

**ORDER OF BUSINESS  
BOARD OF ESTIMATE & TAXATION  
Regular Meeting of Wednesday Oct 12, 2011  
City Hall, Room 317 @ 4:00 p.m.**

**NEW BUSINESS**

1. Relating to and providing for the issuance and sale of general obligation improvement bonds of the City of Minneapolis in an amount of \$8,495,000.
  - A. Bond request resolutions and public hearing dates
  - B. Assessment amounts by project & by # of assessment years
  - C. Sources and uses of funds for the bond sale.
  - D. Suggested bond authorization resolution is attached ( actual sale resolution will be before the Board October 26, 2011.
  
2. Additional information requests & direction to staff.

**REPORTS**

- R – 1. Variable Rates (Tax Exempt) for the weeks starting October 6 & 13, 2011.  
Article on Dexia from "The Bond Buyer"
- R – 2. TNT notice information.

**ADJOURNMENT**

**Please note the meeting is Wednesday Oct 26<sup>th</sup>  
& the Bond sale Resols require 5 yes votes to be adopted.**

Bd Req Resol #	Bd Req \$\$	PH date	Project
2011R - 313	504,950	7-Jun-11	I 33rd & Talmage
2011R - 239	534,175	3-May-11	II Riverside, 23rd Aves to 27th Ave S
2010R - 470	110,740	17-Aug-10	III 14th Ave N Culdesac
2011R - 274	145,750	17-May-11	IV 25th St E
2011R - 278	32,201	17-May-11	IV 25th St E Water Main
2011R - 276	101,308	17-May-11	IV 25th St E Sanitary Sewer
2010R - 271	425,480	18-May-10	Chicago LTG -150 L - 1 Chicago LTG +150
2011R - 266	80,460	17-May-11	D - 1 2nd Ave S, 32nd St E to 42nd St E D - 1 2nd Ave S, 32nd St E to 42nd St E
2011R - 355	383,325	21-Jun-11	H 49th Ave N, Humboldt Ave N to Xerxes Ave N H 49th Ave N, Humboldt Ave N to Xerxes Ave N
2011R - 384	79,710	19-Jul-11	1 5th St S, 11th Ave S to 13th Ave S
2011R - 236	134,305	3-May-11	I 6th St S, 5th Ave N to 13th Ave N
2011R - 237	38,425	3-May-11	J 7th St S, 5th Ave S to Chicago Ave J 7th St S, 5th Ave S to Chicago Ave
2011R - 270	49,460	17-May-11	E - 2 9th St S, 25th Ave S to 27th Ave S E - 2 9th St S, 25th Ave S to 27th Ave S
2011R - 358	82,645	21-Jun-11	Alley Resurfacing 2012 Alley Alley Resurfacing 2012
2011R - 112	135,875	1-Mar-11	K Broadway St NE
2011R - 269	19,265	17-May-11	E - 1 Butler Place Resurfacing
2011R - 310	196,690	7-Jun-11	F Chicago Ave 38th St E to 46th St E F Chicago Ave 38th St E to 46th St E F Chicago Ave 38th St E to 46th St E
2011R - 311	277,225	7-Jun-11	G Chicago Ave 49th St E to 60th St E G Chicago Ave 49th St E to 60th St E
2011R - 234	1,161,130	21-Jun-11	A Hale & Hale East A Hale & Hale East
2010R - 205	1,852,395	20-Apr-10	135 DDIR 2 135 DDIR
2011R - 110	64,940	1-Mar-11	3 Prospect Park Phase 2
2011R - 272	220,575	17-May-11	4 Prospect Park Phase 3
2011R - 260	80,965	17-May-11	D - 2 Stevens Ave S, 32nd St E to 42nd St E D - 2 Stevens Ave S, 32nd St E to 42nd St E
2011R - 308	773,430	7-Jun-11	Ventura Village B Ventura Village
2011R - 190	1,017,505	5-Apr-11	Wenonah West C Wenonah West

