

**City Council Study Session Item #1  
Meeting of November 25, 2013**

**Brief Description:** 2014 Detailed Budget Review

**Recommended Action:** Review recommendations and provide direction

The purpose of this study session is to review detailed budget recommendations and to provide direction prior to the public hearing on December 2, and final budget adoption on December 16, 2013. At its previous August 19, 2013 study session, council reviewed preliminary 2014 budget targets, and subsequently adopted preliminary levies at its September 16, 2013 regular meeting.

Although a truth-in-taxation hearing is no longer required, the city of Minnetonka has always welcomed and encouraged public input on its budget and property tax decisions. As is the city's practice, preliminary information was regularly provided in the monthly *Minnetonka Memo* and on the city's website, with community residents and businesses invited to provide feedback.

**Levy Increase Held Below State 3% Levy Cap**

The city of Minnetonka develops its budgets with its strategic objectives in mind. Specifically, the city's overarching goals for these purposes are to:

- Ensure Minnetonka's position of fiscal responsibility
- Preserve Minnetonka's standards of excellence
- Encourage innovative and creative thinking

As detailed in the city's adopted Strategic Profile, the city of Minnetonka takes a responsible, long-term perspective with the financial planning and management. Decisions are made with the future in mind to ensure the city's ongoing ability to provide quality services at a reasonable price.

The city's responsible budget management has consistently paid off for its taxpayers. For 2014, the property taxes that support core police, fire, streets and parks services *are held to an increase of 2.87 percent, which will result in a slight decrease for the median value home of about \$3.* This proposed levy increase is below the four percent increase we had expected for 2014 when we projected this last year.

It's important to be mindful that the city is unlike most other communities in the state, because Minnetonka does not qualify for state local government aid (LGA), so will not reap the benefits of the generous increases in LGA adopted by the legislature in 2013. However, as discussed at the August budget study session, the 2013 state legislature did assist the city by reinstating a sales tax exemption for most local government

purchases, effective as of January 1, 2014. The new exemption will be instrumental in absorbing new costs as outlined below, beginning in 2014, and thereby is keeping the city's required levy low for next year.

## 2014 Budget

The significantly greatest proportion of the city's general operating budget continues to be dedicated to public safety programs and services, which is consistently the highest priority of Minnetonka's residents. A higher increase in parks, recreation and natural resources primarily reflects increases in costs for the Emerald Ash Borer program and for additional parks and trails maintenance associated with the growing maintenance requirements of the city's valued amenities. A higher increase in general government (All Other) is in part related to the costs of state and federal elections in 2014.

GF Spending (000s)	2013	2014	Change
Public Safety	\$12,652	\$13,018	2.9%
Streets & Utilities	5,454	5,463	0.2%
Parks, Rec & Environ	5,340	5,644	5.7%
Development	2,498	2,559	2.4%
All Other	3,061	3,214	5.0%
<i>Total General Fund</i>	<i>\$29,005</i>	<i>\$29,898</i>	<i>3.1%</i>

## Public Safety

Market stabilization from investments in the fire relief pension fund along with an ongoing increase in the annual allotment of state fire aid that is passed-thru to the fund more than covers the state required level of city funding in 2014. After a hiatus to accommodate the change in key public safety leadership staff, Minnetonka's new city attorney and new fire chief will be on board for their first full fiscal years in 2014. Work will continue with a task group of firefighters and actuarial consultants to develop a long-term pension restructuring plan for paid-on-call firefighters. In the interim, the city will maintain its commitment to the paid-on-call firefighters' pension through an already planned increase in city contribution to their deferred compensation plan, which is included in this 2014 budget.

A portion of the increase in funding for the fire department will cover a rise in workers' compensation insurance for paid-on-call firefighters and an accounting adjustment for the paid-on-call salary line-item.

The 2014 budget for the Police Department reflects a reprogramming of staff structures to more effectively and efficiently accomplish its tasks. A full-time property room clerk will be reduced to a 24-hour per week position, and a part-time community service

officer with benefits will be supplanted with two part-time positions without benefits. The department will continue to prioritize traffic education/enforcement with a focus on speed, seatbelt, red light violations, distracted driving, and DWI enforcement in 2014. Staff identifies specific traffic concerns on a monthly basis for directed patrol.

### **Streets & Utilities**

The 2014 budget continues the city's strong commitment to maintaining and improving its substantial investment in streets and utilities infrastructure. At over \$40 million in 2014, over one-half of all city resources remain dedicated to this core responsibility. Minnetonka's adopted Capital Improvement Program (CIP) for 2014 includes major street projects such as the continued reconstruction in the Sparrow Road area, the construction of the I-394 westbound on-ramp at Ridgedale Drive, reconstruction of Shady Oak Road between TH 7 and Excelsior Boulevard, and the city's shared costs of the reconstruction of County Road 101 between Minnetonka Boulevard and TH 12.

The city's water and sewer utility infrastructure requires significant capital costs to operate and maintain, and the proposed increases are still modest. Emergency watermain repair under I-494 and a sanitary sewer force main rupture near Prestige Lane were completed this summer and highlight the challenges of maintaining and evaluating an aging distribution system that resides underground. The city's approach to maintaining distribution infrastructure is to only replace what is necessary, not wholesale replacement of sections of the city. New technology has allowed staff to televise, listen and fight corrosion to prolong the life expectancy of the pipes. Staff sees this as more fiscally responsible.

Operating the production and treatment side of the water system is a more exact science and a proactive approach is taken. This February a water system optimization study will be presented to describe how future capital projects will provide increased efficiency and maximization of the finite water production system to meet the challenges of system growth and seasonal demand.

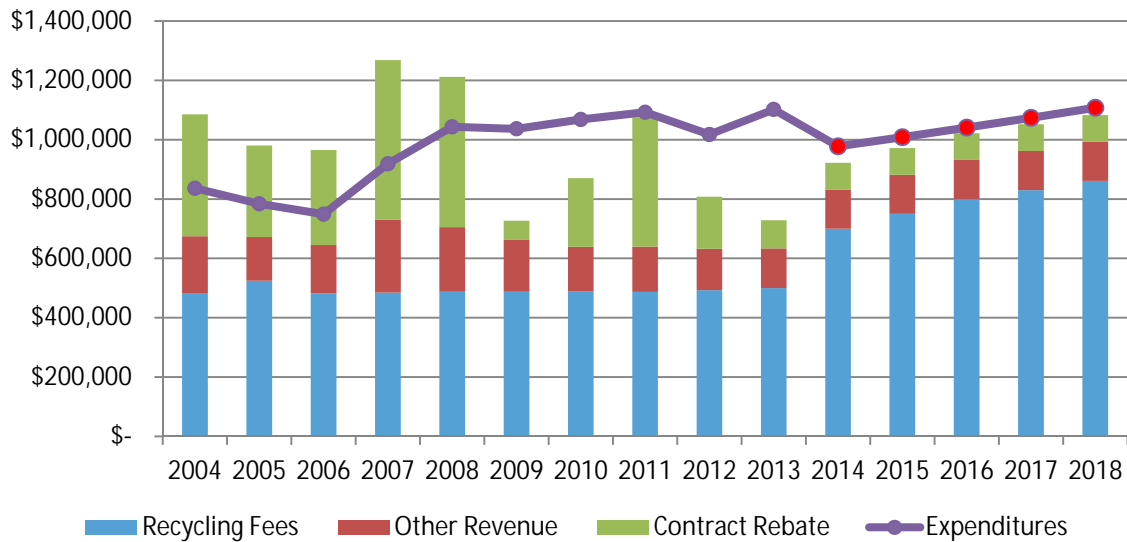
Council adopted a new water system cash balance policy in December 2012, which set targets for reserves. The minimum targets for the operating reserve was six months operating costs and the capital reserve target was ten percent of the system's accumulated depreciation. At the proposed rate increases, 2014 reserves would meet 65 percent of the combined targets. The city is forecasted to reach 100 percent of the combined targets in ten years.

### **Parks, Recreation & Environment**

One of the most significant changes in the 2014 budget is financial support for the *city's recycling programs*. A substantial change in the market for recycled materials has occurred. This change in addition to increases in the cost of the city's recycling contract and a reduced weight of materials recycled (mainly due to less newsprint and magazines) have resulted in a significant decrease in revenue to the city's

Environmental Fund. The fund maintains not only the costs of residential recycling, but also the city’s popular yard waste recycling and special drop-off programs. The 2014 budget addresses the fund’s current structural imbalance with changes to revenues and expenses.

**Environmental Fund Expenditures & Revenue 2014-2018**



First, staff will be recommending an increase in the residential fee for recycling from \$2.50 to \$3.50 per month, which is included in the 2014 budget. The city’s recycling fee rate has remained the same for more than ten years, because until the recession, revenues to the city from the sale of recycled materials (shown above as “contract rebate”) along with the fund’s other sources had more than covered program costs. The higher fee would place the city’s charges close to the average of residential recycling fees across the metro, which is currently at \$3.47 per month, and would allow the city to recover the costs of our programs. Council will be asked to adopt the higher fee in December, along with proposed changes to other city utility fee rates.

The 2014 budget also reduces expenses to the fund. Some staff funding, which was previously supported by the Environmental Fund, will be reprogrammed to more closely align with actual job duties, moving the greater portion of the budget for the parks and trails inspector to the parks and trails division. Additionally, budgeted transfers from the Environmental Fund to the General Fund to cover natural resources staff will be reduced, effectively increasing the General Fund’s support of natural resources programming. Other operating expenses had already been reduced beginning 2013; a new recycling guide, published as an insert within the *Minnetonka Memo*, has replaced “The Recyclopedia,” which had previously been individually printed and mailed to every property owner.

As noted during the August budget study session, the 2014 budget adjusts funding to cover costs for an *additional seasonal inter-community work crew (ICWC)*. While the city already uses two year-round crews for park and utility maintenance, a seasonal group will be used during the growing season to maintain streetscapes and planted medians on various roadways and gateways such as Shady Oak Road and County Road 101. Temporary seasonal employees are only available for a very limited amount of time, while a seasonal ICWC contract would cover a longer length of time in order to maintain these high-maintenance areas.

Also as discussed at the August study session, the 2014 budget includes funding for the first six months' costs of the *Emerald Ash Borer (EAB) program*, specifically the pre-EAB phase at a cost of \$162,100. The operating budget of the environmental services division includes expenses for two new staff (an assistant forester and an administrative assistant) as well as additional funding for temporary laborers and operating costs, including technology and fuel. The new Forestry Fund, as provided in the 2014-18 Capital Improvement Program (CIP), provides a budget for tree removal, stump grinding, reforestation and capital start-up equipment.

The city's *recreational programming* continues to flourish. Despite a modification in membership eligibility for non-residents, the *Williston Center* continues to experience ongoing financial strength. The center's 2014 budget includes the addition of two new staff members to accommodate its rise in popularity as measured by memberships, facility visits and daily passes. Fee revenues of the enterprise will support these new costs.

### **Development**

As the city council is aware, the council acting as the Economic Development Authority, preliminarily adopted no change in the current \$175,000 Housing and Redevelopment Authority (HRA) levy through its actions in September. While \$100,000 of this amount will be transferred to the Livable Communities Fund to support affordable housing efforts, another \$75,000 will finance a marketing effort of the city, including market research analysis in the first year. Other 2014 expenses will cover master planning for the village center study at Excelsior Boulevard and Shady Oak Road in anticipation of the new Southwest Light Rail station to be constructed in 2015. The housing loan programs will also continue. Remaining balances in the HRA Fund will fund the master planning and housing programs.

The assessing division budget in 2014 includes funding to increase its current part-time assessment specialist to full-time. The position's workload has been increasing and is forecasted to continue to increase due to the greater volume of special assessments required by the city's expanding diseased tree program along with economic development efforts like housing improvement areas (HIAs).

### **All Other**

Because the city is primarily a service business, workforce-related legislation has a significant impact on both the city's work and its finances. The state legislature adopted additional plans for shoring up unfunded liabilities in the *statewide public safety employee pension fund*, which require additional contributions in 2014 and 2015 by both the city and its employees. Of even greater significance, new requirements of insurance carriers imposed by the *federal Affordable Care Act (ACA)* are triggering health care premium increases and affect the city's contribution to employee plans.

Some provisions of the ACA were delayed until 2015. Nonetheless, the city has evaluated workforce plans across city programs and adjusted staffing structures on a case-by-case basis to accommodate the likely requirements of the act, to better serve customers and to accomplish city program goals. More changes are likely as new administrative rules on the ACA are released by the federal government.

Due to ever-increasing workers compensation premiums, staff is currently seeking proposals on a detailed *workers compensation study* to be completed in 2014. The request is to analyze current procedures and practices, evaluate trends from past claims, examine areas of the city that have higher exposure and highlight recommendations to assist in reducing claims. The intent of this study is not only to assist in lowering our experience factors that determine the rates, but how best to return an injured employee to work.

Administration department staff will be working with department directors to conduct a *succession planning* exercise to review our talent management plan. All leadership, middle managers and front line "informal leader" positions will be assessed to identify future capacity for growth. The goal of this exercise will be to identify existing internal staff for targeted development on desired skills and competencies that will assist them in progressing within the organization.

Additional costs in the general government area of the budget include expenses for state and local elections in 2014, as well as market salary increases to maintain competitive wages consistent with salary structures throughout the city.

### **General Fund Balance**

In 2012, the council revised the city's fund balance policy in compliance with new standards issued by the Government Accounting Standards Board (GASB). The adopted policy helps ensure stable tax rates and allows the responsible allocation of available one-time funds for appropriate uses. Specifically, the policy provides that any balance not assigned to a specific purpose that is above 40 percent of the following year's operating budget is available for other one-time purposes, such as capital needs or pilot programs for which there are no ongoing financial commitments.

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Accordingly, the 2014 budget includes a 40 percent *Budget Stabilization Reserve*, which will accommodate one-time funds to be used to purchase street and trail maintenance equipment and city hall window replacement per the adopted CIP in 2014. Using actual 2012 revenues, 2013 revised numbers, along with revenue and expenditure forecasts for 2014 through 2018, the 40-percent reserve level and unassigned fund balance will accommodate all currently programmed transfers for other capital costs.

At the August budget study session, initial projections indicated that 2013 final costs might exceed final revenues for the year. As is typical with the advent of time, additional revenue has been realized by the city which will likely result in a balanced budget for the year. Some of the unanticipated revenue is from additional permit fees, but perhaps more significantly, intergovernmental revenue is higher than anticipated (+\$265,000). A large portion of this amount is enhanced state aid for police and firefighter pensions. The remainder is a projected allocation of Federal Emergency Management Agency (FEMA) funds awarded to the city to offset our extra costs for the storm damage late last spring.

#### **2014 PRELIMINARY LEVY**

The 2014 proposed operating and adopted capital budgets will require an increase in the city property tax of 2.87 percent, which is within the 3 percent levy cap imposed by the state legislature for this next year.

<b>Property Taxes (thousands)</b>	<b>2013</b>	<b>2014</b>	<b>Increase</b>
Operating & Capital Levies	\$29,926	\$30,825	
Park Bond Referendum	1,064	1,054	
<b>Total City Levy</b>	<b>\$30,990</b>	<b>\$31,879</b>	<b>2.87%</b>
EDA HRA Levy	175	175	

Although the recommended 2014 budget assumes an increase in city property taxes of 2.87 percent, other factors impact our community taxpayers. Similar to last year, the relative rise in commercial property values compared to a small decrease in residential property values will shift more of the property tax burden upon our commercial property tax base. This will mean that the median value Minnetonka home (\$273,200 in 2013) will experience a slight decrease in city taxes despite the proposed levy increase.

It is critical to be mindful that the city of Minnetonka only accounts for about one-quarter of a homeowner's total property tax bill. The remainder is attributable to taxes levied by school districts (around one-third), Hennepin County (around one-third), and other

jurisdictions (the remainder). For businesses, the city's share is only about ten percent of their property tax bill.

To develop the operating budget and consider long-term financial consequences, the city regularly forecasts out to a five-year time horizon to coincide with planning in the CIP. The 2.87 percent increase for 2014 is in line with the projected increases the city forecast in 2009, when we repositioned for the recession. As estimated, we currently anticipate future property tax increases in the three to four percent range.

***Discussion Question: Does the council have any questions, comments or feedback regarding the proposed 2014 budget?***

## **Summary**

Responsible long-term financial planning continues to position the city of Minnetonka to address the uncertainties of the economy and state political actions. Public safety and roads remain the highest budget priorities, with nearly three-fourths of the city's annual resources dedicated to these basic services. We continue to strategically position the city to be fiscally responsible, preserve its standards of excellence, and encourage organizational innovation and creative thinking.

Property taxes that support the 2014 budget are held to an increase of 2.87 percent, which meets the state mandated levy cap and is below the four percent increase we had expected for 2014 when we projected this last year. At this rate, the median value home in the city will experience a slight decrease in city property taxes and the city of Minnetonka will continue to provide the excellent services our residents and businesses have come to expect, and at a reasonable price, both in 2014 and well into the future.

Originated by:

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*City of*  
**minnetonka**

# 2014 Budget

**Minnetonka, Minnesota**

*Preliminary*

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James Hiller, Councilmember Ward 4  
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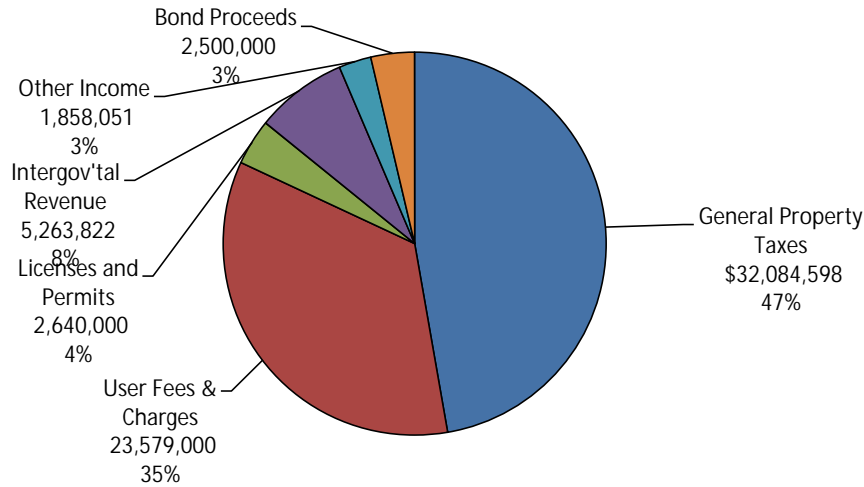
## CONSOLIDATED BUDGETS SUMMARY - ALL FUNDS

	<u>2013</u> <u>Revised</u>	<u>2014</u> <u>Budget</u>
<b><u>Revenue</u></b>		
General Property Taxes	\$ 31,224,300	\$ 32,084,598
User Fees & Charges	22,939,450	23,579,000
Licenses and Permits	2,480,000	2,640,000
Intergovernmental Revenue	3,975,092	5,263,822
Other Income	2,235,101	1,858,051
Other Sources - Bond Proceeds	-	2,500,000
<b>Total Revenue</b>	<b><u>\$ 62,853,943</u></b>	<b><u>\$ 67,925,471</u></b>
<b><u>Expenditures</u></b>		
<b>By Program:</b>		
Public Safety	\$ 13,321,300	\$ 13,361,100
Streets & Utilities	33,797,544	40,503,245
Parks & Environment	4,665,300	4,559,900
Recreation	5,614,800	5,947,800
Development	3,315,800	3,349,900
General Government	4,999,400	5,585,025
<b>Total Expenditures by Program</b>	<b><u>\$ 65,714,144</u></b>	<b><u>\$ 73,306,970</u></b>
<b>By Category:</b>		
Personnel	\$ 24,660,800	\$ 25,698,000
Supplies	3,932,774	4,052,750
Services & Charges	16,383,959	16,330,588
Capital Outlay	17,468,605	25,937,800
Debt Service	3,268,006	1,287,832
<b>Total Expenditures by Category</b>	<b><u>\$ 65,714,144</u></b>	<b><u>\$ 73,306,970</u></b>

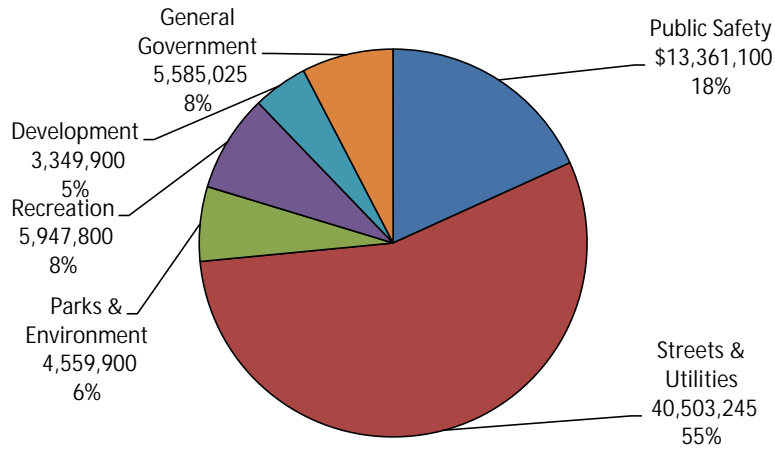
Note: Internal service fund budgets are accounted for twice in this summary to better reflect costs by program and category. They appear once from the internal service fund and once from the respective fund incurring the charge for service.

