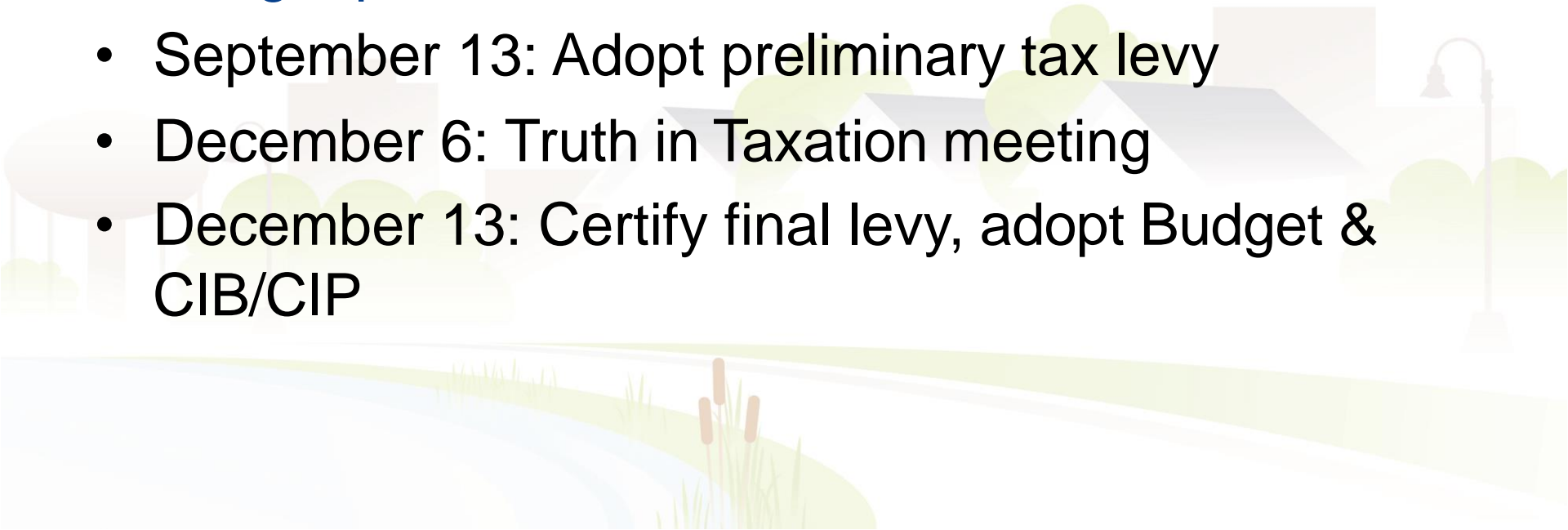




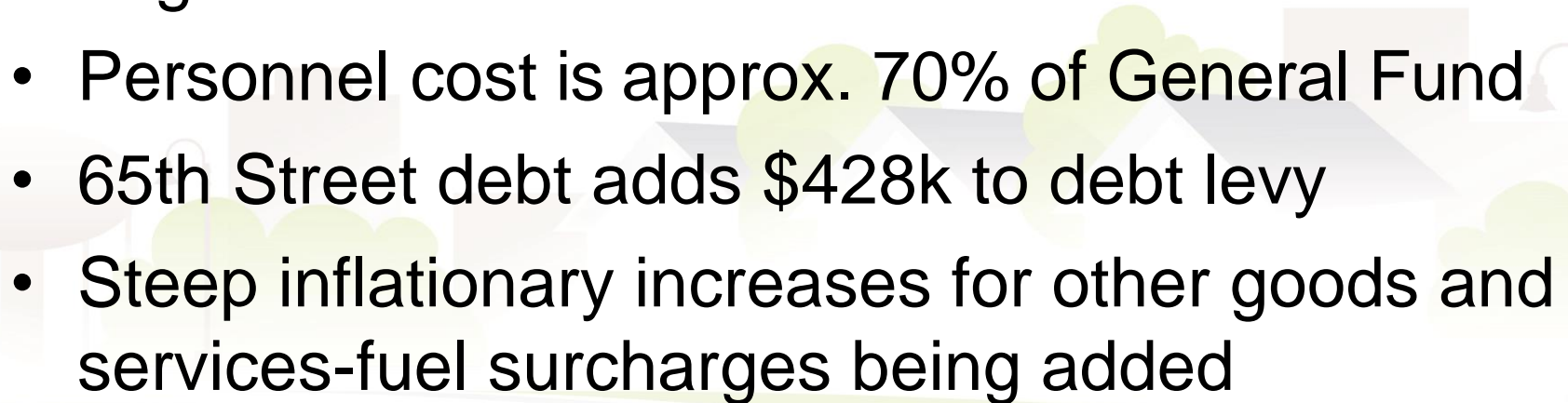
2023 Budget and Tax Levy



Timetable and key events

- July 26 work session: 2023 budget preview, KFS, utility rates & city fees, 2023 CIB/2024-2027 CIP
 - Tonight: 2022 Revised and 2023 Proposed Budget presentation with Directors
 - September 13: Adopt preliminary tax levy
 - December 6: Truth in Taxation meeting
 - December 13: Certify final levy, adopt Budget & CIB/CIP
- 

Key Issues for 2022/2023

- Labor market remains unstable and intensely competitive
 - Cost of living increase at 3%, average step increases 5%, market adjustments for negotiated contracts
 - Personnel cost is approx. 70% of General Fund
 - 65th Street debt adds \$428k to debt levy
 - Steep inflationary increases for other goods and services-fuel surcharges being added
- 

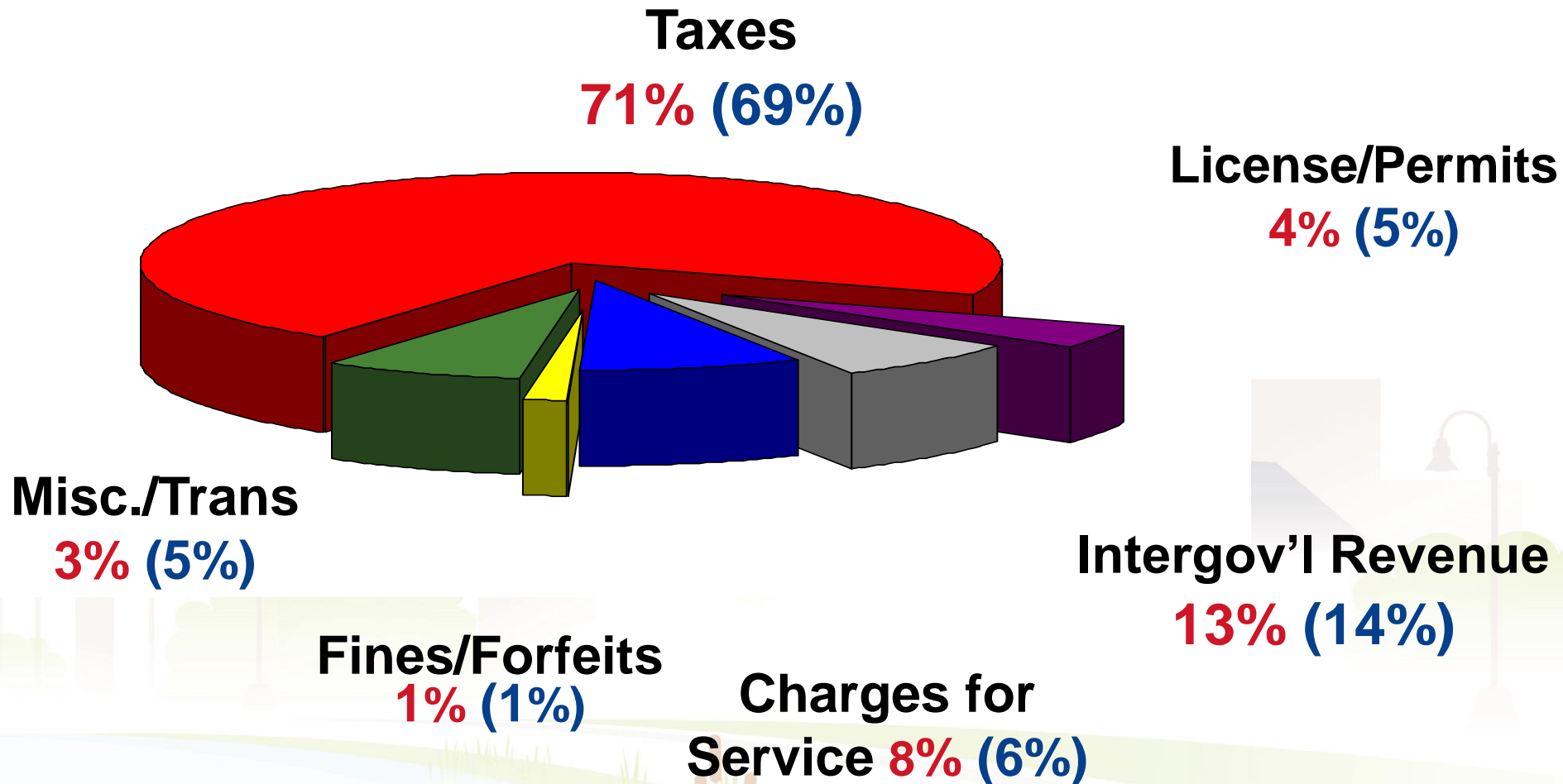
Key Issues for 2022/2023

- 2022 LGA reflects slight increase of \$28k. Stalled tax bill would increase by \$90k
- Some revenues not bouncing back; Passport fees, fines and some Recreation revenues
- Rolling stock/equip/tech levy at \$868,400: increased by 4% (used to be \$5k annual increase)
- EDA levy at \$579,096: increased by 4%
- Proposed levy increase is 6.6%
- 6.6% is less than tax base growth. Declining tax rate

General Fund Revenues

| | <u>2022A</u> | <u>2022R</u> | <u>2023P</u> |
|------------------------------|--------------------|--------------------|--------------------|
| Taxes | \$19,866,602 | \$19,866,390 | \$21,026,215 |
| Licenses and permits | 1,207,288 | 1,266,500 | 1,314,495 |
| Intergovernmental | 3,461,170 | 3,585,750 | 3,544,943 |
| Charges for services | 2,147,260 | 1,846,550 | 1,907,618 |
| Fines and forfeitures | 220,000 | 220,000 | 220,000 |
| Miscellaneous | 67,830 | 68,100 | 70,580 |
| Transfers | 898,180 | 926,719 | 859,920 |
| | <hr/> \$27,868,330 | <hr/> \$27,780,009 | <hr/> \$28,943,771 |

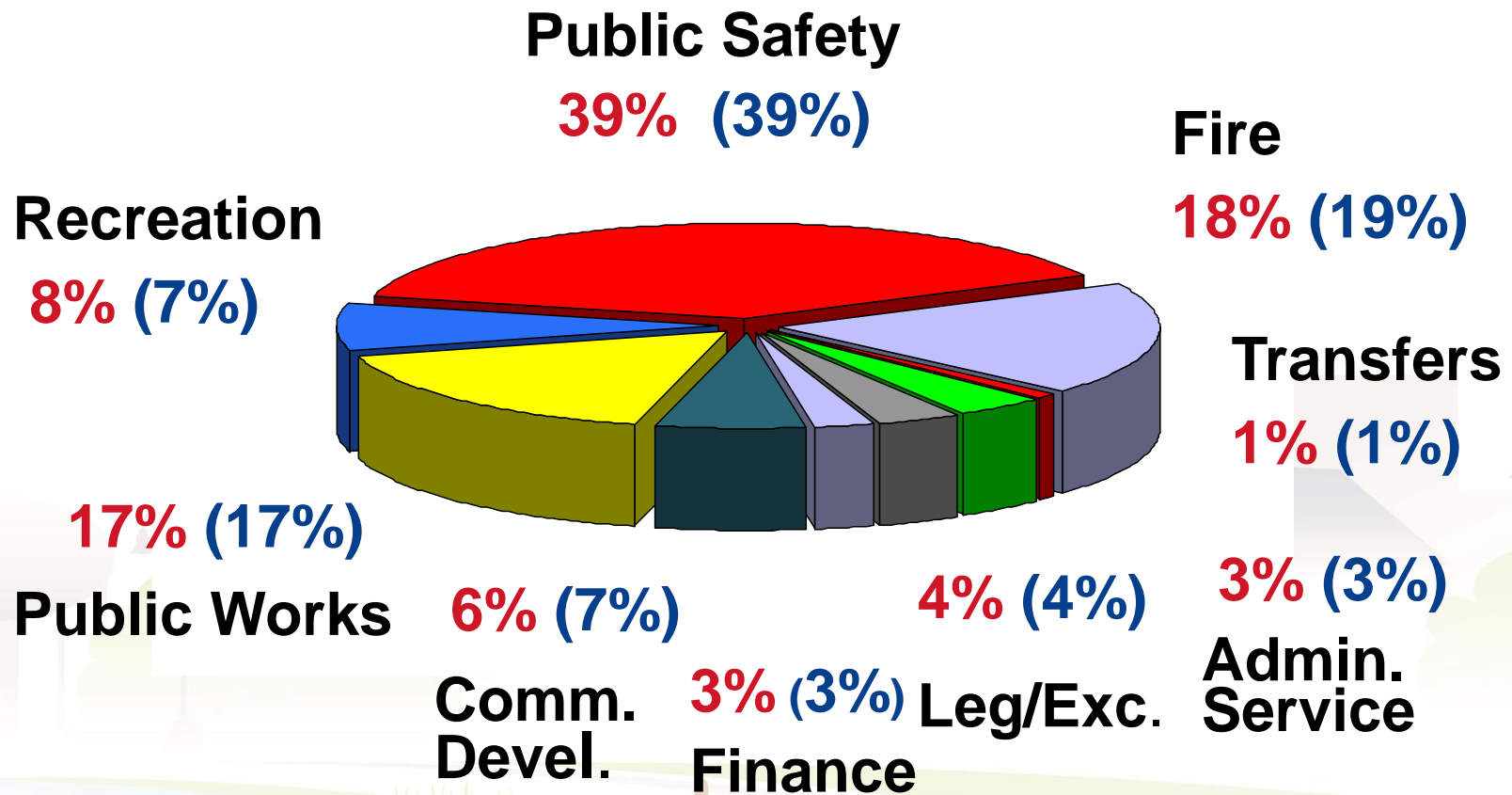
2023 (2022) Proposed Budget General Fund Revenues



General Fund Expenditures

| | <u>2022A</u> | <u>2022R</u> | <u>2023P</u> |
|--------------------------------|--------------------|--------------------|--------------------|
| Legislative/Executive | \$ 1,113,300 | \$1,067,967 | \$ 1,148,816 |
| Administrative Services | 973,080 | 1,042,318 | 1,000,852 |
| Finance | 769,760 | 1,015,664 | 886,071 |
| Public Safety | 10,926,920 | 10,755,360 | 11,332,622 |
| Fire | 5,130,730 | 5,130,730 | 5,335,950 |
| Community Development | 1,802,120 | 1,651,380 | 1,781,890 |
| Public Works | 4,751,100 | 4,716,520 | 4,946,140 |
| Recreation Services | 2,151,320 | 2,150,070 | 2,251,430 |
| Transfers | 250,000 | 250,000 | 260,000 |
| | <hr/> \$27,868,330 | <hr/> \$27,780,009 | <hr/> \$28,943,771 |

