

CITY OF MINNEAPOLIS

Overview of Mayor's 2017 Recommended Budget and Levy

Presented to Board of Estimate and Taxation
by the Finance and Property Services
Department

CITY OF MINNEAPOLIS

2017 Recommended Budget Financial Overview

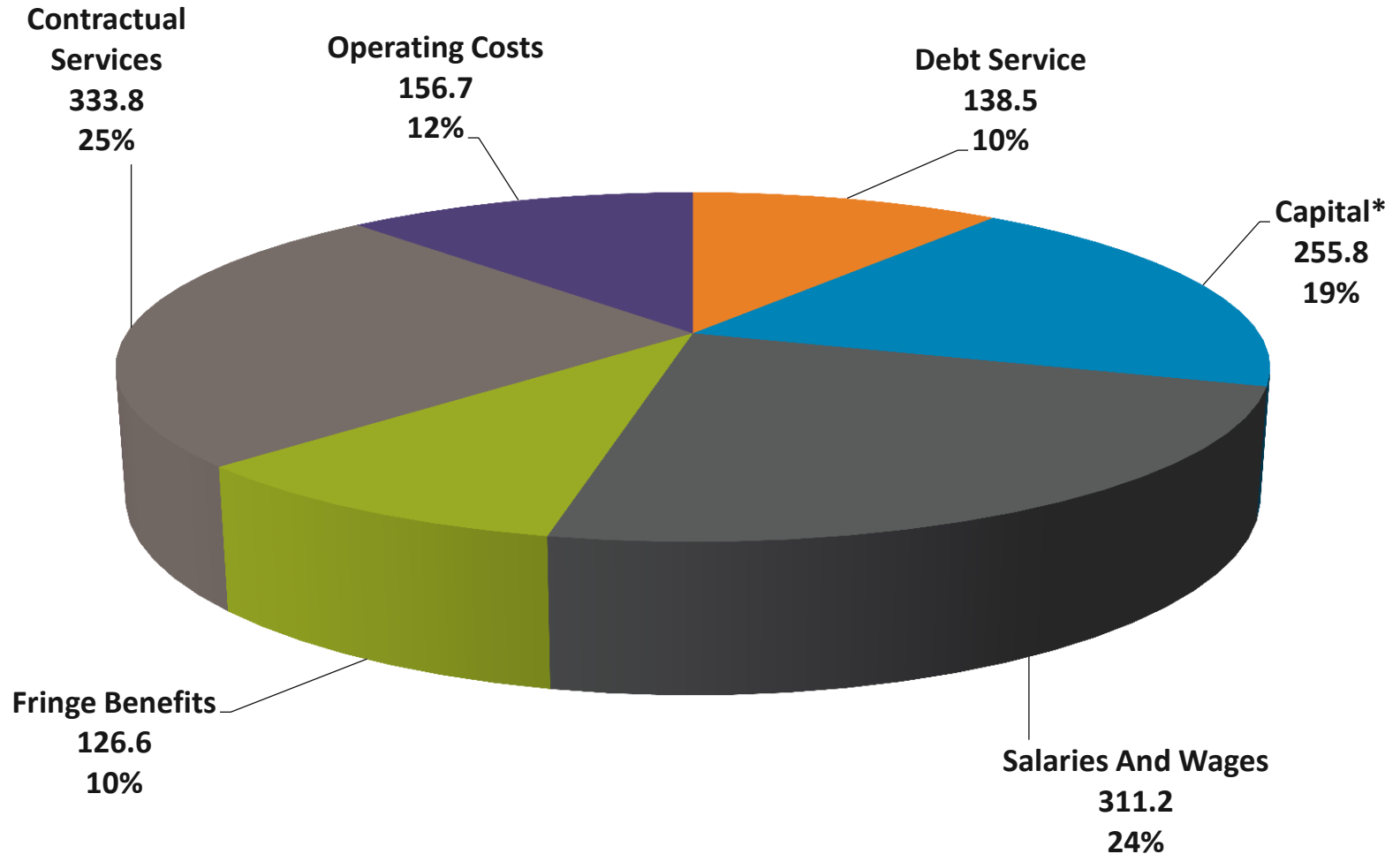
Financial Overview

- **\$1.323 Billion Budget**
 - Includes inflationary and mandated cost increases of \$15.0 million
 - Spending level increases by \$92.9 million, or 7.6%, from 2016 Adopted Budget across all funds
 - Increases property tax levy by 5.5%
 - Program change items of \$7.5 million and \$9.8 million in one-time items
 - Increase of 148 positions from 2016 level – total of 4,123.55 FTEs for 2017
 - Includes an increase of 89 temporary capital FTE's

