

# **City of Minnetonka**

## 2023 Residential Study

The Morris Leatherman Company

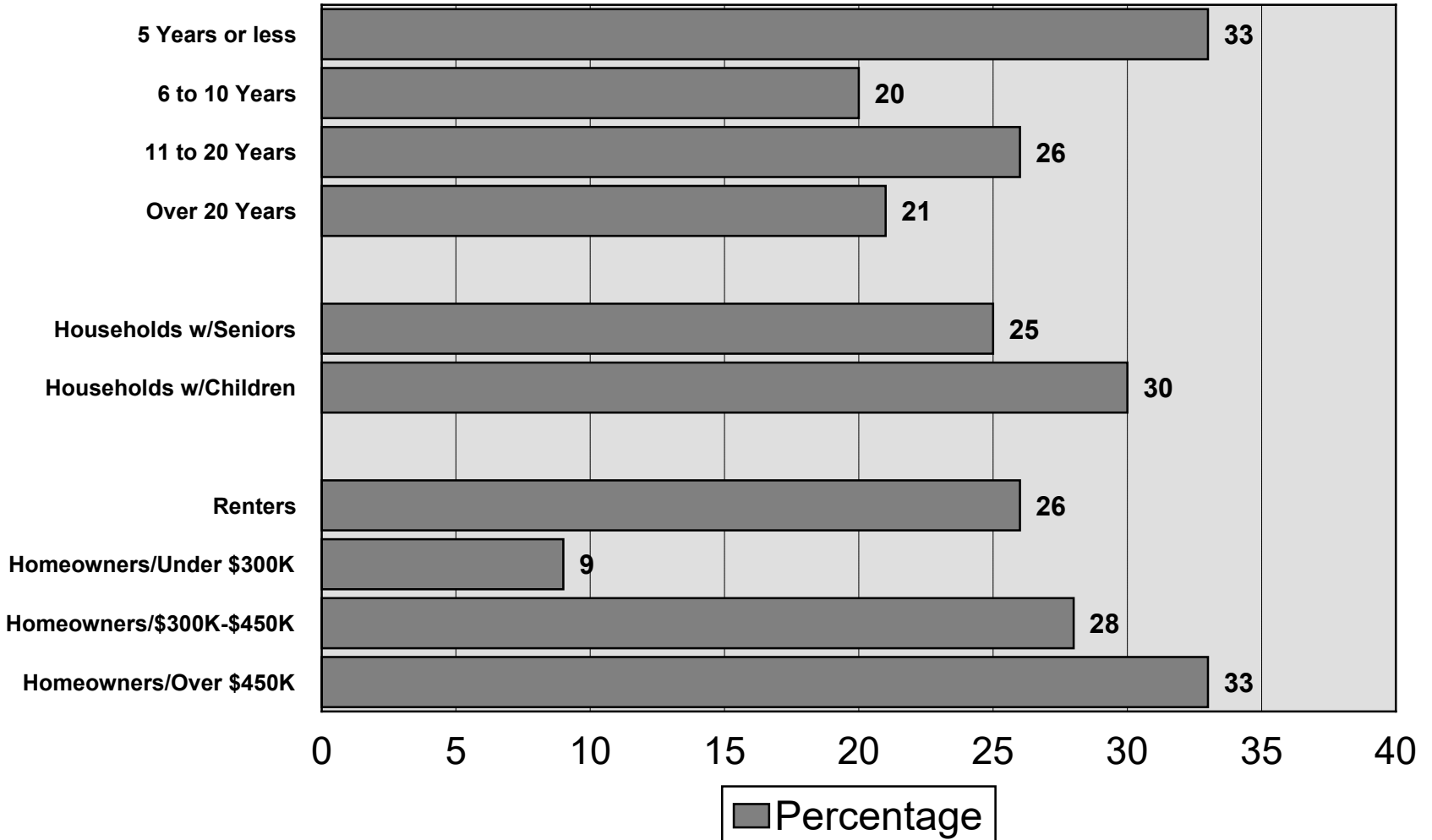
# Survey Methodology

2023 City of Minnetonka

- ) 400 random household sample of Minnetonka residents
- ) Telephone interviews conducted between May 22nd and June 14th, 2023
- ) Average interview time of 24 minutes
- ) Non-response level of 5.0%
- ) Projectable within +/- 5.0% in 95 out of 100 cases
- ) Cellphone Only Households: 51%
- ) Landline Only Households: 11%
- ) Both Landline and Cellphone Households: 38%

