



**WORK SESSION  
RICHFIELD MUNICIPAL CENTER, BARTHOLOMEW ROOM  
JULY 26, 2022  
5:00 PM**

Call to order

1. Preview the preliminary 2023 Budget and provide long-term financial planning update as summarized in the Key Financial Strategies (KFS) spreadsheet. Preview proposed utility rates, proposed City fees and the proposed 2023 Capital Improvement Budget (CIB) and 2024-2027 Capital Improvement Plan (CIP).
2. Presentation and discussion of staff's spending recommendation for the City's remaining allocation of the Coronavirus Local Fiscal Recovery Funds as established under the American Rescue Plan Act (ARPA).

Adjournment

**Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.**



## **STAFF REPORT NO. 17**

### **WORK SESSION**

**7/26/2022**

REPORT PREPARED BY: Kumud Verma, Finance Manager

DEPARTMENT DIRECTOR REVIEW: Kumud Verma, Finance Manager

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager  
7/21/2022

#### **ITEM FOR WORK SESSION:**

**Preview the preliminary 2023 Budget and provide long-term financial planning update as summarized in the Key Financial Strategies (KFS) spreadsheet. Preview proposed utility rates, proposed City fees and the proposed 2023 Capital Improvement Budget (CIB) and 2024-2027 Capital Improvement Plan (CIP).**

#### **EXECUTIVE SUMMARY:**

Staff will present a high level overview of the preliminary budget, utility rates and fee increases in order to seek council feedback in finalizing the proposed 2022 Revised and 2023 Proposed budgets which will be presented in more detail on August 17, 2022.

Staff are also seeking feedback on the proposed 2023 CIB and 2024-2027 CIP.

Both the operating and capital budgets will determine the preliminary levy which is scheduled to be considered by City Council on September 13, 2022. The City must certify its preliminary property tax levy for payable year 2023 to the County Auditor and set a date for its Truth in Taxation public meeting on or before September 30, 2022. Once the preliminary levy is approved, it may be further reduced at a later City Council meeting, but it legally cannot be increased over the preliminary approved amount.

City Council is scheduled to conduct a Truth in Taxation hearing on December 6, 2022 and consider the adoption of the final budget and levy on December 13, 2022.

#### **DIRECTION NEEDED:**

See Executive Summary

#### **BACKGROUND INFORMATION:**

##### **A. HISTORICAL CONTEXT**

N/A

##### **B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

The 2023 CIB/2024-2027 CIP is scheduled to be considered by the Planning Commission at their June 25, 2022 meeting.

**C. CRITICAL TIMING ISSUES:**

The 2023 budget is still being formulated. At a special City Council Budget work session on August 17, city staff will present the budget in more detail.

**D. FINANCIAL IMPACT:**

The 2023 Budget is the financial plan for the City for funding City services and programs.

The KFS is a financial forecast of future tax levies, general fund operations and future debt issuance.

Proposed utility rates and City fees impact the financial operations of the utility funds, general fund and special revenue funds.

The 2023 CIB and the 2024-2027 CIP is a plan of proposed future capital projects.

**E. LEGAL CONSIDERATION:**

N/A

**ALTERNATIVE(S):**

None.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

	Description	Type
▣	City Fees	Exhibit
▣	2023 KFS WLNC	Backup Material
▣	2023 KFS WLNC other revenue	Backup Material

There are descriptions of the proposed fee increases directly after the section title.  
 If the reason for the proposed fee is not specifically stated, there is a standard 3% increase.

**RESOLUTION NO.**

**RESOLUTION ESTABLISHING 2023 LICENSE, PERMIT AND MISCELLANEOUS FEES  
 PURSUANT TO THE PROVISIONS OF APPENDIX D OF THE ORDINANCE CODE OF THE  
 CITY OF RICHFIELD RESCINDING RESOLUTION NO. 11882**

**BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota as follows:

**Section 1. - Establishing Fees.**

- A. License, permit and miscellaneous fees required under the ordinances of the City of Richfield shall be as stated in the sections of this resolution.
- B. A period of no less than 30 days will be allowed for the remittance of City Business license renewal fees contained in Sections 5, 6, 7, 8 and 9 of this resolution.
- C. A 10% administrative surcharge will be assessed upon all renewals contained in Section 5, 6, 7, 8 and 9 of the resolution if not received by the City on or before December 31st of each year. The 10% surcharge will be based upon the cost of the license.
- D. Nothing in this section shall be deemed to require the City to issue or renew any license for which the fee has not been paid in a timely manner.

**Section 2. - Construction and Related License Fees.**

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) Heating and Ventilating Installer	400.07	1 Year	\$80.00	No change
(2) Sign Installer	416.01—416.13	1 Year	\$80.00	No change
(3) Electrical Installer	400.03—400.09	State License Required		
(4) Plumber	400.03—400.09	State License Required		
(5) Well Driller	620	State License Required		

**Section 3. - Public Works Fees.**

(3) Excavation in Public Right of way - We are upping the fee to be in line with peer cities and to better recoup costs associated with all the horizontal fiber optic boring going on around town. Currently the telecoms can pull one permit for \$125 and bore hundreds or thousands of feet and our permit doesn't scale with the size of the project. Staff spends countless hours mitigating resident concerns and yard restoration issues on these projects.

(13) Utilities Special Charges - The proposed transaction fee for credit card payments is being

implemented to allow the city to recoup costs it pays to the credit card processing companies for credit card payments. No processing fees are incurred for ACH, debit card, or check payments for utility bills which means customers have options available to pay their bills without incurring the additional fee. This change will mean that credit card users will pay their own individual fee instead of all Richfield utility customers paying the fees collectively through water revenues.

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) Benches	805.01— 805.27	First Year	\$80.00	No change
		Renewal	\$30.00	No change
(2) Boulevard feature Permit	811.07	a) Application to place a privately owned feature in the boulevard	\$30.00	No change
		b) If applied for after installation of feature has begun	\$60.00	No change
(3) Excavation in Public Right of way	800.01— 800.15	a) For each transverse excavation and each <del>400</del> <u>500</u> feet or portion thereof longitudinal excavation and for each <del>400</del> <u>500</u> feet of curb and gutter or portion thereof installed or driveway apron installed, except when survey and grade stakes are set by City	\$125.00	\$200.00 \$0.20 per foot > 500'
		b) If applied for after excavation has begun	\$250.00	\$400.00
		c) For each pothole	\$20.00	No change
(4) Pole Attachment /Small Cell Facilities Permit	802	a) Application to attach or collocate pole attachment on City facilities in the City Right-of-way	\$500.00 /≤ 5 units \$100.00/unit thereafter	No change
		b) Application to construct/install new small cell pole w/ attachment in the City Right-of-way	\$1,000/unit	No change
		c) Annual rental fee per attachment to collocate on the city structure, per agreement	Up to \$150/unit	No change

		d) Annual maintenance fee associated with the collocation, per agreement	Up to \$25/unit	No change
		Monthly Electrical Fees a) Radio node less than or equal to 100 maximum watts b) Radio node over 100 maximum watts c) The actual cost of electricity	\$73.00/node \$182.00/node	No change
(5) Forestry Permit	810	Applies only to trees on City property and public ROW	\$50.00	No change
(6) Seasonal Load Limit Exemption		a) Per load	\$25.00	No change
		b) If applied for after delivery	\$50.00	No change
(7) Obstruction Permit	802.17	(a) Short term, temporary single lane closure of less than four hours	No fee	No change
		(b) Lane closures longer than four hours' duration (or if between 7:00 a.m. and 9:00 a.m. or between 3:30 p.m. and 6:00 p.m.)		
		Arterial		
		Day (per block or portion thereof)	\$60.00	No change
		Full Closure (per block or portion thereof)	\$300.00	No change
		Collector		
		Day (per block or portion thereof)	\$30.00	No change
		Full Closure (per block or portion thereof)	\$75.00	No change
		Local/Residential		
		Day (per block or portion thereof)	\$15.00	No change

		Full Closure (per block or portion thereof)	\$45.00	No change
		Sidewalk/Bike Lanes		
		Day	\$30.00	No change
		If applied for after obstruction closure has begun		
		(c) Short term, temporary single lane closure less than four hours	No fee	No change
		(d) Lane closures longer than four hours' duration (or if between 7:00 a.m. and 9:00 a.m. or between 3:30 p.m. and 6:00 p.m.)		
		Arterial		
		Day (per block or portion thereof)	\$120.00	No change
		Full Closure (per block or portion thereof)	\$300.00	No change
		Collector		
		Day (per block or portion thereof)	\$60.00	No change
		Full Closure (per block or portion thereof)	\$150.00	No change
		Local/Residential		
		Day (per block or portion thereof)	\$30.00	No change
		Full Closure (per block or portion thereof)	\$90.00	No change
		Sidewalk		
		Day	\$60.00	No change

