
CITY OF MINNETONKA PRELIMINARY LEVY & BUDGET PRESENTATION

SEPTEMBER 23, 2024



2025 BUDGET DEVELOPMENT YEAR-TO-DATE

- Budget Timeline

- March 18 – Director presentations
- May 13 – Community survey
- May 13 – 2025 budget kick-off session
- 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 18 – Adopt preliminary levy and budget



2025 BUDGET COMMUNICATION



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 2025 preliminary tax levy and budget at the Sept. 23 city council meeting.

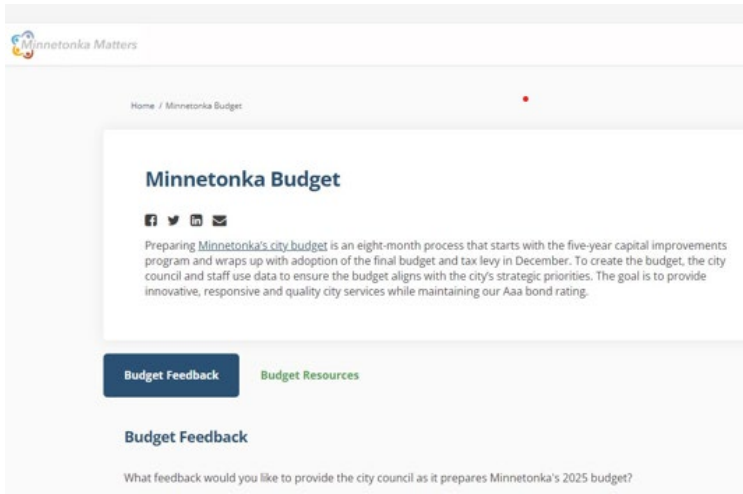
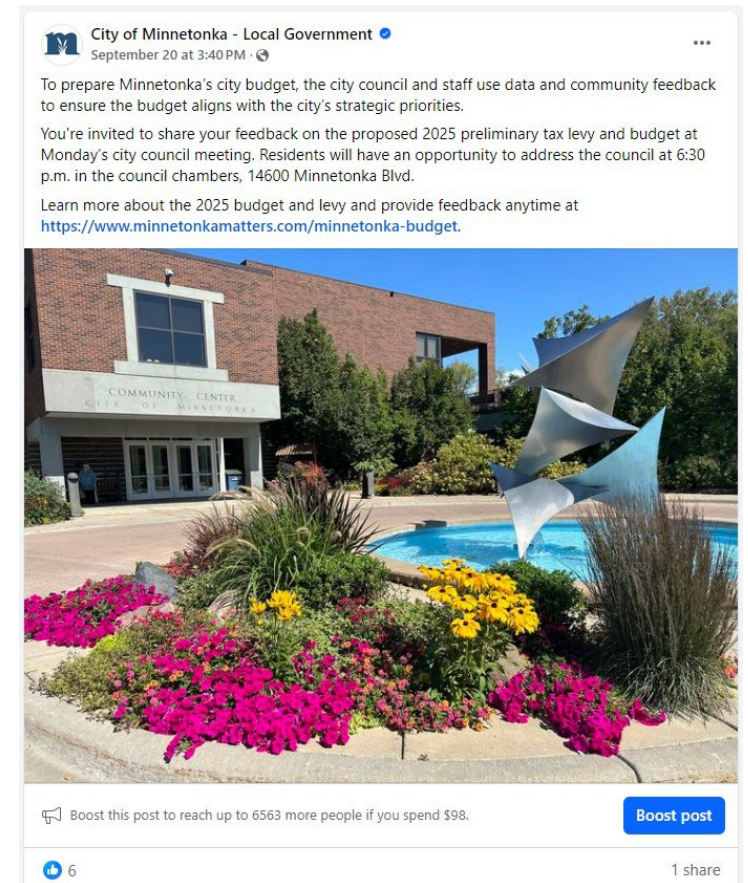
Monday, Sept. 23
6:30 p.m.
Council chambers, 14600 Minnetonka Blvd.

The council is accepting public comment at this meeting as it considers a preliminary 7.23 percent tax levy increase.

A third of the increase is dedicated to implementation of the city's multi-year public safety master plan. This includes the addition of nine full-time firefighters and one police investigator.

The new fire positions help ensure 24-hour staffing on the north side of the city and significantly reduce response times to the Ridgedale area, which experiences the highest call volume in Minnetonka.

