247,303	-	-	247,303	
Subtotal Public Service Grants	\$ 1,537,000	\$ (35,897)	\$ 1,501,103	\$ -	\$ -	\$ -	\$ -	\$ 1,501,103	\$ 36,182	\$ -	\$ 1,501,103	
Administrative Grants:												
YCB Administration	\$ 64,803	\$ -	\$ 64,803	\$ -	\$ -	\$ -	\$ -	\$ 64,803	\$ -	\$ -	\$ 64,803	
Civil Rights Dept Fair Housing	335,000	(8,600)	326,400	-	-	-	-	326,400	-	-	326,400	
Finance Administration	180,000	(5,000)	175,000	-	-	-	-	175,000	-	-	175,000	
Problem Properties Board Bldg	88,100	(2,300)	85,800	-	-	-	-	85,800	-	-	85,800	
Grants & Special Projects	175,000	(4,700)	170,300	-	-	-	-	170,300	-	-	170,300	
Housing Discrimination Law Project-Lega	40,100	(1,100)	39,000	-	-	-	-	39,000	-	-	39,000	
Access & Outreach (Multicultural Affairs)	102,000	(2,600)	99,400	-	-	-	-	99,400	-	-	99,400	
Grant Administration	62,000	(1,600)	60,400	-	-	-	-	60,400	-	-	60,400	
Legal Aid Mid-Minnesota	24,700	(700)	24,000	-	-	-	-	24,000	-	-	24,000	
Way to Grow Administration	15,000	(400)	14,600	-	-	-	-	14,600	-	-	14,600	
YCB Youth Violence Prevention	158,000	(4,000)	154,000	-	-	-	-	154,000	-	-	154,000	
CDBG Planning Admin	899,807	(23,000)	876,807	-	-	-	-	876,807	-	-	876,807	
Subtotal Administrative Grants	\$ 2,144,510	\$ (54,000)	\$ 2,090,510	\$ -	\$ -	\$ -	\$ -	\$ 2,090,510	\$ -	\$ -	\$ 2,090,510	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL	\$ 10,722,550	\$ (269,697)	\$ 10,452,853	\$ -	\$ -	\$ -	\$ -	\$ 10,452,853	\$ 36,182	\$ -	\$ 10,452,853	

CDBG Program Year 40
Beginning June 1, 2014
June 30, 2015

City Council Official Proceedings: May 9, 2014

Project	Adopted Budget 2013R-572	Adjustment Amount Council 5/9/14	Final HUD Allocation Council 5/9/14	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Lead Reduction	\$ 52,300	\$ 8,700	\$ 61,000	\$ -	\$ -	\$ -	\$ -	\$ 61,000	\$ -	\$ -	\$ 61,000	
Adult Training, Placement and Retention	1,247,500	-	1,247,500	-	-	-	-	1,247,500	668,265	767,966	479,534	
High density corridor housing	492,000	87,000	579,000	-	-	-	-	579,000	-	-	579,000	
NEDF/CEDF (Great Streets)	123,100	(100)	123,000	-	-	-	-	123,000	76,577	123,874	(874)	
Multi-Family/Affordable Housing	2,467,000	810,540	3,277,540	-	-	-	-	3,277,540	15,011	15,011	3,262,529	
Owner Occupied Rehab	-	-	-	1,115,000	1	-	-	1,115,000	30,580	30,580	1,084,420	
Vacant & Boarded Housing	1,433,400	319,600	1,753,000	856,000	1	-	-	2,609,000	977,077	1,351,211	1,257,789	
Subtotal Capital Grants	\$ 5,815,300	\$ 1,225,740	\$ 7,041,040	\$ 1,971,000	\$ -	\$ -	\$ -	\$ 9,012,040	\$ 1,767,510	\$ 2,288,642	\$ 6,723,398	
Public Service Grants:												
Community Crime Prevention Specialists	\$ 746,300	\$ 150,700	\$ 897,000	\$ -	\$ -	\$ -	\$ -	\$ 897,000	\$ 378,121	\$ 897,000	\$ -	
Domestic Abuse Project	50,000	25,000	75,000	-	-	-	-	75,000	53,923	53,923	21,077	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	93,000	7,000	
Way to Grow	155,000	57,000	212,000	-	-	-	-	212,000	104,390	159,657	52,343	
Youth Employment & Training	209,000	44,000	253,000	-	-	-	-	253,000	39,918	292,918	(39,918)	
Subtotal Public Service Grants	\$ 1,260,300	\$ 276,700	\$ 1,537,000	\$ -	\$ -	\$ -	\$ -	\$ 1,537,000	\$ 576,352	\$ 1,496,498	\$ 40,502	
Administrative Grants:												
YCB Administration	\$ 66,000	\$ (1,197)	\$ 64,803	\$ -	\$ -	\$ -	\$ -	\$ 64,803	\$ -	\$ 64,803	\$ -	
Civil Rights Dept Fair Housing	307,600	27,400	335,000	-	-	-	-	335,000	-	-	335,000	
Finance Administration	165,300	14,700	180,000	-	-	-	-	180,000	-	-	180,000	
Problem Properties Board Bldg	88,100	-	88,100	-	-	-	-	88,100	47,938	82,725	5,375	
Grants & Special Projects	160,100	14,900	175,000	-	-	-	-	175,000	1,739	2,456	172,544	
Housing Discrimination Law Project-Leg	40,100	-	40,100	-	-	-	-	40,100	20,049	33,416	6,684	
Access & Outreach (Multicultural Affairs)	102,000	-	102,000	-	-	-	-	102,000	49,477	49,476	52,524	
Grant Administration	57,000	5,000	62,000	-	-	-	-	62,000	29,743	29,743	32,257	
Legal Aid Mid-Minnesota	24,700	-	24,700	-	-	-	-	24,700	8,233	20,583	4,117	
Way to Grow Administration	14,000	1,000	15,000	-	-	-	-	15,000	7,769	12,176	2,824	
YCB Youth Violence Prevention	145,000	13,000	158,000	-	-	-	-	158,000	94,210	115,590	42,410	
CDBG Planning Admin	836,500	63,307	899,807	147,000	1	-	-	1,046,807	559,127	984,234	62,573	
Subtotal Administrative Grants	\$ 2,006,400	\$ 138,110	\$ 2,144,510	\$ 147,000	\$ -	\$ -	\$ -	\$ 2,291,510	\$ 818,285	\$ 1,395,202	\$ 896,308	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL	\$ 9,082,000	\$ 1,640,550	\$ 10,722,550	\$ 2,118,000	\$ -	\$ -	\$ -	\$ 12,840,550	\$ 3,162,147	\$ 5,180,342	\$ 7,660,208	

CDBG Program Year 39
Beginning June 1, 2013
June 30, 2015

Project	Adopted Budget 2012R-654	Adjusted Amount Final HUD	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015		
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Problem Properties Board Bldg	\$ 103,700	\$ -	\$ 103,700	\$ -	\$ -	\$ -	\$ -	\$ 103,700	\$ -	\$ 103,700	\$ -
Lead Reduction	61,500	-	61,500	-	-	-	-	61,500	-	-	61,500
Adult Training, Placement and Retention	1,467,600	237,898	1,705,498	-	-	-	-	1,705,498	-	1,705,498	-
High density corridor housing	578,769	-	578,769	-	-	-	-	578,769	-	-	578,769
NEDF/CEDF (Great Streets)	10,726	-	10,726	-	-	-	-	10,726	-	10,726	-
Multi-Family/Affordable Housing	2,966,776	-	2,966,776	-	-	-	-	2,966,776	1,579,740	1,849,987	1,116,789
Vacant & Boarded Housing	1,753,430	-	1,753,430	-	-	-	-	1,753,430	(49,389)	1,753,430	-
Subtotal Capital Grants	\$ 6,942,501	\$ 237,898	\$ 7,180,399	\$ -	\$ -	\$ -	\$ -	\$ 7,180,399	\$ 1,530,351	\$ 5,423,341	\$ 1,757,058
Public Service Grants:											
Community Crime Prevention Specialists	\$ 876,600	\$ 20,415	\$ 897,015	\$ -	\$ -	\$ -	\$ -	\$ 897,015	\$ -	\$ 897,015	\$ -
Access & Outreach (Multicultural Affairs)	120,000	-	120,000	-	-	-	-	120,000	22,833	120,000	-
Domestic Abuse Project	59,500	15,500	75,000	-	-	-	-	75,000	-	67,250	7,750
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	100,000	-
Way to Grow	192,600	19,400	212,000	-	-	-	-	212,000	-	212,000	-
Youth Employment & Training	250,900	2,100	253,000	-	-	-	-	253,000	-	253,000	-
Subtotal Public Service Grants	\$ 1,599,600	\$ 57,415	\$ 1,657,015	\$ -	\$ -	\$ -	\$ -	\$ 1,657,015	\$ 22,833	\$ 1,649,265	\$ 7,750
Administrative Grants:											
YCB Administration	\$ 65,400	\$ 600	\$ 66,000	\$ -	\$ -	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	361,900	3,100	365,000	-	-	-	-	365,000	178,952	322,347	42,653
Finance Administration	194,400	1,600	196,000	-	-	-	-	196,000	81,303	92,819	103,181
Grants & Special Projects	188,400	1,600	190,000	-	-	-	-	190,000	78,568	192,489	(2,489)
Housing Discrimination Law Project-Leg	47,229	6,771	54,000	-	-	-	-	54,000	-	54,000	-
Grant Administration	67,400	-	67,400	-	-	-	-	67,400	14,835	67,400	-
Legal Aid Mid-Minnesota	29,060	4,940	34,000	-	-	-	-	34,000	-	34,000	-
Neighborhood Services	71,400	-	71,400	-	-	-	-	71,400	-	71,400	-
Way to Grow Administration	15,900	1,600	17,500	-	-	-	-	17,500	-	17,500	-
YCB Youth Violence Prevention	100,200	10,500	110,700	-	-	-	-	110,700	-	110,700	-
CDBG Planning Admin	984,060	53,293	1,037,353	-	-	-	-	1,037,353	-	1,037,353	-
Subtotal Administrative Grants	\$ 2,125,349	\$ 84,004	\$ 2,209,353	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,208,156	\$ 353,658	\$ 2,064,811	\$ 143,345
YCB Administration	-	-	-	-	-	-	\$ 1,197	1,197.00	-	-	\$ 1,197
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
GRAND TOTAL	\$ 10,667,450	\$ 379,317.00	\$ 11,046,767	\$ -	\$ -	\$ -	\$ -	\$ 11,046,767	\$ 1,906,842	\$ 9,137,417	\$ 1,909,350

CDBG Program Year 38
Beginning June 1, 2012
June 30, 2015

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015		
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Lead Reduction	\$ 62,000	\$ (500)	\$ 61,500	\$ -	\$ -	\$ -	\$ -	\$ 61,500	\$ 8,536	\$ 21,820	\$ 39,680
Problem Properties Board Bldg	104,600	(900)	103,700	-	-	-	-	103,700	-	103,700	-
Adult Training, Placement and Retention	1,480,000	(12,400)	1,467,600	-	-	-	-	1,467,600	-	1,467,600	-
High density corridor housing	583,669	(4,900)	578,769	-	-	-	-	578,769	91,996	91,996	486,773
Commercial Property Investment	139,000	(1,200)	137,800	-	-	-	-	137,800	-	-	137,800
NEDF/CEDF (Great Streets)	41,000	(300)	40,700	-	-	-	-	40,700	-	40,700	-
Multi-Family/Affordable Housing	2,991,876	(25,100)	2,966,776	-	-	-	-	2,966,776	681,686	2,966,776	-
Vacant & Boarded Housing	1,599,056	(13,400)	1,585,656	-	-	-	-	1,585,656	-	1,585,656	-
Subtotal Capital Grants	\$ 7,001,201	\$ (58,700)	\$ 6,942,501	\$ -	\$ -	\$ -	\$ -	\$ 6,942,501	\$ 782,218	\$ 6,278,248	\$ 664,253
Public Service Grants:											
Community Crime Prevention Specialist	\$ 884,000	\$ (7,400)	\$ 876,600	\$ -	\$ -	\$ -	\$ -	\$ 876,600	\$ -	\$ 876,600	\$ -
Domestic Abuse Project	60,000	(500)	59,500	-	-	-	-	59,500	-	59,500	-
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	100,000	-
Way to Grow	195,000	(2,400)	192,600	-	-	-	-	192,600	-	192,600	-
Youth Employment & Training	253,000	(2,100)	250,900	-	-	-	-	250,900	-	250,900	-
Subtotal Public Service Grants	\$ 1,492,000	\$ (12,400)	\$ 1,479,600	\$ -	\$ -	\$ -	\$ -	\$ 1,479,600	\$ -	\$ 1,479,600	\$ -
Administrative Grants:											
YCB Administration	\$ 66,000	\$ (600)	\$ 65,400	\$ -	\$ -	\$ -	\$ (597)	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000	(3,100)	361,900	-	-	-	-	361,900	-	361,900	-
Finance Administration	196,000	(1,600)	194,400	-	-	-	-	194,400	-	194,400	-
Grants & Special Projects	190,000	(1,600)	188,400	-	-	-	-	188,400	-	188,400	-
Housing Discrimination Law Project-Leg	47,740	(511)	47,229	-	-	-	-	47,229	-	47,229	-
Access & Outreach (Multicultural Affairs)	121,000	(1,000)	120,000	-	-	-	-	120,000	-	120,000	-
Grant Administration	68,000	(600)	67,400	-	-	-	-	67,400	-	67,400	-
Legal Aid Mid-Minnesota	-	-	-	-	-	29,060	-	29,060	-	29,060	-
Neighborhood Services	72,000	(600)	71,400	-	-	-	-	71,400	-	71,400	-
Way to Grow Administration	16,000	(100)	15,900	-	-	-	-	15,900	-	15,900	-
YCB Youth Violence Prevention	101,000	(800)	100,200	-	-	-	-	100,200	-	100,200	-
Legal Aid Society	29,260	(200)	29,060	-	-	(29,060)	-	-	-	-	-
CDBG Planning Program Admin	992,360	(8,300)	984,060	-	-	-	-	984,060	-	984,060	-
Subtotal Administrative Grants	\$ 2,264,360	\$ (19,011)	\$ 2,245,349	\$ -	\$ -	\$ -	\$ (597)	\$ 2,244,752	\$ -	\$ 2,244,752	\$ -
Block E Deficit Reduction:											
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 597.00	\$ 597.00	\$ -	\$ -	\$ 597
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 597	\$ 597	\$ -	\$ -	\$ 597
GRAND TOTAL	\$ 10,757,561	\$ (90,111)	\$ 10,667,450	\$ -	\$ -	\$ -	\$ -	\$ 10,667,450	\$ 782,218	\$ 10,002,600	\$ 664,850

