

**Agenda
City of Minnetonka
City Council Study Session
Monday, August 21, 2023
6:30 PM
Minnehaha Room**



1. Call to Order
2. Introductions/Roll Call
3. Business Items:
 - A. 2023 Community Survey
 - B. Preliminary 2024 budget review
 - C. September study session - topics and date
4. Adjournment

The purpose of a study session is to allow the city council to discuss matters informally and in greater detail than permitted at formal council meetings. The council may provide direction to staff but does not make formal decisions at study sessions. Members of the public are welcome to attend and listen, but the council does not take comments from the public.

**City Council Agenda Item 3.A
Meeting of August 21, 2023**



Title: 2023 Community Survey

Report from: Moranda Dammann, Assistant City Manager

Submitted through: Corrine Heine, City Attorney
Mike Funk, City Manager

Presenter: Peter Leatherman, The Morris Leatherman Company

Action Requested: Information only.

Summary Statement

The purpose of this agenda item is to inform the council of the results of the 2023 community survey. Peter Leatherman, from the Morris Leatherman Company, will present the findings and conclusions from the 2023 community survey.

Strategic Profile Relatability

Financial Strength & Operational Excellence

The community survey results provide the metrics to measure the performance of each of the strategic priorities.

Background

Each year the city contracts with a professional survey firm to conduct a statistically valid telephone survey of residents on a variety of topics of interest. These topics range from demographics, quality of life, city services, public safety, natural environment, development and redevelopment, city parks and recreational facilities, public transit issues, city government and staff, local authority and communication issues.

Surveying residents is intended to inform strategic planning and budgeting decisions, help set performance targets, and strengthen community engagement. It is important for residents to have the opportunity to share their opinions. It is equally important for them to feel confident that their voices are being heard.

Conducting a survey is a proactive approach to initiating and completing the communication loop with the community.

The City of Minnetonka is evaluated according to how well we are achieving our strategic goals. Measuring ongoing progress ensures that we are responsive to the priorities of the community we serve. By receiving ongoing feedback from our stakeholders, we can observe trends and track progress to guide policy-making and budgeting. Finally, it is anticipated these results will play a significant role in the upcoming budgeting process.

Specific examples of actions taken in recent years in response to these annual evaluations include a

more aggressive funding approach to new trail construction, adjustments in the city's economic development program, adaptation of the public transit offerings, expanded recreational program offerings for youth, additional street renewal programs and technology enhancements for the use of mobile electronics and social media.

In preparation for the 2023 annual community survey, at the Feb. 6, 2023 study session the Minnetonka City Council weighed in on themes to be included. Below is a list of the themes suggested and the specific question listed in the community survey.

Theme	Questions
Zoning & Density	73
Recycling & Garbage container storage	74
Noise	80-81
EMS	33-36
The Marsh	99-100
Active vs. Passive spending	101
DEI	6-13

The annual community survey also provides the necessary data to determine the results of the MERIT program evaluation, particularly the organizational component.

Peter Leatherman, from the Morris Leatherman Company, will present a high level of the findings and conclusions from the 2023 community survey.

Discussion Questions

Does the City Council have any questions?

ATTACHMENTS:

[2023 Minnetonka Survey](#)

THE MORRIS LEATHERMAN COMPANY
3128 Dean Court
Minneapolis, Minnesota 55416

City of Minnetonka
2023 Residential Study
FINAL MAY 2023

Hello, I'm _____ of the Morris Leatherman Company, a polling firm located in Minneapolis. We've been retained by the City of Minnetonka to speak with a random sample of residents about issues facing the city. City representatives and staff need your opinions and suggestions about city's future and current city services and offerings. I want to assure you that all individual responses will be held strictly confidential; only summaries of the entire sample will be reported. (DO NOT PAUSE)

- | | |
|---|--|
| 1. Approximately, how many years have you lived in Minnetonka? | LESS THAN ONE YEAR.....3%
ONE TO TWO YEARS.....12%
THREE TO FIVE YEARS...18%
SIX TO TEN YEARS.....20%
ELEVEN - TWENTY YEARS.26%
OVER TWENTY YEARS.....21%
DON'T KNOW/REFUSED.....0% |
| 2. As things now stand, how long in the future do you expect to live in Minnetonka? | LESS THAN TWO YEARS....1%
TWO TO FIVE YEARS.....6%
SIX TO TEN YEARS.....7%
11 TO 20 YEARS.....21%
21 TO THIRTY YRS.....19%
OVER THIRTY YEARS.....31%
DON'T KNOW/REFUSED....15% |
| 3. How would you rate the quality of life in Minnetonka -- excellent, good, only fair, or poor? | EXCELLENT.....41%
GOOD.....59%
ONLY FAIR.....1%
POOR.....0%
DON'T KNOW/REFUSED.....0% |
| 4. What do you like most about living in Minnetonka? | UNSURE.....0%
FRIENDLY PEOPLE.....13%
SAFE.....11%
OPEN SPACES.....12%
PARKS.....5%
SCHOOLS.....9%
TREES/NATURE.....13%
TRAILS.....5%
THE LAKE.....14%
QUIET.....7%
HOUSING/NEIGHBORHOOD...7%
CLOSE TO JOB.....2%
SCATTERED.....2% |

5. What do you like least about living in Minnetonka?
- | | |
|-------------------------|-----|
| UNSURE..... | 6% |
| NOTHING..... | 19% |
| HIGH TAXES..... | 11% |
| LACK OF DIVERSITY..... | 3% |
| TRAFFIC CONGESTION.... | 12% |
| STREET MAINTENANCE..... | 9% |
| LACK OF SIDEWALKS..... | 19% |
| LACK OF PUBLIC TRANSIT. | 3% |
| TOO MUCH DEVELOPMENT... | 8% |
| NO ENTERTAINMENT..... | 9% |
| SCATTERED..... | 2% |

IF "LACK OF DIVERSITY," ASK: (N=11)

6. What, if anything, do you think the city should do to address the lack of diversity?

UNSURE, 36%; AFFORDABLE HOUSING, 55%; CULTURAL EVENTS, 9%.

7. How welcoming, if at all, do you think Minnetonka is -- is it very welcoming, somewhat welcoming, not too welcoming, or not at all welcoming?
- | | |
|-------------------------|-----|
| VERY WELCOMING..... | 55% |
| SOMEWHAT WELCOMING.... | 43% |
| NOT TOO WELCOMING..... | 2% |
| NOT AT ALL WELCOMING... | 0% |
| DON'T KNOW/REFUSED..... | 0% |

IF "NOT TOO WELCOMING" OR "NOT AT ALL WELCOMING," ASK: (N=7)

8. Who do you think does not feel welcomed in Minnetonka?
- | | |
|-------------------------|-----|
| DON'T KNOW/REFUSED..... | 0% |
| BIPOC..... | 86% |
| LOW-INCOME..... | 14% |

For each of the following, please rate the City of Minnetonka as excellent, good, only fair, or poor.

	EXC	GOO	FAI	POO	DKR
9. Creating a welcoming community for residents of all backgrounds.	60%	38%	3%	0%	0%
10. Treating all residents with respect.	52%	41%	6%	1%	1%
11. Treating all residents fairly.	50%	40%	6%	0%	4%
12. Providing services to residents of all backgrounds.	56%	38%	5%	0%	1%

13. Should it be high priority, moderate priority, low priority, or not a priority at all for the City of Minnetonka to create a diverse, inclusive and fair community? HIGH PRIORITY.....20% MODERATE PRIORITY.....50% LOW PRIORITY.....26% NOT A PRIORITY AT ALL..4% DON'T KNOW/REFUSED.....1%

Would you rate the city as excellent, good, only fair, or poor for this statement.

14. Minnetonka is an inclusive community committed to excellence where all residents, workers, and visitors are welcome in a beautiful, sustainable place, supported by quality dependable city services. EXCELLENT.....28% GOOD.....66% ONLY FAIR.....6% POOR.....0% DON'T KNOW/REFUSED.....0%

Changing topics.....

I would like to read you a list of a few city services. For each one, please tell me whether you would rate the quality of the service as excellent, good, only fair, or poor. If you have no opinion, just say so.... (ROTATE LIST)

	EXC	GOO	FAI	POO	DKR
15. Police services?	74%	25%	2%	0%	0%
16. Pavement repair and patching on city streets?	28%	60%	11%	1%	0%
17. Trail maintenance?	52%	47%	2%	0%	0%
18. Park maintenance?	65%	35%	0%	0%	0%
19. Community planning?	62%	33%	1%	0%	4%
20. Fire protection?	70%	27%	1%	0%	2%
21. Recycling service?	49%	48%	2%	0%	1%
22. Snow plowing?	31%	63%	6%	0%	0%
23. Storm water management?	32%	64%	1%	0%	4%
24. Water and sanitary sewer services?	39%	57%	1%	0%	3%
25. Recreational services and programs?	40%	54%	4%	0%	2%
26. Senior services?	37%	47%	3%	0%	13%
27. Natural resources management?	58%	37%	3%	0%	2%

IF ANY SERVICES IN #15-#27 WERE RATED EITHER "ONLY FAIR" OR "POOR," ASK: (N=108)

28. What changes or improvements, if any, would be needed in that service for it to be rated "excellent" or "good?"	UNSURE.....6% FASTER RESPONSE.....11% FIX POTHOLE.....30% LOWER COST.....11% BETTER PLOWING.....11% BETTER DEVELOPMENT DECISIONS.....5% LARGER RECYCLING BINS..7% BETTER STORM DRAINAGE..2% BETTER TRAIL UPKEEP....7% SCATTERED.....10%
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Moving on....

