

AGENDA
CITY OF MINNETONKA
STUDY SESSION
MONDAY, NOVEMBER 15, 2010
6:30 PM
BOARDS & COMMISSIONS ROOM

1. MCWD joint facility update
2. 2011 detailed budget review
3. 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. While all meetings of the council are open to the public, study session discussions are generally limited to the council, staff and consultants.

**City Council Study Session Item #2
Meeting of November 17, 2010**

Brief Description: 2011 Detailed Budget Review

Recommended Action: Review recommendations and provide direction

The purpose of this study session is to review detailed budget recommendations and to provide direction prior to the budget public hearing on December 6, and final budget adoption on December 20, 2010. At its previous August 30, 2010 study session, council reviewed preliminary 2011 budget targets, and subsequently adopted preliminary levies at its September 13, 2010 regular meeting.

Budget restructuring saves \$4 million over two years

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

Recognizing the "new normal" of the national and state economy, the city of Minnetonka enacted a long-term budget strategy last year designed to restructure the way city services are provided. This *permanent budget restructuring will save \$4 million over two years*, while preserving the city's capacity to continue to provide the quality services our residents and businesses have come to expect, both now and well into the future.

In the spring of 2009, the city implemented a number of comprehensive budget actions to ensure future financial stability. These strategies involved various new ways of doing business: cooperative service agreements with other agencies, productivity investments that help deliver core services more efficiently, and department reorganizations that reposition the city to better serve our constituents.

Because the city is a service business, changes were needed to permanently reduce personnel-related costs. As a result, the reorganizations resulted in a *net reduction in total work force of six percent* – similar to contractions in the private sector nationwide. Seven employees were laid off, half of whom were managers, and seven vacant positions were permanently eliminated.

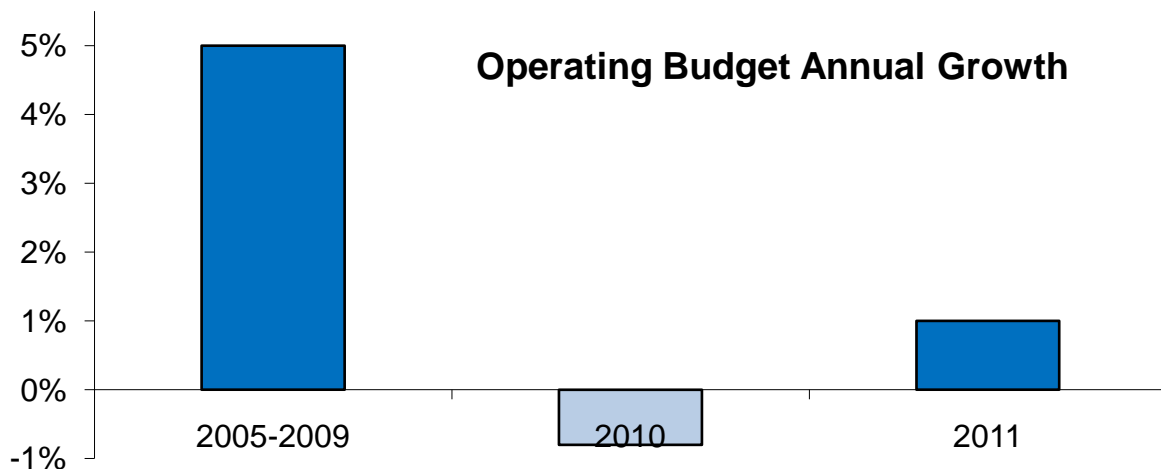
Additionally, the city and its unions responsibly *renegotiated existing contracts to limit future base wage increases to one percent annually*, with an allowance for market adjustments, when warranted, to remain competitive. This same structure was adopted city-wide for all non-represented employees, and also for all management personnel.

Operating budget remains flat for two years

To meet the current and future service needs of the community, the city continues to take actions to meet the four objectives of the repositioning plan:

- (1) Achieve long-term budget balance, without one-time gimmicks that avoid tough decisions by simply shifting obligations into the future.*
- (2) Sustain direct core service priorities, including police and fire protection, street maintenance, parks and recreation.*
- (3) Continue infrastructure investments to protect city assets and avoid the higher costs of deferred maintenance.*
- (4) Moderate past property tax growth rates to reduce pressures on homeowners and businesses.*

Recognizing the economic hardships affecting residents and businesses, the city's operating budget is limited to a 2011 increase of only 1.2 percent, following a decline last year. *Over two years, the operating budget for basic city services will remain flat.*



This extraordinary achievement was made possible by the major permanent spending reductions already enacted by the city. Rather than rely on temporary, one-time reductions in debt or capital spending like many other cities, the city of Minnetonka reduced the growth in operating costs on an ongoing basis.

Public safety continues as highest priority

Nearly one-half of the city's operating budget continues to be dedicated to public safety programs and services, consistently the highest priority of Minnetonka's residents.

<u>GF Spending (000s)</u>	<u>2010</u>	<u>2011</u>	<u>Change</u>
Public Safety	\$12,084	\$12,380	2.4%
Streets & Utilities	5,276	5,071	(3.9%)
Parks, Rec & Environ	5,064	5,174	2.2%
Development	2,285	2,376	4.0%
All Other	2,854	2,889	1.2%
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Total General Fund	\$27,563	\$27,891	1.2%

Public Safety. With last year's permanent budget restructuring, police and fire staffing was reduced by a combined 3.5 full-time equivalent (FTE) positions. The 2011 budget reflects market improvements in the fire relief fund, which reduced the state's funding mandate. Most significantly, the 2011 budget begins to phase in, over three years, a *new capital fund to replace essential, but costly, fire trucks and equipment*. These recurring needs will be funded by a 1.2 percent levy increase in 2011, with another smaller increase in 2013. The new levy will fund more than \$2 million of replacement pumper and ladder trucks over the next five years, which will significantly lower rising maintenance costs of the aging equipment. Funding this equipment on a pay-as-you-go basis also avoids interest borrowing expenses that would double costs over time.

Streets & Utilities. Staffing levels in engineering and public works were permanently reduced by 1.3 FTE last year with budget restructuring. The drop in 2011 budgeted spending reflects the use of carry forward balances for the ongoing road revitalization plan, and transfer of IT system costs to community development. A new 169/Bren Road Interchange Fund is established to consolidate the complex financing arrangements of this project. All resources and expenditures will be tracked through this new fund to ensure transparency and accountability.

Parks, Recreation & Environment. With staffing permanently cut by one-half FTE, the use of ICWC crews will continue to be a cost-effective method for managing growing park and trail maintenance costs. Reorganization of the recreation services department resulted in a reduction of nearly three FTEs. Consistent with the department's recently completed strategic plan and the city's comp plan, staff continues to develop new self-supporting programs to provide services and facilities that appeal to a greater spectrum of Minnetonka's population, especially younger age groups.

Development. Reflecting the economic downturn in the construction industry, development-related staffing was reduced by nearly seven FTEs last year, and shared service contracts with other cities are now being used to manage workloads. Increases in the 2011 budget are primarily related to the transfer of IT costs from Engineering to Assessing. No change is recommended in the Housing and Redevelopment Authority (HRA) levy for 2011 - the levy will remain at \$175,000 to support goals of the city's adopted comp plan and to sustain the community's housing stock. With updated TIF estimates, the 0.5 percent preliminary levy for pooling is no longer necessary.

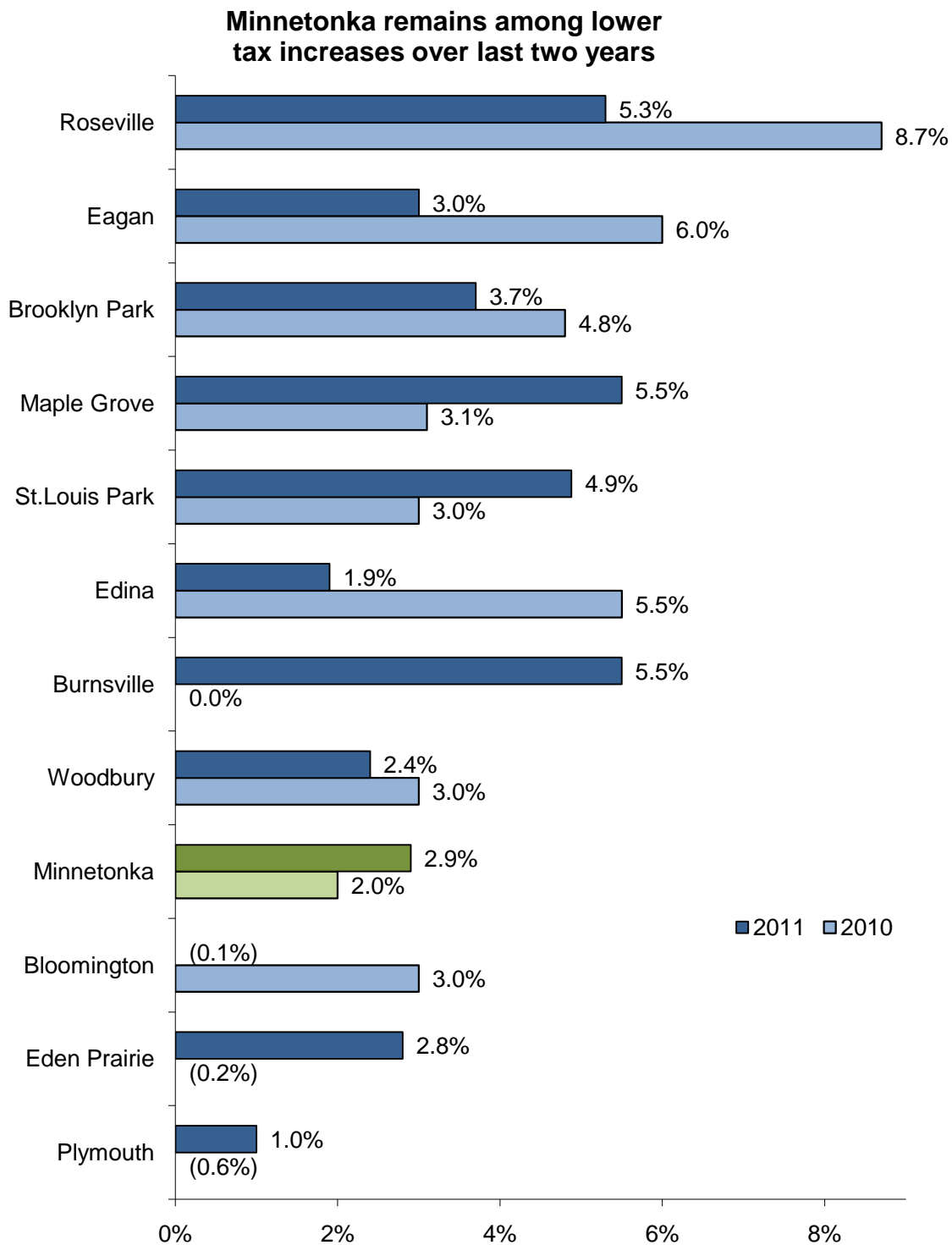
All Other. The 2011 budget continues to expand the use of technology for both productivity savings and public service improvements. Examples include: expanded on-line access, registration, and payment services, and digitized property data files that will be shared among community development, planning, engineering, inspections, public works, assessing and fire operations. Other than technology investments, all other general government operations are generally held constant.

Preliminary levy reduced from 3.4% to 2.9%

The tax increase of 1.1 percent for general operations remains *substantially below the average of recent years, and is less than the current rate of inflation*. With a 1.2 percent increase for the new dedicated fire apparatus fund and a modest increase for streets, equipment and parks capital needs, the total recommended preliminary city tax levy is 2.9 percent higher than last year. This final levy represents a *reduction* from the 3.4 percent preliminary levy set in September.

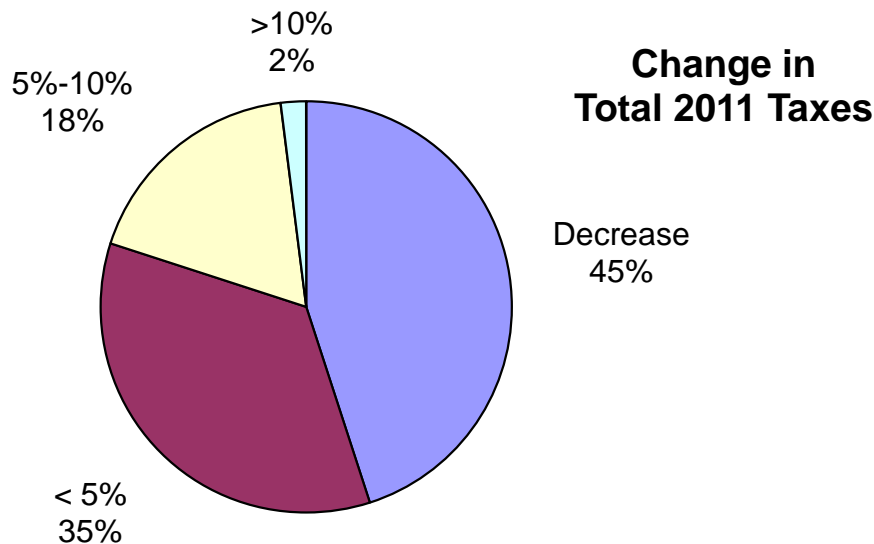
Property Taxes (thousands)	2010	2011	Change
Operating Budget		\$21,013	1.1%
Public Safety Fire Apparatus Fund		350	1.2%
Regular Capital (roads, equip)		7,192	0.7%
Park Bond Referendum		1,186	
State MVHC		525	-0.1%
Total City Levy	\$29,410	\$30,266	2.9%

As has been the case in past years, the Minnetonka's tax increase remains among the lower of the tax increases being considered by comparable cities in the metro area.



Homeowner taxes. Various factors affect the total property taxes paid by individual homeowners, including changes in market value, state law, and city, county and school district budgets. Nonetheless, the 2011 property tax revenue increase of 2.9 percent for all city services would translate into an annual increase of \$26, or 2.6 percent, for the average Minnetonka homeowner of a \$292,800 home. A commercial property worth one million dollars would pay \$302 more in 2011 for city services.

The city of Minnetonka only accounts for about one-fourth of a homeowner's total property tax bill, with the remainder comprised of taxes levied by school districts (30 percent), Hennepin County (35 percent) and other taxing jurisdictions (8 percent). Close to one-half of all Minnetonka homeowners will see a decrease in their 2011 total property tax levies from all local taxing jurisdictions, and more than one-third will experience increases of less than five percent.



Summary

Responsible long-term financial planning continues to position the city of Minnetonka to deal with the uncertainties of the economic recovery and state budget actions. The significant management restructuring enacted by the city last year has permanently reduced operating costs, and is allowing the operating budget for basic city services to remain flat over two years. Public safety remains the highest budget priority, with nearly one-half of the city's operating budget dedicated to police and fire services.

Property taxes to support the 2011 operating budget only increase 1.1 percent over last year, less than current inflation. With 1.2 percent for a new dedicated fire apparatus fund and a modest 0.6 percent increase for other capital road and equipment projects, the total city tax levy is 2.9 percent higher than last year. This increase remains among the lower of comparable cities, and is a reduction from the 3.4 percent preliminary levy set in September. This translates into a \$26 increase for the average homeowner. Nearly one-half of all Minnetonka homeowners will see a decrease in their total levies, and more than one-third will experience increases of less than five percent.

As always, the city of Minnetonka will continue to provide the excellent services our residents and businesses have come to expect, and at a reasonable price, both in 2011 and well into the future.

Discussion question: Does council concur with the recommended total city levy of \$30,265,921 for 2011?

Originated by:

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Geraldyn Barone, Assistant City Manager
Merrill King, Finance Director

City of
minnetonka

2011 Budget

Preliminary

Minnetonka, Minnesota

City Council:

Terry Schneider, Mayor
Dick Allendorf, Councilmember At Large
Bob Ellingson, Councilmember Ward 1
James Hiller, Councilmember Ward 4
Amber Greves, Councilmember at Large
Tony Wagner, Councilmember Ward 2
Brad Wiersum, Councilmember Ward 3

Staff:

John Gunyou, City Manager
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Lee Gustafson, City Engineer
Dave Johnson, Recreation Services Director
Desyl Peterson, City Attorney
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Brian Wagstrom, Public Works Director
Joe Wallin, Fire Chief
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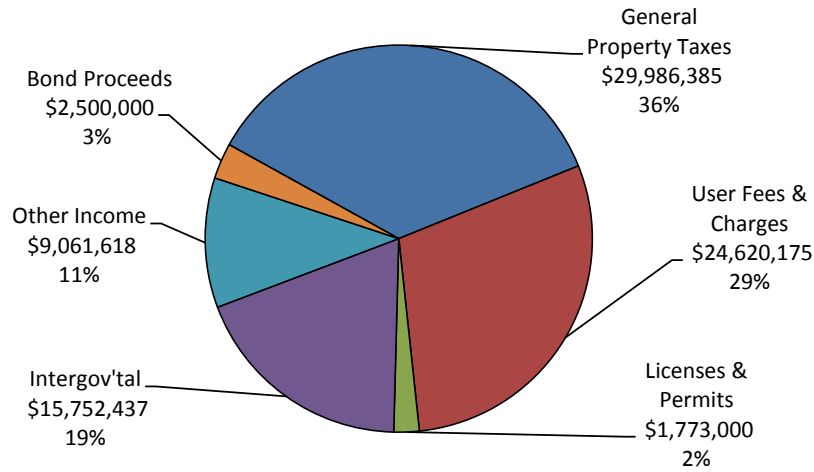
CONSOLIDATED BUDGETS SUMMARY - ALL FUNDS

	2010 Revised	2011 Budget
<u>Revenue</u>		
General Property Taxes	\$ 28,819,754	\$ 29,986,385
User Fees & Charges	20,100,625	24,620,175
Licenses and Permits	2,123,100	1,773,000
Intergov'tal Revenue	4,880,089	15,752,437
Other Income	2,929,623	9,061,618
Other Sources - Bond Proceeds	-	2,500,000
Total Revenue	\$ 58,853,191	\$ 83,693,615
<u>Expenditures</u>		
By Program:		
Public Safety	\$ 12,065,550	\$ 12,440,800
Streets & Utilities	25,143,964	26,697,014
Parks & Environment	5,755,447	5,778,396
Recreation	8,132,605	5,918,600
Development	3,750,507	19,948,709
General Government	4,313,500	4,518,400
Total Expenditures by Program	\$ 59,161,573	\$ 75,301,919
By Category:		
Personnel	\$ 22,941,907	\$ 23,762,400
Supplies	3,537,316	3,397,350
Services & Charges	17,722,943	17,684,263
Capital Outlay	12,514,460	27,961,100
Debt Service	2,494,771	2,496,806
Total Expenditures by Category	\$ 59,211,397	\$ 75,301,919

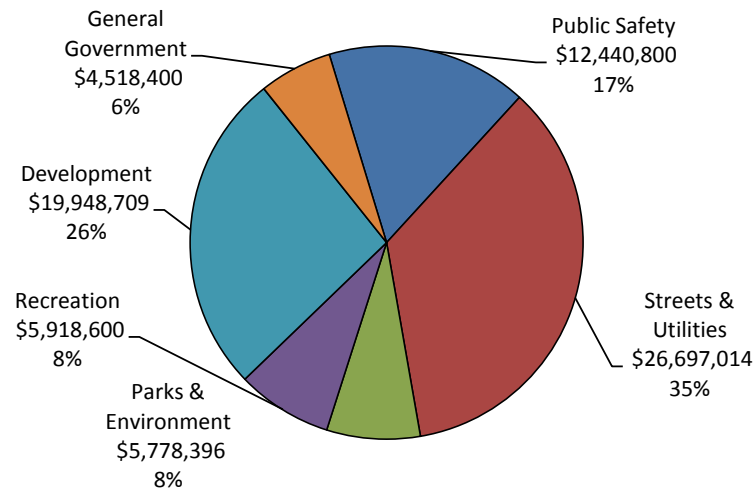
Note: Internal service fund budgets are accounted for twice in this summary to better reflect costs by program and category. They appear once from the internal service fund and once from the respective fund incurring the charge for service.

