

**Agenda
City of Minnetonka
City Council Study Session
Monday, November 17, 2025
6:00 PM
Minnehaha Room
14600 Minnetonka Blvd.**



1. Call to Order
2. Introductions/Roll Call
 - A. [Nov. 17, 2025 addenda](#)
3. Business Items:
 - A. [City manager review process](#)
 - B. [2026 budget related items: 2026 proposed budget, Review 2026 utility rates, Annual cellular antenna lease schedule, Grant applications update](#)
 - C. [Thirty minutes open time and conference debrief](#)
 - D. [December study session topics](#)
4. Adjournment

The purpose of a study session is to allow the city council to discuss matters informally and in greater detail than permitted at formal council meetings. The council may provide direction to staff but does not make formal decisions at study sessions. Members of the public are welcome to attend and listen, but the council does not take comments from the public.

**City Council Agenda Item 2.A
Meeting of November 17, 2025**



Title: Nov. 17, 2025 addenda

Presenter: Addendum

Action Requested: No action required, informational only

Summary Statement

ITEM 3B - 2026 budget related items

Staff received an additional comment after the budget packet was published. In addition, the assessing division tracks calls received after the Truth-in-Taxation statements are mailed. As of this afternoon, staff has received 9 calls. These calls are a combination of value and budget related questions.

**City Council Agenda Item 3.A
Meeting of November 17, 2025**



Title: City manager review process

Report from: Moranda Dammann, Assistant City Manager

Submitted through: Sarah Donovan, Human Resources Manager
Erik Nilsson, City Attorney
Mike Funk City Manager

Presenter: Moranda Dammann, Assistant City Manager and Sarah Donovan, Human Resources Manager

Action Requested: Review the process and provide input on the form.

Summary Statement

Each year, the Minnetonka city manager undergoes a performance review as outlined in the employee agreement. This process provides feedback on the manager's leadership and alignment with city priorities. In response to council feedback about the evaluation form, options were first discussed at the [Oct. 14, 2024](#), study session and further explored during the July 2025 council retreat. The goal of this discussion is to review potential updates to the performance review form.

Strategic Plan Relatability

N/A

Background

Each year, the Minnetonka city manager undergoes a performance review as outlined in the employee agreement. This process provides feedback on the manager's leadership and alignment with city priorities. Article 3 of the contract mandates that the city council conduct this annual performance evaluation during the last fiscal quarter of each calendar year. The evaluation is currently scheduled for Dec. 15, 2025.

In response to council feedback on the evaluation form, options were first discussed at the [Oct. 14, 2024](#), study session and further explored during the [July 2025](#) council retreat. At that time, the city council expressed interest in aligning the updates with the ongoing non-union employee performance management initiative, revamping the form, and implementing it for the 2025 performance review.

During this item, the city council will review the recommended updates to the evaluation form and provide input. The discussion will be facilitated by the Assistant City Manager and Human Resources Manager. The City Manager will also participate, as Article 3 of the city manager's contract specifies that the evaluation must be based on criteria developed jointly by the City and the Manager, with the option for revisions as determined by the City in consultation with the Manager.

Following this discussion, staff will finalize the form and begin the performance review process on Dec. 1, 2025.

Discussion Questions

1. Does the city council have any additional feedback regarding the city manager review and form update?

**City Council Agenda Item 3.B
Meeting of November 17, 2025**



Title: 2026 budget related items:
1. 2026 proposed budget,
2. Review 2026 utility rates,
3. Annual cellular antenna lease schedule,
4. Grant applications update

Report from: Darin Nelson, Finance Director

Submitted through: Sarissa Seracki, Senior Management Coordinator
Will Manchester, P.E., Public Works Director
Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Mike Funk, City Manager; Darin Nelson, Finance Director; Sarissa Seracki, Senior Management Coordinator

Action Requested: Review the proposed 2026 budget, utility rates, cellular antenna lease schedule, grant applications report and provide feedback.

Summary Statement

The staff is pleased to propose to the city council a 2026 levy and budget consistent with our strategic goals and community values. Within that framework, the budget recommendations presented are both forward-looking and responsive to the community and the city council's concerns, specifically to ensure that city services are maintained. The proposal aligns with the reaffirmation by a considerable majority of Minnetonka community survey respondents that they would support an increase in taxes to maintain current city service levels. The recommendations are built using long-term forecasts, including a conservative eye on the national economy.

As always, the City of Minnetonka will continue to provide the excellent services that its residents and businesses have come to expect, and at a reasonable value, both in 2026 and well into the future.

Strategic Plan Relatability

Financial Strength & Operational Excellence

The city's six strategic priorities drive the development and direction of the annual budget.

Background

See attached reports.

Discussion Questions

See questions embedded at the end of the background reports.

ATTACHMENTS:

- 1.a. Supplemental Background Report - 2026 Budget
- 1.b. 2026 Proposed Budget
- 1.c. Minnetonka Matters Budget Comments Jan. 1 to Nov. 10
- 2.a. Supplemental Background Report - 2026 Utility Rates
- 2.b. Supplemental Background Report - Proposed Utility Rates
- 3.a. Supplemental Background Report - 2026 Antenna Lease Report.docx
- 3.b. 2026 Annual Report on Antennas
- 4.a. Supplemental Background Report - Grants
- Addendum

Supplemental Background Report

Background

As discussed at both the Aug. 18 council study session and the Sept. 8 council meeting, which set the preliminary tax levy and budget, the proposed 2026 levy and budget are consistent with the city's strategic plan and community values.

Staff are always mindful of being responsible stewards of the public's tax dollars and continue to seek innovative ways to deliver services more cost-effectively and efficiently.

At the [Sept. 8, 2025, council meeting](#), the council adopted a preliminary levy increase of no more than 7.935 percent for 2026. Since that council meeting, staff members have completed inputting the detailed line items into the budget. Additionally, supplemental budget information has become available to facilitate a more accurate estimate of the revised 2025 budget and the proposed 2026 budget. Staff is proposing a slight decrease of \$12,700 to the proposed levy, which reduces the levy increase to 7.91 percent. Below are the budget items impacting the net reduction in the levy. For a full report on the budget specifics, please visit the above hyperlink for the Sept. 8 council meeting.

Budget changes since the preliminary levy and budget were adopted on Sept. 8

- Police state aid increased by almost \$90,000 in 2025. This funding level is anticipated to continue in 2026. This aid is used to offset the personnel expenditures of police officers. Fire State Aid also increased by approximately \$90,000 in 2025 and is expected to remain at this level in 2026. Historically, 100% of this aid is passed through to the Fire Relief Association. Due to an agreement with the Fire Relief in 2024, 50% of the Fire State Aid received in 2025 and 2026 remains with the city. The funds remaining with the city are utilized to offset firefighter personnel expenditures.
- Police department expenditures for both the revised 2025 and 2026 proposed budgets increased since the preliminary budget. The 2025 revised budget has increased \$450,000, with the primary increase coming from private duty overtime requests. These overtime costs are covered by the fees charged to private entities to provide police services. Additional overtime costs are associated with specific grants received, such as the Towards Zero Deaths and the Safe 7 Summer grant, which are related to increased patrol along the Highway 7 corridor. The grant revenues cover these additional overtime costs.
- The preliminary budget contained an incorrect estimate of the police department's Axon agreement cost. The preliminary budget doubled the savings from various software applications that will be eliminated once the Axon records management system is in place. The realized savings for 2026 are \$172,000, whereas the preliminary budget included \$344,000, resulting in an understatement of preliminary expenditures.
- Joint recreation, Minnetonka recreation and senior services increased their 2026 proposed expenditures compared to the preliminary estimates by a combined \$89,600. Participation fees offset these expenditures. One of the programs seeing a significant increase in participants is the senior bus tours.
- The 2026 city council budget was reduced \$3,500 due to the action taken by the council in October on council salaries. The preliminary budget included a higher wage estimate than was approved by the council.

These changes along with other minor adjustments provide a net levy reduction of \$12,700.

Below is the breakdown of the proposed 2026 levy:

2026 Levy Analysis

Operational Levy (thousands)	2025	2026	Change
City property taxes, current services	\$55,124	\$55,528	0.7%
Staffing COLA/Market		\$1,457	2.6%
Health Insurance		\$480	0.9%
MN Paid Family & Medical Leave		\$150	0.3%
New Paralegal Position		\$115	0.2%
<i>Subtotal</i>		\$57,730	4.7%
<i>Special Revenue Funds (Ice Arena & Marsh)</i>		\$400	0.7%
<i>Capital Improvement Program</i>		(\$513)	(0.9%)
<i>Public Safety Investment</i>		\$1,464	2.7%
<i>Facility Improvements (Comm. Ctr./Fire St. 2)</i>		\$405	0.7%
<i>Total City Levy</i>	\$55,124	\$59,486	7.91%
<i>HRA Levy</i>	\$300	\$300	0.00%
<i>Total City Levies</i>	\$55,424	\$59,786	7.87%

The HRA (Housing and Redevelopment Authority) levy is programmed to remain flat at \$300,000 for 2026. This levy supports programs indicated in the Economic Improvement Program (EIP), which was also adopted by the city council at the [Sept. 8 council meeting](#).

Staff estimates that the impact of this proposed levy increase on a median-valued home is an annual increase of \$168. The city's proposed levy increase of 7.912 percent will place Minnetonka's levy increase in the middle of similar metro cities.

Several budget comments have been received through the city's engagement platform, Minnetonka Matters. All budget comments received for the year have been included. Truth-in-Taxation statements were mailed by Hennepin County the week of Nov. 10. These statements typically draw additional comments and phone calls. An addendum to the agenda will be provided if further feedback is received prior to the study session.

The purpose of this study session is to review detailed budget recommendations and to provide direction for the 2026 budget prior to the public meeting and final budget and levy adoption by the city council on Dec. 8, 2025. If, for any reason, additional time is needed following the public discussion, adoption may be delayed until the next City Council meeting on Dec. 22.

Discussion Questions

- ***Does the city council support a base property tax levy increase of 7.20 percent, including 2.7 percent for the continued implementation of the public safety master plan?***

- ***Does the city council support an additional 0.7 percent for new debt service related to community center improvements and/or fire station #2 improvements for a total levy increase of 7.91 percent?***
- ***Does the city council agree that a total of \$300,000 should be certified as the HRA proposed levy for 2026, which is the same levy amount approved by the city council?***

Proposed 2026 Budget Cover Page Place Holder



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2026 Budget

Minnetonka, Minnesota

Preliminary

City Council:

Brad Wiersum, Mayor
Deb Calvert, Councilmember At Large
Kimberly Wilburn, Councilmember At Large
Patsy Foster-Bolton, Councilmember Ward 1
Rebecca Schack, Councilmember Ward 2
Paula Ramaley, Councilmember Ward 3
Kissy Coakley, Councilmember Ward 4

Staff:

Mike Funk, City Manager
Moranda Dammann, Assistant City Manager
Darin Nelson, Finance Director/Treasurer
Scott Boerboom, Chief of Police
Kevin Fox, Fire Chief
Erik Nilsson, City Attorney
Will Manchester, Public Works Director
Kelly O'Dea, Recreation Services Director
Julie Wischnack, Community Development Director

City of Minnetonka
 2026 Annual Budget
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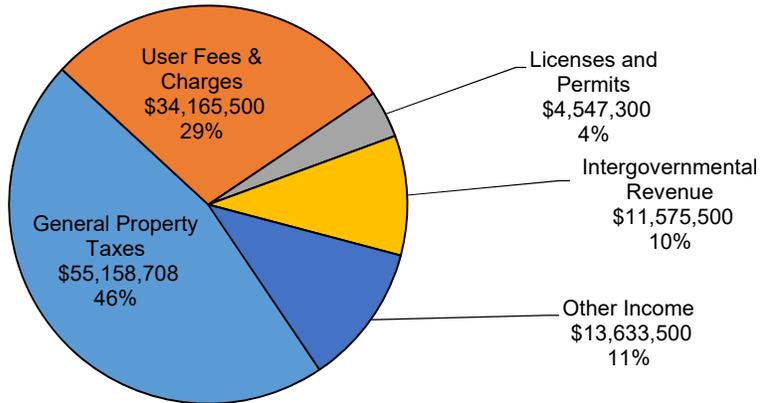
Consolidated Budgets Summary - All Funds

	2025 Revised	2026 Budget
<u>Revenue</u>		
General Property Taxes	\$ 55,158,708	\$ 58,820,948
User Fees & Charges	34,165,500	37,567,900
Licenses and Permits	4,547,300	4,107,000
Intergovernmental Revenue	11,575,500	6,412,300
Other Income	13,633,500	12,625,600
Total Revenue	\$ 119,080,508	\$ 119,533,748
<u>Expenditures</u>		
By Program:		
General Government	\$ 11,761,700	\$ 13,678,500
Public Safety	27,060,700	30,521,200
Streets & Utilities	58,170,600	47,493,800
Parks & Environment	14,538,700	13,392,900
Recreation	11,363,950	11,906,700
Development	5,430,300	6,984,700
Total Expenditures by Program	\$ 128,325,950	\$ 123,977,800
By Category:		
Personnel	\$ 51,773,600	\$ 55,809,800
Supplies	4,857,600	5,032,800
Services & Charges	20,381,500	22,566,600
Capital Outlay	43,578,100	33,249,400
Debt Service	7,735,150	7,319,200
Total Expenditures by Category	\$ 128,325,950	\$ 123,977,800

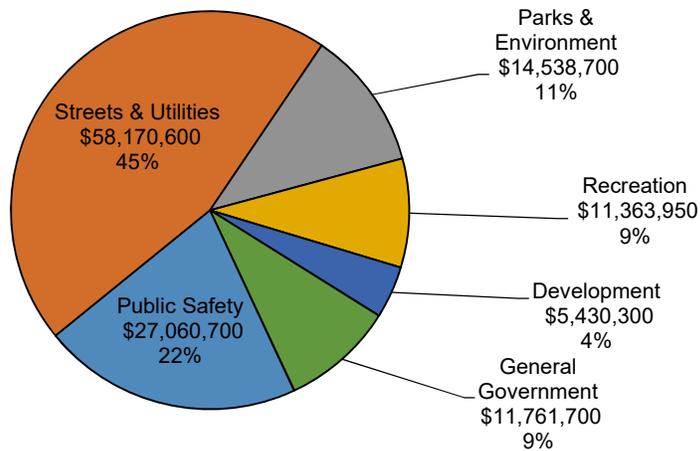
Note: Internal service fund budgets are accounted for twice in this summary to better reflect costs by program and category. They appear once from the internal service fund and once from the respective fund incurring the charge for service.

2025 Revised Consolidated Budgets Charts - All Funds

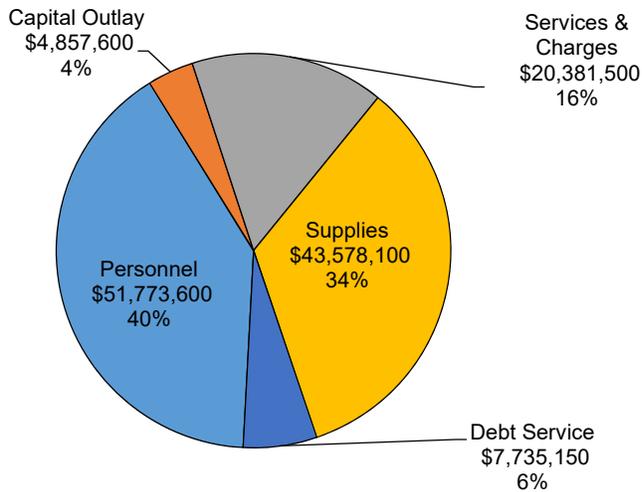
Revenue



Expenditures by Program

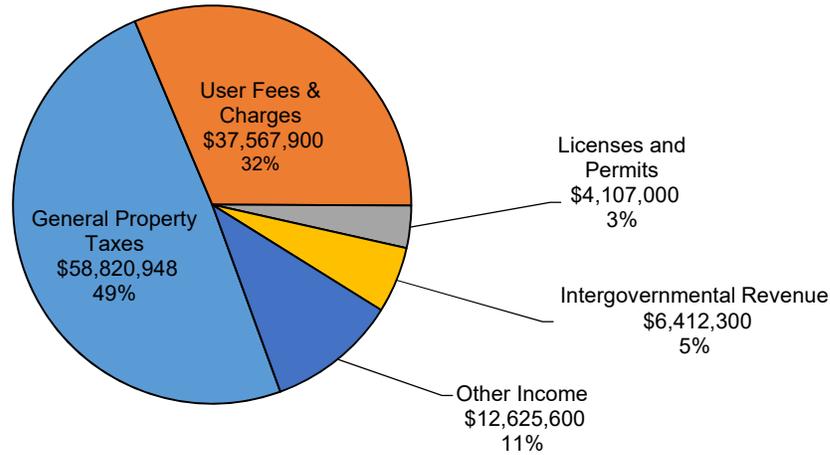


Expenditures by Category

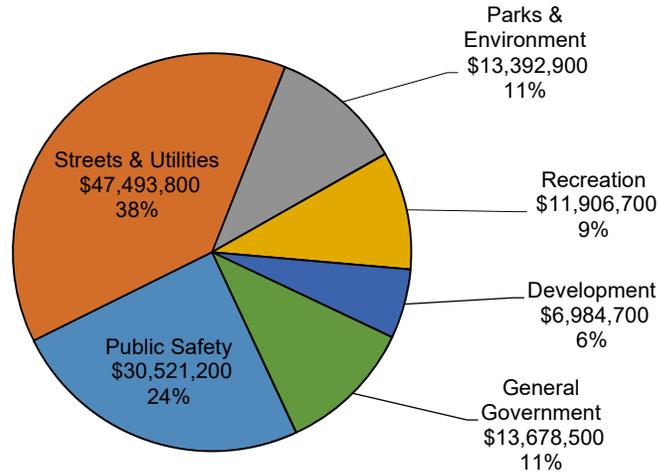


2026 Consolidated Budgets Charts - All Funds

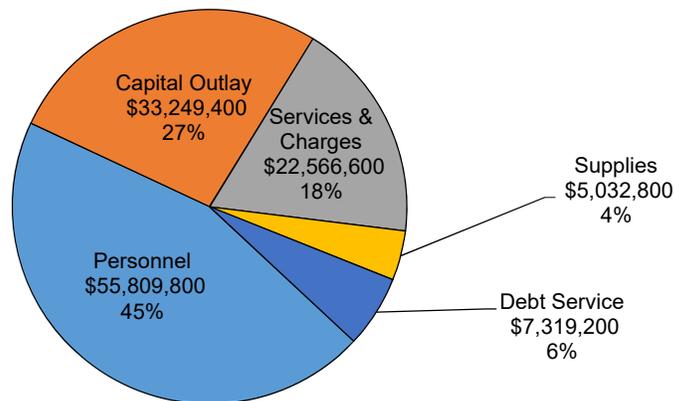
Revenue



Expenditures by Program



Expenditures by Category



Tax Levies

Tax Base	2023	2024	2025	2026	
Real Estate	\$ 151,694,768	\$ 161,533,613	\$ 162,537,547	\$ 165,612,195	Estimate
Personal Property	532,854	689,230	820,469	926,293	Estimate
Fiscal Disparities Contribution	(15,640,271)	(16,195,114)	(16,521,082)	(16,116,764)	Estimate
Fiscal Disparities Distribution	5,857,295	6,169,315	6,787,803	6,757,707	Estimate
Tax Increment	(2,599,574)	(3,682,411)	(4,897,393)	(4,902,996)	Estimate
Total Tax Capacity	\$ 139,845,072	\$ 148,514,633	\$ 148,727,344	\$ 152,276,435	Estimate
Taxable Referendum Market Value	\$ 12,439,225,300	\$ 13,237,921,150	\$ 13,218,024,500	\$ 13,667,123,500	Estimate
City Tax Levy	2023	2024	2025	2026	
General Fund	\$ 37,147,105	\$ 40,001,985	\$ 43,719,134	\$ 47,782,396	
Special Revenue Fund Levies					
Ice Arena Fund	-	-	-	200,000	
The Marsh Fund	-	-	-	200,000	
Total Special Revenue Fund Levies	-	-	-	400,000	
CIP Fund Levies					
Capital Replacement Fund	1,385,000	1,630,000	1,725,000	1,725,000	
Public Safety Fund	550,000	625,000	675,000	675,000	
Street Improvement Fund	6,080,000	6,380,000	6,380,000	5,880,000	
Park & Trail Improvement Fund	425,000	500,000	298,400	283,400	
Technology Development Fund	650,000	650,000	675,000	675,000	
Forestry Fund	83,000	98,000	123,000	125,000	
Total CIP Fund Levies	9,173,000	9,883,000	9,876,400	9,363,400	
Debt Service (Public Safety Facility)	1,117,929	1,109,529	1,111,208	1,112,048	
Debt Service (Savings for Future Debt)	-	-	-	694,170	
Bassett Creek Levy	32,895	37,315	38,466	39,104	
Ridgedale Tax Abatement	80,000	85,000	90,000	95,000	
Tax Capacity Tax Levy	\$ 47,550,929	\$ 51,116,829	\$ 54,835,208	\$ 59,486,118	
Market Value Tax Levy (Park Bonds)	284,445	289,695	289,485	-	
Total Tax Levy	\$ 47,835,374	\$ 51,406,524	\$ 55,124,693	\$ 59,486,118	
City Tax Rates					
City Tax Capacity Tax Rate	33.944	34.440	36.982	39.161	Estimate
City Market Value Tax Rate	0.00229	0.00219	0.00219	0.00000	Estimate
HRA Tax Levy	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
HRA Tax Capacity Tax Rate	0.215	0.202	0.202	0.197	Estimate
HRA Tax Levy % of Market Value	0.002412%	0.002266%	0.002270%	0.002195%	

2026 Annual Budget - Governmental Funds Summary

	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Governmental Funds
Revenues:					
General Property Taxes	\$47,645,500	\$ 700,000	\$ 9,363,400	\$1,112,048	\$ 58,820,948
User Fees & Charges	2,830,700	265,000	-	-	3,095,700
Licenses and Permits	4,107,000	-	-	-	4,107,000
Intergovernmental Revenue	2,180,500	953,400	3,089,400	-	6,223,300
Other Income	1,764,200	5,266,700	3,898,800	454,900	11,384,600
Total Revenues	<u>\$58,527,900</u>	<u>\$ 7,185,100</u>	<u>\$16,351,600</u>	<u>\$1,566,948</u>	<u>\$ 83,631,548</u>
Expenditures					
General Government	\$ 9,694,200	\$ 652,100	\$ 2,446,200	\$ -	\$ 12,792,500
Public Safety	27,729,200	178,000	1,564,300	1,049,700	30,521,200
Streets & Utilities	8,754,300	1,200,000	13,672,600	-	23,626,900
Parks	5,075,800	-	5,803,600	-	10,879,400
Recreation	4,701,900	3,599,200	-	-	8,301,100
Development	4,162,000	1,707,000	678,000	437,700	6,984,700
Total Expenditures	<u>\$60,117,400</u>	<u>\$ 7,336,300</u>	<u>\$24,164,700</u>	<u>\$1,487,400</u>	<u>\$ 93,105,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,589,500)</u>	<u>\$ (151,200)</u>	<u>\$ (7,813,100)</u>	<u>\$ 79,548</u>	<u>\$ (9,474,252)</u>
Other Financing Sources (Uses)					
Transfers In	\$ 1,667,700	\$ 175,000	\$ 2,653,200	\$ -	\$ 4,495,900
Transfers Out	(2,628,200)	(355,800)	(180,700)	-	(3,164,700)
Total Other Financing Sources (Uses)	<u>\$ (960,500)</u>	<u>\$ (180,800)</u>	<u>\$ 2,472,500</u>	<u>\$ -</u>	<u>\$ 1,331,200</u>
Net Change in Fund Balance	<u><u>\$ (2,550,000)</u></u>	<u><u>\$ (332,000)</u></u>	<u><u>\$ (5,340,600)</u></u>	<u><u>\$ 79,548</u></u>	<u><u>\$ (8,143,052)</u></u>



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General Fund Summary

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Budget
Revenues					
General Property Taxes	\$ 36,674,799	\$ 39,397,459	\$ 43,581,600	\$ 43,581,600	\$ 47,645,500
Licenses & Permits	3,901,278	5,822,055	3,652,000	4,539,400	4,107,000
Intergovernmental Revenue	1,646,305	2,256,520	2,321,900	2,540,100	2,180,500
Transfers	1,494,800	1,499,000	1,542,000	1,542,000	1,667,700
User Fees & Charges	2,652,993	2,851,815	2,580,600	2,792,000	2,830,700
Other Income	2,131,700	2,091,271	1,797,300	2,366,800	1,764,200
Total Revenues	\$ 48,501,875	\$ 53,918,120	\$ 55,475,400	\$ 57,361,900	\$ 60,195,600
Expenditures					
Mayor & City Council	\$ 297,713	\$ 410,107	\$ 421,300	\$ 421,300	\$ 479,900
City Clerk	3,002,611	3,930,726	4,167,600	4,167,600	4,656,500
Information Technology	1,461,149	1,737,854	1,915,700	1,915,600	2,054,600
Finance	1,074,831	1,162,726	1,194,800	1,295,400	1,278,100
Assessing	881,618	943,854	1,066,300	1,066,300	1,125,100
<i>Subtotal, General Government</i>	<i>6,717,922</i>	<i>8,185,267</i>	<i>8,765,700</i>	<i>8,866,200</i>	<i>9,594,200</i>
Police	13,359,855	14,608,552	15,449,600	15,893,900	17,624,000
Fire	6,014,536	6,215,979	7,222,000	7,284,900	8,155,200
Legal	1,027,640	1,095,365	1,255,900	1,363,900	1,496,600
Environmental Health	381,308	381,312	440,100	433,600	453,400
<i>Subtotal, Public Safety</i>	<i>20,783,339</i>	<i>22,301,208</i>	<i>24,367,600</i>	<i>24,976,300</i>	<i>27,729,200</i>
Engineering	1,569,467	1,625,837	1,766,900	1,964,700	1,887,100
Street Maintenance	4,046,735	3,996,746	4,637,000	4,637,800	4,570,400
Building Maintenance	1,883,465	1,841,815	2,145,100	2,182,200	2,296,800
<i>Subtotal, Streets & Utilities</i>	<i>7,499,667</i>	<i>7,464,398</i>	<i>8,549,000</i>	<i>8,784,700</i>	<i>8,754,300</i>
Parks & Trails	2,381,108	2,512,399	2,558,900	2,558,900	2,661,200
Natural Resources	1,940,705	2,127,163	2,478,200	2,473,100	2,414,600
<i>Subtotal, Parks & Environment</i>	<i>4,321,813</i>	<i>4,639,562</i>	<i>5,037,100</i>	<i>5,032,000</i>	<i>5,075,800</i>
Joint Recreation	2,151,902	2,190,950	2,486,700	2,492,650	2,557,600
Minnetonka Recreation	490,738	532,074	595,200	579,300	727,000
Senior Services	432,714	560,131	594,900	681,300	659,200
Community Center	523,332	543,122	721,300	710,300	758,100
<i>Subtotal, Recreation</i>	<i>3,598,686</i>	<i>3,826,277</i>	<i>4,398,100</i>	<i>4,463,550</i>	<i>4,701,900</i>
Planning	908,102	732,650	1,041,800	1,037,100	942,800
Community Development	2,639,086	2,678,142	3,039,600	3,042,900	3,219,200
<i>Subtotal, Development</i>	<i>3,547,188</i>	<i>3,410,792</i>	<i>4,081,400</i>	<i>4,080,000</i>	<i>4,162,000</i>
Contingency	-	-	100,000	100,000	100,000
Total Expenditures	\$ 46,468,615	\$ 49,827,504	\$ 55,298,900	\$ 56,302,750	\$ 60,117,400
Surplus of Revenues over Expenditures	\$ 2,033,260	\$ 4,090,616	\$ 176,500	\$ 1,059,150	\$ 78,200
Transfers to Capital Project Funds	(3,200,000)	(1,625,000)	(900,000)	(900,000)	(2,550,000)
Transfers to Other Funds	(526,501)	(128,209)	(176,500)	(178,200)	(78,200)
Beginning Fund Balance	30,047,215	28,353,974	30,691,381	30,691,381	30,672,331
Ending Fund Balance	\$ 28,353,974	\$ 30,691,381	\$ 29,791,381	\$ 30,672,331	\$ 28,122,331
Nonspendable Balances - Inventories	566,876	199,616	600,000	200,000	200,000
Unrestricted Balances					
Committed for Compensated Absences	1,863,613	2,948,784	2,000,000	2,948,784	2,948,784
Assigned for POC Fire Pensions	465,900	515,900	565,900	565,900	615,900
Assigned for Rec Scholarships & Sr. Ctr.	15,000	15,000	15,000	15,000	15,000
Assigned as Budget Stabilization*	20,473,400	22,119,600	22,849,600	24,047,000	24,342,647
Unassigned	4,969,185	4,892,481	3,760,881	2,895,647	-
Ending Fund Balance	\$ 28,353,974	\$ 30,691,381	\$ 29,791,381	\$ 30,672,331	\$ 28,122,331
Budget Stabilization Balance Policy Goal	41.1%	40.0%	38.0%	40.0%	39.2%

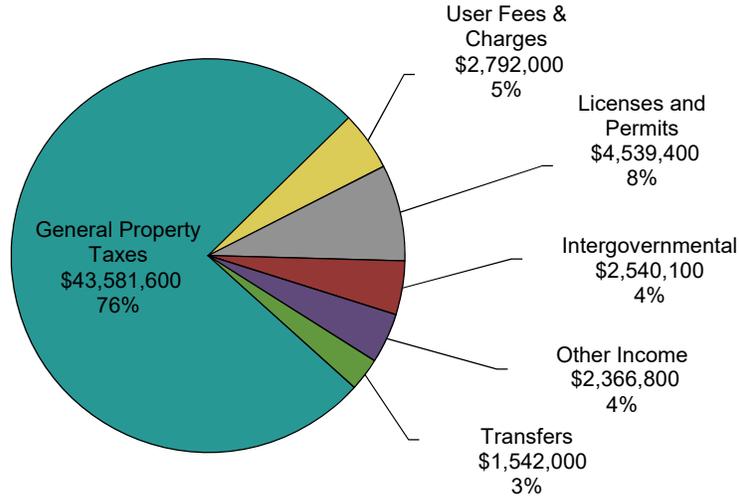
*Budget Stabilization amount above is approximately 40% of next years budget.

General Fund Revenues

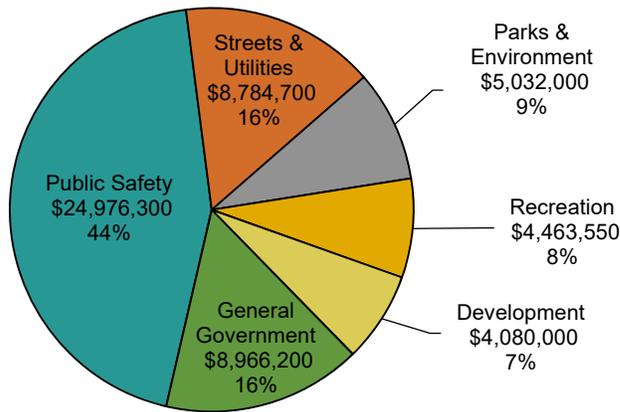
	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Budget
General Property Taxes					
Ad Valorem Tax Levy	\$ 36,801,591	\$ 39,456,008	\$ 43,757,600	\$ 43,757,600	\$ 47,821,500
Abatements & Cancellations	(66,403)	(60,705)	(200,000)	(200,000)	(200,000)
Penalties & Interest	(60,389)	2,156	24,000	24,000	24,000
<i>Subtotal, General Property Taxes</i>	<u>\$ 36,674,799</u>	<u>\$ 39,397,459</u>	<u>\$ 43,581,600</u>	<u>\$ 43,581,600</u>	<u>\$ 47,645,500</u>
Licenses & Permits					
Building Permits	\$ 1,964,578	\$ 3,429,591	\$ 2,000,000	\$ 2,144,700	\$ 2,225,000
Plumbing Permits	294,174	480,647	290,000	356,700	350,000
Electrical Permits	438,915	567,159	400,000	589,000	450,000
Heating Permits	566,748	679,597	350,000	621,200	405,000
Liquor Licenses	243,660	225,325	234,000	230,400	234,500
Food Handlers Licenses	220,855	200,304	215,000	190,300	215,000
All Other Licenses & Permits	172,348	239,432	163,000	407,100	227,500
<i>Subtotal, Licenses & Permits</i>	<u>\$ 3,901,278</u>	<u>\$ 5,822,055</u>	<u>\$ 3,652,000</u>	<u>\$ 4,539,400</u>	<u>\$ 4,107,000</u>
Intergovernmental Revenue					
Public Safety State Aid	\$ 1,088,225	\$ 1,287,551	\$ 1,287,600	\$ 1,465,500	\$ 1,465,500
MSA Maintenance	76,740	98,147	228,600	217,700	180,900
Federal Grants	124,331	275,836	75,400	172,200	40,000
Other Grants/Aid	357,009	594,986	730,300	684,700	494,100
<i>Subtotal, Intergovernmental Revenue</i>	<u>\$ 1,646,305</u>	<u>\$ 2,256,520</u>	<u>\$ 2,321,900</u>	<u>\$ 2,540,100</u>	<u>\$ 2,180,500</u>
Transfers					
Transfer From Utility Fund	\$ 814,000	\$ 814,000	\$ 848,700	\$ 848,700	\$ 874,200
Transfer From Spec. Assess. Fund	43,900	44,800	45,700	45,700	47,100
Transfer From Ice Arena Fund	36,100	36,100	36,100	36,100	36,100
Transfer From Cable TV Fund	36,100	36,100	38,000	38,000	119,700
Transfer From Development Fund	70,100	70,100	70,100	70,100	73,600
Transfer From Environmental Fund	220,600	220,600	220,600	220,600	227,200
Transfer From Forestry Fund	60,000	60,000	60,000	60,000	60,000
Transfer From Williston Center	54,200	54,200	56,400	56,400	58,100
Transfer From Gray's Bay Marina	12,600	12,900	13,200	13,200	13,900
Transfer From Storm Water Fund	147,200	150,200	153,200	153,200	157,800
<i>Subtotal, Transfers</i>	<u>\$ 1,494,800</u>	<u>\$ 1,499,000</u>	<u>\$ 1,542,000</u>	<u>\$ 1,542,000</u>	<u>\$ 1,667,700</u>
User Fees & Charges					
Recreation Receipts	\$ 1,506,849	\$ 1,781,094	\$ 1,614,600	\$ 1,783,900	\$ 1,819,200
Community Center Rental	105,455	80,690	98,000	96,000	100,000
School Liaison Reimbursement	256,571	269,399	265,000	265,000	278,200
Tower Antenna Rental	784,118	720,632	603,000	647,100	633,300
<i>Subtotal, User Fees & Charges</i>	<u>\$ 2,652,993</u>	<u>\$ 2,851,815</u>	<u>\$ 2,580,600</u>	<u>\$ 2,792,000</u>	<u>\$ 2,830,700</u>
Other Income					
Court Fines	\$ 145,851	\$ 184,853	\$ 150,900	\$ 156,000	\$ 166,000
Investment Income	482,591	599,782	732,000	620,800	641,200
Miscellaneous Income	624,478	774,834	510,400	1,035,700	535,200
Change in Value of Investments	878,780	531,802	404,000	554,300	421,800
<i>Subtotal, Other Income</i>	<u>\$ 2,131,700</u>	<u>\$ 2,091,271</u>	<u>\$ 1,797,300</u>	<u>\$ 2,366,800</u>	<u>\$ 1,764,200</u>
TOTAL REVENUES	<u>\$ 48,501,875</u>	<u>\$ 53,918,120</u>	<u>\$ 55,475,400</u>	<u>\$ 57,361,900</u>	<u>\$ 60,195,600</u>
Non-levy revenue	\$ 11,827,076	\$ 14,520,661	\$ 11,893,800	\$ 13,780,300	\$ 12,550,100

2025 Revised General Fund Operating Revenues & Expenditures

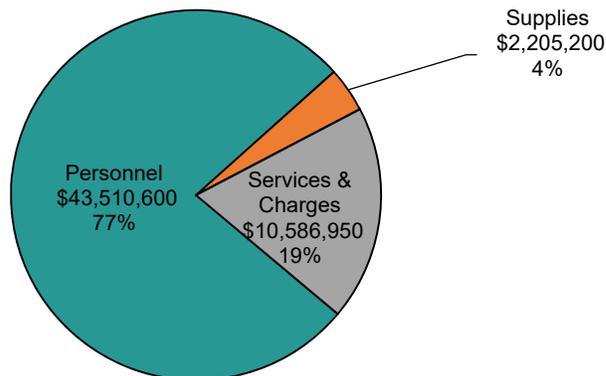
Revenues



Expenditures by Program

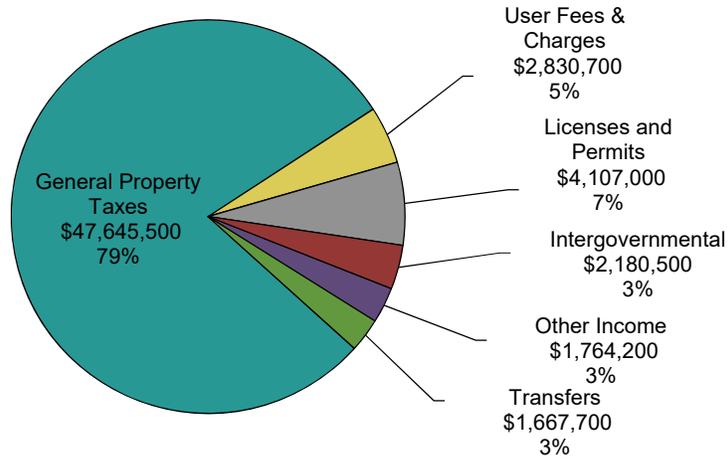


Expenditures by Category

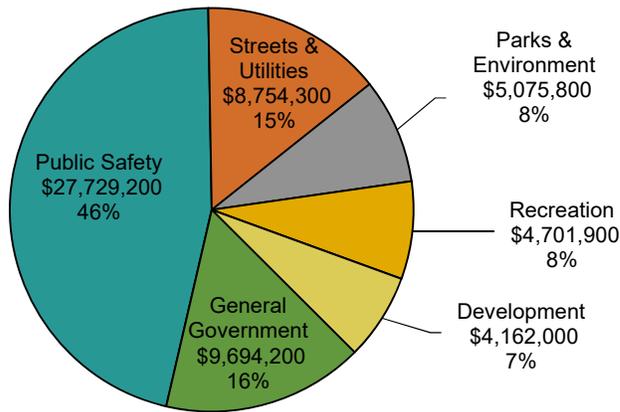


2026 General Fund Operating Revenues & Expenditures

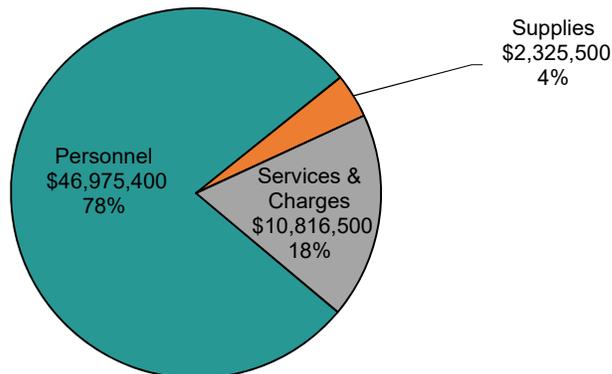
Revenues



Expenditures by Program



Expenditures by Category





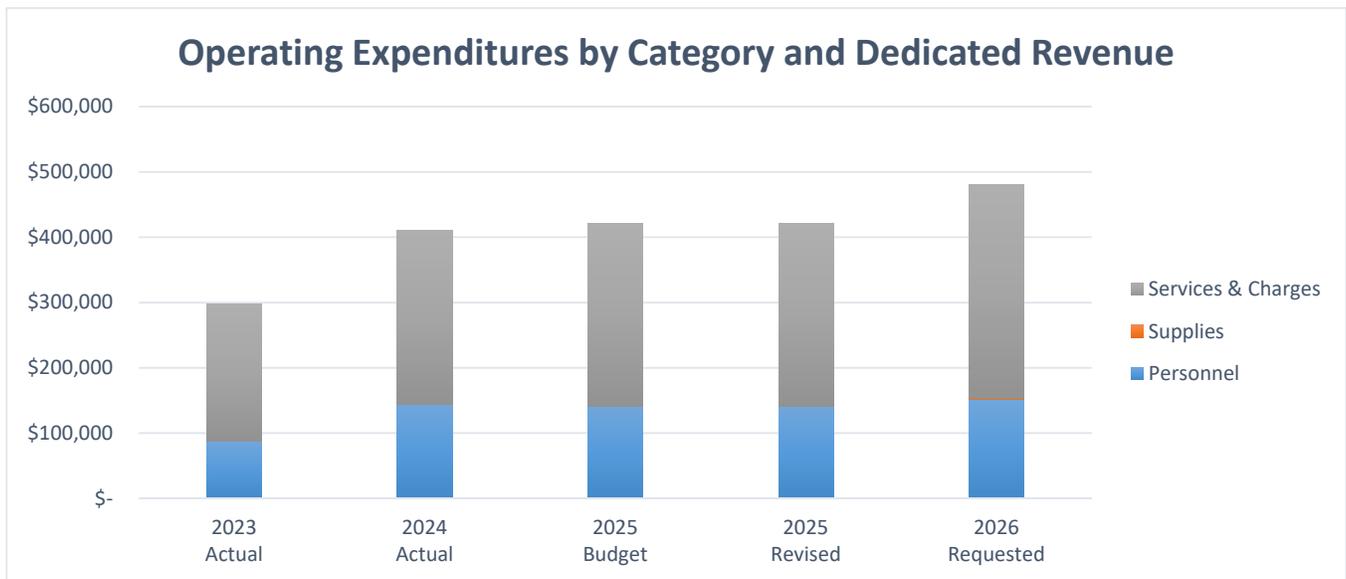
Division: **Mayor & City Council Division**
 Fund Type: **General Fund**

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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Operating Expenditures by Category					
Personnel	\$ 87,896	\$ 143,758	\$ 140,700	\$ 140,700	\$ 151,900
Supplies	157	754	900	400	1,000
Services & Charges	<u>209,660</u>	<u>265,596</u>	<u>279,700</u>	<u>280,200</u>	<u>327,000</u>
Total Operating Expenditures	<u>\$ 297,713</u>	<u>\$ 410,108</u>	<u>\$ 421,300</u>	<u>\$ 421,300</u>	<u>\$ 479,900</u>



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Residents rating "Quality of Life" in city as "good" or "excellent"	100%	91%	98%	98%
City council meeting dates (reg and study sessions)	36	40	40	39
Board & commission appointments / reappointments	15	33	30	28

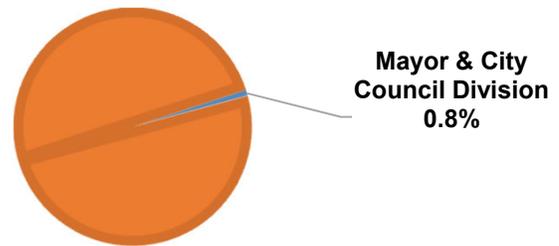
Budget Comments/Issues:

- The budget reflect anticipated inflation of dues and subscriptions.
- The budget includes \$50,000 to continue hiring lobbyists to work on the city's behalf in trying to secure state bonding dollars or other legislative funding approvals.
- The 2026 budget includes increases to the mayor and council salaries, which were last adjusted in 2024.
- The 2025 budget anticipates increased conference attendance.
- The 2025 expenditures reflect the LMC fiscal year change that was not accounted for

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

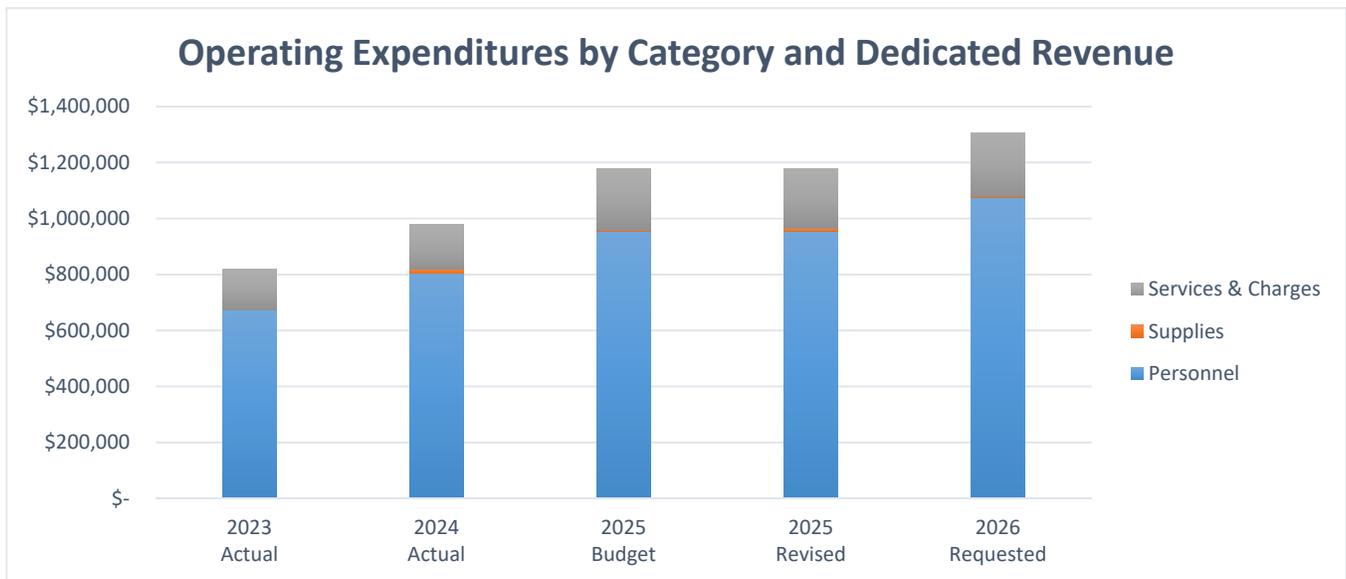
City Manager Division
Administrative Services Department
General Fund

Description of Services:

The city manager communicates with the mayor and council members, administers the city's policies and procedures and reviews, approves city council agendas, prepares the annual operating budget and capital improvements program and serves as the city's liaison to outside agencies. Diversity, equity and inclusion efforts are executed through the city manager division.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Operating Expenditures by Category					
Personnel	\$ 672,114	\$ 804,343	\$ 954,300	\$ 954,300	\$ 1,074,800
Supplies	1,222	15,978	5,200	11,200	5,200
Services & Charges	145,074	159,512	219,200	213,200	227,100
Total Operating Expenditures	\$ 818,410	\$ 979,833	\$ 1,178,700	\$ 1,178,700	\$ 1,307,100

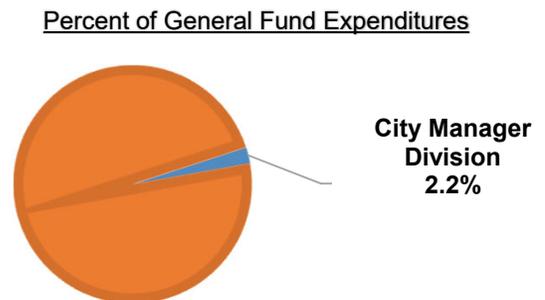
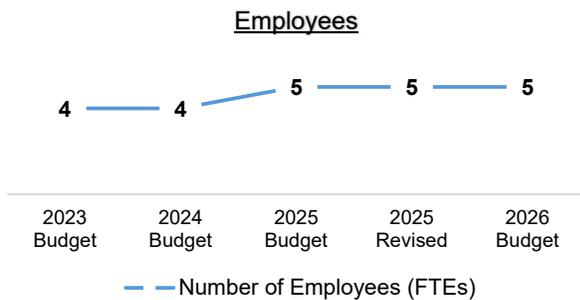


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
DEI Events hosted	0	5	5	5
Diversity, Equity & Inclusion Commission meetings	0	8	12	12
Action steps in strategic plan	82	100	73	60
Grants received	10	18	15	16

Budget Comments/Issues:

- The 2026 budget reflects current operations and personnel
- The 2025 budget included an FTE for a diversity, equity & inclusion specialist.
- The 2025 budget increased conference attendance.
- The budget reflects efforts of diversity, equity and inclusion and the addition of the DEI Commission.
- The budget funds the continued partnership with the City of Hopkins on the depot and workforce development.





