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**WAYZATA CITY COUNCIL  
WORKSHOP MEETING MINUTES  
August 3, 2022**

**4:00 p.m. Discussion of Proposals Received for Residential Assessing Services**

Mayor Mouton called the meeting to order at 4:00 p.m. Council Members present in the community room at City Hall offices: Iverson, MacDonald, and Buchanan. Also present: City Manager Jeff Dahl, Administrative Services Director Aurora Yager, and Public Works Director/City Engineer Mike Kelly. Hennepin County Assessor Josh Hoogland and Steve McDonald, the City's Financial Consultant from AEM was also present.

City Manager Dahl provided background on the assessing contracts and noted the current contract was with Southwest Assessing for residential services. Mr. Dahl noted four options:

- 1) Create its own assessing department;
- 2) Contract with Hennepin County, which provides assessing services for most communities;
- 3) Contract with another community that provides assessing services;
- 4) Contract with one of a couple private firms that provides assessing services.

As the first option is cost prohibitive, this spring staff reached out to Hennepin County, Southwest Assessing, City of Minnetonka, and City of Edina to see if there was interest in providing residential assessing services (the City already has a multi-year contract with Hennepin County for commercial assessing services). The City received one proposal from Hennepin County.

Mr. Hoogland provided a brief presentation summarizing the County's proposal and introducing the Wayzata-based assessors. The Council asked questions pertaining to last year's valuation process. Mr. Hoogland said he would follow up with that information. The Council provided direction to move forward with a combined agreement for residential and commercial assessing services with Hennepin County.

**4:30 p.m. Annual Review of Long-Term Financial Plan**

Steve McDonald, the City's Financial Consultant, presented at the meeting to give an overview of this plan. He noted the long-term plans as a useful tool 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 of 2021 as part of the 2022 budget process. Assumptions regarding the impact of implementing the Long-Term Staffing Plan were first included in the 2020 Long-Term Plan to help contextualize how staffing changes would impact the City's finances in the future.

The Long-Term Financial Plan is meant to be a living planning document that can help contextualize the City's financial position and put the annual budget discussion in perspective. The Council acknowledged on some of the assumptions made in the plan and thanked staff and Mr. McDonald for thinking strategically.

**5:00 p.m. Review of 2023 Preliminary General Fund Budget and Draft Fee Schedule**

Ms. Yager provided background on the 2022 preliminary General Fund Budget as prepared by staff. 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 these 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.

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2 The overall projected levy increase is 18.28%. Major drivers of the increase (as noted on page 3 of the  
3 budget memo) include: 1) Loss of revenues; 2) Inflationary increases in utilities; 3) Employee wage  
4 increases; and 4) Adding Staff.

5 While the levy increase is projected to be 18.28%, the actual property tax impact on the median value  
6 home (when values are held constant) would be a much lower increase of 12.9%, or \$270. The tax impact  
7 is lower than the levy increase because overall growth in the city's tax base and the decertification of TIF  
8 District #3 increased the taxable value the levy can be spread across.

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10 Ms. Yager noted that larger levy increases are going to be more common in other communities next year  
11 as well for many of the same reasons. Of cities surveyed so far, their levy increases are ranging from 5%  
12 to 22%.

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14 The Council reviewed the budget and discussed options to reduce it. Consensus from the Council was to  
15 delay one of the additional Police Officer positions to mid-year 2023, delay the additional HR position to  
16 2024, remove one city-wide training, and to remove expansion of the Portal outreach. The Council needed  
17 more information on the full-time Fire Chief position and impact of reducing capital transfers before  
18 making a decision on those line items.

19  
20 To offset some of the inflation and budget increases, the overall fee schedule is proposed to increase by  
21 5%, with a few exceptions and additions (as noted on page 10 of the budget memo). The Council directed  
22 staff to consider more nuanced fee schedule changes rather than a blanket increase.

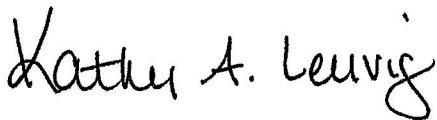
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24 Based on the feedback at this workshop, staff will be updating the preliminary budget accordingly in  
25 preparation for consideration at the September 6 City Council Meeting.

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27 Next steps in the 2023 budget process are:

- 28 • August 16, 2022 - Council and Enterprise Staff Budget Workshop
- 29 • September 6, 2022 – Council adopts Preliminary General Fund Budget, Enterprise Budgets, and Fee  
30 Schedule
- 31 • September 13, 2022 - Staff meeting to review Capital Improvement Plan (CIP)
- 32 • October 18, 2022 - Council and Staff CIP workshop
- 33 • October-November – Staff refines General Fund budget, Enterprise Fund Budgets and CIP as needed
- 34 • December 6, 2022 - Council adopts Final General Fund Budget, Enterprise Budgets, and CIP

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36 The workshop meeting was adjourned at 6:45 p.m.

37  
38 Respectfully submitted,



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40 Kathy Leervig, City Clerk