INTRODUCED BY COUNCIL MEMBERS OSTROW, JOHNSON, AND LANE

COUNCIL RESOLUTION ESTABLISHING COMMITMENT TO BUSINESS PLANNING AND FIVE YEAR FINANCIAL DIRECTION

Whereas:

- The Council adopted and the Mayor approved a long-term (year 2010) property tax policy, which established the maximum annual revenue to be provided for from the property tax.

- The Council and Mayor adopted budget principles, which support long-term financial planning.

- The Council and Mayor want to provide financial resource direction, within the limits of the adopted tax policy, to departments as input into developing long-term (five-year) operating plans for the businesses of the City.

- The Council and Mayor believe that departments will be able to prepare better work force plans, and communicate anticipated service activity levels if they have better information on what to anticipate with respect to future resources.

Now Therefore Be It Resolved as Follows by the City Council:

- The City departments will prepare business plans with a five-year planning horizon. In connection with the 2004 budget, all departments will have a plan completed by year-end 2003. Each of these plans will be presented to the Mayor and Council for review and approval by no later than the end of First Quarter 2004.

- The Mayor, Council President, and Chair of Ways and Means/Budget Committee, and the Ways and Means/Budget Committee will provide specific direction to the departments concerning process, form, and time-line for completion of business plans.

- The City departments' business plans will reflect the allocation of general city revenues and property tax revenue provided for in the financial schedules included as an integral attachment to this resolution.

COUNCIL RESOLUTION ESTABLISHING COMMITMENT TO BUSINESS PLANNING AND FIVE YEAR FINANCIAL DIRECTION

- This resolution and attachments do not include resource direction for all City revenue sources. In addition to using the financial information included in the attachment to this resolution to inform department business planning, departments shall also use other previously and/or separately adopted rate schedules (i.e., utility fees) to plan for future resource levels. Where departments do not have specific Mayor and Council direction on resource levels, the departments shall work with the Finance Department to prepare future revenue estimates.

- The Finance Department, working with city departments, shall determine when additional Mayor and Council direction is needed regarding other revenue sources not covered by this resolution and attachments.

- The Finance Department has authority to amend department specific revenue estimates and corresponding future spending levels (as included in the attachment), after a more thorough and in-depth analysis of revenue estimates is completed. The Finance Department does not have authority to amend the allocation of general city revenues and property tax revenue as established by this resolution.

- The City Council supports the following key policy choices, which are reflected in the financial details included in the attached schedules to this resolution, but because of their significance are called out with specific language below:

    - The Council understands all financial plans will be based upon its adopted tax policy, which established an 8-percent maximum annual increase in property tax levy.

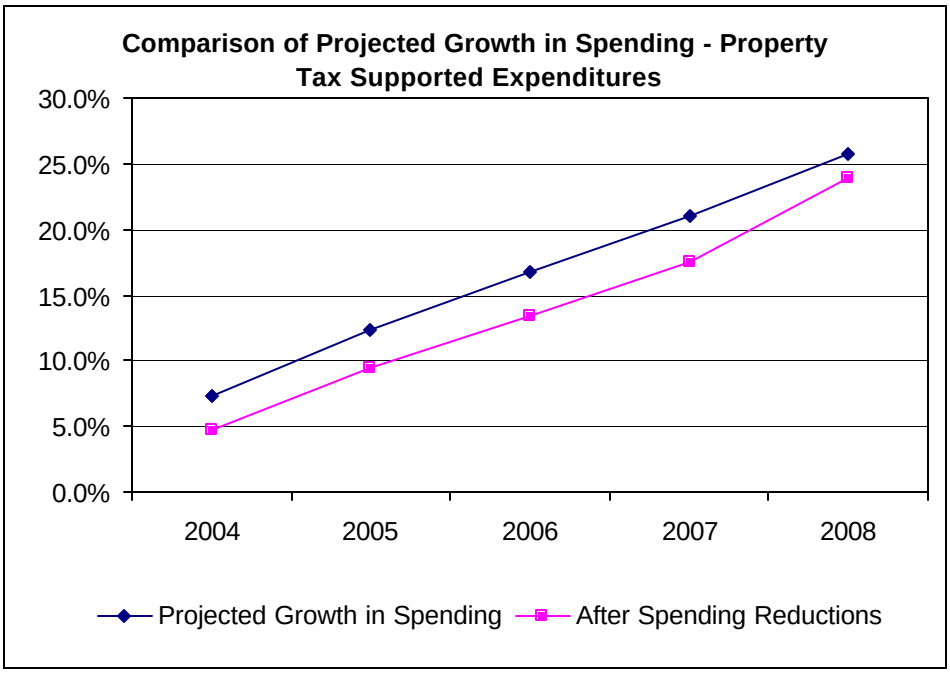
    - The Council is committed to not spending the principal from the proceeds received from the sale of the City's interest in the Hilton Hotel, which occurred in 2000, and all financial plans will be based on that assumption.

    - This resolution establishes the pool of resources for community development activities. This resolution does not establish how these resources will be allocated in the future to specific areas such as the Neighborhood Revitalization Program (NRP), including NRP administration, and other citywide community development activities.

SUMMARY POINTS OF FINANCIAL SCHEDULES
PROJECTIONS FOR YEARS' 2004 TO 2008

- **7-percent average annual projected growth in spending**, including wage/salary increases and other contractual obligations (inflationary pressures), projected rising health insurance premiums, internal service fund obligations, and infrastructure "gap" closure plans.

- **3-percent average annual reduction to this growth in spending** will be needed to balance the budget within the adopted tax policy. (The City has averaged 3.0-percent annual reductions to growth in spending over the past seven years.) The adjusted average annual growth to spending will be 4.2-percent, after spending reductions are implemented. This includes funding for debt, both internal and external obligations.



- **1-percent average annual growth in non-property tax revenues,** including direct department revenue, general city revenues (received in the General Fund), and Local Government Aid. Local Government Aid is assumed to remain at a constant (year 2002) level for projections purposes.

- **8-percent average annual growth in property tax revenue** for all City funds, including the independent boards. The average annual growth in property tax revenue for the City's General Fund, Permanent Improvement, Debt Service, Community Development, and Pension Funds is 8.2% over the five-year period. This is slightly greater than the overall growth in property tax revenue, because of the impact of the changes in property tax revenue for the Pension Funds.

2003 Expense

The 2003 Expense figures are based on the Mayor's Recommended 2003 budget.