2022 (2021) Proposed Budget General Fund Expenditures



2023 Proposed Preliminary Levy

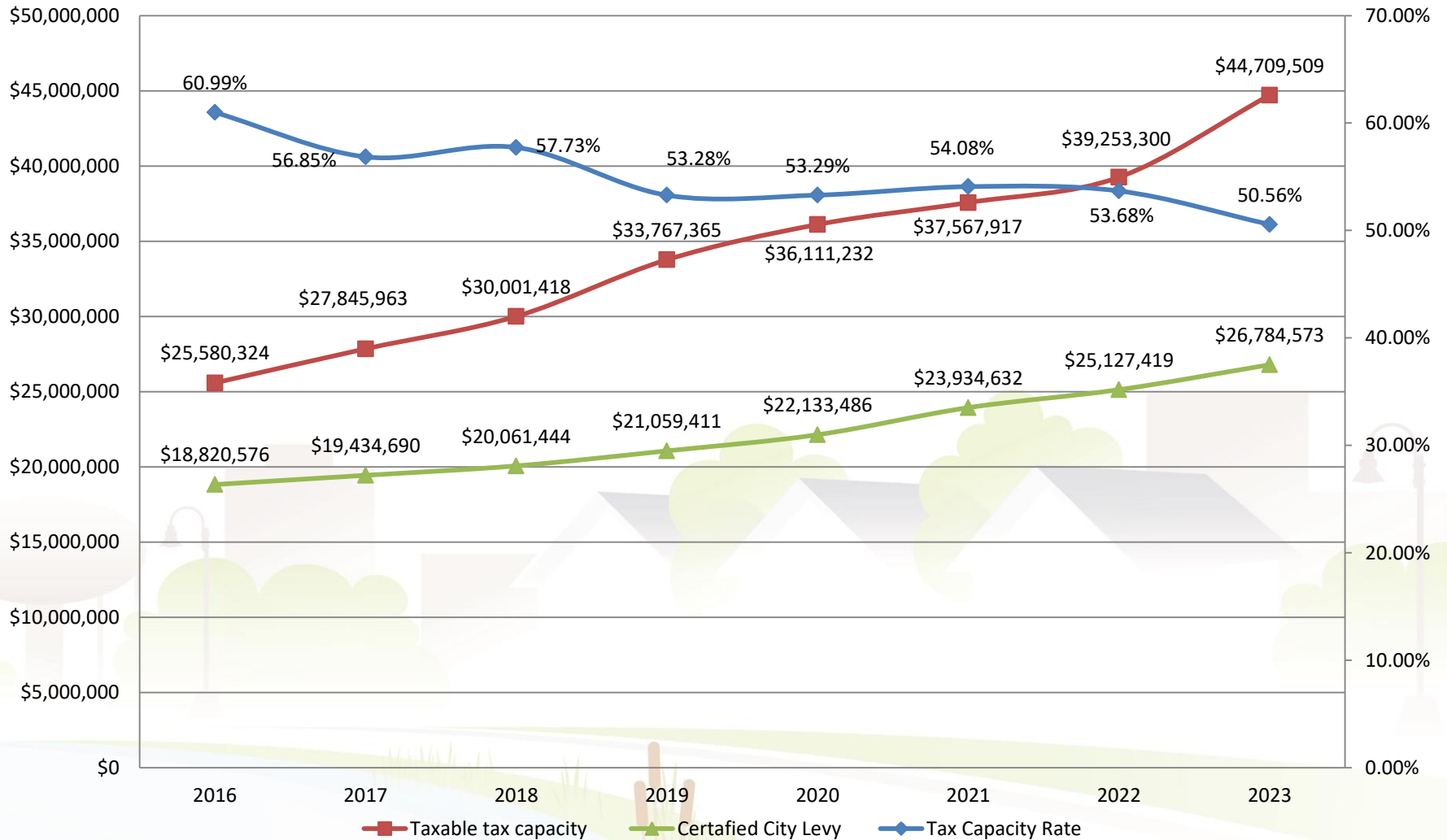
- 2023 Proposed Levy is \$26,784,573
 - Increase of 6.6% over the 2022 Levy
- General Fund Levy \$21,236,477
- Equipment Levy \$ 868,400
- EDA Levy \$ 579,096
 - Base Levy Total \$22,683,973
- Debt Service Levy \$ 4,100,600
 - **Total 2023 Levy \$26,784,573 (6.6%)**

Gross Tax Levy History

- **2023 - \$26,784,954 - 6.60% increase**
- 2022 - \$25,106,307 - 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

City Financial Overview

Tax Capacity, Levy and Rates



2023 Proposed Levy Impact on the Average Home

2022

- \$266,000 average home
- City Tax \$1,428



2023 Proposed

| | With 13.50% prelim estimated increase in market value | With 15.94% increase in market value per HC Assessor |
|----------------------|--|---|
| Average Home Value | \$302,000 | \$308,000 |
| Estimated City Tax | \$1,527 | \$1,557 |
| Annual tax increase | \$99 | \$129 |
| Monthly tax increase | \$8.25 | \$10.79 |

The 2023 estimated tax would **decrease by \$83** if the average home did not increase in value, remained \$266,000, because the tax rate is projected to decrease.

History of State Aid

| | <u>Certified</u> | <u>Change</u> |
|---------------|--------------------|------------------|
| 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 |
| 2023 - | \$2,038,711 | \$ 27,784 |

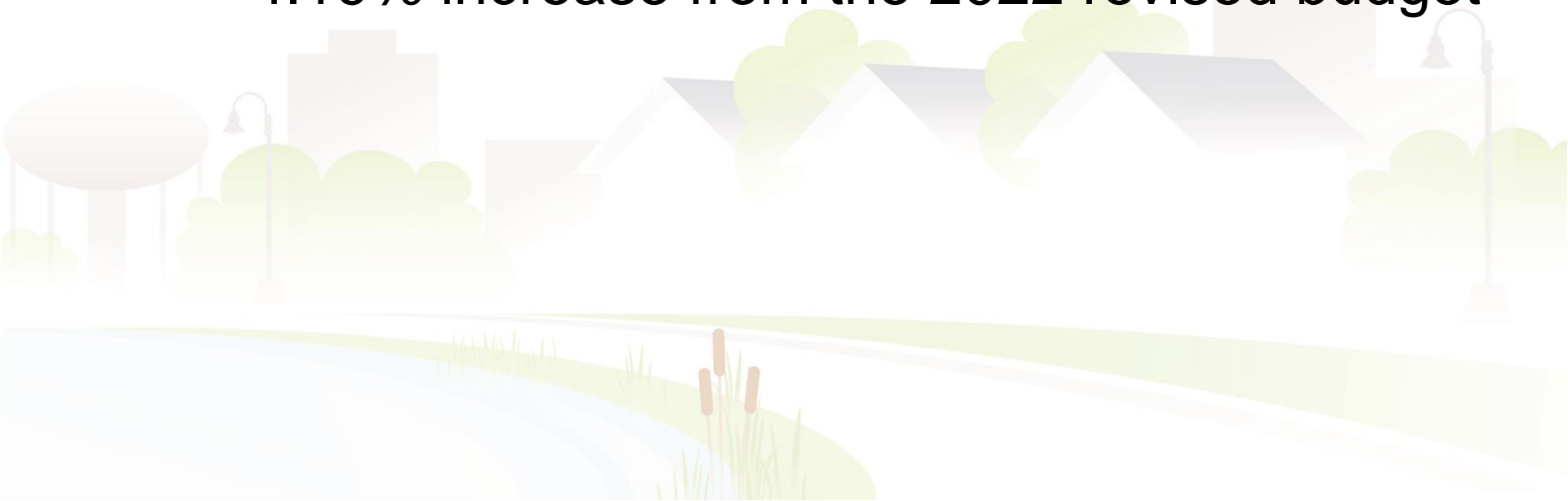
Forecast of City Reserves

- FYE 2021 Fund Balance (net of ARPA): \$8M
- Plan to use Capital Reserves over seven years to bring the negative reserves in the Ice Arena (-\$3,511,423) and the Pool (-\$473,676) into the black by 2028
- Plan transfers to General Fund to stabilize property tax increases (-\$500,000 in 2023) declining to zero in 2026
- Plan \$520,000 transfer in 2027 to bridge one year of debt payment for retiring bond issue to allow capital project to proceed in 2026
- Estimated Capital Reserve balance in 2028 is \$2.5M to \$3M

2023 Proposed General Fund Budget

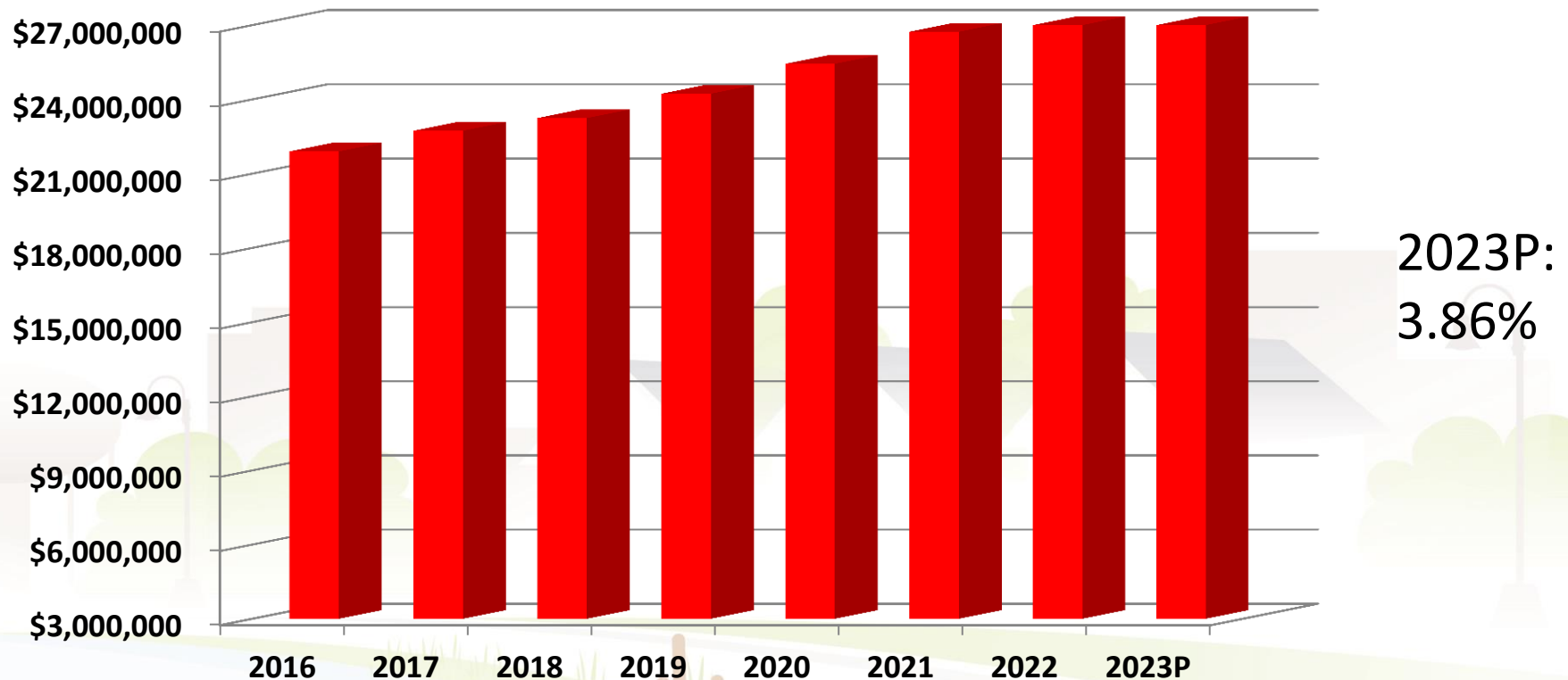
The 2023 proposed General Fund Budget of \$28,943,771 is a:

- 3.86% increase from the 2022 adopted budget
- 4.19% increase from the 2022 revised budget



General Fund History

Average increase of 4.04%



Staffing Update



- Three Staff Additions in 2022 Revised, Zero in 2023 Proposed
- Two Firefighters needed to address 25% increase in calls since 2010. The cost of the additional positions are mostly absorbed by lower overtime costs.
- One new manager position for Community Center, needed to support additional programs, like sustainability, managed by Recreation. The additional costs are mostly absorbed by the elimination of a supervisor position.

