



# 2022 budget and tax levy

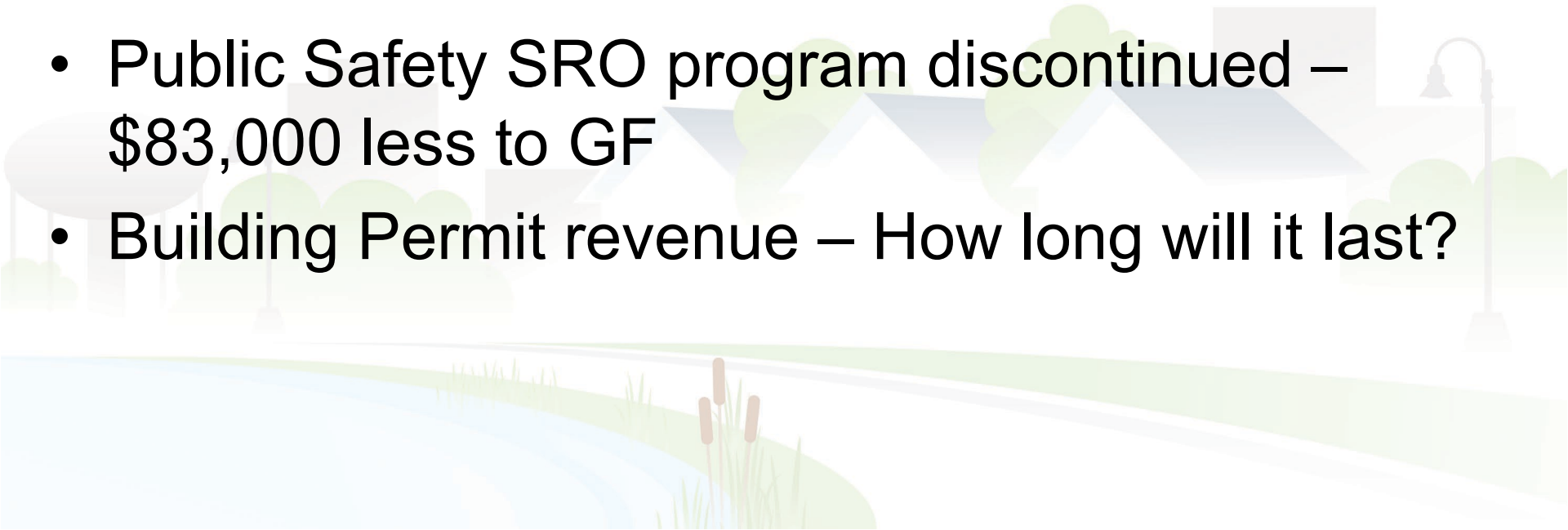


# Timetable and key events

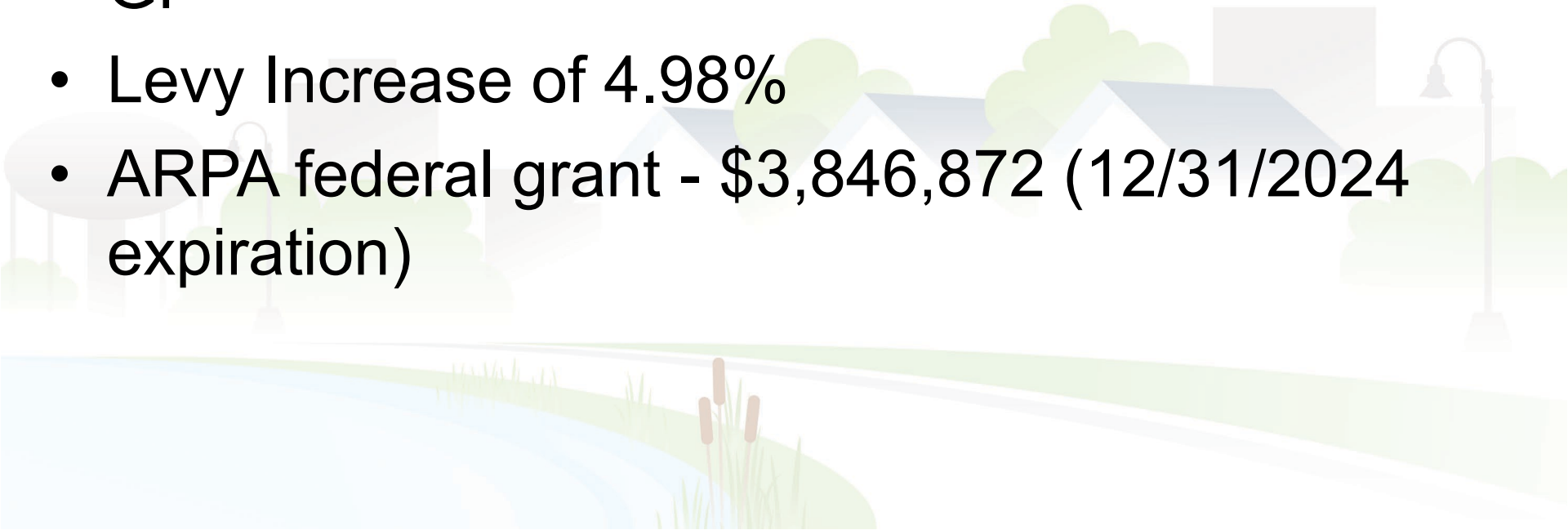
- Budget study session (August 24)
- Adopt preliminary levy (September 14)
- Truth in taxation hearing (TBD)
- Certify final levy (December 14)



# Key issues for 2021/2022

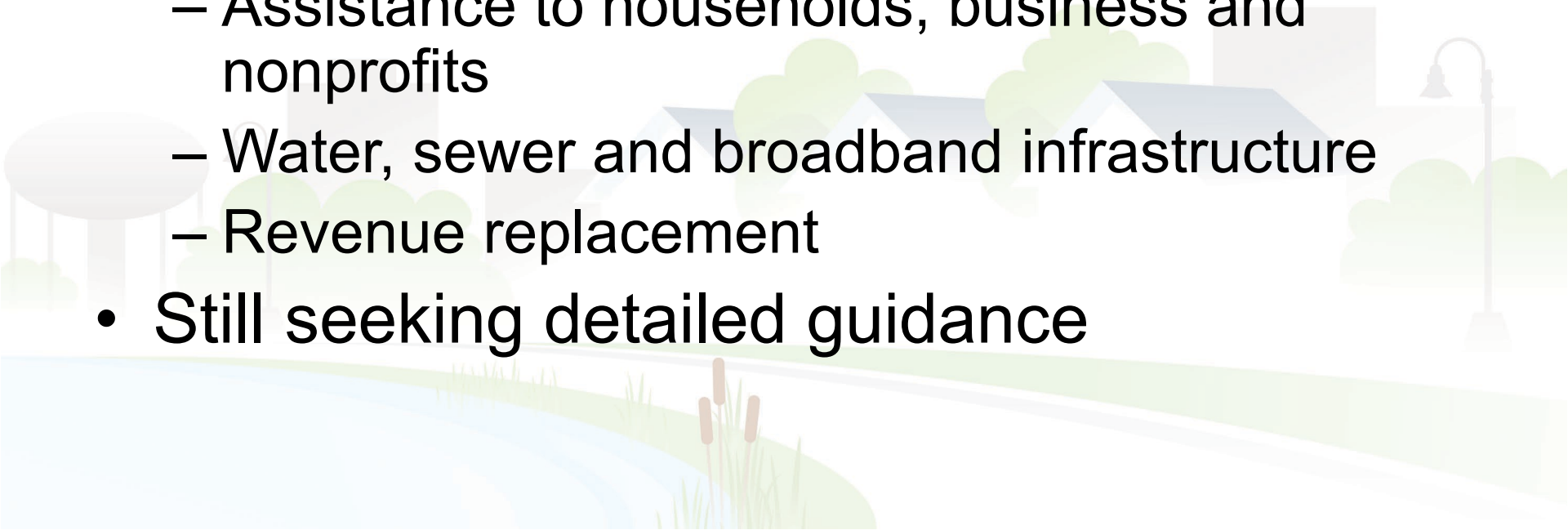
- GF Personnel costs 71% – COLA 3% Steps 5%
  - GF Revenue decreases Charges for Services, Court Fines, Misc. Revenues, Transfers In
  - Intoxicating license fee decrease .07% tax levy increase
  - Public Safety SRO program discontinued – \$83,000 less to GF
  - Building Permit revenue – How long will it last?
- 

# Key issues for 2021/2022

- 2022 budgeted revenues - \$2,010,920 of LGA
  - Future LGA – TIF Impact 2026
  - City Reserves – Finite source
  - Property taxes – primary funding source 71% of GF
  - Levy Increase of 4.98%
  - ARPA federal grant - \$3,846,872 (12/31/2024 expiration)
- 



# American Rescue Plan Act \$

- City received \$1.9M, will receive the 2<sup>nd</sup> payment after 1 year
  - Eligible costs include:
    - Public health and public safety costs
    - Assistance to households, business and nonprofits
    - Water, sewer and broadband infrastructure
    - Revenue replacement
  - Still seeking detailed guidance
- 

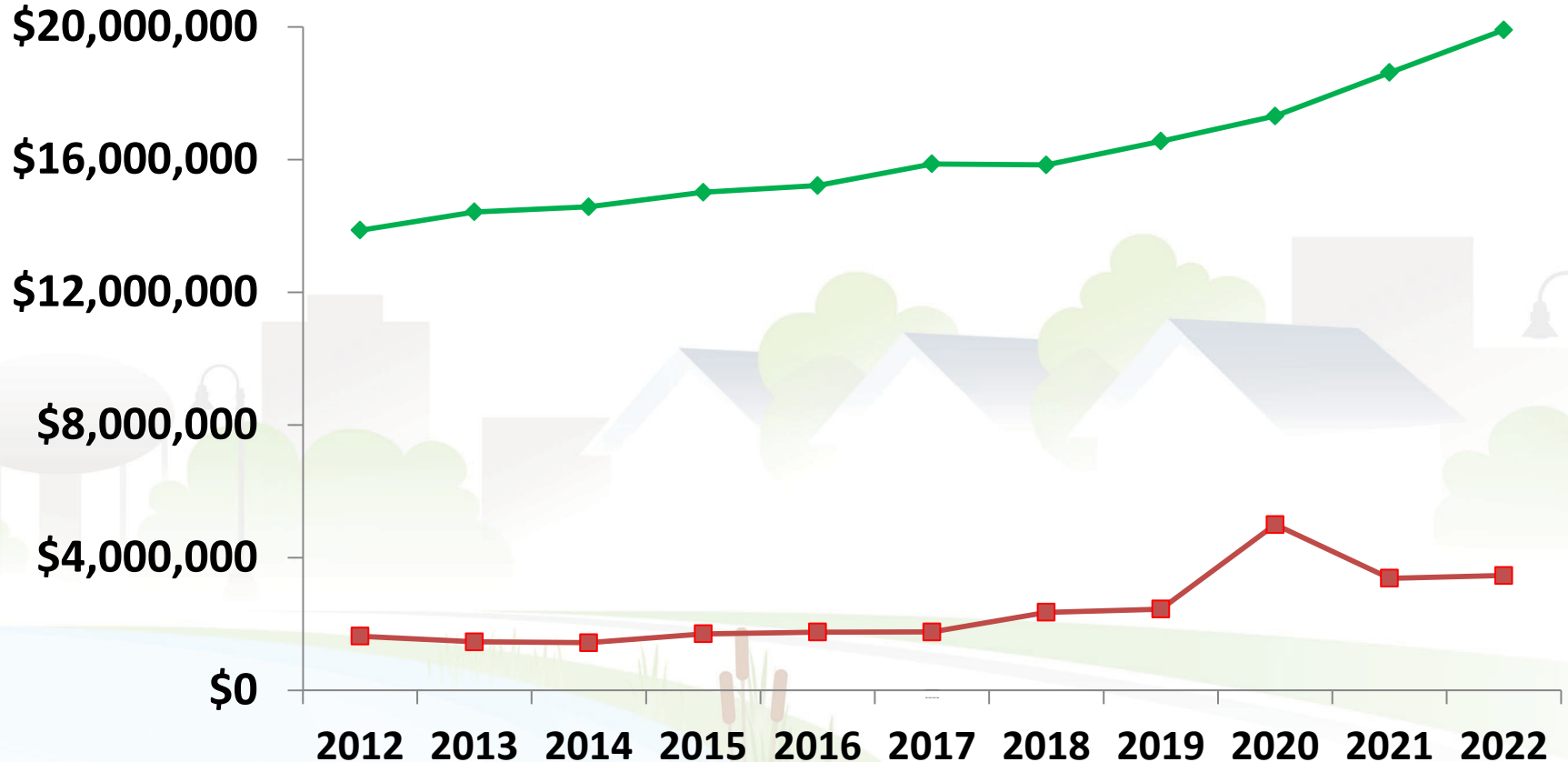
# History of state aid

	<b><u>Certified</u></b>	<b><u>Change</u></b>
2013 -	\$1,218,346	\$0
2014 -	\$1,937,907	\$719,561
2015 -	\$2,053,363	\$115,456
2016 -	\$2,084,057	\$ 30,694
2017 -	\$2,094,443	\$ 10,386
2018 -	\$2,229,280	\$137,837
2019 -	\$2,235,643	\$ 6,363
2020 -	\$2,366,046	\$130,403
2021 -	\$2,001,680	\$(364,366)
2022 -	\$2,010,927	\$ 9,247

# Revenue comparison

## Taxes & Intergovernmental Revenue - GF

- In 2001 Taxes = 38% Intergovernmental Revenue = 39%
- In 2022 Taxes = 71% Intergovernmental Revenue = 12%



# Capital Fund Reserves

- Reserves built over time with LGA funds to provide stability
- Added about \$1.2M in 2020 due to excess GF revenues and reduced spending
- Past uses of Funds
  - Buy down Portland Avenue Bonds – 2015 \$800,000
  - Buy down Lyndale Avenue Bonds – 2019 \$1,000,000
  - Multiple funding of GF purchases with payback
- **Current balance → \$6,662,631**

# Capital Fund Reserves, cont.

- Estimated 2021 Y/E Balance \$5.9M
- Estimated 2021 Ice Arena & Pool Y/E Balances **\$3.3M** and **\$.8M**
- Planned uses of Funds
  - Multiple funding of GF purchases with payback
  - Budgeted Transfer to GF – 2021 \$481,000
  - Budgeted Transfer to GF – 2022 \$460,600
  - Annual cash flow transfers to Central Garage & IT Funds \$235,000
  - Annual transfers to Ice Arena & Pool \$400,000 starting in 2021
- Projected 2028 balance \$3.2M

# 2022 proposed gross levy

- 2022 Gross Levy is \$25,127,419
  - Increase of 4.98% over the 2021 Levy
- General Fund Levy \$20,067,061
- Equipment Levy \$ 835,000
- EDA Levy \$ 556,823
  - Base Levy Total \$21,458,884
- Debt Service Levy \$ 3,668,535
  - Total 2022 Levy \$25,127,419 – 4.98%

# Gross tax levy history

- 2022 - \$25,127,419 - 4.98% 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 of \$27,868,330 is a(n):
  - 4.24% increase from the 2021 adopted budget
  - 3.63% increase from the 2021 revised budget

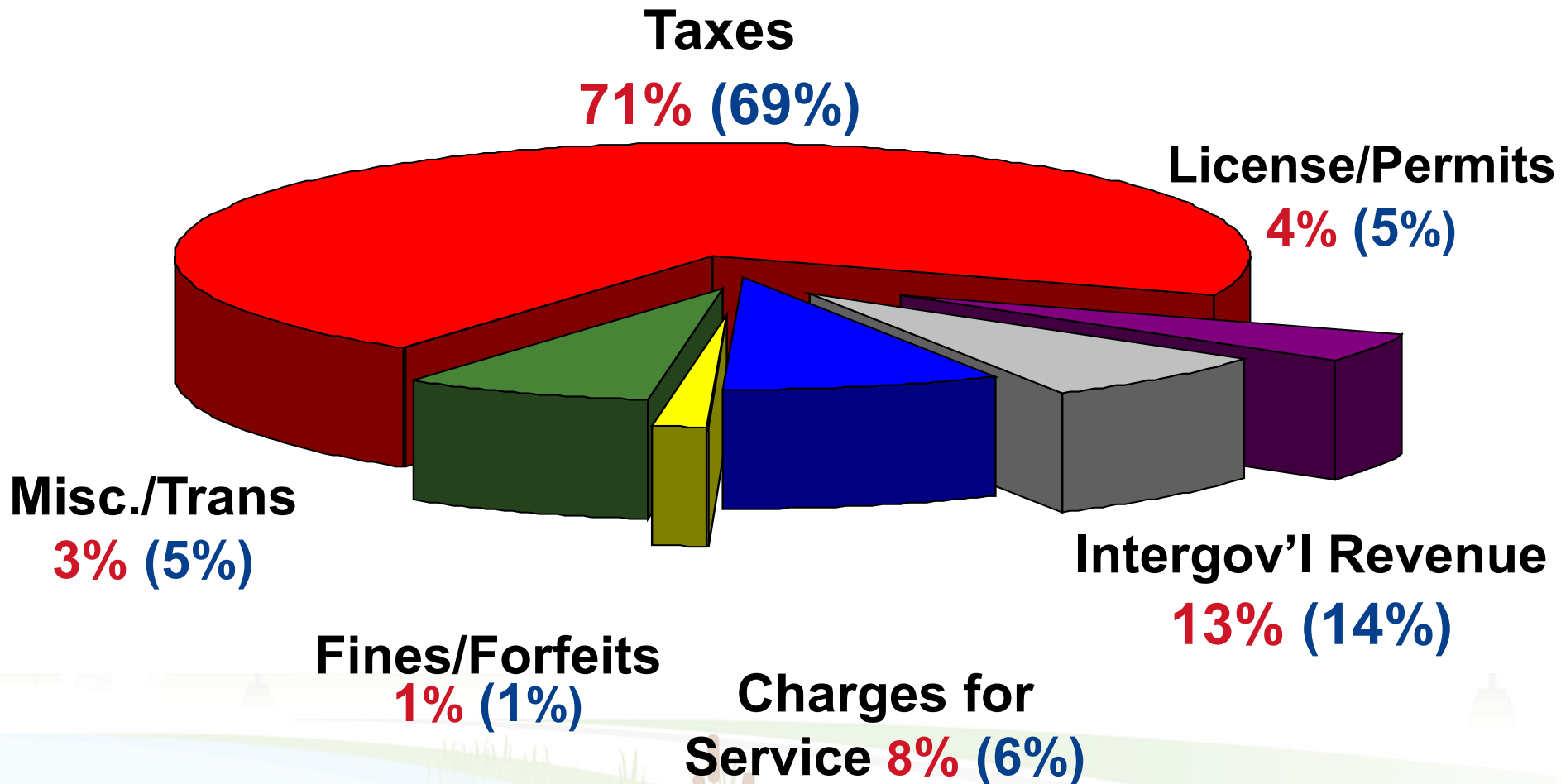




# General Fund revenues

	<u>2021A</u>	<u>2021R</u>	<u>2022P</u>
<b>Taxes</b>	\$18,621,410	\$18,621,410	\$19,866,390
<b>Licenses and permits</b>	1,065,000	1,233,000	1,207,500
<b>Intergovernmental</b>	3,374,170	3,704,350	3,461,170
<b>Charges for services</b>	2,222,900	1,698,790	2,147,260
<b>Fines and forfeitures</b>	280,000	222,000	220,000
<b>Miscellaneous</b>	75,100	70,100	67,830
<b>Transfers</b>	1,096,090	1,343,770	898,180
	<hr/> \$26,734,670	<hr/> \$26,893,420	<hr/> \$27,868,330

