



City of  
**minnetonka**  
**2012 Budget**

2011 Photo Contest: Kris Cooley, "Rising of the Ferns"

*City of*  
**minnetonka**

# 2012 Budget

**Minnetonka, Minnesota**

*Adopted December 19, 2011*

**City Council:**

Terry Schneider, Mayor  
Dick Allendorf, Councilmember At Large  
Bob Ellingson, Councilmember Ward 1  
James Hiller, Councilmember Ward 4  
Open, Councilmember at Large  
Tony Wagner, Councilmember Ward 2  
Brad Wiersum, Councilmember Ward 3

**Staff:**

John Gunyou, City Manager  
Geraldyn Barone, Assistant City Manager  
Merrill King, Finance Director/Treasurer  
Lee Gustafson, City Engineer  
Dave Johnson, Recreation Services Director  
Desyl Peterson, City Attorney  
Mark Raquet, Chief of Police  
Brian Wagstrom, Public Works Director  
Joe Wallin, Fire Chief  
Julie Wischnack, Community Development

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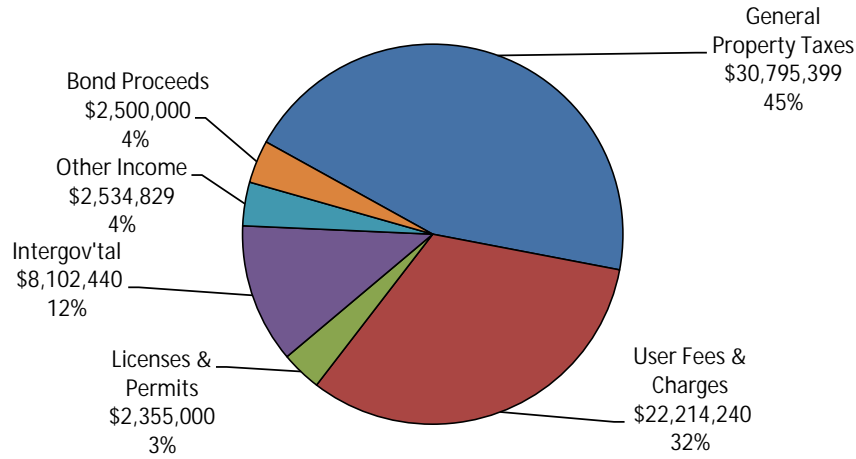
**CONSOLIDATED BUDGETS SUMMARY - ALL FUNDS**

	<b>2011 Revised</b>	<b>2012 Budget</b>
<b><u>Revenue</u></b>		
General Property Taxes	\$ 30,510,900	\$ 30,795,399
User Fees & Charges	24,295,700	22,214,240
Licenses and Permits	2,707,000	2,355,000
Intergov'tal Revenue	11,590,730	8,102,440
Other Income	6,381,100	2,534,829
Other Sources - Bond Proceeds	-	2,500,000
<b>Total Revenue</b>	<b><u>\$ 75,485,430</u></b>	<b><u>\$ 68,501,908</u></b>
<b><u>Expenditures</u></b>		
<b>By Program:</b>		
Public Safety	\$ 12,375,900	\$ 12,315,000
Streets & Utilities	41,793,524	26,634,722
Parks & Environment	5,777,472	5,524,843
Recreation	5,971,429	5,361,800
Development	3,185,526	4,196,360
General Government	4,700,072	4,724,800
<b>Total Expenditures by Program</b>	<b><u>\$ 73,803,923</u></b>	<b><u>\$ 58,757,525</u></b>
<b>By Category:</b>		
Personnel	\$ 23,744,200	\$ 24,040,190
Supplies	3,490,550	3,748,050
Services & Charges	16,617,661	16,304,856
Capital Outlay	27,538,239	12,331,660
Debt Service	2,413,273	2,332,769
<b>Total Expenditures by Category</b>	<b><u>\$ 73,803,923</u></b>	<b><u>\$ 58,757,525</u></b>

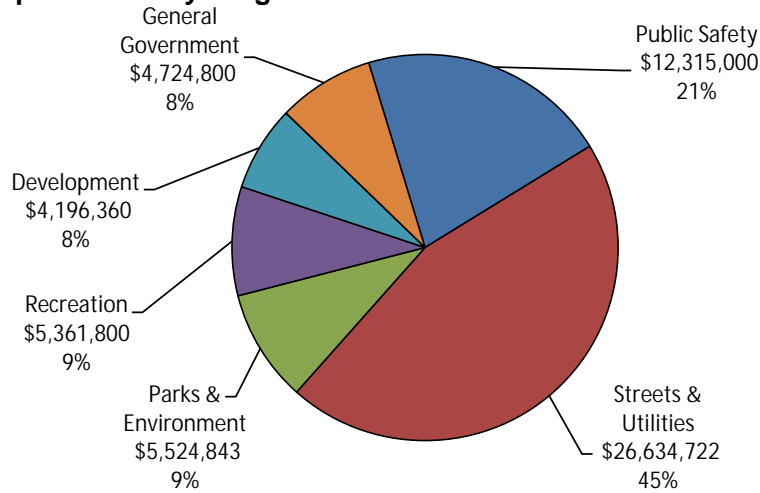
Note: Internal service fund budgets are accounted for twice in this summary to better reflect costs by program and category. They appear once from the internal service fund and once from the respective fund incurring the charge for service.

2012 CONSOLIDATED BUDGETS - ALL FUNDS

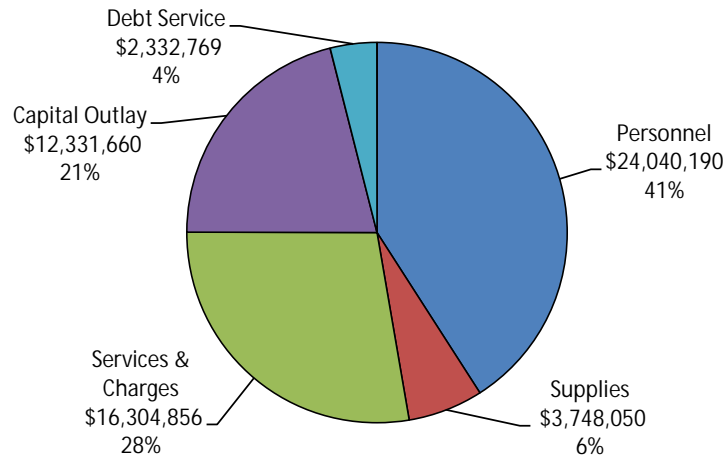
Revenue



Expenditures by Program



Expenditures by Category



## GENERAL FUND REVENUES &amp; EXPENDITURES

	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
<b>Revenues</b>					
General Property Taxes	\$ 19,908,422	\$ 20,513,205	\$ 21,091,611	\$ 21,091,611	\$ 20,996,171
Licenses & Permits	1,876,184	2,118,768	1,773,000	2,707,000	2,355,000
Intergovernmental Revenue	776,757	784,690	724,200	782,600	718,200
Transfers	1,896,800	1,311,300	1,340,700	1,340,700	1,351,000
User Fees & Charges	1,650,962	1,715,563	1,877,200	1,798,700	1,952,800
Other Income	1,190,093	954,135	1,083,889	880,000	887,929
<b>Total Revenues</b>	<b>\$ 27,299,218</b>	<b>\$ 27,397,660</b>	<b>\$ 27,890,600</b>	<b>\$ 28,600,611</b>	<b>\$ 28,261,100</b>
<b>Expenditures</b>					
Police	\$ 8,184,388	\$ 8,272,560	\$ 8,193,200	\$ 8,139,000	\$ 8,221,400
Dispatch	-	-	779,200	776,300	777,500
Fire	1,889,424	2,280,205	2,294,600	2,312,100	2,159,100
Environmental Health	316,441	327,669	347,300	346,400	350,700
Legal	699,574	697,296	765,800	742,100	776,300
<i>Subtotal, Public Safety</i>	<i>\$ 11,089,827</i>	<i>\$ 11,577,730</i>	<i>\$ 12,380,100</i>	<i>\$ 12,315,900</i>	<i>\$ 12,285,000</i>
Engineering	1,148,439	1,088,182	1,126,800	1,101,900	1,143,500
Street Maintenance	2,884,708	3,009,344	2,924,000	3,017,800	3,140,900
Building Maintenance	783,659	876,290	1,020,400	1,006,900	1,036,300
<i>Subtotal, Streets &amp; Utilities</i>	<i>\$ 4,816,806</i>	<i>\$ 4,973,816</i>	<i>\$ 5,071,200</i>	<i>\$ 5,126,600</i>	<i>\$ 5,320,700</i>
Parks & Trails	1,289,225	1,335,022	\$1,373,100	\$1,373,100	\$1,420,700
Natural Resources	805,288	848,387	1,051,000	1,135,900	1,064,100
<i>Subtotal, Parks &amp; Environment</i>	<i>\$ 2,094,513</i>	<i>\$ 2,183,409</i>	<i>\$ 2,424,100</i>	<i>\$ 2,509,000</i>	<i>\$ 2,484,800</i>
Joint Recreation	1,360,894	1,287,299	1,344,700	1,301,800	1,352,300
Minnetonka Recreation	406,477	501,774	541,100	564,900	528,500
Senior Services	291,371	310,620	342,900	336,100	341,300
Community Center	540,001	444,309	\$521,500	\$511,500	\$545,300
<i>Subtotal, Recreation</i>	<i>\$ 2,598,743</i>	<i>\$ 2,544,002</i>	<i>\$ 2,750,200</i>	<i>\$ 2,714,300</i>	<i>\$ 2,767,400</i>
Community Development	1,258,145	1,082,090	1,169,800	1,179,200	1,233,600
Planning	526,155	538,363	572,400	569,500	537,900
Assessing	675,017	575,902	634,100	633,800	644,300
<i>Subtotal, Development</i>	<i>\$ 2,459,317</i>	<i>\$ 2,196,355</i>	<i>\$ 2,376,300</i>	<i>\$ 2,382,500</i>	<i>\$ 2,415,800</i>
Mayor & City Council	180,949	205,745	218,200	215,100	200,400
General Administration	1,094,137	1,153,704	1,257,800	1,241,300	1,318,100
Information Technology	554,195	586,337	645,700	640,200	695,400
Finance	674,737	679,227	717,000	715,500	723,500
<i>Subtotal, General Government</i>	<i>\$ 2,504,018</i>	<i>\$ 2,625,013</i>	<i>\$ 2,838,700</i>	<i>\$ 2,812,100</i>	<i>\$ 2,937,400</i>
Contingency	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
<b>Total Expenditures</b>	<b>\$ 25,563,224</b>	<b>\$ 26,100,325</b>	<b>\$ 27,890,600</b>	<b>\$ 27,910,400</b>	<b>\$ 28,261,100</b>
Surplus of Revenues over Expenditures	1,735,994	1,297,335	-	690,211	-
Transfer to Capital Replacement Fund	(1,265,000)	(913,000)	(100,000)	(100,000)	-
Transfer to Other Funds		(7,406)	-	-	(600,000)
<b>Beginning Fund Balance</b>	<b>12,792,693</b>	<b>13,263,687</b>	<b>13,640,616</b>	<b>13,640,616</b>	<b>14,230,829</b>
<b>Ending Fund Balance</b>	<b>\$ 13,263,687</b>	<b>\$ 13,640,616</b>	<b>\$ 13,540,617</b>	<b>\$ 14,230,829</b>	<b>\$ 13,630,832</b>
<b>Nonspendable Balances - Inventories</b>					
Unrestricted Balances	171,795	118,515	170,000	170,000	170,000
Committed for Compensated Absences	963,113	1,007,356	975,000	1,000,000	1,000,000
Assigned for POC Fire Pensions	\$ 377,000	\$ 346,400	\$ 332,000	\$ 329,000	\$ 329,000
Assigned for Rec Scholarships & Sr. Ctr.	25,185	28,287	20,000	25,000	25,000
Assigned as Budget Stabilization	11,726,594	12,140,058	12,043,617	12,206,829	12,106,832
Unassigned	-	-	-	500,000	-
<b>Ending Fund Balance</b>	<b>\$ 13,263,687</b>	<b>\$ 13,640,616</b>	<b>\$ 13,540,617</b>	<b>\$ 14,230,829</b>	<b>\$ 13,630,832</b>

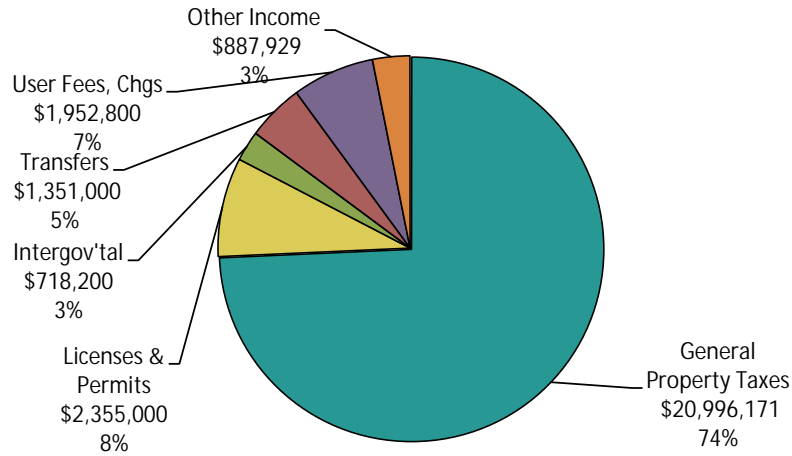
## GENERAL FUND REVENUE

	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
<b>General Property Taxes</b>					
Ad Valorem Tax Levy	\$ 19,914,760	\$ 20,704,621	\$ 21,021,611	\$ 21,021,611	\$ 20,926,171
Abatements & Cancellations	(29,460)	(211,245)	(250,000)	(250,000)	(250,000)
Other, incl. Tax Forfeit Sale Revenue	245	663	300,000	300,000	300,000
Penalties & Interest	22,877	19,166	20,000	20,000	20,000
<i>Subtotal, General Property Taxes</i>	<b>\$ 19,908,422</b>	<b>\$ 20,513,205</b>	<b>\$ 21,091,611</b>	<b>\$ 21,091,611</b>	<b>\$ 20,996,171</b>
<b>Licenses &amp; Permits</b>					
Building Permits	\$ 811,610	\$ 1,012,853	\$ 750,000	\$ 1,400,000	\$ 1,175,000
Plumbing Permits	109,040	128,109	100,000	130,000	120,000
Electrical Permits	173,805	181,723	170,000	255,000	225,000
Heating Permits	269,807	234,575	235,000	400,000	315,000
On Sale Liquor Licenses	213,867	197,923	200,000	202,000	200,000
Food Handlers Licenses	178,228	169,866	168,000	170,000	170,000
All Other Licenses & Permits	119,827	193,718	150,000	150,000	150,000
<i>Subtotal, Licenses &amp; Permits</i>	<b>\$ 1,876,184</b>	<b>\$ 2,118,768</b>	<b>\$ 1,773,000</b>	<b>\$ 2,707,000</b>	<b>\$ 2,355,000</b>
<b>Intergovernmental Revenue</b>					
Public Safety State Aid	\$ 636,790	\$ 633,528	\$ 610,500	\$ 597,000	\$ 597,000
MSA Maintenance	71,220	71,220	71,200	71,200	71,200
State MVHC Payment	2,912	4,948	-	-	-
Other Grants/Aid	65,835	74,994	42,500	114,400	50,000
<i>Subtotal, Intergovernmental Revenue</i>	<b>\$ 776,757</b>	<b>\$ 784,690</b>	<b>\$ 724,200</b>	<b>\$ 782,600</b>	<b>\$ 718,200</b>
<b>Transfers</b>					
Transfer From Utility Fund	\$ 863,400	\$ 794,700	\$ 818,600	\$ 818,600	\$ 830,900
Transfer From Capital Replacement Fund	335,000	-	-	-	-
Transfer From Park Dedication Fund	190,000	-	-	-	-
Transfer From Spec. Assess. Fund	32,600	33,500	34,600	34,600	35,100
Transfer From Ice Arena Fund	26,800	27,600	28,500	28,500	28,900
Transfer From Cable TV Fund	26,800	27,600	28,500	28,500	28,900
Transfer From Development Fund	52,400	45,600	55,300	55,300	56,100
Transfer From Environmental Fund	187,740	192,500	198,300	198,300	201,300
Transfer From Williston Center	26,800	27,600	28,500	28,500	28,900
Transfer From Gray's Bay Marina	27,900	28,700	19,600	19,600	10,200
Transfer From Storm Water Fund	127,360	133,500	128,800	128,800	130,700
<i>Subtotal, Transfers</i>	<b>\$ 1,896,800</b>	<b>\$ 1,311,300</b>	<b>\$ 1,340,700</b>	<b>\$ 1,340,700</b>	<b>\$ 1,351,000</b>
<b>User Fees &amp; Charges</b>					
Recreation Receipts	1,084,398	1,069,472	1,230,000	1,150,000	1,245,000
Community Center Rental	75,151	83,631	90,000	90,000	95,000
School Liaison Reimbursement	277,635	334,890	306,400	306,400	309,900
Tower Antenna Rental	213,778	227,570	250,800	252,300	302,900
<i>Subtotal, User Fees &amp; Charges</i>	<b>\$ 1,650,962</b>	<b>\$ 1,715,563</b>	<b>\$ 1,877,200</b>	<b>\$ 1,798,700</b>	<b>\$ 1,952,800</b>
<b>Other Income</b>					
Court Fines	\$ 539,920	\$ 556,190	\$ 540,000	\$ 580,000	\$ 580,000
Investment Income	593,995	289,327	285,000	150,000	140,000
Miscellaneous Income	285,393	170,956	258,889	150,000	167,929
Change in Value of Investments	(229,215)	(62,338)	-	-	-
<i>Subtotal, Other Income</i>	<b>\$ 1,190,093</b>	<b>\$ 954,135</b>	<b>\$ 1,083,889</b>	<b>\$ 880,000</b>	<b>\$ 887,929</b>
<b>TOTAL REVENUES</b>	<b>\$ 27,299,218</b>	<b>\$ 27,397,660</b>	<b>\$ 27,890,600</b>	<b>\$ 28,600,611</b>	<b>\$ 28,261,100</b>

