

REPORT TO THE CITY COUNCIL FROM
BUDGET COMMITTEE
November 30, 2018

A regular meeting of the committee was convened at 10:06 am on this date.

Members Present: Council Members Linea Palmisano (Chair), Steve Fletcher (Vice-Chair), Kevin Reich, Cam Gordon, Phillipe Cunningham, Jeremiah Ellison, Abdi Warsame, Lisa Goodman, Andrea Jenkins, Alondra Cano, Lisa Bender, and Jeremy Schroeder (Quorum - 7)

Members Absent: Council Members Andrew Johnson

Matters listed below are hereby submitted with the following recommendations; to-wit:

1. 2019 City Budget ([2018-00745](#))
 1. 2018 Tax Levies: Passage of Resolution approving the 2018 property tax levies, payable in 2019.
 2. 2019 General Appropriation Resolution: Passage of Resolution fixing the maximum amounts to be expended by the various City departments for 2019 for funds under the jurisdiction of the City Council and for which the City Council levies taxes and fees.
 3. 2019-2023 Five-Year Capital Program: Passage of Resolution adopting the 2019 - 2023 Five-Year Capital Program and fixing the maximum amounts for 2019 to be expended by the various funds under the jurisdiction of the City Council.
 4. Special Assessment Bond Resolution for the 2019 Capital Program: Passage of Resolution requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$11,095,000 for certain purposes other than the purchase of public utilities.
 5. Diseased Tree Removal Bond Resolution for the 2019 Capital Program: Passage of Resolution requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$300,000 for certain purposes other than the purchase of public utilities.
 6. Net Debt Bond Resolution for the 2019 Capital Program: Passage of Resolution requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$99,379,000 for certain purposes other than the purchase of public utilities.
 7. Equipment certificates Resolution for the 2019 Capital Program: Passage of Resolution requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis equipment certificates in the amount of \$1,000,000 for certain purposes other than the purchase of public utilities.
 8. Enterprise Funds Bond Resolution for the 2019 Capital Program: Passage of Resolution requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$35,390,000 for certain purposes other than the purchase of public utilities.

9. 2019 Utility Rates: Passage of Resolution designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2019.

The following amendments and directives were moved for consideration by the Budget Committee—

1. Palmisano moved to approve the following technical amendments and corrections to the Mayor’s 2019 Recommended Budget, all of which were approved on voice vote, as follows:

	Department / Section	Action	2019 Expense	2019 Non-Levy Revenue	2019 Levy Revenue	FTE
A.	Five Year Financial Direction	Correct the 2024 Bond Redemption Levy by increasing it by \$2,380,000; adjust the overall property tax levy change percentage accordingly.	-	-	-	-
B.	Community Planning & Economic Development, Debt, and Transfers Schedule	Correct for a full year of revenue generation in the Consolidated TIF district by increasing the revenue budget by \$7,770,500; increasing the expense budget by \$2,700,000; increasing transfers to debt service by \$9,000,000; and increasing the expenditure budget in fund 05350 Target Center by \$8,885,000.	11,585,000	7,700,500	-	-
C.	Community Planning & Economic Development	Adjust the pooled TIF sources for Affordable Housing by increasing expenditure budgets in funds 01CSI by \$40,000, 01CFR by \$120,000, 01CHC by \$80,000, and 01CON by \$20,000; and, reducing the expenditure budgets in funds 01CHL by \$210,000, and 01CTE by \$50,000.	-	-	-	-
D.	Public Works – Solid Waste & Recycling	Correct the Solid Waste & Recycling Fund financial plan to accurately reflect the planned transfer from the General Fund for graffiti remediation to be fixed at \$325,000 annually; reduce all future years in the financial plan to this amount.	-	-	-	-
E.	Transfers Schedule	Correcting the source of pension fund transfer to the General Fund by eliminating the transfer of \$5,000,000 from fund 05270 to the General fund; adding a transfer of \$2,500,000 from fund 019FO to the General Fund; and, adding a transfer of \$2,500,000 from fund 019PO to the General Fund.	-	-	-	-
F.	Finance & Property Services	Eliminate one position from Finance & Property Services (FPS) related to support of the Municipal Building Commission. Reducing expenditure	(113,792)	(113,792)	-	(1.0)

