

Agenda
City of Minnetonka
City Council Regular Meeting
Monday, June 9, 2025
6:00 PM
Council Chambers
14600 Minnetonka Blvd.



1. Call to Order
2. Pledge of Allegiance
3. Roll Call: Wilburn, Calvert, Ramaley, Coakley, Foster-Bolton, Schack, Wiersum
4. Approval of Agenda
 - A. [June 9, 2025 addenda](#)
5. Approval of Minutes:
 - A. [May 5, 2025 regular meeting minutes](#)
 - B. [May 19, 2025 regular meeting minutes](#)
6. Special Matters:
 - A. [Trunk Highway 7 Corridor Study Update](#)
 - B. [Excelsior Lions Club](#)
 - C. [Proclamation for Pride Month](#)
7. Reports from City Manager & Council Members
8. Citizens Wishing to Discuss Matters Not on the Agenda
9. Bids and Purchases: None
10. Consent Agenda - Items Requiring a Majority Vote:
 - A. [2025 community survey and organizational MERIT](#)
 - B. [Resolution authorizing Performance Measurement Reporting program](#)
 - C. [Resolution supporting the reappointment of a board manager to the Riley Purgatory Bluff Creek Watershed District Board](#)
11. Consent Agenda - Items Requiring Five Votes:
 - A. [Acceptance of community education funds for Juneteenth](#)
12. Introduction of Ordinances: None

13. Public Hearings:
 - A. Temporary on-sale liquor license for The Rotary Club of Minnetonka Foundation, 14600 Minnetonka Blvd
 - B. Temporary on-sale liquor license for Boom Island Brewing Company LLC, at 5959 Baker Road
 - C. Rowland Investment, LLC refinancing of Chase at Nine Mile Creek (5709 Rowland Rd)
 - D. Use of the Community Investment Fund to finance renovation of Ice Arena Rink B Refrigeration Improvement Project
14. Other Business:
 - A. Accept the 2024 Annual Comprehensive Financial Report and related audit reports with the city's audit firm BerganKDV
 - B. Request to amend Resolution 2019-031, which approved the preliminary plat of OAKLAND ESTATES for a 4-lot subdivision at 1922 Oakland Road
15. Appointments and Reappointments: None
16. Adjournment

Minnetonka City Council meeting are broadcast live and available for replay on Comcast Channel 16 (SD)/859 (HD) and the city website.

**City Council
Agenda Item 4.A
Meeting of June 9, 2025**



Title: June 9, 2025 addenda
Presenter: Mike Funk, City Manager

Form of Action: Other

Summary Statement

ITEM 13D - Use of the Community Investment Fund to finance renovation of Ice Arena Rink B Refrigeration Improvement Project

The second motion for this item was inadvertently missing the second part.

"Motion to adopt the resolution" has been corrected to "Motion to adopt the resolution authorizing the use of the Community Investment Fund to finance improvements to Ice Rink B and award the contract for the Rink B Refrigeration Improvement Project, Project No. 25205, to Total Mechanical Services, Inc. in the amount of \$2,137,400, which includes Option 2 add and Voluntary Deducts."

This change has been made directly to the staff report.

Recommended Action

No action required, informational only



**City Council Agenda Item 5.A
Meeting of June 9, 2025**

Title: May 5, 2025 regular meeting minutes
Report from: Becky Koosman, City Clerk
Presenter: Mayor Wiersum

Action Requested: Motion to approve May 5, 2025 regular meeting minutes.

ATTACHMENTS:
[Minutes](#)

**Minutes
Minnetonka City Council
Monday, May 5, 2025**

1. Call to Order

Mayor Brad Wiersum called the meeting to order at 6:01 p.m.

2. Pledge of Allegiance

All joined in the Pledge of Allegiance.

3. Roll Call

Council Members Patsy Foster-Bolton, Rebecca Schack, Kimberly Wilburn, Deb Calvert, Paula Ramaley, Kissy Coakley and Brad Wiersum were present.

4. Approval of Agenda

Calvert moved, Ramaley seconded a motion to accept the agenda as amended with addenda for Item 14.B. All voted "yes." Motion carried.

5. Approval of Minutes:

A. April 21, 2025 regular meeting minutes

Calvert moved, Foster-Bolton seconded a motion to approve the minutes. All voted "yes." Motion carried.

B. April 21, 2025 LBAE meeting minutes

Calvert moved, Foster-Bolton seconded a motion to approve the minutes. All voted "yes." Motion carried.

6. Special Matters:

A. Senior Community Services proclamation

Wiersum read a proclamation in full for the record thanking the Senior Community Services organization for their commitment to seniors and recognizing their 75th Anniversary which will be celebrated on Thursday, May 15, 2025.

B. Bike Month proclamation

Wilburn read a proclamation in full for the record declaring May to be Bike Month in the City of Minnetonka.

7. Reports from City Manager & Council Members

City Manager Mike Funk reported on upcoming city events and council meetings. He encouraged residents to participate in the upcoming tree sale.

Ramaley stated she attended the clothing swap and visited Resources West last Friday.

Ramaley reported Minnetonka residents can get free Home Energy Squad visit if they sign up by May 31.

Coakley explained she went to the Community Mediation Restorative Services annual recognition event.

Calvert wished everyone a happy Cinco de Mayo.

Calvert reported she was elected chair of the Southwest Suburban Cable Commission.

Wilburn wished everyone a happy Cinco de Mayo and also wished Councilmember Coakley a happy birthday.

Wiersum explained he visited Hamline University today and had the opportunity to speak at Professor David Schultz's graduate class regarding city government.

8. Citizens Wishing to Discuss Matters not on the Agenda: None

9. Bids and Purchases:

A. Bids for the 2025 Mill and Overlay Project

Public Works Director Will Manchester gave the staff report.

Ramaley explained the City of Minnetonka does not assess its residents for street repair projects. Manchester reported this was the case.

Ramaley moved, Calvert seconded a motion to award the contract for the 2025 Mill & Overlay Project to GMH Asphalt Corporation in the amount of \$1,494,727.75. Authorize the city engineer to expend the allocated funds for the project costs, without further council approval, provided the total project costs do not exceed the project budget of \$1,780,000. All voted "yes." Motion carried.

10. Consent Agenda – Items Requiring a Majority Vote:**A. Resolution supporting FY2026 Community Project Funding**

Calvert moved, Schack seconded a motion to adopt Resolution 2025-034 supporting the FY2026 Community Project Funding application. All voted “yes.” Motion carried.

B. Conditional use permit for an attached accessory dwelling unit (ADU) at 4219 Oak Drive Lane

Calvert moved, Schack seconded a motion to adopt Resolution 2025-035 approving the permit. All voted “yes.” Motion carried.

C. Conditional use permit for a detached accessory dwelling unit (ADU) at 9597 Sandra Lane

Calvert moved, Schack seconded a motion to adopt Resolution 2025-036 approving the permit. All voted “yes.” Motion carried.

D. Strategic Plan quarter one report

Calvert moved, Schack seconded a motion to accept the report. All voted “yes.” Motion carried.

11. Consent Agenda – Items requiring Five Votes: None**12. Introduction of Ordinances: None****13. Public Hearings: None****14. Other Business:****A. Items concerning First International Bank & Trust at 10801 Wayzata Boulevard**

City Planner Susan Thomas gave the staff report.

Ramaley stated she believed the proposed improvements for this building looked great. She commented on the proposed native plantings and questioned if the city would follow up with the applicant to ensure the plantings were installed. Thomas reported the city requires the landscape

plan to be put in place, along with a cash escrow or letter of credit to ensure the plantings are completed. She indicated the city revisits the site in one year to ensure the plantings have survived. She commented if landscaping was not in place that was required, city staff can be called out to the property for an inspection and replanting by the property owner.

Ramaley inquired if the roof will be repaired and replaced as part of the proposed renovations. Thomas stated she believed work would be done on the roof.

Wiersum indicated this property would have a drive-thru. He asked if this drive-thru would have an ATM. Thomas commented she was uncertain if the drive-thru would have an ATM.

Andy Fentz, First International Bank representative, explained the bank building would not have solar panels on the roof, but noted the roof would be replaced to meet the current energy code. He indicated all of the glass on the building would also be replaced. He stated the drive-thru would have a traditional transaction door, along with an ATM.

Ramaley encouraged First International Bank to have a solar read roof.

Calvert stated she supported the proposed changes for the First International Bank building.

Schack explained she appreciated the fact this building was being improved as this would assist with keeping the Ridgedale area vibrant.

Wiersum agreed stating it was encouraging a building of this size was being repurposed.

Calvert moved, Ramaley seconded a motion to adopt Ordinance 2025-06 and Resolution 2025-037 approving the requests. All voted "yes." Motion carried.

B. Minnetonka Off-Leash Strategy and Guidance Plan

City Manager Mike Funk, Park and Trail Project Manager Matt Kumka and Captain Meehan gave the staff report.

Ramaley asked what other cities in the metro area were doing when it came to dog parks. Kumka explained generally communities had dog parks that were 10 to 20 acres in size. He reported some of the Three Rivers Parks were quite large.

Ramaley stated there were 40 dog parks within a 20 mile radius of Minnetonka. She indicated there were 20 dog parks within 10 miles. She recommended this be taken into consideration in the city's planning. She stated the majority of the parks surrounding Minnetonka were less than 10 acres in size when municipal parks and the regional parks were 15 to 30 acres in size. She commented all of these parks were fenced, except for two, which were dedicated for dog parks, one being 70 acres and the other being 39 acres.

Foster-Bolton asked if Area 1 would have a fence or barrier in place. Kumka stated a soft barrier would be in place.

Foster-Bolton questioned how many acres of high quality prairie the city had. Kumka commented he did not have this information available at this time.

Foster-Bolton inquired how many acres of high quality prairie were in place within Purgatory Park. Kumka estimated the park had 12 to 15 acres of high quality prairie and noted a fence would be going through Area 1 if the proposed plans were followed.

Foster-Bolton commented the high quality prairie in Purgatory Park was the only high quality prairie in Minnetonka, except for the additional small portion of Hickory Park. She asked if there were any areas of consensus from the park board on where the off leash dog park should be located. Kumka stated there were no areas of consensus reached, except for potentially Areas 4 and 5 in the future. He indicated there would be some difficulty getting these areas ready by the May 19 deadline.

Schack stated one of the problems the city has had in the past has been with enforcement and tickets have been challenged successfully given the ambiguity. She questioned if the areas proposed with soft barriers would be a concern for the city going forward. City Attorney Erik Nilsson reported Captain Meehan has raised this concern noting there is difficulty enforcing city ordinances when a clear boundary was not in place. He stated there may be ways to clearly delineate the areas using the natural features and other associated signage.

Wilburn indicated she watched the park board meeting and understood there was reticence around the May 19 deadline. She commented the May 19 deadline does not mean everything has to be in place, but rather that areas have to be designated. She inquired how people would be accessing Area 1. Kumka reported split rail fencing could be installed to create a visually distinct area for the off leash dog area.

Wilburn questioned if Area 4 would be more vulnerable to dog traffic than Area 1. Kumka commented on how erosion would impact both areas noting practices could be employed, along with trails to assist with addressing erosion concerns.

Coakley stated if the city was trying to maintain Purgatory Park, why would the city put the off leash dog area in Area 1. She was of the opinion a fence would take away from the quality of the park area. She questioned if a paid off leash dog park would be a better solution for the city. Kumka indicated licensure and paid programs were discussed during the master planning process and neither gained a whole lot of traction.

Calvert asked what the penalties were for violating the leash ordinance. Meehan reported a first violation was a petty misdemeanor which could be a fine of up to \$300. She indicated subsequent violations or if the dogs are dangerous could be a misdemeanor offense or higher.

Calvert inquired if there was any discussion of protecting the creek and providing a water source within the dog park. Kumka stated there was discussion of standard dog park amenities including hydration and shady areas.

Calvert reported there were clear camps within the working group and there was not a lot of alignment. She indicated there was some criteria that had been agreed upon. She questioned if a scoring rubric was used for staff's recommendations. Kumka commented there was a variety of voting related to the particular criteria and the consultant did their best to apply heat mapping to the items that got the most interest.

Calvert asked if the use of ice rinks in the off season should be considered by the city. Kumka stated seasonal rink usage was discussed by the working group and could be applied during the master planning process. He indicated there was not a lot of interest in this size dog park.

Ramaley questioned if the Purgatory Park Master Plan was the permanent plan. Kumka explained master plans identified priorities for the park. He indicated off leash dogs was a priority for this park. He reviewed the recommendations for Purgatory Park, which included mitigating conflict where possible.

Ramaley stated the Purgatory Park Master Plan was never intended to be a permanent plan and indeed, the plan did not recommend perimeter locations for dog parks. Kumka reported this was the case, noting recommendations were made for one to three years and a long term

recommendation for a longer time period. He noted the goal was to critically look at better determining where the off leash areas should go.

Ramaley inquired if the red barn area was folded into Purgatory Park. Kumka stated he did not recall this, but did recall the red barn area being a site for climate change nature center and that this would be studied further.

Wiersum indicated this was a challenging topic that was quite complex. In addition, there were a number of moving variables. He discussed the different options that were presented to the city council. He commented on how few dogs were actually under voice command. He stated if the city was serious about implementing rules regarding off leash dogs, the community also had to report complaints to the police department in order for the police department to have the correct data to assess the concerns in the community. He asked how many off leash acres were available within the city. He estimated the city currently had hundreds of acres for off leash dog owners. He stated he understood it was never popular to take an amenity away from residents. At the same time, the council felt a need to take action, because the current situation was untenable. He explained Areas 1 through 5 within Purgatory Park were 108 acres. He commented the proposed area for off leash dog use was less than 20 acres. He understood this was a big reduction in acreage available. He stated dogs needed places to run, but there were also other interests for the city council to consider. He was of the opinion the best compromise is when nobody is unhappy. He encouraged people to understand that things will have to be given up in order to reach a compromise on this issue. He stated the other issue regarding this matter was the timing. He understood this was an emotional issue and explained the city council would have to be objective going forward and while considering how to move this item forward.

Wiersum recessed the city council meeting.

Wiersum reconvened the city council meeting.

Wiersum explained he would allow the public to speak on this topic for two minutes and would only allow comments for two hours. He encouraged people to not be repetitious with their comments.

Wiersum opened the meeting for public comment.

Laura Harpestad, 14606 Karyl Drive, explained she has lived in Minnetonka with her husband for more 20 years and she has walked her dogs off leash in Purgatory Park all of this time. She stated she would like

this to continue. She indicated she pays taxes and she would like to be able to bring her dog to a park in the city she loves and supports. She reported she follows the rules and she has well behaved dogs. She explained there were 45 parks in Minnetonka and she believed given the size of Purgatory Park there was more than enough room for everyone, including off leash dogs within the park. She did not recommend dogs be contained in a fenced in area because this can be unsafe and not fun for the dogs. She reported she supported the recommendation from the park board, noting the proposed fencing would assist with addressing the dog to dog and dog to people issues.

Jim Sackrison, 3984 Hunters Hill Lane, reported he has been a member of the community for the past 40 years. He noted he and his wife have dogs. He indicated he has also had a kennel for the past 30 years. He stated he and his wife have had over 55 champions and they both judge confirmation and obedience. He questioned what was happening on May 19 and inquired what the city's plan was for Jidana Park.

Kristen Vanderveen, 3916 Merriam Road, explained she was the mother of two young children, a birder, gardener, a professional who works with children in mental health, as well as an active member of the Scenic Heights PTA. She indicated she also helps with cleanups in Orchard Park. She reported she has an 11 year old border collie who still needs big runs. She commented on the positive health benefits to having a dog. She explained she came from Austin, Texas and she appreciated how dog friendly that community was. She reported she moved to this area after seeing what Jidana and Purgatory Parks offered for her dog and young kids.

Jen McFarland, resident of Minnetonka, explained she was a nurse and mom. She reported she believed equity was for everyone. She commented on the number of children that visit Purgatory Park and noted some children were afraid or had anaphylactic reactions to dogs. She recommended an epi-pen be located in all dog parks. She asked if the dogs in the off leash areas would be endangering garter snakes, noting these snakes are considered protected. She indicated it only takes one moment to leash a dog and discussed how many steps it took to treat a person who has been bitten by a dog. She reported many dog bites occur to children and discussed the damage that can be done to their face.

Eric Moreira, 5554 Nantucket Place, reported in the May 1, 2024 park board minutes, Mr. Ingraham stated it's hard for him to have a master plan that leaves any ambiguity about the city's position with respect to the importance of public safety. He stated if this was the case, why didn't the park board ignore the off leash dog strategy for Minnetonka Parks, noting

90% of Purgatory Park was dedicated as an off leash area. He commented there was no discussion of how the areas will be designated, no new timeline for a fence or direction on how the CSO's could enforce the new ordinance. He stated his wife had a terrible interaction with an off leash dog in Purgatory Park in February of 2024, which was reported to the police. He explained this led him to get a GoPro camera to document interactions if needed. He stated he has been wearing it ever since. He reviewed a recent Facebook post that indicated police patrols were going up in the park and that there were anti leash people looking for bad behavior, encouraging people to be vigilant in order to not lose the ground that has been gained. He stated he was uncertain if this post was referring to him, but explained he was not encouraging or choreographing anything. Rather, he was walking his dog and documenting what he saw fit.

Ben Fabel, 15017 Cherry Lane, commented he had yet to see a negative action with a dog at a dog park. He assumed the city had police reports of people being bit by dogs at Purgatory Park, but he had yet to see this. He stated taking away hundreds of acres of off leash dog space would be a tough pill for dog owners to swallow. He indicated the pay dog parks were owned by Three River Parks and he did not support the city moving in this direction. He cautioned park staff from diving vehicles down the park paths for safety reasons.

James Hogenson, 4748 Gaywood Drive, stated he has lived in the community for over 25 years. He indicated he lives in the community because of Purgatory Park. He encouraged the city to keep Purgatory Park available to the residents of Minnetonka or consider other off leash park options.

Tom Jones, 16607 Elm Drive, reported he has lived in the community for the past 40 years. He explained he walks in Purgatory Park at least twice a week and he has never encountered a problem at this park. He questioned how much the park use would be decreased if the off leash dog area were reduced. He reported the park was to be used by the public. He indicated he does not own a dog, but he enjoys walking in Purgatory Park. He asked if fencing was installed that it be as inobtrusive as possible because he wanted to enjoy nature while in the park.

Kathleen Nelson, 4717 Forest Circle, stated she visits Jidana and Purgatory Parks. She commented on how one member of the park board believed residents should be able to visit all parks in the community and not have to encounter off leash dogs in the city. She expressed concern with the fact the recommendation from the park board was quite different from the recommendation of staff. She questioned which voice was more important to the city council.

Heather Holm, resident of Minnetonka, reported she had a statement that connected with the next three speakers. She explained her statement reflects Minnetonka residents who are current and former dog owners, along with non-dog owners who recognize off leash dog areas are a valued community amenity. In addition, she was a nature lover, birders, hikers, photographers and wild life observers. She acknowledge the values of 64% of the Purgatory Park master plan respondents who walk the park, the 16% of residents who bike, the 15% who birdwatch, and the 47% of people who are discouraged from visiting the park because of the presence of off leash dogs. She requested the city consider the stated values of the city when considering a location for an off leash dog area. She reported according to the 1996 NRMP, between 1996 and 2002 the city invested \$636,000 in the restoration of Purgatory Park. She commented on the subsequent investments that have been made in this park over the past 20 years.

Gerald Gershone, 13111 April Lane, stated given the investments that have been made in the park, he was concerned about the diminishing ecological integrity of the restored prairie in the middle of Purgatory Park. He explained this was one of the handful of fragments across the park system identified in the natural resources plan. He respectfully requested the new off leash dog area avoid this rare and unique eco system to prevent further degradation and loss of biodiversity, especially given the fact alternative sites exist. Moreover, he believed the prairie should not be impacted by a single and incompatible use. He stated all plant diversity in a prairie occurs in the vegetation on the ground and the trampling of this vegetation results in the loss of plant diversity. He recommended an alternative solution be considered that does not negatively impact the prairie because it was an exceedingly rare eco system in the state of Minnesota. He stated the prairie in Purgatory Park was even more rare because it was a sand prairie. He commented further on the rare plants and animal species that were supported by this prairie.

Angela Moreira, 5554 Nantucket Place, indicated the prairie was not a good fit for an off leash dog park. She stated this area of the park creates known conflict zones and fails to provide adequate separation from other park users. Also, it displaces other park visitors from visiting this valuable park resource. She reviewed the master park plan recommendations which were to have the prairie be an on leash area and create an off leash dog area in the north are of the park. Second, to connect the grassland areas with the school in order to create a diverse core in the middle of the park. She encouraged the city council to not abandon the recommendation to protect and reinforce the nature preserve designation. She proposed the council have an off leash dog area between the red

barn and the fire station. She indicated this location would avoid conflict areas, would protect the wetlands, while also reinforcing the park preservation area.

Cindy Eyden, 16824 Excelsior Boulevard, stated the proposed alternative site would align with the working group criteria because it would provide adequate parking, nearby restrooms and water, separation from other park users, and was at least five acres in size. She indicated it was a site with lower biodiversity and would provide at least one mile of trail. She commented this site was one of two areas that avoids further degradation of the prairie and allows for equal access to the prairie. She noted it provides a sustainable solution for gathering and is adequately sized to serve multiple user groups. Lastly, this alternative site provides shade in the summer, beautiful walking trails and rolling topography. She believed this site would also balance the preservation of natural resources while still providing the necessary recreation amenities, while also improving public safety. She recommended a delay in the start date be considered by the council in order to allow staff to prepare this site. She respectfully asked the council to consider the proposed alternative site noting it would provide five to seven acres of off leash dog space with the potential of adding additional acreage in the future.

Diana Houston, 12201 Minnetonka Boulevard, stated through the work group they reached an agreement on a couple of sites in Purgatory Park. The recommendation from the park board was contrary. In doing so, it looks like why was this group tasked with finding common ground only for their work to be dismissed. She commented during this time of divisiveness she believed it was important to recognize, honor and respect the common ground that was found by the working group. She believed it was important for the city council to build cooperativeness and to find common ground. She discussed how through compromise, everyone would gain a little bit. She respectfully asked that the common ground areas be selected as proposed by the working group.

Jennifer Johnson, Kingsford Terrace, believed the residents of Minnetonka were lucky to have many wonderful parks in the community. She commented the proposal being discussed would restrict the park usage for thousands of dog owners in the city. She explained it would be helpful to know how many people want the off leash dog to remain and how many do not. She understood there were at least 700 people that want the off leash area to remain in place. She reported she visits the off leash dog area twice a day every day. She questioned how the city would determine what would be an appropriate reduction in off leash dog space. She feared how dog owners would be impacted if the space was reduced from 100

acres to 20 acres. She discussed how a smaller space would lead to degradation of the space and more negative interactions.

Derek Mitchell explained he was representing A Fantastic Experience. He reported he has visited Purgatory Park 466 times and he has never seen an incident. He indicated he was concerned by the fact the park may now have cops running around and this was emotionally stressful for him. He discussed how this park was his sanctuary and his dogs helped him deal with his anxiety. He believed the park did not have bad instances. He recommended the people who are scared of dogs use Areas 4 and 5. He commented on how the prairie area was great and noted people were not playing in it when the grass was tall. He stated he needed this park for his sanity. He reported he used this park frequently and questioned if the voices raising concerns were actually using this park. He recommended proper signage be placed in the park to show where off leash dogs are and are not allowed.

Shannon Riley, resident of Minnetonka, reported she has enjoyed Purgatory Park over the past 17 years both as a dog owner and as a non-dog owner. She explained as a non-dog owner she never felt threatened by dogs or their owners. She commented on how all of the city's parks differed and encouraged the city to look at its parks globally. She indicated it made sense to designate certain parks for certain activities. She asked that the city council designate the area in red in accordance with the park board for an off leash dog area. She agreed signage should be installed in the park. She reported the area by the red barn and fire department was inaccessible because it was a wooden cliff. She indicated she requested information from the city on March 6, 2023 and the city only partially complied with her request. She stated she was interested in learning how much the city spent on consultants within its parks.

Greg Johnson, 18810 Kingswood Terrace, stated he has used Purgatory Park over the past 25 years and noted he was a founding member of PAWS. He explained he was also a member of the working group noting he learned a lot from this group. He discussed how the prairie grass has been impacted by the recent droughts noting this also dried up the creek area and none of this was caused by dogs. He estimated 35% to 40% of the people in Minnetonka have a dog in their household. He commented thousands of families have already been impacted by the reduced number of areas where they can bring their dog off leash. He indicated as of May 19 there will only be one off leash area where a person can bring their dog. He urged the city council to not restrict the current off leash space in Purgatory Park because this will impact thousands of families. He recommended boundaries be established with strong fencing and barriers

along with signage. Finally, he stated the PAWS team wants to be a part of the solution within this park.

Ed Wons, 6016 Pinewood Lane, reviewed a DNR map that showed vegetation. He reviewed aerial photographs of the park and commented on what has been going on in Area 1. He discussed how nature has been replenishing the park land and questioned why the city has removed trees within this park.

Kris Kopischke, 4528 Saddlewood Drive, reported she was a founding member of PAWS for Parks. She indicated her mission was to maintain as many off leash areas as possible in the community. She asked that the city work with the community on compromise. She explained she has been walking in Purgatory Park for the past 10 years with her dogs and she values the off leash area. She commented on the petition she created and noted she has talked to hundreds of people who care about Purgatory Park. She discussed how the dog owners would be adversely impacted if the off leash area were placed in one corner of this park.

Kevin Stucci, 1503 Bell Circle, thanked the mayor and council for allowing him to speak. He explained he was a dog person and he lives adjacent to the park. He reported his wife raises service dogs and he does not take his dogs into Purgatory Park because of the off leash dogs. She commented she does not utilize the park, which puts him in the 47% that do not use the park. He stated he has heard a lot of passion from the speakers and encouraged people to continue to walk their dogs, but to do so with their dogs on a leash. He noted he walks his dogs on the street because it was safer. He reported he has had many issues with loose dogs coming through his yard. He estimated 30% of dogs that he observed were no where near their owners. He commented he has also had negative interactions with dog owners when he says something about dogs being in his yard and he had a dog attack him when he was cutting down a tree in his yard. He indicated one of his neighbors has been bit twice when running in the park. He stated he was for dogs, but perhaps dogs should be leashed. He explained he would like the off leash dogs to be kept out of his yard.

Kevin and Jean Stucci, 1503 Bell Circle, reported she has had her dogs attacked on multiple occasions in her own yard and her husband has been attacked in their yard.

Curtis Henry, 1901 Vernon Drive, stated he has been using Purgatory Park for the past 30 years. He reported as a disabled veteran, this park keeps him out of the hospital. He explained he needs the community that has been created at Purgatory Park. He indicated the prairie in the park

was a farm field that has been seeded over with prairie grass and wild flowers.

Dr. Dennis Yockers, 3648 Hazelmoor Place, stated he and his wife moved to the community 12 years ago. He indicated one of the reasons they moved to the city was because of the parks and amenities in the community. He reported he spent 33 years working for the State of Wisconsin, the DNR and the college of natural resources doing natural resources management. He commented on the information he has provided to staff and noted it was difficult to him to listen to people speak about the history of this land. He indicated Minnetonka was primarily an oak savanna (a type of prairie) and wetlands in the past. He discussed the size of Purgatory Park and stated he did not believe the city needed 87 football fields for off leash dogs. He stated he was concerned with how some speakers discussed their rights. He explained all individuals have rights, but commented residents also have privileges that require responsibilities and he would like the city to be thinking about this.

Karen Schuler-Hansen, 17001 Stodola Road, reported she has lived in her home for the past 35 years and has used Purgatory Park for off leash walks during this time. She indicated she was a founding member of PAWS for Parks. She discussed how she was at the north entrance recently and reminded people to leash up when on maintained trails. She commented 80% of people in her shift were off leash dog walkers. She discussed the poop clean up events she has hosted and noted she also has bees in her backyard. She explained she was a nature lover and she enjoys the views from her backyard. She stated she was saddened by how divisive this issue has become and noted she always leashes her dog when she crosses a trail, even if no one was around because she wanted to keep her privileges. She recommended more signage be posted in the park.

Jill Manley, 5209 Clear Spring Drive, stated she wanted to preserve more than have off leash areas. She explained she raised five children in the community. She discussed the history of the park and how it has changed over the past 40 years noting there did not used to be paths and trails. She understood this park was a magnificent place and she appreciated how the space has been preserved. She liked the idea of compromise and recommended with enough dog parks surrounding the community there was enough areas where dogs can run unleashed. She stated she liked the idea of the off leash area being on the barn side.

Thomas Wessling, 3916 Merriam Road, stated he was an environmental engineer and father of two children. He explained he could not understand how the ecosystem was being adversely impacted by dogs noting the

entire community was being invaded by invasive species like buckthorn, creeping bellflower and all of the herbicides and pesticides. He reported not allowing dogs to be off leash would not address these significant threats, but would exclude families from enjoying the natural beauty of the park. He stated a suitable alternative does not exist and recommended the city not pursue a fenced in area for off leash dogs. He explained he did not move from Austin, Texas to Minnetonka to have small fenced in spaces. He stated once amenities are taken away from the public it would be difficult to bring them back. He asked that the city not take away this incredible unique natural space for the families with dogs.

Suzanne Williams, 4840 Gatewood Drive, thanked the council and staff for their time. She reported the park board and staff has spent a lot of time working on this. She encouraged the council pass the Purgatory Park master plan and noted downsizing the off leash dog area would be step backwards. She commented a smaller fenced in area would diminish the quality of life for dog owners but would also undermine the unique space that this park has become. She reported dogs thrive on movement and variety and a small fenced in area would deprive dogs of the true nature experience that was offered in Purgatory Park at this time. She indicated this park was not just for dogs, but rather was a place where people from all walks of life gather to walk their dogs. She commented on how a small fenced in space would risk eroding the sense of community that has been created while also creating more opportunities for conflict. She discussed how people in the community rely on this park to get physical exercise, enjoy nature and improve their mental health. She reported this would be hindered if the off leash area were a small fenced in area.

John Roche, 5110 Kimberly Road, stated he has been a Minnetonka resident for 39 years and he has been walking his two dogs over the past 20 years. He commented he has never seen a bad interaction at the park. He indicated the high quality prairie area was not being impacted by dogs, but rather this area was being impacted by people. He stated half of Area 1 was cattail and could not be used for an off leash pet area. He discussed how using hockey rinks for off leash dog areas was not ideal because the rinks has asphalt. He commented on how fenced in areas lead to increased aggression and the spread of disease.

Dick Thompson, 5220 Lee Way, stated he was a founding member of PAWS for Parks. He explained the smaller fenced in area would not be used by dog owners. He reported he walks three to five miles every day and his dog runs. He commented he has only seen one incident in the park and it was between dogs. He indicated PAWS for Parks wants to work with all of the groups in order to come up with a plan that allows people to walk great distances within the park.

Denny Harpestad, 14606 Karyl Drive, indicated he has lived in Minnetonka for nearly 21 years and walking in Purgatory Park for the past 20 years. He explained he understood the need for compromise, but stated he would love to see things remain as is. He stated if the off leash area were made smaller he was uncertain what he would do because not all dogs react well to being confined in small areas with other dogs. He reported he would be retiring at the end of the year and he anticipated using Purgatory Park more in order to take in nature. He recommended the park not be closed off to just a small group of users.

Tom Stockert, 5524 Dominic Drive, thanked the council for what they were trying to do. He recommended other parks be considered for dog parks versus the city only having one.

Karen Madson, 17380 Hampton Court, stated she has lived in the city for the past 33 years and she has been a dog walker for 18 years. She noted she walks her dog in Jidana and Big Willow Parks. She recommended the timing of the ordinance be reconsidered by the council and that the council take the time to look at the big picture.

Cornell Anderson, 5731 High Park Drive, reported he has lived in his home for 45 years and has used Purgatory Park for the past 45 years. He explained his neighborhood has serious concerns if this were the only off leash park in the community. He stated his roadway was never meant to be a parking area, but rather was a turnaround space for the residents on the street. He indicated his street was lined on both sides with cars on the weekends and this was becoming a safety concern. He reported there was not enough room to get a safety vehicle through in the event of an emergency. He recommended "No Parking Signs" be posted for those living on Stodola. He feared how the number of cars parking on his street would increase if Purgatory Park became the only off leash dog park in Minnetonka.

Richard Owen, 16615 Jealam Road, reported he moved to Minnesota in 1980 and he has used Purgatory Park for over 40 years. He indicated he has biked, run, cross country skied, snow showed and dog walked in this park. He explained his wife has walked in this park daily where she has made so many friends. He stated he would like the park to remain as is. He indicated he could support the proposed fencing and posted signage. He also recommended the city council look into other areas for dog parks.

Dan Phillip, 5501 Nantucket Place, stated he lived in Minneapolis for many years and after having his first child he moved out to Minnetonka after taking a walk around Purgatory Park. He explained he and his wife love

the park and the fact that it was wide open without fences. He noted he does not have a dog. He stated he appreciates the restoration work that has been completed at the park and recommended the high value areas in the park be protected while leaving the rest of the park open. He stated he was concerned if Area 4 were made an off leash area, this would adversely impact his property. He suggested if a project moves forward in Area 4 that the property owners adjacent to this area be included in the planning efforts.

Ellen Haeg, 17080 Chiltern Hills Road, stated her takeaway from all of the speakers was to encourage the city council to collaborate more closely with the key groups involved. She was of the opinion it would be impossible for the city to meet the May 19 deadline, noting government moves slowly. She indicated by forcing this issue, the council increase the polarization of this issue versus setting a realistic timeline and working to reach a compromise. She believed a meaningful compromise could be reached and understood there would be hard feelings on both sides. She indicated this topic has been discussed for years and she urged the council to consider delaying the ordinance. She supported the recommendation from the park board moving forward in order to allow off leash dog owners to have some space to be.

Wiersum closed the meeting for public comment.

Wiersum requested the city attorney speak to what options exist when it comes to the timing of the ordinance. Nilsson reported work on the ordinance was done last fall and the effective date was key for enforcement. He indicated a formal approach could be taken to amend the ordinance to change the effective date. He stated the police would be taking a soft enforcement approach with respect to this ordinance. He stated another option for the council would be to make a motion to suspend enforcement of the ordinance until an off leash strategy and guidance plan was adopted.

Wiersum asked what questions the council had at this time.

Ramaley questioned if the council were to amend the ordinance, could hold a special meeting to adopt the second reading. Nilsson stated this would be an option. However, he believed the easiest way to amend the ordinance would be to make a formal motion to direct staff to suspend enforcement.

Wilburn inquired if it was possible to introduce an amendment to the ordinance at this meeting for the council to then vote on at the May 19 city council meeting. Nilsson explained the charter and code require an

introduction and first reading at one meeting. He was uncertain if this could be accomplished at this meeting on the floor. He indicated a motion tied to the suspension of enforcement could be tied to when the strategy and guidance plan was approved.

Wiersum commented on how sudden changes were hard for people to absorb. He recommended the council discuss the proposed change more holistically.

Wilburn stated she had all kind of thoughts about what areas should be considered. She pointed out the Purgatory Park Master Plan has been approved and was in place. She explained map with the red areas was a map that showed potential areas could be unleashed. She indicated the plan was not to show where off leash areas should be. She stated she was nervous about having an ordinance on the books that would be unenforced. She recommended the city council spend more time to get to a solution that works better, with the understanding the city would never find a perfect solution for all parties involved. She was in favor of pushing the time back while also looking at other parks so there was not just one dog park in Minnetonka. She understood staff wanted to do the master plan, but she believed it was reasonable to find other off leash areas. She was of the opinion this was not a numbers matter, because this was also a matter of safety.

Foster-Bolton commented she agreed about the timing concerns. She reported Purgatory Park was never intended to be a dog park, but rather it was a reserve and preserve. She indicated she visited the park this past weekend and discussed how different the prairie grasses were from where the dogs were and were not located. She explained this park has more dogs since COVID. She reported it scared her that this was the only off leash dog park in the area because it was creating a larger draw from the region and more area of the park would be trampled. She commented she did not visit this park often because she was terrified of off leashed dogs. She reported she has been yelled at when she asks dog owners to put their pets on a leash because she was scared. She indicated she did not want to take away dog parks from everyone, but she also wanted to remove the fear that has been created in Purgatory Park. She commented she did not want the prairie area included in the off leash area. She was of the opinion Areas 5 and 6 could be used for dogs with soft barriers and no fence. She recommended the city also pursue other off leash areas in other city parks.

Coakley stated parking on Stodola Road was a concern for her and she wanted this concern to be addressed. She was of the opinion this issue was being rushed. She indicated there were so many people in

attendance with so many different opinions. She believed the city could be doing more to hear these opinions and she wanted to see the city council take more time to address this matter. She recommended off leash areas be considered in Purgatory Park as well as in other parks in the community. She commented on how full the parking lot was at Purgatory Park and how busy this park was with off leash dogs. She suggested an electric fence be considered for this park. She understood the community cared about the natural spaces and stated she would look to staff for what the original condition of the park was. She stated because there were still so many outstanding questions and concerns, she recommended action on this item be postponed to allow the council more time.

Schack indicated she was reticent to delay action on this item. She stated she wanted to get to a resolution, and believed the council would be lying to themselves if action on this item were delayed several months in order to designate several more areas for dog parks without doing more public engagement. She understood the folks who used Big Willow Park were interested in an off leash dog area as well as other areas identified by the working group. She anticipated if action were delayed on this item, it would be for quite some time. She indicated this makes her nervous. She stated she would like to see the city council reach some sort of consensus at this meeting. She explained she does have concerns regarding the large percentage of people that were afraid to use Purgatory Park. She did not want the message from the council to be that the city does not care about this portion of the population. She commented on how kicking the can down the road would continue to allow people to have off leash dogs anywhere in the city. She supported the city finding solutions and other off leash locations throughout the city. She indicated she also wanted people to feel safe in all parks. She reiterated that the city was not kicking dogs out of parks, rather the city was addressing whether or not they have to be leashed. She stated this was an issue she wants to do right because 47% of the people surveyed do not feel safe visiting Purgatory Park.

Calvert explained she agreed with all of the statements that have been made by the councilmembers. She indicated she did not want to kick this can down the road and she also wanted to ensure the city was keeping people safe. She stated what made this difficult for her was she truly appreciated and respected all sides of this issue. She indicated she has two rescue dogs at her house at all times and noted the environment was wildly important to her. She stated she heard the people who feel threatened, scared, hurt and attacked by dogs in Purgatory Park. She indicated the people attacked by dogs do not often report the incidents and she understood enforcement was another issue. She reported human behavior is human behavior and she knew people would violate the leash law if it were enacted. She understood people would have to adjust to a

new reality and the city was proposing radical changes. She stated she appreciated Councilmember Schack's proposed timeline for this item, but she feared it would be difficult to realistically put in place per the proposed timeline because it was affecting such a drastic change in the community. She thanked staff and the working group for all of their efforts given the condensed timeline. She was of the opinion the city council did not have enough data to make a decision at this time because in her mind people are not going to follow the proposed leash law. However, she indicated she was willing to continue to discuss this matter in order to potentially reach a consensus.

Ramaley thanked everyone who spoke at this meeting. She understood this was a very hard issue. She indicated she received a lot of emails and she worked to try and respond to them through Friday. She commented on all of the factors the council had to consider. She stated the park board passed a recommendation, but this was a misperception of the plan. She explained there was no planned space for off leash within the Purgatory Park Master Plan. She reiterated this park was a preserve and was not a dedicated dog park. She commented on how important public safety was to the city council. She discussed how she has had to stand between her sweet 14 year old dog and other dogs charging her on trails at Purgatory Park, multiple times. She stated she was empathetic to the people who have had incidents at this park. She understood there were groups that wanted no fences while others wanted to preserve the high value natural areas. She believed the city could have all of these things, but she was uncertain if they could occur all in the same park. She stated after hearing everyone her first inclination was to have a hard fenced area. However, after hearing from Councilmember Foster-Bolton she could support a forest mowing of Areas 5 and 6 in order to create an off leash dog area without hard barriers, even though she would prefer fencing. She commented she could support this option on a pilot basis with strong compliance monitoring and a complaint system to assist with gathering data. She reported if things were going great the park could remain as is and if not, the council may have to look at other options, such as a different dedicated park. She understood the city could not have all parks being all things to all people. She stated her least favorite option would be to take out the high value prairie areas and allowing for a temporary situation while plans are being made for an isolated off leash park. She was of the opinion the different uses should be separated. She indicated she was not supportive of having 50 to 100 acres set aside for off leash dogs. She explained this would be out of balance with neighboring communities. She stated there were 20 to 40 dog parks within ten to twenty miles of Minnetonka. She commented these were the things she has been considering. She indicated she has heard the voices of the big

dog owners and she understood they needed to run, and explained the city may have to look at another park in order to provide this solution.

Wilburn stated she understood where Councilmember Schack was coming from and that safety was a major concern. She indicated her hope was to create a compromise that took into account the natural resources, safety an area for off leash dogs, an area for reactive dogs to be on leash, while also taking into account the concerns of neighbors. She reported things did not go perfectly and so the council was now being asked to make a decision. She indicated she was not 100% thrilled with the recommendation from staff and the council would have to consider a compromise. She agreed off leash dogs needed to go one direction with everyone else going another direction. She stated the council may benefit from bringing this item to a study session for further discussion. But noted she would also be willing to stay and figure this item out.

Calvert commented she felt like Solomon and the city council was being asked to cut the baby in half. She stated she was praying for wisdom. She understood people were using the park how they have always been using them. She stated the people using the off leash area has had a tremendous privilege and now the council was proposing enforce the responsibility and not everyone was responsible. She reiterated that this park used to be a farm and the city was working to regenerate the prairie areas. She wanted to see accessibility maintained to all areas of the park while increasing safety and providing a designated area for off leash dogs as well as having a designated area for people who do not want to interact with off leash dogs. She understood something had to be figured out and stated a compromise would have to be reached with the understanding people are not going to have what they previously had. She indicated there would be change and this change would be painful. She stated there was not a person in this room that would get everything they want.

Wiersum thanked all of the residents who were in attendance at this meeting. He agreed there was no elegant and perfect solution for Purgatory Park. He commented on how timing was a factor for this item and stated he did not believe adding time was kicking the can down the road. He reported this was a controversial, difficult topic and clearly the city would like to be done with this topic. However, there was not a solution that would satisfy all parties involved. He commented on how he does not make strategic decisions for tactical reasons. He stated May 19 was picked tactically in order to move this item forward, but the fact of the matter was options were brought forward that did not reflect a strategic big picture view of what needs to be done. He indicated he did not like any of the options that were presented to the council. He explained he did not support turning Purgatory Park, the city's crown jewel into a dog park. He

reiterated this was an issue about acres, location and timing and he supported the city council taking more time to address these three matters. He commented further about the connection he has with his dog and discussed how dogs were unpredictable. He stated the city's old ordinance was a bad ordinance. He indicated strategic solutions were needed in order to improve the old ordinance. He recommended the city council extend the effective date in order to delay enforcement for the ordinance to provide the council with more time to address this matter. He much preferred the council continuing to discuss this item, versus the council making a bad decision.

Schack stated she could support delaying action on this item, but she believed the council needed a plan. She indicated this may require the council holding a special worksession in order for the council to do the necessary work.

Calvert agreed and apologized to staff for dragging this item out.

Foster-Bolton asked if the council could make it easier to report incidents at the park or install cameras for safety purposes.

Ramaley indicated she could support the actual Purgatory Park Master Plan recommended areas on a trial basis with soft barriers, but this was not gaining support. She commented if the interim plan from the park board was moving forward, she could be supportive if the high value prairie was excluded and clear signage and mapping installed along with a clear enforcement plan. She explained she was a little frustrated by the fact the city did not have incident data from this park, when she has been pushing for this over the past year. She reiterated that she believed the best solution would be to separate the users (off leash dogs and those who do not wish to interact with off leash dogs).

Funk summarized the comments received and noted parking and barking were always hard issues. He highlighted the options available to the council noting the council could make a motion to delay the enforcement of the current ordinance until an off leash strategy was adopted. He indicated another option was the council could craft an ordinance at this meeting. With this option, the council would have to be date specific. A third option, would be for staff to bring forward an ordinance for the council to introduce on May 19 with final consideration on June 9. He indicated if action were taken to delay enforcement, the council could hold a study session or two to further address this matter.

Calvert asked if the council were to vote to suspend enforcement, how would the ordinance be reinstated. Funk commented the motion would

suspend the rules until the council approves a Minnetonka off leash strategy and guidance plan.

Schack indicated it appears the council is not going to get clarity at this meeting. She recommended the council table this issue and that a special study session be held at 4:00 p.m. on May 19 in order to build consensus on this topic. She noted staff could have an ordinance for the council to consider or the council could take a motion to suspend enforcement.

Ramaley asked if signage could be posted in Purgatory Park because it would take the council some time to fully address this item. Funk commented it would depend on what action the council took at this meeting.

Wiersum reported Councilmember Schack's recommendation would provide the council with another brief bite of this apple on May 19, noting the council would only have two hours to discuss this item. He was not convinced two hours would be enough time, but he was supportive of this suggestion.

Calvert indicated she believed there were gaps in the data when the park board was trying to make a decision. She believed the three new park board members did their best in this overwhelming situation. She noted she had an appointment on May 19 and she hoped to be able attend a special study session at 4:00 p.m.

Schack suggested to use the special study session to give staff instruction about what next steps should be considered.

Coakley asked if the council would be able to discuss this item on May 19 and then set a solid date for the next time this item is discussed.

Wiersum indicated the 4:00 p.m. meeting would be a study session and action could be taken at the council meeting which would be held at 6:00 p.m.

Coakley moved, Wilburn seconded a motion to table action on this item bringing this item back before the city council at a special study session on May 19, 2025 at 4:00 p.m. All voted "yes." Motion carried.

15. Appointments and Reappointments: None

16. Adjournment

Wilburn moved, Calvert seconded a motion to adjourn the meeting at 10:42 p.m.
All voted "yes." Motion carried.

Respectfully submitted,

Becky Koosman
City Clerk

**City Council
Agenda Item 5.B
Meeting of June 9, 2025**



Title: May 19, 2025 regular meeting minutes
Report from: Becky Koosman, City Clerk
Presenter: Mayor Wiersum

Form of Action: Minutes
Votes needed: 4 votes

Recommended Action
Motion to approve May 19, 2025 regular meeting minutes.

ATTACHMENTS:
[Minutes](#)

**Minutes
Minnetonka City Council
Monday, May 19, 2025**

1. Call to Order

Mayor Brad Wiersum called the meeting to order at 6:00 p.m.

2. Pledge of Allegiance

All joined in the Pledge of Allegiance.

3. Roll Call

Council Members Rebecca Schack, Kimberly Wilburn, Deb Calvert, Paula Ramaley, Kissy Coakley, Patsy Foster-Bolton, and Brad Wiersum were present.

4. Approval of Agenda

Calvert moved, Ramaley seconded a motion to accept the agenda as presented. All voted "yes." Motion carried.

5. Approval of Minutes: None

6. Special Matters:

A. Information Technology (IT) Manager Patty Latham retirement recognition

Wiersum recognized IT Manager Patty Latham and thanked her for her 18 years of dedicated service to the City of Minnetonka. He presented her with a frame on behalf of the city and wished Ms. Latham a long and happy retirement.

IT Manager Patty Latham thanked her team members for being present at this meeting. She introduced her family members that were in attendance. She then addressed the council and thanked the city council and staff for their trust over the years. She explained she has enjoyed serving as the IT Manager over the past 18 years. She stated it has been an honor to work alongside her six IT team members and she congratulated Jeff Dulac for being appointed as the new IT Manager for the city. A round of applause was offered by all in attendance.

Schack thanked Ms. Latham for her tremendous service to the city and stated she would be greatly missed.

Calvert explained she has had the privilege of serving on the Southwest Suburban Cable Commission with Ms. Latham. She stated she appreciated how kind and thoughtful Ms. Latham was and wished her a long and healthy retirement.

Foster-Bolton thanked her team for being kind to her when she asked questions and she wished Ms. Latham a well-deserved retirement.

Coakley thanked the IT team for being phenomenal and stated she believed this was a direct reflection on Ms. Latham and her leadership. She wished Ms. Latham all the best in her retirement.

Wilburn explained she also appreciated the kindness of the IT team members and wished Ms. Latham a happy retirement.

Ramaley thanked the IT department for their patience when working with her to replace her iPad and for the thorough onboarding they provide to new councilmembers. She thanked the department for all that they do on behalf of the city and wished Ms. Latham a long and healthy retirement.

Wiersum thanked Ms. Latham and her team for always working to meet the needs of the city and the city council.

B. Geographic Information System (GIS) update

City Manager Mike Funk, Public Works Director Will Manchester and GIS Analyst Matt Harding gave the staff update.

Wiersum thanked Mr. Harding for his presentation. He explained he once heard the saying, “you are what you measure”. He commented on how he appreciated how the city measured what was important to the community.

Ramaley stated she greatly appreciated the housing storyboards and GIS information that was available to the public.

C. Proclamation for the Asian American and Pacific Islander Heritage Month

Ramaley read a proclamation in full for the record declaring May to be Asian American and Pacific Islander Heritage month in the City of Minnetonka.

D. Proclamation for Jewish American Heritage Month

Calvert read a proclamation in full for the record declaring May to be Jewish American Heritage month in the City of Minnetonka.

7. Reports from City Manager & Council Members

City Manager Mike Funk reported on upcoming city events and council meetings.

Calvert reported the Minnetonka Family Collaborative held their last meeting of the year on Thursday, May 15. She explained this group was made up of non-profits with the Minnetonka Public Schools to work with families that were at risk. She thanked the angels in the community that were doing tremendous work and asked that the community support this organization.

Calvert thanked Senior DEI Coordinator Jayce Alexander for bringing forward significant proclamations for the city council.

Wiersum stated on Friday, May 16 Associate City Attorney Rolph Speinheim retired after 33 years of dedicated service to the community.

Wiersum shared a story regarding the help the city provided to a family that was struggling in the community and thanked city staff and the school district for their efforts on this matter.

8. Citizens Wishing to Discuss Matters not on the Agenda: None

9. Bids and Purchases: None

10. Consent Agenda – Items Requiring a Majority Vote:

Coakley stated she would like to pull Item 10.B from the Consent Agenda for further discussion.

A. Second Amended and Restated West Metro Drug Task Force agreement and dissolution of the Southwest Hennepin Drug Task Force

Wilburn moved, Ramaley seconded a motion to approve the amended West Metro Drug Task Force agreement and dissolution of the Southwest Hennepin Drug Task Force. All voted “yes.” Motion carried.

B. Minnetonka Family Collaborative Mini Grant

Coakley congratulated the city on receiving a grant and stated she appreciated the fact the city would be working with 25 students to help

them learn more about policing. She believed this would be a great program that would teach these students leadership skills.

Coakley moved, Calvert seconded a motion to adopt Resolution 2025-038 approving the grant. All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances:

A. Interim use permit (IUP) ordinance amendment

City Planner Susan Thomas gave the staff report.

Wilburn stated there as an organization called Pallet that provides long term temporary housing. She asked if this use would apply to this type if IUP. Thomas stated this could be reviewed further by staff.

Wiersum asked what kind of things the planning commission should be considering with respect to the proposed ordinance.

Ramaley requested staff provide an example or two for the types of uses that would require an IUP. Thomas stated a temporary classroom structure on school property was an example, along with fireworks sales or a commercial kennel (a resident with more than three dogs) on a residential property.

Wiersum questioned if a timeline should be identified for interim uses such as three years and then the IUP's would have to be reconsidered.

Calvert thanked staff for bringing this ordinance forward.

Calvert moved, Wilburn seconded a motion to introduce the ordinance and refer it to the planning commission. All voted "yes." Motion carried.

13. Public Hearings:

A. Temporary on-sale liquor license for Unmapped Brewing, LLC, 14625 Excelsior Boulevard

City Planner Susan Thomas gave the staff report.

Wiersum opened the public hearing.

Derek Allmendinger, Unmapped Brewing representative, introduced himself to the council and explained he has appreciated the city's support over the years. He commented on the proposed event and thanked the council for considering his request.

There being no further comments from the public, Wiersum closed the public hearing.

Coakley moved, Schack seconded a motion to grant the license. All voted "yes." Motion carried.

14. Other Business:

A. Cooperative Agreement between Axon Enterprise, Inc, Skydio Inc, and the Minnetonka Police Department to provide public safety solutions related to Drones as First Responders

Deputy Police Chief Jason Tait gave the staff report.

Foster-Bolton asked what types of calls would a drone be used for. Tait stated drones could be used on calls for suspicious vehicles.

Ramaley questioned how the drones would be used on the mall area. Tait commented the drones would be used in coordination with the cameras because the cameras are not able to see the entire mall area.

Coakley inquired if drones would be used for speeding vehicles. Tait reported state statute does not allow for drones to be used to ticket speeding vehicles.

Schack asked if the drones could be used in cold weather and at night. Tait indicated the docks for the drones assist with maintaining the battery temperatures. He stated the drones could fly in both rain and snow, as well as in winds up to 40 miles per hour. He reported all drones were also equipped with infrared cameras in order to be used at night.

Wiersum questioned if the drones would only be operated within Minnetonka. Tait explained the city was limited to flying within Minnetonka air space by the FAA.

Wiersum inquired what other technology could be added to drones over time. Tait stated technology was changing rapidly and noted several different AI technologies were being added. He indicated drones were also being equipped with parachute technology to assist with saving drones in the event there was a mechanical failure.

Ramaley thanked the police department for bringing this request forward to the city council.

Wilburn moved, Calvert seconded a motion to approve quote Q-689648-4578BJ and the Sourcewell piggyback agreement, Sourcewell Contract #101223-AXN.

Calvert thanked the police chief and the entire police department for thinking creatively.

Wiersum stated he appreciated the fact the city would be using these drones as a force magnifier tool for the community.

All voted "yes." Motion carried.

15. Appointments and Reappointments:

A. Sustainability commission young adult appointment

Wiersum gave the staff report.

Wiersum moved, Calvert seconded a motion to approve the appointment.
All voted "yes." Motion carried.

16. Adjournment

Wilburn moved, Calvert seconded a motion to adjourn the meeting at 7:47 p.m.
All voted "yes." Motion carried.

Respectfully submitted,

Becky Koosman
City Clerk

**City Council
Agenda Item 6.A
Meeting of June 9, 2025**



Title: Trunk Highway 7 Corridor Study Update

Report from: Phil Olson, P.E., City Engineer

Submitted Through: Will Manchester, P.E., Public Works Director
Erik Nilsson, City Attorney
Mike Funk, City Manager

Presenter: Phil Olson, P.E., City Engineer

Action Requested: Informational

Form of Action: Report

Votes needed: N/A

Summary Statement

Faith Xiong, Principal Planner with the Minnesota Department of Transportation (MnDOT) and Paul Glaser, consultant to MnDOT from Bolton and Menk, will present findings associated with the Highway 7 Corridor Study.

Recommended Action

No action required, informational only.

Strategic Plan Relatability

Infrastructure & Asset Management

The Highway 7 Corridor Study seeks to understand the transportation needs for all users along Highway 7, supporting strategic profile desired outcome 5.2 – safe, quality, well-maintained roadway system.

Financial Consideration

No

Background

In early 2024, MnDOT initiated the Highway 7 Corridor Study for an 18-mile segment of Highway 7 between Hopkins Crossroad in Minnetonka and the western Hennepin County line in St. Bonifacius. The study is being completed for this corridor to better understand the transportation needs of all users, identify opportunities for future improvements, and help develop and evaluate design alternatives to seek future funding opportunities.

At this time, MnDOT would like to present the work that has been completed to date and provide feedback opportunities for the council and public. The study is currently planned to be finalized in September 2025.

**City Council
Agenda Item 6.B
Meeting of June 9, 2025**



Title: Excelsior Lions Club

Presenter: Josh Radziej

Action Requested: Informational

Form of Action: Other

Recommended Action

Informational only.

**City Council
Agenda Item 6.C
Meeting of June 9, 2025**



Title: Proclamation for Pride Month
Report from: Jayce Alexander, DEI Supervisor
Submitted Through: Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager
Presenter: City Council

Action Requested: Informational
Form of Action: Proclamation
Votes needed: N/A

Recommended Action
Read the proclamation.

Strategic Plan Relatability
Community Inclusiveness

ATTACHMENTS:
[Pride Month proclamation](#)



City of Minnetonka

Proclamation

LGBTQ+ Pride Month

June 1-30, 2025

- WHEREAS, the month of June is celebrated as Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ+) Pride Month, commemorating the historic 1969 Stonewall Riots in New York City and the first Pride march in New York in June 1970; and
- WHEREAS, Pride Month brings awareness to historic and present day discrimination, harassment, and violence toward Individuals who identify as LGBTQ+; and
- WHEREAS, Pride Month affirms the dignity, equal rights and visibility of individuals who identify as LGBTQ+; builds community, and celebrates sexual identity diversity and gender variance; and
- WHEREAS, LGBTQ+ people have made, and continue to make, great and lasting contributions that strengthen the fabric of society; and
- WHEREAS, all people deserve to live with dignity and respect, free from fear and violence, and protected against discrimination, regardless of their gender identity or sexual orientation; and
- WHEREAS, celebrating Pride Month influences awareness and provides support and advocacy for the LGBTQ+ community, and is an opportunity to take action and engage in dialogue to strengthen alliances, build acceptance, and advance equal rights; and
- WHEREAS, the City of Minnetonka includes and celebrates the LGBTQ+ community as a part of its commitment to diversity, equity, and inclusion; and
- WHEREAS, the City of Minnetonka calls upon the community to work together to promote equal rights and eliminate prejudice everywhere it exists.

June 9, 2025

Brad Wiersum, Mayor

**City Council
Agenda Item 10.A
Meeting of June 9, 2025**



Title: 2025 community survey and organizational MERIT

Report from: Sarissa Falk, Senior Management Coordinator

Submitted Through: Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Mike Funk, City Manager

Action Requested: Motion

Form of Action: Report

Votes needed: 4 votes

Summary Statement

The purpose of this agenda item is to provide the council the opportunity to accept the 2025 community survey results and organizational MERIT. The annual community survey provides the necessary data to determine the results of this year's MERIT program evaluation, particularly the organizational component.

Peter Leatherman, from the Morris Leatherman Company, presented the findings and conclusions from the 2025 community survey at the April 28, 2025 city council study session.

Recommended Action

Motion to accept the survey results.

Strategic Plan Relatability

N/A

Financial Consideration

Yes

The cost is included in the 2025 budget.

Background

Community Survey

Each year the city contracts with a professional survey firm to conduct a statistically valid telephone survey of residents on a variety of topics related to city operations. These topics range from demographics, quality of life, city services, public safety, natural environment, development and redevelopment, parks and recreational facilities, public transit issues, city government and staff and communication issues.

The survey of residents is intended to inform strategic planning and budgeting decisions, help set performance targets and strengthen community engagement. It is important for residents to have the opportunity to share their opinions. It is equally important for them to feel confident that their voices are heard.

Conducting a survey is a proactive approach to initiating and completing the communication loop with the community.

The City of Minnetonka is evaluated according to how well it achieves its strategic goals. Measuring ongoing progress ensures that the city is responsive to the priorities of the community it serves. By receiving ongoing feedback from stakeholders, the city can observe trends and track progress to guide policy-making and budgeting.

Peter Leatherman of the Morris Leatherman Company presented the findings and conclusions from the 2025 community survey at the April 28, 2025 city council study session.

Organizational MERIT

In addition, the annual community survey provides the necessary data to determine the results of this year’s MERIT program evaluation, in particular the organizational component. The focus of the overall city component is on performance related to achieving the city’s strategic priorities. Staff is evaluated on how well it meets the values of the community, as established by the city council.

M-E-R-I-T Definition:

Market – One of the main objectives of the MERIT program is to enhance the city’s ability to recruit and retain valued employees. To do this, the program ensures that the organization’s pay structure remains competitive in the marketplace.

Excellence Recognition – Excellence is highly valued in Minnetonka, and this standard is recognized. Minnetonka employees consistently perform at the highest levels, and the program rewards them accordingly.

Integrated – The overall MERIT program is integrated so that the pieces effectively complement each other. Although each component is unique, they work together to provide employees with a fair level of total compensation.

Teamwork – While each individual has unique needs that are recognized, the MERIT program reinforces the city’s shared value that teamwork is essential to our common success.

For the organizational MERIT component, grades are assigned to the city’s mission, vision, guiding principles, and strategic goals based on survey results and several metrics. The maximum MERIT pay provided in the organizational component is: \$500 for non-union employees and police sergeants; \$100 for police officers and public service worker employees as outlined in collective bargaining agreements. The letter grade “A+” equals \$500 or \$100. When the grade is less than “A+”, the percentage is applied to \$500 or \$100 to determine the actual dollar amount for that grade.

Results:

Minnetonka traditionally receives very high grades for performance in achieving each of its strategic goals, and this year the city continued to show great performance. There are 52 questions utilized in the community survey and 2 finance components that determine grading.

2025 Grade

Vision and mission (13 questions)	A-
Guiding principles (11 questions)	A-

Financial strength (Aaa bond rating & GFOA certificate)	A
Sustainability, resilience and natural environment (8 questions)	A-
Safe and healthy community (6 questions)	A
Infrastructure and asset management (6 questions)	A-
Livable and well-planned community development (2 questions)	A-
Community inclusiveness (6 questions)	A-
Overall Grade (52 questions & 2 finance components)	A-

Combined ratings of the city’s vision and mission, guiding principles, and each of the six strategic priorities result in an overall organizational grade of A- for this year. The city’s actual “grade point average” is 3.631 on a 4.0 scale or 90.78%, higher than last year’s 3.593 or 89.83% result. Employees saw this on their May 15 paychecks.

ATTACHMENTS:

- [2025 Community Survey Results](#)
- [2025 Summary of Findings](#)

THE MORRIS LEATHERMAN COMPANY
3128 Dean Court
Minneapolis, Minnesota 55416

City of Minnetonka
Residential Study
FINAL MARCH 2025

Hello, I'm _____ of the Morris Leatherman Company, a polling firm located in Minneapolis. We've been retained by the City of Minnetonka to speak with a random sample of residents about issues facing the city. City representatives and staff are interested in your opinions and suggestions about future and current city services and offerings. I want to assure you that all individual responses will be held strictly confidential; only summaries of the entire sample will be reported. (DO NOT PAUSE)

- | | |
|--|---------------------------|
| 1. Approximately, how many years have you lived in Minnetonka? | LESS THAN ONE YEAR.....3% |
| | ONE TO TWO YEARS.....8% |
| | THREE TO FIVE YEARS...17% |
| | SIX TO TEN YEARS.....19% |
| | ELEVEN - TWENTY YEARS.28% |
| | OVER TWENTY YEARS.....26% |
| | DON'T KNOW/REFUSED.....0% |
| 2. As things now stand, how long in the future do you expect to live in Minnetonka? | LESS THAN TWO YEARS....1% |
| | TWO TO FIVE YEARS.....7% |
| | SIX TO TEN YEARS.....18% |
| | 11 TO 20 YEARS.....25% |
| | 21 TO THIRTY YRS.....15% |
| | OVER THIRTY YEARS.....23% |
| | DON'T KNOW/REFUSED....11% |
| 3. How would you rate the quality of life in Minnetonka - excellent, good, only fair, or poor? | EXCELLENT.....38% |
| | GOOD.....60% |
| | ONLY FAIR.....3% |
| | POOR.....0% |
| | DON'T KNOW/REFUSED.....0% |

4. What do you like most about living in Minnetonka?

DON'T KNOW/REFUSED.....	0%
FRIENDLY PEOPLE.....	16%
SAFE.....	9%
OPEN SPACES.....	4%
PARKS.....	5%
SCHOOLS.....	11%
CITY SERVICES.....	3%
TREES/NATURE.....	6%
TRAILS.....	8%
THE LAKE.....	10%
LOCATION.....	7%
QUIET.....	7%
SHOPPING.....	2%
HOUSING/NEIGHBORHOOD...	9%
RECREATION FACILITIES..	2%
SCATTERED.....	2%

5. What do you like least about living in Minnetonka?

DON'T KNOW/REFUSED.....	0%
NOTHING.....	31%
HIGH TAXES.....	22%
LACK OF DIVERSITY.....	3%
TRAFFIC CONGESTION.....	6%
STREET MAINTENANCE.....	5%
LACK OF SIDEWALKS.....	13%
LACK OF PUBLIC TRANSIT.	3%
TOO MUCH DEVELOPMENT...	6%
CITY GOVERNMENT.....	3%
NO ENTERTAINMENT.....	3%
SCATTERED.....	6%

IF "LACK OF DIVERSITY," ASK: (n=13)

6. What, if anything, do you think the City should do to address the lack of diversity?

UNSURE, 31%; WELCOMING COMMISSION, 8%; CULTURAL COMMUNITY EVENTS, 31%; ENSURE EQUALITY, 8%; AFFORDABLE HOUSING 8%; MORE DIVERSITY IN SCHOOLS, 15%.

7. How welcoming, if at all, do you think Minnetonka is - is it very welcoming, somewhat welcoming, not too welcoming, or not at all welcoming?

VERY WELCOMING.....	58%
SOMEWHAT WELCOMING....	40%
NOT TOO WELCOMING.....	2%
NOT AT ALL WELCOMING...	0%
DON'T KNOW/REFUSED.....	1%

IF "NOT TOO WELCOMING" OR "NOT AT ALL WELCOMING," ASK: (n=7)

8. Who do you think does not feel welcomed in Minnetonka?

BIPOC, 43%; NON-ENGLISH SPEAKING, 14%; CERTAIN RELIGIOUS GROUPS, 29%; LOW INCOME, 14%.

For each of the following, please rate the City of Minnetonka as excellent, good, only fair, or poor.

	EXC	GOO	FAI	POO	DKR
9. Creating a welcoming community for residents of all backgrounds.	29%	58%	12%	1%	0%
10. Treating all residents with respect.	39%	50%	10%	1%	1%
11. Treating all residents fairly.	39%	51%	9%	1%	1%
12. Providing services to residents of all backgrounds.	34%	55%	9%	0%	2%
13. Should it be high priority, moderate priority, low priority, or not a priority at all for the City of Minnetonka to create a diverse, inclusive, and fair community?	HIGH PRIORITY.....23% MODERATE PRIORITY.....49% LOW PRIORITY.....17% NOT A PRIORITY AT ALL.11% DON'T KNOW/REFUSED.....1%				
14. Do you think Minnetonka is an inclusive community committed to excellence where all residents, workers, and visitors are welcome in a beautiful, sustainable place, supported by quality dependable city services? (WAIT FOR RESPONSE) Do you feel strongly that way?	STRONGLY YES.....15% YES.....77% NO.....6% STRONGLY NO.....1% DON'T KNOW/REFUSED.....2%				

Changing topics.....

I would like to read you a list of a few city services. For each one, please tell me whether you would rate the quality of the service as excellent, good, only fair, or poor. If you have no opinion, just say so.... (ROTATE LIST)

	EXC	GOO	FAI	POO	DKR
15. Police services?	42%	56%	2%	0%	0%
16. Pavement repair and patching on city streets?	28%	61%	11%	1%	0%

	EXC	GOO	FAI	POO	DKR
17. Trail maintenance?	38%	58%	4%	0%	0%
18. Park maintenance?	40%	58%	2%	0%	0%
19. Community planning?	35%	59%	3%	0%	4%
20. Fire protection?	50%	49%	1%	0%	1%
21. Recycling service?	30%	67%	3%	0%	1%
22. Snow plowing?	31%	57%	10%	1%	1%
23. Storm water management?	28%	61%	7%	0%	4%
24. Water and sanitary sewer services?	25%	69%	2%	0%	4%
25. Recreational services, programs, and facilities?	39%	56%	2%	0%	3%
26. Senior services?	29%	57%	0%	0%	15%
27. Natural resources management?	30%	61%	3%	0%	6%

IF ANY SERVICES WERE RATED EITHER "ONLY FAIR" OR "POOR,"
ASK: (n=147)

28. What changes or improvements, if any, would be needed in that service for it to be rated "excellent" or "good?"	DON'T KNOW/REFUSED.....0%
	FASTER RESPONSE.....17%
	FIX POTHOLES.....22%
	LOWER COST.....2%
	BETTER PLOWING.....17%
	BETTER DEVELOPMENT DECISIONS.....21%
	TOO MUCH GROWTH.....2%
	LARGER RECYCLING BINS..5%
	BETTER MAINTENANCE.....5%
	STORMWATER MANAGEMENT..2%
	MORE EVENTS.....2%
	SCATTERED.....5%

Moving on....

29. When you consider the property taxes you pay and the quality of city services you receive, would you rate the general value of city services as excellent, good, only fair, or poor?	EXCELLENT.....12%
	GOOD.....76%
	ONLY FAIR.....8%
	POOR.....2%
	DON'T KNOW/REFUSED.....2%

As you may know, the City of Minnetonka receives no local government state aid and largely relies on property taxes to fund basic services.

- | | | |
|-----|---|---|
| 30. | If you could increase the property tax levy, which ONE of these major areas would you prioritize for the increase - police and fire protection, street maintenance, parks and trails, or some other city service? | POLICE/FIRE.....25%
STREETS.....29%
PARKS AND TRAILS.....26%
OTHER SERVICE.....12%
NONE OF ABOVE (VOL)....5%
DON'T KNOW/REFUSED.....4% |
| 31. | Would you favor or oppose an increase in YOUR city property taxes if it were needed to maintain city services at their current level? | FAVOR.....80%
OPPOSE.....14%
DON'T KNOW/REFUSED.....6% |

IF "OPPOSE," ASK: (n=55)

32. What service would you be willing to see cut?

UNSURE, 6%; NOTHING/CUT WASTE, 18%; PARKS AND TRAILS, 33%; PUBLIC TRANSIT, 7%; ACROSS THE BOARD, 9%; POLICE, 11%; COMMUNITY EVENTS, 2%; RECREATIONAL PROGRAMS, 6%; ADMINISTRATION, 9%.

Many cities in Minnesota have asked voters to approve a local sales tax to provide funding for capital improvements instead of a property tax increase. I would like to read you a list of capital improvements projects, for each one, please tell me if you would support a local sales tax **OR** a property tax increase for that purpose.

	SAL	PRO	NEI	DKR
33. Upgrades to city fire stations?	37%	40%	21%	2%
34. Adding parks and park amenities to the Opus area?	55%	20%	23%	2%
35. Renovations to the Minnetonka Community Center?	42%	27%	29%	2%
36. Renovations to the Williston Fitness Center?	47%	19%	33%	2%
37. Renovations to the Marsh?	44%	22%	32%	3%
38. Expansion of city trails?	50%	25%	25%	1%

A sales tax increase would not only capture sales tax from city residents, but also from people outside the city who make purchases in Minnetonka. A University of Minnesota study projected 54% of the new sales tax revenue would come from people who live outside of Minnetonka and use city services.

39.	Does that make you much more likely to support the sales tax increase, somewhat more likely, somewhat less likely, much less likely, or does it make no difference to you?	MUCH MORE LIKELY.....24% SOMEWHAT MORE LIKELY..43% SOMEWHAT LESS LIKELY...5% MUCH LESS LIKELY.....3% NO DIFFERENCE.....26% DON'T KNOW/REFUSED.....0%
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Moving on....

40.	Over the past year, have you called 9-1-1 for the Minnetonka Police Department?	YES.....14% NO.....85% DON'T KNOW/REFUSED.....1%
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IF "YES," ASK: (n=56)

41.	What was the reason?	DON'T KNOW/REFUSED.....0% ANIMAL CONTROL.....21% MEDICAL ISSUE.....43% NEIGH DISTURBANCE.....14% REPORT CRIME.....20% SCATTERED.....2%
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42.	How would you rate the way police employees handled the situation - excellent, good, only fair, or poor?	EXCELLENT.....36% GOOD.....49% ONLY FAIR.....14% POOR.....2% DON'T KNOW/REFUSED.....0%
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43.	Do you feel that crime in Minnetonka has increased, decreased, or remained about the same during the past few years?	INCREASED.....13% DECREASED.....13% REMAINED THE SAME.....73% DON'T KNOW/REFUSED.....2%
-----	--	--

44.	Are there areas in Minnetonka where you do not feel safe?	YES.....13% NO.....86% DON'T KNOW/REFUSED.....1%
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IF "YES," ASK: (n=52)

45.	In which areas do you not feel safe?	DON'T KNOW/REFUSED.....0% AREAS WITH NO SIDEWALKS.....39% BUSY INTERSECTIONS....31% PARKS.....2% RIDGEDALE.....12% TRAILS.....6% APARTMENTS.....4% ANYWHERE AFTER DARK....6%
-----	--------------------------------------	--

46. What makes you feel unsafe? DON'T KNOW/REFUSED.....0%
 NO ROOM TO WALK.....36%
 DARK.....8%
 SPEEDING.....33%
 RISING CRIME.....10%
 LOITERING.....10%
 UNLEASHED DOGS.....4%
47. What would make you feel more safe? DON'T KNOW/REFUSED.....6%
 SIDEWALKS.....40%
 MORE POLICE PATROL....19%
 STREET LIGHTS.....13%
 MORE PEOPLE AROUND....10%
 MORE CROSSWALKS.....6%
 SCATTERED.....6%
48. How would you rate the amount of police patrolling in your neighborhood - would you say it is too much, about the right amount, or not enough? TOO MUCH.....5%
 ABOUT RIGHT AMOUNT....82%
 NOT ENOUGH.....13%
 DON'T KNOW/REFUSED.....0%
49. During the past year, have you had any interaction with a Minnetonka Police Officer? YES.....25%
 NO.....75%
 DON'T KNOW/REFUSED.....0%
- IF "YES" ASK: (n=101)
50. Did the police officer act in a professional manner? YES.....96%
 NO.....4%
 DON'T KNOW/REFUSED.....0%
- IF "NO," ASK: (n=4)
51. Why do you feel that way?
 RUDE, 100%.

The Minnetonka Police Department has police engagement events during the year, such as Night to Unite, Summer Fest, City Open House, Police Academy, or Shop with a Cop.

52. Do you think the police department should have more police engagement events? YES.....4%
 NO.....88%
 DON'T KNOW/REFUSED.....8%
- IF "YES," ASK: (n=17)

53. What type of event would you or members of your family be likely to attend in the future?

UNSURE, 12%; K-9 TRAINING, 6%; POLICE RECRUITMENT, 24%; COMMUNITY EVENT, 29%; CRIME PREVENTION, 6%; MEET AND GREET, 24%.

54. Do you or members of your household own an e-bike? YES.....26% NO.....74% DON'T KNOW/REFUSED.....1%

With the increase of e-bike use....

55. Do you have any concerns about their use? (IF "YES," ASK:) What are those concerns?

UNSURE, 4%; NO, 80%; NOT FOLLOWING TRAFFIC LAWS, 7%; CAUSING TRAFFIC ACCIDENTS, 3%; BATTERY FIRE RISK, 3%; SCATTERED, 3%.

IF "YES," ASK: (n=66)

56. How concerned are you about this issue in the City of Minnetonka - are you very concerned, somewhat concerned, or not too concerned? VERY CONCERNED.....35% SOMEWHAT CONCERNED....49% NOT TOO CONCERNED.....5% DON'T KNOW/REFUSED.....12%

57. Over the past year, have you called the Minnetonka Fire Department for any reason other than 9-1-1? YES.....3% NO.....96% DON'T KNOW/REFUSED.....1%

IF "YES," ASK: (n=12)

58. What was the reason?

NON-EMERGENCY MEDICAL, 17%; REPORT RECREATIONAL FIRE, 8%; LOOSE ANIMALS, 8%; GAS/CO2 LEAK, 25%; OBTAIN INFORMATION, 17%; MINOR FIRE, 8%; REPORT NEIGHBOR FIRE ALARM, 8%; OBTAIN FIRE PERMIT, 8%.

59. How would you rate the way fire employees handled the situation - excellent, good, only fair, or poor? EXCELLENT.....67% GOOD.....33% ONLY FAIR.....0% POOR.....0% DON'T KNOW/REFUSED.....0%

Moving on....

60. In general, do you think the City is doing too much, too little, or about the right amount in protecting the environment?

TOO MUCH.....	3%
TOO LITTLE.....	15%
ABOUT RIGHT AMOUNT....	80%
DON'T KNOW/REFUSED.....	2%

How would you rate City efforts in the protection of each of the following areas - would you say the City of Minnetonka has done an excellent job, good job, only fair job, or poor job?

	EXC	GOO	FAI	POO	DKR
61. Wetlands, ponds and streams?	26%	60%	13%	1%	0%
62. Forested areas?	25%	62%	13%	1%	0%
63. How would you rate the overall quality of the natural environment in Minnetonka - excellent, good, only fair, or poor?		EXCELLENT.....	24%	GOOD.....	68%
		ONLY FAIR.....	8%	POOR.....	0%
		DON'T KNOW/REFUSED.....	1%		
64. How would you rate the water quality in city lakes, ponds and streams - excellent, good, only fair, or poor?		EXCELLENT.....	19%	GOOD.....	61%
		ONLY FAIR.....	18%	POOR.....	0%
		DON'T KNOW/REFUSED.....	2%		

I would like to read you a list of issues relating to the local environment and sustainability. For each of the following, please tell me if that issue is very important for the City to take action on, somewhat important, not too important, or not at all important. (ROTATE)

	VRI	SMI	NTI	NAA	DKR
65. Energy conservation?	34%	43%	17%	6%	0%
66. Water conservation?	39%	43%	10%	8%	1%
67. Expanded mass transit options?	14%	28%	43%	12%	3%
68. Climate change?	20%	46%	26%	6%	2%
69. Reducing waste?	25%	51%	19%	5%	1%
70. Improving storm water management?	18%	46%	27%	7%	2%

IF "VERY IMPORTANT" OR "SOMEWHAT IMPORTANT" IN QUESTIONS #65-#70, ASK: (n=369)

71. Would you be willing to see a property tax increase to fund the City's work on these issues? (WAIT FOR RESPONSE) Do you feel strongly that way?	STRONGLY YES.....12% YES.....56% NO.....24% STRONGLY NO.....5% DON'T KNOW/REFUSED.....4%
---	--

Thinking about residential lawn care....

Please tell me if you are very concerned, somewhat concerned, or not too concerned about each of the following.

	VER	SOM	NOT	DKR
72. Chemicals used on lawns?	21%	38%	41%	0%
73. Noise from leaf blowers?	8%	24%	68%	1%

Changing topics....

74. Does your household contract for trash collection?	YES.....75% NO.....24% DON'T KNOW/REFUSED.....1%
--	--

IF "YES," ASK: (n=301)

Most communities have one of two systems for trash collection. Minnetonka operates under an open collection system, in which residents choose from a list of haulers licensed by the city to provide residential trash collection. Some cities use an arrangement in which the city manages the collection system, negotiates prices and standardizes services for residential trash collection.

75. Would you favor or oppose the City of Minnetonka changing from the current trash collection system? (WAIT FOR RESPONSE) Do you strongly that way?	STRONGLY FAVOR.....10% FAVOR.....43% OPPOSE.....36% STRONGLY OPPOSE.....8% DON'T KNOW/REFUSED.....3%
---	--

IF A RESPONSE IS GIVEN, ASK: (n=291)

76. Could you tell me one or two reasons for your decision?

SUPPORT:

LESS TRUCK TRAFFIC, 28%
LOWER COST, 14%
BETTER SERVICE, 7%
MORE EFFICIENT, 4%

OPPOSE:

PREFER CHOICE, 21%
LIKE CURRENT HAULER, 12%
LOWER COST, 6%
BETTER SERVICE, 4%

SCATTERED, 2%

UNSURE, 2%

IF "OPPOSE" OR "STRONGLY OPPOSE" IN QUESTION #75, ASK:
(n=130)

77. Would you still oppose changing the trash collection system if it meant lower costs for residents?
YES.....45%
NO.....45%
DON'T KNOW/REFUSED....10%

78. Would you still oppose changing the trash collection system if it meant fewer garbage trucks on the streets which would reduce street maintenance costs?
YES.....59%
NO.....29%
DON'T KNOW/REFUSED....12%

Continuing....

