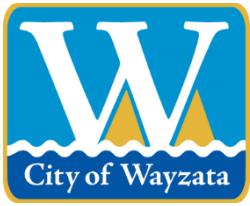




**Wayzata City Council Workshop Meeting Agenda
Wayzata City Hall Community Room, 600 Rice Street
TUESDAY, JUNE 20, 2023**

WORKSHOP TOPICS FOR DISCUSSION:

1. Discussion of Long-Term Staffing Plan (5:15-5:45 p.m.)
2. Update of Muni Operations and Review of New Financial Tracking "Scorecard" (5:45-6:25 p.m.)
3. Discussion of Strategic Plan Dates (6:25-6:30 p.m.)



City Council Workshop City Council Agenda Report

MEETING DATE: June 20, 2023	WORKSHOP AGENDA ITEM: 1
TITLE: Discussion of Long-Term Staffing Plan (5:15-5:45 p.m.)	
PREPARED BY: Aurora Yager, Deputy City Manager	
REVIEWED BY: Jeffrey Dahl, City Manager	

DISCUSSION OBJECTIVE:

To gather feedback and answer questions regarding the staffing requests included in the updated Long-Term Staffing Plan.

BACKGROUND:

In advance of the 2022 budget, a review of long-term staffing needs by the Council was incorporated into the annual budget calendar. The identification of staffing needs does not commit the City to fill these positions, but rather gives the Council and staff an idea of the impact those positions could have on the budget to better evaluate priorities and plan for these in advance.

At this meeting, staff will explain the need for each requested position and gather feedback from the Council on what positions to include in the first draft of the 2024 Budget. Their impact on the levy is subject to Council approval as part of the annual budget process and will be reviewed more comprehensively in the City's Long-Term Financial Plan.

ATTACHMENTS:

1. 2023 Long-Term Staffing Needs Memo

Long-Term Staffing Plan

June 20, 2023

Departments review long-term staffing needs annually in the Spring. If their staffing request is approved by the City Manager it is included in the list below. Additional information regarding the potential impact on the levy and tax rate along with the detailed Position Requisition Forms are included below.

Proposed Positions by Year

Year	Position	Salary & Benefits	Proposed Positions by Year				Motor Vehicle	Total
			General	Water	Sewer	Liquor		
2024	Fire Chief	\$139,000	\$139,000					\$139,000
2024	Payroll & Accounting Specialist	\$88,000	\$46,640	\$1,760	\$1,760	\$35,200	\$2,640	\$88,000
2024	PSW - Parks Dept	\$65,000	\$65,000					\$65,000
2025	Police Officer	\$93,000	\$93,000					\$93,000
2025	IT Manager	\$110,000	\$110,000					\$110,000
\$495,000			\$453,640	\$1,760	\$1,760	\$35,200	\$2,640	\$493,000

General Fund Budget Impact by Year

	2023 Actual	2024	2025
General Fund Staffing		\$250,640	\$203,000
Cumulative Total with Inflation		\$295,655	\$507,525
Estimated Total Levy % Change	8.57%	8.01%	6.37%
Estimated Tax Rate	19.47%	21.20%	21.90%
Est. Median Value Home	\$1,023,750	\$1,033,988	\$1,044,327
Median Value Home Tax Increase from Prior Year	\$161	\$227	\$109

*Accounts for additional cost of 2023 Police Officer hired mid-year.

Note: Uses assumptions from the 2022 Long-Term Financial Plan (LTFP). The 2023 update to the LTFP will incorporate updated data and assumptions to better discuss impacts on the levy and tax rates.

Enterprise Fund Budgets Impact by Year

	2024	2025
Water Fund	\$1,760	
Sewer Fund	\$1,760	
Liquor Fund	\$35,200	
Motor Vehicle Fund	\$2,640	
Total	\$41,360	

Positions Requested for Inclusion in 2024 Budget

Position Requisition Form

Position Title	Full-Time Fire Chief	Department	Fire
Requested By	Kevin Klapprich, Fire Chief	Approved By	Jeff Dahl, City Manager
Date Needed	2024 (3 rd year requesting)		

Summary of Job Duties:

Provides direction and leadership for all activities of the Fire Department including, fire protection and emergency response, investigations, fire prevention and educational. Supervises all department staff and oversees the training and safety of personnel and equipment.

