
CITY OF MINNETONKA 2024 BUDGET PRESENTATION

AUGUST 21, 2023



2024 BUDGET DEVELOPMENT YEAR-TO-DATE

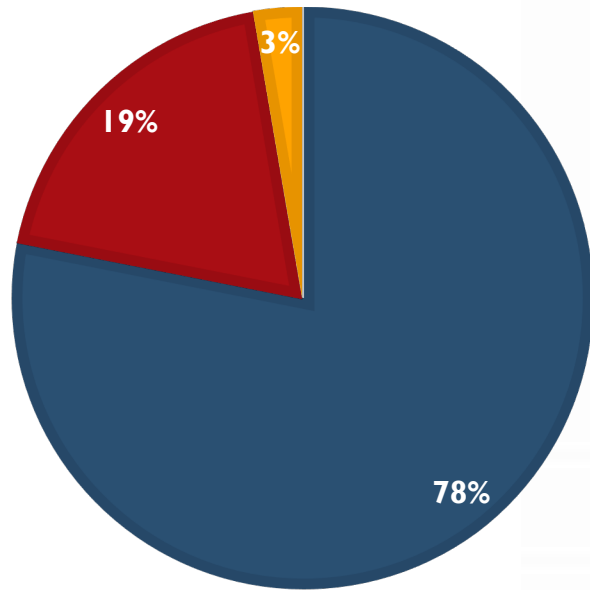
- Budget Timeline
 - Director presentations (March-April)
 - June 5 – 2024 budget kick-off session
 - June 12 – CIP study session
 - July 24 – Public safety master plan
 - August 21 – Community survey
 - August 21 – Operating budget study session
 - Traditionally focuses on major impacts to the budget and levy, i.e. new programs and major impacts



PROPERTY TAXES

DOLLARS

■ GF Operations ■ Capital (CIP) ■ Debt



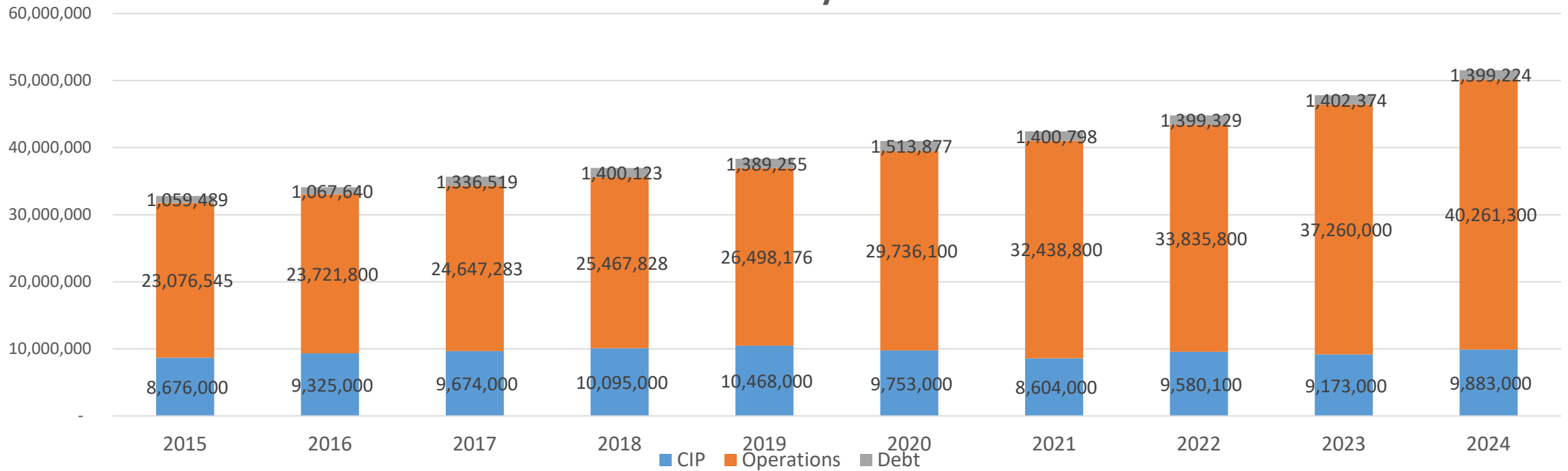
Projected Property Taxes – 7.75%

Capital (CIP)	1.50%
Operations	6.25%
General	4.00%
Public Safety Plan	2.25%
Debt	0.00%

