



City of
minnetonka
2013 Budget

City of
minnetonka

2013 Budget

Minnetonka, Minnesota

Adopted 12.17.12

City Council:

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

Staff:

Geralyn Barone, City Manager
Perry Vetter, 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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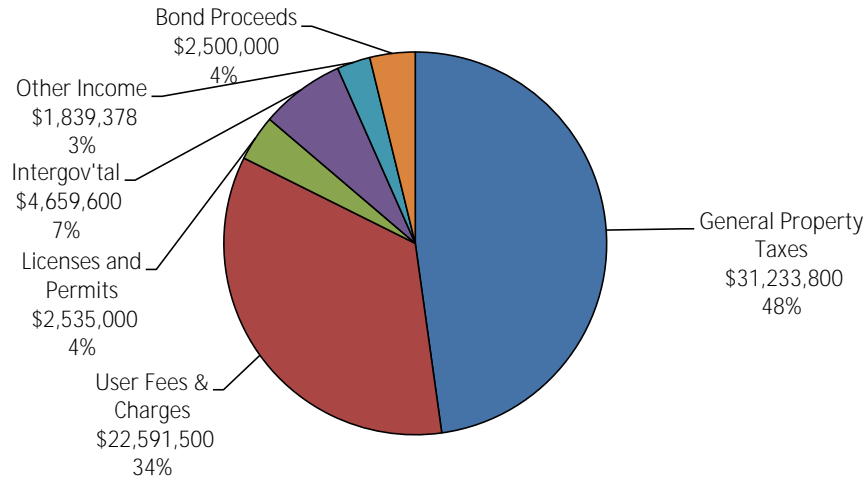
CONSOLIDATED BUDGETS SUMMARY - ALL FUNDS

<u>Revenue</u>	<u>2012 Revised</u>	<u>2013 Budget</u>
General Property Taxes	\$ 30,865,399	\$ 31,233,800
User Fees & Charges	23,646,400	22,591,500
Licenses and Permits	2,401,500	2,535,000
Intergovernmental Revenue	4,707,500	4,659,600
Other Income	4,468,658	1,839,378
Other Sources - Bond Proceeds	-	2,500,000
Total Revenue	<u>\$ 66,089,457</u>	<u>\$ 65,359,278</u>
<u>Expenditures</u>		
By Program:		
Public Safety	\$ 13,222,600	\$ 13,082,400
Streets & Utilities	30,925,932	35,054,152
Parks & Environment	4,660,450	4,211,450
Recreation	5,141,000	5,442,700
Development	3,731,655	3,478,700
General Government	4,745,826	4,992,650
Total Expenditures by Program	<u>\$ 62,427,463</u>	<u>\$ 66,262,052</u>
By Category:		
Personnel	\$ 24,143,131	\$ 24,431,750
Supplies	3,894,400	3,955,100
Services & Charges	15,715,006	16,122,750
Capital Outlay	17,397,800	20,718,800
Debt Service	1,277,126	1,033,652
Total Expenditures by Category	<u>\$ 62,427,463</u>	<u>\$ 66,262,052</u>

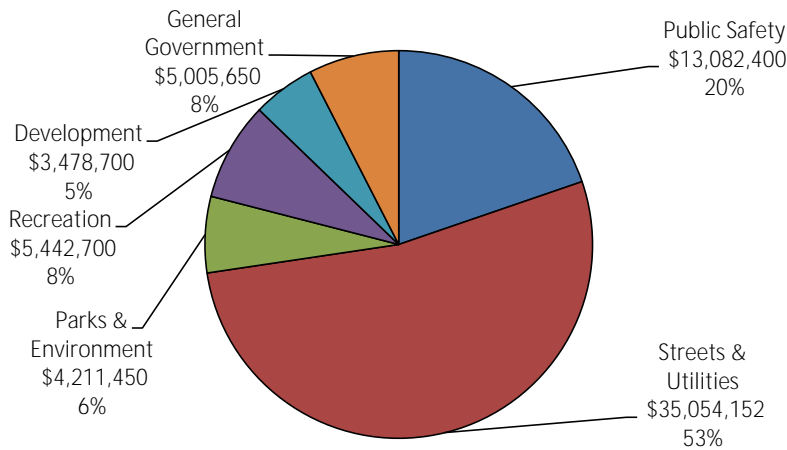
Note: Internal service fund budgets are accounted for twice in this summary to better reflect costs by program and category. They appear once from the internal service fund and once from the respective fund incurring the charge for service.

2013 CONSOLIDATED BUDGETS - ALL FUNDS

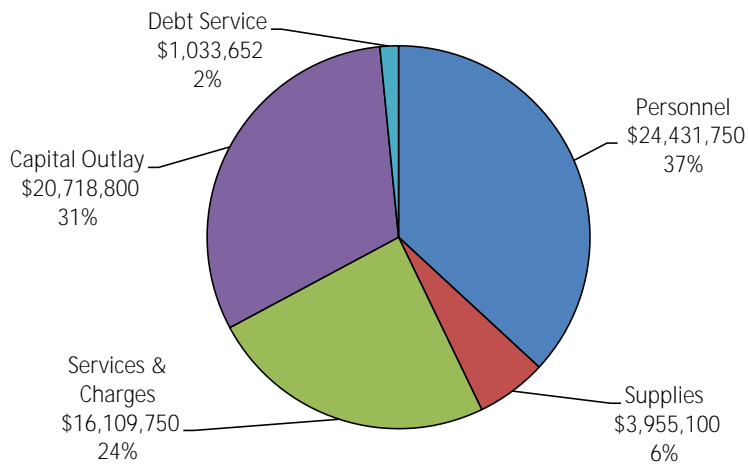
Revenue



Expenditures by Program



Expenditures by Category



GENERAL FUND REVENUES & EXPENDITURES

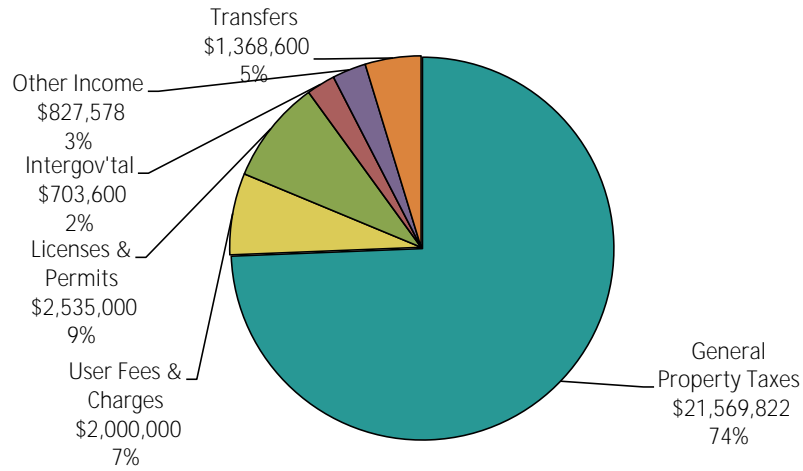
	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Revenues					
General Property Taxes	\$ 20,513,205	\$ 20,919,497	\$ 20,996,171	\$ 20,966,171	\$ 21,569,822
Licenses & Permits	2,118,768	3,403,189	2,355,000	2,401,500	2,535,000
Intergovernmental Revenue	784,690	935,717	718,200	703,600	703,600
Transfers	1,311,300	1,340,700	1,351,000	1,351,000	1,368,600
User Fees & Charges	1,715,563	1,761,723	1,952,800	1,937,800	2,000,000
Other Income	954,135	972,330	887,929	838,205	827,578
Total Revenues	\$ 27,397,660	\$ 29,333,155	\$ 28,261,100	\$ 28,198,276	\$ 29,004,600
Expenditures					
Police	\$ 8,272,560	\$ 7,786,637	\$ 8,221,400	\$ 8,221,400	\$ 8,442,000
Dispatch	-	748,719	777,500	777,500	791,200
Fire	2,280,205	2,126,730	2,159,100	2,188,800	2,270,800
Environmental Health	327,669	320,481	350,700	350,700	353,300
Legal	697,296	716,143	776,300	755,600	795,100
<i>Subtotal, Public Safety</i>	<i>\$ 11,577,730</i>	<i>\$ 11,698,710</i>	<i>\$ 12,285,000</i>	<i>\$ 12,294,000</i>	<i>\$ 12,652,400</i>
Engineering	1,088,182	1,023,798	1,143,500	1,142,600	1,157,900
Street Maintenance	3,009,344	3,046,697	3,140,900	3,156,100	3,245,200
Building Maintenance	876,290	980,808	1,036,300	1,008,150	1,050,300
<i>Subtotal, Streets & Utilities</i>	<i>\$ 4,973,816</i>	<i>\$ 5,051,300</i>	<i>\$ 5,320,700</i>	<i>\$ 5,306,900</i>	<i>\$ 5,453,400</i>
Parks & Trails	1,335,022	\$1,217,401	\$1,420,700	\$1,435,100	\$1,510,800
Natural Resources	848,387	1,025,493	1,064,100	1,071,600	1,109,500
<i>Subtotal, Parks & Environment</i>	<i>\$ 2,183,409</i>	<i>\$ 2,242,894</i>	<i>\$ 2,484,800</i>	<i>\$ 2,506,700</i>	<i>\$ 2,620,300</i>
Joint Recreation	1,287,299	1,305,785	1,352,300	1,353,700	1,363,000
Minnnetonka Recreation	501,774	502,342	528,500	506,000	518,700
Senior Services	310,620	376,804	341,300	342,200	345,900
Community Center	444,309	456,718	545,300	545,500	492,100
<i>Subtotal, Recreation</i>	<i>\$ 2,544,002</i>	<i>\$ 2,641,649</i>	<i>\$ 2,767,400</i>	<i>\$ 2,747,400</i>	<i>\$ 2,719,700</i>
Community Development	1,082,090	1,198,139	1,233,600	1,210,450	1,292,100
Planning	538,363	538,761	537,900	533,400	545,700
Assessing	575,902	612,181	644,300	644,300	659,900
<i>Subtotal, Development</i>	<i>\$ 2,196,355</i>	<i>\$ 2,349,081</i>	<i>\$ 2,415,800</i>	<i>\$ 2,388,150</i>	<i>\$ 2,497,700</i>
Mayor & City Council	205,745	233,503	200,400	200,395	215,300
General Administration	1,153,704	1,131,051	1,318,100	1,345,231	1,308,000
Information Technology	586,337	611,712	695,400	682,500	759,300
Finance	679,227	683,000	723,500	727,000	728,500
<i>Subtotal, General Government</i>	<i>\$ 2,625,013</i>	<i>\$ 2,659,266</i>	<i>\$ 2,937,400</i>	<i>\$ 2,955,126</i>	<i>\$ 3,011,100</i>
Contingency	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
Total Expenditures	\$ 26,100,325	\$ 26,642,900	\$ 28,261,100	\$ 28,198,276	\$ 29,004,600
Surplus of Revenues over Expenditures	1,297,335	2,690,255	-	-	-
Transfer to Capital Replacement Fund	(913,000)	(100,000)	-	-	(475,000)
Transfer to Other Funds	(7,406)	-	(600,000)	(600,000)	-
Beginning Fund Balance	13,251,435	13,628,364	16,218,620	16,218,620	15,618,620
Ending Fund Balance	\$ 13,628,364	\$ 16,218,620	\$ 15,618,623	\$ 15,618,620	\$ 15,143,620
Nonspendable Balances - Inventories	118,515	112,339	170,000	115,000	120,000
Unrestricted Balances					
Committed for Compensated Absences	1,007,356	1,000,000	1,000,000	1,010,000	1,040,000
Assigned for POC Fire Pensions	346,400	329,000	329,000	312,300	312,300
Assigned for Rec Scholarships & Sr. Ctr.	28,287	25,000	25,000	25,000	25,000
Assigned as Budget Stabilization	12,127,806	12,206,829	12,106,832	11,833,877	12,219,638
Unassigned	-	2,545,452	1,987,791	2,322,443	1,426,682
Ending Fund Balance	\$ 13,628,364	\$ 16,218,620	\$ 15,618,623	\$ 15,618,620	\$ 15,143,620
Budget Stabilization Balance Policy Goal	45.5%	42.1%	42.9%	40.8%	40.8%

GENERAL FUND REVENUE

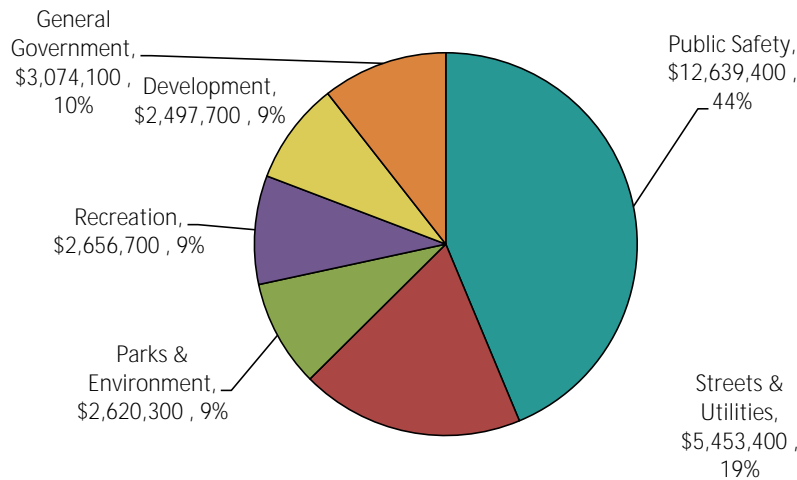
	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
General Property Taxes					
Ad Valorem Tax Levy	\$ 20,704,621	\$ 21,195,092	\$ 20,926,171	\$ 20,926,171	\$ 21,829,822
Abatements & Cancellations	(211,245)	(283,398)	(250,000)	(280,000)	(280,000)
Other, incl. Tax Forfeit Sale Revenue	663	1,200	300,000	300,000	-
Penalties & Interest	19,166	6,602	20,000	20,000	20,000
<i>Subtotal, General Property Taxes</i>	\$ 20,513,205	\$ 20,919,497	\$ 20,996,171	\$ 20,966,171	\$ 21,569,822
Licenses & Permits					
Building Permits	\$ 1,012,853	\$ 1,753,265	\$ 1,175,000	\$ 1,300,000	\$ 1,400,000
Plumbing Permits	128,109	176,817	120,000	120,000	120,000
Electrical Permits	181,723	357,577	225,000	195,000	220,000
Heating Permits	234,575	454,521	315,000	250,000	275,000
On Sale Liquor Licenses	197,923	201,268	200,000	206,500	200,000
Food Handlers Licenses	169,866	184,311	170,000	180,000	170,000
All Other Licenses & Permits	193,718	275,430	150,000	150,000	150,000
<i>Subtotal, Licenses & Permits</i>	\$ 2,118,768	\$ 3,403,189	\$ 2,355,000	\$ 2,401,500	\$ 2,535,000
Intergovernmental Revenue					
Public Safety State Aid	\$ 633,528	\$ 598,960	\$ 597,000	\$ 582,400	\$ 582,400
MSA Maintenance	71,220	71,220	71,200	71,200	71,200
State MVHC Payment	4,948	5,847	-	-	-
Other Grants/Aid	74,994	259,689	50,000	50,000	50,000
<i>Subtotal, Intergovernmental Revenue</i>	\$ 784,690	\$ 935,717	\$ 718,200	\$ 703,600	\$ 703,600
Transfers					
Transfer From Utility Fund	\$ 794,700	\$ 818,600	\$ 830,900	\$ 830,900	\$ 841,700
Transfer From Spec. Assess. Fund	33,500	34,600	35,100	35,100	35,600
Transfer From Ice Arena Fund	27,600	28,500	28,900	28,900	29,300
Transfer From Cable TV Fund	27,600	28,500	28,900	28,900	29,300
Transfer From Development Fund	45,600	55,300	56,100	56,100	56,800
Transfer From Environmental Fund	192,500	198,300	201,300	201,300	203,900
Transfer From Williston Center	27,600	28,500	28,900	28,900	29,300
Transfer From Gray's Bay Marina	28,700	19,600	10,200	10,200	10,300
Transfer From Storm Water Fund	133,500	128,800	130,700	130,700	132,400
<i>Subtotal, Transfers</i>	\$ 1,311,300	\$ 1,340,700	\$ 1,351,000	\$ 1,351,000	\$ 1,368,600
User Fees & Charges					
Recreation Receipts	1,069,472	1,127,592	1,245,000	1,245,000	1,270,000
Community Center Rental	83,631	77,171	95,000	80,000	90,000
School Liaison Reimbursement	334,890	306,640	309,900	309,900	313,000
Tower Antenna Rental	227,570	250,319	302,900	302,900	327,000
<i>Subtotal, User Fees & Charges</i>	\$ 1,715,563	\$ 1,761,723	\$ 1,952,800	\$ 1,937,800	\$ 2,000,000
Other Income					
Court Fines	\$ 556,190	\$ 586,092	\$ 580,000	\$ 520,000	\$ 550,000
Investment Income	289,327	246,754	140,000	140,000	120,000
Miscellaneous Income	170,956	188,946	167,929	178,205	157,578
Change in Value of Investments	(62,338)	(49,462)	-	-	-
<i>Subtotal, Other Income</i>	\$ 954,135	\$ 972,330	\$ 887,929	\$ 838,205	\$ 827,578
TOTAL REVENUES	\$ 27,397,660	\$ 29,333,155	\$ 28,261,100	\$ 28,198,276	\$ 29,004,600

