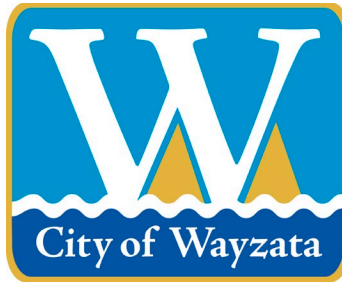


**Wayzata City Council Workshop Meeting Agenda
Wayzata City Hall Community Room, 600 Rice Street
Tuesday, October 16, 2018**

WORKSHOP TOPICS FOR DISCUSSION:

1. Discussion of Capital Improvements Plan Update (5:15-6:45 p.m.) Page 2



City Council
Mayor Ken Willcox
Dan Koch
Johanna McCarthy
Alex Plechash
Steven Tyacke

City Manager
Jeffrey Dahl

Date: October 11, 2018
To: The Honorable Mayor and Members of the City Council
From: Jeffrey Dahl, City Manager
Work Shop: Discussion of Capital Improvements Plan Update

Update

Every fall the City Council meets again to discuss updates to the City's Capital Improvements Plan (CIP). In addition to Spring, Fall is a good time to meet given the impacts the CIP will have on the following year's budget.

Attached is a memo from Consultant Finance Director Steve McDonald of Abdo, Eick, and Meyers (AEM) that summarizes the fund balances for all CIP funds over a 5-year period and significant changes. Instead of providing the detail of the CIP, we developed this summary to make it more user friendly to both the Council and the Public. However, in addition, we will have paper copies of all CIP Projects available at the work shop.

A couple of notes:

- This is the first CIP that separates the Lake Effect Project as its own fund rather than it being spread across many different funds; and
- Lastly, the CIP has always highlighted the Maintenance Fund but its cost was not factored in to future cash flows. It is now factored in.

Mr. McDonald will be present at the meeting to walk us through the memo and discuss the updates.