Projected Growth in Spending

Projected growth in spending reflects the assumptions that were included in the "Ten-Year Projected Demands on the Property Tax Report", prepared by the Finance Department in 1st Quarter 2002. The assumptions cover years' 2004 to 2008, unless a different time frame is noted below:

- 4% annual growth in base expenditures, not including health insurance
- 20% annual increase in health insurance premiums
- $800,000 annual increase in Public Works maintenance funding per the adopted infrastructure "gap" closure plan, which is reflected in the Public Works line item on the financial schedule
- $1,000,000 annual increase in Public Works capital funding per the adopted infrastructure "gap" closure plan, which is reflected in the Debt Service line item on the financial schedule
- $1,200,000 annual increase for Information Technology workout plan, which is reflected in the Information Technology line item in the financial schedule
- $500,000 annual increase for Self-Insurance Fund deficit reduction plan, which is reflected in the Other Internal Service Fund line item on the financial schedule
- $2,000,000 annual increase (in years' 2004 and 2005 only) for Equipment Services workout plan, which is reflected in the Other Internal Service Fund line item in the financial schedule
- $300,000 annual increase for contingency funding, which is reflected in the Contingency line item in the financial schedule
- $1,300,000 to $3,500,000 range of annual increases for Pension levy to meet future debt obligations

Reduction to Growth in Spending

The amount of reduction to growth in spending reflects the Council and Mayor's decision on how the spending reductions are to be allocated across City departments or major spending areas.

Direct Revenue

Direct revenue is revenue that is recorded directly to a department or agency versus at the fund level. This revenue category is adjusted annually by 1.5%, except for Licenses and Inspections direct revenue, which is adjusted by 3.0% annually (an assumed inflationary level).

General City Revenues (Non-Direct)

General City revenue is revenue that is recorded at the fund level in the General Fund versus at a department or agency level. This revenue category is adjusted by 1.5% annually for all revenues included in this category. Local Government Aid is considered general city revenue, but for the purposes of this financial report it has been broken-out separately. General City Revenues have been pro-rated to each department based on the following formula:

[Department Net Cost] divided by [Total General Fund Net Cost]
[Net cost] was calculated by subtracting direct revenue from recommended expense.

Local Government Aid

Local Government Aid (LGA) is assumed to remain constant at the 2002 level, or $89.9 million. LGA was allocated based on the same formula used for allocating general city revenues.

Property Tax Revenue

Total property tax revenue is based upon the Council adopted and Mayor approved tax policy, which provides for a total maximum 8-percent annual increase in property tax levy for the City and Independent Boards. In addition to establishing a maximum percent increase in annual property tax levy, the policy also established how the growth in property tax levy would be allocated between the City and the Independent Boards.

Other items:

Levy Limits

Levy limits may present a future challenge with respect to changes in special property tax levies such as the Community Development Levy, which have historically been exempt from levy limits. When the 2003 State tax bill is acted upon, it will require the City to reevaluate how the property tax levy has been allocated between funds, as well as special levies. The Finance Department and the City Attorney's Office are in the process of evaluating potential options for responding to levy limits.

SUMMARY OF FIVE YEAR FINANCIAL DIRECTION DECISIONS BASED ON PROJECTED EXPENSE AND REVENUE GROWTH

For property tax supported ares of spending, including the General Fund, Permanent Improvement, Community Development, and Pensions

	2004	2005	2006	2007	2008	2004 - 2008 Total
EXPENSE SUMMARY:						
Prior Year Expense (property tax supported)	305,726,858	315,994,650	327,288,893	339,692,517	353,295,156	305,726,858
Growth in Spending:						
Increase for annual growth in salaries/wages and non-personnel costs	11,471,850	12,023,356	12,568,440	13,251,570	13,849,964	63,165,179
Increase for health insurance	2,831,560	3,284,610	3,800,000	4,410,000	5,110,000	19,436,170
Increase for Internal Services Funds as required in adopted workout plans	3,700,000	3,700,000	1,700,000	1,700,000	1,700,000	12,500,000
Increase for permanent improvement fund planning funds	200,000	210,000	420,000	440,000	460,000	1,730,000
Increase for public works infrastructure as required in adopted plan	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	9,000,000
Increase for pension obligations	2,200,000	2,700,000	3,200,000	3,500,000	1,300,000	12,900,000
Increase for contingency ("2-percent target")	300,000	300,000	300,000	300,000	300,000	1,500,000
Total Growth In Expense	22,503,410	24,017,965	23,788,440	25,401,570	24,519,964	120,231,349
Total before reductions to spending	328,230,268	340,012,615	351,077,334	365,094,087	377,815,120	425,958,207
Reductions in Spending Growth:						
Reduce planned funding growth for public works infrastructure	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(9,000,000)
Increase payoff period for new bonds issued for annual CIP	(2,684,857)	(2,924,859)	(2,979,393)	(1,107,805)	(322,181)	(10,019,095)
Eliminate community development levy	(2,000,000)	(2,000,000)	-	-	-	(4,000,000)
Eliminate permanent improvement levy for capital projects	(385,000)					(385,000)
Eliminate planned increase in contingency	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(1,500,000)
Eliminate general fund resources for health/hamily support	(765,143)	(765,143)	(765,143)	(765,143)	(745,530)	(3,806,102)
Reduce police/fire spending	(1,450,617)	(3,048,720)	(3,410,281)	(4,890,983)	(1,633,717)	(14,434,318)
Reduce public works (admin, field services, transportation) spending	(835,000)	(835,000)	(935,000)	(1,035,000)	(835,000)	(4,475,000)
Reduce other departments spending	(2,015,000)	(1,050,000)	(1,195,000)	(1,900,000)	(985,000)	(7,145,000)
Total Reductions in Expense	(12,235,617)	(12,723,722)	(11,384,817)	(11,798,931)	(6,621,428)	(54,764,515)
Current Year Projected Expense (property tax supported)	315,994,650	327,288,893	339,692,517	353,295,156	371,193,692	371,193,692
REVENUE SUMMARY:						
Prior Year Revenue	305,726,858	315,994,650	327,288,893	339,692,517	353,295,156	305,726,858
Increase in direct revenue	1,250,885	1,282,199	1,314,359	1,347,390	1,381,315	6,576,149
Increase in general city revenues	689,436	699,777	710,274	720,928	731,742	3,552,157
Increase (decrease) in Local Government Aid	0	0	0	0	0	-
Increase in property taxes (not including independent boards)	8,327,471	9,312,267	10,378,990	11,534,321	15,785,479	55,338,528
Total Increases to Revenue	10,267,792	11,294,243	12,403,623	13,602,639	17,898,536	65,466,834
Current Year Projected Revenue	315,994,650	327,288,893	339,692,517	353,295,156	371,193,692	371,193,692

