



# 2020 Revised Budget – Phase II

An Overview of Phase II reductions to 2020 expense budgets

July 9, 2020

# Process & Approach

Assess – Plan – Revise

- Step 1: Identify Revenue Vulnerability & Build Projections
- Step 2: Act Quickly to Stem Tide
- Step 3: Revise the Budget
  - Phase I – Administrative Implementation of Step 2
  - Phase II – Additional Policy Choices and Further Reductions

Repeat process as necessary.



# Scope of Problem

Projected Revenues shown in \$Millions

	General Fund	Downtown Assets	Utilities	Parking	Other	Total
Revenue Loss	(32.7)	(69.2)	(13.9)	(28.1)	(12.0)	(155.9)
Transfer Changes	(22.0)	22.0	-	-	-	-
Change from 2020 Adopted	(54.7)	(47.2)	(13.9)	(28.1)	(12.0)	(155.9)



# Cost Containment – Debt for Capital

\$12.3M Containment across all funds

- Issuing debt in lieu of using cash for specific Capital projects
  - General Fund - \$5.3M
  - Parking Fund - \$7M
- Policy Considerations
  - Is it OK to increase these project costs overall (e.g. costs of interest & issuance)?
  - How does issuance of debt impact our financial future?



# Cost Containment – Program Reductions

\$23.6M Containment across all funds

- Reducing planned one-time investments in operations, contracts, or capital expense with focus on areas where general conditions have changed, dollars have not been committed or spent, and/or time is currently allocated to pandemic response
- Policy Considerations
  - Are we still able to advance City goals, even if to a lesser extent?
  - Do the adjustments still comport with Minneapolis Values?



# Program Reductions – City Clerk

\$50,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	LIMS Phase 3	100,000	(50,000)	50,000



# Program Reductions – City Coordinator

\$125,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Creative City Challenge	100,000	(70,000)	30,000
General	Enterprise Engagement	50,000	(20,000)	30,000
General	Partnerships – Doors Open	10,000	(10,000)	-
General	Partnerships – Ka Joog	80,000	(20,000)	60,000
General	Promise Zone	50,000	(5,000)	45,000
General	Renters Legal Support (2019)	400,000	(400,000)	-
CDBG/UDAG	Renters Legal Support (2019)	-	400,000	400,000



# Program Reductions – Convention Center

\$11,200,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
Convention Center	Interior Remodeling & important but non-critical equipment and infrastructure	18,180,000	(10,200,000)	7,650,000
Target Center	Infrastructure and technology upgrades not included in recent renovation	7,830,000	(1,000,000)	6,830,000





# Program Reductions – CPED

\$2,065,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Affordable Housing Trust Fund	800,000	(225,000)	575,000
General	Commercial Property Development Fund	700,000	260,000	960,000
General	Cooperative TAP (CTAP)	50,000	(50,000)	-
General	Cultural Districts: Co-op & Employee Owner Opportunity Fund	100,000	(100,000)	-
General	Minneapolis Homes	750,000	(750,000)	-
General	Naturally Occurring Affordable Housing	3,000,000	(1,450,000)	1,550,000
Grants	Naturally Occurring Affordable Housing	-	1,000,000	1,000,000



# Program Reductions – CPED

\$2,065,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Payday Lending Refinancing	75,000	(75,000)	-
General	Stable Homes, Stable Schools	3,000,000	(3,000,000)	-
Grants	Stable Homes, Stable Schools	-	3,000,000	3,000,000
General	Village Financial (2019)	500,000	(500,000)	-
General	4d Program	175,000	(175,000)	-



# Program Reductions – FPS

\$145,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Asset Management Strategy	150,000	(145,000)	5,000



# Program Reductions – Health

\$166,250 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Fast Track	50,000	(50,000)	-
General	Temporary Health Inspectors	55,000	(55,000)	-
General	Healthy Living in Low Income Housing	25,000	(25,000)	-
General	YCB – Children's Savings Accounts	50,000	(6,250)	43,750
General	YCB – Part-time Youth Workers in Cedar Riverside & Seward	50,000	(30,000)	20,000



# Program Reductions – Human Resources

\$2,250,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	HCMS Replacement Project	2,250,000	(2,250,000)	-



# Program Reductions – NCR

\$25,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	OIRA Partnership Agreement Increase	25,000	(25,000)	-



# Program Reductions – Police

\$50,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Automated Pawn / Workforce Director Systems Replacement	220,000	(50,000)	170,000



# Program Reductions – Public Works

\$3,042,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Advanced Mobility – Mobility Hubs	350,000	(42,000)	308,000
Municipal Parking	Reduction to Parking Ramp Capital Program	6,000,000	(3,000,000)	3,000,000





# Program Reductions – Regulatory Services

\$30,000 Savings

Fund	Item	Original Amount	Adjustment	Revised Amount
General	Tenant Navigator	30,000	(30,000)	-



# Cost Containment – Payroll Reductions

\$4.3M Containment across all funds

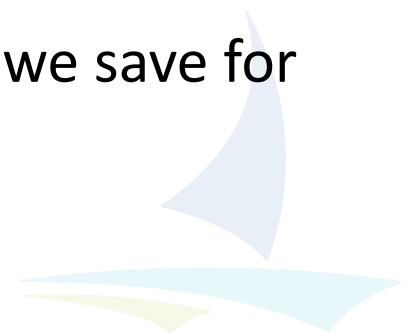
- Reducing payroll expense through a combination of Furlough, Voluntary Budgetary Leave, and limited Layoff
  - Nearly 19,000 hours of voluntary budgetary leave offered by City employees
- Policy Considerations
  - What is the appropriate mix of furlough and layoff?
  - How are furloughs distributed across the City workforce?



# Use of Cash

\$57.5M used across all funds

- Deploying Cash Resource where funds exist in order to mitigate the need for additional cost containments
  - General Fund: \$8.0M
  - Downtown Assets Fund: \$32.5M
  - Parking Fund: \$13.1M
  - Utilities Funds: \$3.2M
  - Other Funds: \$0.7M
- Policy Considerations
  - How much cash can we safely deploy today? How much should we save for tomorrow?



# Updated Scope

Projected Revenues & Cost Containments shown in \$Millions

	General Fund	Downtown Assets	Utilities	Parking	Other	Total
Revenue Loss	(32.7)	(69.2)	(13.9)	(28.1)	(12.0)	(155.9)
Transfer Changes	(22.0)	22.0	-	-	-	-
Phase I	27.7	3.5	10.7	5.0	11.3	58.2
<i>Debt for Capital</i>	5.3	-	-	7.0	-	12.3
<i>Program Adjustments</i>	9.4	11.2	-	3.0	-	23.6
<i>Payroll Reductions</i>	4.3*	-	-	-	-	4.3
<i>Use of Cash</i>	8.0	32.5	3.2	13.1	0.7	57.5
Remaining Deficit	-	-	-	-	-	-

\*Payroll Reductions will occur across all funds but are being shown in the General Fund as precise plans are still in development



# Next Steps – Budget Committee Calendar

Sunday		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
12		13		14	6:05 PM Public Hearing #1	15		16		17	9:30 AM Markup	18	
19		20		21		22	10 AM Public Hearing #2	23		24	9:30 AM Adoption	25	



A panoramic view of the Minneapolis skyline under a clear blue sky. The city's architecture is a mix of modern glass skyscrapers and older brick buildings. In the foreground, there's a highway interchange with several lanes of traffic, some cars, and a green sign. The text "Thank You" is centered in a large, white, sans-serif font.

Thank You