



City of Minneapolis  
Financial Status Report as of 2nd Quarter 2009  
Prepared by the  
City of Minneapolis Finance Department  
August 10, 2009

# City of Minneapolis

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## THE REPORT

The report consists of two sections. The first section of the report includes the Business line review. The second section includes detailed schedules and analysis of the results of individual funds through June 30, 2009.

### BUSINESS LINE REVIEW

The City's business activities are accounted for in funds and these funds are divided into two major groupings: Governmental funds and Proprietary funds.

#### Governmental Funds

Governmental Funds account for services and goods provided within the government and are primarily supported either directly or indirectly by taxes. These groupings include General fund, Special Revenue Funds, Capital Projects, Debt Services, and Agency funds. Governmental funds use the modified accrual basis of accounting to record transactions.

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2009 with a fund balance of \$49.7 million and an operating budget of \$334 million; since the beginning of the year the City Council has taken major steps to reflect State-level decisions and deal with ongoing financial challenges:

1. A one-time revenue transfer of \$9.9 million from the Hilton Legacy fund to offset the 2008 Local Government Aid (LGA) reduction and restore fund balance
2. A \$14.8 million permanent reduction to LGA revenue and departmental spending

Through June of this year, the fund has spent 48% of its appropriations with 50% of the year elapsed. The fund is projected to exceed spending by \$3.8 million, primarily because of projected overspending by Police and Fire. In addition, revenue is projected to underperform by \$2.9 million, primarily because of lower than expected Fine and Forfeiture revenue. The combination of lower than expected revenue and spending over budget indicate fund balance will increase by \$1.1 million rather than the budgeted \$7.9 million.

The **Convention Center Fund** accounts for the operating activities of the Convention Center and for the City's sales tax and other related taxes. All of the tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities except the entertainment tax. The entertainment tax revenue is transferred to the City's General Fund and Arena Reserve Fund.

The Convention Center's 2009 budget plans for a loss of \$8.5 million and second quarter results show the fund is tracking behind budget with revenues and expenses at 45% and 38% of budget respectively. The fund is projected to fall short of its fund balance goal by \$1 million.

**Grant Funds** are used to record grant related activities. Fund 0300 represents all of the federal grant activity. Fund 0400 captures the Housing and Urban Development grants for community development and housing related programs. This fund includes the Community Development Block Grant, Emergency Shelter Program, HOME Investment Partnership Program, and Housing

Opportunities for People with Aids. Fund 0600 is used to record all of the non-federal sources of restricted revenue.

### Proprietary Funds

Proprietary funds operate, more or less, like a business and are assumed to be self-supporting. Proprietary funds are normally grouped into two subsets: Internal Service funds, which sell goods and services internally to other government units; and, Enterprise funds which sell goods and services to third parties. The rates charged by these businesses are supposed to cover the full cost of providing the good or service sold by the fund- including the cost of maintaining, replacing, and expanding the fund’s capital assets; Proprietary funds use full accrual accounting.

**Enterprise Funds** are City owned businesses that sell goods and services to third parties. Excluding the CPED enterprise activities and the River Terminal, the City operates five enterprise funds. A snapshot of these funds follows:

<b>Enterprise Funds</b>						
<b>(In Thousands)</b>						
<b>2009 Budget to Actual through 6-30-09 (Incl. Depreciation)</b>						
<b>Fund</b>	<b>Revenue Budget</b>	<b>Revenue Actual</b>	<b>% of Actual To Budget</b>	<b>Expense Budget</b>	<b>Expense Actual</b>	<b>% of Actual To Budget</b>
Sanitary Sewer	45,996	20,858	45%	45,047	23,818	53%
Stormwater	35,029	19,771	56%	28,388	13,627	48%
Solid Waste	30,774	14,996	49%	34,101	13,559	40%
Water Utility	72,722	29,685	41%	65,483	31,030	47%
Parking	69,741	33,689	48%	62,995	29,341	47%

With the exception of the Water fund, the City’s enterprise activities are in good condition. All of these funds had positive net assets at the beginning of 2009 and their financial plans call for a continuation of positive financial activity. There is an area of concern within the Water Fund as it has missed its revenue targets the last few years while expenses have increased disproportionately. The combination of lower revenues and increased expenses has contributed to a dwindling cash reserve. The Finance and Public Works departments are analyzing the revenue trends to determine causes and more accurately project future revenue. Additionally, Public Works management is aggressively pursuing cost-cutting measures within the fund to reduce expenses. Parking, Solid Waste, Storm Water and Sanitary Sewer all have positive cash balances at or near their cash reserve requirements.

**Sewer Utility Funds** account for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. The Sewer Fund was split into two funds in 2005: Stormwater and Sanitary. The Stormwater Fund through first quarter has received 56% of its annual revenues and has spent 48% of its annual expense budget. The Sanitary Sewer fund has received 45% of its revenue and spent 53% of its budgeted expenses so far; it is projected to miss its fund balance goals by \$2.4 million.

**Solid Waste Fund** accounts for the City’s solid waste collection, disposal, and recycling operations. Currently the fund has received 49% of its annual revenues and spent 40% of its

annual expense budget. The fund has positive net assets and cash reserves in excess of the stated requirement.

**Water Utility Fund** accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The Water Fund had a \$0.16/unit rate increase in 2009. It has received 41% of its annual revenues and spent 47% of its annual expense budget. As stated earlier, the fund has experienced declining revenues despite annual rate increases and costs have increased despite declining water consumption. Much of the cost increases can be attributed to rapidly escalating prices for electricity and chemicals used in the water treatment and distribution process as well as internal costs rising at an annual rate higher than the inflationary increases inherent in the budget. The funds current cash reserve requirement is \$12 million with the actual balance hovering near zero. Currently, the fund is projected to miss its financial goals by \$4.8 million.

**Parking Fund** accounts for the operation and maintenance of parking ramps, lots, on street parking meters, and a municipal impound lot. The fund has significantly improved its annual operating performance and cash balance since a deficit reduction plan was adopted in 2004. The fund is projected to exceed its financial plan goals by \$1.2 million.

**Internal Service Funds** remain one of the largest financial challenges for the City of Minneapolis. An overview of the Internal Service Funds follows:

<b>Internal Service Funds (In Thousands)</b>						
<b>2009 Budget to Actual through 6-30-09 (Incl. Depreciation)</b>						
<b>Fund</b>	<b>Revenue Budget</b>	<b>Revenue Actual</b>	<b>% of Actual to Budget</b>	<b>Expense Budget</b>	<b>Expense Actual</b>	<b>% of Actual to Budget</b>
<b>Engineering, Mat, and Testing</b>	1,430	447	31%	1,830	555	30%
<b>Fleet Services</b>	47,055	21,965	47%	46,824	19,641	42%
<b>Property Services</b>	22,790	9,664	42%	23,444	9,998	43%
<b>Public Works Stores</b>	1,023	429	42%	1,349	669	50%
<b>Intergovernmental Fund</b>	46,525	24,274	52%	32,608	16,266	50%
<b>Self Insurance</b>	44,964	21,273	47%	37,385	18,087	48%

The **Intergovernmental Service Fund** is operating at a level called for in its financial plan. Through first quarter, the fund is on track with both its revenue and expense goals. Depreciation expense continues to pose a challenge for the fund because it is not recovered through the rate model.

The **Equipment Fund** has met its revenue and expense goals through second quarter, it is projected to increase net assets by \$4.4 million, \$4.2 million better than expected. The fund has positive net assets with its cash position near zero.

The **Self-Insurance Fund** is at 47% and 48% of revenue and expense targets for the year.

The **Property Services Fund** has received 42% of annual revenues and has spent 43% of budgeted expenses through second quarter. It has positive net assets but its cash reserves are well below the stated requirement. This fund's financial performance is hindered by the mismatch between construction of capital assets which occurs in the Capital Projects fund and the depreciation expense from those assets which occurs in this fund. Similar to BIS, it is not recovering for depreciation in its rental rates and this will continue to adversely affect the fund.

The **Engineering Materials and Testing Fund** is budgeted at a loss of \$.4 million for 2009. This fund has consistently lost money and is in need of a financial workout plan. The fund has a negative cash position and positive net assets but one more year of losses could reverse that situation.

**Respectfully Submitted,**

Patrick P. Born  
Finance Officer

Charles J. Elliott  
Controller

## Appendix

### Detailed Fund Information

## General Fund

### Fund Description

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

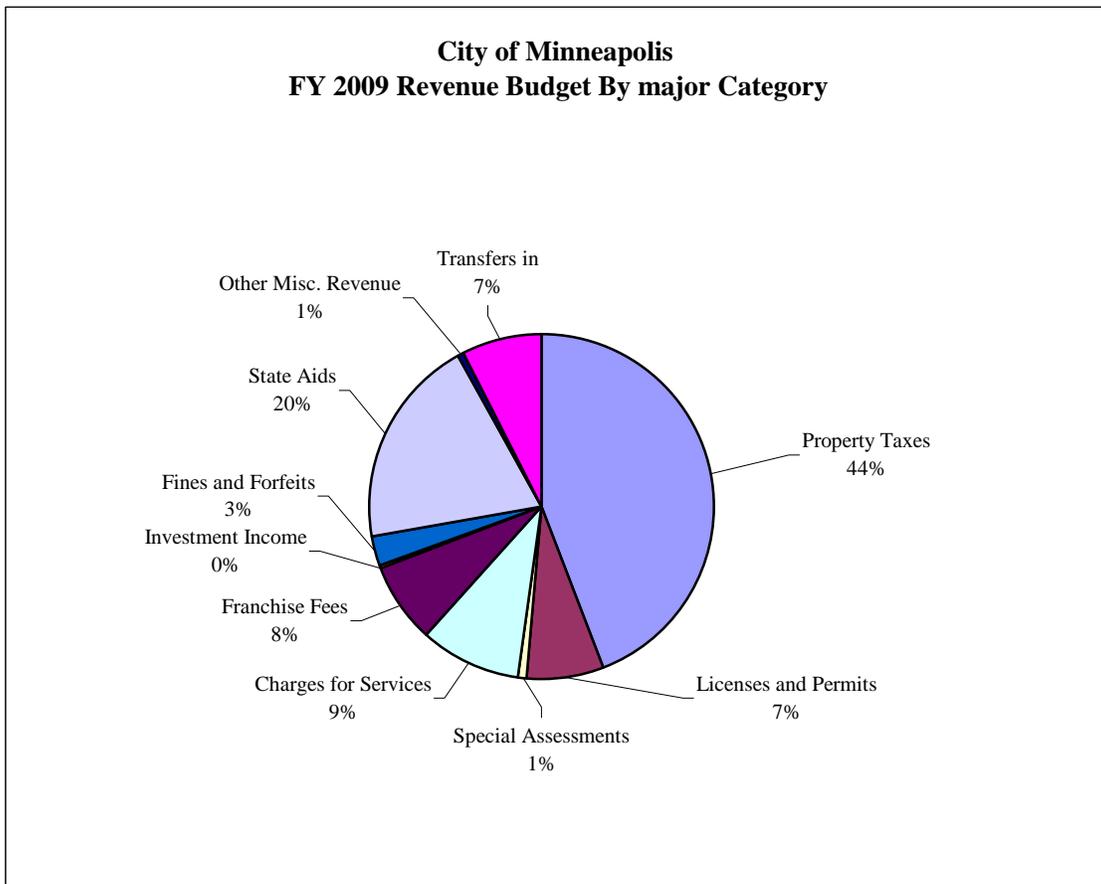
### Financial Performance

The fund balance for the General Fund at fiscal year-end 2008 was \$49.7 million. Based on current revenue and expenditure results, we are expecting the fund balance at year-end to be \$ 50.9 million.

#### Preliminary 2009 Fund Balance

Fund Balance January 1, 2009	\$ 49.7 million
Restoration of Fund Balance (Hilton Funds transfer)	9.9 million
Re-appropriation of Fund Balance	(1.3) million
2009 Projected Decrease in Fund Balance	<u>(5.1) million</u>
Fund Balance Projected, December 31, 2009	<u>\$ 50.9 million</u>

#### General Fund Revenues:



The six largest revenue sources account for 95% of total budgeted revenues: property taxes, state aids, charges for services, licenses and permits, franchise fees, and transfers in.

Property taxes, the major source of General Fund revenue are received from Hennepin County in July and December.

State aids, the second major source of fund revenue (20%), are expected to be significantly less than last year due to the reduction in Local Government Aid from the State. State aids are received in July, October, and December

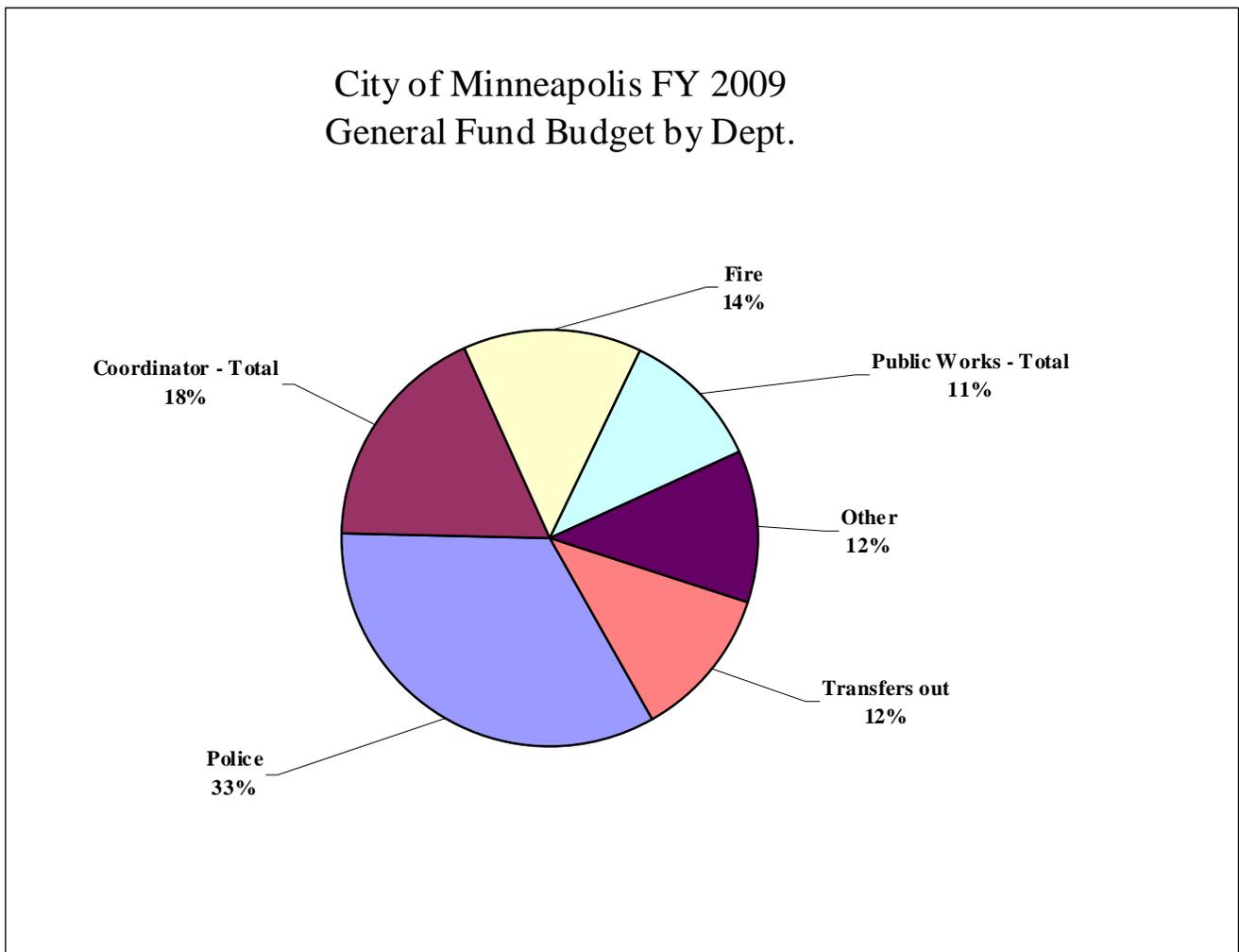
Charges for services, the third major source of fund revenue (9%), are expected to be at or over estimates for 2009.

Franchise fees, the fourth major source of revenue (8%), are at the expected level for the second quarter, although the cool summer could have an impact on the fees from electricity.

License and permit fees (7% of fund revenue) should meet or exceed estimates for 2009.

Transfers in was increased by a one time \$9.9 million transfer from the Hilton Legacy fund to restore fund balance by offsetting the reduction in Local Government Aid at the end of 2008.

Fine and Forfeit revenue collections are anticipated to be \$2.9 million less than expected, primarily due to a continued decrease in collections in police department fine revenues. The decrease in revenues is particularly evident in the area of citations issued by traffic enforcement officers, in the Police Department.



**General Fund Expenditures:**

Four departments make up 76% of the total General Fund expenditures: Police, Coordinator, Fire, and Public Works. Small percentage variances in any of these large departments can have a significant effect on the amount of General Fund expenditures.

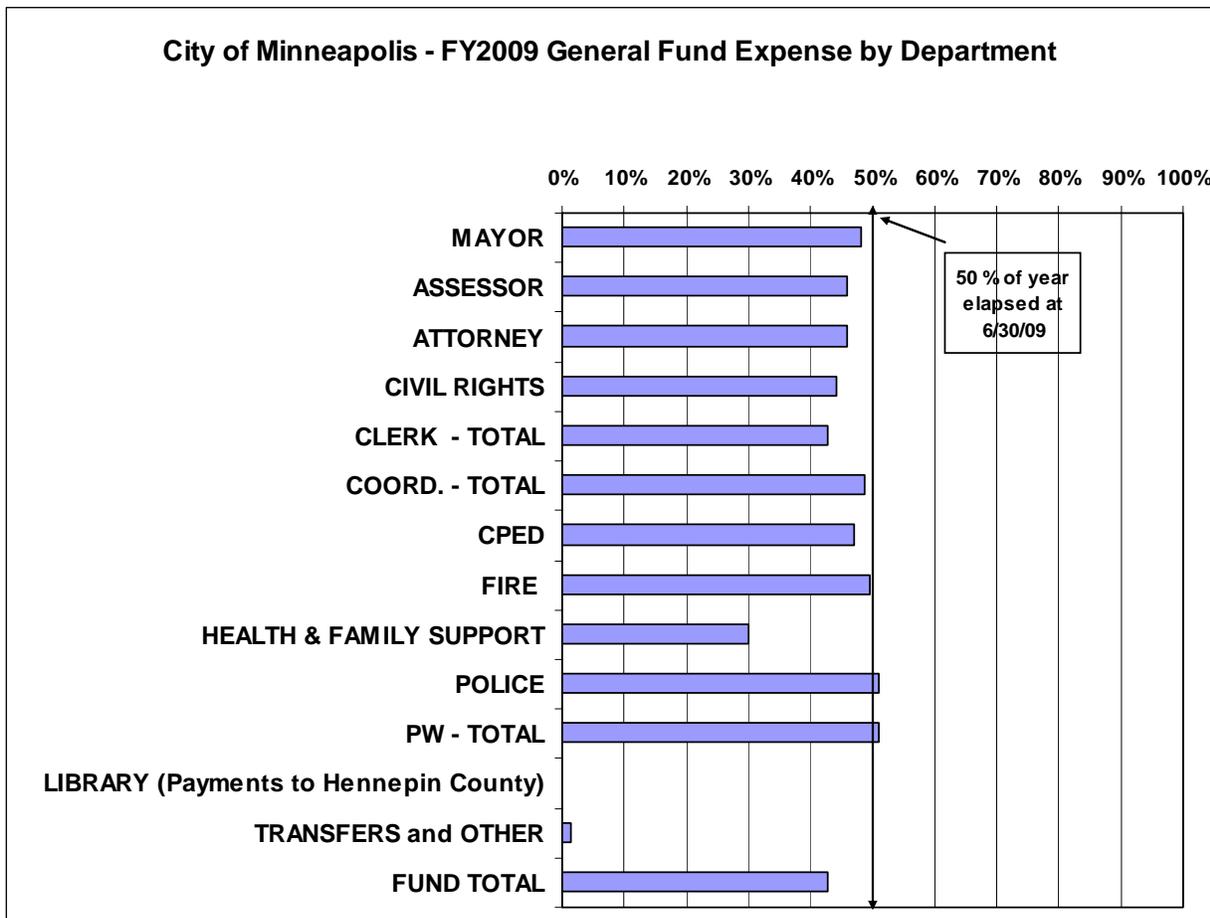
The Police Department is projected to end the year \$3.48 million over budget. Reasons for the overage include, grant funding coming in at a lower amount than expected, overtime, and the department is over its authorized number of FTE's.