2011 CONSOLIDATED BUDGETS - ALL FUNDS

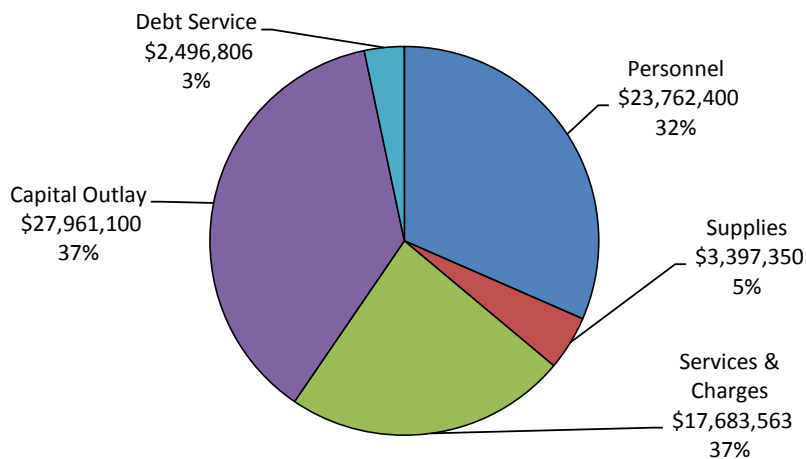
Revenue



Expenditures by Program



Expenditures by Category



GENERAL FUND REVENUES & EXPENDITURES

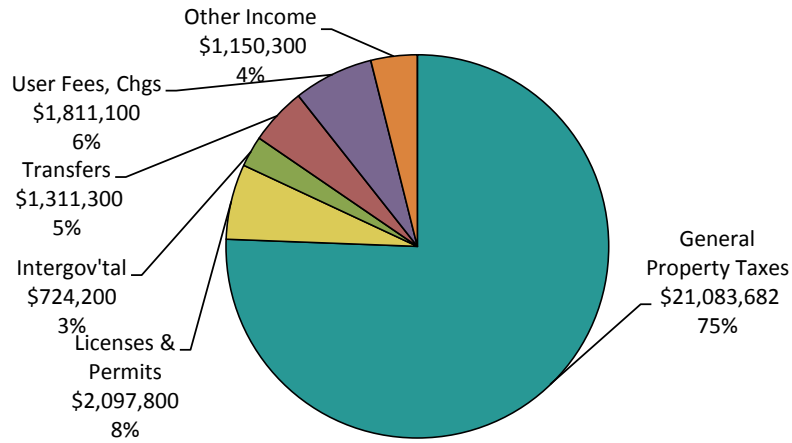
	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Revenues					
General Property Taxes	\$ 18,554,815	\$ 19,908,422	\$ 20,468,100	\$ 20,468,100	\$ 21,083,682
Licenses & Permits	2,574,865	1,876,184	2,097,800	2,123,100	1,773,000
Intergovernmental Revenue	1,033,573	776,757	724,200	724,200	724,200
Transfers	1,213,600	1,896,800	1,311,300	1,311,300	1,340,700
User Fees & Charges	1,675,185	1,650,962	1,811,100	1,764,000	1,877,200
Other Income	1,802,111	1,190,093	1,150,300	1,107,400	1,091,818
Total Revenues	\$ 26,854,149	\$ 27,299,218	\$ 27,562,800	\$ 27,498,100	\$ 27,890,600
Expenditures					
Police	\$ 8,108,751	\$ 8,184,388	\$ 8,586,900	\$ 8,547,400	\$ 8,193,200
Dispatch	-	-	-	-	779,200
Fire	1,585,041	1,889,424	2,391,700	2,336,000	2,294,600
Environmental Health	305,603	316,441	344,900	342,250	347,300
Legal	682,380	699,574	760,800	717,900	765,800
<i>Subtotal, Public Safety</i>	<i>\$ 10,681,775</i>	<i>\$ 11,089,827</i>	<i>\$ 12,084,300</i>	<i>\$ 11,943,550</i>	<i>\$ 12,380,100</i>
Engineering	1,204,126	1,148,439	1,153,000	1,136,707	1,126,800
Street Maintenance	3,111,363	2,884,708	3,147,400	3,135,150	2,924,000
Building Maintenance	939,411	783,659	975,200	951,800	1,020,400
<i>Subtotal, Streets & Utilities</i>	<i>\$ 5,254,900</i>	<i>\$ 4,816,806</i>	<i>\$ 5,275,600</i>	<i>\$ 5,223,657</i>	<i>\$ 5,071,200</i>
Parks & Trails	1,302,245	1,289,225	1,335,500	1,335,500	1,373,100
Natural Resources	805,866	805,288	1,008,600	1,019,600	1,051,000
<i>Subtotal, Parks & Environment</i>	<i>\$ 2,108,111</i>	<i>\$ 2,094,513</i>	<i>\$ 2,344,100</i>	<i>\$ 2,355,100</i>	<i>\$ 2,424,100</i>
Joint Recreation	1,301,238	1,360,894	1,328,300	1,312,500	1,344,700
Minnetonka Recreation	418,543	406,477	532,100	523,000	541,100
Senior Services	276,004	291,371	335,100	322,300	342,900
Community Center	549,295	540,001	524,500	523,200	521,500
<i>Subtotal, Recreation</i>	<i>\$ 2,545,080</i>	<i>\$ 2,598,743</i>	<i>\$ 2,720,000</i>	<i>\$ 2,681,000</i>	<i>\$ 2,750,200</i>
Community Development	1,401,833	1,258,145	1,138,000	1,119,441	1,169,800
Planning	541,519	526,155	549,500	548,800	572,400
Assessing	661,693	675,017	597,800	597,800	634,100
<i>Subtotal, Development</i>	<i>\$ 2,605,045</i>	<i>\$ 2,459,317</i>	<i>\$ 2,285,300</i>	<i>\$ 2,266,041</i>	<i>\$ 2,376,300</i>
Mayor & City Council	247,916	180,949	217,000	213,000	218,200
General Administration	1,113,471	1,094,137	1,233,000	1,208,300	1,257,800
Information Technology	549,052	554,195	624,800	620,200	645,700
Finance	656,621	674,737	703,700	702,700	717,000
<i>Subtotal, General Government</i>	<i>\$ 2,567,060</i>	<i>\$ 2,504,018</i>	<i>\$ 2,778,500</i>	<i>\$ 2,744,200</i>	<i>\$ 2,838,700</i>
Contingency	\$ -	\$ -	\$ 75,000	\$ 50,000	\$ 50,000
Total Expenditures	\$ 25,761,971	\$ 25,563,224	\$ 27,562,800	\$ 27,263,548	\$ 27,890,600
Surplus of Revenues over Expenditures	1,092,178	1,735,994	-	234,552	-
Transfer to Capital Replacement Fund	-	(1,265,000)	(500,000)	(850,000)	(100,000)
Transfer to Gray's Bay Marina	(44,600)	-	-	-	-
Beginning Fund Balance	11,745,115	12,792,693	13,263,687	13,263,687	12,648,239
Ending Fund Balance	\$ 12,792,693	\$ 13,263,687	\$ 12,763,687	\$ 12,648,239	\$ 12,548,240
Reserved for					
Fire Relief	\$ 352,000	\$ 377,000	\$ 377,000	\$ 332,000	\$ 332,000
Other	173,579	171,795	140,000	170,000	170,000
Unreserved					
Designated for Compensated Absences	959,224	963,113	941,679	970,000	975,000
Designated for Other	23,134	25,185	370,000	370,000	20,000
Undesignated	11,284,756	11,726,594	10,935,008	10,806,239	11,051,240
Ending Fund Balance	\$ 12,792,693	\$ 13,263,687	\$ 12,763,687	\$ 12,648,239	\$ 12,548,240

GENERAL FUND REVENUE

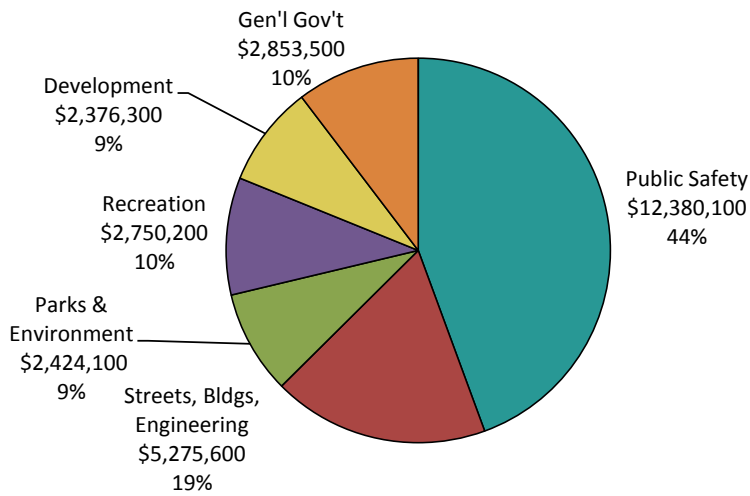
	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
General Property Taxes					
Ad Valorem Tax Levy	\$ 18,775,641	\$ 19,914,760	\$ 20,698,100	\$ 20,698,100	\$ 21,013,682
Abatements & Cancellations	(235,420)	(29,460)	(250,000)	(250,000)	(250,000)
Other, incl. Tax Forfeit Sale Revenue	1,942	245	-	-	300,000
Penalties & Interest	12,652	22,877	20,000	20,000	20,000
<i>Subtotal, General Property Taxes</i>	\$ 18,554,815	\$ 19,908,422	\$ 20,468,100	\$ 20,468,100	\$ 21,083,682
Licenses & Permits					
Building Permits	\$ 1,373,220	\$ 811,610	\$ 1,000,000	\$ 1,100,000	\$ 750,000
Plumbing Permits	145,294	109,040	125,000	127,000	100,000
Electrical Permits	239,867	173,805	200,000	180,000	170,000
Heating Permits	312,801	269,807	225,000	210,000	235,000
On Sale Liquor Licenses	217,968	213,867	220,000	196,000	200,000
Food Handlers Licenses	142,220	178,228	175,000	160,100	168,000
All Other Licenses & Permits	143,495	119,827	152,800	150,000	150,000
<i>Subtotal, Licenses & Permits</i>	\$ 2,574,865	\$ 1,876,184	\$ 2,097,800	\$ 2,123,100	\$ 1,773,000
Intergovernmental Revenue					
Public Safety State Aid	\$ 657,088	\$ 636,790	\$ 610,500	\$ 610,500	\$ 610,500
MSA Maintenance	71,220	71,220	71,200	71,200	71,200
State MVHC Payment	240,149	2,912	-	-	-
Other Grants/Aid	65,116	65,835	42,500	42,500	42,500
<i>Subtotal, Intergovernmental Revenue</i>	\$ 1,033,573	\$ 776,757	\$ 724,200	\$ 724,200	\$ 724,200
Transfers					
Transfer From Utility Fund	\$ 740,100	\$ 863,400	\$ 794,700	\$ 794,700	\$ 818,600
Transfer From Capital Replacement Fund	-	335,000	-	-	-
Transfer From Park Dedication Fund	-	190,000	-	-	-
Transfer From Spec. Assess. Fund	31,200	32,600	33,500	33,500	34,600
Transfer From Ice Arena Fund	25,600	26,800	27,600	27,600	28,500
Transfer From Cable TV Fund	25,600	26,800	27,600	27,600	28,500
Transfer From Development Fund	47,600	52,400	45,600	45,600	55,300
Transfer From Environmental Fund	163,800	187,740	192,500	192,500	198,300
Transfer From Williston Center	25,600	26,800	27,600	27,600	28,500
Transfer From Gray's Bay Marina	26,700	27,900	28,700	28,700	19,600
Transfer From Storm Water Fund	127,400	127,360	133,500	133,500	128,800
<i>Subtotal, Transfers</i>	\$ 1,213,600	\$ 1,896,800	\$ 1,311,300	\$ 1,311,300	\$ 1,340,700
User Fees & Charges					
Recreation Receipts	1,051,260	1,084,398	1,200,000	1,150,000	1,230,000
Community Center Rental	77,510	75,151	90,000	90,000	90,000
School Liaison Reimbursement	317,210	277,635	302,100	298,400	306,400
Tower Antenna Rental	229,205	213,778	219,000	225,600	250,800
<i>Subtotal, User Fees & Charges</i>	\$ 1,675,185	\$ 1,650,962	\$ 1,811,100	\$ 1,764,000	\$ 1,877,200
Other Income					
Court Fines	\$ 541,961	\$ 539,920	\$ 485,400	\$ 540,000	\$ 540,000
Investment Income	646,651	593,995	382,500	285,000	285,000
Miscellaneous Income	316,650	285,393	282,400	282,400	266,818
Change in Value of Investments	296,849	(229,215)	-	-	-
<i>Subtotal, Other Income</i>	\$ 1,802,111	\$ 1,190,093	\$ 1,150,300	\$ 1,107,400	\$ 1,091,818
TOTAL REVENUES	\$ 26,854,149	\$ 27,299,218	\$ 27,562,800	\$ 27,498,100	\$ 27,890,600

2011 General Fund OPERATING REVENUES & EXPENDITURES

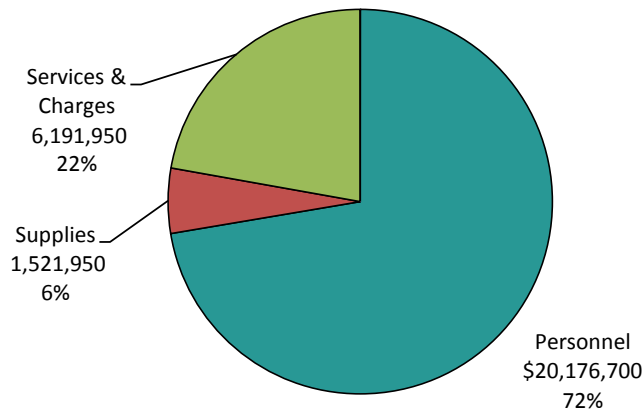
Revenues



Expenditures by Program



Expenditures by Category



TAX LEVIES

Tax Base	2009	2010	2011	
Real Estate	\$ 105,491,866	\$ 102,417,189	\$ 97,471,968	Estimate
Personal Property	621,716	620,891	644,196	Estimate
Fiscal Disparities Contribution	(13,214,472)	(13,913,123)	(13,809,178)	Estimate
Fiscal Disparities Distribution	4,826,598	4,989,253	4,696,084	Estimate
Tax Increment	(1,720,058)	(1,692,012)	(1,691,878)	Estimate
Total Tax Capacity	\$ 96,005,650	\$ 92,422,198	\$ 87,311,192	Estimate
Taxable Market Value	\$ 8,535,925,200	\$ 8,250,723,800	\$ 7,835,954,300	Estimate
City Tax Levy				
General Fund	\$ 20,401,268	\$ 20,698,100	\$ 21,013,682	
Street Improvement Fund	5,000,000	5,200,000	5,400,000	
Capital Replacement Fund	1,325,000	1,179,658	1,307,100	
Park Dedication Fund	330,000	260,000	110,000	
Technology Development Fund	600,000	360,000	375,000	
Fire Apparatus Fund	-	-	350,000	
State MVC Program Levy		535,342	524,536	
Tax Capacity Tax Levy	\$ 27,656,268	\$ 28,233,100	\$ 29,080,318	
Market Value Tax Levy (Park Bonds)	1,179,175	1,176,996	1,185,603	
Total Tax Levy	\$ 28,835,443	\$ 29,410,096	\$ 30,265,921	
City Tax Rate				
General Fund	21.250	22.395	24.068	Estimate
Street Improvement Fund	5.208	5.626	6.185	Estimate
Capital Replacement Fund	1.380	1.276	1.497	Estimate
Park Dedication Fund	0.344	0.281	0.126	Estimate
Technology Development Fund	0.625	0.390	0.429	Estimate
Fire Apparatus Fund			0.401	Estimate
State MVC Program Levy		0.579	0.601	
Total City Tax Capacity Tax Rate	28.807	30.548	33.307	Estimate
Total Market Value Tax Rate	0.000138	0.000143	0.000151	Estimate
HRA Tax Levy				
HRA Tax Capacity Tax Rate	\$ 100,000	\$ 175,000	\$ 175,000	
	0.104	0.189	0.200	Estimate
HRA Tax Levy % of Market Value	0.001172%	0.002121%	0.002233%	

POLICE DEPARTMENT

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 7,027,361	\$ 7,220,376	\$ 7,356,900	\$7,356,900	\$6,935,700
Supplies	306,233	262,245	403,800	389,000	397,900
Other Services & Charges	759,017	723,032	841,200	853,500	889,600
Capital Outlay	26,140	15,861	25,000	70,000	30,000
Totals	\$ 8,118,751	\$ 8,221,514	\$ 8,626,900	\$ 8,669,400	\$ 8,253,200

Method of Financing

General Fund	\$ 8,108,751	\$ 8,184,388	\$ 8,586,900	\$ 8,547,400	\$ 8,193,200
Drug and DWI Forfeiture Funds	10,000	37,126	40,000	122,000	60,000
Totals	\$ 8,118,751	\$ 8,221,514	\$ 8,626,900	\$ 8,669,400	\$ 8,253,200

Number of Employees (FTEs)* 78.35 76.35 75.35 75.35 66.35

* Nine FTEs for the Dispatch Division are included within a separate budget page beginning 2011.

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Community survey satisfaction	92%	96%	95%	95%
Calls for service	43,532	44,305	43,300	43,500
Criminal offenses - Part I & II	2,521	2,372	2,250	2,250
Citations (Criminal/Juvenile)	484	454	570	560
Emergency calls (medicals, alarms)	7,402	5,892	5,350	5,500
Traffic Response	19,595	20,659	19,300	19,500

Budget Comments/Issues:

The 2011 Police Department budget maintains current level of services.

- The Dispatch Division budget is separated from the general Police Department's budget beginning in 2011 to enhance information as recommended by a public safety services study completed in 2010.
- Staff projects calls for police service in 2011 will remain consistent with 2010, while the incidence of the crimes of forgery, identity theft and financial transaction crimes will continue to increase from previous years.
- The department will continue to prioritize traffic education/enforcement with a focus on speed, seatbelt, red-light violations and distracted drivers in 2011. As a result of these efforts in past years, the department has experienced a decline in citizen complaints regarding neighborhood speeding.
- Implementation of the new Motorola Premier One records system in 2010 and 2011 will enhance the operating efficiency of both the records and patrol divisions and provide increased reporting capabilities. The system is financed within the 2011-15 Capital Improvements Program by the Technology Development Fund.
- 2011 expenditures from DWI and drug forfeiture funds include supplemental DWI enforcement, mounts for new squad car computers and equipment not otherwise supported by the General Fund.
- A 2009 reduction from six to four school liaison officers has had minimal impact on patrol operations and school response.

