

CITY OF MINNEAPOLIS

Operating Budget Process – Summary and Wrap up

Ways & Means Committee

June 9, 2014



Minneapolis
City of Lakes

City Budget Process

- Vision, Values, Goals & Strategic Direction
- Capital Improvement Budget Development
- Capital Asset Request System (CARS)
- Operating Budget Assumptions
- Mayor's Recommended Budget
- Maximum property tax levies
- Truth in Taxation
- City Council Budget Development and Adoption

Vision, Values, Goals & Strategic Direction

The City engages in a 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.

Capital Improvement Budget Development

The City has a five-year capital improvement plan. The departments prepare and modify capital improvement proposals in the five-year plan on an annual basis. Finance, Community Planning and Economic Development (CPED), and the capital long-range improvement 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.

Capital Asset Request System

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 need for replacement and the addition of capital assets for operational effectiveness. Each request requires a justification and estimate of the impact on operating budgets, as well as identifying funding sources.

Assumptions

- Revenues – based on assumptions that is validated annually.
 - Trends
 - Known factors – increases/decreases in grants, fees
- Expenses
 - Salaries – adjusted for settled contracts
 - Non-personnel – remains flat but departments can justify need.

Mayor's Recommended Budget

The Mayor's Recommended Budget is based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor's Office, 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/state law, the Mayor must make recommendations to the City Council on the budget no later than August 15.

Maximum Property Tax Levy

The maximum property tax levy is set on or before September 30. The final levy that is adopted in December may not exceed the maximum property tax levy that was set on or before September 30.

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. The Mayor and City Council has a public comment on levy and budget in late November before the budget is adopted in December.

City Council Budget Development and Adoption

- Departments provide an overview of the budget that was included in Mayor's recommended budget to the Ways and Means committee in September and October
- Ways and Means makes adjustments to the Mayor's recommended budget and sends to the City Council
- The City Council adopts a final budget that reflects any and all changes made to the Mayor's Recommended Budget. Once the final budget resolutions are adopted, all the requests from departments for additional funds or positions made throughout the year are brought as amendments to the original budget resolutions before the Ways and Means Committee and the City Council for approval.
- The independent boards and commissions adopt their own operating budgets.

Important Dates:

- Maximum property tax levies hearing - August 27
- Set maximum property tax levies – September 10
- Public comment on levy and budget – November 18
- Budget adoption – December 4



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Questions