



# 2026 BUDGET



### **2025 Wayzata City Council**

Mayor	Andrew Mullin
Council Member	Dan Koch
Council Member	Molly MacDonald
Council Member	Alex Plechash
Council Member	Ken Sorensen

### **City of Wayzata Staff**

Interim City Manager	Aurora Yager
Finance Manager	Pete Zimmerman

### **Contributing Staff**

City Clerk	Kathy Leervig
Community Development Director	Alex Sharpe
Deputy Registrar Supervisor	Nicholas Heider
Fire Chief	Kevin Klapprich
Police Chief	Jamie Baker
Public Works Director/City Engineer	Mike Kelly
Wayzata Bar & Grill General Manager	Jeffrey Pietrini
Wayzata Wine & Spirits General Manager	Kevin Castellano

# Table of Contents

**EXECUTIVE SUMMARY..... 4**

2026 Budget Goals ..... 5

General Fund Budget ..... 5

Enterprise Fund and Special Revenue Fund Budgets ..... 5

2026 Consolidated Budget and Fund Descriptions..... 6

Budget Process..... 7

City of Wayzata Property Taxes ..... 8

Where Do My Property Taxes Go? ..... 10

How Are My Property Taxes Spent? ..... 10

City Property Taxes Compared to Other Cities ..... 11

Revenues by Source ..... 12

**BUDGET SUMMARY ..... 13**

2026 Consolidated Budget..... 14

Tax Levy Summary ..... 15

Changes Since the Preliminary Budget was Adopted ..... 15

Impact to Residents ..... 16

Market Value and Net Tax Capacity..... 17

General Fund Budget Summary ..... 18

General Fund Levy Drivers ..... 19

General Fund Summary of Significant Increases and Decreases (\$5,000 or more) and Service Level Changes..... 20

Enterprise Fund Budget Summaries ..... 25

    Municipal Liquor Fund – Wine and Spirits Summary..... 26

    Municipal Liquor Fund – Bar and Grill Summary ..... 28

    Marina Fund Summary..... 31

    Motor Vehicle Fund Summary ..... 32

    Sewer Fund Summary ..... 35

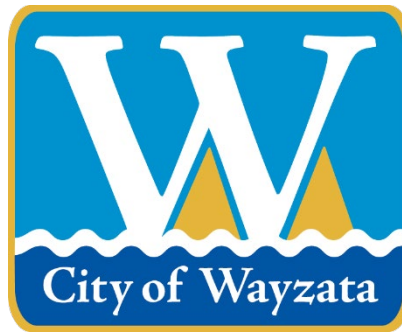
    Stormwater Fund Summary ..... 37

    Solid Waste Fund Summary ..... 38

Special Revenue Fund Budget Summaries..... 39

Transfer Summary..... 42

**Line-Item Budgets by Fund..... 43**



## 2026 Budget

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# EXECUTIVE SUMMARY

## Executive Summary

### 2026 Budget Goals

This year there were three main budget goals that emerged throughout the budget process:

1. Invest in public safety personnel
2. Implement Strategic Plan Initiatives
3. Minimize the impact on residents

### General Fund Budget

The General Fund is the City's main operating budget. It provides the principal financial support for basic city services such as police, fire, parks, and general government operations (City Council, administration and finance, permitting, and more) and primarily derives its revenue from property taxes.

The 2026 General Fund Budget, as presented, assumes a 7.15% increase in operational expenses. Once factoring in capital needs, the overall property tax levy increase is 4.9%. Some of the main factors driving the levy increase include:

- Addition of a Full-Time Fire Chief
- Investing in employee compensation

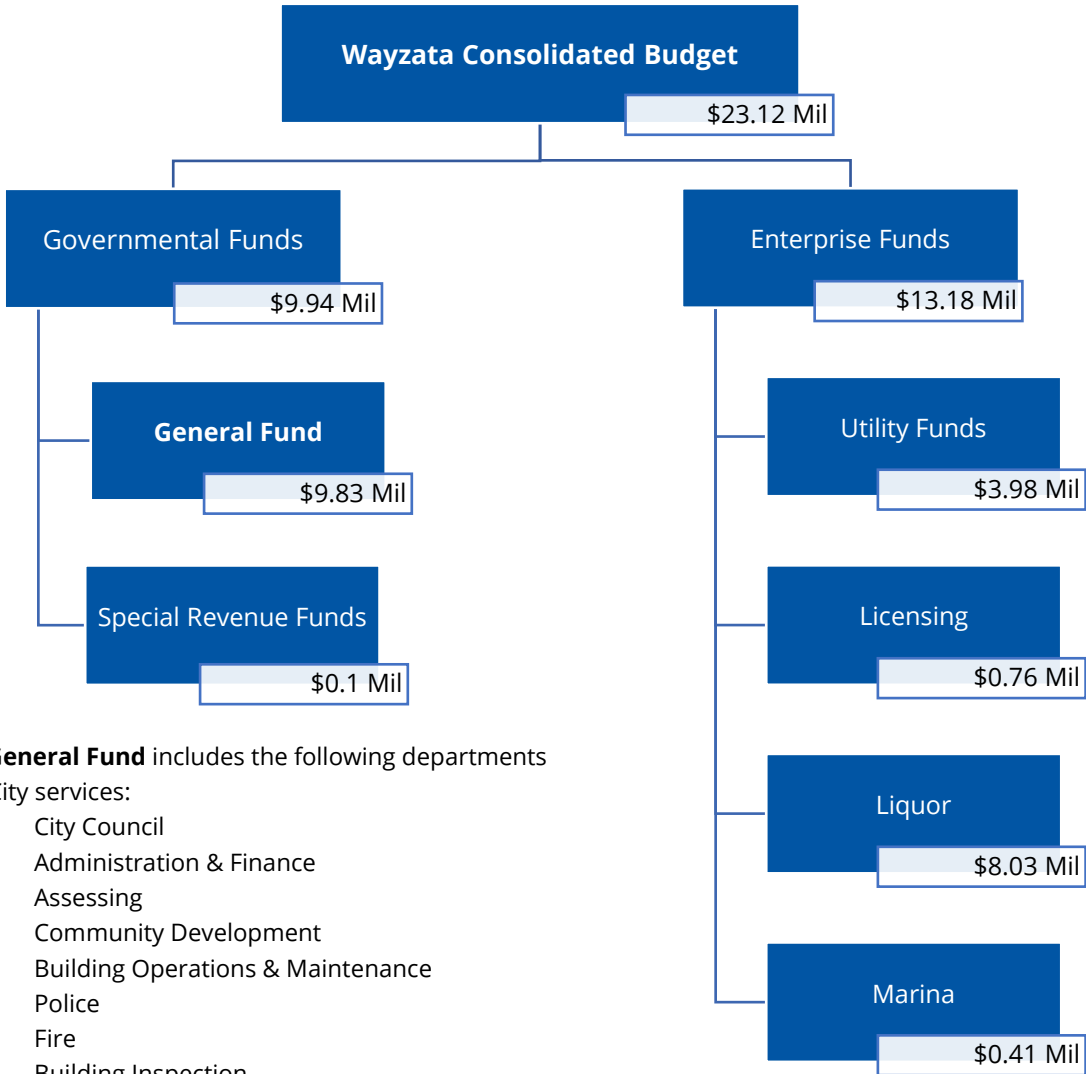
### Enterprise Fund and Special Revenue Fund Budgets

The City also prepares budgets for several Enterprise Funds that include: utilities (Water, Sewer, Stormwater, and Solid Waste), Liquor (Bar and Grill and Wine and Spirits), Motor Vehicle Licensing, and the Marina. It also has budgets for two Special Revenue Funds: Cable TV and the Cemetery.

Enterprise and special revenue 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 and special revenue 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.

Executive Summary

2026 Consolidated Budget and Fund Descriptions



The **General Fund** includes the following departments and City services:

- City Council
- Administration & Finance
- Assessing
- Community Development
- Building Operations & Maintenance
- Police
- Fire
- Building Inspection
- Emergency Management
- Streets
- Health Inspections
- Engineering
- Parks
- Boulevard Maintenance & Lighting
- Miscellaneous

**Special Revenue Funds** include the following:

- Cable TV
- Cemetery

**Enterprise Funds** include the following City services:

- Utilities: Water, Sewer, Stormwater, Trash, Recycling, and Organics Collection
- Motor Vehicle Licensing
- Wayzata Bar & Grill and Wayzata Wine & Spirits
- Marina

## Executive Summary

### Budget Process

Date(s)	Item
April – June	Department meetings to review Capital Improvement Plan (CIP), staffing needs, and fee schedule
April 15, 2025	Council Workshop – Budget Process and Council Budget Priorities
May 20, 2025	Council Workshop - Staffing Needs
June 2025	Department budgets and fee schedule changes submitted and reviewed.
June 17, 2025	Council Workshop – CIP Review and discussion of Excess Reserves
July 1, 2025	Council review of Long-Term Financial Plan, General Fund Budget and Fee Schedule
July 15, 2025	Council Meeting – Adoption of preliminary tax levy, general fund budgets, enterprise budgets, and fee schedule
August 19, 2025	Council Workshop – Budget update
September 9, 2025	Council Workshop – General Fund and Enterprise Fund discussion Council adoption of Preliminary Tax Levy
September - October	Department meetings to finalize CIP and 2025 budgets requests
September 23, 2025	Council meeting to approve: Excess Reserve Transfers, Fee Schedule, Preliminary 2026 Budgets
November 5, 2025	Council Workshop – CIP review
November 18, 2025	Council Workshop – Review 2026 General Fund Budget and Levy
December 2, 2025	Council Meeting – Truth in Taxation Public Hearing, Adoption of Final Tax Levy/Budgets
December 15, 2025	Council Meeting – 2026-2035 CIP



Executive Summary

City of Wayzata Property Taxes

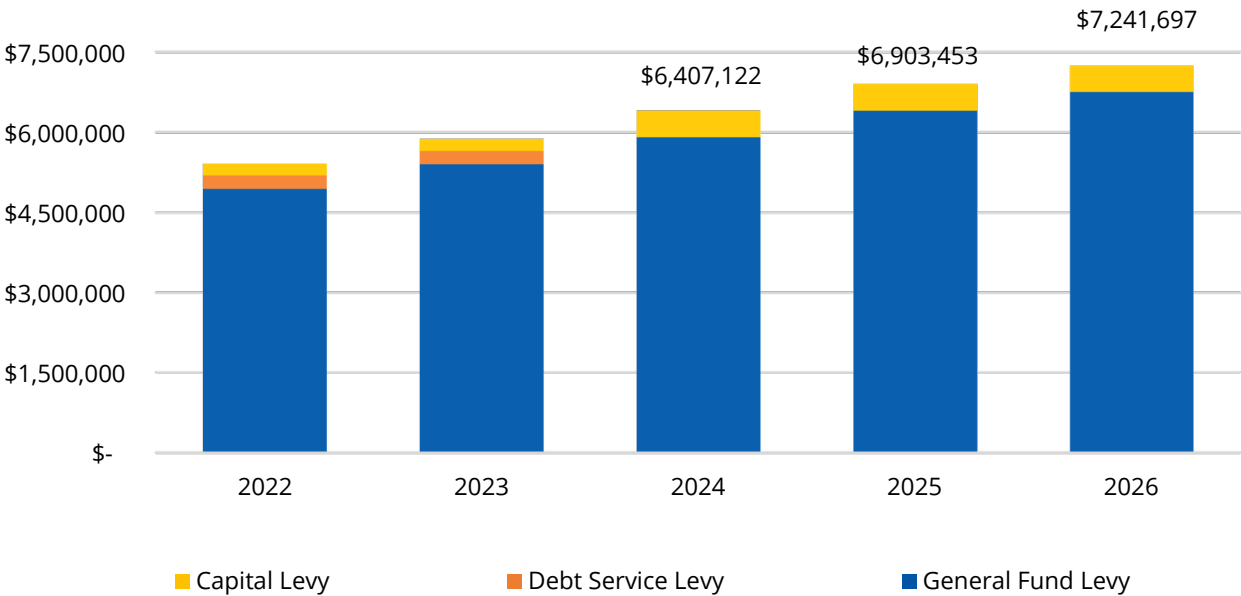
The City's property tax levy includes levies for the General Fund and capital infrastructure improvements for streets, equipment, and facilities.

