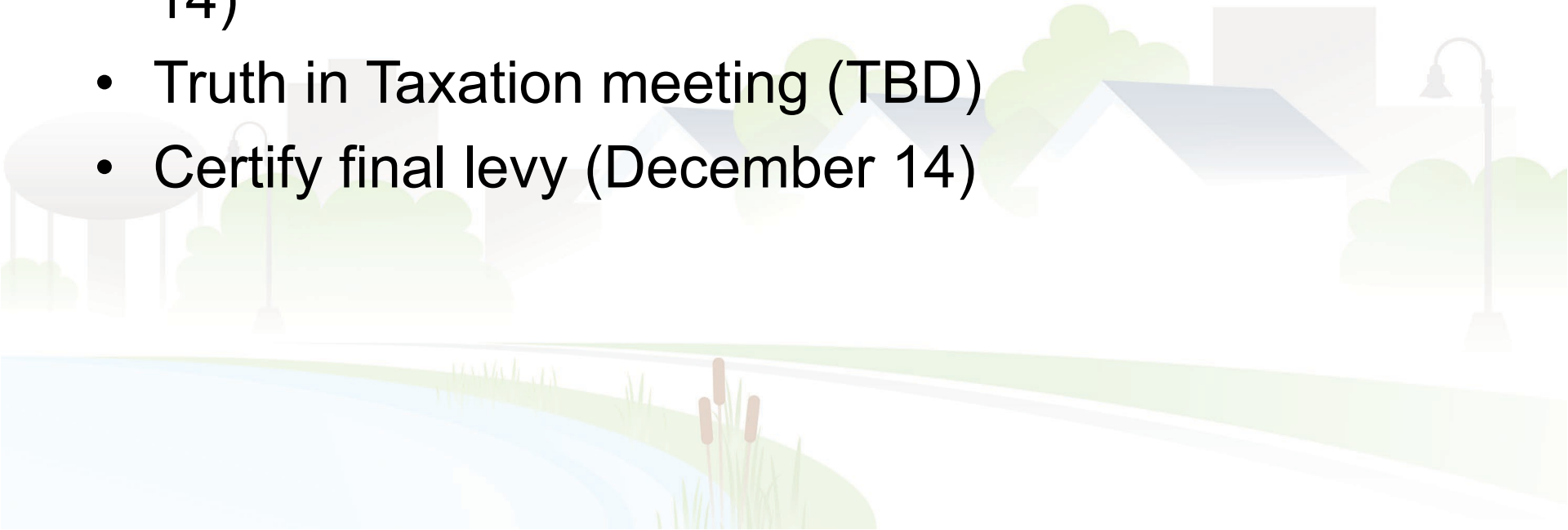




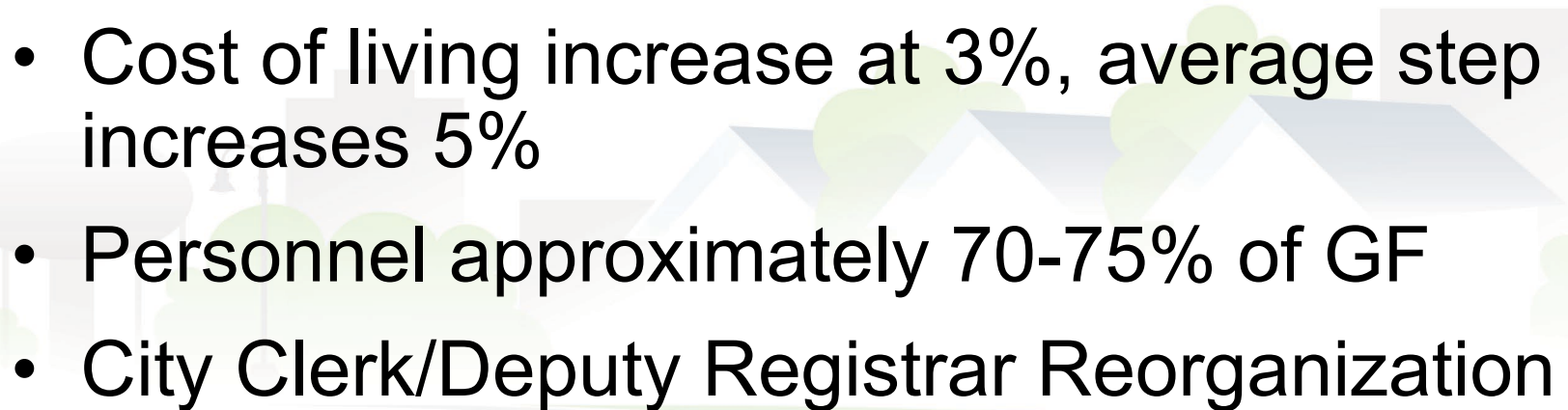
2022 Budget Update



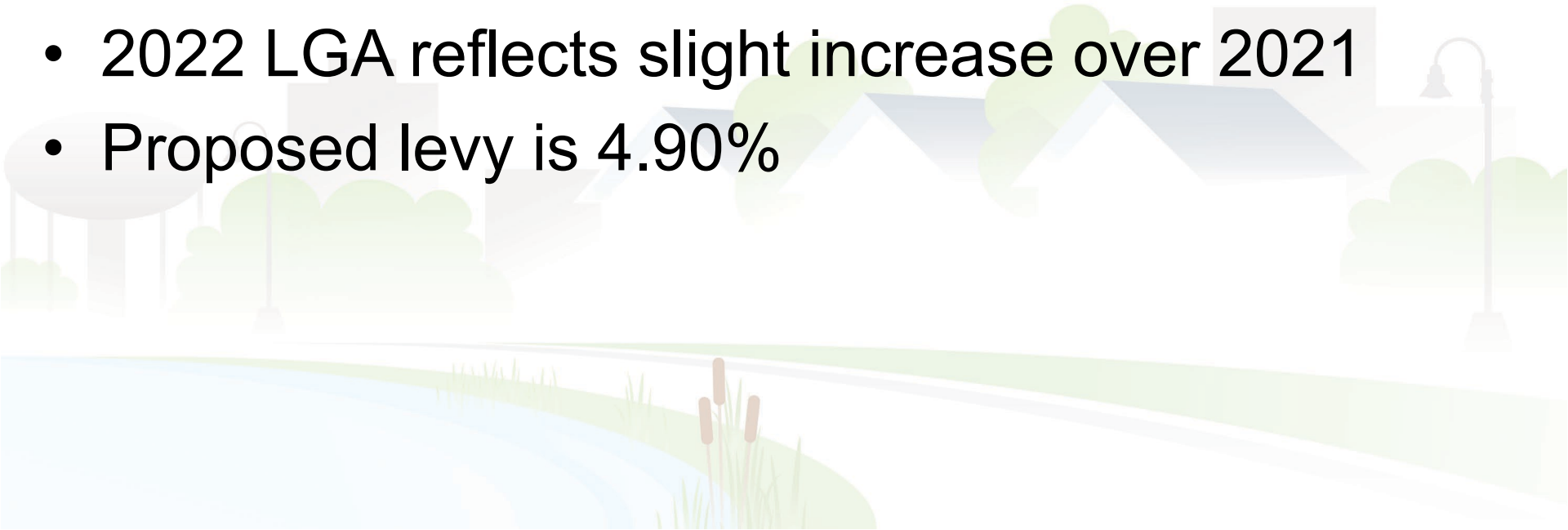
Timetable and key events

- Review of KFS, Budget preview, CIB/CIP
 - Utility rates, city fees
 - Budget study session with directors (August 24)
 - Adopt proposed budget and tax levy (September 14)
 - Truth in Taxation meeting (TBD)
 - Certify final levy (December 14)
- 

Budget Update

- Public Safety SRO Program with Richfield schools not renewed \$83,000
 - ARP Federal Grant General Fund Revenue Recovery \$163,000 for 2021
 - No new debt service levies in 2022
 - Cost of living increase at 3%, average step increases 5%
 - Personnel approximately 70-75% of GF
