
CITY OF MINNETONKA 2024 BUDGET PRESENTATION

SEPT. 18, 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 to the budget and levy
- September 18 – Adopt preliminary levy and budget



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 (August, October and December)
- Social media campaign “24 Hours in the City of Minnetonka” aimed at informing about the services the city’s budget provides
- New this year is the utilization of Minnetonka Matters where budget information is updated and feedback is accepted
- Citywide email late last week to individuals signed up for the city’s Latest News listserv
- Comments received are included in the agenda packet and addendum
- Council is accepting public feedback at tonight’s meeting



2024 BUDGET COMMUNICATION

AUGUST 2023

MINNETONKA MEMO

A publication from the City of Minnetonka



Tracking the budget: Your tax dollars at work

Preparing Minnetonka's city budget is an eight-month process that starts with the five-year capital improvements program and wraps up with adoption of the final budget and tax levy in December. To create the budget, the city council and staff use data to ensure the budget aligns with the city's strategic priorities. The goal is to provide innovative, responsive and quality city services while maintaining our Aaa bond rating.

RECENT BUDGET INVESTMENTS

Improved fire response

The city has invested in improving its fire response, reducing the time a crew arrives on scene. In 2022, the department hired nine new full-time firefighters to create a 24-hour-staffed department with support from 70 paid-on-call firefighters. The department staffs two stations full-time, providing widespread coverage across the city. Since last year, the department's response time has been reduced by approximately one minute.



Preservation of natural environment

The city council has invested in preserving the natural environment by setting aside park stewardship dollars to fund restoration. These dollars come from the city's operations budget and include the city's new forestry mower for eliminating invasive buckthorn.



A more sustainable future

Sustainability is one of the city council's five strategic priorities.



Infrastructure investment
Capital improvement funds



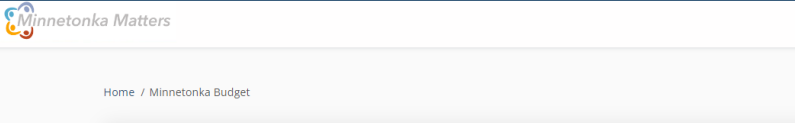

City of Minnetonka

Share feedback on proposed preliminary levy

Preparing [Minnetonka's city budget](#) is an eight-month process that starts with the five-year capital improvements program and wraps up with adoption of the final budget and tax levy in December. To create the budget, the city council and staff use data and community feedback to ensure the budget aligns with the city's strategic priorities.

You're invited to share your feedback on the proposed 2024 preliminary tax levy and budget at the [Sept. 18 city council meeting](#).

**Monday, Sept. 18
6:30 p.m.
Council chambers, 14600 Minnetonka Blvd.**



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Minnetonka Budget

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Preparing [Minnetonka's city budget](#) is an eight-month process that starts with the five-year capital improvements program and wraps up with adoption of the final budget and tax levy in December. To create the budget, the city council and staff use data to ensure the budget aligns with the city's strategic priorities. The goal is to provide innovative, responsive and quality city services while maintaining our Aaa bond rating.


You're invited to share your feedback on the proposed 2024 preliminary tax levy and budget during a public comment opportunity at the [Sept. 18 city council meeting](#).

**Monday, Sept. 18
6:30 p.m.
Council chambers, 14600 Minnetonka Blvd.**

During the meeting, residents may address the council as it considers a 7.75 percent tax levy increase – approximately half of which is dedicated to public safety and capital improvement expenses.

City of Minnetonka - Local Government
September 15 at 11:36 AM

To prepare Minnetonka's city budget, the city council and staff use data and community feedback to ensure the budget aligns with the city's strategic priorities. You're invited to share your feedback on the... [More](#)



City of Minnetonka @MinnetonkaMN - Aug 21

The city is a 24/7 operation. From public works to city hall to fire and police, we're always working hard to keep Minnetonka running, no matter what the hour. Tomorrow we invite you join us for the 24 Hours in the City of Minnetonka event.

We'll see you at 5 a.m. on Tuesday 🌅



City of Minnetonka @MinnetonkaMN - Sep 15

You're invited to share your feedback on the proposed 2024 preliminary tax levy and budget at the Monday, Sept. 18 city council meeting at 6:30 p.m. in the council chambers, 14600 Minnetonka Blvd. Learn more or provide feedback at minnetonkamatters.com/minnetonka-bud...

