

**City of Minneapolis
2015 Budget**

Strategic Planning

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City Vision and Values



Vision

Minneapolis is a growing and vibrant world-class city with a flourishing economy and a pristine environment, where *all* people are safe, healthy and have equitable opportunities for success and happiness.

Values

We will be a city of...

Equity

Fair and just opportunities and outcomes for all people.

Safety

People feel safe and are safe.

Health

We are focused on the well-being of people and our environment.

Vitality

Minneapolis is a world class city, proud of its diversity and full of life with amenities and activities.

Connectedness

People are connected with their communities, are connected to all parts of the city and can influence government.

Growth

While preserving the city's character, more people and businesses lead to a growing and thriving economy.

We work by...

Innovating and being creative

New ideas drive continuous improvement.

Getting results

Our efficient, effective work meets measurable goals for today and tomorrow.

Engaging the community

All have a voice and are heard.

Valuing employees

Valued and supported employees take pride in public service.

Building public trust

All have access to services and information.
We work in an open, ethical and transparent manner.

Collaborating

We work better together as one team.
We value our partners, and they value us.

Goals and Strategic Directions

Living well

Minneapolis is safe and livable and has an active and connected way of life

- All neighborhoods are safe, healthy and uniquely inviting.
- High-quality, affordable housing choices exist for all ages, incomes and circumstances.
- Neighborhoods have amenities to meet daily needs and live a healthy life.
- High-quality and convenient transportation options connect every corner of the city.
- Residents and visitors have ample arts, cultural, entertainment and recreational opportunities.
- The city grows with density done well.

One Minneapolis

Disparities are eliminated so all Minneapolis residents can participate and prosper

- Racial inequities (including in housing, education, income and health) are addressed and eliminated.
- All people, regardless of circumstance, have opportunities for success at every stage of life.
- Equitable systems and policies lead to a high quality of life for all.
- All people have access to quality essentials, such as housing, education, food, child care and transportation.
- Residents are informed, see themselves represented in City government and have the opportunity to influence decision-making.

A hub of economic activity and innovation

Businesses – big and small – start, move, stay and grow here.

- Regulations, policies and programs are efficient and reliable while protecting the public's interests.
- The workforce is diverse, well-educated and equipped with in-demand skills.
- We support entrepreneurship while building on sector (such as arts, green, tourism, health, education and high-tech) strengths.
- We focus on areas of greatest need and seize promising opportunities.
- Infrastructure, public services and community assets support businesses and commerce.
- Strategies with our City and regional partners are aligned, leading to economic success.

Great places

Natural and built spaces work together and our environment is protected

- All Minneapolis residents, visitors and employees have a safe and healthy environment.
- We sustain resources for future generations by reducing consumption, minimizing waste and using less energy.
- The City restores and protects land, water, air and other natural resources.
- We manage and improve the city's infrastructure for current and future needs.
- Iconic, inviting streets, spaces and buildings create a sense of place.
- We welcome our growing and diversifying population with thoughtful planning and design.

A City that works

City government runs well and connects to the community it serves

- Decisions bring City values to life and put City goals into action.
- Engaged and talented employees reflect our community, have the resources they need to succeed and are empowered to improve our efficiency and effectiveness.
- Departments work seamlessly and strategically with each other and with the community.
- City operations are efficient, effective, results driven and customer focused.
- Transparency, accountability and ethics establish public trust.
- Responsible tax policy and sound financial management provide short-term stability and long-term fiscal health.

On March 28th, 2014 the Minneapolis City Council adopted the City's vision, values, goals and strategic directions that will guide the City's work for the next four years. City leaders set new goals every four years, resulting in clear priorities that provide long-term direction and clarify the core function of City government.

**City of Minneapolis
2015 Budget
Strategic Planning
Annual Budget Process**

The City of Minneapolis annual budget process integrates information from the City's strategic and business planning process, capital long-range improvement committee process and the departmental performance measurement review process (*Results Minneapolis*) to establish annual resource allocations.