		for FPS by \$113,792 (including 1.0 FTE) and reducing General Fund Overhead Revenue by \$113,792.				
G.	Community Planning & Economic Development	Moving anticipated multi-year expenditure out of the General Fund and into a Special Revenue Fund. Reducing ongoing expenditure in the General Fund by \$3,646,000 and increasing expenditure in fund 01SCI by \$3,646,000; and, reducing one-time expenditure in the General Fund by \$13,325,000 and increasing one-time expenditure in fund 01SCI by \$13,325,000.	-	-	-	-
H.	Transfers Schedule	Add a transfer of \$500,000 from the Property Services fund (06200) to the Public Services Center Debt Services Fund (05251)	-	-	-	-
I.	Debt and Transfers Schedule	Decreasing the expenditure budget in fund 05250 Bond Redemption by \$3,200,000 and establishing a transfer from fund 05250 to the Solid Waste fund by \$3,522,722, increasing the expenditure budget in fund 05251 Public Service Center debt service by \$3,085,968, decreasing the expenditure budget in fund 05280 Library Referendum debt service by \$5,797,572, decreasing the expenditure budget in fund 05900 Tax Increment debt service by \$587,800, and increasing the expenditure budget in fund 07700 Solid Waste by \$2,514,490.	(3,984,914)	-	-	-
J.	Capital Budget	Changing the funding source from Parking Bonds to Parking Revenue for the PSD19 Impound Lot Facility and reducing the expenditure budget for 07500 Parking Fund debt service by \$308,000.	(308,000)	-	-	-
K.	911	Modifications related to the Final Four – increasing expenditures by \$15,000.	15,000	-	-	-
L.	Communications	Modifications related to the Final Four – increasing expenditures by \$12,000.	12,000	-	-	-
M.	Convention Center	Modifications related to the Final Four – increasing expenditures by \$638,000	638,000	-	-	-
N.	Coordinator	Modifications related to the Final Four – increasing expenditures by \$5,000.	5,000	-	-	-
O.	Emergency Management	Modifications related to the Final Four – increasing expenditures by \$8,000.	8,000	-	-	-
P.	Fire	Modifications related to the Final Four – increasing expenditures by \$10,000.	10,000	-	-	-

Q.	Health	Modifications related to the Final Four – increasing expenditures by \$16,000.	16,000	-	-	-
R.	Police	Modifications related to the Final Four – increasing expenditures by \$1,301,000.	1,301,000	-	-	-
S.	Public Works	Modifications related to the Final Four – increasing expenditures by \$60,000 and increasing revenues by \$300,000.	60,000	300,000	-	-
T.	Regulatory Services	Modifications related to the Final Four – increasing expenditures by \$23,000.	23,000	-	-	-
U.	General Revenues	Increasing the General Fund revenue budget to reflect the Minneapolis Local Organizing Committee agreement for City services associated with the Final Four.	-	1,200,000	-	-
V.	Transfers Schedule	Adding a transfer from the Downtown Assets Fund to the General Fund of \$262,000 to reflect the Minneapolis Local Organizing Committee agreement for City services associated with the Final Four.	-	-	-	-
W.	Assessor	Reflecting the Mayor’s 11.16.18 amendment; Eliminating the “Principal Appraiser” and “Operating Budget Adjustment” change items; reducing one-time funding for the “CAMA System” change item by \$453,000; increasing ongoing funding for the “CAMA System” change item by \$294,000.	(356,000)	-	-	(1.0)
X.	Assessor	Reflecting the Mayor’s 11.16.18 amendment; Reducing the ongoing General Fund base.	(3,000)	-	-	-
Y.	Attorney	Reflecting the Mayor’s 11.16.18 amendment; Reducing the ongoing General Fund base.	(4,000)	-	-	-
Z.	City Clerk	Reflecting the Mayor’s 11.16.18 amendment; Reducing the ongoing General Fund base.	(3,000)	-	-	-
AA.	City Council	Reflecting the Mayor’s 11.16.18 amendment; Reducing the ongoing General Fund base.	(2,000)	-	-	-
AB.	Elections & Voter Services	Reflecting the Mayor’s 11.16.18 amendment; Reducing the ongoing General Fund base.	(2,000)	-	-	-
AC.	Fire	Reflecting the Mayor’s 11.16.18 amendment; Reducing the ongoing General Fund base.	(6,000)	-	-	-
AD.	Civil Rights	Reflecting the Mayor’s 11.16.18 amendment; Reducing the ongoing General Fund base.	(3,000)	-	-	-

