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**WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
August 4, 2020**

5:15 p.m. Update on Construction Costs and Financing for Public Parking Facility at the West End of Downtown Wayzata

Mayor Willcox called the meeting to order at 5:15 p.m. Pursuant to Minnesota Statute Sec. 13D.015 and because of the COVID-19 pandemic, the City Council Meeting was being held remotely by electronic means using the audio conferencing platform, Zoom. Council Members present: Plechash, McCarthy, Koch, and Buchanan. Also present: City Manager Jeff Dahl, Public Works Director Mike Kelly, Administrative Services Director Aurora Yager, Police Chief Mike Risvold, Fire Chief Kevin Klapprich, Community Development Director Emily Goellner, Senior Accountant Kathy Ovshak, and AEM Consultant Steve McDonald.

Mr. Kelly provided background from the June 16, 2020 City Council workshop in which staff presented several options for construction of a parking facility. Ultimately, the City Council directed staff to move forward with the preparation of plans for a "basic" surface lot for approximately \$1.5 mil and a more expensive option that would have foundations for a future upper level for an estimated total of \$4.1 mil. The goal of getting more defined plans would determine comfort level of a more costly parking facility knowing that there was an estimated \$4 mil of TIF and Parking Funds available for construction.

After several weeks of more detailed analysis and design, Stantec has prepared a surcharge plan (soil compression) and updated their cost estimates. Staff discussed the different options and funding information.

The council discussed the three options presented; surface lot, surface lot with foundations, and surface lot and one-level deck. Mr. Dahl discussed the potential TIF revenues to be generated by the adjacent development project and stated the potential TIF funding could be as much as \$7 mil. Several council members voiced their concern of the additional costs related to the foundation construction and, ultimately, the upper level. The council felt that additional parking information was necessary to make a final decision on the ramp.

The council directed staff to move forward with the surcharge plan and surface lot construction, while planning for a parking study. Council preferred to defer the decision until parking information in the area was updated, unless more pressing cost implications due to coordination with the adjacent developers surfaced.

5:45 p.m. Discussion of Preliminary 2021 General Fund Budget and Fee Schedule

Administrative Services Director, Aurora Yager, discussed the 2021 preliminary General Fund Budget as prepared by staff with data received from the July 23, 2020 City Departmental Work Session. The development of the annual budget is a comprehensive process that includes input gathered from the Mayor, Council, and staff during budget work sessions, ultimately culminating in a final budget document to be approved by City Council in December.

Goals for developing the 2021 General Fund Budget were to minimize the levy increase while maintaining service levels and capital project funding to meet the goals of the Strategic Plan. The General Fund Budget, as presented, assumes a 1.95% increase in expenditures but a 1.88% general fund tax levy increase and an overall 1.77% levy increase.

1 Some contributing factors affecting the 2021 revenue budget include a previously planned \$100,000
2 transfer in from the Lakefront Fund (Panoway) and a reduction in some licenses and fees due to COVID-
3 19.

4
5 Some contributing factors affecting the 2021 expenditure budget include a 12% increase in health
6 insurance and a 3% cost of living adjustment (COLA), which is a placeholder given labor volatility and
7 previously approved union contracts.

8
9 Additionally, the General Fund makes significant capital fund transfers out each year. However, to
10 minimize the impact to the levy in 2021, staff found that the calculated Equipment Fund transfer could be
11 reduced about \$160,000 due to delayed purchases in 2020 and an already existing healthy fund balance in
12 the Equipment Fund. A more detailed narrative regarding key changes is included in the attached
13 documents.

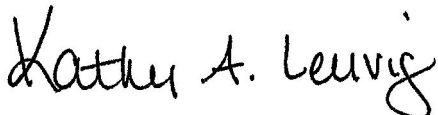
14
15 The Police Department budget is projected to decrease in 2021 due to several anticipated retirements. The
16 City Council directed staff to include additional funding for the Police Department to allow for new hires
17 to be brought on early to overlap with retiring staff. This would reduce any potential staffing shortages on
18 patrol while new hires complete their training requirements.

19
20 Consultant Steve McDonald commented that Wayzata's proposed levy is the lowest one he has seen from
21 the cities he works with. The City Council directed staff to increase the contingencies in the budget given
22 the uncertainty in the economy to bring the preliminary levy closer to 3%.

23
24 Next steps in the 2020 budget process are: August 18, 2020 - Council and Enterprise Staff Budget
25 Workshop (WCTV, Motor Vehicle, Water, Sewer, Stormwater, Solid Waste, Liquor and Bar) and
26 September 1, 2020 - Preliminary maximum General Fund levy adopted by council as well as
27 Enterprise Budgets & Fee Schedule.

28
29 The workshop meeting was adjourned at 06:55 pm.

30
31 Respectfully submitted,



32
33 Kathy Leervig
34 City Clerk