WACONIA CITY COUNCIL MEETING AGENDA

Monday, September 26, 2022
5:30 PM

VISION STATEMENT
A thriving, connected community with deep roots: a great place to live for a lifetime.

MISSION STATEMENT
A city that leads, serves, and governs to enhance the quality of life for all community members.

MAYOR:	KENT BLOUDEK
COUNCIL MEMBER:	NICOLE WALDRON
COUNCIL MEMBER :	RANDY SORENSEN
COUNCIL MEMBER:	PETE LEO

NOTE: TO ENSURE THAT YOU ARE PRESENT FOR ITEMS OF INTEREST, PLEASE BE PRESENT AT 6:00 P.M.

Those with items on the agenda should reach out to their staff contact. Others who wish to participate in the meeting, please contact the City Administrator at 952-442-3100 or sfineran@waconia.org to make certain that you are called upon during the meeting.

1. CALL MEETING TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ADOPT AGENDA

4. VISITOR'S PRESENTATIONS, PETITIONS, CORRESPONDENCE

5. ADOPT CONSENT AGENDA

The items listed on the Consent Agenda are considered routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember, City Staff, or Citizen so requests; in which case, the item will be removed from the Consent Agenda and considered at the end of the Regular Agenda.

6. COUNCIL BUSINESS

1) 2023 Budget & Preliminary Levy
Adopt Resolution No. 2022-260, Adopting the 2023 Preliminary Levy

7. ITEMS REMOVED FROM CONSENT AGENDA

8. STAFF REPORTS

9. BOARD REPORTS

1) Councilmember Waldron
2) Councilmember Sorensen
3) Councilmember Leo
4) Mayor Bloudek

10. ANNOUNCEMENTS

11. ADJOURN REGULAR MEETING ....OFFICE OF THE CITY ADMINISTRATOR
Shane Fineran

Work Session:

UPCOMING CALENDAR OF EVENTS/MEETINGS:

REQUEST FOR CITY COUNCIL ACTION

Meeting Date:	September 26, 2022				
Item Name:	2023 Budget & Preliminary Levy				
Originating Department:	Finance				
Presented by:	Nicole Meyer				
Previous Council Action (if any):					
Item Type (X only one):	Consent		Regular Session	X	Discussion Session

RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED *(Include motion in proper format.)*

Adopt Resolution No. 2022-260, Adopting the 2023 Preliminary Levy

EXPLANATION OF AGENDA ITEM *(Include a description of background, benefits, and recommendations.)*

Staff has prepared the preliminary 2023 budgets for all departments in the General Fund. The City is required to set a preliminary levy by September 30th each year. The preliminary levy may not be increased. To date, the City Council has worked through the General Fund in work sessions throughout September. Additional work sessions are scheduled to review the City's capital project, special revenue, and enterprise fund budgets. Budgets that are still being reviewed in work sessions this fall include the PIR Capital Project, Capital Equipment, Safari Island, Ice Arena, Water, Sewer, Storm Water, and Street Light utility budgets. A final General Fund review will be scheduled for a work session in November. At that time, the City Council will need to establish the final budget and levy for 2023. The City's final budget and levy is scheduled for approval at the City Council meeting on Monday, December 19, 2022.

Staff reviewed with the City Council at a work session the property market value and tax capacity information determined by Carver County. From last year, the overall taxable market value has increased approximately $461,537,700 or 21.65% and subsequent tax capacity increased approximately $5,071,491, or 29.37%. Carver County has reported that the average home in Waconia is seeing an increase in market value of about 25%.

For the preliminary levy, staff is recommending an 8.8% increase from 2022 to the general property tax levy for operations of the City. The City plans to add additional staffing and staff retention programs in 2023 and continue to make interfund transfers to capital project funds for future improvements. The current plan brings the City's General Fund fund balance to 40.0%; this within the parameters of the City's financial policy and guidelines for General Fund fund balance. Over the course of the next several months, staff will be working to finalize contracts and budgeted line items to see if this increase can be adjusted down before the final levy is approved.