		If the closures are not removed by the permitted completion date, then additional Days will be charged at double the rate		
(8) Noise Ordinance Exemption	930.35	(a) With conditions added as required	\$50.00	No change
		(b) If applied for after violation	\$100.00	No change
(9) Certification Charge	705.03— 705.21	All delinquent accounts	\$50.00	No change
(10) NSF Check Charge			\$30.00	No change
(11) Utility Services				
Sanitary Sewer	700.05	All land uses		
New Service			\$125.00	No change
Repair			\$125.00	No change
Disconnect			\$125.00	No change
Replacement			\$125.00	No change
Sewer Service Line Televising			\$75.00	No change
Water Service	715.01	All land uses	\$125.00	No change
New Service			\$125.00	No change
Repair			\$125.00	No change
Disconnect			\$125.00	No change
Replacement				
Turn on/off			\$50.00	No change



Meter Installation			\$50.00	No change
Private Hydrant			\$50.00	No change
Hydrant Meter Fee			\$50.00	No change
Storm Sewer	720	All land uses		
New Service			\$125.00	No change
Repair			\$125.00	No change
Disconnect			\$125.00	No change
Replacement			\$125.00	No change
(12) Street Light Banners	855.05	First time applicant to hang street light banners within a district of for an event.	\$50.00	No change
		Per street light banner installation (no existing hardware)	\$20.00	No change
		Per street light banner installation if supporting hardware exists on the light pole.	\$10.00	No change
		Per street light banner removal	\$10.00	No change
		Permit Renewal: Annually for both decorative and event banners, unless banner design has changed, then full application fee is charged. If annual renewal is not completed, the permittee risks removal of all banners at the permittee's expense.	\$10.00	No change
(13) Utilities Special Charges	715.03	Transaction fee for utility accounts paying by credit card (excludes ACH withdrawals, checks, or debit card payments)		2.95% of utility bill or \$1.95, whichever is greater

**Section 4. - Fire Services Fees.**

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) Fire Prevention Code	400.21— 400.29	For initial fee required under code Per Year	\$80.00	No change
		For each additional fee required under code	\$20.00	No change
		Penalty If not renewed within 2 months of notification Per Year	\$75.00	No change
(2) Daycare/Adult Foster Care Facility Inspection			\$80.00	No change
(3) Reimbursement Fee for Fire/Rescue Unit		Per Hour	\$375.00	No change
(4) Sale of Consumer Fireworks	1131	(a) License per location selling only consumer fireworks Per Year	\$350.00	No change
		(b) License per location of each other retail seller Per Year	\$100.00	No change

**Section 5. - Amusement and Recreation Licenses and Permits.**

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) Arcade	1105	1 Year	\$629.00	\$648.00
(2) Amusement Device	1100.01	(a) Mechanical Amusement Device (Pinball) 1 Year	\$15.00	No change
		(b) Mechanical Music Box 1 Year	\$15.00	No change

		(c) Video Games 1 Year	\$15.00	No change
(3) Lawful Gambling	1100.13	Bingo, Tipboard, Paddle Wheel, Raffle, Pull Tabs	State Fee	No change
		Investigation Fee	\$250.00	No change
(4) Itinerant Place of Amusement	1100.05— 1100.11	1 Day	\$399.00	\$349.00
(5) Public Dance	1110.03	For each day dances are held:	\$4.00	No change
		1 month:	\$52.00	
		No fee for locations holding tavern licenses.		
(6) General Amusement	1100.03	(a) Billiard, Pool or Pigeonhole table (each) 1 Year	\$15.00	No change
		1. Coin operated 1 Year	\$15.00	No change
		(b) Bowling Alley (per lane) 1 Year	\$50.00	\$52.00
		(c) Circus 1 Year	\$202.00	No change
		(d) Dance Hall 1 Day	\$202.00	No change
		(e) Golf		
		1. Miniature 1 Year	\$47.00	No change
		2. Driving Tee 1 Year	\$47.00	No change
		(f) Mountback 1 Day	\$193.00	No change
		(g) Rides, mechanical/animal of any kind (ea) 1 Year	\$15.00	No change
		(h) Shows, any kind 1 Day	\$193.00	No change

		(i) Shuffleboard (each lane) 1 Year	\$16.00	No change
		(j) Other games 1 Day	\$15.00	No change
(7) Musical Concert	1110.01	Per event	\$54.00	\$56.00
(8) Theatre Cinema	1120	1 Year	\$264.00	\$272.00
		Plus a notice publication fee	\$7.00	No change
(9) Roller Rink	1115	1 Year or portion thereof	\$264.00	\$272.00
(10) Commercial Adult-Oriented Enterprises	605	1 Year	\$3,143.00	\$3,237.00
		Investigation fee 1 Year	\$3,143.00	\$3,237.00
(11) Masseur/Masseuse	605	Certificate fee 1 Year	\$103.00	\$106.00
		Investigation fee 1 Year	\$256.00	\$264.00
(12) Public Baths	610	1 Year	\$3,640.00	\$3,749.00
		Investigation fee (actual cost minimum)	\$3,640.00	\$3,749.00
(13) Fortune Teller and related trade	1130.05— 1130.07	1 Day	\$211.00	\$217.00
		1 Week	\$627.00	\$646.00
		1 Month	\$1,252.00	\$1,290.00
		1 Year	\$2,096.00	\$2,159.00
(14) Adult Establishments	1196	Annual license 1 Year	\$3,143.00	\$3,237.00
		Investigation fee (new license)	\$3,143.00	\$3,237.00

**Section 6. - Animal Licenses and Permits.**

(1) Animals; (j) Impounding – Change due to new contract

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed
(1) Animals	905.01— 905.29	(a) Animals (Spayed or Neutered) with option to purchase a multi-year license 1 Year	\$15.00	No change
		(b) Animals (Not Spayed or Neutered) 1 Year	\$25.00	No change
		(c) Duplicate Animal License	\$7.00	No change
		(d) Late Penalty	\$10.00	No change
	905.31— 905.33	(e) Commercial Kennel 1 Year	\$217.00	No change
		(f) Residential Kennel 1 Year	\$100.00	No change
		(g) Veterinary	\$217.00	No change
	905.37— 905.39	(h) Pigeons 1 Year	\$43.00	No change
	905.41	(i) Non-domestic Animals (Temporary Permit)	\$30.00	No change
	905.01— 905.29	(j) Impounding (each animal) 1st time	\$68.00	\$75.00
		2nd Time	\$130.00	\$134.00
		3rd time (each impound after)	\$195.00	\$201.00
		(k) Dangerous dog registration fee State Statute 347.51)	\$500.00	No change
	906.13	(l) Beekeeping Registration fee	\$30.00	No change

**Section 7. - Vehicle and Transportation License and Permit Fees.**

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) Aircraft	1340	1 Day	\$58.00	No change
(2) Garbage and Refuse Collection	601.01— 601.33	Commercial and Residential		
		First vehicle 1 Year	\$314.00	\$323.00
		Each additional vehicle 1 Year	\$67.00	\$69.00
(3) Motor Vehicle Dealer	1155	Per place of business 1 Year	\$470.00	\$484.00
		Each additional place of business 1 Year	\$178.00	\$183.00
(4) Motor Bicycle Business	1160	Per place of business 1 Year	\$273.00	\$281.00
		Per place of business to sell, rent or lease 1 Year	\$125.00	\$129.00
(5) Sound Truck	1165	Per vehicle 1 Year	\$273.00	\$281.00
		Per vehicle 1 Day	\$41.00	\$42.00
(6) Taxicab	1170	First vehicle or auto livery 1 Year	\$680.00	\$700.00
		Each additional vehicle or auto livery operated at any time within license period 1 Year	\$83.00	\$85.00
(7) Taxicab Driver	1175	1 Year	\$64.00	\$66.00
(8) Rental or Utility Trailers and Trucks	1185	Each place of business 1 Year	\$125.00	\$129.00