POLICE DISPATCH DIVISION - Police Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ -	\$ -	\$ -	\$ -	\$ 757,800
Supplies	-	-	-	-	6,700
Other Services & Charges	-	-	-	-	14,700
Totals	\$ -	\$ -	\$ -	\$ -	\$ 779,200

Method of Financing

General Fund	\$ -	\$ -	\$ -	\$ -	\$ 779,200
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Number of Employees (FTEs) * * * * 9.00

* FTEs included within total PD budget prior to 2011. No change in numbers over the period.

Description of Services:

The City of Minnetonka's Public Safety Answering Point (PSAP) provides a vital communication link between the community and their public safety first responders.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Non-Emergency Phone Calls	47,268	43,806	42,400	43,000
9-1-1 Phone Calls	19,521	19,290	20,100	19,400
9-1-1 calls answered w/in 10 seconds			95%	95%
Resident dispatch customers satisfied with PSAP services			93%	93%

Budget Comments/Issues:

The Dispatch Division budget is separated from the general Police Department's budget in 2011 to enhance information as recommended by a public safety services study completed in 2010. Budgeted costs of the division in 2011 maintain current level services.

- Improved technology is a key factor for services of the division. The division began implementation of a new PSAP phone system in 2010 to be completed in 2011, which will position the center for digital demands such as text, photos and video. Additionally, the division will implement the new Motorola Premier One Computer Aided Dispatch (CAD) software in 2011 to improve PSAP efficiencies, increase officer safety, and enhance fire and police reporting.
- Approximately \$74,000 annually in additional operating and capital funding support for the division is provided through state funded 9-1-1 surcharges to cell phone and wire line users. These costs are budgeted in the Grants Special Revenue Fund of which a portion is used to finance 9-1-1 maintenance costs, including dispatching equipment, training and costs not supported by other city funds. Balances in the fund were recently used to purchase the technology previously noted.
- Recent changes in the delivery structure of the city's fire services, including implementation of the box alarm system and duty crews, have impacted the workload of the dispatch division. As recommended by the public safety services study completed in 2010, the fire and police departments are jointly developing protocols, which will address the issue.

FIRE DEPARTMENT

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 916,487	\$ 1,206,822	\$ 1,338,800	\$ 1,218,300	\$ 1,352,100
Supplies	171,723	139,580	168,300	172,300	164,800
Other Services & Charges	490,061	543,022	884,600	945,400	777,700
Capital Outlay	6,770	-	-	-	-
Totals	\$ 1,585,041	\$ 1,889,424	\$ 2,391,700	\$ 2,336,000	\$ 2,294,600

Method of Financing

General Fund	\$ 1,585,041	\$ 1,889,424	\$ 2,391,700	\$ 2,336,000	\$ 2,294,600
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Number of Employees (FTEs)	7.0	6.5	6.5	6.5	6.5
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimate	2011 Projected
Average response time to structure fires (minutes)	8.25	6.26	6.42	6.30
Paid-on-call firefighters	75	71	78	80
Total fire calls, excluding medicals	474	768	792	790
False alarms	186	207	200	200
Medical calls	78	1,509	690	750
Firefighter calls outs	566	294	300	250
Non-Duty crew training hours	15,029	12,527	7,337	7,000

Budget Comments/Issues:

During 2011, the Fire Department will evaluate and begin implementation of some of the recommendations of a long term public safety services study completed in 2010.

- The 2011 budget includes six months of funding for two additional persons on the paid-on-call duty crew to bring the total per shift to five. The addition of these two firefighters would among other things, improve response times, enable the force to respond to simultaneous calls, and allow interior rescues from fires.
- The 2010 revised budget and 2011 projected budget includes an additional \$33,000 annually to cover increased costs for large equipment repairs. Staff anticipates these costs will diminish as the city purchases replacement equipment with the new Fire Apparatus Fund scheduled as part of the 2011-15 Capital Improvements Program (CIP).
- A joint task force of firefighters and city staff continues its work with consultants to ensure the administrative and fiscal sustainability of the pension program for the city's firefighters. Costs for the consultation (\$45,000) are financed with monies from the city's reserved fund balance for fire relief and recognized above in 2010 services expenditures. Recommendations of the group will likely have long term fiscal consequences.

FIRE APPARATUS FUND - Fire Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Ad Valorem Tax Levy	\$ -	\$ -	\$ -	\$ -	\$ 350,000
Investment Income	-	-	-	-	5,000
Totals	\$ -	\$ -	\$ -	\$ -	\$ 355,000
Expenditures by Category					
Pumper Truck Replacement	\$ -	\$ -	\$ -	\$ -	-
Ladder Truck Program	-	-	-	-	-
Fire JPA SCBA Program	-	-	-	-	-
Totals	\$ -	\$ -	\$ -	\$ -	-
Surplus (Deficiency) of Revenues over (under) Expenditures	-	-	-	-	355,000
<i>Beginning Fund Balance</i>	-	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 355,000

Description of Services:

The Fire Apparatus Fund was created to finance the recurring, essential replacement of costly fire vehicles and equipment on a timely basis. Based out of five fire stations, the city maintains the following fire apparatus: 8 engines, 5 ladders, 2 grass rigs, 2 utility units, and a mobile air support truck. Other high-cost equipment to be supported by this fund include fire fighting, self-contained breathing apparatus (SCBA).

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Average age of pumper trucks	13.00	14.00	12.00	13.00
Average age of ladder trucks	30	25	26	27

Budget Comments/Issues:

2011 is the first year of the Fire Apparatus Fund. Purchases are not scheduled under the adopted Capital Replacement Fund (CIP) until 2012.

- The adopted 2011-15 CIP directs the purchase of one ladder truck in 2012. It will replace a current ladder truck that is 33 years old, for which maintenance has become expensive due in part to the difficulty in finding parts.
- The number of apparatus owned and maintained by the department is evaluated annually as partnerships with the neighboring communities develop and expand.

ENVIRONMENTAL HEALTH DIVISION - Community Development Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 296,807	\$ 306,138	\$ 328,400	\$ 328,400	\$ 331,800
Supplies	3,007	4,142	8,200	6,150	7,200
Other Services & Charges	4,884	6,161	8,300	7,700	8,300
Capital Outlay	905	-	-	-	-
Totals	\$ 305,603	\$ 316,441	\$ 344,900	\$ 342,250	\$ 347,300

Method of Financing

General Fund	\$ 305,603	\$ 316,441	\$ 344,900	\$ 342,250	\$ 347,300
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Number of Employees (FTEs)	3.4	3.4	3.4	3.4	3.4
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Licensed establishments	721	721	730	735
Nuisance complaints	473	602	550	550
Plans reviewed within 10 days	88%	88%	90%	90%
Significant public health complaints responded to within 2 days	88%	100%	95%	95%
Significant nuisance complaints responded to within 5 days	100%	100%	100%	100%

Budget Comments/Issues:

The 2011 budget for the Environmental Health Division provides for current level services.

- As in previous years, the city will increase its fees for licensing establishments under the division's jurisdiction to generate an additional \$8,500 annually in forecasted revenue.
- Provision of contracted services for the City of Wayzata is budgeted to continue in 2011, and fees charged for the service cover their actual costs. Shared inspection and plan review continues under a joint arrangement with the City of St. Louis Park.

LEGAL DEPARTMENT

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 620,026	\$ 642,612	\$ 668,900	\$ 657,900	\$ 674,100
Supplies	4,691	5,037	8,000	6,000	8,000
Other Services & Charges	56,248	101,175	83,900	54,000	83,700
Capital Outlay	1,415	-	-	-	700
Totals	\$ 682,380	\$ 748,824	\$ 760,800	\$ 717,900	\$ 766,500
Method of Financing					
General Fund	\$ 682,380	\$ 699,574	\$ 760,800	\$ 717,900	\$ 765,800
Drug and DWI Forfeiture Funds	-	49,250	-	-	700
Totals	\$ 682,380	\$ 748,824	\$ 760,800	\$ 717,900	\$ 766,800
Number of Employees (FTEs)	6.00	6.00	6.00	6.00	6.00

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Minnetonka cases in court				
All cases	1,613	1,540	1,550	1,550
DWI cases	333	286	300	300
Cases opened and processed by staff:	1,008	959	975	975
Customers rating staff at "above average" or "excellent"	87%	93%	87%	87%
Charter Commission rating staff at "above average" or "excellent"	100%	100%	95%	95%

Budget Comments/Issues:

The 2011 budget for the Legal Department provides funding for current level services.

ENGINEERING DEPARTMENT

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 1,076,655	\$ 1,014,753	\$ 1,019,900	\$ 1,004,107	\$ 999,700
Supplies	17,712	14,295	21,400	21,400	22,000
Other Services & Charges	109,759	119,391	111,700	111,200	105,100
Capital Outlay	-	-	-	-	-
Totals	\$ 1,204,126	\$ 1,148,439	\$ 1,153,000	\$ 1,136,707	\$ 1,126,800

Method of Financing

General Fund	\$ 1,204,126	\$ 1,148,439	\$ 1,153,000	\$ 1,136,707	\$ 1,126,800
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Number of Employees (FTEs)	10.78	10.25	10.00	9.75	9.75
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Neighborhood meetings held	11	7	6	8
Project newsletters sent out	1,660	3,073	1,700	1,700
Property acquisitions for construction projects	16	60	50	40
Construction projects underway	14	13	14	11
Construction projects completed	13	11	13	12
Customer service surveys sent out	210	322	163	200
Customers satisfied with project (rated as "average" or greater)	79%	83%	79%	79%

Budget Comments/Issues:

The 2011 budget for the Engineering Department provides funding for current level services.

- In 2011, the department will begin the second cycle of a four-year program to survey sections of the city for speeding compliance. The results will assist the Police Department with its enhanced traffic enforcement program. The 2007 and 2010 program includes taking speed counts at all state aid traffic count locations, which are done every four years. The counts for 2008 and 2009 are based on requests from the Police Department and concerned residents.
- The city's reorganization and repositioning in 2009/2010 resulted in the elimination of one engineering technician position for the department in August of 2009, and an hour reduction in an engineering technician position from 40 hours to 30 hours, and a clerical position from 30 hours to 20 hours, effective mid-year 2010.
- The newsletter, property acquisition, and customer surveys sent counts are significantly higher in 2009 due to the Dominick Drive and Sherwood Forest reconstruction projects.

STREET IMPROVEMENT FUND - Engineering Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Ad Valorem Tax Levy	\$ 5,000,000	\$ 5,000,000	\$ 5,200,000	\$ 5,200,000	\$ 5,400,000
Investment Income	21,461	6,688	-	-	10,000
Cost-Share Reimbursements	45,230	-	-	683,650	-
R.O.W. Permit Fees	-	-	500	-	500
Transfers In	31,606	-	-	135,000	-
Totals	\$ 5,098,297	\$ 5,006,688	\$ 5,200,500	\$ 6,018,650	\$ 5,410,500
Expenditures					
Local Street Rehabilitation	\$ 3,229,990	\$ 6,798,258	\$ 2,100,000	\$ 2,100,000	\$ 3,000,000
Thin Overlay Program	1,019,721	1,048,207	920,000	920,000	970,000
Local Street Maintenance	110,232	101,379	230,000	230,000	235,000
Woodland Road Retaining Wall	-	61,750	-	603,255	-
CSAH 73/I-394 Frontage Road	-	90,982	-	-	-
CSAH 101 Landscaping	-	23,093	-	-	-
Quiet Zone	-	8,650	-	-	-
Comprehensive Plan	60,000	-	-	-	-
Pavement Management Study	21,096	16,352	36,000	36,000	38,000
Totals	\$ 4,441,039	\$ 8,148,671	\$ 3,286,000	\$ 3,889,255	\$ 4,243,000
Surplus (Deficiency) of Revenues over (under) Expenditures	657,258	(3,141,983)	1,914,500	2,129,395	1,167,500
Reserve for Delayed Projects	-	-	-	492,000	-
Beginning Fund Balance	842,102	1,499,360	(1,642,623)	(1,642,623)	(5,228)
Ending Fund Balance	\$ 1,499,360	\$ (1,642,623)	\$ 271,877	\$ (5,228)	\$ 1,162,272

Description of Services:

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

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Miles of streets rehabilitated	2.9	4.3	1.9	1.9
Miles of streets thin overlay	12.0	13.9	12.9	10.3
Miles of streets rated for condition	70	65	60	80
Average pavement condition index	78	79	79	79

Budget Comments/Issues:

The 2011 budget for the Street Improvement Fund as provided in the Capital Improvement Program (CIP) will continue the city's road revitalization program, designed to overlay or reconstruct every local street over ten years.

- The road revitalization program began in 2005 with immediate implementation of thin overlay work. Larger reconstruction projects await full funding of the costs over two to three years, while thin overlay is ongoing. In 2009, the miles of streets rehabilitated are higher to reflect the larger reconstruction projects of Dominick Drive and Sherwood Forest.
- Projects are scheduled to coincide with county, state, and other city projects. Delayed projects above include final costs associated with Dominick Drive reconstruction, TH 7 North Frontage Road and Ridgewood Road reconstruction.
- Costs for the Woodland Road retaining wall project will exceed the currently approved budget, but the specific total costs are unknown at this time. Staff will recommend an amendment to the CIP when actual bids are obtained in 2011.
- Consistent with the city's capital improvements policy, the fund balance for the Street Improvement Fund is managed over a five-year horizon, and some years have higher costs while others have lower costs.
- The city's goal is to have the pavement condition index above 70 each year. Mileage rated from year to year is unequal, because the quarter sections reviewed annually are based upon natural boundaries, not equal mileage.
- A new right-of-way permitting system was partially implemented late in 2008, full implementation in 2009. In late 2010, the new system will include fees for right-of-way permits currently not required. Revenue collected will be deposited into the Street Improvement Fund to help fund road repairs and overlays related to deterioration caused by utility cuts.
- The 2009 thin overlay indicator is higher due to the need to overlay additional deteriorated streets. This work exceeded the capacity of the public works crews and was consequently completed by a private contractor.

MUNICIPAL STATE AID FUND - Engineering Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
State Allotment	\$ 1,566,865	\$ 1,694,036	\$ 1,694,037	\$ 1,694,037	\$ 1,694,037
Interest	3,503	15,034	-	-	-
Bond Proceeds	2,237,520	-	-	-	-
Hennepin County Reimbursement	-	-	-	290,000	-
Totals	\$ 3,807,888	\$ 1,709,070	\$ 1,694,037	\$ 1,984,037	\$ 1,694,037
Expenditures					
Bond Debt Service	\$ 56,054	\$ 81,556	\$ 312,388	\$ 312,388	\$ 235,888
Projects:					
CSAH 101, TH 7 to CSAH 5	-	-	-	-	-
Shady Oak Rd Landscaping	-	-	-	290,000	-
Shady Oak Rd (Bren To Excelsior)	4,298,703	1,556,629	-	-	405,500
Prior Years Project Transfers	107,970	-	-	-	-
Totals	\$ 4,462,727	\$ 1,638,185	\$ 312,388	\$ 602,388	\$ 641,388
Surplus (Deficiency) of Revenues over (under) Expenditures	(654,839)	70,885	1,381,649	1,381,649	1,052,649
Reserve for Delayed Projects	-	-	-	-	-
Beginning Available Allotment Balance	-	(654,839)	(583,954)	(583,954)	797,695
Remaining Available Allotment	\$ (654,839)	\$ (583,954)	\$ 797,695	\$ 797,695	\$ 1,850,344

Mission Statement:

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

Key Measures:

	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Construction projects underway	2	2	0	1
Construction projects completed	1	1	1	0

Budget Comments/Issues:

The 2011 budget for MSA funding continues the programmed support of county and state designated projects.

- The next major road reconstruction project scheduled to be financed with MSA funds is County Road 101 between CR 5 and CR12. The 2011-15 Capital Improvements Program includes a total of \$1 million for the project starting in 2012. Another \$2.8 million is scheduled in 2014 and 2015 for additional projects on other segments of County Road 101 and Shady Oak Road.

- In June 2008, the city issued State-Aid Street bonds to fund a portion of the first half of the costs for the Shady Oak (Bren-Excelsior) project. The debt service for these bonds will be financed over 15 years with the city's MSA allotment. \$700,000 in direct MSA financed the remainder of these first-half costs in 2008, leaving around \$800,000 of the city's 2008 allotment for other uses. Financing the remaining costs of this project will be paid from future allocations.

- In 2008, the state passed an increase in the fuels sales tax. However, the city's allocation of MSA funding provided by the increase will likely continue to be modest, because: (1) the number of cities becoming eligible to receive the funding continues to increase and thereby divide the revenue farther; and (2) the continued fluctuation in the price of fuel has materially decreased the total volume of fuel purchased in the state, thereby significantly offsetting the increased tax rate per gallon.

STORM WATER FUND - Engineering Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Storm Water Utility Charges	\$ 1,850,847	\$ 1,965,159	\$ 2,048,000	\$ 2,002,200	\$ 2,077,000
Intergovernmental	67,474	-	-	-	-
Investment Income	-	-	4,000	4,000	4,000
Misc. Revenue	2,500	2,500	2,500	2,500	2,500
Totals	\$ 1,920,821	\$ 1,967,659	\$ 2,054,500	\$ 2,008,700	\$ 2,083,500

Expenditures by Category

Personnel	\$ 64,968	\$ 27,062	\$ 68,800	\$ 76,300	\$ 75,200
Supplies	63,733	81,585	78,900	96,200	94,100
Other Services & Charges	102,639	84,879	112,500	116,100	136,700
Capital Outlay	981,074	1,619,544	1,263,000	1,252,900	1,076,000
Transfers to Other Funds	144,900	145,760	152,200	152,200	153,100
Totals	\$ 1,357,314	\$ 1,958,830	\$ 1,675,400	\$ 1,693,700	\$ 1,535,100

Surplus (Deficiency) of Revenues over Expenditures	\$ 563,507	\$ 8,829	\$ 379,100	\$ 315,000	\$ 548,400
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Number of Employees (FTEs)	0.5	0.5	0.5	0.5	0.5
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Description of Services

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Water quality samples taken	8	8	9	8
Storm sewer projects completed	4	4	3	4
Sump catch basins inspected	161	144	280	280
Storm sewer outfalls inspected	na	na	130	130
Drainage ponds inspected	na	na	38	40
Drainage ponds restored	1	1	1	1
Misc. drainage projects completed	25	34	25	25

Budget Comments/Issues:

The 2011 budget for the Storm Water Fund reflects funding for a baseline capital projects workload that follows the completion of a number of significant multi-year projects in 2009 and 2010 including the Dominick Drive and Sherwood Forest street reconstruction projects, and the Oak Lea Terrace/Drive storm sewer project.

- The 2011 budget for the Storm Water Fund includes a \$0.32 per month fee increase (6.25%) to cover funding pressures related to accelerated street reconstruction projects, unfunded mandates, and higher inflationary costs. There were no rate increases during 2010.

- The partial full-time equivalent employee is a portion of the salary for the assistant city engineer, which reflects an allocation of the position's workload associated with storm water related projects.

- Project scheduling is done to coincide with county, state, and other city projects including residential street reconstruction. High priority projects in the city's Water Resources Management Plan are scheduled as budget limits allow.

- The inspections of sump catch basins, outfalls and ponds are federally mandated by the city's National Pollution Discharge Elimination System (NPDES) permit. The inspection of outfalls and ponds were added as separated measures due to changes in the NPDES permit requirements. All inspections are performed by public works staff and engineering interns, and include inspecting all sump catch basins every year and 20% of the outfalls and ponds.

