



Second Quarter 2024 Financial Status Report

Finance & Property Services Department
September 16, 2024

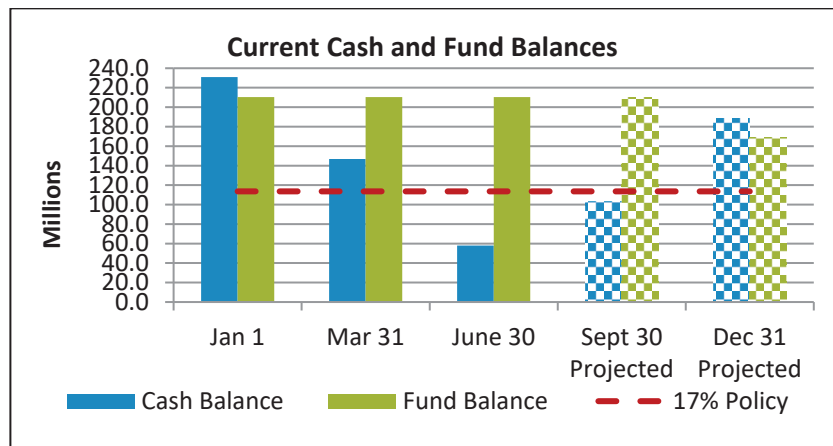
City of Minneapolis
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for the Second Quarter of 2024

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Overview

The City’s recovery from the economic impacts of the pandemic is ongoing and 2024 is projected to be a year of continued growth. In August 2023 Fitch upgraded the City’s credit rating to AAA while Standard and Poor confirmed their AAA rating. This is the first time the City has earned top ratings from both agencies since 2016. The \$271.2 million of Federal funding through the American Rescue Plan Act the City received in 2021 and 2022 is being spent as planned on projects addressing the economic and public health impacts of the pandemic. ARPA funds are planned to be spent down by the end of 2024. Nearly all funds are meeting or exceeding target balances for cash and fund balance or net position with only the Parking enterprise fund and Self-Insurance and Property Services internal service funds projected to fall below the targeted amount. Local taxes deposited into the Downtown Assets fund are projected to exceed budget for the third year in a row and are exceeding collection rates from 2023.

General Fund



The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. The original 2024 budget included a planned use of fund balance of \$18.2 million. Subsequent adjustments for rollovers increased the planned use of fund balance to \$44.0 million. At year end, actual fund balance is projected to decrease by \$42.0 million.

The 2023 ending fund balance was \$210.4 million and the General Fund cash balance at year-end 2023 was \$230.9 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance between the beginning of the year and the end of the second quarter. As the chart above shows, the cash balance at mid-year fell to \$57.9 million while the year-end projected cash balance is \$188.9 million.

As shown in the Financial Strength Analysis on pages A-2 and A-3 of this report, from 2020 through 2023, the General Fund’s cash balance and fund balance have increased with a cumulative cash increase of \$46.4 million and an increase in fund balance of \$42.7 million. The strong fund balance and cash position were made possible in large part by strategic use of federal funds available through the pandemic including CARES and ARPA. These Federal funding sources were used to help maintain sustainable operations even considering the losses experienced from 2020 to 2021. The General Fund continues to exceed the minimum fund balance requirements as required by financial policies.

The City’s financial policy for the General Fund balance is to maintain 17.0% of the following year’s expenditure budget less transfers. Based on the 2024 Council Adopted budget less transfers of \$668.2 million, the required

fund balance would be \$113.6 million. Considering projected amounts, the General Fund should finish the year with a fund balance of \$168.4 million which is \$54.8 million over the minimum balance.

Special Revenue Funds

The Special Revenue Funds (SRF) are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes and include the Convention Center, Arena (Target Center) Fund, Downtown Assets Fund, Police, the Neighborhood and Community Relations (NCR), Regulatory Services, Grant Funds, Employee Retirement Funds, and the Community Planning & Economic Development (CPED)s funds.

Projected 2024 year-end cash for special revenue funds in total is \$381.0 million which is a decrease of \$76.0 million from the year-end 2023 cash balance of \$457.0 million. The cumulative fund balance for the Special Revenue Funds is projected to end at \$425.1 million, an increase of \$10.1 million compared to year-end 2023. The decrease in cash is due primarily to a planned spend down of the ARPA federal funding. As mentioned in the Overview section above, the City received all ARPA funding totaling \$271.2 million in 2021 and 2022 with a plan to spend it down over the next few years. Local taxes are rebounding with 2024 collections budgeted at \$80.8 million and projected to come in at \$88.7 million. Fund balances in special revenue funds are generally restricted or committed for uses consistent with the source of revenue for each fund.

Internal Service Funds

Internal Service Funds are used to account for goods and services provided internally to other government divisions. The Internal Service Funds include Engineering Materials and Testing Lab; Equipment (Fleet) Services; Property Services; Public Works Stores, Intergovernmental Services (primarily Information Technology), and Self-Insurance Funds.

The total cash balance for the Internal Service Funds at year-end 2024 is projected to be \$196.4 million, an increase of \$16.6 million from the 2023 ending balance of \$179.8 million. At the same time, the total net position for all the Internal Service Funds is projected to decrease by \$1.2 million from \$89.6 million to \$88.4 million. Because these funds have no debt burden and spending is tied to demand from other City funds, spending can be influenced by the needs of other funds. In 2024, it is expected that the Fleet Services fund will increase spending on new vehicle purchases that were delayed due to supply chain issues in prior years. The net position of the Self-Insurance funds continues to be negative even considering the \$164.7 million projected cash balance. This negative net position is reflective of the actuarially accrued liabilities for long-term settlements and is not reflective of a lack of resources for short term operations of the funds.

Enterprise Funds

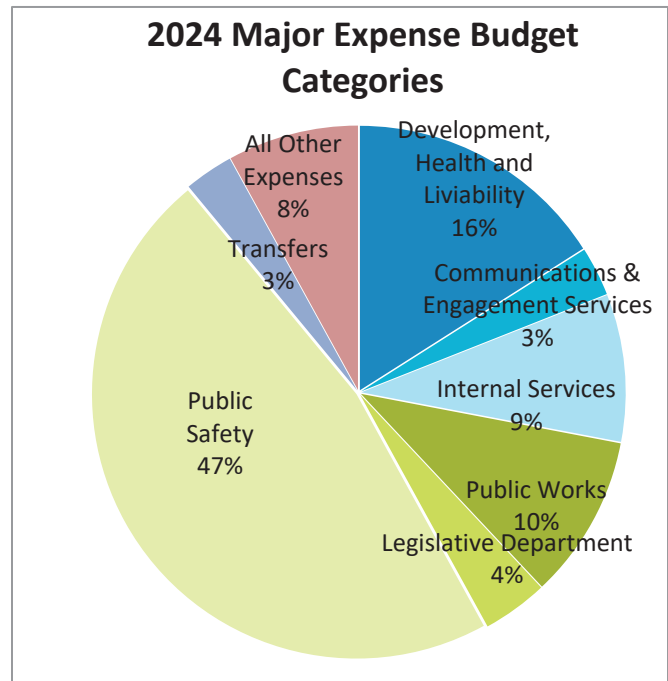
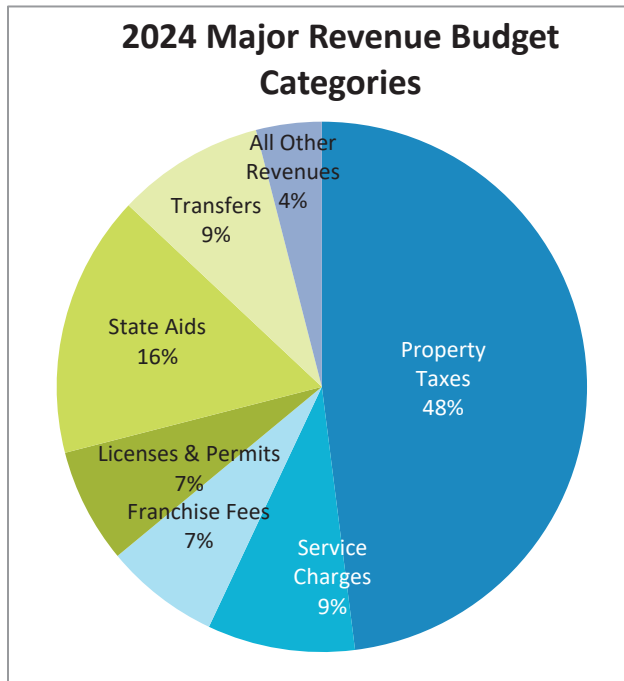
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$112.1 million which is an increase of \$11.4 million from the 2023 ending balance of \$100.7 million. Total net position for the Enterprise Funds is projected to increase by \$17.6 million from \$1,131.9 million at year end 2023 to \$1,149.5 at year end 2024. The Parking Fund revenues have recovered to near pre-pandemic levels and they expect to be back in compliance with target cash requirements by 2025.

**City of Minneapolis
General Fund
For the Second Quarter Ending June 30, 2024**

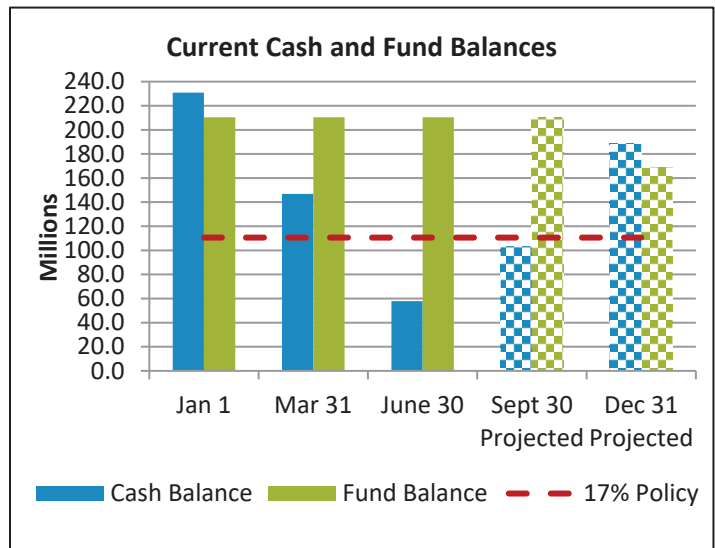
Fund Description

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund’s 2024 current revenue budget is \$668.3 million, while the Fund’s 2024 current expense budget is \$712.3 million, including transfers.



Cash and Fund Balance

The 2023 year-end audited cash balance for the General Fund was \$230.9 million, while the fund balance was \$210.4 million. Over one-half of the revenue in the General Fund comes from sources received only two times per year, such as property taxes, special assessments, and state aids. As such, the cash balance fluctuates significantly during the year. As of June 30, 2024, the cash balance was \$57.9 million. This increased significantly with the allocation of the first half property tax settlement in early July.



The 2024 original budget included a planned use of fund balance of \$18.2 million. The 2024 revised budget’s planned use of fund balance is \$44.0 million, an increase of \$25.8 million. The increased budgeted use of fund balance is primarily a result of rollovers of prior year unspent appropriations. The 2024 projected year-end fund balance is \$168.4 million, a decrease of \$42.0 million. The difference between the budgeted use of fund balance and the projected use of fund balance is due to variations in revenue and expense explained in the next two sections.

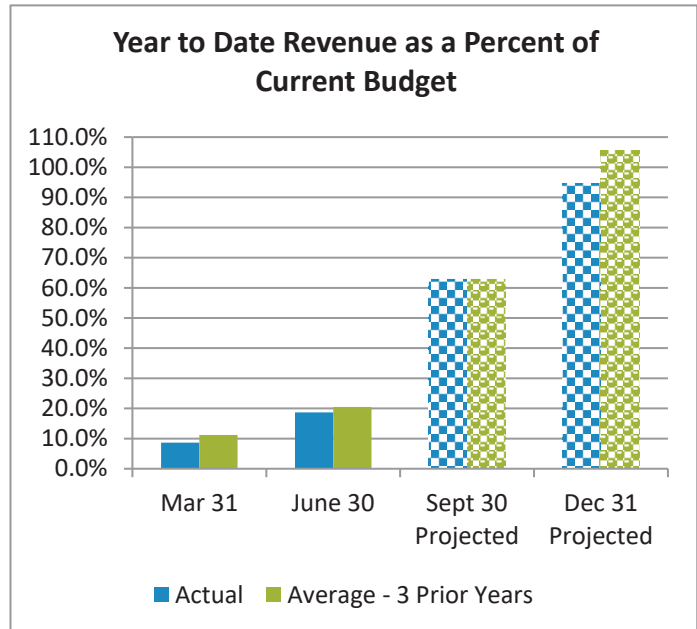
The City’s financial policies require a minimum fund balance equal to 17% of the next year’s General Fund expenditure budget, less transfers out. The 2024 Council Adopted budget less transfers out equals \$668.2 million, resulting in a minimum fund balance target of \$113.6 million. The projected year-end end balance, \$168.4 million, is \$54.8 million above the fund balance target.

Revenue

As noted above, more than one-half of General fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are recognized in July with the remainder received in December. Since such a large portion of General Fund revenue is received after the second quarter of the year, the average revenue through the first half of the past three years is only 20.5% of the budget. Actual revenue through the second quarter of 2024 totals \$124.8 million or 18.7% of the total budget.

Year-end general fund revenues in 2024, are projected to fall short of budget by \$36.5 million, or 5.5%. The biggest cause of this is a one-time \$19.0 million Public Safety Aid payment received at the end of 2023 related to legislation passed by the State during the 2023 session that was budgeted in 2024.

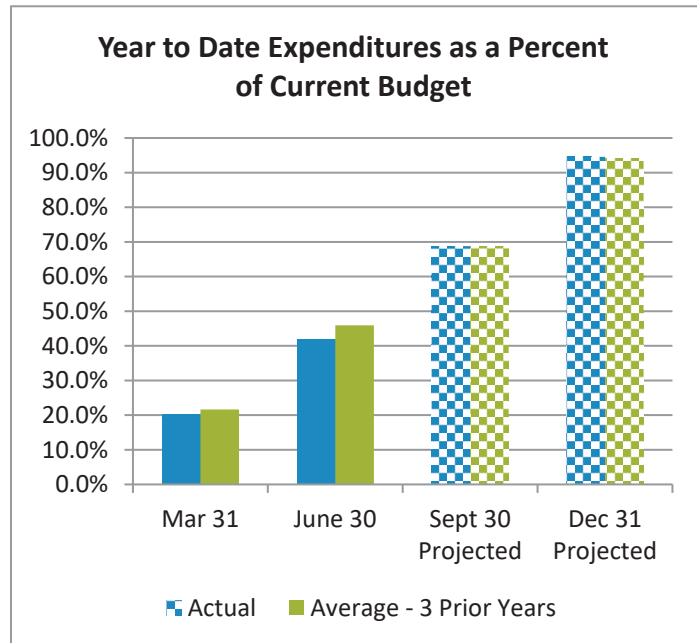
Franchise fees are projected to fall short of budget by \$7.2 million, due in part to lower utility charges with the mild winter. Property taxes are projected to have a 97.0% collection rate which is lower than prior years.



Expenditures

The City’s four largest divisions comprise 81.9% of the General Fund’s total current budget: Public Safety; Development, Health, and Livability; Public Works; and Internal Services. Small percentage variances in any of these large divisions can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

Overall, General Fund underspending is projected to be \$38.6 million. Contingency funding of \$23.2 million is planned to be unspent at year end. The Public Safety Division is projected to be over budget by \$3.8 million or 1.2% mainly due to staff and overtime issues. Several departments are projected to be under budget at year end. The primary reasons for underspending are personnel savings and the delay of current year projects and initiatives.



