

**Agenda
City of Minnetonka
City Council Study Session
Monday, August 18, 2025
6:00 PM
Minnehaha Room
14600 Minnetonka Blvd.**



1. Call to Order
2. Introductions/Roll Call
3. Business Items:
 - A. [Spectiv by DecisionWise presentation](#)
 - B. [Preliminary 2026 budget review](#)
 - C. [September study session topics](#)
4. Adjournment

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

**City Council Agenda Item 3.A
Meeting of August 18, 2025**



Title: Spectiv by DecisionWise presentation

Report from: Sarissa Falk, Senior Management Coordinator

Submitted through: Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager

Presenter: Sarissa Falk, Senior Management Coordinator and Thomas Olsen,
DecisionWise

Action Requested: Informational only.

Summary Statement

Spectiv by DescisionWise conducted an internal organizational assessment June 17-July 8. Thomas Olsen with DecisionWise will present the organizational-wide results.

Strategic Plan Relatability

N/A



**City Council Agenda Item 3.B
Meeting of August 18, 2025**

Title: Preliminary 2026 budget review

Report from: Darin Nelson, Finance Director

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

Presenter: Mike Funk, City Manager and Darin Nelson, Finance Director

Action Requested: Review the preliminary 2026 budget and levies and provide feedback.

Summary Statement

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

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

Strategic Plan Relatability

Financial Strength

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

Background

See supplemental background report.

Discussion Questions

1. Does the city council support a base property tax levy increase of 7.20 percent, including 2.6 percent for the continued implementation of the public safety master plan?
2. Does the city council support an additional 0.735 percent for new debt service related to community center improvements and/or fire station #2 improvements for a total levy increase of 7.935 percent?
3. Does the city council agree that a total of \$300,000 should be certified as the HRA preliminary levy for 2026, which is the same levy amount presented at the EIP study session in June?

ATTACHMENTS:

[Supplemental Background Report](#)

[2026 Preliminary General Fund Budget](#)

[2025 General Fund Q2 Budget to Actual Report](#)

Supplemental Background Report

Background

The [May 12, 2025](#), city council study session included a budget kickoff agenda item seeking council feedback on the 2025 budget priorities and direction on the property tax levy. The objective of the budget kickoff was to provide the city council with a high-level overview of the budget preparation process, factors affecting the budget, and the previously forecasted future levy estimates. The kickoff followed a series of department director reports from earlier in the spring that provided an overview of each department's operations, prior year highlights, upcoming goals and innovations, and finally, the department's challenges.

Since the May kickoff, department directors and city management have been working diligently to forecast revenues, expenditures and other factors influencing the budget and levy. Several dynamics are influencing this year's levy request, further outlined in this report.

City staff have a historical approach and budget philosophy to create a needs-based budget. The proposed 2026 budget is the same. As such, staff recommends increasing the 2026 preliminary city levy by 7.935 percent. A breakdown of the 7.935 percent includes: 4.6 percent for General and Special Revenue Funds operations, existing debt service, and Capital Improvement Program (CIP) funding (reviewed at the [Jun. 16, 2025](#), study session); 2.6 percent to continue implementation of the public safety master plan; and 0.735 percent dedicated to future debt service related to community facility and/or fire station #2 improvements.

The HRA (Housing and Redevelopment Authority) levy is programmed to remain flat for 2026 at \$300,000. This levy supports programs indicated in the preliminary Economic Improvement Program (EIP), which was also presented to the council at the [Jun. 16, 2025](#), study session.

Staff is always mindful of being responsible stewards of the public's tax dollars and continues to search for innovative ways to provide more cost-effective and efficient methods of service delivery.

Our Public Process

This study session aims to review key budget issues and provide direction on the 2025 preliminary tax levy and city budget. The city council must set and certify the preliminary tax levy to the county by Sept. 30, 2025, as required by state law. The preliminary levies will be considered at the Sept. 8, 2025, council meeting. The preliminary levy establishes the maximum amount the city can levy for taxes payable in 2026.

This budget study session focuses on the bigger picture. These discussions will guide detailed budget requests presented at the November budget study session. The council will adopt the final budget in December. At the Nov. 17, 2025, study session, staff will have more complete information regarding revenues and expenditures for the current year, which should assist in forecasting 2026 needs. The final levy may be less than the preliminary levy amount, but cannot be greater.

Minnetonka always encourages input on its budget from the public. In addition to the information published on the proposed tax notices by Hennepin County and the public budget discussion scheduled for Dec. 8, 2025, residents and businesses will again have the opportunity to provide feedback via multiple avenues, all of which are publicized on the city's website and in the *Minnetonka Memo*. Staff will share comments with the council as budget options are considered, and updated information will consistently be posted in the *Memo* and on the city's website through [Minnetonka Matters](#).

Long-Term Financial Planning and Sustainability

One of the city's six strategic priorities is financial strength, which focuses on being a financially responsible organization that delivers results. One of the desired outcomes of this priority is to improve alignment between service expenditures and identified priorities.

The budget, whether operational, capital, or a combination of both, always focuses on the strategic plan and ensures that budget initiatives without an outside mandate are in direct alignment with the strategic plan and its six priorities. The city is in the beginning stages of implementing a systematic and substantial change to its budgeting practices. Over the next year, staff will implement a priority-based budgeting practice to inventory city programs. This new practice will enable the city to reallocate resources to programs and areas that provide a more focused effort in achieving the council's desired outcomes.

The city's General Fund ended 2024 with a healthy unassigned fund balance of approximately 49 percent of the ensuing year's expenditure budget. This solid financial position was due partly to stronger-than-anticipated construction activity and departmental expenditures being less than the budget. Under the city's fund balance policy, the General Fund is required to have a year-end fund balance between 30 to 50 percent of the following year's operating budget. The city council may appropriate balances above 40 percent for one-time costs without ongoing financial commitments.