The Fire Department's projected expenditures are expected to exceed the budgeted amount by approximately \$350,000. The deficit is due to a higher than anticipated vacation pay-off, an increase in out of grade pay and higher overtime costs, especially for FLSA related overtime. This deficit is in excess of an anticipated transfer from the Contingency fund in the amount of \$300,000 to adjust for salary calculations made during the budget process, that turned out to be too low.

The expenditures of the City Coordinator are expected to be within budgeted amounts.

The Public works department expects to be within budget by year-end.

Expenditures for the remaining departments are expected to be at or near the current budget.



A detailed financial schedule of the General Fund is shown below:

City of Minneapolis General Fund June 30, 2009						Variance Original/Actual
Revenues:	Original Budget	Revised Budget	Actual	Percent of Revised Budget Remaining	Projected YE Totals	Projected YE Actual as Percent of Revised Budget
Property Taxes	165,373,960	165,373,960	-	100%	165,373,960	100%
State Aids	88,242,122	73,423,814	1,555,050	98%	73,423,814	100%
Charges for Services	35,519,718	35,552,718	17,476,825	51%	35,552,718	100%
Franchise Fees	28,110,000	28,110,000	14,610,400	48%	28,110,000	100%
Licenses and Permits	25,555,834	26,467,134	13,866,655	48%	26,467,134	100%
Fines and Forfeits	10,972,924	10,866,624	3,505,924	68%	7,964,624	73%
Special Assessments	3,252,926	3,252,926	161,762	95%	3,252,926	100%
Investment Income	1,200,000	1,200,000	521,667	57%	1,200,000	100%
Other Shared Taxes	731,823	731,823	59,265	92%	731,823	100%
Other Miscellaneous	1,042,529	1,041,273	290,947	72%	1,041,273	100%
Contributions	400,000	400,000	113,969	72%	400,000	100%
<b>Total Revenues</b>	<b>360,401,836</b>	<b>346,420,272</b>	<b>52,162,464</b>	<b>85%</b>	<b>343,518,272</b>	<b>99%</b>
Transfers In	17,726,000	27,902,703	-	100%	27,902,703	100%
<b>Revenues and Other Sources</b>	<b>378,127,836</b>	<b>374,322,975</b>	<b>52,162,464</b>	<b>86%</b>	<b>371,420,975</b>	<b>99%</b>
<b>Expenditures :</b>						
Police	128,882,712	122,619,597	62,369,440	49%	126,103,597	103%
Coordinator - Total	67,372,901	65,984,968	32,218,370	51%	65,984,968	100%
Fire	53,102,021	51,225,719	25,428,738	50%	51,575,719	101%
Public Works - Total	41,914,730	41,466,040	21,102,786	49%	41,466,040	100%
Attorney	7,851,901	7,427,374	3,416,741	54%	7,427,374	100%
Health & Family Support	4,712,342	4,475,542	1,342,661	70%	4,475,542	100%
CPED	4,146,034	3,879,034	1,827,647	53%	3,879,034	100%
City Council & City Clerk	7,995,798	8,017,798	3,437,018	57%	8,017,798	100%
Assessor	3,913,208	3,986,447	1,830,158	54%	3,986,447	100%
Civil Rights	2,558,246	2,720,054	1,199,548	56%	2,720,054	100%
Contingency	2,744,004	2,878,004	192,000	93%	2,878,004	100%
Mayor	1,558,905	1,568,787	756,692	52%	1,568,787	100%
Culture and Recreation -Library	7,500,000	7,500,000	-	100%	7,500,000	100%
<b>Total Expenditures</b>	<b>334,252,802</b>	<b>323,749,364</b>	<b>155,121,799</b>	<b>52%</b>	<b>327,583,364</b>	<b>101%</b>
Transfers Out	43,875,034	42,675,034	-	100%	42,675,034	100%
<b>Expenditures and Other Uses</b>	<b>378,127,836</b>	<b>366,424,398</b>	<b>155,121,799</b>	<b>58%</b>	<b>370,258,398</b>	<b>101%</b>
<b>Change in Fund Balance</b>					<b>1,162,577</b>	
<b>Fund Balance - January 1, 2009</b>					49,688,028	
<b>Fund Balance - December 31, 2009</b>					<b>50,850,605</b>	

## Convention Center Special Revenue Fund Report

The Convention Center Fund accounts for the operating activities of the Convention Center and for the City's sales and other related taxes.

### Revenue

#### Tax Revenue

The Convention Center Special Revenue Fund activity is funded from local tax receipts and Convention Center operating revenue. Tax receipts are made up of a .5% citywide sales tax; a 3% food and liquor tax applied to core downtown establishments; a 3% citywide entertainment tax; and a 2.625% citywide lodging tax for motels and hotels with 50 units or more. With the new state tax of .375% effective July 1, 2009, the lodging tax was reduced from 3% to 2.625%. The law provides that when the general sales tax rate is combined with any other taxes on lodging within the city of Minneapolis, the total tax amount may not exceed 13%. Presently, 1% of all lodging tax proceeds received by the City are paid directly to Meet Minneapolis.

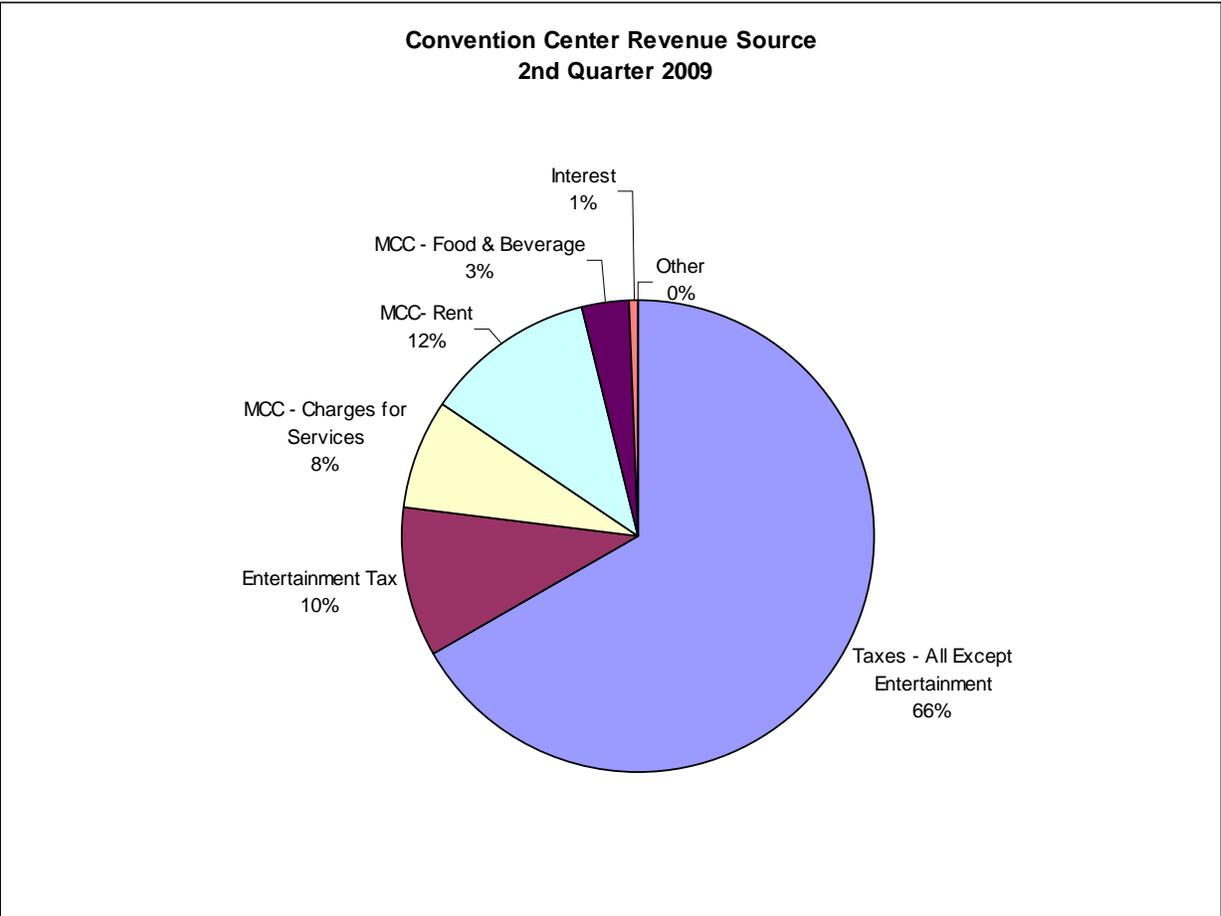
With the exception of entertainment tax, all of the other tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities. The entertainment tax, established in 1969, is a revenue source for the General Fund to offset additional police and fire department costs associated with citywide entertainment activities. A portion of the tax is redirected to the (Target Center) Arena Reserve Fund to fully credit the fund for entertainment tax proceeds generated from Target Center activities, as required by the (Target Center) Arena finance plan. The entertainment tax is not deposited directly into the General Fund because it is pledged revenue on the outstanding Convention Center bonds in the event other revenue sources pledged to meet the Convention Center debt service are insufficient.

For the 2nd quarter ending June 30, 2009 tax proceeds were slightly below 2008 levels for the same period. Tax revenue is receipted into the month it is received from the State of Minnesota, and is variable from month to month. Tax revenue is consumer driven and based on consumer spending habits.

<b>Tax</b>	<b>June 2008</b>	<b>June 2009</b>	<b>Variance</b>	<b>% Change</b>
Sales	15,546,725	15,034,705	(512,020)	-3.3%
Entertainment	3,670,694	3,530,619	(140,075)	-3.8%
Food	4,140,005	3,975,068	(164,937)	-4.0%
Liquor	1,531,423	1,525,181	(6,242)	-.4%
Lodging	2,297,866	2,241,056	(56,810)	-2.5%
<b>Total</b>	<b>\$27,186,713</b>	<b>\$26,306,629</b>	<b>\$(880,084)</b>	<b>-3.2%</b>

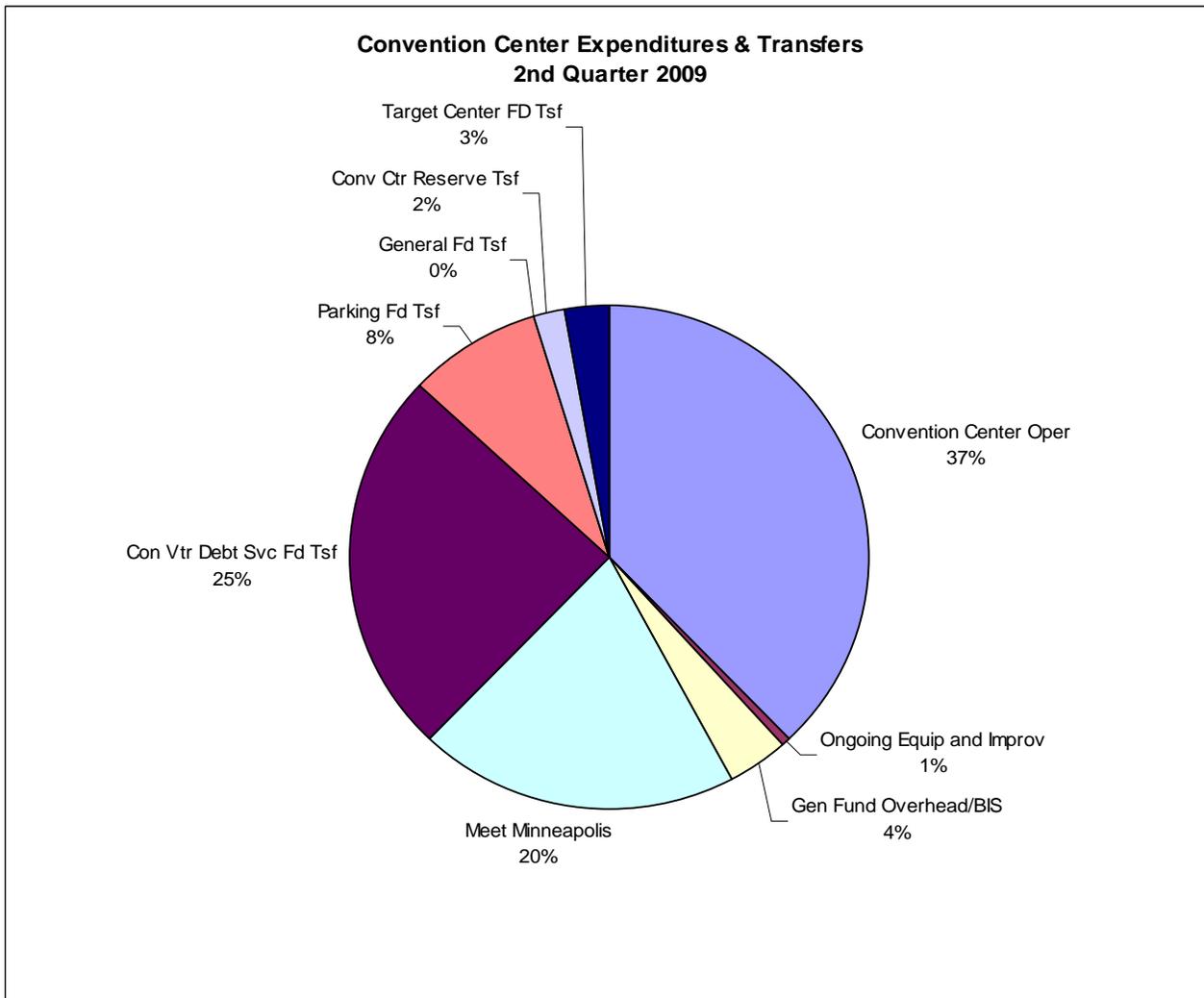
#### Operating Revenue

Through the 2nd quarter of 2009, operating revenue has achieved 52% of the 2009 budget, but is expected to finish the year approximately \$1.9 million below budget. Although rental revenue held steady in the 1<sup>st</sup> and 2<sup>nd</sup> quarters, ancillary revenues have declined by more than 10% from 2008. It is anticipated that the 3<sup>rd</sup> and 4<sup>th</sup> quarters will be especially difficult as summer bookings are sparse and clients are showing definite signs of reduced spending. To off-set these impacts, a close inspection of expenses combined with an aggressive "Meet in Minneapolis" corporate campaign to attract new business has been deployed. To date, this effort has secured at least one additional piece of business for 2009.



**Operating Expenditures**

Through the 2nd quarter of 2009, Convention Center operating expenses not including ongoing equipment and improvement, BIS, and General Fund Overhead were at \$10.5 million or 38% of budget. As the Convention Center anticipates smaller revenues for 2009, management is closely watching all expenditures and applying an ROI analysis on any potential new services. Cost saving mechanisms such as energy conservation, a hiring freeze, reduction in overtime and the launch of an employee-led Efficiency and Effectiveness Task Force are some of the reduction tools being applied. Utilizing these methods, the Convention Center is confident they will end the year under budget.



**Transfers**

The Convention Center Fund annually transfers a share of its tax revenue to several other funds. In 2009, transfers are budgeted for the General Fund, the Convention Center Facilities Reserve Fund, the Arena Reserve Fund, the Parking Fund, City Capital, and debt service. Budgeted 2009 transfers include \$1.5 million to the Target Center, \$8.5 million to the General Fund, a \$150,000 net transfer to the Convention Center Facility Reserve Fund, \$18.8 million to debt service, and over \$9.9 million to parking.

**Meet Minneapolis**

In 2004, Meet Minneapolis entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). Meet Minneapolis requested that the Council advance an additional \$2.5 million for the project in 2005. In August 2005, the loans were rolled together and a promissory note was issued for \$5 million. The City entered into a 3rd loan agreement for \$5 million for additional iDSS start up capital in April 2006. The three loans were consolidated for a total of \$10 million. The loan draws were capped in May 2007. The consolidated loan will have a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriations from the City funding, and profit from the iDSS. The total of the loan is nearly \$9.1 million. Quarterly interest payments began on 03/31/08, and annual principal payments began on 12/31/08. Interest and principal payments coincide with Meet Minneapolis’s quarterly Sales and Marketing payments from the City. Meet Minneapolis’s quarterly Sales and Marketing payment from the City of Minneapolis is being reduced by the amount of the interest and principal payments due for that particular period. The iDSS loan is accounted for on the balance sheet as a Loan Receivable and is not reflected as an expenditure line item on the Statement of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual Report.

**Fund Balance**

Based on the current revenue and expenditure trends, the 2009 fund balance is expected to be about \$38.8 million, which is approximately a \$1 million decrease from the 2009 budget. The decrease can be attributed to reduced operating revenue, softening tax revenue, and lower than expected investment income.

**CONVENTION CENTER SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the fiscal quarter ending June 30, 2009**

**CITY OF MINNEAPOLIS, MINNESOTA**

	2009		Percent of Total	Year End Projection	2008 Actual
	Budget	Actual			
<b>REVENUE</b>					
Operating Revenue:					
Charges for Services and Sales	5,475,000	2,568,732	47%	4,700,000	6,062,364
Rents and Commissions	6,435,000	3,994,949	62%	5,800,000	6,705,067
Catering Commissions	3,000,000	1,139,123	38%	2,500,000	2,801,451
<b>Total Operating Revenue</b>	<b>14,910,000</b>	<b>7,702,804</b>	<b>52%</b>	<b>13,000,000</b>	<b>15,568,882</b>
Tax Revenue:					
Sales and Use Tax	29,500,000	15,034,705	51%	29,400,000	29,502,258
Entertainment Tax	9,954,000	3,530,619	35%	9,600,000	9,630,576
Food Tax	10,000,000	3,975,068	40%	9,800,000	10,789,012
Liquor Tax	3,850,000	1,525,181	40%	3,850,000	3,939,477
Lodging Tax	6,000,000	2,241,056	37%	5,900,000	6,619,181
<b>Total Tax Revenue</b>	<b>59,304,000</b>	<b>26,306,629</b>	<b>44%</b>	<b>58,550,000</b>	<b>60,480,504</b>
Other Non Operating Revenue:					
Investment Management Services Interest	1,280,000	181,435	14%	600,000	835,847
Investment Income	20,000	-	0%	20,000	-
Meet Minneapolis Private Donations	-	-	0%	-	509,500
Meet Minneapolis (iDSS) Loan Interest	429,011	328,008	76%	435,261	1,277,715
Other	25,000	3,913	16%	14,000	7,952
<b>Total Other Non Operating Revenue</b>	<b>1,754,011</b>	<b>513,356</b>	<b>29%</b>	<b>1,069,261</b>	<b>2,631,014</b>
<b>Total Non Operating Revenue</b>	<b>61,058,011</b>	<b>26,819,985</b>	<b>44%</b>	<b>59,619,261</b>	<b>63,111,518</b>
<b>Total Revenue</b>	<b>75,968,011</b>	<b>34,522,789</b>	<b>45%</b>	<b>72,619,261</b>	<b>78,680,400</b>
<b>EXPENDITURES</b>					
Convention Center Operations	27,796,293	10,529,675	38%	25,400,000	24,050,025
Ongoing Equipment and Improvement	8,128,997	171,743	2%	8,128,997	5,315,676
General Fund Overhead/BIS Operating	2,154,000	1,070,000	50%	2,154,000	1,888,547
Human Resources	-	-	-	-	-
Meet Minneapolis	7,590,414	5,534,632	73%	7,590,414	8,046,118
<b>Total Expenditures</b>	<b>45,669,704</b>	<b>17,306,050</b>	<b>38%</b>	<b>43,273,411</b>	<b>39,300,367</b>
Excess of Revenues Over (Under) Expenditures	30,298,307	17,216,739	57%	29,345,850	39,380,033
<b>OTHER FINANCING SOURCES (USES)</b>					
General Fund Transfer	(8,454,000)	(4,427,000)	52%	(8,454,000)	(8,365,588)
Arena Reserve Fund Transfer	(1,500,000)	(750,000)	50%	(1,500,000)	(1,264,988)
Facility Reserve Fund Transfer	1,000,000	500,000	50%	1,000,000	1,000,000
Convention Center Reserve Fund Transfer	(1,150,000)	(575,000)	50%	(1,150,000)	(1,150,000)
Convention Ctr Debt Service Transfer	(18,728,000)	(6,898,538)	37%	(18,728,000)	(16,560,311)
Other Debt Service Transfer	(75,000)	(61,314)	82%	(75,000)	(68,000)
Municipal Parking Enterprise Fund Transfer	(9,858,000)	(2,307,986)	23%	(9,969,266)	(9,832,000)
Transfer to City Capital	-	-	-	-	(750,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(38,765,000)</b>	<b>(14,519,838)</b>	<b>37%</b>	<b>(38,876,266)</b>	<b>(36,990,886)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,466,693)	2,696,901		(9,530,416)	2,389,147
Fund Balance - January 1	48,306,828	48,306,828		48,306,828	45,917,682
<b>Ending Fund Balance</b>	<b>39,840,135</b>	<b>51,003,729</b>		<b>38,776,412</b>	<b>48,306,828</b>
<b>Ending Cash Balance</b>		<b>49,105,056</b>		<b>NA</b>	<b>27,417,674</b>

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**Quarter Ending June 30, 2009**

The City receives a number of state and federal grants that are recorded in the Federal (01300), Community Development Block Grant (CDBG) (01400), and Grants Other (01600) funds. These grants have varying grant periods and are used for a range of purposes.

