City of Minnetonka Beach
Finance Committee

Steve Howarth (Treasurer) Chair
Erik Bender
Lee Goehring
Colby Skelton
Paul Sperduto
Davida Suiter
Johnny Whitaker

Council Liaison – Jill Bartel
Staff: Susanne Griffin

Meeting Agenda – Finance Committee
Tuesday, June 26, 2018– 6:00 PM
City Hall

1. Call to Order

2. Approval of Minutes of May 2, 2018

3. New Business

   3.1. Investment Portfolio Review – Ken Herdeman

   3.2. 2019 – 2023 Capital Improvement Program Draft

4. Month End P & L – FYI only

5. Adjourn

City of Minnetonka Beach
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Council Liaison – Jill Bartel
Staff: Susanne Griffin
Consultant: Bruce Kimmel, Ehler's or alternate

Meeting Minutes
Wednesday, May 2, 2018– 6:30 PM
Finance Committee
City Hall

1. Call to Order

Chair Howarth called the meeting to order at 6:30 p.m.

Members Present: Chair Howarth, Erik Bender, Lee Goehring, Paul Sperduto, Davida Suiter, and Council Liaison Jill Bartel. Absent: Colby Skelton and Johnny Whitaker. Also in attendance was Chris Mickelson from Ehler's.

2. Approval of Agenda

Goehring motion, Suiter second to approve the agenda; all ayes. Motion passed.

3. Approval of Minutes of February 21, 2018 Finance Committee meeting

Chair Howarth asked for a correction on page 3, 5th paragraph. He asked that the minutes be clarified to state the following: "Howarth also discussed a possible policy on the use of City's reserve funds, ~~City funds and capital expenditures. "~~

Bender motion, Sperduto second to approve the minutes as amended; all in favor. Motion passed.

4. Old Business – Bonding for 2018 Capital Improvement Program

4.1 Scope of Project

Chair Howarth distributed a handout with an outline the issues and discussion for the Committee's discussion. The handout included the following topics: 1) Confirming the desired project scope; 2) Review, discuss and confirm the expected amount to cash funding from the general and utility

reserves; 3) Determine "affordability" – impact to utility rates and general tax rates; 4) Language for bond referendum.

Howarth also reviewed the discussion from the recent Joint Finance and Utilities Commission meeting held on April 4, 2018 for the benefit of the members who were not at that meeting. He stated that during the last meeting they discussed the projects under consideration for bond funding, funding requirements and cost estimates for the projects. They discussed financing alternatives and scenarios for funding the projects, and costs of financing, but they did not determine a final amount to be financed. They also discussed the use of city reserves on overall financing. He mentioned that for every $100,000 in tax levy on a $1,000,000 home equates to about $300 additional taxes per year.

With regarding to the desired scope of the projects, he asked members, staff, and members of the audience if the list of projects had changed any since the April 4th meeting. He stated that the complete list of projects under consideration were in the packet. He confirmed with staff and Council Member Lindstrom confirmed that there were no additions to the list that she was aware of. There are other projects coming up, but none that have been studied or approved by the City Council.

Member Goehring asked why the amount had increased from the earlier amount of around $1.3 million to now $2.225 million. Howarth explained that since the original dollar amount of $1,378,000 additional projects were added (replacing all 4" mains) bringing the principle amount of project to $2,224, 290, which was rounded it up to $2,250,000, but the actual cost of the project will be determined after projects are bid out later. All of the projects under discussion have been studied and recommended by the Utilities Commission and approved by the City Council as part of the 2018 Capital Improvement Program. They also talked about what would remain of the old pipe which is estimated to be 85 years old, and past its useful life, so future projects are likely.

4.2 Use of Reserve Funds

Howarth then directed members attention to the City Fund Reserve Balance sheet in the packet which showed cash balances of each city fund at the end of 2017 and excess reserves over the City's reserve fund balance policy. He pointed out that while the sheet showed a negative reserve balance at 2017 year end for the Capital Projects fund, with 2018 budgets, that negative excess reserve balance will be back to zero.

Howarth discussed the level of utilization of reserves, including the city's self-imposed policy of 65% of budgeted expenses. He asked members what level of reserves the members are comfortable recommending. Members discussed what percentage of excess reserves is appropriate. Members asked about what other projects are on the horizon that are not included in the 2018 CIP. Member Suiter was concerned that there are other new items not yet discussed that will have to be budgeted for on top of any debt levy. Her goal is to minimize the tax impact to residents. Some of the projects in the future include the outcome of the paving management study, a water filter rehab project, water tower improvements, access paths to raised median project, etc. Administrator Griffin explained that the Capital Planning process is just beginning. Member Bender asked about the use of reserves for CIP or other projects. Bonding for the 2018 projects would not likely impact the annual budget until 2020. Bender stated that if the City has reserves, they should be used.

Member Goehring asked about upsides to the 2018 budget and what savings might there be. For 2018, the Police contract was a big savings.

Chair Howarth stated that when looking at scenarios he suggested using $400,000 of reserves. Chris Mickelson from Ehler's reviewed Bruce Kimmel's memo dated April 19. They provided eight scenarios ranging from no cash to $500,000 cash with terms ranging from 15-18 years. He reviewed each scenario including the costs of financing, project construction funds, and rounding amounts. 50 basis points were used for the scenarios.

Member Goehring asked about interest rate benefits in either scenario. Mickelson explained that due to the size of the bond there wouldn't be big rate benefits. Basically, the longer the term the more interest expenses. Member Bender asked about moving the process up sooner to take advantage of rates. It was explained that due to the bond referendum in August, the timing is what it is. The next steps of the process are to get actual construction bids before going out for bonding. The Finance Committee needs to make a recommendation on affordability and maximum bond amount they are comfortable with.

Howarth stated that with a 15-year term on $2.250 million bond, using no reserves equates to a 7.5% tax on the city portion only of taxes, using 2017 as the base.

Mr. Mickelson discussed his colleague Bruce Kimmel's recommendations which is $400K from reserves to buy the bond issue down, a 15- year term, and split 60% taxes and 40% utility revenues. Goehring clarified that the City's AAA bond rating would not be affected by decreasing reserves, which Mickelson confirmed. Chair Howarth's handout showed a scenario using $400,000 of reserves, 15-year term and a split of 40/60% (utility revenues/tax levy). This scenario would equate to a 2% tax levy increase for the debt service.

There has been previous discussion about the use of utility revenues for general obligations bonds. The City has determined over the years to use a percentage of utility revenues to pay back the debt. Generally other cities use utility funds to pay back debt. There was discussion of how the reserves have accumulated over the years, and there were tax increases over the years as well.

Members discussed how much of the reserves should be used. Goehring stated more of reserves should be used. These are funds that have been taxed and should be used responsibly. Suiter reviewed the amount of debt service requirements and varying amount of reserves and the differences were minimal. Members also discussed paying back the debt with taxes vs utility revenues. When this was discussed in previous years, paying back the debt with taxes was advantageous because taxes could be deducted whereas utilities could not. This is no longer the case. The discussion about the use of utility revenues to pay back the debt can be discussed later. Goehring stated he was not in favor of the 40/60 split.