Five Year Summary of Property Tax Supported Budgets: Proposed Five-Year Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

							Allocated Revenues for Presentation Purposes *These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.*			
	2003 Expense	**5-yr Projected Growth in Spending***	**5-yr Reduction to Growth in Spending**	**2008 Recomm. Expense**	**Avg Annual % Incr over 5-yr period**	**2008 Direct Revenue**	**2008 General City Revenues (Non-Direct)**	**2008 Local Government Aid**	**2008 Property Tax Revenue***	**2008 Total Revenues**
Mayor	893,592	289,307	-	1,182,899	6.5%	-	212,534	386,011	584,355	1,182,899
Elections	900,367	268,846	(100,000)	1,069,213	3.8%	73,794	178,849	324,831	491,739	1,069,213
City Council	1,123,145	362,923	-	1,486,068	6.5%	-	267,004	484,943	734,120	1,486,068
Planning	1,822,931	532,621	(425,000)	1,930,552	1.2%	21,546	356,470	647,433	905,103	1,930,552
Contingency	1,824,730	2,089,626	(1,500,000)	2,414,356	6.5%	-	487,693	885,765	1,040,897	2,414,356
City Coord Admin, Comm, IGR	1,984,954	641,399	-	2,626,353	6.5%	108,429	452,400	821,665	1,243,860	2,626,353
Civil Rights	2,195,306	651,346	(450,000)	2,396,652	1.8%	272,768	399,569	725,711	998,603	2,396,652
Assessor	2,730,224	882,219	-	3,612,443	6.5%	141,124	623,698	1,132,782	1,714,838	3,612,443
City Clerk	3,217,766	1,027,051	(50,000)	4,194,817	6.1%	29,087	748,464	1,359,387	2,057,879	4,194,817
Health and Family	3,678,486	709,349	(3,806,102)	581,733	-16.8%	581,733	-	-	(1)	581,733
Human Resources	3,903,215	1,186,249	(600,000)	4,489,464	3.0%	7,541	823,242	1,495,201	2,163,479	4,489,464
Attorney	4,642,827	1,433,061	(575,000)	5,500,888	3.7%	10,773	1,004,386	1,824,201	2,661,528	5,500,888
Internal Service Funds/Transfers	10,268,364	17,766,487	-	28,034,851	34.6%	-	5,037,073	9,148,506	13,849,272	28,034,851
Finance	5,839,379	1,777,513	(900,000)	6,716,892	3.0%	147,372	1,207,308	2,192,755	3,169,456	6,716,892
Licenses*	6,115,022	1,975,951	-	8,090,973	6.5%	12,296,094	-	-	(4,205,122)	8,090,973
Inspections*	13,916,698	4,496,911	-	18,413,609	6.5%	20,036,375	-	-	(1,622,766)	18,413,609
Information Technology Operations	13,652,971	4,120,940	(1,600,000)	16,173,911	3.7%	2,480,985	2,460,233	4,468,360	6,764,333	16,173,911
Public Works	38,269,937	15,818,587	(8,475,000)	45,613,524	3.8%	12,639,544	6,218,259	11,293,816	15,461,905	45,613,524
Fire Department	44,181,259	14,079,566	(1,956,277)	56,304,548	5.5%	1,519,186	9,881,298	17,946,752	26,957,312	56,304,548
Police	98,892,698	30,491,396	(12,478,041)	116,906,053	3.6%	11,711,884	19,156,052	34,791,880	51,246,237	116,906,053
Total General Fund	260,053,871	100,601,349	(32,915,420)	327,739,800	5.2%	62,078,235	49,514,535	89,930,000	126,217,030	327,739,800
Capital - Permanent Improvement	2,737,240	1,730,000	(2,830,000)	1,637,240	-8.0%	-	-	-	1,637,240	1,637,240
Debt Service	29,982,883	5,000,000	(15,019,095)	19,963,788	-6.7%	-	-	-	19,963,788	19,963,788
Subtotal	32,720,123	6,730,000	(17,849,095)	21,601,028	-6.8%	-	-	-	21,601,028	21,601,028
Total City (not incl special levies)	292,773,994	107,331,349	(50,764,515)	349,340,828	3.9%	62,078,235	49,514,535	89,930,000	147,818,058	349,340,828
Community Development	4,000,000	-	(4,000,000)	-	-20.0%	-	-	-	-	-
Pensions	8,952,864	12,900,000	-	21,852,864	28.8%	-	-	-	21,852,864	21,852,864
Total	305,726,858	120,231,349	(54,764,515)	371,193,692	4.3%	62,078,235	49,514,535	89,930,000	169,670,922	371,193,692

Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.