 - City Clerk/Deputy Registrar Reorganization
- 

Budget Update

- 65th Street delayed to 2022, tax levy 2023
 - Other roadway projects delayed 1-2 years
 - \$835,000 rolling stock/equip, \$5,000 increase
 - EDA levy at \$556,823, a 3% increase
 - 2022 LGA reflects slight increase over 2021
 - Proposed levy is 4.90%
- 

Utility Fund - Water

2022 Proposed Rates (5% increase)

Residential Water Rates			
2021		2022	
0-15,000 gals	\$4.18	0-15,000 gals	\$4.39
15,001-25,000 gals	\$5.02	15,001-25,000 gals	\$5.27
Over 25,000 gals	\$6.04	Over 25,000 gals	\$6.34
Fixed Quarterly Service Charge			
2021		\$10.00	
2022 proposed		\$10.00	

60% of accounts

25% of accounts

15% of accounts

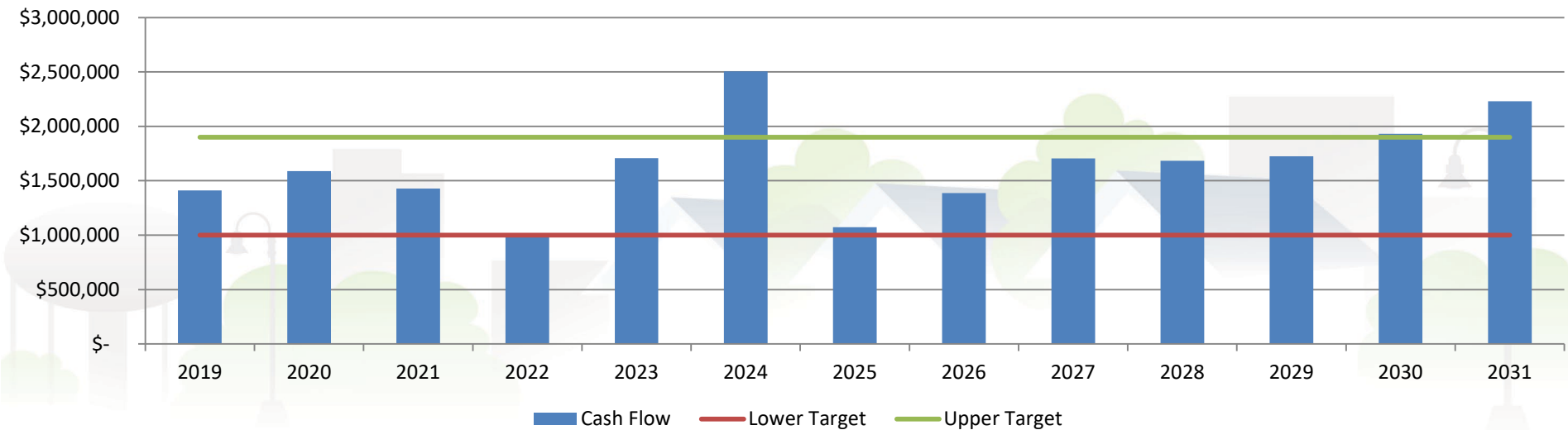
\$562,142 - Cash Balance (June 2021)