Long-Term Financial Forecast

Inflation Assumptions Revenue
Expenditures

3.00%
4.00%

3.00%
4.50%

3.00%
4.50%

3.00%
3.50%

3.00%
3.50%

3.00%
3.50%

3.00%
3.50%

GENERAL FUND

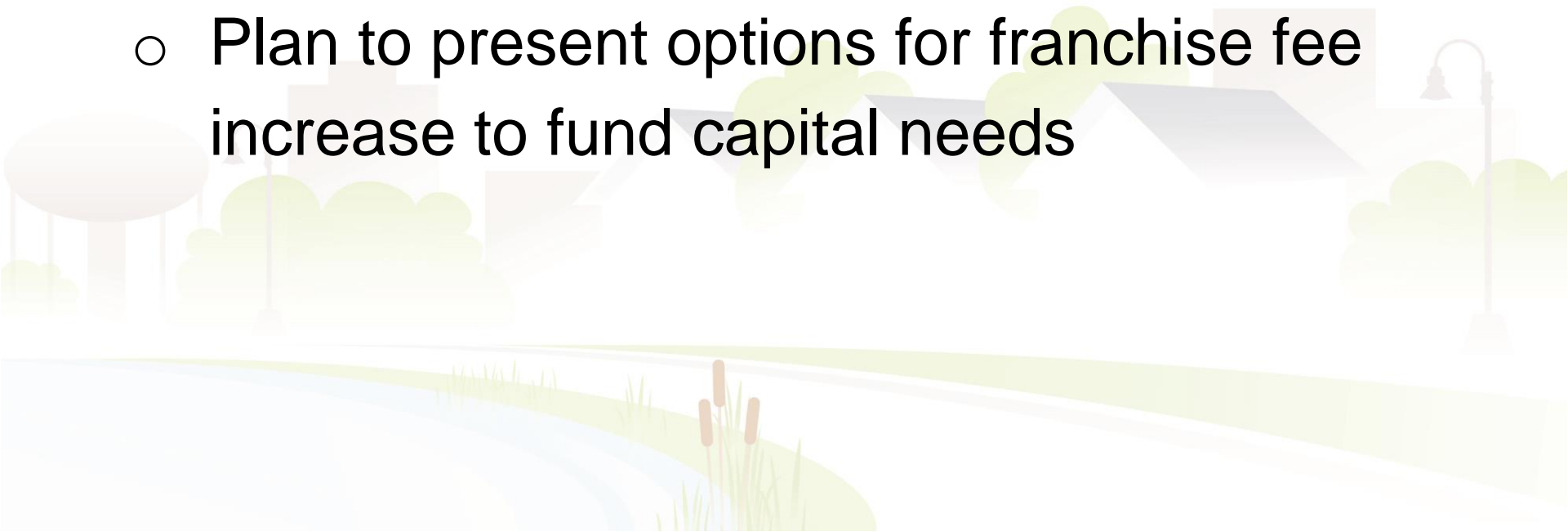
| | 2019 Actual | 2020 Actual | 2021 Actual | 2022 | 2022 Revised | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUE | | | | | | | | | | | | |
| 1 GENERAL PROPERTY TAX | 13,874,742 | 14,796,915 | 15,961,322 | 15,810,192 | 15,809,980 | 16,929,241 | 18,227,977 | 19,708,788 | 21,058,166 | 21,815,502 | 23,118,170 | 24,092,873 |
| 2 FISCAL DISPARITIES | 2,908,533 | 2,762,283 | 2,976,843 | 4,056,410 | 4,056,410 | 4,096,974 | 4,137,944 | 4,179,323 | 4,221,117 | 4,263,328 | 4,305,961 | 4,349,021 |
| 3 LICENSES & PERMITS | 1,734,871 | 1,743,695 | 1,865,431 | 1,207,288 | 1,268,500 | 1,314,495 | 1,353,930 | 1,394,548 | 1,436,384 | 1,479,476 | 1,523,880 | 1,569,576 |
| 4 LOCAL GOVERNMENT AID | 1,200,000 | 1,450,000 | 2,001,686 | 2,010,920 | 2,010,920 | 2,038,711 | 2,079,485 | 2,121,075 | 1,793,496 | 1,450,366 | 1,118,554 | 1,140,925 |
| 5 OTHER INTERGOVERNMENTAL | 1,347,735 | 3,378,595 | 1,460,434 | 1,574,830 | 1,574,830 | 1,506,232 | 1,551,419 | 1,597,962 | 1,645,900 | 1,695,277 | 1,746,136 | 1,798,520 |
| 6 CHARGES FOR SERVICES | 2,451,324 | 1,760,254 | 1,842,554 | 2,147,280 | 1,848,550 | 1,907,618 | 1,964,847 | 2,023,792 | 2,084,508 | 2,147,041 | 2,211,452 | 2,277,798 |
| 7 FINES & FORFEITS | 287,531 | 189,767 | 176,642 | 220,000 | 220,000 | 220,000 | 226,600 | 233,398 | 240,400 | 247,612 | 255,040 | 262,692 |
| 8 MISC. REVENUE | 155,329 | 94,870 | 62,274 | 67,830 | 68,100 | 70,580 | 72,339 | 74,510 | 76,745 | 79,047 | 81,419 | 83,861 |
| 9 OTHER FINANCING SOURCES | 606,620 | 318,210 | 862,770 | 898,180 | 926,719 | 859,920 | 650,000 | 500,000 | 400,000 | 932,000 | 959,960 | 988,759 |
| 10 TOTAL REVENUE | 24,344,685 | 26,494,589 | 27,069,956 | 27,868,330 | 27,780,009 | 28,943,771 | 30,264,541 | 31,833,395 | 32,956,714 | 34,118,649 | 35,320,552 | 36,563,821 |
| EXPENDITURES | | | | | | | | | | | | |
| 12 LEGISLATIVE/EXECUTIVE | 734,688 | 836,275 | 941,743 | 1,113,300 | 1,067,967 | 1,148,816 | 1,200,513 | 1,254,536 | 1,298,445 | 1,343,890 | 1,390,926 | 1,439,609 |
| 13 ADMINISTRATIVE | 840,868 | 954,871 | 863,573 | 973,080 | 1,042,318 | 1,000,852 | 1,045,890 | 1,092,955 | 1,131,209 | 1,170,801 | 1,211,779 | 1,254,191 |
| 14 FINANCE | 661,779 | 513,559 | 765,642 | 769,760 | 1,015,664 | 886,071 | 925,944 | 967,612 | 1,001,478 | 1,036,530 | 1,072,808 | 1,110,357 |
| 15 PUBLIC SAFETY | 9,436,746 | 10,016,997 | 10,309,435 | 10,926,920 | 10,755,360 | 11,332,622 | 11,842,590 | 12,375,507 | 12,808,649 | 13,256,952 | 13,720,945 | 14,201,178 |
| 16 FIRE | 4,380,909 | 4,537,374 | 5,136,190 | 5,130,730 | 5,130,730 | 5,335,950 | 5,576,088 | 5,826,991 | 6,030,935 | 6,242,018 | 6,460,489 | 6,686,806 |
| 17 COMMUNITY DEVELOPMENT | 1,586,564 | 1,640,111 | 1,766,087 | 1,802,120 | 1,651,380 | 1,781,890 | 1,862,075 | 2,145,888 | 2,220,974 | 2,298,708 | 2,379,163 | 2,462,433 |
| 18 PUBLIC WORKS | 4,158,659 | 4,216,177 | 4,657,770 | 4,751,100 | 4,716,520 | 4,946,140 | 5,168,716 | 5,401,309 | 5,590,354 | 5,786,017 | 5,988,527 | 6,198,126 |
| 19 RECREATION SERVICES | 1,903,404 | 1,594,809 | 2,000,078 | 2,151,320 | 2,150,070 | 2,251,430 | 2,352,744 | 2,458,618 | 2,544,869 | 2,633,733 | 2,725,914 | 2,821,321 |
| 20 TRANSFER OUT | 210,000 | 1,420,290 | 230,000 | 250,000 | 250,000 | 260,000 | 290,000 | 310,000 | 330,000 | 350,000 | 370,000 | 390,000 |
| 21 TOTAL EXPENDITURES | 23,893,617 | 25,730,463 | 26,530,518 | 27,868,330 | 27,780,009 | 28,943,771 | 30,264,541 | 31,833,395 | 32,956,714 | 34,118,649 | 35,320,552 | 36,563,821 |
| 22 REVENUE OVER (UNDER) EXPENDITURES | 451,068 | 764,126 | 539,438 | - | - | - | - | - | - | - | - | - |
| LEVY CALCULATION | | | | | | | | | | | | |
| 23 General Fund Tax Levy | | 17,311,530 | 18,621,410 | 19,866,602 | | 21,026,215 | 22,365,921 | 23,888,111 | 25,279,282 | 26,078,829 | 27,424,131 | 28,441,693 |
| 24 Reserve for Uncollectable | | 174,864 | 380,029 | 200,459 | | 210,262 | 223,659 | 238,881 | 252,793 | 260,788 | 274,241 | 284,417 |
| 25 Total General Fund Tax Levy | | 17,486,394 | 19,001,439 | 20,067,061 | | 21,236,477 | 22,589,580 | 24,126,992 | 25,532,075 | 26,339,618 | 27,698,372 | 28,726,110 |
| 26 Existing Debt | | 5,201,077 | 3,562,588 | 3,668,535 | | 3,672,620 | 4,113,543 | 4,101,375 | 4,110,046 | 4,121,139 | 3,605,541 | 2,473,449 |
| 27 New Debt | | | | | | 427,980 | | | | 471,419 | 471,419 | 1,403,703 |
| 28 EDA | | | 540,605 | 556,823 | | 579,096 | 605,155 | 632,387 | 654,521 | 677,429 | 701,139 | 725,679 |
| 29 Rolling Stock, Equipment, and IT Levy | | | 830,000 | 835,000 | | 868,400 | 907,478 | 948,315 | 981,506 | 1,015,858 | 1,051,413 | 1,088,213 |
| 30 TOTAL CERTIFIED LEVY | | 22,687,471 | 23,934,632 | 25,127,419 | | 26,784,573 | 28,215,756 | 29,809,069 | 31,278,147 | 32,625,463 | 33,527,885 | 34,417,154 |
| 31 Levy % Increase | | | 5.50% | 4.98% | | 6.60% | 5.34% | 5.65% | 4.93% | 4.31% | 2.77% | 2.65% |
| 32 TOTAL CERTIFIED LEVY | | 22,687,471 | 23,934,632 | 25,127,419 | | 26,784,573 | 28,215,756 | 29,809,069 | 31,278,147 | 32,625,463 | 33,527,885 | 34,417,154 |
| 33 LESS FISCAL DISPARITIES | | (3,443,450) | (3,618,365) | (4,056,410) | | (4,178,102) | (4,303,445) | (4,432,549) | (4,565,525) | (4,702,491) | (4,843,568) | (4,988,873) |
| 34 NET LOCAL LEVY TO TAXPAYERS | | 19,244,021 | 20,316,267 | 21,071,009 | | 22,606,471 | 23,912,311 | 25,376,520 | 26,712,622 | 27,922,972 | 28,684,319 | 29,428,281 |
| 35 NET TAX CAPACITY | | 38,111,232 | 37,567,917 | 39,253,300 | | 44,709,509 | 48,944,984 | 49,282,233 | 54,348,845 | 57,064,187 | 59,917,397 | 62,913,266 |
| 36 TAX RATE ON TAX CAPACITY | | 53.291% | 54.079% | 53.680% | | 50.563% | 50.937% | 51.482% | 49.152% | 48.933% | 47.873% | 46.776% |
| 37 TAX RATE % CHANGE | | | 1.48% | -0.74% | | -5.81% | 0.74% | 1.07% | -4.53% | -0.45% | -2.17% | -2.29% |
| 38 City Taxes | | 1,290 | 1,330 | 1,428 | | 1,557 | 1,647 | 1,748 | 1,753 | 1,832 | 1,882 | 1,931 |
| 39 Percentage tax increase in average home | | | 3.16% | 7.33% | | 9.07% | 5.78% | 6.12% | 0.25% | 4.53% | 2.73% | 2.59% |
| 40 Existing Tax Base Inflation Estimate (residential) | | | 1.90% | 7.90% | | 15.90% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| 41 Total Net Tax Capacity Increase (Decrease) | | | 4.03% | 4.46% | | 13.90% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| 42 Estimated Average Home Market Value | | 242,000 | 246,000 | 268,000 | | 308,000 | 323,400 | 339,570 | 356,549 | 374,376 | 393,095 | 412,749 |

Long-Term Financial Forecast

- Property tax increases stabilize and decrease in future years
- Declining tax rate-tax base growing faster than taxes
- Assume higher GF increases in 2024 and 2025 due to labor and inflation pressures
- Major capital projects and resulting debt better aligned with retiring debt
- Steady overall debt levels: future debt policy?

Long-Term Financial Forecast

- Still have unmet capital needs, especially in Recreation-additional revenues?
 - Plan to present options for local sales tax to fund Recreation capital needs
 - Plan to present options for franchise fee increase to fund capital needs

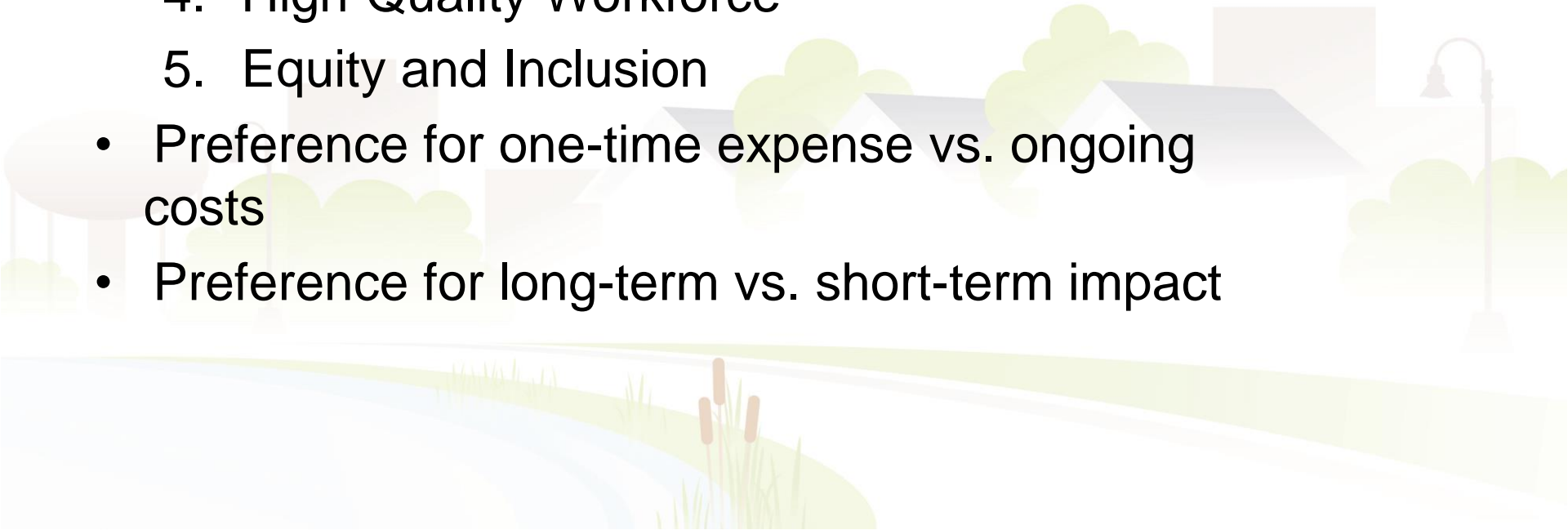


ARPA Funds - Overview



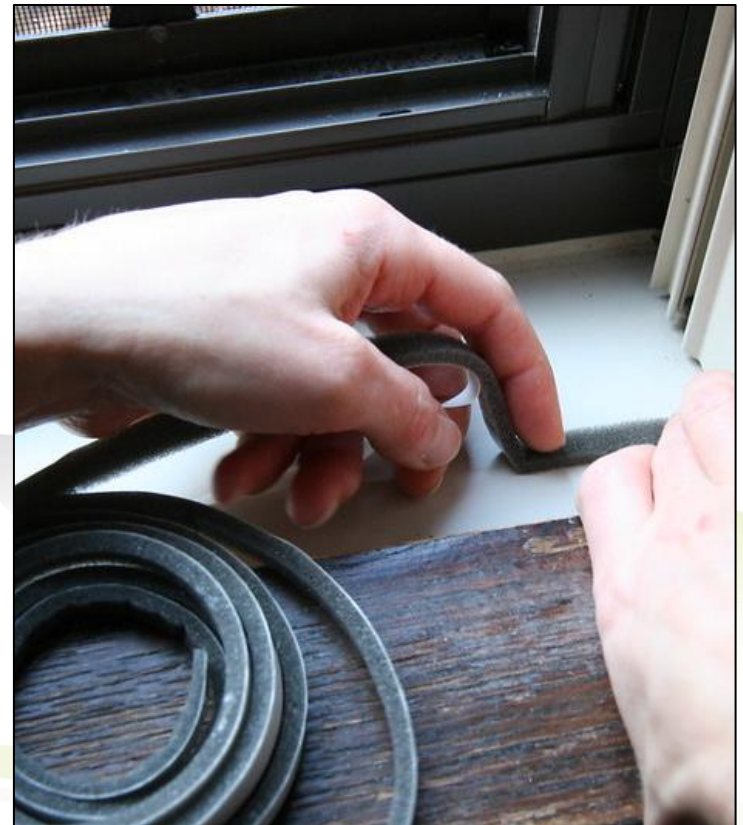
- March 11, 2021 – President Biden signed the Act
- \$1.9 trillion for economic stimulus and COVID-19 Relief
- \$350 Billion for State and Local Governments
- Richfield Allocation - \$3,972,846.46
- Funds are released in two tranches (equal payments)
 - July 2021 and 2022
- Funds obligated by December 31, 2024, spent by December 31, 2026
- Unexpended funds must be returned

ARPA Project Selection Criteria

- Responding to COVID-19 and resulting impacts
 - Included a focus on Strategic Priorities
 1. Operational Excellence
 2. Community Development
 3. Sustainable Infrastructure
 4. High-Quality Workforce
 5. Equity and Inclusion
 - Preference for one-time expense vs. ongoing costs
 - Preference for long-term vs. short-term impact
- 

Project 12: Municipal Building Energy Efficiency/Usage Audits and Improvements

- Commercial energy use accounts for 1/3 of nations electricity use
- Pay for a 3rd party vendor associated with Xcel Energy to audit 15 City buildings
- **Cost is \$50,000**
 - ~ \$8,000 for audit
 - ~ \$42,000 for recommended improvement



All Projects: \$3.9M

| Proposal | Amount | Strategic Priority |
|--|-----------|---|
| 65th street project | \$776,000 | Sustainable Infrastructure |
| AV systems upgrade | \$300,000 | Operational Excellence, Equity and Inclusion |
| VEAP rental assistance | \$100,000 | Equity and Inclusion |
| Responding to COVID-19 | \$100,000 | Operational Excellence, Equity and Inclusion |
| Cornerstone Victim Advocacy | \$20,000 | Equity and Inclusion |
| Embedded social worker | \$60,000 | Equity and inclusion, Operational Excellence |
| VAULT Testing | \$27,250 | Equity and Inclusion, High-Quality Workforce |
| Permitting and Plan Review Software | \$250,000 | Operational Excellence |
| Implement Microsoft 365 | \$250,000 | Operational Excellence |
| Additional Social Worker to support all departments. | \$200,000 | Equity and inclusion, Operational Excellence |
| Construct Splash Pad | \$750,000 | Sustainable Infrastructure, Equity and Inclusion |
| Augment existing social service budget | \$300,000 | Operational Excellence, Equity and Inclusion |
| Preform Wage and Classification Study | \$75,000 | High-Quality Workforce |
| EAB - Private Tree Removal Assistance Fund | \$400,000 | Sustainable Infrastructure, Equity and Inclusion |
| Fund Equity work | \$75,000 | Equity and Inclusion |
| Add 1 additional part-time CSO/Cadets | \$100,000 | Operational Excellence |
| Continue to build emergency preparedness | \$150,000 | Operational Excellence, Sustainable Infrastructure |
| Community Mural at Galaxy Foods | \$5,000 | Equity and Inclusion |
| Municipal Building Energy Efficiency/Usage Audits and Improvements | \$50,000 | Sustainable Infrastructure |



Recreation Services



Recreation Services

Department overview

GENERAL FUND DIVISIONS

Administration

- Department administration
- Sustainability Specialist

Recreation Programs

- Youth, adult, & senior programs
- Picnic shelters, athletic facilities, Community Center
- Farmers Market

Wood Lake Nature Center

- Environmental education
- Youth camps, weekend programs, and special events
- Building, amphitheater, and picnic shelter rental



2022/2023

Recreation Budget

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|--|
| 17000 Recreation Administration | \$ 567,222 | \$ 394,720 | \$ 444,880 | \$ 483,350 | 22.45% |
| 17501 Recreation | 746,357 | 1,137,810 | 1,082,740 | 1,119,510 | (1.61%) |
| 18000 Wood Lake Nature Center | 601,247 | 618,790 | 622,450 | 648,570 | 4.81% |
| <i>Recreation Services TOTAL</i> | <u>\$ 1,914,826</u> | <u>\$ 2,151,320</u> | <u>\$ 2,150,070</u> | <u>\$ 2,251,430</u> | 4.65% |
| <u>REVENUES</u> | | | | | |
| 17501 Recreation | \$ 179,831 | \$ 365,180 | \$ 214,420 | \$ 231,180 | (36.69%) |
| 18000 Wood Lake Nature Center | 86,973 | 95,920 | 99,580 | 104,790 | 9.25% |

Budget Notes

ADMINISTRATION

- Expenditure increases due to promotion of Executive Analyst and moving Sustainability Specialist from Wood Lake budget.
- Organics budget to fund part of Sustainability Specialist position.

RECREATION PROGRAMS

- Lower revenue forecast: decreased participation in adult sports, adult fitness, and senior day-out trips. Moving Farmers Market vendor reimbursement for token sales out of the General Fund.
- Expenditures will be 4.8% lower than budgeted in 2022 and 1.6% lower in 2023 due to the Farmers Market vendor reimbursements moving out of General Fund, as well as unfilled seasonal and intermittent positions.
- A PT Recreation Supervisor retired in 2022. The position will not be filled, but a Recreation Manager position will be introduced.