The total tax levy for the 2026 budget is \$7,241,697 which is a 4.90% increase over 2025. The median valued home of \$1,152,500 is estimated to see an annual decrease of \$25 in their city property taxes if values are held constant.



"Delightfall!" by Lori Sevre

City of Wayzata Property Tax Levy

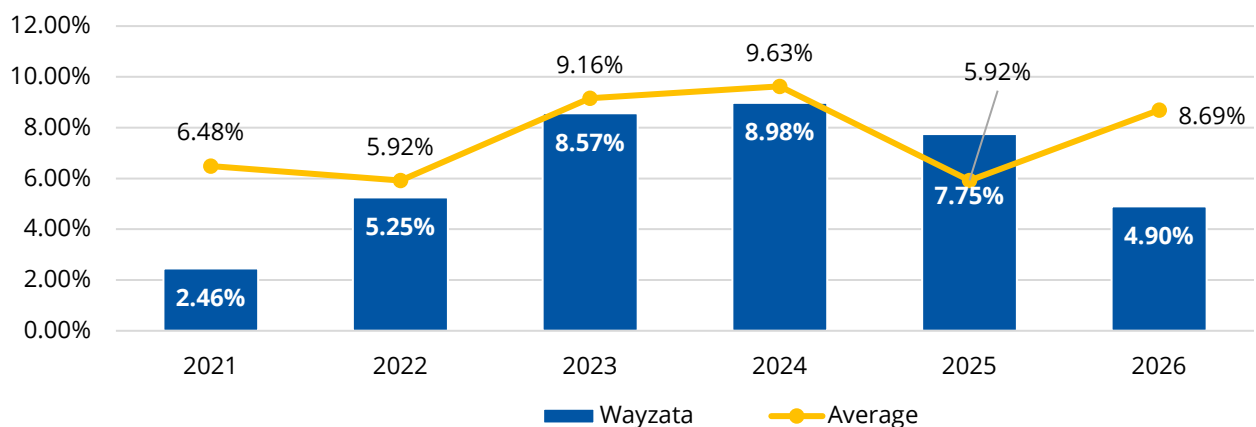


## Executive Summary

### Levy Increases and Drivers

Year	Increase	Major Drivers
2021	2.46%	<ul style="list-style-type: none"> <li>• 1 new position (Parks Planner)</li> </ul>
2022	5.25%	<ul style="list-style-type: none"> <li>• Public Safety support</li> <li>• 2 new positions (Engineering Tech and PT Admin. Asst.)</li> </ul>
2023	8.57%	<ul style="list-style-type: none"> <li>• Loss of revenues</li> <li>• Inflation</li> <li>• 2 new positions (Police Officers)</li> </ul>
2024	8.98%	<ul style="list-style-type: none"> <li>• Inflation</li> <li>• Service level changes and technology investment</li> <li>• 2 new positions (Park Maintenance and Finance)</li> <li>• Increasing Capital Contributions</li> </ul>
2025	7.74%	<ul style="list-style-type: none"> <li>• Investing in IT and technology</li> <li>• Investing in employee compensation</li> <li>• Adding public safety employees (FT Police Officer and increasing hours for CSO and Records positions)</li> </ul>
2026	4.90%	<ul style="list-style-type: none"> <li>• Addition of Full-Time Fire Chief</li> <li>• Investing in employee compensation</li> </ul>

### Wayzata Levy Increase Comparison



Source: Hennepin County

When compared with five Lake Minnetonka cities (Excelsior, Minnetonka, Minnetrista, Orono, Shorewood) and Plymouth, Wayzata on is typically lower than average levy increases.

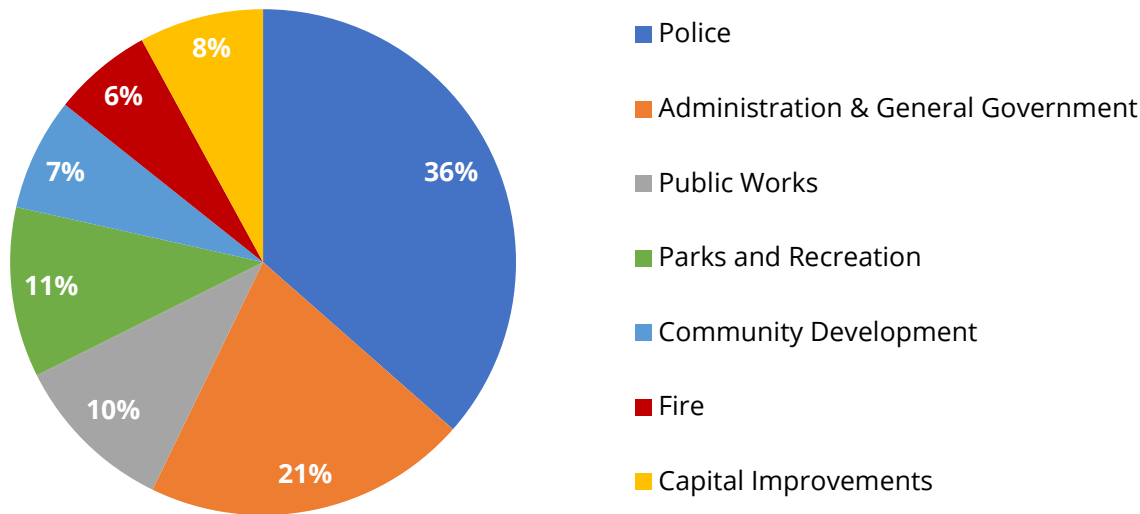
# Executive Summary

## Where Do My Property Taxes Go?

The City of Wayzata is just one piece of the pie when it comes to property taxes.



## How Are My Property Taxes Spent?



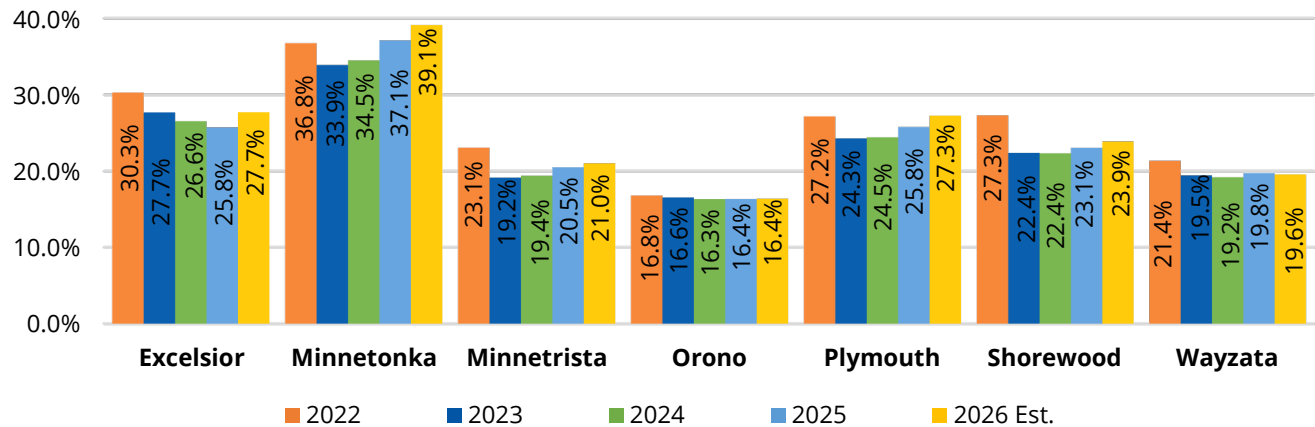
Executive Summary

City Property Taxes Compared to Other Cities

Below is a summary of Wayzata’s tax rate history compared to six Lake Minnetonka Cities and Plymouth. Even with a projected tax levy increase in 2026, Wayzata is projected to maintain a lower-than-average tax rate at 19.6%.

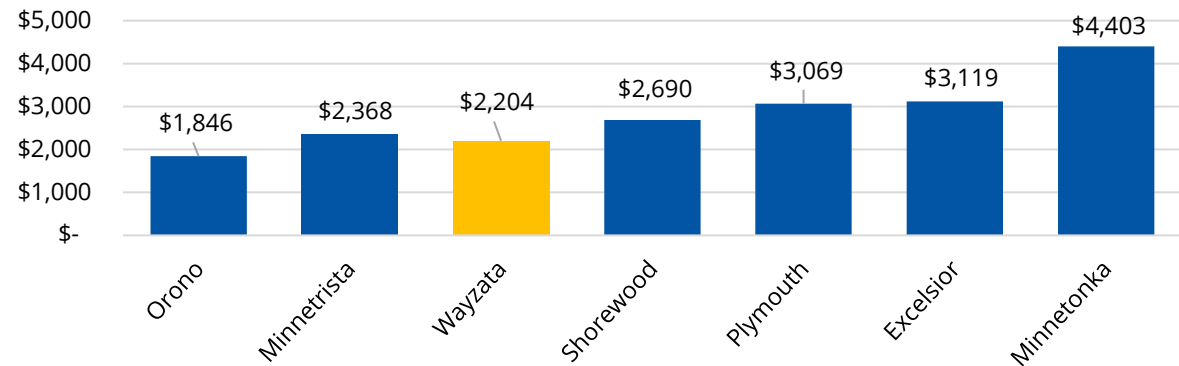
Wayzata’s lower tax rate can be attributed to continued market value growth that is comparable to or above our peers along with having levy increases that are below the average of the same six cities.

Tax Rate Comparison



While comparing property taxes across cities is difficult due to differences in the tax base, growth, development, and the type of services delivered, we find it important to compare as a way to measure how much value our residents are receiving for the property taxes they pay. As shown in the chart below, we believe that Wayzata compares favorably to surrounding cities.