29. When you consider the property taxes you pay and the quality of city services you receive, would you rate the general value of city services as excellent, good, only fair, or poor?	EXCELLENT.....25% GOOD.....65% ONLY FAIR.....5% POOR.....0% DON'T KNOW/REFUSED....6%
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As you may know, the City of Minnetonka receives no local government state aid and largely relies on property taxes to fund basic services.

30. If you could increase the property tax levy by one percent, which ONE of these major areas would you prioritize for the increase -- police and fire protection, street maintenance, parks and trails, or some other city service?	POLICE/FIRE.....27% STREETS.....27% PARKS AND TRAILS.....29% OTHER SERVICE.....7% NONE OF ABOVE (VOL)....2% DON'T KNOW/REFUSED....9%
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31. Would you favor or oppose an increase in YOUR city property taxes if it were needed to maintain city services at their current level?	FAVOR.....82% OPPOSE.....10% DON'T KNOW/REFUSED....8%
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IF "OPPOSE," ASK: (N=38)

32. What service would you be willing to see cut?	DON'T KNOW/REFUSED....0% ACROSS THE BOARD.....53% ADMINISTRATION.....26% PARKS/RECREATION.....8% POLICE.....11% SCATTERED.....3%
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Moving on....

33. Have you called 9-1-1 in the past twelve months? YES.....12%
 NO.....88%
 DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (N=24)

34. Were you calling for help with an issue that you or someone close to you was directly experiencing? YES.....80%
 NO.....20%
 DON'T KNOW/REFUSED.....0%

35. How satisfied were you by the interaction with the 911 call center -- were you very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied? VERY SATISFIED.....92%
 SOMEWHAT SATISFIED....8%
 SOMEWHAT DISSATISFIED..0%
 VERY DISSATISFIED.....0%
 DON'T KNOW/REFUSED.....0%

36. How satisfied were you with the people and resources that responded to your call -- were you very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied? VERY SATISFIED.....92%
 SOMEWHAT SATISFIED.....4%
 SOMEWHAT DISSATISFIED..4%
 VERY DISSATISFIED.....0%
 DON'T KNOW/REFUSED.....0%

37. Over the past year, have you called the Minnetonka Police Department for any reason other than 9-1-1? YES.....12%
 NO.....88%
 DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (N=47)

38. What was the reason? DON'T KNOW/REFUSED.....4%
 ANIMAL CONTROL.....38%
 MEDICAL ISSUE.....19%
 NEIGH DISTURBANCE.....4%
 REPORT A CRIME.....23%
 MINOR ACCIDENT.....11%

39. How would you rate the way police employees handled the situation -- excellent, good, only fair, or poor? EXCELLENT.....38%
 GOOD.....53%
 ONLY FAIR.....4%
 POOR.....0%
 DON'T KNOW/REFUSED.....4%

40. Do you feel that crime in Minnetonka has increased, decreased or remained about the same during the past few years? INCREASED.....14%
 DECREASED.....11%
 REMAINED THE SAME.....75%
 DON'T KNOW/REFUSED.....1%

41.	Are there areas in Minnetonka where you do not feel safe?	YES.....13%
		NO.....87%
		DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (N=52)

42.	In which areas do you not feel safe?	DON'T KNOW/REFUSED.....0%
		AREAS WITH NO SIDEWALKS.....40%
		BUSY INTERSECTIONS....19%
		RIDGEDALE.....10%
		TRAILS.....13%
		PARKING LOTS.....13%
		EVERYWHERE AT NIGHT....4%

43.	What makes you feel unsafe?	DON'T KNOW/REFUSED.....0%
		NO ROOM TO WALK.....25%
		DARK.....23%
		SPEEDING.....23%
		RISING CRIME.....15%
		UNSAFE CROSSWALKS.....8%
		SCATTERED.....6%

44.	What would make you feel more safe?	DON'T KNOW/REFUSED.....2%
		SIDEWALKS.....32%
		MORE POLICE PATROL....29%
		STREET LIGHTS.....10%
		MORE PEOPLE AROUND....8%
		SAFER CROSSWALKS.....12%
		SLOWER TRAFFIC.....4%
		SCATTERED.....4%

45.	How would you rate the amount of patrolling in your neighborhood -- would you say it is too much, about the right amount, or not enough?	TOO MUCH.....3%
		ABOUT RIGHT AMOUNT....89%
		NOT ENOUGH.....8%
		DON'T KNOW/REFUSED.....1%

46.	During the past year, have you been stopped by a Minnetonka Police officer for a traffic violation?	YES.....15%
		NO.....85%
		DON'T KNOW/REFUSED.....0%

IF "YES" ASK: (N=59)

47.	Did the police officer act in a professional manner?	YES.....100%
		NO.....0%
		DON'T KNOW/REFUSED.....0%

IF "NO," ASK: (N=0)

48. Why do you feel that way?

NOT APPLICABLE.

49. Over the past year, have you called the Minnetonka Fire Department for any reason other than 9-1-1?	YES.....	2%
	NO.....	98%
	DON'T KNOW/REFUSED.....	1%

IF "YES," ASK: (N=7)

50. What was the reason?

REPORT LARGE BONFIRE, 43%; OBTAIN INFORMATION, 57%.

51. How would you rate the way fire employees handled the situation -- excellent, good, only fair, or poor?	EXCELLENT.....	57%
	GOOD.....	29%
	ONLY FAIR.....	14%
	POOR.....	0%
	DON'T KNOW/REFUSED.....	0%

Moving on....

52. In general, do you think the City is doing too much, too little, or about the right amount in protecting the environment?	TOO MUCH.....	5%
	TOO LITTLE.....	7%
	ABOUT RIGHT AMOUNT....	87%
	DON'T KNOW/REFUSED.....	1%

How would you rate City efforts in the protection of each of the following types of land -- would you say the City of Minnetonka has done an excellent job, good job, only fair job, or poor job?

	EXC	GOO	FAI	POO	DKR
53. Wetlands, ponds and streams?	45%	49%	6%	1%	0%
54. Forested areas?	47%	48%	4%	1%	1%

55. How would you rate the overall quality of the natural environment in Minnetonka -- excellent, good, only fair, or poor?	EXCELLENT.....	31%
	GOOD.....	64%
	ONLY FAIR.....	5%
	POOR.....	0%
	DON'T KNOW/REFUSED.....	0%

56. How would you rate the water quality in city lakes, ponds and streams -- excellent, good, only fair, or poor?	EXCELLENT.....	29%
	GOOD.....	58%
	ONLY FAIR.....	12%
	POOR.....	0%
	DON'T KNOW/REFUSED.....	1%

I would like to read you a list of issues relating to the local environment and sustainability. For each of the following, please tell me if that issue is very important for the City to take action on, somewhat important, not too important, or not at all important? (ROTATE)

	VRI	SMI	NTI	NAA	DKR
57. Energy conservation?	29%	30%	39%	2%	1%
58. Water conservation?	27%	33%	21%	19%	1%
59. Expanded mass transit options?	22%	32%	22%	24%	1%
60. Climate change?	31%	30%	22%	17%	1%
61. Reducing waste?	24%	36%	29%	9%	1%
62. Improving storm water management?	13%	34%	41%	10%	2%

IF "VERY IMPORTANT" OR "SOMEWHAT IMPORTANT," ASK: (N=311)

63. Would you be willing to see a property tax increase to fund the City's work on these issues? (WAIT FOR RESPONSE) Do you feel strongly that way?	STRONGLY YES.....	16%
	YES.....	63%
	NO.....	14%
	STRONGLY NO.....	4%
	DON'T KNOW/REFUSED.....	4%
64. Does your household participate in a program collecting organic waste, such as food scraps, with a private hauler?	YES.....	30%
	NO.....	69%
	DON'T KNOW/REFUSED.....	1%

IF "NO," ASK: (N=276)

65. Could you tell me one or two reasons why your household does not participate in an organic waste program?	DON'T KNOW/REFUSED.....	0%
	NOT ENOUGH.....	5%
	RENT/ASSOCIATION.....	20%
	TOO EXPENSIVE.....	9%
	BAD SMELL.....	10%
	COMPOST AT HOME.....	8%
	NO INTEREST.....	38%
	MESSY.....	9%
	SCATTERED.....	2%
66. Were you aware of the organics waste dumpster located at the Recycling Center at the Public Works building? (IF "YES," ASK:) Have you ever used this service?	NO.....	39%
	YES/YES.....	13%
	YES/NO.....	46%
	DON'T KNOW/REFUSED.....	2%

Moving on....

67. Does your household participate in the curbside recycling program? YES.....85%
 NO.....15%
 DON'T KNOW/REFUSED.....1%

IF "YES," ASK: (N=338)

68. How would you rate the curbside recycling program -- excellent, good, only fair, or poor? EXCELLENT.....31%
 GOOD.....60%
 ONLY FAIR.....5%
 POOR.....0%
 DON'T KNOW/REFUSED.....4%

IF "NO," ASK: (N=59)

69. Could you tell me one or two reasons why your household does not participate in the curbside recycling program? DON'T KNOW/REFUSED.....0%
 NOT ENOUGH.....36%
 RENT/ASSOCIATION.....56%
 BINS ARE TOO SMALL.....2%
 DON'T LIKE RECYCLING...2%
 ATTRACTS WILDLIFE.....5%

Moving on....

The City strives to balance the rights of individual property owners to reasonably develop their properties, with the interests of the wider community.

70. How successful do you think the City has been in maintaining this balance -- very successful, somewhat successful, neither successful nor unsuccessful, somewhat unsuccessful, or very unsuccessful? VERY SUCCESSFUL.....30%
 SOMEWHAT SUCCESSFUL...53%
 NEITHER SUC/UNSUC.....12%
 SOMEWHAT UNSUCCESSFUL..0%
 VERY UNSUCCESSFUL.....0%
 DON'T KNOW/REFUSED.....5%

71. Do you feel Minnetonka residents have appropriate opportunities for input into the zoning and development decision-making process? YES.....86%
 NO.....6%
 DON'T KNOW/REFUSED.....9%

IF "NO," ASK: (N=22)

72. What change or improvement would you like to see made? DON'T KNOW/REFUSED.....0%
 LISTEN.....55%
 MORE OPPORTUNITIES....23%
 MORE PROACTIVE
 COMMUNICATION.....23%

73. Should the City consider more housing units, such as twin and town-homes, on high traffic road ways and activity centers? (WAIT FOR RESPONSE) Do you feel strongly that way?