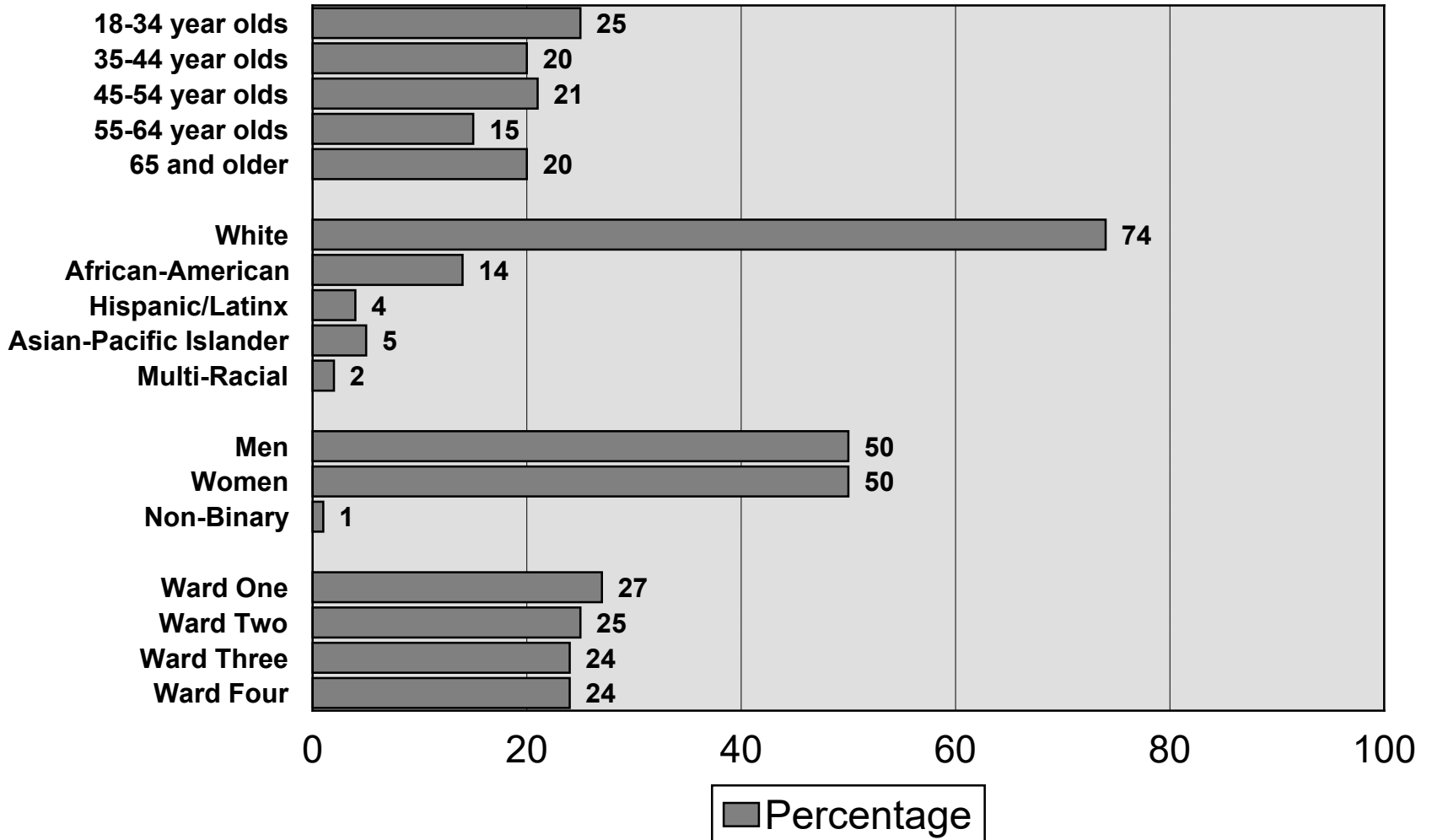
# Demographics I

2023 City of Minnetonka



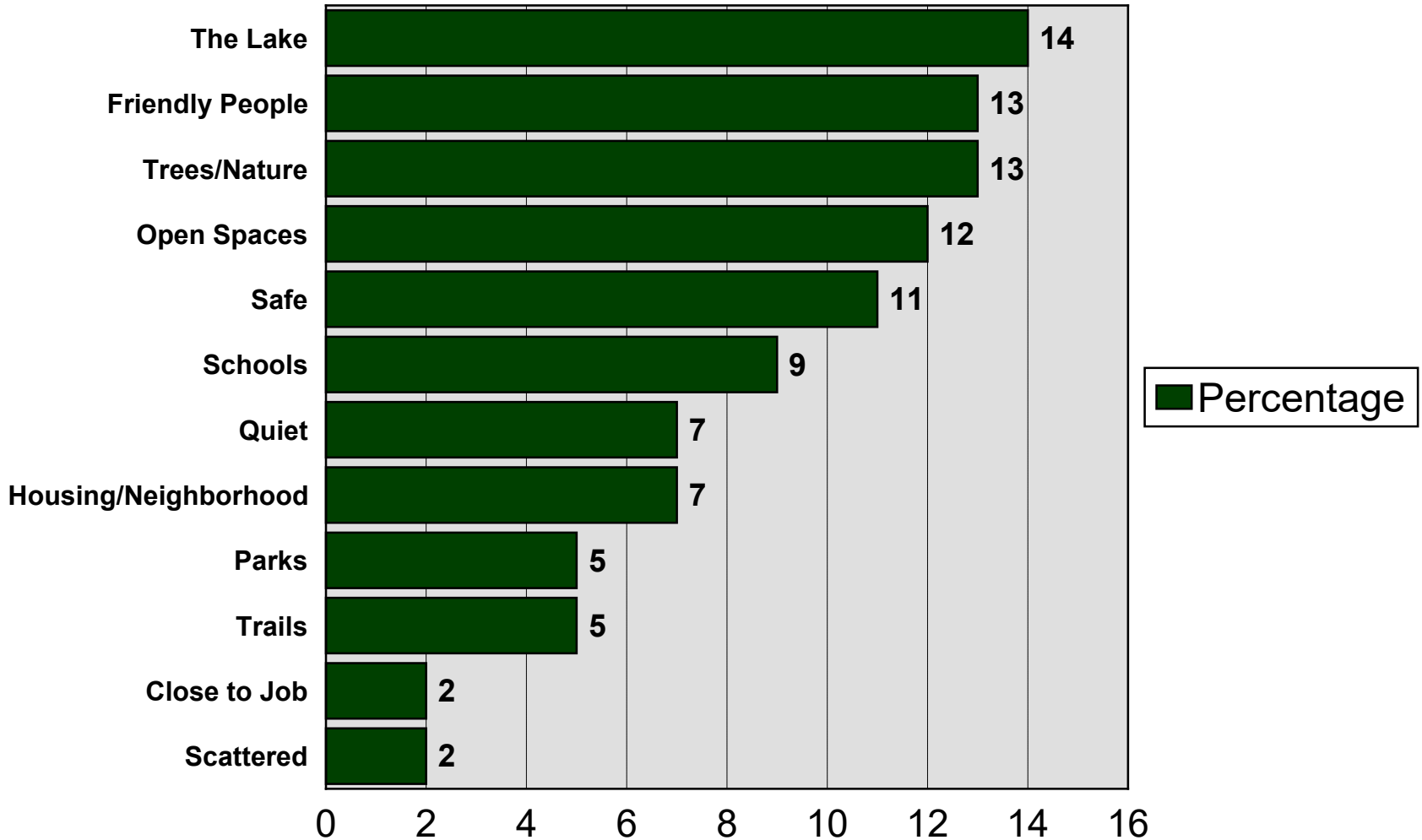
# Demographics II

2023 City of Minnetonka



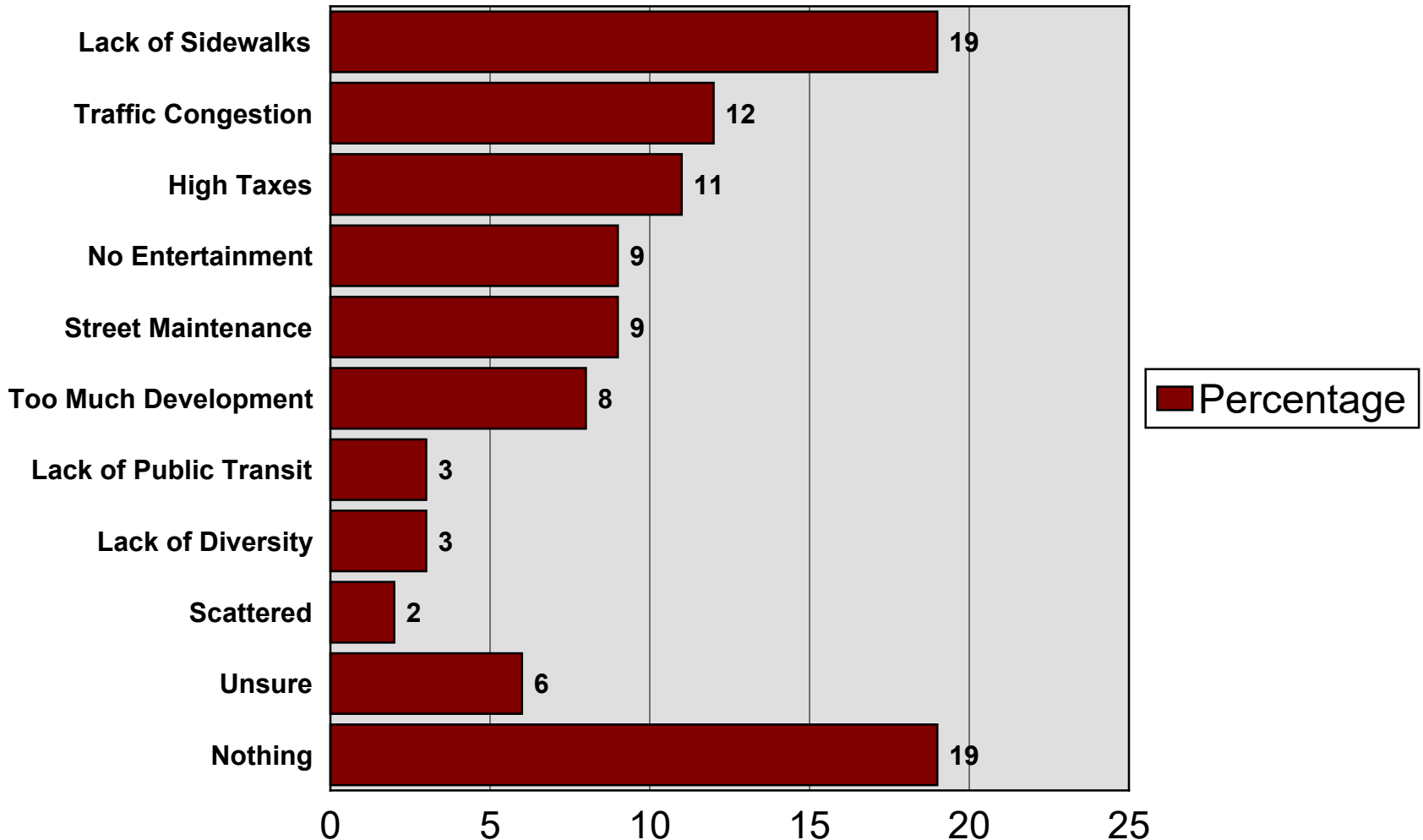
# Like Most about City

2023 City of Minnetonka



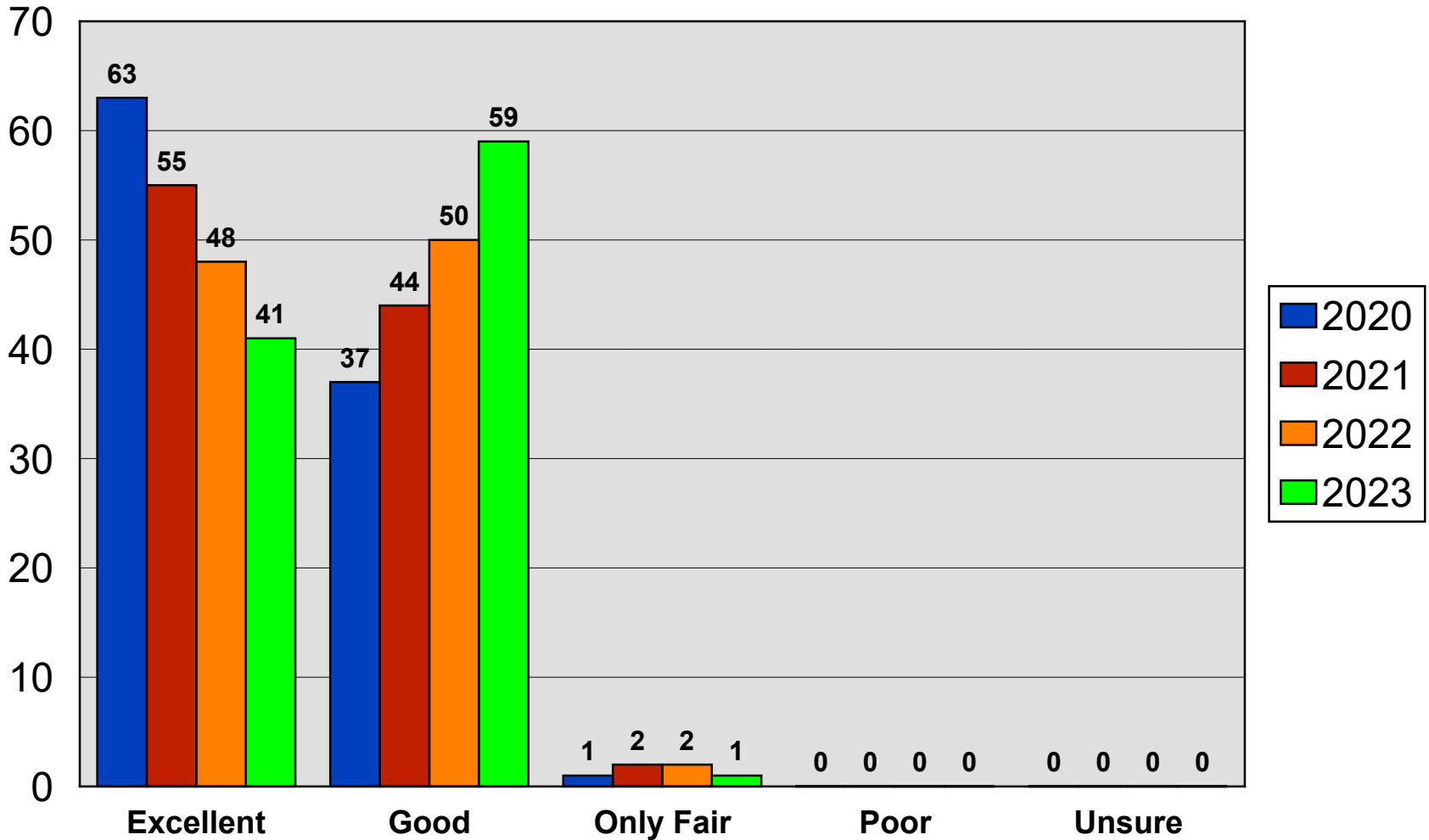
# Most Serious Issue

2023 City of Minnetonka



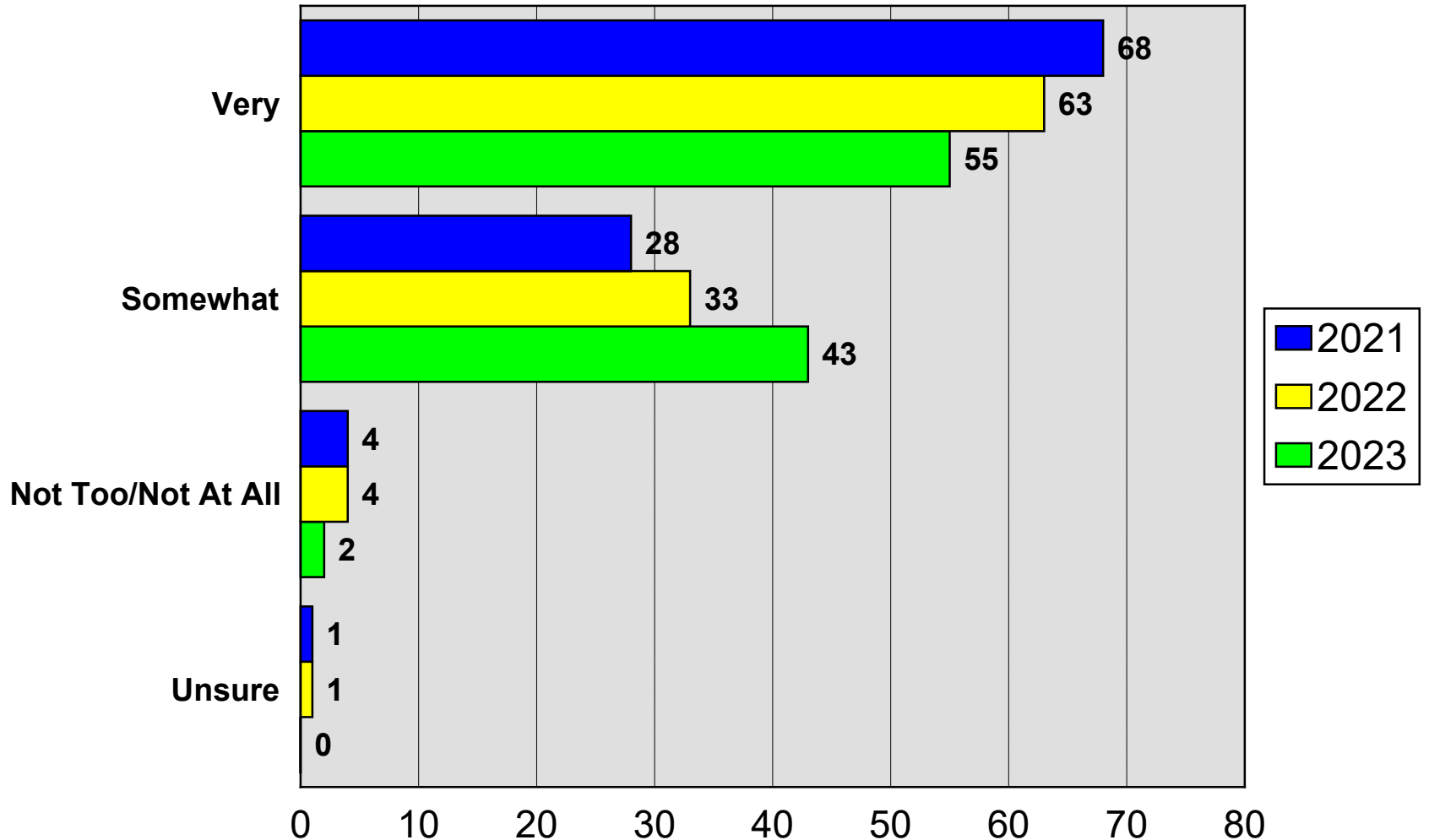