Summary of Need/Rationale:

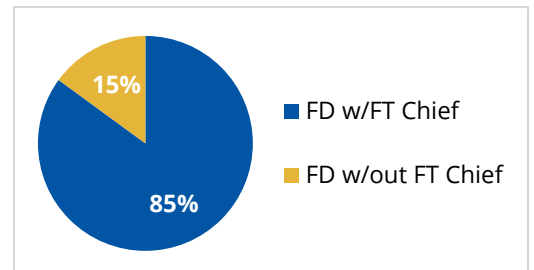
- Current structure not sustainable long-term**

The need for this position was first raised as part of the 2017 organizational study. The City has relied on the current Chief's availability and interest in serving about 20 hours per week. That type of availability and commitment is not be sustainable long-term. While call loads are not expected to significantly increase, the complexity and required training and leadership responsibilities related to managing fire operations has become more time consuming and challenging. Additionally, most calls occur between 8 a.m. and 8 p.m. when it is most difficult to staff.

The City completed a Fire Department Organizational Study in the fall of 2021. Among the report findings was a recommendation to hire a full-time Fire Chief in 2023 to ensure the department could move forward with several needed administrative and training related initiatives.

- Current structure is now less common in the fire service**

Wayzata, is one of the few remaining fire departments in the metro without any full-time staff. Of the 34 fire departments that cover Hennepin county, 29 of them have full-time chiefs. Only five cities (Wayzata, Robbinsdale, Maple Plain, Medicine Lake, and St. Bonifacius) do not have full-time chiefs.



While completely volunteer, paid-on-call departments were once the norm, due to the increasing complexity of the fire service, staffing shortages, and more, full-time leadership of this critical public safety service is now the most common.

Depending on what happens with fire services with Orono and Long Lake in the next few years, there may be some staffing partnership opportunities.

Funding Source and Budget Impact:

\$139,000 is the estimated cost for salary and benefits and would be paid for from the General Fund.

Position Requisition Form

Position Title	Payroll and Accounting Specialist	Department	Administration
Requested By	Aurora Yager, Deputy City Manager	Approved By	Jeff Dahl, City Manager
Date Needed	2024 (2 nd year requesting)		

Summary of Job Duties:

Responsible for processing payroll, managing HR records in the payroll system, accounts payable, assisting with benefits administration and other HR and Finance duties as assigned.

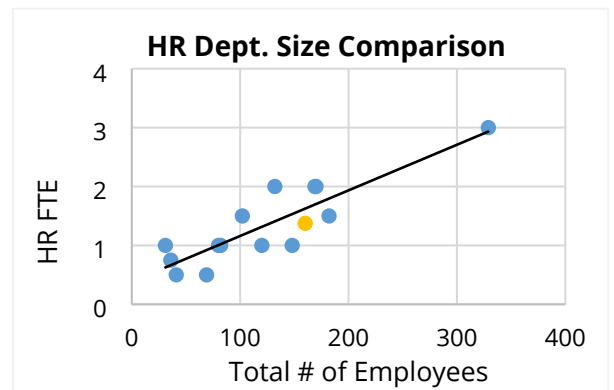
Summary of Need/Rationale:

- **Current staffing levels are too thin in both HR and Finance Departments.**

Human Resources (HR)

HR is a critical role for every department in the City. It handles recruitment, onboarding, payroll, benefits, regulatory compliance, training and development, terminations, employee relations, and much more. Staffing consists of the HR Coordinator and up to ½ of the Deputy City Manager’s time.

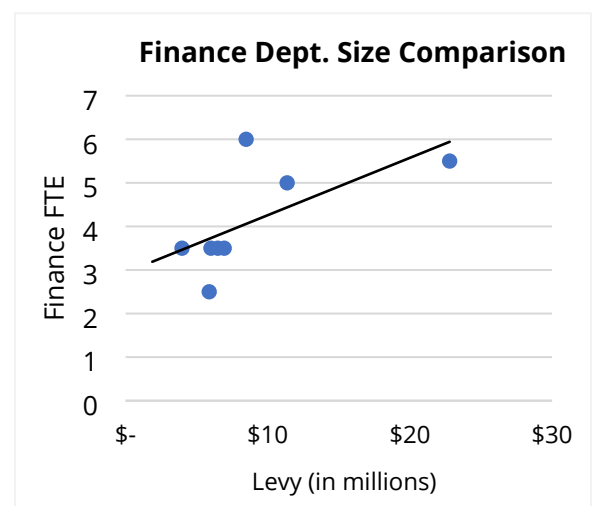
While Wayzata’s HR Department (yellow dot in the graph to the right) is slightly below where the trendline of comparable cities would project it to be, 11 of the cities surveyed have their finance department process and administer payroll whereas in Wayzata that is processed by HR. Additionally, several of our departments have high turnover positions that stretch HR capacity much thinner than other cities experience.