2014 CONSOLIDATED BUDGETS - ALL FUNDS

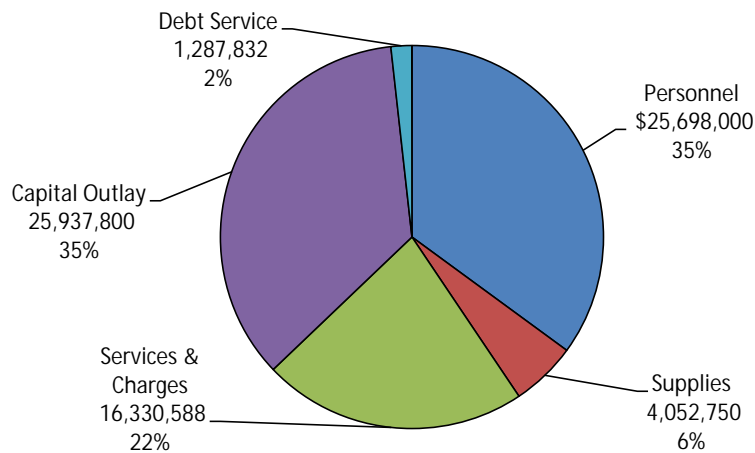
Revenue



Expenditures by Program



Expenditures by Category



## GENERAL FUND REVENUES &amp; EXPENDITURES

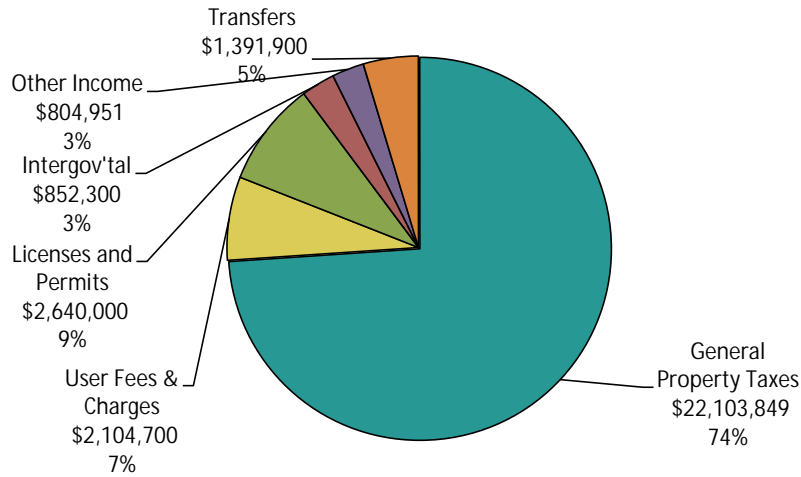
	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
<b>Revenues</b>					
General Property Taxes	\$ 20,919,497	\$ 20,850,042	\$ 21,569,822	\$ 21,559,822	\$ 22,103,849
Licenses & Permits	3,403,189	2,474,886	2,535,000	2,480,000	2,640,000
Intergovernmental Revenue	935,717	766,417	703,600	969,500	852,300
Transfers	1,340,700	1,351,000	1,368,600	1,368,600	1,391,900
User Fees & Charges	1,761,723	1,883,477	2,000,000	1,988,800	2,104,700
Other Income	972,330	953,492	827,578	751,378	804,951
<b>Total Revenues</b>	<b>\$ 29,333,155</b>	<b>\$ 28,279,314</b>	<b>\$ 29,004,600</b>	<b>\$ 29,118,100</b>	<b>\$ 29,897,700</b>
<b>Expenditures</b>					
Police	\$ 7,786,637	\$ 7,791,911	\$ 8,442,000	\$ 8,416,000	\$ 8,640,200
Dispatch	748,719	780,830	791,200	791,200	796,400
Fire	2,126,730	2,174,848	2,270,800	2,336,000	2,425,700
Environmental Health	320,481	335,808	353,300	351,900	368,100
Legal	716,143	717,953	795,100	837,900	787,700
<i>Subtotal, Public Safety</i>	<i>\$ 11,698,710</i>	<i>\$ 11,801,350</i>	<i>\$ 12,652,400</i>	<i>\$ 12,733,000</i>	<i>\$ 13,018,100</i>
Engineering	1,023,798	1,059,500	1,157,900	1,141,200	1,194,100
Street Maintenance	3,046,697	2,952,652	3,245,200	3,287,900	3,223,600
Building Maintenance	980,808	1,031,093	1,050,300	1,070,800	1,045,400
<i>Subtotal, Streets &amp; Utilities</i>	<i>\$ 5,051,303</i>	<i>\$ 5,043,245</i>	<i>\$ 5,453,400</i>	<i>\$ 5,499,900</i>	<i>\$ 5,463,100</i>
Parks & Trails	1,217,401	1,380,089	1,510,800	1,506,700	1,727,700
Natural Resources	1,025,493	930,977	1,109,500	1,089,800	1,132,400
<i>Subtotal, Parks &amp; Environment</i>	<i>\$ 2,242,894</i>	<i>\$ 2,311,066</i>	<i>\$ 2,620,300</i>	<i>\$ 2,596,500</i>	<i>\$ 2,860,100</i>
Joint Recreation	1,305,785	1,387,799	1,363,000	1,357,200	1,380,700
Minnetonka Recreation	502,342	491,213	518,700	518,600	541,100
Senior Services	376,804	343,085	345,900	361,400	354,700
Community Center	456,718	451,393	492,100	495,700	507,100
<i>Subtotal, Recreation</i>	<i>\$ 2,641,649</i>	<i>\$ 2,673,490</i>	<i>\$ 2,719,700</i>	<i>\$ 2,732,900</i>	<i>\$ 2,783,600</i>
Community Development	1,198,139	1,217,035	1,292,100	1,299,800	1,319,000
Planning	538,761	489,556	545,700	537,700	548,400
Assessing	612,181	625,006	659,900	659,900	691,500
<i>Subtotal, Development</i>	<i>\$ 2,349,081</i>	<i>\$ 2,331,597</i>	<i>\$ 2,497,700</i>	<i>\$ 2,497,400</i>	<i>\$ 2,558,900</i>
Mayor & City Council	233,503	166,562	215,300	215,300	215,200
General Administration	1,131,051	1,268,683	1,308,000	1,308,000	1,367,900
Information Technology	611,712	652,046	759,300	758,400	797,300
Finance	683,000	721,011	728,500	726,700	783,500
<i>Subtotal, General Government</i>	<i>\$ 2,659,266</i>	<i>\$ 2,808,302</i>	<i>\$ 3,011,100</i>	<i>\$ 3,008,400</i>	<i>\$ 3,163,900</i>
Contingency	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
<b>Total Expenditures</b>	<b>\$ 26,642,903</b>	<b>\$ 26,969,050</b>	<b>\$ 29,004,600</b>	<b>\$ 29,118,100</b>	<b>\$ 29,897,700</b>
Surplus of Revenues over Expenditures	2,690,252	1,244,653	-	-	-
Transfer to Capital Replacement Fund	(100,000)	-	(475,000)	(475,000)	(775,000)
Transfer to Other Funds	-	(600,000)	-	-	-
<b>Beginning Fund Balance</b>	<b>13,613,414</b>	<b>16,230,870</b>	<b>16,875,571</b>	<b>16,875,571</b>	<b>16,400,571</b>
<b>Ending Fund Balance</b>	<b>\$ 16,230,870</b>	<b>\$ 16,875,526</b>	<b>\$ 16,400,571</b>	<b>\$ 16,400,571</b>	<b>\$ 15,625,571</b>
Nonspendable Balances - Inventories	112,339	77,086	120,000	120,000	120,000
Unrestricted Balances					
Committed for Compensated Absences	1,000,000	1,010,000	1,040,000	1,040,000	1,000,000
Assigned for POC Fire Pensions	329,000	312,300	312,300	332,300	332,300
Assigned for Rec Scholarships & Sr. Ctr.	25,000	25,000	25,000	20,000	15,000
Assigned as Budget Stabilization	12,206,829	11,833,877	12,219,638	11,969,600	12,349,700
Unassigned	2,557,702	3,617,308	2,683,633	2,918,671	1,808,571
<b>Ending Fund Balance</b>	<b>\$ 16,230,870</b>	<b>\$ 16,875,571</b>	<b>\$ 16,400,571</b>	<b>\$ 16,400,571</b>	<b>\$ 15,625,571</b>
Budget Stabilization Balance Policy Goal	45.3%	40.8%	40.9%	40.0%	40.0%

## GENERAL FUND REVENUE

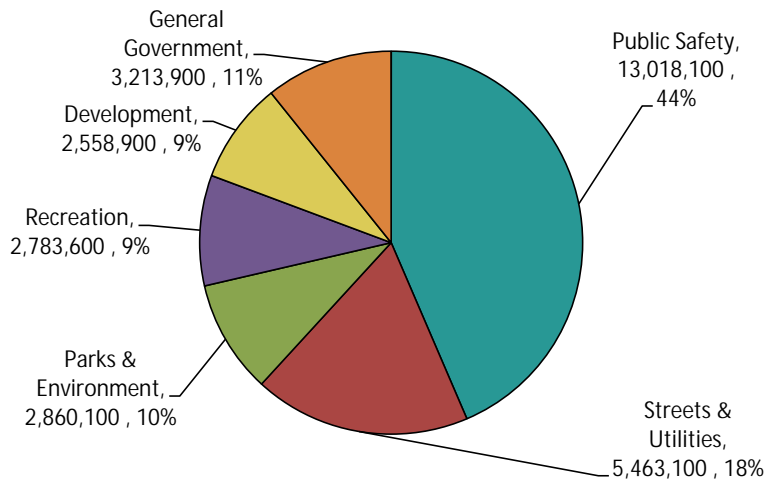
	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
<b>General Property Taxes</b>					
Ad Valorem Tax Levy	\$ 21,195,092	\$ 20,557,763	\$ 21,829,822	\$ 21,829,822	\$ 22,373,849
Abatements & Cancellations	(283,398)	-	(280,000)	(280,000)	(280,000)
Other, incl. Tax Forfeit Sale Revenue	1,200	300,600	-	-	-
Penalties & Interest	6,602	(8,320)	20,000	10,000	10,000
<i>Subtotal, General Property Taxes</i>	<b>\$ 20,919,497</b>	<b>\$ 20,850,042</b>	<b>\$ 21,569,822</b>	<b>\$ 21,559,822</b>	<b>\$ 22,103,849</b>
<b>Licenses &amp; Permits</b>					
Building Permits	\$ 1,753,265	\$ 1,229,733	\$ 1,400,000	\$ 1,300,000	\$ 1,460,000
Plumbing Permits	176,817	158,240	120,000	165,000	150,000
Electrical Permits	357,577	221,541	220,000	225,000	220,000
Heating Permits	454,521	283,376	275,000	250,000	265,000
On Sale Liquor Licenses	201,268	232,333	200,000	200,000	210,000
Food Handlers Licenses	184,311	170,859	170,000	175,000	175,000
All Other Licenses & Permits	275,430	178,804	150,000	165,000	160,000
<i>Subtotal, Licenses &amp; Permits</i>	<b>\$ 3,403,189</b>	<b>\$ 2,474,886</b>	<b>\$ 2,535,000</b>	<b>\$ 2,480,000</b>	<b>\$ 2,640,000</b>
<b>Intergovernmental Revenue</b>					
Public Safety State Aid	\$ 598,960	\$ 584,532	\$ 582,400	\$ 731,000	\$ 731,000
MSA Maintenance	71,220	71,310	71,200	71,300	71,300
State MVHC Payment	5,847	1,596	-	-	-
Other Grants/Aid	259,689	108,979	50,000	167,200	50,000
<i>Subtotal, Intergovernmental Revenue</i>	<b>\$ 935,717</b>	<b>\$ 766,417</b>	<b>\$ 703,600</b>	<b>\$ 969,500</b>	<b>\$ 852,300</b>
<b>Transfers</b>					
Transfer From Utility Fund	\$ 818,600	\$ 830,900	\$ 841,700	\$ 841,700	\$ 862,700
Transfer From Spec. Assess. Fund	34,600	35,100	35,600	35,600	\$ 36,500
Transfer From Ice Arena Fund	28,500	28,900	29,300	29,300	\$ 30,000
Transfer From Cable TV Fund	28,500	28,900	29,300	29,300	\$ 30,000
Transfer From Development Fund	55,300	56,100	56,800	56,800	\$ 58,200
Transfer From Environmental Fund	198,300	201,300	203,900	203,900	\$ 183,200
Transfer From Williston Center	28,500	28,900	29,300	29,300	\$ 45,000
Transfer From Gray's Bay Marina	19,600	10,200	10,300	10,300	\$ 10,600
Transfer From Storm Water Fund	128,800	130,700	132,400	132,400	\$ 135,700
<i>Subtotal, Transfers</i>	<b>\$ 1,340,700</b>	<b>\$ 1,351,000</b>	<b>\$ 1,368,600</b>	<b>\$ 1,368,600</b>	<b>\$ 1,391,900</b>
<b>User Fees &amp; Charges</b>					
Recreation Receipts	1,127,592	1,202,018	1,270,000	1,232,000	1,312,000
Community Center Rental	77,171	78,372	90,000	82,000	90,000
School Liaison Reimbursement	306,640	309,960	313,000	313,000	321,500
Tower Antenna Rental	250,319	293,128	327,000	361,800	381,200
<i>Subtotal, User Fees &amp; Charges</i>	<b>\$ 1,761,723</b>	<b>\$ 1,883,477</b>	<b>\$ 2,000,000</b>	<b>\$ 1,988,800</b>	<b>\$ 2,104,700</b>
<b>Other Income</b>					
Court Fines	\$ 586,092	\$ 516,722	\$ 550,000	\$ 550,000	\$ 550,000
Investment Income	246,754	92,679	120,000	85,000	100,000
Miscellaneous Income	188,946	344,091	157,578	116,378	154,951
Change in Value of Investments	(49,462)	-	-	-	-
<i>Subtotal, Other Income</i>	<b>\$ 972,330</b>	<b>\$ 953,492</b>	<b>\$ 827,578</b>	<b>\$ 751,378</b>	<b>\$ 804,951</b>
<b>TOTAL REVENUES</b>	<b>\$ 29,333,155</b>	<b>\$ 28,279,314</b>	<b>\$ 29,004,600</b>	<b>\$ 29,118,100</b>	<b>\$ 29,897,700</b>

## 2014 General Fund OPERATING REVENUES & EXPENDITURES

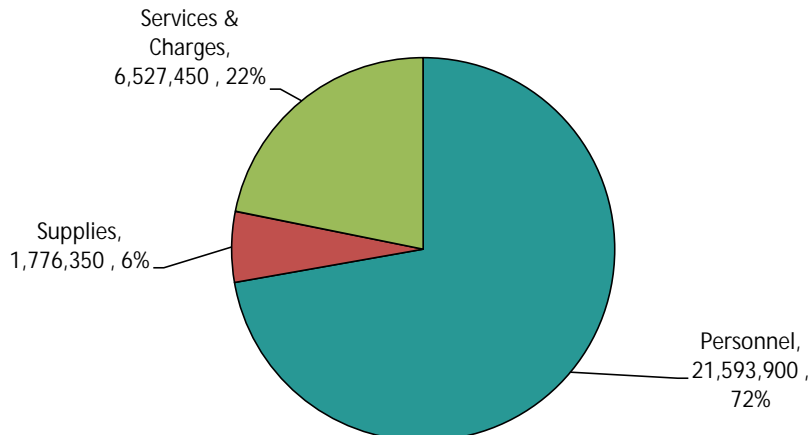
### Revenues



### Expenditures by Program



### Expenditures by Category





## TAX LEVIES

<b>Tax Base</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
Real Estate	\$ 93,938,124	\$ 91,746,541	\$ 92,323,390	Estimate
Personal Property	669,280	767,166	775,348	Estimate
Fiscal Disparities Contribution	(13,658,073)	(13,238,280)	(12,646,860)	Estimate
Fiscal Disparities Distribution	4,155,034	3,613,241	3,500,733	Estimate
Tax Increment	(1,657,412)	(1,839,866)	(1,895,912)	Estimate
<b>Total Tax Capacity</b>	<b>\$ 83,446,953</b>	<b>\$ 81,048,802</b>	<b>\$ 82,056,699</b>	<b>Estimate</b>
<b>Taxable Market Value</b>	<b>\$ 7,687,703,900</b>	<b>\$ 7,494,666,975</b>	<b>\$ 7,519,161,925</b>	<b>Estimate</b>
<b>City Tax Levy</b>				
General Fund	\$ 20,557,763	\$ 21,829,822	\$ 22,373,849	
Street Improvement Fund	5,800,000	5,800,000	6,000,000	
Capital Replacement Fund	810,000	810,000	860,000	
Park & Trail Improvement Fund	560,000	560,000	560,000	
Technology Development Fund	405,000	405,000	405,000	
Forestry Fund	-	-	75,300	
Public Safety Fund	550,000	550,000	550,000	
Tax Capacity Tax Levy	\$ 28,682,763	\$ 29,954,822	\$ 30,824,149	
Market Value Tax Levy (Park Bonds)	1,134,228	1,063,978	1,054,449	
<b>Total Tax Levy</b>	<b>\$ 29,816,991</b>	<b>\$ 31,018,800</b>	<b>\$ 31,878,598</b>	
<b>City Tax Rate</b>				
General Fund	24.636	26.934	27.266	Estimate
Street Improvement Fund	6.951	7.156	7.312	Estimate
Capital Replacement Fund	0.971	0.999	1.048	Estimate
Park Dedication Fund	0.671	0.691	0.682	Estimate
Technology Development Fund	0.485	0.500	0.494	Estimate
Public Safety Fund	0.659	0.679	0.670	Estimate
<b>Total City Tax Capacity Tax Rate</b>	<b>34.372</b>	<b>36.959</b>	<b>37.473</b>	<b>Estimate</b>
<b>Total Market Value Tax Rate</b>	<b>0.000148</b>	<b>0.000142</b>	<b>0.000140</b>	<b>Estimate</b>
<b>HRA Tax Levy</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>	
<b>HRA Tax Capacity Tax Rate</b>	<b>0.210</b>	<b>0.216</b>	<b>0.213</b>	<b>Estimate</b>
HRA Tax Levy % of Market Value	0.002276%	0.002335%	0.002327%	

## POLICE DEPARTMENT

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$6,661,813	\$6,680,034	\$6,986,300	\$6,960,300	\$7,157,000
Supplies	408,235	402,702	469,700	469,700	472,100
Other Services & Charges	769,755	772,330	986,000	986,000	1,011,100
Capital Outlay	-	-	15,000	15,000	15,000
<b>Totals</b>	<b>\$ 7,839,803</b>	<b>\$ 7,855,066</b>	<b>\$ 8,457,000</b>	<b>\$ 8,431,000</b>	<b>\$ 8,655,200</b>

**Method of Financing**

General Fund	\$ 7,786,637	\$ 7,791,911	\$ 8,442,000	\$ 8,416,000	\$ 8,640,200
Drug and DWI Forfeiture Funds	53,166	63,155	15,000	15,000	15,000
<b>Totals</b>	<b>\$ 7,839,803</b>	<b>\$ 7,855,066</b>	<b>\$ 8,457,000</b>	<b>\$ 8,431,000</b>	<b>\$ 8,655,200</b>

<b>Number of Employees (FTEs)*</b>	66.35	65.95	65.95	65.95	66.45
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**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Projected</b>	<b>2014 Projected</b>
Community survey satisfaction	98%	99%	98%	98%
Calls for service	45,198	42,883	45,700	45,500
Criminal offenses - Part I & II	2,416	2,256	2,175	2,150
Citations (Criminal/Juvenile)	307	300	175	175
Emergency calls (medical)	2,651	2,779	2,735	2,850
Traffic Response	19,864	17,808	20,100	20,250

**Budget Comments/Issues:**

*While the 2014 Police Department budget maintains current level of services, two modifications in staff structures will reposition the department to more efficiently and effectively accomplish tasks. A full-time property room clerk is reduced to a 0.60 full time equivalent (FTE), and a part-time community service officer with benefits will be supplanted with two part-time positions without benefits.*

- Staff forecasts calls for police service in 2014 will remain fairly consistent with 2013. Juvenile citations are predicted to drop slightly from past years, and extra traffic enforcement will increase numbers in traffic response.
- The department will continue to prioritize traffic education/enforcement with a focus on speed, seatbelt, red light violations, distracted driving, and DWI in 2014. Staff will identify a specific traffic concern on a monthly basis for directed patrol.
- Expenditures from DWI and drug forfeiture funds include: Special Traffic enforcement personnel costs and one (possibly two) new police canine(s).
- LOGIS cities have entered into an agreement with Tri-Tech to provide CAD, Records and Mobile public safety software. Implementation is expected to begin in the fall of 2014. Additional annual fees are expected to begin in 2015.
- The addition of mandated TB and audiometric testing for sworn personnel will have minimal impact on 2014 budget.