2013 General Fund OPERATING REVENUES & EXPENDITURES

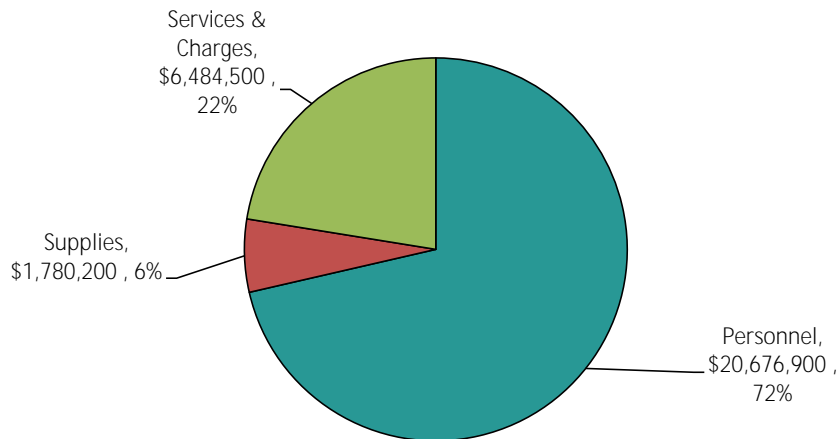
Revenues



Expenditures by Program



Expenditures by Category



TAX LEVIES

Tax Base	2011	2012	2013	
Real Estate	\$ 97,471,968	\$ 93,938,124	\$ 92,426,190	Estimate
Personal Property	644,196	669,280	767,166	Estimate
Fiscal Disparities Contribution	(13,809,178)	(13,658,073)	(13,238,280)	Estimate
Fiscal Disparities Distribution	4,696,084	4,155,034	3,613,241	Estimate
Tax Increment	(1,691,878)	(1,657,412)	(1,837,985)	Estimate
Total Tax Capacity	\$ 87,311,192	\$ 83,446,953	\$ 81,730,332	Estimate
Taxable Market Value	\$ 7,835,954,300	\$ 7,687,703,900	\$ 7,528,597,717	Estimate

City Tax Levy

General Fund	\$ 21,021,611	\$ 20,926,171	\$ 21,829,822
Street Improvement Fund	5,400,000	5,600,000	5,800,000
Capital Replacement Fund	1,307,100	1,635,000	810,000
Park & Trail Improvement Fund	158,500	440,000	560,000
Technology Development Fund	375,000	390,000	405,000
Public Safety Fund	350,000	425,000	550,000
State MVC Program Levy	524,536	-	-
Tax Capacity Tax Levy	\$ 29,136,747	\$ 29,416,171	\$ 29,954,822
Market Value Tax Levy (Park Bonds)	1,129,153	1,134,228	1,063,978
Total Tax Levy	\$ 30,265,900	\$ 30,550,399	\$ 31,018,800

City Tax Rate

General Fund	24.077	25.077	26.710	Estimate
Street Improvement Fund	6.185	6.711	7.097	Estimate
Capital Replacement Fund	1.497	1.959	0.991	Estimate
Park Dedication Fund	0.182	0.527	0.685	Estimate
Technology Development Fund	0.429	0.467	0.496	Estimate
Public Safety Fund	0.401	0.509	0.673	Estimate
Total City Tax Capacity Tax Rate	33.371	35.251	36.651	Estimate
Total Market Value Tax Rate	0.000144	0.000148	0.000141	Estimate

HRA Tax Levy

HRA Tax Levy	\$ 175,000	\$ 175,000	\$ 175,000	
HRA Tax Capacity Tax Rate	0.200	0.210	0.214	Estimate
HRA Tax Levy % of Market Value	0.002233%	0.002276%	0.002324%	

POLICE DEPARTMENT

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$7,238,771	\$6,661,813	\$6,879,500	\$6,879,500	\$6,986,300
Supplies	378,846	408,235	453,100	453,100	469,700
Other Services & Charges	792,356	770,455	888,800	888,800	986,000
Capital Outlay	-	-	30,000	30,000	15,000
Totals	\$ 8,409,973	\$ 7,840,503	\$ 8,251,400	\$ 8,251,400	\$ 8,457,000

Method of Financing

General Fund	\$ 8,272,560	\$ 7,786,637	\$ 8,221,400	\$ 8,221,400	\$ 8,442,000
Drug and DWI Forfeiture Funds	137,413	53,866	30,000	30,000	15,000
Totals	\$ 8,409,973	\$ 7,840,503	\$ 8,251,400	\$ 8,251,400	\$ 8,457,000

Number of Employees (FTEs)* 75.35 66.35 65.95 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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimate	2013 Projected
Community survey satisfaction	98%	98%	98%	98%
Calls for service	45,960	45,198	43,300	43,500
Criminal offenses - Part I & II	2,421	2,416	2,300	2,300
Citations (Criminal/Juvenile)	359	307	290	285
Emergency calls (medicals)	2,515	2,651	2,700	2,750
Traffic Response	21,445	19,864	18,300	19,500

Budget Comments/Issues:

The 2013 Police Department budget maintains current level of services and provides additional funding to obtain membership in the South Metro Training Facility for use of its firing range, classrooms and training rooms.

- Recent fires at other indoor metro gun ranges have required the city to seek an alternative to its own shooting facility to meet training requirements of officers. The city's firing range is of the same construction as the other destroyed ranges, and the most cost effective alternative at this time is to include funding (\$33,000) in the 2013 budget for an annual membership in the South Metro Training Facility in Edina.

- Staff forecasts calls for police service in 2013 will remain fairly consistent with 2012. Juvenile citations have decreased annually dating back to 2010.

- The department will continue to prioritize traffic education/enforcement with a focus on speed, seatbelt, red light violations, distracted driving and DWI in 2013. Staff will identify a specific traffic concern on a monthly basis for directed patrol.

- Expenditures from DWI and drug forfeiture funds include: Special DWI enforcement personnel costs, tactical vests for SWAT team members and equipment for new Ford patrol vehicles.

- LOGIS and Motorola have mutually agreed to terminate the agreement to purchase the Premier One data system. A new request for proposal will be published in November 2012.

- The Minnetonka, Plymouth and Maple Grove police departments grant partnership has been expanded to include the City of Wayzata in its efforts to garner traffic enforcement grants. The addition will increase funding opportunities and enhance productivity and visibility.

POLICE DISPATCH DIVISION - Police Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ -	\$ 747,787	\$ 755,700	\$ 755,700	\$ 765,200
Supplies	-	83	7,000	7,000	7,000
Other Services & Charges	-	849	14,800	14,800	19,000
Totals	\$ -	\$ 748,719	\$ 777,500	\$ 777,500	\$ 791,200

Method of Financing

General Fund	\$ -	\$ 748,719	\$ 777,500	\$ 777,500	\$ 791,200
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Number of Employees (FTEs) * 9.00 9.00 9.00 9.00

* FTEs included within total PD budget prior to 2011. No change in numbers over the period.

Description of Services:

The City of Minnetonka's Public Safety Answering Point (PSAP) provides a vital communication link between the community and their public safety first responders.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Non-Emergency Phone Calls	na	39,541	39,500	38,900
9-1-1 Phone Calls	21,317	21,435	21,400	21,200
9-1-1 calls answered within 10 seconds	na	97%	97%	97%
Resident dispatch customers satisfied with PSAP services	na	92%	96%	95%

Budget Comments/Issues:

The 2013 Dispatch Division budget maintains current level of services.

- Staff will continue to work with St. Louis Park in 2013 to ensure that all the necessary technologies are in place to ensure a seamless transition should dispatch services be interrupted and transferred to either back-up site.
- All Hennepin County independent PSAP's along with LOGIS have hired a consultant to design and implement an additional level of 800 MHz radio redundancy by using common fiber connecting to the Hennepin County Sheriff's office.
- Additional funding to support operating and capital of the division is provided through state funded 9-1-1 surcharges to cell phone and wire line users. These costs are budgeted in the Grants Special Revenue Fund and are used to finance 9-1-1 related costs, including dispatching equipment, training and costs not supported by other city funds. Miscellaneous PSAP expenses not included in the general fund are paid for by this fund.
- Additional flex part-time public safety dispatchers are being considered to aid in overtime cost reduction. Funding will come from the existing operating budget.

FIRE DEPARTMENT

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 1,148,875	\$ 1,215,014	\$ 1,368,600	\$ 1,368,600	\$ 1,379,600
Supplies	168,016	194,569	187,200	202,300	212,800
Other Services & Charges	963,314	717,147	603,300	617,900	678,400
Capital Outlay	-	-	-	-	-
Totals	\$ 2,280,205	\$ 2,126,730	\$ 2,159,100	\$ 2,188,800	\$ 2,270,800

Method of Financing

General Fund	\$ 2,280,205	\$ 2,126,730	\$ 2,159,100	\$ 2,188,800	\$ 2,270,800
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Number of Employees (FTEs)	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. The fire department has an authorized strength of 80 paid-on-call firefighters.

Key Measures:	2010 Actual	2011 Actual	2012 Estimate	2013 Projected
Average response time to structure fires (minutes)	6.29	6.35	6.30	6.30
Paid-on-call firefighters	71	71	78	75
Total fire calls, excluding medicals	690	664	670	670
False alarms	184	228	230	220
Medical calls	855	832	850	860
Firefighter calls outs	413	436	440	445
Non-duty crew training hours	7,313	7,470	9,576	9,400

Budget Comments/Issues:

The revised 2012 and 2013 budgets incorporate increases in hours for the "What If?" program, which is receiving unanticipated success. Demands from businesses and residents continue to exceed expectations.

- Work continues on a project begun in 2010 to develop a more sustainable, stable and equitable pension program for the city's paid-on-call firefighters. Cost of the work with consultants is reflected above each year under Other Services & Charges and is financed with funding assigned in the city's general fund balances for these purposes. Final recommendations will likely have long term financial consequences. Variations in the Other Services costs also reflect changes in the city's required contribution to the firefighters' pension fund related to the changing investment value of the fund and the recession.
- The 2012 and 2013 personnel budgets for the Fire Department include a total \$1 per hour increase in payment to the deferred compensation program for paid-on-call firefighters. The first half of the increase was effective June 2012 and the second half will be effective January 2013.
- The 2012 revised budget also reflects an \$18,000 increase in Other Services to fund unscheduled emergency repairs to Ladder 2.
- Under Key Measures, an increase in non-duty crew training hours in 2012 reflects the additional training needed to meet new OSHA, medical and ladder requirements.
- Staff anticipates the number of firefighter call outs will adjust up as new call protocols and enhanced box alarms are developed. Actual timing for the changes will depend on joint staff analysis and recommendations.

PUBLIC SAFETY FUND- Fire Department/Police Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Ad Valorem Tax Levy	\$ -	\$ 350,000	\$ 425,000	\$ 425,000	\$ 550,000
TIF-related Levy Proceeds	-	-	-	-	100,000
Transfer in	-	-	100,000	100,000	-
Investment Income, Other	-	609	200	-	-
Totals	\$ -	\$ 350,609	\$ 525,200	\$ 525,000	\$ 650,000
Expenditures by Category					
Pumper Truck Replacement	\$ -	\$ -	\$ -	\$ -	\$ 380,000
Ladder Truck Program	-	1,439	900,000	898,600	-
Fire Station Improvements	-	-	-	-	50,000
Fire JPA SCBA Program	-	-	-	-	-
Totals	\$ -	\$ 1,439	\$ 900,000	\$ 898,600	\$ 430,000
Surplus (Deficiency) of Revenues over (under) Expenditures	-	349,170	(374,800)	(373,600)	220,000
<i>Beginning Fund Balance</i>	-	-	349,170	349,170	(24,430)
<i>Ending Fund Balance</i>	\$ -	\$ 349,170	\$ (25,630)	\$ (24,430)	\$ 195,570

Description of Services:

The Public Safety Fund, originally coined the Fire Apparatus Fund, was created in 2011 to finance the recurring, essential replacement of costly fire and other public safety capital items on a timely basis. While regular vehicles such as patrol cars are funded through the Capital Replacement Fund, 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 purchases to be supported by this fund include public safety technology items like specialized radios and fire fighting, self-contained breathing apparatus (SCBA) as well as improvements to the city's five fire stations.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Average age of pumper trucks	12	13	14	11
Average age of ladder trucks	26	27	14	15

Budget Comments/Issues:

2013 levy revenue to the Public Safety Fund includes an additional \$100,000 above the adopted capital levy. This temporary funding stream is associated with returned tax increment proceeds from one of the city's Tax Increment Finance (TIF) districts, and the annual amount is scheduled to continue through the life of the district, which ends 2021.

- In 2013, the fund will support the purchase of one fire pumper truck and the installation of the exhaust removal system for Fire Station #5. Additional pumper trucks are scheduled to be replaced in 2014, 2016 and 2017.
- The adopted 2012-16 Capital Improvements Program (CIP) directed the purchase of one ladder truck in 2012. It replaced a ladder truck that was 34 years old, for which maintenance had become expensive due amongst other things to the difficulty in finding parts.
- The number of fire apparatus owned and maintained by the city is evaluated annually as partnerships with the neighboring communities develop and expand.

LEGAL DEPARTMENT

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 644,250	\$ 668,941	\$ 694,700	\$ 694,700	\$ 711,200
Supplies	4,652	4,722	6,500	7,800	7,000
Other Services & Charges	48,394	43,180	75,100	53,100	76,900
Capital Outlay	-	-	-	-	-
Totals	\$ 697,296	\$ 716,843	\$ 776,300	\$ 755,600	\$ 795,100

Method of Financing					
General Fund	\$ 697,296	\$ 716,143	\$ 776,300	\$ 755,600	\$ 795,100
Drug and DWI Forfeiture Funds	-	700	-	-	-
Totals	\$ 697,296	\$ 716,843	\$ 776,300	\$ 755,600	\$ 795,100

Number of Employees (FTEs)	2010	2011	2012	2012	2013
	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.

Key Measures:	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimated</u>	<u>2013 Projected</u>
Minnetonka cases in court				
All cases	1,415	1,387	1,450	1,400
DWI cases	286	265	275	275
Cases opened and processed by staff:	828	883	850	850
Customers rating staff at "above average" or "excellent"	92%	95%	87%	87%
Charter Commission rating staff at "above average" or "excellent"	100%	100%	90%	90%

Budget Comments/Issues:

The 2013 budget for the Legal Department provides funding for current level services, but incorporates additional expenses for the transition to a new city attorney upon the incumbent's retirement.

ENGINEERING DEPARTMENT

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 977,574	\$ 950,932	\$ 1,013,900	\$ 1,013,900	\$ 1,026,800
Supplies	19,300	17,630	24,200	24,200	24,400
Other Services & Charges	91,308	55,236	105,400	104,500	106,700
Capital Outlay	-	-	-	-	-
Totals	\$ 1,088,182	\$ 1,023,798	\$ 1,143,500	\$ 1,142,600	\$ 1,157,900

Method of Financing

General Fund	\$ 1,088,182	\$ 1,023,798	\$ 1,143,500	\$ 1,142,600	\$ 1,157,900
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Number of Employees (FTEs)	10.00	9.75	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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Neighborhood meetings held	9	7	10	9
Project newsletters sent out	1,987	3,450	3,000	3,000
Property acquisitions for construction projects	16	14	20	30
Construction projects underway	11	11	10	10
Construction projects completed	5	12	11	10
Customer service surveys sent out	167	197	200	190
Customers satisfied with project (rated as "average" or greater)	83%	81%	82%	82%
Road bridge inspections	32	0	32	0
Trail bridge inspections	NA	12	0	12

Budget Comments/Issues:

The 2013 budget for the Engineering Department provides funding for current level services.

- In 2013, the department will begin the third cycle of a four-year program to survey sections of the city for speed 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 in 2010 were based on requests from the Police Department and concerned residents.