AE.	Mayor	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(1,000)	-	-	-
AF.	Police	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(10,000)	-	-	-
AG.	PW-Transportation Engineering & Design	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(1,000)	-	-	-
AH.	PW – Transportation Plan./Programming	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(1,000)	-	-	-
AI.	PW – Transportation Maint./Repair	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(3,000)	-	-	-
AJ.	PW – Administrative Services	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(2,000)	-	-	-
AK.	PW – Traffic & Parking Services	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(3,000)	-	-	-
AL.	Human Resources	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(4,000)	-	-	-
AM.	Finance & Property Services	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(10,000)	-	-	-
AN.	911	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(3,000)	-	-	-
AO.	311	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(5,000)	-	-	-
AP.	Regulatory Services	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(10,000)	-	-	-
AQ.	City Coordinator	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(2,000)	-	-	-
AR.	Communications	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(1,000)	-	-	-
AS.	Emergency Management	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(1,000)	-	-	-
AT.	Health	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(7,000)	-	-	-

AU.	Community Planning & Economic Development	Reflecting the Mayor's 11.16.18 amendment; Reducing the ongoing General Fund base.	(10,000)	-	-	-
AV.	Five Year Financial Direction	Reflecting the Mayor's 11.16.18 amendment; updating the Five Year Financial Direction to correctly reflect the Mayor's intent to plan for funding the "Stable Homes, Stable Schools" change item through 2020; reducing plans for other one-time expense accordingly.	-	-	-	-
Total Impact of Technical Adjustments			8,813,294	9,086,708	-	(2.0)

2. Bender moved to amend the 2019 Mayor's Recommended Budget for the City Coordinator and Community Planning & Economic Development (CPED) departments on a one-time basis, reducing the expenditure budget for the "Affordable Housing Trust Fund" change item in CPED by \$500,000. And, creating a new "Renter Support" change item in City Coordinator. The City Coordinator shall enter into contracts totaling at least \$500,000 to provide mediation and legal support services for low-income renters facing eviction. The appropriation in City Coordinator is one-time only. Carried on voice vote.
3. Bender and Ellison moved to amend the 2019 Mayor's Recommended budget for the Regulatory Services department. Increasing the revenue budget in the rental repair revolving fund (Fund 01600, Project G6835REVFND) by \$2,000,000 and increasing the expenditure budget in the rental repair revolving fund by \$2,000,000. Regulatory Services and Finance & Property Services staff are directed to report back by January 31, 2019, with policy guidelines on use of the rental repair revolving fund. Guidelines should address eligibility criteria and appropriate expenditure of funds (e.g. life safety repairs, building permits, administrator and City costs, etc.). Carried on voice vote.
4. Fletcher and Cunningham moved the following omnibus Public Safety Amendment; to-wit:
 1. Amending the 2019 Mayor's Recommended Budget for the Police Department. Eliminating the "Civilianize Existing Sworn Positions" change item for Police, including reducing the one-time appropriation by \$179,000; reducing ongoing appropriation by \$929,000; and, reducing the proposed FTE by 8.
 2. Amending the 2019 Mayor's Recommended Budget for the Police Department. Reducing the appropriation for "Co-Responder Program" by \$188,000; and, increasing the appropriation for "Co-Responder Program" by \$348,000. The Police department shall use these funds to expand the Mental Health Co-Responder program to all precincts in the City, including reassigning existing sworn officer positions to the program as necessary for a full expansion of the program to all precincts.
 3. Amending the 2019 Mayor's Recommended Budget for the Health Department. Increasing the one-time appropriation for the "Office of Violence Prevention" change item by

\$116,000, and adding an ongoing appropriation of \$457,000, including one FTE, to the “Office of Violence Prevention”. With these resources, the Health Department shall establish a Violence Prevention Fund and hire an FTE to manage the Office of Violence prevention and expenditures from the Fund. The Violence Prevention Fund shall be used to invest in community-led strategies that address violence in the community, domestic violence, community trauma and healing, and childhood trauma and adverse childhood experiences. At least \$150,000 from the Fund shall be designated specifically for community-based downtown safety strategies. The Health Department shall report back to Council on recommended use of these funds no later than April 30, 2019.

