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**WAYZATA CITY COUNCIL**  
**WORKSHOP MEETING MINUTES**  
**August 10, 2021**

**5:15 p.m. Review of Long-Term Financial Plan, 2022 Budget and General Fund Budget**

Mayor Mouton called the meeting to order at 5:15 p.m. The workshop was held in-person in the Community Room at City Hall. Council Members present: Plechash, Buchanan, Iverson and MacDonald. Also present: City Manager Jeff Dahl, Administrative Services Director Aurora Yager, Public Works Director/City Engineer Mike Kelly, Interim Police Chief Marc Schultz, Parks and Trails Board Chair, Tory Schalkle, and AEM Financial Consultant Steve McDonald.

Mr. McDonald discussed the purpose of having a long-term plan which helps 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 November of 2020. Assumptions regarding the impact of implementing the Long-Term Staffing Plan were first included in the 2020 update to help contextualize how these 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 frame the annual budget discussion.

Ms. Yager led the next discussion on the 2022 Budget General Fund Budget and Fee Schedule noting a preliminary budget and tax levy must be approved and certified to the County by September 30, 2021. 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 the City Council in December. The 2022 Budget Goals are to increase operational effectiveness by increasing staffing levels to meet community needs after a cautionary 2021 budget due to volatility, expand investment in public safety and parks, and enhance community engagement. The preliminary General Fund Budget, as presented, assumes an 8.89% increase in expenditures but a 9.61% general fund tax levy increase, resulting in an overall levy increase of 8.83%.

Ms. Yager said that some contributing factors affecting the 2022 revenue budget include: receipt of \$244,000 which is the second half of the City's ARPA funds, reduction of interfund transfers of approximately \$100,000. Some contributing factors affecting the 2022 expenditure budget include: Addition of several positions including PT Administrative Assistant, Election Workers, Parks Planner (full year), Police Officer, FT Fire Chief (added mid-year), Engineering Technician (added mid-year). Also, succession planning and enhanced services in the Police Department (RMS system, Embedded Social Worker, Lead CSO). Additionally, the General Fund makes significant capital fund transfers out each year. In order to minimize the impact to the levy in 2022, staff found that the Equipment Fund transfer could be reduced by about \$115,000 due to an already existing healthy fund balance, and the General Facilities and Infrastructure Fund transfer could be reduced by \$30,000.

Next Steps in the 2022 budget process are:

- August 24, 2021—Council and Enterprise Staff Budget Workshop
- September 7, 2021—Council adoption of Preliminary General Fund Budget, Enterprise Budgets, and Fee Schedule
- September 15, 2021—Staff CIP workshop
- October 5, 2021—Council and Staff CIP workshop
- October-November—Staff refines General Fund budget, Enterprise Fund Budgets and CIP as needed.
- December 7, 2021—Council adoption Final General Fund Budget and Enterprise Budgets

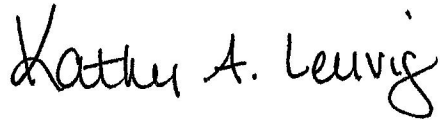
1 Ms. Yager provided an overview of budget tradeoff options if the Council wanted to reduce the 2022  
2 budget. Council discussed the tradeoffs and generally supported the additional positions but directed staff  
3 to find creative ways to reduce the levy by several percentage points including delaying capital projects.  
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5 Mr. Schalke presented research the Parks and Trails Board conducted on the market for boat slips in the  
6 area and recommended increases to this fee to keep Wayzata closer to the market and raise revenue for  
7 the Parks and Trails capital fund. Council supported the recommendations of the Parks and Trails Board  
8 to increase this fee.  
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10 The Council thanked staff for their hard work in leading this process.  
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12 The workshop meeting was adjourned at 6:35 p.m.  
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14 Respectfully submitted,  
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16  
17 Kathy Leervig  
18 City Clerk  
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