**City of Minneapolis
General Fund Report
June 30, 2024**

	Original Budget	Current Budget	Year-to-Date Actual	Percent of Revised Budget Remaining	Year End Projection	Surplus (Deficit) Budgt Versus Projected	Percent of Revised Budget Remaining
Revenues							
Business Licenses And Permits	\$ 12,451,790	\$ 12,451,790	\$ 9,089,880	27.0%	\$ 12,389,880	\$ (61,910)	-0.5%
Charges For Sales	67,350	67,350	55,426	17.7%	150,426	83,076	123.3%
Charges For Services	57,001,589	57,001,589	26,757,392	53.1%	58,757,392	1,755,803	3.1%
Contributions	-	-	250	0.0%	20,000	20,000	0.0%
Fines And Forfeits	5,172,000	5,172,000	2,707,748	47.6%	5,415,495	243,495	4.7%
Franchise Fees	47,197,000	47,197,000	17,859,480	62.2%	40,000,000	(7,197,000)	-15.2%
Interest Revenue	9,939,538	9,939,538	7,972,499	19.8%	15,944,998	6,005,460	60.4%
Local Grants & Aids	970,153	970,153	253,483	73.9%	970,153	-	0.0%
Miscellaneous	1,780,000	1,780,000	1,032,456	42.0%	2,064,913	284,913	16.0%
Non-Business Licenses And Permits	34,869,660	34,869,660	22,550,459	35.3%	34,869,660	-	0.0%
Property Taxes	317,178,962	317,178,962	-	100.0%	300,663,593	(16,515,369)	-5.2%
Rents	1,100,000	1,100,000	460,695	58.1%	1,100,000	-	0.0%
Sales and Other Taxes	6,200,000	6,200,000	-	100.0%	3,300,000	(2,900,000)	-46.8%
Special Assessments	4,563,990	4,563,990	267,797	94.1%	5,300,000	736,010	16.1%
State Grants & Aids	108,266,849	108,289,349	4,509,962	95.8%	89,289,349	(19,000,000)	-17.5%
Total Revenues	606,758,881	606,781,381	93,517,526	84.6%	570,235,859	(36,545,523)	-6.0%
Transfers In	60,389,511	61,523,206	31,328,450	49.1%	61,523,206	-	0.0%
Revenues and Other Sources	\$ 667,148,392	\$ 668,304,587	\$ 124,845,976	81.3%	\$ 631,759,065	\$ (36,545,523)	-5.5%
Expenditures							
Arts & Cultural Affairs	2,568,106	2,568,106	591,947	77.0%	2,493,103	75,003	97.1%
Attorney	21,466,086	21,515,476	10,310,111	52.1%	20,954,958	560,518	97.4%
Civil Rights	6,766,057	6,766,057	2,833,795	58.1%	6,659,586	106,471	98.4%
Communications & Engagement Services:							
Communications	2,647,057	2,666,373	1,382,902	48.1%	2,654,272	12,101	99.5%
Intergovernmental Relations	1,435,770	1,435,770	636,523	55.7%	1,444,992	(9,222)	100.6%
Neighborhood & Community Relations	8,652,991	10,981,893	3,753,268	65.8%	10,706,893	275,000	97.5%
311	6,407,884	6,407,884	3,187,973	50.2%	6,422,884	(15,000)	100.2%
Contingency	23,243,705	23,243,705	-	100.0%	-	23,243,705	0.0%
Development, Health and Livability							
CPED	45,934,133	57,332,753	20,315,068	64.6%	57,132,753	200,000	99.7%
Health	24,336,265	24,931,874	7,059,630	71.7%	24,901,707	30,167	99.9%
Regulatory Services	30,026,272	30,443,772	13,352,899	56.1%	28,780,276	1,663,496	94.5%
Internal Services:							
Assessing	6,755,251	8,340,230	4,301,367	48.4%	7,672,625	667,605	92.0%
Office of Public Service	3,074,597	3,379,452	1,561,884	53.8%	3,379,452	(0)	100.0%
Finance and Property Services	37,039,911	37,604,036	13,945,165	62.9%	28,258,281	9,345,755	75.1%
Human Resources	13,995,611	13,995,611	4,926,108	64.8%	9,972,363	4,023,248	71.3%
Information Technology	-	631,323	232	100.0%	631,323	(0)	100.0%
Performance Management & Innovation	1,560,681	2,563,147	582,106	77.3%	2,169,033	394,114	84.6%
Legislative Department:							
City Auditor	3,122,749	3,162,591	1,218,779	61.5%	2,451,800	710,791	77.5%
City Council & City Clerk	22,519,056	24,491,376	8,754,947	64.3%	24,491,376	0	100.0%
Mayor	2,584,586	2,667,428	1,455,000	45.5%	2,800,338	(132,910)	105.0%
Public Safety:							
Emergency Management	1,281,054	1,281,054	559,639	56.3%	1,301,882	(20,828)	101.6%
Fire	80,607,788	80,607,788	43,128,593	46.5%	84,607,788	(4,000,000)	105.0%
Neighborhood Safety	22,424,622	23,324,422	5,214,798	77.6%	22,248,975	1,075,447	95.4%
Office of Community Safety	2,141,486	2,166,486	1,000,267	53.8%	2,036,486	130,000	94.0%
Police	212,877,370	213,952,827	99,069,021	53.7%	214,952,827	(1,000,000)	100.5%
911	11,657,329	11,657,329	5,638,911	51.6%	11,687,329	(30,000)	100.3%
Public Works							
Transportation Planning & Design	2,317,854	2,317,854	990,116	57.3%	2,264,800	53,054	97.7%
Transportation Plan Programming	3,039,344	3,328,744	1,546,453	53.5%	3,300,000	28,744	99.1%
Transportation Maintenance & Repair	40,964,422	40,964,422	19,514,844	52.4%	40,581,318	383,104	99.1%
Public Works Administration	3,844,409	3,844,409	1,575,669	59.0%	3,541,409	303,000	92.1%
Traffic & Parking Services	20,567,131	20,744,818	9,521,724	54.1%	20,752,420	(7,602)	100.0%
Racial Equity Inc Bel	2,341,961	2,431,681	569,929	76.6%	1,916,244	515,437	78.8%
Total Expenditures	668,201,540	691,750,692	288,499,668	58.3%	653,169,493	38,581,198	94.4%
Transfers Out Total	17,192,146	20,592,145	10,296,073	50.0%	20,592,145	-	100.0%
Expenditures and Other Uses	\$ 685,393,685	\$ 712,342,837	\$ 298,795,741	58.1%	\$ 673,761,638	\$ 38,581,198	94.6%
Change in Fund Balance					(42,002,574)		
Fund Balance - January 1					210,369,807		
Fund Balance - December 31 (Projected)					168,367,233		

City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of Dollars)

Minneapolis Convention Center - Special Revenue Fund

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Charges for Services	\$ 5,405	\$ 7,332	6,732	4,687	8,882
Rents and Commissions	6,306	6,926	7,480	4,421	7,824
Privileges	3,303	4,254	4,488	2,565	4,441
Interest on Cash Investments	151	1,457	548	328	548
Other Misc Non Operating	-	256	-	-	30
Transfer from Downtown Assets	37,021	37,021	35,988	17,994	35,988
Unrealized Gain/Loss		(685)			
Total	\$ 52,035	\$ 56,562	\$ 55,235	\$ 29,996	\$ 57,712
Use of Funds:					
Convention Center Operations	\$ 27,219	\$ 26,787	29,500	14,072	29,500
Ongoing Equipment/Improvement (a)	13,948	12,062	14,686	7,984	14,686
Meet Minneapolis	11,245	11,145	11,456	5,928	11,456
Transfer to Debt Service	6,252	6,554	6,578	-	6,578
Total	\$ 58,664	\$ 56,548	\$ 62,220	\$ 27,983	\$ 62,220
Net Change in Fund Balance	\$ (6,629)	\$ 14	(6,985)	2,012	(4,508)
Ending Fund Balance	\$ 10,990	\$ 17,633	10,648	19,645	13,125
Ending Cash Balance	\$ 16,188	\$ 22,369	15,384	20,517	17,861

City of Minneapolis
Convention Center Special Revenue Fund Report
For the Second Quarter Ending June 30, 2024

Fund Description:

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 of Minneapolis, the metropolitan region, and the State of Minnesota.

The Convention Center Special Revenue Fund activity was historically funded from local sales and hospitality tax receipts in addition to Convention Center operating revenue. Beginning in 2014, the local taxes were receipted directly to the General Fund, and a transfer was made from the General Fund to the Convention Center to fully fund Convention Center operating and non-operating expenditures. Beginning in 2018, the Convention Center Special Revenue Fund is being managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Downtown Assets “umbrella” Fund includes the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), Peavey Plaza, and the Commons. Beginning in 2018, as part of the new Downtown Assets funding structure, the local taxes were receipted directly to the Downtown Assets Fund, and a transfer is being made from the Downtown Assets Fund to the Convention Center Fund to fund Convention Center operations, capital, and building debt service.

Revenue:

Through June 30, 2024, Convention Center operating revenue was \$11.7 million or 62.4% of the \$18.7 million operating revenue budget. With the strong impact of the pandemic on catering, the Kelber Catering commission structure was changed in 2021 to a tiered revenue structure where specific amounts of revenue need to be realized before the MCC receives a commission. The new structure was implemented to take financial pressure off Kelber.

Through June 30, 2024, the Convention Center had operating revenue of \$11.7 million, and finished \$1.9 million over June 30, 2023, operating revenue of \$9.8 million. Throughout 2022-3 and into 2024, the Convention Center saw a strong recovery from the pandemic, as events in the building increased. The Convention Center projects 2024 operating revenue to finish at \$21.1 million which is \$2.4 million over budget, and \$2.6 million over 2023. The Convention Center also receives revenue from interest on cash balances, and the 2024 budget is \$0.5 million. The 2024 interest revenue is projected to finish at or above budget.

Expenses:

Through the second quarter of 2024, Convention Center operating expenditures not including Ongoing Equipment and Improvements and Meet Minneapolis finished at \$14.1 million or 47.7% of budget which was \$1.3 million over the second quarter 2023 results. Operating expenses are based on event levels and normal day-to-day operations which continue to rebound toward pre-pandemic levels. 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
- Recycling “waste” initiative

The Convention Center expects the 2024 operating expenses to finish the year at \$29.5 million, matching the 2024 budget. That represents a \$2.7 million increase from 2023 which is related to an overall increase in event activity

as the building is getting back to a normal. As event levels increase, so does revenue and corresponding expenses needed to support the events.

In Ongoing Equipment and Improvements, the Convention Center finished the second quarter of 2024 at \$8.0 million or 54.4% of the \$14.7 million 2024 budget. The Convention Center projects 2024 ongoing equipment and improvements to finish 2024 close to the budget of \$14.7 million which includes \$1.9 million in rollovers from 2023. With the impacts of the pandemic within the City, the Convention Center sharply curtailed building projects through cancellations, scope reductions, and deferrals. Since 2022, the Convention Center has begun work catching up on badly needed projects. The Convention Center needs to continually improve the building to remain competitive with other venues.

The 2024 Meet Minneapolis budget is \$11.5 million which is \$0.3 million over the 2023 actual. Through the second quarter of 2024, Meet Minneapolis expenditures were \$5.9 million or 51.7% of the 2024 budget. It is expected that Meet Minneapolis will finish 2024 at budget.

Transfers:

The Convention Center Fund annually transfers funds for debt service (see below), in addition to receiving a transfer from the Downtown Assets Fund. The Convention Center's 2024 transfer in from the Downtown Assets Fund is budgeted at \$36.0 million, which is \$1.0 million under the 2023 actual. It is expected that this 2024 transfer will finish at budget.

Debt Service:

Under the previous debt service schedule prior to the refinancing, 2020 would have been the final year of debt service however, to take pressure off the fund at the height of the pandemic losses, the final debt service payment was refinanced over five additional years. In 2024, transfers to debt service for debt issued on the building is budgeted at \$6.6 million. The 2025 debt service is projected to be \$6.5 million.

Fund and Cash Balance:

The June 30th, 2024, fund and cash balances were \$19.6 million and \$20.5 million respectively, and the 2024 ending fund and cash balances are projected to be \$13.1 million and \$17.9 million respectively. The projected fund and cash balances are both decreases of \$4.5 million from 2023. The decreases can be attributed to the projected increases in 2024 spending which includes increases to all expense categories. Those increases were partially offset by increased revenues.

City of Minneapolis
Second Quarter Ending June 30, 2024
Financial Status Report (in thousands of dollars)

Arena (Target Center) - Special Revenue Fund

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Rent	\$ 1,613	\$ 1,613	\$ 1,646	\$ 1,646	\$ 1,646
Transfer from Municipal Parking Fund	5,000	3,500	1,400	700	1,400
Transfer from DT Assets Fund	-	-	3,202	3,202	3,202
Other Misc Revenue	33	117	-	60	60
Interest Earnings	37	758	200	169	200
Unrealized Gain/Loss		(163)			
Total	\$ 6,684	\$ 5,825	\$ 6,450	\$ 5,777	\$ 6,509
Use of Funds:					
Operator Reimbursement	\$ 1,864	\$ 1,864	\$ 1,920	\$ 959	\$ 1,920
Ongoing Equipment/Improvements	6,969	2,835	8,815	1,189	6,300
Administration	311	281	338	207	338
Transfer to Downtown Assets Fund	1,924	1,924	-	-	-
Total	\$ 11,067	\$ 6,905	\$ 11,072	\$ 2,356	\$ 8,558
Net Change in Fund Balance	\$ (4,383)	\$ (1,080)	\$ (4,622)	\$ 3,421	\$ (2,049)
Ending Fund Balance	\$ 2,105	\$ 5,408	\$ 786	\$ 8,829	\$ 3,359
Ending Cash Balance	\$ 2,019	\$ 5,547	\$ 925	\$ 8,670	\$ 3,498

City of Minneapolis
Arena Special Revenue Fund
For the Second Quarter Ending June 30, 2024

Fund Description:

The Arena Special Revenue Fund is used to account for the revenues and on-going equipment and improvements, maintenance, operating support, and other specific expenditures of the Target Center. The Target Center is home to the Minnesota Timberwolves, the Minnesota Lynx, and also hosts a wide variety of events such as concerts; high school, college and professional athletic events; and motor sports and ice skating events. These activities showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota. The operator of the Target Center is AEG Management TWN, LLC (AEG). AEG is the world's leading sports and live entertainment company with over 300 venues owned/operated.

Revenue:

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund. The 2024 budgeted transfer from the Parking Fund is \$1.4 million along with a transfer from the Downtown Assets fund of \$3.2 million. Beginning in 2014, the Timberwolves organization started paying rent at the Target Center. The rent payments are based on a rent schedule, and the 2024 rent payment is \$1.6 million. Beginning in 2018, entertainment tax was removed as a revenue source with the Arena Fund now being managed as part of the Downtown Assets Funds "umbrella". The Downtown Assets Funds are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Arena Special Revenue Fund also receives interest revenue from City investments on cash balances within the fund. The 2024 interest revenue budget is \$.2 million, and 2024 interest revenue is projected to finish at or above budget.

Expenses:

The Arena Special Revenue Fund has a 2024 ongoing equipment and improvements budget of \$8.8 million which includes \$3.8 million in unspent 2023 funds that were rolled over to 2024 to continue work on projects that were in process but unfinished at year end. Through the second quarter of 2024, \$1.2 million or 13.5% of the \$8.8 million budget has been expended. The 2024 projection is \$6.3 million as compared to the 2023 ongoing equipment and improvements actual of \$2.8 million. Beginning in 2022 and continuing into 2024 the building is catching up on projects that were delayed, deferred, or postponed during the prior years in a deliberate effort to reduce expenses then.

There is also a \$1.9 million 2024 budget for AEG (the Target Center's operator) under the category Operator Reimbursement, and as of June 30, 2024, there has been \$1.0 million or 50% of the budget expended. It is expected the full \$1.9 million budget will be expended by year-end. In 2024, administration is budgeted at \$0.3 million, and includes salaries and special assessments/DID fees. For Target Center salary and fringe expenses, the executive director's salary and fringes are expensed for the amount of time he actually spends working on items for that facility.

Transfers:

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2024 budgeted transfer is \$1.4 million, and the transfer is expected to finish at budget. The 2024 budget also includes a transfer in from the Downtown Assets fund of \$3.2 million which has been received in full as of June 30, 2024. These transfers are adjusted annually to assist in maintaining fund and cash balances.

Fund and Cash Balances:

The June 30, 2024 ending fund and cash balances were \$8.8 million and \$8.7 million respectively, and are projected to decrease by year end to \$3.4 million and \$3.5 million respectively. This is a decrease of \$2.0 million for both the fund and cash balances from 2023. The primary reason for the decreases is a planned use of fund balance of \$4.6 million.