The special debt levy increased 21.2% from the 2022 levy. This is due to the City issuing bonds related to street, trail, sidewalk, and utility improvements, along with construction of a fire station facility that are budgeted 2022 infrastructure projects.

The overall net levy to taxpayers is preliminarily increasing from 2022 levels by 17.52%. With this preliminary levy amount, the City's tax rate decreases from 45.703% to 41.518%. With this tax rate, the average valued home in Waconia will see a 25% increase in their home's market value and 16.16% (or estimated $241.66) in the City portion of their tax bill.

A resolution is attached for consideration of the 2023 preliminary levy.

Attachments:

1. Financial Model as of 09.20.22.pdf
2. Resolution #2022-260 Approving Preliminary 2023 Levy

FINANCIAL IMPLICATIONS: Funding Sources & Uses: General Fund (101)	***ADVISORY BOARD RECOMMENDATIONS:***
Budget Information: _________Budgeted _________Non Budgeted _________Amendment Required	Planning Commission Parks and Recreation Board Safari Island Advisory Board Other

WACONIA FINANCIAL MANAGEMENT PLAN
Updated: 09/20/2022

GENERAL FUND	2021 Actual	2022 Final Budget	2022 Amended Budget	2023 Preliminary Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
REVENUE								
GENERAL PROPERTY TAX LEVY	5,886,502	6,004,232	6,004,232	6,532,604	7,741,136	8,050,782	8,211,797	8,376,033
Potential for Uncollectible Taxes	5,742	(60,042)	(60,042)	(65,326)	(77,411)	(80,508)	(82,118)	(83,760)
LOCAL GOVERNMENT AID (LGA)	9,282	9,282	9,282	9,282	9,560	9,847	10,143	10,447
TRANSFERS IN - ENTERPRISE & PEG & PIR DEBT	228,084	241,950	241,950	271,950	280,109	288,512	297,167	306,082
ADMINISTRATION, FINANCE, & TECH	645,104	674,150	674,150	720,805	742,429	764,702	787,643	811,272
PLANNING & INSPECTIONS	1,164,543	964,200	1,194,200	926,200	935,462	944,817	954,265	963,807
CENTRAL FACILITIES	64,359	59,203	59,203	64,534	66,470	68,464	70,518	72,634
FIRE	152,660	133,517	133,517	138,219	142,366	146,637	151,036	155,567
LAW ENFORCEMENT	171,608	97,500	162,500	103,000	106,090	109,273	112,551	115,927
STREETS	183,039	184,868	184,868	206,971	213,180	219,576	226,163	232,948
PARKS	11,099	3,700	3,700	8,700	8,961	9,230	9,507	9,792
RECREATION	9,779	9,800	9,800	9,800	10,094	10,397	10,709	11,030
TOTAL REVENUE	**8,531,800**	**8,322,360**	**8,617,360**	**8,926,739**	**10,178,446**	**10,541,727**	**10,759,380**	**10,981,779**
	2.9%	**7.3%**	**7.3%**	**7.3%**	**14.0%**	**3.6%**	**2.1%**	**2.1%**
EXPENDITURES								
ADMINISTRATION, FINANCE, & TECH	1,447,407	1,756,555	1,756,555	1,960,645	2,039,071	2,120,634	2,205,459	2,293,677
PLANNING & INSPECTIONS	651,268	727,760	787,760	765,034	795,635	827,461	860,559	894,982
FIRE	485,657	613,377	613,377	648,077	674,000	700,960	728,998	758,158
LAW ENFORCEMENT & COMMUNITY SAFETY	931,245	943,126	943,126	1,065,621	1,108,246	1,152,576	1,198,679	1,246,626
STREETS	1,271,854	1,495,721	1,495,721	1,833,598	1,906,942	1,983,220	2,062,548	2,145,050
PARKS	658,342	807,382	807,382	971,099	1,009,943	1,050,341	1,092,354	1,136,048
RECREATION	15,379	23,650	23,650	72,650	75,556	78,578	81,721	84,990
CENTRAL FACILITIES	271,444	293,161	293,161	309,710	322,098	334,982	348,382	362,317
TRANSFERS OUT - Debt Service Tax Abatement	341,792	416,407	416,407	456,232	475,548	475,548	152,442	152,442
TRANSFERS OUT- Capital Equipment Support	275,000	300,000	300,000	325,000	500,000	550,000	550,000	550,000
TRANSFERS OUT- Safari Island Support	350,000	326,365	326,365	190,000	190,000	190,000	190,000	190,000
TRANSFERS OUT - Arena Support	530,000	530,000	530,000	530,000	567,050	594,050	594,050	594,050
TRANSFERS OUT - PIR Capital Support	550,000	565,000	565,000	535,000	400,000	400,000	400,000	400,000