**POLICE DISPATCH DIVISION - Police Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 747,787	\$ 770,073	\$ 765,200	\$ 766,900	\$ 771,200
Supplies	83	4,921	7,000	7,000	7,000
Other Services & Charges	849	5,836	19,000	17,300	18,200
<b>Totals</b>	<b>\$ 748,719</b>	<b>\$ 780,830</b>	<b>\$ 791,200</b>	<b>\$ 791,200</b>	<b>\$ 796,400</b>

**Method of Financing**

General Fund	\$ 748,719	\$ 780,830	\$ 791,200	\$ 791,200	\$ 796,400
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**Number of Employees (FTEs)** 9.00 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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Non-Emergency Phone Calls	39,541	38,855	38,100	38,200
9-1-1 Phone Calls	21,435	20,326	20,150	20,100
9-1-1 calls answered within 10 seconds	97%	98%	96%	96%
Resident dispatch customers satisfied with PSAP services	92%	96%	95%	95%

**Budget Comments/Issues:**

*The 2014 Dispatch Division budget maintains current level of services in part by using a flex part-time public safety dispatcher to help reduce overtime costs.*

- Staff continues to work with St. Louis Park 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.

## FIRE DEPARTMENT

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 1,215,014	\$ 1,325,123	\$ 1,379,600	\$ 1,443,600	\$ 1,509,200
Supplies	194,569	163,400	212,800	189,174	215,700
Other Services & Charges	717,147	686,325	678,400	703,226	700,800
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 2,126,730</b>	<b>\$ 2,174,848</b>	<b>\$ 2,270,800</b>	<b>\$ 2,336,000</b>	<b>\$ 2,425,700</b>

**Method of Financing**

General Fund	\$ 2,126,730	\$ 2,174,848	\$ 2,270,800	\$ 2,336,000	\$ 2,425,700
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<b>Number of Employees (FTEs)</b>	6.5	6.5	6.5	6.5	6.5
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**Description of Services:**

The Fire Department's mission is to continuously protect and preserve life and property through quality education, prevention, disaster preparedness, and rapid emergency response. The department provides key services to the city that include: firefighting, emergency medical services (EMS), hazardous material response (hazmat), fire code inspection/enforcement, equipment maintenance, and emergency management. Along with these critical services the department also provides: All National Fire Protection Association (NFPA) and U.S. Occupational Safety and Health Administration (OSHA) training for it's fire fighters and training for other departments, nuisance patrol, alarm response billing, fire cause investigation, and public education. The fire department has an authorized strength of 80 paid-on-call firefighters.

<b>Key Measures:</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Average response time to structure fires (minutes)	6.35	5.29	5.30	5.30
Paid-on-call firefighters	71	72	66	74
Total fire calls, excluding medicals	664	764	775	750
False alarms	228	185	250	225
Medical calls	832	897	832	900
Firefighter calls outs	436	148	150	165
Non-duty crew training hours	7,470	9,021	10,000	10,000

**Budget Comments/Issues:**

*The 2014 and revised 2013 budgets include additions for personnel costs related to a rise in workers' compensation insurance for paid-on-call (POC) firefighters and incremental contribution enhancements for the POC to their deferred compensation plans. The city's new fire chief will be reviewing department functions and may make recommendations for its modification over the next year.*

- 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 contribution to the firefighters' pension fund including State Fire Aid, which rose in 2013 from the prior year after seven years of declining.
- The 2014 personnel budgets for the Fire Department include a \$0.50 per hour increase in payment to the deferred compensation program for paid-on-call firefighters.
- Under Key Measures, an increase in non-duty crew training hours in 2013 reflects the additional training needed to meet new OSHA, medical and Blue Card 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	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Ad Valorem Tax Levy	\$ 350,000	\$ 425,000	\$ 550,000	\$ 550,000	\$ 550,000
TIF-related Levy Proceeds	-	-	100,000	100,000	100,000
Transfer in	-	100,000	-	-	-
Investment Income, Other	609	494	-	500	1,000
<b>Totals</b>	<b>\$ 350,609</b>	<b>\$ 525,494</b>	<b>\$ 650,000</b>	<b>\$ 650,500</b>	<b>\$ 651,000</b>
<b>Expenditures by Category</b>					
Pumper Truck Replacement	\$ -	\$ -	\$ 380,000	\$ 380,000	\$ -
Ladder Truck Program	1,439	802,444	-	-	-
Fire Station Improvements	-	-	50,000	50,000	-
800 MHz Portable Radios	-	-	-	-	245,000
Fire JPA SCBA Program	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,439</b>	<b>\$ 802,444</b>	<b>\$ 430,000</b>	<b>\$ 430,000</b>	<b>\$ 245,000</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	349,170	(276,950)	220,000	220,500	406,000
<i>Beginning Fund Balance</i>	-	349,170	72,220	72,220	292,720
<i>Ending Fund Balance</i>	<b>\$ 349,170</b>	<b>\$ 72,220</b>	<b>\$ 292,220</b>	<b>\$ 292,720</b>	<b>\$ 698,720</b>

**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.

<b>Key Measures:</b>	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
Average age of pumper trucks	13	13	11	11
Average age of ladder trucks	27	15	15	15

**Budget Comments/Issues:**

2014 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 2014, the fund will finance scheduled replacement of the police department's 800 MHz portable radios. Fire Department 800 MHz portable radios are scheduled to be replaced in 2016. In 2013, the fund supported 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 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.

**GRANTS SPECIAL REVENUE FUND - Finance Department**

Revenues	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Federal Grants	\$ 260,313	\$ 116,937	\$ 40,000	\$ 411,900	\$ 50,000
State Grants	-	-	-	-	-
9-1-1	74,385	68,218	67,000	67,000	67,000
Other Local Grants	2,400	18,801	-	45,000	-
Investment Income	789	(1,468)	-	100	100
<b>Totals</b>	<b>\$ 337,887</b>	<b>\$ 202,488</b>	<b>\$ 107,000</b>	<b>\$ 524,000</b>	<b>\$ 117,100</b>
<b>Expenditures by Category</b>					
Personnel	\$ 37,617	\$ 44,474	\$ 40,000	\$ 40,000	\$ 50,000
Supplies	22,848	40,606	-	-	-
Other Services & Charges	16,729	35,519	40,000	95,500	30,000
Capital Outlay	207,407	489,793	-	7,000	-
<b>Totals</b>	<b>\$ 284,601</b>	<b>\$ 610,392</b>	<b>\$ 80,000</b>	<b>\$ 142,500</b>	<b>\$ 80,000</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	53,286	(407,903)	27,000	381,500	37,100
Beginning Fund Balance	63,096	116,382	(291,521)	(291,521)	89,979
<b>Ending Fund Balance</b>	<b>\$ 116,382</b>	<b>\$ (291,521)</b>	<b>\$ (264,521)</b>	<b>\$ 89,979</b>	<b>\$ 127,079</b>

**Description of Services:**

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

**Key Measures:**

	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
Federal grant programs	4	4	2	2
State grant programs, incl. E911	1	1	1	1
Other grant programs*	1	3	1	0

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

**Budget Comments/Issues:**

As in many previous years, most grant funding in 2014 is currently projected to be for public safety programs. The city will receive a second year of federal funds for the Toward Zero Death (TZD) program, federal funds for bullet proof vests, and continued state 9-1-1 funds.

- While the city previously received Safe & Sober and Operation Night Cap monies, beginning 2013 the city receives federal funding in the Grants Special Revenue Fund through the Toward Zero Death (TZD) program (~\$40,000 2012/13 and ~\$50,000 in 2013/14). This federal grant program is awarded on the federal fiscal year, which runs from October 1 thru September 30 each year, and specific funding to Minnetonka is apportioned amongst four cities who have jointly received the funds -- Minnetonka, Plymouth, Maple Grove and Wayzata.

- Also indicated above is \$45,000 in 2013 from the Hennepin Youth Sports Grant program, which supported the installation of lighting at Glen Lake Park Field #3 in cooperation with Girl's Athletic League.

- 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. As a reimbursable grant, expenditures for the project are recognized above in 2012, and revenues in 2013.

- 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.

**ENVIRONMENTAL HEALTH DIVISION - Community Development Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 310,805	\$ 325,454	\$ 336,600	\$ 337,200	\$ 350,700
Supplies	5,769	4,159	6,900	5,900	7,600
Other Services & Charges	3,907	6,195	9,800	8,800	9,800
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 320,481</b>	<b>\$ 335,808</b>	<b>\$ 353,300</b>	<b>\$ 351,900</b>	<b>\$ 368,100</b>

**Method of Financing**

General Fund	\$ 320,481	\$ 335,808	\$ 353,300	\$ 351,900	\$ 368,100
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<b>Number of Employees (FTEs)</b>	3.4	3.4	3.5	3.5	3.5
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**Description of Services:**

The mission of the Environmental Health Division is to ensure a safe and healthful community by inspecting all licensed establishments and investigating public health and nuisance complaints. The division is responsible for plan review and inspections of all licensed food, beverage, lodging, and massage establishments as well as all public swimming pools, refuse haulers, and vending machines. Lastly, the division is responsible for the investigation of all public health complaints and food borne illnesses and is the clearing house for the city's nuisance program, which includes the inspection/investigation of hundreds of violations each year.

<b>Key Measures:</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Licensed establishments	716	711	725	735
Nuisance complaints	462	648	525	500
Plans reviewed within 10 days	88%	90%	90%	90%
Significant public health complaints responded to within 2 days	100%	100%	100%	100%
Significant nuisance complaints responded to within 5 days	100%	100%	100%	100%

**Budget Comments/Issues:**

*The 2014 budget for the Environmental Health Division provides for current level services.*

- Provision of contracted services for the City of Wayzata is budgeted to continue in 2014, and fees charged for the service cover their actual costs.
- The division experienced a reduction in 2013 complaints regarding garbage/recycling containers which is indicated in the numbers of nuisance complaints.

**LEGAL DEPARTMENT**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 668,941	\$ 675,760	\$ 711,200	\$ 764,100	\$ 704,600
Supplies	4,722	5,072	7,000	4,600	8,750
Other Services & Charges	43,180	47,619	76,900	70,000	77,350
Capital Outlay	-	-	-	-	-
<i>Totals</i>	<i>\$ 716,843</i>	<i>\$ 728,451</i>	<i>\$ 795,100</i>	<i>\$ 838,700</i>	<i>\$ 790,700</i>

**Method of Financing**

General Fund	\$ 716,143	\$ 717,953	\$ 795,100	\$ 837,900	\$ 787,700
Drug and DWI Forfeiture Funds	700	10,498	-	800	3,000
<i>Totals</i>	<i>\$ 716,843</i>	<i>\$ 728,451</i>	<i>\$ 795,100</i>	<i>\$ 838,700</i>	<i>\$ 790,700</i>

<b>Number of Employees (FTEs)</b>	6.00	6.00	6.00	6.00	6.00
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**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Minnetonka cases in court				
All cases	1,387	1,269	1,400	1,400
DWI cases	265	277	275	275
Cases opened and processed by staff:	883	863	850	850
Customers rating staff at "above average" or "excellent"	95%	94%	87%	87%
Charter Commission rating staff at "above average" or "excellent"	100%	100%	90%	90%

**Budget Comments/Issues:**

2014 is the first full year under the helm of the new city attorney, and the 2014 budget generally supports the current level of services provided by the department.

- The 2014 budget includes funding from the Drug and DWI Forfeiture proceeds for staff technology upgrades.
- Over the next year, staff will examine the impacts from the proposed closure of the state's court location at Southdale in Edina.
- The revised 2013 budget above includes funds for severance costs associated with the retiring city attorney.
- Recent court decisions have increased the workload of the department in its handling of DWI cases.



**ENGINEERING DEPARTMENT**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 950,932	\$ 995,935	\$ 1,026,800	\$ 1,028,700	\$ 1,064,200
Supplies	17,630	14,934	24,400	21,200	23,400
Other Services & Charges	55,236	48,631	106,700	91,300	106,500
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,023,798</b>	<b>\$ 1,059,500</b>	<b>\$ 1,157,900</b>	<b>\$ 1,141,200</b>	<b>\$ 1,194,100</b>

**Method of Financing**

General Fund	\$ 1,023,798	\$ 1,059,500	\$ 1,157,900	\$ 1,141,200	\$ 1,194,100
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<b>Number of Employees (FTEs)</b>	9.75	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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Neighborhood meetings held	7	14	13	10
Project newsletters sent out	3,450	3,670	3,500	3,500
Property acquisitions for construction projects	14	22	30	20
Construction projects underway	11	13	13	14
Construction projects completed	12	11	13	11
Customer service surveys sent out	197	182	190	190
Customers satisfied with project (rated as "average" or greater)	81%	82%	85%	80%
Road bridge inspections	0	31	1	31
Trail bridge inspections	12	0	12	0

**Budget Comments/Issues:**

*The 2014 budget for the Engineering Department provides funding for current level services. In 2013, the department began to use Twitter as another communication tool for the street reconstruction program. Hundreds of tweets have been and will be sent out by the project inspector keeping residents informed of daily activities.*

- In 2014, the department will continue with an on-going 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 included taking speed counts at all state aid traffic count locations, which are done every four years. The counts in 2013 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 in the city, which are now completed in the odd years.

**STREET IMPROVEMENT FUND - Engineering Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Ad Valorem Tax Levy	\$ 5,400,000	\$ 5,600,000	\$ 5,800,000	\$ 5,800,000	\$ 6,000,000
Investment Income	(8,931)	20,233	7,500	20,000	20,000
Cost-Share Reimbursements	683,644	-	-	-	-
R.O.W. Permit Fees	6,342	4,740	500	11,300	2,500
Miscellaneous Revenue	-	-	-	12,500	-
Transfers In	-	-	-	943,000	-
<b>Totals</b>	<b>\$ 6,081,055</b>	<b>\$ 5,624,973</b>	<b>\$ 5,808,000</b>	<b>\$ 6,786,800</b>	<b>\$ 6,022,500</b>
<b>Expenditures</b>					
Local Street Rehabilitation	\$ 2,347,005	\$ 2,908,514	\$ 2,650,000	\$ 2,750,000	\$ 3,000,000
Thin Overlay Program	1,262,130	-	-	-	-
Local Street Maintenance	305,271	-	-	-	-
Local Street Preservation	-	1,605,118	1,375,000	1,375,000	1,450,000
Woodland Road Retaining Wall	205,083	13,930	-	-	-
Sparrow Road	-	-	3,300,000	3,200,000	-
Co. Rd 101 (CR62 to CR3)	-	-	-	565,000	-
Opus Area Improvements	-	37,537	-	-	-
Pavement Management Study	20,410	33,270	39,000	30,000	39,000
<b>Totals</b>	<b>\$ 4,139,899</b>	<b>\$ 4,598,369</b>	<b>\$ 7,364,000</b>	<b>\$ 7,920,000</b>	<b>\$ 4,489,000</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	1,941,156	1,026,604	(1,556,000)	(1,133,200)	1,533,500
Reserve for Delayed Projects	-	-	-	340,000	-
<b>Beginning Fund Balance</b>	<b>139,097</b>	<b>2,080,254</b>	<b>3,106,858</b>	<b>3,106,858</b>	<b>1,633,658</b>
<b>Ending Available Fund Balance</b>	<b>\$ 2,080,254</b>	<b>\$ 3,106,858</b>	<b>\$ 1,550,858</b>	<b>\$ 1,633,658</b>	<b>\$ 3,167,158</b>

**Description of Services:**

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

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Miles of streets rehabilitated	4.6	4.9	4.5	4.5
Miles of streets thin overlay	10.3	11.5	11.0	11.5
Miles of streets rated for condition (varies by quadrant)	80	70	70	60
Average pavement condition index (Goal=80)	81	82	82	82

**Budget Comments/Issues:**

The 2014 budget for the Street Improvement Fund as provided in the Capital Improvement Program (CIP) will continue the city's road rehabilitation and preservation programs.

- 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. Lower than anticipated final costs for 2013 projects will provide funding from the adopted 2013 street rehab budget to be used in 2014.

- On August 5, 2013, the city council amended the 2013 CIP to include the purchase of 5937 CR101 as part of the CR101 (CR62 to CR3) road project. Sale of the property after completion of the project in 2015 will reimburse the fund.

- "Transfers In" in 2013 are delayed accounting entries related to projects in 2012.

- The Local Street Preservation Program includes patching and sealing, in addition to thin overlays and reconstruction projects.

- 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 2014, 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.

**MUNICIPAL STATE AID FUND - Engineering Department**

Revenues	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
State Allotment	\$ 1,768,633	\$ 1,861,920	\$ 1,862,000	\$ 1,939,622	\$ 1,939,622
MSA Advance Allotment	-	-	1,200,000	1,200,000	3,000,000
State Grants	-	-	1,600,000	-	1,600,000
Hennepin County Reimbursement	-	-	-	290,000	-
Interest	(3,701)	(4,235)	-	-	-
<b>Totals</b>	<b>\$ 1,764,932</b>	<b>\$ 1,857,685</b>	<b>\$ 4,662,000</b>	<b>\$ 3,429,622</b>	<b>\$ 6,539,622</b>
<b>Expenditures</b>					
Bond Debt Service	\$ 236,701	\$ 187,241	\$ 187,919	\$ 187,919	\$ 183,544
MSA Advance Repayment	-	-	-	-	1,200,000
Projects:					
Williston Rd (CSAH 5 to 300' S)	-	233,154	-	-	-
County Rd 101 (CR5 to TH12)	-	-	-	-	500,000
Shady Oak Rd (Bren To Excelsior)	-	11,357	-	-	-
Mtka Blvd/CR 73 intersection	13,699	-	-	-	-
Shady Oak Trail - North of TH 62	-	34,687	290,000	300,000	-
Shady Oak Rd (TH 7 to Excelsior)	-	-	-	-	2,020,600
I-394 W On-Ramp Ridgedale Drive	-	281,563	3,800,000	1,000,000	6,100,000
<b>Totals</b>	<b>\$ 250,400</b>	<b>\$ 748,002</b>	<b>\$ 4,277,919</b>	<b>\$ 1,487,919</b>	<b>\$ 10,004,144</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	1,514,532	1,109,683	384,081	1,941,703	(3,464,522)
Reserve for Delayed Projects				798,738	
<b>Beginning Available Allotment Balance</b>	<b>360,953</b>	<b>1,875,485</b>	<b>2,985,168</b>	<b>2,985,168</b>	<b>4,128,133</b>
<b>Remaining Available Allotment</b>	<b>\$ 1,875,485</b>	<b>\$ 2,985,168</b>	<b>\$ 3,369,249</b>	<b>\$ 4,128,133</b>	<b>\$ 663,611</b>

**Mission Statement:**

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

<b><u>Key Measures:</u></b>	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
Construction projects underway	1	1	4	4
Construction projects completed	0	1	2	0

**Budget Comments/Issues:**

The 2014 budget for MSA funding includes costs for the I-394 westbound on-ramp at Ridgedale Drive, as adopted in the amended Capital Improvements Program (CIP). Expenditures identified above in 2012 through 2014 reflect more accurate estimates of actual timing and the addition of \$1.6 million in state grant funding. The remaining funds necessary for the project will primarily come from the city's state aid construction allotments and a minor amount from the city's Storm Water Fund.

