

**PROCEEDINGS OF THE
BOARD OF ESTIMATE & TAXATION**

The regular meeting of September 21, 2015 held in room 317 of City Hall.

Meeting called to order by President Tabb at 4:10 p.m.

Present were: Becker (Carol J. Becker, Elected Member, Hodges (Betsy Hodges, Mayor of Minneapolis), Johnson (Barbara Johnson, President of the City Council, Quincy (John Quincy Chair of the Ways & Means Committee of the City Council), Tabb (Anti Tabb Representative of the Park and Recreation Board),), Wheeler (David Wheeler, Elected Member).

Absent: None.

As updated information as to the proposed maximum Tax levies for pay 2016 the secretary reviewed the following with the Board: Estimated City Property Tax data.

Of the 52,037 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 2016 (Jan 2, 2011 >> Jan 2, 2015
Which would change the market valuations

2,506 parcels or 4.82% of the parcels will have a CITY tax decrease of at least 10.0%
16,448 parcels or 31.61% of the parcels will have a CITY tax decrease of at least 5.0%
20,148 parcels or 38.72% of the parcels will have a CITY tax decrease of at least 2.5%

27,170 or 52.21% of the parcels will have a CITY tax decrease

6,469 parcels or 12.43 of the parcels will have a CITY tax increase between 0.0% & 2.5%
5,177 parcels or 9.95% of the parcels will have a CITY tax increase between 2.5 % & 5.0%
3,735 parcels or 7.18% of the parcels will have a CITY tax increase between 5.0 % & 7.5%
2,551 parcels or 4.90% of the parcels will have a CITY tax increase between 7.5 % & 10.0%
2,050 parcels or 3.94% of the parcels will have a CITY tax increase between 10.0 % & 12.5%
4,884 parcels or 9.39% of the parcels will have a CITY tax increase in excess of 12.5%

Motion by Wheeler for consideration of setting of the maximum tax levies payable in 2016 with regards to compliance with The Charter and The Truth in Taxation Statute were before the Board. With the Levy amounts consistent with the Mayor's August 12th Budget address, seconded by Becker. Johnson moved a substitute motion that the closed pension fund property tax levies of \$27,310,000 be reduced by \$ 2,210,000 to \$25,100,000 in accordance with the revised MERF employer obligations based on actuarial report completed in April and adopted by the State Legislature in May as part of the omnibus pension bill (Chapter 68, SF1398) and as detailed in the July 16 Intergovernmental Relations Committee presentation of the City Council and the recalculation of the annual City amortization payments to PERA as a result of the 8.0% investment return completed in July for The Minneapolis Fire Relief Association and The Minneapolis Police Relief Association motion seconded by Tabb. Becker moved a substitute motion that in addition to the reduction to Pension Levies be offset by equal increases to the Park & Recreation Levy and the City's Permanent Improvement Levy. The Becker substitute motion failed for lack of a second. The Johnson substitute was before the Board. After discussion the motion failed on following vote: .Yeas – 1, Nays – 5, as follows; Yeas – Johnson, – 1; Nays – Hodges, Quincy, Tabb, Wheeler Becker – 5.

The original question with the Levy amounts consistent with the Mayor's August 12th Budget address was before the Board. Johnson moved a substitute motion that to the Mayor's August 12th Levies that a Chapter 595 Levy in the amount of \$130,000 be added, seconded by Tabb. After discussion the substitute motion was adopted. Yeas – 6, Nays – 0, as follows; Yeas – Hodges, Johnson, Quincy, Wheeler, Becker, Tabb – 6; Nays – none – 0.

The Mayor's August 12th Budget address Levy amounts with the addition of the Chapter 595 levy in the amount of \$130,000 was before the Board. (as follows)

TRUTH IN TAXATION RESOLUTION:

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 2016 for various Levies from general taxation exclusive of tax-increment, value captured and fiscal disparities contribution values being assumed to be \$ 403,894,372 plus a fiscal disparities distribution dollar estimated at \$ 33,913,165 such maximum amounts being as follows:

<u>Truth in Taxation pay 2016 Levy Summary</u>	<u>Maximum Total Certified Tax Levies</u>
	<u>Levy Amount</u>
Minneapolis City* (excluding Bond Redemption,)	\$ 248,051,000
Bond Redemption	\$ 37,800,000