Attachments

1. CIP Update Memo from Steve McDonald, dated October 10, 2018



AEM Financial Solutions™

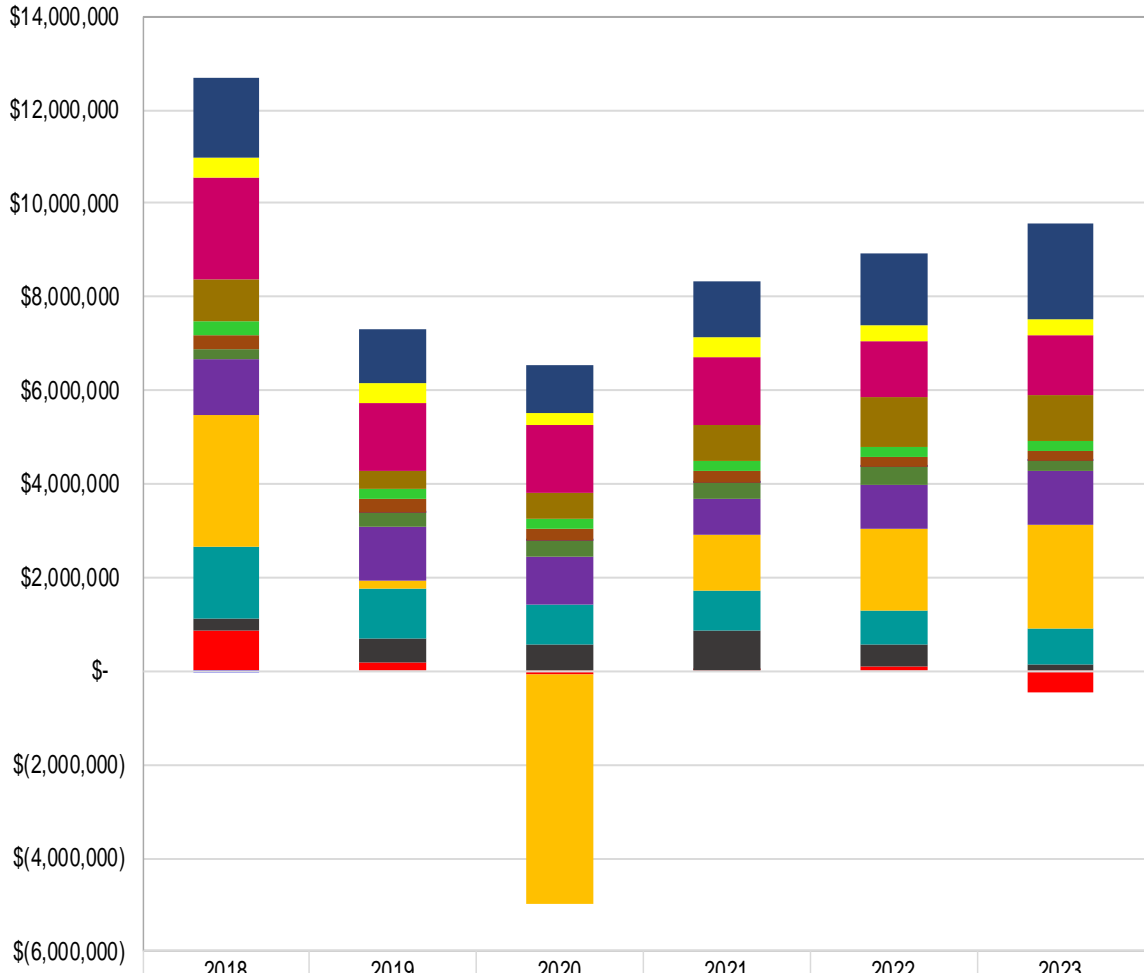
MEMO

TO: JEFFREY DAHL
FROM: STEVE MCDONALD
SUBJECT: CIP GRAPHS FOR ALL FUNDS
DATE: OCTOBER 10, 2018

BACKGROUND

At your request, we have prepared charts for all the funds included in the Capital Improvement Model. The charts were generated from the cash flow schedules provided in the Capital Improvement Model as of June 12, 2018. The amounts represent an update from the memo presented in council work session on April 19, 2018. The total is the same but the allocation between funds changed after reconciling the maintenance charges and ensuring they were allocated to the correct fund. The most significant change was an improvement of the deficit in the General CIP from (\$954,687) to the current (\$457,443). A summary of the year ending cash balances for all funds and projections through 2023 is highlighted in the graph below:

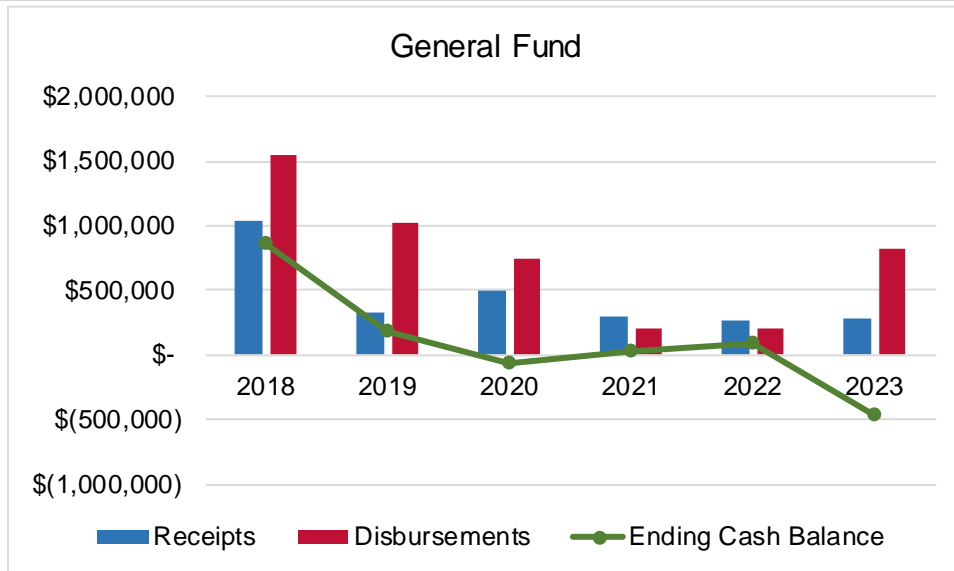
Cash Balance - All Funds



	2018	2019	2020	2021	2022	2023
Equipment Fund	\$1,732,878	\$1,145,965	\$1,014,607	\$1,175,874	\$1,525,425	\$2,065,872
Sewer Improvement Fund	\$400,124	\$448,046	\$269,666	\$435,563	\$348,332	\$344,383
Water Improvement Fund	\$2,209,899	\$1,459,280	\$1,431,482	\$1,446,297	\$1,193,607	\$1,256,345
Stormwater Improvement Fund	\$895,751	\$389,533	\$553,077	\$798,900	\$1,063,041	\$1,006,509
Downtown Parking District CIP Fund	\$299,062	\$211,353	\$211,066	\$210,607	\$210,155	\$209,595
Telecom Fund	\$277,171	\$278,222	\$255,543	\$231,872	\$207,179	\$181,427
Cemetery Fund	\$(2,914)	\$597	\$3,920	\$7,075	\$10,055	\$12,852
Library Fund	\$238,485	\$323,400	\$335,459	\$358,604	\$410,605	\$205,012
Liquor Operations Enterprise Fund	\$1,180,095	\$1,138,545	\$1,027,968	\$743,536	\$939,178	\$1,164,560
Lakefront Improvement Fund	\$2,833,219	\$158,677	\$(4,913,643)	\$1,207,939	\$1,718,593	\$2,234,054
Parks & Trails Improvement Fund	\$1,528,104	\$1,082,119	\$864,285	\$845,181	\$760,145	\$758,586
Streets Fund	\$251,827	\$506,671	\$570,572	\$842,678	\$458,833	\$133,343
General Fund	\$860,330	\$178,101	\$(69,531)	\$27,263	\$88,897	\$(457,443)

Included in this packet is a list of all planned projects for 2018-2023. The only new projects added from what was reported last year to council are \$20,000 for the consulting necessary to implement a payroll outsource solution, \$225,000 for a patio expansion at the Bar and Grill and \$20,000 for landscaping around the patio. We have summarized each fund in more detail below.

General Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 1,363,944	\$ 860,330	\$ 178,101	\$ (69,531)	\$ 27,263	\$ 88,897
RECEIPTS		1,040,674	335,070	493,868	303,294	270,434	277,259
DISBURSEMENTS		1,544,288	1,017,300	741,500	206,500	208,800	823,600
FUND BALANCES, DECEMBER 31		\$ 860,330	\$ 178,101	\$ (69,531)	\$ 27,263	\$ 88,897	\$ (457,443)



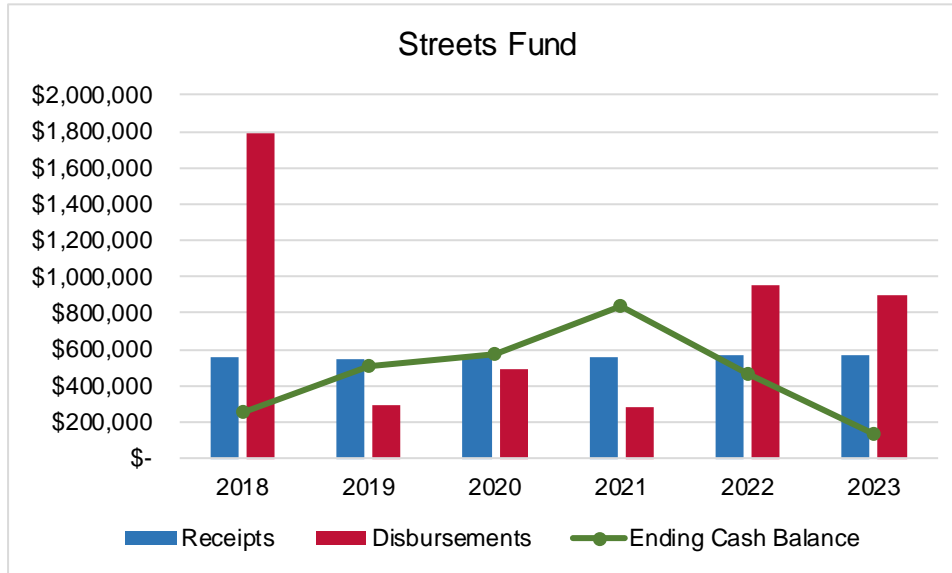
Significant projects for 2018 - 2020 are as follows:

- 2018 - CSAH 101 (Bushaway Rd) reconstruction Project (City Contribution) - \$395,700
- 2019 – City Hall internal remodel (Paint, carpet and necessary furniture for City Hall, Motor Vehicle, Community Room and Police Department) - \$257,500
- 2020 – Generator-Fire Station-Powers CH, Fire, & PD-Replace with New Nat. Gas Unit - \$268,700
- 2020 – West Parking Lot Security Project - \$159,100
- All other projects are under \$150,000

Proposed changes:

- None

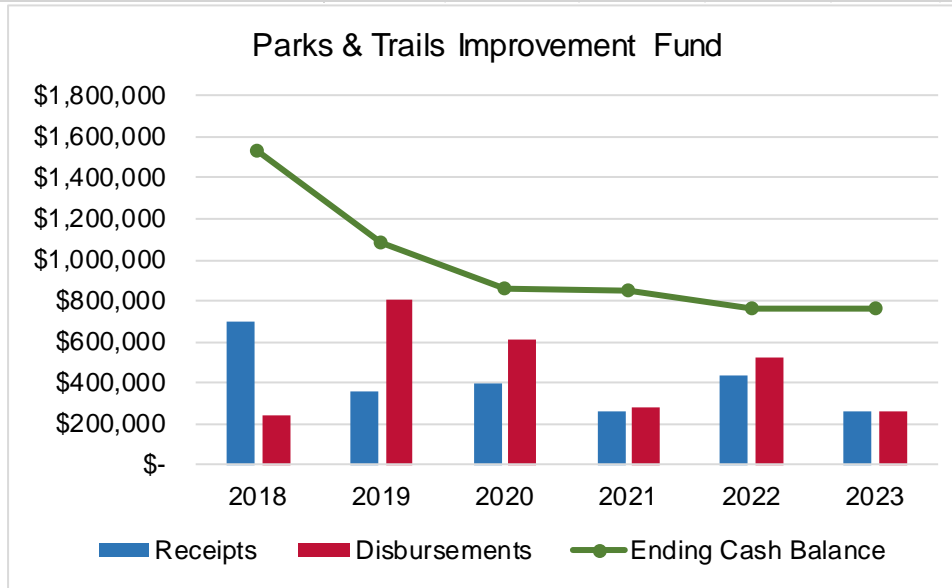
Streets Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 1,487,208.84	251,827	506,671	570,572	842,678	458,833
RECEIPTS		555,050	542,644	551,601	558,806	568,255	571,310
DISBURSEMENTS		1,790,432	287,800	487,700	286,700	952,100	896,800
FUND BALANCES, DECEMBER 31		\$ 251,827	\$ 506,671	\$ 570,572	\$ 842,678	\$ 458,833	\$ 133,343



Significant projects for 2018 - 2020 are as follows:

- 2018 - Miscellaneous Streets & Sealcoats - \$692,100
- 2019 - Miscellaneous Streets & Sealcoats - \$202,200
- 2020 - Miscellaneous Streets & Sealcoats - \$329,400

Parks & Trails Improvement Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 1,069,041	\$ 1,528,104	\$ 1,082,119	\$ 864,285	\$ 845,181	\$ 760,145
RECEIPTS		703,763	356,254	393,305	260,480	440,740	260,355
DISBURSEMENTS		244,700	802,239	611,139	279,584	525,775	261,914
FUND BALANCES, DECEMBER 31		\$ 1,528,104	\$ 1,082,119	\$ 864,285	\$ 845,181	\$ 760,145	\$ 758,586



Significant projects for 2018 - 2020 are as follows:

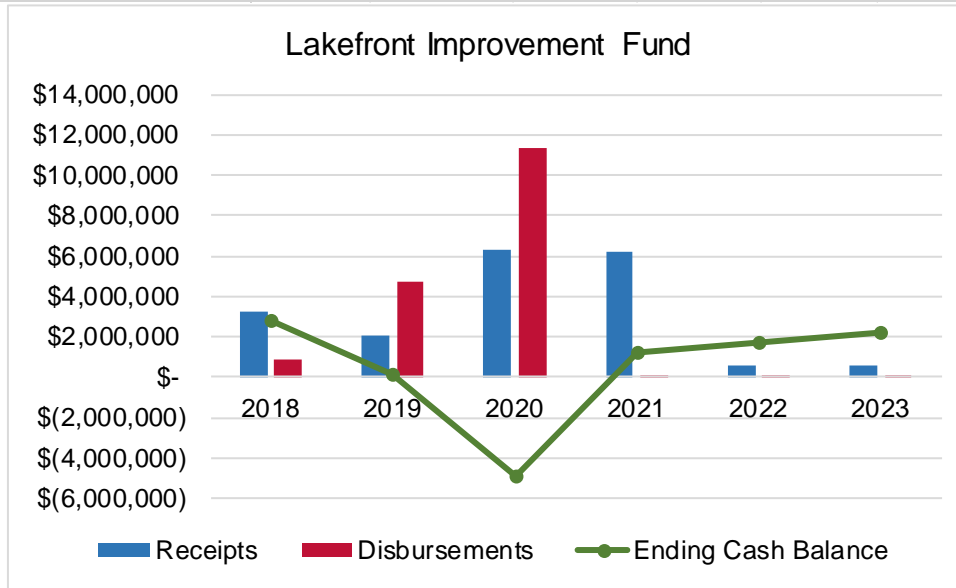
- 2019 – Platform Tennis Paddle Ball Courts at Klapprich Park - \$273,200
- 2019 – Wayfinding Signs – Phase 2 and 3 - \$270,600
- 2020 – Reconstruction of Wayzata Middle School Tennis Courts (every 20 to 25 years)- \$211,400
- 2020 – Replace Klapprich Park Playground Equipment Built in 1995 - \$168,800

Proposed changes:

- None

As mentioned above, this fund has limited revenue but is budgeted to have an average of \$257k in project costs each year. Additionally, staff is considering combing parks related portions of the lakefront improvement fund into the parks fund. These changes would be intended to increase transparency of project plans.

Lakefront Improvement Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 448,331	\$ 2,833,219	\$ 158,677	\$ (4,913,643)	\$ 1,207,939	\$ 1,718,593
RECEIPTS		3,287,195	2,063,114	6,288,076	6,186,489	575,861	580,968
DISBURSEMENTS		902,307	4,737,656	11,360,396	64,907	65,207	65,507
FUND BALANCES, DECEMBER 31		\$ 2,833,219	\$ 158,677	\$ (4,913,643)	\$ 1,207,939	\$ 1,718,593	\$ 2,234,054



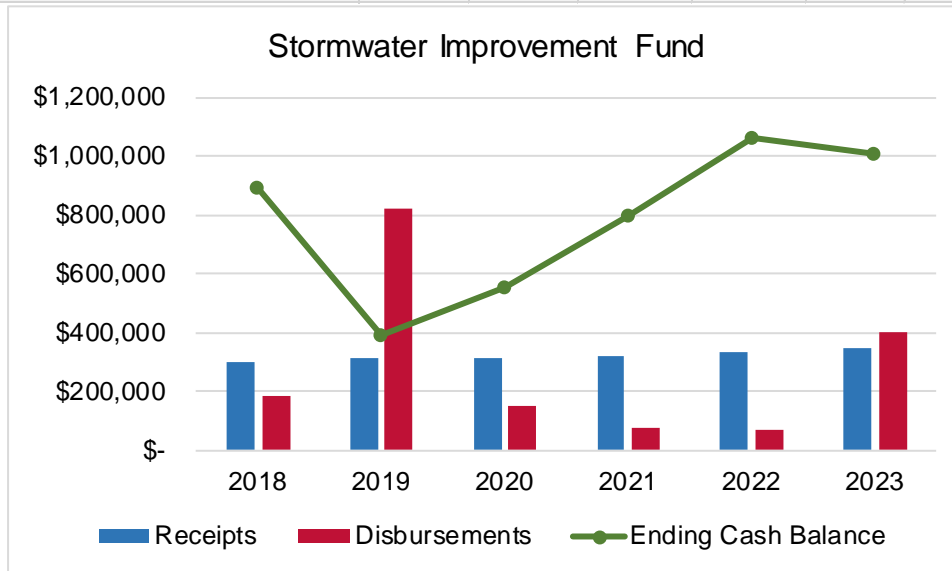
Significant projects for 2018 - 2020 are as follows:

- 2019 - Street light replacement – 38 poles @ \$6,000 each with installation - \$266,200
- 2019 - Lake Street sidewalk replacement; Ferndale to Broadway - \$164,900
- 2019 - Lake Street – 600 Block (Lake Effect) - \$265,200
- 2019 - Lake Street – Watermain Replacement - Broadway to Manitoba (Lake St.) - \$283,300
- 2020 - Docks (Additional)-Permanent @ Broadway - \$273,200
- 2020 - Docks (Additional)-Permanent @ Depot - \$136,600
- 2020 - Broadway Docks (2000)-Replace Decking and Misc. as required including lighting - \$155,400
- 2020 - Lakeside Pond Maintenance Excavation - \$114,100

Proposed changes:

- None

Stormwater Improvement Fund		2018	2019	2020	2021	2022	2023
CASH AND CASH EQUIVALENTS, JANUARY 1		\$ 782,801	\$ 895,751	\$ 389,533	\$ 553,077	\$ 798,900	\$ 1,063,041
RECEIPTS		297,725	316,172	312,181	323,065	335,049	347,502
DISBURSEMENTS		184,775	822,390	148,637	77,242	70,907	404,034
CASH AND CASH EQUIVALENTS, DECEMBER 31		\$ 895,751	\$ 389,533	\$ 553,077	\$ 798,900	\$ 1,063,041	\$ 1,006,509



Significant projects for 2018 - 2020 are as follows:

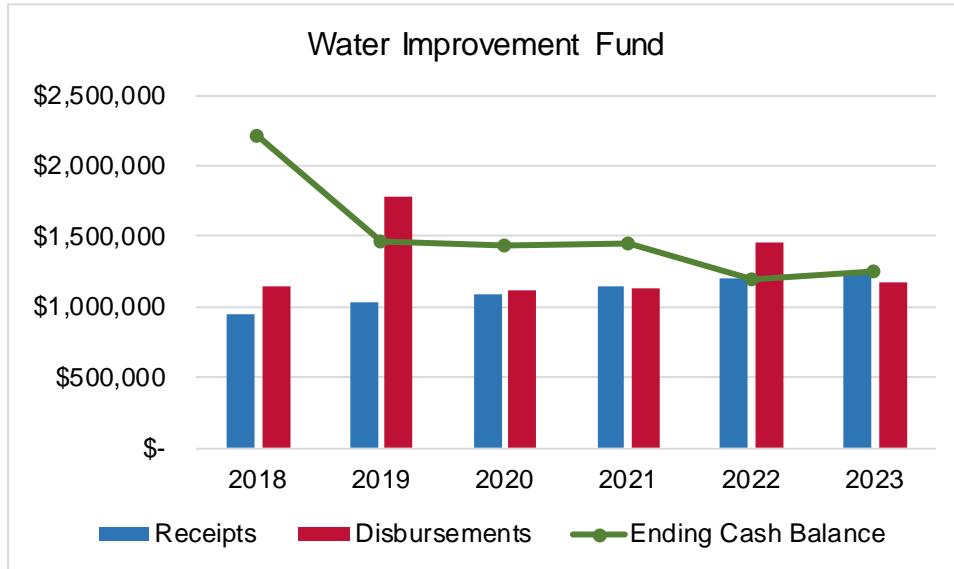
- 2019 - Central Ave South Drainage Project - \$137,700
- 2019 - Circle Drive E Stormwater Improvements - \$128,600
- 2019 - Glenbrook Pond Maintenance Excavation - \$221,400

Proposed changes:

- None

Water Improvement Fund

	2018	2019	2020	2021	2022	2023
CASH AND CASH EQUIVALENTS, JANUARY 1	\$ 2,411,846	\$ 2,209,899	\$ 1,459,280	\$ 1,431,482	\$ 1,446,297	\$ 1,193,607
RECEIPTS	950,054	1,036,032	1,084,245	1,143,640	1,207,686	1,235,311
DISBURSEMENTS	1,152,001	1,786,651	1,112,043	1,128,824	1,460,377	1,172,572
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,209,899	\$ 1,459,280	\$ 1,431,482	\$ 1,446,297	\$ 1,193,607	\$ 1,256,345



Significant projects for 2018 - 2020 are as follows:

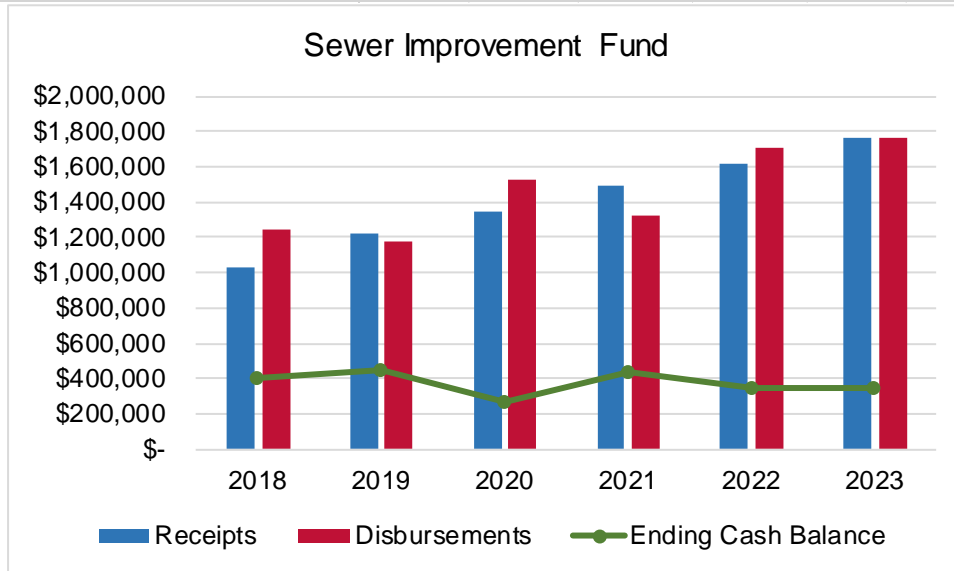
- 2019 – Repaint existing water tower - \$666,100

Proposed changes:

