

# **RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY**

*6700 Portland Ave, Richfield Minnesota  
55423*

## **2024 Budget**



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**EDA COMMISSIONERS**

**ERIN VRIEZE DANIELS- PRESIDENT**

**COMMISSIONER - GORDON HANSON**

**COMMISSIONER - SEAN HAYFORD OLEARY**

**COMMISSIONER - MARY SUPPLE**

**COMMISSIONER - VACANT**

**ADMINISTRATIVE STAFF**

**MELISSA POEHLMAN - EXECUTIVE DIRECTOR/COMMUNITY DEVELOPMENT DIRECTOR**

**KUMUD VERMA - FINANCE DIRECTOR / ASSISTANT TREASURER**

August 15, 2023

Economic Development Authority Commissioners  
City of Richfield

Dear Commissioners:

In accordance with the bylaws of the Richfield Economic Development Authority (EDA), the EDA budget for January 1, 2024 to December 31, 2024 is submitted. A meeting on the proposed EDA budget will be held on August 21, 2023 at 7:00 p.m.

Pursuant to State law, the EDA must certify the 2024 budget and the revenue required to be raised by an ad valorem property tax levy to the Hennepin County Auditor. The deadline for certification is December 27, 2023. A proposed 2024 tax levy must be submitted to the County Auditor on or before September 30, 2023. Any amendments to the proposed budget, which would increase the property tax levy, must be made prior to September 30, 2023. No increases in the tax levy are permissible after that date, only reductions. Final certification of the EDA tax levy is part of the City's budget process.

2023 was an exciting year for the EDA as we completed a Business Assistance Program Review and filled the newly created Economic Development Manager position. The EDA adopted revised guidelines for the Transformation Loan Program and will adopt a revised Business Subsidy Policy and guidelines for new small business assistance programs. In addition, the EDA's award-winning Kids @ Home Program was able to provide a full year of in-person "parent-share" meetings for the first time since the Covid-19 pandemic began. In 2024, we look to build on these successes.

The proposed 2024 budget consists of the following funds/programs:

- \$141,000 in funding to the Transformation Loan program. This program provides a 15% forgivable loan for large-scale remodeling projects. It is estimated that this program will assist six to eight Richfield families in making major improvements to their homes in 2024. Program funding has been increased in order to support revised program guidelines incentivizing the addition of an accessory dwelling unit, conversion to a duplex, or incorporation of accessibility or energy efficiency items. Funding for 2023 has been increased by \$50,000 to allow up to 3 additional households on the program waiting list to move forward.
- \$100,000 in funding for the Apartment Remodeling program which provides forgivable loans for the rehabilitation of existing affordable housing located in multi-family buildings.
- \$87,000 for Business Assistance Programming. In addition to continued funding for the Energy Efficiency and Displaced Business grants, this budget



includes \$60,000 in funding for new programming under development in 2023.

- \$139,000 is budgeted for the Kids@Home Program to provide shallow rent subsidies and supportive services to families with children in a Richfield school. The program will provide housing stability to 20 and 25 families in 2023 and 2024.
- The EDA will also continue to fund participation in Elevate Hennepin, as well as membership in the Richfield Chamber of Commerce and the Economic Development Association of Minnesota (EDAM).
- The EDA levy also funds the staff and consultant costs related to administration of this programming. In 2024, \$149,000 has been budgeted for these administrative costs. Revised costs for 2023 are estimated at \$137,000.

The revised 2023 budget has increased by 5.2% (\$30,600) to allow for increased spending in the Transformation Loan program and for administration costs. The 2024 budget will increase by only an additional 0.1%. As the EDA has worked to reevaluate and hire over the past couple of years, revenues have exceeded expenditures and a fund balance for programming has accumulated. Additionally, temporary spending authority for tax increment funds will likely be available for some programs that normally would have come from the EDA directly. Given this, and the pressures on the market at this time, the proposed 2024 levy increase is 3.5%.

The resolution to certify the 2024 budget and tax levy has been prepared based on the proposed budget. This resolution and a resolution revising the 2023 budget are located in the last section of this budget document.