- 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), and Shady Oak Road (62 to Bren).

- 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. Later allocations financed the remaining costs of this project.

**STORM WATER FUND - Engineering Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Storm Water Utility Charges	\$ 2,157,297	\$ 2,162,188	\$ 2,227,000	\$ 2,238,600	\$ 2,293,500
Intergovernmental	-	-	-	-	-
Investment Income	13,962	7,499	-	10,000	20,000
Misc. Revenue	4,876	-	14,000	-	-
<b>Totals</b>	<b>\$ 2,176,135</b>	<b>\$2,169,687</b>	<b>\$ 2,241,000</b>	<b>\$ 2,248,600</b>	<b>\$ 2,313,500</b>
<b>Expenditures by Category</b>					
Personnel	\$ 72,757	\$ 62,103	\$ 77,500	\$ 77,600	\$ 79,900
Supplies	108,915	162,705	149,300	109,400	149,900
Other Services & Charges	119,975	136,476	160,900	124,900	338,700
Capital Outlay	1,003,886	932,457	2,065,000	1,425,000	1,782,300
Transfers to Other Funds	153,100	155,000	159,000	26,600	28,000
<b>Totals</b>	<b>\$ 1,458,633</b>	<b>\$ 1,448,741</b>	<b>\$ 2,611,700</b>	<b>\$ 1,763,500</b>	<b>\$ 2,378,800</b>
Surplus (Deficiency) of Revenues over Expenditures	\$ 717,502	\$ 720,946	\$ (370,700)	\$ 485,100	\$ (65,300)
<b>Number of Employees (FTEs)</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

**Description of Services**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Water quality samples taken	8	7	8	4
Storm sewer projects completed	4	8	7	7
Sump catch basins inspected	297	257	300	300
Storm sewer outfalls inspected	30	25	50	50
Drainage ponds inspected	74	14	40	40
Drainage ponds restored	2	3	3	3
Misc. drainage projects completed	23	22	25	25

**Budget Comments/Issues:**

The 2014 budget for the Storm Water Fund reflects funding for a baseline capital projects workload including the McKenzie Point Road storm sewer improvements. Adoption of this budget will amend the Capital Improvement Program (CIP) in 2013 to include an additional \$45,000 from the Storm Water Fund for the Purgatory Creek restoration project and \$35,000 for the Minnetonka Blvd/Oakridge road and trail project. Due to road reconstruction scheduling, the 2013 James Road pond outlet project (\$650,000) will be delayed likely beyond the current CIP timeframe.

- The 2014 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 inflationary costs. There was no increase in 2010, a 6.25 percent rate increase in 2011, no increase in 2012, and a 3% increase in 2013.

- Three "projects" budgeted for \$200,000 annually in the Capital Improvements Program (CIP) will be budgeted in the operating budget and are therefore included within Other Services & Charges beginning 2014. These ongoing costs for water quality testing (\$40,000 per year), pond maintenance (\$50,000 per year) and watershed modeling (\$110,000) are more appropriately categorized as operating than capital.

- 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**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Electric Franchise Fees	\$ 802,751	\$ 806,816	\$ 802,000	\$ 802,000	\$ 802,000
County Cost-Share Agreements	-	-	-	-	-
Investment Income	24,954	10,620	30,000	15,000	15,000
<b>Totals</b>	<b>\$ 827,705</b>	<b>\$ 817,436</b>	<b>\$ 832,000</b>	<b>\$ 817,000</b>	<b>\$ 817,000</b>
<b>Expenditures by Category</b>					
Overhead Utility Burial	\$ -	\$ 235,760	\$ 1,200,000	\$ 366,100	\$ 1,220,000
Misc. Street Light Installation	3,920	5,705	10,000	10,000	10,000
<b>Totals</b>	<b>\$ 3,920</b>	<b>\$ 241,465</b>	<b>\$ 1,210,000</b>	<b>\$ 376,100</b>	<b>\$ 1,230,000</b>
Surplus/(Deficiency) of Revenues over/(under) Expenditure	823,785	575,971	(378,000)	440,900	(413,000)
Reserve for Delayed Projects	-	-	-	140,000	-
<b>Beginning Fund Balance</b>	<b>924,199</b>	<b>\$ 1,747,984</b>	<b>\$ 2,323,955</b>	<b>\$ 2,323,955</b>	<b>\$ 2,624,855</b>
<b>Ending Fund Balance</b>	<b>\$ 1,747,984</b>	<b>\$ 2,323,955</b>	<b>\$ 1,945,955</b>	<b>\$ 2,624,855</b>	<b>\$ 2,211,855</b>

**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.

<b><u>Key Measures:</u></b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Miles of utility line buried	0.0	0.5	1.5	2.0

**Budget Comments/Issues:**

As approved with the adopted 2014-18 Capital Improvement Program (CIP), the 2014 budget for the Electric Franchise Fee Fund finances the burial of overhead utility lines along CR 101 from Minnetonka Boulevard to the Grays Bay bridge, and on Shady Oak Road from Excelsior Boulevard to TH 7.

- In 2013, the city will bury overhead lines along Sparrow Road from Ridgewood Road to Old Excelsior Boulevard as a part of the Sparrow Road reconstruction project at a lower cost than originally anticipated as reflected above. In 2012, the city buried 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.

- As scheduled in the latest CIP, the next large burial project will likely occur in 2015 as a part of the upgrading of CR101 between CR 62 and Hutchins Drive.

- 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.

- 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 2013, and none are proposed for 2014.

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

Revenues	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Trip Generation Fees	\$ 3,700,000	\$ -	\$ -	\$ -	\$ -
State Grants	7,548,200	1,000,000	-	-	-
UHG Development Agreement	1,300,000	-	-	-	-
SACF, Transfer In	-	-	-	530,000	496,499
Interest on Investments	(38,794)	(2,060)	-	100	-
<b>Totals</b>	<b>\$ 12,509,406</b>	<b>\$ 997,940</b>	<b>\$ -</b>	<b>\$ 530,100</b>	<b>\$ 496,499</b>
<b>Expenditures by Category</b>					
169/Bren Interchange Project	\$ 12,239,069	\$ 1,033,086	\$ -	\$ 94,500	\$ 500,000
Internal Loan Repayment	-	-	-	-	-
UHG Revenue Share	-	-	-	-	-
<b>Totals</b>	<b>\$ 12,239,069</b>	<b>\$ 1,033,086</b>	<b>\$ -</b>	<b>\$ 94,500</b>	<b>\$ 500,000</b>
Surplus (Deficiency) of Revenues over Expenditures	270,337	(35,146)	-	435,600	(3,501)
<i>Beginning Fund Balance</i>	<i>(667,290)</i>	<i>(396,953)</i>	<i>(432,099)</i>	<i>(432,099)</i>	<i>3,501</i>
<b>Ending Fund Balance</b>	<b>\$ (396,953)</b>	<b>\$ (432,099)</b>	<b>\$ (432,099)</b>	<b>\$ 3,501</b>	<b>\$ -</b>

**Description of Services:**

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

<b>Key Measures:*</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Jobs developed within city	NA	0	50	300
Commercial construction value	\$125 million	\$39 million	\$60 million	\$0
Increase in taxable market value	NA	\$35 million	\$18 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 was substantially completed in 2012. Only a single, significant right-of-way purchase remains outstanding, a gross estimate for which is indicated above in 2014. Payback of the 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 taxable market value of around \$40 million was realized for the city's tax base in 2013 and 2014, because construction of a large commercial building for United Health Group (UHG) would not have happened but for completion of the project. A total of 1,750 jobs in the city were forecasted to be developed and are to 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.

**STREET MAINTENANCE DIVISION - Public Works Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 1,666,533	\$ 1,630,663	\$ 1,822,100	\$ 1,829,500	\$ 1,805,700
Supplies	450,295	453,888	479,600	479,600	463,200
Other Services & Charges	929,869	868,101	943,500	978,800	954,700
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 3,046,697</b>	<b>\$ 2,952,652</b>	<b>\$ 3,245,200</b>	<b>\$ 3,287,900</b>	<b>\$ 3,223,600</b>

**Method of Financing**

General Fund	\$ 3,046,697	\$ 2,952,652	\$ 3,245,200	\$ 3,287,900	\$ 3,223,600
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<b>Number of Employees (FTEs)</b>	21.0	21.0	21.24	21.09	21.09
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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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
• Full-scale plowing events	8	10	10	10
• Tons of salt used	1,049	2,500	2,500	3,000
• Tons of bituminous mix laid	11,795	9,350	10,000	10,000
• Signs installed	700	710	900	900
• Miles of maintenance overlays	8.5	4.4	3.9	7.2
• Miles of neighborhood refurbishment	5.2	4.2	2.6	2.9

**Budget Comments/Issues:**

*The 2014 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 third year of the neighborhood street preservation program. This program uses a variety of enhanced pavement maintenance techniques to preserve streets post construction/thin overlay to extend 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 division is responsible for increased drainage maintenance efforts in 2014 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 2014, salt brine used for road snow and ice control will be manufactured with equipment that was purchased in 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 continue to purchase salt brine from Minnetonka for their snow and ice control needs.

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

- In 2012, a sign assessment and management methodology to meet federal regulations for sign retro reflectivity was completed. Although those deadlines have been repealed, replacement of deficient signage will continue. This strategy will position the city to be compliant with the Federal requirements when deadlines become effective.

- Prior to the start of the 2012-2013 snow season, all plow trucks were outfitted with active automated vehicle location (AVL) devices. This information maximizes the efficiency of the plowing operation. Additional AVL devices will be installed in other equipment as the need for additional information arises.

**BUILDING MAINTENANCE DIVISION - Public Works Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 540,150	\$ 563,708	\$ 573,500	\$ 560,700	\$ 568,500
Supplies	103,480	114,740	104,800	133,400	106,400
Other Services & Charges	337,178	352,645	372,000	376,700	370,500
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 980,808</b>	<b>\$ 1,031,093</b>	<b>\$ 1,050,300</b>	<b>\$ 1,070,800</b>	<b>\$ 1,045,400</b>

**Method of Financing**

General Fund	\$ 980,808	\$ 1,031,093	\$ 1,050,300	\$ 1,070,800	\$ 1,045,400
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<b>Number of Employees (FTEs)</b>	7.3	8.6	8.18	7.37	7.37
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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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Work orders completed	1,091	2,373	2,000	3,000
Heat energy - cost	\$85,029	\$59,341	\$100,000	\$100,000
Heat energy used (THM)	103,148	93,194	105,000	105,000
Electrical energy - cost	\$134,595	\$145,333	\$137,000	\$150,000
Electrical energy used (kWh)	1,531,272	1,724,615	1,600,000	1,800,000

**Budget Comments/Issues:**

*The 2014 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 2014. A variety of short and long term energy conservation measures continue to be implemented to minimize the budget impact of increasing energy costs. Energy use has stabilized but rate increases continue. Seasonal climatic weather pattern variances result in annual energy cost swings that generally reflect warmer or cooler temperature averages.

- In 2013, the division undertook the renovation of the city hall lower-level storage area. This project converted the dismantled gun range to a new storage space and the previous storage area will be a new meeting room. The project will be completed in 2014.

- The Buildings Division will expand the tracking of 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 an enhanced tracking ability.

- In 2014, a replacement computerized HVAC control system for the major city buildings will be purchased and installed to provide real-time supervisory control of individual building environmental systems. This project is funded in the city's Capital Improvements Program.

- The feasibility of backup standby generator connection lugs will be investigated for the police station, central fire and the ice arena in order to provide alternative generator connections during emergencies.

- Increased non-personnel costs and a partial offset in decreased personnel costs in 2013 are related to a transition in janitorial personnel. During the year, services were contracted in lieu of in-house staff.



**FLEET MAINTENANCE FUND - Public Works Department**

Revenues	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Charges for Services	\$ 1,525,986	\$ 1,488,105	\$ 1,676,800	\$ 1,659,750	\$ 1,697,900
Investment Income	1,795	952	1,000	1,000	1,000
Miscellaneous	2,162	3,662	-	-	-
Fuel	48,586	45,065	-	-	-
Transfers In	-	-	-	-	-
<b>Totals</b>	<b>1,578,529</b>	<b>1,537,784</b>	<b>1,677,800</b>	<b>1,660,750</b>	<b>1,698,900</b>
<b>Expenditures by Category</b>					
Personnel	\$ 401,696	\$ 403,482	\$ 435,100	\$ 416,300	\$ 417,100
Supplies	793,405	818,193	908,100	908,100	939,300
Other Services & Charges	312,261	339,811	333,600	335,350	341,500
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,507,362</b>	<b>\$ 1,561,486</b>	<b>\$ 1,676,800</b>	<b>\$ 1,659,750</b>	<b>\$ 1,697,900</b>
Surplus (Deficiency) of Revenues over Expenditures	71,167	(23,702)	1,000	1,000	1,000
<i>Beginning Fund Balance</i>	<i>93,934</i>	<i>165,101</i>	<i>141,399</i>	<i>141,399</i>	<i>142,399</i>
<i>Ending Fund Balance</i>	<i>\$ 165,101</i>	<i>\$ 141,399</i>	<i>\$ 142,399</i>	<i>\$ 142,399</i>	<i>\$ 143,399</i>
<b>Number of Employees (FTEs)</b>	4.58	4.58	4.51	4.37	4.37

**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:**

	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
• Work orders completed	4,013	3,729	4,000	4,000
• Gallons of fuel consumed	147,129	142,790	151,925	153,425
• Cost to purchase gas/diesel fuels	\$452,037	\$496,869	\$532,000	\$552,330
• Average cost per gallon of gas/diesel fuels	\$3.07	\$3.48	\$3.50	\$3.60
• Gallons of oil consumed	846	850	850	850

**Budget Comments/Issues:**

The 2014 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 minor repair of the city's fleet including fire apparatus. Specialized repairs, testing and setup are generally completed by outside vendors and manufacturers.
- 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 base-price of fuels for 2014 budgeting by combining the motor fuel needs of a large number of governmental entities and bidding that volume of fuel for the year.
- "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) were installed in selected public works vehicles including all snowplows. These devices provide operational information that improves efficiency and will be expanded to other vehicles in 2014 as needs become realized and budget permits.
- The 1980's fleet management software that tracks parts, labor and fuel will be replaced in early 2014. A module for the Cityworks work management program was expanded to include fleet maintenance. In 2014 the program will need to be de-bugged and proofed in order to assure accurate information.

## CAPITAL REPLACEMENT FUND - Finance Department

Revenues	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Ad Valorem Tax Levy	\$ 1,307,100	\$ 1,635,000	\$ 810,000	\$ 810,000	\$ 860,000
Transfers In	100,000	-	475,000	475,000	775,000
Investment Income	14,345	5,721	9,000	3,000	2,000
Auction Proceeds/Rebates	139,504	38,485	45,000	45,000	45,000
<b>Totals</b>	<b>\$ 1,560,949</b>	<b>\$ 1,679,206</b>	<b>\$ 1,339,000</b>	<b>\$ 1,333,000</b>	<b>\$ 1,682,000</b>
<b>Expenditures by Category</b>					
Buildings & Structures	\$ 412,803	\$ 1,140,955	\$ 612,000	\$ 618,400	\$ 410,000
Recreation Facilities	80,000	917	24,500	84,500	12,000
Furniture and Equipment	96,431	-	-	-	-
Machinery and Auto	1,299,997	1,171,060	1,308,400	1,205,400	1,287,700
Transfers Out	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,889,231</b>	<b>\$ 2,312,932</b>	<b>\$ 1,944,900</b>	<b>\$ 1,908,300</b>	<b>\$ 1,709,700</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	(328,282)	(633,726)	(605,900)	(575,300)	(27,700)
Reserve for Delayed Projects	-	-	-	316,400	
<b>Beginning Fund Balance</b>	<b>1,969,344</b>	<b>1,641,062</b>	<b>1,007,336</b>	<b>1,007,336</b>	<b>115,636</b>
<b>Ending Fund Balance</b>	<b>\$ 1,641,062</b>	<b>\$ 1,007,336</b>	<b>\$ 401,436</b>	<b>\$ 115,636</b>	<b>\$ 87,936</b>

**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.

	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
<b>Key Measures:</b>				
General light-duty vehicles in fleet	103	103	103	103
Marked police vehicles in fleet	19	19	19	19
Heavy equipment and trucks in fleet	62	64	64	64
Deprec. value of buildings & structures (millions \$)	\$14.0	\$13.4	\$13.7	\$15.4
Deprec. value of furniture & equipment (millions \$)	\$3.8	\$3.9	\$4.6	\$5.2

**Budget Comments/Issues:**

The 2014 budget for the Capital Replacement Fund (CRF) includes a \$775,000 transfer in from the General Fund balance, which is adopted by council under the city's fund balance policy. The transfer is scheduled as part of the adopted five-year Capital Improvements Program (CIP) with additional transfers scheduled in 2015 through 2018.

- Substantial purchases approved in the 2014 CIP for the fund include fleet vehicles (\$633,800), large public works equipment replacements (\$593,900), and building components including City Hall window replacements (\$410,000).
- Reserve for Delayed Projects includes \$120,800 for municipal building alarm panels, \$58,200 for city hall refurbishment projects adopted in 2008 thru 2011, \$23,800 for fire station maintenance improvements, and \$100,000 for fleet vehicles.
- The 2011 capital budget included a one-time transfer in of \$100,000 into the CRF from the General Fund associated with a previous one-time spike in permit revenues, and \$475,000 from the General Fund in 2013, as adopted by city council under the city's fund balance policy.