79. Does your household participate in collecting organic waste?
YES.....38%
NO.....61%
DON'T KNOW/REFUSED....1%

IF "NO," ASK: (n=242)

80. Could you tell me one or two reasons why your household does not participate in an organic waste program?
- | | |
|-------------------------|-----|
| DON'T KNOW/REFUSED..... | 0% |
| NOT ENOUGH..... | 18% |
| RENT/ASSOCIATION..... | 19% |
| TOO EXPENSIVE..... | 6% |
| BAD SMELL..... | 14% |
| COMPOST AT HOME..... | 8% |
| NO INTEREST..... | 31% |
| SCATTERED..... | 4% |
81. Were you aware of the organics waste dumpster located at the Recycling Center at the Public Works building? (IF "YES," ASK:) Have you ever used this service?
- | | |
|-------------------------|-----|
| NO..... | 27% |
| YES/YES..... | 29% |
| YES/NO..... | 43% |
| DON'T KNOW/REFUSED..... | 1% |
82. Does your household participate in the curbside recycling program?
- | | |
|-------------------------|-----|
| YES..... | 81% |
| NO..... | 18% |
| DON'T KNOW/REFUSED..... | 1% |
- IF "YES," ASK: (n=325)
83. How would you rate the curbside recycling program - excellent, good, only fair, or poor?
- | | |
|-------------------------|-----|
| EXCELLENT..... | 21% |
| GOOD..... | 71% |
| ONLY FAIR..... | 9% |
| POOR..... | 0% |
| DON'T KNOW/REFUSED..... | 0% |
- IF "NO," ASK: (n=73)
84. Could you tell me one or two reasons why your household does not participate in the curbside recycling program?
- | | |
|-------------------------|-----|
| DON'T KNOW/REFUSED..... | 0% |
| NOT ENOUGH..... | 23% |
| RENT/ASSOCIATION..... | 71% |
| BINS ARE TOO SMALL..... | 4% |
| DON'T LIKE RECYCLING... | 3% |

Currently, residents are billed for utilities, including water, sewer, storm water and recycling every three months.

85. Do you prefer the current billing cycle or would you prefer a monthly bill?
- | | |
|-------------------------|-----|
| CURRENT..... | 68% |
| MONTHLY..... | 27% |
| DON'T KNOW/REFUSED..... | 5% |

Moving on....

The City strives to balance the rights of individual property owners to reasonably develop their properties, with the interests of the wider community.

86. How successful do you think the City has been in maintaining this balance - very successful, somewhat successful, neither successful nor unsuccessful, somewhat unsuccessful, or very unsuccessful?

VERY SUCCESSFUL.....	26%
SOMEWHAT SUCCESSFUL...	53%
NEITHER SUC/UNSUC.....	16%
SOMEWHAT UNSUCCESSFUL..	1%
VERY UNSUCCESSFUL.....	0%
DON'T KNOW/REFUSED.....	4%

87. Do you feel Minnetonka residents have appropriate opportunities for input into the zoning and development decision-making process?

YES.....	88%
NO.....	4%
DON'T KNOW/REFUSED.....	8%

IF "NO," ASK: (n=16)

88. What would be the best way for you to provide input to the City?

UNSURE, 6%; MEETING, 69%; TALK WITH STAFF, 12%; MAIL, 6%; ON-LINE FORUM, 6%.

"Minnetonka Matters" is a website to increase community involvement by offering a platform for residents to share ideas and learn what is going on in the city.

89. Prior to this survey, were you aware of "Minnetonka Matters?"

YES.....	62%
NO.....	38%
DON'T KNOW/REFUSED.....	1%

Moving on....

For each of the following, please tell me if it is a major problem in Minnetonka, a minor problem, or not a problem at all.

	MAJ	MIN	NOT	DKR
90. Storage of garbage and recycling cans?	5%	29%	66%	1%
91. On-street overnight parking?	9%	25%	65%	1%
92. Short-term rental of homes using VRBO or Airbnb?	6%	18%	71%	6%

On another topic....

For each of the following Minnetonka facilities or offerings, please tell me if you or members of your household have visited it during the past year. Then, for each one you or members of your household have visited, please rate it as excellent, good, only fair, or poor. If you have no opinion, just say so....

	NOT USE	USE EXC	USE GOO	USE FAI	USE POO	DK/REF
93. Parks?	16%	32%	49%	4%	0%	0%

IF RESPONDENT USES PARKS, ASK: (n=337)

94. What park amenities does your household use most often?
(ROTATE AND READ LIST)

ATHLETIC FIELDS.....	10%
PICKLEBALL COURTS.....	10%
OFF-LEASH DOG PARK.....	15%
OUTDOOR ICE RINKS.....	2%
PLAYGROUND EQUIPMENT.....	13%
TENNIS COURTS.....	7%
WALKING TRAILS.....	31%
BASKETBALL COURTS.....	4%
BEACH.....	3%
MOUNTAIN BIKING TRAIL.....	4%
SAUNA IN THE PARKS.....	0%
OTHER (_____).....	1%
DON'T KNOW/REFUSED.....	0%

	NOT USE	USE EXC	USE GOO	USE FAI	USE POO	DK/REF
95. Minnetonka Senior services?	73%	9%	15%	3%	0%	0%
96. The Marsh?	63%	13%	21%	3%	0%	0%

IF RESPONDENT USES MARSH WELLNESS CENTER, ASK: (n=147)

97. What amenities do you use most often?	POOLS.....	25%
	FITNESS EQUIPMENT.....	24%
	GROUP FITNESS CLASSES.....	11%
	TRACK.....	7%
	MEDITATION AREA.....	4%
	CAFÉ.....	8%
	SPA.....	14%
	PHYSICAL THERAPY.....	8%
	RETAIL SHOP.....	0%
	OTHER (VOL.).....	0%
	DON'T KNOW/REFUSED.....	0%

	NOT USE	USE EXC	USE GOO	USE FAI	USE POO	DK/REF
98. The Williston Fitness Center?	61%	13%	24%	3%	0%	0%

IF RESPONDENT USES WILLISTON FITNESS CENTER, ASK: (n=157)

99. What amenities do you use most often?						
			FITNESS EQUIPMENT.....	29%		
			GYMNASIUM.....	9%		
			POOL.....	24%		
			TENNIS COURTS.....	12%		
			GROUP FITNESS CLASSES.....	12%		
			INDOOR PLAYGROUND.....	12%		
			BATTING CAGES.....	3%		
			OTHER (VOL.).....	0%		
			DON'T KNOW/REFUSED.....	0%		
					NOT USE	USE EXC
					USE GOO	USE FAI
					USE POO	DK/ REF
100. Minnetonka Community Center?	46%	13%	37%	4%	0%	0%
101. Shady Oak Beach?	44%	18%	33%	6%	0%	0%
102. Glen Lake Skate Park?	79%	6%	14%	2%	0%	0%
103. Gray's Bay Marina?	49%	24%	26%	2%	0%	0%
104. Ice Arena?	72%	12%	14%	2%	0%	0%

IF RESPONDENT USES ICE ARENA, ASK: (n=112)

105. Do you primarily use the ice arena for figure skating and lessons, public skating and open hockey, or youth hockey?						
			ICE SKATING/LESSONS...	11%		
			PUBLIC SKAT/OPEN HOCK.	46%		
			YOUTH HOCKEY.....	41%		
			OTHER (VOL.).....	1%		
			DON'T KNOW/REFUSED.....	1%		
					NOT USE	USE EXC
					USE GOO	USE FAI
					USE POO	DK/ REF
106. Trails?	16%	36%	46%	3%	0%	0%

IF RESPONDENT USES TRAILS, ASK: (n=336)

107. Do you use trails primarily for recreational purposes, commuting, or to go to a specific destination?						
			RECREATIONAL.....	83%		
			COMMUTING.....	2%		
			SPECIFIC DESTINATION...	6%		
			ALL (VOL.).....	9%		
			DON'T KNOW/REFUSED.....	0%		

108. Does the current mix of recreational facilities in the city adequately meet the needs of your household? YES.....96%
 NO.....3%
 DON'T KNOW/REFUSED.....2%

IF "NO," ASK: (n=10)

109. What additional recreational facilities would you like to see offered?

UNSURE, 20%; ARCHERY RANGE, 20%; DISC GOLF, 20%;
 ANOTHER SHEET OF ICE, 10%; DOG PARK 20%; INDOOR TRACK, 10%.

Thinking about programs for teenagers in the City of Minnetonka....

110. Do you think the city has too many, too few or about the right amount? TOO MANY.....3%
 TOO FEW.....21%
 ABOUT RIGHT AMOUNT....68%
 DON'T KNOW/REFUSED.....8%

Moving on....

I would like to read you a short list of events offered by the City of Minnetonka. For each one, tell me first if you are aware of it. For those you have heard of, tell me if you have participated in it.... (ROTATE)

	NOT AWA	YES PAR	YES NOT	DK/ REF
111. Summer Farmers Market?	8%	66%	26%	0%
112. Tree Sale?	18%	30%	52%	0%
113. Summer Fest?	11%	47%	43%	0%
114. Winters Farmers Market?	14%	30%	56%	1%
115. Kids' Fest?	22%	27%	51%	0%
116. Burwell Spooktacular?	27%	25%	48%	0%
117. Entertainment in the Park, such as music and movies?	16%	45%	39%	0%
118. Events at Ridgedale Commons, such as the Light Up the Commons and music events?	20%	35%	45%	1%

Moving on to public transit....

119. Have you taken a bus or public transit in Minnetonka during the two years? YES.....22%
 NO.....77%
 DON'T KNOW/REFUSED.....1%

IF "YES," ASK: (n=89)

120. How often do you take a bus or public transit - daily, couple times a week, weekly, couple times a month, monthly, or less often?	DAILY.....5%
	COUPLE TIMES/WEEK.....10%
	WEEKLY.....5%
	COUPLE TIMES/MONTH....13%
	MONTHLY.....18%
	LESS OFTEN.....49%
	DON'T KNOW/REFUSED.....0%
121. Typically, what is your reason for taking the bus or public transit?	DON'T KNOW/REFUSED.....0%
	AVOID CONGESTION.....16%
	SHOPPING.....17%
	SPORTING EVENT.....15%
	SAVE MONEY.....6%
	STATE FAIR.....18%
	SPECIAL EVENT.....14%
	WORK.....3%
	ENTERTAINMENT.....10%
	SCATTERED.....2%

IF "NO" IN QUESTION #119, ASK: (n=310)

122. Why haven't you taken the bus?	DON'T KNOW/REFUSED.....1%
	PREFER TO DRIVE.....67%
	AGE/HEALTH.....6%
	INCONVENIENT TIMES.....4%
	NO NEED.....11%
	NO ROUTE TO DESTINATION.....2%
	NEED CAR.....6%
	NOT SAFE.....2%
	SCATTERED.....2%
123. Have you or members of your household used transportation services, such as Uber or Lyft? (IF "YES," ASK:) Do you use them frequently, occasionally, or rarely?	NO.....53%
	YES/FREQUENTLY.....3%
	YES/OCCASIONALLY.....24%
	YES/RARELY.....20%
	DON'T KNOW/REFUSED.....0%
124. Are you aware of individual public transportation options, such as Metro Mobility, Veteran service, and TransitLink? (IF "YES," ASK:) Have you or members of your household used these types of services?	NO.....33%
	YES/YES.....8%
	YES/NO.....59%
	DON'T KNOW/REFUSED.....0%

125. Is the cost of transportation a major problem for your household, a minor problem, or not a problem at all?	MAJOR.....2%
	MINOR.....11%
	NOT A PROBLEM.....88%
	DON'T KNOW/REFUSED.....0%

For each of the following, please tell me if you think it should be a top priority for the City, high priority, moderate priority, or not a priority at all.

	TOP	HIG	MOD	NOT	DKR
126. Transit bus services?	4%	26%	49%	21%	0%
127. Light rail connections?	12%	20%	47%	22%	0%
128. Rideshare?	10%	28%	40%	21%	2%
129. Senior transportation?	24%	42%	20%	12%	3%
130. Transportation for the disabled?	32%	41%	16%	8%	3%

The Southwest Light Rail Transit/Greenline Extension will be a high-frequency train serving the southwest metro area. The Southwest LRT line will connect to other rail lines and high-frequency bus routes in downtown Minneapolis, providing access to other areas in the Twin Cities.

131. How likely are you or members of your household to use this service when it opens in 2027 - very likely, somewhat likely, not too likely, or not at all likely?	VERY LIKELY.....7%
	SOMEWHAT LIKELY.....30%
	NOT TOO LIKELY.....31%
	NOT AT ALL LIKELY.....28%
	DON'T KNOW/REFUSED.....4%

Changing topics....

132. How much first-hand contact have you had with the Minnetonka City Staff - quite a lot, some, very little, or none at all?	QUITE A LOT.....4%
	SOME.....32%
	VERY LITTLE.....47%
	NONE AT ALL.....17%
	DON'T KNOW/REFUSED.....0%

133. From what you know, how would you rate the job performance of the Minnetonka City Staff - excellent, good, only fair, or poor?	EXCELLENT.....16%
	GOOD.....74%
	ONLY FAIR.....8%
	POOR.....1%
	DON'T KNOW/REFUSED.....1%

134. During the past year, have you visited or contacted Minnetonka City Hall in-person, on the telephone, by online service request system or by email?	YES.....41%
	NO.....59%
	DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (n=163)

135. On your last contact with the City, which department did you contact - the Police Department, Fire Department, Public Works, Utility Billing, Assessor's Office, Planning/Zoning, Natural Resources, Building Inspections, Engineering, Recycling, Recreation Services, General Information, Senior Services, or Administration or City Council?	POLICE DEPARTMENT.....7% FIRE DEPARTMENT.....1% PUBLIC WORKS.....7% UTILITY BILLING.....29% ASSESSOR'S OFFICE.....5% PLANNING/ZONING.....4% NATURAL RESOURCES.....6% BUILDING INSPECTIONS...1% ENGINEERING.....3% RECYCLING.....3% RECREATION SERVICES...14% GENERAL INFORMATION...18% SENIOR SERVICES.....1% ADMIN/CITY COUNCIL.....1% DON'T KNOW/REFUSED.....1%
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Thinking about your last contact with the City, for each of the following characteristics, please rate the service as excellent, good, only fair, or poor....

	EXC	GOO	FAI	POO	DKR
136. Ease of reaching a City Staff member who could help you?	31%	64%	4%	1%	1%
137. Courtesy of the City Staff?	37%	50%	12%	1%	1%
138. Efficiency of the City Staff?	37%	53%	9%	1%	1%
139. Professionalism of the City Staff?	37%	57%	4%	1%	1%

Moving on....

140. What is your primary source of information about Minnetonka City government and its activities?	DON'T KNOW/REFUSED.....0% MINNETONKA MEMO.....42% LOCAL NEWSPAPER.....4% CITY WEBSITE.....20% WORD OF MOUTH.....6% CITY EMAIL/TEXT SUBSCRIPTION.....4% SOCIAL MEDIA.....8% CITY NEWSLETTER.....14% SCATTERED.....2%
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141. If you could choose the best way for you to receive information about your City government and the issues facing the community, what would it be?	DON'T KNOW/REFUSED.....0% MINNETONKA MEMO.....40% DIRECT MAIL.....10% LOCAL NEWSPAPER.....2% CITY E-MAIL/TEXT SUBSCRIPTION.....9% CITY WEBSITE.....16% WORD OF MOUTH.....2% SOCIAL MEDIA.....6% CITY NEWSLETTER.....14% SCATTERED.....2%
--	--

The City publishes a monthly newsletter, "Minnetonka Memo," sent to each household.

142. Do you receive this newsletter? (IF "YES," ASK:) Do you regularly read the newsletter?	NO.....17% YES/YES.....68% YES/NO.....16% DON'T KNOW/REFUSED.....0%
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IF "YES/YES," ASK: (n=270)

143. How would you evaluate its content, format, and usefulness - excellent, good, only fair, or poor?	EXCELLENT.....31% GOOD.....65% ONLY FAIR.....4% POOR.....0% DON'T KNOW/REFUSED.....0%
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The City is considering changing the "Minnetonka Memo" from monthly to every other month.

144. Would you support or oppose this change?	SUPPORT.....59% OPPOSE.....41% DON'T KNOW/REFUSED.....1%
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145. Have you or any member of your household accessed the City of Minnetonka website, Minnetonkamn.gov, for information about city services, news, and events?	YES.....60% NO.....40% DON'T KNOW/REFUSED.....0%
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IF "YES," ASK: (n=241)

146. How would you evaluate the City website - excellent, good, only fair, or poor?	EXCELLENT.....16% GOOD.....75% ONLY FAIR.....9% POOR.....0% DON'T KNOW/REFUSED.....0%
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The City streams its City Council and other public meetings on its website. Meetings are archived and can also be viewed any time after their original airing.

147. Have you ever viewed or listened to meetings from the City website? (IF "YES," ASK:) Do you typically watch or listen to the meetings LIVE?
- | | |
|-------------------------|-----|
| NO..... | 54% |
| YES/YES..... | 25% |
| YES/NO..... | 21% |
| DON'T KNOW/REFUSED..... | 0% |
148. Do you use social media? (IF "YES," ASK:) What social media platform do you prefer to use?
- | | |
|----------------|-----|
| NO..... | 34% |
| INSTAGRAM..... | 12% |
| FACEBOOK..... | 38% |
| NEXTDOOR..... | 5% |
| X/TWITTER..... | 7% |
| YOU TUBE..... | 3% |
| TIK TOK..... | 2% |
149. Have you used the City online service request system?
- | | |
|-------------------------|-----|
| YES..... | 25% |
| NO..... | 75% |
| DON'T KNOW/REFUSED..... | 0% |

IF "YES," ASK: (n=98)

150. How would you rate your experience using the online service request system - excellent, good, only fair, or poor?
- | | |
|-------------------------|-----|
| EXCELLENT..... | 19% |
| GOOD..... | 72% |
| ONLY FAIR..... | 8% |
| POOR..... | 0% |
| DON'T KNOW/REFUSED..... | 0% |

Changing topics....

151. Did you vote in the 2023, 2024 or both elections?
- | | |
|-------------------------|-----|
| 2023..... | 2% |
| 2024..... | 14% |
| BOTH..... | 67% |
| NO..... | 17% |
| DON'T KNOW/REFUSED..... | 0% |

IF "2023," "2024," OR "BOTH," ASK: (n=332)

152. Did you vote early, at the polling place, or by absentee ballot?
- | | |
|-------------------------|-----|
| EARLY..... | 24% |
| POLLING PLACE..... | 61% |
| ABSENTEE BALLOT..... | 15% |
| DON'T KNOW/REFUSED..... | 1% |

IF "EARLY" OR "POLLING PLACE," ASK: (n=282)

For each of the following, please rate the City as excellent, good, only fair, or poor....

	EXC	GOO	FAI	POO	DKR
153. Information provided prior to the election?	27%	67%	4%	0%	1%
154. Courtesy of the election staff?	37%	60%	3%	0%	0%

Now, just a few more questions for demographic purposes....

Could you please tell me how many people in each of the following age groups live in your household; please be sure to include yourself....

155. First, persons 65 or over?	0.....	73%
	1.....	10%
	2 OR MORE.....	18%
	REFUSED.....	0%
156. Adults under 65?	0.....	21%
	1.....	19%
	2.....	56%
	3 OR MORE.....	5%
	REFUSED.....	0%
157. School-aged or preschool children?	0.....	72%
	1.....	11%
	2.....	14%
	3 OR MORE.....	3%
	REFUSED.....	0%
158. Do you own or rent your present residence?	OWN.....	74%
	RENT.....	26%
	REFUSED.....	1%

IF "OWN," ASK: (n=294)

159. Which of the following categories would contain the approximate value of your residential property - under \$300,000, \$300,000-\$450,000, \$450,001-\$700,000, or over \$700,000?	UNDER \$300,000.....	15%
	\$300,000-\$450,000.....	34%
	\$450,001-\$700,000.....	35%
	OVER \$700,000.....	12%
	DON'T KNOW.....	2%
	REFUSED.....	1%

160. What is your age, please? (READ CATEGORIES)	18-24.....10% 25-34.....16% 35-44.....18% 45-54.....17% 55-64.....16% 65 AND OVER.....23% REFUSED.....0%
161. Which of the following categories represents your ethnicity - White, African-American, Hispanic- Latinx, Asian-Pacific Islander, Native American, or something else? (IF "SOMETHING ELSE," ASK:) What would that be?	WHITE.....73% AFRICAN-AMERICAN.....10% HISPANIC-LATINX.....6% ASIAN-PACIFIC ISLANDER.7% NATIVE AMERICAN.....0% SOMETHING ELSE.....0% MIXED/BI-RACIAL.....4% DON'T KNOW.....0% REFUSED.....0%
162. Is a language other than English spoken in your household? (IF "YES," ASK:) What would that be?	
	NO, 89%; SPANISH, 4%; SCATTERED, 7%.
163. What is your gender identity?	MALE.....47% FEMALE.....52% NON-BINARY.....1% REFUSED.....0%
164. Ward	WARD ONE.....27% WARD TWO.....25% WARD THREE.....25% WARD FOUR.....23%

The **Morris** **Leatherman** Company

2025 CITY OF MINNETONKA RESIDENTIAL SURVEY

SUMMARY OF FINDINGS

Methodology:

This study contains the results of a telephone survey of 400 randomly selected residents of the City of Minnetonka. Survey responses were gathered by professional interviewers across the community between March 11th and 31st, 2025. The average interview took 24 minutes. The non-response level was 6.5%. All respondents interviewed in this study were part of a randomly generated cellphone and landline sample of the residents of the City of Minnetonka. "Cellphone only" households are 59% of the sample, landline only households are 11%, and both landline and cellphone households are 30%. In general, random samples such as this yield results projectable to their respective universe within $\pm 5.0\%$ in 95 out of 100 cases.

Residential Demographics:

The typical adult Minnetonka resident has lived in the City for 11.4 years. Twenty-eight percent have moved there during the past five years, while 26% have resided there for more than 20 years. Twenty-six percent report they intend to move from Minnetonka during the next ten years, while eight percent intend to do so during the next five. Thirty-eight percent foresee no move during the next twenty years.

Twenty-seven percent of the households contain seniors; in fact, 21% of the households are composed exclusively of senior citizens. Twenty-eight percent of the households have school-aged children or preschoolers. The typical Minnetonka adult resident is 47.5 years old. Twenty-six percent are under 35 years old, while 39% are 55 years old or older. Males are 47% of the sample, females are 52%, and one percent is non-binary. Seventy-three percent indicate they are "White," ten percent are "African-American," seven percent are "Asian-Pacific Islander," six percent are "Hispanic-LatinX," and four percent are "Multi/Bi-racial." Eighty-nine percent report "English" is the only language spoken at home; "Spanish" is spoken in four percent of Minnetonka households.

Seventy-four percent own their present residence. The typical residential property has an approximate value of \$445,000. Fifteen percent post values of under \$300,000, while 34% estimate values between \$300,000 and \$450,000, 35% state values of between \$450,001 and \$700,000, and twelve percent estimate the value of their residential property is over \$700,000. Twenty-seven percent live in Ward One, while 25% each reside in Ward Two or Ward Three, and 23% live in Ward Four.

Quality of Life Issues:

Thirty-eight percent of the City, a statistically insignificant drop of one percent in one year, rate their quality of life as "excellent," while another 60%, up eight percent since the last study, rate it as "good." Only three percent rate their quality of life as "only fair" or "poor."

Sixteen percent post "friendly people" as the most liked aspect of the community, following closely

behind are “schools” or the “lake,” at 11% and 10% respectively. “Safe” and “housing/neighborhood” are key to 9% each, while “trails” is mentioned by 8%, and “location” and “quiet” at seven percent each. “Trees/nature” is mentioned by six percent, while “parks” are key to five percent. Residents continue to value “small town” attributes, as opposed to the typical “suburban” responses in the Twin Cities Metro Area.

A high 31%, up four percent in one year, report there is “nothing” they like least about living in the community. This level of civic boosters remains among the top two or three suburbs in the Metropolitan Area suburbs and exurbs. Two issues emerge at a moderate level of concern: “high taxes,” at 22%, down ten percent in one year, and “lack of sidewalks,” at thirteen percent, up five percent in one year. No other concerns reach the level of statistically significant responses. Among the small subgroup posting “lack of diversity,” three percent of the overall sample, only one suggestion for city changes, “more cultural community events,” is statistically significant.

Eighty-nine percent, a three percent increase in one year, rate the City of Minnetonka as “excellent” or “good” in treating all residents with respect; ten percent rate it lower. Eighty-seven percent rate the City as “excellent” or “good” in creating a welcoming community to residents of all backgrounds; thirteen percent rate it as “only fair” or “poor.” Ninety percent, up ten percent in one year, positively rate the City for treating all residents fairly; nine percent, almost 50% lower than the 2024 level, negatively rate it. Eighty-nine percent, up 7%, highly rate the City of Minnetonka in providing services to residents of all backgrounds; nine percent rate the City lower.

Seventy-two percent, 9% lower than the last year, believe creating a diverse, inclusive, and fair community should be a “high priority” or “moderate priority.” Twenty-eight percent, a statistically insignificant change from last year, see it as a “low priority” or “not a priority at all.” When read the City of Minnetonka’s Vision Statement, 92% think the City is doing an “excellent” or “good” job in achieving it, while seven percent, rate it as “only fair” or “poor.” A very high 98% rate the City as “very welcoming” or “somewhat welcoming,” while only two percent disagree.

City Services:

Minnetonka residents providing ratings award 5 of 13 city services a positive rating of 96% or higher, at the top of the Greater Metropolitan Area suburbs and exurbs: “trail maintenance,” “park maintenance,” “fire protection,” “recycling service,” and “police services.” Four city services receive favorable ratings between 90% and 94%: “community planning,” “water and sanitary sewer services,” “recreational services,” and “natural resources management.” Both “pavement repair and patching on city streets” and “storm water management” receive positive ratings of 89%, while “snow plowing” posts an 88% positive rating. Four statistically significant suggested changes or improvements needed to raise service evaluations to either “excellent” or “good” are “fix potholes,” specified by 22% of critical residents, “better development decisions,” at 21%, “better plowing” and “faster response times,” at 17% each. The average positive rating awarded by residents holding opinions is a high 93.3%.

In rating the general value of city services in terms of property taxes paid, twelve percent give the value of services a rating of “excellent,” and 76% rate them as “good,” an increase of four percent in one year.

In total, 88% favorably rate the general value of city services, down four percent. Critical judgments of “only fair” or “poor” are 10% of the sample. Residents still post a large majority, 80%, in favor of an increase of city property taxes if needed to maintain city services at their current level; fourteen percent, down six percent from the 2024 level, oppose a tax increase for this purpose. Among opponents, one service emerges for potential cuts: “parks and trails,” at 33%. However, 24% believe no service cuts are needed if waste is eliminated.

If respondents could increase the budget by one percent, opinions again are split between the three services mentioned. Twenty-nine percent choose “street maintenance,” while 26% choose “parks and trails,” and 25% indicate “police and fire services.” Twelve percent suggest “another service.” Only five percent, though, would not increase the budget for any city service.

Respondents were asked about their preference for a local sales tax increase or property tax increase for six capital improvements in the City. By a 55%-20% majority, residents support a local sales tax increase for adding parks and park amenities to the Opus Area; while 23% opposed either increase. By a 50%-25% majority, residents support a local sales tax increase for the expansion of city trails; while 25% opposed either increase. By a 47%-19% plurality, residents support a local sales tax increase for renovations to Willison Fitness Center; while 33% opposed either increase. By a 44%-22% plurality, residents support a local sales tax increase for renovations to the Marsh; while 32% opposed either increase. By a 42%-27% plurality, residents support a local sales tax increase for renovations to the Minnetonka Community Center; while 29% opposed either increase. By a narrow 40%-37% plurality, residents support a property tax increase for upgrades to fire stations; while 23% opposed either increase. Interviewees were informed that not only would a local sales tax capture funding from city residents, the University of Minnesota projects 54% of new revenue from a local sales tax would come from people living outside of Minnetonka. With that information, sixty-seven respondents report it makes them “more likely” to support a local sales tax increase, while 26% state it does not make a difference to them.

Public Safety Issues:

Fourteen percent report calling the Police Department for a reason other than 9-1-1. Within this group, 43% to report a “medical issue,” 21% to request “animal control,” and 20% to report a “crime.” Eighty-five percent rate the way police employees oversaw the situation as either “excellent” or “good,” while sixteen percent are more critical in their evaluations. Twenty-five percent report an interaction with a Minnetonka Police Officer; ninety-six percent of drivers stopped agree the police officer acted in a professional manner.

This year, 13% think there are unsafe areas in the community. “Areas with no sidewalks,” “busy intersections,” “near Ridgedale” are the major concerns of this group. They feel unsafe because of “no sidewalks,” “speeding traffic,” “rising crime,” and “loitering.” This group of residents would feel safer if there were “more sidewalks,” “more police patrols,” and “streetlights” in these areas.

Seventy-three percent, up 10% in one year, feel that crime in Minnetonka has “remained about the same” during the past few years. Thirteen percent feel it has “increased,” while 13% think it has “decreased.” A comparatively high 82% rate the amount of police patrolling in their neighborhood as “about right,” while 13% rate it as “not enough,” and five percent see it as “too much.”

During the past year, only three percent report their household contacted the Minnetonka Fire Department for a non-emergency reason. Everyone rates the way the fire employee managed the situation as “excellent” or “good.”

Only four percent of residents think the City’s police department should have more police engagement activities.

Twenty-six percent of residents report a member of their household owning an e-bike. Only sixteen percent of residents state a concern about the use of e-bikes in the community.

Natural Environment:

In general, 80% of the sample, down 9% in one year, think Minnetonka does “about the right amount” in protecting the environment. Fifteen percent think it does “too little,” while three percent rate the city as doing “too much.” By an 86%-14% margin, residents positively rate the City in its efforts to protect wetlands, ponds, and streams. Similarly, by an 87%-14% margin, residents positively rate the City in its efforts to protect forested areas. In both cases, favorable ratings have remained stable compared to the 2024 study. Ninety-two percent favorably rate the overall quality of the natural environment in Minnetonka, while 80%, a decrease of twelve percent in one year, rate the water quality in city lakes, ponds, and streams highly.

Majorities rate five out of six City actions relating to the environment and sustainability as “very important” or “somewhat important.” “Water conservation” is important to 82%, a 9% increase since the 2024 study; “energy conservation” is also important to 77%, a 4% increase in one year and “reducing waste” is important to 76%, reflecting a seven percent increase since the last study. Sixty-six percent rate “climate change” as important; sixty-four percent of residents rate “improving storm water management” as important. Only “expanded mass transit options” at 42%, down 11% in one year, is not deemed important by a majority of residents. By a 68%-29% majority, up 6% in one year, residents rating these efforts as “important” would be willing to see a property tax increase to fund the City’s work on these issues.

Residents were asked about their level of concern about two residential lawn care issues. Fifty-seven percent report being either “very” or “somewhat” concerned about the use of chemicals on lawns, forty-one percent state not being too concerned about this use. Sixty-eight percent report not being concerned about the noise of leaf blowers in City; while 32% indicate they are either “very” or

“somewhat” concerned about the use of leafblowers.

Seventy-five percent of households report contracting for trash collection. By a 53%-44% majority, residents favor the City of Minnetonka changing from the current system, in which residents choose their trash hauler, to a system where the City manages trash collection. Supporters cite three main reasons for their position: “less truck traffic,” “lower cost,” and “better customer service.” Opponents also cite three main reasons: “prefer to choose hauler,” “lower cost,” and “like my current hauler.” Forty-five percent of opponents would change their position if “managing garbage collection meant lower costs for residents.” Fifty-nine percent would change their position if “it means fewer garbage trucks on the street, reducing street maintenance costs.”

Thirty-eight percent report participating in collecting organic waste. Non-participants cite four key reasons: “not enough waste,” “no interest,” “renter or member of association,” and “bad smell.” Seventy-two percent, up 3% since the 2024 study, are aware of the organics waste dumpster located at the Recycling Center at the Public Works building; twenty-nine percent, an increase of seven percent in one year, have used this service.

Eighty-one percent of the City’s households participate in the curbside recycling program and 92% of those participating rate it favorably. Seventy-one percent of the small percentage of non-participants either “rent their current households or have an association managing the process.”

By a 68% to 27% majority, residents prefer the current quarterly billing cycle for utilities.

Development and Redevelopment:

Seventy-nine percent, up 8% in one year, believe the City of Minnetonka is “successful” in maintaining a balance between the rights of individual property owners to reasonably develop their properties, with the interests of the wider community. One percent rate the City as “unsuccessful,” and 16%, down five percent since the last study, think the City is “neither successful nor unsuccessful.”

Eighty-eight percent, a 15% increase from the 2024 level, feel Minnetonka residents have appropriate opportunities for input into the zoning and development decision-making process, while only four percent disagree. Among the critics, suggested the best way to provide input would in “meetings.”

Residents were asked about their level of concern about three potential code issues. Thirty-four percent each report being either “very” or “somewhat” concerned about the storage of garbage and recycling cans and on-street overnight parking. Twenty-four percent indicate they are either “very” or “somewhat” concerned about short-term rental of homes using VRBO or AirBnB.

City Parks and Recreational Facilities:

Use and ratings of the ten components of the Minnetonka Park System were measured. Fifty-seven percent have visited the Shady Oak Beach during the past year; among visitors, 89% rate the beach highly. Fifty-two percent have visited Gray's Bay Marina during the past year; 96% of visitors rate the facility as either "excellent" or "good." Fifty-four percent, down 7% since the previous study, have visited the Minnetonka Community Center during the past year; among visitors, 93% rate the Center highly. Twenty-seven percent have used Minnetonka Senior Services during the past year; among users, 89% award them positive ratings. Twenty-two percent have visited the Glen Lake Skate Park during the past year; among visitors, 91% rate the park highly.

Eighty-five percent, a four percent increase, have used city parks; among park visitors, 95% rate them as either "excellent" or "good." Thirty-one percent of park users, an decrease of 7%, report their household members most frequently use the "walking trails," 15% use the "off-leash dog park," 13% use "playground equipment," and ten percent each use "athletic fields" and "pickleball courts."

Forty percent, up 10% in one year, have visited the Williston Fitness Center during the past year; among facility users, 93% rate it positively. Twenty-nine percent most often use the "fitness equipment," 24% use the "pool," 12% each most often use "tennis courts," "group fitness classes," and the "indoor playground."

Eighty-five percent, up 5% in one year, report using city trails; among users, 96% view them favorably. Users again primarily use the trails for "recreational purposes," at 83%, while nine percent use them for "recreation, commuting, and going to a specific destination."

Twenty-eight percent, an eight percent increase from the 2024 level, report visiting the Ice Arena during the past year; among visitors, 93% rate the Arena highly. Forty-six percent use the Arena for "public or open skating," while 41% are there for "youth hockey," and 11% for "ice skating or to take skating lessons."

Thirty-seven percent, a 14% increase from the 2024 study, report have used the Marsh Wellness Center; among users, 92% highly rate the facility. The most utilized amenities are the "fitness equipment," "pools," "the spa," and "fitness classes."

An almost unanimous 96% think the current mix of recreational facilities in the city adequately meet the needs of their household; only three percent disagree.

Sixty-eight percent think the city has about the right amount of programs for teenagers. Twenty-one percent state the city has "too few," while only 3% thinks it has "too many."

Eighty-four percent report awareness of Entertainment in the Park, such as music and movies; forty-five

percent, down eighteen percent, report household members have participated. Ninety-two percent of the sample are aware of the Summer Farmers Market; sixty-six percent, a seven percent increase, report household members have participated in it. Seventy-three percent are aware of the Burwell Spooktacular; twenty-five percent have participated. Eighty-two percent, a 6% increase from the 2024 level, report awareness of the Tree Sale; thirty percent, up six percent in one year, have participated in this event. Eighty-six percent, up 4%, are aware of the Winter's Farmers Market; thirty percent have participated in the past year. Seventy-three percent are aware of Kid's Fest; twenty-seven percent have participated in the past year. Eighty percent report awareness of events at Ridgedale Commons, such as Light Up the Commons and music events; thirty-five percent have participated in the past year. Finally, ninety percent are aware of the Summer Fest; forty-seven percent participated in the past year.

Public Transit Issues:

Twenty-two percent, an decrease of five percent since the last study, have taken a bus or public transit in Minnetonka during the past two years. Fifteen percent of these riders, a 10% increase during the past year, have taken the bus at least a couple of times per week, 31%, have taken the bus at least a couple of times per month or monthly, and 49%, a fifteen percent increase, did so less often. The major reasons for taking the bus include "going to the State Fair," at 18%, "shopping," at 17%, "avoid congestion," at 16%, "going to a sporting event," at 15%, and "going to a special event," at fourteen percent. Non-public transit users report two reasons for their decisions: "prefer to drive," at 67%, up 19% in one year; and "no need," at 11%.

Forty-seven percent, an increase of 24% in one year, report using transportation services, such as Uber and Lyft. Three percent report using them "frequently," while 24% use them "occasionally," and 20% "rarely" do so. Sixty-seven percent, a 6% increase since 2024, are aware of individual public transportation options, such as Metro Mobility or Veterans Services; eight percent report household members have used these types of services. Eighty-eight percent do not see the cost of transportation as a problem; eleven percent see it as a "minor problem."

Residents were asked to prioritize five types of transportation services for the City of Minnetonka. Seventy-three percent rate transportation for people with disabilities as at least a "high priority." Sixty-six percent rate senior transportation as a "top priority" or "high priority." Thirty-eight percent feel rideshares should be at least a "high priority." Thirty-two percent rate light rail connections as a "high priority," while 30% feel the same way about transit bus services.

Thirty-seven percent report household members are at least "somewhat likely" to use Southwest Light Rail Transit. Seven percent feel household members are "very likely" to do so. Using standard market projection techniques, the projected household usage in Minnetonka would be 11%.

City Staff:

Thirty-six percent report they have had “quite a lot” or “some” first-hand contact with the Minnetonka City Staff. Ninety percent, a 6% increase in one year, rate the City Staff as either “excellent” or “good,” while 9% see them as “only fair” or “poor.”

During the past year, 41%, a six percent increase since the 2024 study, have visited or contacted City Hall either in-person or on the telephone. The most common contacts are with Utility Billing, the General Information Desk, and Recreation Services; these three entities account for 61% of the contacts. Ninety-five percent of the respondents rate the ease of reaching a City Staff member who could help as either “excellent” or “good,” while only five percent see it as “only fair” or “poor.” Eighty-seven percent, down five percent in one year, judge the courtesy of the City Staff highly, while thirteen percent disagree. Ninety percent rate the efficiency of the City Staff highly, with ten percent viewing it lower. Ninety-four percent judge the professionalism of the City Staff highly, while only five percent disagree. These ratings remain at the top of Metropolitan Area suburbs and exurbs.

City Communications:

The “Minnetonka Memo” is relied upon by 56% for information about Minnetonka City government and its activities, while 20% rely upon the “City website,” eight percent primarily use “social media,” and six percent use the “grapevine.” Preferred means of receiving City information follow these patterns: fifty-four percent favor the “Minnetonka Memo,” 16% prefer the “City website,” 10% post “direct mail,” and nine percent favor “City email and/or text subscription.” These four information channels reach 80% of the City’s households.

The City’s newsletter, “Minnetonka Memo,” is received by a large 84% of residents; sixty-eight percent regularly read it. Among them, 96% award its content, format, and usefulness high grades.

Sixty percent of respondents, a 3% increase from the 2024 level, report accessing the City of Minnetonka’s website for information about city services, news, and events. Among website visitors, 91% evaluate the website highly. Sixty-two percent are aware of “Minnetonka Matters,” a website to increase community involvement by offering a platform for residents to share ideas and learn what is happening in the community. Forty-six percent have viewed or listened to meetings from the city’s website, with twenty-five percent have watched or listened to the meetings LIVE. Sixty-six percent of sample households use social media. Thirty-eight percent prefer to use “Facebook,” 12% prefer “Instagram,” and six percent prefer “X/Twitter.”

Twenty-five percent, up 19% in one year, have used the City’s on-line request program. Among this small group of users, 91% rate the program highly, while eight percent are more critical.

Elections in Minnetonka:

Sixty-seven percent report voting in both the 2023 and 2024 elections. Fourteen percent report voting

only in the 2024 election, while two percent report voting only in the 2023 election. Sixty-one percent, a three percent increase, report voting at their polling places, 24%, a six percent increase, report early voting, and 15% report using absentee ballots. Among early voters and voters at their polling place, 97% highly rate the courtesy of the election staff. Ninety-four percent also rate the information provided prior to the election as either “excellent” or “good.”

Summary and Conclusions:

The following conclusions can be drawn from the 2025 study of the Minnetonka community:

1. Minnetonka residents remain exceptionally satisfied with their quality of life, and this year continues to rank at the very top of communities across the Metropolitan Area. Consistently, during the past decade, Minnetonka ranks among the top three suburban communities. Again, as in the past few studies, in line with most Metropolitan Area suburbs and across Minnesota, some slippage in the intensity of positive ratings – a switch from “excellent” to “good” – has occurred as residents continue to react to both national and state events during the past year.
2. City services continue to be among the most highly rated in the Metropolitan Area. Of the 13 services rated, 10 post positive ratings, at least 90% among those holding opinions. The average positive rating of 93.3% remains among the highest across the Metropolitan Area suburbs. To increase service ratings even higher, the City should target faster response times, better development decisions, improved snow plowing, and more aggressively and speedily fixed potholes on city streets.
3. Tax hostility in the community remains a concern in the city. Support for a tax increase to maintain city services at their current level is at almost 6-to-1, at 80%-14%. The value of provided city services has marginally increased, from a positive rating of 84% in 2024 to a positive rating of 88%. The property tax climate in Minnetonka is less “tax acceptant,” with growing discernment of “needs” vs “wants.”
4. Concerns about traffic as a public safety issue have plateaued; but the two most commonly cited areas where people do not feel safe are “areas with no sidewalks” and “busy intersections.” Public safety departments continue to receive high service ratings. In fact, both the Minnetonka Police Department and the Minnetonka Fire Department receive top-of-range favorable ratings.
5. A supermajority of residents, 80%, continue to think the City is doing enough to protect the environment, however this represents a 9% decrease in one year. Fifteen percent, a statistically-significant increase from 2024, believe the City is doing “too little.” While still highly rated, the survey shows a 12% increase in the number of residents rating the City’s waster quality in lakes, ponds, and streams unfavorably. Of the six City actions relating to the environment and sustainability, four actions are seen as important by at least 64% of the sample: “water conservation,” at 82%, “energy conservation,” at 77%, “reducing waste,” at 76%,

and “improving storm water management,” at 64%. A very high 78% of residents rating this work as “important” support a property tax increase of fund the City’s work on the local environment and sustainability.

6. The City continues to be viewed as successful in maintaining the balance between the rights of individual property owners and the interests of the wider community. As in the past, part of this positive rating is attributable to a strongly held perception of residents having appropriate opportunities for input into zoning and development decision-making.
7. In testing six potential capital improvement projects in the City, support was very high, between 66% and 77%, supporting either a local sales tax increase or property tax increase. For the 5 out of 6 projects, more residents support a local sales increase as opposed to a property tax increase.
8. The Minnetonka Park and Trail System is again among the highest rated in the Metropolitan Area. The aftermath of COVID-19 pandemic and its restrictions which impacted the usage rates across-the-board in the past few studies have recovered to pre-pandemic levels.
9. City-sponsored events maintain comparatively high awareness. Similar to the usage of the park and trail system, which were impacted by the pandemic, have return to the levels in studies before 2020. These events remain immensely popular compared to other suburban communities holding similar events.
10. Twenty-two percent, a decrease of five percent since the 2024 study, have taken a bus during the past two years, down in part due to residents working at home. Over 50% use the service sporadically, to attend special events, the State Fair or sporting events. Expanding ridership will continue to be difficult, though, since most non-users just “prefer to drive.” Thirty-seven percent report household members are at least “somewhat likely” to use Southwest Light Rail Transit when it opens. A significant twenty-four percent increase was encountered in the number of households using transportation services such as Uber or Lyft. In prioritizing the City’s future transportation needs, respondents choose “senior transportation” and “transportation for the disabled” as their highest priorities.
11. City Staff continues to be viewed favorably by the citizenry. Among those having opinions, the approval rating of 91% remains the highest in the Metropolitan Area. Among those who have contacted or visited City Hall, the Staff ratings were high on the four quality service dimensions tested, particularly on the ease of reaching a City Staff member who could help them and the professionalism of the City Staff.
12. The communications system within the City remains successful and among the best in the Metropolitan Area. The “Minnetonka Memo” continues to be the most relied upon source of information, as well as the most preferred source of information. One other city media source is also prominent – the City website. Content, format, and usefulness ratings of both the

“Minnetonka Memo” and the City website remain among the highest in the Metropolitan Area. In fact, compared with national ratings, Minnetonka remains one of the most successfully connected suburbs in the country.

13. As diversity increases in the community, the City will need to build upon its strongly favorable achievements in meeting new BIPOC residents. Fifty-eight percent view Minnetonka as a “very welcoming” community; forty percent view it as “somewhat welcoming.” A small two percent view Minnetonka as “not welcoming.” Residents remain very enthusiastic about City efforts to create a welcoming community to residents of all backgrounds, treating all residents with respect, treating all residents fairly, and providing services to residents of all backgrounds. Ninety-two percent think the City is doing an “excellent” or “good” job in achieving its Vision Statement.
14. The City of Minnetonka, for the twenty-fifth consecutive year, ranks among the top five highest-rated communities in the Metropolitan Area; this year, as in the past four, the City continues to rank among at the very top of Metropolitan Area suburbs. During a time when government at different levels polarizes people, Minnetonka residents are overall extremely satisfied with their local government and its services. With its large “city booster” core, the City possesses a large reservoir of goodwill which has served it well in the past and will continue to do so in the future.

**City Council
Agenda Item 10.B
Meeting of June 9, 2025**



Title: Resolution authorizing Performance Measurement Reporting program

Report from: Darin Nelson, Finance Director

Submitted Through: Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Darin Nelson, Finance Director

Action Requested: Motion

Form of Action: Resolution

Votes needed: 4 votes

Summary Statement

The city is again voluntarily opting into the Performance Measurement Reporting program initially created by the State Legislature in 2010. By opting into the program, the city is required to report on a minimum of ten of 29 standard measures. The city is then eligible to receive state-aid in the amount of \$0.14 per capita or approximately \$7,600. The performance results will be reported to the Office of the State Auditor and further communicated to public via various allowable methods.

Recommended Action

Motion to adopt the resolution.

Strategic Plan Relatability

Financial Strength & Operational Excellence

Financial Consideration

Yes

By participating in the Performance Measurement Reporting program, the city is eligible to receive state-aid in the amount of \$0.14 per capita or approximately \$7,600.

Background

In 2010, the Minnesota Legislature created the Council on Local Results and Innovation. That council created a standard set of performance measures that will aid residents, taxpayers, and state and local elected officials in determining the efficacy of cities and counties in providing services and measure residents' opinion of those services.

The program includes a list of 29 standard measurements. The city is required to report on a minimum of ten measurements. A number of these measurements include data the city is already collecting. For 2024, 38 cities and 26 counties submitted reports for this program.

By voluntarily participating in these performance measures, the city is eligible to receive state-aid in the amount of \$0.14 per capita or approximately \$7,600. Under current legislation, the city would also be exempt from codified levy limits for 2026.

In order for the city to receive the per capita reimbursement in 2025, the city must adopt the attached resolution authorizing reporting requirements by July 1, 2025. The city is also required to report the results to the public through publication, direct mailing, posting on the city's website, or a public hearing at which the budget and levy will be discussed. Prior year results were published on the city's website under the budget page. Staff intends to do the same this year.

ATTACHMENTS:

[Resolution](#)

[2024 City of Minnetonka Measurement Report](#)

Resolution No. 2025-

Resolution authorizing Performance Measurement Reporting program

Be it resolved by the City Council of the City of Minnetonka, Minnesota as follows:

Section 1. Background.

- 1.01. In 2010, the Minnesota Legislature created the Council on Local Results and Innovation.
- 1.02. The Council on Local Results and Innovation developed a standard set of performance measures that will aid residents, taxpayers, and state and local elected officials in determining the efficacy of cities and counties in providing services and measure residents' opinion of those services.
- 1.03. Benefits to the City of Minnetonka are outlined in Minn. Stat. 6.91 and include eligibility for a reimbursement as set by State Statute.
- 1.04. Any city participating in the comprehensive performance measurement program is also exempt from levy limits for taxes, if levy limits are in effect.

Section 2. Council Action.

- 2.01. The City Council has adopted and implemented at least 10 of the performance measures, as developed by the Council on Local Results and Innovation, and a system to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes.
- 2.02. The City Council will report the results of the performance measures to its citizenry by the end of the year through publications, direct mailing, posting on the city's website, or through a public hearing at which the budget and levy will be discussed ad public input allowed.
- 2.03. The City Council will submit to the Office of the State Auditor the actual results of the performance measures adopted by the city.

Adopted by the City Council of the City of Minnetonka, Minnesota, on June 9, 2025.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on June 9, 2025.

Becky Koosman, City Clerk

**City of Minnetonka Measurement Report
Performance Measure Results from 2024**

Category	Measure	Results
General	Percent change in taxable property market value	1.52 percent increase in assessment year 2024
	Nuisance code enforcement cases per 1,000	556 complaints in 2024, equating to a rate of 9.8 complaints per 1,000 population
	Bond rating	Aaa by Moody's
Police Services	Group A and B crimes	1,741 combined Group A & B crimes
Fire & EMS Services	Insurance industry rating of fire services	ISO rating of 3
	Fire calls per 1,000 population	1.10 fire calls per 1,000 population
	EMS calls per 1,000 population	68.31 EMS calls per 1,000 population
Streets	Average city street pavement condition rating	80.5
	Average hours to complete road system during snow event	8.0 hours
Sanitary Sewer	Number of sewer blockages on city system per 100 connections	0.024 blockages per 100 connections

**City Council
Agenda Item 10.C
Meeting of June 9, 2025**



Title: Resolution supporting the reappointment of a board manager to the Riley Purgatory Bluff Creek Watershed District Board

Report from: Leslie Yetka, Natural Resources Manager

Submitted Through: Will Manchester, P.E., Public Works Director
Erik Nilsson, City Attorney
Mike Funk, City Manager

Presenter: Will Manchester, P.E., Public Works Director

Action Requested: Motion

Form of Action: Resolution

Votes needed: 4 votes

Summary Statement

Approve the resolution recommending the reappointment of Tom Duevel to the Riley Purgatory Bluff Creek Watershed District Board of Managers. Mr. Duevel is currently serving as a board manager and is seeking reappointment. Board managers are appointed by the Hennepin County Board of Commissioners for a three-year term. Mr. Duevel meets the eligibility requirements to serve as a board manager.

Recommended Action

Motion to adopt the resolution.

Strategic Plan Relatability

Sustainability, Resilience & Natural Environment

Develop and implement long-term plans to mitigate threats to water quality, ecosystems, urban forests and the unique natural character of Minnetonka, including protecting, managing and enhancing the natural environment, following Desired Outcome 3.2.

Financial Consideration

No

ATTACHMENTS:

[Resolution](#)

Resolution No. 2025-XXX

Resolution supporting the reappointment of Tom Duevel to the Board of Managers of the Riley Purgatory Bluff Creek Watershed District by the Hennepin County Board of Commissioners

BE IT RESOLVED by the City Council of the City of Minnetonka, Minnesota as follows:

Section 1. Background.

- 1.01 The City of Minnetonka has a long history of supporting water resource protection and improvement efforts through policies, planning efforts and programs guided by the city's water resources management and comprehensive plans.
- 1.02 Formed in 1969, the Riley Purgatory Bluff Creek Watershed District is a public entity that works with cities, including the city of Minnetonka, to protect and enhance the water resources of the Riley Purgatory Bluff Creek watershed as guided by a ten-year Watershed Management Plan.
- 1.03 The Riley Purgatory Bluff Creek Watershed District operates under Minnesota Statute 103D and has a five-member board of managers. Board managers are appointed by the Hennepin County Board of Commissioners and serve a term of three years.
- 1.04 A vacancy currently exists on the Riley Purgatory Bluff Creek Watershed District Board of Managers, to which residents that reside in the City of Minnetonka and within the watershed district boundaries are eligible to apply.
- 1.05 Tom Duevel is a current resident of the City of Minnetonka and resides within the boundaries of the Riley Purgatory Bluff Creek Watershed District, and is qualified to serve on the Board of Managers of the Riley Purgatory Bluff Creek Watershed District.
- 1.06 Tom Duevel is currently serving as a board manager, and is seeking reappointment to the position for another three year term.
- 1.07 The City of Minnetonka desires to support the reappointment of Tom Duevel as a board manager to the Riley Purgatory Bluff Creek Watershed District board.

Section 2. Council Action.

- 2.01 The city council hereby supports and recommends the reappointment of Tom Duevel by the Hennepin County Board of Commissions to the Riley Purgatory Bluff Creek Watershed District Board of Managers.

Adopted by the City Council of the City of Minnetonka, Minnesota, on June 9, 2025

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on June 9, 2025.

Becky Koosman, City Clerk

**City Council
Agenda Item 11.A
Meeting of June 9, 2025**



Title: Acceptance of community education funds for Juneteenth

Report from: Jayce Alexander, DEI Supervisor

Submitted Through: Darin Nelson, Finance Director
Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Moranda Dammann, Assistant City Manager

Action Requested: Motion

Form of Action: Other

Votes needed: 5 votes

Summary Statement

Wayzata Community Education is willing to provide \$4,216 and Minnetonka Community Education \$1,000 in financial support to help fund the City of Minnetonka's Juneteenth celebration. This year's event is a collaborative effort between the City of Minnetonka, the City of Hopkins, Wayzata Community Ed., and Minnetonka Community Ed., bringing together residents from neighboring communities to honor the history and significance of Juneteenth through inclusive, educational, and cultural programming. These funds will be used to support expenses related to entertainment, materials, outreach, and other event-related costs. The partnership with Wayzata Community Ed., Minnetonka Community Ed., and the City of Hopkins reflects a shared commitment to fostering community engagement, equity and cultural recognition.

Recommended Action

Motion to approve the acceptance of \$5,216 in community education funds.

Strategic Plan Relatability

Community Inclusiveness

The Juneteenth celebration supports desired outcome 6.1, all people feel welcome and engaged, by hosting a community event open to everyone. By accepting funds from other entities, it showcases bridges between communities, and brings community members together at the event.

Financial Consideration

Yes

The total cost of the event is \$15,000. The City of Minnetonka, in conjunction with the Minnetonka Police Department, will cover approximately half of the expenses. The remaining costs will be shared by other partners: the City of Hopkins will contribute \$2,000, Wayzata Community Education \$4,216, and

Minnetonka Community Education \$1,000.

Background

To expand access and collaborate with neighboring communities, the City of Minnetonka is working to strengthen ties with local Community Ed. programs in our upcoming Juneteenth celebration, by accepting \$4,216 in funding from Wayzata Community Education, and \$1,000 from Minnetonka Community Education.

ATTACHMENTS:

[Juneteenth poster](#)



Celebrate the joy of Juneteenth with

SOUNDS OF BLACKNESS

June 21, 1-4 p.m.

Ridgedale Commons 12590 Ridgedale Drive

Local Music • Food • Vendors • Dancing

www.minnetonkamn.gov/juneteenth



**City Council
Agenda Item 13.A
Meeting of June 9, 2025**



Title: Temporary on-sale liquor license for The Rotary Club of Minnetonka Foundation, 14600 Minnetonka Blvd

Report from: Fiona Golden, Community Development Coordinator

Submitted Through: Julie Wischnack, FAICP, Community Development Director
Erik Nilsson, City Attorney
Mike Funk, City Manager

Presenter: Julie Wischnack, FAICP, Community Development Director

Action Requested: Public Hearing and Motion

Form of Action: License

Votes needed: 5 votes

Summary Statement

The city has received an application for a temporary on-sale liquor license from the Rotary Club of Minnetonka Foundation (The Rotary Club) for a fundraising event at the Minnetonka Summer Fest. Summer Fest is a city-sponsored event and is scheduled for Saturday, June 28, 2025. A public hearing is required.

Recommended Action

Motion to grant the license.

Strategic Plan Relatability

N/A

Financial Consideration

No

Background

The city has received an application for a temporary on-sale liquor license from the Rotary Club of Minnetonka Foundation (The Rotary Club) for a fundraising event at the Minnetonka Summer Fest. Summer Fest is a city-sponsored event scheduled for Saturday, June 28. The Minnetonka Rotary raises money for the Hopkins/Minnetonka communities. All proceeds support the ICA food shelf, high school scholarships, and other local programs for youth and International/Youth Exchange.

Summer Fest is an all-day event, but The Rotary Club proposes to sell beer and wine from 4 -10 p.m. A site map is attached showing the location of the beer and wine sales area. Patrons will be allowed to walk around the festival but will not be allowed to leave the designated area with alcohol. Police officers will be on-site and are also located at the entrance and exit to make sure that any alcohol is not consumed off-site. Rotary Club volunteers will be serving the beer and wine. The volunteers will be

supervised by Rotary Club staff members that have completed the MN Licensed Beverage Association bartending and service online training.

Guests purchasing wine and beer will be required to show identification that they are 21-years-of-age or older and will be required to wear a wristband verifying their age. Anyone with a wristband will be able to purchase drink tickets but will only be served one drink at a time.

The Rotary Club will again borrow the city's driver's license ID reader to use at the event. The ID reader helps with age verification and valid licenses as an additional safety measure for the event.

Additionally, as with all temporary liquor license holders, the licensee must provide a certificate of liability insurance that covers the event. The applicant has provided this information. Staff has not received any complaints from previous events and recommends the council hold the public hearing and grant the temporary liquor license.

ATTACHMENTS:

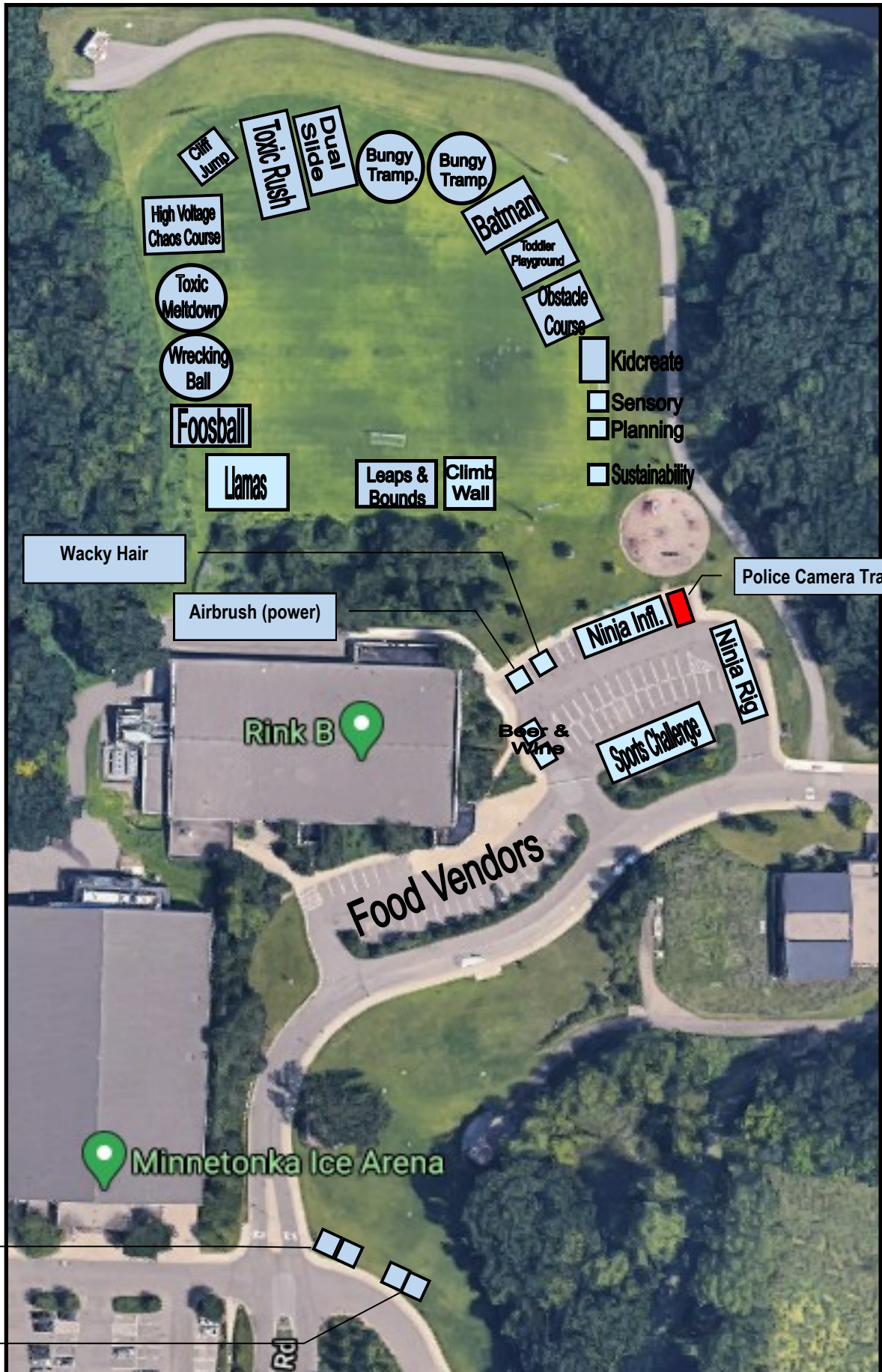
[Event information](#)



14600 Minnetonka Blvd.
Minnetonka, MN 55345

SUMMER FESTIVAL VENDOR LAYOUT MAP

Summer Fest 2025 Activities



**City Council
Agenda Item 13.B
Meeting of June 9, 2025**



Title: Temporary on-sale liquor license for Boom Island Brewing Company LLC, at 5959 Baker Road

Report from: Fiona Golden, Community Development Coordinator

Submitted Through: Julie Wischnack, FAICP, Community Development Director
Erik Nilsson, City Attorney
Mike Funk, City Manager

Presenter: Julie Wischnack, FAICP, Community Development Director

Action Requested: Public Hearing and Motion

Form of Action: License

Votes needed: 5 votes

Summary Statement

The city has received an application for a temporary on-sale liquor license from Boom Island Brewing Company for their annual anniversary outdoor “Block Party” event on July 12, 2025, at the taproom location. A public hearing is required.

Recommended Action

Motion to grant the license.

Strategic Plan Relatability

N/A

Financial Consideration

No

Background

Boom Island is celebrating its 14th year anniversary and proposes to host a free all-day “Block Party” event which will include:

- Live music – TBD
- Food trucks – Brown Chicken, Brown Cow & Original Hockey Mom Brownies
- Lawn games
- Special beer releases

Boom Island staff will be closing off access to the parking area in front of their building at 11 a.m. on Saturday, July 12. They will use temporary fencing and position vendors to create an extended area. Staff will remove the barriers at closing on Saturday.

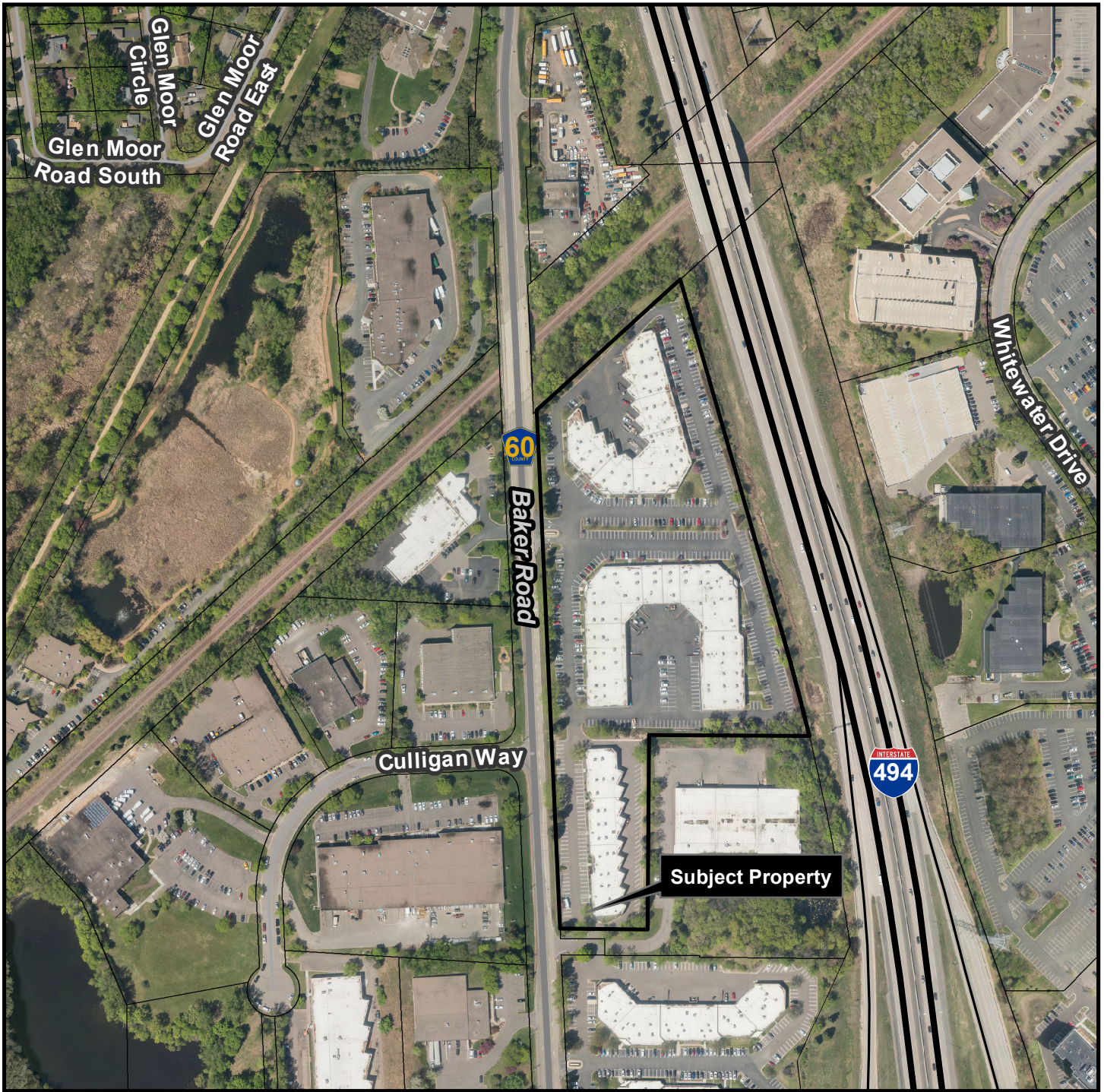
There will be ingress and egress points at both ends of the space. Trained staff members will check everyone's identification when entering. Wristbands will be issued to those of the legal drinking age with hand stamps for minors. IDs will also be required at the inside taproom for anyone who appears to be under 40 years old. All amplified outdoor music will end by 10 p.m.

Minnesota State Statute 340A.404 subd. 10(c) states that a brewery that manufactures fewer than 3,500 barrels of malt liquor in a year is eligible for a temporary liquor license for social events upon city approval.

Boom Island Brewing Company has completed the license application and provided proof of insurance. Boom Island notified neighbors within 400 feet of the brewery of the events. Because the brewery's location is in a mostly commercial area, there are not expected to be any issues during the event. The taproom has hosted multiple outdoor events at this location. Staff has not received any complaints or concerns from past events.

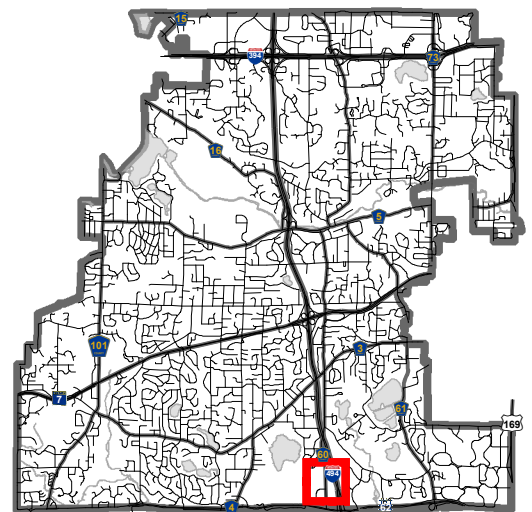
ATTACHMENTS:

[Event information](#)



Location Map

Project: Boom Island Brewing
Address: 5959 Baker Rd



14th Anniversary Block Party Information

Event: Boom Island Brewing Block Party

Date and Time: July 12, 2025, 12 PM-11 PM

Location: Boom Island Brewing Company
5959 Baker Road, Suite 320
Minnetonka, MN 55345

Hello,

We would like to notify you, as neighboring property owners, of a festival we will be having at our brewery, located at the address above. The 14th Anniversary Block Party is a rebranded version of our annual Boom Days summer festival. We will host live music all day, a professional cookout and dessert food truck, yard games, and other activities.

Beginning at 11am Saturday, July 12th, we will be closing off access to the parking spaces in front of our building to provide space and extend the area of our existing liquor license for on-premise consumption of alcohol. All alcohol sales will remain within the bounds of our existing liquor license. We will close off access to this area using traffic cones, event signage, and check-in stations. We will take down all barriers and return the parking lot to its original state at 11:45pm on Saturday night.

There will be ingress and egress points at either end of this space. We will check identification of anyone entering, and will issue wristbands for those of legal drinking age and stamps for minors. Additionally, we will continue our practice of requiring identification at the time of purchase at our inside bar for anyone who appears under 40.

If you have any questions or concerns, please contact me by the means listed below.

Jesse Pittman
Director of Operations
Boom Island Brewing Company
jesse@boomislandbrewing.com
612-227-9635

BOOM ISLAND  BREWING
COMPANY

Block Party

14th Anniversary Celebration!

Saturday, July 12th
Noon-11pm

All-day Grill-out!

Live music!

Dessert truck!

Giveaways!

Lawn games!

Special beer releases!

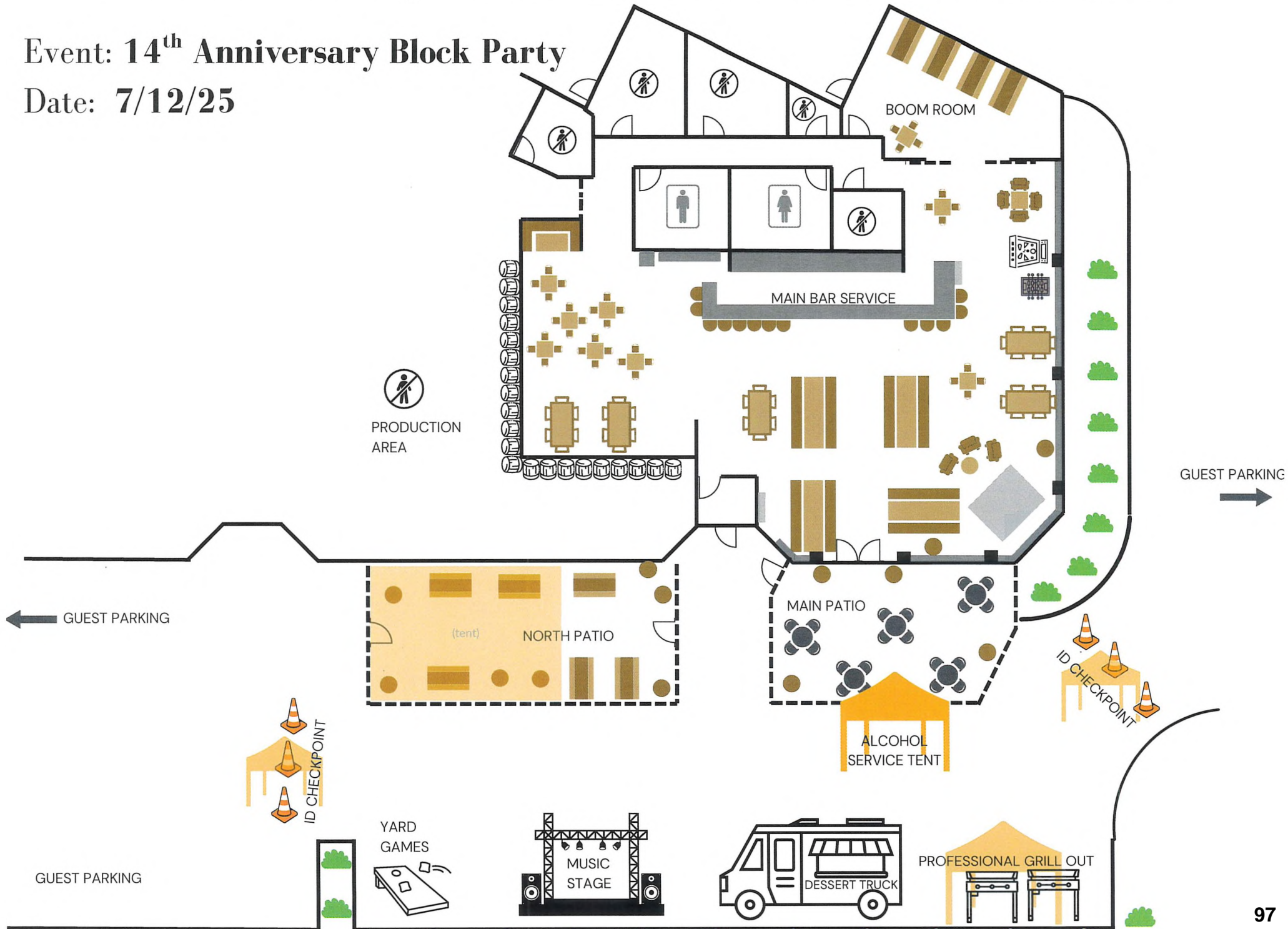
Free to attend, all ages welcome

Boom Island Brewing Company
5050 Baker Rd. Ste 320 Minnetonka, MN 55345

Boom Island Brewing - 5959 Baker Rd. Ste 320, Minnetonka, MN 55345

Event: 14th Anniversary Block Party

Date: 7/12/25



**City Council
Agenda Item 13.C
Meeting of June 9, 2025**



Title: Rowland Investment, LLC refinancing of Chase at Nine Mile Creek (5709 Rowland Rd)

Report from: Alisha Gray, EDFP, Economic Development and Housing Manager

Submitted Through: Julie Wischnack, FAICP, Community Development Director
Darin Nelson, Finance Director
Erik Nilsson, City Attorney
Mike Funk, City Manager

Presenter: Julie Wischnack, FAICP, Community Development Director

Action Requested: Public Hearing and Motion

Form of Action: Resolution

Votes needed: 4 votes

Summary Statement

Rowland Investments, LLC is requesting to refinance the prior bonds issued for 5709 Rowland Rd. The EDA will also consider approval of an amended and restated assignment and subordination of the development agreement and tax increment financing documents. A public hearing is required.

Recommended Action

Motion to adopt the resolution.

Strategic Plan Relatability

Livable & Well-Planned Development

Implement programs and policies to diversify housing and increase affordable housing options.

Financial Consideration

Yes

This action provides approval to reissue bonds for Rowland Investment, LLC.

Background

In 2015, the City of Minnetonka issued Multifamily Housing Revenue Bonds to Rowland Investment, LLC, to assist with the acquisition, construction, and equipping of a new 106-unit multifamily housing development at 5709 Rowland Rd (Chase at Nine Mile Creek). The project included 21 units of affordable housing at 50% AMI and will have affordability for 30 years (from 2015). The borrower is now requesting to refinance the prior bonds and is requesting that the city issued tax-exempt revenue refunding bonds not to exceed \$13,520,000 to repay the outstanding bond and refinance the project. Huntington Bank has agreed to purchase the bonds from the city.

As part of this request, the city is required to hold a public hearing on June 9. Following the public hearing, the city will consider a resolution to approve the issuance of the bonds to refund the prior bonds. Following the city council's consideration, the EDA will consider a resolution approving the execution and delivery of an amended and restated development agreement and tax increment financing document with Rowland Investments, LLC and Huntington National Bank.

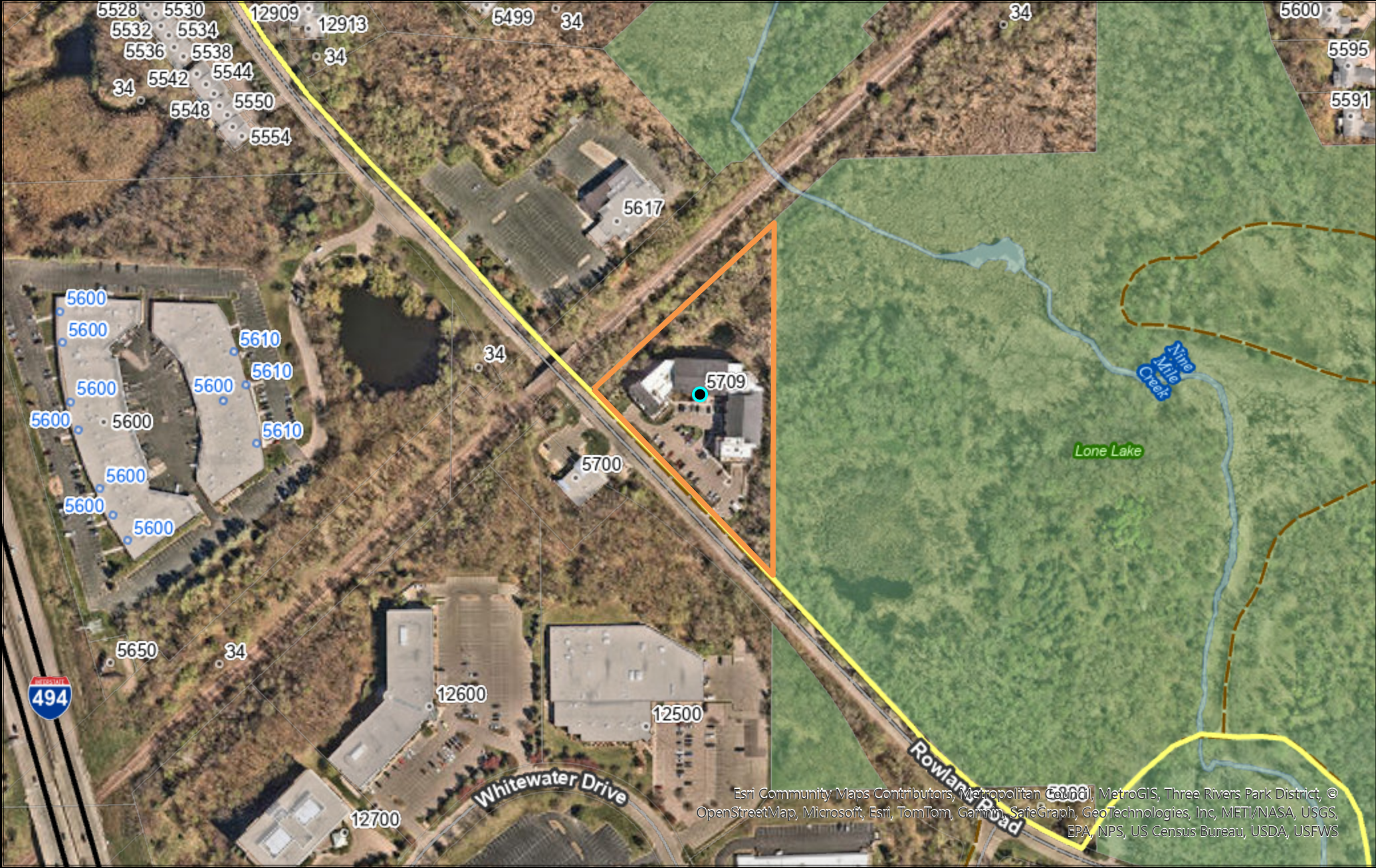
The bonds will not constitute a general obligation of the city. They will not be secured by or payable from any property or assets of the city (other than the city's interests in the Loan Agreement), nor will they be secured by any taxing power of the city. The bonds will not be subject to any debt limitation imposed on the city, and the issuance of the bonds will not have any adverse impact on the city's credit rating, even if the borrower encounters financial difficulties with respect to the project.

