

Council Member Column for Neighborhood Newsletters

Fall 1999/Early Winter 2000

The 2000 Budget Process

On December 9, 1999, the City of Minneapolis adopted a budget and tax levy for the year 2000. I and several other Council Members who were not part of the Ways and Means/Budget Committee participated in both the budget hearings and the final budget markup. It was a learning experience.

In the end, I did not vote for either the levy or the budget for two reasons: First, our current service level is too expensive and is too great a burden on 13th Ward citizens. Second, the budget is not concretely linked to a strategic vision for the City of Minneapolis.

The City faced a number of challenges this budget year. Among other things, we needed to: balance the General Fund in an environment where the growth in expenses exceeds our growth in revenues; maintain our commitment to our investment in infrastructure; find funding for affordable housing commitments; and deal with a growing internal deficit problem.

The Mayor's Proposal: The Mayor moved forward the "current service Level" into the year 2000 with some modifications. She asked General Fund supported departments to make a 3% cut across the board. The Mayor recommended some of these cuts, others she rejected. Of a total, potential cut of \$6.3 million, the Mayor adopted \$2.9 million in service reductions. The cost of bringing forward the "current service level", as modified, was \$5.3 million, about a 2.4% increase over last year. In addition, the Mayor recommended \$2.7 million in new spending and a \$2.0 million payment on the internal deficit problem. To balance this spending, the Mayor proposed, among other things, a 4.6% property tax increase.

Council Action: When the budget was passed on to the City Council Ways and Means Committee, the Chair of the Committee moved the Mayor's budget in its entirety and proposed another tax increase -- the maximum currently allowed under law -- adding another \$2.1 million on top of the Mayor's budget; a total 7.1% increase. Over the course of the hearings and markup, the council reevaluated some of the Mayor's recommended cuts (for instance, the committee rejected a proposal to turn off a number of traffic lights to save money), spent the remaining additional monies and cut approximately \$500,000 to bring the budget into balance.

The City's Finance Officer, John Moir, has judged this to be a sound budget. As a technical matter (and setting major differences with the Council majority on some policies aside) I agree. It is, however, just too expensive. Mr.

Moir told the Ways and Means Committee that if we want to have a sound fiscal future, we have to “stop spending.” We have not done this.

Spending money, increasing or decreasing services, raising or lowering taxes are not ends in themselves. They are tools to be used in service of a greater mission. What has been missing from Council deliberations is the debate about and a consensus on what our municipal mission should be. *Until we -- as citizens and as elected officials -- define what it is we want from government, it will be difficult if not impossible to tell if we are getting our money's worth.*

We need to do more with less. We need to work toward a disciplined, agile organization. However, there is a limit to what budget cutting can do. While the scope of our services continue to expand, our monetary commitment to each individual project shrinks. At some point, staff is simply not able to offer service at the high level which every professional wants to achieve. I think we¹ve reached that point.

The policy makers owe it to the staff and the citizens to make decisions about exactly which businesses we are in and which we are not. This will be a hard discussion. Every service the city offers has some constituency and that constituency will object if their benefit is cut. However, for our collective good and that of our children, we need to have that discussion and have it soon.