Finance

Finance is another critical role for the City. It handles accounting for all departments and City enterprises, processes utility billing, annual budget, 10-year CIP, cash/investment management, long-term forecasting, grant/escrow management, and much more. Staffing consists of the Senior Accountant, up to ½ of the Deputy City Manager’s time, ¾ of the time for the Administrative Assistant/Utility Billing Clerk, and ¼ of an FTE in support from Financial Consultants at Abdo.

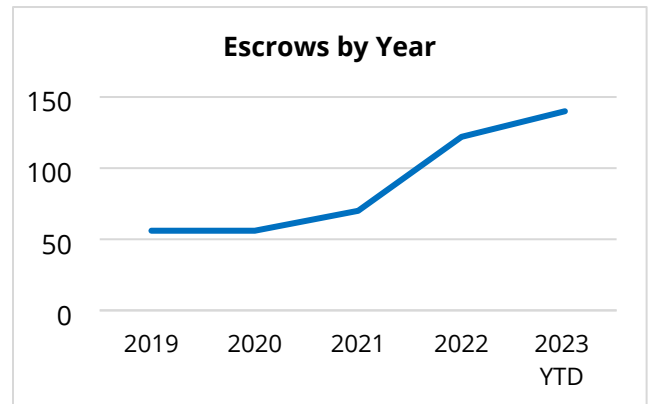
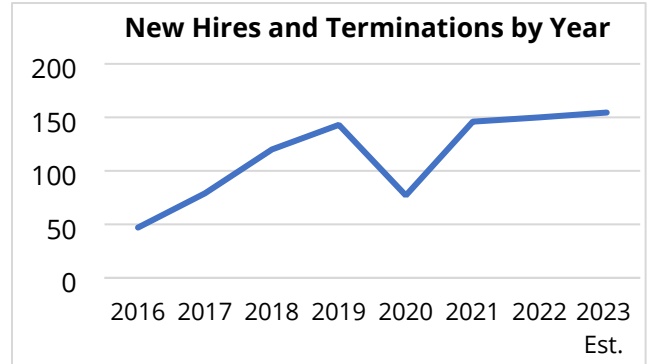
Wayzata’s Finance Department (the yellow dot in the graph to the right) is significantly below where the trendline of comparable cities would project it to be.



- **Finance and HR duties are increasing**

HR duties have increased each year both in terms of city needs/responsibilities and Federal/State requirements. One example of this increased workload is in the amount of new hires/terminations processed each year. Additionally, given the very tight labor market application numbers are at all-time lows so the need to spend more time on recruitment and retention is of growing importance to the City to ensure it has a stable, consistent and well-trained workforce.

Finance duties have increased and become increasingly complex as well. To support more efficient invoice processing for Directors and more robust/accurate reporting, processing accounts payable now takes about four times as long. Additionally, the amount of development related activity that Finance tracks and reconciles has both grown significantly and increased in complexity.



With about 2.5 people performing all finance duties, and 1.25-1.5 people performing all HR duties, workloads have become unmanageable causing burnout, slower processing/response times, and some critical projects to either be placed on the back burner or skipped altogether.

Funding Source and Budget Impact:

\$88,000 is the estimated cost for salary and benefits, and would benefit both HR and Finance functions for the City with this one position. This position is estimated to be allocated 53% to the General Fund, 40% to the Liquor Fund, 3% to the Motor Vehicle Fund, 2% to the Water Fund, and 2% to the Sewer Fund.

Position Requisition Form

Position Title	Public Service Worker – Park Maintenance	Department	Public Works
Requested By	Mike Kelly, Public Works Director/City Engineer	Approved By	Jeff Dahl, City Manager
Date Needed	2024		

Summary of Job Duties:

Performs day-to-day maintenance of parks, gardens, beaches, athletic fields, public grounds, play structures, trails, recreation sites, park structures and associated amenities. Performs a variety of snow plowing tasks, and assists other departments when assigned.