*1% levy increase = \$481,000

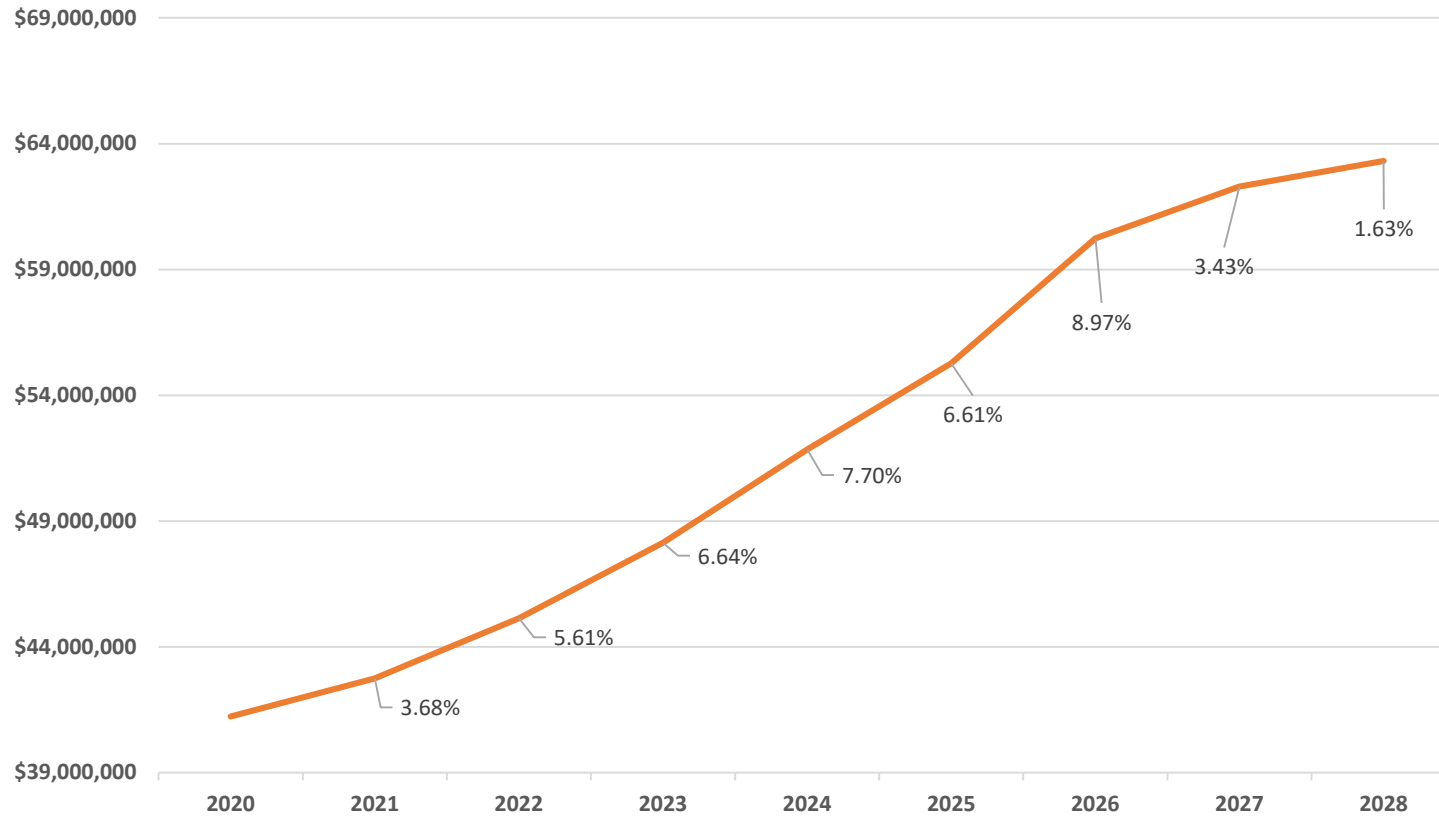
TAX LEVY GRAPH

Minnetonka Levy Allocation



LEVY FORECAST