STRONGLY YES.....	11%
YES.....	48%
NO.....	17%
STRONGLY NO.....	13%
DON'T KNOW/REFUSED....	11%

Moving on....

For each of the following, please tell me if it is a major problem in Minnetonka, a minor problem, or not a problem at all.

	MAJ	MIN	NOT	DKR
74. Storage of garbage and recycling cans?	1%	32%	68%	0%
75. Maintenance and upkeep of residential homes?	0%	17%	83%	0%
76. Maintenance and upkeep of residential yards?	1%	14%	86%	0%
77. Eyesores on residential properties, such as external storage of personal property?	0%	19%	81%	0%
78. Maintenance and upkeep of business properties?	0%	13%	87%	0%
79. Off-leash dogs in city parks and trails?	1%	24%	75%	0%
80. Noise?	10%	40%	50%	0%

IF NOISE IS A MAJOR PROBLEM, ASK: (N=41)

81. What is the main cause of the noise problem?	DON'T KNOW/REFUSED.....	2%
	DOGS.....	15%
	MUSIC.....	32%
	FIREWORKS.....	5%
	TRAFFIC.....	32%
	LAWN EQUIPMENT.....	5%
	BOAT PARTIES.....	10%

IF ANY ARE A MAJOR PROBLEM IN #74-80, ASK: (N=37)

82. Did you report the problem(s) to the city?	YES.....	60%
	NO.....	40%
	DON'T KNOW/REFUSED.....	0%

IF "YES," ASK: (N=22)

83. Were you satisfied or dissatisfied with the response you received?	SATISFIED.....	50%
	DISSATISFIED.....	50%
	DON'T KNOW/REFUSED.....	0%

On another topic....

For each of the following Minnetonka facilities or offerings, please tell me if you or members of your household have visited it during the past year. Then, for each one you or members of your household have visited, please rate it as excellent, good, only fair, or poor. If you have no opinion, just say so....

	NOT	EXC	GOO	FAI	POO	DKR
84. Parks?	12%	55%	33%	0%	0%	0%

IF RESPONDENT USES PARKS, ASK: (N=353)

85. What park amenities does your household use most often?
(ROTATE AND READ LIST)

ATHLETIC FIELDS.....	18%
PICKLEBALL COURTS.....	3%
OFF-LEASH DOG PARK.....	14%
OUTDOOR ICE RINKS.....	1%
PLAYGROUND EQUIPMENT.....	14%
TENNIS COURTS.....	10%
WALKING TRAILS.....	22%
BASKETBALL COURTS.....	2%
BEACH.....	3%
MOUNTAIN BIKING TRAIL.....	7%
PICNIC AREA.....	7%
OTHER.....	0%
DON'T KNOW/REFUSED.....	0%

	NOT	EXC	GOO	FAI	POO	DKR
86. Minnetonka Senior services?	64%	13%	20%	4%	0%	0%
87. The Williston Fitness Center?	49%	35%	15%	2%	0%	0%

IF RESPONDENT USES WILLISTON FITNESS CENTER, ASK: (N=205)

88. What amenities do you use most often?	FITNESS AREA.....	22%
	GYM.....	31%
	POOL.....	17%
	TENNIS COURTS.....	5%
	GROUP FITNESS CLASSES.....	16%
	INDOOR PLAYGROUND.....	6%
	BATTING CAGES.....	3%
	OTHER (VOL.).....	0%
	DON'T KNOW/REFUSED.....	0%

	NOT	EXC	GOO	FAI	POO	DKR
89. Minnetonka Community Center?	53%	27%	21%	0%	0%	0%
90. Shady Oak Beach?	37%	31%	32%	1%	0%	0%
91. Glen Lake Skate Park?	86%	9%	6%	0%	0%	0%
92. Gray's Bay Marina?	46%	42%	12%	0%	0%	0%
93. Ice Arena?	71%	11%	17%	1%	0%	0%

IF RESPONDENT USES ICE ARENA, ASK: (N=117)

94. Do you primarily use the ice arena for figure skating and lessons, public skating and open hockey, or youth hockey teams?	ICE SKATING/LESSONS....8%
	PUBLIC SKATING/OPEN...52%
	YOUTH HOCKEY TEAMS....40%
	OTHER (VOL.).....0%
	DON'T KNOW/REFUSED.....0%

	NOT	EXC	GOO	FAI	POO	DKR
95. Trails?	16%	47%	33%	3%	0%	0%

IF RESPONDENT USES TRAILS, ASK: (N=335)

96. Do you use trails primarily for recreational purposes, commuting, or to go to a specific destination?	RECREATIONAL.....76%
	COMMUTING.....3%
	SPECIFIC DESTINATION...2%
	ALL (VOL.).....20%
	DON'T KNOW/REFUSED.....0%

97. Does the current mix of recreational facilities in the city adequately meet the needs of your household?	YES.....99%
	NO.....1%
	DON'T KNOW/REFUSED.....0%

IF "NO," ASK: (n=3)

98. What additional recreational facilities would you like to see offered?

MORE SIDEWALKS AND TRAILS, 100%.

99. Were you aware the City has acquired and partially opened the Marsh? (IF "YES," ASK:) Have you or members of your household visited the Marsh?	NO.....42%
	YES/YES.....18%
	YES/NO.....41%
	DON'T KNOW/REFUSED.....0%

100. Do you have any suggestions for future uses of the Marsh?
 (IF "YES," ASK:) What would those be?

UNSURE, 2%; NO, 84%; BANQUET CENTER, 2%; WELLNESS CENTER,
 6%; NATURE CENTER, 2%; SCATTERED, 4%.

The City's CIP or Capital Improvement Program plans and finances major refurbishments, replacements and additions of recreational facilities, parks and trails.

101. Do you support the continued invest- NO.....4%
 ment of both property taxes and YES/PRESERVE.....65%
 other funding sources to preserve YES/BOTH.....19%
 and/or expand these various commun- DON'T KNOW/REFUSED....13%
 ity assets? (IF "YES," ASK:) Do
 you support only preserving these
 assests or also expanding them?

IF "YES/BOTH," ASK: (N=74)

102. What amenities would you like to see expanded?

UNSURE, 11%; NATURAL AREAS, 12%; ATHLETIC FIELDS, 8%;
 TRAILS, 26%; PLAYGROUNDS, 8%; PICNIC AREAS, 4%; ICE
 RINKS, 7%; GARDENS, 7%; RECREATION PROGRAMS, 8%;
 SCATTERED, 9%.

IF "NO," ASK: (N=14)

103. Are there specific amenities that you feel should not
 continue to be maintained by the city?

UNSURE, 22%; NO, 22%; FARMERS MARKET, 14%;
 MUSIC/MOVIES IN PARKS, 22%; BOAT LAUNCHES, 7%;
 COMMUNITY EVENTS, 14%.

I would like to read you a short list of events offered by the
 City of Minnetonka. For each one, tell me first if you are aware
 of it. For those you have heard of, tell me if you have partici-
 pated in it.... (ROTATE)

	NOT AWA	AWA PAR	AWA NOT	DK/ REF
104. Farmers Market at the Civic Center Campus?	18%	50%	32%	1%
105. Tree Sale?	35%	19%	46%	1%

	NOT AWA	AWA PAR	AWA NOT	DK/ REF
106. Summer Fest?	13%	61%	26%	0%
107. Winters Farmers Market?	30%	27%	43%	0%
108. Burwell Spooktacular?	28%	26%	47%	0%
109. Entertainment in the Park, such as music and movies?	19%	54%	28%	0%

Moving on to public transit....

110. Have you taken a bus in Minnetonka during the past two years?	YES.....	19%
	NO.....	81%
	DON'T KNOW/REFUSED.....	0%

IF "YES," ASK: (N=76)

111. How often do you take a bus -- daily, couple times a week, weekly, couple times a month, monthly, or less often?	DAILY.....	9%
	COUPLE TIMES/WEEK.....	12%
	WEEKLY.....	4%
	COUPLE TIMES/MONTH.....	20%
	MONTHLY.....	9%
	LESS OFTEN.....	46%
	DON'T KNOW/REFUSED.....	0%

112. Typically, what is your rea- son for taking the bus?	AVOID TRAFFIC CONGEST.....	20%
	SHOPPING.....	16%
	SPORTING EVENT.....	18%
	SAVE MONEY.....	4%
	STATE FAIR.....	11%
	SPECIAL EVENT.....	16%
	WORK.....	4%
	ENTERTAINMENT.....	5%
	SCATTERED.....	7%

IF "NO" IN QUESTION #110, ASK: (N=324)

113. Why haven't you taken the bus?	PREFER TO DRIVE.....	63%
	AGE/HEALTH.....	10%
	INCONVENIENT TIMES.....	4%
	NO NEED.....	14%
	NEED CAR.....	6%
	SCATTERED.....	3%
114. Have you or members of your house- hold used transportation services, such as Uber or Lyft? (IF "YES," ASK:) Do you use them frequently, occasionally, or rarely?	NO.....	56%
	YES/FREQUENTLY.....	3%
	YES/OCCASIONALLY.....	25%
	YES/RARELY.....	17%
	DON'T KNOW/REFUSED.....	0%

115. Are you aware of individual public transportation options, such as Metro Mobility, Veteran service, and TransitLink? (IF "YES," ASK:) Have you or members of your household used these types of services?
- | | |
|-------------------------|-----|
| NO..... | 61% |
| YES/YES..... | 8% |
| YES/NO..... | 31% |
| DON'T KNOW/REFUSED..... | 0% |
116. Is the cost of transportation a major problem for your household, a minor problem, or not a problem at all?
- | | |
|-------------------------|-----|
| MAJOR..... | 1% |
| MINOR..... | 11% |
| NOT A PROBLEM..... | 88% |
| DON'T KNOW/REFUSED..... | 0% |

MetroTransit's NetworkNow is working with cities to determine what transit issues they will be facing in the next five years. For each of the following, please tell me if you think it should be a top priority of the city, high priority, moderate priority, or not at priority at all.