- 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 2011 due to the engineering department taking the lead in resident notification in all overlay areas

STREET IMPROVEMENT FUND - Engineering Department

	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Revenues					
Ad Valorem Tax Levy	\$ 5,200,000	\$ 5,400,000	\$ 5,600,000	\$ 5,600,000	\$ 5,800,000
Investment Income	(16,030)	(8,931)	25,000	15,000	7,500
Cost-Share Reimbursements	-	683,644	-	-	-
R.O.W. Permit Fees	-	6,342	2,500	3,500	500
Transfers In	135,000	-	-	-	-
Totals	\$ 5,318,970	\$ 6,081,055	\$ 5,627,500	\$ 5,618,500	\$ 5,808,000
Expenditures					
Local Street Rehabilitation	\$ 1,719,788	\$ 2,347,005	\$ 3,500,000	\$ 3,500,000	\$ 2,650,000
Thin Overlay Program	1,024,214	1,262,130	-	-	-
Local Street Maintenance	162,980	305,271	-	-	-
Local Street Preservation	-	-	1,220,000	1,220,000	1,375,000
Woodland Road Retaining Wall Sparrow Road	605,054	205,083	-	-	-
Pavement Management Study	25,214	20,410	39,000	39,000	39,000
Totals	\$ 3,537,250	\$ 4,139,899	\$ 4,759,000	\$ 4,759,000	\$ 7,364,000
Surplus (Deficiency) of Revenues over (under) Expenditures	1,781,720	1,941,156	868,500	859,500	(1,556,000)
Reserve for Delayed Projects	-	-	-	200,000	-
Beginning Fund Balance	(1,642,623)	139,097	2,080,254	2,080,254	2,739,754
Ending Fund Balance	\$ 139,097	\$ 2,080,254	\$ 2,948,754	\$ 2,739,754	\$ 1,183,754

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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimate	2013 Projected
Miles of streets rehabilitated	3.9	4.6	3.5	4.5
Miles of streets thin overlay	12.2	10.3	11.5	11.0
Miles of streets rated for condition	60	80	70	70
Average pavement condition index	83	81	82	82

Budget Comments/Issues:

The 2013 budget for the Street Improvement Fund as provided in the Capital Improvement Program (CIP) will continue the city's road rehabilitation and preservation programs.

- 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 includes 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 CR 101 right of way acquisition costs, non-state aid eligible.
- 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. The lease on the city-owned property expires in 2013, and its final disposition has not been determined. If it is sold, any proceeds would be returned to the Street Improvement Fund to refund the city for the costs of the retaining wall project.
- 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 city's goal is to have the pavement condition index above 75 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 helps 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

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
State Allotment	\$ 1,768,663	\$ 1,768,663	\$ 1,768,680	\$ 1,862,000	\$ 1,862,000
Interest	(550)	(3,701)	-	-	-
State Grant	-	-	-	-	1,600,000
Hennepin County Reimbursement	-	-	290,000	290,000	-
Totals	\$ 1,768,113	\$ 1,764,962	\$ 2,058,680	\$ 2,152,000	\$ 3,462,000
Expenditures					
Bond Debt Service	\$ 303,408	\$ 236,701	\$ 186,256	\$ 187,056	\$ 187,919
Projects:					
Williston Rd (CSAH 5 to 300' S)	-	-	-	227,700	-
Shady Oak Rd (Bren To Excelsior)	268,765	-	-	-	-
Mtka Blvd/CR 73 intersection	-	13,699	-	-	-
Shady Oak Trail - North of TH 62	-	-	-	-	290,000
I-394 W On-Ramp Ridgedale Drive	-	-	-	200,000	3,800,000
Totals	\$ 572,173	\$ 250,400	\$ 186,256	\$ 614,756	\$ 4,277,919
Surplus (Deficiency) of Revenues over (under) Expenditures	1,195,940	1,514,562	1,872,424	1,537,244	(815,919)
Reserve for Delayed Projects	-	-	-	871,491	
Beginning Available Allotment Balance	(583,954)	611,986	2,126,548	2,126,548	3,663,792
Remaining Available Allotment	\$ 611,986	\$ 2,126,548	\$ 3,998,972	\$ 3,663,792	\$ 2,847,873

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.

Key Measures:

	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
Construction projects underway	0	1	2	0
Construction projects completed	0	0	2	2

Budget Comments/Issues:

The 2013 budget for MSA funding includes costs for the I-394 westbound on-ramp at Ridgedale Drive, as adopted in the 2013-17 Capital Improvements Program (CIP). Expenditures identified above in 2012 and 2013 reflect more accurate estimates of actual timing and the addition of \$1.6 million in state grant funding. Adoption of this budget amends the current CIP and also includes \$290,000 in funding for the Shady Oak Road trail north of Hwy 62.

- The I-394 westbound on-ramp at Ridgedale Drive is in the adopted 2013-17 CIP at a total project cost of \$8.1 million starting in 2013. After the CIP was approved by the city council, staff obtained a \$1.6 million dollar state grant for the project. The remaining funds necessary for the project would primarily come from the city's state aid construction allotments.
- Another major road reconstruction project scheduled to be financed with MSA funds is County Road 101 between CR 5 (Minnetonka Blvd.) and CR12 (Wayzata). The 2013-17 Capital Improvements Program includes a total of \$600,000 for the project starting in 2014. Another \$4.3 million is scheduled in 2014 to 2016 for additional projects on other segments of County Road 101 and Shady Oak Road.
- Reserve for Delayed Projects includes: CR 101 (Hwy 7 to CR 5), Shady Oak Road (Bren to Excelsior), Shady Oak Road (62 to Bren), final costs for Shady Oak landscaping.
- In 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 are being paid from later allocations.

STORM WATER FUND - Engineering Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Storm Water Utility Charges	\$ 2,021,466	\$ 2,157,297	\$ 2,148,700	\$ 2,159,700	\$ 2,227,000
Investment Income	2,020	13,962	-	-	-
Misc. Revenue	2,830	4,876	18,000	14,000	14,000
Totals	\$ 2,026,316	\$ 2,176,135	\$ 2,166,700	\$ 2,173,700	\$ 2,241,000
Expenditures by Category					
Personnel	\$ 77,236	\$ 72,757	\$ 77,000	\$ 77,000	\$ 77,500
Supplies	113,164	108,915	101,100	164,100	149,300
Other Services & Charges	118,728	119,975	139,400	127,500	160,900
Capital Outlay	1,084,210	880,536	955,000	1,005,000	2,065,000
Transfers to Other Funds	152,200	153,100	155,000	155,000	159,000
Totals	\$ 1,545,538	\$ 1,335,283	\$ 1,427,500	\$ 1,528,600	\$ 2,611,700
Surplus (Deficiency) of Revenues over Expenditures	\$ 480,778	\$ 840,852	\$ 739,200	\$ 645,100	\$ (370,700)
Number of Employees (FTEs)	0.5	0.5	0.5	0.5	0.5

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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Water quality samples taken	9	8	8	8
Storm sewer projects completed	7	4	5	7
Sump catch basins inspected	107	297	280	300
Storm sewer outfalls inspected	0	30	130	140
Drainage ponds inspected	85	74	40	40
Drainage ponds restored	2	2	4	4
Misc. drainage projects completed	35	23	20	25

Budget Comments/Issues:

The 2013 budget for the Storm Water Fund reflects funding for a baseline capital projects workload specifically including the James Road pond outlet (\$650,000), Junction Road storm sewer lining (\$150,000), and the Bradford Road storm sewer (\$100,000). Adoption of this budget will amend the CIP to include the latter two projects, which were not originally programmed.

- The 2013 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, a 6.25 percent rate increase in 2011, and no increase in 2012.

- 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 to 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 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

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Electric Franchise Fees	\$ 796,498	\$ 802,751	\$ 802,000	\$ 802,000	\$ 802,000
County Cost-Share Agreements	413,413	-	-	-	-
Investment Income	3,826	24,954	35,000	35,000	30,000
Totals	\$ 1,213,737	\$ 827,705	\$ 837,000	\$ 837,000	\$ 832,000
Expenditures by Category					
Overhead Utility Burial	\$ -	\$ -	\$ -	\$ 140,000	\$ 1,200,000
Misc. Street Light Installation	-	3,920	10,000	10,000	10,000
Totals	\$ -	\$ 3,920	\$ 10,000	\$ 150,000	\$ 1,210,000
Surplus/(Deficiency) of Revenues over/(under) Expenditure	1,213,737	823,785	827,000	687,000	(378,000)
Reserve for Delayed Projects	-	-	-	140,000	-
<i>Beginning Fund Balance</i>	<i>(289,538)</i>	<i>924,199</i>	<i>\$ 1,747,984</i>	<i>\$ 1,747,984</i>	<i>\$ 2,294,984</i>
Ending Fund Balance	\$ 924,199	\$ 1,747,984	\$ 2,574,984	\$ 2,294,984	\$ 1,916,984

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. Generally, 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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimate	2013 Projected
Miles of utility line buried	0.0	0.0	1.0	1.5

Budget Comments/Issues:

As approved with the adopted 2013-17 Capital Improvement Program (CIP), the 2013 budget for the Electric Franchise Fee Fund finances the burial of overhead utility lines along Sparrow Road from Ridgewood Road to Old Excelsior Boulevard.

- In 2012, the city plans to bury the overhead lines along Minnetonka Boulevard (CR 5) just east of TH 169 as a part of the Minnetonka Boulevard/TH169 trail and road improvement project. The city council amended the CIP to reflect this cost.
- Reserve for delayed projects is for lighting improvements with the Baker Road trail project and Plymouth Road near the Burwell House. The amount is an estimate, and actual costs for these projects will be known as plans are finalized.
- As scheduled in the latest CIP, the next large burial project will likely occur in 2014 as a part of the upgrading of Shady Oak Road from Excelsior Boulevard to TH 7. The schedules for two CR101 projects have been delayed several times resulting in the delay of burial projects along these corridors.
- 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 through 2012, and none are proposed for 2013.

169/BREN ROAD INTERCHANGE FUND - Engineering Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Trip Generation Fees	\$ -	\$ 3,700,000	\$ -	\$ -	\$ -
State Grants	-	7,548,200	1,432,900	1,000,000	-
Public Facilities Auth (PFA) Loan	-	-	2,200,000	-	-
UHG Development Agreement	-	1,300,000	-	-	-
SACF, Transfer In	-	-	-	2,493,953	-
Interest on Investments	-	(38,794)	40,000	3,000	-
Totals	\$ -	\$ 12,509,406	\$ 3,672,900	\$ 3,496,953	\$ -
Expenditures by Category					
169/Bren Interchange Project	\$ 667,290	\$ 12,239,069	\$ -	\$ 3,100,000	\$ -
PFA Debt Service	-	-	85,000	-	-
Internal Loan Repayment	-	-	-	-	-
UHG Revenue Share	-	-	-	-	-
Totals	\$ 667,290	\$ 12,239,069	\$ 85,000	\$ 3,100,000	\$ -
Surplus (Deficiency) of Revenues over Expenditures	(667,290)	270,337	3,587,900	396,953	-
<i>Beginning Fund Balance</i>	-	(667,290)	(396,953)	(396,953)	-
Ending Fund Balance	\$ (667,290)	\$ (396,953)	\$ 3,190,947	\$ -	\$ -

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.

Key Measures:*	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Jobs developed within city	NA	NA	1,750	50
Commercial permit revenue	NA	\$731,742	\$0	\$0
Increase in taxable market value	NA	\$0	\$20 million	\$20 million

* 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 1,750 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.

- The city obtained a low interest loan from the Public Finance Authority (PFA) in 2010 for a portion of the costs of the 169/Bren Road project. Debt service on the bond/loan would not be due until funds are drawn on the loan, and because these are the last of the funding sources to be used for the project, none has been drawn to date. The delay has now enabled staff to reevaluate borrowing the funds from outside the city, because interest rate changes since the recession do not make the financing as advantageous. Recommendations will be presented to council prior to the end of 2012. Figures above assume the city will borrow the funding internally from the Special Assessment Construction Fund. Total borrowed will depend upon final total project costs.

STREET MAINTENANCE DIVISION - Public Works Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 1,692,120	\$ 1,666,533	\$ 1,760,200	\$ 1,765,400	\$ 1,822,100
Supplies	397,958	450,295	452,700	452,700	479,600
Other Services & Charges	919,266	929,869	928,000	938,000	943,500
Capital Outlay	-	-	-	-	-
Totals	\$ 3,009,344	\$ 3,046,697	\$ 3,140,900	\$ 3,156,100	\$ 3,245,200

Method of Financing

General Fund	\$ 3,009,344	\$ 3,046,697	\$ 3,140,900	\$ 3,156,100	\$ 3,245,200
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Number of Employees (FTEs)	22.5	21.0	21.0	21.2	21.2
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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. The number and type of weather events have a large effect on the amount of de-icing salt that is used.

Key Measures:	2010 Actual	2011 Actual	2012 Estimate	2013 Projected
• Full-scale plowing events required	15	8	6	10
• Tons of salt used	2,500	1,049	1,000	2,000
• Tons of bituminous mix laid	19,981	11,795	10,000	10,000
• Signs installed	608	700	1,000	1,500
• Miles of city streets renovated in-house	0.0	7.6	7.5	6.6
• Neighborhood renovation areas	0	16	9	6

Budget Comments/Issues:

The 2013 budget for the Street Maintenance Division provides for current level of services while keeping pace with improved technologies and federal requirements.

- This division is responsible for completing the second year of the neighborhood street preservation program. This program uses a variety of pavement maintenance techniques to preserve streets post construction/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 2013 to assure compliance with National Pollution Discharge Elimination System (NPDES) permit requirements. Projects are coordinated through the Water Resources Engineer in the Engineering Department and managed by both departments using a computerized work management system, Cityworks.

- In 2013, salt brine used for road snow and ice control will be manufactured 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 helps watersheds that are in non-compliance with chloride-ion Total Maximum Daily Loadings. Hennepin County and other neighboring cities will purchase salt brine from Minnetonka for their snow and ice control operations.

- The operating budget for the division is highly impacted by energy pricing related to the cost of street lighting, supplies and the cost of repair parts.

- In 2012, a sign assessment and management methodology to meet federal regulations for sign retro reflectivity was completed. In 2013, the division will begin the multi-year task of upgrading the signs that are deficient. All regulatory, warning and ground mounted guide signs originally needed to be compliant with federal rules by 2015 and all overhead guide signs and street signs by 2018. Although those deadlines have been recently repealed, replacement of deficient signage will continue.

- Prior to the start of the 2012-2013 snow season, all plow trucks will be outfitted with active automated vehicle location (AVL) devices. This will provide information that will maximize the efficiency of the plowing operation. The cost of the related AVL data transmission will increase this budget by \$18,000 in 2013.

BUILDING MAINTENANCE DIVISION - Public Works Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 474,614	\$ 540,150	\$ 572,900	\$ 566,400	\$ 573,500
Supplies	87,360	103,480	87,350	91,700	104,800
Other Services & Charges	314,316	337,178	376,050	350,050	372,000
Capital Outlay	-	-	-	-	-
Totals	\$ 876,290	\$ 980,808	\$ 1,036,300	\$ 1,008,150	\$ 1,050,300

Method of Financing

General Fund	\$ 876,290	\$ 980,808	\$ 1,036,300	\$ 1,008,150	\$ 1,050,300
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Number of Employees (FTEs)	7.0	7.3	8.6	8.2	8.2
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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 14 community buildings and sub-systems such as heating, ventilation, air conditioning, electrical, plumbing and mechanical. The division supports, but does not include the city's Enterprise Fund Facilities.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Work orders completed	1,587	1,091	1,769	2,000
Heat energy - cost	\$77,972	\$85,029	\$90,000	\$100,000
Heat energy used (THM)	95,709	103,148	98,000	105,000
Electrical energy - cost	\$131,838	\$134,595	\$130,000	\$140,000
Electrical energy used (kWh)	1,285,617	1,531,272	1,600,000	1,600,000

Budget Comments/Issues:

The 2013 budget for the Building Maintenance Division maintains the current level of services and attempts to minimize the budgetary effects of increased energy costs.

- Fluctuating energy expenses continues to be a concern for 2013. 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. Seasonal weather pattern changes result in annual cost fluctuations.
- In 2012, the Buildings Division completed the 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. 2013 will reflect the first full year of energy savings from the project areas.
- In 2013, the Buildings Division will track component repairs and maintenance parts using the computerized work management system, Cityworks. Work orders will continue to be tracked using the city-wide Help Desk system, which now has enhanced tracking ability.
- The 2011/2012 increase in personnel reflects a transfer of one full-time equivalent (FTE) from the Community Center. Total net FTEs for the city remained unchanged. As expected this reorganization of staff has created a capacity to complete additional work orders.

FLEET MAINTENANCE FUND - Public Works Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Charges for Services	\$ 1,455,375	\$ 1,525,986	\$ 1,642,040	\$ 1,626,500	\$ 1,676,800
Investment Income	1,355	1,795	1,000	1,200	1,000
Miscellaneous	-	2,162	-	-	-
Fuel	-	48,586	-	-	-
Transfers In	-	-	-	-	-
Totals	1,456,730	1,578,529	1,643,040	1,627,700	1,677,800
Expenditures by Category					
Personnel	\$ 416,042	\$ 401,696	\$ 425,290	\$ 418,800	\$ 435,100
Supplies	754,801	793,405	885,400	889,100	908,100
Other Services & Charges	338,749	312,261	331,050	329,000	333,600
Capital Outlay	-	-	-	-	-
Totals	\$ 1,509,592	\$ 1,507,362	\$ 1,641,740	\$ 1,636,900	\$ 1,676,800
Surplus (Deficiency) of Revenues over Expenditures	(52,862)	71,167	1,300	(9,200)	1,000
<i>Beginning Fund Balance</i>	<i>146,796</i>	<i>93,934</i>	<i>165,101</i>	<i>165,101</i>	<i>155,901</i>
Ending Fund Balance	\$ 93,934	\$ 165,101	\$ 166,401	\$ 155,901	\$ 156,901
Number of Employees (FTEs)	4.53	4.58	4.58	4.51	4.51

Description of Services:

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

Key Measures:	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
• Work orders completed	4,021	4,013	4,000	4,000
• Gallons of fuel consumed	154,619	147,129	148,000	151,925
• Cost to purchase gas/diesel fuels	\$389,084	\$452,037	\$500,900	\$532,000
• Average cost per gallon of gas/diesel fuels	\$2.52	\$3.07	\$3.45	\$3.50
• Gallons of oil consumed	775	846	850	850

Budget Comments/Issues:

The 2013 budget for the Fleet Maintenance Fund maintains current service levels, but reflects increased costs for fuel, repair parts and outside repairs.