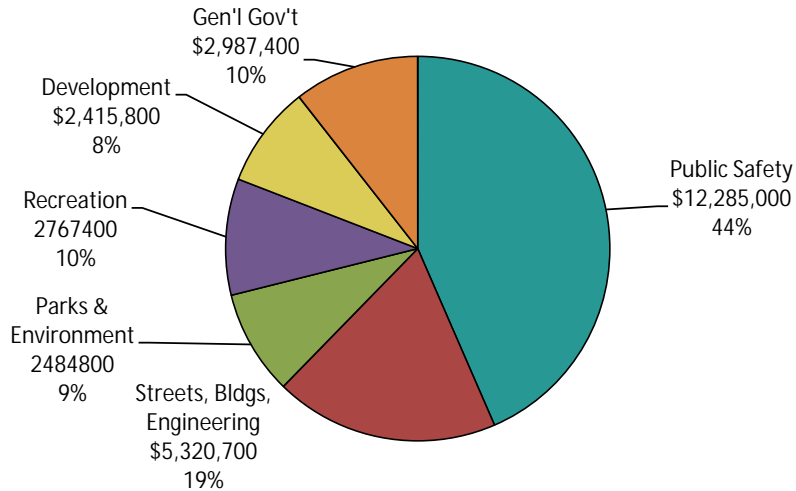


### 2012 General Fund OPERATING REVENUES & EXPENDITURES

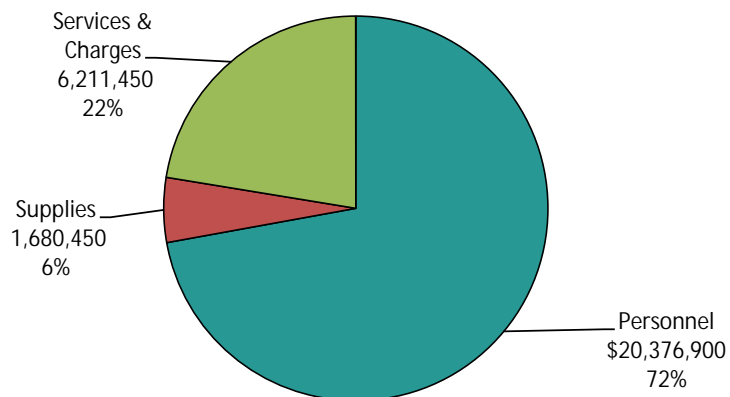
#### Revenues



#### Expenditures by Program



#### Expenditures by Category



**TAX LEVIES**

<b>Tax Base</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	
Real Estate	\$ 102,417,189	\$ 97,471,968	\$ 93,938,124	Estimate
Personal Property	620,891	644,196	669,280	Estimate
Fiscal Disparities Contribution	(13,913,123)	(13,809,178)	(13,658,073)	Estimate
Fiscal Disparities Distribution	4,989,253	4,696,084	4,155,034	Estimate
Tax Increment	(1,692,012)	(1,691,878)	(1,657,412)	Estimate
<b>Total Tax Capacity</b>	<b>\$ 92,422,198</b>	<b>\$ 87,311,192</b>	<b>\$ 83,446,953</b>	<b>Estimate</b>
<b>Taxable Market Value</b>	<b>\$ 8,250,723,800</b>	<b>\$ 7,835,954,300</b>	<b>\$ 7,687,703,900</b>	<b>Estimate</b>
<b>City Tax Levy</b>				
General Fund	\$ 20,704,621	\$ 21,021,611	\$ 20,926,171	
Street Improvement Fund	5,200,000	5,400,000	5,600,000	
Capital Replacement Fund	1,179,658	1,307,100	1,635,000	
Park Dedication Fund	260,000	158,500	440,000	
Technology Development Fund	360,000	375,000	390,000	
Fire Apparatus Fund	-	350,000	425,000	
State MVC Program Levy	535,342	524,536	-	
Tax Capacity Tax Levy	\$ 28,239,621	\$ 29,136,747	\$ 29,416,171	
Market Value Tax Levy (Park Bonds)	1,176,996	1,129,153	1,134,228	
<b>Total Tax Levy</b>	<b>\$ 29,416,617</b>	<b>\$ 30,265,900</b>	<b>\$ 30,550,399</b>	
<b>City Tax Rate</b>				
General Fund	22.402	24.077	25.077	Estimate
Street Improvement Fund	5.626	6.185	6.711	Estimate
Capital Replacement Fund	1.276	1.497	1.959	Estimate
Park Dedication Fund	0.281	0.182	0.527	Estimate
Technology Development Fund	0.390	0.429	0.467	Estimate
Fire Apparatus Fund		0.401	0.509	Estimate
State MVC Program Levy	0.579	0.601	0.000	
<b>Total City Tax Capacity Tax Rate</b>	<b>30.555</b>	<b>33.371</b>	<b>35.251</b>	<b>Estimate</b>
<b>Total Market Value Tax Rate</b>	<b>0.000143</b>	<b>0.000144</b>	<b>0.000148</b>	<b>Estimate</b>
<b>HRA Tax Levy</b>				
	\$ 175,000	\$ 175,000	\$ 175,000	
<b>HRA Tax Capacity Tax Rate</b>	<b>0.189</b>	<b>0.200</b>	<b>0.210</b>	<b>Estimate</b>
HRA Tax Levy % of Market Value	0.002121%	0.002233%	0.002276%	

## POLICE DEPARTMENT

Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Personnel	\$ 7,220,376	\$7,238,771	\$6,935,700	\$6,895,900	\$6,879,500
Supplies	262,245	378,846	397,900	385,100	453,100
Other Services & Charges	723,032	792,356	889,600	888,000	888,800
Capital Outlay	15,861	-	30,000	30,000	30,000
<b>Totals</b>	<b>\$ 8,221,514</b>	<b>\$ 8,409,973</b>	<b>\$ 8,253,200</b>	<b>\$ 8,199,000</b>	<b>\$ 8,251,400</b>

**Method of Financing**

General Fund	\$ 8,184,388	\$ 8,272,560	\$ 8,193,200	\$ 8,139,000	\$ 8,221,400
Drug and DWI Forfeiture Funds	37,126	137,413	60,000	60,000	30,000
<b>Totals</b>	<b>\$ 8,221,514</b>	<b>\$ 8,409,973</b>	<b>\$ 8,253,200</b>	<b>\$ 8,199,000</b>	<b>\$ 8,251,400</b>

**Number of Employees (FTEs)\***                      76.35                      75.35                      66.35                      65.95                      65.95

\* Nine FTEs for the Dispatch Division are included within a separate budget page beginning 2011.

**Description of Services:**

The police department is responsible for providing police services to the community. This includes: emergency response, investigative services, homeland security, crime prevention, and proactive and reactive patrol. The department works collaboratively with other city departments, three school districts and community partners to include other law enforcement agencies to maximize its effectiveness. The city complies with all state and federal reporting requirements for the maintenance of police records and data relevant to the criminal justice requirements.

<b>Key Measures:</b>	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Community survey satisfaction	96%	95%	95%	95%
Calls for service	44,305	47,120	45,600	45,500
Criminal offenses - Part I & II	2,372	3,384	2,230	2,250
Citations (Criminal/Juvenile)	454	359	325	325
Emergency calls (medicals, alarms)	5,892	5,557	5,450	5,500
Traffic Response	20,659	21,445	20,200	21,200

**Budget Comments/Issues:**

*The 2012 Police Department budget maintains current level of services.*

- Staff projects calls for police service in 2012 will remain fairly consistent with 2011. Identity theft and financial transaction card fraud continue to show modest increases. Time consuming mortgage fraud investigations have dropped off significantly from previous years.
- The department will continue to prioritize traffic education/enforcement with a focus on speed, seatbelt, redlight violations, distracted driving and DWI in 2012. As a result of these efforts in past years, the department has seen a decline in citizen complaints regarding neighborhood speeding.
- Expenditures from DWI and drug forfeiture funds include: Special DWI enforcement personnel costs, mounts for new squad car computers, web based scheduling software, and equipment not otherwise supported by the General Fund.
- Implementation of the new Motorola Premier One records management system originally scheduled for 2011, was delayed until March 2012 due to new product development concerns.
- A reduction in a full-time property room position to part-time has had little impact on police and legal department operations.



## FIRE DEPARTMENT

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 1,206,822	\$ 1,148,875	\$ 1,352,100	\$ 1,342,100	\$ 1,368,600
Supplies	139,580	168,016	164,800	176,000	187,200
Other Services & Charges	543,022	963,314	777,700	794,000	603,300
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,889,424</b>	<b>\$ 2,280,205</b>	<b>\$ 2,294,600</b>	<b>\$ 2,312,100</b>	<b>\$ 2,159,100</b>

**Method of Financing**

General Fund	\$ 1,889,424	\$ 2,280,205	\$ 2,294,600	\$ 2,312,100	\$ 2,159,100
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<b>Number of Employees (FTEs)</b>	6.5	6.5	6.5	6.5	6.5
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**Description of Services:**

The Fire Department's mission is to continuously protect and preserve life and property through quality education, prevention, disaster preparedness, and rapid emergency response. The department provides key services to the city that include: firefighting, emergency medical services (EMS), hazardous material response (hazmat), fire code inspection/enforcement, equipment maintenance, and emergency management. Along with these critical services the department also provides: All National Fire Protection Association (NFPA) and U.S. Occupational Safety and Health Administration (OSHA) training for it's fire fighters and training for other departments, nuisance patrol, alarm response billing, fire cause investigation, and public education.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimate</b>	<b>2012 Projected</b>
Average response time to structure fires (minutes)	6.26	6.29	6.30	6.30
Paid-on-call firefighters	71	71	75	75
Total fire calls, excluding medicals	768	690	700	750
False alarms	207	184	200	200
Medical calls	1,509	855	750	800
Firefighter calls outs	294	413	200	250
Non-duty crew training hours	12,527	7,313	7,400	7,300

**Budget Comments/Issues:**

*The 2012 Fire Department budget includes hourly funding for two additional persons on the paid-on-call duty crew as required to accommodate more predictable, fluctuating service demands.*

- Rather than add new round-the-clock duty crews, the 2012 budget includes additional hourly funding for two additional persons on the paid-on-call duty crew to bring the total per shift to five as required by fluctuating service demands. The addition of these two firefighters will among other things, maintain lower response times, which have been reduced from 8.25 minutes in 2008 to 6.29 in 2010. It will also enable the force to respond to simultaneous calls, and allow interior rescues from fires. In 2012, the additional crew members will assist Public Works with the new hydrant program and enable the department to work with Community Development on a business inspection program.

- Beginning 2010, a joint task force of firefighters and city staff began work to develop a more sustainable, stable and equitable pension program for the city's paid-on-call firefighters. Cost of work with consultants is reflected above in 2010 and 2011 and are financed with funding assigned in the city's general fund balances for these purposes. Recommendations of the group will likely have long term financial consequences. Variations in the Other Services costs above also reflect changes in the city's required contribution to the firefighters' pension fund related to the changing value of the fund and the recession.

- The change in the number of firefighter call outs in 2010-2011 relates to the transitioning of duty crew call types and numbers. This number is anticipated to adjust up in 2012 due to new call protocols and enhanced box alarms.

- The decrease in non-duty training hours from 2009 to 2010 reflects the efficiency of training while on duty crew. This trend will continue as the department transitions more training from the traditional Tuesday night drill to duty crew hours.

**FIRE APPARATUS FUND - Fire Department**

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Ad Valorem Tax Levy	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ 425,000
Transfer in	-	-	-	-	100,000
Investment Income	-	-	5,000	1,000	200
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 355,000</b>	<b>\$ 351,000</b>	<b>\$ 525,200</b>
<b>Expenditures by Category</b>					
Pumper Truck Replacement	\$ -	\$ -	\$ -	\$ -	\$ -
Ladder Truck Program	-	-	-	-	900,000
Fire JPA SCBA Program	-	-	-	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 900,000</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	-	-	355,000	351,000	(374,800)
<i>Beginning Fund Balance</i>	-	-	-	-	351,000
<i>Ending Fund Balance</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 355,000</b>	<b>\$ 351,000</b>	<b>\$ (23,800)</b>

**Description of Services:**

The Fire Apparatus Fund was created to finance the recurring, essential replacement of costly fire vehicles and equipment on a timely basis. Based out of five fire stations, the city maintains the following fire apparatus: 8 engines, 5 ladders, 2 grass rigs, 2 utility units, and a mobile air support truck. Other high-cost equipment to be supported by this fund include fire fighting, self-contained breathing apparatus (SCBA).

**Key Measures:**

	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Average age of pumper trucks	14	12	13	14
Average age of ladder trucks	25	26	27	14

**Budget Comments/Issues:**

The 2012 budget includes an additional \$75,000 levy to advance by one year its previously scheduled full funding. Adoption of this budget will amend the 2012-16 Capital Improvements Program (CIP).

- 2011 was the first year of the Fire Apparatus Fund. The adopted CIP directs the purchase of one ladder truck in 2012. It will replace a current ladder truck that is 34 years old, for which maintenance has become expensive due amongst other things to the difficulty in finding parts.
- The number of apparatus owned and maintained by the department is evaluated annually as partnerships with the neighboring communities develop and expand.



**LEGAL DEPARTMENT**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 642,612	\$ 644,250	\$ 674,100	\$ 683,600	\$ 694,700
Supplies	5,037	4,652	8,000	5,000	6,500
Other Services & Charges	101,175	48,394	83,700	53,500	75,100
Capital Outlay	-	-	700	-	-
<b>Totals</b>	<b>\$ 748,824</b>	<b>\$ 697,296</b>	<b>\$ 766,500</b>	<b>\$ 742,100</b>	<b>\$ 776,300</b>
<b>Method of Financing</b>					
General Fund	\$ 699,574	\$ 697,296	\$ 765,800	\$ 742,100	\$ 776,300
Drug and DWI Forfeiture Funds	49,250	-	700	-	-
<b>Totals</b>	<b>\$ 748,824</b>	<b>\$ 697,296</b>	<b>\$ 766,500</b>	<b>\$ 742,100</b>	<b>\$ 776,300</b>
<b>Number of Employees (FTEs)</b>	6.00	6.00	6.00	6.00	6.00

**Description of Services:**

The Minnetonka City Attorney's Office provides legal work in two primary areas. The office prosecutes petty misdemeanor, misdemeanor, and gross misdemeanor criminal cases for violations occurring in the City of Minnetonka. The office is also responsible for all non-criminal legal matters involving the city, including providing legal advice to the city council and staff, answering questions of citizens regarding city ordinances, providing staff support to the Charter Commission, and representing the city in uninsured litigation.

<b><u>Key Measures:</u></b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Minnetonka cases in court				
All cases	1,540	1,415	1,450	1,450
DWI cases	286	286	300	300
Cases opened and processed by staff:	959	828	850	850
Customers rating staff at "above average" or "excellent"	93%	92%	87%	87%
Charter Commission rating staff at "above average" or "excellent"	100%	100%	95%	95%

**Budget Comments/Issues:**

The 2012 budget for the Legal Department provides funding for current level services, but continues to incorporate additional expenses for temporary attorneys during leaves of absence begun in 2011.



## ENGINEERING DEPARTMENT

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 1,014,753	\$ 977,574	\$ 999,700	\$ 975,000	\$ 1,013,900
Supplies	14,295	19,300	22,000	22,000	24,200
Other Services & Charges	119,391	91,308	105,100	104,900	105,400
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,148,439</b>	<b>\$ 1,088,182</b>	<b>\$ 1,126,800</b>	<b>\$ 1,101,900</b>	<b>\$ 1,143,500</b>

**Method of Financing**

General Fund	\$ 1,148,439	\$ 1,088,182	\$ 1,126,800	\$ 1,101,900	\$ 1,143,500
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<b>Number of Employees (FTEs)</b>	10.25	10.00	9.75	9.75	9.75
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**Description of Services:**

The Engineering Department manages and oversees most of the city's major capital construction projects, including all streets and many public facilities. The department's specific services include surveying, design, and construction administration and inspection. The department regularly coordinates its activities with other departments, other agencies and responds to general public inquiries, which include storm drainage problems and traffic complaints.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Neighborhood meetings held	7	9	8	6
Project newsletters sent out	3,073	1,987	1,700	1,600
Property acquisitions for construction projects	60	16	40	20
Construction projects underway	13	11	11	10
Construction projects completed	11	5	12	11
Customer service surveys sent out	322	167	200	200
Customers satisfied with project (rated as "average" or greater)	83%	83%	79%	82%
Road bridge inspections	6	32	1	32
Trail bridge inspections	na	na	12	0

**Budget Comments/Issues:**

*The 2012 budget for the Engineering Department provides funding for current level services.*

- In 2012, the department will begin the second cycle of a four-year program to survey sections of the city for speeding compliance. The results will assist the Police Department with its enhanced traffic enforcement program. The 2012 program includes taking speed counts at all state aid traffic count locations, which are done every four years. The counts for 2008 thru 2010 are based on requests from the Police Department and concerned residents.

- The city's reorganization and repositioning in 2009/2010 resulted in the elimination of one engineering technician position for the department in August of 2009, and an hourly reduction of an engineering technician position from 40 hours to 30 hours, and a clerical position from 30 hours to 20 hours, effective mid-year 2010.

- The city performs bridge inspections for all road bridges and large culverts every two years. In 2011, a program was added to inspect all trail bridges. Trail bridge inspection will be done in the odd years.

- The number of newsletters, property acquisitions, and customer surveys sent were significantly higher in 2009 due to the Dominick Drive and Sherwood Forest reconstruction projects.

**STREET IMPROVEMENT FUND - Engineering Department**

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Ad Valorem Tax Levy	\$ 5,000,000	\$ 5,200,000	\$ 5,400,000	\$ 5,400,000	\$ 5,600,000
Investment Income	6,688	(16,030)	10,000	10,000	25,000
Cost-Share Reimbursements	-	-	-	683,650	-
R.O.W. Permit Fees	-	-	500	2,000	2,500
Transfers In	-	135,000	-	-	-
<b>Totals</b>	<b>\$ 5,006,688</b>	<b>\$ 5,318,970</b>	<b>\$ 5,410,500</b>	<b>\$ 6,095,650</b>	<b>\$ 5,627,500</b>
Expenditures					
Local Street Rehabilitation	\$ 6,798,258	\$ 1,719,788	\$ 3,000,000	\$ 2,762,000	\$ 3,500,000
Thin Overlay Program	1,048,207	1,024,214	970,000	970,000	-
Local Street Maintenance	101,379	162,980	235,000	235,000	-
Local Street Preservation	-	-	-	-	1,220,000
Woodland Road Retaining Wall	61,750	605,054	-	238,000	-
CSAH 73/I-394 Frontage Road	90,982	-	-	-	-
CSAH 101 Landscaping	23,093	-	-	-	-
Quiet Zone	8,650	-	-	-	-
Pavement Management Study	16,352	25,214	38,000	38,000	39,000
<b>Totals</b>	<b>\$ 8,148,671</b>	<b>\$ 3,537,250</b>	<b>\$ 4,243,000</b>	<b>\$ 4,243,000</b>	<b>\$ 4,759,000</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	(3,141,983)	1,781,720	1,167,500	1,852,650	868,500
Reserve for Delayed Projects	-	-	140,000	140,000	200,000
<b>Beginning Fund Balance</b>	<b>1,499,360</b>	<b>(1,642,623)</b>	<b>139,097</b>	<b>139,097</b>	<b>1,851,747</b>
<b>Ending Fund Balance</b>	<b>\$ (1,642,623)</b>	<b>\$ 139,097</b>	<b>\$ 1,166,597</b>	<b>\$ 1,851,747</b>	<b>\$ 2,520,247</b>

**Description of Services:**

The Street Improvement Fund was created to finance capital projects for the ongoing maintenance and reconstruction of local city streets. Local city streets are defined as those streets not falling into the category of State Aid, county, or state roadways and, therefore, is relegated to the lowest priority for support from state and county funds. Revenue to the fund is derived primarily by property tax levy proceeds.

The city's current Pavement Management Program requires that each city street be tested and rated once every four years. Staff analyzes the test results annually using a pavement management computer program to determine the most effective and efficient method to maintain the integrity of the road infrastructure within budget constraints. Road quality, as measured by the pavement condition index, can vary depending upon environmental conditions including load and weather as well as the categories of maintenance performed by city crews.

	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Miles of streets rehabilitated	4.3	3.9	4.6	3.5
Miles of streets thin overlay	13.9	12.2	10.3	11.5
Miles of streets rated for condition	65	60	80	70
Average pavement condition index	79	83	81	82

**Budget Comments/Issues:**

The 2012 budget for the Street Improvement Fund as provided in the Capital Improvement Program (CIP) will continue the city's road revitalization program, designed to overlay or reconstruct every local street over ten years.

- The road revitalization program began in 2005 with implementation of thin overlay work. In 2011, the program was modified to provide additional emphasis on street preservation. The new Local Street Preservation Program will include patching and sealing, in addition to thin overlays and reconstruction projects.
- Projects are scheduled to coincide with county, state, and other city projects. Delayed projects above include final costs associated with Dominick Drive, TH 7 North Frontage Road and Sherwood Forest.
- Because costs for the Woodland Road retaining wall exceeded the originally approved budget, council approved an amendment to the CIP to fund a portion with the 2011 local street rehabilitation allotment in June 2011.
- Consistent with the city's capital improvements policy, the fund balance for the Street Improvement Fund is managed over a five-year horizon, and some years have higher costs while others have lower costs. The 2013-2015 project schedule is larger than average and will ultimately have expenditures higher than revenues for that time period.
- The city's goal is to have the pavement condition index above 70 each year. Mileage rated from year to year is unequal, because the quarter sections reviewed annually are based upon natural boundaries, not equal mileage.
- With initial policies adopted by council in late 2008, the city realized the first fee revenue from a new right-of-way permitting system in the spring of 2011. The revenue collected will help fund road repairs and overlays related to deterioration caused by utility cuts.
- Miles of streets rehabilitated have increased from projected for 2010 and 2011. The council's direction to accelerate projects these years was based on the favorable bidding climate and heavy roadway deterioration from recent winters.