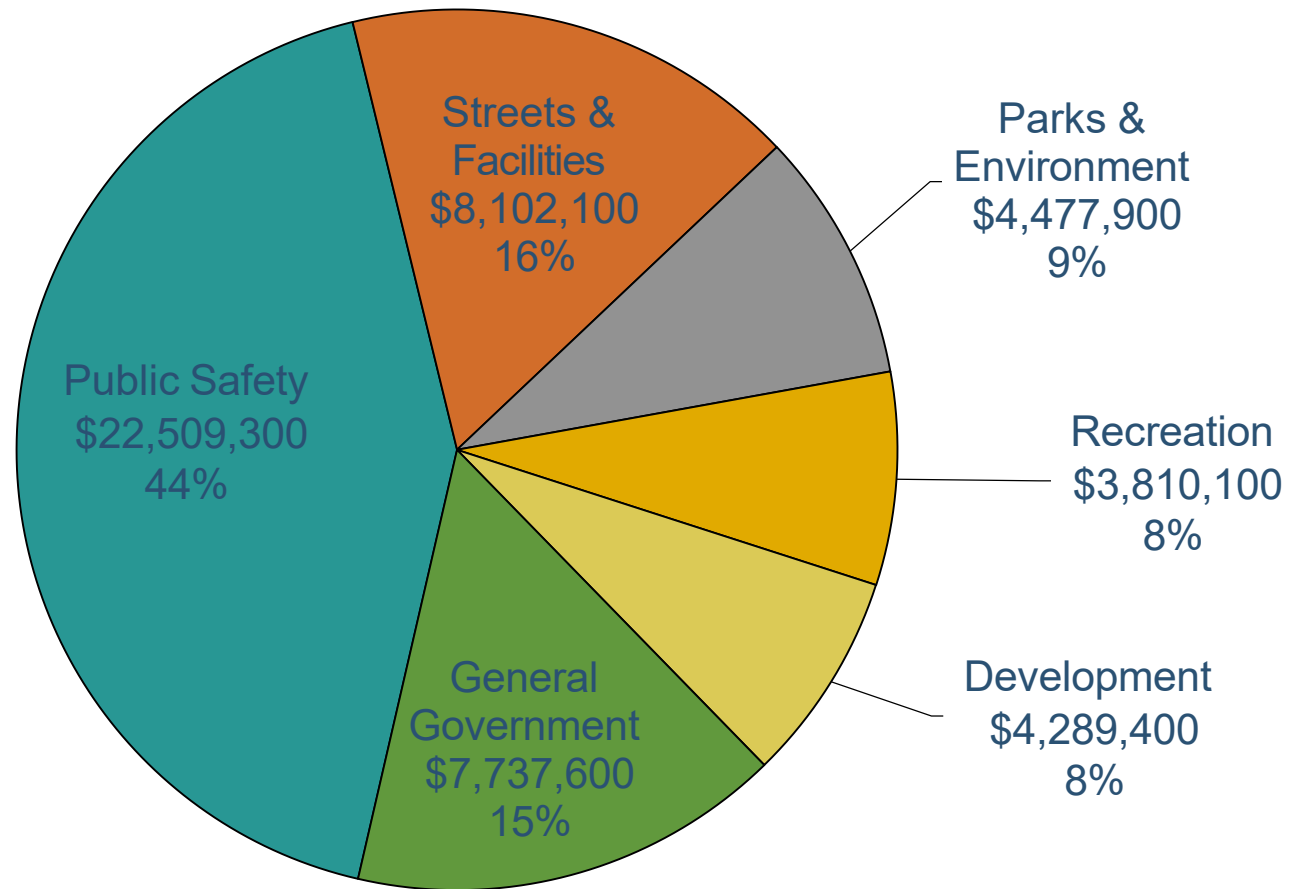
2020-2028 Levy Increases (Including Public Safety Master Plan Current & Future Funding)