- The fleet budget incorporates costs for the general maintenance and repair of the city's firefighting apparatus. Specialized repairs and testing are completed by certified outside vendors.
- 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 continues to take a number of actions including: extending oil change intervals by utilizing scheduled oil sampling and testing; purchasing diesel fuel that contains 10% vegetable oil (B-10) and gasoline that contains 10% percent ethanol and regularly analyzing the feasibility of emerging technologies.
- Motor fuels will be purchased through the State's Cooperative Purchasing Venture. This program establishes a stable purchase price of fuels for 2013 budgeting by combining the motor fuel needs of a large number of governmental entities.
- "Charges for Services" to departments are based upon a "break even" proforma while maintaining a small fund balance sufficient to accommodate cash flow requirements of the fund.
- In 2013 automated vehicle locators (AVL's) will begin to be installed in a variety of work vehicles starting with snowplow vehicles. These devices provide operational information that will improve efficiency.
- The 1980's fleet management software that tracks parts, labor and fuel will need to be replaced in 2013. It is anticipated that a module for the Cityworks work management program can be added for fleet maintenance needs. If that is not possible, a new maintenance tracking program will need to be purchased.

GRANTS SPECIAL REVENUE FUND - Finance Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Federal Grants	\$ 149,828	\$ 260,313	\$ 97,600	\$ 491,200	\$ 40,000
State Grants	-	-	-	-	-
9-1-1	80,584	74,385	66,000	66,000	67,000
Other Local Grants	-	2,400	-	13,800	-
Investment Income	4,235	789	1,100	800	-
Totals	\$ 234,647	\$ 337,887	\$ 164,700	\$ 571,800	\$ 107,000
Expenditures by Category					
Personnel	\$ 33,336	\$ 37,617	\$ 43,200	\$ 43,200	\$ 40,000
Supplies	-	22,848	-	14,000	-
Other Services & Charges	293,145	16,729	66,000	66,000	40,000
Capital Outlay	98,029	207,407	54,400	453,800	-
Totals	\$ 424,510	\$ 284,601	\$ 163,600	\$ 577,000	\$ 80,000
Surplus (Deficiency) of Revenues over (under) Expenditures	(189,863)	53,286	1,100	(5,200)	27,000
<i>Beginning Fund Balance</i>	<i>252,959</i>	<i>63,096</i>	<i>116,382</i>	<i>116,382</i>	<i>111,182</i>
<i>Ending Fund Balance</i>	\$ 63,096	\$ 116,382	\$ 117,482	\$ 111,182	\$ 138,182

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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Federal grant programs	4	4	6	2
State grant programs, incl. E911	2	1	1	1
Other grant programs*	0	0	3	0

* Only denotes local and other grants within this fund.

Budget Comments/Issues:

In 2012, funds include city acceptance of a federal Safe Routes to School grant of \$376,000 to construct sidewalks to Glen Lake Elementary School under a joint powers agreement with Hopkins School District.

- The Grants Special Revenue Fund also includes federal grants for public safety programs, including Safe & Sober and Operation Night Cap (combined \$43,100 in 2012 and \$40,000 in 2013). Other local grants in 2012 are Hennepin Youth Sports grants (\$13,800), which funded equipment for Minnetonka sports associations. Although not reflected above, an additional \$45,000 from the latter grant pool may be forthcoming in 2013, which will support the installation of lighting at Glen Lake Park Field #3 in cooperation with Girl's Athletic League.

- Monies from 2009 through 2012 included the revenue and expense of a \$530,000 one-time Energy Efficiency and Conservation Block Grant (EECBG) from the U.S. Department of Energy. It was 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.

- The level of funding received by the city from the state's 9-1-1 service fees, which flows through this fund, decreased 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

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Ad Valorem Tax Levy	\$ 1,190,464	\$ 1,307,100	\$ 1,635,000	\$ 1,635,000	\$ 810,000
Transfers In	850,000	100,000	-	-	475,000
Investment Income	18,724	14,345	13,000	13,000	9,000
Auction Proceeds/Rebates	91,222	139,504	45,000	45,000	45,000
Totals	\$ 2,150,410	\$ 1,560,949	\$ 1,693,000	\$ 1,693,000	\$ 1,339,000
Expenditures by Category					
Buildings & Structures	\$ 990,910	\$ 412,803	\$ 575,000	\$ 575,000	\$ 612,000
Recreation Facilities	86,195	80,000	14,500	14,500	24,500
Furniture and Equipment	104,565	96,431	-	-	-
Machinery and Auto	849,079	1,299,997	1,120,300	1,120,300	1,308,400
Transfers Out	250,000	-	-	-	-
Totals	\$ 2,280,749	\$ 1,889,231	\$ 1,709,800	\$ 1,709,800	\$ 1,944,900
Surplus (Deficiency) of Revenues over (under) Expenditures	(130,339)	(328,282)	(16,800)	(16,800)	(605,900)
Reserve for Delayed Projects	0	0	0	883,300	
Beginning Fund Balance	2,099,683	1,969,344	1,641,062	1,641,062	740,962
Ending Fund Balance	\$ 1,969,344	\$ 1,641,062	\$ 1,624,262	\$ 740,962	\$ 135,062

Description of Services:

The Capital Replacement Fund (CRF) 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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
General light-duty vehicles in fleet	104	103	103	103
Marked police vehicles in fleet	19	19	19	19
Heavy equipment and trucks in fleet	62	62	64	64
Deprec. value of buildings & structures (millions \$)	\$15.1	\$14.0	\$14.1	\$13.8
Deprec. value of furniture & equipment (millions \$)	\$5.1	\$3.8	\$5.0	\$4.7

Budget Comments/Issues:

The 2013 budget for the Capital Replacement Fund (CRF) includes a \$475,000 transfer in from the General Fund balance, which was adopted by council under the city's new fund balance policy. The transfer is scheduled as part of the adopted five-year Capital Improvements Program (CIP) with additional transfers scheduled in 2014 through 2016.

- Substantial purchases approved in the 2013 CIP for the fund include: fleet vehicles (\$769,400), large public works equipment replacements (\$539,000), building components including roof and window replacements (\$405,000) and refurbishment of city hall and community center facilities (\$207,000).

- Reserve for Delayed Projects includes \$308,000 for municipal building infrastructure improvements such as roofs and alarm panels, \$258,000 for city hall refurbishment projects adopted in 2007 thru 2011, and \$208,000 for fire station maintenance improvements.

- The 2011 capital budget included a one-time transfer in of \$100,000 into to the CRF from the General Fund associated with a previous one-time spike in permit revenues.

- The 2010 capital budget included a one-time transfer in of \$500,000 into 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 for fire department self-contained breathing apparatus (SCBA).

UTILITY DIVISION / UTILITY FUND - Public Works Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Water Sales & Sewer Revenue	\$ 9,883,129	\$ 10,707,060	\$ 10,972,700	\$ 11,235,800	\$ 11,016,600
Investment Income	181,634	138,581	210,000	180,000	150,000
Hookup Fees	574,786	191,930	75,000	450,000	125,000
Met Council SAC Fees	745,950	54,250	50,000	420,700	50,000
Miscellaneous Income	104,537	125,684	25,000	100,000	100,000
Totals	\$ 11,490,036	\$ 11,217,505	\$ 11,332,700	\$ 12,386,500	\$ 11,441,600
Expenditures by Category					
Personnel	\$ 1,388,500	\$ 1,494,360	\$ 1,505,900	\$ 1,499,100	\$ 1,493,800
Supplies	687,599	707,739	811,200	765,200	777,000
Sewer Service Charge	3,754,782	3,909,277	3,849,756	3,849,756	3,741,700
Other Services & Charges	2,407,441	1,952,691	2,038,300	2,382,500	2,028,700
I & I Reduction Program	229,023	685,221	600,000	912,000	450,000
Capital Outlay	553,154	796,098	1,725,900	1,199,400	1,307,500
Bond Principal & Interest	1,089,193	1,084,143	1,090,070	1,090,070	795,733
Transfers to Other Funds	970,700	1,052,400	1,064,700	1,064,700	1,097,300
Totals	\$ 11,080,392	\$ 11,681,929	\$ 12,685,826	\$ 12,762,726	\$ 11,691,733
Surplus (Deficiency) of Revenues over Expenditures	\$ 409,644	\$ (464,424)	\$ (1,353,126)	\$ (376,226)	\$ (250,133)
Number of Employees (FTEs)	16.14	16.22	16.22	16.54	16.04

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 light and ten civil defense sirens.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
• Water pumped (million gallons)	2,354	2,406	2,500	2,700
• Water main breaks repaired	52	70	75	75
• Utility locate requests completed	6,793	8,363	9,000	9,500
• Sewer cleaning (miles)	88	78	100	100
• Sewer televising (miles)	18	94	67	50
• Fire hydrants inspected	1,298	2,242	4,000	3,124

Budget Comments/Issues:

The 2013 Utility Division budget funds current service levels and scheduled capital improvements. Hydrant inspections which includes the inventorying of private hydrants will be a priority along with the development of a corrosion protection program for underground utility infrastructure. The corrosion protection plan will be a basis for future capital improvement plan projects.

- The 2013 budget provides for ongoing improvements to areas that have been found to be contributing inflow and infiltration. Currently, the city has not exceeded peak flow limits. Infiltration and inflow projects will continue and are scheduled in the five-year capital improvements program. These repairs will be necessary to avoid Metropolitan Council Environmental Services (MCES) flow surcharges.

- In 2012, a program of fire hydrant inspections and maintenance was jointly undertaken by Fire Department and utility staff. This combined effort will continue into 2013 so that all hydrants will be inspected by the end of the year. Contractors and staff will be used to make repairs to those structures that are found to be deficient.

- In 2011, the city council supported a one-year delay to implement recommendations of a utility rate financial analysis. This year it is expected that fee increases and some rate restructuring will be approved for 2013 based on an updated, long-term financial analysis.

- Rising energy prices and MCES waste water treatment costs will continue to increase the cost of operating the sanitary sewer collection system. MCES is predicting a 3% increase in wastewater processing costs.

- Increasing utility locate requests will require the addition of \$35,000 to the 2013 budget for contract locating services to assist the city's full-time locator.

PARKS & TRAILS DIVISION - Public Works Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 816,539	\$ 766,438	\$ 818,200	\$ 844,000	\$ 887,500
Supplies	149,915	141,333	183,100	192,300	196,700
Other Services & Charges	368,568	309,630	419,400	398,800	426,600
Capital Outlay	-	-	-	-	-
Totals	\$ 1,335,022	\$ 1,217,401	\$ 1,420,700	\$ 1,435,100	\$ 1,510,800

Method of Financing

General Fund	\$ 1,335,022	\$ 1,217,401	\$ 1,420,700	\$ 1,435,100	\$ 1,510,800
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Number of Employees (FTEs)	9.01	8.91	8.91	9.21	9.21
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Description of Services:

The Parks and Trails Division of the Public Works Department is responsible for all park and trail planning, development and maintenance including park turf, 11 athletic fields, 16 ice rinks, trails, sidewalks and 26 play structures at the 49 parks. The division involves the community, the Recreation Services Department staff, and the council-appointed Minnetonka Park Board on planning future development of the city's park and trail systems.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Park acreage maintained	1,262	1,266	1,266	1,267
Level 1 - Maintenance Areas (# /acres)*	7/426	7/426	7/426	7/429
Level 2 - Maintenance Areas (# /acres)*	11/208	11/211	11/211	11/208
Levels 3 & 4 - Maintenance Areas (# /acres)*	31/627	31/627	31/630	31/631
Trails and sidewalks maintained (miles)	85	86	87	89

* 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 2013 budget provides for an increasing level of service and funds the upkeep of the increasing inventory of city park amenities and trails with a greater proportion requiring a higher level of maintenance.

- For 2013, park acreage will increase by 0.65 acres with the addition of 12851 Burwell Drive into the park system, and trail mileage has increased two miles with the addition of Oakridge Rd/169, Opportunity Court, Syngenta and Jordan Avenue segments.

- The 2013 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 budget will also include additional seasonal staff and contractors to address increasing responsibilities relating to additional landscaping areas, gateway streetscapes and new trail segments.

- The Parks and Trails Division will continue to evaluate 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 a portion of the costs associated with city maintenance of the facilities. The fiscal impact has allowed an escrow reserve to be established to offset future capital expenses for each individual field used by the associations.

- The division will continue Minnetonka Mills Park improvements during 2012 and 2013. Although these enhancements which are funded with the Community Investment Fund will not increase the total park acreage, it will require additional labor to maintain it at level one in 2013. Similarly, renovation of Lone Lake Park in 2009 increased its required maintenance in 2010.

- Park acreage key measures have been updated to reflect new GIS information and accurate park acreage holdings.

NATURAL RESOURCES DIVISION - Public Works Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 437,350	\$ 502,925	\$ 480,300	\$ 491,000	\$ 507,700
Supplies	4,759	5,115	7,200	8,000	8,100
Other Services & Charges	406,278	517,453	576,600	572,600	593,700
Capital Outlay	-	-	-	-	-
Transfer to Other Funds	-	-	-	-	-
Totals	\$ 848,387	\$ 1,025,493	\$ 1,064,100	\$ 1,071,600	\$ 1,109,500

Method of Financing

General Fund	\$ 848,387	\$ 1,025,493	\$ 1,064,100	\$ 1,071,600	\$ 1,109,500
Environmental Fund	-	-	-	-	-
Storm Water Fund	-	-	-	-	-
Totals	\$ 848,387	\$ 1,025,493	\$ 1,064,100	\$ 1,071,600	\$ 1,109,500

Number of Employees (FTEs)	4.51	4.58	4.58	4.71	4.71
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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).

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Diseased trees removed	1,215	1,422	1,300	1,400
Public trees planted (reforestation/restoration)	22/65	7/451	10/50	10/50
Private trees planted through city's tree sale	1,438	1,445	1,339	1,400
Permits reviewed-inspected for natural resource compliance/on-going inspections	120/350	200/350	120/350	200/350
Natural resource education programs conducted	21	23	27	25
Development projects reviewed	68	55	70	70
Volunteer programs conducted/hours donated	121/1,500	128/2,000	140/2,000	130/2,000
Enforcement actions taken	12	56	40	40
Acres of public land under stewardship	310	310	310	310

Budget Comments/Issues:

While the 2013 budget for the Natural Resources Division provides funding for current level of services, the city will continue to monitor and prepare for the future impacts of the Emerald Ash Borer (EAB) on the community's trees.

- Although, the westerly movement of the EAB from the St. Paul area has been very slow and unpredictable so far, the eventual costs to the city will be significant. In 2012 and 2013, the city will begin to discuss future policy changes and funding mechanisms for the insect's inevitable movement into Minnetonka. Staff will keep the council advised of the EAB's progression.

- Other division programs with significant costs in 2013 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.

- In 2013, a comprehensive street tree trimming program will be implemented in order to keep pace with street reconstructions and renovations.

- The 451 restoration trees planted in 2011 is the result of the plantings done as part of the Lake Rose grant that was received.

ENVIRONMENTAL FUND - Public Works Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Hennepin Recycling Grants	\$ 110,645	\$ 135,771	\$ 135,000	\$ 133,900	\$ 130,000
Recycling Charges	488,043	487,064	490,000	499,000	510,000
Investment Income	19,640	16,712	20,000	20,000	20,000
Contract Rebate	231,626	436,222	250,000	190,000	150,000
Miscellaneous	20,653	-	-	-	-
Totals	\$ 870,607	\$ 1,075,769	\$ 895,000	\$ 842,900	\$ 810,000
Expenditures by Category					
Personnel	\$ 155,845	\$ 175,560	\$ 168,600	\$ 169,100	\$ 177,900
Supplies	18,236	23,256	24,100	24,100	29,100
Collection Contract	604,612	597,939	575,000	545,000	548,600
Yard waste Program	69,958	91,885	103,000	103,000	103,000
Other Services & Charges	26,979	5,448	26,900	26,550	26,550
Transfer To General Fund	192,500	198,300	201,300	201,300	203,900
Totals	\$ 1,068,130	\$ 1,092,388	\$ 1,098,900	\$ 1,069,050	\$ 1,089,050
Surplus (Deficiency) of Revenues over Expenditures	(197,523)	(16,619)	(203,900)	(226,150)	(279,050)
Beginning Fund Balance	1,452,017	1,254,494	1,237,875	1,237,875	1,011,725
Ending Fund Balance	\$ 1,254,494	\$ 1,237,875	\$ 1,033,975	\$ 1,011,725	\$ 732,675

Number of Employees (FTEs)	1.53	1.58	1.58	1.51	1.51
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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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Curbside recycling picked up (tons)	5,145	5,113	5,100	5,100
Leaf recycling dropped off (cubic yards)	3,920	9,590	4,500	6,500
Special drop-off customers	1,965	1,852	1,500	1,500
Customers rating curbside services as "good" or "excellent"	96%	95%	97%	95%

Budget Comments/Issues:

The 2013 budget for the Environmental Fund provides for increased services with curbside recycling provided under a new vendor contract, which continues to include additional types and materials of items to be recycled.