Budget Notes

WOOD LAKE NATURE CENTER

- Revenue is forecasted to remain steady and increase slightly in 2023, due to continued strong participation and small increases in some program fees.
- Expenditures will see a 4% increase in 2023, due to increases in the cost of materials, printing, and cost-of-living personal services increases.



2022 Highlights

Administration

- **PLAY EQUIPMENT REPLACEMENT:** Gathered neighborhood feedback from residents in the Sheridan and Monroe Parks neighborhoods and awarded a contract to Northland Recreation to replace playground equipment in Fall of 2022.
- **ORGANIZED HAULING:** Implemented organized trash collection and curbside organics collection.
- **WOOD LAKE BUILDING PROJECT:** Developed the pre-design plan and submitted a bonding bill request to the state legislature for \$10M and developed and implemented public engagement and financial strategies.
- **OTHER SPECIAL PROJECTS:** Continued to develop concept and financial plans for a Taft Bike Park, expansion of the Augsburg Skate Park, and community garden sites.
- **COMMISSIONS & COMMUNITY GROUP SUPPORT:** Provided staff liaisons and support to three Council advisory groups: Community Services Commission, Arts Commission, and Friendship City Commission, as well as special-interest groups like Honoring All Veterans Memorial, Inc. and the Red, White, and Blue Days Committee.



2022 Highlights, cont.

Recreation Programs

- **FARMERS MARKET**

The Farmers Market provides a weekly source of local healthy produce and has been expanded to indoor markets in the colder months.

- **ACCESSIBILITY**

Held several ADA trainings for all staff regarding accessibility and recreational programming and facilities and added information to publications, web pages, and signage regarding facility accessibility.

- **RECREATION PROGRAMS**

Offered safe and high-quality recreation programs that focused on wellness and building a sense of community.



2022 Highlights, cont.

Wood Lake Nature Center

- **PROGRAMMING & EVENTS**

Provide safe, accessible, equitable, and informational programming and provide recreational opportunities unique to the site.

- **NATURAL RESOURCES**

Provide natural resource information to the general public regarding wildlife, forest, prairie, wetlands, and lakes, and seek grants to assist with management of the natural resources on-site.

- **FRIENDS OF WOOD LAKE**

Support and guide the Friends of Wood Lake in raising funds to assist in projects and seasonal staffing.



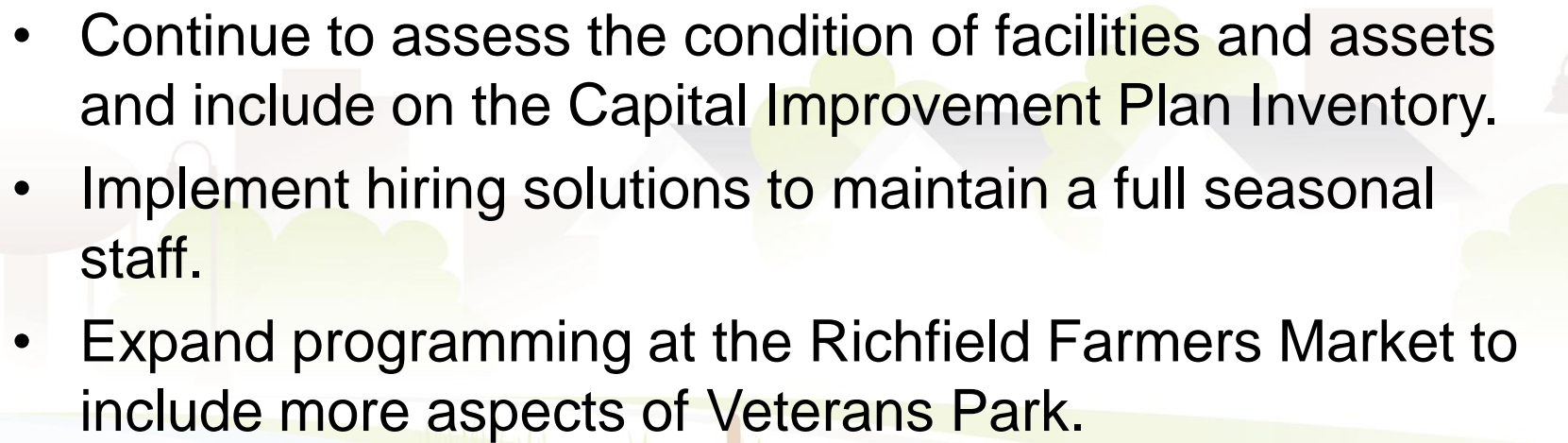
2023 Initiatives and Goals

Administration

- Establish additional revenue streams that would help support the Recreation Capital Improvement Budget.
- Coordinate department-wide recreation training specific to equity in our field.
- Oversee a community-wide recreation facility assessment to inventory all facilities to better understand how to best partner with other organizations to meet the community's needs.
- Prioritize Climate Action Plan goals and increase Climate Action Plan education internally with staff and externally with the community.
- Increase general sustainability education with both formal and informal opportunities.

2023 Initiatives and Goals, cont.

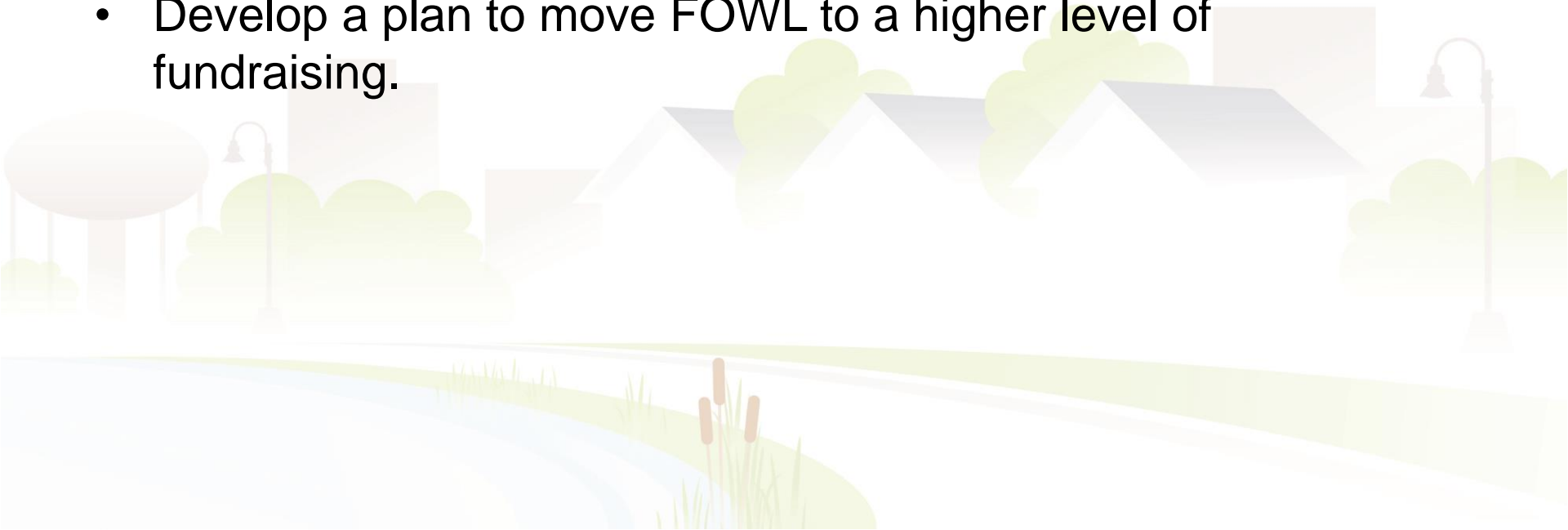
Recreation Programs

- Increase outreach to underserved populations in our community to increase participation: bilingual brochure.
 - Secure grants and program partners to help subsidize the costs of programming and recreational facilities for residents.
 - Continue to assess the condition of facilities and assets and include on the Capital Improvement Plan Inventory.
 - Implement hiring solutions to maintain a full seasonal staff.
 - Expand programming at the Richfield Farmers Market to include more aspects of Veterans Park.
- 

2023 Initiatives and Goals, cont.

Wood Lake Nature Center

- Continue to manage the natural resources of the park to allow for access, safety, and biodiversity.
- Continue to assess and determine which new programs created during COVID will continue and how they will mesh with our traditional programs.
- Develop a plan to move FOWL to a higher level of fundraising.



Future considerations and need

- Develop a long-range funding plan for Recreation capital needs.
- Raise awareness and education around the Wood Lake Nature Center Building Project; developing project partners.
- Explore partnerships to help Richfield youth have increased access to specific recreation needs such as swimming lessons and bicycles.
- Establish funding strategies that support the goals and objectives in the Climate Action Plan.





Recreation Services Special Revenue Funds



Recreation Services

SPECIAL REVENUE FUND

Ice Arena

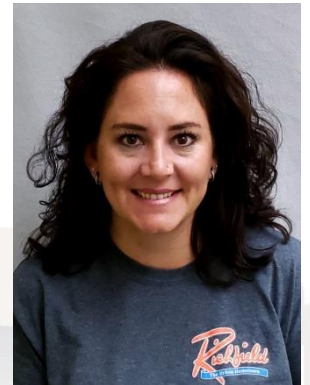
- Manager
- Two Recreation Supervisors
- Facility Operations Worker
- Seasonals/Intermittents

Outdoor Pool

- Seasonals/Intermittents

Special Facilities

- Wheel Fun Mini-Golf and Malt Shop
- No staff budgeted: leased to Wheel Fun
- Vets Park Picnic Shelter



2022-2023 Arena Budget

| <u>AVAILABLE FOR APPROPRIATION</u> | 2021 | 2022 | | 2023 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | Actual | Budget | Revised | Budget |
| <u>PRIOR YEAR FUND BALANCE</u> | <u>\$ (3,339,077)</u> | <u>\$ (3,252,377)</u> | <u>\$ (3,511,423)</u> | <u>\$ (3,045,163)</u> |
| <u>Sources</u> | | | | |
| Intergovernmental | - | - | | |
| User Fees | 821,364 | 1,020,750 | 1,020,750 | 1,042,460 |
| Commodities | 21,877 | 80,350 | 80,350 | 95,750 |
| Other Revenues | 67,511 | 61,600 | 61,600 | 61,930 |
| Transfers In: | | | | |
| General Fund | 100,000 | 130,000 | 140,000 | 150,000 |
| Capital Project Fund | 215,000 | 200,000 | 200,000 | 200,000 |
| Subtotal | <u>1,225,752</u> | <u>1,492,700</u> | <u>1,502,700</u> | <u>1,550,140</u> |
| <u>Uses</u> | | | | |
| Personal Services | 547,667 | 577,920 | 577,920 | 654,120 |
| Other Service & Charges | 513,474 | 447,350 | 447,550 | 571,250 |
| Interest Charges | 12,300 | 10,970 | 10,970 | 10,970 |
| Capital Outlay | 324,657 | - | | |
| Subtotal | <u>1,398,098</u> | <u>1,036,240</u> | <u>1,036,440</u> | <u>1,236,340</u> |
| <u>FUND BALANCE</u> | <u>\$ (3,511,423)</u> | <u>\$ (2,795,917)</u> | <u>\$ (3,045,163)</u> | <u>\$ (2,731,363)</u> |

2022-2023 Pool Budget

| <u>AVAILABLE FOR APPROPRIATION</u> | 2021 | 2022 | | 2023 |
|------------------------------------|---------------------|---------------------|---------------------|-------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Revised</u> | <u>Budget</u> |
| <u>PRIOR YEAR FUND BALANCE</u> | \$ (828,041) | \$ (568,371) | \$ (473,676) | \$ (189,006) |
| <u>Sources</u> | | | | |
| User Fees | 423,287 | 372,520 | 400,780 | 411,560 |
| Commodities | 88,772 | 70,100 | 70,100 | 84,100 |
| Other Income | 1,481 | - | - | - |
| Transfers In: | | | | |
| General Fund | 110,000 | 115,000 | 120,000 | 120,000 |
| Capital Project Fund | 200,000 | 200,000 | 200,000 | 200,000 |
| Subtotal | <u>823,540</u> | <u>757,620</u> | <u>790,880</u> | <u>815,660</u> |
| <u>Uses</u> | | | | |
| Personal Services | 218,498 | 231,000 | 230,800 | 246,940 |
| Other Service & Charges | 250,677 | 258,410 | 275,410 | 278,050 |
| Subtotal | <u>469,175</u> | <u>489,410</u> | <u>506,210</u> | <u>524,990</u> |
| <u>FUND BALANCE</u> | <u>\$ (473,676)</u> | <u>\$ (300,161)</u> | <u>\$ (189,006)</u> | <u>\$ 101,664</u> |

2022-2023 Special Facilities Budget

| <u>AVAILABLE FOR APPROPRIATION</u> | 2021 Actual | 2022 | | 2023 Budget |
|------------------------------------|----------------|-----------|-----------|----------------|
| | | Budget | Revised | |
| <u>PRIOR YEAR FUND BALANCE</u> | \$ 36,898 | \$ 41,938 | \$ 46,408 | \$ 48,038 |
| <u>Sources</u> | | | | |
| Other Revenues | 52,318 | 54,900 | 54,900 | 57,150 |
| Interest | 40 | 50 | - | - |
| Transfers In: | | | | |
| General Fund | 5,000 | 5,000 | - | - |
| Subtotal | 57,358 | 59,950 | 54,900 | 57,150 |
| <u>Uses</u> | | | | |
| Personal Services | 10,780 | 10,980 | 10,980 | 11,420 |
| Transfer Out | 3,024 | - | - | - |
| Other Service & Charges | 34,044 | 42,290 | 42,290 | 44,250 |
| Subtotal | 47,848 | 53,270 | 53,270 | 55,670 |
| <u>FUND BALANCE</u> | \$ 46,408 | \$ 48,618 | \$ 48,038 | \$ 49,518 |

Budget Notes

Arena

- Revenue for 2022 and 2023 is budgeted to be very similar to the adopted budget (\$10,000 higher) as a full season of ice rentals, events, and skating lessons are anticipated.
- Expenditures for 2022 are just \$200 higher than adopted and are anticipated to be 3.9% higher in 2023 due to higher utility costs and adjustments to some seasonal personnel wages.

Pool

- Revenue is forecasted to be 4.4% higher than budgeted in 2022 and 7.7% higher in 2023, due to unprecedented sales of season passes and concessions.
- Expenditures remain constant for 2022 and are anticipated to be 3.7% higher in 2023, due to higher chemical and utility costs and adjustments to seasonal wages.

Budget Notes

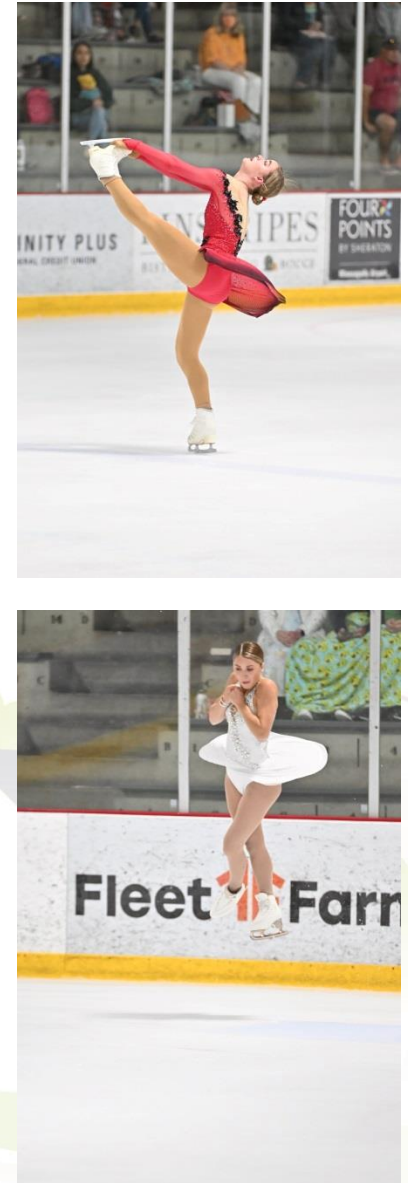
Special Facilities

- Revenue is forecasted to remain steady for 2022, with consistent shelter rentals over the summer. In 2023, a 3.8% increase in revenue is expected, due to continued robust shelter rentals, an adjustment to rental fees to keep with market rates, and a new lease agreement with B & J Trees.
- Expenditures for 2022 show no change over the adopted budget as operations and costs are consistent, while a 4.5% increase in expenditures is forecasted for 2023 due to higher anticipated energy costs and materials.

2022 Highlights

Arena

- **LITTLE SPARTAN HOCKEY PROGRAM:**
New in-house Mites hockey program.
- **NATIONAL COLLEGIATE FIGURE SKATING CHAMPIONSHIPS:** Hosted this tournament of top-level skating talent.
- **HOCKEY TEAM COLLABORATION:** Began collaboration with Minnesota Whitecaps hockey team and continued work with local high school hockey teams.
- **MORE PROGRAMMING/EVENTS :** Continued offering of skating lessons, movie nights, band shell events, and special skating parties.