February-March

Strategic planning

The City engages in citywide strategic planning every four years to develop citywide goals and strategic directions. These citywide goals and strategic directions set guidelines for each department to develop its business plan. Early in 2014, the elected officials and department leadership participated in sessions aimed at setting a future direction for the City within the financial parameters anticipated. As a result of the decisions arrived at in these sessions, a new vision, five-year goals, and strategic directions were adopted. These will be revisited next in 2018.

March

Preliminary prior year-end budget status report

Finance presents a year-end budget status report for the previous year to the Ways and Means/Budget Committee. This is a preliminary report because the audited Comprehensive Annual Financial Report (CAFR) is not available until the second quarter of the year.

March–April

Capital improvement budget development

The City has a five-year capital improvement plan. The departments prepare and modify capital improvement proposals on an annual basis. Finance and Property Services, Community Planning and Economic Development (CPED), and the Capital Long-range Improvements Committee (CLIC) review capital improvement proposals of the departments. CLIC is the citizen advisory committee to the Mayor and the City Council on capital programming.

April–June

Operating budget development

Departments work in coordination with Finance and Property Services to prepare operating budgets based on programs. In addition to preparing operating budgets for programs, departments prepare proposals that describe policy and organizational changes with financial implications. The program proposals form the basis for the Mayor's budget meetings with departments held in June and July.

Capital Asset Request System (CARS) plan and budget development

Departments work in coordination with Finance and Property Services to prepare five-year plans for the replacement of smaller capital assets and operating capital. The plans are based upon the need for replacements and the addition of capital assets for operational effectiveness. Each request requires a justification and an estimate of the impact on operating budgets, as well as identification of funding sources.

June–August

Mayor's Recommended Budget

The 2015 Mayor's Recommended Budget will be based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor's Office, and staff from the Coordinator's Office and Finance and Property Services for priority-setting. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15.

September

Maximum proposed property tax levy

As a requirement of State law, the maximum proposed property tax levy increase is set by September 30 by the Board of Estimate and Taxation (BET). The BET sets the maximum levies for the City, the Municipal Building Commission, the Public Housing Authority and Park Board.

September–November

City Council budget review and development

The City Council budget review and development process begins with a series of public hearings on the budget. Departments present their Mayor's Recommended Budget to the Ways and Means and Budget Sub-committees with all Councilmembers invited to attend. Following departmental budget hearings, the Ways and Means and Budget Subcommittees amend and move forward final budget recommendations to the full City Council. The Committee-recommended budget includes any and all changes that are made by the Committee to the Mayor's Recommended Budget.

