



2020 Revised Budget – Phase I

An Overview of Phase I reductions to 2020 expense budgets

Process & Approach

Assess – Plan – Revise

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

Repeat process as necessary.



Scope of Problem

Projected Revenues shown in \$Millions

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

Note – revenue loss assumption for downtown assets fund has been adjusted in recent days due to availability of new information on local tax receipts



Cost Containment – Hiring Freeze

\$23M Containment across all funds

- Hiring for all positions frozen on March 27, 2020
- Review Panel (City Coordinator, CHRO, CFO) and Waiver Process
 - Council President and Mayor Signoff
- Approx. \$2M worth of waivers approved so far



Cost Containment – Wage Freeze

\$6.1M Containment across all funds

- Wages frozen for Appointed Official, Politically Appointed, and Non-Represented positions in late April
- Several general wage adjustments (sometimes referred to as COLAs or ATBs) in contracts unsettled but budgeted for, now removing that budget



Cost Containment – Delay/Defer IT & Fleet

\$10M Containment across all funds

- Delaying large purchases planned but not yet started
- IT – CAMA, iNovah
- Fleet – various purchases across the enterprise
 - Pausing collection of replacement fees since cash outlays are reduced



Cost Containment – Discretionary Freeze

\$2.9M Containment across all funds

- Elimination of all non-essential spending on various items:
 - Office Supplies
 - Training & Education
 - Printing
 - Postage
 - Travel
 - Food & Beverage
 - Supplies



Cost Containment – Reduction to Contracts

\$16.2 M Containment across all funds

- Reducing department budgets by an amount equal to 15% of budgeted contracts
- Departments maintain managerial discretion with respect to implementing the cut



Updated Scope

Projected Revenues & Cost Containments shown in \$Millions

	General Fund	Downtown Assets	Utilities	Parking	Other	Total
Revenue Loss	(32.7)	(69.2)	(13.9)	(28.1)	(12.0)	(155.9)
Transfer Changes	(22.0)	22.0	-	-	-	-
<i>Hiring Freeze</i>	<i>11.2</i>	<i>1.5</i>	<i>3.9</i>	<i>1.1</i>	<i>5.3</i>	<i>23</i>
<i>Wage Freeze</i>	<i>5.1</i>	<i>0.1</i>	<i>0.3</i>	<i>0.1</i>	<i>0.6</i>	<i>6.1</i>
<i>Delay/Defer IT & Fleet</i>	<i>7.1</i>	<i>-</i>	<i>1.6</i>	<i>-</i>	<i>1.3</i>	<i>10.1</i>
<i>Discretionary Freeze</i>	<i>1.8</i>	<i>0.2</i>	<i>0.4</i>	<i>0.1</i>	<i>0.4</i>	<i>2.9</i>
<i>Contracts less 15%</i>	<i>2.5</i>	<i>1.8</i>	<i>4.5</i>	<i>3.7</i>	<i>3.8</i>	<i>16.2</i>
Remaining Deficit	(27.0)	(43.7)	(3.2)	(23.1)	(0.7)	(97.7)



Next Steps

- Phase II
 - Working Group convenes next week
 - Mayor Presents Recommendation 7/9
 - Staff Provide additional detail and context on 7/10
 - Public Hearing on Mayor's Recommendation on 7/14
 - Budget Committee Markup on 7/17
 - Public Hearing on Council Adjustments to Mayor's Recommendation on 7/22
 - Final Adoption 7/24



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

Thank You