

City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox
City Council:
Dan Koch
Johanna McCarthy
Alex Plechash
Steven Tyacke
City Manager:
Jeff Dahl

Date: November 27, 2017
To: Mayor Willcox and Councilmembers
From: Jeff Dahl, City Manager
Steve McDonald, Contracted Finance Director
Subject: 2018 General Fund Budget

Introduction

Enclosed is the 2018 final general fund budget prepared by City Staff.

A preliminary budget and tax levy was approved and certified to the County in September that included a 1.55 percent levy increase. No changes have been made to the preliminary budget and tax levy. The development of the annual budget, to which the general fund is foundational, is a comprehensive process that includes the Mayor and Council, Staff input, budget work sessions, and ultimately the preparation of a final budget document to be approved by City Council in December. A goal of the General Fund is to continue the implementation of Council goals identified in the strategic plan while minimizing the tax levy increase.

Tax Levy Summary

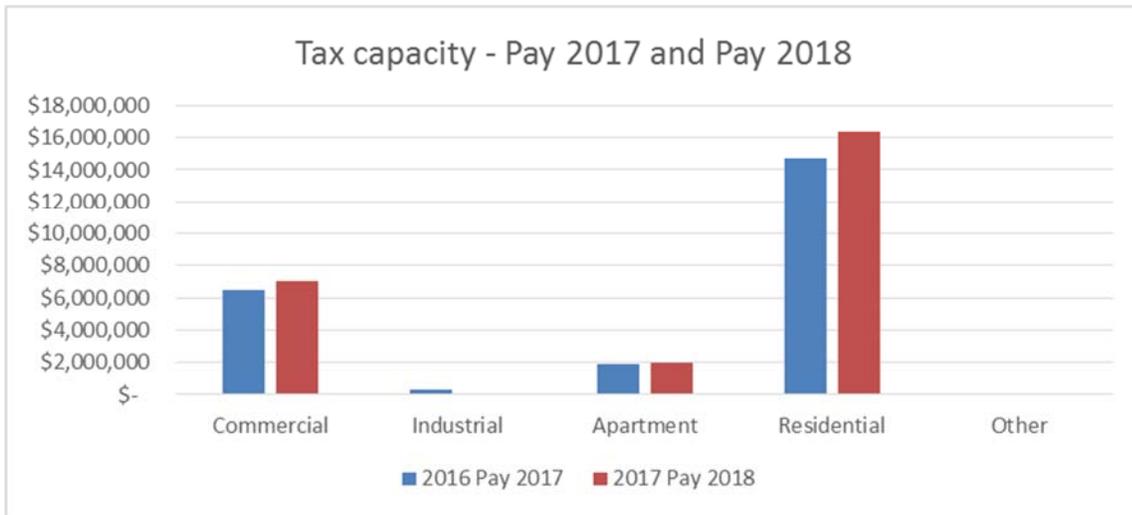
Overall, the tax levy includes levies for general operations, City infrastructure, and debt service. The levy includes an overall 1.55 percent increase from 2017. The 2017 budgeted and 2018 proposed tax levies are listed below:

	2017	2018 Prelim	Increase (Decrease)	% change
General	\$ 4,155,216	\$ 4,227,429	\$ 72,213	1.74%
City infrastructure	210,000	210,000	-	0.00%
Bonds				
G.O. Street Reconstruction Bonds, Series 2009B (Femdale)	33,240	32,453	(787)	-2.37%
2012 Refunding (2004A Big Woods)	213,728	213,780	52	0.02%
Total City tax levy	\$ 4,612,184	\$ 4,683,662	\$ 71,478	1.55%