Truth in Taxation

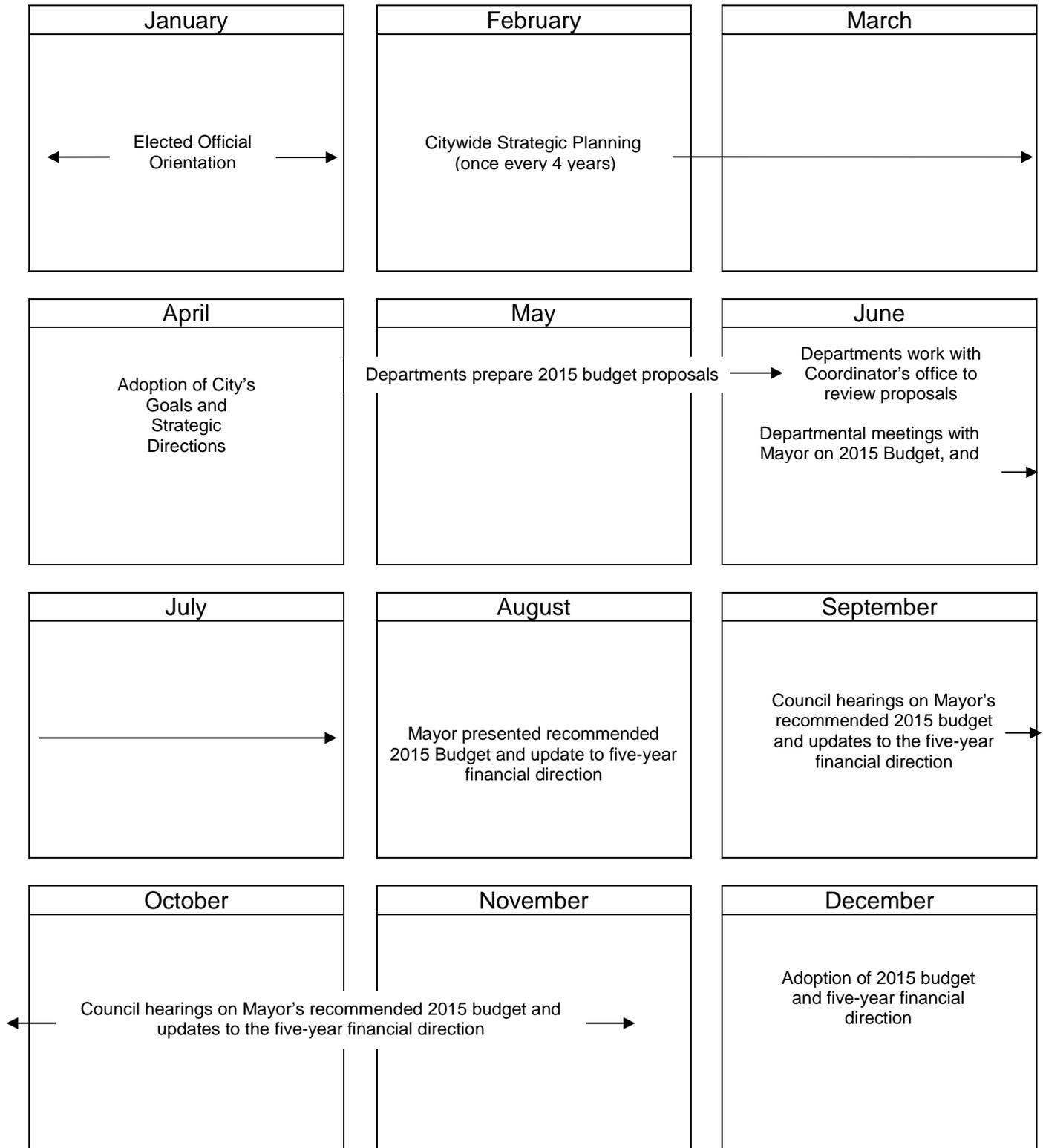
Truth in Taxation (TNT) property tax statements are mailed by Hennepin County to property owners indicating the maximum amount of property taxes that the owner will be required to pay. These statements also indicate the dates when TNT public hearings will be held. State law was changed in the 2009 legislative session to eliminate a separate TNT hearing. This requirement was replaced with a mandate to allow public comments at the meeting at which the final budget adoption occurs. The City Council has maintained this hearing however as part of the regularly scheduled budget meetings. According to State law, the meeting at which the budget is adopted must be held after 6:00 p.m., on a date after November 24.

December

City Council budget adoption

The City Council adopts a final budget that reflects any and all changes made by the full Council to the Mayor's Recommended Budget. Once the final budget resolutions are adopted, requests from departments for additional funds or positions made throughout the year are to be brought as amendments to the original budget resolutions before the Ways and Means/Budget Committee and the City Council for approval. The independent boards and commissions adopt their own operating budgets.

Financial/Business Decisions 2015 Budget Calendar



City of Minneapolis 2015 Budget Integrating Key City Processes

Setting priorities for the City is one of the most important responsibilities for Minneapolis' elected officials. These priorities are articulated and discussed through a number of different means: citywide strategic planning, department business planning, the annual budget process, and performance monitoring.

The diagram following this narrative illustrates the linkages among these key City processes. By fully integrating strategic planning, business planning, budgeting and performance monitoring, Minneapolis is able to plan for the future and ensure its efforts and resources are aligned in the same direction.

Citywide Strategic Planning

Strategic planning is a process in which an organization sets its long-term future direction. It is a tool for assessing its current and future environment and for ensuring the organization's energies are focused toward achieving strategic goals.

In March 2014, the Mayor and City Council adopted a new set of City Goals and Strategic Directions. This work builds on previous City goals and a resolution establishing commitment to business planning and the five-year financial direction. This strategic policy direction serves as a guide by which all other policy decisions should be assessed. As elected officials and departments make decisions throughout the year, they should be asking "does this support the City's strategic plan?"