Excess fund balance within the General Fund is routinely programmed within the Capital Improvements Program (CIP) due to the one-time nature of the projects. The 2026 preliminary General Fund budget proposes transfers of \$2,550,000 to various CIP funds. These transfers will reduce the fund balance to an estimated 40 percent at the end of 2026. This time last year, staff were not anticipating having excess reserves within the General Fund for the 2026 and future years' budgets. This excess fund balance has allowed for a reduction in the CIP levy for 2026 by over \$500,000.

2026 Budget Initiatives and Influencing Factors

The preliminary 2026 General Fund budget is \$59.8 million, an increase of 7.8 percent or \$4.3 million. Similar to other service industries, personnel expenditures are the majority of the city's General Fund operating expenditures, accounting for nearly 80 percent of total expenditures. Due to the continued implementation of the public safety master plan, increases in healthcare insurance premiums, the implementation of the State of Minnesota's new Paid Family and Medical Leave program, and employee cost-of-living increases, personnel costs account for 90 percent of the entire increase in the General Fund operating budget.

Public Safety Master Plan

The 2026 budget is the third year of a five to six-year implementation plan to increase staffing across the police and fire departments. Discussions during the 2024 budget process concluded that implementing the public safety plan over five or six years would aid in minimizing the levy impact in any one year, but would still add levy increases of approximately 2.25 percent per year over this timeframe.

Over the last two years, the budget has included the hiring of five patrol officers, one sergeant, one detective and 12 firefighters. Nine of these firefighters were budgeted in 2025 as mid-year hires. Budgeting for mid-year hires can minimize the budget impact for the first year. Still, it has a direct effect on the second year's levy, as those positions need to be budgeted for the entire year, which for 2026 amounts to approximately \$630,000. The fire chief is not requesting any new hires for 2026, as this will allow him and the department time to adjust to having a second

station staffed 24 hours a day and time to determine the next steps in renovating or rebuilding the satellite fire stations.

Additionally, a compensation review found that firefighters, lieutenants, and captains have fallen behind their market peers, due in part to recent changes in fire services, the professionalization of departments and increased recruitment efforts. To keep these positions within the city's compensation grid, staff recommends moving these groups to higher pay ranges, at an estimated cost of approximately \$370,000. While various implementation options were considered, anticipated higher revenue and cost savings in 2025 mean the increase will have minimal cost impact this year. In 2026, the percentage of increase is expected to decline as total wages grow, offsetting the adjustment and avoiding any unbudgeted costs. The public safety master plan calls for an additional 12 firefighters; these firefighters are tentatively scheduled to be included in the 2027 and 2028 budgets.

The Public Safety Master Plan identified community outreach as a vital component of modern policing and recommended an additional community engagement officer to further enhance the department's coordinated outreach and engagement activities. In 2021, the department participated in 113 events and is on track to participate in over 250 events in 2025. For this reason, the police department is requesting the hiring of an additional officer which will lead to the creation of a Community Engagement Unit. The cost of the additional officer is approximately \$140,000. This engagement officer would be the last licensed officer request for the police department related to the Public Safety Master Plan.

Also included in the 2026 budget is \$615,000 for the second year of the 10-year agreement with Axon for a suite of products that provides for tasers, body cameras, squad cameras, training equipment and a police records system. The annual cost of this agreement will be less in future years as the records management system implementation is completed over the next year or two. This 10-year agreement eliminates a number of future CIP purchases over this time frame, consolidating several technology applications under one umbrella to increase efficiency and provide access to the latest technological tools.

Drones as First Responders (DFR) is the last item that will need to be included in the operating budget. That item is being budgeted within the CIP for 2026, but will likely transition to the operating budget for 2027. The initiative supplants the need for additional officers that the public safety master plan called for in future years. The annual cost of this agreement is about \$300,000.

Personnel

The city hired a consultant in 2024 to conduct a class and compensation study for its non-union employees. Historically, the city had provided a cost-of-living adjustment (COLA) and potential market increases for all positions. For non-union employees, each position was compared with similar positions within our comparable cities. However, many of these positions vary significantly from city to city, with different job responsibilities, which meant the annual market analysis took a substantial amount of staff time to complete and was somewhat subjective.

Under the former compensation system, every non-union employee had a different pay rate, which also caused issues with the required pay equity reporting to the State of Minnesota. The class and compensation study analyzed each non-union position, placing each into a specific grade with other city positions with similar responsibilities, which will solidify future pay equity compliance.

The study also analyzed the outside market rates among our comparable cities to ensure the city remains competitive. Each year, the council determines final COLA adjustments for union

and non-union wages. Adjustments for union wages are either set by existing union contracts or will be bargained through upcoming union contract negotiations, which the city council must approve. The 2026 preliminary budget is built on three percent COLA adjustments and a market rate adjustment range of zero to two percent, depending upon the bargaining unit or non-union wage scale. Estimated COLA and market increases within the General Fund amount to approximately \$1.45 million. The council will be asked to approve non-union adjustments for 2026 in December.

The city did receive relatively good news on the health insurance front. Premiums have been set to increase 8.9 percent for 2026, which is a slightly higher rate increase than in 2025. Unfortunately, anytime health insurance rate increases are less than ten percent, it feels like a win. Historically, the city and the employees share in the cost, with the city picking up 50-60 percent of the increase. Based on this calculation, the city's health insurance contribution is increasing by about \$480,000 within the General Fund for 2026.