- In 2013, the Allied Waste recycling contract cost will increase to \$2.57 an increase of \$0.05 from 2012. Residential households will still pay \$2.50 per month for recycling curbside service. The contract with Allied began in 2012 and extends to 2018. The program is a carted, single-sort collection service with biweekly pick-up. Carts are furnished by the recycling contractor, and the number of items accepted for recycling has been expanded. The reduced contract price is reflected in 2012 above.

- Rebates paid to the city under the contract are largely dependent upon the changing market for recycled materials. Current trends indicate a reduced return for printed media in 2013, which is a large proportion of the product recycled by Minnetonka city residents. Likewise product packaging has been reduced creating a reduction in the recycling stream.

- Printing of the "Recyclopedia" is not planned for 2013 which is reflected in the drop in Other Services & Charges budget and will be made available on the city's website.

- The city is no longer able to collect electronics at the two special drop off events which reduces customer visits by 500 annually.

PARK & TRAIL IMPROVEMENT FUND - Administrative Services Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Ad Valorem Tax Levy	\$ 260,000	\$ 158,500	\$ 440,000	\$ 440,000	\$ 560,000
Park Dedication Fees	65,050	125,000	400,000	400,000	70,000
Investment Income	14,476	5,859	10,000	-	3,000
Local Grants/Agreements	145,000	253,912	-	-	-
Transfers In	257,406	-	500,000	500,000	-
Miscellaneous Income	20,882	42	8,200	8,200	7,000
Totals	\$ 762,814	\$ 543,313	\$ 1,358,200	\$ 1,348,200	\$ 640,000
Expenditures by Category					
Park Development	\$ 1,020,755	\$ 220,910	\$ 125,000	\$125,000	\$110,000
Trail Development	51,958	45,492	946,000	\$1,146,000	\$581,000
Maintenance-City Housing	25,625	-	15,000	\$15,000	\$15,000
Transfers Out	-	-	-	-	-
Totals	\$ 1,098,338	\$ 266,402	\$ 1,086,000	\$ 1,286,000	\$ 706,000
Surplus (Deficiency) of Revenues over (under) Expenditures	(335,524)	276,911	272,200	62,200	(66,000)
Reserve for Delayed Projects	-	-	-	616,000	-
Beginning Fund Balance	1,030,783	695,259	972,170	972,170	418,370
Ending Fund Balance	\$ 695,259	\$ 972,170	\$ 1,244,370	\$ 418,370	\$ 352,370

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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Miles of trails constructed	0.00	1.00	1.00	2.00

Budget Comments/Issues:

In 2013, the Park & Trail Improvement Fund continues to recognize the increased importance of the trails in the city's recreational system as well as ongoing investment for maintaining existing park amenities. Adoption of this 2013 budget amends the Capital Improvement Program (CIP) to include the 2012 trail segments of Minnetonka Blvd from Oakridge to Hwy 169, Syngenta, Jordan Avenue and Opportunity Court for \$606,000 per City Council direction.

- The 2013 budget finances parks and trails projects as provided in the adopted CIP, which includes an additional \$300,000 in levy proceeds. The additional funds will be used to advance planned expansions of the city's trail system.
- For 2013, the budget includes funding to develop the city's first off leash dog area at Crane Lake Park.
- For 2013, Park Dedication fees forecasted assume traditional building permit activity.
- In 2012, Park Dedication fees included strong permit activity in new developments (20 units) and the Duffy Development (64 units). Those funds were programmed as part of the 2012 CIP.
- 2010 expenditures in the fund for park development reflects the full cost of the Glen Lake Station Plaza (\$560,000) and the Shady Oak Beach play area (\$268,000).
- "Reserve 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), Burwell House Painting (\$100,000), POST Plan (\$50,000) and Minnehaha Creek canoe landing (\$50,000).

PARK AND OPEN SPACE BOND FUND - Finance Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Interest Income	\$ 31,921	\$ 16,496	\$ -	\$ 5,000	\$ -
Bond Proceeds	-	-	2,500,000	-	2,500,000
Totals	\$ 31,921	\$ 16,496	\$ 2,500,000	\$ 5,000	\$ 2,500,000
Expenditures by Category					
Parks Renewal	\$ 22,496	\$ 137,061	\$ -	\$ -	\$ -
Park & Open Space Purchase	-	800,840	-	-	-
Conversion to Open Space	-	23,197	-	-	-
Minnehaha Creek Corridor	49,142	278,429	-	-	-
Trail Investment Plan	-	196,512	-	-	-
Living Legacy Program	-	346	-	-	-
Totals	\$ 71,638	\$ 1,436,385	\$ -	\$ -	\$ -
Surplus/(Deficiency) of Revenues over/(under) Expenditures	(39,717)	(1,419,889)	2,500,000	5,000	2,500,000
Reserve for Delayed Projects	-	-	-	3,087,106	-
Beginning Fund Balance	2,041,712	2,001,995	582,106	582,106	(2,500,000)
Ending Fund Balance	\$ 2,001,995	\$ 582,106	\$ 3,082,106	\$ (2,500,000)	\$ 0

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. Eleven years after the referendum's passage all parks have been renewed. The cost of debt service on the bonds is allocated elsewhere within the city's budget.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Park renewals completed	37	39	42	0
Park renewals in progress	0	3	0	0
Open space acres newly preserved	4	8	1	0

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 2013. The city continues to have an option to purchase the 30-acre Cullen Smith property for \$2.5 million upon its vacation. 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.

- Minnetonka Mills Park plans were approved by the city council in 2010, and construction will continue throughout 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.

- Parks under construction in 2011 included Big Willow, Oberlin and Mayflower Parks and they were completed in 2012.



JOINT RECREATION - Recreation Services Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 737,312	\$ 716,727	\$ 759,800	\$ 742,000	\$ 739,900
Supplies	92,641	81,405	91,400	89,600	89,900
Other Services & Charges	448,891	496,732	497,100	520,100	529,200
Capital Outlay	8,455	10,921	4,000	2,000	4,000
Totals	\$ 1,287,299	\$ 1,305,785	\$ 1,352,300	\$ 1,353,700	\$ 1,363,000

Method of Financing

General Fund	\$ 1,287,299	\$ 1,305,785	\$ 1,352,300	\$ 1,353,700	\$ 1,363,000
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Number of Employees (FTEs)	6.15	6.15	5.75	5.75	5.84
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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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Program participants	27,954	27,290	29,000	29,000
Adult sports teams registered	560	562	580	580
Youth sports participation	938	1,345	1,200	1,200
Resident program participation	42.9%	45.8%	46.0%	46.0%
Expenses covered by fee revenues*	69.6%	72.7%	73.0%	73.0%
Shady Oak Beach season passes sold	4,454	4,849	5,000	4,700
Scholarships approved	101	124	130	130
Total value of scholarships approved	\$3,030	\$3,389	\$3,500	\$3,500

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

Budget Comments/Issues:

A goal of the Recreation Services Department in 2013 is to continue to increase the total percentage of resident participation 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. Many programs were added at Williston in 2011. Participation numbers don't reflect the increase, however, because the majority of program participants are members and do not register for or pay an additional fee for programs held at the facility.
- Expenses covered by fee revenue was down in 2010 due to the Williston Center renovation and temporary loss of programming space. The percentage rebounded in 2011 due to increased participation resulting from the additional space.
- Shady Oak Beach passes sold saw a significant increase in 2011 which resulted in a net profit of approximately \$40,000. A fee increase for daily passes and non-resident season passes was implemented in 2012.
- The increases in scholarships approved and the value of scholarships can be attributed to a greater need for financial assistance resulting from difficult economic times and an increase in program fees required to cover expenses.
- Two youth programs that saw a significant increase in 2011 were the Aquatics and Knee Highs soccer programs. The Aquatics program was restructured and participation in the new program increased by over five percent from 2010 due to additional group and private lesson offerings. Additional sessions of the Knee Highs soccer program were added as well due to overwhelming interest. Overall participation increased from 90 in 2010 to 149 in 2011.
- Due to a retirement, the position of Ice Arena Evening Supervisor was elevated to Assistant Manager in September of 2012. Ice Arena FTE's will be reduced by 0.18 and Joint Recreation an Minnetonka Recreation increased by 0.09 each to allow for this position to supervise recreational programs during the summer season. The net result was no increase to total department FTEs.

MINNETONKA RECREATION - Recreation Services Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 180,340	\$ 163,480	\$ 199,000	\$ 176,200	\$ 195,400
Supplies	1,782	1,344	1,300	1,000	1,000
Other Services & Charges	256,652	274,518	265,200	265,800	259,300
Other	63,000	63,000	63,000	63,000	63,000
Totals	\$ 501,774	\$ 502,342	\$ 528,500	\$ 506,000	\$ 518,700

Method of Financing

General Fund	\$ 501,774	\$ 502,342	\$ 528,500	\$ 506,000	\$ 518,700
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Number of Employees (FTEs)	0.9	1.2	0.8	0.8	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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Minnetonka playground household	786	773	775	775
Warming house days of operation	51	60	45	60
MAM participants	298	312	320	320
Adopt-A-Sign locations	32	32	32	32
Music/theater in the Park attendance	2,307	1,940	2,300	2,000

Budget Comments/Issues:

In 2013, 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 has remained fairly consistent from 2010-12. The program is free to participants, which may be one reason for the continued popularity of the program. The 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. Due to unseasonably warm temperatures, the 2012 season ended on February 1, approximately three weeks before the intended end date of February 20.
- The number of Adopt-A-Sign locations are determined by the amount of volunteers interested in program participation, which varies from year to year.
- Music in the Park has become a popular Tuesday evening activity for people all ages during the summer months. The slight drop in 2011 attendance is attributed to poor weather.
- As a result of the council's strategic goals, an emphasis was made on youth programming in 2011 resulting in an over five percent increase in youth resident participation ages 19 and under (from 54.3% in 2010 to 59.6% in 2011).
- Due to a retirement, the position of Ice Arena Evening Supervisor was elevated to Assistant Manager in September of 2012. Ice Arena FTE's will be reduced by 0.18 and Joint Recreation an Minnetonka Recreation increased by 0.09 each to allow for this position to supervise recreational programs during the summer season. The net result was no increase to total department FTEs.

SENIOR SERVICES - Recreation Services Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 190,205	\$ 225,960	\$ 204,600	\$ 204,600	\$ 207,600
Supplies	36,897	60,673	42,500	42,500	43,000
Other Services & Charges	83,518	90,171	94,200	95,100	95,300
Totals	\$ 310,620	\$ 376,804	\$ 341,300	\$ 342,200	\$ 345,900
Method of Financing					
General Fund	\$ 310,620	\$ 376,804	\$ 341,300	\$ 342,200	\$ 345,900
Number of Employees (FTEs)	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.

Key Measures:	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
Program participants (unduplicated)	4,004	4,169	4,400	4,400
Survey rating - program org (good/excellent)	99%	100%	99%	99%
Senior volunteers used	241	252	250	250
Volunteer hours donated	15,863	16,100	16,100	16,100
Sponsored individual clubs or groups	29	31	30	31
Program participants (services delivered)	33,455	34,661	33,000	34,000
Program Revenue	\$100,543	\$121,993	\$125,500	\$125,500

Budget Comments/Issues:

The 2013 budget for Senior Services provides current level services.

- The program revenue indicator represents fees collected for programs and services offered through the Senior Center. Prior to 2005, program fees and expenses were managed through Hopkins Community Education.

COMMUNITY FACILITIES DIVISION - Recreation Services Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 337,184	\$ 320,706	\$ 373,600	\$ 373,100	\$ 315,200
Supplies	15,724	22,215	35,000	37,200	35,700
Other Services & Charges	93,051	82,536	119,300	116,200	122,200
Capital Outlay	-	33,449	20,000	20,000	20,000
Totals	\$ 445,959	\$ 458,906	\$ 547,900	\$ 546,500	\$ 493,100
Method of Financing					
General Fund	\$ 444,309	\$ 456,718	\$ 545,300	\$ 545,500	\$ 492,100
Cemetery Fund	1,650	2,188	2,600	1,000	1,000
Totals	\$ 445,959	\$ 458,906	\$ 547,900	\$ 546,500	\$ 493,100

Number of Employees (FTEs)	2010	2011	2012	2012	2013
	3.85	3.75	4.37	4.37	3.37

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). 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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimate	2013 Projected
Rental revenue	\$85,339	\$81,045	\$81,000	\$87,000
Community Center hours reserved	11,963	11,602	11,600	12,000
Satellite facility hours reserved	1,201	1,139	1,200	1,200
Picnic shelter permits issued	233	249	250	250

Budget Comments/Issues:

The 2013 budget for the Community Facilities Division provides current level services.

- In 2012, two part time clerk positions totaling 0.80 FTE previously assigned to the Recreation Services office were reduced to 0.62 FTE and reassigned to the Facilities Division. This resulted in an ongoing increase to the community facilities budget, but overall ongoing savings for the Recreation Services budget.

- The community center circle driveway and entrance sidewalk were replaced in 2012 as part of the city's adopted Capital Improvements Program. These needed improvements resulted in a temporary reduction of community center revenues in both 2011 and 2012, because scheduling changes for the project impacted reservations during the scheduled periods of construction.

WILLISTON CENTER - Recreation Services Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Membership Fees	\$ 374,307	\$ 607,084	\$ 600,000	\$ 1,130,000	\$ 1,130,000
Tennis Lessons & Court Fees	518,176	520,375	510,000	525,000	545,000
Tennis Pro Shop	16,784	20,211	17,000	17,000	17,000
Sports Training Fees	28,434	26,193	25,000	27,000	27,000
Outside Participant Fees	53,048	110,467	120,000	160,000	160,000
Swim Lessons	6,877	4,931	5,000	4,000	4,000
Batting Cage Income	27,554	31,942	30,000	30,000	30,000
Rental Income	13,700	14,633	11,000	13,000	11,000
Investment Income	1,272	(4,045)	1,500	700	1,500
Miscellaneous	27,271	67,130	68,600	78,000	86,000
Totals	\$ 1,067,423	\$ 1,398,921	\$ 1,388,100	\$ 1,984,700	\$ 2,011,500
Expenditures by Category					
Personnel	\$ 674,535	\$ 769,128	\$ 720,500	\$ 848,100	\$ 863,500
Supplies	86,743	135,081	82,500	142,200	132,000
Other Services & Charges	358,825	428,184	339,300	446,200	399,700
Transfer Expenses	52,700	61,100	61,500	61,500	65,000
Totals	\$ 1,172,803	\$ 1,393,493	\$ 1,203,800	\$ 1,498,000	\$ 1,460,200
Surplus (Deficiency) of Revenues over Expenditures	\$ (105,380)	\$ 5,428	\$ 184,300	\$ 486,700	\$ 551,300
Capital Outlay	\$ -	\$ -	\$ 94,500	\$ 189,000	\$ 94,500
Number of Employees (FTEs)	5.2	5.1	5.1	5.1	5.1

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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Average active members	1,877	3,694	6,000	6,000
Daily fee (non-member) participants	8,528	18,442	23,500	23,500
Total facility visits	132,720	203,408	275,000	300,000
Recreation program hours	7,135	9,547	12,500	12,500
% of expenses covered by revenue	91%	100%	115%	132%

Budget Comments/Issues:

The 2013 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.

- Non-member usage of the facility continues to grow as word of the recent renovation continues to spread. The new child-oriented amenities and the fact that other local facilities don't offer an inexpensive daily rate make Williston an obvious choice for those wishing to drop in.
- Facility visits is a combination of membership scans, daily visits and program participation. This will provide an accurate number for usage of the facility.
- Membership sales are expected to grow almost 100% from 2011 to 2012. A large majority of the new memberships are classified as "family memberships."
- The substantial change in recreation program hours is directly related to the addition of two group fitness studios. Studio B has allowed for multiple classes each day including spinning, yoga, pilates, and martial art classes. Studio C is primarily used for personal trainers and small group activities.