4. Amending the 2019 Mayor’s Recommended Budget for the Health Department. Reducing the one-time appropriation for the “Next-Step Youth Violence Prevention” change item by \$130,000; and, increasing the ongoing appropriation for the “Next-Step Youth Violence Prevention” change item by \$130,000.
5. Amending the 2019 Mayor’s Recommended Budget for the Health Department. Increasing the Health department’s appropriation by \$40,000 one-time, for a new “Youth Coordinating Board” change item. The Health department shall direct these funds to the Youth Coordinating Board in support of part time youth workers to work in the Cedar Riverside and Seward neighborhoods.
6. Amending the 2019 Mayor’s Recommended Budget for the City Attorney’s Office. Reducing the one-time appropriation for the “Pathways: Community-based Programming for Gross Misdemeanor Weapons Offenses” change item by \$35,000; and, increasing the ongoing appropriation for the “Pathways: Community-based Programming for Gross Misdemeanor Weapons Offenses” change item by \$35,000.
7. Amending the 2019 Mayor’s Recommended Budget for the City Attorney’s Office. Reducing the one-time appropriation for the “Domestic Violence Outreach Pilot” by \$60,000; increasing the ongoing appropriation for the “Domestic Violence Outreach Pilot” by \$60,000; and, striking the word “Pilot” from the name of the change item.
8. Amending the 2019 Mayor’s Recommended Budget for the Civil Rights Department. Adding \$100,000 ongoing, including 1 FTE, for a new “Office of Police Conduct Review” change item in the Civil Rights Department. The Civil Rights department shall hire a case investigator in the Office of Police Conduct Review to fill this new position.
9. Amending the 2019 Mayor’s Recommended Budget for the Civil Rights Department. Reducing the one-time appropriation for the “Collaborative Enforcement Pilot” change item by \$100,000; and, increasing the ongoing appropriation for the “Collaborative Enforcement Pilot” by \$200,000.
10. Amending the 2019 Mayor’s Recommended Budget for the City Coordinator’s office. Increasing the ongoing appropriation for the “Race & Equity Support” change item by \$100,000 and increasing the FTE added through the change item by 1.
11. Amending the 2019 Mayor’s Recommended Budget for the Neighborhood & Community Relations department. Increasing the ongoing appropriation for the “Legal Services for Immigrants and Refugee Residents” change item by \$35,000.

On roll call, the result was:

Ayes: Gordon, Fletcher, Cunningham, Ellison, Warsame, Jenkins, Cano, Bender, Schroeder (9)

Noes: Goodman, Palmisano (2)

Absent: Reich, Johnson (2)

Adopted.

5. Gordon moved to amend the 2019 Mayor's Recommended Budget for the Health department. Transferring \$220,000 of fund balance in the 06400 fund associated with the development of a Contract Compliance system; and, increasing the Health department's appropriation by \$220,000 one-time, including two FTE for a new "Food, Lodging, and Pools Inspections" change item in the Health Department. The Health department shall retain two existing health inspectors in the Food, Lodging, and Pools division on a temporary one-year basis. These positions shall not be considered part of the current service level budget for the Health Department in years 2020 and beyond.
Carried on voice vote.
6. Gordon moved to amend the 2019 Mayor's Recommended Budget by increasing assumptions for future spending in the General Fund as shown in the Five-Year Financial Direction, in the following ways:
 1. Increasing spending for "One-Time Change Items & Transfers Out" by \$3,500,000 in 2020;
 2. Adding an ongoing fixed \$4,000,000 expenditure beginning in 2021 for "Neighborhood Funding Programs";
 3. Adding an ongoing expenditure beginning in 2021 for "NCR Engagement Services" of \$3,000,000, adjusted each year thereafter for current service level inflation; and,
 4. Updating the projected property tax levy as necessary to fund the increased investments as outlined for each year in the five-year plan.Carried on voice vote.

A recess was called at 11:59 a.m.

The committee reconvened at 12:54 p.m.