Since the City records its financial information on a modified accrual basis the timing of cash receipts can result in grant funds reflecting a deficit cash balance. For year end reporting purposes cash deficits within funds are eliminated through short term borrowing between the funds resulting in amounts due to and due from other funds.

**Federal Grants Fund (01300)**

The City accounts for its federal grant activity in fund 01300. As of June 30, expenditures were \$7,170,963 as compared to the same period last year expenditures of \$6,158,652.

Empowerment Zone program loans receivable totaled \$4,853,753 on June 30, 2009 compared to \$3,171,852 in 2008. These amounts are offset by a corresponding amount of deferred revenue. The loans and related deferred revenue are adjusted annually as part of the year end reporting.

***American Recovery and Reinvestment Act (ARRA)***

On February 17, 2009, the President signed the American Recovery and Reinvestment Act into law. The City has to date applied for or partnered with other organizations for thirty different recovery funding opportunities in excess of \$115 million. To date, seven of these projects have been funded, of which six are directly for the City. The City has received recovery funding from the Departments of Labor, Health and Human Services, and Housing and Urban Development totaling approximately \$12 million to be used for employment and training, prenatal services, capital projects and homelessness prevention and housing. The majority of the activity will be recorded in fund 01300, however some related to the HUD Consolidated Plan will be recorded in fund 01400. In addition, Public Works has been awarded \$10 million Federal Highway Administration funds to refurbish the Camden Avenue Bridge.

**CDBG Fund (01400)**

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Shelter Grant Program (ESG), HOME Investment Partnerships Program and Housing Opportunities for Persons with AIDS (HOPWA). The expenditures in fund 01400 on June 30, 2009 were \$7,003,947 as compared to \$6,294,254 for 2008. CDBG Year 35 started on June 1, 2009 however as of the end of the quarter there were no expenditures reported. The schedule will be included in the 3<sup>rd</sup> quarter report.

In 1990, the Council committed \$7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive additional CDBG funding each year. However, should the CDBG funding ever cease, the over commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City's intent is to reprogram unspent CDBG projects balances to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of \$1,624,299. In 2008 in accordance with the reprogramming

policy an additional approximate \$950,000 was reprogrammed resulting in a new deficit balance of \$5,171,444.

### **Grants Other Fund (01600)**

The fund is used to account for non-federal grants and other restricted revenue sources. There were year to date expenditures of \$7,319,877 and \$5,395,113 on June 30, 2009 and 2008, respectively.

### ***Regulatory Services Revolving Fund***

In 2008, Regulatory Services established a revolving fund and began accounting for the activities in fund 01600. Thus far in 2009, special assessment revenue of \$1,474,476 was recorded in the fund. The excess revenue over expenditures for this program is \$2,390,057 and comprises a substantial portion of the fund balance as of June 30, 2009.

### **Capital Grants**

In addition to the grants that are recorded in the funds reflected above, the City's Department of Public Works receives various grants through the Minnesota Department of Transportation, Metropolitan Council, and Housing and Urban Development. These grants are generally recorded in the Capital Projects fund, 04100. The current work on Marquette and 2<sup>nd</sup> Avenue is supported by a grant from the Department of Transportation, Federal Transit Capital Investment grant passed through the Metropolitan Council. In 2008 the City expended over \$4.9 million in federal funds on this project.

**Special Revenue Funds**  
**Grant Funds**  
**Quarter Ending June 30, 2009**

	<b>Federal Grants 01300</b>	<b>CDBG Grants 01400</b>	<b>Grants Other 01600</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ (789,622)	\$(1,705,029)	\$ 7,123,057	\$ 4,628,406
Accounts - net	94,785	17,581	-	112,366
Special Assessments Receivable	-	-	-	-
Intergovernmental Receivables	47,543	-	4,230	51,773
Loans receivable-net	4,885,265	-	556,439	5,441,704
Deposits with Fiscal Agents	-	-	443,938	443,938
Due From Other Funds	17,650	-	9,770	27,420
<b>Total Assets</b>	<b>\$ 4,255,621</b>	<b>\$(1,687,448)</b>	<b>\$ 8,137,434</b>	<b>\$ 10,705,607</b>
<b>Liabilities</b>				
Salaries payable	\$ 241,314	\$ 414,817	\$ 396,190	\$ 1,052,321
Accounts payable	118,208	80,526	99,323	298,057
Use Taxes Payable	15,310	-	2,596	17,906
Due to Other Funds	117,239	44,660	77,153	239,052
Inter Governmental Payables	21,242	64,803	21,451	107,496
Deferred revenue & Contracts	5,262,884	-	2,782,433	8,045,317
Deferred Special Assessments	-	-	-	-
<b>Total Liabilities</b>	<b>5,776,197</b>	<b>604,806</b>	<b>3,379,146</b>	<b>9,760,149</b>
<b>Fund Balance</b>	<b>(1,520,576)</b>	<b>(2,292,254)</b>	<b>4,758,288</b>	<b>945,458</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,255,621</b>	<b>\$(1,687,448)</b>	<b>\$ 8,137,434</b>	<b>\$ 10,705,607</b>
<b>Revenue</b>				
Taxes-Charitable Gambling	\$ -	\$ -	\$ 111,717	\$ 111,717
Grants and Shared Revenues	5,257,387	4,544,945	6,256,298	16,058,630
Special Assessments	-	-	1,474,476	1,474,476
Private Contributions	-	-	304,932	304,932
Charges for Services	316,398	-	335,880	652,278
Wrecking Permit	-	-	125,719	125,719
Fees	-	-	72,800	72,800
Penalties	-	-	100,778	100,778
Interest	2,943	13,742	-	16,685
Rent & Commissions	-	-	(11,614)	(11,614)
Loan Recapture	51,569	121,227	-	172,796
Sale of Equipment	-	3,743	-	3,743
Lands & Buildings	-	30,648	-	30,648
Miscellaneous Revenue	22,090	-	24,367	46,457
Transfer within Special Revenue Fund	-	(2,612)	(27,090)	(29,702)
<b>Total Revenue</b>	<b>5,650,387</b>	<b>4,711,693</b>	<b>8,768,263</b>	<b>19,130,343</b>
<b>Expenditures</b>	<b>\$ 7,170,963</b>	<b>\$ 7,003,947</b>	<b>\$ 7,319,877</b>	<b>\$ 21,494,787</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (1,520,576)</b>	<b>\$(2,292,254)</b>	<b>\$ 1,448,386</b>	<b>\$ (2,364,444)</b>

**CDBG Program Year 34**  
**Beginning June 1, 2008**  
**June 30, 2009**

Department	Agy	Project	Budget	Program Income	Revised Budget	2009		Remaining Grant Budget
						Expenditures	Grant to Date Expenditures	
<b>Capital Grants:</b>								
Non-Departmental	123	General Housing Rehabilitation-MPHA	\$ 218,000	\$ -	\$ 218,000	\$ 132,598	\$ 132,598	\$ 85,402
City Attorney	140	Problem Properties Attorneys	38,300	-	38,300	26,820	44,503	(6,203)
Police	400	Problem Properties Police	52,700	-	52,700	-	-	52,700
Regulatory Services	835	Lead Reduction	125,000	-	125,000	35,708	64,619	60,381
Regulatory Services	835	Problem Properties Board Bldg	348,000	-	348,000	190,545	190,545	157,455
Health & Family Support	860	Childcare Facilities Loan/Grant	224,000	-	224,000	-	-	224,000
CPED	890	Adult Training, Placement and Retention	1,380,000	-	1,380,000	721,225	1,051,484	328,516
CPED	890	High density corridor housing	729,000	-	729,000	-	-	729,000
CPED	890	NonProfit MF Rental Development Assistance	165,000	-	165,000	-	-	165,000
CPED	890	Homeownership Program (GMMHC)	319,000	-	319,000	-	-	319,000
CPED	890	Industry Cluster Program (Living Wage Jobs)	65,100	-	65,100	23,267	32,667	32,433
CPED	890	Multi-Family/Affordable Housing	4,270,000	-	4,270,000	-	-	4,270,000
CPED	890	NEDF/CEDF	518,000	-	518,000	-	-	518,000
CPED	890	Vacant & Boarded Housing	569,000	-	569,000	-	-	569,000
		Subtotal Capital Grants	9,021,100	-	9,021,100	1,130,163	1,516,416	7,504,684
<b>Public Service Grants:</b>								
Civil Rights	300	Multi Cultural & Native American Indian	119,000	- #	119,000	106,120	106,120	12,880
Public Works	607	Graffiti Removal on Public Property	86,200	-	86,200	-	-	86,200
Health & Family Support	860	Advocacy (Housing)	82,300	-	82,300	5,179	82,254	46
Health & Family Support	860	Asian Media Access	26,800	-	26,800	18,026	18,026	8,774
Health & Family Support	860	Living at Home Block Nurse Program	64,100	-	64,100	33,653	43,271	20,829
Health & Family Support	860	Child Dental Services	10,500	-	10,500	500	9,000	1,500
Health & Family Support	860	Curfew/Truancy Center	98,000	-	98,000	5,482	58,123	39,877
Health & Family Support	860	348 TOTS	34,500	-	34,500	-	-	34,500
Health & Family Support	860	Resource Inc, Employment Action Center	44,000	-	44,000	-	19,960	24,040
Health & Family Support	860	Fremont Community Health Services	44,000	-	44,000	23,642	36,627	7,373
Health & Family Support	860	Greater Minneapolis Council of Churches	44,000	-	44,000	14,208	31,325	12,675
Health & Family Support	860	Lao Assistance Center of MN	48,800	-	48,800	24,332	36,508	12,292
Health & Family Support	860	MIGIZI Communications	42,100	-	42,100	25,476	33,560	8,540
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	65,100	-	65,100	36,373	37,178	27,922
Health & Family Support	860	Minneapolis Urban League	64,100	-	64,100	32,425	53,646	10,454
Health & Family Support	860	St Marys Health Clinics	18,200	-	18,200	5,824	12,101	6,099
Health & Family Support	860	St Stephens Human Services	44,000	-	44,000	31,164	31,164	12,836
Health & Family Support	860	Southside Family Nurturing Center	44,000	-	44,000	7,400	15,708	28,292
Health & Family Support	860	Way to Grow	261,000	-	261,000	87,628	223,599	37,401
Public Works	860	Youth are Here Busses	71,800	-	71,800	-	-	71,800
CPED	890	Mortgage Foreclosure Prevention Program	196,000	-	196,000	48,915	196,000	-
CPED	890	Youth Employment & Training	457,000	-	457,000	93,425	96,512	360,488
		Subtotal Public Service Grants	1,965,500	-	1,965,500	599,772	1,140,682	824,818
<b>Administrative Grants:</b>								
Non-Departmental	123	MPH Citizen Participation	68,000	-	68,000	-	-	68,000
Non-Departmental	123	YCB Administration	65,000	-	65,000	-	64,803	197
Civil Rights	300	Civil Rights Dept Fair Housing	196,000	-	196,000	-	-	196,000
Grants & Special Projects	800	Homeless Initiative	-	-	-	-	-	-
Grants & Special Projects	800	Grants & Special Projects	235,000	-	235,000	75,350	155,702	79,298
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	54,600	-	54,600	13,650	45,500	9,100
Finance	820	Finance Administration	196,000	-	196,000	-	-	196,000
Health & Family Support	860	Grant Administration	67,972	-	67,972	16,902	67,972	-
Health & Family Support	860	Legal Aid Society	33,500	-	33,500	8,375	27,917	5,583
Health & Family Support	860	Neighborhood Services	71,800	-	71,800	37,583	61,058	10,742
Health & Family Support	860	Way to Grow Administration	25,800	-	25,800	15,049	25,800	-
Health & Family Support	860	YCB Youth Violence Prevention	120,000	-	120,000	46,489	103,731	16,269
CPED	890	Citizen Participation	233,000	-	233,000	144,656	144,656	88,344
CPED	890	Program Admin	62,000	-	62,000	-	-	62,000
CPED	890	Planning - Administration	878,000	-	878,000	516,514	844,310	33,690
		Subtotal Administrative Grants	2,306,672	-	2,306,672	874,568	1,541,449	765,223
		<b>GRAND TOTAL</b>	<b>\$ 13,293,272</b>	<b>\$ -</b>	<b>\$ 13,293,272</b>	<b>\$ 2,604,503</b>	<b>\$ 4,198,547</b>	<b>\$ 9,094,725</b>

<sup>1</sup> Over expended amount to be corrected in July

**CDBG Program Year 33**  
**Beginning June 1, 2007**  
**June 30, 2009**

Department	Agy	Project	Budget	Program Income	Council Action 12/21/2007 2008R-060	Revised Budget	2009		Remaining Grant Budget
							2009 Expenditures	Grant to Date Expenditures	
<b>Capital Grants:</b>									
CPED	890	Adult Training, Placement and Retention	\$ 844,000			\$ 844,000	\$ 4,316	\$ 844,000	\$ -
CPED	890	High density corridor housing	801,000			801,000	678,678	704,183	96,817
CPED	890	Homeownership Program (GMMHC)	350,500			350,500	-	-	350,500
CPED	890	Industry Cluster Program (Living Wage Jobs)	71,900			71,900	48,760	59,760	12,140
CPED	890	Multi-Family/Affordable Housing	4,388,000			4,388,000	1,348,341	1,478,462	2,909,538
CPED	890	NEDF/CEDF	1,167,000			1,167,000	(100,103)	123,917	1,043,083
CPED	890	NonProfit MF Rental Development Assistance	180,700			180,700	103,627	103,627	77,073
CPED	890	Vacant & Boarded Housing	625,000			625,000	689,917	4,201,689	(3,576,689)
Health & Family Support	860	Childcare Facilities Loan/Grant	233,700			233,700	-	-	233,700
Regulatory Services	835	Lead Reduction	130,800			130,800	-	91,789	39,011
Regulatory Services	835	Problem Properties Board Bldg	346,240	187,500 <sup>1</sup>	15,965	549,705	140,791	630,088	(80,383)
Police	400	Problem Properties Police	53,880			53,880	-	1,012	52,868
Fire	280	Problem Properties Fire	15,965		(15,965)	-	-	-	0
City Attorney	140	Problem Properties Attorneys	38,915			38,915	(42)	34,129	4,786
Non-Departmental	123	General Housing Rehabilitation-MPHA	227,700			227,700	-	74,656	153,044
		Subtotal Capital Grants	<u>9,475,300</u>	<u>187,500</u>	<u>0</u>	<u>9,662,800</u>	<u>2,914,285</u>	<u>8,347,312</u>	<u>1,315,488</u>
<b>Public Service Grants:</b>									
CPED	890	Mortgage Foreclosure Prevention Program	204,700	100,000 <sup>2</sup>	95,300 <sup>3</sup>	400,000	-	400,000	-
CPED	890	Youth Employment & Training	476,133			476,133	22,000	474,201	1,932
Health & Family Support	860	Advocacy (Housing)	92,600			92,600	-	92,600	-
Health & Family Support	860	Asian Media Access	30,000			30,000	-	30,000	-
Health & Family Support	860	Cardondelet Life Care	21,000			21,000	-	21,000	-
Health & Family Support	860	Child Dental Services	11,000			11,000	-	11,000	-
Health & Family Support	860	Curfew/Truancy Center	98,000			98,000	-	98,000	-
Health & Family Support	860	Domestic Abuse Project	40,000			40,000	18,344	30,844	9,156
Health & Family Support	860	Fremont Community Health Services	50,000			50,000	-	50,000	-
Health & Family Support	860	Greater Minneapolis Council of Churches	50,000			50,000	-	49,700	300
Health & Family Support	860	Lao Assistance Center of MN	55,000			55,000	-	55,000	-
Health & Family Support	860	Living at Home Block Nurse Program	75,000			75,000	-	74,960	40
Health & Family Support	860	MIGIZI Communications	48,000			48,000	-	48,000	-
Health & Family Support	860	Minneapolis Urban League	75,000			75,000	-	75,000	-
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	76,000			76,000	-	76,000	-
Health & Family Support	860	Resource Inc, Employment Action Center	50,000			50,000	-	49,999	1
Health & Family Support	860	Southside Family Nurturing Center	50,000			50,000	-	43,779	6,221
Health & Family Support	860	St Stephens Human Services	50,000			50,000	-	50,000	-
Health & Family Support	860	Way to Grow	296,000			296,000	-	296,000	-
Public Works	607	Graffiti Removal on Public Property	91,400			91,400	-	91,400	-
Civil Rights	300	Multi Cultural & Native American Indian	132,800			132,800	10,852	132,800	-
		Subtotal Public Service Grants	<u>2,072,633</u>	<u>100,000</u>	<u>95,300</u>	<u>2,267,933</u>	<u>51,196</u>	<u>2,250,283</u>	<u>17,650</u>
<b>Administrative Grants:</b>									
CPED	890	Citizen Participation	242,700			242,700	(35,377)	216,781	25,919
CPED	890	Planning - Administration	878,000			878,000	(33,710)	878,000	-
CPED	890	Program Admin	103,000			103,000	-	35,943	67,057
Health & Family Support	860	Grant Administration	71,900			71,900	-	70,354	1,546
Health & Family Support	860	Legal Aid Society	35,000			35,000	-	35,000	-
Health & Family Support	860	Neighborhood Services	74,900			74,900	-	74,900	-
Health & Family Support	860	Way to Grow Administration	27,000			27,000	-	27,000	-
Finance	820	Finance Administration	205,000			205,000	93,253	151,388	53,612
Grants & Special Projects	800	Grants & Special Projects	244,900			244,900	48,098	288,058	(43,158)
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	56,900			56,900	-	56,900	-
Civil Rights	300	Civil Rights Dept Fair Housing	205,000			205,000	132,651	193,819	11,181
Non-Departmental	123	MPH Citizen Participation	70,900			70,900	-	-	70,900
Non-Departmental	123	YCB Administration	64,900			64,900	-	64,803	97
		Subtotal Administrative Grants	<u>2,280,100</u>	<u>-</u>	<u>-</u>	<u>2,280,100</u>	<u>204,915</u>	<u>2,092,946</u>	<u>187,154</u>
		<b>GRAND TOTAL</b>	<u>\$ 13,828,033</u>	<u>\$ 287,500</u>	<u>\$ 95,300</u>	<u>\$ 14,210,833</u>	<u>\$ 3,170,396</u>	<u>\$ 12,690,541</u>	<u>\$ 1,520,292</u>

<sup>1</sup> Council Action 2007R-528

<sup>2</sup> Approved by Finance Officer

<sup>3</sup> 12/21/07 Council adopted admendment to 2007 Consolidated Plan reallocating \$95,300 from Yr28 to Yr33

<sup>4</sup> Vacant & Boarded for Yr 33 is \$3,576,689 over budget as of June 30 and CPED Management has a workout plan in progress.

