

**City of Minneapolis
2018 Budget**

Strategic Planning

City Vision and Goals..... C2
Annual Budget Process C4



Minneapolis Strategic Policy

Every four years at the start of a newly elected term, the City engages in strategic planning to set the four-year vision and goals for the enterprise. In the last couple of cycles, the City has set five short, but visionary, goals with additional details listed as the City's strategic directions.

Values will undoubtedly continue informing the policies and resource allocations we prioritize – but moving forward, the work of our city will be guided by measurable and tangible goals developed in a way which meaningfully engages community and incorporates and embeds racial equity principles and strategies into goals, operations, programs, services and policies. The city government can be more efficient and more responsive to the needs of all the people who live here. “Have we done what we said we were going to do?” will be at the heart of how we operate in City Hall.

The City is experiencing unique timing alignment with the start of several enterprise-wide plans, including Strategic Planning, Racial Equity Action Planning, the Comprehensive Plan and the budget. The start of the newest elected term represented an opportunity to design a framework for a revised strategic planning process which integrates strategic planning and racial equity action planning into a joint plan, builds on the City's Comprehensive Plan, and informs the annual budget.

The **Comprehensive Plan**, Thrive MSP 2040, sets the direction for the region's growth and development. The Planning Commission and City Council will take action on the plan, and send it to the Metropolitan Council for their review by December 31, 2018. The City of Minneapolis has developed an extensive and community-informed Comprehensive plan which goes beyond fulfilling the basic requirements set forth by the Metropolitan Council. To ensure that the City commits to the vision set forth by the plan and the input provided by community, the City will use the Comprehensive Plan as the foundation for strategic planning. The City will identify which of the priorities to address in the next four years and develop specificity through the strategic planning process about how the City will address those priorities.

In 2017, the City Council passed a Racial Equity Ordinance creating the Racial Equity Division and directed that division to develop a **Racial Equity Action Plan**. According to the Government Alliance on Race and Equity, Racial Equity Action Plans can put a theory of change into action to achieve a collective vision of racial equity. Plans can drive institutional and structural change. It requires local governments' will and expertise to change our policies, the way we do business, our habits, and cultures. Our theory of change requires normalizing conversations about race, making sure we have a shared understanding of commonly held definitions of implicit bias and institutional and structural racism. Operationalizing a vision for racial equity means implementation of new tools for decision-making, measurement, and accountability. We also organize, both inside our institutions and in partnership with others, to effect change together. Organizing involves building staff and organizational capacity through training for new skills and competencies while also building internal infrastructure to advance racial equity.

Preparing leadership support, forming a skilled planning team, designing community engagement structures upfront, and securing resources to support all participants are preparatory steps key to set the process on the right path. Additionally, research should be conducted throughout the process not only to influence the content of the plan but also how it is framed. The methodology should include both

quantitative and qualitative data collected through community engagement. A clear set of findings can provide a solid foundation to inform the plan. Areas to analyze include:

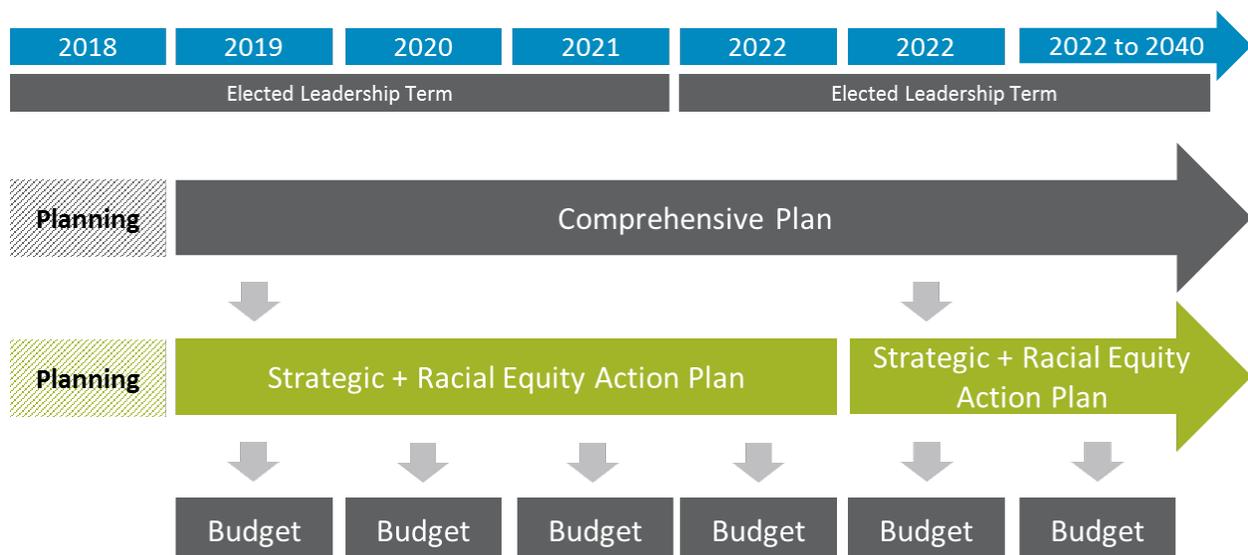
- workforce demographics, hiring, retention, and promotion;
- contracting practices;
- jurisdiction commitment, leadership, and management;
- community access and partnership; and
- data, metrics, and on-going focus on improvement.