Mayor's Recommended 2017 Budget

Expenditures by Major Type

\$1.323 Billion (excludes independent boards) – in millions

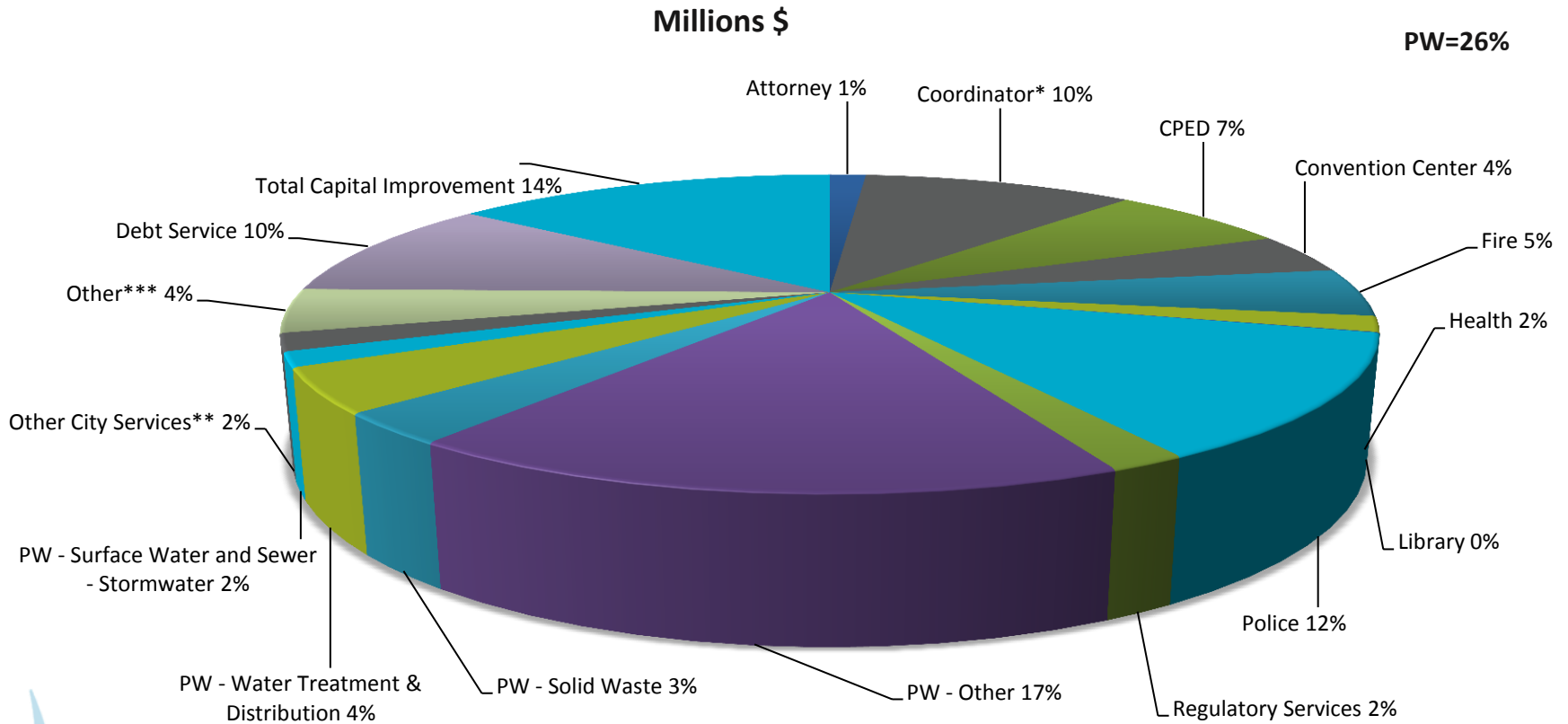


*The Capital category includes capital improvements in the City's Capital Program as well as capital expenditures associated with the CARs program