ICE ARENA - Recreation Services Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Ice Rental	\$ 556,255	\$ 568,259	\$ 592,000	\$ 590,000	\$ 620,000
Concessions	23,666	25,312	23,000	25,000	50,000
Programs & Special Events	271,665	264,985	265,000	255,000	250,000
Miscellaneous	14,969	4,460	10,000	7,000	10,000
Investment Income	-	-	-	-	-
Totals	\$ 866,555	\$ 863,016	\$ 890,000	\$ 877,000	\$ 930,000

Expenditures by Category

Personnel	\$ 442,864	\$ 441,979	\$ 449,300	\$ 449,300	\$ 451,800
Supplies	58,663	57,831	58,200	68,000	59,200
Other Services & Charges	277,197	288,132	304,800	278,600	289,300
Costs of Goods Sold	18,844	22,819	18,500	22,000	33,500
Transfer Expenses	52,700	56,100	56,500	56,500	59,500
Totals	\$ 850,268	\$ 866,861	\$ 887,300	\$ 874,400	\$ 893,300

Surplus(Deficiency) of Revenues over Expenditures	\$ 16,287	\$ (3,845)	\$ 2,700	\$ 2,600	\$ 36,700
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Capital Outlay	\$ -	\$ 13,187	\$ -	\$ -	\$ 10,000
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Number of Employees (FTEs)	3.8	3.8	3.8	3.8	3.6
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Description of Services:

The Minnetonka Ice Arena, under the management of the Recreation Services Department, provides ice time and programs to the surrounding community, as well as local special interest groups and individuals, for the purpose of ice related recreational activities. Programs and activities include, but are not limited to hockey, figure skating, learn-to-skate programs and public skate sessions. Fees charged to users support the operation of the facility.

Key Measures:	2010 Actual	2011 Actual	2012 Projected	2013 Projected
Ice rental hours sold	3,189	3,300	3,250	3,250
Registered skating lesson participants	1,431	1,434	1,500	1,500
Public skating/hockey hours offered	580	577	580	565
Public skating/hockey participants	5,200	5,000	5,300	5,000
Adult hockey teams registered	24	24	32	32
Total days of operation	341	343	343	343
Operating expenses covered by revenue	102%	100%	100%	100%

Budget Comments/Issues:

The Ice Arena anticipates sales and operations in 2012 similar to those in 2011 as annual energy expenses have stabilized.

- The facility continues to garner cost savings through energy conservation efforts of staff. Beginning 2008, ongoing annual savings of \$10,000 were the result of relighting Rink A with energy efficient fixtures and staff efforts to reduce energy usage during off-peak times. Mid-2009, Rink B lights were converted from 350-watt metal halide fixtures to energy efficient T5 fluorescent fixtures, which will result in an additional savings estimated to be \$4,000 annually. Additionally, conversion to all electric ice resurfacer reduced costs for oil and gas beginning 2011.

- The number of public skating/open hockey participants stayed relatively constant in 2011 and 2012.
- Ice rental revenue is expected to increase slightly in 2012 and 2013 as ice rental rates received a market adjustment increase of \$10/hour effective September 1, 2012.

- Due to a retirement, the position of Evening Supervisor will be elevated to Assistant Manager in September 2012. This new position will take on added responsibilities related to customer service and concession stand operations. Ice Arena FTE's will be reduced by 0.18 and Joint Recreation an Minnetonka Recreation increased by 0.09 each to allow for this position to supervise recreational programs during the summer season. The net result was no total increase in department FTEs.

GRAY'S BAY MARINA - Recreation Services Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Slip Rental	\$ 108,300	\$ 111,302	\$ 113,100	\$ 113,100	\$ 113,100
Fuel Sales	115,412	122,903	120,000	122,000	122,500
Other Revenue	2,218	1,549	1,700	1,100	1,800
Investment Income	5,082	6,051	6,000	5,500	6,000
Totals	\$ 231,012	\$ 241,805	\$ 240,800	\$ 241,700	\$ 243,400
Expenditures by Category					
Personnel	\$ 28,134	\$ 46,646	\$ 48,000	\$ 48,000	\$ 48,900
Supplies	98,141	112,165	114,000	118,500	116,700
Other Services & Charges	34,424	32,419	36,700	34,700	36,900
Transfer Expenses	38,200	32,000	22,600	22,600	23,900
Totals	\$ 198,899	\$ 223,230	\$ 221,300	\$ 223,800	\$ 226,400
Surplus (Deficiency) of Revenues over Expenditures	\$ 32,113	\$ 18,575	\$ 19,500	\$ 17,900	\$ 17,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Number of Employees (FTEs)	-	0.2	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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Gallons of gas sold on site	28,250	24,960	24,500	24,500
Days of operation	206	194	200	200
Slip lease rate	\$3,800	\$3,800	\$3,900	\$3,900
Operating expenses covered by revenue	116%	108%	109%	108%

Budget Comments/Issues:

The 2013 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 and 2013 revenue includes the park board's recommendation to increase slip rate fees beginning with the 2012 season 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, future estimated gas sales are expected to normalize to approximately 24,500 gallons.
- A new card access system for the dock was installed in 2011 to improve security.

COMMUNITY INVESTMENT FUND - Finance Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Investment Income	\$ 332,945	\$ 212,745	\$ 400,000	\$ 225,000	\$ 200,000
Other	63,000	63,000	157,500	252,000	157,500
Totals	\$ 395,945	\$ 275,745	\$ 557,500	\$ 477,000	\$ 357,500
Expenditures					
Minnehaha Creek Corridor	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Williston Center Renovation	3,404,376	1,089,377	-	-	-
Trail Improvement Plan	-	-	320,000	-	-
Totals	\$ 3,404,376	\$ 1,089,377	\$ 320,000	\$ -	\$ 250,000
Surplus/(Deficiency) of Revenues over/(under) Expenditures	(3,008,431)	(813,632)	237,500	477,000	107,500
Beginning Fund Balance	23,210,214	20,201,783	19,388,151	19,388,151	19,865,151
Required Fund Balance	\$ 19,767,776	\$ 19,789,050	\$ 19,807,776	\$ 19,830,276	\$ 19,850,276
Available Fund Balance	434,007	(400,899)	(182,125)	34,875	122,375
Total Ending Fund Balance	\$ 20,201,783	\$ 19,388,151	\$ 19,625,651	\$ 19,865,151	\$ 19,972,651

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.

Key Measures:	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
Annual Investment earnings	\$332,945	\$212,745	\$225,000	\$200,000

Budget Comments/Issues:

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 2013-17 CIP, for future capital projects will be diminished. The cumulative ending available fund balance is now estimated to be around \$500,000 by the close of 2017.

- Beginning with the 2012-16 adopted Capital Improvements Program (CIP), monies from the Community Investment fund are designated for the city's trail improvement plan. Such expenditures are now not currently scheduled until 2015.
- 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 2013-17 Capital Improvements Program (CIP) until years 2013 through 2016 to reflect actual projected timing of the project components.
- \$4.5 million in funding for the Williston Fitness Center in 2009 through 2011 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 2011. The additional amount in 2012 reflects a one-time, two-year installment.

COMMUNITY DEVELOPMENT DIVISION - Community Development Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 963,112	\$ 1,040,966	\$ 1,075,000	\$ 1,057,750	\$ 1,120,000
Supplies	14,105	17,597	20,800	18,750	20,700
Other Services & Charges	104,873	138,585	137,800	133,950	151,400
Totals	\$ 1,082,090	\$ 1,198,139	\$ 1,233,600	\$ 1,210,450	\$ 1,292,100
Method of Financing					
General Fund	\$ 1,082,090	\$ 1,198,139	\$ 1,233,600	\$ 1,210,450	\$ 1,292,100
Number of Employees (FTEs)	10.40	10.40	11.40	11.40	11.60

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.

<u>Key Measures:</u>	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
Permits issued	6,250	6,757	6,000	6,000
Building construction value	\$74 million	\$164 million	\$90 million	\$80 million
Residential building plan reviews completed	690	648	700	650

Budget Comments/Issues:

In 2013, the Community Development Department will continue to provide services with temporary employees to handle the moderate increase in construction activity workload demand.

- The number of permits issued is expected to remain steady into 2013, but construction value is expected to be slightly lower than 2013. 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 were required in electrical inspections. A shared services agreement with Brooklyn Center began in 2011 and has also generated inspection revenue for Minnetonka in 2012; however, it is not expected to generate as much in 2013.
- Personnel costs were revised in 2011 and again adjusted in 2012 to compensate for a temporary, extended medical absence. The 0.20 FTE that was previously funded by the Economic Development Fund has been moved to this department budget as directed by the city council.
- There will be an intern serving both the Planning and Community Development division in 2012 and 2013 whose cost are covered within the current budget.

PLANNING DIVISION - Community Development Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 515,823	\$ 517,698	\$ 510,000	\$ 510,000	\$ 517,100
Supplies	4,098	4,024	5,900	4,400	5,700
Other Services & Charges	18,442	17,039	22,000	19,000	22,900
Totals	\$ 538,363	\$ 538,761	\$ 537,900	\$ 533,400	\$ 545,700
Method of Financing					
General Fund	\$ 538,363	\$ 538,761	\$ 537,900	\$ 533,400	\$ 545,700
Number of Employees (FTEs)	6.25	6.25	5.50	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.

<u>Key Measures:</u>	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Planning applications received	149	125	114	125
Building permits reviewed	1,582	1,700	1,376	1,560
Grading permits issued	16	11	16	18
Sign permits issued	25	77	120	80
Public meetings	78	62	65	65

Budget Comments/Issues:

The 2013 budget for the Planning Division provides current level services.

- Staff anticipates receiving a steady number of planning applications through 2012 and 2013, while the number of public meetings have steadily increased over the past few years and is anticipated to remained steady for 2013 .
- In 2011, an FTE was moved from this department to community development. Also, there will be an intern serving both the Planning and Community Development division in 2012 and 2013 whose cost are covered within the current budget.

ASSESSING DIVISION - Finance Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 482,094	\$ 503,099	\$ 520,800	\$ 520,800	\$ 530,900
Supplies	4,601	13,522	7,300	8,150	7,500
Other Services & Charges	89,207	95,560	116,200	115,350	121,500
Capital Outlay	-	-	-	-	-
Totals	\$ 575,902	\$ 612,181	\$ 644,300	\$ 644,300	\$ 659,900

Method of Financing

General Fund	\$ 575,902	\$ 612,181	\$ 644,300	\$ 644,300	\$ 659,900
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Number of Employees (FTEs)	5.25	5.25	5.25	5.25	5.25
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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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Total market values	\$7.81 billion	\$7.65 billion	\$7.54 billion	\$7.45 billion
Sales ratio (targets revised annually by county)	95.0	94.9	95.6	95.0
Coefficient of dispersion (Less than 10 is "good.")	4.1	3.6	3.3	4.0
Parcels with interior inspected: declined inspection	1:2	1:2	1:2	1:2
Survey rating "excellent" or "good" from on-site appraisal visits	99%	99%	95%	95%
Commercial tax court petitions (payable year)	134	137	130	130
Assessing repository electronically filed (cumul.)	NA	8%	20%	35%

Budget Comments/Issues:

The 2013 budget for the Assessing Division provides current level services.

- The division continues to increase use of technology to improve efficiencies. Begun in 2011, the division continues to convert its numerous, permanent records to an electronic format and has instituted ongoing electronic administration of new records. In 2013, the division will explore the use of computer tablets to eliminate manual recording, scanning and indexing of field notes. Staff continues to work with LOGIS to upgrade the electronic Property Data System, and in 2013, they will begin to develop new complex models of the computer-aided mass appraisal system to include commercial, industrial and apartment properties.

- The city recently experienced a substantial increase in the number of commercial tax court petitions of property valuations, which resulted in numbers three times greater in 2011 than 2007. Current projections for 2012 indicate the trend stabilizing at the higher level into the near future. The development is a direct reflection of the economic distress experienced throughout most metropolitan areas during the 2008 recession. Adjudicating those appeals may impact costs for "Other Services & Charges."

DEVELOPMENT FUND - Community Development Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Interest Income	\$ 24,498	\$ 24,349	\$ 30,000	\$ 15,000	\$ 20,000
TIF-related Levy Proceeds	-	-	-	-	200,000
Other Grants	-	672,741	802,060	20,000	105,000
TIF Admin Revenue	170,746	167,342	155,000	-	-
Cedar Ridge Assessments	-	-	-	143,800	49,500
Sale of HTC House	405,150	-	-	-	-
Miscellaneous Income	83,548	19,500	-	16,600	-
Totals	\$ 683,942	\$ 883,932	\$ 987,060	\$ 195,400	\$ 374,500
Expenditures by Category					
Personnel Costs	\$ 28,346	\$ 29,325	\$ 30,800	\$ 30,800	\$ -
Redevelopment Projects	196,908	87,276	797,060	694,000	105,000
Transit Projects/Programs	67,832	-	-	-	-
Economic Development Programs	9,177	-	5,000	5,000	10,000
Other	-	672,741	30,000	20,000	20,000
HTC House	26,754	-	-	-	-
Transfer Out	190,600	55,300	56,100	56,100	56,800
Totals	\$ 519,617	\$ 844,642	\$ 918,960	\$ 805,900	\$ 191,800
Surplus (Deficiency) of Revenues over Expenditures	164,325	39,290	68,100	(610,500)	182,700
<i>Beginning Fund Balance</i>	<i>1,646,539</i>	<i>1,810,864</i>	<i>1,850,154</i>	<i>1,850,154</i>	<i>1,239,654</i>
<i>Ending Fund Balance</i>	<i>\$ 1,810,864</i>	<i>\$ 1,850,154</i>	<i>\$ 1,918,254</i>	<i>\$ 1,239,654</i>	<i>\$ 1,422,354</i>

Number of Employees (FTEs)	0.20	0.20	0.20	0.20	-
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Description of Services:

The Development Fund was created with funds remaining after retiring the bonds of a single Tax Increment Finance (TIF) district in 1993. Under provisions of the TIF contract and law, the Development Fund may only be used for costs associated with Minnetonka's redevelopment and economic development activities. The city's Economic Development Authority initiates projects appropriate to these activities.

Key Measures:

	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
Development/redevelopment projects in progress	0	0	1	2
Predevelopment contacts	NA	NA	NA	10

Budget Comments/Issues:

2013 revenue to the Development Fund includes an additional \$200,000, which is a temporary funding stream associated with returned tax increment proceeds from Boulevard Gardens Tax Increment Finance (TIF) District. The annual amount is scheduled to continue through the life of the district, which ends 2021. The city's adoption of a Housing & Redevelopment Authority (HRA) levy in 2009 was intended to be a potential source to supplement financing for redevelopment and economic development initiatives as well.

- The 2010, 2011 and 2012 budgets include redevelopment project costs associated with the environmental clean-up of the BMW and Cattle Company sites, which were financed with state, county, and Met Council grant funding.
- The majority of 2012 redevelopment expenditures are costs associated with the Cedar Ridge Housing Improvement Area (HIA). Revenues to offset these costs will be realized over time through special assessments to the property owners. 2012 revenues are monies from those owners who chose to prepay prior to assessment.
- Funds budgeted for "Other" are for pre-development activities as recommended by the Economic Development Advisory Commission (EDAC). During 2012, Ridgedale Mall and other small projects utilized this funding. In 2011, the YMCA Ridgedale project was the most significant of such projects, and in 2010 they were used to analyze TIF projects, tax abatement, design assistance and geotechnical data gathering.
- Personnel costs have been amended to move the .20 community development director's salary to the Community Development Division budget.
- Expenditures under Economic Development Programs are used to fund the Open to Business program, which is administered by a third party contractor. In 2012 the city received a one-time grant from Hennepin County to pay half of the administrative costs, and the 2013 budget reflects the full costs.

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	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Ad Valorem Tax Levy	\$ 170,843	\$ 169,493	\$ 175,000	\$ 175,000	\$ 175,000
Investment Interest	\$ 2,293	\$ 4,248	\$ 1,000	\$ 2,700	\$ 2,000
Totals	\$ 173,136	\$ 173,741	\$ 176,000	\$ 177,700	\$ 177,000
Expenditures by Category					
WHAHLT	-	-	-	-	-
Village Center Master Planning	10,265	29,521	195,000	75,000	90,000
Housing Programs	-	85,000	240,000	20,000	235,000
Totals	\$ 10,265	\$ 114,521	\$ 435,000	\$ 95,000	\$ 325,000
Surplus (Deficiency) of Revenues over Expenditures	162,871	59,220	(259,000)	82,700	(148,000)
<i>Beginning Fund Balance</i>	<i>98,353</i>	<i>261,224</i>	<i>320,444</i>	<i>320,444</i>	<i>403,144</i>
<i>Ending Fund Balance</i>	<i>\$ 261,224</i>	<i>\$ 320,444</i>	<i>\$ 61,444</i>	<i>\$ 403,144</i>	<i>\$ 255,144</i>

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:	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
Village center master plans completed (not cumulative)	0	1	1	1
Housing rehab loan issued	NA	0	3	5
Down payment assistance provided	NA	1	2	4
Average amount of down payment loans	NA	6,800	6,500	6,500
Average amount of rehab loan	NA	NA	8,500	10,000

Budget Comments/Issues:

The Economic Development Advisory Commission (EDAC) has recommended that \$90,000 of the 2013 HRA levy be used to finance village center master planning.