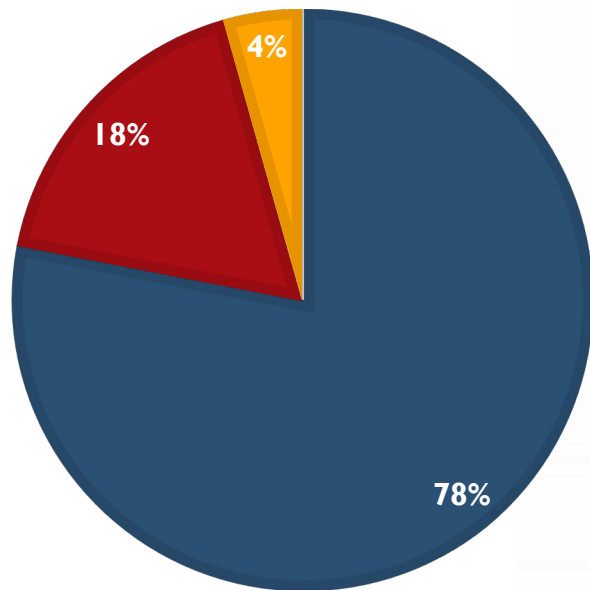
Learn more about the 2025 budget and provide feedback anytime at [minnetonkamatters.com/minnetonka-budget](https://www.minnetonkamatters.com/minnetonka-budget).