Mayor's Recommended 2017 Budget

Expenditures by Major Functions

\$1.323 Billion (excludes independent boards) – in millions



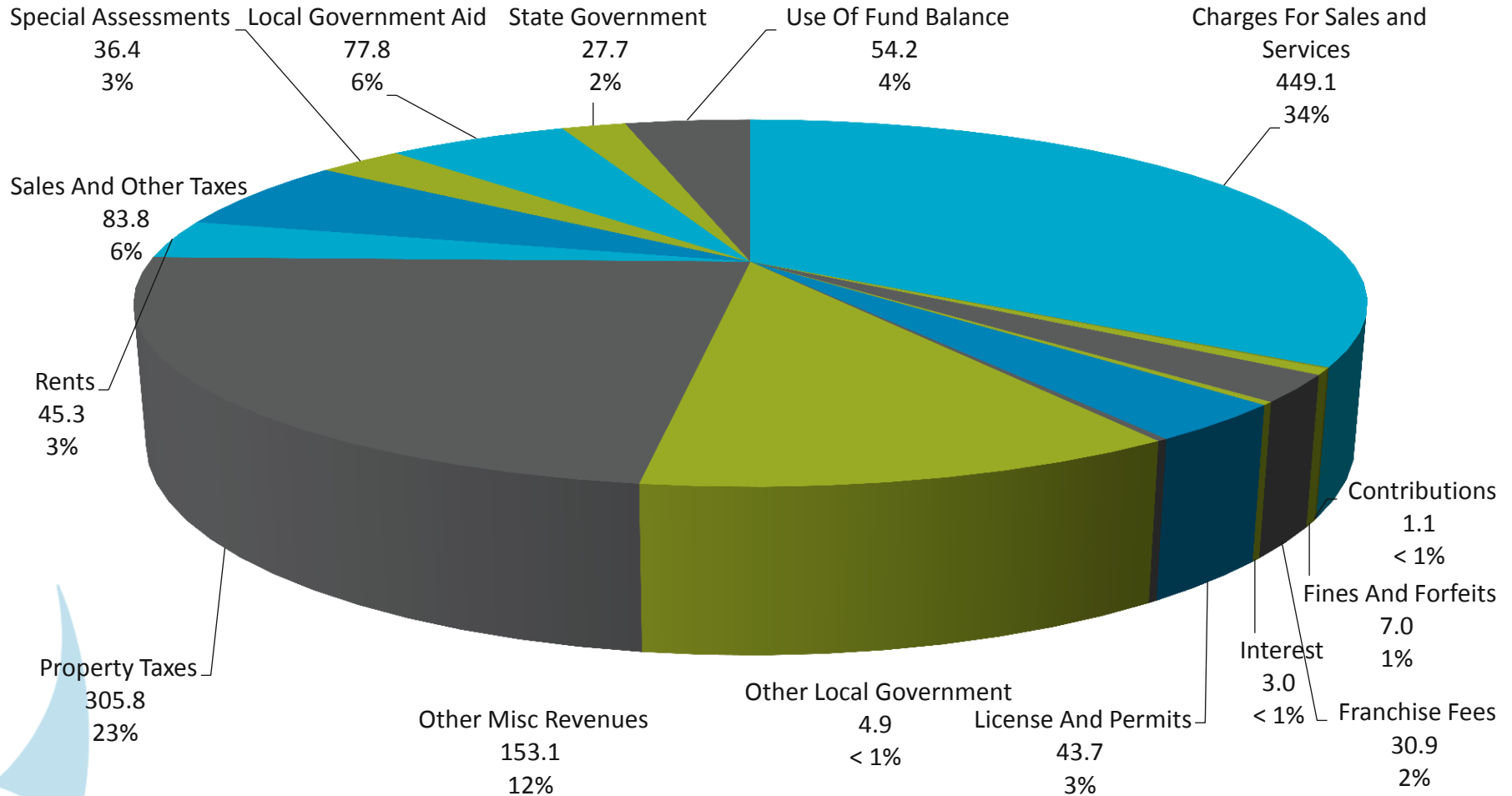
* Includes Human Resources, Finance & Property Services, 311, Intergovernmental Relations, Communications, Neighborhood and Community Relations, IT, 911 and Emergency Management. Convention Center is broken out for illustrative purposes.