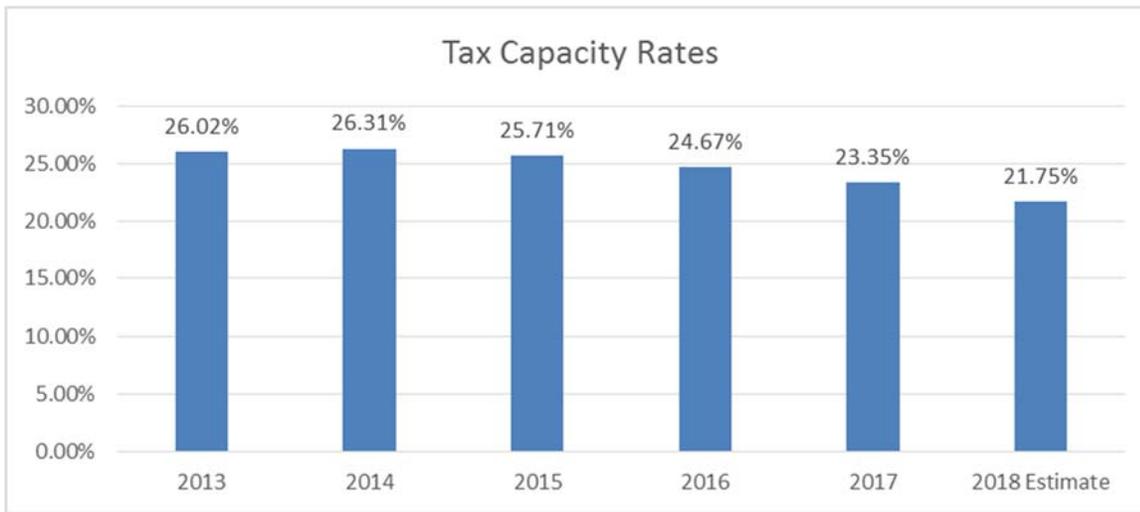
Summary of the City’s Tax Capacity and Tax Rate

The past two years with comparison to the average percentage change for Hennepin County is listed below:

	2016 Pay	2017	2017 Pay	2018	% Change (Wayzata)	% Change (Suburban Hennepin)
Commercial	\$	6,453,496	\$	7,042,390	9.13%	4.68%
Industrial		346,346		35,630	-89.71%	4.01%
Apartment		1,856,416		1,998,832	7.67%	12.94%
Residential		14,709,462		16,405,383	11.53%	7.19%
Other		26,160		26,400	0.92%	0.87%
Total	\$	23,391,880	\$	25,508,635	9.05%	6.71%



Following is a summary of Wayzata’s tax rate history for the last six years.



Staffing

Data related to the number of full time equivalent positions is noted below:

Summary of FTES by Department	2013	2014	2015	2016	2017	2018
Council	5.00	5.00	5.00	5.00	5.00	5.00
Administration	4.60	4.60	5.60	4.60	5.10	5.60
Streets	5.03	5.03	5.03	5.10	4.90	4.90
Parks	4.96	5.96	5.96	7.00	6.60	6.60
Engineering	1.00	1.00	2.00	1.85	1.85	1.85
Building inspection	2.58	2.58	2.58	2.58	2.50	2.50
Planning	1.00	1.00	1.00	1.00	1.35	1.50
Assessing	-	-	-	-	-	-
Police	13.00	13.60	13.60	14.35	15.00	16.00
Subtotal governmental	37.17	38.77	40.77	41.48	42.30	43.95
Water	2.86	2.86	2.86	2.95	2.95	2.95
Sewer	2.86	2.86	2.86	2.95	2.95	2.95
Storm	0.34	0.34	0.34	0.40	0.40	0.40
Motor Vehicle	2.00	4.75	4.75	5.00	5.00	6.00
Liquor operations	31.41	31.41	31.41	35.00	35.00	35.00
Recycling	-	-	-	-	-	-
Subtotal enterprise	39.47	42.22	42.22	46.30	46.30	47.30
Total	76.64	80.99	82.99	87.78	88.60	91.25
Wage COLA	1.50%	2.00%	2.00%	2.00%	2.50%	2.75%

Summary of Changes

- Governmental buildings increased due to a part time maintenance person
- Police increased due to a records clerk position and an additional ½ time CSO

General Fund Budget Summary

Below are the actual revenues and expenditures for 2015 and 2016, 2017 budget, and 2018 as proposed with comparative figures for 2017 and 2018 budget amounts.