PROPERTY TAXES

DOLLARS

■ GF Operations ■ Capital (CIP) ■ Debt



Projected Property Taxes 7.23%

Operations 7.23%

General Operations 4.98%

Public Safety Plan 2.25%

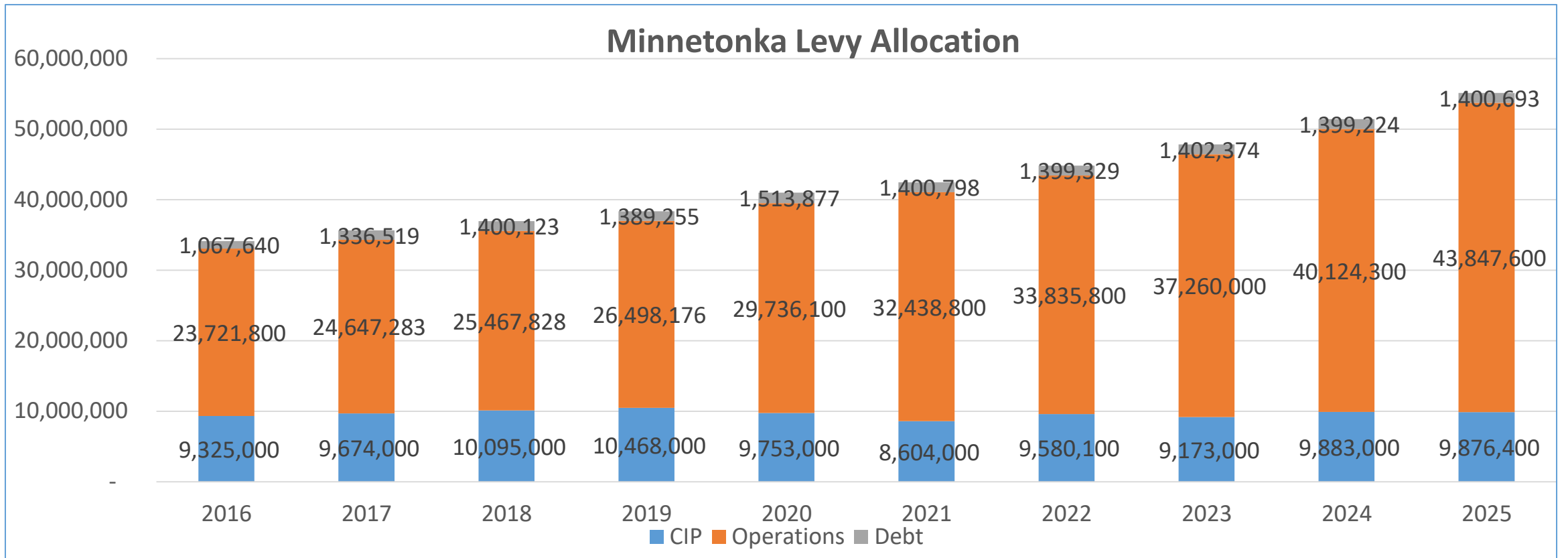
Capital – CIP 0.00%

Debt

Comm. Facility Improv. 0.00%

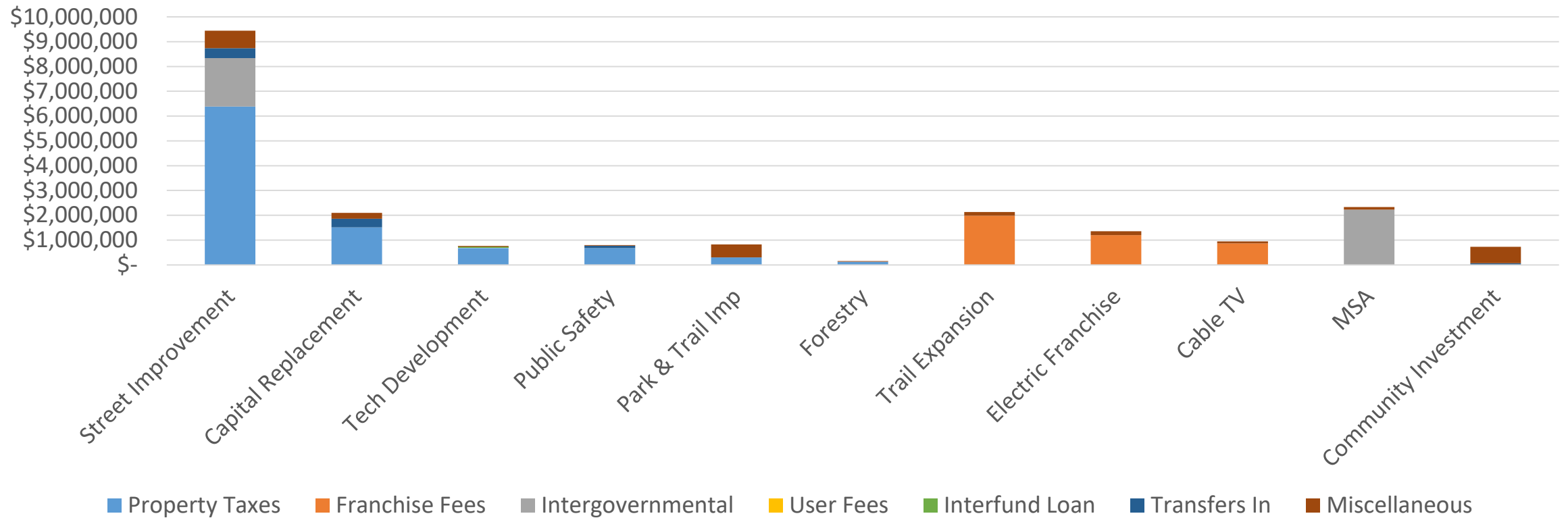
*1% levy increase = \$514,000

TAX LEVY GRAPH



CAPITAL PROJECT FUNDING

2025 Revenue Source by Fund

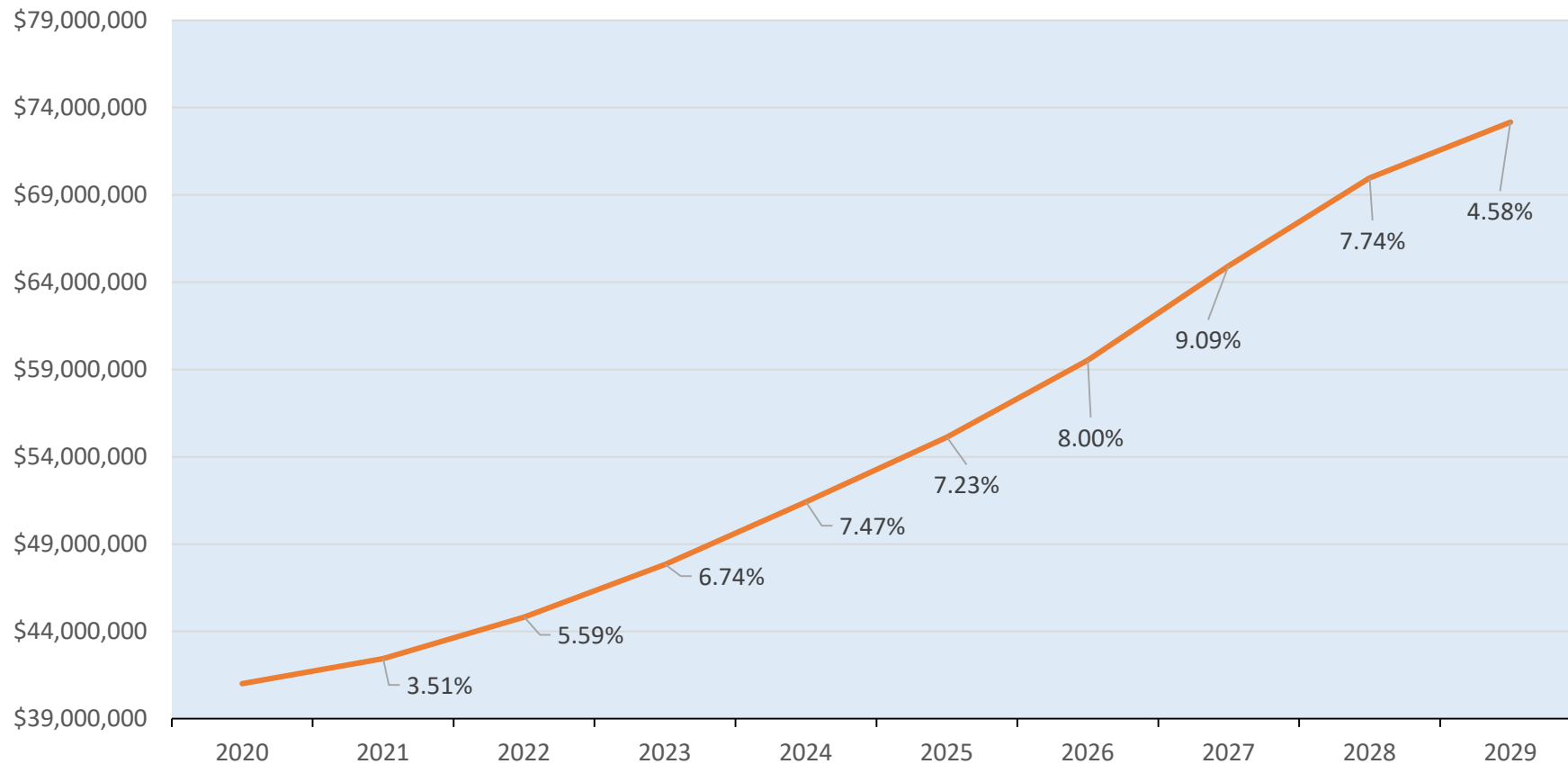


2025 LEVY ANALYSIS

2025 Levy Analysis			
	2024	2025	Change
Operational Levy (thousands)			
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%
SubTotal		\$53,967	4.98%
Public Safety Investment		\$1,157	2.25%
Community Facility Improvements		\$0	0%
Total City Levy	\$51,407	\$55,124	7.23%
HRA Levy	\$300	\$300	0.00%
Total City Levies	\$51,707	\$55,424	7.19%

LEVY FORECAST

2020-2029 Levy Increases (Including Public Safety Master Plan)



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
- 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.

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.
- 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.