	TOP	HIG	MOD	NOT	DKR
117. Transit bus services?	15%	23%	34%	28%	0%
118. Lightrail connections?	23%	21%	25%	30%	1%
119. Rideshare?	11%	30%	34%	23%	3%
120. Senior transportation?	32%	41%	15%	8%	3%
121. Transportation for the disabled?	39%	28%	17%	11%	6%

The Southwest Light Rail Transit will be a high-frequency train serving the southwest metro area. The Southwest LRT line will connect to other rail lines and high-frequency bus routes in downtown Minneapolis, providing access to other areas in the Twin Cities.

122. How likely are you or members of your household to use this service when it opens in 2027 - very likely, somewhat likely, not too likely, or not at all likely?
- | | |
|-------------------------|-----|
| VERY LIKELY..... | 11% |
| SOMEWHAT LIKELY..... | 27% |
| NOT TOO LIKELY..... | 20% |
| NOT AT ALL LIKELY..... | 40% |
| DON'T KNOW/REFUSED..... | 3% |

Changing topics....

123. How much first-hand contact have you had with the Minnetonka City Staff -- quite a lot, some, very little, or none at all?
- | | |
|-------------------------|-----|
| QUITE A LOT..... | 3% |
| SOME..... | 33% |
| VERY LITTLE..... | 39% |
| NONE AT ALL..... | 25% |
| DON'T KNOW/REFUSED..... | 0% |

124. From what you know, how would you rate the job performance of the Minnetonka City Staff -- excellent, good, only fair, or poor?	EXCELLENT.....23% GOOD.....73% ONLY FAIR.....3% POOR.....0% DON'T KNOW/REFUSED.....1%
--	---

125. During the past year, have you visited or contacted Minnetonka City Hall in person, on the telephone, or by e-mail?	YES.....42% NO.....58% DON'T KNOW/REFUSED.....0%
--	--

IF "YES," ASK: (N=168)

126. On your last contact with the City, which department did you contact -- the Police Department, Fire Department, Public Works, Utility Billing, Assessor's Office, Planning/Zoning, Natural Resources, Building Inspections, Engineering, Recycling, Recreation Services, General Information, Senior Services, or Administration or City Council?	POLICE DEPARTMENT.....5% FIRE DEPARTMENT.....1% PUBLIC WORKS.....8% UTILITY BILLING.....30% ASSESSOR'S OFFICE.....2% PLANNING/ZONING.....7% NATURAL RESOURCES.....6% BUILDING INSPECTIONS...0% ENGINEERING.....0% RECYCLING.....5% RECREATION SERVICES...15% GENERAL INFORMATION...14% SENIOR SERVICES.....7% ADMIN/CITY COUNCIL.....1% DON'T KNOW/REFUSED.....0%
--	---

Thinking about your last contact with the City, for each of the following characteristics, please rate the service as excellent, good, only fair, or poor....

	EXC	GOO	FAI	POO	DKR
127. Ease of reaching a City Staff member who could help you?	60%	36%	4%	0%	0%
128. Courtesy of the City Staff?	60%	40%	1%	0%	0%
129. Efficiency of the City Staff?	56%	39%	5%	0%	0%
130. Professionalism of the City Staff?	65%	33%	1%	0%	0%

Moving on....

131. What is your primary source of information about Minnetonka City government and its activities?	UNSURE.....0% MINNETONKA MEMO.....45% LOCAL NEWSPAPER.....11% CITY WEBSITE.....21% WORD OF MOUTH.....5% CITY EMAIL/EMAIL SUBSCRIPTION.....2% SOCIAL MEDIA.....6% CITY NEWSLETTER.....11%
--	--

132. If you could choose the best way for you to receive information about your City government and the issues facing the community, what would it be?	MINNETONKA MEMO.....52% MAILINGS.....13% LOCAL NEWSPAPER.....9% CITY E-MAIL.....2% CITY WEBSITE.....16% WORD OF MOUTH.....3% SOCIAL MEDIA.....6%
--	--

The City publishes a monthly newsletter, "Minnetonka Memo," sent to each home.

133. Do you receive this newsletter? (IF "YES," ASK:) Do you regularly read the newsletter?	NO.....10% YES/YES.....66% YES/NO.....23% DON'T KNOW/REFUSED.....1%
--	--

IF "YES/YES," ASK: (N=263)

134. How would you evaluate its content and format -- excellent, good, only fair, or poor?	EXCELLENT.....43% GOOD.....55% ONLY FAIR.....3% POOR.....0% DON'T KNOW/REFUSED.....0%
--	---

135. How would you evaluate its usefulness -- excellent, good, only fair, or poor?	EXCELLENT.....39% GOOD.....51% ONLY FAIR.....10% POOR.....0% DON'T KNOW/REFUSED.....0%
--	--

136. Have you or any member of your household accessed the City of Minnetonka website, Minnetonkamn.gov, for information about city services, news, and events?	YES.....35% NO.....65% DON'T KNOW/REFUSED.....0%
---	--

IF "YES," ASK: (N=139)

137. How would you evaluate the city website -- excellent, good, only fair, or poor?

EXCELLENT.....	30%
GOOD.....	70%
ONLY FAIR.....	0%
POOR.....	0%
DON'T KNOW/REFUSED.....	0%

IF "ONLY FAIR" OR "POOR," ASK: (N=0)

138. Did you rate the website as (only fair/poor) because of its content or the ease of navigation?

CONTENT.....	NA
NAVIGATION.....	NA
BOTH (VOL.).....	NA
DON'T KNOW/REFUSED.....	NA

Minnetonka Matters is a website to increase community involvement by offering a platform for residents to share ideas and learn what is going on in the city.

139. Prior to this survey, were you aware of Minnetonka Matters?

YES.....	58%
NO.....	33%
DON'T KNOW/REFUSED.....	9%

The City streams its City Council and other public meetings on its website. Meetings are archived and can also be viewed any time after their original airing.

140. Have you ever viewed or listened to meetings from the City website? (IF "YES," ASK:) Do you typically watch or listen to the meetings LIVE?

NO.....	77%
YES/YES.....	7%
YES/NO.....	15%
DON'T KNOW/REFUSED.....	1%

The City uses social media, such as Instagram, Facebook, and an on-line citizen request program, as additional means of communicating with residents. For each one, please tell me if you use it and then if you use it would you rate it as excellent, good, only fair, or poor?

	NOT USE	USE	USE	USE	USE	DK/
	USE	EXC	GOO	FAI	POO	REF
141. The City Instagram?	85%	8%	7%	0%	0%	0%
142. The City Facebook page?	58%	16%	24%	3%	0%	0%
143. The City on-line citizen request program?	82%	8%	9%	1%	0%	0%

Changing topics....

144. Did you vote in the 2021 city election, the 2022 general election or both elections?	2021.....5%
	2022.....20%
	BOTH.....71%
	DON'T KNOW/REFUSED.....5%

IF "2021," "2022," OR "BOTH," ASK: (N=381)

145. Did you vote early, at the polling place or by absentee ballot?	EARLY.....25%
	POLLING PLACE.....55%
	ABSENTEE BALLOT.....19%
	DON'T KNOW/REFUSED.....2%

IF "EARLY" OR "POLLING PLACE," ASK: (N=304)

For each of the following, please rate the City as excellent, good, only fair, or poor....

	EXC	GOO	FAI	POO	DKR
146. Information provided prior to the election?	43%	54%	2%	0%	0%
147. Courtesy of the election staff?	51%	48%	1%	0%	0%

Now, just a few more questions for demographic purposes....

Could you please tell me how many people in each of the following age groups live in your household; please be sure to include yourself....

148. First, persons 65 or over?	0.....75%
	1.....8%
	2 OR MORE.....17%
	REFUSED.....1%

149. Adults under 65?	0.....19%
	1.....12%
	2.....62%
	3 OR MORE.....8%
	REFUSED.....0%

150. School-aged or pre-school children?	0.....71%
	1.....9%
	2.....13%
	3 OR MORE.....8%
	REFUSED.....0%

151. Do you own or rent your present residence?	OWN.....74%
	RENT.....26%
	REFUSED.....1%
IF "OWN," ASK: (N=296)	
152. Which of the following categories would contain the approximate value of your residential property -- under \$300,000, \$300,000-\$450,000, \$450,001-\$700,000, or over \$700,000?	UNDER \$300,000.....12%
	\$300,000-\$450,000.....38%
	\$450,001-\$700,000.....36%
	OVER \$700,000.....8%
	DON'T KNOW.....4%
	REFUSED.....3%
153. What is your age, please? (READ CATEGORIES)	18-24.....7%
	25-34.....18%
	35-44.....20%
	45-54.....21%
	55-64.....15%
	65 AND OVER.....20%
	REFUSED.....0%
154. Which of the following categories represents your ethnicity -- White, African-American, Hispanic-Latinx, Asian-Pacific Islander, Native American, or something else? (IF "SOMETHING ELSE," ASK:) What would that be?	WHITE.....74%
	AFRICAN-AMERICAN.....14%
	HISPANIC-LATINX.....4%
	ASIAN-PACIFIC ISLANDER.....5%
	NATIVE AMERICAN.....2%
	SOMETHING ELSE.....0%
	MIXED/BI-RACIAL.....2%
	DON'T KNOW.....0%
	REFUSED.....0%
155. Is a language other than English spoken in your home? (IF "YES," ASK:) What would that be?	NO/ENGLISH.....91%
	SPANISH.....4%
	HMONG.....2%
	SCATTERED.....3%
156. What is your gender identity?	MALE.....50%
	FEMALE.....50%
	NON-BINARY.....1%
	REFUSED.....0%
157. Ward	WARD ONE.....27%
	WARD TWO.....25%
	WARD THREE.....24%
	WARD FOUR.....24%

**City Council Agenda Item 3.B
Meeting of August 21, 2023**



Title: Preliminary 2024 budget review

Report from: Darin Nelson, Finance Director

Submitted through: Moranda Dammann, Assistant City Manager
Corrine Heine, City Attorney
Mike Funk, City Manager

Presenter: Mike Funk, City Manager and Darin Nelson, Finance Director

Action Requested: Review the preliminary 2024 budget and levies and provide feedback.