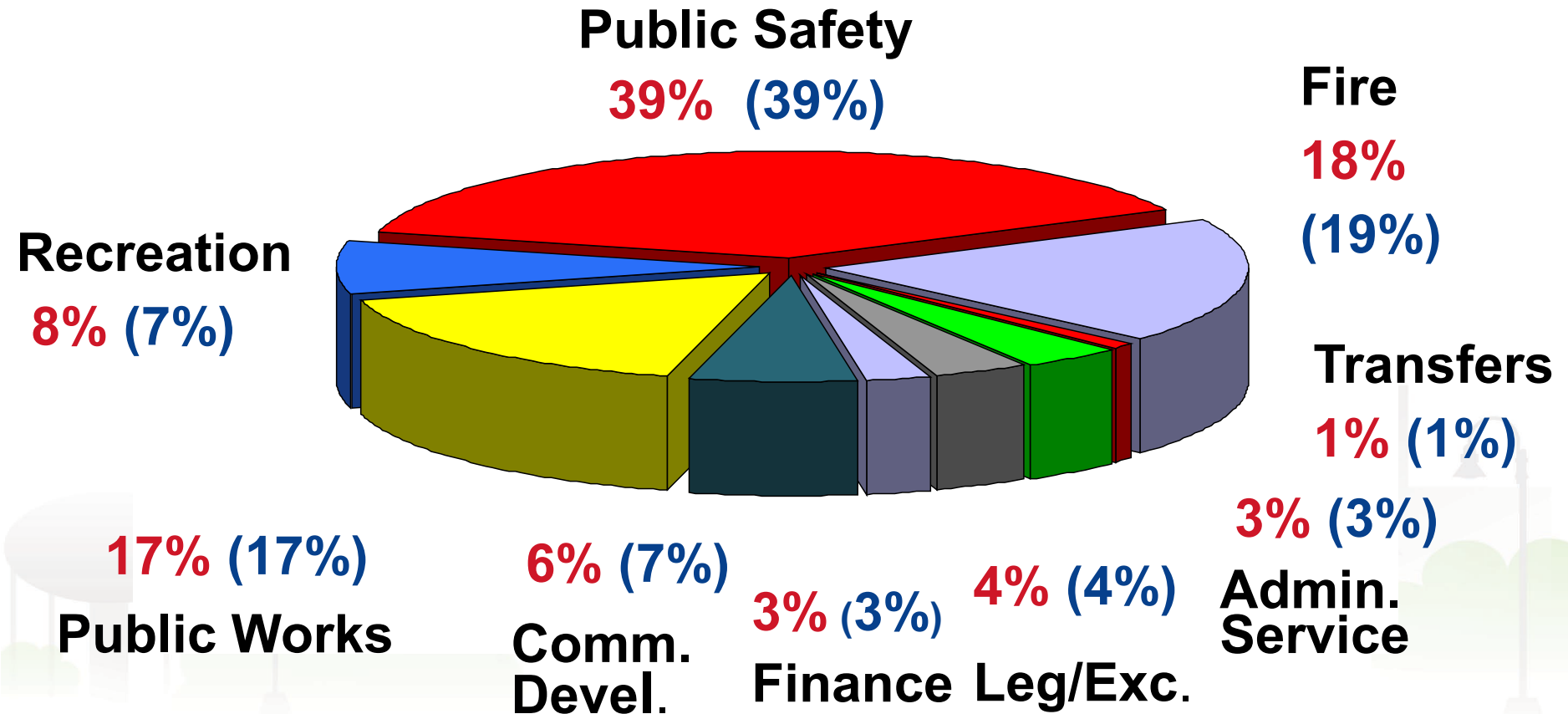
# 2022 (2021) proposed budget General Fund revenues



# General Fund expenditures

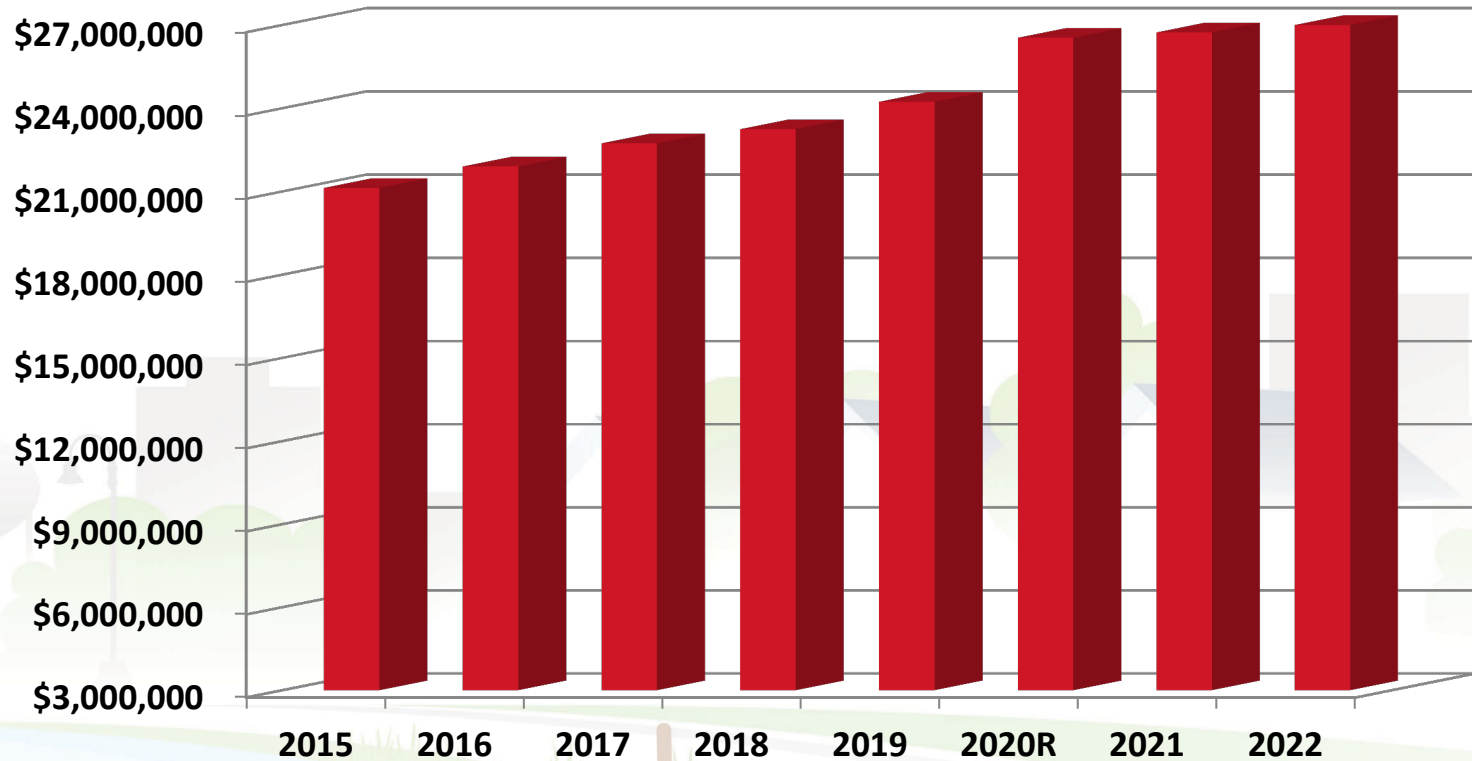
	<u>2021A</u>	<u>2021R</u>	<u>2022P</u>
<b>Legislative/Executive</b>	\$ 1,044,630	\$ 1,008,250	\$ 1,113,300
<b>Administrative Services</b>	908,360	836,330	973,080
<b>Finance</b>	743,050	755,000	769,760
<b>Public Safety</b>	10,447,080	10,484,860	10,926,920
<b>Fire</b>	4,995,480	4,995,320	5,130,730
<b>Community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

# 2022 (2021) proposed budget General Fund expenditures



# General Fund history

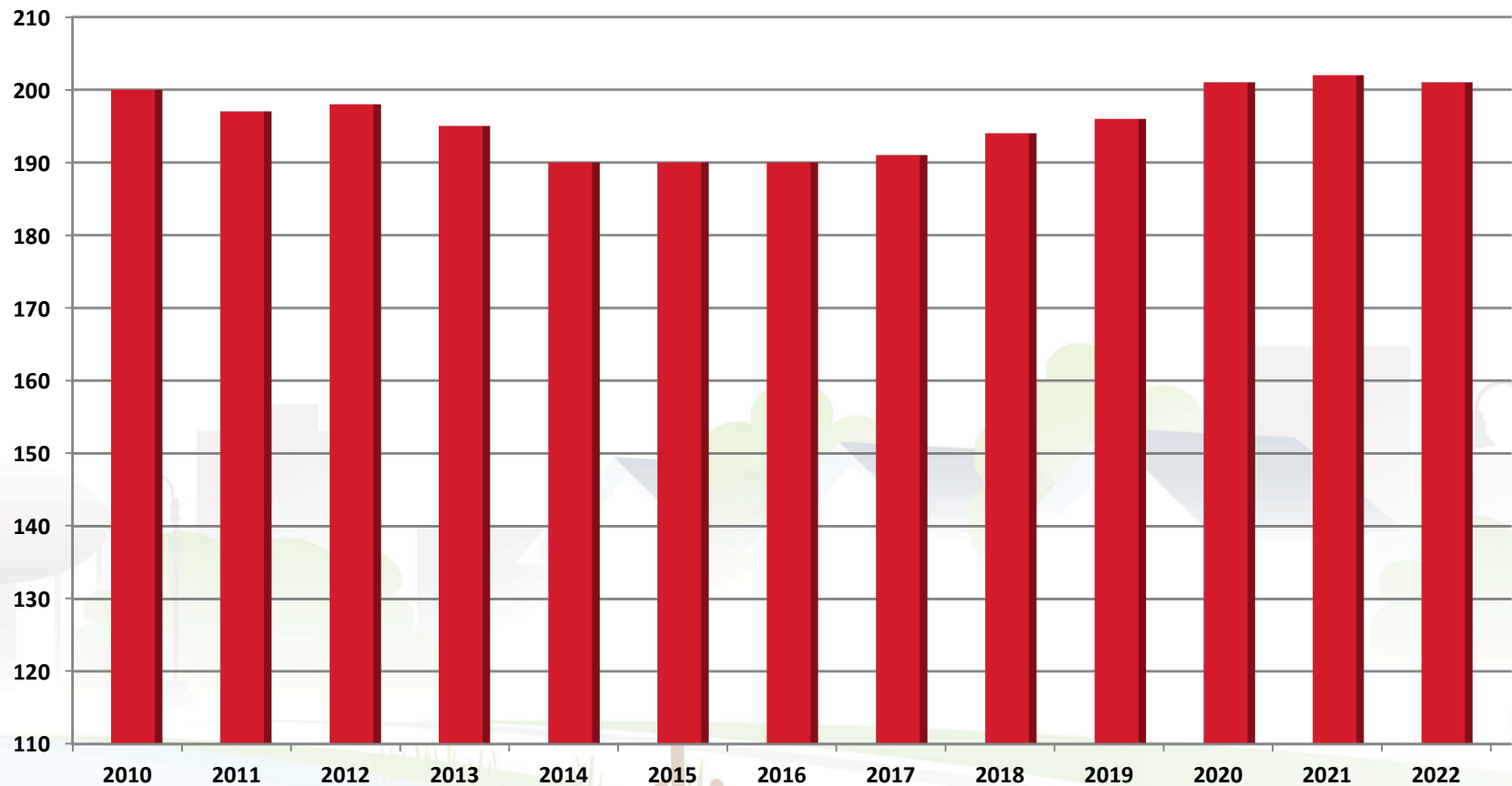
Average increase of 3.65%



# Full-time regular personnel

## 201 Full-Time Budgeted Positions

- One new position in 2021



# Staff needs that are not recommended this year

- PWW trainee program - \$78,000
- Additional communications staff-\$86,000
- Future needs to be researched
  - Additional CSOs
  - Community center staff



# 2022 proposed levy estimated impact

- \$250,000 property

– City Portion - Tax 2021	\$1,351.98
– City Portion - Tax 2022	\$1,374.68
– City Portion - Tax 2022 (7.4% emv)	\$1,476.40

- **\$22.70 increase** or **\$1.89** per month in city property tax portion with no change in market value
- **\$124.43 increase** or **\$10.37** per month in city property tax portion with estimated 7.4% increase in market value



# 2022 proposed levy estimated impact

- \$275,000 property

– City Portion - Tax 2021	\$1,487.17
– City Portion - Tax 2022	\$1,512.14
– City Portion - Tax 2022 (7.4% emv)	\$1,624.04

- **\$24.97 increase** or **\$2.08** per month in city property tax portion with no change in market value
- **\$136.87 increase** or **\$11.41** per month in city property tax portion with estimated 7.4% increase in market value

# 2022 proposed budget

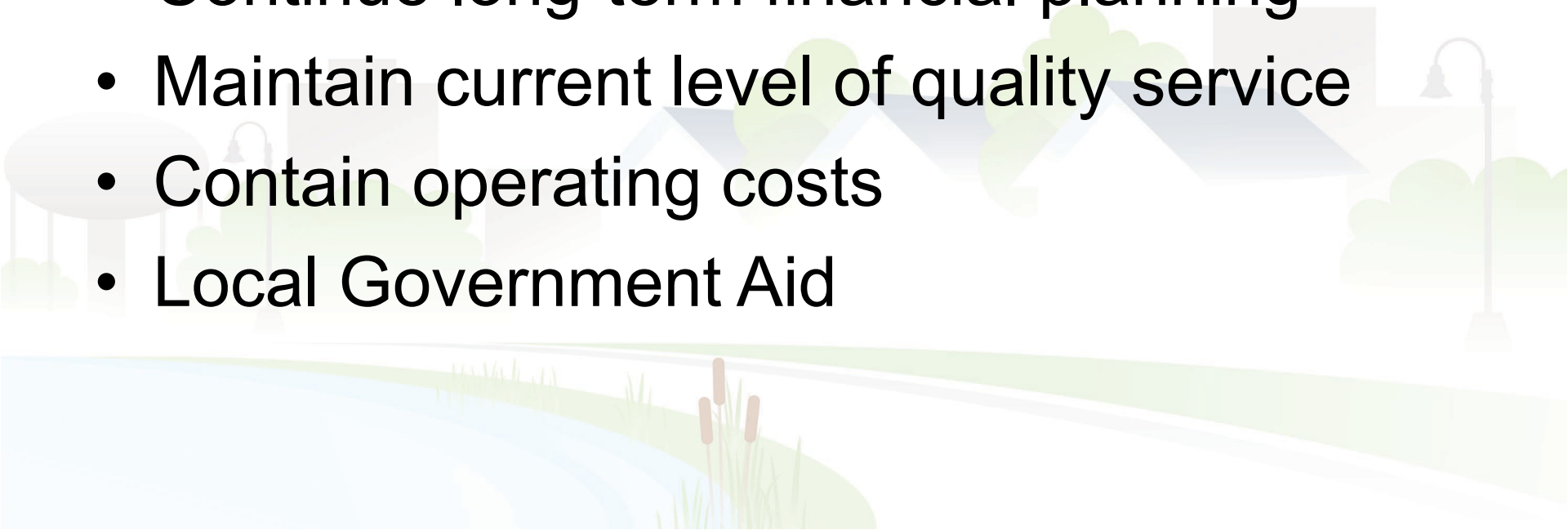
- 2022 Capital Improvement Budget
  - Total 2022 budget - \$26,575,000
  - Major projects include:
    - 77<sup>th</sup> Street Underpass
    - 65<sup>th</sup> Street Reconstruction
    - Utility projects
    - Park play equipment replacements



# 2022 proposed budget

- Rolling stock/equipment purchases 2022
  - Total cost of equipment > \$1,000,000
  - General Tax Levy only \$835,000
  - Central Garage and IT cash flow transfers in
  - Fire pumper chassis
  - 5 hybrid SUV police squads
  - Arbor pro lift bucket
  - Computer network infrastructure and equipment

# Where are we going?

- Significant ROW projects → Debt funding
  - Recreation infrastructure needs
  - Pressure on tax levy → Debt service
  - Continue long-term financial planning
  - Maintain current level of quality service
  - Contain operating costs
  - Local Government Aid
- 



