

**Wayzata City Council Workshop Meeting Agenda
Wayzata City Hall Community Room, 600 Rice Street
TUESDAY, MAY 19, 2026**

WORKSHOP TOPICS FOR DISCUSSION:

1. Discussion of 2027 Budget Priorities and Process (5:10-5:25 p.m.)
2. Discussion of Long-Term Staffing Plan (5:25-6:10 p.m.)
3. Discussion of Short Term Rental Ordinance (6:10 - 6:30 p.m.)
4. Discussion of Future Agenda Topics (6:30-6:40 p.m.)



City Council Workshop City Council Agenda Report

MEETING DATE: May 19, 2026	WORKSHOP AGENDA ITEM: 1
TITLE: Discussion of 2027 Budget Priorities and Process (5:10-5:25 p.m.)	
PREPARED BY: Aurora Yager, City Manager	
REVIEWED BY:	

DISCUSSION OBJECTIVE:

To discuss any priorities the Council has going into the 2027 Budget process.

2024-2026 STRATEGIC PLAN PRIORITIES RELEVANCE:

Achieve & Sustain Operational Excellence

Establishing council priorities at the beginning of the budget process promotes operational excellence by aligning resources, staffing, and service levels with the community's most important goals. Early direction improves efficiency, supports better decision-making, and creates a more strategic and accountable budgeting process.

BACKGROUND:

In advance of preparing any first drafts of the 2027 Budget, staff are interested in hearing from the Council regarding any expectations or priorities that may influence service levels and budget development. Some questions the Council could consider include but are not limited to:

- Are there any emerging issues or risks the city should proactively address?
- Are there any issues or initiatives that you want to see increased investment in?
- What, if anything, would you like to see done differently than last year?
- What does a successful budget look like to you?

For reference, the current plan for the 2027 Budget Process is included below.

- **June 2, 2026**—CIP and Excess Reserves Workshop
- **July 7, 2026**—Long-Term Financial Plan and General Fund Budget Workshop
- **July 21, 2026**—Enterprise Fund Budget Workshop and General Fund Budget Update (if needed)
- **August 18, 2026**—2027 Budget Status Update Workshop
- **September 1, 2026**—Council adopts 2027 Preliminary Budgets, Tax Levy, and Fee Schedule
- **November 10, 2026**—2027-2036 Capital Improvement Plan (CIP) Workshop
- **November 24, 2026**—Final Budget Status Update Workshop
- **October-November**—Staff refines General Fund budget, Enterprise Fund Budgets and CIP as needed
- **December 1, 2026**—Council adopts Final 2027 Budgets
- **December 17, 2026**—Council adopts 2027-2036 CIP

ATTACHMENTS:

None



City Council Workshop City Council Agenda Report

MEETING DATE: May 19, 2026	WORKSHOP AGENDA ITEM: 2
TITLE: Discussion of Long-Term Staffing Plan (5:25-6:10 p.m.)	
PREPARED BY: Peter Zimmerman, Finance Manager	
REVIEWED BY: Aurora Yager, City Manager	

DISCUSSION OBJECTIVE:

To gather feedback and answer questions regarding the staffing requests included in the 2026 update to the Long-Term Staffing Plan.

2024-2026 STRATEGIC PLAN PRIORITIES RELEVANCE:

Achieve & Sustain Operational Excellence

Ensuring we have right-sized departments will ensure that the organization's operational risks are proactively managed and that services are seamlessly implemented.

BACKGROUND:

Each year as part of the budget process, staff reviews current organizational needs, especially as it relates to service delivery, and brainstorms future staffing needs up to five years in the future. The identification of staffing needs does not commit the City to filling these positions, but rather gives the Council and staff an idea of the impact those positions could have on the budget to better evaluate priorities and plan for these in advance.

At this meeting, staff will explain the need for each requested position and gather feedback from the Council on what positions to include in the first draft of the 2027 Budget. Their potential impact on the levy is subject to Council approval as part of the annual budget process and will be reviewed more comprehensively in the City's Long-Term Financial Plan and the first draft of the General Fund Budget on July 7, 2026.

