
CITY OF MINNETONKA 2025 PROPOSED BUDGET PRESENTATION

NOV. 4, 2024



2025 BUDGET TIMELINE YEAR-TO-DATE

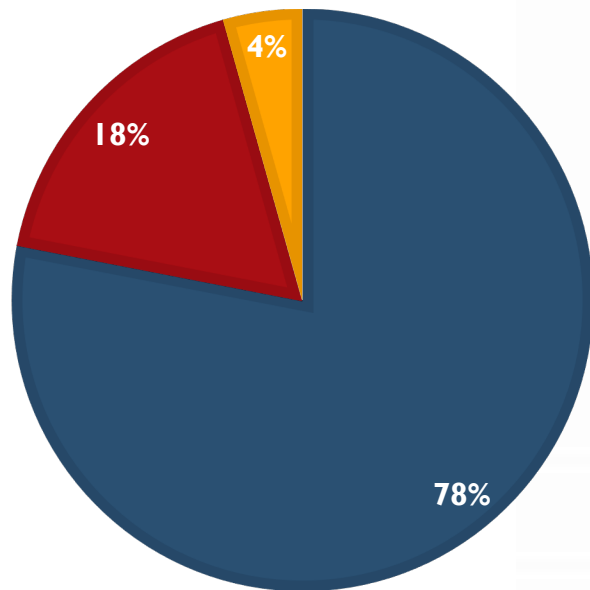
- Budget Timeline
 - March 18 – Director presentations
 - May 13 – 2025 budget kick-off session
 - May 13 – Community Survey
 - June 10 – CIP study session
 - August 19 – Operating budget study session
 - September 23 – Preliminary levy and budget adopted
 - **November 4 – Operation budget study session**
 - **Review of draft budget by fund and department**
 - **Review enterprise fund budgets and fees**
 - December 2 – Budget public hearing and adoption of final budget and levy
 - December 23 – Alternate budget approval date



