

CITY OF MINNEAPOLIS

Introduction to City Revenue Sources

Ways & Means Committee

April 21, 2014



Minneapolis
City of Lakes

City Revenue Sources

- Charges for Services
- License Fees & Permits
- Fines & Forfeitures
- Intergovernmental
 - Grants
 - Aids
 - Local Government Aid
- Investment and Miscellaneous Income
- Other Financing
- Taxes
 - Property Tax
 - Local Sales Tax
 - Franchise Fees

City Revenue Sources – Charges for Services

- Utility Rates and Charges
- Services that the City provides
 - Over and above basic service
 - Example: Security during events
 - Parking Revenues
- Payments for Property Nuisance Abatements
- Special Assessments
 - Streets, sidewalks etc.
 - Unpaid utility bills

City Revenue Sources – Utility Rates and Charges

- Mainly for “Business-Type” Activities
 - Water
 - Sanitary Sewer
 - Stormwater
 - Solid Waste and Recycling

City Revenue Sources – License and Permit

- Fees
 - *MAY* set fee, but not required
 - *MAY* charge up to full cost of service
 - Annual Fee Schedule
 - More discussion to come
- Licenses
 - Business Licenses
 - Liquor Licenses
- Permits
 - Building and Construction Related
 - Activity Related (varies by price and type of activity)

City Revenue Sources – Fines & Forfeitures

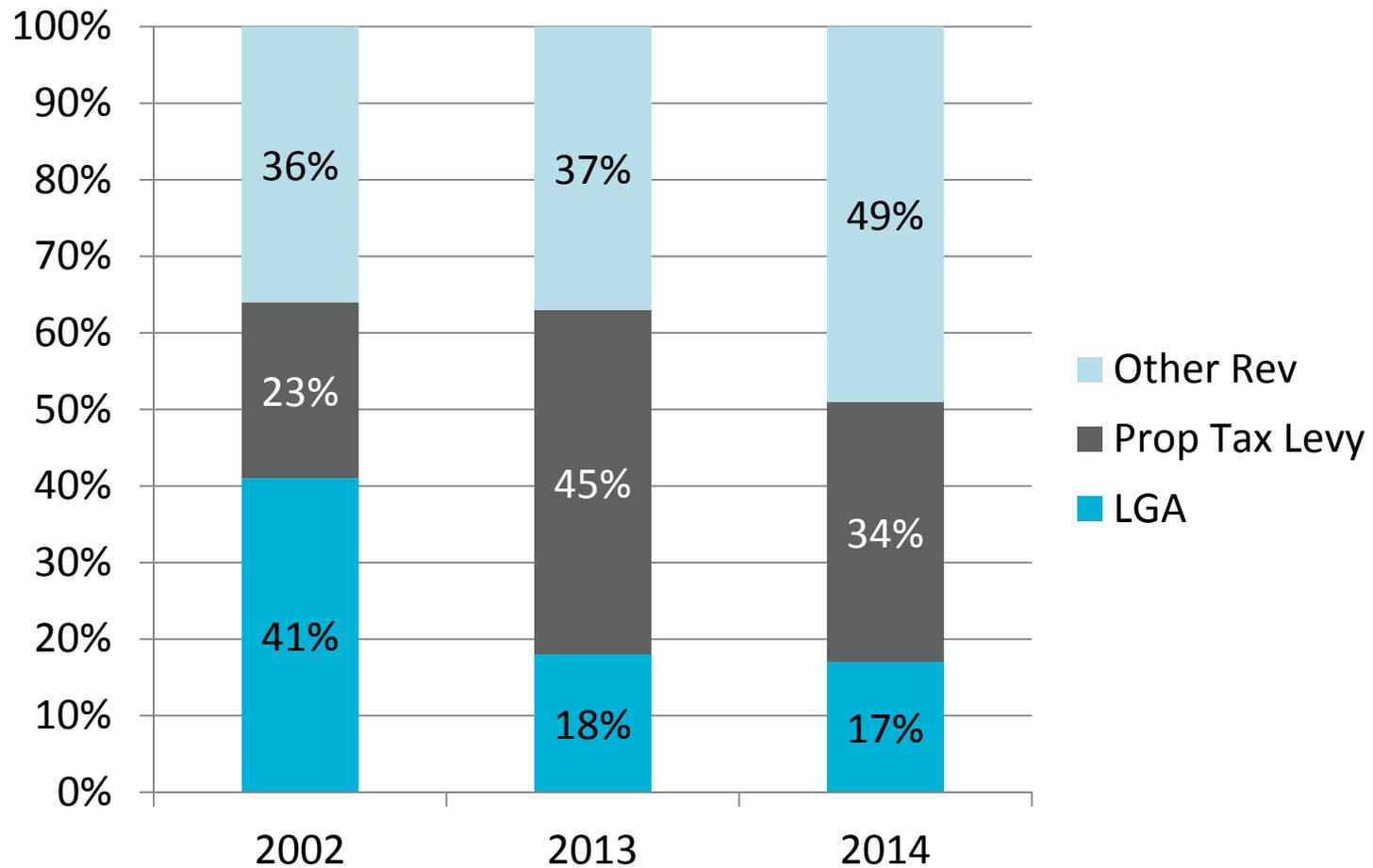
- Traffic and Parking Citations
- Animal Control Violations
- Penalties
 - Late charges
 - Work without permit charges