2024 LEVY ANALYSIS

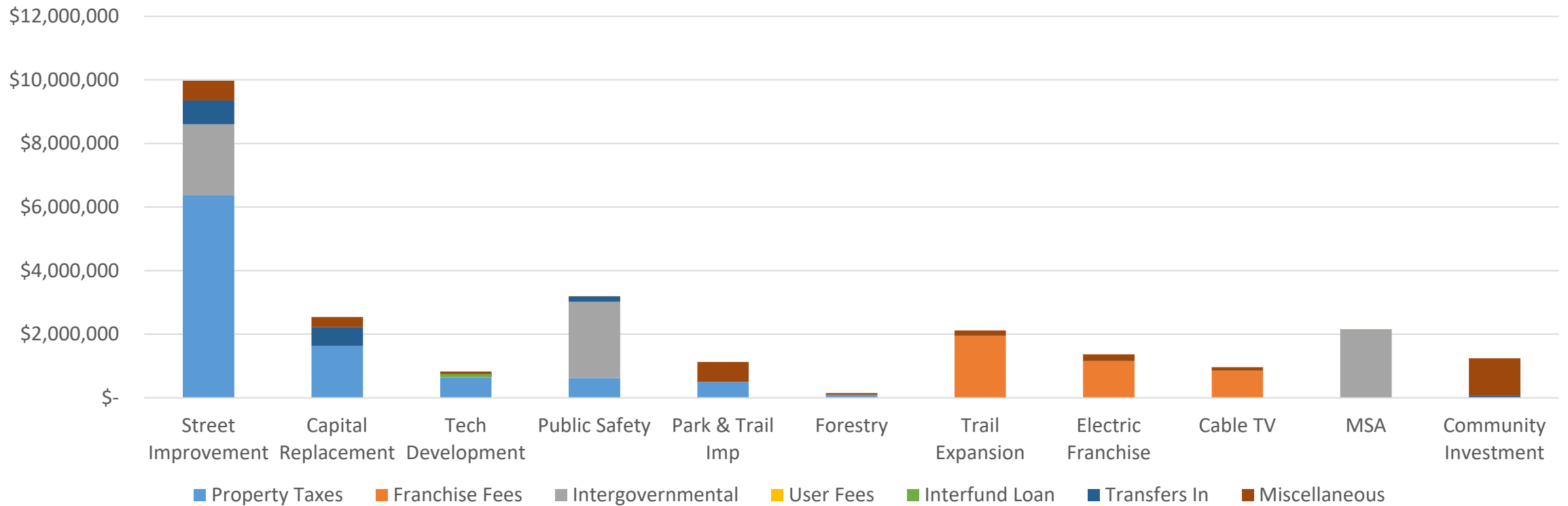
Operational Levy (thousands)	2023	2024	Change
City property taxes, current services	47,835	47,835	0.0%
Prior Year One-Time Requests		(59)	(0.1%)
ARPA Levy Reinstatement		0	0.0%
Staffing COLA		814	1.7%
Other General Fund Staffing Requests		201	0.4%
Health Insurance		238	0.5%
Cable TV Staffing Conversion		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		710	1.50%
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	300	300	0.00%
Total City Levies	48,135	51,844	7.70%

PROPERTY TAXES SUPPORT BASIC SERVICES – GENERAL FUND



CAPITAL PROJECT FUNDING

2024 Revenue Source by Fund



NEW STAFFING REQUESTS – 12 FTE'S

- **Five patrol officers and one sergeant**
 - Public safety master plan recommends the creation of a power shift to cover call volume during peak hours
 - One additional patrol officer dedicated to traffic safety, fully covered by a state grant
 - Sergeant position would be assigned to professional standards and be responsible for administering training
- **Three full-time firefighter technicians**
 - Public safety master recommends hiring an additional 18 firefighters
 - These three positions would support the staffing of fire station #2 during peak hours, helping reduce response time to the northern part of the city
- **One full-time electrical inspector**
 - Increasing number of building permits and increasing scheduling time to receive an electrical inspection is driving the need
 - Cost is supported by building permit revenue
- **One full-time program and membership activities manager**
 - Position is needed to manage sharp increase in demand for aquatic lessons.
 - Additional pool space has allowed staff to meet pent up demand for private lessons
 - Position is split 50/50 between Joint Recreation and the Williston Center.
- **One full-time public service worker/maintenance position at the Marsh**
 - Position needed to meet ongoing maintenance needs of the facility
 - Marsh operations will fund this position

WHAT'S IN THE BUDGET – WHAT DOES IT REPRESENT

- First step of a multi-year program to implement the public safety master plan
- Presidential election costs (staffing and supplies) \$300,000
- Transferring Cable TV FTEs to the General Fund (1.25 FTEs) \$165,000
- Use of reserves – \$250,000 (final ARPA allotment)
- 12 new positions (10.5 funded through the General Fund)
- Non-union class and compensation implementation
- Health insurance increase (total increase of 14.8%, burden shared between city and employees)
- Partially restoring the CIP levy \$710,000
- Known grant awards and state-aid
 - Auto Theft Prevention, Traffic Safety Enforcement, Lifeguard Services, State Bonding (2023)
 - One-time public safety aid (\$2.4 million dedicated to CIP public safety)