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Street Improvement #	Assmts \$\$	Assmts Years	Assmts \$\$	Project		
2225C	\$504,944.19	20	\$504,944.19	I 33rd & Talmage	\$0.00	\$504,944.19
6746C	\$534,173.13	20	\$534,173.13	II Riverside, 23rd Aves to 27th Ave S	\$0.00	\$534,173.13
9885C	\$110,742.55	20	\$110,742.55	III 14th Ave N Culdesac	\$0.00	\$110,742.55
6734C	\$145,748.75	20	\$145,748.75	IV 25th St E	\$0.00	\$145,748.75
6734W	\$32,201.00	20	\$32,201.00	IV 25th St E Water Main	\$0.00	\$32,201.00
6734S	\$101,308.00	20	\$101,308.00	IV 25th St E Sanitary Sewer	\$0.00	\$101,308.00
L6382	\$6,642.70	1		Chicago LTG -150	\$0.00	\$6,642.70
6382L	\$413,262.48	20	\$419,905.18	L - 1 Chicago LTG +150	\$0.00	\$413,262.48
15219	\$677.11	1		D - 1 2nd Ave S, 32nd St E to 42nd St E	\$0.00	\$677.11
52191	\$79,781.24	5	\$80,458.35	D - 1 2nd Ave S, 32nd St E to 42nd St E	\$0.00	\$79,781.24
15218	\$507.20	1		H 49th Ave N, Humboldt Ave N to Xerxes Ave N	\$0.00	\$507.20
52181	\$382,814.61	5	\$383,321.81	H 49th Ave N, Humboldt Ave N to Xerxes Ave N	\$0.00	\$382,814.61
52251	\$79,702.06	5	\$79,702.06	1 5th St S, 11th Ave S to 13th Ave S	\$0.00	\$79,702.06
52231	\$134,301.81	5	\$134,301.81	I 6th St S, 5th Ave N to 13th Ave N	\$0.00	\$134,301.81
15224	\$2,774.41	1		J 7th St S, 5th Ave S to Chicago Ave	\$0.00	\$2,774.41
52241	\$35,646.21	5	\$38,420.62	J 7th St S, 5th Ave S to Chicago Ave	\$0.00	\$35,646.21
15222	\$29.65	1		E - 2 9th St S, 25th Ave S to 27th Ave S	\$0.00	\$29.65
52221	\$49,427.02	5	\$49,456.67	E - 2 9th St S, 25th Ave S to 27th Ave S	\$0.00	\$49,427.02
121FS	\$192.73	1		Alley Resurfacing 2012	\$0.00	\$192.73
FS121	\$81,923.82	5	\$82,116.55	Alley Alley Resurfacing 2012	\$0.00	\$81,923.82
52141	\$135,874.70	5	\$135,874.70	K Broadway St NE	\$0.00	\$135,874.70
52211	\$19,261.57	5	\$19,261.57	E - 1 Butler Place Resurfacing	\$0.00	\$19,261.57
15209	\$3,674.67	1		F Chicago Ave 38th St E to 46th St E	\$0.00	\$3,674.67
52091	\$185,311.26	5		F Chicago Ave 38th St E to 46th St E	\$0.00	\$185,311.26
75209	\$7,700.16	7	\$196,686.09	F Chicago Ave 38th St E to 46th St E	\$0.00	\$7,700.16
15208	\$2,621.16	1		G Chicago Ave 49th St E to 60th St E	\$0.00	\$2,621.16
52081	\$274,602.83	5	\$277,223.99	G Chicago Ave 49th St E to 60th St E	\$0.00	\$274,602.83
15215	\$1,263.85	1		A Hale & Hale East	\$0.00	\$1,263.85
52151	\$1,157,890.04	5	\$1,159,153.89	A Hale & Hale East	\$0.00	\$1,157,890.04
09889	\$26,202.02	1		135 DDIR	\$0.00	\$26,202.02
98890	\$1,826,193.07	5	\$1,852,395.09	2 135 DDIR	\$0.00	\$1,826,193.07
5207	\$64,935.24	5	\$64,935.24	3 Prospect Park Phase 2	\$0.00	\$64,935.24
52073	\$220,572.13	5	\$220,572.13	4 Prospect Park Phase 3	\$0.00	\$220,572.13
15220	\$416.37	1		D - 2 Stevens Ave S, 32nd St E to 42nd St E	\$0.00	\$416.37
52201	\$80,546.29	5	\$80,962.66	D - 2 Stevens Ave S, 32nd St E to 42nd St E	\$0.00	\$80,546.29
15216	\$5,878.28	1		Ventura Village	\$0.00	\$5,878.28
52161	\$767,548.90	5	\$773,427.18	B Ventura Village	\$0.00	\$767,548.90
15217	\$462.66	1		Wenonah West	\$0.00	\$462.66
52171	\$1,017,039.84	5	\$1,017,502.50	C Wenonah West	\$0.00	\$1,017,039.84
	\$8,494,795.71		\$8,494,795.71			\$8,494,795.71
	\$204.29		\$204.29			\$204.29
	\$8,495,000.00		\$8,495,000.00			\$8,495,000.00
				<<<< Round to DS >>>>		
					\$0.00	\$8,495,000.00