**Section 8. - Commercial Business and Trade Licenses and Permits.**

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) Firearms Dealer	920.01— 920.05	1 Year	\$2,096.00	\$2,159.00
(2) Food Establishments	617	(A) Type I Establishment, a large 1 year high-risk food establishment serving on average 500 or more meals per day; having 175 or more seats; or having 500 or more customers per day		
		(1) Food service establishment	\$941.00	\$969.00
		(2) School, kindergarten through grade 12	\$691.00	\$712.00
		(3) Daycare Center or Preschool	\$691.00	\$712.00
		(B) Type II Establishment, a small high-risk food establishment serving on average fewer than 500 meals per day; having fewer than 175 seats; or having fewer than 500 customers per day		
		(1) Food service establishment	\$808.00	\$832.00
		(2) School, kindergarten through grade 12	\$538.00	\$554.00
		(3) Daycare Center or Preschool	\$538.00	\$554.00
		(C) Type III Establishment, a medium risk food establishment serving mainly non-time/temperature control for safety (TCS) foods and TCS foods prepared elsewhere and only heated or held cold onsite; or serving or retailing foods such as pizza carryout or delivery, requiring handling followed by heat treatment		
		(1) Food service establishment	\$691.00	\$712.00
		(2) School, kindergarten through grade 12	\$343.00	\$353.00

		(3) Daycare Center or Preschool	\$343.00	\$353.00
		(D) Type IV Establishment, a food establishment with minimal food handling such as preparing coffee, hot dogs, blended or mixed drinks, packaged foods customers		
		heat onsite, continental breakfasts, unpackaged baked goods made elsewhere		
		(1) Food service establishment	\$450.00	\$464.00
		(2) School, kindergarten through grade 12	\$209.00	\$215.00
		(3) Daycare Center or Preschool	\$209.00	\$215.00
		(E) Type V Establishment, a food establishment with non-TCS food or food products sold in the original packaging		
		(1) Food service establishment	\$277.00	\$285.00
		(2) School, kindergarten through grade 12	\$173.00	\$178.00
		(3) Daycare Center or Preschool	\$173.00	\$178.00
		(F) Supplemental Facility		
		(1) High Supplemental Facility (like Type I and II)	\$173.00	\$178.00
		(2) Medium Supplemental Facility (like Type III and IV)	\$138.00	\$142.00
		(3) Catering Supplemental Facility (for Food Catering Vehicle(s) and equipment)	\$209.00	\$215.00
		(4) Low Supplemental Facility (like Type V)	\$103.00	\$106.00
		(G) Temporary Food Establishment		
		(1) Complex Temporary 1 to 3 days (like Type I and II)	\$173.00	\$178.00



		(2) Complex Temporary 4 to 21 days (like Type I and II)	\$312.00	\$321.00
		(3) Simple Temporary 1 to 3 days (like Type III, IV and V)	\$72.00	\$74.00
		(4) Simple Temporary 4 to 21 days (like Type III, IV and V)	\$167.00	\$172.00
		(5) Temporary Food Multi-Vendor	\$874.00	\$900.00
		(H) Farmer's Market Stand (stands not exempted from licensing in Minnesota Statute Chapter 28A)	\$209.00	\$215.00
(3) Automobile Washing Establishment	1125	Per calendar Year or fraction thereof	\$209.00	\$215.00
(4) Cesspools	925.03	Permit fee for opening cesspool or dumping contents of each cesspool into City sewer	\$32.00	\$33.00
(5) Incinerator	601.29— 601.31	1 Year	\$62.00	\$64.00
(6) Tobacco	1146.01(MS 461.12)	Retail Sale and Distribution - License issued on calendar Year (cigarette vending machines prohibited) (Bill No. 1998-19)	\$525.00	\$541.00
(7) Transient Merchant	1181.01— 1181.09	1 Day	\$134.00	\$138.00
(8) Wagon Peddler	1181	1 Year	\$315.00	\$324.00
(9) State hawker or Peddler license	1181	6 month/per person covered	\$78.00	\$80.00
(10) Canvasser or Solicitor	1181	6 month/per person covered	\$78.00	\$80.00
(11) Christmas Tree Sale	1130.03	1 Year	\$171.00	\$176.00

(12) Lodging Establishments	618	(A) Hotel/Motel	\$290.00	\$299.00
		(1) Each Guestroom	\$23.00	\$24.00
(13) Outdoor Merchandising	1135	Permit	\$133.00	\$137.00
(14) Storage Enclosure	1135	Per Enclosure	\$114.00	\$117.00
(15) Pawnbroker	1187	(a) Pawnbroker 1 Year	\$5,462.00	\$5,626.00
		(b) Owner investigation fee 1 Year (nonrefundable)	\$3,140.00	\$3,234.00
		(c) Manager investigation fee 1 Year (nonrefundable)	\$1,136.00	\$1,170.00
		(d) Employee investigation fee 1 Year (nonrefundable)	\$109.00	\$112.00
		(e) Transaction fee - per transaction	\$2.00	No change
(16) Secondhand Goods Dealer	1186	(a) Secondhand Goods Dealer 1 Year	\$599.00	\$617.00
		(b) Initial investigation fee (nonrefundable) actual costs in excess of above with total not exceeding	\$2,438.00	No change
		Applicant shall deposit \$1,200.00 with Licensing Clerk along with application. Amount in excess of actual application costs shall be refunded.		
(17) Auto Detailing Establishment	1195.01	1 Year	\$467.00	\$481.00
(18) Tattoo, Body Piercing, Body Painting or Body Branding	630	(a) Tattoo, body piercing, body painting or body branding 1 Year	\$1,046.00	\$1,077.00

		(b) Initial investigation fee (nonrefundable)	\$1,046.00	No change
		1 Year		
(19) Temporary Tattoo, Body Piercing, Body Branding and Body painting events	630	Per booth	\$62.00	\$64.00
(20) Massage Therapy Enterprise License (Business license)	1188	Annual license 1 Year	\$1,016.00	\$1,046.00
		Investigation fee (new license)	\$1,016.00	\$1,046.00
Massage Therapist (Individual License)		Annual license 1 Year	\$100.00	\$103.00
		Investigation fee (new license)	\$103.00	\$106.00
Temporary Massage Therapist License		Per temporary location	\$210.00	\$216.00
(21) Public Swimming Pools	619	(A) Indoor		
		(1) First pool	\$277.00	\$285.00
		(2) Each additional pool	\$138.00	\$142.00
		(B) Outdoor		
		(1) First pool	\$277.00	\$285.00
		(2) Each additional pool	\$138.00	\$142.00
		(C) School, K through grade 12, pools		
		(1) First pool	\$180.00	\$185.00

		(2) Each additional pool	\$100.00	\$103.00
(22) Motion pictures and commercial photography permit	1197	Per event Photography Motion picture (based on application)	\$50.00 \$200.00	No change

**PLAN REVIEW FEE FOR FOOD, THERAPEUTIC MASSAGE AND LODGING  
PERCENTAGE OF FACILITY INVOLVED WILL BE DETERMINED BY STAFF**

Descriptions:

Type I Establishment, a large high-risk food establishment serving on average 500 or more meals per day; having 175 or more seats; or having 500 or more customers per day.

Type II Establishment, a small high-risk food establishment serving on average fewer than 500 meals per day; having fewer than 175 seats; or having fewer than 500 customers per day.

Type III Establishment, a medium risk food establishment serving mainly non-time/temperature control for safety (TCS) foods and TCS foods prepared elsewhere and only heated or held cold onsite; or serving or retailing foods such as pizza carryout or delivery, requiring handling followed by heat treatment.

Type IV Establishment, a food establishment with minimal food handling such as preparing coffee, hot dogs, blended mixed drinks, packaged foods customers heat onsite, continental breakfasts, unpackaged baked goods made elsewhere.

Type V Establishment, a food establishment with non-TCS food or food products sold in the original packaging.

Environmental plan review—includes the physical remodeling, updating, equipment replacement, equipment additions and the general overall review of all plans/work. This also includes all new development projects.