Bender stated that since rates are low he suggests authorizing the maximum lending amount and utilize reserves for other purposes.

Howarth was supporting the use of Kimmel's recommendation on the maximum bond amount be $2,250,000. He calculated the tax increase without the use of utility revenues and it would be under 4% (with the use of $400,000 of reserves).

Sperduto asked again about other foreseeable expenses and whether the full amount should be bonded for since rates are so good right now. Suiter again brought up some possible projects on the horizon. Mickelson reminded members that this is a maximum referendum authority amount, but less could be used.

Bender made an initial motion to utilize $300K of reserves and a maximum lending of $2.325 million, but after further discussion amongst members, he amended the amount of reserves to $400,000 and $2,500,000, but intention is to use $2,325 million for project costs. The remaining amount would be a cushion in case bids come back higher.

Bender motion, Sperduto second to recommend to the City Council the use of $400,000 of reserves and a maximum borrowing amount of $2,500,000; all in favor. Motion passed.

Suiter motion, Sperduto second to recommend to the City Council the 40/60% (utility revenues/tax levy) for paying back the debt; all in favor. Motion passed.

Members discussed creating guidelines on excess reserves. This will be discussed at a later date.

5. Schedule and Process for 2019 – 2023 Capital Improvement Program

Chair Howarth summarized that the upcoming Capital Planning process was underway and his interest in the Finance Committee's involved as it relates to what is being requested and having a better understanding of what the request represents. Griffin explained that the process involves sending a worksheet out to all committees and commissions, and city staff requesting input into the capital plan. The Finance Committee will also be asked to submit input, and it is expected that the Finance Committee will want to review a draft of the plan before the public hearing on June 25th. A Finance Committee meeting will be scheduled for early June.

The Chair recognized members of the audience and asked if anyone had any questions.

Council Member Kozloski asked about bond interest rates vs current investment CD rates. CD rates are variable but Howarth indicated that the rates are at least a point below the borrowing rate.

6. Adjourn

Suiter motion, Bender second to adjourn; all ayes. Motion passed. Finance Committee meeting adjourned at 8:05 p.m.

Others Present: Mayor Taylor, Council Members Kozloski and Lindstrom

NEW

BUSINESS

June 26, 2018

City of Minnetonka Beach, MN
PORTFOLIO REVIEW

OVERVIEW

This Portfolio Review is just one part of Ehlers Investment Partners commitment to the City of Minnetonka Beach to provide strategic and valuable investment advice. In this review we will examine your investment objectives and your overall investment portfolio, strategy, structure and performance. Ehlers Investment Partners does not have an investment for the City so is relying on Minnesota State Statutes governing local government investments for policy guidance. Ehlers Investment Partners recommends the City formulate and implement an investment policy at the earliest possible date. Assets under management were over $800,000 at 5/31/18.

SAFETY

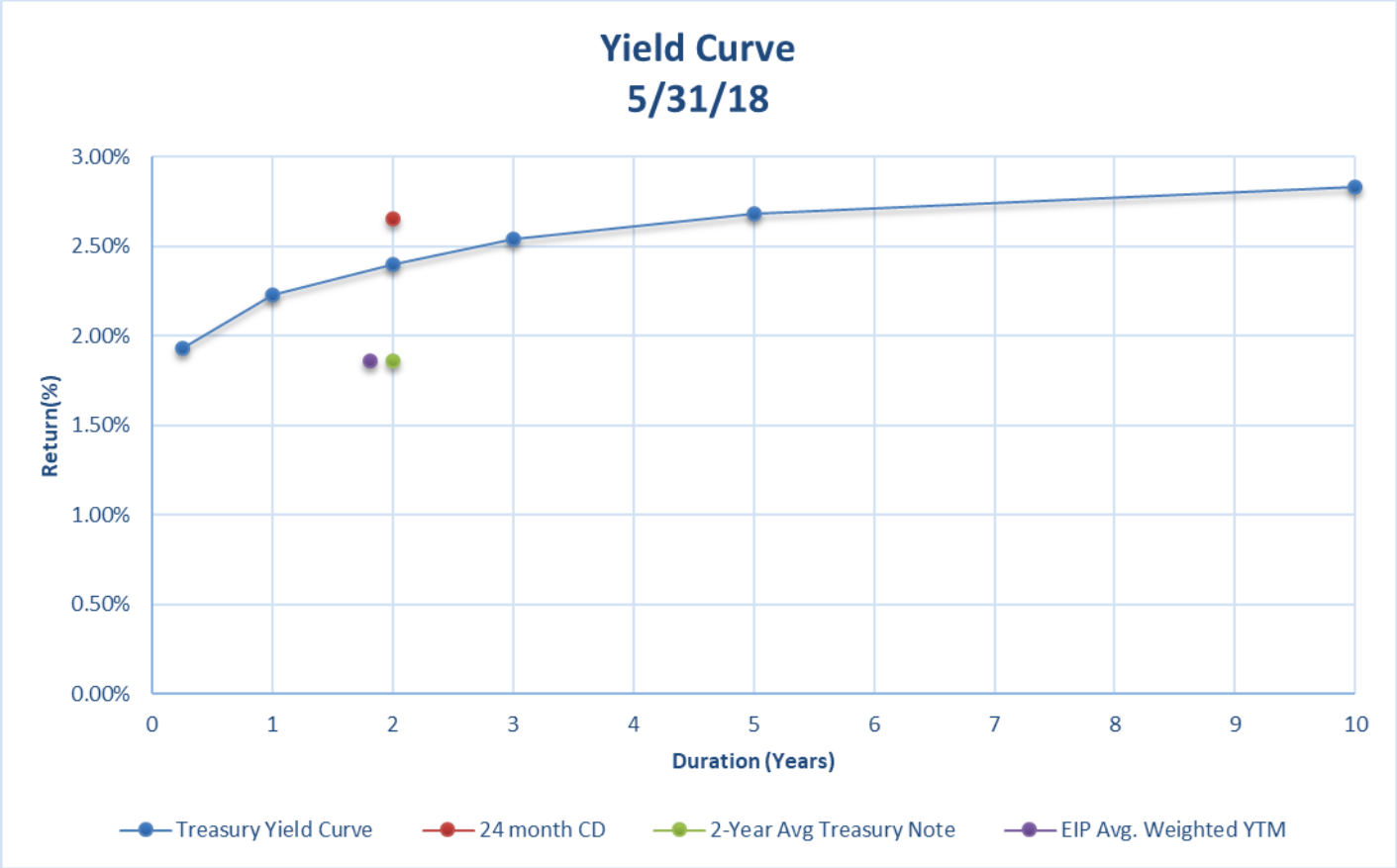
At 5/31/18 the portfolio consisted of nearly 83% FDIC insured certificates of deposit, almost 17% in U.S. Treasury Bills and less than 1% in cash deposited in an FDIC insured money market account. The FDIC insured certificates of deposit and U.S. Treasury Bill are an indication of the minimal credit risk (the risk the issuer will be unable to pay principal and interest when due) and high degree of safety in your investment portfolio.