Next Steps in the 2027 Budget Process:

- **June 2, 2026**—CIP and Excess Reserves Workshop
- **July 7, 2026**—Long-Term Financial Plan and General Fund Budget Workshop
- **July 21, 2026**—Enterprise Fund Budget Workshop and General Fund Budget Update (if needed)
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ATTACHMENTS:

1. Staffing Needs Workshop 2026

Long-Term Staffing Plan

May 19, 2026

Departments review long-term staffing needs annually in the Spring. If the City Manager approves their staffing request, it is included in the list below. Additional information regarding the potential impact on the levy and tax rate along with the detailed Position Requisition Forms are included below. The following positions are the estimated positions needed within the next five years.

Proposed Positions by Year

Year	Position	Salary & Benefits	General	Water	Sewer	Liquor	Motor Vehicle	Total
2027	Police Investigator	\$165,000	\$165,000					\$165,000
2027	Police Officer*	\$132,000	\$132,000					\$132,000
2027	Planning Intern	\$19,000	\$19,000					\$19,000
2028	IT Manager	\$165,000	\$120,450	\$7,013	\$7,013	\$19,800	\$10,725	165,000
		\$481,000	\$436,450	\$7,013	\$7,013	\$19,800	\$10,725	\$481,000

General Fund Budget Impact by Year

	2026 Actual	2027	2028
General Fund Staffing		\$184,000	\$120,450
Cumulative Total with Inflation		\$184,000	\$309,970
Estimated Total Levy % Change**	4.90%	5.55%	4.70%
Estimated Tax Rate	19.59%	19.97%	20.89%
Est. Median Value Home	\$1,187,075	\$1,222,687	\$1,259,368
Median Value Home Tax Increase from Prior Year		\$140	\$225

*Additional Police Officer included for discussion purposes only and is not included in levy calculation. The additional officer may be a special request made by the City Manager if satisfactory conditions are present within the budget year. Those conditions will be discussed at the City Council workshop.

**Estimated Levy % change assumes the prior year's budget increases 3% and proposed staffing is added on top of it. It does not account for any other service level changes that may occur to offset any potential increase and is just to demonstrate the magnitude of the impact on the budget and levy.

Note: Uses assumptions from the 2025 Long-Term Financial Plan (LTFP). The 2026 update to the LTFP will incorporate updated data and assumptions to better discuss impacts on the levy and tax rates.

Positions Requested for Inclusion in 2027 Budget

Position Requisition Form

Position Title	Investigator	Department	Police Department
Requested By	Chief Jamie Baker	Approved By	City Manager Aurora Yager
Date Needed	01-01-2027		

Summary of Job Duties:

A police investigator is critical to the effective operation of the police department and the successful prosecution of criminal offenses. Criminal investigators are responsible for handling and investigating all levels of criminal activity, ranging from misdemeanor offenses to complex felony cases. In addition to conducting investigations, investigators review police reports for necessary additional follow-up, identify investigative leads, prepare cases, and sign criminal complaints, execute search warrants, complete subpoenas, and process various court orders necessary to advance criminal cases.

Summary of Need/Rationale:

- **Current structure is not sustainable or resilient**

The need for an additional investigator position was first identified in 2022 by the current Detective Sergeant, who is currently the department's sole investigator. Operating the investigations unit with only one investigator creates significant operational challenges and leaves the department without adequate continuity, redundancy, or long-term sustainability.

Furthermore, should the Detective Sergeant resign or retire, the additional position would provide much needed cross training and maintain continuity of service. Because it typically takes 1-2 years of experience and training to become proficient in investigations, adding the position in 2027 would provide adequate time for cross training knowledge transfer.

If the Detective Sergeant is on scheduled leave, attending court, participating in training, or otherwise unavailable, investigative responsibilities are either delayed or have to be absorbed by command staff, diverting them from their primary duties. Some investigative tasks require immediate attention and cannot be delayed. Delays can negatively impact case progression, evidence collection, victim and witness cooperation, general investigative follow-up, and can impact prosecution outcomes.

