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WAYZATA CITY COUNCIL
WORKSHOP MEETING MINUTES
August 16, 2022

5:00 p.m. Update of Waste Hauling Contract and Discussion of Future Options

Mayor Mouton called the meeting to order at 5:00 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, Public Works Director/City Engineer Mike Kelly, Wayzata Bar and Grill General Manager Jeff Pietrini and Wayzata Wine and Spirits General Manager Kevin Castellano.

Mr. Dahl provided background on the City's 10-year waste hauling contract with Republic Services, formerly Randy's Sanitation, noting the contract expires at the end of this year. The City utilizes a single hauler approach and manages administration of the garbage utility for its residents in order ensure equality in waste services for all residents and to minimize wear and tear/nuisances on City streets. The City has two options in determining next steps with the single hauler system:

- Negotiate a long term contract extension with Republic Services (5-10 years); or
- Negotiate a short term extension (1 year) with Republic Services and initiate a Request for Proposal (RFP) process this fall.

The Council discussed the current relationship with Republic Services and the hope to continue working with them as long as the rates were competitive. They indicated their preference to keep hauling to the same day and desired increased capacity for recycling services. There was consensus to work with Republic Services on a five-year extension but reserve the right to go out for a Request for Proposal if the City is unable to come to terms.

Mr. Dahl indicated that he would work with Republic and come back to the Council in the Fall with an update.

5:30 p.m. Discussion of 2023 Preliminary Enterprise Fund Operating Budgets and Fee Schedule

Ms. Yager provided background on the preliminary 2023 Enterprise Fund Operating Budgets and summaries activity through July 31, 2022. The City has utilized enterprise fund accounting for the Water, Sewer, Stormwater, Solid Waste, Motor Vehicle, Cable TV, and Liquor operations. While the General Fund derives its revenue largely from property taxes, our enterprise funds are supported by user fees. These fees are analyzed on an annual basis to ensure the proper revenues are generated to maintain operating reserves, meet ongoing cash flow needs, and to replace existing infrastructure as it depreciates.

The City reviews enterprise budgets in the same time frame as the General Fund budget because all these budgets combined are what fund our city services, pay for city staff, and make transfers to capital project funds.

Ms. Yager went through the Motor Vehicle, Cable, Solid Waste, and Marina Budget. 2023 will be the first year of the Marina enterprise. The 2023 Marina Fund budget follows previous direction about types of expenditures to include and includes a 5% fee increase to keep up with inflation and remain consistent with other City fee increases. Christina McCullough, a representative of Boat Slip Holders, made a presentation to the Council about surrounding area marinas and requested the Council consider a 0% fee increase for 2023.

Mr. Kelly provided comments regarding Water, Sewer, and Stormwater budgets noting that the budgets were based on preliminary results of the 2023-2027 Utility Rate Study that is in process now.

1 Mr. Castellano went through the Wine and Spirits budget and noted that year to date trends are currently
2 down 3% from 2021. The 2023 budget, while nearly flat with the 2022 budget would be about an 8%
3 increase over the estimate 2022 actual sales.
4

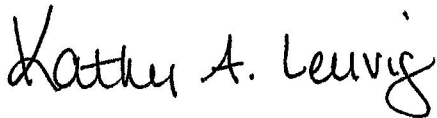
5 Mr. Pietrini went through the Bar and Grill budget and noted that change to the budget reflect about an
6 8% increase in revenues and reflect changes in sales categories. Liquor and food sales have increased
7 steadily while beer, wine, and other beverage sales have decreased. Those changes to sales categories are
8 reflected in the changes in expenditures as well.
9

10 Next steps in the 2023 budget process are:

- 11 • September 6, 2022 – Council adopts Preliminary General Fund Budget, Enterprise Budgets, and
- 12 • Fee Schedule
- 13 • September 13, 2022 - Staff meeting to review Capital Improvement Plan (CIP)
- 14 • October 18, 2022 - Council and Staff CIP workshop
- 15 • October-November – Staff refines General Fund budget, Enterprise Fund Budgets and CIP as
16 needed
- 17 • December 6, 2022 - Council adopts Final General Fund Budget, Enterprise Budgets, and CIP
18

19 The workshop meeting was adjourned at 6:40 p.m.
20

21 Respectfully submitted,



22 Kathy Leervig, City Clerk
23