Lastly, the 2026 budget includes an additional staffing request for two full-time employees. As previously mentioned, one position request is for a community engagement officer, directly related to implementing the public safety master plan. The second request is for a paralegal or similar type position within the legal department. With the hiring of additional officers within the police department, the prosecution division of the legal department is in need of assistance to handle the increased caseload. The 2026 cost of this position is about \$115,000 with salary and benefits.

Facility Improvements

On [May 6, 2024](#), the city council approved the Community Facilities study. This report reviewed a wide variety of potential options for the Glen Lake Activity Center, Community Center, Williston Fitness Center and The Marsh. Council approved the report, but that approval did not commit the council to specific projects or expenditures.

As a reminder from this time last year, staff included in the preliminary levy an additional two percent that would have been dedicated to improving The Marsh at an estimated cost of \$37 million. Staff received feedback from the council that they support the purchase of The Marsh and the continued operations of the facility and the city's other community facilities. However, due to other budget priorities that are driving additional increases in the levy and the fact that other financing sources are limited at this time, it is prudent to hold off on the community facility improvements. The additional two percent levy increase was removed from the preliminary levy that was approved in September 2025.

On [May 12, 2025](#), the same night as the budget kickoff, staff also brought back a review of the community facilities study to receive additional feedback on potential improvements and to determine priorities moving forward. Council seemed willing to consider a first step or two in the plan, which revolved around the Glen Lake Activity Center and improvements to the community center.

Demolition of the Glen Lake Activity Center was estimated to be \$113,000 over a year ago, and the improvements to the community center were estimated to be \$2.74 million at that same time, which did not include design or engineering costs. The city received a bid for remodeling the community center right before purchasing The Marsh back in late 2021. That bid amount was approximately \$3.2 million. If the council approves moving forward with remodeling the community center, the earliest construction could start would be in late 2026 or early 2027, due to reservations that are currently on the books for 2026. It's safe to assume construction costs could be close to \$4 million by that time.

On [Apr. 28, 2025](#), the council reviewed the Minnetonka satellite fire stations' long-term needs assessment. The assessment provides several options for the four satellite fire stations, including identifying a range of costs and challenges.

Satellite station #2 is the most immediate need for the fire department. It can be done through either a remodel or a complete rebuild, with costs ranging from \$2.5 million for remodeling to \$9 million for a full rebuild.

Financing one or both of these projects is challenging. The Legislature did not approve our 2025 bonding request earlier this summer. Granted, that request was for The Marsh and the Opus Open Space area, but receiving that funding would have given the city some flexibility with other projects, such as the community center and the satellite fire stations. The city did submit another state bonding request for consideration in the 2026 legislative session. This upcoming year's request is for \$5.33 million to assist with reconstructing Fire Station #2. If the city were fortunate enough to receive the bonding request, the city would be responsible for matching the state contribution.

The two-year sales tax moratorium prohibiting cities from seeking legislative language during the 2024 and 2025 legislative sessions is over, but unfortunately, no new legislation was approved. This means cities will continue to first need legislative approval before going to the voters with a potential sales tax question. Sales tax remains a viable alternative for funding several projects within the city, but the timing of enacting a sales tax could still be a couple of years away.

Financing these improvements at this time needs to be done through the property tax levy, and at the budget kickoff meeting in May, the council seemed interested in taking a first step in advancing these projects. Staff is proposing an additional 0.735% increase in the levy, the first of a two-year increase, with the goal of issuing up to \$10 million in bonds for improvements to the community center and Fire Station #2. The annual debt service on \$10 million over 20 years is approximately \$810,000. The 2027 levy would also need to increase by \$405,000 to account for this bond issue.

If the council approves this additional levy for 2026, the \$405,000 would be placed in a capital project fund to be used specifically on this project for either future debt service or to reduce the bond issuance amount.

In addition, staff is planning to call the 2016B park bond at the Aug. 25 council meeting. The fund that accounts for the debt service related to this bond has sufficient fund balance to pay off the final two principal payments due in 2026 and 2027. The calling of this bond will provide about \$10,000 in interest savings. 2026 would have been the final levy year for this park bond. However, rather than reducing the levy by \$289,000, staff propose continuing the current levy for 2026 and transferring the \$289,000 to a fund designated for community center & fire station improvements. These dollars can then serve as a buy-down on the future bond issue.

The other reason for not reducing the debt service levy for the park bond is that the public safety bond issued in 2020 assumed the park bond levy would end in 2026, and subsequently increased with the debt service levy increasing starting in 2027. This increase in the principal repayment was done to maintain a constant levy over the term of the public safety bond. So if the levy is reduced by \$289,000 in 2026, it will need to be increased in 2027 by the same amount to account for the increased debt service payments on the public safety bond. Combining these two amounts would accumulate almost \$800,000 in fund balance to be used towards the project, which could reduce the potential bond issuance and resulting tax levy impact.

Other Budget Impacts

Outside of implementing the public safety master plan and general cost increases associated with maintaining existing staffing levels, the 2026 General Fund budget does not add significant new costs to the budget other than the one new FTE request. Other budget impacts outside of personnel include:

- 2026 is a state general election year, which requires more election judges than odd-year elections. The 2026 budget accounts for an additional \$145,000 in election costs. A majority of these costs are built into the personnel budget.
- \$67,000 for implementing and an ongoing subscription for the Priority Based Budgeting software application.
- \$80,000 for a one-time cost to build out squad cars that have arrived after a backlog in production.
- \$16,000 for additional contracted legal services.
- \$75,400 for increases in software subscriptions, membership dues and training across all departments.