Summary Information

	Total	% of Total Growth	Avg Annual Chg
Growth in Spending to fund Current Service Levels	120,231,349		7.1%
Offsetting Reduction to Growth in Spending	(54,764,515)	-45.5%	-3.2%
Offsetting Growth in NonTax Revenue	(10,128,305)	-8.4%	1.0%
Offsetting Growth in Property Tax	(55,338,528)	-46.0%	8.2%
Total	0	-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2004 Property Tax Supported Budgets: Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	Allocated Revenues for Presentation Purposes *These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.* General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	893,592	49,594		943,186	-	191,312	368,789	383,085	943,186
Elections	900,367	49,520	(50,000)	899,887	69,528	178,569	344,224	307,567	899,887
City Council	1,123,145	61,773		1,184,918	-	240,344	463,307	481,267	1,184,918
Planning	1,822,931	100,261	(100,000)	1,823,192	20,300	385,975	744,038	672,879	1,823,192
Contingency	1,824,730	400,360	(300,000)	1,925,090	-	451,328	870,018	603,744	1,925,090
City Coord Admin, Comm, IGR	1,984,954	109,172		2,094,126	102,160	404,042	778,866	809,058	2,094,126
Civil Rights	2,195,306	120,742	(100,000)	2,216,048	256,998	417,649	805,096	736,305	2,216,048
Assessor	2,730,224	150,162		2,880,386	132,965	557,276	1,074,252	1,115,894	2,880,386
City Clerk	3,217,766	176,977	(50,000)	3,344,743	27,405	683,017	1,316,642	1,317,679	3,344,743
Health and Family	3,678,486	202,317	(765,143)	3,115,659	548,100	675,992	1,303,099	588,469	3,115,659
Human Resources	3,903,215	214,677	(100,000)	4,017,892	7,105	833,815	1,607,333	1,569,639	4,017,892
Attorney	4,642,827	255,355	(100,000)	4,798,182	10,150	991,468	1,911,239	1,885,325	4,798,182
Internal Service Funds/Transfers	10,268,364	4,264,760		14,533,124	-	2,947,839	5,682,505	5,902,780	14,533,124
Finance	5,839,379	321,166	(150,000)	6,010,545	138,852	1,221,415	2,354,504	2,295,773	6,010,545
Licenses*	6,115,022	336,326		6,451,348	10,924,921	-	-	(4,473,572)	6,451,348
Inspections*	13,916,698	765,418		14,682,116	17,802,060	-	-	(3,119,943)	14,682,116
Information Technology Operations	13,652,971	750,913	(1,000,000)	13,403,884	2,337,545	2,447,487	4,717,983	3,900,869	13,403,884
Public Works	38,269,937	2,904,847	(1,635,000)	39,539,784	11,908,779	5,936,196	11,443,116	10,251,692	39,539,784
Fire Department	44,181,259	2,429,969	(72,760)	46,538,468	1,431,353	9,164,100	17,665,498	18,277,517	46,538,468
Police	98,892,698	5,439,098	(1,377,857)	102,953,939	11,034,752	18,923,989	36,479,489	36,515,709	102,953,939
Total General Fund	260,053,871	19,103,410	(5,800,760)	273,356,520	56,752,971	46,651,814	89,930,000	80,021,735	273,356,520
									-
Capital - Permanent Improvement	2,737,240	200,000	(750,000)	2,187,240				2,187,240	2,187,240
Debt Service	29,982,883	1,000,000	(3,684,857)	27,298,026				27,298,026	27,298,026
Subtotal	32,720,123	1,200,000	(4,434,857)	29,485,266				29,485,266	29,485,266
Total City (not incl special levies)	292,773,994	20,303,410	(10,235,617)	302,841,786	56,752,971	46,651,814	89,930,000	109,507,001	302,841,786
Community Development	4,000,000	-	(2,000,000)	2,000,000	-	-	-	2,000,000	2,000,000
Pensions	8,952,864	2,200,000		11,152,864				11,152,864	11,152,864
Total	305,726,858	22,503,410	(12,235,617)	315,994,650	56,752,971	46,651,814	89,930,000	122,659,865	315,994,650

Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.

Summary Information:

	Total	% of Total Growth	Annual Chg
Growth in Spending to fund Current Service Levels	22,503,410		7.1%
Offsetting Reduction to Growth in Spending	(12,235,617)	-54.4%	-3.9%
Offsetting Growth in NonTax Revenue	(1,940,321)	-8.6%	1.0%
Offsetting Growth in Property Tax	(8,327,471)	-37.0%	7.3%
Total	0	-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2005 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	Allocated Revenues for Presentation Purposes *These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.* General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	943,186	52,818		996,005	-	194,323	369,058	432,624	996,005
Elections	899,887	50,394	(50,000)	900,281	70,570	171,634	325,966	332,111	900,281
City Council	1,184,918	66,355		1,251,273	-	244,126	463,644	543,503	1,251,273
Planning	1,823,192	102,099	(75,000)	1,850,291	20,605	371,609	705,759	752,319	1,850,291
Contingency	1,925,090	407,805	(300,000)	2,032,895	-	455,154	864,426	713,315	2,032,895
City Coord Admin, Comm, IGR	2,094,126	117,271		2,211,398	103,692	411,218	780,985	915,502	2,211,398
Civil Rights	2,216,048	124,099	(100,000)	2,240,147	260,853	405,675	770,457	803,161	2,240,147
Assessor	2,880,386	161,302		3,041,688	134,959	567,110	1,077,053	1,262,565	3,041,688
City Clerk	3,344,743	187,306		3,532,049	27,816	683,684	1,298,451	1,522,097	3,532,049
Health and Family	3,115,659	174,477	(765,143)	2,524,993	556,322	533,374	1,012,982	422,316	2,524,993
Human Resources	4,017,892	225,002	(100,000)	4,142,894	7,212	826,392	1,569,481	1,739,809	4,142,894
Attorney	4,798,182	268,698	(75,000)	4,991,881	10,302	986,551	1,873,654	2,121,373	4,991,881
Internal Service Funds/Transfers	14,533,124	4,513,855		19,046,979	-	3,716,112	7,057,629	8,273,238	19,046,979
Finance	6,010,545	336,591	(150,000)	6,197,135	140,935	1,210,845	2,299,633	2,545,723	6,197,135
Licenses*	6,451,348	361,275		6,812,624	11,252,668	-	-	(4,440,044)	6,812,624
Inspections*	14,682,116	822,199		15,504,315	18,336,121	-	-	(2,831,806)	15,504,315
Information Technology Operations	13,403,884	750,618		14,154,502	2,372,608	2,298,676	4,365,639	5,117,578	14,154,502
Public Works	39,539,784	3,014,228	(1,635,000)	40,919,011	12,087,410	5,944,108	11,289,033	11,598,460	40,919,011
Fire Department	46,538,468	2,606,154	(250,517)	48,894,105	1,452,823	9,304,787	17,671,623	20,464,872	48,894,105
Police	102,953,939	5,765,421	(2,798,203)	105,921,157	11,200,273	19,026,212	36,134,525	39,560,146	105,921,157
Total General Fund	273,356,520	20,107,965	(6,298,863)	287,165,622	58,035,171	47,351,591	89,930,000	91,848,860	287,165,622
									-
Capital - Permanent Improvement	2,187,240	210,000	(500,000)	1,897,240				1,897,240	1,897,240
Debt Service	27,298,026	1,000,000	(3,924,859)	24,373,167				24,373,167	24,373,167
Subtotal	29,485,266	1,210,000	(4,424,859)	26,270,407				26,270,407	26,270,407
Total City (not incl special levies)	302,841,786	21,317,965	(10,723,722)	313,436,029	58,035,171	47,351,591	89,930,000	118,119,267	313,436,029
Community Development	2,000,000	-	(2,000,000)	-	-	-	-	-	-
Pensions	11,152,864	2,700,000		13,852,864				13,852,864	13,852,864
Total	315,994,650	24,017,965	(12,723,722)	327,288,893	58,035,171	47,351,591	89,930,000	131,972,131	327,288,893

Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.