ELECTRIC FRANCHISE FEES SPECIAL REVENUE FUND - Engineering Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Electric Franchise Fees	\$ 801,447	\$ 798,645	\$ 802,000	\$ 802,000	\$ 802,000
County Cost-Share Agreements	521,400	-	-	413,413	
Investment Income	-	-	25,000	25,000	25,000
Totals	\$ 1,322,847	\$ 798,645	\$ 827,000	\$ 1,240,413	\$ 827,000
Expenditures by Category					
Overhead Utility Burial	\$ 1,003,496	\$ 304,374	\$ -	\$ -	
Misc. Street Light Installation	-	-	10,000	10,000	50,000
Totals	\$ 1,003,496	\$ 304,374	\$ 10,000	\$ 10,000	\$ 50,000
Surplus/(Deficiency) of Revenues over/(under) Expenditure	319,351	494,271	817,000	1,230,413	777,000
Reserve for Delayed Projects	-	-	-		
Beginning Fund Balance	(1,103,160)	(783,809)	(289,538)	(289,538)	\$ 940,875
Ending Fund Balance	\$ (783,809)	\$ (289,538)	\$ 527,462	\$ 940,875	\$ 1,717,875

Description of Services:

The 2003 City of Minnetonka Community Survey indicated that the residents of the city supported the burial of overhead utility lines on major streets. In 2005, the city adopted a franchise fee ordinance under which the city charges Xcel Energy a monthly fee per customer to support the project. Under the franchise agreement with Xcel, the total revenue collected may not exceed two percent of total annual adjusted gross revenues that the company receives from the sale of delivery or delivery of electric energy in Minnetonka. Fee revenue and costs associated with the project are financed through the Electric Franchise Fees Special Revenue Fund. The schedule for burying lines is developed and frequently updated to coincide with plans for upgrading major roads within the city.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Miles of Utility Line Buried	2.0	0.5	0.0	0.0

Budget Comments/Issues:

As approved with the adopted 2011-15 Capital Improvement Program, the 2011 budget for the Electric Franchise Fee Fund does not propose burying any overhead utility lines in anticipation of high cost projects in future years.

- Xcel Energy collects the fees monthly and submits the revenues to the city on a quarterly basis. The company then buries the lines for the city under contract and bills the city for these services.
- The 2010 budget includes receiving reimbursement for a joint project with Hennepin County to bury overhead lines and install decorative lights on CR101 including areas between Highway 7 and Minnetonka Boulevard. Hennepin County cost-share revenues were received in 2008 for the burial of lines on Shady Oak Road between Bren and CR3.
- Beginning 2008, the budget for the Electric Franchise Fee Fund included a \$0.50 per month fee increase to offset the escalating costs in materials used for burial projects and to balance the fund over a five-year horizon. There were no increases in 2009 and 2010, and none are proposed for 2011.
- The next burial project will likely occur in 2012 as a part of the upgrading of CR 101 from Minnetonka Boulevard to TH 12. The schedules for this project and the Shady Oak Road project north of CR 3 have been delayed several times resulting in the delay of burial projects along these corridors.

STREET MAINTENANCE DIVISION - Public Works Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 1,660,687	\$ 1,677,010	\$ 1,792,600	\$ 1,792,600	\$ 1,714,800
Supplies	558,278	424,423	588,800	578,300	408,700
Other Services & Charges	892,398	783,275	766,000	764,250	800,500
Capital Outlay	-	-	-	-	-
Totals	\$ 3,111,363	\$ 2,884,708	\$ 3,147,400	\$ 3,135,150	\$ 2,924,000

Method of Financing

General Fund	\$ 3,111,363	\$ 2,884,708	\$ 3,147,400	\$ 3,135,150	\$ 2,924,000
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Number of Employees (FTEs)	22.5	22.5	22.5	21.5	21.0
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Description of Services:

The Street Maintenance Division of the Public Works Department is responsible for maintenance of 254 miles of municipal right-of-way including pavement maintenance, snow and ice control, drainage, pavement markings, street signs, intersection semaphores, street lighting, roadside mowing and tree trimming.

Key Measures:	2008 Actual	2009 Actual	2010 Estimate	2011 Projected
• Full-scale plowing events required	8	9	9	9
• Tons of salt used	3,500	3,520	3,500	3,250
• Tons of bituminous mix laid	20,670	18,862	18,000	18,000
• Signs installed	465	618	500	500
• Miles of city streets maintained	254	254	254	254

Budget Comments/Issues:

The 2011 budget for the Street Maintenance Division provides for the current level of services.

- In 2011, the management structure has been modified to reflect the elimination of the Street Maintenance Manager position and is replaced with an Operations Manager that will oversee street, park, trail, grounds and building maintenance divisions.
- This division is responsible for completing the seventh year of the neighborhood thin-overlay program. Personnel costs for the program are budgeted above, and materials are funded through the Capital Improvement Program (CIP) and by the Street Improvement Fund.
- The division is responsible for increased drainage maintenance efforts in 2011 to assure compliance with National Pollution Discharge Elimination System (NPDES) permit requirements. Projects are coordinated through the drainage engineer in the Engineering Department.
- In 2011, salt brine used for road snow and ice control will be manufactured on site with equipment that was purchased in the summer of 2010. This will reduce the costs associated with liquid de-icers that were previously purchased from outside vendors. Hennepin County will be purchasing salt brine from Minnetonka for their snow and ice control operations also. The use of liquids minimizes the amount of road salt that is used on roadways.
- Operating costs for the division are highly impacted by energy related supplies and the rising cost of repair supplies.

BUILDING MAINTENANCE DIVISION - Public Works Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 437,412	\$ 381,284	\$ 477,900	\$ 477,900	\$ 540,600
Supplies	98,202	77,319	70,850	77,900	83,200
Other Services & Charges	403,797	325,056	426,450	396,000	396,600
Capital Outlay	-	-	-	-	-
Totals	\$ 939,411	\$ 783,659	\$ 975,200	\$ 951,800	\$ 1,020,400

Method of Financing

General Fund	\$ 939,411	\$ 783,659	\$ 975,200	\$ 951,800	\$ 1,020,400
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Number of Employees (FTEs)	6.5	8.5	7.0	7.0	7.4
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Description of Services:

The Building Maintenance Division of the Public Works Department is responsible for the maintenance and repair of the city's various community buildings and sub-systems such as heating, ventilation, air conditioning, electrical, plumbing and mechanical.

Key Measures:

	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Estimated</u>	<u>2011 Projected</u>
Buildings maintained	14	14	14	14
Work orders completed	1,256	1,332	1,400	1,400
Heat Energy - Cost	\$142,761	\$98,186	\$167,000	\$145,000
Heat energy used (THM)	128,807	115,058	130,000	130,000
Electrical Energy - Cost	\$134,069	\$129,706	\$146,000	\$145,000
Electrical energy used (kWh)	1,649,496	1,576,340	1,800,000	1,600,000

Budget Comments/Issues:

The 2011 budget for the Building Maintenance Division maintains the current level of services and attempts to minimize the budgetary effects of increased energy costs.

- In 2011, the management structure has been modified to reflect the elimination of the Building Maintenance Manager position and is replaced with an Operations Manager that will oversee street, park, trail, grounds and building maintenance divisions.
- Increasing and fluctuating energy expenses continues to be a concern for 2011. A variety of short and long term energy conservation measures are being implemented to minimize the effects of increasing energy costs.
- In 2011, the Buildings Division will be responsible for administering and completing projects financed with \$530,000 in funds received by the city from the Department of Energy (DOE) under the Energy Efficiency and Conservation Block Grant program. Approximately \$243,000 of grant projects will be completed in 2011 and the remainder in 2012. Budgeted project costs are included within the Grants Special Revenue Fund.

FLEET MAINTENANCE FUND - Public Works Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Charges for Services	\$ 1,502,300	\$ 1,295,272	\$ 1,331,600	\$ 1,362,125	\$ 1,376,675
Investment Income	989	3,719	500	1,000	1,000
Miscellaneous	2,750	-	-	-	-
Transfers In	-	-	-	-	-
Totals	1,506,039	1,298,991	1,332,100	1,363,125	1,377,675
Expenditures by Category					
Personnel	\$ 454,733	\$ 420,501	\$ 403,900	\$ 403,900	\$ 417,600
Supplies	803,252	631,228	721,500	721,500	731,500
Other Services & Charges	208,806	224,884	206,200	237,725	228,575
Capital Outlay	-	-	-	-	-
Totals	\$ 1,466,791	\$ 1,276,613	\$ 1,331,600	\$ 1,363,125	\$ 1,377,675
Surplus (Deficiency) of Revenues over Expenditures	39,248	22,378	500	-	-
<i>Beginning Fund Balance</i>	<i>103,061</i>	<i>142,309</i>	<i>164,687</i>	<i>164,687</i>	<i>164,687</i>
<i>Ending Fund Balance</i>	<i>\$ 142,309</i>	<i>\$ 164,687</i>	<i>\$ 165,187</i>	<i>\$ 164,687</i>	<i>\$ 164,687</i>
Number of Employees (FTEs)	5.53	4.53	4.53	4.53	4.58

Description of Services:

The Fleet Maintenance Division is responsible for the procurement, maintenance and repair of the city's motorized fleet and support equipment, which consists of 185 vehicles and heavy and light support equipment. The costs of the division are allocated and billed to the departments of the city which it serves, and the Fleet Maintenance Fund functions as an internal service revolving fund.

Key Measures:

	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
• Work orders completed	3,698	3,710	3,800	3,900
• Gallons of fuel consumed	150,321	148,251	149,000	148,050
• Cost to Purchase Gas/Diesel Fuels	\$477,241	\$287,623	\$372,000	\$377,528
• Average cost per gallon of gas/diesel fuels	\$3.174	\$1.940	\$2.500	\$2.550
• Gallons of oil consumed	542	550	600	550

Budget Comments/Issues:

The 2011 budget for the Fleet Maintenance Fund maintains current service levels, but reflects increased costs for fuel and repair parts. It is anticipated that in 2011 the Minnehaha Creek Watershed District will purchase fuel and fleet maintenance services from the city for their vehicles.

- In 2011, the fleet budget continues to incorporate costs for the maintenance and repair of the city's firefighting apparatus.
- Pricing volatility on petroleum products and the escalating price of parts and supplies are reflected in increases in both "Supplies" and "Other Services and Charges" sections of the budget.
- In order to reduce operating expense, the division will continue to take a number of actions including: extending oil change intervals by utilizing scheduled oil sampling and testing; purchasing diesel fuel in 2010 that contains 10% vegetable oil (B-10); and regularly analyzing the use of emerging technologies in the purchase of vehicle replacements when financially feasible.
- Motor fuels will be purchased through the State's Cooperative Purchasing Venture. This program establishes a stable purchase price for 2011 budgeting that is generally lower than the daily market price.
- "Charges for Services" to departments are based upon a "break even" goal while maintaining a fund balance sufficient to accommodate cash flow requirements of the fund.

GRANTS SPECIAL REVENUE FUND - Finance Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Federal Grants	\$ 52,307	\$ 211,182	\$ 25,000	\$ 140,800	\$ 358,800
E 9-1-1	74,385	74,385	74,000	74,400	74,400
Other Local Grants	68,249	2,816	-	-	-
Investment Income	5,462	6,531	4,000	4,000	2,000
Totals	\$ 200,403	\$ 294,914	\$ 103,000	\$ 219,200	\$ 435,200
Expenditures by Category					
Personnel	\$ 85,098	\$ 25,396	\$ 25,000	\$ 50,300	\$ 50,300
Supplies	-	46,670	-	-	-
Other Services & Charges	64,146	27,871	74,000	251,978	74,400
Capital Outlay	-	131,000	-	90,500	308,500
Totals	\$ 149,244	\$ 230,937	\$ 99,000	\$ 392,778	\$ 433,200
Surplus (Deficiency) of Revenues over (under) Expenditures	51,159	63,977	4,000	(173,578)	2,000
<i>Beginning Fund Balance</i>	<i>137,823</i>	<i>188,982</i>	<i>252,959</i>	<i>252,959</i>	<i>79,381</i>
Ending Fund Balance	\$ 188,982	\$ 252,959	\$ 256,959	\$ 79,381	\$ 81,381

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Federal grant programs	4	3	3	3
State grant programs	1	1	1	1
Other grant programs	1	1	1	1

Budget Comments/Issues:

The federal government apportioned to the city \$530,000 in energy conservation grant funding from the U.S. Department of Energy in 2009. As of the end of 2010, approximately \$308,500 remains available for planned projects in 2011 and 2012.

- The one-time Energy Efficiency and Conservation Block Grant funds from the U.S. Department of Energy will be used primarily to replace and/or retrofit lighting and building energy systems of city facilities including baseball field lights at Big Willow and Gro Tonka Parks along with replacement of the Community Center's boiler system. Early implementation of these energy efficiency projects will enable immediate realization of the energy savings that had been programmed in the city's long range energy conservation plans.

- In addition to EECBG grant, the Grants Special Revenue Fund includes the 2011 Safe and Sober grant (\$36,300), 2011 Operation Night Cap grant (\$14,000), and E-911 funding from the State (\$74,400).

- Approximately \$74,400 annually are funds from the state's E-911 service fees paid by phone users in the state to support emergency dispatching to cellular phones. These funds are restricted by the state for use in supporting maintenance and capital outlay costs of the city's Public Safety Answering Point (PSAP) system. In 2010, \$177,578 of accumulated E-911 funds were used to upgrade the police department's E-911 system.

CAPITAL REPLACEMENT FUND - Finance Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Ad Valorem Tax Levy	\$ 1,620,000	\$ 1,325,000	\$ 1,715,000	\$ 1,715,000	\$ 1,307,100
MVHC		-	(535,342)	(535,342)	-
Transfers In	-	1,265,000	500,000	850,000	100,000
Investment Income	45,986	57,298	11,500	11,500	12,000
Auction Proceeds/Rebates	50,679	176,713	45,000	45,000	45,000
Totals	\$ 1,716,665	\$ 2,824,011	\$ 1,736,158	\$ 2,086,158	\$ 1,464,100

Expenditures by Category

Buildings & Structures	\$ 491,683	\$ 773,302	\$ 325,000	\$ 325,000	\$ 660,000
Recreation Facilities	35,541	56,387	85,500	85,500	97,500
Furniture and Equipment	505,540	19,298	95,000	445,000	100,000
Machinery and Auto	1,216,532	631,483	883,000	973,000	1,411,700
Transfers Out	-	335,000	250,000	250,000	-
Totals	\$ 2,249,296	\$ 1,815,470	\$ 1,638,500	\$ 2,078,500	\$ 2,269,200

Surplus (Deficiency) of Revenues over (under) Expenditures	(532,631)	1,008,541	97,658	7,658	(805,100)
Reserve for Delayed Projects	-	-	-	783,500	
Beginning Fund Balance	1,623,773	1,091,142	2,099,683	2,099,683	1,323,841
Ending Fund Balance	\$ 1,091,142	\$ 2,099,683	\$ 2,197,341	\$ 1,323,841	\$ 518,741

Description of Services:

The Capital Replacement Fund was created in 1983 for the purpose of funding replacement or repair of major capital items that are expected to exceed \$5,000 in cost. The primary source of revenue for the fund is tax levy proceeds, but the fund also receives earnings from the auction of surplus city property as well as investment interest. Administrative policies provide for the replacement of general vehicles after eight years, marked police vehicles after 100,000 miles, heavy public works equipment and vehicles after 10-15 years, and fire equipment after 20-25 years with refurbishment after ten years.

	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
General light-duty vehicles in fleet	104	104	104	104
Marked police vehicles in fleet	19	19	19	19
Heavy equipment and trucks in fleet	62	62	61	61
Deprec. value of buildings & structures (millions \$)	\$17.20	\$16.30	\$15.40	\$14.50
Deprec. value of furniture & equipment (millions \$)	\$5.20	\$5.10	\$5.00	\$5.00

Budget Comments/Issues:

Over the last two years, the Capital Replacement Fund (CRF) has served to transition the city away from receipt of the state's annual debt to the city for the state Market Value Homestead Credit (MVHC) program.

- The 2010 capital budget included a one-time transfer of \$500,000 to the CRF from the General Fund to transition the city from receiving the state annual payment for the state MVHC program. Beginning 2011, the city no longer assumes any state support of its own program and the city will levy those costs outside of the regular budget. Any incidental future payments for MVHC from the state would be considered available for future one-time capital projects.

- Substantial purchases approved in the 2011 Capital Improvements Program (CIP) for the fund include: fleet vehicles (\$608,400), large public works equipment replacements (\$803,300), and building components including roof and window replacements (\$530,000). Federal stimulus monies for additional energy conservation projects are in the Grants Special Revenue Fund.

- The 2011 budget for the fund includes a \$100,000 transfer in from the General Fund fund balance associated with an irregularly large, one-time group of permit fees from a single development project in 2010. The transfer is scheduled as part of the adopted 2011-15 CIP, with additional transfers scheduled in 2013 and 2014.

- The 2010 budget for the CRF also includes \$350,000 transfer in from a designated General Fund reserve as well as the associated expense for fire department self-contained breathing apparatus (SCBA).

- The 2009 budget for the CRF included a one-time transfer of \$1.265 million in one-time revenues from General Fund unallocated balances, which funded four costly, high priority capital projects: fire station structural repair, a public safety storage facility, a city standby generator, and the Shady Oak Community Play Area to address health and safety concerns. The last of these (\$250,000) was transferred to the Park Dedication Fund to more appropriately categorize its type of asset, which is reflected above in 2010 in accordance with the CIP schedule.

UTILITY DIVISION / UTILITY FUND - Public Works Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Water Sales & Sewer Revenue	\$ 10,140,755	\$ 10,462,411	\$ 11,200,500	\$ 10,301,600	\$ 10,524,700
Investment Income	732,402	237,004	375,000	200,000	230,000
Hookup Fees	185,973	22,248	185,973	186,000	186,000
Miscellaneous Income	63,044	28,892	2,000	2,000	2,000
Totals	\$ 11,122,174	\$ 10,750,555	\$ 11,763,473	\$ 10,689,600	\$ 10,942,700

Expenditures by Category

Personnel	\$ 1,207,541	\$ 1,325,778	\$ 1,350,100	\$ 1,350,100	\$ 1,463,600
Supplies	671,443	774,593	714,800	767,200	788,000
Sewer Service Charge	3,441,910	3,704,625	3,740,300	3,740,300	3,914,688
Other Services & Charges	1,601,837	1,706,780	1,723,700	1,735,400	1,851,900
I & I Reduction Program	414,591	600,521	900,000	900,000	900,000
Capital Outlay	2,737,959	1,631,123	930,400	480,400	933,400
Bond Principal & Interest	1,233,037	285,735	1,124,661	1,124,661	1,119,663
Transfers to Other Funds	1,241,600	1,035,100	970,700	970,700	1,052,400
Totals	\$ 12,549,918	\$ 11,064,255	\$ 11,454,661	\$ 11,068,761	\$ 12,023,651

Surplus (Deficiency) of Revenues
over Expenditures

	\$ (1,427,744)	\$ (313,700)	\$ 308,812	\$ (379,161)	\$ (1,080,951)
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Number of Employees (FTEs)

	15.54	16.14	16.14	16.14	16.22
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Description of Services:

The Utility Division of the Public Works Department operates and maintains the water and sanitary sewer systems of the city. This includes 260 miles of distribution and collection piping, eighteen wells, eight water treatment facilities, ten water storage structures, 38 lift stations, 371 street lights and ten civil defense sirens.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
• Water pumped (million gallons)	2,585	2,678	2,700	2,800
• Water main breaks repaired	94	72	90	90
• Utility locate requests completed	7,425	6,869	8,500	8,000
• Miles of sewer cleaned	100	90	100	100
• Homes inspected for I & I	10,530	902	20	20
• Commercial sites inspected for I & I	0	456	344	25

Budget Comments/Issues:

The 2011 Utility Division budget funds current level services and capital improvements. In 2011, the five-year inflow and infiltration (I&I) reduction program is scheduled to end, but the Metropolitan Council Environmental Services (MCES) division has indicated that the program will likely be extended for those cities that have diligently worked to become compliant with peak flow requirements.