PROPERTY TAXES

DOLLARS

■ GF Operations ■ Capital (CIP) ■ Debt



Projected Property Taxes 7.23%

Operations 7.23%

General Operations 4.98%

Public Safety Plan 2.25%

Capital – CIP 0.00%

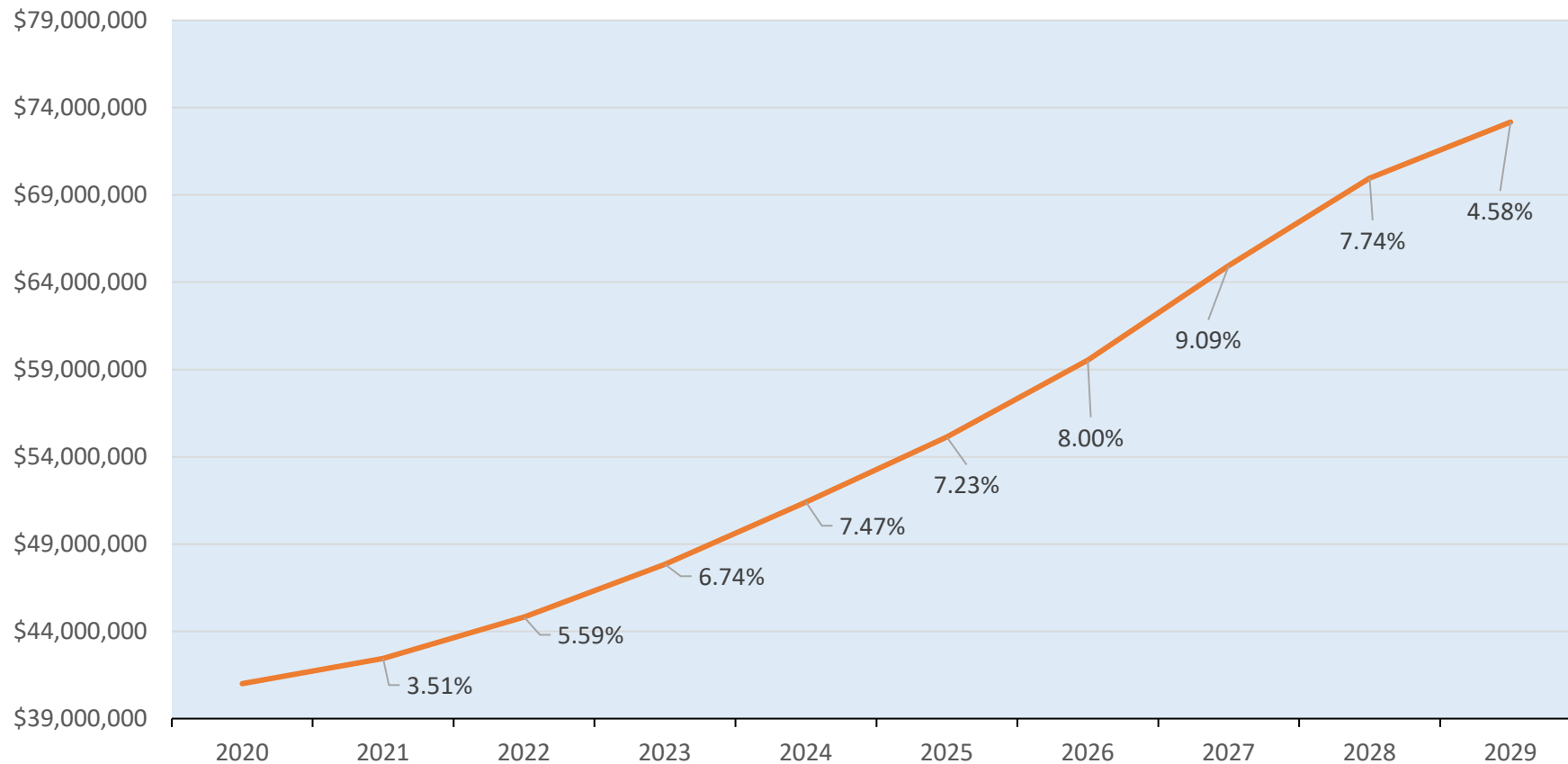
Debt

Comm. Facility Improv. 0.00%

*1% levy increase = \$514,000

LEVY FORECAST

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



WHAT'S IN THE BUDGET – WHAT DOES IT REPRESENT

- Second year of a multi-year program to implement the public safety master plan
 - 10 public safety related positions funded through the General Fund
- Other new positions
 - One DEI specialist funded through the General Fund
 - 3 Non-General Fund personnel requests
- Second year of non-union class and compensation study implementation
- Workers' Compensation insurance increase. 20% increase for 2025, amounting to over \$200,000
 - Increasing classification rates based off of state-wide experience rating
 - Increasing mod factor based off of city's loss rate. Mod factor increasing from 0.69 to 0.87
 - \$89,000 decrease noted at the Oct. 28 council meeting is not reducing the levy
 - Savings are directed towards fund balance within the Insurance Internal Service Fund to be used for deductibles, settlements and future premiums

