



# CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

## City Council Work Session

### Virtual meeting held via WebEx

**July 14, 2020**

<b>CALL TO ORDER</b>
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The meeting was called to order by Mayor Regan Gonzalez at 5:47 p.m. held via WebEx

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann; and Ben Whalen

Council Members Absent: Edwina Garcia

Staff Present: Katie Rodriguez, City Manager; Chris Regis, Finance Director; Blanca Martinez Gavina, Executive Analyst; and Kelly Wynn, Senior Office Assistant

<b>Item #1</b>	<b>2021 KEY FINANCIAL STRATEGIES UPDATES</b>
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City Manager Rodriguez reviewed the Council recommendations from the previous work session, introduced Director Regis, the item on the agenda and timeline.

Director Regis spoke on the timetable and key events for the review of Key Financial Strategies (KFS), Capital Improvement Budget (CIB), Capital Improvement Plan (CIP) and budget. He briefly discussed the following KFS updates:

- Equity coordinator, IT Technician, video specialist, police officer and battalion chief
- Embedded mental health worker, police officer body camera system, debt service levy, reduced existing debt/service tax levies and cost of living increase
- 65th street delayed to 2022, most other roadway projects delayed 1-2 years, EDA levy 3% increase, LGA budgeted at 2020 levels for 2021

Council Member Supple questioned how the police officer hire will be funded as well as the video specialist.

Director Regis confirmed the police officer hire will be funded by the DUI grant received for 2020. The video specialist is included in the projected police officer body camera system costs.

Council Member Whalen asked for clarification of the \$232,000 body camera total and if that will be coming from the general fund.

Director Regis explained that all the equipment will be purchased with Capital Improvement Reserve Fund and will charge the police department a sum over 5 years to pay back the money. He then spoke of the 2021 proposed gross levy as \$24,321,428.

Council Member Supple asked about the projected EDA levy.

Director Regis stated they have budgeted for a 3% increase.

Director Regis then spoke of the gross tax levy history and the 2021 proposed general fund budget. He then briefly spoke on the capital improvement process, total budget, and significant project for 2021-2025 along with estimated costs.

Council Member Whalen asked about the water meter replacements that were delayed and how they will be moving forward with the project.

Director Regis stated he was not sure what Public Works had planned for replacement but most likely it will be pushed back due to the man power will take.

Council Member Whalen also asked about projects left on the plan so the city is not maxing out on bonding and if there is flexibility to push things back or figure out alternate funding.

Director Regis said he would need to contact Director Asher to get accurate information.

City Manager Rodriguez explained there may come a point where alternate funding will be needed.

Council Member Whalen asked that barring any urgent movement, if the city would get 5 years notice.

City Manager Rodriguez confirmed there would be a 5 year plan.

Mayor Regan Gonzalez asked about additional costs for moving the water meter replacement and if CARES money can cover.

Director Regis explained that as long as it meets the necessary criteria, the costs could be covered.

City Manager Rodriguez confirmed she would follow up with Director Asher.

Director Regis reviewed the CIP spreadsheet and potential future debt levies. He then touched on the general fund increases and decreases.

Council Member Whalen asked if the numbers figured are before or after CARES funds are accounted for.

Director Regis explained these figures do not reflect and CARES funds. The logistics are still being worked out of how that money will go into each account. There could be some abnormal surplus at the end of the year due to the CARES funds.

City Manager Rodriguez spoke of how the city is in the early days of looking at eligible mitigation costs and how the city has budgeted for some costs.

Council Member Trautmann asked if there is anything else that can be done to smooth out spending to not have such an astronomical jump in the levy.

Director Regis described how staff is still very early in the 2021 proposed budget and doing everything possible to avoid that jump.

City Manager Rodriguez expanded on the reality of the price tag of some of the necessities such as new hires, 3% cost of living and merit increases makes it difficult not to have a significant

jump. Staff is trying to be careful with reserves because the city does not know what long term effects the pandemic will have.

