

**ORDER OF BUSINESS**  
**BOARD OF ESTIMATE & TAXATION**  
**Regular Meeting of Wednesday Sep 17, 2014**  
**City Hall, Room 317 @ 4:00 p.m.**

**NEW BUSINESS**

1. Up dated information as to proposed maximum Tax levies for pay 2014.  
Estimated City Property Tax data

Of the 55,442 residential homestead parcels in the data grouping , which are parcels that have had No change in classification & No permitted improvements between valuation dates for taxes payable in 2012 though taxes payable in 2015 ( Jan 2, 2011 >> Jan 2, 2014 ) which would change the market valuations..

7,555 parcels or 13.6% of the parcels will have a CITY tax decrease of at least 7.5%

9,495 parcels or 17.1% of the parcels will have a CITY tax decrease of at least 5.0%

19,460 parcels or 36.10 of the parcels will have a CITY tax decrease of at least 2.5%

**31,449 or 56.7% of the parcels will have a CITY tax decrease**

9,235 parcels or 16.7% of the parcels will have a CITY tax increase between 0.0% and 2.5%

5,945 parcels or 10.7% of the parcels will have a CITY tax increase between 2.5 % and 5.0%

8,809 parcels or 15.9% of the parcels will have a CITY tax increase in excess of 5.0%

**Of these 8,809 parcels 8,165 or 92.7% have Taxable Market Value increases in excess of 15.0 %, in the other 644 parcels the increase Taxable Market Value is between 11.9 % and 15.0 %.**

**Compared to taxes paid in 2012 >> 31,499 parcels or 56.7% will pay LOWER taxes in 2015 than they did in 2012.**

2. Consideration of setting of the maximum tax levies payable in 2014 with regards to the The Charter and Truth in Taxation compliance.  
( Suggested Board resolutions for consideration ).

3. Additional information requests & direction to staff.

**ADJOURNMENT**

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As updated information as to the proposed maximum Tax levies for pay 2015

Estimated City Property Tax data for pay 2015

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**Compared to taxes paid in 2012 >> 31,499 parcels or 56.7% will pay LOWER taxes in 2015 than they did in 2012.**

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Estimated percentage tax change for City taxes from payable 2014 to payable 2015 with the Mayor's proposed tax levy increase.

<b>Estimated Percentage Tax Change from Pay 2014 to Pay 2015 ( City ONLY Portion )</b>	<b>Percentage of parcels in group*</b>
more than - 15.00 %	1.55%
-10.00% to -15.00%	1.50%
-7.50% to -10.00%	10.58%
-5.00% to -7.50%	3.50%
-2.50% to -5.00%	17.97%
0.00% to -2.50%	21.62%
0.00% to 0.00%	0.00%
2.50% to 0.00%	16.66%
5.00% to 2.50%	10.72%
7.50% to 5.00%	8.57%
10.00% to 7.50%	4.44%
12.50% to 10.00%	1.63%
15.00% to 12.50%	0.76%
more than + 15.00 %	0.50%

\* This table shows the following for homesteaded properties that have not had improvement between valuation dates for payable 2012 though payable 2015 ( Jan 2, 2011 >> Jan 2, 2014 ) that 56.72 % of the properties will have tax decreases for 2015 from thier 2014 City taxes.

**Estimated City Tax ONLY % Change for Pay 2015 from Pay 2014  
Residential Homesteaded Properties (no Improvement Jan 2, 2011 >> Jan 2, 2014)  
2015 LEVY @ 2.38%**

Cumulative # of Parcels	Cumulative % of Parcels	Bracket #	City Tax % Change	# of Parcels in Bracket	% of Parcels in Bracket	Cumulative # of Parcels	Cumulative % of Parcels
55,442	100.00%	1	more than - 15 %	859	1.55%	859	1.55%
54,583	98.45%	2	from -10.00% to	832	1.50%	1,691	3.05%
53,751	96.95%	3	from -7.50% to	5,884	10.58%	7,555	13.63%
47,887	86.37%	4	from -5.00% to	1,940	3.50%	9,495	17.13%
45,947	82.87%	5	from -2.50% to	9,965	17.97%	19,460	35.10%
35,982	64.90%	6	from 0.00% to	11,989	21.62%	31,449	56.72%
23,993	43.28%	7	from 0.00% to	4	0.01%	31,453	56.73%
23,989	43.27%	8	from 2.50% to	9,235	16.66%	40,688	73.39%
14,754	26.61%	9	from 5.00% to	5,945	10.72%	46,633	84.11%
4,059	15.89%	10	from 7.50% to	4,750	8.57%	51,383	92.68%
1,599	7.32%	11	from 10.00% to	2,460	4.44%	53,843	97.12%
696	2.88%	12	from 12.50% to	903	1.63%	54,746	98.74%
277	1.26%	13	from 15.00% to	419	0.76%	55,165	99.50%
	0.50%	14	more than + 15 %	277	0.50%	55,442	100.00%