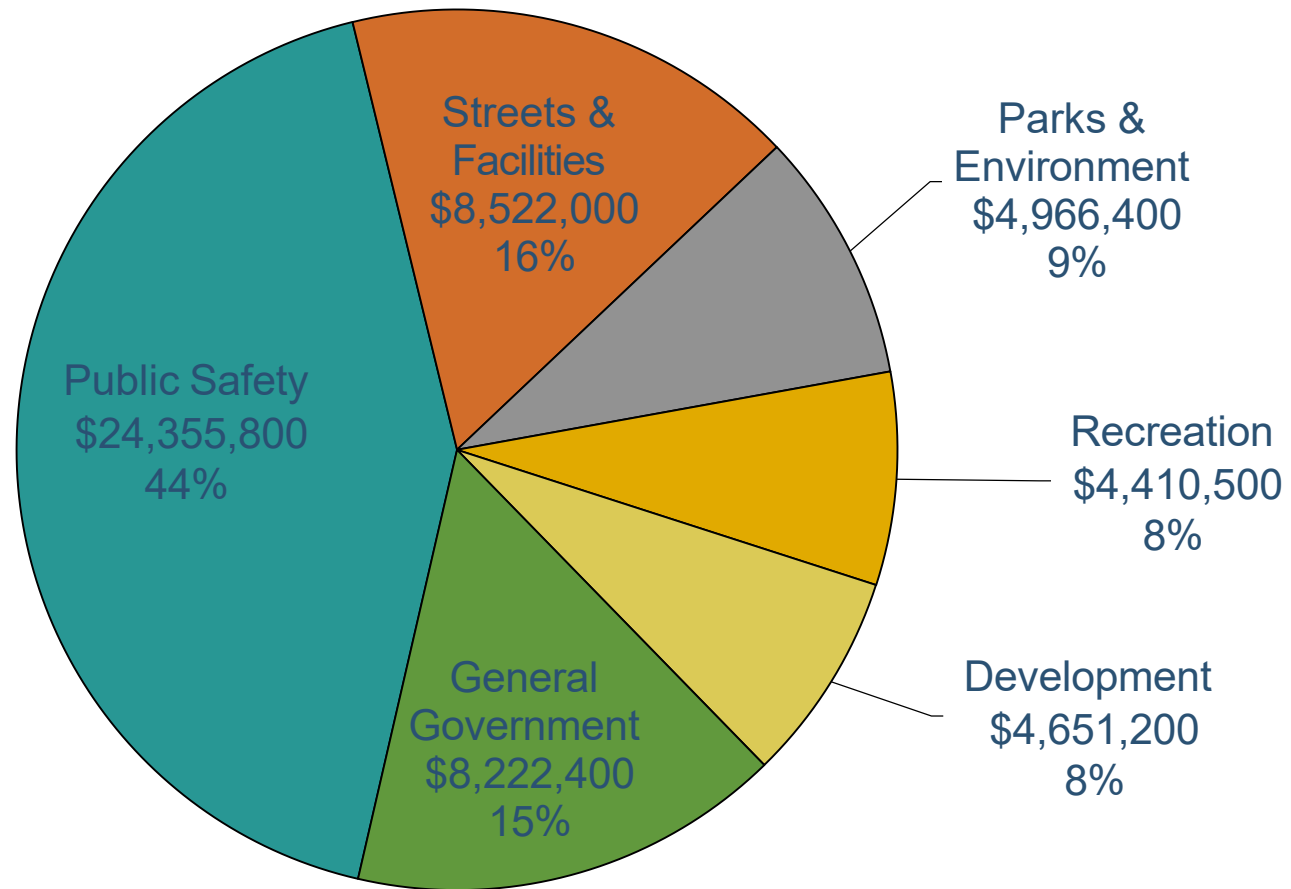
PRELIMINARY GENERAL FUND BUDGET

Object Account	2022 Actual	2023 Actual	2024 Budget	2025 Requested	\$ Change from 2024 to 2025	% Change from 2024 to 2025
Revenues						
Property Taxes						
4010 - AD Valorem Tax Levy	\$ 33,748,860	\$ 36,801,591	\$ 40,039,300	\$ 43,757,600	\$ 3,718,300	9.3%
4020 - Uncollectible Taxes	36,899	(66,403)	(200,000)	(200,000)	-	0.0%
4030 - Tax Penalties and Interest	22,730	(60,389)	24,000	24,000	-	0.0%
4050 - Tax Forfeit Sale Revenue	365	-	-	-	-	
Total Taxes	33,808,853	36,674,799	39,863,300	43,581,600	3,718,300	9.3%
Licenses & Permits	5,897,466	3,900,828	3,660,400	3,652,000	(8,400)	-0.2%
Intergovernmental	3,597,247	1,646,303	1,574,500	2,131,800	557,300	35.4%
Charges for Services	525,311	567,973	580,000	533,400	(46,600)	-8.0%
Fines & Forfeitures	129,829	145,851	150,000	150,900	900	0.6%
Investment Interest	(1,306,033)	1,361,364	1,250,000	1,136,000	(114,000)	-9.1%
Recreation Charges	1,265,731	1,506,845	1,542,200	1,557,600	15,400	1.0%
Miscellaneous	1,354,963	1,203,094	935,100	943,000	7,900	0.8%
Transfers In	1,469,200	1,494,800	1,499,000	1,542,000	43,000	2.9%
Total Revenues	46,742,568	48,501,857	51,054,500	55,228,300	4,173,800	8.2%
Expenditures						
Personnel Services	31,894,891	35,783,228	39,408,800	43,019,300	3,610,500	9.2%
Supplies	1,636,801	2,131,980	2,295,500	2,185,000	(110,500)	-4.8%
Other Services & Charges	7,837,632	8,553,392	9,479,200	9,897,500	418,300	4.4%
Operating Transfers Out	124,861	126,501	121,000	126,500	5,500	4.5%
Total Expenditures	41,494,185	46,595,101	51,304,500	55,228,300	3,923,800	7.6%
Revenues Over/(Under) Expenditures	5,248,383	1,906,756	(250,000)	-	250,000	3.4%
Other Financing Uses						
Capital Transfers Out	3,222,500	3,600,000	1,625,000	900,000	(725,000)	-44.6%
Total Revenues Over/(Under) Expenditures after Transfer Out	\$ 2,025,883	\$ (1,693,244)	\$ (1,875,000)	\$ (900,000)	\$ 975,000	