The bonds are considered "private activity bonds." They will not affect the city's ability to issue and designate up to \$10,000,000 in tax-exempt bonds as "qualified tax-exempt obligations" (or "bank-qualified obligations") for calendar year 2025.

The attached memo from Julie Eddington of Kutak Rock provides additional details on this request. Julie Eddington will be available on June 9, 2025, to answer any questions council may have.

ATTACHMENTS:

[Attachments](#)
[Resolution](#)

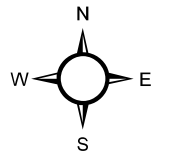
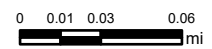


June 3, 2025



5709 Rowland Rd

DISCLAIMER:
 This drawing is not a legally recorded plat or an accurate survey.
 It is intended to be only an approximate representation of information from various government offices and other sources.
 It should not be used for a purpose that requires exact measurement or precision.
 People who use this drawing do so at their own risk.
 The City of Minnetonka is not responsible for any inaccuracies contained in the drawing.
 The City of Minnetonka provides no warranty, express or implied, about the correctness of the information.



June 03, 2025

Alisha Gray
Economic Development and Housing Manager
City of Minnetonka
14600 Minnetonka Boulevard
Minnetonka, MN 55345

RE: Resolution approving the issuance of revenue refunding obligations by the City of Minnetonka for the benefit of Rowland Investments, LLC

Dear Alisha:

On July 8, 2015, the City of Minnetonka (the “City”) issued its Multifamily Housing Revenue Bonds (Rowland Apartments Project), Series 2015 (the “Prior Bonds”), in the original aggregate principal amount of \$16,100,000, pursuant to the Act. The City loaned the proceeds of the Prior Bonds to Rowland Investments, LLC, a Minnesota limited liability company (the “Borrower”), to finance the acquisition, construction, and equipping of a four-story, approximately 106-unit multifamily rental housing development and functionally related facilities located at 5709 Rowland Road in the City (the “Project”), which is owned by the Borrower.

The Borrower intends to refinance the Prior Bonds and has requested that the City issue one or more series of tax-exempt or taxable revenue refunding obligations (the “Bonds”) in the estimated principal amount not to exceed \$13,520,000 and loan the proceeds thereof to the Borrower to redeem and prepay the outstanding Prior Bonds, thereby refinancing the Project. The Huntington National Bank, a national banking association (the “Lender”), has agreed to purchase the Bonds from the City.

The Bonds will be issued in accordance with the authority previously provided under Minnesota Statutes, Chapters 462C and 474A, as amended. In order to issue the Bonds, the City is required to conduct a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”). The public hearing will be conducted during the City Council meeting on Monday, June 9, 2025. Following the public hearing, the City Council will be asked to consider the enclosed resolution, which provides approval to the issuance of the Bonds to refund the Prior Bonds and the execution and delivery of various financing documents, including but not limited to the Bonds, a Loan Agreement, an Assignment of Loan Agreement pursuant to which the City will assign its rights and interests in the loan repayments to be made by the Borrower under the loan agreement (except for certain unassigned rights of the City) to the Lender, and an Amended and Restated Regulatory Agreement pursuant to which the Borrower will continue certain occupancy and rental restrictions of the Project.

The Bonds will not constitute a general or moral obligation of the City and will not be secured by or payable from any property or assets of the City (other than the interests of the City in the Loan Agreement) and will

not be secured by any taxing power of the City. The Bonds will not be subject to any debt limitation imposed on the City, and the issuance of the Bonds will not have any adverse impact on the credit rating of the City, even in the event the Borrower encounters financial difficulties with respect to the Project.

The Bonds will be “private activity bonds” within the meaning of Section 141(a) of the Code but will be “exempt facility bonds,” the net proceeds of which are to be used to provide a “qualified residential rental project” within the meaning of Sections 142(a)(7) and 143(d) of the Code and will not affect the City’s ability to issue and designate up to \$10,000,000 in tax-exempt bonds as “qualified tax-exempt obligations” (or “bank-qualified obligations”) for calendar year 2025.

The Borrower will pay the out-of-pocket expenses of the City with respect to this transaction as well as the City’s administrative fee.

I will be at the meeting on June 9, 2025 and can answer any questions that may arise during the meeting. Please contact me with any questions you may have prior to the City Council meeting.

Sincerely,

Julie A. Eddington

LOAN AGREEMENT

between

**CITY OF MINNETONKA, MINNESOTA,
as Issuer**

and

**ROWLAND INVESTMENTS, LLC,
as Borrower**

Dated as of June 1, 2025

Relating to:

**\$ _____
City of Minnetonka, Minnesota
Multifamily Housing Revenue Refunding Bonds
(Chase at Nine Mile Creek Project)
Series 2025**

The interest of the City of Minnetonka, Minnesota (the “Issuer”), in this Loan Agreement, dated as of June 1, 2025, between the Issuer and Rowland Investments, LLC, a Minnesota limited liability company, except for certain rights retained by the Issuer pursuant to Section 7.9 hereof, has been assigned to The Huntington National Bank, a national banking association and successor-by-merger to TCF Investments Management, Inc. (the “Lender”), pursuant to the Assignment of Loan Agreement, dated as of June 1, 2025, between the Issuer and the Lender.

This instrument was drafted by:
Kutak Rock LLP (JAE)
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of June 1, 2025 (the “Loan Agreement”), is between the CITY OF MINNETONKA, MINNESOTA, a home rule city and political subdivision organized under its charter and the laws of the State of Minnesota (the “Issuer”), and ROWLAND INVESTMENTS, LLC, a Minnesota limited liability company (the “Borrower”).

The Issuer is authorized by Minnesota Statutes, Chapters 462C and 474A, as amended (the “Act”), to issue revenue bonds to finance or refinance in whole or in part the costs of the acquisition, construction, and equipping of a multifamily housing development (as defined in the Act) in furtherance of the public purposes expressed in the Act.

On July 8, 2015, the Issuer issued its Multifamily Housing Revenue Bonds (Rowland Apartments Project), Series 2015 (the “Prior Bonds”), in the original aggregate principal amount of \$16,100,000, pursuant to the Act. The Issuer loaned the proceeds of the Prior Bonds to the Borrower to finance the acquisition, construction, and equipping of a four-story, approximately 106-unit multifamily rental housing development and functionally related facilities located at 5709 Rowland Road, Minnetonka, Minnesota (the “Project”), which is owned by the Borrower.

On June 9, 2025, the City Council of the Issuer adopted a resolution (the “Bond Resolution”) authorizing the issuance by the Issuer of its Multifamily Housing Revenue Refunding Bonds (Chase at Nine Mile Creek Project), Series 2025 (the “Bonds”), in the original aggregate principal amount of \$_____. The Bonds are being issued by the Issuer pursuant to the Bond Resolution and the Act. The Borrower will use the proceeds of the Bonds, along with equity of the Borrower, to refinance the acquisition, construction, and equipping of the Project. Proceeds of the Bonds, along with equity or other funds of the Borrower, may also be used to pay the costs of issuing the Bonds.

Pursuant to this Loan Agreement, the Issuer will loan the proceeds of the Bonds (the “Loan”) to the Borrower for the purposes stated herein. Under the terms hereof, the Borrower has agreed to repay the Loan in such amounts and at such times as will be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due.

To induce The Huntington National Bank, a national banking association and successor-by-merger to TCF Investments Management, Inc. (the “Lender”), to purchase the Bonds and to secure the payment of the principal of, premium, if any, and interest on the Bonds when due, the Issuer will assign its rights under this Loan Agreement to the Lender (except for certain reserved rights to indemnification and payment of certain costs of the Issuer as set forth herein) under the terms of an Assignment of Loan Agreement, dated as of June 1, 2025, between the Issuer and the Lender.

In connection with the issuance of the Bonds, the Issuer, the Borrower, and the Lender will enter into an Amended and Restated Regulatory Agreement, dated the date of issuance of the Bonds (the “Regulatory Agreement”), relating to compliance with certain federal, state, and local requirements applicable to the Project. The Regulatory Agreement amends and restates the Regulatory Agreement, dated July 8, 2015, between the Issuer, the Borrower, and the Lender.

To secure its obligations under this Loan Agreement, as assigned to the Lender, the Borrower will execute and deliver an Amended and Restated Mortgage, Security Agreement, Fixture Filing, and Assignment of Leases and Rents, dated as of June 1, 2025 (the “Mortgage”), between the Borrower and the Issuer, and an Amended and Restated Assignment of Leases and Rents, dated as of June 1, 2025 (the

“Assignment of Leases and Rents”), between the Borrower and the Issuer. The Issuer’s interest in the Mortgage and the Assignment of Leases and Rents will be assigned to the Lender pursuant to the terms of an Assignment of Amended and Restated Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents and of Assignment of Amended and Restated Leases and Rents, dated as of June 1, 2025 (the “Assignment of Mortgage and Assignment of Leases and Rents”), by the Issuer in favor of the Lender. In addition, direct or indirect members of the Borrower (the “Guarantors”) will provide a joint and several personal guaranty (the “Guaranty”) to the Lender for the payment of principal of and interest on the Bonds.

The Issuer and the Borrower each in consideration of the representations, covenants, and agreements of the other as set forth herein, mutually represent, covenant, and agree as follows:

(The remainder of this page is intentionally left blank.)

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1 Definitions. In this Loan Agreement the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Act: collectively, Minnesota Statutes, Chapters 462C and 474a, as amended.

Assignment of Leases and Rents: the Amended and Restated Assignment of Leases and Rents, dated as of June 1, 2025, between the Borrower and the Issuer and assigned to the Lender pursuant to the Assignment of Mortgage and Assignment of Leases and Rents, as the same may be amended from time to time.

Assignment of Loan Agreement: the Assignment of Loan Agreement, dated as of June 1, 2025, between the Issuer and the Lender, assigning the Issuer's interest in this Loan Agreement (except for certain retained rights described in Section 7.9 hereof) to the Lender to the extent provided therein.

Assignment of Mortgage and Assignment of Leases and Rents: the Assignment of Amended and Restated Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents and of Assignment of Amended and Restated Leases and Rents, dated as of June 1, 2025, by the Issuer in favor of the Lender, assigning the Issuer's interest in the Mortgage and the Assignment of Leases and Rents to the Lender to the extent provided therein, as the same may be amended from time to time.

Bond Counsel: the firm of Kutak Rock LLP, Minneapolis, Minnesota, or any other firm of nationally recognized bond counsel experienced in tax-exempt bond financing acceptable to the Issuer, the Lender, and the Borrower. Any opinion of Bond Counsel shall be a written opinion signed by such Bond Counsel.

Bond Resolution: the resolution adopted by the City Council of the Issuer on June 9, 2025, authorizing the issuance of the Bonds.

Bonds: the Multifamily Housing Revenue Refunding Bonds (Chase at Nine Mile Creek Project), Series 2025, issued by the Issuer in the original aggregate principal amount of \$_____.

Borrower: Rowland Investments, LLC, a Minnesota limited liability company, its successors and assigns, and any entity which assumes its obligations under this Loan Agreement.

Borrower Tax Certificate: the Tax Certificate of the Borrower, dated the Closing Date, executed and delivered by the Borrower in connection with the issuance of the Bonds, including an endorsement of the Issuer.

Closing Date: June 30, 2025, which is the date there is delivery of and payment for the Bonds.

Code: the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations promulgated thereunder.

Continuing Covenant Agreement: the Continuing Covenant Agreement, dated as of June 1, 2025, between the Borrower and the Lender, as it may be amended from time to time.

Counsel: an attorney designated by or acceptable to the Lender, duly admitted to practice law before the highest court of the State; an attorney for the Borrower or the Issuer may be eligible for appointment as Counsel.

Date of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof.

Determination of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof.

Event of Default: any of the events described in Section 6.1 hereof.

Facility: the four-story, approximately 106-unit multifamily rental housing development and functionally related facilities to be located at 5709 Rowland Road, Minnetonka, Minnesota, and all related improvements and equipment, together with all additions to, replacements of and substitutions for any of the foregoing.

Guarantors: collectively, Alan J. Spaulding, Michael E. Cashill, and Joshua J. Howe, as direct or indirect members of the Borrower.

Guaranty: the Guaranty of Payment, dated as of June 1, 2025, delivered jointly and severally by the Guarantors in favor of the Lender, as may be amended from time to time.

Independent Accountant: a certified public accountant or firm of certified public accountants registered and qualified to practice as such under the laws of the State, and not regularly employed by the Issuer or Borrower, except to perform independent audits of the books and records of either or both of them or other similar periodic reviews.

Issuance Expenses: shall mean any and all costs and expenses relating to the issuance, sale, and delivery of the Bonds, including, but not limited to, any fees of the Lender, all fees and expenses of legal counsel, financial consultants, feasibility consultants, and accountants, any fee to be paid to the Issuer, the preparation and printing of the Related Documents, and all other expenses relating to the issuance, sale, and delivery of the Bonds and any other costs which are treated as “issuance costs” within the meaning of Section 147(g) of the Code.

Lender: The Huntington National Bank, a national banking association and successor-by-merger to TCF Investments Management, Inc., its successors and assigns.

Loan: the loan of proceeds of the Bonds by the Issuer to the Borrower described in Section 3.1 hereof.

Loan Agreement: this Loan Agreement, dated as of June 1, 2025, between the Issuer and the Borrower, as the same may from time to time be amended or supplemented as herein provided.

Mortgage: the Amended and Restated Mortgage, Security Agreement, Fixture Filing, and Assignment of Leases and Rents, dated as of June 1, 2025, between the Borrower and the Issuer and assigned to the Lender pursuant to the Assignment of Mortgage and Assignment of Leases and Rents, as the same may be amended from time to time.

Principal Balance: so much of the principal sum of the Bonds as from time to time remains unpaid.

Prior Bonds: the Multifamily Housing Revenue Bonds (Rowland Apartments Project), Series 2015, issued by the Issuer on July 8, 2015, in the original aggregate principal amount of \$16,100,000.

Project: the Project Premises and the Facility, including all Project Equipment, as they may at any time exist.

Project Equipment: any and all machinery, equipment, furniture, and other tangible personal property purchased or to be purchased by the Borrower with the proceeds of the Loan.

Project Premises: the real estate described in EXHIBIT A attached hereto.

Regulatory Agreement: the Amended and Restated Regulatory Agreement, dated the Closing Date, between the Issuer, the Borrower, and the Lender, as it may be amended or supplemented.

Related Documents: collectively, this Loan Agreement, the Assignment of Loan Agreement, the Regulatory Agreement, the Continuing Covenant Agreement, the Mortgage, the Assignment of Leases and Rents, the Assignment of Mortgage and Assignment of Leases and Rents, the Guaranty, and all other documents securing the Bonds or the Borrower's obligations under this Loan Agreement.

State: the State of Minnesota.

Treasury Regulations: all proposed, temporary, or permanent federal income tax regulations then in effect and applicable.

Section 1.2 Rules of Interpretation.

(1) This Loan Agreement shall be interpreted in accordance with and governed by the laws of the State.

(2) The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Loan Agreement as a whole rather than to any particular section or subdivision hereof.

(3) References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

(4) Where the Borrower is permitted or required to do or accomplish any act or thing hereunder, the Borrower may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Borrower.

(5) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Loan Agreement.

(6) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(7) Articles, sections, subsections, and clauses mentioned by number only are those so numbered which are contained in this Loan Agreement.

(8) References to the Bonds as “tax exempt” or to the “tax-exempt status of the Bonds” are to the exclusion of interest on the Bonds from gross income under Section 103(a) of the Code.

(The remainder of this page is intentionally left blank.)

ARTICLE II
REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer makes the following representations as the basis for its covenants herein:

(1) The Issuer is a home rule city and political subdivision organized under its charter and the laws of the State and is issuing the Bonds pursuant to the Act.

(2) The issuance and sale of the Bonds and the execution and delivery of this Loan Agreement, the Regulatory Agreement, the Assignment of Loan Agreement, the Assignment of Mortgage and Assignment of Leases and Rents, and the other documents referred to in the Bond Resolution have been duly authorized by a resolution of the governing body of the Issuer adopted at a meeting thereof duly called and held by the affirmative vote of not less than a majority of its members, which resolution has not been repealed, rescinded, amended or revoked.

(3) There is not pending any suit, action or proceeding against the Issuer before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the Issuer, of this Loan Agreement, the Assignment of Loan Agreement, the Regulatory Agreement, or the Assignment of Mortgage and Assignment of Leases and Rents, or any of its obligations hereunder or thereunder or any of the transactions contemplated hereby or thereby.

(4) Under the provisions of the Assignment of Loan Agreement, the Issuer's interest in this Loan Agreement and certain payments due hereunder (excluding however, indemnification and expense payments and other reserved rights listed in Section 7.9 hereof) are pledged and assigned to the Lender as security for the payment of the principal of and interest and premium, if any, on the Bonds.

(5) No public official of the Issuer has either a direct or indirect voluntary, personal financial interest in this Loan Agreement, nor will any public official personally benefit financially from this Loan Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

(6) Based on representations made by the Borrower, the Prior Bonds were issued as exempt facilities bonds to finance the Project, which is a "qualified residential rental project" within the meaning of Section 142(d) of the Code. The proceeds of the Prior Bonds will be used to refinance the Project.

Section 2.2 Representations by the Borrower. The Borrower makes the following representations as the basis for its covenants herein:

(1) The Borrower is a limited liability company duly organized and in good standing under the laws of the State, is duly authorized to conduct its business in the State, has the full legal right, power and authority to own its properties and assets and to carry on its business as now being conducted by it, and as contemplated, and to enter into the Related Documents to which it is a party and the other security and other documents in connection with this transaction, and to use the Project for the purpose set forth in this Loan Agreement and by proper action has authorized the execution and delivery of the Related Documents to which it is a party and the other security and other documents in connection with this transaction contemplated by this transaction.

(2) The execution and delivery of the Related Documents and the other security and other documents executed in connection herewith, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or conditions of the Borrower's organizational documents, any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or to which any property of the Borrower is subject, and do not and will not constitute a default under any of the foregoing, or be in violation of any order, decree, statute, rule or regulation of any court or any state or federal regulatory body having jurisdiction over the Borrower or its properties, including the Project, and do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Borrower contrary to the terms of any instrument or agreement to which the Borrower is a party or by which it is bound.

(3) The Project comprises a multifamily rental housing development as contemplated by the Act, specifically a development designed to be affordable by persons and families with adjusted gross income not in excess of the limits set forth in Section 462C.03, subdivision 2 of the Act. Subject to the other provisions of this Loan Agreement, it is presently intended and reasonably expected that the Project Equipment will be permanently located and exclusively used on the Project Premises and that the Borrower will own and operate the Project on the Project Premises throughout the term of this Loan Agreement in the normal conduct of the Borrower's business.

(4) To the best of the Borrower's knowledge, as of the date hereof, the use of the Project as designed and proposed to be operated complies, in all material respects, with all presently applicable development, pollution control, water conservation and other laws, regulations, rules and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Project is located (except that not all building permits have been obtained).

(5) The Prior Bonds were issued within the exemption provided under Section 142(d) of the Code with respect to a "qualified residential rental project," and "substantially all" (at least ninety-five percent (95%)) of the proceeds of the Prior Bonds were used for expenditures chargeable to the capital account of the Project.

(6) A major inducement to the Borrower to acquire, construct, and equip the Project was the source of financing provided under the Act (i.e., the Prior Bonds) and the assurance the Borrower received from the Issuer that such financing would be made available to the Borrower.

(7) The Borrower is not in the trade or business of selling properties such as the Project and is constructing the Project for investment purposes only or otherwise for use by the Borrower in its trade or business, and the Borrower has no intention now or in the foreseeable future to voluntarily sell, surrender or otherwise transfer, in whole or part, its interest in the Project except by leases in the normal course of business.

(8) There are no actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any property of the Borrower in any court or before any federal, State, municipal or other governmental agency, which, if decided adversely to the Borrower, would have a material adverse effect upon the Borrower or upon the business or properties of the Borrower. The Borrower is not in default with respect to any order of any court or governmental agency.

(9) The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money nor in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued.

(10) The Borrower has filed all federal and State income tax returns which, to the knowledge of the Borrower, are required to be filed and has paid all taxes shown on said returns and all assessments received by it to the extent that they have become due.

(11) The Borrower has no agreement whereby a public official of the Issuer will have a direct or indirect financial interest in this Loan Agreement or the Project, nor is there any agreement that any public official of the Issuer will directly or indirectly benefit financially from this Loan Agreement or the Project; to the best of the Borrower's knowledge, no public official of the Issuer has either a direct or indirect financial interest in this Loan Agreement or the Project nor will any public official either directly or indirectly benefit financially from this Loan Agreement.

(12) The Borrower covenants that it will comply with all provisions of the Act, including without limitation any notice and filing requirements imposed under the Act.

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ARTICLE III

LOAN TO THE BORROWER

Section 3.1 Amount and Source of Loan. The Issuer has authorized the issuance of the Bonds and the making of the Loan of the proceeds thereof to the Borrower for its use in the acquisition, construction, and equipping of the Project. The Issuer agrees to lend to the Borrower, upon the terms and conditions set forth herein, the proceeds of the Bonds by causing such sums to be advanced to the Borrower upon satisfaction of all terms and conditions set forth herein and in the Related Documents.

Section 3.2 Disbursement of the Loan. Under the terms of this Loan Agreement, the Bond Resolution, and the Act, the Issuer hereby authorizes the Borrower to provide directly for the refinancing of the Project in such manner as determined by the Borrower and hereby authorizes the Lender to advance the proceeds of the Bonds, and equity or other funds of the Borrower, as follows:

(1) all proceeds of the Bonds will be used to redeem and prepay the outstanding Prior Bonds on _____, 2025, by advancing such funds on the Closing Date to the Lender, as the holder of the Prior Bonds; and

(2) equity or other funds of the Borrower in the amount of \$_____ will be used to pay Issuance Expenses.

Section 3.3 Repayment of the Loan. Subject to the prepayment provisions set forth in the Bonds and the Related Documents, the Borrower agrees to repay the Loan by making all payments of principal, interest, and any premium, penalty, or other charge that are required to be made by the Issuer under the Bonds at the times and in the amounts provided therein. All payments shall be made directly to the Lender for the account of the Issuer. The Borrower shall also pay the reasonable fees and expenses of the Issuer, including the Issuer's administrative fee and the reasonable fees and expenses of the Issuer's counsel in connection with issuance of the Bonds.

Section 3.4 Borrower's Obligations Unconditional. All payments required of the Borrower hereunder shall be paid without notice or demand and without setoff, counterclaim, abatement, deduction, or defense. The Borrower shall not suspend or discontinue any payments, and shall perform and observe all of its other agreements in this Loan Agreement, and, except as expressly permitted herein, shall not terminate this Loan Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Project, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Issuer or the Lender, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof, or failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement.

Section 3.5 Borrower's Remedies. Nothing contained in this Article shall be construed to release the Issuer from the performance of any of its agreements in this Loan Agreement.

Section 3.6 Issuer's Administrative Fee. The Borrower agrees to pay the Issuer the fees and expenses that the Issuer requires for the issuance of bonds as a conduit issuer of any tax-exempt bonds. The fee of the Issuer for the issuance of the Bonds shall be \$_____, which is equal to one-eighth of one percent (0.125%) of the principal amount of the Bonds and which shall be payable by the

Borrower on the Closing Date. The administrative fee is not pledged to the payment of the Bonds and may be used by the Issuer for any proper purpose.

Section 3.7 Audit Expenses. The Borrower agrees to pay any reasonable costs incurred by the Issuer as a result of the Issuer's compliance with an audit, random or otherwise, by the Internal Revenue Service, the Minnesota Department of Revenue, or the Minnesota Office of the State Auditor with respect to the Bonds or the Project.

Section 3.8 Compliance with Issuer's Private Activity Bond Policy. The Borrower agrees to comply with the Issuer's Policy Number 2.5 related to Tax Exempt Financing.

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ARTICLE IV

BORROWER'S COVENANTS

Section 4.1 Financial Statements. The Borrower shall deliver to the Lender the financial statements of the Borrower upon such terms and conditions as are imposed by the Lender under the terms of the Related Documents.

Section 4.2 Indemnity. The Borrower shall, to the extent permitted by law, pay and shall protect, indemnify, and save the Issuer, its officers, agents, and employees harmless from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands, and judgments of any nature (collectively, "Losses") arising from:

(1) any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the use, non-use, condition, or occupancy of the Project or any part thereof;

(2) violation of any agreement or condition of this Loan Agreement, except by the Issuer;

(3) violation of any contract, agreement, or restriction by the Borrower relating to the Project;

(4) violation of any law, ordinance, or regulation affecting the Project or a part thereof or the ownership, occupancy, or use thereof, or arising out of this Loan Agreement, the Bonds, or the transactions contemplated thereby, including any requirements imposed on the Lender as a financial institution or any disclosure or registration requirements imposed by any federal or State securities laws; and

(5) any statement or information relating to the expenditure of the proceeds of the Bonds contained in the Borrower Tax Certificate or similar document furnished by the Borrower to the Issuer which, at the time made, is misleading, untrue, or incorrect in any material respect.

Notwithstanding the foregoing, the Borrower shall not be responsible for any Losses arising from the willful misconduct or gross negligence of the Issuer, its officers, agents, or employees.

Section 4.3 Reports to Governmental Agencies. The Borrower shall furnish to agencies of the State, including but not limited to the Minnesota Housing Finance Agency, such periodic reports or statements as are required under the Act, or as they may otherwise reasonably require of the Issuer or the Borrower throughout the term of this Loan Agreement in connection with the transaction contemplated herein; provided, however, the Issuer shall promptly notify the Borrower of any reports or statements being required by agencies of the State of which the Issuer has received notice to allow the Borrower a reasonable and adequate amount of time to prepare and submit any such reports or statements. Copies of such reports shall be provided, upon request, to the Issuer and, upon request, to the Lender.

Section 4.4 Security for the Loan. As additional security for the Loan, and to induce the Issuer to issue and deliver the Bonds, the Borrower agrees to execute and deliver the Related Documents and such other documents reasonably requested by the Issuer, the Lender, or Counsel, in such places and in such manner as the Issuer, the Lender, or Counsel deems necessary or desirable to perfect or protect the security interest of the Lender in and to the Project and other collateral referred to in such documents;

provided that no such instruments or acts shall change the economic terms of the transactions described herein or expand the liabilities of the parties hereunder without the consent of all the parties hereto.

Section 4.5 Preservation of Tax Exemption.

(1) In order to ensure that interest on the Bonds shall at all times be excludable from gross income for federal income tax purposes, the Borrower represents, warrants, and covenants with the Issuer and the Lender that it shall comply with applicable provisions of Section 103 and Sections 141 through 150 of the Code and applicable Treasury Regulations promulgated thereunder as follows:

(a) The Borrower will fulfill all continuing conditions specified in Section 142 of the Code and Section 1.103-8(b) of the Treasury Regulations applicable thereunder, to qualify the Bonds as “exempt facility bonds,” issued to provide a “qualified residential rental project” thereunder and to qualify the Project as a “qualified residential rental project” thereunder; and the Borrower shall fulfill its obligations under the Regulatory Agreement.

(b) The Borrower will not use (or permit to be used) the Project or use or invest (or permit to be used or invested) the proceeds of the Bonds or any other sums treated as “bond proceeds” under Section 148 of the Code, including “investment proceeds,” “invested sinking funds” and “replacement proceeds,” in such a manner as to cause the Bonds to be classified “arbitrage bonds” under Section 148 of the Code or “federally guaranteed obligations” under Section 149(b) of the Code.

(c) At least ninety-five percent (95%) of proceeds of the Bonds will be used to finance costs properly chargeable to the capital account of a qualified residential rental project, within the meaning of Section 142(d) of the Code, and property functionally related and subordinate thereto.

(d) No obligations other than the Bonds have been or are expected to be issued under Section 103 of the Code for sale at substantially the same time as the Bonds are sold pursuant to a common plan of marketing and at substantially the same rate of interest as the Bonds and which are payable in whole or part by the Borrower or otherwise have with the Bonds any common or pooled security for the payment of debt service thereon; and the Borrower has not permitted and will not permit any obligation or obligations other than the Bonds to be issued within the meaning of Section 141 of the Code so as to cause such obligations to otherwise become part of the same “issue of obligations” of the Bonds as described in Treasury Regulations, Section 1.150-(1)(c)(1), so as to impair the excludability from gross income under Section 103 of the Code of the interest on the Bonds.

(e) No portion of the proceeds of the Bonds (including investment earnings thereon) will be used (directly or indirectly) for the acquisition of land (or an interest therein) to be used for farming purposes and less than twenty-five percent (25%) of the face amount of the Bonds will be used (directly or indirectly) for the acquisition of land.

(f) No portion of the proceeds of the Bonds (including investment earnings thereon) will be used (directly or indirectly) to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises, all within the meaning of Section 147(e) of the Code.

(g) The average maturity of the Bonds does not exceed one hundred twenty percent (120%) of the average reasonably expected economic life of the Project to be refinanced with the proceeds of the Bonds within the meaning of Section 149(e) of the Code.

(h) Within the meaning of Section 147(g) of the Code, no more than two percent (2%) of the net proceeds of the Bonds will be used (directly or indirectly) to pay Issuance Expenses.

(i) The Borrower shall provide the Issuer on or prior to the Closing Date with all information required to satisfy the informational requirements set forth in Section 149(e) of the Code, including the information necessary to complete the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038 (Rev. February 2022).

(j) The Borrower understands that the Code imposes a penalty for failure to file with the Secretary of the Treasury an annual certification of compliance with low-income occupancy requirements on the Annual Certification of a Residential Rental Project, Form 8703 (Rev. December 2021), or any successor form or other form required by the Secretary of the Treasury, and if the requirements for a “qualified residential rental project” are not met, does not allow deduction for interest paid on the Bonds which accrues during the period beginning on the first day of the taxable year in which the Project ceases to meet such requirements and ending on the date the Project again meets such requirements.

(k) The Borrower has not leased, sold, assigned, granted, or conveyed and shall not lease, sell, assign, grant, or convey all or any portion of the Project or any interest therein to the United States, or any agency or instrumentality thereof, within the meaning of Section 149(b) of the Code.

(l) No portion of the proceeds of the Bonds will be used for the acquisition of any property (or any interest therein) unless the first use of such property was pursuant to such acquisition, other than land.

(m) The Borrower will not use the proceeds of the Bonds in such a manner as to cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations; and to this end, the Borrower, on behalf of the Issuer, shall pay to the United States, as a rebate, an amount equal to the sum of (i) the excess of (a) the aggregate amount earned on all nonpurpose obligations (other than investments attributable to an excess described in this clause) acquired with the proceeds of the Bonds, over (b) the amount which would have been earned if all such nonpurpose obligations were invested at a rate equal to the yield on the Bonds, plus (ii) any income attributable to the excess described in clause (i), at the times and in the amounts required by Section 148 of the Code, all within the meaning of Section 148 of the Code. The Borrower and the Lender shall maintain records of the interest rate borne by the Bonds and the investments of the proceeds of the Bonds, in adequate detail to enable the Borrower to calculate the amount of any rebate and yield reduction payments required to be made to the United States. The Borrower shall pay the rebate to the United States at times and in installments which satisfy Section 148 of the Code and the Treasury Regulations, at least once every five (5) years and within sixty (60) days after the day on which the last of the Bonds is redeemed. Calculations of the amount to be rebated shall be made at least every five (5) years, by Bond Counsel or an Independent Accountant selected by the Borrower. Such calculations shall be retained until six (6) years after the retirement of the Bonds. The rebate shall be calculated as provided in the applicable Treasury Regulations, including taking into account the gain or loss on

the disposition of nonpurpose investments. The Borrower shall acquire nonpurpose obligations at their fair market value.

(n) The Borrower reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within the three-year period beginning on the date of issuance of the Bonds and that not more than fifty percent (50%) of the proceeds of the Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four (4) years or more, and therefore the Bonds are not “hedge bonds” within the meaning of Section 149(g) of the Code.

(o) No proceeds of the Bonds shall be invested in investments which cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code.

(p) The Borrower will not otherwise use proceeds of the Bonds, including earnings thereon, or take, or permit or cause to be taken, any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds, nor otherwise omit to take or cause to be taken any action necessary to maintain such tax-exempt status; and, if it should take or permit, or omit to take or cause to be taken, as appropriate, any such action, the Borrower shall take all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

(2) For the purpose of this Section, a “Determination of Taxability” shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision of a court of competent jurisdiction, or a change in any applicable federal statute, which holds or provides in effect that the interest payable on a Bond is includable, for federal income tax purposes under Section 103 of the Code, in the gross income of the Lender or any other holder or prior holder of such Bonds, if the period, if any, for contest or appeal of such action, ruling, or decision by the Borrower or the Lender or any other interested party has expired without any such contest or appeal having been properly instituted by the Lender, the Borrower, or any other interested party. The expenses of any such contest shall be paid by the party initiating the contest, and neither the Lender nor the Borrower shall be required to contest or appeal any Determination of Taxability. The “Date of Taxability” shall mean that point in time, as specified in the determination, ruling, order, or decision, that the interest payable on a Bond becomes includable in the gross income of the Lender or any other holder or prior holder of such Bond, as the case may be, for federal income tax purposes.

(3) If the Lender receives notice of a “Determination of Taxability” with respect to a Bond and delivers to the Borrower a copy of that notice, the rate of interest on such Bond shall be automatically adjusted and additional charges shall be paid as provided in the Bond and the Borrower shall be obligated to pay the same as provided in Section 3.4 hereof.

(4) If the Borrower becomes aware of a Determination of Taxability it shall promptly give notice of such Determination of Taxability to the Issuer and the Lender.

Section 4.6 Lease or Sale of Project. Except as permitted under the terms of the Mortgage, the Borrower shall not lease, sell, convey, or otherwise transfer the Project, in whole or part, without first securing the written consent of the Lender; provided that in no event shall any lease, transfer, assignment, or sale be permitted if the effect thereof would be to cause the Bonds to be deemed issued in violation of any requirement under Section 142(a) of the Code, and the Treasury Regulations promulgated thereunder,

that substantially all of the net proceeds of the Bonds be used to provide a qualified residential rental project, or under the Act that no portion of the Project to be financed from proceeds of the Bonds be acquired in whole or part for sale, nor shall any such transaction be permitted if the effect thereof would otherwise be to impair the validity or the tax-exempt status of the Bonds, nor shall any such transaction release the Borrower of any of its obligations under this Loan Agreement. The Borrower shall promptly notify the Issuer and the Lender of any such sale, transfer, assignment, or lease. This Section 4.6 does not restrict the transfer of limited liability company interests in the Borrower.

Section 4.7 Project Operation and Maintenance Expenses. The Borrower shall pay all expenses of the operation and maintenance of the Project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, all in conformance with the provisions of the Mortgage.

Section 4.8 Notification of Changes. The Borrower covenants and agrees that it shall promptly notify the Issuer and the Lender of:

(1) any litigation which may materially and adversely affect the Borrower and any of its properties;

(2) the occurrence of any Event of Default under this Loan Agreement, the occurrence of any “Event of Default” under the Related Documents or any other loan agreement, debenture, note, purchase agreement, other agreement providing for the borrowing of money by the Borrower or the occurrence of any event of which the Borrower has knowledge and which, with the passage of time or giving of notice, or both, would constitute an Event of Default under this Loan Agreement or an “Event of Default” under the Related Documents or such other agreements; and

(3) any material adverse change in the operations, business, properties, assets, or conditions, financial or otherwise, of the Borrower.

Section 4.9 Maintenance of Project as Qualified Residential Rental Project. The Borrower covenants that following its acquisition and construction of the Project and subject to the provisions of any recorded document amending, terminating, or deleting such covenants, the Project is to be owned, operated, and managed as a “qualified residential rental project” within the meaning of Section 142(d) of the Code. To that end, the Borrower further represents, covenants, and agrees that it shall fulfill its obligations under the Regulatory Agreement.

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ARTICLE V

PREPAYMENT OF LOAN

Section 5.1 Prepayment at Option of Borrower. The Borrower may, at its option, prepay the Loan, in whole or part, by prepaying a like amount of the Principal Balance of the Bonds and paying any applicable yield maintenance prepayment premium required by the Lender pursuant to the Continuing Covenant Agreement, but only in the manner, at the times, and under the conditions provided in the Bonds.

Section 5.2 Termination Upon Retirement of the Bonds. This Loan Agreement shall, by its terms, terminate at such time as: (a) no Principal Balance on the Bonds remains outstanding; (b) any obligation of the Lender to advance funds under this Loan Agreement, the Bonds, or the Related Documents has expired; and (c) arrangements satisfactory to the Lender and the Issuer have been made for the discharge of all other accrued liabilities, if any, under the Related Documents.

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ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. Any one or more of the following events continuing beyond any applicable cure period is an Event of Default under this Loan Agreement:

- (1) if the Borrower shall fail to make any payments required under this Loan Agreement on or before the date that the payment is due and such default continues for ten (10) days;
- (2) if the Borrower shall fail to observe and perform any other covenant, condition, or agreement on its part under this Loan Agreement for a period of thirty (30) days after written notice (a “Default Notice”), specifying such default and requesting that it be remedied, given to the Borrower by the Issuer or the Lender, or for such longer period as may be reasonably necessary to remedy such default provided that the Borrower is proceeding with reasonable diligence to remedy the same, but not exceeding sixty (60) days after the Default Notice is given, unless the Lender shall agree in writing to an extension of such time prior to its expiration;
- (3) if the Borrower shall file a petition in bankruptcy or for reorganization or for an arrangement under any present or future federal bankruptcy act or under any similar federal or state law, shall consent to the entry of an order for relief under any present or future federal bankruptcy act or under any similar federal or State law, or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the entry of an order for relief of the Borrower under any present or future federal bankruptcy act or any similar federal or State law shall be filed in any court and such petition or answer shall not be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof, or a receiver, trustee, or liquidator of the Borrower of all or substantially all of the assets of the Borrower, or of the Project, shall be appointed in any proceeding brought against the Borrower and shall not be discharged within ninety (90) days after such appointment or if the Borrower shall consent to or acquiesce in such appointment, or if the estate or interest of the Borrower in the Project or a part thereof shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within ninety (90) days after such levy or attachment;
- (4) if the Borrower shall be dissolved or liquidated or shall be merged with or is acquired by another business entity;
- (5) if any representation or warranty made by the Borrower herein, or by an officer or representative of the Borrower in any document or certificate furnished the Lender or the Issuer in connection herewith or therewith or under the terms hereto or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made, and is not cured within thirty (30) days after a Default Notice, specifying such default and requesting that it be remedied, has given to the Borrower by the Issuer or the Lender; or
- (6) if the Borrower shall default or fail to perform any covenant, condition, or agreement on its part under any of the Related Documents or any other security document securing the Bonds, and such failure continues beyond the period, if any, set forth in such documents during which the Borrower may cure the default, or if an “Event of Default” occurs under any of the Related Documents.

Any owner of the Borrower shall have the right, but not the obligation, to cure any default under this Loan Agreement within the same cure period afforded to the Borrower to cure such default.

Section 6.2 Remedies. Whenever any Event of Default referred to in Section 6.1 hereof shall have happened, any one (1) or more of the following remedial steps to the extent permitted by law may be taken:

(1) the Issuer, upon written direction of the Lender, or the Lender may declare all installments of the Loan (being an amount equal to that necessary to pay in full the Principal Balance plus accrued interest thereon and any premium due thereunder of the Bonds assuming acceleration of the Bonds under the terms thereof and to pay all other indebtedness thereunder) to be immediately due and payable, whereupon the same shall become immediately due and payable by the Borrower;

(2) the Lender may exercise all of its rights and remedies under the Related Documents; or

(3) the Issuer, upon written direction of the Lender (except as otherwise provided in Section 7.9 hereof), or the Lender (in either case at no expense to the Issuer) may take whatever action at law or in equity may appear necessary or appropriate to collect the amounts then due and thereafter to become due under this Loan Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under this Loan Agreement.

Section 6.3 Disposition of Funds. Notwithstanding anything to the contrary contained in this Loan Agreement, any amounts collected, up to the amounts due, in accordance with any action taken under Section 6.2 hereof, except for any amounts collected solely for the benefit of the Issuer under any of the provisions set forth in Section 7.9, shall, after deducting all expenses incurred in collecting the same, be applied as a prepayment of the Bonds in accordance with Section 5.1 hereof.

Section 6.4 Manner of Exercise. No remedy herein conferred upon or reserved to the Issuer or the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Lender to exercise any remedy reserved to either of them in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 6.5 Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Loan Agreement and the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance of any obligation or agreement on the part of the Borrower, the Borrower shall on demand pay to the Issuer or the Lender the reasonable fees of such attorneys and such other expenses so incurred.

Section 6.6 Effect of Waiver. In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VII

GENERAL

Section 7.1 Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified or registered mail, postage prepaid, with proper address as indicated below. The Issuer, the Borrower, and the Lender may, by written notice given by each to the others, designate any address or addresses to which notices, certificates, or other communications to them shall be sent when required as contemplated by this Loan Agreement. Until otherwise provided by the respective parties, all notices, certificates, and communications to each of them shall be addressed as follows:

To the Issuer: City of Minnetonka, Minnesota
14600 Minnetonka Boulevard
Minnetonka, MN 55345
Attn: City Manager

To the Borrower: Rowland Investments, LLC
c/o At Home Apartments, L.L.C.
1289 Grand Avenue
Saint Paul, MN 55105
Attn: _____

With a copy to: [BORROWER'S COUNSEL]
[ADDRESS]
Attn: _____

To the Lender: The Huntington National Bank
11100 Wayzata Boulevard, Suite 800
Minnetonka, MN 55305
Attn: Commercial Real Estate Lending Group

With a copy to: Fabyanske, Westra, Hart & Thomson, P.A.
80 South Eighth Street, Suite 1900
Minneapolis, MN 55402
Attn: Katie A. Welsch, Esq.

Section 7.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower and their respective successors and assigns.

Section 7.3 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.4 Amendments, Changes, and Modifications. Except as otherwise provided in this Loan Agreement or in the Bond Resolution, subsequent to the initial issuance of the Bonds and before the Bonds are satisfied and discharged in accordance with their respective terms, this Loan Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Lender.

Section 7.5 Execution Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.6 Limitation of Issuer's Liability. It is understood and agreed by the Borrower and the Lender that no covenant of the Issuer herein shall give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers. It is further understood and agreed by the Borrower and the Lender that the Issuer shall incur no pecuniary liability hereunder, and shall not be liable for any expenses related hereto, including administrative expenses and the reasonable fees and disbursements of the Issuer's attorney, Bond Counsel, and fiscal consultant retained in connection therewith, all of which expenses the Borrower agrees to pay.

Section 7.7 Issuer's Attorneys' Fees and Costs. If, notwithstanding the provisions of Section 7.6 hereof, the Issuer incurs any expense, or suffers any losses, claims, or damages, or incurs any liabilities in connection with the transaction contemplated by this Loan Agreement, the Borrower shall indemnify and hold harmless the Issuer from the same and shall reimburse the Issuer for any reasonable legal or other expenses incurred by the Issuer in relation thereto; provided, however, that the Borrower shall not be responsible for such losses arising from the willful misconduct or gross negligence of the Issuer. The Borrower shall also reimburse the Issuer for all other costs and expenses including, without limitation, reasonable attorneys' fees paid or incurred by the Issuer in connection with (i) the discussion, negotiation, preparation, approval, execution, and delivery of the Related Documents and the documents and instruments related hereto or thereto; (ii) any amendments or modifications hereto or to the Bonds and the Related Documents and any document, instrument, or agreement related hereto or thereto, and the discussion, negotiation, preparation, approval, execution, and delivery of any and all documents necessary or desirable to effect such amendments or modifications; and (iii) the enforcement by the Issuer during the term hereof or thereafter of any of the rights or remedies of the Issuer hereunder or under the Bonds and the Related Documents or any document, instrument, or agreement related hereto or thereto, including, without limitation, costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto.

Section 7.8. Release. The Borrower hereby acknowledges and agrees that the Issuer shall not be liable to the Borrower, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including reasonable attorneys' fees), damages, judgments, claims, and causes of action paid, incurred, or sustained by the Borrower as a result of or relating to any action, or failure or refusal to act, on the part of the Lender with respect to this Loan Agreement or the documents and transactions related hereto or contemplated hereby including, without limitation, the exercise by the Lender of any of its rights or remedies under Article VI hereof, the Bonds, and the Related Documents or any collateral security documents.

Section 7.9. Assignment by Issuer and Survivorship of Obligations. The Issuer may assign its rights under this Loan Agreement and any related documents to the Lender to secure payment of the principal of and interest and premium, if any, on the Bonds, but any such assignment shall not operate to limit or otherwise affect the following provisions hereof to the extent that they run to the Issuer from the Borrower to which extent they shall survive any such assignment: Sections 3.4, 3.6, 3.7, 4.2, 4.3, 4.9, 6.5, 7.6, 7.7, and 7.8. Upon any such assignment, the provisions immediately above running to the Issuer from the Borrower for the Issuer's benefit shall run jointly and severally to the Issuer and the Lender (if appropriate), provided that the Issuer shall have the right to enforce any retained rights without the approval of the Lender but only if the Lender is not enforcing such rights in a manner to protect the Issuer or is otherwise taking action with respect thereto that brings adverse consequences to the Issuer. The

obligations of the Borrower running to the Issuer for the purpose of preserving the tax-exempt status of the Bonds or otherwise for the Issuer's benefit under the foregoing Sections shall survive repayment of the Bonds and the interest thereon.

Section 7.10. Required Approvals. Consents and approvals required by this Loan Agreement to be obtained from the Borrower or the Issuer shall be in writing and shall not be unreasonably withheld or delayed.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed by their duly authorized officers as of the date and year first written above.

CITY OF MINNETONKA, MINNESOTA

By _____
Its Mayor

By _____
Its City Manager

Execution page of the Borrower to the Loan Agreement dated as of the date and year first written above.

ROWLAND INVESTMENTS, LLC

By: _____
Name: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT PREMISES

Parcel 1:

All that part of the West Half of the Southwest Quarter of the Northwest Quarter of Section 35, Township 117, Range 22 lying south of the Chicago, Milwaukee and St. Paul Railway right-of-way and lying northerly of Rowland Road as established in Document No. 3806560, according to the United States Government Survey thereof and situate in Hennepin County, Minnesota.

Parcel 2:

That part of the Chicago, Milwaukee and Pacific Railroad right of way in the West Half of the Southwest Quarter of the Northwest Quarter of Section 35, Township 117, Range 22, Hennepin County, Minnesota, which lies southeasterly of a line parallel with and distant 75.00 feet southeasterly from the centerline of said railroad right of way and which lies northeasterly of the northeasterly right of way of Rowland Road, on file and of record in the Office of the Hennepin County Recorder.

(Abstract Property)

**Second Draft
June 4, 2025**

**AMENDED AND RESTATED
REGULATORY AGREEMENT**

between

**CITY OF MINNETONKA, MINNESOTA,
as Issuer**

**ROWLAND INVESTMENTS, LLC,
as Borrower**

and

**THE HUNTINGTON NATIONAL BANK,
as Lender**

Dated June 30, 2025

Relating to:

**\$ _____
City of Minnetonka, Minnesota
Multifamily Housing Revenue Refunding Bonds
(Chase at Nine Mille Creek Project)
Series 2025**

This instrument was drafted by:
Kutak Rock LLP (JAE)
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

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**AMENDED AND RESTATED
REGULATORY AGREEMENT**

THIS AMENDED AND RESTATED REGULATORY AGREEMENT, dated June 30, 2025 (the “Regulatory Agreement”), is between the CITY OF MINNETONKA, MINNESOTA, a home rule city and political subdivision organized under its charter and the laws of the State of Minnesota (the “Issuer”), ROWLAND INVESTMENTS, LLC, a Minnesota limited liability company (the “Borrower”), and THE HUNTINGTON NATIONAL BANK, a national banking association and successor-by-merger to TCF Investments Management, Inc., and purchaser of the Bonds defined herein (the “Lender”), and amends and restates the Regulatory Agreement, dated July 8, 2015 (the “Original Regulatory Agreement”), between the Issuer, the Borrower, and the Lender, and recorded in the office of the County Recorder of Hennepin County, Minnesota on July 9, 2015, as Document No. A10211548.

RECITALS

The Issuer is authorized by Minnesota Statutes, Chapters 462C and 474A, as amended (the “Act”), to issue bonds or obligations for the purpose of financing or refinancing the acquisition, construction, and equipping of residential housing developments for persons and families of low and moderate income and to pay the costs of issuing such bonds and related financing costs.

On July 8, 2015, the Issuer issued its Multifamily Housing Revenue Bonds (Rowland Apartments Project), Series 2015 (the “Prior Bonds”), in the original aggregate principal amount of \$16,100,000, pursuant to the Act. The Issuer loaned the proceeds of the Prior Bonds to the Borrower to finance the acquisition, construction, and equipping of a four-story, approximately 106-unit multifamily rental housing development and functionally related facilities located at 5709 Rowland Road, Minnetonka, Minnesota (the “Project”), which is owned by the Borrower. The Project is located on the real property legally described in EXHIBIT A attached hereto (the “Land”). In connection with the issuance of the Prior Bonds, the parties entered into the Original Regulatory Agreement.

On June 9, 2025, the City Council of the Issuer adopted a resolution (the “Bond Resolution”) authorizing the issuance by the Issuer of its Multifamily Housing Revenue Refunding Bonds (Chase at Nine Mile Creek Project), Series 2025 (the “Bonds”), in the original aggregate principal amount of \$_____. The Bonds are being issued by the Issuer pursuant to the Bond Resolution and the Act, and the proceeds thereof will be loaned to the Borrower in accordance with the terms of a Loan Agreement, dated as of June 1, 2025 (the “Loan Agreement”), between the Issuer and the Borrower, to refund the outstanding Prior Bonds, thereby refinancing the Project. Proceeds of the Bonds, along with equity or other funds of the Borrower, may be used to pay costs of issuance of the Bonds.

The interest on the Bonds is not includable in gross income for federal income tax purposes if, in addition to other requirements, the Project continuously complies with the rental, occupancy, and other restrictions imposed by Section 142(d), or any successor provisions, of the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations promulgated thereunder (collectively, the “Code”). Compliance by the Project with the Act and with Section 142(d) of the Code is in large part within the control of the Borrower. The Issuer is unwilling to provide proceeds of the Bonds to finance the Project unless the Borrower shall, by entering into this Regulatory Agreement, consent to be regulated to assure compliance with the Act and to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 142(d) of the Code.

NOW, THEREFORE, in consideration of the mutual premises and covenants hereinafter set forth, and of other valuable consideration, the Borrower, the Issuer and the Lender agree as follows:

1. Term of Restrictions.

(a) Occupancy Restrictions. The term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the first day on which ten percent (10%) of the residential units are occupied following the acquisition and construction of the Project and shall end on the latest of the following: (i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; or (ii) the first day on which no principal of the Bonds is outstanding and no other tax-exempt private activity bond issued with respect to the Project is outstanding; or (iii) the termination date of any Housing Assistance Payments Contract relating to the Project under Section 8 of the United States Housing Act of 1937, including the initial term and any renewal thereof. This period from commencement to termination is the “Qualified Project Period.”

(b) Rental Restrictions. The term of the Rental Restrictions set forth in Section 4 hereof will remain in effect during the Qualified Project Period.

(c) Termination of Restrictions. Notwithstanding the provisions of (a) and (b) of this Section 1, this Regulatory Agreement and all other restrictions hereunder shall terminate upon any foreclosure or transfer of title to the Project by deed in lieu of foreclosure and retirement of the Bonds. In addition, this Regulatory Agreement and the restrictions hereunder shall also cease to apply in the event of an involuntary noncompliance caused by unforeseen events such as fire, seizure, requisition, a change in federal law, or an action of a federal agency after the date of issue of the Bonds which prevents the Issuer from enforcing the requirements of this Regulatory Agreement or condemnation or similar event, provided in all such cases that: (i) the Bonds are retired at the first available call date; or (ii) any insurance proceeds or condemnation award or other amounts received as a result of such loss or destruction are used to provide a facility which meets the requirements of Section 142(d) or any successor provision of the Code and Section 1.103-8(b) of the Treasury Regulations or any successor law or regulation, in which case this Regulatory Agreement shall be automatically reinstated. However, the foregoing provisions of this paragraph shall cease to apply (and the restrictions of this Regulatory Agreement shall continue to apply) in the event of foreclosure, transfer of title by deed in lieu of foreclosure, or similar event if, at any time subsequent to such event and during the Qualified Project Period, the obligor on the purpose investment (as defined in Section 1.148-1(b) of the Treasury Regulations) or a related person (as defined in Section 147(a)(2) of the Code) obtains an ownership interest in the Project for federal tax purposes.

(d) Termination of Regulatory Agreement. Regardless of whether the Bonds are outstanding, this Regulatory Agreement shall terminate upon the earlier of: (i) termination of the Occupancy Restrictions and the Rental Restrictions described in subsections (a) and (b) above; or (ii) a termination pursuant to the provisions of subsection (c) above.

2. Project Restrictions.

(a) The Borrower represents, warrants, and covenants that in order to meet the requirements of Section 142(d) of the Code and the Act:

(i) The Project will be acquired, constructed, and maintained for the purpose of providing a multifamily residential rental property and will constitute both a “multifamily housing development” within the meaning of the Act and a “qualified residential rental project” within the meaning of Sections 142(a)(7) and 142(d) of the Code.

(ii) The Project consists of a building located on a single tract of land or contiguous tracts of land which may include facilities functionally related and subordinate thereto.

(iii) In the event a unit within a building or structure is occupied by the Borrower, the building or structure must include no fewer than twenty (20%) units not occupied by the Borrower.

(iv) All of the units in the Project will contain complete living, sleeping, eating, cooking, and sanitation facilities for a single person or a family.

(v) None of the units in the Project will at any time be utilized on a transient basis, or used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, or nursing home.

(vi) Other than units for a resident manager or maintenance personnel or units for individuals or families of low or moderate income as provided for in Section 3(a) hereof, all of the units in the Project will be leased, rented, or available for lease or rental on a continuous basis to members of the general public.

(vii) The Borrower shall not restrict Qualifying Tenants (as hereinafter defined) from the enjoyment of unrestricted access to all common facilities and common areas of the Project, except as reasonably necessary to protect and preserve the health and safety of tenants.

(viii) The Borrower shall not discriminate on the basis of race, creed, color, sex, or national origin in the lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(ix) None of the proceeds of the Bonds will be used to finance commercial property unless functionally related and subordinate to the residential rental units.

(x) All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project, and shall be maintained in the State of Minnesota in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer or the Lender.

(xi) All leases of units to Qualifying Tenants shall contain clauses, among others, wherein each individual lessee:

(1) Certifies the accuracy of the statements made in its application and Certification of Tenant Eligibility; and

(2) Agrees that the family income, family composition, and other eligibility requirements at the time the lease is executed shall be deemed substantial and material obligations of the lessee's tenancy; that the lessee will comply promptly with all requests for income, family composition, and other information relevant to determining low- or moderate-income status from the Borrower, the Issuer, or the Lender, and that the lessee's failure or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the lessee's tenancy.

(xii) If the Project includes a rental or management office, such office shall be used exclusively for the rental or management of the Project.

(xiii) The Borrower shall permit any duly authorized representative of the Lender to inspect the books and records of the Borrower pertaining to the income of Qualifying Tenants residing in the Project.

(xiv) The Borrower shall not convert any residential rental units in the Project to condominium or cooperative ownership during the Qualified Project Period without prior approval of the Issuer and the Lender.

(xv) The Borrower shall advise the Lender as to any proposed material changes in the number of units, size of units, or unit mix and shall not make such changes without the consent of the Issuer and the Lender.

(xvi) The Borrower shall not refuse to rent units to persons or families receiving rental assistance under the provisions of Section 8 of the United States Housing Act of 1937, solely because of such assistance.

3. Occupancy Restrictions.

(a) Tenant Income Provisions. The Borrower represents, warrants, and covenants that in order to meet the requirements of Section 142(d) of the Code and Section 462C.05 of the Act:

(i) Qualifying Tenants. At least twenty-two (22) of the units in the Project shall be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants and such units shall be of comparable quality to those units which are available to other tenants. Qualifying Tenants shall mean those persons and families who shall be determined from time to time by the Borrower to be eligible as “individuals whose income is fifty percent (50%) or less of area median gross income” within the meaning of Section 142(d)(2)(B) of the Code in a manner consistent with the method of determination of lower income families that is in effect under the program under Section 8 of the U.S. Housing Act of 1937 (or if such program has been terminated, under such program as in effect immediately prior to such termination). Occupants of a unit are considered individuals or families of “low or moderate income” only if their combined adjusted income does not exceed fifty percent (50%) of the median gross income for the area with adjustments for smaller and larger families as set forth in EXHIBIT B hereto. For purposes of this definition, the occupants of a residential unit shall not be deemed to be Qualifying Tenants if all the occupants of such residential unit at any time are “students,” as defined in Section 152(f)(2) of the Code, no one of whom is entitled to file a joint return under Section 6013 of the Code. The determination of whether an individual or family is of low or moderate income shall be made at the time the tenancy commences and on an ongoing basis thereafter, determined at least annually. Any unit occupied by an individual or family who is a Qualifying Tenant at the commencement of occupancy shall not continue to be treated as if occupied by a Qualifying Tenant during their tenancy in such unit if such individual or family subsequently ceases to be of low or moderate income unless such individual’s or family’s income does not exceed one hundred forty percent (140%) of the maximum income qualifying as low or moderate income for a family of its size. In the event that a unit does cease to be treated as occupied by a Qualifying Tenant for such reason, and thereupon less than twenty percent (20%) of the completed units in the Project would not be occupied by, or held vacant and available for occupancy by, Qualifying Tenants, the next vacant unit of comparable or smaller size not previously occupied by a Qualifying Tenant must be rented to a Qualifying Tenant or held vacant and available for occupancy by a Qualifying Tenant. Any completed unit vacated by a Qualifying Tenant which results in the Project not being in

compliance with the provisions of this Section must be rented (on other than a temporary basis) to a Qualifying Tenant before any other units in the Project are rented to tenants who are not Qualifying Tenants until the Project is again in compliance.

(ii) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant shall be required annually to sign and deliver to the Borrower a Certification of Tenant Eligibility substantially in the form attached as EXHIBIT B hereto, or in such other form as may be approved by Bond Counsel (the "Eligibility Certification"), in which the prospective Qualifying Tenant certifies as to qualifying as low or moderate income. In addition, such person shall be required to provide whatever other information, documents, or certifications are deemed necessary by the Issuer to substantiate the Eligibility Certification, on an ongoing annual basis, and to verify that such tenant continues to be a Qualifying Tenant within the meaning of Section 3(a) hereof.

(iii) Lease. The form of lease to be utilized by the Borrower in renting any units in the Project to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Eligibility Certification.

(iv) On File; Reporting. Eligibility Certifications will be maintained on file by the Borrower with respect to each Qualifying Tenant who resides in a Project unit or resided therein during the immediately preceding calendar year, and the Borrower shall, within thirty (30) days of the end of each calendar year, file a copy of a certificate of the Borrower summarizing the information set forth in such Eligibility Certifications with the Issuer and the Lender.

(v) Quarterly Certificate of Program Compliance. Following the date the Project first becomes available for occupancy, on or before the first day of each January, April, July, and October, the Borrower will submit to the Issuer and the Lender a certificate, substantially in the form attached hereto as EXHIBIT C, or in such other form as may be approved by Bond Counsel, executed by the Borrower stating the percentage of units of the Project which were occupied by Qualifying Tenants at all times during the preceding three months and identifying Qualifying Tenants who commenced or terminated occupancy of the Project during such three months.

(vi) Annual Report. The Borrower covenants and agrees that during the term of this Regulatory Agreement, it will prepare and submit to the Issuer and the Lender within thirty (30) days after each anniversary of the date the Project first becomes available for occupancy, a report certified to be accurate by the Borrower: (a) identifying the tenancies and the dates of occupancy (or vacancy) for all dwelling units in the Project, including the percentage of the dwelling units of the Project which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding the date of such certificate; (b) describing all transfers or other changes in ownership of the Project or any interest therein; and (c) stating, that to the best knowledge of the person executing such certificate after due inquiry, all units were rented or available for rental on a continuous basis during such year to members of the general public and that the Borrower was not otherwise in default under this Regulatory Agreement during such year.

(vii) Annual Federal Certification. On the first day of the month which is twelve (12) months after the Occupancy Restrictions commence, as determined by Section 1(a) hereof, and each anniversary thereof, the Borrower shall certify to the United States Department of the Treasury (the "Treasury Department") that the Project and the tenants thereof comply with the

restrictions set forth in Sections 2 and 3(a) hereof. As required by Section 142(d)(7) of the Code, the Borrower or other operator of the Project shall submit to the Secretary of the Treasury Department an annual certification, as set forth in the Annual Certification of a Residential Rental Project, Form 8703 (Rev. December 2021), or any successor form or other form required by the Secretary of the Treasury, as to whether the Project continues to meet the requirements of Section 142(d) of the Code; failure to comply shall not affect the tax-exempt status of the Bonds but shall subject the operator to penalty as provided in Section 6652(j) of the Code.

(viii) Notice of Non-Compliance. The Borrower will immediately notify the Issuer and the Lender if at any time during the term of this Regulatory Agreement the dwelling units in the Project are not occupied or available for occupancy as required by the terms of this Regulatory Agreement.

(ix) Qualifying Tenants' Income. The Borrower will obtain and maintain on file with respect to each Qualifying Tenant residing in the Project, evidence reasonably satisfactory to the Issuer and the Lender as to such Qualifying Tenant's income for the taxable year immediately preceding such Qualifying Tenant's initial occupancy in the Project, which may include the form, "Tenant Income Certification."

(b) Income Aspects of Minnesota Bond Allocation Act. As required by Section 474A.047 of the Act, the Borrower further represents, warrants, and covenants that for fifteen (15) years following the issuance of the Bonds:

(i) the Project shall meet the requirements of Section 142(d) of the Code regarding the incomes of the occupants of the housing as provided in Section 3(a)(i) above;

(ii) the maximum rent for at least twenty-two (22) of the units in the Project shall not exceed the area fair market rent or exception fair market rents for existing housing, if applicable, as established by the United States Department of Housing and Urban Development; and

(iii) the maximum income of residents for twenty percent (20%) of the units (the same twenty percent (20%) provided in (ii) above) in the Project shall be fifty percent (50%) of the median gross income for the area with adjustments for smaller and larger families as set forth in EXHIBIT B hereto.

The Borrower agrees to certify to the Issuer on or before each April 1 for the period commencing on the date the Project first becomes available for occupancy and ending fifteen (15) years later, that the occupancy requirements and the maximum rent limitations set forth in this subsection (b) have been satisfied for the preceding calendar year. Upon request of the Issuer, the Borrower agrees to provide individual certifications with respect to the tenants in the Project prepared by the Borrower in accordance with subsection (a)(ii) and (ix) above. Upon request of the Commissioner of Minnesota Management & Budget, the Borrower shall provide to the office of Minnesota Management and Budget a copy of the annual certification prepared by the Borrower pursuant to subsection (a)(vi) above. Upon request of the Commissioner of Minnesota Management and Budget, the Borrower shall provide to the office of Minnesota Management and Budget a copy of individual certifications with respect to the tenants in the Project prepared by the Borrower in accordance with subsection (a)(ii) and (ix) above.

(c) The Issuer shall monitor compliance with the requirements of subsection (b) above and, in addition to any other remedies provided in this Regulatory Agreement, if the Issuer issues an order of noncompliance because the Project is found by the Issuer to be out of compliance with the foregoing requirements, the Borrower shall pay a penalty to the Issuer equal to one-half of one percent (0.5%) of the

original aggregate principal amount of the Bonds. Prior to issuing an order of noncompliance, the Issuer will provide the Borrower with written notice of such noncompliance and the Borrower shall have sixty (60) days to cure such noncompliance. For each additional year the Project is out of compliance, the annual penalty must be increased by one-half of one percent (0.5%) of the original aggregate principal amount of the Bonds, as provided in Section 474A.047, subdivision 3 of the Act. The Issuer may waive insubstantial violations.

4. Rental Restrictions.

(a) The Borrower represents, covenants, and warrants that, once available for occupancy, each unit in the Project will be rented or available for rental to members of the general public and primarily to persons of low and moderate income on a continuous basis until the termination of such requirements, as provided in Section 1(b) or (c) hereof.

(b) The rental restrictions imposed by this Section and the occupancy restrictions of Section 3(a)(i) hereof may be enforced by the Issuer by an action for specific performance.

5. Compliance with the Code and Treasury Regulations.

(a) The Borrower covenants and agrees that (i) it will comply with all requirements of law applicable to it or the Project; and (ii) at no time will it take any action, or fail to take any action, which action or failure to act would adversely affect the exemption from federal income taxation, under Section 103 and Section 142(d) of the Code, of the interest on the Bonds.

(b) During the term of the Bonds, the Borrower covenants and agrees that it will comply with Section 4.5 of the Loan Agreement.

6. Transfer Restrictions. The Borrower covenants and agrees that the Borrower will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Project prior to the termination of the Rental Restrictions and Occupancy Restrictions provided herein (the "Transfer") that the transferee of the Project pursuant to the Transfer assume in writing, in a form acceptable to the Issuer, all duties and obligations of the Borrower under this Regulatory Agreement, including this Section 6, in the event of a subsequent Transfer by the transferee prior to expiration of the Rental Restrictions and Occupancy Restrictions provided herein (the "Assumption Agreement"). The Borrower shall deliver the Assumption Agreement to the Issuer prior to the Transfer. The transfer of membership interests in the Borrower shall not constitute Transfer under this Section.

7. Enforcement.

(a) The Borrower shall permit any duly authorized representative of the Issuer or the Lender, at reasonable times and with advance written notice, to inspect any books and records of the Borrower regarding the Project and with respect to the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Regulatory Agreement, the Act, and Section 142(d) of the Code or any successor provision of the Code.

(b) The Borrower shall submit any information, documents, or certificates requested by the Issuer or the Lender, which either of them deem reasonably necessary to substantiate the Borrower's continuing compliance with the provisions of this Regulatory Agreement, the Act, and Section 142(d) of the Code or any successor provision of the Code.

(c) The Issuer, the Lender, and the Borrower each covenant not to knowingly take or permit any action (other than an action required by any documents executed in connection with the Loan) that would adversely affect the exemption from federal income taxation of interest on the Bonds. Moreover, each covenants to take any lawful action (including amendment of this Regulatory Agreement as may be necessary, in the opinion of Bond Counsel, so long as the amendment does not adversely affect the operations of the Project) to comply fully with all applicable rules, rulings, policies, procedures, or regulations promulgated or proposed by the Treasury Department or the Internal Revenue Service from time to time pertaining to obligations the interest on which is tax exempt under Sections 103 and 142(d) of the Code, or any successor provisions of the Code, and affecting the Project.

(d) The Borrower covenants and agrees to give written notice to the Issuer of any violation of the Borrower's obligations hereunder within five (5) days after first discovering any such violation, and the Issuer covenants and agrees to inform the Borrower by written notice of any violation of the Borrower's obligations hereunder within five (5) days after first discovering such violation and to provide the Borrower a reasonable period of time in which to correct such violation. If any such violation is not corrected to the satisfaction of the Issuer within the period of time specified, which shall be at least thirty (30) days after the date any notice to the Borrower is mailed, or within such further time as the Issuer determines is necessary to correct the violation without loss of tax exemption of interest on the Bonds, but not to exceed any limitations set by applicable regulations, without further notice the Issuer or the Lender shall declare a default under this Regulatory Agreement effective on the date of such declaration of default, and upon such default the Issuer shall apply to any court, state or federal, for specific performance of this Regulatory Agreement or an injunction against any violation of this Regulatory Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct non-compliance with this Regulatory Agreement.

(e) The Borrower, the Lender, and the Issuer each acknowledge that the primary purpose for requiring compliance by the Borrower with the restrictions provided in this Regulatory Agreement is to comply with the Act and to preserve the federal income tax exemption of interest on the Bonds to the holders thereof, and that the holders of the Bonds, who are declared to be a third-party beneficiary of this Regulatory Agreement, shall be entitled, for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder.

8. Agent of the Issuer. The Issuer shall have the right to appoint an agent to carry out any of its duties and obligations hereunder, and shall inform the Borrower of any such agency appointment by written notice.

9. Interpretation. Any terms not defined in this Regulatory Agreement shall have the same meaning as terms defined in the Loan Agreement, as the case may be, or in the Act or in Section 142(d) of the Code and Treasury Regulations applicable thereto.

10. Amendment. It is agreed that the parties hereto shall promptly amend this Regulatory Agreement (in a form suitable for recording) (a) to the extent and when necessary or advisable, in the opinion of nationally recognized Bond Counsel acceptable to the Issuer, to preserve the exemption of interest on the Bonds from federal income taxation, so long as such amendment does not adversely affect the operations of the Project, and (b) to the extent agreeable to all parties to this Regulatory Agreement if, in the opinion of nationally recognized Bond Counsel acceptable to the Issuer, such amendment will not adversely affect the federal tax exemption of interest on the Bonds; provided that no such amendments shall be permitted or required hereunder if there is pending before Congress, or either house of Congress, legislation which if enacted would be applicable to the Bonds and could affect the tax-exempt status of interest on the Bonds, unless such amendment would not adversely affect the tax-exempt status of interest on the Bonds if such legislation were to become law.

11. Severability. The invalidity of any clause, part or provision of this Regulatory Agreement shall not affect the validity of the remaining portions thereof.

12. Notices. All notices to be given pursuant to this Regulatory Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. A duplicate copy of each notice, certificate, or other communication given hereunder by the Issuer or the Borrower shall also be given to the Lender at the address set forth below. The Borrower, the Lender, and the Issuer may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Issuer: City of Minnetonka, Minnesota
14600 Minnetonka Boulevard
Minnetonka, MN 55345
Attn: City Manager

To the Borrower: Rowland Investments, LLC
c/o At Home Apartments, L.L.C.
1289 Grand Avenue
Saint Paul, MN 55105
Attn: _____

With a copy to: [BORROWER'S COUNSEL]
[ADDRESS]
Attn: _____

To the Lender: The Huntington National Bank
11100 Wayzata Boulevard, Suite 800
Minnetonka, MN 55305
Attn: Commercial Real Estate Lending Group

With a copy to: Fabyanske, Westra, Hart & Thomson, P.A.
80 South Eighth Street, Suite 1900
Minneapolis, MN 55402
Attn: Katie A. Welsch, Esq.

13. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

14. Limitation of Issuer and Lender Liability. It is understood and agreed by the Borrower that no covenant of the Issuer or the Lender herein shall give rise to a pecuniary liability of the Issuer or the Lender or a charge against the Issuer's general credit or taxing powers. It is further understood and agreed by the Borrower that the Issuer or the Lender shall not incur any pecuniary liability hereunder, and shall not be liable for any expenses related hereto, including administrative expenses and fees and disbursements of the Issuer's attorney, the Lender's attorney, Bond Counsel and any consultant retained in connection herewith, all of which expenses the Borrower agrees to pay.

It is further agreed that no covenant or agreement contained herein shall be deemed to be the covenant or agreement of any member of the Issuer, or any officer, agent, employee or representative of the Issuer or the Lender, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution hereof, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise.

15. Change in Use. The Borrower understands that Section 150(b)(2) of the Code provides that if the requirements for a “qualified residential rental project” are not met under Section 142(d) with respect to the Project, no deduction shall be allowed for interest paid on the Bonds which accrues during the period beginning on the first day of the taxable year in which the Project fails to meet such requirements and ending on the date the Project respectively meets the requirements.

16. Actions by Issuer or Lender. Whenever any action is required to be taken by the Issuer or the Lender under this Regulatory Agreement such action shall not be required until the Issuer or the Lender is assured to its reasonable satisfaction that its fees and expenses, including attorneys’ fees, incurred in taking such action will be paid by the Borrower. The Borrower shall promptly provide such assurances when required.

17. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

18. Attorneys’ Fees. In case any action at law or in equity, including an action for declaratory relief, is brought against the Borrower to enforce the provisions of this Regulatory Agreement, the Borrower agrees to pay the reasonable attorneys’ fees and other reasonable expenses paid or incurred by the Issuer or the Lender in connection with such action.

19. Regulatory Agreement Binding. This Regulatory Agreement and the covenants contained herein shall run with the real property comprising the Project and shall bind the Borrower, its heirs, legal representatives, executors, administrators, successors in office or interest, and assigns, and all subsequent owners of the Project or any interest therein, and the benefits shall inure to the Issuer, the Lender, and their successors and assigns for the term of this Regulatory Agreement as provided in Sections 1(d) and 20 hereof.

20. Monitoring of Compliance. The Economic Development Authority in and for the City of Minnetonka (the “Authority”) will monitor compliance with the income and rent restrictions set forth herein pursuant to the Declaration of Restrictive Covenants, dated July 8, 2015 (the “Declaration”), between the Borrower and the Authority. Pursuant to Section 16 of the Declaration, the Authority has agreed to provide notice to the Lender if the Authority identifies a default with respect to the income and rent restrictions set forth in the Declaration or contacts the Borrower regarding any potential noncompliance with the income and rent restrictions set forth in the Declaration. The Issuer makes no representations as to the accuracy of any notifications provided by the Authority to the Lender and shall not be liable for any errors in such notifications or delays in providing such notifications.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Issuer, the Borrower, and the Lender have caused this Amended and Restated Regulatory Agreement to be executed by its duly authorized representatives, as of the date and year first written above.

CITY OF MINNETONKA, MINNESOTA

By _____
Its Mayor

By _____
Its City Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of June, 2025, by Brad Wiersum, the Mayor of the City of Minnetonka, Minnesota, a home rule city and political subdivision organized under its charter and the laws of the State of Minnesota, on behalf of the Issuer.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of June, 2025, by Mike Funk, the City Manager of the City of Minnetonka, Minnesota, a home rule city and political subdivision organized under its charter and the laws of the State of Minnesota, on behalf of the Issuer.

Notary Public

Execution page of the Borrower to the Amended and Restated Regulatory Agreement, dated as of the date and year first written above.

ROWLAND INVESTMENTS, LLC

By: _____
Name: _____
Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of June, 2025, by _____, the _____ of Rowland Investments, LLC, a Minnesota limited liability company, on behalf of the Borrower.

Notary Public

Execution page of the Lender to the Amended and Restated Regulatory Agreement, dated as of the date and year first written above.

THE HUNTINGTON NATIONAL BANK

By: _____
Name: Michael P. Trotter
Its: Senior Vice President

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of June, 2025, by Michael P. Trotter, the Senior Vice President of The Huntington National Bank, a national banking association, on behalf of the Lender.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

Parcel 1:

All that part of the West Half of the Southwest Quarter of the Northwest Quarter of Section 35, Township 117, Range 22 lying south of the Chicago, Milwaukee and St. Paul Railway right-of-way and lying northerly of Rowland Road as established in Document No. 3806560, according to the United States Government Survey thereof and situate in Hennepin County, Minnesota.

Parcel 2:

That part of the Chicago, Milwaukee and Pacific Railroad right of way in the West Half of the Southwest Quarter of the Northwest Quarter of Section 35, Township 117, Range 22, Hennepin County, Minnesota, which lies southeasterly of a line parallel with and distant 75.00 feet southeasterly from the centerline of said railroad right of way and which lies northeasterly of the northeasterly right of way of Rowland Road, on file and of record in the Office of the Hennepin County Recorder.

(Abstract Property)

EXHIBIT B

CERTIFICATION OF TENANT ELIGIBILITY

(INCOME COMPUTATION AND CERTIFICATION)

FEDERAL TEST:
Lower Income Tenants

Project: Chase at Nine Mile Creek, 5709 Rowland Road, Minnetonka, Minnesota

Owner: Rowland Investments, LLC

1. I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully, frankly and personally each of the following questions for all persons (including minors) who are to occupy the unit in the above apartment development for which application is made, all of whom are listed below:

Name of Members of the Household	Relationship To Head of Household	Age	Place of Employment
_____	HEAD	___	_____
_____	SPOUSE	___	_____
_____	_____	___	_____
_____	_____	___	_____
_____	_____	___	_____

Income Computation

2. The anticipated income of all the above persons during the 12-month period beginning this date,

(a) including all wages and salaries, overtime pay, commissions, fees, tips and bonuses before payroll deductions; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness); interest and dividends; the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; the maximum amount of public assistance available to the above persons; periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling; and all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; but

(b) excluding casual, sporadic or irregular gifts; amounts which are specifically for or in reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and

workmen's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; and payments received pursuant to participation in ACTION volunteer programs,

is as follows: \$ _____.

3. If any of the persons described above (or whose income or contributions was included in item 2) has any savings, bonds, equity in real property or other form of capital investment, provide:

(a) the total value of all such assets owned by all such persons: \$ _____;

(b) the amount of income expected to be derived from such assets in the 12 month period commencing this date: \$ _____; and

(c) the amount of such income which is included in income listed in item 2: \$ _____.

4. (a) Will all of the persons listed in item 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____

No _____

(b) Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes _____

No _____

We acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on the bond or other obligations issued to finance the apartment for which application is being made. We consent to the disclosure of such information to the Trustee for the Bonds, or other obligations, the holder of such Bonds or other obligations and any trustee acting on their behalf.

THE UNDERSIGNED HEREBY CERTIFY THAT THE INFORMATION SET FORTH ABOVE IS TRUE AND CORRECT. THE UNDERSIGNED ACKNOWLEDGE THAT THE LEASE FOR THE UNIT TO BE OCCUPIED BY THE UNDERSIGNED WILL BE CANCELLED UPON 10 DAYS WRITTEN NOTICE IF ANY OF THE INFORMATION ABOVE IS NOT TRUE AND CORRECT.

Head of Household

Spouse

FOR COMPLETION BY OWNER
(OR ITS MANAGER) ONLY

1. Calculation of Eligible Tenant Income:

(a) Enter amount entered for entire household in 2 above: \$ _____

(b) If the amount entered in 3(a) above is greater than \$5,000, enter the greater of (i) the amount entered in 3(b) less the amount entered in 3(c) or (ii) the amount entered in 3(a), multiplied by ___% (the current passbook savings rate, as determined by the Department of Housing and Urban Development): \$ _____

(c) TOTAL ELIGIBLE INCOME (Line 1(a) plus Line 1(b)): \$ _____

2. The amount entered in 1(c) is less than or equal to 50% of median gross income for the area in which the Project is located, as defined in the Regulatory Agreement. 50% or less is necessary for status as a "Qualifying Tenant" under Section 3(a) of the Regulatory Agreement.

3. Number of apartment unit assigned: _____.

4. This apartment unit was ____ was not ____ last occupied for a period of at least 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit was less than or equal to 50% of median gross income in the area.

5. Check as applicable: _____ Applicant qualifies as a Qualifying Tenant (tenants of 18 of the units must meet), or ____ Applicant otherwise qualifies to rent a unit.

THE UNDERSIGNED HEREBY CERTIFIES THAT HE/SHE HAS NO KNOWLEDGE OF ANY FACTS WHICH WOULD CAUSE HIM/HER TO BELIEVE THAT ANY OF THE INFORMATION PROVIDED BY THE TENANT MAY BE UNTRUE OR INCORRECT.