** Includes Assessor, Internal Audit, City Clerk, City Council, Civil Rights and Mayor.

*** Includes Non-departmental, Health and Welfare, Worker's Compensation, Liability, Contingency and Pensions.

Revenues by Major Sources

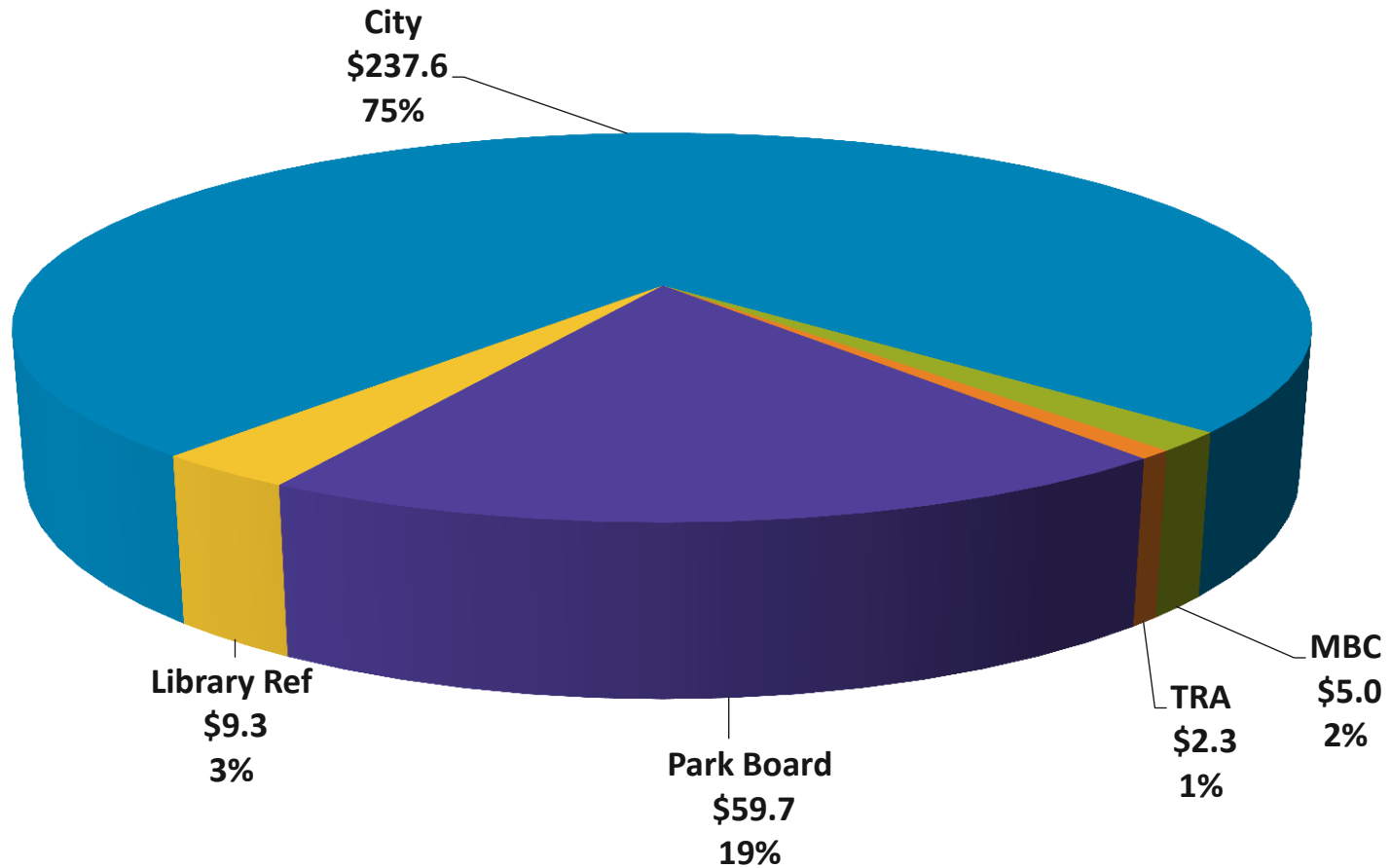
\$1.323 Billion (excludes independent boards)