\$1.9M Target

Water Fund Outlook

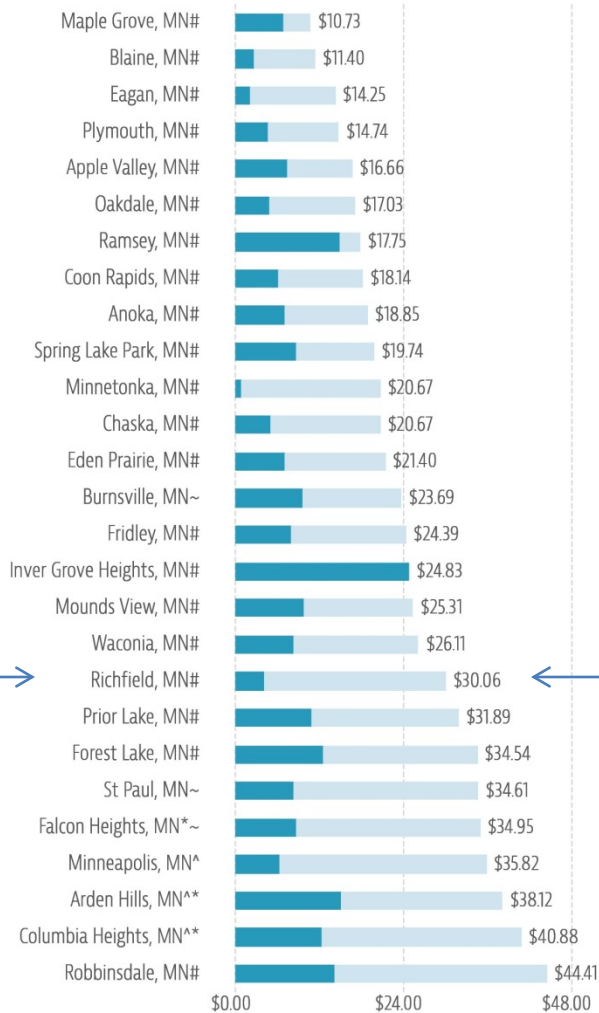
Projecting 5% increases through 2031

Water Fund Cashflow Projection



2021 Water Rates Comparison

MINNEAPOLIS/ST. PAUL METRO AREA



- Water Fixed Charge
- Water Volume Charge Based on 6,000 Gallons
- * All or Partial Purchase
- ^ Surface Water
- # Ground Water
- ~ Both Surface Water and Ground Water

MINNEAPOLIS/ST. PAUL METRO AREA GROUND WATER SYSTEMS REPORTING SOFTENING



- Water Fixed Charge
- Water Volume Charge Based on 6,000 Gallons
- + Lime Softening
- # Ion Exchange

TYPICAL MONTHLY RESIDENTIAL WATER UTILITY BILL (\$)

TYPICAL MONTHLY RESIDENTIAL WATER UTILITY BILL (\$)

Utility Fund - Wastewater

2022 Proposed Rate (2% increase)

Sanitary Sewer Rates	
2021	2022
\$6.03 per 1,000 gals	\$6.15 per 1,000 gals

- \$0.12/1,000 gallons increase
- For typical household (7,500 gallons/quarter) the proposed sewer rate increase is approximately \$0.90 per quarter / \$3.60 annually.
- 2022 MCES Charges - \$2,331,864 (↓ 2.75%)

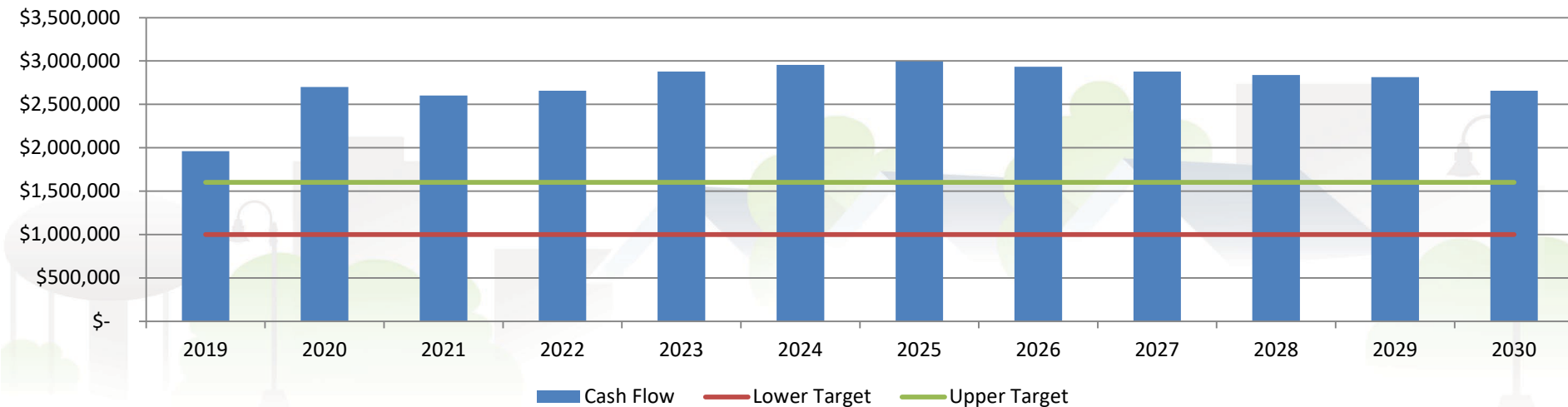
\$2,541,097 – Cash Balance (June 2021)