Summary Information:

	Total	% of Total Growth	Annual Chg
Growth in Spending to fund Current Service Levels	24,017,965		7.3%
Offsetting Reduction to Growth in Spending	(12,723,722)	-53.0%	-3.9%
Offsetting Growth in NonTax Revenue	(1,981,976)	-8.3%	1.0%
Offsetting Growth in Property Tax	(9,312,267)	-38.8%	7.6%
Total	(0)	-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2006 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	Allocated Revenues for Presentation Purposes *These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.* General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	996,005	56,772		1,052,777	-	200,973	376,046	475,758	1,052,777
Elections	900,281	51,316		951,597	71,629	167,984	314,320	397,665	951,597
City Council	1,251,273	71,323		1,322,596	-	252,480	472,424	597,692	1,322,596
Planning	1,850,291	105,467	(100,000)	1,855,758	20,914	369,357	691,115	774,372	1,855,758
Contingency	2,032,895	415,875	(300,000)	2,148,770	-	467,464	874,687	806,619	2,148,770
City Coord Admin, Comm, IGR	2,211,398	126,050		2,337,447	105,248	426,122	797,329	1,008,749	2,337,447
Civil Rights	2,240,147	127,688	(75,000)	2,292,835	264,766	401,471	751,204	875,394	2,292,835
Assessor	3,041,688	173,376		3,215,064	136,984	587,598	1,099,473	1,391,009	3,215,064
City Clerk	3,532,049	201,327		3,733,376	28,233	707,303	1,323,456	1,674,384	3,733,376
Health and Family	2,524,993	143,925	(765,143)	1,903,775	564,666	-	-	1,339,109	1,903,775
Human Resources	4,142,894	236,145	(200,000)	4,179,039	7,320	834,551	1,561,553	1,775,615	4,179,039
Attorney	4,991,881	284,537	(150,000)	5,126,418	10,457	1,005,260	1,880,971	2,229,730	5,126,418
Internal Service Funds/Transfers	19,046,979	2,785,678		21,832,657	-	4,167,803	7,798,501	9,866,353	21,832,657
Finance	6,197,135	353,237	(250,000)	6,300,372	143,049	1,223,143	2,288,659	2,645,521	6,300,372
Licenses*	6,812,624	388,320		7,200,943	11,590,248	-	-	(4,389,305)	7,200,943
Inspections*	15,504,315	883,746		16,388,061	18,886,205	-	-	(2,498,144)	16,388,061
Information Technology Operations	14,154,502	806,807		14,961,309	2,408,197	2,396,359	4,483,900	5,672,852	14,961,309
Public Works	40,919,011	3,132,384	(1,735,000)	42,316,395	12,268,722	6,067,237	11,352,590	12,627,846	42,316,395
Fire Department	48,894,105	2,786,964	(711,000)	50,970,069	1,474,616	9,584,293	17,933,459	21,977,701	50,970,069
Police	105,921,157	6,037,506	(2,699,281)	109,259,382	11,368,278	19,202,467	35,930,313	42,758,324	109,259,382
Total General Fund	287,165,622	19,168,440	(6,985,424)	299,348,639	59,349,530	48,061,865	89,930,000	102,007,244	299,348,639
									-
Capital - Permanent Improvement	1,897,240	420,000	(420,000)	1,897,240				1,897,240	1,897,240
Debt Service	24,373,167	1,000,000	(3,979,393)	21,393,774				21,393,774	21,393,774
Subtotal	26,270,407	1,420,000	(4,399,393)	23,291,014				23,291,014	23,291,014
Total City (not incl special levies)	313,436,029	20,588,440	(11,384,817)	322,639,653	59,349,530	48,061,865	89,930,000	125,298,258	322,639,653
Community Development	-	-		-	-	-	-	-	-
Pensions	13,852,864	3,200,000		17,052,864				17,052,864	17,052,864
Total	327,288,893	23,788,440	(11,384,817)	339,692,517	59,349,530	48,061,865	89,930,000	142,351,122	339,692,517

Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.

Summary Information:

	Total	% of Total Growth	Annual Chg
Growth in Spending to fund Current Service Levels	23,788,440		7.0%
Offsetting Reduction to Growth in Spending	(11,384,817)	-47.9%	-3.4%
Offsetting Growth in NonTax Revenue	(2,024,633)	-8.5%	1.0%
Offsetting Growth in Property Tax	(10,378,990)	-43.6%	7.9%
Total	0	-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2007 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	Allocated Revenues for Presentation Purposes *These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.* General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	1,052,777	62,114		1,114,891	-	205,951	379,665	529,275	1,114,891
Elections	951,597	56,144		1,007,741	72,703	172,727	318,418	443,893	1,007,741
City Council	1,322,596	78,033		1,400,629	-	258,734	476,971	664,924	1,400,629
Planning	1,855,758	109,490	(75,000)	1,890,247	21,227	359,113	662,017	847,890	1,890,247
Contingency	2,148,770	426,777	(300,000)	2,275,548	-	475,773	877,078	922,696	2,275,548
City Coord Admin, Comm, IGR	2,337,447	137,909		2,475,357	106,826	437,532	806,580	1,124,418	2,475,357
Civil Rights	2,292,835	135,277	(75,000)	2,353,112	268,737	398,895	735,354	950,126	2,353,112
Assessor	3,215,064	189,689		3,404,753	139,039	603,266	1,112,107	1,550,341	3,404,753
City Clerk	3,733,376	220,269		3,953,645	28,657	725,052	1,336,617	1,863,320	3,953,645
Health and Family	1,903,775	112,323	(765,143)	1,250,955	573,136	-	-	677,818	1,250,955
Human Resources	4,179,039	246,563	(100,000)	4,325,602	7,430	816,156	1,504,566	1,997,450	4,325,602
Attorney	5,126,418	302,459	(150,000)	5,278,877	10,614	1,000,900	1,845,137	2,422,226	5,278,877
Internal Service Funds/Transfers	21,832,657	2,988,127		24,820,784	-	4,585,072	8,452,478	11,783,234	24,820,784
Finance	6,300,372	371,722	(200,000)	6,472,094	145,195	1,205,695	2,222,673	2,898,532	6,472,094
Licenses*	7,200,943	424,856		7,625,799	11,937,956	-	-	(4,312,157)	7,625,799
Inspections*	16,388,061	966,896		17,354,956	19,452,791	-	-	(2,097,835)	17,354,956
Information Technology Operations	14,961,309	882,717	(600,000)	15,244,026	2,444,320	2,475,289	4,563,140	5,761,276	15,244,026
Public Works	42,316,395	3,296,667	(1,835,000)	43,778,062	12,452,752	6,125,608	11,292,423	13,907,279	43,778,062
Fire Department	50,970,069	3,007,234	(711,000)	53,266,304	1,496,735	9,694,584	17,871,750	24,203,235	53,266,304
Police	109,259,382	6,446,304	(4,179,983)	111,525,702	11,538,802	19,242,447	35,473,025	45,271,428	111,525,702
Total General Fund	299,348,639	20,461,570	(8,991,126)	310,819,083	60,696,920	48,782,793	89,930,000	111,409,370	310,819,083
									-
Capital - Permanent Improvement	1,897,240	440,000	(700,000)	1,637,240				1,637,240	1,637,240
Debt Service	21,393,774	1,000,000	(2,107,805)	20,285,969				20,285,969	20,285,969
Subtotal	23,291,014	1,440,000	(2,807,805)	21,923,209				21,923,209	21,923,209
Total City (not incl special levies)	322,639,653	21,901,570	(11,798,931)	332,742,292	60,696,920	48,782,793	89,930,000	133,332,579	332,742,292
Community Development	-	-		-	-	-	-	-	-
Pensions	17,052,864	3,500,000		20,552,864				20,552,864	20,552,864
Total	339,692,517	25,401,570	(11,798,931)	353,295,156	60,696,920	48,782,793	89,930,000	153,885,443	353,295,156

Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Information Technology Operations includes the cost of media services as well as the transfer to cover the operating costs of Information Technology Services.

Summary Information:

	Total	% of Total Growth	Annual Chg
Growth in Spending to fund Current Service Levels	25,401,570		7.2%
Offsetting Reduction to Growth in Spending	(11,798,931)	-46.4%	-3.3%
Offsetting Growth in NonTax Revenue	(2,068,318)	-8.1%	1.0%
Offsetting Growth in Property Tax	(11,534,321)	-45.4%	8.1%
Total	(0)	-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

2008 Property Tax Supported Budgets: Proposed Financial Direction Proposed Financial Direction with Health and Family Support Cut spread evenly over 5 years and offsetting changes to the debt service line (debt service total change remains the same over the 5 years)

	Prior Year Total Expense	Projected Growth in Spending*	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	Allocated Revenues for Presentation Purposes *These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.* General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue*	Total Revenues
Mayor	1,114,891	68,008		1,182,899	-	212,534	386,011	584,355	1,182,899
Elections	1,007,741	61,472		1,069,213	73,794	178,849	324,831	491,739	1,069,213
City Council	1,400,629	85,438		1,486,068	-	267,004	484,943	734,120	1,486,068
Planning	1,890,247	115,305	(75,000)	1,930,552	21,546	356,470	647,433	905,103	1,930,552
Contingency	2,275,548	438,808	(300,000)	2,414,356	-	487,693	885,765	1,040,897	2,414,356
City Coord Admin, Comm, IGR	2,475,357	150,997		2,626,353	108,429	452,400	821,665	1,243,860	2,626,353
Civil Rights	2,353,112	143,540	(100,000)	2,396,652	272,768	399,569	725,711	998,603	2,396,652
Assessor	3,404,753	207,690		3,612,443	141,124	623,698	1,132,782	1,714,838	3,612,443
City Clerk	3,953,645	241,172		4,194,817	29,087	748,464	1,359,387	2,057,879	4,194,817
Health and Family	1,250,955	76,308	(745,530)	581,733	581,733	-	-	(1)	581,733
Human Resources	4,325,602	263,862	(100,000)	4,489,464	7,541	823,242	1,495,201	2,163,479	4,489,464
Attorney	5,278,877	322,011	(100,000)	5,500,888	10,773	1,004,386	1,824,201	2,661,528	5,500,888
Internal Service Funds/Transfers	24,820,784	3,214,068		28,034,851	-	5,037,073	9,148,506	13,849,272	28,034,851
Finance	6,472,094	394,798	(150,000)	6,716,892	147,372	1,207,308	2,192,755	3,169,456	6,716,892
Licenses*	7,625,799	465,174		8,090,973	12,296,094	-	-	(4,205,122)	8,090,973
Inspections*	17,354,956	1,058,652		18,413,609	20,036,375	-	-	(1,622,766)	18,413,609
Information Technology Operations	15,244,026	929,886		16,173,911	2,480,985	2,460,233	4,468,360	6,764,333	16,173,911
Public Works	43,778,062	3,470,462	(1,635,000)	45,613,524	12,639,544	6,218,259	11,293,816	15,461,905	45,613,524
Fire Department	53,266,304	3,249,245	(211,000)	56,304,548	1,519,186	9,881,298	17,946,752	26,957,312	56,304,548
Police	111,525,702	6,803,068	(1,422,717)	116,906,053	11,711,884	19,156,052	34,791,880	51,246,237	116,906,053
Total General Fund	310,819,083	21,759,964	(4,839,247)	327,739,800	62,078,235	49,514,535	89,930,000	126,217,030	327,739,800
									-
Capital - Permanent Improvement	1,637,240	460,000	(460,000)	1,637,240				1,637,240	1,637,240
Debt Service	20,285,969	1,000,000	(1,322,181)	19,963,788				19,963,788	19,963,788
Subtotal	21,923,209	1,460,000	(1,782,181)	21,601,028				21,601,028	21,601,028
Total City (not incl special levies)	332,742,292	23,219,964	(6,621,428)	349,340,828	62,078,235	49,514,535	89,930,000	147,818,058	349,340,828
Community Development	-	-		-	-	-	-	-	-
Pensions	20,552,864	1,300,000		21,852,864				21,852,864	21,852,864
Total	353,295,156	24,519,964	(6,621,428)	371,193,692	62,078,235	49,514,535	89,930,000	169,670,922	371,193,692

Summary Information:

	Total	% of Total Growth	Annual Chg
Growth in Spending to fund Current Service Levels	24,519,964		6.6%
Offsetting Reduction to Growth in Spending	(6,621,428)	-27.0%	-1.8%
Offsetting Growth in NonTax Revenue	(2,113,057)	-8.6%	1.1%
Offsetting Growth in Property Tax	(15,785,479)	-64.4%	10.3%
Total	0	-100.0%	

* Licenses and Inspections fees cover both direct and in-direct spending.