# Legislative/Executive



# Legislative/Executive

- Mayor/City Council
- Other agencies
- City manager
- Legal



# 2021/2022 Budget

## Legislative/Executive Department

	<u>2021 Budget</u>	<u>2021 Revised</u>	<u>2022 Budget</u>
Council/Mayor	\$ 224,310	\$ 222,040	\$ 230,790
Other Agencies	\$ 101,770	\$ 101,770	\$ 104,830
City Mgr.	\$ 358,020	\$ 355,710	\$ 433,590
Legal	<u>\$ 360,530</u>	<u>\$ 328,730</u>	<u>\$ 344,090</u>
<b>TOTAL</b>	<b><u>\$ 1,044,630</u></b>	<b><u>\$ 1,008,250</u></b>	<b><u>\$ 1,113,300</u></b>

# Legislative/Executive highlights

- City Council

- Strategic Plan
  - Three-year plan with priorities, measurable outcomes and performance targets
- Continue to advocate for city priorities at the federal, state and county level
  - 2021: Flexibility for TIF
  - 2022: New Wood Lake Nature Center building

- Other Agencies

- \$70,480 in grants awarded to non-profit agencies in 2021
- 3% increase planned in 2022, \$72,600 in grants



# Legislative/Executive highlights

- City Manager

- Continue to work with Emergency Management Coordinator and Public Health Administrator to respond to the COVID-19 pandemic
- Complete strategic plan
- Embed mission, vision, values and priorities in communications, processes and city culture
- Create dashboards to track performance targets
- Continue to build equity program:
  - Develop equity mission, vision, values and thresholds
  - Shared language and diversity wheel
  - Equity webpage
  - Equity tool kit or lens and staff training
  - Increased engagement with historically excluded communities

# Legislative/Executive highlights

- Legal Division
  - Excellent representation by city legal firms
  - Forecast legal costs to remain stable in 2022





# Administrative Services



# Administrative Services

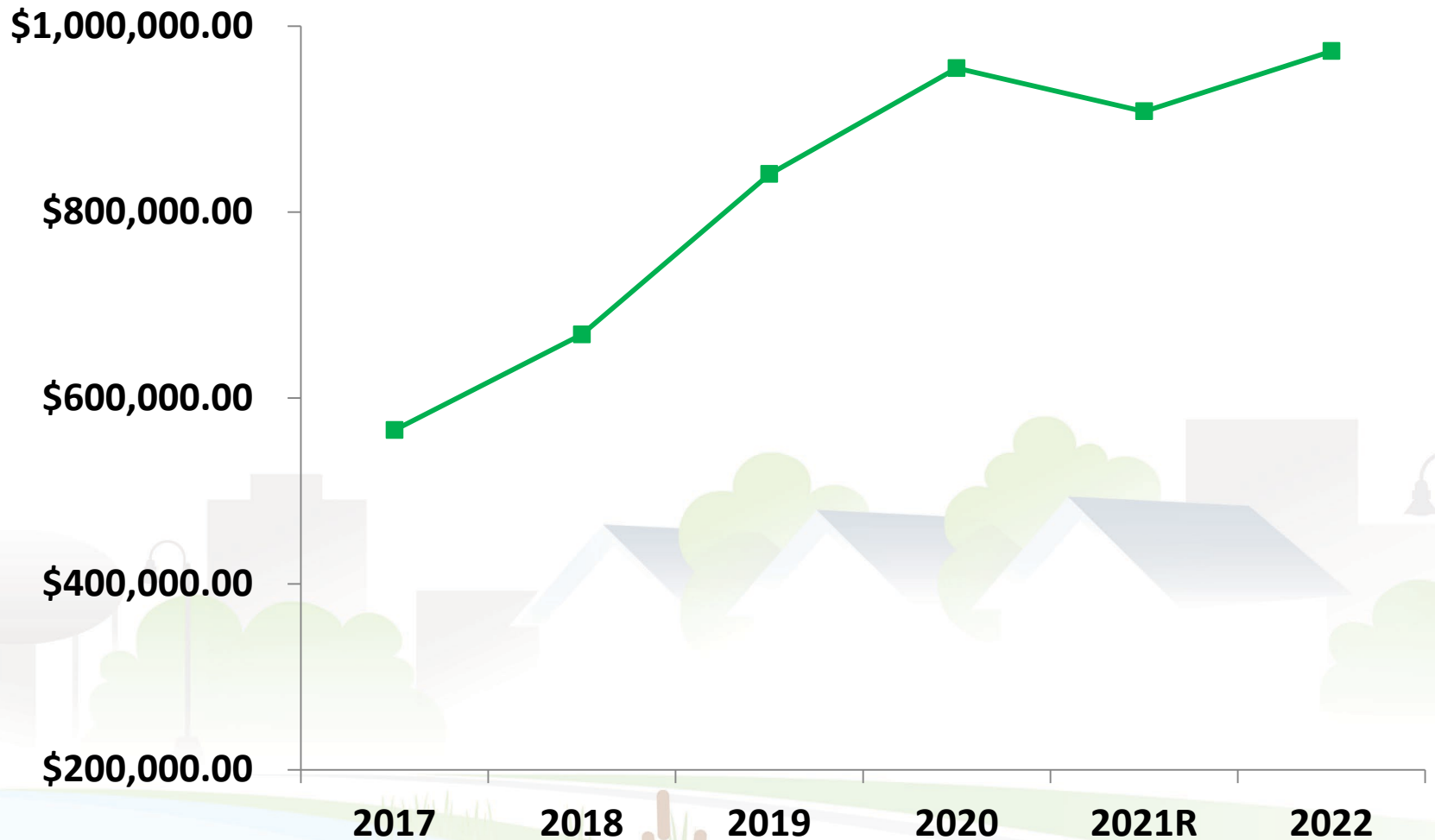
- General Fund Divisions
  - Administration
  - Human Resources
  - Deputy Registrar
  - City Clerk\*
- Funds
  - Information Technologies Fund
  - Self-Insurance Fund
  - Cable Fund
  - Building Services Fund

\*new division in 2022

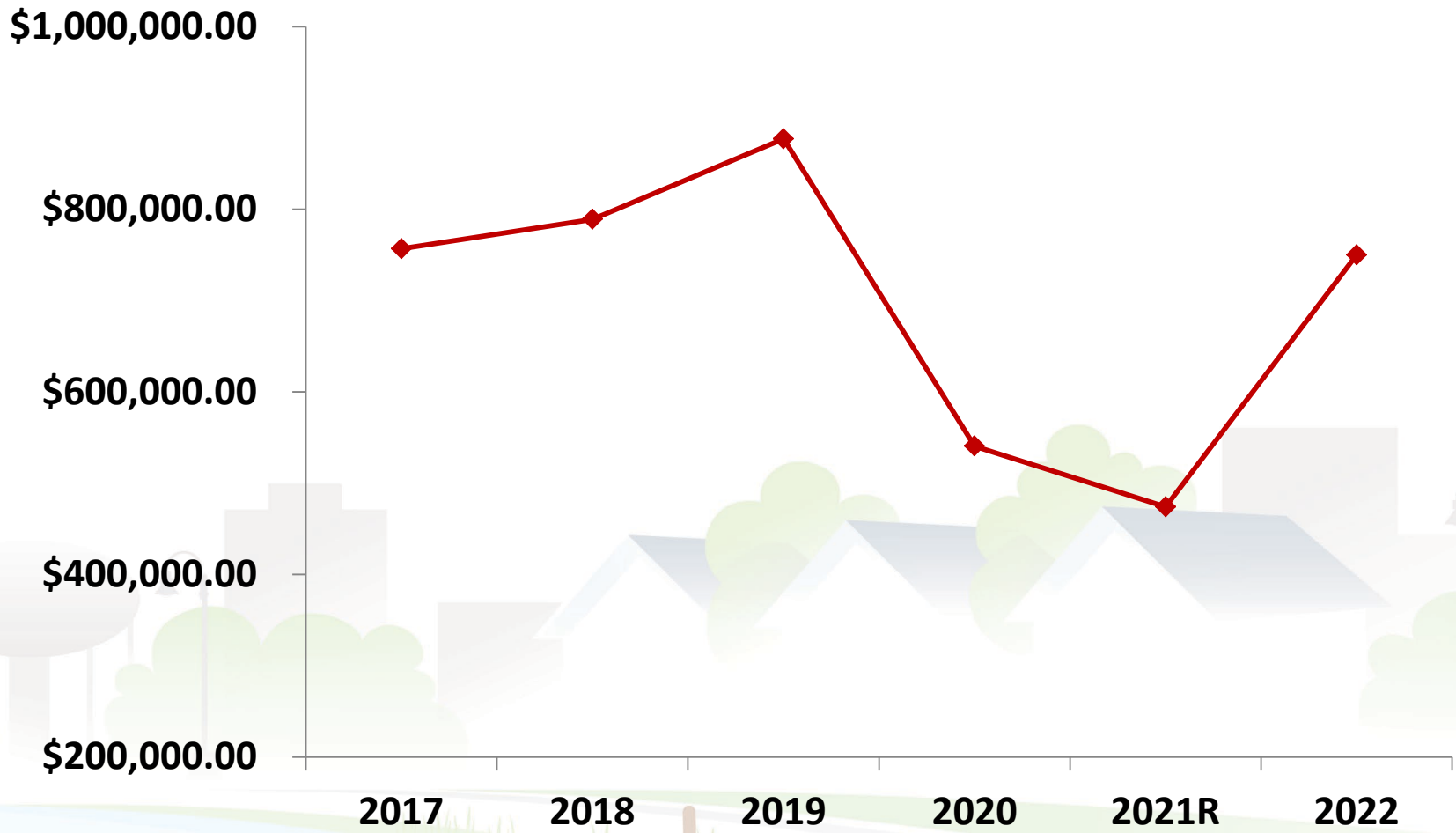
# 2021R/2022 Administrative Services Budget

	<u>2021 Budget</u>	<u>2021 Revised</u>	<u>2022 Budget</u>
<b>Admin</b>	\$ 129,340	\$ 129,530	\$ 166,030
<b>HR</b>	\$ 57,610	\$ 41,370	\$ 72,160
<b>Deputy Registrar</b>	\$ 721,410	\$ 665,430	\$ 721,410
<b>City Clerk</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,730</u>
<b>TOTAL</b>	<u>\$ 908,360</u>	<u>\$ 836,330</u>	<u>\$ 973,080</u>

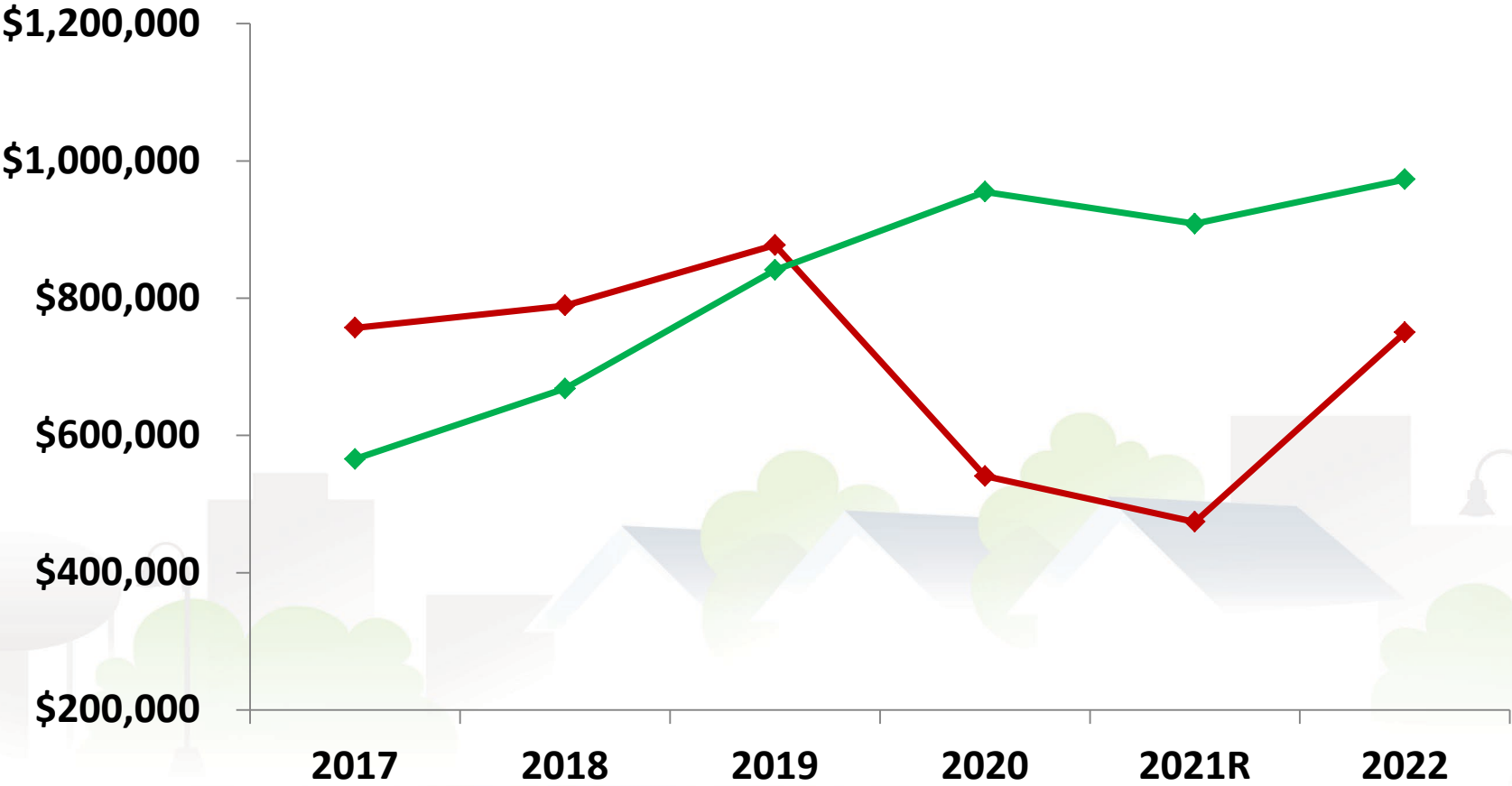
# Expenditure history 2017-2022



# Revenue history 2017-2022



# Revenue/Expenditure comparison 2017-2022





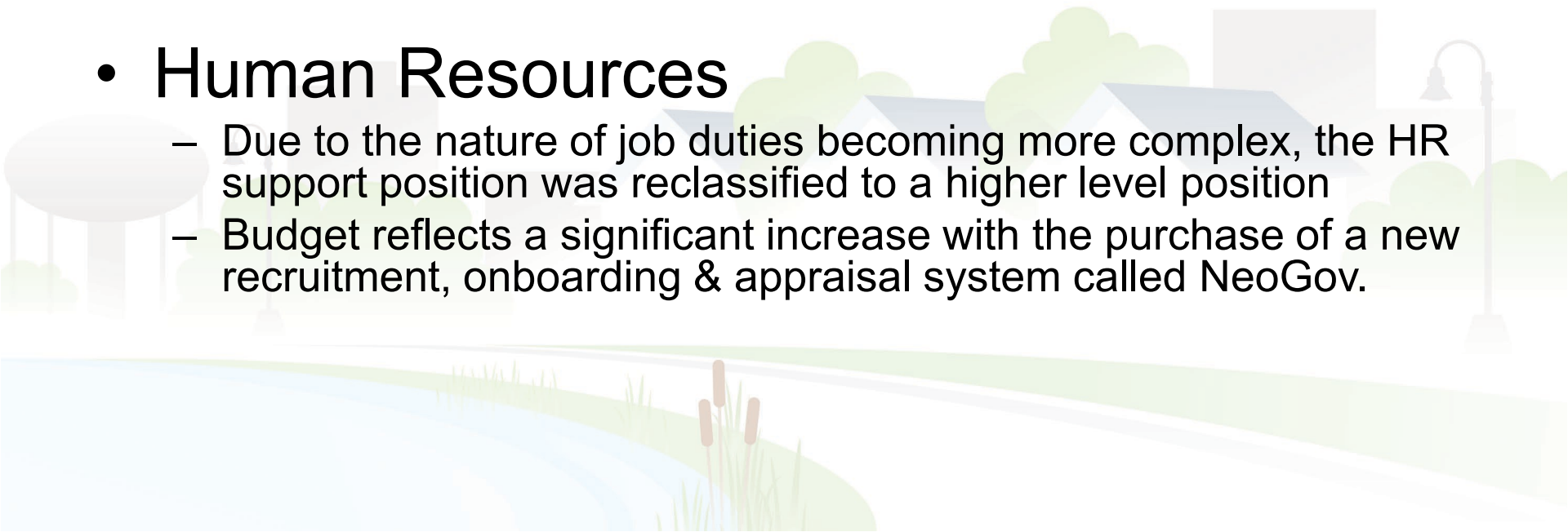
# Budget highlights

- Administration

- The primary reason for the 28% increase is due to moving 25% of the communications and engagement manager's personnel costs from the Communications Fund. The goal is to completely move this position over in the next several years.
- Prior to the next Pay Equity Report due in 2024, the city should plan to conduct a classification and compensation study.

- Human Resources

- Due to the nature of job duties becoming more complex, the HR support position was reclassified to a higher level position
- Budget reflects a significant increase with the purchase of a new recruitment, onboarding & appraisal system called NeoGov.



# Budget highlights

- Deputy Registrar

- Staffing has been down nearly 50% since spring 2021 due to staff resignations, retirements and other unforeseen situations. This is reflected in a -5.35% in the 2021 revised budget.
- The staffing model was changed to separate City Clerk functions from Motor Vehicle Office supervisory duties.
- A new Motor Vehicle Licensing Supervisor position was created and filled on August 16.
- Due to COVID-19 and short staffing, revenues remain down from the pre-pandemic trend of nearly \$1M in transactions.
- With the closure of the Bloomington Motor Vehicle Office, we are seeing an increase in customers and secured new dealership business.

# Budget highlights

- City Clerk

- In 2022, City Clerk will become a separate division from Deputy Registrar.
- The primary costs associated with this budget are personnel.
- The City Clerk's role is to maintain city records, manage data requests, administer elections and voter registration activities.
- Expenditures for 2022 represent the costs estimated for the 2022 General Election. The city employs 75-150 seasonal election workers.

