



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

August 17, 2022

CALL TO ORDER

The work session was called to order by Mayor Regan Gonzalez at 4:06 p.m. in the Bartholomew Room.

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann (arrived 4:08; left 6:02); Sean Hayford Oleary; and Ben Whalen

Council Members Absent: None

Staff Present: Katie Rodriguez, City Manager; Sack Thongvanh, Assistant City Manager; Jay Henthorne, Public Safety Director/Police Chief; Jennifer Anderson, Support Services Manager; Kristin Asher, Public Works Director; Mike Dobesh, Fire Chief; Kumud Verma, Finance Manager; Amy Markle, Recreation Services Director; Melissa Poehlman, Community Development Director; Chris Feirst, Liquor Stores Manager; Kate Aitchison, Communications and Engagement Manager; Chris Swanson, Management Analyst; and Kari Sinning, City Clerk.

Mayor Regan Gonzalez introduced the topic for discussion for the work session and turned it over to City Manager Rodriguez.

ITEM #1	PRESENTATION OF THE 2022 REVISED/2023 PROPOSED BUDGET AND TAX LEVY
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City Manager Rodriguez shared the process of completing the budget and thanked all the staff that worked on it. Finance Manager Verma outlined the budget presentation which included a timeable and key events of the budget, key issues for 2022/2023, the proposed general fund revenues and expenditures, the 2023 proposed preliminary levy, the impact of the proposed tax levy on the average home, the history of state aid, the forecast of city reserves, the 2023 proposed general fund budget, and the long-term financial forecast.

Council Member Whalen asked how much of the increased tax capacity was new construction. City Manager Rodriguez stated that 1.5% of the increased tax capacity was due to new construction and that the increase is mostly market value gains. Council Member Whalen commented that it is helpful to know what is driving the increase of the tax capacity. City Manager Rodriguez shared that Hennepin County has a chart that shows how Richfield did comparatively to communities surrounding Minneapolis in adding new construction to the tax base.

Council Member Supple asked about the effects of the decertification of TIF districts in reference to Local Government Aid (LGA). City Manager Rodriguez explained that there would be

reductions and that eventually LGA would go to zero as our tax base grows which is how the program is designed.

City Manager Rodriguez presented an overview of ARPA funds and presented a new sustainability project that would do an audit of our municipal-owned building energy uses and implement energy saving recommendations.

Council Member Whalen asked if we could predict what recommendations would come out of the audit. Director Markle stated that there would be fifteen municipal buildings that would be included in the audit and that some of the older buildings could be updated with computerized thermostats to regulate temperatures, energy-saving lighting, and retrofitting. Director Markle also shared that this audit would be able to help us potentially budget for improvements in the future. Council Member Whalen asked the Council if there was support for this new project or to allocate the funds to the Emerald Ash Borer (EAB) project. Council Member Hayford Oleary stated his support of the new ARPA project and would like to maximize communications to show that the City did an audit and that homeowners can do so as well. Council Member Supple shared that there should be sufficient funds for the EAB project and that this would be a good use of funds. Council Member Trautmann appreciated Council Member Whalen raising the concern and staff for identifying a need that will be useful to us in the future. Council Member Whalen echoed the comment made by Council Member Hayford Oleary and asked if there are programs for businesses. Director Poehlman stated that there already is a successful program in place for businesses.

Recreation Services Director Markle presented an overview of recreation services, the 2022/2023 recreation budget, 2022 highlights, 2023 initiatives and goals, and the future considerations and needs of the department. Director Markle also presented the budget regarding the special revenue fund that funds the ice arena, outdoor pool, and special facilities and overviewed the budget for those facilities, 2022 highlights, 2023 initiatives and goals, and the future considerations and needs.

Mayor Regan Gonzalez commented on the need to take a look at the city commissions that the Recreation Services department oversees to see if the staff time is well spent and supported.

Council Member Supple thanked the department for all their work and supported the inventory and assessment audit of the facilities that can help with a long-term plan.

Council Member Whalen echoed the comment from Council Member Supple and asked if Council could help to gather input and get the message to the residents and also asked if the facilities assessment would be internal. Director Markle stated that they would work with a consultant to get information about the condition and use of the facilities and there would be community engagement before decisions are finalized to make the best decisions with the residents.

Council Member Hayford Oleary asked if there would be a need for an increase in capital improvement projects. Director Markle stated that the assessment would help prioritize what the needs are to help budget in the future. Council Member Hayford Oleary also asked about the fees charged for the pool and other facilities. Director Markle stated that the prices stay competitive with our neighboring communities and balance between being priced too high that people cannot afford the facilities but with new amenities being added a conversation about prices may need to be researched.

Council Member Trautmann thanked the lifeguard staff for their pleasant demeanor and for keeping people safe and wondered if there are scholarships available for families that have financial struggles. Director Markle stated that Richfield residents in need of financial assistance with program fees or admission may apply for the Passport Assistance Program.

Mayor Regan Gonzalez applauded the items that the department is focusing on to look toward the future and promoted customer service training to make our facilities a welcoming environment for all. Mayor Regan Gonzalez asked if there are future plans to partner with community groups for more multilingual programs. Director Markle stated that they have begun to partner with Minnesota Outdoor Latino to explore options for residents to feel more comfortable in nature.