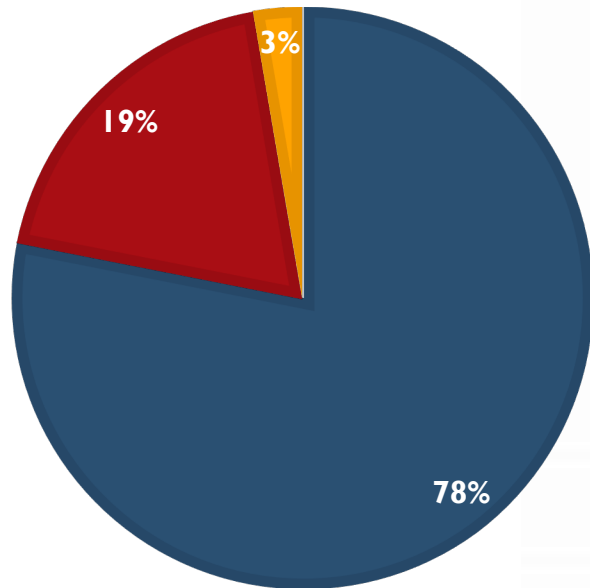


minnetonkamatters.com
Minnetonka Budget
Preparing Minnetonka's city budget is an eight-month process that starts with the five-year capit...