2022 Highlights, cont.

Outdoor Pool

- **PAINTING**

Staff painted the drop slide with a new color, made repairs to the pool liner, and added more shade structures for the facility.



- **FULL STAFFING**

The Richfield Pool was able to hire a full staff of lifeguards and concession employees, unlike many pools in the metro area.

- **RECORD NUMBERS**

The pool saw record-setting numbers for season pass sales, attendance, and concession sales.

- **CLIMBING WALL**

A climbing wall was added to the big pool.

2022 Highlights, cont.

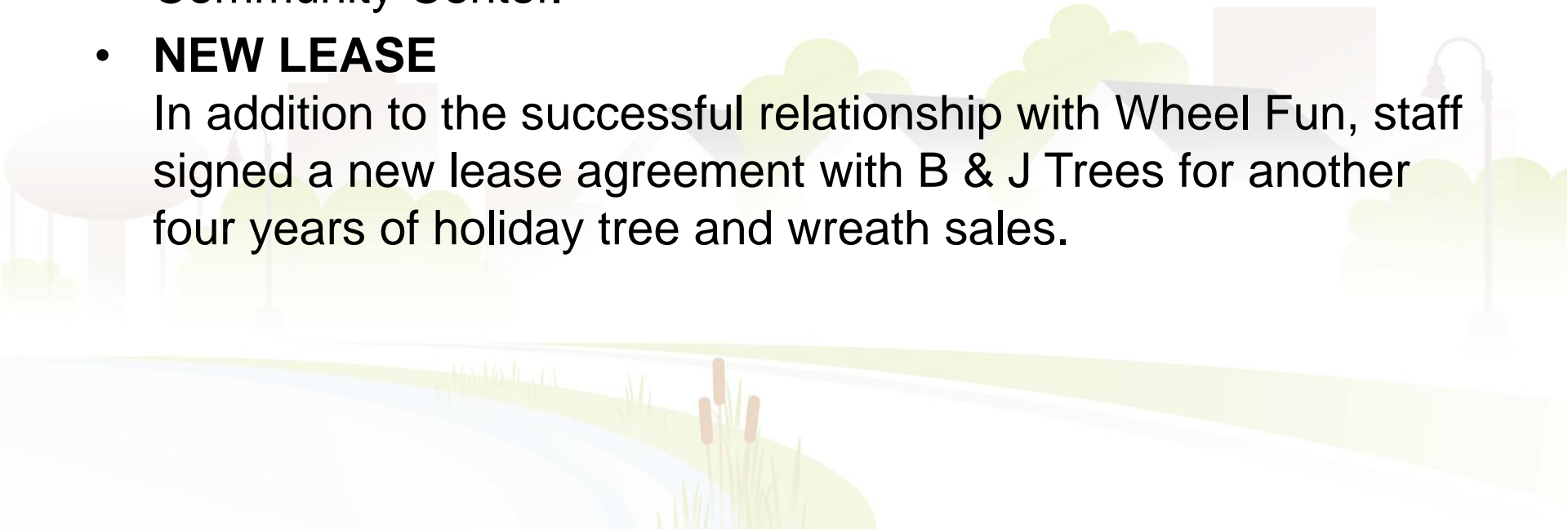
Special Facilities

- **SHELTER RENTALS**

The Vets Park Picnic Shelter has seen robust rental numbers in 2022; policies and fees were updated and rental was converted entirely to online sales or transactions at the Community Center.

- **NEW LEASE**

In addition to the successful relationship with Wheel Fun, staff signed a new lease agreement with B & J Trees for another four years of holiday tree and wreath sales.



2023 Initiatives and Goals

Arena

- **FLOORING**
Staff is preparing a budget plan to replace flooring in the locker rooms of both rinks.
- **HOCKEY PARTNERSHIPS**
Staff will begin a relationship with the Minnesota Whitecaps hockey team and will continue to grow connections to high schools and community hockey groups.
- **PROGRAMMING**
Staff will work to continue innovating new programming opportunities and special events, like skating parties, band shell events, and skating lessons.
- **ICE RENTALS**
Staff will continue to provide ice time to a wide range of user groups, including hockey, curling, bandy, and more.

2023 Initiatives and Goals, cont.

Pool

- **ZERO-DEPTH POOL SEASON EXPANSION**
Staff hopes to open the zero-depth pool on Memorial Day weekend and remain open through Labor Day weekend to increase revenue (staffing demands are not as great for this facility).
- **SPLASH PAD**
Staff will continue to plan for a splash pad just outside the pool fence, that is free to the public and makes use of existing plumbing and resources.
- **SENSORY-SENSITIVE PROGRAMS**
Staff will research and introduce new programs that are tailored to sensory-sensitive visitors.

2023 Initiatives and Goals, cont.

Special Facilities

- **BUILDING REPAIRS**

Staff plans to stain and repair siding on the mini-golf building.

- **SHELTER RENTALS**

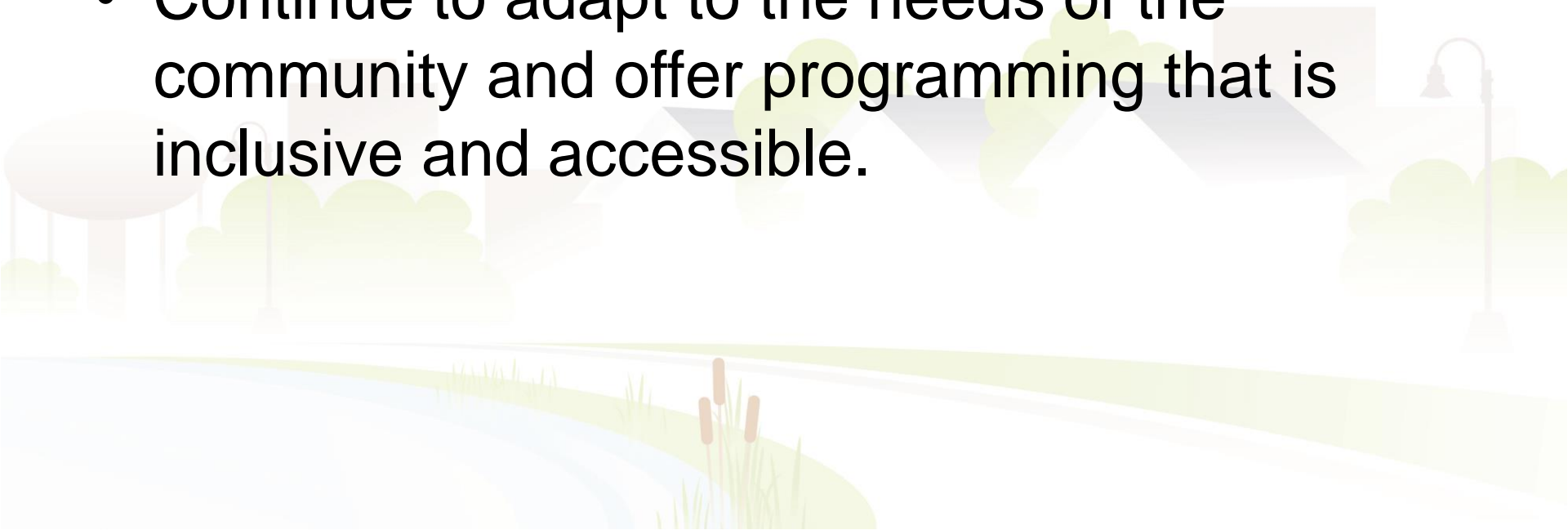
Staff will continue to work to promote shelter rentals and has revisited the fees for 2023 to remain consistent with similar area facilities and address the high demand and number of rentals.

- **INDOOR FARMERS MARKET**

For the first time, the mini-golf building will host the indoor Farmers Market throughout the cold months. The indoor market had previously been held at the Community Center. Having the market there will coordinate well with holiday tree sales and the outdoor market.

Future considerations and need

- Develop funding strategies to decrease the general fund transfer amount.
- Financially plan for a future H-VAC system for Rink 2.
- Continue to adapt to the needs of the community and offer programming that is inclusive and accessible.





Community Development



Community Development

Department overview

Community Development currently has 19 employees and 2 vacant positions: 16 FT/5 PT

- 8 FTEs are funded > 60% by the HRA/EDA

There are three divisions:

- CD Administration
- Planning & Zoning
- Inspections

End of 2021-2022 marked by 3 retirements, 5 departures, 3 promotions, 6 new staff and 2 positions to-be-filled



2022/2023

Community Development Budget

- 2022 Revised Budget decreases by 8.4% due to retirements and staff turnover
- 1.6% increase to 2023 due to step increases and increased IT charges

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|--|
| 10500 Community Development | \$ 75,012 | \$ 76,940 | \$ 76,940 | \$ 80,000 | 3.98% |
| 10502 Planning & Zoning | 351,505 | 348,830 | 281,950 | 315,270 | (9.62%) |
| 10505 Inspections | 1,369,569 | 1,376,350 | 1,292,490 | 1,386,620 | 0.75% |
| <i>Community Development TOTAL</i> | <u>\$ 1,796,086</u> | <u>\$ 1,802,120</u> | <u>\$ 1,651,380</u> | <u>\$ 1,781,890</u> | (1.12%) |

- Inspection revenues estimated to remain high given level of development activity

REVENUES

| | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|-------|
| 10500 Community Development | \$ 31,420 | \$ 26,000 | \$ 26,000 | \$ 26,000 | 0.00% |
| 10505 Inspections | 2,106,359 | 1,479,500 | 1,479,500 | 1,529,293 | 3.37% |

Budget Notes

- Almost all budget expenses (90+%) are salaries, benefits and non-discretionary costs
- Historic development highs result in:
 - More and more complex land-use applications
 - Increased building permits and need for staff services
 - Increased permit revenues at the start of project construction with demand on staff continuing 1-2 years beyond
- Many of the visible things CD does are funded through the HRA/EDA:
 - Budget presentation at: <https://www.richfieldmn.gov/hra>

2022 Highlights

Inspections Division

- Staff turnover
- Planning for conversion to new permitting/plan review software (ARPA funds)
- On track to do approximately 15,000 inspections in 2022




2022 Highlights, cont.

- Planning & Zoning
 - Staff turnover
 - Staff departure led to need for outside planning consultant assistance
 - Significant large projects require outside planning assistance (e.g., HUB EAW review)
 - Ordinance amendments: Firearms-related uses, Electric Vehicles, Fences, Missing Middle Housing

2023 Initiatives and Goals

- Inspections Division
 - Implement new permitting/plan review software
 - Continued onboarding/training
- Planning & Zoning
 - Review and process land use applications for large projects
 - Continue to review land use regulations for disparate impacts
 - Continued onboarding/training

Future considerations and need

- Macro-economic impacts on future redevelopment.
 - HRA/EDA financial support of CD staff costs will decline after 2025.
 - A lot of new staff / new roles.
 - Succession planning, leadership training.
- 



Administrative Services



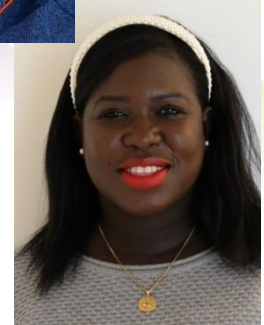
Administrative Services

DIVISIONS

- Administration (1 FT employees)
- City Clerk (1 FT employee)
- Communications (1 FT employee, 1 PT employee)
- Deputy Registrar (4 FT employees, 5 PT employees, 4 intermittent employees)
- Human Resources (2 FT employees)
- Information Technology (5 FT employees)
- Liquor Operations* (4 FT employees, 8 PT employees, ~50 intermittent employees)
- Building Services (3 FT employees, 1PT employee)

Total: 22 FT employees / 10 PT employees / 50+ Intermittent employees

*New Division within Administrative Services for 2022



Administrative Services

General Fund

- Administration
- Human Services
- Deputy Registrar
- City Clerk

Special Revenue Funds

- Cable/Communications
- Elections
- Liquor Operations

Internal Service Funds

- Self-Insurance and General Insurance (Property and Liability)
- Building Services
- Information Technology (IT)

Enterprise Fund

- Liquor Operations

2022/2023 Administrative Services Budget

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|--------------------------------------|-------------------|-------------------|---------------------|---------------------|--|
| 10200 Administration | \$ 80,856 | \$ 166,030 | \$ 147,818 | \$ 153,769 | (7.38%) |
| 10205 Human Resources | 1,063 | 72,160 | 166,032 | 139,711 | 93.61% |
| 10215 Deputy Registrar | 611,652 | 664,160 | 662,161 | 681,153 | 2.56% |
| 10216 City Clerk | - | 70,730 | 46,307 | 46,219 | (34.65%) |
| <i>Administrative Services TOTAL</i> | <u>\$ 693,571</u> | <u>\$ 973,080</u> | <u>\$ 1,022,318</u> | <u>\$ 1,020,852</u> | 4.91% |
| <u>REVENUES</u> | | | | | |
| 10215 Deputy Registrar | \$ 526,487 | \$ 750,000 | \$ 595,000 | \$ 618,800 | (17.49%) |

Budget Notes

Human Resources (HR)

- The 2022 Revised budget increased for Contracted Services for staff coverage and to prepare for new financial software.
- Increase in health insurance of 10.73% for 2023 which will be split between city and employee.
- Decrease in Property and Liability Insurance Premium of \$23,275 or 5.5% going from \$421,792 to \$398,517*.
- Increase in Work Compensation Claims for 2022.

Information Technology (IT)

- Changes were made to IT chargebacks for the 2022 Revised budget and 2023 Proposed budget to reflect actual for all departments and funds.

Deputy Registrar

- Expenditures are expected to exceed Revenues by \$62,353 for 2023 Proposed budget.

2022 Highlights: Human Resources

Human Resources

- Successfully negotiated 5 labor agreements with all of the City employee labor groups
- Continued work on City's recruitment process and onboarding experience for new employees
- Executed the employee engagement survey and implemented suggested enhancements within the organization
- Delivered diversity, equity and inclusion training to all employees and facilitated conversations in addition to providing ongoing tools and resources.
- Continued to help employees navigate COVID-19 using federal and state guidance, the COVID-19 Preparedness Plan, and City policies and procedures. Selected mitigation strategies in the workplace for COVID-19.



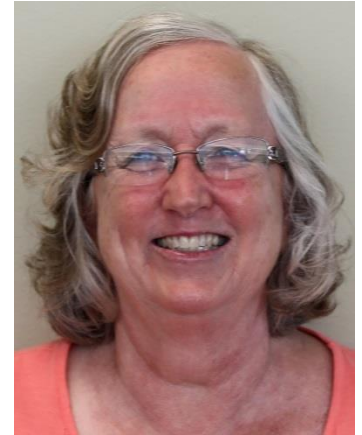
2022 Highlights: City Clerk

- Strive to be operationally excellent and customer focused to maintain Richfield's competitiveness with regard to City Clerk functions.
- Maintained an accurate record of all City Council, HRA, and EDA Minutes, Ordinances, Resolutions, and Legal Notices.
- Completed redistricting following the 2020 census
- Assured election and voter registration activities were conducted in a safe and secure manner in line with Federal, State, and City Charter provisions.

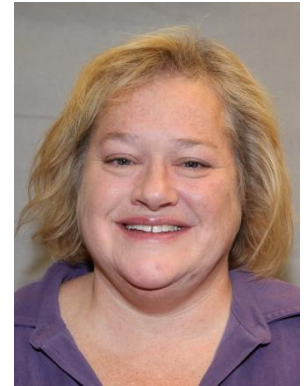


2022 Highlights: Deputy Registrar

- Rebuilding team due to multiple staffing changes. The position of Motor Vehicle Licensing Supervisor was filled along with 3 part time Motor Vehicle Clerk positions.
- Added a greeter role to welcome customers and make sure they have their necessary paperwork to successfully complete their transaction.
- Implemented a new credit card system with no cost to the City.



2022 Highlights: IT



- Continue with the audio/visual project for the City Hall conference rooms, chambers and cable room and display monitors.
- Upgrading to M365 and training for all staff.
- Evaluate the need and cost to connect our current fiber network to other city facilities (park buildings, signs) with consideration of adding more redundancy to other facilities.
- Manage city-owned mobile devices for greater security and safety of the City's network while maintaining work efficiency.
- Replace and upgrade components of the City's network infrastructure, hardware and software across city equipment.
- Add the Public Works building to the new door access control systems (software and hardware).
- Add more data storage for the Public Safety department to offload big investigation files, images and phone data.
- Upgrade the POS System for the Richfield Liquor Stores

2022 Highlights: Communications

- Launched Richfield Recap citywide digital newsletter and other city comms via the GovDelivery platform. Over 175 bulletins sent to more than 14,000 subscribers.
- Assisted staff with the promotion and marketing of more than 20 citywide events and activities.
- Rolled out the Dialog One translation/interpretation services to enhance communication between city staff and non-English speaking residents.
- Worked with stakeholders to update the mission and vision statements for the organization.