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City of Minneapolis
Second Quarter Ending June 30, 2024
Financial Status Report (in thousands of dollars)

Downtown Assets Fund (including the Downtown Assets & Peavey Plaza) - Special Revenue Funds

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Local Taxes	\$ 51,433	\$ 77,608	\$ 80,750	\$ 21,336	\$ 88,681
Transfer from Arena Fund	1,924	1,924	-	-	-
Downtown Assets, Peavey Plaza, and Commons Funds Interest Earnings	666	3,795	830	1,235	1,235
Unrealized Gain/Loss		(2,131)			
Total	\$ 54,023	\$ 81,196	\$ 81,580	\$ 22,571	\$ 89,916
Use of Funds:					
Transfer out to City General Fund	\$ 13,253	\$ 13,253	\$ 22,861	\$ 11,430	\$ 22,861
Transfer out to Arena Fund Debt Service	5,696	5,696	5,700	955	5,700
Transfer out to Convention Center	37,021	37,021	35,988	17,994	35,988
Transfer to Arena Fund	-	-	3,202	3,202	3,202
Peavey Plaza - Capital	57	-	67	-	67
Peavey Plaza - Operating	398	399	413	200	413
Total	\$ 56,425	\$ 56,369	\$ 68,229	\$ 33,781	\$ 68,229
Net Change in Fund Balance	\$ (2,402)	\$ 24,827	\$ 13,351	\$ (11,210)	\$ 21,686
Downtown Assets Fund - Ending Fund Balance	\$ 51,125	\$ 79,657	\$ 93,008	\$ 68,447	\$ 101,343
Downtown Assets Fund - Ending Cash Balance	\$ 43,148	\$ 72,437	\$ 85,788	\$ 70,095	\$ 94,123

**Downtown Assets Special Revenue
Including the Downtown Assets, Peavey Plaza, and Commons Funds
For the Second Quarter Ending June 30, 2024**

Fund Description:

The Downtown Assets Special Revenue Fund was created in 2018. The purpose of this fund is to:

- clearly delineate the uses of local sales, liquor, lodging, restaurant, and entertainment taxes;
- provide stable, predictable ongoing support from these taxes to the General Fund; and,
- support the comprehensive management of the City's four primary downtown revenue-generating capital assets.

This collection of funds holds the operating and capital funds which support the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), the Downtown Commons, and Peavey Plaza. In 2020, the \$0.8 million Downtown Commons operating budget was transferred to the Minneapolis Parks & Recreation Board, and in 2021 and 2022 the City didn't budget for the Downtown Commons as it is managed/operated by the Minneapolis Parks & Recreation Board. Though each of these funds holds a cash balance on its own, all cash balances are available to support any expense within the funds. Receipts to the fund are largely made up of local taxes, but may also include contributions from private donations or State funding to support capital improvements. The Convention Center department is responsible for management of operations within the fund. Revenues and expenditures for the Convention Center and Target Center are discussed in those funds' respective quarterly reports.

Revenue:

The 2024 Downtown Assets Special Revenue Fund revenues are budgeted at \$81.6 million. The overwhelming majority of revenues come from local taxes (including sales, liquor, lodging, restaurant and entertainment). Minneapolis local taxes are projected to finish at \$88.7 million which is \$7.9 million over the \$80.8 million 2024 budget. The local taxes are based on collection trends, consumer spending habits, and more recently, the impacts from the COVID-19 pandemic and social unrest within the City which had a severely negative impact on the local tax collections in 2020, 2021, and to a lesser extent, 2022. The \$88.7 million 2024 local tax projection is \$11.1 million over the actual 2023 collections as a result of an increasing number of events downtown.

Interest revenue is based on City investments of cash balances within the City funds. For the Downtown Assets Fund, the 2024 budget is \$0.8 million and actual revenue is projected to finish above budget.

Expenses:

The 2024 Downtown Assets Special Revenue Fund expenses are budgeted at \$68.2 million, and are primarily all transfers out of the fund. Transfers make up \$67.7 million of the \$68.2 million 2024 budget. Of the \$68.2 million, \$0.5 million is allocated for Peavey Plaza Operating expenses which include payments to Green Minneapolis to maintain Peavey Plaza, Peavey Plaza Special Assessments/DID Fees, and electricity. There is also a small \$67,000 2024 Peavey Plaza capital budget to help with upkeeping the Plaza. Expenses are projected to finish close to budget, which is \$11.8 million over 2023 actual year end totals primarily due to a \$9.6 million increase in the 2024 transfers out of the Downtown Assets Special Revenue Fund to the General Fund.

Transfers:

In 2024, transfers out were budgeted at \$67.7 million. Transfers include \$22.9 million to the General Fund, \$3.2 million to the Arena Special Revenue Fund (Target Center), \$36.0 million to the Convention Center to fund debt service, capital, and operating expenses; and \$5.7 million to the Arena Special Revenue Fund (Target Center) building debt service. As of June 30, 2024, all transfers were on schedule and are expected to finish at budget.

Fund and Cash Balances:

At the end of 2023, the Downtown Assets Funds had a fund balance of \$79.7 million, and a cash balance of \$72.4 million. The 2024 Downtown Assets Funds, fund and cash balances are projected to finish at \$101.3 million and \$94.1 million respectively which is a \$21.7 million increase to both fund and cash balances from 2023. The increases in both fund and cash balances are due primarily to increases in projected local tax revenue.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Police Special Revenue Fund

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Charges for Services and Sales	656	\$ 876	\$ 1,016	\$ 173	\$ 707
Fines and Forfeits	400	157	400	147	400
Miscellaneous					
Taxes	161	229	245	58	245
Total	\$ 1,217	\$ 1,262	\$ 1,661	\$ 378	\$ 1,352
Use of Funds:					
Personnel Services	\$ 772	\$ 677	\$ 1,204	\$ 283	\$ 707
Fringes	43	166	45	90	233
Contractual Services	14	240	25	10	25
Capital Outlay	-	-			
Materials/Other	387	18	387	22	387
Total	\$ 1,217	\$ 1,101	\$ 1,661	\$ 405	\$ 1,352
Change in Fund Balance	\$ (0)	\$ 160	\$ (0)	\$ (27)	\$ (0)
Fund Balance	\$ 3,744	\$ 3,904	\$ 3,904	\$ 3,877	\$ 3,904
Total Cash Balance	\$ 3,603	\$ 3,792	\$ 3,792	\$ 3,862	\$ 3,792

**City of Minneapolis
Police Department – Special Revenue Fund
For the Quarter Ending June 30, 2024**

Operating Snapshot (in thousands of dollars):

Fund 01210	2024 Budget	2024 Actual	2023 Actual
Operating Revenue	1,661,098	377,740	353,533
Operating Expense	1,661,098	404,811	371,376
Operating Margin	(0)	(27,072)	(17,842)
Change in Net Position		(27,072)	(17,842)
Net Position		3,877	3,726
Cash Balance		3,862	3,585

Program Description:

The Police Special Revenue Fund accounts for revenues and expenses related to federal and state administrative forfeitures, lawful gambling, and non-emergency service contracts. Historically, the Police Special Revenue Fund had also been used to account for revenues and expenses related to the Automated Property System (APS), and the Workforce Director scheduling and payroll system (WFD). These programs were phased out over the last several years.

The fund revenues and expenses are associated with the following purposes:

- Federal and state administrative forfeiture programs are restricted to law enforcement and are designed to supplement and enhance, not supplant, agency resources. Revenue is used to account for a variety of law-enforcement needs, including some types of equipment, investigative expenditures, DWI-related enforcement, training, and others.
- The non-emergency service contracts are typically entered by the City of Minneapolis Police Department and an external entity usually located within Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas. City departments (Public Works, others) periodically contract with Police to provide additional services at the desired location(s). The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.
- Lawful Gambling regulatory tax revenue and expenses are restricted to regulating lawful gambling, including site inspections, compliance reviews, and corrective action.

Revenues:

Revenue for the Police Special Revenue Fund earned through the second quarter ending June 30, 2024, is \$0.4 million, or 22.7% of the budgeted \$1.7 million. The 2024 second quarter revenue increased by \$24,000, or 6.8% from the revenue earned through second quarter of 2023. The increase in the second quarter 2024 is expected due to several factors; including \$77,000 in forfeiture revenue that is unpredictable and depends on the amount forfeited and the number of cases settled each year. The increase in forfeiture is offset by the decrease of \$55,000 as the contract for neighborhood patrol services to the Minneapolis Safety Initiative is not renewed.

Expenditures:

Expenditure for the Police Special Revenue through the second quarter ending June 30, 2024, is \$0.4 million, or 24.4% of the budgeted \$1.7 million. Expenses through the second quarter of 2024 increased by \$33,000 or 9.0% over the total expenditures through the same period in 2023. The cost increase in non-emergency service contract is due to Minneapolis Target Center event requests for additional safety increases.

Cash and Fund Balances:

The ending fund and cash balances are projected an increase slightly in 2024 compared with 2023, which is associated with the forfeiture revenue being unpredictable and depends on the amount forfeited and the number of cases settled each year.

The fund has maintained a positive cash balance with the second quarter of 2024 ending balance of \$3.9 million, an increase of \$0.3 million or 7.7% from the 2023 second quarter ending balance of \$3.6 million.

The fund balance for the second quarter of 2024 is \$3.9 million, an increase of \$0.2 million, or 4.1% over the second quarter of 2023, ending a balance of \$3.7 million. Fund balance is consistent between the two years and reflects slight variances in revenue and expenditures in both years.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report in thousands of dollars

Neighborhood Special Revenue Fund (01800)

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Transfer from other Spec Rev funds	-	-	\$ -	\$ -	\$ -
Loan recapture					
Total	-	-	\$ -	\$ -	\$ -
Use of Funds					
Personal Services	-	-	\$ -	\$ -	\$ -
Fringes	-	-	-	-	-
Contractual services	1,700	1,322	200	18	100
Materials/Other	-	59	-	-	-
Total	1,700	1,381	\$ 200	\$ 18	\$ 100
Change in Net Position	(1,700)	(1,381)	\$ (200)	\$ (18)	\$ (100)
Net Position FB		382	\$ 182	\$ 364	\$ 282
Total Cash Balance		428	\$ 228	\$ 363	\$ 328

City of Minneapolis
NCR Special Revenue Fund: 01800
For the Second Quarter Ended June 30, 2024

Neighborhood and Community Relations Special Revenue Fund

Program Fund Description:

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, which was decertified on 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. From 2023, no new revenue dollars will be transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund.

Revenues:

In 2024, no new revenue dollars will be transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund.

Expenditures:

The 2024 expenditures from this fund through the second quarter of FY 2024 is \$18,000 for the community engagement and neighborhood-based activities and the total projected expenditures are expected to be \$0.1 million in FY 2024. Source for these expenditures is from the available Fund balance.

Fund Balance:

The projected fund balance for 2024 year-end is \$0.3 million based on the current commitments.

City of Minneapolis
Financial Status Report (in thousands of dollars)
For the Second Quarter Ending June 30, 2024

Grants Special Revenue Fund - Federal, State and Local

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Grants - Federal	\$ 36,534	\$ 17,991	\$ 33,010	\$ 4,950	\$ 22,941
APR Local Fiscal Recovery	-	81,888	3,965	32,349	81,599
CDBG & UDAG Funds	18,720	18,815	16,266	5,708	15,274
HOME Grants	10,761	2,404	2,953	2,039	2,792
Grants - Other	31,172	26,591	42,219	10,988	23,926
Total	\$ 97,187	\$ 147,689	\$ 98,414	\$ 56,035	\$ 146,531
Use of Funds:					
Grants - Federal	\$ 38,138	\$ 17,991	\$ 30,064	\$ 8,471	\$ 22,941
APR Local Fiscal Recovery	115,162	81,888	74,217	32,349	81,599
CDBG & UDAG Funds	19,794	18,815	16,275	6,616	15,274
HOME Grants	13,417	2,404	2,953	1,855	2,792
Grants - Other	33,397	25,475	45,647	9,485	23,926
Total	\$ 219,908	\$ 146,573	\$ 169,156	\$ 58,776	\$ 146,531
Net Change in Fund Balance		\$ 1,116		\$ (2,741)	\$ -
Ending Fund Balance		\$ 20,955		\$ 18,214	\$ 20,955
Ending Cash Balance		\$ 100,791		\$ 64,740	\$ 15,728

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
For the Second Quarter Ending June 30, 2024

Fund Description:

The City receives a number of federal and state grants that are recorded in the Federal (01300), HUD Consolidated Plan (01400 & 01500), and Grants Other (01600) funds. These grants have varying grant periods and are used for a broad 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 throughout the year. For annual reporting purposes, cash deficits are eliminated through inter-fund borrowing. Beginning in 2021, the City established a new special revenue fund to account for the American Rescue Plan Act State and Local Fiscal Recovery Funds.

Grants are received both on a cost reimbursement and an advance basis. For the City's audited financial statements advanced but not yet expended grant awards are shown in the financial statements as unearned revenue and respectively, amounts that are due to the City are recorded as intergovernmental receivables. Some amounts are earned and reserved for a restricted purpose and those amounts remain as restricted fund balance.

Federal Grants Fund:

The City accounts for its federal grant activity in Fund 01300. As of June 30, 2024, expenditures were \$8.5 million compared to the 2023 expenditures through June of \$6.6 million. The increase in federal expenditures of \$1.8 million is primarily a result of spending within the Minneapolis Health Department (MHD) in their Strong Foundation: Evidence-based Family Home Visiting Grant, Health Mentor Model Project, Lead Hazard Control, Public Health Infrastructure, Workforce, and Data Systems, and the Minneapolis Outreach program; along with Fire Department Staffing for Adequate Fire and Emergency Response (SAFER) Grant, Public Works USDOT SMART Grants: Open Data Approach to Curbside Management and CPED/METP WIOA program. The decrease of U.S. Treasury Emergency Rental Assistance (ERA), Covid disparities grant, and other program accounts for approximately \$1.2 million of the decrease. The ERA funds were all spent in 2023.

The federal grants fund includes other sources of federal revenue in support of the Police Department task force activities. Police receive reimbursement from the Alcohol Tobacco and Firearms (ATF), Drug Enforcement Administration (DEA), Federal Bureau of Investigations (FBI), and other task forces to reimburse the City for some of the overtime costs associated with officers that work on specific task forces.

American Rescue Plan Act (ARPA)

On May 19, 2021, the City received \$135.6 million of the U.S. Treasury ARPA funds and in June 2022, the City received the second half allocation to that the total allocation of \$271.2 million has been received. ARPA funds are available to cover costs incurred between March 3, 2021 and December 31, 2024 at which time all funds must be obligated. Department project proposals for 2021 totaling \$90.2 million were approved by the Council on July 2. An additional \$8.0 million of funding was approved by City Council on November 17 2021. In April 2022, a final round of budget proposals were approved which obligated the remaining ARPA funds through December 31, 2024.

As of June 30, 2024, a total of \$222.0 million of the City's ARPA funding has been spent. This includes \$32.3 million spent as of June 2024.

HUD Consolidated Plan Funds:

The Community Development Block Grant (CDBG) is the City’s largest single grant and is accounted for in fund 01400 along with two other Housing and Urban Development (HUD) Programs, the Emergency Solutions Grant Program (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). HOME Investment Partnerships Program, 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 ranged between \$10.0 to \$11.0 million in recent years, pre-pandemic. HUD grant expenditures as of June 30, 2024 total \$8.5 million compared to \$9.2 million through June 2023 which reflects a decrease of \$0.7 million.

During 2020 the City was awarded approximately \$22.9 million in HUD COVID-19 Supplemental fund for the CDBG, ESG, and HOPWA programs. ESG fund was all spent in 2023 and HOPWA are done as of June 2024. There are \$1.4 million left to be spent for the CDBG portion.

Grants Other Fund:

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of June 30, 2024 are \$9.5 million compared to the 2023 expenditures through June of \$10.1 million. The \$0.6 million decrease in expenditures is due to a variety of spending variations across numerous projects.