*Includes: contributions, gains, interest, bond proceeds, other misc.

Property Tax Levies by Entity

Total Levy = \$313,941,000



*City includes BET, pension, library operating transfer, capital and debt levies

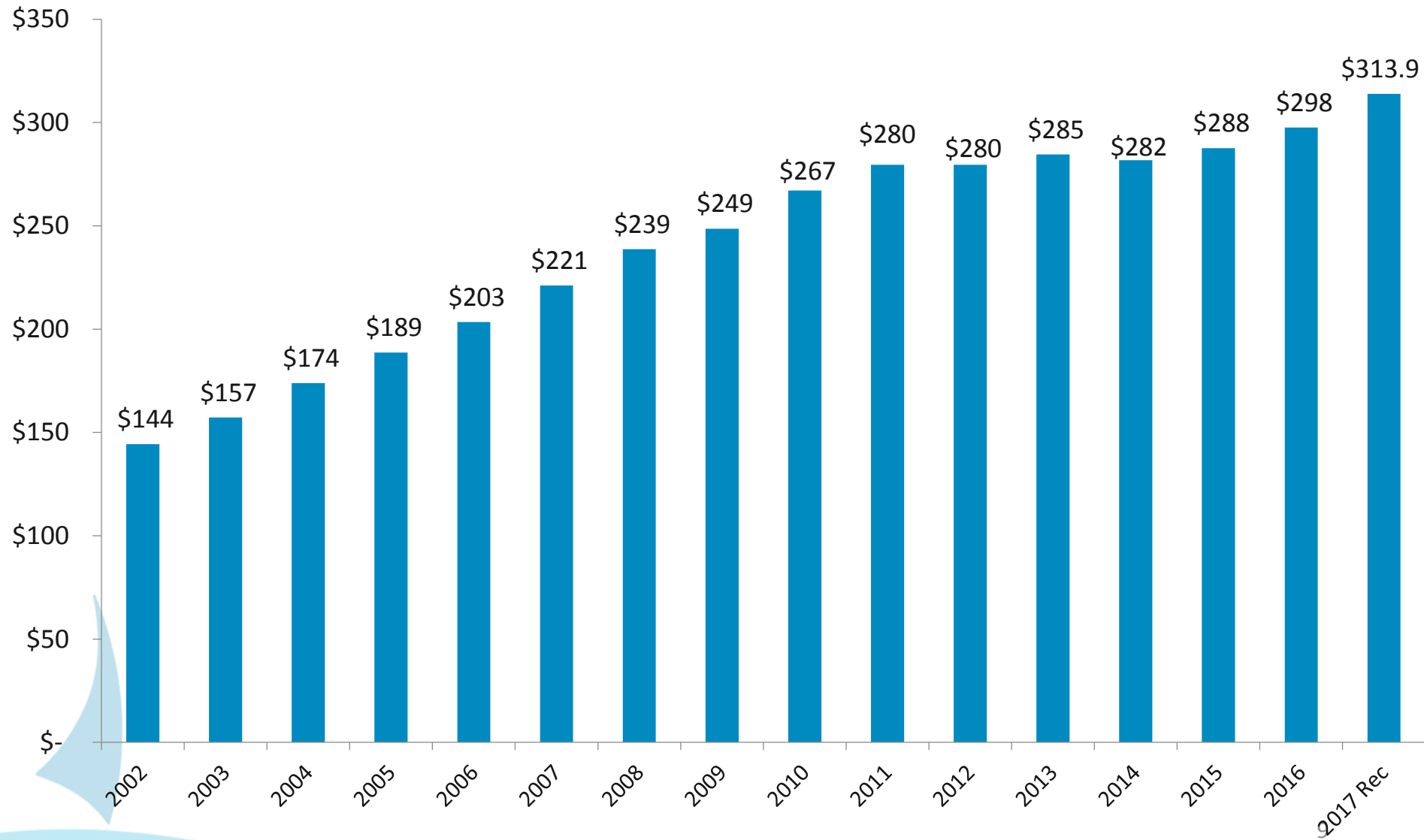
Mayor's Recommended 2017 Budget

2017 Property Tax Levies

Fund	2016	2017	% Change	\$ Change
			From 2016	From 2016
General Fund	160,446,000	176,851,895	10.2%	16,405,895
Minneapolis Park Board - General	52,583,000	58,013,000	10.3%	5,430,000
Minneapolis Park Board - Tree	1,732,000	1,732,000	0.0%	0
Bond Redemption	37,800,000	37,800,000	0.0%	0
595 (HRA) Levy	129,000		-100.0%	-129,000
Permanent Improvement	1,000,000	500,000	-50.0%	-500,000
Pensions (MERF, MPRA, MFRA)	27,310,000	22,310,000	-18.3%	-5,000,000
Board of Estimate and Taxation	170,000	180,000	5.9%	10,000
Municipal Building Commission	4,810,000	4,954,300	3.0%	144,300
Teachers' Retirement	2,300,000	2,300,000	0.0%	0
Library Referendum Debt Service	9,300,000	9,300,000	0.0%	0
Total	297,580,000	313,941,195	5.5%	16,361,195

Mayor's Recommended 2017 Budget

City Property Tax Levy History



CITY OF MINNEAPOLIS

2017 Recommended Budget

Property Taxes

Includes Taxpayer Impacts

Who Levies Property Taxes?

- Political Subdivisions of the State of MN
 - Cities
 - Townships
 - Counties
 - Schools
 - Special Districts (WMO, Met Council, RRA, HRA)
 - State Levies for a Property Tax (only commercial)

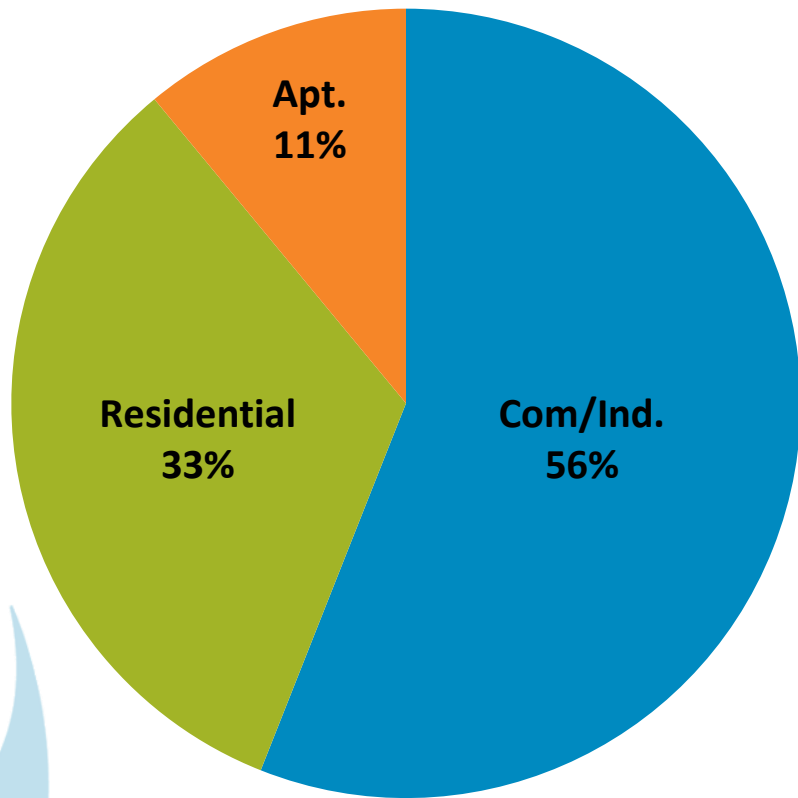
Who Pays Property Taxes?

- Property Owners for Various Property Classes
 - Commercial
 - Industrial
 - Residential
 - Apartments
- Exclusions:
 - Other Government
 - Non-profit
 - Payment in lieu of taxes (PILOT)