**MUNICIPAL STATE AID FUND - Engineering Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
State Allotment	\$ 1,694,036	\$ 1,768,663	\$ 1,768,680	\$ 1,768,680	\$ 1,768,680
Interest	15,034	(550)	-	-	-
Hennepin County Reimbursement	-	-	-	-	290,000
<b>Totals</b>	<b>\$ 1,709,070</b>	<b>\$ 1,768,113</b>	<b>\$ 1,768,680</b>	<b>\$ 1,768,680</b>	<b>\$ 2,058,680</b>
<b>Expenditures</b>					
Bond Debt Service	\$ 81,556	\$ 303,408	\$ 235,888	\$ 235,888	\$ 186,256
Projects:					
Shady Oak Rd (Bren To Excelsior)	1,556,629	268,765	405,500	405,500	-
Prior Years Project Transfers	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,638,185</b>	<b>\$ 572,173</b>	<b>\$ 641,388</b>	<b>\$ 641,388</b>	<b>\$ 186,256</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	70,885	1,195,940	1,127,292	1,127,292	1,872,424
Reserve for Delayed Projects		-		290,000	
<b>Beginning Available Allotment Balance</b>	<b>(654,839)</b>	<b>(583,954)</b>	<b>611,986</b>	<b>611,986</b>	<b>1,739,278</b>
<b>Remaining Available Allotment</b>	<b>\$ (583,954)</b>	<b>\$ 611,986</b>	<b>\$ 1,739,278</b>	<b>\$ 1,739,278</b>	<b>\$ 3,611,702</b>

**Mission Statement:**

The Municipal State Aid (MSA) Fund accounts for state revenues and related expenses for the construction and maintenance of county state aid road and MSA street systems in Minnetonka. The state generates these funds from two major highway user taxes -- the gasoline tax and the motor vehicle registration fees. The state then divides the great majority of these tax revenues between the state (62%), counties (29%), and municipalities with populations over 5,000 (9%). The part allocated to the cities is then apportioned amongst those municipalities 50% based upon need, as determined by estimated construction and maintenance costs over a 25-year period, and 50% based upon census population data.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Construction projects underway	2	0	1	0
Construction projects completed	1	0	0	1

**Budget Comments/Issues:**

*The 2012 budget for MSA funding continues the programmed support of county and state designated projects.*

- The next major road reconstruction project scheduled to be financed with MSA funds is County Road 101 between CR 5 (Minnetonka Blvd.) and CR12 (Wayzata). The 2012-16 Capital Improvements Program includes a total of \$1 million for the project starting in 2013. Another \$4.2 million is scheduled in 2014 to 2016 for additional projects on other segments of County Road 101 and Shady Oak Road.

- In June 2008, the city issued State-Aid Street bonds to fund a portion of the first half of the costs for the Shady Oak (Bren-Excelsior) project. The debt service for these bonds will be financed over 15 years with the city's MSA allotment. \$700,000 in direct MSA financed the remainder of these first-half costs in 2008, leaving around \$800,000 of the city's 2008 allotment for other uses. Financing the remaining costs of this project will be paid from future allocations.

- In 2008, the state passed an increase in the fuels sales tax. However, the city's allocation of MSA funding provided by the increase will likely continue to be modest, because: (1) the number of cities becoming eligible to receive the funding continues to increase and thereby divide the revenue farther; and (2) the continued fluctuation in the price of fuel materially decreases the total volume of fuel purchased in the state, thereby offsetting the increased tax rate per gallon.

**STORM WATER FUND - Engineering Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Storm Water Utility Charges	\$ 1,965,159	\$ 2,021,466	\$ 2,077,000	\$ 2,083,800	\$ 2,148,700
Investment Income	-	2,020	4,000	-	-
Misc. Revenue	2,500	2,830	2,500	5,000	18,000
<b>Totals</b>	<b>\$ 1,967,659</b>	<b>\$ 2,026,316</b>	<b>\$ 2,083,500</b>	<b>\$ 2,088,800</b>	<b>\$ 2,166,700</b>
<b>Expenditures by Category</b>					
Personnel	\$ 27,062	\$ 77,236	\$ 75,200	\$ 75,200	\$ 77,000
Supplies	81,585	113,164	94,100	92,250	101,100
Other Services & Charges	84,879	118,728	136,700	125,200	139,400
Capital Outlay	1,619,544	1,084,210	1,076,000	1,186,000	955,000
Transfers to Other Funds	145,760	152,200	153,100	153,100	155,000
<b>Totals</b>	<b>\$ 1,958,830</b>	<b>\$ 1,545,538</b>	<b>\$ 1,535,100</b>	<b>\$ 1,631,750</b>	<b>\$ 1,427,500</b>
Surplus (Deficiency) of Revenues over Expenditures	\$ 8,829	\$ 480,778	\$ 548,400	\$ 457,050	\$ 739,200

<b>Number of Employees (FTEs)</b>	0.5	0.5	0.5	0.5	0.5
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**Description of Services**

The Storm Water Utility Fund was created in 2003 to finance capital projects and associated operational costs designed to provide flood protection and to protect and improve the quality of the city's water resources. Such projects must be compatible with the city's Water Resources Management Plan. Revenues to the fund are provided through monthly fees to property owners that are based upon parcel acreage, land use and related water runoff, and capital project needs.

<b>Key Measures:</b>	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Water quality samples taken	8	9	8	8
Storm sewer projects completed	4	7	4	5
Sump catch basins inspected	144	107	280	280
Storm sewer outfalls inspected	na	0	130	130
Drainage ponds inspected	na	85	40	40
Drainage ponds restored	1	2	1	4
Misc. drainage projects completed	34	35	25	20

**Budget Comments/Issues:**

The 2012 budget for the Storm Water Fund reflects funding for a baseline capital projects workload that follows the completion of a number of significant multi-year projects in 2011 including the 2011 Street Rehabilitation project for the Holdridge Drive/Sheridan Hills Road area.

- The 2012 budget for the Storm Water Fund includes a three percent fee increase to cover funding pressures related to accelerated street reconstruction projects, unfunded mandates, and higher inflationary costs. There was no increase in 2010 and a 6.25 percent rate increase in 2011.

- The partial full-time equivalent (FTE) employee is a portion of the salary for the assistant city engineer, which reflects an allocation of the position's workload associated with storm water related projects.

- Project scheduling coincides with county, state, and other city projects including residential street reconstruction. High priority projects in the city's Water Resources Management Plan are scheduled as budget limits allow.

- The inspections of sump catch basins, outfalls and ponds are federally mandated by the city's National Pollution Discharge Elimination System (NPDES) permit. The inspection of outfalls and ponds were added as separated measures due to changes in the NPDES permit requirements. All inspections are performed by public works staff and engineering interns, and include inspecting all sump catch basins every year and 20 percent of the outfalls and ponds. Inspections per year will vary somewhat reflecting staff's attempts to efficiently use inspection staff.

**ELECTRIC FRANCHISE FEES SPECIAL REVENUE FUND - Engineering Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Electric Franchise Fees	\$ 798,645	\$ 796,498	\$ 802,000	\$ 802,000	\$ 802,000
County Cost-Share Agreements	-	413,413	-	-	-
Investment Income	-	3,826	25,000	25,000	35,000
<b>Totals</b>	<b>\$ 798,645</b>	<b>\$ 1,213,737</b>	<b>\$ 827,000</b>	<b>\$ 827,000</b>	<b>\$ 837,000</b>
<b>Expenditures by Category</b>					
Overhead Utility Burial	\$ 304,374	\$ -	\$ -	\$ -	\$ -
Misc. Street Light Installation	-	-	50,000	10,000	10,000
<b>Totals</b>	<b>\$ 304,374</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>
Surplus/(Deficiency) of Revenues over/(under) Expenditure	494,271	1,213,737	777,000	817,000	827,000
Reserve for Delayed Projects	-	-	-	-	-
<i>Beginning Fund Balance</i>	<i>(783,809)</i>	<i>(289,538)</i>	<i>924,199</i>	<i>\$ 924,199</i>	<i>\$ 1,741,199</i>
<i>Ending Fund Balance</i>	<i>\$ (289,538)</i>	<i>\$ 924,199</i>	<i>\$ 1,701,199</i>	<i>\$ 1,741,199</i>	<i>\$ 2,568,199</i>

**Description of Services:**

The 2003 City of Minnetonka Community Survey indicated that the residents of the city supported the burial of overhead utility lines on major streets. In 2005, the city adopted a franchise fee ordinance under which the city charges Xcel Energy a monthly fee per customer to support the project. Under the franchise agreement with Xcel, the total revenue collected may not exceed two percent of total annual adjusted gross revenues that the company receives from the sale of delivery or delivery of electric energy in Minnetonka. Fee revenue and costs associated with the project are financed through the Electric Franchise Fees Special Revenue Fund. The schedule for burying lines is developed and frequently updated to coincide with plans for upgrading major roads within the city.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimate</b>	<b>2012 Projected</b>
Miles of Utility Line Buried	0.5	0.0	0.0	0.0

**Budget Comments/Issues:**

As approved with the adopted 2012-16 Capital Improvement Program, the 2012 budget for the Electric Franchise Fee Fund does not propose burying any overhead utility lines in anticipation of high cost projects in future years.

- Xcel Energy collects the fees monthly and submits the revenues to the city on a quarterly basis. The company then buries the lines for the city under contract and bills the city for these services.

- In 2010, the city received reimbursement from Hennepin County for a joint project to bury overhead lines and install decorative lights on CR101 including areas between Highway 7 and Minnetonka Boulevard. Hennepin County cost-share revenues were received in 2008 for the burial of lines on Shady Oak Road between Bren and CR3.

- Beginning 2008, the budget for the Electric Franchise Fee Fund included a \$0.50 per month fee increase to offset the escalating costs in materials used for burial projects and to balance the fund over a five-year horizon. There were no increases in 2009 and 2010, and none are proposed for 2011 or 2012.

- The next large burial project will likely occur in 2014 as a part of the upgrading of CR 101 from Minnetonka Boulevard to TH 12. The schedules for this project and the Shady Oak Road project north of CR 3 have been delayed several times resulting in the delay of burial projects along these corridors.

**169/BREN ROAD INTERCHANGE FUND - Engineering Department**

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Trip Generation Fees	\$ -	\$ -	\$ 3,700,000	\$ 3,700,000	\$ -
State Grants	-	-	8,650,000	7,217,100	1,432,900
Public Facilities Auth (PFA) Loan	-	-	3,500,000	-	2,200,000
UHG Development Agreement	-	-	1,300,000	1,300,000	-
SACF, Transfer In	-	-	5,000,000	2,200,000	-
Interest on Investments	-	-	90,000	50,000	40,000
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,240,000</b>	<b>\$ 14,467,100</b>	<b>\$ 3,672,900</b>
<b>Expenditures by Category</b>					
169/Bren Interchange Project	\$ -	\$ 667,290	\$ 16,800,000	\$ 15,182,710	\$ -
PFA Debt Service	-	-	33,709	-	85,000
UHG Revenue Share	-	-	-	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ 667,290</b>	<b>\$ 16,833,709</b>	<b>\$ 15,182,710</b>	<b>\$ 85,000</b>
Surplus (Deficiency) of Revenues over Expenditures	-	(667,290)	5,406,291	(715,610)	3,587,900
<i>Beginning Fund Balance</i>	-	-	(667,290)	(667,290)	(1,382,900)
<i>Ending Fund Balance</i>	<b>\$ -</b>	<b>\$ (667,290)</b>	<b>\$ 4,739,001</b>	<b>\$ (1,382,900)</b>	<b>\$ 2,205,000</b>

**Description of Services:**

The 169/Bren Road Interchange Fund was created in 2010 to pay for improvements to the interchange necessary to accommodate development and redevelopment of the Opus Business Park. The fund is financed with various sources including state grants, private sector partnership funds, low interest public loans, and a transfer of proceeds from the city Special Assessment Construction Fund.

<b>Key Measures:*</b>	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Commercial permit revenue	na	na	\$700,000	\$0
Increase in taxable market value	na	na	\$20 million	\$20 million
Jobs developed within city	na	na	na	1,000

\* Includes only outcomes associated with developments in the Opus Business Park requiring the interchange improvements.

**Budget Comments/Issues:**

*Construction of the 169/Bren Road interchange will be substantially completed in 2012. Payback of city's investments and United Health Group (UHG) per a development agreement will continue.*

- Monies for the reconstruction of the 169/Bren Road interchange are financed through the 169/Bren Road Interchange Fund. A total estimated taxable market value of \$40 million will be realized for the city's tax base in 2011 and 2012, because construction of a large commercial building for United Health Group (UHG) would not happen but for the completion of the project. A total of 1,700 jobs in the city are forecasted to be developed and be realized over a number of years associated with the UHG and expansion of the interchange.

- Trip generation fees are charged as parcels are developed or redeveloped within the Opus Business park over the years 2011 through 2030. The fees are tied to the increase in trips to the 169/Bren interchange that is created by the projects, and a portion of those proceeds after 2011 will reimburse the city's costs for improving the interchange. 2011 trip fees are those specifically charged to and paid by UHG. The latter is estimated above until final actual costs for the project are known.

- UHG partnered with the city by fronting per a development agreement approximately \$1.3 million for some of the construction costs of the 169/Bren interchange project. As future trip generation fee revenue is realized over the next 20 years, the revenue note will be repaid with a portion of those proceeds. The amount is estimated and will be specifically determined after final actual costs of the project are known.

- Debt service on the Public Finance Authority (PFA) loan/bond is not due until funds are drawn on the loan, which is the last of the funding to be used for the project. Total borrowed will depend upon total project costs. Staff anticipates additional project costs for outstanding right-of-way purchases and state shutdown claims, but these costs will not be known until 2012. Therefore, the amounts above for project expenditures, transfer in revenue, PFA loan revenues, and its related debt service are only the contractual costs known as of fall 2011. The additional costs could range between \$300,000 and \$700,000, and the revenues and expenses for the fund will increase proportionally to this amount. Fund balances at the end of project construction will be committed to the debt service.

**STREET MAINTENANCE DIVISION - Public Works Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 1,677,010	\$ 1,692,120	\$ 1,714,800	\$ 1,714,800	\$ 1,760,200
Supplies	424,423	397,958	408,700	417,200	452,700
Other Services & Charges	783,275	919,266	800,500	885,800	928,000
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 2,884,708</b>	<b>\$ 3,009,344</b>	<b>\$ 2,924,000</b>	<b>\$ 3,017,800</b>	<b>\$ 3,140,900</b>

**Method of Financing**

General Fund	\$ 2,884,708	\$ 3,009,344	\$ 2,924,000	\$ 3,017,800	\$ 3,140,900
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<b>Number of Employees (FTEs)</b>	22.5	22.5	21.0	21.0	21.0
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**Description of Services:**

The Street Maintenance Division of the Public Works Department is responsible for maintenance of 254 miles of municipal right-of-way including pavement maintenance, snow and ice control, drainage, pavement markings, street signs, intersection semaphores, street lighting, roadside mowing and tree trimming.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
• Full-scale plowing events required	9	15	12	12
• Tons of salt used	3,520	2,500	2,500	2,400
• Tons of bituminous mix laid	18,862	19,981	10,000	10,000
• Signs installed	618	608	600	600
• Miles of city streets maintained	254	254	254	254
• Neighborhood Renovation Areas	0	0	7	9

**Budget Comments/Issues:**

The 2012 budget for the Street Maintenance Division provides for the current level of services.

- This division is responsible for completing the second year of the Neighborhood Renovation program. This program utilizes a variety of pavement management methods to renovate streets post reconstruction/thin overlay to prolong street life. Personnel costs for the program are budgeted above, and materials are funded through the Capital Improvement Program (CIP) and by the Street Improvement Fund. The decrease in bituminous mix laid in 2011 reflects ending an in-house installed portion of the pavement program.

- The division is responsible for increased drainage maintenance efforts in 2012 to assure compliance with National Pollution Discharge Elimination System (NPDES) permit requirements. Projects are coordinated through the drainage engineer in the Engineering Department and managed by both departments using the computerized work management system Cityworks.

- In 2012, salt brine used for road snow and ice control will continue to be manufactured on site with equipment that was purchased in the summer of 2010. This product reduces the amount of rock salt used for snow and ice control which greatly reduces salt use in watersheds that are in non-compliance with chloride-ion Total Maximum Daily Loadings. Hennepin County will continue to purchase salt brine from Minnetonka for their snow and ice control

- Operating costs for the division are highly impacted by energy related supplies and the rising cost of equipment repair parts.

- In 2012, the division will develop a sign assessment and management methodology to meet federal regulations for sign retroreflectivity. All regulatory, warning and ground mounted guide signs need to be compliant with federal rules by 2015 and all overhead guide signs and street signs by 2018.

**BUILDING MAINTENANCE DIVISION - Public Works Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 381,284	\$ 474,614	\$ 540,600	\$ 540,600	\$ 572,900
Supplies	77,319	87,360	83,200	88,700	87,350
Other Services & Charges	325,056	314,316	396,600	377,600	376,050
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 783,659</b>	<b>\$ 876,290</b>	<b>\$ 1,020,400</b>	<b>\$ 1,006,900</b>	<b>\$ 1,036,300</b>

**Method of Financing**

General Fund	\$ 783,659	\$ 876,290	\$ 1,020,400	\$ 1,006,900	\$ 1,036,300
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<b>Number of Employees (FTEs)</b>	5.5	7.0	7.4	7.4	8.6
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**Description of Services:**

The Building Maintenance Division of the Public Works Department is responsible for the maintenance and repair of the city's various community buildings and sub-systems such as heating, ventilation, air conditioning, electrical, plumbing and mechanical.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Buildings maintained	14	14	14	14
Work orders completed	1,332	1,587	1,600	1,600
Heat Energy - Cost	\$98,186	\$77,972	\$130,000	\$135,000
Heat energy used (THM)	115,058	95,709	100,000	100,000
Electrical Energy - Cost	\$129,706	\$131,838	\$130,000	\$135,000
Electrical energy used (kWh)	1,576,340	1,285,617	1,300,000	1,300,000

**Budget Comments/Issues:**

*The 2012 budget for the Building Maintenance Division maintains the current level of services and attempts to minimize the budgetary effects of increased energy costs.*

- The increase in personnel reflects a transfer of one full-time equivalent (FTE) from the Community Center. Total net FTEs for the city remains unchanged.
- Fluctuating energy expenses continues to be a concern for 2012. A variety of short and long term energy conservation measures continue to be implemented to minimize the effects of increasing energy costs. Energy use has stabilized but rate increases will continue to increase costs. Climate changes from year to year will also result in cost fluctuations.
- In 2012, the Buildings Division will be responsible for administering and completing projects financed with \$530,000 in funds received by the city from the Department of Energy (DOE) under the Energy Efficiency and Conservation Block Grant program. Approximately \$105,000 of grant projects will be completed in 2012. Budgeted project costs are included within the Grants Special Revenue Fund.
- In 2012, the Buildings Division will begin tracking capital replacement facility components using the computerized work management system Cityworks.



**FLEET MAINTENANCE FUND - Public Works Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Charges for Services	\$ 1,295,272	\$ 1,455,375	\$ 1,376,675	\$ 1,500,000	\$ 1,642,040
Investment Income	3,719	1,355	1,000	1,000	1,000
Miscellaneous	-	-	-	-	-
Transfers In	-	-	-	-	-
<b>Totals</b>	<b>1,298,991</b>	<b>1,456,730</b>	<b>1,377,675</b>	<b>1,501,000</b>	<b>1,643,040</b>
<b>Expenditures by Category</b>					
Personnel	\$ 420,501	\$ 416,042	\$ 417,600	\$ 417,600	\$ 425,290
Supplies	631,228	754,801	731,500	770,900	885,400
Other Services & Charges	224,884	338,749	228,575	330,925	331,050
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,276,613</b>	<b>\$ 1,509,592</b>	<b>\$ 1,377,675</b>	<b>\$ 1,519,425</b>	<b>\$ 1,641,740</b>
Surplus (Deficiency) of Revenues over Expenditures	22,378	(52,862)	-	(18,425)	1,300
<i>Beginning Fund Balance</i>	<i>124,418</i>	<i>146,796</i>	<i>93,934</i>	<i>93,934</i>	<i>75,509</i>
<i>Ending Fund Balance</i>	<i>\$ 146,796</i>	<i>\$ 93,934</i>	<i>\$ 93,934</i>	<i>\$ 75,509</i>	<i>\$ 76,809</i>
<b>Number of Employees (FTEs)</b>	4.53	4.53	4.58	4.58	4.58

**Description of Services:**

The Fleet Maintenance Division is responsible for the procurement, maintenance and repair of the city's motorized fleet and support equipment, which consists of 185 vehicles and heavy and light support equipment. The costs of the division are allocated and billed to the departments of the city which it serves, and the Fleet Maintenance Fund functions as an internal service revolving fund.

**Key Measures:**

	2009 <u>Actual</u>	2010 <u>Actual</u>	2011 <u>Estimated</u>	2012 <u>Projected</u>
• Work orders completed	3,710	4,021	4,000	4,000
• Gallons of fuel consumed	148,251	154,619	148,050	150,975
• Cost to Purchase Gas/Diesel Fuels	\$287,623	\$389,084	\$411,600	\$445,600
• Average cost per gallon of gas/diesel fuels	\$1.94	\$2.52	\$2.78	\$2.95
• Gallons of oil consumed	550	775	550	600

**Budget Comments/Issues:**

The 2012 budget for the Fleet Maintenance Fund maintains current service levels, but reflects increased costs for fuel, repair parts and outside services. It is anticipated that in 2012 the Minnehaha Creek Watershed District and Hennepin County Public Works will purchase fuel from the city for their vehicles.