Cash and Fund Balance:

The grant funds typically carry a small cash and fund balance position. Due to the accounting treatment of both reimbursement and prepaid grants, the funds typically match expenditures and revenues in the same period and prepaid grants result in unearned revenue. The ARPA funding resulted in a large cash balance for year end 2023 and continues to be a larger than usual amount through June 2024. However, accounting principles dictate that we don’t recognize revenue until we incur expenditures, so the fund balance remains relatively small in comparison to the fund balance.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

CPED Special Revenue Funds

	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q2 2024 Total	Q2 2023 Total
Assets							
Cash	100,939	45,218	25,351	26,020	984	198,512	198,916
Misc receivables	553	-	75	75	8	711	579
Loans receivable	-	5,798	-	-	-	5,798	5,112
Advances to other funds	389	-	-	-	-	389	389
Properties held for resale	25,433	2,086	7,337	226	-	35,082	34,820
Total Assets	127,314	53,102	32,763	26,321	992	240,492	239,816
Liabilities							
Payables	262	5,694	43	35	6	6,040	683
Advances from other funds	390	-	-	-	-	390	389
Deposits held for others	-	947	319	-	2	1,268	1,310
Deferred inflow of resources	-	-	-	-	-	-	5,112
Total Liabilities	652	6,641	362	35	8	7,698	7,494
Total Fund Balance	126,662	46,461	32,401	26,286	984	232,794	232,322
Total Liabilities & Fund Balance	127,314	53,102	32,763	26,321	992	240,492	239,816
Revenue							
Fees & charges for services	-	387	436	-	116	939	679
Interest revenue	1,813	499	471	476	37	3,296	10,575
Rent	26	-	-	-	-	26	228
Sale of land & buildings	9	18	-	-	-	27	105
Loan recapture	153	-	160	353	-	666	842
Total revenue	2,001	904	1,067	829	153	4,954	12,429
Expenditures							
Personal services	73	-	780	-	-	853	605
Contractual services	4,130	3,247	939	1,258	-	9,574	6,006
Other operating costs	-	8	494	-	-	502	206
Program capital outlay	4,722	2,424	-	-	-	7,146	7,594
Total expenditures	8,925	5,679	2,213	1,258	-	18,075	14,411
Transfers							
Transfers from other funds	1,985	7,991	-	-	-	9,976	11,939
Transfers to other funds(-)	(5,444)	-	-	(272)	-	(5,716)	(7,225)
Total transfers	(3,459)	7,991	-	(272)	-	4,260	4,714
Change in fund balance	(10,383)	3,216	(1,146)	(701)	153	(8,861)	2,732
Beginning fund balance	137,045	43,245	33,547	26,987	831	241,655	229,590
Ending fund balance	126,662	46,461	32,401	26,286	984	232,794	232,322

City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

<i>Programs</i>	<i>Original Budget</i>	<i>Current Budget</i>	<i>Expended</i>	<i>Budget v. Exp</i>	<i>Cash</i>	<i>Fund Balance</i>
Tax Increment Financing	33,294	75,574	14,369	61,205	100,939	126,662
Housing & Econ Dev	17,383	57,776	5,679	52,097	45,218	46,461
General Development	6,365	17,874	2,214	15,661	25,351	32,401
Neighborhood Revitalization	6,227	6,227	1,530	4,697	26,020	26,286
CPED Operating	0	0	0	0	984	984
Total	63,270	157,452	23,791	133,661	198,512	232,794

CPED Special Revenue Funds account for governmental funds that are legally restricted to expenditures for specific purposes in several housing and economic development programs. The programs that are operated within these funds were established to increase the City’s economic competitiveness, ensure an array of attractive housing choices, support strong and diverse neighborhoods, and preserve historic structures. These programs are funded primarily through state and local grants, tax increment financing (TIF), and administrative fees collected from the issuance of housing and economic development revenue bonds. All special revenue funds are restricted to the legal purposes of the special revenue they contain.

Fund Balance. The combined fund balance of CPED Special Revenue Funds at the end of the second quarter 2024 was \$232.8 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the TIF and NRP programs was \$153.0 million, and all this fund balance is considered restricted. The combined fund balance of the Housing & Economic Development, General Development, and CPED Operating programs was \$79.8 million.

Cash Balance. The combined cash balance of CPED Special Revenue Funds at the end of the second quarter 2024 was \$198.5 million. The combined cash balance in the TIF and NRP programs at the end of second quarter 2024 was \$127.0 million (64.0% of the total).

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

The primary source of revenue for this program is tax increment, which is comprised of property taxes generated from the new incremental value of specific development. Generally, this revenue is used to pay outstanding TIF bonds, notes, and loans. Tax increment revenues of the program are segregated by TIF district and must be spent according to the provisions of the TIF Act.

Cash at the end of second quarter 2024 was \$100.9 million, which was \$4.4 million less than cash at the end of second quarter 2023. Second quarter 2024 revenues were \$2.0 million, which were \$4.1 million less than in 2023. Second quarter 2024 expenditures were \$8.9 million, which was \$1.5 million higher than in 2023. In the second quarter of 2024, total expenditures exceeded revenues by \$6.9 million. With additional net transfer of \$3.5 million to other funds, overall fund balance decreased by \$10.4 million from \$137.1 million to \$126.7 million.

Housing & Economic Development. Prior to 2014, Housing and Economic Development program activities were generally funded by administrative fees generated through the City's issuance of conduit debt (e.g., housing revenue bonds, industrial development revenue bonds, etc.). Since 2014, these activities have been largely funded through the City's General Fund where these administrative fees are now deposited.

Cash at the end of second quarter 2024 was \$45.2 million, which was \$10.0 million more than cash at the end of second quarter 2023. Second quarter 2024 revenue was \$0.9 million, which was \$1.1 million less than 2023. Second quarter 2024 expenditures were \$5.7 million, which was \$1.9 million higher than in 2023. In the second quarter 2024, total expenditures exceeded revenues by \$4.8 million. With the additional net transfer of \$8.0 million from other funds, overall fund balance increased by \$3.2 million from \$43.3 million to \$46.5 million in second quarter 2024.

General Development. This program provides loans and grants to outside organizations to assist with housing and economic development activities within the City, as well as providing interim loans to specific CPED projects. This program is capitalized with land sale proceeds, parking revenues, rental income from development projects, and loan payments that are not part of the Housing and Economic Development program.

Cash at the end of second quarter 2024 was \$25.4 million, which was \$3.5 million less than cash at the end of second quarter 2023. Second quarter 2024 revenues were \$1.1 million, which was \$0.9 million less than 2023. Second quarter 2024 expenditures were \$2.2 million, which was \$0.2 million higher than 2023. In second quarter 2024, expenditures exceeded revenues by \$1.1 million. With no net transfers, overall fund balance decreased from \$33.5 million to \$32.4 million in second quarter 2024.

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

Cash at the end of second quarter 2024 was \$26.0 million, which was \$3.1 million less than cash in the second quarter 2023. Second quarter 2024 revenues were \$0.8 million, which was \$1.3 million less than 2023. Second quarter 2024 expenditures were \$1.3 million, which was \$0.3 million higher than in 2023. In second quarter 2024, expenditures exceeded revenues by \$0.5 million. With a net transfer of \$0.3 million to other funds, fund balance decreased from \$27.0 million to \$26.3 million in second quarter 2024.

CPED Operating. This program provides the working capital for CPED's administrative costs. The program also provides financing for projects that are not eligible for CPED's restrictive revenue sources. At the end of second quarter 2024, this program had cash and fund balance of \$1.0 million.

City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Engineering, Materials and Testing Internal Service Fund

	2023 Final Budget	2023 Year to Date Actual	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:						
Asphalt / Concrete	\$ 5,735	2,373	\$ 7,349	\$ 7,009	\$ 2,239	\$ 9,056
Inspection Revenue	2,682	914	2,349	2,414	753	2,414
Total Source of Funds	\$ 8,417	3,286	\$ 9,698	\$ 9,423	\$ 2,992	\$ 11,471
Use of Funds:						
Personnel Services	\$ 1,106	511	\$ 1,114	\$ 1,132	\$ 564	\$ 1,132
Fringes	\$ 415	168	\$ 381	\$ 425	194	425
Contractual Services	\$ 1,305	522	\$ 1,114	\$ 1,049	439	1,055
Materials/Other	\$ 5,567	2,301	\$ 7,141	\$ 6,789	2,181	8,739
Rent	24	12	24	28	14	28
Total Use of Funds	\$ 8,417	3,515	\$ 9,775	\$ 9,423	\$ 3,392	\$ 11,379
Change in Net Position	-	(229)	(76)	-	(401)	91
Net Position	\$ 706	477	\$ 616	\$ 616	\$ 215	\$ 707
Total Cash Balance	\$ 2,102	\$ 2,483	\$ 1,945	\$ 1,945	\$ 1,968	\$ 2,036
Target Cash Reserve	428	428	428	395	395	395
Variance Total Cash to Target Cash Reserve	1,674	2,055	1,517	1,550	1,573	1,641

City of Minneapolis
Engineering, Materials, and Testing – Internal Service Fund
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 06000	2024 Budget	06/30/2024 Actual	Year Ending Projected 2024	Year Ending Actual 2023
Operating Revenue	9,423	2,992	11,471	9,698
Operating Expense	9,423	3,392	11,379	9,775
Operating Margin	-	(401)	91	(76)
Change in Net Position		(401)	91	(76)
Net Position		215	707	616
Cash Balance		1,968	2,036	1,945

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.

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 Engineering Laboratory continually compares its rates with those of the private sector that provides similar 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.

Revenue:

Operating Revenue earned through second quarter 2024 is \$3.0 million, or 31.8% of the budgeted amount of \$9.4 million. Operating revenues earned through second quarter 2024 decrease by \$0.3 million or 9.0% over the second quarter 2023 revenue of \$3.3 million. This decrease is mainly due to lower Asphalt Projects through the second quarter of 2024 compared to the same period in 2023. Generally, revenue (and expenses) for the first half of the year is dependent upon several factors such as weather as well as the timing of construction projects. These variables can result in substantial variances in the amount of revenue (and expenses) recorded through second quarter from year to year.

Expense:

Operating expense through second quarter 2024 is \$3.4 million, or 36.0% of the budgeted amount of \$9.4 million. Operating expenses incurred through second quarter 2024 decrease by \$0.1 million or 3.5% over the 2023 expense of \$3.5 million incurred through the same period. As noted above, the decrease is mainly due to lower Asphalt Projects through the second quarter of 2024 compared to the same period in 2023. Generally, expenses for the first half of the year are dependent upon several factors such as weather as well as the timing of construction projects.

Transfers:

This fund does not have any transfers in or out in 2024.

Debt Service:

This fund does not have any debt obligations.

Forecast:

The 2024 Operating Revenue is projected to be \$11.5 million and Operating Expense to be \$11.4 million. Based on the planned projects for 2024, we expect the fund to finish higher than budget due to the relocation of the Asphalt plant out of the city and increase Asphalt projects is expected in 2024. The net result is higher projected revenues and expenses in 2024 compared to the year 2023.

The 2024 cash balance is projected to be \$2.0 million, a slight increase of \$0.1 million from the 2023 year-end balance of \$1.9 million. The projected cash increase is mainly due to the projected positive net margin, which resulted in a higher projected net position of \$0.7 million in 2024 compared to the 2023 net position of \$0.6 million.

Cash and Net Position:

The 2024 second quarter cash balance is \$2.0 million, a slight increase to the 2023 year-end balance of \$1.9 million. 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. On June 30, 2024, the fund had an accrual of \$0.7 million for asphalt and concrete expenditures that were paid in July; the cash balance was also adjusted to reflect this amount. Financial policies on Cash Reserve requires the cash balance to be no less than 15.0% of the operating budget excluding materials and related costs or \$0.4 million.

The 2023 year-end net position was \$0.6 million, which is slightly lower than the 2022 ending balance of \$0.7 million. The decrease is due to a negative net margin in 2023. The financial policy for the net position for this fund determines that net position should not be less than 15.0% of the annual operating budget excluding materials and related costs, or \$0.4 million for the 2024.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report in (thousands of dollars)

Fleet Services Fund - Internal Service Fund

	2023 Current Budget	6/30/2023 Year to Date Actual	2023 Actual Year End	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End ³
Source of Funds:						
Charges for Services	\$ 10,603	\$ 4,460	\$ 10,078	\$ 10,247	\$ 4,836	\$ 9,408
Charges for Sales	10,250	4,256	9,350	9,088	4,568	8,212
Gains	500	430	668	500	550	550
Rent	17,487	8,228	17,110	19,559	8,625	19,559
Other Misc Revenue	-	162	131	-	48	96
Total Source of Funds	\$ 38,840	\$ 17,536	\$ 37,337	\$ 39,394	\$ 18,627	\$ 37,826
Use of Funds:						
Transfers Out	\$ 2,920	\$ -	\$ 2,920	\$ 726	\$ -	\$ 726
PW Equipment Operations	28,239	12,664	27,124	28,516	14,689	29,232
PW Equipment Capital	9,997	3,487	12,784	11,549	12,254	13,240
Total Use of Funds	\$ 41,156	\$ 16,151	\$ 42,828	\$ 40,791	\$ 26,943	\$ 43,198
Change in Net Position	(2,316)	1,385	(5,491)	(1,397)	(8,316)	(5,372)
Net Position¹	\$ 83,316	\$ 87,017	\$ 82,840	\$ 81,443	\$ 74,524	\$ 77,468
Total Cash Balance²	\$ 19,636	\$ 22,300	\$ 16,802	\$ 15,405	\$ 9,356	\$ 11,430
Target Cash Reserve	6,278	6,278	6,278	5,983	5,983	5,983
Variance Total Cash to Target Cash Reserve	13,358	16,022	10,524	9,422	3,373	5,447

City of Minneapolis
Fleet Services - Internal Service Fund
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 06100	2024 Budget	2024 Actual	2024 Year Ending Projected	2023 Year Ending Actual
Operating Revenue	39,394	18,627	37,826	37,337
Operating Expense	40,791	26,943	43,198	42,828
Change in Net Position	(1,397)	(8,316)	(5,372)	(5,491)
Net Position		74,524	77,468	82,840
Cash Balance		9,356	11,430	16,802

Fund Description:

The Fleet Services Internal Service Fund manages the acquisition, maintenance, and disposal of approximately 1,700 units of equipment, primarily the city’s fleet of vehicles, including police cars, fire trucks, snowplows, sedans, and pickup trucks along with off-road equipment. This fund provides the services of technicians to maintain the equipment. 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. The Public Works Department is responsible for management of the operations within the fund.

The Fleet Services Division develops fleet replacement programs for all vehicles and equipment to meet the needs of city departments. The city departments are allocated 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. Fleet Management also monitors and reports on fleet utilization, and registers licenses of all city vehicles. The city’s fleet of vehicles and equipment has an acquisition value of \$52.1 million and accounts for 69.6% of the net value of the long-term assets in this fund.

Revenue:

Operating revenue earned through second quarter 2024 is \$18.6 million or 47.3% of the budgeted amount of \$39.4 million. The revenue earned through second quarter 2024 increased by \$1.1 million, or 6.2%, compare to the \$17.5 million in revenue earned through second quarter 2023. This increase is mostly due to revenue collected on replacement costs for equipment that the fund had to reduce in 2023; the fund used cash reserves to cover expenses. Also, rental of equipment and services vary throughout the year depending on the customer needs and weather conditions.

Expenses:

Operating expense through second quarter 2024 totaled \$26.9 million representing 66.1% of the annual budget of \$40.8 million. Expenses through second quarter 2024 increased by \$10.8 million or 66.8% from the total expense of \$16.2 million through the same period in 2023. The difference is mostly due to the timing of capital purchases, which vary from month to month based on a long-term replacement schedule.

Fleet Maintenance Department (6750100) expense for 2024 of \$8.3 million is up from expense of \$7.7 million for the same period in 2023; this is mostly due to an expected increase in salaries and fringes.

Fleet Administration Department (6750200) expense for 2024 of \$3.0 million is up from expense of \$2.6 million for the same period in 2023; this is due to increases in allocation costs.

Fleet Field Coordination Department (6750300) expense for 2024 of \$2.8 million is up from expense of \$2.4 million for the same period in 2023. This is mostly due to an increase in normal business practices and is immaterial.

Transfers:

No transfer in of fund is planned for 2024. There will be a transfer out of the fund to the Water fund for a capital project of \$0.7 million for 2024.

Debt Service:

This fund has no debt obligations in 2024.

Forecast:

Operating revenue for 2024 is projected to be \$37.8 million which is \$1.6 million or 4.0% less than the budgeted amount of \$39.4 million. Projected revenue is less than budgeted primarily due to a decrease in work orders which will cause labor, parts, and fuel revenues to be reduced. Operating expense is projected to be \$43.2 million or 5.9% higher than the budgeted amount of \$40.8 million. After non-operating revenue is recorded, a decrease to net position of \$5.4 million is projected compared to the budgeted decrease of \$1.4 million, resulting in a projected ending net position of \$77.5 million. Ending cash is projected to be \$11.4 million a decrease of \$5.4 million from the 2023 ending cash balance of \$16.8 million. The decrease in cash is due to the timing of capital purchases, which vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others.

Cash and Net Position:

The fund has maintained a positive cash balance with a second quarter 2024 ending balance of \$9.4 million, a decrease of \$12.9 million from the 2023 second quarter ending balance of \$22.3 million. Reserve policies for Internal Service Funds determine that the minimum cash balance should be 15.0% of the fund's operating budget, or \$6.0 million.

The net position for year ending in 2023 was \$82.8 million, a decrease of \$2.8 million, or 3.3% under the 2022 ending balance of \$85.6 million. The decrease in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles. The net position is projected to be \$77.5 million for 2024.

Financial reserve policies for the Internal Service Funds determine that the minimum net position for the Fleet Services Division Fund should be twice the depreciation amount or \$10.6 million.