LIQUIDITY

The average weighted maturity of the portfolio at 5/31/18 was slightly less than two years. The average weighted maturity is an indication of liquidity risk (the risk a security may not be able to be liquidated for cash in a timely manner at an appropriate price) and market risk (the risk of a significant change in value related to changes in interest rates) features of your investment portfolio. Depending on the specific cash flow requirements of the City, Ehlers Investment Partners recommends a laddered maturity structure and strives to maintain an average weighted portfolio maturity not more than 3 years in order to minimize liquidity and market risk.

RETURN

At 5/31/18 the investment portfolio had a total annual rate of return of -0.736%, net of fees. (Total Annual Rate of Return includes any unrealized gains/losses.) At 5/31/18 the average weighted yield to maturity of the portfolio was 1.856%, net of fees. (The Average Weighted Yield to Maturity includes interest paid and interest accrued but not yet paid and does not include any unrealized gains/losses.) The City does not have an adopted investment policy to indicate a benchmark, for comparison the 2-year U.S. Note paid an average 1.862% for the 12 months ending 5/31/2018. A 24-month certificate of deposit yielded approximately 2.65% at 5/31/18.



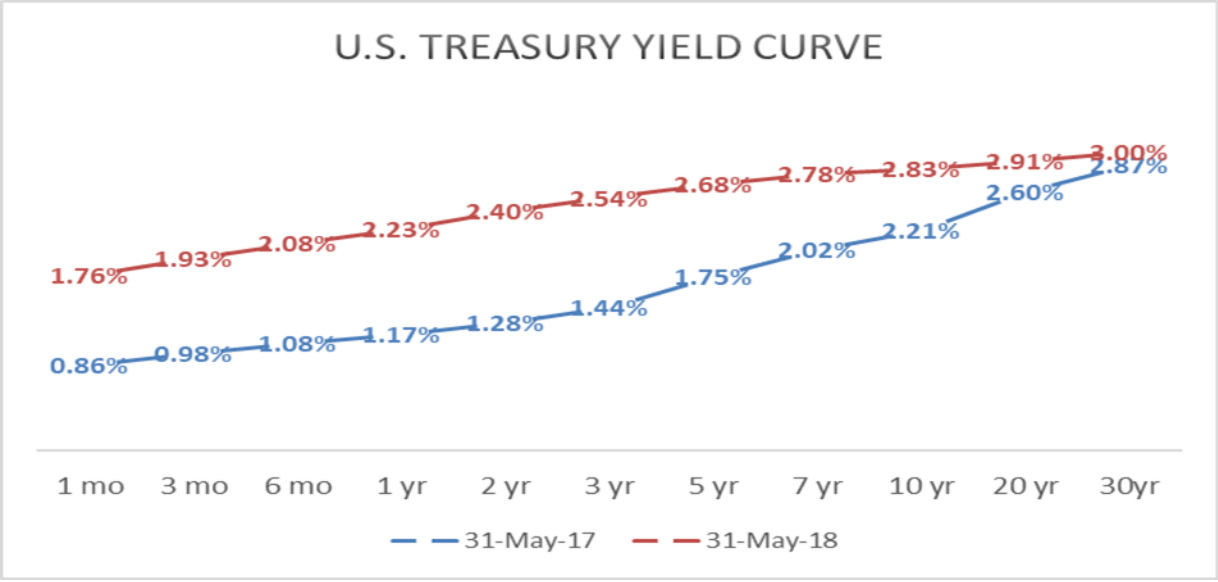
MARKET COMMENT

In the Federal Reserve Act, Congress established three key objectives for monetary policy: maximize employment, stabilize prices and moderate long-term interest rates. Maximizing employment and stabilizing prices are often referred to as the Fed's dual mandate. The goal then is to steer the economy to a point where employment and inflation are neither too-hot or too-cold, just right as Goldilocks suggests.

At the end of the most recent recession unemployment stood at 10%. On May 4 the Labor Department reported unemployment at 3.9%. Since the late 1950's unemployment has dropped below 4% only three times. If unemployment goes too low for too long the economy runs the risk of inflation or financial asset bubbles. The three times unemployment went below 4% (the late 1950's, the late 1960's and the late 1990's) one of those outcomes occurred and a recession followed. (In an interview with Bloomberg on May 4, outgoing New York Fed President William Dudley suggested he would be surprised if there was a recession in the next two years, also saying "I'd be surprised if the expansion would end in the next year or two".)

The Fed pushes interest rates down to encourage spending (and growth) by business and households and pushes rates up in an effort to discourage investment, spending and growth and therefore temper inflation. (On May 2 the Federal Open Market Committee voted unanimously to leave the target range for the federal funds rate unchanged at 1.50% to 1.75% but left open the possibility of a rate hike in June.) The Fed tries to manage inflation (also at the May 2 meeting the FOMC indicated inflation "is expected to run near the Committee's symmetric 2 percent objective over the near term" suggesting Committee members are not anticipating runaway inflation.) with a theoretical threshold called the "nonaccelerating inflation rate of unemployment" or Nairu. The Fed's current estimate of Nairu is near 4.5% and projects it to drop to 3.8% next year and 3.6% sometime in 2020 which suggests the Fed is willing to let unemployment fall to levels not seen in over 50 years before it considers more aggressive moves to raise interest rates and curb inflation. The problem the Fed faces in this scenario is that historically once the economy moves too far in one direction it is difficult to get it to change directions. And historically, once unemployment starts to rise from the low levels experienced today, it tends to rise a lot.

What does unemployment and inflation have to do with local government investments? Our purpose here is not to raise alarm but to advise caution. As suggested above, when the direction of unemployment and inflation change they can change quickly and a lot. And as we've seen short-term rates rise nearly 1.00% in the last 12 months (see graph below), they can change direction just as quickly; remember 2008/2009.



Ehlers Investment Partners does not believe in timing investments as interest rates fluctuate. With a comprehensive cash flow forecast as a guide Ehlers Investment Partners believes a laddered portfolio structure, with an average weighted maturity not to exceed 3 years, will meet or exceed all the investment objectives as outlined in the investment policy. Additionally, a laddered structure will allow for taking advantage of rising interest rates as maturing investments will be reinvested at higher rates and falling rates will not have a significant impact on overall portfolio performance.

The FDIC insured securities and U.S. Treasury Bills, in addition to investments held with a third-party custodian in the City's name, adds a high degree of safety to the City's investments. The average weighted maturity of the City's portfolio is less than what Ehlers Investment Partners typically recommends. With cash flow considerations in mind, the City could increase overall portfolio performance by increasing the average weighted maturity.