\$1.6M Target

Wastewater Fund Outlook

Projecting 2% increases through 2025, then 3%

Wastewater Fund Cashflow Projection



2021 Wastewater Rates Comparison

MINNEAPOLIS/ST. PAUL METRO

(Served by Metropolitan Council Environmental Services)



Utility Fund - Stormwater

2022 Proposed Flat Rate

Stormwater Rates	
2021	2022
\$20.76 per quarter	\$21.80 per quarter

- \$1.04 increase per quarter / \$4.16 annually

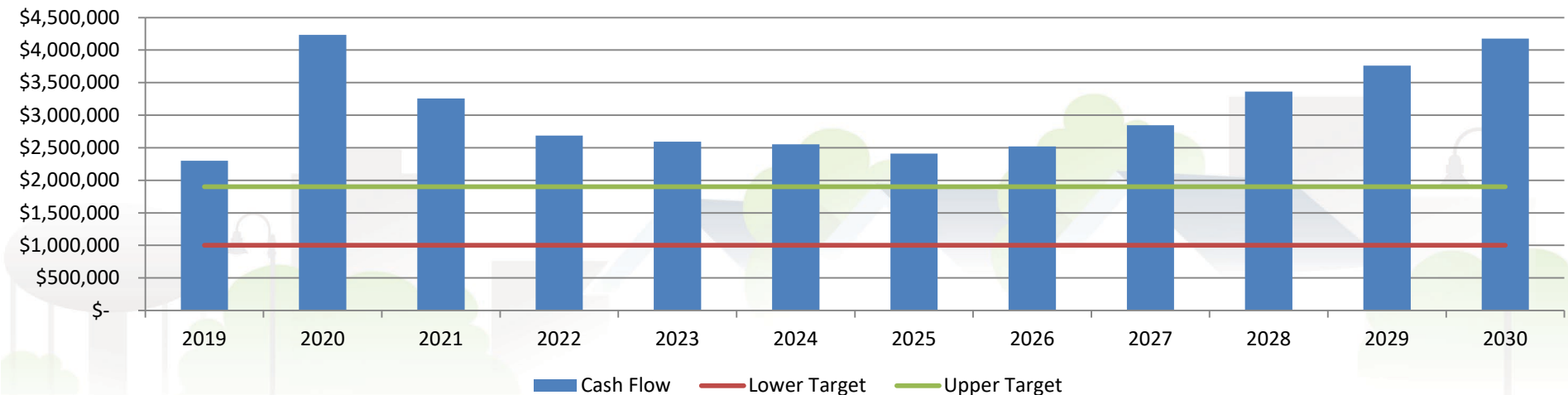
\$1,602,479 – Cash Balance (June 2021)