- **Modern investigative demands and staffing needs**

Modern criminal investigations require continual professional development and ongoing training to remain current with evolving technology, investigative techniques, digital

evidence analysis, and emerging crime trends. The current structure does not realistically allow a single investigator to effectively manage the day-to-day operations of a high-volume investigation department and attend the training necessary to remain effective in today's rapidly evolving investigative environment. Having additional investigative staff would allow flexibility for staff to engage in professional development while adding operational continuity and ensuring a high level of service to the community.

- **Benefits of enhanced investigative capacity**

An additional investigator would provide significant benefits to both the Police Department and the community. Officers experienced in investigations develop a broader understanding of the criminal justice system, including both the initial response to criminal incidents and the follow-through required to successfully prosecute cases. This experience improves coordination with prosecutors and strengthens the department's overall effectiveness.

Investigative assignments enhance core law enforcement skills. Officers assigned to investigations develop advanced interviewing and interrogation techniques, improve their ability to analyze crime scenes, strengthen evidence collection and preservation practices, and conduct more detailed follow-up investigations. These skills carry over into patrol operations, leading to better decision-making, stronger case preparation, and more effective interactions with victims, witnesses, and suspects.

Investigators also routinely collaborate with neighboring agencies, regional task forces, prosecutors, and specialized investigative units. These partnerships improve information sharing on investigative strategies, emerging crime trends, technology, and best practices, strengthening the department's ability to proactively respond to evolving criminal activity, directly benefiting community safety.

- **Supports retention**

Creating an additional investigative position also supports employee development, engagement, and retention. Law enforcement professionals often seek opportunities to expand their knowledge, develop specialized skills, and take on new professional challenges throughout their careers. Providing opportunities beyond traditional patrol assignments allows officers to continue growing professionally while remaining invested in the community. An expanded investigations unit would provide officers with meaningful career development opportunities, increase institutional knowledge within the department, and help retain motivated and experienced employees who are committed to becoming more effective public safety professionals.

Funding Source and Budget Impact:

\$165,000 is the estimated cost for salary and benefits and would be paid for by the General Fund.

Position Requisition Form

Position Title	Police Officer	Department	Police
Requested By	Jamie Baker, Police Chief	Approved By	City Manager Aurora Yager
Date Needed	2027 - potential (2 nd year requesting)		

Summary of Job Duties:

Responsible for enforcing laws/ordinances, preventing crime, addressing public safety concerns, and providing assistance, arresting offenders, investigating crimes, and protecting life and property.

Summary of Need/Rationale:

- **Recruitment and training are more difficult and is taking longer**

Recruitment of Police Officers is becoming more difficult due to local and national trends of declining interest in the profession. While Wayzata has not faced vacancies to the same extent as others, we are in a perpetual cycle of recruitment, and that recruitment is taking about twice as long as it used to. Specifically, prior to 2023, on average it took the City less than 2 months to fill an opening. Since 2023 it now takes about 4.5 months to fill an opening for a Police Officer position.

In addition to the slowing of recruitment, we are also experiencing onboarding and training new officers once hired is taking longer. While traditionally the Field Training Program took about 3 months, it is now very common that newer officers need about 4-6 months to complete their field training and be cleared to work on their own. The impact of recruitment and training slowing compound one another and put briefly, once an officer leaves the department, it takes about 8-10 months before their spot on the schedule can be filled.

- **Investment and responsiveness to the CSO pipeline growing in importance**

Many agencies, including the Wayzata Police Department, are actively investing in Community Service Officer (CSO) programs to strengthen community engagement develop a vital recruitment pipeline for future police officers.

Wayzata CSOs are typically students with six months and two years of college remaining. By hiring, training, mentoring, and coaching these individuals, the department is preparing them for a smoother transition into full-time police officer positions. The typical hiring and onboarding process, including background checks and training, takes about four months.