Community Development Director Poehlman presented an overview of the staff, the 2022/2023 community development budget, 2022 highlights, 2023 initiatives and goals, and future considerations and needs.

Council Member Whalen asked what would happen if the HUB would be a TIF district. Director Poehlman stated that the market value of the HUB is greater than one may think which would make the difference for TIF smaller and that there will be some lean years that we would need to develop a strategy.

Council Member Hayford O'Leary asked about a planning study of 66th Street and 35W Orange Line Station that was budgeted for in previous years. Director Poehlman stated that the project is unfortunately tabled because it was not apart of the strategic plan and staff capacity. Council Member Hayford O'Leary supported the focus on the impacts to residents and active review of our code.

Council Member Supple appreciated the strategic development section that shows how much the department and city have been doing. She also looked forward to the TIF management plans and asked if the ARPA funds for the upgrades would be enough. Director Poehlman stated that there is enough to cover the implementation of the system and the department is covering for a future split cost in the system.

Mayor Regan Gonzalez thanked all the community development staff throughout the transitions in the department and that we promoted from within the City.

Assistant City Manager Thongvanh presented an overview of the administrative services budget that included the different divisions of the department and their staff, the 2022/2023 administrative services budget, 2022 highlights of the divisions, 2023 initiatives and goals, and future considerations and needs.

Council Member Whalen asked if the software and hardware upgrades would bring us up to date. Assistant City Manager Thongvanh stated that this will bring us closer to being updated and will increase the efficiency. Council Member Whalen asked if there are IT capital needs that might be needed and if it is part of the long-term financial planning. City Manager Rodriguez stated that there is an independent assessment that would be looking at security and would be able to look at hardware or software upgrades to make sure that we are planning for that as well. Assistant City Manager Thongvanh stated that IT Manager Skov has been replacing equipment and some of those larger costs are already included in the budget.

Council Member Supple was thankful for the progress on building the internal infrastructure and asked about long-term funding for the Communications division that comes from a special revenue fund that could be dwindling as more residents switch to streaming devices instead of cable. Assistant City Manager Thongvanh stated the finance department did account for that and have been slowly transferring to the general fund instead of special revenue fund and will have to take a look at how this could be managed in the future. In reference to the Motor Vehicle Division, Council Member Supple wondered if the legislation does not get passed for fee sharing from the State that we would have to look at if we continue the service to the residents. Assistant City Manager Thongvanh stated that would have to be something that Council would have to consider the importance of the service to the community.

Liquor Store Manager Feirst presented an overview of the liquor store operations staff, the 2022/2023 liquor budget, 2022 highlights, 2022 round up campaigns with recreation services, 2023 initiatives and goals, and future considerations and needs.

Finance Manager Verma presented an overview of the finance staff, the 2022/2023 finance budget, 2022 highlights, and 2023 initiatives or goals.

Public Works Director Asher presented an overview of the public works staff, public works' core services, the 2022/2023 public works budgets, 2022 highlights, 2023 initiatives and goals, and future considerations and needs.

Council Member Whalen asked about the future storage facility needs. Director Asher stated that currently our fuel and salt is being kept on airport property which would have to be moved in the next few years and we would need to find another spot for additional storage temporarily.

Fire Chief Dobesh presented an overview of the fire department staff, the 2022/2023 fire budget, 2022 highlights, 2023 initiatives and goals, and future considerations and needs.

Council Member Whalen asked about the rate of increase for the calls of service. Chief Dobesh stated that the increase for calls has been 25% over the last twelve years which could be equated to differences in the definition of emergency use and using 911 as primary care.

Police Chief Henthorne and Support Services Manager Anderson presented an overview of the public safety department, the 2022/2023 public safety budget, 2022 highlights, 2023 initiatives and goals, and future considerations and needs.

Council Member Whalen asked if we anticipate an increase of social worker cases with the additional social worker added. Chief Henthorne stated that the cases would increase and also stated that the social worker does go out into the field with the officers and the second social worker would be available to all departments. Council Member Whalen commented about the disparity analysis and asked how the data collected would be shared. Chief Henthorne stated that the data could be shared with Council and residents and that the report would be very comprehensive.

City Manager Rodriguez presented an overview of the legislative/executive department staff, the 2022/2023 budget, 2022 highlights, 2023 initiatives and goals, and future considerations and needs.

Mayor Regan Gonzalez commented the progress to improve internal process improvements and the preparedness for long-term financial planning. She also thanked all the staff and the department directors for their amazing work and was proud of our leadership to begin to bounce back from the pandemic.

Council Member Whalen asked how this budget would be shared with the public. City Manager Rodriguez stated that they will meet to create a communication plan.

Council Member Supple asked if the work session regarding the local option sales tax would help with the debt load. City Manager Rodriguez stated that the first work session regarding the local option sales tax would be to inform Council of the steps it would take to get it and would not be a commitment to say that it would be brought to the voters.


ADJOURNMENT

Mayor Regan Gonzalez adjourned the work session at 6:49 p.m.

Date Approved: September 13, 2022



Maria Regan Gonzalez
Mayor



Kari Sinning
City Clerk



Katie Rodriguez
City Manager