Tomorrow evening: Unity in the Community!

On Friday, the police department will host Unity in the Community at the Veterans Park Pavilion from 4 - 7 p.m. to showcase the diversity of Richfield and encourage unity in our city. The event will feature a school-supply giveaway, resource fair, kids activities, music and more.

Parking for the event is available at the Veterans Park Pavilion or at Morris Nilsen Funeral Chapel after 5 p.m. Volunteers will be on hand to direct traffic and pedestrians.

[Download flyers](#)

[More information](#)

Primary Elections to be held August 9; early voting now open

Richfield's primary election is next Tuesday, August 9. Voters should make a plan to cast their ballot, either through in-person voting on Election Day or early in-person voting, via absentee ballot.

Election Day voting: A notification was sent to all voters with their current polling locations, which may have changed due to redistricting. Polls will be open on August 9 from 7 a.m. to 8 p.m.

Early voting via absentee ballot: Early voting via absentee ballot is available in-person at the Richfield Municipal Center (5700 Portland Avenue) during the following times:

- Thursday, August 4 - Friday, August 5: 8 a.m. - 4:30 p.m.



2023 Initiatives and Goals

Human Resources

- Continue to review and update Personnel Policies, both to respond to ongoing changes in law and update outdated ones.
- Focus efforts to continue to increase diversity in the workforce and implement DE&I policies and procedures to ensure an inclusive and supportive workforce.
- Assist with succession planning for all City departments.

Information Technology

- Evaluate the need and cost to connect our current fiber network to other city facilities (park buildings, signs) with consideration of adding more redundancy to other facilities.
- Increase the use of Laserfiche technology by creating applications, which will enhance efficiency with work flows, automation and electronic processing.
- Provide support for the recommended process from the Records Management and Business Processes Report to improve and enhance our records management processes

2023 Initiatives and Goals, cont.

Deputy Registrar

- Purchase of new point of sale system to help with the record keeping and organization of the motor vehicle and passport office.
- Offer a customer service feedback survey to find out what customer's needs are and to better communicate the value of our core services to residents, elected officials and staff.
- Provide excellent core services across all departments and continue to monitor for improvements, efficiencies and cost savings.
- Continue to recruit, retain and develop a diverse, committed, high performing staff.
- Work with legislators to pass the Omnibus Transportation bill that provides for fee sharing between the state and deputy registrar's due to the increased work now being done at the front counter.

2023 Initiatives and Goals, cont.

City Clerk

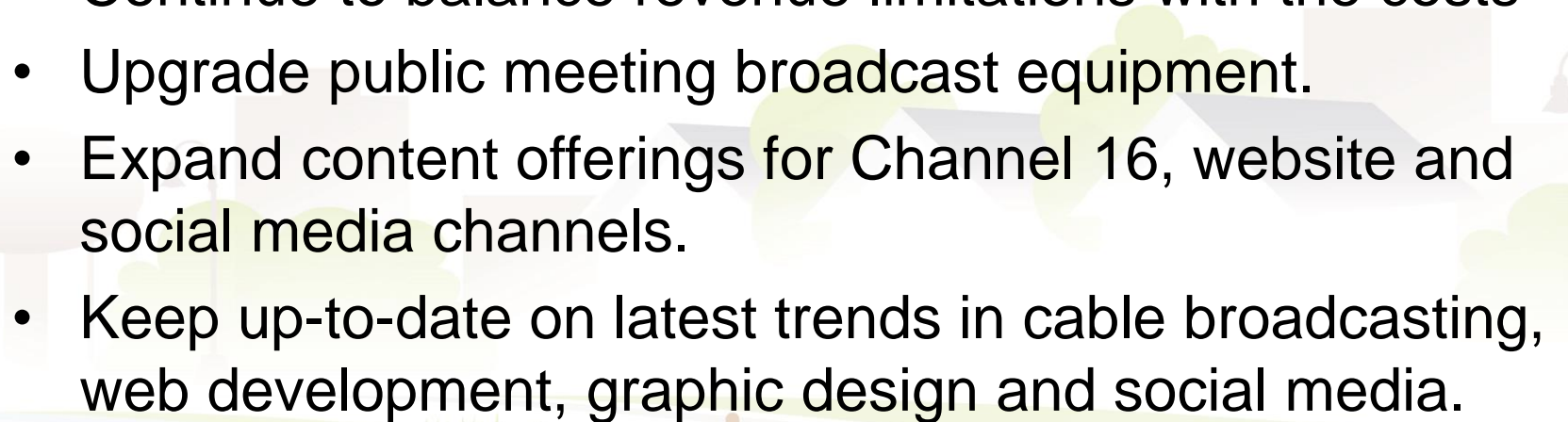
- Continue to produce and maintain accurate City records, resolutions, ordinances and legal notices. Maximize efficiency and data management procedures.
- Along with the Hennepin County Elections Department, administer a successful election process for Richfield residents during the 2022 Election cycle and the 2023 School Board Election.
- Continue involvement with the Municipal Clerks and Finance Officers Association of Minnesota (MCFOA) for professional development.

Building Services

- Continue to refine the operating budget between increased user charges and operating costs to ensure a balanced operation.
- Work with the Finance Manager to establish a replacement plan for capital items at the Richfield Municipal Center to ensure its long term viability.

2023 Initiatives and Goals, cont.

Communications

- Create pop-up engagement tools and opportunities for staff to better interact with residents
 - Enhance internal communications and opportunities for staff development, fellowship and fun.
 - Continue to balance revenue limitations with the costs
 - Upgrade public meeting broadcast equipment.
 - Expand content offerings for Channel 16, website and social media channels.
 - Keep up-to-date on latest trends in cable broadcasting, web development, graphic design and social media.
- 

Future considerations and need

- Microsoft365 is subscription based, so all Departments will need to plan for the increase for 2024 and beyond.
- Review staffing needs in all divisions, especially Human Resources and Communications.





Liquor Operations



Liquor Operations

Department overview

Employee Totals:

- 5 Full time employees: 1 operations manager, 4 store managers
- 8 Permanent Part-time: 2 Shift lead supervisors per store
- 37 Intermittent: Could use about 15 more



2022/2023

Liquor Budget

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|--|
| 50010 LYNDALÉ LIQUOR STORE | \$ 3,927,056 | \$ 4,305,290 | \$ 4,326,835 | \$ 4,479,970 | 4.06% |
| 50020 CEDAR LIQUOR STORE | 4,556,169 | 4,678,470 | 4,674,025 | 4,829,280 | 3.22% |
| 50030 PENN LIQUOR STORE | 3,432,663 | 3,507,190 | 3,538,645 | 3,671,015 | 4.67% |
| 50040 WINE & SPIRITS | 1,825,794 | 1,881,880 | 1,892,675 | 1,956,545 | 3.97% |
| <i>Liquor Operations TOTAL</i> | <u>\$13,741,682</u> | <u>\$14,372,830</u> | <u>\$14,432,180</u> | <u>\$14,936,810</u> | 3.92% |

REVENUES

| | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|---------|
| 50010 LYNDALÉ LIQUOR STORE | \$ 3,975,593 | \$ 4,408,030 | \$ 4,402,030 | \$ 4,537,085 | 2.93% |
| 50020 CEDAR LIQUOR STORE | 4,711,067 | 4,846,890 | 4,842,390 | 4,991,400 | 2.98% |
| 50030 PENN LIQUOR STORE | 3,440,142 | 3,524,890 | 3,521,940 | 3,630,150 | 2.99% |
| 50040 WINE & SPIRITS | 1,802,064 | 2,118,760 | 1,922,110 | 1,970,450 | (7.00%) |

Budget Notes

- Previously forecasted sales were rather aggressive. A more reasonable growth rate of 3-5% was revised.
- Error corrected for Revised 2022: Brought Wine & Spirits Sales forecast down by \$195,850.



2022 Highlights

- Resumed in-store sampling *(March)*
- Richfield Barrel Select Keeper's Heart *(March)*
 - *"Finished in Stout Barrels"*
- Richfield Foundation: Toast to Richfield *(May)*
- Bill Fillmore retires after 4+ decades of service. *(May)*
- Point-of-sale upgrade *(July)*
 - *RITE Cloud Retailer*

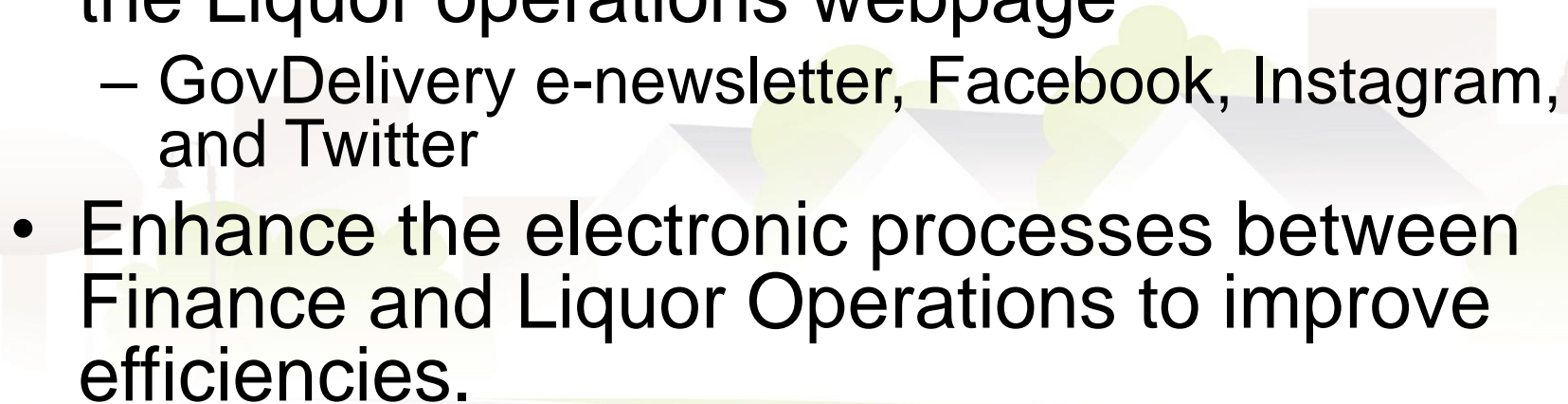


2022 Round Up Campaigns

| | |
|--|---------------|
| Urban Wildlife Youth Registration | \$1,031.79 |
| Dog Park Equipment | \$1,367.77 |
| Trees @ Donaldson Park | \$1,247.66 |
| <u>4th quarter campaign</u> | <u>\$.??</u> |
| Total customer donations as of 8/3, | \$3,647.22 |



2023 Initiatives and Goals

- Enhance the connection between our profits and the Cities recreational equipment and facilities.
 - The round up program is a great tool for this
 - Establish a social media presence linked to the Liquor operations webpage
 - GovDelivery e-newsletter, Facebook, Instagram, and Twitter
 - Enhance the electronic processes between Finance and Liquor Operations to improve efficiencies.
- 

Future considerations and need

- Staffing at store level.
 - Negative Retail Employment growth.
 - US labor statistics forecast a -4.0% employee growth rate by 2030.





Finance



Finance

Department overview

- General Fund Divisions
 - Finance
 - Assessing
- Finance Team
 - Treasurer / Finance Manager
 - One Payroll Accountant
 - *One Accountant (vacant)*
 - Two Accounting Clerks
 - Two Utility Billing Clerk



2022R/2023 Budget

Finance Department

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|----------------------|-------------------|-------------------|---------------------|-------------------|--|
| 10210 Finance | \$ 383,577 | \$ 382,290 | \$ 626,659 | \$ 474,151 | 24.03% |
| 10220 Assessing | 382,067 | 387,470 | 389,005 | 411,920 | 6.31% |
| <i>Finance TOTAL</i> | <u>\$ 765,644</u> | <u>\$ 769,760</u> | <u>\$ 1,015,664</u> | <u>\$ 886,071</u> | 15.11% |

REVENUES

| | | | | | |
|---------------|---------|------|------|------|---|
| 10210 Finance | \$ (25) | \$ - | \$ - | \$ - | - |
|---------------|---------|------|------|------|---|



Budget highlights

- Finance

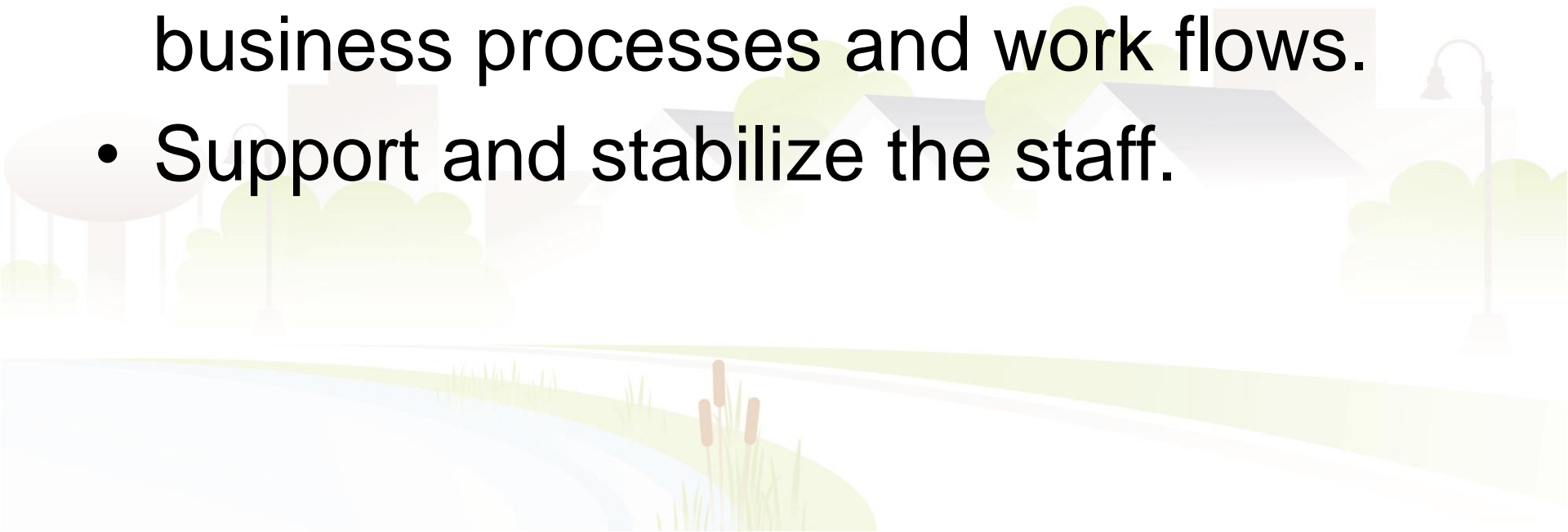
- Maintain all financial records of the City, HRA and EDA
- Continued GFOA and CAFR awards
- Reaffirmation of City's AA+ bond rating

- Assessing

- Major cost is assessing contract
 - Hennepin County performs assessment
 - \$20,000 increase for 2023
- Responsible for special assessment processing

2023 Initiatives or Goals

- Develop long-term financial plans to implement actions identified in strategic plan.
- Review and update technology tools, business processes and work flows.
- Support and stabilize the staff.





