



Request for City Council Committee Action From the City Assessor's Office

Date: April 12, 2004

To: Ways and Means Committee

Subject: City Assessor's Business Plan, 2004-2008

Recommendation: Approve the City Assessor's business plan

Previous Directives: Resolution Establishing Commitment to Business Planning and Five Year Financial Direction, January 2003.

Prepared by: Scott Renne, City Assessor

Approved by: Scott Renne, City Assessor _____

Presenters in Committee: Scott Renne, City Assessor

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

This Business Plan was developed by the City Assessor's Office Business Planning Team, which consisted of the management team of the City Assessor's Office. The Planning Team utilized the City of Minneapolis Business Planning Handbook to conduct the process, and the Business Plan was completed in December 2003. This Plan will serve as a guide for the City Assessor's Office for the next five years.

Business Plan Highlights:

The business plan starts by setting forth the following mission for the City Assessor's Office:

"The Minneapolis City Assessor's Office serves the taxpayers of the city by valuing and classifying real property in an accurate and equitable manner as prescribed by state law. The office also supports government funding, planning and information needs."

To fulfill its mission, the City Assessor's Office has the following Primary Business Line and its associated Service Activities:

Assessment – Perform the assessment function for all real estate and appropriate personal property

- **Valuation** – Estimate the annual value of all taxable property and maintain property descriptions; review and/or defend values as necessary
- **Classification** – Classification and processing of parcels and owners qualifying for homestead status, exempt status or special classifications
- **Internal Support** – Support of City initiatives, property tax programs, Minneapolis School District, and other City departments
- **Maintenance** – Verify and maintain records of property transfers

The City Assessor's Office has developed outcome measures for this Business Line, and has developed nine performance measures that will be reported to the City Council and Mayor. Fourteen additional performance measures have been identified for use at the management level.

The City Assessor's Office has identified the following significant trends and challenges that will impact the Office during the next five years:

- **Declining departmental budget resources** due to ongoing budget crises at the state and city level, resulting in an increase in parcel counts and estimated market value per staff member
- **Increasing number of court cases** due to a weak office market and a growing "industry" in the field of property tax appeals
- **Future retirement** of experienced staff members
- **The phase-out of limited market value** and other state law changes, shifting property tax burdens from commercial/industrial property to residential property
- **Unfunded mandates** in the form of property tax programs created by the Legislature

In addition, the Department faces ongoing challenges in the general areas of workforce, information technology, and economic conditions. These trends and challenges will be discussed in greater detail in Section One, and are the driving force behind many of the proposed departmental initiatives.

In addition to the department Initiatives, the business plan includes resource plans that align the department operations with the five year financial direction given by the Mayor and City Council.