CDBG Program Year 37
Beginning June 1, 2011
June 30, 2015

Project	Adopted Budget 2010R-598	Reduction Amount 2011R-301	Amended Budget 2011R-301	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
General Housing Rehabilitation-MPHA	\$ 110,000	\$ (110,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Problem Properties Attorneys	38,000	(7,617)	30,383	-	-	-	-	30,383	-	-	30,383	-
Personal Protective Equipment	584,000	-	584,000	-	-	-	-	584,000	-	-	584,000	-
Problem Properties Police	53,000	(10,624)	42,376	-	-	-	-	42,376	-	-	42,376	-
Lead Reduction	125,000	(25,057)	99,943	-	-	-	-	99,943	45,524	-	109,018	(9,075)
Problem Properties Board Bldg	348,000	(186,823)	161,177	-	-	-	-	161,177	-	-	161,177	-
Adult Training, Placement and Retentior	1,255,000	(141,570)	1,113,430	-	-	-	-	1,113,430	-	-	1,113,430	-
High density corridor housing	730,000	(146,331)	583,669	-	-	-	-	583,669	279,779	-	583,669	-
NonProfit MF Rental Development Assis	166,000	(33,275)	132,725	-	-	-	-	132,725	-	-	-	132,725
NEDF/CEDF (Great Streets)	1,127,000	(225,912)	901,088	-	-	-	-	901,088	-	-	-	901,088
Homeownership Program (GMMHC)	34,000	(6,815)	27,185	-	-	-	-	27,185	-	-	-	27,185
Multi-Family/Affordable Housing	3,411,189	(683,786)	2,727,403	-	-	-	-	2,727,403	-	-	2,727,403	-
Vacant & Boarded Housing	1,782,000	(357,209)	1,424,791	-	-	-	-	1,424,791	-	-	1,424,791	-
Subtotal Capital Grants	\$ 9,763,189	\$ (1,935,019)	\$ 7,828,170	\$ -	\$ -	\$ -	\$ -	\$ 7,828,170	\$ 325,303	\$ -	\$ 6,776,247	\$ 1,051,923
Public Service Grants:												
Restorative Justice Programs	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -
Community Crime Prevention Specialist:	934,386	(50,000.00)	884,386	-	-	-	-	884,386	-	-	884,386	-
Access & Outreach (Multicultural Affairs	121,000	-	121,000	-	-	-	-	121,000	-	-	121,000	-
PHAC: Living at Home Block Nurse Prog	75,000	-	75,000	-	-	(75,000)	-	-	-	-	-	-
Curfew/Truancy Center	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	-
Domestic Abuse Project	75,000	-	75,000	-	-	-	-	75,000	-	-	75,000	-
	250,000	(259,563.00)	(9,563)	-	-	9,563	-	-	-	-	-	-
PHAC: Hennepin Healthcare	-	-	-	-	-	30,000	-	30,000	-	-	30,000	-
PHAC: Holy Rosary Church	-	-	-	-	-	50,000	-	50,000	-	-	50,000	-
PHAC: MPLS American Indian	-	-	-	-	-	30,000	-	30,000	-	-	30,000	-
PHAC: MPS Teenage Parenting & Pregon:	75,000	-	75,000	-	-	(66,762)	-	8,238	-	-	8,238	-
PHAC: SE Asian Community Council	-	-	-	-	-	22,199	-	22,199	-	-	22,199	-
Way to Grow	262,000	(50,000.00)	212,000	-	-	-	-	212,000	-	-	212,000	-
Youth Employment & Training	253,000	\$ -	253,000	-	-	-	-	253,000	-	-	253,000	-
Subtotal Public Service Grants	\$ 2,165,386	\$ (359,563)	\$ 1,805,823	\$ -	\$ -	\$ -	\$ -	\$ 1,805,823	\$ -	\$ -	\$ 1,805,823	\$ -
Administrative Grants:												
YCB Administration	\$ 66,000	\$ -	\$ 66,000	\$ -	\$ -	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000	-	365,000	-	-	-	-	365,000	-	-	365,000	-
Finance Administration	196,000	-	196,000	-	-	-	-	196,000	-	-	196,000	-
Director of Arts-City Coordinator Adm	28,146	(28,146)	-	-	-	-	-	-	-	-	-	-
MPH Citizen Participation	68,000	-	68,000	-	-	-	-	68,000	-	-	68,000	-
Grants & Special Projects	190,000	-	190,000	-	-	-	-	190,000	-	-	190,000	-
Housing Discrimination Law Project-Leg	54,000	-	54,000	-	-	-	-	54,000	-	-	54,000	-
Homeless Initiative	77,000	-	77,000	-	-	-	-	77,000	-	-	77,000	-
Grant Administration	68,000	-	68,000	-	-	-	-	68,000	-	-	68,000	-
Neighborhood Services	72,000	-	72,000	-	-	-	-	72,000	-	-	72,000	-
Way to Grow Administration	26,000	-	26,000	-	-	-	-	26,000	-	-	26,000	-
YCB Youth Violence Prevention	121,000	(20,000)	101,000	-	-	-	-	101,000	-	-	101,000	-
Legal Aid Society	34,000	-	34,000	-	-	-	-	34,000	-	-	34,000	-
Program Admin	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	-
Planning - Administration	1,045,854	\$ (54,356.00)	991,498	-	-	-	-	991,498	-	-	991,498	-
Subtotal Administrative Grants	\$ 2,511,000	\$ (102,502)	\$ 2,408,498	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,407,301	\$ -	\$ -	\$ 2,407,301	\$ -
Block E Deficit Reduction:												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
GRAND TOTAL	\$ 14,439,575	\$ (2,397,084)	\$ 12,042,491	\$ -	\$ -	\$ -	\$ -	\$ 12,042,491	\$ 325,303	\$ -	\$ 10,989,371	\$ 1,053,120

CDBG Program Year 36
Beginning June 1, 2010
June 30, 2015

Project	Adopted Budget 2009R-586	Reduction Amount	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2015		
							Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:									
Problem Properties Attorneys	\$ 38,000		\$ 38,000	\$ -	\$ -	\$ 38,000	\$ -	\$ 38,000	\$ -
Personal Protective Equipment	694,000		694,000	-	-	694,000	-	694,000	-
Problem Properties Police	53,000		53,000	-	-	53,000	-	53,000	-
Lead Reduction	125,000		125,000	-	-	125,000	-	125,000	-
Problem Properties Board Bldg	348,000		348,000	-	-	348,000	-	348,000	-
Adult Training, Placement and Retention	982,000		982,000	-	-	982,000	-	982,000	-
High density corridor housing	730,000		730,000	-	-	730,000	47	730,000	-
NonProfit MF Rental Development Assist	166,000		166,000	-	-	166,000	-	-	166,000
NEDF/CEDF	1,500,000		1,500,000	-	-	1,500,000	24,350	379,127	1,120,873
Homeownership Program (GMMHC)	334,000		334,000	-	-	334,000	-	184,634	149,366
Multi-Family/Affordable Housing	3,703,000	308,189	4,011,189	-	-	4,011,189	-	4,011,189	-
Vacant & Boarded Housing	782,000		782,000	-	-	782,000	-	782,000	-
Subtotal Capital Grants	\$ 9,455,000	\$ 308,189	\$ 9,763,189	\$ -	\$ -	\$ 9,763,189	\$ 24,397	\$ 8,326,950	\$ 1,436,239
Public Service Grants:									
Restorative Justice Programs	\$ 20,000		\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -
Community Crime Prevention Specialists	880,000	54,386	934,386	-	-	934,386	-	934,386	-
Access & Outreach (Multicultural Affairs)	121,000		121,000	-	-	121,000	-	121,000	-
Living at Home Block Nurse Program	49,000		49,000	87,250	-	136,250	-	136,250	-
Catholic Charities	49,000		49,000	(38,980)	-	10,020	-	10,020	-
Centro Cultural Chicano Inc	33,000		33,000	14,000	-	47,000	-	47,000	-
Curfew/Truancy Center	100,000		100,000	-	-	100,000	-	100,000	-
Greater Minneapolis Council of Churches	26,000		26,000	(26,000)	-	-	-	-	-
Lao Assistance Center of MN	49,000		49,000	(49,000)	-	-	-	-	-
Minnesota International Health Voluntee	49,000		49,000	(5,237)	-	43,763	-	43,763	-
MPS Teenage Parenting & Pregnancy Pr	49,000		49,000	(8,928)	-	40,072	-	40,072	-
MPS Teenage Parenting & Pregnancy Pr	-		-	42,801	-	42,801	-	42,801	-
Minneapolis Urban League	49,000		49,000	(134)	-	48,866	-	48,866	-
Southside Community Health Ser	47,000		47,000	(15,772)	-	31,228	-	31,228	-
Way to Grow	262,000		262,000	-	-	262,000	-	262,000	-
Youth Employment & Training	328,000		328,000	-	-	328,000	-	328,000	-
Subtotal Public Service Gr	\$ 2,111,000	\$ 54,386	\$ 2,165,386	\$ -	\$ -	\$ 2,165,386	\$ -	\$ 2,165,386	\$ -
Administrative Grants:									
YCB Administration	\$ 66,000		\$ 66,000	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000		365,000	-	-	365,000	-	365,000	-
Finance Administration	196,000		196,000	-	-	196,000	-	196,000	-
MPH Citizen Participation	68,000		68,000	-	-	68,000	-	68,000	-
Grants & Special Projects	190,000		190,000	-	-	190,000	-	190,000	-
Housing Discrimination Law Project-Leg	54,000		54,000	-	-	54,000	-	54,000	-
Homeless Initiative	77,000		77,000	-	-	77,000	-	77,000	-
Grant Administration	68,000		68,000	-	-	68,000	-	68,000	-
Neighborhood Services	72,000		72,000	-	-	72,000	-	72,000	-
Way to Grow Administration	26,000		26,000	-	-	26,000	-	26,000	-
YCB Youth Violence Prevention	121,000		121,000	-	-	121,000	-	121,000	-
Citizen Participation	233,000		233,000	-	(140,146)	92,854	-	92,854	-
Legal Aid Society	34,000		34,000	-	-	34,000	-	34,000	-
Planning - Administration	941,000		941,000	-	-	941,000	-	941,000	-
Subtotal Administrative G	\$ 2,511,000	\$ -	\$ 2,511,000	\$ -	\$ (141,343)	\$ 2,369,657	\$ -	\$ 2,369,657	\$ -
Reprogrammed									
G4890CP36-Citizen Participation	\$ -	\$ -	\$ -	\$ -	\$ 74,051	\$ 74,051	\$ -	\$ -	\$ 74,051
Block E Deficit Reduction:									
G4123YCBA36-YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
G4890CP36-Citizen Participation	-	-	-	-	66,095	66,095	-	-	66,095
Subtotal Administrative G	\$ -	\$ -	\$ -	\$ -	\$ 141,343.00	\$ 67,292	\$ -	\$ -	\$ 67,292
GRAND T	\$ 14,077,000	\$ 362,575	\$ 14,439,575	\$ 24	\$ -	\$ 14,365,524	\$ 24,397	\$ 12,861,993	\$ 1,503,531

CDBG Program Year 35
Beginning June 1, 2009
June 30, 2015

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
General Housing Rehabilitation-MPHA	\$ 219,000	\$ -	\$ 219,000	\$ -	\$ -	\$ -	\$ -	\$ 219,000	\$ -	\$ 219,000	\$ -	
Problem Properties Attorneys	38,000		38,000	-	-	-	-	38,000	-	38,000	-	
Problem Properties Police	53,000		53,000	-	-	-	-	53,000	-	53,000	-	
Lead Reduction	125,000		125,000	-	-	-	-	125,000	-	125,000	-	
Problem Properties Board Bldg	348,000		348,000	-	-	-	-	348,000	-	348,000	-	
Childcare Facilities Loan/Grant	225,000	-	225,000	-	-	-	-	225,000	31,196	44,859	180,141	
Adult Training, Placement and Retention	511,000		511,000	-	-	-	-	511,000	-	511,000	-	
High density corridor housing	730,000		730,000	-	-	-	-	730,000	81,246	730,000	-	
NonProfit MF Rental Development Assistance	166,000		166,000	-	-	-	-	166,000	10,000	123,727	42,273	
Homeownership Program (GMMHC)	334,000		334,000	1,472,000	-	-	-	1,806,000	364,584	1,337,029	468,971	
Multi-Family/Affordable Housing	5,715,000		5,715,000	2,014,000	-	-	-	7,729,000	-	7,729,000	-	
Vacant & Boarded Housing	569,000		569,000	500,000	-	-	-	1,069,000	-	1,069,000	-	
Subtotal Capital Grants	\$ 9,033,000	\$ -	\$ 9,033,000	\$ 3,986,000	\$ -	\$ -	\$ -	\$ 13,019,000	\$ 487,026	\$ 12,327,615	\$ 691,385	
Public Service Grants:												
Multi Cultural & Native American Indian	\$ 121,000		\$ 121,000	\$ -	\$ -	\$ -	\$ -	\$ 121,000	\$ -	\$ 121,000	\$ -	
Graffiti Removal on Public Property	86,000		86,000	-	-	-	(19,527) ³	66,473	-	66,473	-	
Living at Home Block Nurse Program	69,000		69,000	-	-	20,000	-	89,000	-	89,000	-	
Catholic Charities	69,000		69,000	-	-	(3,562)	-	65,438	-	65,438	-	
Centro Cultural Chicano Inc	47,000		47,000	-	-	-	-	47,000	-	47,000	-	
Greater Minneapolis Council of Churches	36,000		36,000	-	-	(23,518)	-	12,482	-	12,482	-	
Juvenile Supervision Center	100,000		100,000	-	-	-	-	100,000	-	100,000	-	
Lao Family Community	69,000		69,000	-	-	(22,815)	-	46,185	-	46,185	-	
Minnesota International Health Volunteers	69,000		69,000	-	-	(2,180)	-	66,820	-	66,820	-	
MPS Teenage Parenting & Pregnancy Program	69,000		69,000	-	-	16,075	-	85,075	-	85,075	-	
Minneapolis Urban League	69,000		69,000	-	-	16,000	-	85,000	-	85,000	-	
Southside Community Health Services	66,000		66,000	-	-	-	-	66,000	-	66,000	-	
Way to Grow	262,000		262,000	-	-	-	-	262,000	-	262,000	-	
Youth are Here Busses	51,000		51,000	-	-	-	(51,000) ³	-	-	-	-	
Advocacy (Housing)	82,000		82,000	-	-	-	-	82,000	-	81,999	1	
Mortgage Foreclosure Prevention Program	140,000		140,000	-	-	-	-	140,000	-	140,000	-	
Youth Employment & Training	458,000		458,000	-	-	-	-	458,000	-	458,000	-	
Subtotal Public Service Grants	\$ 1,863,000	\$ -	\$ 1,863,000	\$ -	\$ -	\$ -	\$ (70,527)	\$ 1,792,473	\$ -	\$ 1,792,472	\$ 1	
Administrative Grants:												
MPH Citizen Participation	\$ 68,000	\$ -	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ 68,000	\$ -	\$ 68,000	\$ -	
YCB Administration	66,000		66,000	-	-	-	(1,197) ³	64,803	-	64,803	-	
Civil Rights Dept Fair Housing	365,000		365,000	-	-	-	-	365,000	-	365,000	-	
Grants & Special Projects	189,710		189,710	-	-	-	-	189,710	-	189,710	-	
Housing Discrimination Law Project-Legal Aid	54,000		54,000	-	-	-	-	54,000	-	54,000	-	
Homeless Initiative	77,000		77,000	-	-	-	-	77,000	-	77,000	-	
Finance Administration	196,000		196,000	-	-	-	-	196,000	-	196,000	-	
Grant Administration	68,000		68,000	-	-	-	-	68,000	-	68,000	-	
Neighborhood Services	72,000		72,000	-	-	-	-	72,000	-	72,000	-	
Way to Grow Administration	26,000		26,000	-	-	-	-	26,000	-	26,000	-	
YCB Youth Violence Prevention	121,000		121,000	-	-	-	-	121,000	-	121,000	-	
Citizen Participation	233,000		233,000	-	-	-	-	233,000	-	233,000	-	
Legal Aid Society	34,000		34,000	-	-	-	-	34,000	-	34,000	-	
Program Admin	62,000		62,000	-	-	-	-	62,000	-	62,000	-	
Planning - Administration	879,000		879,000	-	-	-	-	879,000	-	879,000	-	
Subtotal Administrative Grants	\$ 2,510,710	\$ -	\$ 2,510,710	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,509,513	\$ -	\$ 2,509,513	\$ -	
Block E Deficit Reduction:												
Graffiti Removal on Public Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,527 ³	\$ 19,527	\$ -	\$ -	\$ 19,527	
YCB Administration	-	-	-	-	-	-	1,197 ³	1,197	-	-	1,197	
Youth are Here Busses	-	-	-	-	-	-	51,000 ³	51,000	-	-	51,000	
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,724	\$ 71,724	\$ -	\$ -	\$ 71,724	
GRAND TOTAL	\$ 13,406,710	\$ -	\$ 13,406,710	\$ 3,986,000	\$ -	\$ -	\$ -	\$ 17,392,710	\$ 487,026	\$ 16,629,600	\$ 763,110	