PRELIMINARY GENERAL FUND BUDGET

Object Account	2022 Actual	2023 Actual	2024 Budget	2025 Requested	\$ Change from 2024 to 2025	% Change from 2024 to 2025
Expenditures by Department						
10 - Mayor & City Council	\$ 276,375	\$ 297,713	\$ 411,600	\$ 421,300	\$ 9,700	2.4%
11 - General Administration	606,410	657,508	1,164,800	969,100	(195,700)	-16.8%
12 - Community Center	479,467	523,330	664,100	721,500	57,400	8.6%
13 - IT	1,171,320	1,461,151	1,611,000	1,915,700	304,700	18.9%
14 - Legal	952,373	1,027,640	1,136,800	1,255,900	119,100	10.5%
15 - Finance	1,129,254	1,074,830	1,173,000	1,194,800	21,800	1.9%
16 - Assessing	885,622	881,618	974,900	1,066,300	91,400	9.4%
17 - Building Maintenance	1,678,735	1,883,465	2,069,400	2,145,100	75,700	3.7%
18 - Joint Recreation	1,814,634	2,126,807	2,224,800	2,363,300	138,500	6.2%
19 - Planning	787,748	908,104	910,400	970,100	59,700	6.6%
20 - Engineering	1,443,036	1,569,468	1,630,400	1,766,900	136,500	8.4%
21 - Community Development	2,424,348	2,639,084	2,888,100	3,137,800	249,700	8.6%
22 - Street Maintenance	3,551,923	4,046,732	4,447,300	4,610,000	162,700	3.7%
24 - Parks & Trails	2,126,253	2,381,110	2,461,400	2,549,000	87,600	3.6%
25 - Police	11,990,700	13,359,852	14,738,600	15,449,400	710,800	4.8%
26 - Fire	4,813,338	6,014,541	6,214,600	7,212,200	997,600	16.1%
28 - Senior Citizens	351,478	432,711	499,600	538,400	38,800	7.8%
29 - Environmental Health	350,521	381,308	412,300	438,300	26,000	6.3%
30 - MTKA Recreation	665,784	642,326	758,500	787,300	28,800	3.8%
31 - Natural Resources	1,898,128	1,940,704	2,018,700	2,417,400	398,700	19.8%
33 - City Manager	750,383	818,409	948,000	1,178,700	230,700	24.3%
34 - Human Resources	1,014,742	1,164,678	1,408,100	1,476,500	68,400	4.9%
35 - Contingency & Transfers	-	-	50,000	100,000	50,000	100.0%
36 - Communications	331,615	362,013	488,100	543,300	55,200	11.3%
Total Departmental Expenditures	\$ 41,494,185	\$ 46,595,101	\$ 51,304,500	\$ 55,228,300	\$ 3,923,800	7.6%

