

Proposed Amendment to the Minneapolis City Charter Concerning the Board of Estimate and Taxation

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Proposed by Lyall Schwarzkopf

Proposal:

Amend 5.5 of the Minneapolis City Charter as follows: “The Board may, with at least ~~five~~ four affirmative votes, borrow against anticipated tax revenues up to half the amount due and not delinquent, which debt is redeemable or otherwise payable not later than the revenue is anticipated.”

Amend 9.3 (a) (6) (B) of the Minneapolis City Charter as follows: “**Transfers within same board’s or department’s budget.** A board that controls its own finances may transfer money appropriated for one purpose to another within its budget only if the Board of Estimate and Taxation, with at least ~~five~~ four affirmative votes, approves a request to that effect. No such transfer may affect the proceeds from bonds issued or other debt incurred for a particular purpose.”

Amend 9.4 (a) (1) (B) of the Minneapolis City Charter as follows: “the Board of Estimate and Taxation, with at least ~~five~~ four affirmative votes; and”

Amend 9.6 (d) of the Minneapolis City Charter as follows: “**Review of unassisted improvements.** If the City Council or the Park and Recreation Board votes to acquire realty for the City’s system of streets or of parks and parkways, and the cost is not wholly assessed against the benefited property, then the City may not begin incurring any related expense until 30 days after the board voting for the acquisition determines the resulting awards and assessments and so notifies the Board of Estimate and Taxation. The Board of Estimate and Taxation, with at least ~~five~~ four affirmative votes, at a public hearing of which at least 14 day’s notice was given, may set aside the awards and assessments and thereby cancel the acquisition. But the acquisition may proceed without waiting for 30 days, and the City may begin incurring related expenses, if the Board of Estimate and Taxation, with at least ~~five~~ four affirmative votes, approves the acquisition.”

Reason for the Proposal:

The Board of Estimate and Taxation was established in 1919 by the Legislature for cities of the first class which included Minneapolis. There were seven people who served on the Minneapolis Board of Estimate and Taxation. One of the seven was a member of the Minneapolis School Board which was part of the Minneapolis taxing authority until it became an Independent School Board in 1949 or 1950. When the School Board became independent and no longer had or needed to have member on the Board of Estimate and Taxation, a member of

the Minneapolis Library Board was added to the Board of Estimate and Taxation.

In 1983 the City Council decided that all of the city finances should be included in one place under an appointed City Finance Officer. I was instructed to lobby a change in the state law that would abolish the elected position of Comptroller-Treasurer, which was vacant at the time, and to establish the City Finance Officer. In order to keep seven members on the Board of Estimate and Taxation, we wrote the law to put the President of the City Council on the Board.

In 2007 the Minneapolis Library system was merged with the Hennepin County Library system and there was no longer a Minneapolis Library Board. Hence, today there is no longer a Minneapolis Library Board member on the Board of Estimate and Taxation.

To borrow against anticipated tax revenues of Minneapolis, in other words to sell Minneapolis bonds, to transfer money appropriated for one purpose to another purpose and to acquire realty, the Board of Estimate and Taxation needed 5 out of 7 affirmative votes of the membership on the Board (71.4%). Today there are no longer 7 members on the Board because there is no longer a Library Board member. Now the City Charter requires 5 out of 6 members to affirmatively vote on the above matters (83.3). This is a very high vote requirement.

To bring this more in line with the original intentions of the Charter, the proposed charter amendment would lower the number of affirmative votes needed to sell bonds, transfer money, or acquire realty to 4 out of 6 (66.6%).