City of Minneapolis
FY 2004 Budget
Background Information

Annual Budget Process

The City of Minneapolis annual budget process integrates information from the City's Enterprise Priority-Setting Process, Capital Long-Range Improvement Committee process and departmental performance review processes to establish annual resource allocations.

January–February

Departmental Performance Information

City department heads bring their annual work plan and accomplishments to the Executive Committee, which then refers the work plan to the relevant Policy Committee for review and file.

March

Preliminary Year-End Budget Status Report

The Finance Department presents a year-end budget status report for the previous year to the Ways and Means/Budget Committee. This is a preliminary report because the audited Comprehensive Annual Financial Report (CAFR) is not available until second quarter of the year.

March–April

Capital Improvement Budget Development

The City has a five-year capital improvement plan. Annually, departments prepare and modify capital improvement proposals. Capital improvement proposals are reviewed by the Finance Department, the City Planning Department and the Capital Long-Range Improvements Committee (CLIC). CLIC is the citizen advisory committee to the Mayor and City Council on capital programming.

April–June

Operating Budget Development

Departments work in coordination with the Finance Department to prepare department operating budget requests referred to as the "Current Service Level" (CSL). The Current Service Level Budget reflects the current year cost of providing the same level of service as provided in the prior year. In addition to preparing a Current Service Level budget, departments also prepare proposals which describe policy and the organizational changes with financial implications. The Current Service Levels and proposals form the basis for the Mayor’s budget meetings with departments in June and July.

June–August

Mayor's Recommended Budget

The Mayor holds departmental budget hearings to review department budget proposals, other additional policy changes, and alternative funding choices. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC in preparation of finalizing the capital budget recommendation. Following the departmental budget hearings and meetings with CLIC, the Mayor prepares a final budget recommendation with the assistance of the Finance Department. The Mayor prepares and submits a budget to the City Council no later than August 15. The budget includes the Mayor's recommendation on annual property tax levy amounts.

September

Maximum Proposed Property Tax Levy

As required by State law, the maximum proposed property tax levy increase is set by September 15. The Board of Estimate and Taxation sets the maximum property tax levy. The Board of Estimate and Taxation must set a maximum property tax levy for the City, Municipal Building Commission, Public Housing Authority, Library Board and Park Board.

October–November

City Council Budget Review and Development

The City Council holds public hearings on the budget. Departments present their Mayor Recommended Department Budgets to the Ways and Means/Budget Committee with all Council members present. Following departmental budget hearings, the Ways and Means/Budget Committee approves and moves forward a final recommended budget to the City Council. The Committee recommended budget includes any and all changes that are made to the Mayor's Recommended Budget.

Truth in Taxation

"Truth in Taxation" property tax statements are mailed by Hennepin County to property owners indicating the maximum amount of property taxes that the owner will be required to pay. These statements also indicate when the Truth in Taxation public hearings will be held, which is in early December as required by State law.

December

City Council Budget Adoption

The City Council adopts a final budget that reflects any and all changes made to the Mayor's Recommended Budget. Once the final budget resolutions are adopted, all requests from City departments for additional funds or positions made throughout the year are brought before the Ways and Means/Budget Committee and City Council for approval as amendments to the original budget resolutions.

The independent boards and commissions adopt their own operating budgets.

Specific significant dates for 2004 budget adoption are as follows:

March 13	Adoption by City Council and Mayor of reductions to the 2003 budget as a result of Local Government Aid Reductions
March 21	Preliminary Year-End 2002 Budget Status Report
April 1	Adoption by City Council and Mayor of Department Layoff Strategies related to Local Government Aid reductions in 2003
June 23 – July 18	Mayor will meet with each city department and the independent boards to review 2004 budget proposals and preliminary business plan information.
July 21 - August 8	Mayor finalizes the 2004 budget recommendation
August 14	Mayor's 2004 Budget Recommendation presented to Council
Sept 3	Board of Estimate public hearing on 2004 maximum property tax levies
Sept 10	Board of Estimate meeting to set the maximum 2004 property tax levies
Sept 15 - Oct 16	Ways and Means Hearings on the 2004 Budget and Business Plans
Oct 16	Special City Council meeting to be called by the Mayor requesting Council action to provide preliminary approval of the 2004 budget*
Nov 18 and Nov 20	Budget Mark-up (1-5 p.m. each day)
Dec 8	Truth in Taxation public hearing (5:05 p.m.)
Dec 15	Truth in Taxation public hearing continuation (if needed) (5:05 p.m.)
	2004 Official Council budget adoption (immediately following continuation hearing if continuation hearing is needed)

INTEGRATING KEY CITY PROCESSES

Inputs:
Minneapolis Plan
Environmental Scan
Citywide SWOT Analysis
Key Financial Challenges & 10 yr financial projection
NRP Plans
Citizen Survey
Stakeholder Analysis
Outcome Measures

Citywide Strategic Planning Process

Outputs:
City Mission
City Goals
Financial Policy Direction & resource limits for departments
Enterprise Objectives & Outcomes
Definition of City Government

Department Business Planning Process

Outputs:
Department Mission
Primary businesses and alignment with City Goals and Financial Policy Direction
Service Activities and Performance Measures
Finance Plan, Workforce & Affirmative Action Plan, Technology Plan, Space Plan

Annual Budget Process

Outputs:
Articulated results for resources allocated
Department Budgets aligned with City Goals, financial policy direction, and department business plans

Performance Measurement
(Including regular reporting throughout the year)