



# CARE's Funding Plan



# CARE's Distribution & Eligible Expenses

- Richfield received \$2,745,098 on 7/28/20
- The federal government's three criteria for CARE's expenses are those:
  - necessary expenditures incurred due to the public health emergency with respect to COVID-19;
  - not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government; and
  - incurred during the period that begins on March 1, 2020 and ends on November 15, 2020.

# Examples of eligible expenses

**Personnel**-job duties have changed from their originally budgeted duties and are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Examples: Emergency Management Coordinator, Public Health Coordinator and first responders.

**Personnel**-staff that were repurposed due to the pandemic are also eligible.

Examples: Recreation staff working as park ambassadors or greeters.

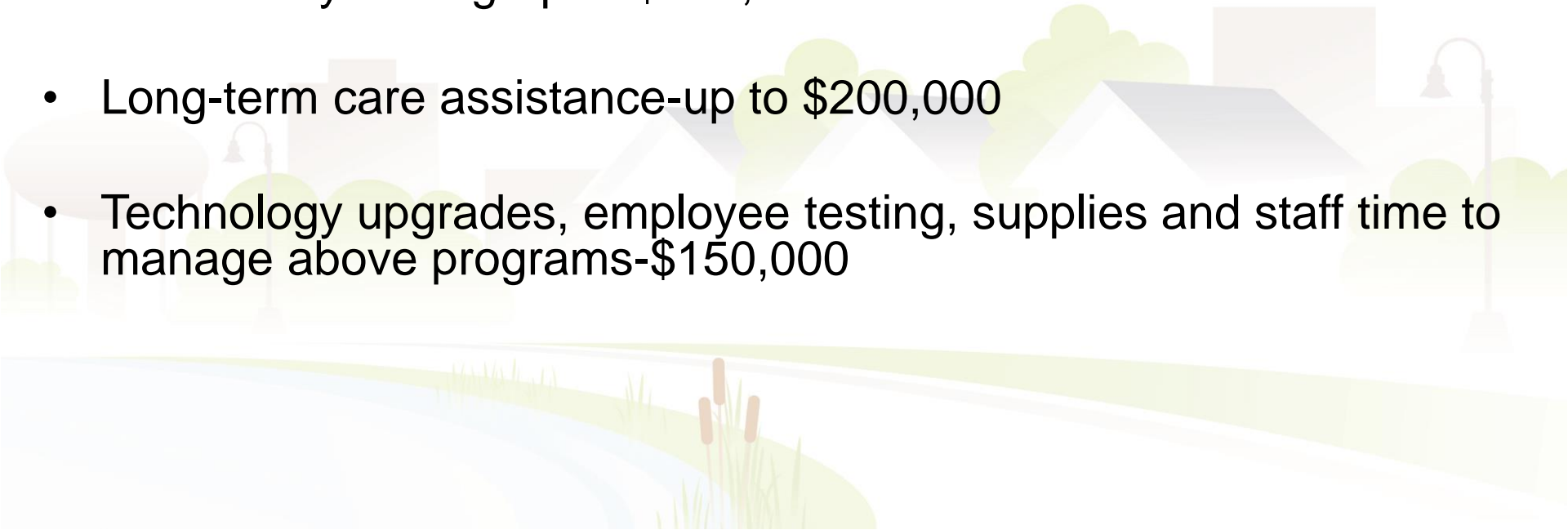
# Examples of eligible expenses

- **Supplies**-cleaning, face masks and plexiglass.
- **Technology**-laptops, WebEx and other upgrades to allow employees to work from home.
- **Communications**-Signs, surveys, and mailings.
- **Other**-Bloomington Public Health, donation to VEAP, small business loan program.

# Eligible Expenses-Ongoing Mitigations

Fund	Total Costs 3/1-7/31/20	Projected Costs 11/15/20	Total
General	\$1,500,000	\$750,000	\$2,250,000
Cable	\$54,000	\$33,000	\$87,000
Election	\$34,000		\$34,000
Liquor	\$40,000		\$40,000
Water & Sewer	\$5,000	\$5,000	\$10,000
Central Garage	\$1,000	\$1,000	\$2,000
IT	\$110,000	\$64,000	\$174,000
Building Services	\$25,000	\$41,000	\$66,000
HRA	\$70,000	\$55,000	\$125,000
EDA	\$144,000	\$7,500	\$151,00
<b>Total</b>	<b>\$2,025,000</b>	<b>\$960,000</b>	<b>\$2,985,000</b>