<sup>5</sup> Reclassify \$80,383 to Yr 34 grant in July 2009

<sup>6</sup> Reclassify \$43,158 to Yr 34 grant in July 2009

**CDBG Program Year 32**  
**Beginning June 1, 2006**  
**June 30, 2009**

Department	Agy	Project	Adopted Budget	Council Action 2006R-093	Adjustments & Program Income	Council Action 2008R-060	Revised Budget	2009		Remaining Grant Budget
								2009 Expenditures	Grant to Date Expenditures	
<b>Capital Grants:</b>										
CPED	890	Adult Training, Placement and Retention	\$ 580,000	\$ (32,500)			\$ 547,500	\$ -	\$ 547,500	\$ -
CPED	890	High density corridor housing	1,000,000	(56,100)			943,900	(484,441)	941,209	2,691
CPED	890	Homeownership Program (GMMHC)	437,000	(24,600)			412,400			412,400
CPED	890	Industry Cluster Program (Living Wage Jobs)	90,000	(5,050)			84,950	21,293	84,950	-
CPED	890	Multi-Family/Affordable Housing	4,999,000	(299,000)			4,700,000	(212,064)	4,068,436	631,564
CPED	890	NEDF/CEDF	136,000	(7,630)			128,370	79,376	136,811	(8,441)
CPED	890	NonProfit MF Rental Development Assistance	226,000	(12,679)			213,321	(71,027)	70,721	142,600
CPED	890	Vacant & Boarded Housing <sup>3</sup>	1,154,000	(64,725)	2,000,000 <sup>2</sup>		3,089,275	738,082	3,089,300	(25)
Health & Family Support	860	Childcare Facilities Loan/Grant	292,000	(16,381)	(127,427)		148,192	-	11,333	136,859
Regulatory Services	835	Lead Reduction	163,000	(9,144)			153,856	-	153,856	-
Regulatory Services	835	Vacant & Boarded Housing-249 List <sup>3</sup>	-	-	-		-	-	-	-
Regulatory Services	835	Problem Properties Board Bldg	54,900	-		18,300	73,200	-	54,900	18,300
Police	400	Problem Properties Police	64,050	-			64,050	-	-	64,050
Fire	280	Problem Properties Fire	18,300	-		(18,300)	-	-	-	-
City Attorney	140	Problem Properties Attorneys	45,750	-			45,750	-	45,750	-
Non-Departmental	123	General Housing Rehabilitation-MPHA	282,000	(15,820)			266,180	-	266,180	-
		Subtotal Capital Grants	<u>9,542,000</u>	<u>(543,629)</u>	<u>1,872,573</u>	<u>-</u>	<u>10,870,944</u>	<u>71,219</u>	<u>9,470,946</u>	<u>1,399,998</u>
<b>Public Service Grants:</b>										
CPED	890	Mortgage Foreclosure Prevention Program	218,000	(13,000)	44,224 <sup>1</sup>		249,224	-	249,224	-
CPED	890	Youth Employment & Training	506,000	(29,000)			477,000	-	477,000	-
Health & Family Support	860	Advocacy (Housing)	100,000	(5,610)	20,422		114,812	-	114,812	-
Health & Family Support	860	Block Nurse Program	62,000	(3,478)	(2,315)		56,207	-	56,207	-
Health & Family Support	860	Mneapolis Urban League	24,000	(1,346)	(336)		22,318	-	22,318	-
Health & Family Support	860	Curfew/Traucny Center	98,000	-			98,000	-	98,000	-
Health & Family Support	860	Early Childhood School Rediness	19,000	(1,066)			17,934	-	17,934	-
Health & Family Support	860	GMDCA Child Care	135,000	(7,573)	-		127,427	-	-	127,427
Health & Family Support	860	Lao Advancement Organization of America	47,000	(2,637)			44,363	-	44,363	-
Health & Family Support	860	Mneapolis Medical Research Foundation	43,000	(2,412)	(9,987)		30,601	-	30,601	-
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	80,000	(4,488)			75,512	-	75,512	-
Health & Family Support	860	Native American Community Clinic	26,000	(1,459)	(1)		24,540	-	24,540	-
Health & Family Support	860	MELD	38,000	(2,132)	(6,276)		29,592	-	29,592	-
Health & Family Support	860	Child Dental Services	10,000	(561)			9,439	-	9,439	-
Health & Family Support	860	Cardondelet Life Care	71,000	(3,983)			67,017	-	67,017	-
Health & Family Support	860	New American Community Services	47,000	(2,637)	(65)		44,298	-	44,298	-
Health & Family Support	860	Southside Community Health Services	47,000	(2,637)			44,363	-	44,363	-
Health & Family Support	860	Westside Community Health Services	38,000	(2,132)	(2,928)		32,940	-	32,940	-
Health & Family Support	860	YWCA Day Care Scholarships	28,000	(1,571)			26,429	-	26,429	-
Health & Family Support	860	Neighborhood Healthcare Services	135,000	(7,573)			127,427	-	127,427	-
Health & Family Support	860	Little Earth Residents Association	33,000	(1,851)			31,149	-	31,149	-
Health & Family Support	860	Way to Grow	296,000	-			296,000	-	296,000	-
Health & Family Support	860	Cardondelet Life Care yr33	-	-	2,800		2,800	-	2,800	-
Health & Family Support	860	Child Dental Services yr33	-	-	500		500	-	500	-
Health & Family Support	860	Fremont CHS yr33	-	-	6,000		6,000	-	-	6,000
Health & Family Support	860	GMCC Division of Indian Works yr33	-	-	6,000		6,000	-	6,000	-
Health & Family Support	860	Migizi Communications yr33	-	-	5,900		5,900	-	5,900	-
Health & Family Support	860	Mneapolis Teenage Pregnancy yr33	-	-	10,900		10,900	-	10,900	-
Health & Family Support	860	Mneapolis Urban League yr33	-	-	10,900		10,900	-	10,900	-
Health & Family Support	860	Resource Inc yr33	-	-	6,000		6,000	-	6,000	-
Health & Family Support	860	Senior Block Nurse yr33	-	-	10,900		10,900	7,267	10,900	-
Health & Family Support	860	Southside Community Health Services yr33	-	-	6,000		6,000	-	-	6,000
Health & Family Support	860	St. Stephens Yr33	-	-	6,000		6,000	6,000	6,000	-
Health & Family Support	860	Neighborhood Healthcare Services	-	-	57,012		57,012	40,000	40,000	17,012
Public Works	607	Graffiti Removal on Public Property	97,000	(5,500)			91,500	-	91,500	-
Civil Rights	300	Multi Cultural & Native American Indian	165,300	(9,320)	(66)		155,914	-	155,914	-
		Subtotal Public Service Grants	<u>2,363,300</u>	<u>(111,966)</u>	<u>171,584</u>	<u>-</u>	<u>2,422,918</u>	<u>53,267</u>	<u>2,266,479</u>	<u>156,439</u>
<b>Administrative Grants:</b>										
CPED	890	Citizen Participation	303,000	(17,000)			286,000	(857)	286,000	-
CPED	890	Planning - Administration	1,146,800	(105,907)			1,040,893	-	1,040,893	-
CPED	890	Program Admin	8,900	41,100			50,000	-	50,000	-
Health & Family Support	860	Grant Administration	90,000	(5,005)		(6,849)	84,995	-	84,995	-
Health & Family Support	860	Legal Aid Society	44,000	(2,903)			41,097	-	41,097	-
Health & Family Support	860	Neighborhood Services	94,000	(5,269)			88,731	-	88,731	-
Health & Family Support	860	Way to Grow Administration	34,000	(2,244)			31,756	-	31,756	-
Finance	820	Finance Administration	255,000	(14,025)			240,975	3,293	243,674 <sup>4</sup>	(2,699)
Grants & Special Projects	800	Grants & Special Projects	206,000	(17,335)			188,665	-	188,665	-
Grants & Special Projects	800	Homeless Initiative	100,000				100,000	15,924	113,481 <sup>5</sup>	(13,481)
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	71,000	(3,751)			67,249	-	67,249	-
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	16,000	(16,000)			-	-	-	-
Civil Rights	300	Civil Rights Dept Fair Housing	255,000	(14,025)			240,975	-	240,975	-
Non-Departmental	123	Administration YCB	57,000	-			57,000	-	57,000	-
Non-Departmental	123	Citizen Participation MPHA	88,000	(4,895)			83,105	-	29,314	53,791
		Subtotal Administrative Grants	<u>2,768,700</u>	<u>(167,259)</u>	<u>-</u>	<u>(6,849)</u>	<u>2,601,441</u>	<u>18,360</u>	<u>2,563,830</u>	<u>37,611</u>
<b>GRAND TOTAL</b>			<u>\$ 14,674,000</u>	<u>\$ (822,854)</u>	<u>\$ 2,044,157</u>	<u>\$ (6,849)</u>	<u>\$ 15,895,303</u>	<u>\$ 142,846</u>	<u>\$ 14,301,255</u>	<u>\$ 1,594,048</u>

<sup>1</sup> Council Action 2006R-146

<sup>2</sup> Council Action 2006R-355

<sup>3</sup> Council Action 2006R-356, 2006R-047 authorized and later rescinded Agency 835 \$125,000 249 List program spending that was to be funded from reduction in Agency 890 Boarded Building spending.

<sup>4</sup> Reclassify \$2,699 to Yr 33 grant in July 2009.

<sup>5</sup> Reclassify \$13,481 to Yr 34 Grants & Special Projects grant in July 2009.

**CDBG Program Year 31  
Beginning June 1, 2005  
June 30, 2009**

Department	Agy	Project	Adopted Budget	Council Agency Actions	Revised Budget	2009		Remaining Grant Budget
						2009 Expenditures	Grant to Date Expenditures	
<b>Capital Grants:</b>								
CPED	890	Adult Training, Placement and Retention	\$ 610,878		\$ 610,878	\$ -	\$ 610,878	\$ -
CPED	890	High density corridor housing	953,008		953,008	(61,847)	953,008	-
CPED	890	Homeownership Program (GMMHC)	439,174		439,174	-	-	439,174
CPED	890	Industry Cluster Program (Living Wage Jobs)	94,348		94,348	-	94,348	-
CPED	890	Multi-Family/Affordable Housing	4,898,461		4,898,461	(48,007)	4,859,527	38,934
CPED	890	NEDF/CEDF	142,951		142,951	127,676	142,951	-
CPED	890	NonProfit MF Rental Development Assistance	238,252		238,252	7,400	225,652	12,600
CPED	890	Residential Loan/Grant	571,805		571,805	16,667	532,371	39,434
CPED	890	Vacant & Boarded Housing	1,200,000		1,200,000	(1,330)	1,200,000	-
Health & Family Support	860	Childcare Facilities Loan/Grant	306,869		306,869	1,408	107,551	199,318
Regulatory Services	835	Lead Reduction	171,541		171,541	-	171,541	-
Regulatory Services	835	Problem Properties Board Bldg	49,557	23,825 <sup>1</sup>	73,382	-	44,966	28,416
Police	400	Problem Properties Police	71,476		71,476	2,294	32,540	38,936
Fire	280	Problem Properties Fire	23,825	(23,825) <sup>1</sup>	-	-	-	-
City Attorney	140	Problem Properties Attorneys	47,650		47,650	-	47,650	-
Non-Departmental	123	General Housing Rehabilitation-MPHA	297,338		297,338	-	297,338	-
		Subtotal Capital Grants	10,117,133	-	10,117,133	44,261	9,320,321	796,812
<b>Public Service Grants:</b>								
CPED	890	Mortgage Foreclosure Prevention Program	238,252		238,252	-	238,252	-
CPED	890	Youth Employment & Training	541,309		541,309	-	541,309	-
Health & Family Support	860	Advocacy (Housing)	104,831		104,831	-	104,831	-
Health & Family Support	860	Block Nurse Program	66,000		66,000	-	66,000	-
Health & Family Support	860	Child Dental Services	11,000		11,000	-	11,000	-
Health & Family Support	860	Curfew/Tuancy Center	99,113		99,113	-	99,113	-
Health & Family Support	860	Early Childhood School Rediness	90,412	(15,247) <sup>2</sup>	75,165	-	75,165	-
Health & Family Support	860	GMDCA Child Care	142,500	14,568 <sup>2</sup>	157,068	-	157,068	-
Health & Family Support	860	HIV/AIDS	45,000	(1,939) <sup>2</sup>	43,061	-	43,061	-
Health & Family Support	860	Lao Advancement Organization of America	50,000	(41) <sup>2</sup>	49,959	-	49,959	-
Health & Family Support	860	Minneapolis Community Clinics	335,561	5,455 <sup>2</sup>	341,016	-	341,016	-
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	85,000		85,000	-	85,000	-
Health & Family Support	860	MUL-Mental Health	25,000	(2,623) <sup>2</sup>	22,377	-	22,377	-
Health & Family Support	860	New American Community Services	50,000	(173) <sup>2</sup>	49,827	-	49,827	-
Health & Family Support	860	School Success Programs	35,000		35,000	-	35,000	-
Health & Family Support	860	Way to Grow	295,432		295,432	-	295,432	-
Public Works	607	Graffiti Removal on Public Property	101,972		101,972	-	101,972	-
Civil Rights	300	Multi Cultural & Native American Indian	166,776		166,776	-	166,776	-
		Subtotal Public Service Grants	2,483,158	-	2,483,158	-	2,483,158	-
<b>Administrative Grants:</b>								
CPED	890	Citizen Participation	328,788		328,788	-	314,253	14,535
CPED	890	Planning - Administration	1,230,400		1,230,400	-	963,913	266,487
CPED	890	Program Admin	13,657		13,657	-	13,657	-
Health & Family Support	860	Grant Administration	95,301		95,301	-	95,301	-
Health & Family Support	860	Legal Aid Society	46,697		46,697	-	46,697	-
Health & Family Support	860	Neighborhood Services	101,972	(54,989) <sup>3</sup>	46,983	-	46,983	-
Health & Family Support	860	Way to Grow Administration	34,308		34,308	-	34,308	-
Finance	820	Finance Administration	271,607	(22,193) <sup>3</sup>	249,414	-	249,414	-
Grants & Special Projects	800	Grants & Special Projects	219,192	(46,005) <sup>3</sup>	173,187	-	173,187	-
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	76,241		76,241	-	76,241	-
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	17,154		17,154	-	16,154	1,000
Civil Rights	300	Fair Housing Initiative/Davis Bacon Compliance	257,312		257,312	-	257,312	-
Non-Departmental	123	Administration YCB	56,227		56,227	-	56,227	-
Non-Departmental	123	Citizen Participation MPHA	93,395		93,395	-	53,395	40,000
		Subtotal Administrative Grants	2,842,251	(123,187)	2,719,064	-	2,397,042	322,022
	123	Block E Deficit Reduction	-	123,187 <sup>3</sup>	123,187	-	-	123,187
		<b>GRAND TOTAL</b>	<b>\$ 15,442,542</b>	<b>\$ (0)</b>	<b>\$ 15,442,542</b>	<b>\$ 44,261</b>	<b>\$ 14,200,521</b>	<b>\$ 1,242,021</b>

<sup>1</sup> Council Action 2007R-266

<sup>2</sup> Agency Change in CDBG Program Funding

<sup>3</sup> 2005R-618 Council Action Reprograming CDBG funds for Block E Reduction.

**CDBG Program Year 30**  
**Beginning June 1, 2004**  
**June 30, 2009**

Department	Agy	Project	Adopted 2003R-610	Amended Budget	Council Action 2005R-618	Revised Budget	2009		Remaining Grant Budget
							2009 Expenditures	Grant to Date Expenditures	
<b>Capital Grants:</b>									
CPED	890	Adult Training, Placement & Retention	\$ 641,000	\$ 639,823		\$ 639,823		\$ 639,823	\$ -
CPED	890	High Density Corridor Housing	1,000,000	998,164		998,164	-	998,164	-
CPED	890	Home Ownership Program (GMMHC)	465,000	464,146		464,146	130,298	174,257	289,889
CPED	890	Industrial Cluster Training (Living Wage Jobs)	99,000	98,818		98,818	-	98,818	-
CPED	890	Multi Family Affordable Housing	5,390,000	5,380,106		5,380,106	-	5,286,081	94,025
CPED	890	Neighborhood/Commercial Economic Dev Fd	150,000	149,725		149,725	(42,405)	149,725	-
CPED	890	Residential Loan / Grant	444,000	443,185		443,185	-	443,185	-
CPED	890	Vacant/Boarded Housing Program	1,000,000	998,164		998,164	-	998,164	-
CPED	890	VHR Distressed	393,000	392,279		392,279	-	220,374	171,905
Health & Family Support	860	GMDCA- Child care facilities	323,000	322,407		322,407	-	322,407	-
Inspections Department	850	Hud Lead Program	180,000	34,353		34,353	-	34,353	-
Licenses & Consumer Services	835	Boarded Building Demolition	202,000	201,629		201,629	-	198,608	3,021
Regulatory Services	835	Hud Lead Program		145,317		145,317	-	132,373	12,944
Non Departmental	123	General Housing Rehabilitation-MPHA	313,000	312,425		312,425	-	312,425	-
		Subtotal Capital Grants	10,600,000	10,580,541	-	10,580,541	87,893	10,008,757	571,784
<b>Public Service Grants:</b>									
CPED	890	Mortgage Foreclosure Program	250,000	249,541		249,541	-	249,541	-
CPED	890	Youth Employment & Training	568,000	566,957		566,957	-	566,957	-
Health & Family Support	860	Advocacy	110,000	86,033		86,033	-	86,033	-
Health & Family Support	860	Block Nurse prg	66,000	65,879		65,879	-	65,879	-
Health & Family Support	860	Child Dental Services	11,000	10,980		10,980	-	10,980	-
Health & Family Support	860	Curfew Truancy Center	104,000	103,809		103,809	-	103,809	-
Health & Family Support	860	Domestic Abuse Prevention	58,000	57,894		57,894	-	57,894	-
Health & Family Support	860	GMDCA- Child care sliding fee	301,000	300,447		300,447	-	300,447	-
Health & Family Support	860	Head Start	66,000	65,879		65,879	-	65,879	-
Health & Family Support	860	Minnesota Aids Project	23,000	22,958		22,958	-	22,958	-
Health & Family Support	860	MPLS Community Clinics	261,000	260,521		260,521	-	256,951	3,570
Health & Family Support	860	Senior Services	61,000	60,888		60,888	-	56,178	4,710
Health & Family Support	860	Tubman Family Alliance	41,000	40,925		40,925	-	40,925	-
Health & Family Support	860	Volunteers of America	80,000	79,853		79,853	-	79,853	-
Health & Family Support	860	Way To Grow	311,000	310,429		310,429	-	310,428	1
Regulatory Services	835	Groundworks	17,000	16,969		16,969	-	16,969	-
Public Works	607	Graffiti Removal	107,000	106,804		106,804	-	106,804	-
Civil Rights	300	Multicultural Services	101,749	101,529		101,529	-	101,529	-
Civil Rights	300	American Indian Advocacy	-	23,765		23,765	-	23,765	-
Park & Recreation Board	127	Teamworks	15,000	14,972		14,972	-	14,972	-
		Subtotal Public Service Grants	2,551,749	2,547,032	-	2,547,032	-	2,538,751	8,281
<b>Administrative Grants:</b>									
CPED	890	Citizen (Resident) Participation	346,000	345,365		345,365	-	345,365	-
CPED	890	Neighborhood Business Association	174,000	173,681		173,681	-	173,681	-
CPED	890	Planning Administration	1,213,000	1,210,773		1,210,773	-	976,128	234,645
CPED	890	Program Administration	75,000	74,862		74,862	-	74,862	-
Health & Family Support	860	Grant Administration	100,000	99,816		99,816	-	99,816	-
Health & Family Support	860	Legal Aid Services	49,000	48,910		48,910	-	48,910	-
Health & Family Support	860	Neighborhood Services Administration	162,000	161,703	(79,096)	82,607	-	82,607	-
Health & Family Support	860	New Arrivals	18,251	18,251		18,251	-	18,251	-
Health & Family Support	860	Way To Grow Administration	36,000	35,934		35,934	-	35,934	-
Finance Department	820	General Administration Finance	343,000	342,370	(89,801)	252,569	-	252,569	-
Grants and Special Projects	800	Administration	230,000	229,579	(25,237)	204,342	-	204,342	-
Grants and Special Projects	800	Metro Fair Housing-Multi Jurisdictional	18,000	17,967		17,967	-	17,967	-
Grants and Special Projects	800	Housing Discrimination Law Project-Legal Aid	80,000	79,853		79,853	-	79,853	-
Civil Rights	300	Fair Housing Initiative	190,000	189,651		189,651	-	189,651	-
Non Departmental	123	Citizen (Resident) Participation-MPHA	98,000	97,820		97,820	-	93,609	4,211
Non Departmental	123	Youth Coordinating Board (YCB)	59,000	58,892		58,892	-	58,892	-
		Subtotal Administrative Grants	3,191,251	3,185,427	(194,134)	2,991,293	-	2,752,437	238,856
	123	Block E Deficit Reduction	-	-	194,134	194,134	-	-	194,134
		GRAND TOTAL	\$ 16,343,000	\$ 16,313,000	\$ -	\$ 16,313,000	\$ 87,893	\$ 15,299,945	\$ 1,013,055

**City of Minneapolis  
Engineering, Materials, and Testing  
For the Second Quarter ending June 30, 2009**

Fund 6000	2009 Budget	2009 2nd Quarter	Remaining Budget	% of Actual To Budget
<b>Revenue including Transfers</b>	1,430,000	446,676	983,324	31.2%
<b>Expenses including Transfers</b>	1,830,017	554,943	1,275,074	30.3%
<b>Revenue over(under) Expenses</b>	(400,017)	(108,267)		

**Program Description:**

The Engineering, Materials and Testing Fund records transactions related to City purchases of Hot-Mix Asphalt and Ready-Mix Concrete. This fund monitors quality control for the placement of these materials and assures compliance with State and Federal standards and specifications. The Engineering Laboratory is a component of this fund and provides inspection and testing services along with maintaining a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services.