	Actual		Budget		Increase / Decrease From PY	Percent Change
	2015	2016	2017	2018		
REVENUES						
Taxes	3,858,556	4,128,510	4,155,216	4,227,429	72,213	1.74%
Franchise fees	81,215	83,443	82,000	82,000	-	0.00%
Licenses and permits	657,955	769,641	438,375	506,250	67,875	15.48%
Intergovernmental	193,931	200,025	189,600	198,700	9,100	4.80%
Charges for services	857,988	881,184	737,213	708,750	(28,463)	-3.86%
Fines and forfeitures	89,360	77,268	75,500	80,500	5,000	6.62%
Interest	24,559	14,701	25,000	20,000	(5,000)	-20.00%
Miscellaneous	10,266	46,191	5,000	2,000	(3,000)	-60.00%
Transfers in	125,000	150,000	170,000	385,000	215,000	126.47%
TOTAL REVENUES	5,898,830	6,350,962	5,877,904	6,210,629	332,725	5.66%
	Actual		Budget		Increase / Decrease From PY	Percent Change
	2015	2016	2017	2018		
EXPENDITURES						
Mayor and council	\$ 46,946	\$ 50,382	\$ 47,336	\$ 47,336	-	0.00%
Administrative and finance	1,487,664	695,479	708,442	748,331	39,889	5.63%
Assessing	56,442	61,053	62,900	66,000	3,100	4.93%
Planning and zoning	148,662	123,957	142,073	158,462	16,389	11.54%
General government buildings	183,279	176,433	235,100	283,315	48,215	20.51%
Police protection	1,571,060	1,617,896	1,647,883	1,755,172	107,289	6.51%
Fire protection	476,609	299,145	345,560	349,575	4,015	1.16%
Building inspections	249,733	247,126	236,729	234,906	(1,823)	-0.77%
Emergency management	5,186	527	5,350	5,350	-	0.00%
Health inspections	30,877	33,418	32,000	33,000	1,000	3.13%
Streets	711,220	520,616	546,512	553,358	6,846	1.25%
Street lighting	70,086	74,273	78,000	87,500	9,500	12.18%
Engineering	175,771	187,803	200,762	212,105	11,343	5.65%
Parks, recreation and forestry	481,357	469,518	597,783	621,694	23,911	4.00%
Unallocated	170,215	866,407	991,474	1,054,525	63,051	6.36%
TOTAL EXPENDITURES	5,865,107	5,424,033	5,877,904	6,210,629	332,725	5.66%
Excess (Deficient) Revenue	\$33,723	\$926,929	\$ -	\$ -	\$ -	

Revenue changes:

- Licenses and permits increased due to 2 new liquor licenses totaling \$20,000, and other building permit charges adjusted to reflect anticipated activity.
- Charges for services decreased due to project inspection revenue adjustments related to less engineer staffing. This open position limits the opportunity to generate revenue for project inspections.
- Transfers were increased to reflect capturing the projected profit in enterprise funds. This is based on historical trends and anticipated 2018 budget results.

Expenditure changes:

- The wellness program was expanded to \$8,000 and \$3,500 for the purchase of a postage machine.
- Planning and zoning increase is due to its allocation of the administrative assistant noted above.
- General government buildings increased due to the addition of a part time building maintenance person.
- Police increased due to the hire of a full time records clerk. This hire does reduce the budget for part time salaries but results in an overall increase. Additionally, a ½ time CSO was added.
- Street lighting increased due to signal maintenance.
- Unallocated increased mainly due to the capital transfers.
- Wage adjustments include a pay grade market adjustment to 11 positions as well as a 2.75% COLA.