SPECIAL LEVY SECTION:

Chapter 595 Levy	\$ 130,000
Teachers' Retirement Association	\$ 2,300,000

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

*Includes maximums for the Board of Estimate & Taxation, and the Minneapolis Park & Recreation Board. The final rates will be determined by the final valuations, although the maximum dollar amount will remain as shown unless the maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit

That pursuant to the truth in taxation legislation, the following is filed as the maximum certified property tax levies for property taxes payable in 2016 for the various levies:

<u>Truth in Taxation pay 2016 Levy Items</u>	<u>Total Tax Levy</u>	<u>Fiscal</u>	<u>Local</u>
	<u>Levy Amount</u>	<u>Disparities</u>	<u>Levy</u>
General Fund	\$ 160,446,000	\$19,035,188.20	\$141,410,811.80
Permanent Improvement Fund	1,000,000	118,628.25	881,371.75
Bond Redemption Fund**	37,800,000	4,484,575.20	33,315,424.80
Municipal Building Commission**	4,810,000	570,656.83	4,239,343.17
Estimate & Taxation Fund	170,000	20,178.33	149,821.67
Fire Relief Association	1,460,000	173,228.45	1,286,771.55
Police Relief Association	7,700,000	913,518.93	6,786,481.07
<u>Minneapolis Employee Retirement Fund</u>	<u>18,150,000</u>	<u>2,153,316.41</u>	<u>15,996,683.59</u>
CITY Less Park Board	231,536,000	27,469,290.60	204,066,709.40
Tree Preservation & Reforestation Fund	1,732,000	205,479.87	1,526,520.13
Park & Recreation Fund	52,583,000	6,238,394.53	46,344,605.47
PARK & RECREATION BOARD	\$ 54,315,000	6,443,874.40	47,871,125.60
	\$ 285,851,000	\$33,913,165.00	\$251,788,013.33

**That the aggregate of levies certified to the Hennepin County Director of Property Taxation for 2016 for bond redemption (principal and interest) is reduced by the application of cash on hand to the following total amount:

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

<u>Truth in Taxation pay 2016 Special Levy Items</u>	<u>Total Tax Levy Levy Amount</u>	<u>Fiscal Disparities</u>	<u>Local Levy</u>
Chapter 595 Levy	\$ 130,000	\$ 125,769	\$ 4,231
Teachers' Retirement Association	\$ 2,300,000	\$ 283,236	\$ 2,016,764

CHARTER COMPLIANCE

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 amounts of money which may be certified levied by the City Council, the Public Housing Authority, and the Board of Estimate & Taxation of the City of Minneapolis for the fiscal year 2016. 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 \$403,894,372 plus a fiscal disparities distribution dollar estimated at \$ 33,913,165. Such maximum amounts being as follows:

TO BE LEVIED BY:

**Maximum Total Certified Tax Levy
Levy Amount**

BY THE CITY COUNCIL:

General Fund	\$ 160,446,000
Chapter 595 Levy	\$,130,000
Permanent Improvement Fund	\$ 1,000,000

BY THE BOARD OF ESTIMATE & TAXATION

Estimate & Taxation Fund	\$ 170,000
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*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 maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit

That the aggregate of levies certified to the Hennepin County Director of Property Taxation for 2016 for bond redemption (principal and interest) is reduced by the application of cash on hand to the following total amount and rate:

Bond Redemption Fund \$ 37,800,000

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

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

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

That motion was adopted. Yeas – 5, Nays – 1, as follows; Yeas – Hodges, Johnson, Quincy, Wheeler, Tabb – 5; Nays – Becker– 1.

The Board had before it the staff's proposal on how to achieve reductions in the future property tax levies though incremental investment income at the State Board of Investment. Johnson moved that the imitative be forwarded to the City Council's Ways & Means and Intergovernmental Relations committees for consideration as part of the City's 2016 Legislative program. Seconded.

That motion was adopted. Yeas – 6, Nays – 0, as follows; Yeas – Hodges, Johnson, Quincy, Wheeler, Becker, Tabb – 6; Nays – 0. Hodges requested that the transmittal letter be reviewed by the Board at the next meeting.

Wheeler moved to adjourn; seconded by Hodges
The meeting was adjourned at 5:20 p.m.