City Revenue Sources - Intergovernmental

- Federal
 - Grants*
 - Transportation Funding
 - CDBG/HUD
 - COPS and SAFER grants
- State
 - Aids
 - Local Government Aid (LGA)
 - Municipal State Aid (MSA)
 - Fiscal Disparities
 - Grants*
 - Lead abatement
- Local
 - Hennepin County
 - Metropolitan Council

*Some grants come with “strings” attached for continued funding

City Revenue Sources – Local Government Aid (as proportion of General Fund)



City Revenue Sources - Miscellaneous

- Investment Income
 - Investments guided by MN Statutes
- Sales of Goods
 - Scrap Metal
 - Salt, Sand, Bituminous
- Donations and Contributions

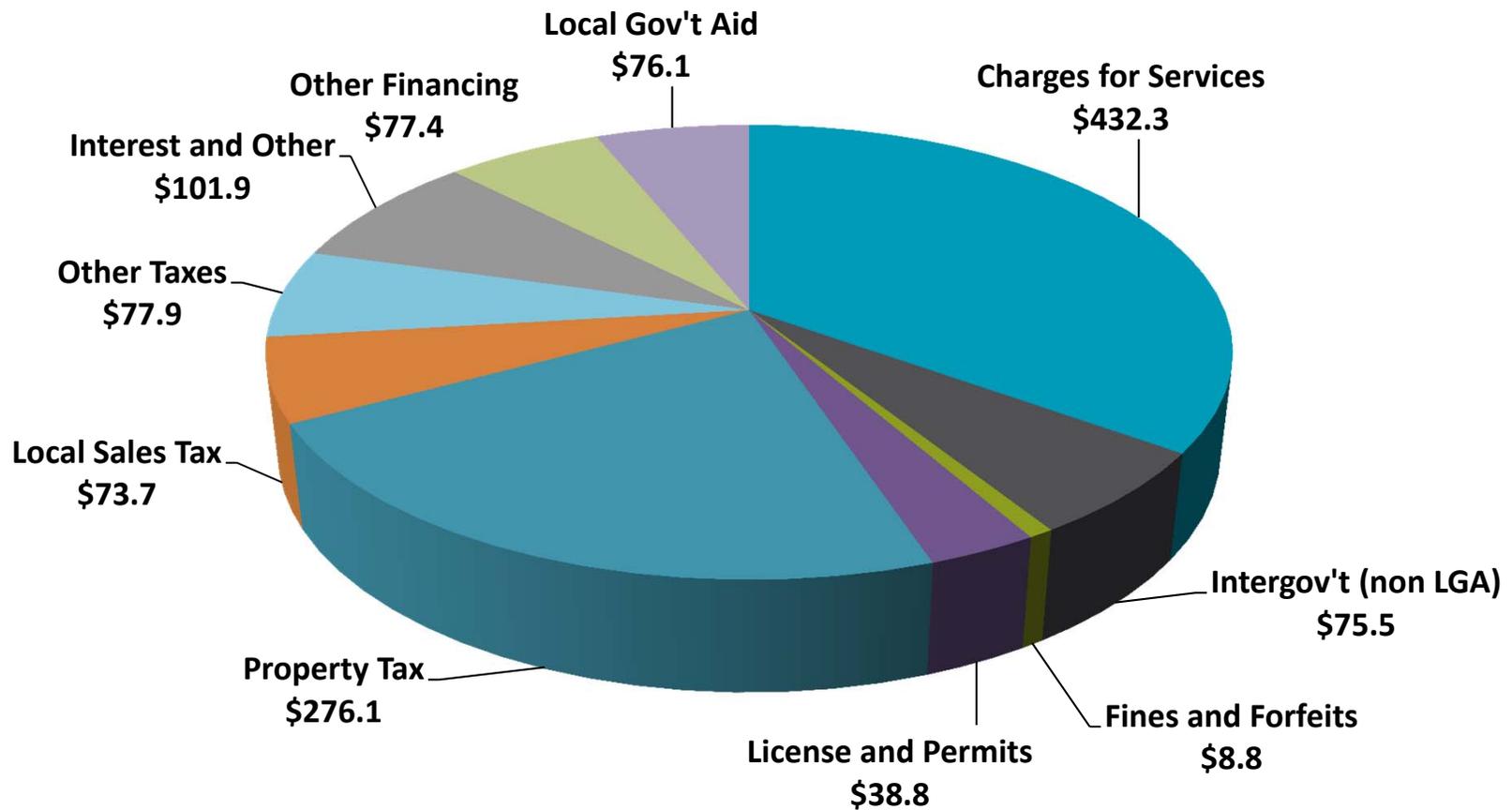
City Revenue Sources – Other Financing

- Bond and Borrowing Proceeds
- Transfers Between Funds (removed for comparison)
- Fund Balance

City Revenue Sources – Taxes

- Property Taxes
 - Next Information Session
- Local Sales Taxes
 - Sales and Use
 - Liquor
 - Entertainment
 - Lodging
- Franchise Fees
 - Not a tax, but fee for use of City right-of-way

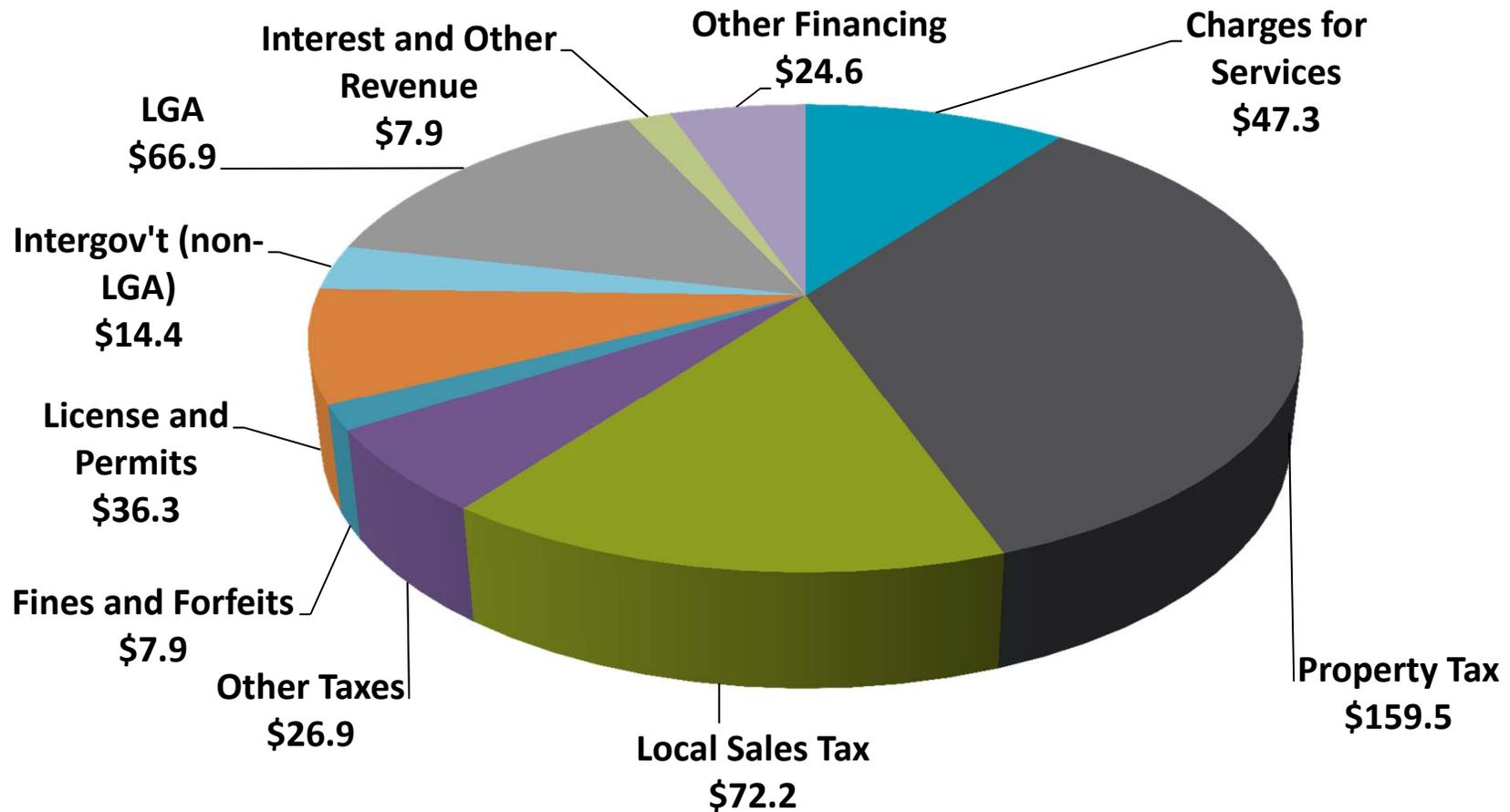
City Revenue Sources – Total \$1.2 Billion for 2014 Budget