WHAT'S IN THE BUDGET – NON-PERSONNEL ADJUSTMENTS

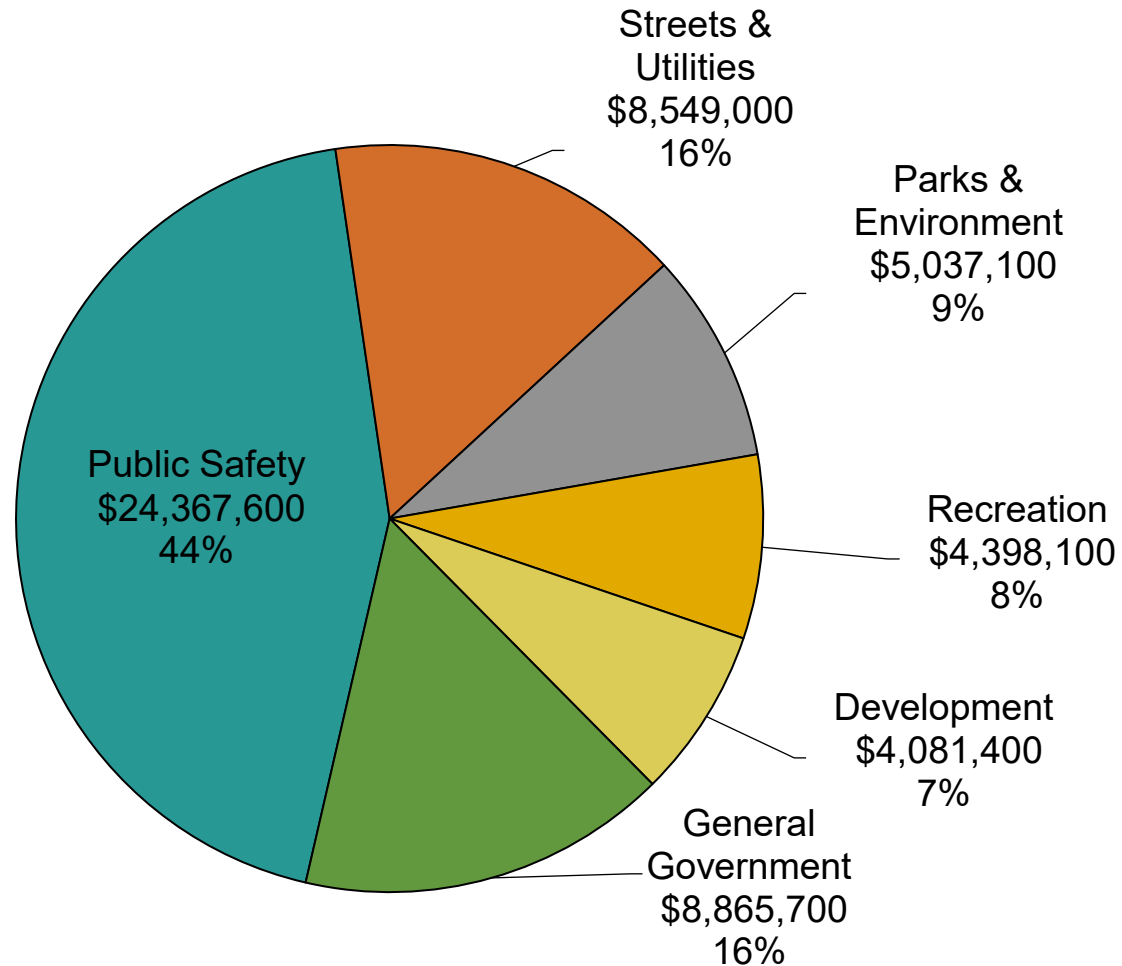
- Non-personnel budget adjustments
- Adds include:
 - \$100,000 for increased software subscription licensing costs,
 - \$100,000 for increased electricity costs due to Xcel Energy and PUC changing the reimbursement factor for CSG,
 - \$100,000 for city zoning rewrite project,
 - \$40,000 for replacement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