WHAT'S NOT IN THE BUDGET

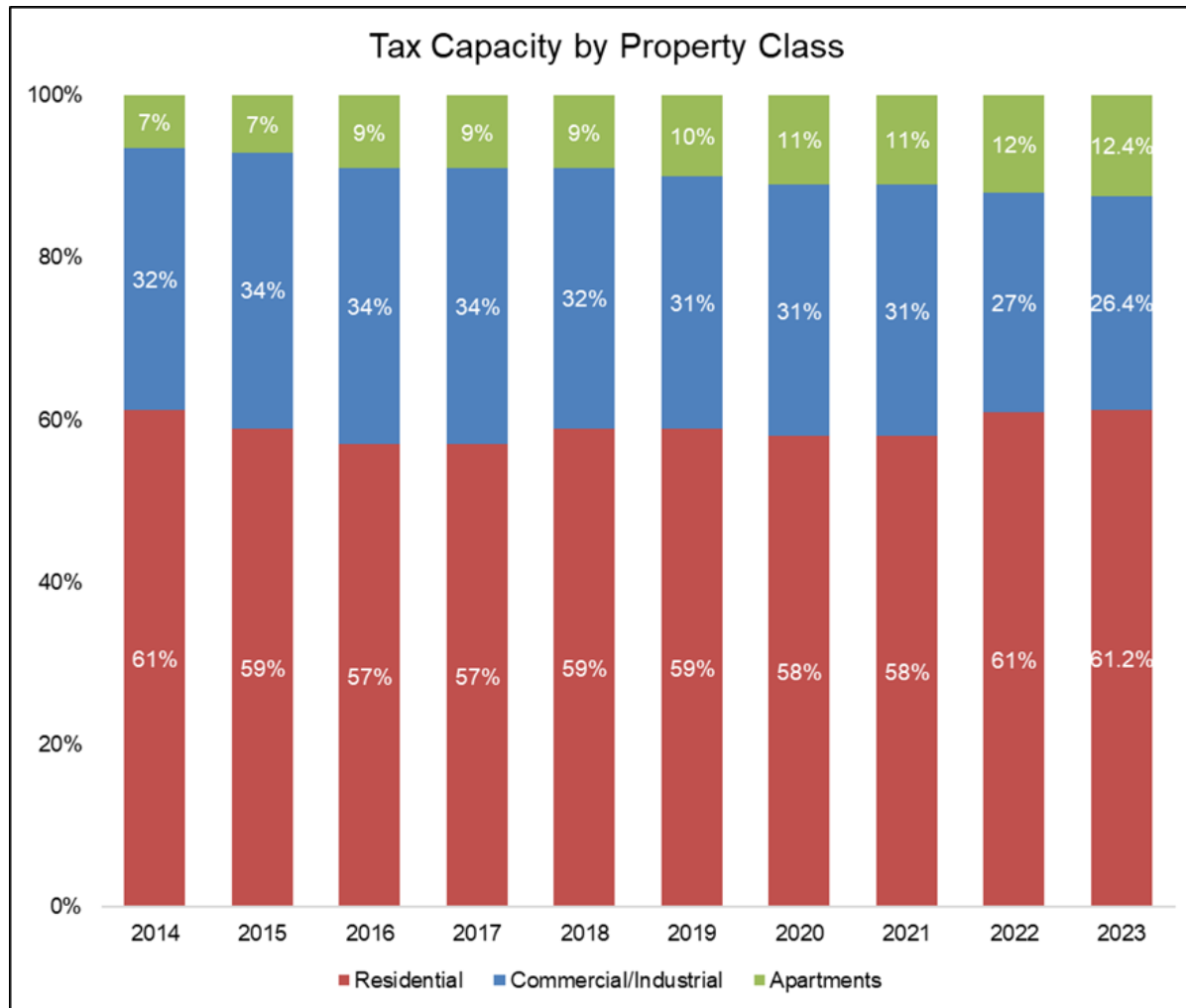
- Scaled back public safety master plan – initial impact added more staffing in year one
- Non-Cable TV operational costs that need to be moved to the General Fund - \$150,000
- Community center furniture and fixture improvements (tables, chairs, carpet) - \$112,000
- Elimination of internal deer management program - \$50,000
- Unknown grant awards
 - SAFER Grant, State Bonding (2024), etc.