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**SOURCES AND USES OF FUNDS**  
**General Obligation Improvement Bonds, Series 2011**

**SOURCES**

General Obligation Improvement Bonds, Series 2011	\$8,495,000.00 *
<b>Total Sources</b>	<b>\$8,495,000.00</b>

**USES**

Alley 2011 Program	\$82,116.55
Water Main	\$32,201.00
Sanitary Sewer	\$101,308.00
Street Lighting	419,905.18
Street Construction	145,748.75
Street Reconstruction	1,149,859.87
Street Resurfacing	6,563,656.36
Rounding	204.29
<b>Total Uses</b>	<b>\$8,495,000.00</b>

The cost of issuance will be paid from funds on hand. However, any premium received will first be applied towards the cost of issuance, any remaining premium will be deposited in the debt service account of the issue.

Below is a table of the breakout by individual project.

\*The City reserves the right to increase or decrease the principal amount of the Bonds.

Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

Individual Project	Amount Assessed	Project Type
33rd & Talmage	\$504,944.19	St Reconstruction
Riverside, 23rd Aves to 27th Ave S	534,173.13	St Reconstruction
14th Ave N Culdesac	110,742.55	St Reconstruction
25th St E	145,748.75	St Construction
25th St E Water Main	32,201.00	Water Main
25th St E Sanitary Sewer	101,308.00	Sanitary Sewer
Chicago LTG +150	419,905.18	St Lighting
Alley Resurfacing 2012	82,116.55	Alley Program
2nd Ave S, 32nd St E to 42nd St E	80,458.35	St Resurfacing
49th Ave N, Humboldt Ave N to Xerxes Ave N	383,321.81	St Resurfacing
5th St S, 11th Ave S to 13th Ave S	79,702.06	St Resurfacing
6th St S, 5th Ave N to 13th Ave N	134,301.81	St Resurfacing
7th St S, 5th Ave S to Chicago Ave	38,420.62	St Resurfacing
9th St S, 25th Ave S to 27th Ave S	49,456.67	St Resurfacing
Broadway St NE	135,874.70	St Resurfacing
Butler Place Resurfacing	19,261.57	St Resurfacing
Chicago Ave 38th St E to 46th St E	196,686.09	St Resurfacing
Chicago Ave 49th St E to 60th St E	277,223.99	St Resurfacing
Hale & Hale East	1,159,153.89	St Resurfacing
I 35 DDIR	1,852,395.09	St Resurfacing
Prospect Park Phase 2	64,935.24	St Resurfacing
Prospect Park Phase 3	220,572.13	St Resurfacing
Stevens Ave S, 32nd St E to 42nd St E	80,962.66	St Resurfacing
Ventura Village	773,427.18	St Resurfacing
Wenonah West	1,017,502.50	St Resurfacing
<b>Subtotals Projects</b>	<b>\$8,494,795.71</b>	
Rounding	204.29	
<b>Totals</b>	<b>\$8,495,000.00</b>	

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**RESOLUTION**

(By \_\_\_\_\_)

Relating to and providing for the issuance and sale of general obligation bonds of the City of Minneapolis in an estimated amount of \$8,495,000.