# Budget highlights

- Information Technologies
  - The Revised 2021 Budget reflects an 8.8% increase over the adopted due to:
    - The delay of some projects due to COVID-19
    - Increase in equipment and communications costs
    - Cost of a security assessment
    - Cost of IT position and technology audit
  - IT is overseeing the major upgrade of the AV systems in the Council Chambers and conference rooms.

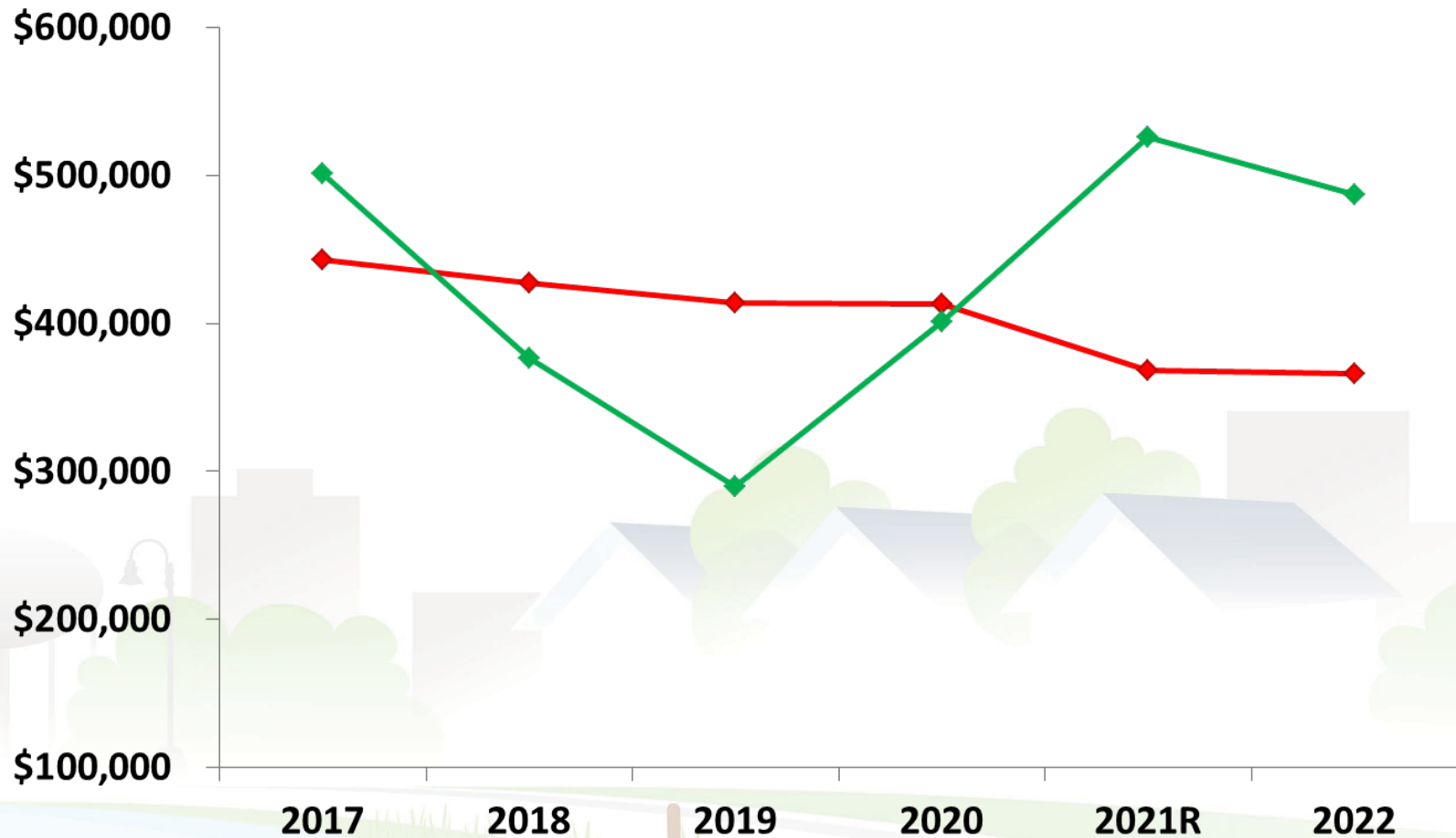
# Budget highlights

- Self Insurance/Risk Management
  - Fund accounts for all claims related to WC, unemployment benefits, property insurance, flex benefits & dental insurance.
  - Fund fluctuates, depending on number & scope of claims paid during each year. 3% rate increase for 2022 for both property/liability and for WC.
  - For 2021-2022, our excellent loss experience helped reduce our overall premium. We now have a credit mod instead of a debit.

# Budget highlights

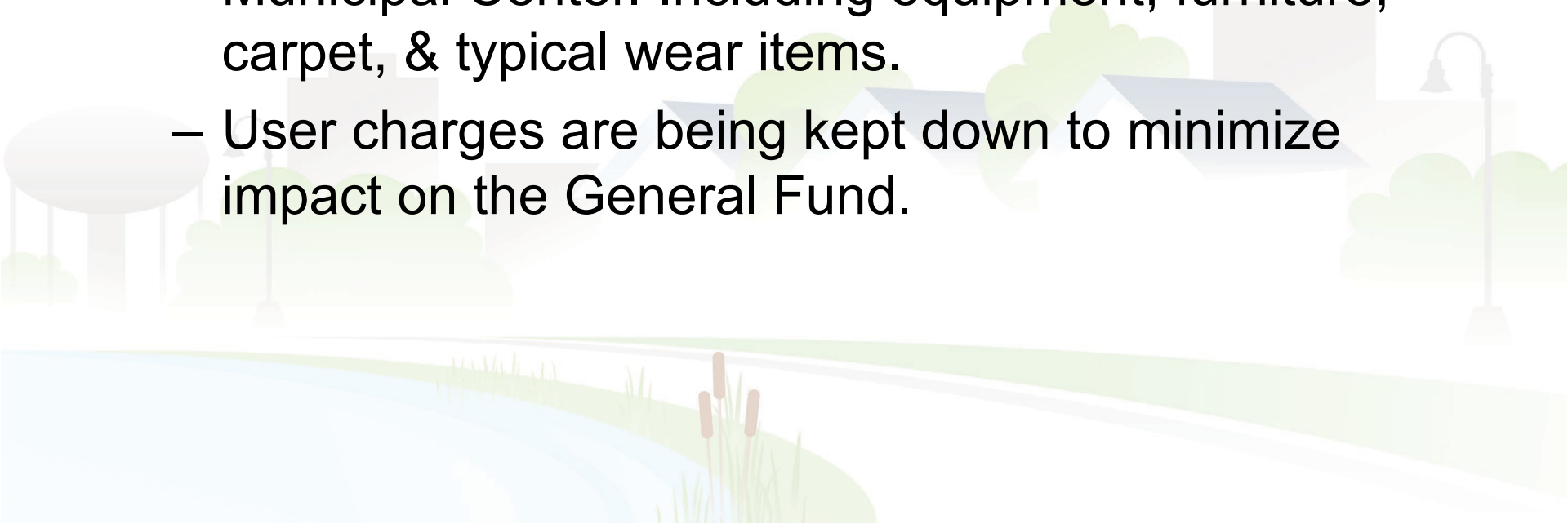
- Communications Fund
  - Communications Fund pays for the majority of C&E efforts, staff & AV equipment.
  - The fund is declining due to the reduction in franchise fees collected.
  - Meanwhile, personnel costs are increasing.
  - In 2022, it is predicted that expenditures will outweigh revenues.

# Communications Fund – Revenue/Expenditure Comparison



# Budget highlights

- Building services
  - This fund is stable and continues to cover necessary costs.
  - Need to plan for investing in infrastructure needs at Municipal Center. Including equipment, furniture, carpet, & typical wear items.
  - User charges are being kept down to minimize impact on the General Fund.







# Finance



# Finance

- General Fund Divisions
  - Finance
  - Assessing

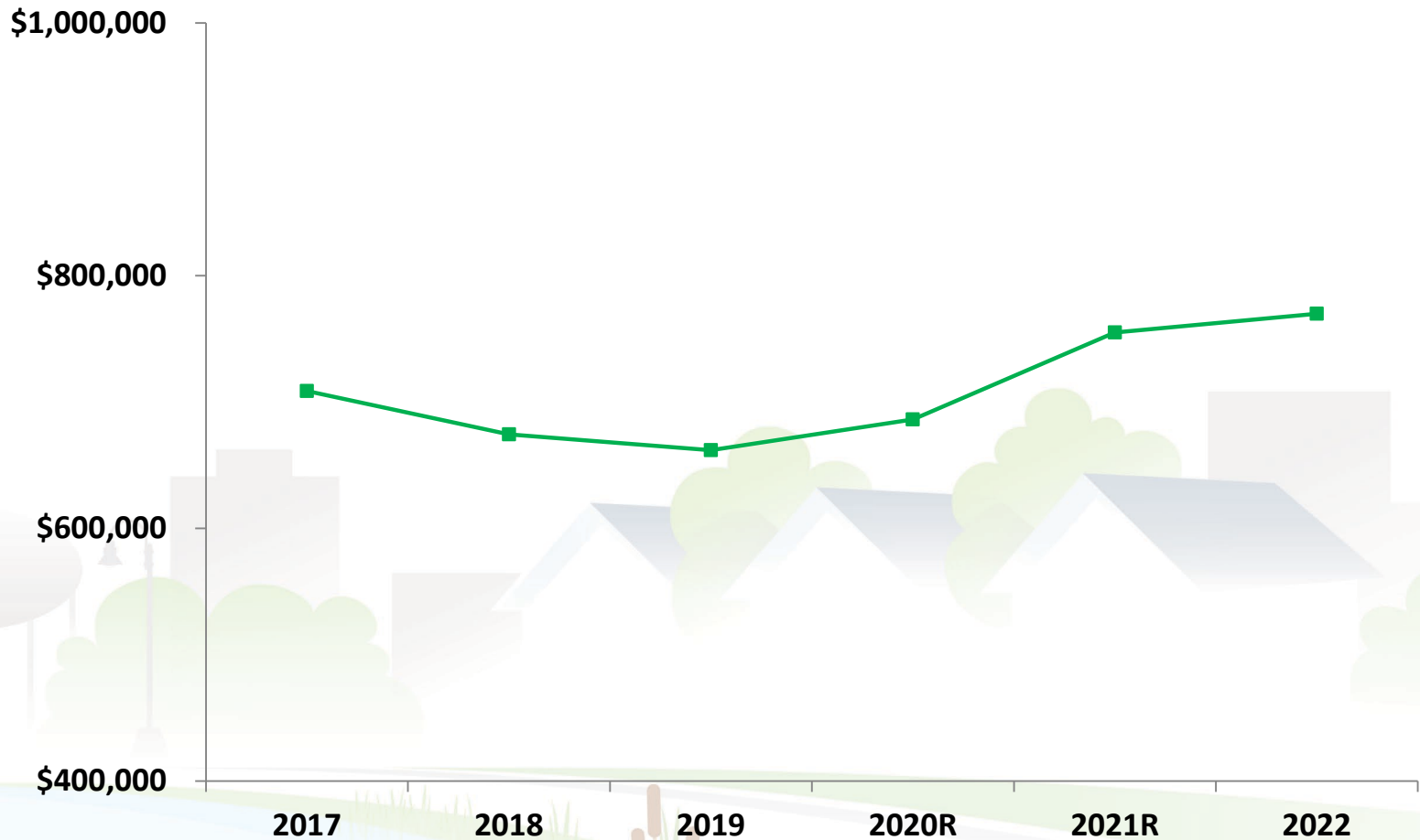


# 2021R/2022 budget

## Finance Department

	<u>2021 Budget</u>	<u>2021 Revised</u>	<u>2022 Budget</u>
<b>Finance</b>	\$ 371,810	\$ 372,810	\$ 382,290
<b>Assessing</b>	<u>\$ 371,240</u>	<u>\$ 382,190</u>	<u>\$ 387,470</u>
<b>TOTAL</b>	<u>\$ 743,050</u>	<u>\$ 755,000</u>	<u>\$ 769,760</u>

# Expenditure history (2017-2022)



# Budget highlights

- Finance

- Maintain all financial records of the city, HRA and EDA
- Continued GFOA and CAFR awards
- Reaffirmation of city's AA+ bond rating

- Assessing

- Major cost is assessing contract
  - Hennepin County performs assessment
  - \$5,000 increase for 2022
- Responsible for special assessment processing



# Public Safety



# Public Safety Expenditures

	<b>2020</b>	<b>2021A</b>	<b>2021R</b>	<b>2022</b>
<b><i>Support</i></b>	<b>\$953,233</b>	<b>\$1,047,630</b>	<b>\$1,028,060</b>	<b>\$1,077,540</b>
<b><i>Police</i></b>	<b>\$9,033,708</b>	<b>\$9,363,190</b>	<b>\$9,420,640</b>	<b>\$9,812,890</b>
<b><i>Em. Services</i></b>	<b><u>\$30,056</u></b>	<b><u>\$36,260</u></b>	<b><u>\$36,160</u></b>	<b><u>\$36,490</u></b>
<b><i>Total</i></b>	<b>\$10,016,997</b>	<b>\$10,447,080</b>	<b>\$10,484,860</b>	<b>\$10,926,920</b>

# Numbers: What do they mean?

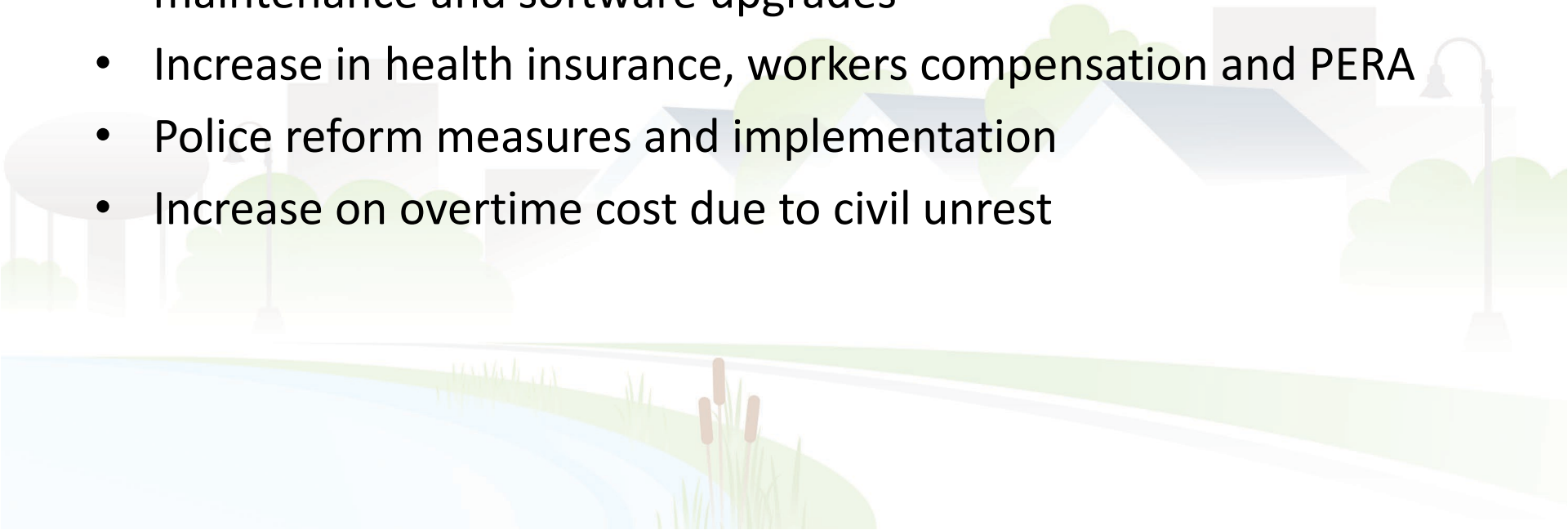
- Public Safety Budget provides core services in emergency response and quality of life issues
- Personnel services account for \$7,737,740 of budget. This consists of salaries, overtime, and medical/dental/life insurance/social security/PERA benefits
- Other services and charges are \$2,075,150 of the budget. This consists of data processing (internal IT costs), utility services, dispatch services (contracted with the City of Edina), maintenance and repairs, fleet services (Central Garage), rents and leases (radio service through Hennepin County, squad camera system and warranty), embedded social worker (Hennepin County), JCPP outreach worker (Hennepin County), LOGIS costs for records management field based reporting, and professional development of staff
- Due to COVID-19 many cost cutting measures were put into place which consisted of cutting the training budget, purchasing of needed equipment for replacement, and delay of other technology implementation. With fixed costs above needed to run the department limited line items are available to cut without greatly impacting services levels.