\$1.9M Target

Stormwater Fund Outlook

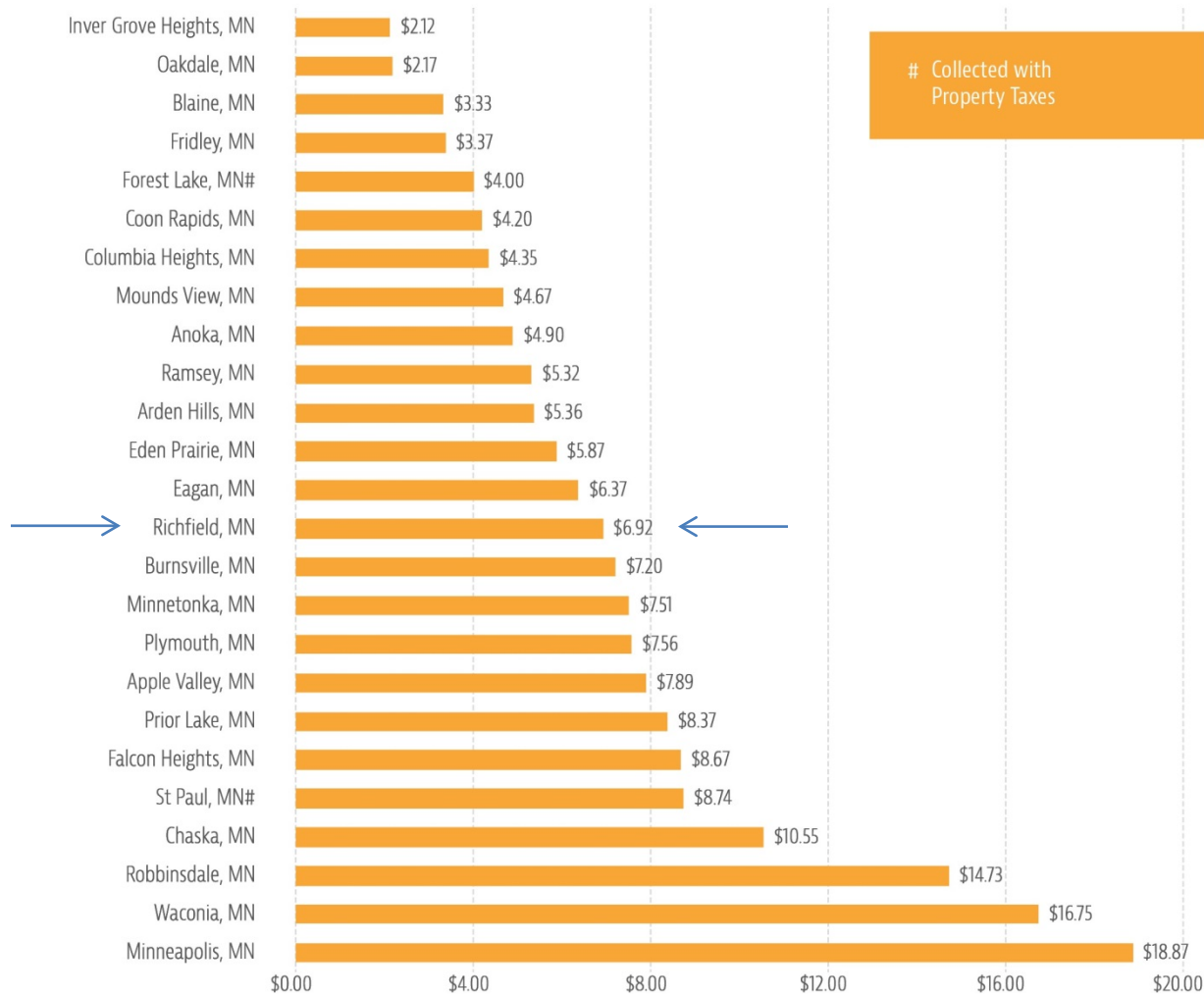
Projecting 5% increases through 2025, then 3%

Stormwater Fund Cashflow Projection



2021 Stormwater Rates Comparison

MINNEAPOLIS/ST. PAUL METRO



TYPICAL MONTHLY RESIDENTIAL STORMWATER UTILITY BILL (\$)

Street Light User Fee

- \$5.77/Quarter Residential
- \$28.85/Quarter Commercial
- Electricity and Maintenance



2022 proposed gross levy

- 2022 Gross Levy is \$25,106,307
 - Increase of 4.90% over the 2021 Levy
- General Fund Levy \$20,045,949
- Equipment Levy \$ 835,000
- EDA Levy \$ 556,823
 - Base Levy Total \$21,437,772
- Debt Service Levy \$ 3,668,535
 - Total 2022 Levy \$25,106,307 – 4.90%

Gross tax levy history

- 2022 - \$25,106,307 - 4.90% increase
- 2021 - \$23,934,632 - 5.50% increase
- 2020 - \$22,687,471 - 4.90% increase
- 2019 - \$21,626,692 - 4.87% increase
- 2018 - \$20,621,911 - 6.11% increase
- 2017 - \$19,434,690 - 3.26% increase
- 2016 - \$18,820,576 - 2.91% increase
- 2015 - \$18,288,524 - 1.53% increase
- 2014 - \$18,012,303 - 1.51% increase
- 2013 - \$17,744,951 - 4.50% increase

2022 proposed General Fund budget

- The 2022 proposed General Fund Budget of \$27,868,330 is a:
 - 4.24% increase from the 2021 adopted budget
 - .59% increase from the 2021 revised budget



General Fund revenues

	<u>2021P</u>	<u>2021R</u>	<u>2022P</u>
Taxes	\$18,621,410	\$18,621,410	\$19,845,490
Licenses and permits	1,065,000	1,233,000	1,228,500
Intergovernmental	3,374,170	3,704,350	3,461,070
Charges for services	2,222,900	1,698,790	2,147,260
Fines and forfeitures	280,000	222,000	220,000
Miscellaneous	75,100	70,100	67,830
Transfers	1,096,090	1,343,770	898,180
	<hr/> \$26,734,670	<hr/> \$26,893,420	<hr/> \$2,7868,330

General Fund expenditures

	<u>2021P</u>	<u>2021R</u>	<u>2022P</u>
Legislative/Executive	\$ 1,044,630	\$1,008,250	\$ 1,113,300
Administrative Services	908,360	836,330	973,080
Finance	743,050	755,000	769,760
Public Safety	10,447,080	10,484,860	10,926,920
Fire	4,995,480	4,995,320	5,130,730
Community Development	1,697,080	1,800,220	1,802,120
Public Works	4,590,640	4,713,500	4,751,100
Recreation Services	2,078,350	2,069,940	2,151,320
Transfers	230,000	230,000	250,000
	<hr/> \$26,734,670	<hr/> \$26,893,420	<hr/> \$27,868,330

History of city reserves

Capital Fund

2013 -	\$2,074,700
2014 -	\$3,718,613
2015 -	\$3,841,155
2016 -	\$4,325,415
2017 -	\$4,851,557
2018 -	\$5,452,491
2019 -	\$4,682,503
2020 -	\$6,662,631

* The City's General Fund has a fund balance policy where the targeted amount of unassigned fund balance shall be an amount not less than 40% of current year end actual General Fund expenditures.