City Revenue Sources – Total \$1.2 Billion for 2014 Budget

	Millions \$	
	2013 Budget	2014 Budget
Charges for Services	\$ 416.7	\$ 432.3
License and Permits	34.5	38.8
Fines and Forfeits	9.8	8.8
Intergov't (non LGA)	76.1	75.5
Local Gov't Aid	64.1	76.1
Interest and Miscellaneous	96.1	101.9
Other Financing	58.9	77.4
Property Tax	278.9	276.1
Local Sales Tax	71.2	73.7
Other Taxes (Franchise Fees, TIF)	76.0	77.9
	\$ 1,182.2	\$ 1,238.4

City Revenue Sources – General Fund \$464.0 Million for 2014 Budget



City Revenue Sources – General Fund

\$464.0 Million for 2014 Budget

	Millions \$	
	2013	2014
Charges for Services	\$ 42.2	\$ 47.3
Fines and Forfeits	8.8	7.9
License and Permits	32.6	36.3
Intergov't (non-LGA)	13.0	14.4
LGA	56.6	66.9
Interest and Other Revenue	3.4	7.9
Other Financing and Fund Balance	-	24.6
Property Tax	170.9	159.5
Local Sales Tax	13.7	72.2
Franchise Fees	27.4	26.9
	\$ 368.6	\$ 464.0

Source: 2014 Council Adopted Budget Book

City Revenue Sources

- **Key Takeaways:**

- The City’s budget is funded by many sources
- Some of the City’s revenue sources are outside our control
 - Revenue sources vary by year
- General fund revenue sources are not restricted in use
- City activities do not “generate” revenue
 - Although we may recover the cost in whole or in part
 - More discussion to come with Fees discussions
- Property taxes are only part of the total
 - More to come with next session
- Volatility buffered by Fund Balance
 - Smooths changes in Property Taxes
 - Covers other Revenue Deficits



CITY OF MINNEAPOLIS

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Questions

Sources: Generally Accepted Accounting Principles (GAAP); www.fasb.org
Governmental Accounting Standards Board (GASB); www.gasb.org
MN State Statues; www.revisor.mn.gov
League of MN Cities; www.LMC.org