City Taxes on a \$1,000,000 House



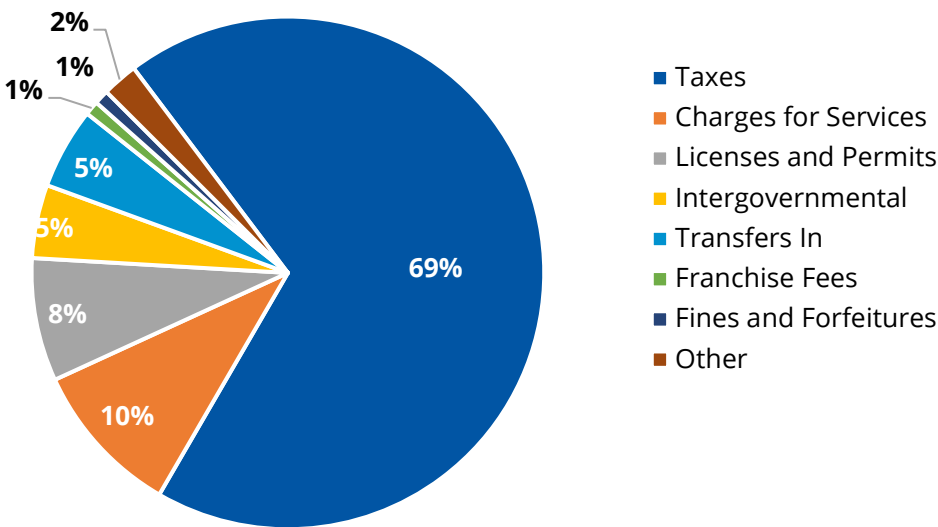
Revenues by Source

The General Fund pays for a wide range of City services including funding for Police, Fire, Parks, Engineering, Administration, Community Development, and Public Works. The primary source of funding to pay for these services is property taxes.



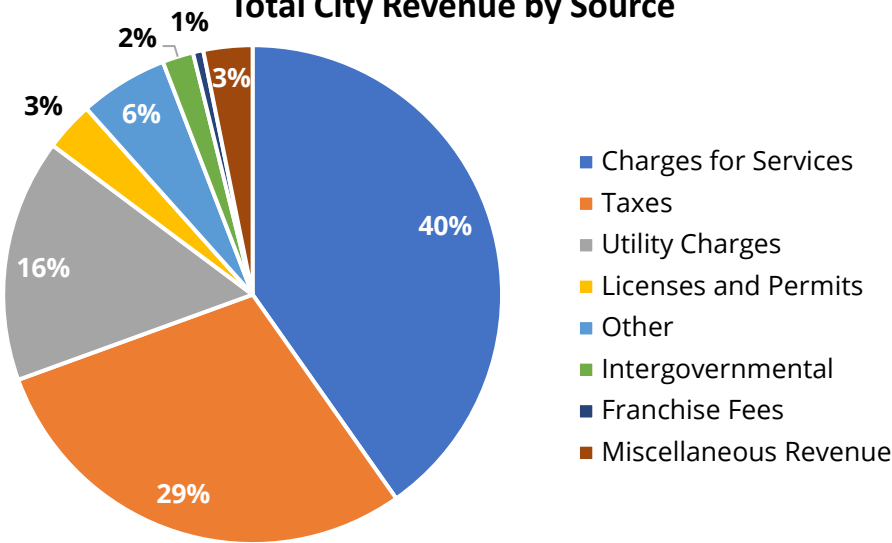
"Sunset on the Tracks" by Nelson Hill

General Fund Revenue by Source



Other funds get their revenues through other sources, primarily through charges for services.

Total City Revenue by Source





## 2026 Budget

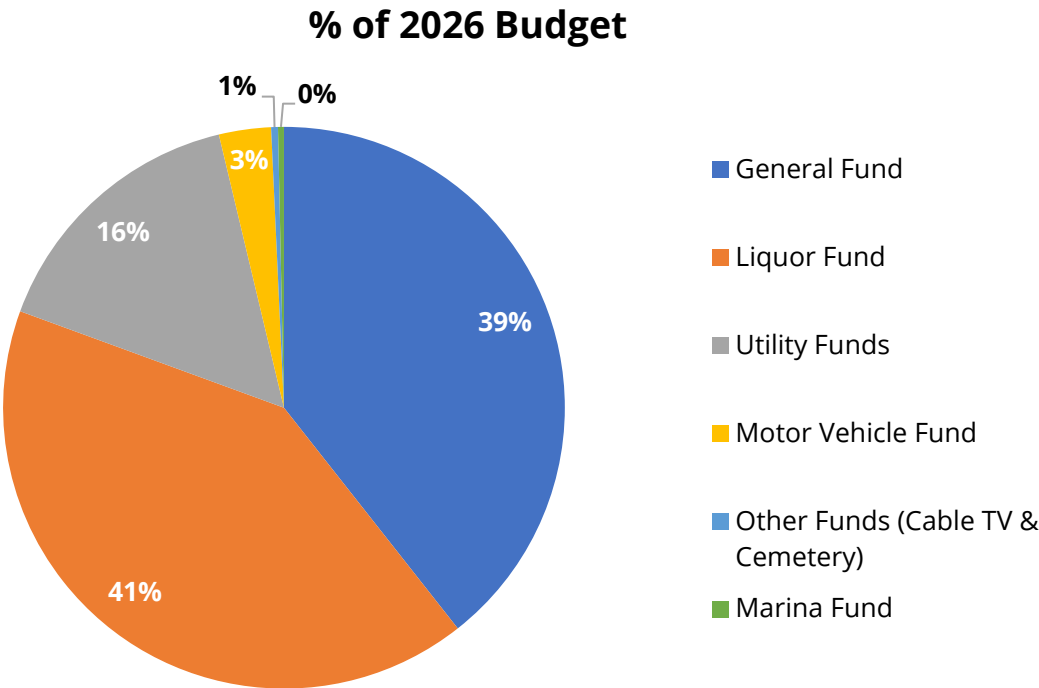
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# BUDGET SUMMARY

Budget Summary

2026 Consolidated Budget

Fund	Budget
General	\$9,835,590
Water	\$1,443,399
Sewer	\$1,683,187
Stormwater	\$398,029
Solid Waste	\$466,306
Motor Vehicle	\$761,199
Cable TV	\$88,928
Cemetery	\$10,923
Liquor (Wine & Spirits and Bar & Grill)	\$8,027,571
Marina	\$405,088
<b>Total Consolidated Budget</b>	<b>\$23,120,220</b>



Budget Summary

Tax Levy Summary

Overall, the tax levy includes levies for general operations and infrastructure as there is no longer general fund obligated debt service.

	2025	Preliminary Budget		Final Budget	
		2026	% Change	2026	% Change
General	\$6,401,453	\$6,931,009	8.27%	\$6,751,697	5.47%
City Infrastructure	\$502,000	\$490,000	-2.39%	\$490,000	-2.39%
Total City Tax Levy	<b>\$6,903,453</b>	<b>\$7,421,009</b>	<b>7.50%</b>	<b>\$7,241,697</b>	<b>4.90%</b>

Changes Since the Preliminary Budget was Adopted

Several significant changes have been made since the 2026 Preliminary Budget was approved to reduce the total levy increase from 7.50% to 4.90%. Some significant changes include:

Revenue

- Decrease in property taxes by \$179,312
- Update other various revenue sources for a net increase of \$28,000

Expenditures

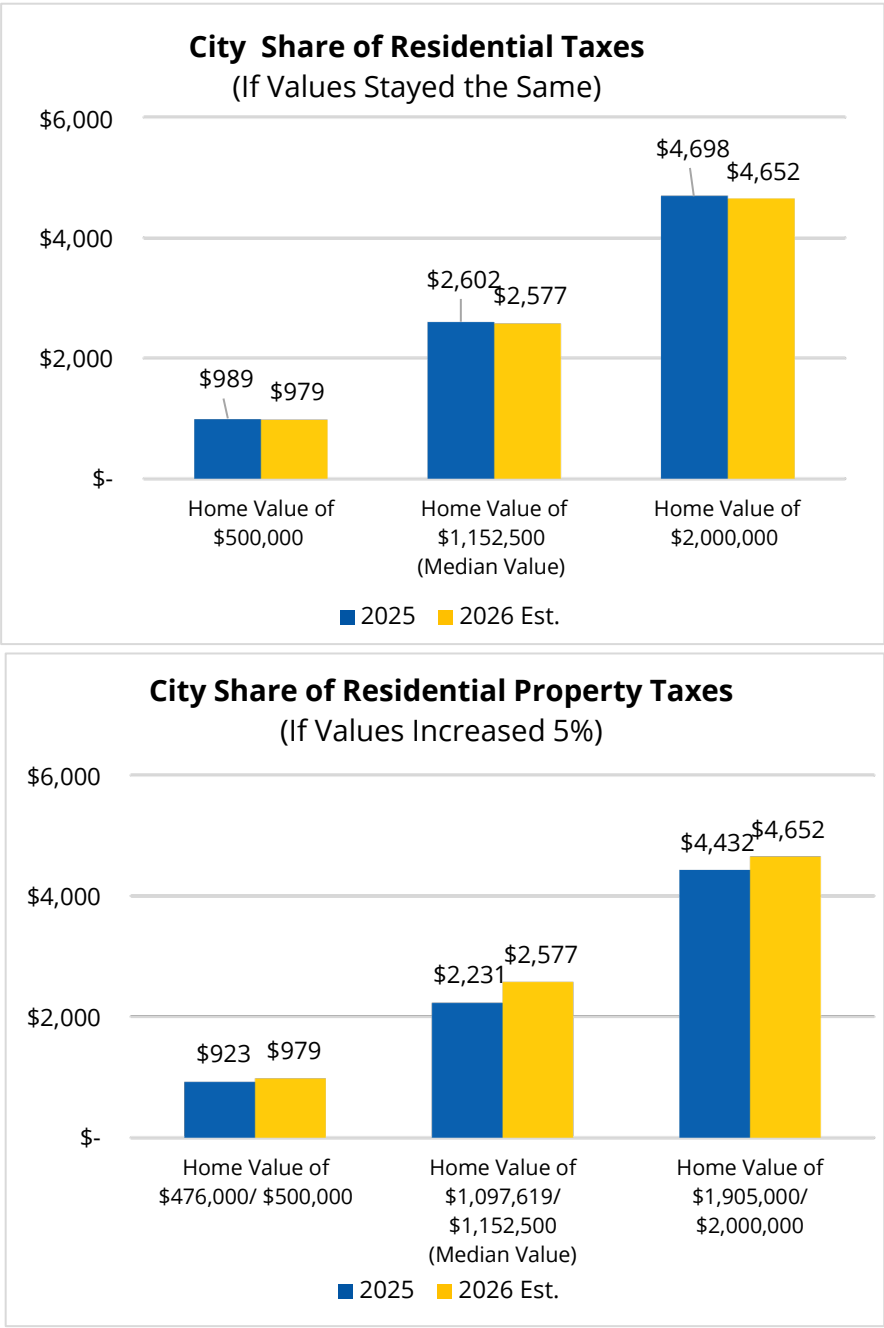
- Decrease in Administration & Finance wages and benefits of \$24,100 to account for City Manager partial year vacancy.
- Decrease Printing & Publishing for removal of Folkstone mailing.
- Decrease in utilities expense across all departments.
- Decrease Part-time wages and benefits in Police Department and Building Inspection Department due to reduction of one Community Service Officer position.
- Decrease supplies and maintenance areas in Streets Department.
- Decrease operating transfer for equipment.