2025 PROPOSED GENERAL FUND BUDGET

	2022 Actual	2023 Actual	2024 Budget	2024 Revised	2025 Budget
Revenues					
General Property Taxes	\$ 33,808,854	\$ 36,674,799	\$ 39,863,300	\$ 39,863,300	\$ 43,581,600
Licenses & Permits	5,897,916	3,901,278	3,660,400	3,612,000	3,652,000
Intergovernmental Revenue	3,597,248	1,646,305	1,574,500	2,260,700	2,321,900
Transfers	1,469,200	1,494,800	1,499,000	1,499,000	1,542,000
User Fees & Charges	2,519,918	2,652,993	2,497,300	2,631,300	2,580,600
Other Income	(550,557)	2,131,700	1,960,000	1,634,900	1,797,300
Total Revenues	\$ 46,742,579	\$ 48,501,875	\$ 51,054,500	\$ 51,501,200	\$ 55,475,400
Expenditures					
General Government	\$ 6,165,716	\$ 6,717,922	\$ 8,179,500	\$ 8,175,700	\$ 8,765,700
Public Safety	18,106,937	20,783,339	22,502,300	22,590,400	24,367,600
Streets & Utilities	6,673,697	7,499,667	8,147,100	7,994,800	8,549,000
Parks & Environment	4,024,379	4,321,813	4,480,100	4,451,900	5,037,100
Recreation	3,186,512	3,598,686	4,026,000	4,033,100	4,398,100
Development	3,212,097	3,547,188	3,798,500	3,773,000	4,081,400
Contingency	-	-	50,000	50,000	100,000
Total Expenditures	\$ 41,369,338	\$ 46,468,615	\$ 51,183,500	\$ 51,068,900	\$ 55,298,900
Surplus of Revenues over Expenditures	\$ 5,373,241	\$ 2,033,260	\$ (129,000)	\$ 432,300	\$ 176,500
Transfers to Capital Project Funds	(2,549,861)	(3,200,000)	(1,625,000)	(1,625,000)	(900,000)
Transfers to Other Funds	(797,500)	(526,501)	(121,000)	(126,500)	(176,500)
Beginning Fund Balance	28,021,335	30,047,215	28,353,974	28,353,974	27,034,774
Ending Fund Balance	\$ 30,047,215	\$ 28,353,974	\$ 26,478,974	\$ 27,034,774	\$ 26,134,774
Nonspendable Balances - Inventories	573,981	566,876	575,000	575,000	600,000
Unrestricted Balances					
Committed for Compensated Absences	1,798,425	1,863,613	1,800,000	1,875,000	2,000,000
Assigned for POC Fire Pensions	415,900	465,900	515,900	515,900	565,900
Assigned for Rec Scholarships & Sr. Ctr.	15,000	15,000	15,000	15,000	15,000
Assigned as Budget Stabilization*	18,777,600	20,473,400	22,849,600	22,119,600	22,849,600
Unassigned	8,466,309	4,969,185	723,474	1,934,274	104,274
Ending Fund Balance	\$ 30,047,215	\$ 28,353,974	\$ 26,478,974	\$ 27,034,774	\$ 26,134,774
Budget Stabilization Balance Policy Goal	40.4%	40.0%	41.3%	40.0%	40.0%

*Budget Stabilization amount above is 40% of next years budget.