City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Property Services Internal Service Fund

	2023 Final Budget	2023 Year to Date Actual	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:						
Charges for Services and Sales	\$ 4,034	\$ 1,621	\$ 4,763	\$ 4,069	\$ 1,614	\$ 4,511
Rents Public Works and Other	24,544	12,326	24,671	21,995	10,996	22,042
Miscellaneous Revenue	3	2	4	3	63	64
Transfer-In from other Funds	684	342	684	-	-	-
Total Source of Funds:	\$ 29,265	\$ 14,291	\$ 30,122	\$ 26,068	\$ 12,673	\$ 26,617
Use of Funds:						
Personnel Services	\$ 7,497	\$ 3,720	\$ 7,995	\$ 7,882	\$ 4,340	\$ 8,167
Fringes	2,597	1,423	3,348	2,726	1,817	2,880
Contractual services	17,663	7,588	18,947	13,238	7,194	13,790
Materials/Other	1,913	1,576	3,422	1,905	1,416	2,043
Rent	951	476	951	335	167	335
Transfer-Out to other Funds	-	-	-	-	-	-
Total Use of Funds:	\$ 30,622	\$ 14,783	\$ 34,663	\$ 26,085	\$ 14,935	\$ 27,216
Change in Net Position	(1,357)	(492)	(4,541)	(17)	(2,262)	(598)
Net Position	\$ 39,325	40,190	\$ 40,766	\$ 40,749	\$ 38,504	\$ 40,168
Total Cash Balance	\$ 8,479	\$ 9,120	\$ 6,200	\$ 6,183	\$ 2,833	\$ 5,602
Target Cash Reserve	4,593	4,593	4,593	3,913	3,913	3,913
Variance Total Cash to Target Cash Reserve	3,885	4,527	1,607	2,270	(1,080)	1,689

City of Minneapolis
Property Services – Internal Service Fund
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 06200	2024 Budget	06/30/2024 Actual	Year Ending Projected 2024	Year Ending Actual 2023
Operating Revenue	26,068	12,673	26,617	30,122
Operating Expense	26,085	14,935	27,216	34,663
Operating Margin	(17)	(2,262)	(598)	(4,541)
Change in Net Position		(2,262)	(598)	(4,541)
Net Position		38,504	40,168	40,766
Cash Balance		2,833	5,602	6,200

Fund 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, until 2024, which maintains the City’s emergency communications network. After year end of 2024, Radio Shop will move to 911. Beginning 2009, Property Services historically managed the collection of City Hall rent on behalf of MBC by billing the departments occupying City Hall through the rent model. The total City Hall rent amount is predetermined, however, and Property Services and department occupants were merely serving as pass-throughs for money that was guaranteed to MBC. Starting 2024 budget year, the Finance & Property Services Department simplified the City Hall rent collection process with a transition to recording the levy revenues directly to MBC in COMET.

Included in the Property Services Division is the Property Disposition Fund (06210) and Asset Preservation Fund (06220). The Property Disposition 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. The Asset Preservation Fund was created in 2020 for the purpose of recording the activities related to the capital repairs, maintenance, and upgrades.

Revenue:

Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Funding for City building capital repairs and upgrades is also managed through the rent allocation model since 2016. City departments that occupy City buildings are charged additional rent to fund these projects. Previously, capital repairs and upgrades were funded through net debt bonds. The amount allocated annually for this purpose is \$4.0 million.

Operating revenue recorded through second quarter 2024 is \$12.7 million, or 48.7% of the budgeted amount of \$26.1 million. Operating revenues earned through second quarter 2024 decreased by \$1.6 million, or 11.3%, from the revenues earned through the same period in 2023. This is mainly because the City Hall rent was excluded from the property services rent allocation starting from 2024, which resulted in collecting less rent in 2024, which in turn offset by the rent increase for other properties other than the city hall. Rent is determined by an allocation model and generally the amount budgeted is the amount collected by year end. Other Revenues received include charges for services and operating repairs and upgrade fees. Charges also fluctuate based on the amount of discretionary spending available to departments and the timing of work completed.

Expenses:

Operating expense through second quarter of 2024 is \$14.9 million, or 57.3% of the total budgeted amount of \$26.1 million. Operating expenses through the second quarter of 2024 increase \$0.2 million, or 1.0%, from the operating expenses through the same period in 2023. The variance is primarily due to an increase of Asset Preservation Projects rolled over to 2024 that have been delayed in the prior years. This variance is expected to grow throughout 2024. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work completed.

Transfers:

The fund will not have any transfer in or transfer out in 2024 since city hall rent is not handled by the property services starting this year. This fund received a transfer in from the General Fund totaling \$0.7 million to support the City Hall rent expense in 2023.

Debt Service:

There is no outstanding debt service for 2024.

Forecast:

Operating revenue for 2024 is projected to be \$26.6 million or 2.1% higher than the budgeted amount of \$26.1 million. The operating expense is projected to be \$27.2 million which would be \$1.1 million or 4.3% higher than the budgeted amount of \$26.1 million. The projected expenses are higher than the budgeted expenses due to the expected Asset Preservation Projects to be completed in 2024 that were delayed in prior years. The result is a projected operating margin loss of \$0.6 million, compared to the budgeted operating margin loss of \$17,000.

The ending cash balance for 2024 is projected to be \$5.6 million, a decrease of \$0.6 million from the 2023 year-end balance of \$6.2 million. The projected cash decrease in 2024 is mainly due to the expected increase in the capital repairs and upgrade projects that were delayed in the prior years. This also resulted in a decrease in 2024 projected net position compared to the 2023 year-end net position.

Cash and Net Position:

The cash balance at the end of second quarter 2024 was \$2.8 million compared to a cash balance of \$9.1 million at the end of second quarter 2023. The cash through the second quarter of 2024 consists of a balance of \$1.9 million in the Property Disposition fund and a balance of \$0.9 million in the Property Services operating fund. 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 \$3.9 million for the Property Services fund in 2024.

The net position for the year ending 2023 was \$40.8 million, an increase of \$0.1 million from the net position of \$40.7 million for year ending 2022. 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 2023 was \$1.6 million and the year-end net position in 2023 is \$37.6 million greater than the benchmark, which is \$3.2 million.

City of Minneapolis
Public Works Stores – Internal Service Funds
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 06300	2024 Budget	06/30/2024 Actual	Year Ending Projected 2024	Year Ending Actual 2023
Operating Revenue	1,765	1,248	2,634	3,020
Operating Expense	1,850	983	2,031	1,580
Operating Margin	(85)	265	603	1,440
Change in Net Position	(85)	265	603	1,440
Net Position		8,852	9,189	8,587
Cash Balance		2,632	3,252	2,649

Fund 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 provides goods and services in a cost-effective manner to City departments through the Central Stores and Traffic Stores. In 2016, Central Stores added a new storeroom located at the Royalston Maintenance Facility to provide the same services as the Hiawatha location.

Revenue:

Operating revenue through second quarter 2024 is \$1.2 million, or 70.7% of the budgeted amount of \$1.8 million. The revenue in second quarter 2024 increased by \$0.1 million, or 8.7% of the \$1.1 million earned through second quarter of 2023. Revenue for this fund is generated by applying overhead charges to inventory sales and transaction processing. The increase in revenue is due to higher volume of requisition processing, purchases, and merchandise sales. Timing of purchases and sales can cause revenue to fluctuate throughout the year.

Expenses:

Operating expense through second quarter 2024 is \$1.0 million, or 53.1% of the budgeted amount of \$1.9 million. The amount expended through second quarter 2024 increased by \$0.2 million or 30.3% of the \$0.8 million expended through the same period in 2023. Increased in personnel expenses due to pay increase for stock workers and one additional FTE in 2024; and higher contractual expenses on Rent and IT Allocation increased cost in 2024. Timing differences can also result in variances from month to month throughout the year.

Transfers:

There are no transfers in or out of this fund in 2024.

Debt Service:

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

Forecast:

Operating revenue for 2024 is projected to be \$2.6 million at year-end, exceeding the budgeted revenue of \$1.8 million by \$0.9 million, or 49.2%. This increase is due to expected increase in overhead charges to inventory sales

and related processing fees. Operating expense is projected to be \$2.0 million, or \$0.2 million more than the budgeted amount of \$1.9 million. The cost of inventory that is resold to City departments is excluded from the total expense of the Public Works Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the fund. Based on current projection, 2024 year-end net position is expected to increase by \$0.6 million to \$9.1 million compared to a budgeted ending net position of \$8.5 million.

Cash and Net Position:

The fund has maintained a positive cash balance at the end of second quarter 2024 of \$2.6 million, an increase of \$16,000 from 2023 year-end balance of \$2.6 million. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15.0% of the annual operating budget, or \$0.3 million. The 2024 second quarter cash balance of \$2.6 million is more than its target.

The fund continues to maintain a positive net position with a 2023 ending balance of \$8.6 million, an increase of \$1.4 million from the 2022 year-end balance of \$7.2 million. The financial policy for the net position for the Public Works Stores Fund determines that a net position should be maintained equal to 15% of the annual operating budget, or \$0.3 million.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

06300 PW Stores Funds - Internal Service Fund

	2023 Final Budget	2023 Year to Date Actual	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:						
Charges for Services	\$ 1,548	\$ 1,120	\$ 2,516	\$ 1,745	\$ 1,185	\$ 2,352
Charges for Sales on Merchandise	20	28	82	20	64	112
Charges for Sales on Scrap (Recycling)	30		-	-	-	-
Other Aid			0			
Other Misc Revenue (Inventory adjustments)			422			170
Total Source of Funds:	\$ 1,598	\$ 1,149	\$ 3,020	\$ 1,765	\$ 1,248	\$ 2,634
Use of Funds:						
Personal Services	\$ 890	\$ 417	\$ 865	\$ 1,012	\$ 540	\$ 1,103
Fringes	389	\$ 166	\$ 365	449	217	454
Contractual Services	237	\$ 131	\$ 283	305	171	326
Materials/Other	82	\$ 40	\$ 68	84	55	148
Total	\$ 1,598	\$ 754	\$ 1,580	\$ 1,850	\$ 983	\$ 2,031
Change in Net Position	-	394	\$ 1,440	(85)	265	603
Net Position	\$ 7,157	\$ 7,552	\$ 8,587	\$ 8,502	\$ 8,852	\$ 9,189
Total Cash Balance	\$ 820	\$ 690	\$ 2,649	\$ 2,564	\$ 2,632	\$ 3,252
Target Cash Reserve	240	240	240	278	278	278
Variance Operating Cash to Target Cash Reserve	581	451	2,409	2,287	2,355	2,974

City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Intergovernmental Services (IT) Fund Internal Service Fund

	2023 Current Budget	2023 Year to Date Actual	2023 Actual Year End	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:						
Charges for Service - IT	\$ 39,451	\$ 19,366	\$ 38,809	\$ 49,199	\$ 23,840	\$ 47,947
Charges for Service - City Clerk	1,721	675	1,633	1,790	773	1,790
Work for Others	7,574	4,004	7,965	4,646	4,717	9,845
Operating Transfers In	3,806	1,903	3,806	495	248	495
Total Source of Funds:	\$ 52,552	\$ 25,947	\$ 52,213	\$ 56,131	\$ 29,577	\$ 60,077
Use of Funds:						
Transfers						
City Clerk	\$ 1,446	\$ 593	\$ 1,426	\$ 1,415	923	\$ 1,415
Information Technology	45,448	19,797	36,564	59,321	21,704	50,393
Work for Others	7,574	4,004	10,133	4,646	4,717	9,845
Total Use of Funds:	\$ 54,468	\$ 24,394	\$ 48,123	\$ 65,382	27,344	\$ 61,653
Change in Net Position	(1,916)	1,553	4,090	(9,252)	2,233	(1,576)
Net Position	\$ 8,609	\$ 12,078	\$ 15,404	\$ 6,152	\$ 17,637	\$ 13,828
Total Cash Balance	\$ 5,474	\$ 9,930	\$ 10,929	\$ 1,677	\$ 12,330	\$ 9,353
Target Cash Reserve₆	8,137	8,137	8,137	9,782	9,782	9,782
Variance Total Cash to Target Cash Reserve	(2,663)	1,793	2,792	(8,105)	2,548	(429)

**City of Minneapolis
Intergovernmental Services (IT) – Internal Service Fund
For the Second Quarter Ending June 30, 2024**

Operating Snapshot (in thousands of dollars):

Fund 06400	2024 Budget	6/30/2024 Actual	Year Ending Projected 2024	Year Ending Actual 2023
Operating Revenue	56,131	29,577	60,077	52,213
Operating Expense	65,382	27,344	61,653	48,123
Change in Net Position		2,233	(1,576)	4,090
Net Position		17,637	13,828	15,404
Cash Balance		12,330	9,353	10,929

Program Description:

The Intergovernmental Services Fund accounts for operations of Information Technology (IT) and the City Clerk’s printing and central mailing 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.

IT collects its revenue using an allocation model that distributes costs to City Departments using FTE counts as the driver for a bulk of revenues, based on the expense budget. There are also charges for any projects or new software and systems that a department may find a need for. These charges are normally paid for by IT and then billed to customer.

Revenue:

Operating revenue through the second quarter of 2024 is \$29.6 million, or 52.7% of the annual budgeted amount of \$56.1 million. This is an increase of \$3.6 million, or 14.0%, compared to revenue of \$25.9 million earned through second quarter of 2023. This is due to an increase work for others of 17.8% from the second quarter of 2023. There was also an increase of 23.1% for charges for IT services due to an increase in maintenance contracts and other charges, which are collected through the allocation model. Budget will also fluctuate based on work for others, which is paid by the fund and billed back to customer. Budget adjustments are then entered to the fund.

Expenses:

Operating expenses through the second quarter of 2024 are \$27.3 million or 41.8% of the annual budgeted amount of \$65.4 million. The operating expense through second quarter increased by \$2.9 million, from the 2023 expense of \$24.4 million.

PMO- Work for others department expenses of \$4.7 million increased by \$0.7 million through the second quarter compared to \$4.0 million through the same period in 2023. There was an increase in work for others and project work, which is keeping in line with average expenses for past three years.

Administration – Expense in this department of \$10.5 million increased by \$1.5 million through the second quarter compared to \$9.0 million through the same period in 2023. The increase is due to maintenance contracts and other charges, which are collected through the allocation models.

The remaining departments have no significant changes other than personnel movement and increases in salaries. The fund continues to fluctuate as normal course of business change and personnel move and/or

promoted based on the needs and skills of employees. Budget will also fluctuate based on work for others, which is paid and billed back to customer. Budget adjustments are then entered to the fund.

Debt:

The fund does not have any outstanding debt service obligations.

Transfers:

In 2024 this fund will receive transfers in from the general fund totaling \$0.5 million. The general fund transfer is to help cover a shortage in the revenue budget so that the fund does not fall below financial guidelines.

In 2024 the fund will have no transfers out.

Forecast:

Operating revenue is projected to be \$60.1 million or \$4.0 million more than the budgeted amount of \$56.1 million. The projection is due mainly to the timing of projects and work for others that are not budgeted and anticipated projects that work was not started or put on hold.

Operating expenses are expected to be \$61.7 million or \$3.7 million less than the budgeted amount of \$65.4 million. Current operating expense budget include projects from previous year that will be reviewed for possible rollover into 2025. Based on this assumption, projected operating expense is expected to come under budget in 2024.

Cash and Net Position:

The cash balance at the end of second quarter 2024 is \$12.3 million compared to \$9.9 million for the same period 2023. This is an increase of \$1.4 million from 2023 year-end balance of \$10.9 million due to the positive YTD net margin in 2024. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15.0% of the fund's total budget or \$9.8 million in 2024.

The 2024 year-end cash balance is projected to be \$9.4 million which represents a decrease of \$1.6 million from the cash balance at year-end 2023 of \$10.9 million. The decrease is mostly due to less transfers into the fund.

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 \$3.5 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 to fall below that in the current year.

The net position at year-end 2024 is projected to be \$13.8 million compared to \$15.4 million for 2023. This decrease is because of continued use of fund balance to bring it within the financial reserve policy.

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City of Minneapolis
Self-Insurance Fund (06900-06950) – Internal Service Fund
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 06900-06950	2024 Budget	06/30/2024 Actual	Year Ending Projected 2024	Year Ending Actual 2023
Operating Revenue	124,088	62,760	130,498	122,648
Operating Expense	122,888	47,678	107,263	111,138
Operating Margin	1,200	15,082	23,235	11,510
Change in Net Position		15,082	23,235	11,510
Net Position		(61,138)	(52,985)	(76,220)
Cash Balance		160,350	164,682	141,446

Fund Description:

The Self-Insurance Fund accounts for accrued sick leave benefit, tort liability, workers’ compensation, and risk management 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 workers’ compensation expense. The allocation model also assigns a charge for risk management services. In 2021, HR employee Benefit Administration moved to the General fund followed by Attorney’s office in 2022.