Budget Summary

Impact to Residents

Calculating the impact of changes in property taxes on homeowners requires a complicated mix of data that changes each year. Based on the levy increase of 4.90%, preliminary estimates indicate that the median valued home of \$1,152,500 would see an decrease of \$25 in the City's portion of their annual tax bill when property values are held constant. If a home increased in value by an average of 5% from the prior year, a median value home would see an increase of \$346, in the City's portion of their annual tax bill.



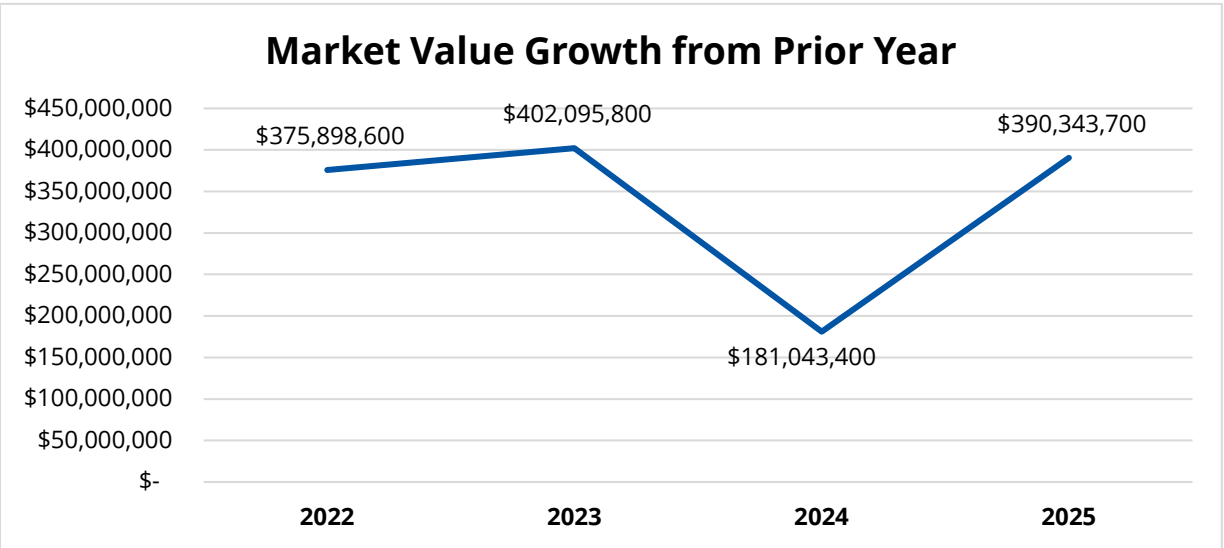
Budget Summary

Market Value and Net Tax Capacity

The City’s tax rate is derived by dividing the City’s levy by the City’s total tax capacity. Multiplying the taxable market value of each property in the City’s taxing jurisdiction by the applicable statutory percentage (class rate) and summing them together determines the City’s total tax capacity. Minnesota has many class rates, and those rates can be changed only by the State Legislature.

Wayzata’s market value continues to experience strong growth with net tax capacity outpacing the suburban county average. About 19% of the market value growth in 2024 is from new construction.

	Net Tax Capacity			
	2024 Pay 2025	2025 Pay 2026	% Change (Wayzata)	% Change (County)
Commercial/Industrial	\$10,180,012	\$10,524,222	3.4%	-0.2%
Apartment	\$2,863,379	\$2,939,216	2.6%	-1.3%
Residential	\$26,734,601	\$29,040,066	8.6%	4.3%
Other	\$3,368,583	\$3,503,427	4.0%	2.1%
Total	\$43,146,575	\$46,006,931	6.6%	2.6%



## Budget Summary

### General Fund Budget Summary

Below is a summary of the General Fund's revenues and expenditures. Actual amounts are presented for the two prior years along with budgeted amounts for the current and next year.

	Actual		Budget		Increase/ (Decrease) from PY	Percent Change
	2023	2024	2025	2026		
<b>Revenues</b>						
Taxes	\$5,279,837	\$5,873,999	\$6,401,453	\$6,751,697	\$350,244	5.47%
Franchise Fees	\$88,002	\$87,896	\$88,000	\$88,000	\$0	0.00%
Licenses and Permits	\$741,116	\$880,364	\$691,100	\$764,225	\$73,125	10.58%
Intergovernmental	\$330,738	\$444,173	\$388,600	\$455,500	\$66,900	17.22%
Charges for Services	\$926,037	\$948,803	\$947,415	\$962,855	\$15,440	1.63%
Fines and Forfeitures	\$81,869	\$93,359	\$89,000	\$90,000	\$1,000	1.12%
Interest	\$178,277	\$271,585	\$130,000	\$185,000	\$55,000	42.31%
Miscellaneous	\$60,081	\$219,935	\$35,000	\$35,000	\$0	0.00%
Transfers In	\$453,000	\$459,393	\$408,313	\$503,313	\$95,000	23.27%
<b>Total Revenues</b>	<b>\$8,138,957</b>	<b>\$9,279,507</b>	<b>\$9,178,881</b>	<b>\$9,835,590</b>	<b>\$656,709</b>	<b>7.15%</b>
	Actual		Budget		Increase/ (Decrease) from PY	Percent Change
	2023	2024	2025	2026		
<b>Expenditures</b>						
Mayor and Council	\$54,544	\$73,058	\$78,985	\$75,620	(\$3,365)	-4.26%
Administration and Finance	\$990,750	\$1,230,493	\$1,277,775	\$1,337,197	\$59,422	4.65%
Assessing	\$99,000	\$51,500	\$0	\$0	\$0	
Community Development	\$369,666	\$400,379	\$431,895	\$458,785	\$26,890	6.23%
Building Operations & Maint.	\$299,510	\$286,194	\$347,345	\$335,360	(\$11,985)	-3.45%
Police	\$2,577,937	\$2,918,585	\$3,504,435	\$3,776,169	\$271,734	7.75%
Crime Control & Invest.	\$58,706	\$53,451	\$53,150	\$62,000	\$8,850	16.65%
Fire	\$401,297	\$448,898	\$438,585	\$670,281	\$231,696	52.83%
Building Inspections	\$222,527	\$239,573	\$270,475	\$300,413	\$29,938	11.07%
Emergency Management	\$1,785	\$5,999	\$10,100	\$10,300	\$200	1.98%
Streets	\$657,683	\$662,813	\$738,855	\$741,380	\$2,525	0.34%
Health Inspections	\$34,375	\$41,350	\$0	\$0	\$0	
Engineering	\$150,946	\$169,914	\$244,710	\$256,780	\$12,070	4.93%
Parks	\$832,268	\$994,823	\$1,116,071	\$1,147,555	\$31,484	2.82%
Boulevard Maint. & Lighting	\$107,012	\$85,994	\$117,500	\$101,000	(\$16,500)	-14.04%
Miscellaneous Allocations	\$1,238,191	\$1,114,744	\$549,000	\$562,750	\$13,750	2.50%
<b>Total Expenditures</b>	<b>\$8,096,197</b>	<b>\$8,777,768</b>	<b>\$9,178,881</b>	<b>\$9,835,590</b>	<b>\$656,709</b>	<b>7.15%</b>
<b>Revenues Less Expenditures</b>	<b>\$42,760</b>	<b>\$501,739</b>	<b>\$ -</b>	<b>\$ -</b>		

## General Fund Levy Drivers

Several factors are contributing to the 2026 budget and specifically are driving the general fund levy increase of \$350,244. Significant categories are listed and represented in the chart below.

- **Addition of Full-Time Fire Chief**
- **Investing in Employee Compensation:** 3% COLA, market adjustments per union contracts.

## Budget Summary

### General Fund Summary of Significant Increases and Decreases (\$5,000 or more) and Service Level Changes

#### Revenues:

Line Item	Increase (Decrease)	Reason
Property Taxes	\$350,244	To balance the budget
Alcoholic Beverages	\$8,625	Fee increases and additional license
Building Permits	\$55,000	Closer to actual but still conservative estimate
Misc. Permits	\$7,500	To actual
Project Inspection	(\$45,000)	To actual
Planning Charges	\$13,500	To actual, addition of mechanical review fee
Interest Earnings	\$55,000	Based on current and forecasted rates
Interfund Transfers	\$95,000	Use of 2024 excess funds (will not actually be transferred)
Insurance Premium Tax- Police	\$50,000	Based on 2025 receipt but still conservative estimate
Police Services - Long Lake	\$8,210	Increase per contract
Insurance Premium Tax- Fire	\$29,000	Based on 2025 receipt
Fire Contracts	\$23,725	Increase per contract/calls

## Budget Summary

### Expenditures:

#### Admin/Finance

Line Item	Increase (Decrease)	Reason
Part-Time Employees	\$13,142	COLA, step increases
Auditing and Accounting Services	(\$26,400)	Service reductions in Abdo contract
Consultants	\$7,350	Compensation study
Legal Fees	\$49,450	To actual
Data Processing	(\$11,390)	To actual
Printing & Publishing	(\$6,200)	To actual
Dues, Licensing & Seminars	\$16,950	ADA compliance software, Adobe Docusign

#### Community Development

Line Item	Increase (Decrease)	Reason
Full-Time Employees	\$17,739	COLA and step increases

#### Building Operations and Maintenance

Line Item	Increase (Decrease)	Reason
Electricity	(\$8,000)	To actual
Fuel, Oil, and Natural Gas	(\$7,000)	To actual
Other Utilities	\$5,500	To actual
Repairs/Maint. Machine & Equipment	(\$5,000)	To actual

## Budget Summary

### Police Department

Line Item	Increase (Decrease)	Reason
Full-time Wages	\$89,783	COLA, step increases
Overtime Wages	\$21,875	To actual based on increased patrols, wage increases
Part-time Wages	(\$9,935)	To actual – CSO hours/pay
PERA	\$12,619	To actual with new wages
MN Paid Family Leave	\$10,139	New MN leave legislation
Employer Paid Insurance	\$30,948	Contract increase
Uniforms	\$5,000	To actual, staff turnover
Contractual Services	\$34,980	To actual with cost increases for 2026
Radio Units	\$12,000	To actual per contract
Repairs/Maint – Machine/Equipment	\$22,000	To actual
Training	\$27,000	Additional training and approved tuition reimbursement per policy