EHLERS
INVESTMENT PARTNERS

City of Minnetonka Beach

Overview

05/01/2018 - 05/31/2018

Dated: 06/13/2018

Compliance Overview

Status	Compliant
As of	05/31/2018

Reconciliation Status

Custody Reconciliation Status	Reconciled
Custody Last Reconciled For	06/12/2018
Trading System Last Reconciled For	05/24/2018

Cash and Fixed Income Summary

Risk Metric	*Value*
MMFund	574.87
Fixed Income	791,375.51
Duration	1.726
Convexity	0.057
WAL	1.812
Years to Final Maturity	1.811
Years to Effective Maturity	1.811
Yield	2.456
Book Yield	1.879
Avg Credit Rating	A+/A1/A+

Balance Sheet

Book Value + Accrued	802,927.99
Net Unrealized Gain/Loss	-10,977.61
Market Value + Accrued	791,950.38

Summary

EHLERS
INVESTMENT PARTNERS

City of Minnetonka Beach

Risk Summary - Fixed Income

05/01/2018 - 05/31/2018

Dated: 06/13/2018

Balance Sheet

Book Value + Accrued	802,927.99
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Issuer Concentration

Issuer	*% of Market Value + Accrued*
Pinnacle Bank	16.790%
The Treasury, United States Department of	16.722%
Wells Fargo Bank, National Association	16.682%
Goldman Sachs Bank USA	16.583%
Capital One, National Association	16.578%
HSBC Bank USA, National Association	16.571%
MMDA12	0.073%
---	**100.000%**

Exposure - Asset Class

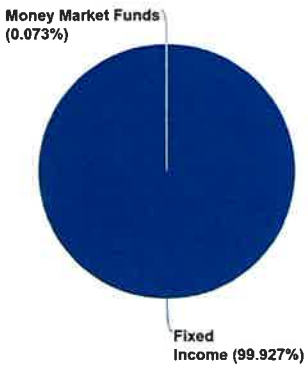


Chart calculated by Market Value + Accrued

Exposure - Security Type

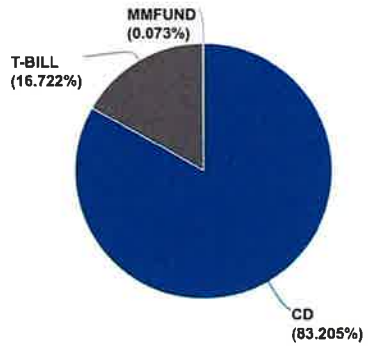


Chart calculated by Market Value + Accrued

Exposure - Sector

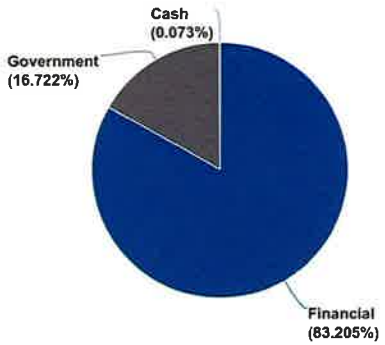


Chart calculated by Market Value + Accrued

EHLERS
INVESTMENT PARTNERS

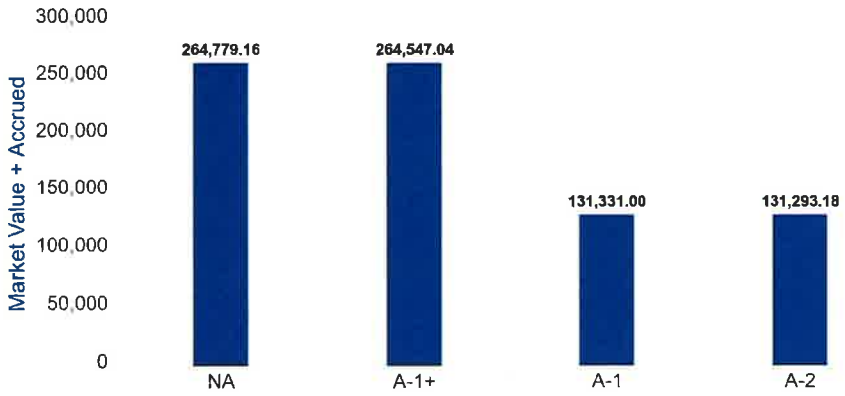
City of Minnetonka Beach

Risk Summary - Fixed Income

05/01/2018 - 05/31/2018

Dated: 06/13/2018

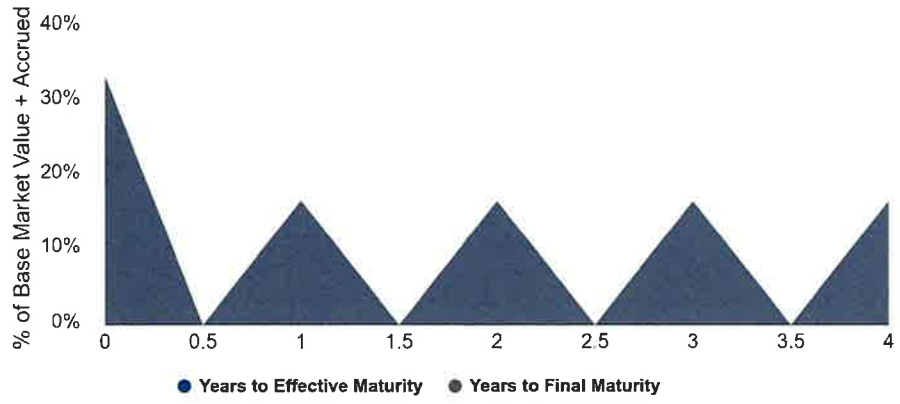
Exposure - Credit Rating



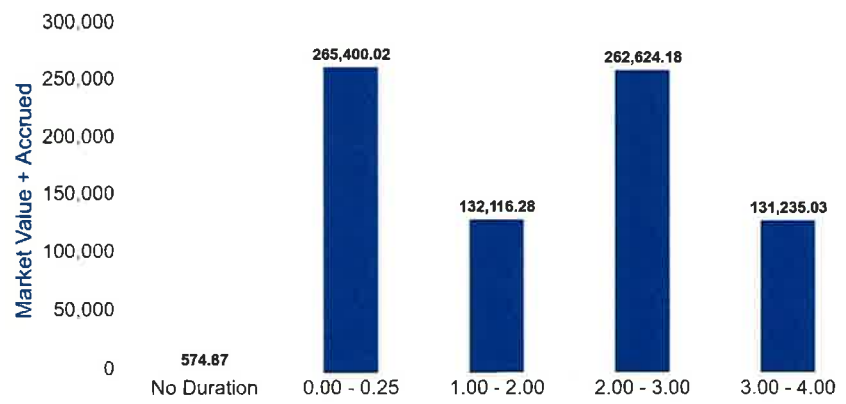
Credit Duration Heat Map

Rating	0 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5 - 7	7 - 10	10 - 15	15 - 30
AAA	16.722%	16.682%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
AA	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
A	0.000%	0.000%	33.162%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
BBB	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
BB	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
B	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
CCC	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
CC	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
C	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
NA	16.790%	0.000%	0.000%	16.571%	0.000%	0.000%	0.000%	0.000%	0.000%

