

**City of Minneapolis  
2019 Budget**

**Independent Boards and Agencies**

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The 2019 Mayor’s Recommended Budget includes specific recommendations for City funding of certain programming for the City’s independent boards and agencies. City funding for independent boards and agencies is handled through transfers from the City to the board or agency to use within the confines of an intended purpose. These funding mechanisms only comprise a very small part of independent board and agency funding as the boards and agencies function independently of the City, adopt their own budgets, and are not subject to City timelines for budget adoption.

The following board and agency sections include background information about each entity as a whole and describe the nature of the funding relationship each organization has with the City, as well as information on specific funding allocations in the City’s budget in support of each organizations’ programming.

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## **Board of Estimate and Taxation**

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The BET consists of two independently citywide-elected representatives and four appointed board members (the Mayor, the President of the City Council, the Chair of the Ways and Means Committee, and a Park and Recreation Board Commissioner). The BET sets its own budget and property tax levy independently of the City.

The Board of Estimate and Taxation (BET) obtains citizen input relating to setting the maximum tax levies of the City for compliance with the City Charter and The Truth in Taxation (TnT) State Statute. The Board, after receiving recommendations from the Mayor, City Council and the public, sets the maximum tax levies by individual levy for the following: General Fund, Permanent Improvement Fund, Bond Redemption Fund, the former Minneapolis Employees Retirement Fund, the former Minneapolis Police Relief Association, the former Minneapolis Firefighters Relief Association, Minneapolis Public Housing Authority, Economic Development Chapter 595 levy, Teacher's Retirement Association, Municipal Building Commission, Board of Estimate & Taxation, Lake Pollution Control, Tree Preservation & Reforestation, Shade Tree Diseased Control, Park Rehabilitation & Parkway Maintenance, and Park & Recreation.

Bonds issued in support of the City's capital program require a request from the City Council to the BET; for those bonds that are designated in the capital program for use by the Park and Recreation Board, a request is required from both the City Council and the Park and Recreation Board. Projects require location and design review by the Planning Commission prior to issuance of the bonds, and the Board, on a vote of two-thirds (four out of six members), issues the General Obligation (GO) bonds of the City of Minneapolis used to support these projects.

### **Financial Arrangements and City Funding Relationships**

#### **Funding Sources**

The sole funding source for the BET is revenue received from its' property tax levy.

## MUNICIPAL BUILDING COMMISSION

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The Municipal Building Commission was created by State statute in 1904 and given exclusive care and control of the Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain, and preserve the historic landmark building and ensure a safe and functional environment for City and County government employees, citizens, and elected officials.

The MBC is responsible for maintaining the building operating systems including mechanical, electrical and elevators. In addition, the MBC is responsible for providing custodial, utility, building security, and repair and maintenance services. The MBC is also responsible for administrative functions including coordinating City and County tenant needs as well as planning, emergency preparedness, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities related to the building.

### **Financial Arrangements and City Funding Relationships**

#### **Funding Sources**

The revenue budget for MBC in 2018 was \$9.8 million, approximately 40% funded by Hennepin County and approximately 60% funded by City property tax levy and state Local Government Aid (LGA).

#### **2019 City Funding**

The MBC, consisting of an appointed Board of Commissioners made up of County and City elected officials, sets its own budget in conformance with County and City guidelines and levy targets. The MBC has historically been the recipient of about 0.3% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MBC budget is set independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MBC and dedicated specific allocations to functions carried out by the MBC. In the City's 2019 budget, the Mayor is transferring \$200,000 of City resources to MBC Capital for repair of City Hall elevators.

## Park and Recreation Board

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The mission of the Minneapolis Park and Recreation Board (MPRB) is to permanently preserve, protect, maintain, improve and enhance the City's natural resources, parkland and recreational opportunities for current and future generations.

The MPRB is an independently elected, semi-autonomous body responsible for governing, maintaining and developing the Minneapolis park system. The 6,809-acre system consists of local and regional parks, recreation centers, playgrounds, golf courses, gardens, biking and walking paths, nature sanctuaries, lakes and a 55-mile Grand Rounds National Scenic Byway. The Park System annually serves approximately 23 million visitors. The nine-member Board of Commissioners is responsible for providing policy direction, and setting the budget and levies for the organization.

### Financial Arrangements and City Funding Relationships

#### 2019 City Funding

The MPRB, consisting of an independently elected Board of Commissioners sets its own budget and levy independently of the City, subject to the maximum levies certified by the Board of Estimate and Taxation. The MPRB has historically been the recipient of about 11.8% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MPRB budget is set independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MPRB and dedicated specific allocations to functions carried out by the MPRB. In 2016, the Mayor, City Council, the Park Board reached an agreement to fund the infrastructure and operations of our neighborhood parks and streets for the next 20 years, transparently and equitably.

In 2019, the Mayor recommends a levy increase for the MPRB that is \$950,000 beyond the \$2.5M increase previously planned for in the City's five year financial direction. The Mayor has included this room for a levy increase following conversations with MPRB leadership, and intends for \$800,000 to be used to maintain current service levels, and \$150,000 to be used for the full-service community park/school campus program.