**Est Pay 2015 vs Pay 2014**

31,449	56.72%	of the properties	have City tax decreases	55,442	100.00%
11,989	21.62%	of the properties	have City tax decreases between - 0.01 % to - 2.50 %		
9,965	17.97%	of the properties	have City tax decreases between - 2.50 % to - 5.00 %		
1,940	3.50%	of the properties	have City tax decreases between - 5.00 % to - 7.50 %		
7,555	13.63%	of the properties	have City tax decreases in excess of - 7.50 %		

23,989	43.27%	of the properties	have City tax increases		
9,235	16.66%	of the properties	have City tax increases between + 0.00 % to + 2.50 %		
5,945	10.72%	of the properties	have City tax increases between + 2.50 % to + 5.00 %		
4,750	8.57%	of the properties	have City tax increases between + 5.00 % to + 7.50 %		
4,059	7.32%	of the properties	have City tax increases in excess of + 7.50 %		

**Est Pay 2015 vs Pay 2012**

42,525	76.70%	of the properties	have City tax decreases when compared to their 2012 City Tax	2012	2013	2014	2015
12,917	23.30%	of the properties	have City tax increases when compared to their 2012 City Tax	30.583%	28.416%	28.636%	27.964%
		% of Tax Policy Levies paid by these Properties >>>					

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**Brackets 10 >> 14, City Tax Increases Above 5.00 %  
 Taxable Market Value % Change for Pay 2015 from Pay 2014  
 Residential Homesteaded Properties ( no Improvement Jan 2, 2011 >> Jan 2, 2014 )**

Cumulative # of Parcels	Bracket #	Taxable Market Value % Change		# of Parcels in Bracket	% of Parcels in Bracket	Cumulative # of Parcels	Cumulative % of Parcels
		from	to				
	A	11.94%	15.00%	644	7.31%	644	7.31%
8,165	B	15.00%	17.00%	3,246	36.85%	3,890	44.16%
4,919	C	17.00%	19.00%	2,391	27.14%	6,281	71.30%
2,528	D	19.00%	21.00%	1,242	14.10%	7,523	85.40%
1,286	E	21.00%	23.00%	558	6.33%	8,081	91.74%
728	F	23.00%	25.00%	309	3.51%	8,390	95.24%
419	G	25.00%	30.00%	317	3.60%	8,707	98.84%
102	H	more than + 30.0 %		102	1.16%	8,809	100.00%
				8,809	100.00%		
		of the properties have Taxable Market Value changes in excess of 15.00 %					
		of the properties have Taxable Market Value changes in excess of 17.00 %					
		of the properties have Taxable Market Value changes in excess of 19.00 %					
		of the properties have Taxable Market Value changes in excess of 21.00 %					

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**Market Values for Pay 2015 from Pay 2014  
Residential Homesteaded Properties**