City of Minneapolis
FY 2003 Budget
Financial Policies

Proposed City of Minneapolis Financial Planning and Policy Resolution: Independent Boards

Mayor and Council Adopted, July 2002
Board of Estimate and Taxation Adopted, July 2002

Whereas:

1. At the direction of the Mayor and City Council, the City has prepared a ten-year financial projection of demands on the city property-tax supported funds, a summary of which is attached as Exhibit A and incorporated herein by reference;

2. The projection demonstrates that the known demand on property tax revenues will significantly exceed reasonably foreseeable resources;

3. The Mayor and Council are developing a long-term strategy for managing the financial challenges documented in the ten-year projection and wish to engage the Independent Boards and the Board of Estimate and Taxation as partners in that strategy;

4. Recognizing that all City of Minneapolis taxing jurisdictions draw revenue from the same taxpayers, The Mayor and Council support an enterprise approach to establishing future property tax revenue projections. The Mayor and Council further support setting the maximum annual property tax levy at no more than an 8-percent annual increase for budget years' 2003 through 2010, inclusive of the levy for the Independent Boards, including the voter-approved library referendum;

5. The Mayor and Council desire to work with the Independent Boards and the Board of Estimate and Taxation to set long range financial parameters so that our joint taxpaying customers and our individual City governing boards can all make more informed business decisions about respective annual budgets.

6. The Mayor and Council desire to work with the Independent Boards in a fair and consistent manner.

Therefore Be It Resolved, That the Mayor and Council hereby adopt the following Policy Statements as provided below in Items A through E, with respect to the Independent Boards, to serve as a framework for developing the 2003 budget as well as long-term financial plans for the City and Independent Boards; and

Be It Further Resolved That the Mayor and Council submit to the Board of Estimate and Taxation recommended maximum property tax levies for taxes payable in year 2003, as

shown in Appendix A. The Mayor and Council also request the Board of Estimate and Taxation to consider adopting parallel policy statements to Policy Statements A through E, adopted by the Mayor and Council as part of this resolution.

Policy Statements (A through E):

(A) **Local Government Aid (LGA) from the State of Minnesota**

The Mayor and Council will remain committed to August 26, 1994, Council action which based the annual enterprise distribution of LGA revenues on a stable percentage in exchange for a cap in individual board property tax levies.[1]

The Mayor and Council will allocate LGA consistent with the 1994 agreement provided the independent boards adhere to the tax levy provision outlined in the original agreement, with the one modification. The Mayor and Council hereby propose amending the policy to provide for a maximum 4-percent annual increase in property tax levy versus the 3-percent included in the original 1994 agreement.

Consistent with the 1994 adopted agreement with the Independent Boards, the Council will distribute LGA based upon the following percentage allocation, as outlined below.

	% Distribution of LGA
Library Board	8.05%
Park Board[2]	11.79%
Municipal Building Commission	0.30%
Board of Estimate and Taxation	0.10%
City Council	79.76%
Total	100.00%

The Council policy will continue to be that the City and the Independent Boards will share any legislative reductions or increases in LGA, using the same percentages as outlined above.

In the event an Independent Board's property tax levy increase exceeds 4-percent (adjusted for any one-time shifts), the City Council will reduce the LGA payment to the board to offset the additional increase.

[1] LGA is calculated and distributed to the City by the State of Minnesota as provided for in State Statute 477A.

[2] The allocation of LGA to the Park Board will increase from 10.89% in budget year 2002 to 11.79% in budget year 2003, provided the Park Board reduces their base property tax levy by $1.0 million, which will be added to the City's General Fund base levy. The allocation of LGA to the General Fund will decrease from 80.66% in budget year 2002 to 79.76% in budget year 2003. This net result will be a $1.0 million shift in LGA distribution from the General Fund to the Park Board and a $1.0 shift in property tax levy from the Park Board to the General Fund, from budget year 2002 to 2003.

If state legislation creates new aid programs for general city purposes, the Mayor and Council expresses the intent to negotiate with the Independent Boards an appropriate allocation basis for this revenue.

(B) **Management Support Charges**

The Independent Boards will be charged for the actual cost of providing management support services to the boards. The basis for allocating costs will be the same as that used for Council departments. Management support services include, but are not limited to, services provided by the following city departments: Information Technology, Finance, and Human Resources.

Management support charges, as included in the Council's adopted 2002 budget, will be capped at $800,000 for the Park Board and $300,000 for the Library Board for both the 2002 and 2003 budget.

Beginning with the 2004 budget, the management support charges to the Independent Boards will be based upon standard accounting practices for allocating costs. The method and procedure to calculate the pro-rated costs and collection of the charge will be finalized and communicated to the Independent Boards by December 31, 2002.

As provided for in the 2002 budget footnotes, the City Finance Officer has the authority to reduce LGA payments to the Independent Boards if payment of the management support charge is not received prior to the distribution of the December LGA payment.

(C) **Adjustments to Prior Year Increases in Property Tax Levies**

As stated in Item A, the Mayor and Council remain committed to the 1994 budgetary policy regarding the Independent Boards. The 1994 policy has two parts (1) a stable percent allocation of LGA and (2) a 3-percent cap in annual property tax levy increases for the Independent Boards, which will be amended to a 4-percent cap beginning with the 2003 budget. The Park and Library Boards both had increases in 2002 property tax levies above this threshold. The Mayor and Council consider the portion of property tax levy increase above the policy threshold to be one-time funds for year 2002. The baseline tax levies for both entities should return to a level that corresponds to the 1994 agreement.

(D) **Infrastructure Gap Funding**

The Mayor and Council will support funding infrastructure "gap" closure for the Independent Boards in a similar manner to that of Public Works.

The City's adopted *2002-2006 Capital Improvement Plan (CIP)* provides for closing 27% of Public Works infrastructure "gap", supported by property taxes, by year 2009[3]. To achieve this goal the property tax levy will need to increase by $1.0 million annually from 2003 to 2009.

The Mayor and Council support a future funding plan for the Park Board that closes 27% of the previously identified $5.5 million annual funding gap for park infrastructure by 2009. To achieve this goal $215,000 of additional property tax levy will be added annually to the Park Board levy, for a total of $1.5 million in additional annual funding by 2009.