Division:
Responsible Department:
Fund Type:

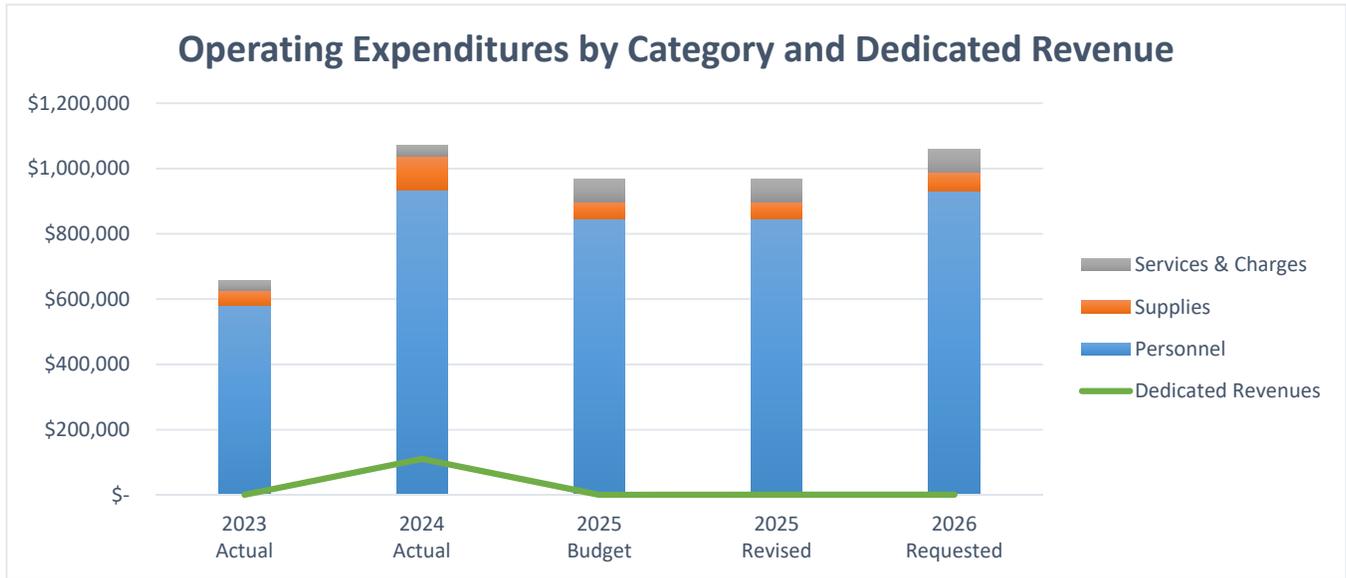
City Clerk Division
Administrative Services Department
General Fund

Description of Services:

To provide exceptional front line customer service; ensure city records are accurate and accessible by managing and retaining records pursuant to state law; to hold fair elections by coordinating the election process pursuant to charter and law; to administer the administrative citation hearing process as an alternative to the court system; to ensure city council packets, resolutions, ordinances and meeting notices are done accurately and saved accordingly; and to manage and process all data requests for the city.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 810	\$ 110,474	\$ 900	\$ 1,000	\$ 1,000
Operating Expenditures by Category					
Personnel	\$ 582,097	\$ 933,243	\$ 846,700	\$ 846,700	\$ 929,900
Supplies	44,977	105,269	51,600	51,600	57,400
Services & Charges	30,434	33,250	70,800	70,800	70,500
Total Operating Expenditures	<u>\$ 657,508</u>	<u>\$ 1,071,762</u>	<u>\$ 969,100</u>	<u>\$ 969,100</u>	<u>\$ 1,057,800</u>

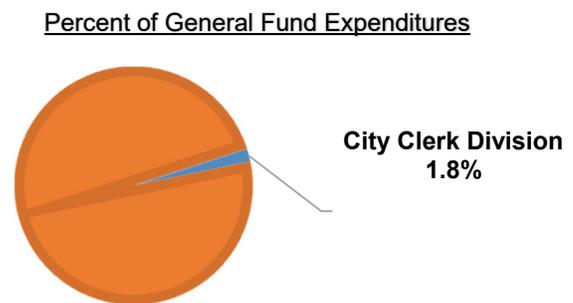
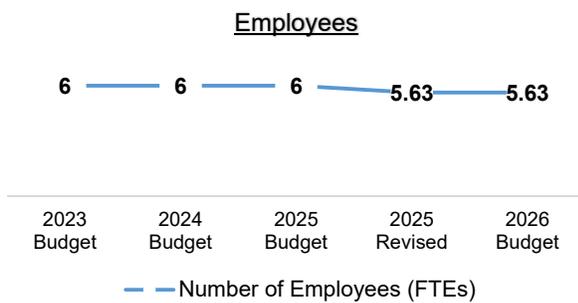


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Information desk phone calls	23,749	22,015	22,000	22,750
Total number of ballots cast	12,747	36,511	13,000	30,500
Registered voter turnout (percentage)	32.32%	85.91%	33%	75%
Data Practice Requests	161	160	163	165

Budget Comments/Issues:

- The division's budget, for personnel services in particular, fluctuates with the occurrence of elections. In a year like 2026 that includes two state elections, the workload responsibilities and corresponding information desk calls increase, which in turn increases costs.
- The 2026 budget reflects the two state gubernatorial elections with an estimated turnout of 75-80%.
- The 2026 budget reflects increased salary for election judges to stay competitive with peer cities.
- The 2026 budget for election supplies reflects an increase in maintenance fees for election equipment and ballots. We also are using a new voter assistive ballot marking device call the Expressvote from Hennepin County.





Division:
Responsible Department:
Fund Type:

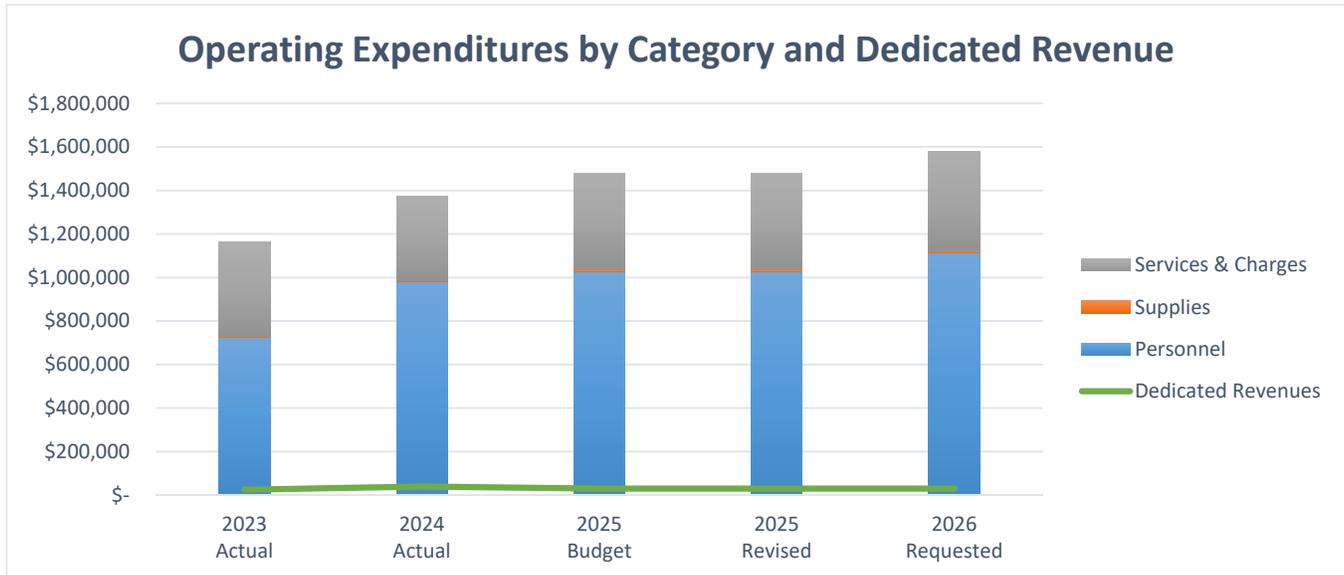
Human Resources Division
Administrative Services Department
General Fund

Description of Services:

Through strategic and customer service oriented partnerships and collaboration, the Human Resources Division designs and supports systems to attract, develop, and retain a high performing, inclusive and diverse workforce. The division fosters a healthy, safe and engaged workforce focused on maximizing individual potential, expanding organizational capacity and positioning the City of Minnetonka as a premier employer.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 25,000	\$ 40,040	\$ 30,000	\$ 30,000	\$ 30,000
Operating Expenditures by Category					
Personnel	\$ 724,903	\$ 982,857	\$ 1,028,100	\$ 1,028,100	\$ 1,113,200
Supplies	2,907	3,466	7,000	7,000	9,000
Services & Charges	436,867	386,046	441,400	441,400	455,500
Total Operating Expenditures	<u>\$ 1,164,677</u>	<u>\$ 1,372,369</u>	<u>\$ 1,476,500</u>	<u>\$ 1,476,500</u>	<u>\$ 1,577,700</u>



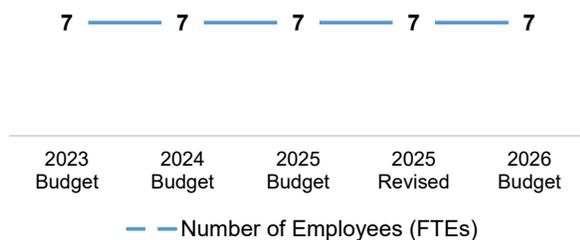
Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
City positions - Reg FT, PT & POC	370	382.72	396.72	400.72
Employee turnover rate (FT, PT & POC)	6.92%	6.83%	5%	6.90%
Workers Compensation Mod Factor	0.67	0.69	0.91	0.90
Increase / (decrease) in the annual health insurance premium	12.5%	14.2%	6.5%	8.9%
BIPOC city employees - Reg FT, PT & POC	7.75%	9.26%	8.52%	9.0%
BIPOC city employees - Seas, Temp, Flex PT	10.86%	11.92%	8.99%	9.0%
Average payroll count (FT,PT,seasonals,firefighters)	583	665	611	650

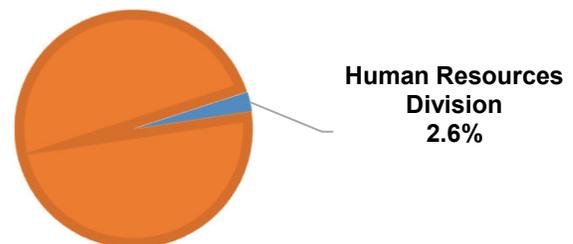
Budget Comments/Issues:

- The 2026 budget reflects the Paid Family Medical Leave (state-mandated) law. This will be a shared 50/50 cost with employees. Anticipating a budget impact of \$132,000
- The 2026 health insurance premiums increased by 8.9% since 2025. Premium increases are shared between the employees and the city.
- The 2025 and 2026 budgets reflect the continued cost of the salary survey implementation and working with the consultant.
- The 2025 budget includes \$10,000 for costs associated with safety training and biohazard collection services.
- The city's current financial (ERP) and human capital management (HCM) applications are 25 years old. The city currently utilizes the LOGIS consortium for these and several other applications city-wide. In 2022, LOGIS and its members decided that due to the age and required updates of these applications it was beneficial to replace the suite of applications. Unfortunately, due to several milestones not being met by the system implementer the project was halted in 2024. Minnetonka is planning to restart this project in 2026, but will likely not utilize the LOGIS consortium.
- The 2024 budget reflects costs associated legislation change, most specifically the implementation of Employee Sick and Safe time.

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

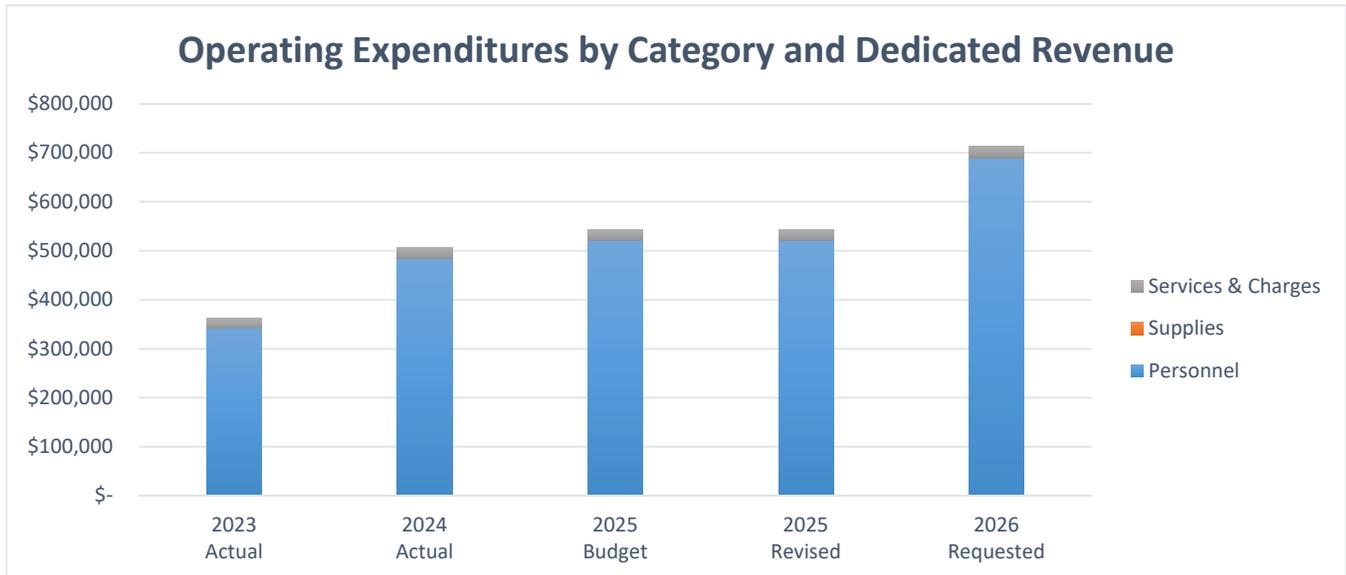
Communications Division
Administrative Services Department
General Fund

Description of Services:

The communications team is responsible for all external and internal communications, including: media relations, crisis communications, publications, website, social media, brand and image management, and marketing.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Operating Expenditures by Category					
Personnel	\$ 342,693	\$ 484,779	\$ 520,500	\$ 520,500	\$ 690,300
Supplies	101	42	-	-	-
Services & Charges	19,220	21,943	22,800	22,800	23,600
Total Operating Expenditures	<u>\$ 362,014</u>	<u>\$ 506,764</u>	<u>\$ 543,300</u>	<u>\$ 543,300</u>	<u>\$ 713,900</u>

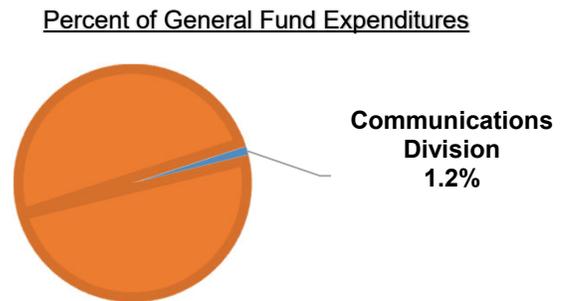
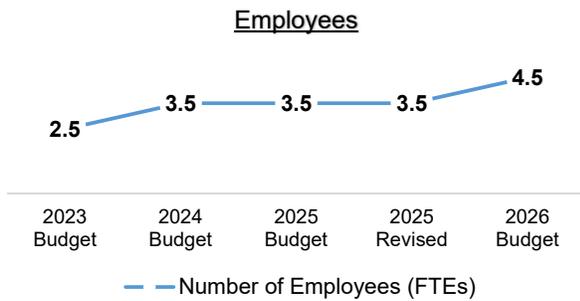


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
City email subscribers	32,392	41,294	44,794	46,500
Minnetonka Memo as preferred communication	52%	54%	53%	53%
Social media engagement rate	6.2%	5.2%	5.5%	5.7%
Videos content produced	135	145	167	185
Minnetonka Matters Projects (active)	26	48	61	85

Budget Comments/Issues:

- The 2026 reflects current operations and personnel.
- The 2026 budget reflects an existing FTE, being moved from the police department to communication.
- The 2024 budget reflects the transition of 1 FTE from the cable television fund.
- The 2024 budget reflects the continued effort of creating more video and graphics for community engagement.





Division:
Responsible Department:
Fund Type:

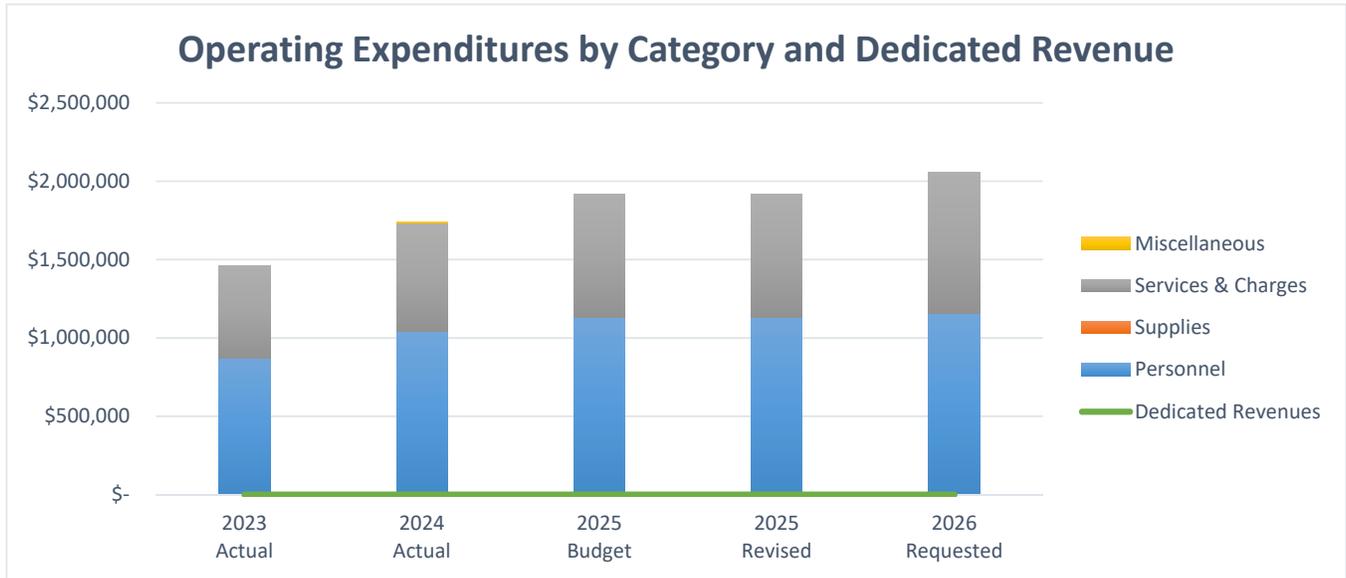
Information Technology Division
Administrative Services Department
General Fund

Description of Services:

The Information Technology Division provides internal consulting and end-user technology support to all city departments. It is responsible for the implementation and maintenance of network infrastructure, support for desktop and laptop computers, telephone systems, mobile devices, and office and audio/visual equipment across 24 city locations.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 94	\$ 60	\$ -	\$ -	\$ -
Operating Expenditures by Category					
Personnel	\$ 868,190	\$ 1,041,522	\$ 1,129,500	\$ 1,129,500	\$ 1,153,100
Supplies	1,963	2,050	3,900	4,000	3,800
Services & Charges	590,998	691,327	782,300	782,100	897,700
Miscellaneous	-	2,954	-	-	-
Total Operating Expenditures	<u>\$ 1,461,151</u>	<u>\$ 1,737,853</u>	<u>\$ 1,915,700</u>	<u>\$ 1,915,600</u>	<u>\$ 2,054,600</u>



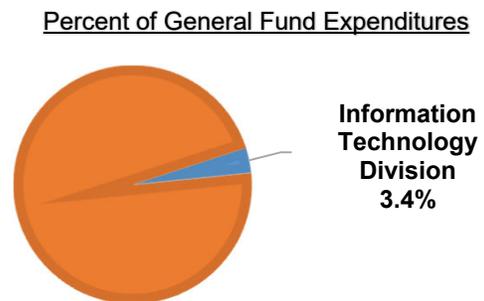
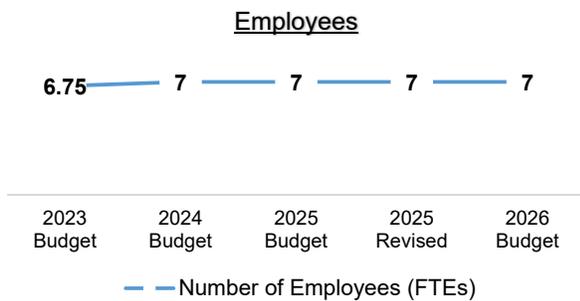
Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Help Desk requests	3,162	3,288	3,500	3,800
Field & home remote connections supported	536	578	585	590

* Field & home remote connections now include all mobile devices (iPads, iPhones, & home remote)

Budget Comments/Issues:

- The 2026 budget reflects an increase in services costs associated with the city's phone systems.
- The budget reflects inflationary technology service contract and software subscription rates.
- The number of remote connections and handheld devices continues to grow, increasing efficiencies in the workplace while requiring additional support from an increasingly mobile workforce.





Division:
Responsible Department:
Fund Type:

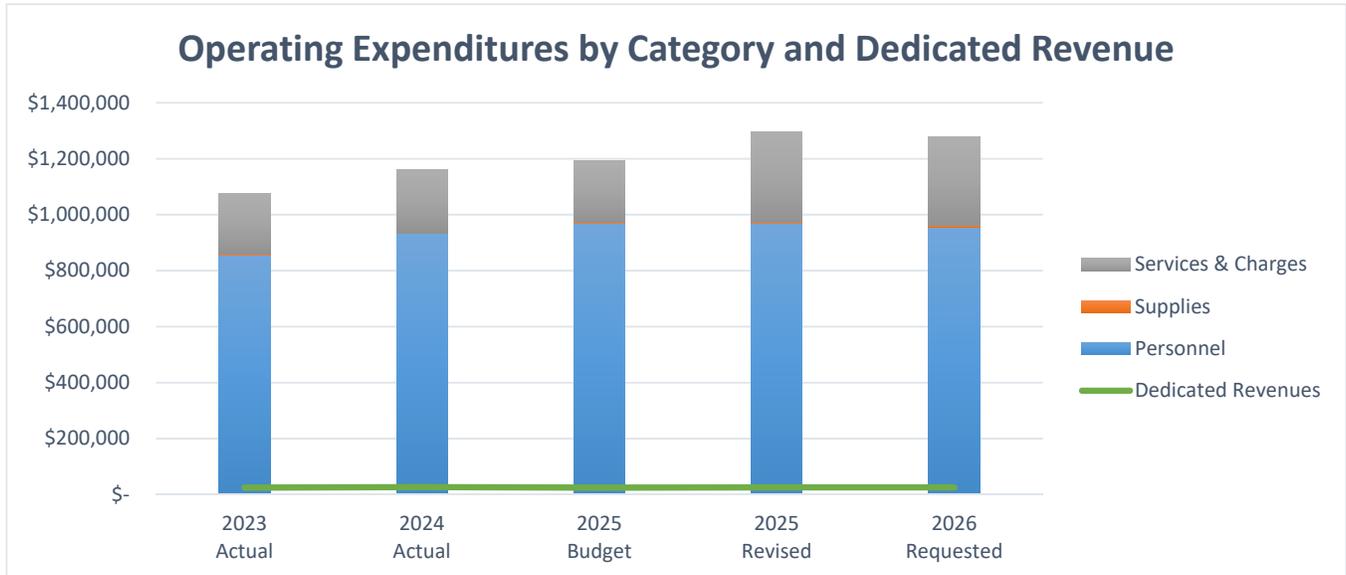
Finance Division
Finance Department
General Fund

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 20,900 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 March. Property owners' concerns or appeals are addressed by staff and by the city council sitting as the Local Board of Appeal and Equalization 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 special assessments, and serves as the repository for current and historical property information within the city.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 25,000	\$ 26,935	\$ 25,000	\$ 25,600	\$ 25,900
Operating Expenditures by Category					
Personnel	\$ 855,024	\$ 932,056	\$ 968,300	\$ 968,300	\$ 956,300
Supplies	4,108	2,282	3,800	3,800	4,300
Services & Charges	215,699	228,388	222,700	323,300	317,500
Total Operating Expenditures	<u>\$ 1,074,831</u>	<u>\$ 1,162,726</u>	<u>\$ 1,194,800</u>	<u>\$ 1,295,400</u>	<u>\$ 1,278,100</u>



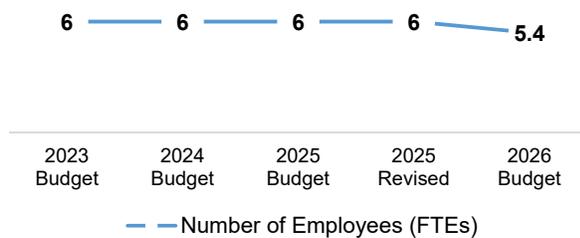
Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Utility customer accounts	17,397	17,409	17,408	17,410
Utility customers using city online billing	32%	35%	38%	40%
Utility customers paying electronically	77%	79%	80%	81%
Average monthly vendor payments	675	667	665	665
Vendor payments paid electronically	37.4%	34.8%	35.0%	36.0%
Annual rate of return on investments	4.42%	3.74%	4.82%	3.40
Moody's credit rating	Aaa	Aaa	Aaa	Aaa
GFOA Award for Excellence in Financial Reporting	Awarded	Awarded	Awarded	Awarded

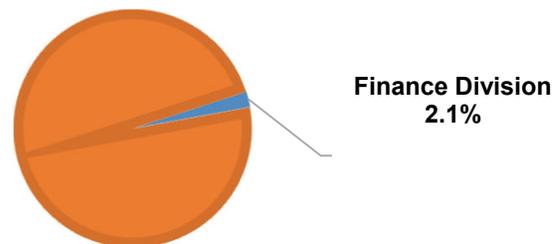
Budget Comments/Issues:

- The 2026 budget for the Finance Division maintains current operations and service levels while reducing the divisions fte count by 0.6 FTEs.
- The department continues to move towards greater efficiencies through electronic transactions. Staff continues to promote these tools to realize cost efficiencies and to provide a more userfriendly customer experience. Over the past several years, the department has implemented systems for citywide accounts payable processing and invoice filing, electronic payments for vendors, and an online utility billing and payment application.
- The utility billing application is scheduled for replacement in late 2026. This application upgrade is through the LOGIS consortium.
- A desired outcome of the city's strategic plan is to improve alignment between service expenditures and identified priorities. The city purchased a priority based budgeting application to aid in achieving this outcome. Staff will begin implementing this application in 2025 to identify city programs, and to fully utilize the application in the development of the 2027 budget. The priority based budgeting application has annual cost of approximately \$65,000 and a one-time implementation cost of \$18,000.
- The 2025 revised budget is approximately \$100,000 greater than the original 2025 budget. As mentioned above, a vast majority of this increase is related to the purchase and implementation of the priority based budgeting application. The remainder of the increase is related to increases in existing software costs for preparation of both the Capital Improvements Program (CIP) and the Annual Comprehensive Financial Report (ACFR).

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

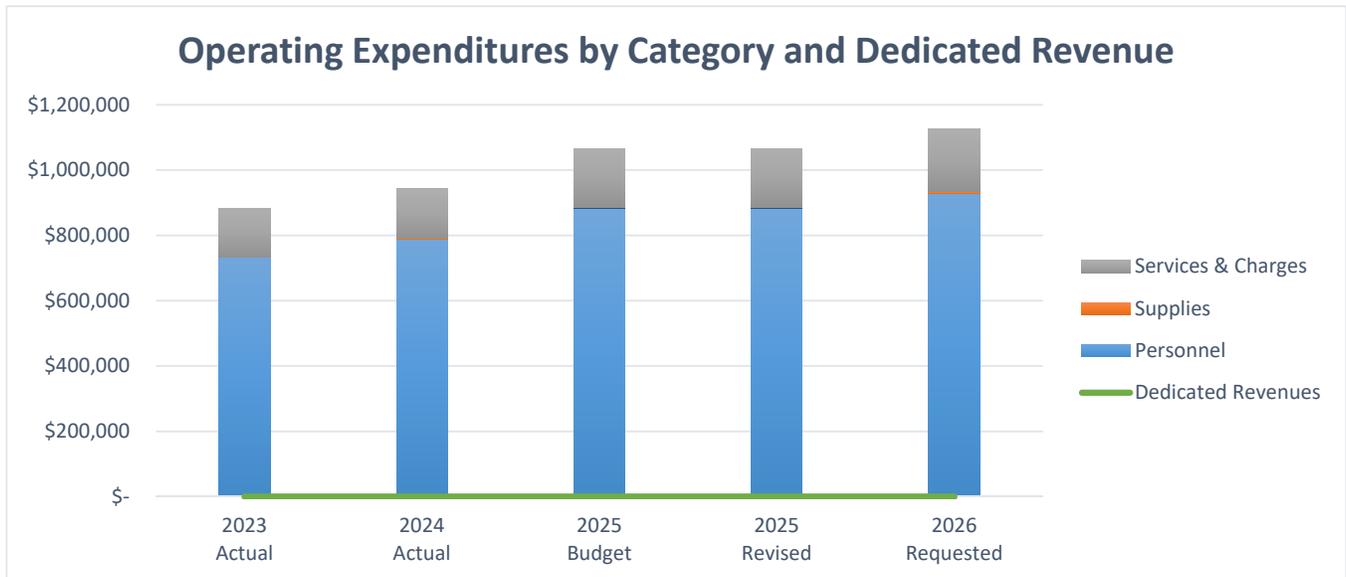
Assessing Division
Finance Department
General Fund

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 20,900 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 March. Property owners' concerns or appeals are addressed by staff and by the city council sitting as the Local Board of Appeal and Equalization 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 special assessments, and serves as the repository for current and historical property information within the city.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ -	\$ 69	\$ -	\$ -	\$ -
Operating Expenditures by Category					
Personnel	\$ 732,069	\$ 788,104	\$ 882,100	\$ 882,100	\$ 928,900
Supplies	2,795	2,244	3,600	3,600	3,800
Services & Charges	146,754	153,508	180,600	180,600	192,400
Total Operating Expenditures	<u>\$ 881,618</u>	<u>\$ 943,856</u>	<u>\$ 1,066,300</u>	<u>\$ 1,066,300</u>	<u>\$ 1,125,100</u>



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Total market values	\$13.39 Billion	\$13.59 Billion	\$13.86 Billion	\$14 Billion
Sales ratio (targets revised annually by county)	95.5%	95.6%	95.3%	95.5%
Coefficient of dispersion (Less than 10 is "good")	5.9	5.4	6.1	6
Survey rating "excellent" or "good" from on-site appraisal visits	96%	100%	95%	95%
Commercial tax court petitions (payable year)	67	67	83	85

Budget Comments/Issues:

- The 2026 budget for the Assessing Division supports current services of the division. Fluctuation in the real estate market can increase the workload of the division with required revaluation of properties due to new developments, other improvements and sales.
- The Assessing Division has developed an internship program to educate and encourage new workers in the public appraisal field. The seasonal interns in the program likewise serve a critical role in managing the division's workload. Pre-pandemic, the assessing division hired two interns annually. Due to the COVID pandemic, the internship program did not take place in 2020 or 2021 but was reinstated in 2022 and is expected to continue in the coming years. Only one intern was hired for 2022 and 2023, and two interns were hired for 2024 as the workload increased back to prepandemic levels. Staff is expecting to continue with two interns per year moving forward.
- Education and training costs have increased for assessing staff. All staff are required to achieve their Accredited Minnesota Assessor (AMA) licensure within eight years of starting in an assessing office. There are several week long courses required along with a comprehensive form report and case study exam. With new staff, the cost of education increases significantly until they achieve their AMA licensure.
- All AMAs are required to take 30 hours of Department of Revenue PACE continuing education. Previously, the department offered several online free options. Starting in 2026, DOR will start charging \$10/credit hour for these courses. In 2026, we expect to have five staff at AMA or higher licensure equaling \$1500 additional training cost in a four year licensing cycle.

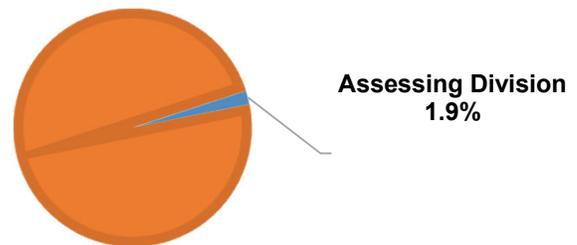
Employees

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2023 Budget 2024 Budget 2025 Budget 2025 Revised 2026 Budget

— Number of Employees (FTEs)

Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

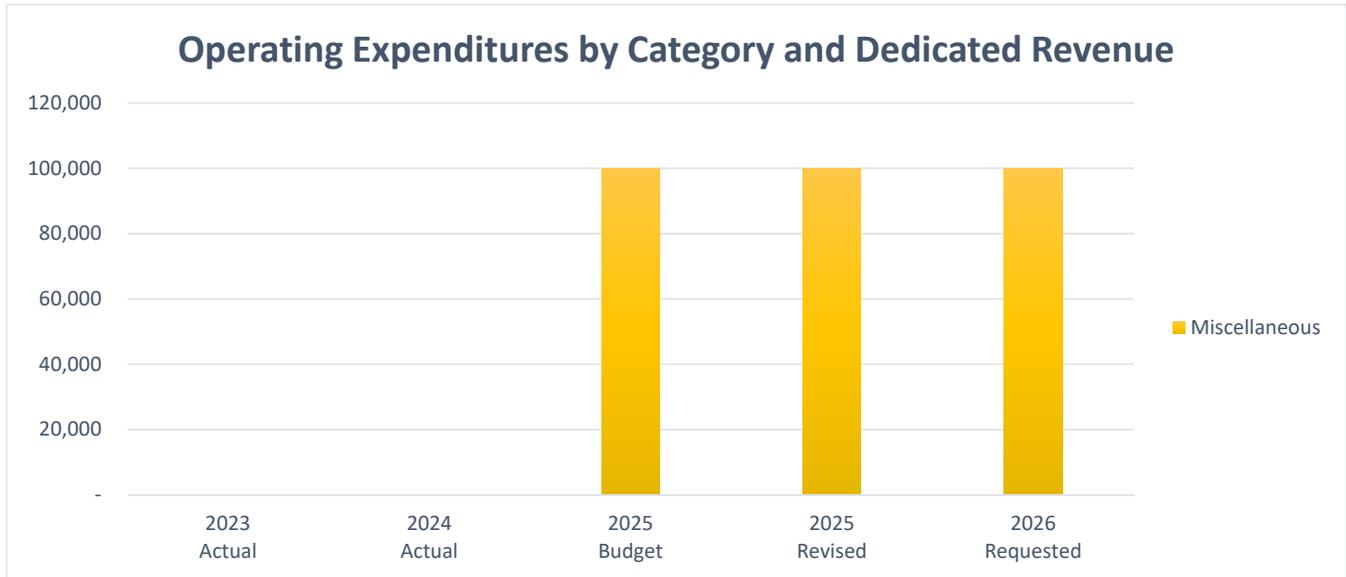
Contingency Budget Division
Finance Department
General Fund

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:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Operating Expenditures by Category					
Miscellaneous	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000



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.



CITY OF
MINNETONKA



Department:
Responsible Department:
Fund Type:

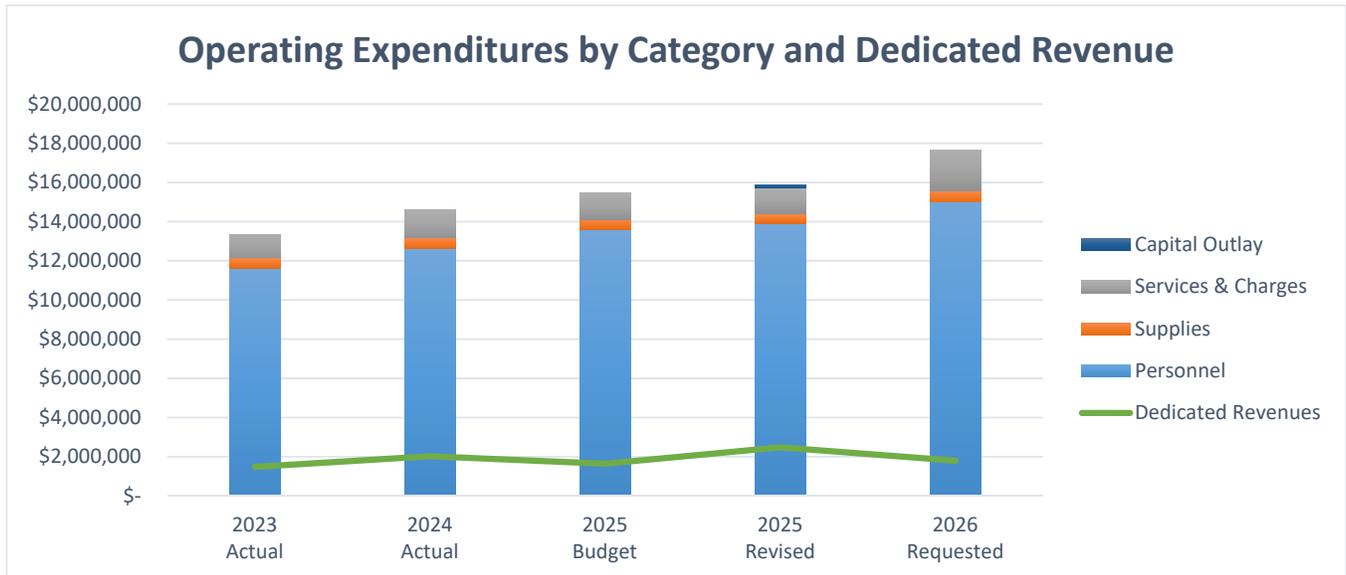
Police Department
Police Department
General Fund

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.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 1,482,426	\$ 2,022,427	\$ 1,645,900	\$ 2,481,700	\$ 1,799,400
Operating Expenditures by Category					
Personnel	\$ 11,627,208	\$ 12,652,742	\$ 13,603,700	\$ 13,900,400	\$ 14,989,200
Supplies	516,057	519,665	517,400	511,400	593,300
Services & Charges	1,216,587	1,436,142	1,328,500	1,329,100	2,041,500
Capital Outlay	-	-	-	153,000	-
Total Operating Expenditures	\$ 13,359,852	\$ 14,608,549	\$ 15,449,600	\$ 15,893,900	\$ 17,624,000



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Community Survey Satisfaction	96	98	98	98
Calls for service	42,651	43,262	43,915	44,131
Criminal offenses - Part I & II	1,700	1,741	1,733	1,767
Medicals	4,266	4,461	4,351	4,237
Traffic Stops	5,163	6,482	6,547	6,612
Traffic Citations	1,125	997	1,100	1,150
Mental Health Crisis	483	488	493	498
Training Hours	5,196	5,556	5,000	5,000
Community Engagement Events	N/A	N/A	250	300

Budget Comments/Issues:

- Citygate, a consultant hired to examine all police operations, completed its review and the final report was presented to council in April 2023. Full implementation of the Public Safety Plan will take approximately five to seven years. In 2026, an additional community engagement officer will be requested as identified in plan.

- Due to manufacturer delays during the COVID-19 pandemic, multiple patrol vehicles were delivered at once, creating a temporary surplus of vehicles. These vehicles cannot be deployed until upfitting is complete. Upfitting costs have increased significantly, and the current budget does not support timely preparation of the entire fleet. Additional one-time funding of \$80,000 is needed to address this backlog and ensure the vehicles can be placed into service as soon as possible.

- The department will enhance their current drone program with the addition of Drone for First Responders (DFR) in 2026. The annual cost is approximately \$300,000. DFR provides additional efficiencies that directly impact patrol officer strength and allows the reduction of two additional FTE's as detailed in the Public Safety Plan.