### Fire Department

Line Item	Increase (Decrease)	Reason
Full-time Wages	\$101,250	Full-time Fire Chief
PERA	\$7,594	To actual with wage increases and new position
FICA	\$7,868	To actual with wage increases and new position
Employer Paid Insurance	\$24,385	New Position
Operating Supplies	\$7,000	Moved items out of CIP and into operating
Contractual Services	(\$5,000)	To actual
Payment to Fire Relief	\$55,000	Increase in City contribution to pension

### Building Inspections

Line Item	Increase (Decrease)	Reason
Full-time Wages	\$11,935	COLA and step increases
Part-time Wages	\$12,467	COLA and step increases

## Budget Summary

### Streets

Line Item	Increase (Decrease)	Reason
Full-time Wages	\$12,405	COLA and step increases
Overtime	(\$7,000)	To actual
Chemicals	(\$7,000)	To actual
Sign Repair Materials	(\$6,000)	To actual
Equipment Rentals	\$6,000	To actual

### Engineering

Line Item	Increase (Decrease)	Reason
Full-time Wages	\$8,295	COLA and step increases

### Parks

Line Item	Increase (Decrease)	Reason
Full-Time Employees	\$29,140	COLA and step increases per union contract
Overtime	(\$6,500)	To actual
Contractual Services	\$18,700	Stepdown install/removal
Rec Programs	(\$20,000)	Elimination of lifeguards

### Boulevard Maintenance & Lighting

Line Item	Increase (Decrease)	Reason
Repair/Maint Supplies	(\$6,500)	To Actual
Electric Utilites	(\$10,000)	To Actual



**Budget Summary**

**Misc. Allocations**

<b>Line Item</b>	<b>Increase (Decrease)</b>	<b>Reason</b>
General Liability Insurance	\$35,000	To actual
Workers Comp Insurance	\$17,000	To actual
Operating Transfers - Equipment	(\$54,500)	Reduction in capital transfers to reduce levy increase
Operating Transfers-GF Operating	\$16,250	Budgeted transfer of permit fees to Comp Plan

**Enterprise Fund Budget Summaries**

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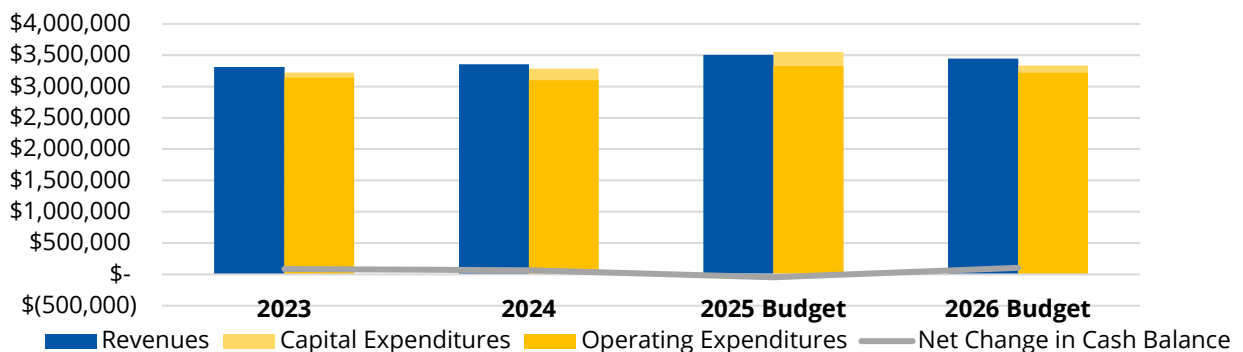
**2026 Budget**

## Municipal Liquor Fund – Wine and Spirits Summary

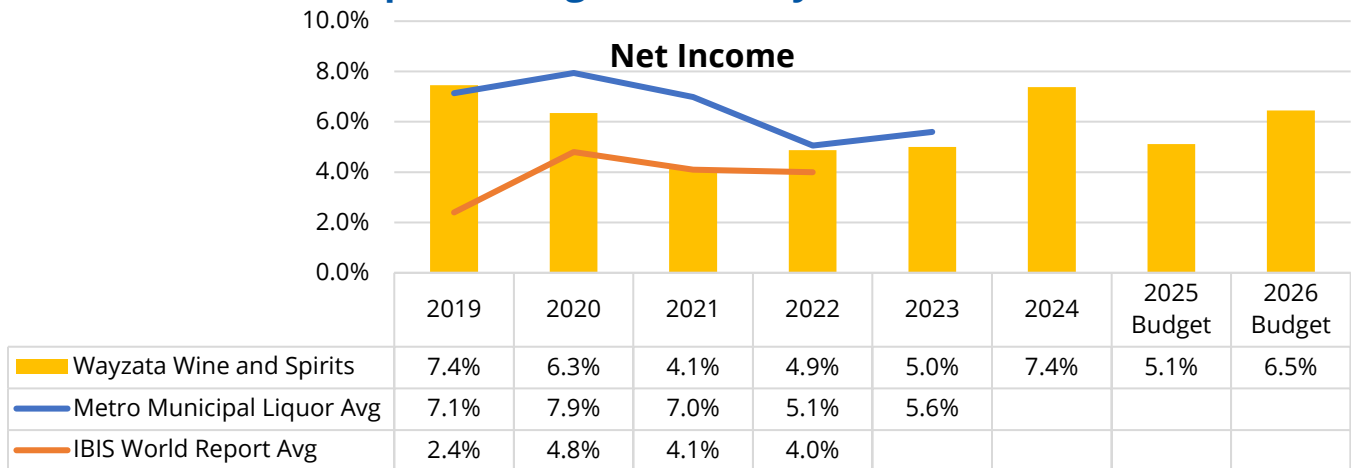
Year-to-date (YTD) revenue is trending 3.64% below 2024 actual and is trending behind the 2025 budget. However, due to significant improvements in gross profit over the last few years, net income is performing better than prior years. The 2026 budget achieves about a 1.00% increase in gross profit to 32% (above industry average of about 27% municipal liquor and 23% for liquor stores in US).

The 2026 budget reflects a 1.81% decrease in revenues compared to the 2025 budget to realign the budget to what is realistic. The 2025 budget set revenues 6% below the 2024 budget, which far exceeds both industry expectations and actual performance. The May 2024 IBIS World industry report of Liquor Stores in the US projects that industry-wide, revenue is forecasted to only rise 2% over the next five years.

Liquor - Wine and Spirits	Actual		YTD 10/31/2025	Budget		
	2023	2024		2025 Budget	2026 Budget	% Change
Revenue	\$3,308,096	\$3,349,822	\$2,581,657	\$3,506,000	\$3,442,670	-1.81%
Cost of Goods Sold	(\$2,336,657)	(\$2,355,782)	(\$1,812,402)	(\$2,424,700)	(\$2,346,244)	-3.24%
Operating Expenses	(\$805,989)	(\$746,676)	(\$647,826)	(\$901,969)	(\$874,257)	-3.07%
<b>Net Operating Change</b>	<b>\$165,450</b>	<b>\$247,364</b>	<b>\$121,429</b>	<b>\$179,331</b>	<b>\$222,169</b>	<b>23.89%</b>
Capital Expenses	\$4,586	\$96,701	\$46,000	\$140,050	\$32,100	-77.08%
Profit Transfer to General Fund	\$75,000	\$85,000	\$128,232	\$85,000	\$85,000	0.00%
Excess Reserve Transfers Out	\$0					
<b>Net Change in Cash Balance</b>	<b>\$85,864</b>	<b>\$65,663</b>	<b>(\$52,803)</b>	<b>(\$45,719)</b>	<b>\$105,069</b>	<b>329.81%</b>
Cost of Goods Sold	71%	70%	70%	69%	68%	-1.46%
Gross Profit	29%	30%	30%	31%	32%	3.26%
Operating Expenses	24%	22%	25%	26%	25%	-1.29%
Net Income Before Transfers	5%	7%	5%	5%	6%	1.34%



## Wine and Spirits Budget Summary Continued



### Summary of Significant Changes (\$5,000 or More)

Revenue Line Item	Increase (Decrease)	Reason
Liquor, Wine, Beer	(\$125,460)	Based on current and projected sales
Miscellaneous and THC Sales	\$62,130	Based on current sales, moved N/A items to Miscellaneous

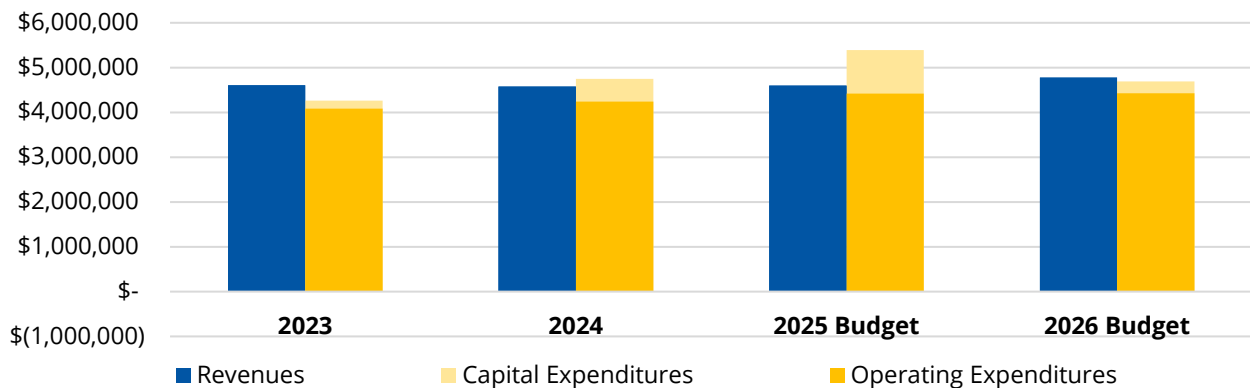
Expense Line Item	Increase (Decrease)	Reason
<b>Off-Sale</b>		
Full-Time Employees	\$13,087	3% COLA & step increases
Allocated GF Wages	\$5,699	3% COLA & step increases
Costs of Goods Sold (Liquor, Wine, Beer, etc.)	(\$108,206)	To match projected sales
Cost of Goods Sold (Misc and THC)	\$32,270	To match projected sales
Advertising	(\$7,000)	Based on current trend
General Promotions	(\$42,000)	Elimination of rewards program
<b>Capital</b>		
Buildings & Structures	(\$89,450)	Per CIP – HVAC moved to 2027
Furniture and Fixtures	(\$18,500)	Per CIP