	New Construction and/or Major Remodel (over 50% of facility involved)	Extensive Remodel (25—50% of facility)	Minor Remodel 0—24% of facility)	Non-remodel approval consultation \$5,000 or less in costs)
Type I	\$3,339.00	\$1,741.00	\$940.00	\$160.00
<b>2023 Proposed Fee Change</b>	<b>\$3,439.00</b>	<b>\$1,793.00</b>	<b>\$968.00</b>	<b>\$165.00</b>

Type II	\$2,300.00	\$1,261.00	\$700.00	\$160.00
2023 Proposed Fee Change	\$2,369.00	\$1,298.00	\$721.00	\$165.00
Type III	\$1,261.00	\$701.00	\$418.00	\$160.00
2023 Proposed Fee Change	\$1,299.00	\$722.00	\$431.00	\$165.00
Type IV	\$617.00	\$241.00	\$121.00	No fee
2023 Proposed Fee Change	\$636.00	\$248.00	\$125.00	No change
Type V	New project or change of owner - \$146.00		Minor remodel - permit but no plan check fee	
2023 Proposed Fee Change	\$150.00		No change	
Therapeutic Massage	\$160.00	\$160.00	\$160.00	\$160.00
2023 Proposed Fee Change	\$165.00	\$165.00	\$165.00	\$165.00

**Section 9. - Liquor and Related License and Permit Fees.**

(1) 3.2 Malt Liquor; (g) Temporary - Applicants have routinely been submitting late and incomplete applications over the past year for this permit and the liquor temp event permit (below) which has substantially impacted the amount of time staff have had to spend completing multiple reviews, phone/email/snail mailing and working with BEH inspections staff to get approvals and event permits completed. Applicants expect a permit the same week the application is submitted. We're working on an education piece to quell this problem.

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) 3.2 Malt Liquor	1202.05	(a) On-Sale 1 Year	\$912.00	No change
		(b) Tavern (dance) 1 Year	\$745.00	No change

		(c) Wholesale 1 Year	\$44.00	No change
		(d) Growler (Micro Brewery Off-Sale Malt Liquor) 1 Year	\$175.00	No change
		(e) Off-Sale 1 Year	\$264.00	No change
		(f) Club (Bottle Club) 1 Year	\$603.00	No change
		(g) Temporary per event	\$70.00	\$100.00
(2) Liquor	1202.05	(a) On-Sale 1 Year	\$12,029.00	No change
		(b) Sunday (Fee set by state law) 1 Year	\$200.00	No change
		(c) Wine 1 Year	\$1,325.00	No change
		(d) Taproom (Micro Brew On-Sale Malt Liquor) 1 Year	\$700.00	No change
		(e) Cocktail Room (Micro Distillery On Sale) 1 Year	\$800.00	No change
		(f) Micro Distillery Off Sale 1 Year	\$600.00	No change
		(g) Veterans' Organization (Ex-Sunday) 1 Year	\$863.00	No change
		(h) Temporary per event	\$141.00	\$170.00
(3) Employee License On-Sale Liquor Establishments	1208.01	Effective 10/1/95 all licenses issued shall be valid for a period of two years from the date of initial application	\$37.00	No change
(4) Investigation Fee	1202.01— 1202.21	(a) On-Sale liquor including Veterans' Organization	\$824.00 and	No change
		Each person shown on application	\$247.00	No change

		Each additional investigation for each person not listed on original or renewal application (excluding Veteran's Organizations)	\$247.00	No change
	1202.11	(b) Wine, Taproom, Brewpub, Distillery, and	\$824.00	No change
		Each person shown on application	\$247.00	No change
		Each additional investigation for each person not listed on original or renewal application	\$247.00	No change
	1202.11	Investigation of substitute manager	\$103.00	No change

**Section 10. - Housing Inspection and Rental License Fees.**

Rental and Point-of-Sale housing re-inspection fees are being raised to cover the cost of making multiple visits to and corresponding with properties that don't complete the required repairs. The rental inspection late fee formula is also being adjusted slightly to cover the cost of staff time for tracking late license applications.

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) License for Apartment Houses and Rental Homes (includes up to two inspections)	407	(a) Apartment House 1 Year	\$ 150.00	No change
		Each unit	\$ 15.00	No change
		(b) Rental Home - single family dwelling 1 Year	\$ 150.00	No change
		(c) Duplexes/double bungalows/townhouses		
		First unit 1 Year	\$ 150.00	No change
		Each additional rental unit 1 Year	\$ 85.00	No change

		(d) Late Fee—To be charged each month the license is late	10% of the annual license fee, with a minimum monthly fee of \$50.00 and a maximum monthly fee of \$500.00, charged each month the fee is late	25% of the annual license fee, with a minimum monthly fee of \$50.00 and a maximum monthly fee of \$500.00, charged each month the fee is late
		(e) License Transfer Fee	\$ 50.00	No change
		(f) Reinstatement of suspended license	100% of license fee (minimum \$80.00)	No change
		(g) Reinstatement of Revoked license	200% of license fee	No change
		(h) Re-Inspection Fee (for inspections over the first two)		
		1. multi-family	\$80.00 for each building with 4 to 11 units \$100.00 for each building with 12 or more units	3 <sup>rd</sup> inspection: \$100.00 4 <sup>th</sup> inspection: \$200.00 5 <sup>th</sup> inspection: \$400.00 6 <sup>th</sup> inspection and more: \$800.00 Up to \$3,000, maximum
		2. single family & duplex	\$50.00 ea.	3 <sup>rd</sup> inspection: \$50.00 4 <sup>th</sup> inspection: \$100.00 5 <sup>th</sup> inspection: \$200.00 6 <sup>th</sup> inspection and more: \$400.00 Up to \$1,500, maximum
		Re-inspection fees shall be payable at the time of license renewal and no renewal license shall be issued unless all inspection fees are paid		



		(i) Provisional license for apartment house Includes first unit	\$ 300.00	No change
		Each additional unit	\$ 30.00	No change
		Provisional license for Rental Home—single family dwelling 1 Year	\$ 300.00	No change
		Provisional license for duplex First unit	\$ 300.00	No change
		Each additional unit	\$ 170.00	No change
		(j) Investigation fee for operating a rental property without a license	\$ 500.00	No change
(2) Certificate of Housing maintenance Compliance (includes up to two inspections)	408	Single family home	\$ 150.00	No change
		2-family home	\$ 230.00	No change
		Condominium	\$ 100.00	No change
		Re-inspection Fee	\$ 50.00	3 <sup>rd</sup> inspection \$50.00 4 <sup>th</sup> inspection \$100.00 5 <sup>th</sup> inspection \$200.00 6 <sup>th</sup> inspection and more \$400.00 Up to \$1,500, maximum
		Fee to process cash escrow agreement	\$ 50.00	No change
		Fee to process Agreement to Comply	\$ 50.00	No change
(3) Richfield Apartment Managers' Association Fee	407	Fee to support RAMA services	\$ 1.50/unit	No change

(4) Permit Fee for Rooming House	406	1 Year	\$ 170.00	No change
----------------------------------	-----	--------	-----------	-----------

**Section 11. - Miscellaneous Fees.**

(4) Nuisance Conduct Fee - We've seen a substantial increase in these cases which has stretched Environmental Health staff and the CCO and CSO's. This increase more accurately reflects the time staff are putting in to deal with these properties. This has not been increased since 2019.

(12) Vacant Building Registration Fee - Environmental Health and CSO time has been inundated with single family vacant property for the last year. The number of vacant properties has doubled since 2018. Staff are taking increased neighborhood complaints, dealing with squatters, debris and hoarding issues, attempted break-in's so we have to re-secure the home and absent owners (communication time). Some homes have been on the vacant list for upwards of 4-5 years. The proposed fee more accurately reflects staff time and resources used.