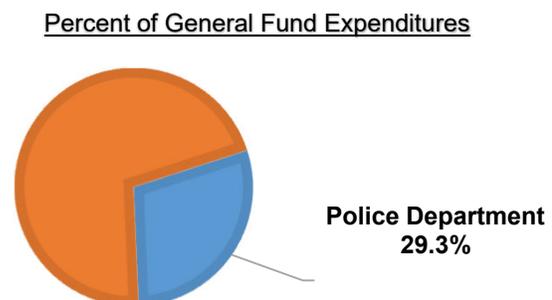
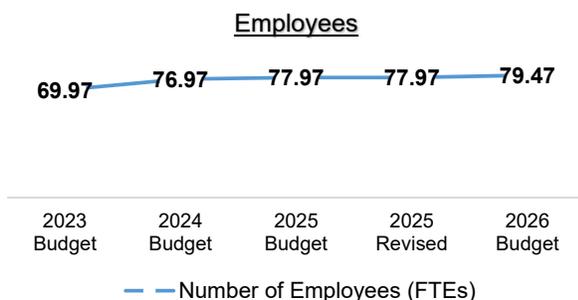
- The department received a grant from the State of Minnesota to partially fund a detective position for the next three years, starting in late 2024. The annual award is \$103,000 for a total of \$309,000. The position will focus on auto theft related crimes. The three year grant will end June 30, 2026 and the department will reapply to extend funding.

- The department continues to maintain transparency dashboards in 2026 to further provide operational data. These dashboards include data on arrests, use of force, complaints against employees, vehicle crash, mental health calls and data associated with the use of License Plate Readers (LPR's).

The department applied for and received a 2-year grant to continue to support our current ALPR equipment. The grant awarded is \$21,000 per year and our annual cost is \$46,000, resulting in a funding gap of \$25,000. This amount is reflected in the 2026 and 2027 CIP.

- The department was awarded a grant from the Minnesota Department of Public Safety to fund one additional (FTE) DWI/Traffic Safety Officer. The grant coincides with the federal fiscal year which begins Oct. 1, and will cover \$150,000 in salary and benefits. This is a one year grant and the department will be required to resubmit annually. Continued eligibility is based on application data and past performance. The department was awarded a second year of funding for this grant beginning Oct. 1, 2024.

- In 2025, the police department entered into a ten year agreement with Axon for a suite of technology applications, including mobile and body cameras, evidence and records management systems, Fusus, virtual reality training, tasers, Draft One and several other features. The initial cost of \$615,000 was funded through the 2025 CIP and will transfer to the general budget in 2026. The cost will be off-set by a reduction in LOGIS applications at a savings of approximately \$80,000 in 2026 and \$160,000 in 2027 and beyond.





Department:
Responsible Department:
Fund Type:

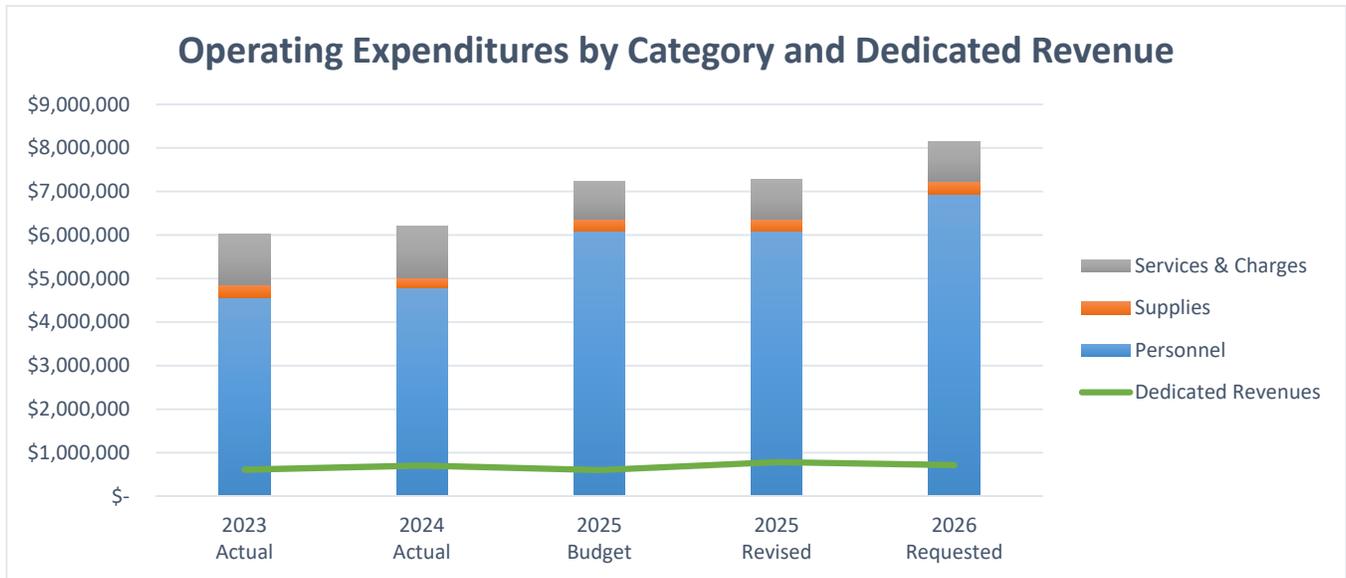
Fire Department
Fire Department
General Fund

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. The fire department is regarded as an all-hazards, all-risk service provider by developing and maintaining strategic community partnerships, hiring and training exceptional people, developing efficiencies in service provision to ensure sustainability for the entire organization and maintaining our core infrastructure. The fire department has an authorized strength of 80 paid-on-call firefighters and 35 full-time employees. The fire department's most recent evaluation by the Insurance Service Office (ISO) has maintained a rating of 3. This translates into lower insurance premiums for some Minnetonka businesses and residents.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 609,747	\$ 705,404	\$ 600,600	\$ 784,200	\$ 717,200
Operating Expenditures by Category					
Personnel	\$ 4,554,758	\$ 4,783,424	\$ 6,079,300	\$ 6,079,300	\$ 6,930,000
Supplies	313,712	226,210	293,900	275,900	296,300
Services & Charges	1,146,071	1,206,346	848,800	929,700	928,900
Total Operating Expenditures	<u>\$ 6,014,541</u>	<u>\$ 6,215,980</u>	<u>\$ 7,222,000</u>	<u>\$ 7,284,900</u>	<u>\$ 8,155,200</u>

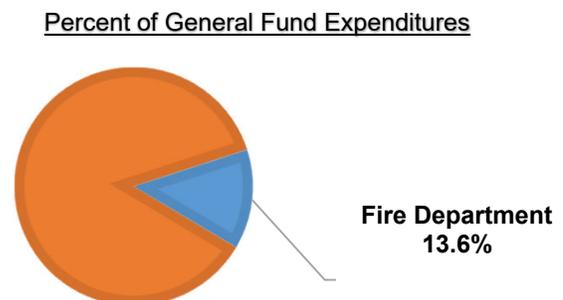
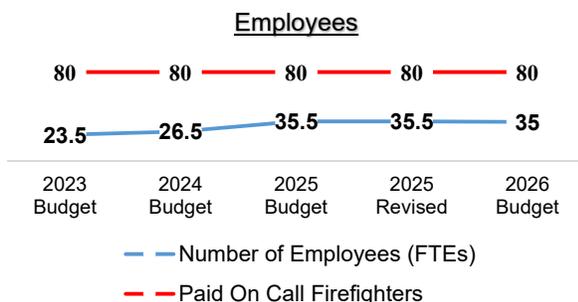


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Paid-on-call firefighters	57	58	58	60
Full-time firefighters	15	15	27	27
Calls for service, excluding medical calls	1,560	1,806	2,000	2,100
Medical calls	4,167	3,894	4,400	4,500
Total calls for service	5,727	5,700	6,400	6,600
Firefighter calls outs	107	90	85	80
Non-duty crew training hours	8,687	8,588	9,000	8,500
Daily On Duty Crew Staffing - FTE/Part Time	5/4	6/4	9/4	9/4
Average response time to all emergency calls	7:18	7:25	7:21	6:30

Budget Comments/Issues:

- The city continues to address the changing public safety needs of the community and the shifting workforce dynamics that continues to shift more daily staffing to full-time personnel.
- In 2025, the fire department presented its service level objectives to the City Council. These objectives are built upon the 2023 consultant study and serve as a framework to guide budgetary decisions related to staffing, equipment, and facility needs.
- The 2026 budget includes the remaining funding for the nine full-time personnel hired in 2025.
- The city engaged a consultant in 2023 to study station location and staffing, particularly on the north and south sides of the city in order to assure equitable coverage throughout the city. As a result of the study, the fire department and police department presented council with a five to seven year public safety master plan and in 2026 the fire department will move into year 3 of this plan.
- Staff continues seeking and implementing ways to be creative with staffing to maintain a safe and effective staffing level while also follow industry best practices.
- Staff will work closely with neighboring jurisdictions and state organizations to address increasing Emergency Medical Services (EMS) response times.
- The fire department is collaborating with the police department to develop a mental health response program, with fire personnel serving as the primary responders to mental health-related calls.
- The 2026 budget reflects the inflationary costs related to firefighter equipment and protective gear.





Department:
Responsible Department:
Fund Type:

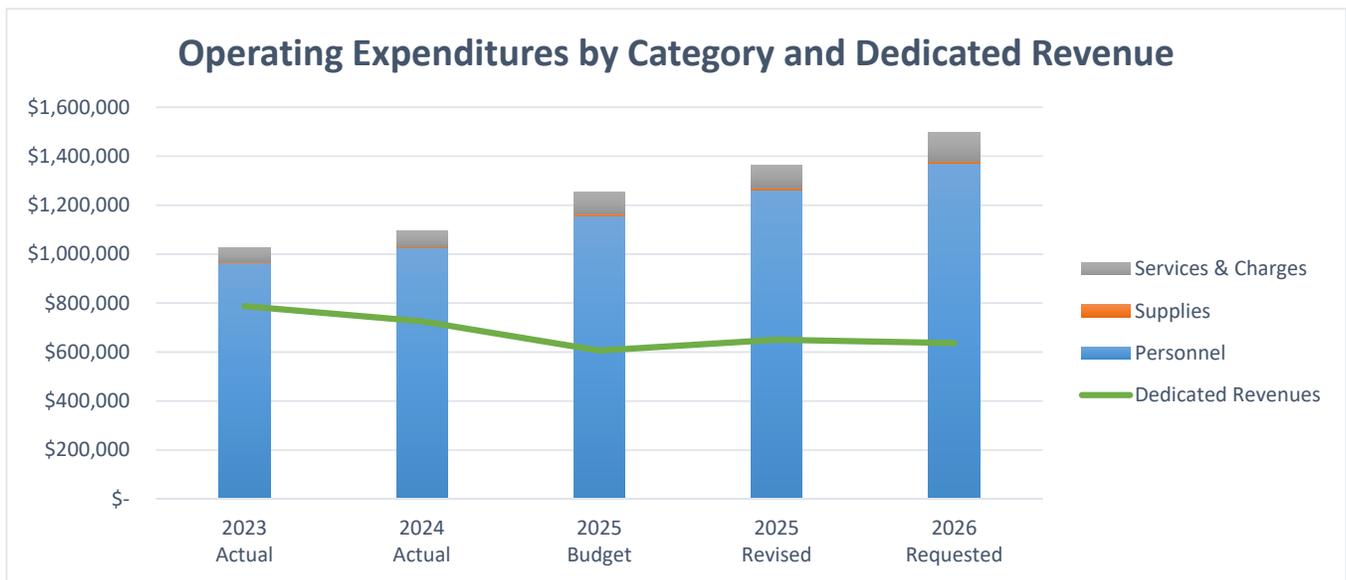
Legal Department
Legal Department
General Fund

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.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 787,807	\$ 726,261	\$ 606,500	\$ 650,600	\$ 636,800
Operating Expenditures by Category					
Personnel	\$ 963,820	\$ 1,025,865	\$ 1,154,800	\$ 1,262,800	\$ 1,371,100
Supplies	4,216	3,298	7,600	7,200	7,500
Services & Charges	59,603	66,200	93,500	93,900	118,000
Total Operating Expenditures	\$ 1,027,639	\$ 1,095,363	\$ 1,255,900	\$ 1,363,900	\$ 1,496,600



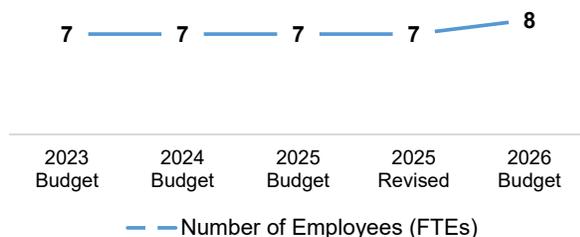
Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Cases opened and processed by staff:	755	1,250	1,000	1,100
• Cases in court - all cases	668	898	850	1,000
▪ DWI cases in court	113	142	180	200
▪ Domestic violence cases in court	51	72	85	85
Contracts drafted or reviewed	95	92	95	95
Customers rating staff at "above average" or "excellent"	100%	98%	95%	90%
Charter Commission rating staff at "above average" or "excellent"	100%	100%	90%	90%

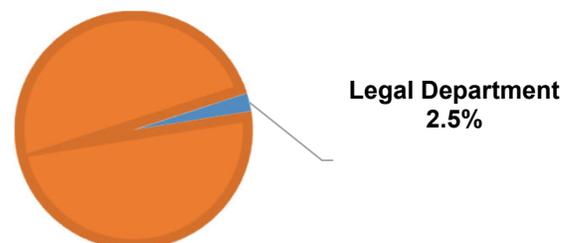
Budget Comments/Issues:

- The City Attorney's Office internal statistics and estimates show a continuous growth in criminal case openings. As a result, the Criminal Division continues to see a high number of trial settings, which results in frequent rescheduling of trials and duplication of trial preparation work based on available staffing.
- The number of DWI cases have increased and are expected to increase further, due to dedicated DWI enforcement and additional patrol officers. Domestic cases have also increased, possibly due to an increase in the number of cases not accepted for felony prosecution.
- The Legal Department previously conducted an internal review of staffing needs with an eye to the 2026 budget that was primarily focused on the Criminal Division. Under new leadership, the Department is reassessing staffing considerations for both the Civil and Criminal Divisions. The Criminal Division will continue to monitor the number of additional cases that result from the increase in Police Department patrol officers and will explore alternatives, such as technology improvements. The 2026 budget request includes an additional FTE that would be a paralegal or similar type position. The department is moving to a new office space that will accommodate additional staff.
- The budget includes an allocation for use of outside counsel as needed to handle workload demands, conflicts, and when there is a need for specialized expertise. The Criminal Division also has the option to use existing forfeiture funds to address temporary staffing needs or new technology. With two new attorneys in the office and an entire change in leadership, it is anticipated that there may be an increased need to access outside counsel for assistance for 2026. The 2026 budget request includes additional money in this area.
- The budget continues to include funds for a part-time law clerk/intern to assist with general legal services. The intern is not a city employee and not included in the number of department FTEs. Law clerk/intern funds are used to cover unexpected expenditures in years that an intern is not available.
- The dedicated revenues consist almost exclusively of rental fees from antenna leases on water towers.

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

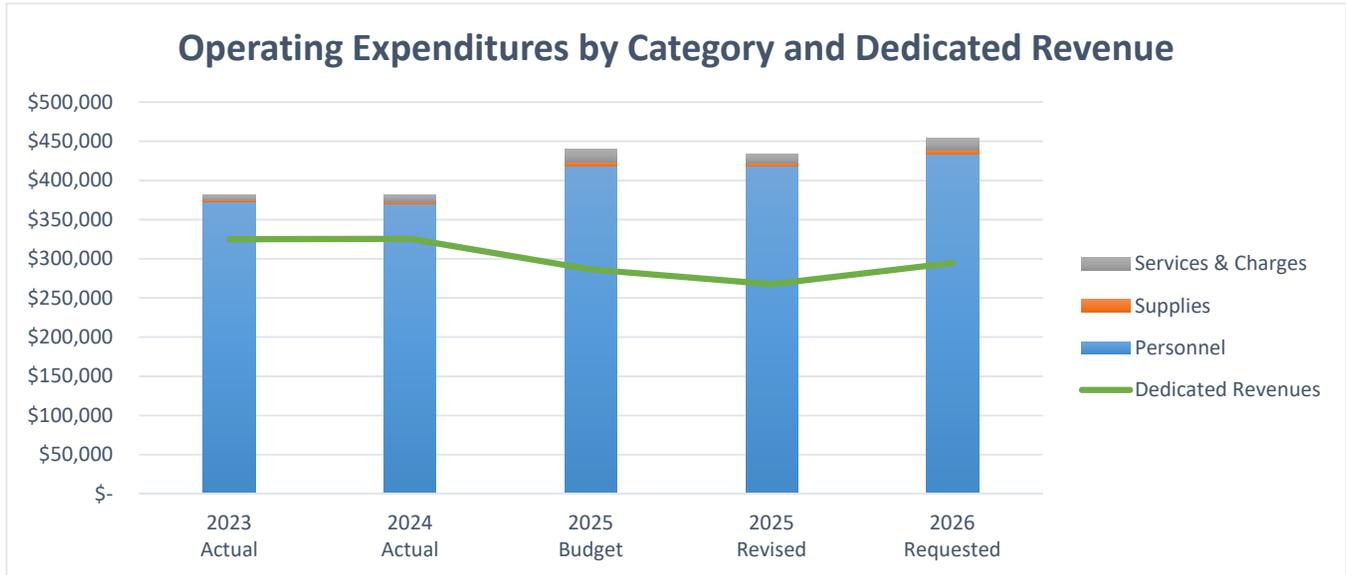
Environmental Health Division
Community Development Department
General Fund

Description of Services:

The mission of the Environmental Health Division is to ensure a safe and healthy 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.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 324,935	\$ 325,499	\$ 286,300	\$ 267,700	\$ 294,800
Operating Expenditures by Category					
Personnel	\$ 372,721	\$ 370,551	\$ 417,900	\$ 417,900	\$ 433,300
Supplies	2,081	2,147	6,100	4,900	5,800
Services & Charges	6,506	8,616	16,100	10,800	14,300
Total Operating Expenditures	\$ 381,308	\$ 381,314	\$ 440,100	\$ 433,600	\$ 453,400



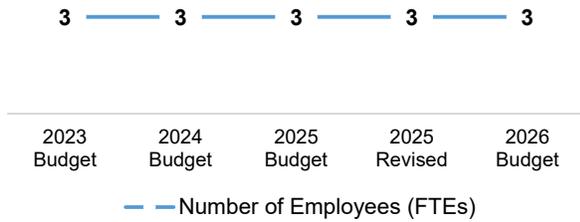
Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Licensed establishments	602	628	620	620
Number of routine food inspections	392	380	385	380
Number of follow-up food inspections	65	63	60	65
Nuisance complaints	437	556	500	525
Average number of days to resolve each nuisance complaint	43	41	45	35

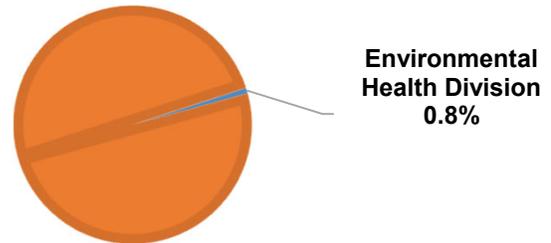
Budget Comments/Issues:

- In the 2026 budget, work in this area contains 3 FTEs.
- The city discontinued its contract with the City of Wayzata to conduct health inspections beginning in 2025.
- The number of establishments and inspections remain steady.

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

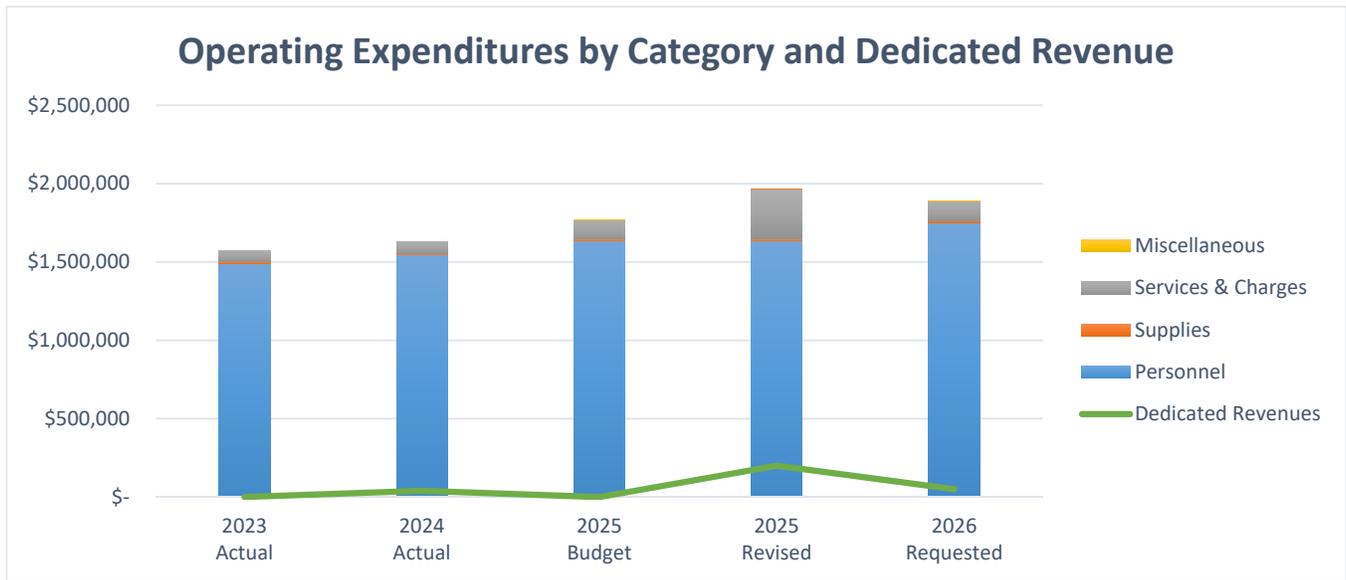
Engineering Division
Engineering Department
General Fund

Description of Services:

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

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 89	\$ 40,300	\$ -	\$ 200,000	\$ 50,000
Operating Expenditures by Category					
Personnel	\$ 1,491,549	\$ 1,544,741	\$ 1,632,700	\$ 1,632,700	\$ 1,751,000
Supplies	10,263	7,436	15,100	14,300	14,000
Services & Charges	67,655	73,659	118,100	316,700	121,100
Miscellaneous	-	-	1,000	1,000	1,000
Total Operating Expenditures	<u>\$ 1,569,467</u>	<u>\$ 1,625,836</u>	<u>\$ 1,766,900</u>	<u>\$ 1,964,700</u>	<u>\$ 1,887,100</u>

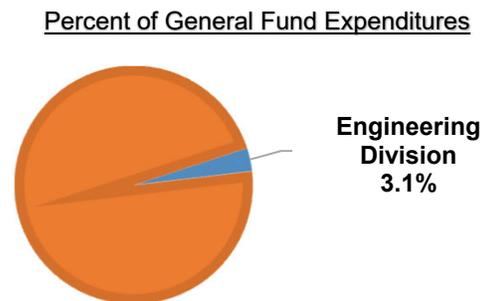
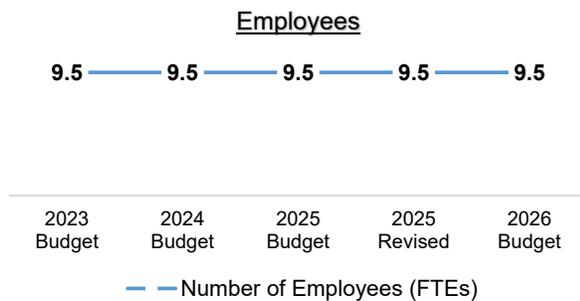


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Neighborhood meetings held	2	2	2	2
Project newsletters mailed/emailed	5,674/50,015	4,197/58,747	4,000/40,000	6,000/60,000
Property acquisitions for construction projects	20	0	15	82
Construction contracts started	1	5	5	4
Construction projects completed	11	4	4	4
Customer service surveys sent out/received	537/14	367/3	200/20	200/20
Responding customers satisfied with project (rated as "average" or greater)	100%	100%	85%	85%

Budget Comments/Issues:

- The 2026 budget for the Engineering Division provides funding to manage and fulfill workload demand services. Thousands of project communication texts and emails will continue to be sent out keeping residents informed of daily activities. New methods of communication will continue to be explored for future projects to continue to improve customer service.
- In 2026, the division 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. Speed counts are taken based on requests from the Police Department and concerned residents.
- The city performs 34 bridge inspections for all road bridges and large culverts every two years. The Rowland Road railroad bridge and Libbs Lake bridge get inspected every year.
- Beginning in 2024, the city began experiencing a significant uptick in fiber installations. The revenue associated with the Engineering Division is largely associated with permits from this activity. The fiber permit revenue generated is dedicated to staff time and consulting services for inspecting and managing the fiber installations.





Division:
Responsible Department:
Fund Type:

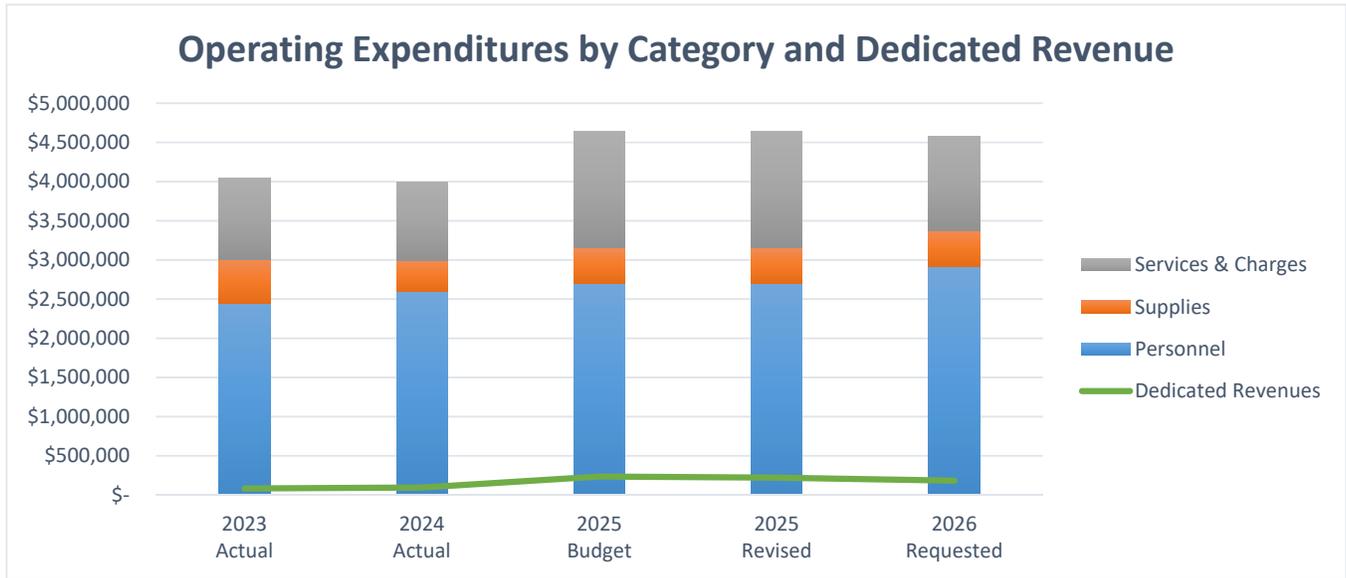
Street Maintenance Division
Public Works Department
General Fund

Description of Services:

The Street Maintenance Division of the Public Works Department is responsible for maintenance of 254 centerline miles of municipal right-of-way including pavement maintenance, snow and ice control, drainage, pavement markings, street signs, intersection traffic signals, street lighting, roadside mowing and tree trimming. Swings in climatic conditions dramatically affect seasonal maintenance expenditures on a year-to-year basis along with energy pricing that affects fuel, supplies and machine repair costs.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 84,904	\$ 96,254	\$ 236,600	\$ 221,700	\$ 183,900
Operating Expenditures by Category					
Personnel	\$ 2,441,256	\$ 2,591,980	\$ 2,704,100	\$ 2,704,100	\$ 2,912,700
Supplies	567,440	404,101	445,300	445,300	465,100
Services & Charges	1,038,036	1,000,663	1,487,600	1,488,400	1,192,600
Total Operating Expenditures	\$ 4,046,732	\$ 3,996,744	\$ 4,637,000	\$ 4,637,800	\$ 4,570,400



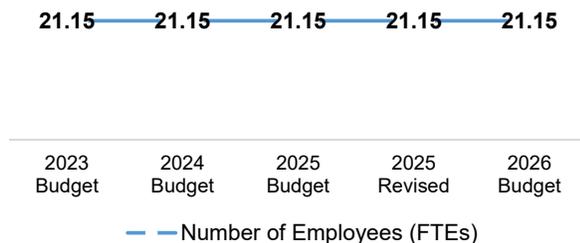
Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Full-scale plowing events required	11	6	8	10
Tons of salt used	1,590	1,603	1,500	2,500
Tons of bituminous mix laid	12,950	17,590	15,500	12,500
Miles of maintenance overlays	7.3	11.4	11.6	10.2
Signs installed	325	322	250	300
Miles of neighborhood refurbishment	3.6	0	3.8	3.3
Maintained streetscape area (sq. ft.)	124,300	152,250	184,200	184,200

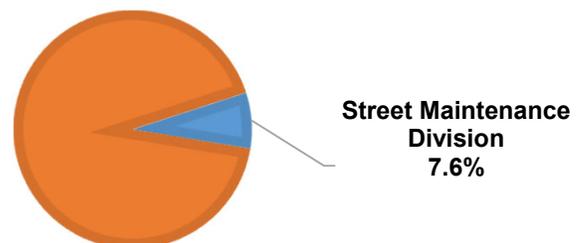
Budget Comments/Issues:

- The 2026 budget maintains current service levels. Streetscape maintenance is currently provided by contract under an annual agreement. The contract was extended in 2025 to include the second phase of the Ridgedale Drive streetscape improvements.
- This division is responsible for the neighborhood street pavement preservation program. The program uses a variety of pavement maintenance technologies to preserve streets after initial construction or thin overlay in order to extend their asset life and serviceability. In 2026, the focus of street preservation will be a number of areas throughout the city. Materials are funded through the Capital Improvement Program (CIP) by the Street Improvement Fund.
- The division is responsible for storm water drainage maintenance and collaborates with the Engineering Division to assure compliance with National Pollution Discharge Elimination System (NPDES) permit requirements. Projects are coordinated with the water resources engineer and natural resources manager.
- Winter road maintenance uses liquid salt brine along with crystal salt for winter snow and ice control. Liquid salt solutions increase crystal salt effectiveness and reduce the total amount of salt used on roadways which minimizes chloride ions that end up in storm water and wetlands. This road maintenance technology addresses environmental concerns which are increasingly important. The city manufactures brine (liquid salt) for its own use and also sells product to Hennepin County and other neighboring cities and school districts, which offsets city purchasing and operational costs.
- The city's snowplow trucks have been outfitted with automated vehicle location (AVL) and digital salt spreader controllers that allow drivers to precisely control the amount and location of salt that is applied on streets and records the total the amount of salt that is used for each plowing event. Supervisors then use the data for jurisdictional reporting such as watershed districts, Hennepin County and the State of Minnesota.
- The operating budget for the division is highly impacted by seasonal climatic variations and the cost of fuel, which affect the cost and amount of fuel, street lighting, road maintenance/construction supplies and machine repair parts.

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

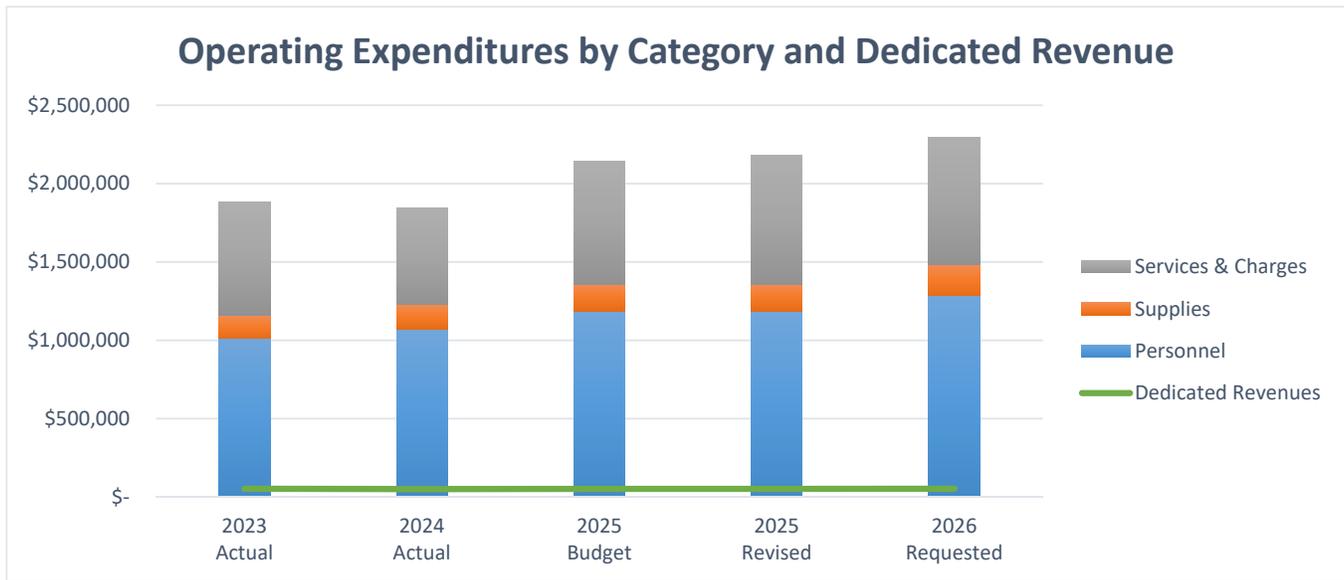
Building Maintenance Division
Public Works Department
General Fund

Description of Services:

The Building Maintenance Division of the Public Works Department is responsible for the maintenance and repair of the city's 15 community buildings and their component systems such as heating, ventilation, air conditioning, electrical, plumbing and mechanical. The division oversees and coordinates capital building improvement projects as outlined in the city's Capital Improvements Program (CIP). It further supports the city's recreational facilities and parks buildings with maintenance and capital project support.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 53,558	\$ 50,641	\$ 52,000	\$ 52,500	\$ 53,000
Operating Expenditures by Category					
Personnel	\$ 1,011,449	\$ 1,071,055	\$ 1,186,800	\$ 1,186,800	\$ 1,284,500
Supplies	148,858	155,762	171,800	171,300	195,200
Services & Charges	723,158	614,998	786,500	824,100	817,100
Total Operating Expenditures	\$ 1,883,465	\$ 1,841,815	\$ 2,145,100	\$ 2,182,200	\$ 2,296,800

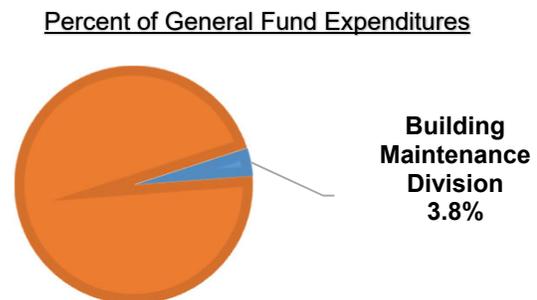
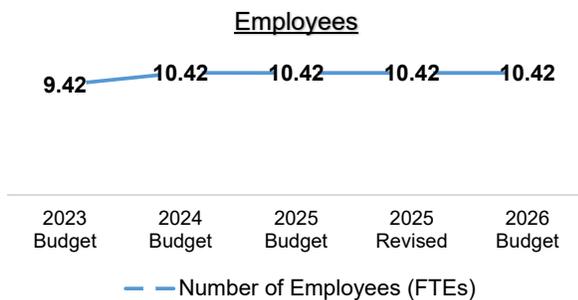


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Work orders completed	2,860	3,500	3,625	3,655
Heat energy - cost	\$86,486	63,702	111,900	120,000
Heat energy used (THM)	340,807	261,200	300,000	302,000
Electrical energy - cost	\$309,890	\$276,498	\$301,383	\$328,507
Electrical energy used (kWh)	6,356,392	5,760,400	6,027,660	6,570,140
Solar Garden Savings (all bldgs.)	\$237,000	\$623,305	\$745,554	\$468,554

Budget Comments/Issues:

- The 2026 budget for the Building Maintenance Division supports maintenance and repair of the city's 15 community buildings and their component systems such as heating, ventilation, air conditioning, electrical, plumbing and mechanical. It further supports the city's recreational facilities and parks buildings.
- In 2025, the city added rooftop and ground array solar in 3 locations, adding to the Solar Program credits utilizing citywide sustainable energy consumption.
- In 2023-2025, the city's three EV charging station locations accumulated approximately 20,000 individual charging sessions, reducing citywide greenhouse gas emissions.





Division:
Responsible Department:
Fund Type:

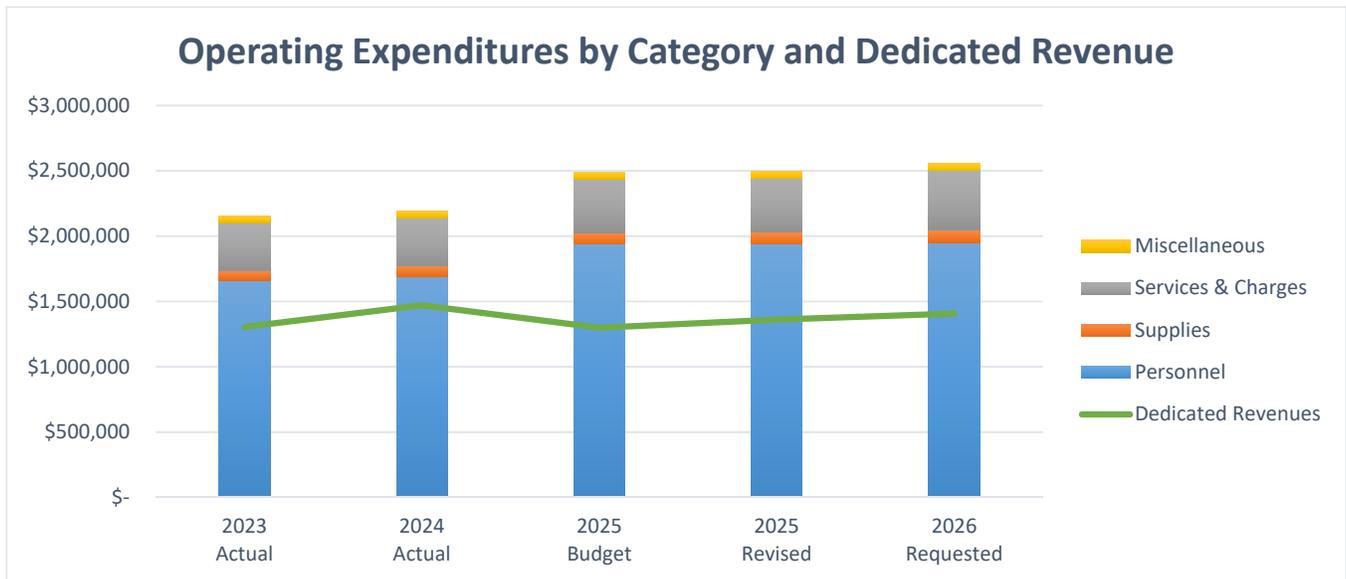
Joint Recreation Division
Recreation Services Department
General Fund

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 60 areas of interest for participants from infants to senior citizens. This division also oversees the operation of Shady Oak Beach, attended by approximately 8,000 people annually.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 1,304,971	\$ 1,470,888	\$ 1,298,600	\$ 1,360,400	\$ 1,407,100
Operating Expenditures by Category					
Personnel	\$ 1,660,438	\$ 1,691,363	\$ 1,939,100	\$ 1,939,100	\$ 1,949,700
Supplies	75,990	83,345	89,200	92,400	98,200
Services & Charges	366,150	364,431	408,400	409,200	452,700
Miscellaneous	49,319	51,809	50,000	51,950	57,000
Total Operating Expenditures	\$ 2,151,897	\$ 2,190,948	\$ 2,486,700	\$ 2,492,650	\$ 2,557,600
Other Financing Sources (Uses)					
Transfers Out	\$ (13,501)	\$ (15,209)	\$ (13,500)	\$ (15,200)	\$ (15,200)



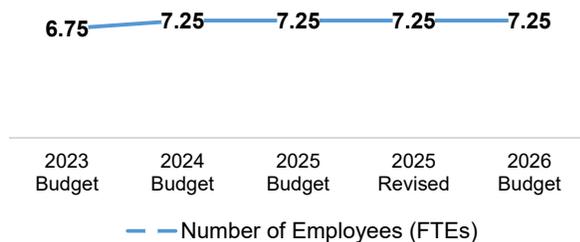
Key Measures:

	<u>2023</u> Actual	<u>2024</u> Actual	<u>2025</u> Estimated	<u>2026</u> Projected
Program participants	26,350	28,528	27,000	27,000
- Youth sports league participation	644	660	660	660
- Swimming lesson participation	1,885	1,325	1,200	1,200
- Park Adventures participation	914	975	1,150	1,150
Shady Oak Beach season passes sold	3,316	3,410	3,300	3,300
Scholarships approved	60	69	60	60
Total value of scholarships approved	\$6,000	\$6,900	\$6,000	\$6,000
Adult sports teams registered	466	531	520	520

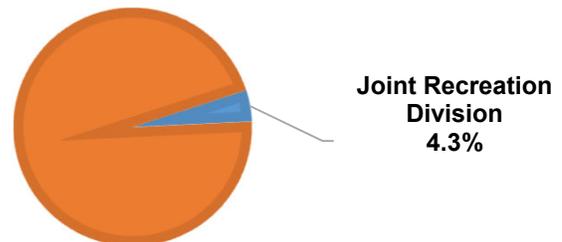
Budget Comments/Issues:

- Program participation numbers increased in 2024 after a decrease in 2023. Overall, there seems to be less interest in some of the program offerings that can accommodate larger numbers of participants and more interest in programs that have a smaller participant maximum. The number of program offerings has increased to offset this trend.
- Registration for swimming lessons has been on the rise for the past several years. With the purchase of The Marsh in 2023, there is now additional pool space available to meet the rising demand. The interest in private lessons exceeds that of group lessons, however, so overall participation numbers have decreased. The price of a private lessons versus a group lesson is significantly higher, so revenues are less affected by this change.
- Participation in adult sports increased in 2024 and interest continues to be strong in 2025. The most popular leagues are volleyball and basketball. Facility space and staff availability limits the amount of growth for some leagues. Softball was once the most popular adult sports league offered, but interest continues to decline for that sport around the entire metro area.
- In order to attract quality seasonal employees and stay competitive with surrounding cities, minimum hourly rates were increased to a starting rate of \$15.91/hr for all positions in 2025.
- Qualified scholarship applicants receive \$100 annually to apply towards eligible programs of their choosing. All qualified scholarship requests were granted in 2024 and will be in 2025 based on the fund balance.