## UTILITY DIVISION / UTILITY FUND - Public Works Department

Revenues	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Water Sales & Sewer Revenue	\$ 10,541,770	\$ 11,362,506	\$ 11,016,600	\$ 10,544,700	\$ 11,238,700
Investment Income	138,581	65,013	150,000	65,000	100,000
Met Council Grant	54,250	-	-	-	-
Bond Proceeds	-	2,002,615	-	-	-
Hookup Fees	191,930	674,144	125,000	425,000	200,000
Met Council SAC Fees	165,290	529,490	50,000	400,000	150,000
Miscellaneous Income	125,684	49,935	100,000	200,000	200,000
<b>Totals</b>	<b>\$ 11,217,505</b>	<b>\$ 14,683,703</b>	<b>\$ 11,441,600</b>	<b>\$ 11,634,700</b>	<b>\$ 11,888,700</b>
<b>Expenditures by Category</b>					
Personnel	\$ 1,494,360	\$ 1,482,377	\$ 1,493,800	\$ 1,489,700	\$ 1,551,600
Supplies	707,739	727,880	777,000	767,100	799,300
Sewer Service Charge	3,909,277	3,840,751	3,741,700	3,753,883	3,897,913
Other Services & Charges	1,952,691	2,539,096	2,028,700	2,208,600	1,956,200
I & I Reduction Program	685,221	827,349	450,000	70,500	450,000
Capital Outlay	796,098	1,470,806	1,307,500	1,794,305	3,349,300
Bond Principal & Interest	1,084,143	1,068,112	795,733	3,030,087	1,054,288
Transfers to Other Funds	1,052,400	1,064,700	1,097,300	1,097,300	1,131,100
<b>Totals</b>	<b>\$ 11,681,929</b>	<b>\$ 13,021,071</b>	<b>\$ 11,691,733</b>	<b>\$ 14,211,475</b>	<b>\$ 14,189,701</b>
Surplus (Deficiency) of Revenues over Expenditures	\$ (464,424)	\$ 1,662,632	\$ (250,133)	\$ (2,576,775)	\$ (2,301,001)
<b>Number of Employees (FTEs)</b>	16.22	16.22	16.04	15.89	16.39

**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.

<b>Key Measures:</b>	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
• Water pumped (million gallons)	2,406	2,685	2,700	2,700
• Water main breaks repaired	70	84	80	80
• Utility locate requests completed	8,363	8,352	9,500	10,000
• Sewer cleaning (miles)	78	86	100	100
• Sewer televising (miles)	94	65	50	50
• Fire hydrants inspected	2,242	3,038	3,124	3,284

**Budget Comments/Issues:**

*Increasing costs for utility operation as well as capital costs associated with street reconstruction, watermain and sanitary sewer force main as well as corrosion repairs will require utility rate increases of 6.0% for water and 7.0% for sewer in 2014 and potentially 2015. A recently completed optimization study on water pumping and treatment will be presented in early 2014, which may increase capital costs further and determine longer range financial plans for the system.*

- Increasing utility locate requests and major road reconstruction projects in 2014 indicate that the addition of a utility locator is necessary and therefore is budgeted as a partial full-time equivalent (FTE) above.
- The 2014 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 reduction 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.
- A program of fire hydrant inspections and maintenance was previously undertaken by Fire Department and utility staff. This combined effort will continue into 2014 so that all hydrants are inspected. Contractors and in-house resources will be used to make repairs to those structures that are found to be deficient.
- The city water and sewer utility experienced some significant capital costs in the last year. These include high costs associated with street reconstruction, emergency watermain repairs (ex. I-494), deterioration of distribution infrastructure as a result of corrosion, and sanitary sewer force main rupture (ex. Prestige Lane).
- The city refinanced one of its outstanding debt obligations of the Utility Fund in 2012. Bond proceeds from the transaction are reflected above in 2012, while payoff of the old bonds are reflected in 2013.
- 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.

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

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 766,438	\$ 822,792	\$ 887,500	\$ 876,900	\$ 990,900
Supplies	141,333	173,013	196,700	196,700	200,200
Other Services & Charges	309,630	384,284	426,600	433,100	536,600
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,217,401</b>	<b>\$ 1,380,089</b>	<b>\$ 1,510,800</b>	<b>\$ 1,506,700</b>	<b>\$ 1,727,700</b>

**Method of Financing**

General Fund	\$ 1,217,401	\$ 1,380,089	\$ 1,510,800	\$ 1,506,700	\$ 1,727,700
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<b>Number of Employees (FTEs)</b>	8.91	8.91	9.21	9.07	9.97
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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 50 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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Park acreage maintained	1,266	1,266	1,267	1,267
Level 1 - Maintenance Areas (# /acres)*	7/426	7/426	7/429	7/429
Level 2 - Maintenance Areas (# /acres)*	11/211	11/211	11/211	11/211
Levels 3 & 4 - Maintenance Areas (# /acres)*	31/627	31/627	31/631	31/631
Trails and sidewalks maintained (miles)	94	96	97	99

\* 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 2014 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. An additional 0.90 full-time equivalent (FTE) is recognized here beginning 2014 to reflect funding for the current parks, grounds and building inspector, which was previously financed by the Environmental Fund.

- The 2014 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 continues to maintain additional seasonal staff and contractors to address increasing responsibilities relating to additional landscaping areas, gateway streetscapes and new trail segments. The feasibility of a seasonal ICWC crew will be researched in order to keep up with summer maintenance tasks.

- In 2013, park acreage increased by 0.65 acre 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. Park acreage key measures have been updated to reflect new GIS information and accurate park acreage holdings.

- In 2013, over 100 park trees were damaged as a result of a July thunder storm. This has impacted the 2013 operations budget and federal funds may be received to cover some of the damage expenses.

- The Parks and Trails Division continues to evaluate long term implications on athletic field quality associated with park maintenance responsibilities of volunteer associations. The Park Board and City Council approved athletic field use fees to offset some of the costs associated with city maintenance of the facilities.

**NATURAL RESOURCES DIVISION - Public Works Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 502,925	\$ 510,405	\$ 507,700	\$ 493,300	\$ 594,300
Supplies	5,115	7,743	8,100	8,100	18,800
Other Services & Charges	517,453	412,829	593,700	588,400	519,300
Capital Outlay	-	-	-	-	-
Transfer to Other Funds	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,025,493</b>	<b>\$ 930,977</b>	<b>\$ 1,109,500</b>	<b>\$ 1,089,800</b>	<b>\$ 1,132,400</b>

**Method of Financing**

General Fund	\$ 1,025,493	\$ 930,977	\$ 1,109,500	\$ 1,089,800	\$ 1,132,400
Environmental Fund	-	-	-	-	-
Storm Water Fund	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,025,493</b>	<b>\$ 930,977</b>	<b>\$ 1,109,500</b>	<b>\$ 1,089,800</b>	<b>\$ 1,132,400</b>

<b>Number of Employees (FTEs)</b>	4.58	4.58	4.71	4.57	5.57
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**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Diseased trees removed	1,422	1,204	1,400	1,400
Public trees planted (reforestation/restoration)	7/451	10/111	10/40	30/40
Private trees planted through city's tree sale	1,445	1,341	1,208	1,300
Permits reviewed-inspected for natural resource compliance/on-going inspections	200/350	200/350	200/350	200/350
Natural resource education programs conducted	23	29	25	25
Development projects reviewed	55	56	60	60
Volunteer programs conducted/hours donated	128/2,000	130/1,700	130/2,000	125/1,700
Enforcement actions taken	56	45	40	40
Acres of public land under stewardship	310	310	310	310

**Budget Comments/Issues:**

*The 2014 budget for the Natural Resources Division increases funding to continue to monitor and prepare for the future impacts of the Emerald Ash Borer (EAB) on the community's trees by adding two staff members at mid-year.*

- Although, the westerly movement of the EAB from the Minneapolis area has been very slow and unpredictable so far, the eventual costs to the city will be significant. In 2013, the council agreed on a funding and action plan to deal with the insect's inevitable movement into Minnetonka. Capital costs for the program, including removal of public ash trees and reforestation, are budgeted within the city's Forestry Fund.

- Other division programs with significant costs in 2014 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 2014, a comprehensive street tree trimming program will continue in order to keep pace with street reconstructions and renovations.

- The large number of public restoration trees planted in 2011 and 2012 resulted from a Nine Mile Watershed grant for Lake Rose in 2011 and the 2012 plantings at the Williston Center, Marsh and Civic Center.

**FORESTRY FUND - Public Works Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Ad Valorem Tax Levy	\$ -	\$ -	\$ -	\$ -	\$ 75,300
Investment Income	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,300</b>
<b>Expenditures by Program/Project</b>					
EAB Program	\$ -	\$ -	\$ -	\$ -	\$ 75,300
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,300</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	-	-	-	-	-
<i>Beginning Available Fund Balance</i>	-	-	-	-	-
<i>Ending Available Fund Balance</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Description of Services:**

The Forestry Fund is established beginning 2014 to finance asset-related costs associated with the arrival of the Emerald Ash Borer (EAB) insect. The insect was first detected in the Twin Cities metropolitan area in 2009 and will eventually kill all native ash trees. Ash trees comprise about seven percent of all tree species in Minnesota, and inventories of the city suggest there are over 60,000 ash trees in the city limits, which includes those in front yard areas, public parks, out-lots and public rights-of-way, but excludes those in areas along trails, on city-owned natural areas or other private property.

<b><u>Key Measures:</u></b>	<b><u>2011 Actual</u></b>	<b><u>2012 Actual</u></b>	<b><u>2013 Estimated</u></b>	<b><u>2014 Projected</u></b>
Ash trees removed	NA	NA	NA	210
Park trees replanted	NA	NA	NA	46
Stumps ground	NA	NA	NA	46

**Budget Comments/Issues:**

*Costs in the Forestry Fund reflect only the capital budget portion of the EAB program, which includes tree removal, stump grinding and reforestation. 2014 expenses and revenue are start-up costs representing one-half of a full year of the program, plus limited, initial start-up, capital equipment.*

- Key measure numbers above are gross projections based upon current experience with other diseased tree programs and early work with damaged and unhealthy ash trees. Actual numbers are likely to be different.
- Operating costs for the program are budgeted in the Natural Resources Division and include costs for two additional staff as well as the biannual chemical treatment of 40 of the designated 80 high value, city-owned ash trees.

**ENVIRONMENTAL FUND - Public Works Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Hennepin Recycling Grants	\$ 135,771	\$ 133,903	\$ 130,000	\$ 130,000	\$ 130,000
Recycling Charges	487,064	493,202	510,000	500,000	700,000
Investment Income	16,712	5,476	20,000	3,500	2,000
Contract Rebate	436,222	175,533	150,000	95,000	90,000
<b>Totals</b>	<b>\$ 1,075,769</b>	<b>\$ 808,114</b>	<b>\$ 810,000</b>	<b>\$ 728,500</b>	<b>\$ 922,000</b>
<b>Expenditures by Category</b>					
Personnel	\$ 175,560	\$ 163,911	\$ 177,900	\$ 159,500	\$ 88,700
Supplies	23,256	1,301	29,100	16,600	16,600
Collection Contract	597,939	531,795	548,600	548,600	556,000
Yard waste Program	91,885	95,730	103,000	128,000	105,000
Other Services & Charges	5,448	23,389	26,550	26,600	28,200
Transfer To General Fund	198,300	201,300	203,900	203,900	183,200
<b>Totals</b>	<b>\$ 1,092,388</b>	<b>\$ 1,017,426</b>	<b>\$ 1,089,050</b>	<b>\$ 1,083,200</b>	<b>\$ 977,700</b>
Surplus (Deficiency) of Revenues over Expenditures	(16,619)	(209,312)	(279,050)	(354,700)	(55,700)
<b>Beginning Fund Balance</b>	<b>1,254,494</b>	<b>1,237,875</b>	<b>1,028,563</b>	<b>1,028,563</b>	<b>673,863</b>
<b>Ending Fund Balance</b>	<b>\$ 1,237,875</b>	<b>\$ 1,028,563</b>	<b>\$ 749,513</b>	<b>\$ 673,863</b>	<b>\$ 618,163</b>
<b>Number of Employees (FTEs)</b>	<b>1.58</b>	<b>1.58</b>	<b>1.51</b>	<b>1.37</b>	<b>0.47</b>

**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 and storm related brush drop-offs, and two special materials drop-offs in the summer and fall.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Curbside recycling picked up (tons)	5,113	5,440	5,100	5,100
Leaf recycling dropped off (cubic yards)	9,590	11,760	9,500	9,500
Special drop-off customers	1,852	1,305	1,500	1,500
Customers rating curbside services as "good" or "excellent"	95%	93%	95%	95%

**Budget Comments/Issues:**

*Significant changes in the market for recycled materials, increases in the city's contract, and reduced weight recycled will require an increase in 2014 of the residential recycling fee from \$2.50 to around \$3.50 per month, which is assumed above. The fee has not been raised since its implementation over a decade ago, and must be approved by the city council in separate action. Similar to the Utility Fund, regular, annual increases will be required to bring the fund into long term structural balance and financial sustainability.*

- The 2014 budget restructures the financing of one staff member to better reflect actual job responsibilities, moving 0.90 full-time equivalent employee (FTE) to the Parks and Trails Maintenance Division of the Public Works Department. The Environmental Fund continues to finance the position's work on recycling coordination, 0.10 FTE.

- In 2014, Allied Waste recycling fees charged to the city under its contract will increase in three categories. Residential pickup will increase from \$2.57 to \$2.62 per month; recycling processing will increase from \$80.58 to \$82.19/ton/month; and drop-off processing will increase from \$3,049 to \$3,110/ton/month.

- Rebates paid to the city from the sale of recyclables under the contract are largely dependent upon the fluctuating markets for recycled materials. Current trends indicate a reduced amount of print media is being recycled, which has historically been a major proportion of the product recycled by Minnetonka city residents. Lighter product packaging has also reduced the tonnage of plastic in the recycling stream and subsequent rebates to the city.

- In 2013, the city began to include a recycling guide within the *Minnetonka Memo* in lieu of printing and mailing individual copies to all residents.

- The city is no longer able to collect electronics at the two special drop off events and this has reduced customer visits by approximately 500 annually.

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

Revenues	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Ad Valorem Tax Levy	\$ 158,500	\$ 440,000	\$ 560,000	\$ 560,000	\$ 560,000
Park Dedication Fees	125,000	375,000	70,000	100,000	70,000
Investment Income	5,859	4,821	3,000	-	-
Local Grants/Agreements	253,912	-	-	-	367,900
Transfers In	-	500,000	-	229,528	-
Miscellaneous Income	42	5,565	7,000	7,000	7,000
<b>Totals</b>	<b>\$ 543,313</b>	<b>\$ 1,325,386</b>	<b>\$ 640,000</b>	<b>\$ 896,528</b>	<b>\$ 1,004,900</b>

**Expenditures by Category**

Park Development	\$ 220,910	\$ 191,894	\$ 110,000	\$ 443,500	\$ 230,000
Trail Development	45,492	1,338,553	581,000	581,000	335,000
Maintenance-City Housing	-	122,835	15,000	15,000	15,000
<b>Totals</b>	<b>\$ 266,402</b>	<b>\$ 1,653,282</b>	<b>\$ 706,000</b>	<b>\$ 1,039,500</b>	<b>\$ 580,000</b>

Surplus (Deficiency) of Revenues over (under) Expenditures	276,911	(327,896)	(66,000)	(142,972)	424,900
Reserve for Delayed Projects	-			773,387	-
Reserve for Athletic Field Maint.					35,262
<b>Beginning Available Fund Balance</b>	<b>695,259</b>	<b>972,170</b>	<b>644,274</b>	<b>644,274</b>	<b>(272,085)</b>
<b>Ending Available Fund Balance</b>	<b>\$ 972,170</b>	<b>\$ 644,274</b>	<b>\$ 578,274</b>	<b>\$ (272,085)</b>	<b>\$ 117,553</b>

**Description of Services:**

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

<b>Key Measures:</b>	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
Miles of trails constructed	1.00	2.00	1.00	2.00

**Budget Comments/Issues:**

Adoption of this budget will amend the 2013-17 Capital Improvement Program (CIP) to reflect a change in financing sources for 2013 costs of the Burwell Park development (\$325,300), which is associated with the lower than anticipated interest revenue in the Community Investment Fund and to reflect expenses related to purchase of the Penaz property and barn (\$8,200).

- For 2014, the budget includes funding to implement the first phase of athletic field safety improvements at Big Willow Park and to conduct structural improvements of the barn at Purgatory Park.
- The 2012/2013 budget financed parks and trails projects as provided in the adopted CIP, which included an additional \$300,000 in levy proceeds. The additional funds advanced expansions of the city's trail system of Minnetonka Blvd from Oakridge to Hwy 169, Syngenta, Jordan Avenue and Opportunity Court per City Council direction.
- "Transfers Out" in 2013 are primarily accounting changes to reflect budgeted reimbursement for costs by other funds (Street Improvement, Stormwater) for multi-funded trail projects in 2012. A delay in county reimbursement of costs for the Minnetonka Boulevard (169/Oakridge) trail is reflected in 2014 revenues.
- "Reserve for delayed projects" are prior year appropriated funds for projects not yet completed but still scheduled. The larger of these projects are the city's 2012 comprehensive trail rehab project (\$360,000), the Gray's Bay causeway (\$250,000), POST Plan (\$75,000) and Minnehaha Creek canoe landing (\$50,000).



**COMMUNITY INVESTMENT FUND - Finance Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Investment Income	\$ 212,745	\$ 98,592	\$ 200,000	\$ 125,000	\$ 175,000
Other	63,000	252,000	157,500	157,500	157,500
<b>Totals</b>	<b>\$ 275,745</b>	<b>\$ 350,592</b>	<b>\$ 357,500</b>	<b>\$ 282,500</b>	<b>\$ 332,500</b>
<b>Expenditures</b>					
Minnehaha Creek Corridor	\$ -	\$ -	\$ 250,000	\$ 150,000	\$ 250,000
Williston Center Renovation	1,089,377	14,112	-	-	-
Trail Improvement Plan	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,089,377</b>	<b>\$ 14,112</b>	<b>\$ 250,000</b>	<b>\$ 150,000</b>	<b>\$ 250,000</b>
Surplus/(Deficiency) of Revenues over/(under) Expenditures	(813,632)	336,480	107,500	132,500	82,500
<i>Beginning Fund Balance</i>	<i>20,201,783</i>	<i>19,388,151</i>	<i>19,724,631</i>	<i>19,724,631</i>	<i>19,857,131</i>
Required Fund Balance	\$ 19,789,050	\$ 19,777,635	\$ 19,797,635	\$ 19,810,135	\$ 19,827,635
Available Fund Balance	(400,899)	(53,004)	34,496	46,996	111,996
<b>Total Ending Fund Balance</b>	<b>\$ 19,388,151</b>	<b>\$ 19,724,631</b>	<b>\$ 19,832,131</b>	<b>\$ 19,857,131</b>	<b>\$ 19,939,631</b>

**Description of Services:**

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

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

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

<b>Key Measures:</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Annual Investment earnings	\$212,745	\$92,103	\$125,000	\$175,000

**Budget Comments/Issues:**

*With adoption of this budget, the CIP is amended to reprogram the timing of the Minnehaha Creek Corridor project budget down from \$250,000 to \$150,000 in 2013, to reflect appropriate capacity of the fund and timing of the project components. The total four-year budget of \$1 million for the project remains the same and corresponds with the adopted 2014-18 CIP.*

- 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 2014-18 CIP, for future capital projects will continue to be diminished.
- 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.
- \$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.

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

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Interest Income, Other	\$ 16,496	\$ 1,496	\$ -	\$ -	\$ -
Transfer In	-	-	-	325,278	-
Bond Proceeds	-	-	2,500,000	-	2,500,000
<b>Totals</b>	<b>\$ 16,496</b>	<b>\$ 1,496</b>	<b>\$ 2,500,000</b>	<b>\$ 325,278</b>	<b>\$ 2,500,000</b>
<b>Expenditures by Category</b>					
Parks Renewal	\$ 137,061	\$ 187,242	\$ -	\$ -	\$ -
Park & Open Space Purchase	800,840	395,932	-	-	-
Conversion to Open Space	23,197	-	-	-	-
Minnehaha Creek Corridor	278,429	286,612	-	-	-
Trail Investment Plan	196,512	39,094	-	-	-
Living Legacy Program	346	-	-	-	-
<b>Totals</b>	<b>\$ 1,436,385</b>	<b>\$ 908,880</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Surplus/(Deficiency) of Revenues over/(under) Expenditures	(1,419,889)	(907,384)	2,500,000	325,278	2,500,000
Reserve for Delayed Projects				2,500,000	-
<b>Beginning Fund Balance</b>	<b>2,001,995</b>	<b>582,106</b>	<b>(325,278)</b>	<b>(325,278)</b>	<b>(2,500,000)</b>
<b>Ending Fund Balance</b>	<b>\$ 582,106</b>	<b>\$ (325,278)</b>	<b>\$ 2,174,722</b>	<b>\$ (2,500,000)</b>	<b>\$ 0</b>

**Description of Services:**

In 2001, Minnetonka voters passed a \$15 million parks and open space bond referendum. Half of the money was earmarked for the renewal of the city's 42 parks, with the other half to be used for open space preservation within Minnetonka. 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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Park renewals completed	39	42	42	42
Park renewals in progress	3	0	0	0
Open space acres newly preserved	8	0	0	30

**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).

- "Reserve for delayed projects" are prior year appropriated funds for projects not yet completed but still scheduled, which here is use of the final \$2.5 million in bonds tentatively scheduled for issuance in 2014. The city continues to have an option to purchase the 30-acre Cullen Smith property for \$2.5 million upon its vacation.

- "Transfer In" in 2013 to correct accounting for 2012 and earlier expenses associated with parks and trail projects, which were to have been financed by the Parks & Trails Development Fund.