[OWNER] [MANAGER]

By _____

Its _____

EXHIBIT C

**CERTIFICATE OF CONTINUING
PROGRAM COMPLIANCE**

Date: _____, _____.

The following information with respect to a four-story, approximately 106-unit multifamily housing rental development located at 5709 Rowland Road, Minnetonka, Minnesota (the "Project"), is being provided by Rowland Investments, LLC, a Minnesota limited liability company (the "Borrower"), to the City of Minnetonka, Minnesota (the "Issuer"), pursuant to that certain Amended and Restated Regulatory Agreement, dated June 30, 2025 (the "Regulatory Agreement"), between the Issuer, the Borrower, and The Huntington National Bank, a national banking association, with respect to the Project:

(A) The total number of residential units of the Project which are available for occupancy is 106. The total number of such units occupied is _____.

(B) The following residential units (identified by unit number) have been designated for occupancy by "Qualifying Tenants," as such term is defined in the Regulatory Agreement (for a total of _____):

(C) The following residential units which are included in (B) above, have been re-designated as units for Qualifying Tenants since _____, _____, the date on which the last "Certificate of Continuing Program Compliance" was filed with the Issuer by the Borrower:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____

(The remainder of this page is intentionally left blank.)

(D) The following residential units are considered to be occupied by Qualifying Tenants based on the information set forth below:

	Unit Number	Name of Tenant	Number of Persons Residing in the Unit	Total Adjusted Gross Income	Date of Initial Occupancy
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(etc.)					

(E) The Borrower has obtained a “Certification of Tenant Eligibility,” in the form provided as Exhibit B to the Regulatory Agreement, from each Tenant named in (D) above, and each such Certificate is being maintained by the Borrower in its records with respect to the Project. Attached hereto is the most recent “Certification of Tenant Eligibility” for each Tenant named in (D) above who signed such a Certification since _____, _____, the date on which the last “Certificate of Continuing Program Compliance” was filed with the Issuer by the Borrower.

(F) In renting the residential units in the Project, the Borrower has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least ___ months.

(G) The information provided in this “Certificate of Continuing Program Compliance” is accurate and complete, and no matters have come to the attention of the Borrower which would indicate that any of the information provided herein, or in any “Certification of Tenant Eligibility” obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The Project is in continuing compliance with the Regulatory Agreement.

(I) The Borrower certifies that as of the date hereof at least _____ units of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Regulatory Agreement.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Borrower, on _____, 20 ____.

ROWLAND INVESTMENTS, LLC

By: _____
Name: _____
Its: _____

**Second Draft
June 4, 2025**

ASSIGNMENT OF LOAN AGREEMENT

between

**CITY OF MINNETONKA, MINNESOTA,
as Issuer**

and

**THE HUNTINGTON NATIONAL BANK,
as Lender**

Dated as of June 1, 2025

Relating to:

**\$ _____
City of Minnetonka, Minnesota
Multifamily Housing Revenue Refunding Bonds
(Chase at Nine Mile Creek Project)
Series 2025**

This instrument was drafted by:
Kutak Rock LLP (JAE)
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

ASSIGNMENT OF LOAN AGREEMENT

THIS ASSIGNMENT OF LOAN AGREEMENT, dated as of June 1, 2025 (the “Assignment”), is made and entered into between the CITY OF MINNETONKA, MINNESOTA, a home rule city and political subdivision organized under its charter and the laws of the State of Minnesota (the “Issuer”), and THE HUNTINGTON NATIONAL BANK, a national banking association and successor-by-merger to TCF Investments Management, Inc. (the “Lender”).

RECITALS

The Issuer has entered into a Loan Agreement, dated as of June 1, 2025 (the “Loan Agreement”), with Rowland Investments, LLC, a Minnesota limited liability company (the “Borrower”), pursuant to which the Issuer will loan to the Borrower the proceeds derived from the sale to the Lender of the Issuer’s Multifamily Housing Revenue Refunding Bonds (Chase at Nine Mile Creek Project), Series 2025 (the “Bonds”), in the original aggregate principal amount of \$_____.

Proceeds of the Bonds, along with the equity of the Borrower, will be used to refund the outstanding Multifamily Housing Revenue Bonds (Rowland Apartments Project), Series 2015 (the “Prior Bonds”), issued by the Issuer on July 8, 2015, in the original aggregate principal amount of \$16,100,000, the proceeds of which financed the acquisition, construction, and equipping of a four-story, approximately 106-unit multifamily rental housing development and functionally related facilities located at 5709 Rowland Road, Minnetonka, Minnesota (the “Project”), which is owned by the Borrower. Proceeds of the Bonds, along with equity or other funds of the Borrower, may also be used to pay the costs of issuance of the Bonds.

The Bonds are to be payable from and secured by the loan repayments (the “Loan Repayments”) to be made by the Borrower under the Loan Agreement, and the Lender, as a condition to the purchase of the Bonds, has required the execution of this Assignment.

NOW THEREFORE, as an inducement to the Lender to purchase the Bonds, and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. In order to secure the due and punctual payment of the Bonds and all other sums due the Lender under the Loan Agreement, the Issuer does hereby assign to the Lender all of the Issuer’s right, title, and interest in and to the Loan Agreement, including the Loan Repayments payable by the Borrower thereunder, subject to the Issuer’s reserved rights listed in Section 7.9 thereof.

2. The Issuer hereby represents and warrants to the Lender that the Issuer’s right, title, and interest in the Loan Agreement is free and clear of any lien, security interest, or other encumbrance other than that arising under this Assignment.

3. The Issuer hereby authorizes the Lender to exercise, either in the Issuer’s name or the Lender’s name, any and all rights available to the Issuer under the Loan Agreement, subject to the reserved rights of the Issuer set forth in Section 7.9 of the Loan Agreement and described herein. The Issuer agrees, on request of the Lender, to execute and deliver to the Lender such other documents or instruments as shall be deemed necessary or appropriate by the Lender at any time to confirm or perfect the security interest hereby granted. The Issuer hereby appoints the Lender its attorney-in-fact to execute and/or file or record on behalf of the Issuer, and in its name, any and all such assignments, financing

statements, or other documents or instruments which the Lender may deem necessary or appropriate to perfect, protect, or enforce the security interest hereby granted.

4. The Issuer will not:

(a) exercise or attempt to exercise any remedies under the Loan Agreement, except as permitted by Sections 6.2 and 7.7 of the Loan Agreement, or terminate, modify or accept a surrender of the same, or by affirmative act, consent to the creation or existence of any security interest or other lien in the Loan Agreement to secure payment of any other indebtedness; or

(b) receive or collect or permit the receipt or collection of any payments, receipts, rentals, profits, or other money under the Loan Agreement (except as permitted under Section 7.9 thereof) or assign, transfer, or hypothecate (other than to the Lender hereunder) any of the same then due or to accrue in the future.

5. The Issuer expressly covenants and agrees that the Lender shall be entitled to receive all Loan Repayments and other payments under the Loan Agreement (except any payments due the Issuer pursuant to its reserved rights listed in Section 7.9 thereof), and hereby authorizes and directs the Borrower to make such Loan Repayments and other payments directly to the Lender. The Lender covenants and agrees that all payments received by the Lender pursuant to the Loan Agreement shall be applied as provided in the Loan Agreement and the Bonds.

6. The Lender agrees to advance the purchase price of the Bonds directly to the Borrower as provided in the Bonds, the Loan Agreement, and the other agreements between the Borrower and the Lender entered into in connection with the issuance and delivery of the Bonds (collectively, the "Loan Documents").

7. If an Event of Default shall occur and be continuing after the expiration of any cure rights under the terms of the Loan Agreement, the Lender may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, in addition to any other remedy at law or in equity or specified in the Loan Agreement, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Lender may, without prior notice of any kind, declare the principal of and interest accrued on the Bonds immediately due and payable.

(b) The Lender may exercise any rights and remedies and options of a secured party under the Uniform Commercial Code as adopted in the State and any and all rights available to it under the Loan Agreement, the Mortgage securing payment of the Bonds, or the other Loan Documents.

8. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises, and agreements in this Assignment contained by or on behalf of the Issuer or the Lender shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

9. The unenforceability or invalidity of any provision or provisions of this Assignment shall not render any other provision or provisions herein contained unenforceable or invalid.

10. This Assignment shall in all respects be construed in accordance with and governed by the laws of the State. This Assignment may not be amended or modified except in writing signed by the Issuer and the Lender.

11. This Assignment may be executed, acknowledged, and delivered in any number of counterparts and each of such counterparts shall constitute an original but all of which together shall constitute one agreement.

12. Capitalized terms used in this Assignment which are not defined in this Assignment but are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement, unless the context of this Assignment otherwise requires.

13. No obligation of the Issuer hereunder shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, but shall be payable solely out of the proceeds and the revenues derived under the Loan Agreement.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Issuer and the Lender have caused this Assignment of Loan Agreement to be executed by their duly authorized officers as of the date and year first written above.

CITY OF MINNETONKA, MINNESOTA

By _____
Its Mayor

By _____
Its City Manager

Execution page of the Lender to the Assignment Loan Agreement dated as of the date and year first written above.

THE HUNTINGTON NATIONAL BANK

By: _____
Name: Michael P. Trotter
Its: Senior Vice President

**Second Draft
June 4, 2025**

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN
CITY OF MINNETONKA

No. R-1

Dated June 30, 2025

\$ _____

MULTIFAMILY HOUSING REVENUE REFUNDING BOND
(CHASE AT NINE MILE CREEK PROJECT)
SERIES 2025

For value received the CITY OF MINNETONKA, MINNESOTA, a home rule city and political subdivision organized under its charter and the laws of the State of Minnesota (the “Issuer”), hereby promises to pay to THE HUNTINGTON NATIONAL BANK, a national banking association, its successors or registered assigns (the “Lender”), from the source and in the manner hereinafter provided, the principal sum of _____ and ___/100 Dollars (\$ _____), or so much thereof that remains unpaid from time to time (the “Principal Balance”), with interest on the outstanding Principal Balance as set forth below. All payments of principal and interest on this Multifamily Housing Revenue Refunding Bond (Chase at Nine Mile Creek Project), Series 2025 (the “Bond”), shall be made in any coin or currency which, at the time or times of payment, are legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth. Capitalized terms used herein that are otherwise not defined shall have the meanings provided in the Loan Agreement, dated as of June 1, 2025 (the “Loan Agreement”), between the Issuer and Rowland Investments, LLC, a Minnesota limited liability company (the “Borrower”).

(1) Interest shall accrue on this Bond during each Interest Period at a rate per annum equal to Term SOFR for such Interest Period plus the Applicable Margin. “Applicable Margin” means 2.15%. “Business Day” means any day other than a Saturday, a Sunday, or other day on which the Lender is authorized or required by law to be closed. “Floor” means a rate of interest equal to 1.00%; provided, that if the Borrower shall enter into an interest rate swap agreement with the Lender or another counterparty reasonably acceptable to the Lender with respect to at least 75% of the Principal Balance, from and after the effective date of such swap, the Floor shall be reduced from 1.00% to zero so long as such interest rate swap agreement shall remain in effect with respect to at least 75% of the Principal Balance. “Interest Payment Date” is defined as the first day of each calendar month; provided, that any Interest Payment Date that would otherwise occur on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Payment Date shall occur on the next preceding Business Day. “Interest Period” means (i) with respect to the initial Interest Period, the period from the date hereof to the initial Interest Payment Date and (ii) with respect to each Interest Period thereafter, a period from an Interest Payment Date to the next occurring Interest Payment Date. “Term SOFR” means, with respect to any Interest Period, the Term SOFR Reference Rate for a tenor comparable to such Interest Period on the day (such day being the “Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate has not been published by the Term SOFR Administrator, then Term SOFR will be

the Term SOFR Reference Rate as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Term SOFR Determination Day; provided, further, that if Term SOFR as so determined (including pursuant to the foregoing proviso) shall be less than the Floor, then Term SOFR shall be deemed to be the Floor for the purposes of this Note and the other Loan Documents. "Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Lender in its reasonable discretion). "Term SOFR Reference Rate" means the forward-looking term rate based on SOFR. "U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities. The terms contained in the attached Interest Rate Rider set forth in EXHIBIT B are incorporated herein by reference and made a part hereof.

(2) Notwithstanding the foregoing, upon the failure to pay the principal of or interest on this Bond when due or upon the occurrence of any Event of Default, as hereafter defined, interest on the Principal Balance shall accrue at the Lender's option at an annual rate which is six hundred (600) basis points in excess of the interest rate otherwise payable hereunder (the "Default Rate"). The interest rate may also be adjusted to the Taxable Rate as provided in Section 8 below. Interest shall be computed on the basis of a three hundred sixty (360) day year, but shall be charged for the actual number of days that principal is unpaid, as described more fully in Section 2.3 of the Continuing Covenant Agreement, dated as of June 1, 2025 (the "Continuing Covenant Agreement"), between the Borrower and the Lender.

(3) [Reserved].

(4) Principal will be amortized over a period of three hundred sixty (360) months with the amortization period commencing on _____, 2025. All accrued and unpaid interest on the Principal Balance outstanding from time to time shall be due and payable and, in addition to interest payments, principal shall be payable on each such day in the amount set forth in EXHIBIT A attached hereto, commencing on _____ 1, 2025, and continuing on each Interest Payment Date thereafter through and including the month in which the Maturity Date (hereinafter defined) occurs, with a final principal payment and all accrued and unpaid interest due on _____, 2032 (the "Maturity Date").

(5) A late payment fee in an amount equal to five percent (5%) of the delinquent amount shall be paid with respect to all payments not made within ten (10) days of the date due.

(6) Payments shall be applied first to any fees, costs or expenses owing to the Lender, second to accrued and unpaid interest on the Principal Balance, and thereafter to reduction of the Principal Balance.

(7) In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest becomes due, at maturity, upon earlier redemption and prepayment, or otherwise.

(8) Upon the occurrence of a Determination of Taxability, the interest rate per annum on this Bond shall be immediately adjusted to be equal to the Taxable Rate. The "Taxable Rate" is defined as the rate of interest determined by the Lender in its sole discretion to be the taxable equivalent of the interest rate otherwise payable hereunder. In addition, the Lender shall be entitled to receive upon demand an amount equal to the aggregate difference between the monthly payments theretofore made to the Lender

on this Bond and the monthly payments which would have been made if the Taxable Rate had been in effect from and after the Date of Taxability.

(9) Principal and interest due hereunder shall be payable at the following office of the Lender, or at such other place as the Lender may designate in writing: The Huntington National Bank, P.O. Box 182232 GW1W34, Columbus, Ohio 43218-2232, at the time and by the methods described more fully in Section 2.10 of the Continuing Covenant Agreement.

(10) This Bond is issued in the principal amount of \$_____ in accordance with a resolution adopted by the City Council of the Issuer on June 9, 2025 (the “Bond Resolution”) and Minnesota Statutes, Chapter 462C, as amended. The Bonds are issued by the Issuer for the purpose of refunding the outstanding Multifamily Housing Revenue Bonds (Rowland Apartments Project), Series 2015 (the “Prior Bonds”), issued by the Issuer on July 8, 2015, in the original aggregate principal amount of \$16,100,000, the proceeds of which financed the acquisition, construction, and equipping of a four-story, approximately 106-unit multifamily rental housing development and functionally related facilities located at 5709 Rowland Road, Minnetonka, Minnesota (the “Project”), which is owned by the Borrower. The Issuer will loan the proceeds of this Bond to the Borrower (the “Loan”) pursuant to the Loan Agreement, and the Borrower has agreed under the Loan Agreement to repay the Loan, together with interest thereon, in amounts and at times sufficient to pay the principal of, premium, if any, and interest on this Bond as the same shall become due and payable (the “Loan Repayments”). Pursuant to an Assignment of Loan Agreement, dated as of June 1, 2025 (the “Assignment of Loan Agreement”), between the Issuer and the Lender, the Issuer has assigned and pledged to the Lender the Loan Repayments (except for certain reserved rights of the Issuer) due under the Loan Agreement.

(11) The proceeds of this Bond are being loaned by the Issuer to the Borrower pursuant to the terms and conditions of the Loan Agreement. This Bond is secured by an Amended and Restated Mortgage, Security Agreement, Fixture Filing, and Assignment of Leases and Rents, dated as of June 1, 2025 (the “Mortgage”), between the Borrower and the Issuer, and an Amended and Restated Assignment of Leases and Rents, dated as of June 1, 2025 (the “Assignment of Leases and Rents”), between the Borrower and the Issuer. The Issuer’s interest in the Mortgage and the Assignment of Leases and Rents will be assigned to the Lender pursuant to the terms of an Assignment of Amended and Restated Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents and of Assignment of Amended and Restated Leases and Rents, dated as of June 1, 2025 (the “Assignment of Mortgage and Assignment of Leases and Rents”), by the Issuer in favor of the Lender. In addition, direct or indirect members of the Borrower (the “Guarantors”) will provide a joint and several personal guaranty (the “Guaranty”) to the Lender for the payment of principal of and interest on this Bond.

(12) The Issuer, for itself and its successors and assigns, hereby waives demand, presentment, protest and notice of dishonor; and to the extent permitted by law, the Lender may extend interest and/or principal of or any service charge or premium due on this Bond, or release any part or parts of the property and interest subject to any security document from the same, all without notice to or consent of any party liable hereon or thereon and without releasing any such party from such liability and whether or not as a result thereof the interest on this Bond is no longer excludable from gross income for federal income tax purposes. In no event, however, may the Maturity Date be extended.

(13) This Bond may be prepaid, in whole or in part, on any date, without premium or penalty, upon written notice given to the Lender by certified or registered mail, addressed to the Lender at its registered address, not less than thirty (30) days prior to the date proposed for prepayment. On the date fixed for prepayment funds shall be paid to the Lender at its registered address. Upon any partial or full prepayment of the Principal Balance of this Bond, there shall also be paid, with respect to the portion of the Principal Balance prepaid, the accrued and unpaid interest on the Principal Balance to be prepaid.

Any prepayment on account of the indebtedness evidenced by this Bond shall not extend or postpone the due date or reduce the amount of any subsequent monthly payment of principal and interest due hereunder.

(14) As provided in the Bond Resolution and subject to certain limitations set forth therein, this Bond is only transferable upon the books of the Issuer by the Lender in person or by its agent duly authorized in writing, at the Lender's expense, upon surrender hereof together with a written instrument of transfer satisfactory to the City Manager of the Issuer, duly executed by the Lender or its duly authorized agent. Upon such transfer the City Manager of the Issuer will note the date of registration and the name and address of the new registered Holder in the registration blank appearing below. The Issuer may deem and treat the person in whose name this Bond is last registered upon the books of the Issuer with such registration noted on this Bond, as the absolute owner hereof, whether or not overdue, for the purpose of receiving payment of or on the account of the Principal Balance, redemption price, or interest and for all other purposes, and all such payments so made to the Lender or upon its order shall be valid and effective to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

(15) All of the agreements, conditions, covenants, provisions, and stipulations contained in the Bond Resolution, the Loan Agreement, the Assignment of Loan Agreement, the Mortgage, the Assignment of Leases and Rents, the Assignment of Mortgage and Assignment of Leases and Rents, the Guaranty, the Continuing Covenant Agreement, and any other documents securing this Bond (collectively, the "Security Documents") are hereby made a part of this Bond to the same extent and with the same force and effect as if they were fully set forth herein.

(16) This Bond and interest thereon and any service charge or premium due hereunder (payable solely from payments to be made by the Borrower under the Security Documents) do not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation, are not payable from or a charge upon any funds other than the revenues and proceeds pledged to the payment thereof, and do not give rise to a pecuniary liability of the Issuer or, to the extent permitted by law, of any of its officers, agents, or employees, and no holder of this Bond shall ever have the right to compel any exercise of the taxing power of the Issuer to pay this Bond or the interest thereon, or to enforce payment thereof against any property of the Issuer, and this Bond does not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer, and the agreement of the Issuer to perform or cause the performance of the covenants and other provisions herein referred to shall be subject at all times to the availability of revenues or other funds furnished for such purpose in accordance with the Loan Agreement, sufficient to pay all costs of such performance or the enforcement thereof.

(17) It is agreed that time is of the essence of this Bond. If an "Event of Default" (as that term is defined in the Mortgage, the Continuing Covenant Agreement, or the Loan Agreement) shall occur, then the Lender shall have the right and option to declare the Principal Balance and accrued interest thereon, immediately due and payable, whereupon the same, plus any other amounts owing to the Lender, shall be due and payable (but shall be payable solely from payments to be made by the Borrower under the Security Documents). Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

(18) The remedies of the Lender, as provided herein and in the Security Documents, are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively, or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

(19) The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

(20) This Bond has been issued without registration under state or federal or other securities laws, pursuant to an exemption for such issuance; and accordingly this Bond may not be assigned or transferred in whole or part, nor may a participation interest in this Bond be given pursuant to any participation agreement, except in accordance with an applicable exemption from such registration requirements.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Bond do exist, have happened, and have been performed in regular and due form as required by law.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the City of Minnetonka, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signatures of its officers identified below, the corporate seal having been intentionally omitted as permitted by law, as of the date and year first written above.

CITY OF MINNETONKA, MINNESOTA

By _____
Its Mayor

By _____
Its City Manager

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid Principal Balance of this Bond and the interest accruing thereon is registered on the books of the City of Minnetonka, Minnesota in the name of the holder last noted below.

<u>Date of Registration</u>	<u>Name and Address Registered Owner</u>	<u>Signature of City Manager</u>
<hr/>	The Huntington National Bank 11110 Wayzata Boulevard Suite 800 Minnetonka, MN 55305	<hr/>

EXHIBIT A
AMORTIZATION SCHEDULE

EXHIBIT B

INTEREST RATE RIDER

Interest Rate RIDER:

1. Term SOFR Conforming Changes. In connection with the use or administration of Term SOFR, the Lender may make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Bond or any other Loan Document. The Lender will promptly notify the Borrower of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.
2. Additional Interest Rate Provisions.
 - a. Inability to Determine Rates. Subject to Section 3 below, if the Lender shall determine that (i) Term SOFR for any Interest Period cannot be determined pursuant to the definition thereof (including because the Term SOFR Reference Rate is not available or published on a current basis) or (ii) for any reason Term SOFR for any Interest Period does not adequately and fairly reflect the cost to the Lender of making or maintaining the Loan during such Interest Period, then the Lender shall promptly give notice thereof to the Borrower. In any such event, the accrual of interest based upon Term SOFR shall be suspended until the Lender shall notify the Borrower that the circumstances causing such suspension no longer exist, and beginning on the date of such suspension, interest shall accrue hereunder at a rate per annum equal to Replacement SOFR plus the Applicable Margin or, if the Lender shall determine that SOFR is subject to any of the circumstances set forth in the foregoing clause (i) or (ii) or otherwise cannot be ascertained, the Prime Rate. As used in this Section, “Prime Rate” means the rate of interest publicly announced from time to time by the Lender as its “prime rate”, which rate may not be the lowest or most favorable rate then being charged commercial borrowers or others by the Lender. Any change in the Prime Rate announced by the Lender shall take effect at the opening of business on the day specified in the public announcement of such change. Notwithstanding the foregoing, if the Prime Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Bond.
 - b. Increased Costs Generally. If any Change in Law shall (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender or (ii) impose on the Lender any other condition, cost or expense affecting this Bond or the Loan made or maintained by the Lender, and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining the Loan or of maintaining its obligation to make the Loan, or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount) then, upon request of the Lender, the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

- c. Capital Requirements. If the Lender determines that any Change in Law affecting the Lender or its lending office or its holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of this Bond or the Loan made or maintained by the Lender, to a level below that which the Lender or its holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender or the Lender's holding company for any such reduction suffered.
- d. Certificates for Reimbursement; Delay in Requests. A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company as specified in Section 2(a), 2(b) or 2(c) and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof. Failure or delay on the part of the Lender to demand compensation pursuant to this Section 2(d) shall not constitute a waiver of the Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate the Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).
- e. Compensation for Losses. Upon demand of the Lender from time to time, the Borrower shall promptly compensate the Lender for and hold the Lender harmless from any loss, cost or expense incurred by it as a result of (a) any payment or prepayment of the Loan on a day other than the last day of an Interest Period (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise) or (b) any failure by the Borrower (for a reason other than the failure of the Lender to make the Loan) to prepay or borrow the Loan on the date or in the amount notified by the Borrower, including any loss or expense arising from the liquidation or reemployment of funds or from any fees payable.
- f. As used in this Section 2:
 - i. "Change in Law" means the occurrence, after the date hereof, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules,

guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

3. Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document:

- a. Benchmark Transition Event. Following the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document on such date as may be determined by the Lender, without any amendment to, or further action or consent of any other party to, this Bond or any other Loan Document.
- b. Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Bond or any other Loan Document.
- c. Notices; Standards for Decisions and Determinations. The Lender will promptly notify the Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Any determination, decision or election that may be made by the Lender pursuant to this Section 3, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto.
- d. As used in this Section 3:
 - i. “Benchmark” means, initially, the Term SOFR Reference Rate; provided, that if a replacement of the Benchmark has occurred pursuant to Section 3, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate.
 - ii. “Benchmark Replacement” means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Lender:
 - (A) Replacement SOFR; or
 - (B) the sum of (i) the alternate benchmark rate and (ii) the adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Lender as the replacement for the then-current

Benchmark giving due consideration to (x) any selection or recommendation by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining an alternate benchmark rate or adjustment (or method for calculating or determining such adjustment) for the replacement of the then-current Benchmark for Dollar-denominated credit facilities.

If the Benchmark Replacement as determined pursuant to clause (A) or (B) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Bond and the other Loan Documents.

- iii. “Benchmark Transition Event” means (a) the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (i) such administrator has ceased or will cease on a specified date to provide such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or (ii) such Benchmark is not, or as of a specified future date will not be, representative or (b) the Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Lender, to make, maintain or fund the Loan whose interest is determined by reference to the then-current Benchmark or to determine or charge interest rates based upon the then-current Benchmark.
- iv. “Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “U.S. Government Securities Business Day”, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or other notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate and to permit the administration thereof by the Lender in such manner as the Lender shall reasonably select.
- v. “Relevant Governmental Body” means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.
- vi. “Replacement SOFR” means SOFR, with the accrual methodology and other conventions for such rate being established by the Lender in its reasonable

discretion; provided, further, that if Replacement SOFR shall be less than the Floor, then Replacement SOFR shall be deemed to be the Floor for the purposes of this Bond and the other Loan Documents.

- vii. “SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.
 - viii. “SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).
4. All of the Borrower’s obligations under the foregoing Sections 1 and 2 shall survive any assignment of rights by the Lender, termination of its commitments under the Loan Agreement and repayment of the Obligations.

Resolution No. 2025-

Resolution authorizing the issuance of multifamily housing revenue refunding bonds for the benefit of Rowland Investments, LLC, pursuant to Minnesota Statutes, Chapters 462C and 474A, as amended, and approving the execution and delivery of the bonds and related documents

Be it resolved by the City Council (the "Council") of the City of Minnetonka, Minnesota (the "City") as follows:

Section 1. Recitals.

- 1.01. The City is a home rule city duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota.
- 1.02. Pursuant to Minnesota Statutes, Chapters 462C and 474A, as amended (the "Act"), the City is authorized to issue revenue bonds to provide funds to finance or refinance multifamily rental housing developments located within the City.
- 1.03. On July 8, 2015, the City issued its Multifamily Housing Revenue Bonds (Rowland Apartments Project), Series 2015 (the "Prior Bonds"), in the original aggregate principal amount of \$16,100,000, pursuant to the Act. The Issuer loaned the proceeds of the Prior Bonds to Rowland Investments, LLC, a Minnesota limited liability company (the "Borrower"), to finance the acquisition, construction, and equipping of a four-story, approximately 106-unit multifamily rental housing development and functionally related facilities located at 5709 Rowland Road, Minnetonka, Minnesota (the "Project"), which is owned by the Borrower.
- 1.04. As required by the Act and Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the City received allocation of bonding authority for the Prior Bonds from the State of Minnesota.
- 1.05. As required by Section 462C.03, subdivision 1a of the Act, the City prepared a housing program with respect to the Project (the "Housing Program") and submitted the Housing Program to Metropolitan Council for review and comment. The Council approved the Housing Program.
- 1.06. The Borrower has requested that the City issue one or more series of tax-exempt or taxable revenue refunding obligations (the "Bonds"), in the estimated principal amount not to exceed \$13,520,000, and loan the proceeds to the Borrower for the purposes of redeeming and prepaying the outstanding Prior Bonds, thereby refinancing the Project.
- 1.07. A notice of public hearing (the "Public Notice") was published in the *Sun Sailor*, the official newspaper of and a newspaper of general circulation in the City, with respect to the required public hearing under Section 147(f) of the Code and Section 462C.04, subdivision 2 of the Act.

1.08. The Public Notice was published at least seven (7) days before the regularly scheduled meeting of the Council, and on the date hereof, the Council conducted a public hearing on the proposed issuance of the Bonds to refinance the Project, at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing.

Section 2. The Bonds.

2.01. The Borrower has requested that the City issue, sell, and deliver the Bonds in the estimated aggregate principal amount not to exceed \$13,520,000. The Bonds are proposed to be purchased by The Huntington National Bank, a national banking association and successor-by-merger to TCF Investments Management, Inc. (the "Lender").

2.02. The proceeds derived from the sale of the Bonds will be loaned by the City to the Borrower pursuant to the terms of a Loan Agreement (the "Loan Agreement") between the City and the Borrower.

2.03. The Bonds will be issued pursuant to this resolution and the Act, and the Bonds and the interest thereon (i) shall be payable solely from the revenues pledged therefor under the Loan Agreement and additional sources of revenues provided by or on behalf of the Borrower; (ii) shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City's interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the City.

2.04. The loan repayments to be made by the Borrower under the Loan Agreement will be fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The City will assign its rights to the basic payments and certain other rights under the Loan Agreement to the Lender pursuant to the terms of an Assignment of Loan Agreement (the "Assignment of Loan Agreement") between the City and the Lender. The Borrower will secure its obligations under the Loan Agreement by executing and delivering an Amended and Restated Mortgage, Security Agreement, Fixture Filing, and Assignment of Leases and Rents (the "Mortgage") between the Borrower and the City and an Amended and Restated Assignment of Leases and Rents (the "Assignment of Leases and Rents") between the Borrower and the City. The City's interest in the Mortgage and the Assignment of Leases and Rents will be assigned to the Lender pursuant to the terms of an Assignment of Amended and Restated Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents and of Assignment of Amended and Restated Leases and Rents (the "Assignment of Mortgage and Assignment of Leases and Rents") by the City in favor of the Lender. In addition, the members of the Borrower (the "Guarantors") will provide a joint and several personal guaranty (the "Guaranty") to the Lender for the payment of principal of and interest on the Bonds.

2.05. The City acknowledges, finds, determines, and declares that the issuance of the Bonds is authorized by the Act and is consistent with the purposes of the Act and

that the issuance of the Bonds, and the other actions of the City under the Loan Agreement and this resolution constitute a public purpose and are in the interests of the City. In authorizing the issuance of the Bonds for the financing of the Project and the related costs, the City's purpose is and the effect thereof will be to promote the public welfare of the City and its residents by providing multifamily housing developments for low or moderate income residents of the City and otherwise furthering the purposes and policies of the Act.

- 2.06. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Bonds in the estimated aggregate principal amount not to exceed \$13,520,000. The Bonds shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be in the aggregate principal amount, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the form of Bonds now on file with the City, with the amendments referenced herein. The City hereby authorizes the Bonds to be issued, in whole or in part, as "tax-exempt bonds," the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes.

All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bonds shall be substantially in the form on file with the City, which form is hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturities of the Bonds, the interest rates on the Bonds and the terms of redemption of the Bonds) as the Mayor and the City Manager, in their discretion, shall determine. The execution of the Bonds with the manual or facsimile signatures of the Mayor and the City Manager and the delivery of the Bonds by the City shall be conclusive evidence of such determination.

- 2.07. The Bonds shall be special, limited obligations of the City payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement, including revenues derived from the Project. The Council of the City hereby authorizes and directs the Mayor and the City Manager to execute the Bonds in accordance with the terms thereof.

- 2.08. The Mayor and the City Manager are hereby authorized and directed to execute and deliver the Loan Agreement. All of the provisions of the Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Loan Agreement shall be substantially in the form on file with the City which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, and as the Mayor and the City Manager, in their discretion, shall determine, and the execution thereof by the Mayor and the City Manager shall be conclusive evidence of such determinations.

- 2.09. To ensure compliance with certain rental and occupancy restrictions imposed by the Act and Section 142(d) of the Code, and to ensure compliance with certain restrictions imposed by the City, the Mayor and City Manager are also hereby authorized and directed to execute and deliver an Amended and Restated Regulatory Agreement (the "Regulatory Agreement") between the City, the Borrower, and the Lender, which amends and restates the Regulatory Agreement executed in connection with the issuance of the Prior Bonds. All of the provisions of the Regulatory Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Regulatory Agreement shall be substantially in the form on file with the City which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Mayor and the City Manager, in their discretion, shall determine, and the execution thereof by the Mayor and the City Manager shall be conclusive evidence of such determination.
- 2.10. The Mayor, the City Manager, and the Finance Director are hereby authorized to execute and deliver, on behalf of the City, such other documents and certificates as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including the Assignment of Loan Agreement, the Assignment of Mortgage and Assignment of Leases and Rents, various certificates of the City, an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038 (Rev. February 2022), with respect to the Bonds, an endorsement of the City to the tax certificate of the Borrower, and similar documents, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Bonds. The City hereby authorizes Kutak Rock LLP, as bond counsel to the City ("Bond Counsel"), to prepare, execute, and deliver its approving legal opinions with respect to the Bonds.
- 2.11. The City hereby authorizes the Borrower to provide such security for payment of its obligations under the Loan Agreement and for payment of the Bonds, including the Mortgage, one or more guaranties, or any other security agreed upon by the Borrower and the Lender, and the City hereby approves the execution and delivery of such security.

Section 3. Additional Findings and Certifications.

- 3.01. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the City or the Council by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the City or by such members of the Council, or such officers, board, body or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Council, or any officer, agent or employee of the City in that person's individual capacity, and neither the Council nor any officer or employee executing the Bonds shall be personally liable on the

Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant or agreement contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to a general or moral obligation of the City or any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement which are to be applied to the payment of the Bonds, as provided therein.

- 3.02. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied is intended or shall be construed to confer upon any person or firm or corporation, other than the City, any holder of the Bonds issued under the provisions of this resolution, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the City, and any holder from time to time of the Bonds issued under the provisions of this resolution.
- 3.03. In case any one or more of the provisions of this resolution, other than the provisions contained in the first sentence of Section 2.07 hereof, or of the aforementioned documents, or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Bonds, but this resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.
- 3.04. The Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.
- 3.05. The officers of the City, Bond Counsel, other attorneys, engineers, and other agents or employees of the City are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Bonds, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this resolution. If for any reason the Mayor or the City Manager is unable to execute and deliver the documents referred to in this resolution, such documents may be executed by any member of the Council or any officer of the City delegated the duties of the Mayor or the City Manager

with the same force and effect as if such documents were executed and delivered by the Mayor or the City Manager.

3.06. The Borrower shall pay the administrative fee of the City on the date of issuance of the Bonds in the amount of one-eighth of one percent (0.125%) of the outstanding principal amount of the Bonds. The Borrower will also pay, or, upon demand, reimburse the City for payment of, any and all costs incurred by the City in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued, including any costs for attorneys' fees.

Section 4. Effective Date.

4.01. This resolution shall be in full force and effect from and after its approval. The approvals contained in the resolution are effective for one year after the date hereof.

Adopted by the City Council of the City of Minnetonka, Minnesota, on June 9, 2025.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

- Motion for adoption:
- Seconded by:
- Voted in favor of:
- Voted against:
- Abstained:
- Absent:
- Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on June 9, 2025.

Becky Koosman, City Clerk

**City Council
Agenda Item 13.D
Meeting of June 9, 2025**



Title: Use of the Community Investment Fund to finance renovation of Ice Arena Rink B Refrigeration Improvement Project

Report from: Kevin Maas, SFP, Facilities Manager

Submitted Through: John Heckmann, Ice Arena Manager
Mike Kuno, P.E., Deputy Public Works Director
Will Manchester, P.E., Public Works Director
Kelly O’Dea, Recreation Director
Darin Nelson, Finance Director
Erik Nilsson, City Attorney
Mike Funk, City Manager

Presenter: Mike Kuno, P.E., Deputy Public Works Director

Action Requested: Public Hearing and Motion

Form of Action: Report

Votes needed: 5 votes

Summary Statement

The city council ordered the advertisement for bid and held the first of two required public hearings regarding the Community Investment Fund at the March 3, 2025 council meeting. The Ice Arena Rink B Refrigeration Improvement Project proposes to install a new ammonia refrigeration system for Rink B and to replace the existing R-22 refrigerant and refrigeration equipment, which has expended its useful life. The project, in addition to replacement of the system, further includes operating equipment, refrigeration controls, electrical, plumbing and structural improvements to support the system.

Recommended Action

1. Continue the public hearing and accept comments.
2. Motion to adopt the resolution authorizing the use of the Community Investment Fund to finance improvements to Ice Rink B and award the contract for the Rink B Refrigeration Improvement Project, Project No. 25205, to Total Mechanical Services, Inc. in the amount of \$2,137,400, which includes Option 2 add and Voluntary Deducts.
3. Amend the 2020-2024, 2023-2027, and 2024-2028 Capital Improvement Programs (CIP) and authorize the public works director to expend the allocated funds for project costs without further council approval, provided the total project costs do not exceed the project budget of \$2,335,000.

Strategic Plan Relatability

Infrastructure & Asset Management

The Ice Arena Rink B Refrigeration Improvement Project includes replacement of the refrigeration system to extend the operational life of the facility as well as provide energy savings and efficiencies,

following Desired Outcome 5.1 to improve reliability and efficiency of facilities.

Financial Consideration

Yes

The Ice Arena Rink B Refrigeration Improvement Project is budgeted in 2025 of the 2025 – 2029 Capital Improvement Program through the use of the city’s Community Investment Fund. Following bids received, additional Capital Improvement Program amendments to the 2020-2024, 2023-2027 and 2024-2028 CIPs are required to meet the financial obligations of the project. Because refrigeration equipment requires long lead times to manufacture and deliver, the actual financial obligations would occur in 2026 at the time of the project.

Background

See attached Supplemental Background Report.

ATTACHMENTS:

[Supplemental Background Report](#)

[Resolution](#)

[Addendum](#)

Supplemental Background Report

The existing refrigeration system in Arena B was installed in 2003 and uses a combination of glycol and R22 refrigerant. The system is an "indirect" system, which means that the source of cooling is circulation of glycol refrigerant directly into the rink floor, which is then cooled by R22 refrigerant. While this method of cooling (providing an ice surface) is efficient in many ways, it has become extremely expensive because of the rising costs of R22 refrigerant. The U.S. Environmental Protection Agency banned the production and import of R22 refrigerant on Jan. 1, 2020. As a result, ice arenas using direct R22 refrigerant need to replace these systems with an alternative form of cooling or risk not being able to secure or afford R22 refrigerant needed to operate the system. For most arenas, including Minnetonka, the preferred replacement system is using ammonia to glycol which is circulated through the rink floor.

In November of 2024 council took action that rejected a single bid and ordered re-advertisement of the project. Staff and the consulting engineer undertook value engineering review with the goal of reducing costs. Three primary items were identified to reduce costs:

1. Extend the project timeline to 2026 from the originally planned 2025.
2. Reduce the condenser(s) from two to one, reducing the construction footprint.
3. Allow contractors to provide value-engineering suggestions with bids.

Proposed Improvements

The proposed improvements include installation of a new ammonia refrigeration system for Rink B, including demolition and removal of existing R-22 refrigerant and refrigeration equipment, wiring, and HVAC, as well as installation of new refrigeration equipment, HVAC, electrical, plumbing, and structure to support the new system. The system would include a new ammonia dispersion tank with ammonia detection and an alarm system to maintain the safe operation, including auto-dialer to communicate any alarms to personnel directly. Mechanical and electrical systems would include installation of new code-compliant ventilation system, pumps, compressors and control panel for the system.

Bid Opening (Rebid)

On March 3, 2025, council ordered improvements, accepted plans and specifications and authorized the advertisement for bids for Ice Arena Rink B Refrigeration Improvement Project, continuing the public hearing to a future date. Notification of the June 9, 2025 public hearing was provided in the city's official publication.

Bids were opened for the project on May 22, 2025. Two bids were received in response to the call for bids, and the results are as follows:

Contractor	Base Bid	Option 1 – Rink A Drum	Option 2 – Fence Screening	Option 3 – Multiple Compressor	Voluntary Deducts	Total Bid with Option 2 Add and Voluntary Deducts
Total Mechanical Services, Inc.	\$2,271,000.00	\$102,748.00	\$16,400.00	\$320,391.00	\$150,000.00	\$2,137,400.00
Egan	\$2,506,500.00	\$117,020.00	\$4,190.00	\$344,270.00	N	\$2,510,690.00
<i>Engineers Estimate</i>	<i>\$2,000,000.00</i>	<i>\$90,000.00</i>	<i>\$15,000.00</i>	<i>\$300,000.00</i>	<i>\$100,000</i>	<i>\$1,915,000.00</i>

Three bid alternate options were included in the project to consider based on bids received; the replacement of an end of life piece of drum equipment at Rink A (Option 1), a screening fence on the exterior of Rink B (Option 2) and multiple compressor system (Option 3). Further, the bid included contractor options for voluntary deducts in which the low bid included alternatives to pipe coatings for a reduced cost.

At this time, staff is recommending Option 2 and Voluntary Deducts with the project recommendations. The low bidder, Total Mechanical Services, Inc. has satisfactorily completed projects in Minnetonka.

Estimated Project Costs and Funding

The total estimated construction costs, including engineering, administration and contingency, for the Ice Arena B Refrigeration Improvements Project is \$2,335,000. The 2025 – 2029 Capital Improvements Program (CIP) includes \$2,000,000 for the project which is proposed to be funded through the Community Investment Fund (CIF). The proposed project funding includes amendments to previous year CIP's in 2020-2024, 2023-2027, and 2024-2028 to utilize project savings as well as delay the 2026 ice arena vestibule improvements in order to accommodate the project. The 2026-30 CIP would not need to be amended as it has not yet been adopted, however \$125,000 has been removed.

The budgeted amounts for the project are shown below with estimated project costs.

	Budget Amount	Proposed Funding	Expense
Construction Costs			\$2,137,400
Contingency			\$150,000
Engineering, Admin. and Indirect Costs			\$48,000
Community Investment Fund	\$2,000,000	\$2,000,000	
Royal Athletic Center Improvements (2020-2024 CIP #S20103) - Amend		\$85,000	
Sustainable Initiatives (2023-2027 CIP #S23412) - Amend		\$75,000	

Building Roof Replacements (2024-2028 CIP #S24105) - Amend		\$50,000	
Ice Arena vestibule Improvements (2026-2030 CIP)		\$125,000	
Total Budget	\$2,000,000	\$2,335,000	\$2,335,000

As a reference, the November 2024 rejected project cost was \$2,885,000. The current estimated project cost is \$2,335,000 for a change in city expense of \$550,000.

Schedule

The project anticipates a three to four month construction period once all equipment is on-site and shall be completed over the summer of 2026, during the off-season for the rink.

Consideration of Expenditure from Community Investment Fund

In order to utilize funds available from the CIF, the city council must establish six findings based on Minnetonka City Code 230.025. The six findings are described below followed by a discussion of the issues supporting the use of CIF funds for the proposed Ice Arena Rink B Refrigeration Improvements.

Funding Source

Capital Investment Fund - Ice Arena B Improvements	\$2,000,000
Capital Improvement Fund	\$ 335,000

Finding #1 - The project has sufficient community-wide benefit as determined by a review of its intended users, the degree to which it addresses a community-wide need or problem, and its consistency with other City goals, programs or policies.

The Minnetonka Ice Arena currently provides 40% of the total ice time available for use by the Minnetonka and Hopkins community. Primary users of the facility include the Lake Minnetonka Figure Skating Club (LMFSC), Minnetonka Youth Hockey Association (MYHA), Hopkins Youth Hockey Association (HYHA) and the boys and girls programs from both Minnetonka and Hopkins High Schools.

Ice arenas A & B are the only community ice arenas that allow for ice related programming outside of traditional hockey programs. All LMFSC programming, as well as the city's All Season Skating School, public skating sessions and adult hockey programs rely 100% on ice provided by the Minnetonka Ice Arena.

The Community Investment Fund has been used as the source of funding for three previous ice arena related projects. The first was in 1988 for the construction of Arena B; the second in 1997 when the Arena A roof was replaced; and third in 2015 to replace the Arena A refrigeration system.

Finding #2 - The project to be funded could not occur but for the use of the Community Investment Fund or a tax increase.

Historically, the financial goal of the Minnetonka Ice Arena facility is to operationally break even with revenues supporting expenditures. It has been understood that the operations budget is unable to generate revenues to cover significant capital costs such as the \$2,000,000 project currently proposed.

In previous years, the facility fell short of its operating financial goal primarily due to a number of factors, including construction of additional ice sheets in the near market, aging infrastructure and support spaces and demographic changes. Recently, the ice arena is experiencing an uptick in new user groups that had not previously used the space. This uptick in use can be partially attributed to other recent improvements to the facility. Collectively, all these improvements are intended to return the facility back to being financially sustainable

The use of CIF funds is the preferred alternative to an increase in property taxes.

Finding #3 - The Community Investment Fund is not replacing funding from another previously programmed or available source.

The CIF is not replacing funds from another previous programmed or available source.

Finding #4 - The project has been included in at least two consecutive formally approved Capital Improvement Programs.

The project has been included in the 2023 – 2027 (year 2023) and 2024 -2028 (year 2025) approved Capital Improvement Programs.

Finding #5 - If principal is used, the project has the ability to reasonably repay the funds, and use of the principal does not exceed the equivalent of the last two years' investment earnings from the Community Investment Fund.

Use of CIF principal funding is not proposed for this project.

Finding #6 - An estimate of the ongoing annual operating and maintenance costs has been made and the source(s) for paying for such costs identified.

Once completed, staff estimates an annual \$33,000 reduction in ice arena operating expenditures directly related to increased efficiencies in utilities and reduced refrigeration and mechanical expenses.

Resolution No. 2025-XXX

Resolution authorizing use of the community investment fund to finance renovation of Ice Arena Rink B Refrigeration Improvement Project

BE IT RESOLVED by the City Council of the City of Minnetonka, Minnesota as follows:

Section 1. Background.

- 1.01. The existing refrigeration system in Ice Arena B was installed in 2003 and uses a combination of glycol and R22 refrigerant. The system is an "indirect" system, with the source of cooling being circulation of glycol refrigerant directly into the rink floor which is then cooled by R22 refrigerant. The U.S. Environmental Protection Agency banned the production and import of R22 refrigerant on Jan. 1, 2020.
- 1.02. The Council finds that the elimination of the R22 system is now in need of replacement. Ice arenas using direct R22 refrigerant need to replace these systems with an alternative form of cooling or risk not being able to secure or afford R22 refrigerant needed to operate the system. For most arenas, including Minnetonka, the preferred replacement system is using ammonia to glycol, which is circulated through the rink floor and address a sustainable alternative.

Section 2. Findings of Fact

- 2.01 The proposed project meets the criteria in City Code Section 230.025 and is an appropriate use of the Community Investment Fund (CIF).
- a. **Criteria:** The project has sufficient community-wide benefit as determined by a review of its intended users, the degree to which it addresses a community-wide need or problem, and its consistency with other city goals, programs or policies.

Findings: The Minnetonka Ice Arenas currently provides 40% of the total ice time available for use by the Minnetonka and Hopkins community. Primary users of the facility include the Lake Minnetonka Figure Skating Club (LMFSC), Minnetonka Youth Hockey Association (MYHA), Hopkins Youth Hockey Association (HYHA) and the boys and girls programs from both Minnetonka and Hopkins High Schools.

Ice arenas A & B are the only community ice arenas that allow for ice related programming outside of traditional hockey programs. All LMFSC programming, as well as the city's All Season Skating School, public skating sessions and adult hockey programs rely 100% on ice provided by the Minnetonka Ice Arenas.

The Community Investment Fund has been used as the source of funding for three previous ice arena related projects. The first was in 1988 for the construction of Arena B; the second in 1997 when the Arena A roof was replaced; and third in 2015 to replace the Arena A refrigeration system.

- b. **Criteria:** The project to be funded could not occur but for the use of the Community Investment Fund or a tax increase.

Findings: Historically, the financial goal of the Minnetonka Ice Arena facility is to operationally break even with revenues supporting expenditures. It has been understood that the operations budget is unable to generate revenues to cover significant capital costs such as the \$2,000,000 project currently proposed.

In previous years, the facility fell short of its operating financial goal primarily due to a number of factors, including construction of additional ice sheets in the near market, aging infrastructure and support spaces and demographic changes. Recently, the ice arena is experiencing an uptick in new user groups that had not previously used the space. This uptick in use can be partially attributed to other recent improvements to the facility. Collectively, all these improvements are intended to return the facility back to being financially sustainable

The use of CIF funds is the preferred alternative to an increase in property taxes.

- c. **Criteria:** The Community Investment Fund is not replacing funding from another previously programmed or available source.

Findings: The CIF is not replacing funds from another previous programmed or available source.

- d. **Criteria:** The project has been included in at least two consecutive formally approved Capital Improvement Programs.

Findings: The project has been included in the 2023 – 2027 (year 2023) and 2024 -2028 (year 2025) approved Capital Improvement Programs.

- e. **Criteria:** If principal is used, the project has the ability to reasonably repay the funds, and use of the principal does not exceed the equivalent of the last two years investment earnings from the Community Investment Fund.

Findings: Use of CIF principal funding is not proposed for this project.

- f. **Criteria:** An estimate of the ongoing annual operating and maintenance costs has been made and the source(s) for paying for such costs identified.

Findings: Once completed, staff estimates that the ice arena operating budget can be reduced by \$33,000 annually in the combined areas of utility, refrigeration and mechanical related expenses.

Section 3. Council Action

- 3.01 The Minnetonka City Council authorizes expenditures of up to \$2,000,000 from the Community Investment Fund to finance the renovation of Ice Arena B Improvements.

Adopted by the City Council of the City of Minnetonka, Minnesota, on June 9, 2025.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on June 9, 2025.

Becky Koosman, City Clerk



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

TO: City Council
FROM: Nicole Tingley, Deputy City Clerk
DATE: June 9, 2024
SUBJECT: Item 13D addendum for the June 9, 2025 City Council meeting

ITEM 13D – Use of the Community Investment Fund to finance renovation of Ice Arena Rink B Refrigeration Improvement Project

The second motion for this item was inadvertently missing the second part.

“Motion to adopt the resolution” has been corrected to “Motion to adopt the resolution authorizing the use of the Community Investment Fund to finance improvements to Ice Rink B and award the contract for the Rink B Refrigeration Improvement Project, Project No. 25205, to Total Mechanical Services, Inc. in the amount of \$2,137,400, which includes Option 2 add and Voluntary Deducts.”

This change has been made directly to the staff report.

**City Council
Agenda Item 14.A
Meeting of June 9, 2025**



Title: Accept the 2024 Annual Comprehensive Financial Report and related audit reports with the city's audit firm BerganKDV

Report from: Joel Merry, Assistant Finance Director

Submitted Through: Darin Nelson, Finance Director
Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Mike Funk, City Manager; Andrew Grice, CPA BerganKDV

Action Requested: Motion

Form of Action: Other

Votes needed: 4 votes

Summary Statement

Each year in the spring, the city's finance department prepares the Annual Comprehensive Financial Report (ACFR) that details the operations of the city in conjunction with the required external annual audit from the prior fiscal year ending December 31. Annual audit results are due to the MN Office of the State Auditor and the ACFR is due to the Government Finance Officers Association (GFOA) by June 30.

Recommended Action

Motion to accept the 2024 ACFR and related audit reports with the city's audit firm BerganKDV.

Strategic Plan Relatability

Financial Strength

Desired outcome 1.1 focuses on achieving high level creditworthiness. The preparation and acceptance of the ACFR is a vital component of maintaining the city's Aaa bond rating.

Financial Consideration

N/A

Background

Each year at the conclusion of its audit, the city's auditor reviews the ACFR with the city council. The city has contracted with the audit firm of BerganKDV to conduct its annual audit per an RFP and selection process in 2017.

BerganKDV has issued a clean ("unmodified") opinion on the city's 2024 financial statement audit with no findings. The full auditor opinion can be found in the attached ACFR beginning on page 18. Additionally, for the 2024 Audit, the city was required to have a federal single audit that was completed with no

findings as detailed in the attached single audit report.

Andrew Grice, CPA of BerganKDV, will attend the city council meeting to discuss the results of the 2024 ACFR and the audit. He will be available to respond to any questions of the council regarding the same.

ATTACHMENTS:

[2024 Minnetonka Communications Letter](#)

[2024 Schedule of Expenditures of Federal Awards and Govt Auditing Standards, Uniform Guidance, & Legal Compliance](#)

[2024 Annual Comprehensive Financial Report](#)



**City of Minnetonka
Hennepin County, Minnesota**

Communications Letter

December 31, 2024

**City of Minnetonka
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Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

Honorable Mayor and Members
of the City Council and Management
City of Minnetonka
Minnetonka, Minnesota

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated May 27, 2025, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the Members of the City Council and management and others within the City and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Bergank DV, Ltd.

Minneapolis, Minnesota
May 27, 2025

**City of Minnetonka
Required Communication**

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2024. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**City of Minnetonka
Required Communication**

Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the City's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the City's compliance with those requirements.

In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks of material misstatement:

- **Management Override of Controls** - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- **Misappropriation of Assets** - If duties cannot be appropriately segregated, there is a risk of unauthorized disbursements being made by the City. In addition, generally this results in less review taking place as transactions are recorded in the financial statements.
- **Improper Revenue Recognition** - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the government's operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.
- **Depreciation and Amortization** - Depreciation and amortization expense is generally material to the financial statements and involves significant estimates.
- **Pension Valuation** - Net Pension Liability, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions are generally material to the financial statements and involve significant estimates.
- **Other Post Employment Benefits (OPEB) Valuation** - Total OPEB Liability, Deferred Outflows of Resources Related to OPEB, and Deferred Inflows of Resources Related to OPEB are generally material to the financial statements and involve significant estimates.

**City of Minnetonka
Required Communication**

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements related to:

Depreciation - The City is currently depreciating and amortizing its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB - These balances are based on an actuarial study using the estimates of future obligations of the City for post-employment benefits.

Net Pension Liability, Deferred Outflows of Resources Relating to Pensions and Deferred Inflows of Resources relating to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion unit.

Financial Statement Disclosures

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

City of Minnetonka Required Communication

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**City of Minnetonka
Required Communication**

Other Information Included in Annual Reports (Continued)

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

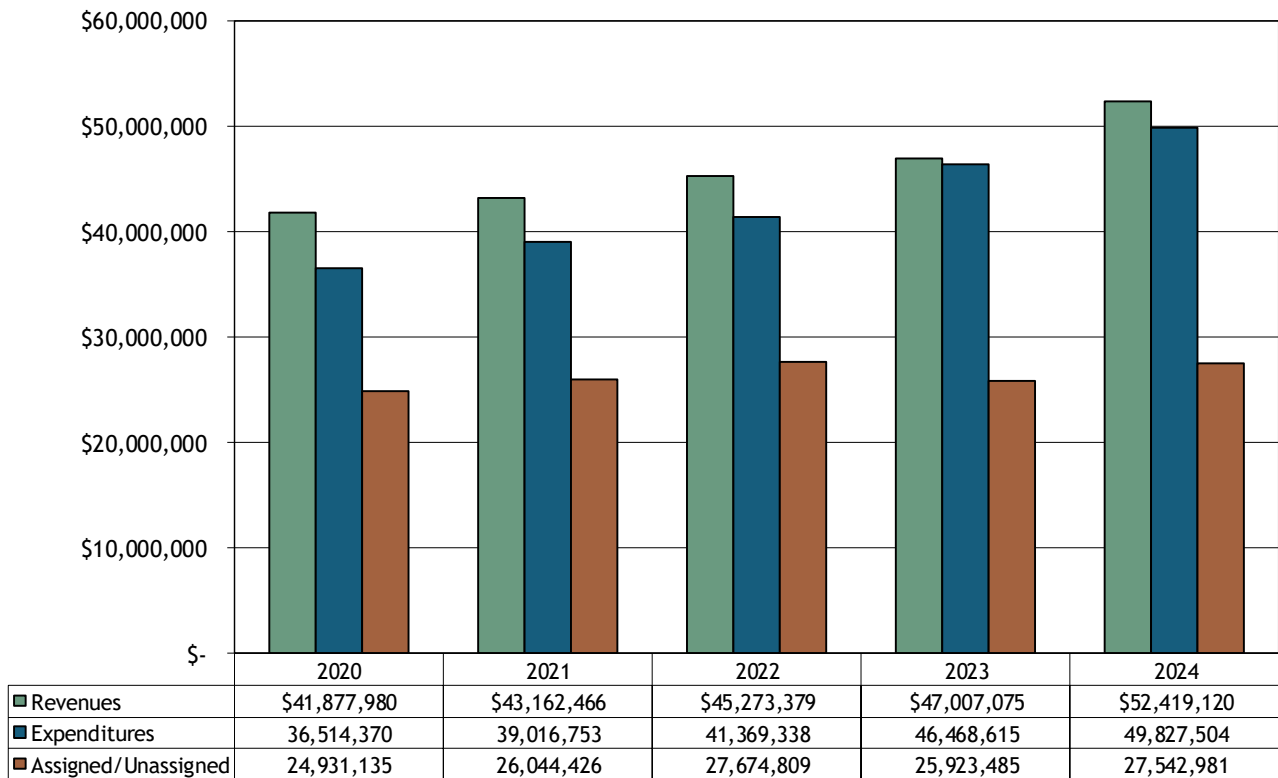
City of Minnetonka Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance.

General Fund

At December 31, 2024, the General Fund unassigned/assigned fund balance was \$27,542,981, an increase of 6.2%, or \$1,619,496, from the 2023 unassigned/assigned fund balance. The components of fund balance for the General Fund and fund balance as a percent of subsequent years' budget are depicted in the graphs below and on the following page.

General Fund



City of Minnetonka Financial Analysis

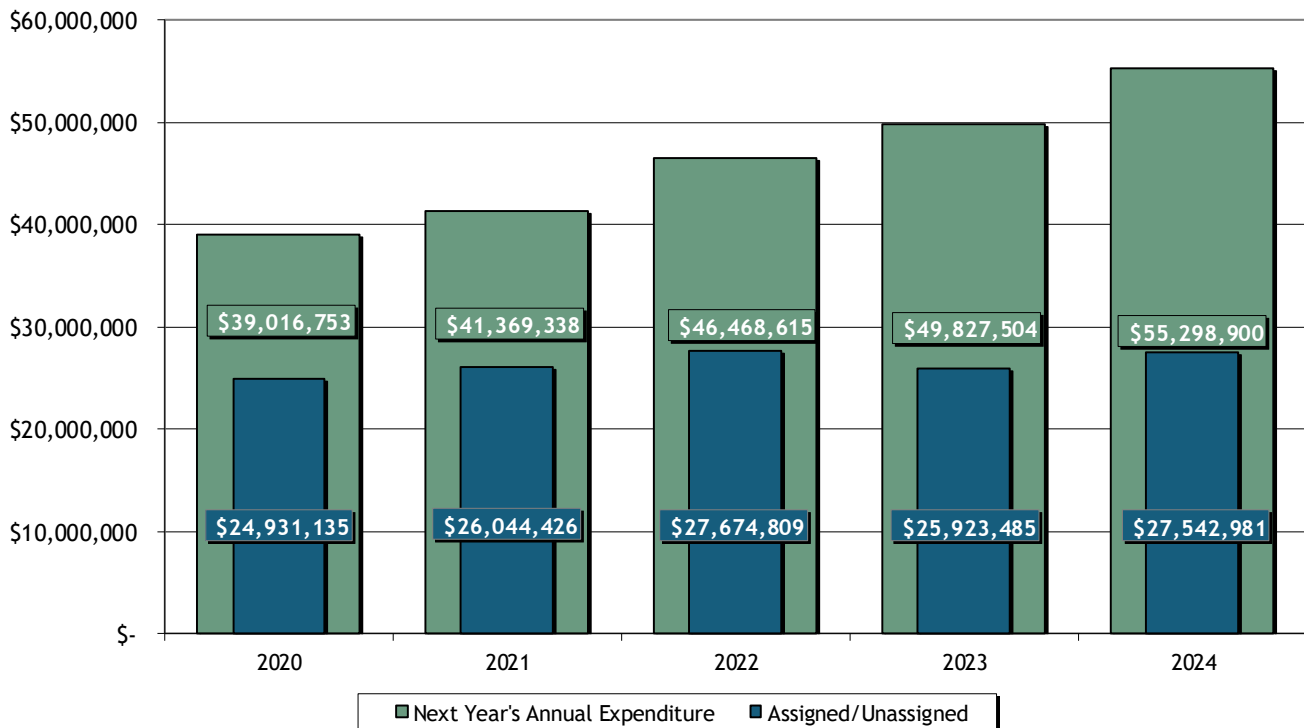
Fund Balance

The table and graph below shows the percentage of the next year's expenditures covered by the General Fund's unreserved fund balance for the past five years. (Note: The next year's annual expenditures for 2024 are based on budgeted expenditures for 2025.)

**Assigned and Unassigned General Fund Balance
Compared to Annual Expenditures**

Year Ended December 31,	Assigned and Unassigned Fund Balance	Next Year's Annual Expenditures	Percentage of Expenditures
2020	\$ 24,931,135	\$ 39,016,753	63.9%
2021	26,044,426	41,369,338	63.0%
2022	27,674,809	46,468,615	59.6%
2023	25,923,485	49,827,504	52.0%
2024	27,542,981	55,298,900	49.8%

**Unassigned/Assigned General Fund Balance
Compared to Annual Expenditures**



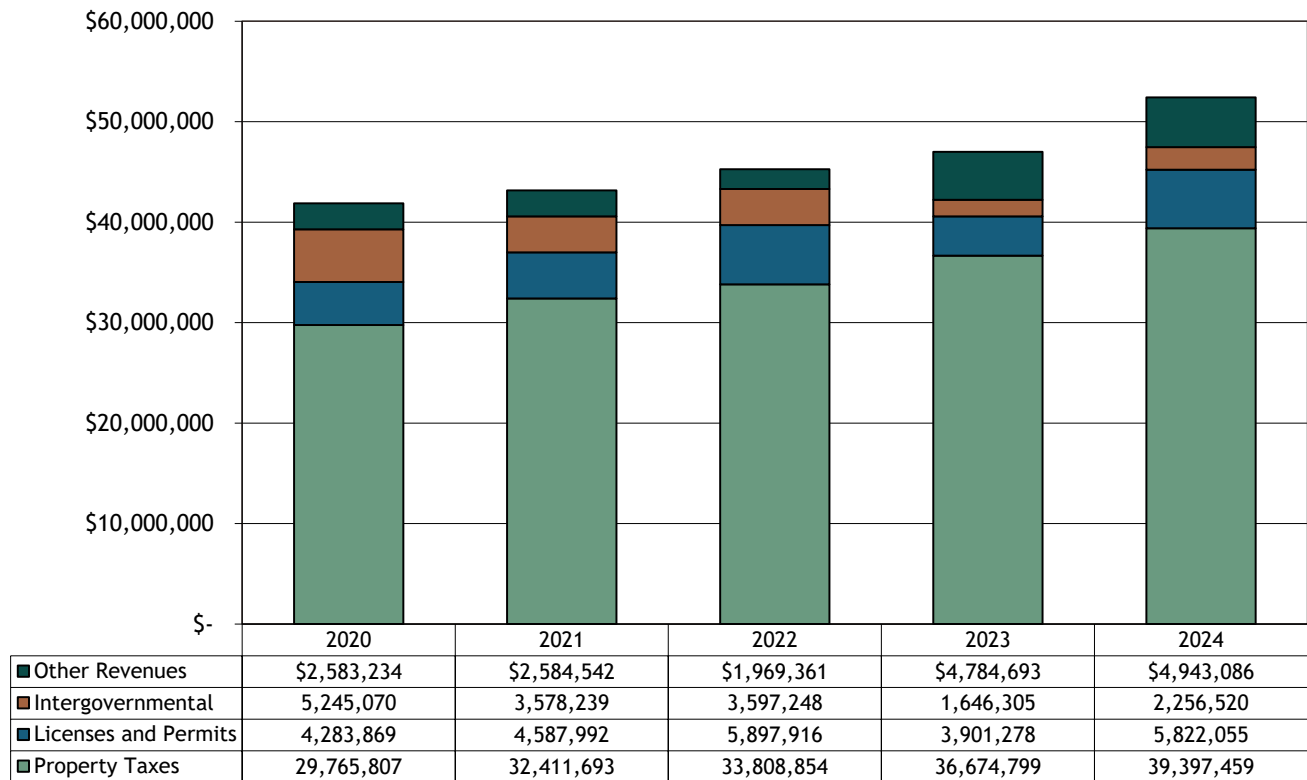
City of Minnetonka Financial Analysis

General Fund Revenues

The chart below depicts the General Fund revenues by source for the past five years. Overall, revenues increased \$5,412,045, or 11.5%, from the prior year, increasing from \$47,007,075 to \$52,419,120.

Property tax revenue increased by \$2,722,660 due primarily to an increase in the tax levy. Property taxes are the main source of revenue for the General Fund and with fluctuations in other sources; these funds are more heavily relied upon. Licenses and permits increased \$1,920,777 as a result of more building permits. Intergovernmental revenue increased \$610,215 due to receiving more state aid revenue as well as some new public safety grants for officer funding.

General Fund Revenues



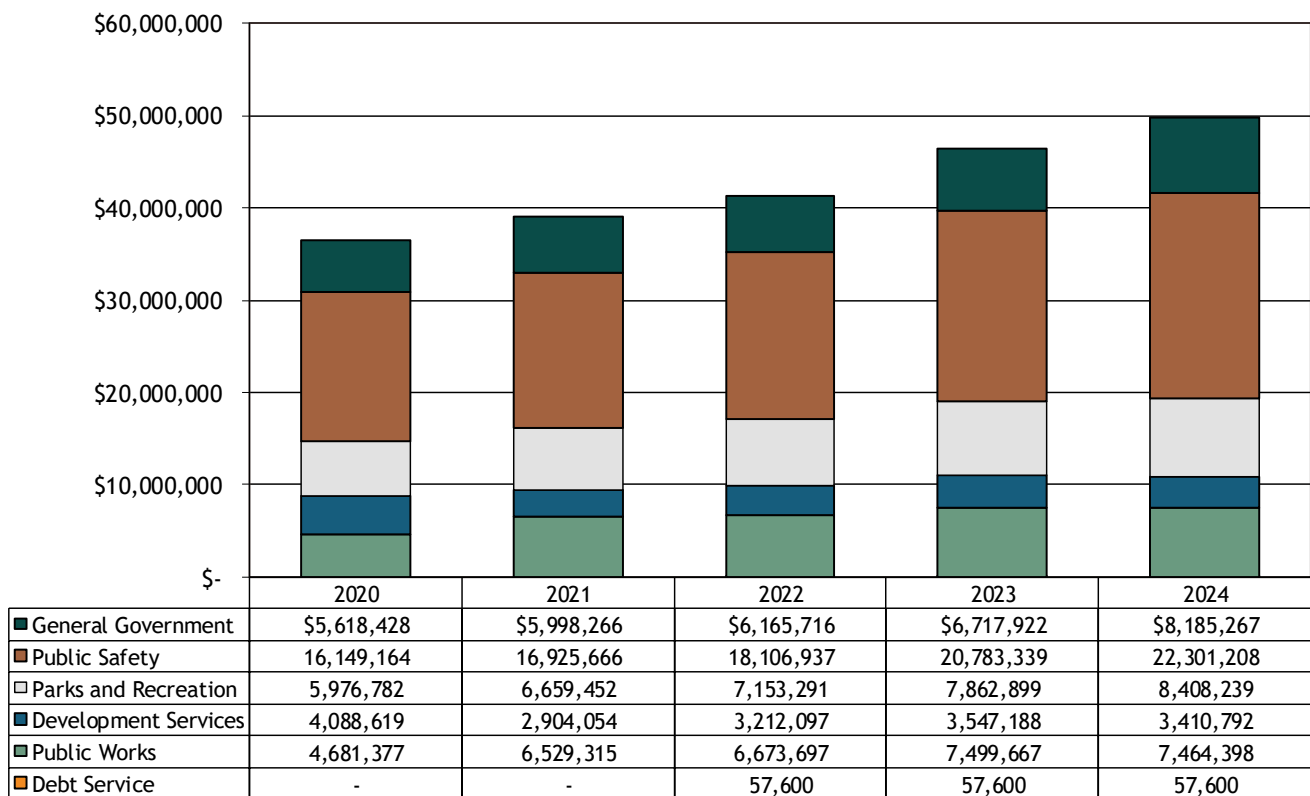
City of Minnetonka Financial Analysis

General Fund Expenditures

The chart below presents General Fund expenditures by function for the past five years. In the past year, General Fund expenditures increased by \$3,358,889, or 7.2%, from \$46,468,615 to \$49,827,504.

Public safety had the largest increase in expenditures of \$1,517,869, or 7.3%, as a result of salary increases during the year. General government increased \$1,467,345 due to an increase in salaries. Parks and recreation increased \$545,340 as a result of spending the ReLeaf Grant and a related increase in salaries. The remaining categories stay consistent with the prior year.

General Fund Expenditures



**City of Minnetonka
Financial Analysis**

General Fund Budget to Actual

For the year ended December 31, 2024, the City budgeted for expenditures and transfers out from the General Fund to exceed revenues and transfers in by \$1,319,200. Actual revenues and transfers in exceeded expenditures and transfers out by \$2,337,407.

Revenues were over budgeted by \$2,416,920, or 4.8%. Licenses and permits revenue were over budget \$2,206,555 as a result of conservative budgeting on building permits. Taxes and assessments revenue were under budget \$465,841 due to timing of delinquent payments. Charges for services revenue were over budget \$352,928 as a result of more overtime for private duty police officers as well as more recreation charges for services than anticipated. All other sources of revenue were relatively consistent with the budget in 2024.

Overall, expenditures were \$1,241,396, or 2.4% under budget. Public works expenditures were under budget by \$530,402 due to conservative budgeting primarily in fleet services. Development services expenditures were under budget by \$362,208 as a result of vacant positions during the year. The other sources of expenditures were relatively consistent with the 2024 budget.

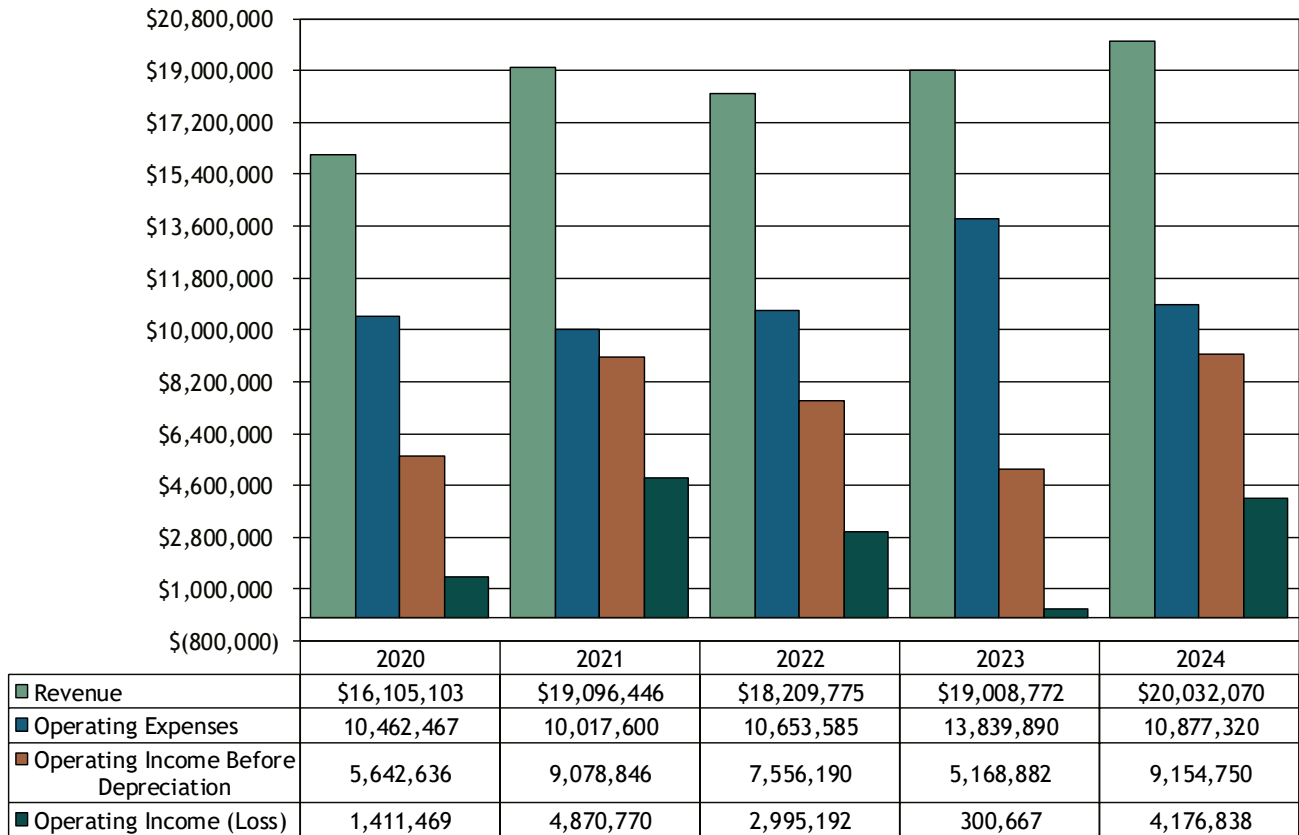
	Final Budget	Actual Amounts	Over (Under) Budget	Budget Variance
Revenue				
Taxes and assessments	\$ 39,863,300	\$ 39,397,459	\$ (465,841)	-1.2%
Licenses and permits	3,615,500	5,822,055	2,206,555	61.0%
Intergovernmental	2,260,700	2,256,520	(4,180)	-0.2%
Charges for services	2,197,800	2,550,728	352,928	16.1%
Fines and forfeitures	125,800	184,853	59,053	46.9%
Miscellaneous and investment Income	1,939,100	2,207,505	268,405	13.8%
Total revenue	50,002,200	52,419,120	2,416,920	4.8%
Expenditures				
General government	8,225,700	8,185,267	(40,433)	-0.5%
Development services	3,773,000	3,410,792	(362,208)	-9.6%
Public works	7,994,800	7,464,398	(530,402)	-6.6%
Public safety	22,590,400	22,301,208	(289,192)	-1.3%
Park and recreation	8,427,400	8,408,239	(19,161)	-0.2%
Debt Service	57,600	57,600	-	0.0%
Total expenditures	51,068,900	49,827,504	(1,241,396)	-2.4%
Other Financing Sources (Uses)				
Net transfers in (out)	(252,500)	(254,209)	(1,709)	0.7%
Net Change in Fund Balance	\$ (1,319,200)	\$ 2,337,407	\$ 3,656,607	-277.2%

City of Minnetonka Financial Analysis

Enterprise Funds

The following graphs show the performance of the Enterprise Funds for the last five years.