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

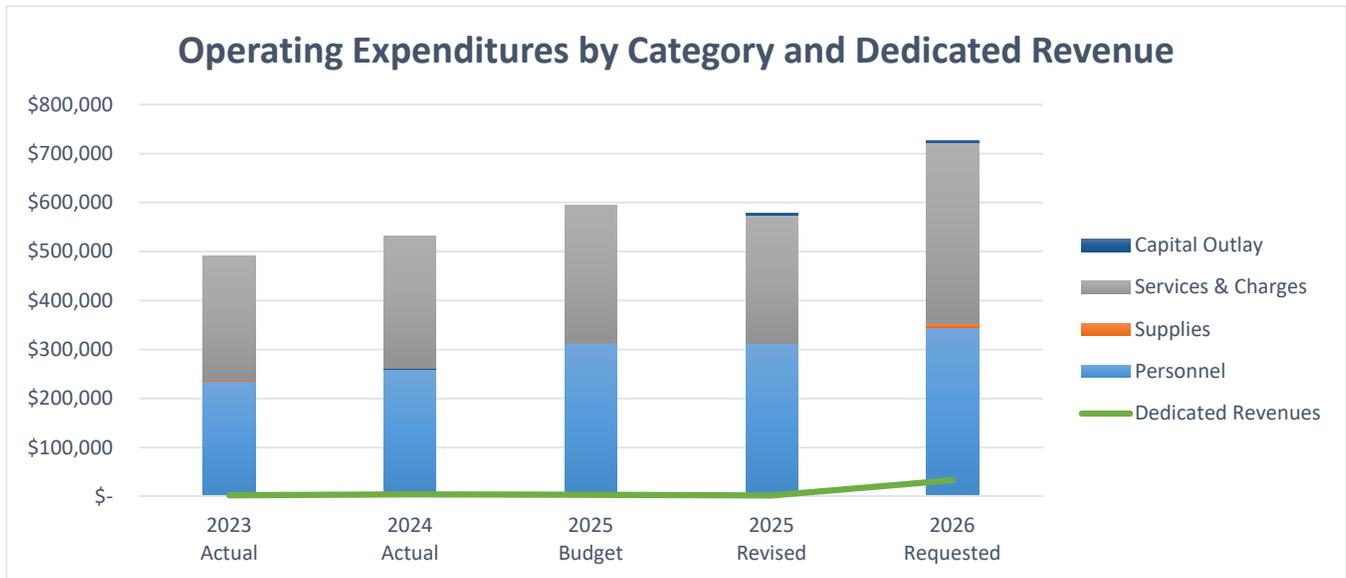
Minnetonka Recreation Division
Recreation Services Department
General Fund

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 Royals Athletic Center, Music Association of Minnetonka programs, outdoor ice rink operations, and six summer Park Adventures program locations.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 2,650	\$ 4,150	\$ 3,500	\$ 2,000	\$ 33,300
Operating Expenditures by Category					
Personnel	\$ 235,493	\$ 259,996	\$ 312,100	\$ 312,100	\$ 346,000
Supplies	1,601	2,387	3,300	1,000	6,100
Services & Charges	253,643	269,691	279,800	261,200	369,900
Capital Outlay	-	-	-	5,000	5,000
Total Operating Expenditures	<u>\$ 490,737</u>	<u>\$ 532,074</u>	<u>\$ 595,200</u>	<u>\$ 579,300</u>	<u>\$ 727,000</u>
Other Financing Sources (Uses)					
Transfers Out	<u>\$ (113,000)</u>	<u>\$ (113,000)</u>	<u>\$ (163,000)</u>	<u>\$ (163,000)</u>	<u>\$ (63,000)</u>



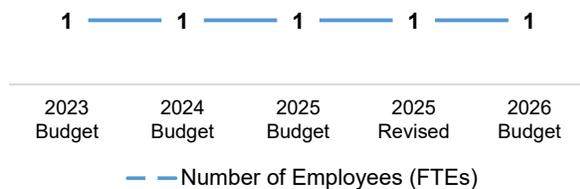
Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Minnnetonka playground registrations	689	637	800	750
Warming House Attendance	4,922	1,993	2,800	3,500
Music Association of Minnetonka (MAM) participants	280	284	280	280
Special Event Attendance (Summer Fest, Kids' Fest, Burwell Spooktacular)	7,213	7,850	7,000	7,500
Music/Movies in the Park attendance	3,725	3,320	3,200	3,200

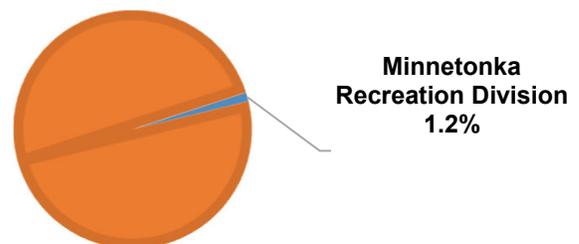
Budget Comments/Issues:

- Minnetonka recreation programming is annually reviewed and adjusted to provide programming that is desired by the community at the present time. After seeing decreased interest in the longstanding Kid's Corner program, a new weekly camp offering, Camp HopTonka, was introduced in 2025.
- A new registration process for the Park Adventures program was implemented in 2021. Rather than registering for the entire season, participants now register for each week to encourage more consistent attendance. This format worked well and has continued. Adequate staffing levels has allowed increased program registration maximums and participation in 2025.
- Outdoor ice rinks are provided at six city park locations as well as Glen Lake Elementary School. The unseasonably warm temperatures during the 2023-2024 season highly affected the season. The 2024-2025 season has also been impacted due to the postponement of all rink openings until after the 2024 winter break, which is typically the busiest two weeks of the season.
- The Farmers Market was moved to Ridgedale Commons in 2023. After experiencing lower than expected attendance numbers after two seasons, the Farmers Market has moved to The Marsh parking lot for the 2025 season. The location is highly visible and had a successful season. The Music and Movies in the Park programs continue to be popular summer events for the community. Approximately 3,200 people attended Music and Movies in the park events in 2025.
- Music Association of Minnetonka (MAM) programs offered in 2024-25 included the following: Youth Choir, Symphony Orchestra, Chamber Orchestra, Concert Band, Jazz Band and Senior Chorale. Two specialty programs were also offered including the Senior Chorale Summer programs and the Summer String program. There were 73 participants in these programs. Overall, MAM had a total of 22 performances and 3,262 people experienced their music.

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

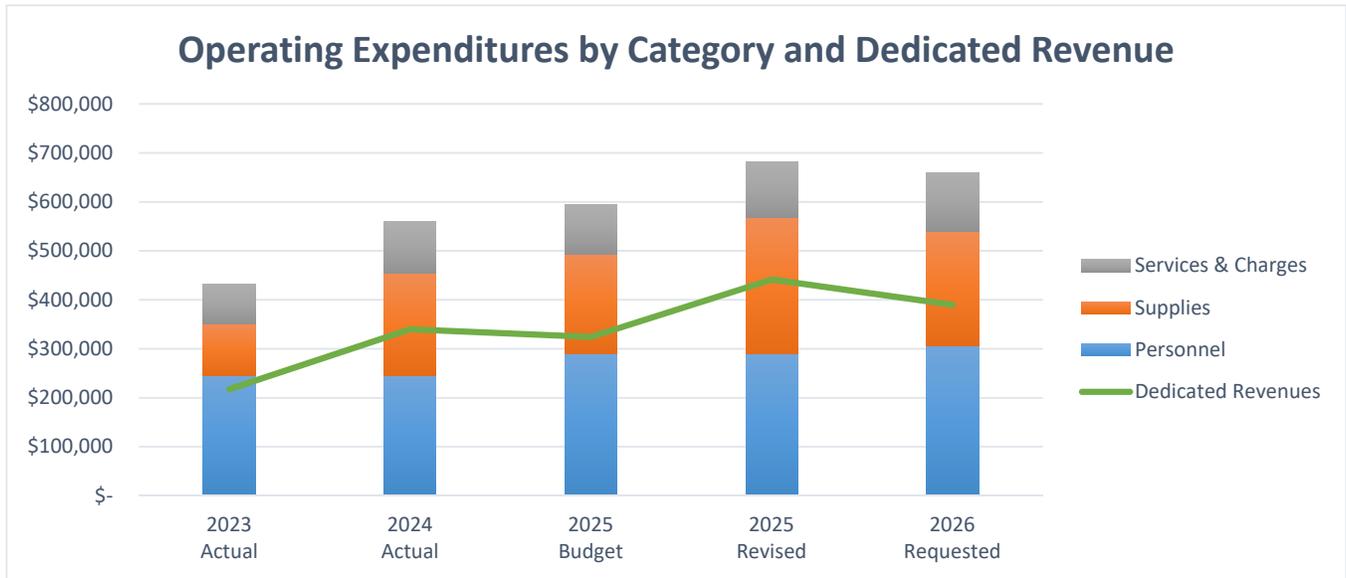
Senior Services Division
Recreation Services Department
General Fund

Description of Services:

The goals of the Senior Services Division are to: broaden the knowledge and involvement of residents 55+; offer diverse programs and services; promote independent living; and encourage volunteerism. The division provides a wide range of leisure activities serving a diverse senior population as well as addressing day-to-day living experiences. Senior programming includes day-trips, education classes, fitness classes, defensive driving, outreach/insurance consultation, and meal/entertainment experiences. In addition, there are 33 special interest groups offered to residents. Some services are provided through contracts with private or non-profit organizations, and a portion of the costs for programs is recovered through fees.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 217,585	\$ 340,015	\$ 324,500	\$ 441,500	\$ 390,000
Operating Expenditures by Category					
Personnel	\$ 245,992	\$ 245,659	\$ 289,500	\$ 289,500	\$ 306,300
Supplies	105,223	209,020	203,400	277,800	233,600
Services & Charges	81,498	105,451	102,000	114,000	119,300
Total Operating Expenditures	\$ 432,713	\$ 560,130	\$ 594,900	\$ 681,300	\$ 659,200

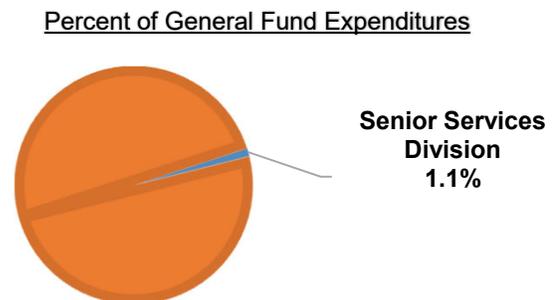
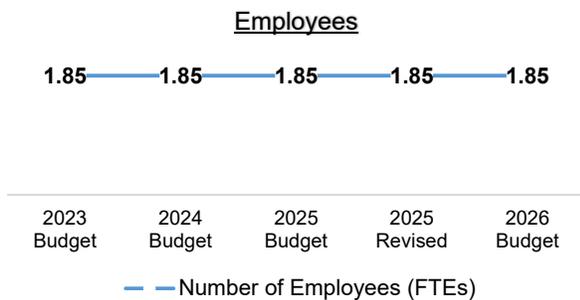


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Program participant visits	31,736	41,853	41,500	42,000
Programs offered	397	440	430	435
Senior volunteers used	207	185	190	190
Volunteer hours donated	5,088	6,325	6,400	6,400

Budget Comments/Issues:

- Senior Services staff provide programs and services designed to meet the needs of the growing 55+ demographic.
- Senior Services continues to offer dementia programming such as Memory Café, Dementia Friends classes, caregiver support groups and educational presentations.
- Senior Services received an art grant through Senior Community Services from the Minnesota State Arts Board from February 2024-January 2025. The grant allowed senior services to provide art programs at a significantly reduced cost to our customers that otherwise would have been cost prohibitive.
- Senior day trip programs continue to be popular and staff has planned more trips in 2025 and 2026 including additional extended overnight bus trips. These additional trips will increase expenses, but revenues will also increase to cover those expenses.





Division:
Responsible Department:
Fund Type:

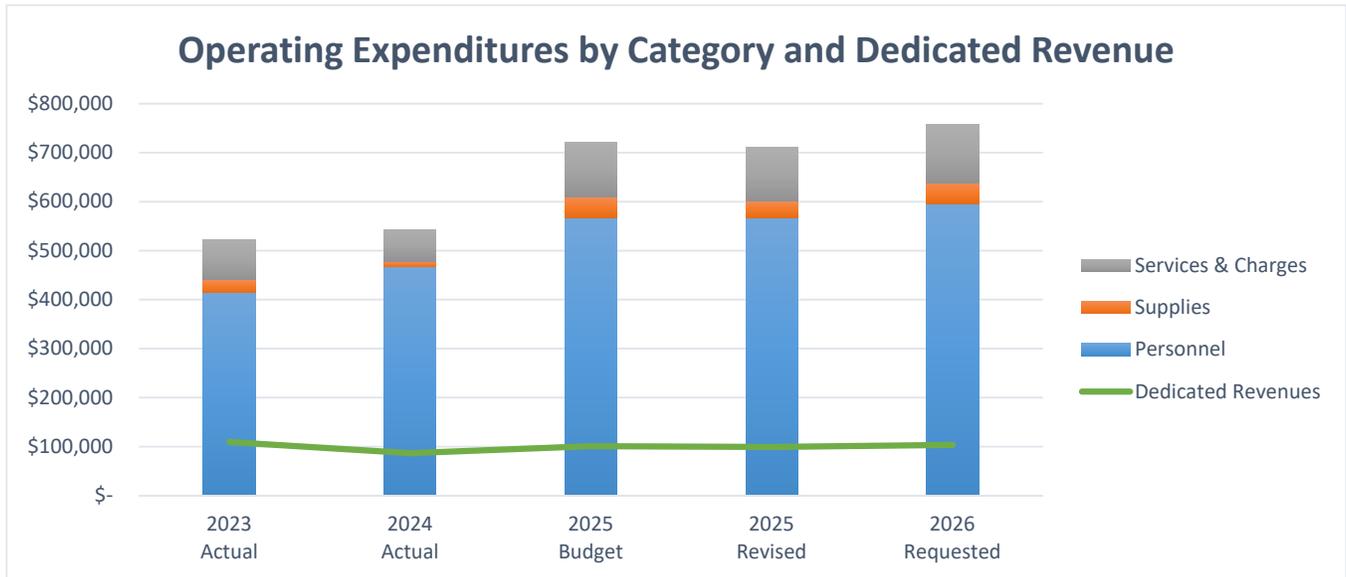
Community Facilities Division
Recreation Services Department
General Fund

Description of Services:

The Community Facilities Division manages city-owned facilities including the Community Center, Glen Lake Activity Center, 10 picnic shelters, athletic fields, Royals Athletic 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, Cottageville, Oakes, and Valley Park shelters in Hopkins.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 109,282	\$ 86,598	\$ 101,000	\$ 99,300	\$ 103,300
Operating Expenditures by Category					
Personnel	\$ 414,030	\$ 466,932	\$ 567,400	\$ 567,400	\$ 594,900
Supplies	26,348	9,953	42,500	33,300	42,500
Services & Charges	82,952	66,235	111,400	109,600	120,700
Total Operating Expenditures	<u>\$ 523,330</u>	<u>\$ 543,120</u>	<u>\$ 721,300</u>	<u>\$ 710,300</u>	<u>\$ 758,100</u>

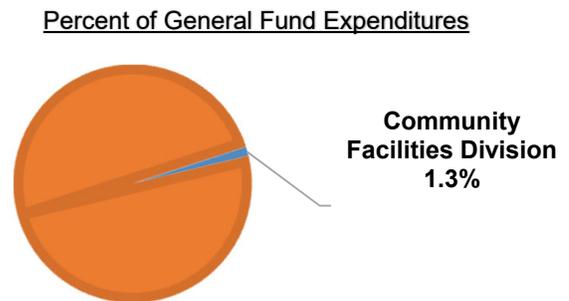
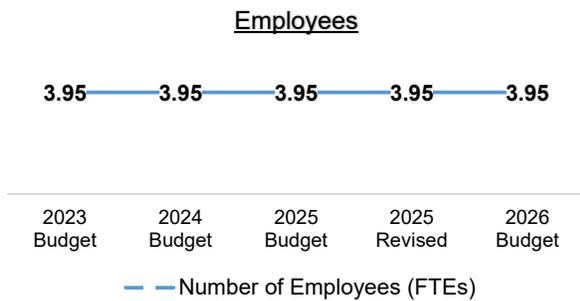


Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Community Center rental revenue	\$109,282	\$86,598	\$99,000	\$103,000
Community Center hours reserved	9,404	12,499	12,200	12,500
Satellite facility hours reserved	363	446	400	200
Picnic shelter permits issued	396	378	375	385
Athletic field hours reserved	3,989	4,132	4,100	4,150

Budget Comments/Issues:

- The 2026 budget for the Community Facilities Division provides current level services.
- Consistent with the council's strategic plan, a market study is completed annually to determine fees for use of the Community Center and other recreational facilities.
- Community Center use hours and revenue were affected by the planned renovation in 2023 due to not accepting room rentals in anticipation of the renovation, but use hours and revenue have stabilized since that time.
- The number of picnic shelter rentals remain popular with permit numbers staying above 375 since 2023.





Division:
Responsible Department:
Fund Type:

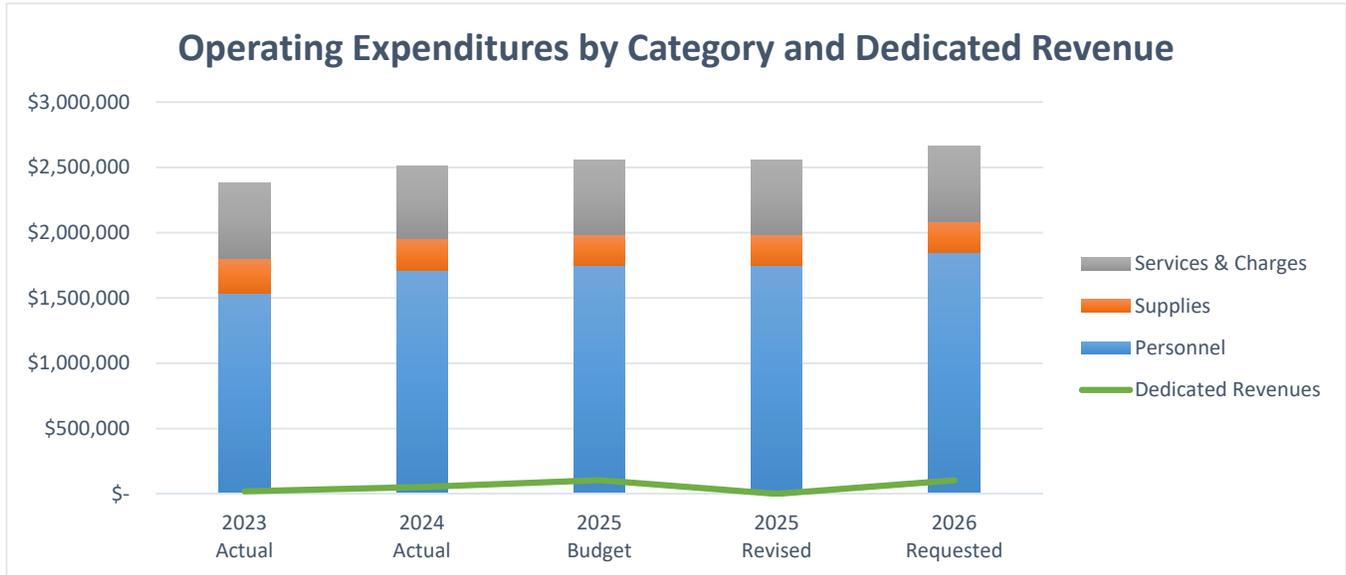
Parks & Trails Division
Public Works Department
General Fund

Description of Services:

The Parks and Trails Division of the Public Works Department is responsible for all park, trail & sidewalk maintenance, planning and development. This includes: park and open space turf areas, 11 athletic fields, 17 ice rinks, over 100 miles of trails & sidewalks and 31 play structures at 53 parks. Future development decisions regarding parks and open space actively include community users, Recreation Department staff, the Minnetonka Park Board and the City Council. In the future, the increase in trail and sidewalk mileage will require that equipment and personnel be added to meet maintenance needs.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 20,301	\$ 53,080	\$ 104,800	\$ -	\$ 104,500
Operating Expenditures by Category					
Personnel	\$ 1,539,922	\$ 1,710,227	\$ 1,746,800	\$ 1,746,800	\$ 1,849,300
Supplies	261,042	241,906	235,700	235,700	237,500
Services & Charges	580,147	560,264	576,400	576,400	574,400
Total Operating Expenditures	\$ 2,381,111	\$ 2,512,397	\$ 2,558,900	\$ 2,558,900	\$ 2,661,200



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Park acreage maintained	1,293	1,293	1,293	1,293
Level 1 - Maintenance Areas (# /acres)*	8/402	8/402	8/402	8/402
Level 2 - Maintenance Areas (# /acres)*	11/199	11/199	11/199	11/199
Levels 3 & 4 - Maintenance Areas (# /acres)*	34/692	34/692	34/692	34/692
Trails and sidewalks maintained (miles)	110.9	112.0	112.0	112.6

* 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 2026 budget continues to provide for increasing service levels as staff accommodates an expanding inventory of city park amenities, trails and sidewalks which require additional maintenance.
- The 2024 Trail Improvement Plan included the completion of the Hopkins Crossroad trail from Cedar Lake Road to Wayzata Boulevard and on Hillside Lane from Hopkins Crossroad to Tanglen Elementary. No new trails will be built in 2025 to prepare for construction in 2026 on Minnetonka Blvd west of Williston Rd.
- Ridgedale Commons Park opened in June 2023. This Level 1 park has significant landscape plantings, site furnishings, water feature, amenities, and a building that requires regular maintenance and custodial services to support use by the general public and programming by the Recreation Department.
- The city received a \$400,000 Minnesota State Skate Park Grant in 2025 which will be applied to the design and construction of the Glen Lake Skate Park.

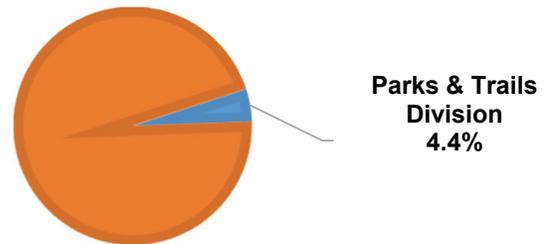
Employees

12.12 — 12.12 — 12.12 — 12.12 — 12.12

2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
12.12	12.12	12.12	12.12	12.12

— Number of Employees (FTEs)

Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

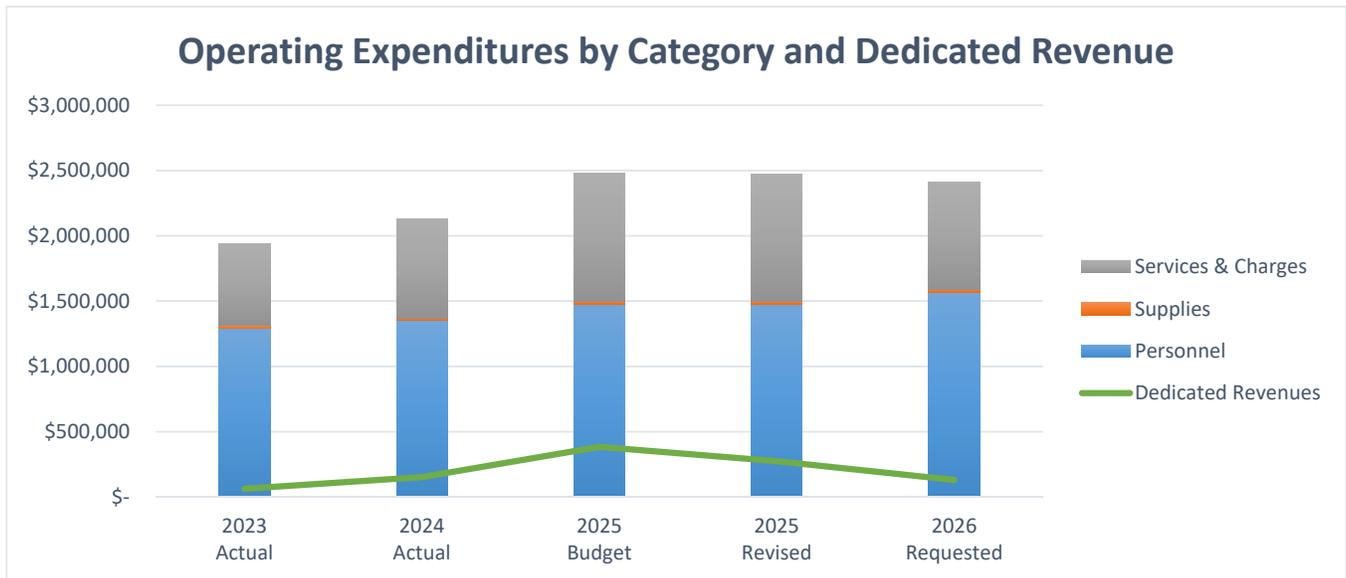
Natural Resources Division
Public Works Department
General Fund

Description of Services:

The Natural Resources Division manages the planning, development and stewardship of the community's natural resources as guided by the 2021 Natural Resources Master Plan. The division is responsible for urban forest management, natural resource conservation and protection, wetland enhancement and protection, enforcement of natural resource ordinances, public land stewardship, environmental education, and community engagement through volunteerism, public events, and technical assistance.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 64,286	\$ 152,812	\$ 384,200	\$ 274,600	\$ 131,000
Operating Expenditures by Category					
Personnel	\$ 1,289,757	\$ 1,352,835	\$ 1,478,300	\$ 1,478,300	\$ 1,569,800
Supplies	22,422	16,764	22,300	21,900	22,000
Services & Charges	628,525	757,564	977,600	972,900	822,800
Total Operating Expenditures	\$ 1,940,704	\$ 2,127,163	\$ 2,478,200	\$ 2,473,100	\$ 2,414,600



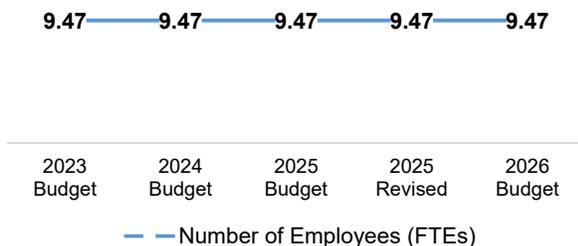
Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Diseased trees removed (Oak & Elm)	38	33	35	35
Public trees planted (reforestation/restoration)	166	181	120	2,900
Private trees planted through city's tree sale	615	796	775	775
Permits inspected for natural resource compliance / ongoing inspections	154/400	194/600	150/600	150/600
Development projects reviewed	49	42	45	45
Volunteer projects conducted / hours donated	57/4,105	32/4,675	35/4,000	35/4,000
Enforcement actions taken	14	8	10	10
Wetland Conservation Act decisions/contacts	20/240	14/205	15/200	15/200

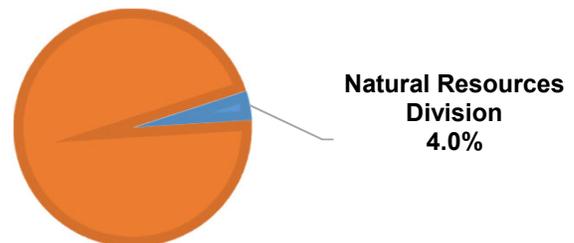
Budget Comments/Issues:

- The 2026 budget for the Natural Resources Division continues to include activities related to adoption of the 2021 Natural Resources Master Plan. Habitat restoration in high priority parks is increasing on over 400 acres of public lands, based on adopted park restoration and maintenance plans. The rapid expansion of Emerald Ash Borer (EAB) means that preemptive ash removals and replanting efforts will continue to help mitigate the impacts EAB is having on the community. In 2026, staff will also continue the removal of right-of-way ash trees which will be funded by the Forestry Fund and continue tree inspections for EAB, along with heightened community education. Development of the Minnetonka Community Forest Management Plan from 2025 will help guide forestry efforts in 2026 and beyond.
- The street tree pruning program will continue in 2026. This work is necessary in order to keep pace with street reconstructions and neighborhood street renovations. Pruning of public trees in parks and other open space areas will also continue.
- In 2026, natural resources staff will continue to work along with the engineering staff to implement requirements for the state Municipal Separate Storm Sewer System (MS4) permit. The new permit requirements include enhancing the city's public outreach and engagement efforts related to stormwater runoff and water quality protection, employee education and training on illicit discharges, reducing pet waste, limiting yard waste in storm drains, and reduction of chloride use by businesses, commercial facilities, and institutions.

Employees



Percent of General Fund Expenditures





Division:
Responsible Department:
Fund Type:

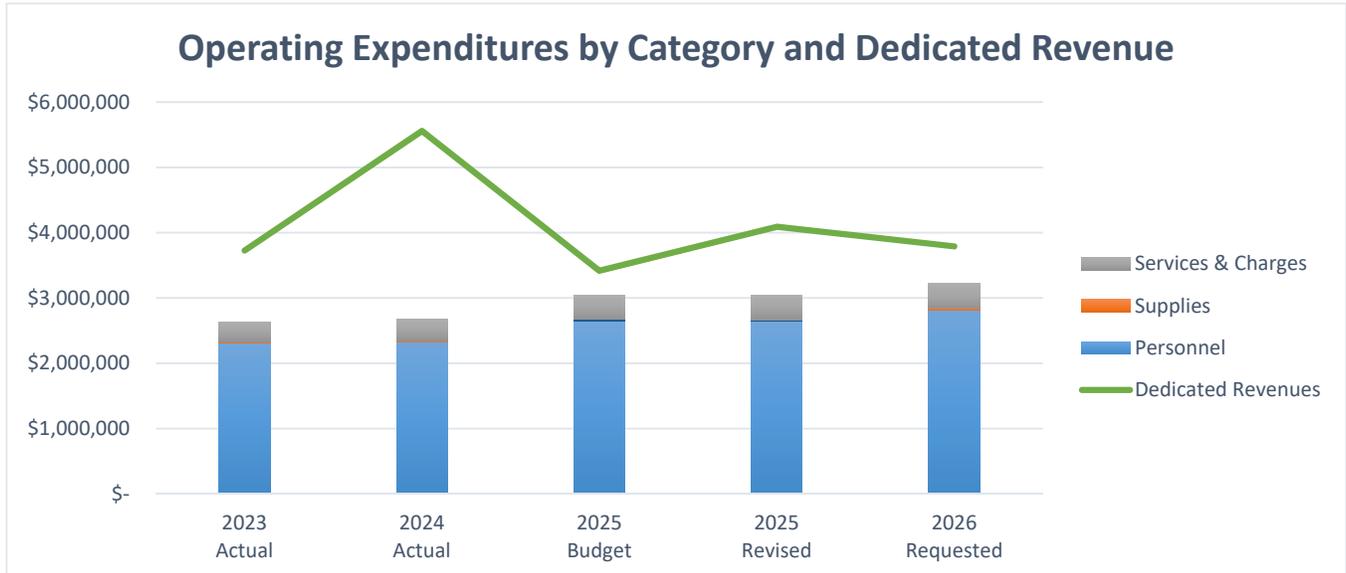
Community Development Division
Community Development Department
General Fund

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 Transit Link. Building inspections are provided to Woodland and Greenwood via a contract for services.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 3,726,440	\$ 5,557,892	\$ 3,416,200	\$ 4,089,300	\$ 3,789,500
Operating Expenditures by Category					
Personnel	\$ 2,312,786	\$ 2,330,130	\$ 2,650,900	\$ 2,650,900	\$ 2,821,000
Supplies	14,779	13,043	20,500	17,000	18,500
Services & Charges	311,518	334,970	368,200	375,000	379,700
Total Operating Expenditures	\$ 2,639,083	\$ 2,678,143	\$ 3,039,600	\$ 3,042,900	\$ 3,219,200

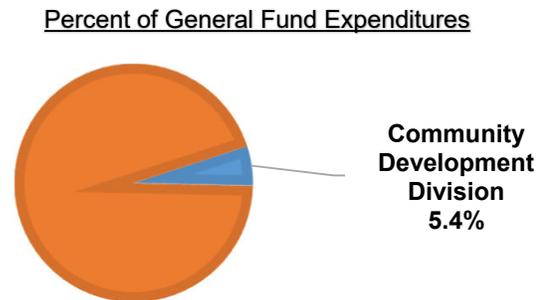
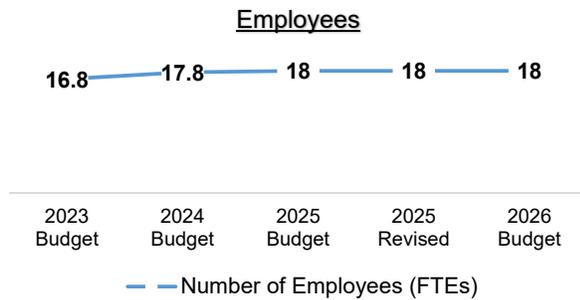


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Permits issued	8,388	8,669	8,500	8,500
Building construction value	\$185 Million	\$369 Million	\$285 Million	\$285 Million
Residential building plan reviews completed	1,867	1,194	1,500	1,500
Agenda items prepared	229	205	225	225
# of annual inspections	16,336	14,244	15,000	15,000

Budget Comments/Issues:

- Construction in 2026 continues to remain stable and possibly a predicted slight increase.
- The number of 2026 permits issued is expected to remain steady. Residential remodeling and tenant improvements in commercial spaces continue to be strong investments in the community.
- A change in inspections created an assistant building official position. This is an elevated position but did not change the total full-time equivalent employee count.
- Minnetonka ended its electrical inspection services in Woodland and Deephaven, but maintains full inspection services for Greenwood.





Division:
Responsible Department:
Fund Type:

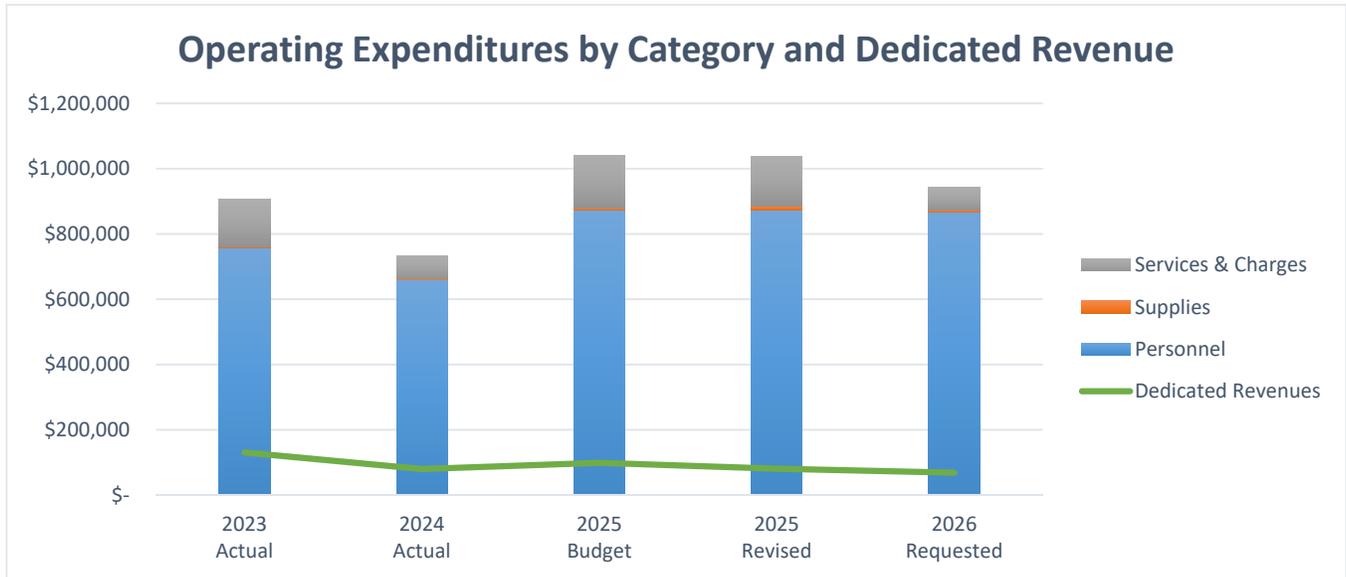
Planning Division
Community Development Department
General Fund

Description of Services:

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

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 130,840	\$ 80,275	\$ 99,200	\$ 81,100	\$ 68,700
Operating Expenditures by Category					
Personnel	\$ 757,067	\$ 659,039	\$ 872,300	\$ 872,300	\$ 868,200
Supplies	3,719	3,003	6,200	14,200	5,400
Services & Charges	147,318	70,609	163,300	150,600	69,200
Total Operating Expenditures	\$ 908,104	\$ 732,651	\$ 1,041,800	\$ 1,037,100	\$ 942,800

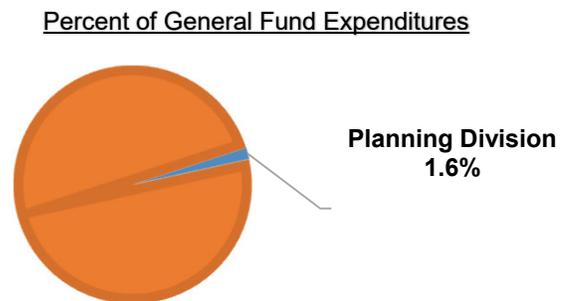
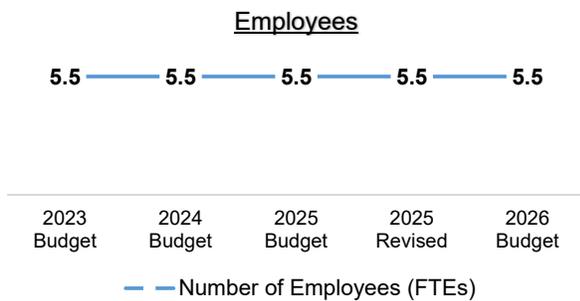


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Planning applications received	103	91	95	95
Building permits reviewed	614	895	900	900
Grading permits issued	5	4	4	4
Public meetings	33	25	30	30

Budget Comments/Issues:

- The Planning Division continues to receive development requests and smaller subdivisions projects for review.
- Staff expects work on zoning ordinance revisions to occur in 2026. This impacts the budget relating to consulting assistance for this work.
- The 2026 budget includes continued implementation of the city's climate action and adaptation plan.





CITY OF
MINNETONKA

2026 Annual Budget - Special Revenue Funds

	Affordable Housing Trust Fund	Housing Sales Tax	Cable Television	Community Development Block Grant
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
User Fees & Charges	-	-	-	-
Intergovernmental Revenue	-	800,400	-	-
Other Income	157,300	10,400	939,700	3,000
Total Revenues	<u>\$ 157,300</u>	<u>\$ 810,800</u>	<u>\$ 939,700</u>	<u>\$ 3,000</u>
Expenditures				
General Government	\$ -	\$ -	\$ 652,100	\$ -
Public Safety	-	-	-	-
Streets & Utilities	-	-	-	-
Recreation	-	-	-	-
Development	1,030,000	600,000	-	40,000
Total Expenditures	<u>\$ 1,030,000</u>	<u>\$ 600,000</u>	<u>\$ 652,100</u>	<u>\$ 40,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(872,700)</u>	<u>210,800</u>	<u>287,600</u>	<u>(37,000)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 175,000	\$ -	\$ -	\$ -
Transfers Out	-	-	(119,700)	-
Total Other Financing Sources (Uses)	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ (119,700)</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ (697,700)	\$ 210,800	\$ 167,900	\$ (37,000)
Estimated Beginning Available Fund Balance	7,509,563	832,555	1,722,052	(21,608)
Reserve for Delayed Projects	-	-	(1,258,889)	-
Estimated Ending Available Fund Balance	<u>\$ 6,811,863</u>	<u>\$ 1,043,355</u>	<u>\$ 631,063</u>	<u>\$ (58,608)</u>

2026 Annual Budget - Special Revenue Funds

	Electric Franchise Fees	Grants	Housing & Redevelopment Authority	Ice Arena Fund
Revenues:				
General Property Taxes	\$ -	\$ -	\$ 300,000	\$ 200,000
User Fees & Charges	-	-	-	-
Intergovernmental Revenue	-	153,000	-	-
Other Income	1,441,600	28,800	43,700	1,022,200
Total Revenues	<u>\$ 1,441,600</u>	<u>181,800</u>	<u>\$ 343,700</u>	<u>\$ 1,222,200</u>
Expenditures				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	178,000	-	-
Streets & Utilities	1,200,000	-	-	-
Recreation	-	-	-	1,284,100
Development	-	-	37,000	-
Total Expenditures	<u>\$ 1,200,000</u>	<u>178,000</u>	<u>\$ 37,000</u>	<u>\$ 1,284,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>241,600</u>	<u>3,800</u>	<u>306,700</u>	<u>(61,900)</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	(200,000)	(36,100)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>\$ (200,000)</u>	<u>\$ (36,100)</u>
Net Change in Fund Balance	\$ 241,600	\$ 3,800	\$ 106,700	\$ (98,000)
Estimated Beginning Available Fund Balance	3,366,120	139,814	1,343,269	(359,486)
Reserve for Delayed Projects	<u>(4,726,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Estimated Ending Available Fund Balance	<u><u>\$ (1,118,927)</u></u>	<u><u>\$ 143,614</u></u>	<u><u>\$ 1,449,969</u></u>	<u><u>\$ (457,486)</u></u>

2026 Annual Budget - Special Revenue Funds

	The Marsh Fund	Total Special Revenue Funds
Revenues:		
General Property Taxes	\$ 200,000	\$ 700,000
User Fees & Charges	265,000	265,000
Intergovernmental Revenue	-	953,400
Other Income	1,620,000	5,266,700
Total Revenues	\$ 2,085,000	\$ 7,185,100
Expenditures		
General Government	\$ -	\$ 652,100
Public Safety	-	178,000
Streets & Utilities	-	1,200,000
Recreation	2,315,100	3,599,200
Development	-	1,707,000
Total Expenditures	\$ 2,315,100	\$ 7,336,300
Excess (Deficiency) of Revenues Over (Under) Expenditures		
	(230,100)	(151,200)
Other Financing Sources (Uses)		
Transfers In	\$ -	\$ 175,000
Transfers Out	-	(355,800)
Total Other Financing Sources (Uses)	\$ -	\$ (180,800)
Net Change in Fund Balance	\$ (230,100)	\$ (332,000)
Estimated Beginning Available Fund Balance	(1,314,377)	
Reserve for Delayed Projects	-	
Estimated Ending Available Fund Balance	\$ (1,544,477)	



Fund:
Responsible Department:
Fund Type:

Affordable Housing Trust Fund
Community Development Department
Special Revenue Fund

Description of Services:

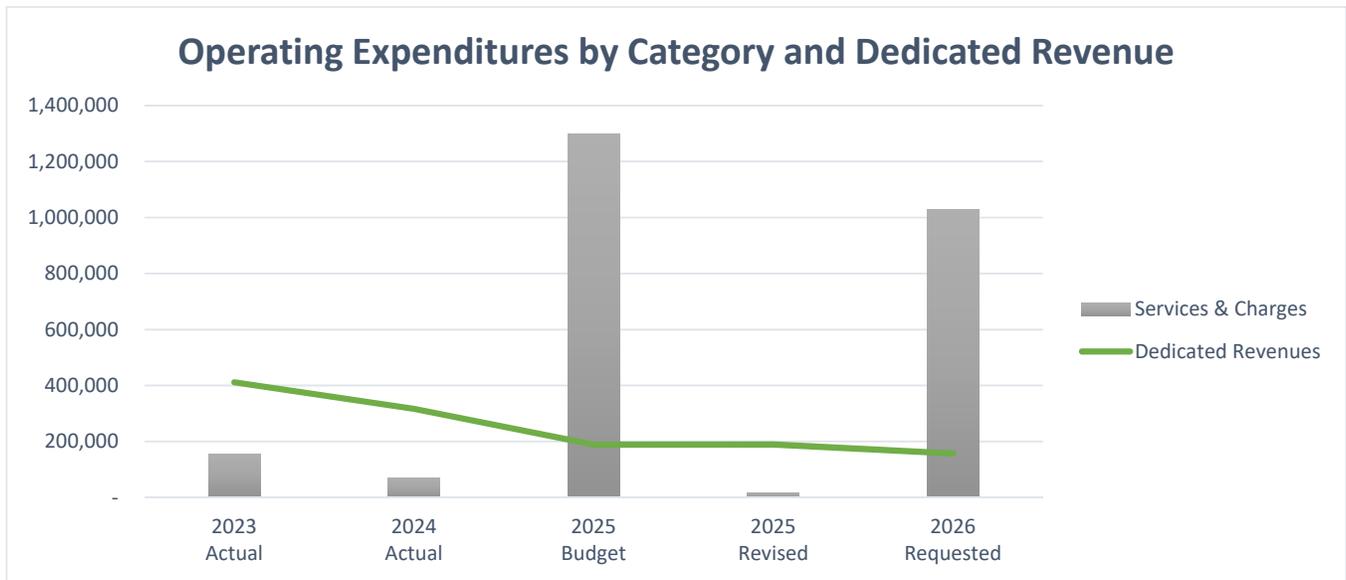
On Nov. 23, 2020, the city council adopted an ordinance (City Ordinance 2020-22) to establish an affordable housing trust fund (AHTF). The AHTF is the only mechanism that allows the city to spend dollars on rental assistance and other eligible housing activities.

State Statute 462C.16 provides authority for local governments to establish an AHTF for the purposes of: Making grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing; Matching other funds from federal, state, or private resources for housing projects; Providing down payment assistance, rental assistance, and homebuyer counseling services; and paying for administrative expenses, up to 10 percent of the balance of the fund.

Under the statute, cities can fund the trust fund with any money available to the local government. Sources of these funds include, but are not limited to: donations, bond proceeds, grants and loans from state, federal, or private sources, appropriations by local government to the fund, investment earnings of the fund, and housing and redevelopment authority levies.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 411,428	\$ 316,596	\$ 188,500	\$ 189,400	\$ 157,300
Operating Expenditures by Category Services & Charges	\$ 153,617	\$ 68,926	\$ 1,300,000	\$ 15,000	\$ 1,030,000
Other Financing Sources (Uses) Transfers In	\$ 300,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 175,000



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Households assisted	153	5	10	10
Average cost of rental assistance provided	\$1,330	\$1,333	\$1,333	\$1,333

Budget Comments/Issues:

- 2026 proposed expenditures includes \$15,000 for emergency rental assistance and homeless response. \$150,000 will be received from MN Housing for rental assistance. Also any special projects that arise can be assisted through this fund.
- The city received special legislation in 2021 and acted on that legislation by adopting Council Resolution 2021-093, which allowed the city to transfer existing tax increment pooling balance to the Affordable Housing Trust Fund. The city council approved the transfer of \$4,961,680 on Sept. 13, 2021.