PROPERTY TAXES

DOLLARS

■ GF Operations ■ Capital (CIP) ■ Debt



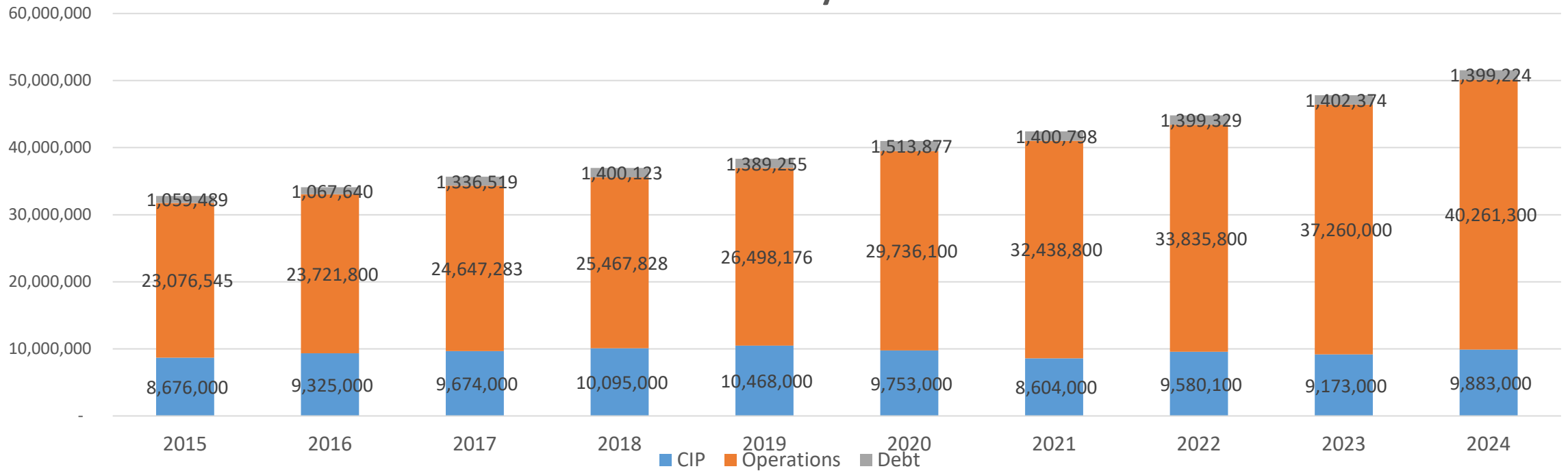
Projected Property Taxes – 7.75%

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

*1% levy increase = \$481,000