- The city launched two new housing improvement programs in June 2011, Minnetonka Home Enhancement and Welcome to Minnetonka. Through June 2012, the programs received 36 pre-applications, with 19 for housing improvement loans and 17 for down payment assistance. Because the pace of actually making loans has been slower than expected, no new dollars are budgeted for the programs this year and the remaining dollars from 2012 will continue to be used in 2013.

- Master plans for the village centers of Ridgedale and Shady Oak station (LRT) are programmed in 2012 and 2013. The Ridgedale study, which began June 2012, is 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

	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Revenues					
Interest Income	18,143	12,244	25,000	10,000	8,000
Other	-	7,762	-	50,000	100,000
Totals	\$ 18,143	\$ 20,006	\$ 25,000	\$ 60,000	\$ 108,000
Expenditures by Category					
Cedar Point Affordable Housing	46,792	51,418	50,000	50,000	-
Mtka Heights / Crown Ridge	47,500	6,000	36,000	36,000	36,000
WHAHLT	199,852	320,939	225,000	275,000	325,000
Legal/Other	43,356	30,056	-	1,500	-
Transfers Out	-	-	-	-	-
Totals	\$ 337,500	\$ 408,413	\$ 311,000	\$ 362,500	\$ 361,000
Surplus (Deficiency) of Revenues over Expenditures	(319,357)	(388,407)	(286,000)	(302,500)	(253,000)
Beginning Fund Balance	2,222,582	1,903,225	1,514,818	1,514,818	1,047,318
Reserve for prior obligations	-	-	-	165,000	-
Ending Fund Balance	\$ 1,903,225	\$ 1,514,818	\$ 1,228,818	\$ 1,047,318	\$ 794,318

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.

	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Key Measures:				
Affordable units preserved at Cedar Pointe	9	9	9	NA
Total WHAHLT units in Minnetonka	42	45	47	50
Average sales price of WHAHLT unit	\$125,597	\$126,681	\$130,000	\$130,000
Percent of Met Council housing goals achieved	82%	12%	12%	33%
Median value of Minnetonka home	\$292,800	\$287,600	\$277,200	\$275,000
Change from previous year	-5.3%	-1.8%	-3.6%	-0.8%

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.

- The city is obligated to provide annual financial support to the West Hennepin Affordable Housing Land Trust (WHAHLT), a.k.a. Homes Within Reach. Under contract, the city provides \$225,000 annually through 2016, and WHAHLT has two years to use each year's allotment. "Reserve for prior obligations" are the portion of the prior year allotment that may still be spent in the current fiscal year. After accounting for the final three years of commitment (\$675,000) per the adopted Economic Improvement Program (EIP), it is anticipated that balances will be exhausted in this fund by 2016.

- \$150,000 in revenue and additional expenditures for WHAHLT in 2012 and 2013 are a pass-through grant from the Metropolitan Council to WHAHLT, which the non-profit will use to fund scattered-site affordable housing.

- New Metropolitan Council housing goals began in 2011, making the percentage of achievement drop as noted above. The percentages are based on an allocation goal established by the Met Council, and the City of Minnetonka's goal is 246 affordable housing units to be provided between 2011 and 2020.

- The Cedar Pointe program will end in 2013, and the associated key measure is therefore eliminated as of 2013.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - Community Development Dept.

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Federal Grant	\$ 328,055	\$ 136,593	\$ 170,000	\$ 125,000	\$ 150,000
Program Income	4,000	2,500	10,000	12,200	10,000
Totals	\$ 332,055	\$ 139,093	\$ 180,000	\$ 137,200	\$ 160,000
Expenditures by Category					
Housing Rehabilitation	\$ 298,582	\$ 134,424	\$ 135,000	\$ 100,000	\$ 126,500
Support Services	19,956	22,073	25,000	25,000	22,000
Administration	9,368	4,446	10,000	9,500	10,000
Fair Housing	1,866	2,026	1,700	1,705	1,500
Totals	\$ 329,772	\$ 162,969	\$ 171,700	\$ 136,205	\$ 160,000
Surplus (Deficiency) of Revenues over Expenditures	2,283	(23,876)	8,300	995	-
<i>Beginning Fund Balance</i>	<i>52,718</i>	<i>55,001</i>	<i>31,125</i>	<i>31,125</i>	<i>32,120</i>
<i>Ending Fund Balance</i>	<i>\$ 55,001</i>	<i>\$ 31,125</i>	<i>\$ 39,425</i>	<i>\$ 32,120</i>	<i>\$ 32,120</i>

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). 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 may seem lower or higher than the allocation, which also affects the key measure comparison. A typical CDBG timeline is the award notification by the Federal government is provided in February, the funds become available in July of that year. This budget is prepared approximately one year ahead of the actual knowledge of funds received.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Rehabilitation projects (≤ \$20,000) completed *	6	4	2	1
Average cost of rehabilitation project (≤ \$20,000) *	\$20,796	\$12,865	\$4,995	\$5,000
Emergency repair projects (≤ \$5,000) completed	20	16	15	15
Avg. cost of emergency repair project (≤ \$5,000)	\$4,843	\$4,779	\$4,800	\$5,000

*Program change in 2010 caused reduction in number of projects.

Budget Comments/Issues:

While the 2013 budget for the CDBG Fund provides for current level services, this is the only program of the City of Minnetonka that will be directly impacted by the federal Budget Control Act, should it go into affect in 2013 or later. By law, the funding cuts would be between 7.6 percent to 9.6 percent, but may be significantly different, if an actual federal budget is enacted instead.

- Housing Rehabilitation expenditures above include both the city's rehab and emergency rehab programs.
- Program Income above is generated when there is an early repayment for a rehabilitation loan.
- Beginning 2009, the city receives from nonprofit organizations applications for CDBG program monies, which are reviewed and ranked for funding by the Minnetonka Economic Development Advisory Commission (EDAC). Preference is 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 criteria, the following amounts are included above for funding as indicated:

	2010	2011	2012	2013
Community Action Partnership of Suburban Hennepin (CAPSH)	\$ 3,700	\$ 3,906	\$ 3,702	\$ 3,500
HOMELine	1,200	1,937	1,759	1,500
ResourceWest	5,000	3,906	3,610	3,500
Intercongregation Communities	6,200	6,232	8,691	8,500
Treehouse	-	-	-	-
Senior Community Services (SCS)				
H.O.M.E.	11,700	9,429	5,739	5,500
Total	\$ 27,800	\$ 25,410	\$ 23,501	\$ 22,500



ADMINISTRATIVE SERVICES DEPARTMENT

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 951,862	\$ 953,664	\$ 1,045,500	\$ 1,057,781	\$ 1,000,200
Supplies	31,891	18,631	39,900	48,400	27,800
Other Services & Charges	169,951	158,756	232,700	239,050	280,000
Capital Outlay	-	-	-	-	-
Totals	\$ 1,153,704	\$ 1,131,051	\$ 1,318,100	\$ 1,345,231	\$ 1,308,000

Method of Financing

General Fund	\$ 1,153,704	\$ 1,131,051	\$ 1,318,100	\$ 1,345,231	\$ 1,308,000
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Number of Employees (FTEs)	8.7	9.0	9.0	9.0	9.0
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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.

Key Measures:	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Projected</u>
Registered voters	35,157	35,340	35,000	36,000
Absentee voters	2,249	241	7,000	300
City court hearings	3	2	5	5
Information desk phone calls	NA	NA	6,800	6,300
City positions - regular FT & PT	234	234	233	231
Turnover ratio	4.7%	7.3%	4.8%	5.6%

Budget Comments/Issues:

The 2013 budget for Administrative Services anticipates changes due to elections, document management, and costs for analyzing impacts of the federal Health Care Reform Act.

- The 2013 budget includes one-time costs in Other Services and Charges for analyzing the fiscal and management impacts of the federal Health Care Reform Act. Also in this line item, a cost of \$10,000 is added beginning 2013 to pay programming costs for upgrades and enhancements to the document management system.

- The department's budget, for personnel services in particular, fluctuates with the occurrence of elections. In a year like 2013 with local elections only, costs are lower than a year like 2012 with national and state elections. If the voters approve the voter ID constitutional amendment in November 2012, implementation will occur in 2013. This will have greater budgetary implications than usual in a local election year, including having to conduct training for all the city's elections judges as training usually occurs in the even years. The new cost associated with voter ID is \$13,000. The net impact on election costs between 2012 and 2013, including voter ID, is an overall reduction of \$50,000.

- The net budget impact in 2012 related to the city manager retirement/replacement was an increase of \$37,000 and includes severance pay for the retiring manager, transition and development expenses for the new city manager, and salary savings during the assistant city manager vacancy.

INFORMATION TECHNOLOGY DIVISION - Administrative Services Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 341,080	\$ 349,736	\$ 370,500	\$ 370,500	\$ 372,900
Supplies	1,811	2,555	1,800	1,900	2,000
Other Services & Charges	243,446	259,421	323,100	310,100	384,400
Capital Outlay	-	-	-	-	-
Totals	\$ 586,337	\$ 611,712	\$ 695,400	\$ 682,500	\$ 759,300

Method of Financing

General Fund	\$ 586,337	\$ 611,712	\$ 695,400	\$ 682,500	\$ 759,300
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Number of Employees (FTEs)	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.

<u>Key Measures:</u>	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Help Desk requests	2,928	4,632	4,350	4,500
Hand held devices supported	200	170	165	172
Field & home remote connections supported	120	116	120	120
Technology projects completed	20	26	32	35

Budget Comments/Issues:

The 2013 IT operating budget is increased from the prior year to cover citywide GIS software licensing and enhanced security expenses.

- In 2013, Other Services and Charges will increase for ongoing costs of a new LOGIS shared virtual server for data base recovery services (\$8,000) and for a citywide GIS software license (\$65,000).
- The significant increase in the number of "Help Desk requests" beginning 2011 is in part due to implementation of a new help desk system with more accurate reporting capabilities.
- In 2012, a reduction in personnel cost is due to a temporary staff vacancy.
- "Technology project requests" reflects the number of technology related projects requested by city departments and identified by IT staff that have been completed.

TECHNOLOGY DEVELOPMENT FUND - Administrative Services Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Ad Valorem Tax Levy	\$ 360,000	\$ 375,000	\$ 390,000	\$ 390,000	\$ 405,000
Investment Income, Other	12,466	4,872	2,000	2,000	2,000
Totals	\$ 372,466	\$ 379,872	\$ 392,000	\$ 392,000	\$ 407,000
Expenditures by Category					
Technology Purchases/Upgrades	\$ 243,652	\$ 267,547	\$ 297,000	\$ 297,000	\$ 330,900
Office Equipment	267	34,097	64,100	64,100	16,500
Public Safety Technology	-	65,535	69,500	69,500	-
Security Equipment	-	-	45,000	45,000	125,000
Technology Infrastructure	-	-	-	-	-
Communications Technology	895	13,233	-	-	-
Totals	\$ 244,814	\$ 380,412	\$ 475,600	\$ 475,600	\$ 472,400
Surplus (Deficiency) of Revenues over (under) Expenditures	127,652	(540)	(83,600)	(83,600)	(65,400)
Reserve for Delayed Projects	-	50,000	-	-	-
Beginning Fund Balance	401,056	528,708	478,168	478,168	394,568
Ending Fund Balance	\$ 528,708	\$ 478,168	\$ 394,568	\$ 394,568	\$ 329,168

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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Number of servers	15	15	15	16
Number of desktop computers	175	175	179	179
Number of laptop computers	99	99	102	102
Wireless access points	20	26	26	32

Budget Comments/Issues:

The 2013 budget for the Technology Fund finances the city's regular technology replacement schedule as provided in the adopted Capital Improvements Program (CIP).

- In 2013, \$125,000 is funded for security equipment at city facilities and \$92,000 for phone infrastructure replacements.
- 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	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Cable TV Franchise Fee	\$ 691,836	\$ 718,527	\$ 700,000	\$ 750,000	\$ 750,000
Public, Educational & Govt. Fee	-	-	-	20,000	85,000
Investment Income	24,820	23,696	30,000	18,000	18,000
Miscellaneous Income	10,349	9,054	9,000	4,000	4,000
Totals	\$ 727,005	\$ 751,277	\$ 739,000	\$ 792,000	\$ 857,000
Expenditures by Category					
Personnel	\$ 181,686	\$ 170,409	\$ 174,700	\$ 174,700	\$ 179,350
Supplies	1,865	1,550	3,500	3,500	3,500
Other Services & Charges	186,723	227,901	279,200	282,500	319,000
Capital Outlay	79,831	67,195	249,900	249,900	324,500
Transfer Expenses	27,600	28,500	28,900	28,900	29,300
Totals	\$ 477,705	\$ 495,555	\$ 736,200	\$ 739,500	\$ 855,650
Surplus (Deficiency) of Revenues over Expenditures	249,300	255,722	2,800	52,500	1,350
Reserve for Delayed Projects	-	-	-	283,800	-
Beginning Fund Balance	1,515,702	1,765,002	2,020,724	2,020,724	1,789,424
Ending Fund Balance	\$ 1,765,002	\$ 2,020,724	\$ 2,023,524	\$ 1,789,424	\$ 1,790,774
Number of Employees (FTEs)	2.25	2.00	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 city events for residents such as Summer Festival, Burwell House Ice Cream Social, Farmers' Market and 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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
% residents rating the <i>Memo</i> "excellent" or "good"	91%	91%	91%	91%
# of subscribers to city electronic communications	3,200	4,000	5,500	6,000
Burwell House visitors (Excluding Ice Cream Social visitors)	700	750	1,000	1,250
Visitors - Open House & Summer Fest/Ice Cream	10,200	13,500	14,500	14,000
Miles of fiber	17	17	19	19
Number of wireless links	1	1	1	1
IT supported events (city and private reservations)	86	86	85	85

Budget Comments/Issues:

The 2013 budget for the Cable Television Fund reflects changes resulting from a new ten-year franchise agreement with Comcast.

- The cable franchise renewal became effective in August 2012. Franchise fees for 14,600 Minnetonka subscribers are expected to remain relatively unchanged in future years. A new revenue source for PEG (Public, Educational and Government) access is estimated at \$20,000 in 2012 and \$85,000 in 2013. Use of these funds are limited to equipment.
- 2013 Capital Outlay includes \$45,000 for security equipment for city facilities; \$86,500 for the start of ten-year replacement of AV equipment; \$100,000 for network infrastructure (fiber); and \$70,000 for records management.
- Other Services & Charges were 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. The two charges will remain in the 2013 budget.
- Other Services & Charges are increased in 2013 by \$20,000 for consulting services during an anticipated employee leave of absence and for social media design fees. An additional \$10,500 is included to enhance webcasting services. These latter expenses are intended to increase transparency and enable improved public access to
- Reserved funds in 2013 include previously approved CIP projects for fiber infrastructure.

FINANCE DEPARTMENT

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Personnel	\$ 553,924	\$ 556,308	\$ 588,300	\$ 587,300	\$ 597,300
Supplies	5,603	6,427	6,400	7,300	6,900
Other Services & Charges	119,700	120,265	128,800	132,400	124,300
Capital Outlay	-	-	-	-	-
Totals	\$ 679,227	\$ 683,000	\$ 723,500	\$ 727,000	\$ 728,500

Method of Financing

General Fund	\$ 679,227	\$ 683,000	\$ 723,500	\$ 727,000	\$ 728,500
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Number of Employees (FTEs)	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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Utility customer accounts	16,749	16,769	16,790	16,800
Percentage of utility customers using online billing	NA	NA	5%	10%
Average # of payment checks processed per month	615	649	640	605
Average # of EFTs processed per month	22	24	26	35
Average payroll count (incl. FT, PT, firefighters)	400	441	445	445
Annual rate of return on investments	1.64%	1.95%	1.50%	1.25%
Moody's credit rating	Aaa	Aaa	Aaa	Aaa
GFOA Award for Excellence in Financial Reporting	Awarded	Awarded	Awarded	Awarded

Budget Comments/Issues:

The 2013 General Fund budget for the Finance Department generally supports current level services, with the exception of anticipated increased participation in n online utility billing by water/sewer customers 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, then began online utility billing in June 2012. In 2013, the city is scheduling to join a LOGIS contract to implement regular, electronic system payment of vendors, and 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.

- During the last year, the Minnesota Department of Revenue audited the city for its payment of state sales tax from 2009 thru 2012. The city's high compliance resulted in only around \$5,000 in back taxes owed by the General Fund in total, which are included as additional 2012 charges above. Other similar costs are reflected in the Capital Replacement Fund and the Utility Fund.

- The average number of payment checks increase in 2011 is primarily related to the city finance director acting as temporary treasurer for Metro Commuter Services (I-494 Commission). Rotated amongst member cities, the responsibilities will be passed to another city in 2013.

- The average payroll count increased in 2011 to reflect primarily the conversion of paying firefighters from monthly to bi-weekly. Increased programming at the Williston Center has also contributed.

