WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
August 7, 2024

5:00 p.m. Review of Updated Annual Long-Term Financial Plan

Mayor Mouton called the meeting to order at 5:00 p.m. Council Members present in-person in the community room at City Hall offices: MacDonald, Parkhill, and Plechash. Also present: City Manager Jeff Dahl, Deputy City Manager Aurora Yager, Community Development Director Emily Goellner, and Public Works Director/City Engineer Mike Kelly. In addition, Steve McDonald, the City's Financial Consultant with Abdo was present.

Deputy City Manager Yager reviewed the Long-Term Financial Plan noting long-term plans are useful tools to anticipate and plan for future tax levies and tax rates, cash balances across funds, and future debt. The Long-Term Financial Plan was last reviewed in August 2023 as part of the 2024 budget process. This 2024 update indicates that even with moderate budget increases, the City's financial future remains strong. 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. Mr. McDonald and Ms. Yager went through the report and answered the Council's questions around tax base, tax rate, future projected levy rates, growth assumptions, and how future staffing is tied into the financial plan.

5:20 p.m. Review of 2025 Preliminary General Fund Budget and Draft Fee Schedule

Ms. Yager discussed preliminary 2025 General Fund Budget and Fee Schedule and noted that 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 the 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.

Ms. Yager went over the 2025 budget goals:
1. Invest in public safety personnel
2. Implement Strategic Plan initiatives
3. Minimize impact on residents

Ms. Yager went over the budget highlights cost drivers. Cost Drivers
Overall, she noted the overall projected levy increase is 9.43% and major drivers factoring into the increase include:
- Investing in IT and technology
- Investing in employee compensation
- Adding public safety employees
- Insurance increases

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

Ms. Yager indicated that the next steps in the 2025 budget process are:
- August 20, 2024 - Enterprise Budget Workshop and General Fund Budget Update (if needed)
- September 3, 2024 – Council adopts Preliminary General Fund Budget, Enterprise Budgets, and Fee Schedule
- October 8, 2024 - Capital Improvement Plan (CIP) Workshop
- October 22, 2024 - Budget Status Update Workshop (Tentative)
- October-November – Staff refines General Fund budget, Enterprise Fund Budgets and CIP as needed

•December 3, 2024 - Council adopts Final 2025 Budgets
•December 17, 2024 - Council adopts 2025-2034 CIP

Based on the feedback at this workshop, staff would be updating the preliminary budget accordingly in preparation for adoption of the preliminary levy at the September 3 City Council Meeting. The Council discussed all options of reducing expenditures and increasing revenue. Consensus was made to move the police officer hiring to mid-year 2025 and that more information was needed, including the creation of succession plan and job description for the full time Fire Chief position before the Council felt comfortable incorporating it into the budget. The Council thanked staff for their hard work and reiterated that this process was a balance of wanting to provide the best services for residents, retain the best staff, but still keep increases to a minimum.

Ms. Yager indicated that she would follow up with an updated budget proposal discussion at the August 20 workshop.

Respectfully submitted,

Kathy A. Leervig

Kathy Leervig, City Clerk