Public Works is reviewing various options for supplying asphalt. In 2006, the City decided to permanently close the City of Minneapolis Asphalt Plant. Due to the upcoming Hiawatha Yard Project, the asphalt storage silo distribution facility is not being used in 2009.

**Revenue:**

The revenue sources for this fund include the sale of procured Hot-Mix Asphalt and Ready-Mix Concrete materials and inspection and testing services. Paving construction is the fund's primary customer. The demand for products is seasonal beginning in April and concluding in late November. The seasonal demand has recorded \$446,676 or 31.2% of the budgeted amount of \$1,430,000 earned through the second quarter of 2009.

The revenue recorded through second quarter 2009 for asphalt and concrete cannot be compared with previous periods due to differences in recording the sales that resulted from the implementation of the new financial reporting system. Revenue for asphalt and concrete is recorded as the overhead charged only or the difference between the cost of the product and the sale price charged to the customer. As the cost of good sold is not recorded against the budget, the amount budgeted for 2009, \$2,772,964, is removed from both the revenue and expense budgets. The revenue earned for year ending 2007 for asphalt and concrete is based on the sales price to the customer which is the total of the cost of goods and the overhead charge. The operating revenue for the second quarter is \$446,676 and consists of inspection fees of \$299,785 and mark up to the cost of asphalt and concrete of \$146,891. The overhead charged on asphalt and concrete is calculated to cover the cost of the department expenses.

**Expenses:**

Total expenses through the second quarter are \$554,943 which is 30.3% of the budgeted amount of \$1,830,017. The spending levels fluctuate due to the customer's seasonal requirements for products and services. The expenses through second quarter 2009 related to Materials/Other cannot be compared to the expenses for materials in 2008 and 2007 due to differences in methods to record the cost of purchases of asphalt and concrete. In 2009, the cost of asphalt and concrete is decreased as these products are sold to the customers. The revenue earned from the sale is recorded as overhead only and does not include the cost of goods sold.

**Transfers:**

The fund 2009 non-operating budget transfer of \$58,000 is related to debt service for the Minneapolis Employees Retirement Funds' unfunded pension liability.

**Net Assets:**

Changes in demand for products and services affect the net asset balance. The 2008 year end net asset balance is \$27,759 which represents a decrease of \$168,432 or 85.6% from the 2007 ending balance of \$196,191. The net asset balance has declined each year since 2003 when the net assets were \$780,000.

City of Minneapolis, Minnesota  
Engineering, Materials and Testing Fund  
Statement of Revenues and Expenses  
For Second Quarter/Years Ending 2009, 2008, and 2007

	Budget Year 2009	Projected Year Ending 2009	For Period Ending 6/30/2009	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07
<b>Operating Revenues:</b>							
Asphalt / Concrete	400,000	350,000	146,891	208,621	699,935	3,251,259	455,936
Inspection revenue	1,030,000	933,390	299,785	1,069,484	438,305	846,122	196,748
<b>Total Operating Revenues</b>	<b>1,430,000</b>	<b>1,283,390</b>	<b>446,676</b>	<b>1,278,105</b>	<b>1,138,240</b>	<b>4,097,381</b>	<b>652,684</b>
<b>Operating Expenses:</b>							
Personnel	766,925	696,504	348,252	718,936	337,796	774,687	361,683
Contractual	423,052	310,840	118,668	498,215	202,466	321,108	114,684
Materials/Other <sup>1</sup>	481,053	60,000	20,775	67,190	623,631	2,901,513	271,073
Rent	85,763	61,273	30,636	61,002	23,004	96,378	48,189
Depreciation	15,224	15,224	7,612	15,224	8,869	17,349	8,869
<b>Total Operating Expenses</b>	<b>1,772,017</b>	<b>1,143,841</b>	<b>525,943</b>	<b>1,360,567</b>	<b>1,195,766</b>	<b>4,111,035</b>	<b>804,498</b>
<b>Operating Margin</b>	<b>(342,017)</b>	<b>139,549</b>	<b>(79,268)</b>	<b>(82,462)</b>	<b>(57,526)</b>	<b>(13,653)</b>	<b>(151,814)</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Transfer from other fund	-	-	-	-	-	-	-
Transfers to other fund	(58,000)	(58,000)	(29,000)	(53,000)	(26,500)	(42,000)	(21,000)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(58,000)</b>	<b>(58,000)</b>	<b>(29,000)</b>	<b>(53,000)</b>	<b>(26,500)</b>	<b>(42,000)</b>	<b>(21,000)</b>
<b>Net Income</b>	<b>(400,017)</b>	<b>81,549</b>	<b>(108,268)</b>	<b>(135,462)</b>	<b>(84,026)</b>	<b>(55,653)</b>	<b>(172,814)</b>
<b>Significant Balance Sheet Items</b>							
Cash <sup>2</sup>			N/A	(127,720)	113,542	243,364	113,542
Accounts Receivable			214,332	214,332	-	-	-
Reserve for renewal			(639,673)	(639,673)	(639,673)	(639,673)	639,673

<sup>1</sup>The revenue budget for asphalt and concrete is reduced by the cost of goods sold, \$2,772,964, to account for only the overhead charged on these products. The operating budget for Materials is reduced by the same amount as cost of goods sold is not recorded.

<sup>2</sup> 2008 ending cash balance is CAFR cash balance of \$2,280 and due to other funds of (\$130,000)

**City of Minneapolis  
Fleet Services Division  
For the Quarter Ending June 30, 2009**

<b>Fund 6100</b>	<b>2009 Budget</b>	<b>2009 2nd Quarter</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
<b>Revenue including transfers</b>	47,054,500	21,965,301	25,089,199	46.7%
<b>Expenses including transfers</b>	46,823,948	19,641,153	27,182,795	42.0%
<b>Revenue Over (Under) Expenses</b>	230,552	9,713		

**Program Description:**

The Fleet Services Fund manages the acquisition, maintenance and disposal of 1300 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks and snow plows. This fund provides mechanics to maintain the equipment and drivers and operators for the machinery that is used in construction and snow plowing. In addition, the fund manages the dispatch of City-owned and contractual equipment.

**Revenue:**

The revenue for this fund is earned from charges to City departments for rental of equipment and drivers, maintenance of equipment, and the sale of fuel. The rental rates are calculated through an activity based rate model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment. In 2009, the second quarter revenue is \$21,965,301 and closely matches expenses of \$21,955,588. Revenue earned through second quarter of 2009 represents an increase of 5.9% over the revenue earned through the same period in 2008. This increase in revenue is primarily due to an increase in the demand for rental of equipment and the associated charges for equipment labor. Revenue from equipment rent has increased 13.1% in 2009 from the amount earned in 2008.

**Expenses:**

Expenditures through second quarter 2009 are \$19,641,153 and represent 42.0% of the annual budgeted amount of \$46,823,948. Personnel expenditures represent 39.2% of the total second quarter operating expenditures and increased 6.4% over the amount expended in 2008. The cost of health care benefits is the primary reason for the increase. For the period ending second quarter 2009, the cost of Materials, Supplies and Services decreased 9.0% over the amount expended through the same period in 2008. The primary reason for the decrease is that the amount expended for fuel in 2009 is \$470,000 less than the amount expended in 2008. Beginning in 2008, the cost of fuel inventory is recorded in Materials, Supplies, and Services rather than as a calculated cost of stores issuance due to implementation of new financial recording software in 2008.

**Transfers:**

This fund receives an annual transfer in of \$4.18 million from the general fund in accordance with the accepted long- term financial plan to cover assist with debt payments related to fleet upgrades and a new maintenance facility. The fund has a transfer out of \$502,000 to cover debt service related to the Minneapolis Employees Retirement Fund's unfunded pension liability.

**Net Assets:**

The audited net asset balance for year ending 2008 is \$23,784,096 an increase of \$2,068,983 or 9.5% over the 2007 ending balance of \$21,715,113. Net asset balance for 2008 is tracking close to the net asset balance calculated in the long range financial plan. Since the long-range financial plan was determined in 2001, the fund has consistently recorded increases in net assets. The net assets are expected to increase over the next decade as the fund continues to replace old equipment and pay off the \$30.6 million in bonds that are currently outstanding. The financial plan for this fund eliminated the sale of bonds to finance equipment purchases.

City of Minneapolis  
Fleet Services Fund  
Statement of Revenue and Expenses  
For Second Quarter / Years Ending 2009, 2008, and 2007

	Budget Current Year 2009	Projected Year Ending 2009	For Period Ending 30-Jun-09	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07
<b>Operating Revenues:</b>							
Charges for Services and Sales	15,660,000	15,212,544	6,666,216	17,181,991	7,070,333	16,859,053	7,838,005
Rent Public Works and Other	27,004,000	27,404,410	13,114,556	24,478,068	11,600,587	22,360,887	10,804,673
<b>Total Operating Revenue</b>	<b>42,664,000</b>	<b>42,616,954</b>	<b>19,780,772</b>	<b>41,660,059</b>	<b>18,670,920</b>	<b>39,219,940</b>	<b>18,642,679</b>
<b>Operating Expenditures:</b>							
Personal Services	14,622,689	14,655,618	7,327,809	14,438,819	6,887,112	15,333,808	7,612,854
Contractual Services	9,330,775	10,293,912	4,278,919	10,001,880	4,259,265	8,499,738	3,446,669
Materials, supplies, services and other	14,464,429	9,392,587	3,831,397	10,234,140	4,209,645	5,086,495	2,057,491
Rent	1,072,367	1,072,367	536,184	997,955	498,978	980,092	490,046
Cost of Stores Issuance <sup>1</sup>	-	-	-	-	-	4,418,735	2,032,914
Depreciation <sup>2</sup>	5,424,788	5,424,788	2,712,394	5,424,788	2,334,726	5,148,715	2,334,726
<b>Total Operating Expenses</b>	<b>44,915,048</b>	<b>40,839,272</b>	<b>18,686,703</b>	<b>41,097,582</b>	<b>18,189,726</b>	<b>39,467,583</b>	<b>17,974,699</b>
<b>Operating Margin</b>	<b>(2,251,048)</b>	<b>1,777,682</b>	<b>1,094,069</b>	<b>562,477</b>	<b>481,194</b>	<b>(247,642)</b>	<b>667,980</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Interest Revenue	500	500	22	-	(4,126)	791	117
Interest on Bonds	(1,406,900)	(1,406,900)	(703,450)	(1,416,391)	(9,723)	(1,732,900)	(866,450)
Gains/Losses on disposal of fixed assets	200,000	200,000	-	164,042	-	281,943	408,681
Damages/Losses recovered	-	16,443	8,221	453	-	4,338	3,107
Other Revenue	10,000	172,572	86,286	29,647	-	-	-
<b>Total Non-Operating Revenues(Expenses)</b>	<b>(1,196,400)</b>	<b>(1,017,385)</b>	<b>(608,921)</b>	<b>(1,222,249)</b>	<b>(13,849)</b>	<b>(1,445,828)</b>	<b>(454,545)</b>
<b>Operating Transfers in (out)</b>							
Transfers from other fund	4,180,000	4,180,000	2,090,000	4,180,000	2,090,000	4,180,000	2,090,000
Transfers to other fund	(502,000)	(502,000)	(251,000)	(453,000)	(226,500)	(332,000)	(166,000)
Transfers from component units							
<b>Total Operating Transfers</b>	<b>3,678,000</b>	<b>3,678,000</b>	<b>1,839,000</b>	<b>3,727,000</b>	<b>1,863,500</b>	<b>3,848,000</b>	<b>1,924,000</b>
<b>Net Income</b>	<b>230,552</b>	<b>4,438,297</b>	<b>2,324,148</b>	<b>3,067,228</b>	<b>2,330,845</b>	<b>2,154,530</b>	<b>2,137,435</b>
<b>Significant Balance Sheet Items</b>							
Fleet Purchases			2,817,523	6,996,372	17,333	4,356,604	1,927,020
Operating Cash				(48,707)		200,262	4,211,406
Net Building Value			24,783,824	24,783,824	25,221,580	25,221,580	25,524,147
Net Fleet Value			29,728,020	29,728,020	27,721,241	27,721,241	25,788,108
Bonds Payable			30,914,014	30,914,014	33,415,028	33,415,028	39,136,041
<b>Significant Cash Flow Items</b>							
Principal on Work out Bonds	(1,525,000.00)	(1,525,000)	(762,500)	(1,885,000)	(942,500)	(5,235,000)	(2,617,500)
Principal on Facilities Bonds	(530,000.00)	(530,000)	(265,000)	(525,000)	(262,500)	(395,000)	(197,500)

<sup>1</sup>Cost of Stores Issuance records the cost of fuel inventory for 2007. This expense is recorded in Materials, Supplies, Other for 2008 and 2009.

<sup>2</sup>Depreciation has not been recorded in 2009. The 2008 depreciation is used as an estimate for 2009.

**City of Minneapolis  
Property Services Division  
For the Second Quarter ending June 30, 2009**

<b>Fund 06200</b>	<b>2009 Budget</b>	<b>2009 2nd Quarter</b>	<b>Remaining Budget</b>	<b>% of Actual to Budget</b>
Revenues including transfers	22,789,833	9,663,608	13,126,225	42.4%
Expenses including transfers	23,137,399	9,998,228	13,139,171	43.2%
Revenue Over (Under) Expenses	(654,129)	(237,894)		

**Program Description:**

The Property Services Fund is responsible for the maintenance and upkeep of City owned buildings including police precinct structures, fire stations, public works buildings and parking structures. The fund does not include City Hall, the Convention Center, Parking Facilities, or Water and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits to the Municipal Building Commission. The revenue and expenditure budgets for the fund were increased by \$4,253,000 to account for this flow through rental charge. The City departments located in City Hall received an appropriation increase to fund the rent.

**Revenue:**

This fund collects revenue from the City departments that use its goods and services (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The rate structure is configured to enable the fund to charge the amount required to recover the cost of the goods and services provided to City departments and includes the cost of the fund's overhead. Operating revenue through second quarter 2009 is \$9,336,222 or 42.2% of the budgeted amount of \$22,132,083. Revenue earned in the second quarter of 2009 is 12.5% higher than the amount earned through the same period in 2008 due to the addition of the City Hall rent that is collected by Property Services.

**Expenses:**

The operating expenditures through the second quarter are \$9,949,728 or 43.2% of the total budgeted amount of \$23,040,399. Personnel expenses of \$3,896,657 accounted for 39.2% of total operating costs. Operating expenditures for second quarter 2009 increased 9.9% over the expenditures through the same period in 2008 due to the expenditure for City Hall rent that is collected by the fund and remitted to MBC.

**Transfers:**

Property Services is responsible for paying \$350,000 per year in debt service. In 2009, the debt service consists of \$590,000 in principal payment and \$306,563 of interest. Each year, the general fund transfers an amount to cover the difference between the \$350,000 and the total debt payment for the year. In 2009, the transfer amount for debt service is \$547,000 with an additional amount of \$107,750 as an appropriation increase for City Hall rent. There is also a transfer out of \$97,000 related to the debt service for the Minneapolis Employees Retirement Fund's unfunded pension liability.

**Net Assets:**

The audited net asset balance for the year ending 2008 is \$27,436,073 a decrease of \$472,254 from the net asset balance of \$27,908,327 for year ending 2007. In 2002 the City began capitalizing all of its assets, including buildings that are included in this fund. The rate model for this fund does not recover the depreciation costs related to these assets. The depreciation of capital assets will continue to decrease the net asset position.

City of Minneapolis, Minnesota  
Property Services Fund  
Statement of Revenues and Expenses  
For Second Quarter / Years Ending 2009, 2008, and 2007

	Budget Current Year 2009	Projected Year 2009	For Period Ending 30-Jun-09	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07
<b>Operating Revenues:</b>							
Charges for Services And Sales	9,109,500	7,021,541	2,894,164	10,331,776	4,429,823	11,614,196	4,594,692
Rents Public Works and Other	13,025,583	13,156,491	6,442,058	8,310,079	3,870,264	7,306,214	3,752,223
<b>Total Operating Revenue</b>	<b>22,132,083</b>	<b>20,178,032</b>	<b>9,336,222</b>	<b>18,641,855</b>	<b>8,300,087</b>	<b>18,920,410</b>	<b>8,346,915</b>
<b>Operating Expenses:</b>							
Personal Services	7,633,881	8,270,167	3,896,657	8,425,687	3,995,000	8,086,044	3,785,848
Contractual Services	11,718,381	9,910,340	4,716,922	7,884,805	3,804,438	8,250,828	3,873,078
Materials, Supplies, Services and Other	2,294,743	1,524,538	575,871	1,659,998	529,052	1,888,872	824,988
Rent	231,151	231,151	179,156	221,430	110,715	197,703	98,852
Depreciation <sup>1</sup>	1,162,243	1,162,243	581,122	1,162,243	611,305	1,226,033	611,305
<b>Total Operating Expenses</b>	<b>23,040,399</b>	<b>21,098,439</b>	<b>9,949,728</b>	<b>19,354,163</b>	<b>9,050,510</b>	<b>19,649,480</b>	<b>9,194,071</b>
<b>Operating Margin</b>	<b>(908,316)</b>	<b>(920,407)</b>	<b>(613,506)</b>	<b>(712,308)</b>	<b>(750,423)</b>	<b>(729,069)</b>	<b>(847,156)</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Interest Revenue	-	23	11	8	(30)	83	3
Interest on Bonds	(306,563)	(306,563)	(153,281)	(312,896)	(166,381)	(357,363)	(178,681)
Misc Revenues	-	-	-	7,369	-	-	-
<b>Total Non-Operating Revenues(Expenses)</b>	<b>(306,563)</b>	<b>(306,540)</b>	<b>(153,270)</b>	<b>(305,519)</b>	<b>(166,411)</b>	<b>(357,280)</b>	<b>(178,678)</b>
<b>Operating Transfers in(out)</b>							
Transfers from other fund	654,750	654,750	327,375	668,000	334,000	653,000	326,500
Transfers to other fund	(97,000)	(97,000)	(48,500)	(88,000)	(44,000)	(69,000)	(284,500)
<b>Total Operating Transfers</b>	<b>557,750</b>	<b>557,750</b>	<b>278,875</b>	<b>580,000</b>	<b>290,000</b>	<b>584,000</b>	<b>42,000</b>
<b>Net Income</b>	<b>(657,129)</b>	<b>(669,197)</b>	<b>(487,901)</b>	<b>(437,827)</b>	<b>(626,834)</b>	<b>(502,349)</b>	<b>(983,835)</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash				652,014		829,006	(1,494,507)
Bonds Payable	(7,588,866)	(7,588,866)	(3,794,433)	(6,825,000)	(8,262,505)	(8,262,505)	(8,896,144)
<b>Significant Cash Flow Items</b>							
Principal Payments on Debt	(590,000)	(590,000)	(295,000)	(655,000)	(327,500)	(615,000)	(307,500)

<sup>1</sup> Depreciation for 2009 is an estimate based on the depreciation for 2008.

**City of Minneapolis  
Public Works Stores  
For the Second Quarter ending June 30, 2009**

<b>Fund 6300</b>	<b>2009</b>	<b>2009</b>	<b>Remaining</b>	<b>% of Actual</b>
	<b>Budget</b>	<b>2nd Quarter</b>	<b>Budget</b>	<b>To Budget</b>
<b>Revenue including transfers</b>	1,022,624	429,186	593,438	42.0%
<b>Expenses including transfers</b>	1,348,659	669,243	679,416	49.6%
<b>Revenue over(under) Expenses</b>	(326,035)	(240,057)		

**Program Description:**

The Public Works Stores Fund, established in 1965, accounts for the centralized procurement, receiving, warehousing and distribution of stocked inventory items and the purchase of special goods and services. The fund's mission is to provide goods in a cost effective manner to City departments through the Central Stores and Traffic Stores.