HOMEOWNER IMPACTS

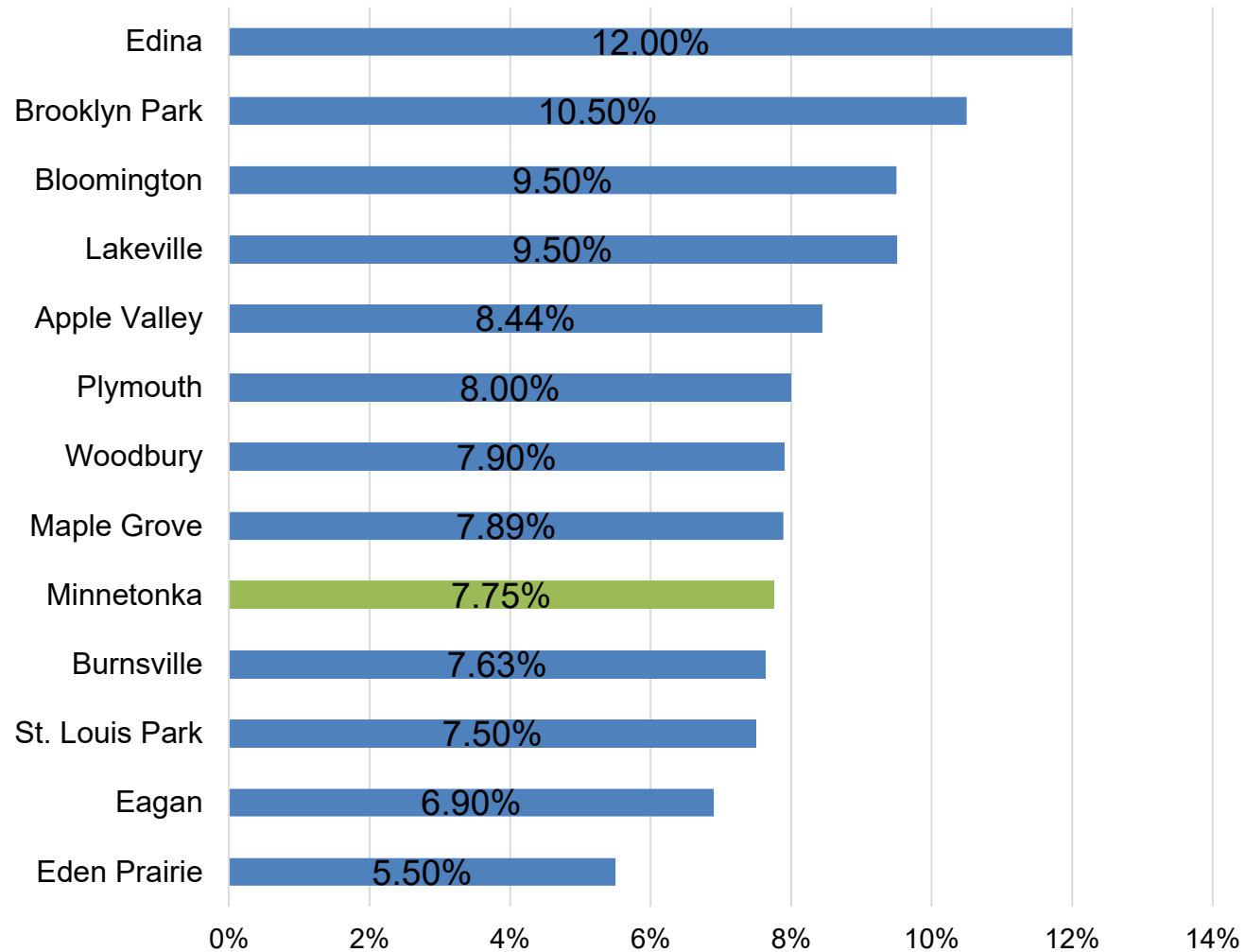
	Overall Growth	Total Change (millions)
Single-household Residential	4.9%	\$387.7
Lakeshore	9.6%	\$55.0
Townhouses	4.2%	\$43.5
Condominiums	7.6%	\$57.0
Commercial	2.6%	\$54.6
Industrial	6.2%	\$30.0
Apartments	13.4%	\$205.6
Other Property Types	6.0%	\$14.9
Total Change	5.2%	\$848.3

- Median valued home increasing in value 5.97% to \$496,500 will see a monthly tax increase of \$10.60