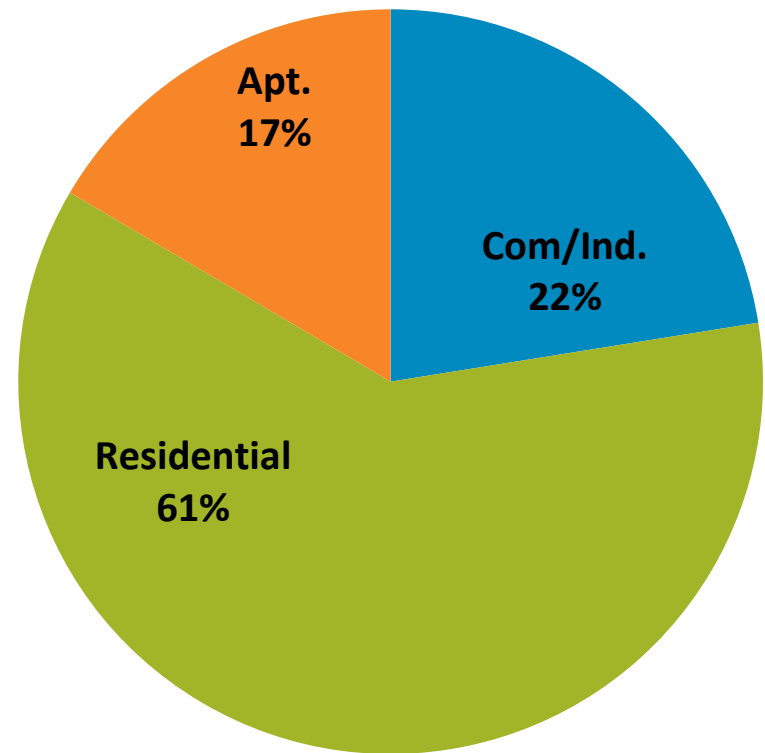
Mayor's Recommended 2017 Budget

Property Tax Shift



1996



2017



Factors Impacting Property Tax

- Market value (individual and aggregate – EMV  >9.5%)
- Market value exclusion program if homestead
- Citywide tax base (TCAP  10.5%)
 - Less tax increment districts/value capture
 - Less Fiscal disparities
- Net tax base increase of 9.2%
- Receiving less from fiscal disparities pool

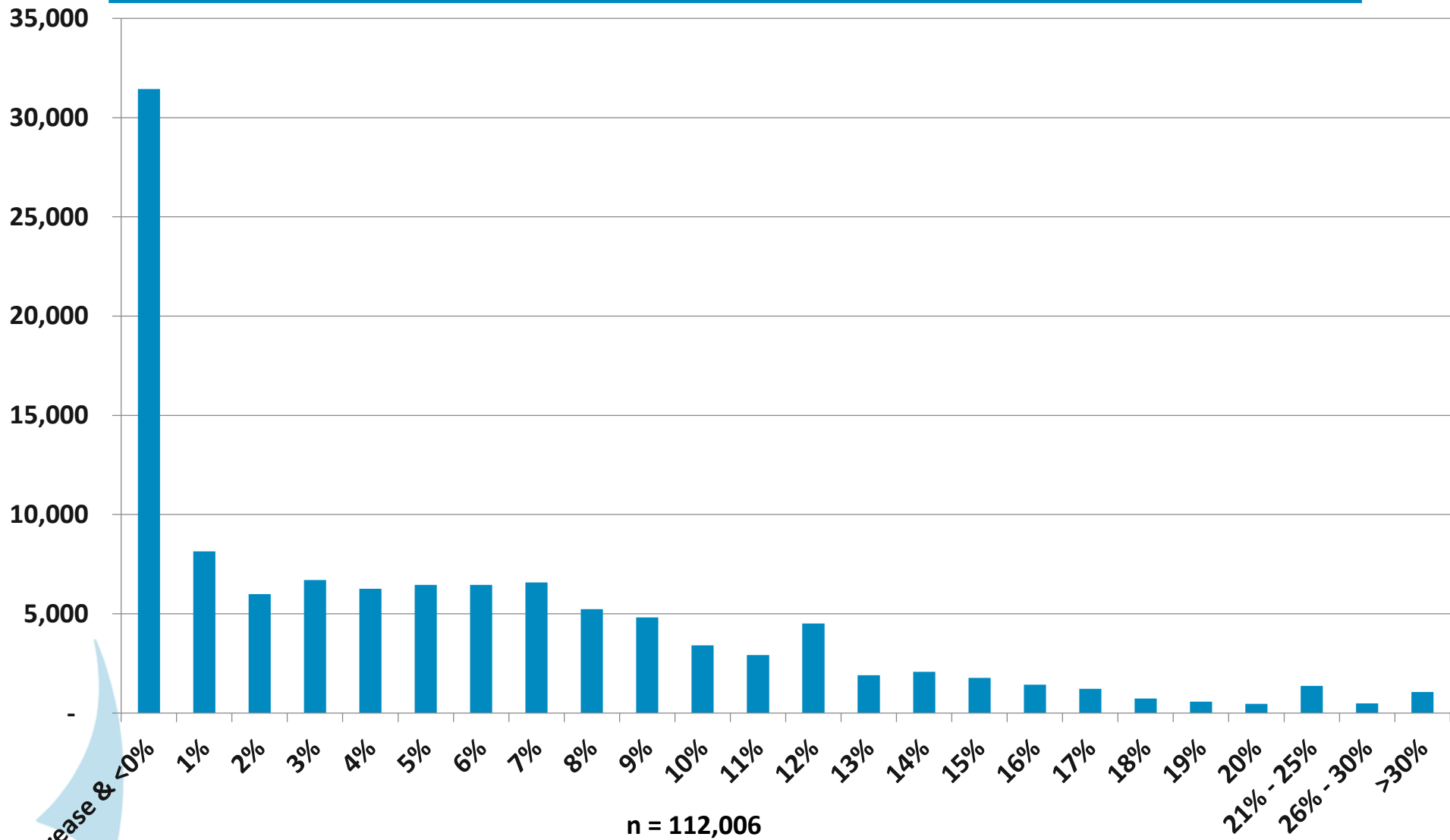
What does property tax increase “feel like” to taxpayer?