Fund:
Responsible Department:
Fund Type:

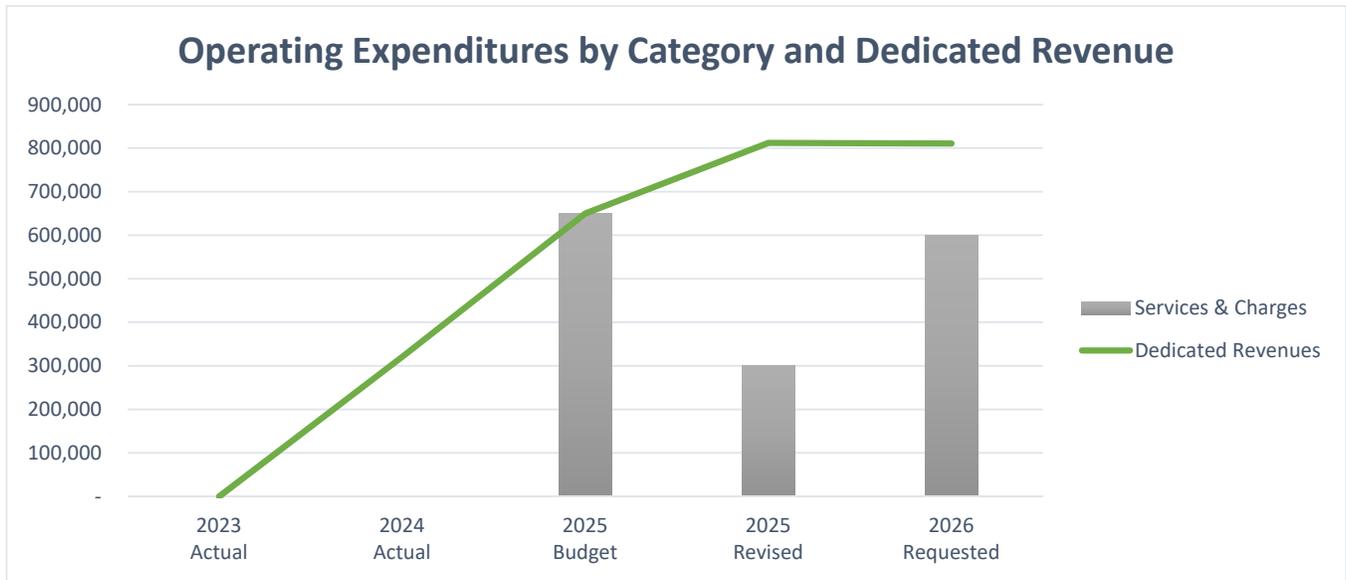
Housing Sales Tax Fund
Community Development Department
Special Revenue Fund

Description of Services:

The Housing Sales Tax Special Revenue Fund accounts for the city's share of the State of Minnesota's 0.25% metro area sales and use tax for housing, established in 2023. This 0.25% Minnesota sales and use tax applies to retail sales made in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. The Minnesota Department of Revenue administers the tax collections and distributions, while the city is responsible for using its allocated portion of the funds for housing programs per MN State Statutes.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ -	\$ 320,556	\$ 650,000	\$ 812,000	\$ 810,800
Operating Expenditures by Category					
Services & Charges	\$ -	\$ -	\$ 650,000	\$ 300,000	\$ 600,000



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Housing Projects Complete	0	0	0	1

Budget Comments/Issues:

- Starting in 2024, the city will receive an annual allocation of approximately \$650,000 as part of the 0.25% regional metropolitan sales tax for housing needs passed during the 2023 legislative session.
- Programming of these new housing dollars is intended to be used for one project.



CITY OF
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Fund:
Responsible Department:
Fund Type:

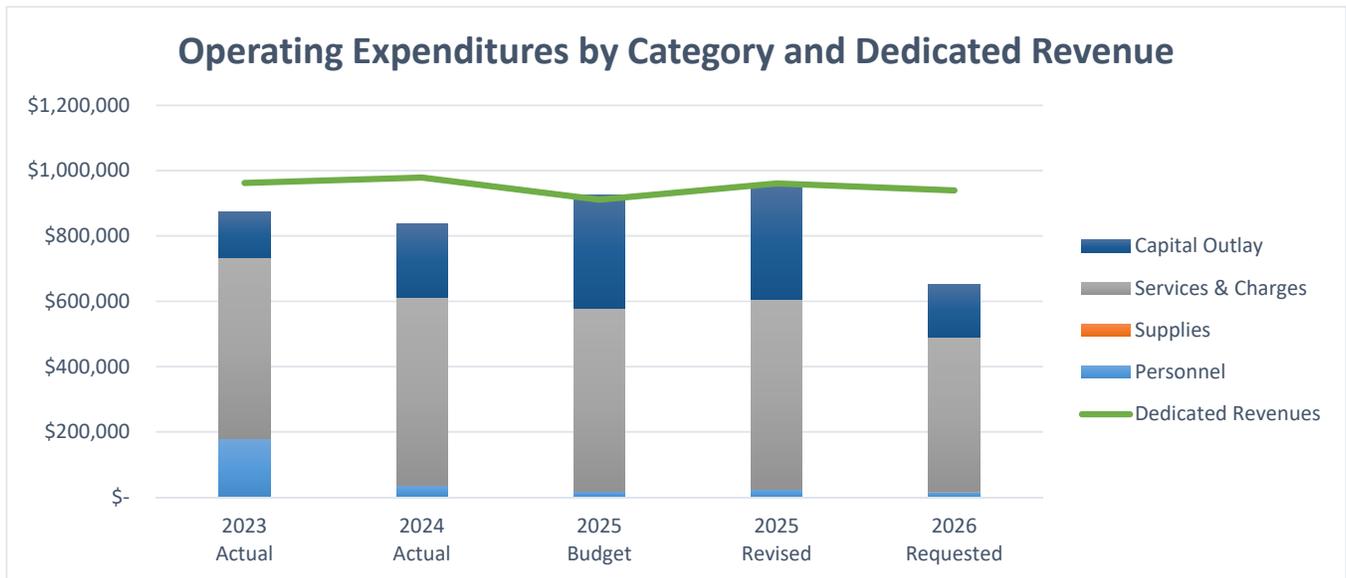
Cable Television Fund
Administrative Services Department
Special Revenue Fund

Description of Services:

The Cable Television Fund, established in 1984, supports communication efforts between the city and the community, as well as within the city organization. It is funded through franchise fees paid by Comcast in return for access to the city's rights-of-way. This fund supports a variety of programs and services aimed at informing and educating both residents and city staff, while also fostering a strong sense of community. These include broadcasting public meetings and special events, publishing the Minnetonka Memo (with a circulation of 29,000), maintaining the city's website, and organizing community events such as the Summer Festival and Citywide Open House. Additionally, the fund covers expenses related to fiber optic technology used in the city's infrastructure.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 962,292	\$ 979,149	\$ 911,200	\$ 961,300	\$ 939,700
Operating Expenditures by Category					
Personnel	\$ 179,785	\$ 36,978	\$ 18,600	\$ 24,000	\$ 16,500
Supplies	332	219	500	500	500
Services & Charges	552,690	574,754	560,850	581,200	473,600
Capital Outlay	140,453	226,121	346,500	346,500	161,500
Total Operating Expenditures	\$ 873,260	\$ 838,072	\$ 926,450	\$ 952,200	\$ 652,100
Other Financing Sources (Uses)					
Transfers Out	\$ (36,100)	\$ (36,100)	\$ (38,000)	\$ (38,000)	\$ (119,700)



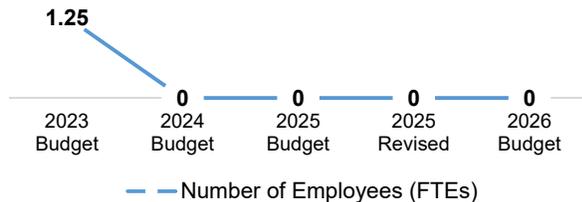
Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
# of subscribers to email/text notification system	32,392	43,988	45,000	47,000
Average # of unique monthly website visits	64,231	64,506	64,000	65,000

Budget Comments/Issues:

- The 2025 budget reflects the council chambers lighting project as approved by the city council
- As franchise fees continue to decrease, concerted efforts have been made to transition costs to the General Fund. The remaining 1.25 FTEs were transitioned to the General Fund in 2024. Other city-wide events such as summerfest, spooktacular, and the farmers market are moving to Minnetonka Recreation in 2026, which is a division under the City's General Fund. To reduce the impact of these new expenditures in General Fund, the Cable TV Fund will make a transfer to the General Fund, with the intention to reduce and eventually eliminate this annual transfer over the next few years to minimize the General Fund impact in any one year.

Employees



Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

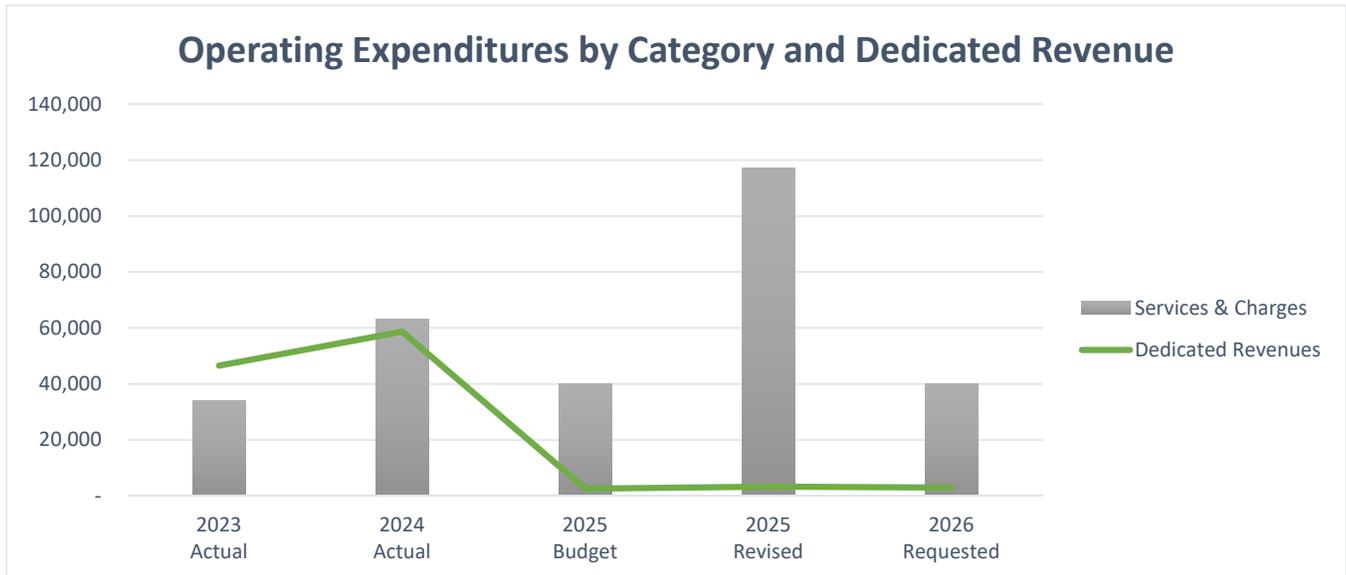
Community Development Block Grant Fund
Community Development Department
Special Revenue Fund

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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 46,540	\$ 58,667	\$ 2,600	\$ 3,300	\$ 3,000
Operating Expenditures by Category					
Services & Charges	\$ 34,149	\$ 63,254	\$ 40,000	\$ 117,200	\$ 40,000



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Average cost of rehabilitation project	\$21,555	\$25,550	\$20,000	\$20,000
Rehabilitation projects completed	6	10	17	15
HWR Rehabilitation projects	4	5	0	0
Average cost of HWR rehabilitation	\$6,310	\$5,928	\$0	\$0

Budget Comments/Issues:

- In June of 2025, the city is now pooling the city's funds through Hennepin County's Urban County CDBG program. This change streamlines public service funding requests and also allows access to a larger pool of funds.
- Housing Rehabilitation expenditures above include the program income from the Minnetonka Entitlement repayments from loans made prior to 2018. Any future repayments will be placed in the pool.



Fund:
Responsible Department:
Fund Type:

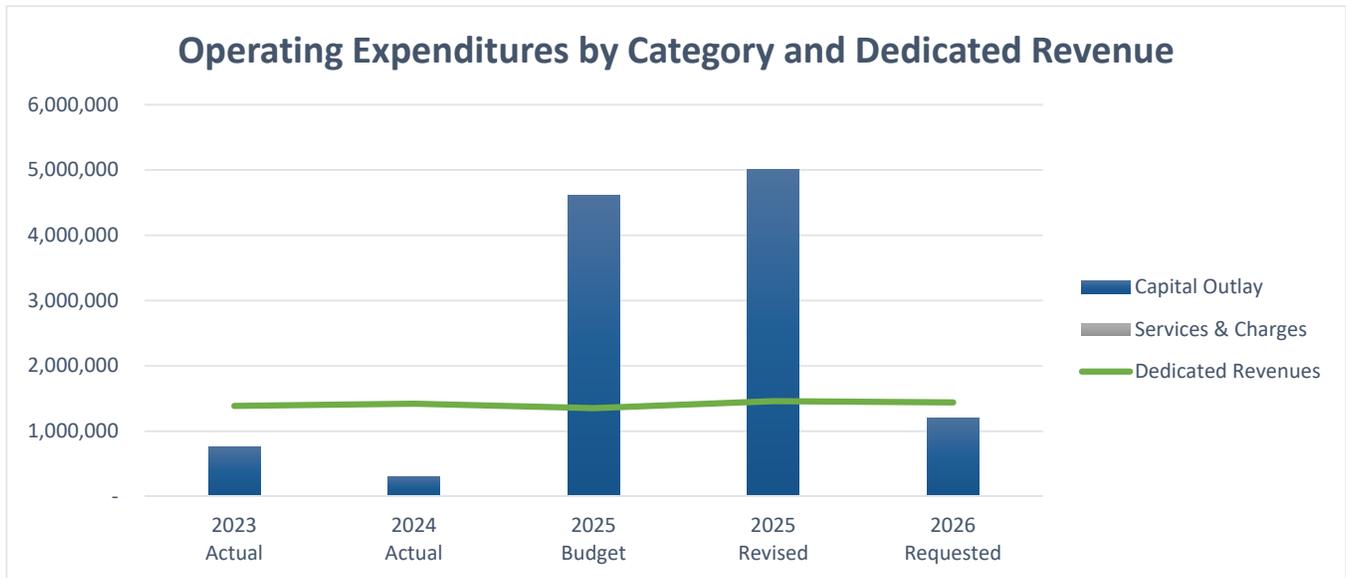
Electric Franchise Fees Special Revenue Fund
Engineering Department
Special Revenue Fund

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. 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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 1,386,752	\$ 1,420,793	\$ 1,354,000	\$ 1,461,200	\$ 1,441,600
Operating Expenditures by Category					
Services & Charges	\$ -	\$ -	\$ 10,000	\$ -	\$ -
Capital Outlay	754,364	300,217	4,600,000	5,000,000	1,200,000
Total Operating Expenditures	\$ 754,364	\$ 300,217	\$ 4,610,000	\$ 5,000,000	\$ 1,200,000
Other Financing Sources (Uses)					
Transfers Out	\$ -	\$ (93,882)	\$ -	\$ -	\$ -



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Miles of utility line buried	1.0	1.1	1.0	1.7
LED Street Lighting - new & retrofits	7	7	5	100

Budget Comments/Issues:

- In 2019, the council adopted an increase in the electric franchise fee of \$2 per residential account, of which \$1 is for burial of electric lines and \$1 is for trail construction. The electric franchise fees associated with trail construction are recorded in the Trail System Expansion Fund along with 100% of the gas franchise fees.
- 2025 and 2026 committed fund balances include costs associated with Plymouth Road, Minnetonka Boulevard and Hopkins Crossroad.
- New energy LED decorative street lighting and retrofits are reviewed in conjunction with county and city street reconstruction projects, redevelopment interests and individual lighting projects, to provide long term energy savings and efficiencies. Current LED street light installations completed, in progress, or programmed for installation include the Opus area.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

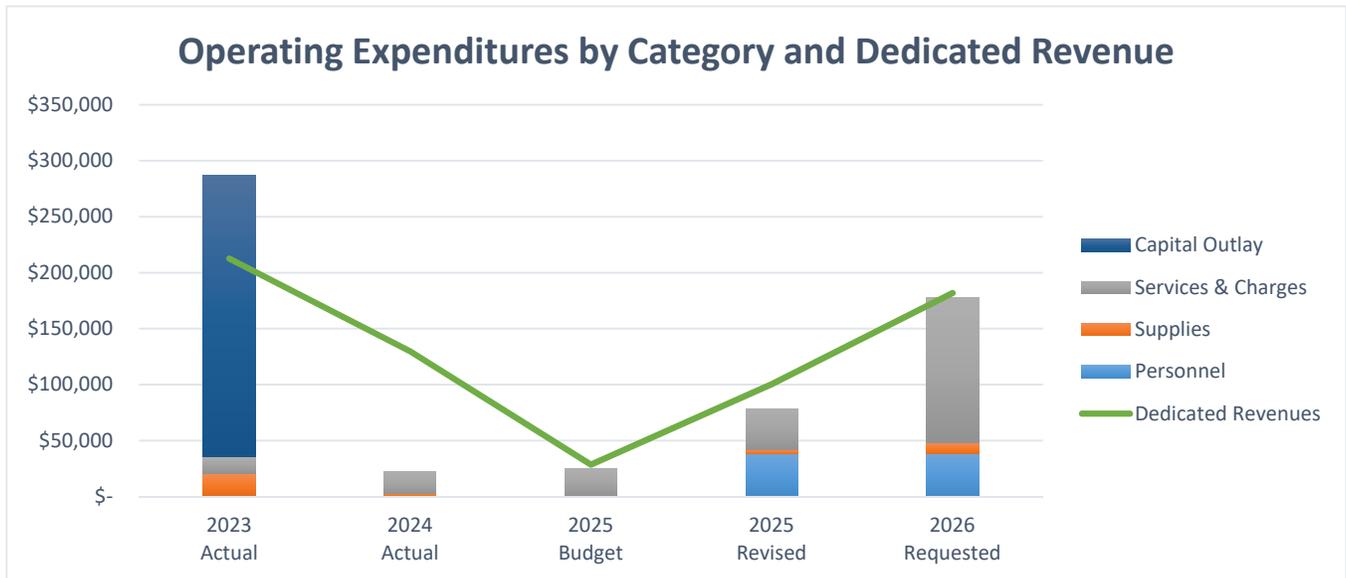
Grants Special Revenue Fund
Finance Department
Special Revenue Fund

Description of Services:

The Grants Special Revenue Fund accounts for significant special grants received by the city from outside sources that are not otherwise associated with a major city capital project or program. Each generally requires special accounting and reporting by the city, and the recipient departments are responsible for program reporting to the funding agency.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 212,571	\$ 129,658	\$ 28,500	\$ 100,400	\$ 181,800
Operating Expenditures by Category					
Personnel	\$ -	\$ -	\$ -	\$ 38,000	\$ 38,000
Supplies	20,572	2,413	-	3,600	10,000
Services & Charges	15,371	19,717	25,000	37,000	130,000
Capital Outlay	250,678	-	-	-	-
Total Operating Expenditures	<u>\$ 286,621</u>	<u>\$ 22,130</u>	<u>\$ 25,000</u>	<u>\$ 78,600</u>	<u>\$ 178,000</u>



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Federal grant programs	2	1	0	0
State grant programs	1	1	0	0
Other grant programs*	2	3	1	0

* Denotes local and other grants within only this fund.

Budget Comments/Issues:

- The city seeks opportunities on an ongoing basis to apply and receive grants to support city projects and services.
- The opioid settlement distributions began occurring in late 2022. Annual payments will continue through 2038. The distribution amounts vary each year depending upon various settlement agreements. A formal expenditure plan was adopted by the council in 2023 and 2024 that allocated settlement \$25,000 annually through 2025 to support people in treatment and recovery through a contract with Hennepin County for an embedded social worker. An additional annual allocation of \$7,400 is dedicated to maintenance and supplies for equipment used for testing fentanyl related substances.
- This fund also accounts for the cadet program that is funded through the State of MN. This program provides individuals with an opportunity to become employees of the city with the intent to employ as full-time police officers when they become qualified. The police department assists the cadets by providing fully paid scholarships to an approved two-year law enforcement program. While attending school, the cadets will work part-time in the police department assisting with department duties. The grant award is \$100,000 and will be utilized in 2025 and 2026.



Fund:
Responsible Department:
Fund Type:

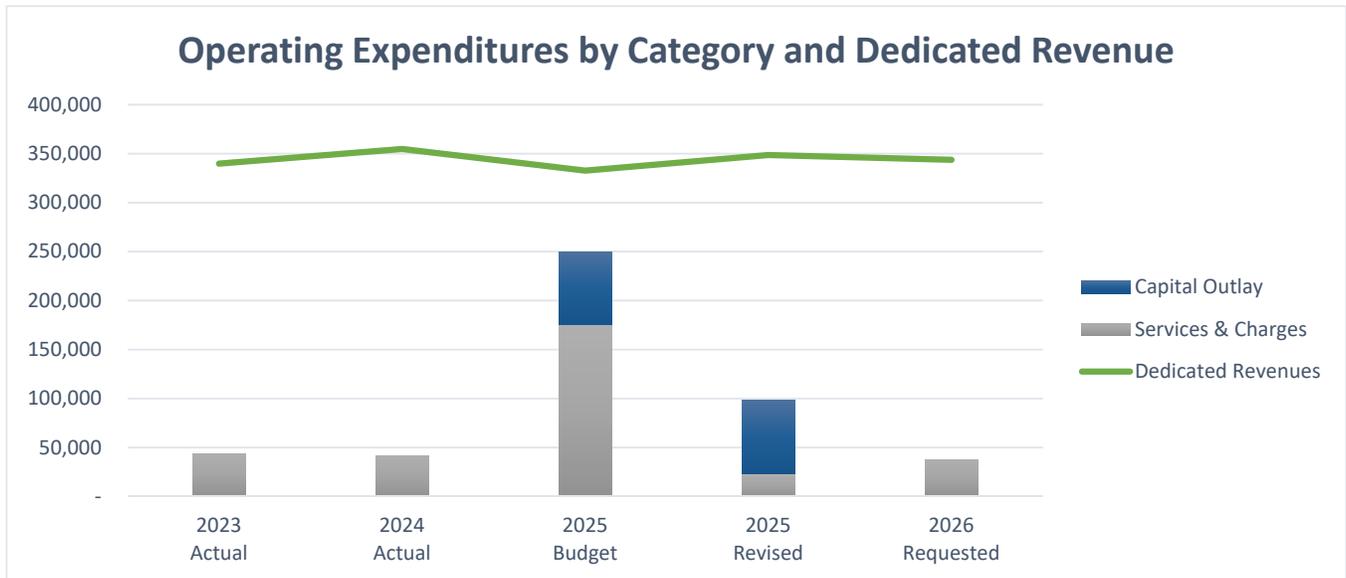
Housing & Redevelopment Authority Fund
Community Development Department
Special Revenue Fund

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.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 339,782	\$ 354,684	\$ 332,600	\$ 348,500	\$ 343,700
Operating Expenditures by Category					
Services & Charges	\$ 43,762	\$ 41,907	\$ 175,000	\$ 23,100	\$ 37,000
Capital Outlay	-	-	75,000	75,000	-
Total Operating Expenditures	\$ 43,762	\$ 41,907	\$ 250,000	\$ 98,100	\$ 37,000
Other Financing Sources (Uses)					
Transfers Out	\$ -	\$ (400,000)	\$ (125,000)	\$ (453,400)	\$ (200,000)



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Housing rehab loan issued <\$15,000	1	1	5	5
Average amount of rehab loan	\$13,000	\$13,550	\$15,000	\$15,000
Down payment assistance provided <\$50,000	1	3	5	5
Average amount of down payment loans	\$16,000	\$15,613	\$15,000	\$15,000

Budget Comments/Issues:

- The 2026 Housing and Redevelopment Authority (HRA) budget includes funding for Homes Within Reach, supplemental funding for the city's two housing loan programs, and Pathways. The annual budget of the HRA Fund is reviewed by the Economic Development Advisory Commission (EDAC) and as identified in the adopted Economic Improvement Program (EIP).
- The city established two housing improvement programs in June 2011, Minnetonka Home Enhancement (rehab) and Welcome to Minnetonka (down payment assistance). Additional dollars are included in the EIP recommendations for the 2026 levy to fund the program in future years.
- The Center for Energy and Environment manages the Welcome To Minnetonka and Minnetonka Home Enhancement programs on behalf of the city. In 2024, CEE also began servicing the loans for the city.
- 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.



Fund:
Responsible Department:
Fund Type:

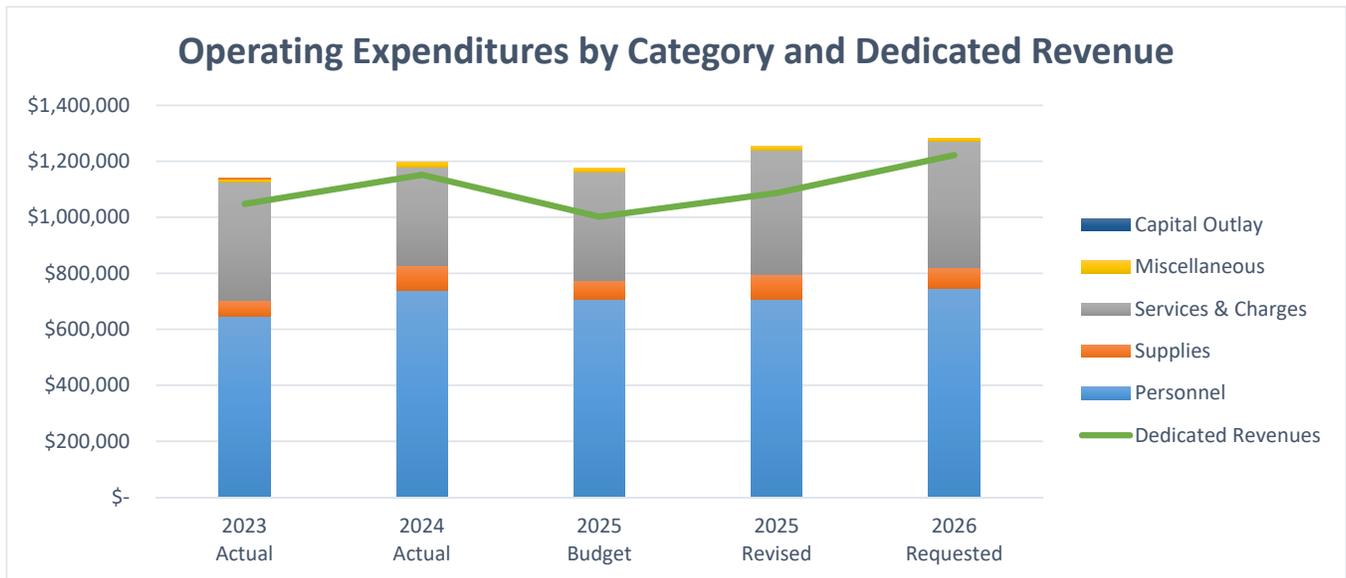
Ice Arena Special Revenue Fund
Recreation Services Department
Special Revenue Fund

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.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 1,047,974	\$ 1,151,792	\$ 1,002,200	\$ 1,087,200	\$ 1,222,200
Operating Expenditures by Category					
Personnel	\$ 647,661	\$ 739,514	\$ 706,400	\$ 706,400	\$ 747,400
Supplies	54,921	89,497	68,800	90,900	71,600
Services & Charges	423,632	350,325	387,100	443,900	453,100
Miscellaneous	11,967	16,694	12,000	12,000	12,000
Capital Outlay	2,624	1,170	-	-	-
Total Operating Expenditures	<u>\$ 1,140,805</u>	<u>\$ 1,197,200</u>	<u>\$ 1,174,300</u>	<u>\$ 1,253,200</u>	<u>\$ 1,284,100</u>
Other Financing Sources (Uses)					
Transfers In	\$ 50,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ -
Transfers Out	(36,100)	(36,100)	(36,100)	(36,100)	(36,100)
Total Other Financing Sources (Uses)	<u>\$ 13,900</u>	<u>\$ 13,900</u>	<u>\$ 63,900</u>	<u>\$ 63,900</u>	<u>\$ (36,100)</u>



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Ice rental hours sold	3,170	3,315	3,300	2,900
Skating lesson participants	1,460	1,444	1,500	1,500
Public skating/hockey hours offered	397	378	405	400
Public skating/open hockey participants	6,479	6,521	6,500	6,500
Adult hockey groups & teams utilizing facility	50	50	50	50
Total days of operation	339	339	339	339

Budget Comments/Issues:

- As of January 1, 2022, the Ice Arena operations converted from an enterprise fund to a special revenue fund. The Ice Arena truly functions as a special revenue fund with its major source of revenue coming from ice rental fees, the learn to skate school and developmental figure skating fees. Capital improvements for the facility are financed from other governmental funds and not from its own revenue generation, which is typically indicative of a true enterprise fund. This change in fund reporting will not impact the bottom line, but it will present a more transparent picture of the facilities operations and funding sources.
- Consistent with the council's strategic plan, a market study is completed annually to determine fees for use of the Ice Arena and other recreational facilities.
- Non-prime hourly rates will increase from \$195/hour to \$200/hour and prime rates increased from \$245/hour to \$250/hour effective September 1, 2025 - August 31, 2026.
- 2023 Ice rental hours were down due to scheduled Rink B refrigeration project that was later pushed to 2026.
- 2026 projected ice rental hours are down due to Rink B refrigeration replacement project.

Employees

4 — 4 — 4 — 4 — 4

2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
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— Number of Employees (FTEs)



Fund:
Responsible Department:
Fund Type:

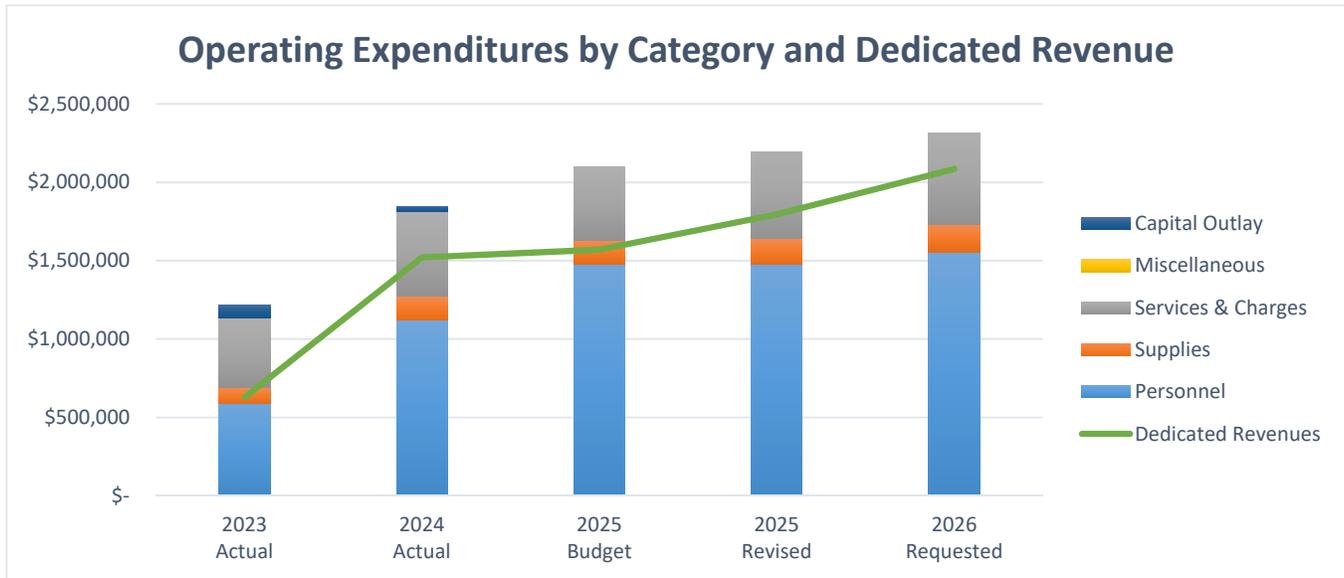
The Marsh Special Revenue Fund
Recreation Services Department
Special Revenue Fund

Description of Services:

The city purchased The Marsh in February, 2023 and partially re-opened May 1, 2023. Recreational amenities at The Marsh include: two indoor pools, two aerobic studios, meditation tower, physical therapy, strength training equipment, cardiovascular equipment, spa services, whirlpool, steam rooms and saunas. Membership is open to residents and non-residents or users can purchase a guest pass for the day. The Community Facilities Study concluded in May 2024 with future plans to renovate the Marsh.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 627,797	\$ 1,521,459	\$ 1,570,000	\$ 1,795,000	\$ 2,085,000
Operating Expenditures by Category					
Personnel	\$ 586,985	\$ 1,120,403	\$ 1,477,000	\$ 1,477,000	\$ 1,556,100
Supplies	100,907	153,344	150,700	162,800	172,300
Services & Charges	447,577	537,832	472,100	551,600	586,700
Miscellaneous	127	560	-	-	-
Capital Outlay	83,650	35,850	-	-	-
Total Operating Expenditures	<u>\$ 1,219,246</u>	<u>\$ 1,847,989</u>	<u>\$ 2,099,800</u>	<u>\$ 2,191,400</u>	<u>\$ 2,315,100</u>

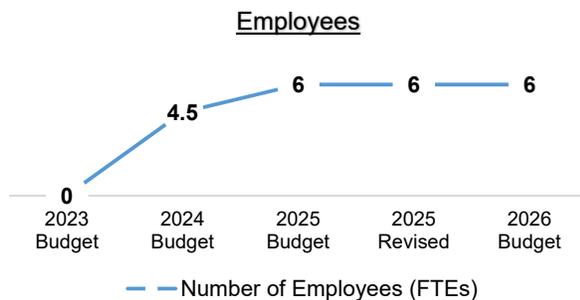


Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Average active members	1,985	5,065	7,100	7,300
Average fitness classes offered weekly	96	100	105	105
Total facility visits	74,001	171,704	195,000	215,000
Total swim lesson hours	350	350	350	350
Total specialty fitness revenue	\$100,135	\$182,095	\$390,000	\$390,000
Rental revenue	\$81,691	\$197,298	\$205,000	\$215,000

Budget Comments/Issues:

- The Marsh partially re-opened May 1, 2023 to all residents and non-residents.
- The Community Facilities Study concluded in May 2024 and recommends future renovations to the Marsh. Currently on hold as we determine the funding source.
- The facility is leasing space to Embody Health & Performance, Cafe Anna Lisa, Marshland Market and tenants in the spa (nails, esthetician, massage, medical, salt therapy and spray tan). Staff continues to look for additional tenants that could occupy other spaces within the facility. Ex: hotel rooms
- The Marsh currently has 7300 memberships and that number continues to rise.
- Two new positions were added in 2025 to assist with fitness and special events.
- Membership rates increased in January 2025 and are schedule for another increase in 2027.
- New flooring on the main level was installed and technology was upgraded in the Dragon Room in 2025.





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2026 Annual Budget - Capital Projects Funds

	Capital Replacement	Community Investment	Development Fund	Forestry Fund
Revenues:				
General Property Taxes	\$ 1,725,000	\$ -	\$ -	\$ 125,000
Intergovernmental Revenue	-	-	-	-
Other Income	258,800	735,000	130,300	21,900
Total Revenues	<u>\$ 1,983,800</u>	<u>\$ 735,000</u>	<u>\$ 130,300</u>	<u>\$ 146,900</u>
Expenditures				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Streets & Utilities	2,807,600	-	-	-
Parks	-	800,000	-	318,000
Development	-	-	178,000	-
Total Expenditures	<u>\$ 2,807,600</u>	<u>\$ 800,000</u>	<u>\$ 178,000</u>	<u>\$ 318,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (823,800)</u>	<u>\$ (65,000)</u>	<u>\$ (47,700)</u>	<u>\$ (171,100)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 300,000	\$ 63,000	\$ -	\$ 100,000
Transfers Out	-	-	(73,600)	(60,000)
Total Other Financing Sources (Uses)	<u>\$ 300,000</u>	<u>\$ 63,000</u>	<u>\$ (73,600)</u>	<u>\$ 40,000</u>
Net Change in Fund Balance	\$ (523,800)	\$ (2,000)	\$ (121,300)	\$ (131,100)
Estimated Beginning Available Fund Balance	4,638,721	20,733,735	5,462,817	462,744
Reserve for Delayed Projects	<u>(1,872,133)</u>	<u>(993,777)</u>	<u>-</u>	<u>(40,000)</u>
Estimated Ending Available Fund Balance	<u>\$ 2,242,788</u>	<u>\$ 19,737,958</u>	<u>\$ 5,341,517</u>	<u>\$ 291,644</u>

2026 Annual Budget - Capital Projects Funds

	<u>Livable Communities</u>	<u>Municipal State Aid</u>	<u>Parks and Trails</u>	<u>Public Safety</u>
Revenues:				
General Property Taxes	\$ -	\$ -	\$ 283,400	\$ 675,000
Intergovernmental Revenue	200,000	2,230,400	-	-
Other Income	14,300	131,200	311,600	71,500
Total Revenues	<u>\$ 214,300</u>	<u>\$ 2,361,600</u>	<u>\$ 595,000</u>	<u>\$ 746,500</u>
Expenditures				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	1,564,300
Streets & Utilities	-	3,625,000	-	-
Parks	-	-	1,085,600	-
Development	500,000	-	-	-
Total Expenditures	<u>\$ 500,000</u>	<u>\$ 3,625,000</u>	<u>\$ 1,085,600</u>	<u>\$ 1,564,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (285,700)</u>	<u>\$ (1,263,400)</u>	<u>\$ (490,600)</u>	<u>\$ (817,800)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 25,000	\$ -	\$ 15,200	\$ 450,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 15,200</u>	<u>\$ 450,000</u>
Net Change in Fund Balance	\$ (260,700)	\$ (1,263,400)	\$ (475,400)	\$ (367,800)
Estimated Beginning Available Fund Balance	441,901	5,099,270	9,456,424	2,140,101
Reserve for Delayed Projects	-	-	1,963,036	(3,175,099)
Estimated Ending Available Fund Balance	<u>\$ 181,201</u>	<u>\$ 3,835,870</u>	<u>\$ 10,944,060</u>	<u>\$ (1,402,798)</u>

2026 Annual Budget - Capital Projects Funds

	Street Improvements	Technology Development	Trail System Expansion Fund	Total Capital Projects Funds
Revenues:				
General Property Taxes	\$ 5,880,000	\$ 675,000	\$ -	\$ 9,363,400
Intergovernmental Revenue	659,000	-	-	3,089,400
Other Income	180,300	76,200	1,967,700	3,898,800
Total Revenues	<u>\$ 6,719,300</u>	<u>\$ 751,200</u>	<u>\$ 1,967,700</u>	<u>\$ 16,351,600</u>
Expenditures				
General Government	\$ -	\$ 2,446,200	\$ -	\$ 2,446,200
Public Safety	-	-	-	1,564,300
Streets & Utilities	7,240,000	-	-	13,672,600
Parks	-	-	3,600,000	5,803,600
Development	-	-	-	678,000
Total Expenditures	<u>\$ 7,240,000</u>	<u>\$ 2,446,200</u>	<u>\$ 3,600,000</u>	<u>\$ 24,164,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (520,700)</u>	<u>\$ (1,695,000)</u>	<u>\$ (1,632,300)</u>	<u>\$ (7,813,100)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 1,250,000	\$ 450,000	\$ -	\$ 2,653,200
Transfers Out	-	-	-	(133,600)
Total Other Financing Sources (Uses)	<u>\$ 1,250,000</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 2,519,600</u>
Net Change in Fund Balance	\$ 729,300	\$ (1,245,000)	\$ (1,632,300)	<u><u>\$ (5,293,500)</u></u>
Estimated Beginning Available Fund Balance	8,003,858	1,751,815	2,647,184	
Reserve for Delayed Projects	<u>(5,113,614)</u>	<u>(348,145)</u>	<u>(1,810,489)</u>	
Estimated Ending Available Fund Balance	<u><u>\$ 3,619,544</u></u>	<u><u>\$ 158,670</u></u>	<u><u>\$ (795,605)</u></u>	



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Fund:
Responsible Department:
Fund Type:

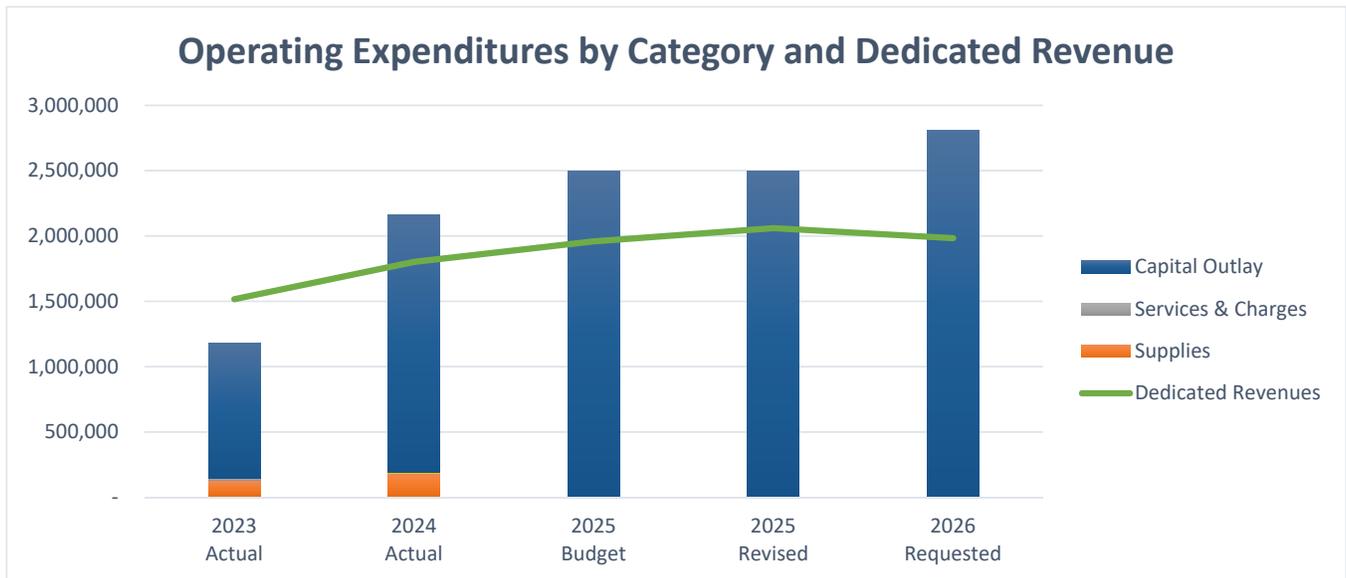
Capital Replacement Fund
Finance Department
Capital Projects Fund

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 pumper and engine equipment after 20-25 years with refurbishment after ten years.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 1,516,309	\$ 1,801,848	\$ 1,959,100	\$ 2,059,800	\$ 1,983,800
Operating Expenditures by Category					
Supplies	\$ 129,052	\$ 186,432	\$ -	\$ -	\$ -
Services & Charges	11,834	1,910	-	-	-
Capital Outlay	1,042,157	1,974,329	2,498,150	2,498,200	2,807,600
Total Operating Expenditures	\$ 1,183,043	\$ 2,162,671	\$ 2,498,150	\$ 2,498,200	\$ 2,807,600
Other Financing Sources (Uses)					
Gain/(Loss) on Capital Sold	\$ 136,465	\$ 61,290	\$ -	\$ -	\$ -
Transfers In	350,000	600,000	350,000	350,000	300,000
Total Other Financing Sources (Uses)	\$ 486,465	\$ 661,290	\$ 350,000	\$ 350,000	\$ 300,000



