

**City Council Agenda Item 3.A
Meeting of December 22, 2025**



Title: Long term asset planning

Report from: Mike Funk, City Manager

Submitted through: Darin Nelson, Finance Director

Presenter: Mike Funk, City Manager

Action Requested: Receive information and provide direction regarding next steps.

Summary Statement

This agenda item is intended to support a long-term, strategic conversation about the City's approach to managing aging and future assets and infrastructure. At the outset, staff wants to be clear that there is no expectation or pressure for the City Council to take action on any specific project, funding mechanism, or policy direction as part of this discussion.

Rather, staff views it as our responsibility to proactively bring forward information that can help inform future decisions related to asset stewardship, service levels, and community investment. This is an exercise in long-range planning, recognizing that decisions made over time regarding facilities and infrastructure will have meaningful and lasting impacts on the Minnetonka community.

Strategic Plan Relatability

Infrastructure & Asset Management

This discussion aligns with the desired outcome to develop an annual capital improvement plan that supports the sustainable maintenance and replacement of assets.

Background

Over the past approximately 18 months, staff has brought forward several facility-related studies and assessments for Council consideration, particularly related to fire stations and recreational facilities. Individually, these studies addressed specific needs or facilities. Collectively, they point to broader questions about how the City prioritizes investments, sequences improvements, and aligns funding strategies across its portfolio of assets.

Staff believes this is an appropriate time to step back and review this information holistically, with the goal of framing a longer-term asset management strategy rather than reacting to individual needs in isolation.

Scope of Discussion

For purposes of this study session, staff intends to focus the conversation on capital needs and long-term planning considerations associated with the following asset areas:

- Trails and pedestrian infrastructure
- Fire stations
- The Marsh

- Williston Fitness Center
- Community Center
- OPUS facilities

These facilities represent a mix of aging infrastructure, evolving service expectations, and potential future investment needs. Staff will provide a high-level synthesis of prior studies and observations to support discussion rather than advocating for specific solutions.

Funding and Revenue Considerations

In addition to asset conditions and capital needs, the study session will include an overview of potential funding and revenue considerations. This includes a discussion of existing funding mechanisms as well as alternative or supplemental revenue sources that may warrant future consideration, including the possible implementation of a local sales tax.

The intent of this portion of the discussion is informational and exploratory, aimed at understanding options and tradeoffs rather than advancing a recommendation.

Attachments and Reference Materials

Included with this agenda item are several reference documents to support the discussion, including:

- The University of Minnesota local sales tax report
- Previously completed facility studies related to fire stations and recreational facilities

These materials are provided to give Council members background and context as part of the broader strategic conversation.

Desired Outcome

The desired outcome of this study session is to begin a thoughtful and structured conversation about the City's long-term approach to asset management. Specifically, staff is seeking Council input and discussion related to:

- How the City should think about prioritizing capital projects across multiple asset categories
- Establishing a general timeline or sequencing framework for future improvement projects
- Identifying and evaluating potential funding sources
- Direction from the City Council on next steps, including whether additional analysis, refinement, or community engagement should occur

Staff looks forward to Council's perspective as we work collaboratively to ensure Minnetonka continues to plan responsibly for the long-term maintenance, improvement, and sustainability of its public assets.

Discussion Questions

1. Does the council need additional information?
2. Does the city have interest to pursue local option sales tax as a potential revenue source of funding?

ATTACHMENTS:

[Minnetonka Satellite Fire Study, Updated Costs 12-15-25](#)

[Minnetonka Community Facilities Study Report](#)

[Minnetonka LOST Final Report](#)

[Local Sales and Use Tax Chart](#)

[Metro Tax Rate Guide 2026 Q1](#)