Summary Statement

We are pleased to propose to the city council a 2024 levy and budget consistent with our strategic goals and community values. Within that framework, the budget recommendations presented are both forward-looking and responsive to the community and the city council's concerns, specifically to ensure that city services are maintained. The proposal aligns with the reaffirmation by a considerable majority of Minnetonka community survey respondents that they would support an increase in taxes to maintain current city service levels. The recommendations are built using long-term forecasts, including a conservative eye on the national economy.

As always, the City of Minnetonka will continue to provide the excellent services that our residents and businesses have come to expect, and at a reasonable value, both in 2024 and well into the future.

Strategic Profile Relatability

Financial Strength & Operational Excellence

The city's six strategic priorities drive the development and direction of the annual budget.

Background

See attached report.

Discussion Questions

1. Does the city council support a base levy increase of 5.5%?
2. Does the city council support approximately 2.25 percent to the base levy increase of 5.5 percent for the implementation of the first phase of the public safety master plan, for an overall increase of 7.75 percent?
3. Does the city council agree that a total of \$300,000 should be certified as the HRA preliminary levy for 2024, which is the same levy amount presented at the EIP study session in June?

ATTACHMENTS:

[2024 Preliminary Budget Background Report](#)
[2024 Preliminary General Fund Budget](#)



Study Session Meeting of August 21, 2023

Title: Preliminary 2024 Budget Review

Background

The [June 5, 2023](#), city council meeting included a budget kick-off agenda item seeking council feedback on the 2024 budget priorities and levy direction. The objective of the budget kick-off was to provide the city council with a high-level overview of the budget preparation process, factors affecting the budget, and the previously forecasted future levy estimates. This kick-off followed a series of department director reports from earlier in the spring that provided an overview of each department's operations, prior year highlights, upcoming goals and innovations, and finally, the department's challenges.

During the development of the 2023 budget last year, staff forecasted a 2024 levy increase of 6.2 percent. At the council meeting on June 5, the preliminary estimate for the 2024 levy stood at 5.75 percent. That percentage did not include any new funding for implementing the public safety master plan discussed at the [July 24, 2023](#), study session. The implementation of the public safety master plan will be over several years. However, the first year's implementation cost added another 5.25 percent to the base levy increase for a combined levy increase of eleven percent.

Since the June kick-off, department directors and city management have been working diligently to forecast revenues, expenditures and other factors influencing the budget and levy. Several dynamics are influencing this year's levy request, further outlined in this report.

City staff has a historical approach and budget philosophy to create a needs-based budget. The proposed 2024 budget is the same. As such, staff recommends increasing the 2024 preliminary city levy by 5.5 percent, with an additional 2.25 percent dedicated to implementing the public safety master plan. The 5.5 percent levy increase includes an additional \$710,000, or 1.5 percent dedicated to the Capital Improvements Program (CIP), which was reviewed at the [June 12, 2023](#), study session.

The HRA (Housing and Redevelopment Authority) levy is programmed to remain flat for 2024 at \$300,000. This levy supports programs indicated in the preliminary Economic Improvement Program (EIP) presented to the council at the [June 12, 2023](#), study session. Staff is always mindful of being responsible stewards of the public's tax dollars and continues to search for innovative ways to provide more cost-effective and efficient methods of service delivery.

Our Public Process

This study session aims to review key budget issues and provide direction on the 2024 preliminary tax levy and city budget. The city council must set and certify the preliminary tax levy to the county by Sept. 30, 2023, as required by state law. The preliminary levies will be considered at the Sept. 18, 2023, council meeting. The preliminary levy establishes the maximum amount the city can levy for taxes payable in 2024.

This budget study session focuses on the bigger picture. These discussions will guide detailed budget requests presented at the November budget study session. The council will adopt the final budget in December. At the Nov. 20, 2023 study session, staff will have more complete information regarding revenues and expenditures for the current year, which should assist in forecasting 2024 needs. The final 2024 levy may be less than the preliminary levy amount but cannot be greater.

Minnetonka always encourages input on its budget from the public. In addition to the information published on the proposed tax notices by Hennepin County and the public budget discussion scheduled Dec. 4, 2023, residents and businesses will again have the opportunity to provide feedback via multiple avenues, all of which are publicized on the city's website and in the *Minnetonka Memo*. Staff will share comments with the council as budget options are considered, and updated information will consistently be posted in the *Memo* and on the city's website through [Minnetonka Matters](#).

Long-Term Financial Planning and Sustainability

One of the city's six strategic priorities is financial strength and operational excellence. This strategic priority focuses on the city's long-term financial position and providing innovative, responsive, quality city services at a level that reflects community values and is supported by available resources.

The preliminary budget and levy focus on long-term financial sustainability and its impact on future levy increases. The 2023 budget utilizes federal American Rescue Plan Act (ARPA) funding to buy down the levy by \$250,000. This levy buy-down is a one-time action and must be added to future levies to restore this one-time reduction to maintain service levels. Part of the plan for the ARPA funding was to buy down the General Fund levy by a total of \$1.5 million over three years (2022, 2023 and 2024), \$1 million for 2022 and \$250,000 in both 2023 and 2024.

The city's General Fund ended 2022 with a very healthy unassigned fund balance of approximately 58 percent of the ensuing year's expenditure budget. This solid financial position was due partly to federal funding received in 2020, 2021 and 2022 and stronger than anticipated construction activity. Under the city's fund balance policy, the General Fund is required to have a year-end fund balance between 30 to 50 percent of the following year's operating budget. The city council may appropriate balances above 40 percent for one-time costs without ongoing financial commitments.

Excess fund balance within the General Fund is routinely programmed within the Capital Improvements Program (CIP) due to the one-time nature of the projects. The 2024 preliminary General Fund budget is programming transfers of \$1.625 million to various CIP funds. These transfers will reduce the fund balance to an estimated 40.7 percent at the end of 2024.

2024 Budget Initiatives and Influencing Factors

Personnel

The preliminary General Fund 2024 budget is \$50.9 million, an increase of 8.4 percent or \$3.96 million. Over three-quarters of the city's General Fund operating expenditures is the cost of its greatest assets, its employees.

The city hired a consultant this summer to conduct a class and compensation study for its non-union employees. Historically, the city has provided a cost of living adjustment (COLA) and potential market increases for all positions. For non-union employees, each position is compared with similar positions within our comparable cities. However, many of these positions are unique from city to city and have different job responsibilities, which meant the annual market analysis took a substantial amount of staff time to complete and was somewhat subjective.

Under the current system, every non-union employee in the city has a different pay rate, which is also causing issues with the required pay equity reporting to the State of Minnesota. Last year's pay equity report did pass, but it passed by the slimmest of margins. The class and compensation study analyzes each non-union position, placing each into a specific grade with other city positions with similar responsibilities, which will solidify future pay equity compliance.

The study also analyzed the outside market rates among our comparable cities to ensure the city remains competitive. Preliminary estimates indicate a total wage increase of approximately 4.6 percent or \$1.14 million. Again, these are preliminary estimates. The council determines final COLA adjustments for union and non-union wages. Adjustments for union wages are either set by existing union contracts or will be bargained through upcoming union contract negotiations, which must be approved by the city council. The council will be asked to approve non-union adjustments for 2024 in December.

The city recently solicited bids for health insurance. This year, 2023, is the last year of the current three-year agreement, which did mitigate insurance premiums over those three years, even with more significant increases in 2022 and 2023. Unfortunately, the city's experience rating is still trending high, directly influencing the bids received. The low bid came back from the current provider, Medica, at a 14.8 percent increase. Historically, the city and the employees share in the cost, with the city picking up 50-60 percent of the increase. Based on this calculation, the city's health insurance calculation is increasing by about \$400,000 for 2024.

The presidential election is in 2024, which increases our election costs, including the need for additional election judges. In addition, state election laws were modified this past legislative session requiring more open office hours for absentee voting. The 2024 budget includes an additional \$165,000 for election judges and staff overtime.

For the last few years, staff has been trying to move the last half of the Cable TV Special Revenue Fund operational costs to the General Fund. Cable franchise fees support this fund's operations and capital outlay. These fees have been declining as more and more people move away from cable television in favor of internet streaming services. The first half of this transition was completed in 2020, and the second half was initially planned for 2021 until COVID-19 impacted that year's levy request. That move was then delayed until 2023. In trying to reduce the 2023 levy to a manageable level, staff further delayed this move until 2024. The preliminary budget does include moving the remaining 1.25 FTEs from the Cable TV Special Revenue Fund to the General Fund at a cost of \$156,000. Approximately \$150,000 in other operational costs remain within the Cable TV fund and still need to be transitioned to the General Fund. Staff will work to transition those costs in future budgets.

