

**Monday, December 05, 2022 6:00 PM**  
**CITY OF MINNETONKA BEACH**  
**CITY COUNCIL TRUTH IN TAXATION MEETING MINUTES**

1. Mayor Lindstrom called the meeting to order at 6:00 p.m.

**Roll Call:** Mayor Jaci Lindstrom; Council Members: Tracey Breazeale, Susan Enlow  
Absent: Treasurer Chris Zinn, Council Member Vibhu Sharma  
Staff members: City Administrator Heidi Honey, City Clerk Jane Burgess

Mayor Lindstrom explained that the purpose of the annual Truth in Taxation meeting is for City Council to listen to public comment about the 2023 proposed budget and tax levy. Lindstrom added that Council also does a review of the proposed budget incorporating any public comments. The final proposed 2023 budget and tax levy goes to the December 12, 2022 regular City Council meeting. She added that Honey will provide an overview in Zinn's absence at this meeting.

2. Approve Agenda for the December 5, 2022 City Council Meeting

**Enlow motion, Breazeale second to approve the December 5, 2022 agenda. Roll Call Vote: Breazeale – aye, Enlow – aye. All ayes, the motion carried.**

3. Truth in Taxation Hearing

3.1 Proposed 2023 Final Budget and Tax Levy Review - City Administrator Heidi Honey  
Honey stated that the proposed 2023 budget and tax levy has not changed since council adopted the 2023 preliminary budget at the September 12, 2022 City Council meeting. She stated that the budget represents a \$1.19 million dollar levy which is a 9% general fund tax levy increase. This increase is larger than in past years, but at the September 12 meeting, Treasurer Zinn explained that for a home valued at \$1.25 million, a 9% increase would only be about \$300 per home more than the previous year.

Mayor Lindstrom stated that Honey reported after she attended a city administrator's meeting that state and metro cities' 2023 budget increases are also at about 9%. Honey added that the meeting attendees stated the biggest reasons for the larger increase is due to inflation and the strong job market. Honey stated that Spring Park's budget was increasing by 17.6% due to a 9% increase in their Orono Police contract. They also use the City of Orono for their public works services and that increased 8%.

3.2 Comments from the Public: Public Hearing opened at 6:05 pm

Resident Pagano said he is concerned with the aggregate increases residents will face whether it is increased property taxes, insurance, and other items. He added that sticker shock in property tax is high for Minnetonka Beach residents. Pagano stated that although the City portion is only a \$300 increase for a home of that value in Minnetonka Beach, residents face high property taxes overall.

Close Public Hearing at 6:06 pm

3.3 Proposed 2023 Final Budget and Tax Levy Discussion

Lindstrom stated that in looking at year to date spending and the proposed budget, the City hit the 2022 budget which was tight, and there will be a small surplus. She praised Administrator Honey for

her work along with Treasurer Zinn, in determining that budget, and stated that the 2023 budget should be accurate as well. She added that she has no budget changes.

Breazeale asked why the City has not raised dock fees for the City Dock rental program. Although she is a strong advocate for everyone to have a dock, she feels it is time to raise those fees especially with the rates marinas charge. Honey said the argument is that the City is renting the space/access to the lake, and residents have to pay for the physical dock itself, lifts, boathouses, and installation/removal. Breazeale said the City's land has gone up in value where the docks are located so perhaps an increase should be considered. Honey stated that in doing research, Wayzata got in trouble for profiting on dock rentals. Burgess stated that surrounding cities' fees are much higher than Minnetonka Beach fees. Most nearby cities provide the dock and install/removal costs.

Lindstrom stated that dock related fees have gone up tremendously over the years and it would be a good idea for the City to look at this closer. She stated that her personal dock expenses have gone up a great deal and Honey stated that her dock rental has gone up 35% over the last few years.

Burgess stated that historically, City dock fees were intended to cover the City's administrative costs for executing the rental program of nearly 70-80 slips. Staff will track their time and expenses in administering the program. Enlow added that lakeshore owners have had to pay more for their dock related expenses, and increased property taxes. She added that Hilger's spent a great deal of time removing old dock parts, and discarded pieces etc. this year.

Burgess stated that there is shoreline erosion at some City docks especially Docks 2 and 3, and rip rap projects are now budgeted to repair that shoreline. Breazeale stated that dock fees should help pay those expenses.

Breazeale stated that land value where the City Docks are located has increased. She added that as docks have encroached and expanded to be larger areas, that has taken away from space that all residents can use and enjoy, particularly the Swim Beach Dock area.

**Breazeale motion, Enlow second to recommend that the Dock Committee research possibly increasing City dock fees, how City fees compare to other neighboring cities, and determine the value that dock owners are receiving for their fee. All ayes, the motion carried.**

Breazeale also recommended adding representation by riparian residents on the Dock Committee as this is for the entire community. Enlow recommended the possibility of having council liaisons to the Dock committee be one riparian and one non-riparian resident. Breazeale also suggested that that as a Dock Committee member resigns then a riparian member could join the committee.

Honey stated that the rules of procedure, and attendance can be looked at to consider Breazeale's request. She added that this could be a future council agenda item.

Lindstrom asked Burgess to track hours spent administering dock program, and research who is on the Dock Committee, their term, and where they live.

4. Motion to continue the Truth in Taxation meeting to the December 12, 2022.

**Breazeale motion, Enlow second to continue the Truth in Taxation meeting to December 12, 2022. Roll Call Vote: Breazeale – aye, Enlow – aye. All ayes, the motion carried.**

Approved City Council Truth in Taxation Meeting Minutes

Mayor Lindstrom explained the process for the December 12<sup>th</sup> council meeting. The 2023 budget and levy will be adopted on December 12<sup>th</sup>, and then the City certifies the final tax levy to Hennepin County by December 30<sup>th</sup>.

The meeting was continued at 6:22 pm.

Members of the public present: Nell Mathews, Joe Pagano

**Respectfully Submitted,**

---

**Jane Burgess, City Clerk**