- None

Sewer Improvement Fund

	2018	2019	2020	2021	2022	2023
CASH AND CASH EQUIVALENTS, JANUARY 1	\$ 620,193	\$ 400,124	\$ 448,046	\$ 269,666	\$ 435,563	\$ 348,332
RECEIPTS	1,029,392	1,224,456	1,350,212	1,488,999	1,621,803	1,765,409
DISBURSEMENTS	1,249,461	1,176,534	1,528,592	1,323,102	1,709,033	1,769,359
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 400,124	\$ 448,046	\$ 269,666	\$ 435,563	\$ 348,332	\$ 344,383



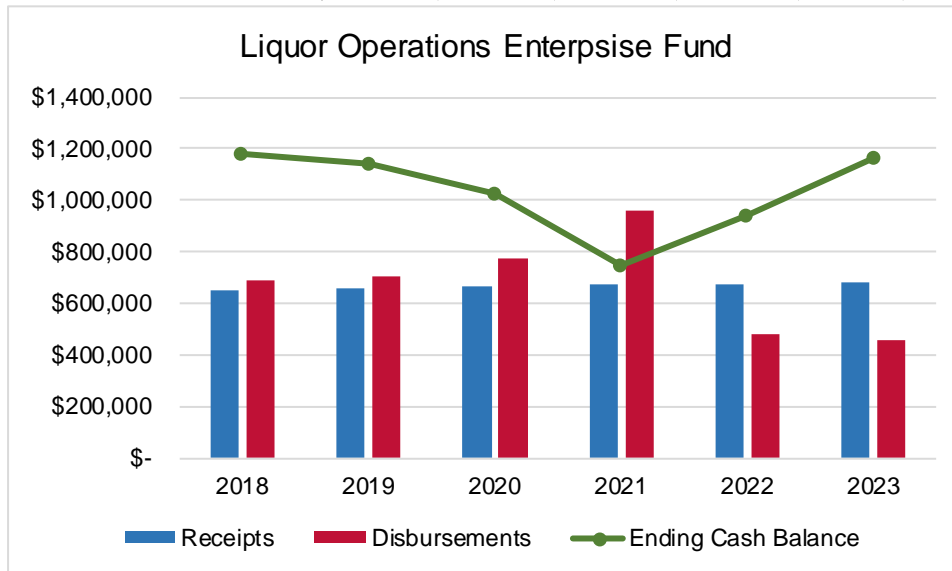
Significant projects for 2018 - 2020 are as follows:

- 2020 – Sewer Lining - \$213,800

Proposed changes:

- None

Liquor Operations Enterprise Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 1,212,101	\$ 1,180,095	\$ 1,138,545	\$ 1,027,968	\$ 743,536	\$ 939,178
RECEIPTS		654,427	660,530	666,602	672,049	675,822	684,462
DISBURSEMENTS		686,433	702,080	777,180	956,480	480,180	459,080
FUND BALANCES, DECEMBER 31		\$ 1,180,095	\$ 1,138,545	\$ 1,027,968	\$ 743,536	\$ 939,178	\$ 1,164,560



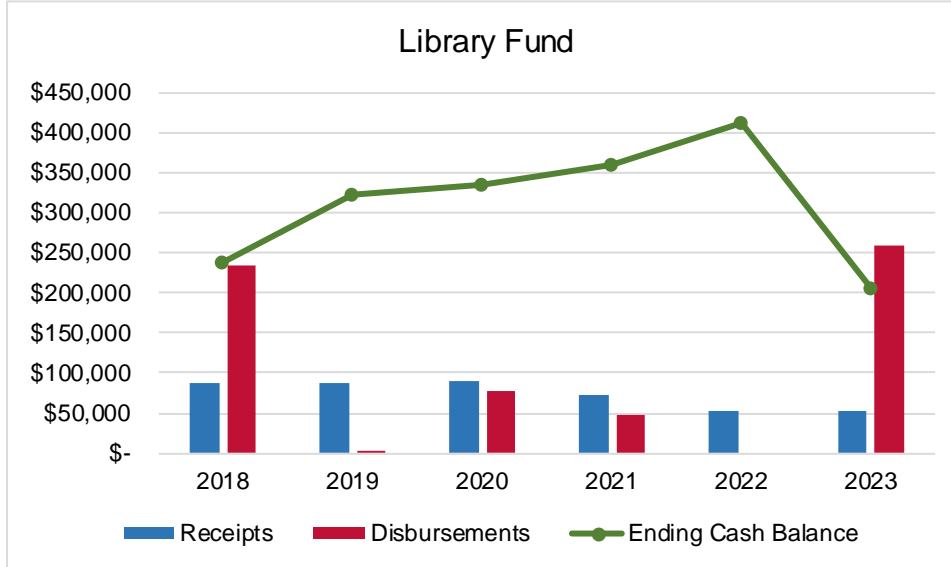
Significant projects for 2018 - 2020 are as follows:

- 2019 – Kitchen Remodel - \$206,000
- 2020 – Patio Expansion - \$265,200

Proposed changes:

- The patio expansion has been discussed at council meetings in 2018 but was not part of the last CIP presentation to council in 2017. Overall, it is believed this expansion will add seating and capacity during busy times. A basic cash flow projection assuming 84 new seats at 80% capacity, an average check of \$17.50, turning 2.5 times a day for 30 days results in neutral effect on profits if the cost is amortized over five years and then would result in about \$50-60k in incremental profits in years 6 and after. There is also belief that this upgrade freshens up the facilities which is necessary to compete in a competitive market.