Revenue:

Operating revenue through second quarter 2024 is \$62.8 million or 50.6% of the annual budgeted amount of \$124.1 million. This is an increase of \$7.3 million, or 13.1%, compared to \$55.5 million earned through the second quarter of 2023. This is mainly due to increase in medical insurance premium collected.

Expenses:

Operating expense through second quarter 2024 is \$47.7 million or 38.8% of the annual budgeted amount of \$122.9 million. This is a decrease of \$11.4 million, or 19.3%, compared to \$59.1 million expended through the second quarter of 2023. Three primary factors contributed to the decrease in operating expenditures in second quarter 2024, this included \$6.7 million reduction in General Liability for Litigation Settlements, \$2.4 million reduction in workers compensation payout, and \$1.7 million reduction in medical claims and administrative fees. Charges may also fluctuate from month to month throughout the year.

Debt Service:

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

Transfers:

There are no transfers in or out for this fund in 2024.

Forecast

Operating revenue is projected to be \$130.5 million or \$6.4 million more than the budget of \$124.1 million. This increase is based on the projected increase of \$7.0 million in medical premium and \$0.2 million in other miscellaneous revenue, less \$0.8 million dental insurance premiums shortfall projected for 2024. Operating

expense is projected to be \$107.3 million, or \$15.6 million less than the budgeted expenditure of \$122.9 million. Projected decreased in operating expense is based on the projected decrease in Medical Claims and Administrative fees of \$11.3 million, in addition to the reduction in General Liability of \$2.7 million, and combined reduction of dental and risk of \$1.6 million. With projected revenue exceeding projected expenditure by \$23.2 million, the change in net position is expected to increase the ending net position to negative \$53.0 million.

Cash balance for 2024 is projected to be \$164.7 million compared to \$141.4 million at year-end 2023. The increase in cash and net position in 2024 is the result of projected increase in medical insurance premiums and projected decrease in medical claims and general liability for litigation settlements previously paid out.

Cash Balance and Net Position:

Second quarter 2024 cash balance is \$160.4 million, or 23.3% more than compared to a cash balance of \$130.1 million at end of second quarter 2023. Financial reserve policies for the Internal Service Funds determine that minimum cash balance for the Self-Insurance Fund should be equal to the unpaid claims liability, plus 10.0% of the fund's operating budget and 35.0% of medical self-insurance claims or \$72.2 million. The unpaid claims liability at year-end 2024 is \$46.5 million, an increase of \$1.7 million from the year-end 2023 unpaid claims liability of \$44.8 million. The cash balance is \$88.1 million more than its target.

The net position at the year-end of 2023 is a negative amount of \$76.2 million, a decrease of \$14.3 million from the 2022 year-end net position a negative amount of \$61.9 million. The financial reserve policy relating to the internal service funds states that the net position for the Self Insurance Fund should not fall below zero.

City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report in (thousands of dollars)

Fund 06900-06950 Self-Insurance Fund

	2023 Final Budget	2023 Year to Date Actual	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:						
Charges for Service(Cost allocations)	\$ 46,634	\$ 21,475	\$ 42,950	\$ 40,916	\$ 20,460	\$ 40,920
Other Misc. Revenues (Refund from State and Other misc.)	1,000	255	361	1,000	1,239	1,238
Medical Insurance Premiums and Health Plan	72,298	31,146	73,763	75,913	38,181	82,885
Dental Premiums	4,334	1,564	3,431	4,464	1,831	3,661
Health and Welfare (Severance-Sick leave at retirement)	1,702	1,062	2,143	1,794	1,049	1,794
Operating Transfers In	-	-	-	-	-	-
Total	\$ 125,969	\$ 55,501	\$ 122,648	\$ 124,088	\$ 62,760	\$ 130,498
Use of Funds:						
Risk Management (06900)	2,681	1,778	\$ 2,235	2,546	1,109	2,137
Liability (06940)	23,650	10,339	\$ 13,163	16,306	3,612	16,306
Workers Compensation (06930)	20,297	10,960	\$ 21,154	21,865	8,547	19,208
Medical Claims and Administrative Fees (06910)	72,423	33,577	\$ 69,704	75,913	31,911	64,567
Delta Dental Payments (06920)	4,334	1,527	\$ 3,280	4,464	1,661	3,251
Health and Welfare (06950-Severance-Sick leave at retirement)	1,702	899	\$ 1,602	1,794	838	1,794
Transfers	-	-	\$ -	-	-	-
Total	\$ 125,088	\$ 59,079	\$ 111,138	\$ 122,888	\$ 47,678	\$ 107,263
Change in Net Position¹	881	(3,579)	11,510	1,200	15,082	23,235
Net Position¹	\$ (60,979)	\$ (65,439)	\$ (76,220)	\$ (75,020)	\$ (61,138)	\$ (52,985)
Total Cash Balance	\$ 136,384	\$ 130,099	\$ 141,446	\$ 142,646	\$ 160,350	\$ 164,682
Target Cash Reserve²	70,377	70,377	70,377	72,227	72,227	72,227
Variance Operating Cash to Target Cash Reserve	66,007	59,722	71,069	70,419	88,123	92,455

¹Cash Balance and net position are annual report-audited values for 2023.

²The target cash reserve is in accordance with the financial reserve policy for internal service funds.

The cash reserve for the Self-Insurance fund should not be less than the total of the unpaid claims liability balance plus 10.0% of the annual operating budgets within the fund.

The reserve requirement for Medical -Self Insurance is 35% of claims

³The target cash reserve for 2023 is updated with the current information.

City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Sanitary Sewer Enterprise Fund

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Charges for Service	\$ 85,318	\$ 85,047	\$ 88,779	\$ 43,191	\$ 88,779
SAC Revenues	15,000	5,253	15,000	2,653	5,000
Other Misc Revenues	440	2,401	565	524	650
Grants Proceeds/Others - Capital	-	633			
Charges for Service - Capital	1,000	45	1,000	520	1,000
Proceeds from Long Term Liabilities	10,323	9,347	13,449	1,389	21,409
Total	\$ 112,081	\$ 102,726	\$ 118,793	\$ 48,276	\$ 116,837
Use of Funds:					
PW-Sewer Design	1,144	\$ 992	\$ 1,141	\$ 504	\$ 1,094
PW-Sewer Maintenance	8,788	7,705	9,899	3,526	9,029
MERF					
Met Council Environment Svcs	63,170	53,351	64,338	27,291	54,338
Payment for City Services	8,303	7,915	8,825	4,412	8,825
PW - Sewer Admin	2,046	2,364	2,347	1,380	2,586
Debt Service	11,636	10,798	7,256	933	8,240
Future Debt Service					
Transfers					
To Water Fund	1,041	1,041	1,020	510	1,020
PW - Capital Programs	14,323	14,199	17,949	6,872	25,909
Total	\$ 110,450	\$ 98,365	\$ 112,776	\$ 45,429	\$ 111,041
Change in Net Position	\$ 1,631	\$ 4,361	\$ 6,017	\$ 2,848	\$ 5,796
Net Position Balance	\$ 162,980	\$ 165,710	\$ 171,727	\$ 168,558	\$ 171,506
Total Cash Balance	\$ 17,365	\$ 16,432	\$ 22,449	\$ 18,597	\$ 22,228
Target Cash Reserve	17,113	17,113	17,887	17,887	17,887
Variance Cash Balance to Target	253	(680)	4,562	710	4,341

**City of Minneapolis
Sanitary Sewer Fund
For the Second Quarter Ending June 30, 2024**

Operating Snapshot (in thousands of dollars):

Fund 07100	2024 Budget	06/30/2024 Actual	Projected Year End 2024	2023 Actual
Operating Revenue	104,344	46,367	94,429	92,700
Operating Expense	86,550	37,114	75,872	72,327
Operating Margin	17,794	9,253	18,557	20,373
Change in Net Position		2,848	5,796	4,361
Net Position		168,558	171,506	165,710
Cash Balance		18,597	22,228	16,432

Program Description:

The Sanitary Sewer Fund accounts for the enterprise activity of wastewater collection and treatment. The Fund pays 95.0% of the contractual payments to Metropolitan Council Environmental Services (MCES) for wastewater collection and treatment services. The fund also accounts for City services, operation, maintenance, design work, capital programs, transfers, and long-term debt services associated with the sanitary sewer system.

Revenues:

Monthly utility billing for sewer services is the main source of revenue. With sewer operating revenue of \$46.4 million through the end of the second quarter, the Sanitary Sewer Fund has earned 44.4% of the 2024 operating revenue budget. This is an overall increase of \$1.8 million, or 4.0%, compared to \$44.6 million earned through June 2023. The utility service revenues accounted for \$1.6 million of the increase compared to 2023 due to an increase in rates. SAC fees, which fluctuate based on overall economic activities outside of City operations, decreased by \$0.4 million. This decrease is offset by an equivalent decrease in sewer availability charges (or SAC expenses).

The variable rate for utility charges was set at \$5.36 per unit, an increase of \$0.19 over 2023. The fixed rate, which is based on meter size, was increased by \$0.50, from \$7.80 to \$8.30.

Expenses:

The Sanitary Sewer Fund’s total operating expenses through the second quarter were \$37.1 million compared to \$35.4 million through June 2023. This is an increase of \$1.7 million, or 4.9%. The increase is due to the Met Council rate increase and Sewer Maintenance operating costs.

The Met Council rate increased by 2.4% for 2024 services. The Met Council charges are the largest expense of the fund with a monthly expense of \$4.1 million. These municipal wastewater discharge 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.

Transfers:

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$1.0 million and, through the end of the second quarter, \$0.5 million has been transferred to Water Treatment and Distribution Services.

Debt Service:

For 2024, the debt service cost was budgeted at \$7.3 million. Through the second quarter, no principal and \$0.9 million in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing. The Fund's bonds payable total \$51.7 million on June 30, 2024.

Cash and Net Position:

The current cash balance is \$18.6 million and the Fund's net position stands at \$169.0 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses, excluding SAC expenses which are just a pass through. Therefore, the targeted cash balance for 2024 is \$17.9 million. The \$22.2 million projected year end cash balance is \$4.3 million over the cash reserve requirement. This will provide an adequate amount of cash to maintain operating cash reserves, fund capital programs, and make future debt service payments.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Storm Water Enterprise Fund

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
State Government	\$ 1,424	\$ 1,355	\$ 1,349	\$ 701	\$ 1,448
Local Government	255	345	245	48	194
Charges for Service-Operating	45,476	45,018	47,325	23,620	47,325
Design & Misc Revenues	801	134	351	13	150
Special Assessments	75	832	75	-	75
Grants Proceeds/Others - Capital	-	561			11,200
Charges for Service-Capital	1,000	37	1,000	27	1,000
Proceeds of Long Term Liabilities	10,022	18,668	13,249	2,138	24,040
Total	\$ 59,054	\$ 66,950	\$ 63,595	\$ 26,549	\$ 85,433
Use of Funds:					
PW-Storm Design	\$ 6,058	\$ 5,011	\$ 6,470	\$ 2,557	\$ 5,863
PW-Field Services	9,739	10,247	9,150	5,698	10,186
PW-Storm Maintenance	7,366	7,169	9,087	3,279	8,615
Metropolitan Council	2,526	2,526	2,601	1,294	2,601
Payment for City Services	7,275	6,082	7,078	3,539	7,078
PW-Admin	1,654	1,403	1,694	769	1,593
Debt Service	5,971	6,174	4,392	908	5,550
Transfers	1,703	1,703	1,719	55	2,221
PW- Capital	16,522	34,177	18,949	13,165	40,866
Total	\$ 58,815	\$ 74,490	\$ 61,141	\$ 31,264	\$ 84,573
Change in Net Position	239	(7,541)	2,454	(4,715)	859
Net Position	\$ 380,288	\$ 372,508	\$ 374,962	\$ 367,793	\$ 373,367
Total Cash Balance	\$ 31,318	\$ 21,974	\$ 24,428	\$ 16,310	\$ 22,833
Target Cash Reserve	8,655	8,655	9,020	9,020	9,020
Variance Cash Balance to Target	22,664	13,319	15,408	7,290	13,813

City Of Minneapolis
Storm Water Enterprise Fund
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 07300	2024 Budget	06/30/2024 Actual	Projected Year End 2024	2023 Actual
Operating Revenue	49,346	24,384	49,192	47,684
Operating Expense	36,081	17,136	35,936	32,436
Operating Margin	13,265	7,248	13,256	15,248
Change in Net Position		(4,715)	859	(7,541)
Net Position		367,793	373,367	372,508
Cash Balance		16,310	22,833	21,974

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 5.0% 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. Fund resources include: monthly utility billing for storm drainage services, reimbursement for maintenance services provided to State and County, reimbursement for services provided to other City departments, outside parties and design activities, and proceeds from long term liabilities and grants.

Revenue:

The \$24.4 million in operating revenues earned through second quarter of 2024 reflects 49.4% of the budgeted amount of \$49.3 million. This is an increase of 3.2%, or \$0.7 million, compared to \$23.6 million earned for the same period in 2023. Storm utility revenues increased by 4.3% to \$23.6 million, up from \$22.6 million for the same period in 2023. This is mainly due to a 4.0% increase in rates.

Expenses:

Operating expenses through the second quarter were \$17.1 million, or 47.5% of the 2024 budget. The expenses were \$2.7 million, or 19.0% higher than the \$14.4 million reported for the same period in 2023. The increase in spending in 2024 compared to 2023 is largely due to Street Cleaning. While overall expenses are under budget, Storm Maintenance budgeted a large contractual service project to be started in 2024.

Transfers:

A transfer from this fund is made to the General Fund to support two environmental service FTE's relating to the Clean Water Act of \$0.1 million for 2024. An additional amount of \$1.6 million will be transferred to the Capital Paving program as a contribution to help fund the 20-year additional paving plan. In 2024, MPRB will receive a transfer of \$1.3 million for water quality monitoring and public education. The amount will be represented as an MPRB Stormwater Charge of \$0.42 per ESU, separate and apart from the City's Stormwater Charge, on the Utility Fees Schedule.

Debt Service:

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The fund completed paying off all its debt service obligations by the end of 2016. In 2019, new debt started to be issued on a regular basis due to additional capital programs needing financing. In 2024, payment of interest was \$0.9 million for the first six months and \$5.6 million in debt service payments are expected to be paid out of the fund by year end.

Cash and Net Positions:

The ending cash balance at the end of the second quarter is \$16.3 million and the net position is \$367.8 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2024 is \$9.0 million. The projected \$22.8 million cash balance at year end will leave \$13.8 million as an unrestricted amount to fund capital programs for 2025 and beyond as the department aims to use its excess cash reserve as a major source of funds for upcoming projects.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)
Water Enterprise Fund

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date 6/30/2024	2024 Projected Year End
Source of Funds:					
Water Sales - Retail					
Volume Rate	\$ 58,765	\$ 59,418	\$ 59,257	\$ 26,428	\$ 58,256
Fixed Rate	12,729	12,863	15,295	7,602	15,500
Water Sales - Wholesale	15,727	17,274	16,599	7,686	16,527
Other Operating & Misc Revenues	3,827	4,773	3,983	1,111	3,994
Proceeds from Long Term Liabilities	30,760	17,872	32,427	5,212	21,216
Transfers	1,082	1,082	1,061	531	1,061
Proceeds from Capital	2,000	1,116	2,000	267	880
Total	\$ 124,889	\$ 114,398	\$ 130,622	\$ 48,835	\$ 117,434
Use of Funds:					
Payments for City Services	\$ 12,454	\$ 11,705	\$ 12,924	\$ 6,460	\$ 12,119
Administration	4,165	3,454	4,419	1,823	3,816
Engineering	2,177	1,708	2,251	974	1,899
Operations	32,333	31,190	35,870	14,879	33,437
Distribution	11,183	9,206	12,028	5,052	10,260
Meter Shop	1,483	1,364	1,635	900	1,824
Reimbursables	2,217	2,023	2,277	1,058	1,677
Debt Services					
Principal	18,936	17,160	15,540	0	16,725
Interest	3,572	3,373	3,161	2,160	4,321
Capital	38,760	27,637	40,527	12,818	29,539
Total	\$ 127,280	\$ 108,820	\$ 130,632	\$ 46,124	\$ 115,615
Change in Net Position	(2,391)	5,578	(10)	2,712	1,819
Net Position	\$ 334,217	\$ 342,186	\$ 342,176	\$ 355,963	\$ 344,005
Total Cash Balance	\$ 33,239	\$ 40,130	\$ 40,120	\$ 38,384	\$ 41,949
Target Cash Reserve	16,503	16,503	17,851	17,851	17,851
Variance Total Cash to Target Cash Reserve	16,736	23,627	22,269	20,533	24,098

**City of Minneapolis
Water Enterprise Fund
For the Second Quarter Ending June 30, 2024**

Operating Snapshot (in thousands of dollars):

Fund 07400	2024 Budget	06/30/2024 Actual	Projected Year End 2024	2023 Actual
Operating Revenue	95,134	42,826	94,277	94,328
Operating Expense	71,405	31,145	65,030	60,650
Operating Margin	23,729	11,681	29,247	33,678
Change in Net Position		2,712	1,819	5,578
Net Position		355,963	344,005	342,186
Cash Balance		38,384	41,949	40,130

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 Water Treatment and Distribution Services Division sources, treats, and distributes drinking water to retail customers in the city and to City of Minneapolis hydrants for fire protection. In addition, the Division sells water to the wholesale customers of the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, Edina, and the Metropolitan Airports Commission. Monthly billing for water sales is the main source of revenue for this fund.