**Revenue:**

With the implementation of the new financial system, the recording of revenue is changed. Previously, goods were priced for sale at cost plus calculated overheads to cover the cost of the fund's expenses for personnel, contractual services, materials and rent. The current system records only the overheads charged and does not calculate a cost of goods sold. As the system does not record cost of goods sold, this amount is removed from the revenue and expense budgets for this fund. The revenue earned through second quarter 2009 is \$429,186 and consists of \$396,168 in overheads and \$33,000 in direct sales. The demand for traffic stores goods is seasonal and begins to increase in the spring. In addition, the goods sold by the traffic stores are of greater value than central stores, accounting for a greater increase in overheads recorded. The revenue recorded through second quarter 2009 is 42.0% of the adjusted budgeted amount of \$1,022,624. Due to the implementation of the financial system in 2008, second quarter revenue for 2008 included an amount for cost of goods sold and the values cannot be compared to second quarter 2009.

**Expenses:**

The total of expenses for the first quarter is \$669,243. This total does not include the cost of stores issuance as the inventory system does not record a cost of goods sold and offsets (decreases) the cost of materials as it adds goods to inventory. The expenses recorded through second quarter 2009 represent 49.6% of the adjusted budgeted amount of \$1,348,659. The second quarter 2008 expenses for materials includes expenses for inventory and cannot be compared to the same period 2009.

**Transfers:**

The 2009 non-operating transfer of \$34,000 is for payment of debt related to the Minneapolis Employees Retirement Fund's unfunded pension liability.

**Net Assets:**

The fund continues to maintain positive equity with an audited net asset balance at year-end 2008 of \$2,885,267, a decrease of 18.3% from the 2007 ending balance of \$3,530,810.

City of Minneapolis, Minnesota  
Public Works Stores  
Statement of Revenues and Expenses  
For the Second Quarter/Years Ending 2009, 2008, and 2007

	Budget Current Year 2009	Projected Year End 2009	For Period Ending 6/30/2009	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07
<b>Operating Revenues:</b>							
Central Stores <sup>1</sup>	609,008	610,000	236,252	748,427	640,000	1,302,372	378,556
Traffic Stores <sup>1</sup>	413,616	410,000	192,934	312,466	950,000	3,032,600	2,034,073
Total Operating Revenues	1,022,624	1,020,000	429,186	1,060,893	1,590,000	4,334,972	2,412,629
<b>Operating Expenses:</b>							
Personnel	716,699	807,339	403,669	800,857	367,551	713,774	337,657
Contractual	342,802	351,875	150,492	238,801	119,797	248,872	88,028
Materials/Other <sup>2</sup>	221,104	162,110	81,055	591,101	1,082,308	61,138	3,276
Rent	34,054	34,053	17,027	28,527	14,264	25,154	12,577
Cost of Stores Issuance	-	-	-	-	-	3,095,634	1,781,186
Depreciation	-	-	-	16,254	-	-	-
Total Operating Expenses	1,314,659	1,355,377	652,243	1,675,540	1,583,920	4,144,572	2,222,724
<b>Operating Margin</b>	<b>(292,035)</b>	<b>(335,377)</b>	<b>(223,057)</b>	<b>(614,647)</b>	<b>6,081</b>	<b>190,400</b>	<b>189,905</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Interest Income (Expense)	-	89	44	104	52	313	157
Total Non-Operating Revenues (Expenses)	-	89	44	104	52	313	157
<b>Operating Transfer In (Out)</b>							
Transfers from other fund	-	-	-	-	-	-	-
Transfers to other fund	(34,000)	(34,000)	(17,000)	(31,000)	(15,500)	(11,000)	(5,500)
Total Operating Transfers	(34,000)	(34,000)	(17,000)	(31,000)	(15,500)	(11,000)	(5,500)
<b>Net Income</b>	<b>(326,035)</b>	<b>(369,288)</b>	<b>(240,012)</b>	<b>(645,543)</b>	<b>(9,367)</b>	<b>179,713</b>	<b>184,561</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash			N/A	(2,284,118)	N/A	(561,054)	(846,860)
Accounts Receivable			18,625	12,261	N/A	16,162	9,421
Inventories			5,485,826	5,421,516	N/A	4,364,386	4,441,857

<sup>1</sup>Budgeted revenues are reduced by the cost of good sold to record revenue as overhead only on inventory sales.

<sup>2</sup>Expenses for Materials/Other cannot be compared between periods do to a difference in method to record cost of goods sold. In second period 2008, the Cost of Store Issuance was recorded in Materials/Other.

**City of Minneapolis  
Intergovernmental Service Fund  
For the Second Quarter ending June 30, 2009**

<b>Fund 6400</b>	<b>2009 Budget</b>	<b>2009 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue including Transfers	46,525,060	24,273,934	22,251,126	52.2%
Operating Expenses including Transfers	32,608,247	16,266,489	16,341,758	49.9%
Operating Revenue Over (Under) Expenses	13,916,813	8,007,445		

**Program Description:**

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

**Revenue:**

Operating revenue through the second quarter of 2009 is \$24,273,934 or 52.2% of the annual budgeted amount of \$46,525,060. Revenue sources include mailing and copying services, telecom charges, Project Management Operations (PMO) projects, and BIS charges based on the allocation model. The revenue for BIS is driven by rates charged for services and customers' technology needs. The BIS allocation model uses the expense budget, depreciation, and overhead to determine technology rates. Second quarter revenues include a transfer from the general fund of \$6.8 million. The fund also receives a quarterly debt service transfer \$450,000 based on the deficit reduction plan for the fund.

**Expenses:**

Operating expenses through the second quarter are \$16,266,489, or 49.9% of the annual budget. Expenses typically exceed revenue in the PMO area in the project idea phase until a proposal is signed by the customer department and funding has been identified. As projects are added to the BIS-PMO cost center, the revenue and expenditure budgets increase as funding for projects is provided by the customer. Expenditures are recorded throughout the duration of the project. Interest payments on bonded debt will total \$1.6 million for the fiscal year.

**Financial:**

The Intergovernmental Services Fund is tracking positively to increase its net asset position. The audited net asset balance for 2008 is \$4,867,680 which is an increase of \$18,479,961 from the deficit of net asset position of (\$13,612,281) in 2007. Net assets have increased due to use of an allocation model to determine charges for service, a transfer from the general fund that is provided through the workout plan, and an increased level of activity in the Project Management Operations area.

**City of Minneapolis, Minnesota**  
**Intergovernmental Services Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter/Years Ending 2009, 2008 and 2007**

	Budget Current Year 2009	Projected Year 2009	For Period Ending 30-Jun-09	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07
<b>Operating Revenues:</b>							
Charges for Service:							
BIS - PMO	5,208,331	7,761,022	3,880,511	13,110,193	5,526,914	14,786,540	7,706,422
BIS-Telecom	3,171,109	2,932,812	1,466,406	3,014,661	1,541,669	5,774,633	2,396,593
BIS - Operating-other	20,591,023	21,714,016	10,857,008	19,895,809	9,565,885	14,113,515	6,326,685
CC-Mailing Services	415,930	262,236	131,118	573,987	93,752	592,115	256,527
CC-Copy Services	625,475	458,580	229,290	504,543	216,499	623,486	364,703
Human resources	-	-	-	150	150	-	-
<b>Total Operating Revenues</b>	<b>30,011,868</b>	<b>33,128,666</b>	<b>16,564,333</b>	<b>37,099,343</b>	<b>16,944,870</b>	<b>35,890,289</b>	<b>17,050,930</b>
<b>Operating Expenses:</b>							
BIS - PMO	5,208,331	7,982,236	3,991,118	13,351,795	7,110,874	17,414,577	9,453,188
BIS - Telecom	2,066,820	1,816,972	908,486	2,153,173	900,961	1,641,475	777,359
BIS - Operating-other	22,523,704	21,280,320	10,640,160	24,691,613	9,475,509	19,558,478	7,719,054
CC-Mailing Services/Data Center	576,527	463,424	231,712	627,318	295,015	677,378	301,215
CC-Copy Services	624,975	631,018	315,509	547,795	262,851	670,010	331,372
Human resources	301,899	147,007	73,504	190,173	60,358	198,123	44,280
<b>Total Operating Expenses</b>	<b>31,302,256</b>	<b>32,320,977</b>	<b>16,160,489</b>	<b>41,561,867</b>	<b>18,105,568</b>	<b>40,160,041</b>	<b>18,626,468</b>
<b>Operating Margin</b>	<b>(1,290,388)</b>	<b>807,689</b>	<b>403,845</b>	<b>(4,462,524)</b>	<b>(1,160,698)</b>	<b>(4,269,752)</b>	<b>(1,575,538)</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Gains (Losses)	-	-	-	-	-	-	-
Depreciation	(2,412,783)	(2,412,783)	(1,206,392)	(2,412,783)	(1,196,580)	(2,441,971)	(1,196,580)
Interest on Bonded Debt	(1,646,651)	(1,646,651)	(823,326)	(1,593,997)	(812,382)	(1,672,782)	(833,482)
Other Non Operating Income (Expense)	-	-	-	-	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(4,059,434)</b>	<b>(4,059,434)</b>	<b>(2,029,717)</b>	<b>(4,006,780)</b>	<b>(2,008,962)</b>	<b>(4,114,753)</b>	<b>(2,030,062)</b>
<b>Operating Transfer In (Out)</b>							
Transfers from other fund	15,419,201	15,419,201	7,709,601	11,762,368	5,885,500	15,036,269	9,482,015
Transfers to other fund	(212,000)	(212,000)	(106,000)	(295,624)	(96,000)	(177,030)	(88,515)
<b>Total Operating Transfers</b>	<b>15,207,201</b>	<b>15,207,201</b>	<b>7,603,601</b>	<b>11,466,744</b>	<b>5,789,500</b>	<b>14,859,239</b>	<b>9,393,500</b>
<b>Net Income</b>	<b>9,857,379</b>	<b>11,955,456</b>	<b>5,977,728</b>	<b>2,997,440</b>	<b>2,619,840</b>	<b>6,474,734</b>	<b>5,787,900</b>
<b>Significant Balance Sheet Items</b>							
Cash				93,865		(1,885,745)	(7,794,028)
Work-in-progress			21,070,901	21,070,901	25,826,000	24,913,697	21,127,142
Interfund Loans			(10,114,051)	(10,114,051)	(10,114,051)	(10,114,051)	(10,921,467)
Bonds Payable			(34,415,000)	(34,574,725)	(34,660,000)	(34,759,138)	(35,888,877)
Deferred Income			(4,358,018)	(4,608,536)	(3,601,739)	(4,182,529)	(4,202,901)
<b>Significant Cash Flow Items</b>							
Principal on Bonds	(8,690,000)	(8,690,000)	(4,345,000)	(1,805,000)	(902,500)	(2,565,000)	(1,282,500)

**City of Minneapolis  
Self-Insurance Fund  
For the Second Quarter Ending June 30, 2009**

<b>Fund 6900</b>	<b>2009 Budget</b>	<b>2009 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
<b>Revenue including transfers</b>	44,963,583	21,272,500	23,691,083	47.3%
<b>Expenditures including transfers</b>	37,384,747	18,087,475	19,297,272	48.4%
<b>Revenue Over (Under) Expenses</b>	7,578,836	3,185,025		

Note: Employee benefit payments for health and life insurance did not flow through the self insurance fund after July 2008, decreasing budget revenue and expenditures by an equal amount.

Finance revenue budget 2009 was reduced by \$1,985,901- this amount is budgeted in the Liability and Work Comp budgets.

**Program Description:**

The Self-Insurance Fund records employee benefit accounting, workers compensation, tort liability, and the administrative functions to support these activities.

**Revenue:**

Revenues vary by activity. Employee benefits collect revenue from payroll withholding and employee contribution enabling revenues to match expenditures. Workers Compensation, with related administrative services in Risk Management and Human Resources for the return-to-work program, recognizes revenues from direct billing of users. Tort Liability including administrative services of the City Attorney's Civil Division earns revenue by billing departments participating in Self-Insurance.

For second quarter 2009, total revenues are \$21,272,500 or 47.3% of the budgeted amount of \$44,963,583. Revenue earned through the second quarter of 2009 cannot be compared to the actual revenue earned through second quarter 2008 due to health and life payments being paid directly to the providers in 2009, bypassing the self insurance fund. The 2009 budget has been decreased to reflect the reduction in revenue and expense related to these payments. Operating revenues for second quarter 2008 are estimates based on a calculation of 50.0% of the 2008 year end operating revenue

The cost of providing health care benefits increased in 2009 as did the rates charged to departments for the self insurance liability and workers compensation premiums. The Finance-Employment Services cost center receives revenue from City departments as reimbursement for services related to employment screenings. Historically, revenue for these services has averaged \$300,000.

**Expenses:**

The total expenditure through second quarter 2009, including transfers to other debt service funds, is \$18,087,475 or 48.4% of the budgeted amount of \$37,384,747. Operating expenditures for second quarter 2009 cannot be compared to the same period in 2008 due to payments for health and life being made directly to providers, bypassing the self insurance fund beginning in August 2008. The 2009 budget has been decreased to reflect this reduction in revenue and expense.

The expenditures related to liability and settlements through second quarter increased significantly from the same period in 2008. The timing of settlement payments fluctuates during the fiscal year and the amount paid in one quarter does not provide a reliable projection for the annual amount paid for settlements. Worker's Compensation and Tort Liability expenditures include the payments for settlements related to tort litigation and workers compensation claims. The costs of administering the plans are funded through the City Attorney and Risk Management cost centers. The total projected expenditures are less than budgeted due to decreased actual payments for tort liability; sick leave retirement payouts; and Cobra medical participation.

**Transfers:**

In 2009, this fund will receive an interfund transfer of \$6.9 million from the general fund as determined in the long range financial plan. The 2009 budget includes a transfer out of \$145,000 for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

**Net Assets:**

The ending net asset balance for year ending 2008 is a deficit of \$15.5 million, an increase of \$10.9 million from the 2007 deficit balance of \$26.4 million. The deficit is primarily due to the large liability for unpaid claims for the City's General Liability and Workers Compensation. The liability is determined to be \$31.8 million at the end of 2008.

City of Minneapolis, Minnesota  
Self Insurance Fund  
Statement of Revenues and Expenses  
For Second Quarter/Years Ending 2009, 2008 and 2007

	Budget Current Year 2009	Projection Year 2009	For Period Ending 30-Jun-09	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007
<b>Operating Revenues:</b>						
Health & Welfare (employee benefits)	15,333,265	13,088,562	6,544,281	33,356,887	16,678,444	59,993,307
Workers Compensation	8,136,326	8,232,116	4,116,058	9,524,961	4,174,198	8,252,076
Liability - Subrogation	12,988,129	12,989,254	6,494,627	11,353,987	5,665,132	13,319,374
Attorney Office Services	30,000	15,000	1,702	30,089	5,280	11,863
Human Resources Services	1,260,863	1,254,144	627,072	1,037,375	438,008	1,116,895
Finance-Employment Services <sup>1</sup>	300,000	139,520	69,760	293,549	166,388	338,616
<b>Total Operating Revenues</b>	<b>38,048,583</b>	<b>35,718,596</b>	<b>17,853,500</b>	<b>55,596,848</b>	<b>27,127,450</b>	<b>83,032,131</b>
<b>Operating Expenses:</b>						
Health & Welfare (employee benefits)	15,716,196	11,964,518	5,982,259	33,175,852	16,587,926	58,700,370
Workers Compensation	5,931,510	7,118,852	3,559,426	7,844,078	4,093,084	6,340,188
Liability & Settlements	6,147,485	8,575,284	4,287,642	2,526,225	936,659	9,866,643
City Attorney/Civil Division-Litigation	5,788,849	5,535,750	2,767,875	5,123,884	2,496,288	5,405,857
Risk Management - WC/Risk	2,284,100	1,850,190	925,095	2,183,613	848,344	2,463,967
Human Resource - Employee Benefits	1,371,607	985,356	492,678	1,069,738	473,415	1,115,857
<b>Total Operating Expenses</b>	<b>37,239,747</b>	<b>36,029,950</b>	<b>18,014,975</b>	<b>51,923,390</b>	<b>25,435,716</b>	<b>83,892,882</b>
<b>Operating Margin</b>	<b>808,836</b>	<b>(311,354)</b>	<b>(161,475)</b>	<b>3,673,458</b>	<b>1,691,734</b>	<b>(860,751)</b>
<b>Non-Operating Revenues/(Expenses)</b>						
Interest on Bonded Debt	-	-	-	(21,178)	(26,500)	(52,420)
Other Non Operating Income (Exp)	-	-	-	-	-	(839)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,178)</b>	<b>(26,500)</b>	<b>(53,259)</b>
<b>Operating Transfer In (Out)</b>						
Transfers from other fund	6,915,000	6,915,000	3,457,500	5,642,689	2,821,345	4,750,000
Transfers to other fund	(145,000)	(145,000)	(72,500)	(131,000)	(65,500)	(97,000)
<b>Total Operating Transfers</b>	<b>6,770,000</b>	<b>6,770,000</b>	<b>3,385,000</b>	<b>5,511,689</b>	<b>2,755,845</b>	<b>4,653,000</b>
<b>Net Income</b>	<b>7,578,836</b>	<b>6,458,646</b>	<b>3,223,525</b>	<b>9,163,969</b>	<b>5,325,906</b>	<b>3,738,990</b>
<b>Significant Balance Sheet Items</b>						
Cash Balance over (under)			N/A	18,766,917	N/A	11,001,677
Due from Other Funds			181,930	181,930	181,930	181,930
Bonds Payable			-	-	(1,060,000)	(1,060,000)
Unpaid Claims			(31,773,064)	(31,773,064)	(33,467,000)	(33,467,000)
Net Assets			(15,493,087)	(15,493,087)	(24,927,102)	(24,927,102)
<b>Significant Cash Flow Items</b>						
Paid Principal on Debt			-	(1,060,000)	(167,500)	(320,000)

<sup>1</sup>Finance revenue budget 2009 was reduced by \$1,985,901 as this amount is budgeted in the Liability and Workers Compensation budgets.

**City Of Minneapolis  
Sanitary Sewer Fund  
For the Second Quarter Ending June 30, 2009**

<b>Fund 07100</b>	<b>2009 Budget</b>	<b>06-30-2009 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	45,996,435	20,858,454	25,137,981	45%
Operating Expenditures	41,639,975	21,778,133	19,861,842	52%
Operating Margin	4,356,460	(919,679)		
Net Income	949,541	(2,959,142)		

**Program Description:**

The Sanitary Sewer Fund accounts for 95% of the contractual payments to Metropolitan Council Environmental Services (MCES) for waste water collection and treatment services. The Fund also accounts for sanitary sewer maintenance and design work along with capital programs and debt services.

**Revenue:**

With sewer revenue of \$20.8 million through the end of the second quarter, 45% of the budgeted revenue has been realized. This is an increase of \$1.7 million, or 9%, compared to \$19.1 million in the second quarter of 2008. \$1.2 million of the increase is in disposal fee revenue. The increase is primarily due to an increase in the disposal fee rate from \$2.45 to \$2.61. Design revenue for the capital programs increased by \$200,000 and SAC revenues for inspection services increased by \$300,000.

**Expenses:**

The Sanitary Sewer Fund's operating expenditures of \$21.7 million through the second quarter is at 52% of the budget. This is an increase of \$1.3 million, or 6%, compared to \$20.4 million through the second quarter of 2008. The increase in expenditures comes from Met Council and Maintenance areas where budgeted fixed costs such as general fund overhead, government services fee, and fleet charges were timely recognized.

**Transfers:**

The transfer from this Fund goes to the pension fund to cover MERF unfunded liability. The transfer budget for the year is \$292,000, and through this quarter \$146,000 has been recognized. Additional transfer to debt service fund, in the amount of \$336,000, was recognized to account for bond premiums.

**Debt Service:**

For 2009, the debt service budget totals \$3.4 million. For the quarter, \$845,000 in principal and \$842,000 in interest on its outstanding debts generated from past bond sales have been recognized.

**Other Financial Items:**

The current operating cash balance is \$6 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$11 million. The cash position is \$5 million below its goal.