Summary of Need/Rationale:

- **Demand and service levels are increasing**

Improvements to the City's parks and trails system, and prioritizing tree preservation are increasing the day-to-day workload of the Parks Department.

When the Council discussed increasing tree preservation efforts during the May 17th City Council Workshop, the consensus was to utilize existing staff to perform those duties which are estimated to take up to 20 hours per week. The Forester started tracking his hours in December of 2022 and is averaging 19.5 hours a week administering the tree preservation ordinance and managing EAB. Since April of 2023, he has been averaging closer to 23 hours per week. To maintain the standards of our parks (including the expanded park amenities with Panoway and the boardwalk) and make up for the lost hours now directed towards forestry, additional staff is needed.

- **Seasonal hiring has been inconsistent**

Hiring Seasonal positions to help with park maintenance has been inconsistent over the years. While we budget for and need six seasonal positions, in 2020 we hired three, in 2021 we hired two, but in 2022 we were able to hire six, and in 2023 we have only been able to hire four.

With these trends, we anticipate that we may run into staffing shortages in future years given that hiring has been so inconsistent. In order for the Department to keep up with the simple tasks of mowing, weeding, beach cleanup, and garbage collection, seasonal employees are needed. Hiring a full-time employee is needed to provide consistent delivery of services year-round.

Funding Source and Budget Impact:

\$65,000 is the estimated cost for salary and benefits and would be paid for from the General Fund.

Positions Requested for Inclusion in Future Budgets

Position Requisition Form

Position Title	Police Officer	Department	Police
Requested By	Marc Schultz, Police Chief	Approved By	Jeff Dahl, City Manager
Date Needed	2025		

Summary of Job Duties:

Responsible for enforcing laws/ordinances, preventing crime, addressing public safety concerns and providing assistance, arresting offenders, investigating crimes, and protecting life and property.

Summary of Need/Rationale:

- **Current staffing levels stretch the department thin**

The current approved staffing levels of the Wayzata PD include two records staff, 1.25 CSO's, and 17 sworn officers (Police Chief, Deputy Chief, 3 Sergeants, and School Resource Officer). Given the need for 24/7 staffing, 11 officers to fill patrol shifts is the minimum needed. However, when staffing levels drop due to retirements, resignations, injury or illness it can result in one officer being on at a time and requires other officers to work overtime for shifts as long as 18-hours. Additionally, when there are multiple calls or transports needed when only one officer is on duty, Wayzata and Long Lake lack patrol coverage and must rely on mutual aid.

To reach a minimum staffing level of 2 officers on duty for the majority of patrol shifts and times, 18 sworn officers would be needed. Staff are proposing adding that 18th officer in 2024.

- **Demand and service levels are increasing**

The FBI's Uniform Crime Reports (UCR) data is a matrix used to determine standardized street strengths of patrol personnel for police departments. This guidance gives general direction regarding staffing but ultimately needs are based on unique traits and serve levels desired by the community. To meet the UCR averages for Midwest cities <10,000 residents, Wayzata would need 19 sworn officers in the PD to cover the communities of Wayzata and Long Lake.

Continued expansion of housing, Panoway, commercial development, events, and other developments contribute to increases in both population, traffic, and therefore are increasing service demands. Additionally, as best practices shift more towards community-based policing models such as bike patrol and other forms of community engagement, it is important to consider that these programs are more labor intensive and require additional staffing resources to successfully implement.

Funding Source and Budget Impact:

\$93,000 is the estimated cost for salary and benefits and would be paid for from the General Fund.

Position Requisition Form

Position Title	IT Manager	Department	Administration
Requested By	Aurora Yager, Deputy City Manager	Approved By	Jeff Dahl, City Manager
Date Needed	2025		

Summary of Job Duties:

Manages the overall City's IT network and systems, provides technical user support, technical upgrades, network management, and long-term planning for IT.

Summary of Need/Rationale:

- **Increasing cybersecurity is necessary to protect the City**

More than ever, City operations and services are conducted and dependent on technology. At the same time, cybercrimes are on the rise. Since 2018 the League of Minnesota Cities Insurance Trust has had 19 claims related to fraud from cybersecurity threats with claims increasing each year. The fraud impacting these cities ranged from \$4,000-\$1.36 million. According to a March 2023 article from the League of Minnesota Cities, "it is no longer sufficient for city leaders to delegate their community's technology matters to contract provider or department-level staff." To that end, in July of 2022 the City completed a cybersecurity study but due to lack of internal IT capacity, implementing recommendations from that study has stalled.

