

**City of Minneapolis
FY 2005 Budget
Background Information**

Form of Government

The City is a municipal corporation governed by a Mayor–Council form of government; it was incorporated in 1867, and it adopted a Charter on November 2, 1920. The Mayor and 13 City Council Members from individual wards are elected for terms of four years, without limit on the number of terms which may be served. The Mayor and City Council are jointly responsible for the adoption of an annual budget and a five-year capital improvement program. As required by Charter, the Mayor is responsible for preparing an annual operating and capital budget recommendation to the City Council for their consideration. The Mayor has veto power, which the Council may override with a vote of nine members.

The City Finance Officer is charged with maintaining and supervising the various accounts and funds of the City as well as several boards and commissions. In addition, the City Budget Director is charged with assisting the Mayor, City Council and City departments in preparing the City's annual capital and operating budget. The City Finance Officer reports to the City Coordinator, who is appointed by the Mayor and serves as Chief Administrative Officer of the City.

This Annual Budget Report for the City includes organizations for which the primary government is financially accountable and for which the nature and significance of their relationships with the primary government are such that exclusion could cause the City's budget report to be misleading or incomplete. Below is a summary of the organizations reflected in the City's Annual Budget Report, in addition to the primary government.

Blended Component Units

The following component units have been presented as blended component units because the component unit's governing body is substantially the same as the governing body of the City, or the component unit provides services almost entirely to the primary government.

- ◆ ***Municipal Building Commission.*** The Municipal Building Commission (MBC) is an organization established January 4, 1904, by the State of Minnesota, to operate and maintain the Minneapolis City Hall/Hennepin County Court House Building, which was erected pursuant to Chapter 395 of the Special Laws of 1887. The four commissioners are the Chairman of the Hennepin County Board of Commissioners, the Mayor of the City of Minneapolis, an appointee of the Hennepin County Board and an appointee of the Minneapolis City Council. The Mayor recommends the tax levy and budget for the City's share of the MBC's operations, and the City Council and Mayor approve the allocation of the state local governmental aid to the MBC.

- ◆ **Board of Estimate and Taxation.** The Board of Estimate and Taxation (BET) is established under Chapter 15 of the City Charter. It is composed of seven members, two of whom are elected by voters of the City. The Mayor or the Mayor's appointee, the President of the City Council and the Chair of the City Council's Ways and Means/Budget Committee are ex-officio members of the Board. The Minneapolis Park and Recreation Board and Minneapolis Library Board annually select one of its members to serve on the Board of Estimate and Taxation. By action of the City Council, or such other governing board of a department requesting the sale of bonds, the Board of Estimate and Taxation may vote to incur indebtedness and issue and sell bonds and pledge the full faith and credit of the City for payment of principal and interest. The Board of Estimate and Taxation also establishes the maximum property tax levies for most City funds and maintains responsibility for the internal audit function for the City, including boards and commissions that are component units of the City.

Discretely Presented Component Units

The following organizations are legally separate from the City, but they are included in the City's Annual Budget Report and Annual Financial Reports because the primary government is financially accountable and is able to impose its will on the organizations.

- ◆ **Minneapolis Library Board.** The Minneapolis Library Board was established according to Chapter 17 of the City Charter. It is an eight-member board, six of whom are elected for four-year terms by voters of the City. The Mayor and the City Council each appoint one member. The Library Board is responsible for operating and maintaining libraries located throughout the City. The Mayor recommends the tax levies and budget for the Library Board, and the City Council and Mayor approve the allocations of local government aid from the state for Library Board operations. The Board of Estimate and Taxation approves the property tax levy for the Library Board, and the full faith and credit of the City secure debt issued for projects benefiting the Library Board. The City Finance Officer serves as Treasurer of the Library Board.
- ◆ **Minneapolis Park and Recreation Board.** The Minneapolis Park and Recreation Board was established according to Chapter 16 of the City Charter. The nine-member board is elected by the voters of the City and is responsible for developing and maintaining parkland and parkways, as well as planting and maintaining the City's boulevard trees. The Mayor recommends the tax levies and budget for the Park Board, and the City Council and Mayor approve the allocations of local government aid from the state for Park Board operations. All Park Board actions are submitted to the Mayor, and a mayoral veto may be overridden by a vote of two-thirds of the members of the Park Board. The Board of Estimate and Taxation approves the maximum property tax levy for the Park Board, and the full faith and credit of the City secure debt issued for Park Board projects. The City Finance Officer acts as Treasurer of the Park Board.

Related Organizations

The City's officials are also responsible for appointing members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments.

- ◆ ***Metropolitan Sports Facilities Commission.*** The Metropolitan Sports Facilities Commission (Commission) is an appointed authority established under 1977 Minnesota laws. Of the seven members of the Commission, the City of Minneapolis appoints six. The Chair, who must by statute reside outside Minneapolis, is appointed by the Governor. The Commissioners serve four-year terms and removal is for cause only. The primary responsibility of the Commission is to serve as owners, operators, and landlords of the Hubert H. Humphrey Metrodome Sports Facility in Minneapolis. Major tenants of the Metrodome Sports Facility are the Minnesota Twins, the Minnesota Vikings and the University of Minnesota Golden Gophers football team.
- ◆ ***Minneapolis Public Housing Authority.*** The Minneapolis Public Housing Authority (MPHA) is the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis. A nine-member Board of Commissioners governs MPHA. The Mayor of Minneapolis appoints the Board Chairperson and four Commissioners; four Commissioners (one of whom must be a public housing family-development resident) are appointed by the City Council. The mission of the MPHA is to provide well-managed, high-quality housing for eligible families and individuals; to increase the supply of affordable rental housing; and to assist public housing residents in realizing goals of economic independence and self-sufficiency.

Joint Ventures

The City is a participant in several joint ventures in which it retains an ongoing financial interest or an ongoing financial responsibility. One of these joint ventures is reflected in the Annual Budget Report for the City: Minneapolis Neighborhood Revitalization Board.

- ◆ ***Minneapolis/Saint Paul Housing Finance Board.*** The Minneapolis/Saint Paul Housing Finance Board was established in the early 1980s, in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul and the Community Planning and Economic Development Department, and accepted by the cities of Minneapolis and Saint Paul under State of Minnesota laws. The Community Planning and Economic Development Department's oversight responsibility of the Board is limited to its governing body's ability to appoint only three of the six members of the Board. The territorial jurisdiction of the Board extends beyond the corporate limits of the City of Minneapolis.
- ◆ ***Minneapolis Neighborhood Revitalization Policy Board.*** The Minneapolis Neighborhood Revitalization Policy Board (NRPB) was established in 1990, in

accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Library Board, the Park Board and the Mayor and City Council under authority of State of Minnesota laws. The NRPB is composed of 20 members and includes public officials as well as representatives of neighborhood and community-interest organizations. The majority of members are persons other than the representatives of the jurisdictions that entered into the Joint Powers Agreement.

- ◆ ***Minneapolis Youth Coordinating Board.*** The Minneapolis Youth Coordinating Board (YCB) was established in the mid-1980s, in accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Library Board, the Park Board, the Mayor and the City Council under authority of State of Minnesota laws. The YCB, which numbers 12 in size, includes the Mayor, two members each from the Hennepin County Board of Commissioners and the Board of Directors of Special School District No. 1, two representatives from the City Council, one member each from the Park Board and Library Board, one member each from the Minneapolis State Legislature House and Senate delegations and a Judge assigned by the Chief Judge of the District Court.