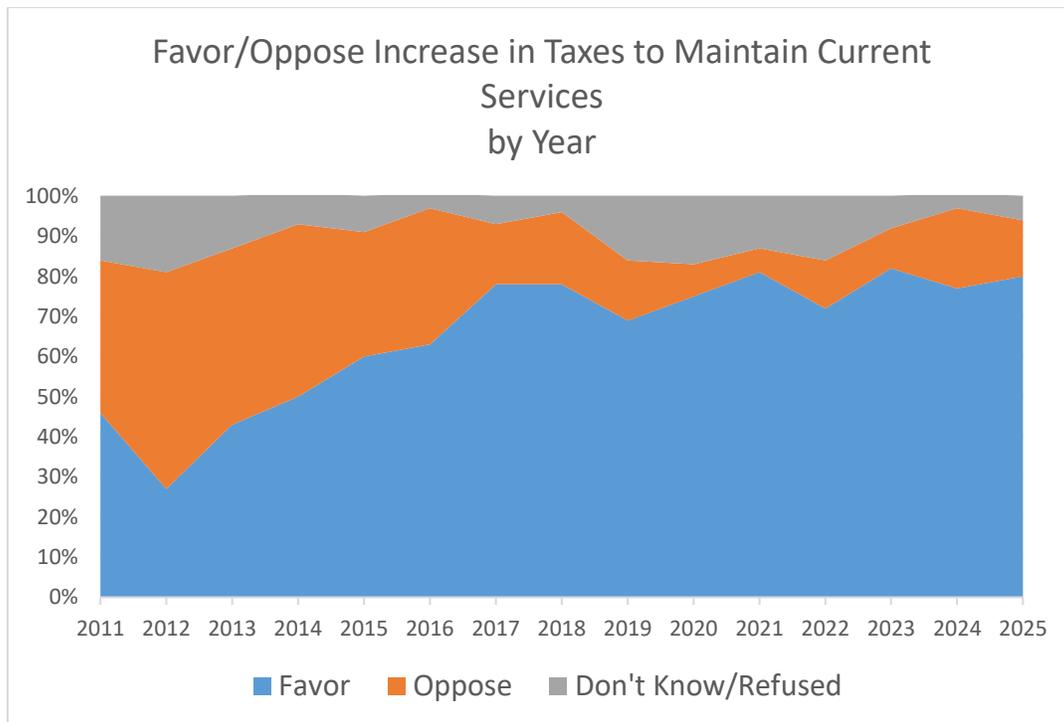
Inflationary Pressures

Reports indicate that inflation in the metro area has stabilized over the past two years. The Minneapolis/St. Paul Consumer Price Index (CPI) through stood at 1.8 percent from July 2024 to July 2025, while the Municipal Cost Index (MCI) yearly change through June stood at 2.44 percent.

This inflation stabilization is good news; however, the inflationary numbers only measure the year-over-year price increases. The city is still experiencing high prices compared to a few years ago, and many of these cost pressures are not fully built into the budget. Staff is also starting to see price increases related to tariff surcharges. Similar to fuel surcharges added to invoices years ago, tariff surcharges are now beginning to appear. Nothing is built into the budget to account for any tariff-related surcharges. Staff will continue to monitor the situation and its impact.

2026 Preliminary Levy

Since recovering from the recession beginning in 2014, the city's community survey has shown our taxpayers' consistent recognition of the value of city services and remarkable support for increasing taxes to maintain city services. In the 2025 survey, 80 percent of those who stated an opinion still favored such an increase. The following chart depicts the results from this same survey question dating back to 2011.



The 2026 proposed operating and capital budgets require an overall net increase in the city property tax levy of 4.6 percent to maintain city services.

This levy includes \$400,000 dedicated to the Ice Arena and The Marsh Special Revenue Funds for operating subsidies. Historically, the ice arena has had an annual transfer from the General Fund of \$100,000 to aid in covering operations. In 2026, Rink B's refrigeration system is scheduled to be replaced, which will reduce revenue during that downtime. Subsequently, an additional \$100,000 is being levied for the ice arena in 2026.

The Marsh has been self-sustaining through the original interfund loan approved by the council upon purchase. Initially, it was anticipated that the interfund loan would be fully expended within about two years of opening. However, memberships and subsequent revenues have been surpassing original expectations, which has allowed the loan proceeds to be stretched over a more extended period. As it stands today, the original interfund loan will provide backstop funding through the beginning of 2026. Thus, an additional \$200,000 has been added to the levy to continue supporting operations for the remainder of 2026. If by the end of the year it is determined that this entire amount will not be needed in 2026, the levy can be reduced before the final levy is set in December.

