

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
October 24, 2023**

4:40 p.m. Review 2023 Wine and Spirits Workplan and Discuss Workplan for 2024

Mayor Mouton called the meeting to order at 4:40 p.m. Council Members present in-person in the community room at City Hall offices: Iverson, MacDonald, and Parkhill. Also present: City Manager Jeff Dahl, Deputy City Manager Aurora Yager, Public Works Director/City Engineer Mike Kelly, Community Development Director Emily Goellner, Wayzata Wine and Spirits Manager Kevin Castellano, and Michael Bitzer of Delaney Consulting.

City Manager Dahl provided background noting in 2022, as a key component of the City's Strategic Plan to Enhance Operations, the City partnered with Delaney Consulting to conduct a Strategic and Marketing Assessment of the Wine and Spirits operations in order to maximize the enterprise's profit and benefit to the community. The final report of the assessment included four recommendations:

- 1) Eliminate the current Savour Reward Program and replace it with a mutually beneficial loyalty program to provide value to its members while driving more traffic and overall profitability.
- 2) Define and refine the Wayzata Wine & Spirits brand to create clarity and differentiation of your marketing, value propositions, sales channels, growth strategies, assortment, pricing, and channel execution.
- 3) Implement an integrated promotional planning capability to activate all marketing and promotional resources to build new customer acquisition and improve current customer retention.
- 4) Build a disciplined and right sized business operating-rhythm that includes objectives, clear roles and responsibilities, effective tools process around measuring and forecasting business plans and support.

Since then, staff has been working with Delaney on a more detailed work plan to accomplish these objectives.

Mr. Castellano provided a status update on all of the goals of the 2023 workplan, summarized the results, and presented proposed 2024 goals.

Mr. Dahl indicated that feedback from the discussion would be incorporated into the 2024 workplan and that at the December 5th Council Meeting, the Council would consider a Scope of Work for professional services with Delaney Consulting alongside an updated 2024 workplan for review.

5:00 p.m. Discussion of Updates to 2024-2033 Capital Improvement Plan

Ms. Yager explained that the City Council reviews its CIP twice a year, once in the spring to prioritize use of any excess fund reserves from the prior year and once in the fall as a part of the annual budget process. Included in the ten-year Capital Improvement Plan is a breakdown of projected expenses and their uses, projected revenues and their sources, and anticipated fund balances across funds. Based on feedback from the Council regarding these projects and priorities, staff will make updates and include the 2024-2033 CIP with the other 2024 budget items for Council approval at the December 5, 2023 meeting.

Ms. Yager started the discussion with a review of an existing interfund loan and proposed changes. She explained that an interfund loan between the General Fund and TIF 6 was created in 2020 to pay for the Lake and Barry Public Parking Lot project without having to issue debt. However, this \$1.5 million interfund loan is now creating a strain on the General Fund due to the changes to the payback schedule and the issue of it limiting the ability for the General Fund to have excess reserves. If the interfund loan did not exist in 2022, the General Fund would have had about \$900,000 worth of excess to put towards other capital project. Therefore, staff recommend moving this interfund loan from the General Fund to the Water and Sewer Funds. Ms. Yager also recommended that given the change in the structure of the loan that the Council consider appropriating up to \$500,000 of excess reserves. The Council consensus was to

1 support changing the structure of the interfund loan as outlined and to appropriate excess reserves in the
2 following ways:

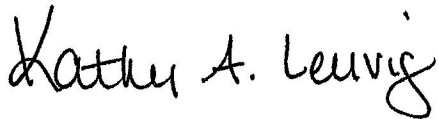
- 3 • \$250,000 to the Facilities Fund to pay for needed improvements
- 4 • \$50,000 to the Facilities Fund to pay for an increased budget for Cannabis Business Feasibility
5 Study
- 6 • \$150,000 to the Equipment Fund
- 7 • \$50,000 to a new Public Art Fund

8
9 Ms. Yager went over a few other project specific questions with the Council. The consensus from that
10 discussion was to:

- 11 • Add a \$35,000 Zoning Study project for Signs to the Facilities Fund
- 12 • Utilize the entire budget for the 2023 LED lighting project for other city buildings that have not
13 yet been completed.
- 14 • Eliminate the Nature Center projects from the Parks and Trails Fund
- 15 • Eliminate the Platform Tennis project from the Parks and Trails Fund

16
17 Ms. Yager explained that the changes to the interfund loan and excess reserves allocations would be
18 brought to the November 14, 2023 Council meeting. The final 2024-2033 CIP would be brought back for
19 the Council to consider at their December 5, 2023 meeting.

20
21 Respectfully submitted,



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23 Kathy Leervig, City Clerk