Time to Maturity



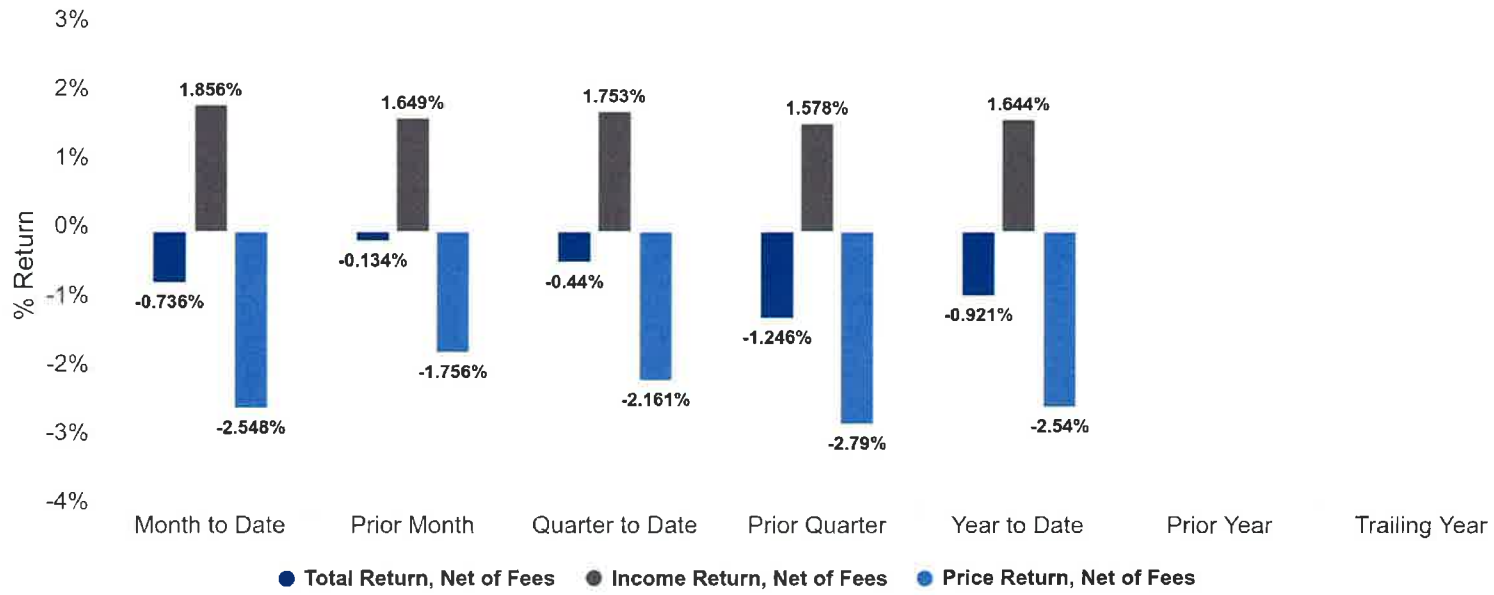
Exposure - Duration



EHLERS
INVESTMENT PARTNERS

City of Minnetonka Beach
Performance Summary

As of 05/31/2018
Dated: 06/13/2018



Period	*Period Begin*	*Period End*	*Total Return, Net of Fees*	*Income Return, Net of Fees*	*Price Return, Net of Fees*
Month to Date	05/01/2018	05/31/2018	-0.736%	1.856%	-2.548%
Prior Month	04/01/2018	04/30/2018	-0.134%	1.649%	-1.756%
Quarter to Date	04/01/2018	05/31/2018	-0.440%	1.753%	-2.161%
Prior Quarter	01/01/2018	03/31/2018	-1.246%	1.578%	-2.790%
Year to Date	01/01/2018	05/31/2018	-0.921%	1.644%	-2.540%
Prior Year	01/01/2017	12/31/2017	---	---	---
Trailing Year	06/01/2017	05/31/2018	---	---	---

Account	*Index*	*Index Start Date*	*Index End Date*
City of Minnetonka Beach	ICE BofAML 3-Month U.S. Treasury Bill	07/22/2002	12/31/2017

Net of Fees (includes management and trading).

Returns for all periods have been annualized.

No Tax Adjustment.

Note that data will not exist prior to the performance inception date of: 07/01/2017.

Historical data exists for the options shown below, only available on historical data boundaries:

Begin Date	*End Date*	*Return Type*	*Fee Options*	*Tax Options*
07/01/2017	10/31/2017	Total Return	Gross of Fees, Net of Fees	No Tax Adjustment

City of the Village of Minnetonka Beach

2945 Westwood Road - Mailing Address: P.O. Box 146
Minnetonka Beach, MN 55361
952-471-8878 fax 952-471-7416
www.ci.minnetonka-beach.mn.us

June 25, 2018

Planning Commission
City of the Village of Minnetonka Beach
2945 Westwood Road
Minnetonka Beach, MN 55361

RE: Capital Improvement Program (CIP)

Requested Action:

- **Hold Public Hearing on 2019-2023 CIP**
- **Review the 2019-2023 CIP and propose recommended changes**
- **Move to affirm the 2019-2023 CIP as conforming to the Comprehensive Plan and recommend approval to the City Council.**

Dear Chair Haag and Planning Commissioners:

Enclosed with this letter is the compilation of input received from the various City Commissions and committees, elected officials and other agencies that were asked to review the information and provide comments on the 2019 – 2023 Minnetonka Beach Capital Improvement program. We received input from: Staff (Berent and Griffin), Planning Commission, Civic Committee, Park Commission, Utilities Commission, and Council Members Bartel, Lindstrom and Myers. None of the outside agencies who responded had any projects coming up in Minnetonka Beach during this five-year period. Commissioner Anderson has reviewed the compilation of input.

A couple of things to note; 1) in some cases, more than one person or entity suggested the same item but a different time frame or financing source. In those cases, I went with the person submitting input with the closest knowledge (i.e. Brian for Public Works items), 2) this CIP draft does not include a recent review of a Department of Health survey of the water plant and the City Engineer (Stantec) Action Plan which recommended a number of improvements. This was not included in the CIP because the City Council has not yet reviewed the report but will at their July 9, 2018 City Council meeting. A copy of the Stantec Action Plan is included with the packet as information only to the Planning Commission.

The Planning Commission needs to hold a public hearing, review the Capital Improvement Program as to the projects conformance with the Comprehensive Plan and make a recommendation to the City Council. The Planning Commission may also make suggestions on funding and timing, but it is not required. The Planning Commission will take input from the

public on the nature and timing of proposals, and even potential funding sources, but those decisions are ultimately the responsibility of the City Council.

The City Council is responsible for determining if a project should remain in the Capital Improvement Program, timing, and to designate the funding to be used. The City Council will review the CIP at the July 9th City Council meeting. Once this is done, the Council should adopt the 2019 – 2023 Capital Improvement Program, and then take the 2019 portion of the Capital Improvement Program, once approved, and adopt this as the 2019 Capital Budget which will become part of the 2019 Budget process. Council will adopt a preliminary 2019 budget and tax levy in September and a final 2019 budget and tax levy in December.