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
General light-duty vehicles in fleet	112	112	112	113
Marked police vehicles in fleet	24	24	24	24
Heavy equipment and trucks in fleet	65	65	65	65
Deprec. value of buildings & structures (millions \$)	\$45.1	\$43.6	\$43.5	\$48.0
Deprec. value of furniture & equipment (millions \$)	\$7.6	\$10.4	\$12.0	\$12.5

Budget Comments/Issues:

- Substantial purchases approved in the 2026-2030 CIP for the fund include: fleet vehicles (\$757,800); street sweeper (\$327,900); cold planer (\$896,100); and a variety of building components (\$870,000), including energy conservation improvements and building automation upgrades. Additionally, \$110,000 is included as the city's partnership costs for improvements to the Royals Athletic Center located at Hopkins high school.
- Transfers into the CRF are done annually from available fund balance within the General Fund, under guidance of the city's fund balance policy. The transfer is scheduled as part of the adopted five-year CIP. Like all capital funds, the CRF is managed over a five-year horizon as part of the adopted CIP.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

Community Investment Fund
Finance Department
Capital Projects Fund

Description of Services:

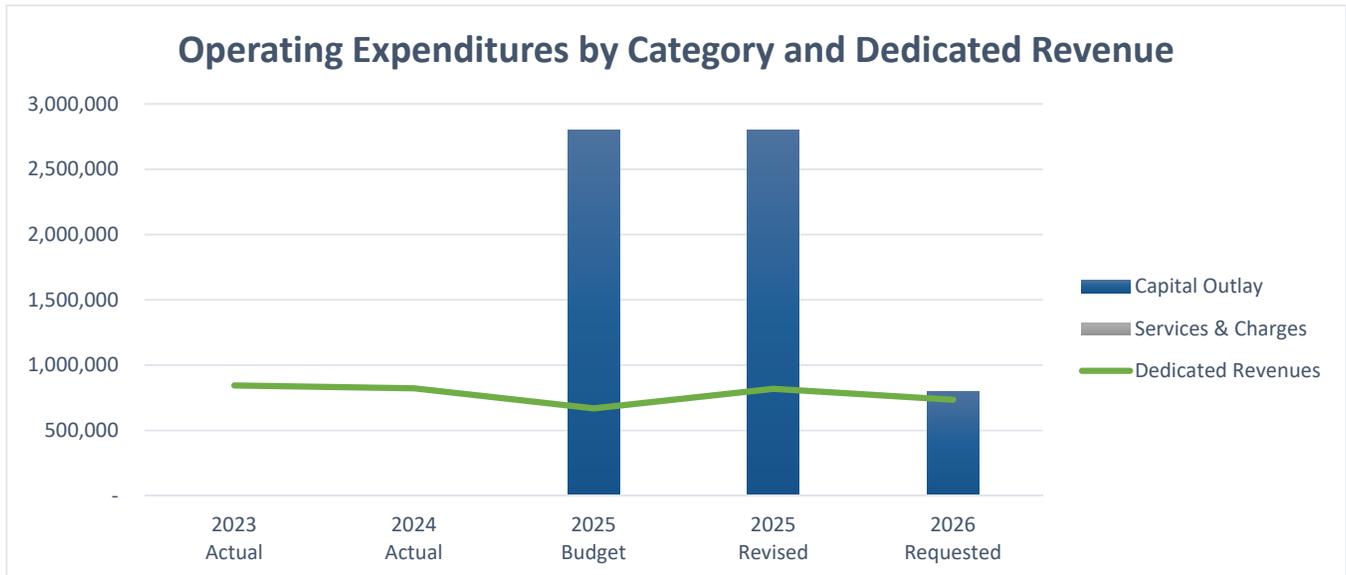
The Community Investment Fund was created in 1989 to be used solely to pay the capital costs for projects of general benefit to the City of Minnetonka. The city charter provides that the principal of the fund will be increased by ten percent of the investment income each year, and if the principal is 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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 844,391	\$ 822,431	\$ 669,100	\$ 818,600	\$ 735,000
Operating Expenditures by Category					
Services & Charges	\$ -	\$ 41	\$ -	\$ -	\$ -
Capital Outlay	-	-	2,800,000	2,800,000	800,000
Total Operating Expenditures	\$ -	\$ 41	\$ 2,800,000	\$ 2,800,000	\$ 800,000
Other Financing Sources (Uses)					
Transfers In	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000
Transfers Out	-	(50,000)	-	-	-
Total Other Financing Sources (Uses)	\$ 63,000	\$ 13,000	\$ 63,000	\$ 63,000	\$ 63,000



Key Measures:

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Estimated</u>	<u>2026</u> <u>Projected</u>
Annual net investment earnings	\$844,392	\$822,431	\$818,600	\$735,000
Ending Fund Balance	\$21,816,744	\$22,652,135	\$19,590,458	\$20,143,258
Required Fund Balance	\$19,941,769	\$20,026,208	\$20,108,451	\$20,175,361
Available Fund Balance	\$1,874,975	\$2,625,926	(\$517,994)	(\$32,104)

Budget Comments/Issues:

- Interest rates have increased over the last couple years, providing additional investment earnings and allowing the Community Investment Fund (CIF) to support the upcoming projects scheduled in the Capital Improvements Program (CIP).
- The 2025-29 CIP included \$2.0 million from the Community Investment Fund (CIF) for the cost to replace the refrigeration system in the city's Ice Arena B. The fund supported replacement of the Ice Arena A system as part of the 2015 Ice Arena Improvement Project. Originally this project was scheduled for 2023, but due to supply chain disruptions, the project was pushed back. Bids were let in the summer of 2025 and construction will be completed in the summer 2026 to ensure construction can take place during the arena's slower time period.
- The 2026-30 CIP also includes \$800,000 from the CIF for the cost to replace and upgrade the skate park located in Glen Lake.
- 2025 activity includes the purchase of a property along the Minnehaha Creek next to Big Willow park that the city council had identified over fifteen years ago as a way to enhance the public ownership of property along the creek.
- Other revenue to the fund 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.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

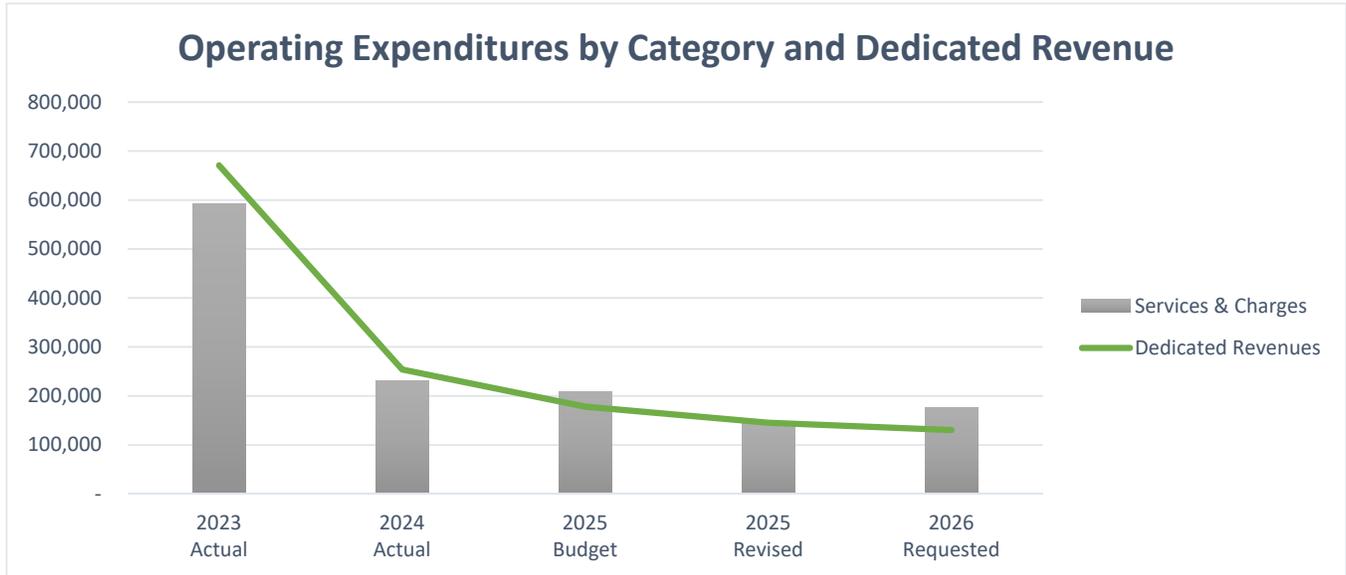
Development Fund
Community Development Department
Capital Fund

Description of Services:

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

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 670,789	\$ 253,934	\$ 178,100	\$ 145,200	\$ 130,300
Operating Expenditures by Category					
Services & Charges	\$ 591,342	\$ 230,294	\$ 207,900	\$ 143,300	\$ 176,300
Other Financing Sources (Uses)					
Transfers In	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -
Transfers Out	(70,100)	(70,100)	(70,100)	(70,100)	(73,600)
Total Other Financing Sources (Uses)	\$ 29,900	\$ (20,100)	\$ (70,100)	\$ (70,100)	\$ (73,600)



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Development/redevelopment projects in progress	11	11	11	10
Predevelopment contacts	51	45	45	50

Budget Comments/Issues:

- In 2012, the city approved establishment of the Cedar Ridge Housing Improvement Area (HIA). Revenues to offset these costs that were incurred in 2012 and 2013 will be realized over time through special assessments to the property owners. Annual income for Cedar Ridge in 2026 is expected to be approximately \$49,500.
- Expenditures under economic development programs are used to fund Elevate Hennepin, GreaterMSP membership, Pass-Through Housing and Redevelopment Grants, and studies.
- Fund balance reserves include business technical assistance (\$50,000), code compliance program (\$200,000), and studies/research funding (\$75,000).



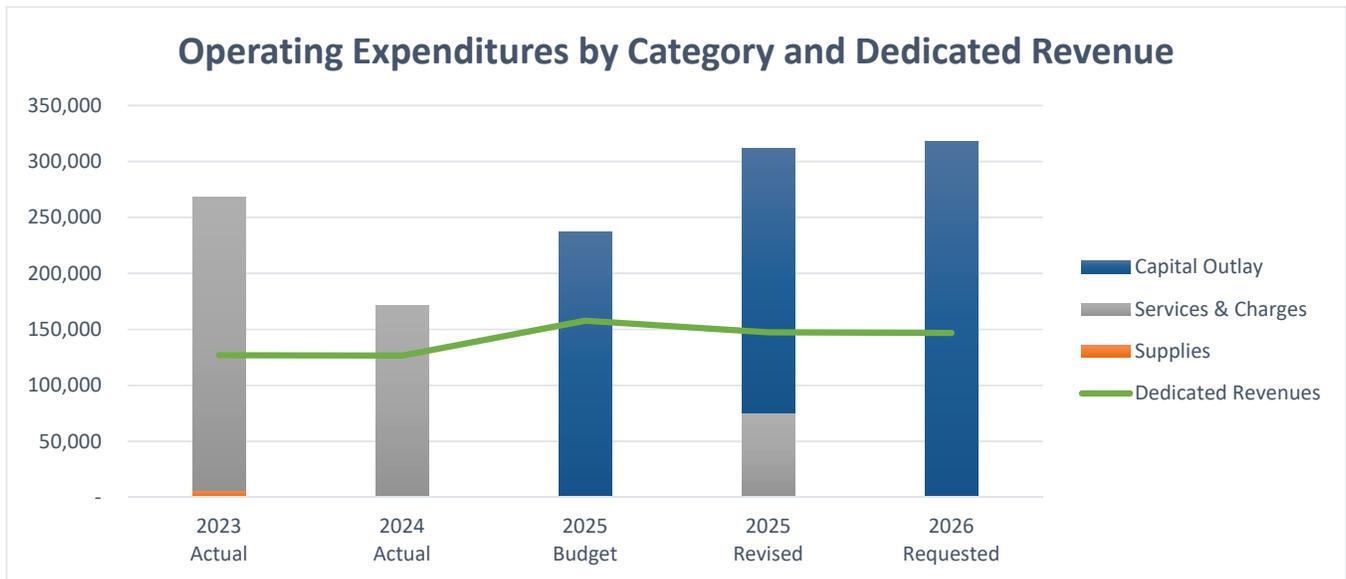
Fund: **Forestry Fund**
 Responsible Department: Public Works Department
 Fund Type: Capital Projects Fund

Description of Services:

The Forestry Fund was established at the beginning of 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 in 2009 and was discovered in Minnetonka in 2019. EAB will eventually infest and kill most, if not all, native ash trees which comprise about seven percent of all tree species in Minnesota. Inventories of the city suggest there are approximately 60,000 ash trees in the city limits (includes those in private yard areas, public parks, out-lots and public rights-of-way).

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 126,960	\$ 126,627	\$ 157,800	\$ 147,400	\$ 146,900
Operating Expenditures by Category					
Supplies	\$ 6,227	\$ 1,487	\$ -	\$ -	\$ -
Services & Charges	261,805	169,996	-	75,000	-
Capital Outlay	-	-	237,000	237,000	318,000
Total Operating Expenditures	<u>\$ 268,032</u>	<u>\$ 171,483</u>	<u>\$ 237,000</u>	<u>\$ 312,000</u>	<u>\$ 318,000</u>
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Transfers Out	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Total Other Financing Sources (Uses)	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ 40,000</u>



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Ash trees removed	995	762	1000	1,500
Park trees replanted	166	181	120	2,900
Stumps ground	10	0	160	30
High value ash trees treated (city trees)	98	66	53	52

Budget Comments/Issues:

- Costs in the Forestry Fund reflect the capital budget portion of the EAB program along other plant pests and diseases, which includes tree removal, stump grinding, equipment purchases and reforestation. The 2019 budget incorporated funds to begin removal of right-of-way trees as directed by the mayor and city council. As part of the ramp-up, \$60,000 is transferred to the General Fund to support the costs of one full-time employee in the Natural Resources Division to assist in administering the program as part of the multi-year action plan.
- Only the highest priority, city-owned ash trees have had bi-annual injection treatments since 2015.
- The city has solicited a bulk rate for injection and has extended the pricing to residents that want to inject their elm and ash trees in order to protect them from Dutch elm disease and EAB.
- Staff costs are reflected within the General Fund and are part of the previously approved city plan. The level of service will likely continue to increase going forward due to the identification of EAB for the first time within the City in 2019.
- In 2014, almost \$900,000 was received as a settlement for tree loss that was sustained in three parks as a result of the use of Imprelis, a broadleaf herbicide, used to control weeds. The city has begun to use a portion of the settlement deposited in the Forestry Fund for reforestation efforts to replace these lost trees. The residual effects of the chemical are not well understood at this time so planting of new trees will be cautiously slow.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

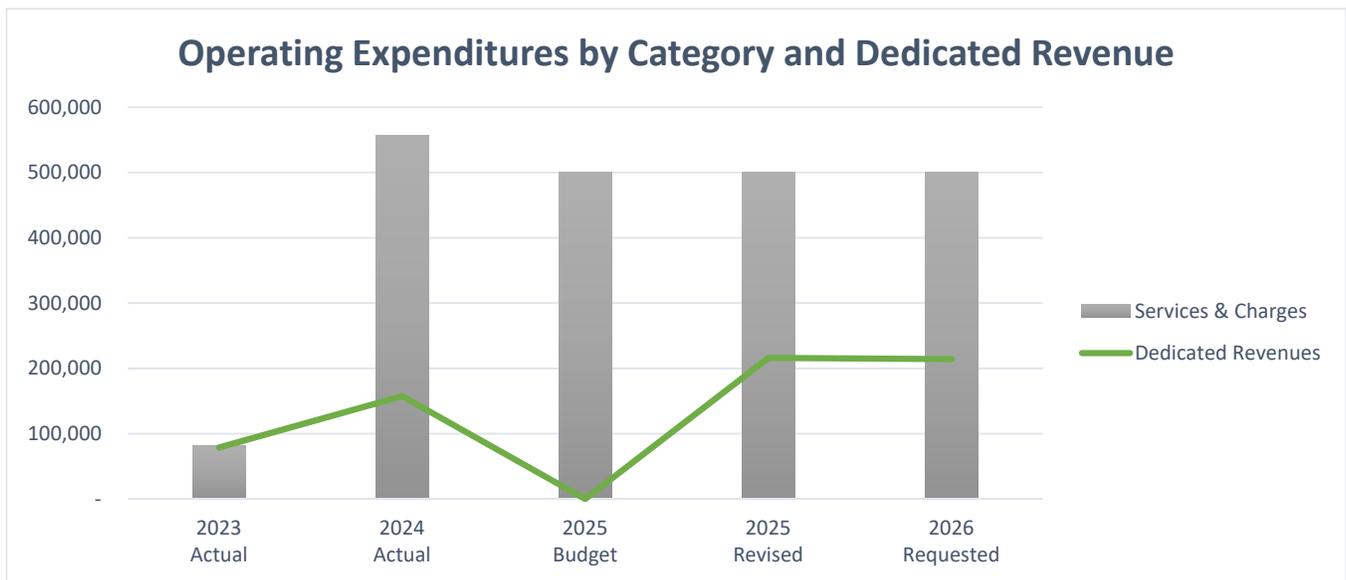
Livable Communities Fund
Community Development Department
Capital Fund

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.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 78,853	\$ 157,479	\$ -	\$ 216,100	\$ 214,300
Operating Expenditures by Category					
Services & Charges	\$ 81,729	\$ 556,887	\$ 500,000	\$ 500,000	\$ 500,000
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ 300,000	\$ 25,000	\$ 25,000	\$ 25,000



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Total WHAHLT units in Minnetonka	63	63	64	65
Average sales price of WHAHLT unit	\$410,000	\$410,000	\$0	\$0
Median value of Minnetonka home	\$496,500	\$502,200	\$521,300	\$0
Change from previous year	7.6%	1.1%	3.8%	0

Budget Comments/Issues:

- 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 affordable housing.
- The city provides annual financial support to the West Hennepin Affordable Housing Land Trust (WHAHLT), or Homes Within Reach. There are prior years unused allocations reflected in this fund and equals the fund balance.
- Revenue and expenditures include a pass-through annual grant for WHAHLT from the Metropolitan Council, which the non-profit is using to fund scattered-site affordable housing.



Fund:
Responsible Department:
Fund Type:

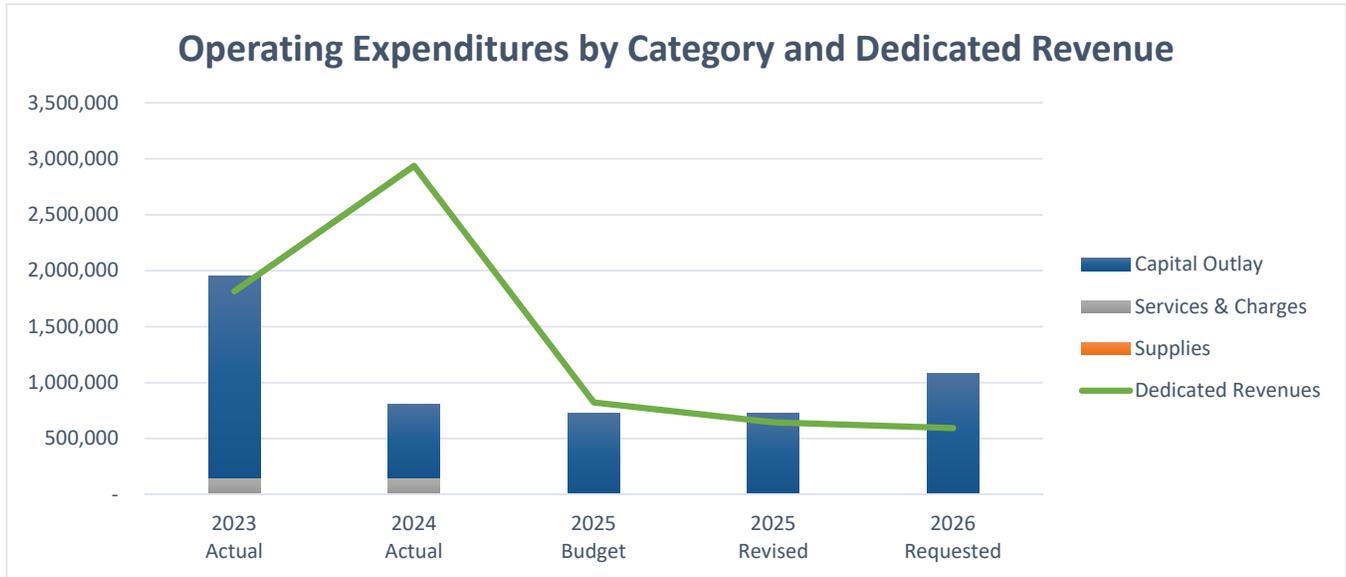
Park & Trail Improvement Fund
Public Works Department
Capital Projects Fund

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. Athletic field fees are collected annually and reserved for future capital needs at each specific field. Trails along roadways are also funded through the Trail System Expansion Fund. Their construction often coincides with road construction projects and neighborhood developments.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 1,814,899	\$ 2,936,293	\$ 822,900	\$ 645,500	\$ 595,000
Operating Expenditures by Category					
Supplies	\$ 3,235	\$ 4,579	\$ -	\$ -	\$ -
Services & Charges	148,222	145,055	-	-	-
Capital Outlay	1,805,395	662,091	728,400	728,400	1,085,600
Total Operating Expenditures	<u>\$ 1,956,852</u>	<u>\$ 811,725</u>	<u>\$ 728,400</u>	<u>\$ 728,400</u>	<u>\$ 1,085,600</u>
Other Financing Sources (Uses)					
Transfers In	<u>\$ 13,501</u>	<u>\$ 15,209</u>	<u>\$ 13,500</u>	<u>\$ 15,200</u>	<u>\$ 15,200</u>



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Miles of trails refurbished	1	0.25	1.2	3.6

Budget Comments/Issues:

- As indicated in the 2026-2030 CIP, the 2026 budget includes funds to continue community supported investments in the existing trail system and city parks, including park habitat restoration and infrastructure improvements to parks and trails.
- 2026 park improvements include replacement of playground equipment at Orchard and Wilson parks.
- 2026 habitat restoration is scheduled for Victoria Evergreen, Kinsel, Minnetonka Mills, and Civic Center parks.
- New trail construction is primarily accounted for within the Trail Expansion Fund.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

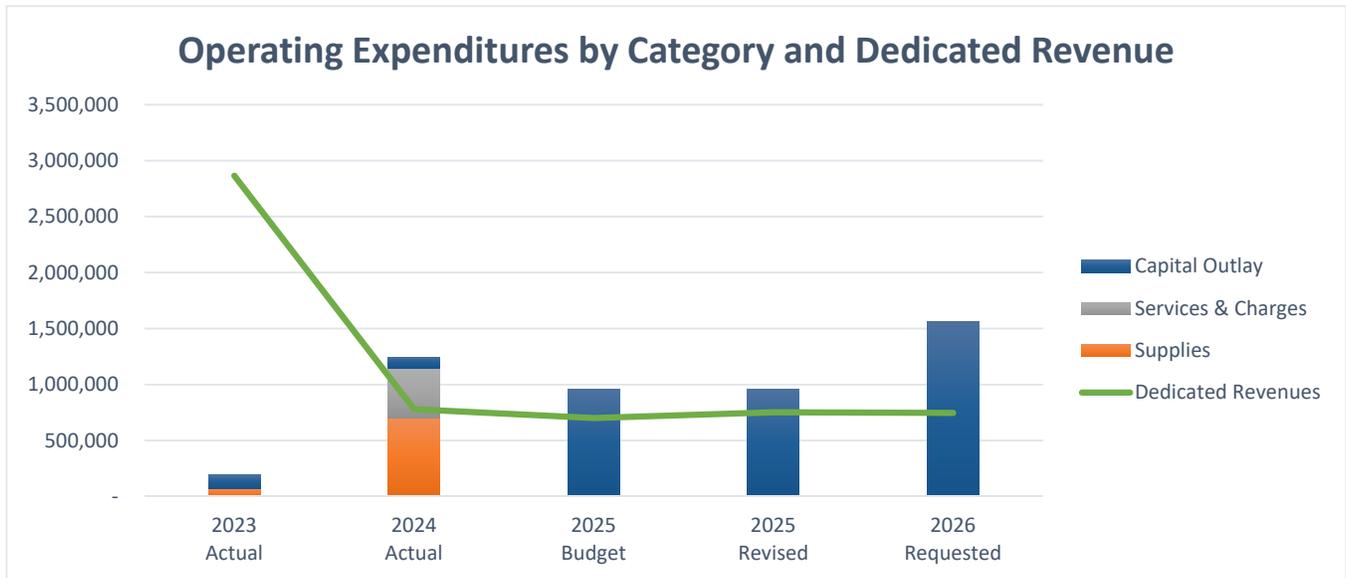
Public Safety Fund
Finance Department/Police Department
Capital Fund

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, 3 ladders, 2 grass rigs, 2 utility units, a mobile air support truck, 2 light rescue trucks and one boat. 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 police equipment.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 2,864,507	\$ 779,643	\$ 700,700	\$ 751,600	\$ 746,500
Operating Expenditures by Category					
Supplies	\$ 71,550	\$ 704,809	\$ -	\$ -	\$ -
Services & Charges	-	442,537	-	-	-
Capital Outlay	124,169	97,063	957,300	957,300	1,564,300
Total Operating Expenditures	\$ 195,719	\$ 1,244,409	\$ 957,300	\$ 957,300	\$ 1,564,300
Other Financing Sources (Uses)					
Transfers In	\$ 200,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ 450,000



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Average age of pumper trucks	13.1	13.1	13.1	14.1
Average age of ladder trucks	10.3	10.3	13.3	14.3

Budget Comments/Issues:

- The 2026 budget for the Public Safety Fund includes \$975,000 for the replacement of fire department hand-held radios; \$175,000 for fire apparatus refurbishment; \$46,000 for automated license plate readers; \$48,500 for ballistic rifle plates and \$299,800 for drones as first responders.
- The city council approved amending the 2024-2028 CIP to advance the purchase of three fire engines from 2024 to 2023. The cost of these three engines is approximately \$2.9 million and will not be paid until the engines are delivered, which is anticipated to be in 2026. The 2023 state legislature provided the city with \$2.4 million of one-time public safety aid that will pay for a majority of this purchase.
- The ongoing plan for fire equipment includes reducing the number of large rigs, which has decreased the fleet's average age and has provided enhanced maintenance of pumpers and trucks. The replacement and refurbishment schedule of the fire fleet allows it to remain highly reliable by rotating apparatus from a higher use location to lower use locations, thereby balancing the fleet and extending the life of each apparatus.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

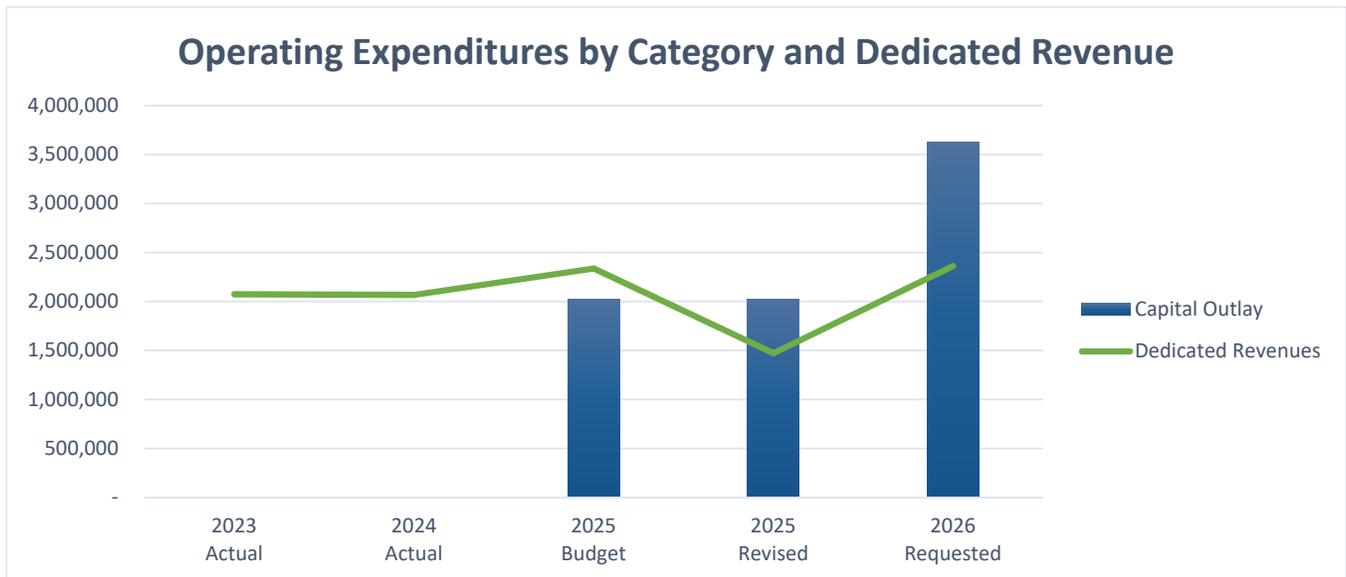
Municipal State Aid Fund
Engineering Department
Capital Projects Fund

Description of Services:

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 fuel taxes, license fees, motor vehicle sales tax and auto parts sales tax. 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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 2,073,817	\$ 2,066,311	\$ 2,336,200	\$ 1,471,800	\$ 2,361,600
Operating Expenditures by Category					
Capital Outlay	\$ 5,977	\$ 6,586	\$ 2,025,000	\$ 2,025,000	\$ 3,625,000
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ 1,618,293	\$ -	\$ -	\$ -



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Construction projects underway	0	1	0	1
Construction projects completed	0	0	1	1

Budget Comments/Issues:

- The 2026-2030 CIP proposes funding for MnDOT signal replacements in 2026.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

Street Improvements Fund
Engineering Department
Capital Projects Fund

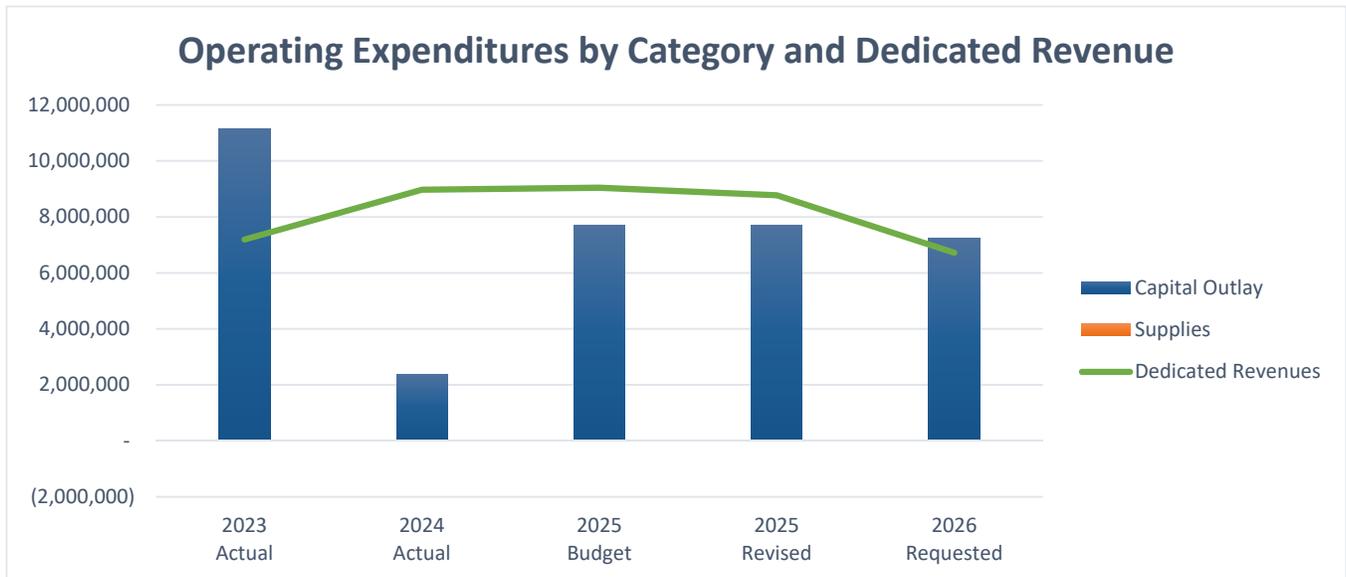
Description of Services:

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, are 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 system 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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 7,193,906	\$ 8,972,487	\$ 9,043,500	\$ 8,774,200	\$ 6,719,300
Operating Expenditures by Category					
Supplies	\$ (394)	\$ 3,848	\$ -	\$ -	\$ -
Capital Outlay	11,163,470	2,385,283	7,710,000	7,710,000	7,240,000
Total Operating Expenditures	\$ 11,163,076	\$ 2,389,131	\$ 7,710,000	\$ 7,710,000	\$ 7,240,000
Other Financing Sources (Uses)					
Transfers In	\$ 1,450,000	\$ 750,000	\$ 400,000	\$ 583,800	\$ 1,250,000
Transfers Out	-	(637,934)	-	-	-
Total Other Financing Sources (Uses)	\$ 1,450,000	\$ 112,066	\$ 400,000	\$ 583,800	\$ 1,250,000



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Miles of streets reconstructed	3.0	0.9	1.3	3
Miles of streets thin overlay	14.0	11.4	12.1	13.2
Miles of streets rated for condition (varies by quadrant)	67	69	57	65
Average pavement condition index (Goal=80)	80	80	81	81

Budget Comments/Issues:

- The 2026 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.
- Reserve for Delayed Projects in 2025 are final costs for various projects including local street rehabilitation and Opus area improvements.
- A portion of city's state allotment of Municipal State Aid Maintenance is deposited annually to the Street Improvement Fund for MSA street related costs.
- The Local Street Preservation Program includes patching, sealing, plus thin overlays and reconstruction projects.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

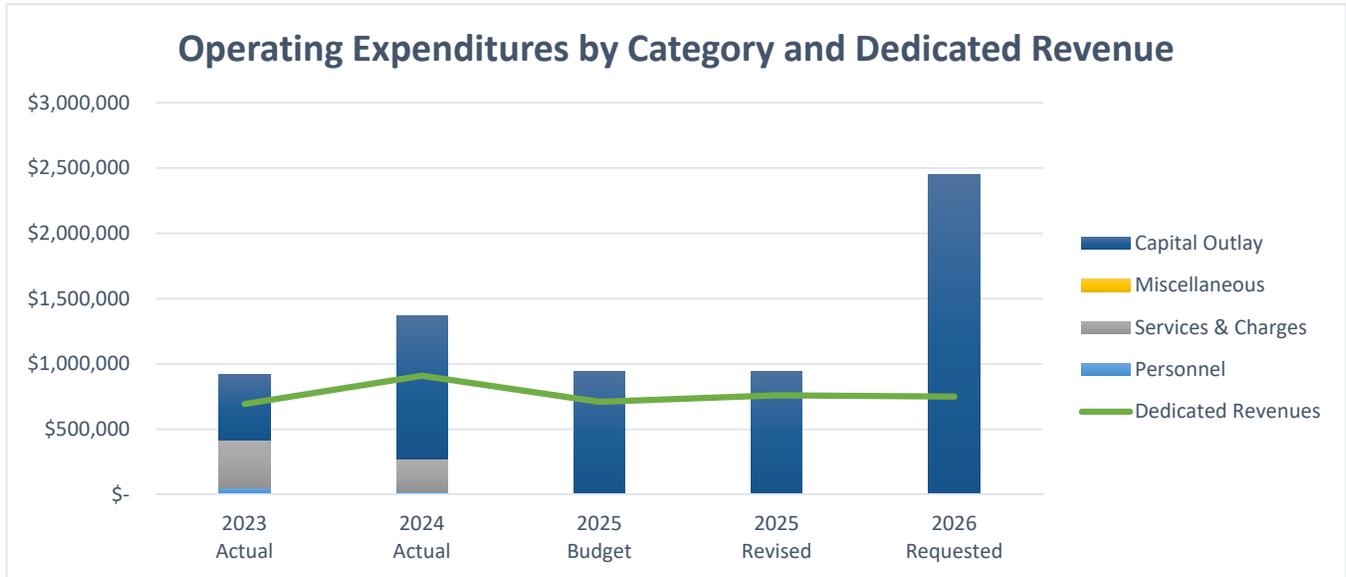
Technology Development Fund
Administrative Services Department
Capital Fund

Description of Services:

The Technology Development Fund supports the acquisition of replacement computers, network hardware, printers, peripherals, telecommunications upgrades, and software. It also funds the purchase of new equipment and software that benefit the entire city, including major office devices such as copiers, postage machines, and enhancements to security systems.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 694,276	\$ 910,243	\$ 710,100	\$ 760,000	\$ 751,200
Operating Expenditures by Category					
Personnel	\$ 53,177	\$ 20,953	\$ -	\$ -	\$ -
Services & Charges	368,324	249,680	1,300	1,500	1,700
Miscellaneous	-	2,580	-	-	-
Capital Outlay	495,819	1,099,481	943,300	943,300	2,446,200
Total Operating Expenditures	\$ 917,320	\$ 1,372,694	\$ 944,600	\$ 944,800	\$ 2,447,900
Other Financing Sources (Uses)					
Transfers In	\$ 1,200,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 450,000



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Number of servers	45	51	52	55
Number of desktop computers	205	188	190	195
Number of laptop computers	237	263	280	290
Number of iPads/tablets	113	115	118	125

Budget Comments/Issues:

- Continue ongoing work to invest in technology to strengthen security through compliance, training, infrastructure, and sustainability. Ex. Cybersecurity, PCI, and BCA requirements.
- Increases in the number of wireless access points provide better coverage and mobility for wireless devices of city customers/citizens, business partners and city employees.
- The capital replacement has seen market driven increases in IT infrastructure costs including the expenses for servers, network hardware, software licensing and security.
- Growth in the physical campus footprint has increased the video surveillance, security cameras, wireless & network infrastructure.
- Ongoing funding of mobile equipment such as laptops and peripherals equipment, which allows city office staff to telework efficiently and maintain expected service levels.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

Trail System Expansion Fund
Public Works Department
Capital Fund

Description of Services:

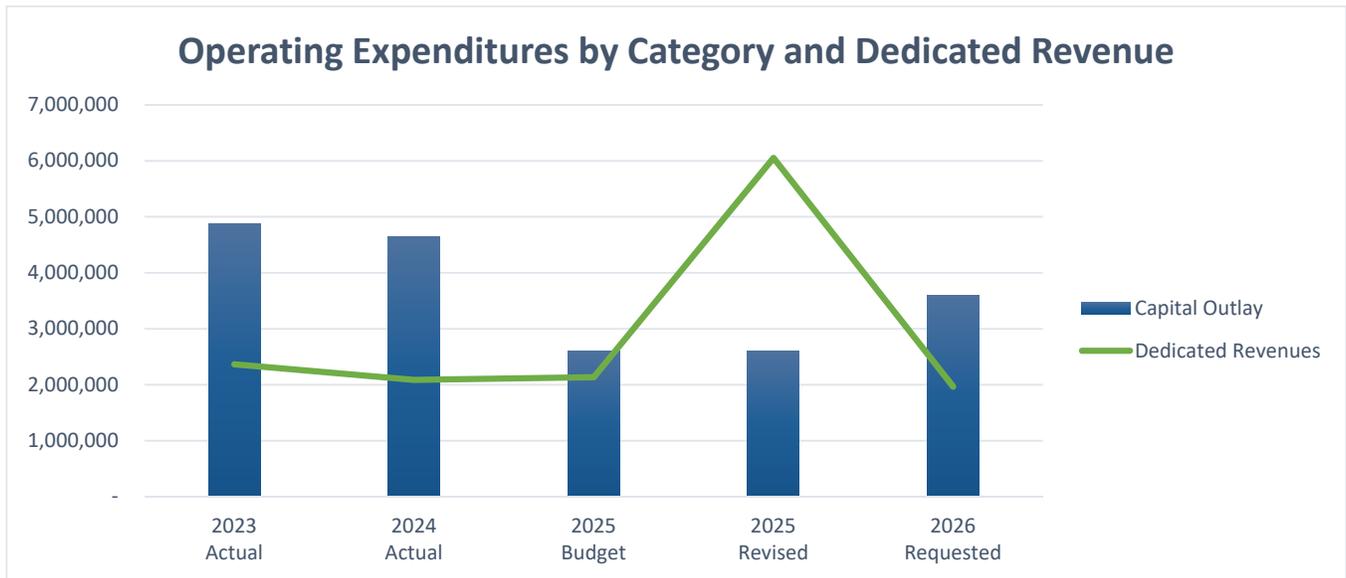
In response to significant results garnered from the City of Minnetonka's annual community survey and the Imagine Minnetonka community engagement process, the city adopted a natural gas franchise fee in 2018 to charge CenterPoint Energy for its use of city rights-of-way. In addition, the electric franchise fee was increased by \$2 per residential account with \$1 dedicated to underground burial and \$1 dedicated to trail expansion. Calculated as a monthly charge per customer, all revenue paid to the city by the gas company and a portion of the revenue paid to the city from the electric company supports costs to expand the city trail system and make sidewalks and streets safer for pedestrians.

Fee revenue and costs associated with the projects are budgeted through the Trail System Expansion Fund. The schedule for constructing these projects is developed as part of the city's five-year Capital Improvements Program (CIP).

This fund was initially named the Gas Franchise Fund. In order to provide a more transparent use of funds and tracking of projects, the portion of electric franchise fees associated with trail development is now accounted for within this Trail Development Fund rather than within the Electric Franchise Fee fund, which is used only for undergrounding of electrical utilities and area lighting.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 2,364,323	\$ 2,086,431	\$ 2,135,900	\$ 6,052,200	\$ 1,967,700
Operating Expenditures by Category					
Capital Outlay	\$ 4,875,485	\$ 4,644,040	\$ 2,600,000	\$ 2,600,000	\$ 3,600,000



Key Measures:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>2026 Projected</u>
Miles of new trail segments constructed using gas and electric franchise revenues	1.7	1.1	0	0.8

Budget Comments/Issues:

- Revenues from the natural gas franchise fee, which is equal to \$4.50/month per residential account, in addition to an increase in the electric franchise fee of \$1.00/month per residential are to be solely dedicated to priority trail construction as provided in the adopted CIP. The fee generates approximately \$1.9 million per year. This includes the addition of the following segments in the 2026-2030 CIP, Excelsior Boulevard (Glen Oak Street to CSAH 101 Library) and Hopkins Crossroad (Minnetonka Boulevard to Minnetonka Mills Road).
- The city's internal trails team prioritized unscheduled segments which was subsequently approved by the park board and city council. The vision for trail segments uses a score based on: Community Access (40%), Nature of Use (40%), Cost Effectiveness (10%), and Degree of Construction Difficulty (10%). Staff used planning level estimates to develop an approximate idea of funding needed to build out these segments, with the intent to complete feasibility reports as segments are scheduled or get closer to construction to refine the detailed costs. This estimate continues to be updated annually based on current bid climate and is estimated at \$100,267,200.
- Staff continues to recommend delaying Baker Road trail segments from Minnetonka Boulevard to County Road 62 as Three Rivers Park District (TRPD) has indicated its intent to construct these segments in 2027.