HOMEOWNER IMPACTS

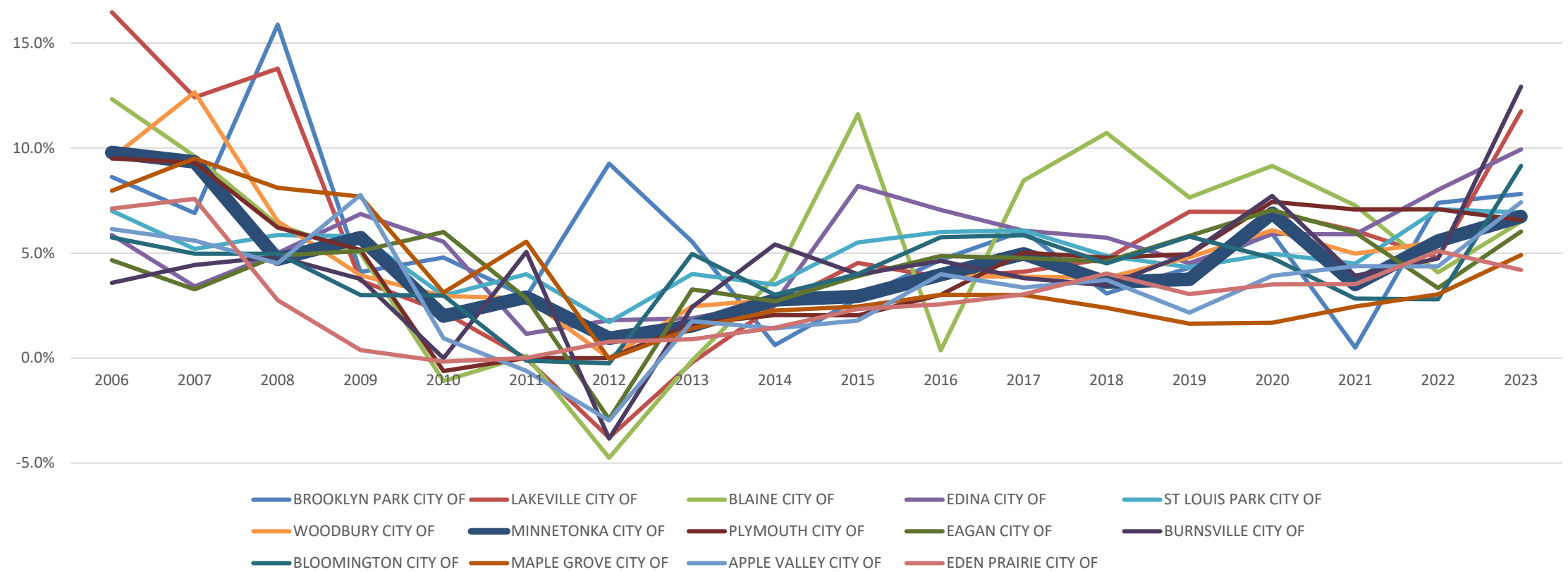


POTENTIAL 2024 PRELIMINARY TAX INCREASES



HISTORICAL TAX INCREASES/(DECREASES)

Comparable Cities Levy Changes 2006-2023



HRA LEVY

- City's first HRA levy began in 2009
- State law limits levies to a max rate of 0.0185% of city's taxable market value
 - Approximately \$2 million for 2023
 - EIP recommends the 2024 HRA levy remain constant at \$300,000
 - Uses include: SW Light Rail, Housing Programs and Homes Within Reach

2024 BUDGET COMMUNICATION & FEEDBACK

- Minnetonka always encourages input on its budget from the public
- Truth in Taxation notices mailed by the county in early November
- Regular communication through the Minnetonka Memo
- New this year is the utilization of Minnetonka Matters where budget information is updated and feedback is accepted
- Staff will share comments with the council



2024 BUDGET TIMELINE

- Budget Timeline
 - June 5 – 2024 budget kick-off session
 - June 12 – CIP study session
 - August 21 – Community Survey
 - August 21 – Operating budget study session
 - Traditionally focuses on major impacts to the budget and levy, i.e. new programs and major impacts to the budget and levy
 - September 18 – Preliminary levy and budget adopted
 - November 20 – Operations budget study session
 - Review of draft budget by fund and department
 - December 4 – Budget public hearing and adoption of final budget and levy
 - December 18 – Alternate budget approval date



QUESTIONS?