City of Richfield



2022 Capital Improvement Budget
2023-2026 Capital Improvement Plan

CAPITAL PROCESS

- Projects are identified by city commissions and city departments.
- Preliminary report is generated by the City Manager and presented to Planning Commission.
- The Planning Commission reviews the projects based on the following consideration:
 - The proposed project's conformance to the Comprehensive Plan.
- CIB/CIP as recommended by the Planning Commission is returned to the City Manager. The City Manager then formalizes the CIB/CIP and includes it in the annual budget.

TOTAL BUDGET & PROGRAM

- Total 2022 Capital Improvement Budget \$26,575,000
- Total 2023-2026 Capital Improvement Plan \$133,013,000

Significant Projects

2022 – Continuation of 77th Street Underpass.
Estimated Project Cost of \$22,678,000

2022 – 65th Street Reconstruction Project.
Estimated Cost \$9,800,000

2022 – Five Year Pavement Management Program.
Estimated Project Cost \$3,420,000

2022 – Continuation of City Wide Water Meter
Upgrade. Estimated Project Cost of \$4,100,000

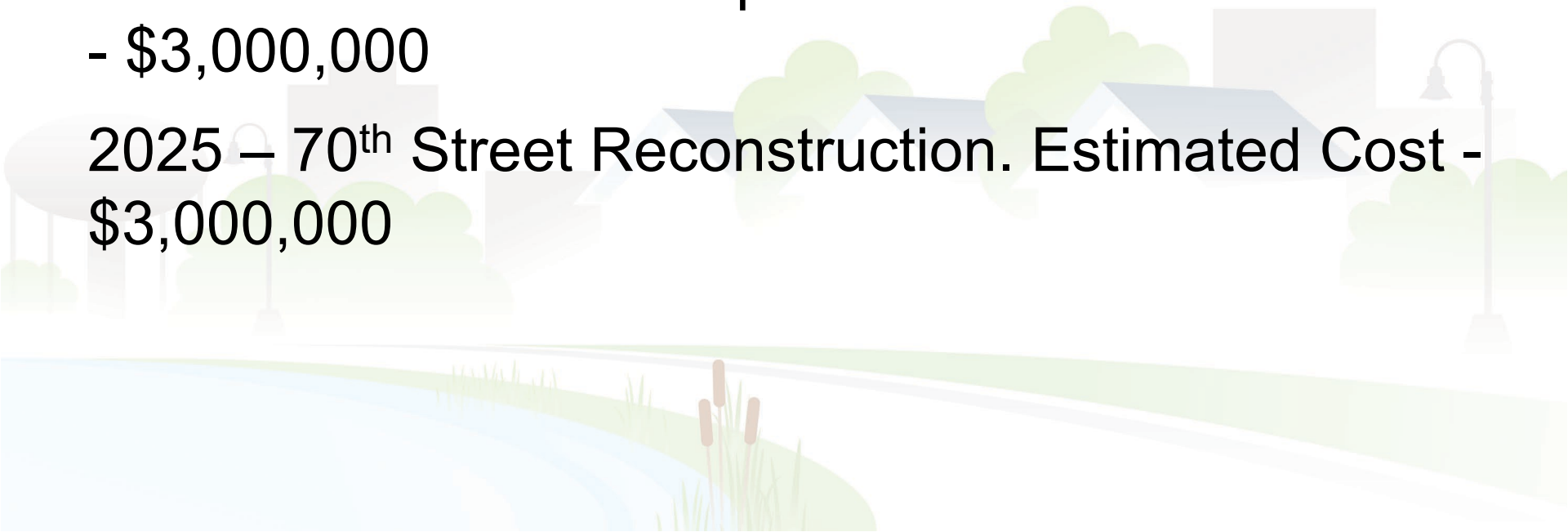
Significant Projects

2024 – Wood Lake Nature Center Building.
Estimated Cost - \$20,000,000

2024 – 69th Street Reconstruction. Estimated Cost
\$5,900,000

2025 – Outdoor Pool Improvements. Estimated Cost
- \$3,000,000

2025 – 70th Street Reconstruction. Estimated Cost -
\$3,000,000



Significant Projects

2026 – 76th Street West Reconstruction. Estimated Cost \$6,100,000

Beyond 2026

- Humboldt Ave./Lakeshore Drive Reconstruction - \$8,500,000
- Nicollet Avenue Reconstruction - \$20,900,000
- Penn Avenue Reconstruction - \$20,900,000





5 Year Street Reconstruction and Transportation Improvements Plan

July 27, 2021 Council Worksession

Agenda

- 5 Year Plan Overview and Funding Outlook
- Street Reconstruction Bond Process
- Proposed Reconstruction Bond Resolution
- 2022 – 2026 Projects



5 Year Plan - Capital Projects

- 77th Street Underpass (2021-2023)
- Traffic Signal Controller Upgrades (2021-2022)
- 65th Street Reconstruction (2022)
- 77th/Lyndale Traffic Signal Replacement (2022)
- Richfield Parkway RRFBs (2022)
- 69th Street Reconstruction (2024)
- Trunk Highway 62 Noise Wall (2024)
- 70th Street Reconstruction (2025)
- 76th Street West Reconstruction (2026)



