
CITY OF MINNETONKA PRELIMINARY LEVY & BUDGET PRESENTATION

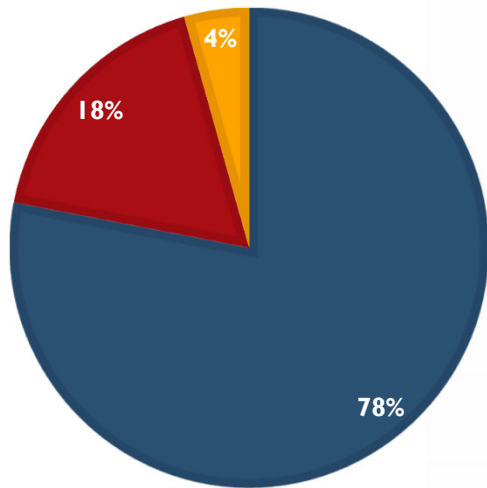
AUGUST 19, 2024



PROPERTY TAXES

DOLLARS

■ GF Operations ■ Capital (CIP) ■ Debt



Projected Property Taxes 9.30%

Operations 7.23%

General Operations 4.98%

Public Safety Plan 2.25%

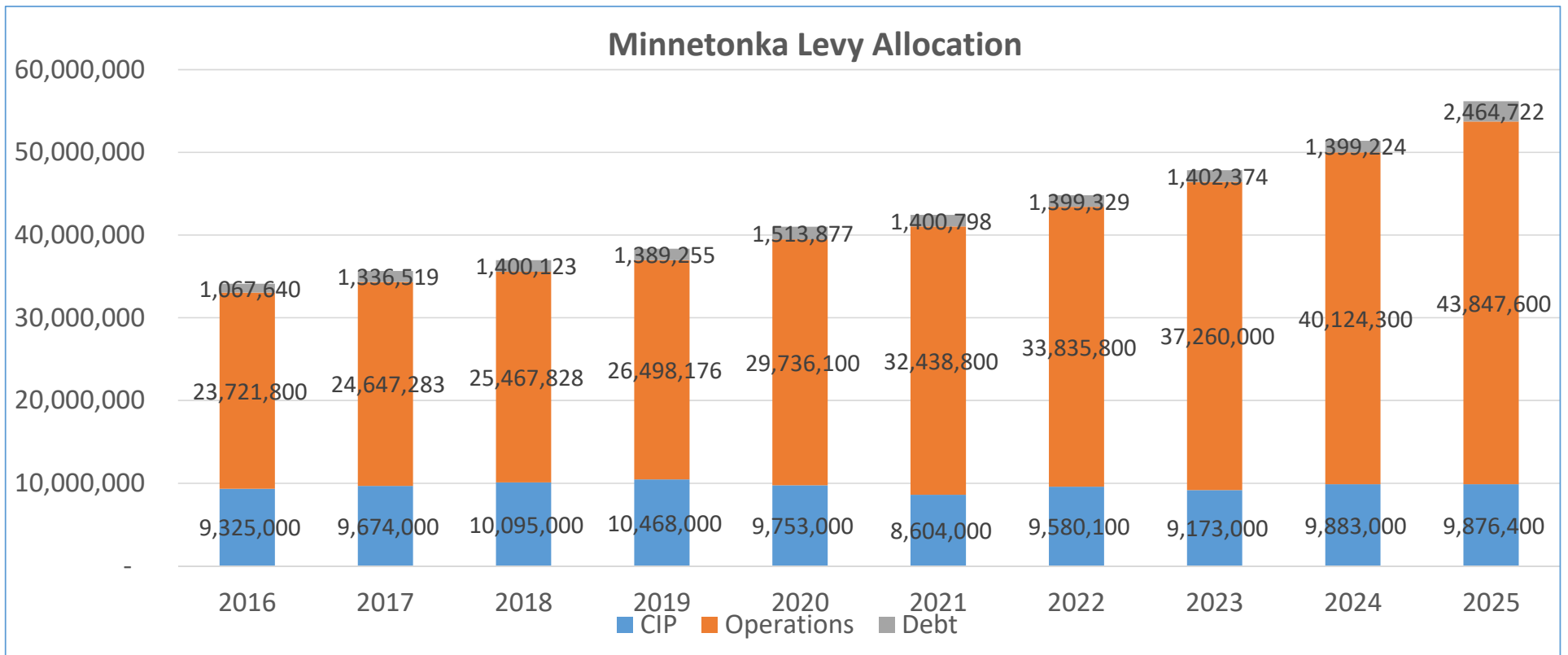
Capital – CIP 0.00%

Debt

Comm. Facility Improv. 2.07%

*1% levy increase = \$514,000

TAX LEVY GRAPH



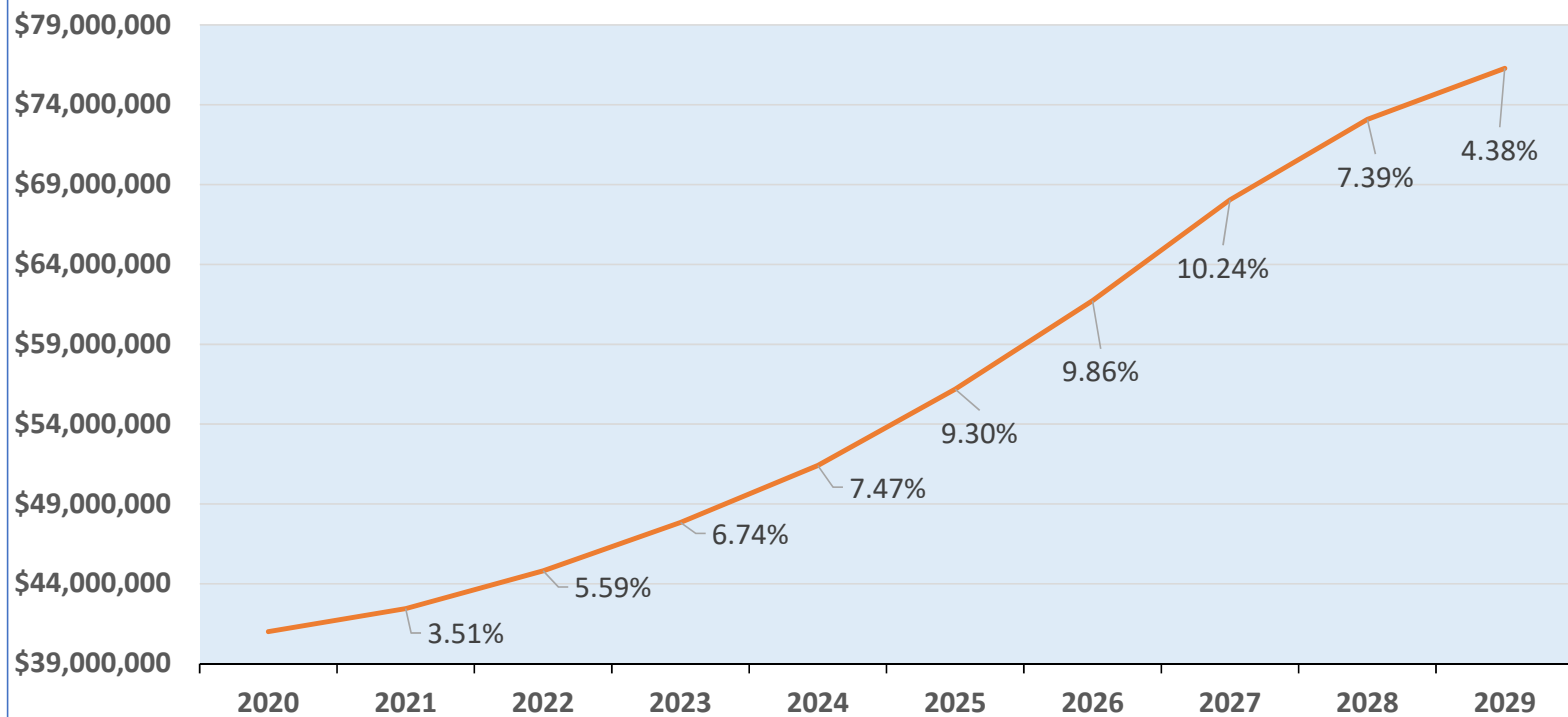
2025 LEVY ANALYSIS

2025 Levy Analysis

Operational Levy (thousands)	2024	2025	Change
City property taxes, current services	\$51,407	\$51,407	
ARPA Levy Reinstatement		\$250	0.5%
Staffing COLA/Market		\$1,456	2.9%
Health Insurance		\$284	0.5%
Workers' Compensation		\$475	0.9%
New DEI Specialist Position		\$95	0.2%
<i>SubTotal</i>		<hr/> <i>\$53,967</i>	<i>4.98%</i>
<i>Public Safety Investment</i>		<hr/> <i>\$1,157</i>	<i>2.25%</i>
<i>Community Facility Improvements</i>		<hr/> <i>\$1,063</i>	<i>2.07%</i>