Type of Permit or License	Section Requiring	Description	Fee	2023 Proposed Fee Change
(1) Permit to reside	1190	In motel for more than six Months	\$ 17.00	No change
(2) Permit to Carry a Gun		Permit Issued By County		
(3) False Alarms (billable)		(a) in excess of 2 for calendar Year	\$ 100.00	No change
		(b) in excess of 10 for calendar Year	\$ 200.00	No change
		(c) in excess of 20 for calendar Year	\$ 300.00	No change
(4) Nuisance Conduct Fee	925	Third call to a property for nuisance conduct within a 365-day period	\$ 300.00	\$350.00
(5) Copying Services Provided		Flat rate (per page)	\$ .25	No change
		Special rate		
		(a) Black & White Photocopy rate		

		8.5 x 11 (per side)	\$ .25	No change
		8.5 x 14 (per side)	\$ .25	No change
		MN Statute 13.03C		
		11 x 17 (each)	\$ .50	No change
		24 x 36 (each)	\$ 2.50	No change
		X-large	\$ 2.50	No change
		Color Photocopy rate		
		8.5 x 11 (per side)	\$ 1.00	No change
		8.5 x 14 (per side)	\$ 2.00	No change
		11 x 17 (each)	\$ 4.00	No change
		24 x 36 (each)	\$ 18.00	No change
		X-large	\$ 3.00/ sq. ft.	No change
		(b) Labor	hourly wage & 33%	No change
		(c) Postage	prevailing rate	No change
		(d) Fax per page	\$ .50	No change
		(e) CD of meeting (per CD)	\$ 5.00	No change
		(f) DVD of meeting (per DVD)	\$ 15.00	No change
		(g) Electronic copies (CD or disk)	\$ 5.00	No change
		(h) As built (per image)	\$ .50	No change
(6) Notary Fee		Fee Set By State		

(7) Candidate Filing Fee	City Charter 4.04		\$ 25.00	No change
(8) Photo Fee		Includes 2 photos	\$ 16.00 including tax	No change
(9) Assessing Fees	Special	Special Assessment Searches		
		- One free property identification number (PID) search per Day		
		- if more than one search per Day (per search)	\$ 3.00	No change
		Special Assessment Search Report		
		- per PID	\$ 15.00	No change
		Creation of New or Special Report		
		- Fees to be based on time and materials to create report		
		- Minimum Fee	\$ 25.00	No change
		Review of Comparable Property Records		
		Residential Field Card Report	\$ .25	No change
		- for up to five comparable properties (per copy)		
		Commercial/Industrial/Apartment Field		
(10) Domestic Partnership	120	Registration	\$ 30.00	No change
(11) Certified copy of various documents		To certify documents i.e. resolutions, ordinances, minutes, registration forms, etc. on file (per copy)	\$ 5.00	No change

(12) Vacant Building Registration Fee	925	Single Family Home or Duplex - Vacant less than one Year	\$ 300.00	\$450.00
		Single Family Home or Duplex - Vacant one Year or longer	\$ 350.00	\$500.00
		Any other type of property of less than 20,000 square feet in building size AND less than 1 acres of lot size - Vacant less than one Year	\$ 550.00	\$600.00
		Any other type of property of less than 20,000 square feet in building size AND less than 1 acres of lot size - Vacant one Year or longer	\$ 1,050.00	\$1,100.00
		Any other type of property larger than 20,000 square feet in building size OR more than 1 acres of lot size - Vacant less than one Year	\$ 1,300.00	\$1,350.00
		Any other type of property larger than 20,000 square feet in building size OR more than 1 acres of lot size - Vacant one year or longer	\$ 2,550.00	\$2,600.00

**Section 12. - Room and Park Shelter Rental Fees.**

Small increases are adjustments to keep pace with cost of living and inflation, as well as the expense of operating the facilities. A few of the larger increases seen in a few of the athletic facilities are being made after a survey of surrounding communities showed our fees to be lower than necessary and warranted by demand.

Location or Type	Description	Fee Classification	Fee	2023 Proposed Fee Change
Richfield Municipal Center	Bartholomew Room	Civic and non-profit groups and governmental agencies	\$75.00/Hr (2-hour minimum)	No change
		Resident groups	\$100.00/Hr (2-hour minimum)	No change
		Non-Resident and other groups	\$500.00/4-hour block	No change

	Heredia Room	Civic and non-profit groups and governmental agencies	\$65.00/Hr (2-hour minimum)	\$69.00/Hr (2-hour minimum)
		Resident groups	\$80.00/Hr (2-hour minimum)	\$82.00/Hr (2-hour minimum)
		Non-Resident and other groups	\$400.00/4-hour block	No change
	Fred Babcock Room	Civic and non-profit groups and governmental agencies	\$65.00/Hr (2-hour minimum)	\$69.00/Hr (2-hour minimum)
		Resident groups	\$80.00/Hr (2-hour minimum)	\$82.00/Hr (2-hour minimum)
Richfield Community Center	Augsburg, Fireside, Nicollet, or Ruth Johnson Rooms	Non-Profit	\$40.00/Hr	\$42.00/Hr
		Private	\$57.00/Hr	\$60.00/Hr
	Combined Nicollet/Augsburg or Richfield Rooms	Non-Profit	\$69.00/Hr	No change
		Private	\$95.00/Hr	
	Kitchen	All Renters	\$38.00/booking  Free with combined Nicollet/Augsburg room rental	No change
Wood Lake Nature Center	Auditorium	Non-Profit	\$40.00/Hr	\$42.00/Hr
		Private	\$58.00/Hr	\$60.00/Hr
Park Shelters	Wood Lake Nature Center - Emily Day Pavilion		\$76.26/4-hour block	\$82.00/4-hour block
	Fairwood, Monroe, Augsburg Park Shelters		\$39.06/4-hour block	\$44.00/4-hour block
	Sheridan Park Shelter		\$76.26/4-hour block	\$62.00/4-hour block
	Veterans Park Shelter	<u>Monday – Thursday</u>  <del>Day: 4 Hour Block (Includes Tax)</del>  <del>Evening: 3 Hour Block</del>	1 Section: \$130.20 2 Sections: \$199.65 3 Sections: \$274.35  1 Section: \$97.65	

		<del>(Includes Tax)</del>  9:00am - 12:00pm  1:00pm - 4:00pm  6:00pm - 9:00pm  9:00am - 9:00pm  <u>Friday - Sunday</u>  <del>Day: 4 Hour Block</del> <del>(Includes Tax)</del>  <del>Evening: 3 Hour Block</del> <del>(Includes Tax)</del>  9:00am - 12:00pm  1:00pm - 4:00pm (1:30pm - 4:30pm on Sat)  6:00pm - 9:00pm  9:00am - 9:00pm	2 Sections: \$158.10 3 Sections: \$209.25          1 Section: \$130.20 2 Sections: \$204.60 3 Sections: \$274.35  1 Section: \$102.30 2 Sections: \$162.75 3 Sections: \$213.90	1 Section: \$105.00 3 Sections: \$221.00  1 Section: \$105.00 3 Sections: \$221.00  1 Section: 110.00 3 Sections: \$225.00  1 Section: \$320.00 3 Sections: \$667.00    1 Section: \$110.00 3 Sections: \$221.00  1 Section: \$110.00 3 Sections: \$221.00  1 Section: \$110.00 3 Sections: \$230.00  1 Section: \$330.00 3 Sections: \$672.00
Athletic Fields	Donaldson Baseball Fields	Resident	\$44.00/hr \$260.00/day (first 8 hrs)	\$54.00/hr \$270.00/day (first 8 hrs)
		Non-Resident	\$56.00/hr \$320.00/day (first 8 hrs)	\$66.00/hr \$340.00/day (first 8 hrs)

	Roosevelt Baseball Fields	Resident Non-Resident	\$44.00/hr \$260.00/day (first 8 hrs) \$56.00/hr \$320.00/day (first 8 hrs)	No change
	Lincoln and Taft Premium Softball Fields	Resident Non-Resident	\$25.00/hr \$120.00/day (first 8 hrs) \$35.00/hr \$175.00/day (first 8 hrs)	\$30.00/hr \$120.00/day (first 8 hrs) \$40.00/hr \$175.00/day (first 8 hrs)
	General Baseball/Softball Fields	Resident Non-Resident	\$18.50/hr \$91.00/day (first 8 hrs) \$35.00/hr \$175.00/day (first 8 hrs)	\$25.00/hr \$109.00/day (first 8 hrs) \$35.00/hr \$199.00/day (first 8 hrs)
	<del>Soccer/Football Fields</del> Christian, Donaldson, Taft, Washington	Resident Non-Resident	<del>\$52.00/hr</del> \$77.00/hr	
	Taft and Washington Premier Soccer/Football Fields	Resident Non-Resident	\$52.00/hr \$77.00/hr	\$59.00/hr \$79.00/hr
	Christian and Donaldson Soccer/Football Fields	Resident Non-Resident	\$52.00/hr \$77.00/hr	No change
	Monroe Neighborhood Soccer Field	Resident Non-Resident		\$40.00/hr \$60.00/hr
Broomball/Hockey Rink	<del>All broomball/hockey rinks</del> Taft, Donaldson, and Christian	Resident Non-Resident	\$18.00/hr \$26.00/hr	\$29.00/hr \$39.00/hr
Tennis Courts	All parks	Resident Non-Resident	\$5.00/court/hr \$6.00/court/hr	\$15.00/court/hr \$25.00/court/hr
Volleyball Courts	All parks	Resident Non-Resident		\$18.00/hr \$26.00/hr
Kato Courts	All parks	Resident Non-Resident		\$18.00/hr \$26.00/hr



Basketball Courts	All parks	Resident		\$18.00/hr
		Non-Resident		\$26.00/hr
Open Space	All parks	Resident	\$18.00/hr	No change
		Non-Resident	\$26.00/hr	
Athletic Facility Light Use	Softball, Baseball, Soccer, Football, Hockey, Tennis	All renters	\$28.00/hr	No change
Richfield Band Shell	Stage and Equipment	All renters	Stage \$140.00/hr  Equipment \$60/booking	Stage \$150.00/hr  Equipment \$70/booking

Passed by the City Council of the City of Richfield this 13<sup>th</sup> day of September, 2022.