- In 2012, the fleet budget continues to incorporate costs for the maintenance and repair of the city's firefighting apparatus.
- Pricing volatility on petroleum products and the escalating price of parts and supplies are reflected in increases in both "Supplies" and "Other Services and Charges" sections of the budget.
- In order to reduce operating expense, the division will continue to take a number of actions including: extending oil change intervals by utilizing scheduled oil sampling and testing; purchasing diesel fuel in 2012 that contains 10% vegetable oil (B-10) and gasoline that contains 10% ethanol; and regularly analyzing the use of emerging technologies in the purchase of vehicle replacements when financially feasible.
- Motor fuels will again be purchased through the State's Cooperative Purchasing Venture. This program establishes a stable purchase price for 2012 budgeting.
- "Charges for Services" to departments are based upon a "break even" goal while maintaining a small fund balance sufficient to accommodate cash flow requirements of the fund.

**GRANTS SPECIAL REVENUE FUND - Finance Department**

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Federal Grants	\$ 211,182	\$ 149,828	\$ 358,800	\$ 296,600	\$ 97,600
State Grants	-	-	-	-	-
9-1-1	74,385	80,584	74,400	74,400	66,000
Other Local Grants	2,816	-	-	2,400	-
Investment Income	6,531	4,235	2,000	1,100	1,100
<b>Totals</b>	<b>\$ 294,914</b>	<b>\$ 234,647</b>	<b>\$ 435,200</b>	<b>\$ 374,500</b>	<b>\$ 164,700</b>
<b>Expenditures by Category</b>					
Personnel	\$ 25,396	\$ 33,336	\$ 50,300	\$ 50,300	\$ 43,200
Supplies	46,670	-	-	21,000	-
Other Services & Charges	27,871	293,145	74,400	53,300	66,000
Capital Outlay	131,000	98,029	308,500	246,300	54,400
<b>Totals</b>	<b>\$ 230,937</b>	<b>\$ 424,510</b>	<b>\$ 433,200</b>	<b>\$ 370,900</b>	<b>\$ 163,600</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	63,977	(189,863)	2,000	3,600	1,100
<i>Beginning Fund Balance</i>	<i>188,982</i>	<i>252,959</i>	<i>63,096</i>	<i>63,096</i>	<i>66,696</i>
<i>Ending Fund Balance</i>	<b>\$ 252,959</b>	<b>\$ 63,096</b>	<b>\$ 65,096</b>	<b>\$ 66,696</b>	<b>\$ 67,796</b>

**Description of Services:**

The Grants Special Revenue Fund accounts for significant special grants received by the city from outside sources. Each generally requires special accounting and reporting by the city, and the recipient departments are responsible for program reporting to the funding agency.

<b>Key Measures:</b>	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Federal grant programs	4	3	4	4
State grant programs	2	2	1	1
Other grant programs*	1	0	1	0

\* Only denotes local and other grants within this fund.

**Budget Comments/Issues:**

The federal government apportioned to the city \$530,000 in energy conservation grant funding from the U.S. Department of Energy in 2009. At the end of 2011, approximately \$54,400 will remain available for planned projects in 2012 and 2013.

- The one-time Energy Efficiency and Conservation Block Grant (EECBG) funds from the U.S. Department of Energy is being used primarily to replace and/or retrofit lighting and building energy systems of city facilities including baseball field lights at Big Willow and Gro Tonka Parks along with replacement of the Community Center's boiler system. Early implementation of these energy efficiency projects has enabled immediate realization of the energy savings that had been programmed in the city's long range energy conservation plans.

- In addition to the EECBG grant, the Grants Special Revenue Fund includes federal grants for public safety programs. In 2012, this will include Safe and Sober, (\$18,400), Operation Night Cap (\$17,500), and HEAT (\$7,300).

- The level of funding received by the city from the state's 9-1-1 service fees, which flows through this fund, is decreasing beginning 2012. The reduction is related to the city's decrease in population per the 2010 Census. Paid by cell and hardwire phone users to support emergency dispatching, the funds are restricted by the state for use in supporting maintenance and capital outlay costs of the city's Public Safety Answering Point (PSAP) system. In 2010, \$177,578 of accumulated 9-1-1 funds were used to upgrade the police department's 9-1-1 operating system.

**CAPITAL REPLACEMENT FUND - Finance Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Ad Valorem Tax Levy	\$ 1,325,000	\$ 1,190,464	\$ 1,307,100	\$ 1,307,100	\$ 1,635,000
Transfers In	1,265,000	850,000	100,000	100,000	-
Investment Income	57,298	18,724	12,000	15,000	13,000
Auction Proceeds/Rebates	176,713	91,222	45,000	135,000	45,000
<b>Totals</b>	<b>\$ 2,824,011</b>	<b>\$ 2,150,410</b>	<b>\$ 1,464,100</b>	<b>\$ 1,557,100</b>	<b>\$ 1,693,000</b>
<b>Expenditures by Category</b>					
Buildings & Structures	\$ 773,302	\$ 990,910	\$ 660,000	\$ 660,000	\$ 575,000
Recreation Facilities	56,387	86,195	97,500	97,500	14,500
Furniture and Equipment	19,298	104,565	100,000	100,000	-
Machinery and Auto	631,483	849,079	1,411,700	1,411,700	1,120,300
Transfers Out	335,000	250,000	-	-	-
<b>Totals</b>	<b>\$ 1,815,470</b>	<b>\$ 2,280,749</b>	<b>\$ 2,269,200</b>	<b>\$ 2,269,200</b>	<b>\$ 1,709,800</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	1,008,541	(130,339)	(805,100)	(712,100)	(16,800)
Reserve for Delayed Projects	-	0	0	512,700	
<b>Beginning Fund Balance</b>	<b>1,091,142</b>	<b>2,099,683</b>	<b>2,099,683</b>	<b>1,294,583</b>	<b>69,783</b>
<b>Ending Fund Balance</b>	<b>\$ 2,099,683</b>	<b>\$ 1,969,344</b>	<b>\$ 1,294,583</b>	<b>\$ 69,783</b>	<b>\$ 52,983</b>

**Description of Services:**

The Capital Replacement Fund was created in 1983 for the purpose of funding replacement or repair of major capital items that are expected to exceed \$5,000 in cost. The primary source of revenue for the fund is tax levy proceeds, but the fund also receives earnings from the auction of surplus city property as well as investment interest. Administrative policies provide for the replacement of general vehicles after eight years, marked police vehicles after 100,000 miles, heavy public works equipment and vehicles after 10-15 years, and fire equipment after 20-25 years with refurbishment after ten years.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
General light-duty vehicles in fleet	104	104	104	102
Marked police vehicles in fleet	19	19	19	19
Heavy equipment and trucks in fleet	62	62	62	62
Deprec. value of buildings & structures (millions \$)	\$16.30	\$15.10	\$14.50	\$14.10
Deprec. value of furniture & equipment (millions \$)	\$5.10	\$5.10	\$5.00	\$5.00

**Budget Comments/Issues:**

*Due to the 2011 legislature's statutory restructuring of the state Market Value Homestead Credit (MVHC) program, the 2012 budget for the Capital Replacement Fund (CRF) includes an additional \$340,000 for major street equipment above the adopted Capital Improvements Program (CIP). The single-year purchase is associated with transitioning the city to the one-time adjustment in the state program over two years. Adoption of this budget will amend the CIP.*

- Substantial purchases approved in the 2012 CIP for the fund include: fleet vehicles (\$588,300), large public works equipment replacements (\$192,000), and building components including roof and HVAC component replacements (\$565,000). Federal stimulus monies for more energy conservation projects are in the Grants Special
- The 2011 budget for the fund included a \$100,000 transfer in from the General Fund fund balance associated with an irregularly large, one-time group of permit fees from a single development project in 2010. The transfer is scheduled as part of the adopted five-year CIP, with additional transfers scheduled in 2013 and 2014.
- The 2010 capital budget included a one-time transfer in of \$500,000 into to the CRF from the General Fund to transition the city from receiving the state annual payment for the state MVHC program as well as \$350,000 from a designated General Fund reserve fire department self-contained breathing apparatus (SCBA).
- The 2009 budget for the CRF included a one-time transfer of \$1.265 million in one-time revenues from General Fund unallocated balances, which funded four costly, high priority capital projects: fire station structural repair, a public safety storage facility, a city standby generator, and the Shady Oak Community Play Area to address health and safety concerns. The last of these (\$250,000) was transferred to the Park Dedication Fund to more appropriately categorize its type of asset, which is reflected above in 2010 in accordance with the CIP schedule.

## UTILITY DIVISION / UTILITY FUND - Public Works Department

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Water Sales & Sewer Revenue	\$ 10,318,861	\$ 9,883,129	\$ 10,374,700	\$ 9,990,000	\$ 10,972,700
Investment Income	237,004	181,634	230,000	230,000	210,000
Hookup Fees	22,248	574,786	186,000	160,000	75,000
Met Council SAC Fees	143,550	745,950	-	150,000	50,000
Miscellaneous Income	28,892	104,537	2,000	90,000	25,000
<b>Totals</b>	<b>\$ 10,750,555</b>	<b>\$ 11,490,036</b>	<b>\$ 10,792,700</b>	<b>\$ 10,620,000</b>	<b>\$ 11,332,700</b>
<b>Expenditures by Category</b>					
Personnel	\$ 1,325,778	\$ 1,388,500	\$ 1,463,600	\$ 1,463,600	\$ 1,505,900
Supplies	774,593	687,599	788,000	791,500	811,200
Sewer Service Charge	3,704,625	3,754,782	3,914,688	3,914,688	3,849,756
Other Services & Charges	1,706,780	2,407,441	1,851,900	1,878,500	1,988,300
I & I Reduction Program	600,521	229,023	900,000	900,000	600,000
Capital Outlay	1,631,123	553,154	933,400	933,400	1,725,900
Bond Principal & Interest	285,735	1,089,193	1,119,663	1,119,663	1,090,070
Transfers to Other Funds	1,035,100	970,700	1,052,400	1,052,400	1,064,700
<b>Totals</b>	<b>\$ 11,064,255</b>	<b>\$ 11,080,392</b>	<b>\$ 12,023,651</b>	<b>\$ 12,053,751</b>	<b>\$ 12,635,826</b>
Surplus (Deficiency) of Revenues over Expenditures	<b>\$ (313,700)</b>	<b>\$ 409,644</b>	<b>\$ (1,230,951)</b>	<b>\$ (1,433,751)</b>	<b>\$ (1,303,126)</b>
<b>Number of Employees (FTEs)</b>	16.14	16.14	16.22	16.22	16.22

**Description of Services:**

The Utility Division of the Public Works Department operates and maintains the water and sanitary sewer systems of the city. This includes 260 miles of distribution and collection piping, eighteen wells, eight water treatment facilities, ten water storage structures, 38 lift stations, 371 street lights and ten civil defense sirens.

**Key Measures:**

	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
• Water pumped (million gallons)	2,678	2,354	2,260	2,500
• Water main breaks repaired	72	52	80	75
• Utility locate requests completed	6,869	6,793	7,000	7,000
• Sewer Cleaning (miles)	90	88	100	100
• Sewer Televising (miles)	N/A	18	95	67
• Homes inspected for I & I	902	17	20	1
• Commercial sites inspected for I & I	456	387	25	2
• Fire hydrants inspected	1,298	1,298	1,600	3,043

**Budget Comments/Issues:**

The 2012 Utility Division budget funds current level services and scheduled capital improvements. In 2011, the five-year inflow and infiltration (I&I) reduction program was scheduled to end, but the Metropolitan Council Environmental Services (MCES) division has indicated that the program will likely be extended for those cities that have diligently worked to become compliant with peak flow requirements.

- The 2012 budget provides for the scheduled last year of a five-year I&I reduction program. The project is administered by MCES, and potential surcharge monies are re-invested in the community to reduce sewer system flow peaks to acceptable levels. Sewer televising has been accelerated for 2011 and 2012 in order to find leaking sewer mains that are impacting the efforts. In 2010, commercial property inspections were nearly completed, and on an ongoing basis, the city is continuing to repair and replace pipes, seal manholes and will conduct enhanced flow monitoring to determine where clear water is entering the system for future elimination.

- In 2011, a program of fire hydrant inspections and maintenance was jointly undertaken by Fire Department and utility staff. The new effort will continue into 2012 so that all hydrants will be inspected by the end of the year. Contractors and staff will be used to make repairs and additional seasonal employees will complete the inspections.

- In 2010, staff engaged financial consultants to analyze fee structures and cost implications related to electronic as well as monthly billing. The city council adopted a one-year delay to implement significant recommendations. The transition for electronic billing will require an additional delay for several months into 2012, at which time staff will revise revenue forecasts that will be presented at the time of council discussion and adoption of the new fees.

- Rising energy prices and the waste water treatment costs charged by MCES will continue to increase the cost of operating the sewer utility.

**PARKS & GROUNDS DIVISION - Public Works Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 784,333	\$ 816,539	\$ 797,700	\$ 812,800	\$ 818,200
Supplies	109,192	149,915	164,300	168,000	183,100
Other Services & Charges	395,700	368,568	411,100	392,300	419,400
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,289,225</b>	<b>\$ 1,335,022</b>	<b>\$ 1,373,100</b>	<b>\$ 1,373,100</b>	<b>\$ 1,420,700</b>

**Method of Financing**

General Fund	\$ 1,289,225	\$ 1,335,022	\$ 1,373,100	\$ 1,373,100	\$ 1,420,700
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<b>Number of Employees (FTEs)</b>	9.51	9.01	8.91	8.91	8.91
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**Description of Services:**

The Parks, Buildings and Grounds Division of the Public Works Department is responsible for all park and trail planning, development and maintenance including park turf, athletic fields, ice rinks, trails, sidewalks and play structures. The division involves the community and the Recreation Services Department and Park Board on planning future development of the city's park and trail systems.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Parks maintained (# /acres)	48/1,237	48/1,245	48/1,245	48/1,248
Level 1 - Maintenance Areas (# /acres)*	6/264	7/422	7/422	7/425
Level 2 - Maintenance Areas (# /acres)*	9/361	12/215	12/215	12/215
Levels 3 & 4 - Maintenance Areas (# /acres)*	33/612	29/605	29/605	29/608
Trails and sidewalks maintained (miles)	81	85	86	87
Ice rinks maintained	16	16	16	16

\* Level 1 = High use, high maintenance; Level 2 = Moderate maintenance, some grooming 1x/week; Level 3 = Low to moderate maintenance; Level 4 = Minimal maintenance

**Budget Comments/Issues:**

*The 2012 budget provides for the current level of service and funds the upkeep of an increasing inventory of city parks and trails with a greater proportion requiring a higher level of maintenance.*

- The 2012 budget incorporates funding to continue the city's contract for the services of an Inter-Community Work Crew (ICWC) to maintain a variety of public properties (parks, trails, civic buildings, well sites and street right-of-ways). This work group is an economical means to accommodate the increasing maintenance requirements of the city's parks while providing meaningful and valuable work experience for crew members.
- The Glen Lake Station renovation was completed in 2011. Contractual services for maintenance of the water feature for the first year are included as part of the project. This will allow maintenance staff to evaluate ongoing service and maintenance requirements of the reconstructed park.
- The Parks and Trails Division will be evaluating the long term implications on athletic field quality associated with park maintenance responsibilities of volunteer associations. The Park Board and City Council approved athletic field use fees to offset some of the costs associated with city maintenance of the facilities. The fiscal impact of any final changes will be considered after 2011 when the first full year of the revised program is over.
- The division will continue Minnetonka Mills Park improvements during 2011 and 2012. Although these enhancements funded with the Community Investment Fund will not increase the total park acreage, it will require additional labor to maintain. Similarly, renovation of Lone Lake Park in 2009 increased its required maintenance in 2010.
- For 2012, park acreage increased by 3.4 acres with the addition of 5901 Bell Circle and 3444 Creekview Terrace into the park system, and trail mileage has increased one mile with the addition of Crane lake trail and the Greenbrier segments.

**NATURAL RESOURCES DIVISION - Public Works Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 408,759	\$ 437,350	\$ 475,000	\$ 475,000	\$ 480,300
Supplies	3,232	4,759	7,800	6,900	7,200
Other Services & Charges	393,297	406,278	568,200	654,000	576,600
Capital Outlay	-	-	-	-	-
Transfer to Other Funds	-	-	-	-	-
<b>Totals</b>	<b>\$ 805,288</b>	<b>\$ 848,387</b>	<b>\$ 1,051,000</b>	<b>\$ 1,135,900</b>	<b>\$ 1,064,100</b>

**Method of Financing**

General Fund	\$ 805,288	\$ 848,387	\$ 1,051,000	\$ 1,135,900	\$ 1,064,100
Environmental Fund	-	-	-	-	-
Storm Water Fund	-	-	-	-	-
<b>Totals</b>	<b>\$ 805,288</b>	<b>\$ 848,387</b>	<b>\$ 1,051,000</b>	<b>\$ 1,135,900</b>	<b>\$ 1,064,100</b>

<b>Number of Employees (FTEs)</b>	4.5	4.5	4.6	4.6	4.6
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**Description of Services:**

The Natural Resources Division manages the planning, development and stewardship of the community's natural resources. The division is responsible for forestry (diseased trees, reforestation), natural resource conservation (woodland, open space, wetlands, shore land), enforcement of natural resource ordinances (permit review, site inspection, compliance), natural resource stewardship (ecosystem restoration) on public land and environmental education (seminars, materials, resident consultations).

<b><u>Key Measures:</u></b>	<b>2009 <u>Actual</u></b>	<b>2010 <u>Actual</u></b>	<b>2011 <u>Estimated</u></b>	<b>2012 <u>Projected</u></b>
Diseased trees removed	1,794	1,215	1,500	1,500
Public trees planted(reforestation/restoration)	20/91	122/65	20/50	30/50
Private trees planted through city's tree sale	1,637	1,438	1,450	1,500
Permits reviewed-inspected for natural resource compliance/on-going inspections	115/350	120/350	125/350	120/350
Natural resource education pgms conducted	21	21	23	22
Development projects reviewed	50	68	60	60
Volunteer programs conducted/hours donated	26/1,500	121/1,500	90/1,200	90/1,200
Enforcement actions taken	29	12	15	15
Acres of public land under stewardship	308	310	310	312

**Budget Comments/Issues:**

*The 2012 budget for the Natural Resources Division provides funding for the current level of services.*

- In 2012, the city will continue to address the imminent impacts of the Emerald Ash Borer (EAB) on the community's trees. The budget includes \$33,000 for removal of trees with marginal health, replanting, public education and chemical treatment of high priority public trees. The 2011 budget is adjusted to reflect the city's receipt of an additional \$66,000 from the Minnesota Department of Agriculture to address the EAB issue, including the costs to conduct an inventory of the city's ash trees.

- Other division programs with significant costs in 2012 include: \$150,000 for natural resources stewardship; \$40,000 for the city tree sale; and \$10,000 for wetland evaluation, lake monitoring and loosestrife biological control programs.

**ENVIRONMENTAL FUND - Public Works Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Hennepin Recycling Grants	\$ 133,780	\$ 110,645	\$ 135,000	\$ 135,800	\$ 135,000
Recycling Charges	487,588	488,043	490,000	490,000	490,000
Investment Income	33,377	19,640	15,000	25,000	20,000
Contract Rebate	64,980	231,626	168,000	450,000	250,000
Miscellaneous	7,390	20,653	20,000	-	-
<b>Totals</b>	<b>\$ 727,115</b>	<b>\$ 870,607</b>	<b>\$ 828,000</b>	<b>\$ 1,100,800</b>	<b>\$ 895,000</b>
<b>Expenditures by Category</b>					
Personnel	\$ 161,356	\$ 155,845	\$ 168,900	\$ 168,900	\$ 168,600
Supplies	6,923	18,236	34,000	34,100	24,100
Collection Contract	543,028	604,612	641,000	605,000	575,000
Yard waste Program	87,139	69,958	103,000	103,000	103,000
Other Services & Charges	50,421	26,979	30,850	30,750	26,900
Transfer To General Fund	187,740	192,500	198,300	198,300	201,300
<b>Totals</b>	<b>\$ 1,036,607</b>	<b>\$ 1,068,130</b>	<b>\$ 1,176,050</b>	<b>\$ 1,140,050</b>	<b>\$ 1,098,900</b>
Surplus (Deficiency) of Revenues over Expenditures	(309,492)	(197,523)	(348,050)	(39,250)	(203,900)
<b>Beginning Fund Balance</b>	<b>1,761,509</b>	<b>1,452,017</b>	<b>1,254,494</b>	<b>1,254,494</b>	<b>1,215,244</b>
<b>Ending Fund Balance</b>	<b>\$ 1,452,017</b>	<b>\$ 1,254,494</b>	<b>\$ 906,444</b>	<b>\$ 1,215,244</b>	<b>\$ 1,011,344</b>

<b>Number of Employees (FTEs)</b>	1.5	1.5	1.6	1.6	1.6
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**Description of Services:**

The Environmental Fund was created to protect the natural environment of the community through the promotion of local environmental awareness, resource conservation and protection of environmentally sensitive areas. The fund pays for curbside recycling collection, a recycling drop-off center, spring and fall yard waste drop-offs, on-going brush drop-offs, and two special materials drop-offs in the summer and fall.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Curbside recycling picked up (tons)	5,256	5,145	5,100	5,100
Leaf recycling dropped off (cubic yards)	5,155	3,920	4,500	4,500
Special drop-off customers	1,980	1,965	2,000	2,000
Customers rating curbside services as "good" or "excellent"	96%	96%	95%	95%

**Budget Comments/Issues:**

The 2012 budget for the Environmental Fund provides for increased services with curbside recycling provided under a new vendor contract, which includes additional types and materials of items to be recycled.