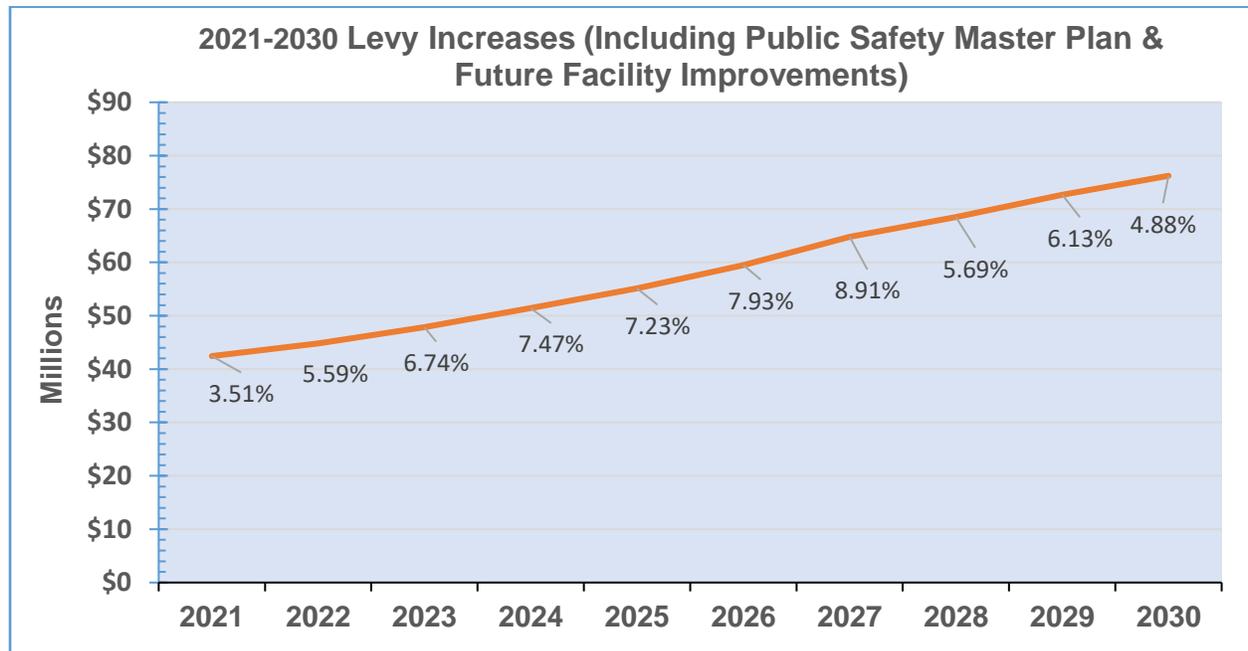
The remainder of the 2026 city levy includes a 2.6 percent increase related to continued implementation of the public safety master plan and an additional 0.735 percent levy increase dedicated to future improvements at the community center and/or satellite fire stations. Combining these levy-related items brings the total city levy increase to 7.935 percent. Although appearing separately on property tax statements, the HRA levy would remain unchanged from 2025, reducing the city's overall property tax increase from 7.935 percent to 7.892 percent.

2026 Levy Analysis

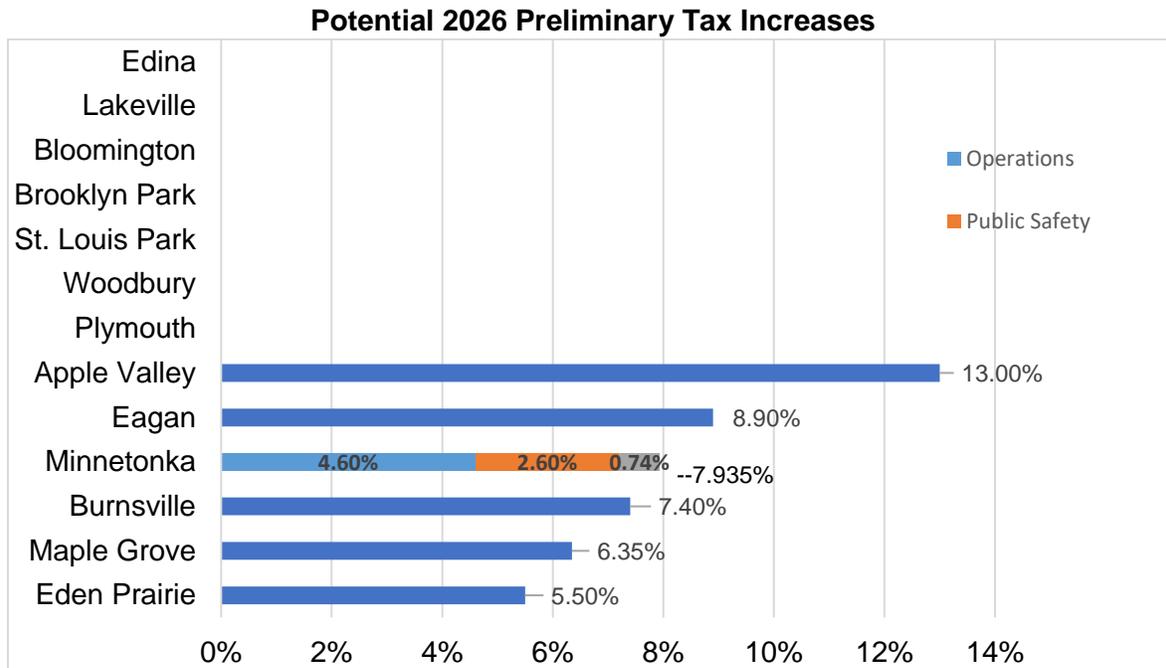
Operational Levy (thousands)	2025	2026	Change
City property taxes, current services	\$55,124	\$55,541	0.8%
Staffing COLA/Market		\$1,457	2.6%
Health Insurance		\$480	0.9%
MN Paid Family & Medical Leave		\$150	0.3%
New Paralegal Position		\$115	0.2%
<i>Subtotal</i>		<u>\$57,743</u>	4.8%
<i>Special Revenue Funds (Ice Arena & Marsh)</i>		\$400	0.7%
<i>Capital Improvement Program</i>		(\$513)	(0.9%)
<i>Public Safety Investment</i>		\$1,464	2.6%
<i>Facility Improvements (Comm. Ctr./Fire St. 2)</i>		<u>\$405</u>	0.735%
Total City Levy	\$55,124	\$59,499	7.935%
HRA Levy	\$300	\$300	0.00%
Total City Levies	\$55,424	\$59,799	7.892%

Levy Forecast

The future years' levy forecasts (2027-2030) include both the continued implementation of the public safety master plan, along with funding for debt service related to possible community center and/or fire station improvements. The public safety master plan funding is scheduled to become fully funded in 2028, while the debt service community facility improvements bond is fully funded in 2027.