CDBG Program Year 34
Beginning June 1, 2008
June 30, 2015

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015		Remaining Grant Budget
									Current Year Expenditures	Grant to Date Expenditures	
Capital Grants:											
General Housing Rehabilitation-MPHA	\$ 218,000		\$ 218,000	\$ -	\$ -	\$ -		\$ 218,000	\$ -	\$ 218,000	\$ -
Problem Properties Attorneys	38,300		38,300	-	-	-		38,300	-	38,300	-
Problem Properties Police	52,700		52,700	-	-	-		52,700	-	52,700	-
Lead Reduction	125,000		125,000	-	-	-		125,000	-	125,000	-
Problem Properties Board Bldg	348,000		348,000	-	-	-		348,000	-	348,000	-
Childcare Facilities Loan/Grant	224,000		224,000	-	-	-		224,000	47,628	185,497	38,503
Adult Training, Placement and Retention	1,380,000		1,380,000	-	-	-		1,380,000	-	1,380,000	-
High density corridor housing	729,000		729,000	-	-	-		729,000	-	729,000	-
NonProfit MF Rental Development Assistance	165,000		165,000	-	-	-		165,000	-	165,000	-
NEDF/CEDF	518,000		518,000	1,150,000	1		1	1,668,000	141,440	1,262,221	405,779
Homeownership Program (GMMHC)	319,000		319,000	-	-	-		319,000	-	319,000	-
Industry Cluster Program (Living Wage Jobs)	65,100		65,100	-	-	-		65,100	-	65,100	-
Multi-Family/Affordable Housing	4,270,000		4,270,000	-	-	-		4,270,000	-	4,270,000	-
Vacant & Boarded Housing	569,000		569,000	-	-	-		569,000	-	569,000	-
Subtotal Capital Grants	\$ 9,021,100	\$ -	\$ 9,021,100	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 10,171,100	\$ 189,068	\$ 9,726,818	\$ 444,282
Public Service Grants:											
Multi Cultural & Native American Indian	\$ 119,000		\$ 119,000	\$ -	\$ -	\$ -		\$ 119,000	\$ -	\$ 119,000	\$ -
Graffiti Removal on Public Property	86,200		86,200	-	-	-		86,200	-	86,200	-
Advocacy (Housing)	82,300		82,300	-	-	-		82,300	-	82,300	-
Asian Media Access	26,800		26,800	-	-	-		26,800	-	26,800	-
Living at Home Block Nurse Program	64,100		64,100	-	-	-		64,100	-	64,100	-
Child Dental Services	10,500		10,500	-	-	-		10,500	-	10,500	-
Curfew/Truancy Center	98,000		98,000	-	-	-		98,000	-	98,000	-
Domestic Abuse Project	34,500		34,500	-		(34,500)		-	-	-	
Resource Inc, Employment Action Center	44,000		44,000	-	-	-	(6,000)	38,000	-	38,000	-
Fremont Community Health Services	44,000		44,000	-	-	-		44,000	-	44,000	-
Greater Minneapolis Council of Churches	44,000		44,000	-	-	-		44,000	-	44,000	-
Lao Assistance Center of MN	48,800		48,800	-	-	-		48,800	-	48,800	-
MITZGI Communications	42,100		42,100	-	-	-		42,100	-	42,100	-
MPS Teenage Parenting & Pregnancy Program	65,100		65,100	-	-	-		65,100	-	65,100	-
Minneapolis Urban League	64,100		64,100	-	-	-		64,100	-	64,100	-
St Marys Health Clinics	18,200		18,200	-	-	-		18,200	-	18,200	-
St Stephens Human Services	44,000		44,000	-	-	-		44,000	-	44,000	-
Southside Family Nurturing Center	44,000		44,000	-	-	-	(20,727)	23,273	-	23,273	-
348TOTS	-		-	-		34,500		34,500	-	34,500	-
Way to Grow	261,000		261,000	-	-	-	(1)	260,999	-	260,999	-
Youth are Here Busses	71,800		71,800	-	-	-	(71,800)	-	-	-	-
Mortgage Foreclosure Prevention Program	196,000		196,000	-	-	-		196,000	-	196,000	-
Youth Employment & Training	457,000		457,000	-	-	-		457,000	-	457,000	-
Subtotal Public Service Grants	\$ 1,965,500	\$ -	\$ 1,965,500	\$ -	\$ -	\$ -	\$ (98,528)	\$ 1,866,972	\$ -	\$ 1,866,972	\$ -
Administrative Grants:											
MPH Citizen Participation	\$ 68,000		\$ 68,000	\$ -	\$ -	\$ -		\$ 68,000	\$ -	\$ 68,000	\$ -
YCB Administration	65,000		65,000	-	-	-	(197)	64,803	-	64,803	-
Civil Rights Dept Fair Housing	196,000		196,000	-	-	-		196,000	-	196,000	-
Grants & Special Projects	235,000		235,000	-	-	-		235,000	-	235,000	-
Homeless Initiative	-		-	-	-	-		-	-	-	-
Housing Discrimination Law Project-Legal Aid	54,600		54,600	-	-	-		54,600	-	54,600	-
Finance Administration	196,000		196,000	-	-	-		196,000	-	196,000	-
Grant Administration	67,972		67,972	-	-	-		67,972	-	67,972	-
Legal Aid Society	33,500		33,500	-	-	-		33,500	-	33,500	-
Neighborhood Services	71,800		71,800	-	-	-		71,800	-	71,800	-
Way to Grow Administration	25,800		25,800	-	-	-		25,800	-	25,800	-
YCB Youth Violence Prevention	120,000		120,000	-	-	-		120,000	-	120,000	-
Citizen Participation	233,000		233,000	-	-	-		233,000	-	233,000	-
Program Admin	62,000		62,000	-	-	-		62,000	-	62,000	-
Planning - Administration	878,000		878,000	-	-	-		878,000	-	878,000	-
Subtotal Administrative Grants	\$ 2,306,672	\$ -	\$ 2,306,672	\$ -	\$ -	\$ -	\$ (197)	\$ 2,306,475	\$ -	\$ 2,306,475	\$ -
Block E Deficit Reduction:											
Resource Inc, Employment Action Center			\$ -					\$ 6,000	\$ -	\$ -	\$ 6,000
Southside Family Nurturing Center			-					20,727	-	-	20,727
Way to Grow			-					1	-	-	1
YCB Administration			-					197	-	-	197
Youth are Here Busses			-					71,800	-	-	71,800
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,725	\$ 98,725	\$ -	\$ -	\$ 98,725
GRAND TOTAL	\$ 13,293,272	\$ -	\$ 13,293,272	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 14,443,272	\$ 189,068	\$ 13,900,265	\$ 543,007

**City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Second Quarter Ending June 30, 2015**

Program	Original Budget	Current Budget	Expended	Bud vs Exp	Cash	Fund Balance
Tax Increment Financing	43,058,463	43,058,463	14,640,957	28,417,506	87,533,729	116,830,775
Housing & Econ Development	1,846,199	1,846,199	915,090	931,109	10,465,140	13,423,218
General Development	7,176,030	7,199,530	6,746,928	452,602	23,470,134	30,690,753
Neighborhood Revitalization	28,800	5,728,800	1,169,548	4,559,252	32,697,472	33,248,278
CPED Operating	1,780,854	1,780,854	918,748	862,106	182,126	(565,174)
Total	\$ 53,890,347	\$ 59,613,847	\$ 24,391,271	\$ 35,222,575	\$ 154,348,601	\$ 193,627,850

CPED Special Revenue Funds account for governmental fund proceeds that are legally restricted to expenditures for specific purposes in a series of housing and economic development programs. The range of programs operated within this fund was created to increase the City’s economic competitiveness, to ensure an array of attractive housing choices, to support strong and diverse neighborhoods and to preserve our historic structures. These programs are financed primarily through state and local grants, tax increment financing, and administrative fees collected from the issuance of housing and economic revenue bonds.

Fund Balance. The fund balance in the combined CPED Special Revenue Fund as of the second quarter 2015 is \$193,627,850. A portion of that fund balance, including prepaid expenses, advances, and property held for development, is in a non-spendable form in the amount of \$39,944,649. Fund balance in the NRP and TIF programs (\$121,420,649) are restricted by State law. The remaining fund balance (\$32,034,540) has been assigned for use in specific purposes. All special revenue funds are restricted to the legal purposes of the special revenue.

A comparison of the current year to 2014 indicates that the fund balance is higher in 2015 than 2014 by \$7.5 million and the available cash is \$4.9 million higher than in 2014. When the second quarter cash balances of the NRP and TIF programs are deducted, the remaining cash balance in 2015 is \$2.6 million higher than 2014, which is driven by an increase of cash in the General Development program.

Tax Increment Financing. This program accounts for financial resources used for the acquisition and betterment of land and facilities in designated areas of the City. Authorized under Minnesota Statutes, Section 469.174 – 469.1799, as amended, this is a major financing tool available to the City to assist in the development and redevelopment of property within the City that would not occur “but for” this tool.

The primary source of revenue for this program is the property tax increment, which represents the taxes generated from the new, incremental value of specific development. Generally this revenue is used to pay outstanding bonds and notes. Tax increment revenues of the program are segregated by district and are restricted in how they may be used under State law.

Cash held in tax increment funds was consistent in second quarter 2015 with cash held during that same period in 2014. First half tax increment collections are received in the third quarter of each year so there is little change in revenue to report, although rent received through the second quarter 2015 was \$1.5 million less than rent received during the same period in 2014. Expenditures decreased from second quarter 2014 to 2015 by \$800,000. It is projected that sufficient tax increment revenues will be available to pay future obligations. The revenues in this program are restricted in their use by State law.

Housing and Economic Development. Beginning in 2014, that portion of the Housing and Economic Development program activities previously funded through administrative fees generated by the City through the issuance of conduit debt, specifically housing revenue and industrial revenue bonds, will be financed through the City's General Fund. Simultaneously, those administrative fees will be deposited to the City's General Fund. This will assure a continuing revenue source for the program without fluctuations due to economic conditions that impact the City's housing or business climate and further aligns the revenues with their appropriate accounting designations. The level of revenues and expenditures in this program was correspondingly reduced from the prior year.

General Development. The General Development program provides loans and grants to outside organizations within the City to assist commercial and housing development as well as interim loans to CPED projects. Program assistance is directed to commercial, job-creation, and housing activities.

The program is capitalized with residual equities such as land sale proceeds, parking revenues and rental income from development projects and UDAG and other loan payments not part of the Housing and Economic Development program. These revenues are available for the City's development activities.

Revenues increased by \$1.1 million over the prior year. This increase in revenues was attributable to various impacts, including loan repayments. Expenditures stayed consistent from the prior year.

Neighborhood Revitalization Program. This program was established in 1990 and focuses on the delivery of City services, including housing and commercial development loans and subsidies, 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, the program was administered by the NRP Policy Board, a board established under State law and a joint powers agreement between the City, County, School District, Park Board and Library Board. In 2012 after the joint powers agreement expired, the program came under the management of the City's Neighborhood and Community Relations Department. The revenues remaining in this program are restricted in their use by State law.

Second quarter revenues generated from the receipt of loan repayments increased by \$1.2 million and expenditures decreased by \$800,000 from the prior year.

CPED Operating. This program provides the working capital for CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. At the end of 2014, a deficit fund balance existed in the program in the amount of \$(5,629,614). As of the second quarter 2015, that deficit has been reduced to (\$565,174), a reduction of \$5.1 million. The deficit between current revenues and current expenditures in 2014 was \$548,100. During the second quarter 2015, current revenues exceeded current expenditures by \$117,000. The ongoing structural deficit from prior years is being addressed as discussed below by adjusting the General Fund appropriation.

Deficit Work-out Plan. A multi-year Workout Plan for deficit balance in the CPED Operating program was developed and approved by CPED directors as part of the 2012 budget process.

The deficit in 2011 was spread over a 5-year period. In each year, the available, unrestricted CPED revenues were to be used to pay 20 percent of the original deficit plus the actual deficit from the prior year-end. As an example, a \$5 million deficit in a program would be paid down each year by \$1 million. In addition to the \$1 million payment, any current deficit from the immediate prior year would also be paid in the subsequent year. Therefore if the current year deficit was \$350,000, the total deficit reduction payment would be \$1,350,000. After the 5-year period, the only deficits remaining would be from the immediately prior year and available, unrestricted revenues would be used to pay that then current deficit.

In 2012, 2013 and 2014, portions of the 5-year deficit reduction plan for the program, along with the prior year's current deficit were successfully implemented. The 2015 budget included the fourth year payment of this work-out plan and as of the second quarter, has been applied. The 2016 budget will include the final payment on this plan.

CPED Special Revenue Fund Component Programs
Financial Statement Summaries
2nd Quarter 2015

CPED Special Revenue Fund	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund	
						2015 Total	2014 Total
Assets							
Cash	87,533,729	10,465,140	23,470,134	32,697,472	182,126	154,348,601	149,408,853
Misc receivables	434,119	30,128	119,197	86,822	34,550	704,816	596,733
Loans receivable	-	7,377,163	-	-	-	7,377,163	7,929,228
Advances to other funds	7,288,000	-	3,000,000	-	-	10,288,000	8,268,000
Properties held for resale	28,162,702	4,316,047	4,220,198	495,702	-	37,194,649	37,257,851
Total Assets	123,418,550	22,188,478	30,809,529	33,279,996	216,676	209,913,229	203,460,665
Liabilities							
Payables	61,517	327	100,887	-	772,636	935,367	775,233
Advances from other funds	6,318,000	1,220,000	-	-	-	7,538,000	8,258,000
Deferred inflow of resources	208,258	7,544,933	17,889	31,718	9,214	7,812,012	8,234,118
Total Liabilities	6,587,775	8,765,260	118,776	31,718	781,850	16,285,379	17,267,351
Total Fund Balance	116,830,775	13,423,218	30,690,753	33,248,278	(565,174)	193,627,850	186,193,314
Total Liabilities & FB	123,418,550	22,188,478	30,809,529	33,279,996	216,676	209,913,229	203,460,665
Revenue							
General property taxes	-	730	-	-	-	730	-
Property tax increment	91,250	-	-	-	-	91,250	-
Fees & charges for services	26,967	195,962	133,828	57,529	1,037,256	1,451,542	1,399,484
Interest revenue	(82,202)	9,301	(13,000)	(22,089)	(2,643)	(110,633)	353,269
Rent	868,907	1	1,540,257	-	1,100	2,410,265	2,333,658
Sale of land & buildings	13,833	-	2,845,762	-	-	2,859,595	124,749
Loan recapture	613,591	209,061	837,463	1,769,021	-	3,429,136	2,034,368
Total revenue	1,532,346	415,055	5,344,310	1,804,461	1,035,713	10,131,885	6,245,528
Expenditures							
Personal services	118,058	143,104	556,339	-	78	817,579	468,019
Contractual services	303,393	216,865	518,172	1,126,942	918,512	3,083,884	4,482,264
Other operating costs	434	43,389	325,226	37,370	158	406,577	374,039
Program capital outlay	3,340,794	511,732	837,191	5,236	-	4,694,953	4,323,654
Total expenditures	3,762,679	915,090	2,236,928	1,169,548	918,748	9,002,993	9,647,976
Transfers							
Transfers from other funds	-	891,500	-	-	3,188,500	4,080,000	3,581,530
Transfers to other funds	(10,878,278)	-	(4,510,000)	-	-	(15,388,278)	(19,648,326)
Total transfers	(10,878,278)	891,500	(4,510,000)	-	3,188,500	(11,308,278)	(16,066,796)
Change in fund balance	(13,108,611)	391,465	(1,402,618)	634,913	3,305,465	(10,179,386)	(19,469,244)
Beginning fund balance	129,939,386	13,031,753	32,093,371	32,613,365	(3,870,639)	203,807,236	205,662,558
Ending fund balance	116,830,775	13,423,218	30,690,753	33,248,278	(565,174)	193,627,850	186,193,314

City of Minneapolis
Engineering, Materials, and Testing
For the Second Quarter ending June 30, 2015

Fund 06000	2015 Budget	06/30/2015 Actual	Projected YE 2015	2014 Actual
Operating Revenue	1,781,126	400,846	1,483,000	1,297,117
Operating Expense	2,067,400	830,049	1,946,000	1,517,834
Operating Margin	(286,274)	(429,203)	(463,000)	(220,717)
Change in Net Position		(429,203)	(463,000)	(220,717)
Net Position		1,352,960	1,519,163	1,782,163
Cash Balance		2,060,646	1,472,522	1,935,522

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.

Revenue:

Operating revenue earned through second quarter 2015 is \$400,846, or 22.5% of the budgeted amount of \$1,781,126. The 2015 revenue represents a decrease of 14.4% over the second quarter 2014 revenue of \$468,308. Revenue for the first half of the year is dependent upon a several factors such as weather as well as the timing of construction projects. 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 rates charged for inspection services 2015 are less than the rates charged for the same services in 2014. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector and generates adequate revenue to cover the fund's direct and indirect expenses.

Expense:

Operating expense through second quarter 2015 is \$830,049, or 40.2% of the budgeted amount of \$2,067,400. The 2015 expense reflects an increase of 14.6% over the 2014 expense of \$709,311 incurred through the same period. Included in the 2015 budget is the purchase of two new vehicles through the Capital Asset Request System (CARS) at a cost of \$49,000 and the purchase of a drill rig for \$177,000. As of June 31, 2015, \$41,670 is expensed for a drill rig chassis. The use of net position, or equity in the fund, will provide the source of financing for these purchases. Personnel expense in 2015 is up over the first two quarters of last year due to two additional technicians hired to perform test work. Professional service expense increased 21.4% in second quarter over the same period in 2014.

Transfers:

This fund does not have any transfers in or out in 2015.

Debt Service:

This fund does not have any debt obligations.

Forecast:

Operating revenue is projected to be \$1.5 million or \$0.3 million less than the budgeted amount of \$1.8 million. The decrease in revenue is due to a reduction in laboratory rates that was not initially reflected in the budget. Operating expense is projected to be \$1.9 million which is 5.9% less than the budgeted amount of \$1.8 million. Included in the operating expense are the purchase of a drill rig and two vehicles totaling \$226,000. Net position is the funding source for this equipment and the drill rig will be capitalized in this fund. These projections result in a 2015 decrease to net position of \$263,000 and a projected ending net position of \$1,519,163. The year-end cash balance is projected to be \$1,472,522 representing a decrease of \$463,000 from the 2014 year-end balance of \$1,935,522.

Cash and Net Position

The 2015 second quarter cash balance is \$2,060,646, an increase of \$125,125 from the 2014 year-end balance of \$1,935,522. The increase in cash through second 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. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15% of the operating budget or \$0.2 million.

The 2014 year-end net position is \$1,782,163 which represents a decrease of \$192,348 from the 2013 ending balance of \$1,733,508. The decrease in net position is primarily due to the decrease in the rates charged for laboratory services and to the overhead applied to asphalt and concrete sales. These decreases began in 2013 and were adjusted again in 2014 and 2015. The financial policy for the net position for this fund determines that net position not be less than 15% of the annual operating budget or \$0.2 million.