# Action Steps

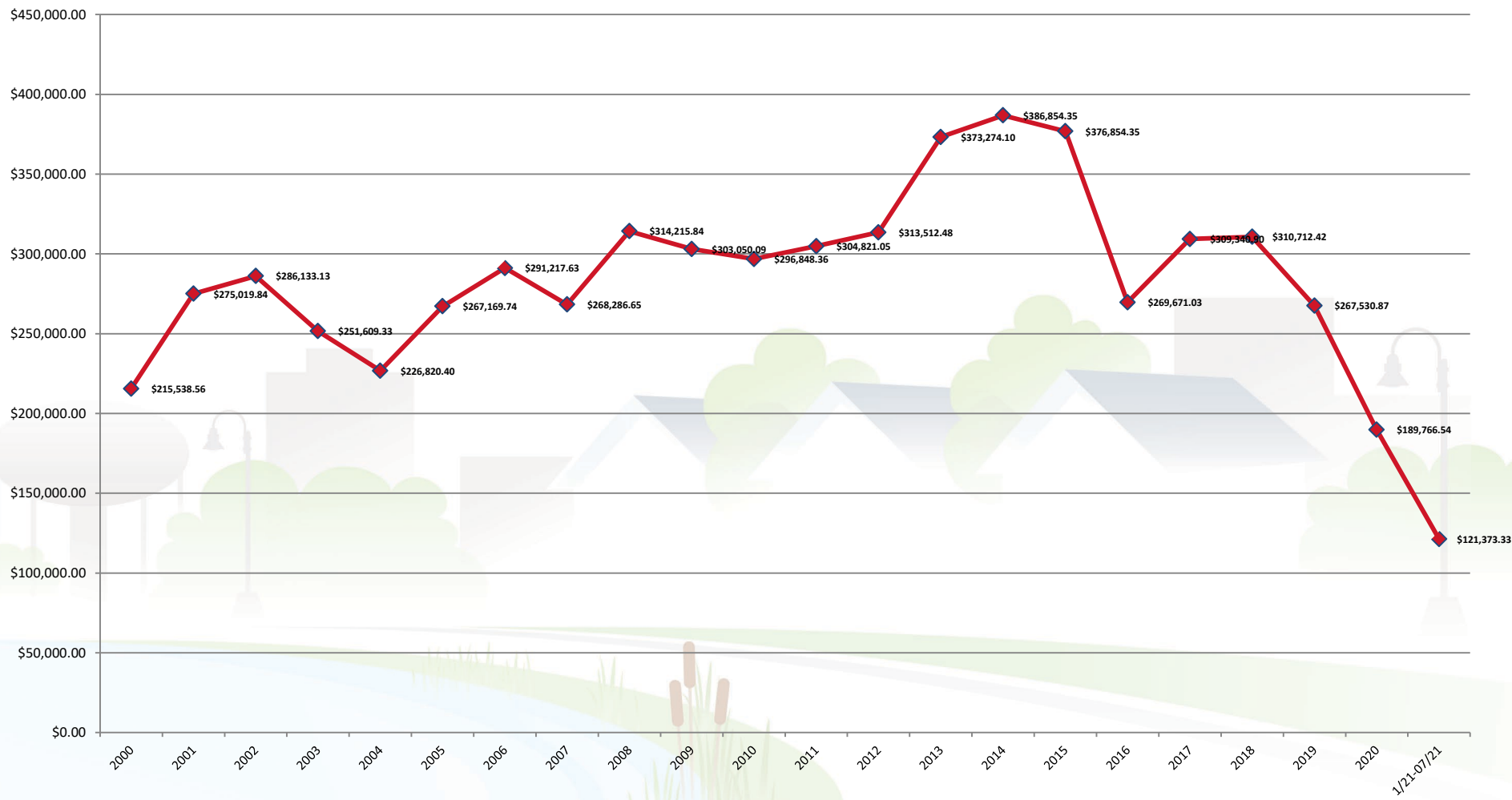
- Diversity study of our arrest and use of force data by Police Strategies. This study will cost \$10,000. Money was obtained from a grant written by Public Safety.
- Shifting Forward is a program that works with Police and the Black Community through the University of Saint Thomas and selected pastors. Program will cost \$8,500 trying to solidify funding resource and community and police participants.
- Trying to find additional funding sources to continue Heroes and Helpers as Target Corporation is no longer funding the program. This provides the opportunity for many community members to participate in a meaningful cause for those in need in our community.
- Working with Hennepin County Social Services and the Hennepin County Sheriffs Department on building a co-responder model, staff resources from the county perspective are a big hurdle. We need county participation in order to make the program successful.
- Currently, in the process of implementing additional legislative police reforms. This is requiring additional time and money to train our staff. Changes to include Use of Deadly Force, No Knock Warrant reform, Sign and Release warrant procedures and numerous others.

# Division Expenditure Increase

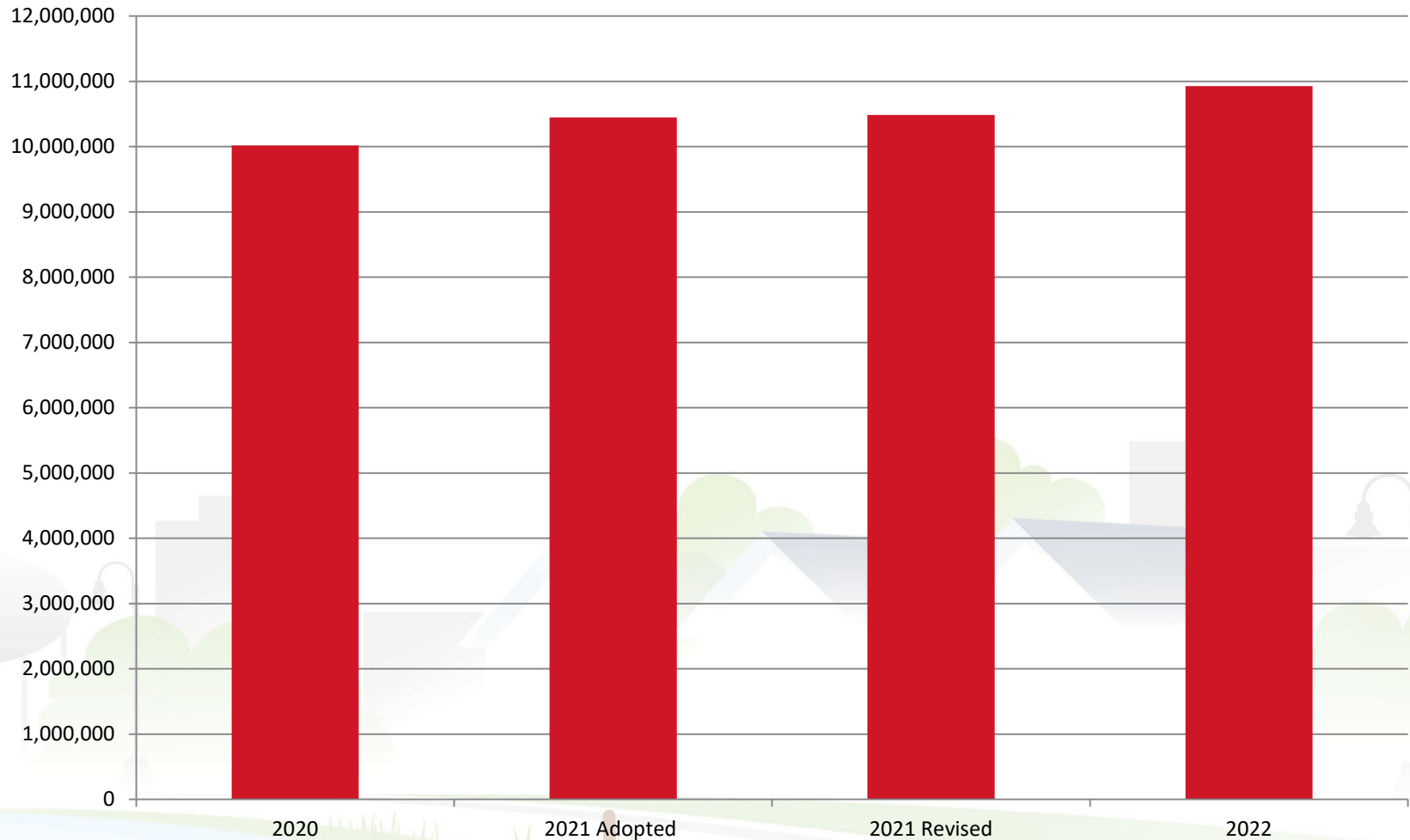
- The personal services increases for 2022 reflect collective bargaining agreement step increases, involving three unions
  - Have to participate in funding of JCPP with Hennepin County funding share cost along with the embedded social worker
  - Increase in professional services due to payment for LOGIS maintenance and software upgrades
  - Increase in health insurance, workers compensation and PERA
  - Police reform measures and implementation
  - Increase on overtime cost due to civil unrest
- 

# Revenue

- While we are seeing an increase in grant funding and training aide by the State of Minnesota we are seeing a sharp decrease in Municipal Court fines



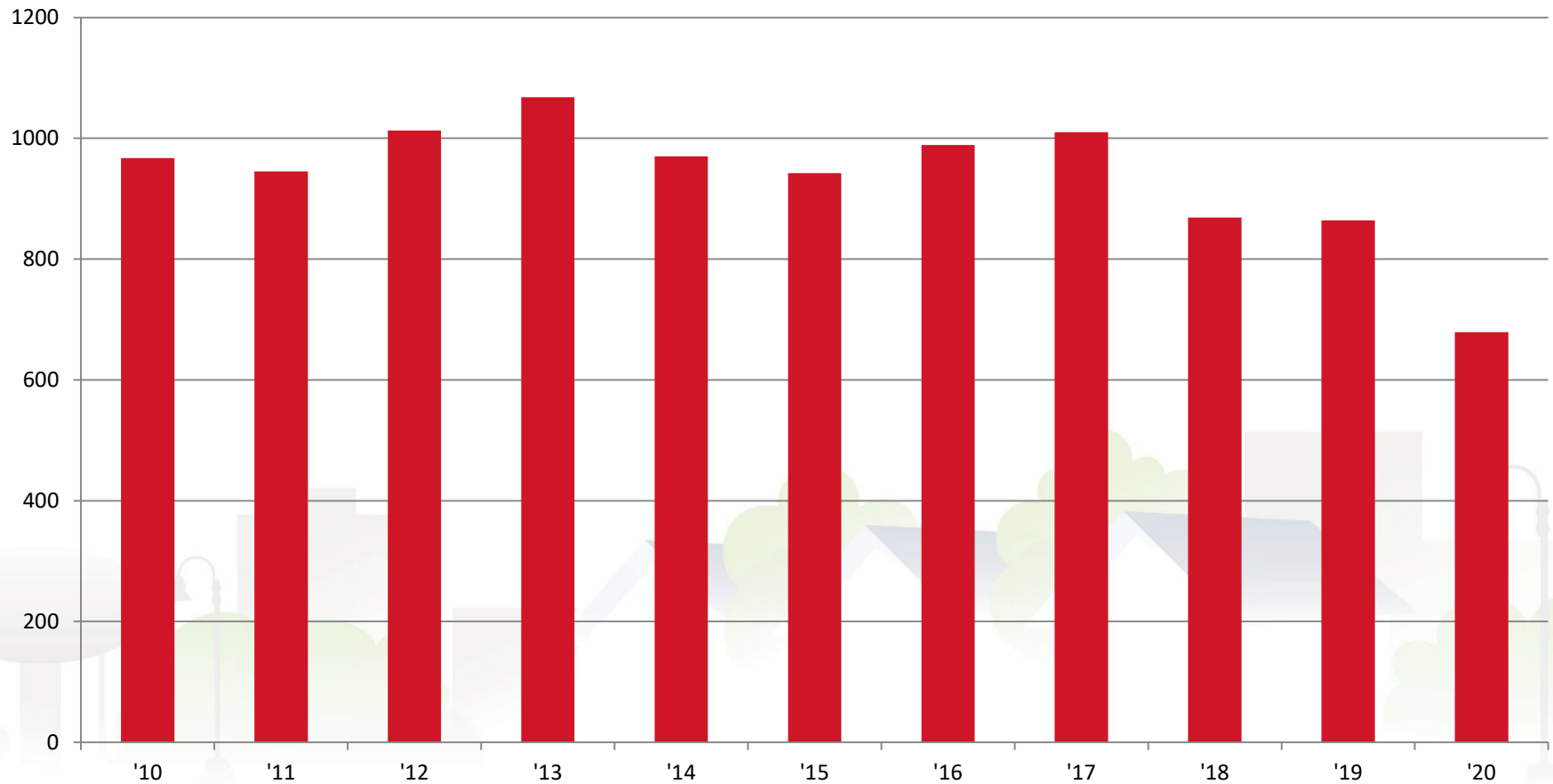
# Public Safety Budget 2020-2022



# Police Division

- Enhance police effectiveness with upgrades and apps
- Continually seek out grant funding for equipment (some new grants have already been received, 6<sup>th</sup> year consecutive DWI Officer \$120,500 (2022))
- Reduce crime and increase the feeling of safety and security through a collaboration between members of the community and the Police Department
- Continue and expand on our community policing programs
- Adapt and improvise interacting with the public due to the evolving COVID-19 pandemic
- Officer wellness, recruitment, and retention of our Police Department based upon the national and local narratives
- Maintaining our percentage of diversity and women employees that exceeds or meets local and national averages

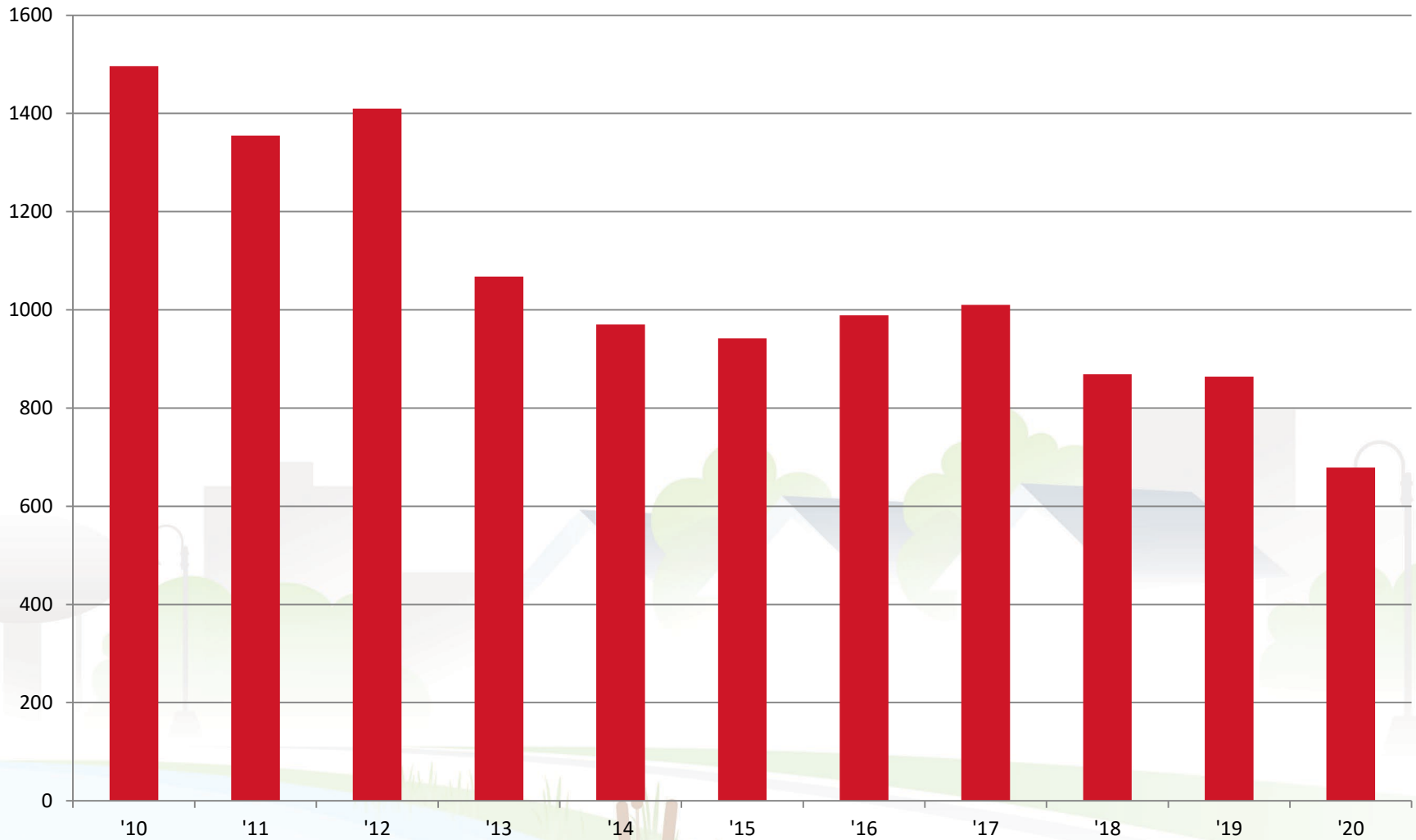
# Part I Crime Trend



# Group A

	2021
Animal Cruelty	0
Arson	0
Assault Offenses	80
Bribery	0
Burglary/Breaking and Entering	38
Counterfeiting/Forgery	11
Destruction/Damage/Vandalism of Property	100
Drug/Narcotic Offenses	87
Embezzlement	0
Extortion/Blackmail	0
Fraud Offenses	86
Gambling Offenses	0
Homicide Offenses	0
Human Trafficking	0
Kidnapping/Abduction	1
Larceny/Theft Offenses	310
Motor Vehicle Theft	62
Pornography/Obscene Material	3
Prostitution Offenses	0
Robbery	30
Sex Offenses	17
Sex Offenses/Consensual	0
Stolen Property Offenses	23
Weapon Law Violations	20
Group A Total	868