Funding Outlook

5-year Street Reconstruction Plan Projected Project Year Funding Sources

Proposed Year	2021-2023	2021-2022	2022			2024	2025		2026
	77th Underpass	Traffic Signal Controller Upgrades	65th Street Reconstruction	77th Street/Lyndale Avenue Traffic Signal Replacment	Richfield Parkway RRFB Installation	69th Street Reconstruction	Trunk Highway 62 Noise Wall	70th Street Reconstruction	76th Street W. Reconstruction
Street Reconstruction Bonds			\$6,070,000			\$5,900,000		\$2,900,000	\$5,100,000
Municipal State Aid	\$2,400,000	\$50,000		\$450,000	\$150,000		\$250,000		
Utility Bonds			\$3,730,000						
City Utility Funds	\$170,000								
Water									
Sanitary									
Storm									
Grants									
Federal	\$5,350,000								
State	\$11,690,000								
County									
Bloomington									
Other									
Special Revenue - LGA									
Transfer In from Sweet Streets									
Special Assessment									
Metropolitan Airports Commission	\$300,000								
MnDOT	\$4,000,000								
Three Rivers Park District	\$300,000								
Xcel Utility Rate Payers (CRFS)								\$100,000	\$1,000,000
CenterPoint Energy									
HRA									
Developer Financed									
TOTAL	\$24,210,000	\$50,000	\$9,800,000	\$450,000	\$150,000	\$5,900,000	\$250,000	\$3,000,000	\$6,100,000



Street Reconstruction Bond Process

1. Adopt 5-Year Street Reconstruction Plan
2. Hold Public Hearing
3. 30 Day Reverse Referendum Period
4. Prepare Final Plans
5. Advertise/Accept Bids
6. Sell Bond – Construct Project

Street reconstruction bonds are used as an alternative to special assessments.



65th Street Reconstruction (2022)

- 65th St. from Nicollet Ave to Rae Dr./66th St.
 - Replacement of City utilities & stormwater solutions
 - Pedestrian, bike, and trail improvements
 - Connectivity with HUB redevelopment
- Lyndale Ave pavement and striping improvements between 64th St and 66th St
- Preliminary design approved July 2020
- \$9.8 Million est. cost
 - Street Reconstruction Bonds (\$6.1m)
 - Utility Bonds (\$3.7m)



Proposed Bond Resolution

- 65th St Reconstruction – \$6.1 million

Tax Impact for a \$1,000,000 bond (July 22, 2021)

TAX IMPACT ANALYSIS							
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current City Tax	Proposed Tax Increase*	Proposed City Tax
Residential Homestead	\$ 50,000	\$ 20,000	\$ 30,000	\$ 300	\$ 162.24	\$ 0.50	\$ 162.74
	75,000	30,000	45,000	450	243.36	0.76	244.12
	100,000	28,240	71,760	718	388.08	1.21	389.28
	125,000	25,990	99,010	990	535.45	1.66	537.11
	150,000	23,740	126,260	1,263	682.81	2.12	684.94
	175,000	21,490	153,510	1,535	830.18	2.58	832.76
	200,000	19,240	180,760	1,808	977.55	3.04	980.59
	225,000	16,990	208,010	2,080	1,124.92	3.50	1,128.42
	250,000	14,740	235,260	2,353	1,272.29	3.96	1,276.24
	275,000	12,490	262,510	2,625	1,419.65	4.41	1,424.07
	300,000	10,240	289,760	2,898	1,567.02	4.87	1,571.89
	350,000	5,740	344,260	3,443	1,861.76	5.79	1,867.55
	400,000	1,240	398,760	3,988	2,156.49	6.70	2,163.20

Proposed annual tax increase for a \$300,000 home from the \$6.1m bond = \$29.71 (20 year repayment)



Capital Project Details



77th Street Underpass (2021-2023)

- 77th St. connection across TH77
- Stormwater and misc. utility replacement
- Richfield Parkway & non-motorized trail
- Decrease congestion on 494 and increase connectivity for SE Richfield
- Final piece of I-494 ring route
- Construction July 2021 to Oct 2023
- Total cost est. \$24.21 Million



Traffic Signal Controller Upgrades (2021-2022)

- Replacement of City's traffic signal controllers along 76th St/77th St corridor
- Must be completed in order to coordinate signal timing during 494 project
- \$50,000 est. cost
 - 2021 MSA Maintenance (\$25k)
 - 2022 MSA Maintenance (\$25k)



65th Street Reconstruction (2022)

- 65th St. from Nicollet Ave to Rae Dr./66th St.
 - Replacement of City utilities & stormwater solutions
 - Pedestrian, bike, and trail improvements
 - Connectivity with HUB redevelopment
- Lyndale Ave pavement and striping improvements between 64th St and 66th St
- Preliminary design approved July 2020
- \$9.8 Million est. cost
 - Street Reconstruction Bonds (\$7.1m)
 - Utility Bonds (\$2.5m)
 - Water Utility Fund (\$200k)



77th & Lyndale Traffic Signal Replacement (2022)

- Traffic signal, controller, and ADA facilities are end-of-life and require replacement
- Must be complete prior to 494 Reconstruction starting in 2023 to avoid construction conflicts
- Critical for managing traffic through the corridor once 494 Reconstruction begins
- \$450,000 est. cost
 - MSA Maintenance