TOTAL EXPENDITURES	**7,779,387**	**8,798,504**	**8,858,504**	**9,662,666**	**10,064,089**	**10,458,349**	**10,465,193**	**10,808,341**
Operating % Change	**2.2%**	**11.9%**	**11.9%**	**9.8%**	**4.2%**	**3.9%**	**0.1%**	**3.3%**
INCREASE(DECREASE) IN FUND BALANCE	**752,414**	**(476,144)**	**(241,144)**	**(735,927)**	**114,357**	**83,378**	**294,187**	**173,438**
EFFECT on Fund Balance								
Fund Balance - January 1	**3,272,186**	**4,024,600**	**4,024,600**	**3,783,455**	**3,047,529**	**3,161,885**	**3,245,264**	**3,539,450**
Budgeted Increase(Decrease)	752,414	(476,144)	(241,144)	(735,927)	114,357	83,378	294,187	173,438
Projected Fund Balance - December 31	**4,024,600**	**3,548,455**	**3,783,455**	**3,047,529**	**3,161,885**	**3,245,264**	**3,539,450**	**3,712,888**
% of Operating	**70%**	**53%**	**56%**	**40%**	**40%**	**39%**	**41%**	**42%**
GENERAL OPERATING LEVY	**5,886,502**	**6,004,232**	**6,004,232**	**6,532,604**	**7,741,136**	**8,050,782**	**8,211,797**	**8,376,033**
% Change	**0.0%**	**2.0%**	**2.0%**	**8.8%**	**18.5%**	**4.0%**	**2.0%**	**2.0%**
SPECIAL DEBT LEVY	**2,643,605**	**2,942,504**	**2,942,504**	**3,732,515**	**3,784,862**	**3,705,912**	**3,203,574**	**2,960,635**
% Change	**3.8%**	**10.2%**	**10.2%**	**21.2%**	**1.4%**	**-2.1%**	**-15.7%**	**-8.2%**
SPECIAL LEVY FOR INFRASTRUCTURE/EQUIPMENT	**0**	**0**	**0**	**0**	**563,995**	**1,429,960**	**2,984,527**	**3,430,243**
PROPOSED OVERALL TAX LEVY	**8,530,107**	**8,946,736**	**8,946,736**	**10,265,119**	**12,089,994**	**13,186,654**	**14,399,898**	**14,766,912**
LESS FISCAL DISPARITIES	984,801	1,055,102	1,055,102	990,589	990,589	990,589	990,589	990,589
NET LEVY TO TAXPAYERS	**7,545,306**	**7,891,634**	**7,891,634**	**9,274,530**	**11,099,405**	**12,196,065**	**13,409,309**	**13,776,323**
Overall Levy % Change	**2.18%**	**4.59%**	**4.59%**	**17.52%**	**19.68%**	**9.88%**	**9.95%**	**2.74%**
TAXABLE MARKET VALUE	**1,591,776,300**	**1,670,262,400**	**1,670,262,400**	**2,131,797,100**	**2,283,423,225**	**2,367,748,117**	**2,454,524,330**	**2,507,861,308**
Change in Market Value	**3.45%**	**4.70%**	**4.70%**	**21.65%**	**6.64%**	**3.56%**	**3.54%**	**2.13%**
EXISTING TAX CAPACITY	18,322,831	19,157,926	19,157,926	24,296,997	26,240,757	27,027,979	27,838,819	28,673,983
MWF/Cherry Street TIF Capacity reduction	176,681	177,980	177,980	210,037	156,000	100,000	100,000	100,000
TAX CAPACITY Revisions from MV Changes	-1,622,773	-1,712,816	-1,712,816	-1,748,339	-1,888,206	-1,944,852	-2,003,198	-2,063,294
NET TOTAL TAX CAPACITY	**16,523,377**	**17,267,130**	**17,267,130**	**22,338,621**	**24,196,551**	**24,983,127**	**25,735,621**	**26,510,690**
Tax Capacity Change	3.42%	4.50%	4.50%	29.37%	8.32%	3.25%	3.01%	3.01%
TAX RATE ON TAX CAPACITY	**45.664%**	**45.703%**	**45.703%**	**41.518%**	**45.872%**	**48.817%**	**52.104%**	**51.965%**
TAX RATE % CHANGE	**-0.56%**	**0.04%**	**0.04%**	**-4.19%**	**4.35%**	**2.95%**	**3.29%**	**-0.14%**
Average Valued Home	**$ 317,800**	**$ 334,400**	**$ 334,400**	**$ 418,500**	**$ 451,980**	**$ 465,539**	**$ 479,506**	**$ 493,891**
Average Valued Home with Market Value Exclusion	**$ 309,200**	**$ 327,300**	**$ 327,300**	**$ 418,500**	**$ 451,980**	**$ 465,539**	**$ 479,506**	**$ 493,891**
Estimated Annual City Portion of Tax Bill	**$ 1,411.94**	**$ 1,495.87**	**$ 1,495.87**	**$ 1,737.52**	**$ 2,073.32**	**$ 2,272.63**	**$ 2,498.42**	**$ 2,566.51**
Amount Increase or (Decrease)	**$ 33.62**	**$ 83.92**	**$ 83.92**	**$ 241.66**	**$ 335.79**	**$ 199.32**	**$ 225.79**	**$ 68.09**
Percent Increase or (Decrease)	**2.44%**	**5.94%**	**5.94%**	**16.16%**	**19.33%**	**9.61%**	**9.94%**	**2.73%**