The City invests significant time and resources into developing CSOs, but given the tight labor market for police officers, this investment can be easily lost if the Department has no openings available when the CSO completes school. This exact situation occurred at the end of 2025 when a qualified CSO left for another agency because the Department was briefly fully staffed at the time.

To address this challenge, the department is requesting flexibility to temporarily exceed the authorized staffing level of 18 officers when a CSO becomes eligible for hire. This would allow the City to retain top talent already trained, ensure operational continuity, and decrease the costs of constant recruitment. Then if turnover occurred, the City would not have to immediately hire for a position and would maintain the staffing level back at 18 officers.

Funding Source and Budget Impact:

\$132,000 is the estimated cost for salary and benefits and would be paid for by the General Fund.

Rather than requesting permanent funding for an additional position, staff recommend that the Council consider authorizing the City Manager to temporarily exceed the authorized staffing level by up to one FTE only when the department is fully staffed and a qualified CSO becomes eligible for hire as a police officer. If this occurs, the City Manager will report on the maximum potential budget impact if no officer turnover occurs during the remainder of the year.

Position Requisition Form

Position Title	Planning Intern	Department	Community Development
Requested By	Community Development Director - Alex Sharpe	Approved By	City Manager Aurora Yager
Date Needed	2027		

Summary of Job Duties:

The Intern position would assist with the following daily duties of the department:

- Answering resident and developer planning phone and email inquiries
- Completing Ordinance amendment cleanup tasks
- Assists in general plan review (fences, signs, sheds, etc.)
- Assisting with planning initiatives such as the 2050 Comp Plan
- Researching and producing agenda materials for Planning Commission, Parks and Trails Board, Energy and Environment Committee, Public Art Committee, and the Heritage Preservation Board
- Other clerical support to the department and the City Hall front counter

Summary of Need/Rationale:

- **Interns Provide High ROI**

An annual Planning Intern adds significant value to the department and organization while adding minimal cost to the budget. The position is proposed for the spring and summer months, when development applications and building permit activity are at their highest. The Intern would assist with research, clerical, and routine planning tasks allowing the Parks and Environment Planner and the Planner positions to focus on more complex, higher level tasks. Shifting the workloads in this way will allow the City to rely less on consultants, respond in a timelier manner, and provide improved service.

Interns bring new perspectives and familiarity with knowledge of new technologies, often allowing the City to present information in an innovative way. This program would also strengthen relationships with local graduate school programs and create a pipeline for future applicants. This presents a new opportunity for students to gain insight into the operations of the City which will support their professional development.

- **Enhance Growth and Retention of Existing Staff**

The Intern also allows for growth and retention of existing staff members by providing opportunities for supervisory experience the City would otherwise not be able to offer. In future years, this position’s supervisor will rotate between the Parks and Environment Planner and the Planner, providing both with growth opportunities which can reduce turnover.

Funding Source and Budget Impact:

\$19,000 represents a high-end estimate for the cost of wages for a part-time, 6-month intern position. Actual costs will vary based on the hourly rate offered, weekly hours worked, and the length of the internship. An Intern may not be needed annually and would be assessed based on projects, workload, development applications, and current staffing.

Positions Requested for Inclusion in Future Budgets

Position Requisition Form

Position Title	IT Manager	Department	Administration
Requested By	Aurora Yager, City Manager	Approved By	Aurora Yager, City Manager
Date Needed	2028 (Need identified since 2024)		

Summary of Job Duties:

Manages the overall City's IT network and systems, provides technical user support, technical upgrades, network management, and long-term planning for IT.

Summary of Need/Rationale:

- **Increasing cybersecurity is necessary to protect the City**

More than ever, City operations and services are conducted and dependent on technology. At the same time, cybercrimes are on the rise. The League of Minnesota Cities Insurance Trust has had 19 claims related to cybersecurity threats, with claims ranging from \$4,000-\$1.36 million. Internal IT is needed to be more proactive and ensure we are good stewards of our technological assets and ensure the cybersecurity of our critical infrastructure such as our water treatment plant and internal network.