- In 2012, Allied Waste will be the city's residential curbside recycling contractor. This contract extends from 2012 to 2018. The new program will be a carted, single-sort collection service with biweekly pick-up. Carts will be furnished by the recycling contractor, and the number of items accepted for recycling will be expanded. The reduced Collection Contract budget in 2012 reflects the new contract.

- Printing of the "Recyclopedia" is not planned for 2012 which is reflected in the drop in Other Services & Charges budget.

**PARK & TRAIL IMPROVEMENT FUND - Administrative Services Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Ad Valorem Tax Levy	\$ 330,000	\$ 260,000	\$ 158,500	\$ 158,500	\$ 440,000
Park Dedication Fees	15,000	65,050	70,000	125,000	400,000
Investment Income	28,148	14,476	1,000	13,000	10,000
Local Grants/Agreements		145,000	255,000	253,900	-
Transfers In	-	257,406	-	-	500,000
Miscellaneous Income	47,211	20,882	14,700	100	8,200
<b>Totals</b>	<b>\$ 420,359</b>	<b>\$ 762,814</b>	<b>\$ 499,200</b>	<b>\$ 550,500</b>	<b>\$ 1,358,200</b>
<b>Expenditures by Category</b>					
Park Development	\$ 244,366	\$ 1,020,755	\$ 215,000	\$ 230,000	\$ 125,000
Trail Development	178,808	51,958	65,000	65,000	946,000
Maintenance-City Housing	9,716	25,625	15,000	15,000	15,000
Transfers Out	190,000	-	-	-	-
<b>Totals</b>	<b>\$ 622,890</b>	<b>\$ 1,098,338</b>	<b>\$ 295,000</b>	<b>\$ 310,000</b>	<b>\$ 1,086,000</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	(202,531)	(335,524)	204,200	240,500	272,200
Reserve for Delayed Projects	-	-	-	421,000	-
<b>Beginning Fund Balance</b>	<b>1,233,314</b>	<b>1,030,783</b>	<b>695,259</b>	<b>695,259</b>	<b>514,759</b>
<b>Ending Fund Balance</b>	<b>\$ 1,030,783</b>	<b>\$ 695,259</b>	<b>\$ 899,459</b>	<b>\$ 514,759</b>	<b>\$ 786,959</b>

**Description of Services:**

The Park & Trail Improvement Fund was created to account for the purchase and development of parks and trails throughout the city. Because park dedication fees are a revenue source for this fund, state law requires it to be segregated and used only for park and trail acquisition and development. Trail construction often coincides with road construction projects and neighborhood developments.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Miles of trails constructed	1.40	0.00	1.00	1.00

**Budget Comments/Issues:**

*In 2012, the Park Dedication Fund is reconstituted as the Park & Trail Improvement Fund to recognize the increased importance of the trails in the city's recreational system. Adoption of this budget amends the 2012-16 Capital Improvement Program (CIP) to include an additional reallocated \$300,000 in levy proceeds to the fund.*

- The 2012 budget finances parks and trails projects as provided in the adopted CIP, which will be amended with the adoption of this budget to include an additional \$300,000 in levy proceeds. The additional funds will be used to advance planned expansions of the city's trail system.
- For 2012, the budget also includes an additional one-time transfer in of \$500,000 from the General Fund balance to be used to comprehensively rehabilitate over 20 miles of the trail system, raising all of the city's 85 miles of trail to "good condition."
- The increase in 2010 Park Development reflects the full cost of the Glen Lake Station plaza (\$560,000) and the Shady Oak Beach play area (\$268,000).
- "Reserved for delayed projects" are prior year appropriated funds for projects not yet completed but still scheduled. The larger of these projects are the Gray's Bay causeway (\$250,000), Glen Lake Skate Park (\$55,000) and Minnehaha Creek canoe landing (\$50,000).
- Park Dedication fees forecasted for 2012 assume strong building permit activity in new developments (20 units), plus the Duffy Development (64 units). The additional funds will be programmed as part of the 2012 CIP process.



**PARK AND OPEN SPACE BOND FUND - Finance Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Interest Income	\$ 40,073	\$ 31,921	\$ -	\$ 30,000	\$ -
Bond Proceeds	-	-	2,500,000	-	2,500,000
<b>Totals</b>	<b>\$ 40,073</b>	<b>\$ 31,921</b>	<b>\$ 2,500,000</b>	<b>\$ 30,000</b>	<b>\$ 2,500,000</b>
<b>Expenditures by Category</b>					
Parks Renewal	\$ 257,935	\$ 22,496	\$ 300,000	\$ 240,000	\$ -
Park & Open Space Purchase	-	-	-	-	-
Conversion to Open Space	-	-	-	15,000	-
Minnehaha Creek Corridor	41,666	49,142	500,000	500,000	-
Trail Investment Plan	-	-	174,000	174,000	-
Living Legacy Program	9,256	-	-	-	-
<b>Totals</b>	<b>\$ 308,857</b>	<b>\$ 71,638</b>	<b>\$ 974,000</b>	<b>\$ 929,000</b>	<b>\$ -</b>
Surplus/(Deficiency) of Revenues over/(under) Expenditures	(268,784)	(39,717)	1,526,000	(899,000)	2,500,000
Reserve for Delayed Projects	-	-	-	3,602,995	-
<b>Beginning Fund Balance</b>	<b>2,310,496</b>	<b>2,041,712</b>	<b>2,001,995</b>	<b>2,001,995</b>	<b>(2,500,000)</b>
<b>Ending Fund Balance</b>	<b>\$ 2,041,712</b>	<b>\$ 2,001,995</b>	<b>\$ 3,527,995</b>	<b>\$ (2,500,000)</b>	<b>\$ 0</b>

**Description of Services:**

In 2001, Minnetonka voters passed a \$15 million parks and open space bond referendum. Half of the money was earmarked for the renewal of the city's 42 parks, with the other half to be used for open space preservation within Minnetonka. Six years after the referendum's passage, most parks have been renewed and those remaining are programmed within the next two years. The cost of debt service on the bonds is allocated elsewhere within the city's budget.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Park renewals completed (cumulative)	36	37	39	42
Park renewals in progress	1	0	3	0
Open space acres newly preserved	10	4	8	1

**Budget Comments/Issues:**

All available funding in the Park and Open Space Bond Fund has been allocated and programmed as part of previously adopted Capital Improvement Plans (CIPs). Actual costs will continue to finance ongoing progress on park renewal and open space preservation.

- "Reserve for delayed projects" are prior year appropriated funds for projects not yet completed but still scheduled, which here includes use of the final \$2.5 million in bonds tentatively scheduled for issuance in 2012. The city continues to have an option to purchase the Cullen Smith property for \$2.5 million upon vacation of the property. The remainder of the funding reserved for delayed projects has been designated primarily for purchases of park and open space as well as open space conversion.

- Parks under construction in 2011 include Big Willow, Oberlin and Mayflower Parks.

- Minnetonka Mills Park plans were approved by the city council in 2010, and construction will continue throughout 2011 and 2012. The park will further develop the passive and active opportunities along Minnehaha Creek through an expansion of the Burwell House grounds. It is primarily financed with these park bond proceeds.



**JOINT RECREATION - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 763,678	\$ 737,312	\$ 766,400	\$ 766,400	\$ 759,800
Supplies	92,540	92,641	95,600	84,200	91,400
Other Services & Charges	504,676	448,891	478,700	448,700	497,100
Capital Outlay	-	8,455	4,000	2,500	4,000
<b>Totals</b>	<b>\$ 1,360,894</b>	<b>\$ 1,287,299</b>	<b>\$ 1,344,700</b>	<b>\$ 1,301,800</b>	<b>\$ 1,352,300</b>

**Method of Financing**

General Fund	\$ 1,360,894	\$ 1,287,299	\$ 1,344,700	\$ 1,301,800	\$ 1,352,300
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<b>Number of Employees (FTEs)</b>	5.9	6.15	6.15	6.15	5.75
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**Description of Services:**

The mission of the Joint Recreation Division of the Recreation Services Department is to develop, promote and provide recreation opportunities and facilities in anticipation of and in response to the leisure time needs and interests of the Hopkins and Minnetonka communities. The division administers a wide variety of programs and services for residents of Minnetonka and Hopkins. The net cost of the joint recreation program is shared by Minnetonka (67%) and the city of Hopkins (33%). Programs are offered in over 40 areas of interest for participants from infants to senior citizens. This division also oversees the operation of Shady Oak Beach, attended by over 50,000 people annually.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Program participants	30,681	29,101	31,000	32,000
Adult sports teams registered	579	560	580	580
Youth sports participation	1,169	938	1,000	1,100
Resident program participation	42.0%	42.9%	43.0%	44.0%
Expenses covered by fee revenues*	72.5%	69.6%	72.0%	72.0%
Shady Oak Beach season passes sold	5,642	4,454	4,800	4,800
Scholarships approved	133	101	125	140
Total value of scholarships approved	\$3,682	\$3,030	\$4,000	\$4,000

\* Includes all recreational programming, facility rentals, and all enterprises under the management of the department.

**Budget Comments/Issues:**

*A primary goal of the Recreation Services Department in 2012 is to increase the total percentage of resident participation to 44 percent in order to better meet our community's needs as outlined in the city's 2030 Comprehensive Plan and the department's strategic business plan.*

- A reduction in 2010 participation count can be attributed in large part to the loss of programming space at the Williston Center during renovation. All areas are expected to recover in 2011 and some will improve in 2012.
- Two part time clerk positions totaling .80 FTE previously assigned to the Recreation Services office have been reduced to .62 FTE and reassigned to the Facilities Division. This will result in a budget savings for the Minnetonka and Joint Recreation budgets beginning in 2012. Temporary salaries significantly increased in 2011 related to implementation of a newly structured swimming program.
- Despite the decreased number of Shady Oak Beach season passes sold in 2010 compared to 2009, the facility operated with a net profit of approximately \$42,000 due to a significant increase in daily passes sold. Season memberships improved in 2011, despite poor weather conditions in June.
- A \$15,000 increase in expenses for Services and Charges in 2012 is a result of financial support for The Depot in Hopkins and teen programming. The Depot Project Coordinator will begin managing teen programs for Joint-Recreation in 2012. Program revenues will cover the costs of this added expense.
- Costs for "Other Services and Charges" will rise in 2011 from 2010 due to changes in employee background requirements and increased fees for the rental of school district facilities.

**MINNETONKA RECREATION - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2011 Budget</b>
Personnel	\$ 156,096	\$ 180,340	\$ 220,400	\$ 220,400	\$ 199,000
Supplies	1,599	1,782	2,350	1,400	1,300
Other Services & Charges	248,782	256,652	255,350	280,100	265,200
Other	-	63,000	63,000	63,000	63,000
<b>Totals</b>	<b>\$ 406,477</b>	<b>\$ 501,774</b>	<b>\$ 541,100</b>	<b>\$ 564,900</b>	<b>\$ 528,500</b>

**Method of Financing**

General Fund	\$ 406,477	\$ 501,774	\$ 541,100	\$ 564,900	\$ 528,500
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<b>Number of Employees (FTEs)</b>	0.9	0.9	1.2	1.2	0.8
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**Description of Services:**

The mission of the Minnetonka Recreation Division is to develop, promote and provide recreation opportunities and facilities in anticipation of and in response to the leisure time needs and interests of Minnetonka residents. Recreational amenities and programs included in this budget are primarily intended to serve residents of Minnetonka and include the Lindbergh Center, Arts Center on 7, Glen Lake Skate Park, Libb's Lake Beach, outdoor ice rink operations, the Adopt-A-Sign program and six summer playground program locations.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Minnetonka playground household registrations	683	786	750	775
Warming house days of operation	46	51	55	55
MAM participants	296	298	275	300
Adopt-A-Sign locations	30	32	32	30

**Budget Comments/Issues:**

*In 2012, the department will continue to implement action steps under a long-term strategic business plan for recreational services that is tied into the citywide comprehensive services plan.*

- "Personnel" costs above reflect seasonal and temporary employees hired annually, which may vary dependent upon the program offerings in a given year.
- The number of Playground Program registrations increased in 2010 and is expected to continue to increase through 2012. The program is free to participants, which may be one reason for the continued popularity of the program. Its veteran staff have also had a positive impact on program registration numbers because of their ability to attract, engage and retain participants.
- The number of warming house days in operation is highly dependent upon seasonal weather conditions. Ideal ice conditions in February 2010 resulted in a one-week extension to the 2009-10 season. There were no additional days added onto the season in 2011.
- The number of Adopt-A-Sign locations are determined by the amount of volunteers interested in program participation, which varies from year to year.

**SENIOR SERVICES - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 174,903	\$ 190,205	\$ 202,200	\$ 202,200	\$ 204,600
Supplies	32,242	36,897	42,500	43,200	42,500
Other Services & Charges	84,226	83,518	98,200	90,700	94,200
<b>Totals</b>	<b>\$ 291,371</b>	<b>\$ 310,620</b>	<b>\$ 342,900</b>	<b>\$ 336,100</b>	<b>\$ 341,300</b>
<b>Method of Financing</b>					
General Fund	\$ 291,371	\$ 310,620	\$ 342,900	\$ 336,100	\$ 341,300
<b>Number of Employees (FTEs)</b>	2.5	2.5	2.5	2.5	2.5

**Description of Services:**

The goals of the Senior Center are to: broaden the knowledge and involvement of older residents; offer diverse programs and services; promote independent living; and encourage volunteerism. Under the leadership of professional staff, Senior Services provides a multi-purpose senior center that offers a wide range of leisure-time activities serving a diverse senior population as well addressing day-to-day living experiences. Such sponsorship includes day trips, group classes, healthcare services, defensive driving, special interest groups, a service skills bank, and meal/ entertainment experiences. Some services are provided through a contract with a private, non-profit organization, and a portion of the costs for programs is recovered through fees.

<b><u>Key Measures:</u></b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Program participants (unduplicated)	4,147	4,004	4,400	4,400
Survey rating - program org (good/excellent)	100%	99%	99%	99%
Senior volunteers used	248	245	250	250
Volunteer hours donated	16,050	15,863	16,100	16,100
Sponsored individual clubs or groups	29	29	29	30
Program participants (services delivered)	30,151	33,455	32,000	33,000

**Budget Comments/Issues:**

*The 2012 budget for Senior Services provides current level services.*

- In 2010, ninety individuals participated in a new senior Fall Fitness Fest. Due to its proven popularity, the city will continue to offer the program 2011 and 2012.

**COMMUNITY FACILITIES DIVISION - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 392,394	\$ 337,184	\$ 357,000	\$ 352,000	\$ 373,600
Supplies	18,043	15,724	20,000	19,000	35,000
Other Services & Charges	103,152	93,051	122,100	117,700	119,300
Capital Outlay	26,412	-	25,000	25,000	20,000
<b>Totals</b>	<b>\$ 540,001</b>	<b>\$ 445,959</b>	<b>\$ 524,100</b>	<b>\$ 513,700</b>	<b>\$ 547,900</b>

<b>Method of Financing</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
General Fund	\$ 540,001	\$ 444,309	\$ 521,500	\$ 511,500	\$ 545,300
Cemetery Fund	-	1,650	2,600	2,200	2,600
<b>Totals</b>	<b>\$ 540,001</b>	<b>\$ 445,959</b>	<b>\$ 524,100</b>	<b>\$ 513,700</b>	<b>\$ 547,900</b>

<b>Number of Employees (FTEs)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2012</b>
	4.35	3.85	3.75	3.75	4.37

**Description of Services:**

Community Facilities manages city-owned facilities including the Community Center, Glen Lake Activity Center, six picnic shelters, field scheduling, Lindbergh Center and the Shady Oak Lake Cemetery. Except for the cemetery, all of the facilities offer a variety of rental spaces for community use. Fees vary dependent on the facility and type of group (resident, non-resident, non-profit).

**Key Measures:**

	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Rental revenue	\$75,657	\$85,339	\$85,000	\$90,000
Community Center hours reserved	11,296	11,963	11,900	12,000
Satellite facility hours reserved	1,471	1,201	1,300	1,300
Picnic Shelter permits issued	269	233	250	250

**Budget Comments/Issues:**

The 2012 budget for the Community Facilities Division provides current level services.

- Two part time clerk positions totaling .80 FTE previously assigned to the Recreation Services office have been reduced to .62 FTE and reassigned to the Facilities Division. This will result in an increase to the community facilities budget, but an overall savings for the Recreation Services budget in 2011.
- The community center circle driveway and entrance sidewalk will be replaced in 2011. These improvements are funded through the CIP.
- Satellite facility hours reserved were lower in 2010 due to the conversion of the Westridge Pavilion to senior craft shop space. The pavilion replaced the Mills Landing Gift Shoppe and is no longer available for rentals.
- Picnic shelter permits are issued for Gro Tonka, Lone Lake and Shady Oak Park shelters in Minnetonka and Burnes, Central and Central Park shelters in Hopkins.

**WILLISTON CENTER - Recreation Services Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Membership Fees	\$ 412,495	\$ 374,307	\$ 500,000	\$ 550,000	\$ 600,000
Tennis Court Fees	477,561	518,176	500,000	485,000	510,000
Tennis Pro Shop	21,457	16,784	15,000	15,000	17,000
Sports Training Fees	22,742	28,434	27,000	27,000	25,000
Outside Participant Fees	61,966	53,048	125,000	112,000	120,000
Swim Lessons	11,961	6,877	10,000	5,000	5,000
Batting Cage Income	26,132	27,554	29,000	31,000	30,000
Rental Income	11,446	13,700	11,000	12,500	11,000
Investment Income	(498)	1,272	1,500	1,500	1,500
Miscellaneous	35,375	27,271	43,500	55,000	68,600
<b>Totals</b>	<b>\$ 1,080,637</b>	<b>\$ 1,067,423</b>	<b>\$ 1,262,000</b>	<b>\$ 1,294,000</b>	<b>\$ 1,388,100</b>
<b>Expenditures by Category</b>					
Personnel	\$ 676,853	\$ 674,535	\$ 695,500	\$ 719,000	\$ 720,500
Supplies	80,750	86,743	82,500	119,000	82,500
Other Services & Charges	215,193	358,825	315,700	388,800	339,300
Transfer Expenses	51,300	52,700	61,100	61,100	61,500
<b>Totals</b>	<b>\$ 1,024,096</b>	<b>\$ 1,172,803</b>	<b>\$ 1,154,800</b>	<b>\$ 1,287,900</b>	<b>\$ 1,203,800</b>
Surplus (Deficiency) of Revenues over Expenditures	\$ 56,541	\$ (105,380)	\$ 107,200	\$ 6,100	\$ 184,300
Capital Outlay	\$ 97,964	\$ -	\$ 100,000	\$ -	\$ 100,000
<b>Number of Employees (FTEs)</b>	<b>7.0</b>	<b>5.2</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>

**Description of Services:**

Recreational amenities at the Williston Fitness Center include: Five indoor tennis courts, a 25-yard swimming pool, indoor splash pad, aerobics studio, four baseball/softball batting cages, a multi-purpose gymnasium, indoor climbing structure, strength training equipment, cardio vascular equipment, whirlpool, and saunas. Minnetonka residents and non-residents may use the facility by purchasing a membership, paying a daily fee, or registering for a recreational class. Fees charged to users support the operation of the facility.