# Part II Crime Trend

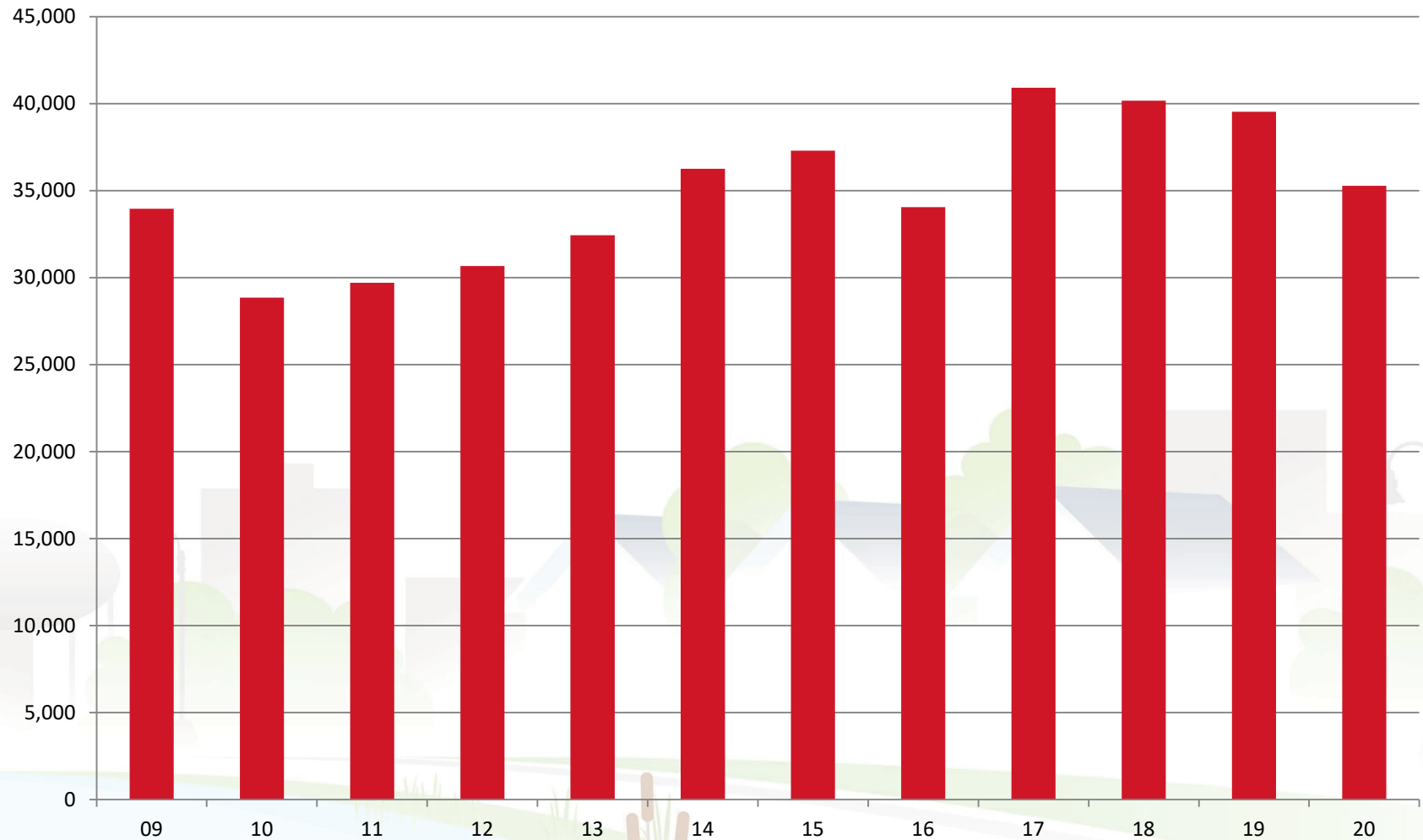




# Group B

Bad Checks	1
Curfew/Loitering/Vagrancy Violation	0
Disorderly Conduct	21
Driving Under the Influence	55
Drunkenness	0
Family Offenses, Non violent	2
Liquor Law Violations	13
Peeping Tom	0
Trespass of Real Property	12
All Other Offenses	109
Group B Total	213

# Calls for service



# Support Services Division

- CSO positions fully staffed as of May 2021
- New part-time licensing staff hired to fill vacancy in July 2021
- Health Administrator remains a CAREs team member
- Seasonal Code Enforcement Tech position hired May – August
- City ordinances under Support Services have been identified for updating (delayed by COVID-19)
- Loss of Food Establishment License revenue as of August 1, 2021
  - Assisted Living facilities (\$8,000 - \$10,000)
- Loss of Intoxicating Liquor License revenue during COVID-19 and 2022 renewal

# Emergency Services Division

- Continue growth and engagement of CERT volunteer residents and Amateur Radio Group
- Provided traffic/security control at numerous community events
- Police reserves uniform and equipment maintenance and/or replacement
- Coordinator compensation (Reserve and CERT)
- Assisted in infrastructure security during civil unrest and COVID-19
- Assisted in vaccination clinics

# New Technology





# Fire



# Fire budget

	<b>2020 Actual</b>	<b>2021 Budget</b>	<b>2021 Revised</b>	<b>2022 Budget</b>
Personnel	3,849,850	4,251,050	4,108,760	4,331,550
Other Services & Charges	687,528	744,430	886,560	799,180
Capital				
Total	4,537,374	4,995,480	4,995,320	5,130,730



# Personnel and other services

## Personnel 2021

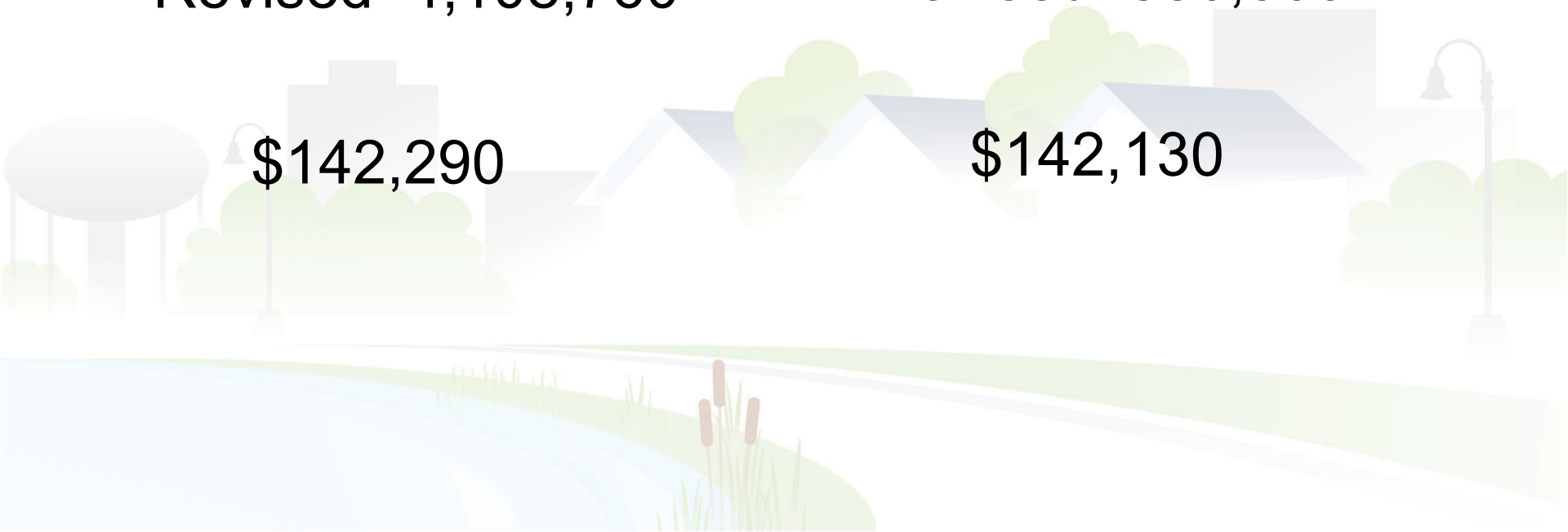
- Budget 4,251,050
- Revised 4,108,760

\$142,290

## Other Services

- Budget 744,430
- Revised 886,560

\$142,130





# What that gets us

---

PPE - Completes 2nd set                      \$     32,000.00

Operational Needs                                \$    137,500.00

Smaller Needs                                      \$    13,000.00

\$    182,500.00

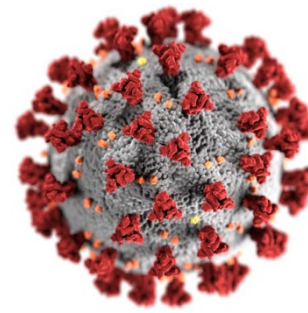
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# RFD Trends

- Calls for Service
- Calls per 1k Pop.
- Calls per Staff

	1980	1990	2000	2010	2020	2030	2040
Calls per Staff	57.58	100.08	108.04	144.92	164.89	201.11	245.26
Calls per 1k Pop.	39.55	68.75	81.42	107.05	120.00	146.86	179.74
Calls for Service	1497	2602	2809	3768	4452	5430	6622

# Plus



COVID-19



## RFD Leadership change

### Promotions

- 2 Asst. Chiefs
- 1 Captain
- 1 Lieutenant



Three new hires and a list  
this fall

# Looking forward



- Community risk reduction and engagement
- Staff development for future retirements
- Officer development and promotional testing
- Fire cadet/apprentice program



# Community Development





# Community Development

Currently has 21 employees: 17 FT / 4PT  
(8 are funded >65% by the HRA/EDA)



Community Development has 3 Divisions:

- CD Administration
- Planning & Zoning
- Inspections

# Community Development

## 2020 Budget Review

Expenditures: \$10,000 below budget

	2020 Approved	2020 Actual
CD Admin	\$73,420	\$73,205
Planning & Zoning	\$299,500	\$285,180
Inspections	\$1,277,080	\$1,281,726
Total	\$1,650,000	\$1,640,111

Revenues: \$468,000 above budget

	2020 Approved	2020 Actual
CD Admin	\$0	\$0
Planning & Zoning	\$26,000	\$21,240
Inspections	\$1,626,100	\$2,098,870
Total	\$1,652,100	\$2,120,110

Overall: Revenues exceeded Expenditures by: **\$478,000**

# Community Development

- The 2021 Revised Budget is being increased by 6.1% due to
  - Increased Inspections costs for staffing
  - Medical leaves resulting in need for external staffing
- The 2022 Proposed Budget for the City portion of CD = \$1,802,120
  - This is a 6.2% increase from the 2021 Approved Budget
  - Increase is due to increased internal and external staffing costs due to high demand (with commensurate revenues)
  - Previous increases (over prior year's approved)
  - 2020 = 3.49% 2019 = 10% 2018 = 1.08% 2017 = 1.21% 2016 = 2.55%

	2020 Actual	2021 Approved	2021 Revised	2022 Proposed
CD Admin	\$73,205	\$75,610	\$74,700	\$76,940
Planning & Zoning	\$285,180	\$328,940	\$340,440	\$348,830
Inspections	\$1,281,726	\$1,292,530	\$1,385,080	\$1,376,350
Total	\$1,640,111	\$1,697,080	\$1,800,220	\$1,802,120



# Overview

- Most of the visible things we do is through the HRA
  - Budget presentation at: <https://www.richfieldmn.gov/hra>
- Almost all budget expenses (90+%) are salaries, benefits and non-discretionary costs
- Historic development highs result in:
  - More and more complex land-use applications
  - Vastly increased building permits and demand
- Still feeling the COVID-19 pandemic on a daily basis
- No slowdown in development activity is expected

# Community Development Administration

- The Administration Division budgets for most of Community Development's labor and benefits costs, but is then credited for those costs by:
  - Planning & Zoning
  - Inspections
  - Housing and Redevelopment Authority
  - Economic Development Authority
- This budget also pays for the department's utility services and insurance.
- 2021 Revised Budget → 1.2% decrease
- 2022 Proposed Budget → 1.8% increase

# Community Development Administration

## Expenditures

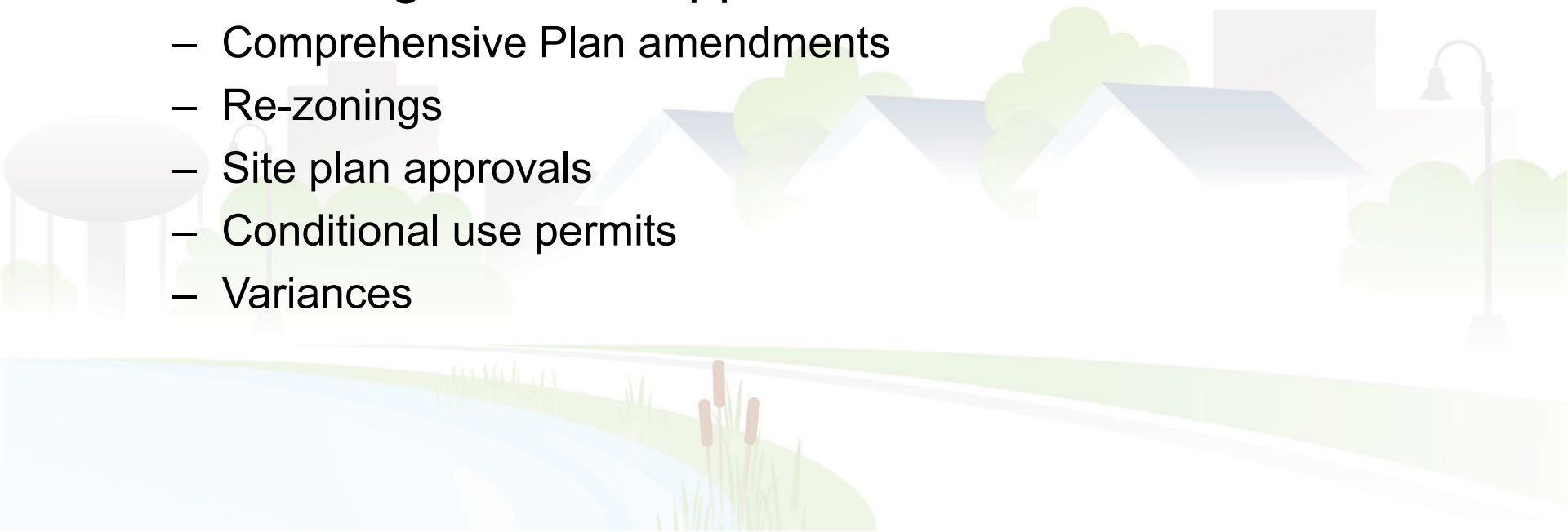
	<u>2020</u>	<u>2021A</u>	<u>2021R</u>	<u>2022</u>
Utilities & Insurance	\$ 72,675	\$ 75,180	\$ 74,270	\$ 76,510
Misc. Services & Charges	\$ <u>530</u>	\$ <u>430</u>	\$ <u>430</u>	\$ <u>430</u>
Total	\$ 73,205	\$ 75,610	\$ 74,700	\$ 76,940

## Funding Sources

	<u>2020</u>	<u>2021A</u>	<u>2021R</u>	<u>2022</u>
General Fund	\$ 73,205	\$ 75,610	\$ 74,700	\$ 76,940

# Planning and Zoning Division

- Staff liaisons to the Planning Commission
- Maintaining and amending the Comprehensive Plan
- Proactively updating and amending land use codes to remain relevant
- Processing land use applications
  - Comprehensive Plan amendments
  - Re-zonings
  - Site plan approvals
  - Conditional use permits
  - Variances



# Planning and Zoning Division

## Expenditures

	<u>2020</u>	<u>2021A</u>	<u>2021R</u>	<u>2022</u>
Personnel	\$ 247,407	\$ 273,850	\$ 264,630	\$ 272,830
Other Services & Charges	<u>\$ 37,773</u>	<u>\$ 55,090</u>	<u>\$ 75,810</u>	<u>\$ 76,000</u>
Total	\$ 285,180	\$ 328,940	\$ 340,440	\$ 348,830

## Funding Sources

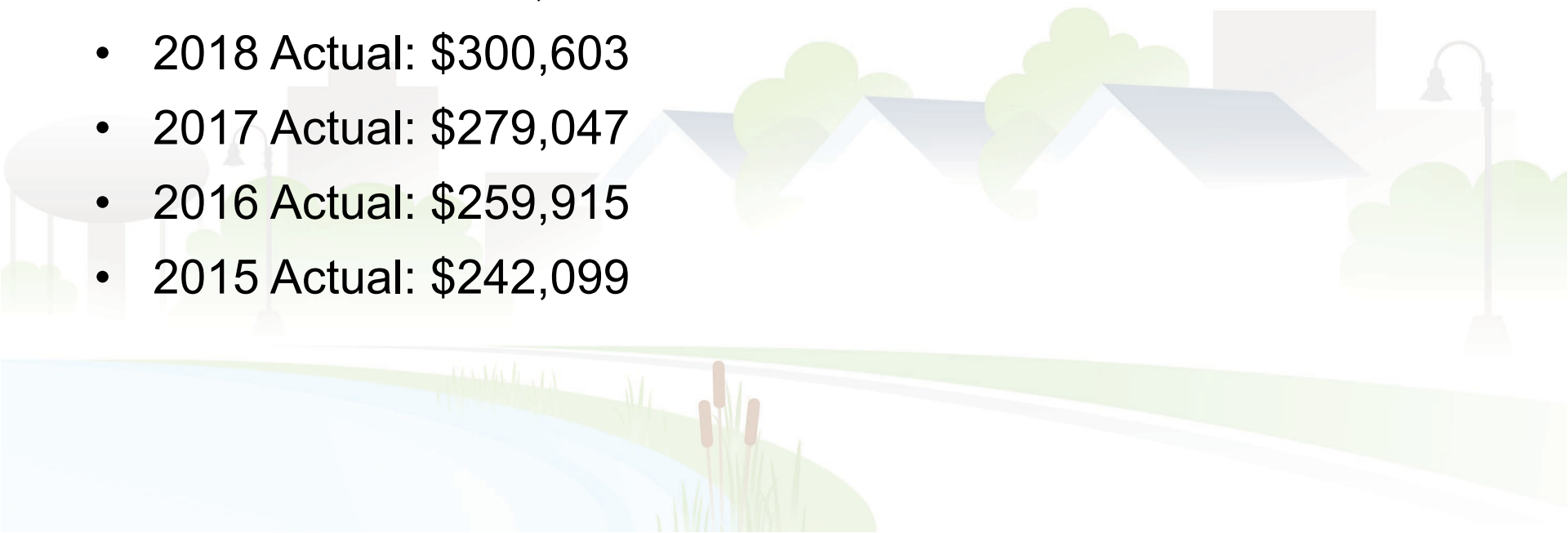
	<u>2020</u>	<u>2021A</u>	<u>2021R</u>	<u>2022</u>
General Fund	\$ 263,940	\$ 302,940	\$ 314,440	\$ 322,830
Planning & Zoning Fees	<u>\$ 21,240</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>
Total	\$ 285,180	\$ 328,940	\$ 340,440	\$ 348,830