# Quality of Life

2023 City of Minnetonka



# How Welcoming is Minnetonka

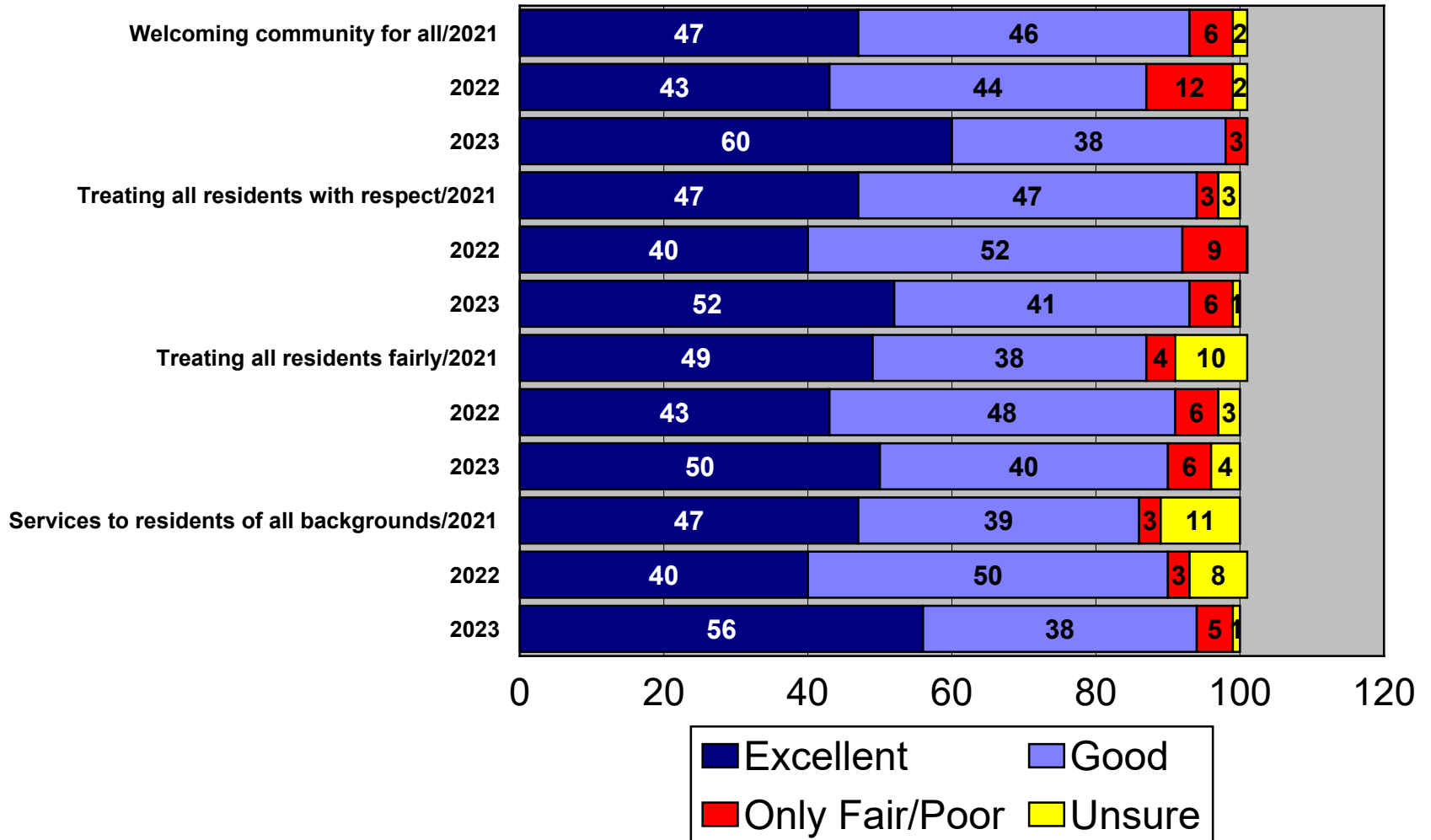
2023 City of Minnetonka





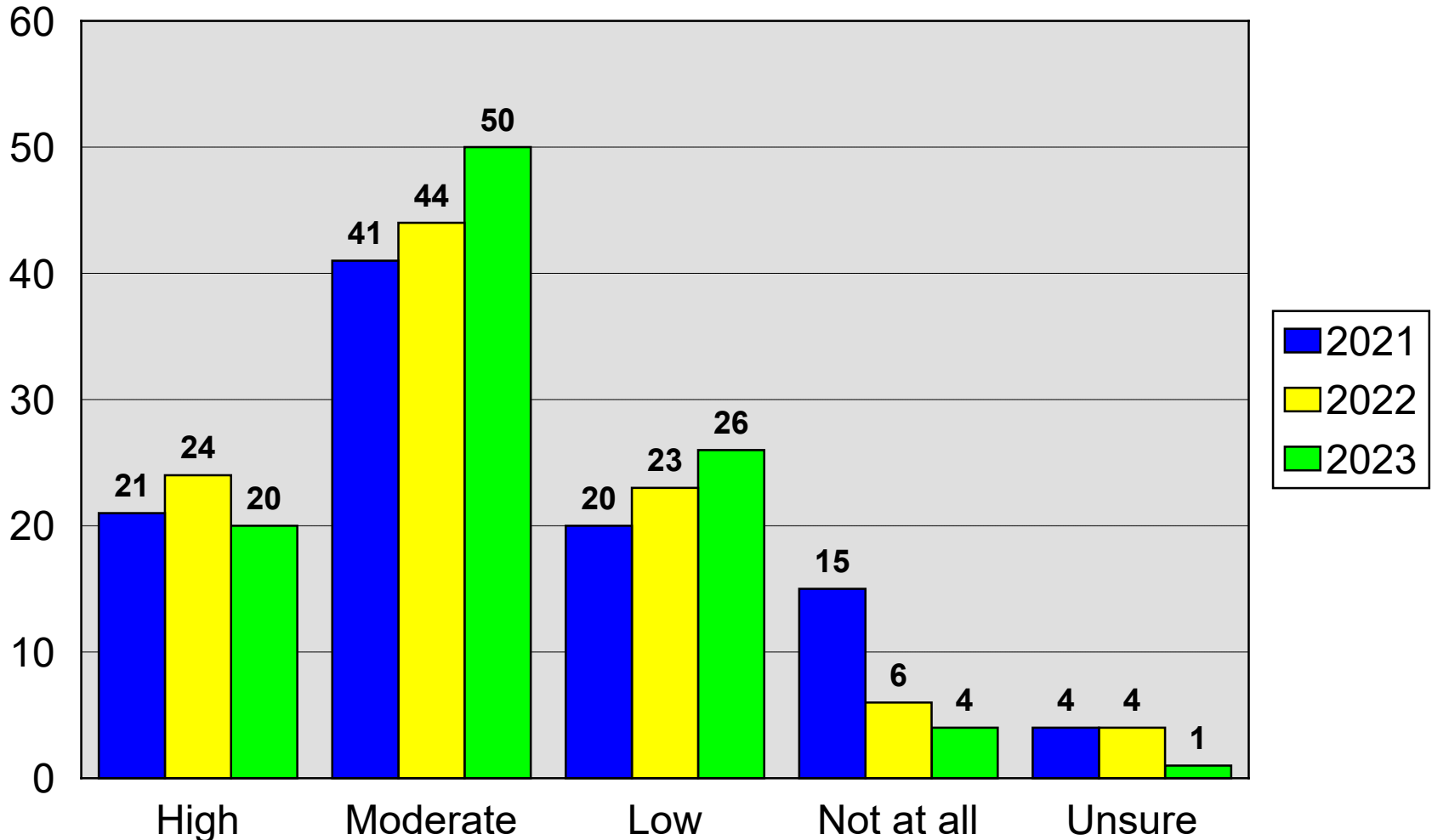
# Rate Minnetonka....

## 2023 City of Minnetonka



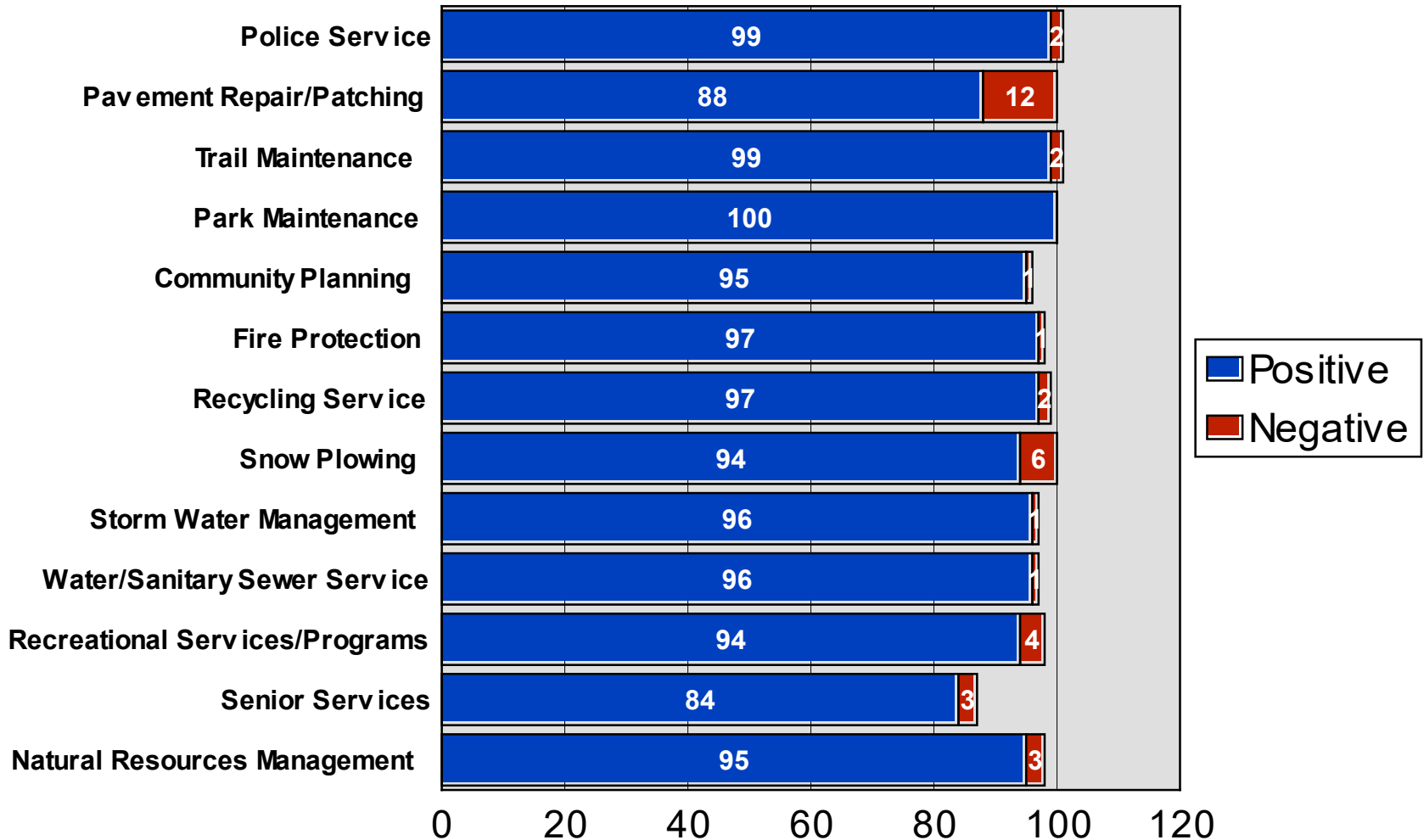
# Priority for the City of Minnetonka to create a diverse, inclusive and fair community