City of Minneapolis
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For Second Quarter/Years, Ending 2015, 2014, and 2013

	Budget Year 2015	Projected Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Asphalt / Concrete	350,000	303,000	113,827	290,153	101,016	484,086	217,367
Inspection revenue	1,431,126	1,180,000	287,019	1,006,964	367,292	1,381,181	521,294
Total Operating Revenues	1,781,126	1,483,000	400,846	1,297,117	468,308	1,865,267	738,661
Operating Expenses:							
Personnel	1,273,691	1,200,000	550,349	1,067,161	512,689	950,073	450,148
Contractual	465,055	432,785	205,669	369,913	161,638	397,066	177,610
Materials, Supplies, Services, Other ¹	311,439	296,000	65,787	67,662	28,435	88,914	41,995
Rent	17,215	17,215	8,244	13,098	6,549	13,098	6,549
Total Operating Expenses	2,067,400	1,946,000	830,049	1,517,834	709,311	1,449,151	676,302
Operating Margin	(286,274)	(463,000)	(429,203)	(220,717)	(241,003)	416,116	62,359
Non-Operating Revenues/(Expenses):							
Other revenue	-	-	-	-	-	20	-
Depreciation	-	-	-	-	-	(3,678)	(2,006)
Total Non-Operating Revenues(Expenses)	-	-	-	-	-	(3,658)	(2,006)
Operating Transfers In (Out):							
Net transfers in from other funds	-	-	-	-	-	-	-
Net Transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-	-
Change in Net Position	(286,274)	(463,000)	(429,203)	(220,717)	(241,003)	412,458	60,353
Significant Balance Sheet Items							
Cash Balance		1,472,522	2,060,646	1,935,522	2,019,719	2,125,050	3,018,316
Net Position		1,519,163	1,352,960	1,782,163	1,733,508	1,974,511	1,644,719

¹ The 2015 projection for Materials, Supplies, Services, Other includes an expected expense of \$176,505 for a drilling rig and \$49,000 for the purchase of two vehicles. The fund's net position is the funding source. The drill rig will be capitalized as a fixed asset of the fund.

**City of Minneapolis
Fleet Services Division
For the Second Quarter Ending June 30, 2015**

Fund 06100	2015 Budget	06/30/2015 Actual	Projected YE 2015	2014 Actual
Operating Revenue	33,498,957	14,449,744	29,793,494	39,281,281
Operating Expense	22,432,603	9,128,874	18,671,636	25,818,202
Operating Margin	11,066,354	5,320,870	11,121,858	13,463,079
Change in Net Position		3,131,736	6,578,327	8,468,927
Net Position		62,953,943	66,400,534	59,822,207
Cash Balance		24,782,478	21,757,300	23,186,971

Program Description:

The Fleet Services Fund manages the acquisition, maintenance and disposal of 1800 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment. Through the end of October 2013, the fund also provided the drivers and operators for the equipment that is used in construction and snow removal. Starting in November 2013, these employees were transitioned out of Fleet Services Fund and reallocated to various Public Works departments. 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.

Revenue:

Operating revenue earned through second quarter 2015 is \$14,449,744 or 43.1% of the budgeted amount of \$33,498,957. The revenue earned through second quarter 2015 decreased by \$4,356,869, or 23.2%, from the revenue earned through second quarter 2014. The primary reason for the decrease is the loss of revenue earned through the hourly (task) rental of vehicles. In 2015, these vehicles were transferred from the Fleet division to the PW divisions where they are utilized. The revenue earned through second quarter 2014 for task rental was \$3.6 million. In addition, the drivers and operators of these vehicles were reassigned to other PW divisions in 2013 resulting in a loss of revenue earned for rental rates of personnel. In order to capture the revenue earned from the overheads applied to these services, the Fleet Services Division allocated charges to Public Works and other City departments that were assigned the vehicles. Revenue earned from these overhead charges through second quarter 2014 was \$1.2 million and overhead revenue earned through second quarter 2015 was \$1.5 million. This loss of revenue from task unit and task labor rents is also offset by a decrease in the related expense as noted below.

In 2015, the Fleet Services Division assigned nearly all of its fleet (base units) to City departments. The City departments are assigned 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. Rates charged for the purchase of fuel can be adjusted at the beginning of the current year to account for any changes in fuel prices.

Charges for service and sales decreased 8.0% from second quarter 2014 to second quarter 2015. The decrease is due to a decline in maintenance performed on vehicles including labor and parts. Maintenance on fleet vehicles fluctuates with usage and a driving factor is the annual snowfall. Snowfall and related plowing was significantly increased in 2014.

Expenses:

Operating expense through second quarter 2015 totaled \$9,128,874, representing 40.7% of the annual budgeted amount of \$22,432,603. Expenses through the second quarter of 2015 decreased \$3,539,121 or 27.9%, over the total expense through the same period in 2014. The primary reason for this decline is the assignment of Fleet vehicles to City departments in 2015 that were previously assigned to Fleet Services Division. When the vehicles were assigned to Fleet, one Fleet department would charge another for rental of vehicles, repairs, and fuel, creating internal charges (expense) from one department to the other. In 2015, these vehicles are assigned to City departments and these departments are charged directly for repairs, fuel, and rental fees for the units assigned. This change in process accounts largely for the decrease of \$1.56 million of contractual expense from 2014 to 2015 and \$1.65 million of Material and Supply expense. The amount expended on fuel purchases declined \$447,978, or 19.2%, from 2014 to 2015 related to the decline in vehicle usage in 2015. Personnel cost decreased by 7.6% from 2014 to 2015 following the decrease in FTE from 78.0 to 74.0.

Transfers:

In 2015 this fund will receive a transfer in of \$1,595,603 to fund vehicle purchases as part of the Capital Asset Request System (CARS). This transfer is intended to bridge the gap created by the purchase of new vehicles that, due to changes in technology or needs, are more expensive than the vehicles they are replacing. In addition, Fleet Services Division will receive a transfer of \$316,216 from the Property Services fund to assist with the payment of debt bonds related to the Currie Maintenance Facility.

Debt Service:

Principal payments related to the general obligation bonds sold to finance the upgrade of fleet vehicles and the new maintenance facility will total \$2,100,000 in 2015. Interest payments related to the 2015 debt will total \$460,350. After the 2015 payments, the remaining debt will be \$1,953,600 for the equipment bonds and \$12,598,350 for the facility bonds. The final payment occurs in 2018, at a total of \$9,259,700.

Forecast:

Operating revenue is projected to be \$29.8 million which is 11.1% less than the budgeted amount of \$33.5 million. Projected revenue is less than budgeted due to a decline in sale of parts for maintenance and also a decline in fuel sales. Operating expense is projected to be \$18.7 million or 16.8% less than the budgeted amount of \$22.4 million. Materials expense is expected to be less than budgeted due to a decline in both the purchase of fuel and repair parts and supplies. Fuel is no longer sold to one external customer and the purchase and sale of that fuel was included in the budget. After transfers are complete and non-operating revenue is recorded, an increase to net position of \$6.6 million is projected compared to the budgeted of \$6.8 million, resulting in a projected ending net position of \$66.4 million. Ending cash is projected to be

\$21,757,300, a decrease of \$1.4 million from the 2014 ending cash balance of \$23,186,971. The decrease is due to the use of cash balance as the revenue source for the payment of debt. In 2013, the fund received a transfer in from the General Fund of \$8.3 million to assist with future debt obligations.

Cash and Net Position:

The fund has maintained a positive cash balance with a second quarter 2015 ending balance of \$24,782,478, an increase of \$3,757,956 from the 2014 second quarter ending balance of \$21,024,522. Reserve policies for internal service funds determine that the minimum cash balance should be 15% of the fund's operating budget or \$2.4 million. While cash reserves at the end of second quarter 2015 are significantly higher than the minimum target, there are no future scheduled transfers in to assist with the payment of the remaining principal and interest on debt totaling \$14,551,950 after the 2015 payment.

The net position for year ending 2014 was \$59,822,207, an increase of \$9,760,334, or 19.5% over the 2013 ending balance of \$50,061,873. The increase in net position is due timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicle. Net position consists of a net investment in capital assets of \$37,902,362 along with \$21,919,845 of unrestricted net position.

City of Minneapolis
Fleet Services Division Fund
Statement of Revenue and Expenses
For Second Quarter Years, 2015, 2014, and 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Charges for Services and Sales	20,211,813	16,700,000	8,316,633	18,105,932	9,041,145	18,402,815	9,074,846
Rent Public Works and Other	13,287,144	13,093,494	6,133,111	21,175,349	9,765,468	24,909,868	12,270,167
Total Operating Revenue	33,498,957	29,793,494	14,449,744	39,281,281	18,806,613	43,312,683	21,345,013
Operating Expenses:							
Personnel Services	7,361,607	6,900,000	3,428,407	7,233,185	3,709,272	12,932,221	6,923,255
Contractual Services	4,689,100	4,300,000	2,093,480	7,859,404	3,650,233	9,385,741	4,273,695
Materials, supplies, services and other	9,560,260	6,650,000	3,196,167	9,801,016	4,845,598	10,913,325	5,107,799
Rent	821,636	821,636	410,820	924,597	462,299	967,571	483,786
Total Operating Expenses	22,432,603	18,671,636	9,128,874	25,818,202	12,667,402	34,198,858	16,788,534
Operating Margin	11,066,354	11,121,858	5,320,870	13,463,079	6,139,211	9,113,825	4,556,479
Non-Operating Revenues/(Expenses):							
Interest on Bonds	(460,350)	(460,350)	(230,175)	(345,090)	(258,525)	(595,507)	(320,288)
Gains/Losses on disposal of fixed assets	500,000	275,000	219,915	214,329	-	340,385	-
Reimbursements for vehicle purchases	-	-	-	-	-	-	12,300
Other revenue	10,000	-	4,150	6,891	349	32,920	152
Depreciation	(6,270,000)	(6,270,000)	(3,138,934)	(6,158,862)	(2,988,937)	(6,150,969)	(2,890,699)
Total Non-Operating Revenues(Expense):	(6,220,350)	(6,455,350)	(3,145,044)	(6,282,732)	(3,247,113)	(6,373,171)	(3,198,535)
Operating Transfers in (out)							
Net transfer in from other funds	1,911,819	1,911,819	955,910	1,288,580	644,290	8,315,000	4,157,500
Net transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	1,911,819	1,911,819	955,910	1,288,580	644,290	8,315,000	4,157,500
Capital Contribution¹	-	-	-	-	-	1,602,041	-
Change in Net Position	6,757,823	6,578,327	3,131,736	8,468,927	3,536,388	12,657,695	5,515,444
Significant Balance Sheet Items							
Cash Balance		21,757,300	24,782,478	23,186,971	21,024,522	18,893,919	16,124,333
Net Building Value				20,973,940		21,576,363	
Net Fleet Value				28,764,885		26,050,280	
Bonds Payable			(15,645,000)	(15,645,000)	(17,635,000)	(17,635,000)	(21,290,000)
Net Position		66,400,534	62,953,943	59,822,207	53,598,261	50,061,873	42,714,950
Significant Cash Flow Items							
Principal on Equipment Bonds	(730,000)	(730,000)	-	(730,000)	-	(2,585,000)	-
Principal on Facilities Bonds	(1,370,000)	(1,370,000)	-	(1,260,000)	-	(1,070,000)	-
Fleet Purchases	17,594,974	11,100,680	4,291,581	7,539,842	3,025,616	6,435,269	2,258,708

¹Capital contributions in 2013 consist of \$227,735 for vehicles purchased with grant funds and \$1,374,306 for building improvements paid by capital programs.

City of Minneapolis
Property Services Division
For the Second Quarter ending June 30, 2015

Fund 06200	2015 Budget	06/30/2015 Actual	Projected YE 2015	2014 Actual
Operating Revenue	18,232,127	10,449,605	22,306,630	19,152,488
Operating Expense	18,364,168	10,068,707	21,077,000	19,185,118
Operating Margin	(132,041)	380,898	1,229,630	(32,630)
Change in Net Position		182,448	296,741	(442,050)
Net Position		32,983,818	33,098,111	32,801,370
Cash Balance		3,930,738	3,664,937	3,757,757

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. 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 2015 revenue and expense budgets for the fund were increased by \$4,994,000 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. This 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.

Revenue:

Operating revenue recorded through second quarter 2015 is \$10,449,605, or 57.2% of the budgeted amount of \$18,232,127. The 2015 second quarter revenue increased \$1,203,220, or 13.2%, from the revenue earned through second quarter 2014. Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Revenue received from rents through second quarter 2015 increased by 10.9% when compared to the same period in 2014. Approximately one-third, or \$500,000 of this increase, is due to an increase in City Hall rent. The remaining increase is related to increasing costs for building maintenance. Revenue received from charges for services, including repairs and upgrades, fluctuates based on the amount of discretionary spending available to departments. Through second quarter 2015, the revenue earned from charges for services is \$2.2 million, up 37.9% from the \$1.6 million earned in 2014 through the same period. The Property Disposition fund recorded revenue of \$1.6 million from the sale of land to the Minnesota Sports Facility Authority.

Expenses:

Operating expense through second quarter 2015 is \$10,068,707, or 54.8% of the total budgeted amount of \$18,364,168. The 2015 second quarter expense increased \$1,056,763, or 11.7%, from the operating expense recorded through second quarter 2014. Personnel expense increased by 13.0% through second quarter 2015 compared to second quarter 2014 primarily due to filling vacant positions. Materials and Supplies expense increased 56.2% through second quarter 2015 from second quarter 2014. The increase is related to a CARS (Capital Asset Request System) approved purchase of radio communication equipment at a cost of \$350,000 to support the 800 MHZ communication system. Upon City Council approval, \$1.3 million of the Property Disposition fund was expended on capital improvements of a City maintenance facility.

Transfers:

In 2015, this fund receives a transfer in from the general fund totaling \$818,727 of which \$353,187 supports City Hall rent expense and \$465,540 funds approved CARS projects. These CARS projects are related to security enhancements at various locations throughout the City, replacement radios for the 800 MHZ communication system, and relocation of a City department. The fund will transfer out \$316,216 to the Fleet Services Division fund to assist with the debt related to the Currie Maintenance Facility. Property Services collects this payment through the rent allocation model from City departments housed in Currie.

Debt Service:

The debt service for 2015 is related to the sale of net debt bonds to purchase the 800 MHZ radio system. In 2015, the debt consists of an interest payment of \$98,400 and a principal payment of \$820,000. The remaining debt is \$2,607,600 with the final payment scheduled for 2018.

Forecast:

Operating revenue is projected to be \$20.7 million or 13.8% more than budgeted amount of \$18.2 million. Increased revenue from projects for other departments, as charges for services, is driving the overall revenue projection up. The operating expense is projected to be \$19.8 million or 7.7% more than the budget of \$18.4 million. Contractual services is projected to be 15.9% than budgeted as these expenses are related to increased project work and are billed back to the departments requesting the work. These projections result in a projected operating margin gain of \$960,000, compared to the budgeted operating margin loss of \$(132,041). The net gain from project work is not included in the budget and, as the total amount of project work increases, the gain of revenue over expense widens.

The 2015 ending cash balance is projected to decrease from \$3.9 million at second quarter to \$3.7 million. A contributing factor to a decrease in cash at year-end is the payment of \$820,000 in bond principle. The source of funding for this payment is net position. The fund received a final transfer in of \$3.3 million from the general fund in 2013 to assist with payment of debt.

Cash and Net Position:

The cash balance at the end of second quarter 2015 was \$3,930,738 compared to a cash balance of \$3,521,303 at the end of second quarter 2014. The cash consists of a balance of \$1,649,630 in the Property Disposition fund and a balance of \$2,281,108 in the Property Services operating fund. A net increase in cash of \$270,000 occurred in the Property Disposition fund as the result of revenue received from the sale of land of \$1.6 million and \$1.3 million of approved capital project expense. 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 \$1.9 million for the Property Services fund.

The net position for the year ending 2014 was \$32,801,370, a decrease of \$257,076 from the net position of \$33,058,446 for year ending 2013. The cost allocation model for this fund does not recover the depreciation costs related to capital assets. It is expected that the net asset position will decrease primarily due to recognizing the depreciation of capital assets. 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 2014 was \$1.3 million and the net position was \$30.5 million greater than the benchmark. Net position consists of an investment in capital assets, net of related debt, of \$30,156,598 along with \$2,644,771 of unrestricted net position.