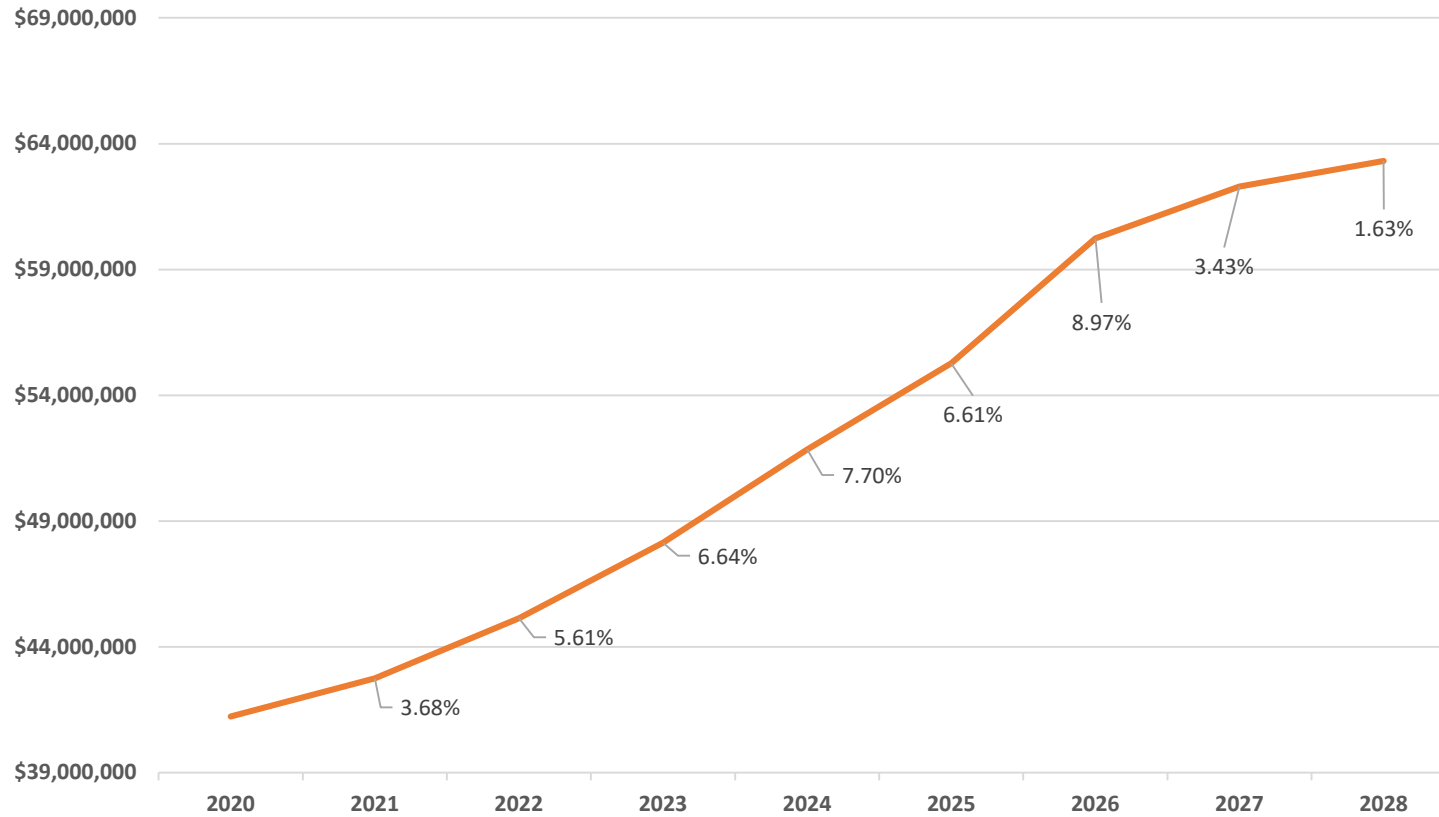
TAX LEVY GRAPH

Minnetonka Levy Allocation



LEVY FORECAST

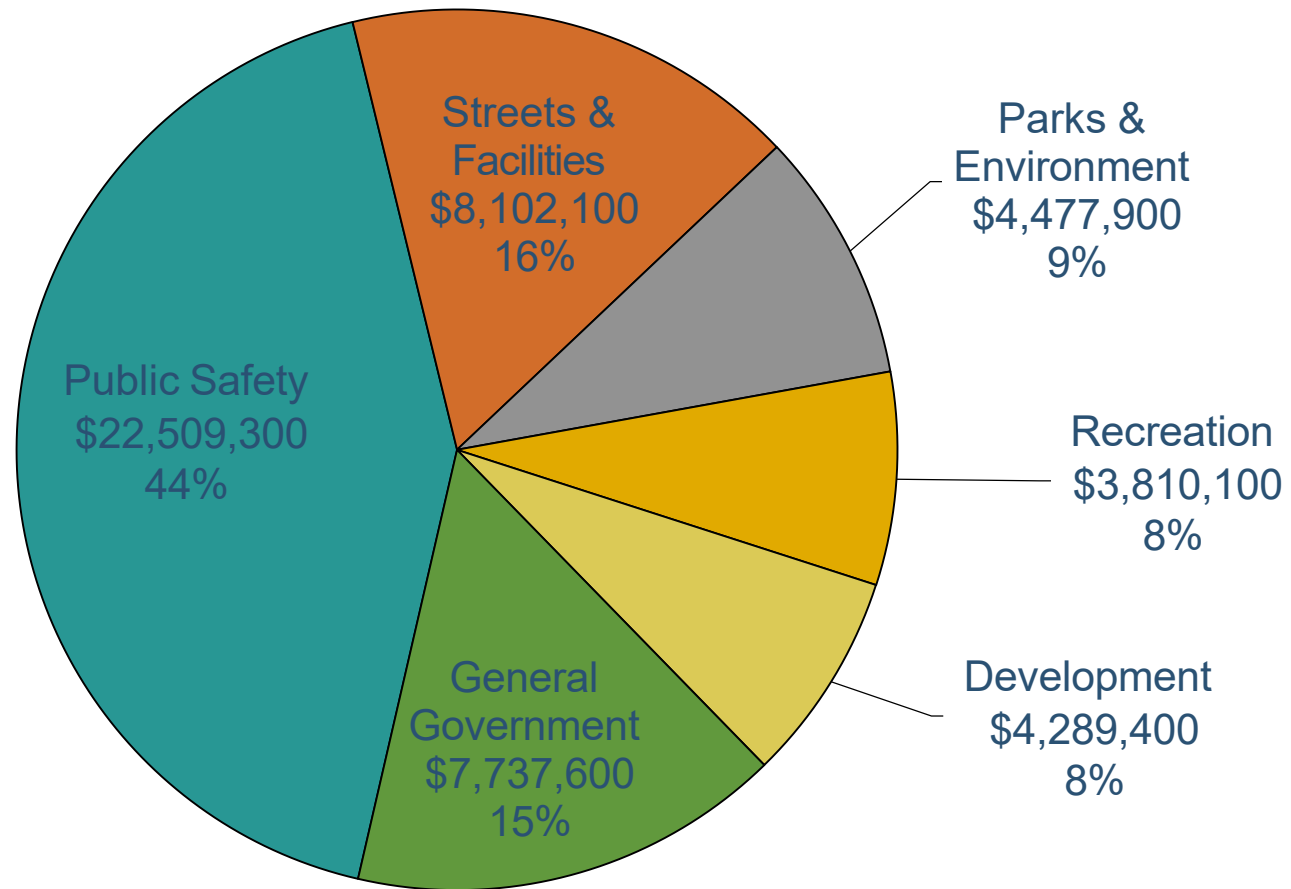
2020-2028 Levy Increases (Including Public Safety Master Plan Current & Future Funding)