The LMC article goes on to say that "Often technology is considered a supporting service, or worse yet, an afterthought, when really we should look at it as becoming a core service of the government." Internal IT is needed to be more proactive and ensure we are good stewards of our technological assets and ensure the cybersecurity of our water treatment plant and internal network.

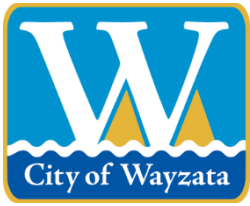
- **Current IT setup not meeting internal needs**

The City currently contracts managed IT services with Loffler and the Public Works Director serves as their main staff contact. Loffler provides technical support and assists with management/upgrades of the IT infrastructure. This arrangement is reactive and relies on the PW Director to coordinate IT projects and help troubleshoot with staff, which is not the best use of his resources and slows down projects.

In general, lack of internal IT support makes resolving IT issues more difficult, inefficient, and more frustrating for all involved. Over the last few years, several employees included the lack of IT support as a problem in the employee survey and in their annual reviews. Other small cities like Victoria who recently hired internal IT have reported the positive impacts such as increasing their efficiency, security, and implementing both time-saving and cost-saving measures.

Funding Source and Budget Impact:

\$110,000 is the estimated cost for salary and benefits and would be paid for from the General Fund. Future cost savings are likely by reducing our contract/reliance with managed service providers when this position is fully onboarded.



City Council Workshop City Council Agenda Report

MEETING DATE: June 20, 2023	WORKSHOP AGENDA ITEM: 2
TITLE: Update of Muni Operations and Review of New Financial Tracking "Scorecard" (5:45-6:25 p.m.)	
PREPARED BY: Jeffrey Dahl, City Manager	
REVIEWED BY: N/A	

DISCUSSION OBJECTIVE:

To inform and receive feedback on the new draft scorecard and receive general operations updates from Wine and Spirits General Manager Kevin Castellano and Bar and Grill General Manager Jeff Pietrini.

BACKGROUND:

Staff will walk through the attached new scorecard that has been created over the past few months. The objective of the new scorecard is to provide the most up-to-date, accurate, and relevant data to inform staff, the Council, and the public about the Muni's financial health. It focuses on key data, compares it from month to month and year to year. The scorecard is planned to be relayed to the Council on a monthly basis with more detailed information to be relayed on a quarterly basis.

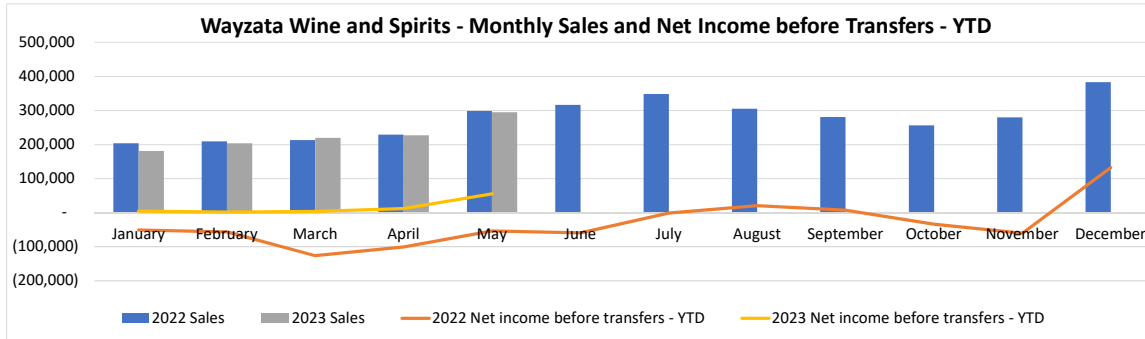
In addition, Mr. Pietrini and Mr. Castellano will provide general updates on operations as well as status on their recent work plans regarding their assessments.

