

2026 Preliminary Budget and Property Tax Levy

The 2026 proposed budget of \$25.4 million, a 5.7% increase from the 2025 budget, was approved by the City Council on September 23. The 2026 proposed budget includes an overall preliminary property tax levy increase of 7.50%. Between now and December, when the levy is finalized, the levy can decrease but can't increase.

The City developed the budget with three goals in mind including investing in public safety personnel, implementing strategic plan initiatives, and minimizing the impact on residents.

When looking at the overall levy increase this year, the major factors driving the budget increase are:

- Adding a full-time Fire Chief
- Investing in employee compensation
- Increases in insurance

2026 Preliminary Budget in Brief

General Fund - \$10M

The General Fund supports a variety of City services. Revenues include property taxes, licenses, permits and more. This fund supports essential services including police, fire, public works and administration.

Liquor Fund - \$9.1M

Revenue generated from food and liquor sales pay for the store and restaurant operations. Profits from these businesses are utilized for City capital projects like parks, streets and facilities.

Utility Funds - \$4M

Utility funds include water, sewer, storm water and solid waste funds. Revenue generated through utility sales pay for staff to operate the utilities, Met Council processing, and repairs and investments in infrastructure.

Motor Vehicle Fund - \$761K

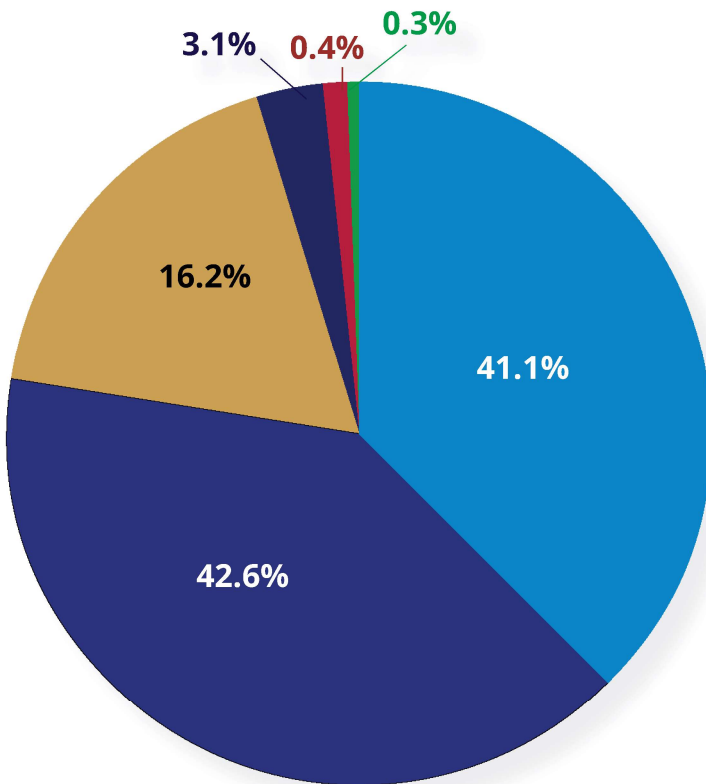
Revenue generated from processing motor vehicle transactions pays for the licensing center operations.