**RESOLVED BY THE BOARD OF ESTIMATE AND TAXATION  
OF THE CITY OF MINNEAPOLIS**

1. Pursuant to authorization by the City Council of the City of Minneapolis (the "City"), and under and pursuant to the provisions of Sections 9 and 10 of Chapter 15 [Board of Estimate and Taxation] of the Charter of the City, adopted at an election held on November 2, 1920, as amended (the "Charter"), the Board of Estimate and Taxation of the City (the "Board") shall proceed forthwith to solicit bids and award the sale of General Obligation Improvement Bonds, Series 2011 (the "Bonds"), in an original aggregate principal amount not to exceed \$8,495,000, the proceeds thereof to be applied to the following purposes and in the following respective amounts:

(a) \$82,116.55 pursuant to Resolution of the City Council No. 2011R-358 (July 1, 2011) for the 2011 Alley Resurfacing Program, Special Improvement of Existing Alleys No. FS12#1.

(b) \$419,905.18 for street lighting pursuant to Resolution of the City Council No. 2010R-271 (May 28, 2010) for the Chicago Avenue South Street Lighting Project (8<sup>th</sup> Street S to 28<sup>th</sup> Street E), Special Improvement of Existing Street No. 6382.

(c) \$32,201.00 pursuant to Resolution of the City Council No. 2011R-278 (May 27, 2011) for water main improvements in the 25<sup>th</sup> Avenue SE (4<sup>th</sup> Street SE to Cul-de-Sac) Street Construction Project No. 6734.

(d) \$101,308.00 pursuant to Resolution of the City Council No. 2011R-276 (May 27, 2011) for sanitary sewer construction in the 25<sup>th</sup> Avenue SE (4<sup>th</sup> Street SE to Cul-de-Sac) Street Construction Project No. 6734.

(e) \$145,748.75 pursuant to Resolution of the City Council No. 2011R-274 (May 27, 2011) for street improvements in the 25<sup>th</sup> Avenue SE (4<sup>th</sup> Street SE to Cul-de-Sac) Street Construction Project, special Improvement of Existing Street No. 6734.

(d) \$1,149,859.87 for street reconstruction pursuant to Resolutions of the City Council, including: (i) Resolution of the City Council No. 2010R-470 (October 8, 2010) for \$110,742.55 for Fourteenth Avenue N Street Construction Project, Special Improvement of Existing Street No. 9895; (ii) Resolution of the City Council No. 2011R-239 (May 13, 2011) for \$534,173.13 for Riverside Avenue Phase I Street Reconstruction Project, Special Improvement of Existing Street No. 6746; and (iii) Resolution of the City Council No. 2011R-313 (June 17, 2011) for \$504,944.19 for Talmage Avenue SE (29<sup>th</sup> Avenue SE to 33<sup>rd</sup> Avenue SE) Reconstruction Project, Special Improvement of Existing Street No. 2225.

(e) \$6,563,656.36 for street resurfacing pursuant to Resolutions of the City Council, including: (i) Resolution of the City Council No. 2010R-205 (April 30, 2010) for \$1,852,395.09 for street improvements in the 35W Detour Routes Resurfacing Project, Special Improvement of Existing Street No. 9889; (ii) Resolution of the City Council No. 2011R-110 (March 10, 2011) for \$64,935.24 for street improvements in the Prospect Park Area Phase II Street Resurfacing Project, Special Improvement of