CITY OF WACONIA

RESOLUTION NO. 2022-260

RESOLUTION APPROVING A PRELIMINARY TAX LEVY COLLECTIBLE IN 2023

BE IT RESOLVED, by the City Council, of the City of Waconia, County of Carver, Minnesota, that the following sum of money is proposed to be levied for the current year, collectible in 2023 upon the taxable property in said City of Waconia for the following purposes:

GENERAL LEVY:

General Fund	$6,532,604

(Not including Local Government Aid (LGA) as determined by the Minnesota Department of Revenue)

SPECIAL LEVIES:

2015C Improvement-Public Works (Refunded 2007C)	$407,132
2019A Improvement-City Hall (Refunded 2010A)	$241,238
2014A Improvement-1st St W/Main St/Maple St	$121,000
2015A Improvement-1st St W/2nd St W/Vine St/Maple St & Highway 5	$471,148
2016A Improvement-5th St W/Maple St/Cherry St	$226,392
2016 Lease –Construction of Baseball Grandstand	$95,614
2017A Improvement-County Road 110/Community Dr/94th St	$588,528
2018A Improvement-2nd St W/Cedar St	$97,343
2019A Improvement-Waconia Parkway/Walnut St/Equipment Cert	$34,335
2020A Improvement-Main St/Walnut St/3rd St	$168,263
2021A Improvement-Waconia Parkway South/East Frontage Road	$310,328
2022A Improvement-3rd/Maple St/Fire Station Construction	$971,194

TOTAL 2023 PRELIMINARY LEVY $10,265,119

The City Treasurer is hereby authorized to transmit a certified copy of this Resolution to the County Auditor of Carver County, Minnesota.

Adopted by the City Council of the City of Waconia this 26th day of September, 2022.

____
Kent Bloudek, Mayor

ATTEST: ______________________________________
Jackie Schulze, City Clerk