<i>Total City Levy</i>	<i>\$51,407</i>	<i>\$56,189</i>	<i>9.30%</i>
<i>HRA Levy</i>	<i>\$300</i>	<i>\$300</i>	<i>0.00%</i>
<i>Total City Levies</i>	<i>\$51,707</i>	<i>\$56,489</i>	<i>9.25%</i>

LEVY FORECAST

2020-2029 Levy Increases (Including Public Safety Master Plan & Community Facility Improvement Bonds)



WHAT'S IN THE BUDGET – WHAT DOES IT REPRESENT

- Second year of a multi-year program to implement the public safety master plan
 - 10 public safety related positions funded through the General Fund
- Community facility improvements
 - Requires multi-year levy increase to fully fund
- Other new positions
 - One DEI specialist funded through the General Fund
 - 3 Non-General Fund personnel requests
- Second year of non-union class and compensation study implementation
- Workers' Compensation insurance increase. 32% increase for 2025, amounting to over \$475,000.
 - Increasing classification rates based off of state-wide experience rating
 - Increasing mod factor based off of city's loss rate. Mod factor increasing from 0.69 to 0.87.

NEW STAFFING REQUESTS – GENERAL FUND FTE'S

- **One investigator**
 - Public safety master plan recommends hiring an additional investigator to reduce the overall caseload per detective.
 - Caseload has increased from 118 per investigator in 2018 to 158 cases in 2023
- **Nine full-time firefighters**
 - Public safety master recommends hiring an additional 18 firefighters
 - These hires will support the staffing of fire station #5, giving the city three fire stations that are staffed 24 hours per day.
 - Planned to be mid-year hires, similar to this year's hires.
 - Will impact the 2026 budget and levy to fully fund new positions
- **One DEI Specialist**
 - Diversity, equity and inclusion continue to be top priorities for the city council and staff
 - Increasing demand for both external and internal outreach
 - Additional position would allow the city to expand its efforts and enhance the impact