Comparisons with Other Cities. Below is a chart indicating the preliminary 2026 levies for some of our comparable cities. These levy estimates will likely change before the cities adopt their official preliminary levies in September. An updated chart will be provided in September with more accurate levy estimates. As a reminder, each city is unique, and its tax levies can vary for many reasons. Similar to most of our comparable cities, Minnetonka does not and will not receive LGA in 2026. Equally important, unlike many other cities, Minnetonka does not rely upon special assessments to fund street reconstruction and maintenance.



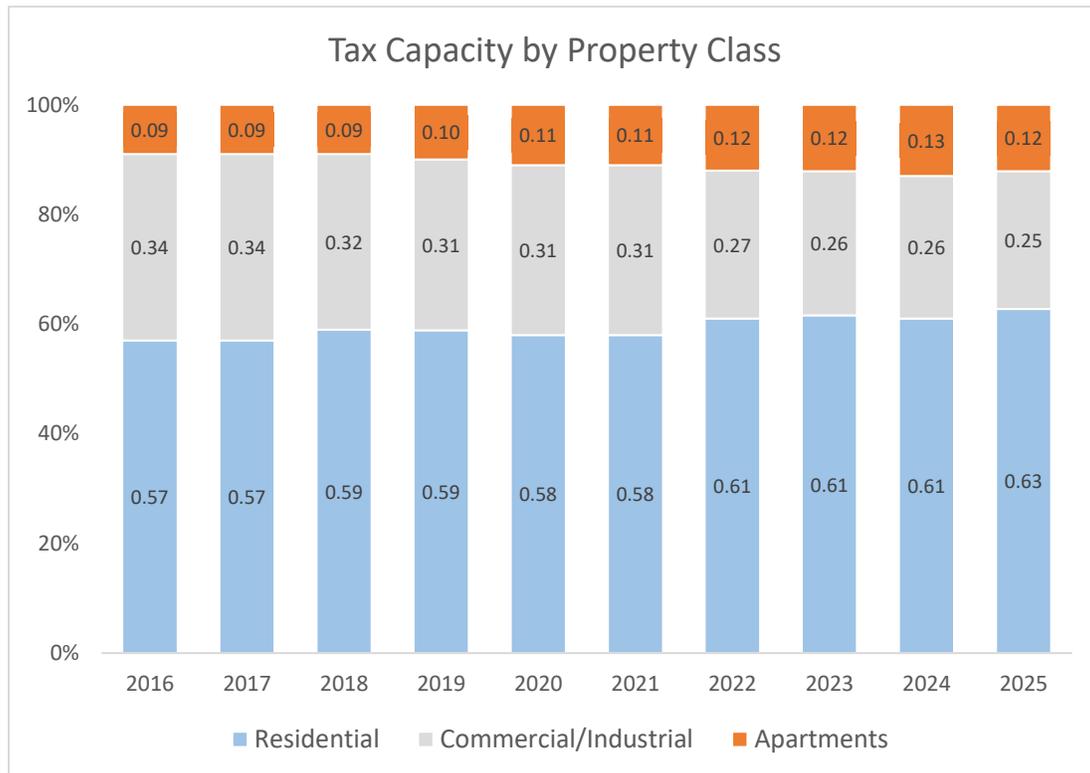
Homeowner Impacts. New development and redevelopment in the city again increased the city’s property tax base last year, as reported in March by the city assessor. The city experienced approximately \$81.2 million in improved value in 2025. Over the previous ten years, the city’s assessed market value has increased by 60 percent. A portion of that increase results from improved real estate as opposed to market forces alone.

The table below outlines this year's growth (including new improvements) by primary property type.

	Overall Growth	Total Change (millions)
Single-household Residential	4.1%	\$300.4
Lakeshore	8.9%	\$49.8
Townhouses	2.3%	\$18.3
Condominiums	-0.7%	\$-4.9
Commercial	-0.5%	\$-8.0
Industrial	1.1%	\$4.3
Apartments	-1.2%	\$-21.8
Other Property Types	4.6%	\$9.0
Total Change	2.6%	\$347.2

The varying growth rates of the different property classifications equate to a shift in the property tax burden. The tax burden between property types tends to ebb and flow over time as market

conditions affect properties differently. Most notably for taxes payable in 2023 (2022 valuation) was the increase in all residential housing property types. This residential increase caused a shift in tax burden towards all these property classes while shifting the tax burden away from commercial properties. The apartment growth over the last several years, mainly due to new construction, adds to the tax base and helps alleviate some tax burden for all taxpayers. The current reduction in commercial value is indicative of the market conditions for commercial office space.



Calculating the impact of changes in property taxes on homeowners in Minnesota requires a complicated mix of data and information that changes each year, some of which depends upon legislatively defined formulas, such as the state fiscal disparities program. The final piece of fiscal disparity information is typically received in late August. If this information becomes available, it will be shared on the night of the council meeting. Rough estimates indicate that a median-valued home that increased 3.8 percent to \$521,300 will see an annual increase of \$174 or 9.2 percent. Again, these are rough estimates, and final estimates will likely change in either direction.

Fiscal disparities are shifting positively in the city's direction due to the decrease in commercial property. The city is contributing less to the pool and receiving a larger share of the distribution. The impact is not substantial, but it does help reduce the property tax impact for the city's property taxpayers.

HRA LEVY

The city's first levy for housing and redevelopment began in 2009. State law limits levies, and the maximum rate is 0.0185 percent of a city's taxable market value, which equates to approximately \$2.5 million. On Jun. 16, the city council reviewed in a study session the 2026–2030 Economic Improvement Program (EIP), which recommends the 2026 HRA levy remain steady at \$300,000.