\_\_\_\_\_  
 Maria Regan Gonzalez, Mayor

ATTEST:

\_\_\_\_\_  
 Kari Sinning, City Clerk

**City of Richfield**  
**FINANCIAL MANAGEMENT PLAN**

Assumptions: Fiscal disparities increased only 1%, LGA by only 2% and then decreased by \$370,000 for 3 years, starting in 2026, due to 3 TIFs decertifying.  
Added \$2,590,000 to Net Tax Capacity in 2026 due to TIFs decertifying, CD budget increased by \$200k in 2026 to reflect loss of TIF admin fees.  
EDA and Rolling Stock, Equip & Tech levies increased at the same % as expenditures.  
Transfer from capital reserves decreases from \$500k in 2023 to zero in 2026, one time \$520k transfer in 2027 to bridge timing of new debt and retiring debt.

Inflation Assumptions	Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Expenditures	4.00%	4.50%	4.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

**GENERAL FUND**

	2019 Actual	2020 Actual	2021 Actual	2022	2022 Revised	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>REVENUE</b>															
GENERAL PROPERTY TAX	13,674,742	14,796,915	15,961,322	15,810,192	15,809,980	16,932,430	18,218,839	19,699,310	21,048,399	21,805,437	23,107,799	24,081,984	25,071,996	26,099,136	27,164,752
FISCAL DISPARITIES	2,906,533	2,762,283	2,976,843	4,056,410	4,056,410	4,096,974	4,137,944	4,179,323	4,221,117	4,263,328	4,305,961	4,349,021	4,392,511	4,436,436	4,480,800
LICENSES & PERMITS	1,734,871	1,743,695	1,694,430	1,207,288	1,266,500	1,314,495	1,353,930	1,394,548	1,436,384	1,479,476	1,523,860	1,569,576	1,616,663	1,665,163	1,715,118
LOCAL GOVERNMENT AID	1,200,000	1,450,000	2,001,686	2,010,920	2,010,920	2,041,489	2,082,319	2,123,965	1,796,444	1,462,373	1,121,621	1,144,053	1,166,934	1,190,273	1,214,078
OTHER INTERGOVERNMENTAL CHARGES FOR SERVICES	1,347,735	3,378,595	1,490,468	1,450,250	1,574,830	1,506,232	1,551,419	1,597,962	1,645,900	1,695,277	1,746,136	1,798,520	1,852,475	1,908,050	1,965,291
FINES & FORFEITS	2,451,324	1,760,254	1,843,520	2,147,260	1,846,550	1,907,618	1,964,847	2,023,792	2,084,506	2,147,041	2,211,452	2,277,796	2,346,130	2,416,513	2,489,009
MISC. REVENUE	267,531	189,767	176,642	220,000	220,000	220,000	226,600	233,398	240,000	247,612	255,040	262,692	270,572	278,689	287,050
OTHER FINANCING SOURCES	155,329	94,870	62,300	67,830	68,100	70,580	72,339	74,510	76,745	79,047	81,419	83,861	86,377	88,968	91,637
TOTAL REVENUE	24,344,685	26,494,589	27,069,982	27,868,330	27,701,457	28,937,738	30,258,236	31,826,807	32,949,895	34,111,591	35,313,247	36,556,261	37,822,080	39,132,203	40,488,180
<b>EXPENDITURES</b>															
LEGISLATIVE/EXECUTIVE	734,688	836,275	941,743	1,113,300	1,067,967	1,148,816	1,200,513	1,254,536	1,298,445	1,343,890	1,390,926	1,439,609	1,489,995	1,542,145	1,596,120
ADMINISTRATIVE	840,868	954,871	693,573	973,080	983,766	994,820	1,039,587	1,086,368	1,124,391	1,163,745	1,204,476	1,246,633	1,290,265	1,335,424	1,382,164
FINANCE	661,779	513,559	765,642	769,760	995,664	886,070	925,943	967,611	1,001,477	1,036,529	1,072,807	1,110,355	1,149,218	1,189,440	1,231,071
PUBLIC SAFETY	9,436,746	10,016,997	10,309,435	10,926,920	10,755,360	11,332,622	11,842,590	12,375,507	12,808,649	13,256,952	13,720,945	14,201,178	14,698,220	15,212,657	15,745,100
FIRE	4,360,909	4,537,374	5,136,190	5,130,730	5,130,730	5,335,950	5,576,068	5,826,991	6,030,935	6,242,018	6,460,489	6,686,606	6,920,637	7,162,859	7,413,560
COMMUNITY DEVELOPMENT	1,586,564	1,640,111	1,796,087	1,802,120	1,651,380	1,781,890	1,862,075	2,145,868	2,220,974	2,298,708	2,379,163	2,462,433	2,548,619	2,637,820	2,730,144
PUBLIC WORKS	4,158,659	4,216,177	4,657,770	4,751,100	4,716,520	4,946,140	5,168,716	5,401,309	5,590,354	5,786,017	5,988,527	6,198,126	6,415,060	6,639,587	6,871,973
RECREATION SERVICES	1,903,404	1,594,809	2,000,078	2,151,320	2,150,070	2,251,430	2,352,744	2,458,669	2,544,669	2,633,733	2,725,914	2,821,321	2,920,067	3,022,269	3,128,049
TRANSFER OUT	210,000	1,420,290	230,000	250,000	250,000	260,000	290,000	310,000	330,000	350,000	370,000	390,000	390,000	390,000	390,000
TOTAL EXPENDITURES	23,893,617	25,730,463	26,530,518	27,868,330	27,701,457	28,937,738	30,258,236	31,826,807	32,949,895	34,111,591	35,313,247	36,556,261	37,822,080	39,132,203	40,488,180
REVENUE OVER (UNDER) EXPENDITURES	451,068	764,126	539,464	-	-	-	-	-	-	-	-	-	-	-	-
<b>LEVY</b>															
General Fund Tax Levy		17,311,530	18,621,410	19,866,602		21,029,404	22,356,783	23,878,633	25,269,516	26,068,765	27,413,760	28,431,005	29,464,507	30,535,572	31,645,553
Reserve for Uncollectable		174,864	380,029	200,459		210,294	223,568	238,786	252,695	260,688	274,138	284,310	294,645	305,356	316,456
Total General Fund Tax Levy		17,486,394	19,001,439	20,067,061		21,239,698	22,580,351	24,117,419	25,522,211	26,329,453	27,687,897	28,715,315	29,759,152	30,840,927	31,962,008
Existing Debt		5,201,077	3,562,588	3,668,535		3,672,620	4,113,543	4,101,375	4,110,046	4,121,139	3,605,541	2,473,449	2,490,093	2,487,906	2,475,451
New Debt				0		427,980	0	0	703,611	1,280,572	1,280,572	2,212,856	2,212,856	2,212,856	2,212,856
EDA			540,605	556,823		579,096	605,155	632,387	654,521	677,429	701,139	725,679	751,078	777,365	804,573
Rolling Stock, Equipment, and IT Levy			830,000	835,000		868,400	907,478	948,315	981,506	1,015,858	1,051,413	1,088,213	1,126,300	1,165,721	1,206,521
<b>TOTAL CERTIFIED LEVY</b>		<b>22,687,471</b>	<b>23,934,632</b>	<b>25,127,419</b>		<b>26,787,794</b>	<b>28,206,527</b>	<b>29,799,496</b>	<b>31,971,894</b>	<b>33,424,451</b>	<b>34,326,562</b>	<b>35,215,511</b>	<b>36,339,479</b>	<b>37,484,775</b>	<b>38,661,439</b>
<b>Levy % Increase</b>			<b>5.50%</b>	<b>4.98%</b>		<b>6.61%</b>	<b>5.30%</b>	<b>5.65%</b>	<b>7.29%</b>	<b>4.54%</b>	<b>2.70%</b>	<b>2.59%</b>	<b>3.19%</b>	<b>3.15%</b>	<b>3.14%</b>
TOTAL CERTIFIED LEVY		22,687,471	23,934,632	25,127,419		26,787,794	28,206,527	29,799,496	31,971,894	33,424,451	34,326,562	35,215,511	36,339,479	37,484,775	38,661,439
LESS FISCAL DISPARITIES		(3,443,450)	(3,618,365)	(4,056,410)		(4,096,974)	(4,137,944)	(4,179,323)	(4,221,117)	(4,263,328)	(4,305,961)	(4,349,021)	(4,392,511)	(4,436,436)	(4,480,800)
NET LOCAL LEVY TO TAXPAYERS		19,244,021	20,316,267	21,071,009		22,690,820	24,068,583	25,620,173	27,750,777	29,161,123	30,020,601	30,866,490	31,946,968	33,048,339	34,180,639
NET TAX CAPACITY		36,111,232	37,567,917	39,253,300		44,077,531	46,281,407	48,595,477	53,615,251	56,296,014	59,110,815	62,066,355	65,169,673	68,428,157	71,849,565
TAX RATE ON TAX CAPACITY		53.291%	54.079%	53.680%		51.479%	52.005%	52.721%	51.759%	51.800%	50.787%	49.731%	49.021%	48.296%	47.573%
TAX RATE % CHANGE			1.48%	-0.74%		-4.10%	1.02%	1.38%	-1.83%	0.08%	-1.95%	-2.08%	-1.43%	-1.48%	-1.50%
City Taxes		1,290	1,330	1,428		1,590	1,686	1,795	1,850	1,944	2,002	2,058	2,130	2,204	2,279
Percentage tax increase in average home			3.16%	7.33%		11.34%	6.07%	6.45%	3.08%	5.08%	2.95%	2.82%	3.50%	3.45%	3.43%
Existing Tax Base Inflation Estimate (residential)			0.00%	7.40%		16.10%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Total Net Tax Base % Increase(decrease)			4.03%	4.49%		12.29%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Estimated Average Home Market Value		242,000	246,000	266,000		308,826	324,267	340,481	357,505	375,380	394,149	413,856	434,549	456,277	479,090