Existing Street No. 5207; (iii) Resolution of the City Council No. 2011R-112 (March 10, 2011) for \$135,874.70 for Broadway Street NE Phase II (Industrial Boulevard to City Limits) Street Resurfacing Project, Special Improvement of Existing Street No. 5214; (iv) Resolution of the City Council No. 2011R-190 (April 15, 2011) for \$1,017,502.50 for Wenonah W Area Street Resurfacing Project, Special Improvement of Existing Street No. 5217; (v) Resolution of the City Council No. 2011R-234 (May 13, 2011) for \$1,159,153.89 for Hale and Hale E Area Street Resurfacing Project, Special Improvement of Existing Street No. 5215; (vi) Resolution of the City Council No. 2011R-236 (May 13, 2011) for \$134,301.81 for 6<sup>th</sup> Street S Street Resurfacing Project, Special Improvement of Existing Street No. 5223; (vii) Resolution of the City Council No. 2011R-237 (May 13, 2011) for \$38,420.62 for 7<sup>th</sup> Street S Street Resurfacing Project, Special Improvement of Existing Street No. 5224; (viii) Resolution of the City Council No. 2011R-267 (May 27, 2011) for \$80,962.66 for Stevens Avenue S Street Resurfacing Project, Special Improvement of Existing Street No. 5220; (ix) Resolution of the City Council No. 2011R-266 (May 27, 2011) for \$80,458.35 for 2<sup>nd</sup> Avenue S Street Resurfacing Project, Special Improvement of Existing Street No. 5219; (x) Resolution of the City Council No. 2011R-269 (May 27, 2011) for \$19,261.57 for Butler Place Street Resurfacing Project, Special Improvement of Existing Street No. 5221. (xi) Resolution of the City Council No. 2011R-270 (May 27, 2011) for \$49,456.67 for 9<sup>th</sup> St S Street Resurfacing Project, Special Improvement of Existing Street No. 5222; (xii) Resolution of the City Council No. 2011R-272 (May 27, 2011) for \$220,572.13 for Prospect Park Area Phase III Street Resurfacing Project, Special Improvement of Existing Street No. 5207; (xiii) Resolution of the City Council No. 2011R-308 (June 17, 2011) for \$773,427.18 for Ventura Village Area, Ridgewood Avenue and Pillsbury Avenue Street Resurfacing Project, Special Improvement of Existing Street No. 5216; (xiv) Resolution of the City Council No. 2011R-310 (June 17, 2011) for \$196,686.09 for Chicago Avenue (38<sup>th</sup> Street E to 46<sup>th</sup> Street E) Street Resurfacing Project, Special Improvement of Existing Street No. 5209; (xv) Resolution of the City Council No. 2011R-311 (June 17, 2011) for \$277,223.99 for Chicago Avenue (49<sup>th</sup> Street E to 60<sup>th</sup> Street E) Street Resurfacing Project, Special Improvement of Existing Street No. 5208; (xvi) Resolution of the City Council No. 2011R-355 (July 1, 2011) for \$383,321.81 for 49<sup>th</sup> Avenue N Street Resurfacing Project, Special Improvement of Existing Street No. 5218; and (xvii) Resolution of the City Council No. 2011R-384 (July 22, 2011) for \$79,702.06 for 5<sup>th</sup> Street S Street Resurfacing Project, Special Improvement of Existing Street No. 5225.

(f) \$204.29 as a rounding amount to be deposited in the debt service account to be established with respect to the Bonds (or, at the option of the Board, to be applied to costs of issuance or other costs related to the Bonds).

2. The Bonds shall be dated the date of issuance (expected to be November 22, 2011), and interest shall be paid semiannually on June 1 and December 1 of each year, commencing June 1, 2012. The Bonds shall mature on December 1 in the years and amounts as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount</u>
2012	\$ 1,465,000	2022	\$ 90,000
2013	1415,000	2023	90,000.
2014	1415,000	2024	90,000
2015	1415,000	2025	90,000
2016	1415,000	2026	90,000
2017	100,000	2027	90,000
2018	100,000	2028	90,000
2019	90,000	2029	90,000
2020	90,000	2030	90,000
2021	90,000	2031	90,000

Competitive proposals for the Bonds may contain maturity schedules providing for any combination of serial or term Bonds, as long as Bonds within a single mandatory redemption are not split among term dates and as long as the principal amounts maturing or subject to mandatory sinking fund redemption conform to the maturity schedule set forth above.

3. Bonds maturing on or after December 1, 2019, will be subject to redemption at the option of the City on any date on or after December 1, 2018, at a price of par plus accrued interest to the date of redemption.

4. The Bonds shall be issued as fixed rate obligations. Competitive proposals for the sale of the Bonds will be considered by the Executive Secretary to the Board (the "Executive Secretary") on behalf of the Board on Tuesday, November 8, 2011, at 10:00 a.m. pursuant to the terms set forth in an award resolution adopted by the Board on Wednesday, October 26, 2011. The terms of the sale shall be as set forth in the Official Terms of Proposal on file with the Executive Secretary. The Executive Secretary shall prepare and distribute an Official Statement and take such other action as may be necessary and appropriate to conduct the sale.