Library Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 386,321	\$ 238,485	\$ 323,400	\$ 335,459	\$ 358,604	\$ 410,605
RECEIPTS		87,064	86,815	89,059	71,445	52,001	53,607
DISBURSEMENTS		234,900	1,900	77,000	48,300	-	259,200
FUND BALANCES, DECEMBER 31		\$ 238,485	\$ 323,400	\$ 335,459	\$ 358,604	\$ 410,605	\$ 205,012



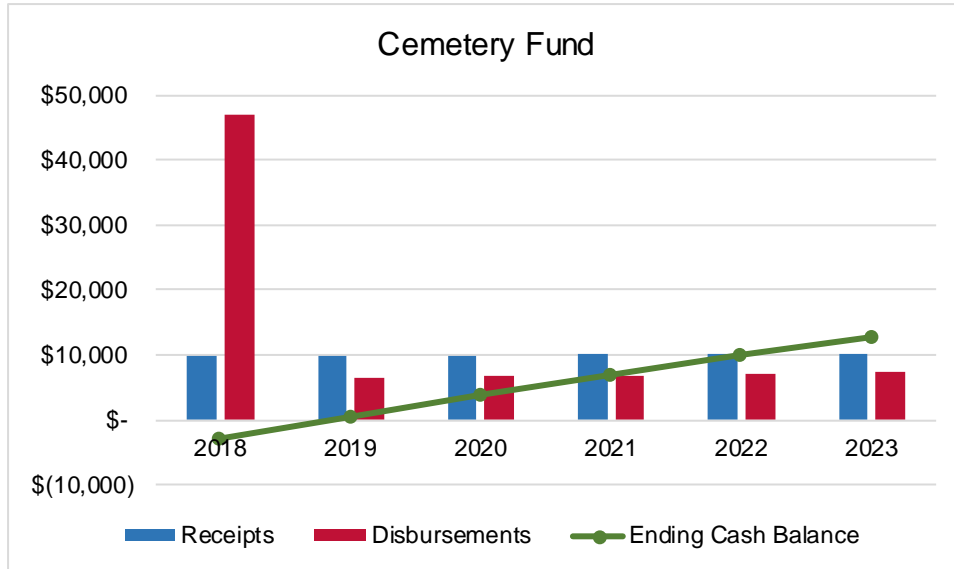
Significant projects for 2018 - 2020 are as follows:

- No projects over \$100,000 in either year

Proposed changes:

- Transfer implemented to account for general fund staff time.

Cemetery Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 33,986	\$ (2,914)	\$ 597	\$ 3,920	\$ 7,075	\$ 10,055
RECEIPTS		10,000	10,000	10,006	10,039	10,071	10,101
DISBURSEMENTS		46,900	6,489	6,684	6,884	7,091	7,303
FUND BALANCES, DECEMBER 31		\$ (2,914)	\$ 597	\$ 3,920	\$ 7,075	\$ 10,055	\$ 12,852



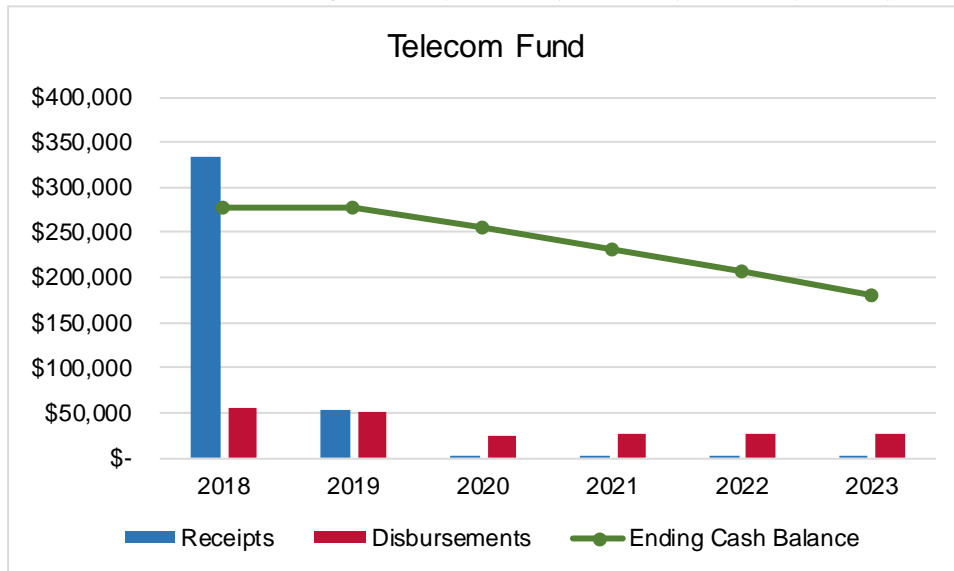
Significant projects for 2018 - 2020 are as follows:

- The Cemetery expansion is budgeted for 2018 for \$40,600

Proposed changes:

- Transfer implemented to account for general fund staff time.