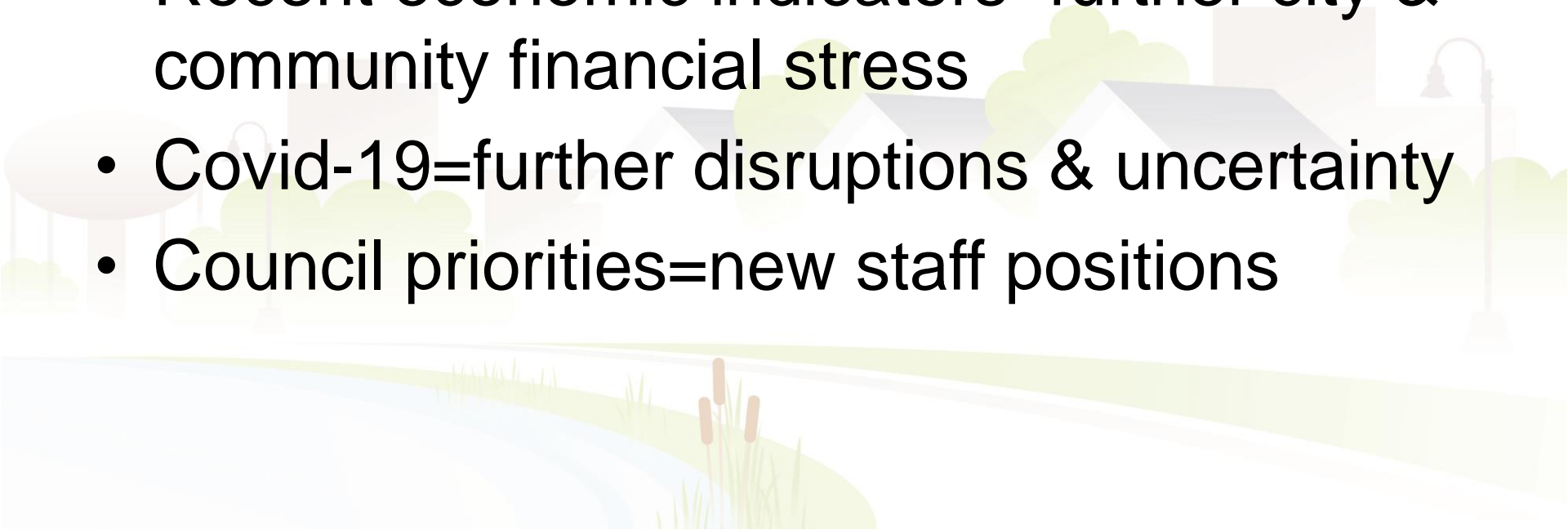
# Proposed New CV19 Programs

- Additional donation to VEAP or similar nonprofit-up to \$157,500 (previous donation of \$125,000, \$282,500 total)
  - Additional small business assistance-up to \$117,600 (previous loan program of \$139,900, \$257,500 total)
  - Community testing-up to \$250,000
  - Long-term care assistance-up to \$200,000
  - Technology upgrades, employee testing, supplies and staff time to manage above programs-\$150,000
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# History of state aid

	<u>Certified</u>	<u>Change</u>
2011 -	Reduction	\$(995,263)
2012 -	\$1,218,346	\$0
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 -	\$2,001,686	\$(364,360)

# Budget Update

- Lower LGA=budget deficit
  - CAREs Funding=increased reserves
  - State Forecast=risk of further LGA cuts
  - Recent economic indicators=further city & community financial stress
  - Covid-19=further disruptions & uncertainty
  - Council priorities=new staff positions
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# 2021 budget options

Tools to solve the budget deficit:

- Personnel-71% of the budget
- Property Tax Levy-70% of revenues
- Reserves-available to stabilize during economic downturns

# Personnel

- Proposal to add 2 positions-Equity Coordinator (possible 2020 start) and Video Specialist
- 4 of 5 contracts with bargaining groups settled at 3% for 2021, 5% steps, long history of consistency for all employee groups
- Soft hiring freeze-will evaluate open positions

# Levy-growing tax base, declining tax rate

Levy Year	Market Value	% Increase	Levy Increase	Tax Rate
2015/16	2,874,179,000	4.51%	2.91%	.60992
2016/17	3,091,380,400	7.56%	3.26%	.56850
2017/18	3,263,103,600	5.55%	6.11%	.57730
2018/19	3,587,736,600	9.95%	4.89%	.53275
2019/20	3,846,256,100	7.21%	4.9%	.53292