Respectfully submitted,

*Melissa Poehlman*

Melissa Poehlman, AICP  
Executive Director

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## **GENERAL FUND**



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## BUDGET SUMMARY - GENERAL FUND

<b><u>AVAILABLE FOR APPROPRIATION</u></b>	<b><u>2022 Actual</u></b>	<b><u>2023 Budget</u></b>	<b><u>2023 Revised</u></b>	<b><u>2024 Budget</u></b>
<b><u>FUND BALANCE - JANUARY 1</u></b>	<b><u>\$ 792,458</u></b>	<b><u>\$ 806,298</u></b>	<b><u>\$ 994,238</u></b>	<b><u>\$ 957,658</u></b>
<b><u>Revenues:</u></b>				
<b><u>Taxes:</u></b>				
Current	554,751	567,790	573,310	593,370
Total Taxes	<u>554,751</u>	<u>567,790</u>	<u>573,310</u>	<u>593,370</u>
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Miscellaneous Revenues:</u></b>				
Interest	8,836	-	5,000	5,000
Other Miscellaneous Revenues	2,779	17,100	2,100	2,100
Total Miscellaneous Revenues	<u>11,615</u>	<u>17,100</u>	<u>7,100</u>	<u>7,100</u>
Total Revenues	<u>566,366</u>	<u>584,890</u>	<u>580,410</u>	<u>600,470</u>
<b><u>Expenditures:</u></b>				
Personal Services	62,202	114,100	124,000	132,190
Other Services and Charges	<u>302,384</u>	<u>470,790</u>	<u>492,990</u>	<u>485,370</u>
Total Expenditures	<u>364,586</u>	<u>584,890</u>	<u>616,990</u>	<u>617,560</u>
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	<u>201,780</u>	<u>-</u>	<u>(36,580)</u>	<u>(17,090)</u>
<b><u>FUND BALANCE - DECEMBER 31</u></b>	<b><u>\$ 994,238</u></b>	<b><u>\$ 806,298</u></b>	<b><u>\$ 957,658</u></b>	<b><u>\$ 940,568</u></b>

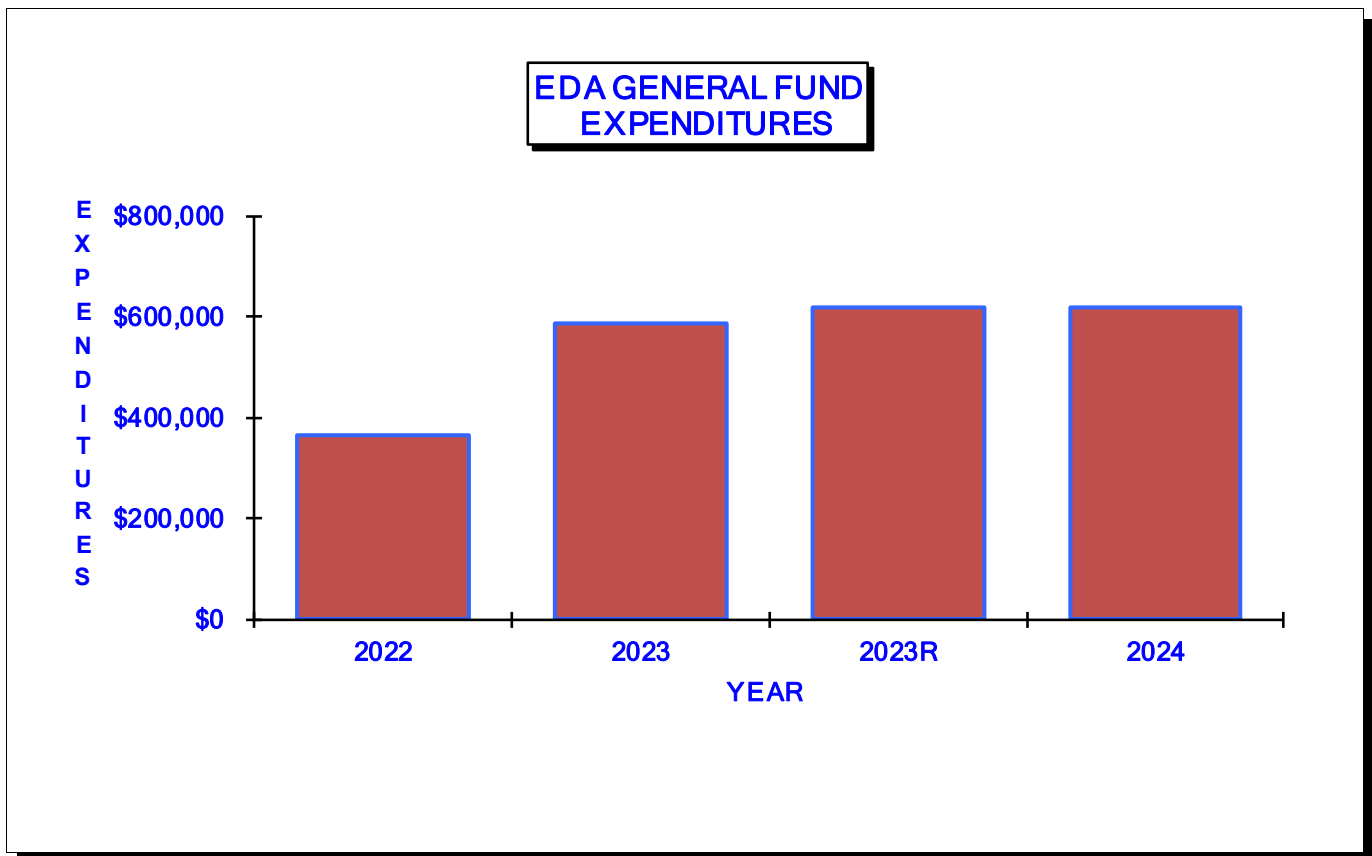
**FUND:** EDA GENERAL FUND  
**DEPARTMENT:** Community Development