City of Minneapolis, Minnesota  
Sanitary Sewer Fund  
Statement of Revenues and Expenses  
For Second Quarter/Years Ending 2009, 2008, 2007

	Budget Year 2009	Projected Year 2009	For Period Ending 06/30/2009	Year Ending 2008	For Period Ending 6/30/2008	Year Ending 2007	For Period Ending 06/30/07
<b>Operating Revenues:</b>							
Sewage Disposal	43,157,752	39,312,831	19,792,127	39,123,470	18,541,002	38,050,432	17,722,267
Other Services Provided	453,841	873,871	219,897	826,484	5,383	296,688	(6,540)
Inspection Services	2,384,842	1,669,389	846,430	1,659,756	589,646	3,659,793	695,965
Interest							
<b>Total Operating Revenues</b>	<b>45,996,435</b>	<b>41,856,091</b>	<b>20,858,454</b>	<b>41,609,710</b>	<b>19,136,031</b>	<b>42,006,913</b>	<b>18,411,691</b>
<b>Operating Expenses:</b>							
Sewer Design	358,552	324,930	121,364	312,433	241,402	258,052	24,645
Sewer Maintenance	6,932,483	5,931,234	3,177,838	5,091,261	2,391,955	5,591,157	2,599,017
Met Council Env. Svcs.	34,348,940	33,319,418	18,478,931	32,532,857	17,798,215	33,215,685	17,206,298
<b>Total Operating Expenses</b>	<b>41,639,975</b>	<b>39,575,582</b>	<b>21,778,133</b>	<b>37,936,551</b>	<b>20,431,571</b>	<b>39,064,893</b>	<b>19,829,959</b>
<b>Operating Margin</b>	<b>4,356,460</b>	<b>2,280,509</b>	<b>(919,679)</b>	<b>3,673,159</b>	<b>(1,295,540)</b>	<b>2,942,019</b>	<b>(1,418,268)</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers (out)	(292,000)	(628,003)	(482,003)	(629,341)	(146,000)	(347,851)	(146,000)
Non-Oper Expenses							
Depreciation	(1,431,919)	(1,431,919)	(715,960)	(1,913,189)	(597,013)	(1,194,026)	(597,013)
Special Assessments				5,774	15,711	11,136	(875)
Net Interest Income (Exp)	(1,683,000)	(1,683,000)	(841,500)	(388,135)	(841,500)	(137,239)	(9,713)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(3,406,919)</b>	<b>(3,742,922)</b>	<b>(2,039,463)</b>	<b>(2,924,891)</b>	<b>(1,568,802)</b>	<b>(1,667,980)</b>	<b>(753,601)</b>
<b>Net Income</b>	<b>949,541</b>	<b>(1,462,413)</b>	<b>(2,959,142)</b>	<b>748,268</b>	<b>(2,864,342)</b>	<b>1,274,039</b>	<b>(2,171,869)</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash	-		6,118,286	10,622,178	10,032,756	8,482,571	6,002,495
Accounts Receivable	-		3,322,027	3,103,489	2,654,557	3,393,086	2,451,173
<b>Significant Cash Flow Items</b>							
Capital Outlay	9,226,000	9,226,000	2,620,376	4,817,586	410,629	3,023,251	403,184
Bond Principle payments	1,689,000	1,689,000	844,500	1,200,000	844,500	904,239	-

**City Of Minneapolis  
Stormwater Fund  
For the Second Quarter Ending June 30, 2009**

<b>Fund 07300</b>	<b>2009 Budget</b>	<b>06/30/2009 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	34,914,392	19,712,677	15,201,716	56%
Operating Expenditures	21,188,130	8,984,146	12,203,984	42%
Operating Margin	13,726,262	10,728,531		
Net Income	6,641,788	6,143,394		

**Program Description:**

The Storm Water Fund covers 5% of the expenditures related to Met Council Environmental Services (MCES). Combined Sewer Overflow (CSO) program, Street Cleaning, Storm Design and Storm Water Maintenance are other activities covered by this Fund.

**Revenue:**

The Storm Water revenue of \$19.7 million through the second quarter equates to 56% of the operating revenue budget. It is an increase of \$3.6 million or 22%, compared to 16.1 million, over the second quarter of 2008. The increase is due to revenues from storm water utility fees and from charges to capital activities. Rate increase, from \$10.26 to \$10.77 per ESU, accounts in part for this increase in revenues of \$1.6 million. Design revenues account for the remaining \$1.9 million increase.

**Expenses:**

For the second quarter in 2009, Storm Water Fund's operating expenses ended at 42% of the budget. Expenses through the quarter totaled \$9 million compared to \$8.4 million for 2008. This is an increase in expenditure of \$600,000 or 7% over 2008. Increases are due to higher expenditures incurred in Street Cleaning and Met Council cost centers. These cost centers register higher expenditures because of transfers, overhead and fleet service charges which are being timely recognized as compared to 2008.

**Transfers:**

Transfer out of the Storm Water Fund includes a \$146,000 transfer to MERF pension fund. Additional transfer of \$545,000 to debt service fund was recognized for the quarter. This transfer is to record bond premium for bond sales in 2009.

**Debt Service:**

The debt service payments through the second quarter have been recognized. Of the recognized \$4.6 million in debt service, \$3.5 million was for the principal and \$1.1 million for interest. These payments are primarily for bonds sold to finance the Combined Sewer Overflow and Flood Mitigation programs.

**Other Financial Items:**

The operating cash balance for the quarter was \$12 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$4.5 million, which results in a surplus of \$7.5 million.

City of Minneapolis, Minnesota  
Stormwater Fund  
Statement of Revenues and Expenses  
For Second Quarter/Years Ending 2009, 2008 and 2007

	Budget Year 2009	Projected Year 2009	For Period Ending 06/30/2009	For Year Ending 12/31/2008	For Period Ending 06/30/2008	For Year Ending 2007	For Period Ending 06/30/07
<b>Operating Revenues:</b>							
State Grants	749,469	772,807	394,568	886,787	306,179	831,690	738,536
County Grants	273,403	273,403	136,702	344,680	166,460	332,920	136,702
Sewage Disposal	32,492,152	30,358,345	16,901,778	30,944,907	15,345,781	28,868,760	14,363,291
Other Services Provided	1,399,368	1,378,903	2,279,629	1,313,241	329,138	1,398,805	234,952
<b>Total Operating Revenues</b>	<b>34,914,392</b>	<b>32,783,458</b>	<b>19,712,677</b>	<b>33,489,615</b>	<b>16,147,558</b>	<b>31,432,175</b>	<b>15,473,480</b>
<b>Operating Expenses:</b>							
Sewer Design	3,126,128	3,150,123	1,349,273	3,072,685	1,332,659	3,073,732	1,244,929
Stormwater Management CSO	1,710,828	1,377,649	485,009	982,357	458,208	1,096,967	560,023
Street Cleaning	7,644,295	7,414,966	3,624,674	7,366,166	3,323,564	6,764,484	3,400,738
Sewer Maintenance	3,499,869	2,146,772	1,010,811	2,121,236	886,586	2,004,579	826,570
Met Council Env. Svcs.	5,207,010	4,994,236	2,514,379	4,491,102	2,390,770	4,453,234	1,728,101
<b>Total Operating Expenses</b>	<b>21,188,130</b>	<b>19,083,746</b>	<b>8,984,146</b>	<b>18,033,546</b>	<b>8,391,787</b>	<b>17,392,996</b>	<b>7,760,360</b>
<b>Operating Margin</b>	<b>13,726,262</b>	<b>13,699,712</b>	<b>10,728,531</b>	<b>15,456,069</b>	<b>7,755,771</b>	<b>14,039,179</b>	<b>7,713,120</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	(292,000)	(837,137)	(691,137)	(512,767)	(132,000)	(49,379)	(146,000)
Depreciation	(4,721,782)	(4,721,782)	(2,360,891)	(4,721,782)	(1,614,011)	(3,228,022)	(1,651,767)
Special Assessments	115,000	363,304	57,500	714,324	57,500	501,911	57,500
Net Interest Income (Exp)	(2,185,692)	(2,185,692)	(1,092,846)	(1,563,549)	(1,157,077)	(2,563,467)	(1,272,237)
Other Non Operating Income (Exp)			(497,763)	1,640,047	(441,274)	(1,265,313)	409,130
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(7,084,474)</b>	<b>(7,381,307)</b>	<b>(4,585,137)</b>	<b>(4,443,727)</b>	<b>(3,286,862)</b>	<b>(6,604,270)</b>	<b>(2,603,373)</b>
<b>Net Income</b>	<b>6,641,788</b>	<b>6,318,405</b>	<b>6,143,394</b>	<b>11,012,342</b>	<b>4,468,909</b>	<b>7,434,909</b>	<b>5,109,747</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash			11,976,544	3,850,076	3,979,732	596,907	3,832,937
Accounts Receivable			4,482,461	4,217,773	3,735,664	4,484,745	335,096
Bonds Payable			35,730,910	28,634,910	11,583,044	11,583,044	15,045,426
<b>Significant Cash Flow Items</b>							
Capital Outlay	9,633,000	9,633,000	1,807,786	5,545,209	1,205,120	5,793,504	2,227,521
Bond principle payments	7,096,000	7,206,000	-	8,620,000	4,634,446	7,796,999	3,548,000

**City of Minneapolis  
Water Fund  
For the Second Quarter Ending June 30, 2009**

<b>Fund 7400</b>	<b>2009 Budget</b>	<b>30-June-09 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	70,722,156	29,631,483	41,090,673	42%
Operating Expenditures	47,908,188	22,431,105	25,477,083	47%
Operating Margin	22,813,968	7,200,378		
Net Income (Loss)	7,568,356	(1,345,543)		

**Program Description:**

This Fund accounts for operation, maintenance and new construction of the water treatment and delivery system for the City and several suburban city customers. The City sells water directly to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina.

In 2009, the Water Fund received appropriations to begin a capital project for the New Filter Presses in the amount of \$2m and to continue ongoing capital projects which include the Minneapolis Water Works Facilities Security Improvement in the amount of \$250,000 and the Ultrafiltration Program in the amount of \$4.5 million. In addition, this year, capital funding of \$4.75 million provides for water distribution improvements including cleaning and lining of 10 miles of pipeline with replacement of valves and hydrants to provide holistic system rehabilitation in project areas. Distribution improvements also include replacement of watermain where conductive soils have caused a number of watermain breaks.

The Ultrafiltration Membrane Program was originally going to be built in two phases. Phase one is the newly constructed Columbia Heights Membrane Filtration Plant. Completed at a cost of \$63.3 million, the new plant is currently operating in a testing and confirmation phase. Full plant operation is expected in the early summer of 2009. This plant began distributing water into the Minneapolis system in the fall of 2005. Phase two is the Fridley Membrane Filtration Plant which was cancelled in 2008.

Pump Station #4 renovations began in 2008 and expect to be completed this year. This project completely refurbishes the 100+ year old pump station that supplies softened water to the new Columbia Heights Membrane Filtration Plant.

**Revenue:**

For the year 2009, there was a 6% increase in the water rate raising the cost of 100 cubic feet from \$2.75 to \$2.91 per unit. The 2009 operating revenue of \$29,631,483 represents a 10.7% increase over the same period in 2008.

The second quarter 2009 operating margin is \$7.2 million or 5% more than the same period of 2008. This is due to an increase of operating expenses of 12.7% from the same period in 2008.

**Expenditures:**

For the 2nd quarter ending 2009, operating expenditures totaled \$22.4 million or 12.7% greater than for the same period in 2008. This increase is primarily due to an increase in operational cost of chemicals and energy for treatment of water for distribution into the Minneapolis water works system. Energy costs for pumping have increased by approximately 10% and chemical costs have increased between 40 to 90%, depending on the chemical.

Capital construction and Distribution costs have been rising primarily due to increases in construction materials, mainly iron costs and rising fuel costs. Over the last year, metal costs have risen dramatically. Total construction cost increases have been tempered somewhat by a competitive bidding market but are still on the rise and difficult to predict.

**Transfers:**

For 2009 the transfers are expected to be of \$1,071,000, which includes the MERF (Minneapolis Employee Retirement Fund) pension debt service payment.

**Debt Services:**

The debt service payments are primarily for bonds sold to finance the Water Works capital improvement program. Current capital projects include SCADA, the membrane ultrafiltration programs, the Minneapolis Water Works facilities security improvement, and the rehabilitation of Pump Station #4 and the new Filter Presses.

**Other Financial Items:**

The Ultrafiltration Membrane Project is financed through loans from the Drinking Water State Revolving Fund managed by the Minnesota Public Facilities Authority. Beginning December 2002, the City has borrowed a total of \$78.4 million at interest rates of 2.82%, 2.80% and 2.53%. The ending cash balance for the second quarter of 2009 is \$(1,672,528) compared to \$1,009,506 for the same period in 2008. The objective is to have a cash balance equal to or greater than 3 months of operating expenses. Based on the current budget this would be \$12 million in cash.

City of Minneapolis, Minnesota  
Water Fund  
Statement of Revenues and Expenses  
For Second Quarter/Years Ending 2009, 2008, 2007

	Budget Current Year 2009	Projected Ending 2009	For Period Ending 30-Jun-09	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07
<b>Operating Revenues:</b>							
Federal Grants	-	-	-	-	-	-	-
State Grants	-	-	-	-	-	-	-
Licenses & Permits	1,000	1,000	481	1,219	406	871	406
Charges For Services	69,920,816	64,714,376	29,627,480	63,202,724	26,672,699	65,234,205	26,644,526
Charges For Sales	800,000	-	-	4,991	2,988	920,450	216,730
Rents	-	-	-	-	72,171	-	-
Interest	-	69	1,746	-	4,798	938	343
Other Misc Revenues	340	69	1,776	332	16,829	346	260
<b>Total Operating Revenues</b>	<b>70,722,156</b>	<b>64,715,514</b>	<b>29,631,483</b>	<b>63,209,266</b>	<b>26,769,891</b>	<b>66,156,810</b>	<b>26,862,265</b>
<b>Operating Expenses:</b>							
Water Design	1,189,009	1,313,968	486,169	618,400	222,802	937,199	355,867
Contribution To Other Funds	9,498,249	9,498,249	4,749,125	8,487,693	3,600,205	7,674,082	2,236,531
Administration & Permits	1,740,064	2,077,540	677,827	1,871,679	517,502	1,593,561	599,239
Operations Treatment	17,632,382	18,491,871	7,965,373	15,853,766	7,005,719	13,604,953	5,708,689
Treatment Maintenance	7,480,160	6,081,070	3,060,753	6,197,802	3,365,017	7,679,260	3,560,968
Distribution	7,183,548	8,495,931	3,454,423	8,181,366	3,008,390	6,575,257	2,929,160
Major Repairs & Replacement	1,025,923	1,823,612	807,650	4,061,783	1,171,883	3,552,154	2,121,542
Meter Shop	2,158,853	2,171,808	1,229,785	1,629,450	1,019,602	1,490,569	755,369
<b>Total Operating Expenses</b>	<b>47,908,188</b>	<b>47,782,241</b>	<b>22,431,105</b>	<b>46,901,939</b>	<b>19,911,120</b>	<b>43,107,035</b>	<b>18,267,365</b>
<b>Operating Margin</b>	<b>22,813,968</b>	<b>16,933,273</b>	<b>7,200,378</b>	<b>16,307,327</b>	<b>6,858,771</b>	<b>23,049,775</b>	<b>8,594,900</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	(1,071,000)	(1,071,000)	(962,534)	(1,648,864)	(680,864)	(760,405)	(332,000)
Depreciation	(9,542,576)	(9,542,576)	(4,771,288)	(7,634,963)	(3,598,222)	(7,196,443)	(3,568,046)
Special Assessments	-	-	(975,187)	1,234,068	20,363	834,398	33,859
Net Interest Income (Exp)	(4,937,970)	(3,848,601)	(1,582,297)	(3,405,967)	(1,369,554)	(4,481,093)	(1,342,432)
Other Non-Operating Income	2,000,000	2,000,000	53,875	344,653	-	383,889	127,027
Other Non Operating (Expense)	(2,000,000)	(2,000,000)	(308,490)	(919,308)	(199,727)	(911,354)	(466,180)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(15,551,546)</b>	<b>(14,462,177)</b>	<b>(8,545,921)</b>	<b>(12,030,381)</b>	<b>(5,828,005)</b>	<b>(12,131,008)</b>	<b>(5,547,772)</b>
<b>Net Income</b>	<b>7,262,422</b>	<b>2,471,096</b>	<b>(1,345,543)</b>	<b>4,276,946</b>	<b>1,030,766</b>	<b>10,918,767</b>	<b>3,047,128</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash			(1,672,528)	473,025	1,009,506	1,965,367	2,777,052
Construction Cash			16,615,000	8,118,608	-	-	-
Accounts Receivable			4,983,606	3,668,667	7,993,634	7,559,328	5,290,002
Bonds & Notes Payable			89,777,732	97,701,909	78,970,048	87,004,292	92,066,920
			-	-	-	-	-
<b>Significant Cash Flow Items</b>							
Capital Outlay	24,031,642	24,031,642	10,444,889	15,087,425	2,688,239	12,375,804	2,747,124
Bond & Note Principle payments	11,788,838	9,924,469	1,582,297	6,926,791	-	8,419,436	-
Refunding Principal Payments	-	12,615,000	12,615,000	-	-	-	-
<b>Total Cash Flow Items</b>	<b>35,820,480</b>	<b>46,571,111</b>	<b>24,642,186</b>	<b>22,014,216</b>	<b>2,688,239</b>	<b>20,795,240</b>	<b>2,747,124</b>

**City of Minneapolis  
Municipal Parking Fund  
For the Quarter Ended June 30, 2009**

<b>Fund 7500*</b>	<b>2009 Current Budget</b>	<b>June 30, 2009 Qtr End Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Revenue	43,497,346	21,354,761	22,142,585	49%
Expenditures	29,136,494	13,188,400	15,948,094	45%
Operating Margin	14,360,852	8,166,361		
Net Income (Loss)	5,741,463	3,858,642		

\* Figures in the table do not include State-owned ABC parking facilities.

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

**Program Description:**

This fund primarily accounts for operation and maintenance of parking ramps, lots, on-street parking meters, and the municipal impound lot. Major parking-related capital construction and development activities occur in this fund. In addition, this fund accounts for transfers in and out as noted below.

**Revenues:**

The 2009 2nd quarter revenues are slightly down in comparison to the 2009 budget by 1% (49% vs. 50%). The Impound Lot revenues are right where they should be for this time of year. The on-street meters are running slightly down (47% vs. 50%) and the winter season usually results in less meter revenue as well. The off-street ramps and lots are very close to their projection.

**Expenditures:**

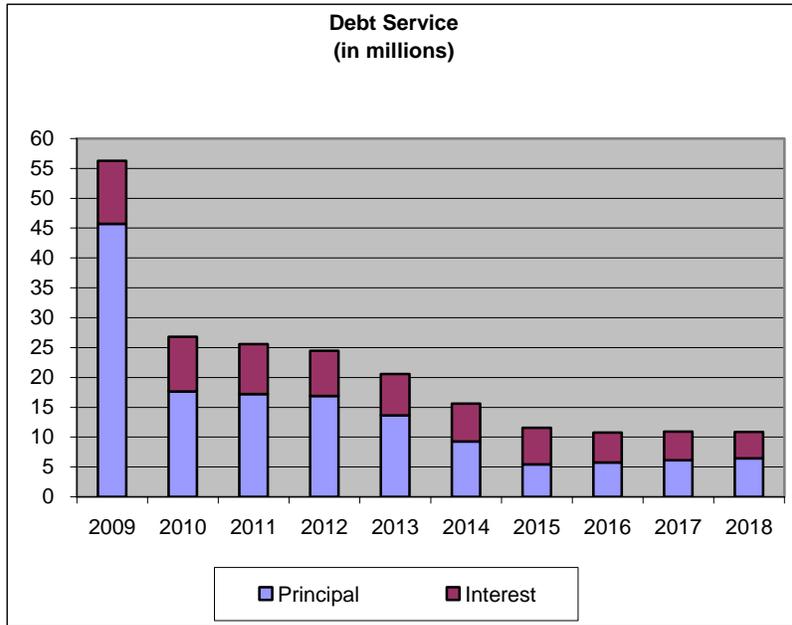
The 2009 2nd quarter expenses are below the 2009 budget by 5 % (45% vs. 50%). The off-street ramps and lots are down due to automation of the parking facilities equipment allowing for a reduction in personal. Impound Lot expenses are tracking appropriately even given multiple snow emergencies earlier in the year.

**Transfers to and from other funds:**

The 2009 transfers into and out of the Parking Fund are programmed and planned according to the 2009 budget, some of which have occurred in the 1<sup>st</sup> two quarters.

**Debt Service:**

There is currently \$203 million in outstanding bonds. The total debt service for 2009 is \$56.3 million including \$6.0 million in bonds called in Feb. 2009 and an additional \$29.5 million later in 2009 will be called to pay down existing parking ramp debt from the proceeds from the ramps that were sold. These payments cover the costs of bonds that were sold to fund capital projects for construction of municipal parking ramps and lots.



