

**WAYZATA CITY COUNCIL
SPECIAL WORKSHOP MEETING MINUTES
August 14, 2017**

4:00 PM Discussion of 2018 Enterprise Funds Budgets

Mayor Willcox called the meeting to order at 4:00 pm in the Community Room at Wayzata City Hall. Council Members present: Koch, McCarthy, Tyacke and Plechash. Also present: City Manager Dahl, Senior Accountant Ovshak, Director of Public Service Dudinsky, Motor Vehicle Manager Heider, Bar & Grill General Manager Pietrini, Liquor Store General Manager Castellano, and Financial Consultant Steve McDonald with AEM.

Mr. McDonald outlined the draft enterprise budgets for 2018.

Mr. McDonald reviewed the WCTV budget and the need for updated equipment despite a decrease in the cable franchise fees.

Mr. McDonald asked each department head to review their individual budgets with the group.

Mr. Heider reviewed the Motor Vehicle Department budget which reflects an anticipated loss in commissions for 2018. He stated the new State of MN software which was installed earlier this month has caused a dramatic increase to the processing time required for transactions, resulting in decreased productivity. He indicated a need for additional staffing due to this increase in processing time workload. The group discussed the possibility of expanding their office space to accommodate passport processing, allowing more counter space for their licensing operations.

Mr. Dudinsky discussed the water, sewer and stormwater budgets. The water and sewer budgets presented show a deficit. This proposed budget reflects a 5 percent rate increase for all three funds. Mr. Dudinsky indicated that as directed by the Council at a previous workshop meeting, AEM will conduct a water, sewer and stormwater rate study later this year.

Ms. Ovshak discussed the solid waste budget and indicated that this budget reflects a 5 percent rate increase. The City has experienced an increase in spring cleanup costs due to an increase in participation by residents. The group discussed how the solid waste budget could be reduced, including a discussion about more cost effective spring cleanup options. The Council was in favor of the rate increase in order to keep the current communitywide services.

Mr. Pietrini explained how he arrived at the 2018 restaurant budget, which reflects a 3 percent increase over 2017. He indicated that with the completion of the parking ramp, the restaurant has seen an increase in customer volume. Pricing strategies were discussed, and the council supported a menu with affordable pricing options for families. Mr. Pietrini stated that in an effort to reduce kitchen staff turnover, and maintain consistent food quality, he has increased the hours for part-time kitchen staff. Due to the affordable care act, this strategy has resulted in an increase in employee health insurance costs. In an effort to increase the seating capacity of the restaurant, patio expansion plans were also discussed. The Council was in favor of this suggestion.

Mr. Castellano stated the liquor store budget for 2018 reflects no increase in revenues over 2017 due to anticipated competition slated to open in an adjacent community. Strategies for increased sales were discussed.

The Council indicated support for the draft budgets as presented.

The workshop meeting was adjourned at 5:55 pm.

1 Respectfully submitted,

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3 *Becky Malone 09-05-2017*

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5 Becky Malone

6 City Clerk