Public Works



Public Works

Department overview

Staff:

- 54 FT staff
- ~10-14 seasonal staff

Divisions:

- Administration
- Engineering
- Street Maintenance/Forestry
- Park Maintenance
- Water Utility
- Waste Water Utility
- Stormwater Utility
- Central Garage



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, permitting, and capital projects
- Median maintenance
- Sidewalk, trails, cycle track maintenance and snow removal
- Special projects



\$25.03 Million Budget (2023 Proposed)

2022/2023 Public Works General Fund Budget

FUND: GENERAL FUND
DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|--|
| 10600 PW Administration | \$ 258,622 | \$ 199,160 | \$ 197,530 | \$ 205,260 | 3.06% |
| 10605 Engineering | 444,642 | 521,030 | 487,750 | 548,020 | 5.18% |
| 10610 Street Maintenance | 2,514,408 | 2,508,270 | 2,508,270 | 2,608,500 | 4.00% |
| 10615 Park Maintenance | 1,440,100 | 1,522,640 | 1,522,970 | 1,584,360 | 4.05% |
| <i>Public Works TOTAL</i> | <u>\$ 4,657,772</u> | <u>\$ 4,751,100</u> | <u>\$ 4,716,520</u> | <u>\$ 4,946,140</u> | 4.11% |

REVENUES

| | | | | | |
|--------------------------|-----------|-----------|-----------|------------|--------|
| 10605 Engineering | \$ 73,912 | \$ 98,700 | \$ 61,800 | \$ 111,500 | 12.97% |
| 10610 Street Maintenance | 614,480 | 615,000 | 714,840 | 615,000 | 0.00% |

2022/2023 Public Works Enterprise Fund Budget

WATER AND WASTEWATER UTILITIES

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|---------------------------|---------------------|----------------------|----------------------|----------------------|--|
| 51000 WATER UTILITY | \$ 4,298,835 | \$ 6,113,290 | \$ 5,399,600 | \$ 6,912,790 | 13.08% |
| 52000 WASTEWATER UTILITY | 3,954,512 | 5,351,090 | 5,223,940 | 5,540,170 | 3.53% |
| <i>Public Works TOTAL</i> | <u>\$ 8,253,347</u> | <u>\$ 11,464,380</u> | <u>\$ 10,623,540</u> | <u>\$ 12,452,960</u> | 8.62% |

REVENUES

| | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|-------|
| 51000 WATER UTILITY | \$ 4,416,460 | \$ 4,482,480 | \$ 4,505,480 | \$ 4,606,480 | 2.77% |
| 52000 WASTEWATER UTILITY | 4,858,292 | 5,136,210 | 5,142,710 | 5,244,670 | 2.11% |

STORMWATER UTILITY

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|--|
| 53000 STORMWATER UTILITY | \$ 2,007,581 | \$ 3,703,080 | \$ 3,363,040 | \$ 3,947,950 | 6.61% |
| <i>Public Works TOTAL</i> | <u>\$ 2,007,581</u> | <u>\$ 3,703,080</u> | <u>\$ 3,363,040</u> | <u>\$ 3,947,950</u> | 6.61% |

REVENUES

| | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|-------|
| 53000 STORMWATER UTILITY | \$ 2,045,292 | \$ 2,379,260 | \$ 2,340,300 | \$ 2,407,102 | 1.17% |
|--------------------------|--------------|--------------|--------------|--------------|-------|

2022/2023 Public Works Internal Fund Budget

FUND: CENTRAL GARAGE
DEPARTMENT: Public Works

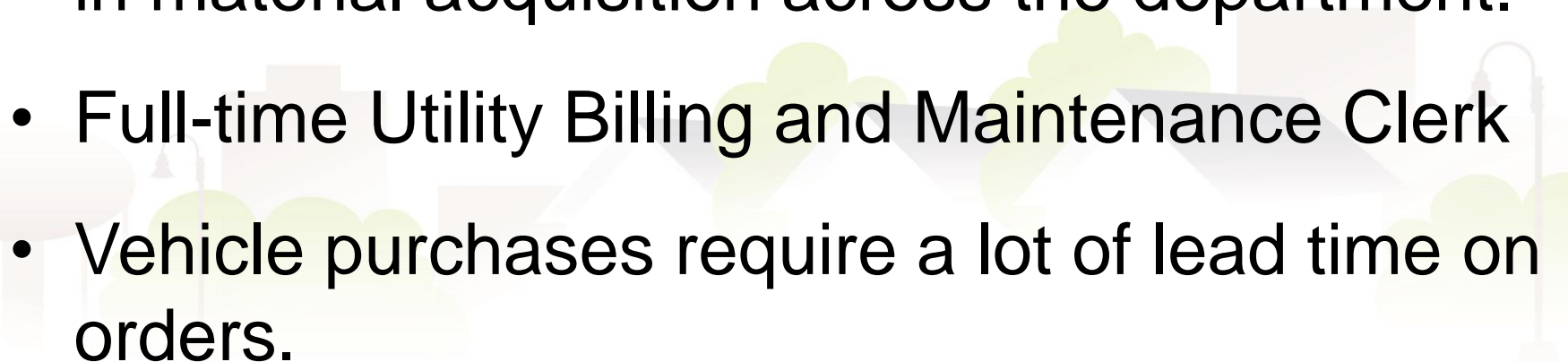
DEPARTMENT SUMMARY BY BUSINESS UNIT

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|--|
| 61000 CENTRAL GARAGE | \$ 2,117,822 | \$ 3,429,740 | \$ 3,155,750 | \$ 3,688,280 | 7.54% |
| <i>Public Works TOTAL</i> | <u>\$ 2,117,822</u> | <u>\$ 3,429,740</u> | <u>\$ 3,155,750</u> | <u>\$ 3,688,280</u> | 7.54% |

REVENUES

| | | | | | |
|----------------------|--------------|--------------|--------------|--------------|---------|
| 61000 CENTRAL GARAGE | \$ 2,364,459 | \$ 2,647,090 | \$ 2,380,860 | \$ 2,538,820 | (4.09%) |
|----------------------|--------------|--------------|--------------|--------------|---------|

Budget Notes

- Increasing Personnel Services
 - negotiated market adjustments for union positions
 - employees in step system
 - Fuel surcharges and inflation driving increases in material acquisition across the department.
 - Full-time Utility Billing and Maintenance Clerk
 - Vehicle purchases require a lot of lead time on orders.
- 

2022 PW Highlights

- Continued construction of 77th St. Underpass and kicked off 65th St. Reconstruction.
- Removed 400+ diseased Ash trees and created EAB removal assistance program.
- Implemented pilot snow emergency changes (2" to 4") and the winter parking pilot program.
- Water Treatment Plant Facility Plan completed.
- Initiated a Utility Rate Affordability Analysis.



2022 PW Highlights, cont.

- Continued sanitary sewer main lining & rebuilt Lift Station 7 with updated safety equipment.
- Maintained the City's vehicle/equipment fleet and purchased 5 Hybrid squads for Public Safety.
- Introduced a pollinator garden at Augsburg Park & started upgrading basketball hoops at various parks.



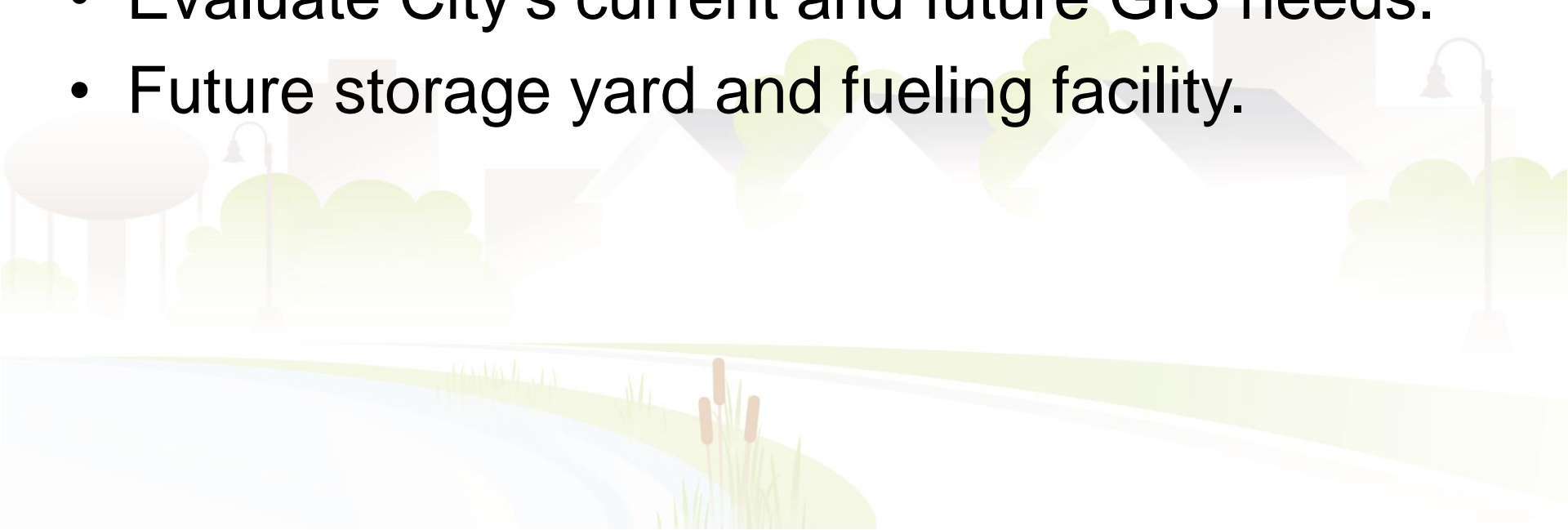
2023 PW Initiatives and Goals

- Advocate for equitable cost-share legislation.
- Complete 77th Street Underpass and 65th Street Reconstruction projects.
- Install additional solar trail lighting at various parks.
- Conduct water system modeling to enhance the risk and resiliency plan.



Future considerations and needs

- Identify sustainable funding solutions for City's aging infrastructure.
- Pursue technology solutions that can make PW more innovative, efficient and effective.
- Evaluate City's current and future GIS needs.
- Future storage yard and fueling facility.

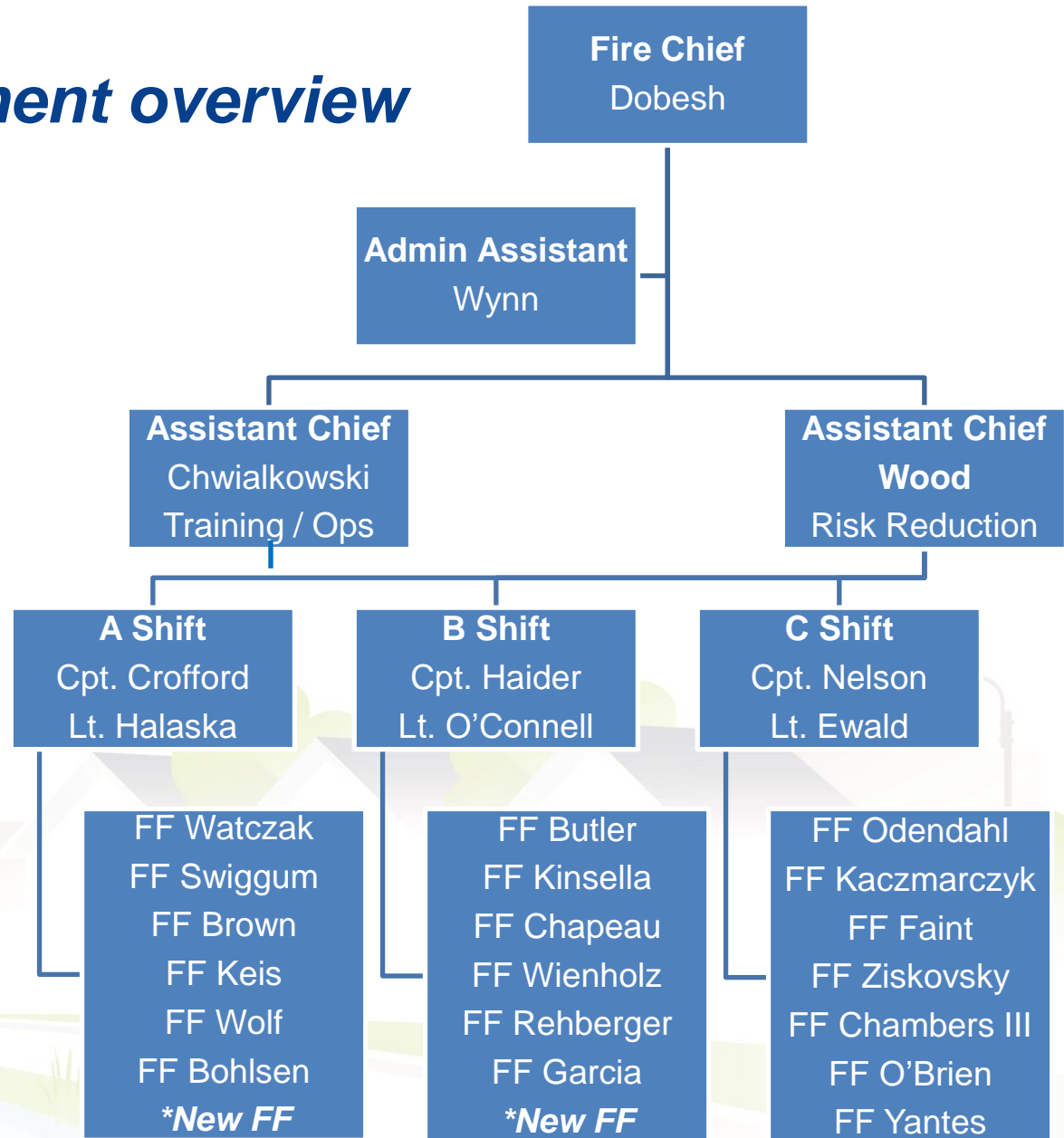




Fire



Fire, *Department overview*



2022/2023 Fire Budget

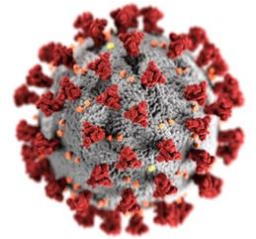
| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|-------------------|---------------------|---------------------|---------------------|---------------------|--|
| 10400 Fire | \$ 5,136,189 | \$ 5,130,730 | \$ 5,130,731 | \$ 5,335,950 | 4.00% |
| <i>Fire TOTAL</i> | <u>\$ 5,136,189</u> | <u>\$ 5,130,730</u> | <u>\$ 5,130,731</u> | <u>\$ 5,335,950</u> | 4.00% |

REVENUES

| | | | | | |
|------------|------------|------------|------------|------------|-------|
| 10400 Fire | \$ 279,965 | \$ 181,250 | \$ 181,250 | \$ 191,000 | 5.38% |
|------------|------------|------------|------------|------------|-------|

2022 Highlights

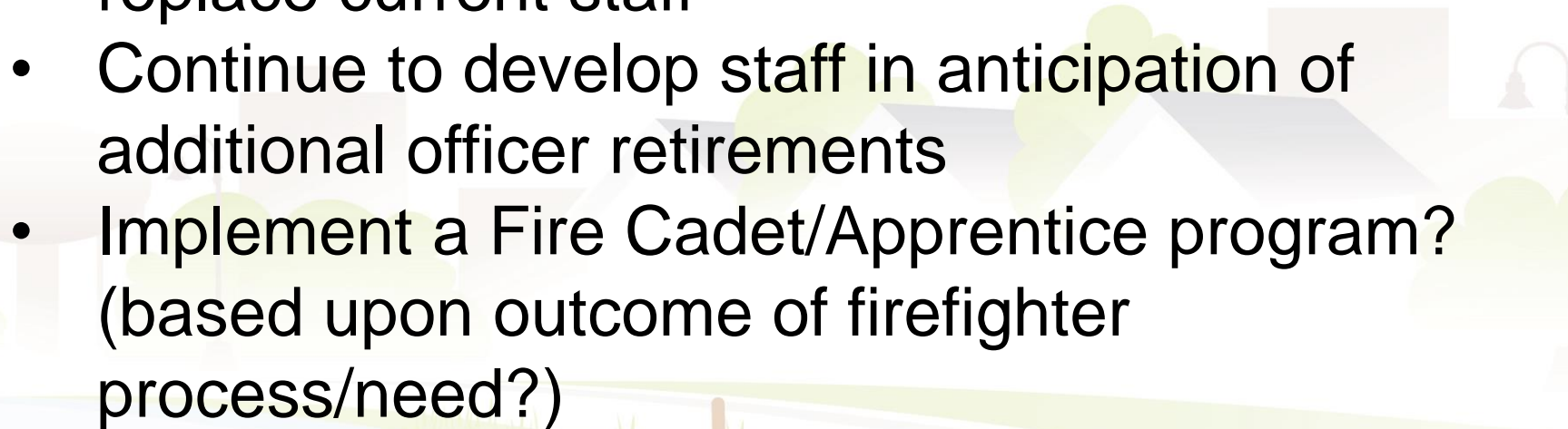
- **New Record:** 4,693 calls for service
- **COVID-19 (*still*)**
- **Staffing:**
 - Promoted: Two Captains, Two Lieutenants
 - Hired: Six Firefighters
- **Plan Review and Inspections**
- **Later this year...**
 - Fire Officer Promotional Test
 - Fire Investigators Trained
 - Youth Fire Prevention Specialist Trained



2023 Initiatives and Goals



Future considerations and needs

- Continue to implement departmental Community Risk Reduction activities community wide
 - Conduct a fire officer promotional process, for captain and lieutenant
 - Complete training of four Fire Investigators to replace current staff
 - Continue to develop staff in anticipation of additional officer retirements
 - Implement a Fire Cadet/Apprentice program? (based upon outcome of firefighter process/need?)
- 