- Mayor's proposal included a 5.5% levy increase
- Overall, residential properties market values increased 6.6% over pay 2016
- Based on the July 2016 estimates, 28% of the residential properties will either see a decrease or no change in their property taxes for 2017



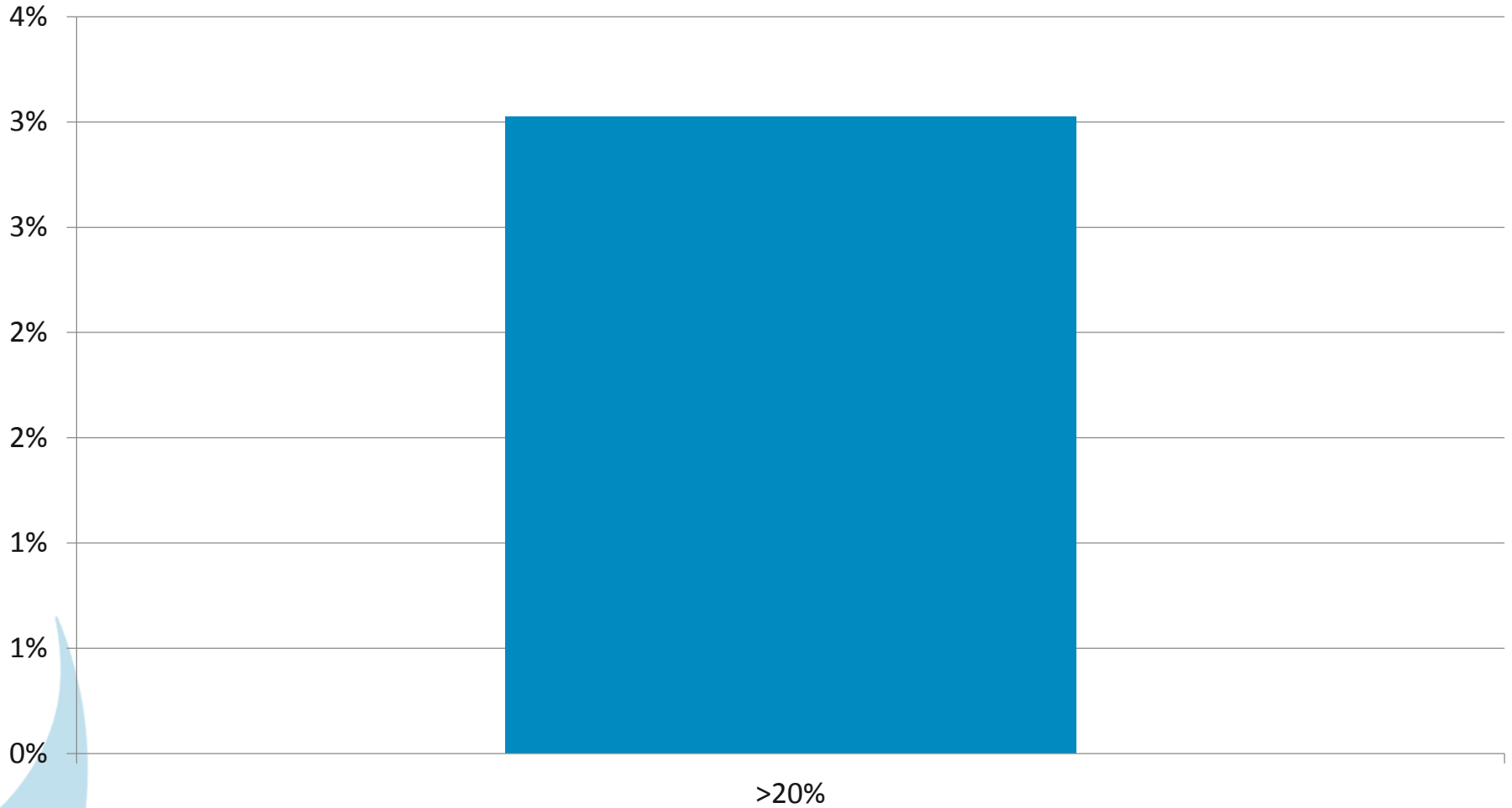
Mayor's Recommended 2017 Budget

Tax Increase Estimate by Group



Mayor's Recommended 2017 Budget

Average Tax Bill - Residential



Mayor's Recommended 2017 Budget

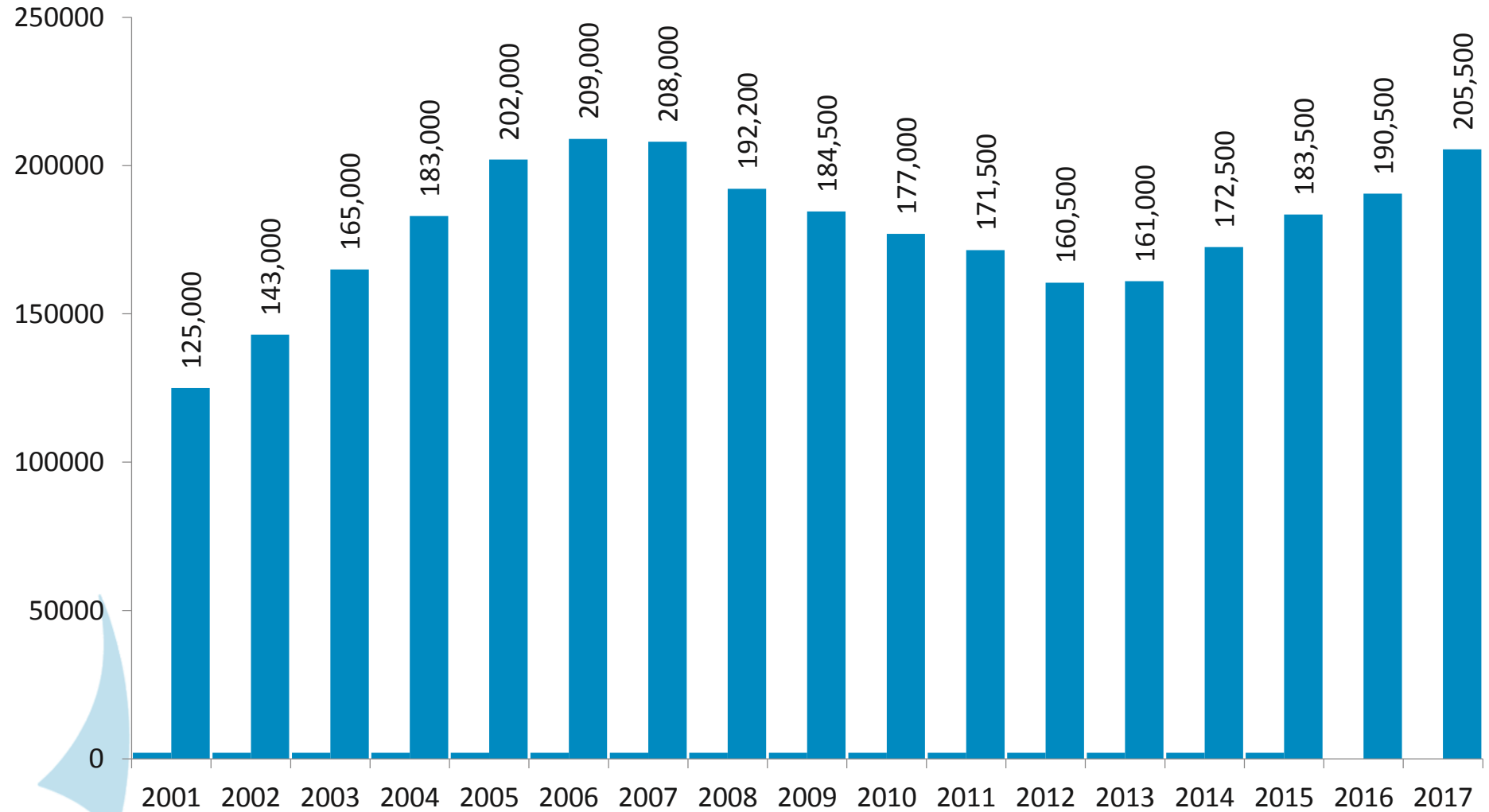
Analysis of Tax Impact by Ward

Ward	Change in Tax Impact
1	8.84%
2	4.56%
3	3.01%
4	6.92%
5	5.81%
6	3.92%
7	2.35%
8	6.31%
9	7.06%
10	4.42%
11	5.74%
12	5.37%
13	2.73%
Grand Total	5.13%

Mayor's Recommended 2017 Budget

Single Family Median Value Trend

(2001 – 2017)



Single Family Property

- Subset of Residential Property
- \$205,500 value in 2017 – up over 7.5%
- With 5.5% levy increase, tax up \$78/year
 - With 4.9% levy increase, tax up \$70/year

- If value stayed same, tax decrease of \$26/year

CITY OF MINNEAPOLIS

2017 Recommended Budget Next Steps

Mayor's Recommended 2017 Budget

Next Steps

- Board of Estimate and Taxation – Approve Maximum Levy
 - September 21st , 4:00 PM
- Department Presentations to Budget Committee
 - Beginning Thursday, September 22nd, 9:30 AM
- Certify Proposed (maximum levy) by September 30th
- Truth-in-Taxation notices sent out second week in November
- Public Comments received November 30th, 6:05 PM
- Budget Markup – December 2nd, 9:30AM
- Board of Estimate and Taxation – December 7th, 6:05 PM
- Budget Adoption – December 7th, Following BET

CITY OF MINNEAPOLIS

2017 Recommended Budget
Thank you