**DEPARTMENT SUMMARY BY BUSINESS UNIT**

BUSINESS UNIT	2022 ACTUAL	2023 BUDGET	2023 REVISED	2024 BUDGET	Increase/ (Decrease) 2023 Budget/ 2024 Budget
99600 EDA General Fund	\$ 137,986	\$ 315,590	\$ 297,690	\$ 337,960	7.09%
99601 Kids @ Home	98,609	138,300	138,300	138,600	0.22%
99602 Transformation Loans	127,991	131,000	181,000	141,000	7.63%
<i>Community Development TOTAL</i>	<u>\$ 364,586</u>	<u>\$ 584,890</u>	<u>\$ 616,990</u>	<u>\$ 617,560</u>	5.59%

**REVENUES**

99600 EDA General Fund	\$ 566,365	\$ 584,890	\$ 580,410	\$ 600,470	2.66%
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**FUND:** EDA GENERAL FUND  
**DEPARTMENT:** Community Development  
**BUSINESS UNIT:** EDA General Fund - 99600

## DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2022 ACTUAL	2023 BUDGET	2023 REVISED	2024 BUDGET
<u>Taxes</u>				
4005 Current	\$ 460,408	\$ 567,790	\$ 573,310	\$ 593,370
4010 Delinquent	1,115	-	-	-
4025 Fiscal Disparities	93,227	-	-	-
<i>Taxes Total</i>	<u>\$ 554,750</u>	<u>\$ 567,790</u>	<u>\$ 573,310</u>	<u>\$ 593,370</u>
<u>Miscellaneous Revenues</u>				
4607 Investment Earnings	\$ 8,774	\$ -	\$ 5,000	\$ 5,000
4609 Change in Fair Value	62	-	-	-
4644 Other Miscellaneous Revenues	2,779	2,100	2,100	2,100
4648 Loan Repayment Revenue	-	15,000	-	-
<i>Miscellaneous Revenues Total</i>	<u>\$ 11,615</u>	<u>\$ 17,100</u>	<u>\$ 7,100</u>	<u>\$ 7,100</u>
<i>EDA General Fund TOTAL</i>	<u><u>\$ 566,365</u></u>	<u><u>\$ 584,890</u></u>	<u><u>\$ 580,410</u></u>	<u><u>\$ 600,470</u></u>

**FUND:** EDA GENERAL FUND  
**DEPARTMENT:** Community Development  
**BUSINESS UNIT:** EDA General Fund - 99600

**DETAIL EXPENDITURES BY BUSINESS UNIT**

<b>CLASSIFICATIONS</b>	<b>2022 ACTUAL</b>	<b>2023 BUDGET</b>	<b>2023 REVISED</b>	<b>2024 BUDGET</b>
<u>Personal Services</u>				
6051 Interdepartmental Labor	\$ 62,202	\$ 114,100	\$ 124,000	\$ 132,190
<i>Personal Services Total</i>	<u>\$ 62,202</u>	<u>\$ 114,100</u>	<u>\$ 124,000</u>	<u>\$ 132,190</u>
<u>Other Services &amp; Charges</u>				
6103 Professional Services -General	\$ 20,296	\$ 12,970	\$ 12,970	\$ 13,500
6301 Advertising & Publication	-	930	930	930
6303 Professional Development			-	1,200
6305 Subscriptions & Memberships	-	640	640	740
6403 Postage	6	450	450	450
6414 Other Supplies	230	-	-	250
6511 Rehab Loan Program	55,252	186,500	158,700	188,700
<i>Other Services &amp; Charges Total</i>	<u>\$ 75,784</u>	<u>\$ 201,490</u>	<u>\$ 173,690</u>	<u>\$ 205,770</u>
<i>EDA General Fund TOTAL</i>	<u>\$ 137,986</u>	<u>\$ 315,590</u>	<u>\$ 297,690</u>	<u>\$ 337,960</u>