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



CITY OF
MINNETONKA

2026 Annual Budget - Debt Service Funds

	2016B GO Open Space Bonds	2019 HIA Bonds	2020A GO CIP Bonds	2025 HIA Bonds	Future Bonds	Total Debt Service Funds
Revenues:						
General Property Taxes	\$ -	\$ -	\$ 1,112,048	\$ -	\$ 694,170	\$ 1,806,218
Other Income	-	190,000	-	264,900	-	454,900
Total Revenues	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ 1,112,048</u>	<u>\$ 264,900</u>	<u>\$ 694,170</u>	<u>\$ 2,261,118</u>
Expenditures						
Public Safety	\$ -	\$ -	\$ 1,049,700	\$ -	\$ -	\$ 1,049,700
Development	-	172,800	-	264,900	-	437,700
Total Expenditures	<u>\$ -</u>	<u>\$ 172,800</u>	<u>\$ 1,049,700</u>	<u>\$ 264,900</u>	<u>\$ -</u>	<u>\$ 1,487,400</u>
Net Change in Fund Balance	\$ -	\$ 17,200	\$ 62,348	\$ -	\$ 694,170	<u>\$ 773,718</u>
Estimated Beginning Available Fund Balance	<u>495,405</u>	<u>213,330</u>	<u>1,149,398</u>	<u>-</u>	<u>-</u>	
Estimated Ending Available Fund Balance	<u>\$ 495,405</u>	<u>\$ 230,530</u>	<u>\$ 1,211,746</u>	<u>\$ -</u>	<u>\$ 694,170</u>	



CITY OF
MINNETONKA



CITY OF
MINNETONKA

2026 Annual Budget - Enterprise & Internal Service Funds

	Business-Type Activities - Enterprise Funds			
	Water and Sewer Utilities	Storm Water	Environmental	Williston Fitness Center
Revenues:				
Operating Revenues	\$ 23,317,300	\$ 3,581,300	\$ 2,743,300	\$ 3,147,600
Operating Expenses:				
Operating Expenses	17,997,700	3,934,200	2,513,500	3,357,500
Non-Operating Revenues (Expenses)				
Total Other Financing Uses	<u>(874,200)</u>	<u>(157,800)</u>	<u>(227,200)</u>	<u>(58,100)</u>
Change in Net Position	\$ 4,445,400	\$ (510,700)	\$ 2,600	\$ (268,000)
Estimated Beginning Available Fund Balance	<u>73,898,284</u>	<u>36,640,639</u>	<u>(382,740)</u>	<u>3,908,750</u>
Estimated Ending Available Fund Balance	<u><u>\$ 78,343,684</u></u>	<u><u>\$ 36,129,939</u></u>	<u><u>\$ (380,140)</u></u>	<u><u>\$ 3,640,750</u></u>
Estimated Ending Available Cash Balance	\$ 20,069,059	\$ 4,456,083	\$ (386,209)	\$ 579,721

2026 Annual Budget - Enterprise & Internal Service Funds

	<u>Grays Bay Marina</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Total Internal Service Funds</u>
Revenues:			
Operating Revenues	\$ 308,400	\$ 33,097,900	\$ 2,804,300
Operating Expenses:			
Operating Expenses	248,100	28,051,000	2,821,000
Non-Operating Revenues (Expenses)			
Total Other Financing Uses	<u>(13,900)</u>	<u>(1,331,200)</u>	<u>-</u>
Change in Net Position	\$ 46,400	<u>\$ 3,715,700</u>	\$ (16,700)
Estimated Beginning Available Fund Balance	<u>1,205,962</u>		<u>3,406,145</u>
Estimated Ending Available Fund Balance	<u>\$ 1,252,362</u>		<u>\$ 3,389,445</u>
Estimated Ending Available Cash Balance	\$ 1,174,853		\$ 3,869,626



Fund:
Responsible Department:
Fund Type:

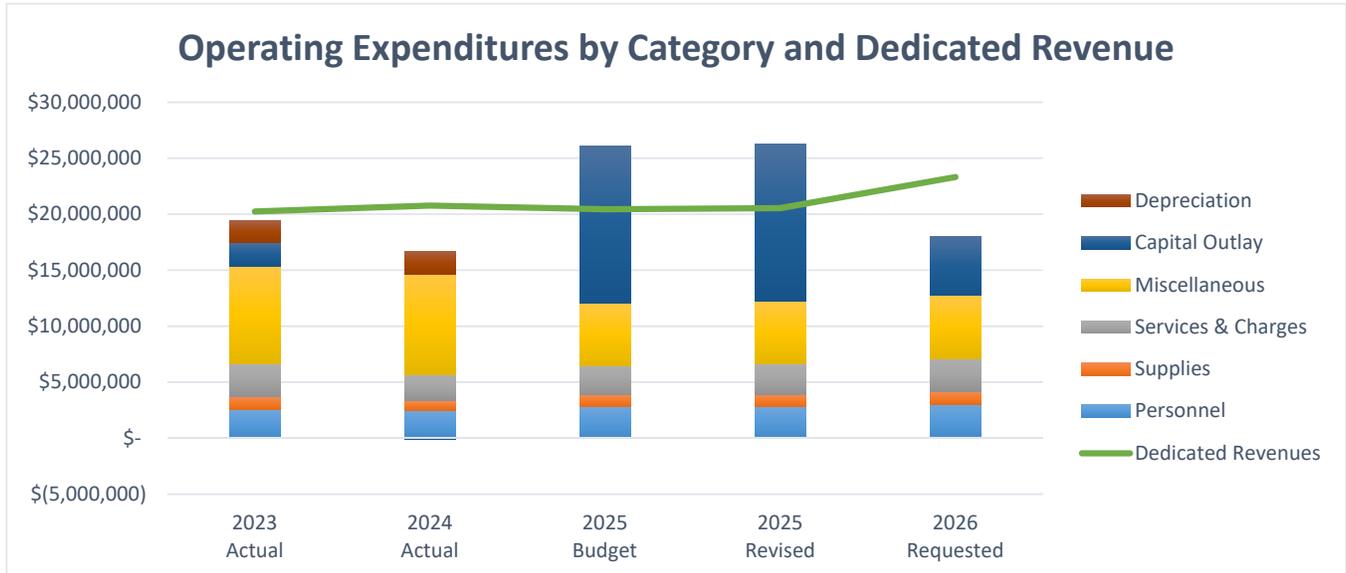
Water and Sewer Utilities Fund
Public Works Department
Enterprise Fund

Description of Services:

The Utility Division of the Public Works Department operates and maintains the water system, sewer collection system, city-owned street lighting and civil defense warning sirens in the city. This includes over 300 miles each of water distribution and sewer collection piping, eighteen wells, eight water treatment facilities, ten water storage structures, 38 lift stations, 371 street lights and ten civil defense sirens.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 20,238,134	\$ 20,771,966	\$ 20,442,100	\$ 20,540,900	\$ 23,317,300
Operating Expenditures by Category					
Personnel	\$ 2,554,542	\$ 2,479,776	\$ 2,792,500	\$ 2,792,500	\$ 3,021,800
Supplies	1,137,093	862,690	1,111,600	1,111,600	1,129,600
Services & Charges	2,955,994	2,316,236	2,589,000	2,750,800	2,966,200
Miscellaneous	8,712,846	8,993,716	5,535,911	5,535,900	5,661,800
Capital Outlay	2,140,991	(124,799)	14,100,800	14,100,800	5,218,300
Depreciation	1,943,388	2,045,671	-	-	-
Total Operating Expenditures	\$ 19,444,854	\$ 16,573,290	\$ 26,129,811	\$ 26,291,600	\$ 17,997,700
Other Financing Sources (Uses)					
Gain/(Loss) on Capital Sold	\$ 27,886	\$ 16,087	\$ -	\$ -	\$ -
Transfers Out	(814,000)	(1,363,683)	(848,700)	(848,700)	(874,200)
Total Other Financing Sources (Uses)	\$ (786,114)	\$ (1,347,596)	\$ (848,700)	\$ (848,700)	\$ (874,200)



Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Water pumped (million gallons)	2,341	2,031	2,100	2,100
Water main breaks repaired	39	20	43	43
Utility locate requests completed	9,002	9,767	10,000	10,000
Sewer cleaning (miles)	106.5	102.4	100	100
Sewer televising (miles)	3	15.4	20	20
Fire hydrants inspected	2,997	2,898	2,898	2,898

Budget Comments/Issues:

- A comprehensive asset management analysis was completed in 2025, which focused on operations, maintenance and replacement needs over the next 50 years for drinking water and sanitary sewer assets to meet the demands of the community well into the future. Anticipated costs identified in the analysis have necessitated rate increases that will sustain the planned improvements and improvement bonds to be sold at key times to fund a number of planned larger improvements to the systems. The most recent bond sale occurred in late 2025. The next bond issuance is tentatively planned for 2027.
- In 2026, the city will continue its efforts to reduce inflow and infiltration (I&I) in the city's sanitary sewer system to maintain compliance with the Metropolitan Council Environmental Services (MCES) limits. The efforts will include flow metering, televising sewer main and rehabilitating segments of the system that are experiencing I&I.
- Several significant sewer and water projects will be completed in 2026 including replacement of air relief manholes, well rehabilitation, Minnetonka Blvd lift station upgrades and year 3 of the Water Meter Replacement program.
- Rising labor, materials and MCES wastewater treatment costs will continue to increase the cost of operating the water and sanitary sewer utilities. In 2025, MCES announced a 5.8 percent increase in wastewater treatment costs for 2026.
- Continued development/redevelopment of the Opus II area will require improvements and capacity upgrades of the existing sanitary sewer and water systems. An evaluation of the existing systems and strategic planning for future upgrades occurred in 2020 and identified several immediate and long-term improvements required to accommodate anticipated development projects.

Employees

19.45 — 19.45 — 20.45 — 20.45 — 20.45

2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
19.45	19.45	20.45	20.45	20.45

— Number of Employees (FTEs)

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

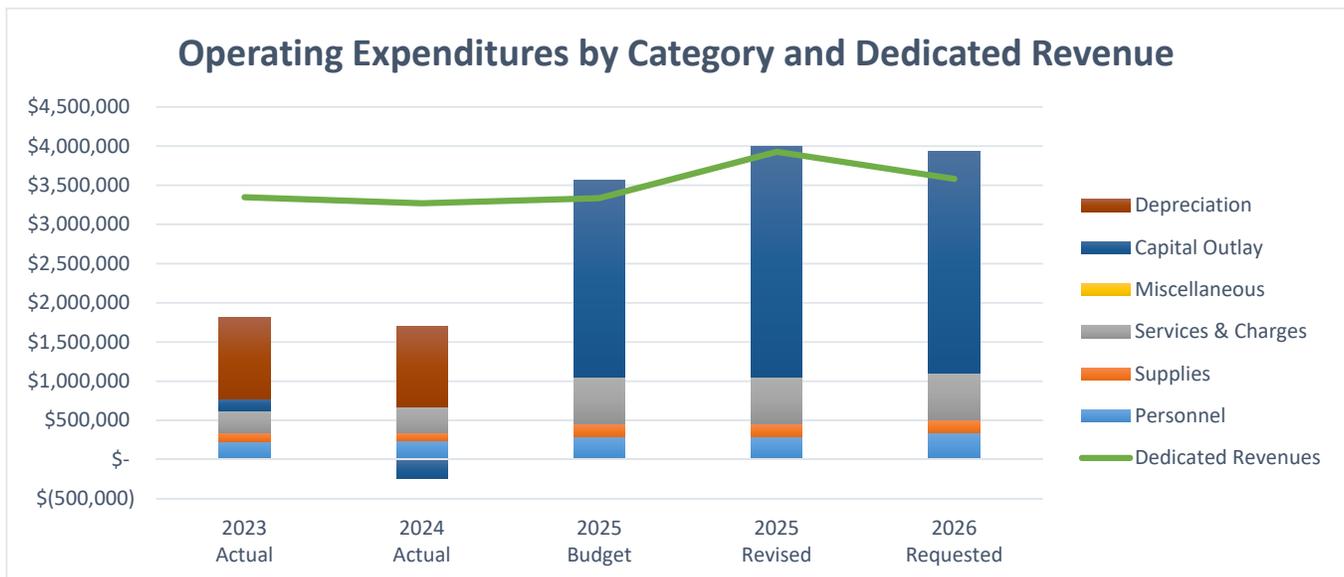
Storm Water Fund
Engineering Department
Enterprise Fund

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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 3,347,796	\$ 3,269,945	\$ 3,336,500	\$ 3,927,000	\$ 3,581,300
Operating Expenditures by Category					
Personnel	\$ 232,200	\$ 240,065	\$ 293,600	\$ 293,600	\$ 344,200
Supplies	110,686	97,951	162,600	162,500	161,100
Services & Charges	275,791	328,138	597,200	596,800	601,000
Miscellaneous	2,023	2,028	-	-	-
Capital Outlay	158,447	(247,206)	2,507,600	2,947,600	2,827,900
Depreciation	1,030,423	1,030,999	-	-	-
Total Operating Expenditures	<u>\$ 1,809,570</u>	<u>\$ 1,451,975</u>	<u>\$ 3,561,000</u>	<u>\$ 4,000,500</u>	<u>\$ 3,934,200</u>
Other Financing Sources (Uses)					
Transfers Out	<u>\$ (147,200)</u>	<u>\$ (486,994)</u>	<u>\$ (153,200)</u>	<u>\$ (153,200)</u>	<u>\$ (157,800)</u>



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Water quality samples taken	4	5	5	5
Storm sewer projects completed	2	2	4	4
Sump catch basins inspected	313	314	300	300
Storm sewer outfalls inspected	183	96	180	180
Drainage ponds inspected	39	47	45	45
Drainage ponds restored	2	1	1	1
Misc. drainage projects completed	38	21	25	25

Budget Comments/Issues:

- Consistent with the prior three years, the 2026 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.
- Other Services & Charges includes ongoing costs for water quality testing, pond maintenance, watershed modeling, and miscellaneous drainage repairs.
- 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. All inspections are performed by public works staff and engineering interns, and include inspecting all sump catch basins every year and ponds and outfalls at least once every 5 years.

Employees

1.5 — 1.5 — 1.5 — 1.5 — 1.5

2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
1.5	1.5	1.5	1.5	1.5

— Number of Employees (FTEs)

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



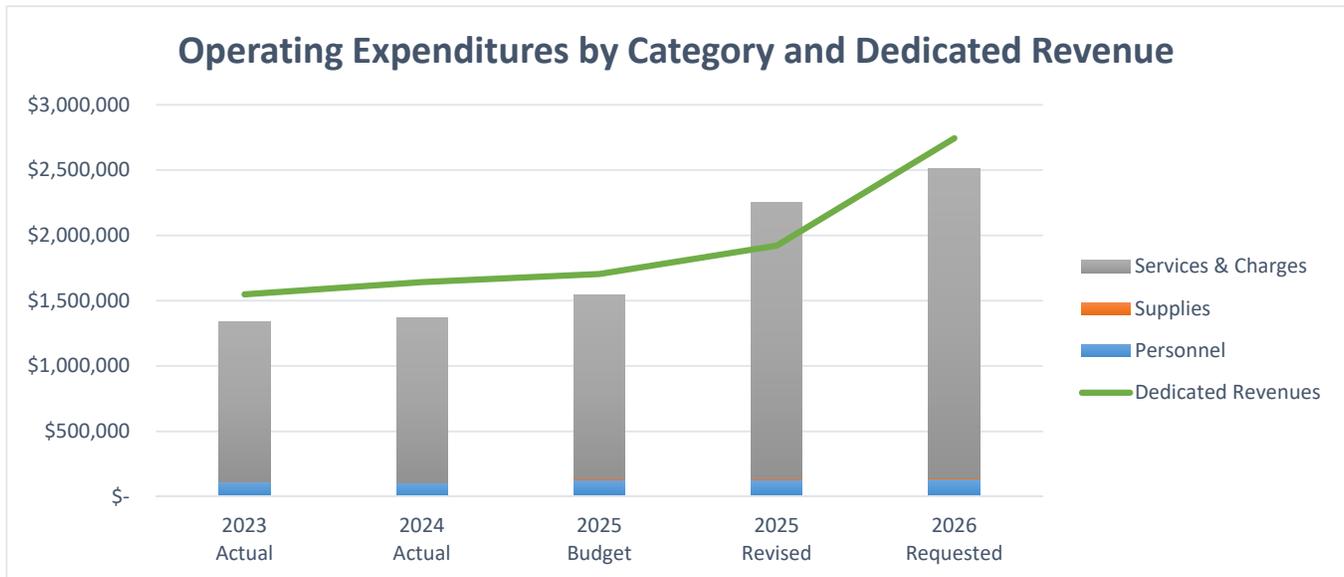
Fund: **Environmental Fund**
 Responsible Department: Public Works Department
 Fund Type: Enterprise Fund

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 residential curbside recycling collection, a community recycling drop-off center, spring and fall leaf drop-offs, on-going storm and home maintenance related brush drop-offs, one paper shredding event, and two special household material drop-offs in the summer and fall. In March 2025, the city implemented organized curbside organics collection.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 1,548,824	\$ 1,642,042	\$ 1,705,300	\$ 1,921,700	\$ 2,743,300
Operating Expenditures by Category					
Personnel	\$ 109,153	\$ 104,537	\$ 128,000	\$ 128,000	\$ 136,700
Supplies	5,395	422	5,200	5,200	5,200
Services & Charges	1,227,032	1,266,627	1,410,900	2,122,500	2,371,600
Total Operating Expenditures	\$ 1,341,580	\$ 1,371,586	\$ 1,544,100	\$ 2,255,700	\$ 2,513,500
Other Financing Sources (Uses)					
Transfers Out	\$ (220,600)	\$ (220,600)	\$ (220,600)	\$ (220,600)	\$ (227,200)



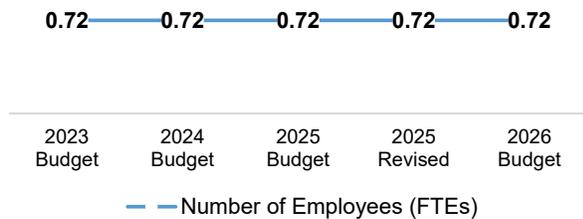
Key Measures:

	2023	2024	2025	2026
	Actual	Actual	Estimated	Projected
Curbside recycling picked up (tons)	3,163	4,125	3,700	3,800
Leaf recycling dropped off (cubic yards)	12,000	7,810	8,000	8,000
Special drop-off customers (est.)	1,594	1,811	1,900	1,800
Customers rating curbside svcs "good" or "excellent"	93	88	97	95
Households with organics collection	1,000	2,300	2,875	3,100

Budget Comments/Issues:

- A new contract began in 2025 to provide recycling and organic services to residents. This coincides with changes to Hennepin County Ordinance 13, which since 2022 requires some form of required household organics collection. Organics composting is seen as the next step in reducing the volume of solid waste that goes to landfills.
- The 2026 budget reflects over a 26.7 percent increase in recycling fees. Increases are due to annual increases with the residential recycling contract as well as the newly implemented curbside organics program. Residential recycling pickup charge will change from \$5.00 to \$5.46 per household per month, and organics pickup charge will change from \$3.10 to \$4.81 per household per month, due to a large increase in household organics participation following city contracting of organics curbside collection. The city's yard waste program continues to experience substantial processing and hauling costs. To ensure ongoing financial sustainability for the programs, the 2026 budget anticipates an increase in the monthly rate charged to residential properties from \$10.81 to \$12.90.
- In 2026, the city will continue to conduct two special drop off events for Minnetonka residents. This is a convenient opportunity for residents to dispose of household items at a reasonable cost.
- With the passage of the Packaging Waste and Cost Reduction Act in 2024 the city will receive 50% reimbursement for recycling costs in 2029, 75% in 2030, and no less than 90% from 2031 and thereafter.
- In 2024, the city continued a buckthorn remediation project including residential buckthorn pick-up, at an estimated annual cost of \$15,000. The program experienced moderate participation, with 25 loads of buckthorn debris (10 cubic yards each) collected from 18 participating households at a total cost of \$5,040. Program evaluation indicated the service should continue in 2025, with seasonal pick-ups provided even if the number of requests is low; this ensures the service remains available to those who need it. An valuation was repeated in the fall/winter of 2025 to identify potential modifications to the 2026 program.

Employees





Fund:
Responsible Department:
Fund Type:

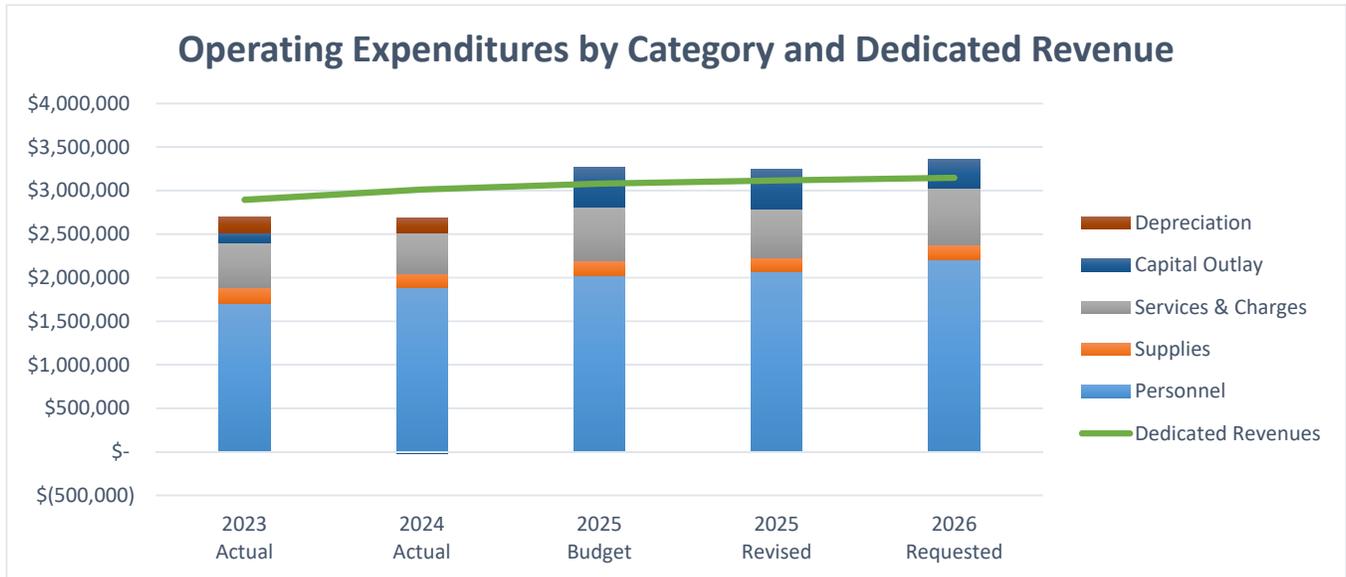
Williston Center Fund
Recreation Services Department
Enterprise Fund

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, cardiovascular 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.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 2,894,323	\$ 3,012,307	\$ 3,079,600	\$ 3,117,200	\$ 3,147,600
Operating Expenditures by Category					
Personnel	\$ 1,702,487	\$ 1,889,644	\$ 2,025,100	\$ 2,074,200	\$ 2,203,100
Supplies	189,647	160,169	170,000	157,100	175,100
Services & Charges	511,904	458,382	621,350	558,400	644,300
Capital Outlay	114,105	(15,779)	450,000	450,000	335,000
Depreciation	180,812	174,077	-	-	-
Total Operating Expenditures	\$ 2,698,955	\$ 2,666,493	\$ 3,266,450	\$ 3,239,700	\$ 3,357,500
Other Financing Sources (Uses)					
Transfers Out	\$ (54,200)	\$ (54,200)	\$ (56,400)	\$ (56,400)	\$ (58,100)



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Average active members	9,800	10,222	10,500	10,550
Daily fee (non-member) participants	29,200	22,330	24,000	26,000
Total facility visits	248,266	359,659	360,000	362,000
Total tennis court usage (hours)	15,770	16,430	16,500	16,550
Total swim lesson hours	1,000	1,041	1,050	1,050
Average fitness classes offered weekly	85	90	95	95
Total specialty fitness revenue	\$88,141	\$100,665	\$102,000	\$105,000

Budget Comments/Issues:

- Membership continues to increase, growing over 4% from 2023 to 2024.
- Total facility visits increased significantly as new metrics were put in place to account for caregivers that are accompanying non-member children.
- Williston hired a Program and Membership Manager who will split time between Williston Fitness Center and Shady Oak Beach.
- Tennis court usage also saw a 4% increase in 2024, and fees increased in fall of 2025.
- Several larger scale mechanical replacements such as: water heater(s), the spa heater and the splash pad heater needed to be replaced utilizing funds from the operating budget.
- Membership rates increased in January 2025 and are schedule for another increase in 2027.

Employees



2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
9.15	8.15	8.65	8.65	8.65

— Number of Employees (FTEs)

Capital Improvement Program:

The city prepares a five year Capital Improvement Program (CIP). A separate CIP document was approved by council on September 8, 2025. The CIP book provides a summary of each project location, description and source and use of funds. The CIP book also provides a cashflow for the fund.



Fund:
Responsible Department:
Fund Type:

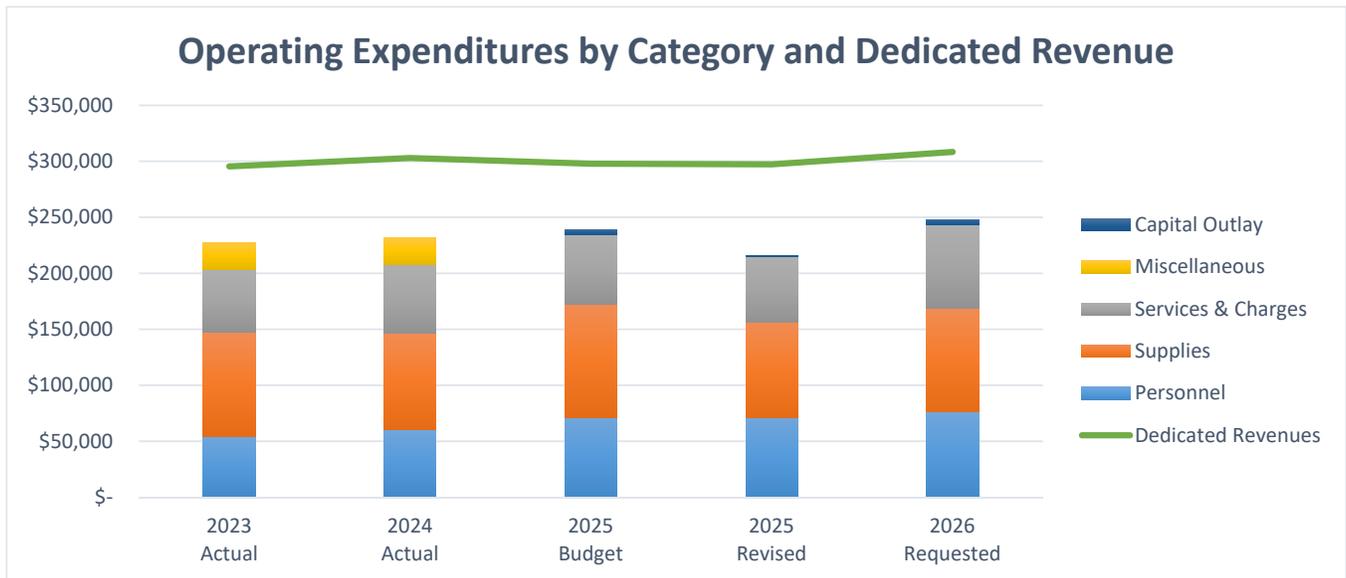
Gray's Bay Marina Fund
Recreation Services Department
Enterprise Fund

Description of Services:

Gray's Bay Marina is managed by the Community Facilities Division 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-May through October 31 and offers fuel, pump-out service, restrooms and public launch facilities. Lease fees and gas sales finance operation and maintenance of the facility. Through a joint powers agreement, the city is responsible for all capital outlay for city-owned amenities such as the service building and boat slip/service docks, with the DNR providing funding for public areas of the park such as the public landing, boarding docks, and parking lot.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 295,504	\$ 303,048	\$ 298,000	\$ 297,300	\$ 308,400
Operating Expenditures by Category					
Personnel	\$ 54,539	\$ 60,611	\$ 71,300	\$ 71,300	\$ 76,100
Supplies	92,947	86,135	101,300	85,100	92,600
Services & Charges	55,540	60,639	61,500	58,700	74,400
Miscellaneous	24,651	24,718	-	-	-
Capital Outlay	-	-	5,000	1,000	5,000
Total Operating Expenditures	\$ 227,677	\$ 232,103	\$ 239,100	\$ 216,100	\$ 248,100
Other Financing Sources (Uses)					
Transfers Out	\$ (12,600)	\$ (12,900)	\$ (13,200)	\$ (13,200)	\$ (13,900)



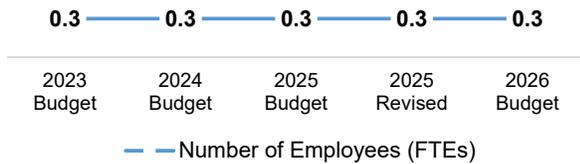
Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Gallons of gas sold	22,967	23,988	23,700	23,500
Days of operation	172	171	173	172
Slip lease rate	\$4,200	\$4,200	\$4,200	\$4,400

Budget Comments/Issues:

- The 2026 budget for Gray's Bay Marina provides current level services and a strong financial position for the fund.
- Consistent with the council's strategic plan, a market study is completed annually to determine fees for use of the marina and other recreational facilities. 2026 slip lease rate shows an increase of \$200.
- Since operations began in 2003 Gray's Bay Marina has averaged 25,800 gallons of gas sold per year, however the average over the past four years has been 23,600 gallons. Sales are sensitive to weather and peak sales are July through mid-August.
- Fifty percent of the LMCD levy is funded through the marina operations budget and is shown as "Other Services & Charges"; the remainder is funded by the Natural Resources Division of the Public Works Department.

Employees





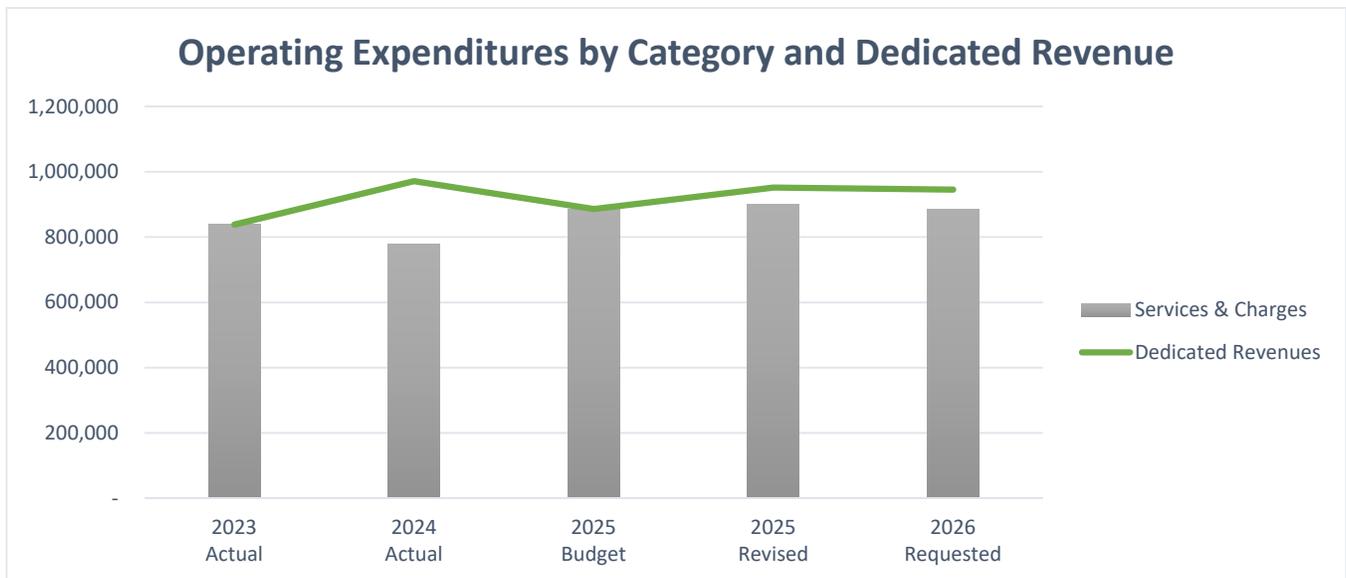
Fund: **Insurance Fund**
 Responsible Department: Administrative Services Department
 Fund Type: Internal Service Fund

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.

Budget:

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Requested</u>
Dedicated Revenues	\$ 838,175	\$ 971,238	\$ 886,000	\$ 951,700	\$ 945,200
Operating Expenditures by Category					
Services & Charges	\$ 840,037	\$ 777,396	\$ 886,000	\$ 900,000	\$ 886,000



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Municipal experience mod factor (less than 1.0 is good)	0.933	0.846	0.858	0.875
Auto, liability and auto physical damage experience mod factor	0.85	0.90	0.90	0.90
Workers comp mod factor (less than 1.0 is good)	0.67	0.87	0.91	0.90

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. Revenues to the Insurance Fund are programmed through the budgets of contributing city divisions in order to maintain such a reserve over time.
- 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.
- 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 LMCIT has discontinued the non-smoking certification program for Police and Fire Department members, which previously saved the city approximately \$60,000 in insurance premiums. This change is reflected in the budget.
- 2026 insurance premiums include a cybersecurity policy with AIG in the amount of \$50,000.



Fund:
Responsible Department:
Fund Type:

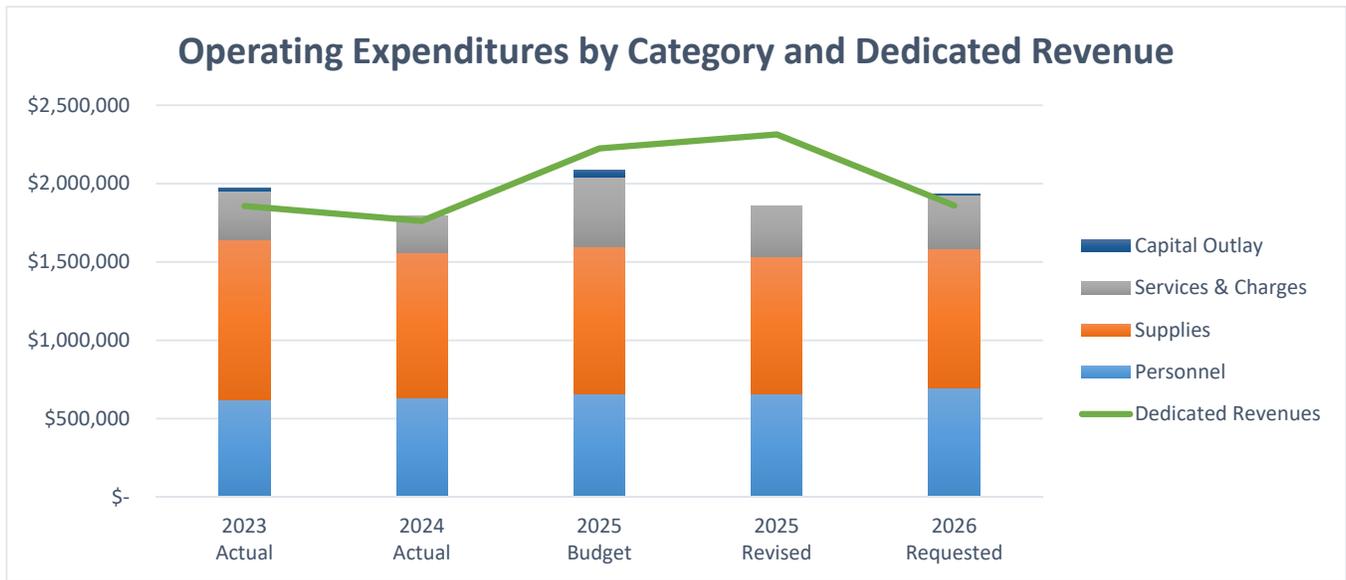
Fleet Maintenance Fund
Public Works Department
Internal Service Fund

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. The fleet consists of approximately 200 mobile vehicles and a similar number of heavy and light support equipment. The costs of the division are allocated to individual city departments with a break-even operating pro-forma. The Fleet Maintenance Fund operates as an internal service fund.

Budget:

	2023 Actual	2024 Actual	2025 Budget	2025 Revised	2026 Requested
Dedicated Revenues	\$ 1,856,673	\$ 1,761,639	\$ 2,224,370	\$ 2,313,400	\$ 1,859,100
Operating Expenditures by Category					
Personnel	\$ 619,827	\$ 631,536	\$ 658,000	\$ 658,000	\$ 694,500
Supplies	1,024,185	926,968	936,800	873,100	889,300
Services & Charges	305,153	236,497	443,300	329,500	341,200
Capital Outlay	24,979	-	50,000	-	10,000
Total Operating Expenditures	\$ 1,974,144	\$ 1,795,001	\$ 2,088,100	\$ 1,860,600	\$ 1,935,000



Key Measures:

	2023 Actual	2024 Actual	2025 Estimated	2026 Projected
Work orders completed	3,017	2,740	3,000	3,000
Gallons of fuel consumed	170,000	154,500	180,000	180,000
Cost to purchase gas/diesel fuels	\$514,454	\$417,588	\$446,800	\$482,800
Average cost per gallon of gas/diesel fuels	\$3.03	\$2.70	\$2.48	\$2.68
Gallons of oil consumed	950	870	950	950

Budget Comments/Issues:

- The 2026 budget for the Fleet Maintenance Fund maintains current service levels and increases fuel costs by \$0.20 per gallon. Increased costs for repair parts and outside repairs are anticipated. The budget incorporates expenses for the general maintenance and repair of the city's fleet including fire apparatus. Specialized repairs and testing are generally completed by outside vendors and suppliers for efficiency and technological reasons.
- In order to contain operating expenses, fleet services takes a number of actions: extending oil change intervals in gasoline engines 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 such as hybrids, electric, compressed natural gas, propane and hydrogen fuel cells as motor fuels and vehicle replacement. Two electric vehicles were added to the fleet in 2023. Nine hybrid vehicles were added to the fleet in 2024 & 2025. Two electric vans were ordered in 2024 for the Building Maintenance division.
- Greater efficiency in shop repairs and maintenance have been realized by utilizing the staff welder for scheduled maintenance and minor repairs when there is time due to openings in the welding schedule.
- Fuels along with a variety of other supplies and equipment are purchased through the State's Cooperative Purchasing Venture. This program establishes a fixed bid price for motor fuel by combining the motor fuel needs of a number of governmental jurisdictions in the metro area and bidding the collective volume of fuel for the coming year.

Employees



2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
4.42	4.42	4.42	4.42	4.42

— Number of Employees (FTEs)



CITY OF
MINNETONKA



MINNETONKA
COMMUNITY

MINNETONKA CITY COUNCIL
(Economic Development Authority)

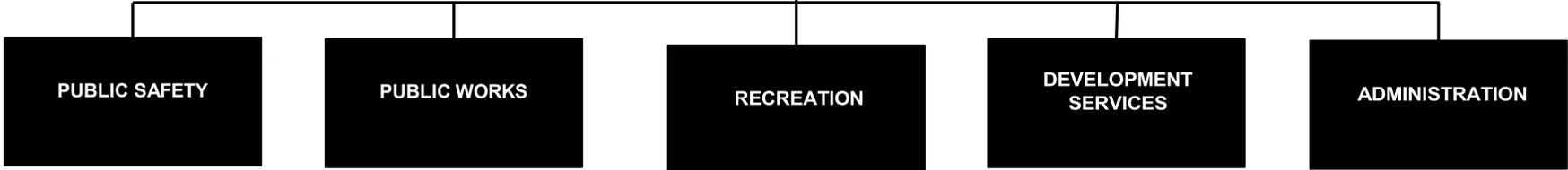
Mayor Brad Wiersum

Council Members at Large: Ward Representation
 Seat A: Deb Calvert Ward 1: Patsy Foster-Bolton
 Seat B: Dr. Kimberly Wilburn Ward 2: Rebecca Schack
 Ward 3: Paula Ramaley
 Ward 4: Kissy Coakley

City Attorney
Erik Nilsson

CITY MANAGER
Mike Funk

BOARDS & COMMISSIONS
 Charter Commission
 Planning Commission
 Economic Development Advisory Committee
 Park Board
 Senior Citizen Advisory Board
 Sustainability Commission
 Diversity, Equity and Inclusion Commission



POLICE
Chief Scott Boerboom

Patrol
Investigation
Support Services

PUBLIC WORKS
Will Manchester

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

RECREATION SERVICES
Kelly O'Dea

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

COMMUNITY DEVELOPMENT
Julie Wischnack

Inspections
Environmental Health
Licensing
Planning & Zoning
Housing & Economic
Development

ADMINISTRATIVE SERVICES
Moranda Dammann

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

FIRE
Chief Kevin Fox

Emergency Management
Inspection
Prevention
Response

FINANCE
Darin Nelson

Accounting
Budget
Utility Billing
Assessing
Special Assessments

LEGAL
Erik Nilsson

Prosecution
Legal advice to the city

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Mayor & City Council Division					
Mayor	1.00	1.00	1.00	1.00	1.00
Council members	6.00	6.00	6.00	6.00	6.00
Total Full-Time Equivalent Employees	7.00	7.00	7.00	7.00	7.00
City Manager Division					
City Manager	1.00	1.00	1.00	1.00	1.00
Assistant City Manager/Director of Administrative Services	1.00	1.00	1.00	1.00	1.00
Senior Management Coordinator	1.00	1.00	1.00	1.00	1.00
Senior Diversity, Equity & Inclusion Coordinator	1.00	1.00	1.00	1.00	1.00
Diversity, Equity & Inclusion Specialist	-	-	1.00	1.00	1.00
Total Full-Time Equivalent Employees	4.00	4.00	5.00	5.00	5.00
City Clerk Division					
City Clerk	1.00	1.00	1.00	1.00	1.00
Senior Elections Specialist	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00	1.00
Records Specialist	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Receptionist	1.00	1.00	1.00	0.63	0.63
Total Full-Time Equivalent Employees	6.00	6.00	6.00	5.63	5.63
Human Resources Division					
Human Resource Manager	1.00	1.00	1.00	1.00	1.00
Senior Human Resource Generalist	1.00	1.00	1.00	1.00	1.00
Human Resource Specialist: Compensation & Benefits	1.00	1.00	1.00	1.00	1.00
Human Resources Assistant	1.00	1.00	1.00	1.00	1.00
Human Resources Specialist: Talent Acquisition	1.00	1.00	1.00	1.00	1.00
Human Resources Wellness & Safety Specialist	1.00	1.00	1.00	1.00	1.00
Payroll Accountant	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	7.00	7.00	7.00	7.00	7.00
Communications Division					
Marketing and Communications Manager	1.00	1.00	1.00	1.00	1.00
Senior Communication Coordinator	1.00	1.00	1.00	1.00	1.00
Communications Coordinator	0.50	1.50	1.50	1.50	1.50
Communications Specialist	-	-	-	-	1.00
Total Full-Time Equivalent Employees	2.50	3.50	3.50	3.50	4.50
Information Technology Division					
Information Technology Manager	1.00	1.00	1.00	1.00	1.00
Systems Administrator	1.00	1.00	1.00	1.00	1.00
Network Administrator	0.75	1.00	1.00	1.00	1.00
Information Technology Specialist	2.00	2.00	2.00	2.00	1.00
Information Technology Technician	2.00	2.00	2.00	2.00	3.00
Total Full-Time Equivalent Employees	6.75	7.00	7.00	7.00	7.00

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Finance Division					
Finance Director	1.00	1.00	1.00	1.00	1.00
Assistant Finance Director	1.00	1.00	1.00	1.00	1.00
Accounting Coordinator	1.00	1.00	1.00	1.00	-
Accounting Specialist	1.00	1.00	1.00	1.00	1.40
Senior Accountant	1.00	1.00	1.00	1.00	1.00
Lead Utility Billing Clerk	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	6.00	6.00	6.00	6.00	5.40
Assessing Division					
City Assessor	1.00	1.00	1.00	1.00	1.00
Assistant City Assessor	1.00	-	-	-	-
Commercial Appraiser I	-	1.00	1.00	1.00	1.00
Residential Appraiser	-	1.00	1.00	1.00	-
Principal Property Appraiser	2.70	1.70	1.70	1.70	2.70
Property Assessment Specialist	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	5.70	5.70	5.70	5.70	5.70
Police Department					
Chief of Police	1.00	1.00	1.00	1.00	1.00
Deputy Police Chief	-	1.00	1.00	1.00	1.00
Directors / Captains	3.00	2.00	2.00	2.00	2.00
Sergeants	11.00	12.00	12.00	12.00	12.00
Police Officers	43.00	48.00	49.00	49.00	50.00
Social Worker	-	1.00	1.00	1.00	1.00
Community Service Officers	4.47	2.00	2.00	2.00	2.00
Police Cadet	-	2.47	2.47	2.47	2.47
Crime Prevention Analyst	1.00	1.00	1.00	1.00	1.00
Administrative Manager	-	1.00	1.00	1.00	1.00
Administrative Assistant	2.00	1.00	1.00	1.00	1.00
Police Records Specialist	2.00	2.00	2.00	2.00	2.00
Evidence Technician	1.00	1.00	1.00	1.00	1.00
Records Supervisor	1.00	1.00	1.00	1.00	1.00
Data Analyst	0.50	0.50	0.50	0.50	1.00
Total Full-Time Equivalent Employees	69.97	76.97	77.97	77.97	79.47

