



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Special City Council Work Session

August 2, 2023

CALL TO ORDER

Mayor Supple called the work session to order at 4:00 p.m. in the Bartholomew Room.

Council Members Present: Mary Supple, Mayor; Simon Trautmann; Sean Hayford Oleary; Ben Whalen; and Sharon Christensen

Staff Present: Katie Rodriguez, City Manager; Dustin Leslie, City Clerk; Sack Thongvanh, Assistant City Manager; Melissa Poehlman, Community Development Director; Kristin Asher, Public Works Director; Mike Dobesh, Fire Chief; Jay Henthorne, Police Chief; Amy Markle, Recreation Services Director; Kumud Verma, Finance Director; Russ Lupkes, Utilities Superintendent; Chris Swanson, Management Analyst; Chris Link, Public Works Deputy Director; Joe Powers, City Engineer; Kate Aitchison, Communications Manager.

ITEM #1	PREVIEW THE PRELIMINARY 2024 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 2024 CAPITAL IMPROVEMENT BUDGET (CIB) AND 2025-2028 CAPITAL IMPROVEMENT PLAN (CIP).
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City Manager Rodriguez introduced Finance Director Verma who gave the presentation covering: timeline with key events, budget highlights, and proposed preliminary levy.

Council Member Whalen asked about the increase in tech and equipment costs. Rodriguez and Verma explained the higher costs associated with equipment upgrades.

Finance Director Verma continued the presentation covering: tax levy history, financial impact on average home, staffing updates, proposed 2024 general fund, and general fund revenues and expenditures.

Council Member Whalen noted the funding for the compensation and class study looked low. Finance Director Verma replied that it would be funded in 2024 and 2025. Council Member Whalen asked when they would be given the results of the study. Assistant City Manager Thongvanh stated sometime after September.

Finance Director Verma continued with the presentation covering general fund expenditure history and city reserves. City Manager Rodriguez spoke about the Local Government Aid increase and not needing to take funding from reserves.

Finance Director Verma continued the presentation covering long-term financial forecast with proposed sales taxes. Council Member Whalen discussed how the budget would be tight until 2028 when TIF districts go away. City Manager Rodriguez spoke about debt going away in 2028 and 2029. There was also a discussion about additional projects and how Community Development would be affected by the expiration of TIF districts.

Council Member Trautmann asked if the city was well-positioned for another possible economic downturn like 2008. City Manager Rodriguez stated the city is better positioned now due to the city not being as reliant on Local Government Aid.

City Clerk Leslie reported on Fee Schedule updates to the Council.

Public Works Director Asher presented on the following: 2024 proposed water rates, water fund outlook, water rates comparison to other cities, proposed wastewater rate and fund outlook, stormwater rates, streetlight user fees, and franchise fees.

City Manager Rodriguez asked for feedback on the proposed levy of 5.5%. Council Member Hayford Oleary stated he had no concerns about the increase. Council Member Whalen spoke about the compensation and classification study and possibly needing more to front load the plan. Mayor Supple spoke about inflation and how the proposed levy increase made sense when compared to other years. Council Member Trautmann spoke about the value in being transparent to the community with financial decisions. Trautmann also spoke about the need to educate the residents about the future proposed local sales tax.

City Manager Rodriguez stated Council should decide tonight regarding setting the levy higher for the compensation and classification study. Consensus from Council was to have staff come back with a slightly higher increase to take compensation and classification study into account.

Public Works Director Asher asked for feedback on Stormwater fees. Council consensus was to go with the higher amount.

Public Works Director Asher asked for feedback regarding streetlight fees. Council consensus was to go with staff recommendation.

Council also stated they were ok with staff recommendations regarding franchise fees.

City Manager Rodriguez gave an overview of the Capital Improvement Plan (CIP) budget and plan details including budgeting process, budget amounts, capital project totals, funding sources, and project overviews.

Recreation Services Director Markle discussed Recreation Services Capital projects including the new Wood Lake Nature Center building, the Veteran's Park Complex, outdoor pool improvements, and the Donaldson Park building and playground.

Mayor Supple asked if there were contingency plans within the budget for emergencies. City Manager Rodriguez stated the city has reserves in place along with plans on how to use them if needed. She further stated the city would look at reprioritizing plans if needed.

Council Members thanked staff for all their work on the budget.

ADJOURNMENT

Mayor Supple adjourned the work session at 6:03 pm

Date Approved: September 12, 2023



Dustin Leslie
City Clerk



Mary B. Supple
Council Member



Katie Rodriguez
City Manager