2024 LEVY ANALYSIS

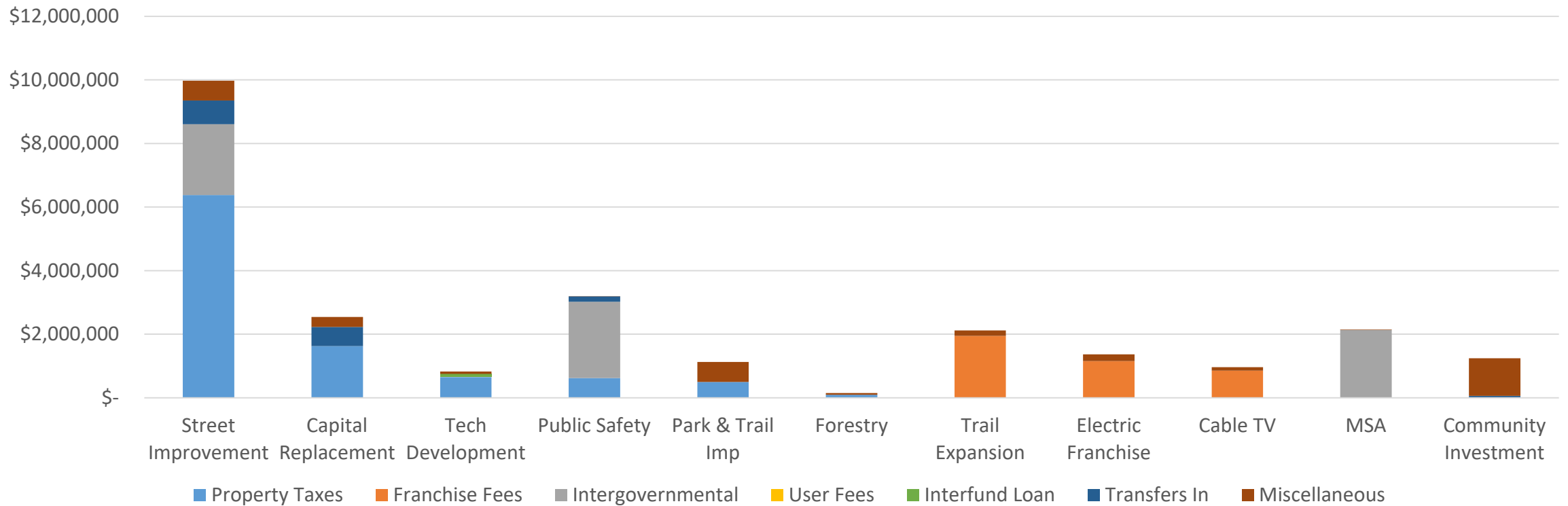
Operational Levy (thousands)	2023	2024	Change
City property taxes, current services	47,835	47,835	0.0%
Prior Year One-Time Requests		(59)	(0.1%)
ARPA Levy Reinstatement		0	0.0%
Staffing COLA		814	1.7%
Other General Fund Staffing Requests		201	0.4%
Health Insurance		238	0.5%
Cable TV Staffing Conversion		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 \$10.50