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Fire Department					
Fire Chief	1.00	1.00	1.00	1.00	1.00
Deputy Chief	1.00	1.00	1.00	1.00	1.00
Assistant Chief - Emergency Management	1.00	1.00	1.00	1.00	1.00
Assistant Chief - Fire Marshall	1.00	1.00	1.00	1.00	1.00
Deputy Fire Marshall	1.00	1.00	1.00	1.00	1.00
Deputy Fire Marshall	-	1.00	1.00	1.00	1.00
Battalion Chief / Shift Commander	2.00	3.00	3.00	3.00	3.00
Fire Captains - 24 Hour	3.00	3.00	3.00	3.00	3.00
Fire Lieutenants - 24 Hour	3.00	3.00	6.00	6.00	6.00
Fire Fighters - 24 Hour	5.00	9.00	15.00	15.00	15.00
Fire Inspector	1.00	-	-	-	-
Fire Maintenance Technician	1.00	-	-	-	-
Fire Training Officer / Battalion Chief	1.00	1.00	1.00	1.00	1.00
Assistant Training Officer	1.00	-	-	-	-
Administrative Assistant-Fire	1.00	1.00	1.00	1.00	1.00
Data Analyst	0.50	0.50	0.50	0.50	-
Total Full-Time Equivalent Employees	<u>23.50</u>	<u>26.50</u>	<u>35.50</u>	<u>35.50</u>	<u>35.00</u>
Paid on Call					
Paid on Call - District Chief	1.00	-	-	-	-
Paid on Call - Station Officers (Captains)	5.00	6.00	6.00	6.00	6.00
Paid on Call - Lieutenants	10.00	10.00	10.00	10.00	10.00
Paid on Call - Firefighters	64.00	64.00	64.00	64.00	64.00
Total Paid on Call	<u>80.00</u>	<u>80.00</u>	<u>80.00</u>	<u>80.00</u>	<u>80.00</u>
Total Employees	<u>103.50</u>	<u>106.50</u>	<u>115.50</u>	<u>115.50</u>	<u>115.00</u>
Legal Department					
City Attorney	1.00	1.00	1.00	1.00	1.00
Deputy City Attorney	1.00	1.00	1.00	1.00	1.00
Assistant City Attorney	1.00	1.00	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00	1.00
Legal Assistant	1.00	1.00	1.00	1.00	1.00
Legal Support Assistant	1.00	1.00	1.00	1.00	1.00
Video Analyst	1.00	1.00	1.00	1.00	1.00
Paralegal	-	-	-	-	1.00
Total Full-Time Equivalent Employees	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>8.00</u>
Environmental Health Division					
Environmental Health Specialist	3.00	3.00	3.00	3.00	3.00
Total Full-Time Equivalent Employees	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Engineering Division					
City Engineer	1.00	1.00	1.00	1.00	1.00
Assistant City Engineer	0.50	0.50	0.50	0.50	0.50
Engineering Project Manager	1.00	1.00	1.00	1.00	1.00
Senior Project Engineer	1.00	1.00	1.00	1.00	1.00
Engineer	1.00	1.00	1.00	1.00	1.00
Engineering Tech IV	4.00	4.00	4.00	4.00	4.00
Engineering Tech III	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	9.50	9.50	9.50	9.50	9.50
Street Maintenance Division					
Public Works Director	0.15	0.15	0.15	0.15	0.15
Operations Manager	0.50	0.50	0.50	0.50	0.50
Street Maintenance Field Supervisor	1.00	1.00	1.00	1.00	1.00
Public Service Worker II	18.00	18.00	18.00	18.00	18.00
Public Service Worker IV	1.00	1.00	1.00	1.00	1.00
Administrative Manager	0.15	0.15	0.15	0.15	0.15
Receptionist / Secretary	0.15	0.15	0.15	0.15	0.15
GIS Analyst	0.20	0.20	0.20	0.20	0.20
Total Full-Time Equivalent Employees	21.15	21.15	21.15	21.15	21.15
Building Maintenance Division					
Public Works Director	0.14	0.14	0.14	0.14	0.14
Buildings Manager	1.00	1.00	1.00	1.00	1.00
Public Service Worker II	3.00	4.00	4.00	4.00	4.00
Public Service Worker III	2.00	2.00	2.00	2.00	2.00
Public Service Worker I - Custodian	3.00	3.00	3.00	3.00	3.00
Administrative Manager	0.14	0.14	0.14	0.14	0.14
Receptionist / Secretary	0.14	0.14	0.14	0.14	0.14
Total Full-Time Equivalent Employees	9.42	10.42	10.42	10.42	10.42
Joint Recreation Division					
Recreation Services Director	0.25	0.25	0.25	0.25	0.25
Recreation Services Assistant Director	0.50	0.50	0.50	0.50	0.50
Recreation Superintendent	1.00	1.00	1.00	1.00	1.00
Recreation Program Manager	2.00	2.00	2.00	2.00	2.00
Program & Membership Activities Manager	-	0.50	0.50	0.50	0.50
Aquatics & Inclusion Services Program Manager	1.00	1.00	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00	1.00
Registration Secretary	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	6.75	7.25	7.25	7.25	7.25

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Minnetonka Recreation Division					
Recreation Services Director	0.50	0.50	0.50	0.50	0.50
Recreation Services Assistant Director	0.50	0.50	0.50	0.50	0.50
Total Full-Time Equivalent Employees	1.00	1.00	1.00	1.00	1.00
Senior Services Division					
Community Facilities Superintendent	0.20	0.20	0.20	0.20	0.20
Community Facilities Assistant Manager	0.40	0.40	0.40	0.40	0.40
Senior Services Program Manager	1.00	1.00	1.00	1.00	1.00
Administrative Assistant I	0.25	0.25	0.25	0.25	0.25
Total Full-Time Equivalent Employees	1.85	1.85	1.85	1.85	1.85
Community Facilities Division					
Recreation Services Director	0.10	0.10	0.10	0.10	0.10
Community Facilities Superintendent	0.80	0.80	0.80	0.80	0.80
Community Facilities Assistant Manager	0.40	0.40	0.40	0.40	0.40
Administrative Clerk	1.00	1.00	1.00	1.00	1.00
Administrative Coordinator	0.75	-	1.00	1.00	1.00
Administrative Assistant I	0.90	1.65	0.65	0.65	0.65
Total Full-Time Equivalent Employees	3.95	3.95	3.95	3.95	3.95
Parks & Trails Division					
Public Works Director	0.14	0.14	0.14	0.14	0.14
Operations Manager	0.50	0.50	0.50	0.50	0.50
Parks & Trails Field Supervisor	1.00	1.00	1.00	1.00	1.00
Public Service Worker II	10.00	10.00	10.00	10.00	10.00
Administrative Manager	0.14	0.14	0.14	0.14	0.14
Receptionist / Secretary	0.14	0.14	0.14	0.14	0.14
GIS Analyst	0.20	0.20	0.20	0.20	0.20
Total Full-Time Equivalent Employees	12.12	12.12	12.12	12.12	12.12

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Natural Resources Division					
Public Works Director	0.14	0.14	0.14	0.14	0.14
Natural Resources Manager	1.00	1.00	1.00	1.00	1.00
City Forester	1.00	1.00	1.00	1.00	1.00
Natural Resources Specialist	2.00	2.00	2.00	2.00	2.00
Assistant Forester	-	-	-	1.00	1.00
Forestry Tech	2.00	2.00	2.00	1.00	1.00
Administrative Manager	0.14	0.14	0.14	0.14	0.14
Admin Assistant	0.85	0.85	0.85	0.85	0.85
Receptionist / Secretary	0.14	0.14	0.14	0.14	0.14
GIS Analyst	0.20	0.20	0.20	0.20	0.20
Park & Trails Planner	1.00	1.00	1.00	1.00	1.00
NR Inspector	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	9.47	9.47	9.47	9.47	9.47
Community Development Division					
Community Development Director	1.00	1.00	1.00	1.00	1.00
Chief Building Inspector	1.00	1.00	1.00	1.00	1.00
Assistant Building Official	-	-	-	-	1.00
Economic Development and Housing Manager	1.00	1.00	1.00	1.00	1.00
Community Development Coordinator	1.00	1.00	1.00	1.00	1.00
Economic Development Coordinator	1.00	1.00	1.00	1.00	1.00
Housing Coordinator	1.00	1.00	1.00	1.00	1.00
Inspectors	7.00	8.00	8.00	8.00	7.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Building Permit Technician	2.80	2.80	3.00	3.00	3.00
Total Full-Time Equivalent Employees	16.80	17.80	18.00	18.00	18.00
Planning Division					
City Planner	1.00	1.00	1.00	1.00	1.00
Assistant City Planner	1.00	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00	1.00
Associate Planner / Sustainability Coordinator	1.00	1.00	1.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00	1.00
Clerk	0.50	0.50	0.50	0.50	0.50
Total Full-Time Equivalent Employees	5.50	5.50	5.50	5.50	5.50
Total General Fund Full-Time Equivalent Employees	318.93	332.68	343.88	343.51	344.91
Cable Television Fund					
Senior Information Technology PC/Telecom Technician	0.25	-	-	-	-
Senior Communication Coordinator	1.00	-	-	-	-
Total Full-Time Equivalent Employees	1.25	-	-	-	-

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Ice Arena Special Revenue Fund					
Ice Arena Manager	1.00	1.00	1.00	1.00	1.00
Arena Maintenance Technician	1.00	1.00	-	-	-
PSW1	-	-	1.00	1.00	1.00
Building Supervisors	1.00	1.00	1.00	1.00	1.00
Registration Secretary	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	4.00	4.00	4.00	4.00	4.00
The Marsh Special Revenue Fund					
Marsh Manager	-	1.00	1.00	1.00	1.00
Program and Event Coordinator	-	-	1.00	1.00	1.00
Maintenance Technician	-	2.00	2.00	2.00	2.00
Guest Services Coordinator	-	1.00	1.00	1.00	1.00
Sr. Fitness Coordinator	-	0.50	1.00	1.00	1.00
Total Full-Time Equivalent Employees	-	4.50	6.00	6.00	6.00
Water and Sewer Utilities Fund					
Public Works Director	0.15	0.15	0.15	0.15	0.15
Utility Operations Engineer	1.00	1.00	1.00	1.00	1.00
Utility Superintendent	1.00	1.00	1.00	1.00	1.00
Public Service Worker IV	9.00	9.00	9.00	9.00	9.00
Public Service Worker II	3.00	5.00	6.00	6.00	6.00
Public Service Worker I	2.00	-	-	-	-
Administrative Manager	0.15	0.15	0.15	0.15	0.15
Receptionist / Secretary	0.15	0.15	0.15	0.15	0.15
Utility Billing Specialist	0.60	0.60	0.60	0.60	0.60
Account Technician	1.00	1.00	1.00	1.00	1.00
GIS Analyst	0.40	0.40	0.40	0.40	0.40
GIS Specialist	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	19.45	19.45	20.45	20.45	20.45
Storm Water Fund					
Assistant City Engineer	0.50	0.50	0.50	0.50	0.50
Water Resources Coordinator	1.00	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	1.50	1.50	1.50	1.50	1.50
Environmental Fund					
Public Works Director	0.14	0.14	0.14	0.14	0.14
Recycling Coordinator	0.15	0.15	0.15	0.15	0.15
Parks, Buildings & Grounds Field Inspector	0.15	0.15	0.15	0.15	0.15
Administrative Manager	0.14	0.14	0.14	0.14	0.14
Receptionist / Secretary	0.14	0.14	0.14	0.14	0.14
Total Full-Time Equivalent Employees	0.72	0.72	0.72	0.72	0.72

Full-Time Equivalencies by Department

Employees by Function	2023 Budget	2024 Budget	2025 Budget	2025 Revised	2026 Budget
Williston Center Fund					
Recreation Services Director	0.15	0.15	0.15	0.15	0.15
Williston Center Manager	1.00	1.00	1.00	1.00	1.00
Williston Center Assistant Manager	1.00	-	-	-	-
Program & Membership Activities Manager	-	0.50	0.50	0.50	0.50
Sr. Fitness Coordinator	1.00	0.50	1.00	1.00	1.00
Williston Clerk	1.00	-	-	-	-
Maintenance Technician	2.00	1.00	1.00	1.00	1.00
Guest Services Manager	-	1.00	1.00	1.00	1.00
Operations Manager	-	1.00	1.00	1.00	1.00
Tennis Manager	1.00	1.00	1.00	1.00	1.00
Tennis Coordinator	2.00	2.00	2.00	2.00	2.00
Total Full-Time Equivalent Employees	9.15	8.15	8.65	8.65	8.65
Gray's Bay Marina Fund					
Community Facilities Assistant Manager	0.20	0.20	0.20	0.20	0.20
Administrative Assistant I	0.10	0.10	0.10	0.10	0.10
Total Full-Time Equivalent Employees	0.30	0.30	0.30	0.30	0.30
Fleet Maintenance Fund					
Public Works Director	0.14	0.14	0.14	0.14	0.14
Auto Mechanic	4.00	4.00	4.00	4.00	4.00
Administrative Manager	0.14	0.14	0.14	0.14	0.14
Receptionist / Secretary	0.14	0.14	0.14	0.14	0.14
Total Full-Time Equivalent Employees	4.42	4.42	4.42	4.42	4.42
Total Employees	366.72	382.72	396.92	396.55	398.95

Relevant Financial Policies

City of Minnetonka budgets are adopted on a basis consistent with Generally Accepted Accounting Principles. Annual appropriated budgets are prepared and legally adopted for the General and special revenue funds on a modified cash basis, and government capital funds are appropriated by the council's formal adoption of its five-year Capital Improvement Program (CIP). The city council also adopts a five- and ten-year Economic Improvement Program (EIP). The first years of the rolling five-year CIP and EIP plans are reflected in the annual budget. The city's basis of budgeting is generally consistent with its basis for accounting as reported in its Comprehensive Annual Financial Report.

General Fund and special revenue fund expenditures may not legally exceed budgeted appropriations at the total fund level without city council approval. Budgetary control for capital funds is accomplished through the use of project controls, which are amended by council action of a super majority throughout the year as well as within the budget document on a project-by-project basis. The city council may authorize transfer of budgeted amounts between funds.

Monitoring of budgets is maintained at the expenditure category level (i.e., personnel, supplies and other services and charges, capital outlay) within each activity. Budgetary monitoring, by departments or divisions and by category, is required by the City Charter. Management may alter the budget within a fund but cannot exceed the total budgeted expenditures for the fund that was approved by the city council.

The city's policy regarding General Fund fund balances meets the Government Accounting Standard Board's (GASB's) rules to maintain a prudent level of financial resources to protect itself against temporary revenue shortfalls or unpredicted one-time expenses or mandates. The policy provides that balances are committed to reserve funding for liabilities associated with compensated absences of employees and may be assigned for special purposes. Additionally, the policy requires a balance to serve as a budget stabilization reserve, which is equal to 30 to 50 percent of the following year's operating budget. Balances otherwise available above that reserve and above 40 percent of the following year's operating budget may be appropriated by the city council only for one-time costs that have no ongoing financial commitments.

The city council also has a council-adopted policy that establishes goals for cash fund balances in the city's water and sanitary sewer enterprise fund. The policy sets a minimum cash balance in the fund as an operating reserve in an amount equal to six months of operating expenses, plus annual debt service. The policy sets another reserve for capital with a targeted goal of ten percent of the accumulated depreciation of the water and sewer systems combined, but it allows that the reserve may be greater or less depending upon the projected needs for the replacement or upgrades of major components as provided in the adopted CIP. Furthermore, it requires regular staff analysis of the fund, including recommending to the city council rate changes and the issuance of debt with the goal of meeting the established targets.

The city also has an established written capital improvement policy that prioritizes funding and requires fund balance guidelines for each capital fund. Projects are ranked: first, those that are related to public health and safety and legal mandates; second, those that help maintain or make existing systems more efficient; and third, those that expand existing system, provide new services, or are for general community betterment. The policy further provides that fund balance guidelines be established to reflect subsequent-year budget needs, annual cash flow requirements, replacement reserves and potential contingencies. The guidelines are to be used to responsibly manage balances over the five-year planning horizon.

Project Report

01 January 2025 - 10 November 2025

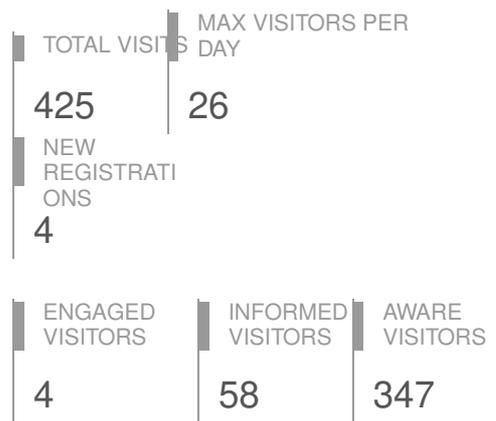
Minnetonka Matters Minnetonka Budget



Visitors Summary

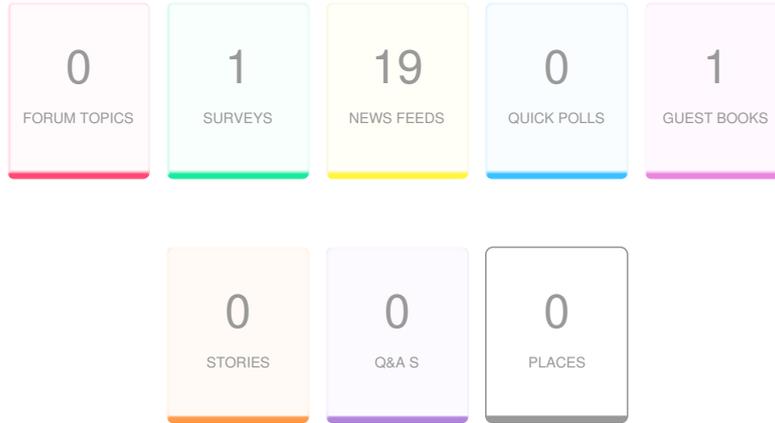


Highlights



Aware Participants	347	Engaged Participants	4		
Aware Actions Performed	Participants	Engaged Actions Performed	Registered	Unverified	Anonymous
Visited a Project or Tool Page	347	Contributed on Forums	0	0	0
Informed Participants	58	Participated in Surveys	0	0	0
Informed Actions Performed	Participants	Contributed to Newsfeeds	0	0	0
Viewed a video	0	Participated in Quick Polls	0	0	0
Viewed a photo	0	Posted on Guestbooks	4	0	0
Downloaded a document	0	Contributed to Stories	0	0	0
Visited the Key Dates page	0	Asked Questions	0	0	0
Visited an FAQ list Page	0	Placed Pins on Places	0	0	0
Visited Instagram Page	0	Contributed to Ideas	0	0	0
Visited Multiple Project Pages	45				
Contributed to a tool (engaged)	4				

ENGAGEMENT TOOLS SUMMARY



Tool Type	Engagement Tool Name	Tool Status	Visitors	Contributors		
				Registered	Unverified	Anonymous
Newsfeed	2026 Preliminary Budget & Levy presentation	Published	40	0	0	0
Newsfeed	2025-29 Capital Improvements Program	Published	20	0	0	0
Newsfeed	2025 Approved Budget	Published	19	0	0	0
Newsfeed	2024-28 Capital Improvements Program	Published	18	0	0	0
Newsfeed	Study Session 2026 Budget Presentation	Published	4	0	0	0
Newsfeed	2024 Approved Budget	Published	3	0	0	0
Newsfeed	2025 Tax Notice Insert	Published	2	0	0	0
Newsfeed	Office of State Auditor Performance Measurement Report	Published	1	0	0	0
Newsfeed	Study Session 2025 Budget Presentation	Published	1	0	0	0
Newsfeed	2025 Preliminary Budget & Levy presentation	Published	0	0	0	0
Newsfeed	2026 Tax Notice Informational Insert	Published	0	0	0	0
Newsfeed	2026-2030 Economic Improvement Program	Published	0	0	0	0
Newsfeed	2026-2030 Capital Improvements Program	Published	0	0	0	0
Newsfeed	2023 Budget	Published	0	0	0	0
Newsfeed	Study Session 2025 Budget Presentation	Published	0	0	0	0

ENGAGEMENT TOOLS SUMMARY

Tool Type	Engagement Tool Name	Tool Status	Visitors	Contributors		
				Registered	Unverified	Anonymous
Newsfeed	2024 Tax Notice Insert	Published	0	0	0	0
Newsfeed	2024 Preliminary Budget & Levy presentation	Published	0	0	0	0
Newsfeed	Study Session 2024 Budget Presentation	Published	0	0	0	0
Newsfeed	2022 Annual Comprehensive Financial Report	Published	0	0	0	0
Guest Book	Budget Feedback	Published	37	4	0	0
Survey Tool	Share your feedback	Draft	0	0	0	0

GUEST BOOK

Budget Feedback

Visitors 37	Contributors 4	CONTRIBUTIONS 5
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08 September 25			<p>The presentation is clearly, clearly designed to justify this continued budget increase of three times inflation and 3 times the rate of income increases. Where are the more relevant data addressing these: 1. The historical rate of City budget increase compared to all of the CPI, the PPI he CCI and most importantly the MCI (Municipal Cost Index)? I cannot find them in the summary presentation, the Aug 18 packet or on Minnetonka Matters. Do they even show up in the main budget presentation? 2. Where is the discussion of the historical increase in City budget compared Hennepin County tax increases? Where is the discussion of what responsibilities of other government entities the City has taken over? 3. In the carefully worded polls the City sends out about tax increases, why are no hard numbers included, or even a simple limit to an acceptable increase included - to put a more relevant context to the questions? As presented in your online material, the wording appears as simple "push poll" manipulation to favor an outcome. 4. The City is proud of its communication on the budget, as stated it communicates via the Minnetonka Memo and hears citizens the September pre-approval and Dec final approval meetings. Please name the budget years in the last 20, or even 10, in which the City reduced the budget as a result of these listening sessions. 5. The City council frequently cites its "Values" as justification for increased spending above the rate of the cost of delivering current services. It created a Sustainability Commission just for that apparent purpose.. Where is the discussion of sustainability of the City taxes on the residential ability to pay for it? I cannot find that. Thank You for your fulsome answers. See you to night.</p>
davidpaulson			
AGREES 0	DISAGREES 0	REPLIES 0	

27 September 25			<p>How do you justify and how do you expect people to afford increases that are multiple of times greater than inflation/people's income? This levy + any increase in property valuation will once again result in a double digit property tax increase.</p>
mhn			
AGREES 0	DISAGREES 0	REPLIES 0	

29 September 25			<p>An 8% increase in taxes is absolutely not sustainable for the people of Minnetonka. My wages don't increase 8% annually and yet I have an increase in grocery prices, medical coverage, and medication. Keep the budget flat. Your citizens must tighten their belts, you should too. A few ideas: eliminate unnecessary oversight and redundant positions, factor in a vacancy rate and fill open jobs at a slower rate. Charge more for additional services so those who use them, pay for them. I am happy to meet and discuss further.</p>
kristin			
AGREES 0	DISAGREES 0	REPLIES 0	

GUEST BOOK

Budget Feedback

10 November 25		
Tom Stockert		
AGREES	DISAGREES	REPLIES
0	0	0

While reviewing Minnetonka's budget I have learned average compensation for city staff has increased, on average, 3.19% in 2022, 4.65% in 2023, 5.1% in 2024, 4.65% in 2025 and the proposed 2026 budget is based on 4.94% (5.0% for non-union). Previously, I was working on the assumption that 78% of the city budget was payroll related. As such my assumption was the COLA increases were roughly as follows: 2.31% in 2023 (1.8% of levy presented in budget divided by .78), 2.18 in 2024 (levy impact of 1.7%), 3.72% in 2025 (2.9% levy impact) and 2026 would be 3.33% with a 2.6% levy impact. A quick look online shows employers are budgeting for 3.5% raises in 2026. Employers eyeing Flat Salary Increases in 2026 My only ask regarding the final 2026 budget would be that council directs salary adjustments closer to 3.5% rather than the proposed 5% for non-union staff. The taxpayers, who aren't on fixed income, are only getting 3.5% raises. Outside of the budgeting process, I'd ask council members participating in the Minnesota League of Cities to share compensation pressures throughout the metro exceeding taxpayer resources. I know Minnetonka is competing with these peer cities. This is a metro problem. Minnetonka's population peaked in 2019 at around 54,100 and has steadily declined to 53,300 in 2025 and is projected to drop to 50,800 in 2029. This trend is occurring in the majority of the peers presented in the budget process. People are voting with their feet rather than contacting you. Minnetonka, Minnesota Population 2025 Please consider these facts while finalizing the 2026 budget. I'll have much more robust feedback during the 2027 budget cycle. I would also like to thank Mr. Funk and Mr. Nelson for the time they've spent helping me better understand the budget. Thanks

10 November 25		
Tom Stockert		
AGREES	DISAGREES	REPLIES
0	0	0

While reviewing Minnetonka's budget I have learned average compensation for city staff has increased, on average, 3.19% in 2022, 4.65% in 2023, 5.1% in 2024, 4.65% in 2025 and the proposed 2026 budget is based on 4.94% (5.0% for non-union). Previously, I was working on the assumption that 78% of the city budget was payroll related. As such my assumption was the COLA increases were roughly as follows: 2.31% in 2023 (1.8% of levy presented in budget divided by .78), 2.18 in 2024 (levy impact of 1.7%), 3.72% in 2025 (2.9% levy impact) and 2026 would be 3.33% with a 2.6% levy impact. A quick look online shows employers are budgeting for 3.5% raises in 2026. Employers eyeing Flat Salary Increases in 2026 My only ask regarding the final 2026 budget would be that council directs salary adjustments closer to 3.5% rather than the proposed 5% for non-union staff. The taxpayers, who aren't on fixed income, are only getting 3.5% raises. Outside of the budgeting process, I'd ask council members participating in the Minnesota League of Cities to share compensation pressures throughout the metro exceeding taxpayer resources. I know Minnetonka is competing with these peer cities. This is a metro problem. Minnetonka's population peaked in 2019 at around 54,100 and has steadily declined to 53,300 in 2025 and is projected to drop to 50,800 in 2029. This trend is occurring in the majority of the peers presented in the budget process. People are voting with their feet rather than contacting you. Minnetonka, Minnesota Population 2025 Please consider these facts while finalizing the 2026 budget. I'll have much more robust feedback during the 2027 budget cycle. I would also like to thank Mr. Funk and Mr. Nelson for the time they've spent helping me better understand the budget. Thanks

Supplemental Background Report

Background

2026 Water and Sewer Rates

At the [Oct. 27, 2025](#), council study session, the council reviewed both the citywide infrastructure assessment and the related utility rates study. The infrastructure assessment report indicated a steep spike in infrastructure needs during the decade of 2040. This spike is a direct result of substantial infrastructure being installed throughout the city during the 1970s, with a vast majority of these assets needing replacement at or around the same time.

Paying for the replacement of water and sewer utility assets has historically been done through a combination of current and future users, which is often referred to as pay-as-you-go and pay-as-you-use financing. The latter is typically funded through debt financing, which allows current projects to be paid back through annual principal and interest payments, typically over the course of 20 years. Current and future utility rates must be sufficient to cover this debt service, along with existing operations and other capital outlays that are financed with cash on hand.

The city contracted with AE2S to perform the rate study, in part because they also conducted the infrastructure assessment. They were able to leverage this assessment to easily forecast future capital needs.

The city's last significant rate restructure occurred about a decade ago, aligning with a prior utility infrastructure assessment that focused mainly on vertical utility infrastructure, such as water towers and treatment plants. This current assessment focuses on all city assets, including both vertical and horizontal utilities (water and sewer lateral pipes).

AE2S and staff propose modifying the existing infrastructure fee. Staff receive many calls asking about the infrastructure fee and its quarterly cost, which is currently \$79.29. In theory, the infrastructure fee should cover a portion of the annual capital outlay, meet debt service needs, and provide a consistent revenue stream for the water & sewer fund. As noted earlier, the city's investment in utility infrastructure is significant, so ensuring a known revenue stream and that utility users contribute proportionally is essential. The recommendation is to split the current infrastructure fee into separate water and sewer infrastructure fees, providing clarity to customers and ensuring a steady and predictable revenue stream.

In addition to modifying the infrastructure fee, staff is also recommending reducing the city's tier structure from four tiers to three, which will simplify the bill for customers and continue encouraging conservation. In addition to eliminating a tier, the volume within the tiers is also proposed to change. The average water usage per household has decreased over the last 20 years due to the adoption of more efficient appliances and other conservation efforts by users. The average water usage for a home with 3-4 occupants is now closer to 5,000 gallons of water per month, versus the 6,000 gallons from years ago. Residential tiers would now be staggered at 15,000-gallon increments (5,000 gallons per month for 3 months), versus the current Tier 1 threshold of 18,000 gallons.

See attachment 2.b. Supplemental Background Report – Proposed Utility Rates for a complete listing of existing and proposed rates. The rate outlook for future years stabilizes after 2026 and is typically in the 3 to 5 percent range for the next four years.

2026 Storm Water Fees

AE2S was also contracted to review the storm water utility rates. This utility has been in place since 2003 and has never undergone a formal rate study. With the ever-increasing costs of storm water infrastructure and regulations impacting this utility, ensuring sufficient funding is also critical for this fund.

In general, AE2S's analysis indicated that the city's storm water rate structure is deemed adequate and provides the necessary resources for operations and capital needs. Capital needs are expected to increase in the future, and rate increases will need to be adjusted upward to cover these rising costs. At some point, the city will need to consider storm water bonds to pay for some of these long-term infrastructure projects. Unlike the water and sewer fund, the storm water fund has never issued debt. The storm water infrastructure is very similar to the water and sewer infrastructure in that the underground utilities have a life expectancy of several decades, and both current and future users should share the responsibility for replacement. Incorporating some pay-as-you-use financing would provide marginal rate relief to current users of the system, who have been bearing all the costs since the inception of the storm water fund.

Staff is recommending a three percent increase in storm water fees for 2026, which mirrors the recommendation by AE2S.

2025 Environmental Recycling Fees

The city entered into a three-year extension with Republic Services last year to provide both traditional and organic recycling services to all single-household residents. The organic recycling fee is based on a sliding scale, depending on the number of active participants. Initially, the city started in the lowest tier with 10 percent or less resident participation, which amounted to \$3.10 per month per household. The agreement called for increases in the organic rate as various participation thresholds were met. Since the organized organic collection started earlier this year, the city's participation percentage has climbed two tiers, and we are now in the 15-20 percent participation range at a fee of \$4.10 per month per household, with the expectation that we will be jumping to the next tier in the near future. However, residents are still being charged the initial \$3.10 per month, which means the city is losing \$1.00 per household per month since these two jumps in participation percentages.

Staff is recommending the 2026 recycling charge for traditional and organic recycling be increased to \$12.90 per month which includes, the Republic Services contract increase of 4.6 percent, the assumption the city will reach the next organic recycling tier (20 to 25 percent) in the near future, and the costs to operate the leaf and brush drop off site including other special recycling events. This new rate represents an increase of \$2.09 per month or \$6.27 per quarter. However, residents are likely still paying less for organic recycling than if they were still contracting with their private hauler.

Utility Bill Impact Estimates

Below are 2026 estimates for average (15,000/qtr) and low (9,000/qtr) water users. These estimates are inclusive of all utility-related fees (water, sanitary sewer, storm water and recycling). Staff plans to launch a media campaign in January to inform residents of the structure and rate changes that will impact their utility bills.

The proposed rates are scheduled for a public hearing at the Dec. 8 council meeting, and if approved, would take effective with the first billing in late January 2026.

15,000 Gallons Avg			Percentage	
	2025	2026	Change from 2025 to 2026	Change from 2025 to 2026
Water	\$ 55.35	\$ 52.50	\$ (2.85)	-5.15%
Sewer	\$ 62.25	\$ 77.40	\$ 15.15	24.34%
Infrastructure	\$ 79.29	\$ 94.50	\$ 15.21	19.18%
Storm	\$ 25.62	\$ 26.40	\$ 0.78	3.04%
Recycling	\$ 32.43	\$ 38.70	\$ 6.27	19.33%
Quarterly Bill Total	\$ 254.94	\$ 289.50	\$ 34.56	13.56%
Monthly Impact	\$ 84.98	\$ 96.50	\$ 11.52	13.56%

9,000 Gallons Avg			Percentage	
	2025	2026	Change from 2025 to 2026	Change from 2025 to 2026
Water	\$ 33.21	\$ 31.50	\$ (1.71)	-5.15%
Sewer	\$ 37.35	\$ 46.44	\$ 9.09	24.34%
Infrastructure	\$ 79.29	\$ 94.50	\$ 15.21	19.18%
Storm	\$ 25.62	\$ 26.40	\$ 0.78	3.04%
Recycling	\$ 32.43	\$ 38.70	\$ 6.27	19.33%
Quarterly Bill Total	\$ 207.90	\$ 237.54	\$ 29.64	14.26%
Monthly Impact	\$ 69.30	\$ 79.18	\$ 9.88	14.26%

Discussion Questions

- *Does the council support the water and sewer structure and fee changes?*
- *Does the council support the storm water rate increase of 3 percent?*
- *Does the council support the proposed recycling rates?*

Water/Sewer Volumetric Rate Recommendations

Volumetric Rate Structure	2025 Existing	2026 Projected
Residential (Water)		
Tier 1 (0-15,000/qtr)	\$3.69	\$3.50
Tier 2 (15,001-30,000/qtr)	\$4.21	\$4.73
Tier 3 (30,001+/qtr)	\$5.25	\$7.50
Tier 4 ELIMINATED	\$7.30	
Commercial (Water)		
Tier 1 (May-Sept)	\$4.21	\$4.73
Tier 2 (Oct-Apr)	\$3.69	\$3.50
Irrigation		
Tier 1 (0-50,000)	\$4.21	\$4.73
Tier 2 (50,001-100,000)	\$5.25	\$6.38
Tier 3 (100,000+)	\$7.30	\$8.50
Sewer (Residential)		
Met Council	\$3.49	\$4.50
City O&M	\$0.66	\$0.66
Sewer (Commercial)		
Met Council	\$3.49	\$4.50
City O&M	\$0.66	\$0.66

- **Residential Water**
 - Eliminate 4th tier for simplicity.
 - Reduce cost of lower tier to help small users.
 - Increasing Tier 2, 3, to make up revenue difference and encourage responsible use.
- **Commercial Water**
 - Increase summer charge for responsible consumption.
- **Irrigation**
 - Small adjustments made to meet revenue requirements and encourage conservation.
- **Residential/Commercial Sewer**
 - Separated out Met Council charges in the rate for transparency.
 - Small increase to meet R&R.

Fixed Rate Structure Suggestions

Water/Sewer

Fixed Rate Structure	2025	2026
	Existing	Projected
Water Infrastructure Fee	\$-	\$21.00
Sewer Infrastructure Fee	\$26.43	\$10.50
Total	\$26.43	\$31.50

- Split base into Water and Sewer categories.
- Roughly a 2 to 1 split based on R&R needs.
- Irrigation remains a volumetric only charge.

Stormwater

Fixed Rate Structure	2025	2026
	Existing	Projected
Residential		
Base Fee	\$8.54	\$8.80
Commercial, Industrial		
Per acre/month	\$64.56	\$66.50
Churches, Schools, Gov.		
Per acre/month	\$23.06	\$23.75
Apartments, Condos		
Per acre/month	\$25.62	\$26.39
Open space, golf, undeveloped		
Per acre/month	\$3.84	\$3.96

Small increases to meet needs.

Rate Outlook - 2030

Water/Sewer Utility Fund Rate Increase	2027	2028	2029	2030
Fixed	3.0%	3.0%	3.0%	3.0%
Volumetric	4.0%	5.0%	6.0%	3.0%

- Fixed rate increases at 3% through 2030
- Volumetric increases vary to meet revenue needs

Stormwater Fixed Rate Increase	2027	2028	2029	2030
Residential	3.0%	3.0%	3.0%	3.0%

- Flat 3% increase meets current budgetary projections

Supplemental Background Report

Background

City Council Policy 12.5 establishes a uniform policy for reviewing requests for the location of antennas on city water towers, delegates limited authority to the city manager to approve antenna agreements and reserves to the city council the right to revoke agreements. The policy requires that the city manager must annually report to the city council the existing leases for each city water tower, including the number of antennas allowed under the lease, annual rent payable and the lease expiration.

Attached is the 2026 cellular antenna lease report.

City of Minnetonka 2026 Cellular Antenna Lease Report

Vendor	Location	Date Due	2026 Rent Amount Due Yearly	Annual Escalation Rate	# of Antennas Allowed	Anticipated Lease Expiration
T-Mobile	14112 Laurel Rd	Yearly	\$ 13,426.06	3%	*	12/31/2026
Total			<u>\$ 13,426.06</u>			
Xcel Energy	Bren	Yearly	\$ 10,506.81	5%	1	12/31/2026
Total			<u>\$ 10,506.81</u>			Successive 1 year renewals since 1992
Verizon	Hathaway Tower	Yearly	\$ 54,301.96	3%	6	12/31/2032
Total			<u>\$ 54,301.96</u>			
T-Mobile	Lake St. Ext.	Yearly	\$ 62,821.41	5%	9	12/31/2037
Total			<u>\$ 62,821.41</u>			
Sprint/T-Mobile	Plymouth	Yearly	\$ 48,976.16	5%	6	12/31/2026
Total			<u>\$ 48,976.16</u>			
Cingular/AT&T	Ridgedale	Yearly	\$ 104,865.88	5%	15	12/31/2026
Verizon	Ridgedale	Yearly	\$ 84,664.36	5%	15	12/31/2030
Total			<u>\$ 189,530.24</u>			
Verizon	Tanglen	Yearly	\$ 55,127.11	3%	6	6/30/2035
Total			<u>\$ 55,127.11</u>			
Cingular/AT&T	Williston Tower	Yearly	\$ 80,273.50	5%	12	12/31/2027
T-Mobile	Williston Tower	Yearly	\$ 43,199.09	5%	6	12/31/2029
Metro Area Repeater Association, Inc. (MARA)	Williston Tower	Yearly	\$ 143.46	5%	2	12/31/2030
Verizon	Williston Tower	Yearly	\$ 31,415.90	3%	Tower	6/5/2044
Dish Network	Williston Tower	Yearly	\$ 43,595.00	5%	3	12/31/2043
Total			<u>\$ 198,626.95</u>			
Grand Total			<u>\$ 633,316.71</u>			

* - Located on Xcel tower on city property

Supplemental Background Report

Over the last few years, it has been a top priority for the city to seek grant funding from various organizations, whether that is the federal, state, other local agencies, nonprofit or private agencies. Being able to leverage property tax dollars and other city user fees with outside funding is key in providing vital services and/or funding for projects.

Every grant is unique and can require a substantial amount of staff time not only to apply, but also to comply with grant reporting requirements, if the city is fortunate to be awarded a grant. Depending upon the size and complexity of the grant, outside grant writers been used to apply for grants. Typically, grant writers have historical knowledge of what grantees are looking for in a submission. However, for most of our grants, the application and administration is handled in house with our departmental staff.

The city adopted Smartsheet as a platform in 2024 to streamline internal grant tracking. Smartsheet's [Grant Tracker Dashboard](#) offers a visual overview of all grants from recent years. The dashboard will continue to improve as more accurate data is added. Additionally, specific reports now allow viewing of grants by department, strategic priorities and status (e.g., awarded, upcoming/not approved). Staff will continue to regularly update the council on grants by sharing the [Grant Tracker Dashboard](#).

This is agenda is informational only.



14600 Minnetonka Blvd. | Minnetonka, MN 55345 | 952-939-8200 | minnetonkamn.gov

TO: City Council
FROM: Darin Nelson, Finance Director
DATE: Nov. 17, 2025
SUBJECT: Item 3.B

ITEM #3.B – 2026 budget related items

Staff received an additional comment after the budget packet was published. In addition, the assessing division tracks calls received after the Truth-in-Taxation statements are mailed. As of this afternoon, staff has received 9 calls. These calls are combination of value and budget related questions.

Darin Nelson

From: John Groton [REDACTED]
Sent: Monday, November 17, 2025 10:08 AM
To: Darin Nelson; Rebecca Schack
Subject: Mayor Schack and Mr. Nelson, citizen incomes increase about 3%. An 8% tax increase is irresponsible.

John T Groton Jr
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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**City Council Agenda Item 3.C
Meeting of November 17, 2025**



Title: Thirty minutes open time and conference debrief

Report from: Mike Funk, City Manager

Presenter: Mike Funk, City Manager

Action Requested: Discuss topics brought forward by individual councilmembers.

Summary Statement

The 2025 study session work plan includes dedicated 30-minute open discussion periods in Quarter 1 (March 24), Quarter 2 (June 16), Quarter 3 (Sept. 15) and Quarter 4 (Nov. 17). These sessions provide a valuable opportunity for city council members to bring forward items, concerns, or emerging issues for discussion without the pressure of immediate decision-making.

The purpose of these open times is to create space for council members to explore and deliberate on matters of public policy, fostering dialogue and helping to identify potential priorities for future action. This format encourages a more flexible and responsive approach to governance, allowing the council to address evolving topics as they arise throughout the year.

**City Council Agenda Item 3.D
Meeting of November 17, 2025**



Title: December study session topics
Report from: Sarissa Seracki, Senior Management Coordinator
Submitted through: Mike Funk, City Manager
Presenter: Mike Funk, City Manager

Action Requested: Affirm upcoming topics.

Summary Statement

This item is informational and is intended to provide the council with the upcoming study session agenda items and study session schedule.

Strategic Plan Relatability

N/A

Background

The Minnetonka City Council is scheduled to hold a total of twelve study sessions in 2025. To maximize study session meetings, provide staff direction and focus on council priorities, council members ranked specific topics they expressed interest to review. At the Dec. 9, 2024 and Jan. 6, 2025 study sessions the city council reviewed these rankings, discussed priorities and provided direction to staff.

At the Jan. 13, 2025 regular council meeting the city council approved the 2025 study session work plan. See attached. Staff committed that at each proceeding study session the topics for the upcoming study session will be provided.

Section 1.5 of the City Council Rules of Procedure states, individual council members may propose agenda items for future meetings at a study session, and the council may provide direction to the city staff regarding scheduling such matters. In essence, this document can be modified throughout the remainder of the year by a majority of council members.

Unless modified by the city council, the 2025 study session work plan agenda items for Dec. 15, 2025 are:

- 2026 strategic plan action steps
- 2026 study session work plan
- 2026 Legislative Breakfast
- 2026 council and staff appointments

Discussion Questions

Does the city council have any new topics for consideration?

ATTACHMENTS:

[2025 Study Session Work Plan](#)



2025 Study Session Work Plan

The purpose of a study session is to give the city council and city staff the opportunity to study and discuss policy matters in greater detail in a less formal environment than a regular meeting. The council may provide direction to staff but does not take formal action on business matters at study sessions.

QUARTER 1	<p>JAN. 6</p> <ul style="list-style-type: none"> • Planning commission interviews • 2025 study session work plan • 2025 Legislative priorities • City council shared values <p>Jan. 27 senior advisory board, EDAC and sustainability interviews</p>	<p>FEB. 3</p> <ul style="list-style-type: none"> • Park board interviews • 2025 community survey • Group home clustering • E-bikes 	<p>MARCH 24</p> <ul style="list-style-type: none"> • 2026 director budget presentations • Trail connections and gaps • DEI commission interviews • 30-minute open time/conference debrief <p>March 21 council retreat</p>
	<p>APRIL 28</p> <ul style="list-style-type: none"> • Fire station analysis • Fire service level objectives • 2025 community survey results and business survey results <p>*City manager review process moving to council retreat.</p>	<p>MAY 12</p> <ul style="list-style-type: none"> • 2026 budget kick-off discussion • Community facilities 	<p>JUNE 16</p> <ul style="list-style-type: none"> • 2026 Capital Improvement Plan (CIP) and Economic Improvement Plan (EIP) • 30-minute open time/affirm Q3 and Q4 topics
	<p>JULY 21</p> <ul style="list-style-type: none"> • Housing update 	<p>AUG. 18</p> <ul style="list-style-type: none"> • 2026 general fund budget discussion • Spectiv by DecisionWise presentation 	<p>SEPT. 15</p> <ul style="list-style-type: none"> • Zoning rewrite update • Youth programming • 30-minute open time/conference debrief
	<p>OCT. 27</p> <ul style="list-style-type: none"> • Opus • Infrastructure, rate study and asset management 	<p>NOV. 17</p> <ul style="list-style-type: none"> • 2026 general fund and enterprise fund budget • 30-minute open time 	<p>DEC. 15</p> <ul style="list-style-type: none"> • 2026 strategic plan action steps • 2026 study session work plan • 2026 Legislative Breakfast • 2026 council and staff appointments
<p>LOOKING AHEAD</p> <ul style="list-style-type: none"> • JANUARY 2026: Boards and commissions interviews 			