Telecom Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ (2,329)	\$ 277,171	\$ 278,222	\$ 255,543	\$ 231,872	\$ 207,179
RECEIPTS		334,100	52,772	2,782	2,555	2,319	2,072
DISBURSEMENTS		54,600	51,720	25,462	26,226	27,012	27,823
FUND BALANCES, DECEMBER 31		\$ 277,171	\$ 278,222	\$ 255,543	\$ 231,872	\$ 207,179	\$ 181,427



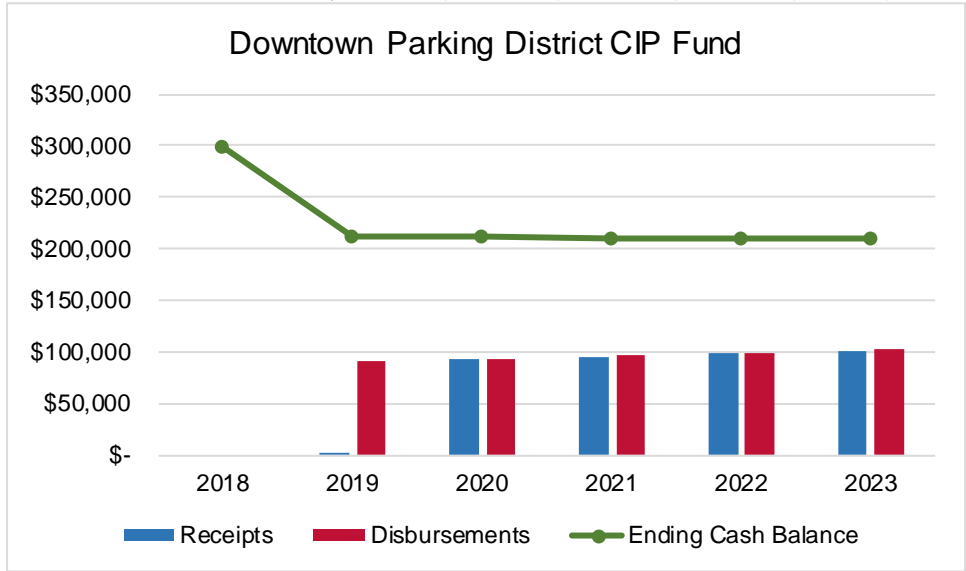
Significant projects for 2018 - 2020 are as follows:

- No significant projects are proposed

Proposed changes:

- Cash flow update to include 3 carriers on the tower versus 4.

Downtown Parking District CIP Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 299,062	\$ 299,062	\$ 211,353	\$ 211,066	\$ 210,607	\$ 210,155
RECEIPTS		-	2,991	93,114	95,841	98,648	101,540
DISBURSEMENTS		-	90,700	93,400	96,300	99,100	102,100
FUND BALANCES, DECEMBER 31		\$ 299,062	\$ 211,353	\$ 211,066	\$ 210,607	\$ 210,155	\$ 209,595



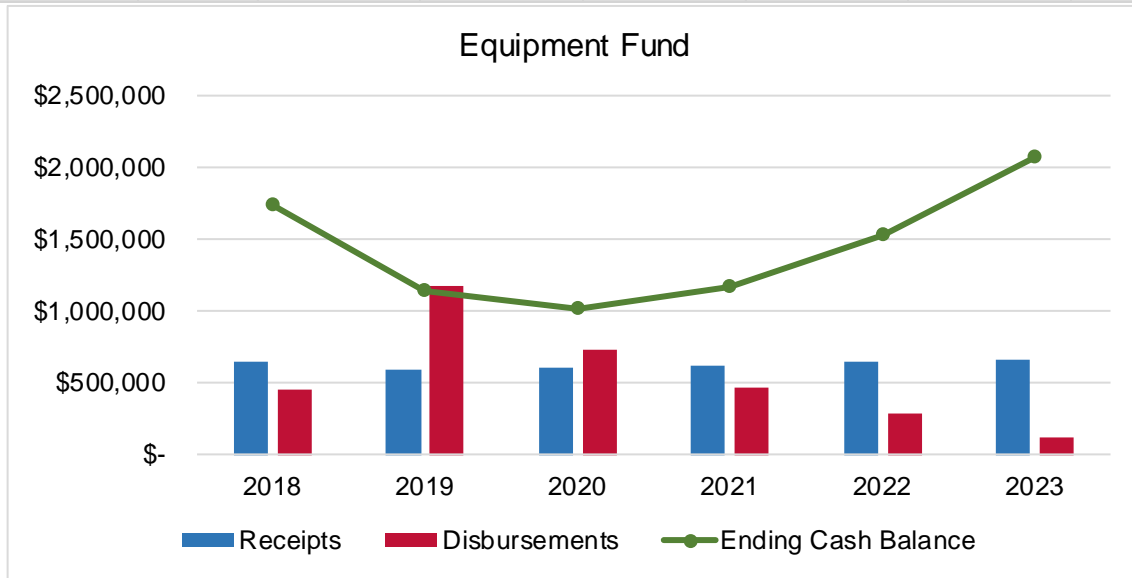
Significant projects for 2018 - 2020 are as follows:

- No significant project proposed

Proposed changes:

- None

Equipment Fund		2018	2019	2020	2021	2022	2023
FUND BALANCES, JANUARY 1		\$ 1,541,128	\$ 1,732,878	\$ 1,145,965	\$ 1,014,607	\$ 1,175,874	\$ 1,525,425
RECEIPTS		649,750	588,620	606,278	624,467	643,201	662,497
DISBURSEMENTS		458,000	1,175,532	737,637	463,199	293,650	122,049
FUND BALANCES, DECEMBER 31		\$ 1,732,878	\$ 1,145,965	\$ 1,014,607	\$ 1,175,874	\$ 1,525,425	\$ 2,065,872



Significant projects for 2018 - 2020 are as follows:

- 2018 – Front end loader - \$186,322
- 2019 - Pumper with 100' arial ladder - \$875,000
- 2020 – Street sweeper - \$197,601
- 2020 – Truck with Jetter/ Inductor - \$412,000

Newly proposed projects that were not identified in previously approved plans are as follows:

- \$20,000 for payroll software