	2009 <u>Actual</u>	2010 <u>Actual</u>	2011 <u>Estimated</u>	2012 <u>Projected</u>
<b>Key Measures:</b>				
Memberships sold	1,985	1,857	12,500*	14,500*
Daily fee (non-member) participants	10,918	8,528	15,000	17,000
Days of operation	358	358	358	358
Recreation program hours	9,964	7,135	10,500	12,500
Operating expenses covered by revenue	106%	91%	100%	115%

\* See change in calculation methodology below.

**Budget Comments/Issues:**

The 2012 budget for the Williston Fitness Center reflects continued forecasted strength in the fund's financial position. Significant improvements to the facility completed mid-2011, including required primary infrastructure maintenance and new child-oriented amenities, are a driving factor behind the facility's recent and projected successes.

- The Williston Center completed an extensive renovation in June 2011 funded by both the city's Community Investment Fund and future revenues from the center, beginning 2012. The renovation included a new zero-depth splash pad and 25-yard pool, indoor climbing structure (tree house), new fitness area, remodeled locker rooms, an expanded service desk and a new drop in child care.
- Daily fee participants are expected to increase significantly in 2011 and 2012 with the addition of a new children's splash pool and new indoor play area amenities. Recreation program hours will increase in 2011 specifically due to a new group fitness studio that will program up to 20 hours per week.
- The decrease in memberships sold and daily fee participants from 2009 to 2010 is directly related to temporary construction closures during the renovation of the facility in 2010.
- \* The center changed its membership structure and system in 2011 and now offers monthly memberships. As a result, membership numbers changed significantly in 2010 due to the method now used to calculate memberships





**GRAY'S BAY MARINA - Recreation Services Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Slip Rental	\$ 113,457	\$ 108,300	\$ 110,200	\$ 111,300	\$ 113,100
Fuel Sales	84,620	115,412	101,500	118,000	120,000
Other Revenue	2,587	2,218	1,900	1,700	1,700
Investment Income	8,138	5,082	8,000	5,000	6,000
<b>Totals</b>	<b>\$ 208,802</b>	<b>\$ 231,012</b>	<b>\$ 221,600</b>	<b>\$ 236,000</b>	<b>\$ 240,800</b>
<b>Expenditures by Category</b>					
Personnel	\$ 27,249	\$ 28,134	\$ 48,700	\$ 48,200	\$ 48,000
Supplies	70,852	98,141	94,000	112,500	114,000
Other Services & Charges	31,006	34,424	34,400	34,000	36,700
Transfer Expenses	37,200	38,200	32,000	32,000	22,600
<b>Totals</b>	<b>\$ 166,307</b>	<b>\$ 198,899</b>	<b>\$ 209,100</b>	<b>\$ 226,700</b>	<b>\$ 221,300</b>
Surplus (Deficiency) of Revenues over Expenditures	\$ 42,495	\$ 32,113	\$ 12,500	\$ 9,300	\$ 19,500
Capital Outlay	\$ 1,040	\$ -	\$ -	\$ -	\$ -
<b>Number of Employees (FTEs)</b>	-	-	0.2	0.2	0.2

**Description of Services:**

Gray's Bay Marina is managed by the Recreation Services Department and is open April 1-October 31, weather and ice-out dates permitting. The facility offers 29 boat slips that are leased to Minnetonka residents only. The site is staffed mid-April through October 31 and offers fuel, pump-out service, oil, restroom facilities and public launch supervision. User fees and sales finance operation and maintenance of the facility.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Gallons of gas sold on site	22,878	28,250	24,500	24,500
Days of operation	198	206	200	200
Slip lease rate	\$3,800	\$3,800	\$3,800	\$3,800
Operating expenses covered by	126%	116%	104%	109%

**Budget Comments/Issues:**

*The 2012 budget for Gray's Bay Marina provides current level services and a strong financial position for the fund.*

- Beginning in 2011, the budget includes an appropriately allocated portion of staff salaries for the current employees who continue to manage administration of the facility during its open season. Total FTEs remain the same.
- 2012 revenue includes the park board's recommendation to increase slip rate fees for the 2012 and 2013 seasons to \$3,900, an increase of \$100.
- As slip fees cover a greater share of the Lake Minnetonka Conservation District (LMCD) dues and as funding allows, support for these costs will continue to be shifted in phases from the General Fund budget to the Gray's Bay Marina enterprise fund. Thirty percent of the LMCD dues are funded through the marina operations budget and is shown as "Other Services & Charges," and the remainder is funded and paid by the Natural Resources Division of the Public Works Department.
- While gallons of gas sold in 2010 were the highest since opening due to early warm and dry weather, estimated gas sales is expected to normalize in 2011.
- A new card access system for the dock was installed in 2011 to improve security.

**COMMUNITY INVESTMENT FUND - Finance Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Investment Income	\$ 488,298	\$ 332,945	\$ 450,000	\$ 400,000	\$ 400,000
Other	-	63,000	157,500	63,000	157,500
<b>Totals</b>	<b>\$ 488,298</b>	<b>\$ 395,945</b>	<b>\$ 607,500</b>	<b>\$ 463,000</b>	<b>\$ 557,500</b>
<b>Expenditures</b>					
Minnehaha Creek Corridor	\$ -	\$ -	\$ -	\$ -	\$ -
Williston Center Renovation	57,095	3,404,376	1,000,000	1,008,529	-
Trail Improvement Plan	-	-	-	-	320,000
<b>Totals</b>	<b>\$ 57,095</b>	<b>\$ 3,404,376</b>	<b>\$ 1,000,000</b>	<b>\$ 1,008,529</b>	<b>\$ 320,000</b>
Surplus/(Deficiency) of Revenues over/(under) Expenditures	431,203	(3,008,431)	(392,500)	(545,529)	237,500
<i>Beginning Fund Balance</i>	<i>22,779,011</i>	<i>23,210,214</i>	<i>20,201,783</i>	<i>20,201,783</i>	<i>19,656,254</i>
Required Fund Balance	\$ 19,734,481	\$ 19,767,776	\$ 19,812,776	\$ 19,807,776	\$ 19,847,776
Available Fund Balance	3,475,733	434,007	(3,493)	(151,522)	45,978
<b>Total Ending Fund Balance</b>	<b>\$ 23,210,214</b>	<b>\$ 20,201,783</b>	<b>\$ 19,809,283</b>	<b>\$ 19,656,254</b>	<b>\$ 19,893,754</b>

**Description of Services:**

The Community Investment Fund was created in 1989 to be used solely to pay the capital costs for projects of general benefit to the City of Minnetonka. The city charter provides that the principal of the fund will be increased by ten percent of the investment income each year, and if the principal is used for a project, it must either be repaid or other projects may not be funded until the principal is restored to its previous amount plus ten percent of investment earnings.

City ordinance establishes that the following priorities are to be used in determining which projects should be financed by the fund: *First*, projects that can be funded within the amount of the available investment earnings; *second*, projects that use principal funds and that have the capacity to repay the principal amount borrowed; and *third*, projects that use principal funds, have no other reasonable funding source, are non-revenue producing, require significant funding, and will provide otherwise unattainable community benefit.

In the past, the Community Investment Fund was used to assist in financing the construction and/or renovation of city facilities that include: the Lindbergh Center, Williston Center, the Ice Arena, Shady Oak Beach, the Arts Center, Gray's Bay Marina, and the Public Works Building on Minnetonka Boulevard.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Annual investment earnings	\$488,298	\$332,945	\$400,000	\$500,000

**Budget Comments/Issues:**

*The 2009 through 2011 expenditures and budgets for the Community Investment Fund are designated for significant capital improvements to the Williston Fitness Center (\$4.47 million total). Beginning 2012, the adopted Capital Improvements Program (CIP) appropriates monies for the city's trail improvement plan.*

- Funding for the Williston Fitness Center included monies to reconstruct the swimming pool, locker rooms and restrooms as well as to construct an indoor playscape and additions for a zero-depth pool and new weight room. The project was fully completed in Spring 2011. Other revenue to the fund includes \$94,500 annually over ten years for repayment of a portion of those costs from Williston Center user fees and revenue, beginning 2012.
- Other revenue to the fund also includes \$63,000 annually transferred in from the General Fund until the year 2048 for ownership conveyance of the Arts Center on 7 to the Minnetonka Independent School District in 2010.
- \$1 million originally budgeted for the Minnehaha Creek Corridor project in 2010 and 2011 is delayed in the 2012-16 Capital Improvements Program (CIP) until years 2013 through 2016 to reflect actual projected timing of the project components.
- Recovery from the 2008 economic recession continues to significantly reduce investment earnings to the fund, and as a result, balances available, as projected in the 2012-16 CIP, for future capital projects will be diminished. The cumulative ending available fund balance in 2016 is now forecasted to be around \$775,000.

**COMMUNITY DEVELOPMENT DIVISION - Community Development Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 1,140,806	\$ 963,112	\$ 1,011,600	\$ 1,021,600	\$ 1,075,000
Supplies	14,657	14,105	18,900	15,600	20,800
Other Services & Charges	102,682	104,873	139,300	142,000	137,800
<b>Totals</b>	<b>\$ 1,258,145</b>	<b>\$ 1,082,090</b>	<b>\$ 1,169,800</b>	<b>\$ 1,179,200</b>	<b>\$ 1,233,600</b>
<b>Method of Financing</b>					
General Fund	\$ 1,258,145	\$ 1,082,090	\$ 1,169,800	\$ 1,179,200	\$ 1,233,600
<b>Number of Employees (FTEs)</b>	10.40	10.40	10.40	11.40	11.40

**Description of Services:**

The mission of the Community Development Department is to promote building safety through education and inspections, and to promote community vitality through housing, redevelopment, and transit. The department educates residents and businesses about code compliance and assists them in developing a safer, healthier community by sharing clear, timely information with residents and businesses. Community Development also provides housing and redevelopment services for the city, and coordinates certain transit services, including the Minnetonka Dial-A-Ride. Building inspections are provided to Deephaven, Woodland and Greenwood via a contract for services.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Permits issued	5,431	6,250	5,500	5,500
Building construction value	\$51.9 million	\$74 million	\$175 million	\$80 million
Survey rating "very pleased" or "pleased" for job-site inspections	98%	100%	95%	95%

**Budget Comments/Issues:**

*In 2011, the Community Development Department will continue to provide services with the reduced staffing level changes from 2009, despite a very moderate increase in construction activity workload demand.*

- While the number of permits issued is expected to remain steady into 2012, the construction value is expected to be near 2010 levels. Construction value in 2011 was higher due to the United Health Group project.
- The department actively works with surrounding communities to jointly reduce costs where it is mutually beneficial. Minnetonka is assisted by a shared service agreement with St. Louis Park begun in 2009, and for 2010 and 2011, additional services have been required in electrical inspections. A new shared services agreement with Brooklyn Center will also generate inspection revenue for Minnetonka in 2011.
- Depending on the outcome of a pending transit study, the city may consider taking control of its regionally allocated transit funds instead of having them passed through to the Metropolitan Council as is done currently.
- Personnel costs were revised for 2011 and will be adjusted in the fall of 2012 to compensate for the temporary, extended medical absence of key personnel.

**PLANNING DIVISION - Community Development Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 502,143	\$ 515,823	\$ 545,200	\$ 545,200	\$ 510,000
Supplies	4,987	4,098	5,700	4,600	5,900
Other Services & Charges	19,025	18,442	21,500	19,700	22,000
<b>Totals</b>	<b>\$ 526,155</b>	<b>\$ 538,363</b>	<b>\$ 572,400</b>	<b>\$ 569,500</b>	<b>\$ 537,900</b>
<b>Method of Financing</b>					
General Fund	\$ 526,155	\$ 538,363	\$ 572,400	\$ 569,500	\$ 537,900
<b>Number of Employees (FTEs)</b>	6.25	6.25	6.25	5.50	5.50

**Description of Services:**

The mission of the Planning Division is to champion the values of the community by guiding development and protecting the environment. The division serves Minnetonka by providing a long-range plan for the city, reviewing new development applications to ensure that development standards are met, and providing information and assistance to residents, businesses, other city departments, and developers.

<b><u>Key Measures:</u></b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Planning applications received	110	149	120	145
Building permits reviewed	1,350	1,582	1,200	1,350
Grading permits issued	14	16	15	15
Sign permits issued	62	25	70	70
Public meetings	61	78	85	90

**Budget Comments/Issues:**

*The 2012 budget for the Planning Division provides current level services.*

- Staff anticipates there will be a steady number of applications, with newly adopted variance legislation.
- The number of public meetings for have steadily increased over the past few years and is anticipated to continue into 2012. This increase is largely due to neighborhood meetings regarding concept plans or specific development related issues.

**ASSESSING DIVISION - Finance Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 575,498	\$ 482,094	\$ 512,100	\$ 512,100	\$ 520,800
Supplies	4,314	4,601	6,900	8,800	7,300
Other Services & Charges	95,205	89,207	115,100	112,900	116,200
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 675,017</b>	<b>\$ 575,902</b>	<b>\$ 634,100</b>	<b>\$ 633,800</b>	<b>\$ 644,300</b>

**Method of Financing**

General Fund	\$ 675,017	\$ 575,902	\$ 634,100	\$ 633,800	\$ 644,300
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<b>Number of Employees (FTEs)</b>	5.3	5.3	5.3	5.3	5.3
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**Description of Services:**

The mission of the Assessing Division is to establish accurate and equitable market values by recording property characteristics and conducting sales analyses of the approximately 20,550 parcels in the city, including real and personal property, residential, industrial, and tax exempt. After the division values parcels of real property in the city, as required by state law, it mails value notices to property owners in February and March. Property owners' concerns or appeals are addressed by staff and by the city council sitting as the Local Board of Review in April. The council has local real estate professionals advise them when considering market value appeals, while staff works with commercial property owners regarding their petitions to State Tax Court. The division also administers the homestead classification, special assessments, and serves as the repository for current and historical property characteristic information within the city.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Total market values	\$8.24 billion	\$7.81 billion	\$7.69 billion	\$7.55 billion
Sales ratio (targets revised annually by county)	94.7	95.0	94.9	94.0
Coefficient of dispersion (Less than 10 is "good.")	4.2	4.1	3.6	4.0
Parcels with interior inspected: declined inspection	2:3	1:2	1:2	1:2
Survey rating "excellent" or "good" from on-site appraisal visits	98%	99%	95%	95%
Commercial tax court petitions (Payable Year)	111	134	137	130

**Budget Comments/Issues:**

*The 2012 budget for the Assessing Division provides current level services.*

- The division continues to increase use of technology to improve efficiencies. In 2011, the division began to convert its numerous records to an electronic format and institute ongoing electronic administration of new records. In 2012, staff will implement the use of two additional modules in the city's Property Data System for recordkeeping and reporting personal property and local board administration. Additional 2011 costs for supplies include expenses for scanning equipment to accommodate these changes.

- Staff continues to reallocate and reorganize workload and workflow after the 2009 retirement of employees in two key positions, including the city assessor, the elimination of one appraiser position, and the assumption of responsibilities for the special assessment function previously handled by the Engineering Department.

- The city is experiencing a substantial increase in the number of commercial tax court petitions of property valuations, projected to be three times greater in 2011 than 2007. The trend is a direct reflection of the economic distress experienced throughout most metropolitan areas. Adjudicating those appeals may impact costs for "Other Services & Charges."



**NOTE:** The following budget will reflect the Minnetonka Economic Development Authority (EDA) final adopted Housing and Redevelopment Authority (HRA) tax levy. The HRA tax levy is not legally a statutory levy of the City of Minnetonka.

**HOUSING & REDEVELOPMENT AUTHORITY FUND**

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Ad Valorem Tax Levy	\$ 97,492	\$ 170,843	\$ 175,000	\$ 175,000	\$ 175,000
Investment Interest	\$ 861	\$ 2,293	\$ -	\$ 4,000	\$ 1,000
<b>Totals</b>	<b>\$ 98,353</b>	<b>\$ 173,136</b>	<b>\$ 175,000</b>	<b>\$ 179,000</b>	<b>\$ 176,000</b>
<b>Expenditures by Category</b>					
WHAHLT	-	-	-	100,000	-
Village Center Master Planning	-	10,265	90,000	30,000	195,000
Housing Programs	-	-	85,000	50,000	240,000
<b>Totals</b>	<b>\$ -</b>	<b>\$ 10,265</b>	<b>\$ 175,000</b>	<b>\$ 180,000</b>	<b>\$ 435,000</b>
Surplus (Deficiency) of Revenues over Expenditures	98,353	162,871	-	(1,000)	(259,000)
<i>Beginning Fund Balance</i>	-	98,353	261,224	261,224	260,224
<i>Ending Fund Balance</i>	<b>\$ 98,353</b>	<b>\$ 261,224</b>	<b>\$ 261,224</b>	<b>\$ 260,224</b>	<b>\$ 1,224</b>

**Description of Services:**

Minnesota Statutes 469.033, Subd. 6 authorizes housing and redevelopment authorities (HRAs) the power to levy a tax upon all property within its district to finance housing and redevelopment programs subject to the consent of the city council. In 1988 and amended in 1994 and 2010, the Minnetonka City Council established the Economic Development Authority (EDA) of the City of Minnetonka and transferred to the EDA the control, authority and operation of all projects and programs of the city's HRA. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city and all actions of the authority to be approved by the city council.

**Key Measures:**

	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Village center master plans completed	na	0	1	2
Housing rehab loan issued	na	na	2	10
Down payment assistance provided	na	na	2	4

**Budget Comments/Issues:**

The Economic Development Advisory Commission (EDAC) has recommended that the 2011 HRA levy of \$175,000 be used to finance village center master planning and as many as two housing improvement programs.

- The city launched two new housing improvement programs in June 2011, Minnetonka Home Enhancement and Welcome to Minnetonka. Through October 2011, the programs received eighteen pre-applications, with eleven for housing improvement loans and seven for down payment assistance. It is estimated the programs will become self-sustaining by the end of 2018.
- Master plans for the village centers of Ridgedale and Shady Oak station (LRT) are programmed in 2011 and 2012. The Ridgedale study will be significantly more complex, since it covers a larger geographic area and must address more complicated transportation infrastructure.
- Because HRA levies are specifically covered as separate levies under state law, proposed property tax notices and invoices to property owners identify the levy as a "special taxing district" separate from the city.

**MINNETONKA LIVABLE COMMUNITIES FUND - Community Development Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Interest Income	23,640	18,143	55,000	40,000	25,000
Other	-	-	-	-	-
<b>Totals</b>	<b>\$ 23,640</b>	<b>\$ 18,143</b>	<b>\$ 55,000</b>	<b>\$ 40,000</b>	<b>\$ 25,000</b>
<b>Expenditures by Category</b>					
Cedar Point Affordable Housing	43,308	46,792	40,000	50,000	50,000
Mtka Heights / Crown Ridge	37,500	47,500	36,000	36,000	36,000
WHAHLT	251,806	199,852	225,000	225,000	225,000
Legal/Other	736	43,356	-	-	-
Transfers Out	-	-	-	-	-
<b>Totals</b>	<b>\$ 333,350</b>	<b>\$ 337,500</b>	<b>\$ 301,000</b>	<b>\$ 311,000</b>	<b>\$ 311,000</b>
Surplus (Deficiency) of Revenues over Expenditures	(309,710)	(319,357)	(246,000)	(271,000)	(286,000)
<i>Beginning Fund Balance</i>	<i>2,532,292</i>	<i>2,222,582</i>	<i>2,222,582</i>	<i>1,976,582</i>	<i>1,705,582</i>
<i>Ending Fund Balance</i>	<i>\$ 2,222,582</i>	<i>\$ 1,903,225</i>	<i>\$ 1,976,582</i>	<i>\$ 1,705,582</i>	<i>\$ 1,419,582</i>

**Description of Services:**

The Livable Communities fund was created after receiving special legislation to develop an account from the revenues of a closed Tax Increment Finance (TIF) district. The legislation specifically restricts the use of these funds for affordable housing programs. Standards for affordability are consistent with the Metropolitan Council's income, rent and sales price limits. Uses of the fund are annually recommended by the city's Economic Development Advisory Commission (EDAC) and adopted by the city council herein.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Affordable units preserved at Cedar Pointe	9	9	9	9
Total WHAHLT units in Minnetonka	37	45	46	50
Average sales price of WHAHLT unit	\$127,729	\$125,597	\$130,000	\$130,000
Percent of Met Council housing goals achieved	82%	82%	12%	12%
Median value of Minnetonka home	\$309,100	\$292,800	\$287,600	\$281,900
Change from previous year	-4.0%	-5.3%	-1.8%	-2.0%

**Budget Comments/Issues:**

*Due to structural imbalance of the fund, the Livable Communities Fund balance is projected to decrease over time. In 2009, the city's Economic Development Authority (EDA) and the Minnetonka city council adopted a Housing & Redevelopment Authority (HRA) levy to potentially supplement this fund for the purposes of increasing affordable housing.*

- A significant portion of the balance of the fund is obligated to outstanding payments to the West Hennepin Affordable Housing Land Trust (WHAHLT), a.k.a. Homes Within Reach. The obligation of approximately \$500,000 diminishes the available fund balance to around \$855,000, which would provide approximately four years of additional funding for the organization's programs.