Lastly, the 2023 budget includes an additional staffing request of twelve full-time equivalents. These requests were not part of the prior year's forecasted levy for 2024 that was presented in June. A majority of the new staffing is directly related to implementing the public safety master plan. The new requests include:

- *Five patrol officers and one sergeant.* The public safety master plan recommends the creation of a power shift to cover call volume during peak hours. The power shift includes the addition of four patrol officers. The fifth patrol officer would be assigned to traffic safety and is fully covered by grant funding from the State of Minnesota. This grant requires an annual renewal and approval by the State. However, there are indicators that if the city meets its grant obligations, we will continue to be eligible for future grant funding. The sergeant position would be assigned to professional standards and be responsible for administering the training function for the entire department. In addition to the traffic safety grant, the police department was recently awarded a three-year auto theft prevention grant with annual allotments of \$103,000. These two grants combined will cover about \$250,000 of this \$750,000 yearly additional cost.
- *Three full-time firefighter technicians.* The public safety master plan recommends the hiring of 18 additional firefighters. Understanding the financial strain of hiring this many positions in one year, staff is requesting three positions as a mid-year hires. These three firefighters would support the staffing of fire station #2 during peak hours which helps reduce response time to the northern part of the city. The combined cost of these three firefighters for half of 2024 is approximately \$175,000. The fire department has applied for a SAFER grant again this year to fund 18 full-time firefighter positions. The status of that grant is unknown at this time. We are expected to receive those results in late fall.
- *One electrical inspector.* The community development division, specifically building inspections, is experiencing a need for an additional electrical inspector. The increasing number of building permits and the increasing scheduling time to receive an electrical inspection is driving the need for an additional electrical inspector. The annual cost for an electrical inspector is approximately \$138,300, but is offset with revenues directly received from permitting.
- *One program and membership activities manager.* This position is needed to manage the sharp increase in demand for aquatic lessons. Historically there has been a waiting list for private swim lessons due to limited pool availability. Since the opening of the Marsh and its increased pool capacity, the Williston Fitness Center is now able to offer substantially more private swim lessons and other aquatic programming. This position has a budget impact of \$125,000 and would be split 50/50 between Joint Recreation and the Williston Fitness Center.
- *One public service worker/maintenance position at the Marsh.* This position has an estimated cost of \$115,200 and is needed to meet the ongoing maintenance needs of the facility. The Marsh operations will fund this position.

The total cost of the new staffing is approximately \$1.3 million, of which \$1.13 million is funded through the General Fund. A few of these positions are funded fully or partially through grants and fees associated with various services.

Other Budget Impacts

Outside of implementing the public safety master plan, the 2024 budget does not add significant new costs to the budget other than the new FTE requests. Other budget impacts outside of personnel include:

- \$145,000 for police department costs related to the public safety master plan. Costs include uniforms and safety equipment for new FTE requests, an additional squad car for the power shift, and \$30,000 dedicated towards mental health response.

Outside of the mental health response funding, most of these costs are one-time costs.

- \$30,000 for police department technology related to body-worn cameras and critical decision training simulator service agreements
- \$13,000 for the second and final phase of the police department's cadet program, increasing the number of cadets from two to four.
- \$45,800 for the fire department related to implementing initial phases of the public safety master plan
- \$22,000 for additional funding with the fire department related to the purchasing of oxygen
- \$75,000 for new voting booths
- \$60,000 for election supplies as printing costs have risen dramatically in the last few years.
- \$158,600 dedicated for the new finance/human resources system through LOGIS. Staff is anticipating that other ancillary software applications currently attached to the legacy system will eventually go away, which will lessen the new system's impact.
- \$15,000 for the administration department to fund the workforce development program in conjunction with the city of Hopkins
- \$10,000 for the DEI commission startup costs
- \$10,000 for lobbying costs related to state bonding project and potential sales tax funding
- \$30,000 for community development to replace the current permitting software system through LOGIS

Inflationary Pressures

Recent reports indicate that inflation in the metro area has stabilized and is at some of the lowest rates in the country. The Minneapolis/St. Paul Consumer Price Index (CPI) through July stood at 1.0 percent, while the Municipal Cost Index (MCI) through June stood at a negative 0.79 percent. For reference, these same indexes stood at 8.2 percent and 12.24 percent a year ago. This reduction in inflation is good news; however, the recent inflationary numbers only measure the year-over-year price increases. The city is still experiencing high prices compared to a couple years ago, and many of these cost pressures are not fully built into the budget.

One bright spot is that fuel prices are anticipated to be significantly lower than the current year. Last year at this time, fuel prices were escalating, and our state contract pricing for fuel was still in negotiations. Staff had anticipated a large spike in gasoline and diesel prices. Fortunately, prices began to retreat, and our contract pricing increase was less substantial than forecasted. Staff is budgeting almost \$134,000 less in fuel costs for 2024, which equates to a one-quarter percent levy reduction.

What's Not in the Budget

As mentioned earlier, operational costs not associated with the cable programming still need to be moved to the General Fund. Transferring the remaining FTEs to the General Fund is a great start, and staff will work to move the remaining costs of about \$150,000 in future years.

The police department currently handles deer management, a service they prefer to move away from. Preliminary estimates indicate that hiring a private service would cost \$50,000.

Other items not included in the budget are funding for community center carpet, chairs and tables at an estimated cost of \$112,000. Also not included are a handful of other position requests from various departments. The city’s department directors are very conscious of each other’s needs, and on the heels of the public safety master plan, directors realize police and fire will be at the top of the 2024 priority list. The administration department is also working on a staffing plan that will aid the council in better understanding where and when future personnel requests may impact the budget.

2024 Preliminary Levy

Since recovering from the recession beginning in 2014, the city’s community survey has shown our taxpayers’ consistent recognition of the value of city services and remarkable support to increase taxes to maintain city services. In the 2023 survey, 82 percent of those who stated an opinion still favored such an increase.

The 2024 proposed operating and capital budgets require an overall net increase in the city property tax levy of 5.50 percent to maintain city services. An additional increase of 2.25 percent is included to fund the first year of a multi-year public safety master plan. This increase includes all the changes mentioned earlier in this report, along with \$250,000 of ARPA funds to subsidize the levy increase. Although appearing separately on property tax statements, the HRA levy would remain unchanged from 2023, reducing the city’s overall property tax increase from 7.75 percent to 7.70 percent.

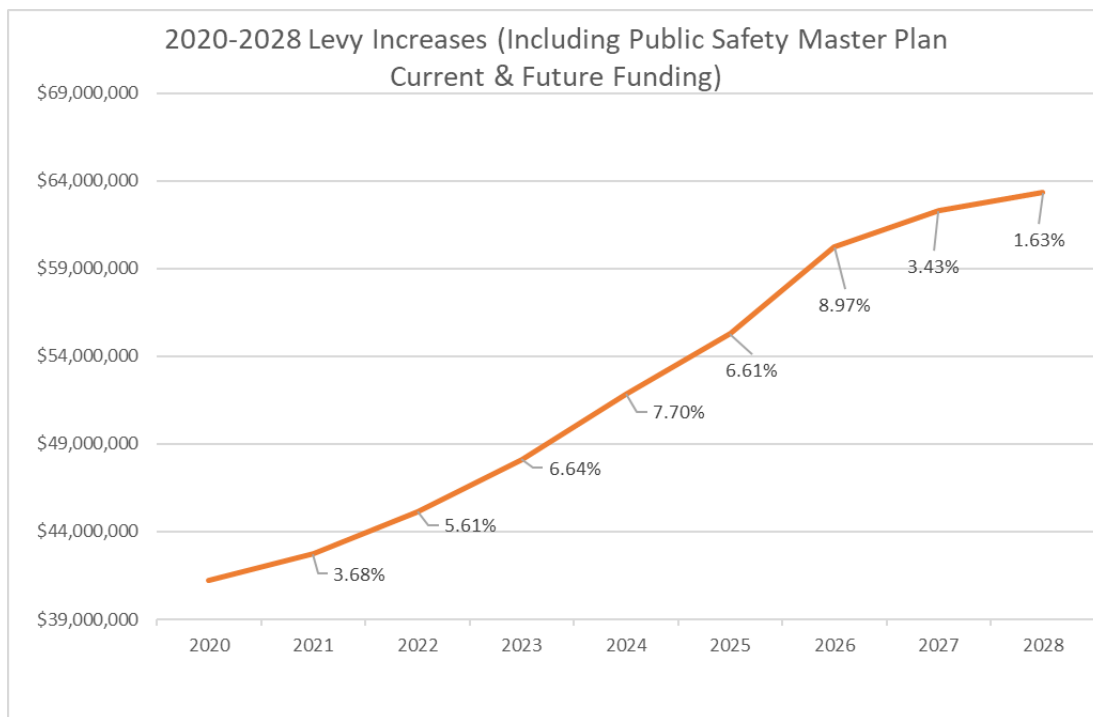
2024 Levy Analysis

Operational Levy (thousands)	2023	2024	Change
City property taxes, current services	47,835	47,835	0.0%
Prior Year One-Time Requests		(59)	(0.1%)
ARPA Levy Reinstatement		0	0.0%
Staffing COLA		814	1.7%
Other General Fund Staffing Requests		201	0.4%
Health Insurance		238	0.5%
Cable TV Staffing Conversion		156	0.3%
Fuel Costs		(134)	(0.2%)
Presidential Election Cycle (Personnel & Other)		300	0.6%
Other General Fund Supplies & Services		78	0.2%
New Requests		289	0.6%
<i>SubTotal</i>	<i>47,835</i>	<i>49,718</i>	<i>4.00%</i>
Capital Improvement Plan		<i>710</i>	<i>1.50%</i>
Public Safety Investment			
Public Safety Master Plan – PD Staffing		750	1.6%
Public Safety Master Plan – PD Other		145	0.3%
Public Safety Master Plan – Fire Staffing		175	0.3%
Public Safety Master Plan – Fire Other		46	0.1%
<i>SubTotal</i>		<i>1,116</i>	<i>2.25%</i>
HRA	<i>300</i>	<i>300</i>	<i>0.00%</i>
Total City Levies	48,135	51,844	7.70%