Sincerely,
City of the Village of Minnetonka Beach

Susanne Griffin
City Administrator

Encl: Adopted 2018 – 2022 Capital Improvement Program, Proposed 2019 – 2023 Capital Improvement Program, Worksheets from City Council members, Commissions/Committees and staff, Stantec Action Plan (DNR Water Plant Survey)

CAPITAL IMPROVEMENT PROGRAM DRAFT - 2019-2023
PC Recommended 2018, Council Adopted 2018

	Capital Improvement Program:	2019	2020	2021	2022	2023	Potential Funding Source	Recommended or Supported By	Comments/Explanation	
	Parks & Facilities									
1	EAB Treatment		8,000		8,000		Tax Levy	Park Commission		
2	City Hall Maintenance	2,500					Tax Levy	Staff	Refinish floor in office and update flooring in bathroom and kitchen-	
3	Irrigation for City Hall grounds	10,000					Tax Levy	CM Lindstrom & Bartel, Staff, Park Comm		
4	City Event Sign Board	TBD					Tax Levy	CM Lindstrom, Civic		
5	Margaret Dahl Library Improvements	20,000					Tax Levy	CM Bartel, Park Commission	Library part of city's heritage and history, should be repaired and updated. Park Comm is investigating costs for improvements	
6	Update Playground equipment	10,000					Tax Levy	CM Bartel		
7	Enhancements to City Entrances	TBD	TBD					Civic	Add lighting to Welcome sign, add flower baskets to added poles, add flower pots to medians	
8	Replace collapsing window well-rear of city hall	TBD					Tax Levy	Staff		
9	Replace part of front sidewalk-city hall	3,000					Tax Levy	Staff	4 sections of sidewalk sinking, cracked and not sloped properly causing ice buildup in winter	
	Streets									
1	Transportation Study-Phase 1 Construction Access Paths to Raised Median	45,000					Tax Levy/Grant/Reserves	Planning Commission, CM Myers, Civic	Construction Cost total is $45,000-grant pending for $22,000 or half of construction cost-Planning Comm recommends increase from $20K to $45K	
2	Transportation Study-Engineering for Phase 2 Construction-Access Paths to Raised Median	5,000					Tax Levy/Grant/Reserves	Planning Commission, CM Myers	Could be partially funded with County aid funds	
3	Transportation Study-Phase 2 Construction Access Paths to Raised Median		50,000				Tax Levy/Grant/Reserves	Planning Commission, CM Myers		
4	Road Repairs based on outcome of Paving Management Study		TBD				Tax Levy/Bond	Civic	Study authorized in 2018	
5	Speed Bumps	TBD					Tax Levy	Civic	If additional funds are needed from 2018	
	Equipment:									
1	SCADA alarm system (Water/Lift Stations)	40,000					Tax Levy or Water/Sewer Fund or Reserves	PW, supported by Utilities Comm, CM Myers		
2	Utility Vehicle		35,000				Tax Levy or Grants	PW, supported by Utilities Comm, CM Myers		
3	System for watering flowers around city	3,000					Tax Levy	CM Bartel	This could be done with utility vehicle	

CAPITAL IMPROVEMENT PROGRAM DRAFT - 2019-2023
PC Recommended 2018, Council Adopted 2018

4	Lift Station control panels	20,000	20,000				Tax Levy or Sewer Fund	PW, supported by Utilities Comm, CM Myers		
5	Portable Generator		40,000				Tax Levy or Reserves	PW, supported by Utilities Comm, CM Myers		
6	Wood Chipper				50,000		Tax Levy	PW increased from $35K to $50K, supported by Utilities Comm		
7	Bobcat/Power Broom				48,000		Tax Levy	PW, supported by Utilities Comm		
8	Mower					18,000	Tax Levy or lease	PW, supported by Utilities Comm		
	Water Improvements:									
1	Replace filter media			90,000			Water Fund, Reserves or Tax Lev	PW, supported by Utilities Comm, CM Myers		
2	Water Tower historic register study						Grants	CM Myers		
3	Water Resevoir Ground Tank Updates	TBD					Reserves and/or Tax Levy	CM Myers		
4	All remaining old water mains				TBD		Bond	CM Bartel		
5	Water meter head replacements		$6,750	7650	9720					
6	Meter reader		$2,675							
7	Data Logger (trimble)			3000						
8	Water Plant upgrades from Health Dept Survey									
	TOTAL	158,500	162,425	100,650	115,720	18,000				**555,295**
	Bond Funded Projects									
	Tax Levy									
	CIP/Reserves									

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through May 2018

	Jan - May 18	Budget	$ Over Budget	% of Budget
Income				
1000 · TAXES				
1010 · General Property Tax	13,685.80	864,873.72	-851,187.92	1.58%
1011 · Fiscal Disparities	-49.33	2,799.00	-2,848.33	-1.76%
1014 · Fiscal Disparities Debt Service	-9.57	500.00	-509.57	-1.91%
1030 · Bond & Interest	2,649.09	118,392.75	-115,743.66	2.24%
Total 1000 · TAXES	16,275.99	986,565.47	-970,289.48	1.65%
1100 · LICENSES & PERMITS				
1110 · Business				
1115 · Liquor Licenses	1,200.00	1,200.00	0.00	100.0%
Total 1110 · Business	1,200.00	1,200.00	0.00	100.0%
1120 · Non-Business				
1125 · Dock Permits	29,940.00	30,000.00	-60.00	99.8%
1130 · Dog & Cat Licenses	125.00	160.00	-35.00	78.13%
1140 · Bldg/Plbg/Mech/Variances	12,465.52	75,000.00	-62,534.48	16.62%
1150 · Leaf Pick-Up	3,290.33	7,000.00	-3,709.67	47.01%
Total 1120 · Non-Business	45,820.85	112,160.00	-66,339.15	40.85%
Total 1100 · LICENSES & PERMITS	47,020.85	113,360.00	-66,339.15	41.48%
1200 · INTERGOVERNMENTAL REVENUE				
1210 · State Grants				
1230 · Other				
1245 · PERA AID	0.00	540.00	-540.00	0.0%
1230 · Other - Other	0.00	25,000.00	-25,000.00	0.0%
Total 1230 · Other	0.00	25,540.00	-25,540.00	0.0%
Total 1210 · State Grants	0.00	25,540.00	-25,540.00	0.0%
1250 · Hennepin County Grants				
1260 · Road Aid	0.00	1,700.00	-1,700.00	0.0%
1270 · Recycling	0.00	1,906.00	-1,906.00	0.0%
Total 1250 · Hennepin County Grants	0.00	3,606.00	-3,606.00	0.0%
Total 1200 · INTERGOVERNMENTAL REVENUE	0.00	29,146.00	-29,146.00	0.0%
1300 · CHARGES FOR SERVICES				
1310 · General Government				
1320 · U.S. Post Office	2,083.35	5,000.00	-2,916.65	41.67%
Total 1310 · General Government	2,083.35	5,000.00	-2,916.65	41.67%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through May 2018