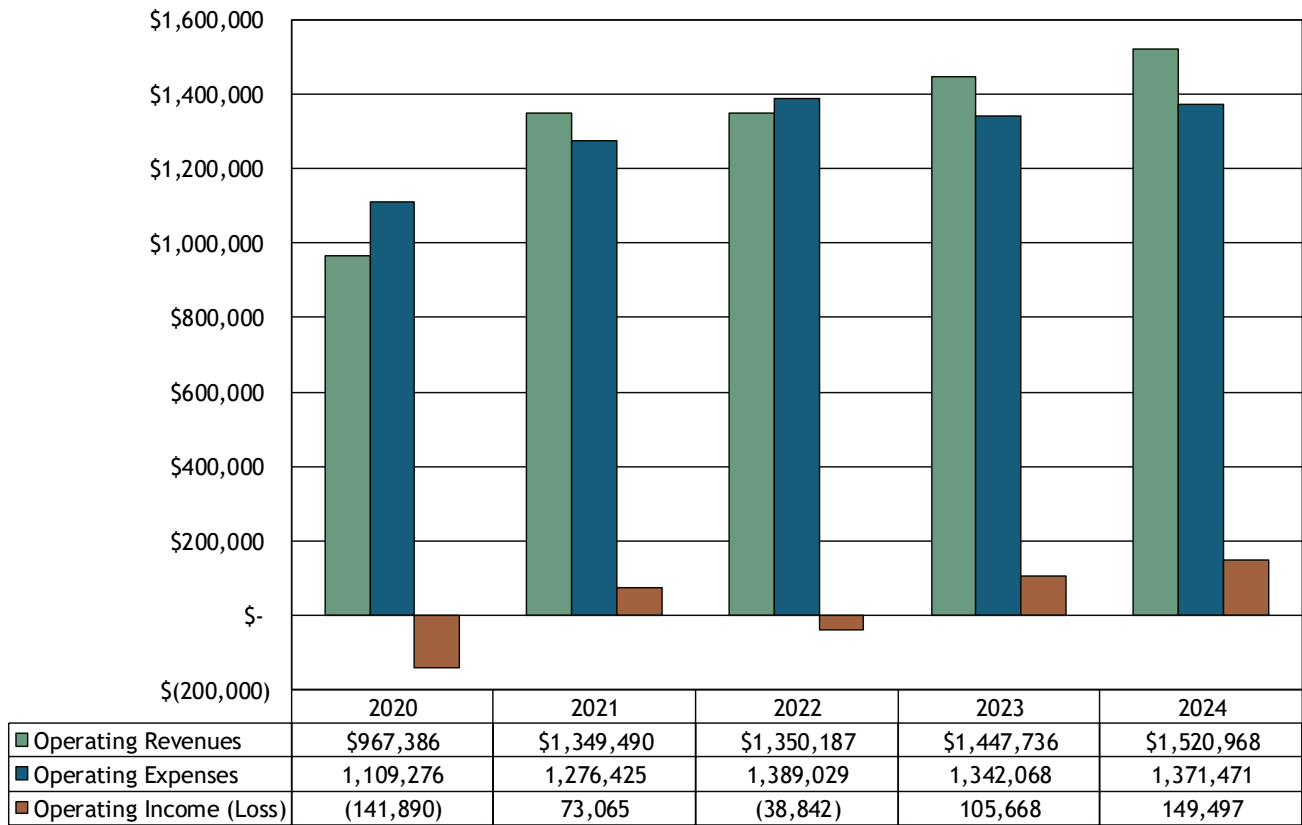
Water and Sewer Utility Operations



**City of Minnetonka
Financial Analysis**

Enterprise Funds (Continued)

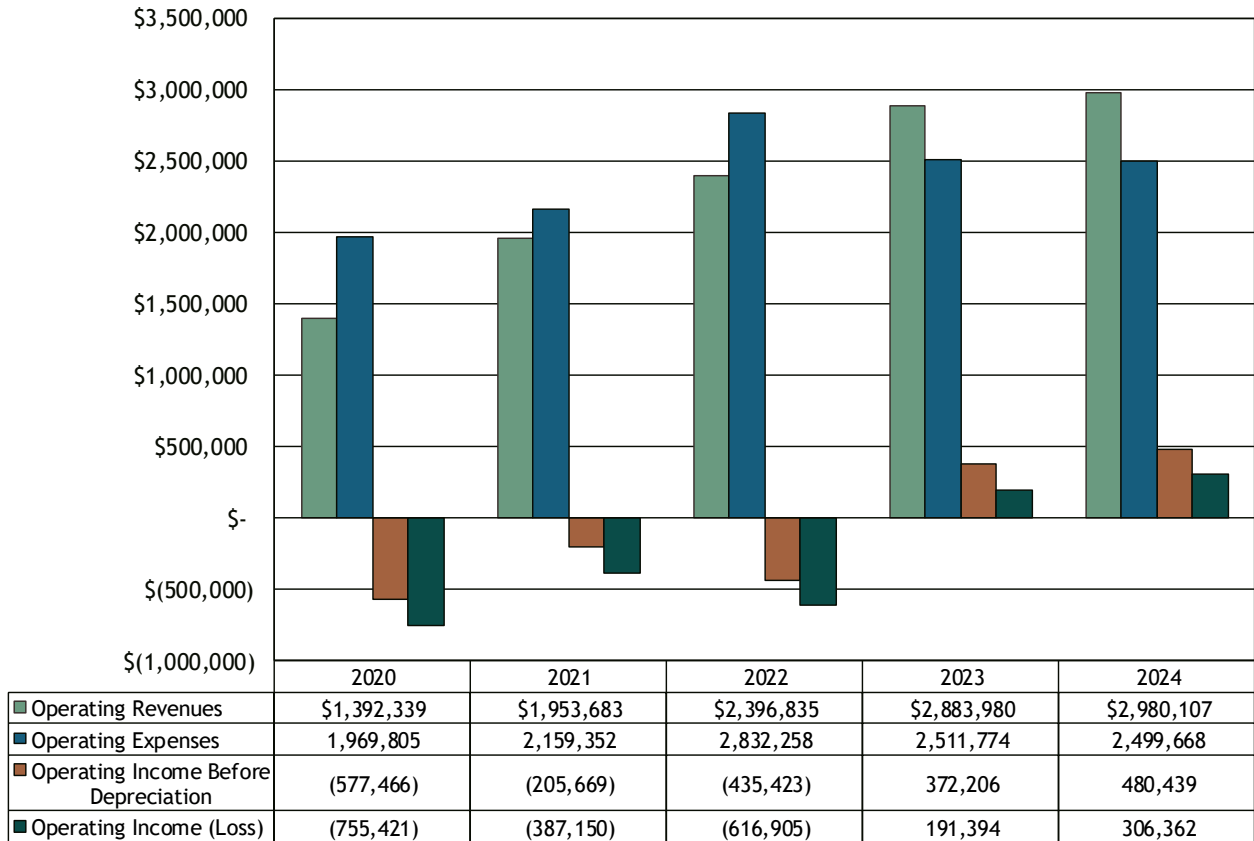
Environmental Fund Operations



**City of Minnetonka
Financial Analysis**

Enterprise Funds (Continued)

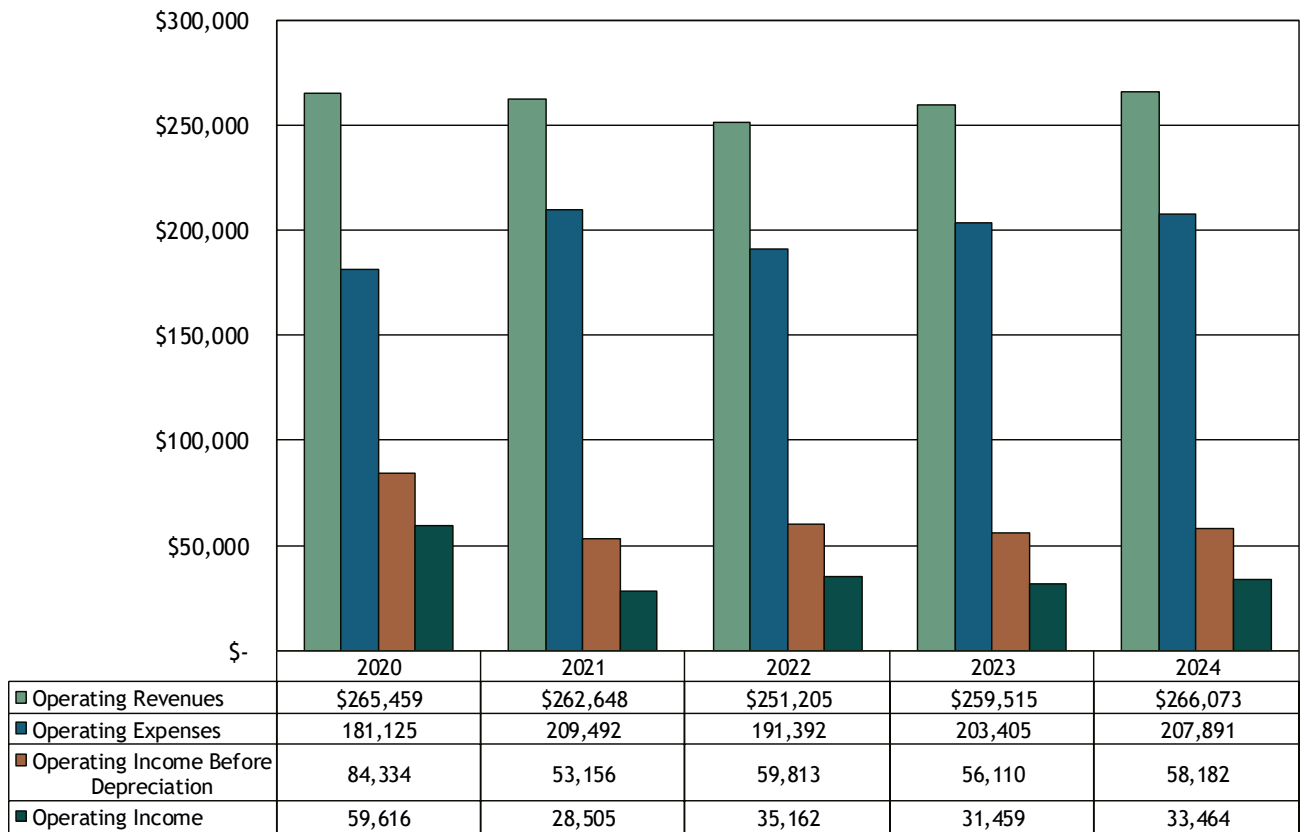
Williston Center Operations



City of Minnetonka
Financial Analysis

Enterprise Funds (Continued)

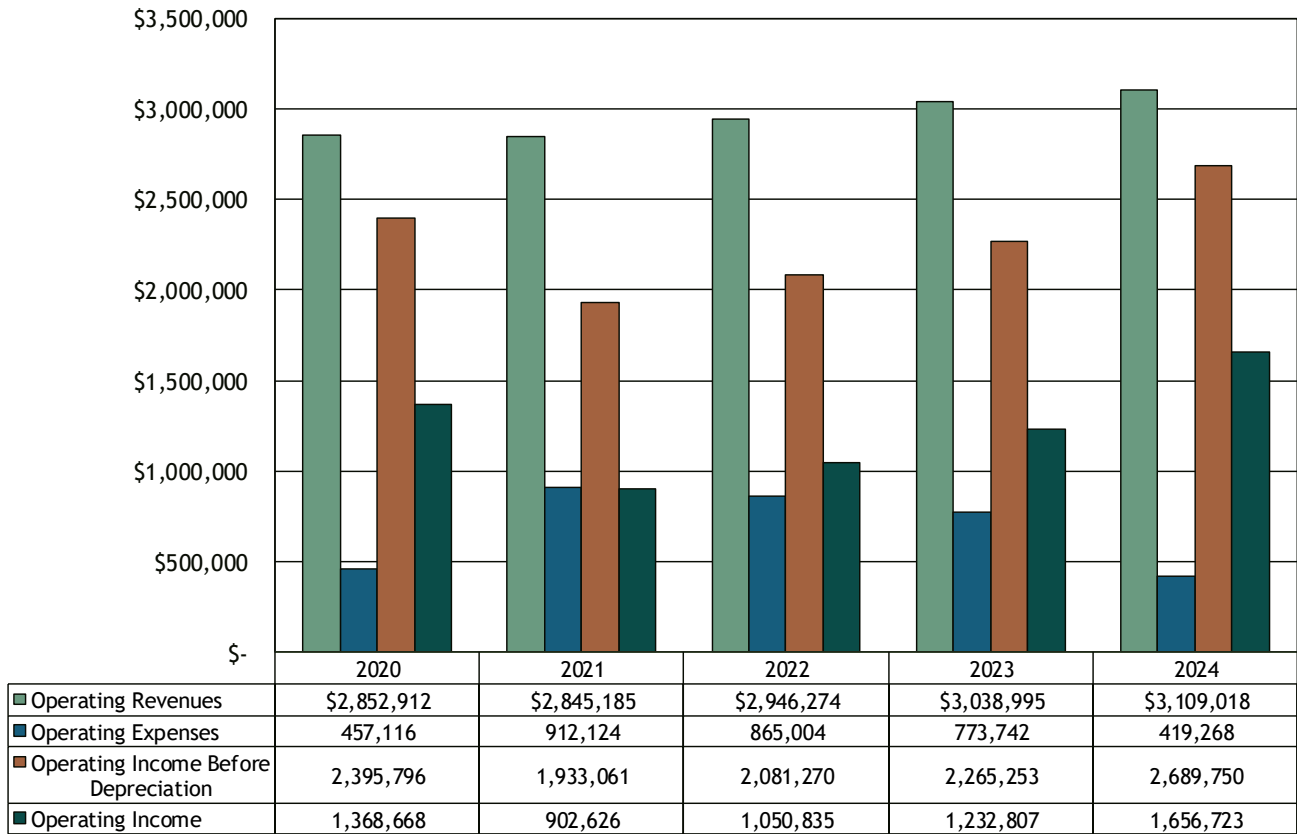
Gray's Bay Marina Operations



**City of Minnetonka
Financial Analysis**

Enterprise Funds (Continued)

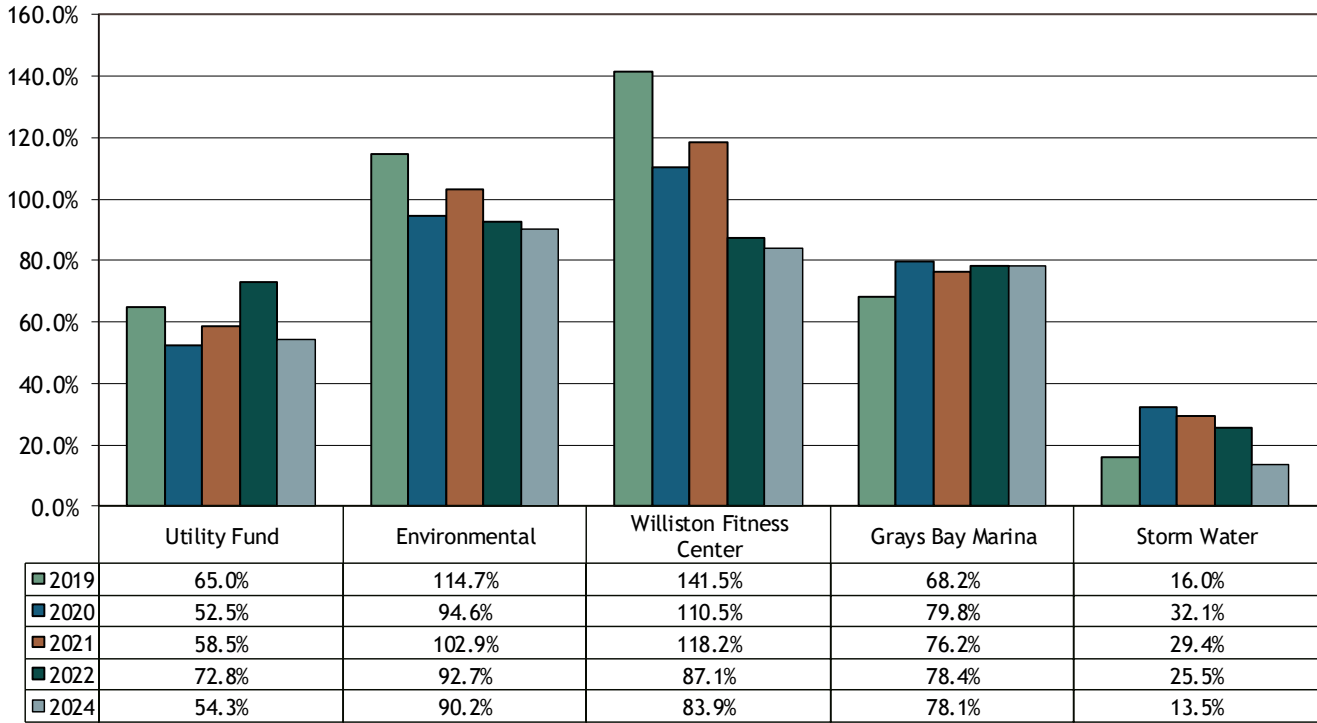
Storm Water Operations



**City of Minnetonka
Financial Analysis**

Enterprise Funds (Continued)

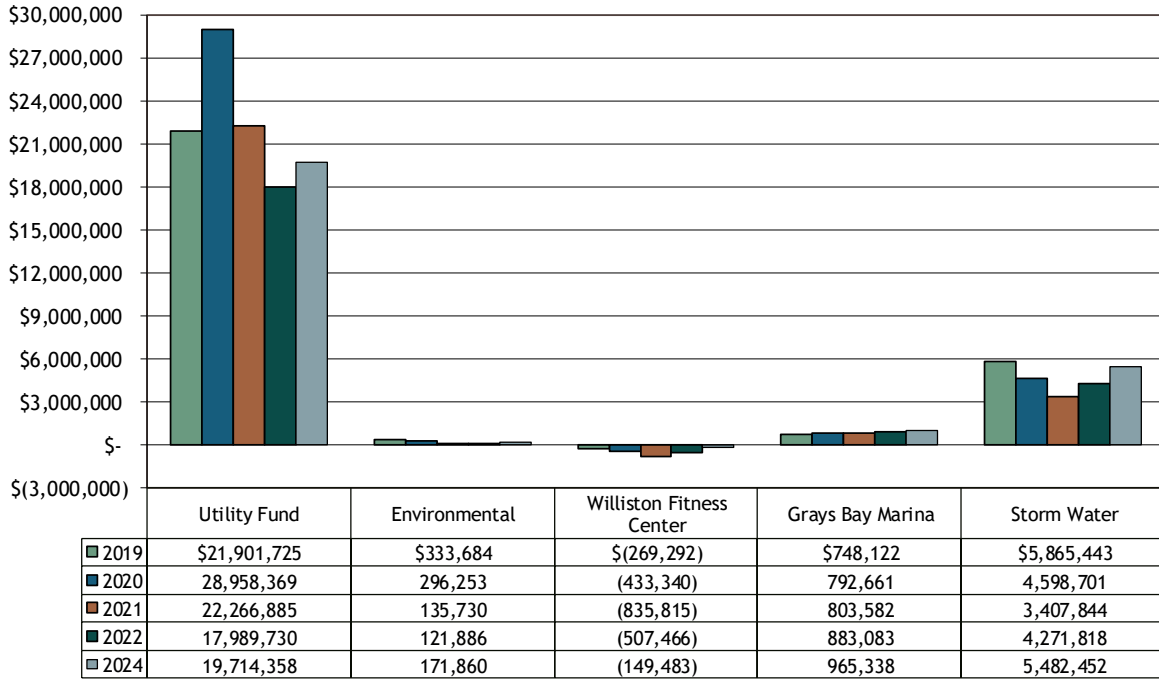
Operating Ratios - Expenses as Percentage of Revenues



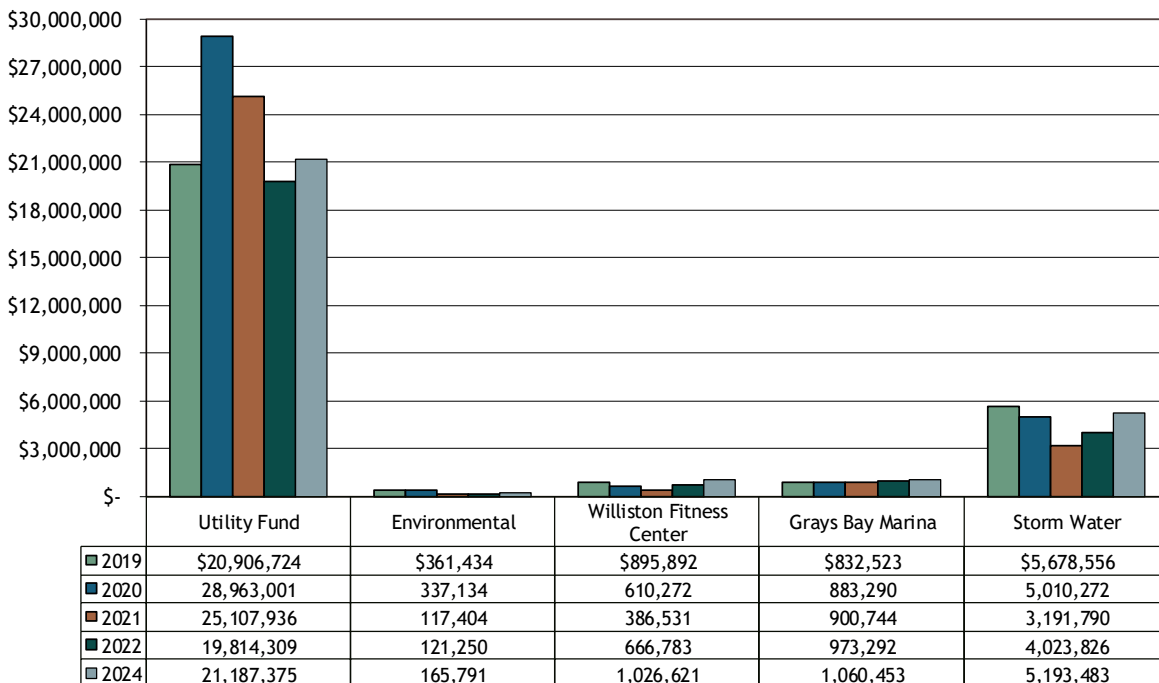
City of Minnetonka Financial Analysis

Enterprise Funds (Continued)

Unrestricted Net Postion



Cash and Investments



City of Minnetonka Financial Analysis

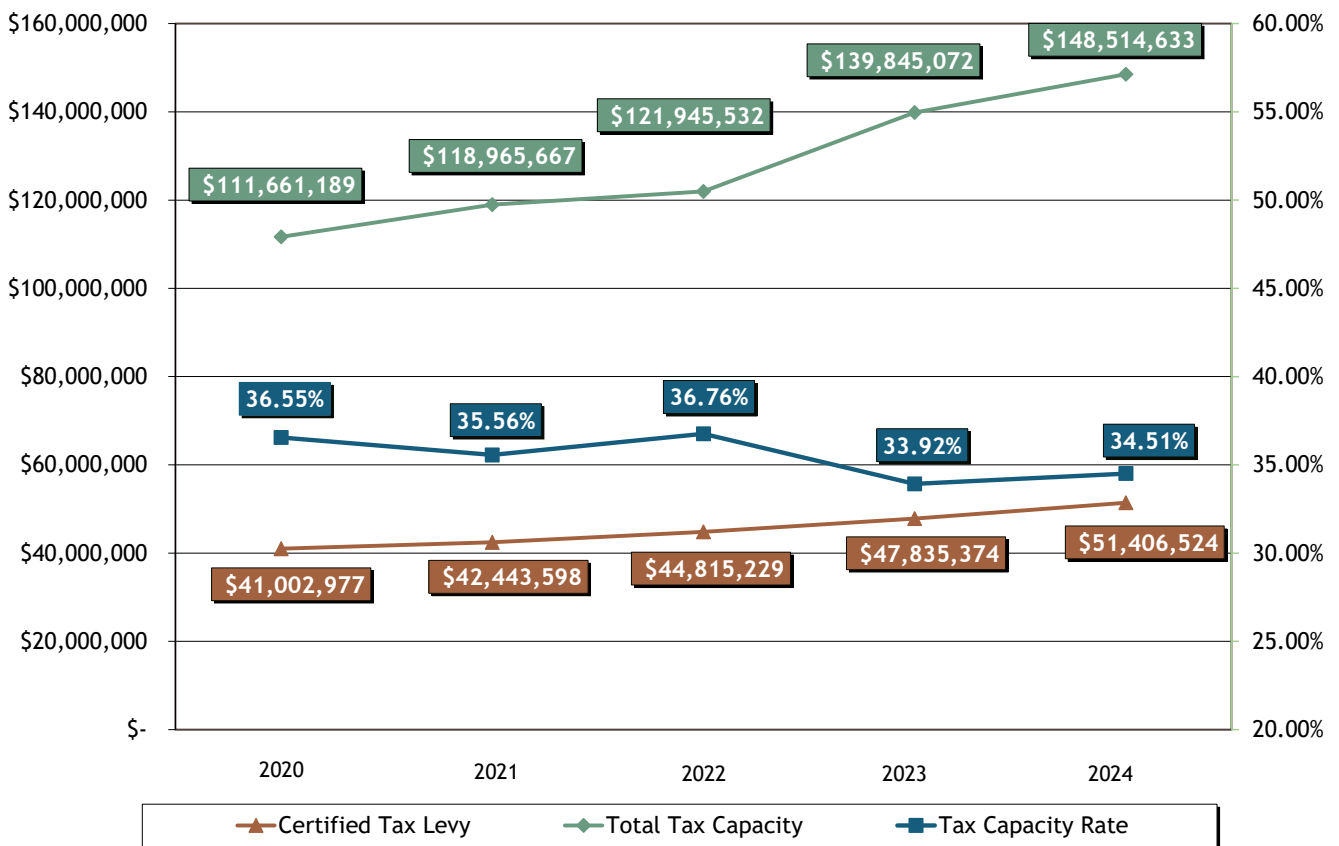
Tax Levy, Capacity, and Rates

The graph below presents information relating to the City's tax levy, tax capacity, and rates.

The levy for 2024 includes the General Fund levy of \$40,039,300 plus levy amounts for the Street Improvement Fund and Capital Replacement Fund of \$6,380,000 and \$1,630,000, respectively. Also included in the certified levy amounts below are levies for debt service and other funds.

As illustrated below, the taxable tax capacity of the City has experienced a steady increase over the last five years. While the City has increased the levy during this period, the tax capacity rate has decreased 2.0 percent due to a larger increase in tax capacity than in the certified tax levy.

Tax Capacity and Tax Levy



City of Minnetonka Emerging Issues

Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures***
GASB has issued GASB Statement No. 102 relating to risk disclosures. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.
- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***
GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.
- **Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***
GASB has issued GASB Statement No. 104 relating to capital asset disclosures. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your City.

**City of Minnetonka
Emerging Issues**

Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures*

The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

This Statement provides definitions for concentration and constraint. A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority.

This Statement requires a government to assess whether a concentration or constraint could present a risk of financial difficulty. The City will need to make a disclosure in the notes to the financial statements if all three of the following criteria are true:

- The City knows about the concentration or constraint prior to financial statement issuance.
- The concentration or constraint makes the City vulnerable to risk of a substantial impact.
- An event or events associated with the concentration or constraint that could cause a substantial impact have either (1) happened; (2) started to happen; or (3) are more likely than not to start happening within 12 months of the financial statements being issued.

If a government determines the above criteria for disclosure have been met, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Disclosures are required for the government as a whole as well as any opinion unit in the financial statements that includes outstanding revenue debt. Disclosures can be combined to avoid unnecessary duplication (e.g., a subsequent event footnote).

GASB Statement No. 102 is effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

**City of Minnetonka
Emerging Issues**

Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

**City of Minnetonka
Emerging Issues**

Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets*

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets continue to be disclosed separately in the capital assets note disclosures including presentation of capital assets by major class and separate disclosure of lease assets, subscription assets, and intangible right-to-use assets.

This Statement requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

**City of Minnetonka
Hennepin County, Minnesota**

**Schedule of Expenditures of Federal Awards and
Reports on Compliance in Accordance with
Government Auditing Standards, Uniform Guidance, and
Legal Compliance**

December 31, 2024

**City of Minnetonka
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City of Minnetonka
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice		
Passed through the State of Minnesota		
Bulletproof Vest Partnership Program	16.607	\$ 62,648
U.S. Department of Transportation		
Passed through the Minnesota Department of Transportation		
Highway Planning and Construction	20.205	2,725,394
Passed through the State of Minnesota		
State and Community Highway Safety	20.600	43,025
Towards Zero Deaths	20.608	85,156
DWI Enforcement	20.616	4,102
Total U.S. Department of Transportation		<u>2,857,677</u>
U.S. Department of Public Safety		
Passed through the State of Minnesota		
Fire Prevention and Safety Grants	97.044	<u>80,905</u>
Total Federal Expenditures		<u>\$ 3,001,230</u>

City of Minnetonka
Notes to Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City under programs of the federal government for the year-ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 4 - INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Minnetonka
Minnetonka, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

Minneapolis, Minnesota
May 27, 2025



**Report on Compliance for each Major Federal Program
and Report on Internal Control over Compliance in Accordance with
the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Minnetonka
Minnetonka, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect the City's major federal program for the year ended December 31, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Minnetonka's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of and for the year ended December 31, 2024, and the related notes to financial statements which collectively comprise the City's basic financial statements. We issued our report thereon dated May 27, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BerganKDV, Ltd.

Minneapolis, Minnesota
May 27, 2025

**City of Minnetonka
Schedule of Findings and Questioned Costs**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
----------------------------------	--

Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported

Noncompliance material to financial statements noted?	No
---	----

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
---	------------

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
--	----

Identification of Major Programs

Assistance Listing No.:	20.205
Name of Federal Program or Cluster:	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
--	-----------

Auditee qualified as low risk auditee?	No
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**City of Minnetonka
Schedule of Findings and Questioned Costs**

SECTION II - FINANCIAL STATEMENT FINDING

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no questioned costs.

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Audit Finding 2024-001

During the course of our engagement, we proposed a material audit adjustment that would not have been identified as a result of the City's existing internal control system and, therefore, could have resulted in material misstatements of the City's financial statements.

In order to ensure financial statements were free from material misstatement, audit adjustments were required to adjust expenditures and deferred inflows of resources related to loan receivable balances.

During the 2024 audit, we did not have to propose any material audit adjustments.



Minnesota Legal Compliance

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Minnetonka
Minnetonka, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 27, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting - bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to *Minnesota Statute § 6.65*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

Minneapolis, Minnesota
May 27, 2025



Minnetonka, Minnesota Annual Comprehensive Financial Report

For the year ended Dec. 31, 2024





CITY OF
MINNETONKA

Annual Comprehensive Financial Report

**Of the City of
Minnetonka, Minnesota**

For the Year Ended December 31, 2024

Michael S. Funk – City Manager

Darin R. Nelson – Finance Director/Treasurer

Joel W. Merry – Assistant Finance Director

Zach J. Hecksel – Senior Accountant

Prepared by: Department of Finance

**Members of Government Finance Officers Association
of the United States and Canada**



CITY OF
MINNETONKA

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AND
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Hennepin County, Minnesota
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Hennepin County, Minnesota
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City of Minnetonka
 Hennepin County, Minnesota
 Elected Officials and Administration
 As of December 31, 2024

Elected Officials	Position	Term Office Expires
Brad Wiersum	Mayor	December 31, 2025
Deb Calvert	Council Member at Large	December 31, 2025
Kimberly Wilburn	Council Member at Large	December 31, 2025
Patsy Foster-Bolton	Council Member - Ward 1	December 31, 2027
Rebecca Schack	Council Member - Ward 2	December 31, 2027
Paula Ramaley	Council Member - Ward 3	December 31, 2027
Kissy Coakley	Council Member - Ward 4	December 31, 2027

Administration	Position
Michael S. Funk	City Manager
Moranda J. Dammann	Assistant City Manager
Darin R. Nelson	Finance Director/Treasurer
Joel W. Merry	Assistant Finance Director



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

PUBLIC SAFETY

PUBLIC WORKS

RECREATION

DEVELOPMENT SERVICES

ADMINISTRATION

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

COMMUNITY DEVELOPMENT
Julie Wischnack

Inspections
Environmental Health
Licensing
Planning & Zoning

ADMINISTRATIVE SERVICES
Moranda Dammann

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

FIRE
Chief Kevin Fox

Emergency Management
Inspection
Prevention
Response

LEGAL
Erik Nilsson

Prosecution
Legal advice to the city

FINANCE
Darin Nelson

Accounting
Budget
Utility Billing
Assessing
Special Assessments



14600 Minnetonka Blvd. | Minnetonka, MN 55345 | 952-939-8200 | eminnetonka.com

May 27, 2025

Honorable Mayor, Members of the City Council and Minnetonka Community Members:

The Annual Comprehensive Financial Report of the City of Minnetonka, Minnesota (the city) for the fiscal year ended December 31, 2024 is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and meets the requirements of the Office of the State Auditor.

The report consists of management's representations concerning the finances of the city. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the city has established internal controls designed to protect the city's assets from loss, theft or misuse and to provide sufficient information for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the city's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The city's financial statements have been audited by BerganKDV. The goal of the independent audit was to provide reasonable assurance that the financial statements of the city for the year ended December 31, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there is a reasonable basis for rendering an unmodified opinion that the city's financial statements, for the year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The city's MD&A can be found in the financial section of this report immediately following the report of the independent auditors.

City Profile

Minnetonka is a suburban community located eight miles west of Minneapolis in Hennepin County. The city has a land area of 28 square miles, and its 2024 population estimate of 56,162 makes it the eighteenth largest city in Minnesota. Minnetonka enjoys an excellent location, with convenient access to the Minneapolis-Saint Paul metropolitan area via interstate highways I-494 and I-394. Interstate 394 runs from Minnetonka east to Minneapolis, and is a primary, 15-minute commuter route to downtown Minneapolis. The city is also just 15 minutes from the Minneapolis-Saint Paul International Airport.

Incorporated in 1956, and later transformed from a village to a city in 1968, the city operates under the council-manager form of government. Policymaking and legislative authorities are vested in the governing council, which consists of a mayor and a six-member council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the government's manager. The council is elected on a nonpartisan basis. The mayor and council members are elected to four-year staggered terms. The city manager is responsible for carrying out the policies and ordinances of the governing council, overseeing the day-to-day operations of the government, and assigning appropriate responsibility and authority to city staff for the efficient and effective delivery of city services.

With a staff of around 310 regular, full-time equivalent employees, the city provides its residents and businesses with a full range of municipal services consisting of public safety (police, fire, and environmental health), public works, parks and recreation, development, engineering, and general administrative services. It also operates five enterprises: a public water and sewer utility, a storm water utility, fitness center, a marina, and an environmental recycling program.

The city is also financially accountable for the Economic Development Authority (EDA), which is included in the city’s financial statements as a blended component unit. Additional information on the EDA is located in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the city’s financial planning and control. Departments submit budget requests in July to the finance department and the city manager presents the proposed budget to the City Council for review prior to September 30 of each year. Budget workshops are held in May, June, August and November with the council. The council holds a public meeting on the proposed budget and adopts the final budget in December each year.

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.

Economic Conditions and Outlook

The last update of the city’s 2040 Comprehensive Guide Plan estimates the city’s population will reach 61,500 by 2040, with nearly 28,300 households. The anticipated increase of nearly 6,700 new residents comprised of 4,698 new households over the next two decades will create the demand for a diverse range of housing options.

The following chart summarizes the city’s annual market value since 2006.



The city’s estimated market value increased from \$13.6 billion to \$13.9 billion from assessment years 2024 and 2025, respectively, an increase of two percent.

Minnnetonka serves as the corporate headquarters location for many national and international businesses, including United Health Group, Cargill, Carlson Companies, Opus Group, Medica and others. The city has three premier business parks - Carlson Center, Opus Business Park, and Minnetonka Corporate Center. These offer excellent locations for business that continue to experience new development and major expansion of existing businesses. As a result, Minnetonka also enjoys a large and relatively stable employment base. While office users are adjusting their space needs; Minnetonka's office vacancy is better than the region. There are 45,981 jobs in Minnetonka, with most jobs in the professional, managerial, and retail sectors.

Since 2002, the city has been working with the Hennepin County Regional Rail Authority and the Metropolitan Council on the Southwest Light Rail Transit (LRT) project. The Southwest LRT (Green Line Extension) will connect the southwestern suburbs with Minneapolis and St. Paul. Specifically, it will enter the eastern portion of Minnetonka near the Shady Oak Road/Excelsior Boulevard area and travel south through the Opus Area, before continuing into Eden Prairie, the suburb on the southern border of the city. Full engineering design plans were completed in 2016. Construction began in 2019, testing of the system will begin later this year, and the route is expected to be operational in 2027.

In anticipation of LRT, the city has experienced significant investment in the Opus Area, an area of over 640 acres. Since 2016, additional developments have been constructed including redevelopment of a former office site into a 330-unit multi-family apartment project; a 482-unit senior and general occupancy affordable apartment complex; a 350 unit market rate apartment, a 250 unit apartment and a 275 unit apartment just south of the LRT station platform. A total of 1,921 units have been built in this area, and additional development is currently under review by the city. The city's multi-year capital budget includes nearly \$25 million in additional funding for other key roadway and infrastructure improvements in the Opus Area that will be needed for the LRT and the continued redevelopment of the area.

Minnnetonka is also a key location for retail businesses. The city is home to Ridgedale, a 1.4-million-square-foot regional shopping center. Its anchor stores include Macy's, JC Penney, Nordstrom, and Dick's House of Sport, which opened in 2022.

A number of other retail centers are clustered near Ridgedale, including Ridgehaven Mall (which is anchored by a Target store and Lunds & Byerlys grocery store), Ridge Square North, Ridge Square South, Ridgedale Festival, and West Marine Plaza. The Ridgedale area is also home to a Hennepin County Service Center, District Court, a Regional Library, and the Ridgedale YMCA. According to a current study conducted by the city, the area has, on average, 1.4 million visitors per month. In a recent commercial review of the market in Minnetonka, it was noted that the area has a 2% vacancy.

In 2013, the city completed a master planning study of the Ridgedale area, and in 2017, the city developed the award winning Public Realm Guidelines for the area. These documents include both retail and residential plans encompassing land use, design, transportation, and pedestrian connections as part of a complete vision for the area. In 2016, the Highland Bank site was fully redeveloped into 134 units of apartments with ground floor retail, and in 2018, the HuntingtonBank site was reconstructed and redeveloped to add retail shops to its parcel. Two more sites within and adjacent to the mall are complete, adding higher density residential to the area, a 77-unit luxury apartment building and a 168-unit active adult apartment building. In 2025, work began on redeveloping the Wells Fargo site into multi-tenant retail in addition to a new bank building.

The city has now completed reconstruction of the road around the mall to include three traffic circles, a landscaped boulevard, and extensive pedestrian and biking pathways along both sides that connects a new 2-acre public park and additional park amenities at an adjacent public lake.

Interest in economic development continues along the I-394 corridor in Minnetonka. Since the Crest Ridge redevelopment project completed its first phase of construction in 2008, a second phase with 150 units of multi-family senior apartments was completed in early 2019. An additional project along 394, with 174 market rate units was completed in 2020. Amira, a new 55 plus community completed its construction in 2022 with 167 units. Another 197 apartment units are also under construction along I-394. Reinvestment into existing buildings in the area remains strong.

Minnnetonka has worked hard to provide more affordable housing in the community and has added nearly 1,200 affordable units since 2016. In many new developments underway in the last 10 years, the city has been successful in incorporating affordable housing within market rate multi-unit projects. These include the Overlook Apartments, At Home Apartments, Cherrywood Pointe, The Pointe, Legends at Shady Oak, Shady Oak Crossing, The Birke, Marsh Run II, Alcott, the RiZe, Applewood Pointe, Station Apartments, Amira, Shady Oak Apartments, Amira, Greystar, and Opus Station. The city has approved over 3,800 units of housing in the last ten years.

Since 2001, the city has financially assisted Homes within Reach – also known as West Hennepin Affordable Housing Land Trust (WHAHLT), in preserving 64 scattered-site affordable, owner occupied homes in Minnetonka through a land trust model. This affordability covenant on the underlying land lasts for 99 years.

Minnnetonka has a history of strong construction activity, including large new buildings and the expansion of existing buildings, and this continues today. In 2022, the city issued permits valued at \$374 million of construction. While 2023 brought in \$184 million of construction, 2024 brought \$370 Million in construction value. Residential additions, new construction and remodeling also continues to be a significant part of Minnetonka’s construction activity.

Important Plans, Current Projects and Future Prospects

In 2016, the city completed a process of community engagement to update its Strategic Plan. This Strategic Plan articulates the city’s mission, goals and strategies and thereby guides the government’s organizational management, use of resources, development and capital investments. Progress in achieving the stated goals and strategies is jointly reviewed and updated annually by the city council and staff. The Strategic Plan was revamped in 2020 to incorporate the city’s vision, amend its mission statement and add guiding principles. The latest refresh occurred in 2024 and identifies six strategic priorities, resulting in numerous desired outcomes and action step.

In lockstep with the Strategic Plan process in 2018, the city completed an update to its 20-year Comprehensive Plan, which specifically guides the city’s development and land use through the year 2040. The previous version of the plan, which was completed in 2008, provides detailed analysis on thirteen “village” and “regional” centers, where there are development and redevelopment opportunities to encourage vitality, promote identity and improve livability.

These plans affect a full array of city facilities, and Minnetonka has a record of adding and/or refurbishing such public facilities as they enhance the quality of life in the community. In addition to 11 athletic fields, 16 ice rinks including an ice arena with two sheets, and a boat marina, major city facilities include:

Williston Fitness Center – The city acquired this fitness center in 1995, and expansion and renovation projects were completed in 1998 as well as in 2011. Since the latest remodeling, the center has experienced unprecedented growth in its use, quadrupling membership from around 2,100 in 2009 to approximately 9,500 members as of 2019.

The COVID-19 pandemic mandated closing the facility for a numbers of months in 2020 resulting in an operating loss of over \$750,000. Visits to the facility increased in 2021, but not to levels experienced prior to the pandemic. The facility recorded operating losses of \$387,000 and \$617,000 in 2021 and 2022, respectively. 2023 membership visits were back to pre-pandemic levels, and the facility experienced a net income for the first time since 2019. As of 2024, membership levels have surpassed 10,500 and the facility earned net income over \$300,000.

Shady Oak Beach – The beach has been operated jointly by the cities of Minnetonka and Hopkins for many decades and includes shower room facilities, concession stand, a children’s play area, diving platform and picnicking facilities. In 2024, the city invested in a portable 8-person sauna that was stationed alongside the beach allowing participants to cycle between the spa and the lake. During the fall of 2024 through the spring of 2025, the city booked over 2,200 reservations resulting in over \$76,000 of revenue.

Neighborhood and community parks – In 2012, Minnetonka completed a significant renewal of 42 neighborhood and community parks, which was begun a decade earlier. The parks renewal program, and related open space acquisitions, were funded through a \$15 million referendum passed in 2001. Since the program’s completion, the city has incorporated into its capital program a long-term, annually funded, capital maintenance plan for all of its 50 parks, to avoid the need for future such referendums. Additionally, an \$8.51 million investment in the new Ridgedale Commons park adjacent to the Ridgedale mall opened June 1, 2023. This park is a public-private partnership in which a majority of the park development is funded by private development fees and donation of the park land.

As development continues to occur in the previously mentioned OPUS area, the city is in the beginning stages of planning a public space area adjacent the light rail station. The city received \$725,000 of state bonding dollars in 2023 for preliminary design, wayfinding and land acquisition. This project is still in the initial planning phase, but is anticipated to open in conjunction with or shortly after the light rail begins service in 2027.

Public trails, sidewalks and pedestrian features – The city currently maintains over 105 miles of trails and sidewalks throughout its boundaries and in 2016 completed an update to its long-range plan for completing and improving the system to enhance safety and sustainable transportation. In 2018, the city council authorized expansion of a current utility franchise agreement and the addition of another franchise agreement, which garners fee revenue to support the build-out of the plan over time. The city’s 2024-2028 capital improvement program incorporates that ongoing funding mechanism to pay for the construction of four more trail miles by the end of 2028.

Public Safety Facility renovation and expansion –The City Council approved in September 2019 the construction of a new fire station on the city campus and repurposing the existing police and fire facility into a remodeled police station. The city issued \$25 million of capital improvement bonds in January 2020 for the construction of this \$30 million project that was completed in the fall of 2021.

The Marsh Wellness Center – A wellness center adjacent to the city hall campus, owned by the YMCA at the Marsh, LLC, was put on the market in October 2022. Given the site location and the programming needs the additional space would provide, the City Council submitted an offer and closed on the purchase in March 2023, with a purchase price of \$4.275 million. The city reopened the facility in May 2023 and have since undertaken a public engagement study to determine the long-range vision and needs of the community as it relates to this facility and other city recreational facilities. The city council is in the discussion stage of determining next steps for The Marsh and other recreational facilities. As of the first quarter of 2025, memberships for The Marsh have surpassed 7,000.

The city conducts an annual community-wide survey to gauge its citizens’ satisfaction of city services as well as help the organization direct its planning and services towards the goals supported by its constituency. Results of the statistically significant survey consistently indicate substantial support for prioritizing preservation of natural resources and open space. As a result, the Strategic Plan, comprehensive plan and other actions by the city emphasize its commitment to the areas of parks, the environment and open space.

The city preserves around 1,000 natural acres of public parkland and devotes substantial resources to the environmental stewardship as well as educating and assisting its citizens with natural resource conservation issues. With 45 to 55 percent of the city covered by a tree canopy, natural resources staff manages a vigorous program that includes diseased tree eradication and reforestation, ecosystem restoration, enforcement of natural resource ordinances, and wetland and water body evaluation and monitoring. In addition to its ongoing efforts related to elm and oak tree diseases, in 2014 the city began a multi-year plan to prepare the community for the complete loss of all ash trees in the area due to the emerald ash borer, which was discovered to be present in the city in 2019 and as of 2023 the city is considered fully infested.

The municipal and sanitary sewer systems are also covered by the comprehensive plan to ensure that its capacity and funding meet future requirements over the next 20 years. In 2015, staff began implementing a newly developed long-term capital plan along with an associated financial bonding and rate plan to maintain and strategically replace the systems’ valuable infrastructure, which was originally built in the mid-1970s. The fourth bonding issue in this improvement plan was issued in 2021.

In 2023, the police and fire departments engaged with a consultant to prepare a comprehensive public safety master plan. This plan reviewed current operations and conditions and provided an extensive list of priorities to undertake over the course of the next several years. One of the largest undertakings is moving from a mostly paid-on-call fire department to a combination fire department with both full-time and paid-on-call firefighters. The plan calls for hiring approximately 30 full-time firefighters over the course of the next five years. In 2024, the fire department hired three full-time fighters and the 2025 budget includes hiring 9 additional firefighters. Also in 2024, the police department was authorized to hire 5 additional patrol officers and one sergeant. These new police department hires were also a direct part of instituting the public safety master plan.

Other Financial Information

Relevant Financial Policies

In 2011, the city updated its policy regarding general fund balances to meet the Governmental Accounting Standard Board's (GASB's) new rules and to continue to maintain a prudent level of financial resources to protect itself against temporary revenue shortfalls or unpredicted one-time expenses or mandates. The revised 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.

Similarly, the City Council established policy goals for cash fund balances in the city's water and sanitary sewer enterprise fund in 2012. The goals encompass both operating and capital reserves and will continue to serve as significant benchmarks for ongoing implementation of the aforementioned infrastructure and financial plan.

The City Council also has established a 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 systems, 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 future five-year planning horizon.

The city maintains an adopted investment policy that is designed to preserve capital while attaining a market-average rate yield consistent with cash flow needs. The policy prioritizes safety, liquidity and yield in that order. The policy is consistent with Minnesota Statutes §118A which governs the investment of all public funds in the state, and the city's policy further delineates the specific instruments in which it may invest and the maximum percentage of holdings for each. Speculative investments are strictly prohibited, and the maximum average life of the portfolio, excluding investable assets of the city's capital endowment fund, is capped at five years.

Long-term Financial Planning

The city annually prepares an updated five-year Capital Improvement Program (CIP) that supports achievement of the city's long-term strategic priority of financial strength by providing and maintaining public facilities and infrastructure for its citizens and businesses, balanced against the constraint of available resources. The City Charter provides that amendments to the plan, including funding changes, require a higher threshold of approval through a five-vote majority rather than a simple four-vote majority.

The city also prepares an annually updated five- and ten-year Economic Improvement Program (EIP). This comprehensive strategy articulates the city's economic development priorities and allocates funding for the city's economic development programs (housing, business, transit, and redevelopment) over a multi-year planning horizon. The EIP informs the annual budget, and its development facilitates periodic review of program performance, funding gaps and any necessary policy realignment.

As part of the city's annual process in developing both its capital and operating budgets, management forecasts costs and revenues over the same five-year planning horizon as the CIP, setting initial internal goals and thresholds for budget and levy changes. This analysis aids in providing a basis for strategic actions and planning.

This continued effort of forecasting capital and operating budgets has positioned the city to better handle the immediate and potential long-term economic impacts related to the COVID-19 pandemic.

The city's healthy economic base and growth, strong investment and its sound financial condition have helped maintain its "Aaa" bond rating from Moody's Investors Services. This top rating from Moody's is shared by only six percent of local governments in the U.S., including school districts.

Accounting System and Reporting

During the year, the city's accounting system is maintained primarily on a modified cash basis with certain accruals to provide financial controls. Appropriations are encumbered for major purchase amounts prior to the release of any funding to vendors. This system provides budgetary control on all operating funds at a minimum cost. At year-end, journal entries are prepared by the city's finance department staff as a preparatory step for completion of the annual financial report. The auditor's report on these financial statements accompanies the report following this letter. It should be noted that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards and an unmodified opinion was issued.

The maintenance and development of the city's accounting system requires that consideration be given to the adequacy of internal accounting controls. These controls are designed to safeguard assets against loss or unauthorized use and produce fair, reliable, and accurate financial data. The internal control structure is designed to provide reasonable but not absolute assurances. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and the estimation of costs and benefits requires estimates and judgments by management. We believe that the city's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Minnetonka for its annual comprehensive financial report for the fiscal year ended December 31, 2023. This was the 41st consecutive year that the city has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report that complies with rigorous standards regularly reviewed and updated by the GFOA. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

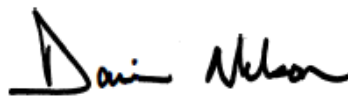
Acknowledgements

We wish to express our appreciation to the Mayor and City Council for their continued interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner. We also want to express our appreciation to Joel Merry, Assistant Finance Director, Zach Hecksel, Senior Accountant and the finance department staff for their work in preparing this report.

Respectfully submitted,



Michael S. Funk
City Manager



Darin Nelson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Minnetonka
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Minnetonka
Minnetonka, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Minnetonka's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Minnetonka and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City of Minnetonka's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Minnetonka's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Minnetonka's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Minnetonka's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minnetonka's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025, on our consideration of the City of Minnetonka's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Minnetonka's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota
May 27, 2025

SECTION II
FINANCIAL SECTION

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2024

This section of the City of Minnetonka's (the City) annual comprehensive financial report presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements following this section.

Financial Highlights

- The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the City by \$414,827,719. Of this amount, \$105,344,506 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's net position increased by \$28,687,681 from 2024 operations. This increase was due to the City's planned operations and sound fiscal control.
- The City's governmental funds reported combined ending fund balances of \$120,753,992.

Using the Financial Section of this Annual Comprehensive Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented after the Statement of Activities. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Statement of Net Position and Statement of Activities

Our analysis of the City begins with the Statement of Net Position and the Statement of Activities. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These Statements include *all* assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the City's *net position* and changes in them. You can think of the City's net position, the difference between assets and deferred outflows and liabilities and deferred inflows, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the *overall health* of the City.

Fund Financial Statements

Our analysis of the City's major funds begins with the funds financial statements and provides detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like grants received). The City's three kinds of funds – *governmental, proprietary and fiduciary* – use different accounting approaches.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a separate reconciliation included after the fund financial statements.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Fund Financial Statements (Continued)

Proprietary funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's Enterprise Funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds – The City is the trustee, or *fiduciary*, for resources collected from homeowners associations to support ecological stewardship programs. Deposits are also held in trust to guarantee the installation and maintenance of erosion and sediment control measures, along with deposits for privately sponsored traffic studies. The resources held in a fiduciary capacity are reported in the Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Statement of Net Position

The City's *combined* net position increased from a year ago and the City's overall financial position has remained stable and healthy. By far, the largest portion of the City of Minnetonka's net position, \$275,843,695 or approximately 66.5%, reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure such as streets and the water and sewer systems). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$33,639,518 or approximately 8.1%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$105,344,506 or 25.4%, may be used to meet the City's ongoing obligations to residents and creditors. At the end of the current fiscal year, the City is able to report positive balances in both of the categories of net position reported for the government as a whole.

Governmental Activities

Current and other assets increased by \$17,566,520. This fluctuation was mostly due to an increase of \$2,692,414 in the net pension asset, primarily due changes in plan provisions and actuarial assumptions, as noted in the Notes to Required Supplementary Information section.

Capital assets increased by \$2,920,935. This change is primarily due to expenses of \$5.3 million relating to trail and park improvements, \$2.2 million for police and fire equipment and vehicle purchases, street improvements of \$1 million, public works machinery & auto of \$0.8 million, and offset by \$6,564,731 in depreciation in 2024.

Current and other liabilities decreased by \$2,495,304 primarily due to an increase in unearned revenue of \$4.2 million in comparison to the prior year, relating to the Hopkins Crossroad project grants.

Long-term liabilities decreased by approximately \$8,346,635, primarily due to the MNPERA-Net Pension Liability decrease of \$5,767,924 from the previous year.

Business-type Activities

Current and other assets of the City's business-type activities increased by \$3,112,137 compared to the prior year. This was primarily due to an increase in cash and investments of \$3,034,263.

Capital assets decreased by \$1,015,484 over the past year. This decrease is due to current year capital asset additions of \$5.1 million offset by \$6,209,734 in depreciation.

Long-term liabilities decreased by \$2,759,432 due primarily to a decrease in the MNPERA-Net Pension Liability of approximately \$0.7 million, and regularly scheduled debt payments of approximately \$2 million.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Statement of Net Position (Continued)

Business-type Activities (Continued)

Our analysis below focuses on the net position of the City's governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 149,460,787	\$ 131,894,267	\$ 32,960,543	\$ 29,848,406	\$ 182,421,330	\$ 161,742,673
Capital Assets	207,533,444	204,612,509	125,590,615	126,606,099	333,124,059	331,218,608
Total Assets	<u>356,994,231</u>	<u>336,506,776</u>	<u>158,551,158</u>	<u>156,454,505</u>	<u>515,545,389</u>	<u>492,961,281</u>
Deferred Outflows of Resources	<u>21,126,116</u>	<u>27,700,678</u>	<u>620,228</u>	<u>902,647</u>	<u>21,746,344</u>	<u>28,603,325</u>
Long-Term Liabilities						
Outstanding	47,077,663	55,424,298	31,208,689	33,968,121	78,286,352	89,392,419
Current and Other Liabilities	9,729,803	12,225,107	3,500,022	3,831,405	13,229,825	16,056,512
Total Liabilities	<u>56,807,466</u>	<u>67,649,405</u>	<u>34,708,711</u>	<u>37,799,526</u>	<u>91,516,177</u>	<u>105,448,931</u>
Deferred Inflows of Resources	<u>29,685,927</u>	<u>29,011,520</u>	<u>1,261,910</u>	<u>964,117</u>	<u>30,947,837</u>	<u>29,975,637</u>
Net Position:						
Net Investment in						
Capital Assets	179,265,725	172,731,521	96,577,970	95,430,281	275,843,695	268,161,802
Restricted	33,639,518	24,650,861	-	-	33,639,518	24,650,861
Unrestricted	78,721,711	70,164,147	26,622,795	23,163,228	105,344,506	93,327,375
Total Net Position	<u>\$ 291,626,954</u>	<u>\$ 267,546,529</u>	<u>\$ 123,200,765</u>	<u>\$ 118,593,509</u>	<u>\$ 414,827,719</u>	<u>\$ 386,140,038</u>

Statement of Activities

Governmental Activities

The net position of the City's governmental activities increased by \$24,080,425, or 9.0%. This increase is due to a variety of factors including, an increase in property taxes by \$3,502,184 due to the increased tax levy from the prior year and the related additional collections. Cash and investments increased by \$12,993,035.

Charges for services increased by \$4,775,023. This increase can be attributed to increased building permit and park dedication fees in comparison to 2023. Investment earnings decreased from the prior year by \$376,240. Operating grants and contributions decreased by \$1,862,227. Capital grants and contributions increased by \$4,016,251 due primarily to timing of municipal state construction aid in comparison to the prior year. In addition, the City continued the enhanced road revitalization program started in 2006, which includes overlay or reconstruction of every local street adding approximately \$1 million in infrastructure assets offset by annual depreciation expense.

Business-Type Activities

Business-Type Activities net position increased \$4,607,256, or 3.9%. The majority of this increase was due to operating revenues exceeding operating expenditures by \$12,532,618, offset by depreciation expense of \$6,209,734 and transfers out of \$2,138,377.

Investment income decreased by \$331,308 during 2024 due to a decrease in the fair market value adjustment. Investment Income was over budget by \$57,829.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2024

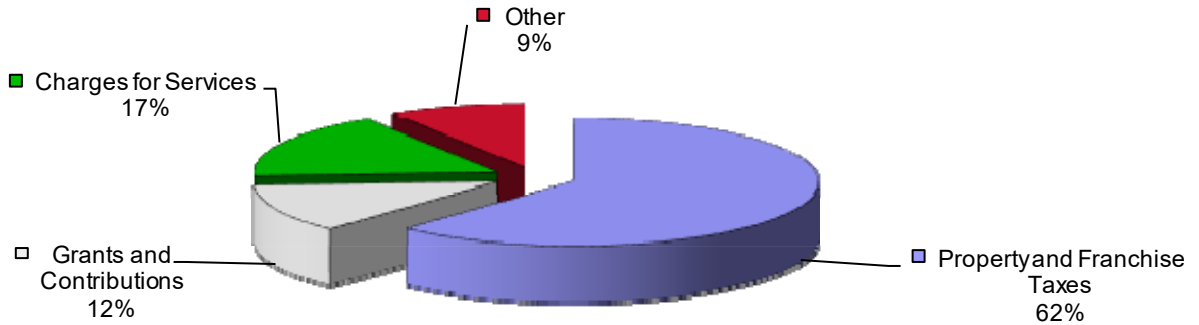
Statement of Activities
December 31, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 15,037,147	\$ 10,262,124	\$ 27,908,236	\$ 26,638,998	\$ 42,945,383	\$ 36,901,122
Operating Grants and Contributions	2,807,478	4,669,705	139,947	403,149	2,947,425	5,072,854
Capital Grants and Contributions	7,651,419	3,635,168	-	-	7,651,419	3,635,168
General Revenues:						
Property Taxes	51,116,456	47,614,272	-	-	51,116,456	47,614,272
Franchise Taxes	4,083,364	4,036,918	-	-	4,083,364	4,036,918
Tax Increments	3,706,920	2,543,633	-	-	3,706,920	2,543,633
Investment Earnings (Loss)	4,246,547	4,622,787	951,129	1,282,437	5,197,676	5,905,224
Sale of Capital Assets	61,290	136,465	16,087	27,886	77,377	164,351
Other General Revenue	36,174	37,988	-	-	36,174	37,988
Total Revenues	88,746,795	77,559,060	29,015,399	28,352,470	117,762,194	105,911,530
Expenses						
General Government	9,432,258	8,817,981	-	-	9,432,258	8,817,981
Public Safety	21,886,224	24,900,532	-	-	21,886,224	24,900,532
Public Works	15,553,072	15,415,231	-	-	15,553,072	15,415,231
Parks and Recreation	12,366,068	12,107,191	-	-	12,366,068	12,107,191
Development Services	6,918,834	7,614,833	-	-	6,918,834	7,614,833
Unallocated Interest on Long-Term Debt	648,291	681,097	-	-	648,291	681,097
Water and Sewer Utilities	-	-	16,546,567	19,526,208	16,546,567	19,526,208
Environmental	-	-	1,371,471	1,342,068	1,371,471	1,342,068
Williston Fitness Center	-	-	2,669,123	2,698,258	2,669,123	2,698,258
Grays Bay Marina	-	-	230,848	230,219	230,848	230,219
Storm Water	-	-	1,451,757	1,818,296	1,451,757	1,818,296
Total Expenses	66,804,747	69,536,865	22,269,766	25,615,049	89,074,513	95,151,914
Change in Net Position						
Before Transfers	21,942,048	8,022,195	6,745,633	2,737,421	28,687,681	10,759,616
Transfers	2,138,377	1,248,600	(2,138,377)	(1,248,600)	-	-
Increase in Net Position	24,080,425	9,270,795	4,607,256	1,488,821	28,687,681	10,759,616
Net Position - Beginning	267,546,529	258,275,734	118,593,509	117,104,688	386,140,038	375,380,422
Net Position - Ending	\$ 291,626,954	\$ 267,546,529	\$ 123,200,765	\$ 118,593,509	\$ 414,827,719	\$ 386,140,038

City of Minnetonka
 Hennepin County, Minnesota
 Management's Discussion and Analysis (Unaudited)
 December 31, 2024

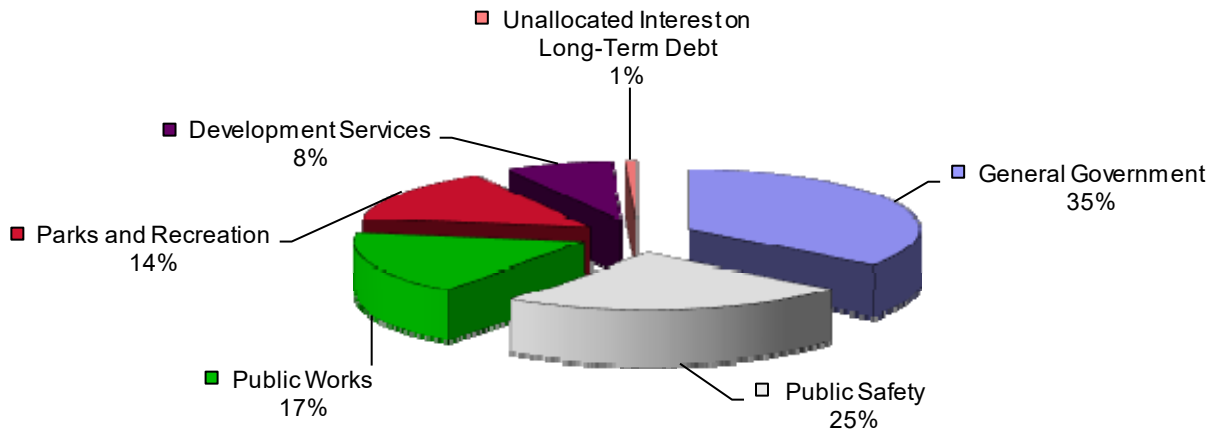
The following chart visually illustrates the City's revenue by source for its governmental activities:

Revenue by Source - Governmental Activities



The following chart visually illustrates the City's expense by function for its governmental activities:

Expense by Function - Governmental Activities



City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Financial Analysis of the City's Major Funds

Governmental Funds

General Fund

In 2024, the City's General Fund fund balance increased by \$2,337,407. The increased fund balance is due to total revenues and other financing sources coming in higher than prior year by \$5,416,245 while expenditures and other financing uses only coming in higher than prior year by \$1,385,597. These changes from prior year can be most attributed to budgeted changes from prior year.

The General Fund resulted in actual expenditures being \$1,241,396, or 2.4% under the final budget. The city had budgeted a decrease in fund balance by approximately \$1,319,200 after transfers.

Total actual revenues were \$2,416,920 more than budgeted mainly due to licenses and permits revenue coming in higher than budget by \$2,206,555. Other revenues came in higher than budget by \$268,405, primarily due to a conservative budget in investment income for 2024. Property taxes collected were \$465,841 less than budgeted due to a combination of delinquent taxes and property tax refunds for property valuation settlements occurring during the current year. Charges for services were higher than budgeted by an additional \$352,928.

Community Investment Fund

The increase in available fund balance of \$835,391 in the Community Investment fund balance was due primarily to an increase in investment earnings of \$822,432 due to more favorable investment conditions in 2024.

Street Improvement Fund

The City maintained the Street Improvement levy in order to sufficiently fund the multi-year road revitalization and preservation program. Many of the reconstruction projects cost more than the yearly street improvement levy allocation, forcing the City to build up reserves over multiple years to pay for upcoming reconstruction projects. In 2024, the Street Improvement fund balance increased \$6,695,423, primarily due to the fund receiving property tax revenues of \$6,380,000, intergovernmental revenues of \$2,393,193 and transfers in of \$750,000. Capital outlay expenditures were \$2,385,282 for street projects.

The Marsh Facility Improvement Fund

The Marsh Facility Improvement Fund has an interfund loan from the Special Assessment Construction fund with a balance due of \$4,681,861 as of December 31, 2024.

The Trail System Expansion Fund

The Trail System Expansion Fund has capital outlay expenditures of \$4,644,041 as of December 31, 2024. A good portion of these expenditures are anticipated to be reimbursed by federal and state grants with a due from other governments in the amount of \$4,260,397 as of December 31, 2024.

Proprietary Funds

Water and Sewer Utilities

In 2024, the net position of the Water and Sewer Utilities Fund increased by \$2,850,633. This increase was due primarily to an operating income of \$4,176,838 and investment income of \$723,490, offset by transfers out in the amount of \$1,363,683 and bond interest expense of approximately \$877,000.

Environmental Fund

In 2024, the net position of the Environmental Fund increased by \$49,974. The increase was due to operating revenues exceeding operating expenditures by \$149,497, intergovernmental revenue of \$117,439 and an offset of \$220,600 due to transfers out to the General Fund for administrative costs.

Williston Fitness Center

The net position of the Williston Fitness Center Fund increased by \$284,363 primarily due to operating revenues exceeding operating expenditures by \$306,362, offset by transfers out to the General Fund in the amount of \$54,200 for administrative costs.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Financial Analysis of the City's Major Funds (Continued)

Proprietary Funds (Continued)

Gray's Bay Marina

In 2024, the net position of the Gray's Bay Marina Fund increased by \$57,537. This increase was due primarily to an operating income of \$33,464, which includes depreciation expense of \$24,718, and investment income of \$36,873. The fund had transfers out in the amount of \$12,900.

Storm Water

The net position of the Storm Water Fund increased by \$1,330,656, or 3.7%, as user charges exceeded operating expenses for the current year. The fund had \$1,033,027 in depreciation expense, an investment income of \$160,927 and transfers out of \$486,994 during 2024.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget once. This revision was performed in the fall, when the City prepared next year's budget. To meet current and future service needs of the Minnetonka community, various long-term strategies were enacted and continued during 2024. These strategies include various new ways of doing business such as: cooperative services agreements with other agencies and productivity investments that help deliver core services more efficiently.

Capital Assets

At the end of 2024, the City had \$333,124,059 invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$1,905,451 from the prior year. Some of the major causes for this increase are due to the Hopkins Crossroad Trail project for approximately \$4.1 million, the water meter replacement project for approximately \$1.3 million, approximately \$1.7 million in new vehicle purchases, \$1.1 million for other park and trail improvements, \$1.1 million on public safety equipment, and \$3.1 million on street and utility improvements. Additional assets primarily relate to computer and server capital expenditures for 2024. The total depreciation expense for 2024 was \$12,956,982.

The City's fiscal year 2025 capital budget appropriates another \$56.3 million for capital projects, of which approximately \$44.2 million will be for infrastructure projects. The remainder will be spent on replacement vehicles, building improvements, open space and recreational amenities as well as future investments in technology and equipment.

Please refer to Note 4.C. for a schedule of the City's capital asset activity.

Long-Term Debt

At year-end, the City had \$57,628,788 in bonds outstanding versus \$60,391,538 last year, a decrease of \$2,762,750. This decrease was due to regularly scheduled debt payments.

The City continues to carry an "Aaa" bond rating from Moody's Investors Services.

More detailed information about the City's long-term debt is presented in Note 4.F. to the financial statements.

Economic Factors and Next Year's Budget

The City takes a responsible long-term perspective with financial planning and management. We make decisions with the future in mind to insure our ongoing capacity to provide quality services to our residents and businesses and the 2025 budget continues to reflect this long-term perspective.

The 2025 budget continues to reflect the City's strategic plan and its six strategic priorities. These strategic priorities continue to represent the focus of city programs and projects. For more information on the City's strategic plan, please visit <https://performance.envisio.com/dashboard/city-of-minnetonka4431>.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2024

Financial Analysis of the City's Major Funds (Continued)

Contacting the City's Financial Management

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Minnetonka Finance Department at 14600 Minnetonka Blvd., Minnetonka, Minnesota 55345, (952) 939-8200; or dnelson@minnetonkamn.gov.



CITY OF
MINNETONKA

**BASIC
FINANCIAL STATEMENTS**

City of Minnetonka
Hennepin County, Minnesota
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Investments (Including Cash Equivalents)	\$ 123,657,191	\$ 28,633,723	\$ 152,290,914
Receivables:			
Accounts Receivable	1,902,857	3,354,632	5,257,489
Loans Receivable	1,706,958	-	1,706,958
Interest Receivable	530,341	98,558	628,899
Taxes Receivable	572,758	-	572,758
Special Assessments Receivable	3,274,464	339,156	3,613,620
Lease Receivable	4,888,324	-	4,888,324
Due from Other Governments	6,591,325	25,905	6,617,230
Internal Balances	(438,270)	438,270	-
Prepaid Items	41,371	-	41,371
Land Held for Resale	666,800	-	666,800
Inventories	267,994	70,299	338,293
Net Pension Asset	5,798,674	-	5,798,674
Capital Assets, Net of Related Depreciation and Amortization at Historical Cost:			
Land - Nondepreciable	22,803,336	1,412,611	24,215,947
Construction in Progress - Nondepreciable	35,446,779	15,566,723	51,013,502
Buildings	39,961,696	6,851,438	46,813,134
Improvements Other than Buildings	1,806,703	1,506,873	3,313,576
Machinery and Equipment	9,859,002	1,884,460	11,743,462
Infrastructure	96,949,454	98,368,510	195,317,964
Right-to-Use Lease Asset	603,971	-	603,971
Right-to-Use Subscription Asset	102,503	-	102,503
Total Assets	356,994,231	158,551,158	515,545,389
Deferred Outflows of Resources:			
Other Postemployment Benefits	1,979,985	241,337	2,221,322
Pensions	19,146,131	378,891	19,525,022
Total Deferred Outflows of Resources	21,126,116	620,228	21,746,344

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Net Position (Continued)
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Salaries and Wages Payable	\$ 1,277,595	\$ 145,760	\$ 1,423,355
Accounts and Contracts Payable	2,376,997	767,912	3,144,909
Due to Other Governments	31,939	28,760	60,699
Accrued Interest Payable	290,028	352,320	642,348
Other Liabilities	1,244,956	-	1,244,956
Unearned Revenue	481,177	84,131	565,308
Noncurrent Liabilities:			
Incurred but Not Reported Claims	114,221	-	114,221
Total OPEB Liability			
Due Within One Year	152,613	38,153	190,766
Due in More than One Year	2,696,299	309,094	3,005,393
MNPERA-Net Pension Liability			
Due in More than One Year	17,094,095	1,467,427	18,561,522
Bonds Payable, net:			
Due Within One Year	835,000	1,835,000	2,670,000
Due in More than One Year	25,595,442	29,363,346	54,958,788
Compensated Absences/Severance Payable:			
Due Within One Year	2,948,784	247,986	3,196,770
Due in More than One Year	984,168	68,822	1,052,990
Lease Liability:			
Due Within One Year	35,584	-	35,584
Due in More than One Year	593,438	-	593,438
Subscription Liability:			
Due Within One Year	55,130	-	55,130
Total Liabilities	56,807,466	34,708,711	91,516,177
Deferred Inflows of Resources:			
Other Postemployment Benefits	2,366,679	288,470	2,655,149
Pensions	22,814,740	973,440	23,788,180
Lease Receivable	4,504,508	-	4,504,508
Total Deferred Inflows of Resources	29,685,927	1,261,910	30,947,837
Net Position:			
Net Investment in Capital Assets	179,265,725	96,577,970	275,843,695
Restricted for:			
Public Safety	2,469,857	-	2,469,857
Debt Service	2,011,697	-	2,011,697
Economic Development	17,922,588	-	17,922,588
Public Works	5,075,006	-	5,075,006
Cemetery Operations	151,390	-	151,390
Grants	210,306	-	210,306
Net Pension Asset	5,798,674	-	5,798,674
Unrestricted	78,721,711	26,622,795	105,344,506
Total Net Position	\$ 291,626,954	\$ 123,200,765	\$ 414,827,719

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 9,432,258	\$ 283,908	\$ 117,303	\$ -	\$ (9,031,047)	\$ -	\$ (9,031,047)
Public Safety	21,886,224	1,884,811	1,893,879	-	(18,107,534)	-	(18,107,534)
Public Works	15,553,072	222,004	209,336	7,423,075	(7,698,657)	-	(7,698,657)
Parks and Recreation	12,366,068	6,905,398	86,244	-	(5,374,426)	-	(5,374,426)
Development Services	6,918,834	5,741,026	500,716	43,187	(633,905)	-	(633,905)
Unallocated Interest on Long-Term Debt	648,291	-	-	185,157	(463,134)	-	(463,134)
Total Governmental Activities	66,804,747	15,037,147	2,807,478	7,651,419	(41,308,703)	-	(41,308,703)
Business-Type Activities:							
Water and Sewer Utilities	16,546,567	20,032,070	16,408	-	-	3,501,911	3,501,911
Environmental	1,371,471	1,520,968	117,439	-	-	266,936	266,936
Williston Fitness Center	2,669,123	2,980,107	6,000	-	-	316,984	316,984
Grays Bay Marina	230,848	266,073	100	-	-	35,325	35,325
Storm Water	1,451,757	3,109,018	-	-	-	1,657,261	1,657,261
Total Business-type Activities	22,269,766	27,908,236	139,947	-	-	5,778,417	5,778,417
Total Governmental and Business-Type Activities	\$ 89,074,513	\$ 42,945,383	\$ 2,947,425	\$ 7,651,419	(41,308,703)	5,778,417	(35,530,286)
General Revenues:							
Property Taxes					51,116,456	-	51,116,456
Franchise Taxes					4,083,364	-	4,083,364
Tax Increments					3,706,920	-	3,706,920
Investment Earnings					4,246,547	951,129	5,197,676
Other General Revenue					36,174	-	36,174
Gain on Sale of Capital Assets					61,290	16,087	77,377
Transfers					2,138,377	(2,138,377)	-
Total General Revenues and Transfers					65,389,128	(1,171,161)	64,217,967
Change in Net Position					24,080,425	4,607,256	28,687,681
Net Position - Beginning					267,546,529	118,593,509	386,140,038
Net Position - Ending					\$ 291,626,954	\$ 123,200,765	\$ 414,827,719

The Notes to the Financial Statements are an integral part of this statement.

MAJOR GOVERNMENTAL FUNDS

General Fund – The general fund accounts for all revenues and expenditures of a governmental unit, which are not accounted for in other funds. It normally receives a greater variety and number of taxes and other general revenues than any other fund. This fund has flowing into it such revenues as general property taxes, licenses and permits, fines and penalties, intergovernmental revenues, charges for current services, and interest earnings. Most of the day-to-day operations of governmental units are financed from this fund.

CAPITAL PROJECTS FUNDS

Community Investment Fund – This fund was established to account for residuals from special assessment funds where the bonds have been retired. Expenditures from this fund are for projects that have a City-wide benefit.

Street Improvement Fund – This fund was established to account for the revenues and expenditures related to the reconstruction and maintenance of the local street system.

The Marsh Facility Improvement Fund – This fund was established to account for the revenues and expenditures related to the purchase, reconstruction and maintenance of The Marsh.

Trail Expansion Fund – This fund was established to account for the expansion of the city's trail system.

City of Minnetonka
Hennepin County, Minnesota
Balance Sheet - Governmental Funds
December 31, 2024

	Capital Projects						Total Governmental Funds
	General	Community Investment	Street Improvement	The Marsh Facility Improvement	Trail System Expansion Fund	Other Governmental Funds	
Assets:							
Cash and Investments (Including Cash Equivalents)	\$ 32,530,505	\$ 22,574,178	\$ 6,862,181	\$ -	\$ -	\$ 58,308,501	\$ 120,275,365
Accounts Receivable	223,046	-	-	-	497,063	1,106,114	1,826,223
Loans Receivable	-	-	-	-	-	1,706,958	1,706,958
Interest Receivable	175,380	77,957	22,662	-	-	242,663	518,662
Property Taxes Receivable:							
Unremitted	287,406	-	-	-	-	2,599	290,005
Delinquent	279,925	-	-	-	-	2,828	282,753
Special Assessments Receivable:							
Unremitted	-	-	-	-	-	1,998	1,998
Current	-	-	-	-	-	577,187	577,187
Delinquent	-	-	-	-	-	10,960	10,960
Noncurrent	-	-	-	-	-	2,684,319	2,684,319
Lease Receivable	4,888,324	-	-	-	-	-	4,888,324
Due from Other Governments	134,581	-	1,528,607	-	4,260,397	657,483	6,581,068
Due from Other Funds	231,535	-	-	-	-	910,805	1,142,340
Advances to Other Funds	-	-	-	-	-	6,756,736	6,756,736
Land Held for Resale	-	-	-	-	-	666,800	666,800
Prepays	41,371	-	-	-	-	-	41,371
Inventories	158,245	-	-	-	-	-	158,245
Total Assets	\$ 38,950,318	\$ 22,652,135	\$ 8,413,450	\$ -	\$ 4,757,460	\$ 73,635,951	\$ 148,409,314
Liabilities:							
Salaries and Wages Payable	\$ 1,203,547	\$ -	\$ -	\$ -	\$ -	\$ 53,659	\$ 1,257,206
Accounts and Contracts Payable	563,492	-	270,085	-	391,274	1,043,347	2,268,198
Due to Other Governments	20,346	-	-	-	-	7,043	27,389
Advanced from Other Funds	-	-	-	4,681,861	-	2,074,875	6,756,736
Due to Other Funds	-	-	-	-	910,805	231,535	1,142,340
Unearned Revenues	391,037	-	-	-	-	90,140	481,177
Developer Escrow Deposits Payable	1,244,956	-	-	-	-	-	1,244,956
Total Liabilities	3,423,378	-	270,085	4,681,861	1,302,079	3,500,599	13,178,002
Deferred Inflows of Resources							
Unavailable Revenue - Grants	-	-	-	-	4,260,397	-	4,260,397
Unavailable Revenue - Taxes	331,051	-	-	-	-	2,828	333,879
Unavailable Revenue - Special Assessments	-	-	-	-	-	3,272,465	3,272,465
Unavailable Revenue - MSA	-	-	1,528,607	-	-	577,464	2,106,071
Deferred Inflow Related to Lease Receivable	4,504,508	-	-	-	-	-	4,504,508
Total Deferred Inflows of Resources	4,835,559	-	1,528,607	-	4,260,397	3,852,757	14,477,320
Fund Balances:							
Nonspendable	199,616	-	-	-	-	-	199,616
Restricted	-	-	-	-	-	26,547,672	26,547,672
Committed	2,948,784	-	-	-	-	31,390,085	34,338,869
Assigned	530,900	22,652,135	6,614,758	-	-	9,520,201	39,317,994
Unassigned	27,012,081	-	-	(4,681,861)	(805,016)	(1,175,363)	20,349,841
Total Fund Balances	30,691,381	22,652,135	6,614,758	(4,681,861)	(805,016)	66,282,595	120,753,992
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 38,950,318	\$ 22,652,135	\$ 8,413,450	\$ -	\$ 4,757,460	\$ 73,635,951	\$ 148,409,314

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position - Governmental Activities
December 31, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	\$ 120,753,992
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of Capital Assets	330,823,367
Less Accumulated Depreciation and Amortization	(123,289,923)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bond Principal Payable	(25,550,000)
Unamortized Bond Discount/(Premium)	(880,442)
Compensated Absences and Severance Payable, excluding Internal Service Funds	(3,825,210)
Total OPEB Liability, excluding Internal Service Funds	(2,803,619)
Lease Liability	(629,022)
Subscription Liability	(55,130)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	
MNPORA Net Pension Liability (from pension schedules)	(16,893,863)
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the funds.	
Deferred Outflows of Resources related to Pensions	19,094,431
Deferred Inflows of Resources related to Pensions	(22,681,913)
Deferred Outflows of Resources related to OPEB	1,948,506
Deferred Inflows of Resources related to OPEB	(2,329,053)
Governmental funds do not report the net pension asset.	
MFRA Net Pension Asset	5,798,674
Delinquent property taxes, delinquent and noncurrent special assessments receivable and grants are reported as deferred inflows of resources in the fund statements as these amounts are not available in the current year.	
	9,972,812
Governmental funds do not report a liability for accrued interest until due and payable.	
	(290,028)
Internal Service Funds are used by management to charge the costs of providing insurance and fleet maintenance services for the City (See Note 2.A).	
	2,463,375
Total Net Position - Governmental Activities	\$ 291,626,954

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	Capital Projects					Other Governmental Funds	Total Governmental Funds
	General	Community Investment	Street Improvement	The Marsh Facility Improvement	Trail System Expansion Fund		
Revenues:							
Taxes:							
Property	\$ 39,397,459	\$ -	\$ 6,380,000	\$ -	\$ -	\$ 5,284,494	\$ 51,061,953
Franchise	-	-	-	-	1,989,871	2,093,493	4,083,364
Tax Increments	-	-	-	-	-	3,706,920	3,706,920
Special Assessments	-	-	-	-	-	569,561	569,561
Licenses and Permits	5,822,055	-	113,504	-	-	-	5,935,559
Intergovernmental	2,256,520	-	2,393,193	-	-	2,510,802	7,160,515
Charges for Services	2,550,728	-	-	-	-	2,409,659	4,960,387
Fines and Forfeitures	184,853	-	-	-	-	17,795	202,648
Miscellaneous							
Investment Income (Loss)	1,131,584	822,432	67,521	-	96,562	2,010,899	4,128,998
Other	1,075,921	-	18,269	-	-	2,904,296	3,998,486
Total Revenues	52,419,120	822,432	8,972,487	-	2,086,433	21,507,919	85,808,391
Expenditures:							
Current:							
General Government	8,185,267	41	-	-	-	632,906	8,818,214
Public Safety	22,301,208	-	-	-	-	42,209	22,343,417
Public Works	7,464,398	-	3,848	-	-	171,483	7,639,729
Park and Recreation	8,408,239	-	-	4,156	-	3,009,340	11,421,735
Development Services	3,410,792	-	-	-	-	3,415,722	6,826,514
Debt Service	57,600	-	-	-	-	1,497,035	1,554,635
Capital Outlay	-	-	2,385,282	-	4,644,041	6,345,344	13,374,667
Total Expenditures	49,827,504	41	2,389,130	4,156	4,644,041	15,114,039	71,978,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,591,616	822,391	6,583,357	(4,156)	(2,557,608)	6,393,880	13,829,480
Other Financing Sources (Uses):							
Transfers In	1,499,000	63,000	750,000	-	-	3,047,441	5,359,441
Transfers Out	(1,753,209)	(50,000)	(637,934)	-	-	(779,921)	(3,221,064)
Proceeds on Disposition of Capital Assets	-	-	-	-	-	61,290	61,290
Total Other Financing Sources (Uses)	(254,209)	13,000	112,066	-	-	2,328,810	2,199,667
Net Change in Fund Balances	2,337,407	835,391	6,695,423	(4,156)	(2,557,608)	8,722,690	16,029,147
Fund Balances:							
Beginning of Year, as Previously Stated	28,353,974	21,816,744	(80,665)	(4,677,705)	-	59,312,497	104,724,845
Change within Financial Reporting Entity (See Note 6)	-	-	-	-	1,752,592	(1,752,592)	-
Beginning of Year, as Restated	28,353,974	21,816,744	(80,665)	(4,677,705)	1,752,592	57,559,905	104,724,845
End of Year	\$ 30,691,381	\$ 22,652,135	\$ 6,614,758	\$ (4,681,861)	\$ (805,016)	\$ 66,282,595	\$ 120,753,992

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of
Activities - Governmental Activities
For the Year Ended December 31, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 16,029,147
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	
Capital Outlay	9,684,028
Depreciation Expense	(6,564,731)
Amortization Expense	(182,517)
Gain / (Loss) on Disposed Assets	(15,845)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	2,759,565
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
	1,038,932
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Changes in Compensated Absences and Severance Payable	262,357
Changes in Total OPEB Liability	(137,631)
Changes in Accrued Interest Payable	13,486
<p>Net pension obligation is not recognized in the Governmental Funds but recognized as the expense/revenue is incurred in the Statement of Activities.</p>	
	429,158
<p>Some pension expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure.</p>	
	637,927
<p>Internal Service Funds are used by management to charge the costs of providing insurance for the City (See Note 2.B).</p>	
	126,549
Change in Net Position of Governmental Activities	\$ 24,080,425

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget to Actual - General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 39,863,300	\$ 39,863,300	\$ 39,397,459	\$ (465,841)
Licenses and Permits	3,661,300	3,615,500	5,822,055	2,206,555
Intergovernmental Revenues	1,574,500	2,260,700	2,256,520	(4,180)
Charges for Services	2,121,300	2,197,800	2,550,728	352,928
Fines and Forfeitures	150,000	125,800	184,853	59,053
Other Revenues	2,185,100	1,939,100	2,207,505	268,405
Total Revenues	<u>49,555,500</u>	<u>50,002,200</u>	<u>52,419,120</u>	<u>2,416,920</u>
Expenditures:				
General Government	8,229,500	8,225,700	8,185,267	40,433
Public Safety	22,502,300	22,590,400	22,301,208	289,192
Public Works	8,147,100	7,994,800	7,464,398	530,402
Park and Recreation	8,448,500	8,427,400	8,408,239	19,161
Development Services	3,798,500	3,773,000	3,410,792	362,208
Debt Service	57,600	57,600	57,600	-
Total Expenditures	<u>51,183,500</u>	<u>51,068,900</u>	<u>49,827,504</u>	<u>1,241,396</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,628,000)</u>	<u>(1,066,700)</u>	<u>2,591,616</u>	<u>3,658,316</u>
Other Financing Sources (Uses):				
Transfers In	1,499,000	1,499,000	1,499,000	-
Transfers Out	(1,746,000)	(1,751,500)	(1,753,209)	(1,709)
Total Other Financing Sources (Uses)	<u>(247,000)</u>	<u>(252,500)</u>	<u>(254,209)</u>	<u>(1,709)</u>
Net Change in Fund Balance	<u>(1,875,000)</u>	<u>(1,319,200)</u>	<u>2,337,407</u>	<u>3,656,607</u>
Fund Balances:				
Beginning of Year	<u>28,353,974</u>	<u>28,353,974</u>	<u>28,353,974</u>	<u>-</u>
End of Year	<u>\$ 26,478,974</u>	<u>\$ 27,034,774</u>	<u>\$ 30,691,381</u>	<u>\$ 3,656,607</u>

The Notes to the Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

Enterprise Funds – These funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public. Minnetonka’s enterprises include the public utility engaged in the provision of water and sewer services, an environmental fund, a fitness center, a storm water fund, and a marina and public access to Lake Minnetonka.