City of Minneapolis
Property Services Fund
Statement of Revenues and Expenses
For Second Quarter / Years Ending 2015, 2013, and 2012

	Budget Current Year 2015	Projected Year 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Charges for Services And Sales	2,280,666	5,120,000	2,647,854	4,764,338	2,198,570	4,337,175	1,762,852
Rents Public Works and Other	15,951,461	15,620,000	7,801,751	14,388,150	7,034,523	14,060,331	6,818,482
Total Operating Revenue	18,232,127	20,740,000	10,449,605	19,152,488	9,233,093	18,397,506	8,581,334
Operating Expenses:							
Personnel Services	6,653,247	6,510,000	3,254,151	5,948,082	2,880,527	5,510,168	2,635,580
Contractual Services	9,631,064	11,160,000	5,578,382	11,352,721	5,260,801	10,364,061	4,866,079
Materials, Supplies, and Other	1,538,246	1,568,000	965,370	1,379,103	618,010	1,155,654	580,194
Rent	541,611	542,000	270,804	505,212	252,606	519,596	259,798
Total Operating Expenses	18,364,168	19,780,000	10,068,707	19,185,118	9,011,944	17,549,479	8,341,651
Operating Margin	(132,041)	960,000	380,898	(32,630)	221,149	848,027	239,683
Non-Operating Revenues (Expenses):							
Interest on Bonds	(98,400)	(98,400)	(49,200)	(83,465)	(60,675)	(129,764)	(71,625)
Misc Revenues	3,000	3,000	1,290	2,819	1,919	11,067	1,483
Sale of Land ¹	-	1,566,630	1,566,630				
Contractual services Property Disposition fund ²		(1,297,477)	(1,297,477)				
Depreciation	(1,340,000)	(1,340,000)	(670,949)	(1,340,894)	(669,192)	(1,347,356)	(555,670)
Total Non-Operating Revenues(Expenses)	(1,435,400)	(1,166,247)	(449,706)	(1,421,540)	(727,948)	(1,466,053)	(625,812)
Operating Transfers In (Out)							
Net transfers in from other funds	818,727	818,727	409,364	646,206	323,103	3,282,231	1,746,917
Net transfers out to other funds	(316,216)	(316,216)	(158,108)	-	-		
Total Operating Transfers	502,511	502,511	251,256	646,206	323,103	3,282,231	1,746,917
Capital Contribution³	-		-	365,914	-	4,844,732	-
Change in Net Position	(1,064,930)	296,264	182,448	(442,050)	(183,696)	7,508,937	1,360,788
Significant Balance Sheet Items							
Cash Balance		3,664,937	3,930,738	3,757,757	3,521,303	4,248,459	2,453,380
Property Disposition Fund cash balance			1,649,630	1,380,477	1,380,477	1,380,477	1,380,477
Operating cash balance			2,281,108	2,377,280	2,140,826	2,867,982	1,072,903
Bonds Payable			(3,280,000)	(3,280,000)	(4,045,000)	(4,045,000)	(4,775,000)
Net Position		33,097,634	32,983,818	32,801,370	32,874,750	33,058,446	26,932,039
Significant Cash Flow Items							
Principal Payments on Debt	(820,000)	(820,000)	-	(765,000)	-	(730,000)	-

¹The revenue from the sale of land is recorded in the Property Disposition fund.

² Contractual service expense in 2015 includes \$1,297,477 expended from the Property Disposition fund for capital improvements at a City maintenance facility.

³ Capital contribution consists of various building improvements paid for by the Capital Improvement Fund 04100 and capitalized in Property Services Fund 06200.

**City of Minneapolis
Public Works Stores
For the Second Quarter ending June 30, 2015**

Fund 06300	2015 Budget	06/30/2015 Actual	Projected YE 2015	2014 Actual
Operating Revenue	1,190,000	542,535	1,380,000	1,384,025
Operating Expense	1,054,085	520,040	1,100,054	1,112,140
Operating Margin	135,915	22,495	279,946	271,885
Change in Net Position		22,495	279,946	530,632
Net Position		4,660,619	4,918,070	4,638,124
Cash Balance		(108,540)	(51,089)	(200,801)

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 the Central Stores and Traffic Stores.

Revenue:

Operating revenue earned through second quarter 2015 is \$542,535, or 45.6% of the budgeted amount of \$1,190,000. The amount earned through second quarter represents an increase of \$44,260, or 8.9%, over the \$498,275 in revenue earned through second quarter 2014. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue corresponds to the increased level of inventory purchases and requisition processing transactions related to City projects.

Expenses:

Operating expense recorded through second quarter 2015 is \$520,040, or 49.3% of the budgeted amount of \$1,054,085. The amount expended through second quarter 2015 decreased slightly by \$19,075 or 3.5 % from the \$531,233 expended through the same period in 2014. The allocation of general fund overhead charges decreased by \$43,000, or 50.9% from 2014 to 2015. Increases in the 2015 rent and personnel services were offset by decreases in contractual services and materials.

Transfers:

There are no transfers in or out of this fund in 2015.

Debt Service:

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

Forecast:

Operating revenue is projected to total \$1,380,000 at year-end, exceeding the budgeted revenue of \$1,190,000 by \$190,000, 16.0%. Increases in inventory issued to City departments and processing of requisitions is driving the projection. Operating expense is projected to total \$1,100,054, representing \$46,000 or 4.4% over the budgeted expense of \$1,054,085. The

projection is driven by an expected increase in the cost of personnel as additional temporary staff to Central Stores are utilized. The cost of inventory that is resold to City departments is excluded from the total expense of the 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 \$279,946 compared to a budgeted increase of \$135,915, and a projected ending net position of \$4,918,070.

Cash and Net Position:

The cash balance at the end of second quarter 2015 was a deficit of (\$108,540), an increase in cash from the deficit of (\$200,801) at year-end 2014. The cash balance, as stated in the 2014 CAFR, is \$1,199 which is the sum of current cash and the amount due to other funds of \$202,000. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

The fund continues to maintain a positive net position with a 2014 ending balance of \$4,638,124, an increase of 13.4% from the 2013 ending balance of \$4,088,748. The financial policy for the net position for the Public Works Stores Fund determines that a net asset balance should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

City of Minneapolis
Public Works Stores
Statement of Revenues and Expenses
For the Second Quarter/Years Ending 2015, 2014, and 2013

	Budget Year 2015	Projected Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Central Stores	625,000	780,000	361,178	761,497	283,384	749,377	293,939
Traffic Stores	565,000	600,000	181,357	622,528	214,891	766,113	237,725
Total Operating Revenues	1,190,000	1,380,000	542,535	1,384,025	498,275	1,515,490	531,664
Operating Expenses:							
Personnel	743,644	795,000	389,803	774,865	374,719	770,867	351,403
Contractual	188,416	223,500	98,731	271,004	123,916	279,840	136,141
Materials, Supplies, Other	70,471	30,000	5,930	30,885	22,786	15,767	17,019
Rent	51,554	51,554	25,576	35,387	17,694	33,557	16,779
Total Operating Expenses	1,054,085	1,100,054	520,040	1,112,140	539,115	1,100,031	521,342
Operating Margin	135,915	279,946	22,495	271,885	(40,840)	415,459	10,322
Non-Operating Revenues (Expenses):							
Other revenue	-	-	-	258,747	-	-	3,712
Total Non-Operating Revenues (Expenses)	-	-	-	258,747	-	-	3,712
Operating Transfer In (Out)							
Net transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-	-
Change in Net Position	135,915	279,946	22,495	530,632	(40,840)	415,459	14,034
Significant Balance Sheet Items							
Cash Balance ¹		(51,089)	(108,540)	1,199	77,769	2,360	(232,464)
Due to Other Funds				202,000		181,000	
Inventories			5,463,266	5,242,640	4,434,665	4,581,136	4,455,435
Net Position		4,918,070	4,660,619	4,638,124	4,047,908	4,088,748	3,706,279

¹ The year-end cash balances for 2014 and 2013 are the cash balances as stated in the CAFR. The actual year-end balances for 2014 and 2013 are cash deficits of \$(200,801) and \$(178,640) respectively. The Public Works Stores fund receives an interfund loan at year-end to bring a deficit cash balance to a positive balance.

**City of Minneapolis
Intergovernmental Services Fund
For the Second Quarter Ending June 30, 2015**

Fund 06400	2015 Budget	6/30/2015 Actual	Projected YE 2015	2014 Actual
Operating Revenue	49,137,836	21,401,984	41,985,654	44,380,298
Operating Expense	63,989,301	21,459,450	60,259,105	44,298,415
Operating Margin	(14,851,465)	(57,466)	(18,273,451)	81,883
Change in Net Position		1,453,090	(15,775,969)	8,978,857
Net Position		63,484,781	51,308,216	62,084,185
Cash Balance		44,192,194	28,286,671	49,887,640

Program Description:

The Intergovernmental Services Fund accounts for operations of Information Technology (IT); the City Clerk's printing and central mailing services; and Human Resources technology training services. IT is comprised of telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware.

Revenue:

Operating revenue through the second quarter of 2015 is \$21,401,984, or 43.6% of the annual budgeted amount of \$49,137,836. This is an increase of \$0.5 million, or 2.4%, compared to revenue of \$20,903,015 earned through second quarter of 2014. The increase in revenue is primarily due to an increase in revenue earned from charges to City departments related to managing and providing technology and communication services as determined by the cost allocation model.

Expenses:

Operating expenses through the second quarter are \$21,459,450 or 33.5% of the annual budgeted amount of \$63,989,301. The operating expense through second quarter increased \$1.2 million, or 5.7%, from the 2014 expense of \$20,302,548. Operating expenses recorded to the Project Management Office department are primarily responsible for this increase, specifically the expenses related to the Enterprise Resource Planning (ERP) projects. These enterprise wide projects are funded through City department operating expense savings, cost allocation model charges, and by transfers from the general fund as determined by the Capital Asset Request System (CARS). The expenses in PMO include the cost of purchasing technology, creating enhancements, and implementation of the products. The PMO department charges the costs of these products and services to City user departments and includes an overhead amount that is calculated to generate enough revenue to cover the overhead expense of the department.

Administration expenses of \$5.4 million decreased 5.3% over 2014 amount of \$5.7 million. This decrease is primarily due to additional software license purchases and the related cost of application support that can be attributed to new technology initiatives and upgrades in 2014.

Debt:

The debt service for 2015 is related to the sale of net debt bonds for IT projects. In 2015, the debt consists of an interest expense of \$46,188 and a principal payment of \$2,705,000. Beginning 2013, the principal payment was significantly reduced to \$1,955,000 from \$9.2 million paid in 2012 and \$10.0 million paid in 2011. Existing bond debt obligations will be repaid by year-end 2015 with a final payment of \$2,705,000. Future sales of net debt bonds to support capital projects are expected to be between \$0.3 million and \$3.6 million from 2016 through 2018. The fund makes an annual payment of \$1.5 million to the Minneapolis Convention Center, related to monies advanced from this fund, with a final payment scheduled in 2016 of \$1.75 million.

Transfers:

In 2015, this fund receives transfers in totaling \$7.5 million. The annual transfers consist of a general fund transfer totaling \$3.8 million, \$1.0 million from the Self Insurance Fund, and \$2.7 million from the debt service fund. The general fund transfer includes \$0.2 for City Hall rent, and \$3.6 million of approved CARS funding for the Enterprise Resource Planning project. The transfer from the Self Insurance fund is in accordance with the long-term financial plans for both funds and will end in 2015.

The 2014 transfer to other funds includes transfers of \$522,770 for debt service.

Forecast:

Operating revenue is projected to be \$42.0 million or \$7.2 million less than the budgeted amount of \$49.1 million. The fund's PMO budget increases as new projects are approved by City departments. Expenses for some of these projects, along with the billing to customer departments, may occur in years subsequent to the addition of the appropriation to the budget. The current revenue and expense budgets include the funding and the subsequent revenue earned related to the ELMS, ERP, and IOP projects. It is expected that these projects will be completed in 2015 and 2016. Operating expenses are expected to be \$60.3 million or \$3.7 million less than the budgeted amount of \$64.0 million. These projections result in an expected operating margin deficit of (\$18.3) million as compared to a budgeted operating margin deficit of (\$14.9) million.

The fund is projecting a decrease to net position of \$15.8 million compared to a budgeted decrease of \$12.4 million. The projected decrease to net position is more than budgeted primarily because transfers received in 2014 will be used for 2015 expenses related to the ERP project. These transactions result in a 2015 projected year-end net position of \$51.3 million which represents a decrease of 17.4% from the 2014 net position of \$62.1 million. The projected decrease in net position is primarily due to using net position to fund the transition expenses for insourcing the help desk and desk side support functions and contracting for a new managed services provider, which is estimated at \$10 million.

The year-end cash balance is projected to be \$28.3 million which represents a decrease of 43.3% over the cash balance at year-end 2014 of \$49.9 million. The primary reason for the decrease to cash balance is the planned use of funds for insourcing the help desk and desk side support functions and contracting for a new managed services provider. In addition, an estimated \$6.6 million in deferred revenue will be used in 2015 to fund the ERP and the Enterprise Land Management projects.

Cash and Net Position:

The cash balance at the end of second quarter is \$44.2 million, representing a decrease of \$5.7 million from the 2014 year-end balance of \$49.9 million. The primary reasons for the decrease to cash in 2015 is the use of deferred revenue to fund PMO projects, and expenses related to insourcing the help desk and desk side support functions and contracting with a new provider for managed services. Included in the cash balance are prepayments of \$6.3 million for technology projects from other City departments. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services fund should be 15% of the fund's total budget or \$5.6 million.

The net position at year-end 2014 is \$62.1 million, an increase of \$24.7 million from the year-end 2013 net position of \$37.4 million. The increase to net position is primarily due to an increase in cash of \$14.6 million (related to a net transfer of \$15.6 million) and an increase in the book value of long term assets of \$6.6 million. Financial reserve policies for the internal service funds determine that the minimum net position for the Intergovernmental Services fund should be twice the depreciation amount or \$10.0 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 net position will continue to increase.

City of Minneapolis
Intergovernmental Services Fund
Statement of Revenue and Expenses
For Second Quarter/Years, 2015, 2014, and 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Charges for Service:							
IT - PMO	17,315,550	9,827,716	5,321,917	13,211,244	5,388,727	5,417,060	1,885,091
IT - Telecom	2,089,045	2,873,320	1,436,660	2,900,134	1,434,009	3,020,539	1,493,840
IT - Operating-other	28,622,475	28,173,852	14,086,926	26,818,599	13,477,451	23,878,779	11,977,086
CC-Mailing Services/Data Center	418,580	418,580	197,054	599,988	201,521	586,206	191,945
CC-Copy Services	692,186	692,186	359,427	850,333	401,307	621,135	295,913
Total Operating Revenues	49,137,836	41,985,654	21,401,984	44,380,298	20,903,015	33,523,719	15,843,875
Operating Expenses:							
IT - PMO	20,915,552	16,392,250	6,240,616	13,798,410	5,093,370	6,497,679	1,851,762
IT - Telecom	1,536,674	1,761,293	919,727	1,529,540	522,573	1,797,176	879,421
IT - Operating-other	39,580,717	40,153,918	13,495,201	27,231,026	13,921,007	24,544,795	12,381,942
CC-Mailing Services/Data Center	907,441	907,441	310,418	732,621	309,471	684,032	275,135
CC-Copy Services	748,203	748,203	387,139	750,124	346,793	669,344	302,644
Human Resources	300,714	296,000	106,349	256,694	109,334	301,889	167,590
Total Operating Expenses	63,989,301	60,259,105	21,459,450	44,298,415	20,302,548	34,494,915	15,858,494
Operating Margin	(14,851,465)	(18,273,451)	(57,466)	81,883	600,467	(971,196)	(14,619)
Non-Operating Revenues (Expenses):							
Interest on bonded debt	(46,188)	(46,188)	(23,094)	(193)	(30,386)	(27,802)	(51,473)
Other non-operating income (expense)	-	-	-	42,843	-	34,615	-
Depreciation	(5,000,000)	(5,000,000)	(2,238,185)	(6,812,314)	(3,319,385)	(11,838,204)	(5,997,372)
Total Non-Operating Revenues (Expens)	(5,046,188)	(5,046,188)	(2,261,279)	(6,769,664)	(3,349,771)	(11,831,391)	(6,048,845)
Operating Transfers In (Out):							
Net transfers in from other funds ¹	7,543,670	7,543,670	3,771,835	16,139,408	7,431,582	17,239,500	8,627,701
Net transfers out to other funds	-	-	-	(522,770)	-	(14,887)	-
Total Operating Transfers	7,543,670	7,543,670	3,771,835	15,616,638	7,431,582	17,224,613	8,627,701
Capital Contribution	-	-	-	50,000	-	-	-
Change in Net Position	(12,353,983)	(15,775,969)	1,453,090	8,978,857	4,682,278	4,422,026	2,564,237
Significant Balance Sheet Items:							
Cash Balance		28,286,671	44,192,194	49,887,640	31,764,331	35,263,865	19,510,274
Notes Payable		(1,750,000)	(2,500,000)	(3,250,000)	(4,000,000)	(4,750,000)	(5,500,000)
Bonds Payable		(2,850,000)	(2,705,000)	(2,705,000)	(2,125,000)	(2,125,000)	(3,115,000)
Unearned Revenue		(3,330,282)	(6,330,282)	(9,630,256)	(12,347,598)	(12,919,353)	(13,447,759)
Net Position		51,308,216	63,484,781	62,084,185	42,086,011	37,403,733	-
Significant Cash Flow Items							
Capital Outlay		(12,311,466)	(303,868)	(13,353,622)	(238,447)	(5,900,065)	-
Bond & Note Principle Payments		(4,205,000)	-	(3,145,000)	-	(3,455,000)	-

¹In 2014, \$5,907,491 of the General Fund transfer-in reimbursed the fund for operational expenses. The revenue budgets and revenues for these services are recorded in the Operating Revenues section. In 2015, \$3,600,000 of the General Fund transfer-in reimbursed the fund for operational expenses. These transfers are recorded in the Operating Transfers section.

Note: Capital Contribution in 2014 consists of \$50,000 from the General Fund related to wireless LAN access.