	Jan - May 18	Budget	$ Over Budget	% of Budget
1330 · Garbage, Recycle, Refuse				
1335 · Garbage Receipts	28,656.70	60,398.00	-31,741.30	47.45%
1337 · Recycling Proceeds	4,127.59	8,868.90	-4,741.31	46.54%
Total 1330 · Garbage, Recycle, Refuse	32,784.29	69,266.90	-36,482.61	47.33%
1370 · Fines & Forfeits	1,989.65	5,000.00	-3,010.35	39.79%
Total 1300 · CHARGES FOR SERVICES	36,857.29	79,266.90	-42,409.61	46.5%
1400 · MISCELLANEOUS RECEIPTS				
1410 · Interest Earnings - General Fun	7,544.21	12,000.00	-4,455.79	62.87%
1416 · Interest Income CIP Reserve	122.26			
1420 · All Other				
1450 · Miscellaneous	1,978.56			
Total 1420 · All Other	1,978.56			
1460 · Misc Income Fees and Taxes				
1461 · General Rate Sales Tax	488.50	1,500.00	-1,011.50	32.57%
1462 · Garbage Tax	2,763.63	5,796.00	-3,032.37	47.68%
1463 · Water Test Fee	24.98	1,462.00	-1,437.02	1.71%
Total 1460 · Misc Income Fees and Taxes	3,277.11	8,758.00	-5,480.89	37.42%
Total 1400 · MISCELLANEOUS RECEIPTS	12,922.14	20,758.00	-7,835.86	62.25%
1500 · OTHER FINANCING SOURCES				
1510 · Enterprise Fund Transfers				
1520 · Water				
1521 · Water Base Fee	10,071.64	21,412.14	-11,340.50	47.04%
1520 · Water - Other	25,292.02	81,207.67	-55,915.65	31.15%
Total 1520 · Water	35,363.66	102,619.81	-67,256.15	34.46%
1530 · Sewer	39,842.50	75,000.00	-35,157.50	53.12%
1531 · Stormwater Utility Fee	6,569.05	13,800.00	-7,230.95	47.6%
1540 · Penalty/Interest - Water	396.40	800.00	-403.60	49.55%
1550 · Penalty/Interest - Sewer	310.39	250.00	60.39	124.16%
Total 1510 · Enterprise Fund Transfers	82,482.00	192,469.81	-109,987.81	42.86%
1560 · Orono Water Assessments	1,669.34	4,500.00	-2,830.66	37.1%
Total 1500 · OTHER FINANCING SOURCES	84,151.34	196,969.81	-112,818.47	42.72%
Total Income	197,227.61	1,426,066.18	-1,228,838.57	13.83%
Gross Profit	197,227.61	1,426,066.18	-1,228,838.57	13.83%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through May 2018

	Jan - May 18	Budget	$ Over Budget	% of Budget
Expense				
2000 · GENERAL GOVERNMENT				
2010 · Administration & Finance				
2015 · City Adminstrator	34,586.47	83,250.00	-48,663.53	41.55%
2020 · City Clerk	22,518.72	54,202.72	-31,684.00	41.55%
2025 · Unfunded Liability Account	0.00	5,000.00	-5,000.00	0.0%
2030 · Post Office & Part-Time	6,341.47	16,000.00	-9,658.53	39.63%
2040 · P/R Taxes & Benefits	17,103.80	40,000.00	-22,896.20	42.76%
Total 2010 · Administration & Finance	80,550.46	198,452.72	-117,902.26	40.59%
2050 · Other Government				
2060 · Legal Fees/Prosecution	3,881.50	50,000.00	-46,118.50	7.76%
2070 · Assessor	4,093.22	11,000.00	-6,906.78	37.21%
2080 · Zoning Administrator				
2081 · Comprehensive Plan	13,070.00	40,000.00	-26,930.00	32.68%
2080 · Zoning Administrator - Other	6,055.02	40,000.00	-33,944.98	15.14%
Total 2080 · Zoning Administrator	19,125.02	80,000.00	-60,874.98	23.91%
2090 · Banking/Invest. Expense	530.26	1,000.00	-469.74	53.03%
2095 · Accounting & Audits	12,706.63	13,250.00	-543.37	95.9%
2100 · Office Expense	5,440.81	16,000.00	-10,559.19	34.01%
2103 · Computer and Systems Expenses	2,611.00	4,000.00	-1,389.00	65.28%
2110 · Telephone	601.87	3,500.00	-2,898.13	17.2%
2120 · Village Hall	5,991.53	11,930.00	-5,938.47	50.22%
2130 · Election Costs	572.37	3,000.00	-2,427.63	19.08%
2140 · Membership Dues	398.00	1,500.00	-1,102.00	26.53%
2141 · Continuing Education	350.00	1,000.00	-650.00	35.0%
2150 · Reimbursable Expense	55.59	500.00	-444.41	11.12%
2160 · Miscellaneous	0.00	500.00	-500.00	0.0%
2170 · General Rate Sales Tax	540.00	1,500.00	-960.00	36.0%
Total 2050 · Other Government	56,897.80	198,680.00	-141,782.20	28.64%
Total 2000 · GENERAL GOVERNMENT	137,448.26	397,132.72	-259,684.46	34.61%
2205 · PUBLIC SAFETY				
2210 · Police				
2220 · Contractual Services	47,000.00	141,000.00	-94,000.00	33.33%
Total 2210 · Police	47,000.00	141,000.00	-94,000.00	33.33%
2240 · Fire				
2250 · Contractual Services	41,179.20	98,859.00	-57,679.80	41.65%
Total 2240 · Fire	41,179.20	98,859.00	-57,679.80	41.65%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through May 2018

	Jan - May 18	Budget	$ Over Budget	% of Budget
2270 · Other Protection				
2280 · Building Inspections				
2281 · Building Permit Fees	1,212.89	3,000.00	-1,787.11	40.43%
2280 · Building Inspections - Other	2,249.58	16,000.00	-13,750.42	14.06%
Total 2280 · Building Inspections	3,462.47	19,000.00	-15,537.53	18.22%
2290 · Animal Control	0.00	100.00	-100.00	0.0%
2295 · Prisoner Room & Board	75.00	300.00	-225.00	25.0%
Total 2270 · Other Protection	3,537.47	19,400.00	-15,862.53	18.23%
Total 2205 · PUBLIC SAFETY	91,716.67	259,259.00	-167,542.33	35.38%
2300 · STREETS & HIGHWAYS				
2310 · Street Maint. & Sewers				
2320 · Supt./Staff Salaries	22,308.26	53,114.38	-30,806.12	42.0%
2321 · Part Time Wages/OT	2,059.14	5,000.00	-2,940.86	41.18%
2330 · Maint. P/R Taxes & Benefits	5,630.63	16,500.00	-10,869.37	34.13%
2340 · Roads & Parks Maint.				
2341 · Blacktop/Seal Coating	0.00	5,000.00	-5,000.00	0.0%
2342 · Salt/Sand/Dirt/Rock	1,364.31	2,000.00	-635.69	68.22%
2343 · Fuel	2,186.43	6,000.00	-3,813.57	36.44%
2344 · Communications	507.27	1,600.00	-1,092.73	31.7%
2345 · Street Sweeping	0.00	2,500.00	-2,500.00	0.0%
2346 · Park Operation	937.19	5,000.00	-4,062.81	18.74%
2347 · Repairs, Shop Parts	3,006.11	5,000.00	-1,993.89	60.12%
2348 · Equip Rental	64.80	1,900.00	-1,835.20	3.41%
2349 · Signage	0.00	500.00	-500.00	0.0%
2350 · 2350 - Dues/Fees/Training	2,794.79	1,500.00	1,294.79	186.32%
2351 · Emerg. Siren/Exting.	276.75	525.00	-248.25	52.71%
2353 · Gopher State/Other	107.50	600.00	-492.50	17.92%
2355 · Equip Repair	642.59	3,000.00	-2,357.41	21.42%
2356 · Tools	60.27	500.00	-439.73	12.05%
2358 · Tree Removal	0.00	1,000.00	-1,000.00	0.0%
2359 · Orono On Call	0.00	1,000.00	-1,000.00	0.0%
2360 · Street Lights	3,530.45	9,000.00	-5,469.55	39.23%
2361 · Leaf Pick up	0.00	6,000.00	-6,000.00	0.0%
Total 2340 · Roads & Parks Maint.	15,478.46	52,625.00	-37,146.54	29.41%
Total 2310 · Street Maint. & Sewers	45,476.49	127,239.38	-81,762.89	35.74%
Total 2300 · STREETS & HIGHWAYS	45,476.49	127,239.38	-81,762.89	35.74%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through May 2018