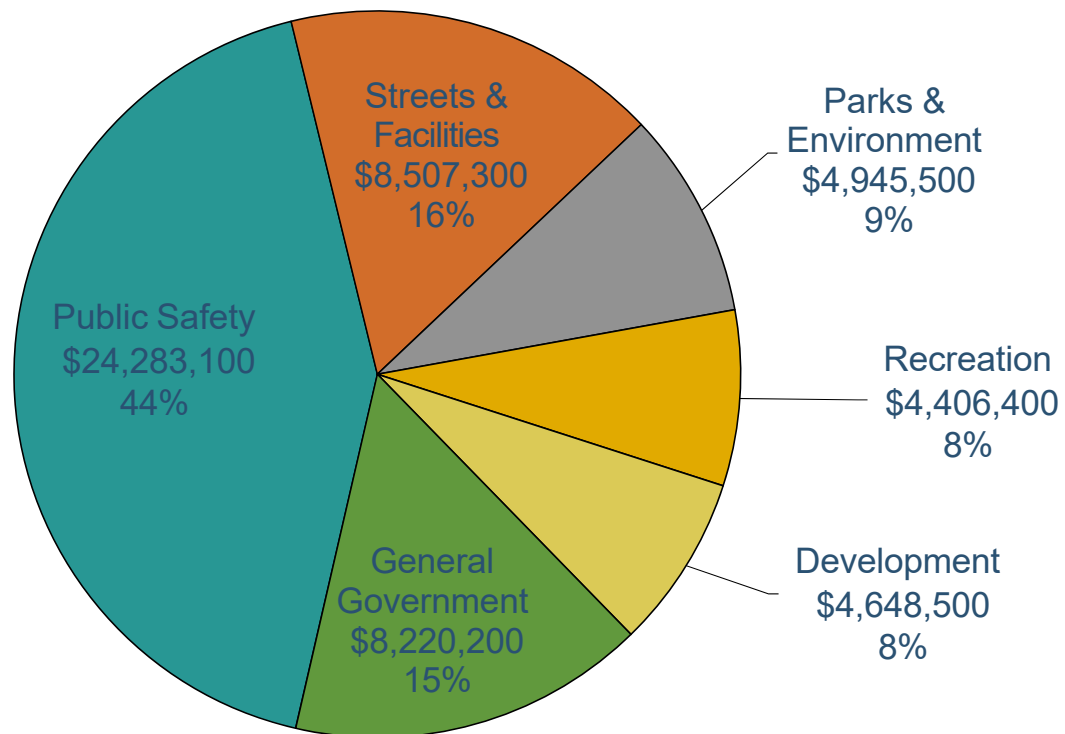
NEW STAFFING REQUESTS – NON-GENERAL FUND FTE'S

- **One public service worker II (Utilities)** Position is needed to manage sharp increase in demand for aquatic lessons.
 - Support upcoming water meter replacement project
 - Support expansion of critical maintenance activities such as televising sewer lines and inspecting manholes
 - Position funded within the Water and Sewer Utility Fund.
- **One program and event coordinator (Marsh)**
 - Position needed to operate various programs that facility users are requesting
 - Position would also handle the increasing number of rentals and special event requests.
 - Position was recommended by the community facility study and would be funded from The Marsh Special Revenue Fund.
- **One Senior Fitness Coordinator (Marsh and Williston)**
 - Currently The Marsh and the Williston Center share one position, this new position would provide one coordinator at each location
 - Both facilities are seeing major demand for fitness programming and health & wellness programming
 - Position would be split 50/50 between both facilities

WHAT'S IN THE BUDGET – NON-PERSONNEL ADJUSTMENTS

- Non-personnel budget adjustments
- Adds include:
 - \$100,000 for increased software subscription licensing costs,
 - \$100,000 for increased electricity costs due to Xcel Energy and PUC changing the reimbursement factor for CSG,
 - \$100,000 for city zoning rewrite project,
 - \$40,000 for replacement permitting software application,
 - \$10,000 for increased cost of ammunition.
- Reductions include:
 - Sharing of State Fire Aid with the Minnetonka Fire Relief Association, saving the city \$260,000,
 - Eliminating the planned \$250,000 operating subsidy for The Marsh,
 - \$60,000 savings from halting the ERP/HCM implementation project,
 - \$50,000 in fuel savings, mostly attributed to more efficient vehicles and indoor parking for squad cars,
 - \$50,000 in salt inventory due to better yearend inventory control.