**City of Minneapolis
Self-Insurance Fund
For the Second Quarter ending June 30, 2015**

Fund 06900	2015 Budget	06/30/2015 Actual	Projected YE 2015	Actual YE 2014
Operating Revenue	30,985,812	15,840,700	31,693,731	30,611,971
Operating Expense	30,116,957	11,868,323	24,936,029	25,167,649
Operating Margin	868,855	3,972,378	6,757,702	5,444,322
Change in Net Position		3,619,584	6,049,702	8,677,156
Net Position		21,928,919	24,359,037	18,309,335
Cash Balance		73,881,681	76,633,080	70,583,378

Program Description:

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

Revenue:

Operating revenue through the second quarter of 2015 is \$15,840,700, or 51.1% of the annual budgeted amount of \$30,985,812. This is an increase of \$0.9 million, or 6.4% compared to \$14,892,898 earned through the second quarter of 2014. The primary reason for the increase is a 6.6% increase in the 2015 liability premium related to the expected payout of tort settlements and related litigation services. The actuarial study conducted in 2012, predicted an increase of 2.5% expected payout for tort settlements and an increase of 5.2% in the expected payout for worker compensation claims in 2015. Through second quarter 2015, the City received \$677,593 in revenue from WCRA (Workers Compensation Reinsurance) and State refunds for medical and indemnity payments and subrogation claims. In comparison, the City received \$205,241 from WCRA through second quarter 2014.

Expenses:

Operating expenses through the second quarter 2015 are \$11,868,323 or 39.4% of the annual budgeted amount of \$30,116,957. This is a decrease of \$0.2 million, or 1.7%, compared to \$12,078,469 expended through the second quarter of 2014. The decrease in operating expense is due primarily to the amount paid for tort settlements, \$1.3 million in 2015 as compared to \$1.6 million in 2014. The City's expense for employee sick leave payout at retirement through second quarter is \$0.5 million or 19.1% of the amount budgeted.

Debt Service:

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

Transfers:

In 2015, this fund receives an interfund transfer of \$292,008 from the general fund to assist with the cost of City Hall rent.

The 2015 budget includes a transfer out of \$1,000,000 to the Intergovernmental Services fund as part of its long term financial plan. This annual transfer will end with the 2015 transfer. In 2012, this fund made a final transfer of \$485,000 to the pension fund debt service to retire bonds related to the unfunded pension liability of the former Minneapolis Employees Retirement Fund. The fund's net position is the source of funding for this payment and the fund recovered the cost of this payment through the cost allocation model in years 2012 through 2014.

Forecast:

Operating revenue is projected to be \$31.7 million or \$0.7 million more than the budgeted amount of \$31.0 million. The sources of this increase over budgeted amounts are reimbursements from City departments for employment services and refunds from the WCRA for workers compensation claims. Operating expense is projected to be \$24.9 million or \$5.2 million less than the budgeted amount of \$30.1 million. The primary reason that operating expense is projected to be less than budgeted is a 60.0% projected decrease in the amount paid for tort settlements. Payment for workers compensation claims is expected to increase by 28.7% over the budgeted amount. These projections will result in a projected operating margin gain of \$6.8 million as compared to the budgeted operating margin gain of \$0.9 million. The fund experienced an operating margin gain of \$2.8 million at second quarter 2014 primarily due to a decrease in tort settlements.

The net position in 2015 is projected to increase by \$6.0 million compared to the budgeted increase of \$0.2 million, resulting in a projected year-end net position of \$24.4 million. The projected ending cash balance for 2015 is \$76.6 million as compared to \$70.6 million at year-end 2014. The increase in cash in 2015 is primarily the result of a decrease in actual tort settlement payments compared to the predicted payout as determined by the actuarial study.

Cash Balance and Net Position:

The cash balance at end of second quarter is \$73,881,681, or a 15.7% increase, compared to a cash balance of \$63,868,364 at end of second quarter 2014. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self-Insurance fund should be equal to the unpaid claims liability plus 10% of the fund's operating budget or \$50.9 million. The unpaid claims liability at year-end 2014 is \$49.9 million, a decrease of \$4.8 million from year-end 2013 liability of \$54.7 million. The cash balance is \$19.8 million above its target.

Net position at year-end 2014 is \$18.3 million as compared to the 2013 year-end net position of \$4.6 million. The increase to net position in 2014 is due to a positive operating margin of \$5.4 million, a net transfer in of \$2.1 million, and a litigation settlement of 1.1 million. In addition, a 2014 actuarial adjustment reduced the City's unpaid claims liability by \$4.8 million which flowed through to increase net position. The actuarial year-end adjustment is not reflected in the change to net position as shown in the fourth quarter statement. The financial policy for the net position of the Self-Insurance fund determines that the net position should not fall below zero. The fund's net position reached a positive balance in 2012 and has continued to increase.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2015, 2014, and 2013

	Budget Current Year 2015	Projection Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Health & Welfare (employee benefits)	2,530,110	2,454,875	1,227,437	2,446,747	1,180,732	2,315,642	1,127,736
Workers Compensation	9,705,150	10,120,000	5,031,521	10,119,654	4,737,526	10,098,955	4,436,966
Liability - Subrogation	16,998,638	17,060,000	8,554,752	15,930,673	7,963,883	15,375,715	7,687,865
Attorney Office Services	10,000	10,000	2,773	13,122	9,168	21,995	5,110
Human Resources Services	1,541,914	1,496,856	748,428	1,433,235	694,704	2,247,530	657,364
Risk Management-Employment Services	200,000	552,000	275,789	668,540	306,886	447,492	246,979
Total Operating Revenues	30,985,812	31,693,731	15,840,700	30,611,971	14,892,898	30,507,329	14,162,020
Operating Expenses:							
Health & Welfare (employee benefits)	2,530,110	965,020	482,510	1,243,924	906,028	1,097,227	604,944
Workers Compensation	7,469,045	9,610,000	4,775,768	9,771,442	4,324,920	10,460,552	4,925,239
Liability & Settlements	8,789,677	3,500,000	1,251,233	3,286,197	1,595,947	6,025,633	4,487,151
City Attorney/Civil Division-Litigation	7,238,495	6,846,513	3,368,339	6,452,389	3,169,386	6,132,119	3,028,891
Risk Management - WC/Risk	2,459,371	2,426,125	1,247,738	2,859,022	1,445,759	2,534,754	1,212,361
Human Resource - Employee Benefits	1,630,259	1,588,371	742,735	1,554,675	636,429	2,467,550	818,010
Total Operating Expenses	30,116,957	24,936,029	11,868,323	25,167,649	12,078,469	28,717,835	15,076,596
Operating Margin	868,855	6,757,702	3,972,378	5,444,322	2,814,430	1,789,494	(914,576)
Non-Operating Revenues (Expenses)							
Other Non Operating Income (Expense) ¹	-	-	1,202	1,147,334	11,357	7,123	-
Total Non-Operating Revenues (Expenses)	-	-	1,202	1,147,334	11,357	7,123	-
Operating Transfers In (Out):							
Net transfers in from other funds	292,000	292,000	146,004	3,085,500	1,542,750	3,855,500	1,927,750
Net transfers out to other funds	(1,000,000)	(1,000,000)	(500,000)	(1,000,000)	(500,000)	(1,000,000)	(500,000)
Total Operating Transfers	(708,000)	(708,000)	(353,996)	2,085,500	1,042,750	2,855,500	1,427,750
Change in Net Position¹	160,855	6,049,702	3,619,584	8,677,156	3,868,537	4,652,117	513,174
Significant Balance Sheet Items:							
Cash Balance ²		76,633,080	73,881,681	70,583,378	63,868,364	61,237,640	56,128,322
Due from Other Funds				202,000		181,000	
Unpaid Claims Payable				(49,850,597)		(54,667,934)	
Net Position		24,359,037	21,928,919	18,309,335	8,422,245	4,553,708	

¹ Non-operating revenue in 2014. The increase of 1.1 million due to the City Attorney won settlement.

² Each year the fund's unpaid claims liability account is adjusted by an actuarial calculation which flows through to the change in net position.

³ Cash balance for years ending 2013 and 2014 is the cash balance as stated in the CAFR. The actual year- end cash is the CAFR cash balance plus the amount that is Due from Other Funds.

**City Of Minneapolis
Sanitary Sewer Fund
For the Second Quarter Ending June 30, 2015**

Fund 07100	2015 Budget	06/30/15 Actual	Projected Year End 2015	2014 Actual
Operating Revenue	62,633,714	29,063,649	62,633,714	59,578,957
Operating Expense	56,833,381	26,002,479	56,697,382	53,195,007
Operating Margin	5,800,333	3,061,170	5,936,332	6,383,950
Change in Net Position		(244,056)	(123,691)	(375,549)
Net Position		118,338,113	118,214,423	118,582,169
Cash Balance		16,145,311	12,996,820	20,155,108

Program Description:

The Sanitary Sewer Fund pays 95% of the contractual payments to Metropolitan Council Environmental Services (MCES) for waste water collection and treatment services. The fund also accounts for the operation, maintenance and design work, capital programs, transfers and long term debt services associated with the sanitary sewer system.

Revenue:

With sewer revenue of \$29.1 million recognized through the end of second quarter, the Sanitary Sewer Fund has earned 46% of the revenue budget budgeted for 2015. This is a decrease of \$600,000 or 2% compared to \$29.7 million earned in 2014. The sewer availability charges, or SAC revenues, which fluctuate based on overall economic activities outside of City's operations, account for \$1.9 million of the decrease. This was off-set by an increase of \$1.1 million in utility service revenue and \$200,000 in design revenues. Increase in utility revenues is due to increase in rates.

The variable rate for utility charges was set at \$3.21 per unit, an increase of \$0.07 over 2014. The fixed rate, which is based on meter size, was increased by \$0.40, from \$3.40 to \$3.80.

Expenses:

The Sanitary Sewer Fund's total operating expense through the second quarter totaled to \$26.0 million compared to \$25.3 million for 2014. This is an increase of \$700,000, or 3%, and is mainly due to combined increases in design, maintenance, and city service departments.

Met Council payments through the quarter totaled \$17.7 million which is \$1.3 more than 2014 due to 8% rate increase for 2015 services. Met Council 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. Maintenance and design related expense increased by \$900,000 due to increase in City services, Nicollet Avenue projects, fleet charges, tunnel televising, cleaning and maintenance work. These increases were off-set by decrease of \$1.5 million in SAC charges.

Transfers:

A transfer is made from this fund to the water fund to cover shared costs for meter shop expenses. For the current budget year, this cost has been estimated at \$1.3 million and, through the end of the quarter, \$600,000 has been transferred to Water Department.

Debt Service:

For 2015, the debt service cost is estimated at \$3.8 million which includes \$3.5 million for principal and \$300,000 in interests. Through the second quarter, \$100,000 in interest payment has been made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing.

Forecast:

For the next six months, it is estimated that cash outflow will amount to \$46.6 million. This would include operating expenditures, debt services, capital programs which include Nicollet Avenue, and transfers. The Fund also anticipates \$33.6 million in revenues from operations and \$10.3 million from capital programs thereby maintaining the fund balance for the year end above \$13 million.

Cash and Net Position:

The current cash balance is \$16.1 million and the Fund's net position is \$118.3 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Based on the projected operating expenditures, the targeted cash balance is \$15.3 million. With projected operating revenues of \$5.6 million per month, \$2.9 will be available for the start of 2016 as an unrestricted amount to fund capital programs, transfers, and debt service payments.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Second Quarters/ 2015, 2014, 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 06-30-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Sanitary Utility Charges	53,754,464	53,754,464	25,829,273	50,643,781	24,742,088	51,420,220	25,203,574
Other Services Provided	879,250	879,250	637,505	862,324	428,846	563,001	210,777
SAC Revenues	8,000,000	8,000,000	2,596,872	8,072,852	4,498,005	8,769,175	3,125,006
Interest							
Total Operating Revenues	62,633,714	62,633,714	29,063,649	59,578,957	29,668,939	60,752,396	28,539,357
Operating Expenses:							
Sewer Design	708,635	1,054,968	565,301	586,432	240,427	323,056	164,846
Sewer Maintenance	7,093,853	6,860,564	3,125,170	7,022,507	2,663,195	5,665,656	2,569,175
Met Council Env. Svcs.	43,515,065	43,518,065	19,665,821	40,713,039	19,844,318	41,768,521	18,666,284
City Services	5,174,030	5,034,934	2,587,915	4,792,418	2,479,981	4,316,883	2,158,433
Administrations	341,798	228,851	58,272	80,611	39,806	78,206	40,034
Total Operating Expenses	56,833,381	56,697,382	26,002,479	53,195,007	25,267,727	52,152,322	23,598,772
Operating Margin	5,800,333	5,936,332	3,061,170	6,383,950	4,401,212	8,600,074	4,940,585
Non-Operating Revenues (Expenses):							
Depreciation	(1,457,533)	(1,457,533)	(728,766)	(1,446,306)	(987,777)	(1,378,768)	(1,040,327)
Net Interest Income (Exp)	(261,000)	(261,000)	(130,500)	(413,571)	(206,446)	(349,733)	(223,118)
Other Non-Oper Income	6,200,000	10,650,000	344,323	1,940,736	134,890	7,399,610	680,598
Other Non-Oper Expense	(7,425,000)	(13,706,320)	(2,147,698)	(5,683,678)	(2,657,334)	(4,937,288)	(855,147)
Total Non-Operating Revenues (Expenses)	(2,943,533)	(4,774,853)	(2,662,641)	(5,602,818)	(3,716,667)	733,821	(1,437,994)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(1,285,170)	(1,285,170)	(642,585)	(1,156,681)	(578,340)	(1,258,096)	(574,670)
Total Operating Transfers	(1,285,170)	(1,285,170)	(642,585)	(1,156,681)	(578,340)	(1,258,096)	(574,670)
Capital contribution	-	-	-	-	-	-	-
Change in Net Position	1,571,630	(123,691)	(244,056)	(375,549)	106,205	8,075,799	2,927,921
Significant Balance Sheet Items:							
Cash Balance		12,996,820	15,744,796	18,719,110	21,187,428	23,640,433	18,174,723
Construction Cash		-	400,516	1,435,998	1,577,185	1,678,814	806,887
Accounts Receivable		4,578,408	4,397,875	4,273,719	4,249,280	4,883,097	4,375,339
Notes Payable		-	-	-	-	-	-
Bonds Payable		13,150,000	9,300,000	9,300,000	14,450,000	14,450,000	11,550,000
Net Position		118,214,423	118,338,113	118,582,169	114,544,269	114,438,065	110,389,904
Significant Cash Flow Items:							
Capital Outlay	7,425,000	13,706,320	2,127,215	5,645,625	2,635,156	4,368,033	846,050
Bond & Note Principal payments	3,500,000	3,500,000	-	5,150,000	-	4,150,000	-

**City Of Minneapolis
Storm Water Fund
For the Second Quarter Ending June 30, 2015**

Fund 07300	2015 Budget	06/30/2015 Actual	Projected Year End 2015	2014 Actual
Operating Revenue	42,536,256	19,156,186	41,445,664	41,526,807
Operating Expense	28,986,046	11,343,025	27,033,414	23,228,061
Operating Margin	13,550,210	7,813,161	14,412,250	18,298,745
Change in Net Position		507,769	(8,782,837)	(2,871,959)
Net Position		326,968,861	318,186,024	326,461,091
Cash Balance		37,593,168	28,636,624	34,960,817

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% 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.

Revenue:

The \$19.2 million in revenues received through the end of the second quarter reflects 45% of the operating revenue budget. This is a decrease of \$1.0 million compared to \$20.2 million earned for the same period in 2014. While the utility revenues through second quarter totaled \$18.2 million, it was \$400,000 less than the prior-year quarter total of \$18.5 million due to decrease in usage. The utility rate for 2015 remained the same as 2014 rate which was \$11.94/ESU (Equivalent Storm Units). The decrease of \$500,000 in miscellaneous revenues is due to decrease in design activities related to capital programs. Reimbursements from the State of Minnesota and the County make up for the rest of the operating revenue which in 2015 was \$100,000 less than estimated based on maintenance agreements.

Expenses:

Through the second quarter of 2015, the operating expenses in the Storm Water Fund were \$11.3 million, leaving 61% of the budget available for the next six months. The expenses were \$1.1 million, or 10.8%, more than the \$10.2 million reported for the second quarter of 2014. A combined increase of \$400,000 was recorded in maintenance and design divisions where resources were spent on Linden Yard and storm line cleanings, water quality educations, and regulation management. Payments to Met Council increased by \$100,000 due to increase in 2015 rates. Expenditures in Street Cleaning cost center increased by \$1.0 million due to increase in cleaning activities compared to 2014. This was off-set by a \$400,000 decrease in City services due to decrease overhead and government contracted service budgets for the year.

Transfers:

A transfer from this fund is made to General Fund to support two environmental service related FTE's relating to Clean Water Act. For 2015, this is estimated at \$110,000, and through the second quarter \$55,000 has been transferred.

Debt Service:

The debt service budget for 2015 totals \$3.0 million of which \$2.2 million is set aside for principal and \$800,000 for interest payments. Through the second quarter, \$93,000 in interest payment has been made. The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs.

