



Five-Year Financial Direction – March 2009 Update

Finance presentation to Ways &
Means Committee

March 2, 2009



Major Changes Since December 2008 for the 2010 budget

- Governor's proposed LGA cuts for 2010: \$18.3 million (General Fund's share = \$16.1 million)
- Increased pension estimates of \$12.9 million for 2010

2010 Cuts

	2010 Reduction to Growth	2010 Governor's Proposed LGA Cuts	Total
Mayor	-0.010	-0.074	-0.084
City Clerk/Elections/City Council	-0.051	-0.377	-0.428
CPED	-0.026	-0.196	-0.222
Contingency	-0.015	-0.127	-0.142
City Coord Admin, Comm, IGR, NCR	-0.038	-0.312	-0.350
Civil Rights	-0.018	-0.117	-0.135
Assessor	-0.028	-0.192	-0.220
Health and Family	-0.029	-0.221	-0.250
Human Resources	-0.044	-0.293	-0.338
Attorney	0.000	-0.369	-0.369
911/311	-0.079	-0.527	-0.605
Finance	-0.140	-0.947	-1.086
BIS	-0.184	-0.633	-0.817
Regulatory Services	-0.171	-1.157	-1.328
Public Works	-0.292	-2.096	-2.388
Fire	-0.369	-2.478	-2.847
Police	-0.908	-6.009	-6.917
Total General Fund	-2.400	-16.125	-18.525



Pensions

- Figures for Minneapolis Police Relief Association (MPRA) & Minneapolis Fire Relief Association (MFRA) updated as of February 2009 (based on actuarial study)
- Reflects significant market declines in 2008
- Lawsuit over benefit payments underway
- Mortality assumption changes implemented effective 2010

Pensions

Pension Direct Levy (in millions)			
	2009 Council Adopted	March 2009 Update	Difference
2009	6.992	6.992	0
2010	17.395	30.250	12.855
2011	18.984	40.203	21.219
2012	20.522	48.113	27.591
2013	21.355	49.237	27.882
2014	22.451	49.694	27.243
Total	107.699	224.489	116.790



Undetermined Interactions

- Levy limits
- City's 8% tax policy
- Other costs above estimates