- New affordability goals began in 2011, making the percentage of achievement look lower.
- A portion of this fund sometime serves as a pass-through for Metropolitan Council grant revenues to WHAHLT. For example, Hennepin County Transit Oriented Development (T.O.D.) grant funds in 2007 were used to fill the gap between the city's cost of purchasing the affordable units at The Sanctuary and Deephaven Cove and the sales price paid by WHAHLT.



**COMMUNITY DEVELOPMENT BLOCK GRANT FUND - Community Development Dept.**

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Federal Grant	\$ 191,164	\$ 328,055	\$ 180,000	\$ 190,000	\$ 170,000
Program Income	25,000	4,000	10,000	2,500	10,000
<b>Totals</b>	<b>\$ 216,164</b>	<b>\$ 332,055</b>	<b>\$ 190,000</b>	<b>\$ 192,500</b>	<b>\$ 180,000</b>
<b>Expenditures by Category</b>					
Housing Rehabilitation	\$ 191,338	\$ 298,582	\$ 180,000	\$ 150,000	\$ 135,000
Support Services	-	19,956	30,000	15,000	25,000
Administration	-	9,368	10,000	7,500	10,000
Fair Housing	-	1,866	2,000	2,026	1,700
<b>Totals</b>	<b>\$ 191,338</b>	<b>\$ 329,772</b>	<b>\$ 222,000</b>	<b>\$ 174,526</b>	<b>\$ 171,700</b>
Surplus (Deficiency) of Revenues over Expenditures	24,826	2,283	(32,000)	17,974	8,300
Beginning Fund Balance	27,892	52,718	52,718	20,718	38,692
Ending Fund Balance	<b>\$ 52,718</b>	<b>\$ 55,001</b>	<b>\$ 20,718</b>	<b>\$ 38,692</b>	<b>\$ 46,992</b>

**Description of Services:**

Since 1975, the Community Development Block Grant (CDBG) fund has accounted for revenues and expenditures made under the federal CDBG program. Minnetonka typically uses these funds for housing projects and programs (such as housing rehab, affordable housing, and supportive housing) and supportive services (such as senior chore programs, sliding fee day care assistance, and others).

<b>Key Measures:</b>	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
Rehabilitation projects completed or underway	10	11	3	1
Average cost of rehabilitation project	\$20,000	\$19,603	\$20,000	\$20,000
Emergency repair projects completed or underway	9	42	30	30
Average cost of emergency repair project	\$4,259	\$4,868	\$4,900	\$5,000

**Budget Comments/Issues:**

The 2012 budget for the CDBG Fund provides for current level services.

- The CDBG Grant Revenues vary from year to year based on funding decisions made by the federal government. Because CDBG funding distribution and the federal fiscal year do not coincide with the city's fiscal year, expenditures and revenue figures above address these differences. It is likely the federal allocation will be decreased in 2012, but it is unknown at this time.

- "Program Income" above is generated when there is an early repayment for a rehabilitation loan.

- Beginning 2009, the city received from nonprofit organizations applications for CDBG program monies, which were reviewed and ranked by the Minnetonka Economic Development Advisory Commission (EDAC) for funding. Preference was given to agencies that provide community-wide benefits, proportionately serve Minnetonka residents, have limited access to alternative funding, and provide cost-effective services. Based upon those recommendations, the following amounts are included above for funding as indicated:

	2009		2010	2011	2012
	Regular	One-time			
Community Action Partnership of Suburban Hennepin (CAPSH)	\$ 4,000	\$ 1,500	\$ 3,700	\$ 3,906	\$ 4,000
HOMELine	1,500	3,000	1,200	1,937	1,900
ResourceWest	5,000	1,500	5,000	3,906	3,900
Intercongregation Communities	5,500	9,000	6,200	6,232	9,400
Treehouse	-	1,000	-	-	-
Senior Community Services (SCS)					
H.O.M.E.	12,000	2,000	11,700	9,429	6,200
<b>Total</b>	<b>\$ 28,000</b>	<b>\$ 18,000</b>	<b>\$ 27,800</b>	<b>\$ 25,410</b>	<b>\$ 25,400</b>





## ADMINISTRATIVE SERVICES DEPARTMENT

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 892,658	\$ 951,862	\$ 979,400	\$ 979,400	\$ 1,045,500
Supplies	17,265	31,891	21,700	21,200	39,900
Other Services & Charges	184,214	169,951	256,700	240,700	232,700
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,094,137</b>	<b>\$ 1,153,704</b>	<b>\$ 1,257,800</b>	<b>\$ 1,241,300</b>	<b>\$ 1,318,100</b>
<b>Method of Financing</b>					
General Fund	\$ 1,094,137	\$ 1,153,704	\$ 1,257,800	\$ 1,241,300	\$ 1,318,100
<b>Number of Employees (FTEs)</b>	8.7	8.7	9.0	9.0	9.0

**Description of Services:**

The Administrative Services budget includes management of all day-to-day operations of the city, communications with the mayor and council members, overall administration of the city's policies and procedures, human resources management (including compensation and benefits), official city records, elections, information desk, city court (including its administration for the City of Excelsior) and some oversight of park and open space planning and development.

<b>Key Measures:</b>	2009 <u>Actual</u>	2010 <u>Actual</u>	2011 <u>Estimated</u>	2012 <u>Projected</u>
Registered voters	35,124	35,157	34,500	35,000
Absentee voters	161	2,249	175	7,000
City court hearings	3	3	5	5
City positions - regular FT & PT	234	234	233	233
Turnover ratio	5.0%	4.7%	6.0%	6.0%

**Budget Comments/Issues:**

*The 2012 budget for Administrative Services anticipates changes due to technology enhancements.*

- In 2009, the turnover ratio was impacted by the city-wide budget reductions and reorganization.
- Beginning in 2011, new annual licensing/operational fees of \$20,000 for technology enhancements will be added to Other Services & Charges. This covers an upgrade of the online individual performance evaluation system and addition of a web-based employment application and tracking system.
- The department's budget, for personnel services in particular, fluctuates with the occurrence of elections. The 2012 election is a presidential election, which will likely result in a very high voter turnout. In addition, the 2011 Minnesota Legislature passed a constitutional amendment that will appear on the 2012 ballot. The 2012 Minnesota Legislature might include other constitutional amendments that would likely increase voter turnout further.
- An additional \$30,000 is budgeted in 2012 to accommodate costs for a special election to fill a council seat vacancy. The costs include wages for election judges in the city's 27 precincts, election supplies and postage related to absentee voting. To partially offset these costs, legal publication expenses have been moved to the Cable Fund.

**INFORMATION TECHNOLOGY DIVISION - Administrative Services Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 335,342	\$ 341,080	\$ 361,000	\$ 361,000	\$ 370,500
Supplies	1,766	1,811	2,500	2,000	1,800
Other Services & Charges	217,087	243,446	282,200	277,200	323,100
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 554,195</b>	<b>\$ 586,337</b>	<b>\$ 645,700</b>	<b>\$ 640,200</b>	<b>\$ 695,400</b>

**Method of Financing**

General Fund	\$ 554,195	\$ 586,337	\$ 645,700	\$ 640,200	\$ 695,400
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<b>Number of Employees (FTEs)</b>	3.75	3.75	3.75	3.75	3.75
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**Description of Services:**

The Information Technology Division provides internal consulting and end-user support for technology to all city departments. Specifically, the division is responsible for implementing and maintaining the network infrastructure, desktop and mobile support, telephone system, pagers, cell phones, office equipment and audio visual equipment at 18 city locations.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Help Desk requests	2,787	2,928	3,000	3,100
IT division approval ratings	95%	95%	94%	94%
Hand held devices & pagers supported	205	200	170	170
Field & home remote connections supported	92	120	120	120
Technology Project Requests	17	20	20	22

**Budget Comments/Issues:**

*Despite an increase in requests and devices supported plus a growing sophistication required of IT services, the 2012 budget for the IT Division stays within current service levels.*

- In 2012, "Other Services and Charges" will increase for a new software service contract for a new document imaging system (\$10,000) and for a new software service contract with LOGIS for network backup and hosting servers for booking video storage (\$20,000). Additionally, the contract for the city's reverse 9-1-1 system (\$17,300) was moved from the fire department budget to IT.

- "Pagers supported" volume is down due to the shift by police officers to using the text messaging feature on cell phones, thus eliminating the need for pagers.

- "Technology Project Requests" reflects the number of technology related projects requested by city departments and identified by IT staff.

**TECHNOLOGY DEVELOPMENT FUND - Administrative Services Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Ad Valorem Tax Levy	\$ 600,000	\$ 360,000	\$ 375,000	\$ 375,000	\$ 390,000
Investment Income, Other	6,384	12,466	1,000	4,500	2,000
<b>Totals</b>	<b>\$ 606,384</b>	<b>\$ 372,466</b>	<b>\$ 376,000</b>	<b>\$ 379,500</b>	<b>\$ 392,000</b>
<b>Expenditures by Category</b>					
Technology Purchases/Upgrades	\$ 275,602	\$ 243,652	\$ 329,300	\$ 329,300	\$ 297,000
Office Equipment	44,631	267	41,500	41,500	64,100
Public Safety Technology	-	-	69,500	69,500	69,500
Security Equipment	-	-	-	-	45,000
Technology Infrastructure	-	-	-	-	-
Communications Technology	-	895	25,000	25,000	-
<b>Totals</b>	<b>\$ 320,233</b>	<b>\$ 244,814</b>	<b>\$ 465,300</b>	<b>\$ 465,300</b>	<b>\$ 475,600</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	286,151	127,652	(89,300)	(85,800)	(83,600)
Reserve for Delayed Projects	-	-	-	50,000	-
<b>Beginning Fund Balance</b>	<b>114,905</b>	<b>401,056</b>	<b>528,708</b>	<b>528,708</b>	<b>392,908</b>
<b>Ending Fund Balance</b>	<b>\$ 401,056</b>	<b>\$ 528,708</b>	<b>\$ 439,408</b>	<b>\$ 392,908</b>	<b>\$ 309,308</b>

**Description of Services:**

The Technology Development fund provides for the purchase of replacement computers, local area and wide area network equipment, printers, peripheral devices, telecommunications improvements and software. It also provides for the purchase of new equipment and software that serves the city as a whole, including major office equipment such as copiers, postage machine, and security card access system enhancements.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Number of servers	11	15	13	13
Number of desktop computers	197	175	175	175
Number of laptop computers	76	99	119	119
Wireless access points	10	20	20	25

**Budget Comments/Issues:**

The 2012 budget for the Technology Fund finances the city's regular technology replacement schedule as provided in the adopted Capital Improvements Program (CIP).

- In 2012, \$64,100 is allocated for equipment related to the replacement of the microfilm reader/printer, plus older scan station and \$45,000 is funded for security equipment of city facilities.
- An increase in the number of wireless access points provides better coverage and mobility for wireless devices of city customers/citizens, business partners and city employees.

**CABLE TELEVISION FUND - Administrative Services Department**

Revenues	2009 Actual	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Cable TV Franchise Fee	\$ 678,414	\$ 691,836	\$ 610,000	\$ 700,000	\$ 700,000
Grants	7,459	-	-	-	-
Investment Income	30,441	24,820	30,000	30,000	30,000
Miscellaneous Income	24,362	10,349	9,100	9,100	9,000
<b>Totals</b>	<b>\$ 740,676</b>	<b>\$ 727,005</b>	<b>\$ 649,100</b>	<b>\$ 739,100</b>	<b>\$ 739,000</b>
<b>Expenditures by Category</b>					
Personnel	\$ 173,625	\$ 181,686	\$ 175,900	\$ 175,900	\$ 174,700
Supplies	2,838	1,865	3,500	3,500	3,500
Other Services & Charges	204,955	186,723	225,300	224,300	279,200
Capital Outlay	148,581	79,831	143,500	157,500	249,900
Transfer Expenses	26,800	27,600	28,500	28,500	28,900
<b>Totals</b>	<b>\$ 556,799</b>	<b>\$ 477,705</b>	<b>\$ 576,700</b>	<b>\$ 589,700</b>	<b>\$ 736,200</b>
Surplus (Deficiency) of Revenues over Expenditures	183,877	249,300	72,400	149,400	2,800
Reserve for Delayed Projects	-	-	-	199,100	
<b>Beginning Fund Balance</b>	<b>1,331,825</b>	<b>1,515,702</b>	<b>1,765,002</b>	<b>1,765,002</b>	<b>1,715,302</b>
<b>Ending Fund Balance</b>	<b>\$ 1,515,702</b>	<b>\$ 1,765,002</b>	<b>\$ 1,837,402</b>	<b>\$ 1,715,302</b>	<b>\$ 1,718,102</b>
<b>Number of Employees (FTEs)</b>	2.25	2.25	2.00	2.00	2.00

**Description of Services:**

The Cable Television Fund was created in 1984 to enhance city communications both with the community and within the city's organization. It is primarily financed by franchise fees paid to the city by the local cable company in exchange for use of the city's rights-of-way. The fund finances numerous activities and events to inform and educate the public and city employees as well as to strengthen residents' sense of community, including broadcast of public meetings and special events (over 60 per year); publication of the *Minnetonka Memo* (circulation of 26,000); upkeep of the city's website and intranet; hosting the city events for residents such as Summer Festival, Burwell House Old-Fashioned Ice Cream Social, and the City Open House; and supporting the community-building efforts of the Minnetonka Community Commission. Fiber for the city's technology infrastructure is also budgeted in this fund.

<b>Key Measures:</b>	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
% residents rating the <i>Memo</i> "excellent" or "good"	97%	91%	91%	91%
# of subscribers to city electronic communications	2,300	3,200	3,500	4,000
Burwell House visitors (Excluding Ice Cream Social visitors)	600	1,000	1,000	1,000
Visitors to Open House and Summer Festival/Ice Cream Social	16,800	10,200	15,500	15,000
Miles of fiber	16	17	17	18
Number of Wireless Links	0	1	2	4
IT Supported Events (City and Private Reservations)	87	86	85	85

**Budget Comments/Issues:**

The 2012 budget for the Cable Television Fund finances continued service and capital costs for technology to better communicate and respond to citizens regarding city services. Adoption of this budget amends the 2011-15 Capital Improvements Program (CIP) to provide additional funding for Smartboard installation in the Big Willow Conference Room in city hall.

- 2012 Capital Outlay includes \$83,900 for security equipment for city facilities; \$66,000 for AV equipment including LCD monitors, projectors, bulletin board and editing systems and Boards and Commissions Smart technology; and \$100,000 for network infrastructure (fiber).
- CATV administration was increased to \$25,000 for 2011 and 2012 to account for fees related to Comcast franchise renewal. The new ten-year contract will impact 2012 revenues, but specific amounts will not be available until 2012.
- Reserved funds in 2011 include previously approved CIP projects for fiber infrastructure, communications technology, audio visual projects and the city's imaging system.
- Other Services & Charges are adjusted in 2012 to include the addition of the community survey and legal publications. These were previously expensed in the General Fund and were moved to the Cable Fund to offset expenses related to the special election due to a council seat vacancy.

## FINANCE DEPARTMENT

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Personnel	\$ 558,381	\$ 553,924	\$ 586,200	\$ 584,900	\$ 588,300
Supplies	6,347	5,603	6,200	6,500	6,400
Other Services & Charges	110,009	119,700	124,600	124,100	128,800
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 674,737</b>	<b>\$ 679,227</b>	<b>\$ 717,000</b>	<b>\$ 715,500</b>	<b>\$ 723,500</b>

**Method of Financing**

General Fund	\$ 674,737	\$ 679,227	\$ 717,000	\$ 715,500	\$ 723,500
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<b>Number of Employees (FTEs)</b>	6.0	6.0	6.0	6.0	6.0
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**Description of Services:**

The mission of the Finance Department is to protect and safely manage the assets of the city and to provide accurate, timely and complete financial information in an understandable and friendly manner to the public and staff. The department is responsible for the functions of preparation of budgets, payroll, utility billing, purchasing, investing city funds, and managing as well as safeguarding other city assets as requested by city council and/or the city manager and in compliance with federal, state and local legal requirements. It assists other city departments in developing appropriate recommendations for fee schedules, fiscal analysis including examination of program costs and benefits, and other financial evaluations as needed.

<b>Key Measures:</b>	2009 <u>Actual</u>	2010 <u>Actual</u>	2011 <u>Estimated</u>	2012 <u>Projected</u>
Utility customer accounts	16,746	16,688	16,721	16,759
Percentage of utility customers using online billing	NA	NA	5%	15%
Average # of payment checks processed per month	640	615	615	600
Average # of EFTs processed per month	9	22	23	35
Average payroll count (incl. FT, PT, firefighters)	411	400	420	420
Annual rate of return on investments	2.28%	1.64%	1.50%	2.00%
Customers rating services at "above average" or "excellent"	94%	96%	95%	95%
GFOA Award for Excellence in Financial Reporting	Awarded	Awarded	Awarded	Awarded

**Budget Comments/Issues:**

*The 2012 General Fund budget for the Finance Department generally supports current level services, with the exception of anticipating the introduction of online utility billing in early 2012 and development of an electronic accounts payable process. Savings/costs of the utility billing change will be realized in the Utility Fund.*

- The department is moving towards greater efficiencies through electronic payments and receipts. Implementation of software system acceptance of recurring credit card payments began in 2010 as well as a new contract with a third party for electronic acceptance of online bank checks. The city contracted with an outside vendor during the third quarter of 2011 for implementation of online utility billing. LOGIS, the city's technology consortium, is currently spearheading the establishment of a contract for regular, electronic system payment of vendors, and in 2012 the department will begin implementation of an internal, electronic check request process.

- The full-time utility billing clerk is budgeted above and reimbursed to the General Fund by the Utility Fund. Another part-time staff member to assist with utility billing is funded directly by the Utility Fund.

- A temporary position vacancy for a portion of 2010 reduced the total department personnel costs for the year.

- The average payroll count increased beginning 2009 to reflect the conversion of paying firefighters from quarterly to monthly in 2009 and from monthly to bi-weekly in 2011.

- The new formula for allocating costs of the city's financial software system increased the annual costs to Minnetonka by approximately \$15,000 phased-in over three years beginning 2009. 2011 was the third and final year of phase-in.



**INSURANCE FUND - Administrative Services Department**

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Interfund Transfers In	\$ 388,600	\$ 397,900	\$ 609,400	\$ 609,400	\$ 609,400
Investment Income	4,181	6,019	5,000	4,000	4,000
Miscellaneous	-	-	-	5,700	-
Refunds and Dividends	65,188	59,033	20,000	66,000	-
<b>Totals</b>	<b>\$ 457,969</b>	<b>\$ 462,952</b>	<b>\$ 634,400</b>	<b>\$ 685,100</b>	<b>\$ 613,400</b>
<b>Expenditures by Category</b>					
Premiums	\$ 475,577	\$ 526,820	\$ 471,200	\$ 469,372	\$ 395,000
Settlements	90,769	122,445	125,000	125,000	140,000
Other Services & Charges	14,675	34,535	20,000	18,000	19,500
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 581,021</b>	<b>\$ 683,800</b>	<b>\$ 616,200</b>	<b>\$ 612,372</b>	<b>\$ 554,500</b>
Surplus (Deficiency) of Revenues over Expenditures	(123,052)	(220,848)	18,200	72,728	58,900
<i>Beginning Fund Balance</i>	<i>700,617</i>	<i>577,565</i>	<i>356,717</i>	<i>356,717</i>	<i>429,445</i>
<i>Ending Fund Balance</i>	<i>\$ 577,565</i>	<i>\$ 356,717</i>	<i>\$ 374,917</i>	<i>\$ 429,445</i>	<i>\$ 488,345</i>

**Description of Services:**

The Insurance Fund was created in 1986 to ensure that the city retains viable and cost-effective insurance coverage. Other city funds are allocated appropriate portions of the premium costs on an annual basis and transferred into the fund. The fund supports the following: 1) premiums for the city's package policies (general liability, property, boiler, etc.), 2) fees for the city's agent of record, 3) settlements (deductibles) for general liability claims and workers' compensation, and 4) risk management, including some costs for safety training. It does not cover workers' compensation premiums, which are financed by each operating division under personnel costs.

