

**City of Minneapolis
FY 2005 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 the 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. The Finance Department, the City Planning Department and the Capital Long-Range Improvements Committee (CLIC) review capital improvement proposals. 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 that 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 2005 budget adoption are as follows:

- | | |
|-----------------------|---|
| April 29 | State of the City Speech |
| June 28 –
July 27 | Mayor will meet with each city department and the independent boards to review 2005 budget proposals and business plan updates |
| July 28 -
August 6 | Mayor finalizes the 2005 budget recommendation |
| August 12 | Mayor's 2005 Budget Recommendation presented to Council |
| Sept 1 | Board of Estimate public hearing on 2005 maximum property tax levies |
| Sept 8 | Board of Estimate meeting to set the maximum 2005 property tax levies |
| Sept 13 -
Oct 15 | Ways and Means Hearings on the 2005 Budget and Business Plans
(schedule to be determined by City Council) |
| Oct 15 | Special City Council meeting to be called by the Mayor requesting Council action to provide preliminary approval of the 2005 budget, if needed* |
| Dec 6 | Truth in Taxation public hearing |
| Dec 13 | Truth in Taxation continuation hearing (if needed)
2005 official Council budget adoption |

*The Mayor's Budget Recommendation may contain layoffs, which will necessitate implementation of the job bank by November 1, 2004 to avoid even deeper cuts in 2005.