City of Minnetonka
2026 Preliminary General Fund Budget

Object Account	2023 Actual	2024 Actual	2025 Budget	2026 Requested	\$ Change from 2025 to 2026	% Change from 2025 to 2026
Revenues						
Property Taxes						
4010 - AD Valorem Tax Levy	\$ 36,801,591	\$ 39,456,008	\$ 43,757,600	\$ 47,834,200	\$ 4,076,600	9.3%
4020 - Uncollectible Taxes	(66,403)	(60,705)	(200,000)	(200,000)	-	0.0%
4030 - Tax Penalties and Interest	(60,389)	2,156	24,000	24,000	-	0.0%
4050 - Tax Forfeit Sale Revenue	-	-	-	-	-	
Total Taxes	36,674,799	39,397,459	43,581,600	47,658,200	4,076,600	9.4%
Licenses & Permits	3,900,828	5,818,604	3,652,000	4,052,000	400,000	11.0%
Intergovernmental	1,646,303	2,256,519	2,321,900	2,000,600	(321,300)	-13.8%
Charges for Services	567,973	773,085	533,400	597,600	64,200	12.0%
Fines & Forfeitures	145,851	184,853	150,900	166,000	15,100	10.0%
Investment Interest	1,361,364	1,131,585	1,136,000	1,063,000	(73,000)	-6.4%
Recreation Charges	1,506,845	1,781,093	1,614,600	1,700,600	86,000	5.3%
Miscellaneous	1,203,094	1,075,920	943,000	973,400	30,400	3.2%
Transfers In	1,494,800	1,499,000	1,542,000	1,586,000	44,000	2.9%
Total Revenues	48,501,857	53,918,117	55,475,400	59,797,400	4,322,000	7.8%
Expenditures						
Personnel Services	35,783,228	38,867,199	43,105,900	46,958,700	3,852,800	8.9%
Supplies	2,131,980	2,030,124	2,156,300	2,175,300	19,000	0.9%
Other Services & Charges	8,553,392	8,930,175	10,036,700	10,585,200	548,500	5.5%
Operating Transfers Out	126,501	128,209	176,500	78,200	(98,300)	-55.7%
Total Expenditures	46,595,101	49,955,707	55,475,400	59,797,400	4,322,000	7.8%
Revenues Over/(Under) Expenditures	1,906,756	3,962,410	-	-	-	2.9%
Other Financing Uses						
Capital Transfers Out	3,600,000	1,625,000	900,000	2,550,000	1,650,000	183.3%
Total Revenues Over/(Under) Expenditures after Transfer Out	\$ (1,693,244)	\$ 2,337,410	\$ (900,000)	\$ (2,550,000)	\$ (1,650,000)	
Expenditures by Department						
10 - Mayor & City Council	\$ 297,713	\$ 410,108	\$ 421,300	\$ 483,400	\$ 62,100	14.7%
11 - General Administration	657,508	1,071,763	969,100	1,057,800	88,700	9.2%
12 - Community Center	523,330	543,119	721,300	758,300	37,000	5.1%
13 - IT	1,461,151	1,737,854	1,915,700	2,057,400	141,700	7.4%
14 - Legal	1,027,640	1,095,363	1,255,900	1,496,600	240,700	19.2%
15 - Finance	1,074,830	1,162,726	1,194,800	1,278,100	83,300	7.0%
16 - Assessing	881,618	943,856	1,066,300	1,125,100	58,800	5.5%
17 - Building Maintenance	1,883,465	1,841,815	2,145,100	2,296,800	151,700	7.1%
18 - Joint Recreation	2,126,807	2,171,626	2,500,200	2,539,600	39,400	1.6%
19 - Planning	908,104	732,650	1,041,800	942,800	(99,000)	-9.5%
20 - Engineering	1,569,468	1,625,836	1,766,900	1,887,100	120,200	6.8%
21 - Community Development	2,639,084	2,678,142	3,039,600	3,236,000	196,400	6.5%
22 - Street Maintenance	4,046,732	3,996,745	4,637,000	4,570,400	(66,600)	-1.4%
24 - Parks & Trails	2,381,110	2,512,397	2,558,900	2,661,200	102,300	4.0%
25 - Police	13,359,852	14,608,548	15,449,600	17,466,800	2,017,200	13.1%
26 - Fire	6,014,541	6,215,980	7,222,000	8,056,100	834,100	11.5%
28 - Senior Citizens	432,711	560,129	594,900	622,400	27,500	4.6%
29 - Environmental Health	381,308	381,314	440,100	456,000	15,900	3.6%
30 - MTKA Recreation	642,326	679,609	758,200	692,200	(66,000)	-8.7%
31 - Natural Resources	1,940,704	2,127,164	2,478,200	2,414,600	(63,600)	-2.6%
33 - City Manager	818,409	979,832	1,178,700	1,307,100	128,400	10.9%
34 - Human Resources	1,164,678	1,372,370	1,476,500	1,577,700	101,200	6.9%
35 - Contingency & Transfers	-	-	100,000	100,000	-	0.0%
36 - Communications	362,013	506,764	543,300	713,900	170,600	31.4%
Total Departmental Expenditures	\$ 46,595,101	\$ 49,955,708	\$ 55,475,400	\$ 59,797,400	\$ 4,322,000	7.8%