# Planning and Zoning Division

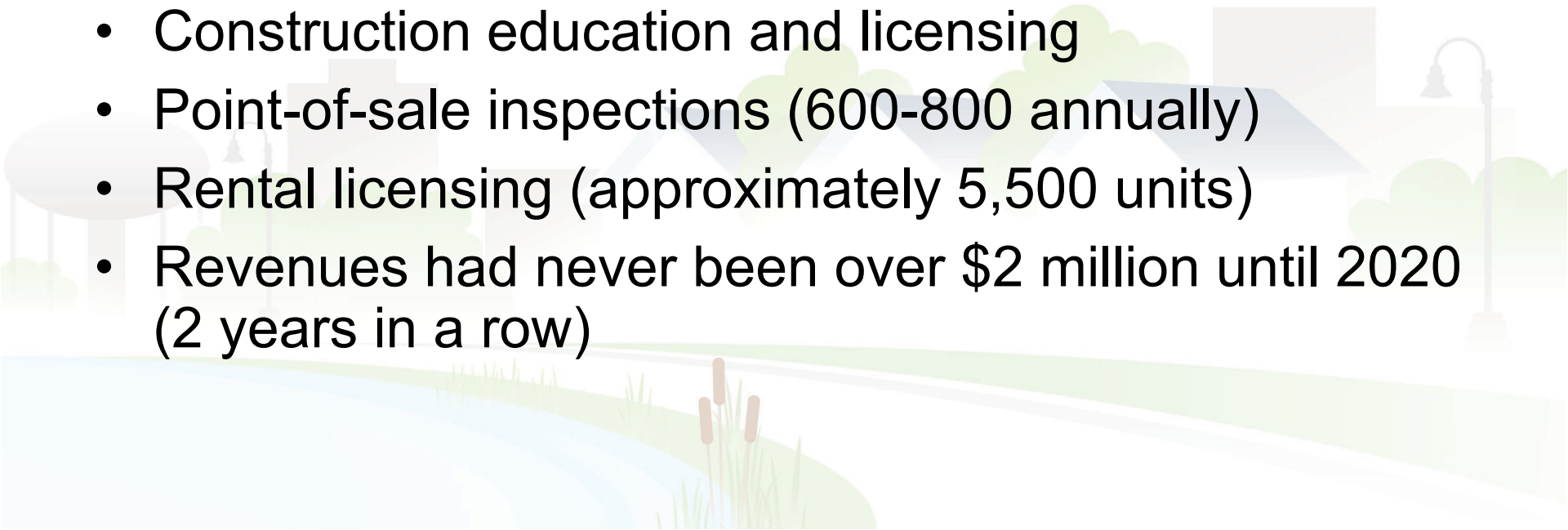
<u>Amount</u>	<u>Proposed 2022 Use</u>	<u>%</u>
\$272,830	Salaries & Benefits	78.2%
\$ 47,660	Professional Services	13.7%
\$ 11,940	Information Technologies	3.4%
\$ 8,130	Professional Dev & Memberships	2.3%
\$ 4,820	Communications, Postage & Legal Advertisements	1.4%
\$ 3,450	Office Supplies & Copying & Other	1.0%
<b>\$348,830</b>	<b>Total</b>	<b>100.00%</b>

# Planning and Zoning budget history

- 2022 Proposed: \$348,830
- 2021 Revised: \$340,440
- 2021 Approved: \$328,940
- 2020 Actual: \$285,180
- 2019 Actual: \$311,667
- 2018 Actual: \$300,603
- 2017 Actual: \$279,047
- 2016 Actual: \$259,915
- 2015 Actual: \$242,099



# Inspections Division

- Enforcement of the State Building Code
    - Structural
    - Mechanical (HVAC)
    - Plumbing
    - Electrical
    - Other (exiting, ADA, insulation, etc.)
  - Construction education and licensing
  - Point-of-sale inspections (600-800 annually)
  - Rental licensing (approximately 5,500 units)
  - Revenues had never been over \$2 million until 2020 (2 years in a row)
- 



# Inspections Division

## Expenditures

	<u>2020</u>	<u>2021A</u>	<u>2021R</u>	<u>2022P</u>
Personnel	\$1,007,116	\$1,026,670	\$1,048,680	\$1,086,880
Other Services & Charges	<u>\$ 274,610</u>	<u>\$ 265,860</u>	<u>\$ 336,400</u>	<u>\$ 289,470</u>
Total	\$1,281,726	\$1,292,530	\$1,385,080	\$1,376,350

## Funding Sources

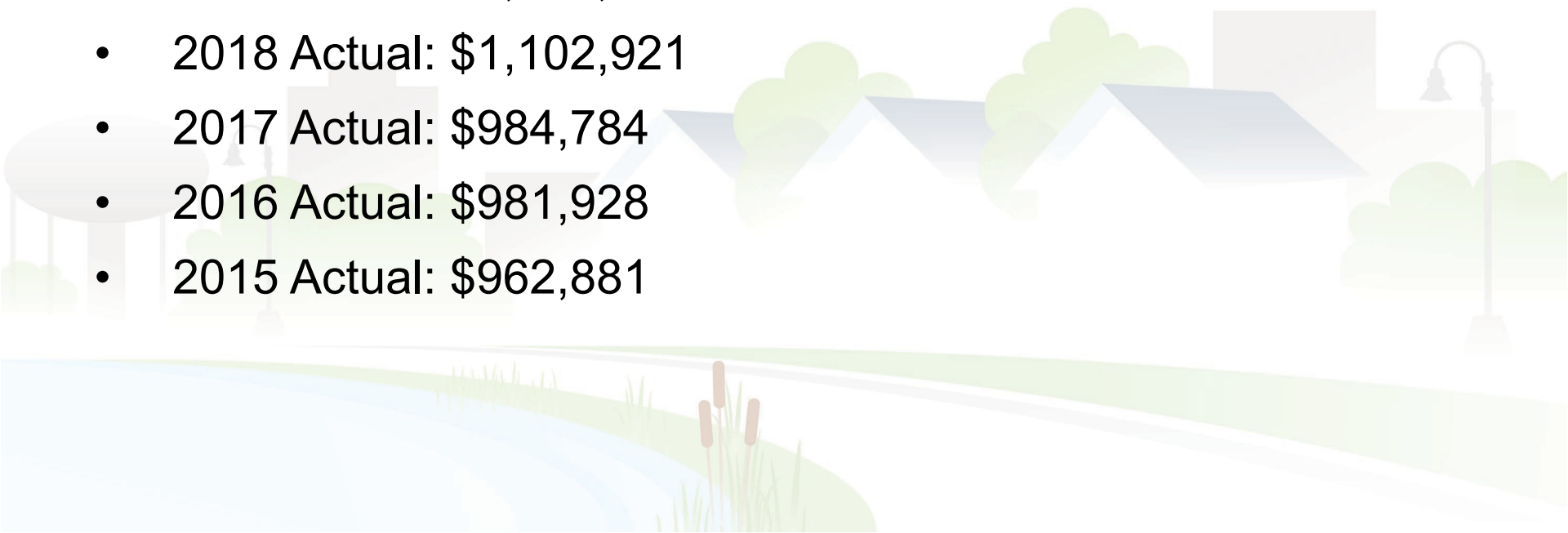
	<u>2020</u>	<u>2021A</u>	<u>2021R</u>	<u>2022P</u>
General Fund	\$ -	\$ 56,530	\$ -	\$ -
Licenses & Permits	\$1,423,741	\$ 720,000	\$1,084,000	\$ 908,500
Charges for Services, Etc.	<u>\$ 675,129</u>	<u>\$ 516,000</u>	<u>\$ 612,000</u>	<u>\$ 571,000</u>
Total	\$2,098,870	\$1,292,530	\$1,626,000	\$1,479,500

# Inspections Division

<u>Amount</u>	<u>Proposed 2022 Use</u>	<u>%</u>
\$1,086,880	Salaries & Benefits	79.0%
\$ 135,290	Professional Services (incl. external inspectors & permit software)	10.0%
\$ 41,850	Information Technologies	3.0%
\$ 25,440	Utilities	1.8%
\$ 24,000	Electronic Payment Fees, etc.	1.7%
\$ 21,860	Vehicles, Uniforms & Inspection Supplies	1.6%
\$ 11,310	Insurance & Bonds and Property Liability	0.8%
\$ 10,520	Office Supplies & Copy Charges	0.8%
\$ 7,650	Professional Dev & Memberships	0.5%
\$ 11,550	Advertising, Communications, Postage & Misc	0.8%
<b>\$1,376,350</b>	<b>Total</b>	<b>100.00%</b>

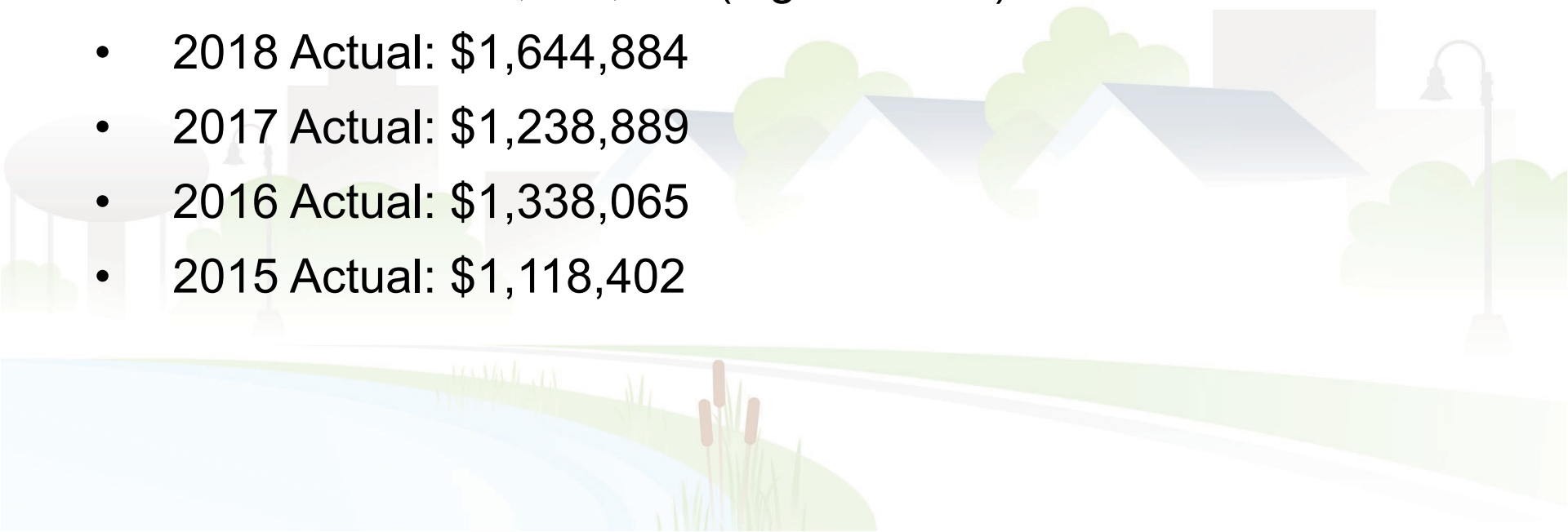
# Inspections expenditures history

- 2020 Proposed: \$1,376,350
- 2021 Revised: \$1,385,080
- 2021 Approved: \$1,292,530
- 2020 Actual: \$1,281,726
- 2019 Actual: \$1,210,968
- 2018 Actual: \$1,102,921
- 2017 Actual: \$984,784
- 2016 Actual: \$981,928
- 2015 Actual: \$962,881



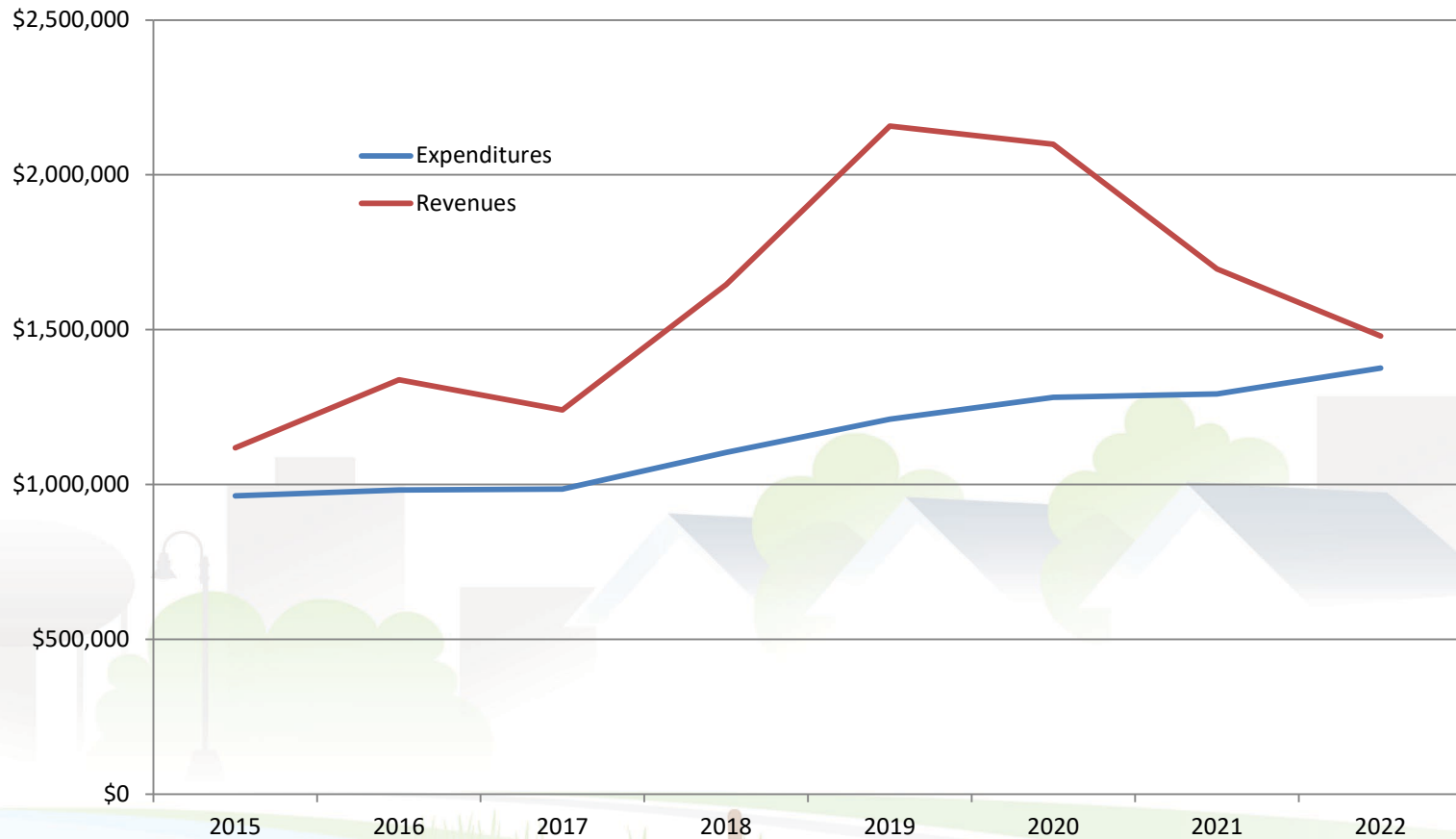
# Inspections revenues history

- 2022 Proposed: \$1,479,500
- 2021 Revised: \$1,696,000
- 2021 Approved: \$1,236,000
- 2020 Actual : \$2,098,870
- 2019 Actual: \$2,157,706 (highest ever)
- 2018 Actual: \$1,644,884
- 2017 Actual: \$1,238,889
- 2016 Actual: \$1,338,065
- 2015 Actual: \$1,118,402



# Inspections Division

## Historic/Budgeted Revenues vs Expenditures



# Big picture issues

- Planning and Zoning
  - Minimal funding for “small area plans” (\$30,000 for orange line transit study)
  - Newer staff is growing professionally
    - Are there sufficient funds for training, certifications and professional memberships?
- Inspections
  - Either the pace needs to slow down (which would result in fewer revenues) or staff needs to grow.
  - Outdated permit submission software and plan review software
    - Also an issue for planning and zoning, engineering and fire inspections)
- Other
  - Ideally, the city and HRA would share the costs for increasing funding to social service and Section 8 to meet community demands
  - Staff is lean: Non-inspections staff was
    - 18.5FTE in 2002, 13.5FTE in 2007, 10FTE today



# Liquor Operations



# Beverage market trends

- Recognizing Popular Trends
  - Convenience – Canned Wines – RTD (Ready to Drink)
  - Functional – Flavors – CBD – Coffee – Kombucha
- Pandemic Trends
  - Redirection to premium category
- Current trends with continued growth
  - Hard seltzer
  - Beer from Mexico
  - Tequila and Mezcal
    - 5 year 41% category growth
    - Most are luxury brands
  - Craft/local beer and distilled
- Emerging trends
  - High protein
  - Plant-based beverages
- Popularity rank in general beverages
  - 5) Milk
  - 4) Beer
  - 3) Coffee
  - 2) Soda/Soft drinks
  - 1) Water



# Liquor Operations

- Sales
- Profitability
- Round-up campaigns



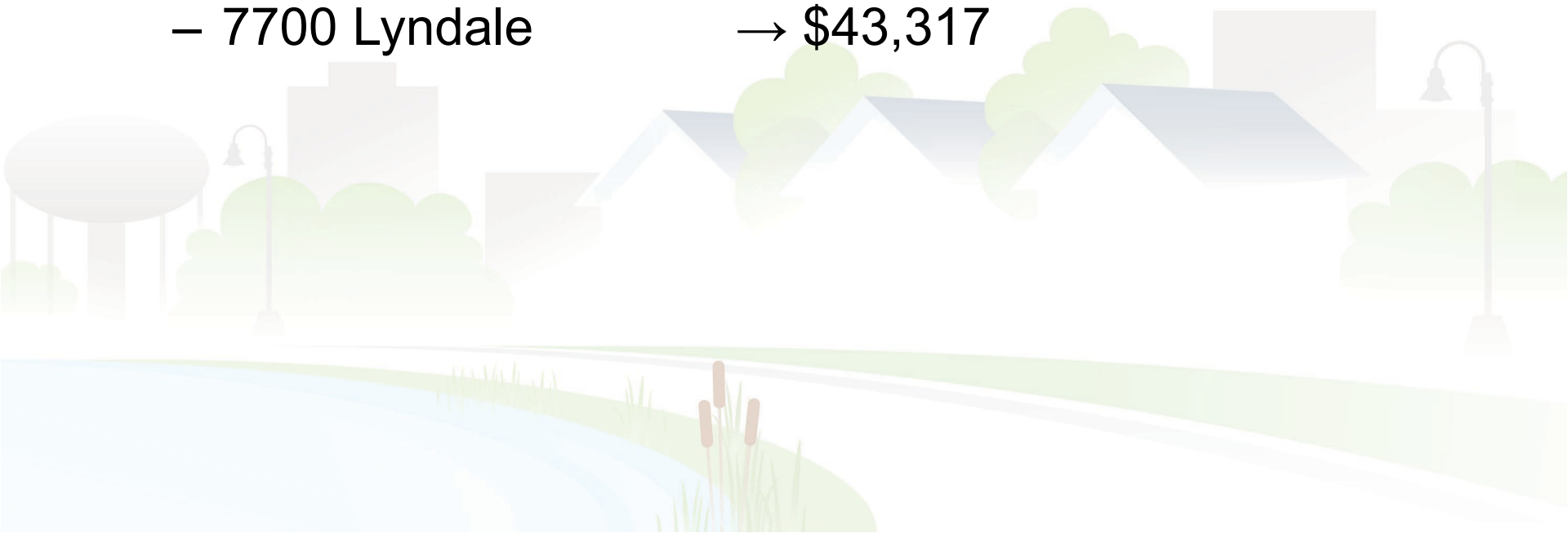
# Sales

- Year to date ending July, 2021 → Total Sales +8%
  - 64<sup>th</sup> and Lyndale → +38.75%
  - 77<sup>th</sup> and Lyndale → +67.54%
  - Cedar → -2.67%
  - Penn → -16.11%