## 2023 City of Minnetonka



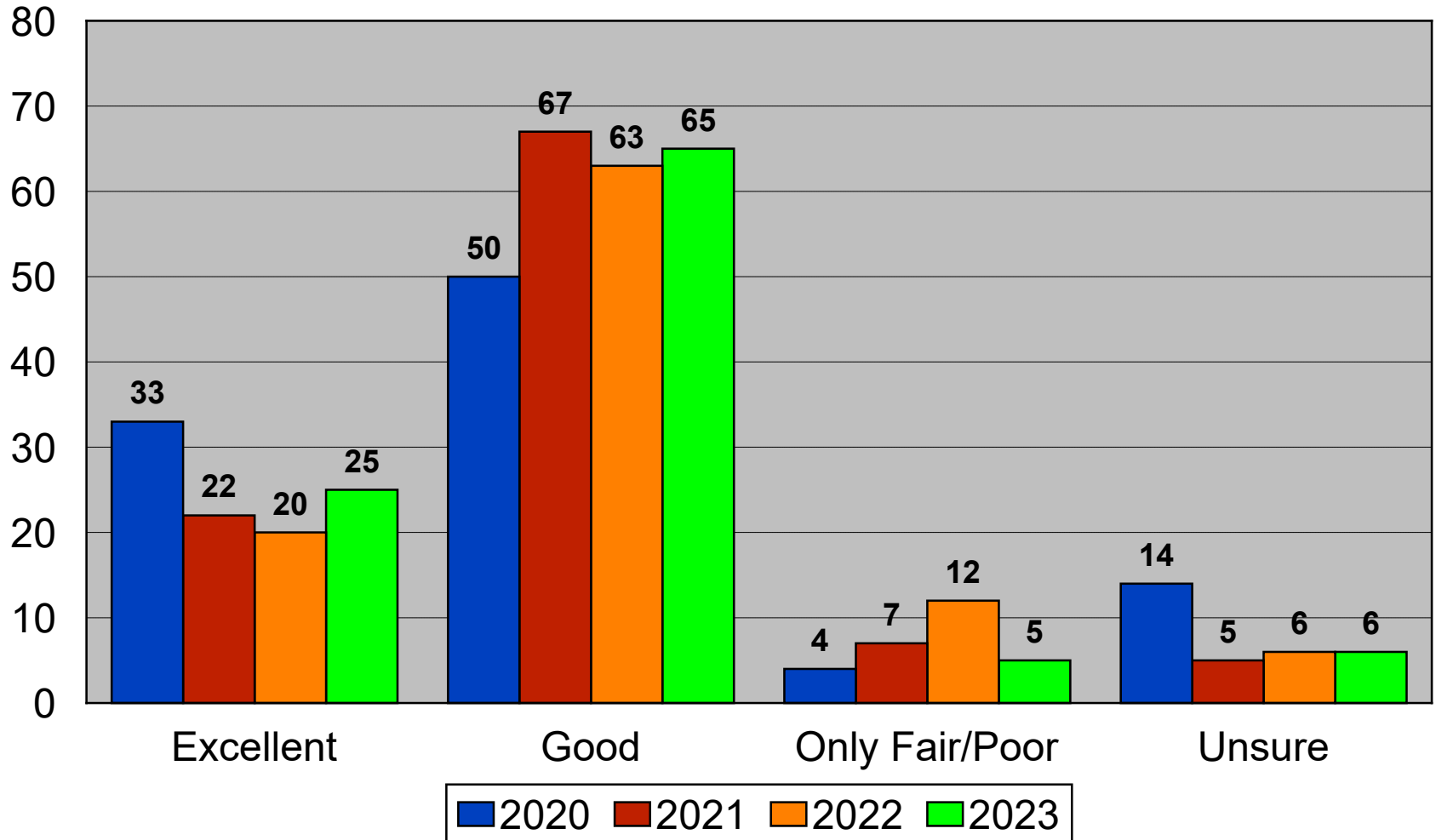
# City Services

2023 City of Minnetonka



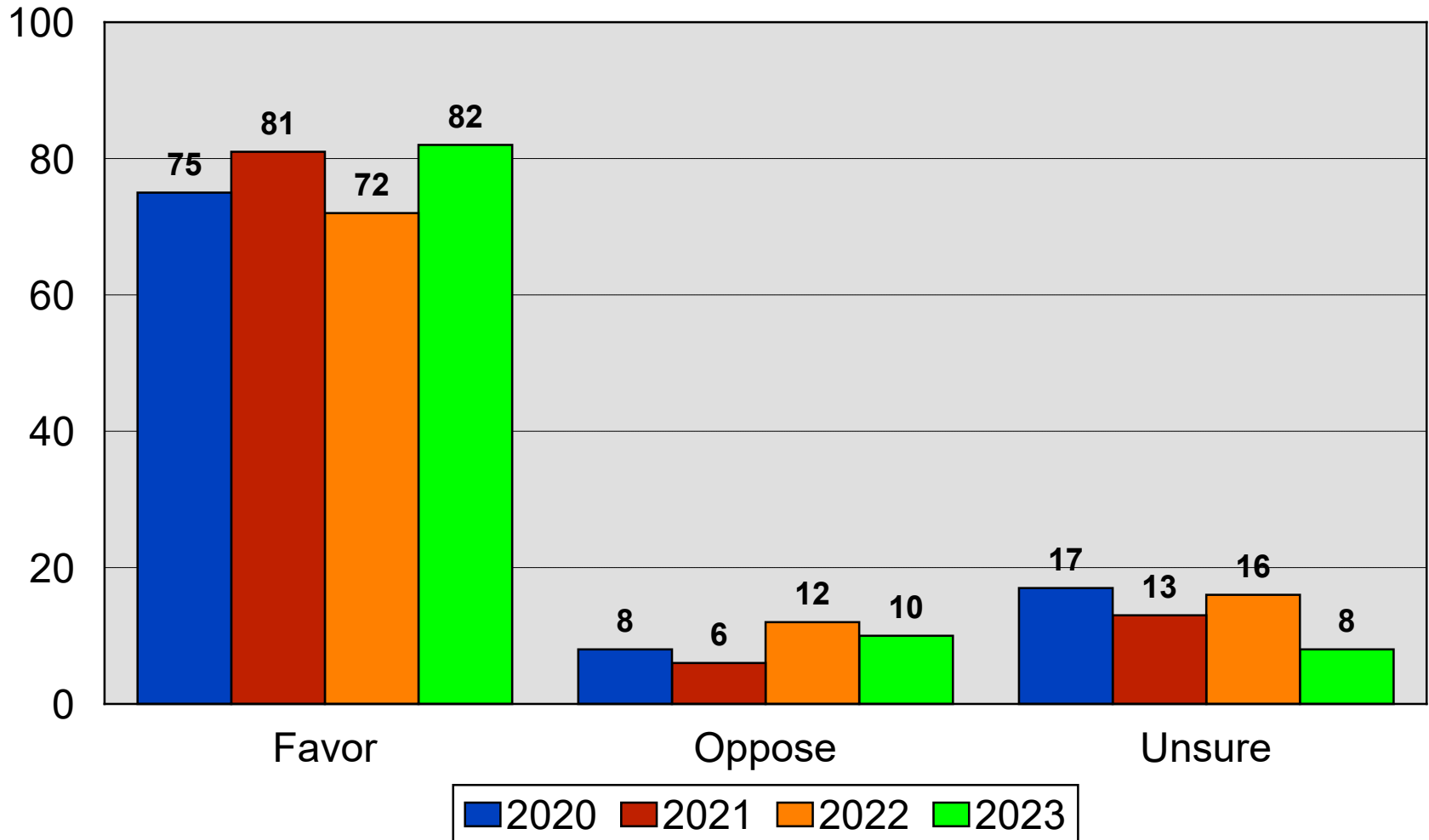
# Value of City Services

2023 City of Minnetonka



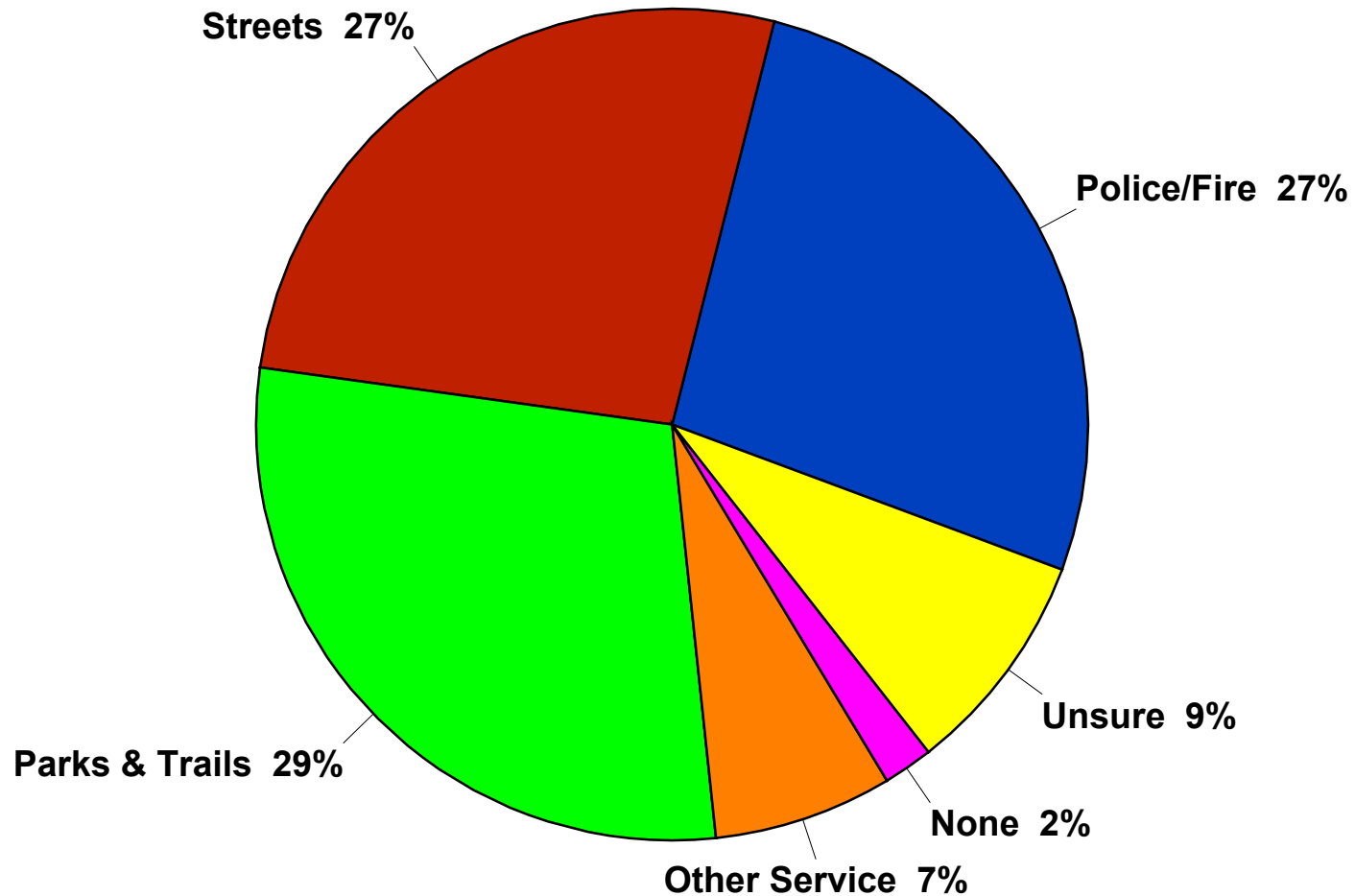
# Tax Increase to Maintain City Services

2023 City of Minnetonka



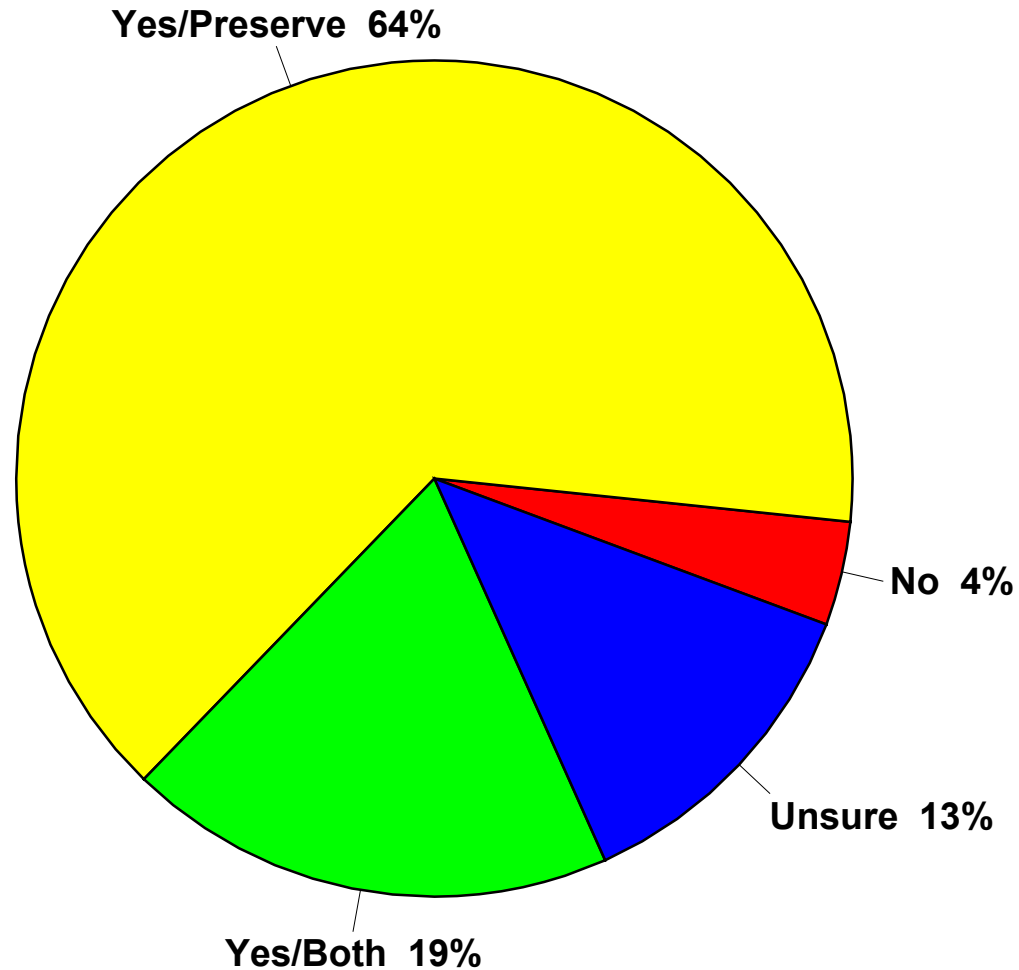
# Prioritize 1% Property Tax Levy Increase