- Minnetonka Mills Park plans were approved by the city council in 2010, and substantial work was completed in 2013. The park plans include further development of passive and active opportunities along the remainder of the Minnehaha Creek corridor through an expansion of the Burwell House grounds, which will be funded primarily with the Community Investment Fund.

- In 2012, Big Willow, Oberlin and Mayflower Park renewals were completed.

**JOINT RECREATION - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 716,727	\$ 766,613	\$ 739,900	\$ 744,600	\$ 906,500
Supplies	81,405	92,371	89,900	81,300	86,900
Other Services & Charges	496,732	522,031	529,200	527,300	387,300
Capital Outlay	10,921	6,784	4,000	4,000	-
<b>Totals</b>	<b>\$ 1,305,785</b>	<b>\$ 1,387,799</b>	<b>\$ 1,363,000</b>	<b>\$ 1,357,200</b>	<b>\$ 1,380,700</b>

**Method of Financing**

General Fund	\$ 1,305,785	\$ 1,387,799	\$ 1,363,000	\$ 1,357,200	\$ 1,380,700
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<b>Number of Employees (FTEs)</b>	6.15	5.75	5.84	5.84	5.84
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**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Program participants	27,290	34,469	34,000	34,000
Adult sports teams registered	562	544	540	540
Youth sports participation	1,345	1,339	1,350	1,350
Resident program participation	45.8%	53.0%	54.0%	54.0%
Expenses covered by fee revenues*	72.7%	85.8%	85.0%	85.0%
Shady Oak Beach season passes sold	4,849	5,058	4,318	5,000
Scholarships approved	124	120	120	120
Total value of scholarships approved	\$3,389	\$3,829	\$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 2014 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.*

- Recreation Services partnered with Hopkins Public School Community Education in 2013 to form Hop-Kids, a collaboration designed to increase programming options for pre-school aged children. Programs were offered in the areas of sports, art, music, and science. Over 600 youth ages 3-6 participated in Hop-Kids programs during the summer of 2013.

- The daily admission fee at Shady Oak Beach increased by \$1.00 in 2012. This resulted in a 4.3% increase in season pass sales, and an increase in net profit of approximately \$43,000 for the 2012 season. Beach revenue was down in 2013 by approximately \$40,000 due to a colder than usual spring and early summer.

- A significant increase in personnel charges in 2014 reflects the requirement to convert contractual employees to part time employees beginning January 1, 2014. For the same reasons, a reduction is shown in the Other Services and Charges line of the budget where contractual employees previously had been budgeted.

- Overall department expenses covered by fee revenues increased by 13% from 2011 to 2012 mainly due to the success of the Williston Fitness Center. The facility saw large increases in revenues from membership sales, daily fees and birthday parties.

- Reorganized staff in 2011 following two retirements in the administrative division. Positions were eliminated due to a reduction in need related to increased use of on-line registration.

**MINNETONKA RECREATION - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 163,480	\$ 156,627	\$ 195,400	\$ 196,700	\$ 215,000
Supplies	1,344	-	1,000	500	1,000
Other Services & Charges	274,518	271,586	259,300	258,400	262,100
Other	63,000	63,000	63,000	63,000	63,000
<b>Totals</b>	<b>\$ 502,342</b>	<b>\$ 491,213</b>	<b>\$ 518,700</b>	<b>\$ 518,600</b>	<b>\$ 541,100</b>

**Method of Financing**

General Fund	\$ 502,342	\$ 491,213	\$ 518,700	\$ 518,600	\$ 541,100
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<b>Number of Employees (FTEs)</b>	1.15	0.84	0.84	0.84	0.84
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**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Minnetonka playground household registrations	773	788	746	750
Warming house days of operation	60	23	60	60
Music Association participants	312	297	300	300
Adopt-A-Sign locations	32	29	34	34
Music/theater in the Park attendance	1,940	2,955	2,266	2,500

**Budget Comments/Issues:**

*In 2014, 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. This total is increasing significantly in 2014 due to the requirement to convert contractual employees to city employees starting January 1, 2014.
- The Playground Program continues to be a popular summer activity for Minnetonka residents ages 6-12. The program is free to participants and is held at six locations. The numbers at Covington Park decreased in 2013, but participation at all other sites has remained consistent with previous years.
- The number of warming house days in operation is highly dependent upon seasonal weather conditions. In 2012, the weather was unseasonably warm causing poor ice conditions that forced the closure of skating rinks the majority of the season. The weather conditions in 2013 were favorable, allowing for warming houses to remain open consistently throughout the season.
- 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 of all ages during the summer months. Two additional concerts were added to the series in 2012, resulting in increased attendance numbers. Totals in 2013 were down due to poor weather for two of the theater shows.

**SENIOR SERVICES - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 225,960	\$ 195,394	\$ 207,600	\$ 208,100	\$ 231,700
Supplies	60,673	47,890	43,000	43,000	43,000
Other Services & Charges	90,171	99,801	95,300	110,300	80,000
<b>Totals</b>	<b>\$ 376,804</b>	<b>\$ 343,085</b>	<b>\$ 345,900</b>	<b>\$ 361,400</b>	<b>\$ 354,700</b>

**Method of Financing**

General Fund	\$ 376,804	\$ 343,085	\$ 345,900	\$ 361,400	\$ 354,700
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<b>Number of Employees (FTEs)</b>	2.5	2.5	2.5	2.5	2.5
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**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. In addition, there are 31 special groups/clubs offered for residents to participate in. Some services are provided through contracts with private or non-profit organizations, and a portion of the costs for programs is recovered through fees.

<b>Key Measures:</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Program participants (unduplicated)	10,381	11,507	11,500	11,600
Survey rating - program org (good/excellent)	100%	98%	99%	99%
Senior volunteers used	252	261	240	240
Volunteer hours donated	16,100	15,810	15,500	15,500
Senior Services resident participation percentage	57.1%	65.3%	65.0%	65.0%
Program participants (services delivered)	34,661	36,930	35,000	35,000
Program Revenue	\$121,993	\$129,856	\$125,500	\$126,000
Landing Shop % of expenses covered	86%	101%	85%	85%

**Budget Comments/Issues:**

*The 2014 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.
- The Landing Shop moved from the Mills Landing area to the Westridge Pavilion in October of 2011. Sales increased following the move and the shop was able to cover 101% of expenses during the first full year at the new site. Since that time, sales have slowed down, but remained steady. It is estimated that the shop will cover 85% of expenses
- The 2014 budget includes \$5,000 for a consultant to assist with developing a branding plan for senior services
- As a result of the council's strategic goals, an emphasis was made on senior programming in 2012 resulting in an 8.2% increase in senior resident participation ages 55 and over.

**COMMUNITY FACILITIES DIVISION - Recreation Services Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 320,706	\$ 319,883	\$ 315,200	\$ 318,600	\$ 332,200
Supplies	22,215	27,044	35,700	36,400	55,700
Other Services & Charges	82,536	84,931	122,200	120,700	119,200
Capital Outlay	33,449	19,535	20,000	20,000	-
<b>Totals</b>	<b>\$ 458,906</b>	<b>\$ 451,393</b>	<b>\$ 493,100</b>	<b>\$ 495,700</b>	<b>\$ 507,100</b>
<b>Method of Financing</b>					
General Fund	\$ 456,718	\$ 451,393	\$ 492,100	\$ 495,700	\$ 507,100
Cemetery Fund	2,188	-	1,000	-	-
<b>Totals</b>	<b>\$ 458,906</b>	<b>\$ 451,393</b>	<b>\$ 493,100</b>	<b>\$ 495,700</b>	<b>\$ 507,100</b>

<b>Number of Employees (FTEs)</b>	3.75	4.37	3.37	3.37	2.75
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**Description of Services:**

Community Facilities manages city-owned facilities including the Community Center, Glen Lake Activity Center, nine 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 Valley Park shelters in Hopkins.

<b>Key Measures:</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Community Center rental revenue	\$81,045	\$79,087	\$85,000	\$87,000
Community Center hours reserved	11,602	12,429	12,000	12,200
Satellite facility hours reserved	1,139	1,402	1,200	1,200
Picnic shelter permits issued	249	239	285	250
Field fee revenue	\$24,793	\$28,022	\$26,200	\$28,000

**Budget Comments/Issues:**

The 2014 budget for the Community Facilities Division provides current level services.

- Fees for field use were implemented in 2010 and are now reflected as a Key Measure above.
- Banquet room light dimmers and switches were replaced in 2013 to provide for more reliable lighting for events.
- A projection screen and an LCD projector were installed in 2013 and provides more flexibility for presentations.
- The 285 picnic shelter reservations made in 2013 represent the most ever received in a year.
- 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	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Membership Fees	\$ 607,084	\$ 1,178,357	\$ 1,130,000	\$ 1,365,000	\$ 1,375,000
Tennis Lessons & Court Fees	520,375	573,130	545,000	615,000	600,000
Tennis Pro Shop	20,211	19,741	17,000	17,000	17,000
Sports Training Fees	26,193	29,538	27,000	23,000	25,000
Outside Participant Fees	110,467	174,071	160,000	200,000	200,000
Swim Lessons	4,931	4,572	4,000	2,000	2,000
Batting Cage Income	31,942	30,121	30,000	24,000	25,000
Rental Income	14,633	15,748	11,000	13,000	11,000
Investment Income	(4,045)	487	1,500	4,000	10,000
Miscellaneous	67,130	83,871	86,000	97,000	110,000
<b>Totals</b>	<b>\$ 1,398,921</b>	<b>\$ 2,109,636</b>	<b>\$ 2,011,500</b>	<b>\$ 2,360,000</b>	<b>\$ 2,375,000</b>
<b>Expenditures by Category</b>					
Personnel	\$ 769,128	\$ 903,472	\$ 863,500	\$ 1,056,000	\$ 1,190,600
Supplies	135,081	170,793	132,000	178,500	181,500
Other Services & Charges	428,184	513,361	399,700	516,000	490,600
Transfer Expenses	61,100	61,500	65,000	65,000	82,500
<b>Totals</b>	<b>\$ 1,393,493</b>	<b>\$ 1,649,126</b>	<b>\$ 1,460,200</b>	<b>\$ 1,815,500</b>	<b>\$ 1,945,200</b>
Surplus (Deficiency) of Revenues over Expenditures	\$ 5,428	\$ 460,510	\$ 551,300	\$ 544,500	\$ 429,800
Capital Outlay	\$ -	\$ 189,000	\$ 94,500	\$ 94,500	\$ 239,500
<b>Number of Employees (FTEs)</b>	<b>5.05</b>	<b>5.05</b>	<b>5.05</b>	<b>5.05</b>	<b>7.05</b>

**Description of Services:**

Recreational amenities at the Williston Fitness Center include: Five indoor tennis courts, a 25-yard swimming pool, indoor splash pad, two aerobics studios, 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.

<b>Key Measures:</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Average active members	3,694	6,638	8,200	8,000
Daily fee (non-member) participants	18,442	28,344	30,000	30,000
Total facility visits	203,408	292,847	300,000	300,000
Recreation program hours	9,547	8,324	8,500	8,500
Birthday party revenue	\$7,195	\$36,565	\$40,000	\$35,000
% of expenses covered by revenue	100%	115%	124%	109%

**Budget Comments/Issues:**

The 2014 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. An increase in facility staff, two additional full-time equivalents (FTEs), appropriately meets the increase in demand.

- Non-member usage (i.e. daily passes, private parties, programming) 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 only offer a more expensive 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 continue to grow from 2012 to 2013. The facility implemented a 'non-resident membership freeze' effective July 1, 2013 to help control usage of the facility. Membership rates are scheduled to increase in 2014.
- Williston Center birthday party revenue grew over 400% from 2011 to 2012. Birthday party revenue is estimated to decline in 2014 due to programming restrictions put in place to control parking.
- While the \$4.5 million improvements completed in 2011 were primarily financed by the city's Community Investment Fund, annual capital outlay above include \$94,500 each year over ten years for repayment of a portion of those costs from Williston Center user fees and revenue. The additional amount in 2012 reflects a one-time, two-year installment.

**ICE ARENA - Recreation Services Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Ice Rental	\$ 568,259	\$ 608,745	\$ 620,000	\$ 580,000	\$ 600,000
Concessions	25,312	27,798	50,000	45,000	55,000
Programs & Special Events	264,985	249,945	250,000	225,000	225,000
Miscellaneous	4,460	11,560	10,000	10,000	10,000
Investment Income	-	-	-	-	-
<b>Totals</b>	<b>\$ 863,016</b>	<b>\$ 898,048</b>	<b>\$ 930,000</b>	<b>\$ 860,000</b>	<b>\$ 890,000</b>
<b>Expenditures by Category</b>					
Personnel	\$ 441,979	\$ 469,798	\$ 451,800	\$ 454,100	\$ 478,600
Supplies	57,831	69,374	59,200	86,700	61,600
Other Services & Charges	288,132	294,609	289,300	318,400	279,800
Costs of Goods Sold	22,819	29,131	33,500	28,500	28,500
Transfer Expenses	56,100	56,500	59,500	59,500	61,800
<b>Totals</b>	<b>\$ 866,861</b>	<b>\$ 919,412</b>	<b>\$ 893,300</b>	<b>\$ 947,200</b>	<b>\$ 910,300</b>
Surplus(Deficiency) of Revenues over Expenditures	\$ (3,845)	\$ (21,364)	\$ 36,700	\$ (87,200)	\$ (20,300)
Capital Outlay	\$ 13,187	\$ -	\$ 10,000	\$ 13,000	\$ -
<b>Number of Employees (FTEs)</b>	<b>3.80</b>	<b>3.80</b>	<b>3.62</b>	<b>3.62</b>	<b>3.62</b>

**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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Ice rental hours sold	3,300	3,312	3,250	3,300
Registered skating lesson participants	1,434	1,374	1,300	1,300
Public skating/hockey hours offered	577	563	565	565
Public skating/hockey participants	5,000	4,700	4,800	4,800
Adult hockey teams registered	24	23	24	24
Total days of operation	343	342	343	343
Operating expenses covered by revenue	100%	98%	91%	98%

**Budget Comments/Issues:**

The ice arena strives to remain financially stable while at the same time offering the community and local user groups quality rinks with excellent ice conditions at a reasonable rate.

- Increased expenditures experienced in 2013 are a result of ice system mechanical failures. Several of these failures are related to an aging mechanical system that is over 40 years old and scheduled for replacement in 2017.
- Concession revenue is expected to rise beginning in the fall of 2013 with the completion of the concession renovation and the implementation of new menu items and operating hours. This is part of the facility's overall plan to increase non-ice sale revenue.
- Ice rental hours continue to remain relatively consistent with the high demand of prime ice time. Ice rates are scheduled to increase in September 2014 resulting in increased ice rental revenues projected for 2014.
- Ice arena staff were reorganized in 2012 to better reflect the need to manage concessions operations and evening customer service.



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

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Slip Rental	\$ 111,302	\$ 113,100	\$ 113,100	\$ 113,100	\$ 113,100
Fuel Sales	122,903	128,269	122,500	128,500	132,000
Other Revenue	1,549	1,154	1,800	900	1,300
Investment Income	6,051	7,020	6,000	7,000	7,000
<b>Totals</b>	<b>\$ 241,805</b>	<b>\$ 249,543</b>	<b>\$ 243,400</b>	<b>\$ 249,500</b>	<b>\$ 253,400</b>
<b>Expenditures by Category</b>					
Personnel	\$ 46,646	\$ 48,618	\$ 48,900	\$ 47,300	\$ 52,400
Supplies	112,165	116,755	116,700	116,500	121,700
Other Services & Charges	32,419	31,177	36,900	35,400	39,400
Transfer Expenses	32,000	22,600	23,900	23,900	24,900
<b>Totals</b>	<b>\$ 223,230</b>	<b>\$ 219,150</b>	<b>\$ 226,400</b>	<b>\$ 223,100</b>	<b>\$ 238,400</b>
Surplus (Deficiency) of Revenues over Expenditures	\$ 18,575	\$ 30,393	\$ 17,000	\$ 26,400	\$ 15,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 12,000
<b>Number of Employees (FTEs)</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>

**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Gallons of gas sold on site	24,960	25,741	22,300	24,500
Days of operation	194	195	200	200
Slip lease rate	\$3,800	\$3,900	\$3,900	\$3,900
Operating expenses covered by revenue	108%	114%	112%	106%

**Budget Comments/Issues:**

*The 2014 budget for Gray's Bay Marina provides current level services and a strong financial position for the fund.*

- In 2013, a new wait list procedure was approved for allocating slip leases. This replaces the lottery system that became inefficient to manage.
- 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.
- A new card access system for the dock was installed in 2011 to improve security. Security access to the office and storage area were added in 2013.
- 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-five 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.
- 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.

**COMMUNITY DEVELOPMENT DIVISION - Community Development Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 1,040,966	\$ 1,067,407	\$ 1,120,000	\$ 1,122,000	\$ 1,141,500
Supplies	17,597	17,378	20,700	24,900	22,050
Other Services & Charges	138,585	132,250	151,400	152,900	155,450
<b>Totals</b>	<b>\$ 1,198,139</b>	<b>\$ 1,217,035</b>	<b>\$ 1,292,100</b>	<b>\$ 1,299,800</b>	<b>\$ 1,319,000</b>
<b>Method of Financing</b>					
General Fund	\$ 1,198,139	\$ 1,217,035	\$ 1,292,100	\$ 1,299,800	\$ 1,319,000
<b>Number of Employees (FTEs)</b>	10.40	11.40	11.60	11.60	11.00

**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Permits issued	6,757	6,301	6,400	6,500
Building construction value	\$164 million	\$89 million	\$80 million	\$75 million
Residential building plan reviews completed	648	598	600	625

**Budget Comments/Issues:**

*Changing demands over time on the department, prompted staff to restructure a previously vacant, but budgeted full-time position beginning 2014 to a part-time (0.40 FTE), which will support administrative work. In 2014, the Community Development Department will continue to provide services to a higher number of mostly residential projects.*

- The number of permits issued is expected to remain steady into 2014, but construction value is expected to be about the same as 2013. Construction value in 2011 was higher due to the United Health Group project.
- There are temporary wages included for temporary staffing in the inspections area as well as a temporary leave of an employee in both 2013 and 2014.



**ASSESSING DIVISION - Finance Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 503,099	\$ 520,405	\$ 530,900	\$ 532,100	\$ 560,400
Supplies	13,522	8,206	7,500	6,600	6,500
Other Services & Charges	95,560	96,395	121,500	121,200	124,600
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 612,181</b>	<b>\$ 625,006</b>	<b>\$ 659,900</b>	<b>\$ 659,900</b>	<b>\$ 691,500</b>

**Method of Financing**

General Fund	\$ 612,181	\$ 625,006	\$ 659,900	\$ 659,900	\$ 691,500
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<b>Number of Employees (FTEs)</b>	5.25	5.25	5.25	4.25	5.60
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**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Total market values	\$7.53 billion	\$7.45 billion	\$7.51 billion	\$7.73 billion
Sales ratio (targets revised annually by county)	94.9	95.6	96.5	95.0
Coefficient of dispersion (Less than 10 is "good.")	3.6	3.3	3.5	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%	99%	95%
Commercial tax court petitions (payable year)	137	121	120	120
Assessing repository electronically filed (cumul.)	8%	15%	30%	35%

**Budget Comments/Issues:**

*The 2014 budget for the Assessing Division increases a current part-time employee to full time. Total changes in personnel costs, including this one, will accommodate restructuring and training of staff to match current market availability of industry expertise and the increasing special assessment workload required for the city's development and forestry programs.*

- Difficulty in filling a vacancy during 2013 prompted staff to reevaluate staff structures. During the transition, two interns were employed for an extended period of time to temporarily accommodate some of the workload. Therefore, while full-time staff numbers drop in 2013, personnel costs remain higher.
- 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 began using 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 began to develop new complex models of the computer-aided mass appraisal system to include apartment properties.

- As was common throughout most metro areas in recent years, the economic distress of the 2008 recession was reflected in the city experiencing a substantial increase in the number of commercial tax court petitions of property valuations. The number was three times greater in 2011 than 2007. Current projections for 2013 and 2014 indicate decreasing numbers, but the trend will likely stabilize at a higher level than the pre-recession years. Adjudicating those appeals may impact costs for "Other Services & Charges."