## Municipal Liquor Fund – Bar and Grill Summary

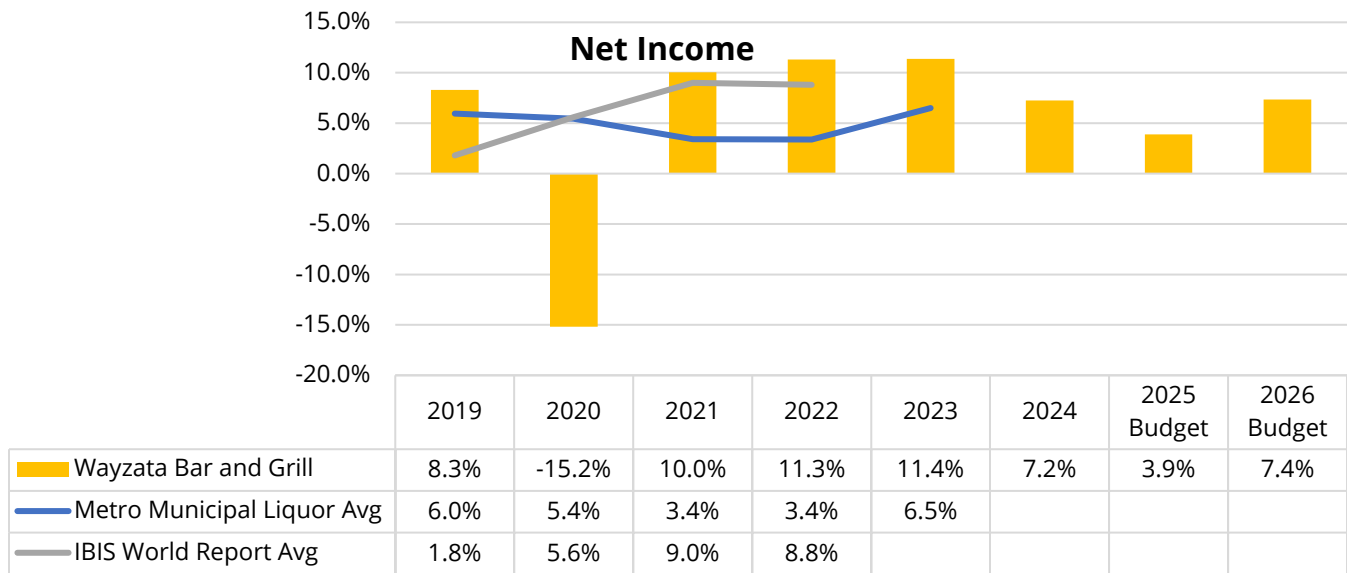
2025 YTD revenue is trending about 2.49% below 2024 which is attributed to increased competition with Red Cow. The 2026 budget reflects a 3.89% increase in revenues to keep the budget in line with 2025 YTD performance and industry wide expectations. The May 2024 IBIS World industry report of single location restaurants in the US projects that industry-wide, revenue is forecasted to only rise 1.4% over the next five years.

The 2026 budget maintains gross profit at 78% (industry standards are around 70%, on-sale Muni's trend much lower at about 40%). Net operating revenue is expected to increase.

Liquor – Bar and Grill	Actual		YTD 10/31/2025	Budget		
	2023	2024		2025	2026	% Change
Revenue	\$4,606,028	\$4,574,873	\$3,103,317	\$4,599,305	\$4,778,346	3.89%
Cost of Goods Sold	(\$1,072,471)	(\$1,127,975)	(\$949,447)	(\$1,139,141)	(\$1,067,160)	-6.32%
Operating Expenses	(\$3,009,452)	(\$3,115,846)	(\$2,074,264)	(\$3,280,847)	(\$3,359,810)	2.41%
<b>Net Operating Change</b>	<b>\$524,105</b>	<b>\$331,052</b>	<b>\$79,606</b>	<b>\$179,317</b>	<b>\$351,376</b>	<b>95.95%</b>
Capital Expenses	\$59,946	\$381,862	\$46,000	\$839,750	\$128,000	-84.76%
Profit Transfer to General Fund	\$120,000	\$120,000	\$112,500	\$135,000	\$135,000	0.00%
Excess Reserve Transfers Out	\$0					
<b>Net Change in Cash Balance</b>	<b>\$344,159</b>	<b>(\$170,810)</b>	<b>(\$78,894)</b>	<b>(\$795,433)</b>	<b>\$88,376</b>	<b>111.11%</b>
Cost of Goods Sold	23%	25%	31%	25%	22%	-9.83%
Gross Profit	77%	75%	69%	75%	78%	3.24%
Operating Expenses	65%	68%	67%	71%	70%	-1.43%
Net Income Before Transfers	11%	7%	3%	4%	7%	3.45%



## Bar and Grill Budget Summary Continued



### Summary of Significant Changes (\$5,000 or More)

Items identified in the Strategic Plan are noted with the following graphic:



Revenue Line Item	Increase (Decrease)	Reason
Liquor, Wine, Beverage, Food, and THC Sales	\$263,765	To match actual trends in 2025
Beer Sales	(\$7,225)	To match actual trends in 2025
CC Tips	(\$77,499)	Based on projected tips and accounting for change in state law where credit card processing fees cannot be deducted.

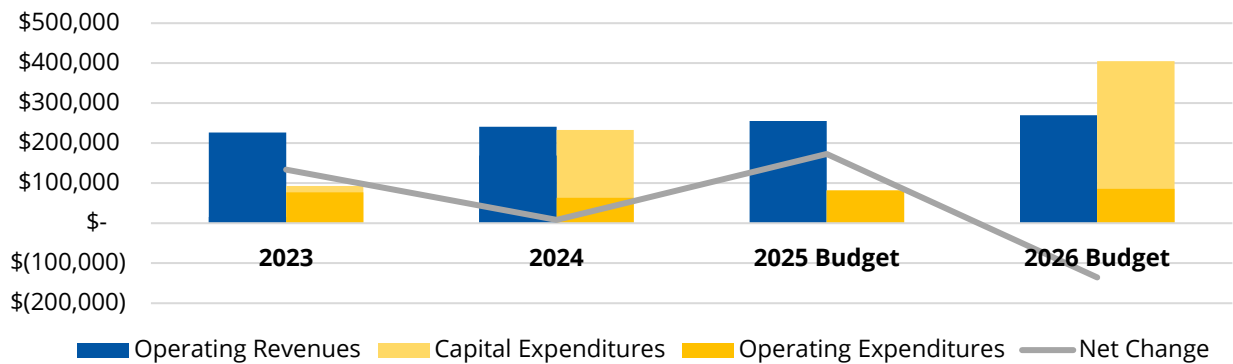
Expense Line Item	Increase (Decrease)	Reason
<b>On-Sale</b>		
Full-time Wages	\$8,185	3% COLA & step increases
Part-time Wages	\$51,952	To actual with estimated minimum wage increase and increase in tip payout
Allocated GF Wages	\$7,996	3% COLA & step increases
PERA/FICA	\$10,319	3% COLA & step increases
MN Paid Family Leave	\$6,687	New legislation
Costs of Goods Sold (Liquor, Wine, Beer, etc.)	(\$72,966)	To match projected sales
Misc/THC	\$11,900	To match projected sales
Advertising	(\$10,000)	To actual

<b>Expense Line Item</b>	<b>Increase (Decrease)</b>	<b>Reason</b>
Electric Utilities	(\$5,000)	To actual
Fuel, oil and natural gas	\$12,000	To actual
Repairs and Maint Bldgs	(\$5,000)	To actual
Credit Card Fees	(\$5,000)	To actual
<b><i>Kitchen</i></b>		
Full-Time Wages	\$6,299	3% COLA & step increases
Part-time Wages	\$22,247	To actual with wage increases
Employer Paid Insurance	(\$20,051)	To actual
Costs of Goods Sold (Food)	(\$5,515)	To match projected sales
Repairs/Maint Equip	(\$5,000)	To actual
<b><i>Capital</i></b>		
Repairs/Maint.- Buildings	(\$26,650)	Per CIP
Repairs/Maint - Equipment	\$19,800	Contingency for unplanned capital expenses
Miscellaneous	(\$10,000)	Per CIP
Buildings & Structures	(\$725,100)	Per CIP – Refresh project moved to 2027
Equipment	\$30,200	Per CIP

# Marina Fund Summary

The 2026 budget will be the fourth budget for the Marina Fund. Revenues reflect an 5% fee increase for boat slips to align with the levy, get closer to market for other municipal marina fees around the lake, and to support the Strategic Plan Priority to Diversify Revenue and maximize enterprises.

Marina Fund	Actual		YTD 10/31/2025	Budget		
	2023	2024		2025	2026	% Change
Total Revenues	\$226,992	\$241,370	\$285,074	\$255,280	\$269,544	5.59%
Total Expenditures	\$77,174	\$63,728	\$48,060	\$82,215	\$85,988	4.59%
<b>Net Change</b>	<b>\$149,818</b>	<b>\$177,642</b>	<b>\$237,014</b>	<b>\$173,065</b>	<b>\$183,556</b>	<b>6.06%</b>
<b>Capital Expenses</b>	\$15,681	\$169,396	\$4,040	\$0	\$319,100	
<b>Net Change in Cash Balance</b>	<b>\$134,137</b>	<b>\$8,246</b>	<b>\$232,974</b>	<b>\$173,065</b>	<b>(\$135,544)</b>	<b>-178%</b>



## Summary of Significant Changes (\$5,000 or More)

Items identified in the Strategic Plan are noted with the following graphic:



Revenue Line Item	Increase (Decrease)	Description/Notes			
Boat Slip Rentals	\$12,264	5% fee increase (still about 3% below Excelsior)			
		Item	2025	2026 proposed	\$ increase
		Outer lagoon	\$2,580	\$2,709	\$129
		Inner lagoon	\$2,250	\$2,363	\$113

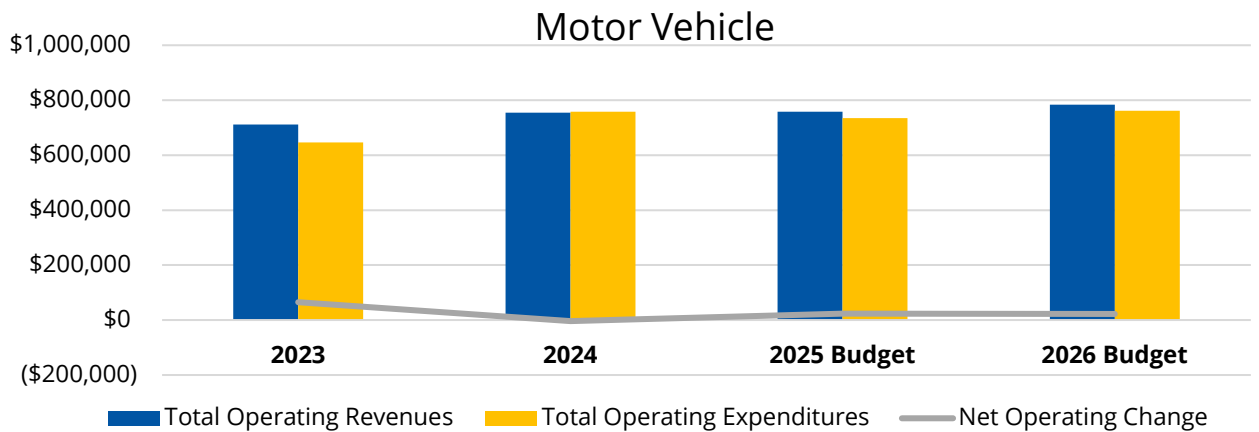
Expense Line Item	Increase (Decrease)	Reason
<b>Capital</b>		
Contractual Services	\$319,100	Per CIP



## Motor Vehicle Fund Summary

The 2026 budget reflects a 3.31% increase in revenues. A 3.56% increase in expenditures is proposed, mostly attributed to personnel cost increases. Additional revenue is expected beginning in 2025 related to “no-fee” transactions. The State has now determined that we will be reimbursed for those types of transactions where formerly we were not.