Cumulative # of Parcels	Cumulative % of Parcels	Bracket #	from	to	up through \$75,000	# of Parcels in Bracket	% of Parcels in Bracket	Cumulative # of Parcels	Cumulative % of Parcels
55,442	100.00%	1				2,424	4.37%	2,424	4.37%
53,018	95.63%	2	from	\$75,001	\$150,000	15,104	27.24%	17,528	31.62%
37,914	68.38%	3	from	\$150,001	\$225,000	19,278	34.77%	36,806	66.39%
18,636	33.61%	4	from	\$225,001	\$300,000	8,706	15.70%	45,512	82.09%
9,930	17.91%	5	from	\$300,001	\$375,000	4,334	7.82%	49,846	89.91%
5,596	10.09%	6	from	\$375,001	\$450,000	2,002	3.61%	51,848	93.52%
3,594	6.48%	7	from	\$450,001	\$525,000	1,129	2.04%	52,977	95.55%
2,465	4.45%	8	from	\$525,001	\$600,000	763	1.38%	53,740	96.93%
1,702	3.07%	9	from	\$600,001	\$675,000	452	0.82%	54,192	97.75%
1,250	2.25%	10	from	\$675,001	\$750,000	285	0.51%	54,477	98.26%
965	1.74%	11	from	\$750,001	\$825,000	230	0.41%	54,707	98.67%
735	1.33%	12	from	\$825,001	\$900,000	175	0.32%	54,882	98.99%
560	1.01%	13	from	\$900,001	\$1,000,000	156	0.28%	55,038	99.27%
404	0.73%	14	from	\$1,000,001	\$1,250,000	199	0.36%	55,237	99.63%
205	0.37%	15	from	\$1,250,001	\$1,500,000	88	0.16%	55,325	99.79%
117	0.21%	16	from	\$1,500,001	\$2,000,000	59	0.11%	55,384	99.90%
58	0.10%	17	from	\$2,000,001	\$2,500,000	39	0.07%	55,423	99.97%
19	0.03%	18	from	\$2,500,001	\$3,750,000	19	0.03%	55,442	100.00%

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#2-9

**TRUTH IN TAXATION RESOLUTION:** By----- seconded by -----  
for an increase of 2.38% Total Levy Change

**ACTIONS BY THE BOARD OF ESTIMATE & TAXATION OF THE CITY OF MINNEAPOLIS:**

That, pursuant to truth in taxation legislation of the State of Minnesota, the Board of Estimate & Taxation does hereby fix and determine the maximum certified tax levies for property taxes payable in 2015 for various funds, from general taxation exclusive of tax-increment, value captured and fiscal disparities contribution values being assumed to be \$ 362,265,887 plus a fiscal disparities distribution dollar estimated at \$ 35,403,707 such maximum amounts and maximum net tax capacity rates being as follows:

<u>Truth in Taxation pay 2015 Levy Item</u>	<u>Total Tax Levy Levy Amount</u>	<u>*Net Tax Rate in %</u>
Minneapolis City* (excluding the Park & Recreation Board )	\$ 223,768,000	53.843
Minneapolis Park & Recreation Board	\$ 52,035,000	12.521

**SPECIAL LEVY SECTION:**

Chapter 595 ( HRA ) Levy	\$ 1,021,000	0.246
Teachers' Retirement Association	\$ 2,300,000	0.551

& a Market Value levy for the Library Referendum debt service of \$ 9,300,000.

\*Estimated based on the valuations indicated herein; the final rates will be determined by the final valuations, although the maximum dollar amount will remain as shown unless the final valuations change to the extent that the maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit amount.

That pursuant to the truth in taxation legislation, the following is filed as the maximum certified property tax levies for property taxes payable in 2015:

<u>Truth in Taxation pay 2015 Levy Items</u>	<u>Total Tax Levy Levy Amount</u>	<u>Fiscal Disparities</u>	<u>Local Levy</u>	<u>*Net Tax Rate in %</u>
General Fund	\$ 154,723,000	\$19,861,160.99	\$134,861,839.01	37.226
Permanent Improvement Fund	1,000,000	128,373.84	871,626.16	0.241
Bond Redemption Fund	35,900,000	4,608,323.52	31,291,676.48	8.638
Estimate & Taxation Fund	160,000	20,534.15	139,465.85	0.039
Municipal Building Commission**	4,675,000	600,128.24	4,074,871.76	1.125
Fire Relief Association**	2,745,000	352,373.10	2,392,626.90	0.661
Police Relief Association**	6,415,000	823,454.82	5,591,545.18	1.544
Minneapolis Employee Retirement Fund**	18,150,000	2,329,847.15	15,820,152.85	4.367
<b>TOTAL CITY &amp; OTHER</b>	<b>223,768,000</b>	<b>28,724,195.81</b>	<b>195,043,804.19</b>	<b>53.843</b>
Tree Preservation & Reforestation Fund	1,475,000	189,339.03	874,231.27	0.355
Park & Recreation Fund	50,560,000	6,490,172.16	44,069,827.84	12.166
<b>PARK &amp; RECREATION BOARD</b>	<b>\$ 52,035,000</b>	<b>6,679,511.19</b>	<b>45,355,488.91</b>	<b>12.521</b>
	<b>\$ 275,803,000</b>	<b>\$36,403,707.00</b>	<b>\$240,399,293.00</b>	<b>66.364</b>

AND a market value levy for the Library Referendum debt service of \$ 9,300,000.