**CITY OF MINNETONKA
Monthly Financial Report**

	YTD 2025 Budget	June 2025 Actual	June YTD 2025 Actual	Budget Balance Remaining	Percent Used	June YTD 2024 Actual
01000 - GENERAL FUND						
REVENUES						
TAXES	\$ 43,581,600.00	\$ 22,131,090.38	\$ 22,131,090.38	\$ 21,450,509.62	51% ➡	\$ 20,282,241.11
LICENSES & PERMITS	3,652,000.00	603,657.25	3,192,945.44	459,054.56	87% ⬆	2,517,973.41
INTERGOVERNMENTAL	2,321,900.00	106,436.99	322,952.29	1,998,947.71	14% ⬇	340,880.27
CHARGES FOR SERVICES	533,400.00	6,581.00	258,178.80	275,221.20	48% ➡	98,528.48
FINES & FORFEITURES	150,900.00	12,941.64	72,252.29	78,647.71	48% ➡	72,081.13
INVESTMENT INTEREST	1,136,000.00	-	614,584.96	521,415.04	54% ➡	1,185,215.67
RECREATION CHARGES	1,614,600.00	445,859.04	1,134,974.13	479,625.87	70% ⬆	1,145,627.35
MISCELLANEOUS	943,000.00	194,123.69	997,999.38	(54,999.38)	106% ⬆	746,637.11
TOTAL REVENUES	53,933,400.00	23,500,689.99	28,724,977.67	25,208,422.33	53% ➡	26,389,184.53
EXPENDITURES						
1010 - MAYOR AND CITY COUNCIL	421,300.00	21,460.04	288,693.38	132,606.62	69% ⬇	274,721.19
1020 - GENERAL ADMINISTRATION	969,100.00	57,916.76	381,698.13	587,401.87	39% ⬆	537,482.49
1021 - CITY MANAGER	1,178,700.00	82,406.28	493,223.36	685,476.64	42% ➡	480,877.51
1022 - HUMAN RESOURCES	1,476,500.00	106,667.51	754,100.06	722,399.94	51% ➡	670,974.75
1024 - COMMUNICATIONS	543,300.00	48,349.71	260,391.64	282,908.36	48% ➡	181,536.09
1030 - COMMUNITY CENTER	721,300.00	44,122.87	287,061.49	434,238.51	40% ➡	262,375.01
1040 - INFORMATION TECHNOLOGY	1,915,700.00	151,742.14	879,991.24	1,035,708.76	46% ➡	879,568.00
1050 - LEGAL	1,255,900.00	84,976.54	712,720.32	543,179.68	57% ➡	527,611.89
1060 - FINANCE	1,194,800.00	201,200.54	684,527.22	510,272.78	57% ➡	554,960.35
1070 - ASSESSING	1,066,300.00	75,499.66	489,303.23	576,996.77	46% ➡	471,605.92
1080 - BUILDINGS & GROUNDS	2,145,100.00	227,401.02	1,075,054.55	1,070,045.45	50% ➡	843,774.57
1090 - PLANNING	1,041,800.00	68,621.67	377,436.63	664,363.37	36% ⬆	387,948.13
1100 - ENGINEERING	1,766,900.00	142,706.36	837,562.41	929,337.59	47% ➡	755,649.12
1110 - COMMUNITY DEVELOPMENT	3,039,600.00	246,127.41	1,429,786.78	1,609,813.22	47% ➡	1,247,683.01
1120 - STREET MAINTENANCE	4,637,000.00	349,195.91	2,022,418.34	2,614,581.66	44% ➡	1,785,266.73
1140 - PARK MAINTENANCE	2,558,900.00	257,352.98	1,204,727.28	1,354,172.72	47% ➡	1,089,559.92
1145 - NATURAL RESOURCES	2,478,200.00	149,987.73	1,136,886.76	1,341,313.24	46% ➡	1,008,478.24
1150 - POLICE	15,549,600.00	1,409,322.49	7,854,659.95	7,694,940.05	51% ➡	6,855,435.27
1160 - FIRE	7,222,000.00	465,313.63	2,725,267.55	4,496,732.45	38% ⬆	2,490,220.87
1170 - UNALLOCATED	-	2,348.56	2,484.56	(2,484.56)		1,950.17
1190 - ENVIRONMENTAL HEALTH	440,100.00	30,001.74	181,363.44	258,736.56	41% ➡	191,106.11
1700 - SENIOR SERVICES	594,900.00	61,656.92	267,317.04	327,582.96	45% ➡	259,434.48
1800 - JOINT RECREATION	2,486,700.00	233,209.09	992,422.13	1,494,277.87	40% ➡	879,025.91
1900 - MINNETONKA RECREATION	595,200.00	33,324.94	252,153.16	343,046.84	42% ➡	262,825.44
TOTAL EXPENDITURES	55,298,900.00	4,550,912.50	25,591,250.65	29,707,649.35	46% ➡	22,900,071.17
OTHER FINANCING						
TRANSFERS IN	1,542,000.00	-	1,542,000.00	-	100%	1,499,000.00
TRANSFERS OUT	(1,076,500.00)	-	(1,063,000.00)	(13,500.00)	99%	(1,738,000.00)
TOTAL OTHER FINANCING	465,500.00	-	479,000.00	(13,500.00)	103%	(239,000.00)
FUND BALANCE CHANGE	\$ (900,000.00)	\$ 18,949,777.49	\$ 3,612,727.02	\$ (4,512,727.02)		\$ 3,250,113.36

Key

- ⬆ Varies more than 10% than budget positively
- ⬇ Varies more than 10% than budget negatively
- ➡ Within 10% of budget

**City Council Agenda Item 3.C
Meeting of August 18, 2025**



Title: September study session topics
Report from: Sarissa Falk, Senior Management Coordinator
Submitted through: Moranda Dammann, Assistant City Manager
Presenter: Mike Funk, City Manager

Action Requested: Affirm upcoming topics.

Summary Statement

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

Strategic Plan Relatability

N/A

Background

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

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

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

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

- Zoning rewrite update
- Youth programming
- 30-minute open time/conference debrief

Discussion Questions

Does the city council have any new topics for consideration?

ATTACHMENTS:

[2025 Study Session Work Plan](#)



2025 Study Session Work Plan

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

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