- **Current IT setup not meeting internal needs**

The City contracts managed IT services with Loffler and the Public Works Director and Deputy City Manager serve as the primary staff contacts. This arrangement is largely reactive and depends heavily on the PW Director to coordinate IT projects and assist staff with troubleshooting. This is not the most effective use of staff resources and delays implementation of technology projects. At the same time, the Police Department has increasing IT and cybersecurity (TAC, IT audits, LASSO, etc.) which are currently managed by the Police Chief. These responsibilities reduce time available for other department and community priorities and are more appropriately handled by someone with IT expertise anyway.

More broadly, lack of internal IT support makes resolving IT issues more difficult, less efficient, and more frustrating for staff. Over the past several years, employees have consistently identified IT support and technology as areas needing improvement in annual reviews and employee surveys. In 2024 about 26% of respondents mentioned that they needed better IT support and technology resources to succeed in their current role. In 2025, employee ratings that they have the adequate tools and technology fell to their lowest level, with only 62% agreeing with that statement. As technology becomes increasing critical to daily operations, this gap continues to grow.

Other small cities (like Victoria) who have made investments by hiring internal IT reported positive results including improved efficiency, enhanced cybersecurity, and implementation of both timesaving and cost-saving measures.

- **Cybersecurity improvements – delayed and at extra cost**

In July of 2022 the City completed a cybersecurity study that identified several areas of improvement. Notably the report recommended that the City create a full-time IT position to oversee our IT security, manage third party services, and help implement the other report recommendations. Due to the lack of internal IT capacity, implementing recommendations from that study stalled.

In 2025, the Council supported additional financial resources for cybersecurity consultants in the budget to address this need. This is on top of the monthly costs for our IT managed service contracts. A full breakdown of the City’s IT costs is provided below.

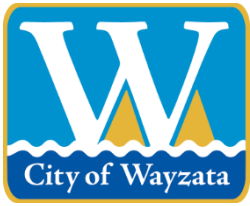
Service/Scope	Annualized Cost
Managed Service – Police	\$39,036
Managed Service – All other	\$92,820
Cybersecurity – City	\$23,776
Total	\$155,632

Despite the high cost of the City’s IT contract, Loffler charges additional fees for project related work to upgrade equipment, replace computers etc. Without internal IT capacity to manage these tasks, the City continues to pay a premium while still not receiving the level of service that fully meets operational needs.

Funding Source and Budget Impact:

\$165,000 is the estimated cost for salary and benefits and would be funded primarily from the General Fund, with a portion allocated to enterprise funds. As this position becomes fully integrated over time, the City could realize cost savings by reducing its reliance on managed service providers and reducing project-based fees. The ideal timing for this transition would be 2028, when the City’s current contract with Loffler expires.

Staff have started on conversations with other Lake Minnetonka cities to explore shared IT service models as a potential alternative to help reduce the cost of this position. While there is initial interest, there has not yet been staff capacity to lead this exploratory effort and propose and reach consensus around a specific arrangement. Exploration of this shared service idea is an effort planned for the Deputy City Manager to lead over the next year.



City Council Workshop City Council Agenda Report

MEETING DATE: May 19, 2026	WORKSHOP AGENDA ITEM: 3
TITLE: Discussion of Short Term Rental Ordinance (6:10 - 6:30 p.m.)	
PREPARED BY: Alex Sharpe, Community Development Director	
REVIEWED BY: Aurora Yager, City Manager	

DISCUSSION OBJECTIVE:

To provide staff with direction to draft a zoning ordinance regulating short-term rentals.

2024-2026 STRATEGIC PLAN PRIORITIES RELEVANCE:

Sustain Community Character & Safety

The City strives to keep its neighborhoods safe and maintain their character through reasonable ordinances that balance property rights with the greater vision of the community.