Internal Service Funds – The City has two internal service funds, the Self-Insurance Fund and the Fleet Maintenance Fund, that respectively account for the risk management and fleet maintenance services provided to other City departments on a cost-reimbursement basis

City of Minnetonka
Hennepin County, Minnesota
Statement of Fund Net Position - Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water		Total Internal Service Funds
Assets and Deferred Outflows of Resources:							
Current Assets:							
Cash and Investments	\$ 21,187,375	\$ 165,791	\$ 1,026,621	\$ 1,060,453	\$ 5,193,483	\$ 28,633,723	\$ 3,381,826
Accounts Receivable	2,798,781	133,207	-	-	422,644	3,354,632	76,634
Interest Receivable	73,229	573	3,387	3,660	17,709	98,558	11,679
Special Assessments Receivable	339,156	-	-	-	-	339,156	-
Due from Other Governments	3,947	21,958	-	-	-	25,905	10,257
Inventories	70,299	-	-	-	-	70,299	109,749
Total Current Assets	<u>24,472,787</u>	<u>321,529</u>	<u>1,030,008</u>	<u>1,064,113</u>	<u>5,633,836</u>	<u>32,522,273</u>	<u>3,590,145</u>
Noncurrent Assets:							
Capital Assets:							
Land - Nondepreciable	247,650	-	484,381	-	680,580	1,412,611	-
Construction in Progress - Nondepreciable	10,773,041	-	-	-	4,793,682	15,566,723	-
Buildings and Structures	7,386,584	-	8,020,318	-	352,240	15,759,142	-
Water Facilities	5,266,562	-	-	-	-	5,266,562	-
Water Mains and Lines	173,043,861	-	-	-	-	173,043,861	-
Sewer Lift Stations	10,478,544	-	-	-	-	10,478,544	-
Storm Drainage System	-	-	-	-	49,432,232	49,432,232	-
Improvements Other than							
Buildings	3,207,924	-	224,464	740,000	-	4,172,388	-
Machinery and Equipment	7,590,727	-	416,767	13,334	1,345,027	9,365,855	-
Total Cost	217,994,893	-	9,145,930	753,334	56,603,761	284,497,918	-
Less Accumulated Depreciation	(128,309,719)	-	(4,908,797)	(580,710)	(25,108,077)	(158,907,303)	-
Net Capital Assets	<u>89,685,174</u>	<u>-</u>	<u>4,237,133</u>	<u>172,624</u>	<u>31,495,684</u>	<u>125,590,615</u>	<u>-</u>
Total Noncurrent Assets	<u>89,685,174</u>	<u>-</u>	<u>4,237,133</u>	<u>172,624</u>	<u>31,495,684</u>	<u>125,590,615</u>	<u>-</u>
Total Assets	<u>114,157,961</u>	<u>321,529</u>	<u>5,267,141</u>	<u>1,236,737</u>	<u>37,129,520</u>	<u>158,112,888</u>	<u>3,590,145</u>
Deferred Outflows of Resources:							
OPEB	122,917	5,503	97,830	3,088	11,999	241,337	31,479
MNPERA Pension	200,696	8,498	146,676	2,765	20,256	378,891	51,700
Total Deferred Outflows of Resources	<u>323,613</u>	<u>14,001</u>	<u>244,506</u>	<u>5,853</u>	<u>32,255</u>	<u>620,228</u>	<u>83,179</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 114,481,574</u>	<u>\$ 335,530</u>	<u>\$ 5,511,647</u>	<u>\$ 1,242,590</u>	<u>\$ 37,161,775</u>	<u>\$ 158,733,116</u>	<u>\$ 3,673,324</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Fund Net Position - Proprietary Funds (Continued)
December 31, 2024

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water		Total Internal Service Funds
Liabilities, Deferred Inflows of Resources and Net Position:							
Liabilities:							
Current Liabilities:							
Salaries and Wages Payable	\$ 81,666	\$ 2,713	\$ 51,991	\$ 1,235	\$ 8,155	\$ 145,760	\$ 20,389
Accounts Payable	529,394	91,712	22,178	445	124,183	767,912	108,799
Due to Other Governments	10,072	3	18,685	-	-	28,760	4,550
Accrued Interest Payable	352,320	-	-	-	-	352,320	-
Unearned Revenue	-	-	7,131	77,000	-	84,131	-
Current Portion of							
Compensated Absences	195,403	-	52,583	-	-	247,986	24,837
Total OPEB Liability	19,839	763	15,261	382	1,908	38,153	-
Bonds Payable	1,835,000	-	-	-	-	1,835,000	-
Total Current Liabilities	<u>3,023,694</u>	<u>95,191</u>	<u>167,829</u>	<u>79,062</u>	<u>134,246</u>	<u>3,500,022</u>	<u>158,575</u>
Long-Term Liabilities:							
Compensated Absences	-	-	68,822	-	-	68,822	82,905
Incurred but Not Reported Claims	-	-	-	-	-	-	114,221
Total OPEB Liability	157,020	7,154	125,502	4,061	15,357	309,094	45,293
MNPERA-Net Pension Liability	777,284	32,914	568,070	10,709	78,450	1,467,427	200,232
Revenue Bonds Payable, Net	29,363,346	-	-	-	-	29,363,346	-
Total Noncurrent Liabilities	<u>30,297,650</u>	<u>40,068</u>	<u>762,394</u>	<u>14,770</u>	<u>93,807</u>	<u>31,208,689</u>	<u>442,651</u>
Total Liabilities	<u>33,321,344</u>	<u>135,259</u>	<u>930,223</u>	<u>93,832</u>	<u>228,053</u>	<u>34,708,711</u>	<u>601,226</u>
Deferred Inflows of Resources:							
MNPERA Pension	515,623	21,834	376,838	7,104	52,041	973,440	132,827
OPEB	146,923	6,577	116,936	3,692	14,342	288,470	37,626
Total Deferred Inflows of Resources	<u>662,546</u>	<u>28,411</u>	<u>493,774</u>	<u>10,796</u>	<u>66,383</u>	<u>1,261,910</u>	<u>170,453</u>
Net Position:							
Net Investment in Capital Assets	60,783,326	-	4,237,133	172,624	31,384,887	96,577,970	-
Unrestricted	19,714,358	171,860	(149,483)	965,338	5,482,452	26,184,525	2,901,645
Total Net Position	<u>80,497,684</u>	<u>171,860</u>	<u>4,087,650</u>	<u>1,137,962</u>	<u>36,867,339</u>	<u>122,762,495</u>	<u>2,901,645</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 114,481,574</u>	<u>\$ 335,530</u>	<u>\$ 5,511,647</u>	<u>\$ 1,242,590</u>	<u>\$ 37,161,775</u>		<u>\$ 3,673,324</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds (See Note 2.C)						438,270	
Total Business-Type Activities Net Position						<u>\$ 123,200,765</u>	

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Total Enterprise Funds	Total Internal Service Funds
Operating Revenues:							
Water Sales and Sewer Charges	\$ 18,180,901	\$ -	\$ -	\$ -	\$ -	\$ 18,180,901	\$ -
Storm Water Charges	-	-	-	-	3,109,018	3,109,018	-
Memberships and Fees	-	-	2,879,442	124,000	-	3,003,442	-
Recycling Charges	-	1,484,148	-	-	-	1,484,148	-
Charges to City Departments	-	-	-	-	-	-	2,468,007
Other Revenue	1,851,169	36,820	100,665	142,073	-	2,130,727	147,322
Total Operating Revenues	20,032,070	1,520,968	2,980,107	266,073	3,109,018	27,908,236	2,615,329
Operating Expenses:							
Personnel Services	2,480,224	104,422	1,896,899	61,119	240,384	4,783,048	631,377
Supplies, Repairs and Maintenance	862,688	423	160,168	86,134	97,951	1,207,364	926,966
Other Services and Charges	7,534,408	1,266,626	442,601	60,638	80,933	9,385,206	1,013,893
Total Operating Expenses	10,877,320	1,371,471	2,499,668	207,891	419,268	15,375,618	2,572,236
Operating Income (Loss)							
before Depreciation	9,154,750	149,497	480,439	58,182	2,689,750	12,532,618	43,093
Depreciation Expense	4,977,912	-	174,077	24,718	1,033,027	6,209,734	-
Operating Income (Loss)	4,176,838	149,497	306,362	33,464	1,656,723	6,322,884	43,093
Nonoperating Revenues (Expenses):							
Investment Income (Loss)	723,490	3,638	26,201	36,873	160,927	951,129	117,549
Intergovernmental	16,408	117,439	6,000	100	-	139,947	-
Interest Expense	(718,507)	-	-	-	-	(718,507)	-
Gain (Loss) on Sales of Capital Assets	16,087	-	-	-	-	16,087	-
Total Nonoperating Revenues (Expenses)	37,478	121,077	32,201	36,973	160,927	388,656	117,549
Income (Loss) before Transfers	4,214,316	270,574	338,563	70,437	1,817,650	6,711,540	160,642
Transfers Out	(1,363,683)	(220,600)	(54,200)	(12,900)	(486,994)	(2,138,377)	-
Changes in Net Position	2,850,633	49,974	284,363	57,537	1,330,656	4,573,163	160,642
Net Position:							
Net Position - Beginning	77,647,051	121,886	3,803,287	1,080,425	35,536,683		2,741,003
Net Position - Ending	\$ 80,497,684	\$ 171,860	\$ 4,087,650	\$ 1,137,962	\$ 36,867,339		\$ 2,901,645
Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Enterprise Funds (See Note 2.D.)						34,093	
Change in Net Position - Business-Type Activities						\$ 4,607,256	

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Total Enterprise Funds	Total Internal Service Funds
Cash Flows from Operating Activities:							
Receipts from Customers and Users	\$ 18,151,775	\$ 1,481,775	\$ 2,876,060	\$ 129,700	\$ 3,091,830	\$ 25,731,140	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	-	2,381,221
Other Revenues	1,851,169	36,820	100,665	142,073	-	2,130,727	147,322
Payments to Suppliers	(8,861,634)	(1,262,033)	(610,588)	(147,334)	(149,798)	(11,031,387)	(1,152,081)
Payments to Employees	(2,602,543)	(112,320)	(1,882,655)	(60,905)	(249,431)	(4,907,854)	(653,004)
Payments of Benefits on Behalf of Employees	-	-	-	-	-	-	(754,354)
Net Cash Provided (Used) by Operating Activities	<u>8,538,767</u>	<u>144,242</u>	<u>483,482</u>	<u>63,534</u>	<u>2,692,601</u>	<u>11,922,626</u>	<u>(30,896)</u>
Cash Flows from Noncapital Financing Activities:							
Intergovernmental	16,408	117,439	6,000	100	-	139,947	-
Transfers to Other Funds	(1,363,683)	(220,600)	(54,200)	(12,900)	(486,994)	(2,138,377)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,347,275)</u>	<u>(103,161)</u>	<u>(48,200)</u>	<u>(12,800)</u>	<u>(486,994)</u>	<u>(1,998,430)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(3,901,334)	-	(100,456)	-	(1,192,456)	(5,194,246)	-
Proceeds from sale of capital assets	16,087	-	-	-	-	16,087	-
Principal Paid on Capital Debt	(1,770,000)	-	-	-	-	(1,770,000)	-
Interest and Fiscal Charges Paid on Capital Debt	(108,336)	-	-	-	-	(108,336)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,763,583)</u>	<u>-</u>	<u>(100,456)</u>	<u>-</u>	<u>(1,192,456)</u>	<u>(7,056,495)</u>	<u>-</u>
Cash Flows from Investing Activities:							
Purchase of Investments	27,581,170	220,637	1,304,038	1,416,463	6,833,770	37,356,078	4,464,920
Sale of Investments	(27,996,493)	(218,889)	(1,294,952)	(1,399,150)	(6,770,244)	(37,679,728)	(4,464,920)
Interest and Dividends Received	360,480	1,712	15,926	19,114	92,980	490,212	116,754
Net Cash Provided (Used) by Investing Activities	<u>(54,843)</u>	<u>3,460</u>	<u>25,012</u>	<u>36,427</u>	<u>156,506</u>	<u>166,562</u>	<u>116,754</u>
Net Change in Cash and Cash Equivalents	1,373,066	44,541	359,838	87,161	1,169,657	3,034,263	85,858
Cash and Cash Equivalents, January 1	19,814,309	121,250	666,783	973,292	4,023,826	25,599,460	3,295,968
Cash and Cash Equivalents, December 31	<u>\$ 21,187,375</u>	<u>\$ 165,791</u>	<u>\$ 1,026,621</u>	<u>\$ 1,060,453</u>	<u>\$ 5,193,483</u>	<u>\$ 28,633,723</u>	<u>\$ 3,381,826</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Cash Flows - Proprietary Funds (Continued)
For the Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water Fund	Enterprise Funds	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:							
Operating Income (Loss)	\$ 4,176,838	\$ 149,497	\$ 306,362	\$ 33,464	\$ 1,656,723	\$ 6,322,884	\$ 43,093
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities							
Depreciation Expense	4,977,912	-	174,077	24,718	1,033,027	6,209,734	-
Accounts Receivable	(173,122)	(2,947)	-	-	(17,188)	(193,257)	(76,634)
Prepaid Items	-	-	-	-	-	-	148,554
Due from Other Governments	181,972	574	-	-	-	182,546	(10,152)
Special Assessments Receivable	(37,449)	-	-	-	-	(37,449)	-
Inventories	18,561	-	-	-	-	18,561	(1,695)
OPEB (Deferred Outflow)	25,786	1,254	15,408	278	2,313	45,039	6,806
Pensions (Deferred Outflow)	133,566	6,645	82,258	1,563	13,348	237,380	35,532
Accounts Payable	(477,995)	5,013	(8,717)	(562)	29,086	(453,175)	(112,435)
Due to Other Governments	(5,104)	3	898	-	-	(4,203)	-
Salaries and Wages Payable	13,329	445	8,928	228	1,288	24,218	3,492
Compensated Absences Payable	(25,805)	-	23,418	-	-	(2,387)	7,496
Total OPEB Liability	(30,504)	(1,505)	(17,144)	(251)	(2,692)	(52,096)	(8,094)
Net Pension	(384,622)	(19,724)	(227,712)	(4,336)	(38,359)	(674,753)	(102,989)
OPEB (Deferred Inflow)	5,166	135	8,988	482	699	15,470	1,129
Pensions (Deferred Inflow)	140,765	4,852	120,100	2,250	14,356	282,323	35,001
Unearned Revenue	(527)	-	(3,382)	5,700	-	1,791	-
Total Adjustments	4,361,929	(5,255)	177,120	30,070	1,035,878	5,599,742	(73,989)
Net Cash Provided (Used) by Operating Activities	<u>\$ 8,538,767</u>	<u>\$ 144,242</u>	<u>\$ 483,482</u>	<u>\$ 63,534</u>	<u>\$ 2,692,601</u>	<u>\$ 11,922,626</u>	<u>\$ (30,896)</u>
Noncash Investing, Capital and Financing Activities:							
Increase (Decline) in Fair Value of Investments	\$ 355,061	\$ 1,748	\$ 9,087	\$ 17,313	\$ 63,526	446,735	\$ 60,860
Amortization of Bond Premium	134,273	-	-	-	-	134,273	-
Total Noncash Transactions	<u>\$ 489,334</u>	<u>\$ 1,748</u>	<u>\$ 9,087</u>	<u>\$ 17,313</u>	<u>\$ 63,526</u>	<u>\$ 581,008</u>	<u>\$ 60,860</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Private-Purpose Trust
Assets:	
Cash and Investments	\$ 305,689
Interest Receivable	1,056
	306,745
Total Assets	306,745
Liabilities:	
Accounts Payable	-
	-
Net Position:	
Net Position, Held in Trust for Other Purposes	\$ 306,745

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Changes in Fiduciary Net Position -
Private-Purpose Trust Funds
For the Year Ended December 31, 2024

	Private-Purpose Trust
Additions:	
Contributions from Participants	\$ 14,713
Investment Earnings	
Interest	11,619
Total Additions	26,332
Deductions:	
Benefits	23,002
Change in Net Position	3,330
Net Position - January 1	303,415
Net Position - December 31	\$ 306,745

The Notes to the Financial Statements are an integral part of this statement.

**NOTES TO BASIC
FINANCIAL STATEMENTS**

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City was formed and operates pursuant to applicable Minnesota laws and statutes. The governing body consists of a mayor and a six member City Council with four members elected by wards and two members elected at large by voters of the City to serve four year staggered terms.

In accordance with Governmental Accounting Standards Board (GASB) guidance regarding *The Reporting Entity*, the financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and the City is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined in accordance with GASB guidance and are presented in this report as follows:

- Blended Component Unit – Reported as if they were a part of the City
- Joint Ventures and Jointly Governed Organizations – The relationship of the City with the joint venture is disclosed

For each of the categories above, the specific entities are identified as follows:

Blended Component Unit

Economic Development Authority in and for the City of Minnetonka

The Economic Development Authority (EDA) is a legally separate entity. Its governing board is comprised of the City Council and city management has operational responsibility for day to day activities. The EDA provides services regarding economic development, housing and redevelopment matters in the City. Since the EDA's governing board is substantively the same as the City's governing board, it is reported as if it were part of the City and is shown as a blended component unit. In addition, all debt issued (if any) in connection with the EDA activities requires the prior approval of the City Council, all projects require City Council approval and all debt issued (if any) is solely a general obligation of the City. The EDA has a December 31 year-end and does not issue separate financial statements. This unit is included within the Housing & Redevelopment Authority Special Revenue Fund.

Joint Ventures and Jointly Governed Organizations

The City has several agreements with governmental and other entities which provide reduced costs, better service and additional benefits to the participants. These programs, which the City participates in, are listed below and amounts recorded within the current year financial statements are disclosed.

1. Southwest Suburban Cable Commission (a Jointly Governed Organization)

Five local cities oversee the franchise agreement with Time/Warner Cable, the local cable company. The Southwest Suburban Cable Commission (Commission) is legally separate; the City does not appoint a voting majority of the Board; and the Commission is fiscally independent of the City. During 2024, the City contributed approximately \$50,956 to the Commission, which is included as an expenditure in the Special Revenue – Cable TV Fund, a nonmajor fund included with the City's other nonmajor governmental funds. Financial information can be obtained at 1010 First Street South, Hopkins, Minnesota 55343.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Joint Ventures and Jointly Governed Organizations (Continued)

2. LOGIS (a Jointly Governed Organization)

This consortium of approximately 58 governmental entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of the Board; and the consortium is fiscally independent of the City. During 2024, the City paid \$1,908,580 to this organization for services provided, which is included as expenditures/expenses of the General, Water and Sewer Utility, Capital Replacement and Technology Development Funds. Financial information can be obtained at 5750 Duluth Street, Golden Valley, Minnesota 55422-4036.

3. Independent School District 270 (Hopkins Schools) Joint Venture

The City and Hopkins Schools entered into an agreement to jointly fund the Royals Athletic Center that was completed in 1996 at Hopkins High School. The facility is owned jointly by Hopkins Schools and the City as tenants-in-common, 71% and 29%, respectively. The City is responsible for 29% of the operating costs. The City has included \$1,642,728 in capital assets as its share of the Royals Athletic Center. The City's share of the operating costs of the Royals Athletic Center for 2024 was approximately \$76,409, which is included in parks and recreation expenditures of the General Fund. Financial information can be obtained at 1001 West Highway 7, Hopkins, Minnesota 55305.

4. Independent School District 276 (Minnetonka Schools) Joint Venture

The City and Minnetonka Schools entered into an agreement to jointly fund a cultural arts center in 2000 at Minnetonka High School. At that time, the facility was jointly owned by Minnetonka Schools and the City as tenants-in-common, 55% and 45%, respectively, with the City being responsible for 50% of the annual operating costs. On July 1, 2009 the joint venture agreement was modified to accommodate Minnetonka Schools purchasing the City's share of the facility over the next seven years. In return, the City will not be responsible for any future operating and capital expenditures, and will also maintain a guaranteed number of rehearsal hours through a 20-year operating lease with Minnetonka Schools. The City's operating lease cost for 2024 was \$57,600. Additional information on this lease can be found under Note 4D Leases.

The City accounts for this investment as a joint venture in the government-wide financial statements. The joint venture does not represent current financial resources and is therefore not reported in the governmental funds. In 2015, the final payment was made bringing the balance due in this joint venture to zero. Financial information can be obtained at 5621 County Road 101, Minnetonka, Minnesota 55345.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. The Fiduciary Funds are only reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position at the fund financial statement level. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Description of Funds:

Major Governmental Funds:

General Fund – This Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Capital Project Funds:

Community Investment Fund – This Fund accounts for the government’s residuals from special assessment funds where the bond has been retired. Expenditures from this Fund are for projects that have a government-wide benefit.

Street Improvement Fund – This Fund accounts for the revenues and expenditures related to the reconstruction and maintenance of the local street system.

The Marsh Facility Improvement Fund – This Fund was established to account for the revenues and expenditures related to the purchase, reconstruction and maintenance of The Marsh.

Trail Expansion Fund – This fund was established to account for the expansion of the city’s trail system.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Description of Funds (Continued):

Major Proprietary Funds:

Water and Sewer Utilities Fund – This Fund accounts for the operations of the City’s water and sewer services.

Environmental Fund – This Fund accounts for the operations of the City’s recycling services.

Williston Fitness Center Fund – This Fund accounts for the operations of the City’s fitness center.

Grays Bay Marina Fund – This Fund accounts for the operations of the City’s marina.

Storm Water Fund – This Fund accounts for the operations of the City’s storm drainage services.

Additionally, the City reports the following fund types:

Internal Service Funds – These Funds account for the risk management and fleet maintenance provided to other departments of the City on a cost-reimbursement basis.

Private Purpose Trust Funds – These Funds account for resources legally held in trust for others. The City’s three stewardship trust funds are used to account for the collection and remittance of contributions for the maintaining of wetlands in each specific development area.

The City’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government’s public utility fund, internal service funds, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. General revenues include all taxes, franchise fees and investment income.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity

1. Deposits and Investments

The government’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Minnesota Statutes require all deposits made by cities with financial institutions to be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100% of the deposits not covered by insurance or bonds.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

1. Deposits and Investments (Continued)

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

The City's investment policy has addressed concentration risk as to diversification and is required to limit potential losses to no more than the income generated by the portfolio. The City's policy also addresses interest rate risk by limiting the average maturity life of the portfolio to no greater than five years unless a specific exemption is required to match specific cash flows.

Unless a specific exception is provided, the maximum average life of the portfolio, excluding investable funds from the Community Investment Fund, will be five years or below. The City will also not purchase investments that, at the time of the investment, cannot be held to maturity. In addition, the policy states the City will handle its investment transactions with several legal, competing, reputable investment security dealers. The City's policy addresses credit risk by stating investments in commercial paper must have a security rating of A-1 (Moody's), P-1 (Standard & Poor's) or F-1 (Fitch) among at least two of the three rating agencies. The City's policy also addresses exposure to custodial credit risk; stating collateral shall be government securities in the amount of 110% of the excess over the current FDIC insurance amount of \$250,000.

Investments for the government are reported at fair value. The Minnesota Municipal Investment Pool is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities and is an unrated external investment pool that is valued at amortized cost with maturities of investments of one year or less.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as advances to/from other funds. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 29 is the last day the City can certify a tax levy to the County Auditor for collection during the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available.

Hennepin County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment is due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

3. Inventory and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Inventories of the governmental funds are valued at average cost using the weighted average method. Inventories of the proprietary funds are valued at the lower of average cost using the weighted average method or market. Inventories of governmental funds are recorded as expenditures when consumed rather than purchased.

4. Use of Estimates

The preparation of the basic financial statement in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

5. Capital Assets

Capital assets, which include; property, plant, equipment and infrastructure assets (i.e., roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and enterprise funds in the proprietary fund statements. Capital assets are defined as assets with an initial cost of more than \$25,000 or \$100,000 depending on the asset type and an estimated useful life of greater than one year, which was updated in 2021. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

	All
Land	
Building and Structures	\$ 100,000
Improvements other than Buildings	100,000
Machinery, Auto, Furniture, Equipment and Grouped Assets	25,000
Infrastructure	
Streets	100,000
Parks	100,000
Storm Sewer System	100,000
Water & Sanitary Sewer Systems	100,000
Intangible Assets	100,000

Infrastructure has been capitalized retroactively to 1980. Carrying value of prior infrastructure assets is considered to be insignificant to the overall value of capital assets of the City. Donated capital assets are recorded at acquisition value at the date of donation. The City's policy to not capitalize computer software or equipment was amended in 2024 and is now capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

5. Capital Assets (Continued)

The City's capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and Structures	40
Improvements other than Buildings	10-30
Machinery, Auto, Furniture, Equipment and Grouped Assets	5-15
Infrastructure	
Streets	35
Parks	20
Storm Sewer System	50
Water & Sanitary Sewer Systems	40

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until a future event occurs.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until a future event occurs.

7. Leases

For lease payables, the City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position. Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

For lease receivables, the City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements. Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses or revenues as incurred, and these leases are not included as lease liabilities and right-to-use lease assets or lease receivables and deferred inflows on the statements of net position.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

8. Subscription-Based Information Technology Arrangements (SBITAs)

The City determines if an arrangement is a SBITA at inception. SBITAs are included in Right-to-Use assets and subscription payable in the statements of net position.

SBITA subscriptions payable represent the City's obligation to make SBITA payments arising from the arrangement. SBITA subscriptions payable are recognized at the commencement date based on present value of expected SBITA subscriptions payments over the SBITA term, less any SBITA vendor incentives. Interest expense is recognized ratably over the contract term.

9. Compensated Absences

Under terms of union contracts and personnel policies, the City's employees are granted vacations in varying amounts depending on length of service and union contract or employee classification. All non-firefighter full-time employees accumulate eight hours of sick leave per month of service and full-time firefighters accumulate up to 12 hours of sick leave per month of service. Upon termination, depending on employee group and years of service, employees are paid for all unused vacation up to a maximum of 385 hours. Severance pay is the greater of 1/3 of unused sick leave or 4 weeks of pay plus 1 week of pay for every year of service over 10 years, up to a maximum of 13 weeks, provided the employee is eligible to receive severance pay per the City's personnel policy.

10. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize non-current liabilities to the extent they have matured or will be liquidated with expendable, available financial resources. Bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

12. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form, such as inventory.

Restricted – consist of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

Committed – consists of internally imposed constraints. These constraints are established by Resolution of the City Council. Only the Council can remove or change the constraints placed on committed fund balances by formal resolution.

Assigned – Consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City’s intended use. The City Council authorized the City Manager and itself to assign fund balance as necessary. These constraints are established by City Council and/or the City Manager.

Unassigned – the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the City’s policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

The City Council has formally adopted a fund balance policy for the General Fund. The City’s policy is that the City Manager will assign in the annual budget a *Budget Stabilization Reserve*, which is an amount equivalent to thirty (30) to fifty (50) percent of the following year’s operating budget. If the level of the *Budget Stabilization Reserve* falls below thirty (30) percent of the following year’s operating budget, the City will develop and implement a plan to replenish the fund. At December 31, 2024, the amount assigned to the budget stabilization reserve was \$22,119,600, or 40.0% of 2025 budgeted expenditures.

Note 2: Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “internal service funds are used by management to charge the costs of providing risk management and fleet maintenance for the City.” The details of this \$2,463,375 difference are as follows:

Net Position of the Internal Service Fund	\$ 2,901,645
Subtract: Net Position Attributed to the Business-Type Activities	(438,270)
Net Adjustment to Increase <i>Fund Balance - Total Governmental Funds</i> to Arrive at <i>Net Position - Governmental Activities</i>	\$ 2,463,375

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

**Note 2: Reconciliation of Government-Wide and Fund Financial Statements
(Continued)**

B. Explanation of Certain Differences between the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,038,932 difference are as follows:

Principal Repayments:	
General Obligation Debt	\$ 810,000
Leased Liability	34,381
Subscription Liability	146,074
Amortization of Bond Discounts and Premiums:	
General Obligation Debt - Net	48,477
Net Adjustment to Increase <i>Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities</i>	\$ 1,038,932

Another element of that reconciliation states that “Internal Service Funds are used by management to charge the costs of providing risk management and fleet maintenance for the City.” The details of this \$126,549 difference are as follows:

Change in Net Position of the Internal Service Fund	\$ 160,642
Subtract: Gain from Charges to Business-Type Activities	(34,093)
Net Adjustment to Increase <i>Net Change in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities</i>	\$ 126,549

C. Explanation of Certain Differences between the Proprietary Fund Statements of Net Position and the Government-Wide Statement of Net Position

The proprietary fund statement of net position includes a reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$438,270 adjustment are as follows:

Internal Payable Representing Charges in Excess of Costs to Business-Type Activities - Prior Year	\$ 404,177
Internal Payable Representing Costs in Excess of Charges to Business-Type Activities - Current Year	34,093
Net Adjustment to Increase <i>Net Position - Total Enterprise Funds to Arrive at Net Position - Business-Type Activities</i>	\$ 438,270

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

**Note 2: Reconciliation of Government-Wide and Fund Financial Statements
(Continued)**

D. Explanation of Certain Differences between the Proprietary Fund Statements of Revenues, Expenses, and Changes in Fund Net Position and the Government-Wide Statement of Activities

The proprietary fund statement of revenues, expenses, and changes in fund net position includes a reconciliation between change in net position – total enterprise funds and change in net position of business-type activities as reported in the government-wide statement of activities. The description of the sole reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$34,093 adjustment are as follows:

Gain from Charges to Business-Type Activities	\$ 34,093
Net Adjustment to Increase <i>Net Change in Net Position - Total Enterprise Funds to Arrive at Changes in Net Position of Business-Type Activities</i>	\$ 34,093

Note 3: Stewardship, Compliance and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General and Special Revenue Funds.

Budget amounts for the originally adopted budget and the final amended budget are approved by the City Council. Encumbrance accounting is employed in the governmental funds. Encumbrances outstanding at year end are reported as restrictions of fund balance and do not constitute expenditures of liabilities because the commitments will be reapportioned and honored during the subsequent year. Budgeted expenditure appropriations lapse at year-end.

The City follows these procedures in establishing the budgetary data reflected in the enclosed financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for all funds of the City. However, the General and Special Revenue Funds are the only funds that are legally adopted through the budgetary process as documented below.
2. Public hearings are conducted to obtain taxpayer comments.
3. The preliminary budget is legally enacted through passage of a City Council resolution by September 15.
4. The final budget is legally enacted through passage of a resolution by December 20.
5. The City Council may authorize transfer of budgeted amounts between funds.
6. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.
7. General and Special Revenue Funds expenditures may not legally exceed budgeted appropriations at the total fund level without City Council approval. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, 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.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the following funds:

Fund	Final Budget	Actual	Excess of Expenditures Over Appropriations
Primary Government			
Nonmajor Funds			
Police Forfeiture Fund	\$ -	\$ 46,979	\$ 46,979
Ice Arena Fund	1,149,200	1,197,202	48,002
The Marsh Special Revenue Fund	1,617,300	1,847,988	230,688

These over-expenditures were funded by greater than expected revenues and existing fund balance in each of these funds with the exception of The Marsh Fund which will be covered by future revenues.

C. Deficit Fund Equity

For the year ended December 31, 2024, the following funds had a deficit fund equity:

Major Funds	
The Marsh Facility Improvement Fund	\$ 4,681,861
Trail System Expansion Fund	805,016
Nonmajor Funds	
Ice Arena Fund	257,386
The Marsh Special Revenue Fund	917,977
Fleet Maintenance Fund	113,725

These deficit funds are anticipated to be eliminated in fiscal year 2025.

Note 4: Detailed Notes on All Funds

A. Deposits

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of December 31, 2024, the City's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the government's name.

As of December 31, 2024, the City's carrying amount of deposits was \$212,713 and the bank balance was \$919,279. The entire bank balance was covered by federal depository insurance or covered collateral.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

B. Investments

As of December 31, 2024, the City had the following investments:

Investment Type	Investment Maturities (In Years)			Ratings
	Fair Value	5 Years or Less	Over 5 Years	
FAMC	\$ 2,005,718	\$ 2,005,718	\$ -	AAA
FHLB	11,745,932	11,745,932	-	AAA
FHLMC	17,344,632	13,449,069	3,895,563	AAA
FNMA	5,003,421	2,897,765	2,105,656	AAA
FFCB	4,741,054	4,741,054	-	AAA
Municipal Bonds	12,333,211	12,333,211	-	AA/Aa2
4-M	42,696,046	42,696,046	-	Not Rated
Money Market	248,350	248,350	-	Not Rated
U.S. Treasury Obligations	56,261,626	55,514,128	747,498	AA+/Aaa
Total	\$ 152,379,990	\$ 145,631,273	\$ 6,748,717	

Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maturities of its portfolio. Unless a specific exception is provided, the maximum average life of the portfolio, excluding investable funds from the Community Investment Fund, will be five years or below. For 2024, the average life of the City's portfolio was 3.96 years made up of \$145,631,273 of investments maturing in 5 years or less and \$6,748,717 maturing in excess of five years.

The \$6,748,717 of investments maturing in excess of five years is covered by \$22,574,178 held in the Community Investment Fund and is within the City's investment policy limit. There are eleven investments that have maturities of more than 10 years.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The City invests with the 4M fund which is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated external investment pool that is valued at amortized cost and does not restrict or limit withdrawals made by the City. Investments in the 4M Plus fund must be deposited for a minimum of 14 calendar days before withdrawal and investments in the 4M Term Series must have seven days' notice prior to withdrawal to avoid withdrawal fees and penalties. The City also invests in other brokered CD's and money market accounts where investments with maturities of less than one year being valued at amortized cost, and investments with maturities greater than one year being valued based on quoted prices of similar investments. As of December 31, 2024, the City's investments are rated in the above table.

Concentration of Credit Risk: The risk of loss attributed to the magnitude of the City's investments in a single issuer. The City places limits on the amount that may be invested in any one issuer according to Minnesota Statute 118A. As of December 31, 2024, more than 5 percent of the City's investments are held in FHLB and FHLMC. These investments are 8% and 11%, respectively, of the City's total investments and fall within the allowable 70% maximum allowable holdings of these types of investments.

Custodial Credit Risk – Investments: For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investments are insured by SIPC or other supplemental insurance, held in the City's name by the counter party as of December 31, 2024. However, each investment brokerage firm may have a limit to their supplemental insurance and because of the size of the City's portfolio in relation to the brokerage firm's excess SIPC coverage limits, there is a risk the City would not receive its entire portfolio holdings if a brokerage firm should fail.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

B. Investments (Continued)

Summary of cash, deposits and investments as of December 31, 2024:

Petty Cash	\$ 3,900
Deposits	212,713
Investments	152,379,990
Total	\$ 152,596,603

Cash, deposits and investments are presented in the December 31, 2024 basic financial statements as follows:

Statement of Net Position:	
Cash and Investments (Including Cash Equivalents)	\$ 152,290,914
Statement of Fiduciary Net Position:	
Cash and Investments (Including Cash Equivalents)	
Private-Purpose Trust Funds	305,689
Total Deposits and Investments	\$ 152,596,603

Fair Value measurement: The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and requires expanded disclosures about fair value measurements.

In accordance with this standard, the City has categorized its investments based on the priority of the inputs to the valuation technique into a three level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

B. Investments (Continued)

As of December 31, 2024 the City's investments fall into the following categories of fair value and are reported using market closing prices.

	Level 1	Level 2	Level 3	Total
U.S. Agencies and Treasury Notes	\$ -	\$ 97,102,383	\$ -	\$ 97,102,383
Municipal Bonds	-	12,333,211	-	12,333,211
	<u>\$ -</u>	<u>\$ 109,435,594</u>	<u>\$ -</u>	<u>109,435,594</u>
Investments measured at amortized cost				<u>42,944,396</u>
Total				<u>\$ 152,379,990</u>

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 22,803,336	\$ -	\$ -	\$ 22,803,336
Construction in Progress	50,322,451	4,679,492	(19,555,164)	35,446,779
Total Capital Assets, Not Being Depreciated	73,125,787	4,679,492	(19,555,164)	58,250,115
Capital Assets, Being Depreciated and Amortized at Historical Cost:				
Buildings and Structures	67,210,586	93,056	-	67,303,642
Improvements Other Than Buildings	8,199,409	413,097	-	8,612,506
Furniture and Equipment	4,513,561	2,592,832	-	7,106,393
Machinery and Auto	17,347,426	1,856,431	(220,254)	18,983,603
Infrastructure:				
Streets	123,900,568	17,951,095	-	141,851,663
Park Additions	25,944,728	1,653,189	-	27,597,917
Right-to-Use Lease Asset	770,583	-	-	770,583
Right-to-Use Subscription Asset	346,945	-	-	346,945
Total Capital Assets, Being Depreciated and Amortized at Historical Cost	248,233,806	24,559,700	(220,254)	272,573,252
Less Accumulated Depreciation for				
Buildings and Structures	(25,890,462)	(1,451,484)	-	(27,341,946)
Improvements Other Than Buildings	(6,763,163)	(42,640)	-	(6,805,803)
Furniture and Equipment	(3,477,847)	(201,854)	-	(3,679,701)
Machinery and Auto	(11,279,010)	(1,476,692)	204,409	(12,551,293)
Infrastructure:				
Streets	(60,144,980)	(2,431,949)	-	(62,576,929)
Park Additions	(8,963,085)	(960,112)	-	(9,923,197)
Total Accumulated Depreciation	(116,518,547)	(6,564,731)	204,409	(122,878,869)
Less Accumulated Amortization for				
Right-to-Use Lease Asset	(124,959)	(41,653)	-	(166,612)
Right-to-Use Subscription Asset	(103,578)	(140,864)	-	(244,442)
Total Accumulated Amortization	(228,537)	(182,517)	-	(411,054)
Total Capital Assets, Being Depreciated, Net	131,486,722	17,812,452	(15,845)	149,283,329
Governmental Activities Capital Assets, Net	<u>\$ 204,612,509</u>	<u>\$ 22,491,944</u>	<u>\$ (19,571,009)</u>	<u>\$ 207,533,444</u>

Depreciation expense for governmental activities was charged to functions/programs of the government as follows:

General Government	\$ 263,892
Development Services	17,022
Public Works	3,331,890
Public Safety	1,640,566
Parks and Recreation	1,493,878
Total Depreciation and Amortization Expense	<u>\$ 6,747,248</u>

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

C. Capital Assets (Continued)

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,412,611	\$ -	\$ -	\$ 1,412,611
Construction in Progress	21,629,699	4,530,581	(10,593,557)	15,566,723
Total Capital Assets, Not Being Depreciated	23,042,310	4,530,581	(10,593,557)	16,979,334
Capital Assets, Being Depreciated:				
Buildings and Structures	15,759,142	-	-	15,759,142
Improvements Other Than Buildings	4,172,388	-	-	4,172,388
Water Facilities	5,266,562	-	-	5,266,562
Machinery and Equipment	9,003,357	431,537	(69,039)	9,365,855
Sewer Lift Stations	10,478,544	-	-	10,478,544
Distribution System	165,739,035	7,304,826	-	173,043,861
Storm Sewers	45,911,369	3,520,863	-	49,432,232
Total Capital Assets, Being Depreciated	256,330,397	11,257,226	(69,039)	267,518,584
Less Accumulated Depreciation for				
Buildings and Structures	(8,577,276)	(330,428)	-	(8,907,704)
Improvements Other Than Buildings	(2,508,564)	(156,951)	-	(2,665,515)
Water Facilities	(4,164,409)	(83,997)	-	(4,248,406)
Machinery and Equipment	(7,075,748)	(474,686)	69,039	(7,481,395)
Sewer Lift Stations	(3,487,651)	(355,507)	-	(3,843,158)
Distribution System	(104,002,954)	(3,902,181)	-	(107,905,135)
Storm Sewers	(22,950,006)	(905,984)	-	(23,855,990)
Total Accumulated Depreciation	(152,766,608)	(6,209,734)	69,039	(158,907,303)
Total Capital Assets, Being Depreciated, Net	103,563,789	5,047,492	-	108,611,281
Business-Type Activities Capital Assets, Net	\$ 126,606,099	\$ 9,578,073	\$ (10,593,557)	\$ 125,590,615

Depreciation expense for business-type activities was charged to functions/programs of the government as follows:

Water and Sewer Utilities	\$ 4,977,912
Williston Fitness Center	174,077
Grays Bay Marina	24,718
Storm Water Fund	1,033,027
Total Depreciation Expense	\$ 6,209,734

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

D. Leases

Effective July 1, 2009, the City entered into a 20-year operating lease as a Lessee with Minnetonka School District to provide space within the Arts Center for an operational home for Music Association of Minnetonka (MAM). The lease can be terminated with at least one year's written notice. As of December 31, 2024, an initial lease liability was recorded in the amount of \$770,583. The value of the lease liability is \$629,022. The City is required to make annual fixed payments of \$57,600. The lease has an interest rate of 3.5%. The value of the right to use asset as of December 31, 2024 is \$770,583 with accumulated amortization of \$166,612. The City has 1 extension option for 120 months.

As of December 31, 2024, the City had 11 active leases as a lessor. The leases have receipts that range from \$29,612 to \$95,116 and interest rates that range from 0.221% to 3.398%. As of December 31, 2024, the total combined value of the lease receivable is \$4,888,324, and the combined value of the deferred inflow of resources is \$4,504,508. The leases had \$0 of variable receipts and \$0 of other receipts, not included in the lease receivable, within the fiscal year.

Total lease receivable activity for the year ended December 31, 2024, was as follows:

	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024
Governmental Activities:				
Lease Receivable:				
Hathaway Tower - T-Mobile - 2005-044	\$ 39,081	\$ -	\$ 39,081	\$ -
Hathaway Tower - Verizon - 2013-003	497,075	-	46,831	450,244
Laurel Rd - T-Mobile - 1999-001	-	-	-	-
Plymouth Tower - AT&T - 2001-049	297,758	-	94,086	203,672
Plymouth Tower - Sprint/Nextel - 2019-040	139,064	-	43,942	95,122
Ridgedale Tower - Verizon - 2011-066	606,575	-	72,377	534,198
Tanglen Tower - Verizon - 2015-053	626,963	-	45,943	581,020
Tonkawood - T-Mobile - 2018-039	1,021,343	-	45,797	975,546
Williston Tower - AT&T/Cingular - 2007-016	297,898	-	59,069	238,829
Williston Tower - Dish Network - 2023-0020	888,616	-	9,346	879,270
Williston Tower - T-Mobile - 2010-059	260,225	-	37,465	222,760
Williston Tower - Verizon - 2019-024	727,727	-	20,064	707,663
Total Leases Receivable	\$ 5,402,325	\$ -	\$ 514,001	\$ 4,888,324

Maturities of lease receivables for the next five years and in the aggregate thereafter are as follows:

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 513,002	\$ 66,789	\$ 579,791
2026	543,005	63,040	606,045
2027	412,974	59,022	471,996
2028	352,437	55,279	407,716
2029	373,467	51,647	425,114
2030-2034	1,320,592	203,101	1,523,693
2035-2039	779,119	119,437	898,556
2040-2044	593,728	40,095	633,823
Total	\$ 4,888,324	\$ 658,410	\$ 5,546,734

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

E. Subscription-Based Information Technology Arrangements

The City has entered into subscription-based information technology arrangements (SBITAs) for various software. The SBITA assets and related accumulated amortization are detailed in Note 4C.

As of December 31, 2024, the City had 2 active subscriptions. The subscriptions have payments that range from \$51,541 to \$100,067 and interest rates that range from 2.6470% to 2.8477%. As of December 31, 2024, the total combined value of the subscription liability is \$55,130, and the total combined value of the short-term subscription liability is \$55,130. The combined value of the right to use asset, as of December 31, 2024 is \$346,945 with accumulated amortization of \$244,442. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

SBITA activity for the year ended December 31, 2024, was as follows:

	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024
Governmental Activities:				
Subscription Liability:				
ArcGIS Enterprise	\$ 103,718	\$ -	\$ 48,588	\$ 55,130
OfficeProPlus	97,486	-	97,486	-
Total Subscription Liability	<u>\$ 201,204</u>	<u>\$ -</u>	<u>\$ 146,074</u>	<u>\$ 55,130</u>

Maturities of the SBITA Liability for the next five years and in the aggregate thereafter are as follows:

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	<u>\$ 55,130</u>	<u>\$ 1,570</u>	<u>\$ 56,700</u>

F. Long-Term Debt

1. General Obligation Bonds

The City issues General Obligation (G.O.) Bonds to provide for financing of park improvements, housing improvements, capital improvements and municipal state-aid road improvements. G.O. Bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal debt service payments each year.

2. Revenue Bonds

The City has issued revenue bonds for water improvements. Debt service is covered through the revenue producing activities of the Water and Utilities Fund. The nature of these bonds are General Obligation Bonds.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

	Interest Rates/ Final Maturity Date	Balance at January 1, 2024	Issued	Retired	Balance at December 31, 2024	Due Within One Year
Governmental Activities:						
Bonds Payable:						
General Obligation Open Space and Park Improvement Bonds, Series 2016B	2.00% / 2/1/2027	\$ 1,045,000	\$ -	\$ 250,000	\$ 795,000	\$ 260,000
Taxable General Obligation Housing Improvement Bonds, Series 2019A	1.70 - 3.05% / 4/1/2024	2,315,000	-	110,000	2,205,000	115,000
General Obligation Capital Improvement Plan Bonds, Series 2020A	2.00 - 4.00% / 2/1/2048	23,000,000	-	450,000	22,550,000	460,000
Unamortized Bond Premium		928,919	-	48,477	880,442	-
Total G.O. Bonds, net		<u>27,288,919</u>	<u>-</u>	<u>858,477</u>	<u>26,430,442</u>	<u>835,000</u>
Compensated Absences		<u>4,187,813</u>	<u>2,693,923</u>	<u>2,948,784</u>	<u>3,932,952</u>	<u>2,948,784</u>
Lease Liability		<u>663,403</u>	<u>-</u>	<u>34,381</u>	<u>629,022</u>	<u>35,584</u>
Subscription Liability		<u>201,204</u>	<u>-</u>	<u>146,074</u>	<u>55,130</u>	<u>55,130</u>
Governmental Activity Long-Term Liabilities		<u>\$ 32,341,339</u>	<u>\$ 2,693,923</u>	<u>\$ 3,987,716</u>	<u>\$ 31,047,546</u>	<u>\$ 3,874,498</u>
Business-Type Activities:						
Bonds Payable:						
General Obligation Utility Revenue Refunding Bonds, Series 2016A	2.00 - 2.35% / 2/1/2036	\$ 7,315,000	\$ -	\$ 500,000	\$ 6,815,000	\$ 510,000
General Obligation Utility Improvement Bonds, Series 2016B	2.00 - 2.10% / 2/1/2036	5,520,000	-	375,000	5,145,000	385,000
General Obligation Utility Improvement Bonds, Series 2018A	3.00 - 3.38% / 2/1/2040	8,940,000	-	390,000	8,550,000	410,000
General Obligation Utility Improvement Bonds, Series 2021A	2.00 - 5.00% / 2/1/2037	9,545,000	-	505,000	9,040,000	530,000
Unamortized Bond Premium		1,782,619	-	134,273	1,648,346	-
Total Revenue Bonds, net		<u>33,102,619</u>	<u>-</u>	<u>1,904,273</u>	<u>31,198,346</u>	<u>1,835,000</u>
Compensated Absences		<u>319,195</u>	<u>282,292</u>	<u>284,679</u>	<u>316,808</u>	<u>247,986</u>
Business-Type Activity Long-Term Liabilities		<u>\$ 33,421,814</u>	<u>\$ 282,292</u>	<u>\$ 2,188,952</u>	<u>\$ 31,515,154</u>	<u>\$ 2,082,986</u>

For the governmental activities, compensated absences, lease liability, pension and postemployment obligations are generally liquidated by the General Fund.

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, compensated absences, which are reported in the internal service funds, are included in the above amounts.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities (Continued)

Maturities of bonds payable for the next five years and in the aggregate thereafter are as follows:

Years Ending December 31,	Governmental Activities					
	G.O. Bonds		Lease Liability		Subscription Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 835,000	\$ 659,965	\$ 35,584	\$ 22,016	\$ 55,130	\$ 1,570
2026	860,000	633,500	36,830	20,770	-	-
2027	890,000	605,964	38,119	19,481	-	-
2028	915,000	574,604	39,453	18,147	-	-
2029	950,000	539,263	40,834	16,766	-	-
2030-2034	5,260,000	2,206,834	226,633	61,367	-	-
2035-2039	5,920,000	1,552,897	211,569	18,831	-	-
2040-2044	5,935,000	841,827	-	-	-	-
2045-2048	3,985,000	159,666	-	-	-	-
Total	\$ 25,550,000	\$ 7,774,518	\$ 629,022	\$ 177,378	\$ 55,130	\$ 1,570

Years Ending December 31,	Business-Type Activities	
	Revenue Bonds	
	Principal	Interest
2025	\$ 1,835,000	\$ 813,118
2026	1,895,000	746,943
2027	1,965,000	682,543
2028	2,020,000	620,193
2029	2,090,000	555,543
2030-2034	11,410,000	1,805,104
2035-2039	7,665,000	487,166
2040	670,000	11,306
Total	\$ 29,550,000	\$ 5,721,914

The G.O. Utility Revenue Refunding Bonds, Series 2016A were issued in 2016 to refund the G.O Utility Revenue Note, Series 2015. The defeasance of the 2015 Temporary Note did not result in an economic gain or loss and there was no aggregate difference in debt service between the refunding and the refunded debt.

The G.O. Utility Improvement Bonds, Series 2016B were issued in 2016 to fund certain capital improvement projects to upgrade the City's utility infrastructure system.

The G.O. Utility Revenue Bonds, Series 2018A were issued in September of 2018 to fund certain capital improvement projects to upgrade the City's utility infrastructure system.

The G.O. State-Aid Street Bonds, Series 2008A are general obligation bonds used for the reconstruction of County State-Aid Highway 61 (Shady Oak Road) between Bren Road and Excelsior Boulevard.

The G.O. Open Space and Park Improvement Bonds, Series 2016B were issued in 2016 to reimburse the City for the purchase of property for open space preservation within the City. These bonds are the last in a series authorized by special election on September 11, 2001.

The Taxable G.O. Housing Improvement Bonds, Series 2019A proceeds were used to fund improvements to the Cloud 9 Sky Flats building that will be repaid through annual special assessments to each housing unit per the agreement with the Cloud 9 Sky Flats Association, Inc.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities (Continued)

The G.O. Capital Improvement Plan Bonds, Series 2020A proceeds were used to fund improvements to the Public Safety Facility Expansion that will be repaid through annual property taxes.

The G.O. Utility Revenue Bonds, Series 2021A were issued in December of 2021 to fund certain capital improvement projects to upgrade the City's utility infrastructure system.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2024, the City is in compliance with all significant financial limitations and restrictions.

The voters of the City approved, by special election on September 11, 2001, the issuance and sale by the City of G.O. Bonds of the City in an aggregate amount not to exceed \$15,000,000. The purpose of the Bonds, as approved by the voters, is to provide financing for a Parks Renewal and Open Space Preservation Program. As of December 31, 2016 all authorized bonds up to the \$15,000,000 have been issued. As of December 31, 2024, \$795,000 of these bonds remain outstanding.

4. Conduit Debt Obligations

From time-to-time, the City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The Bonds are secured by the underlying property enhanced and are payable solely from payments received from the benefited entity. Neither the City, the State of Minnesota, nor any political subdivision, thereof, is obligated in any manner for repayment of the bonds. Accordingly, the Bonds are not reported as liabilities in the basic financial statements. As of December 31, 2024, there were 10 series of Revenue Bonds outstanding, with an approximate outstanding balance of \$114,023,396.

5. Revenue Pledged

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged				Current Year		
		Type	Percent of Total Debt Service	Debt Service as a % of Net Revenues	Taxes Payable Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
2016A GO Utility Revenue Refunding Bonds	Refund Original Debt used for Water Utility Infrastructure	Utility Revenue	100%	n/a	2017 - 2036	\$7,727,621	\$647,458	\$2,239,518
2016B GO Utility Revenue Bonds	Water Utility Infrastructure	Utility Revenue	100%	n/a	2017 - 2036	\$5,794,680	\$482,360	\$1,668,454
2018 GO Utility Revenue Bonds	Water Utility Infrastructure	Utility Revenue	100%	n/a	2020 - 2040	\$10,905,588	\$681,700	\$2,357,959
2021 GO Utility Revenue Bonds	Water Utility Infrastructure	Utility Revenue	100%	n/a	2021 - 2037	\$10,844,025	\$835,175	\$2,888,819

G. Commitments

At December 31, 2024, the City had the following contract commitments outstanding:

Fund	Commitment
Street Improvement Fund	\$ 150,365
Trail System Expansion Fund	282,287
Other Nonmajor Governmental Funds	409,336
Water and Sewer Utilities Fund	7,925,087
Storm Water Fund	7,149
Total	<u>\$ 8,774,224</u>

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

H. Interfund Transactions

1. Interfund Receivables and Payables

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Other Nonmajor Funds	\$ 231,535	[1]
Trail System Expansion Fund	Other Nonmajor Funds	910,805	[2]
	Total	<u>\$ 1,142,340</u>	

- [1] This interfund receivable and payable eliminated what would have been a negative cash balance. The negative cash of \$231,535 in the Ice Arena Special Revenue Fund is related to cash flow timing due to the reimbursement nature of the fund. The City expects these interfund transactions to be settled in January 2025.
- [2] This interfund receivable and payable eliminated what would have been a negative cash balance. The negative cash of \$910,805 in the Trail System Expansion Capital Project Fund is related to cash flow timing due to anticipated intergovernmental aid coming in 2025. The City expects these interfund transactions to be settled in January 2025.

2. Interfund Transfers

The composition of interfund transfers for the year ended December 31, 2024 is as follows:

Fund	Transfer In				Total
	General Fund	Community Investment Fund	Street Improvement Fund	Nonmajor Governmental Funds	
Transfer Out					
General	\$ -	\$ 63,000	\$ 750,000	\$ 940,209	\$ 1,753,209
Community Investment	-	-	-	\$ 50,000	\$ 50,000
Street Improvement	-	-	-	637,934	637,934
Nonmajor governmental	247,100	-	-	532,821	779,921
Water and Sewer Utilities	814,000	-	-	549,683	1,363,683
Environmental	220,600	-	-	-	220,600
Williston Fitness Center	54,200	-	-	-	54,200
Grays Bay Marina	12,900	-	-	-	12,900
Storm Water	150,200	-	-	336,794	486,994
Total	<u>\$ 1,499,000</u>	<u>\$ 63,000</u>	<u>\$ 750,000</u>	<u>\$ 3,047,441</u>	<u>\$ 5,359,441</u>

The City annually budgets transfers for specific purposes for operations and capital improvement plans.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

I. Interfund Transactions (Continued)

3. Advances To/From Other Funds

The Affordable Housing Trust Fund advanced \$280,000 to the OPUS-Doran TIF District at 4% on November 10, 2021. This advance will be paid back to the Affordable Housing Trust Fund as tax increments are collected. The amount outstanding at December 31, 2024 was \$187,208.

The Affordable Housing Trust Fund advanced \$553,000 to Minnetonka Multifamily 1 LLC at 4% on February 24, 2022. This advance will be paid back to the Affordable Housing Trust Fund as tax increments are collected. The amount outstanding at December 31, 2024 was \$553,000.

On January 9th, 2023, City Council approved an interfund loan for The Marsh up to \$6,275,000 from the Special Assessment Construction Fund. The Special Assessment Construction Fund advanced \$4,681,861 and \$856,265 to the Marsh Facility Improvement Fund and The Marsh Fund, respectively, as of December 31, 2024. This interfund loan will be paid back to the Special Assessment Construction Fund when operations produce a surplus cash flow.

On March 8th, 2021, City Council approved an interfund loan for the OPUS-Red Circle Drive TIF District up to \$1 million from the Development Fund. On December 19th, 2022, City Council approved an additional \$2 million for a total of up to \$3 million interfund loan. The interest rate is 4% and will be paid back as tax increment is received. The amount outstanding at December 31, 2024 was \$478,402.

J. Segment Information

The City maintains five Enterprise Funds that account for the water and sewer utility, recycling activities, a fitness center, a recreational marina and the storm water utility. The City considers each of its Enterprise Funds to be a segment. Since the required segment information is already included in the City's proprietary funds' Statement of Fund Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position balance, this information has not been repeated in the notes to the basic financial statements.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

K. Contingencies

There are several lawsuits pending in which the City is involved. The City estimates the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

L. Tax Abatements

The City enters into property tax abatement agreements through the use of tax increment financing districts with businesses under various Minnesota Statutes. Under these statutes the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing. The City uses Minnesota Statutes 469.001 to 469.047 and 469.174 to 469.179 (The Tax Increment Act) to create these districts. In addition, the City also uses Minnesota Statutes 469.1812 to 469.1815 to abate property taxes to be used for development.

For the fiscal year ended December 31, 2024, the City has nine agreements established under Minnesota Statutes 469.174 to 469.179, which resulted in property taxes totaling \$3,706,920 being abated. These agreements include:

Glenhaven TIF District: A revenue pay as you go note to finance the cost of a mixed use redevelopment including an apartment building with retail and a senior housing care facility. The abatement amount was \$713,829.

Tonka on the Creek: A pay go note to finance the cost of a 100 unit rental housing facility, with 20% of the units made affordable to families at or below 50% of the area median income. The abatement amount was \$245,130.

Rowland Road: A pay as you go note to finance the cost of a 106 unit apartment complex, with 20% of the units made affordable to families at or below 50% of the area median income. The abatement amount was \$246,214.

Applewood Pointe: A pay as you go note to finance the cost of an 87 unit senior housing cooperative. The abatement amount was \$247,212.

Marsh Run TIF District: A pay as you go note to finance the cost of 175 market rate apartments, with 20% of the units made affordable to persons at or below 50% of the area median income. The abatement amount was \$632,466.

Minnetonka Dominion Housing TIF District: Two pay as you go notes to finance the cost of 262 senior apartment units and 220 work force apartments. All units will all be affordable to persons at or below 60% of the area median income. The abatement amount was \$419,641.

Shady Oak Crossing TIF District: A pay as you go note to finance the construction of a 75-unit apartment complex, with 30% of the units made affordable to persons at or below 60% AMI. The abatement amount was \$182,654.

Opus Business Park TIF District: This is a renewal and renovation TIF district to facilitate construction of approximately 4,800 residential housing units and finance critical infrastructure improvements identified in the Opus Alternative Urban Areawide Review and Mitigation Plan. Financing will be provided by a combination of available funds within the Affordable Housing Trust Fund, pay go notes and future TIF bonds. The tax abatement amount was \$1,019,774 as of December 31, 2024.

For the fiscal year ended December 31, 2024, the City has one agreement established under Minnesota Statutes 469.1812 to 469.1815, which resulted in property taxes totaling \$85,000 being abated. This abatement is for an agreement with General Growth Properties for an expansion to the regional Ridgedale Mall, located within the City. The expansion includes the addition of a new 138,000 square foot Nordstrom store, 84,000 additional square footage for the Macy's store and 48,000 square feet of new restaurants at the mall. Under the agreement, the developer qualifies for a maximum reimbursement of \$1,798,000 plus 5% interest calculated by completed project components.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Detailed Notes on All Funds (Continued)

M. Fund Balance/Net Position

At December 31, 2024, a summary of the governmental fund balance classifications is as follows:

	General Fund	Community Investment	Street Improvement	The Marsh Facility Improvement	Trail System Expansion Fund	Other Governmental Funds	Total
Nonspendable:							
Inventory & Prepaids	\$ 199,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,616
Restricted for:							
Cemetery Operations	-	-	-	-	-	151,390	151,390
Housing	-	-	-	-	-	9,802,788	9,802,788
Public Safety	-	-	-	-	-	2,245,801	2,245,801
Grants	-	-	-	-	-	210,306	210,306
Police Forfeiture	-	-	-	-	-	224,056	224,056
Tax Increment	-	-	-	-	-	5,959,136	5,959,136
Street Improvements	-	-	-	-	-	5,652,470	5,652,470
Debt Service	-	-	-	-	-	2,301,725	2,301,725
Total Restricted	-	-	-	-	-	26,547,672	26,547,672
Committed to:							
Technology Improvements	-	-	-	-	-	1,885,115	1,885,115
Cable TV Fund	-	-	-	-	-	1,750,952	1,750,952
Electric Franchise Fund	-	-	-	-	-	6,904,920	6,904,920
Compensated Absences	2,948,784	-	-	-	-	-	2,948,784
Capital Replacement	-	-	-	-	-	4,727,121	4,727,121
Development	-	-	-	-	-	5,910,509	5,910,509
Park Improvements	-	-	-	-	-	9,524,124	9,524,124
Trails System Expansion	-	-	-	-	-	-	-
Reforestation	-	-	-	-	-	687,344	687,344
Total Committed	2,948,784	-	-	-	-	31,390,085	34,338,869
Assigned to:							
Fire Pensions	515,900	-	-	-	-	-	515,900
Recreation Scholarships	15,000	-	-	-	-	-	15,000
Community Investment	-	22,652,135	-	-	-	9,520,201	32,172,336
Street Improvements	-	-	6,614,758	-	-	-	6,614,758
Total Assigned	530,900	22,652,135	6,614,758	-	-	9,520,201	39,317,994
Unassigned	27,012,081	-	-	(4,681,861)	(805,016)	(1,175,363)	20,349,841
Total	\$ 30,691,381	\$ 22,652,135	\$ 6,614,758	\$ (4,681,861)	\$ (805,016)	\$ 66,282,595	\$ 120,753,992

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information

A. Risk Management

The City is exposed to various risks typically associated with municipal operations, including: thefts, destruction of assets, errors and omissions, employee injuries, general liability and natural disasters. Since the early 1980's, the City has been a member of the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool. The LMCIT program best meets municipal needs from the perspective of coverage as well as cost. It is sustained through member premiums and reinsurance for catastrophic events. Coverage limits match statutory caps for claims against Minnesota cities of \$1,000,000 per claim. Insurance settlements have never exceeded coverage during the City's membership in the LMCIT program.

Certain risk management activities of the City (i.e., premiums and deductibles) are accounted for by the Insurance Fund, an internal service fund that charges its costs to user departments. Such reimbursements are recorded as interfund services provided. The liability recorded by the Insurance Fund includes estimated deductibles/premium adjustments not settled as of December 31, 2024, including an estimate for claims incurred but not reported.

Changes in the insurance claims liability during 2024 and 2023, recorded within the City's Internal Service Fund, are as follows:

	2024	2023
Unpaid Claims at Beginning of Year	\$ 232,453	\$ 60,466
Incurred Claims	659,164	1,012,024
Premiums and Settlements	(777,396)	(840,037)
Unpaid Claims at End of Year	\$ 114,221	\$ 232,453

B. Employee Retirement Systems and Pension Plans

Pension Plans – Primary Government

The City participates in various pension plans. Total pension expense for the year ended December 31, 2024 was \$3,483,388. The components of pension expense are noted in the following plan summaries.

1. Defined Benefit Pension Plans – State-wide

a. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes* Chapters 353, 353D, 353E, 353G, and 356. *Minnesota Statutes* chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Plan (Police and Fire Plan)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

b. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is “vested,” they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employee Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

b. Benefits Provided (Continued)

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

c. Contributions

Minnesota Statutes Chapter 353, 353E, 353G, and 356 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employee Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in calendar year 2024 and the City was required to contribute 7.5% of pay for Coordinated Plan members in calendar year 2024. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$1,581,789. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$1,873,564. The City's contributions were equal to the required contributions as set by state statute.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$8,917,577 for its proportionate share of the General Employee Fund’s net pension liability. The City’s net pension liability reflected a reduction due to the State of Minnesota’s contribution of \$16 million to the fund in 2024. The State of Minnesota is considered a non-employer contributing entity and the State’s contribution meets the definition of a special funding situation. The State of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$230,590.

City’s proportionate share of the net pension liability	\$ 8,917,577
State of Minnesota’s proportionate share of the net pension liability associated with the City	230,590
	230,590
Total	\$ 9,148,167

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.2412% as of June 30, 2024, which was an increase of 0.0109% from its proportionate share measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized pension expense of \$1,222,635 for its proportionate share of the General Employee Plan’s pension expense. In addition, the City also recognized an additional \$6,182 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$410,308 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City reported its proportionate share of General Employee Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

d. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 827,421	\$ -
Changes in Actuarial Assumptions	42,794	3,263,617
Net Difference Between Projected and Actual Investment Earnings	-	2,382,709
Changes in Proportion	653,173	269,282
Contributions Paid to PERA subsequent to the Measurement Date	779,141	-
Total	\$ 2,302,529	\$ 5,915,608

The \$779,141 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2025	\$ (2,349,337)
2026	(432,646)
2027	(926,762)
2028	(683,475)

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

d. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$9,643,945 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2024, the City’s proportionate share was 0.7330%, which was an increase of 0.0308% from its proportionate share measured as of June 30, 2023.

The State of Minnesota also contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional on-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million direct state was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$367,623.

City’s proportionate share of the net pension liability	\$ 9,643,945
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>367,623</u>
Total	<u><u>\$ 10,011,568</u></u>

For the year ended December 31, 2024, the City recognized pension expense of \$2,089,426 for its proportionate share of the Police and Fire Plan’s pension expense. The City recognized \$35,699 as grant revenue for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid. The City recognized \$208,183 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

d. Pension Costs (Continued)

2. Police and Fire Plan Pension Costs (Continued)

At December 31, 2024, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 3,599,406	\$ -
Changes in Actuarial Assumptions	9,682,328	13,601,193
Net Difference Between Projected and Actual Investment Earnings	-	3,058,463
Changes in Proportion	1,336,416	-
Contributions Paid to PERA Subsequent to the Measurement Date	949,419	-
Total	\$ 15,567,569	\$ 16,659,656

The \$949,419 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2025	\$ (145,993)
2026	2,356,986
2027	(1,204,279)
2028	(3,359,212)
2029	310,992

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

e. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	33.5 %	5.10 %
International Stocks	16.5	5.30
Bonds (Fixed Income)	25.0	0.75
Alternative Assets (Private Markets)	25.0	5.90
Total	100.0 %	

f. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan were completed in 2024 were adopted by the Board and became effective with the July 1, 2025 actuarial valuation.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

f. Actuarial Methods and Assumptions (Continued)

The following changes in actuarial assumptions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Police and Fire Fund

Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

g. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Plan and Police and Fire Plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

h. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity of Net Pension Liability at Current Single Discount Rate				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.00%	\$ 19,477,423	6.00%	\$ 22,790,526
Current Discount Rate	7.00%	\$ 8,917,577	7.00%	\$ 9,643,945
1% Higher	8.00%	\$ 231,140	8.00%	\$ (1,152,149)

i. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

2. Public Employees Defined Contribution Plan (Defined Contribution Plan)

Six council members and the mayor of the City are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$6,731	\$6,731	5%	5%	5%

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters' Relief Association

a. Plan Description

Firefighters of the City of Minnetonka are members of the Minnetonka Firefighters Relief Association. The Association is the administrator of the single-employer defined benefit pension plan available to firefighters. The plan is administered pursuant to *Minnesota Statutes*, Chapter 69, Chapter 424A, and the Association's by-laws. As of December 31, 2023, membership includes 53 active participants, 67 retired and disabled members, 12 beneficiaries and 13 terminated employees entitled to benefit but not yet receiving them. The plan issues a stand-alone financial statement.

b. Benefits Provided

Authority for payment of pension benefits is established in *Minnesota Statutes* §69.77 and may be amended only by the Minnesota State Legislature. Each member who is at least 50 years of age; has retired from the Minnetonka Fire Department; has served at least 10 years of active service with such department before retirement; and, has been a member of the Association in good standing for at least 10 years prior to such retirement; shall be entitled to receive a service pension based on the vested amount of service time accrued. Full vesting occurs at 10 years of service, with no provision for partial vesting. Upon retirement, an irrevocable election for one of the following two plan options must be made.

- Monthly Service Pension – Each eligible member, hired before January 1, 2006, electing this plan is entitled to receive a monthly service pension calculated by multiplying \$53.15 times each year that member has been an active firefighter in the Fire Department and member in good standing of the Relief Association.
- Lump Sum Service Pension – each eligible member electing this plan is entitled to receive a onetime lump sum service pension equal to \$12,000 times their years of service. Members receiving the lump sum payment will also receive a Supplemental Benefit equal to 10% of the total benefit paid but not more than \$1,000.

Pursuant to *Minnesota Statutes* §424A.02, Subds. 2 and 4, members who retire with 10 years of service and have reached the age of 50 years are eligible for a retirement benefit. Members who retire before full retirement age and years of service requirements are eligible for a reduced benefit, based on the vesting schedule as set forth in *Minnesota Statutes* §424A.02, Subd. 2(c). During the time a member is on early vested pension, they will not be eligible for disability benefits.

Temporary disability provides that, upon disability, a benefit of \$5 per day is payable up to 100 days in any 365 day period. Permanent disability benefits are based on the monthly benefit and lump sum amounts.

On the death of any member, the survivor benefit payable to the spouse equals \$53.15 per month for each year of service up to 30 years if the member was hired before January 1, 2006. If eligible for a lump sum benefit, an additional Supplemental Survivor Benefit in the amount of 20% of the total lump sum benefit, but not more than \$2,000.

Minnesota Statutes Section 424A.10 provides for the payment of a supplemental benefit equal to 10% of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of state income tax exclusion for lump sum distributions and will no longer be available if state tax law is modified to exclude lump sum distributions from state income tax. The Association qualifies for these benefits.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

c. Contributions

Minnesota Statutes Chapter 424A.093 specifies minimum support rates required on an annual basis. The significant actuarial assumptions used to compute the municipal support are the same as those used to compute the accrued pension liability. The association is comprised of volunteers; therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). The minimum contribution from the City of Minnetonka and state aid is determined as follows:

Normal Cost	
+ Amortization Payment on Unfunded Accrued Liability as reported in the Latest Actuarial Valuation	
+ Administrative Expenses for the Prior Year Multiplied by a Factor of 1.035	
- Anticipated State Aid (not to Exceed the Fire Aid Received in the Prior Year Multiplied by a Factor of 1.035)	
- Anticipated State Aid	
- Projected Investment Earnings	
= Minimum Municipal Obligation	

The Plan is funded in part by fire state aid and, if necessary, City contributions. The State of Minnesota distributed to the City \$531,327 in fire state aid paid by the City to the Relief Association for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. There was no statutorily-required contribution to the plan for the year ended December 31, 2023.

d. Pension Costs

At December 31, 2024, the City reported an asset of \$5,798,674 for the Association’s net pension asset. The net pension asset was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

For the year ended December 31, 2024, the City recognized pension expense of \$164,596. At December 31, 2024, the City reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 23,519	\$ 356,689
Changes in Actuarial Assumptions	687,142	856,227
Net Collective Difference Between Projected and Actual Investment Earnings	352,618	-
Contributions to SVF Subsequent to the Measurement Date	591,645	-
Total	\$ 1,654,924	\$ 1,212,916

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters' Relief Association (Continued)

d. Pension Costs (Continued)

The \$591,645 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2025	\$ (99,027)
2026	156,631
2027	402,454
2028	(710,819)
2029	101,124

e. Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2024	\$ 16,082,435	\$ 19,188,695	\$ (3,106,260)
Changes For the Year			
Service Cost	329,619	-	329,619
Interest on Pension Liability (Asset)	862,041	-	862,041
Difference Between Expected and Actual Experience	(8,259)	-	(8,259)
Changes of Assumptions	(747,596)	-	(747,596)
Changes of Benefit Terms	411,708	-	411,708
Contributions - State and Local	-	531,327	(531,327)
Net Investment Income	-	3,046,800	(3,046,800)
Other additions	-	-	-
Benefit Payments	(1,477,150)	(1,477,150)	-
Administrative Expenses	-	(38,200)	38,200
Total Net Changes	(629,637)	2,062,777	(2,692,414)
Ending Balance December 31, 2024	\$ 15,452,798	\$ 21,251,472	\$ (5,798,674)

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

f. Actuarial Assumptions

The actuarial total pension liability was determined as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/23
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	
Normal Cost	30 years
Prior Service Cost	10 years
Asset Valuation Method	Market
Actuarial Assumptions:	
Investment Rate of Return	6.25%
Project Salary Increases	N/A
20-Year Municipal Bond Yield	3.86%
Inflation	2.50%
Cost-of-living Adjustments	None
Age of Service Retirement	50
Mortality	<p>Healthy Pre-retirement: Pub-2010 Public Safety Employee mortality tables with projected mortality improvements based on scale MP-2021.</p> <p>Healthy Post-retirement: Pub-2010 Healthy Retired Public Safety mortality tables with projected mortality improvements based on scale MP-2021. Male rates are adjusted by a factor of 0.98.</p> <p>Disabled: Pub-2010 Public Safety Disabled Retiree mortality tables with projected mortality improvements based on scale MP-2021. Male rates are adjusted by a factor of 1.05.</p>
Disability	0.11% disability assumed at age 20, decreasing each year until 1.3% at age 60.
Withdrawal	6% withdrawal assumed at 0 years of service, decreasing each year until 1% at 20 years of service. We have assumed no one will receive the temporary disability benefit and will instead value them as they occur.
Beneficiaries	100% of members assumed to have beneficiaries who will receive benefits.
Age of Difference	Females are assumed to be 3 years younger than males.
Form of Payment	Members hired after 2006 are assumed to elect a lump sum payment. 75% of members hired before 2006 are assumed to take a 100% Joint and Survivor annuity and 25% are assumed to take a lump sum payment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. All results are then rounded to the nearest quarter percentage point.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

f. Actuarial Assumptions (Continued)

The best-estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best-estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the pension plan’s asset allocation as of the measurement date are summarized in the following table:

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic equity	48.57%	4.91%	7.41%
International equity	10.56%	5.32%	7.82%
Fixed income	33.60%	2.30%	4.80%
Real estate and alternatives	0.08%	3.79%	6.29%
Cash and equivalents	7.19%	0.77%	3.27%
Total (weighted avg)	<u>100.00%</u>		6.70%
Less Investment Expense			-0.35%
Net assumed investment return (rounded to 1/4%)			<u>6.25%</u>

g. Discount Rate

The discount rate used to measure the total pension liability was 6.25%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments were discounted by year using expected assets return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate of return. The equivalent single rate is the discount rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

e. Pension Asset Sensitivity

The following presents the City of Minnetonka’s proportionate share of the net pension asset of the Association, calculated using the discount rate of 6.25%, as well as what the Association’s net pension asset would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
Net Pension Liability (Asset)	\$ (4,349,372)	\$ (5,798,674)	\$ (7,013,454)

f. Plan’s Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in a separately issued report. The report may be obtained by writing to Minnetonka’s Fire Relief Association 14550 Minnetonka Blvd., Minnetonka, MN 55345 or by calling (952) 939-8598.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

C. Postemployment Healthcare Plan

Plan Description

The City provides a single-employer defined benefit OPEB healthcare plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by Health Partners. It is the City's policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

Benefits Provided

Retirees

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Former employees who are receiving, or who have met age and service requirements to receive, an annuity from a Minnesota public pension plan and those receiving a disability benefit from such a plan are immediately eligible to participate in this Plan. Retirees may obtain dependent coverage if the employee received dependent coverage immediately before leaving employment.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay the premium as described below:

All regular non-disabled police and fire employees

The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate.

The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, they are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees.

Disabled police and fire employees

The City is required to continue to pay the employer's contribution toward health coverage for police or firefighters disabled in the line of duty per *Minnesota Statute* 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability.

Contributions

Retirees and their spouses contribute to the healthcare plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2024, the City contributed \$190,766 to the plan. As of January 1, 2024, there were approximately 10 retirees receiving health benefits from the City's health plan.