PROPERTY TAXES SUPPORT BASIC SERVICES – GENERAL FUND



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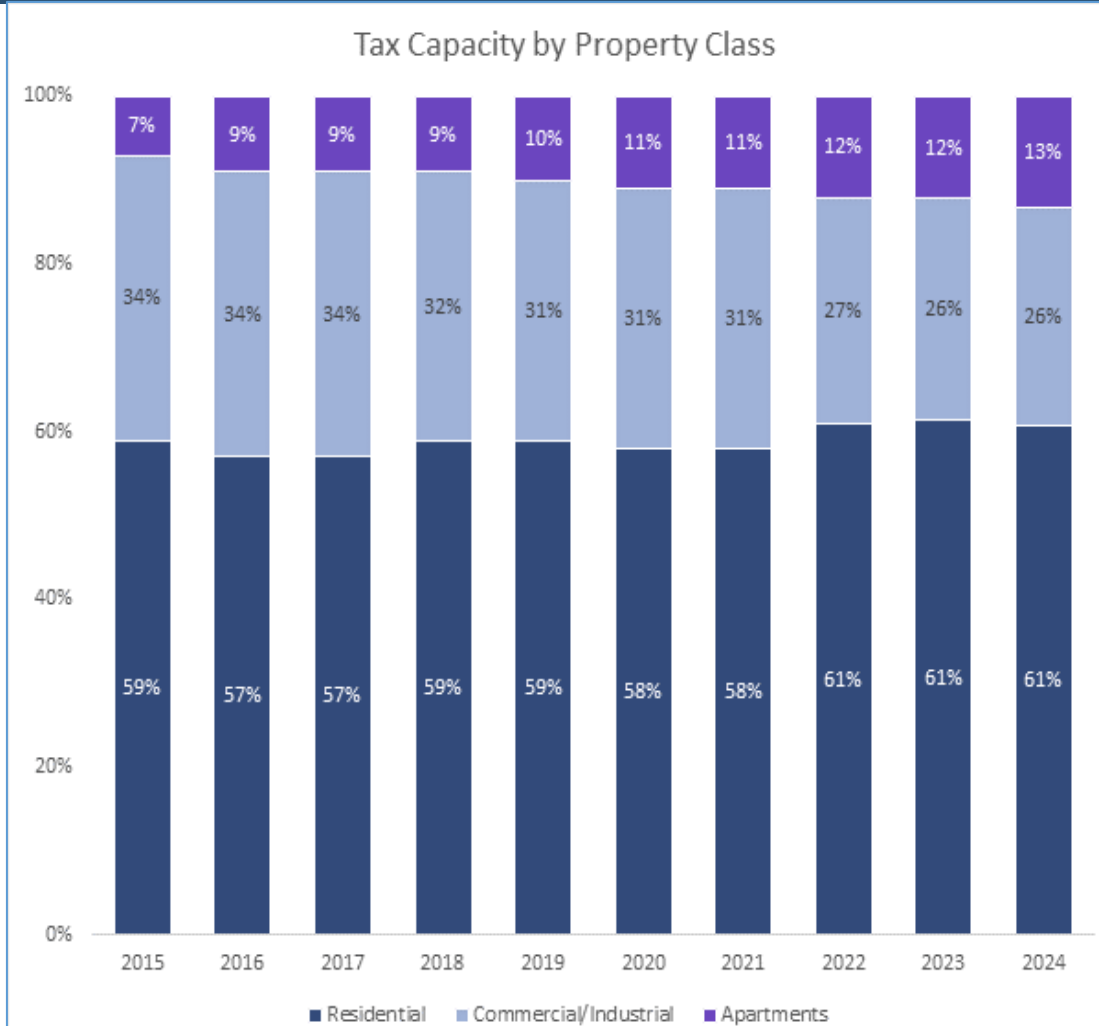
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HOMEOWNER IMPACTS

