Wayzata City Council Workshop Meeting Agenda
Wayzata City Hall Community Room, 600 Rice Street
TUESDAY, NOVEMBER 14, 2023

WORKSHOP TOPICS FOR DISCUSSION:

1. Discussion of Status of 2024 General Fund Budget and Tax Levy (4:30-5:00 p.m.)

City Council Workshop
City Council Agenda Report

MEETING DATE: November 14, 2023	**WORKSHOP AGENDA ITEM:** 1
TITLE: Discussion of Status of 2024 General Fund Budget and Tax Levy (4:30-5:00 p.m.)	
PREPARED BY: Aurora Yager, Deputy City Manager	
REVIEWED BY: Jeffrey Dahl, City Manager	

DISCUSSION OBJECTIVE:

To review the current status of the 2024 General Fund budget and provide feedback on if further changes are necessary before the Final Budget is considered at the December 5, 2023 City Council Meeting.

BACKGROUND:

Since the Council approved the preliminary 2024 general fund budget in September, staff has been working on updating based on new budget-related information received. Before a final version is brought before the Council for consideration at the December 5, 2023 meeting, additional feedback on the current status of the budget is needed. The current property tax levy amount, a summary of changes made since the preliminary budget was set, along with a list of options to reduce the budget is included in the attached updated summary.

ATTACHMENTS:

1. 2024 Final Budget Status Workshop Discussion

2024 General Fund Budget Status as of 11.7.2023

	2023	Preliminary Budget 2024	Preliminary Budget % Change	*Current* Budget 2024	*Current* Budget % Change
General	$5,400,851	$5,964,091	10.43%	$5,914,224	9.50%
City Infrastructure	$229,473	$502,015	118.77%	$502,015	118.77%
Bonds					
G.O. Street Reconstruction Bonds, (2009B Ferndale)	$32,721		-100.00%		-100.00%
2021 Refunding (2004A Big Woods)	$216,300		-100.00%		-100.00%
Total City Tax Levy	**$5,879,345**	**$6,466,106**	**9.98%**	**$6,416,192**	**9.13%**

Summary of Changes since Approval of the Preliminary Budget

Since the preliminary budget was adopted, staff have updated some of the estimates with final numbers, removed some revenues, and reallocated some positions. Based on these efforts the preliminary levy increase has been reduced by about $50,000 or 0.85% to bring the total City Tax Levy to 9.13%. A summary of those changes is included below.

Line Item	Amount	Increases (+) or Reductions (-) to Levy %	Notes
Revenues			
Revenues - Interfund Operating Transfers	$10,000	-0.17%	Increased transfers in from Wine and Spirits operation by 13.33%
Revenues (various)	$15,600	-0.27%	Increased budget for several revenue accounts to align closer to 2023 YTD actuals
Expenditures			
Wages	($36,000)	-0.61%	Actual results of the compensation study came in below the preliminary budget estimates.
Benefits	($24,800)	-0.42%	Actual open enrollment for benefits came in below the preliminary budget estimates.
Admin and Finance FT Wages	($13,400)	-0.23%	Delayed new Accounting position until 2Q based on realistic hiring timeline.
Remove SRO Contract	$84,000	+1.43%	Due to legislative changes, Wayzata PD has not returned the SRO to the school. Without legislative changes, the plan is to continue this practice in 2024, resulting in the loss of that contract payment.
Reallocation of PT and FT Police Staff	($34,000)	-0.58%	Records Technician moved from full-time to part-time. CSO budget increased to accommodate a mixture of either a full-time Lead CSO or multiple part-time CSOs.
Total	**$49,800**	**-0.85%**	

Additional Revenue Being Considered

Revenue Item	Amount	Approx. Levy % Savings	Notes
VOTER Funds	TBD	-0.26% (up to)	The General Fund has about $15,650 budgeted for election related expenditures. The amount of money to be distributed from Hennepin County is not yet known.

Options to Reduce the General Fund Budget

If the changes made to reduce the 2024 budget so far still do not bring the budget within acceptable levels for Council, staff have prepared the following options to reduce the general fund budget along with their tradeoffs for Council consideration.

Expenditure Item	Amount	Approx. Levy % Savings	Tradeoffs
Remove additional contract Fire Department Support	$5,000	0.03%	While a preliminary estimate, this allocation is intended to provide resources should an arrangement for some contracted administrative support from another fire department come to fruition. A specific arrangement has not been solidified and is in the preliminary/exploratory stage.
Delay Park Maintenance worker to mid-year 2024 or 2025	$20,500 - $62,000	0.35% - $1.06%	This position was included in the Long-Term Staffing Plan for 2024 to ensure the Parks Department can keep up with the increased park maintenance duties given the reduction in capacity from the Forester position and lack of reliable seasonal help.
*Delay Payroll and Accounting Specialist position to mid-year 2024 or 2025	$13,400 - $40,250	0.23% - 0.69%	This position was included in the Long-Term Staffing Plan due to the increased workload in both HR and Accounting across the City. Delaying this position until later in 2024 will maintain staff workloads at unsustainably high levels and delay projects and responsiveness.
Reduce Capital Transfers Out to Capital Funds	Up to $233,650	0.0%- 3.98%	Maintaining annual capital allocations is key to continuing the City's commitment to funding capital projects with cash. Reinstating capital contributions to higher levels will necessitate future levy increases.
Total Expenditure Reduction Ideas	**$38,900 - $340,900**	**0.66% - 5.80%**	