Department Business Planning

The development of the citywide strategic plan is intended to provide clear direction for departments' business planning efforts. Through the planning and budgeting processes, departments are given direction as to City priorities and their projected level of resources over the next several years, and now have the opportunity to structure their work accordingly. A department's business plan will articulate the alignment of its services with the citywide strategic plan.

Business planning is a process that provides both strategic and tactical direction to City departments. A business plan is a mid-range plan (Minneapolis uses a four-year planning horizon) that aligns department services with City strategic goals. A business plan addresses what the department does, what it is trying to achieve, how to achieve it, what resources to use, and how it will know when it has been successful.

Annual Business Plan Updates and Priority Updates

The City develops a four-year business plan accompanied by annual updates following the adoption of the budget. The last long-term citywide strategic planning process was completed in 2014, with changes to or development of new goals and directions, followed by updates to departmental business plans. The current goals and strategic directions for departments are listed at the end of this section.

	Jan.	Feb	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2014		Strategic Planning	City Goals Adopted	Departments Develop 4-year Business Plans								Budget Adoption
2015	Optional: Council Committee Workplan Development	Department Business Plan Update										Budget Adoption
2016	Optional: Council Committee Workplan Development	Department Business Plan Update										Budget Adoption
2017	Optional: Council Committee Workplan Development	Department Business Plan Update									 Election	Budget Adoption

The Annual Budget Process

Minneapolis' annual budget process is the process in which the Mayor and City Council articulate their priorities for the upcoming year by allocating City financial resources accordingly. Through the further integration of the City's planning, budgeting and performance measurement processes, it is expected that the decisions surrounding the budget process will be better informed as these planning efforts come to fruition. The business plans provide greater clarity of the intended future direction of departments, and performance measurement helps assess whether current strategies are yielding those expected results.

As stated above, during the planning and budgeting process, departments are given the projected level of financial resources to expect over the next several years and plans are adjusted accordingly.