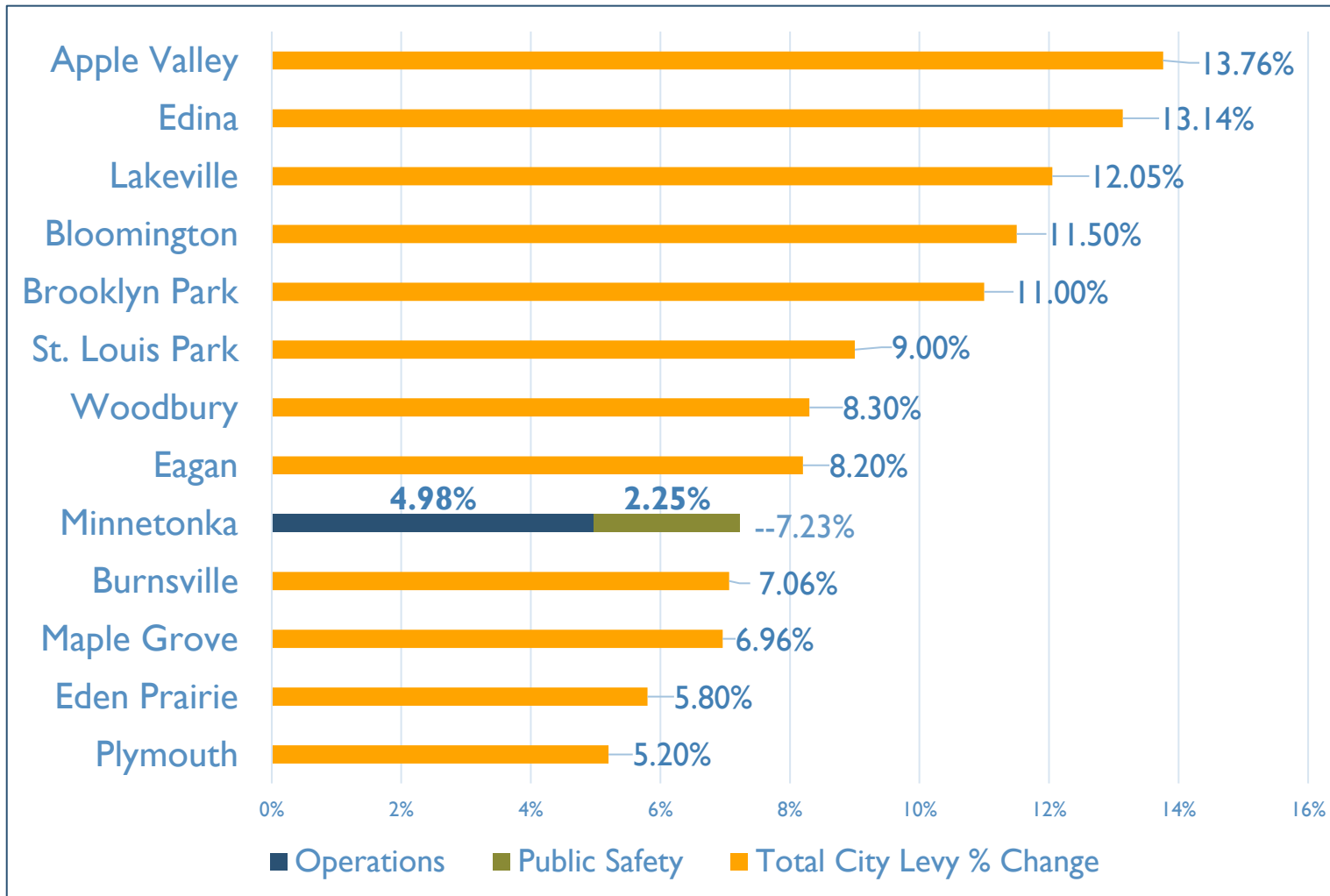
	Overall Growth	Total Change (millions)
Single-household Residential	1.5%	\$105.4
Lakeshore	3.8%	\$20.7
Townhouses	2.0%	\$15.9
Condominiums	-0.3%	\$-1.9
Commercial	0.4%	\$6.4
Industrial	3.0%	\$12.2
Apartments	4.8%	\$83.9
Other Property Types	1.7%	\$3.7
Total Change	2.7%	\$360.7

- Median valued home increasing in value 1.15% to \$502,200 will see an annual tax increase of \$148 (8.60%)
- 25th Percentile home increasing in value 1.15% to \$415,900 will see an annual tax increase of \$94 (6.62%)
- 75th percentile home increasing in value 1.15% to 660,250 will see an annual tax increase of \$201 (8.91%)

HOMEOWNER IMPACTS



2025 PRELIMINARY TAX INCREASES (SUBJECT TO CHANGE)



FUTURE PROJECT CONSIDERATIONS

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

HRA LEVY

- City's first HRA levy began in 2009
- State law limits levies to a max rate of 0.0185% of city's taxable market value
 - Approximately \$2.3 million for 2025
 - EIP recommends the 2025 HRA levy remain constant at \$300,000
 - EDAC recommends reallocation of the \$300,000 as follows:
 - EDAC/City Council will consider a request from HWR in 2025 if the fund balance is utilized or if there is a change in housing type, ie: single household to duplex

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

2025 BUDGET COMMUNICATION & FEEDBACK

- Minnetonka always encourages input on its budget from the public
- Regular communication through the Minnetonka Memo
- City-wide emails
- Minnetonka Matters is being utilized to communicate budget information and solicit feedback
 - 432 site visits
 - 16 comments
- Staff share all comments received with the council
- Truth-in-Taxation notices mailed by the county beginning Nov. 12
- **Reminder:** official opportunity for the public to provide feedback on the tax levy and the budget will be on Monday, Dec. 4 at 6:30 p.m.

COMMUNICATION



Share feedback on proposed preliminary levy

Preparing Minnetonka's city budget is an eight-month process that starts with the five-year capital improvements program and wraps up with adoption of the final budget and tax levy in December. To create the budget, the city council and staff use data and community feedback to ensure the budget aligns with the city's strategic priorities.