PROPERTY TAXES SUPPORT BASIC SERVICES – GENERAL FUND

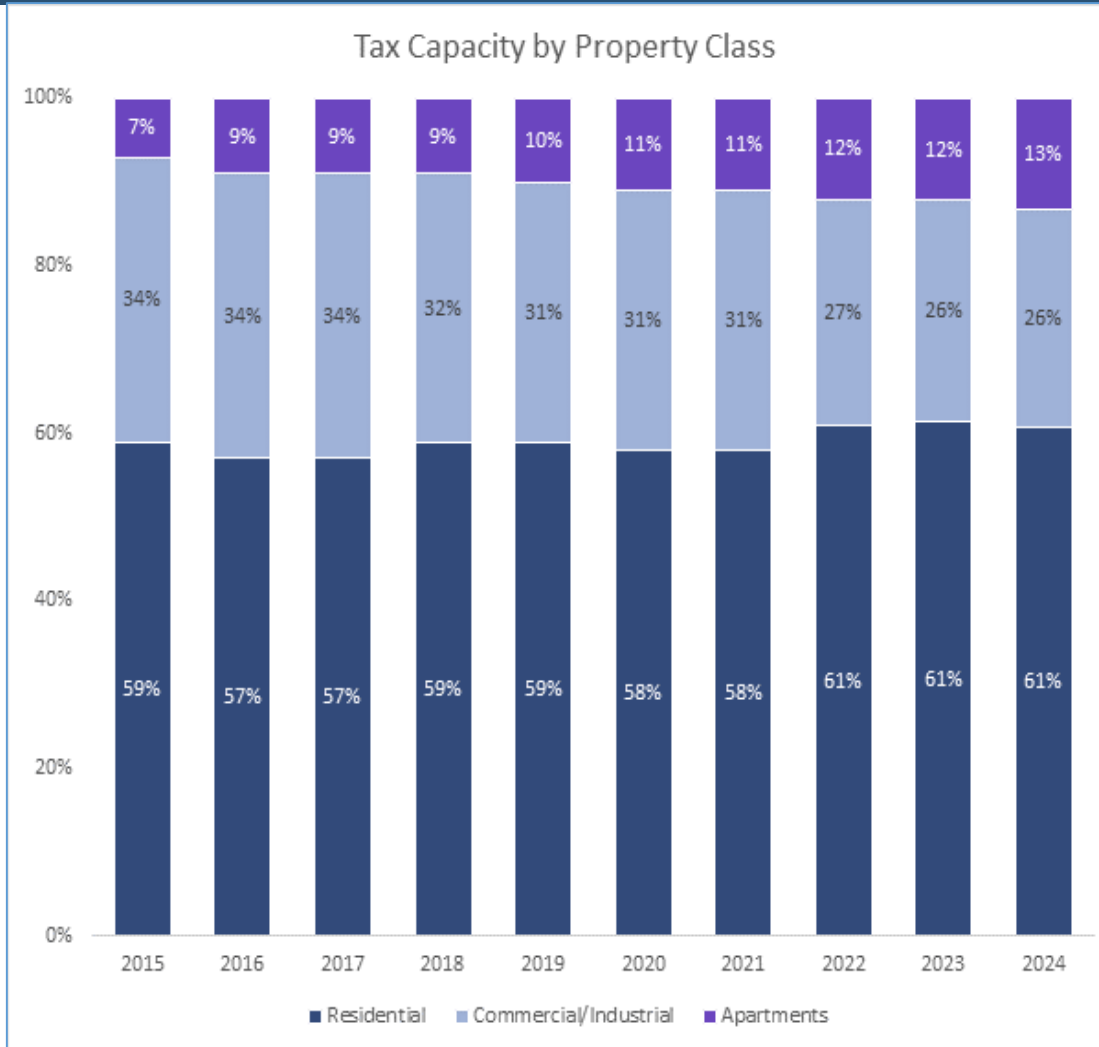


HOMEOWNER IMPACTS

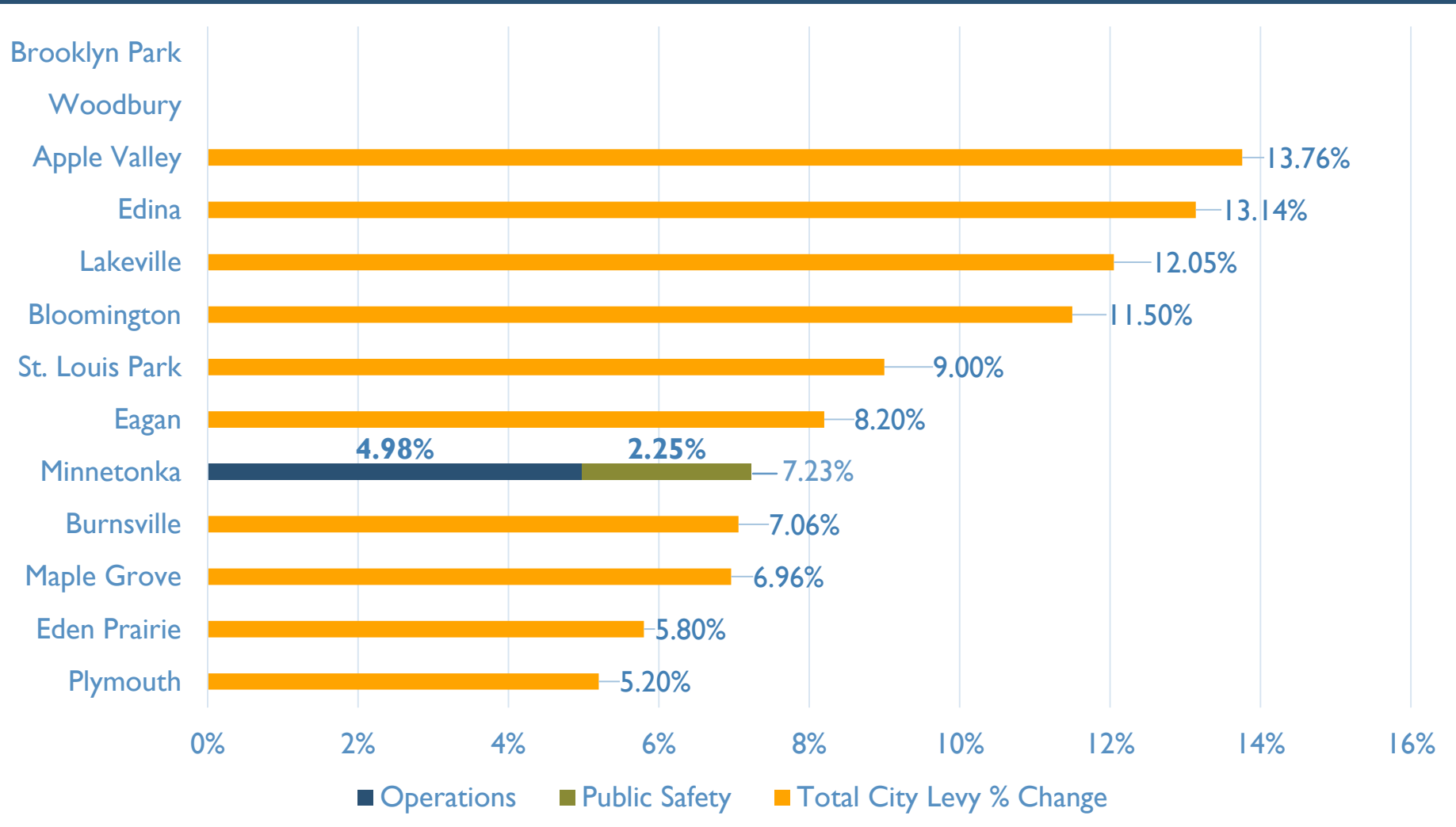
	Overall Growth	Total Change (millions)
Single-household Residential	1.5%	\$105.4
Lakeshore	3.8%	\$20.7
Townhouses	2.0%	\$15.9
Condominiums	-0.3%	\$-1.9
Commercial	0.4%	\$6.4
Industrial	3.0%	\$12.2
Apartments	4.8%	\$83.9
Other Property Types	1.7%	\$3.7
Total Change	2.7%	\$360.7