Richfield Parkway RRFBs (2022)

- Purchase and installation of Rectangular Rapid Flashing Beacons (RRFBs) at 66th St. and Richfield Parkway roundabout
- \$150,000 est. cost
 - MSA Maintenance (\$150k)



69th Street Reconstruction (2024)

- Reconstruction between Penn Ave and Xerxes Ave
- Narrow roadway to add a sidewalk
- Reconstruction of retaining wall
- Lining or replacement of Sanitary Sewer
- Replacement of Storm Sewer
- Timeline dependent on possible water main interconnect with Edina
- \$5.9 Million est. cost
 - Street Reconstruction Bonds (\$5.9m)



Trunk Highway 62 Noise Wall (2025)

- Standalone 20' tall precast concrete barrier
- Xerxes to Russell along S. side of TH62
- MnDOT Standalone Noise Barrier Program
- Exact extents to be refined during design
- \$2.5 Million est. cost
 - 90% State Funding (\$2.25m)
 - 10% City Funding (\$250k, MSA)



70th Street Reconstruction (2025)

- 70th St. Reconstruction between 2nd Ave and 5th Ave
- Replacement of roadway, sidewalk, curb and gutter, and undergrounding of overhead utilities
- Replacement of City utilities including 84" storm pipe
 - City is monitoring conditions of the pipe which will determine exact timeline
- Public Engagement Process will guide design
- \$3 Million est. cost
 - Street Reconstruction Bonds (\$2.9m)
 - Xcel rate payers CRFS (\$100k)



76th Street West Reconstruction (2026)

- Sheridan Avenue to Xerxes Avenue
- Replacement of City utilities
- Undergrounding of overhead parallel utility lines
- Retaining wall and sidewalk replacement
- Public Engagement Process will guide design
- Est. \$6.1 Million
 - City Street Reconstruction Bonds (\$5.1m)
 - Xcel Energy Rate Payers CRFS (\$1m)



A graphic featuring a dark asphalt texture with white text. The text is framed by an orange outline that has a jagged, map-like edge on the right side. The background of the entire image is a solid light blue.

SWEET STREETS:

better roads, better Richfield

5-year Street Reconstruction Plan
Projected Project Year Funding Sources

Proposed Year	2021-2023	2021-2022	2022			2024	2025		2026
	77th Underpass	Traffic Signal Controller Upgrades	65th Street Reconstruction	77th Street/Lyndale Avenue Traffic Signal Replacment	Richfield Parkway RRFB Installation	69th Street Reconstruction	Trunk Highway 62 Noise Wall	70th Street Reconstruction	76th Street W. Reconstruction
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Utility Bonds			\$3,730,000						
City Utility Funds	\$170,000								
Water									
Sanitary									
Storm									
Grants									
Federal	\$5,350,000								
State	\$11,690,000								
County									
Bloomington									
Other									
Special Revenue - LGA									
Transfer In from Sweet Streets									
Special Assessment									
Metropolitan Airports Commission	\$300,000								
MnDOT	\$4,000,000								
Three Rivers Park District	\$300,000								
Xcel Utility Rate Payers (CRFS)								\$100,000	\$1,000,000
CenterPoint Energy									
HRA									
Developer Financed									
TOTAL	\$24,210,000	\$50,000	\$9,800,000	\$450,000	\$150,000	\$5,900,000	\$250,000	\$3,000,000	\$6,100,000



Public Safety/Support Services Intoxicating Liquor Fee Review 2021

Brief history of fees

- * Over the last 19 years, fees were increased 3% annually from 2002 – 2014 to cover:
 - * Food/pool/lodging inspection contract increases
 - * Education and training
 - * Licensing staff time
 - * Calls for service by RPD
 - * Alcohol and tobacco compliance checks
 - * State/local violation enforcement
 - * Application background investigations



Where we're at today

- * **Licenses currently issued:**

- * 7 Intoxicating Liquor licenses - down from 10-12 in previous years.
- * 1 Club license (down from 2)
- * 10 Wine licenses
- * 11 3.2% Malt liquor licenses
- * 8 Sunday sales

- * **Current annual fees:**

- * Intoxicating liquor \$15,036
- * Club \$603
- * Wine \$1,325
- * 3.2% malt liquor \$912
- * Sunday sales \$200

- * Licensed liquor establishments in Richfield brought in roughly \$13,000,000 in annual food/liquor sales. (Oct 2019 – Sept 2020)

- * In a normal year, intox liquor fees provide roughly \$180,000 in revenue

- * **Covid:**

- * Intox liquor fees captured in 2020 = \$72,180
 - * 20% fee reduction and 90 day grace period for intox license holders.

2021 regional Intox license fees

* Brooklyn Center	\$6,500
* Brooklyn Park	\$8,000
* Minnetonka	\$8,800
* Eden Prairie	\$8,950
* Edina	\$9,500
* Bloomington	\$9,600
* Woodbury	\$10,000
* Excelsior	\$10,000
* Wayzata	\$10,500
* Richfield	\$15,036
* Avg fee	\$9,688



Proposed fees for 2022-2023

- * Current intox fee: \$15,036
- * Proposed intox fee \$15,036
- * Maintain a cap on fees and review again in 2023
- * Allows city to maintain revenue for staffing and services
- * Allows surrounding communities to bring fees in line with Richfield