Members

Membership in the plan consisted of the following as of the latest actuarial valuation:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	10
Inactive Plan Members Entitled to but not yet Receiving Benefit Payments	15
Active Plan Members	255
Total Plan Members	280

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

C. Postemployment Healthcare Plan (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount Rate	3.77%
Inflation Rate	2.50%
Healthcare Cost Trend Rate Increases	6.9% for FY2024, decreasing yearly to a rate of 3.9% in FY2075.
Mortality Assumption	
General Employees	From the 2023 PERA of Minnesota GERP actuarial valuation, mortality rates were based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.
Police & Fire	From the July 1, 2023 PERA of Minnesota Public Employees' Police & Fire Plan actuarial valuation, mortality rates were based on the Pub-2010 Public Safety mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

The actuarial assumptions used in the December 31, 2023 valuations were based on the results of an actuarial experience study for the period January 1, 2023 to December 31, 2023.

The discount rate used to measure the total OPEB liability was 3.77%.

The following changes in actuarial assumptions occurred since the prior measurement date:

- The discount rate decreased from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023.

Total OPEB Liability

The city's total OPEB liability of \$3,196,159 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date. Changes in the total OPEB liability for the year are as follows:

	<u>Total OPEB Liability</u>
Balances at December 31, 2023	\$ 3,604,852
Changes for the Year:	
Service cost	249,328
Interest	152,231
Differences between expected and actual experience	(642,259)
Changes in assumptions	22,773
Benefit payments	(190,766)
Net Changes	(408,693)
Balances at December 31, 2024	\$ 3,196,159

The General Fund and Proprietary Funds typically liquidate the Liability related to OPEB.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Other Information (Continued)

C. Postemployment Healthcare Plan (Continued)

OPEB Liability Sensitivity

The following presents the city's total OPEB liability calculated using the discount rate of 3.77% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% Decrease (2.77%)	Current (3.77%)	1% Increase (4.77%)
Discount Rate	\$ 3,418,221	\$ 3,196,159	\$ 2,984,653

The following presents the total OPEB liability of the City, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

	1% Decrease (5.9% decreasing to 2.9%)	Current Rate (6.9% decreasing to 3.9%)	1% Increase (7.9% decreasing to 4.9%)
Healthcare Cost Trend Rate	\$ 2,856,339	\$ 3,196,159	\$ 3,593,006

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the city recognized OPEB expense of \$145,886. At December 31, 2024, the city reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,034,515	\$ 925,017
Changes in actuarial assumptions	186,807	1,730,132
Total	\$ 2,221,322	\$ 2,655,149

The \$0 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	OPEB Expense Amount
2025	\$ (64,908)
2026	(68,149)
2027	(67,086)
2028	(56,329)
2029	5,707
Thereafter	(183,062)

City of Minnetonka
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Notes to the Financial Statements
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Note 6: Restatements and Adjustments of Beginning Fund Balances

During the year ended December 31, 2024, the City's Trail System Expansion Fund was changed from a nonmajor governmental fund to a major governmental fund, resulting in a decrease of beginning fund balance for the nonmajor governmental funds as follows:

Financial Reporting Period	Reporting Units Affected by Adjustments and Restatements of Beginning Balances	
	Funds	
	Trail System Expansion Fund	Nonmajor Governmental
12/31/2023, as Previously Reported	\$ -	\$ 59,312,497
Change from Nonmajor to Major	1,752,592	(1,752,592)
12/31/2023, as Adjusted or Restated	\$ 1,752,592	\$ 57,559,905

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Minnetonka
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Required Supplementary Information
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**Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years**

General Employee Retirement Plan

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.2412 %	\$ 8,917,577	\$ 230,590	\$ 9,148,167	\$ 20,415,357	43.7 %	89.1 %
6/30/2023	0.2303	12,878,118	355,082	13,233,200	18,314,470	70.3	83.1
6/30/2022	0.2371	18,778,398	550,637	19,329,035	17,722,917	106.0	76.7
6/30/2021	0.2188	9,343,740	285,362	9,629,102	15,742,395	61.2	87.0
6/30/2020	0.2073	12,428,582	383,267	12,811,849	14,781,790	84.1	79.1
6/30/2019	0.1986	10,980,149	341,318	11,321,467	14,057,853	78.1	80.2
6/30/2018	0.2079	11,533,440	378,283	11,911,723	13,973,517	82.5	79.5
6/30/2017	0.2054	13,112,599	164,847	13,277,446	13,229,625	99.1	75.9
6/30/2016	0.2060	16,726,178	218,460	16,944,638	12,780,570	130.9	68.9
6/30/2015	0.2127	11,023,218	-	11,023,218	12,504,232	88.2	78.2

Police and Fire Retirement Plan

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.7330 %	\$ 9,643,945	\$ 367,623	\$ 10,011,568	\$ 10,368,824	93.0 %	90.2 %
6/30/2023	0.7022	12,126,081	488,457	12,614,538	9,412,429	128.8	86.5
6/30/2022	0.6792	29,556,101	1,291,227	30,847,328	8,440,096	350.2	70.5
6/30/2021	0.6483	4,945,843	224,992	5,170,835	7,845,644	63.0	93.7
6/30/2020	0.6460	8,456,832	200,592	8,657,424	7,291,587	116.0	87.2
6/30/2019	0.5920	6,221,467	-	6,221,467	6,246,419	99.6	89.3
6/30/2018	0.5710	6,033,825	-	6,033,825	6,016,971	100.3	88.8
6/30/2017	0.5490	7,412,153	-	7,412,153	5,632,580	131.6	85.4
6/30/2016	0.5560	22,313,247	-	22,313,247	5,355,445	416.6	63.9
6/30/2015	0.5700	6,476,534	-	6,476,534	5,225,743	123.9	89.6

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**Schedule of the City Pension Contributions
Last Ten Fiscal Years**

General Employee Retirement Plan

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 1,581,789	\$ 1,581,789	\$ -	\$ 21,090,518	7.50 %
12/31/2023	1,447,381	1,447,381	-	19,298,415	7.50
12/31/2022	1,305,556	1,305,556	-	17,407,412	7.50
12/31/2021	1,228,199	1,228,199	-	16,375,989	7.50
12/31/2020	1,192,885	1,192,885	-	15,905,129	7.50
12/31/2019	1,068,305	1,068,305	-	14,244,067	7.50
12/31/2018	1,007,608	1,007,608	-	13,434,773	7.50
12/31/2017	1,030,108	1,030,108	-	13,734,712	7.50
12/31/2016	973,347	973,347	-	12,977,907	7.50
12/31/2015	947,280	947,280	-	12,630,348	7.50

Police and Fire Retirement Plan

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 1,873,564	\$ 1,873,564	\$ -	\$ 10,585,107	17.70 %
12/31/2023	1,738,442	1,738,442	-	9,821,706	17.70
12/31/2022	1,468,503	1,468,503	-	8,296,627	17.70
12/31/2021	1,381,644	1,381,644	-	7,805,898	17.70
12/31/2020	1,372,492	1,372,492	-	7,754,191	17.70
12/31/2019	1,034,814	1,034,814	-	6,105,097	16.95
12/31/2018	974,750	974,750	-	6,016,975	16.20
12/31/2017	959,280	959,280	-	5,921,484	16.20
12/31/2016	886,231	886,231	-	5,470,556	16.20
12/31/2015	859,126	859,126	-	5,303,246	16.20

City of Minnetonka
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December 31, 2024

Schedule of Changes in Total OPEB Liability and Related Ratios

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total OPEB Liability							
Service Cost	\$ 249,328	\$ 337,629	\$ 211,514	\$ 204,856	\$ 163,896	\$ 204,287	\$ 186,055
Interest	152,231	77,445	59,088	69,031	116,484	97,156	96,122
Differences Between Expected and Actual Experience	(642,259)	(8,122)	3,026,097	30,801	(786,873)	-	-
Changes in Assumptions	22,773	(591,869)	(1,841,380)	89,783	230,716	(150,919)	75,023
Benefit Payments	(190,766)	(163,126)	(156,117)	(110,597)	(77,060)	(95,771)	(92,283)
Net Change in Total OPEB Liability	(408,693)	(348,043)	1,299,202	283,874	(352,837)	54,753	264,917
Total OPEB Liability - Beginning	3,604,852	3,952,895	2,653,693	2,369,819	2,722,656	2,667,903	2,402,986
Total OPEB Liability - Ending	\$ 3,196,159	\$ 3,604,852	\$ 3,952,895	\$ 2,653,693	\$ 2,369,819	\$ 2,722,656	\$ 2,667,903
Covered - Employee Payroll	\$ 31,969,169	\$ 28,568,197	\$ 26,660,020	\$ 21,100,000	\$ 20,400,000	\$ 17,800,000	\$ 17,200,000
City's Total OPEB Liability as a Percentage of Covered Employee Payroll	10.00%	12.62%	14.83%	12.58%	11.62%	15.30%	15.51%

Note: Schedule is provided prospectively beginning with the year December 31, 2018. Additional years will be reported as they become available.

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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Minnetonka Volunteer Fire Relief Association
Schedule of Changes in the Net Pension Asset and Related Ratios

	2024 (Fire Relief Report Date 2023)	2023 (Fire Relief Report Date 2022)	2022 (Fire Relief Report Date 2021)	2021 (Fire Relief Report Date 2020)	2020 (Fire Relief Report Date 2019)	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability										
Service Cost	\$ 329,619	\$ 459,580	\$ 253,081	\$ 260,345	\$ 242,383	\$ 202,060	\$ 209,042	\$ 213,879	\$ 198,031	\$ 192,731
Interest on Pension Liability (Asset)	862,041	861,592	841,781	853,066	814,110	809,808	790,520	772,342	753,805	733,799
Differences Between Expected and Actual Experience	(8,259)	(314,560)	(193,702)	(188,066)	115,345	54,796	(107,086)	155,621	(137,324)	-
Changes of Assumptions	(747,596)	(421,634)	1,146,459	-	(15,131)	633,940	119,608	295,329	(694,310)	-
Changes in Benefit Terms	411,708		1,052,302	362,954	249,155	-	-	-	-	-
Benefit Payments	(1,477,150)	(908,480)	(941,179)	(859,634)	(741,402)	(683,256)	(755,451)	(753,320)	(645,860)	(602,226)
Net change in Total Pension Liability	(629,637)	(323,502)	2,158,742	428,665	664,460	1,017,348	256,633	683,851	(525,658)	324,304
Total Pension Liability - January 1	16,082,435	16,405,937	14,247,195	13,818,530	13,154,070	12,136,722	11,880,089	11,196,238	11,721,896	11,397,592
Total Pension Liability - December 31 (a)	<u>\$ 15,452,798</u>	<u>\$ 16,082,435</u>	<u>\$ 16,405,937</u>	<u>\$ 14,247,195</u>	<u>\$ 13,818,530</u>	<u>\$ 13,154,070</u>	<u>\$ 12,136,722</u>	<u>\$ 11,880,089</u>	<u>\$ 11,196,238</u>	<u>\$ 11,721,896</u>
Plan Fiduciary Net Position										
Nonemployer Contributions	\$ 531,327	\$ 485,015	\$ 451,729	\$ 428,817	\$ 405,598	\$ 391,293	\$ 382,382	\$ 376,889	\$ 366,746	\$ 511,820
Net Investment Income	3,046,800	(3,571,917)	2,707,676	2,722,541	3,060,448	(697,330)	2,122,490	1,094,716	(69,245)	836,585
Benefit Payments	(1,477,150)	(908,480)	(941,179)	(859,634)	(741,402)	(683,256)	(755,451)	(753,320)	(645,860)	(602,226)
Administrative Expenses	(38,200)	(34,648)	(34,543)	(33,408)	(32,530)	(34,197)	(30,650)	(32,104)	(34,296)	(33,269)
Other	-	99	-	-	-	28	14	1,175	-	-
Net Change in Plan Fiduciary Net Position	2,062,777	(4,029,931)	2,183,683	2,258,316	2,692,114	(1,023,462)	1,718,785	687,356	(382,655)	712,910
Plan Fiduciary Net Position - January 1	19,188,695	23,218,626	21,034,943	18,776,627	16,084,513	17,107,975	15,389,190	14,701,834	15,084,489	14,371,579
Plan Fiduciary Net Position - December 31 (b)	<u>\$ 21,251,472</u>	<u>\$ 19,188,695</u>	<u>\$ 23,218,626</u>	<u>\$ 21,034,943</u>	<u>\$ 18,776,627</u>	<u>\$ 16,084,513</u>	<u>\$ 17,107,975</u>	<u>\$ 15,389,190</u>	<u>\$ 14,701,834</u>	<u>\$ 15,084,489</u>
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	<u>\$ (5,798,674)</u>	<u>\$ (3,106,260)</u>	<u>\$ (6,812,689)</u>	<u>\$ (6,787,748)</u>	<u>\$ (4,958,097)</u>	<u>\$ (2,930,443)</u>	<u>\$ (4,971,253)</u>	<u>\$ (3,509,101)</u>	<u>\$ (3,505,596)</u>	<u>\$ (3,362,593)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	137.53%	119.31%	141.53%	147.64%	135.88%	122.28%	140.96%	129.54%	131.31%	128.69%

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2024

General Employees Fund

2024 Changes

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

- The mortality scale was changed from MP-2020 to scale MP-2021.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2024

General Employees Fund (Continued)

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

City of Minnetonka
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Notes to Required Supplementary Information
December 31, 2024

General Employees Fund (Continued)

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Police and Fire Fund

2024 Changes

Changes in Actuarial Assumptions

- There were no changes in plan provisions since the previous valuation

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

City of Minnetonka
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Notes to Required Supplementary Information
December 31, 2024

Police and Fire Fund (Continued)

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

City of Minnetonka
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Notes to Required Supplementary Information
December 31, 2024

Police and Fire Fund (Continued)

2020 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Annual increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2024

Police and Fire Fund (Continued)

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2015 Changes

Changes in Plan Provisions

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2024

Minnetonka Fireman's Relief Association

2023 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate increased from 5.50% to 6.25% to reflect updated capital market assumptions.
- The Theretirementassumptionforactivememberswasupdatedtobetterreflect full vesting requirements.

Changes in Plan Provisions

- The lump sum benefit amount increased from \$12,000 to \$13,500.

2022 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate increased from 5.25% to 5.50% to reflect updated capital market assumptions.
- The mortality assumption was updated from the rates used in the July 1, 2021 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2022 Minnesota PERA Police & Fire Plan actuarial valuation.
- The inflation assumption increased from 2.25% to 2.50%.

2021 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 6.00% to 5.25% to reflect updated capital market assumptions.
- The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2020 Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2021 Minnesota Police and Fire Plan actuarial valuation.

2020 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 6.25% to 6.00% to reflect updated capital market assumptions.
- The mortality assumptions were updated from the rates used in the July 1, 2019 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2020 Minnesota PERA Police & Fire Plan actuarial valuation.
- The inflation assumption decreased from 2.50% to 2.25%.

2019 Changes

Changes in Actuarial Assumptions

- The mortality assumptions were updated from the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2019 Minnesota PERA Police & Fire actuarial valuation.

2018 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 6.75% to 6.25% to reflect updated capital market assumptions.
- The mortality assumptions were updated from the rates used in the July 1, 2017 Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2018 Minnesota PERA Police and Fire Plan actuarial valuation.
- The inflation assumption decreased from 2.75% to 2.50%.

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2024

Other Postemployment Benefits

2024 Changes

Changes in Actuarial Assumptions

- The discount rate increased from 1.84% to 4.05% based on updated 20-year municipal bond rates.
- The discount rate was changed from 4.05% to 3.77% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the 7/1/2022 PERA General Employees Plan valuation to the rates used in the 2023 experience study.
 - The percent of future retirees assumed to elect spouse coverage at retirement changed from 20% to 15% to reflect recent plan experience.
 - The percent of future non-Medicare eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings.

2023 Changes

Changes in Actuarial Assumptions

- The discount rate increased from 1.84% to 4.05% based on updated 20-year municipal bond rates.

2022 Changes

Changes in Actuarial Assumptions

- The discount rate decreased from 2.12% to 1.84% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated costs increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated to the 7/1/2022 PERA General Employees Plan and PERA Police and Fire Plan valuations.
- Participation was updated from 65% to 40% of future regular retirees and 100% of future disabled in the line of duty retirees will elect medical coverage at retirement to reflect recent plan experience.
- The percent of future retirees assumed to elect spouse coverage at retirement changed from 40% for Coordinated Plan Participants and 60% for Police and Fire Fund Participants to 20% for all participants to reflect recent plan experience.
- The percent of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings.

2021 Changes

Changes in Actuarial Assumptions

- There were no changes.

2020 Changes

Changes in Actuarial Assumptions

- There were no changes.

2019 Changes

Changes in Actuarial Assumptions

- The discount rate decreased from 4.09% as of December 31, 2018 to 2.12% as of December 31, 2019.

2018 Changes

Changes in Actuarial Assumptions

- The discount rate increased from 3.44% as of December 31, 2017 to 4.09% as of December 31, 2018.

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES

Non-major Governmental Funds

Special Revenue Funds

Cable Television Fund – This fund accounts for cable TV franchise fees as well as related cable TV expenditures. All expenditures by this fund are communications or cable TV related.

Community Development Block Grant Fund – This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

Electric Franchise Fees – This fund was established to account for electric franchise fee revenues and the corresponding expenditures for the burial of overhead utility lines on major streets.

Grants Fund – This fund receives and expends amount for various grant programs.

Housing & Redevelopment Authority – This fund was established to account for activity of the Economic Development Authority (EDA) regarding economic development, housing and redevelopment matters.

Police Forfeiture and Seizure Fund – This fund was established to account for property and/or cash seized by police personnel. All expenditures by this fund must be public safety related.

Shady Oak Lane Cemetery Fund – This fund accounts for revenues and expenditures related to maintaining the cemetery.

Affordable Housing Trust Fund - Established under Minnesota Statutes, Section 462C.16 to encourage the creation of affordable housing for rental housing and owner-occupied housing, to promote the preservation of existing affordable housing and naturally occurring affordable housing, and to provide rental assistance and homeownership assistance to persons of very low income, low income, and moderate-income.

Ice Arena Fund - This fund accounts for revenues and expenditures related to the ice arena rinks.

The Marsh Fund - This fund accounts for revenues and expenditures related to the The Marsh.

Debt Service Funds

Park & Open Space Bonds – This fund was established to account for the revenues and debt service requirements related to the issuance of General Obligation park renewal and open space bonds.

2020A GO CIP Bonds – This fund was established to account for the revenues and debt service requirements related to the issuance of the 2020A General Obligation Capital Improvement Plan bonds used to fund the Public Facility Expansion project.

2019 Housing Improvement Area Bonds Fund – This fund accounts for the special assessments received for the Cloud 9 Apartments housing improvements.

Capital Projects Funds

Capital Replacement Fund – This fund was established for the purpose of funding replacement or repair of major capital items that are expected to exceed \$5,000.

Public Safety Fund – This fund was established to account for the revenues and expenditures relating to the replacement of fire vehicles and equipment.

Public Safety Facility Expansion Fund – This fund was established to account for an expansion of the City's public safety facilities.

Technology Development Fund – This fund was established to account for the revenues and expenditures for the adequate funding for essential investments in technology.

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES (CONTINUED)

Non-major Governmental Funds (Continued)

Capital Projects Funds (Continued)

State Municipal Aid Street Fund – This fund was established to account for the revenues and expenditures for the construction of county state-aid roads and the municipal state-aid street system.

Livable Communities Housing Fund – This fund was established to account for the revenues and expenditures related to affordable housing programs, and other activities designed to better link jobs, housing, transit and the Metropolitan Livable Communities Act.

Parks and Trails Fund – This fund was established to account for the purchase and development of park land throughout the City.

Development Fund – This fund was established to account for the revenues and expenditures related to housing, redevelopment, and economic development project areas.

Tax Increment Financing Fund – This fund accounts for Tax Increment Financing activity in the City for TIF projects that were created on a “pay-as-you-go” basis.

Ridgedale Tax Abatement Fund – This fund accounts for the tax abatement agreement with the City and General Growth Properties for the redevelopment of the Ridgedale Mall area.

Special Assessment Construction Fund - This fund was established to account for the proceeds of bonds for the purpose of water, sewer, and street construction.

Forestry Fund – This fund was established for the capital budget portion of the City’s Emerald Ash Borer (EAB) program, which includes tree removal, stump grinding and reforestation.

Internal Service Funds

Self Insurance Fund - This fund accounts for the risk management activities of the City.

Fleet Maintenance Fund – This fund is responsible for the maintenance and repair of the City’s motorized fleet and support equipment.

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

Special Revenue

	Cable Television	Community Development Block Grant	Electric Franchise Fees	Grants
Assets:				
Cash and Investments	\$ 1,562,482	\$ 92,292	\$ 6,580,360	\$ 118,366
Accounts Receivable	215,263	-	302,955	-
Loans Receivable	-	-	-	-
Interest Receivable	5,395	-	22,724	409
Property Taxes Receivable				
Unremitted	-	-	-	-
Delinquent	-	-	-	-
Special Assessments Receivable				
Unremitted	-	-	-	-
Current	-	-	-	-
Delinquent	-	-	-	-
Noncurrent	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
Land Held for Resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,783,140</u>	<u>\$ 92,292</u>	<u>\$ 6,906,039</u>	<u>\$ 118,775</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Salaries and Wages Payable	\$ 593	\$ -	\$ -	\$ -
Accounts and Contracts Payable	31,530	-	1,119	761
Due to Other Governments	65	-	-	-
Advanced from Other Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>32,188</u>	<u>-</u>	<u>1,119</u>	<u>761</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-
Unavailable Revenue - MSA	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	-	92,292	-	118,014
Committed	1,750,952	-	6,904,920	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,750,952</u>	<u>92,292</u>	<u>6,904,920</u>	<u>118,014</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,783,140</u>	<u>\$ 92,292</u>	<u>\$ 6,906,039</u>	<u>\$ 118,775</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2024

Special Revenue (Continued)

	Housing & Redevelopment Authority	Police Forfeiture and Seizure	Shady Oak Lane Cemetery	Affordable Housing Trust Fund
Assets:				
Cash and Investments	\$ 1,307,468	\$ 225,381	\$ 150,869	\$ 5,027,795
Accounts Receivable	2,905	-	-	-
Loans Receivable	254,706	-	-	1,442,200
Interest Receivable	4,515	778	521	56,680
Property Taxes Receivable				
Unremitted	1,675	-	-	-
Delinquent	2,828	-	-	-
Special Assessments Receivable				
Unremitted	-	-	-	-
Current	-	-	-	-
Delinquent	-	-	-	-
Noncurrent	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	740,208
Land Held for Resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,574,097</u>	<u>\$ 226,159</u>	<u>\$ 151,390</u>	<u>\$ 7,266,883</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	25,000	2,103	-	31,720
Due to Other Governments	-	-	-	-
Advanced from Other Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>25,000</u>	<u>2,103</u>	<u>-</u>	<u>31,720</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	2,828	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-
Unavailable Revenue - MSA	-	-	-	-
Total Deferred Inflows of Resources	<u>2,828</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	1,546,269	224,056	151,390	7,235,163
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,546,269</u>	<u>224,056</u>	<u>151,390</u>	<u>7,235,163</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,574,097</u>	<u>\$ 226,159</u>	<u>\$ 151,390</u>	<u>\$ 7,266,883</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2024

	Special Revenue (Continued)			Total Special Revenue Funds
	Ice Arena Fund	The Marsh Fund	Housing Sales Tax Fund	
Assets:				
Cash and Investments	\$ -	\$ 4,297	\$ 319,452	\$ 15,388,762
Accounts Receivable	110,570	-	-	631,693
Loans Receivable	-	-	-	1,696,906
Interest Receivable	-	133	1,103	92,258
Property Taxes Receivable				
Unremitted	-	-	-	1,675
Delinquent	-	-	-	2,828
Special Assessments Receivable				
Unremitted	-	-	-	-
Current	-	-	-	-
Delinquent	-	-	-	-
Noncurrent	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	740,208
Land Held for Resale	-	-	-	-
	<u>\$ 110,570</u>	<u>\$ 4,430</u>	<u>\$ 320,555</u>	<u>\$ 18,554,330</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Salaries and Wages Payable	\$ 19,198	\$ 33,868	\$ -	\$ 53,659
Accounts and Contracts Payable	25,382	26,997	-	144,612
Due to Other Governments	1,701	5,277	-	7,043
Advanced from Other Funds	-	856,265	-	856,265
Due to Other Funds	231,535	-	-	231,535
Unearned Revenues	90,140	-	-	90,140
Total Liabilities	<u>367,956</u>	<u>922,407</u>	<u>-</u>	<u>1,383,254</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	-	-	-	2,828
Unavailable Revenue - Special Assessments	-	-	-	-
Unavailable Revenue - MSA	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,828</u>
Fund Balances:				
Restricted	-	-	320,555	9,687,739
Committed	-	-	-	8,655,872
Assigned	-	-	-	-
Unassigned	(257,386)	(917,977)	-	(1,175,363)
Total Fund Balances	<u>(257,386)</u>	<u>(917,977)</u>	<u>320,555</u>	<u>17,168,248</u>
	<u>\$ 110,570</u>	<u>\$ 4,430</u>	<u>\$ 320,555</u>	<u>\$ 18,554,330</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2024

	Debt Service			
	Park and Open Space Bonds	2020A GO CIP Bonds	2019 Housing Improvement Area Bonds	Total Debt Service Funds
Assets:				
Cash and Investments	\$ 1,013,025	\$ 1,082,921	\$ 196,926	\$ 2,292,872
Accounts Receivable	-	-	-	-
Loans Receivable	-	-	-	-
Interest Receivable	3,480	3,769	680	7,929
Property Taxes Receivable				-
Unremitted	-	-	924	924
Delinquent	-	-	-	-
Special Assessments Receivable				-
Unremitted	-	-	-	-
Current	-	-	113,045	113,045
Delinquent	-	-	557	557
Noncurrent	-	-	2,044,234	2,044,234
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
Land Held for Resale	-	-	-	-
	Total Assets	\$ 1,016,505	\$ 1,086,690	\$ 2,356,366
	\$ 1,016,505	\$ 1,086,690	\$ 2,356,366	\$ 4,459,561
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	-	-	-	-
Due to Other Governments	-	-	-	-
Advanced from Other Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	2,157,836	2,157,836
Unavailable Revenue - MSA	-	-	-	-
Total Deferred Inflows of Resources	-	-	2,157,836	2,157,836
Fund Balances:				
Restricted	1,016,505	1,086,690	198,530	2,301,725
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,016,505	1,086,690	198,530	2,301,725
	\$ 1,016,505	\$ 1,086,690	\$ 2,356,366	\$ 4,459,561
	\$ 1,016,505	\$ 1,086,690	\$ 2,356,366	\$ 4,459,561

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2024

	Capital Projects				
	Capital Replacement	Public Safety	Public Safety Facility Expansion	Technology Development	State Municipal Aid Street
Assets:					
Cash and Investments	\$ 4,839,589	\$ 2,270,153	\$ -	\$ 2,341,286	\$ 5,633,017
Accounts Receivable	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Interest Receivable	15,867	7,581	-	8,086	19,453
Property Taxes Receivable					
Unremitted	-	-	-	-	-
Delinquent	-	-	-	-	-
Special Assessments Receivable					
Unremitted	-	-	-	-	-
Current	-	-	-	-	-
Delinquent	-	-	-	-	-
Noncurrent	-	-	-	-	-
Due from Other Governments	-	-	-	-	577,464
Due from Other Funds	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Total Assets	\$ 4,855,456	\$ 2,277,734	\$ -	\$ 2,349,372	\$ 6,229,934
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	128,335	31,933	-	464,257	-
Due to Other Governments	-	-	-	-	-
Advanced from Other Funds	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	128,335	31,933	-	464,257	-
Deferred Inflows of Resources:					
Unavailable Revenue - Taxes	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-
Unavailable Revenue - MSA	-	-	-	-	577,464
Total Deferred Inflows of Resources	-	-	-	-	577,464
Fund Balances:					
Restricted	-	2,245,801	-	-	5,652,470
Committed	4,727,121	-	-	1,885,115	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	4,727,121	2,245,801	-	1,885,115	5,652,470
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,855,456	\$ 2,277,734	\$ -	\$ 2,349,372	\$ 6,229,934

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2024

Capital Projects (Continued)

	Livable Communities Housing Fund	Parks and Trails	Development Fund	Tax Increment Financing	Trail System Expansion Fund
Assets:					
Cash and Investments	\$ 441,631	\$ 8,735,657	\$ 4,155,874	\$ 7,174,620	\$ -
Accounts Receivable	257,645	-	216,356	-	-
Loans Receivable	-	-	10,052	-	-
Interest Receivable	1,525	33,054	13,843	26,017	-
Property Taxes Receivable					
Unremitted	-	-	-	-	-
Delinquent	-	-	-	-	-
Special Assessments Receivable					
Unremitted	-	-	402	-	-
Current	-	-	35,669	-	-
Delinquent	-	-	1,579	-	-
Noncurrent	-	-	71,340	-	-
Due from Other Governments	80,019	-	-	-	-
Due from Other Funds	-	910,805	-	-	-
Advances to Other Funds	-	-	478,402	-	-
Land Held for Resale	-	-	666,800	-	-
Total Assets	\$ 780,820	\$ 9,679,516	\$ 5,650,317	\$ 7,200,637	\$ -
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	80,019	155,392	11,012	22,891	-
Due to Other Governments	-	-	-	-	-
Advanced from Other Funds	-	-	-	1,218,610	-
Due to Other Funds	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	80,019	155,392	11,012	1,241,501	-
Deferred Inflows of Resources:					
Unavailable Revenue - Taxes	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	108,588	-	-
Unavailable Revenue - MSA	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	108,588	-	-
Fund Balances:					
Restricted	700,801	-	-	5,959,136	-
Committed	-	9,524,124	5,530,717	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	700,801	9,524,124	5,530,717	5,959,136	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 780,820	\$ 9,679,516	\$ 5,650,317	\$ 7,200,637	\$ -

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2024

	Capital Projects (Continued)				Total Nonmajor Governmental Funds
	Ridgedale Tax Abatement	Special Assessment Construction	Forestry Fund	Total Capital Projects Funds	
Assets:					
Cash and Investments	\$ 378,084	\$ 3,969,036	\$ 687,920	\$ 40,626,867	\$ 58,308,501
Accounts Receivable	420	-	-	474,421	1,106,114
Loans Receivable	-	-	-	10,052	1,706,958
Interest Receivable	1,288	13,438	2,324	142,476	242,663
Property Taxes Receivable					
Unremitted	-	-	-	-	2,599
Delinquent	-	-	-	-	2,828
Special Assessments Receivable					
Unremitted	-	1,596	-	1,998	1,998
Current	-	428,473	-	464,142	577,187
Delinquent	-	8,824	-	10,403	10,960
Noncurrent	-	568,745	-	640,085	2,684,319
Due from Other Governments	-	-	-	657,483	657,483
Due from Other Funds	-	-	-	910,805	910,805
Advances to Other Funds	-	5,538,126	-	6,016,528	6,756,736
Land Held for Resale	-	-	-	666,800	666,800
Total Assets	\$ 379,792	\$ 10,528,238	\$ 690,244	\$ 50,622,060	\$ 73,635,951
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -	\$ 53,659
Accounts and Contracts Payable	-	1,996	2,900	898,735	1,043,347
Due to Other Governments	-	-	-	-	7,043
Advanced from Other Funds	-	-	-	1,218,610	2,074,875
Due to Other Funds	-	-	-	-	231,535
Unearned Revenues	-	-	-	-	90,140
Total Liabilities	-	1,996	2,900	2,117,345	3,500,599
Deferred Inflows of Resources:					
Unavailable Revenue - Taxes	-	-	-	-	2,828
Unavailable Revenue - Special Assessments	-	1,006,041	-	1,114,629	3,272,465
Unavailable Revenue - MSA	-	-	-	577,464	577,464
Total Deferred Inflows of Resources	-	1,006,041	-	1,692,093	3,852,757
Fund Balances:					
Restricted	-	-	-	14,558,208	26,547,672
Committed	379,792	-	687,344	22,734,213	31,390,085
Assigned	-	9,520,201	-	9,520,201	9,520,201
Unassigned	-	-	-	-	(1,175,363)
Total Fund Balances	379,792	9,520,201	687,344	46,812,622	66,282,595
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 379,792	\$ 10,528,238	\$ 690,244	\$ 50,622,060	\$ 73,635,951

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue			
	Cable Television	Community Development Block Grant	Electric Franchise Fees	Grants
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Franchise	889,437	-	1,204,056	-
Tax Increments	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental:				
State Grants	-	-	-	-
Local Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous:				
Investment Income (Loss)	53,540	4,392	216,736	600
Other	36,174	54,275	-	129,057
Total Revenues	<u>979,151</u>	<u>58,667</u>	<u>1,420,792</u>	<u>129,657</u>
Expenditures:				
Current:				
General Government	611,953	-	-	-
Public Safety	-	-	-	22,130
Public Works	-	-	-	-
Park and Recreation	-	-	-	-
Development Services	-	63,254	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	226,121	-	300,217	-
Total Expenditures	<u>838,074</u>	<u>63,254</u>	<u>300,217</u>	<u>22,130</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	141,077	(4,587)	1,120,575	107,527
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(36,100)	-	(93,882)	-
Proceeds on Disposition of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>(36,100)</u>	<u>-</u>	<u>(93,882)</u>	<u>-</u>
Net Change in Fund Balances	104,977	(4,587)	1,026,693	107,527
Fund Balances:				
Beginning of Year, as Previously Stated	1,645,975	96,879	5,878,227	10,487
Change within Financial Reporting Entity (See Note 6)	-	-	-	-
Beginning of Year	<u>1,645,975</u>	<u>96,879</u>	<u>5,878,227</u>	<u>10,487</u>
End of Year	<u>\$ 1,750,952</u>	<u>\$ 92,292</u>	<u>\$ 6,904,920</u>	<u>\$ 118,014</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2024

	Special Revenue (Continued)			
	Housing & Redevelopment Authority	Police Forfeiture and Seizure	Shady Oak Lane Cemetery	Affordable Housing Trust Fund
Revenues:				
Taxes:				
Property	\$ 297,270	\$ -	\$ -	\$ -
Franchise	-	-	-	-
Tax Increments	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental:				
State Grants	-	-	-	-
Local Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	17,795	-	-
Miscellaneous:				
Investment Income (Loss)	56,056	9,338	5,498	316,596
Other	1,358	-	50	-
Total Revenues	<u>354,684</u>	<u>27,133</u>	<u>5,548</u>	<u>316,596</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	20,079	-	-
Public Works	-	-	-	-
Park and Recreation	-	-	-	-
Development Services	41,907	-	-	68,926
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	26,900	-	-
Total Expenditures	<u>41,907</u>	<u>46,979</u>	<u>-</u>	<u>68,926</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	312,777	(19,846)	5,548	247,670
Other Financing Sources (Uses):				
Transfers In	-	-	-	50,000
Transfers Out	(400,000)	-	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balances	(87,223)	(19,846)	5,548	297,670
Fund Balances:				
Beginning of Year, as Previously Stated	1,633,492	243,902	145,842	6,937,493
Change within Financial Reporting Entity (See Note 6)	-	-	-	-
Beginning of Year	<u>1,633,492</u>	<u>243,902</u>	<u>145,842</u>	<u>6,937,493</u>
End of Year	<u>\$ 1,546,269</u>	<u>\$ 224,056</u>	<u>\$ 151,390</u>	<u>\$ 7,235,163</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2024

	Special Revenue (Continued)			
	Ice Arena Fund	The Marsh Fund	Housing Sales Tax Fund	Total Special Revenue Funds
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 297,270
Franchise	-	-	-	2,093,493
Tax Increments	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental:				
State Grants	-	-	321,516	321,516
Local Grants	-	-	-	-
Charges for Services	1,112,595	1,297,064	-	2,409,659
Fines and Forfeitures	-	-	-	17,795
Miscellaneous:				
Investment Income (Loss)	(4,593)	157	(961)	657,359
Other	43,790	224,238	-	488,942
Total Revenues	<u>1,151,792</u>	<u>1,521,459</u>	<u>320,555</u>	<u>6,286,034</u>
Expenditures:				
Current:				
General Government	-	-	-	611,953
Public Safety	-	-	-	42,209
Public Works	-	-	-	-
Park and Recreation	1,197,202	1,812,138	-	3,009,340
Development Services	-	-	-	174,087
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	35,850	-	589,088
Total Expenditures	<u>1,197,202</u>	<u>1,847,988</u>	<u>-</u>	<u>4,426,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,410)	(326,529)	320,555	1,859,357
Other Financing Sources (Uses):				
Transfers In	50,000	-	-	100,000
Transfers Out	(36,100)	-	-	(566,082)
Proceeds on Disposition of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>13,900</u>	<u>-</u>	<u>-</u>	<u>(466,082)</u>
Net Change in Fund Balances	(31,510)	(326,529)	320,555	1,393,275
Fund Balances:				
Beginning of Year, as Previously Stated	(225,876)	(591,448)	-	15,774,973
Change within Financial Reporting Entity (See Note 6)	-	-	-	-
Beginning of Year	<u>(225,876)</u>	<u>(591,448)</u>	<u>-</u>	<u>15,774,973</u>
End of Year	<u>\$ (257,386)</u>	<u>\$ (917,977)</u>	<u>\$ 320,555</u>	<u>\$ 17,168,248</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2024

	Debt Service			Total Debt Service Funds
	Park and Open Space Bonds	2020A GO CIP Bonds	2019 Housing Improvement Area Bonds	
Revenues:				
Taxes:				
Property	\$ 289,695	\$ 1,109,529	\$ -	\$ 1,399,224
Franchise	-	-	-	-
Tax Increments	-	-	-	-
Special Assessments	-	-	185,157	185,157
Intergovernmental:				
State Grants	-	-	-	-
Local Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous:				
Investment Income (Loss)	32,870	25,129	4,850	62,849
Other	-	-	-	-
Total Revenues	<u>322,565</u>	<u>1,134,658</u>	<u>190,007</u>	<u>1,647,230</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Park and Recreation	-	-	-	-
Development Services	-	-	-	-
Debt Service:				
Principal	250,000	450,000	110,000	810,000
Interest and Fiscal Charges	18,638	606,169	62,228	687,035
Capital Outlay	-	-	-	-
Total Expenditures	<u>268,638</u>	<u>1,056,169</u>	<u>172,228</u>	<u>1,497,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,927	78,489	17,779	150,195
Other Financing Sources (Uses):				
Transfers In	-	38,939	-	38,939
Transfers Out	-	-	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>38,939</u>	<u>-</u>	<u>38,939</u>
Net Change in Fund Balances	53,927	117,428	17,779	189,134
Fund Balances:				
Beginning of Year, as Previously Stated	962,578	969,262	180,751	2,112,591
Change within Financial Reporting Entity (See Note 6)	-	-	-	-
Beginning of Year	<u>962,578</u>	<u>969,262</u>	<u>180,751</u>	<u>2,112,591</u>
End of Year	<u>\$ 1,016,505</u>	<u>\$ 1,086,690</u>	<u>\$ 198,530</u>	<u>\$ 2,301,725</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2024

	Capital Projects				
	Capital Replacement	Public Safety	Public Safety Facility Expansion	Technology Development	State Municipal Aid Street
Revenues:					
Taxes:					
Property	\$ 1,630,000	\$ 625,000	\$ -	\$ 650,000	\$ -
Franchise	-	-	-	-	-
Tax Increments	-	-	-	-	-
Special Assessments	-	-	-	-	-
Intergovernmental:					
State Grants	-	54,043	-	-	1,983,603
Local Grants	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous:					
Investment Income (Loss)	171,849	100,601	4,458	81,275	82,708
Other	-	-	-	178,968	-
Total Revenues	<u>1,801,849</u>	<u>779,644</u>	<u>4,458</u>	<u>910,243</u>	<u>2,066,311</u>
Expenditures:					
Current:					
General Government	-	-	-	20,953	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Park and Recreation	-	-	-	-	-
Development Services	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	2,162,671	1,244,410	71,878	1,349,212	6,586
Total Expenditures	<u>2,162,671</u>	<u>1,244,410</u>	<u>71,878</u>	<u>1,370,165</u>	<u>6,586</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(360,822)	(464,766)	(67,420)	(459,922)	2,059,725
Other Financing Sources (Uses):					
Transfers In	600,000	175,000	-	100,000	1,618,293
Transfers Out	-	-	(38,939)	-	-
Proceeds on Disposition of Capital Assets	61,290	-	-	-	-
Total Other Financing Sources (Uses)	<u>661,290</u>	<u>175,000</u>	<u>(38,939)</u>	<u>100,000</u>	<u>1,618,293</u>
Net Change in Fund Balances	300,468	(289,766)	(106,359)	(359,922)	3,678,018
Fund Balances:					
Beginning of Year, as Previously Stated	4,426,653	2,535,567	106,359	2,245,037	1,974,452
Change within Financial Reporting Entity (See Note 6)	-	-	-	-	-
Beginning of Year	<u>4,426,653</u>	<u>2,535,567</u>	<u>106,359</u>	<u>2,245,037</u>	<u>1,974,452</u>
End of Year	<u>\$ 4,727,121</u>	<u>\$ 2,245,801</u>	<u>\$ -</u>	<u>\$ 1,885,115</u>	<u>\$ 5,652,470</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2024

	Capital Projects (Continued)				
	Livable Communities Housing Fund	Parks and Trails	Development Fund	Tax Increment Financing	Trail System Expansion Fund
Revenues:					
Taxes:					
Property	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Franchise	-	-	-	-	-
Tax Increments	-	-	-	3,706,920	-
Special Assessments	-	-	43,187	-	-
Intergovernmental:					
State Grants	-	-	-	-	-
Local Grants	151,640	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous:					
Investment Income (Loss)	5,838	280,009	173,833	202,042	-
Other	-	2,156,286	80,100	-	-
Total Revenues	<u>157,478</u>	<u>2,936,295</u>	<u>297,120</u>	<u>3,908,962</u>	<u>-</u>
Expenditures:					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Park and Recreation	-	-	-	-	-
Development Services	556,887	-	232,825	2,447,397	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	811,726	-	109,773	-
Total Expenditures	<u>556,887</u>	<u>811,726</u>	<u>232,825</u>	<u>2,557,170</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(399,409)	2,124,569	64,295	1,351,792	-
Other Financing Sources (Uses):					
Transfers In	300,000	15,209	50,000	-	-
Transfers Out	-	-	(70,100)	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>15,209</u>	<u>(20,100)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(99,409)	2,139,778	44,195	1,351,792	-
Fund Balances:					
Beginning of Year, as Previously Stated	800,210	7,384,346	5,486,522	4,607,344	1,752,592
Change within Financial Reporting Entity (See Note 6)	-	-	-	-	(1,752,592)
Beginning of Year	<u>800,210</u>	<u>7,384,346</u>	<u>5,486,522</u>	<u>4,607,344</u>	<u>-</u>
End of Year	<u>\$ 700,801</u>	<u>\$ 9,524,124</u>	<u>\$ 5,530,717</u>	<u>\$ 5,959,136</u>	<u>\$ -</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2024

	Capital Projects (Continued)			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Ridgedale Tax Abatement	Special Assessment Construction	Forestry Fund		
Revenues:					
Taxes:					
Property	\$ 85,000	\$ -	\$ 98,000	\$ 3,588,000	\$ 5,284,494
Franchise	-	-	-	-	2,093,493
Tax Increments	-	-	-	3,706,920	3,706,920
Special Assessments	-	341,217	-	384,404	569,561
Intergovernmental:					
State Grants	-	-	-	2,037,646	2,359,162
Local Grants	-	-	-	151,640	151,640
Charges for Services	-	-	-	-	2,409,659
Fines and Forfeitures	-	-	-	-	17,795
Miscellaneous:					
Investment Income (Loss)	10,592	148,859	28,627	1,290,691	2,010,899
Other	-	-	-	2,415,354	2,904,296
Total Revenues	<u>95,592</u>	<u>490,076</u>	<u>126,627</u>	<u>13,574,655</u>	<u>21,507,919</u>
Expenditures:					
Current:					
General Government	-	-	-	20,953	632,906
Public Safety	-	-	-	-	42,209
Public Works	-	-	171,483	171,483	171,483
Park and Recreation	-	-	-	-	3,009,340
Development Services	720	3,806	-	3,241,635	3,415,722
Debt Service:					
Principal	-	-	-	-	810,000
Interest and Fiscal Charges	-	-	-	-	687,035
Capital Outlay	-	-	-	5,756,256	6,345,344
Total Expenditures	<u>720</u>	<u>3,806</u>	<u>171,483</u>	<u>9,190,327</u>	<u>15,114,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	94,872	486,270	(44,856)	4,384,328	6,393,880
Other Financing Sources (Uses):					
Transfers In	-	50,000	-	2,908,502	3,047,441
Transfers Out	-	(44,800)	(60,000)	(213,839)	(779,921)
Proceeds on Disposition of Capital Assets	-	-	-	61,290	61,290
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,200</u>	<u>(60,000)</u>	<u>2,755,953</u>	<u>2,328,810</u>
Net Change in Fund Balances	94,872	491,470	(104,856)	7,140,281	8,722,690
Fund Balances:					
Beginning of Year, as Previously Stated	284,920	9,028,731	792,200	41,424,933	59,312,497
Change within Financial Reporting Entity (See Note 6)	-	-	-	(1,752,592)	(1,752,592)
Beginning of Year	<u>284,920</u>	<u>9,028,731</u>	<u>792,200</u>	<u>39,672,341</u>	<u>57,559,905</u>
End of Year	<u>\$ 379,792</u>	<u>\$ 9,520,201</u>	<u>\$ 687,344</u>	<u>\$ 46,812,622</u>	<u>\$ 66,282,595</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Cable Television
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Franchise Taxes	\$ 834,700	\$ 864,900	\$ 889,437	\$ 24,537	\$ 870,376
Miscellaneous:					
Investment Income	60,300	37,600	53,540	15,940	53,927
Other Income	32,700	-	36,174	36,174	37,988
Total Revenues	<u>927,700</u>	<u>902,500</u>	<u>979,151</u>	<u>76,651</u>	<u>962,291</u>
Expenditures:					
General Government					
Personnel Services	18,600	18,600	36,979	(18,379)	179,785
Materials and Supplies	500	500	219	281	332
Other Services and Charges	523,300	547,850	574,755	(26,905)	552,689
Total General Government	<u>542,400</u>	<u>566,950</u>	<u>611,953</u>	<u>(45,003)</u>	<u>732,806</u>
Capital Outlay - General Government	<u>296,000</u>	<u>499,300</u>	<u>226,121</u>	<u>273,179</u>	<u>140,453</u>
Total Expenditures	<u>838,400</u>	<u>1,066,250</u>	<u>838,074</u>	<u>228,176</u>	<u>873,259</u>
Excess of Revenues Over (Under) Expenditures	89,300	(163,750)	141,077	304,827	89,032
Other Financing Sources (Uses):					
Transfers to Other Funds	<u>(36,100)</u>	<u>(36,100)</u>	<u>(36,100)</u>	<u>-</u>	<u>(36,100)</u>
Change in Fund Balance	<u>\$ 53,200</u>	<u>\$ (199,850)</u>	104,977	<u>\$ 304,827</u>	52,932
Fund Balance:					
Beginning of Year			<u>1,645,975</u>		<u>1,593,043</u>
End of Year			<u>\$ 1,750,952</u>		<u>\$ 1,645,975</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Community Development Block Grant
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Miscellaneous:					
Investment Income (Loss)	\$ 3,700	\$ 2,200	\$ 4,392	\$ 2,192	\$ 3,225
Other Income	75,000	-	54,275	54,275	43,314
Total Revenues	<u>78,700</u>	<u>2,200</u>	<u>58,667</u>	<u>56,467</u>	<u>46,539</u>
Expenditures:					
Development Services:					
Other Services and Charges	<u>120,000</u>	<u>73,622</u>	<u>63,254</u>	<u>10,368</u>	<u>34,149</u>
Change in Fund Balance	<u>\$ (41,300)</u>	<u>\$ (71,422)</u>	(4,587)	<u>\$ 66,835</u>	12,390
Fund Balance:					
Beginning of Year			<u>96,879</u>		<u>84,489</u>
End of Year			<u>\$ 92,292</u>		<u>\$ 96,879</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Electric Franchise Fees
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Franchise Taxes	\$ 1,165,000	\$ 1,193,000	\$ 1,204,056	\$ 11,056	\$ 1,192,614
Intergovernmental:					
Local Grants	-	343,200	-	(343,200)	-
Miscellaneous:					
Investment Income	223,800	135,200	216,736	81,536	194,137
Total Revenues	<u>1,388,800</u>	<u>1,671,400</u>	<u>1,420,792</u>	<u>(250,608)</u>	<u>1,386,751</u>
Expenditures:					
Capital Outlay:					
Other Services and Charges	<u>1,010,000</u>	<u>1,010,000</u>	<u>300,217</u>	<u>709,783</u>	<u>754,364</u>
Excess of Revenues Over (Under) Expenditures	378,800	661,400	1,120,575	459,175	632,387
Other Financing Sources (Uses):					
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>(93,882)</u>	<u>(93,882)</u>	<u>-</u>
Change in Fund Balance	<u>\$ 378,800</u>	<u>\$ 661,400</u>	1,026,693	<u>\$ 365,293</u>	632,387
Fund Balance:					
Beginning of Year			<u>5,878,227</u>		<u>5,245,840</u>
End of Year			<u>\$ 6,904,920</u>		<u>\$ 5,878,227</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Grants
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Intergovernmental:					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ 180,000
State Grants	126,400	-	-	-	7,000
Miscellaneous:					
Investment Income	200	3,000	600	(2,400)	4,371
Other Income	25,000	122,700	129,057	6,357	21,201
Total Revenues	<u>151,600</u>	<u>125,700</u>	<u>129,657</u>	<u>3,957</u>	<u>212,572</u>
Expenditures:					
Public Safety:					
Police:					
Materials and Supplies	126,400	-	2,413	(2,413)	20,572
Other Services and Charges	25,000	25,000	19,717	5,283	15,371
Total Public Safety	<u>151,400</u>	<u>25,000</u>	<u>22,130</u>	<u>2,870</u>	<u>35,943</u>
Capital Outlay - Police:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,678</u>
Total Expenditures	<u>151,400</u>	<u>25,000</u>	<u>22,130</u>	<u>2,870</u>	<u>286,621</u>
Change in Fund Balance	<u>\$ 200</u>	<u>\$ 100,700</u>	107,527	<u>\$ 6,827</u>	(74,049)
Fund Balance:					
Beginning of Year			<u>10,487</u>		<u>84,536</u>
End of Year			<u>\$ 118,014</u>		<u>\$ 10,487</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Housing & Redevelopment Authority
For the Year Ended December 31, 2024

With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
General Property Taxes	\$ 300,000	\$ 300,000	\$ 297,270	\$ (2,730)	\$ 297,343
Miscellaneous:					
Investment Income	53,800	28,700	56,056	27,356	41,247
Other Income	-	-	1,358	1,358	1,192
Total Revenues	<u>353,800</u>	<u>328,700</u>	<u>354,684</u>	<u>25,984</u>	<u>339,782</u>
Expenditures:					
Development Services:					
Other Services and Charges	<u>195,000</u>	<u>136,860</u>	<u>41,907</u>	<u>94,953</u>	<u>43,762</u>
Excess of Revenues Over (Under) Expenditures	158,800	191,840	312,777	120,937	296,020
Other Financing Sources (Uses):					
Transfers to Other Funds	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	<u>\$ 158,800</u>	<u>\$ (208,160)</u>	(87,223)	<u>\$ 120,937</u>	296,020
Fund Balance:					
Beginning of Year			<u>1,633,492</u>		<u>1,337,472</u>
End of Year			<u>\$ 1,546,269</u>		<u>\$ 1,633,492</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Police Forfeiture/Seizure Fund
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Fines and Forfeitures	\$ -	\$ -	\$ 17,795	\$ 17,795	\$ 31,347
Miscellaneous:					
Investment Income	-	-	9,338	9,338	8,668
Total Revenues	<u>-</u>	<u>-</u>	<u>27,133</u>	<u>27,133</u>	<u>40,015</u>
Expenditures:					
Public Safety:					
Materials and Supplies	-	-	8,463	(8,463)	6,463
Other Services and Charges	<u>-</u>	<u>-</u>	<u>11,616</u>	<u>(11,616)</u>	<u>5,109</u>
Total Public Safety	<u>-</u>	<u>-</u>	<u>20,079</u>	<u>(20,079)</u>	<u>11,572</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>26,900</u>	<u>(26,900)</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>46,979</u>	<u>(46,979)</u>	<u>11,572</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(19,846)	<u>\$ (19,846)</u>	28,443
Fund Balance:					
Beginning of Year			<u>243,902</u>		<u>215,459</u>
End of Year			<u>\$ 224,056</u>		<u>\$ 243,902</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Shady Oak Lane Cemetery
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Miscellaneous:					
Investment Income	\$ -	\$ -	\$ 5,498	\$ 5,498	\$ 5,666
Other Revenue	-	-	50	50	-
Total Revenues	<u>-</u>	<u>-</u>	<u>5,548</u>	<u>5,548</u>	<u>5,666</u>
Expenditures:					
General Government:					
Other Services and Charges	-	-	-	-	18
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,548	<u>\$ 5,548</u>	5,648
Fund Balance:					
Beginning of Year			<u>145,842</u>		<u>140,194</u>
End of Year			<u>\$ 151,390</u>		<u>\$ 145,842</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Affordable Housing Trust Fund
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Intergovernmental:					
State Grants	\$ 626,300	\$ -	\$ -	\$ -	\$ 153,617
Miscellaneous:					
Investment Income	238,100	165,600	316,596	150,996	257,812
Total Revenues	<u>864,400</u>	<u>165,600</u>	<u>316,596</u>	<u>150,996</u>	<u>411,429</u>
Expenditures:					
Development Services:					
Other Services and Charges	<u>3,726,300</u>	<u>465,400</u>	<u>68,926</u>	<u>396,474</u>	<u>153,617</u>
Excess of Revenues Over (Under) Expenditures	(2,861,900)	(299,800)	247,670	547,470	257,812
Other Financing Sources (Uses):					
Transfers from Other Funds	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>300,000</u>
Change in Fund Balance	<u><u>\$(2,861,900)</u></u>	<u><u>\$(249,800)</u></u>	297,670	<u><u>\$ 547,470</u></u>	557,812
Fund Balance:					
Beginning of Year			<u>6,937,493</u>		<u>6,379,681</u>
End of Year			<u><u>\$ 7,235,163</u></u>		<u><u>\$ 6,937,493</u></u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Ice Arena Fund
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Charges for Services	\$ 1,066,500	\$ 1,117,755	\$ 1,112,595	\$ (5,160)	\$ 1,036,054
Miscellaneous:					
Investment Income	-	-	(4,593)	(4,593)	(5,472)
Other Revenue	23,800	27,400	43,790	16,390	17,394
Total Revenues	<u>1,090,300</u>	<u>1,145,155</u>	<u>1,151,792</u>	<u>6,637</u>	<u>1,047,976</u>
Expenditures:					
Park and Recreation:					
Personnel Services	\$ 685,800	\$ 685,800	\$ 739,513	\$ (53,713)	\$ 647,663
Materials and Supplies	64,500	92,300	89,499	2,801	54,922
Other Services and Charges	472,850	371,100	368,190	2,910	438,223
Total Parks and Recreation	<u>1,223,150</u>	<u>1,149,200</u>	<u>1,197,202</u>	<u>(48,002)</u>	<u>1,140,808</u>
Excess of Revenues Over (Under) Expenditures	<u>(132,850)</u>	<u>(4,045)</u>	<u>(45,410)</u>	<u>(41,365)</u>	<u>(92,832)</u>
Other Financing Sources (Uses):					
Transfers from Other Funds	50,000	50,000	50,000	-	50,000
Transfers to Other Funds	(36,100)	(36,100)	(36,100)	-	(36,100)
Total Other Financing Sources (Uses)	<u>13,900</u>	<u>13,900</u>	<u>13,900</u>	<u>-</u>	<u>13,900</u>
Change in Fund Balance	<u>\$ (118,950)</u>	<u>\$ 9,855</u>	(31,510)	<u>\$ (41,365)</u>	(78,932)
Fund Balance:					
Beginning of Year			<u>(225,876)</u>		<u>(146,944)</u>
End of Year			<u>\$ (257,386)</u>		<u>\$ (225,876)</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - The Marsh Fund
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Charges for Services	\$ 629,000	\$ 1,215,000	\$ 1,297,064	\$ 82,064	\$ 528,081
Miscellaneous:					
Investment Income	-	-	157	157	-
Other Revenue	128,000	190,000	224,238	34,238	99,717
Total Revenues	<u>757,000</u>	<u>1,405,000</u>	<u>1,521,459</u>	<u>116,459</u>	<u>627,798</u>
Expenditures:					
Park and Recreation:					
Personnel Services	\$ 962,800	\$ 1,032,800	\$ 1,120,403	\$ (87,603)	\$ 586,985
Materials and Supplies	123,500	148,550	153,343	(4,793)	100,907
Other Services and Charges	543,800	435,950	538,392	(102,442)	447,704
Total Parks and Recreation	<u>1,630,100</u>	<u>1,617,300</u>	<u>1,812,138</u>	<u>(194,838)</u>	<u>1,135,596</u>
Capital Outlay - Parks and Recreation:	5,000	-	35,850	(35,850)	83,650
Total Expenditures	<u>1,635,100</u>	<u>1,617,300</u>	<u>1,847,988</u>	<u>(230,688)</u>	<u>1,219,246</u>
Change in Fund Balance	<u>\$ (878,100)</u>	<u>\$ (212,300)</u>	(326,529)	<u>\$ (114,229)</u>	(591,448)
Fund Balance:					
Beginning of Year			(591,448)		-
End of Year			<u>\$ (917,977)</u>		<u>\$ (591,448)</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Housing Sales Tax Fund
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Intergovernmental:					
State Grants	\$ -	\$ 321,500	\$ 321,516	\$ 16	\$ -
Miscellaneous:					
Investment Income	-	-	(961)	(961)	-
Total Revenues	<u>-</u>	<u>321,500</u>	<u>320,555</u>	<u>(945)</u>	<u>-</u>
Expenditures:					
Development Services:					
Other Services and Charges	<u>\$ -</u>	<u>\$ 321,500</u>	<u>\$ -</u>	<u>\$ 321,500</u>	<u>\$ -</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	320,555	<u>\$ 320,555</u>	-
Fund Balance:					
Beginning of Year			<u>-</u>		<u>-</u>
End of Year			<u>\$ 320,555</u>		<u>\$ -</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Net Position - Internal Service Funds
December 31, 2024

	Self Insurance	Fleet Maintenance	Total
Assets and Deferred Outflows of Resources:			
Current Assets:			
Cash and Investments	\$ 3,068,776	\$ 313,050	\$ 3,381,826
Accounts Receivable	76,634	-	76,634
Interest Receivable	10,598	1,081	11,679
Due From Other Governments	-	10,257	10,257
Inventories	-	109,749	109,749
Total Assets	<u>3,156,008</u>	<u>434,137</u>	<u>3,590,145</u>
Deferred Outflows of Resources:			
Other Postemployment Benefits	-	31,479	31,479
MNPERA Pension	-	51,700	51,700
Total Deferred Outflows of Resources	<u>-</u>	<u>83,179</u>	<u>83,179</u>
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Current Liabilities:			
Salaries and Wages Payable	-	20,389	20,389
Accounts Payable	26,417	82,382	108,799
Due to Other Governments	-	4,550	4,550
Current Portion of Compensated Absences	-	24,837	24,837
Total Current Liabilities	<u>26,417</u>	<u>132,158</u>	<u>158,575</u>
Long-Term Liabilities:			
Compensated Absences	-	82,905	82,905
Incurred but Not Reported Claims	114,221	-	114,221
Total OPEB Liability	-	45,293	45,293
MNPERA-Net Pension Liability	-	200,232	200,232
Total Noncurrent Liabilities	<u>114,221</u>	<u>328,430</u>	<u>442,651</u>
Total Liabilities	<u>140,638</u>	<u>460,588</u>	<u>601,226</u>
Deferred Inflows of Resources:			
Other Postemployment Benefits	-	37,626	37,626
MNPERA Pension	-	132,827	132,827
Total Deferred Inflows of Resources	<u>-</u>	<u>170,453</u>	<u>170,453</u>
Net Position:			
Unrestricted	<u>3,015,370</u>	<u>(113,725)</u>	<u>2,901,645</u>
Total Net Position	<u>\$ 3,015,370</u>	<u>\$ (113,725)</u>	<u>\$ 2,901,645</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position -
Internal Service Funds
For the Year Ended December 31, 2024

	Self Insurance	Fleet Maintenance	Total
Operating Revenues:			
Charges to City Departments	\$ 781,500	\$ 1,686,507	\$ 2,468,007
Other Revenue	83,576	63,746	147,322
Total Operating Revenues	<u>865,076</u>	<u>1,750,253</u>	<u>2,615,329</u>
Operating Expenses:			
Personnel Services	-	631,377	631,377
Supplies, Repairs and Maintenance	-	926,966	926,966
Other Services and Charges	777,396	236,497	1,013,893
Total Operating Expenses	<u>777,396</u>	<u>1,794,840</u>	<u>2,572,236</u>
Operating Income (Loss)	87,680	(44,587)	43,093
Nonoperating Revenues (Expenses):			
Investment Income	<u>106,163</u>	<u>11,386</u>	<u>117,549</u>
Change in Net Position	193,843	(33,201)	160,642
Net Position:			
Net Position - Beginning	<u>2,821,527</u>	<u>(80,524)</u>	<u>2,741,003</u>
Net Position - Ending	<u>\$ 3,015,370</u>	<u>\$ (113,725)</u>	<u>\$ 2,901,645</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended December 31, 2024

	Self Insurance	Fleet Maintenance	Total
Cash Flows from Operating Activities:			
Receipts from Interfund Services Provided	\$ 704,866	\$ 1,676,355	\$ 2,381,221
Other Revenue	83,576	63,746	147,322
Payments to Suppliers	-	(1,152,081)	(1,152,081)
Payments to Employees	-	(653,004)	(653,004)
Payments of Benefits on Behalf of Employees	(754,354)	-	(754,354)
Net Cash Provided (Used) by Operating Activities	<u>34,088</u>	<u>(64,984)</u>	<u>(30,896)</u>
Cash Flows from Investing Activities:			
Purchase of Investments	4,051,610	413,310	4,464,920
Sale of Investments	(4,051,610)	(413,310)	(4,464,920)
Interest and Dividends Received	105,239	11,515	116,754
Net Cash Provided (Used) by Investing Activities	<u>105,239</u>	<u>11,515</u>	<u>116,754</u>
Net Change in Cash and Cash Equivalents	139,327	(53,469)	85,858
Cash and Cash Equivalents, January 1	<u>2,929,449</u>	<u>366,519</u>	<u>3,295,968</u>
Cash and Cash Equivalents, December 31	<u>\$ 3,068,776</u>	<u>\$ 313,050</u>	<u>\$ 3,381,826</u>
Reconciliation of operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 87,680	\$ (44,587)	\$ 43,093
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities			
Due from Other Governments	-	(10,152)	(10,152)
Accounts Receivable	(76,634)	-	(76,634)
Prepaid Items	148,554	-	148,554
Inventories	-	(1,695)	(1,695)
OPEB (Deferred Outflow)	-	6,806	6,806
Pensions (Deferred Outflow)	-	35,532	35,532
Salaries and Wages Payable	-	3,492	3,492
Accounts Payable	(125,512)	13,077	(112,435)
Compensated Absences Payable	-	7,496	7,496
Net Pension	-	(102,989)	(102,989)
Pensions (Deferred Inflow)	-	35,001	35,001
OPEB (Deferred Inflow)	-	1,129	1,129
Total OPEB Liability	-	(8,094)	(8,094)
Total Adjustments	<u>(53,592)</u>	<u>(20,397)</u>	<u>(73,989)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 34,088</u>	<u>\$ (64,984)</u>	<u>\$ (30,896)</u>
Noncash Investing, Capital and Financing Activities:			
Increase (Decline) in Fair Value of Investments	<u>\$ 53,413</u>	<u>\$ 7,447</u>	<u>\$ 60,860</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
December 31, 2024

	Clarion Hills Stewardship	Meadow Woods Stewardship	Stone Trace Stewardship	Total
Assets:				
Cash and Investments	\$ 177,950	\$ 103,116	\$ 24,623	\$ 305,689
Interest Receivable	615	356	85	1,056
Total Assets	178,565	103,472	24,708	306,745
Liabilities:				
Accounts Payable	-	-	-	-
Net Position:				
Net Position, Held in Trust	\$ 178,565	\$ 103,472	\$ 24,708	\$ 306,745

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended December 31, 2024

	<u>Clarion Hills Stewardship</u>	<u>Meadow Woods Stewardship</u>	<u>Stone Trace Stewardship</u>	<u>Total</u>
Additions:				
Contributions from Participants	\$ 8,713	\$ 6,000	\$ -	\$ 14,713
Investment Earnings Interest	6,754	3,893	972	11,619
Total Additions	<u>15,467</u>	<u>9,893</u>	<u>972</u>	<u>26,332</u>
Deductions:				
Benefits	<u>13,486</u>	<u>7,476</u>	<u>2,040</u>	<u>23,002</u>
Change in Net Position	1,981	2,417	(1,068)	3,330
Net Position:				
Net Position - January 1	<u>176,584</u>	<u>101,055</u>	<u>25,776</u>	<u>303,415</u>
Net Position - December 31	<u><u>\$ 178,565</u></u>	<u><u>\$ 103,472</u></u>	<u><u>\$ 24,708</u></u>	<u><u>\$ 306,745</u></u>



CITY OF
MINNETONKA

OTHER SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues and Other Financial Sources and Schedule of Expenditures and Other Financing Uses – Budget to Actual

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues and Other Financing Sources -
Budget to Actual - General Fund
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance -	2023
	Budgeted Amounts		Actual	Positive	Actual
	Original	Final	Amounts	(Negative)	
Revenues:					
General Property Taxes	\$ 39,863,300	\$ 39,863,300	\$ 39,397,459	\$ (465,841)	\$ 36,674,799
Licenses and Permits:					
Licenses:					
Liquor Licenses	232,000	228,500	225,325	(3,175)	243,660
Food Handlers Licenses	220,000	211,000	200,304	(10,696)	220,855
Building Permits	2,040,000	1,900,000	3,429,591	1,529,591	1,964,578
Plumbing Permits	270,000	300,000	480,647	180,647	294,174
Electrical Permits	380,000	420,000	567,159	147,159	438,915
HVAC Permits	365,000	400,000	679,597	279,597	566,748
Other Licenses and Permits	154,300	156,000	239,432	83,432	172,348
Total Licenses and Permits	<u>3,661,300</u>	<u>3,615,500</u>	<u>5,822,055</u>	<u>2,206,555</u>	<u>3,901,278</u>
Intergovernmental Revenues:					
Homestead / Market Value Credit	-	-	-	-	176
Public Safety State Aid	1,075,200	1,287,500	1,287,551	51	1,088,225
Federal Grants	40,300	163,900	275,836	111,936	124,331
State Grants	409,000	711,100	609,721	(101,379)	395,068
Other	50,000	98,200	83,412	(14,788)	38,505
Total Intergovernmental Revenues	<u>1,574,500</u>	<u>2,260,700</u>	<u>2,256,520</u>	<u>(4,180)</u>	<u>1,646,305</u>
Charges for Services:					
Recreation Fees	1,542,200	1,647,000	1,781,094	134,094	1,506,849
Other	579,100	550,800	769,634	218,834	567,524
Total Charges for Services	<u>2,121,300</u>	<u>2,197,800</u>	<u>2,550,728</u>	<u>352,928</u>	<u>2,074,373</u>
Fines and Forfeitures	<u>150,000</u>	<u>125,800</u>	<u>184,853</u>	<u>59,053</u>	<u>145,851</u>
Other Revenues:					
Investment Income (Loss)	1,250,000	948,400	1,131,584	183,184	1,361,371
Building and Equipment Rent	694,100	723,300	801,322	78,022	889,573
Other	241,000	267,400	274,599	7,199	313,525
Total Other Revenues	<u>2,185,100</u>	<u>1,939,100</u>	<u>2,207,505</u>	<u>268,405</u>	<u>2,564,469</u>
Total Revenues before Other Financing Sources	49,555,500	50,002,200	52,419,120	2,416,920	47,007,075
Other Financing Sources:					
Transfers from Other Funds	<u>1,499,000</u>	<u>1,499,000</u>	<u>1,499,000</u>	<u>-</u>	<u>1,494,800</u>
Total Revenues and Other Financing Sources	<u>\$ 51,054,500</u>	<u>\$ 51,501,200</u>	<u>\$ 53,918,120</u>	<u>\$ 2,416,920</u>	<u>\$ 48,501,875</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures:					
General Government:					
Mayor and Council:					
Personnel Services	\$ 140,500	\$ 140,500	\$ 143,757	\$ (3,257)	\$ 87,896
Supplies, Repairs and Maintenance	1,000	900	754	146	157
Other Services and Charges	270,100	270,200	265,596	4,604	209,660
Total Mayor and Council	<u>411,600</u>	<u>411,600</u>	<u>410,107</u>	<u>1,493</u>	<u>297,713</u>
General Administration:					
Personnel Services	3,082,800	3,087,800	3,205,220	(117,420)	2,321,808
Supplies, Repairs and Maintenance	189,300	201,200	124,756	76,444	49,209
Other Services and Charges	736,900	720,000	600,750	119,250	631,594
Total General Administration	<u>4,009,000</u>	<u>4,009,000</u>	<u>3,930,726</u>	<u>78,274</u>	<u>3,002,611</u>
Information Technology:					
Personnel Services	1,023,800	1,023,800	1,041,522	(17,722)	868,190
Supplies, Repairs and Maintenance	3,900	3,900	2,050	1,850	1,963
Other Services and Charges	583,300	583,300	694,282	(110,982)	590,996
Total Information Technology	<u>1,611,000</u>	<u>1,611,000</u>	<u>1,737,854</u>	<u>(126,854)</u>	<u>1,461,149</u>
Finance:					
Personnel Services	897,400	897,400	932,056	(34,656)	855,024
Supplies, Repairs and Maintenance	4,200	3,000	2,282	718	4,108
Other Services and Charges	271,400	268,800	228,388	40,412	215,699
Total Finance	<u>1,173,000</u>	<u>1,169,200</u>	<u>1,162,726</u>	<u>6,474</u>	<u>1,074,831</u>
Assessing:					
Personnel Services	797,500	797,300	788,103	9,197	732,069
Supplies, Repairs and Maintenance	3,100	3,300	2,244	1,056	2,795
Other Services and Charges	174,300	174,300	153,507	20,793	146,754
Total Assessing	<u>974,900</u>	<u>974,900</u>	<u>943,854</u>	<u>31,046</u>	<u>881,618</u>
Contingency:					
Other Services and Charges	50,000	50,000	-	50,000	-
Total General Government	<u>8,229,500</u>	<u>8,225,700</u>	<u>8,185,267</u>	<u>40,433</u>	<u>6,717,922</u>
Public Safety:					
Police:					
Personnel Services	12,776,100	12,835,400	12,652,743	182,657	11,627,210
Supplies, Repairs and Maintenance	521,900	512,400	519,666	(7,266)	516,057
Other Services and Charges	1,440,600	1,443,300	1,436,143	7,157	1,216,588
Total Police	<u>14,738,600</u>	<u>14,791,100</u>	<u>14,608,552</u>	<u>182,548</u>	<u>13,359,855</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund (Continued)
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures: (Continued)					
Public Safety: (Continued)					
Fire:					
Personnel Services	\$ 4,841,300	\$ 4,841,300	\$ 4,783,424	\$ 57,876	\$ 4,554,757
Supplies, Repairs and Maintenance	310,000	296,900	226,210	70,690	313,710
Other Services and Charges	1,063,300	1,135,700	1,206,345	(70,645)	1,146,069
Total Fire	<u>6,214,600</u>	<u>6,273,900</u>	<u>6,215,979</u>	<u>57,921</u>	<u>6,014,536</u>
Legal:					
Personnel Services	1,044,100	1,044,100	1,025,866	18,234	963,821
Supplies, Repairs and Maintenance	7,600	3,900	3,298	602	4,216
Other Services and Charges	85,100	66,600	66,201	399	59,603
Total Legal	<u>1,136,800</u>	<u>1,114,600</u>	<u>1,095,365</u>	<u>19,235</u>	<u>1,027,640</u>
Environmental Health:					
Personnel Services	392,400	392,400	370,551	21,849	372,721
Supplies, Repairs and Maintenance	5,600	5,500	2,146	3,354	2,081
Other Services and Charges	14,300	12,900	8,615	4,285	6,506
Total Environmental Health	<u>412,300</u>	<u>410,800</u>	<u>381,312</u>	<u>29,488</u>	<u>381,308</u>
Total Public Safety	<u>22,502,300</u>	<u>22,590,400</u>	<u>22,301,208</u>	<u>289,192</u>	<u>20,783,339</u>
Public Works:					
Street:					
Personnel Services	2,614,100	2,614,100	2,591,979	22,121	2,441,257
Supplies, Repairs and Maintenance	483,400	436,100	404,102	31,998	567,440
Other Services and Charges	1,349,800	1,332,700	1,000,665	332,035	1,038,038
Total Street	<u>4,447,300</u>	<u>4,382,900</u>	<u>3,996,746</u>	<u>386,154</u>	<u>4,046,735</u>
Building:					
Personnel Services	1,136,200	1,136,200	1,071,055	65,145	1,011,448
Supplies, Repairs and Maintenance	169,200	169,100	155,762	13,338	148,859
Other Services and Charges	764,000	676,800	614,998	61,802	723,158
Total Building	<u>2,069,400</u>	<u>1,982,100</u>	<u>1,841,815</u>	<u>140,285</u>	<u>1,883,465</u>
Engineering:					
Personnel Services	1,500,400	1,500,400	1,544,742	(44,342)	1,491,549
Supplies, Repairs and Maintenance	15,500	14,900	7,435	7,465	10,265
Other Services and Charges	114,500	114,500	73,660	40,840	67,653
Total Engineering	<u>1,630,400</u>	<u>1,629,800</u>	<u>1,625,837</u>	<u>3,963</u>	<u>1,569,467</u>
Total Public Works	<u>8,147,100</u>	<u>7,994,800</u>	<u>7,464,398</u>	<u>530,402</u>	<u>7,499,667</u>
Park and Recreation:					
Joint Recreation:					
Personnel Services	1,682,100	1,712,100	1,656,831	55,269	1,621,850
Supplies, Repairs and Maintenance	89,400	86,000	83,346	2,654	75,990
Other Services and Charges	445,300	427,400	416,240	11,160	415,470
Total Joint Recreation	<u>2,216,800</u>	<u>2,225,500</u>	<u>2,156,417</u>	<u>69,083</u>	<u>2,113,310</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund (Continued)
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures: (Continued)					
Park and Recreation: (Continued)					
Minnetonka Recreation:					
Personnel Services	\$ 347,700	\$ 318,800	\$ 294,529	\$ 24,271	\$ 274,085
Supplies, Repairs and Maintenance	9,600	3,000	2,386	614	1,602
Other Services and Charges	230,600	213,900	212,092	1,808	196,043
Total Minnetonka Recreation	<u>587,900</u>	<u>535,700</u>	<u>509,007</u>	<u>26,693</u>	<u>471,730</u>
Parks and Trails:					
Personnel Services	1,686,400	1,686,400	1,710,228	(23,828)	1,539,919
Supplies, Repairs and Maintenance	233,300	225,100	241,908	(16,808)	261,042
Other Services and Charges	541,700	522,300	560,263	(37,963)	580,147
Total Parks and Trails	<u>2,461,400</u>	<u>2,433,800</u>	<u>2,512,399</u>	<u>(78,599)</u>	<u>2,381,108</u>
Natural Resources:					
Personnel Services	1,343,600	1,343,600	1,352,835	(9,235)	1,289,757
Supplies, Repairs and Maintenance	22,500	22,200	16,764	5,436	22,421
Other Services and Charges	652,600	652,300	757,564	(105,264)	628,527
Total Natural Resources	<u>2,018,700</u>	<u>2,018,100</u>	<u>2,127,163</u>	<u>(109,063)</u>	<u>1,940,705</u>
Community Facility:					
Personnel Services	506,300	506,300	466,933	39,367	414,031
Supplies, Repairs and Maintenance	42,000	42,200	9,953	32,247	26,349
Other Services and Charges	115,800	104,000	66,236	37,764	82,952
Total Community Facility	<u>664,100</u>	<u>652,500</u>	<u>543,122</u>	<u>109,378</u>	<u>523,332</u>
Senior Services:					
Personnel Services	259,100	259,100	245,659	13,441	245,992
Supplies, Repairs and Maintenance	156,100	202,800	209,021	(6,221)	105,223
Other Services and Charges	84,400	99,900	105,451	(5,551)	81,499
Total Senior Services	<u>499,600</u>	<u>561,800</u>	<u>560,131</u>	<u>1,669</u>	<u>432,714</u>
Total Park and Recreation	<u>8,448,500</u>	<u>8,427,400</u>	<u>8,408,239</u>	<u>19,161</u>	<u>7,862,899</u>
Development Services:					
Planning:					
Personnel Services	816,000	816,000	659,038	156,962	757,066
Supplies, Repairs and Maintenance	6,200	5,800	3,003	2,797	3,719
Other Services and Charges	88,200	87,600	70,609	16,991	147,317
Total Planning	<u>910,400</u>	<u>909,400</u>	<u>732,650</u>	<u>176,750</u>	<u>908,102</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund (Continued)
For the Year Ended December 31, 2024
With Summarized Financial Information for Year Ended December 31, 2023

	2024			Variance - Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures: (Continued)					
Development Services: (Continued)					
Community Development:					
Personnel Services	\$ 2,521,000	\$ 2,521,000	\$ 2,330,129	\$ 190,871	\$ 2,312,787
Supplies, Repairs and Maintenance	21,700	18,100	13,042	5,058	14,780
Other Services and Charges	345,400	324,500	334,971	(10,471)	311,519
Total Community Development	<u>2,888,100</u>	<u>2,863,600</u>	<u>2,678,142</u>	<u>185,458</u>	<u>2,639,086</u>
Total Development Services	<u>3,798,500</u>	<u>3,773,000</u>	<u>3,410,792</u>	<u>362,208</u>	<u>3,547,188</u>
Debt Service:					
Principal	\$ 57,600	\$ 57,600	\$ 31,427	\$ 26,173	\$ 33,218
Interest and Fiscal Charges	-	-	26,173	(26,173)	24,382
Total Debt Service	<u>57,600</u>	<u>57,600</u>	<u>57,600</u>	<u>-</u>	<u>57,600</u>
Total Expenditures before Other Financing Uses	51,183,500	51,068,900	49,827,504	1,241,396	46,468,615
Other Financing Uses:					
Transfers to Other Funds	<u>1,746,000</u>	<u>1,751,500</u>	<u>1,753,209</u>	<u>(1,709)</u>	<u>3,726,501</u>
Total Expenditures and Other Financing Uses	<u>\$ 52,929,500</u>	<u>\$ 52,820,400</u>	<u>\$ 51,580,713</u>	<u>\$ 1,239,687</u>	<u>\$ 50,195,116</u>

SECTION III

STATISTICAL SECTION

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about overall financial health. The following are the categories of the various schedules that are included in this section.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source.

Debt Capacity

These schedules help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.