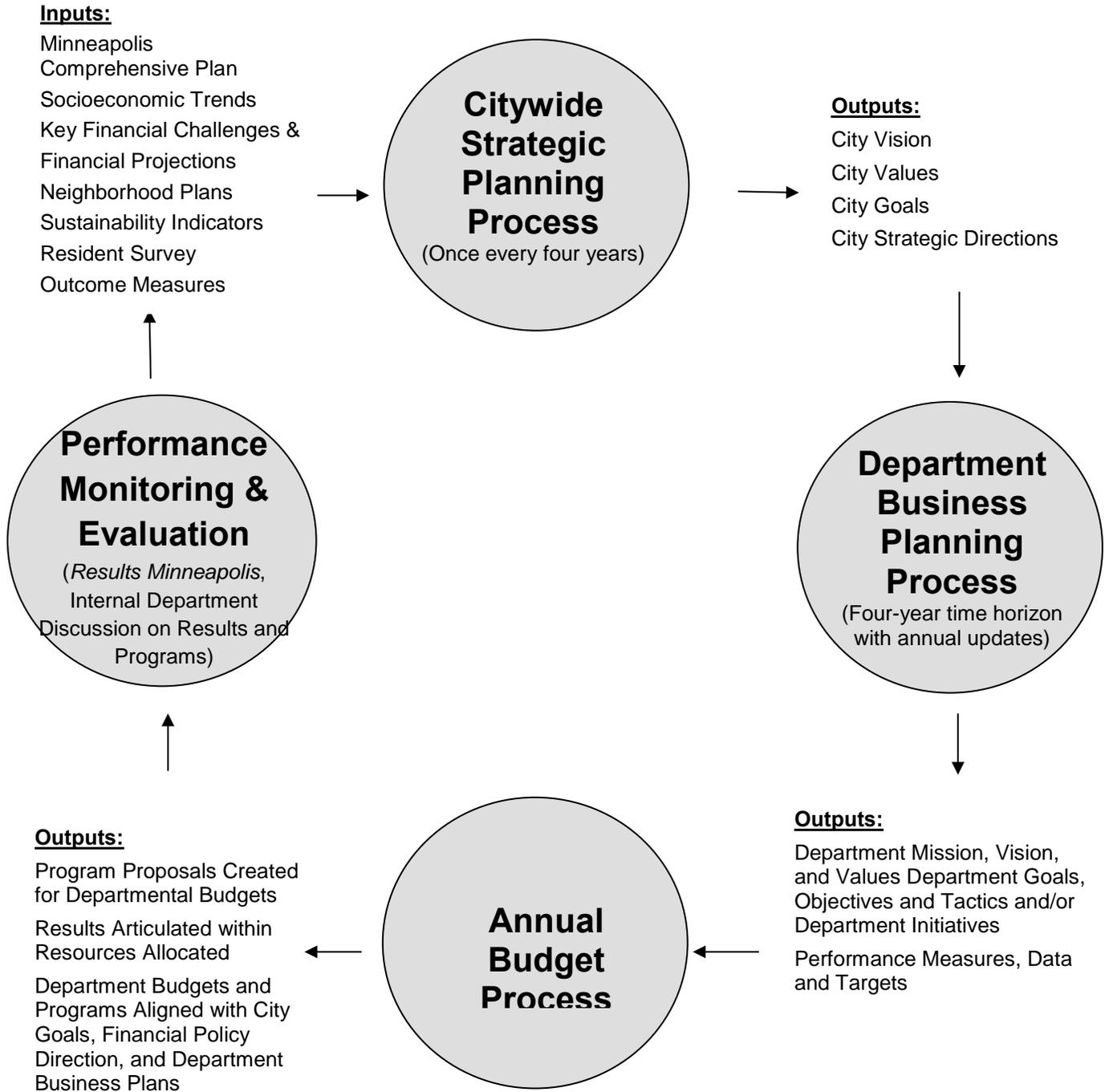
Performance Monitoring

Performance monitoring is the means we use to examine our progress toward both our City and department goals. A successful performance monitoring system can lead to continuous improvement of program performance, improved customer service, strengthened accountability and empowered employees.

Performance measures can assist in keeping budget discussions focused on expected outcomes, allowing for greater creativity in how those outcomes are achieved. Finally, performance measures can give both the policy makers and department management the language they need to have a discussion about what resources are needed and why.

In addition to incorporating performance measures into the budget process, the City discusses department measures and community indicators during weekly *Results Minneapolis* progress conferences. *Results Minneapolis* is a performance monitoring effort whereby each City department presents before a panel at least annually to discuss progress on outcomes that it deems most important in its decision-making process.

Integrating Key City Processes





What is *Results Minneapolis*?

Results Minneapolis is a performance management and monitoring tool used by Minneapolis city leaders to monitor progress and offer strategic counsel toward achieving the City's adopted four-year goals and 20-year vision.

How *Results Minneapolis* is helping us meet our goals

Results Minneapolis has institutionalized Minneapolis as a results-focused, data-driven, and more transparent government. Monitoring performance helps City decision-makers be more effective by providing the information they need to proactively implement management changes for improved results. *Results Minneapolis* ensures that all managers are focused on achieving common outcomes and resources are aligned with the greatest needs of the City.

Components of *Result Minneapolis*

- **Report**
Each *Results Minneapolis* report focuses on a specific department or multi-departmental initiative. They are organized around business plan goals and include various performance measures ranging from department outputs to influence level and are accompanied by supporting narrative.
- **Progress conference**
Conferences are held regularly with the following format:
 - Introduction (5 minutes)
 - Question and answer by review panel (40 minutes)
 - Department opportunity to present anything that was not discussed (10 minutes)
 - Final thoughts and big takeaways (5 minutes)

Panel: The review panel is made up of the Mayor, home committee chair, City Coordinator, Deputy City Coordinator, other department heads, and, when appropriate, outside key stakeholders.
- **Public transparency**
The *Results Minneapolis* reports can be found at- (www.minneapolismn.gov/results).

How *Results* measures are being utilized

Results Minneapolis measures can lead to continuous improvement of program performance, improved customer service, strengthened accountability, and empowered employees. Some of the other ways in which *Results Minneapolis* measures are used include:

- Business planning;
- Department budget proposals;
- Department budget presentations
- The budget book;
- Talking points (The State of the City, Budget Address, Press Conferences); and
- In presentations to outside entities.