Levy Forecast

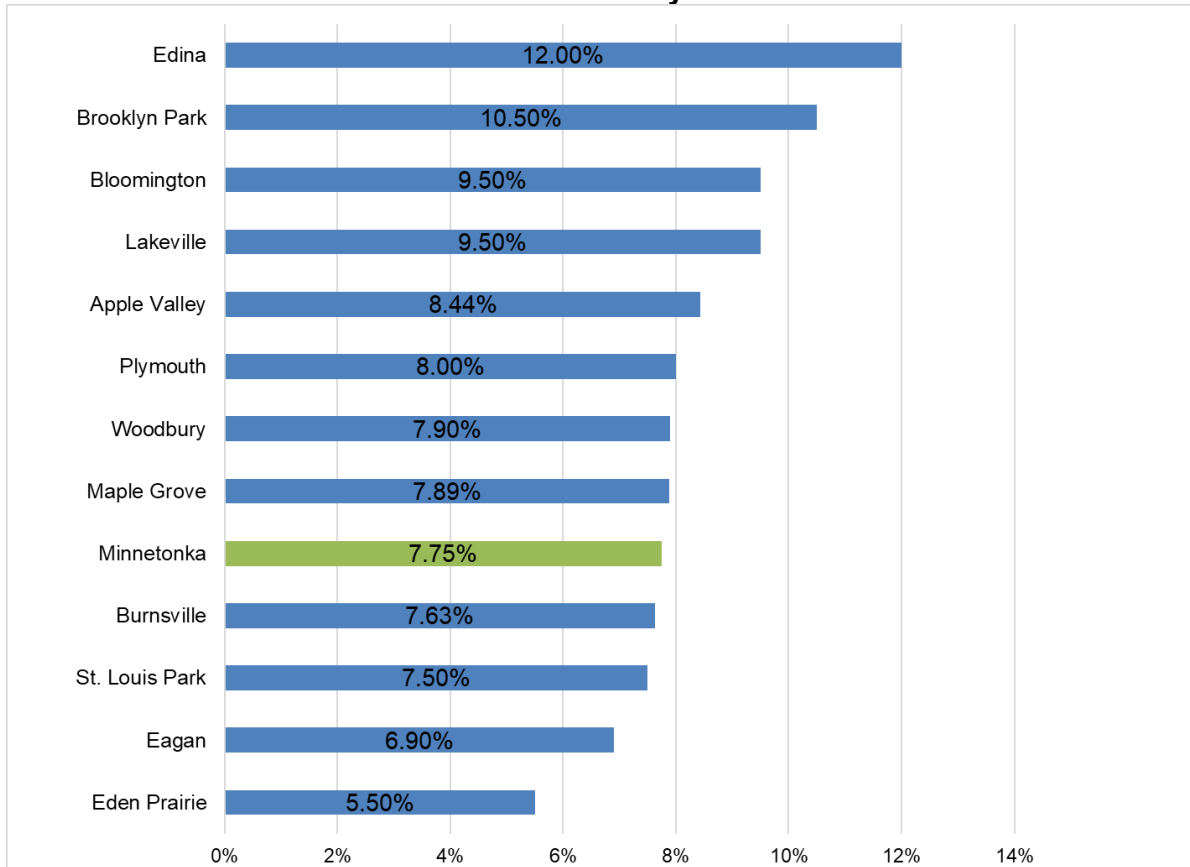
Over the last three years, the city has been fortunate to receive federal grant funding from the CARES Act and ARPA. These allotments have aided the city and its residents and businesses in battling and fending off COVID-19 from the health and financial impacts felt by many. In addition, these grants have allowed the city to provide property tax relief in 2021, 2022, 2023 and again in 2024, thus reducing our necessary tax collections by almost \$4 million over this same timeframe.

The future levy forecasts (2025-2028) include public safety funding that was presented at the July 24, 2023 study session. At that meeting, annual public safety master plan implementation costs ranged from a high of 5.26 percent in 2024 to a low of 0.58 percent in 2028. Understanding that the council expressed uneasiness with a potential double-digit levy increase in 2024, staff revised the implementation plan, which also likely extends the implementation timeline. Staff is planning to limit the annual public safety master plan levy increase to approximately 2.0 to 2.25 percent. In addition, future grant awards may significantly benefit this plan and provide additional flexibility. For example, if the city were to be awarded a SAFER grant in one of the upcoming years, that would reduce the levy impact for the next two to three years.



Comparisons with Other Cities. Below is a chart indicating the preliminary 2024 levies for most of our comparable cities. These levy estimates will likely change before the cities adopt their official preliminary levies in September. An updated chart will be provided in September with more accurate levy estimates. As a reminder, each city is unique, and its tax levies can vary for many reasons. Similar to all our comparable cities except for one, Minnetonka does not and will not receive LGA in 2024. Equally important, unlike many other cities, the city does not rely upon special assessments to fund street reconstruction and maintenance.

Potential 2024 Preliminary Tax Increases

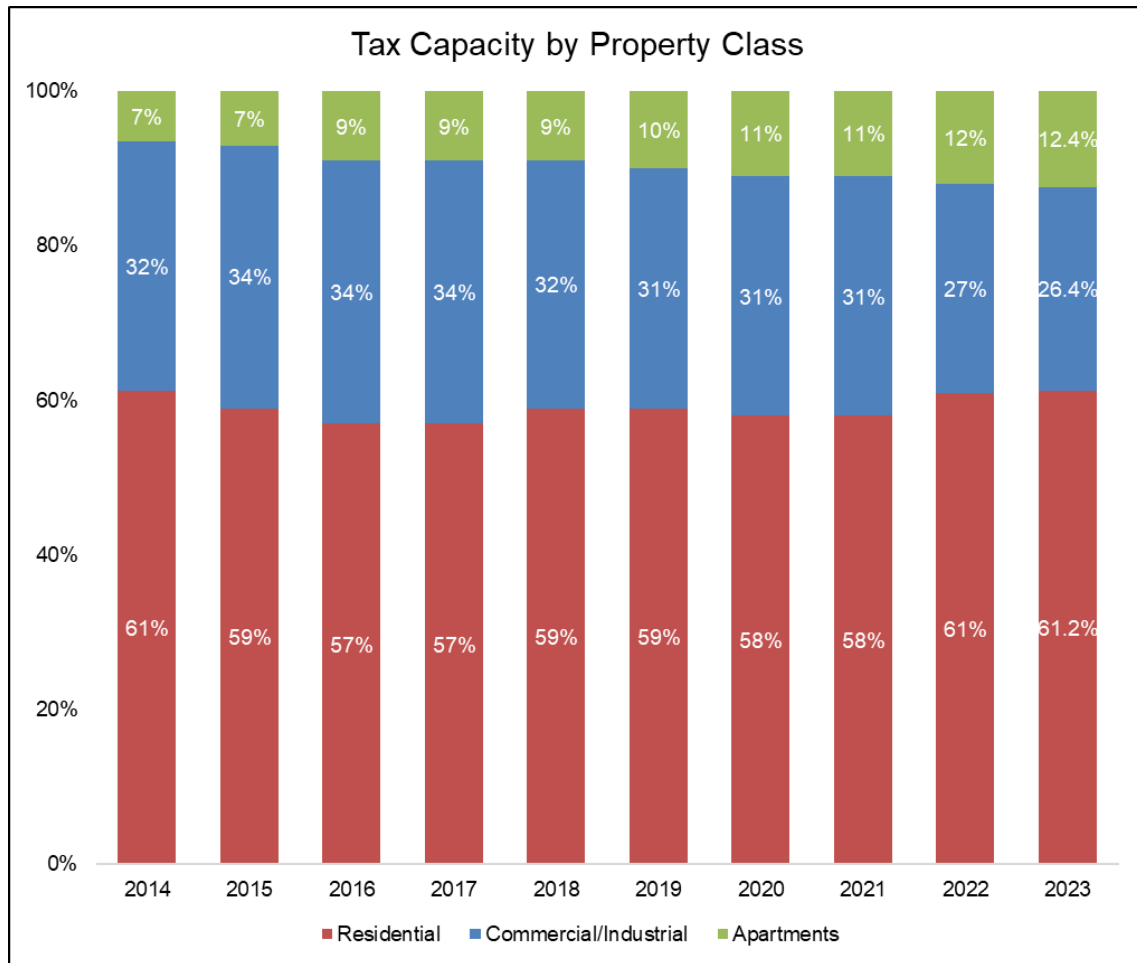


Homeowner Impacts. New development and redevelopment in the city again increased the city’s property tax base last year, as reported in March by the city assessor. Over the previous ten years, the city’s assessed market value has increased by 68 percent. A portion of that increase results from improved real estate as opposed to market forces alone.

The table below outlines this year’s growth (including new improvements) by major property type.

	Overall Growth	Total Change (millions)
Single-household Residential	4.9%	\$387.7
Lakeshore	9.6%	\$55.0
Townhouses	4.2%	\$43.5
Condominiums	7.6%	\$57.0
Commercial	2.6%	\$54.6
Industrial	6.2%	\$30.0
Apartments	13.4%	\$205.6
Other Property Types	6.0%	\$14.9
Total Change	5.2%	\$848.3

The varying growth rates of the different property classifications equates to a shift in property tax burden. The tax burden between property types tends to ebb and flow over time as market conditions affect properties differently. Most notably for taxes payable in 2023 is the increase in all residential housing property types. This residential increase will cause a shift in tax burden towards all these property classes while shifting the tax burden away from commercial properties. The apartment growth over the last several years, mainly due to new construction, adds to the tax base and helps alleviate some tax burden for all taxpayers.