Forecast:

For the next six months, it is estimated that the cash outflow will total \$36.2 million which include operating expenses, debt service payments, transfers, and capital programs. The Fund also anticipates \$22.5 million in revenues from operations and \$4.7 million from capital programs thereby maintaining the fund balance for the year end above \$28 million.

Cash and Net Positions:

The ending cash balance for the quarter stands at \$37.6 million and net position is just under \$327 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Based on the projection, the target amount is \$8 million. This will leave \$20.0 million as unrestricted amount to fund capital programs and debts services for 2016 and beyond. As planned, it will enable the Storm Water Fund to use its fund balance and rely less on bond sales.

City of Minneapolis, Minnesota
Storm Water Fund
Statement of Revenues and Expenses

For Second Quarter/Years 2015, 2014, and 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
State Grants	1,167,812	1,471,155	593,821	1,167,812	542,579	1,149,665	530,069
County Grants	311,663	247,413	-	311,663	199,780	291,220	208,957
Storm Utility Charges	38,313,156	37,407,896	18,178,801	36,895,473	18,521,636	36,830,078	18,510,437
Other Services Provided	2,743,625	2,319,200	383,564	3,151,859	917,077	1,051,096	628,517
Total Operating Revenues	42,536,256	41,445,664	19,156,186	41,526,807	20,181,072	39,322,059	19,877,980
Operating Expenses:							
Sewer Design	4,809,405	4,065,188	1,299,984	3,147,511	1,185,321	3,081,416	1,250,799
Stormwater Management CSO	537,797	392,960	153,318	375,207	203,442	454,940	276,353
Street Cleaning	9,190,184	8,800,000	4,236,113	7,280,807	3,196,595	7,804,686	3,240,816
Sewer Maintenance	6,965,211	6,528,644	2,070,221	5,061,769	1,776,104	4,538,790	2,036,029
Met Council Env. Svcs.	1,843,917	1,861,688	930,844	1,724,899	863,767	1,745,827	872,914
City Services	5,297,735	5,156,083	2,594,883	5,557,259	2,977,496	5,757,020	2,792,011
Storm Admin	341,798	228,851	57,661	80,610	39,805	78,206	40,033
Total Operating Expenses	28,986,046	27,033,414	11,343,025	23,228,061	10,242,530	23,460,885	10,508,954
Operating Margin	13,550,210	14,412,250	7,813,161	18,298,745	9,938,542	15,861,174	9,369,026
Non-Operating Revenues (Expenses):							
Depreciation	(5,139,943)	(5,139,943)	(2,569,971)	(4,486,441)	(3,226,985)	(4,114,734)	(3,203,738)
Special Assessments	-	215,623	-	287,243	(209,876)	144,004	(127,136)
Net Interest Income (Exp)	(793,767)	(793,767)	(92,500)	(850,047)	(145,000)	(789,965)	(488,347)
Other Non-operating Income	4,735,000	4,735,000	25,034	499,213	645	4,462,735	3,855,466
Other Non Operating Expense	(10,920,000)	(22,102,000)	(4,612,953)	(16,614,752)	(6,105,032)	(10,239,961)	(4,629,774)
Total Non-Operating Revenues (Expenses)	(12,118,710)	(23,085,087)	(7,250,391)	(21,164,785)	(9,686,248)	(10,537,921)	(4,593,529)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(110,000)	(110,000)	(55,002)	(5,920)	-	-	-
Total Operating Transfers	(110,000)	(110,000)	(55,002)	(5,920)	-	-	-
Capital Contribution	-	-	-	-	-	-	-
Change in Net Position	1,321,500	(8,782,837)	507,769	(2,871,959)	252,295	5,323,253	4,775,497
Significant Balance Sheet Items:							
Cash Balance		28,636,624	37,593,168	34,960,817	38,845,062	36,354,095	40,850,949
Construction Cash		-	-	-	5,920	5,920	592,280
Accounts Receivable		4,150,033	3,270,817	4,086,655	3,755,561	4,213,411	3,607,901
Notes Payable		-	-	-	-	-	161,786
Bonds Payable		2,500,000	4,735,910	4,735,910	7,970,910	7,970,910	14,620,910
Net Position		318,186,024	326,968,861	326,461,091	311,773,183	311,520,891	304,370,912
Significant Cash Flow Items:							
Capital Outlay	8,920,000	20,102,000	4,102,827	16,798,141	5,688,086	9,308,751	4,251,166
Bond & Note Principle Payments	2,235,910	2,235,910	-	3,235,000	-	6,811,786	-

**City of Minneapolis
Water Enterprise Fund
For Second Quarter Ending June 30, 2015**

Fund 07400	2015 Budget	6/30/2015 Actual	Projected Year End 2015	2014 Actual
Operating Revenue	78,620,743	34,451,667	76,801,733	72,652,306
Operating Expense	55,962,426	23,797,358	53,057,957	50,868,670
Operating Margin	22,658,317	10,654,309	23,743,776	21,783,636
Change in Net Position		2,241,440	(8,649,892)	(3,181,928)
Net Position		223,721,233	212,829,901	221,479,793
Cash Balance		28,886,079	21,827,701	25,132,631

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 City sells water directly to seven wholesale customers – the cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, as well as the Metropolitan Airport.

Revenue:

At the end of 2015, the projected total operating revenue will be \$76,801,733 or 97.7% of the 2015 budgeted amount of \$78,620,743. Overall, water volume sales have suffered as a result of the wet weather during the first half of the year. Although revenue from water sales is expected to be down from budget, the fixed rate revenue helps to stabilize the overall sales revenue. Higher than anticipated revenues associated with capital design and fee based revenue as well as an increase in the volume of reimbursable work for the year is expected to help offset lower than budgeted water sales.

Expense:

Projected operating expenses for the year total \$53,057,957 or 94.8% of the 2015 budget, and 4.3% higher than the 2014 amount of \$50,868,670. Expenses were expected to be slightly lower due to decreased chemical and other variable operating costs related to the lower production of water caused by lower sales and some staff vacancies the first half of the year.

Transfers:

For 2015, the transfer amount of \$1,310,170 represents a \$1,285,170 operating transfer from the Sanitary Sewer Fund for their share of the cost of the meter shop and a \$25,000 transfer from the City's general fund to offset rent expense at city hall.

Debt Services:

Debt service payments are related to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2015, including both principle and interest payments, is expected to be \$11,775,440. During 2015, an additional \$9,000,000 in bonds is expected to be issued to help finance the Fridley Filter Rehabilitation Capital project and Recarbonation System replacement.

Other Financial Items:

The ending cash balance as of June 30, 2015 was \$28,886,079 compared to \$25,132,631 at the end of 2014. The objective is to have a cash balance equal to or greater than 3 months of operating expense. Based on the current budget, the target amount would be \$14 million. In addition to the operating cash reserve, the Water Fund is also reserving approximately \$1.3 million per year for membrane and valve replacement at the Columbia Heights water treatment facility. The budgeted 2015 balance in the reserve for membrane and valve replacement is \$6.4 million. The two reserves total \$20.4 million, so the projected year end cash balance of \$21.8 million is adequate to cover the reserves.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2015, 2014, 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014	For Period Ending 6/30/2014	For Year Ending 2013	For Period Ending 6/30/2013
Operating Revenues:							
Water Sales - City							
Volume Rate	57,922,085	55,370,954	25,168,592	53,916,478	24,940,850	55,738,712	25,130,763
Fixed Rate	4,930,038	4,793,070	2,380,630	4,052,437	2,003,748	3,230,251	1,610,424
Water Sales - Suburbs	12,245,215	12,245,215	5,325,399	10,995,907	5,134,386	11,607,219	4,544,637
Other Operating Revenues	3,523,405	4,392,495	1,577,046	3,687,483	1,536,828	4,247,934	1,971,842
Total Operating Revenues	78,620,743	76,801,733	34,451,667	72,652,306	33,615,812	74,824,116	33,257,666
Operating Expenses:							
Payments for City Services	10,681,667	10,681,667	5,361,364	10,273,039	5,361,131	10,216,139	5,261,904
Administration	1,179,600	1,147,666	435,741	697,481	317,466	1,358,672	704,668
Engineering	1,295,092	1,241,524	617,115	1,911,967	939,260	2,479,887	1,238,975
Operations	29,647,930	26,343,149	11,387,974	25,164,329	11,198,327	25,116,372	11,774,484
Distribution	8,376,243	8,284,163	3,696,215	8,939,876	4,299,306	8,667,609	4,282,153
Meter Shop	2,191,278	1,874,918	916,772	1,969,292	1,009,112	1,886,076	944,665
Reimbursables	2,590,616	3,484,869	1,382,177	1,912,686	714,686	1,481,159	668,780
Total Operating Expenses	55,962,426	53,057,957	23,797,358	50,868,670	23,839,288	51,205,913	24,875,629
Operating Margin	22,658,317	23,743,776	10,654,309	21,783,636	9,776,524	23,618,203	8,382,037
Non-Operating Revenues/(Expenses)							
Depreciation	(10,087,520)	(10,087,520)	(5,043,760)	(10,037,891)	(5,104,104)	(10,628,275)	(4,887,081)
Special Assessments			27,579	775,575		395,099	
Net Interest Income (Exp)	(3,121,318)	(3,121,318)	(1,503,614)	(2,622,000)	(1,557,584)	(2,971,360)	(1,650,369)
Capital Revenue	2,000,000	2,000,000	808,190	144,222	486	494,886	92,794
Other Non-Operating Income							
Other Non Operating (Expense)	(22,495,000)	(22,495,000)	(3,356,354)	(14,102,414)	(5,711,089)	(16,456,344)	(3,015,402)
Total Non-Operating Revenues (Expenses)	(33,703,838)	(33,703,838)	(9,067,958)	(25,842,507)	(12,372,291)	(29,073,200)	(9,552,852)
Operating Transfers In (Out):							
Net transfers in from other funds	1,310,170	1,310,170	655,089	1,183,681	591,840	1,171,339	585,672
Net transfers out to other funds				(306,738)			
Total Operating Transfers	1,310,170	1,310,170	655,089	876,943	591,840	1,171,339	585,672
Capital Contribution							
Change in Net Position	(9,735,351)	(8,649,892)	2,241,440	(3,181,928)	(2,003,927)	(4,283,658)	(585,143)
Significant Balance Sheet Items							
Operating Cash		21,827,701	28,886,079	25,132,631	18,991,703	18,963,284	21,093,375
Accounts Receivable			6,371,133	4,751,349	6,360,677	4,778,155	5,439,176
Assessments Receivable			2,279,940	2,405,113	2,457,582	2,513,145	2,261,472
Bonds & Notes Payable		107,182,140	106,836,262	105,999,121	107,106,710	106,144,659	113,284,120
Net Position		212,829,901	223,721,233	221,479,793	208,445,935	210,449,862	199,616,140
Significant Cash Flow Items							
Capital Outlay	22,495,000	22,495,000	3,356,354	14,102,414	5,711,089	16,456,344	3,015,402
Bond & Note Principle Payments	8,654,122	8,654,122	-	6,145,539		5,982,025	0
Bond & Note Principle Proceeds	9,000,000	9,000,000		6,000,000			

**City of Minneapolis
Municipal Parking Fund
For the Second Quarter Ending June 30, 2015**

Fund 7500*	2015 Original Budget	2 nd Qtr Period End Actuals 2015	Projected YE 2015	Actual YTD 2014
Revenue	60,424,981	29,320,320	58,276,000	57,821,710
Expenses	39,031,755	19,141,779	37,281,008	37,719,428
Operating Margin	21,393,226	10,178,541	20,994,992	20,102,282
Change in Net Position		1,861,285	5,351,115	5,234,303
Net Position		180,124,367	178,425,696	178,263,082
Cash Balance		13,018,076	13,303,623	10,497,589

* Net Income (Loss) includes all non-operating expenditures and revenues such as depreciation expense, bond interest expense and transfers between funds.

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 also occur in this fund.

Revenues:

The 2015 operating revenues are up in comparison to 2014 by 1.5%. The variance is from:

- Impound Lot revenues are down 32.8% compared to 2014.
- On-street parking revenues are up 17.2% compared to 2014.
- City off-street ramps and lots revenues are up 5.2% compared to 2014.
- State off-street ramps are down 5.8% compared to 2014.

Impound Lot revenues are lower than 2014 due to less tows in 2015. On-street and off-street revenues are up during 2015 due to higher ramp and meter receipts for numerous downtown activities taking place.

Expenses:

The 2015 operating expenses are higher than the 2014 expenses by 11.8%. The variance is from:

- Impound Lot expenses are down 22% compared to 2014.
- On-street meters expenses are up by 3.5% compared to 2014.
- City off-street ramps and lots expenses are up 13.3% compared to 2014.
- State off-street ramps are up by 36% compared to 2014.

Impound Lot expenses are lower than 2014 due to less snow emergencies in early 2015 which decreased related operational activities, such as towing, security, lot maintenance and personnel. On-street meter expenses were higher in 2015 due to credit card fees and other repairs than in 2014. Off-street ramps and lots expenses were higher than in 2014 due to the market demand and supply increases necessitating more resources. Additional event staffing and maintenance requests for State ramps have increased those expenses.

Transfers to and from other funds:

The 2015 transfers into and out of the Parking Fund are programmed and planned according to the 2015 budget. During the year so far in 2015, \$3.8 million of funds were transferred out (\$2.1 million to the General Fund, \$1.7 million and to the Target Center).

Debt Service:

For 2015, the debt service budget is \$10.6 million. As of June 30, 2015, the outstanding balance of bond principal was \$72.8 million and the outstanding balance of note principal was \$38.6 million.

Other Financial Items:

The end of 2nd quarter for the year 2015 cash balance is \$13 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$9.6 million, which results in a \$3.4 million surplus which is retained for future debt service payments, Impound lot improvements and potential future major parking capital projects.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For Second Quarter/Years Ending 2015, 2014, and 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
Off-Street Parking: City Owned	31,419,981	31,419,981	16,128,147	30,764,670	15,322,953	29,831,976	15,139,133
Off-Street Parking: State Owned	11,005,000	9,339,000	4,498,224	9,876,255	4,784,977	10,378,784	3,965,922
Towing	6,000,000	5,517,019	2,150,391	5,695,346	3,198,304	5,754,958	2,847,312
On-Street Meters	12,000,000	12,000,000	6,543,558	11,496,249	5,585,036	12,182,072	5,566,618
Total Operating Revenues	60,424,981	58,276,000	29,320,320	57,832,520	28,891,270	58,147,790	27,518,985
Operating Expenses:							
Off-Street Parking: City Owned-Direct Expenses	22,141,348	22,124,000	10,515,001	20,655,555	9,282,771	20,701,318	9,653,975
Off-Street Parking: State Owned-Direct Expenses	8,339,008	8,339,008	5,113,776	8,921,760	3,747,753	9,366,786	4,185,844
Towing	5,292,485	3,953,000	2,213,248	5,162,568	2,836,945	4,702,750	2,256,498
On-Street Meters	3,258,914	2,865,000	1,299,754	2,845,666	1,255,237	2,974,618	1,404,222
Other Operating Expenses	-	-	-	2,411	1,568	0	1,596
Total Operating Expenses	39,031,755	37,281,008	19,141,779	37,587,960	17,124,274	37,745,472	17,502,135
Operating Margin	21,393,226	20,994,992	10,178,541	20,244,560	11,766,996	20,402,318	10,016,850
Non-Operating Revenues/(Expenses)							
Depreciation	(6,550,566)	(6,550,566)	(3,219,596)	(6,627,050)	(3,332,550)	(6,955,004)	(3,540,520)
Special Assessments	0	0	0	0	0	25,018	0
Interest	(5,188,501)	(5,188,501)	(1,325,581)	(2,595,900)	(1,383,064)	(4,001,605)	(1,735,771)
Other Non Operating Expenses	(1,700,000)	(1,700,000)	(484,309)	-	-	-	-
Other Non-Operating Income	0	0	497,760	33,682	4,053	11,990	4,032
Total Non-Operating Revenues (Expenses)	(13,439,067)	(13,439,067)	(4,531,726)	(9,189,268)	(4,711,561)	(10,919,601)	(5,272,259)
Operating Transfers In (Out):							
General Fund Transfer Out	(4,148,200)	(4,148,200)	(2,074,104)	(2,323,200)	0	(7,918,024)	0
Arena Reserve Transfer Out	(3,522,696)	(3,522,696)	(1,711,426)	(3,323,206)	(1,661,503)	(3,129,132)	(1,564,566)
Debt Service Transfer Out	0	-	-	0	0	(40,957)	0
General Debt Service Transfer Out	-	-	-	-	-	0	0
Sanitation Transfer Out	(146,000)	(146,000)	-	(146,000)	0	(146,000)	0
Convention Center related facility Transfer	0	-	-	-	-	4,729,200	159,600
TI and MCDA Transfers In	423,585	423,585	-	372,660	0	6,893,230	67,531
Other Transfers In	-	-	-	-	-	-	-
Total Operating Transfers	(7,393,311)	(7,393,311)	(3,785,530)	(5,419,746)	(1,661,503)	388,317	(1,337,435)
Capital Contributions							
Change in Net Position	560,848	162,614	1,861,285	5,635,546	5,393,932	9,871,034	3,407,156
Significant Balance Sheet Items							
Operating Cash		11,743,985	13,018,076	8,770,347	7,869,872	11,339,477	7,869,872
Cash Balance - Arbitrage		1,727,247	1,727,247	1,727,247	375,818	1,964,146	375,818
Notes Payable		38,545,000	38,650,000	38,650,000	38,650,000	38,650,000	38,650,000
Bonds Payable		67,487,300	72,821,842	72,821,842	95,680,042	83,705,942	95,680,042
Net Position		178,425,696	180,124,367	178,263,082	166,266,009	172,627,536	166,266,009
Significant Cash Flow Items							
Bond & Note Principle Proceeds	0	-	-	0	-	2,655,000	-
Bond & Note Principle Payments	5,439,542	5,439,542	-	10,884,100	-	14,629,100	-
Refunding Principle Payments	-	-	-	-	-	-	-

City Of Minneapolis
Solid Waste and Recycling Fund
For the Second Quarter Ending June 30, 2015

Fund 07700	2015 Budget	06/30/15 Actual	Projected Year End 2015	2014 Actual
Operating Revenue	36,731,000	17,974,350	37,203,000	31,820,969
Operating Expense	40,451,492	14,958,464	36,783,887	31,656,139
Operating Margin	(3,810,492)	3,015,886	419,113	164,830
Change in Net Position		2,720,892	99,517	393,990
Net Position		31,578,260	31,677,777	28,857,368
Cash Balance		22,335,160	20,161,713	19,729,474

Program Description

The Solid Waste and Recycling Fund account for the City's solid waste and recycling collection and disposal, graffiti removal, and a solid waste transfer station that serves 106,000 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 removal; and an organics program.