Revenue:

Operating revenues for 2024 are projected to total \$94.3 million or 99.1% of the 2024 budgeted amount of \$95.1 million. Through the second quarter, the Water Fund earned \$42.8 million compared to \$42.2 million for the same period in 2023. The increase in revenue of \$0.6 million was due to an increase in water rates. As expected, operating revenues are less than 50% of the budget due to the seasonality of water sales and water line repairs. Revenue is expected to increase in the second half of the year.

Expense:

Operating expenses for the year are projected to total \$65.0 million or 91.1% of the 2024 budget of \$71.4 million. For the six months ending in June, the Fund spent \$31.1 million compared to \$29.2 million for the same period in 2023. This is an increase of \$1.9 million, or 6.7%. Of the difference, \$1.2 million is the result of an increase in salaries and fringes, step increases and a decrease in vacant positions. Additional increases in: City provided services of \$0.5 million; fleet and capital outlay of \$0.6 million; delivery services and water line repairs of \$0.7 million were offset, in part, by decreases in energy bills of \$0.2 million; contractual and professional services relating to repairs, maintenance, and upgrades of \$0.2million; and chemicals of \$0.7 million.

Expenses through June are less than 50% of the budgeted amount but are in line with previous years. Some expenses are seasonal and some were deferred to future dates; therefore, operating expenses are expected to increase in the third and fourth quarters.

Transfers:

For 2024, the \$1.1 million transfer budget primarily consists of a \$1.0 million operating transfer from the Sanitary Sewer Fund for its share of the cost of metering. Through the end of the second quarter, \$0.5 million has been transferred into the Water Fund.

Debt Service:

Debt service payments relate to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2024, which includes both principal and interest payments, is expected to total \$21.0 million. Through the second quarter, \$2.2 million in interest has been paid. In the second half of 2024, additional bonds will be issued to help finance capital projects. This additional debt issuance will increase debt service payments in future years.

Cash Balance and Net Position:

As of June 30, 2024, the ending cash balance was \$38.4 million and net position was \$356.0 million. By comparison, on June 30, 2023, the cash balance was \$36.2 million and net position was \$342.1 million. City policy requires an operating cash reserve equal to or greater than three months of operating expenses. Based on the current budget, the targeted amount is \$17.9 million. With a projected year end cash balance of \$41.9 million, an adequate amount of cash will be available to maintain operating cash reserves, fund capital programs, and make future debt service payments.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Municipal Parking Enterprise Fund

	2023 Final Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Charges for Service, Sales/Permits:					
<i>Off-Street Parking: City Owned</i>	21,441	20,637	20,914	12,126	24,071
<i>Off-Street Parking: State Owned</i>	13,500	13,682	12,800	8,780	14,947
<i>Towing</i>	5,717	7,389	6,610	3,540	6,918
<i>On-Street Meters</i>	21,265	21,303	22,539	11,423	24,120
Special Assessments	-	-	-	-	-
Other Miscellaneous Revenues	-	-	-	-	-
Tax Increment Transfers In	4,579	4,579	-	-	-
Proceeds of Long Term Liabilities	-	-	-	-	-
Total	66,502	67,590	62,864	35,869	70,056
Use of Funds:					
Debt Service	13,492	13,470	9,497	852	9,497
Future Debt Service	-	-	-	-	-
General Fund Transfer Out	4,000	1,000	1,100	550	1,100
Target Arena Transfer Out	5,000	3,500	1,400	384	1,400
Debt Service Transfer Out	-	-	-	-	-
Sanitation Transfer Out	146	146	146	73	146
PW-Traffic & Parking:					
<i>Off-Street Parking: City Owned</i>	18,071	22,299	22,378	12,028	22,986
<i>Off-Street Parking: State Owned</i>	12,480	12,191	11,370	6,478	13,219
<i>Towing</i>	5,618	8,040	6,610	3,827	7,945
<i>On-Street Meters</i>	5,196	4,755	6,193	2,746	6,180
PW-Traffic & Parking Capital	1,000	962	2,000	295	2,295
Total	65,003	66,363	60,694	27,231	64,768
Change in Net Position	1,498	1,227	2,170	8,638	5,288
Net Position	180,511	185,780	187,950	194,418	191,068
Total Cash Balance	1,552	217	2,386	7,260	5,505
Target Cash Reserve	7,221	7,221	8,795	8,795	8,795
Variance Total Cash to Target Cash Reserve	(5,669)	(7,004)	(6,409)	(1,535)	(3,290)

City of Minneapolis
Municipal Parking Enterprise Fund
For the Second Quarter Ended June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 07500	2024 Budget	6/30/2024 Actuals	Projected Year End 2024	2023 Actuals
Operating Revenue	62,864	35,869	70,056	63,011
Operating Expense	46,551	25,078	50,330	47,285
Operating Margin	16,313	10,791	19,726	15,726
Change in Net Position		8,638	5,288	1,227
Net Position		194,418	191,068	185,780
Cash Balance		7,260	5,505	217

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 occur in this fund.

Revenues:

The 2024 year-to-date operating revenues are up in comparison to 2023 by 12.5%. The increase is from:

- On-street parking is up 17.0% compared to 2023.
- Off-street ramps and lots are up 15.2% compared to 2023.
- Impound Lot revenues decreased 11.2% compared to 2023.

Overall, revenues are up in 2024 mainly due to an increase in workers downtown and enhanced activities and events downtown and throughout the city. This has resulted in a substantial positive impact on economic activity.

Expenses:

The 2024 year-to-date operating expenses are up in comparison to 2023 expenses by 8.4%. Total year end projected expenses are expected to be 8.1% over the 2024 budget. The current June year-to-date variance is from:

- On-street parking was up by 30.8% compared to 2023.
- Off-street ramps and lots were up 8.5% compared to 2023.
- Impound Lot expenses are down by 3.9% compared to 2023.

Overall, expenses were up as compared to 2023 mainly due to the increased activity in 2024 which causes certain variable expenses to be higher such as credit card fees, utilities, and maintenance.

Transfers to and from other funds:

The 2024 transfers out of the Parking Fund are programmed and planned according to the 2024 budget. During 2024, \$2.6 million of funds will be transferred out (\$1.1 million to the General Fund, \$1.4 million to the Target Center and \$0.1 million to the Solid Waste Fund).

Debt Service:

For 2024, the debt service budget is \$9.5 million. The outstanding balance of bond principal as of June 30, 2024 is \$25.9 million and the outstanding balance of note principal is \$26.3 million.

Cash Balance and Net Position:

The June 30, 2024 cash balance is \$7.3 million which is an increase of \$7.0 million from the 2023 year-end balance. The City's policy is to have a targeted cash balance equal to 25% of the operating budget (excluding non-city owned ramps). Therefore, the target cash balance, excluding the Off-Street Parking: State Owned-Direct Expense Budget is \$8.8 million. The targeted cash reserve balance deficit is \$1.5 million, this causes the fund to be under financial policy. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance. Continued economic recovery to near pre-pandemic activity will help increase Fund revenues in 2025 and beyond, with the Fund expected to be in compliance with policy by 2025.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

Solid Waste & Recycling Enterprise Fund

	2023 Current Budget	2023 Year End Actual	2024 Current Budget	2024 Year to Date Actual	2024 Projected Year End
Source of Funds:					
Local Government & Other Grants	\$ 2,040	\$ 1,513	\$ 1,784	\$ 2	\$ 1,710
Charges for Service	43,192	42,460	45,695	22,506	45,730
Charges for Sales	404	187	404	259	400
Special Assessments	-	1,339	-	-	-
Other Misc Revenues, Rents	838	873	784	473	945
Long Term Proceeds - Capital	-	-	-	-	-
Operating Transfers In:					
From Capital					
Parking Fund	146	146	146	73	146
General Fund - Graffiti	325	325	325	163	325
Bond Redemption Fund	-	-	-	-	-
Total	\$ 46,946	\$ 46,843	\$ 49,139	\$ 23,476	\$ 49,256
Use of Funds:					
Collection	\$ 8,942	\$ 8,960	\$ 9,721	\$ 4,980	\$ 9,721
Disposal	6,517	6,035	6,505	3,194	6,425
Recycle	4,395	4,230	4,476	2,111	4,256
Yard Waste	4,455	3,512	4,858	1,547	3,908
Problem Material	2,618	2,524	2,697	1,420	2,897
Transfer Stations	785	557	799	260	559
Admin	8,929	8,634	8,096	4,334	8,721
Customer Service	761	640	765	281	605
Clean City	1,510	2,035	2,240	911	1,900
Graffiti	634	362	877	278	627
Equipment	4,077	3,542	5,142	2,762	5,142
Organics	5,103	4,924	5,042	2,533	5,042
Capital Program	-	-	396	1	396
Debt Service	1,348	1,238	1,348	377	1,348
Total	\$ 50,076	\$ 47,193	\$ 52,962	\$ 24,989	\$ 51,547
Change in Net Position	\$ (3,130)	\$ (349)	\$ (3,824)	\$ (1,513)	\$ (2,291)
Net Position Balance	\$ 41,942	\$ 44,723	\$ 40,899	\$ 43,209	\$ 42,431
Cash Balance	\$ 20,592	\$ 21,971	\$ 18,148	\$ 21,866	\$ 19,680
Target Cash Reserve	12,182	12,182	12,804	12,804	12,804
Variance Cash Balance to Target	8,410	9,789	5,343	9,062	6,876

City of Minneapolis
Solid Waste and Recycling Enterprise Fund
For the Second Quarter Ending June 30, 2024

Operating Snapshot (in thousands of dollars):

Fund 07700	2024 Budget	06/30/2024 Actual	Projected Year End 2024	2023 Actual
Operating Revenue	48,668	23,241	48,785	46,372
Operating Expense	51,218	24,611	49,803	45,955
Operating Margin	(2,550)	(1,370)	(1,018)	417
Change in Net Position		(1,513)	(2,291)	(349)
Net Position		43,209	42,431	44,723
Cash Balance		21,866	19,680	21,971

Fund Description:

The Solid Waste and Recycling Fund accounts for the City's solid waste and recycling collection, disposal, graffiti removal, and a solid waste transfer station that serves over 107,000 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 removals, and an organics program.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees through the monthly utility bills. The fund also receives yearly grants from Hennepin County. Additional revenue is generated through sales of recyclable materials, graffiti abatement, and miscellaneous services.

Revenue:

Operating revenue earned through the second quarter of 2024 was \$23.2 million, or 47.8% of the budgeted amount of \$48.7 million. The revenue earned through the second quarter of 2024 increased by \$1.4 million, or 6.4%, from the revenue earned through second quarter of 2023. This increase is mainly due to increased utility rates from the previous year.

Expenses:

Operating expenses through the second quarter of 2024 were \$24.6 million, or 48.1% of the budgeted amount of \$51.2 million. Expenses through the second quarter of 2024 increased \$3.1 million, or 14.4%, over the expenses through the same period in 2023. Collection, disposal, recycle, yard waste and problem material divisions increased by a combined total of \$1.6 million from 2023 due to contractual services rate increases and higher processing fees. Admin, graffiti, and organics increased by \$0.3 million due to personnel expenses. Equipment increased by \$1.2 million due to vehicle purchases.

Transfers:

Transfers of \$0.5 million into the Solid Waste and Recycling fund for 2024 include \$0.2 million from the Parking Fund for the Litter Container Program, and \$0.3 million from the General Fund for graffiti removal.

Debt Service:

Bonds were sold for the new facility prior to 2020 and an additional \$6.8 million in bonds were sold the second half of 2021. The facility was occupied at the end of May of 2020. There were no bond principal payments through the second quarter of 2024. Interest payments were \$0.4 million through the second quarter and another \$1.0 million of debt service payments will be paid before the end of the year.

Cash and Net Positions:

The fund's cash balance as of the end of the second quarter was \$21.9 million and the net position was \$43.2 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the 2024 budget, the targeted amount is \$12.8 million, leaving an unrestricted cash balance of \$9.1 million. This amount will provide adequate coverage of future operating cash reserve requirements and debt service payments.

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City of Minneapolis
Second Quarter ending June 30, 2024
Financial Status Report (in thousands of dollars)

CPED Enterprise Funds

	General Agency Reserve Fund System 2023	General Agency Reserve Fund System 2024	River Terminal 2023	River Terminal 2024
ASSETS				
Current assets:				
Cash and cash equivalents	1,918	1,794	(2,968)	(3,269)
Total current assets	1,918	1,794	(2,968)	(3,269)
Noncurrent assets:				
Loans and notes receivable	-	5	-	(9)
Capital assets (net of accumulated depreciation)	-	-	3,848	3,848
Total noncurrent assets	-	5	3,848	3,839
Total assets	1,918	1,799	880	570
LIABILITIES				
Current liabilities:				
Accounts Payable	10	6	-	9
Other current liabilities	5	5	-	-
Total current liabilities	15	11	-	9
Noncurrent liabilities:				
Bonds payable	-	-	-	-
Compensated absences payable	3	3	-	-
Total noncurrent liabilities	3	3	-	-
Total liabilities	19	14	-	9
NET POSITION				
Invested in capital assets, net of related debt	-	-	3,848	3,848
Restricted	1,899	1,785	-	-
Unrestricted	-	-	(2,968)	(3,287)
Total net position	1,899	1,785	880	561
Total liabilities & net position	1,918	1,799	880	570

**CPED Enterprise Fund Component Programs
For the Second Quarter Ending June 30, 2024**

The **CPED Enterprise Fund** operated a series of business-type activities designed to enhance housing options and economic development within the City.

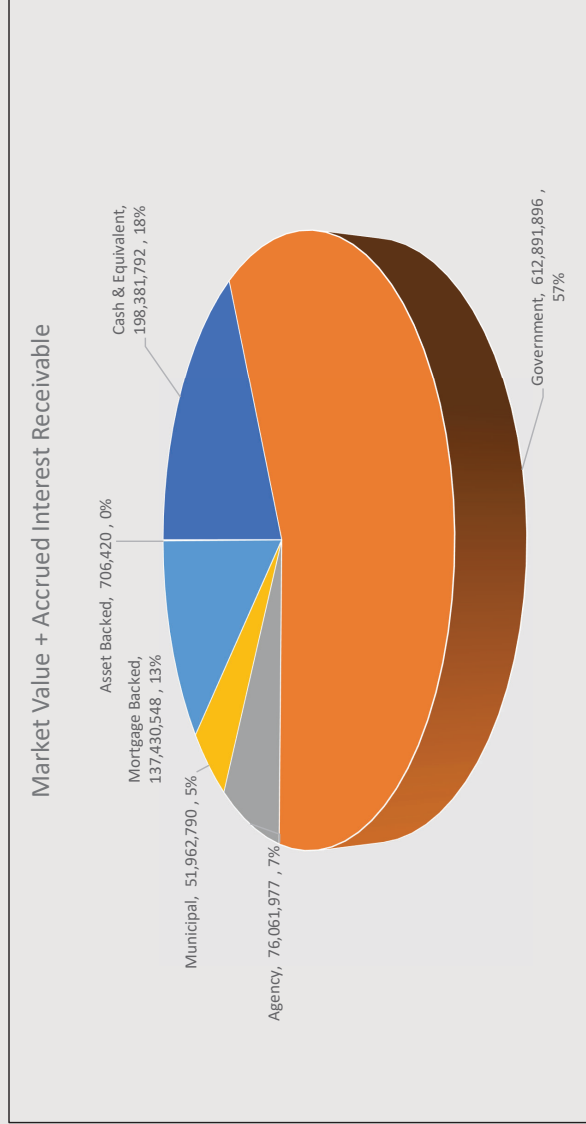
The **General Agency Reserve Fund System** (GARFS) is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need 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. Other information is maintained by a trustee and not available for inclusion for second quarter. The net position of the fund at the end of second quarter 2024 was \$1.8 million.