- The 2011 budget provides for the scheduled last year of a five-year I&I reduction program. The project is administered by MCES, and potential surcharge monies are re-invested in the community to reduce sewer system flow peaks to acceptable levels. In 2010, commercial property inspections were nearly completed. The city is continuing to repair public infrastructure and will conduct flow monitoring to determine where clear water is entering the system for future elimination.

- Rising energy prices and the waste water treatment costs charged by MCES have and will continue to affect the cost of operating the utility.



PARKS & GROUNDS DIVISION - Public Works Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 772,184	\$ 784,333	\$ 774,600	\$ 794,600	\$ 797,700
Supplies	163,181	109,192	157,000	151,600	164,300
Other Services & Charges	364,022	395,700	403,900	389,300	411,100
Capital Outlay	2,858	-	-	-	-
Totals	\$ 1,302,245	\$ 1,289,225	\$ 1,335,500	\$ 1,335,500	\$ 1,373,100

Method of Financing

General Fund	\$ 1,302,245	\$ 1,289,225	\$ 1,335,500	\$ 1,335,500	\$ 1,373,100
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Number of Employees (FTEs)	9.51	9.51	9.01	9.01	8.91
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Description of Services:

The Parks, Buildings and Grounds Division of the Public Works Department is responsible for all park and trail planning, development and maintenance including park turf, athletic fields, ice rinks, trails, sidewalks and play equipment. The division involves the community and the Recreation Services Department and Park Board on planning future development of the city's park and trail systems.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Parks maintained (# /acres)	48/1,242	48/1,242	48/1,242	48/1,242
Level 1 - Maintenance Areas (# /acres)*	4/264	6/418	7/422	7/422
Level 2 - Maintenance Areas (# /acres)*	9/324	9/324	12/215	12/215
Levels 3 & 4 - Maintenance Areas (# /acres)*	33/650	33/650	29/605	29/605
Trails and sidewalks maintained (miles)	81	81	84	85
Ice rinks maintained	18	16	16	16

* Level 1 = High use, high maintenance; Level 2 = Moderate maintenance, some grooming 1x/week; Level 3 = Low to moderate maintenance; Level 4 = Minimal maintenance

Budget Comments/Issues:

The 2011 budget provides for the current level of service and funds the upkeep of an increasing inventory of city parks and trails with a greater proportion requiring a higher level of maintenance.

- In 2011, the management structure has been modified to reflect the elimination of the Parks, Trails and Grounds Maintenance Manager position and is replaced with an Operations Manager that will oversee street, park, trail, grounds and building maintenance divisions.

- The Parks, Buildings and Grounds Maintenance Division is responsible for the Parks Renewal Program, which is budgeted within the Capital Improvement Program and financed by referendum bond funds passed in 2001 (see Bond Fund page). 2011 will be the ninth year of the program, and it is anticipated that Mayflower Park will be updated.

- The 2011 budget incorporates funding to continue the city's contract for the services of Inter-Community Work Crews (ICWC) to maintain a variety of public properties (parks, trails, civic buildings, well sites and street right-of-ways). These work groups are an economical method for accommodating the increasing maintenance requirements of the city's parks.

- The Glen Lake Station renovation was begun in the fall of 2010 and will be completed in 2011. Contractual services for maintenance of the water feature for the first season are included as part of the project. This will allow maintenance staff to evaluate ongoing service and maintenance requirements of the reconstructed park.

- The Parks and Trails Division will be evaluating the long term implications on athletic field quality associated with park maintenance responsibilities of volunteer associations. The Park Board and City Council approved athletic field use fees to offset some of the costs associated with city maintenance of the facilities. The fiscal impact of any final changes will be considered in 2011 after the first full year of the revised program.

- The division will complete Minnetonka Mills Park improvements during 2010 and 2011. Although these enhancements financed with the Community Investment Fund will not increase the overall park acreage, they will require additional services to maintain and operate.

NATURAL RESOURCES DIVISION - Public Works Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 389,516	\$ 408,759	\$ 437,000	\$ 442,000	\$ 475,000
Supplies	6,329	3,232	7,800	7,700	7,800
Other Services & Charges	410,021	393,297	563,800	569,900	568,200
Capital Outlay	-	-	-	-	-
Transfer to Other Funds	-	-	-	-	-
Totals	\$ 805,866	\$ 805,288	\$ 1,008,600	\$ 1,019,600	\$ 1,051,000

Method of Financing

General Fund	\$ 805,866	\$ 805,288	\$ 1,008,600	\$ 1,019,600	\$ 1,051,000
Environmental Fund	-	-	-	-	-
Storm Water Fund	-	-	-	-	-
Totals	\$ 805,866	\$ 805,288	\$ 1,008,600	\$ 1,019,600	\$ 1,051,000

Number of Employees (FTEs)	4.5	4.5	4.5	4.5	4.6
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Diseased trees removed	2,055	1,794	2,200	2,300
Public trees planted(reforestation/restoration)	30	20/91	60/70	60/70
Private trees planted through city's tree sale	1,857	1,637	1,600	1,650
Permits reviewed/inspected for natural resource compliance/on-going inspections	130/400	115/350	125/350	125/350
Natural resource education pgms conducted	17	21	20	20
Development projects reviewed	79	50	70	60
Volunteer programs conducted/hours donated	22/2,023	26/1,500	30/2,000	25/2,000
Enforcement actions taken	6	29	15	15
Acres of public land under stewardship	275	308	308	308

Budget Comments/Issues:

The 2011 budget for the Natural Resources Division provides funding for the current level of services, including a program to address tree infestation by the Emerald Ash Borer.

- In 2011, the city will continue the program to address the imminent effects of the Emerald Ash Borer (EAB) on the community's trees. Based on the experience of other communities, the loss of ash trees will be devastating and a significant public and private expense. \$45,000 is included in the 2011 budget for these costs.

- The division continues to administer an annual budget of \$155,000 for natural resources stewardship, including education on lake stewardship.

- The 2011 budget for "Other Services and Charges" also includes monies for an ongoing conservation easement monitoring program (\$8,000) and one year of funding for a multi-year contract to inventory the forest population (\$7,500).

PARK DEDICATION FUND - Administrative Services Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Ad Valorem Tax Levy	\$ 130,000	\$ 330,000	\$ 260,000	\$ 260,000	\$ 110,000
Park Dedication Fees	214,951	15,000	70,000	70,000	70,000
Investment Income	70,667	28,148	3,000	3,000	1,000
Local Grants/Agreements				395,000	5,000
Transfers In	-	-	250,000	250,000	-
Miscellaneous Income	36,608	47,211	6,500	14,700	14,700
Totals	\$ 452,226	\$ 420,359	\$ 589,500	\$ 992,700	\$ 200,700
Expenditures by Category					
Park Development	\$ 359,370	\$ 244,366	\$ 522,000	\$ 1,106,500	\$ 215,000
Comprehensive Plan	20,000	-	-	-	-
Trail Development	283,885	178,808	100,000	60,000	65,000
Natural Resources Management	-	-	-	-	-
Maintenance-City Housing	5,911	9,716	15,000	15,000	15,000
Miscellaneous	-	-	-	-	-
Transfers Out	-	190,000	-	-	-
Totals	\$ 669,166	\$ 622,890	\$ 637,000	\$ 1,181,500	\$ 295,000
Surplus (Deficiency) of Revenues over (under) Expenditures	(216,940)	(202,531)	(47,500)	(188,800)	(94,300)
Reserve for Delayed Projects	-	-	-	391,000	-
Beginning Fund Balance	1,450,254	1,233,314	1,030,783	1,030,783	450,983
Ending Fund Balance	\$ 1,233,314	\$ 1,030,783	\$ 983,283	\$ 450,983	\$ 356,683

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Miles of trails constructed	1.60	1.40	1.00	1.00

Budget Comments/Issues:

The 2011 budget for the Park Dedication Fund finances parks and trails projects as provided in the adopted Capital Improvements Program (CIP).

- "Local Grants/Agreements" for 2010 includes the Hennepin Technical College house sale (\$145,000), city of Hopkins Shady Oak Beach payment (\$62,500) and Hennepin County grant for Shady Oak Beach (\$187,500).
- "Transfers In" for 2010 includes \$250,000 from the Capital Replacement Fund for portions of the Shady Oak Beach play area and the Glen Lake Station plaza. The expenditure is included in the "Park Development" line item.
- The increase in 2010 Park Development reflects the full cost of the Glen Lake Station plaza (\$560,000).
- "Reserved for delayed projects" are prior year appropriated funds for projects not yet completed but still scheduled. The larger of these projects are the Gray's Bay causeway (\$250,000), Glen Lake Skate Park (\$55,000) and Minnehaha Creek canoe landing (\$50,000).

PARK AND OPEN SPACE BOND FUND - Finance Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Interest Income	\$ 87,434	\$ 40,073	\$ -	\$ -	\$ -
Bond Proceeds	2,519,522	-	2,500,000	-	2,500,000
Totals	\$ 2,606,956	\$ 40,073	\$ 2,500,000	\$ -	\$ 2,500,000
Expenditures by Category					
Parks Renewal	\$ 305,062	\$ 257,935	\$ 350,000	\$ 50,000	\$ 300,000
Park & Open Space Purchase	-	-	-	-	-
Conversion to Open Space	-	-	-	44,000	-
Minnehaha Creek Corridor	72,023	41,666	200,000	100,000	500,000
Trail Investment Plan	-	-	-	-	174,000
Living Legacy Program	505	9,256	-	-	-
Bond Issuance Costs	37,076	-	-	-	-
Miscellaneous Services	-	-	-	-	-
Totals	\$ 414,666	\$ 308,857	\$ 550,000	\$ 194,000	\$ 974,000
Surplus/(Deficiency) of Revenues over/(under) Expenditures	2,192,290	(268,784)	1,950,000	(194,000)	1,526,000
Reserve for Delayed Projects	-	-	-	4,225,639	-
Beginning Fund Balance	118,206	2,310,496	2,041,712	2,041,712	1,847,712
Ending Fund Balance	\$ 2,310,496	\$ 2,041,712	\$ 3,991,712	\$ 1,847,712	\$ 3,373,712

Description of Services:

In 2001, Minnetonka voters passed a \$15 million parks and open space bond referendum. Half of the money was earmarked for the renewal of the city's 42 parks, with the other half to be used for open space preservation within Minnetonka. Six years after the referendum's passage, most parks have been renewed and those remaining are programmed within the next two years. The cost of debt service on the bonds is allocated elsewhere within the city's budget.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Park renewals completed (cumulative)	34	36	38	39
Park renewals in progress	1	1	2	1
Open space acres newly preserved	8	10	5	5

Budget Comments/Issues:

The 2011 budget for the Park and Open Space Bond Fund finances continuing progress on park renewal and open space preservation.

- "Reserve for delayed projects" are prior year appropriated funds for projects not yet completed but still scheduled, and in the Park and Open Space Bond Fund it includes use of the final \$2.5 million in bonds tentatively scheduled for issuance in 2011. The city continues to have an option to purchase the Cullen Smith property for \$2.5 million upon vacation of the property. The remainder of the funding reserved for delayed projects has been designated primarily for purchases of park and open space as well as open space conversion.

- Parks under construction in 2010 include Big Willow and Oberlin. Mayflower is scheduled for 2011.

- Minnetonka Mills Park plans were approved by the city council in 2010, and construction will continue throughout 2010 and 2011. The park will further develop the passive and active opportunities along Minnehaha Creek through an expansion of the Burwell House grounds. It is primarily financed with these park bond proceeds.



JOINT RECREATION - Recreation Services Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 713,232	\$ 763,678	\$ 758,200	\$ 765,000	\$ 766,400
Supplies	85,694	92,540	89,300	88,300	95,600
Other Services & Charges	502,312	504,676	476,800	450,700	478,700
Capital Outlay	-	-	4,000	8,500	4,000
Totals	\$ 1,301,238	\$ 1,360,894	\$ 1,328,300	\$ 1,312,500	\$ 1,344,700

Method of Financing

General Fund	\$ 1,301,238	\$ 1,360,894	\$ 1,328,300	\$ 1,312,500	\$ 1,344,700
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Number of Employees (FTEs)	6.65	5.9	6.15	6.15	6.15
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Program participants	31,704	30,681	32,000	33,000
Adult sports teams registered	583	579	575	580
Youth sports participation	1,121	1,169	1,200	1,200
Resident program participation	40.5%	42.0%	43.0%	44.0%
Expenses covered by fee revenues*	72.3%	72.5%	72.0%	73.0%
Shady Oak Beach season passes sold	5,859	5,642	4,454	4,900
Scholarships approved	93	133	150	150
Total value of scholarships approved	\$3,024	\$3,682	\$4,000	\$4,500

* Includes all recreational programming, facility rentals, and all enterprises under the management of the department.

Budget Comments/Issues:

The 2011 Joint Recreation budget will provide services to an increasing number of participants while maintaining a self-funded ratio goal of 72 percent.

- It is a goal of the Recreation Services Department to increase the total percentage of resident participation to 44 percent in order to better meet our community's needs as outlined in the city's 2030 Comprehensive Plan and the department's strategic business plan.
- New programs implemented in 2009 (i.e. Kid's Corner, Knee Highs Soccer) resulted in increased participation. The programs have continued to generate interest during the summer of 2010 based on program registration numbers.
- The number of estimated Shady Oak Beach passes sold in 2010 is significantly lower than the actual passes sold in 2009. This may be attributed to unseasonably cool weather in 2009 leading to participants choosing to wait to buy passes until they are confident they will use them, as opposed to purchasing them pre-season and having the passes go unused. For 2010, the facility operated with a net profit of approximately \$66,000 due to a significant increase in daily passes sold compared to 2009.
- Youth sports participation increased in 2009 due to the addition of youth soccer program offerings for ages 3-5. Continued interest is expected in 2010 and 2011 for this program, as well as the outdoor youth Rink Rat hockey program which has seen steady growth since it began in 2008.
- The number and value of scholarships approved has increased since 2008. Additional fundraising and donations have resulted in a positive fund balance throughout 2009 and 2010. This has allowed 100% approval of scholarship applications received.
- Costs for "Other Services and Charges" will rise in 2011 from 2010 due to changes in employee background requirements and increased fees for the rental of school district facilities.

MINNETONKA RECREATION - Recreation Services Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 174,077	\$ 156,096	\$ 214,700	\$ 206,400	\$ 220,400
Supplies	1,187	1,599	2,400	2,000	2,350
Other Services & Charges	243,279	248,782	252,000	251,600	255,350
Capital Outlay	-	-	-	-	-
Other	-	-	63,000	63,000	63,000
Totals	\$ 418,543	\$ 406,477	\$ 532,100	\$ 523,000	\$ 541,100

Method of Financing

General Fund	\$ 418,543	\$ 406,477	\$ 532,100	\$ 523,000	\$ 541,100
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Number of Employees (FTEs)	0.9	0.9	0.9	1.2	1.2
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Minnetonka playground household registrations	660	683	750	750
Playground locations	6	6	6	6
Warming house days of operation	53	46	62	55
MAM participants	280	296	290	275
Adopt-A-Sign locations	26	30	32	32

Budget Comments/Issues:

In 2011, the department will continue to implement action steps under a long-term strategic business plan for recreational services that is tied into the citywide comprehensive services plan.

- "Personnel" costs above reflect seasonal and temporary employees hired annually, which may vary dependent upon the program offerings in a given year.
- The number of Playground Program registrations increased in 2009 and is expected to continue to increase through 2011. The program is free to participants, which may be one reason for the continued popularity of the program. Its veteran staff have also had a positive impact on program registration numbers because of their ability to attract, engage and retain participants.
- The number of warming house days in operation is highly dependent upon seasonal weather conditions. Ideal ice conditions in February 2010 resulted in a one-week extension to the 2009-10 season, thus the estimated increase in operational days for 2010.
- The number of Adopt-A-Sign locations are determined by the amount of volunteers interested in program participation, which varies from year to year.

SENIOR SERVICES - Recreation Services Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 145,768	\$ 174,903	\$ 193,000	\$ 194,700	\$ 202,200
Supplies	45,071	32,242	42,500	37,500	42,500
Other Services & Charges	85,165	84,226	99,600	90,100	98,200
Capital Outlay	-	-	-	-	-
Totals	\$ 276,004	\$ 291,371	\$ 335,100	\$ 322,300	\$ 342,900

Method of Financing

General Fund	\$ 276,004	\$ 291,371	\$ 335,100	\$ 322,300	\$ 342,900
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Number of Employees (FTEs)	2.5	2.5	2.5	2.5	2.5
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Description of Services:

The goals of the Senior Center are to: broaden the knowledge and involvement of older residents; offer diverse programs and services; promote independent living; and encourage volunteerism. Under the leadership of professional staff, Senior Services provides a multi-purpose senior center that offers a wide range of leisure-time activities serving a diverse senior population as well addressing day-to-day living experiences. Such sponsorship includes day trips, group classes, healthcare services, defensive driving, special interest groups, a service skills bank, and a weekly meal/entertainment experience. Some services are provided through a contract with a private, non-profit organization, and a portion of the costs for programs is recovered through fees.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Program participants (unduplicated)	4,225	4,147	4,300	4,400
Survey rating - program organization (good/excellent)	100%	100%	100%	100%
Senior volunteers used	256	248	260	250
Volunteer hours donated	16,200	16,050	16,100	16,100
Sponsored individual clubs or groups	29	29	29	29
Program participants (services delivered)	34,500	30,151	32,000	32,000

Budget Comments/Issues:

The 2011 budget for Senior Services provides current level services.

COMMUNITY FACILITIES DIVISION - Recreation Services Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 401,366	\$ 392,394	\$ 361,200	\$ 362,200	\$ 357,000
Supplies	13,607	18,043	20,000	20,000	20,000
Other Services & Charges	101,747	103,152	120,900	116,000	122,100
Capital Outlay	35,175	26,412	25,000	25,000	25,000
Totals	\$ 551,895	\$ 540,001	\$ 527,100	\$ 523,200	\$ 524,100
Method of Financing					
General Fund	\$ 549,295	\$ 540,001	\$ 524,500	\$ 523,200	\$ 521,500
Cemetery Fund	2,600	-	2,600	-	2,600
Totals	\$ 551,895	\$ 540,001	\$ 527,100	\$ 523,200	\$ 524,100

Number of Employees (FTEs)	4.6	4.35	3.85	3.85	3.75
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Description of Services:

Community Facilities manages city-owned facilities including the Community Center, Glen Lake Activity Center, picnic shelters, field scheduling, Lindbergh Center and the Shady Oak Lake Cemetery. Except for the cemetery, all of the facilities offer a variety of rental spaces for community use. Fees vary dependent on the facility and type of group (resident, non-resident, non-profit).

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2010 Projected
Rental revenue	\$79,883	\$75,657	\$80,000	\$90,000
Community Center hours reserved	11,801	11,296	11,850	11,900
Satellite facility hours reserved	1,739	1,471	1,300	1,300
Picnic Shelter permits issued	202	269	270	275

Budget Comments/Issues:

The 2011 budget for the Community Facilities Division provides current level services.