Calculating the impact of changes in property taxes on homeowners in Minnesota requires a complicated mix of data and information that changes each year, some of which depends upon legislatively defined formulas, such as the state fiscal disparities program. The final piece of fiscal disparity information is typically received in late August. If this information becomes available, it will be shared on the night of the council meeting. Rough estimates indicate that a median-valued home that increased 5.97 percent to \$496,500 will see a monthly tax increase of \$10.60. Again, these are rough estimates, and final estimates will likely change in either direction.

HRA LEVY

The city’s first levy for housing and redevelopment began in 2009. State law limits levies, and the maximum rate is 0.0185 percent of a city’s taxable market value. This equals approximately

\$2 million for Minnetonka in 2023. On June 12, the city council reviewed in a study session the 2024–2028 Economic Improvement Program (EIP), which recommends the 2024 HRA levy remain steady at \$300,000. The indicated uses of the funds are SW Light Rail (\$75,000), Housing Programs (\$100,000), and Homes Within Reach (\$125,000).

**City of Minnetonka
2024 Preliminary General Fund Budget**

Object Account	2021 Actual	2022 Actual	2023 Budget	2024 Requested	\$ Change from 2023 to 2024	% Change from 2023 to 2024
Revenues						
Property Taxes						
4010 - AD Valorem Tax Levy	\$ 32,109,862	\$ 33,748,860	\$ 37,180,000	\$ 40,176,300	\$ 2,996,300	8.1%
4020 - Uncollectible Taxes	240,230	36,899	(200,000)	(200,000)	-	0.0%
4030 - Tax Penalties and Interest	61,576	22,730	24,000	24,000	-	0.0%
4050 - Tax Forfeit Sale Revenue	25	365	-	-	-	
Total Taxes	<u>32,411,694</u>	<u>33,808,853</u>	<u>37,004,000</u>	<u>40,000,300</u>	<u>2,996,300</u>	<u>8.1%</u>
Licenses & Permits	4,587,093	5,897,466	3,215,400	3,580,400	365,000	11.4%
Intergovernmental	3,578,239	3,597,247	1,217,700	1,497,000	279,300	22.9%
Charges for Services	441,186	525,311	348,000	580,000	232,000	66.7%
Fines & Forfeitures	167,539	129,829	135,000	150,000	15,000	11.1%
Investment Interest	(38,619)	(1,306,033)	1,105,900	1,250,000	144,100	13.0%
Recreation Charges	1,066,249	1,265,731	1,304,900	1,390,000	85,100	6.5%
Miscellaneous	949,063	1,354,963	868,300	850,700	(17,600)	-2.0%
Transfers In	1,457,800	1,469,200	1,494,800	1,499,000	4,200	0.3%
Total Revenues	<u>44,620,243</u>	<u>46,742,568</u>	<u>46,694,000</u>	<u>50,797,400</u>	<u>4,103,400</u>	<u>8.8%</u>
Expenditures						
Personnel Services	29,907,169	31,894,891	36,032,200	39,442,200	3,410,000	9.5%
Supplies	1,559,969	1,642,365	2,044,100	1,925,500	(118,600)	-5.8%
Other Services & Charges	7,549,595	7,837,632	8,867,700	9,558,700	691,000	7.8%
Total Expenditures	<u>39,016,733</u>	<u>41,374,887</u>	<u>46,944,000</u>	<u>50,926,400</u>	<u>3,982,400</u>	<u>8.5%</u>
Revenues Over/(Under) Expenditures	5,603,510	5,367,681	(250,000)	(129,000)	121,000	0.6%
Other Financing Uses						
Transfers Out	3,954,603	3,347,361	2,871,000	1,746,000	(1,125,000)	-39.2%
Total Revenues Over/(Under) Expenditures after Transfer Out	<u>\$ 1,648,907</u>	<u>\$ 2,020,320</u>	<u>\$ (3,121,000)</u>	<u>\$ (1,875,000)</u>	<u>\$ 1,246,000</u>	
Expenditures by Department						
10 - Mayor & City Council	\$ 217,068	\$ 276,375	\$ 345,000	\$ 411,600	\$ 66,600	19.3%
11 - General Administration	685,907	611,973	884,200	1,164,800	280,600	31.7%
12 - Community Center	471,890	479,467	662,400	666,500	4,100	0.6%
13 - IT	1,124,164	1,171,320	1,462,700	1,611,000	148,300	10.1%
14 - Legal	955,710	952,373	1,090,600	1,136,800	46,200	4.2%
15 - Finance	1,150,758	1,129,254	1,082,500	1,169,200	86,700	8.0%
16 - Assessing	855,446	885,622	954,900	974,900	20,000	2.1%
17 - Building Maintenance	1,620,458	1,672,492	1,983,900	2,027,900	44,000	2.2%
18 - Joint Recreation	1,558,368	1,802,773	1,953,000	2,088,300	135,300	6.9%
19 - Planning	675,436	787,748	862,600	903,100	40,500	4.7%
20 - Engineering	1,332,207	1,443,036	1,575,400	1,630,400	55,000	3.5%
21 - Community Development	2,228,615	2,424,348	2,644,300	2,898,200	253,900	9.6%
22 - Street Maintenance	3,576,645	3,551,923	4,408,800	4,443,800	35,000	0.8%
24 - Parks & Trails	2,049,415	2,126,253	2,373,500	2,459,100	85,600	3.6%
25 - Police	11,637,838	11,990,700	12,781,300	14,791,100	2,009,800	15.7%
26 - Fire	3,971,849	4,813,338	5,792,200	6,169,300	377,100	6.5%
28 - Senior Citizens	360,650	351,478	386,200	397,300	11,100	2.9%
29 - Environmental Health	360,266	350,521	402,300	412,200	9,900	2.5%
30 - MTKA Recreation	597,386	552,784	646,500	658,000	11,500	1.8%
31 - Natural Resources	1,621,734	1,898,128	1,946,600	2,018,800	72,200	3.7%
33 - City Manager	822,012	750,383	918,000	948,000	30,000	3.3%
34 - Human Resources	909,154	1,014,742	1,374,400	1,408,100	33,700	2.5%
35 - Contingency & Transfers	-	-	50,000	50,000	-	0.0%
36 - Communications	233,756	331,615	362,700	488,100	125,400	34.6%
Total Departmental Expenditures	<u>\$ 39,016,733</u>	<u>\$ 41,368,644</u>	<u>\$ 46,944,000</u>	<u>\$ 50,926,500</u>	<u>\$ 3,982,500</u>	<u>8.5%</u>

**City Council Agenda Item 3.C
Meeting of August 21, 2023**



Title: September study session - topics and date
Report from: Sarissa Falk, Senior Management Coordinator
Submitted through: Mike Funk, City Manager
Presenter: Mike Funk, City Manager

Action Requested: Affirm upcoming topics and date.

Summary Statement

This item is informational and is intended to provide the council with the upcoming study session agenda items and study session schedule.

Strategic Profile Relatability

Financial Strength & Operational Excellence

The study session work-plan enhances city operations by allowing council to discuss topics of priority and provide staff with directions.

Background

The Minnetonka city council is scheduled to hold a total of twice (12) study sessions in 2023. To maximize study session meetings, provide staff direction and focus on council priorities, council members ranked specific topics they expressed interest to review. At the Dec. 19, 2022 Study Session the city council reviewed these rankings, discussed priorities and provided direction to staff.

At the Jan. 30, 2023, regular council meeting the city council unanimously approved the 2023 Study Session Work plan. See attached. Staff committed that at each proceeding study session the topics for the upcoming study session will be provided.

Section 1.5 of the City Council Rules of Procedure states, individual council members may propose agenda items for future meetings at a study session, and the council may provide direction to the city staff regarding scheduling such matters. In essence, this document can be modified throughout the remainder of the year by a majority of council members.

Unless modified by the city council, the 2023 study session work plan agenda items for Sep. 11, 2023 are:

- Storm water management fee
- Zoning diagnostic report

Discussion Questions

Does the city council confirm upcoming topics and date?

ATTACHMENTS:

2023 Council Study Session Work Plan

Quarter 1

23-Jan

Board and Commission Interviews

Sales and/or Lodging Tax

Study session work plan

06-Feb

Housing updates (pathways and homelessness)

Review and Update Council Policy & Rules of Procedure (1.3, 2.7)

2023 Community Survey questions review

20-Mar

Council compensation

Director presentations

Overview of recreation programming

Quarter 2

24-Apr

Public Safety master plan

Buckthorn Pilot pick-up program

15-May

2024 Kick-Off Budget discussion

New Commission structure (DEI)

Concept Plan review process

12-Jun

2024 CIP/EIP

Transit Orientated Development

19-Jul

Boards & Commissions dinner

24-Jul

Housing update

Business programs update

Police and Fire Master Plan implementation discussion

Quarter 3

21-Aug

Community survey results

2024 budget discussion

31-Aug

Joint City Council, EDAC and Planning Commission Meeting

06-Sep	
	Joint City Council and Park Board Study Session and Tour
	Dog Park/Leash policy (start w/Park Board)
11-Sep	
	Storm water management fees
	Zoning diagnostic report
23-Oct	
	Storage of garbage/recycling containers
	On-street parking regulations/enforcement
20-Nov	
	2024 Enterprise budget discussion
	2024 budget discussion
11-Dec	
	2024 Strategic Profile Action Steps
	2024 Study Session Work plan
	2024 Legislative Breakfast - confirm priorities
	2024 annual appointments

* No Mow May- Sustainability Commission to regular council meeting