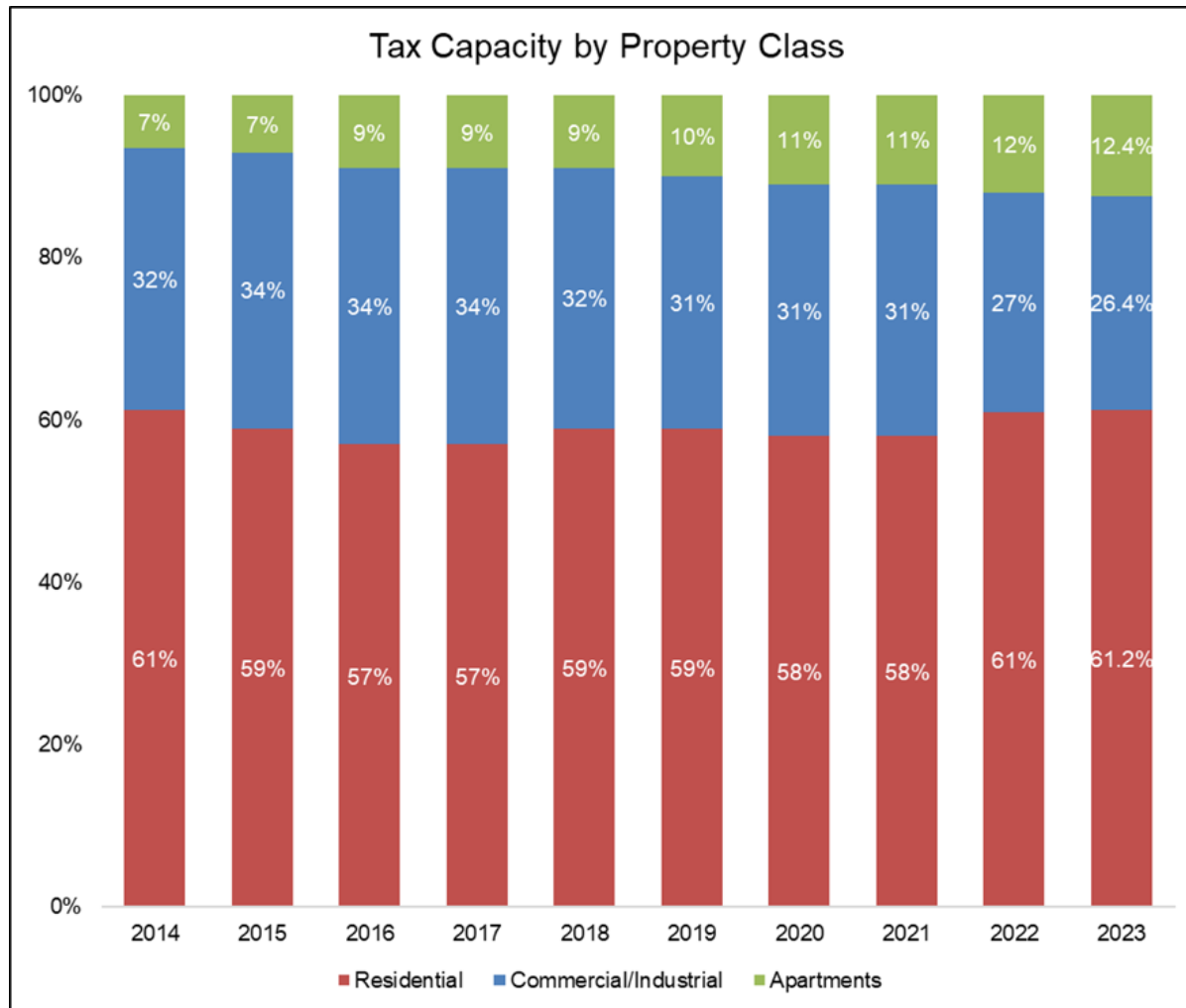
PRELIMINARY GENERAL FUND BUDGET

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	32,411,694	33,808,853	37,004,000	40,000,300	2,996,300	8.1%
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	44,620,243	46,742,568	46,694,000	50,797,400	4,103,400	8.8%
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	39,016,733	41,374,887	46,944,000	50,926,400	3,982,400	8.5%
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	\$ 1,648,907	\$ 2,020,320	\$ (3,121,000)	\$ (1,875,000)	\$ 1,246,000	