Motor Vehicle Fund	Actual		YTD 5/31/2025	Budget		% Change
	2023	2024		2025	2026	
Total Revenues	\$711,085	\$754,608	\$338,119	\$758,500	\$783,575	3.31%
Total Expenditures	\$646,175	\$758,458	\$267,309	\$734,999	\$761,199	3.56%
<b>Net Change</b>	<b>\$64,910</b>	<b>(\$3,850)</b>	<b>\$70,810</b>	<b>\$23,501</b>	<b>\$22,376</b>	<b>-4.79%</b>



### Summary of Significant Changes (\$5,000 or More)

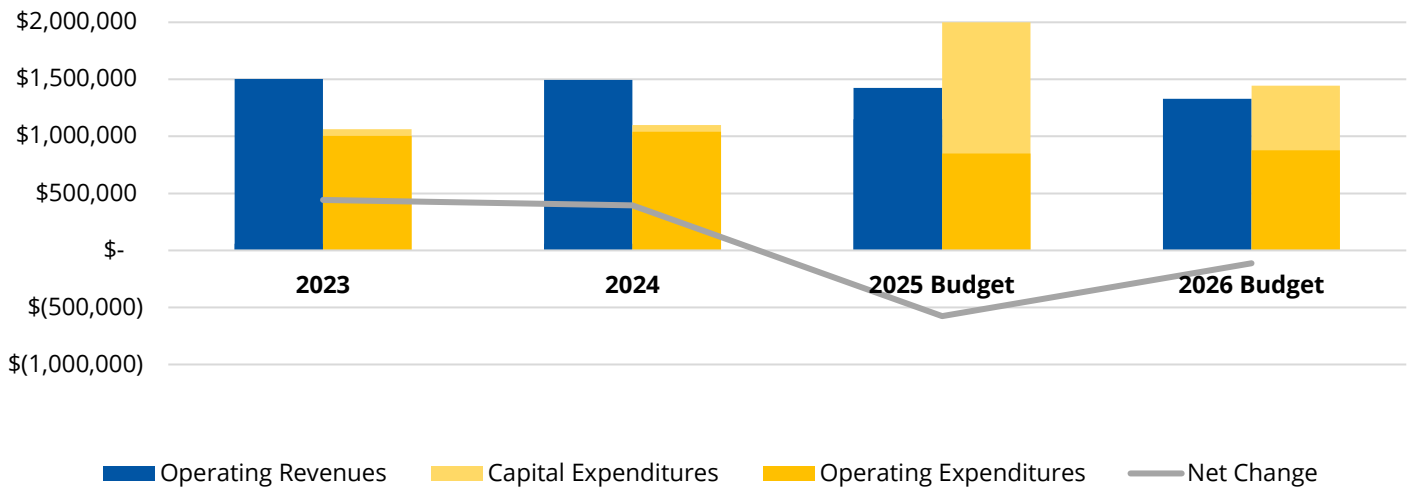
Revenue Line Item	Increase (Decrease)	Reason
Other Charge/Revenue	\$12,125	To actual, reclassify Kiosk revenue, “no-fee” revenue
MV Kiosk	\$6,000	Move kiosk revenue to separate line

Expense Line Item	Increase (Decrease)	Reason
Full-Time Wages	\$9,869	3% COLA & step increases

## Water Fund Budget Summary

Usage rates for the 2026 budget were held flat based on the projected cash flow for the fund. The overall budget shows an increase mostly related to increased personnel costs and keeping up with inflation.

Water Fund	Actual		YTD 5/31/2025	Budget		
	2023	2024		2025	2026	% Change
Total Operating Revenues	\$1,504,254	\$1,493,733	\$385,126	1,423,800	\$1,329,400	-6.63%
Total Operating Expenditures	\$1,002,919	\$1,040,536	\$376,808	\$848,845	\$877,759	3.41%
<b>Net Operating Change</b>	<b>\$501,335</b>	<b>\$453,197</b>	<b>\$8,318</b>	<b>\$574,955</b>	<b>\$451,641</b>	<b>-21.45%</b>
Capital Expenses	\$58,745	\$59,257	\$313,988	\$1,150,840	\$565,640	-50.85%
<b>Net Change to Fund Balance</b>	<b>\$442,590</b>	<b>\$393,940</b>	<b>(\$305,670)</b>	<b>(\$575,885)</b>	<b>(\$113,999)</b>	<b>80.20%</b>



### Summary of Significant Changes (\$5,000 or More)

Revenue Line Item	Increase (Decrease)	Reason
Interest Earnings	\$75,000	Based on current rates and fund balance
Water sales	(\$54,600)	To actual
Sprinkling	(\$92,700)	To actual
Service to Other Cities	(\$11,100)	To actual and fee schedule increase
Special Assessments	(\$6,000)	To actual

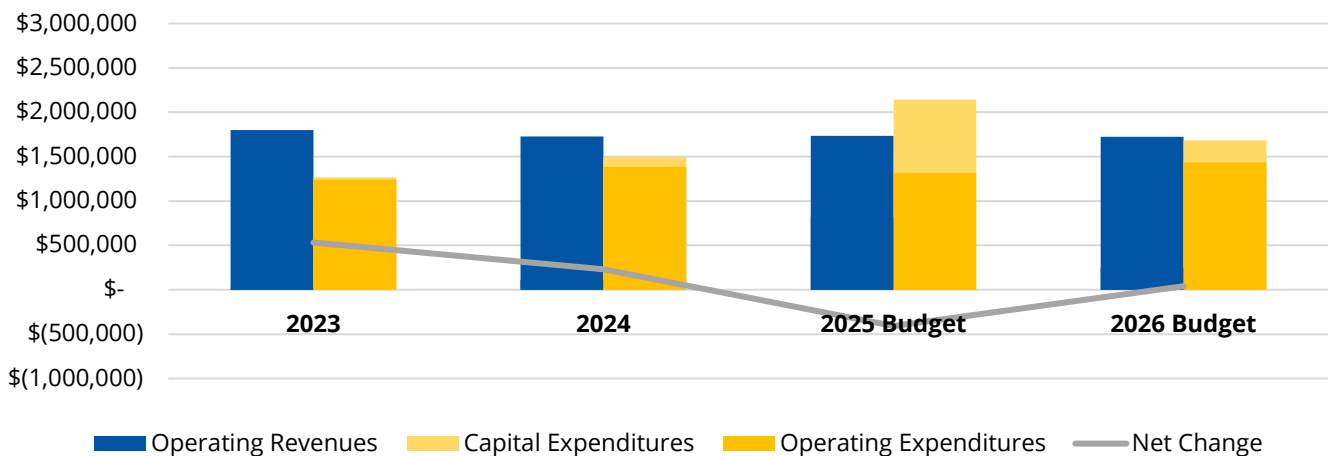
**Water Fund Budget Summary Continued**

<b>Expense Line Item</b>	<b>Increase (Decrease)</b>	<b>Reason</b>
<b><i>General Department</i></b>		
Full-Time Wages	\$12,786	3% COLA and step increases per union contract
Chemicals	\$5,000	To actual
<b><i>Capital</i></b>		
Consultants	(\$98,900)	Per CIP
Contractual Services	(\$420,400)	Per CIP
Equipment	(\$77,300)	Per CIP
Debt Principal	\$25,000	Per debt schedule
Bond Interest	(\$17,000)	Per debt schedule

## Sewer Fund Summary

The 2026 budget reflects a 3% rate increase as recommended in the 2022 Utility Rate Study. The overall budget shows an increase, in large part due to increases in Met Council fees and personnel costs.

Sewer Fund	Actual		YTD 5/31/2024	Budget		
	2023	2024		2025	2026	% Change
Total Operating Revenues	\$1,798,444	\$1,725,734	\$604,730	\$1,733,000	\$1,724,000	-0.52%
Total Operating Expenditures	\$1,239,748	\$1,384,150	\$538,828	\$1,317,520	\$1,435,087	8.92%
<b>Net Operating Change</b>	<b>\$558,696</b>	<b>\$341,584</b>	<b>\$65,902</b>	<b>\$415,480</b>	<b>\$288,913</b>	<b>-30.46%</b>
Capital Expenses	\$26,144	\$110,948	\$78,650	\$823,600	\$248,100	-69.88%
<b>Net Change to Fund Balance</b>	<b>\$532,552</b>	<b>\$230,636</b>	<b>(\$12,748)</b>	<b>(\$408,120)</b>	<b>\$40,813</b>	<b>110.00%</b>



### Summary of Significant Changes (\$5,000 or More)

Revenue Line Item	Increase (Decrease)	Reason
Special Assessments	(\$13,000)	To actual
Interest Earnings	\$50,000	Based on current interest rates
W/S/Storm Sales	(\$28,000)	To actual with fee schedule increase
Service to Other Cities	(\$18,000)	To actual with fee schedule increase

Expense Line Item	Increase (Decrease)	Reason
<b>General Department</b>		
Full-Time Wages	\$12,716	3% COLA and step increases per union contract
Other Utilities	\$99,370	Increase in Met Council fees

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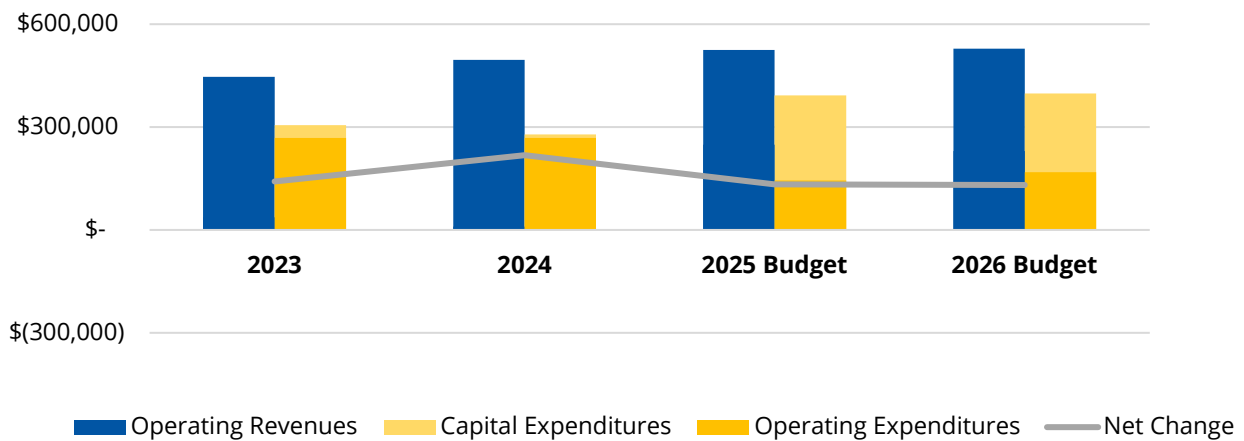
## Sewer Fund Budget Summary Continued

Expense Line Item	Increase (Decrease)	Reason
<b><i>Capital</i></b>		
Contractual Services	(\$304,700)	Per CIP
Maint/Replac – System	(\$195,800)	Per CIP
Equipment	(\$77,300)	Per CIP
Debt Service Principal	\$5,000	Per debt payment schedule

## Stormwater Fund Summary

The 2026 budget reflects a 1% rate increase giving a slight increase to revenues. Expenditures increase from 2025 budget due to a planned televising project planned in 2026.