# Impact on the average homeowner: 1.77% annual increase

10 Year City of Richfield Tax Look Back Based on \$200,000 Market Value Property											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Ten Year Average
<b>City</b>	1,016.09	1,191.80	1,186.45	1,249.31	1,313.30	1,255.22	1,220.00	1,230.80	1,178.44	1,121.26	<b>1,196.27</b>
<b>County</b>	847.12	945.33	916.02	968.21	1,013.33	933.43	946.11	912.67	925.97	864.41	<b>927.26</b>
<b>ISD #280</b>	494.51	566.32	574.32	661.59	582.23	592.11	580.58	789.91	737.28	687.12	<b>626.60</b>
<b>ISD #280 Ref.</b>	275.09	302.09	324.95	318.26	334.46	320.04	272.09	370.99	365.56	312.42	<b>319.60</b>
<b>Metro Districts</b>	54.50	60.45	60.04	64.63	65.65	59.66	60.54	57.20	56.23	51.78	<b>59.07</b>
<b>Other Special</b>	115.00	126.20	126.81	140.04	148.05	136.47	139.45	134.10	132.90	121.15	<b>132.02</b>
<b>HRA</b>	33.52	34.44	29.71	33.06	33.37	34.37	33.39	34.22	32.34	30.19	<b>32.86</b>
	2,835.83	3,226.63	3,218.30	3,435.10	3,490.39	3,331.30	3,252.16	3,529.89	3,428.72	3,188.33	<b>3,293.67</b>

# History of city reserves

	<u>Capital Fund</u>	<u>Recreation</u>
2013 -	\$2,074,700	\$3,342,746
2014 -	\$3,718,613	\$2,835,705
2015 -	\$3,841,155	\$2,952,516
2016 -	\$4,325,415	\$3,233,214
2017 -	\$4,851,557	\$3,361,118
2018 -	\$5,452,491	\$3,481,487
2019 -	\$4,682,503	\$3,643,018
2020 -	\$6,000,000 Est.	\$ 243,018 Est.

\* The City's General Fund has a fund balance policy where the targeted amount of unassigned fund balance shall be an amount not less than 40% of current year end actual General Fund revenues.

# Budget Options

5% levy increase:

- Delay body cameras, video & equity position, \$270,310 transfer from reserves

OR

- Implement body cameras, hire video & equity position, \$463,000 transfer from reserves

# Budget Options

5.5% levy increase:

- Delay body cameras, video & equity positions, \$159,660 transfer from reserves

OR

- Implement body cameras, hire video & equity positions, \$353,000 transfer from reserves

# Budget Options

6.0% levy increase:

- Delay body cameras, video & equity positions, \$48,660 transfer from reserves

OR

- Implement body cameras, hire video & equity positions, \$241,000 transfer from reserves



# Gross tax levy history

- 2021 - \$23,882,744 - 5.00% increase
- 2021 - \$23,935,652 - 5.50% Increase
- 2021 - \$24,048,917 - 6.00% 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
- 2012 - \$16,980,700 - 3.98% increase
- 2011 - \$16,330,041 - 6.82% increase

# 2021 proposed levy estimated impact 5% Levy

- \$250,000 property

- City Portion - Tax 2020 \$1,332.28

- City Portion - Tax 2021 \$1,342.90

- City Portion - Tax 2021 (1.8% emv) \$1,367.07

- **\$10.62 increase** or **\$.89** per month in City property tax portion with no change in Market Value

- **\$34.80 increase** or **\$2.90** per month in City property tax portion with estimated 1.8% increase in Market Value

# 2021 proposed levy estimated impact 5.5% Levy

- \$250,000 property
  - City Portion - Tax 2020 \$1,332.28
  - City Portion - Tax 2021 \$1,350.35
  - City Portion - Tax 2021 (1.8% emv) \$1,374.66
    - \$18.07 increase or \$1.51 per month in City property tax portion with no change in Market Value
    - \$42.38 increase or \$3.53 per month in City property tax portion with estimated 1.8% increase in Market Value

# 2021 proposed levy estimated impact 6% Levy

- \$250,000 property

- City Portion - Tax 2020 \$1,332.28

- City Portion - Tax 2021 \$1,357.85

- City Portion - Tax 2021 (1.8% emv) \$1,382.29

- **\$25.57 increase** or **\$2.13** per month in City property tax portion with no change in Market Value
    - **\$50.02 increase** or **\$4.17** per month in City property tax portion with estimated 1.8% increase in Market Value