City of Richfield  
**FINANCIAL MANAGEMENT PLAN**  
**New WLNC Building not paid sales tax, not levy.**

Assumptions: Fiscal disparities increased only 1%, LGA by only 2% and then decreased by \$370,000 for 3 years, starting in 2026, due to 3 TIFs decertifying.  
 Added \$2,590,000 to Net Tax Capacity in 2026 due to TIFs decertifying, CD budget increased by \$200k in 2026 to reflect loss of TIF admin fees.  
 EDA and Rolling Stock, Equip & Tech levies increased at the same % as expenditures.  
 Transfer from capital reserves decreases from \$500k in 2023 to zero in 2026, one time \$520k transfer in 2027 to bridge timing of new debt and retiring debt.

GENERAL FUND	Inflation Assumptions	Revenue Expenditures														
		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
		4.00%	4.50%	4.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		
		2019	2020	2021	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
		Actual	Actual	Actual	Revised											
<b>REVENUE</b>																
GENERAL PROPERTY TAX		13,674,742	14,796,915	15,961,322	15,810,192	15,809,980	16,929,618	18,218,839	19,699,310	21,048,399	21,805,437	23,107,799	24,081,984	25,071,996	26,099,136	27,164,752
FISCAL DISPARITIES		2,906,533	2,762,283	2,976,843	4,056,410	4,056,410	4,096,974	4,137,944	4,179,323	4,221,117	4,263,328	4,305,961	4,349,021	4,392,511	4,436,436	4,480,800
LICENSES & PERMITS		1,734,871	1,743,695	1,694,430	1,207,288	1,266,500	1,314,495	1,353,930	1,394,548	1,436,384	1,479,476	1,523,860	1,569,576	1,616,663	1,665,163	1,715,118
LOCAL GOVERNMENT AID		1,200,000	1,450,000	2,001,686	2,010,920	2,010,920	2,041,489	2,082,319	2,123,965	1,796,444	1,462,373	1,121,621	1,144,053	1,166,934	1,190,273	1,214,078
OTHER INTERGOVERNMENTAL		1,347,735	3,378,595	1,490,468	1,450,250	1,574,830	1,506,232	1,551,419	1,597,962	1,645,900	1,695,277	1,746,136	1,798,520	1,852,475	1,908,500	1,965,291
CHARGES FOR SERVICES		2,451,324	1,760,254	1,843,520	2,147,260	1,846,550	1,907,618	1,964,847	2,023,792	2,084,506	2,147,041	2,211,452	2,277,796	2,346,130	2,416,513	2,489,009
FINES & FORFEITS		267,531	189,767	176,642	220,000	220,000	220,000	226,600	233,398	240,400	247,612	255,040	262,692	270,572	278,689	287,050
MISC. REVENUE		155,329	94,870	62,300	67,830	68,100	70,580	72,339	74,510	76,745	79,047	81,419	83,861	86,377	88,968	91,637
OTHER FINANCING SOURCES		606,620	318,210	862,770	898,180	848,167	850,732	650,000	500,000	400,000	932,000	959,960	988,759	1,018,422	1,048,974	1,080,443
<b>TOTAL REVENUE</b>		<b>24,344,685</b>	<b>26,494,589</b>	<b>27,069,982</b>	<b>27,868,330</b>	<b>27,701,457</b>	<b>28,937,738</b>	<b>30,258,236</b>	<b>31,826,807</b>	<b>32,949,895</b>	<b>34,111,591</b>	<b>35,313,247</b>	<b>36,556,261</b>	<b>37,822,080</b>	<b>39,132,203</b>	<b>40,488,180</b>
<b>EXPENDITURES</b>																
LEGISLATIVE/EXECUTIVE		734,688	836,275	941,743	1,113,300	1,067,967	1,148,816	1,200,513	1,254,536	1,298,445	1,343,890	1,390,926	1,439,609	1,489,995	1,542,145	1,596,120
ADMINISTRATIVE		840,868	954,871	693,573	973,080	983,766	994,820	1,039,587	1,086,368	1,124,391	1,163,745	1,204,476	1,246,633	1,290,265	1,335,424	1,382,164
FINANCE		661,779	513,559	765,642	769,760	995,664	886,070	925,943	967,611	1,001,477	1,036,529	1,072,807	1,110,355	1,149,218	1,189,440	1,231,071
PUBLIC SAFETY		9,436,746	10,016,997	10,309,435	10,926,920	10,755,360	11,332,622	11,842,590	12,375,507	12,808,649	13,256,952	13,720,945	14,201,178	14,698,220	15,212,657	15,745,100
FIRE		4,360,909	4,537,374	5,136,190	5,130,730	5,130,730	5,335,950	5,576,068	5,826,991	6,030,935	6,242,018	6,460,489	6,686,606	6,920,637	7,162,859	7,413,560
COMMUNITY DEVELOPMENT		1,586,564	1,640,111	1,796,087	1,802,120	1,651,380	1,781,890	1,862,075	2,145,868	2,220,974	2,298,708	2,379,163	2,462,433	2,548,619	2,637,820	2,730,144
PUBLIC WORKS		4,158,659	4,216,177	4,657,770	4,751,100	4,716,520	4,946,140	5,168,716	5,401,309	5,590,354	5,786,017	5,988,527	6,198,126	6,415,060	6,639,587	6,871,973
RECREATION SERVICES		1,903,404	1,594,809	2,000,078	2,151,320	2,150,070	2,251,430	2,352,744	2,458,618	2,544,669	2,633,733	2,725,914	2,821,321	2,920,067	3,022,689	3,128,049
TRANSFER OUT		210,000	1,420,290	230,000	250,000	250,000	260,000	290,000	310,000	330,000	350,000	370,000	390,000	390,000	390,000	390,000
<b>TOTAL EXPENDITURES</b>		<b>23,893,617</b>	<b>25,730,463</b>	<b>26,530,518</b>	<b>27,868,330</b>	<b>27,701,457</b>	<b>28,937,738</b>	<b>30,258,236</b>	<b>31,826,807</b>	<b>32,949,895</b>	<b>34,111,591</b>	<b>35,313,247</b>	<b>36,556,261</b>	<b>37,822,080</b>	<b>39,132,203</b>	<b>40,488,180</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>		<b>451,068</b>	<b>764,126</b>	<b>539,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LEVY</b>																
General Fund Tax Levy			17,311,530	18,621,410	19,866,602		21,026,592	22,356,783	23,878,633	25,269,516	26,068,765	27,413,760	28,431,005	29,464,507	30,535,572	31,645,553
Reserve for Uncollectable			174,864	380,029	200,459		210,266	223,568	238,786	252,695	260,688	274,138	284,310	294,645	305,356	316,456
<b>Total General Fund Tax Levy</b>			<b>17,486,394</b>	<b>19,001,439</b>	<b>20,067,061</b>		<b>21,236,858</b>	<b>22,580,351</b>	<b>24,117,419</b>	<b>25,522,211</b>	<b>26,329,453</b>	<b>27,687,897</b>	<b>28,715,315</b>	<b>29,759,152</b>	<b>30,840,927</b>	<b>31,962,008</b>
Existing Debt			5,201,077	3,562,588	3,668,535		3,672,620	4,113,543	4,101,375	4,110,046	4,121,139	3,605,541	2,473,449	2,490,093	2,487,906	2,475,481
New Debt					0		427,980	0	0	0	576,961	576,961	1,509,245	1,509,245	1,509,245	1,509,245
EDA				540,605	556,823		579,096	605,155	632,387	654,521	677,429	701,139	725,679	751,078	777,385	804,573
Rolling Stock, Equipment, and IT Levy				830,000	835,000		868,400	907,478	948,315	981,506	1,015,858	1,051,413	1,088,213	1,126,300	1,165,721	1,206,521
<b>TOTAL CERTIFIED LEVY</b>			<b>22,687,471</b>	<b>23,934,632</b>	<b>25,127,419</b>		<b>26,784,954</b>	<b>28,206,527</b>	<b>29,799,496</b>	<b>31,268,283</b>	<b>32,720,840</b>	<b>33,622,951</b>	<b>34,511,900</b>	<b>35,635,868</b>	<b>36,781,164</b>	<b>37,957,828</b>
Levy % Increase				5.50%	4.98%		6.60%	5.31%	5.65%	4.93%	4.65%	2.76%	2.64%	3.26%	3.21%	3.20%
TOTAL CERTIFIED LEVY			22,687,471	23,934,632	25,127,419		26,784,954	28,206,527	29,799,496	31,268,283	32,720,840	33,622,951	34,511,900	35,635,868	36,781,164	37,957,828
LESS FISCAL DISPARITIES			(3,443,450)	(3,618,365)	(4,056,410)		(4,096,974)	(4,137,944)	(4,179,323)	(4,221,117)	(4,263,328)	(4,305,961)	(4,349,021)	(4,392,511)	(4,436,436)	(4,480,800)
NET LOCAL LEVY TO TAXPAYERS			19,244,021	20,316,267	21,071,009		22,687,980	24,068,583	25,620,173	27,047,166	28,457,512	29,316,990	30,162,880	31,243,357	32,344,729	33,477,028
NET TAX CAPACITY			36,111,232	37,567,917	39,253,300		44,077,531	46,281,407	48,595,477	53,615,251	56,296,014	59,110,815	62,066,355	65,169,673	68,428,157	71,849,565
TAX RATE ON TAX CAPACITY			53.291%	54.079%	53.680%		51.473%	52.005%	52.721%	50.447%	50.550%	49.597%	48.598%	47.942%	47.268%	46.593%
TAX RATE % CHANGE				1.48%	-0.74%		-4.11%	1.03%	1.38%	-4.31%	0.20%	-1.89%	-2.01%	-1.35%	-1.40%	-1.43%
City Taxes			1,290	1,330	1,428		1,590	1,686	1,795	1,803	1,898	1,955	2,011	2,083	2,157	2,232
Percentage tax increase in average home				3.16%	7.33%		11.33%	6.09%	6.45%	0.47%	5.21%	3.02%	2.89%	3.58%	3.53%	3.50%
Existing Tax Base Inflation Estimate (residential)				0.00%	7.40%		16.10%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Total Net Tax Base % Increase(decrease)				4.03%	4.49%		12.29%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Estimated Average Home Market Value			242,000	246,000	266,000		308,826	324,267	340,481	357,505	375,380	394,149	413,856	434,549	456,277	479,090