CITY OF
MINNETONKA

City of Minnetonka
Hennepin County, Minnesota
Net Position by Component
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 100,390,155	\$ 100,378,219	\$ 102,223,500	\$ 112,360,020	\$ 118,124,855	\$ 122,472,427	\$ 145,267,595	\$ 159,198,487	\$ 172,731,521	\$ 179,265,725
Restricted	6,535,559	13,027,268	14,936,260	16,314,540	19,870,424	19,800,439	21,551,178	23,672,558	24,650,861	33,639,518
Unrestricted	50,537,717	51,254,752	57,192,458	65,666,057	72,292,832	82,027,457	88,464,579	75,404,689	70,164,147	78,721,711
Total Governmental Activities - Net Position	\$ 157,463,431	\$ 164,660,239	\$ 174,352,218	\$ 194,340,617	\$ 210,288,111	\$ 224,300,323	\$ 255,283,352	\$ 258,275,734	\$ 267,546,529	\$ 291,626,954
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 91,801,549	\$ 89,143,255	\$ 85,755,233	\$ 83,286,653	\$ 81,884,166	\$ 87,148,536	\$ 86,569,946	\$ 90,839,291	\$ 95,430,281	\$ 96,577,970
Unrestricted	12,411,335	16,783,215	23,797,419	29,396,304	31,713,015	27,919,814	30,054,363	26,265,397	23,163,228	26,622,795
Total Business-Type Activities - Net Position	\$ 104,212,884	\$ 105,926,470	\$ 109,552,652	\$ 112,682,957	\$ 113,597,181	\$ 115,068,350	\$ 116,624,309	\$ 117,104,688	\$ 118,593,509	\$ 123,200,765
Primary Government:										
Net Investment in										
Capital Assets	\$ 192,191,704	\$ 189,521,474	\$ 187,978,733	\$ 195,646,673	\$ 200,009,021	\$ 209,620,963	\$ 231,837,541	\$ 250,037,778	\$ 268,161,802	\$ 275,843,695
Restricted	6,535,559	13,027,268	14,936,260	16,314,540	19,870,424	19,800,439	21,551,178	23,672,558	24,650,861	33,639,518
Unrestricted	62,949,052	68,037,967	80,989,877	95,062,361	104,005,847	109,947,271	118,518,942	101,670,086	93,327,375	105,344,506
Total Primary Government - Net Position	\$ 261,676,315	\$ 270,586,709	\$ 283,904,870	\$ 307,023,574	\$ 323,885,292	\$ 339,368,673	\$ 371,907,661	\$ 375,380,422	\$ 386,140,038	\$ 414,827,719

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Changes in Net Position
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
General Services	\$ 4,422,066	\$ 4,955,580	\$ 5,300,173	\$ 5,961,700	\$ 5,631,300	\$ 7,466,285	\$ 7,167,673	\$ 8,213,437	\$ 8,817,981	\$ 9,432,258
Development Services	5,249,666	5,651,848	6,545,139	6,954,084	10,395,543	8,085,763	8,655,564	8,741,315	7,614,833	6,918,834
Public Works	15,940,119	11,333,229	12,558,277	13,069,127	13,929,489	14,873,268	15,575,105	15,886,568	15,415,231	15,553,072
Public Safety	13,289,535	16,931,334	15,681,354	13,019,341	15,255,279	16,987,512	15,066,437	21,140,215	24,900,532	21,886,224
Parks and Recreation	6,491,390	6,237,685	6,328,354	7,120,532	7,137,969	7,078,990	8,840,640	9,717,092	12,107,191	12,366,068
Interest on Long-Term Debt	155,506	154,234	135,221	131,457	140,277	1,086,110	719,977	710,665	681,097	648,291
Total Governmental Activities Expenses	45,548,282	45,263,910	46,548,518	46,256,241	52,489,857	55,577,928	56,025,396	64,409,292	69,536,865	66,804,747
Business-Type Activities:										
Water and Sewer Utility	14,326,946	12,831,213	13,987,474	14,452,285	16,551,464	15,328,705	14,827,882	16,076,450	19,526,208	16,546,567
Ice Arena	1,187,034	990,691	1,062,568	1,028,139	1,042,307	1,066,743	483,653	-	-	-
Environmental Operations	785,276	746,933	753,796	822,133	951,454	1,109,276	1,276,425	1,389,029	1,342,068	1,371,471
Williston Fitness Center	2,271,217	2,424,475	2,383,059	2,557,583	2,813,818	2,145,693	2,326,574	3,009,976	2,698,258	2,669,123
Grays Bay Marina	208,108	194,021	192,206	218,969	247,968	205,055	228,706	214,608	230,219	230,848
Storm Water Fund	1,297,113	1,375,187	1,622,227	1,835,461	2,093,482	1,490,260	1,932,400	1,904,161	1,818,296	1,451,757
Total Business-Type Activities	20,075,694	18,562,520	20,001,330	20,914,570	23,700,493	21,345,732	21,075,640	22,594,224	25,615,049	22,269,766
Total Primary Government Expenses	\$ 65,623,976	\$ 63,826,430	\$ 66,549,848	\$ 67,170,811	\$ 76,190,350	\$ 76,923,660	\$ 77,101,036	\$ 87,003,516	\$ 95,151,914	\$ 89,074,513
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Services	\$ 2,297	\$ 4,282	\$ 11,372	\$ 639	\$ 490	\$ 92,569	\$ 118,027	\$ 118,756	\$ 164,918	\$ 283,908
Public Safety	1,753,883	1,709,195	1,652,345	1,674,249	1,544,792	4,350,818	1,338,761	1,815,831	1,551,379	1,884,811
Public Works	76,776	68,764	57,260	87,461	56,811	78,843	99,359	69,944	177,557	222,004
Parks and Recreation	2,094,611	2,188,774	3,407,341	4,664,796	2,352,949	1,199,486	5,241,022	3,842,281	4,550,692	6,905,398
Development Services	5,409,680	3,752,033	4,256,705	5,863,722	5,964,010	1,172,139	6,660,938	6,194,009	3,817,578	5,741,026
Operating Grants and Contributions	1,414,207	1,416,925	1,580,451	1,361,406	1,514,469	5,431,939	6,465,475	4,017,848	4,669,705	2,807,478
Capital Grants and Contributions	3,631,773	3,499,503	3,314,001	7,580,798	6,005,984	4,469,958	12,706,369	1,070,718	3,635,168	7,651,419
Total Governmental Activities Program Revenues	14,383,227	12,639,476	14,279,475	21,233,071	17,439,505	16,795,752	32,629,951	17,129,387	18,566,997	25,496,044
Program Revenues (Continued):										
Business-Type Activities:										
Charges for Services:										
Water and Sewer Utility	14,394,358	14,137,665	17,165,306	17,196,532	17,023,789	16,105,103	19,096,446	18,209,775	19,008,772	20,032,070
Ice Arena	845,207	871,738	893,463	866,916	864,263	562,485	929,176	-	-	-
Environmental Operations	758,753	815,365	840,643	829,332	883,498	967,386	1,349,490	1,350,187	1,447,736	1,520,968
Williston Fitness Center	2,395,503	2,525,460	2,728,004	2,739,842	2,774,387	1,392,339	1,953,683	2,396,835	2,883,980	2,980,107
Grays Bay Marina	243,303	237,720	253,784	279,947	266,327	265,459	262,648	251,205	259,515	266,073
Storm Water Fund	2,370,289	2,440,690	2,518,112	2,599,644	2,678,482	2,852,912	2,845,185	2,946,274	3,038,995	3,109,018
Operating Grants and Contributions	157,548	261,693	162,055	139,002	152,798	108,348	111,464	211,237	403,149	139,947
Capital Grants and Contributions	-	-	25,000	-	-	367,999	-	-	-	-
Total Business-Type Activities Program Revenues	21,164,961	21,290,331	24,586,367	24,651,215	24,643,544	22,622,031	26,548,092	25,365,513	27,042,147	28,048,183
Total Primary Government Program Revenues	\$ 35,548,188	\$ 33,929,807	\$ 38,865,842	\$ 45,884,286	\$ 42,083,049	\$ 39,417,783	\$ 59,178,043	\$ 42,494,900	\$ 45,609,144	\$ 53,544,227
Net Expense (Revenue):										
Governmental Activities	\$ (31,165,055)	\$ (32,624,434)	\$ (32,269,043)	\$ (25,023,170)	\$ (35,050,352)	\$ (38,782,176)	\$ (23,395,445)	\$ (47,279,905)	\$ (50,969,868)	\$ (41,308,703)
Business-Type Activities	1,089,267	2,727,811	4,585,037	3,736,645	943,051	1,276,299	5,472,452	2,771,289	1,427,098	5,778,417
Total Primary Government Net Expense	\$ (30,075,788)	\$ (29,896,623)	\$ (27,684,006)	\$ (21,286,525)	\$ (34,107,301)	\$ (37,505,877)	\$ (17,922,993)	\$ (44,508,616)	\$ (49,542,770)	\$ (35,530,286)

City of Minnetonka
Hennepin County, Minnesota
Changes in Net Position
Last Ten Fiscal Years (Continued)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other										
Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 32,681,646	\$ 34,022,340	\$ 35,543,357	\$ 37,542,646	\$ 39,135,526	\$ 41,689,806	\$ 42,903,418	\$ 45,227,601	\$ 47,614,272	\$ 51,116,456
Franchise Taxes	1,728,394	1,772,851	1,811,774	1,752,185	3,874,060	3,928,819	3,976,986	3,968,581	4,036,918	4,083,364
Tax Increment	2,405,931	2,486,080	2,689,708	3,426,105	3,508,134	3,529,698	3,840,427	4,372,109	2,543,633	3,706,920
Investment Earnings (Loss)	509,257	352,475	652,196	1,552,896	3,116,764	2,970,807	(464,575)	(4,504,609)	4,622,787	4,246,547
Sale of Capital Assets (Loss)	21,055	28,302	-	-	-	-	233,791	40,234	136,465	61,290
Other General Revenue	55,717	60,050	138,918	167,948	211,651	230,033	54,586	41,171	37,988	36,174
Transfers	133,190	1,099,144	1,125,069	1,033,156	1,151,711	1,238,852	1,102,150	1,127,200	1,248,600	2,138,377
Contributed Capital	-	-	-	-	-	(793,627)	2,731,691	-	-	-
Total Governmental Activities	<u>37,535,190</u>	<u>39,821,242</u>	<u>41,961,022</u>	<u>45,474,936</u>	<u>50,997,846</u>	<u>52,794,388</u>	<u>54,378,474</u>	<u>50,272,287</u>	<u>60,240,663</u>	<u>65,389,128</u>
Business-Type Activities:										
Investment Earnings (Loss)	82,813	84,919	166,214	504,694	1,122,884	640,095	(118,955)	(1,163,710)	1,282,437	951,129
Gain on Sale of Capital Assets	-	-	-	-	-	-	36,303	-	27,886	16,087
Transfers	(133,190)	(1,099,144)	(1,125,069)	(1,033,156)	(1,151,711)	(1,238,852)	(1,102,150)	(1,127,200)	(1,248,600)	(2,138,377)
Contributed Capital	-	-	-	-	-	793,627	(2,731,691)	-	-	-
Total Business-Type Activities	<u>(50,377)</u>	<u>(1,014,225)</u>	<u>(958,855)</u>	<u>(528,462)</u>	<u>(28,827)</u>	<u>194,870</u>	<u>(3,916,493)</u>	<u>(2,290,910)</u>	<u>61,723</u>	<u>(1,171,161)</u>
Total Primary Government	<u>\$ 37,484,813</u>	<u>\$ 38,807,017</u>	<u>\$ 41,002,167</u>	<u>\$ 44,946,474</u>	<u>\$ 50,969,019</u>	<u>\$ 52,989,258</u>	<u>\$ 50,461,981</u>	<u>\$ 47,981,377</u>	<u>\$ 60,302,386</u>	<u>\$ 64,217,967</u>
Change in Net Position:										
Governmental Activities	\$ 6,370,135	\$ 7,196,808	\$ 9,691,979	\$ 20,451,766	\$ 15,947,494	\$ 14,012,212	\$ 30,983,029	\$ 2,992,382	\$ 9,270,795	\$ 24,080,425
Business-Type Activities	1,038,890	1,713,586	3,626,182	3,208,183	914,224	1,471,169	1,555,959	480,379	1,488,821	4,607,256
Total Primary Government	<u>\$ 7,409,025</u>	<u>\$ 8,910,394</u>	<u>\$ 13,318,161</u>	<u>\$ 23,659,949</u>	<u>\$ 16,861,718</u>	<u>\$ 15,483,381</u>	<u>\$ 32,538,988</u>	<u>\$ 3,472,761</u>	<u>\$ 10,759,616</u>	<u>\$ 28,687,681</u>

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 263,171	\$ 333,243	\$ 417,090	\$ 414,126	\$ 588,242	\$ 371,290	\$ 334,436	\$ 573,981	\$ 566,876	\$ 199,616
Committed	1,000,000	1,020,000	1,000,000	1,000,000	1,070,000	1,070,000	1,642,473	1,798,425	1,863,613	2,948,784
Assigned	12,973,500	13,532,940	13,972,800	14,688,800	280,900	330,900	380,900	430,900	480,900	530,900
Unassigned	5,419,224	6,332,482	6,729,435	7,790,783	21,796,781	24,600,235	25,663,526	27,243,909	25,442,585	27,012,081
Total General Fund	<u>19,655,895</u>	<u>21,218,665</u>	<u>22,119,325</u>	<u>23,893,709</u>	<u>23,735,923</u>	<u>26,372,425</u>	<u>28,021,335</u>	<u>30,047,215</u>	<u>28,353,974</u>	<u>30,691,381</u>
All Other Governmental Funds:										
Nonspendable	195,638	-	-	-	-	-	-	-	-	-
Restricted	6,603,366	7,531,670	8,001,534	10,076,003	11,821,249	16,979,799	13,523,945	15,643,333	21,204,618	26,547,672
Committed	13,049,962	14,552,450	20,618,774	24,464,977	28,245,772	33,456,739	36,039,121	30,341,078	29,896,472	31,390,085
Assigned	31,244,273	32,473,867	33,758,362	36,150,258	38,457,843	40,921,911	37,810,433	31,807,079	30,845,475	38,787,094
Unassigned	(6,944,033)	(786,168)	(2,029,545)	(2,215,407)	(503,049)	(2,900,499)	(2,190,976)	(573,552)	(5,575,694)	(6,662,240)
Total All Other Governmental Funds	<u>44,149,206</u>	<u>53,771,819</u>	<u>60,349,125</u>	<u>68,475,831</u>	<u>78,021,815</u>	<u>88,457,950</u>	<u>85,182,523</u>	<u>77,217,938</u>	<u>76,370,871</u>	<u>90,062,611</u>
Total Governmental Funds	<u>\$ 63,805,101</u>	<u>\$ 74,990,484</u>	<u>\$ 82,468,450</u>	<u>\$ 92,369,540</u>	<u>\$ 101,757,738</u>	<u>\$ 114,830,375</u>	<u>\$ 113,203,858</u>	<u>\$ 107,265,153</u>	<u>\$ 104,724,845</u>	<u>\$ 120,753,992</u>

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Property Taxes	\$ 32,673,521	\$ 34,012,530	\$ 35,568,635	\$ 37,269,654	\$ 38,927,215	\$ 41,672,854	\$ 43,136,003	\$ 45,285,440	\$ 47,627,516	\$ 51,061,953
Franchise Taxes	1,728,394	1,772,851	1,811,774	1,752,185	3,874,061	3,928,819	3,976,986	3,968,581	4,036,918	4,083,364
Tax Increments	2,405,931	2,486,080	2,689,708	3,426,105	3,508,134	3,529,698	3,840,427	4,372,109	2,543,633	3,706,920
Special Assessments	429,966	327,995	336,674	290,588	281,045	458,275	492,686	464,775	434,700	569,561
Licenses and Permits	4,796,150	3,582,252	4,082,475	4,810,556	5,209,653	4,295,648	4,613,480	5,915,341	3,935,667	5,935,559
Intergovernmental	2,730,231	5,908,576	2,536,945	9,787,815	7,175,649	9,653,238	11,729,368	7,412,444	8,080,954	7,160,515
Charges for Services	1,606,563	1,690,330	1,538,168	1,790,771	1,461,411	927,657	1,514,914	2,787,285	3,645,460	4,960,387
Fines and Forfeitures	598,478	516,087	500,868	448,926	355,657	219,097	232,545	147,162	177,198	202,648
Miscellaneous	2,926,666	2,379,478	4,041,452	6,826,303	6,168,849	4,585,610	6,707,904	(1,126,141)	7,025,953	8,127,484
Total Revenues	49,895,900	52,676,179	53,106,699	66,402,903	66,961,674	69,270,896	76,244,313	69,226,996	77,507,999	85,808,391
Expenditures:										
General Government	4,191,085	4,537,134	4,904,464	5,400,246	5,491,764	6,213,267	6,758,867	6,919,494	7,503,923	8,818,214
Public Safety	12,843,759	13,380,168	14,298,493	14,004,058	15,021,606	8,057,391	17,059,208	18,202,184	20,830,854	22,343,417
Public Works	4,333,820	4,318,199	4,649,107	4,711,164	5,165,235	4,731,888	6,625,896	6,831,998	7,767,699	7,639,729
Park and Recreation	5,316,080	5,208,278	5,409,205	5,957,326	6,229,278	16,280,535	6,804,495	8,376,405	10,269,785	11,421,735
Development Services	5,148,457	5,421,767	6,400,314	6,775,083	10,326,062	5,976,782	8,724,881	8,437,222	6,597,464	6,826,514
Debt Service:										
Principal	980,000	1,005,000	1,030,000	1,260,000	1,375,000	1,395,000	1,530,000	792,095	818,218	841,427
Interest and other expenditures	193,643	200,052	196,318	167,513	186,048	854,420	788,135	762,049	737,214	713,208
Capital Outlay	18,764,534	11,146,965	9,913,232	19,477,245	17,723,048	40,071,578	30,915,289	26,011,688	26,908,215	13,374,667
Total Expenditures	51,771,378	45,217,563	46,801,133	57,752,635	61,518,041	83,580,861	79,206,771	76,333,135	81,433,372	71,978,911
Excess of Revenues										
Over (Under) Expenditures	(1,875,478)	7,458,616	6,305,566	8,650,268	5,443,633	(14,309,965)	(2,962,458)	(7,106,139)	(3,925,373)	13,829,480
Other Financing Sources (Uses):										
Bond Proceeds	-	2,440,000	-	-	2,630,000	24,390,000	-	-	-	-
Premium on Bonds Issued	-	115,967	-	-	-	1,044,301	-	-	-	-
Transfers In	4,424,887	2,423,025	5,087,747	3,514,277	7,150,482	10,498,365	11,641,471	7,369,561	5,221,301	5,359,441
Transfers Out	(3,262,286)	(1,252,225)	(3,915,347)	(2,263,455)	(5,835,917)	(9,281,513)	(10,539,321)	(6,242,361)	(3,972,701)	(3,221,064)
Proceeds on Disposition of Capital Assets	-	-	-	-	-	731,449	233,791	40,234	136,465	61,290
Total Other Financing Sources (Uses)	1,162,601	3,726,767	1,172,400	1,250,822	3,944,565	27,382,602	1,335,941	1,167,434	1,385,065	2,199,667
Net Change in Fund Balances	\$ (712,877)	\$ 11,185,383	\$ 7,477,966	\$ 9,901,090	\$ 9,388,198	\$ 13,072,637	\$ (1,626,517)	\$ (5,938,705)	\$ (2,540,308)	\$ 16,029,147
Debt Service as a Percentage										
of Noncapital Expenditures	2.7%	3.2%	2.9%	3.3%	3.2%	4.2%	4.4%	2.8%	2.6%	2.5%

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Tax Capacity and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Industrial Property	Other Property	Less: Tax Increment Property	Less: Net Fiscal Disparities	Net Taxable Tax Capacity	Total Direct Tax Rate	Estimated Taxable Market Value	Taxable Tax Capacity as a Percentage of Estimated Market Value
2015	\$ 62,778,666	\$ 34,813,987	\$ 811,925	\$ 2,026,014	\$ 9,717,859	\$ 86,660,705	36.565%	\$ 7,796,498,758	1.11%
2016	66,167,466	37,366,035	837,902	2,156,775	9,744,736	92,469,892	35.674%	8,271,102,488	1.12%
2017	69,542,646	37,054,544	901,339	2,407,233	10,748,890	94,342,406	36.378%	8,549,418,319	1.10%
2018	75,536,028	35,729,606	970,845	3,006,273	9,800,882	99,429,324	35.710%	8,965,391,893	1.11%
2019	80,365,410	37,995,645	1,007,217	3,179,163	9,809,213	106,379,896	34.676%	9,601,668,583	1.11%
2020	85,428,426	38,641,499	975,477	3,209,805	10,319,945	111,515,652	36.574%	10,089,008,623	1.11%
2021	91,026,121	40,388,922	1,044,129	3,827,960	10,293,157	118,338,055	35.556%	10,701,114,926	1.11%
2022	95,527,900	39,792,866	444,971	4,014,356	10,507,095	121,244,286	36.763%	11,058,722,406	1.10%
2023	111,664,912	39,740,843	528,942	2,551,314	9,782,976	139,600,407	33.922%	12,483,658,717	1.12%
2024	119,081,312	42,101,522	610,810	3,656,415	10,025,799	148,111,430	34.513%	13,297,506,749	1.11%

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Property Tax Rates Per \$10,000 of Tax Capacity -
All Direct and Overlapping Governmental Units
Years 2015 Through 2024

Year Collectible	City Direct Rate			Overlapping					Totals		
	Operating	Debt		Hopkins	Minnetonka	Wayzata	Hennepin County	Misc.*	School	School	School
		Service	Total	School District No. 270	School District No. 276	School District No. 284			School District No. 270	School District No. 276	School District No. 284
2015	36.552 %	0.013 %	36.565 %	30.340 %	25.093 %	26.252 %	46.398 %	9.987 %	123.290 %	118.043 %	119.202 %
2016	35.661	0.013	35.674	28.514	22.887	26.106	45.356	9.719	119.263	113.636	116.855
2017	36.363	0.015	36.378	25.611	22.770	26.290	44.087	10.214	116.290	113.449	116.969
2018	35.695	0.015	35.710	29.035	23.133	25.464	42.808	9.849	117.402	111.500	113.831
2019	34.662	0.014	34.676	27.022	21.209	24.833	41.861	9.422	112.981	107.168	110.792
2020	36.571	0.003	36.574	27.190	21.167	26.681	41.084	9.066	113.914	107.891	113.405
2021	35.553	0.003	35.556	26.478	20.923	26.912	38.210	8.598	108.842	103.287	109.276
2022	36.760	0.003	36.763	26.783	21.002	29.299	38.535	8.742	110.823	105.042	113.339
2023	33.920	0.002	33.922	25.006	17.720	23.848	34.542	7.947	101.417	94.131	100.259
2024	34.511	0.002	34.513	26.913	17.823	19.805	34.681	7.631	103.738	94.648	96.630

* - Includes Metropolitan Mosquito Control, Metropolitan Council, Metropolitan Transit Debt, Park Museum, Hennepin Parks, Hennepin HRA, Hennepin County Regional Railroad Authority, Watershed Districts, Minnetonka HRA.

Source: Hennepin County Taxpayer Services Department

City of Minnetonka
Hennepin County, Minnesota
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2024		Percentage of Total Tax Capacity Value	2015		Percentage of Total Tax Capacity Value
		Tax Capacity Value	Rank		Tax Capacity Value	Rank	
United Health Group	Office Center	\$ 2,267,520	1	1.53%	\$ 3,096,290	1	3.57%
Ridgedale Center, LLC.	Regional Shopping Center	1,724,970	2	1.16%	2,119,250	2	2.45%
GEP XI Minnetonka, LLC.	Apartment/Vacant Land	1,482,713	3	1.00%			
CP6 Carlson, LLC.	Apartments	1,359,375	4	0.92%			
AX 601 Tower, LP.	Office Center	1,202,430	5	0.81%			
WHQ, LLC.	Office Center	1,146,170	6	0.77%	1,074,490	3	1.24%
Virtus Rize, LLC.	Apartments	1,075,000	7	0.73%			
Cargill, Inc.	Office Center	894,250	8	0.60%	652,350	10	0.75%
Wells Real Estate Funds	Office Center	877,090	9	0.59%			
Property Reserve, Inc.	Office Center	795,710	10	0.54%	848,810	7	0.98%
Heartland Minnetonka, LLC.	Apartment	691,250	11	0.47%			
CSM West Ridge, Inc.	Shopping Center	689,050	12	0.47%	768,616	8	0.89%
Medica Health Plans	Commercial			0.00%	1,553,650	4	1.79%
KBS REIT II	Office Center			0.00%	1,328,550	5	1.53%
Wells Operating Partnership	Office Center			0.00%	937,230	6	1.08%
RREEF America REIT II Corp.	Apartments			0.00%	694,400	9	0.80%
Total		\$ 14,205,528		9.59%	\$ 13,073,636		15.08%

Source: City of Minnetonka Assessor's Office

City of Minnetonka
Hennepin County, Minnesota
Property Tax Levies and Collections
Last Ten Fiscal Years

Year Collected	Taxes Levied for the Fiscal Year	Collection within the Fiscal Year of the Levy		Additions/ (Abatements)	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2015	\$32,987,035	\$32,644,959	98.96%	\$ (1,001,978)	\$ 78,441	\$31,721,421	96.16%
2016	34,289,440	33,836,412	98.68%	(817,408)	18,272	33,037,276	96.35%
2017	35,832,802	35,425,426	98.86%	(518,922)	97,681	35,004,185	97.69%
2018	37,212,950	36,851,292	99.03%	(184,810)	170,011	36,836,493	98.99%
2019	38,655,431	38,361,341	99.24%	(137,596)	174,297	38,398,042	99.33%
2020	41,227,977	40,983,502	99.41%	(219,696)	55,723	40,819,530	99.01%
2021	42,743,598	42,359,371	99.10%	(412,061)	99,163	42,046,473	98.37%
2022	45,140,229	44,659,101	98.93%	(510,937)	45,447	44,193,611	97.90%
2023	48,135,374	47,745,027	99.19%	(478,491)	75,943	47,342,479	98.35%
2024	51,706,524	51,111,608	98.85%	(393,042)	-	50,718,566	98.09%

Source: Hennepin County Tax Settlement Reports

City of Minnetonka
Hennepin County, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	General Obligation as a Percentage of Personal Income	Total Debt as a Percentage of Personal Income	General Obligation Debt Per Capita	Total Debt Per Capita
	General Obligation Bonds	* Lease Liability	** Subscription Liability	Water Revenue Bonds						
2015	\$ 6,154,003	\$ -	\$ -	\$ 12,232,568	\$ 18,386,571	0.23%	0.69%	\$ 237	\$ 356	
2016	7,669,627	-	-	19,145,229	26,814,856	0.27%	0.94%	363	508	
2017	6,597,892	-	-	18,836,958	25,434,850	0.23%	0.89%	353	476	
2018	5,307,544	-	-	28,253,673	33,561,217	0.18%	1.14%	526	625	
2019	6,533,240	-	-	27,134,988	33,668,228	0.21%	1.08%	501	622	
2020	30,513,997	-	-	25,990,914	56,504,911	0.95%	1.76%	483	1,051	
2021	28,934,089	-	-	36,246,163	65,180,252	0.86%	1.94%	674	1,212	
2022	28,122,396	696,621	-	34,916,891	63,735,908	0.81%	1.83%	641	1,170	
2023	27,288,919	663,403	201,204	33,102,619	61,256,145	0.72%	1.61%	604	1,117	
2024	26,430,442	629,022	55,130	31,198,346	58,312,940	0.64%	1.41%	556	1,038	

Source: City of Minnetonka financial records

* GASB 87 related to leases was implemented in 2022. Data prior to 2022 is unavailable.

** GASB 96 related to subscription-based technology arrangements was implemented in 2023. Data prior to 2023 is unavailable.

City of Minnetonka
Hennepin County, Minnesota
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Amounts Restricted for Debt Service	Total	General Percentage of Total Estimated Taxable Market Value of Property (1)	Total Debt as a Percentage Per Capita (2)
2015	\$ 6,154,003	\$ 1,214,080	\$ 4,939,923	0.06%	96%
2016	7,669,627	1,265,084	6,404,543	0.08%	121%
2017	6,597,892	1,603,508	4,994,384	0.06%	94%
2018	5,307,544	1,773,558	3,533,986	0.04%	66%
2019	6,533,240	1,907,967	4,625,273	0.05%	85%
2020	30,513,997	1,698,061	28,815,936	0.29%	536%
2021	28,934,089	1,640,234	27,293,855	0.26%	508%
2022	28,122,396	1,645,147	26,477,249	0.24%	486%
2023	27,288,919	1,809,077	25,479,842	0.20%	465%
2024	26,430,442	2,011,697	24,418,745	0.18%	435%

Source: City of Minnetonka financial records

(1) Market Value can be found in the schedule of tax capacity and estimated actual value of taxable property

(2) Population data can be found in the schedule of demographic and economic statistics

City of Minnetonka
Hennepin County, Minnesota
Direct and Overlapping Governmental Activities Debt
December 31, 2024

Governmental Units	Net Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
City of Minnetonka	\$ 27,114,594	100.00 %	\$ 27,114,594
Overlapping Debt:			
School Districts			
I.S.D. 270 - Hopkins	131,446,433	44.91	59,032,593
I.S.D. 276 - Minnetonka	185,643,021	26.80	49,752,330
I.S.D. 283 - St. Louis Park	237,488,963	0.02	47,498
I.S.D. 284 - Wayzata	169,928,336	13.26	22,532,497
Hennepin County	1,192,537,479	5.42	64,635,531
Hennepin County Parks	48,916,041	7.33	3,585,546
Hennepin County RR Authority	76,774,733	5.42	4,161,191
Regional:			
Metropolitan Council	40,609,929	2.46	999,004
Total Overlapping Debt			204,746,190
Total Direct and Overlapping Debt			\$ 231,860,784

Source: Hennepin County Taxpayer Services Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Minnetonka. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Minnetonka. This process recognizes that, when considering the City of Minnetonka's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each government.

(1) The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of Hennepin County's tax capacity that is within the City of Minnetonka's boundaries and dividing it by Hennepin County's total tax capacity.

CITY OF MINNETONKA
Hennepin County, Minnesota
Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Market Value (Taxable)	\$ 7,796,498,758	\$ 8,271,102,488	\$ 8,549,418,319	\$ 8,965,391,893	\$ 9,601,668,583	\$ 10,089,008,623	\$ 10,701,114,926	\$ 11,058,722,406	\$ 12,483,658,717	\$ 13,297,506,749
* Debt Limit 3% of Market Value (Note A)	233,894,963	248,133,075	256,482,550	268,961,757	288,050,057	302,670,259	321,033,448	331,761,672	374,509,762	398,925,202
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	6,040,000	7,475,000	6,445,000	5,185,000	6,440,000	29,435,000	27,905,000	27,145,000	26,360,000	25,550,000
Available in Debt Service Funds	(1,281,887)	(1,345,268)	(1,672,330)	(1,828,672)	(1,946,614)	(2,026,942)	(1,950,865)	(1,956,301)	(2,112,591)	(2,301,725)
Total Debt Applicable to Debt Limit	4,758,113	6,129,732	4,772,670	3,356,328	4,493,386	27,408,058	25,954,135	25,188,699	24,247,409	23,248,275
Legal Debt Margin	\$ 229,136,850	\$ 242,003,343	\$ 251,709,880	\$ 265,605,429	\$ 283,556,671	\$ 275,262,201	\$ 295,079,313	\$ 306,572,973	\$ 350,262,353	\$ 375,676,927
Total net debt applicable to the limit as a percentage of debt limit	2.03%	2.47%	1.86%	1.25%	1.56%	9.06%	8.08%	7.59%	6.47%	5.83%

Note (A):

M.S.A. Section 475.53 (Limit on Net Debt)

Subdivision 1. Generally, except of otherwise provided in Sections 475.51 to 475.75, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of two percent of the market value of taxable property in the municipality.

Note (B):

M.S.A. Section 475.51 Definitions: Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt the aggregate of the principal of the following:

- (1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments
- (2) Warrants or orders having no definite or fixed maturity
- (3) Obligations payable wholly from the income of revenue-producing conveniences
- (4) Obligations issued to create or maintain a permanent improvement revolving fund
- (5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems and on any combination thereof or for any other public convenience from which a revenue is or may be derived
- (6) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision

M.S.A. Section 469.178, subdivision 1. (tax increment bonds)"...The bonds are not included for purposes of computing the net debt of any municipality

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2015	\$ 14,394,358	\$ 10,675,704	\$ 3,718,654	\$ 1,010,000	\$ 28,883	3.58	
2016	14,137,665	9,150,361	4,987,304	11,060,000	164,698	0.44	
2017	17,165,306	10,381,786	6,783,520	275,000	124,348	16.99	
2018	17,196,532	10,036,771	7,159,761	875,000	320,517	5.99	
2019	17,023,789	11,748,589	5,275,200	1,070,000	757,828	2.89	
2020	17,023,789	11,748,589	5,275,200	1,070,000	757,828	2.89	
2021	19,096,446	10,017,600	9,078,846	1,160,000	600,421	5.16	
2022	18,209,775	10,653,585	7,556,190	1,195,000	861,853	3.67	
2023	19,008,772	13,839,890	5,168,882	1,680,000	752,182	2.13	
2024	20,032,070	10,877,320	9,154,750	1,770,000	716,483	3.68	

Note: Operating expenses do not include depreciation.

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	(1) Population	(2) School Enrollment	(3) Annual Average Unemployment Rate	(1) Per Capita Income	Total Personal Income	(1) Total Employment
2015	51,647	28,184	3.0%	\$ 49,320	\$ 2,547,230,040	46,280
2016	52,741	28,669	3.1%	52,467	2,767,162,047	45,083
2017	53,394	29,354	2.8%	54,790	2,925,457,260	48,544
2018	53,713	29,646	2.3%	57,607	3,094,244,791	49,380
2019	54,141	29,660	2.6%	59,755	3,235,195,455	50,206
2020	53,781	30,160	5.2%	62,612	3,367,335,972	43,794
2021	54,704	29,820	3.0%	64,063	3,504,502,352	46,003
2022	54,474	30,004	2.1%	69,529	3,787,522,746	47,383
2023	54,850	30,317	2.3%	73,713	4,043,158,050	47,383 *
2024	56,162	30,731	2.7%	73,713 *	4,139,869,506	47,383 *

Sources:

(1) All years are best available estimates provided by the Metropolitan Council.

*For 2024, an updated per capita income and employment estimate for was not available at publication.

(2) School enrollment is the total number of students in schools located in Minnetonka for Independent School District No. 270 (Hopkins), 276 (Minnetonka), and 284 (Wayzata), each of which serves a portion of the City as well as other communities. Enrollment numbers obtained from the Minnesota Department of Education.

(3) Annual average unemployment rates were compiled by the Minnesota Department of Economic Security, Research and Statistics Department, for Hennepin County.

City of Minnetonka
Hennepin County, Minnesota
Principal Employers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
United Health Group	4,200	1	8.86%	4,400	1	9.63%
Carlson Holdings, Inc.	3,600	2	7.60%	3,100	3	6.79%
Lake Superior Software, Inc.	3,500	3	7.39%			
Medica Health Plans	2,800	4	5.91%	1,300	6	2.85%
Independent School District (No. 276)	2,000	5	4.22%	1,671	4	3.66%
Multibrand Field Services, Inc.	2,000	6	4.22%			
Continental General Insurance Company	500	7	1.06%			
St. David's School for Child Development & Family Services, Inc.	450	8	0.95%			
Opus National, LLC.	360	9	0.76%			
Veolia WTS Solutions USA, Inc.	300	10	0.63%			
Cargill, Inc.				3,400	2	7.44%
Abbott / St Jude Medical				1,300	8	2.85%
Starkey Laboratories				1,300	7	2.85%
Emerson Process Mgmt / Rosemount, Inc.				1,600	5	3.50%
Super Value Stores, Inc.				1,265	9	2.77%
MTS Systems Corporation				800	10	1.75%
Total	19,710		41.60%	20,136		44.09%

Source: Employment estimates come from Greater MSP.

Note: Estimates may contain errors. Employment figures are likely to be underestimated and may not include remote or hybrid employees. Estimates are obtained on a best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

City of Minnetonka
Hennepin County, Minnesota
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
General Administration	10.45	9.95	10.95	11.75	11.75	13.00	16.50	17.50	19.50	20.50
Information Technology	3.75	3.75	3.75	4.75	4.75	4.75	4.75	6.75	6.75	7.00
Finance	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00
Assessing	5.60	5.60	5.60	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Public Safety:										
Police:										
Licensed	47.00	47.00	47.00	47.00	47.00	47.00	47.00	58.00	58.00	64.00
Other	19.45	20.45	20.45	22.69	22.69	22.69	22.47	11.47	11.97	12.97
Fire:										
Full-time	6.50	8.00	8.00	11.00	11.00	11.75	12.00	21.00	23.50	26.50
Paid on call	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
Dispatch	9.00	9.00	9.00	-	-	-	-	-	-	-
Environmental Health	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00	3.00	3.00
Legal	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.60	7.00	7.00
Streets and Buildings:										
Street	21.10	21.10	21.10	21.10	21.10	21.10	21.15	21.15	21.15	21.15
Buildings and Grounds	8.38	8.38	8.38	8.38	8.38	8.38	8.42	9.42	9.42	10.42
Engineering	9.25	9.25	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Parks and Recreation:										
Joint Recreation	5.74	6.35	6.85	6.85	6.85	6.85	6.85	6.95	6.75	7.25
Community Center	3.37	3.37	3.37	3.60	3.60	3.60	3.60	3.95	3.95	3.95
Parks and Trails	9.98	10.08	10.08	10.08	10.08	11.08	11.12	11.12	12.12	12.12
Senior Services	2.50	2.50	2.50	2.40	2.40	2.40	2.40	1.85	1.85	1.85
Minnetonka Recreation	0.84	0.75	0.75	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Natural Resources	6.58	6.48	6.48	8.18	8.18	8.18	8.22	9.47	9.47	9.47
Development Services:										
Planning	6.00	6.00	6.00	6.00	5.00	4.50	5.50	5.50	5.50	5.50
Community Development	12.10	13.10	13.10	14.30	15.30	15.80	15.80	16.80	16.80	17.80
Cable Television	2.00	2.50	2.50	2.50	2.50	1.25	1.25	1.25	1.25	-
Ice Arena	3.62	3.00	3.50	3.50	3.50	3.50	3.50	3.50	4.00	4.00
The Marsh	-	-	-	-	-	-	-	-	-	4.50
Water and Sewer Utility	18.40	18.40	18.40	18.20	18.40	18.40	18.45	19.45	19.45	19.45
Williston Center	7.15	8.45	7.45	9.45	9.45	9.45	9.45	9.45	9.15	8.15
Environmental	0.48	0.48	0.48	0.48	0.48	0.53	0.57	0.72	0.72	0.72
Gray's Bay Marina	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.30
Storm Water	0.50	0.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fleet Maintenance Internal Service	4.38	4.38	4.38	4.38	4.38	4.38	4.42	4.42	4.42	4.42
Total	326.82	331.52	333.77	338.99	339.19	340.99	345.82	361.32	366.72	382.72

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Administrative Services:										
Number of registered voters	35,234	37,040	36,783	37,571	37,666	39,892	39,613	38,990	39,216	40,208
Public Safety:										
Police:										
Calls for service	43,651	38,321	43,504	41,213	41,946	40,509	38,490	40,863	42,651	42,700
Criminal offenses	2,392	1,946	2,228	1,886	1,697	1,089	1,914	1,913	1,700	1,924
Fire:										
Number of calls	1,036	1,213	1,343	1,406	1,113	1,075	1,206	1,421	1,560	1,400
Legal:										
Cases opened and processed by staff	594	768	812	801	655	632	748	624	755	1,218
Environmental Health:										
Number of licensed establishments	720	750	839	775	775	610	647	598	602	600
Number of nuisance complaints	545	609	637	459	578	522	510	484	437	470
Public Works:										
Street Maintenance:										
Miles of city maintained	254.9	254.9	254.9	256.9	256.9	256.9	256.9	257.4	257.5	257.7
Street Improvement:										
Miles of street rehabilitated	4.0	5.2	2.0	4.5	2.0	1.9	3.0	3.0	5.3	1.3
Average pavement condition index	83	83	83	81	81	81	81	80	80	80
Engineering:										
Number of construction projects underway	9	3	5	7	7	12	11	6	1	4
Number of construction projects completed	5	5	3	9	5	6	8	6	11	7
Park & Recreation:										
Joint Recreation:										
Number of program participants	37,100	41,444	43,245	44,748	43,633	10,459	20,523	26,751	26,350	26,500
Senior Services:										
Number of program participants	28,513	16,861	11,230	10,695	11,874	11,954	21,165	23,360	31,736	32,000
Parks and Trails:										
Number of parks maintained	48	50	50	50	50	50	53.0	54.0	54.0	54.0
Park acreage:										
Active	283.9	283.9	283.9	283.9	313.5	313.5	270.8	272.8	272.8	272.8
Passive	983.5	983.5	983.5	983.5	983.5	983.5	1,025.8	1,025.8	1,025.8	1,025.8
Miles of trail and sidewalk maintained	99.0	100.0	102.0	105.0	106.0	108.0	108.7	109.5	110.9	112.0
Natural Resources:										
Number of diseased trees removed	645	677	678	820	755	831	730	561	481	795
Number of permits reviewed/inspected for natural resource compliance	712	696	795	775	755	705	769	658	554	600
Development Services:										
Community Development:										
Permits issued	7,924	7,800	7,200	7,358	8,139	8,024	9,515	8,806	8,388	8,540
Planning:										
Number of planning applications received	116	133	135	139	136	110	127	103	103	105
Number of building permits reviewed	1,007	1,853	1,790	1,914	2,210	618	642	516	614	620
Water and Sewer Utility:										
Number of utility customer accounts	16,957	16,970	16,970	17,023	17,023	17,784	17,141	17,335	17,397	17,409
Water pumped (million gallons)	2,200	2,100	2,060	2,040	1,894	2,013	2,241	2,223	2,341	2,100
Utility locate requests completed	13,289	10,087	9,523	9,154	10,380	10,458	9,547	8,167	9,002	9,000
Ice Arena:										
Ice rental hours sold	2,750	3,071	3,221	3,000	2,983	2,022	3,100	3,307	3,170	3,416
Environmental:										
Curbside recycling picked up (tons)	4,975	4,930	4,900	4,840	4,705	4,555	5,130	3,950	3,163	3,500
Willston Center:										
Total memberships sold	8,400	8,356	9,162	9,514	9,637	8,281	7,623	8,373	9,800	10,500
Gray's Bay:										
Slip lease rate	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 4,000	\$ 4,000	\$ 4,200	\$ 4,200
Storm Water:										
Number of storm sewer projects completed	7	8	4	5	5	3	4	3	2	3

Source: Various city departments

City of Minnetonka
Hennepin County, Minnesota
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety:										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Number of police officers	57	58	58	58	58	58	58	58	58	64
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works:										
Streets (miles)	255	255	255	255	257	254	257	257	258	258
Streetlights	1,670	1,670	1,670	1,907	1,907	1,700	1,925	1,950	2,027	2,088
Parks and Recreation:										
Parks acreage	1,057	1,057	1,057	1,267	1,297	1,297	1,291	1,291	1,298	1,298
Parks	50	50	50	50	50	51	52	52	53	53
Water and Sewer Utilities:										
Water mains (miles)	308	308	308	308	309	309	309	309	309	309
Fire hydrants	2,577	2,577	2,577	2,853	2,860	2,877	2,887	3,028	3,073	3,079
Water plant daily capacity	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000
Storage capacity (gallons)	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000
Sanitary sewers (miles)	256	256	278	279	280	280	280	280	280	280
Storm Water										
Storm sewers (miles)	88	88	88	88	88	88	88	88	88	88

Source: Various city departments

**City Council
Agenda Item 14.B
Meeting of June 9, 2025**



Title: Request to amend Resolution 2019-031, which approved the preliminary plat of OAKLAND ESTATES for a 4-lot subdivision at 1922 Oakland Road

Report from: Susan Thomas, AICP, City Planner

Submitted Through: Julie Wischnack, FAICP, Community Development Director
Erik Nilsson, City Attorney
Mike Funk, City Manager

Presenter: Susan Thomas, AICP, City Planner

Action Requested: Motion

Form of Action: Resolution

Votes needed: 4 votes

Recommended Action

Motion to adopt the resolution denying the request.

Strategic Plan Relatability

N/A

Financial Consideration

No

Background

See Supplemental Background Report.

ATTACHMENTS:

[Supplemental Background Report](#)
[Project Information](#)
[Resolution](#)

Supplemental Background Report

Background

In March 2019, the city approved the preliminary plat of OAKLAND ESTATES. As a condition of Resolution 2019-031, the site will be developed and maintained in substantial conformance with a grading, drainage and erosion control plan dated Feb. 7, 2019. Final plat Resolution 2019-051, approved later that year, required compliance with all the conditions of the preliminary plat resolution.

The grading, drainage and erosion control plan defined the initial development area of each lot.



To date:

Lot	Existing Conditions
1	An existing house remains and no grading has occurred
2	Some site prep occurred in the past. No permits have been issued for construction.
3	A house has been constructed.
4	A house is under construction.

Request

Lake West Development, the owner of Lot 4, recently submitted a permit application for the construction of a pool and accessory structure in the rear yard of Lot 4. Staff indicated that the permit application could not be approved, as the proposed area of impact exceeds the boundaries set by the 2019 grading, drainage and erosion control plan. In other words, the impact would not conform to the requirements of the 2019 resolutions.



Staff indicated the property owner had two options:

1. Wait two years from house occupancy to construct the pool when the tree removal/development area restrictions under the ordinance no longer apply¹; or
2. Request an amendment to the plat's conditions of approval.

The owner has chosen to request an amendment.

¹ By City Code 314.01 Subd. 7(a)(3) "Trees required to be saved as part of a subdivision approval must remain on a lot for two years after the final building permit inspection or certificate of occupancy is issued for the principal structure, whichever is later. Any tree that dies solely of natural causes such as disease or wind is exempt from this section."

Staff Comment

In its submittal, the property owner has indicated:

- Several trees shown for removal on the 2019 plans have not been removed.
- Several trees on the 1934 Oakland Road property have been removed over the past six years due to natural damage, disease, and other factors.²
- Constructing the proposed pool would require minimal grading, and five HP trees in the development area could be preserved. This would result in the removal of 22 out of 73 trees, or approximately 30 percent.

While acknowledging the owner's intentions, staff recommends denial of the request for three reasons:

- The trees shown as removed in the 2019 grading, drainage and erosion control plan, yet still in place, are on properties not controlled by the owner of 1934 Oakland Road. The owners of these specific properties would have the right to remove these specific trees. As such, Lake West cannot "take credit" for them.
- If the development area proposed had been submitted in 2019, it would not have complied with the tree protection ordinance. The 35 percent HP tree removal threshold would have been exceeded.

	HP Trees in 2019	HP Trees Removed/Impacted	Percent Removed/Impacted*
2019 Approval	73	21	29 percent
2025 Proposal	73	27	37 percent

* By city code 314.01, Subd. 5(g), removal is defined as the physical removal of a tree or: (1) girdling; (2) injury to 30 percent or more of the trunk circumference; (3) pruning of 30% or more of the crown; (4) trimming an oak between April 1st and July 15th; or (5) compacting, cutting, filling, or paving 30 percent of the critical root zone for all tree species.

- The trees that the owner claims could be preserved are large spruce and pine. Staff is concerned that these trees may not survive long-term due to the damage sustained during home construction. During a recent site visit, the city forester assessed these trees, noting insufficient tree protection, soil piled up in critical root zones, and construction gashes on the trunks. These impacts suggest the proposal would exceed the plat's maximum removal threshold of 35 percent.

² The owner has stated to current staff that previous staff approved removal of several trees on the site. Staff has been unable to locate any correspondence or notes to that effect.



LOCATION MAP

Project: OAKLAND ESTATES Amendment
Location: 1934 Oakland Rd



Resolution No. 2019-031

**Resolution approving the preliminary plat of OAKLAND ESTATES,
a 4-lot subdivision at 1922 Oakland Rd**

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 LakeWest Development, LLC has requested preliminary plat approval for OAKLAND ESTATES. (Project 18041.18a).

1.02 The property is located at 1922 Oakland Rd. It is legally described as follows:

(Per Warranty Deed recorded Aug. 9, 1973 as Document No. 4034834)

All that part of the Southwest $\frac{1}{4}$ of Section 3, Township 117, Range 22, described as follows:

Commencing 790 feet East of the Southwest corner of said section for a place of beginning; thence angle left 90 degrees, distant 375 feet; thence angle right 90 degrees, distance 176.4 feet to the Westerly line of County Road No. 74; thence Southeasterly on the Westerly line of said Section distant 487.4 feet to the place of beginning. ALSO an easement for ingress and egress described as follows: Commencing at the Southwest corner of said Section 3; thence East on the South line of said Section distant 790 feet; thence angle left 90 degrees distant 375 feet for place of beginning; thence continuing North distant 20 feet; thence angle right 90 degrees distant 177 feet to the Westerly line of County Road No. 74; thence Southerly on the Westerly line of said road distant 20.04 feet; thence West and parallel with the South line of said Section distant 176.4 feet to the place of beginning.

The covenants contained herein shall be construed as of Aug. 29, 1968.

Subject to any restrictions, reservations and easements of record, if any.

1.03 On March 7, 2019, the planning commission held a hearing on the proposed plat. The applicant was provided the opportunity to present information to the

commission. The commission considered all of the comments received and the staff report, which are incorporated by reference into this resolution. The commission recommended that the city council grant preliminary plat approval.

Section 2. General Standards.

2.01 City Code §400.030 outlines general design requirements for residential subdivisions. These standards are incorporated by reference into this resolution.

Section 3. Findings.

3.01 The proposed preliminary plat meets the design requirements as outlined in City Code §400.030.

Section 4. Council Action.

4.01 The above-described preliminary plat is hereby approved, subject to the following conditions:

1. Final plat approval is required. A final plat will not be placed on a city council agenda until a complete final plat application is received.
 - a) The following must be submitted for a final plat application to be considered complete:
 - 1) A final plat drawing that clearly illustrates the following:
 1. A minimum 10-foot wide drainage and utility easements adjacent to the public right-of-way(s) and minimum 7-foot wide drainage and utility easements along all other lot lines.
 2. Utility easements over existing or proposed public utilities, as determined by the city engineer.
 3. Drainage and utility easements over wetlands, floodplains, and stormwater management facilities, as determined by the city engineer. The 100-year elevation is 957.1.
 - 2) Documents for the city attorney's review and approval. These documents must be prepared by an attorney knowledgeable in the area of real estate.
 1. Title evidence that current within thirty days before release of the final plat.
 - 3) Submit a plan that illustrates an access path to the stormwater facilities.

- 4) Submit engineering for the stormwater facilities.
2. Prior to final plat approval:
 - a) This resolution must be recorded with Hennepin County.
 - b) The documents outlined in section 4.01(1)(a)(2) above must be approved by the city attorney.
 3. Submit the following prior to release of the final plat for recording:
 - a) Two sets of mylars for city signatures.
 - b) An electronic CAD file of the plat in microstation or DXF.
 - c) Park dedication fee of \$15,000.
 4. Subject to staff approval, OAKLAND ESTATES, must be developed and maintained in substantial conformance with the following plans, except as modified by the conditions below:
 - Grading, drainage and erosion control plan dated Feb. 7, 2019.
 - Site and utility plan dated Feb. 7, 2019.
 - a) No grading or tree removal is allowed prior to the issuance of a building permit on each lot.
 - b) If the garage is set lower than the street, water should be diverted to direct water away from the garage.
 - c) Prior to the issuance of a building permit for the first home, submit the following:
 - 1) Evidence of filing the final plat at Hennepin County.
 - 2) A letter from the surveyor stating that boundary and lot stakes have been installed as required by ordinance.
 - 3) Proof of subdivision registration and transfer of NPDES permit.
 - d) Prior to the issuance of a building permit for any home:
 - 1) Submit a stormwater management plans. Stormwater requirements apply to all lots, including the lot with the existing home. The final stormwater management plan must meet the of the city's Water Resources Management Plan, Appendix A. Design. In addition, supplemental calculations, models, and documentation must be submitted detailing conformance with the city's:

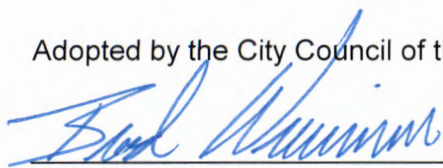
- Rate Control: maintain existing rates leaving the site for the 2-, 10-, and 100-year events.
 - Volume: the storm chambers must capture 1" of the entire site's impervious surface. Soil borings are required to verify infiltration rates.
 - Water Quality: materials must be submitted (MIDS or p8 model) to demonstrate that 60% of the total phosphorus and 90% of the TSS are removed.
- a. Submit soil borings, HydroCAD and P8/MIDS models as required by the city engineer.
 - b. Design emergency overflows to go to rear yard.
 - c. Submit any necessary easements and maintenance agreements in a city approved format for review and approval by staff.
- 2) Submit a tree preservation plan for each lot. This plan must:
- a. Include the grading and tree preservation for each lot.
 - b. Illustrate removal of the high priority trees per each lot must be consistent with the grading plan dated Feb. 7, 2019.
 - c. Illustrate that no more than 25 high priority trees can be removed from the site.
 - d. Reduce grading and construction limits to minimize tree loss and protect the large evergreens on Lots 3 and 4.
 - e. Stormwater facilities, sewer and water services must be located to minimize impact to any significant or high-priority trees. No trees may be removed for installation of services.
- 3) Regarding the service for Lot 2, the existing water main to be tapped is SDR 9 8-inch HDPE DIPS. The contractor must submit shop drawings and qualifications to install electrofused tapping saddle. A stainless steel saddle or non-fused saddle will not be allowed.

- 4) Submit final landscaping and tree mitigation plans must meet minimum landscaping and mitigation requirements as outlined in ordinance. However, at the sole discretion of natural resources staff, mitigation may be adjusted based on site conditions.
 - 5) Submit evidence of closure/capping of any existing wells, septic systems, and removal of any existing fuel oil tanks.
 - 6) Submit a construction management plan. The plan must be in a city approved format and must outline minimum site management practices and penalties for non-compliance.
 - 7) Submit cash escrow in an amount to be determined by city staff. This escrow must be accompanied by a document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge:
 - The property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and
 - If compliance is not achieved, the city will use any or all of the escrow dollars to correct any erosion and/or grading problems.
 - 8) Install a temporary rock driveway, erosion control, tree and wetland protection fencing and any other measures identified on the SWPPP for staff inspection. These items must be maintained throughout the course of construction.
 - 9) Submit all required hook-up fees.
 - 10) Minimum floor elevation is 959.1.
- e) Prior to issuance of the certificate of occupancy for the first home:
- 1) Construct or submit a financial guarantee in the amount of 125% of a bid cost or 150% of an engineer's estimate to construct the stormwater facilities on each lot.
 - 2) All encroachments must be removed from city property.
- f) All lots within the development must meet all minimum access requirements as outlined in Minnesota State Fire Code Section 503. These access requirements include road dimension, surface, and grade standards. If access requirements are not met, houses

must be protected with a 13D automatic fire sprinkler system or an approved alternative system.

- g) Permits may be required from other outside agencies including, Hennepin County, the Minnehaha Creek Watershed District, and the MPCA. It is the applicant's and/or property owner's responsibility to obtain any necessary permits.
- h) During construction, the streets must be kept free of debris and sediment.
- i) The property owner is responsible for replacing any required landscaping that dies.
- j) The city must approve the final plat within one year of preliminary approval or receive a written application for a time extension or the preliminary approval will be void.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 18, 2019.



 Brad Wiersum, Mayor

Attest:



 Becky Koosman, Acting City Clerk

Action on this resolution:

Motion for adoption: Bergstedt

Seconded by: Schack

Voted in favor of: Ellingson, Calvert, Schack, Carter, Bergstedt, Wiersum

Voted against:

Abstained:

Absent: Happe

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on March 18, 2019.

Becky Koosman, Acting City Clerk

Resolution No. 2019-051

**Resolution approving the final plat of
OAKLAND ESTATES at 1922 Oakland Rd**

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 LakeWest Development, LLC has requested approval of the final plat of OAKLAND ESTATES

The property to be included in the plat is located at 1922 Oakland Rd. It is legally described as follows:

(Per Warranty Deed recorded Aug. 9, 1973, as Document No. 4034834)

All that part of the Southwest $\frac{1}{4}$ of Section 3, Township 117, Range 22, described as follows:

Commencing 790 feet East of the Southwest corner of said section for a place of beginning; thence angle left 90 degrees, distant 375 feet; thence angle right 90 degrees, distance 176.4 feet to the Westerly line of County Road No. 74; thence Southeasterly on the Westerly line of said Section distant 487.4 feet to the place of beginning. Also, an easement for ingress and egress described as follows: Commencing at the Southwest corner of said Section 3; thence East on the South line of said Section distant 790 feet; thence angle left 90 degrees distant 375 feet for place of beginning; thence continuing North distant 20 feet; thence angle right 90 degrees distant 177 feet to the Westerly line of County Road No. 74; thence Southerly on the Westerly line of said road distant 20.04 feet; thence West and parallel with the South line of said Section distant 176.4 feet to the place of beginning.

1.02 On March 18, 2019, the city council approved the preliminary plat of OAKLAND ESTATES.

Section 2. Findings

2.01 The final plat meets the requirements and standards outlined in the Subdivision Ordinance, City Code §400.

2.02 The final plat is consistent with the previously approved preliminary plat.

Section 3. Council Action.

3.01 The city council approves the final plat of OAKLAND ESTATES. Approval is subject to the following conditions:

1. Compliance with the conditions outlined in preliminary plat Resolution No. 2019-031, except as modified with the following conditions.
2. Prior to release of the final plat for recording, submit the following:
 - a) Two sets of mylars for city signatures.
 - b) Title evidence that is current within thirty days.
 - c) An electronic CAD file of the plat in microstation or DXF.
 - d) Park dedication fee of \$15,000.
3. Unless the city council approves a time extension, the final plat must be recorded by June 24, 2020.

Adopted by the City Council of the City of Minnetonka, Minnesota, on June 24, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption: Happe
 Seconded by: Calvert
 Voted in favor of: Ellingson, Carter, Calvert, Happe, Bergstedt, Wiersum
 Voted against:
 Abstained:
 Absent: Schack
 Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on June 24, 2019.

Becky Koosman, City Clerk

GENERAL GRADING AND DRAINAGE NOTES

CONTRACTOR SHALL CONTACT GOPHER STATE "ONE CALL" FOR UTILITY LOCATIONS AT 651-454-0002

THE CONTRACTOR SHALL VERIFY THE LOCATION AND ELEVATION OF EXISTING UTILITIES AND TOPOGRAPHICAL FEATURES WITH THE OWNERS AND FIELD-VERIFY PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL IMMEDIATELY NOTIFY THE ENGINEER OF ANY DISCREPANCIES OR VARIATIONS.

ALL CONTOURS AND SPOT ELEVATIONS ARE SHOWN TO FINISHED SURFACE/GUTTER GRADES UNLESS SHOWN OTHERWISE. REFER TO PAVING PLAN FOR DETAILED SPOT ELEVATIONS, GRADE PERCENTAGES, AND VERTICAL CURVE INFORMATION.

ALL SILT FENCE SHALL BE IN PLACE PRIOR TO INITIATION OF EARTHWORK AND SHALL BE MAINTAINED UNTIL VIABLE TURF OR GROUND COVER IS ESTABLISHED, AT WHICH TIME IT SHALL BE REMOVED. TEMPORARY PONDING, DIKES, HAYBALES, ETC., REQUIRED BY THE CITY SHALL BE INCIDENTAL TO THE GRADING.

THE CONTRACTOR SHALL USE A ROCK CONSTRUCTION ENTRANCE ACCORDING TO THE DETAILS. ALL STREETS DISTURBED DURING WORKING HOURS MUST BE CLEANED AT THE END OF EACH WORKING DAY.

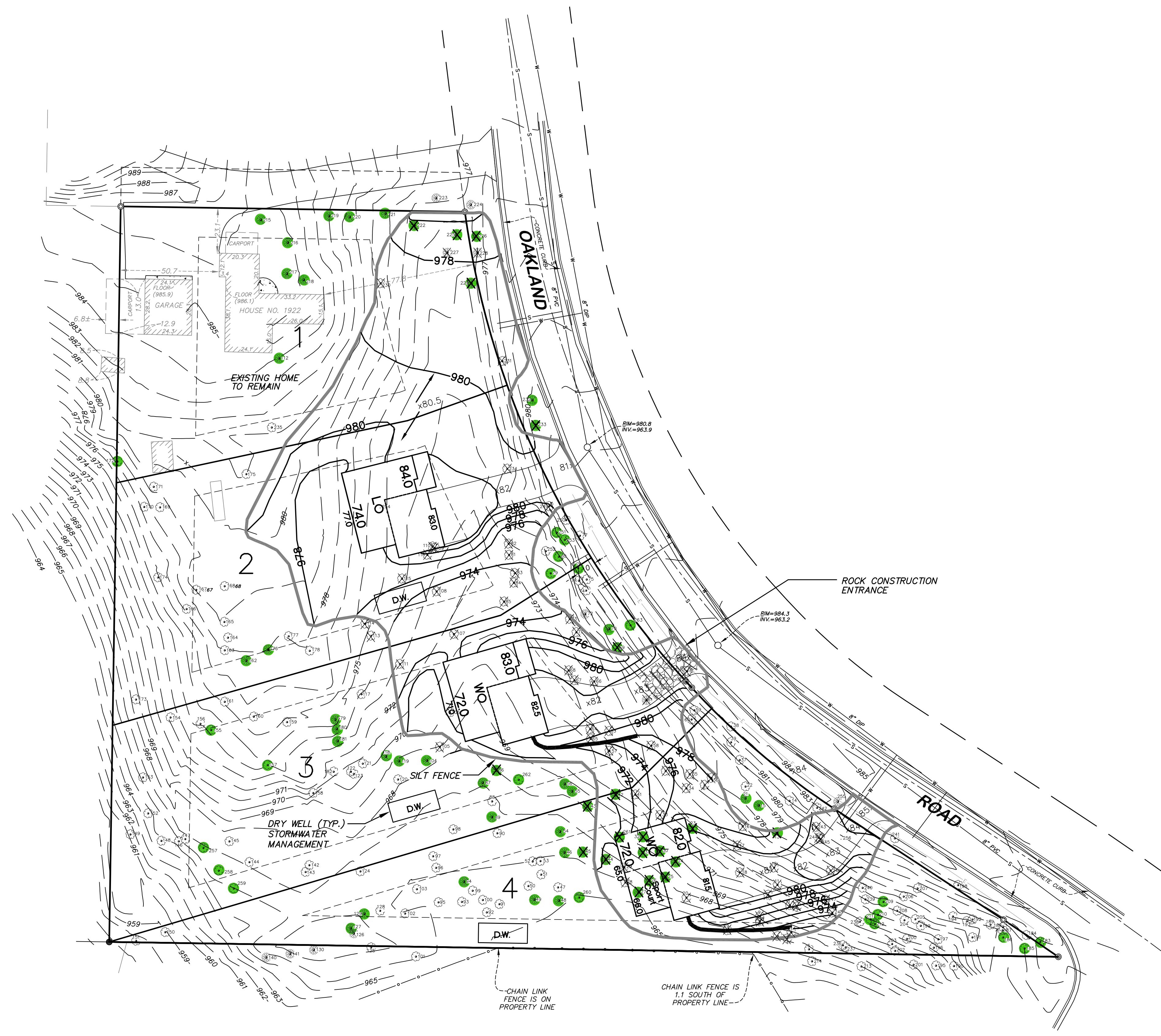
THE CONTRACTOR SHALL INSURE POSITIVE DRAINAGE IS MAINTAINED FROM THE SITE AT ALL TIMES. CONTRACTOR SHALL BE RESPONSIBLE FOR TEMPORARY DITCHES, PIPING, OR OTHER MEANS REQUIRED TO INSURE PROPER DRAINAGE DURING CONSTRUCTION. LOW POINTS IN ROADWAYS OR BUILDING PADS MUST BE PROVIDED WITH A POSITIVE OUTFLOW.

ALL AREAS DISTURBED AS A RESULT OF CONSTRUCTION SHALL BE IMMEDIATELY RESTORED WITH SEED AND DISC MULCHED OR WOOD-FIBER BLANKET OR SOD IN ACCORDANCE WITH THE APPROVED PLANS WITHIN TWO WEEKS UPON COMPLETION OF EACH ACTIVITY IN ACCORDANCE WITH THE CITY'S BEST MANAGEMENT PRACTICE HANDBOOK.

TOTAL DISTURBED AREA = 0.96 ACRES +/-

TOTAL PROPOSED PROJECT AREA = 2.39 ACRES +/-

TYPICAL BUILDING PAD SHOWN SUBJECT TO CHANGE DEPENDENT UPON FINAL HOME TYPE.



LAKE WEST

DEVELOPMENT, LLC

May 15, 2025

Susan Thomas
City of Minnetonka
Planning Department

Re: A Request of Change to a Condition of Approval for OAKLAND ESTATES

This letter formally requests a modification to the grading limits shown on the approved plans dated February 7, 2019, as referenced in Resolution No. 2019-031, approving the preliminary plat for OAKLAND ESTATES, a four-lot subdivision at 1922 Oakland Rd.

Specifically, we request that the grading limits line (highlighted in pink) be revised to the proposed limits (highlighted in orange) on the "Grading, Drainage, and Erosion Control Plan" dated October 30, 2018. This minor adjustment does not alter the overall grading plan or exceed the protected tree removal threshold. However, it enables the construction of a pool and landscaping in the backyard during the initial building phase. Due to the site's grade, post-construction access for pool installation equipment would not be feasible.

Aerial imagery shows that some tree areas initially approved for removal appear to have been preserved. Of the 73 high-priority trees identified at the time of approval, only 17 (approximately 23%) have been removed—well below the 35% threshold. The preserved tree pockets are highlighted in purple on the attached plan.

The area proposed for the pool is flat, requiring no additional grading. However, because it falls outside the currently approved grading limits, Council approval is needed to amend the grading plan accordingly.

Thank you for your consideration.

Sincerely,



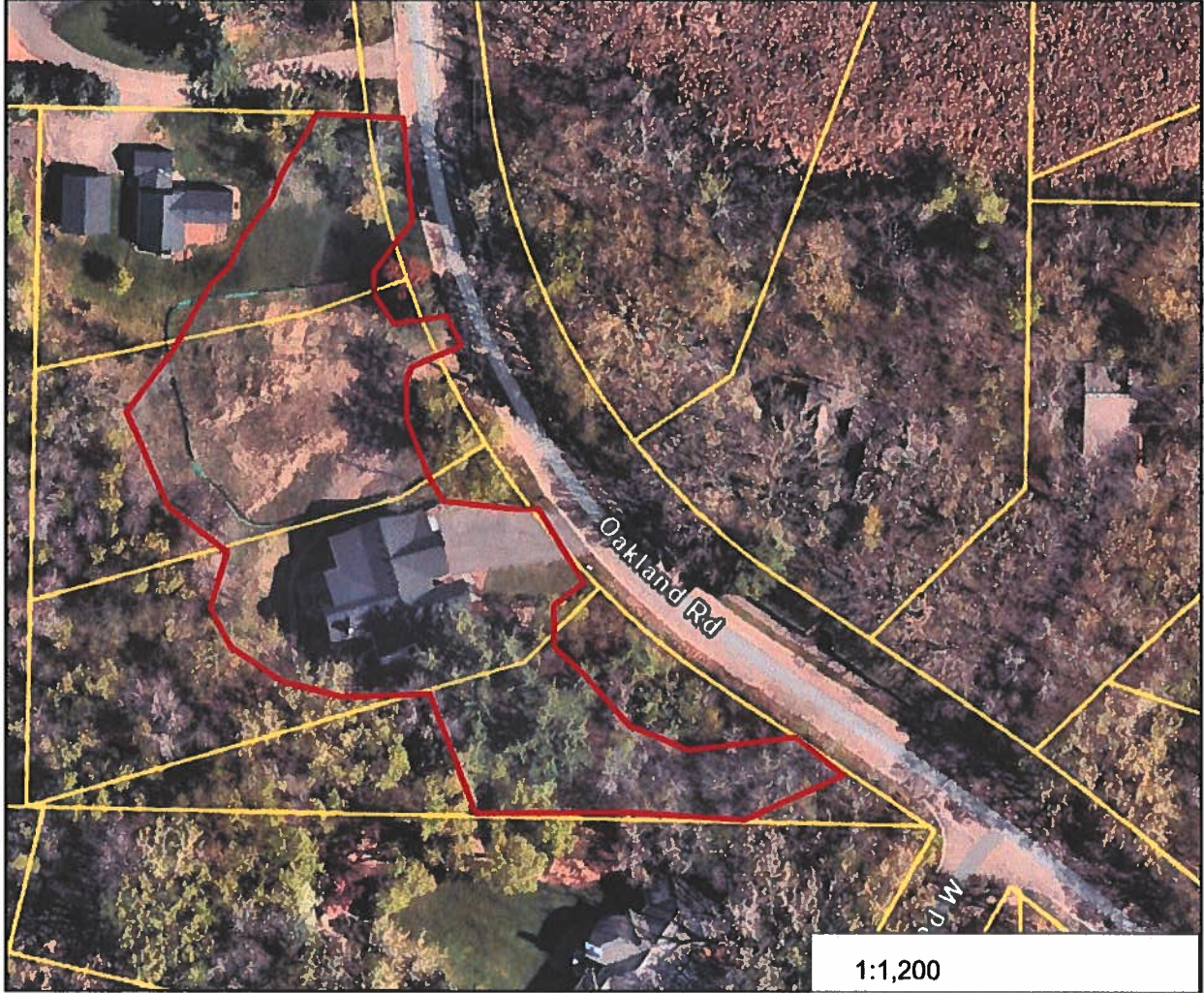
Curt Fretham

- 4) Submit engineering for the stormwater facilities.
2. Prior to final plat approval:
 - a) This resolution must be recorded with Hennepin County.
 - b) The documents outlined in section 4.01(1)(a)(2) above must be approved by the city attorney.
 3. Submit the following prior to release of the final plat for recording:
 - a) Two sets of mylars for city signatures.
 - b) An electronic CAD file of the plat in microstation or DXF.
 - c) Park dedication fee of \$15,000.
 4. Subject to staff approval, OAKLAND ESTATES, must be developed and maintained in substantial conformance with the following plans, except as modified by the conditions below:
 - Grading, drainage and erosion control plan dated Feb. 7, 2019.
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 - c) Prior to the issuance of a building permit for the first home, submit the following:
 - 1) Evidence of filing the final plat at Hennepin County.
 - 2) A letter from the surveyor stating that boundary and lot stakes have been installed as required by ordinance.
 - 3) Proof of subdivision registration and transfer of NPDES permit.
 - d) Prior to the issuance of a building permit for any home:
 - 1) Submit a stormwater management plans. Stormwater requirements apply to all lots, including the lot with the existing home. The final stormwater management plan must meet the of the city's Water Resources Management Plan, Appendix A. Design. In addition, supplemental calculations, models, and documentation must be submitted detailing conformance with the city's:



Hennepin County Property Map

Date: 5/15/2025



No results

Comments:

This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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GENERAL GRADING AND DRAINAGE NOTES

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THE CONTRACTOR SHALL VERIFY THE LOCATION AND ELEVATION OF EXISTING UTILITIES AND TOPOGRAPHICAL FEATURES WITH THE OWNERS AND FIELD-VERIFY PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL IMMEDIATELY NOTIFY THE ENGINEER OF ANY DISCREPANCIES OR VARIATIONS.

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TOTAL DISTURBED AREA = 0.96 ACRES +/-

TOTAL PROPOSED PROJECT AREA = 2.39 ACRES +/-

TYPICAL BUILDING PAD SHOWN SUBJECT TO CHANGE DEPENDENT UPON FINAL HOME TYPE.



19655 Waterford Pl
Excelsior, MN 55331
(952) 221-3700

www.ryanengineers.com

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly registered Engineer under the laws of the State of Minnesota.

Signature MN 22071
Registration No.
Date

OAKLAND ESTATES

Minnetonka, MN
for

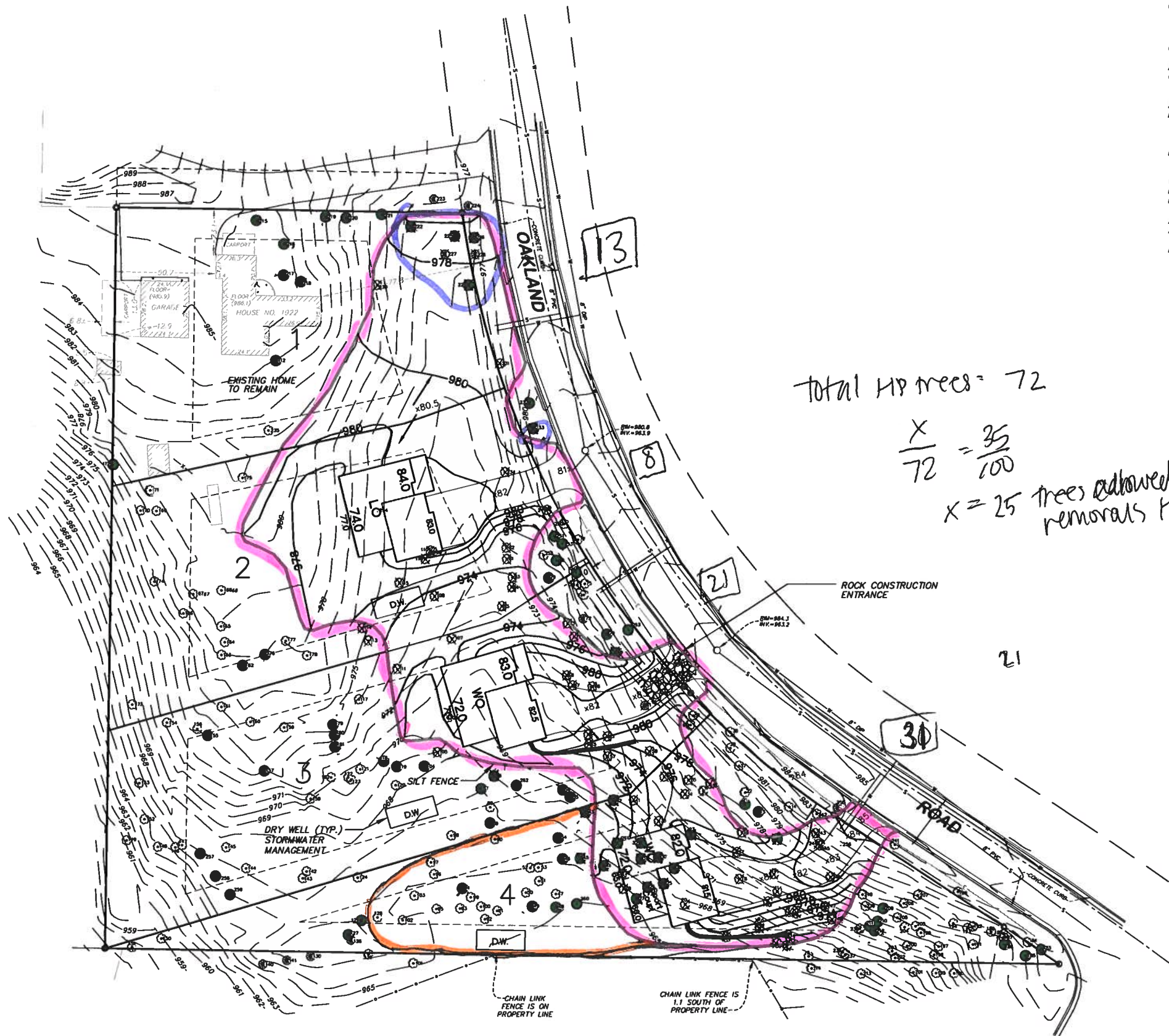


Project No.
Digital Drawing Name
Oakland - Estates.dwg
Drawn By
PMR
Checked By
PMR
Date
10/30/18
Revisions
2/7/19 - Revised City Submittal

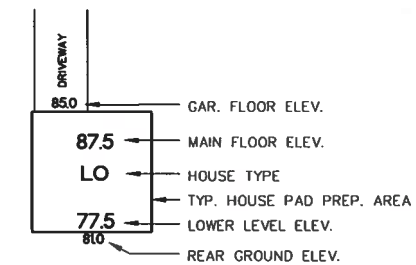
Issued For: _____ Date: _____
Schematic Design _____
Design Development _____
Preliminary Review _____
Final Review _____
Bidding _____
Construction _____

Grading, Drainage and Erosion Control Plan

Page

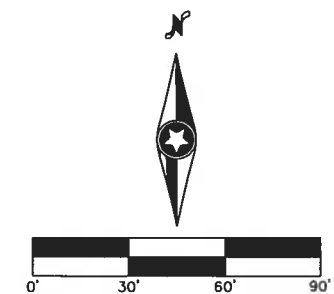


TYPICAL BUILDING PAD



LEGEND

--- 974 ---	EXISTING CONTOURS	EXISTING	
---	PROPOSED CONTOURS	SANITARY SEWER	8" PVC
---	SILT FENCE	WATER	8" CP
x 95.0	EXISTING SPOT ELEVATION	HYD. W/VALVE	
x 95.0	PROPOSED SPOT ELEVATION	STORM SEWER	
---	DRAINAGE DIRECTION	PROPOSED	
⊙	EXISTING TREE	SANITARY SEWER	
●	EXISTING TREE HIGH PRIORITY	WATER	
⊗	EXISTING TREE REMOVED	HYD. W/VALVE	
⊗	EXISTING TREE HIGH PRIORITY REMOVED	STORM SEWER	



Resolution No. 2025-

Resolution denying a request to amend Resolution 2019-031, a resolution approving the preliminary plat of OAKLAND ESTATES

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 In March 2019, the city council approved Resolution 2019-031 approving the preliminary plat of OAKLAND ESTATES, a 4-lot subdivision at 1922 Oakland Road. The resolution included a condition the site be developed and maintained in substantial conformance with a grading, drainage and erosion control plan dated Feb. 7, 2019.

1.02 In June 2019, the city council approved Resolution 2019-031 approving the final plat of OAKLAND ESTATES. The resolution included a condition requiring compliance with all of the conditions of preliminary plat resolution.

1.03 Lake West Development has requested an amendment to Resolution 2019-031. The amendment would expand the development area outlined in grading, drainage, and erosion control plan dated Feb. 7, 2019. The amendment would allow for construction of a pool and accessory structure on 1934 Oakland Road, legally described as Lot 4, Block 1, OAKLAND ESTATES.

Section 2. Findings

2.01 The requested amendment is not reasonable.

1. If the development area proposed by Lake West Development had been submitted in 2019, the plat would not have complied with the tree protection ordinance. Specifically, the plat would have exceed 35 percent removal of high priority trees allowed under the tree protection ordinance.

2. Several trees that Lake West Development claims could preserved in conjunction with construction of pool and accessory structure are unlikely to survive in the long-term due to the damage sustained during home construction. The city forester assessed these trees on April 30, 2025 and noted insufficient tree protection, soil piled up in critical root zones, and construction gashes on the trunks. These impacts suggest the proposal would exceed maximum removal threshold of 35 percent.

- 3. Denial of the requested amendment does not deny reasonable use of the site, as:
 - a. The site can be developed as outlined in grading, drainage, and erosion control plan dated Feb. 7, 2019.
 - b. By City Code 314.01 Subd. 7(a)(3), trees required to be saved as part of a subdivision approval must only remain on a lot for two years after the final building permit inspection or certificate of occupancy is issued for the principal structure, whichever is later.

Section 3. City Council Action.

3.01 The above-described amendment is hereby denied based on the findings outlined in Section 2 of this resolution

Adopted by the City Council of the City of Minnetonka, Minnesota, on June 9, 2025.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:
 Seconded by:
 Voted in favor of:
 Voted against:
 Abstained:
 Absent:
 Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on June 9, 2025.

Becky Koosman, City Clerk