5. Prior to the sale of the Bonds, if adjustments are necessary to the terms of the Bonds or the amount of proceeds of the Bonds to be applied to each project described above in order to permit the sale of the Bonds at the lowest possible interest rate, the Board hereby authorizes the Executive Secretary to make such adjustments. Such changes shall be provided to the Board in writing at its next meeting.

Adopted: October 12, 2011.

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David Wheeler  
President  
Board of Estimate and Taxation

Attest:

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Jack A. Qvale  
Executive Secretary

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# THE BOND BUYER

THE DAILY NEWSPAPER OF PUBLIC FINANCE

## Dexia Bailout Rumors Not Likely to Scar U.S. Market

Wednesday, October 5, 2011

By Taylor Riggs

NEW YORK - Reports that Dexia Group is in need of another bailout should have little impact on the U.S. municipal bond market as issuers have been steadily reducing their exposure to the troubled Franco-Belgian lender.

Dexia Group and its three main operating units were placed on review for downgrade earlier this week by Moody's Investors Service amid concerns that the bank would need a second bailout by France and Belgium. The first bailout came in 2008 after the lender posted steep losses related to toxic assets, and it continues to struggle with its exposure to Greece and other sovereign credits.

Dexia has cut its exposure to the U.S. muni market to \$10 billion in letters of credit and liquidity facilities from over \$54 billion at its peak in 2008. The decrease in exposure has come as issuers in the United States have been busy restructuring debt backed by Dexia.

"This is, at worst, a modest negative for the muni sector," said Matt Fabian, managing director at Municipal Market Advisors. "Issuers need time to finish restructuring away from Dexia. At worst, their bonds will become bank bonds and accelerate the process."

The biggest downside will be for the bank itself, he said, which has been working on a larger restructuring. "Any puts that happen will worsen their cash crisis," Fabian said.

"Dexia's back in the news again and possibly restructuring," a New York trader said Wednesday morning. "So, anyone familiar with some muni issuance understands that that could affect the short end of the muni curve, as well. There's a lot of uncertainty out there."

Dexia was the fourth-largest LOC provider in 2008, a record year for variable-rate debt when volume for such bonds reached \$120 billion, according to Thomson Reuters.

But in the wake of the financial meltdown, the bank has been exiting the market. It sold its U.S. bond insurance company, Financial Security Assurance Inc., to Assured Guaranty Ltd. in 2009. Dexia has reduced its exposure to LOCs and liquidity facilities from over \$15.3 billion in May of this year to \$12 billion in August, to \$10.8 billion at the end of September, according to Bank of America Merrill Lynch.

"There have been a lot of conversions to fixed rate and-or substitutions to other LOC providers," said John Hallacy, director of market research at B of A Merrill. "Issuers also may have been worried about its rating status or there was a possibility they got a better quote from someone else when it came time to renew. Dexia is unwinding."

Some say Dexia's bailout by France and Belgium could, in fact, be a plus for bonds involving LOC and liquidity facilities provided by Dexia. The bailout "allows the company to avert further problems," Hallacy said. "It's designed to help maintain ratings which, in turn, would benefit LOC holders."

Indeed, many issuers of the bonds backed by Dexia already have restructured the debt, gradually pushing Dexia out of the U.S. muni space.

In early September, the New York Local Government Assistance Corp. issued \$191.2 million of Series 2011A fixed-rate subordinate-lien bonds that refunded variable-rate demand bonds issued in 2008 with a liquidity facility from Dexia.

In August, San Francisco International Airport sold \$450 million of refunding bonds to take advantage of low yields, and take out \$51 million of variable-rate debt backed by Dexia and terminate interest rate swaps.

Also this summer, New York's Metropolitan Transportation Authority remarketed \$347.7 million of dedicated tax fund variable-rate refunding bonds originally sold in 2008, substituting a standby bond purchase agreement issued by Dexia with credit facilities issued by Morgan Stanley and Bank of Tokyo-Mitsubishi.

Last spring, Denver Public Schools issued \$400 million of Series 2011A certificates of participation that refunded \$750 million of Series 2008A and 2008B pension COPs that included a standby bond purchase agreement provided by Dexia. The standby bond purchase agreement with Dexia was converted to LOCs provided by JPMorgan, Royal Bank of Canada, and Wells Fargo.