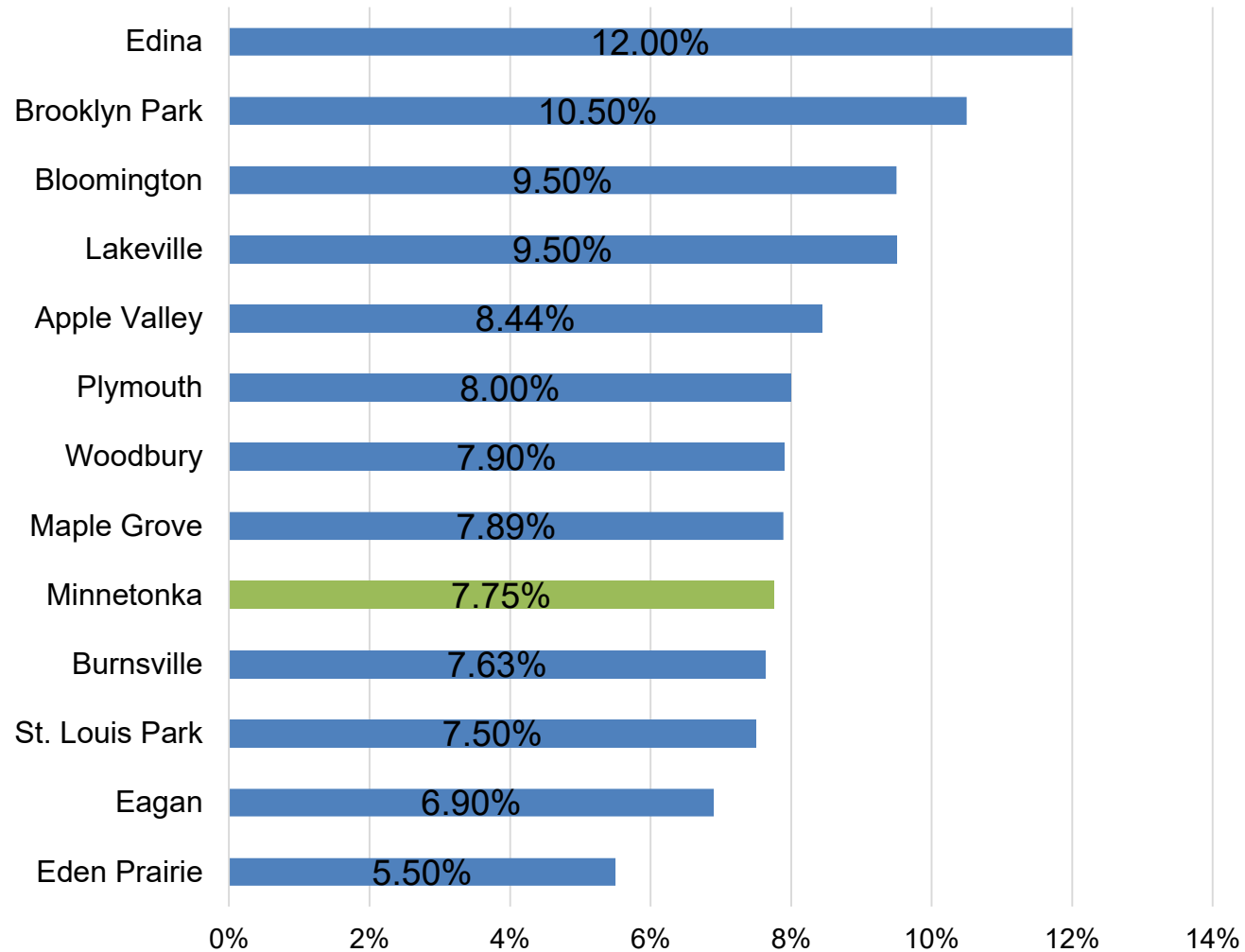
PRELIMINARY GENERAL FUND BUDGET

Object Account	2021 Actual	2022 Actual	2023 Budget	2024 Requested	\$ Change from 2023 to 2024	% Change from 2023 to 2024
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	\$ 39,016,733	\$ 41,368,644	\$ 46,944,000	\$ 50,926,500	\$ 3,982,500	8.5%