- Median valued home increasing in value 1.15% to \$502,200 will see an annual tax increase of \$148

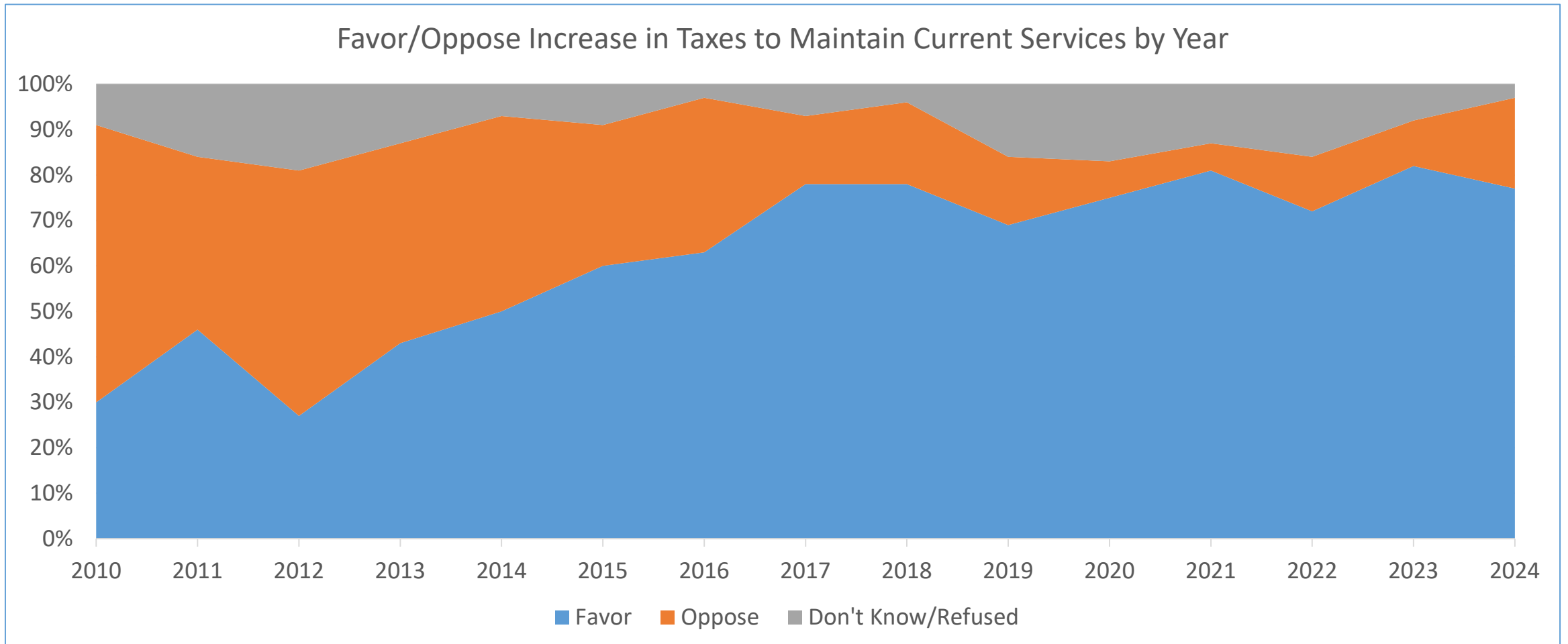
HOMEOWNER IMPACTS



2024 PRELIMINARY TAX INCREASES (SUBJECT TO CHANGE)



PROPERTY TAXES SUPPORT – COMMUNITY SURVEY



FUTURE PROJECT CONSIDERATIONS

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

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 is again being utilized to communicate budget information and solicit feedback
- Staff share all comments received with the council
- Tonight is not an “official” public hearing, but the council is welcome to solicit feedback
- Official opportunity for the public to provide feedback on the tax levy and the budget will be on Monday, Dec. 4 at 6:30 p.m. in these city council chambers



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
 - **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



QUESTIONS?