- The actual 2009 and estimated 2010 budgets for Community Facilities incorporate staffing and division structure changes of the department's reorganization in 2009, including a partial reduction in staff.
- The Community Center banquet room was upgraded in 2009, replacing banquet chairs original to the 22-year old building and carpet. Additional improvements are scheduled in the CIP for 2012. These improvements should allow the facility to remain competitive and ensure that it can continue to generate the revenue anticipated by the department to support programming.
- In 2009, rental revenue and community center hours reserved decreased due to the banquet room and other rental space being held open for the improvement project that was delayed as part of the 2009 budget fix.
- Satellite facility hours reserved were lower in 2009 and are expected to be lower in 2010 with the conversion of the Westridge Pavilion to senior craft shop space. The pavilion will replace the Mills Landing Gift Shoppe and will no longer be available for rentals.

WILLISTON CENTER - Recreation Services Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Membership Fees	\$ 421,836	\$ 465,219	\$ 425,000	\$ 400,000	\$ 500,000
Tennis Court Fees	509,684	477,561	500,000	500,000	500,000
Tennis Pro Shop	17,344	21,457	17,500	13,500	15,000
Sports Training Fees	23,459	22,742	23,000	27,000	27,000
Outside Participant Fees	67,085	61,966	50,000	50,000	125,000
Swim Lessons	10,057	11,961	7,500	8,000	10,000
Batting Cage Income	21,697	26,132	23,000	27,500	29,000
Rental Income	10,385	11,446	13,000	13,000	11,000
Investment Income	600	(498)	1,200	1,500	1,500
Miscellaneous	23,690	35,375	17,500	23,000	43,500
Transfers In	338,000	-	-	-	-
Totals	\$ 1,443,837	\$ 1,133,361	\$ 1,077,700	\$ 1,063,500	\$ 1,262,000
Expenditures by Category					
Personnel	\$ 673,574	\$ 676,853	\$ 679,800	\$ 657,900	\$ 695,500
Supplies	59,073	80,750	97,000	110,500	82,500
Other Services & Charges	247,971	215,193	248,200	242,400	315,700
Transfer Expenses	48,900	51,300	52,700	52,700	61,100
Totals	\$ 1,029,518	\$ 1,024,096	\$ 1,077,700	\$ 1,063,500	\$ 1,154,800
Surplus (Deficiency) of Revenues over Expenditures	\$ 414,319	\$ 109,265	\$ -	\$ -	\$ 107,200
Capital Outlay	\$ 31,786	\$ 97,964	\$ 100,000	\$ -	\$ 100,000
Number of Employees (FTEs)	7.0	7.0	5.15	5.2	5.1

Description of Services:

Recreational amenities at the Williston Fitness Center include: Five indoor tennis courts, a 25-yard swimming pool, aerobics studio, four baseball/softball batting cages, a multi-purpose gymnasium, strength training equipment, cardio vascular equipment, whirlpool, and saunas. Minnetonka residents and non-residents may use the facility by purchasing a membership, paying a daily fee, or registering for a recreational class. Fees charged to users support the operation of the facility.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Memberships sold	2,047	1,985	1,900	2,100
Daily fee (non-member) participants	11,452	10,918	10,500	15,000
Days of operation	358	358	358	358
Recreation program hours	10,065	9,964	9,343	10,500
Operating expenses covered by revenue	107%	111%	100%	109%

Budget Comments/Issues:

The 2011 budget for the Williston Fitness Center contributes to a continued forecasted strength in the fund's financial position. Significant improvements to the facility are scheduled under the city's adopted Capital Improvement Program (CIP), including required primary infrastructure maintenance and new child-oriented amenities.

- The capital improvements to the Williston Center will be completed in 2010-2011, as adopted under the city's CIP. Completion of the work on the facility will ensure continued viability of the enterprise fund to support its costs. Membership, daily fee and miscellaneous revenues are forecasted to decline in 2010 to reflect partial building closures during renovation. Because of these building closures, recreation program hours will also decline in 2010. It is expected these revenues will rebound and increase above 2009 levels in 2011 after the renovation is completed.
 - The decrease of 534 daily fee participants from 2008 to 2009 is believed to be due to the economy.
 - The Department's merit indicators include a goal of adding or expanding a minimum of three programs at the Williston Center in 2011 as a result of renovation project
 - Daily fee participants are expected to increase in 2011 with the addition of a new children's splash pool and new indoor play area amenities.

ICE ARENA - Recreation Services Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Ice Rental	\$ 565,495	\$ 546,071	\$ 580,000	\$ 581,000	\$ 581,000
Concessions	18,364	25,428	20,000	22,000	22,000
Programs & Special Events	273,135	274,491	265,000	265,000	265,000
Miscellaneous	19,262	6,229	14,000	9,500	10,000
Investment Income	-	-	500	-	500
Totals	\$ 876,256	\$ 852,219	\$ 879,500	\$ 877,500	\$ 878,500

Expenditures by Category

Personnel	\$ 428,468	\$ 427,632	\$ 432,600	\$ 432,600	\$ 444,800
Supplies	70,874	59,583	63,900	63,900	59,300
Other Services & Charges	315,212	286,114	309,600	288,400	300,800
Costs of Goods Sold	14,719	17,975	17,500	17,500	17,500
Transfer Expenses	48,900	51,300	52,700	52,700	56,100
Totals	\$ 878,173	\$ 842,604	\$ 876,300	\$ 855,100	\$ 878,500

Surplus(Deficiency) of Revenues
over Expenditures

	\$ (1,917)	\$ 9,615	\$ 3,200	\$ 22,400	\$ -
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Capital Outlay

	\$ -	\$ 27,359	\$ 20,000	\$ -	\$ 20,000
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Number of Employees (FTEs)

	4.6	3.8	3.8	3.8	3.8
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Description of Services:

The Minnetonka Ice Arena under the management of the Recreation Services Department provides ice time and programs to the surrounding community, as well as local special interest groups and individuals, for the purpose of ice related recreational activities. Programs and activities include, but are not limited to hockey, figure skating, learn-to-skate programs and public skate sessions. Fees charged to users support the operation of the facility.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Ice rental hours sold	3,302	3,134	3,150	3,150
Registered skating lesson participants	1,674	1,464	1,500	1,500
Public skating/hockey hours offered	526	540	580	580
Public skating/hockey participants	6,026	5,450	5,600	5,600
Adult hockey teams registered	30	25	32	32
Total days of operation	341	339	345	345
Operating expenses covered by revenue	100%	101%	103%	100%

Budget Comments/Issues:

The Ice Arena anticipates sales and operations in 2010 similar to those in 2009 at the same time annual energy expenses are forecasted to decrease or stabilize with the adoption of some new energy saving measures.

- The facility continues to garner cost savings through energy conservation efforts of staff. Beginning 2008, ongoing annual savings of \$10,000 were the result of relighting Rink A with energy efficient fixtures and staff efforts to reduce energy usage during off-peak times. Mid-2009, Rink B lights were converted from 350-watt metal halide fixtures to energy efficient T5 fluorescent fixtures, which will result in an additional savings estimated to be \$4,000 annually. Additionally, conversion to all electric ice resurfacers will reduce costs for oil and gas in 2011.
- The number of open skating/public hockey participants is projected to increase beginning in 2010 with the addition of a ladies open hockey program.
- Bi-annual maintenance of Rink A and the relighting of Rink B in 2009 required a decrease in the number of days of operation for the facility.

GRAY'S BAY MARINA - Recreation Services Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Slip Rental	\$ 107,300	\$ 113,457	\$ 110,200	\$ 108,300	\$ 110,200
Fuel Sales	116,148	84,620	84,500	109,500	101,500
Other Revenue	2,403	2,587	1,900	2,000	1,900
Investment Income	7,771	8,138	8,000	6,000	8,000
Transfers In	49,201	-	-	-	-
Totals	\$ 282,823	\$ 208,802	\$ 204,600	\$ 225,800	\$ 221,600

Expenditures by Category

Personnel	\$ 26,029	\$ 27,249	\$ 28,400	\$ 28,400	\$ 48,700
Supplies	101,547	70,852	80,500	105,000	94,000
Other Services & Charges	75,141	31,006	35,400	32,400	34,400
Transfer Expenses	35,500	37,200	38,200	38,200	32,000
Totals	\$ 238,217	\$ 166,307	\$ 182,500	\$ 204,000	\$ 209,100

Surplus (Deficiency) of Revenues
over Expenditures

	\$ 44,606	\$ 42,495	\$ 22,100	\$ 21,800	\$ 12,500
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Capital Outlay	\$ 1,989	\$ 1,040	\$ -	\$ -	\$ -
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Number of Employees (FTEs) - - - - 0.2

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Gallons of gas sold on site	23,598	22,878	27,500	24,500
Days of operation	193	198	200	200
Slip lease rate	\$3,700	\$3,800	\$3,800	\$3,800
Operating expenses covered by revenue	119%	126%	112%	106%

Budget Comments/Issues:

The 2011 budget for Gray's Bay Marina provides current level services and a strong financial position for the fund.

- The 2011 budget includes for the first time an appropriately allocated portion of staff salaries for the current employees who continue to manage administration of the facility during its open season. Total FTEs remain the same.
- Slip lease rates remained at \$3,800 in 2010 and are not expected to change significantly in 2011.
- As slip fees cover a greater share of the Lake Minnetonka Conservation District (LMCD) dues and as funding allows, support for these costs will continue to be shifted in phases from the General Fund budget to the Gray's Bay Marina enterprise fund. Thirty percent of the LMCD dues are funded through the marina operations budget and is shown as "Other Services & Charges," and the remainder is funded and paid by the Natural Resources Division of the Public Works Department.
- While gallons of gas sold in 2009 were lower due to cool summer temperatures, gallons estimated to be sold in 2010 is an all-time high for the marina due to the conversely warm spring and ideal weekend summer weather the following year.

COMMUNITY INVESTMENT FUND - Finance Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Investment Income	\$ 1,204,645	\$ 488,298	\$ 500,000	\$ 375,000	\$ 450,000
Other	-	-	63,000	63,000	157,500
Totals	\$ 1,204,645	\$ 488,298	\$ 563,000	\$ 438,000	\$ 607,500
Expenditures					
Minnehaha Creek Corridor	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Williston Center Renovation	-	57,095	2,525,000	3,412,905	1,000,000
PW Building Loan Repayment	-	-	-	-	-
Totals	\$ -	\$ 57,095	\$ 3,025,000	\$ 3,412,905	\$ 1,000,000
Surplus/(Deficiency) of Revenues over/(under) Expenditures	1,204,645	431,203	(2,462,000)	(2,974,905)	(392,500)
Reserve for Delayed Projects	-	-	500,000	-	-
Beginning Fund Balance	21,574,366	22,779,011	23,210,214	23,210,214	20,235,309
Required Fund Balance	\$ 19,685,652	\$ 19,734,481	\$ 19,784,481	\$ 19,771,981	\$ 19,816,981
Available Fund Balance	3,093,359	3,475,733	463,733	463,328	25,828
Total Ending Fund Balance	\$ 22,779,011	\$ 23,210,214	\$ 20,248,214	\$ 20,235,309	\$ 19,842,809

Description of Services:

The Community Investment Fund was created in 1989 to be used solely to pay the capital costs of projects of general benefit to the City of Minnetonka. The city charter provides that the principal of the fund will be increased by 10 percent of the investment income each year, and that if the principal is used for a project, it must either be repaid or other projects may not be funded until the principal is restored to its previous amount plus 10 percent of the investment earnings.

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

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Annual investment earnings	\$1,204,645	\$488,298	\$375,000	\$450,000

Budget Comments/Issues:

The 2009 through 2011 expenditures and budgets for the Community Investment Fund are designated for significant capital improvements to the Williston Fitness Center (\$4.75 million total).

- Funding for the Williston Fitness Center includes monies to reconstruct the swimming pool, locker rooms and restrooms as well as to construct an indoor playscape and additions for a zero-depth pool and new weight room. The project is scheduled to be fully completed in January 2011. Other revenue to the fund includes \$94,500 annually over ten years for repayment of a portion of those costs from Williston Center user fees and revenue.
- Other revenue to the fund also includes \$63,000 annually transferred in from the General Fund until the year 2048 for ownership conveyance of the Arts Center on 7 to the Minnetonka Independent School District in 2010.
- \$1 million originally budgeted for the Minnehaha Creek Corridor project in 2010 and 2011 is delayed in the 2011-15 Capital Improvements Program (CIP) until years 2012 through 2015 to reflect actual projected timing of the project components. Similarly, an additional \$75,000 in previously approved funding for the project is delayed until 2012.
- The economic recession begun in the fall of 2008 continues to significantly reduce investment earnings to the fund, and as a result, balances available, as projected in the 2011-15 CIP, for future capital projects will be diminished. The cumulative ending available fund balance in 2015 is now forecasted to be around \$1.1 million.

COMMUNITY DEVELOPMENT DIVISION - Community Development Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 1,264,038	\$ 1,140,806	\$ 1,008,100	\$ 995,200	\$ 1,011,600
Supplies	23,360	14,657	21,400	22,991	18,900
Other Services & Charges	110,664	102,682	108,500	101,250	139,300
Capital Outlay	3,771	-	-	-	-
Totals	\$ 1,401,833	\$ 1,258,145	\$ 1,138,000	\$ 1,119,441	\$ 1,169,800

Method of Financing

General Fund	\$ 1,401,833	\$ 1,258,145	\$ 1,138,000	\$ 1,119,441	\$ 1,169,800
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Number of Employees (FTEs)	15.55	10.40	10.40	10.40	10.40
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Permits issued	6,424	5,431	5,500	5,500
Building construction value	\$118 million	\$51.9 million	\$165 million	\$55 million
Survey rating "very pleased" or "pleased" for job-site inspections	98%	98%	100%	95%

Budget Comments/Issues:

In 2011, the Community Development Department will continue to provide services with the reduced staffing level changes from 2009, despite a very moderate increase in construction activity workload demand.

- The department actively works with surrounding communities to jointly reduce costs where it is mutually beneficial. Minnetonka is assisted by a shared service agreement with St. Louis Park begun in 2009, and for 2010 and 2011, additional services have been required in electrical inspections. Inspection hourly rates charged to communities of Deephaven, Woodland and Greenwood are proposed to increase slightly in 2011, and a new shared services agreement with Brooklyn Park's will generate inspection revenue for Minnetonka in 2011.

- While the number of building permits issued are projected to remain steady into 2011, the average value of construction on most projects is down. As an exception in 2010, the United Health Group project and St. Therese building permits produced total construction valuation for the city above 2008 levels.

- Depending on the outcome of a pending transit study, the city may consider taking control of its regionally allocated transit funds instead of having them passed through to the Metropolitan Council as is done currently.

PLANNING DIVISION - Community Development Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 503,135	\$ 502,143	\$ 522,500	\$ 525,800	\$ 545,200
Supplies	7,697	4,987	5,300	3,800	5,700
Other Services & Charges	22,621	19,025	21,700	19,200	21,500
Capital Outlay	8,066	-	-	-	-
Totals	\$ 541,519	\$ 526,155	\$ 549,500	\$ 548,800	\$ 572,400

Method of Financing

General Fund	\$ 541,519	\$ 526,155	\$ 549,500	\$ 548,800	\$ 572,400
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Number of Employees (FTEs)	6.97	6.25	6.25	6.25	6.25
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Description of Services:

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

Key Measures:	2008 <u>Actual</u>	2009 <u>Actual</u>	2010 <u>Estimated</u>	2011 <u>Projected</u>
Planning applications received	153	110	135	120
Building permits reviewed	1,551	1,350	1,000	1,200
Grading permits issued	17	14	12	15
Sign permits issued	78	62	55	70
Public meetings	86	61	90	85

Budget Comments/Issues:

The 2011 budget for the Planning Division provides current level services.

- The number of planning applications have been affected by the recent Minnesota Supreme Court decision related to granting variances. Staff projects activity will likely remain low for at least the first half of 2011.

ASSESSING DIVISION - Finance Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 559,286	\$ 575,498	\$ 483,500	\$ 483,500	\$ 512,100
Supplies	5,416	4,314	7,100	6,300	6,900
Other Services & Charges	96,620	95,205	107,200	108,000	115,100
Capital Outlay	371	-	-	-	-
Totals	\$ 661,693	\$ 675,017	\$ 597,800	\$ 597,800	\$ 634,100

Method of Financing

General Fund	\$ 661,693	\$ 675,017	\$ 597,800	\$ 597,800	\$ 634,100
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Number of Employees (FTEs)	6.2	5.3	5.3	5.3	5.3
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Description of Services:

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

Key Measures:

	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Total market values	\$8.58 billion	\$8.29 billion	\$7.81 billion	\$7.42 billion
Sales ratio (targets revised annually by county)	96.0	94.7	95.0	95.0
Coefficient of dispersion (Less than 10 is "good.")	4.4	4.2	4.1	5.0
Parcels with interior inspected: declined inspection	2:3	2:3	1:3	1:3
Survey rating "excellent" or "good" from on-site appraisal visits	99%	98%	95%	95%
Commercial tax court petitions	64	111	134	155

Budget Comments/Issues:

The 2011 budget for the Assessing Division provides current level services.

- Staff continues to reallocate and reorganize workload and workflow after the 2009 retirement of employees in two key positions, including the city assessor, the elimination of one appraiser position, and the assumption of responsibilities for the special assessment function previously handled by the Engineering Department.
- The city is experiencing a substantial increase in the number of commercial tax court petitions of property valuations, projected to be three times greater in 2011 than 2007, which reflects the economic distress experienced throughout most metropolitan areas. Adjudicating those appeals may impact costs for "Other Services & Charges."
- Longer term issues for the division include technology improvements to file retention and improvements to the LOGIS sponsored property data system.

169/BREN ROAD INTERCHANGE FUND - Community Development Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Trip Generation Fees	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000
State Grants	-	-	-	-	8,650,000
Public Facilities Auth (PFA) Loan	-	-	-	-	3,500,000
UHG Revenue Note	-	-	-	-	1,300,000
SACF, Transfer In	-	-	-	-	5,000,000
Interest on Investments	-	-	-	-	90,000
Totals	\$ -	\$ -	\$ -	\$ -	\$ 22,240,000
Expenditures by Category					
169/Bren Interchange Project	\$ -	\$ -	\$ -	\$ 350,000	\$ 16,800,000
PFA Debt Service	-	-	-	-	33,709
UHG Revenue Share	-	-	-	-	-
Totals	\$ -	\$ -	\$ -	\$ 350,000	\$ 16,833,709
Surplus (Deficiency) of Revenues over Expenditures	-	-	-	(350,000)	5,406,291
Committed Fund Balance	-	-	-	-	5,000,000
<i>Beginning Fund Balance</i>	-	-	-	-	(350,000)
<i>Ending Fund Balance</i>	\$ -	\$ -	\$ -	\$ (350,000)	\$ 56,291

Description of Services:

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

Key Measures:*	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Commercial permit revenue	na	na	na	\$700,000
Increase in taxable market value	na	na	na	\$20 million
Jobs developed within city	na	na	na	na

* Includes only outcomes associated with developments in the Opus Business Park requiring the interchange improvements.

Budget Comments/Issues:

2010 is the first year of the 169/Bren Road Interchanges Fund and is used for initial pre-construction work on the project.

- Monies for the reconstruction of the 169/Bren Road interchange are to be financed through the 169/Bren Road Interchange Fund. A total estimated taxable market value of \$40 million will be realized for the city's tax base in 2011, because construction of a large commercial building for United Health Group (UHG) would not happen but for the completion of the project. A total of 1,700 jobs in the city are forecasted to be developed and be realized over a number of years associated with the UHG and expansion of the interchange.

- Trip generation fees are charged as parcels are developed or redeveloped within the Opus Business park over the years 2010 through 2030. The fees are tied to the increase in trips to the 169/Bren interchange that is created by the projects, and a portion of those proceeds after 2011 will reimburse the city's costs for improving the interchange. 2011 trip fees are those specifically charged to and paid by UHG.