PROPERTY TAXES SUPPORT BASIC SERVICES – GENERAL FUND

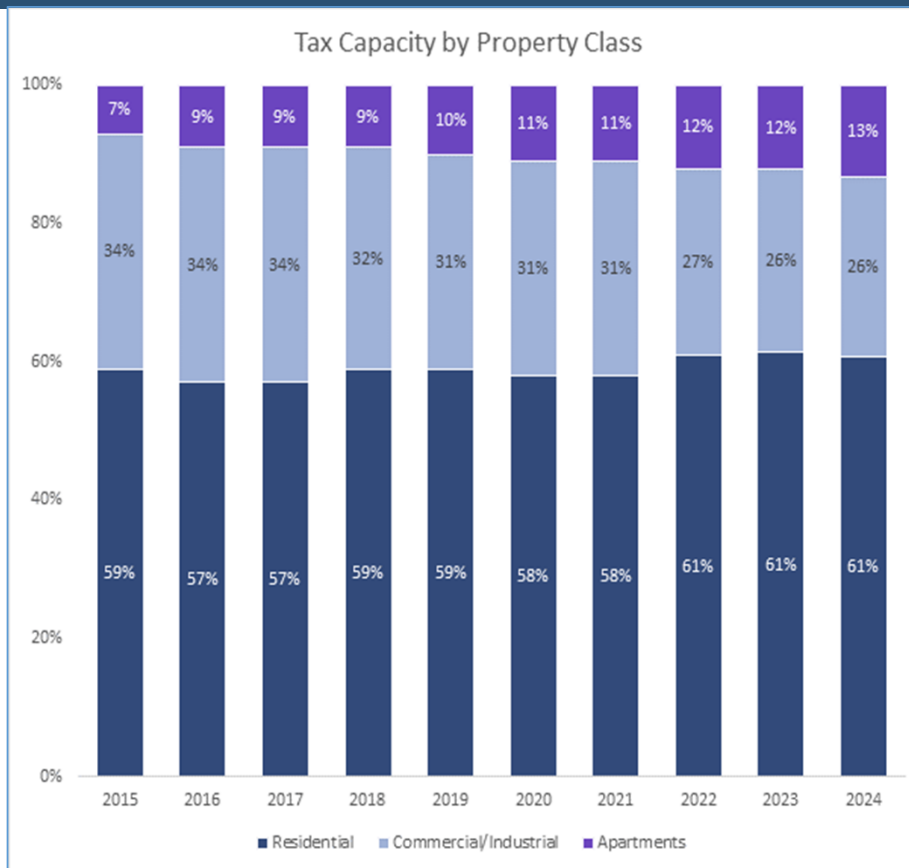


HOMEOWNER IMPACTS

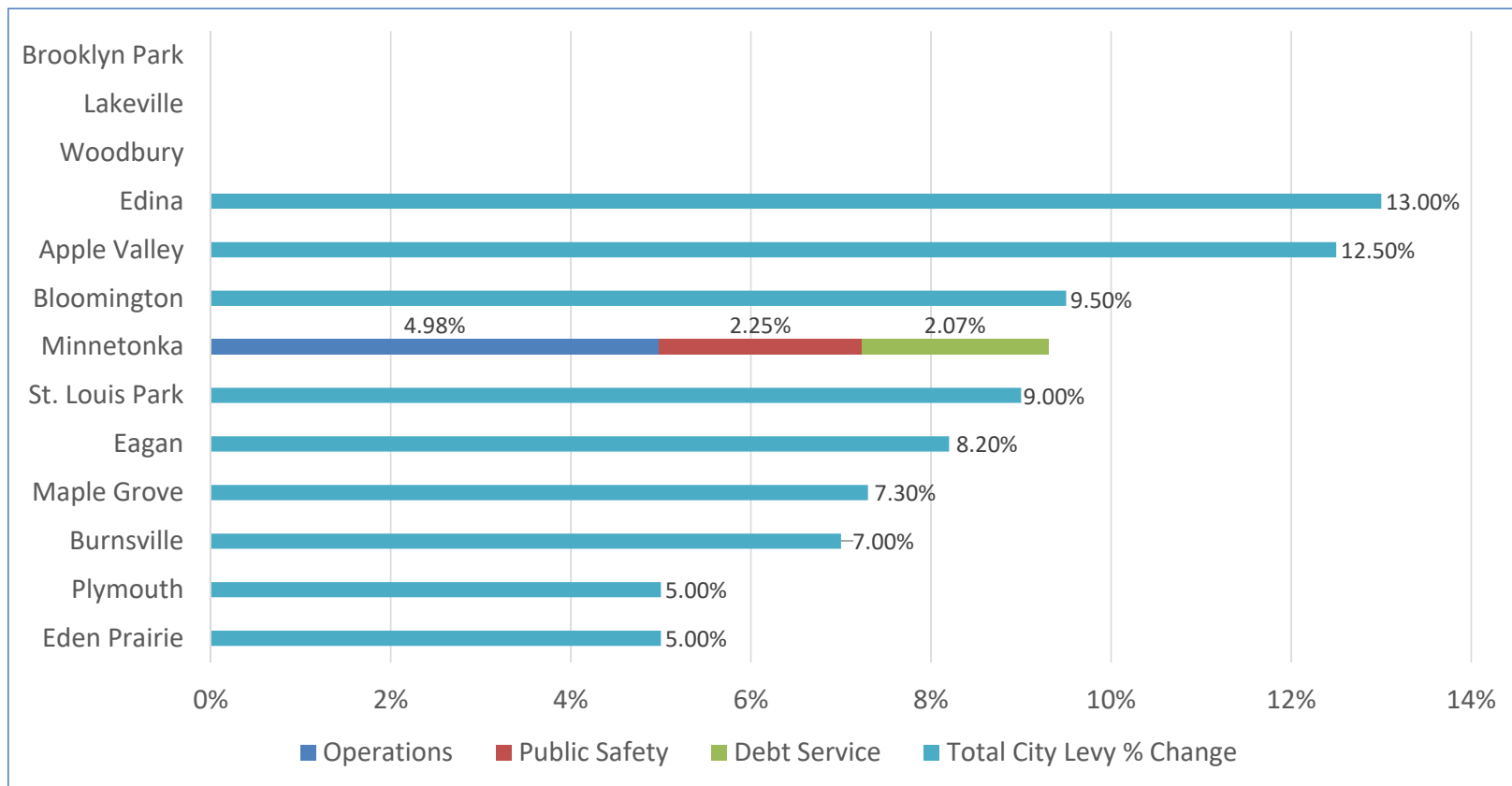
	Overall Growth	Total Change (millions)
Single-household Residential	1.5%	\$105.4
Lakeshore	3.8%	\$20.7
Townhouses	2.0%	\$15.9
Condominiums	-0.3%	\$-1.9
Commercial	0.4%	\$6.4
Industrial	3.0%	\$12.2
Apartments	4.8%	\$83.9
Other Property Types	1.7%	\$3.7
Total Change	2.7%	\$360.7

- Median valued home increasing in value 1.15% to \$502,200 will see an annual tax increase of \$185