2023 City of Minnetonka



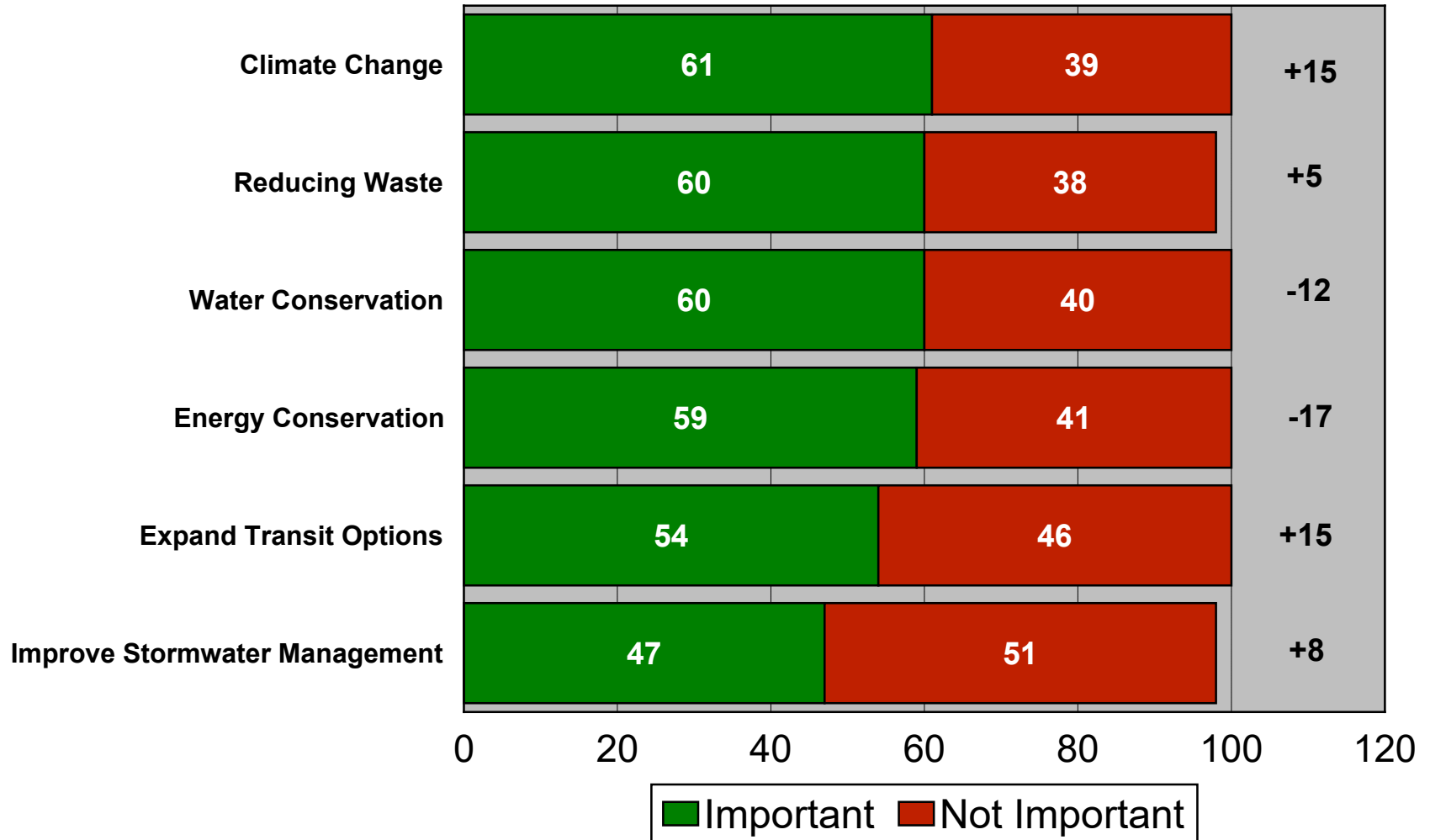
# Support Continued CIP Investments

2023 City of Minnetonka



# Importance for City to Take Action on....

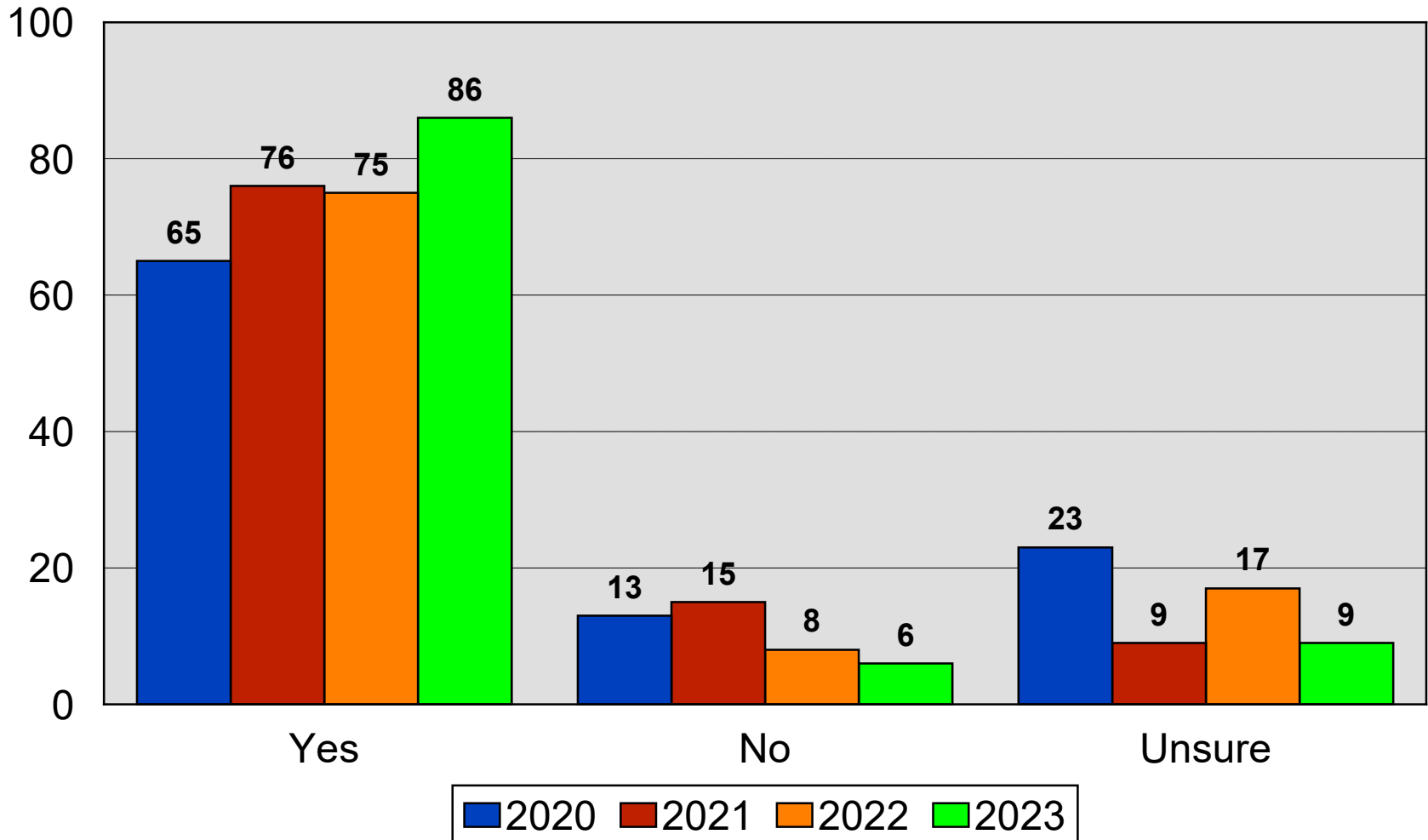
2023 City of Minnetonka





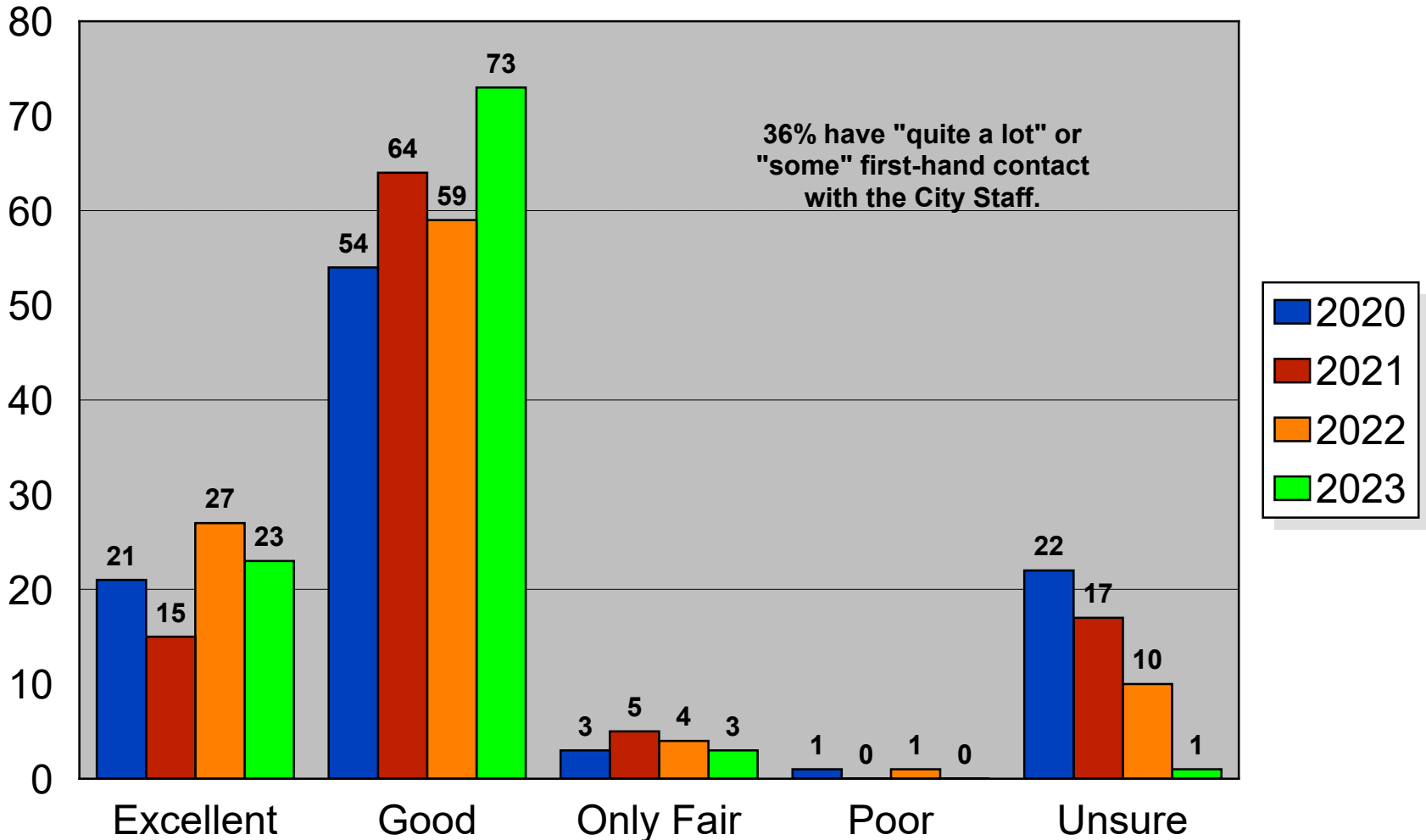
# Input into Zoning and Development Decisions