- In addition to restructuring personnel, the division has entered into a partnership agreement with the City of Bloomington to provide commercial appraisal service back-up as needed during a transition period, which will accommodate the division's higher number of commercial tax court petitions.



*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	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Ad Valorem Tax Levy	\$ 169,493	\$ 171,264	\$ 175,000	\$ 175,000	\$ 175,000
Investment Interest	\$ 4,248	\$ 1,869	\$ 2,000	\$ -	\$ -
<b>Totals</b>	<b>\$ 173,741</b>	<b>\$ 173,133</b>	<b>\$ 177,000</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>
<b>Expenditures by Category</b>					
WHAHLT		-	-	100,000	-
Village Center Master Planning	29,521	70,218	90,000	75,000	-
Marketing					75,000
Livable Communities Account					100,000
Housing Programs	85,000	57,524	235,000	100,000	-
<b>Totals</b>	<b>\$ 114,521</b>	<b>\$ 127,742</b>	<b>\$ 325,000</b>	<b>\$ 275,000</b>	<b>\$ 175,000</b>
Surplus (Deficiency) of Revenues over Expenditures	59,220	45,391	(148,000)	(100,000)	-
Reserve for Delayed Projects (Hsg & Village Ctr programs)				228,066	
<i>Beginning Fund Balance</i>	<i>261,224</i>	<i>320,444</i>	<i>365,835</i>	<i>365,835</i>	<i>37,769</i>
<i>Ending Fund Balance</i>	<i>\$ 320,444</i>	<i>\$ 365,835</i>	<i>\$ 217,835</i>	<i>\$ 37,769</i>	<i>\$ 37,769</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.

<b>Key Measures:</b>	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
Village center master plans completed (not cumulative)	1	0	1	1
Housing rehab loan issued	0	0	5	5
Down payment assistance provided	1	1	2	3
Average amount of down payment loans	6,800	4,900	7,500	7,000
Average amount of rehab loan	NA	NA	12,000	10,000

**Budget Comments/Issues:**

*The 2014 budget was reviewed by the Economic Development Advisory Committee (EDAC). After discussion, the preliminary 2014 HRA levy was set at the same level as 2013.*

- The city launched two new housing improvement programs in June 2011, Minnetonka Home Enhancement and Welcome to Minnetonka. Because the pace of actually making loans has been slower than expected, the city will not supply new funding for the rehab program and utilize the remaining fund balance to provide loans.
- Master planning for the village center at Excelsior Boulevard and Shady Oak is scheduled for 2014. Fund balances will be used to pay for this.
- The 2014 budget includes \$75,000 for the marketing efforts of the city, of which the market research will be completed in the first year.
- The Reserve for Delayed Projects includes \$205,000 for housing programs and \$23,066 for village center studies, which are in addition to the 2013 budgeted amounts.
- 2013 expenses for WHAHLT were to have been incurred in 2011, but are shown above in 2013 to correctly reflect accounting for the costs here rather than the Livable Communities Fund, where they were incorrectly charged.
- Because HRA levies are specifically covered as separate levies under state law, proposed property tax notices and invoices to property owners identify the levy as a "special taxing district" separate from the city.

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

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Interest Income	12,244	4,376	8,000	-	-
Other	7,762	89,765	100,000	40,000	22,000
From HRA Levy	-	-	-	-	100,000
<b>Totals</b>	<b>\$ 20,006</b>	<b>\$ 94,141</b>	<b>\$ 108,000</b>	<b>\$ 40,000</b>	<b>\$ 122,000</b>
<b>Expenditures by Category</b>					
Cedar Point Affordable Housing	51,418	45,135	-	-	-
Mtka Heights / Crown Ridge	6,000	33,000	36,000	36,000	36,000
WHAHLT	320,939	89,765	325,000	185,000	250,000
Legal/Other	30,056	1,002	-	2,000	-
Transfers Out	-	-	-	-	-
<b>Totals</b>	<b>\$ 408,413</b>	<b>\$ 168,902</b>	<b>\$ 361,000</b>	<b>\$ 223,000</b>	<b>\$ 286,000</b>
Surplus (Deficiency) of Revenues over Expenditures	(388,407)	(74,761)	(253,000)	(183,000)	(164,000)
<b>Beginning Fund Balance</b>	<b>1,903,225</b>	<b>1,514,818</b>	<b>1,440,057</b>	<b>1,440,057</b>	<b>1,160,879</b>
Reserve for prior obligations	-	-	-	96,178	-
<b>Ending Fund Balance</b>	<b>\$ 1,514,818</b>	<b>\$ 1,440,057</b>	<b>\$ 1,187,057</b>	<b>\$ 1,160,879</b>	<b>\$ 996,879</b>

**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Affordable units preserved at Cedar Pointe	9	9	NA	NA
Total WHAHLT units in Minnetonka	45	49	53	56
Average sales price of WHAHLT unit	\$126,681	\$130,000	\$130,000	\$135,000
Percent of Met Council housing goals achieved	12%	12%	33%	33%
Median value of Minnetonka home	\$287,600	\$277,000	\$273,200	\$275,000
Change from previous year	-1.8%	-3.7%	-1.4%	0.7%

**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*

- The city provides 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 WHAHLT 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 from 2012 to 2014 are a pass-through grant from the Metropolitan Council, which the non-profit is using to fund scattered-site affordable housing.

- The 2013 budget in the Livable Communities Fund for WHAHLT is \$100,000 more than reflected above; the full amount includes the additional \$100,000 shown under the HRA Fund in order to correct prior year expenses that were to have been incurred in 2011 in that fund.

- 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 ended in 2013, and the associated key measure is therefore eliminated as of 2013.

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

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Federal Grant	\$ 136,593	\$ 116,363	\$ 150,000	\$ 167,070	\$ 150,000
Program Income	2,500	22,002	10,000	10,000	10,000
<b>Totals</b>	<b>\$ 139,093</b>	<b>\$ 138,365</b>	<b>\$ 160,000</b>	<b>\$ 177,070</b>	<b>\$ 160,000</b>
<b>Expenditures by Category</b>					
Housing Rehabilitation	\$ 134,424	\$ 70,682	\$ 126,500	\$ 150,000	\$ 125,500
Support Services	22,073	22,593	22,000	20,000	23,000
Administration	4,446	920	10,000	5,500	10,000
Fair Housing	2,026	1,705	1,500	1,570	1,500
<b>Totals</b>	<b>\$ 162,969</b>	<b>\$ 95,900</b>	<b>\$ 160,000</b>	<b>\$ 177,070</b>	<b>\$ 160,000</b>
Surplus (Deficiency) of Revenues over Expenditures	(23,876)	42,465	-	-	-
<i>Beginning Fund Balance</i>	<i>55,001</i>	<i>31,125</i>	<i>73,590</i>	<i>73,590</i>	<i>73,590</i>
<b>Ending Fund Balance</b>	<b>\$ 31,125</b>	<b>\$ 73,590</b>	<b>\$ 73,590</b>	<b>\$ 73,590</b>	<b>\$ 73,590</b>

**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Rehabilitation projects (≤ \$20,000) completed *	4	2	2	2
Average cost of rehabilitation project (≤ \$20,000) *	\$12,865	\$4,995	\$12,000	\$5,000
Emergency repair projects (≤ \$5,000) completed	16	6	10	15
Avg. cost of emergency repair project (≤ \$5,000)	\$4,779	\$4,770	\$5,000	\$5,000

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

**Budget Comments/Issues:**

*The 2014 budget does not include substantial changes. However, it is anticipated that this Federal fund will not continue for the long term.*

- 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:

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Community Action Partnership of Suburban Hennepin (CAPSH)	\$ 3,906	\$ 3,702	\$ 4,500	\$ 4,558
HOMELine	1,937	1,759	4,489	1,000
Resource West	3,906	3,610	4,500	4,558
Intercongregation Communities	6,232	8,691	9,000	9,000
Senior Community Services (SCS) H.O.M.E.	9,429	5,739	5,500	4,560
<b>Total</b>	<b>\$ 25,410</b>	<b>\$ 23,501</b>	<b>\$ 27,989</b>	<b>\$ 23,676</b>



**MAYOR AND CITY COUNCIL**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 73,148	\$ 70,118	\$ 70,900	\$ 71,100	\$ 70,800
Supplies	-	-	-	-	-
Other Services & Charges	160,355	96,444	144,400	144,200	144,400
<b>Totals</b>	<b>\$ 233,503</b>	<b>\$ 166,562</b>	<b>\$ 215,300</b>	<b>\$ 215,300</b>	<b>\$ 215,200</b>
<b>Method of Financing</b>					
General Fund	\$ 233,503	\$ 166,562	\$ 215,300	\$ 215,300	\$ 215,200
<b>Number of Elected Officials</b>	7.0	7.0	7.0	7.0	7.0

**Description of Services:**

The mayor and six council members are the city's elected representatives and the governing body. The city's charter and code of ordinances provide that they be paid a modest salary and reimbursed for reasonable expenses, which are included within this budget. Also included in this budget are the city's memberships and dues in various metro, state and national organizations through which the city's interests are represented and/or the city receives benefits and services.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Residents rating "Quality of Life" in the city as "good" or "excellent"	99%	99%	99%	98%
City council meeting dates (regular and study sessions)	29	30	31	32
Board, commission and task force appointments/reappointments	28	32	32	26

**Budget Comments/Issues:**

*The 2014 budget is consistent with 2013.*

- Funding for the community survey (\$20,000 under Other Services & Charges) was moved to the Cable Fund in 2012 to partially offset the cost of the special election to fill a council seat vacancy, which is budgeted in administrative services. This expense will remain in the Cable Fund in 2014.
- In 2014, board, commission and task force appointments and reappointments are expected to diminish after the repeal of the Community Commission and Police Advisory Commission in 2013.

**ADMINISTRATIVE SERVICES DEPARTMENT**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Budget</b>	<b>2014 Budget</b>
Personnel	\$ 953,664	\$ 1,052,806	\$ 1,000,200	\$ 1,002,500	\$ 1,060,900
Supplies	18,631	25,438	27,800	27,800	27,750
Other Services & Charges	158,756	190,439	280,000	277,700	279,250
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,131,051</b>	<b>\$ 1,268,683</b>	<b>\$ 1,308,000</b>	<b>\$ 1,308,000</b>	<b>\$ 1,367,900</b>

<b>Method of Financing</b>					
General Fund	\$ 1,131,051	\$ 1,268,683	\$ 1,308,000	\$ 1,308,000	\$ 1,367,900

<b>Number of Employees (FTEs)</b>	9.0	9.0	9.0	9.0	8.9
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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.

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Registered voters	35,340	35,836	36,000	35,500
Absentee voters	241	5,103	300	4,000
City court hearings	2	4	5	5
Information desk phone calls	NA	7,231	6,300	7,300
City positions - regular FT & PT*	234	233	235	236
Turnover ratio	7.3%	6.5%	4.7%	6.4%

\* Refers to number of positions, not full-time equivalents (FTEs).

**Budget Comments/Issues:**

*The 2014 budget for Administrative Services anticipates changes due to a statewide election, document management, and costs for implementing impacts of the federal Health Care Reform Act.*

- The 2014 budget includes annual costs in Other Services and Charges for implementing the fiscal and management impacts of the federal Health Care Reform Act.
- The department's budget, for personnel services in particular, fluctuates with the occurrence of elections. In a year like 2014 with national and state elections, costs are higher than a year like 2013 with local elections only. Two items in a 2013 new law will have significant 2014 budget impacts: full electronic pollbook implementation and no excuse absentee voting.
- The 2014 budget includes costs related to implementing an internship program to assist with implementation of the federal Health Care Reform Act and intensification of election responsibilities.
- The number of absentee voters is expected to rise dramatically for a state election in 2014 with the implementation of no-excuse absentee voting for the national and state office elections.

**INFORMATION TECHNOLOGY DIVISION - Administrative Services Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 349,736	\$ 331,065	\$ 372,900	\$ 373,700	\$ 390,600
Supplies	2,555	1,258	2,000	1,500	1,700
Other Services & Charges	259,421	319,723	384,400	383,200	405,000
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 611,712</b>	<b>\$ 652,046</b>	<b>\$ 759,300</b>	<b>\$ 758,400</b>	<b>\$ 797,300</b>

**Method of Financing**

General Fund	\$ 611,712	\$ 652,046	\$ 759,300	\$ 758,400	\$ 797,300
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<b>Number of Employees (FTEs)</b>	3.75	3.75	3.75	3.75	3.75
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**Description of Services:**

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

<b>Key Measures:</b>	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Projected</u>
Help Desk requests	4,632	3,092	3,500	3,850
Hand held devices supported	170	193	210	210
Field & home remote connections supported	116	120	120	125
Technology projects completed	26	19	35	25

**Budget Comments/Issues:**

*The 2014 budget is consistent with 2013.*

- In 2014, Other Services and Charges will increase for ongoing costs of a new LOGIS shared email archiving systems (\$10,000) and for additional citywide (non-LOGIS) GIS software license (\$10,500).

**TECHNOLOGY DEVELOPMENT FUND - Administrative Services Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Ad Valorem Tax Levy	\$ 375,000	\$ 390,000	\$ 405,000	\$ 405,000	\$ 405,000
Investment Income, Other	4,872	2,047	2,000	-	2,000
<b>Totals</b>	<b>\$ 379,872</b>	<b>\$ 392,047</b>	<b>\$ 407,000</b>	<b>\$ 405,000</b>	<b>\$ 407,000</b>
<b>Expenditures by Category</b>					
Technology Purchases/Upgrades	\$ 267,547	\$ 213,479	\$ 330,900	\$ 330,900	\$ 162,600
Office Equipment	34,097	64,000	16,500	16,500	58,500
Public Safety Technology	65,535	65,863	-	-	316,700
Security Equipment	-	81,446	125,000	125,000	6,000
Technology Infrastructure	-	-	-	-	-
Communications Technology	13,233	-	-	-	-
<b>Totals</b>	<b>\$ 380,412</b>	<b>\$ 424,788</b>	<b>\$ 472,400</b>	<b>\$ 472,400</b>	<b>\$ 543,800</b>
Surplus (Deficiency) of Revenues over (under) Expenditures	(540)	(32,741)	(65,400)	(67,400)	(136,800)
Reserve for Delayed Projects				77,200	
<b>Beginning Fund Balance</b>	<b>382,464</b>	<b>381,924</b>	<b>349,183</b>	<b>349,183</b>	<b>204,583</b>
<b>Ending Available Fund Balance</b>	<b>\$ 381,924</b>	<b>\$ 349,183</b>	<b>\$ 283,783</b>	<b>\$ 204,583</b>	<b>\$ 67,783</b>

**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Number of servers	15	15	16	17
Number of desktop computers	175	179	179	176
Number of laptop computers	99	102	102	121
Wireless access points	26	26	32	32

**Budget Comments/Issues:**

The 2014 budget for the Technology Fund finances the city's regular technology replacement schedule as provided in the adopted Capital Improvements Program (CIP). Adoption of this budget will amend the CIP to accommodate unanticipated additional costs (\$166,700) for the public safety records management system by changing the financing source by the same amount for technology purchases/upgrades from the Technology Development Fund to the Cable Fund.

- 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	2011 Actual	2012 Actual	2013 Budget	2013 Revised	2014 Budget
Cable TV Franchise Fee	\$ 718,527	\$ 784,768	\$ 750,000	\$ 750,000	\$ 750,000
Public, Educational & Govt. Fee	-	7,880	85,000	85,000	102,100
Investment Income	23,696	10,157	18,000	18,000	15,000
Miscellaneous Income	9,054	8,686	4,000	4,000	8,700
<b>Totals</b>	<b>\$ 751,277</b>	<b>\$ 811,491</b>	<b>\$ 857,000</b>	<b>\$ 857,000</b>	<b>\$ 875,800</b>
<b>Expenditures by Category</b>					
Personnel	\$ 170,409	\$ 175,355	\$ 179,350	\$ 179,800	\$ 195,200
Supplies	1,550	2,459	3,500	3,000	3,500
Other Services & Charges	227,901	246,640	319,000	318,500	299,700
Capital Outlay	67,195	136,894	324,500	334,500	595,300
Transfer Expenses	28,500	28,900	29,300	29,300	30,400
<b>Totals</b>	<b>\$ 495,555</b>	<b>\$ 590,248</b>	<b>\$ 855,650</b>	<b>\$ 865,100</b>	<b>\$ 1,124,100</b>
Surplus (Deficiency) of Revenues over Expenditures	255,722	221,243	1,350	(8,100)	(248,300)
Reserve for Delayed Projects				360,700	
Dedicated Future Transition Reserve	1,245,898	1,520,750	2,088,106	2,088,106	1,595,200
<b>Beginning Fund Balance</b>	<b>1,765,002</b>	<b>2,020,724</b>	<b>2,241,967</b>	<b>2,241,967</b>	<b>1,873,167</b>
<b>Ending Available Fund Balance</b>	<b>\$ 774,826</b>	<b>\$ 721,217</b>	<b>\$ 155,211</b>	<b>\$ (214,939)</b>	<b>\$ 29,667</b>
<b>Number of Employees (FTEs)</b>	2.00	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; and hosting city events for residents such as Summer Festival, Burwell House Ice Cream Social, Farmers' Market and City Open House. Fiber for the city's technology infrastructure is also budgeted in this fund.

<b>Key Measures:</b>	2011 Actual	2012 Actual	2013 Estimated	2014 Projected
% residents rating the <i>Memo</i> "excellent" or "good"	91%	91%	97%	93%
# of subscribers to city electronic communications	4,000	4,500	6,000	7,000
Burwell House visitors (Excluding Ice Cream Social visitors)	750	1,100	2,000	2,500
Visitors - Open House & Summer Fest/Ice Cream	13,500	12,000	2,000	13,000
Miles of fiber	17	17	19	19
Number of wireless links	1	1	1	2
IT supported events (city and private reservations)	86	88	85	85

**Budget Comments/Issues:**

*With renewal of the cable franchise in 2012, a new revenue source for PEG (Public, Educational and Government) access became available beginning 2013. Adoption of this budget, amends the Capital Improvement Program (CIP) to include purchase of equipment with these funds for the benefit of broadcast production as well as to include an additional \$166,700 in technology system replacement in 2014 in order to accommodate unanticipated additional costs for the public safety records management system in the Technology Fund. The 2013-17 CIP is also amended to approve an additional \$10,000 in 2013 to purchase replacement window shades in the council chambers to continue to ensure appropriate lighting.*

- In 2014 Capital Outlay includes \$78,600 for AV control room & equipment replacements; \$50,000 for on-going records management project; \$100,000 for replacement of server environment from physical to virtual servers.
- Franchise fees for 14,600 Minnetonka subscribers are expected to remain relatively unchanged in future years.
- The 2014, budget includes costs related to implementing an internship program to assist with increasingly popular programs such as the farmers market, Ice Cream Social, Minnetonka Mills Park/Burwell House tours and events.
- CATV administrative expenses in 2014 include SWCC legal advisement, playback services and Bloomington studio production expenses.
- "Reserve for delayed projects" includes previously approved CIP projects for fiber infrastructure.
- The 2013 Summer Festival and Ice Cream Social activities were cancelled due to severe storm damage and power outages that impacted the city and its residents. The cancellation was made so public safety and public works resources were not diverted and they could provide efficient emergency response. The fireworks were rescheduled for display during the October Fire Department and City Open House.
- The dedicated future transition reserve equates to two subsequent years of operating and ongoing capital costs.

