

**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
July 15, 2025**

5:30 p.m. Discussion of 2026 Fee Schedule and Preliminary 2026 Budgets for Enterprise and Special Revenue Funds Budgets

Mayor Mullin called the meeting to order at 5:30 p.m. Council Members present in-person in the conference room at City Hall offices: MacDonald, Plechash, and Sorensen. Absent: Parkhill. Also present: City Manager Jeff Dahl, Public Works Director/City Engineer Mike Kelly, Fire Chief Kevin Klapprich, Police Chief Jamie Baker, Bar and Grill Manager Jeff Pietrini, Wine and Spirits Manager Kevin Castellano and Finance Manager Pete Zimmerman. Abdo Finance Consultant Steve McDonald was also present.

Finance Manager Zimmerman reviewed the 2026 preliminary enterprise and special revenue fund budgets and corresponding fee schedules.

In addition to the City's main operating budget, the General Fund, the City also prepares budgets for several Enterprise Funds that include utilities (Water, Sewer, Stormwater, and Solid Waste), Liquor (Bar and Grill and Wine and Spirits), Motor Vehicle Licensing, and the Marina. It also has budgets for two Special Revenue Funds that include Cable TV and the Cemetery. A breakdown of each of these budgets by fund along with a summary of changes is attached and the corresponding department director will walk through their respected budget individually at the meeting.

While the General Fund derives its revenue largely from property taxes, enterprise and special revenue funds are supported by user fees. These fees are analyzed on an annual basis to ensure the proper revenues are generated to maintain operating reserves, meet ongoing cash flow needs, and to replace existing infrastructure as it depreciates. The City reviews enterprise and special revenue budgets in the same timeframe as the General Fund budget because all these budgets combined, are what fund our city services, pay for city staff, and make transfers to capital project funds.

A fee schedule drafted for 2026 for fees related to these operations is also attached for review. Generally speaking, the following changes are proposed:

- Sewer - 3% increase
- Stormwater - 3% increase
- Solid Waste - 0% increase
- Marina - 5% increase
- Cemetery - 3% increase

The biggest discussion point will be the shift in revenue at Muni operations. More feedback and discussion is needed prior to moving forward with the final budgets.

6:00 p.m. Continue Discussion on Preliminary 2026 General Fund Budget

Mr. Zimmerman reviewed updates to the general fund budget, reviewed staff budget adjustment recommendations, and noted additional budget adjustments.

At the July 1, 2025 City Council workshop the 2026 preliminary budget was presented with an initial levy increase of 14.44% (more detailed data can be found on that discussion within the July 1, 2025 workshop agenda packet). A list of potential budget cuts was also brought forth, outlining the impact each would have on the levy. The City Council directed each department to review their respective budgets and prepare potential adjustments to reduce the levy. Updated information, as a result of that direction, is attached.

Based on the feedback at this workshop, staff will be updating the preliminary budget accordingly in

preparation for adoption of the preliminary levy at the September 2 City Council Meeting.

6:20 p.m. Discussion of Future Council Topics

Mr. Dahl indicated that the goal To discuss and prioritize future workshop and general topics.

Below is a list of planned workshop topics. These are subject to change:

- Jul 15 Preliminary Enterprise and Special Revenue Budgets
- Jul 15 Preliminary General Fund Budget
- Aug 6 Public Safety Facility Needs Assessment/Tour
- Aug 6 Klapprich Park Construction Status and Mitigation Options
- Aug 6 Subdivision Ordinance Amendment vs. PUD Changes and Historical Context
- Aug 19 Preliminary General Fund Budget Status Update
- Sept 9 Open - Topics To Be Determined
- Sept 23 Open - Topics To Be Determined
- Oct 7 Open - Topics To Be Determined
- Oct 21 Open - Topics To Be Determined
- Nov 5 Final CIP Review
- Nov 18 Final Budget Status Update
- Nov 18 Legislative Priorities
- Dec 2 Board and Commission Interviews
- Dec 16 Potential Charter Amendment for Purchasing/Contracts
- Dec 16 Franchise Fees

There were no comments from the Council.

Respectfully submitted,

Kathy Leervig, City Clerk