

PROCEEDINGS OF THE BOARD OF ESTIMATE & TAXATION

The regular meeting of March 9, 2011 was held in room 317 of City Hall.

Meeting called to order by President Wheeler at 4:00 p.m.

Present were: Johnson (Barbara Johnson, President of the City Council; Rybak (R T Rybak, Mayor of Minneapolis), Becker (Carol J. Becker, Elected Member) Wheeler (David Wheeler, Elected Member).

Absent: Fine (Robert Fine, Representative of the Park and Recreation Board), Hodges (Betsy Hodges, Chair of the Ways & Means/Budget Committee of the City Council).

The Secretary presented the following; Requests for additions to the Board's 2011 Fall Assessment Bond Program along with the supporting request letters submitted to the City Council

RESOLUTION 2011R-xxx By Colvin Roy and Hodges..

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$ 64,940 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of street improvements in the Prospect Park Area Phase II Street Resurfacing Project, Special improvement of Existing Street No. 5207, as part of the 2011 Street Resurfacing Program, to be assessed against benefitted properties as estimated by the City Council, which assessments shall be collectible in five (5) successive annual installments, payable in the same manner as real estate taxes beginning on the 2012 real estate tax statements.

Johnson moved to add to the Board of Estimate & Taxation's Bond 2011 Fall Assessment Bond Program the Prospect Park Area Phase II Street Resurfacing Project, Special improvement of Existing Street No. 5207 for \$ 64,940 as requested by City Council resolution 2011R-xxx; seconded by Becker. Following questions and discussion the motion was adopted. Yeas – 4. Nays – none. As follows; Yeas – Johnson, Rybak, Becker, Wheeler - 4. Nays – none

RESOLUTION 2011R-xxx By Colvin Roy and Hodges .

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$ 138,875 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of street improvements in the Broadway St NE Street Resurfacing Project, Special improvement of Existing Street No. 5214, as part of the 2011 Street Resurfacing Program, to be assessed against benefitted properties as estimated by the City Council, which assessments shall be collectible in five (5) successive annual installments, payable in the same manner as real estate taxes beginning on the 2012 real estate tax statements.

Johnson moved to add to the Board of Estimate & Taxation's Bond 2011 Fall Assessment Bond Program the Broadway St NE Street Resurfacing Project, Special improvement of Existing Street No. 5214 for \$ 135,875 as requested by City Council resolution 2011R-xxx; seconded by Becker. Following questions and discussion the motion was adopted. Yeas – 4. Nays – none. As follows; Yeas – Johnson, Rybak, Becker, Wheeler - 4. Nays – none.

President Wheeler requested discussion on HF481 “ **Levy Freeze Bill Introduced**”

Proposal would aggressively restrict the ability of cities and counties to increase property taxes in 2012. *(Published Feb 16, 2011)*

On Feb. 14, [Rep. Linda Runbeck](#) (R-Circle Pines) introduced [HF 481](#), a bill that would freeze property taxes in 2012 for cities, counties, and special taxing districts. The bill excludes school districts and the state of Minnesota, and is silent on township levies. Under the freeze, cities would be prohibited from increasing property tax levies in 2012, except for increases for funding increasing debt service costs on pre-existing debt. Cities that annex property where the annexation is effective for the first time during taxes payable year 2012 would be permitted to raise additional property taxes, but the increase would be limited to an amount equal to the taxable value of the newly annexed property multiplied by the city's 2011 tax rate. In addition to these allowable levy increases, cities could increase their 2012 levies if approved by the voters at a general or special election, as allowed in [Minnesota Statutes, section 275.73](#).

As a result of the freeze, cities would not have to certify a preliminary levy for truth-in-taxation statements. However, even without changes in a city's property tax levy, individual property owners could experience an increase or decrease in their tax bills in 2012 due to changes in property values. Cities would also be prohibited from incurring any new debt if the debt service would require payments beginning in 2012. The bill includes a further restriction that specifies that no city can increase its 2012 levy to amortize the unfunded pension liability over the amount for that purpose for taxes payable in 2011.

Following the lengthily discussion the Board at this time took no official action.

The following reports were presented by the secretary to the Board:

R – 1. Variable Rates (Tax Exempt) for the weeks starting March 3 of 0.28 % and for the weeks starting March 10 of 0.29%.

R – 2. Official Statement dated February 25, 2011 for;

- A. \$ 33,800,000 General Obligation Convention Center Refunding Bonds, Series 2011 (the “Tax-Exempt Bonds”).
- B. \$ 71,250,000 Taxable General Obligation Convention Center Refunding Bonds, Series 2011 (the “Taxable Bonds”).