Resolution 2021-241

Requesting the Board of Estimate and Taxation Set the Maximum Property Tax Levy for the 2023 Budget at an Estimated Amount of $79,025,000, an Increase of 6.16 Percent
Opportunities and Issues
• Identified issues/opportunities in the park system

Funding Sources
• Identified new funding sources to be explored

Budget Priorities
• From the Issues/opportunities listing what are the top areas for consideration in the 2023 Budget

Legacy
• From the Issues/opportunities listing and the revenue ideas, identify what this Board’s legacy during the next four years

Maximum Property Tax
• Identify the range the Board would support for the MPRB Maximum Property Tax Levy Request
Strategic Direction D – Care for park assets to meet evolving needs and practices
• Increase staff capacity of the Planning Division to enhance implementation of current CIP and allocation/spending of the park dedication fees
• Increase staff capacity to implement full lifecycle asset management across all assets

Strategic Direction B – Cultivate each community’s place and honor cultural traditions in Minneapolis parks
• Increase safety and security in parks

Strategic Direction A – Act boldly for our climate future
• Spend on climate now to avoid spending a lot later

Strategic Direction E – Steward our natural resources
• Natural resource management and stewardship for habitat, invasive species mitigation, and ecosystem health
Legacy – Revenue Sources

Strategic Direction D – Care for park assets to meet evolving needs and practices

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing stormwater fee across City - review/modify MN Statute 444.075 +/- Charter Power</td>
<td>Fees &amp; Charges</td>
</tr>
<tr>
<td>Endowment Strategy/maintenance</td>
<td>Grants &amp; Donations</td>
</tr>
<tr>
<td>Levy MN Statute 296A.08 (?)-Parkways (gas tax-state aid)</td>
<td>Taxation</td>
</tr>
</tbody>
</table>
Board would like to see movement towards the implementation of the Board adopted 2023-2026 Strategic Directions and discussed a MPRB 2023 Maximum Property Tax Levy increase in the range of 5.37% - 8.00% from 2022

Mayor and City financial projections estimated an MPRB 2023 Maximum Property Tax Levy increase of 4.27%

Current State Law results in a reduction to Local Government Aid of approximately $570,000
### General Fund 2023 – 2027 Projections

<table>
<thead>
<tr>
<th>General Fund Property Tax Levy Increase</th>
<th>6.16%</th>
<th>5.09%</th>
<th>5.04%</th>
<th>4.27%</th>
<th>4.27%</th>
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<tbody>
<tr>
<td></td>
<td>Adopted</td>
<td>Est</td>
<td>Est</td>
<td>Est</td>
<td>Est</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Budget</td>
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</tr>
<tr>
<td></td>
<td>2022</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>73,694,610</td>
<td>78,234,750</td>
<td>82,220,542</td>
<td>86,364,457</td>
<td>90,052,220</td>
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<tr>
<td>Local Government Aid</td>
<td>9,233,125</td>
<td>8,662,794</td>
<td>8,662,794</td>
<td>8,662,794</td>
<td>8,662,794</td>
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<tr>
<td>American Rescue Plan Act</td>
<td>1,300,000</td>
<td>1,092,000</td>
<td>875,400</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Fees, Fines and Other Revenues</td>
<td>11,960,084</td>
<td>11,900,562</td>
<td>11,900,562</td>
<td>11,900,562</td>
<td>11,900,562</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>96,187,819</strong></td>
<td><strong>99,890,106</strong></td>
<td><strong>103,659,298</strong></td>
<td><strong>106,927,814</strong></td>
<td><strong>110,615,576</strong></td>
</tr>
<tr>
<td>Full-Time Wages &amp; Fringe</td>
<td>49,448,792</td>
<td>51,418,684</td>
<td>53,480,198</td>
<td>55,595,504</td>
<td>57,433,969</td>
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<tr>
<td>Part-Time Wages &amp; Fringe</td>
<td>11,963,333</td>
<td>12,589,608</td>
<td>12,942,749</td>
<td>13,346,317</td>
<td>13,679,975</td>
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<tr>
<td>Health Insurance</td>
<td>8,247,108</td>
<td>8,461,533</td>
<td>8,884,609</td>
<td>9,328,840</td>
<td>9,795,282</td>
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<tr>
<td>Other Expenditures</td>
<td>23,670,260</td>
<td>24,561,955</td>
<td>25,493,417</td>
<td>26,435,660</td>
<td>27,255,848</td>
</tr>
<tr>
<td><strong>Operating Costs</strong></td>
<td><strong>93,329,493</strong></td>
<td><strong>97,031,779</strong></td>
<td><strong>100,800,973</strong></td>
<td><strong>104,706,320</strong></td>
<td><strong>108,165,074</strong></td>
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<tr>
<td>Neighborhood Park Capital Levy</td>
<td>2,180,000</td>
<td>2,180,000</td>
<td>2,180,000</td>
<td>2,180,000</td>
<td>2,180,000</td>
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<tr>
<td>Operations Facilities</td>
<td>363,326</td>
<td>363,326</td>
<td>363,326</td>
<td>363,326</td>
<td>363,326</td>
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<tr>
<td>Park Land Acquisition Reserve</td>
<td>315,000</td>
<td>315,000</td>
<td>315,000</td>
<td>315,000</td>
<td>315,000</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>96,187,819</strong></td>
<td><strong>99,890,105</strong></td>
<td><strong>103,659,299</strong></td>
<td><strong>107,564,646</strong></td>
<td><strong>111,023,400</strong></td>
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<tr>
<td>Estimated Gap</td>
<td><strong>0</strong></td>
<td><strong>(0)</strong></td>
<td><strong>(636,833)</strong></td>
<td><strong>(407,824)</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>
## 2023 General Fund Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue change based on 6.16% General Fund Property Tax Increase, LGA Reduction, ARPA Reduction</td>
<td>$3,702,288</td>
</tr>
<tr>
<td>Provision For Wage and Benefit Adjustments</td>
<td>$2,150,722</td>
</tr>
<tr>
<td>Provision For Contractual Services and Materials &amp; Supplies</td>
<td>$727,995</td>
</tr>
<tr>
<td><strong>System Equity Investment</strong> - Safety and security needs due to the activation and increased usage of parks within the downtown service area and regional park system and residual costs associated with the activation of new park locations (includes two Police Officers, conversion of two part-time Park Patrol Agents to full-time, .75 FTE part-time park patrol agents, and 1.25 FTEs part-time Front Desk staff)</td>
<td>$385,000</td>
</tr>
<tr>
<td><strong>Strategic Direction D - Care for park assets to meet evolving needs and practices</strong> (includes two project manager positions and one systems analyst position)</td>
<td>$438,570</td>
</tr>
<tr>
<td>Expenditure Increases</td>
<td>$3,702,287</td>
</tr>
<tr>
<td>Balanced 2023 General Fund Budget</td>
<td>$0</td>
</tr>
</tbody>
</table>
• System expansion built into the General Fund five-year projections