Public Safety



Public Safety,

Department overview

POLICE

- 1 Director of Public Safety/Chief of Police
 - 1 Executive Analyst
- 1 Deputy Director of Public Safety/Deputy Chief
 - Patrol: 1 Lieutenant, 8 Sergeants, 25 Officers
 - Investigations: 1 Lieutenant, 8 Officers assigned to investigations (2 SIU)
 - Administration: 1 Lieutenant, 1 FT Records Supervisor, 2 FT Senior Office Assistants, 2 PT Senior Office Assistants, 1 FT Police IT Tech (80% PD/20% IT), 1 FT Police data and media specialist, 1 FT Social Worker (60%/40% Hennepin County), 1 FT JCPP Liaison (30%/70% Hennepin County)



Public Safety,

Department overview

SUPPORT SERVICES

- 1 FT Support Services Manager
 - 2 PT Environmental Health Specialist, 2 PT Business Licensing Clerks, 1 FT Code Compliance Officer, 2 PT Community Service Officers, 1 Seasonal Environmental Health Tech (April – August)

EMERGENCY MANAGEMENT

- 1 Intermittent EOC Employee



2022/2023

Public Safety Budget

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|----------------------------|----------------------|----------------------|----------------------|----------------------|--|
| 10300 Support Services | \$ 985,444 | \$ 1,077,540 | \$ 1,075,060 | \$ 1,135,212 | 5.35% |
| 10305 Police Operations | 9,287,563 | 9,812,890 | 9,640,690 | 10,157,680 | 3.51% |
| 10315 Emergency Services | 36,432 | 36,490 | 39,610 | 39,730 | 8.88% |
| <i>Public Safety TOTAL</i> | <u>\$ 10,309,439</u> | <u>\$ 10,926,920</u> | <u>\$ 10,755,360</u> | <u>\$ 11,332,622</u> | 3.71% |

REVENUES

| | | | | | |
|-------------------------|------------|------------|------------|------------|---------|
| 10300 Support Services | \$ 434,538 | \$ 447,030 | \$ 609,150 | \$ 592,912 | 32.63% |
| 10305 Police Operations | 790,362 | 847,880 | 843,340 | 846,870 | (0.12%) |

Budget Notes

- 2022 - Police
 - 4 new Police Officers
 - Community relations and events
 - Addition of Full Time Social Worker
 - Grant obtained to conduct disparity analysis of available data currently on our system
- 2022 – Support Services
 - Increase in LPH funding
 - Citizenserve Implementation



citi  **enserve**®

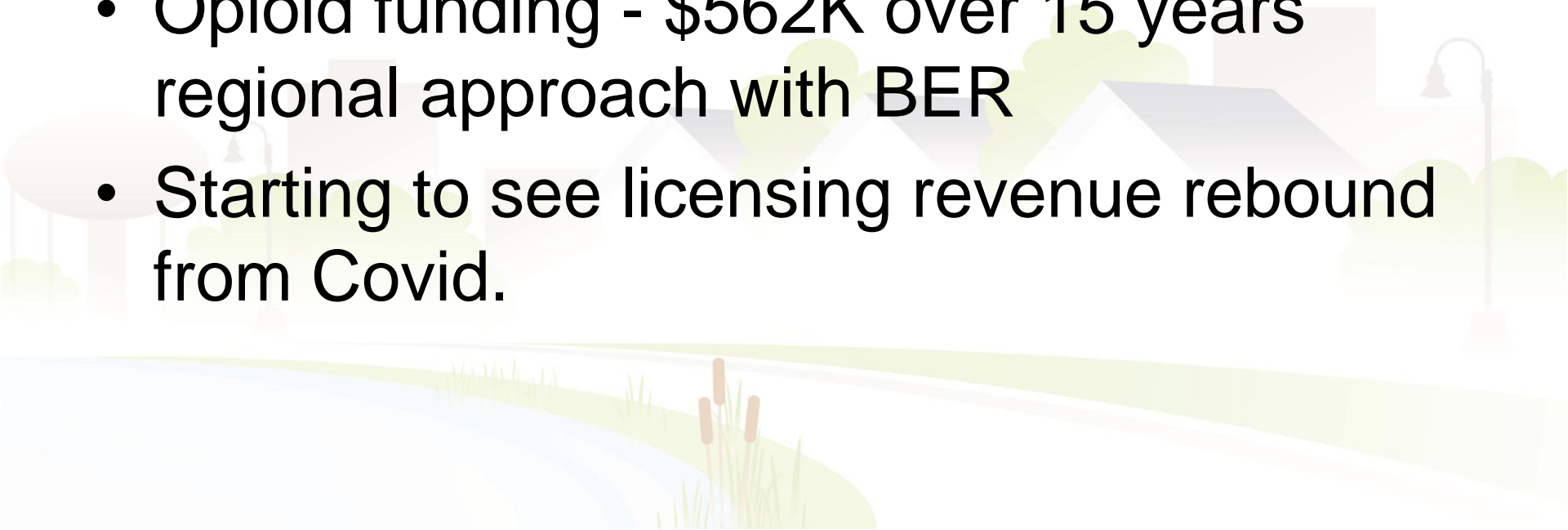
2022 Public Safety Highlights

- Grant obtained to conduct disparity analysis of available data currently on our system
- Took over 37,000 calls for service
- 127 cases managed by Full Time Social Worker from February 7 to August 8, 2022.



2022 Public Safety Highlights, cont,

Support Services

- Continue to be a successful starting point for CSO/Officers
 - Opioid funding - \$562K over 15 years regional approach with BER
 - Starting to see licensing revenue rebound from Covid.
- 

2023 Initiatives and Goals

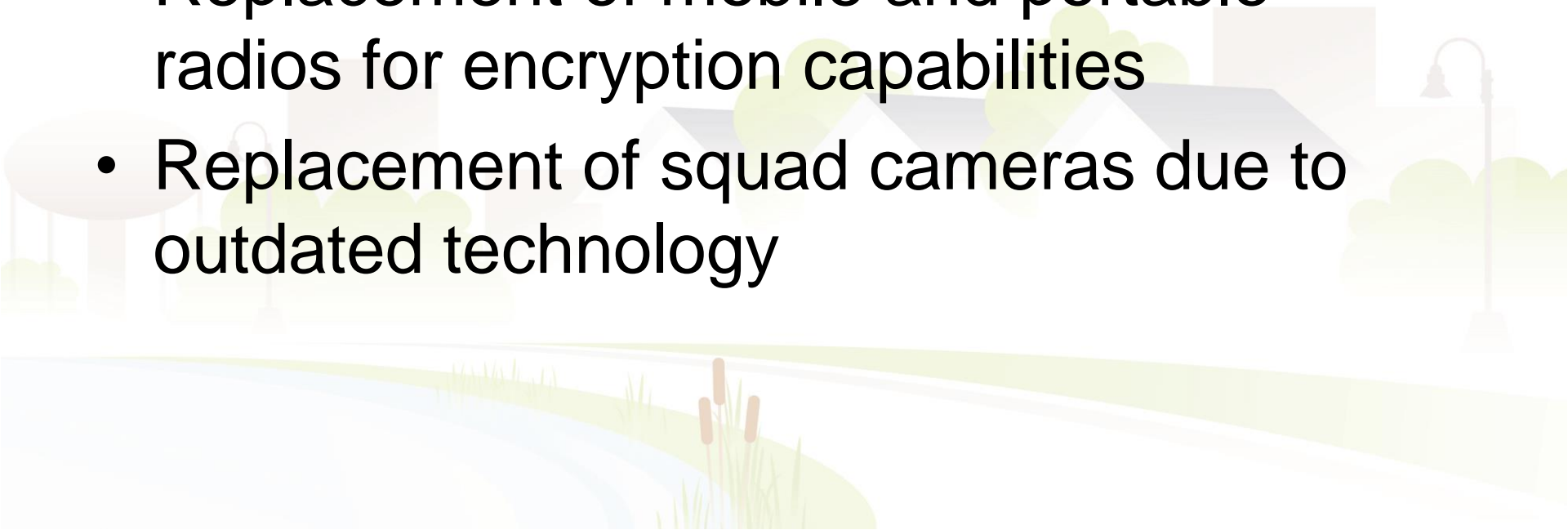
Initiatives

- Enhance Police effectiveness with additional technology upgrades and apps
- Continue to evaluate and update City Ordinances in the public safety department
- Transition to Tyler Technologies for data collection and records management involving Public Safety and Fire with the City of Edina

Goals

- Continue to build on our diversity and equity work in the Public Safety Department
- Continue to seek out grant funding for new programs and equipment
- Maintain crime reduction efforts to increase the feeling of safety/security via a partnership between members of the community and the police department

Future considerations and needs

- Additional CSO
 - Additional Social Worker
 - Budget funds for Emergency Management
 - Replacement of mobile and portable radios for encryption capabilities
 - Replacement of squad cameras due to outdated technology
- 



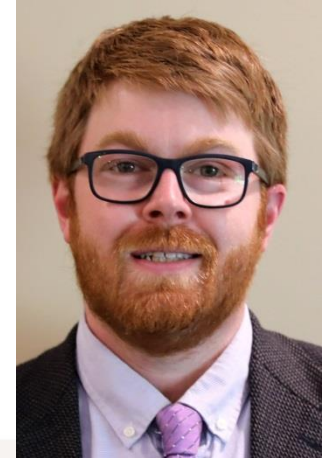
Legislative/Executive



Legislative/Executive

Department overview

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



2022/2023 Legislative/Executive Budget

| BUSINESS UNIT | 2021 ACTUAL | 2022 BUDGET | 2022 REVISED | 2023 BUDGET | Increase/ (Decrease) 2022 Budget/ 2023 Budget |
|------------------------------------|-------------------|---------------------|---------------------|---------------------|--|
| 10100 Mayor Council | \$ 195,183 | \$ 230,790 | \$ 228,530 | \$ 237,515 | 2.91% |
| 10105 Other Agencies | 101,835 | 104,830 | 104,830 | 109,000 | 3.98% |
| 10115 City Manager | 345,946 | 433,590 | 420,517 | 450,911 | 3.99% |
| 10120 Legal | 298,780 | 344,090 | 314,090 | 351,390 | 2.12% |
| <i>Legislative/Executive TOTAL</i> | <u>\$ 941,744</u> | <u>\$ 1,113,300</u> | <u>\$ 1,067,967</u> | <u>\$ 1,148,816</u> | 3.19% |

Budget Notes

City Council

- The 2022 Revised budget in line with the 2022 Adopted budget.
- The 2023 Proposed budget increases 2.91% compared to the 2022 Adopted budget, primarily due to increased personnel and technology costs.
 - City Council salaries increase 3% in 2023 consistent with staff cost of living increases.

City Manager

- The 2022 Revised budget has a decrease of 3.02% from the 2022 Adopted budget.
 - Due to savings from an unfilled position, largely mitigated by additional professional services for organizational development.

Budget Notes, cont.

City Manager, continued

- The 2023 Proposed budget has an increase of 3.99% from the 2022 Adopted budget
 - Increased personnel costs, including cost of living, health insurance and worker's compensation, and general increase of goods and services, especially for technology.

Legal

- 2022 Revised budget is an 8.7% reduction from the 2022 Adopted budget.
- The 2023 Proposed budget is 2.1% more than the 2022 Adopted budget due to small rate increase for 2023.

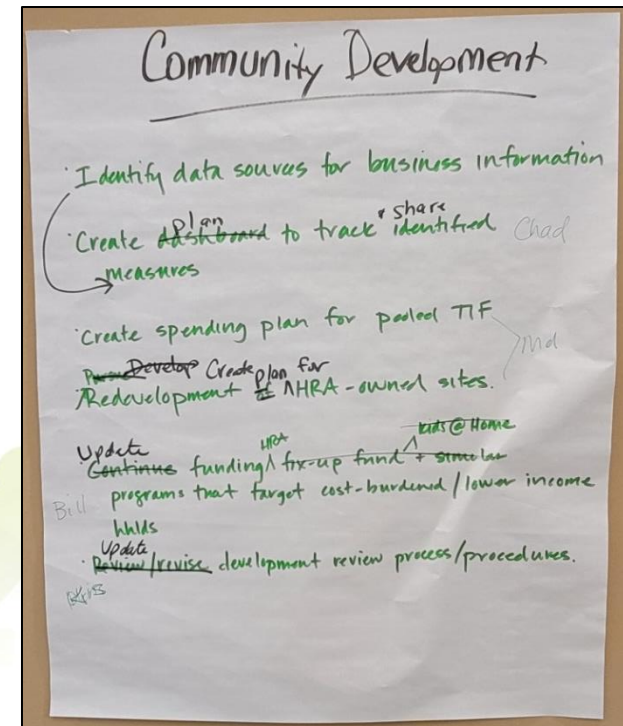
2022 Highlights: City Council

- Set the mission, vision and values for the city
- Completed Strategic Plan
 - Establishes priorities, measurable outcomes, four-year performance period, 2023-2026.
- Participated in City Council-Staff retreats to enable a high functioning team.
- Increased Richfield's regional presence by partnering with regional organizations
 - Regional Council of Mayors
 - I-35W Solutions Alliance
 - Greater MSP
- Advocated for City priorities at the federal, state and county level.
 - Wood Lake Nature Center Funding



2022 Highlights: City Manager

- Coordinated all departments to develop 2023-2026 Strategic Initiatives
- Organized City Council-Staff retreats to enable a high functioning team.
- Coordinated organizational development for leadership team.
 - Seven staff trainers in order to provide the seminars for all staff.
- Led financial operations during transition
 - Recruited a new finance manager
 - Maintained a AA+ bond rating
 - 2021 results increase the City's General Fund balance by \$539,000.
- Oversaw Administrative Services divisions during transition
 - Recruited a new Assistant City Manager
- Created an equity toolkit and supported beta testing of the toolkit. Implemented a contract for translation and interpretation services citywide.
- Continued to lead the COVID-19 response



2022 Highlights: Other/Legal

Other Agencies

- \$72,600 in grants awarded to non-profit agencies in 2022
- 4% increase planned in 2023, \$75,500 in grants

Legal

- Continued excellent legal representation by Kennedy and Graven, Martin J. Costello and H/J Law.
- Proposal for prosecutorial services reviewed and H/J Law selected



CORNERSTONE
REBUILDING LIVES, RESTORING HOPE

2023 Initiatives or Goals

City Council

- Embed Strategic Plan mission, vision, values and priorities/outcomes in policy
- Continue to improve partnership with community organizations
 - Including school district, civic groups, nonprofits and local businesses
- Increase Richfield's visibility with earned media
 - Key local and regional events
- Continue to advocate for City priorities at the federal, state and county level
 - Wood Lake Nature Center building
- Improve and unify commission recruiting procedures
 - Onboarding for new commissioners with a separate training for commission chairs



2023 Initiatives or Goals

City Manager

- Embed Strategic Plan mission, vision, values and priorities/ outcomes in process and culture
- Recruit equity coordinator to develop equity plan & program:
 - Launch Equity and Inclusion page on the City's website.
 - Lead internal equity team (CARES) to support implementation of equity toolkit
- Work with Finance Manager to develop long-term financial plans:
 - Fund operations and capital needs, including researching possible new revenues sources
- Implement process improvements
- Implement annual Council-staff effective governance meetings/process



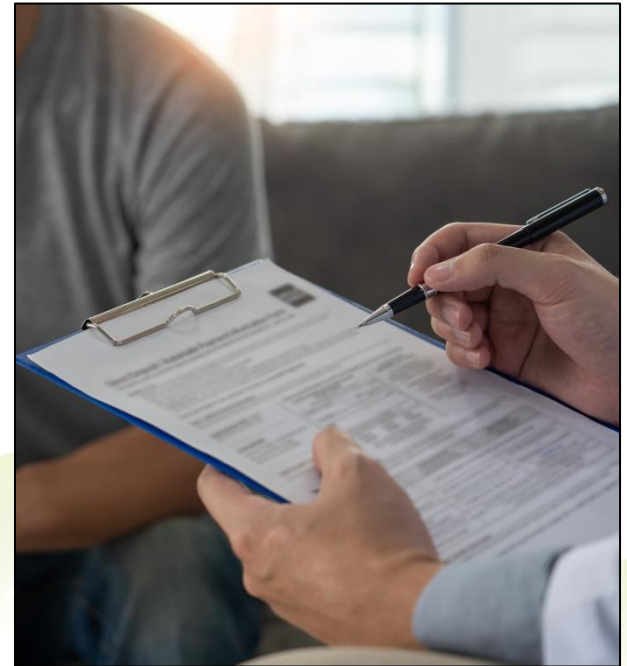
2023 Initiatives or Goals

Other Agencies

- Continue to fund social service agencies as an illustration of the City and community support for these agency services

Legal

- Ensure that the City has the best legal representation possible
- To ensure a smooth transition for prosecuting services from Martin J. Costello to H/J Law



Future considerations/needs

The success of the strategic plan depends on first implementing core initiatives

- Focused & cohesive leadership team
- Stabilize workforce
- Update technology
- Process improvements
- Long-term financial planning



Get the fundamentals down and the level of everything you do will rise. -Michael Jordan.