# Profitability

- Year-to-date ending July 31, 2021
- All stores income before transfers → \$514,658
  - 6444 Lyndale → \$148,195
  - 6600 Cedar → \$213,864
  - 6444 Penn → \$109,282
  - 7700 Lyndale → \$43,317



# Round-Up Campaigns

- Inclusive playground → \$ 19,389.68
- WLNC ski equipment → \$ 5,017.01
- WLNC scholarships → \$ 5,750.76
- Roosevelt dog park → \$ 6,696.75
- Total customer donations → \$36,854.28

# 2021 Highlights

- Point-of-sale upgrade
- Toast to Richfield (Richfield Foundation)
- Penn Fest
- Tattersall Distillery promotion
- Restored hours
- Cash acceptance



# 2022 initiatives

- Roll out new point-of-sale system
- Create stand alone website
- Create social media presence
  - Facebook
  - Twitter
  - Instagram





# Public Works





# Public Works' core services

- Water treatment and distribution
- Snow plowing
- Forestry services
- Park and ballfield maintenance
- Street sweeping
- Sanitary waste disposal
- Stormwater management
- Infrastructure preservation and capital projects
- Median maintenance
- Sidewalk, trails, cycle track maintenance and snow removal
- Special projects



**\$23.35 Million Budget (2022 Proposed)**



# General Fund

	2021 Adopted	2021 Revised	2021A-2021R	2022 Proposed	2021R-2022P	2021A-2022P
10600 –Administration	\$196,160	\$196,170	0%	\$199,160	1.5%	1.5%
10605 – Engineering	\$450,470	\$502,480	11.5%	\$521,030	3.7%	15.7%
10610 – Street Maintenance	\$2,464,300	\$2,535,120	2.9%	\$2,508,270	(1.1%)	1.8%
10615 – Park Maintenance	\$1,479,710	\$1,479,730	0%	\$1,522,640	2.9%	2.9%
<b>General Fund Expenditure Total</b>	<b>\$4,590,640</b>	<b>\$4,713,500</b>	<b>2.7%</b>	<b>\$4,751,100</b>	<b>0.8%</b>	<b>3.5%</b>

# PW Administration

## Expenditures

	2020	2021A	2021R	2022
Personal Services	\$286,476	\$296,020	\$302,040	\$315,700
Other Services & Charges	<u>\$29,985</u>	<u>\$46,140</u>	<u>\$45,130</u>	<u>\$43,460</u>
Total	\$316,461	\$342,160	\$347,170	\$359,160

## Funding Sources

	2020	2021A	2021R	2022
General Fund	\$185,461	\$196,160	\$196,170	\$199,160
Capital Projects	\$38,000	\$26,000	\$31,000	\$40,000
Water Utility	\$20,000	\$35,000	\$35,000	\$35,000
Sewer Utility	\$45,000	\$45,000	\$45,000	\$45,000
Stormwater Utility	\$28,000	\$40,000	\$40,000	\$40,000

# Engineering

## Expenditures

	2020	2021A	2021R	2022
Personal Services	\$501,855	\$560,070	\$532,950	\$596,550
Other Services & Charges	<u>\$100,142</u>	<u>\$113,700</u>	<u>\$132,530</u>	<u>\$139,480</u>
Total	\$601,997	\$673,770	\$665,480	\$736,030

## Funding Sources

	2020	2021A	2021R	2022
General Fund	\$396,544	\$450,470	\$502,480	\$521,030
Capital Projects	\$87,257	\$73,300	\$60,000	\$135,000
Franchise Fee	\$14,743	\$10,000	\$20,000	\$20,000
Water Utility	\$5,000	\$20,000	\$20,000	\$20,000
Sewer Utility	\$5,000	\$20,000	\$20,000	\$20,000
Stormwater Utility	\$93,453	\$100,000	\$43,000	\$20,000

# New engineering responsibilities

## Small Cell

- 950 staff hours
- \$45,000 GF
- Next 5 years+



## Redevelopments

- 1500 staff hours
- \$80,000 GF
- Large redevelopments also impact public infrastructure





# 77<sup>th</sup> Street Underpass



# Street Maintenance

## Expenditures

	2020	2021A	2021R	2022
Personal Services	\$1,331,271	\$1,390,530	\$1,418,270	\$1,431,270
Other Services & Charges	<u>\$1,084,578</u>	<u>\$1,143,190</u>	<u>\$1,186,270</u>	<u>\$1,146,420</u>
Total	\$2,415,849	\$2,533,720	\$2,604,540	\$2,577,690

## Funding Sources

	2020	2021A	2021R	2022
General Fund	\$2,303,860	\$2,464,300	\$2,535,120	\$2,508,270
Labor Charges/Storm Utility	\$111,989	\$69,420	\$69,420	\$69,420



# Park Maintenance

## Expenditures

	2020	2021A	2021R	2022
Personal Services	\$811,822	\$852,120	\$863,270	\$892,720
Other Services & Charges	<u>\$548,071</u>	<u>\$651,400</u>	<u>\$640,270</u>	<u>\$653,730</u>
Total	\$1,359,893	\$1,503,520	\$1,503,540	\$1,546,450

## Funding Sources

	2020	2021A	2021R	2022
General Fund	\$1,330,312	\$1,479,710	\$1,479,730	\$1,522,640
Labor Charges	\$29,581	\$23,810	\$23,810	\$23,810



# Parks, Streets and Forestry





# Central Garage

	2021 Adopted	2021 Revised	2021A-2021R	2022 Proposed	2021R- 2022P	2021A- 2022P
61000 – Central Garage	\$3,043,140	\$3,148,410	3.5%	\$3,429,740	8.9%	12.7%

## 2021 Purchases

### Public Works

Dump Truck	\$250,000
Vac Trailer	\$175,000
Tool Cat	\$65,000
Z-Mower (2)	\$44,000
Toro 5900 Mower	\$115,000

### Fire

Fire Chief Tahoe	\$50,000
------------------	----------

### Police

Police Admin Hybrid SUV (3)	\$120,000
Police Squads Hybrid SUV (2)	\$100,000
Police Chief Tahoe	\$50,000

## 2022 Purchases

### Public Works

ArborPro Lift Bucket	\$100,000
Ballfield Z-Mower (2)	\$44,000
Parkway Plow/Arbor Truck	\$80,000

### Fire

Fire Pumper Chassis	\$300,000
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### Police

Police Squads Hybrid SUV (5)	\$250,000
Mobile Command Vehicle (Grant)	\$320,000
CSO Truck	\$50,000

### Recreation

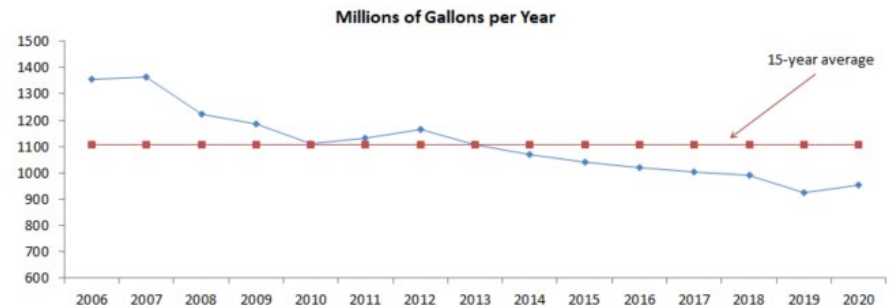
4x4 Pick-up	\$45,000
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# Utility Funds Summary

	2021 Adopted	2021 Revised	2021A-2021R	2022 Proposed	2021R- 2022P	2021A- 2022P
51000 – Water Utility	\$5,595,800	\$5,661,250	1.2%	\$6,113,290	8.0%	9.2%
52000 – Wastewater Utility	\$5,061,200	\$5,399,010	6.7%	\$5,351,090	(0.9%)	5.7%
53000 – Stormwater Utility	\$4,769,580	\$5,759,760	20.8%	\$3,703,080	(35.7%)	(22.4%)

- Metropolitan Council Environmental Services (MCES)
- Weather/Water Use
- Low Cash Balances
- Condition Assessment
- Pond Dredging

Water Usage 2006 - 2020



# Water, Wastewater, and Storm Utilities





# Proudly Serving Richfield





# Recreation Services



# New play equipment at Fremont and Christian Parks





# Augsburg Adventure Park



# Parking lot and pool improvements





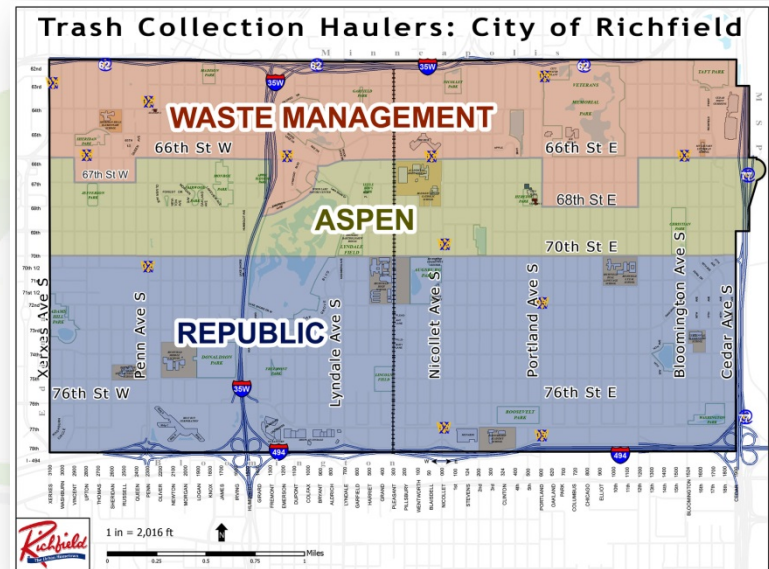
# Ice arena refrigeration and building improvements



# Organized collection budget support



- \$200,000 for budgeted for container changes
- \$16,000 for city-wide education and program mailings



# 2022 performance measures

## Recreation Services General Fund

RECREATION PROGRAM REGISTRATIONS **30,400**

WOOD LAKE PROGRAM VISITS **21,000**

VETERANS MEMORIAL ENGRAVINGS SOLD **30** (\$12,000)

WOOD LAKE VOLUNTEER HOURS **3,000**

DOLLARS SAVED FROM VOLUNTEER HOURS **\$69,210**



# General Fund summary

Administration, Recreation Programs and  
the Wood Lake Nature Center

EXPENDITURES				
2021 Adopted	2021 Revised		2022 Proposed	
\$2,078,350	\$2,069,940	-0.4%	\$2,151,320	3.5%

REVENUE				
2021 Adopted	2021 Revised		2022 Proposed	
\$406,500	\$243,290	-40.2%	\$461,100	13.4%

# Recreation Administration

EXPENDITURES		
2021 Adopted	2021 Revised	2022 Proposed
\$377,900	\$656,640	\$394,720

## Additions to 2021 Budget

- \$200,000 for organized hauling program in 2021
- \$50,000 for project support (signage, professional services)

# Recreation Programs

EXPENDITURES		
2021 Adopted	2021 Revised	2022 Proposed
\$1,100,740	\$823,920	\$1,137,810
REVENUE		
2021 Adopted	2021 Revised	2022 Proposed
\$329,500	\$160,020	\$362,090

**2021: Savings from unfilled vacant positions for half the year. Program expenses and revenue down as programs gradually return to normal.**

**2022: Fully-staffed and an expected return to normal for program expenses.**



# Wood Lake Nature Center

EXPENDITURES		
2021 Adopted	2021 Revised	2022 Proposed
\$599,710	\$589,380	\$618,790
REVENUE		
2021 Adopted	2021 Revised	2022 Proposed
\$70,000	\$80,270	\$95,920

**2021: Program expenditures and revenue down, as they gradually returned to normal.**

**2022: Program expenditures and revenue are expected to return to normal.**

**ICE ARENA**



**OUTDOOR POOL**



**Recreation Services  
SPECIAL REVENUE FUNDS**



**MINI-GOLF**



**VETS SHELTER**



## SPECIAL REVENUE FUNDS: SOURCES

	2021 A	2021 R	2022 P
Arena	\$1,258,810	\$1,416,500	\$1,492,700
Pool	\$534,050	\$734,560	\$757,620
Mini-Golf/Shelter	\$55,700	\$56,850	\$59,950
	1,848,560	2,207,910 19.4%	2,310,270 30.0%

## SPECIAL REVENUE FUNDS: USES

	2021 A	2021 R	2022 P
Arena	\$1,023,020	\$1,318,760	\$1,036,240
Pool	\$472,170	\$451,870	\$506,410
Mini-Golf/Shelter	\$51,810	\$51,810	\$53,270
	\$1,547,000	\$1,822,440 17.8%	\$1,649,920 6.7%

## FUND BALANCE INCREASE/DECREASE

	2021 A	2021 R	2022 P
	+\$301,560	+\$385,470	+\$660,350

# Ice Arena

SOURCES		
2021 Adopted	2021 Revised	2022 Proposed
\$1,258,810	\$1,416,500	\$1,492,700
USES		
2021 Adopted	2021 Revised	2022 Proposed
\$1,023,020	\$1,318,760	\$1,036,240
FUND BALANCE INCREASE/DECREASE		
2021 Adopted	2021 Revised	2022 Proposed
+\$235,790	+\$97,740	+\$456,460

**2021 and 2022: Ice sales are expected to increase and concessions will resume in 2021, resulting in higher forecasted revenue.**

# Outdoor Pool

SOURCES		
2021 Adopted	2021 Revised	2022 Proposed
\$534,050	\$734,560	\$757,620
USES		
2021 Adopted	2021 Revised	2022 Proposed
\$472,170	\$451,870	\$506,410
FUND BALANCE INCREASE/DECREASE		
2021 Adopted	2021 Revised	2022 Proposed
+\$61,880	+\$282,690	+\$251,210

**2021 and 2022: Sales have been near all-time highs for season passes, daily admissions, and concessions in 2021. Staff is planning for a similar year in 2022.**

# Special Facilities

## Mini-Golf and Picnic Shelter

SOURCES		
2021 Adopted	2021 Revised	2022 Proposed
\$55,700	\$56,850	\$59,950
USES		
2021 Adopted	2021 Revised	2022 Proposed
\$51,810	\$51,810	\$53,270
FUND BALANCE INCREASE/DECREASE		
2021 Adopted	2021 Revised	2022 Proposed
+\$3,890	+\$5,040	+\$6,680

**2021 and 2022: Shelter rentals continued to be very strong in 2021 and are expected in 2022, as well.**

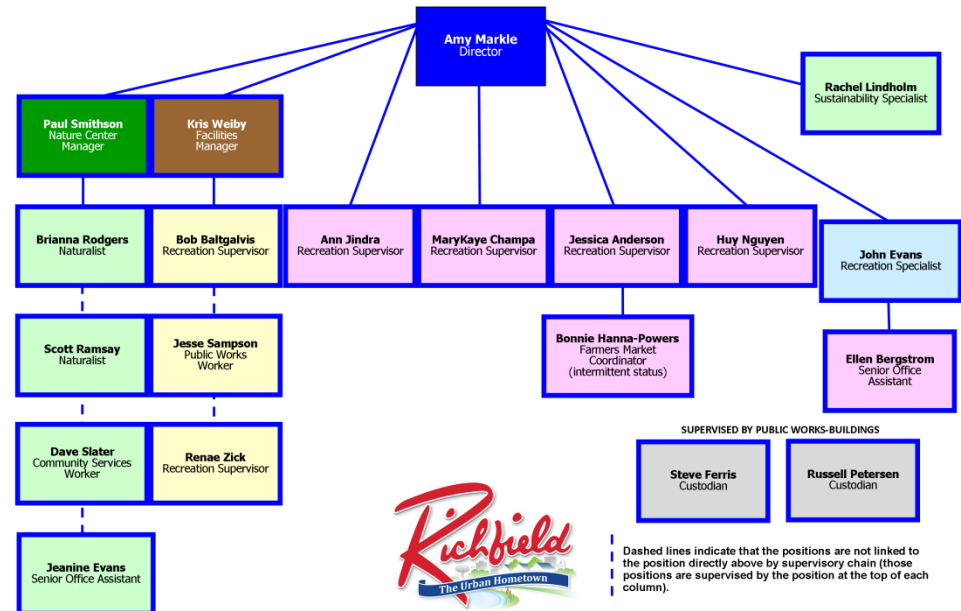
# Future budget considerations

- Age of infrastructure
  - Pool → 60 years old
  - Community Center → 60 years old
  - Wood Lake Nature Center → 50 years old
  - Ice Arena → 50 years old
  - Park buildings → 25-30 years old
- Match facilities to changing community needs
  - Soccer field demands
  - Upgraded paths
  - Increase picnic shelters
  - Improved ADA facilities



# Recreation needs

- Increased budget for future sustainability projects (i.e. community gardens, education and outreach, communications, etc.)
- Recreation Programming Manager to support staff at the Community Center



# Questions?

Thank you.