2023 City of Minnetonka



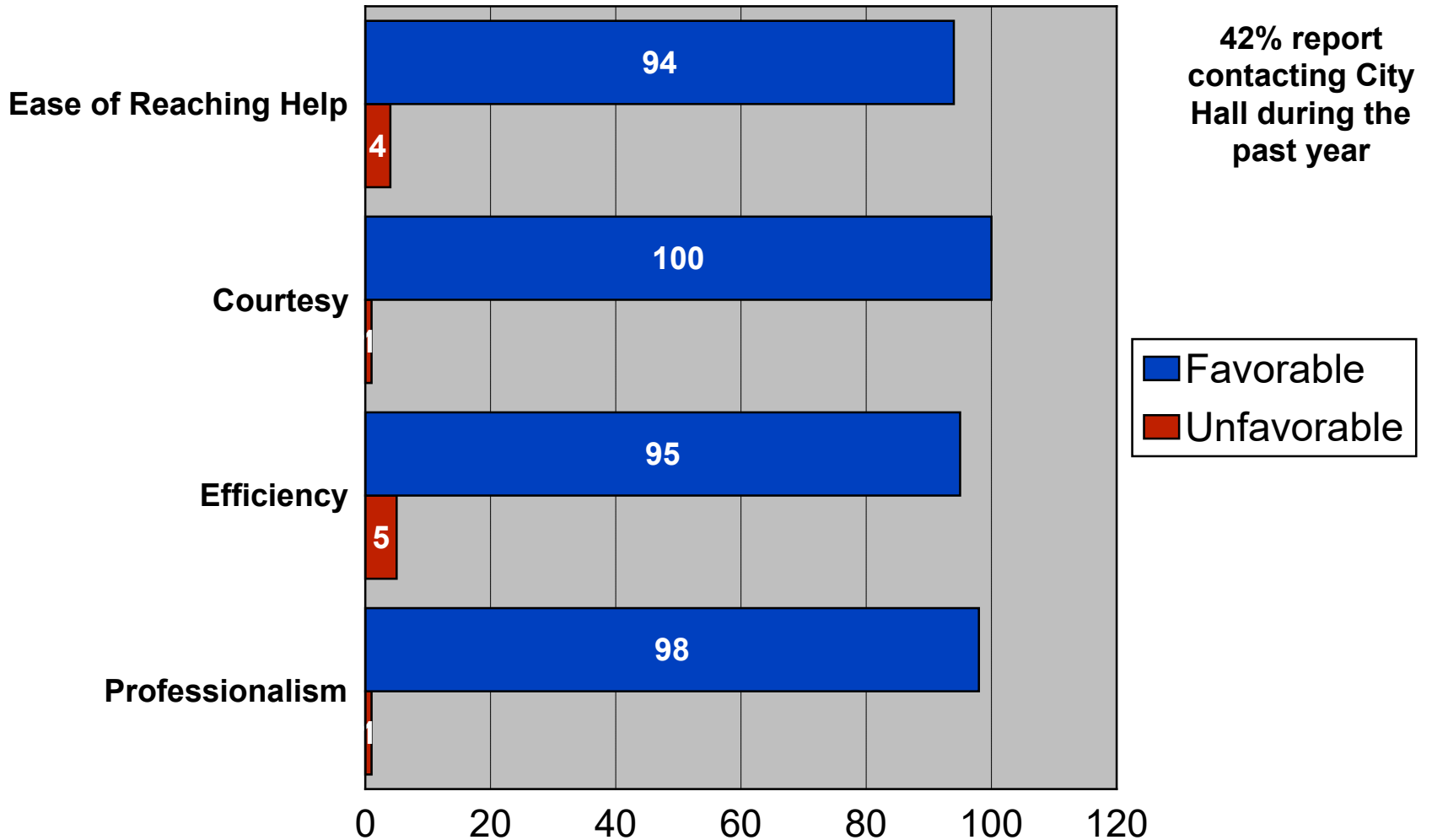
# Job of City Staff

2023 City of Minnetonka



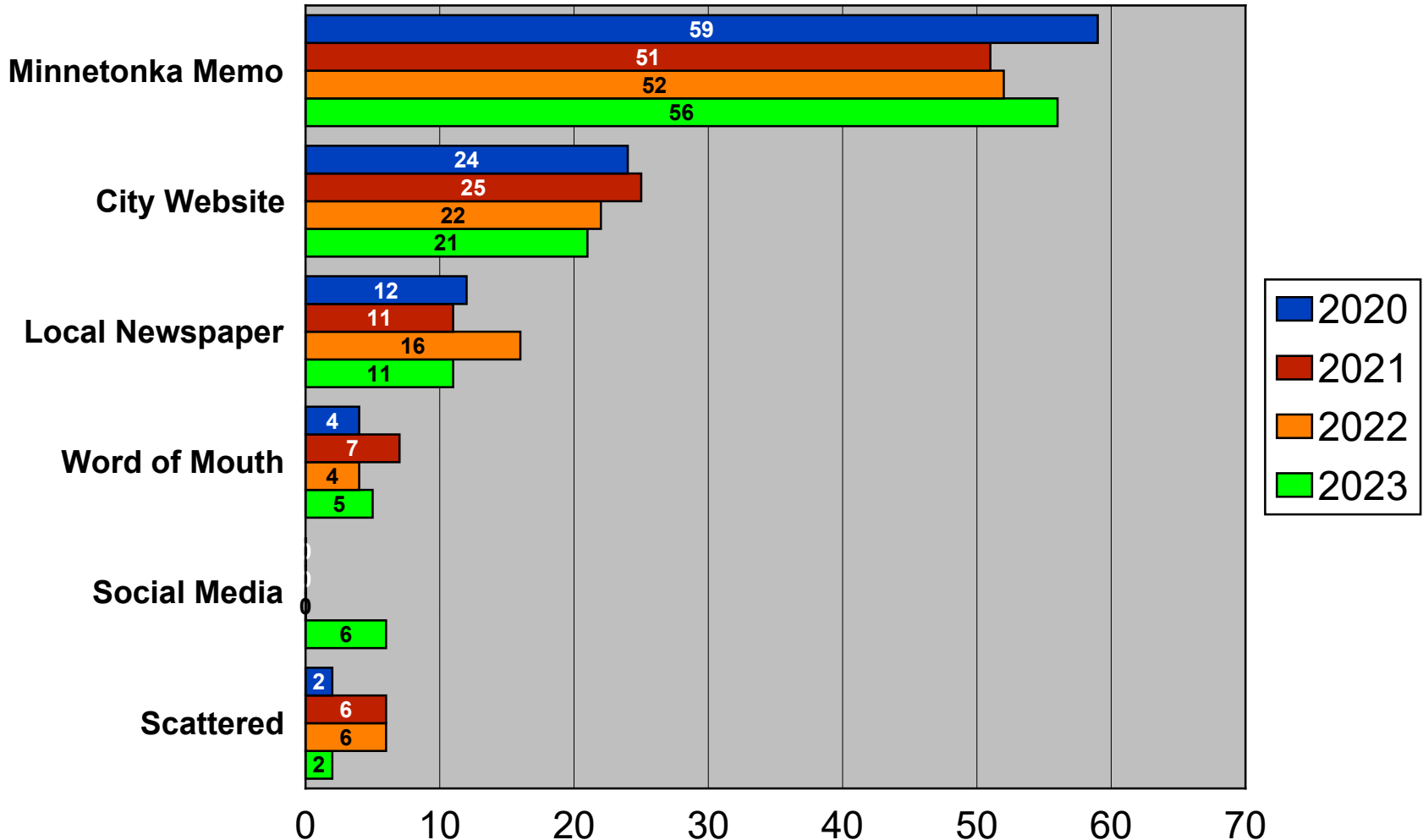
# Contact with City Hall

2023 City of Minnetonka



# Primary Source of Information

2023 City of Minnetonka



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# CITY OF MINNETONKA 2024 BUDGET PRESENTATION

AUGUST 21, 2023



# 2024 BUDGET DEVELOPMENT YEAR-TO-DATE

- Budget Timeline

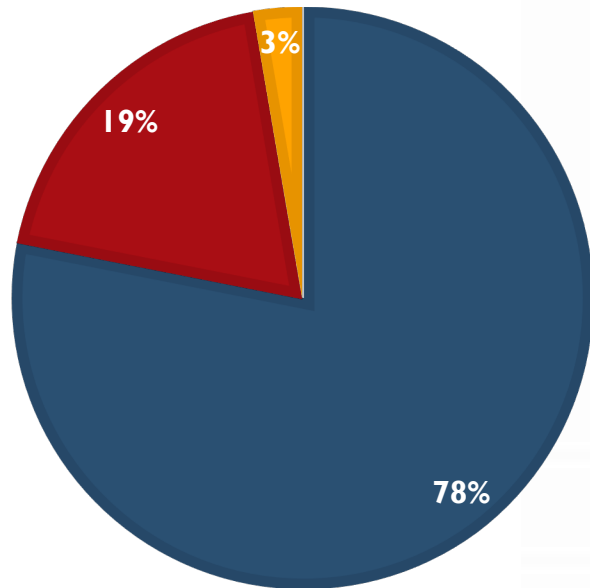
- Director presentations (March-April)
- June 5 – 2024 budget kick-off session
- June 12 – CIP study session
- July 24 – Public safety master plan
- August 21 – Community survey
- August 21 – Operating budget study session
  - Traditionally focuses on major impacts to the budget and levy, i.e. new programs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