The Mayor and Council support reducing the base property tax revenue for the Park Board by the amounts added in years' 2001 and 2002 for Park Board capital purposes. In years' 2001 and 2002, $1.5 million was added each year to the Park Board base property tax levy, or $3.0 million in total over this two-year period of time. The Park Board has received the benefit of the additional $4.5 million collected in property tax levy over this two-year period of time.

Recommended Park Board Capital Improvement Plan:

(In millions of dollars)	2003	2004	2005	2006	2007	2008	2009
Base Capital Funding[4]	$1.9	$1.9	$1.9	$1.9	$1.9	$1.9	$1.9
"Gap" Funding	$0.2	$0.4	$0.6	$0.9	$1.1	$1.3	$1.5
Total Capital Funding	$2.1	$2.3	$2.5	$2.8	$3.0	$3.2	$3.4

(E) Alternative Revenue Strategies

The Mayor and Council will work in cooperation with the Park Board and Library Board to develop alternative funding strategies (i.e., land trusts and expanded friends of the parks and library), other than the property tax, for raising additional funds to support program and capital needs.

The Mayor and Council will not support any new referenda for the Independent Boards because of the significant pressure a referendum would create on the already burdened property tax. The Mayor and Council will act to educate taxpayers about the financial burden any new referenda would create for taxpayers.

[3] The 1997 State of the Public Works Infrastructure Report identified a $44 million property tax supported funding gap for improving and maintaining public works infrastructure. The original plan was to fund 50% of this gap over a 10-year period time.

[4] The 2002-2006 adopted CIP includes $1,920,000 in net debt bond funding for the Park Board.

Adopted Amendments:

1. **Amendment to add an additional Policy Item, Policy Item F**

   The Mayor and City Council will support annual property tax increases for the Minneapolis Public Housing Authority at the same maximum 4-percent annual increase level as that established (in Policy Statement A) by this resolution for the Park Board, Library Board, Municipal Building Commission, and Board of Estimate and Taxation.

2. **Amendment to Policy Item A**

   Amend Policy Item A to include the following language:

   In the event the City Council reduces the LGA payment to an Independent Board (as provided for in this policy statement), the City will appropriate the additional LGA to the City's General Fund and reduce the City's General Fund property tax levy by an offsetting amount. This will be done in order to ensure the maximum property tax levy increase is maintained at 8-percent on a combined basis for the City, including the Independent Boards.

APPENDIX A

Certified Gross Property Tax Levy
For City Council, Independent Boards, and Special Levies

	2001 Adopted Base Levy	2002 Adopted Base Levy	2001 to 2002 % Chg	2003 Proposed Base Levy	2002 to 2003 % Chg	2001 to 2003 % Chg
City Council Funds	63,028,212	53,632,760	-14.9%	61,495,761	14.7%	-2.4%
City Council - Internal Service Funds	4,000,000	7,200,000	80.0%	10,900,000	51.4%	172.5%
Total City Council	67,028,212	60,832,760	-9.2%	72,395,761	19.0%	8.0%
City Council Debt Service[5]	21,877,000	28,560,040	30.5%	29,060,040	1.8%	32.8%
Park Board	27,809,943	34,796,759	25.1%	32,671,759	-6.1%	17.5%
Library Board	10,374,165	11,852,485	14.3%	11,242,485	-5.1%	8.4%
Library Referendum[6]				450,000		n/a
Total Library	10,374,165	11,852,485	14.3%	11,692,485	-1.3%	12.7%
Municipal Building Commission[7]	2,511,026	3,272,966	30.3%	3,502,966	7.0%	39.5%
Board of Estimate and Taxation	114,000	124,000	8.8%	128,960	4.0%	13.1%
City Council Pensions[8]	3,492,260	7,373,000	111.1%	9,373,000	27.1%	168.4%
City Council Community Development (Special Levy)		4,000,000	n/a	4,160,000	4.0%	n/a
Minneapolis Public Housing Authority (Special Levy)	1,000,000	1,000,000	0.0%	1,040,000	4.0%	4.0%
Teachers Retirement Fund (Special Levy)[9]	1,950,100	2,100,000	7.7%	2,250,000	7.1%	15.4%
Total	136,156,706	153,912,010	13.0%	166,274,971	8.0%	22.1%

[5] The Debt Service Levy increased significantly from 2001 to 2002 due to the elimination of HACA.
[6] This amount has already been set by voter approval.
[7] The Municipal Building Commission (MBC) property tax levy for year 2002 was adjusted to reflect an error in calculation from the prior year 2001 amount. In 2001, the MBC received cash from a General Fund transfer, which was then correctly replaced with property tax levy in year 2002.
[8] This amount is set by state law.
[9] This amount is set by state law.

APPENDIX B

Adopted Certified Property Tax Levies Plus State Aids For City Council, Independent Boards, and Special Levies					
	1994 Adopted	**2002 Adopted**	**2003 Proposed**	**Cumulative % Change from 1994 to 2002**	**Cumulative % Change from 1994 to 2003**
City Council	105,998,100	150,818,760	165,715,346	42.3%	56.3%
City Council Debt Service	16,000,000	28,560,040	29,060,040	78.5%	81.6%
Park Board	29,354,000	46,950,759	46,465,653	59.9%	58.3%
Library Board[10]	14,491,000	20,833,485	21,111,137	43.8%	45.7%
Municipal Building Commission[11]	3,030,000	3,607,966	3,854,241	19.1%	27.2%
Board of Estimate and Taxation	202,000	236,000	245,553	16.8%	21.6%
City Council Pensions[12]	18,855,000	7,373,000	9,373,000	-60.9%	-50.3%
City Council Community Development (Special Levy)	n/a	4,000,000	4,160,000	n/a	n/a
Minneapolis Public Housing Authority (Special Levy)	937,000	1,000,000	1,040,000	6.7%	11.0%
Teachers Retirement Fund (Special Levy)[13]	1,250,000	2,100,000	2,250,000	68.0%	80.0%
Total	190,117,100	265,480,010	283,274,971	39.6%	49.0%

[10] This amount includes $450,000 (year 2003) of levy for payment on bonds set by voter approval.
[11] The Municipal Building Commission (MBC) property tax levy for year 2002 was adjusted to reflect an error in calculation from the prior year 2001 amount. In 2001, the MBC received cash from a General Fund transfer, which was then correctly replaced with property tax levy in year 2002.
[12] This amount is set by state law.
[13] This amount is set by state law.