- UHG partnered with the city by issuing approximately \$1.3 million in a revenue note for some of the construction costs of the 169/Bren interchange project. As future trip generation fee revenue is realized over the next 20 years, the revenue note will be repaid with a portion of those proceeds.

NOTE: The following budget will reflect the Minnetonka Economic Development Authority (EDA) final adopted Housing and Redevelopment Authority (HRA) tax levy. The HRA tax levy is not legally a statutory levy of the City of Minnetonka.

HOUSING & REDEVELOPMENT AUTHORITY FUND

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Ad Valorem Tax Levy	\$ -	\$ 98,353	\$ 175,000	\$ 175,000	\$ 175,000
Expenditures by Category					
WHAHLT	-	-	-	100,000	-
Village Center Master Planning	-	-	75,000	-	90,000
Housing Programs	-	-	100,000	-	85,000
Totals	\$ -	\$ -	\$ 175,000	\$ 100,000	\$ 175,000
Surplus (Deficiency) of Revenues over Expenditures	-	98,353	-	75,000	
<i>Beginning Fund Balance</i>	-	-	98,353	98,353	173,353
<i>Ending Fund Balance</i>	<u>\$ -</u>	<u>\$ 98,353</u>	<u>\$ 98,353</u>	<u>\$ 173,353</u>	<u>\$ 173,353</u>

Description of Services:

Minnesota Statutes 469.033, Subd. 6 authorizes housing and redevelopment authorities (HRAs) the power to levy a tax upon all property within its district to finance housing and redevelopment programs subject to the consent of the city council. In 1988 and amended in 1994 and 2010, the Minnetonka City Council established the Economic Development Authority (EDA) of the City of Minnetonka and transferred to the EDA the control, authority and operation of all projects and programs of the city's HRA. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city and all actions of the authority to be approved by the city council.

Key Measures:

	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Village center master plans completed	na	na	2	2

Budget Comments/Issues:

The Economic Development Advisory Commission (EDAC) has recommended that the 2011 HRA levy be used to finance village center master planning and as many as two housing improvement programs.

- The EDAC recommended and the city council adopt a 2011 budget of \$85,000 to develop village center master plans for the two areas. The remaining \$90,000 will finance a low to moderate income housing rehabilitation program and/or a first-time homebuyers assistance program. The specific design and funding allocations for the two housing programs will be developed by staff and recommended by the EDAC for council adoption in early 2011.

- Because HRA levies are specifically covered as separate levies under state law, proposed property tax notices and invoices to property owners identify the levy as a "special taxing district" separate from the city.

LIVABLE COMMUNITIES FUND - Community Development Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Redevelopment Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	127,889	23,640	50,000	52,000	55,000
Hennepin County T.O.D. Funds	-	-	-	-	-
Totals	\$ 127,889	\$ 23,640	\$ 50,000	\$ 52,000	\$ 55,000
Expenditures by Category					
Redevelopment Project Planning	\$ 5,244	\$ -	\$ -	\$ -	\$ -
Cedar Point Affordable Housing	27,734	43,308	40,000	40,000	40,000
Mtka Heights / Crown Ridge	16,500	37,500	36,000	36,000	36,000
WHAHLT	317,703	251,806	250,000	250,000	225,000
Legal/Other	112	736	-	-	-
Transfers Out	121,800	-	-	-	-
Totals	\$ 489,093	\$ 333,350	\$ 326,000	\$ 326,000	\$ 301,000
Surplus (Deficiency) of Revenues over Expenditures	(361,204)	(309,710)	(276,000)	(274,000)	(246,000)
Beginning Fund Balance	2,893,496	2,532,292	2,222,582	2,222,582	1,948,582
Ending Fund Balance	\$ 2,532,292	\$ 2,222,582	\$ 1,946,582	\$ 1,948,582	\$ 1,702,582

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Affordable units preserved at Cedar Pointe	9	9	9	9
Total WHAHLT units in Minnetonka	33	37	42	46
Average sales price of WHAHLT unit	\$139,800	\$127,729	\$127,420	\$130,000
Percent of Met Council housing goals achieved	82%	82%	82%	10%
Median value of Minnetonka home	\$322,000	\$309,100	\$272,200	\$275,000
Change from previous year	-1.5%	-4.0%	-12.0%	1.0%

Budget Comments/Issues:

Due to structural imbalance of the fund, the Livable Communities Fund balance is projected to decrease over time. In 2009, the city's Economic Development Authority (EDA) and the Minnetonka city council adopted a Housing & Redevelopment Authority (HRA) levy to potentially supplement this fund for the purposes of increasing affordable housing.

- The total 2011 city budget for WHAHLT is \$225,000.

- A portion of this fund often serves as a pass-through for Metropolitan Council grant revenues to WHAHLT.

Hennepin County Transit Oriented Development (T.O.D.) grant funds in 2007 were used to fill the gap between the city's cost of purchasing the affordable units at The Sanctuary and Deephaven Cove and the sales price paid by WHAHLT.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - Community Development Dept.

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Federal Grant	\$ 262,255	\$ 191,164	\$ 169,866	\$ 227,366	\$ 180,000
Program Income	39,760	25,000	20,000	10,000	10,000
Transfers In	121,800	-	-	-	-
Totals	\$ 423,815	\$ 216,164	\$ 189,866	\$ 237,366	\$ 190,000
Expenditures by Category					
Housing Rehabilitation	\$ 359,293	\$ 191,338	\$ 150,000	\$ 200,000	\$ 180,000
Support Services	34,078	-	28,000	28,000	30,000
Administration	6,985	-	10,000	7,500	10,000
Fair Housing	-	-	1,866	1,866	2,000
Totals	\$ 400,356	\$ 191,338	\$ 189,866	\$ 237,366	\$ 222,000
Surplus (Deficiency) of Revenues over Expenditures	23,459	24,826	-	-	(32,000)
<i>Beginning Fund Balance</i>	<i>4,433</i>	<i>27,892</i>	<i>52,718</i>	<i>52,718</i>	<i>52,718</i>
<i>Ending Fund Balance</i>	\$ 27,892	\$ 52,718	\$ 52,718	\$ 52,718	\$ 20,718

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Rehabilitation projects completed or underway	11	10	11	3
Average cost of rehabilitation project	\$17,899	\$20,000	\$21,000	\$20,000
Emergency repair projects completed or underway	16	9	25	15
Average cost of emergency repair project	\$3,917	\$4,259	\$4,500	\$5,000

Budget Comments/Issues:

The 2011 budget for the CDBG Fund provides for current level services.

- The CDBG Grant Revenues vary from year to year based on funding decisions made by the federal government. Because CDBG funding distribution and the federal fiscal year do not coincide with the city's fiscal year, expenditures and revenue figures above address these differences.

- "Program Income" above is generated when there is an early repayment for a rehabilitation loan.

- Beginning 2009, the city received from nonprofit organizations applications for CDBG program monies, which were reviewed and ranked by the Minnetonka Economic Development Advisory Commission (EDAC) for funding. Preference was given to agencies that provide community-wide benefits, proportionately serve Minnetonka residents, have limited access to alternative funding, and provide cost-effective services. Based upon those recommendations, the following amounts are included above for funding as indicated:

	2008	2009		2010	2011
		Regular	One-time		
Community Action Partnership of Suburban Hennepin Co. (CAPSH)	\$ 4,500	\$ 4,000	\$ 1,500	\$ 3,700	\$ 5,000
HOMELine	1,500	1,500	3,000	1,200	2,500
ResourceWest	5,000	5,000	1,500	5,000	5,000
Intercongregation Communities Associations (ICA)	-	5,500	9,000	6,200	8,000
Treehouse	-	-	1,000	-	-
Senior Community Services (SCS) H.O.M.E. Program	13,700	12,000	2,000	11,700	12,000
Total	\$ 24,700	\$ 28,000	\$ 18,000	\$ 27,800	\$ 32,500

ADMINISTRATIVE SERVICES DEPARTMENT

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 914,378	\$ 892,658	\$ 968,300	\$ 965,700	\$ 979,400
Supplies	15,437	17,265	19,100	31,400	21,700
Other Services & Charges	183,656	184,214	245,600	207,200	256,700
Capital Outlay	-	-	-	4,000	-
Totals	\$ 1,113,471	\$ 1,094,137	\$ 1,233,000	\$ 1,208,300	\$ 1,257,800

Method of Financing

General Fund	\$ 1,113,471	\$ 1,094,137	\$ 1,233,000	\$ 1,208,300	\$ 1,257,800
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Number of Employees (FTEs)	9.0	8.7	8.7	8.7	9.0
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Description of Services:

The Administrative Services budget includes management of all day-to-day operations of the city, communications with the mayor and council members, overall administration of the city's policies and procedures, human resources management (including compensation and benefits), official city records, elections, information desk, city court (including its administration for the City of Excelsior) and some oversight of park and open space planning and development.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Registered voters	34,695	35,124	37,497	37,500
Absentee voters	5,872	161	2,249	175
City court hearings	2	3	6	10
City positions - regular FT & PT	245	234	235	235
Turnover ratio	4.5%	5.0%	3.4%	3.4%

Budget Comments/Issues:

The 2011 budget for Administrative Services anticipates changes due to technology enhancements.

- In 2009, the turnover ratio was impacted by the city-wide budget reductions and reorganization.
- Beginning in 2011, new annual licensing/operational fees of \$30,000 for technology enhancements will be added to Other Services & Charges. This covers an upgrade of the online individual performance evaluation system; addition of a web-based employment application and tracking system; and replacement of the city's records imaging system.
- In even-numbered years, the cycle of local, state and federal elections results in higher Personnel and Other Services & Charges expenses. With the local election in 2011, these costs will decrease approximately \$20,000.
- The project specialist's position is increased from 0.50 to 0.75 in 2011, with 0.25 shifted from the Cable Fund budget. This reflects a greater share of the position handling administrative duties and reduces reliance on the Cable Fund.

INFORMATION TECHNOLOGY DIVISION - Administrative Services Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 309,521	\$ 335,342	\$ 349,100	\$ 349,100	\$ 361,000
Supplies	1,688	1,766	4,000	2,500	2,500
Other Services & Charges	225,025	217,087	271,700	268,600	282,200
Capital Outlay	12,818	-	-	-	-
Totals	\$ 549,052	\$ 554,195	\$ 624,800	\$ 620,200	\$ 645,700

Method of Financing

General Fund	\$ 549,052	\$ 554,195	\$ 624,800	\$ 620,200	\$ 645,700
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Number of Employees (FTEs)	3.75	3.75	3.75	3.75	3.75
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Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Help Desk requests	3,004	2,787	3,200	3,200
IT division approval ratings	97%	95%	94%	94%
Hand held devices & pagers supported	200	205	222	232
Field & home remote connections supported	82	92	95	100
Technology Project Requests	22	17	24	20

Budget Comments/Issues:

Despite an increase in requests and devices supported plus a growing sophistication of IT services, the 2011 budget for the IT Division stays within current service levels.

- "Other Services and Charges" will increase by \$10,000 related to a new software service contract for a new document imaging system.
- In anticipation of acquiring new help desk tracking software, staff projects an increase in the number of requests primarily due to improved tracking.
- "Technology Project Requests" reflects the number of technology related projects requested by city departments and identified by IT staff.
- Daytime staffing availability has been impacted by a progressive increase in field and home remote connections, a rise in the number of after-hours public meetings and events requiring IT staff support, and a change in the overtime policy requiring more flexing of schedules.

TECHNOLOGY DEVELOPMENT FUND - Administrative Services Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Ad Valorem Tax Levy	\$ 350,000	\$ 600,000	\$ 360,000	\$ 360,000	\$ 375,000
Investment Income, Other	-	6,384	7,000	5,600	1,000
Totals	\$ 350,000	\$ 606,384	\$ 367,000	\$ 365,600	\$ 376,000
Expenditures by Category					
Technology Purchases/Upgrades	\$ 312,175	\$ 275,602	\$ 244,500	\$ 244,500	\$ 329,300
Office Equipment	-	44,631	21,500	21,500	41,500
Public Safety Technology	-	-	50,000	50,000	69,500
Technology Infrastructure	9,634	-	-	-	-
Communications Technology	-	-	-	-	25,000
Totals	\$ 321,809	\$ 320,233	\$ 316,000	\$ 316,000	\$ 465,300
Surplus (Deficiency) of Revenues over (under) Expenditures	28,191	286,151	51,000	49,600	(89,300)
Reserve for Delayed Projects	-	-	-	215,500	-
Beginning Fund Balance	86,714	114,905	401,056	401,056	235,156
Ending Fund Balance	\$ 114,905	\$ 401,056	\$ 452,056	\$ 235,156	\$ 145,856

Description of Services:

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

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
Number of servers	10	11	15	13
Number of desktop computers	192	197	184	195
Number of laptop computers	69	76	89	109
Wireless Access Points Supported	0	10	18	20

Budget Comments/Issues:

The 2011 budget for the Technology Fund finances the city's regular technology replacement schedule as provided in the adopted Capital Improvements Program (CIP).

- As cost saving measures in 2009, the computer replacement schedule was adjusted from three to four years, and the copier replacement schedule was adjusted from five to seven years.
- In 2011, an additional twenty laptops may be added and supported for use during the election process or possible Emergency Operations Center planning.
- An increase in "wireless access points" provides better coverage and mobility for wireless devices for city services.

CABLE TELEVISION FUND - Administrative Services Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Cable TV Franchise Fee	\$ 682,285	\$ 678,414	\$ 600,000	\$ 600,000	\$ 610,000
Grants	-	7,459	-	7,500	-
Investment Income	59,847	30,441	30,000	30,000	30,000
Miscellaneous Income	7,581	24,362	10,000	10,000	9,100
Totals	\$ 749,713	\$ 740,676	\$ 640,000	\$ 647,500	\$ 649,100
Expenditures by Category					
Personnel	\$ 172,468	\$ 173,625	\$ 185,700	\$ 185,700	\$ 175,900
Supplies	3,009	2,838	5,500	3,500	3,500
Other Services & Charges	196,378	204,955	225,700	224,700	225,300
Capital Outlay	69,257	148,581	186,000	196,000	143,500
Transfer Expenses	25,600	26,800	27,600	27,600	28,500
Totals	\$ 466,712	\$ 556,799	\$ 630,500	\$ 637,500	\$ 576,700
Surplus (Deficiency) of Revenues over Expenditures	283,001	183,877	9,500	10,000	72,400
Reserve for Delayed Projects	-	-	-	68,300	-
Beginning Fund Balance	1,048,824	1,331,825	1,515,702	1,515,702	1,457,402
Ending Fund Balance	\$ 1,331,825	\$ 1,515,702	\$ 1,525,202	\$ 1,457,402	\$ 1,529,802
Number of Employees (FTEs)	2.25	2.25	2.25	2.25	2.00

Description of Services:

The Cable Television Fund was created in 1984 to enhance city communications both with the community and within the city's organization. It is primarily financed by franchise fees paid to the city by the local cable company in exchange for use of the city's rights-of-way. The fund finances numerous activities and events to inform and educate the public and city employees as well as to strengthen residents' sense of community, including broadcast of public meetings and special events (over 60 per year); publication of the *Minnetonka Memo* (circulation of 26,000); upkeep of the city's Web site and intranet; hosting the city events for residents such as Summer Festival, Burwell House Old-Fashioned Ice Cream Social, and the City Open House; and supporting the community-building efforts of the Minnetonka Community Commission. Fiber for the city's technology infrastructure is also budgeted in this fund.

Key Measures:	2008 Actual	2009 Actual	2010 Estimated	2011 Projected
% residents rating the <i>Memo</i> "excellent" or "good"	91%	97%	92%	92%
# of subscribers to city electronic communications	1,075	2,300	3,000	3,500
Burwell House visitors (Excluding Ice Cream Social visitors)	933	600	800	1,000
Visitors to Open House and Summer Festival/Ice Cream Social	18,654	16,800	10,000	17,000
Miles of fiber	13	16	16	17
Number of Wireless Links	0	0	1	2
IT Supported Events (City and Private Reservations)	N/A	87	80	85

Budget Comments/Issues:

The 2011 budget for the Cable Television Fund finances continued service and capital costs for technology to better communicate and respond to citizens regarding city services.

- \$10,000 was added to the 2010 Capital Outlay budget to replace a malfunctioning backup switcher in the AV room. The Capital Improvements Program budget is amended to reflect this with the adoption of this budget.
- 2010 Capital Outlay also expenses \$45,200 in funds reserved for delayed projects in last year's budget. These expenses were for a variety of AV upgrades to the broadcast control room.
- Priorities for fiber connectivity continue to be water towers, water treatment plants and lift stations. Wireless technologies, which are becoming more affordable and reliable, are being pursued as an alternative to fiber.
- The project specialist's position was reduced from 0.50 to 0.25 FTE, with 0.25 shifted to the administrative services budget. This reflects a greater share of the position handling administrative duties and reduces reliance on the Cable Fund.
- Staff continues to pursue sponsorship opportunities as an alternative revenue to help offset event costs.

FINANCE DEPARTMENT

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Personnel	\$ 549,982	\$ 558,381	\$ 575,900	\$ 575,900	\$ 586,200
Supplies	3,712	6,347	5,200	5,900	6,200
Other Services & Charges	102,927	110,009	122,600	120,900	124,600
Capital Outlay	-	-	-	-	-
Totals	\$ 656,621	\$ 674,737	\$ 703,700	\$ 702,700	\$ 717,000

Method of Financing

General Fund	\$ 656,621	\$ 674,737	\$ 703,700	\$ 702,700	\$ 717,000
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Number of Employees (FTEs)	6.0	6.0	6.0	6.0	6.0
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Description of Services:

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

Key Measures:	2008 <u>Actual</u>	2009 <u>Actual</u>	2010 <u>Estimated</u>	2011 <u>Projected</u>
Utility customer accounts	16,762	16,746	16,788	16,834
Average # of payment checks processed per month	685	640	610	590
Average # of EFTs processed per month	na	9	22	30
Average payroll count (incl. FT, PT, firefighters)	380	411	415	435
Annual rate of return on investments	5.85%	2.28%	1.80%	2.00%
Customers rating services at "above average" or "excellent"	95%	94%	95%	95%
GFOA Award for Excellence in Financial Reporting	Awarded	Awarded	Awarded	Awarded

Budget Comments/Issues:

The 2011 budget for the Finance Department provides current level services.

- The department is moving towards greater efficiencies through electronic payments and receipts, which will have the greatest impact on utility billing. Implementation of software system acceptance of recurring credit card payments began in 2010 along with a new contract with a third party for electronic acceptance of online bank checks. Implementation of online utility billing was delayed by LOGIS, the city's technology consortium, until 2011, and LOGIS is currently spearheading the establishment of a contract for regular, electronic system payment of vendors.
 - Utility billing will be converted from quarterly to monthly in early 2012. Staff anticipates the additional costs will be offset in part by an increasing number of customers who will choose to receive and pay their bills electronically.
 - The average payroll count increases beginning 2009 to reflect the conversion of paying firefighters from quarterly to monthly as well as potential increased numbers of firefighters associated with adoption of duty crews.
 - The new formula for allocating costs of the city's financial software system increased the annual costs to Minnetonka by approximately \$15,000 phased-in over three years beginning 2009. 2011 is the third and final year.
 - The full-time utility billing clerk is budgeted above and reimbursed to the General Fund by the Utility Fund. Another part-time staff member to assist with utility billing is shared with Public Works and funded directly by the Utility Fund.