The **River Terminal** is undergoing a major redevelopment effort. The newly redeveloped site will include green space, outdoor entertainment, affordable housing, and job-intensive business uses.

Cash and Investments Report
6/30/2024

Portfolio	Book Yield %	Book Value	Unrlzd G/(L)	Market Value	Accrued Interest Receivable	Market Value + Accrued Interest Receivable
Operating Account*	5.3	\$ 178,749,651	\$ (1,092)	\$ 178,748,558	\$ -	\$ 178,748,558
Core City of Minneapolis*	3.8	504,378,701	(18,449,931)	485,928,770	1,847,858	487,776,628
Core Royal Bank of Canada**	2.9	157,195,473	(6,862,678)	150,332,794	485,890	150,818,684
Core Government Portfolio Advisors**	3.8	110,573,523	(948,089)	109,625,434	883,145	110,508,580
Core T. Rose**	1.0	25,950,122	(1,471,613)	24,478,508	46,172	24,524,680
Core Community-Oriented (COMCO)**	3.0	97,071,982	(14,442,337)	82,629,645	198,354	82,828,000
Yield Restricted Bond Proceeds*	3.4	4,390,334	-	4,390,334	-	4,390,334
Convention Center Debt Service*	4.4	13,605,020	(113,970)	13,491,049	2,295	13,493,344
General Agency Reserve Funds System**	4.1	24,098,874	101,581	24,200,455	146,161	24,346,616
Total Portfolio	3.8	\$ 1,116,013,679	\$ (42,188,130)	\$ 1,073,825,548	\$ 3,609,876	\$ 1,077,435,424
Development Debt Reserves		892,712		892,712		892,712
Cash on hand net of outstanding checks		(4,509,801)		(4,509,801)		(4,509,801)
Total All Portfolios		\$ 1,112,396,590	\$ (42,188,130)	\$ 1,070,208,460	\$ 3,609,876	\$ 1,073,818,335

* Internally managed; ** Externally managed



Market Sector	Market Value + Accrued Interest Receivable	% of Portfolio
Cash & Equivalent	198,381,792	18.4%
Government	612,891,896	56.9%
Agency	76,061,977	7.1%
Municipal	51,962,790	4.8%
Mortgage Backed	137,430,548	12.8%
Asset Backed	706,420	0.1%
Commercial Paper	-	0.0%
Total	\$ 1,077,435,424	100.0%

Metric	Value
Duration	3.4
Convexity	0.4
WAL	3.3
Years to Avg Final Maturity*	4.7
Years to Avg Effective Maturity*	4.6
Book Yield	3.8
Yield to Worst	4.8
Average Credit Rating	AAA/Aaa/AA+

* Weighted by Market Value at period end.

**City of Minneapolis
Financial Strength Analysis - Second Quarter 2024**

FINANCIAL STRENGTH ANALYSIS - (in millions)	2020		2021		2022		2023		Change 2023 Compared to 2022		Total Increase (Decrease) 2020 - 2023		Average Annual Increase (Decrease)		Projected	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Fund Cash Balance	\$ 184.5		\$ 159.4		\$ 195.4		\$ 230.9		\$ 35.5	18.2%	\$ 46.4	25.1%	\$ 15.5	8.4%	\$ 188.9	
General Fund Total Fund Balance	\$ 167.7		\$ 142.8		\$ 173.7		\$ 210.4		\$ 36.7	21.1%	\$ 42.7	25.5%	\$ 14.2	8.5%	\$ 168.4	
Overall City Cash Position*	891.1		1,029.8		1,124.0		1,114.2		(9.8)	-0.9%	223.1	25.0%	74.4	8.3%		
Overall City Net Assets/Position	2,491.3		2,589.0		2,768.9		2,921.3		152.4	5.5%	430.0	17.3%	143.3	5.8%		
Overall Unrestricted Net Assets/Position	(201.7)		(141.0)		(15.0)		(2.0)		13.0	-86.7%	199.7	-99.0%	66.6	-33.0%		
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)																
Convention Center - Cash	\$ 14.5		\$ 23.9		\$ 22.8		\$ 22.3		(0.5)	-2.2%	\$ 7.8	53.8%	\$ 2.6	17.9%	\$ 17.9	
Convention Center - Fund Balance	\$ 12.4		\$ 20.9		\$ 17.6		\$ 17.6		-	0.0%	\$ 5.2	41.9%	\$ 1.7	14.0%	\$ 13.1	
Arena Fund (Target Center) - Cash	4.0		5.0		6.4		5.5		(0.9)	-14.1%	1.5	37.5%	0.5	12.5%	3.5	
Arena Reserve (Target Center) - Fund Balance	3.5		4.3		6.5		5.4		(1.1)	-16.9%	1.9	54.3%	0.6	18.1%	3.4	
Downtown Assets Fund - Cash	39.9		29.6		45.6		72.4		26.8	58.8%	32.5	81.5%	10.8	27.2%	94.1	
Downtown Assets Fund - Fund Balance	46.5		35.1		53.5		78.4		24.9	46.5%	31.9	68.6%	10.6	22.9%	101.3	
Police SRF - Cash	2.6		2.5		3.6		3.8		0.2	5.6%	1.2	46.2%	0.4	15.4%	3.8	
Police SRF - Fund Balance	2.8		3.3		3.7		3.9		0.2	5.4%	1.1	39.3%	0.4	13.1%	3.9	
NCR SRF - Cash	3.5		3.3		2.2		0.4		(1.8)	-81.8%	(3.1)	-88.6%	(1.0)	-29.5%	0.3	
NCR SRF - Fund Balance	3.1		3.0		1.8		0.4		(1.4)	-77.8%	(2.7)	-87.1%	(0.9)	-29.0%	0.3	
Regulatory Services SRF - Cash	0.2		0.3		0.3		0.2		(0.1)	-33.3%	-	0.0%	-	0.0%	-	
Regulatory Services SRF - Fund Balance	0.2		0.3		0.3		0.2		(0.1)	-33.3%	-	0.0%	-	0.0%	-	
Grant Funds - Cash	7.5		141.8		177.0		100.7		(76.3)	-43.1%	93.2	1242.7%	31.1	414.2%	15.7	
Grant Funds - Fund Balance	10.1		9.0		13.5		20.9		7.4	54.8%	10.8	106.9%	3.6	35.6%	20.9	
Comm Plannng & Econ Dev (CPED) - Cash Total	212.8		209.7		197.3		215.3		18.0	9.1%	2.5	1.2%	0.8	0.4%	210.3	
Comm Plannng & Econ Dev (CPED) - Fund Bal Total	245.0		242.4		229.6		247.7		18.1	7.9%	2.7	1.1%	0.9	0.4%	242.7	
Employee Retirement Funds - Cash	23.1		28.1		31.0		36.4		5.4	17.4%	13.3	57.6%	4.4	19.2%	35.4	
Employee Retirement Funds - Fund Balance	36.6		39.0		39.0		40.5		1.5	3.8%	3.9	10.7%	1.3	3.6%	39.5	
Total Special Revenue Funds - Cash	\$ 308.1		\$ 444.2		\$ 486.2		\$ 457.0		\$ (29.2)	-6.0%	\$ 148.9	48.3%	\$ 49.6	16.1%	\$ 381.0	
Total Special Revenue Funds - Fund Balance	\$ 360.2		\$ 357.3		\$ 365.5		\$ 415.0		\$ 49.5	13.5%	\$ 54.8	15.2%	\$ 18.3	5.1%	\$ 425.1	

* 2020-2023 Overall City Cash Position is the Market Value of cash and cash equivalents as reported in the City of Minneapolis Annual Comprehensive Financial Report (ACFR); does not include approximately \$24.2M invested for General Agency Reserve Fund Systems (GARFS) and \$90.3M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)										Change 2023 Compared to 2022		Total Increase (Decrease) 2020 - 2023		Average Annual Increase (Decrease)		Projected		
	2020	2021	2022	2023	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)																		
Engr. Materials & Testing - Cash	\$ 1.9	\$ 2.0	\$ 2.1	\$ 1.9	\$ (0.2)	-9.5%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 2.0	0.7
Engr. Materials & Testing - Net Position	\$ 0.5	\$ 0.6	\$ 0.7	\$ 0.6	\$ (0.1)	-14.3%	\$ 0.1	20.0%	\$ 0.0	0.0%	\$ 0.0	0.0%	\$ 0.0	0.0%	\$ 0.0	0.0%	\$ 0.7	0.7
Equipment Services - Cash	26.7	34.7	21.9	16.8	\$ (5.1)	-23.3%	\$ (9.9)	-37.1%	\$ (3.3)	-12.4%	\$ (3.3)	-12.4%	\$ (3.3)	-12.4%	\$ (3.3)	-12.4%	11.4	11.4
Equipment Services - Net Position	93.6	98.6	85.6	80.1	\$ (5.5)	-6.4%	\$ (13.5)	-14.4%	\$ (4.5)	-4.8%	\$ (4.5)	-4.8%	\$ (4.5)	-4.8%	\$ (4.5)	-4.8%	77.5	77.5
Property Services - Cash	6.3	8.9	9.8	6.2	\$ (3.6)	-36.7%	\$ (0.1)	-1.6%	\$ (0.0)	-0.5%	\$ (0.0)	-0.5%	\$ (0.0)	-0.5%	\$ (0.0)	-0.5%	5.6	5.6
Property Services - Net Position	36.3	40.0	40.7	36.1	\$ (4.6)	-11.3%	\$ (0.2)	-0.6%	\$ (0.1)	-0.2%	\$ (0.1)	-0.2%	\$ (0.1)	-0.2%	\$ (0.1)	-0.2%	40.2	40.2
PW Stores - Cash	1.1	1.2	0.8	2.6	\$ 1.8	225.0%	\$ 1.5	136.4%	\$ 0.5	45.5%	\$ 0.5	45.5%	\$ 0.5	45.5%	\$ 0.5	45.5%	3.3	3.3
PW Stores - Net Position	5.9	6.8	7.2	8.6	\$ 1.4	19.4%	\$ 2.7	45.8%	\$ 0.9	15.3%	\$ 0.9	15.3%	\$ 0.9	15.3%	\$ 0.9	15.3%	9.2	9.2
Intergovernmental Services - Cash	10.7	9.2	7.4	10.9	\$ 3.5	47.3%	\$ 0.2	1.9%	\$ 0.1	0.6%	\$ 0.1	0.6%	\$ 0.1	0.6%	\$ 0.1	0.6%	9.4	9.4
Intergovernmental Services - Net Position	22.6	11.7	10.5	14.6	\$ 4.1	39.0%	\$ (8.0)	-35.4%	\$ (2.7)	-11.8%	\$ (2.7)	-11.8%	\$ (2.7)	-11.8%	\$ (2.7)	-11.8%	13.8	13.8
Self Insurance Fund - Cash	108.1	110.8	135.5	141.4	\$ 5.9	4.4%	\$ 33.3	30.8%	\$ 11.1	10.3%	\$ 11.1	10.3%	\$ 11.1	10.3%	\$ 11.1	10.3%	164.7	164.7
Self Insurance Fund - Net Position	(97.8)	(100.0)	(61.9)	(50.4)	\$ 11.5	-18.6%	\$ 47.4	-48.5%	\$ 15.8	-16.2%	\$ 15.8	-16.2%	\$ 15.8	-16.2%	\$ 15.8	-16.2%	(53.0)	(53.0)
Total Internal Service Funds - Cash	\$ 154.8	\$ 166.8	\$ 177.5	\$ 179.8	\$ 2.3	1.3%	\$ 25.0	16.1%	\$ 8.3	5.4%	\$ 8.3	5.4%	\$ 8.3	5.4%	\$ 8.3	5.4%	\$ 196.4	\$ 196.4
Total Internal Service Funds - Net Position	\$ 61.1	\$ 57.7	\$ 82.8	\$ 89.6	\$ 6.8	8.2%	\$ 28.5	46.6%	\$ 9.5	15.5%	\$ 9.5	15.5%	\$ 9.5	15.5%	\$ 9.5	15.5%	\$ 88.4	\$ 88.4
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)																		
Sanitary Sewer - Cash	\$ 13.5	\$ 15.0	\$ 15.7	\$ 16.4	\$ 0.7	4.5%	\$ 2.9	21.5%	\$ 1.0	7.2%	\$ 1.0	7.2%	\$ 1.0	7.2%	\$ 1.0	7.2%	\$ 22.2	22.2
Sanitary Sewer - Net Position	\$ 139.4	\$ 147.6	\$ 161.3	\$ 165.7	\$ 4.4	2.7%	\$ 26.3	18.9%	\$ 8.8	6.3%	\$ 8.8	6.3%	\$ 8.8	6.3%	\$ 8.8	6.3%	\$ 171.5	171.5
Stormwater - Cash	28.7	29.2	31.1	22.0	\$ (9.1)	-29.3%	\$ (6.7)	-23.3%	\$ (2.2)	-7.8%	\$ (2.2)	-7.8%	\$ (2.2)	-7.8%	\$ (2.2)	-7.8%	22.8	22.8
Stormwater - Net Position	355.4	351.9	380.0	372.5	\$ (7.5)	-2.0%	\$ 17.1	4.8%	\$ 5.7	1.6%	\$ 5.7	1.6%	\$ 5.7	1.6%	\$ 5.7	1.6%	373.4	373.4
Water Enterprise - Cash	40.8	34.2	35.6	40.1	\$ 4.5	12.6%	\$ (0.7)	-1.7%	\$ (0.2)	-0.6%	\$ (0.2)	-0.6%	\$ (0.2)	-0.6%	\$ (0.2)	-0.6%	41.9	41.9
Water Enterprise - Net Position	303.3	309.5	336.6	342.2	\$ 5.6	1.7%	\$ 38.9	12.8%	\$ 13.0	4.3%	\$ 13.0	4.3%	\$ 13.0	4.3%	\$ 13.0	4.3%	344.0	344.0
Municipal Parking - Cash	6.1	1.2	0.1	0.2	\$ 0.1	100.0%	\$ (5.9)	-96.7%	\$ (2.0)	-32.2%	\$ (2.0)	-32.2%	\$ (2.0)	-32.2%	\$ (2.0)	-32.2%	5.5	5.5
Municipal Parking - Net Position	191.5	190.2	179.0	180.2	\$ 1.2	0.7%	\$ (11.3)	-5.9%	\$ (3.8)	-2.0%	\$ (3.8)	-2.0%	\$ (3.8)	-2.0%	\$ (3.8)	-2.0%	191.1	191.1
Solid Waste & Recycling - Cash	16.1	23.2	23.7	22.0	\$ (1.7)	-7.2%	\$ 5.9	36.6%	\$ 2.0	12.2%	\$ 2.0	12.2%	\$ 2.0	12.2%	\$ 2.0	12.2%	19.7	19.7
Solid Waste & Recycling - Net Position	34.9	43.6	45.1	44.7	\$ (0.4)	-0.9%	\$ 9.8	28.1%	\$ 3.3	9.4%	\$ 3.3	9.4%	\$ 3.3	9.4%	\$ 3.3	9.4%	42.4	42.4
Comm Plannng & Econ Dev (CPED) - Cash**	-	-	-	-	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	-	-
Comm Plannng & Econ Dev (CPED) - Net Position	27.0	26.9	26.0	26.6	\$ 0.6	2.3%	\$ (0.4)	-1.5%	\$ (0.1)	-0.5%	\$ (0.1)	-0.5%	\$ (0.1)	-0.5%	\$ (0.1)	-0.5%	27.1	27.1
Total Enterprise Funds - Cash	\$ 105.2	\$ 102.8	\$ 106.2	\$ 100.7	\$ (5.5)	-5.2%	\$ (4.5)	-4.3%	\$ (1.5)	-1.4%	\$ (1.5)	-1.4%	\$ (1.5)	-1.4%	\$ (1.5)	-1.4%	\$ 112.1	\$ 112.1
Total Enterprise Funds - Net Position	\$ 1,051.5	\$ 1,069.7	\$ 1,128.0	\$ 1,131.9	\$ 3.9	0.3%	\$ 80.4	7.6%	\$ 26.8	2.5%	\$ 26.8	2.5%	\$ 26.8	2.5%	\$ 26.8	2.5%	\$ 1,149.5	\$ 1,149.5

**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.