Other (Cable & Cemetery) - \$100K

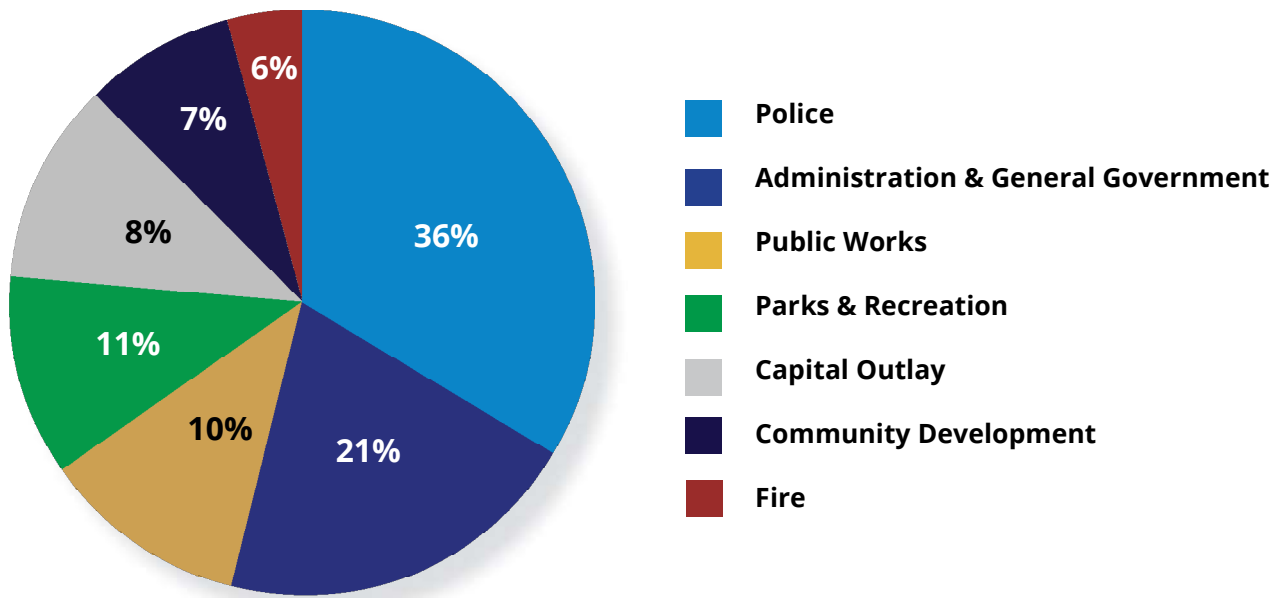
Revenue generated from cable franchise fees pays for recording and broadcasting of public meetings and other city communications. Revenue from cemetery sales pays for the administration of running the municipal cemetery.

Marina Fund - \$405K

Revenue generated from boat slip fees and canoe and kayak rentals pays for operations and maintenance of the municipal marina. Profits from this operation are utilized for City capital improvements in the marina and in other City parks.



How Your City Taxes Are Spent

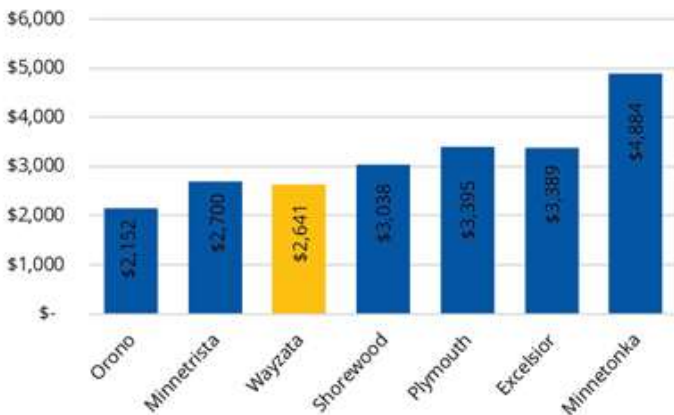


Property Tax Distribution

City taxes make up just one portion of your total property tax statement. Other jurisdictions including the County, and School District add to your total bill. For example, in 2025, about 19% of the total tax bill on residential properties was paid to the City.



City Property Tax Comparison to Other Cities
2025 City taxes on a \$1,152,500 house



Impact on Homeowners

When values are held constant, the median value home of \$1,152,500 will have a property tax increase of \$39 per year. Wayzata's overall tax rate would remain lower than nearly all surrounding cities.

- 2025 Tax Data
- Proposed 2026 Data

Next Steps

The City Council will be voting on the final 2026 Budget and Property Tax Levy at its December 2, 2025 meeting at 7:00 p.m. If you would like to send comments in advance, email PublicComment@wayzata.org. The meeting will also be shown on Channel 8, WCTV, and streamed on the City's website at www.wayzata.org/WCTV.

Contact

For more information about the 2026 Budget, visit www.wayzata.org/finance or contact **Aurora Yager**, Deputy City Manager at ayager@wayzata.org or 952-404-5317.