You're invited to share your feedback on the proposed 2025 preliminary tax levy and budget at the Sept. 23 city council meeting.

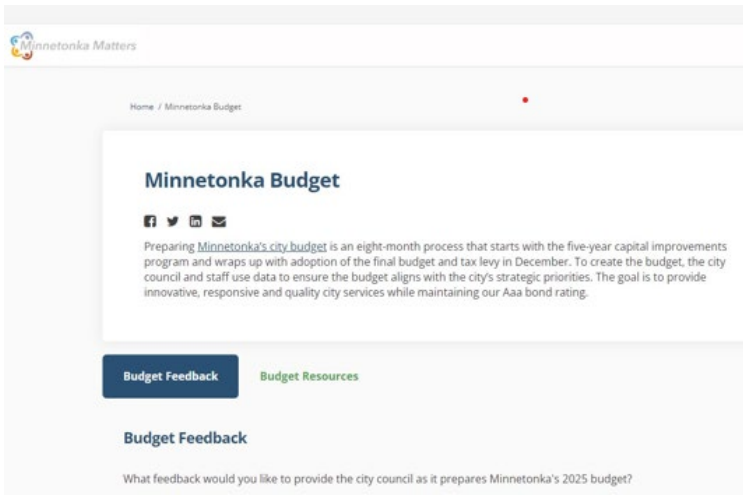
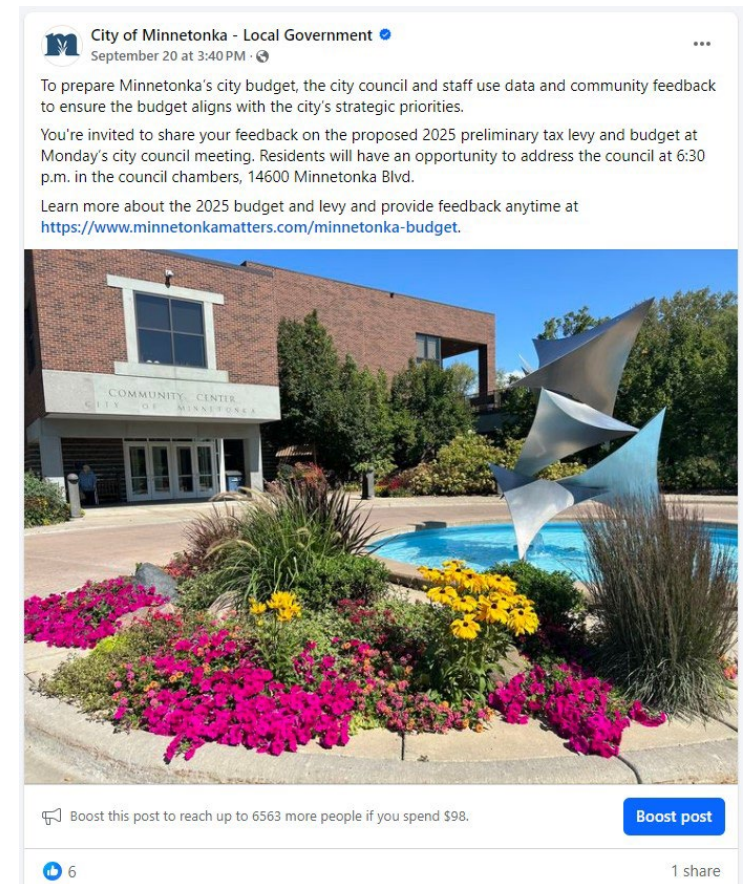
Monday, Sept. 23
6:30 p.m.
Council chambers, 14600 Minnetonka Blvd.

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

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

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

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



DISCUSSION QUESTIONS

- Does the city council agree to proceed to the Dec. 2, 2024 regular council meeting with the proposed general levy of \$55,124,693, representing a 7.23% overall increase? (4.98% operation + 2.25% for public safety)?
- Does the city council agree to proceed to the Dec. 2, 2024 regular council meeting with the proposed EDAC's levy of \$300,000?



QUESTIONS?