The **City’s Budget** provides an annual opportunity to invest in the strategic and core service priorities of the Mayor and City Council. This year is unique in that we have a new Mayor, Council President, Ways & Means Committee Chair, and Budget Committee Chair steering the process. Over the past several years the budget has been used primarily as a tactical tool focused on ensuring existing work receives adequate funding while providing modest additional investments where possible. New leaders are interested in developing a process that digs deep within the existing funding base for departments to understand whether and how to reprioritize work and redeploy existing funds in order to resource today’s priorities.

Through coordination of these plans, the following objectives will be achieved:

- Clearly identify a select set of priorities which the City will address in the next four years.
- Leverage these priorities to drive resource allocation across the City.
- Decide on priorities and how they apply to our work in a way that meaningfully and intentionally incorporates racial equity.
- Incorporate community input by building on engagement that started with the comprehensive planning process and with the City’s Appointed Boards and Commissions.
- Clear alignment of work from the leadership of the organization to departments.
- Measurable goals at all planning levels.
- Durable, quantitative set of metrics by which to measure progress over time.

This significant shift in the way the City approaches setting a vision and goals comes with a lot of work. To ensure that this term’s leaders, and future leaders, have time to set strategic goals in a way which includes community, the planning timeline has shifted out one year. This sets the strategic planning cycle to begin in the second year of the term, and run through the first year of the following term.



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Annual Budget Process

The City of Minneapolis annual budget process integrates information from the City's strategic and business planning processes, capital long-range improvement committee process and the departmental performance measurement review process (*Results Minneapolis*) to establish annual resource allocations.

January-early April

Department-level assessment of prior year and planning for current year

Analysis of what a department accomplished over the past year leads it to assess its work and make appropriate changes to the plan for the next year. Metrics are reported by budget program area and the reports made public. This analysis and reporting is the Department Results Minneapolis program.

March

Preliminary prior year-end budget status report

Finance 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. The departments prepare and modify capital improvement proposals on an annual basis. Finance and Property Services, Community Planning and Economic Development (CPED), and the Capital Long-Range Improvements Committee (CLIC) review capital improvement proposals of the departments. CLIC is the resident advisory committee to the Mayor and the City Council on capital programming. Capital improvement proposals are due on or around April 1st each year.

April–June

Operating budget development

Departments work in coordination with Finance and Property Services to prepare operating budgets based on programs. In addition to preparing operating budgets for programs, departments prepare proposals that describe policy and organizational changes with financial implications. The program proposals form the basis for the Mayor's budget meetings with departments held in June and July.

Capital Long-Range Improvement Committee (CLIC) Process

From April through June, the CLIC Committee reviews capital requests, hears presentations from submitting departments and rates the capital requests. They prepare comments about projects and summarize their final recommendations in a report called "The CLIC Report" which is provided to the Mayor and City Council in mid-July as the starting point for their decisions on the Five-Year Capital Plan.

June–August

Mayor's Recommended Budget

The 2018 Mayor's Recommended Budget will be based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor's Office, and staff from the Coordinator's Office and Finance and Property Services for priority-setting. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC

before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15 of each year.

September

Maximum proposed property tax levy

As a requirement of State law, the maximum proposed property tax levy increase is authorized by September 30, by the Board of Estimate and Taxation (BET). The BET sets the maximum levies for the City, the Municipal Building Commission, the Public Housing Authority and Minneapolis Parks and Recreation Board.

September–November

City Council budget review and development

The City Council budget review and development process begins with a series of public hearings on the budget. Departments present their Mayor's Recommended Budget to the Ways and Means and Budget Sub-committee which is comprised of all Councilmembers. Following departmental budget hearings, the Ways and Means and Budget Subcommittee amends and moves forward final budget recommendations to the full City Council. The Committee-recommended budget includes any and all changes that are recommended by the Committee to the Mayor's Recommended Budget.

Truth in Taxation

Truth in Taxation (TNT) 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 based upon the preliminary levies approved in September. These statements also indicate the dates when public hearings will be held to provide opportunities for public input. State law was changed in the 2009 legislative session to eliminate a separate TNT hearing in lieu of a mandate to allow public comments at the meeting at which the final budget adoption occurs. The City Council has maintained a separate hearing, however, as part of the regularly scheduled budget meetings. According to State law, the meeting at which the budget is adopted must be held after 6:00 p.m., on a date after November 24.

December

City Council budget adoption

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

Financial/Business Decisions 2018 Budget Calendar