INSURANCE FUND - Administrative Services Department

Revenues	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Interfund Transfers In	\$ 369,900	\$ 388,600	\$ 397,900	\$ 397,900	\$ 609,400
Investment Income	39,790	4,181	18,500	18,500	5,000
Refunds and Dividends	20,658	65,188	20,000	20,000	20,000
Totals	\$ 430,348	\$ 457,969	\$ 436,400	\$ 436,400	\$ 634,400
Expenditures by Category					
Premiums	\$ 235,128	\$ 475,577	\$ 448,400	\$ 448,400	\$ 471,200
Settlements	130,820	90,769	125,000	125,000	125,000
Other Services & Charges	14,675	14,675	20,000	20,000	20,000
Capital Outlay	-	-	-	-	-
Totals	\$ 380,623	\$ 581,021	\$ 593,400	\$ 593,400	\$ 616,200
Surplus (Deficiency) of Revenues over Expenditures	49,725	(123,052)	(157,000)	(157,000)	18,200
<i>Beginning Fund Balance</i>	<i>650,892</i>	<i>700,617</i>	<i>577,565</i>	<i>577,565</i>	<i>420,565</i>
<i>Ending Fund Balance</i>	\$ 700,617	\$ 577,565	\$ 420,565	\$ 420,565	\$ 438,765

Description of Services:

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

Key Measures:	2008 <u>Actual</u>	2009 <u>Actual</u>	2010 <u>Estimated</u>	2011 <u>Projected</u>
General liability claims	42	33	35	30
Workers comp mod factor (less than 1.0 is good)	0.76	0.80	0.80	0.80

Budget Comments/Issues:

The city will continue to retain an appropriate fund balance as would be required to finance the city's maximum total liability under its policy coverage through the League of Minnesota Cities Insurance Trust (LMCIT).

- The city's premium increase for 2011 will not be as high as in the previous two years. The driving factor in premium increases is the litigation in which the League of Minnesota Cities represented the city. For insurance purposes, LMCIT looks at litigation related claims from the previous three-year period, and because there were two land use claims in 2006 that will now not be factored in, the premium will decline modestly.
- The 2010 ending fund balance accommodated out-of-pocket requirements for almost two years under the city's current liability coverage. Beginning 2011, staff is implementing a plan to correct the current structural imbalance in the fund, which is primarily associated with workers compensation settlement costs. Actual increased costs are being allocated to each budgetary unit for the settlements to reflect its historical experience.
- The mod factor relates to the frequency and severity of an employer's workers compensation claims over a three-year period, and it is used to calculate the premium. A mod factor of 1.00 is considered average for an employer's particular industry; the lower the mod factor, the better.

CONTINGENCY BUDGET - Finance Department

Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2010 Revised	2011 Budget
Contingency	\$ -	\$ -	\$ 75,000	\$ 50,000	\$ 50,000
<i>Total Contingency</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 75,000</i>	<i>\$ 50,000</i>	<i>\$ 50,000</i>

Description of Services:

The city budgets a targeted amount for contingency in the event that unanticipated expenses arise during the fiscal year that require additional funding. If the monies are not required, they are returned to the fund balance of the General Fund.

Budget Comments/Issues:

The revised 2010 and 2011 contingency budgets are reduced to reflect current conditions.

- In 2007, the annual contingency budget was raised from \$25,000 to \$75,000 to accommodate increased risks associated with significant fluctuations in energy costs, especially fuel. The allocation is reduced for 2010 and 2011 to reflect current conditions. The city has not required use of its contingency budget in recent history.



2011 BUDGET SUMMARY - All Funds by Service Program & Budget

Service Program	Budgetary Unit	All Budgets	Budget			
			Gen'l Fund Operating	Enterprise Operating	Capital	Other
Public Safety:	Police Department	\$ 8,253,200	\$ 8,193,200	\$ -	\$ -	\$ 60,000
	Dispatch Division	779,200	779,200	-	-	-
	Fire Department	2,294,600	2,294,600	-	-	-
	Fire Apparatus Fund	-	-	-	-	-
	Environmental Health Division	347,300	347,300	-	-	-
	Legal Department	766,500	765,800	-	-	700
	<i>Subtotal</i>	\$ 12,440,800	\$ 12,380,100	\$ -	\$ -	\$ 60,700
Streets & Utilities:	Engineering Department	\$ 1,126,800	\$ 1,126,800	\$ -	\$ -	\$ -
	Street Improvement Fund	4,243,000	-	-	4,243,000	-
	MSA Fund	641,388	-	-	405,500	235,888
	Storm Water Fund	1,406,300	-	330,300	1,076,000	-
	Electric Franchise Fee Fund	50,000	-	-	-	50,000
	Street Maintenance Division	2,924,000	2,924,000	-	-	-
	Building Maintenance Division	1,020,400	1,020,400	-	-	-
	Fleet Maintenance Division	1,377,675	-	-	-	1,377,675
	Grants Special Revenue Fund	433,200	-	-	308,500	124,700
	Capital Replacement Fund*	2,269,200	-	-	2,269,200	-
	Water & Sewer Utility Fund	11,205,051	-	8,251,988	1,833,400	1,119,663
	<i>Subtotal</i>	\$ 26,697,014	\$ 5,071,200	\$ 8,582,288	\$ 10,135,600	\$ 2,907,926
Parks & Environ:	Parks & Trails Division	\$ 1,373,100	\$ 1,373,100	\$ -	\$ -	\$ -
	Natural Resources Division	1,051,000	1,051,000	-	-	-
	Environmental Fund	977,750	-	977,750	-	-
	Park Dedication Fund	295,000	-	-	295,000	-
	Park & Open Space Bonds	974,000	-	-	974,000	-
	Park & Open Sp Debt Fund	1,107,546	-	-	-	1,107,546
	Community Investment Fund	-	-	-	-	-
	<i>Subtotal</i>	\$ 5,778,396	\$ 2,424,100	\$ 977,750	\$ 1,269,000	\$ 1,107,546
Recreation:	Joint Recreation	\$ 1,344,700	\$ 1,344,700	\$ -	\$ -	\$ -
	Minnnetonka Recreation	541,100	541,100	-	-	-
	Senior Services	342,900	342,900	-	-	-
	Community Center	524,100	521,500	-	-	2,600
	Williston Center	1,126,300	-	1,126,300	-	-
	Ice Arena	850,000	-	850,000	-	-
	Gray's Bay Marina	189,500	-	189,500	-	-
	Community Investment Fund	1,000,000	-	-	1,000,000	-
	<i>Subtotal</i>	\$ 5,918,600	\$ 2,750,200	\$ 2,165,800	\$ 1,000,000	\$ 2,600
Development:	Community Devpt Division	\$ 1,169,800	\$ 1,169,800	\$ -	\$ -	\$ -
	Planning Division	572,400	572,400	-	-	-
	Assessing Division	634,100	634,100	-	-	-
	Development Fund	40,700	-	-	-	40,700
	169/Bren Road Interchange	16,833,709	-	-	16,800,000	33,709
	HRA Fund	175,000	-	-	-	175,000
	Livable Communities Fund	301,000	-	-	-	301,000
	CDBG Fund	222,000	-	-	-	222,000
	<i>Subtotal</i>	\$ 19,948,709	\$ 2,376,300	\$ -	\$ 16,800,000	\$ 772,409
General Gov't:	Mayor & City Council	\$ 218,200	\$ 218,200	\$ -	\$ -	\$ -
	General Administration	1,257,800	1,257,800	-	-	-
	Information Tech Division	645,700	645,700	-	-	-
	Technology Fund	465,300	-	-	465,300	-
	Cable Fund	548,200	-	-	143,500	404,700
	Finance Department	717,000	717,000	-	-	-
	Insurance Fund	616,200	-	-	-	616,200
	Contingency	50,000	50,000	-	-	-
	<i>Subtotal</i>	\$ 4,518,400	\$ 2,888,700	\$ -	\$ 608,800	\$ 1,020,900
TOTALS		\$ 75,301,919	\$ 27,890,600	\$ 11,725,838	\$ 29,813,400	\$ 5,872,081

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

**2010 REVISED BUDGET SUMMARY - All Funds
by Service Program & Budget**

Service Program	Budgetary Unit	All Budgets	Budget			
			Gen'l Fund Operating	Enterprise Operating	Capital	Other
Public Safety:	Police Department	\$ 8,669,400	\$ 8,547,400	\$ -	\$ -	\$ 122,000
	Dispatch Division	-	-	-	-	-
	Fire Department	2,336,000	2,336,000	-	-	-
	Environmental Health Division	342,250	342,250	-	-	-
	Legal Department	717,900	717,900	-	-	-
	<i>Subtotal</i>	\$ 12,065,550	\$ 11,943,550	\$ -	\$ -	\$ 122,000
Streets & Utilities:	Engineering Department	\$ 1,136,707	\$ 1,136,707	\$ -	\$ -	\$ -
	Street Improvement Fund	3,889,255	-	-	3,889,255	-
	MSA Fund	602,388	-	-	290,000	312,388
	Storm Water Fund	1,560,200	-	307,300	1,252,900	-
	Electric Franchise Fee Fund	10,000	-	-	-	10,000
	Street Maintenance Division	3,135,150	3,135,150	-	-	-
	Building Maintenance Division	951,800	951,800	-	-	-
	Fleet Maintenance Division	1,363,125	-	-	-	1,363,125
	Grants Special Revenue Fund	392,778	-	-	90,500	302,278
	Capital Replacement Fund*	1,828,500	-	-	1,828,500	-
	Water & Sewer Utility Fund	10,274,061	-	7,769,000	1,380,400	1,124,661
	<i>Subtotal</i>	\$ 25,143,964	\$ 5,223,657	\$ 8,076,300	\$ 8,731,555	\$ 3,112,452
Parks & Environ:	Parks & Trails Division	\$ 1,335,500	\$ 1,335,500	\$ -	\$ -	\$ -
	Natural Resources Division	1,019,600	1,019,600	-	-	-
	Environmental Fund	967,125	-	967,125	-	-
	Park Dedication Fund	1,181,500	-	-	1,181,500	-
	Park & Open Space Bonds	194,000	-	-	194,000	-
	Park & Open Sp Debt Fund	1,057,722	-	-	-	1,057,722
	Community Investment Fund	-	-	-	-	-
	<i>Subtotal</i>	\$ 5,755,447	\$ 2,355,100	\$ 967,125	\$ 1,375,500	\$ 1,057,722
Recreation:	Joint Recreation	\$ 1,312,500	\$ 1,312,500	\$ -	\$ -	\$ -
	Minnetonka Recreation	523,000	523,000	-	-	-
	Senior Services	322,300	322,300	-	-	-
	Community Center	523,200	523,200	-	-	-
	Williston Center	1,035,900	-	1,035,900	-	-
	Ice Arena	827,500	-	827,500	-	-
	Gray's Bay Marina	175,300	-	175,300	-	-
	Community Investment Fund	3,412,905	-	-	3,412,905	-
	<i>Subtotal</i>	\$ 8,132,605	\$ 2,681,000	\$ 2,038,700	\$ 3,412,905	\$ -
Development:	Community Devpt Division	\$ 1,119,441	\$ 1,119,441	\$ -	\$ -	\$ -
	Planning Division	548,800	548,800	-	-	-
	Assessing Division	597,800	597,800	-	-	-
	Development Fund	471,100	-	-	-	471,100
	169/Bren Road Interchange	350,000	-	-	350,000	-
	HRA Fund	100,000	-	-	-	100,000
	Livable Communities Fund	326,000	-	-	-	326,000
	CDBG Fund	237,366	-	-	-	237,366
	<i>Subtotal</i>	\$ 3,750,507	\$ 2,266,041	\$ -	\$ 350,000	\$ 1,134,466
General Gov't:	Mayor & City Council	\$ 213,000	\$ 213,000	\$ -	\$ -	\$ -
	General Administration	1,208,300	1,208,300	-	-	-
	Information Tech Division	620,200	620,200	-	-	-
	Technology Fund	316,000	-	-	316,000	-
	Cable Fund	609,900	-	-	196,000	413,900
	Finance Department	702,700	702,700	-	-	-
	Insurance Fund	593,400	-	-	-	593,400
	Contingency	50,000	50,000	-	-	-
	<i>Subtotal</i>	\$ 4,313,500	\$ 2,794,200	\$ -	\$ 512,000	\$ 1,007,300
TOTALS		\$ 59,161,573	\$ 27,263,548	\$ 11,082,125	\$ 14,381,960	\$ 6,433,940

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

STAFFING LEVELS - 2010 & 2011

Full-Time Equivalents (FTEs)

<i>Service Category</i>	<i>Budgetary Unit</i>	<i>2010</i>		<i>2011</i>	<i>%</i>
		<i>2010</i>	<i>Revised</i>		
		<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	
Public Safety:	Police Department	75.35	75.35	66.35	
		-	-	9.00	
	Fire Department*	6.50	6.50	6.50	
	Environmental Health Division	3.40	3.40	3.40	
	Legal Department	6.00	6.00	6.00	
	<i>Subtotal</i>	<u>91.25</u>	<u>91.25</u>	<u>91.25</u>	<u>39.3%</u>
Streets & Utilities:	Engineering Department	10.00	9.75	9.75	
	Storm Water Fund	0.50	0.50	0.50	
	Street Maintenance Division	22.53	22.53	21.53	
	Building Maintenance Division	8.50	7.00	7.00	
	Fleet Maintenance Division	4.53	4.53	4.53	
	Water & Sewer Utility Fund	16.14	16.14	16.14	
		<i>Subtotal</i>	<u>62.20</u>	<u>60.45</u>	<u>61.45</u>
Parks & Environ:	Parks & Trails Division	9.51	9.01	9.01	
	Natural Resources Division	4.51	4.51	4.51	
	Environmental Fund	1.53	1.53	1.36	
		<i>Subtotal</i>	<u>15.55</u>	<u>15.05</u>	<u>14.88</u>
Recreation:	Joint Recreation	5.90	6.15	6.15	
	Minnetonka Recreation	0.90	1.15	1.15	
	Senior Services	2.50	2.50	2.50	
	Community Center	4.35	3.85	3.85	
	Williston Center	6.95	5.15	5.15	
	Ice Arena	3.80	3.80	3.80	
		<i>Subtotal</i>	<u>24.40</u>	<u>22.60</u>	<u>22.60</u>
Development:	Community Devpt Division	10.40	10.40	10.40	
	Planning Division	6.25	6.25	6.25	
	Assessing Division	5.25	5.25	5.25	
	Development Fund	0.20	0.20	0.20	
		<i>Subtotal</i>	<u>22.10</u>	<u>22.10</u>	<u>22.10</u>
General Gov't:	Mayor & City Council**	7.00	7.00	7.00	
	General Administration	8.72	8.72	8.72	
	Information Tech Division	3.75	3.75	3.75	
	Cable Fund	2.25	2.25	2.25	
	Finance Department	6.00	6.00	6.00	
		<i>Subtotal **</i>	<u>20.72</u>	<u>20.72</u>	<u>20.72</u>
TOTALS **		<u>236.22</u>	<u>232.17</u>	<u>233.00</u>	<u>100.0%</u>

* Excludes paid-on-call firefighters.

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

City of Minnetonka, Minnesota
2011 Budget
BONDED INDEBTEDNESS

	G.O. Revenue Bonds		G.O. Bonds			G.O. State-Aid	TOTAL All Bonds
	Water Bonds 2004	Water Ref Bonds 2008	Park Bonds 2002	Park Bonds 2004	Park Bonds 2008	Street Bonds 2008	
Original Amount	\$ 3,560,000	\$ 4,215,000	\$ 5,000,000	\$ 5,000,000	\$ 2,490,000	\$ 2,215,000	\$ 31,180,000
Outstanding 12/31/2010							
Principal	2,615,000	4,180,000	3,080,000	3,670,000	2,410,000	1,980,000	17,935,000
Interest	541,099	521,600	537,540	759,455	609,357	561,341	3,530,391
Total	\$ 3,156,099	\$ 4,701,600	\$ 3,617,540	\$ 4,429,455	\$ 3,019,357	\$ 2,541,341	\$ 21,465,391
Amounts Due in 2011							
Principal	215,000	655,000	330,000	305,000	135,000	165,000	1,805,000
Interest	94,463	154,100	117,888	132,690	86,969	70,888	656,996
Total	\$ 309,463	\$ 809,100	\$ 447,888	\$ 437,690	\$ 221,969	\$ 235,888	\$ 2,461,996
To be paid from:							
Property Taxes	-	-	479,708	469,880	236,014	-	1,185,602
State Aid (MSA)	-	-	-	-	-	235,888	235,888
Utility Fund	309,463	809,100	-	-	-	-	1,118,563
Total	\$ 309,463	\$ 809,100	\$ 479,708	\$ 469,880	\$ 236,014	\$ 235,888	\$ 2,540,052

CITY OF MINNETONKA

2011 Budget Calendar

February 1	Capital Improvement Program (CIP) forms sent to departments.
March 12	Departments submit capital requests to city manager.
Weeks of April 12 & 19	City manager meets with departments to discuss CIP requests.
May 10	City council study session on 2011-15 CIP.
May 20	Leadership staff reviews citizen survey results for budget purposes (tentative date).
May 24	City Council adopts 2011-15 CIP.
June 10	Budget work papers are made available to departments.
Weeks of July 6 & 12	City manager meets with departments to discuss 2011 department merit indicators, big budget issues, and key measures.
July 23	Forecasts completed for compensation and benefits, internal service fund allocations, utility costs, technology contract costs, fee and other revenue. Departments submit revised indicators and key measures.
August 25	Budget memo sent to city council.
August 30	First city council budget study session.
September 7	Budget instructions and targets provided to departments.
September 13	City council adopts preliminary levy and announces public budget hearing date.
October 1	Departments submit detailed budget requests.
November 8	City manager sends proposed 2011 budget and revised 2010 budget to city council members.
November 10-24	Hennepin County sends parcel specific proposed tax estimates to taxpayers.
November 15	Second city council budget study session.
December 6	City council holds public budget hearing.
December 20	City council adopts final 2011 budget, 2011 tax levy and revised 2010 budget.
December 28	Final 2011 levy certified to Hennepin County.

City of Minnetonka, MN

MINNETONKA CITY COUNCIL
 (Economic Development Authority)

Mayor Terry Schneider

Council Members at Large: Dick Allendorf
 Amber Greves

Ward Representation:
 Ward 1: Bob Ellingson
 Ward 2: Tony Wagner
 Ward 3: Brad Wiersum
 Ward 4: James Hiller

BOARDS & COMMISSIONS

- Charter Commission
- Planning Commission
- Economic Development Advisory Committee
- Park Board
- Community Commission
- Police Advisory Committee
- Senior Citizen Advisory Board

City Attorney
 Desyl Peterson

City Manager
 John Gunyou

PUBLIC SAFETY

PUBLIC WORKS

PARKS & RECREATIONS

DEVELOPMENT SERVICES

ADMINISTRATION

POLICE
 Chief Mark Raquet

- Patrol
- Investigation
- 9-1-1 Dispatch
- Support Services

PUBLIC WORKS
 Brian Wagstrom

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

RECREATION SERVICES
 Dave Johnson

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

COMMUNITY DEVELOPMENT
 Julie Wischnack

- Inspections
- Environmental Health
- Licensing
- Planning & Zoning

ADMINISTRATIVE SERVICES
 Geralyn Barone

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

FIRE
 Chief Joe Wallin

- Emergency Management
- Inspection
- Prevention
- Response

ENGINEERING
 Lee Gustafson

- Street & Utility
- Planning & Design

FINANCE
 Merrill King

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

LEGAL
 Desyl Peterson

- Prosecution
- Legal advice to the city



City of

minnetonka

Where quality is our nature