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**FUND:** EDA GENERAL FUND  
**DEPARTMENT:** Community Development  
**BUSINESS UNIT:** Kids @ Home - 99601

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**DETAIL EXPENDITURES BY BUSINESS UNIT**

<b>CLASSIFICATIONS</b>	<b>2022 ACTUAL</b>	<b>2023 BUDGET</b>	<b>2023 REVISED</b>	<b>2024 BUDGET</b>
<u>Other Services &amp; Charges</u>				
6103 Professional Services -General	\$ 10,900	\$ 11,200	\$ 11,200	\$ 11,500
6403 Postage	46	100	100	100
6414 Other Supplies	513	2,000	2,000	2,000
6504 Kids@Home Payments	87,150	125,000	125,000	125,000
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<i>Other Services &amp; Charges Total</i>	\$ 98,609	\$ 138,300	\$ 138,300	\$ 138,600
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<i>Kids @ Home TOTAL</i>	\$ 98,609	\$ 138,300	\$ 138,300	\$ 138,600
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FUND:

EDA GENERAL FUND

DEPARTMENT:

Community Development

BUSINESS UNIT:

Transformation Loans - 99602

DETAIL EXPENDITURES BY BUSINESS UNIT				
CLASSIFICATIONS	2022 ACTUAL	2023 BUDGET	2023 REVISED	2024 BUDGET
<u>Other Services &amp; Charges</u>				
6103 Professional Services -General	\$ 536	\$ 1,000	\$ 1,000	\$ 1,000
6511 Rehab Loan Program	127,455	130,000	180,000	140,000
<i>Other Services &amp; Charges Total</i>	<u>\$ 127,991</u>	<u>\$ 131,000</u>	<u>\$ 181,000</u>	<u>\$ 141,000</u>
<i>Transformation Loans TOTAL</i>	<u><u>\$ 127,991</u></u>	<u><u>\$ 131,000</u></u>	<u><u>\$ 181,000</u></u>	<u><u>\$ 141,000</u></u>



## **RESOLUTIONS**

**EDA RESOLUTION NO.**

**RESOLUTION APPROVING PROPOSED 2024 ECONOMIC DEVELOPMENT  
AUTHORITY BUDGET AND CERTIFYING THE 2024 TAX LEVY**

**BE IT RESOLVED** by the Housing and Redevelopment Authority of the City of Richfield, Minnesota as follows:

Section 1.           The budget for the Economic Development Authority General Fund of Richfield for the year 2024 in the amount of \$595,470 is hereby ratified.

Section 2.           The estimated gross revenue of the Economic Development Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2024, and as the same are more fully detailed in the Executive Director's official copy of the budget for the year 2024, in the amount of \$595,470 is hereby approved.

Section 3.           There is hereby levied upon all taxable property in the City of Richfield an ad valorem tax in 2023, payable in 2024 for the following purposes:

Economic Development Authority	\$599,364
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Section 4.           A certified copy of this resolution shall be transmitted to the County Auditor.

Adopted by the Economic Development Authority in and for the City of Richfield, Minnesota this 21st day of August 2023.

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Erin Vrieze Daniels, President

ATTEST:

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Melissa Poehlman, Executive Director

**EDA RESOLUTION NO.**

**RESOLUTION AUTHORIZING REVISION OF THE 2023 BUDGET OF THE  
ECONOMIC DEVELOPMENT AUTHORITY OF RICHFIELD**

**WHEREAS**, Resolution No. 41 appropriated funds for personal services and other expenses for the Economic Development Authority for the year 2023, and

**WHEREAS**, The Executive Director has requested a revision of the 2023 budget as detailed in the 2024 budget document.

**NOW, THEREFORE, BE IT RESOLVED** by the Economic Development Authority of Richfield, Minnesota as follows:

Section 1. That the 2023 appropriation for the Economic Development Authority General Fund is revised as follows:

\$32,100 increase

Section 2. Estimated 2023 gross revenue of the Economic Development Authority General Fund from all sources, as the same is more fully detailed in the Executive Director's official copy of the 2024 budget document, are hereby revised as follows:

\$4,480 decrease

Section 3. That the Executive Director bring into effect the provisions of this resolution.

Adopted by the Economic Development Authority in and for the City of Richfield, Minnesota this 21st day of August, 2023.

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Erin Vrieze Daniels, President

ATTEST:

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Melissa Poehlman, Executive Director