\* - \$20.8 million of annual bond retirement will occur during 2009 with \$35.5 million of bonds being called on a one time basis with funding of \$29.5 million coming from refunding bonds for a reduced interest rate and the remaining \$6 million coming from previous ramp sales.

The Parking System has an annual \$1.7 million capital program. However in 2008, there were no Parking Fund bonds issued for capital projects. Thus, the total amount of outstanding bonds in the Parking Fund has increased by \$3.4 million in 2009 with the sale of additional bonds to fund facilities repairs and improvements.

**Other Financial Items:**

The current operating cash balance is \$22.1 million. The City’s policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$12.3 million, which results in \$9.8 million remaining. The \$9.8 million is reserved for future debt service payments.

## **Parking Fund Workout Plan:**

A financial workout plan, as adopted by the City Council, approved parking initiatives to cut costs and increase revenues. The Workout Plan is in the process of being revised due to the successful parking initiatives and financial efforts that include the sale of 6 ramps in 2007 and 1 in February of 2008, the refinancing of debt at better rates, and the parking system initiatives geared to increase revenues and decrease expenses. An updated Workout Plan and financial projections should be available during 2009 based on actual figures through the year of 2008.

The efforts related to the Workout Plan and specific performance include:

### **Revenues:**

- **Off-Street Parking and Enhanced Parking Ramp Marketing Activities:** Figures for this year indicate that revenue will exceed budget by an estimated \$1.0 million. The offering of credit payment in our newly automated facilities plus ongoing initiatives are the primary factors contributing to the increase in overall revenues as we are attracting more daily customers.
- **On-Street Parking and Parking Meter Management Plan:** A request for proposals for new meter technology was developed and new meters are currently being tested. The pilot program for testing the new meter technologies ended on July 2009. The vendor who will provide the new meters is proposed to be selected in September 2009. Possibilities for new equipment features include offering multiple payment options, adjustable rate technology, improved enforcement capabilities, and electronic monitoring and reporting using the City's WiFi network. Public Works continues to examine opportunities for deploying meters in new locations.
- **Impound Lot and Collection of Unpaid Tow and Storage Fees:** The impound lot revenue is on target for the second quarter of 2009.

### **Expenditures:**

- **Off-street parking expenses** are less than budgeted which is primarily a result of savings due to conversion to automation. Savings from executing new janitorial contracts has also contributed to overall savings.
- **Salaries and wages** continue to be reduced due to continuing efforts toward reorganization and centralization resulting from the sale of the facilities mentioned above.
- **Enhance Wayfinding Program:** No program activities were performed in the 2009 2nd quarter.
- **Repair & Maintenance Program:** Major 2009 projects include ongoing automation of the revenue control equipment and systems upgrades at the Plaza Ramp, the building automation and fire alarm system conversion of the Haaf Ramp, and the refurbishing elevator equipment at the 11<sup>th</sup> and Marquette Ramp.

- Impound Lot expenditures are currently under budget by \$404,000 due to the adjustment of operating hours which has reduced labor costs. We are currently working with the City of St. Paul to further improve the software, auction and other processes to be more efficient and improve customer service.
- On-Street Parking expenditures were less than budgeted by \$86,000.

Based on the 2009 2nd quarter information, the following table presents a summary of each business line actual 2009 budget figures, a 2009 year end projection, and the variances between them.

<b>Revenue* And Expense Categories</b>	<b>2009 Current Budget</b>	<b>2009 Year End Projection based on Actual to date</b>	<b>Variance Budget Vs Actual</b>
Off-Street Parking	29,082,566	30,112,087	1,029,521
On-Street Parking	7,298,643	6,766,617	(532,026)
Impound Lot	7,116,137	7,077,288	(38,849)
<b>Total Revenue</b>	<b>43,497,346</b>	<b>43,955,992</b>	<b>458,646</b>
Off-Street Parking	22,287,617	22,942,251	654,634
On-Street Parking	1,249,499	893,857	(355,642)
Impound Lot	5,599,378	4,877,303	(722,075)
<b>Total Expenditures</b>	<b>29,136,494</b>	<b>28,713,412</b>	<b>(423,082)</b>
<b>Operating Margin</b>	<b>14,360,852</b>	<b>15,242,581</b>	<b>881,729</b>

\*Figures in the table do not include State-owned ABC parking facilities.

**Summary:**

Based on the quarterly data to date, revenues will exceed the amount budgeted by 1.1% and expenditures are under budget by 1.5% thereby resulting in an overall improved operating margin of \$881,729 or 6.1% more than the annual budget.

City of Minneapolis, Minnesota  
Municipal Parking Fund  
Statement of Revenues and Expenditures  
For Second Quarter/Years Ending 2009, 2008, and 2007

	Current Budget Year 2009	Projected Year Ending 2009	For Period Ending 30-Jun-09	For Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07
<b>Operating Revenues:</b>							
Off-Street Parking: City Owned	29,082,566	30,112,087	14,457,617	28,485,621	14,215,359	36,244,898	17,851,115
Off-Street Parking: State Owned	8,133,479	8,242,583	3,278,944	9,695,494	4,361,081	8,845,687	2,791,432
Towing	7,116,137	7,077,288	3,512,803	7,326,364	4,241,663	7,923,461	3,907,490
On-Street Meters	7,298,643	6,766,617	3,382,366	6,976,669	3,608,171	7,296,020	3,520,656
Total Operating Revenues	51,630,825	52,198,575	24,631,730	52,484,148	26,426,274	60,310,066	28,070,693
<b>Operating Expenses:</b>							
Off-Street Parking: City Owned-Direct Expenses	14,776,147	16,351,997	8,363,543	15,889,943	8,260,515	20,669,121	9,512,487
Off-Street Parking: State Owned-Direct Expenses	7,128,278	7,128,278	4,146,846	7,859,934	4,051,623	8,180,916	3,455,472
Towing	5,599,378	4,877,303	2,395,278	4,906,788	2,470,794	6,059,294	2,900,390
On-Street Meters	1,249,499	893,857	539,492	857,476	393,270	907,832	459,484
Other Operating Expenses	7,511,470	6,590,254	1,890,087	3,726,078	1,065,705	3,410,618	1,368,146
Total Operating Expenses	36,264,772	35,841,689	17,335,246	33,240,219	16,241,907	39,227,781	17,695,979
<b>Operating Margin</b>	<b>15,366,053</b>	<b>16,356,886</b>	<b>7,296,484</b>	<b>19,243,929</b>	<b>10,184,367</b>	<b>21,082,285</b>	<b>10,374,714</b>
<b>Non-Operating Revenues/(Expenses)</b>							
General Fund Transfer Out	(7,818,000)	(7,818,000)	(3,909,000)	(618,000)	(309,000)	(8,618,000)	(4,309,000)
Arena Reserve Transfer Out	(2,241,000)	(2,241,000)	(1,120,500)	(2,241,000)	(1,120,500)	(2,078,000)	(1,039,000)
Debt Service Transfer Out	(115,000)	(115,000)	(57,500)	(104,000)	(52,000)	(73,000)	(36,500)
Internal Service Fund Transfer Out	-	-	-	(8,000,000)	(4,000,000)	0	-
Sanitation Transfer Out	(146,000)	(146,000)	(73,000)	(146,000)	(73,000)	(146,000)	(73,000)
Total Transfers Out	(10,320,000)	(10,320,000)	(5,160,000)	(11,109,000)	(5,554,500)	(10,915,000)	(5,457,500)
Convention Center related facility Transfer	9,858,000	9,858,000	4,929,000	9,832,000	4,916,000	9,856,000	4,928,000
TI and MCDA Transfers In	8,252,292	8,252,292	4,126,146	7,386,506	3,693,253	8,564,522	4,282,261
Arbitrage Fund and Other Transfers In	-	-	-	-	-	-	-
Total Transfers In	18,110,292	18,110,292	9,055,146	17,218,506	8,609,253	18,420,522	9,210,261
Depreciation	(6,137,044)	(6,137,044)	(3,068,522)	(6,818,937)	(3,409,469)	(6,551,682)	(3,275,841)
Special Assessments	0	0	-	113,846	-	72,921	-
Interest	(10,272,637)	(10,072,624)	(3,776,882)	(10,047,006)	(5,023,503)	(12,881,548)	(6,444,774)
Other Non Operating Expenses	0	0	-	0	(143,785)	0	0
Other Non-Operating Income *	0	-	1,975	2,467,651	2,460,462	30,879,318	7,049
Total Non-Operating Revenues (Expenses)	(8,619,389)	(8,419,376)	(2,948,283)	(8,174,940)	(3,061,542)	19,024,531	(5,956,805)
<b>Net Income+/( -)</b>	<b>6,746,664</b>	<b>7,937,510</b>	<b>4,348,201</b>	<b>11,068,989</b>	<b>7,122,826</b>	<b>40,106,816</b>	<b>4,417,909</b>

\* - In 2007 6 ramps were sold with a gain on sale of \$30,660,844 and in 2008 1 ramp was sold with a gain on sale of \$2,458,363.

**Significant Balance Sheet Items**

Operating Cash			22,092,013	25,294,458	44,136,778	42,264,881	(7,715,100)
Construction Cash			-	-	-	395,953	2,092,101
Bonds Payable			189,600,042	202,125,042	231,180,542	238,140,542	261,789,642
Total Balance Sheet Items			-	211,692,054	227,419,500	280,801,376	256,166,643

**Significant Cash Flow Items**

Principal on debt	16,065,000	20,919,000	13,425,000	-	6,960,000	31,924,100	6,585,000
Refunding Principle Payments		23,550,000	23,550,000				
Capital Outlay			113,771	-	143,785	1,366,695	935,925
Total Cash Flow Items	16,065,000	44,469,000	37,088,771	0	7,103,785	33,290,795	7,520,925

**City Of Minneapolis  
Solid Waste and Recycling Fund  
For the Second Quarter Ending June 30, 2009**

<b>Fund 07700</b>	<b>2009 Budget</b>	<b>06/30/09 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	30,578,400	14,898,183	15,680,217	49%
Operating Expenditures	32,433,218	12,724,879	19,709,339	39%
Operating Margin	(1,854,818)	2,173,304		
Net Income/(Loss)	(3,326,487)	1,437,470		

**Program Description:**

The Solid Waste Fund accounts for City's solid waste collection, disposal, recycling, and graffiti removal operations. The division provides pick up services for trash, yard wastes, and recyclables on a weekly and a biweekly basis. The Fund is responsible for the operations of a solid waste transfer station which serves over 100,000 households. The division also provides "clean city" activities such as neighborhood clean sweeps, litter-graffiti controls and removals city-wide. It has initiated "organics" pilot program in selected school districts and neighborhoods. 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 collection.

**Revenue:**

The operating revenues for the Fund through the quarter totaled \$14.9 million compared to \$15 million through the second quarter of 2008. This is a decrease of \$100,000 or 1%, which can be attributed to over 50% decrease in recyclable sales revenue. The revenue for recyclable sales is variable and is tied to economic indicators in the market place. The grant revenue from Hennepin County has not yet been received but is recognized in this report.

**Expenses:**

The operating expenses through the second quarter ended at \$12.7 million compared to \$11.8 million in 2008. The increase in expenditures of \$900,000 or 8%, over the same period in 2008, is mainly due to increase in expenditures in disposal, administration, and equipment cost centers.

**Transfers:**

Estimated transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking fund for litter containers and \$50,000 from the General fund for graffiti removal. Half of these transfers have been recognized through second quarter. Transfers out of the Fund include \$700,000 for alley plowing and \$78,000 for MERF Unfunded Liability. These are transferred out to General Fund when payments for these activities occur. For the quarter ending June 30<sup>th</sup>, half of the General Fund transfers have been recognized.

**Debt Service:** This fund has no debt service.

**Other Financial Items:**

The fund's cash balance for the second quarter ended at \$20 million. The accounts receivable balance is \$2.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$6 million, which results in an excess of \$14 million.

City of Minneapolis, Minnesota  
Solid Waste and Recycling Fund  
Statement of Revenues and Expenses  
For Second Quarter/Years Ending 2009, 2008, 2007

	Budget Year 2009	Projection Year 2009	For Period Ending 6/30/2009	For Year Ending 12/31/2008	For Period Ending 6/30/2008	For Year Ending 12/31/2007	For Period Ending 06/30/2007
<b>Operating Revenues:</b>							
County Grants	800,000	819,333	400,000	871,639	400,000	783,762	400,000
Solid Waste Fees	28,079,000	27,051,019	13,995,154	26,385,324	13,414,775	26,853,386	13,412,559
Recyclable Sales	1,699,400	920,253	494,231	2,284,278	1,163,878	1,875,837	903,656
Charges for Other Services	-	46,505	8,798	85,338	14,563	31,976	-
<b>Total Operating Revenues</b>	<b>30,578,400</b>	<b>28,837,109</b>	<b>14,898,183</b>	<b>29,626,579</b>	<b>14,993,216</b>	<b>29,544,961</b>	<b>14,716,215</b>
<b>Operating Expenses:</b>							
Collection	7,497,826	7,130,073	3,114,983	6,894,417	3,448,056	6,465,493	3,040,849
Recycling	3,783,328	3,192,672	1,564,731	3,063,915	1,512,057	3,144,651	1,544,080
Disposal	6,571,625	5,032,515	2,263,737	4,892,029	1,699,837	4,901,091	1,840,436
Yard Waste	2,241,569	1,551,330	496,531	1,607,817	850,648	1,440,611	682,018
Large Item/Problem Material	1,081,547	1,092,696	525,329	1,027,048	503,839	1,080,192	502,239
Transfer Stations	218,618	161,389	92,413	206,433	240,302	125,542	82,699
Administration	5,125,367	4,478,472	2,318,953	4,205,374	1,421,287	4,228,996	1,623,724
Customer Service	369,389	633,267	226,237	580,176	213,233	437,592	210,016
Clean City	2,128,943	1,727,031	927,347	1,855,486	746,070	1,609,132	769,969
Equipment	3,415,006	3,262,290	1,194,617	2,352,836	1,212,199	2,340,266	1,263,544
Human resources							
<b>Total Operating Expenses</b>	<b>32,433,218</b>	<b>28,261,735</b>	<b>12,724,879</b>	<b>26,685,531</b>	<b>11,847,529</b>	<b>25,773,566</b>	<b>11,559,573</b>
<b>Operating Margin</b>	<b>(1,854,818)</b>	<b>575,374</b>	<b>2,173,304</b>	<b>2,941,048</b>	<b>3,145,687</b>	<b>3,771,395</b>	<b>3,156,642</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers In	196,000	196,000	98,000	346,000	98,000	196,000	98,000
Net Transfers Out	(821,000)	(821,000)	(410,500)	(809,000)	(410,500)	(778,000)	(410,500)
Gains (Losses)							
Depreciation	(846,669)	(846,669)	(423,335)	(846,669)	(423,335)	(932,079)	(473,086)
Special Assessments	-			572,827	64,335	119,614	17,047
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(1,471,669)</b>	<b>(1,471,669)</b>	<b>(735,835)</b>	<b>(736,842)</b>	<b>(671,499)</b>	<b>(1,394,465)</b>	<b>(768,539)</b>
<b>Net Income</b>	<b>(3,326,487)</b>	<b>(896,295)</b>	<b>1,437,470</b>	<b>2,204,206</b>	<b>2,474,187</b>	<b>2,376,931</b>	<b>2,388,103</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash			20,347,798	20,667,205	22,815,153	17,635,380	17,113,373
Accounts Receivable			2,907,087	2,882,587	3,174,964	3,133,296	3,220,523

# 2009 Second Quarter Investment Report

In accordance with the City's investment policy, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity and yield.

As of June 30, 2009, the City's current investment portfolio was valued at approximately \$404 million. The sector holdings and fund distributions are shown below. For the twelve months ended June 30, 2009, the portfolio has outperformed its benchmark.

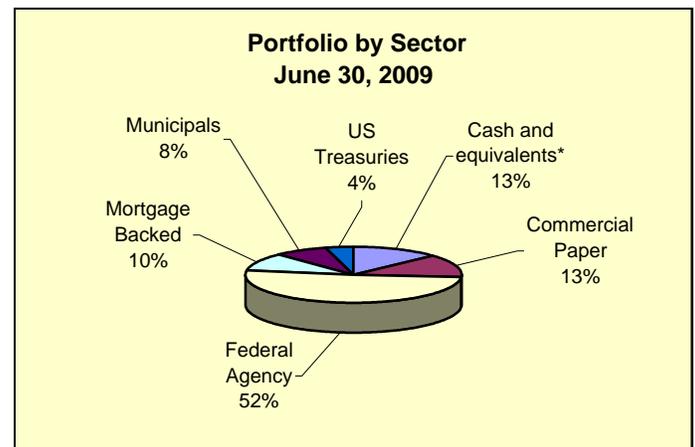
Investment Performance period ended June 30, 2009	City Portfolio	Custom Benchmark*
3 month Total Return	0.4%	0.0%
12 months Total Return	2.6%	1.9%
3 year Total Return	4.1%	3.8%
Credit Quality	AGY	AGY

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

## Portfolio Holdings By Sector

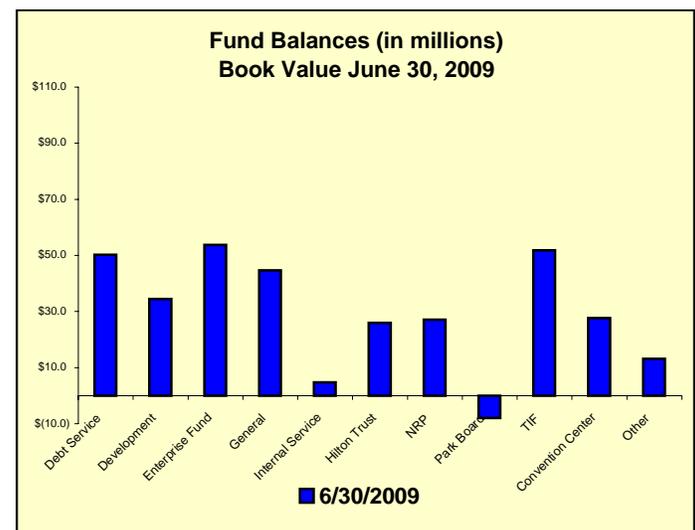
Sector	June 30 2009	% of port.	June 30 2008	% of port.
<i>Cash and equivalents*</i>	\$ 52.6	13%	\$ 74.6	17%
<i>Commercial Paper</i>	\$ 53.8	13%	\$ 26.6	6%
<i>Federal Agency</i>	\$ 207.0	51%	\$ 143.1	33%
<i>Mortgage Backed</i>	\$ 41.4	10%	\$ 33.0	8%
<i>Municipals</i>	\$ 33.1	8%	\$ 31.3	7%
<i>Asset Backed Securities</i>	\$ -	0%	\$ 0.4	0%
<i>US Treasuries</i>	\$ 16.6	4%	\$ 122.5	0.3%
<b>Total Market Value</b>	\$ 404.5	100%	\$ 431.5	100%

\*Net of checks outstanding



## Funds

Book Value in millions	2009	% of funds	2008*	% of funds
<i>Debt Service</i>	\$ 50.2	13%	N/A	N/A
<i>Development</i>	\$ 34.5	9%	N/A	N/A
<i>Enterprise Fund</i>	\$ 53.7	13%	N/A	N/A
<i>General</i>	\$ 44.7	11%	N/A	N/A
<i>Internal Service</i>	\$ 4.7	1%	N/A	N/A
<i>Hilton Trust</i>	\$ 26.0	6%	N/A	N/A
<i>NRP</i>	\$ 27.1	7%	N/A	N/A
<i>Park Board</i>	\$ (8.0)	-2%	N/A	N/A
<i>TIF</i>	\$ 51.8	13%	N/A	N/A
<i>Convention Center</i>	\$ 27.7	7%	N/A	N/A
<i>Other</i>	\$ 13.1	3%	N/A	N/A
<b>Sub Total City Op. Port.</b>	\$ 325.5	81%	\$ -	N/A
<i>Bond Proceeds/Const.</i>	\$ 76.0	19%	N/A	N/A
<b>TOTAL Book Value</b>	\$ 401.5	100%	\$ -	N/A
<i>Unrealized G/L &amp; Acc int</i>	\$ 3.0		N/A	
<b>All Funds Mkt Value</b>	\$ 404.5		N/A	



\* 2008 Cash balances by fund unavailable due to issues associated with COMPASS implementation that weren't completely resolved in calendar year 2008.