**STAFF REPORT NO. 18**  
**WORK SESSION**  
**7/26/2022**

REPORT PREPARED BY: Chris Swanson, Management Analyst

DEPARTMENT DIRECTOR REVIEW:

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager  
7/18/2022

**ITEM FOR WORK SESSION:**

**Presentation and discussion of staff's spending recommendation for the City's remaining allocation of the Coronavirus Local Fiscal Recovery Funds as established under the American Rescue Plan Act (ARPA).**

**EXECUTIVE SUMMARY:**

**American Rescue Plan Act (ARPA) Update**

Congress adopted the American Rescue Plan Act in March 2021 (ARPA) which included \$65 billion in recovery funds for cities across the country.

Richfield's ARPA funding totals \$3,972,846.46. The City received half of their allocation in 2021 and should receive the second half in 2022. The costs must be incurred on or after March 3, 2021, obligated by December 31, 2024, and expended by December 31, 2026.

Initial ARPA guidance specified four categories for eligible spending:

1. Replace lost public sector revenue
2. Support the COVID-19 public health and economic response
3. Provide premium pay for eligible workers performing essential work
4. Invest in water, sewer, and broadband infrastructure

In January 2022, the Treasury Department issued its Final Rule regarding ARPA eligible uses. The Final Rule expands eligible uses and lessens the administrative burden on cities. Most importantly, the Final Rule allows a city to elect a "standard allowance" of up to \$10 million under the revenue loss category instead of actually calculating lost revenue. The City elected to utilize the "standard allowance" option during the April 26, 2022 meeting.

Funds used under the revenue loss category may be used for the "provision of government services", which is a broad term that includes any service traditionally provided by a government with limited restrictions. Funds cannot be used for debt service, rainy day fund deposits, settlements, and other projects which conflict with the purpose of ARPA.

Over the last year, staff has utilized \$1,296,000 from ARPA funds to cover immediate needs. This included

providing partial funding for the 65th street reconstruction project, upgrading conference rooms to accommodate hybrid meetings, VEAP emergency rental assistance, funding a full-time social worker and mental health training, testing, masks and other pressing projects.

Staff recommends spending the remaining \$2,600,000 ARPA funds on a variety projects to help our continued response to COVID-19 and the resulting impacts, strengthen the resilience of our community, and ensure we have quality workforce and infrastructure into the future. As this is a one-time investment from the federal government, there is a preference for one-time expense vs. ongoing costs. and projects which provide long-term vs short-term impacts.

All potential ARPA investments were also reviewed with the City's Strategic Priorities in mind. Evaluating the ARPA fund requests by how they advance Operational Excellence, Community Development, Sustainable Infrastructure, High-Quality Workforce, Equity and Inclusion, will ensure Richfield continues to be a strong community into the future.

Staff recommends the implementation of the following projects:

<b>Proposal</b>	<b>Amount</b>
Permitting and Plan Review Software	\$250,000
Implement Microsoft 365	\$250,000
Additional Social Worker	\$200,000
Construct Splash Pad	\$750,000
Augment existing social service budget	\$300,000
Wage and Classification Study	\$ 75,000
EAB Tree Removal Fund	\$450,000
Equity plan and dashboard	\$ 75,000
Additional part-time CSO	\$100,000
Covid-19/Emergency Management	\$150,000
Community Mural at Galaxy Foods	\$ 5,000

We are seeking council feedback on the staff recommendation in order to bring a final recommendation to a future council meeting.

### **DIRECTION NEEDED:**

**Staff request City Council input on the proposed spending plan for the ARPA funding. Staff will be available to answer questions on the proposed projects: some of the recommendations will require future work sessions to fully develop programs and projects.**

### **BACKGROUND INFORMATION:**

#### **A. HISTORICAL CONTEXT**

Included in the Executive Summary

#### **B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

Spending Authority:

Contracts or purchases greater than \$175,000 must be submitted to the City Council for approval.

Contracts or purchases from \$1,000 to \$175,000 must be approved by the division manager, department director, Finance Director, and the City Manager.

#### **C. CRITICAL TIMING ISSUES:**

The Council will be considering the 2022 Revised and 2023 Proposed Budgets in upcoming meetings, the final budget and levy will be considered in December.

#### **D. FINANCIAL IMPACT:**

The ARPA spending plan will be incorporated into City budgets for the next several years.

**E. LEGAL CONSIDERATION:**

**ALTERNATIVE(S):**

None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**