<b>Key Measures:</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2012 Projected</b>
Liability rating	1.41	1.44	1.45	1.46
Workers comp mod factor (less than 1.0 is good)	0.80	0.85	0.89	1.02

**Budget Comments/Issues:**

*The city will continue to retain an appropriate fund balance as would be required to finance the city's maximum total liability under its policy coverage through the League of Minnesota Cities Insurance Trust (LMCIT).*

- The liability rating is calculated by using a formula that looks at the city's expected liability claim losses compared to the actual losses. Data is used over a three-year period, and it is used to calculate the premium. A liability rating of 1.00 means the city's actual losses equal the expected losses for a city of similar size and expenditures.

- The driving factor in the city's rising liability rating is litigation for which the League of Minnesota Cities represented the city. For insurance purposes, LMCIT looks at litigation related claims from the previous three-year period. Land use cases and personnel related lawsuits are the primary reason for the rating factor increasing from .823 in 2007 to 1.438 in 2010.

- The mod factor relates to the frequency and severity of an employer's workers compensation claims over a three-year period, and it is used to calculate the premium. A mod factor of 1.00 is considered average for an employer's particular industry; the lower the mod factor, the better. While workers comp premium costs for 2012 will increase, the city is also anticipating a related dividend payment from the provider in the spring. Therefore, department budgets will be adjusted accordingly in the fall to reflect these changes.

- Under federal law, civil rights claims cannot be limited by the State of Minnesota's liability cap. In 2012, staff will be evaluating the costs of premiums for an umbrella policy to cover the additional potential liability in such cases.

**CONTINGENCY BUDGET - Finance Department**

<b>Expenditures by Category</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Revised</b>	<b>2012 Budget</b>
Contingency	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
<i>Total Contingency</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

**Description of Services:**

The city budgets a targeted amount for contingency in the event that unanticipated expenses arise during the fiscal year that require additional funding. If the monies are not required, they are returned to the fund balance of the General Fund.

**Budget Comments/Issues:**

*The revised 2010 and 2011 contingency budgets are reduced to reflect current conditions.*

- In 2007, the annual contingency budget was raised from \$25,000 to \$75,000 to accommodate increased risks associated with significant fluctuations in energy costs, especially fuel. The allocation is reduced for 2010 and 2011 to reflect current conditions. The city has not required use of its contingency budget in recent history.

## 2012 BUDGET SUMMARY - All Funds by Service Program & Budget

Service Program	Budgetary Unit	All Budgets	Budget			
			Gen'l Fund Operating	Enterprise Operating	Capital	Other
<b>Public Safety:</b>	Police Department	\$ 8,251,400	\$ 8,221,400	\$ -	\$ 30,000	\$ -
	Dispatch Division	777,500	777,500	-	-	-
	Fire Department	2,159,100	2,159,100	-	-	-
	Environmental Health Division	350,700	350,700	-	-	-
	Legal Department	776,300	776,300	-	-	-
	<i>Subtotal</i>	<b>\$ 12,315,000</b>	<b>\$ 12,285,000</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ -</b>
<b>Streets &amp; Utilities:</b>	Engineering Department	\$ 1,143,500	\$ 1,143,500	\$ -	\$ -	\$ -
	Street Improvement Fund	4,759,000	-	-	4,759,000	-
	MSA Fund	186,256	-	-	-	186,256
	Storm Water Fund	1,272,500	-	317,500	955,000	-
	Electric Franchise Fee Fund	10,000	-	-	10,000	-
	Street Maintenance Division	3,140,900	3,140,900	-	-	-
	Building Maintenance Division	1,036,300	1,036,300	-	-	-
	Fleet Maintenance Division	1,641,740	-	-	-	1,641,740
	169/Bren Road Interchange	-	-	-	-	-
	Grants Special Revenue Fund	163,600	-	-	54,400	109,200
	Capital Replacement Fund*	1,709,800	-	-	1,709,800	-
	Water & Sewer Utility Fund	11,571,126	-	8,755,156	1,725,900	1,090,070
	<i>Subtotal</i>	<b>\$ 26,634,722</b>	<b>\$ 5,320,700</b>	<b>\$ 9,072,656</b>	<b>\$ 9,214,100</b>	<b>\$ 3,027,266</b>
<b>Parks &amp; Environ:</b>	Parks & Trails Division	\$ 1,420,700	\$ 1,420,700	\$ -	\$ -	\$ -
	Natural Resources Division	1,064,100	1,064,100	-	-	-
	Environmental Fund	897,600	-	897,600	-	-
	Park Dedication Fund	1,086,000	-	-	1,086,000	-
	Park & Open Space Bonds	-	-	-	-	-
	Park & Open Sp Debt Fund	1,056,443	-	-	-	1,056,443
	Community Investment Fund	-	-	-	-	-
	<i>Subtotal</i>	<b>\$ 5,524,843</b>	<b>\$ 2,484,800</b>	<b>\$ 897,600</b>	<b>\$ 1,086,000</b>	<b>\$ 1,056,443</b>
<b>Recreation:</b>	Joint Recreation	\$ 1,352,300	\$ 1,352,300	\$ -	\$ -	\$ -
	Minnetonka Recreation	528,500	528,500	-	-	-
	Senior Services	341,300	341,300	-	-	-
	Community Center	547,900	545,300	-	-	2,600
	Williston Center	1,242,300	-	1,142,300	100,000	-
	Ice Arena	830,800	-	830,800	-	-
	Gray's Bay Marina	198,700	-	198,700	-	-
	Community Investment Fund	320,000	-	-	320,000	-
	<i>Subtotal</i>	<b>\$ 5,361,800</b>	<b>\$ 2,767,400</b>	<b>\$ 2,171,800</b>	<b>\$ 420,000</b>	<b>\$ 2,600</b>
<b>Development:</b>	Community Devpt Division	\$ 1,233,600	\$ 1,233,600	\$ -	\$ -	\$ -
	Planning Division	537,900	537,900	-	-	-
	Assessing Division	644,300	644,300	-	-	-
	Development Fund	862,860	-	-	832,060	30,800
	HRA Fund	435,000	-	-	-	435,000
	Livable Communities Fund	311,000	-	-	-	311,000
	CDBG Fund	171,700	-	-	-	171,700
	<i>Subtotal</i>	<b>\$ 4,196,360</b>	<b>\$ 2,415,800</b>	<b>\$ -</b>	<b>\$ 832,060</b>	<b>\$ 948,500</b>
<b>General Gov't:</b>	Mayor & City Council	\$ 200,400	\$ 200,400	\$ -	\$ -	\$ -
	General Administration	1,318,100	1,318,100	-	-	-
	Information Tech Division	695,400	695,400	-	-	-
	Technology Fund	475,600	-	-	475,600	-
	Cable Fund	707,300	-	-	249,900	457,400
	Finance Department	723,500	723,500	-	-	-
	Insurance Fund	554,500	-	-	-	554,500
	Contingency	50,000	50,000	-	-	-
	<i>Subtotal</i>	<b>\$ 4,724,800</b>	<b>\$ 2,987,400</b>	<b>\$ -</b>	<b>\$ 725,500</b>	<b>\$ 1,011,900</b>
<b>TOTALS</b>		<b>\$ 58,757,525</b>	<b>\$ 28,261,100</b>	<b>\$ 12,142,056</b>	<b>\$ 12,307,660</b>	<b>\$ 6,046,709</b>

\* Capital Replacement Fund budget is allocated to only "Streets & Utilities" in this table, but is split by actual service program under the Summary tab of book.

**2011 REVISED BUDGET SUMMARY - All Funds**  
**by Service Program & Budget**

Service Program	Budgetary Unit	All Budgets	Budget			
			Gen'l Fund Operating	Enterprise Operating	Capital	Other
<b>Public Safety:</b>	Police Department	\$ 8,199,000	\$ 8,139,000	\$ -	\$ -	\$ 60,000
	Dispatch Division	776,300	776,300	-	-	-
	Fire Department	2,312,100	2,312,100	-	-	-
	Environmental Health Division	346,400	346,400	-	-	-
	Legal Department	742,100	742,100	-	-	-
	<i>Subtotal</i>	<b>\$ 12,375,900</b>	<b>\$ 12,315,900</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,000</b>
<b>Streets &amp; Utilities:</b>	Engineering Department	\$ 1,101,900	\$ 1,101,900	\$ -	\$ -	\$ -
	Street Improvement Fund	3,140,900	-	-	3,140,900	-
	MSA Fund	641,388	-	-	405,500	235,888
	Storm Water Fund	1,478,650	-	292,650	1,186,000	-
	Electric Franchise Fee Fund	10,000	-	-	-	10,000
	Street Maintenance Division	3,017,800	3,017,800	-	-	-
	Building Maintenance Division	1,006,900	1,006,900	-	-	-
	Fleet Maintenance Division	1,519,425	-	-	-	1,519,425
	169/Bren Road Interchange	15,182,710	-	-	15,182,710	-
	Grants Special Revenue Fund	370,900	-	-	246,300	124,600
	Capital Replacement Fund*	2,269,200	-	-	2,269,200	-
	Water & Sewer Utility Fund	12,053,751	-	9,100,688	1,833,400	1,119,663
	<i>Subtotal</i>	<b>\$ 41,793,524</b>	<b>\$ 5,126,600</b>	<b>\$ 9,393,338</b>	<b>\$ 24,264,010</b>	<b>\$ 3,009,576</b>
<b>Parks &amp; Environ:</b>	Parks & Trails Division	\$ 1,373,100	\$ 1,373,100	\$ -	\$ -	\$ -
	Natural Resources Division	1,135,900	1,135,900	-	-	-
	Environmental Fund	941,750	-	941,750	-	-
	Park Dedication Fund	295,000	-	-	295,000	-
	Park & Open Space Bonds	974,000	-	-	974,000	-
	Park & Open Sp Debt Fund	1,057,722	-	-	-	1,057,722
	Community Investment Fund	-	-	-	-	-
	<i>Subtotal</i>	<b>\$ 5,777,472</b>	<b>\$ 2,509,000</b>	<b>\$ 941,750</b>	<b>\$ 1,269,000</b>	<b>\$ 1,057,722</b>
<b>Recreation:</b>	Joint Recreation	\$ 1,301,800	\$ 1,301,800	\$ -	\$ -	\$ -
	Minnetonka Recreation	564,900	564,900	-	-	-
	Senior Services	336,100	336,100	-	-	-
	Community Center	513,700	511,500	-	-	2,200
	Williston Center	1,226,800	-	1,226,800	-	-
	Ice Arena	824,900	-	811,400	13,500	-
	Gray's Bay Marina	194,700	-	194,700	-	-
	Community Investment Fund	1,008,529	-	-	1,008,529	-
	<i>Subtotal</i>	<b>\$ 5,971,429</b>	<b>\$ 2,714,300</b>	<b>\$ 2,232,900</b>	<b>\$ 1,022,029</b>	<b>\$ 2,200</b>
<b>Development:</b>	Community Devpt Division	\$ 1,179,200	\$ 1,179,200	\$ -	\$ -	\$ -
	Planning Division	569,500	569,500	-	-	-
	Assessing Division	633,800	633,800	-	-	-
	Development Fund	137,500	-	-	-	137,500
	HRA Fund	180,000	-	-	-	180,000
	Livable Communities Fund	311,000	-	-	-	311,000
	CDBG Fund	174,526	-	-	-	174,526
	<i>Subtotal</i>	<b>\$ 3,185,526</b>	<b>\$ 2,382,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 803,026</b>
<b>General Gov't:</b>	Mayor & City Council	\$ 215,100	\$ 215,100	\$ -	\$ -	\$ -
	General Administration	1,241,300	1,241,300	-	-	-
	Information Tech Division	640,200	640,200	-	-	-
	Technology Fund	465,300	-	-	465,300	-
	Cable Fund	760,300	-	-	199,100	561,200
	Finance Department	715,500	715,500	-	-	-
	Insurance Fund	612,372	-	-	-	612,372
	Contingency	50,000	50,000	-	-	-
	<i>Subtotal</i>	<b>\$ 4,700,072</b>	<b>\$ 2,862,100</b>	<b>\$ -</b>	<b>\$ 664,400</b>	<b>\$ 1,173,572</b>
<b>TOTALS</b>		<b>\$ 73,803,923</b>	<b>\$ 27,910,400</b>	<b>\$ 12,567,988</b>	<b>\$ 27,219,439</b>	<b>\$ 6,106,096</b>

\* Capital Replacement Fund budget is allocated to only "Streets & Utilities" in this table, but is split by actual service program under the Summary tab of book.

## STAFFING LEVELS - 2011 & 2012

### Full-Time Equivalents (FTEs)

<i>Service Category</i>	<i>Budgetary Unit</i>	<i>2011 Budget</i>	<i>2011 Revised Budget</i>	<i>2012 Budget</i>	<i>%</i>
<b>Public Safety:</b>	Police Department	66.35	65.95	65.95	
	Dispatch	9.00	9.00	9.00	
	Fire Department*	6.50	6.50	6.50	
	Environmental Health Division	3.40	3.40	3.50	
	Legal Department	6.00	6.00	6.00	
	<i>Subtotal</i>		<u>91.25</u>	<u>90.85</u>	<u>90.95</u>
<b>Streets &amp; Utilities:</b>	Engineering Department	9.75	9.75	9.75	
	Storm Water Fund	0.50	0.50	0.50	
	Street Maintenance Division	20.95	20.95	20.95	
	Building Maintenance Division	7.41	7.41	8.31	
	Fleet Maintenance Division	4.58	4.58	4.58	
	Water & Sewer Utility Fund	16.22	16.22	16.22	
	<i>Subtotal</i>		<u>59.41</u>	<u>59.41</u>	<u>60.31</u>
<b>Parks &amp; Environ:</b>	Parks & Trails Division	8.91	8.91	8.91	
	Natural Resources Division	4.58	4.58	4.58	
	Environmental Fund	1.58	1.58	1.58	
<i>Subtotal</i>		<u>15.07</u>	<u>15.07</u>	<u>15.07</u>	<u>6.5%</u>
<b>Recreation:</b>	Joint Recreation	6.15	6.15	5.75	
	Minnetonka Recreation	1.15	1.15	0.75	
	Senior Services	2.50	2.50	2.50	
	Community Center	3.75	3.75	4.15	
	Williston Center	5.05	5.05	5.05	
	Ice Arena	3.80	3.80	3.80	
	Gray's Bay Marina	0.20	0.20	0.20	
	<i>Subtotal</i>		<u>22.60</u>	<u>22.60</u>	<u>22.20</u>
<b>Development:</b>	Community Devpt Division	10.40	11.40	11.40	
	Planning Division	6.25	5.50	5.50	
	Assessing Division	5.25	5.25	5.25	
	Development Fund	0.20	0.20	0.20	
<i>Subtotal</i>		<u>22.10</u>	<u>22.35</u>	<u>22.35</u>	<u>9.7%</u>
<b>General Gov't:</b>	Mayor & City Council**	7.00	7.00	7.00	
	General Administration	8.97	8.97	8.97	
	Information Tech Division	3.75	3.75	3.75	
	Cable Fund	2.00	2.00	2.00	
	Finance Department	6.00	6.00	6.00	
<i>Subtotal</i> **		<u>20.72</u>	<u>20.72</u>	<u>20.72</u>	<u>8.9%</u>
<b>TOTALS **</b>		<b><u>231.15</u></b>	<b><u>231.00</u></b>	<b><u>231.60</u></b>	<b><u>100.0%</u></b>

\* Excludes paid-on-call firefighters.

\*\* Mayor and council members are excluded from FTE totals.

City of Minnetonka, Minnesota  
2012 Budget  
BONDED INDEBTEDNESS

	G.O. Revenue Bonds		G.O. Bonds			G.O. State-Aid	TOTAL All Bonds
	Water Bonds 2004	Water Ref Bonds 2008	Park Bonds 2004	Park Bonds 2008	Park Ref Bonds 2010	Street Bonds 2008	
Original Amount	\$ 3,560,000	\$ 4,215,000	\$ 5,000,000	\$ 2,490,000	\$ 2,620,000	\$ 2,215,000	\$ 28,800,000
Outstanding 12/31/2011							
Principal	2,400,000	3,525,000	3,365,000	2,275,000	2,620,000	1,815,000	16,000,000
Interest	446,636	367,500	626,765	522,388	235,219	490,453	2,688,961
Total	\$ 2,846,636	\$ 3,892,500	\$ 3,991,765	\$ 2,797,388	\$ 2,855,219	\$ 2,305,453	\$ 18,688,961
Amounts Due in 2012							
Principal	225,000	645,000	320,000	140,000	335,000	120,000	1,785,000
Interest	86,870	128,100	121,905	82,500	57,038	66,256	542,669
Total	\$ 311,870	\$ 773,100	\$ 441,905	\$ 222,500	\$ 392,038	\$ 186,256	\$ 2,327,669
To be paid from:							
Property Taxes*	-	-	468,620	231,236	434,372	-	1,134,228
State Aid (MSA)	-	-	-	-	-	186,256	186,256
Utility Fund	311,870	773,100	-	-	-	-	1,084,970
Total	\$ 311,870	\$ 773,100	\$ 468,620	\$ 231,236	\$ 434,372	\$ 186,256	\$ 2,405,455

\* Amounts are 2011 market value tax levies required to cash flow late 2011 and early 2012 debt service.

## CITY OF MINNETONKA

**2012 Budget Calendar**

February 3	Capital Improvement Program (CIP) forms sent to departments.
March 4	Departments submit capital requests to city manager.
Week of March 21	City manager meets with departments to discuss CIP requests.
April 11	City council study session on 2012-16 CIP.
April 25	Leadership staff reviews citizen survey results for budget purposes.
May 2	City Council adopts 2012-16 CIP.
June 6	Budget work papers are made available to departments.
Weeks of July 11 & 18	City manager meets with departments to discuss 2011 department merit indicators, big budget issues, and key measures.
July 22	Forecasts completed for compensation and benefits, internal service fund allocations, utility costs, technology contract costs, fee and other revenue. Departments submit revised indicators and key measures.
August 24	Budget memo sent to city council.
August 29	First city council budget study session.
September 6	Budget instructions and targets provided to departments.
September 12	City council adopts preliminary levy and announces public budget hearing date.
October 10	Departments submit detailed budget requests.
Week of November 14	Hennepin County sends parcel specific proposed tax estimates to taxpayers.
November 16	City manager sends proposed 2012 budget and revised 2011 budget to city council members.
November 21	Second city council budget study session.
December 5	City council holds public budget hearing.
December 19	City council adopts final 2012 budget, 2012 tax levy and revised 2011 budget.
December 27	Final 2012 levy certified to Hennepin County.

# City of Minnetonka, MN

**MINNETONKA CITY COUNCIL**  
(Economic Development Authority)

Mayor Terry Schneider

Council Members at Large: Dick Allendorf  
Amber Greves

Ward Representation:  
Ward 1: Bob Ellingson  
Ward 2: Tony Wagner  
Ward 3: Brad Wiersum  
Ward 4: James Hiller

**BOARDS & COMMISSIONS**

- Charter Commission
- Planning Commission
- Economic Development Advisory Committee
- Park Board
- Community Commission
- Police Advisory Committee
- Senior Citizen Advisory Board

**City Attorney**  
Desyl Peterson

**CITY MANAGER**  
John Gunyou

**PUBLIC SAFETY**

**PUBLIC WORKS**

**PARKS & RECREATIONS**

**DEVELOPMENT SERVICES**

**ADMINISTRATION**

**POLICE**  
Chief Mark Raquet

- Patrol
- Investigation
- 9-1-1 Dispatch
- Support Services

**PUBLIC WORKS**  
Brian Wagstrom

- Streets
- Water & Sewer
- Parks, Buildings & Grounds
- Natural Resources
- Recycling

**RECREATION SERVICES**  
Dave Johnson

- Recreation programs
- Ice Arena
- Williston Center
- Gray's Bay Marina
- Senior Services

**COMMUNITY DEVELOPMENT**  
Julie Wischnack

- Inspections
- Environmental Health
- Licensing
- Planning & Zoning

**ADMINISTRATIVE SERVICES**  
Geraldyn Barone

- City Clerk & Elections
- Human Resources
- Information Technology
- Communications
- Risk Management

**FIRE**  
Chief Joe Wallin

- Emergency Management
- Inspection
- Prevention
- Response

**ENGINEERING**  
Lee Gustafson

- Street & Utility
- Planning & Design

**FINANCE**  
Merrill King

- Accounting
- Budget
- Payroll
- Utility Billing
- Assessing
- Special Assessments

**LEGAL**  
Desyl Peterson

- Prosecution
- Legal advice to the city