Revenue

With operating revenues through the end of the second quarter totaling \$18.0 million, 49% of the budgeted revenue has been realized. This is an increase of \$2.6 million, or 17%, compared to \$15.4 million earned through second quarter of 2014. Utility revenues totaled \$17.1 million through the second quarter of 2015, compared to \$14.8 million for 2014 for a gain of \$2.3 million as a result of increase in base rate of \$4.00 per dwelling unit. Rates were increased in order to implement city-wide organics program. Revenues from sale of scrap metals decreased by \$200,000 due to declining demand. The Hennepin County recycling grant for the year has been estimated at \$894,000 and the department received \$500,000 through the second quarter.

Expenses:

Operating expenses through the second quarter were \$15.0 million compared to \$15.3 million in 2014. This is a decrease of \$400,000, or 2%. Expenditures in Equipment divisions decreased by \$300,000 since fewer vehicles, trucks, and equipment have been purchased as compared to this time in the prior year. Expenses also decreased in Collection, Recycling, Problem Materials, and Clean City divisions by \$500,000 which was off-set by an increase of \$300,000 in Yard Waste. As anticipated, one-sort program helped reduce Disposal expenditures by \$62,000. Additional reductions of \$300,000 in expense are related various City services such as general fund overheads, liability insurance, worker's comp, BIS charges, rents and fleet charges in Admin division where the overall budget for 2016 is lower than the 2015 budget.

Expenses increased by combined total of \$500,000 in Transfer Stations, Customer Service, Graffiti, and Organic divisions thereby reducing the Fund's overall expenditure through the second quarter.

Transfers:

Budgeted transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking Fund for the Litter Container Program and \$325,000 from the General Fund for graffiti removal and micro-grants. As of the end of the quarter, \$163,000 in transfer revenues has been received.

Debt Service:

This fund has no debt service.

Forecast:

Over the next six months, the estimated cash outflow will total \$21.8 million for operating expenses. The Fund also anticipates an additional \$19.4 million in revenue from its operations and \$300,000 in transfers resulting in a deficit of \$2.2 million and bringing the fund balance for year end to an estimated \$20.2 million.

Cash and Net Positions:

The Fund's cash balance as of the end of the second quarter was \$22.3 million and the net position totaled \$31.6 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the targeted cash balance is \$7.5 million leaving unrestricted cash reserve equivalent to \$14.8 million. This projected year-end cash reserve is necessary to fund the planned facility improvement estimated at \$7 million scheduled in the next budget year.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Second Quarters/ 2015, 2014, and 2013

	Budget Current Year 2015	Projection Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14	For Year Ending 2013	For Period Ending 30-Jun-13
Operating Revenues:							
County Grants	894,000	894,000	495,795	871,608	-	864,545	440,000
Solid Waste Fees	34,617,000	35,223,000	17,095,217	29,486,130	14,757,138	28,801,926	14,372,325
Recyclable Sales	226,000	226,000	113,002	337,695	148,934	790,163	520,171
Charges for Other Services	994,000	860,000	270,336	1,125,536	483,880	968,960	162,173
Total Operating Revenues	36,731,000	37,203,000	17,974,350	31,820,969	15,389,952	31,425,594	15,494,669
Operating Expenses:							
Collection	8,341,864	7,825,236	3,409,002	7,552,965	3,711,743	8,091,536	4,028,027
Disposal	4,516,333	4,451,128	2,098,070	4,538,343	2,159,851	4,544,751	2,266,510
Recycling	3,799,120	3,531,044	1,575,761	3,284,022	1,586,302	7,968,641	4,547,121
Yard Waste	3,195,279	3,003,352	1,365,885	2,371,116	1,067,052	2,624,703	1,099,207
Large Item/Problem Material	1,842,449	1,730,146	769,755	1,705,729	782,713	1,676,994	765,077
Transfer Stations	381,063	429,014	245,951	438,339	203,229	356,751	177,062
Administration	5,845,843	5,595,488	2,709,877	5,906,028	2,992,929	4,429,665	2,114,362
Customer Service	677,949	553,634	254,825	482,385	245,925	577,913	289,853
Clean City	1,160,358	1,063,110	447,481	1,074,347	622,096	975,820	456,396
Graffiti	1,072,189	969,291	479,634	702,744	310,014	766,716	358,596
Equipment	3,397,472	3,320,068	1,241,480	3,375,282	1,524,683	2,936,967	1,517,912
Organics	6,311,573	4,312,376	360,743	224,839	102,664	254,665	130,471
Total Operating Expenses	40,541,492	36,783,887	14,958,464	31,656,139	15,309,201	35,205,122	17,750,594
Operating Margin	(3,810,492)	419,113	3,015,886	164,830	80,751	(3,779,528)	(2,255,925)
Non-Operating Revenues (Expenses):							
Depreciation	(895,854)	(895,854)	(447,927)	(840,404)	(398,332)	(855,039)	(332,269)
Capital Adjustments	-	-	-	-	849,105	-	-
Other non-operating Expense	(3,000,000)	(19,141)	(9,571)	(2,778)	(8,334)	-	-
Special Assessments	-	124,400	-	106,342	-	142,471	-
Total Non-Operating Revenues (Expenses)	(3,895,854)	(790,596)	(457,498)	(736,840)	442,439	(712,568)	(332,269)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	471,000	471,000	162,504	966,000	410,004	296,000	148,000
Net Transfers Out to Other Funds	-	-	-	-	-	(700,024)	(350,026)
Total Operating Transfers	471,000	471,000	162,504	966,000	410,004	(404,024)	(202,026)
Contributed Capital	-	-	-	-	-	-	-
Change in Net Position	(7,235,346)	99,517	2,720,892	393,990	933,194	(4,896,120)	(2,790,220)
Significant Balance Sheet Items:							
Operating Cash		20,161,713	22,335,160	19,729,474	18,360,149	17,793,800	18,936,094
Accounts Receivable		3,261,019	3,250,666	3,267,951	3,015,384	3,254,086	3,085,664
Notes Payable		-	-	-	-	-	-
Bonds Payable		-	-	-	-	-	-
Net Position		31,677,777	31,578,260	28,857,368	27,777,310	26,844,115	27,529,072

CPED Enterprise Fund Component Programs For the Second Quarter Ending June 30, 2015

The **CPED Enterprise Fund** operates a series of business-type activities designed to enhance housing options and economic development within the City. There are five component operations within this fund.

The **Housing Development** component accounts for various home ownership and home improvement loan programs. These are mature programs. All issued debt has been retired and no new loans are being issued. The residual balances are committed to the operations of the Minneapolis-St Paul Housing Finance Board. The Board is a joint venture created for the benefit of the Cities of Minneapolis and Saint Paul to cooperatively operate various housing loan programs. The committed balances will be used to pay for the Minneapolis share of bond issuance costs. The residual activity of the Housing Development component is accounted for by trustees, reviewed by management throughout the year, and recorded in City accounting records at year end. \$59,036 was transferred to the Minneapolis-St Paul Housing Finance Board during 2014.

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 at 6/30/2015. Other information is maintained by a trustee and not available for inclusion at 6/30. The net position of the fund at year end 2014 was \$34,457,018.

The **Theatres** component was created to account for the operations of the State, Orpheum, and Pantages Theatres. The City no longer operates these Theatres. Only residual balances and activity remain. There was a cash deficit of more than \$2 million at the conclusion of the operational period. The City has a workout plan in place to transfer \$400,000 per year into the fund to clear the deficit. Four years of the workout plan have been successfully implemented. At June 30, 2015 the cash deficit was \$522,997

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 been discontinued. The facility is currently used primarily as leased space for commodity storage. The City intends to redevelop the site for park and jobs-intensive business uses.

The **Economic Development Program** component accounts certain defaulted properties, and for the Capital Investment Fund Program with the Federal Home Loan Bank, which provided loans to businesses for economic development and the creation of jobs. The City's note with the FHLB has been repaid. The current activities of this fund are residual in nature to complete the existing projects. These activities are minimal and comparable to the prior year.

CPED Enterprise Fund Component Programs
Statement of Net Position
6/30/2014 and 6/30/15

	Housing Development Fund 6/30/2014	Housing Development Fund 6/30/2015	General Agency Reserve Fund Operations 6/30/2014	General Agency Reserve Fund Operations 6/30/2015	Theatres 6/30/2014	Theatres 6/30/2015	River Terminal 6/30/2014	River Terminal 6/30/2015	Economic Development Program 6/30/2014	Economic Development Program 6/30/2015
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 137,934	\$ 138,258	\$ 848,020	\$ 913,294	\$ (959,679)	\$ (522,997)	\$ (884,647)	\$ (1,078,692)	\$ 870,787	\$ 794,383
Deposits with fiscal agents	-	-	-	-	-	-	-	-	183,480	-
Loans and notes receivable	120,000	50,000	-	-	-	-	-	-	-	-
Other current assets	271	337	1,913	2,201	(2,656)	(2,342)	(1,086)	15,239	1,732	2,020
Total current assets	258,205	188,595	849,933	915,495	(962,335)	(525,339)	(885,733)	(1,063,453)	1,055,999	796,403
Noncurrent assets:										
Loans and notes receivable	346,521	382,567	-	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	5,266,674	4,919,147	-	-
Total noncurrent assets	346,521	382,567	-	-	-	-	5,266,674	4,919,147	-	-
Total assets	\$ 604,726	\$ 571,162	\$ 849,933	\$ 915,495	\$ (962,335)	\$ (525,339)	\$4,380,941	\$ 3,855,694	\$ 1,055,999	\$ 796,403
LIABILITIES										
Current liabilities:										
Accounts Payable	-	-	2,934	-	-	-	-	-	250,651	-
Other current liabilities	116	130	12,912	8,155	(1,134)	(906)	1,952	27	10,980	781
Total current liabilities	116	130	15,846	8,155	(1,134)	(906)	1,952	27	261,631	781
Noncurrent liabilities:										
Compensated absences payable	-	-	13,777	9,584	-	-	2,818	1,847	560	-
Total noncurrent liabilities	-	-	13,777	9,584	-	-	2,818	1,847	560	-
Total liabilities	116	130	29,623	17,739	(1,134)	(905)	4,770	1,874	262,191	781
NET POSITION										
Invested in capital assets, net of related debt	-	-	-	-	-	-	5,266,674	4,919,147	-	-
Restricted	-	-	820,310	897,756	-	-	-	-	-	-
Unrestricted	604,610	571,032	-	-	(961,201)	(524,434)	(890,503)	(1,065,327)	793,808	795,622
Total net position	604,610	571,032	820,310	897,756	(961,201)	(524,434)	4,376,171	3,853,820	793,808	795,622
Total liabilities & net position	\$ 604,726	\$ 571,162	\$ 849,933	\$ 915,495	\$ (962,335)	\$ (525,339)	\$4,380,941	\$ 3,855,694	\$ 1,055,999	\$ 796,403

CPED Enterprise Fund Component Programs
Statement of Revenues, Expenses, and Changes in Program Net Position
For the Six Months Ended 6/30/14 and 6/30/15

	Housing Development Fund 1/1-6/30/14	Housing Development Fund 1/1-6/30/15	General Agency Reserve Fund Operations 1/1-6/30/14	General Agency Reserve Fund Operations 1/1-6/30/15	Theatres 1/1-6/30/14	Theatres 1/1-6/30/15	River Terminal 1/1-6/30/14	River Terminal 1/1-6/30/15	Economic Development Program 1/1-6/30/14	Economic Development Program 1/1-6/30/15
Operating revenues										
Charges for sales and services	\$ -	\$ -	\$ 143,083	\$ 140,648	\$ -	\$ -	\$ 571,644	\$ 313,358	\$ -	\$ -
Interest on program activities	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total operating revenues	-	-	143,083	140,648	-	-	571,644	313,358	-	-
Operating expenses:										
Personal services	-	-	127,224	65,877	-	-	15,040	2,378	-	-
Contractual services	-	-	107,043	73,838	-	-	851,031	456,719	7,664	-
Other	-	-	674	64	-	-	500	-	-	1,667
Depreciation expense	-	-	-	-	-	-	173,763	173,763	-	-
Total operating expenses	-	-	234,941	139,779	-	-	1,040,334	632,860	7,664	1,667
Operating income	-	-	(91,858)	869	-	-	(468,690)	(319,502)	(7,664)	(1,667)
Nonoperating revenues (expenses)										
Interest on investments	291	(97)	1,989	(616)	(2,409)	1,403	(1,347)	299	1,759	(563)
Interest expense	-	-	-	-	-	-	-	-	(474)	-
Total nonoperating revenue (expenses)	291	(97)	1,989	(616)	(2,409)	1,403	(1,347)	299	1,285	(563)
Income (loss) before transfers	291	(97)	(89,869)	253	(2,409)	1,403	(470,037)	(319,203)	(6,379)	(2,230)
Net transfers from (to) other funds	-	-	-	-	402,190	430,000	-	-	-	-
Change in net position	291	(97)	(89,869)	253	399,781	431,403	(470,037)	(319,203)	(6,379)	(2,230)
Total net position - January 1	604,319	571,129	910,179	897,503	(1,360,982)	(955,837)	4,846,208	4,173,023	800,187	797,852
Total net position - June 30	\$ 604,610	\$ 571,032	\$ 820,310	\$ 897,756	\$ (961,201)	\$ (524,434)	\$ 4,376,171	\$ 3,853,820	\$ 793,808	\$ 795,622

City of Minneapolis
Cash and Investments Report – highlights
Second Quarter 2015

- City continues to maintain a strong cash position
- Year-over-year increase in cash and investments of \$26 million or 3.8%
- The City’s investment portfolio meets its number one objective of safety of principal and is in compliance with the Investment Policy and Strategy as well as State Statutes governing investment of public funds. As indicated by meeting the benchmarks, i.e., exceeding the benchmarks excessively could mean that the investment managers are taking on too much risk. On the other hand, underperforming the benchmarks significantly indicates that the investment managers are missing opportunities that fall within the benchmarks’ parameters.
- U.S. Government securities account for 82% of the portfolio and high quality municipal bonds make up 12% of the portfolio
- Performance was good as total returns were just over the benchmarks for the 3 month, 12 month and 3 year periods

City of Minneapolis

Second Quarter, 2015 Cash and Investments Report

In accordance with the City's cash management procedures, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity, diversification and yield. As of June 30, 2015, the City's current investment portfolio was valued at \$722.8 million. The sector holdings and fund distributions are shown below. For the twelve months ended June 30, 2015, the portfolio has outperformed its benchmark.

Investment Performance period ended June 30, 2015	City Portfolio	Custom Benchmark*
3 month Total Return	0.16%	0.14%
12 months Total Return	0.76%	0.73%
3 year Total Return	0.57%	0.52%
Credit Quality	TSY	TSY
Weighted Average Maturity	1.7 Years	1.7 Years

* Custom Benchmark is a combination of the Merrill Lynch 1-3 year Treasury Index, the Merrill Lynch 3 month US T-Bill Index and the Citigroup 1 month T-Bill Index. The custom benchmark more appropriately aligns with the City's current investment strategy.

Portfolio Holdings By

Sector	June 30 2015		June 30 2014	
Market Value in millions		% of port.		% of port.
Cash and equivalents*	\$ 36.2	5%	\$ 95.9	14%
Commercial Paper	7.5	1%	2.0	0%
Federal Agency	158.4	22%	194.0	28%
Mortgage Backed	103.7	14%	95.0	14%
Municipals	83.1	12%	65.0	9%
US Treasuries	333.9	46%	244.7	35%
Total Cash & Investments	\$ 722.8	100%	\$ 696.6	100%

*Net of checks outstanding