<u>Truth in Taxation pay 2015 Special Levy Items</u>	<u>Total Tax Levy Levy Amount</u>	<u>Fiscal Disparities</u>	<u>Local Levy</u>	<u>*Net Tax Rate in %</u>
Chapter 595 ( HRA ) Levy	\$ 1,021,000	\$ 132,561	\$ 888,439	0.246
Teachers' Retirement Association	\$ 2,300,000	\$ 304,868	\$ 1,995,114	0.551

\*\* These funds are not subject under the City Charter to the Board of Estimate & Taxation's jurisdiction with regards to Charter regulated maximum tax levies.

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**CHARTER COMPLIANCE RESOLUTION:**  
**ACTIONS BY THE BOARD OF ESTIMATE & TAXATION OF THE CITY OF MINNEAPOLIS:**

That, pursuant to Section 2, Chapter XV of the Charter of the City of Minneapolis, the Board of Estimate & Taxation does hereby fix and determine the maximum rates and maximum amounts of money which may be raised by general taxation and may be levied by the City Council, the Public Housing Authority, and the Board of Estimate & Taxation of the City of Minneapolis for the fiscal year 2015 for various funds, the net tax capacity of the property subject to general taxation exclusive of tax-increment, value captured and fiscal disparities contribution values being assumed to be \$ 362,265,881 plus a fiscal disparities distribution dollar estimated at \$ 35,403,707 such maximum amounts and maximum net tax capacity rates being as follows:

<u>TO BE LEVIED BY:</u>	<u>Total Tax Levy or Levy Amount</u>	<u>*Net Tax Capacity Rate in %</u>
<u>BY THE CITY COUNCIL:</u>		
General Fund	\$ 154,723,000	37.228
Chapter 595 (HRA ) Levy	\$ 1,021,000	0.246
Permanent Improvement Fund	\$ 1,000,000	0.241
 <u>BY THE BOARD OF ESTIMATE &amp; TAXATION</u>		
Estimate & Taxation Fund	\$ 160,000	0.039

\*Estimated based on the valuations indicated herein; the final rates will be determined by the final valuations, although the maximum dollar amount will remain as shown unless the final valuations change to the extent that the maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit amount.

That the aggregate of levies certified to the Hennepin County Director of Property Taxation for 2015 for bond redemption and interest is reduced by the application of cash on hand and appropriated by the City Council and the Park and Recreation Board to the following total amount and rate:

<b>Bond Redemption Fund</b>	<b>\$ 35,900,000</b>	<b>8.638</b>
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**& a market value levy for the Library Referendum debt service of \$ 9,300,000.**

That the maximum net tax capacity rates listed above have been calculated on the basis of an assumed net tax capacity of \$ 412,083,823 ( \$444,812,377 less increment financing of \$ 28,904,146, value captured of \$ 1,900,571, fiscal disparities contribution of \$ 51,741,779, plus a fiscal disparities distribution of \$ 49,817,942 ) and shall be adjusted as necessary to reflect the net tax capacity of taxable property for the City for 2014 as finally certified by the legally designated Hennepin County Director of Property Taxation;

That in the event the maximum tax levy or tax capacity rate stipulated above for any fund is determined to be in excess of the maximum legal tax levy or tax capacity rate for such fund, the maximum legal tax levy or tax capacity rate shall be construed to be the maximum tax levy or tax capacity rate for such fund for the purpose of this resolution;

That in consequence of the passage of various laws, the Board assumes no jurisdiction as to the amounts or rates to be levied for the following funds: Fire Relief Association, Police Relief Association, Municipal Building Commission, and Minneapolis Employees Retirement Association.

That a copy of this action be certified to the County Director of Property Taxation and The City Council of the City of Minneapolis.