## FINANCE DEPARTMENT

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Personnel	\$ 556,308	\$ 586,726	\$ 597,300	\$ 591,500	\$ 647,600
Supplies	6,427	6,626	6,900	6,100	5,800
Other Services & Charges	120,265	127,659	124,300	129,100	130,100
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 683,000</b>	<b>\$ 721,011</b>	<b>\$ 728,500</b>	<b>\$ 726,700</b>	<b>\$ 783,500</b>

**Method of Financing**

General Fund	\$ 683,000	\$ 721,011	\$ 728,500	\$ 726,700	\$ 783,500
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<b>Number of Employees (FTEs)</b>	6.0	6.0	6.0	6.0	6.0
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**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Utility customer accounts	16,769	16,817	16,900	17,000
Percentage of utility customers using city online billing	NA	4%	8%	10%
Percentage of utility customers paying electronically	27%	35%	38%	40%
Average # of payment checks processed per month	649	619	610	515
Average payroll count (incl. FT, PT, firefighters)	441	487	465	565
Annual rate of return on investments	1.04%	0.91%	0.50%	1.00%
Moody's credit rating	Aaa	Aaa	Aaa	Aaa
GFOA Award for Excellence in Financial Reporting	Awarded	Awarded	Awarded	Awarded

**Budget Comments/Issues:**

*The 2014 General Fund budget for the Finance Department generally supports current level services. IRS requirements related to payment of independent contractors will impact the workload for payroll administration.*

- U.S. Internal Revenue Service has required the city to change payment of recreation referees and instructors as independent contractors to employees beginning 2014. One impact of this change will be to reduce the number of payment checks processed and increase the city's payroll count. The higher average payroll count in 2012 reflects both an increase in the number of part-time and temporary workers at an expanded Williston Center and the payment of election judges for three elections. The higher number of monthly payment checks in 2011 and 2012 is partially related to the city finance director having acted as the two-year assigned treasurer for Metro Commuter Services.

- The department continues to move towards greater efficiencies through electronic payments and receipts. The city contracted with an outside vendor to begin online utility billing in June 2012. In 2014, the city will continue work with LOGIS to implement regular, electronic system payment of vendors, and the department will develop its plans for an internal, electronic check request process and filing system.

- 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 2012, 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 costs above. Similar costs are reflected in the Capital Replacement and the Utility funds.

**INSURANCE FUND - Administrative Services Department**

<b>Revenues</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Interfund Transfers In	\$ 606,067	\$ 609,400	\$ 715,700	\$ 715,700	\$ 748,100
Investment Income	1,241	3,869	2,000	2,000	2,000
Miscellaneous	-	-	-	-	-
Refunds and Dividends	-	159,998	-	60,000	-
<b>Totals</b>	<b>\$ 607,308</b>	<b>\$ 773,267</b>	<b>\$ 717,700</b>	<b>\$ 777,700</b>	<b>\$ 750,100</b>
<b>Expenditures by Category</b>					
Premiums	\$ 445,522	\$ 363,480	\$ 463,300	\$ 463,300	\$ 579,125
Settlements	161,737	128,077	150,000	150,000	125,000
Other Services & Charges	1,575	14,900	19,500	19,500	29,500
Capital Outlay	-	-	-	-	-
<b>Totals</b>	<b>\$ 608,834</b>	<b>\$ 506,457</b>	<b>\$ 632,800</b>	<b>\$ 632,800</b>	<b>\$ 733,625</b>
Surplus (Deficiency) of Revenues over Expenditures	(1,526)	266,810	84,900	144,900	16,475
<i>Beginning Fund Balance</i>	<i>356,717</i>	<i>355,191</i>	<i>622,001</i>	<i>622,001</i>	<i>766,901</i>
<b>Ending Fund Balance</b>	<b>\$ 355,191</b>	<b>\$ 622,001</b>	<b>\$ 706,901</b>	<b>\$ 766,901</b>	<b>\$ 783,376</b>

**Description of Services:**

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

<b>Key Measures:</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Estimated</b>	<b>2014 Projected</b>
Liability rating (less than 1.0 is good)	1.46	1.34	1.35	1.40
Workers comp mod factor (less than 1.0 is good)	0.89	1.19	1.19	1.22

**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, 2014 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.*

- 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 workers comp 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. As this mod factor has been steadily increasing since 2010, the 2014 budget includes \$10,000 in Other Services and Charges for analyzing and implementing changes to better manage and improve the city's exposure to workers compensation claims.

**CONTINGENCY BUDGET - Finance Department**

<b>Expenditures by Category</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Revised</b>	<b>2014 Budget</b>
Contingency	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
<i>Total Contingency</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 50,000</i>	<i>\$ 50,000</i>	<i>\$ 50,000</i>

**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.*



### 2014 BUDGET SUMMARY - All Funds by Service Program & Budget

Service Program	Budgetary Unit	%	Budget				
			All Budgets	Gen'l Fund Operating	Enterprise Operating	Capital	Other
<b>Public Safety:</b>	Police Department		\$ 8,655,200	\$ 8,640,200	\$ -	\$ -	\$ 15,000
	Dispatch Division		796,400	796,400	-	-	-
	Fire Department		2,425,700	2,425,700	-	-	-
	Public Safety Fund		245,000	-	-	245,000	-
	Environmental Health Division		368,100	368,100	-	-	-
	Grants Special Revenue Fund		80,000	-	-	-	80,000
	Legal Department		790,700	787,700	-	-	3,000
	<i>Subtotal</i>	<i>18.2%</i>	<i>\$ 13,361,100</i>	<i>\$ 13,018,100</i>	<i>\$ -</i>	<i>\$ 245,000</i>	<i>\$ 98,000</i>
<b>Streets &amp; Utilities:</b>	Engineering Department		\$ 1,194,100	\$ 1,194,100	\$ -	\$ -	\$ -
	Street Improvement Fund		4,489,000	-	-	4,489,000	-
	MSA Fund		10,004,144	-	-	9,820,600	183,544
	Storm Water Fund		2,350,800	-	568,500	1,782,300	-
	Electric Franchise Fee Fund		1,230,000	-	-	1,230,000	-
	Street Maintenance Division		3,223,600	3,223,600	-	-	-
	Building Maintenance Division		1,045,400	1,045,400	-	-	-
	Fleet Maintenance Division		1,697,900	-	-	-	1,697,900
	169/Bren Road Interchange		500,000	-	-	500,000	-
	Capital Replacement Fund*		1,709,700	-	-	1,709,700	-
	Water & Sewer Utility Fund		13,058,601	-	8,205,013.36	3,799,300	1,054,288
	<i>Subtotal</i>	<i>55.3%</i>	<i>\$ 40,503,245</i>	<i>\$ 5,463,100</i>	<i>\$ 8,773,513</i>	<i>\$ 23,330,900</i>	<i>\$ 2,935,732</i>
<b>Parks &amp; Environ:</b>	Parks & Trails Division		\$ 1,727,700	\$ 1,727,700	\$ -	\$ -	\$ -
	Natural Resources Division		1,132,400	1,132,400	-	-	-
	Forestry Fund		75,300	-	-	75,300	-
	Environmental Fund		794,500	-	794,500	-	-
	Park & Trail Improvement Fund		580,000	-	-	580,000	-
	Park & Open Space Bonds		-	-	-	-	-
	Community Investment Fund		250,000	-	-	250,000	-
	<i>Subtotal</i>	<i>6.2%</i>	<i>\$ 4,559,900</i>	<i>\$ 2,860,100</i>	<i>\$ 794,500</i>	<i>\$ 905,300</i>	<i>\$ -</i>
<b>Recreation:</b>	Joint Recreation		\$ 1,380,700	\$ 1,380,700	\$ -	\$ -	\$ -
	Minnetonka Recreation		541,100	541,100	-	-	-
	Senior Services		354,700	354,700	-	-	-
	Community Center		507,100	507,100	-	-	-
	Williston Center		2,102,200	-	1,862,700	239,500	-
	Ice Arena		848,500	-	848,500	-	-
	Gray's Bay Marina		213,500	-	213,500	-	-
	<i>Subtotal</i>	<i>8.1%</i>	<i>\$ 5,947,800</i>	<i>\$ 2,783,600</i>	<i>\$ 2,924,700</i>	<i>\$ 239,500</i>	<i>\$ -</i>
<b>Development:</b>	Community Devpt Division		\$ 1,319,000	\$ 1,319,000	\$ -	\$ -	\$ -
	Planning Division		548,400	548,400	-	-	-
	Assessing Division		691,500	691,500	-	-	-
	Development Fund		170,000	-	-	170,000	-
	HRA Fund		175,000	-	-	-	175,000
	Livable Communities Fund		286,000	-	-	-	286,000
	CDBG Fund		160,000	-	-	-	160,000
	<i>Subtotal</i>	<i>4.6%</i>	<i>\$ 3,349,900</i>	<i>\$ 2,558,900</i>	<i>\$ -</i>	<i>\$ 170,000</i>	<i>\$ 621,000</i>
<b>General Gov't:</b>	Mayor & City Council		\$ 215,200	\$ 215,200	\$ -	\$ -	\$ -
	General Administration		1,367,900	1,367,900	-	-	-
	Information Tech Division		797,300	797,300	-	-	-
	Technology Fund		543,800	-	-	543,800	-
	Cable Fund		1,093,700	-	-	595,300	498,400
	Finance Department		783,500	783,500	-	-	-
	Insurance Fund		733,625	-	-	-	733,625
	Contingency		50,000	50,000	-	-	-
	<i>Subtotal</i>	<i>7.6%</i>	<i>\$ 5,585,025</i>	<i>\$ 3,213,900</i>	<i>\$ -</i>	<i>\$ 1,139,100</i>	<i>\$ 1,232,025</i>
<b>TOTALS</b>		<b>100.0%</b>	<b>\$ 73,306,970</b>	<b>\$ 29,897,700</b>	<b>\$ 12,492,713</b>	<b>\$ 26,029,800</b>	<b>\$ 4,886,757</b>

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

**2013 REVISED BUDGET SUMMARY - All Funds**  
**by Service Program & Budget**

Service Program	Budgetary Unit	%	All Budgets	Budget			
				Gen'l Fund Operating	Enterprise Operating	Capital	Other
<b>Public Safety:</b>	Police Department		\$ 8,431,000	\$ 8,416,000	\$ -	\$ -	\$ 15,000
	Dispatch Division		791,200	791,200	-	-	-
	Fire Department		2,336,000	2,336,000	-	-	-
	Public Safety Fund		430,000	-	-	430,000	-
	Environmental Health Division		351,900	351,900	-	-	-
	Grants Special Revenue Fund		142,500	-	-	7,000	135,500
	Legal Department		838,700	838,700	-	-	-
	<i>Subtotal</i>	<i>20.3%</i>	<i>\$ 13,321,300</i>	<i>\$ 12,733,800</i>	<i>\$ -</i>	<i>\$ 437,000</i>	<i>\$ 150,500</i>
<b>Streets &amp; Utilities:</b>	Engineering Department		\$ 1,141,200	\$ 1,141,200	\$ -	\$ -	\$ -
	Street Improvement Fund		7,920,000	-	-	7,920,000	-
	MSA Fund		1,487,919	-	-	1,300,000	187,919
	Storm Water Fund		1,736,900	-	311,900	1,425,000	-
	Electric Franchise Fee Fund		376,100	-	-	-	376,100
	Street Maintenance Division		3,287,900	3,287,900	-	-	-
	Building Maintenance Division		1,070,800	1,070,800	-	-	-
	Fleet Maintenance Division		1,659,750	-	-	-	1,659,750
	169/Bren Road Interchange		94,500	-	-	94,500	-
	Capital Replacement Fund*		1,908,300	-	-	1,908,300	-
	Water & Sewer Utility Fund		13,114,175	-	8,219,283	1,864,805	3,030,087
	<i>Subtotal</i>	<i>51.4%</i>	<i>\$ 33,797,544</i>	<i>\$ 5,499,900</i>	<i>\$ 8,531,183</i>	<i>\$ 14,512,605</i>	<i>\$ 5,253,856</i>
<b>Parks &amp; Environ:</b>	Parks & Trails Division		\$ 1,506,700	\$ 1,506,700	\$ -	\$ -	\$ -
	Natural Resources Division		1,089,800	1,089,800	-	-	-
	Environmental Fund		879,300	-	879,300	-	-
	Park & Trail Improvement Fund		1,039,500	-	-	1,039,500	-
	Community Investment Fund		150,000	-	-	150,000	-
	Park & Open Space Bonds		-	-	-	-	-
	<i>Subtotal</i>	<i>7.1%</i>	<i>\$ 4,665,300</i>	<i>\$ 2,596,500</i>	<i>\$ 879,300</i>	<i>\$ 1,189,500</i>	<i>\$ -</i>
<b>Recreation:</b>	Joint Recreation		\$ 1,357,200	\$ 1,357,200	\$ -	\$ -	\$ -
	Minnetonka Recreation		455,600	455,600	-	-	-
	Senior Services		361,400	361,400	-	-	-
	Community Center		495,700	495,700	-	-	-
	Williston Center		1,845,000	-	1,750,500	94,500	-
	Ice Arena		900,700	-	887,700	13,000	-
	Gray's Bay Marina		199,200	-	199,200	-	-
	<i>Subtotal</i>	<i>8.5%</i>	<i>\$ 5,614,800</i>	<i>\$ 2,669,900</i>	<i>\$ 2,837,400</i>	<i>\$ 107,500</i>	<i>\$ -</i>
<b>Development:</b>	Community Devpt Division		\$ 1,299,800	\$ 1,299,800	\$ -	\$ -	\$ -
	Planning Division		537,700	537,700	-	-	-
	Assessing Division		659,900	659,900	-	-	-
	Development Fund		143,330	-	-	143,330	-
	HRA Fund		275,000	-	-	-	275,000
	Livable Communities Fund		223,000	-	-	-	223,000
	CDBG Fund		177,070	-	-	-	177,070
	<i>Subtotal</i>	<i>5.0%</i>	<i>\$ 3,315,800</i>	<i>\$ 2,497,400</i>	<i>\$ -</i>	<i>\$ 143,330</i>	<i>\$ 675,070</i>
<b>General Gov't:</b>	Mayor & City Council		\$ 215,300	\$ 215,300	\$ -	\$ -	\$ -
	General Administration		1,308,000	1,308,000	-	-	-
	Information Tech Division		758,400	758,400	-	-	-
	Technology Fund		472,400	-	-	472,400	-
	Cable Fund		835,800	-	-	334,500	501,300
	Finance Department		726,700	726,700	-	-	-
	Insurance Fund		632,800	-	-	-	632,800
	Contingency		50,000	50,000	-	-	-
	<i>Subtotal</i>	<i>7.6%</i>	<i>\$ 4,999,400</i>	<i>\$ 3,058,400</i>	<i>\$ -</i>	<i>\$ 806,900</i>	<i>\$ 1,134,100</i>
<b>TOTALS</b>		<b>100.0%</b>	<b>\$ 65,714,144</b>	<b>\$ 29,055,900</b>	<b>\$ 12,247,883</b>	<b>\$ 17,196,835</b>	<b>\$ 7,213,526</b>

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

## STAFFING LEVELS - 2013 & 2014

### Full-Time Equivalents (FTEs)

<i>Service Category</i>	<i>Budgetary Unit</i>	<b>2013</b>		<b>2014</b>	<b>%</b>
		<b>2013</b>	<b>Revised</b>		
		<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
<b>Public Safety:</b>	Police Department	65.95	65.95	66.45	
	Dispatch	9.00	9.00	9.00	
	Fire Department*	6.50	6.50	6.50	
	Environmental Health Division	3.50	3.50	3.50	
	Legal Department	6.00	6.00	6.00	
	<i>Subtotal</i>		<u>90.95</u>	<u>90.95</u>	<u>91.45</u>
<b>Streets &amp; Utilities:</b>	Engineering Department	9.75	9.75	9.75	
	Storm Water Fund	0.50	0.50	0.50	
	Street Maintenance Division	21.24	21.09	21.09	
	Building Maintenance Division	8.18	7.37	7.37	
	Fleet Maintenance Division	4.51	4.37	4.37	
	Water & Sewer Utility Fund	16.04	15.89	16.39	
	<i>Subtotal</i>		<u>60.22</u>	<u>58.97</u>	<u>59.47</u>
<b>Parks &amp; Environ:</b>	Parks & Trails Division	9.21	9.07	9.97	
	Natural Resources Division	4.71	4.57	5.57	
	Environmental Fund	1.51	1.37	0.47	
<i>Subtotal</i>		<u>15.43</u>	<u>15.01</u>	<u>16.01</u>	<u>6.6%</u>
<b>Recreation:</b>	Joint Recreation	5.84	5.84	5.84	
	Minnetonka Recreation	0.84	0.84	0.84	
	Senior Services	2.50	2.50	2.50	
	Community Center	3.37	3.37	2.75	
	Williston Center	5.05	5.05	7.05	
	Ice Arena	3.62	3.62	3.62	
	Gray's Bay Marina	0.20	0.20	0.20	
	<i>Subtotal</i>		<u>21.42</u>	<u>21.42</u>	<u>22.80</u>
<b>Development:</b>	Community Devpt Division	11.60	11.60	11.00	
	Planning Division	5.50	5.50	5.50	
	Assessing Division	5.25	4.25	5.60	
<i>Subtotal</i>		<u>22.35</u>	<u>21.35</u>	<u>22.10</u>	<u>9.3%</u>
<b>General Gov't:</b>	Mayor & City Council**	7.00	7.00	7.00	
	General Administration	8.97	8.97	8.85	
	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>20.60</u>
<b>TOTALS **</b>		<b><u>231.09</u></b>	<b><u>228.42</u></b>	<b><u>232.43</u></b>	<b><u>100.0%</u></b>

\* Excludes paid-on-call firefighters.

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

CITY OF MINNETONKA

2014 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 12/31/2013							
Principal	2,220,000	1,915,000	1,995,000	1,925,000	2,500,000	1,570,000	12,125,000
Interest	137,400	129,800	362,113	128,094	170,050	362,078	1,289,534
Total	\$ 2,357,400	\$ 2,044,800	\$ 2,357,113	\$ 2,053,094	\$ 2,670,050	\$ 1,932,078	\$ 13,414,534
Amounts Due in 2014							
Principal	685,000	260,000	145,000	360,000	340,000	125,000	1,915,000
Interest	75,100	33,000	72,788	42,888	43,100	57,744	324,619
Total	\$ 760,100	\$ 293,000	\$ 217,788	\$ 402,888	\$ 383,100	\$ 182,744	\$ 2,239,619
To be paid from:							
Property Taxes*	-	-	226,013	429,752	398,685	-	1,054,449
State Aid (MSA)	-	-	-	-	-	182,744	182,744
Utility Fund	760,100	293,000	-	-	-	-	1,053,100
Total	\$ 760,100	\$ 293,000	\$ 226,013	\$ 429,752	\$ 398,685	\$ 182,744	\$ 2,290,293

\* Amounts are 2013 market value tax levies required to cash flow late 2014 and early 2015 debt service payments.

## CITY OF MINNETONKA

**2014 Budget Calendar**

January 25	Capital Improvement Program (CIP) forms sent to departments.
March 17	Departments submit capital requests to city manager.
Week of April 14	City manager meets with departments to discuss CIP requests.
April 25	Leadership staff reviews citizen survey results for budget purposes.
April 28	City council study session on 2014-18 CIP and 2014-2018 Economic Investment Program (EIP).
May 20	City council study session on Strategic Profile performance results and new goals.
June 3	Budget work papers are made available to departments.
June 24	City Council adopts 2014-18 CIP and 2014-2018 EIP.
Weeks of July 8 & 15	City manager meets with departments to discuss 2013-14 department merit indicators, big budget issues, and key measures, including identified relationships to the city's Strategic Profile.
July 22	Forecasts completed for compensation and benefits, internal service fund allocations, utility costs, technology contract costs, fee and other revenue. Departments submit revised indicators, key measures and issues.
August 14	Budget memo sent to city council.
August 19	First city council budget study session.
September 16	City council adopts preliminary levy and announces public budget hearing date.
September 19	Budget instructions and targets provided to departments.
October 18	Departments submit detailed budget requests.
Week of November 11	Hennepin County sends parcel specific proposed tax estimates to taxpayers.
November 20	City manager sends proposed 2014 budget and revised 2013 budget to city council members.
November 25	Second city council budget study session.
December 2	City council holds public budget hearing.
December 16	City council adopts final 2014 budget, 2014 tax levy and revised 2013 budget.

# 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
- Senior Citizen Advisory Board

**City Attorney**  
Corrine Heine

**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**  
John Vance

- Emergency Management
- Inspection
- Prevention
- Response

**ENGINEERING**  
Lee Gustafson

- Street & Utility
- Planning & Design

**FINANCE**  
Merrill King

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

**LEGAL**  
Corrine Heine

- Prosecution
- Legal advice to the city