	Jan - May 18	Budget	$ Over Budget	% of Budget
2400 · REFUSE & WASTE REMOVAL				
2410 · Rubbish Removal	25,547.74	60,000.00	-34,452.26	42.58%
2411 · Solid Waste Management Tax	1,361.00	6,000.00	-4,639.00	22.68%
2420 · Recycling	3,705.30	8,942.40	-5,237.10	41.44%
Total 2400 · REFUSE & WASTE REMOVAL	30,614.04	74,942.40	-44,328.36	40.85%
2500 · CULTURE & RECREATION				
2510 · Parks & Recreation				
2520 · Current Expenditures				
2523 · Park Commission				
2524 · Tree and Forest Maintenace	1,542.50	13,000.00	-11,457.50	11.87%
2525 · General Landscape Maintenance	0.00	9,175.00	-9,175.00	0.0%
2527 · Ray Peters Park	160.70	1,900.00	-1,739.30	8.46%
2528 · Beach Park / Project	200.00	5,750.00	-5,550.00	3.48%
Total 2523 · Park Commission	1,903.20	29,825.00	-27,921.80	6.38%
2530 · Lakes and Docks				
2531 · LMCD Annual Fee	1,661.75	6,647.00	-4,985.25	25.0%
2532 · LMCD Application fees	171.25	1,500.00	-1,328.75	11.42%
2533 · Dock Supplies	0.00	500.00	-500.00	0.0%
Total 2530 · Lakes and Docks	1,833.00	8,647.00	-6,814.00	21.2%
2540 · Community Education	0.00	400.00	-400.00	0.0%
Total 2520 · Current Expenditures	3,736.20	38,872.00	-35,135.80	9.61%
Total 2510 · Parks & Recreation	3,736.20	38,872.00	-35,135.80	9.61%
Total 2500 · CULTURE & RECREATION	3,736.20	38,872.00	-35,135.80	9.61%
2600 · MISCELLANEOUS EXPENDITURE				
2610 · Insurance	0.00	22,000.00	-22,000.00	0.0%
Total 2600 · MISCELLANEOUS EXPENDITURE	0.00	22,000.00	-22,000.00	0.0%
2700 · OTHER FINANCING USES				
2710 · Enterprise Fund Transfers				
2715 · Water				
2716 · FT Wages - Water	4,182.74	9,958.95	-5,776.21	42.0%
2717 · Water Billing	792.68	1,853.53	-1,060.85	42.77%
2718 · PR Taxes & Benefits - Water	1,145.44	2,700.00	-1,554.56	42.42%
2719 · Engineering Studies	7,579.00	15,000.00	-7,421.00	50.53%
2720 · Water Test Fee	0.00	1,462.00	-1,462.00	0.0%
2721 · Water Meter Supplies	622.07	1,000.00	-377.93	62.21%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through May 2018

	Jan - May 18	Budget	$ Over Budget	% of Budget
2722 · Supplies	518.97	2,000.00	-1,481.03	25.95%
2725 · Plant Operation	13,473.22	11,000.00	2,473.22	122.48%
2726 · Repairs/TV	15,467.03	7,500.00	7,967.03	206.23%
2727 · Dues/Fees/Training	1,316.50	3,000.00	-1,683.50	43.88%
2728 · Orono Water	1,825.72	4,500.00	-2,674.28	40.57%
2729 · Plant Maint.	0.00	1,000.00	-1,000.00	0.0%
Total 2715 · Water	46,923.37	60,974.48	-14,051.11	76.96%
2730 · Sewer				
2731 · FT Wages - Sewer	1,395.13	3,319.65	-1,924.52	42.03%
2732 · Sewer Billing	792.66	1,853.53	-1,060.87	42.77%
2733 · PR Taxes & Benefits - Sewer	440.74	1,100.00	-659.26	40.07%
2735 · MCES (Sludge Removal)	25,184.04	50,368.02	-25,183.98	50.0%
2737 · Repairs Sanitary Sewer	0.00	2,000.00	-2,000.00	0.0%
2738 · Lift Stations 1-4	648.20	7,000.00	-6,351.80	9.26%
2739 · Televising Lines	0.00	1,000.00	-1,000.00	0.0%
2740 · Storm Sewer Repairs	400.00	1,000.00	-600.00	40.0%
Total 2730 · Sewer	28,860.77	67,641.20	-38,780.43	42.67%
Total 2710 · Enterprise Fund Transfers	75,784.14	128,615.68	-52,831.54	58.92%
Total 2700 · OTHER FINANCING USES	75,784.14	128,615.68	-52,831.54	58.92%
2800 · DEBT SERVICE FUNDS				
2801 · GO Bonds, Series 2002A				
2805 · Bond Principal pmts	195,000.00	195,000.00	0.00	100.0%
2806 · Bond interest pmts	18,327.50	34,705.00	-16,377.50	52.81%
2807 · Fiscal Charges	450.00	500.00	-50.00	90.0%
Total 2801 · GO Bonds, Series 2002A	213,777.50	230,205.00	-16,427.50	92.86%
2810 · Bond Issuance Costs	750.00			
Total 2800 · DEBT SERVICE FUNDS	214,527.50	230,205.00	-15,677.50	93.19%
2900 · CAPITAL PROJECT FUNDS				
2901 · 2002 Water/PWF projects				
2950 · Capital Reserve	0.00	10,000.00	-10,000.00	0.0%
Total 2901 · 2002 Water/PWF projects	0.00	10,000.00	-10,000.00	0.0%
2960 · Capital Improvement Program	0.00	137,800.00	-137,800.00	0.0%
Total 2900 · CAPITAL PROJECT FUNDS	0.00	147,800.00	-147,800.00	0.0%
Total Expense	599,303.30	1,426,066.18	-826,762.88	42.03%

City of the Village of Minnetonka Beach
Profit & Loss Budget vs. Actual
January through May 2018

	Jan - May 18	Budget	$ Over Budget	% of Budget
Net Income	-402,075.69	0.00	-402,075.69	100.0%