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# About the City of Minneapolis portion of "Your proposed property tax for 2012"

## Proposed 2012 Budget

Mayor R.T. Rybak proposed an operating-and-capital budget of \$1.20 billion, which is down 0.8 percent from the \$1.21 billion final 2011 budget. The majority of the \$279.6 million property tax levy will fund core City services, including Police and Fire services, emergency response through 911, criminal prosecutions, traffic control, snow removal and street sweeping.

The proposal includes:

- No property tax levy increase for the City portion of property taxes.
- Spending reductions in City departments of \$28 million from 2011.
- Investing \$99 million on capital improvements in 2012, and more than \$640 million through 2016. This includes funding for major street paving projects, trail maintenance, traffic signals and lighting, and economic development projects.
- Eliminating 104 full time positions, saving the City an estimated \$9 million annually. Since 2009 the City has cut 450 full time positions.
- Entirely paying off the remaining principal on \$114 million in bonds for the City's closed pension funds, which gives the City greater capacity to finance capital projects in the future and eliminates associated interest payments charged at 5.8 percent.

## 2012 Mayor's Proposed Budget Property Tax Levies

	2011 Adopted Levies	2012 Mayor's Levies	% Change from 2011	\$ Change from 2011
<b>By Major Funds</b>				
General Levies	\$277,357,000	\$277,157,000	-0.1%	(\$200,000)
Special Levies Other <sup>1</sup>	\$2,250,000	\$2,450,000	8.9%	\$200,000
<b>Grand Totals</b>	<b>\$279,607,000</b>	<b>\$279,607,000</b>	<b>0.0%</b>	<b>\$0</b>
<b>By Entity</b>				
City <sup>2</sup>	\$220,840,000	\$220,640,000	-0.1%	(\$200,000)
Park Board	\$47,217,000	\$47,217,000	0.0%	\$0
Library Referendum <sup>3</sup>	\$9,300,000	\$9,300,000	0.0%	\$0
Public Housing Authority	\$0	\$0	0.0%	\$0
Teachers' Retirement	\$2,250,000	\$2,450,000	8.9%	\$200,000
<b>Grand Totals</b>	<b>\$279,607,000</b>	<b>\$279,607,000</b>	<b>0.0%</b>	<b>\$0</b>

<sup>1</sup> Special Levies other Include: Chapter 595 (CPED), Public Housing Authority, Teachers' Retirement.

<sup>2</sup> Includes General Fund, Permanent Improvement, Bond Redemption, Municipal Building Commission, Board of Estimate & Taxation, and closed pension funds (MERF,MPRA,MFRA).

<sup>3</sup> This remains a City obligation after the Library System consolidation.

## Why are my taxes changing if the City property tax levy isn't increasing?

Even though the City's levy is not changing, the City portion on of your property tax may still go up or down from 2011 to 2012 depending on the property. This is caused by three main factors: a change in the assessed value of your property, a change in the assessed value of other properties in the City, and changes the State Legislature made to the Market Value Homestead Credit.

Prior to 2010, the State provided the City with funding called the Market Value Homestead Credit to offset property taxes for homeowners. In 2010, the State eliminated the funding for this offset, reducing the City's resources by \$6.3 million. In the 2011 Legislative session, the program was changed to the Market Value Exclusion Program. The new program shifts a portion of the property tax burden to higher-valued homes and all other properties while lowering the burden for lower-valued homes. The new program does not provide the City with any funding.

## Two opportunities for public comment

The Minneapolis City Council is considering the Mayor's budget proposal and will vote to adopt a final 2012 budget on Dec. 14, 2011. Before that vote, there will be two public hearings for the public to weigh in on the 2012 budget proposal:

### Public Hearings

6:05 p.m., Wednesday, Nov. 30, 2011

6:05 p.m., Wednesday, Dec. 14, 2011

Room 317 of City Hall, 350 S. 5<sup>th</sup> Street, Minneapolis, Minnesota

For more information, call 311

or visit [www.minneapolismn.gov/city-budget/truth-in-taxation.asp](http://www.minneapolismn.gov/city-budget/truth-in-taxation.asp)