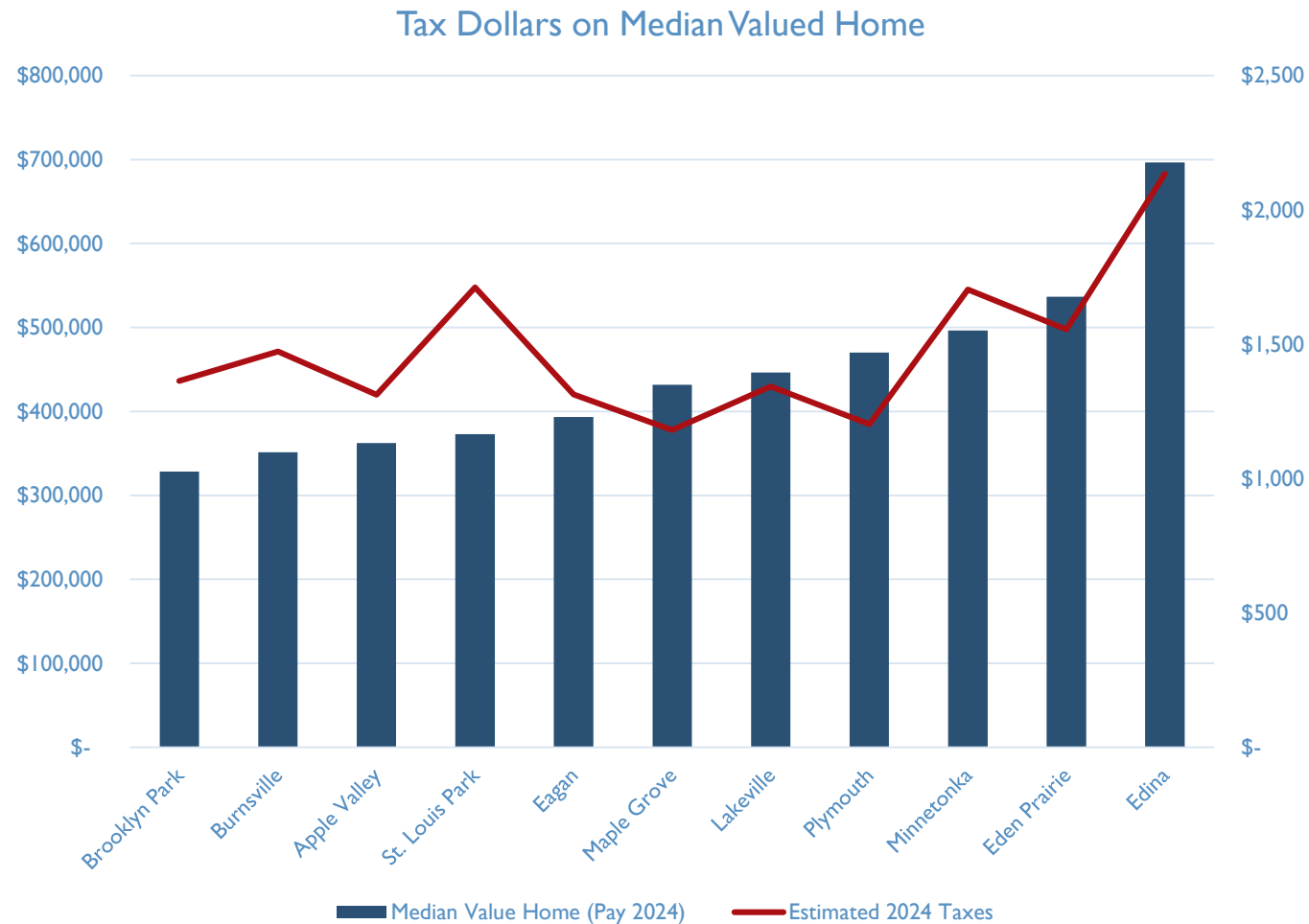
HOMEOWNER IMPACTS



POTENTIAL 2024 PRELIMINARY TAX INCREASES

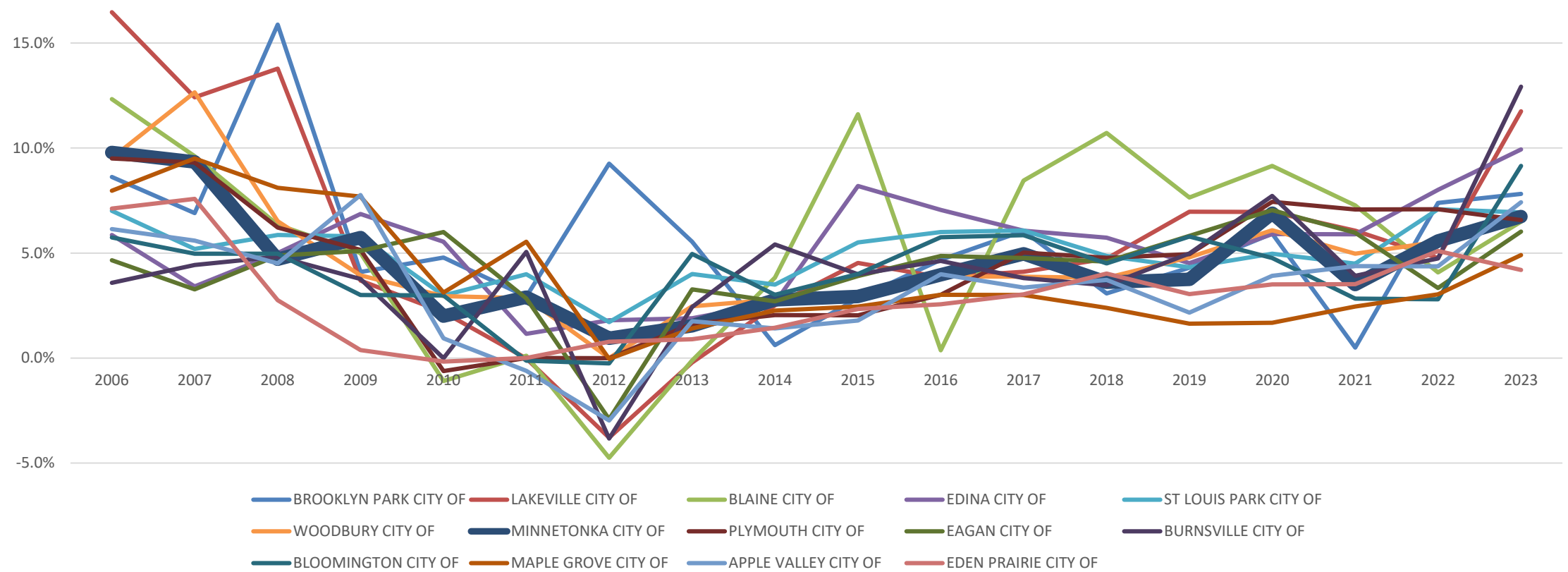


POTENTIAL 2024 PRELIMINARY TAX INCREASES



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 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
 - Meeting starts at 6:30 p.m. in the council chambers
 - December 18 – Alternate budget approval date



QUESTIONS?

