WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
August 8, 2023

4:30 p.m. Annual Review of Long-Term Financial Plan

Mayor Mouton called the meeting to order at 4:30 p.m. Council Members present in-person in the community room at City Hall offices: Iverson, MacDonald, Parkhill, and Plechash. Also present: City Manager Jeffrey Dahl, Deputy City Manager Aurora Yager, Public Works Director/City Engineer Mike Kelly, Community Development Director Emily Goellner, Police Chief Marc Schultz, and Fire Chief Kevin Klapprich, and Finance Consultant Steve McDonald.

Ms. Yager provided background noting the Long-Term Financial Plan was last reviewed in August of 2022 as part of the 2023 budget process. Assumptions regarding the impact of implementing the Long-Term Staffing Plan were first included in the 2020 Long-Term Plan to help contextualize how staffing changes would impact the City's finances in the future.

The Long-Term Financial Plan is meant to be a living planning document that can help contextualize the City's financial position over a five-year period and frame the annual budget discussion. Steve McDonald, the City's Financial Consultant also presented an overview of the plan. Mr. McDonald indicated he would send the Council a few corrections and updates to the plan after the meeting.

4:45 p.m. Review of 2024 Preliminary General Fund Budget and Draft Fee Schedule

Ms. Yager presented the 2023 preliminary General Fund Budget as prepared by staff. The preliminary budget process commenced earlier this summer and has entailed several meetings with the City's leadership team. The development of the annual budget is a comprehensive process that includes input gathered from the entire City Council and staff during these budget work sessions. These discussions guide the creation of the preliminary budget document to be approved in September and ultimately the final budget to be approved by the City Council in December.

The overall projected levy increase is 14.15%. Major drivers of the increase (as noted on page 3 of the budget memo) included:

- Increases in repair/maintenance and utility costs
- Investment in additional services such as technology and expansion of the newsletter
- Investment in employees (compensation and two new positions)
- Insurance increases
- Capital Improvement Fund reallocations

While the levy increase is projected to be 14.15%, the actual property tax impact on the median value home (when values are held constant) would be a much lower increase of $27. The tax impact is lower than the levy increase because overall growth in the city's tax base increases the taxable value the levy can be spread across.

To offset some of the inflation and budget increases, the overall fee schedule is proposed to increase by 5%, with a few exceptions and additions (as noted on page 11 of the budget memo).

Based on the feedback at the workshop, staff will be updating the preliminary budget accordingly in preparation for adoption of the preliminary levy at the September 19 City Council Meeting. There was consensus to change the following:

- Reduce the contingency budget $4,500 to account for Light up the Lake expenses already budgeted.
- Remove Monsido (website software).

- Ask the Crime Prevention Coalition to cover Flock camera cost.
- Reduce the Transfers Out to Capital Funds $74,000 to offset the reallocations from the Capital Funds into the operating budget.

Ms. Yager outline the next steps in the 2024 budget process as:

- September 5, 2023 - Enterprise Budget Workshop
- September 19, 2023 – Council adopts Preliminary General Fund Budget, Enterprise Budgets, and
- Fee Schedule
- October 24, 2023 - Capital Improvement Plan Workshop
- October-November – Staff refines General Fund budget, Enterprise Fund Budgets and CIP as
- needed
- December 5, 2023 - Council adopts Final General Fund Budget, Enterprise Budgets, and CIP

The workshop meeting was adjourned at 6:40 p.m.

Respectfully submitted,

Kathy A. Leervig

Kathy Leervig, City Clerk