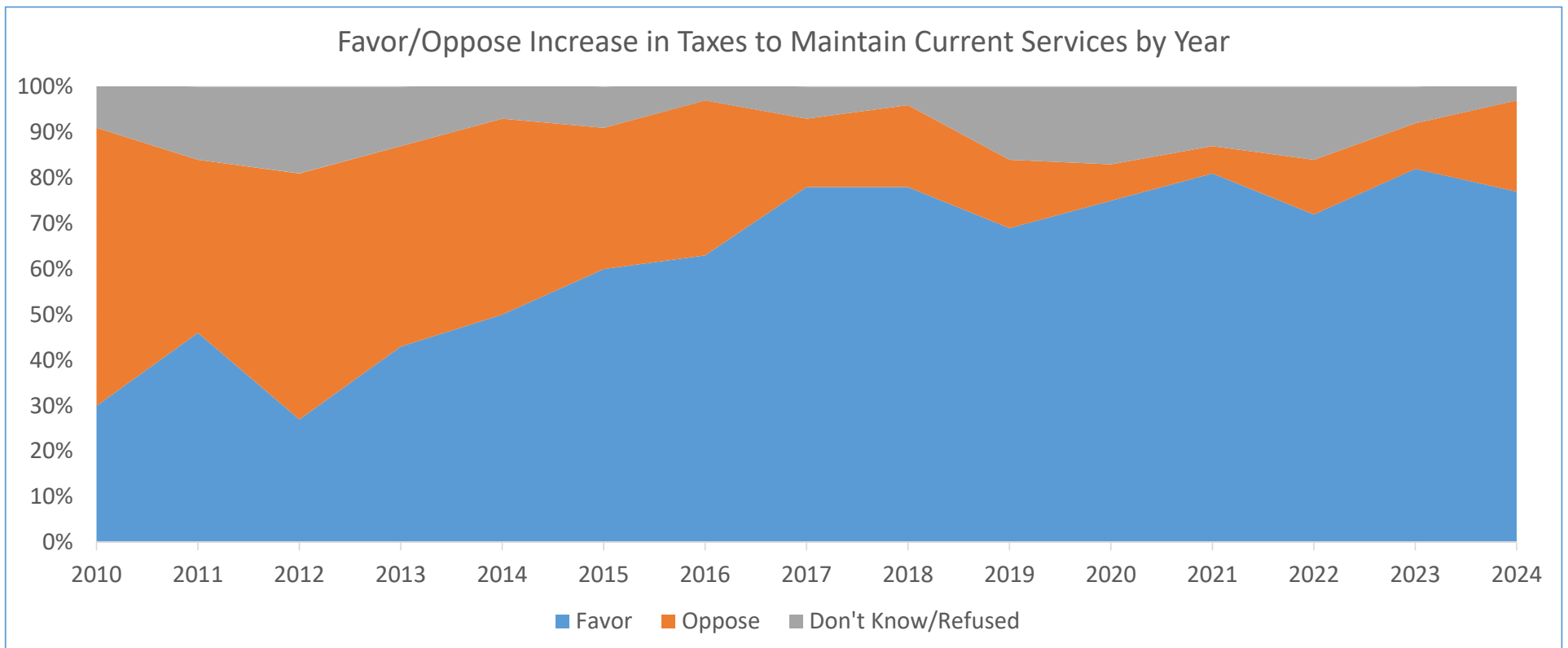
HOMEOWNER IMPACTS



POTENTIAL 2024 PRELIMINARY TAX INCREASES



PROPERTY TAXES SUPPORT – COMMUNITY SURVEY



LEVY REDUCTION CONSIDERATIONS

- Preliminary Levy – 9.30%
 - Delay Community Facility Improvements – 2.07%
 - Elongate Public Safety Master Plan – Initially programmed with approximately 2.25% per year for the next four years
 - DEI position delayed or reclassified to part-time versus full-time

FUTURE PROJECT CONSIDERATIONS

- Fire station remodeling to accommodate 24/7 staffing
- Opus Park improvements
- Street & Utility Infrastructure needs

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 \$2.3 million for 2025
 - EIP recommends the 2025 HRA levy remain constant at \$300,000
 - EDAC recommends reallocation of the \$300,000 as follows:
 - EDAC/City Council will consider a request from HWR in 2025 if the fund balance is utilized or if there is a change in housing type, ie: single household to duplex

(\$ thousands)	EIP	EDAC	Proposed
SW Light Rail	\$75	\$75	\$75
Homes within Reach	\$125	\$25	\$25
Pathways		\$100	\$100
Housing Loans	\$100	\$100	\$100
Total HRA Levy	\$300	\$300	\$300

2025 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
- Minnetonka Matters will again be utilized to communicate budget information and solicit feedback
- Staff will share comments with the council



2025 BUDGET TIMELINE

- Budget Timeline
 - May 13 – 2025 budget kick-off session
 - May 13 – Community Survey
 - June 10 – CIP study session
 - **August 19 – 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 23 – Preliminary levy and budget adopted
 - November 4 – Operation budget study session
 - Review of draft budget by fund and department
 - Review enterprise fund budgets and fees
 - December 2 – Budget public hearing and adoption of final budget and levy
 - December 23 – Alternate budget approval date



DISCUSSION QUESTIONS

- Does the city council support a base property tax levy increase of 4.98 percent?
- Does the city council support an additional 2.25 percent to the base levy increase of 4.98 percent for the implementation of the second year of a multi-year public safety master plan?
- Does the city council support an additional 2.07 percent for new debt service related to community facility improvements, for a total levy increase of 9.30 percent?
- Does the city council agree that a total of \$300,000 should be certified as the HRA preliminary levy for 2025, which is the same levy amount presented at the EIP study session in June?