BACKGROUND:

On April 7, 2026, the City Council adopted a twelve-month moratorium on all new short-term rentals in the City, and directed staff to study if and how the City's Zoning Ordinance should address short-term rentals.

As an initial step in this process, staff is seeking policy direction from the Council on two threshold policy questions:

1. Should short-term rentals be prohibited in the Zoning Ordinance, consistent with the 2025 Rental Dwelling Licenses Ordinance amendments?
 - If so, staff can bring forward a relatively straightforward amendment for Council's consideration
2. Should the Zoning Ordinance allow (or consider allowing) short-term rental uses to some extent, subject to the standards of the Zoning and Rental Dwelling Licenses Ordinances?
 - If so, what aspects of short-term rentals should be regulated?

Pertaining to the second question, the Council has previously considered several regulatory approaches that could inform this discussion, including:

- *Guest Occupancy Limits*
 - Typically tied to the number of legal bedrooms within a dwelling
 - Vehicle and parking regulations
 - Limiting the total number of guest vehicles (commonly two to three)
 - Requiring on-site parking rather than use of the public right-of-way

Enforcement may be challenging where vehicles are legally parked on public streets

- *Location-Based Restrictions*
 - By Zoning District
 - By property type (e.g., multifamily or mixed-use)
 - By concentration limits (e.g., per block, building, or set distance)
- *Nuisance-Related Regulations*
 - Restrictions on events such as weddings and parties
 - Imposition of quiet hours

- Provisions for repeated violations that could result in license revocation

Staff notes that enforcement of nuisance regulations can be challenging. Previous analysis of five years of police call data indicated that existing short-term rentals have generated relatively few serious violations.

- *Residency Requirements*

Staff previously explored potential residency requirements; however, legal counsel advised against this approach.

Next Steps:

Council should provide staff with direction on two primary questions noted above. If the Council wishes to explore allowing short-term rentals under additional regulatory options, staff recommends seeking further input from both neighborhood residents and short-term rental operators to better understand potential impacts and responses to proposed regulations.

Additionally, depending on Council's direction and the litigation involving the 2025 Rental Dwelling Licenses Ordinance amendments, further amendments to the Rental Dwelling Ordinance may be required so that the Zoning and Rental Dwelling Ordinances are consistent and work with each other.

ATTACHMENTS:

None



City Council Workshop City Council Agenda Report

MEETING DATE: May 19, 2026	WORKSHOP AGENDA ITEM: 4
TITLE: Discussion of Future Agenda Topics (6:30-6:40 p.m.)	
PREPARED BY: Aurora Yager, City Manager	
REVIEWED BY:	

DISCUSSION OBJECTIVE:

To discuss and prioritize future workshop and general topics.

2024-2026 STRATEGIC PLAN PRIORITIES RELEVANCE:

Not Applicable.

BACKGROUND:

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

- **June 2**
 - 2025 Excess Reserves and Review CIP
 - Comprehensive Plan Scope and RFP Review
 - Potential Sale of Public Land
- **June 16**
 - Future of Retail in Wayzata
 - Update from Energy & Environment Committee
- **July 7**
 - Long Term Financial Plan Update
 - 2027 Preliminary General Fund Budget
- **July 21**
 - 2027 Preliminary Enterprise Fund Budgets
- **August 5**
 - Development Review Process
 - Planned Unit Development (PUD) Ordinance Revisions
- **August 18**
 - 2027 Preliminary Budget Status Update
 - Strategic Plan Update
 - Charter Commission Review Topics
- **September 1**
 - Franchise Fees
- **September 15**
 - Update on Shared Services Exploration
- **October 6**
 - Public Safety Facility Needs and Tour
- **October 20**
 - Consideration of Open Book Meeting Process
- **November 10**
 - Review Draft of 2027-2036 CIP
- **November 24**
 - 2027 Legislative Priorities
 - 2027 Budget Status Update
- **December 1**
 - Board and Commission Interviews

- **December 15**

- Closed Session to Review Performance of City Manager

ATTACHMENTS:

None