Stormwater Fund	Actual		YTD 5/31/2025	Budget		
	2023	2024		2025	2026	% Change
Total Operating Revenues	\$446,350	\$496,361	\$227,259	\$525,000	\$529,000	0.76%
Total Operating Expenditures	\$268,164	\$268,502	\$82,128	\$144,075	\$168,029	16.63%
<b>Net Operating Change</b>	<b>\$178,186</b>	<b>\$227,859</b>	<b>\$145,131</b>	<b>\$380,925</b>	<b>\$360,971</b>	<b>-5.24%</b>
Capital Expenses	\$37,001	\$9,880	\$2,470	\$248,400	\$230,000	-7.41%
<b>Net Change to Fund Balance</b>	<b>\$141,185</b>	<b>\$217,979</b>	<b>\$142,661</b>	<b>\$132,525</b>	<b>\$130,971</b>	<b>-1.17%</b>



### Summary of Significant Changes (\$5,000 or More)

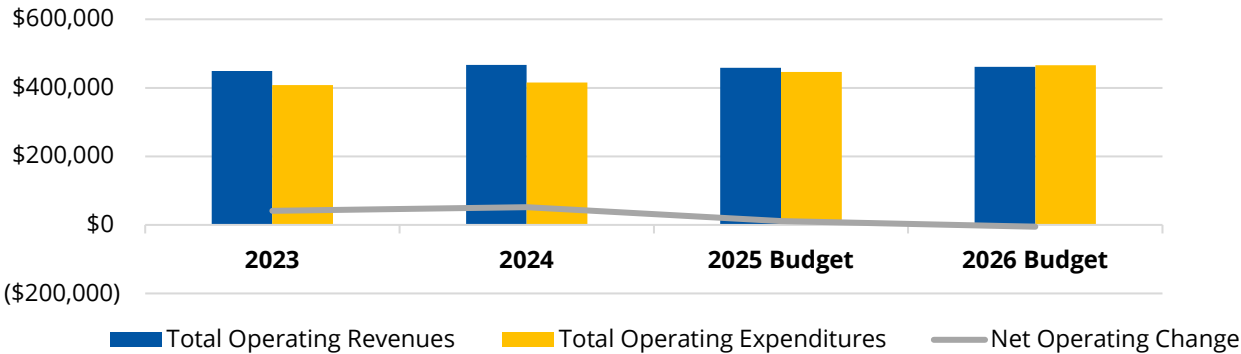
Revenue Line Item	Increase (Decrease)	Reason
Interest Earnings	\$9,000	Based on current rates
W/S/Storm Sales	(\$5,000)	To actual

Expense Line Item	Increase (Decrease)	Reason
Maint. Service	\$20,000	Storm sewer televising
<b>Capital</b>		
Contractual Services	(\$9,400)	Per CIP
Consultants	(\$9,400)	Per CIP

Solid Waste Fund Summary

The 2026 budget reflects a 0% fee increase but an overall revenue increase to reflect actual revenues received YTD in 2025. Expenditures reflect a 4% increase in costs per the Solid Waste contract.

Solid Waste Fund	Actual		YTD 5/31/2025	Budget		
	2023	2024		2025	2026	% Change
Total Revenues	\$449,161	\$467,134	\$183,696	\$458,025	\$461,050	0.66%
Total Expenditures	\$407,890	\$415,385	\$148,421	\$446,680	\$466,306	4.39%
Net Change	\$41,271	\$51,749	\$35,548	\$11,345	(\$5,256)	-146.33%



Summary of Significant Changes (\$5,000 or More)

Revenue Line Item	Increase (Decrease)	Reason
Interest Earnings	\$5,000	Based on current rates

Expense Line Item	Increase (Decrease)	Reason
Refuse/Garbage	\$7,000	To actual
Garbage - Other Utilities	(\$5,000)	To actual
Recycling-Contractual Services	\$11,930	To actual

**Special Revenue Fund Budget Summaries**

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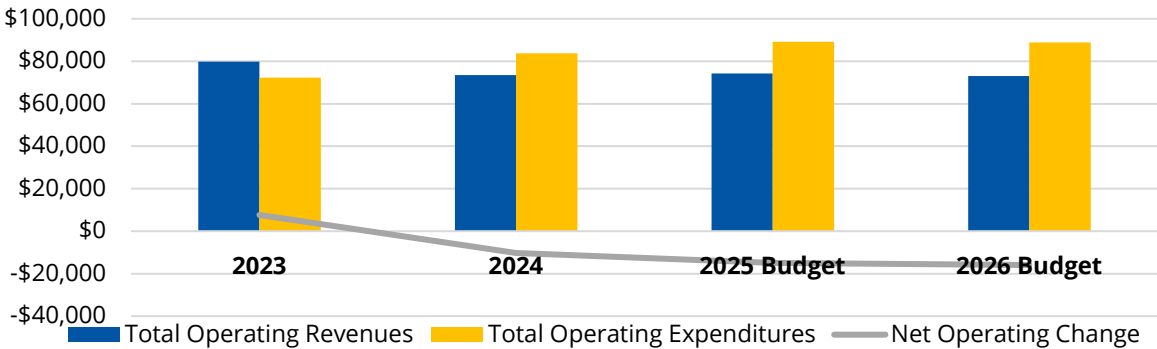
**2026 Budget**



Cable TV Fund Summary

The 2025 budget reflects a decrease in revenues of about 2% based on current trends. The projected budget deficit can be absorbed with the available fund balance which was \$45,418 on December 31, 2024.

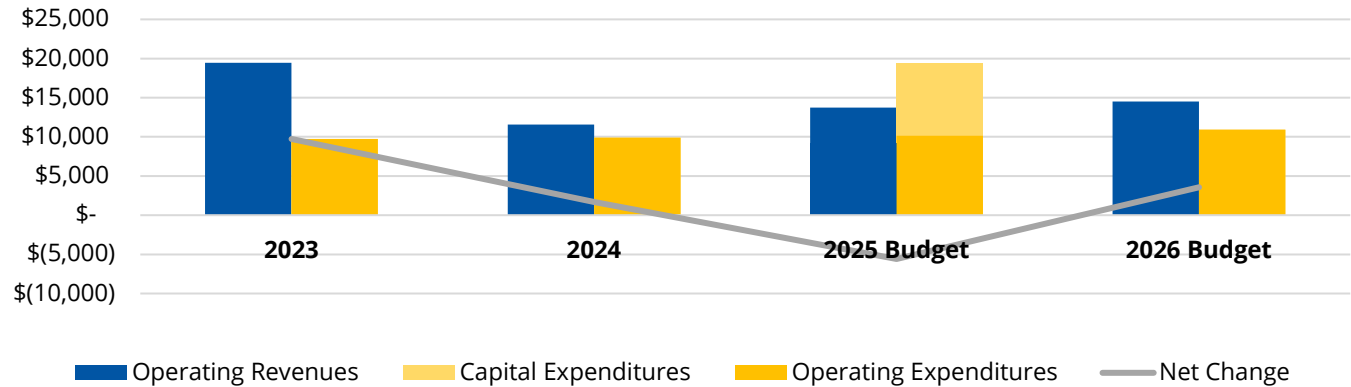
Cable TV Fund	Actual		YTD 5/31/2025	Budget		
	2023	2024		2025	2026	% Change
Total Revenues	\$79,891	\$73,428	16,503	\$74,200	\$73,000	-1.62%
Total Expenditures	\$72,265	\$83,687	\$33,017	\$89,140	\$88,928	-0.24%
Net Change	\$7,626	(\$10,259)	(\$16,514)	(\$14,940)	(\$15,928)	6.61%



### Cemetery Fund Summary

The 2026 budget reflects a slight increase in revenues to reflect actual revenues. A modest increase in expenditures reflects increased personnel costs.

Cemetery Fund	Actual		YTD 5/31/2025	Budget		
	2023	2024		2025	2026	% Change
Total Revenues	\$19,455	\$11,568	\$706	\$13,750	\$14,500	5.45%
Total Expenditures	\$9,724	\$9,891	\$11,143	\$10,140	\$10,923	7.72%
Net Change	\$9,731	\$1,677	(\$10,437)	\$3,610	\$3,577	-0.91%
Capital Expenses				\$9,200		-7.41%
Net Change to Fund Balance	\$9,731	\$1,677	(\$10,437)	(\$5,950)	\$3,577	-100.00%



Budget Summary

Transfer Summary

Interfund transfers allow the City to reallocate resources to the funds where those assets can be used to pay for related expenses or to achieve certain goals. For example, income generated by Wayzata Bar & Grill, Wayzata Wine & Spirits, and the Wayzata Motor Vehicle Licensing Center has historically been transferred to the General Fund (and other funds) to reduce the property tax levy.

2024 Transfer Summary

	General Fund (#101)	Parks & Trails Fund (#404)	Equipment Revolving (#409)	Facilities & Infrastructure CIP (#408)	Comp Plan (#239)	Total
<b>Fund To:</b>						
<b>Fund From:</b>						
General Fund (#101)	\$95,000	\$52,042	\$350,000	\$250,000	\$25,000	<b>\$772,042</b>
Lakefront (#233)						
Cable TV (#235)						
TIF Districts (#306 & #316)						
Equipment Revolving (#409)						
Water (#610)						
Sewer (#620)						
MV License (#630)		\$47,958				<b>\$47,958</b>
Liquor Operations (#640)						
Wine & Spirits						
Bar & Grill						
Stormwater (#670)						
<b>TOTAL</b>	<b>\$95,000</b>	<b>\$100,000</b>	<b>\$350,000</b>	<b>\$250,000</b>	<b>\$25,000</b>	<b>\$820,000</b>

# Line-Item Budgets by Fund

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2026 Budget