INSURANCE FUND - Administrative Services Department

Revenues	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Interfund Transfers In	\$ 397,900	\$ 606,067	\$ 609,400	\$ 609,400	\$ 715,700
Investment Income	6,019	1,241	4,000	2,000	2,000
Miscellaneous	-	-	-	-	-
Refunds and Dividends	59,033	-	-	-	-
Totals	\$ 462,952	\$ 607,308	\$ 613,400	\$ 611,400	\$ 717,700
Expenditures by Category					
Premiums	\$ 526,820	\$ 445,522	\$ 395,000	\$ 395,000	\$ 463,300
Settlements	122,445	161,737	140,000	140,000	150,000
Other Services & Charges	34,535	1,575	19,500	19,500	19,500
Capital Outlay	-	-	-	-	-
Totals	\$ 683,800	\$ 608,834	\$ 554,500	\$ 554,500	\$ 632,800
Surplus (Deficiency) of Revenues over Expenditures	(220,848)	(1,526)	58,900	56,900	84,900
<i>Beginning Fund Balance</i>	<i>577,565</i>	<i>356,717</i>	<i>355,191</i>	<i>355,191</i>	<i>412,091</i>
<i>Ending Fund Balance</i>	<i>\$ 356,717</i>	<i>\$ 355,191</i>	<i>\$ 414,091</i>	<i>\$ 412,091</i>	<i>\$ 496,991</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.

Key Measures:	2010 Actual	2011 Actual	2012 Estimated	2013 Projected
Liability rating	1.44	1.46	1.40	1.35
Workers comp mod factor (less than 1.0 is good)	0.85	0.89	1.02	1.19

Budget Comments/Issues:

An appropriate fund balance in the Insurance fund should cover the city's maximum total liability under its policy coverage through the League of Minnesota Cities Insurance Trust (LMCIT) as well as a minimum of \$1 million towards any potentially awarded civil rights claim, which would be outside of state liability limitations. Therefore, 2013 revenues to the Insurance Fund are programmed to increase through the budgets of contributing city divisions in order to accumulate such a reserve over time.

- In 2013, premium costs for general liability insurance is decreasing by almost five percent due to a reduced experience rating during the recent three-year window. However, premium costs for workers compensation is increasing by 21 percent, due to the severity and increase in claims over the same period. Staff will be analyzing and instituting changes to manage and improve these trends.
- 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 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.

CONTINGENCY BUDGET - Finance Department

Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Contingency	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
<i>Total Contingency</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</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:

Over time, the amount budgeted for contingency has been revised up and down to reflect current conditions. The city has not required its use in recent history.

2013 BUDGET SUMMARY - All Funds by Service Program & Budget

Service Program	Budgetary Unit	All Budgets	Budget			
			Gen'l Fund Operating	Enterprise Operating	Capital	Other
Public Safety:	Police Department	\$ 8,457,000	\$ 8,442,000	\$ -	\$ 15,000	\$ -
	Dispatch Division	791,200	791,200	-	-	-
	Fire Department	2,270,800	2,270,800	-	-	-
	Public Safety Fund	430,000	-	-	430,000	-
	Environmental Health Division	353,300	353,300	-	-	-
	Legal Department	795,100	795,100	-	-	-
	<i>Subtotal</i>	\$ 13,097,400	\$ 12,652,400	\$ -	\$ 445,000	\$ -
Streets & Utilities:	Engineering Department	\$ 1,157,900	\$ 1,157,900	\$ -	\$ -	\$ -
	Street Improvement Fund	7,364,000	-	-	7,364,000	-
	MSA Fund	4,277,919	-	-	4,090,000	187,919
	Storm Water Fund	2,452,700	-	387,700	2,065,000	-
	Electric Franchise Fee Fund	1,210,000	-	-	1,210,000	-
	Street Maintenance Division	3,245,200	3,245,200	-	-	-
	Building Maintenance Division	1,050,300	1,050,300	-	-	-
	Fleet Maintenance Division	1,676,800	-	-	-	1,676,800
	169/Bren Road Interchange	-	-	-	-	-
	Grants Special Revenue Fund	80,000	-	-	-	80,000
	Capital Replacement Fund*	1,944,900	-	-	1,944,900	-
	Water & Sewer Utility Fund	10,594,433	-	8,041,200	1,757,500	795,733
	<i>Subtotal</i>	\$ 35,054,152	\$ 5,453,400	\$ 8,428,900	\$ 18,431,400	\$ 2,740,452
Parks & Environ:	Parks & Trails Division	\$ 1,510,800	\$ 1,510,800	\$ -	\$ -	\$ -
	Natural Resources Division	1,109,500	1,109,500	-	-	-
	Environmental Fund	885,150	-	885,150	-	-
	Park & Trail Improvement Fund	706,000	-	-	706,000	-
	Park & Open Space Bonds	-	-	-	-	-
	Park & Open Sp Debt Fund	-	-	-	-	-
	Community Investment Fund	250,000	-	-	250,000	-
	<i>Subtotal</i>	\$ 4,461,450	\$ 2,620,300	\$ 885,150	\$ 956,000	\$ -
Recreation:	Joint Recreation	\$ 1,363,000	\$ 1,363,000	\$ -	\$ -	\$ -
	Minnetonka Recreation	455,700	455,700	-	-	-
	Senior Services	345,900	345,900	-	-	-
	Community Center	493,100	492,100	-	-	1,000
	Williston Center	1,489,700	-	1,395,200	94,500	-
	Ice Arena	843,800	-	833,800	10,000	-
	Gray's Bay Marina	202,500	-	202,500	-	-
	<i>Subtotal</i>	\$ 5,193,700	\$ 2,656,700	\$ 2,431,500	\$ 104,500	\$ 1,000
Development:	Community Devpt Division	\$ 1,292,100	\$ 1,292,100	\$ -	\$ -	\$ -
	Planning Division	545,700	545,700	-	-	-
	Assessing Division	659,900	659,900	-	-	-
	Development Fund	135,000	-	-	135,000	-
	HRA Fund	325,000	-	-	-	325,000
	Livable Communities Fund	361,000	-	-	-	361,000
	CDBG Fund	160,000	-	-	-	160,000
	<i>Subtotal</i>	\$ 3,478,700	\$ 2,497,700	\$ -	\$ 135,000	\$ 846,000
General Gov't:	Mayor & City Council	\$ 215,300	\$ 215,300	\$ -	\$ -	\$ -
	General Administration	1,308,000	1,308,000	-	-	-
	Information Tech Division	759,300	759,300	-	-	-
	Technology Fund	472,400	-	-	472,400	-
	Cable Fund	826,350	-	-	324,500	501,850
	Finance Department	728,500	728,500	-	-	-
	Insurance Fund	632,800	-	-	-	632,800
	Contingency	50,000	50,000	-	-	-
	<i>Subtotal</i>	\$ 4,992,650	\$ 3,061,100	\$ -	\$ 796,900	\$ 1,134,650
TOTALS		\$ 66,278,052	\$ 28,941,600	\$ 11,745,550	\$ 20,868,800	\$ 4,722,102

* 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.

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

Service Program	Budgetary Unit	All Budgets	Budget			
			Gen'l Fund Operating	Enterprise Operating	Capital	Other
Public Safety:	Police Department	\$ 8,251,400	\$ 8,221,400	\$ -	\$ -	\$ 30,000
	Dispatch Division	777,500	777,500	-	-	-
	Fire Department	2,188,800	2,188,800	-	-	-
	Public Safety Fund	898,600	-	-	898,600	-
	Environmental Health Division	350,700	350,700	-	-	-
	Legal Department	755,600	755,600	-	-	-
	<i>Subtotal</i>	\$ 13,222,600	\$ 12,294,000	\$ -	\$ 898,600	\$ 30,000
Streets & Utilities:	Engineering Department	\$ 1,142,600	\$ 1,142,600	\$ -	\$ -	\$ -
	Street Improvement Fund	4,759,000	-	-	4,759,000	-
	MSA Fund	614,756	-	-	427,700	187,056
	Storm Water Fund	1,373,600	-	368,600	1,005,000	-
	Electric Franchise Fee Fund	150,000	-	-	-	150,000
	Street Maintenance Division	3,156,100	3,156,100	-	-	-
	Building Maintenance Division	1,008,150	1,008,150	-	-	-
	Fleet Maintenance Division	1,636,900	-	-	-	1,636,900
	169/Bren Road Interchange	3,100,000	-	-	3,100,000	-
	Grants Special Revenue Fund	577,000	-	-	453,800	123,200
	Capital Replacement Fund*	1,709,800	-	-	1,709,800	-
	Water & Sewer Utility Fund	11,698,026	-	8,496,556	2,111,400	1,090,070
	<i>Subtotal</i>	\$ 30,925,932	\$ 5,306,850	\$ 8,865,156	\$ 13,566,700	\$ 3,187,226
Parks & Environ:	Parks & Trails Division	\$ 1,435,100	\$ 1,435,100	\$ -	\$ -	\$ -
	Natural Resources Division	1,071,600	1,071,600	-	-	-
	Environmental Fund	867,750	-	867,750	-	-
	Park & Trail Improvement Fund	1,286,000	-	-	1,286,000	-
	Park & Open Space Bonds	-	-	-	-	-
	Park & Open Sp Debt Fund	-	-	-	-	-
	Community Investment Fund	-	-	-	-	-
	<i>Subtotal</i>	\$ 4,660,450	\$ 2,506,700	\$ 867,750	\$ 1,286,000	\$ -
Recreation:	Joint Recreation	\$ 1,353,700	\$ 1,353,700	\$ -	\$ -	\$ -
	Minnetonka Recreation	443,000	443,000	-	-	-
	Senior Services	342,200	342,200	-	-	-
	Community Center	546,500	546,500	-	-	-
	Williston Center	1,436,500	-	1,436,500	-	-
	Ice Arena	817,900	-	817,900	-	-
	Gray's Bay Marina	201,200	-	201,200	-	-
	<i>Subtotal</i>	\$ 5,141,000	\$ 2,685,400	\$ 2,455,600	\$ -	\$ -
Development:	Community Devpt Division	\$ 1,210,450	\$ 1,210,450	\$ -	\$ -	\$ -
	Planning Division	533,400	533,400	-	-	-
	Assessing Division	644,300	644,300	-	-	-
	Development Fund	749,800	-	-	-	749,800
	HRA Fund	95,000	-	-	-	95,000
	Livable Communities Fund	362,500	-	-	-	362,500
	CDBG Fund	136,205	-	-	-	136,205
	<i>Subtotal</i>	\$ 3,731,655	\$ 2,388,150	\$ -	\$ -	\$ 1,343,505
General Gov't:	Mayor & City Council	\$ 200,395	\$ 200,395	\$ -	\$ -	\$ -
	General Administration	1,345,231	1,345,231	-	-	-
	Information Tech Division	682,500	682,500	-	-	-
	Technology Fund	475,600	-	-	475,600	-
	Cable Fund	710,600	-	-	-	710,600
	Finance Department	727,000	727,000	-	-	-
	Insurance Fund	554,500	-	-	-	554,500
	Contingency	50,000	50,000	-	-	-
	<i>Subtotal</i>	\$ 4,745,826	\$ 3,005,126	\$ -	\$ 475,600	\$ 1,265,100
TOTALS		\$ 62,427,463	\$ 28,186,226	\$ 12,188,506	\$ 16,226,900	\$ 5,825,831

* 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 - 2012 & 2013

Full-Time Equivalents (FTEs)

<i>Service Category</i>	<i>Budgetary Unit</i>	<i>2012 Budget</i>	<i>2012 Revised Budget</i>	<i>2013 Budget</i>	<i>%</i>
Public Safety:	Police Department	65.95	65.95	65.95	
	Dispatch	9.00	9.00	9.00	
	Fire Department*	6.50	6.50	6.50	
	Environmental Health Division	3.40	3.50	3.50	
	Legal Department	6.00	6.00	6.00	
	<i>Subtotal</i>	<u>90.85</u>	<u>90.95</u>	<u>90.95</u>	<u>39.4%</u>
Streets & Utilities:	Engineering Department	9.75	9.75	9.75	
	Storm Water Fund	0.50	0.50	0.50	
	Street Maintenance Division	20.95	21.24	21.24	
	Building Maintenance Division	8.58	8.18	8.18	
	Fleet Maintenance Division	4.58	4.51	4.51	
	Water & Sewer Utility Fund	16.22	16.54	16.04	
	<i>Subtotal</i>	<u>60.58</u>	<u>60.72</u>	<u>60.22</u>	<u>26.1%</u>
Parks & Environ:	Parks & Trails Division	8.91	9.21	9.21	
	Natural Resources Division	4.58	4.71	4.71	
	Environmental Fund	1.58	1.51	1.51	
	<i>Subtotal</i>	<u>15.07</u>	<u>15.43</u>	<u>15.43</u>	<u>6.7%</u>
Recreation:	Joint Recreation	5.75	5.75	5.84	
	Minnetonka Recreation	0.75	0.75	0.84	
	Senior Services	2.50	2.50	2.50	
	Community Center	4.37	4.37	3.37	
	Williston Center	5.05	5.05	5.05	
	Ice Arena	3.80	3.80	3.62	
	Gray's Bay Marina	0.20	0.20	0.20	
	<i>Subtotal</i>	<u>22.42</u>	<u>22.42</u>	<u>21.42</u>	<u>9.3%</u>
Development:	Community Devpt Division	11.40	11.40	11.60	
	Planning Division	5.50	5.50	5.50	
	Assessing Division	5.25	5.25	5.25	
	Development Fund	0.20	0.20	-	
	<i>Subtotal</i>	<u>22.35</u>	<u>22.35</u>	<u>22.35</u>	<u>9.7%</u>
General Gov't:	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>9.0%</u>
TOTALS **		<u>231.99</u>	<u>232.59</u>	<u>231.09</u>	<u>100.0%</u>

* Excludes paid-on-call firefighters.

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

CITY OF MINNETONKA

2013 ANNUAL BUDGET
APPENDIX D

City of Minnetonka, Minnesota
2013 Budget
BONDED INDEBTEDNESS

	G.O. Revenue Bonds		G.O. Bonds			G.O. State-Aid	TOTAL All Bonds
	Water Ref Bonds 2008	Ref Bonds (Water) 2012	Park Bonds 2008	Park Ref Bonds 2010	Ref Bonds (Park) 2012	Street Bonds 2008	
Original Amount	\$ 4,215,000	\$ 1,915,000	\$ 2,490,000	\$ 2,620,000	\$ 2,500,000	\$ 2,215,000	\$ 15,955,000
Outstanding 12/31/2012							
Principal	2,880,000	1,915,000	2,135,000	2,285,000	2,500,000	1,695,000	13,410,000
Interest	239,400	180,233	439,888	178,181	235,219	424,197	1,697,117
Total	\$ 3,119,400	\$ 2,095,233	\$ 2,574,888	\$ 2,463,181	\$ 2,735,219	\$ 2,119,197	\$ 15,107,117
Amounts Due in 2013							
Principal	660,000	-	140,000	360,000	-	125,000	1,285,000
Interest	102,000	32,633	77,775	50,088	42,625	62,119	367,240
Total	\$ 762,000	\$ 32,633	\$ 217,775	\$ 410,088	\$ 42,625	\$ 187,119	\$ 1,652,240
To be paid from:							
Property Taxes*	-	-	231,341	426,812	405,825	-	1,063,978
State Aid (MSA)	-	-	-	-	-	187,119	187,119
Utility Fund	762,000	32,633	-	-	-	-	794,633
Total	\$ 762,000	\$ 32,633	\$ 231,341	\$ 426,812	\$ 405,825	\$ 187,119	\$ 2,045,730

* Amounts are 2012 market value tax levies required to cash flow late 2013 and early 2014 debt service payments.

CITY OF MINNETONKA

2013 Budget Calendar

February 1	Capital Improvement Program (CIP) forms sent to departments.
March 5	Departments submit capital requests to city manager.
Week of March 19	City manager meets with departments to discuss CIP requests.
April 9	City council study session on 2013-17 CIP.
April 26 (tentative)	Leadership staff reviews citizen survey results for budget purposes.
April 30	City Council adopts 2013-17 CIP.
June 4	Budget work papers are made available to departments.
Weeks of July 9 & 16	City manager meets with departments to discuss 2011 department merit indicators, big budget issues, and key measures.
July 20	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 20	First city council budget study session.
August 24	Budget memo sent to city council.
August 29	Budget instructions and targets provided to departments.
August 27	City council adopts preliminary levy and announces public budget hearing date.
October 1	Departments submit detailed budget requests.
November 1	City manager sends proposed 2013 budget and revised 2012 budget to city council members.
November 5	Second city council budget study session.
Week of November 12	Hennepin County sends parcel specific proposed tax estimates to taxpayers.
December 3	City council holds public budget hearing.
December 17	City council adopts final 2013 budget, 2013 tax levy and revised 2012 budget.
December 28	Final 2013 levy certified to Hennepin County.

City of Minnetonka, MN

MINNETONKA CITY COUNCIL
(Economic Development Authority)

Mayor Terry Schneider

Council Members at Large: Dick Allendorf
Patty Acomb

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
- Police Advisory Commission
- Community Commission
- Senior Citizen Advisory Board

City Attorney
Desyl Peterson

CITY MANAGER
Geraldyn Barone



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
Perry Vetter

- 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