# PROPERTY TAXES

## DOLLARS

■ GF Operations ■ Capital (CIP) ■ Debt



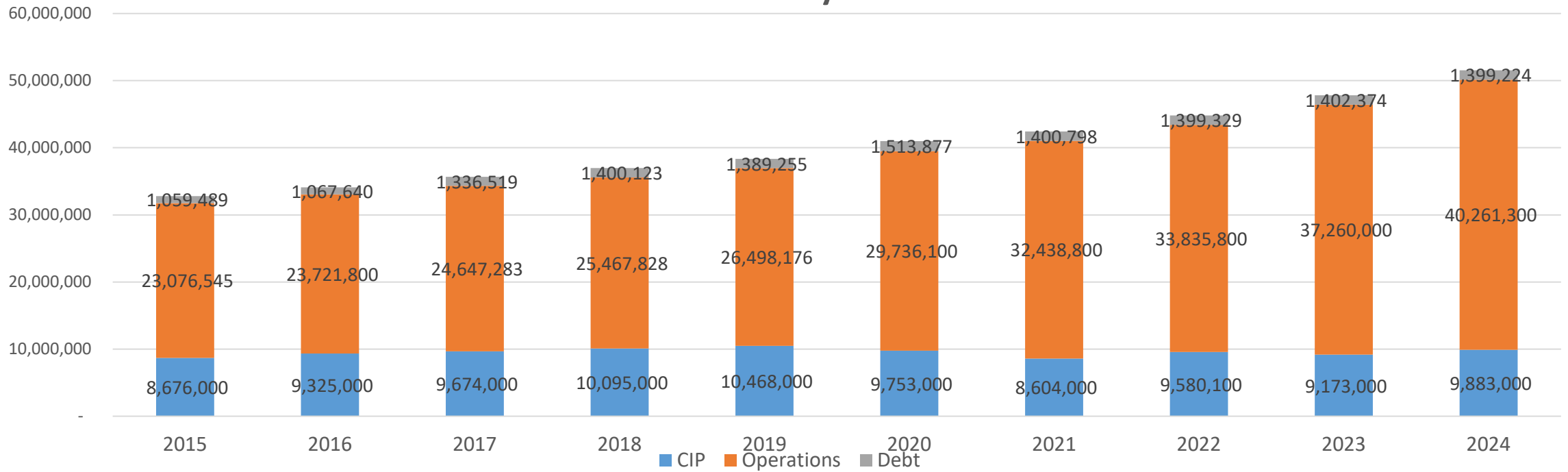
## Projected Property Taxes – 7.75%

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

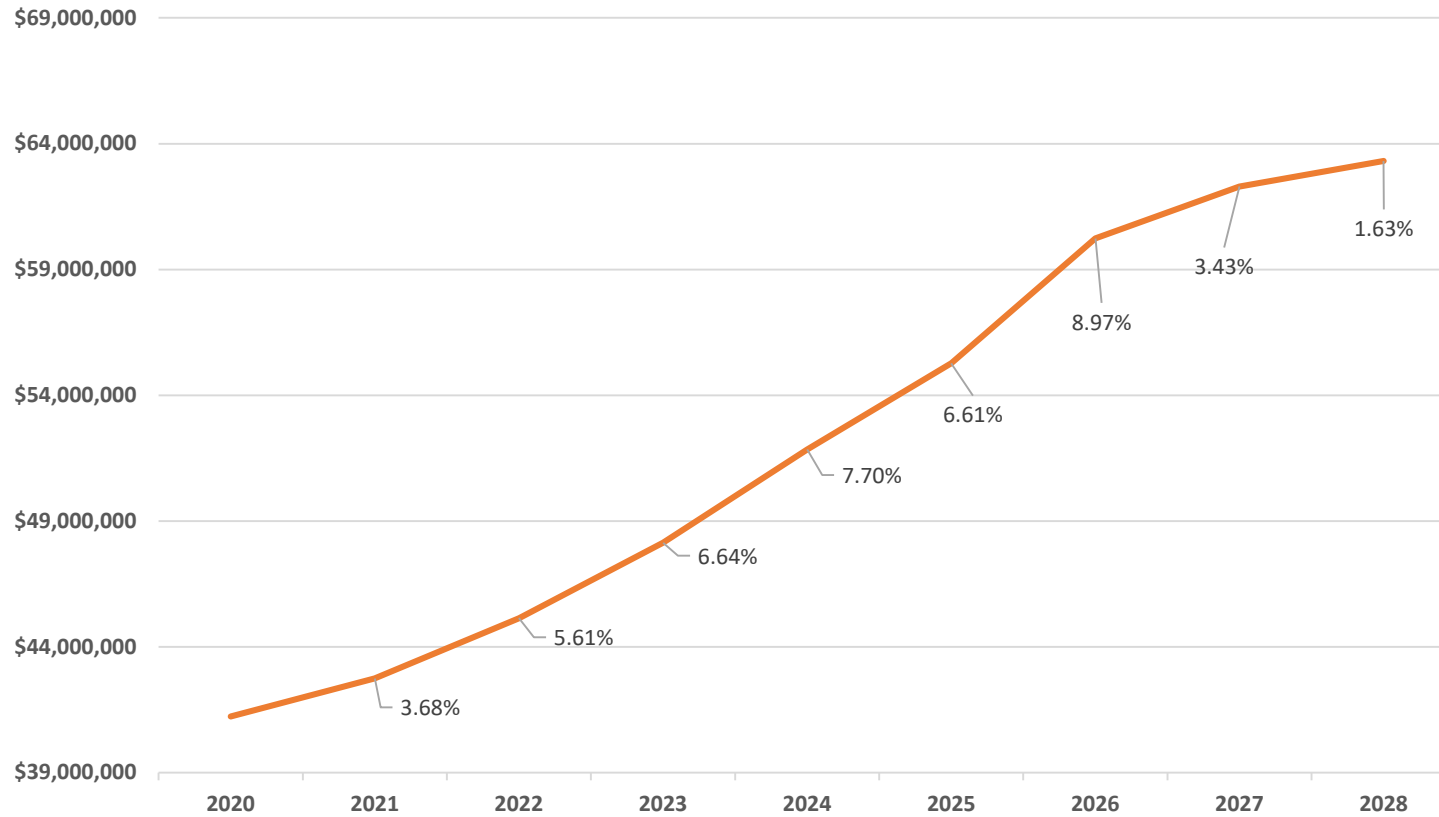
## Minnetonka Levy Allocation





# LEVY FORECAST

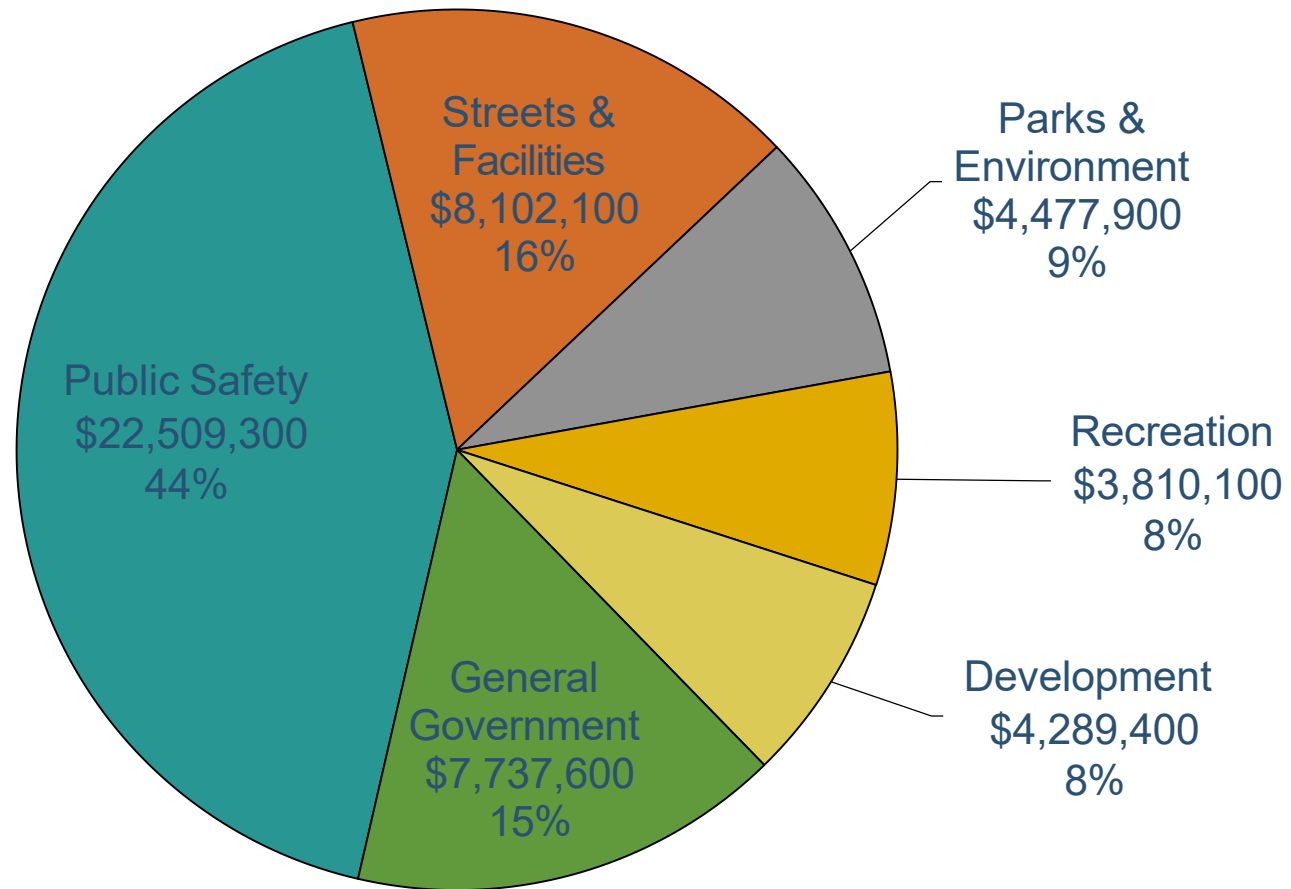
2020-2028 Levy Increases (Including Public Safety Master Plan Current & Future Funding)



# 2024 LEVY ANALYSIS

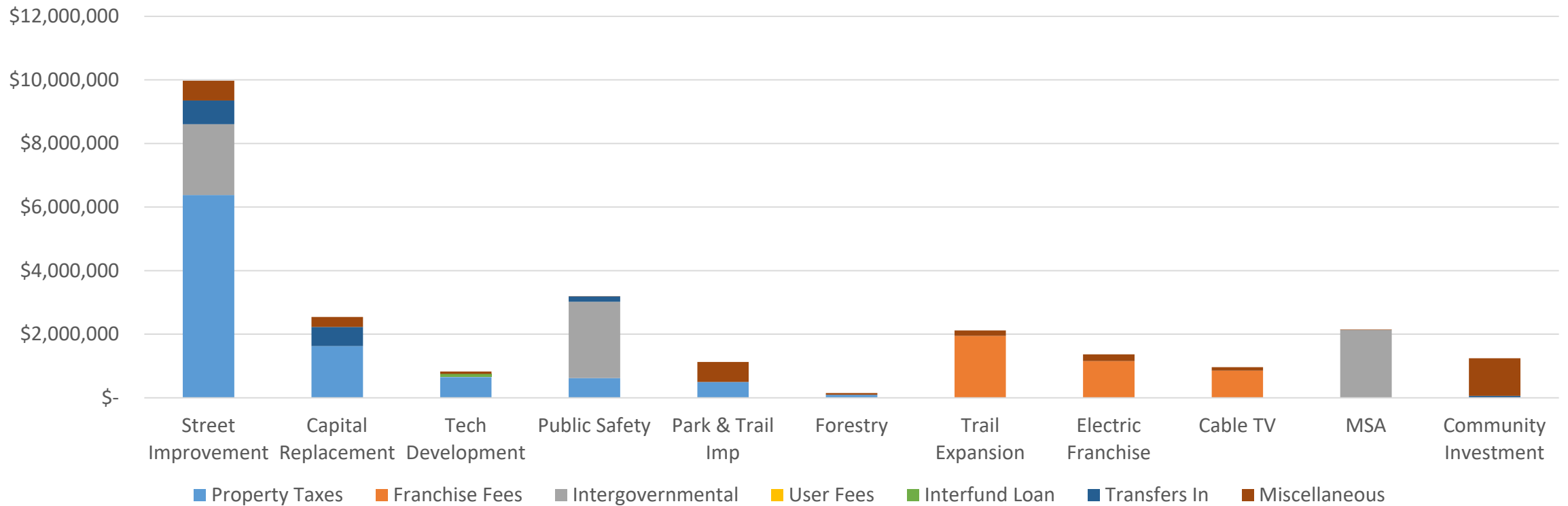
<b>Operational Levy (thousands)</b>	<b>2023</b>	<b>2024</b>	<b>Change</b>
City property taxes, current services	47,835	47,835	0.0%
Prior Year One-Time Requests		(59)	(0.1%)
ARPA Levy Reinstatement		0	0.0%
Staffing COLA		814	1.7%
Other General Fund Staffing Requests		201	0.4%
Health Insurance		238	0.5%
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>
<b>Capital Improvement Plan</b>		<b>710</b>	<b>1.50%</b>
<b>Public Safety Investment</b>			
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>
<b>HRA</b>	<b>300</b>	<b>300</b>	<b>0.00%</b>
<b>Total City Levies</b>	<b>48,135</b>	<b>51,844</b>	<b>7.70%</b>

# 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.

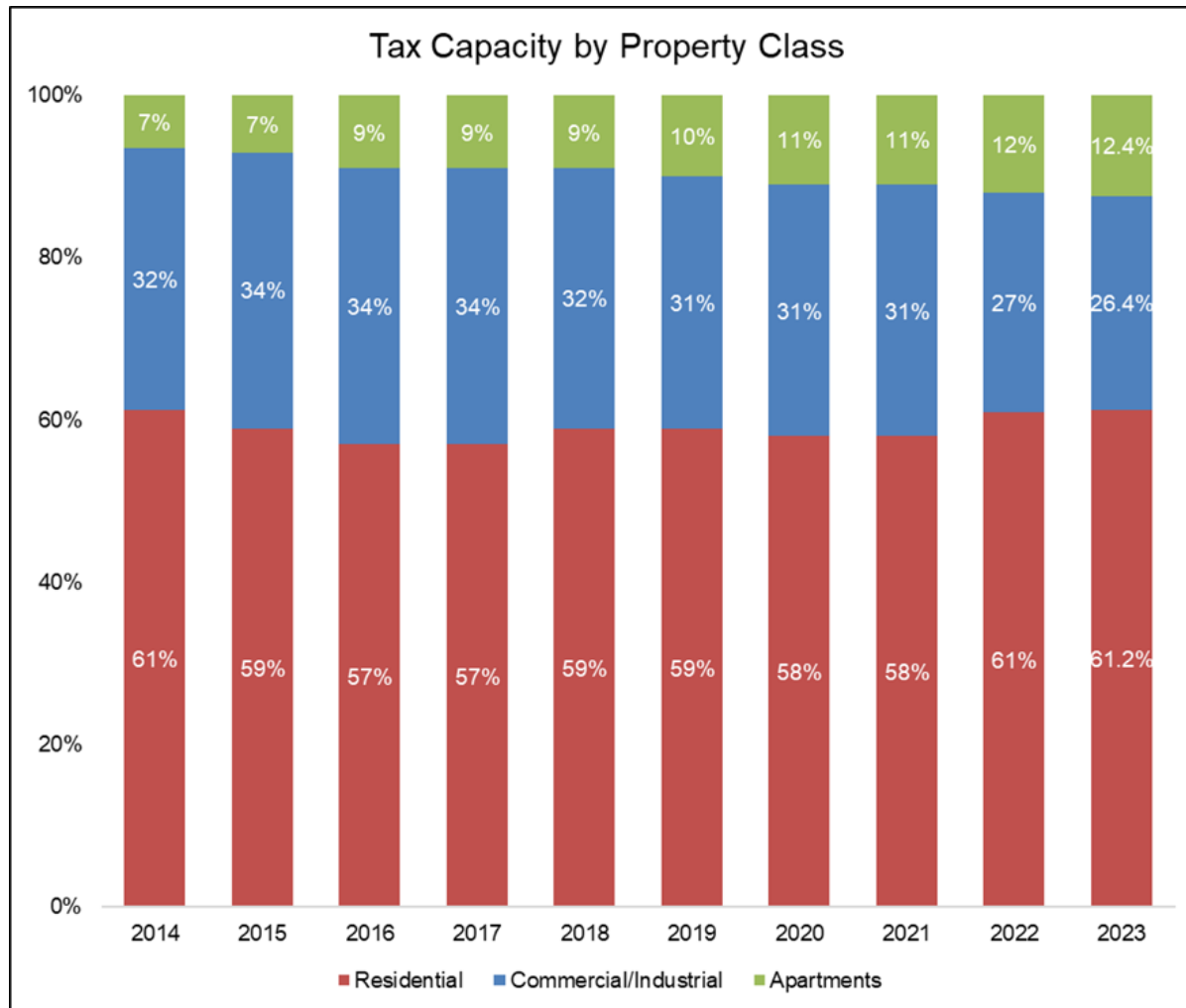
# HOMEOWNER IMPACTS

	<b>Overall Growth</b>	<b>Total Change (millions)</b>
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
<b>Total Change</b>	<b>5.2%</b>	<b>\$848.3</b>