ATTACHMENTS:

1. New Liquor Scorecard Format - May 2023

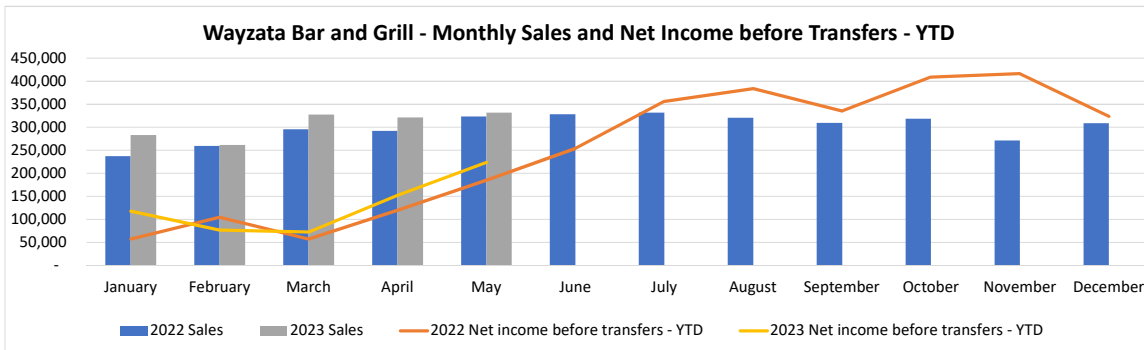
Wayzata Wine and Spirits Scorecard

Key Performance Indicators	Comparative Month End		Comparative YTD		Target	Comments
	5/31/2022	5/31/2023	5/31/2022	5/31/2023		
Sales revenue	\$ 297,786	\$ 294,174	\$ 1,152,380	↓ \$ 1,125,144	\$ 1,186,951	
Gross profit percentage	↑ 37.24%	↑ 28.62%	↓ 22.16%	↑ 29.04%	27.00%	
Net income before transfers	↑ 15.62%	↑ 14.67%	↓ -4.65%	↓ 4.93%	9.00%	
Net income after transfers	↑ 15.62%	⇒ 4.04%	↓ -4.65%	↓ 2.16%	5.00%	In 2022, transfers were made once per year in October. Starting in 2023, transfers are done monthly. Until October, each month in 2023 will show more transfers incurred than 2022.



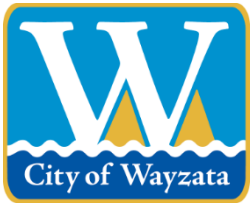
Wayzata Bar and Grill Scorecard

Key Performance Indicators	Comparative Month End		Comparative YTD		Target	Comments
	5/31/2022	5/31/2023	5/31/2022	5/31/2023		
Sales revenue	\$ 323,231	\$ 332,048	\$ 1,408,529	↑ \$ 1,525,909	\$ 1,450,785	
Gross profit percentage	⇒ 69.09%	↑ 70.45%	↑ 70.48%	↑ 72.34%	70.00%	
Net income before transfers	↑ 20.16%	↑ 21.64%	↑ 13.16%	↑ 14.66%	9.00%	
Net income after transfers	↑ 20.16%	↑ 5.96%	↑ 13.16%	↑ 11.25%	5.00%	Same comment as above for Wine and Spirits



Key Performance Indicators Definitions

Sales Revenue	Basic measure of how much money the enterprise is bringing in. It can be broken down by meal period, location, or product category to identify areas of strength or weakness.
Gross Profit Percentage	The percent difference between the cost of goods sold and the selling price. A higher percentage means that the business is making more profit on each sale.
Net Income Before Transfers	The percentage of revenue that remains after subtracting all operating expenses, including wages, rent, utilities, marketing expenses and interest. It can help identify how well the restaurant is managing its expenses and its overall profitability.
Net Income After Transfers	The percentage of revenue that is left after deducting all expenses, including cost of goods sold, rent, utilities, salaries, marketing expenses, and the transfer out to other funds. A higher profit margin indicates that the business is generating more profit from each sale.



City Council Workshop City Council Agenda Report

MEETING DATE: June 20, 2023	WORKSHOP AGENDA ITEM: 3
TITLE: Discussion of Strategic Plan Dates (6:25-6:30 p.m.)	
PREPARED BY: Jeffrey Dahl, City Manager	
REVIEWED BY: N/A	

DISCUSSION OBJECTIVE:

To confirm this year's strategic planning session dates.

BACKGROUND:

An update will be provided at the workshop regarding this summer's strategic planning session and confirmation of dates.

ATTACHMENTS:

None