



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

September 27, 2022

CALL TO ORDER

The work session was called to order by Mayor Regan Gonzalez at 5:35 p.m. in the Bartholomew Room.

Council Members Present: Maria Regan Gonzalez, Mayor; Simon Trautmann (5:41); and Sean Hayford Oleary

Council Members Absent: Mary Supple and Ben Whalen

Staff Present: Katie Rodriguez, City Manager; Kumud Verma, Finance Manager; Amy Markle, Recreation Services Director; Chris Swanson, Management Analyst; and Kari Sinning, City Clerk.

Others Present: Eric King, University of Minnesota Extension Lobbyist; Ann Lenczewski, State and Local Government Relations Lobbyist for Lockridge Grindal Nauen

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

City Manager Rodriguez made a statement about the shooting at the Richfield High School Homecoming football game and assured Council that staff is meeting on all levels to address the short-term and long-term challenges. She thanked the Council for stepping up to partner with staff on the efforts to address the community during this time. She commented on how these proposed projects could support youth programming.

ITEM #1	PRESENTATION AND DISCUSSION OF A LOCAL SALES TAX
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City Manager Rodriguez asked the Council for feedback and guidance on whether to refine the possible projects and look for authorization at the legislature in 2023 or 2024. She stated that the projects are mainly major maintenance of which are funded through the liquor store profits and property taxes; the amenities that need maintenance repairs are used regionally and the sales tax better matches the users of the amenities. She also reminded Council that residents would have the final say as the projects and the related tax would all be voted on.

Management Analyst Swanson gave a presentation that overviewed what local sales tax is, what local sales tax can fund, why a local sales tax for Richfield, and how to start the process.

Analyst Swanson introduced Lobbyist Eric King who gave a presentation that overview the University of Minnesota’s findings of how a local sales tax would affect Richfield residents and the estimated forecast of revenue, and provided an example of how non-residents would contribute to the local sales tax.

Council Member Hayford Oleary asked how voters would vote on the projects. Analyst Swanson shared the voting would be upon multiple individual projects to vote yes or no. Council Member Hayford Oleary asked about the history of voting on individual projects in other cities that have passed local sales tax. Lobbyist Lenczewski shared a brief history of local sales tax and how it has changed over the years and will continue to change due to legislative turnover. Council Member Hayford Oleary asked if the Council can advocate for the local sales tax. Lobbyist Lenczewski explained that the City cannot sway the voters but can give educational materials on the local sales tax. Council Member Hayford Oleary asked if City staff would be required to keep track of the sales tax. Lobbyist Lenczewski explained that it would be up to the City Manager to decide on doing the collection in house or having the Department of Revenue staff collect. City Manager Rodriguez recommended having the State collect the sales tax.

Council Member Trautmann clarified that as elected officials that they are free to advocate for any policy. Lobbyist Lenczewski stated yes that personally Council can voice their opinions. Council Member Trautmann asked if there are statistics about residents spending less in a certain city due to the local sales tax increase. Lobbyist Lenczewski shared there are studies which stated that there is very little impact. Council Member Trautmann clarified some confusion regarding taxing clothing. Lobbyist Lenczewski said that Minnesota won't allow local governments to change the tax base to reduce confusion for the consumer. Lobbyist King shared that online sales tax to Richfield residents would also be collected.

Mayor Regan Gonzalez read aloud comments from Council Member Supple that shared her support of a local sales tax and stressed the importance of gathering public input on the projects it would support. Council Member Supple stated in her comment the priorities of the projects with Woodlake Nature Center and the Veterans Park upgrades being highest on her list with the Park Trail System Improvements being at the lowest priority. Council Member Supple also asked if there would be the financial means to do both the Woodlake and Community Center projects in 2025-2026. City Manager Rodriguez stated that further details would need to be gathered to figure out how to finance the projects; the local sales tax is projected to raise 91 million dollars in 20 years or 61.7 million dollars in 15 years.

Mayor Regan Gonzalez read aloud comments from Council Member Whalen that shared his support and excitement for the recreation infrastructure projects and the idea of a local sales tax as a funding source to help make those happen.

Recreation Services Director Markle overviewed the possible projects that could be funded by local sales tax which included the Wood Lake Nature Center, Veterans Park Complex, Donaldson and Taft Parks, Park Trail System Improvements, and Community Center Upgrades and Improvements.

Mayor Regan Gonzalez shared her support and commented on thinking about the long-term investments. She recommended using guiding principles that would aid in the vision of these projects that would offer more to our residents that is equitable, accessible, and sustainable for years to come. She stressed the importance of community engagement throughout the process. She also commented on the need for more rentable community spaces.

Council Member Trautmann shared a vision to tie nature to commerce in our parks system and to consider larger indoor community gathering spaces and utilizing our partners in the school district and to think outside the box to accomplish those goals.

Mayor Regan Gonzalez echoed the comment of Council Member Trautmann to think outside the box to address the needs of the community.

Council Member Hayford Oleary supported the list of projects and commented on the making the trail system cohesive that would bring up the standard of the parks in Richfield and should be a higher priority. He asked if the Community Center would need to stay in the current building or if it could be expanded to the parking lot. Director Markle did not have an answer. He raised concerns to reduce park parking lots to keep maintenance costs lower and for more greenspace.

City Manager Rodriguez asked Council if they would like to submit to the legislative process during the 2023 session. Council Member Hayford Oleary stated that bringing it to a vote during a presidential election would bring this to the forefront for voters. Analyst Swanson added that there is some flexibility to change or amend after it has gone through the legislative process. Council Member Trautmann and Mayor Regan Gonzalez promoted submitting this to the legislative process in the 2023 session. City Manager Rodriguez reminded Council that staff will continue to refine the project costs and look at possible financing options.


ADJOURNMENT

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

Date Approved: October 11, 2022



Maria Regan Gonzalez
Mayor



Kari Sinning
City Clerk



Katie Rodriguez
City Manager