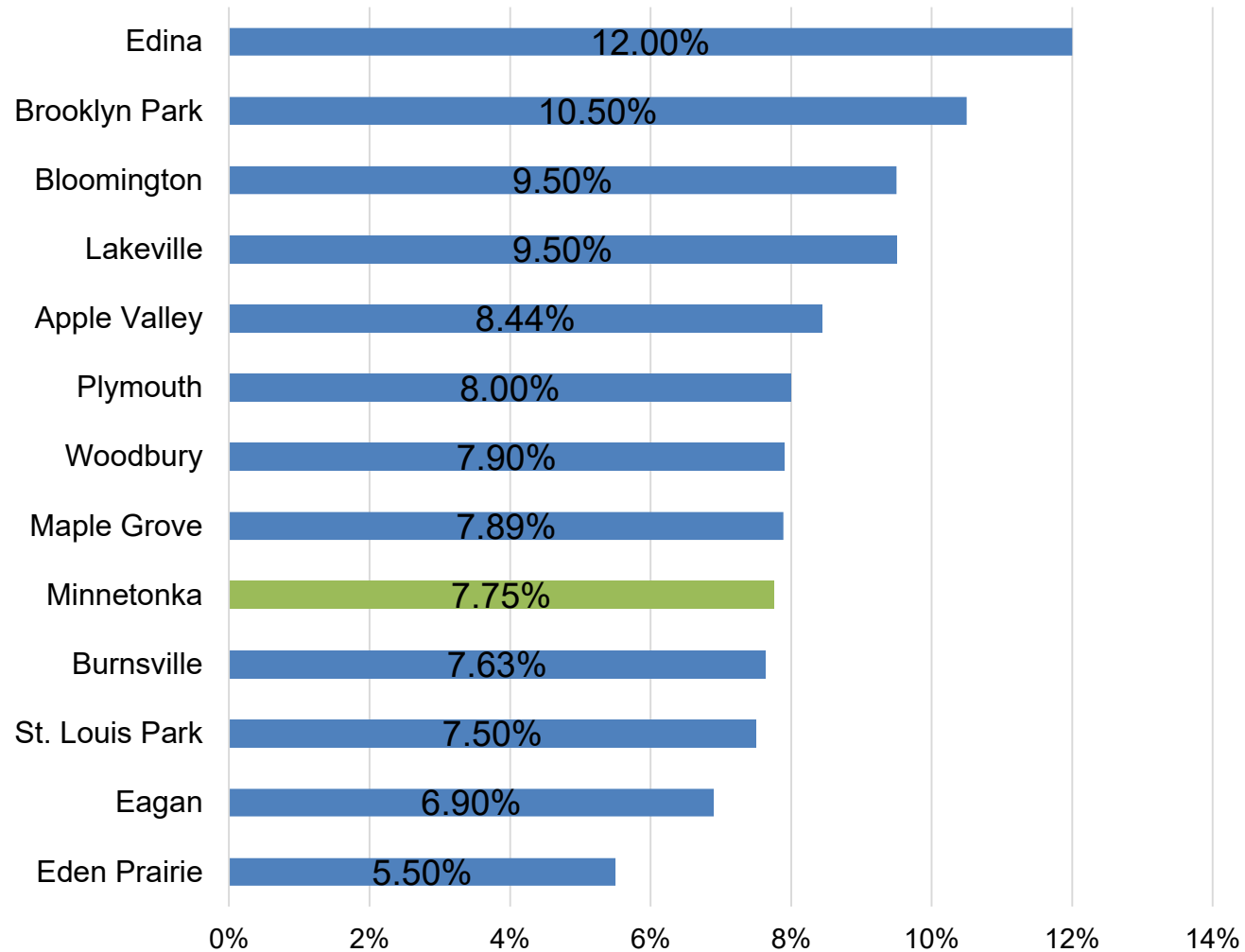
- Median valued home increasing in value 5.97% to \$496,500 will see a monthly tax increase of \$10.60



# HOMEOWNER IMPACTS



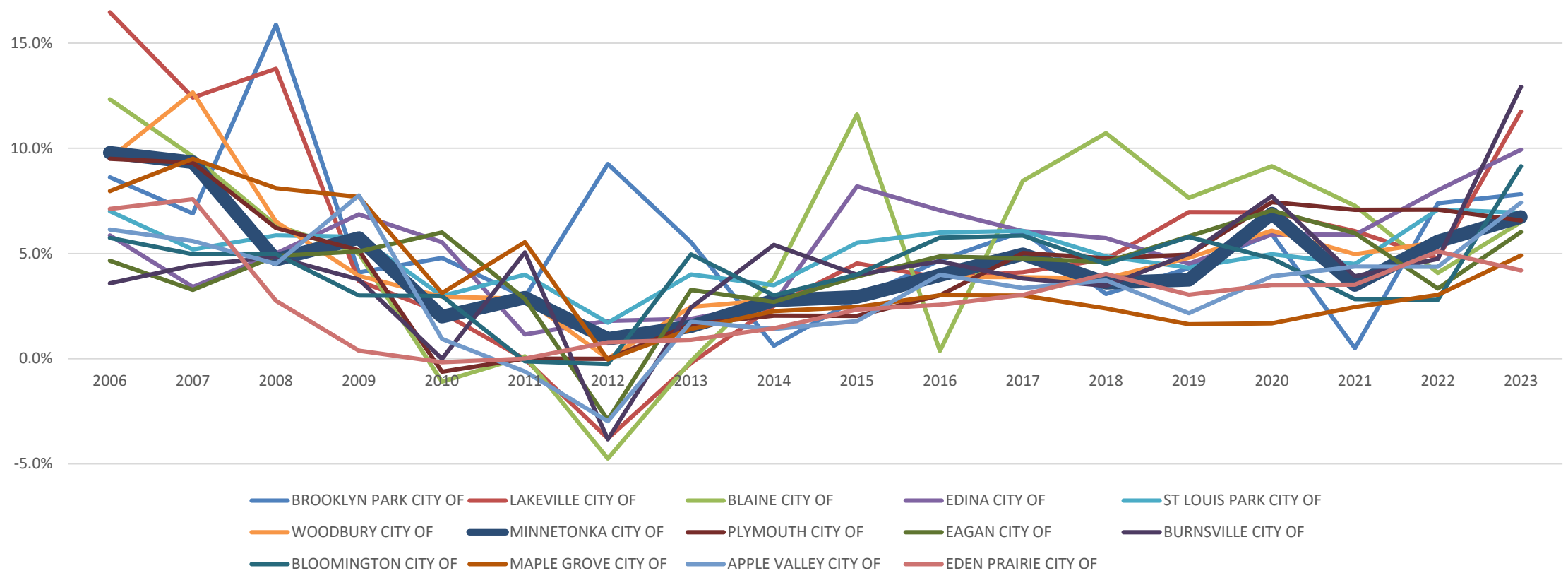
# POTENTIAL 2024 PRELIMINARY TAX INCREASES





# 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



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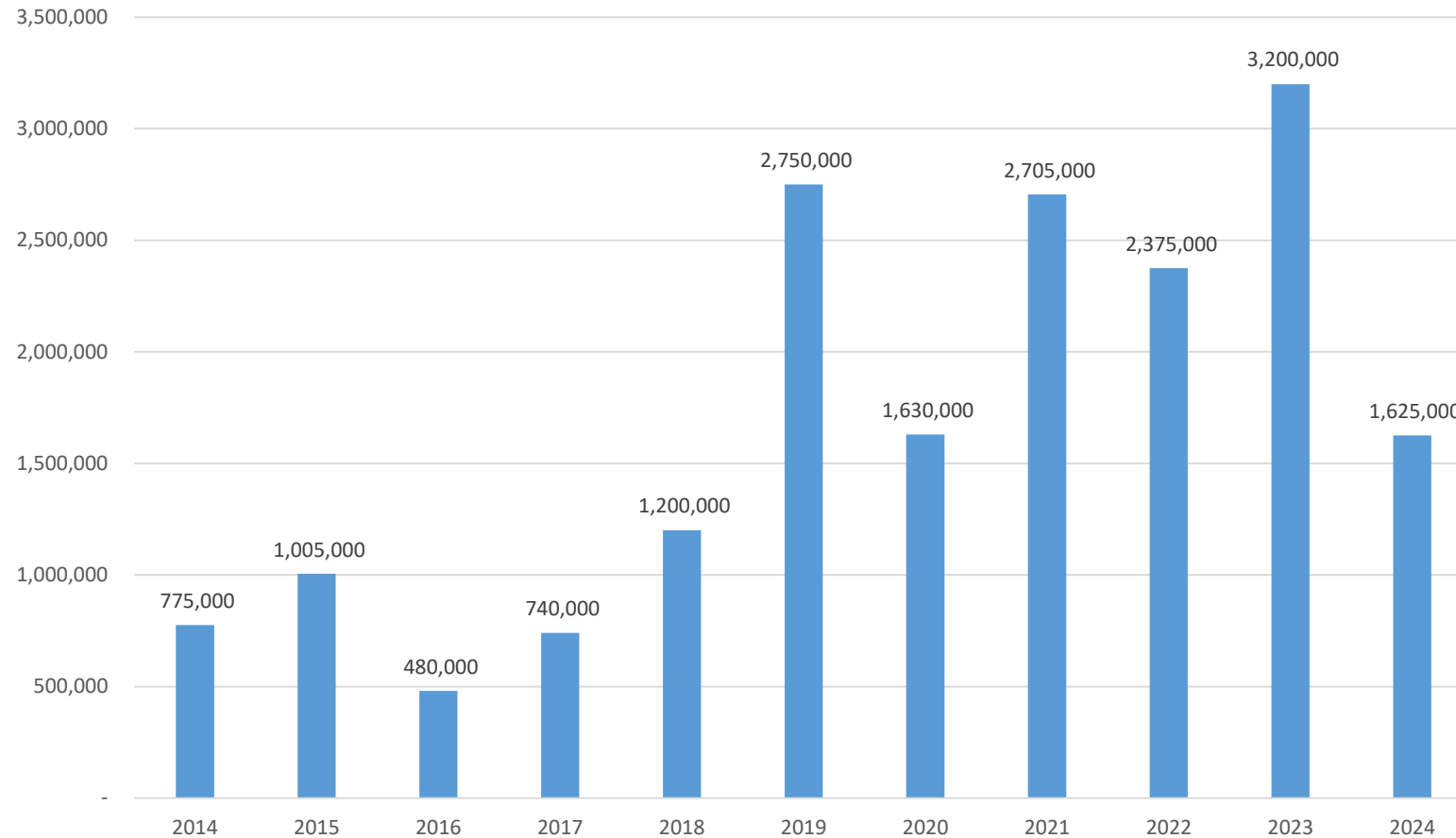
# QUESTIONS?





# HISTORICAL FUND BALANCE TRANSFERS

## General Fund Transfers to Capital Funds



# CHALLENGES

- Inflation and rising costs
  - Operations (compensation, health insurance, fuel, energy)
  - CIP
- Resident support (aging in place, mental health and property upkeep)
- Affordable housing
- Staffing & turn-over (recruitment & retention)
  - Compensation and benefits
  - Shortages of seasonal and part-time staff
  - Fire department, migration to more full-time staffing model
  - Professional development/training opportunities and funding
  - Increased workloads – prioritizing daily customer needs and implementation of new innovations
  - Increasing diversity in the organization (CSO/Cadet Program/workforce development)
- Public safety investments in Ridgedale & Opus – public safety study
- Facility/Programming space
- Continuing to have meaningful equity and inclusion as part of our daily operations, policies, and procedures
- Intelligence Lead Policing/Data
- Increased workload associated with the implementation of body worn cameras
- ERP Implementation