7. Cunningham moved to amend the 2019 Mayor's Recommended Budget for the department of Police. Reducing the ongoing appropriation for the "Body Camera Interface to 911 CAD" change item by \$75,000. And, adding a new "ShotSpotter Expansion" change item in the Police Department including appropriations of \$65,000 ongoing and \$10,000 one-time. The Police Department shall use these funds to expand the ShotSpotter coverage area by approximately 1 square mile.
Carried on voice vote.
8. Warsame moved to amend the 2019 Mayor's Recommended Budget for the City Coordinator department on a one-time basis. Increasing the "Strategic Partnerships" change item by \$80,000 one-time. The City Coordinator shall use these funds to contract with Kajoog for a 4H program in south Minneapolis.
Carried on voice vote.

9. Warsame moved to amend the 2019 Mayor's Recommended Budget for the City Coordinator department on a one-time basis. Increasing the "Strategic Partnerships" change item by \$80,000 one-time. The City Coordinator shall use these funds to contract with community based partners for youth programming in order to increase violence prevention activities in and around the Cedar Riverside Neighborhood.
Carried on voice vote.
10. Warsame moved to amend the 2019 Mayor's Recommended Budget for the Community Planning & Economic Development (CPED) department on a one-time basis. Adding a "Trades Pilot Program" change item and increasing the appropriation by \$50,000 one-time. CPED shall use these funds to contract with community organizations or local businesses to develop and implement a trades pilot program. CPED is further directed to prioritize finding an additional \$50,000 within existing budgetary resources to match this appropriation.
Carried on voice vote.
11. Palmisano moved to amend the 2019 Mayor's Recommended Budget for the Health Department on a one-time basis. Increasing the "Office of Violence Prevention" change item by \$30,000 one-time. The Health Department shall use these funds to support the Police Athletic League (PAL) program, including a transfer of funds to the Police Department if necessary.
Carried on voice vote.
12. Bender and Goodman moved to direct Community Planning & Economic Development staff to report back to Council no later than January 31, 2019, on the status of discussions with Hennepin County, Minneapolis Public Schools, and other partners on the Stable Homes, Stable Schools program. At a minimum this report is to include the number and names of schools included in the program, the number of students and/or families served by the program, the level of partnership and contributions from non-City sources, and any other related information on the anticipated goals and impacts of the program. No financial agreement may be made, and no dollars shall be expended for this program until the City Council approves a workplan.
Carried on voice vote.

The following additional amendments and staff directives were moved for consideration:

1. Palmisano moved to direct Communications Director and Innovation Team Director to contract with a qualified external communications audit vendor to conduct an enterprise communications audit to improve the overall alignment and effectiveness of communications and public engagement activities. This communications assessment would provide an overview of the existing scope of communications resources across the enterprise and review the effectiveness of current and past communications strategies, capabilities, tactics, and structures. The communications audit would provide guidance and recommendations on how the City enterprise might improve the proactivity and diversity of communications in alignment with strategic enterprise goals to maximize resources.

Carried on voice vote.

2. Jenkins moved to direct the budget office to develop a definition for work that is core to the provision of City services and provide a recommendation to Council on how to categorize the City's work as core based on that definition in coordination with the Strategic and Racial Equity Action Planning process. Staff shall report back to Council with recommendations no later than February 27, 2019.

Carried on voice vote.

3. Ellison moved to amend the 2019 Mayor's Recommended Budget for the City Coordinator department on a one-time basis. Increasing the "Strategic Partnerships" change item by \$100,000 one-time. The City Coordinator shall use these funds to contract with community-based partners to study ways to maximize investments in the Promise Zone.

Carried on voice vote.

4. Cano moved to amend the 2019 Mayor's Recommended Budget for the City Coordinator department on a one-time basis. Increasing the "Strategic Partnerships" change item by \$100,000 one-time. The City Coordinator shall use these funds to support next year's on-going work of the environmental and racial equity efforts known as the North-Northeast and Southside Green Zones work by the Office of Sustainability.

Carried on voice vote.

Speakers during committee were Micah Intermill, Mark Ruff, Robin McPherson, Deputy Chief Fors, and Assistant Chief Kjos.

Palmisano moved to approve the 2019 Mayor's Recommended Budget as amended and refer to Council meeting of Dec 5, 2018. On voice vote, the motion passed.

With no further business to transact, the meeting adjourned at 1:53 pm.

Reported by Kelly Geistler, Council Committee Coordinator