Council Member Trautmann asked for a breakdown of budget priorities the council has asked for.

City Manager Rodriguez heard equity is very high priority from council. The city is researching hiring an equity consultant this year and equity coordinator next year along with body cameras and increase for communications. The needs are real and important so now staff will need to figure out how to fund it.

Mayor Regan Gonzalez asked for some information around the public safety budget and accounting for possible loss of SRO positions with the schools.

Director Regis stated he wouldn't be able to answer that right now.

City Manager Rodriguez spoke of the possibility if schools pulled the SRO positions, it would be an \$80,000 hole in the budget and there would be a need for reconfiguration in their budget.

Mayor Regan Gonzalez asked to revisit bodycam expenditures.

Director Regis established in the capital improvement reserve fund, a payback method over 5 years to level out budgets.

Mayor Regan Gonzalez asked for clarification on the difference and the impact of the tax capacity trending up.

Director Regis explained if the city market value increases, that means the city will have more tax capacity to spread around the city. He then gave a brief background of the past tax capacity rate.

Council Member Trautmann questioned if the city is losing tax capacity correct.

Director Regis stated it has been flat and increasing slightly.

Council Member Supple asked for future funding of the new police officer hire that will be currently funded by the DUI grant and if that will continue. She also thanked Director Regis for all his work and appreciates making efforts to lower levy if possible. She also recommended the possibility of reviewing merit increases if push comes to shove.

Council Member Whalen stated he would rather bite the bullet and raise revenues then wait on important necessities and not being able to appropriately compensate employees.

Mayor Regan Gonzalez asked about the impact of county money not coming in due to the pandemic.

City Manager Rodriguez explained it was the uncollected property tax money.

Director Regis confirmed those figures are reflected in 2020 revised budget.

Mayor Regan Gonzalez asked what staff is seeing from other communities regarding their levies.

Director Regis stated Bloomington is doing another survey and will share information hopefully in August.

Mayor Regan Gonzalez asked for an understanding of where impacts are being made to get the 7.2% lower and what the city is gaining and risking by reducing the number.

Council Member Whalen asked if it would be too complicated to get multiple options regarding the budget of what is priority and what is not.

City Manager Rodriguez explained she would like to work with directors for city manager recommended budget. Reductions and additions will be included with the budget.

Council Member Supple expressed how it would be helpful to see how the CARES funding will affect all the numbers.

Council Member Whalen asked for clarification on the capital budgets versus general fund spending.

Director Regis explained he is attempting to keep the tax levy low so he does everything possible to protect the general fund.

Council Member Whalen asked if the capital budget could be used to fund the one time incurrence from the body cameras.

Director Regis explained the general fund is paid back.

Council Member Trautmann asked for clarification on capital cost for equipment replacement.

Director Regis confirmed.

Council Member Supple asked for past reserves context for a future meeting.

Mayor Regan Gonzalez expressed the investment in updating all liquor stores and be able to maximize them.

Director Regis explained the liquor stores contribute approximately \$310,000 a year and usually increases about 3% each year.

City Manager Rodriguez commented on how the liquor store revenues were up in March about 10-11% until the pandemic hit. The city will be extending hours and will be promoting a website as well.

Council Member Supple asked if the ice arena will be online faster than expected and if it will contribute some extra income.

City Manager Rodriguez said it is only a couple weeks ahead of schedule but is anticipating easy rental.

Council Member Trautmann weighed in on the priority reducing the 7% increase in levy

Mayor Regan Gonzalez thanked Director Regis for all the extra work during the COVID pandemic and taking in the CARES money along with City Manager Rodriguez and department heads preparing the next budget.

City Manager Rodriguez summarized council requests for the next work session.

**ADJOURNMENT**

The work session was adjourned by unanimous consent at 6:50 p.m.

Date Approved: July 28, 2020

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Kelly Wynn  
Senior Office Assistant

  
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Maria Regan Gonzalez  
Mayor

  
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Katie Rodriguez  
City Manager