<table>
<thead>
<tr>
<th>Park</th>
<th>FTE</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Service Area</td>
<td>3.25</td>
<td>$314,020</td>
<td>$13,600</td>
<td>$8,000</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Wirth Park</td>
<td>0.75</td>
<td>$40,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Square</td>
<td>0.00</td>
<td>-$28,150</td>
<td>$2,600</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Upper Harbor Terminal</td>
<td>6.80</td>
<td>$275,800</td>
<td>$362,800</td>
<td>$18,000</td>
<td>$9,000</td>
<td></td>
</tr>
<tr>
<td>Graco</td>
<td>2.20</td>
<td>$189,400</td>
<td>$2,600</td>
<td>$2,600</td>
<td>$2,600</td>
<td></td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
<td>13.00</td>
<td>$325,870</td>
<td>$481,400</td>
<td>$373,400</td>
<td>$20,600</td>
<td>$11,600</td>
</tr>
</tbody>
</table>

• Market Square was funded in the 2022 budget. Partial expense reimbursement from Hennepin County is expected to begin in 2023
• Activation of Commons Park was partially funded through one-time operating reserves received from Green Minneapolis. System equity investment includes this $59,130 for 2023
• All things being equal, the 6.16 percent increase is an increase of about $17 on a median value home ($316,000). However, the increase may be greater because of changes in the tax base (residential values increasing faster than commercial values)

• Every 1 percent increase in property taxes generates $736,950 for the MPRB an increase of about $3 on a median value home

<table>
<thead>
<tr>
<th></th>
<th>2022 Adopted</th>
<th>2023 Projected</th>
<th>$ Change</th>
<th>% Change</th>
<th>% Increase City Property Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park and Recreation Levy</td>
<td>74,439,000</td>
<td>79,025,000</td>
<td>4,586,000</td>
<td>6.16%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>
## Maximum Property Tax Levy Request

<table>
<thead>
<tr>
<th>Description</th>
<th>2023 Maximum Property Tax Request</th>
<th>MPRB % Increase</th>
<th>City Total Tax % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minneapolis Park Board</td>
<td>$ 77,357,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minneapolis Park Board - Youth Investment</td>
<td>$ 260,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Financial Projection for MPRB - 4.27% increase</td>
<td>$ 77,617,000</td>
<td>4.27%</td>
<td>0.76%</td>
</tr>
<tr>
<td>LGA decrease based on current State of MN formula</td>
<td>$ 576,000</td>
<td>0.77%</td>
<td>0.14%</td>
</tr>
<tr>
<td><strong>MPRB request to maintain current service level of existing services</strong></td>
<td>$ 78,193,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System equity investment - Safety and security</td>
<td>$ 389,000</td>
<td>0.52%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Strategic Direction D - Care for park assets to meet evolving needs and practices</td>
<td>$ 443,000</td>
<td>0.60%</td>
<td>0.11%</td>
</tr>
<tr>
<td><strong>MPRB Maximum Property Tax Request</strong></td>
<td>$ 79,025,000</td>
<td>6.16%</td>
<td>1.10%</td>
</tr>
</tbody>
</table>
Questions?