



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

August 24, 2021

CALL TO ORDER

The meeting was called to order by Mayor Regan Gonzalez at 3:00 p.m. in the Bartholomew Room.

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

Staff Present: Katie Rodriguez, City Manager; Amy Markle, Recreation Services Director; Jay Henthorne, Police Chief; Mike Dobesh, Fire Chief; Kristin Asher, Public Works Director; John Stark, Community Development Director; Krista Guzman, Human Resources Manager; Bill Fillmore, Liquor Operations Director; Scott Kulzer, Administrative Aide; Kate Aitchison, Housing/Communications Specialist; and Kelly Wynn, Administrative Assistant

Item #1	PRESENTATION OF THE 2021 REVISED/2022 PROPOSED BUDGET AND TAX LEVY
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City Manager Rodriguez prefaced the presentation along with

- Timetable;
- Key issues for 2021/2022;
- American Rescue Plan Act funding;
- History of local government aid;
- Revenue comparison; and
- Capital fund reserves

Council Member Hayford Oleary asked about the 2028 projected balance of \$3.2 million.

City Manager Rodriguez stated the projection will be bringing the pool and ice arena into the black and staff will be doing a more in depth analysis.

Council Member Whalen asked if the city had been doing transfer of funds from reserves in previous years.

City Manager Rodriguez stated in 2019, the full amount of LGA was needed to fund operations and respond to the pandemic. The city has added new staff as well as additional debt to address needed infrastructure projects; this has put pressure on the general fund levy. 2028 and 2029 are important as debt begins to mature and will create less pressure on the general fund. She then presented on 2022 proposed gross levy; gross tax levy history; 2022 proposed general fund budget; general fund revenues; 2022 proposed budget general fund revenues; general fund expenditures; 2022 proposed budget general fund expenditures; general fund history; recommended full-time regular personnel; staff needs that are not recommended this year; 2022 proposed levy estimated impact; 2022 proposed budget; and finally, where the city is going.

Mayor Regan Gonzalez asked about the ARPA funding and if the city is looking for guidance or change.

City Manager Rodriguez stated staff is looking for both. LMC has been attempting to clarify guidance along with possibly changing how funds can be used. She advised staff bring in a consultant to research and know where the city can spend the money.

Mayor Regan Gonzalez asked what council can do to advocate for changes in the guidance.

City Manager Rodriguez stated LMC and other organizations are already working on the changes but bringing it to representatives always helps.

Mayor Regan Gonzalez spoke of the volatility with revenues decreasing and would like to see a more solid 10 year plan to get out of using LGA, needs for city staff and infrastructure along with trends in revenue.

City Manager Rodriguez agreed and clarified the need to be more realistic in that departments may not be able to come in at or less than 3% increases each year. It has also been very tough right now with clouding of the delta variant.

Mayor Regan Gonzalez stated she would like to see trends more at the city level and what is best for the residents.

City Manager Rodriguez spoke of using the resources the city already has and looking at it in a realistic way and utilizing technology.

Council Member Supple thanked staff for all their work on the presentation for succession plans, infrastructure, preventative maintenance and the long term investments to save the city money.

Council Member Trautmann thanked staff for executing budgets and praised staff for partnering with other agencies to leverage dollars spent for staff and resources.

Council Member Hayford Oleary asked how the amount of \$460,000 was decided for transfer from reserves.

City Manager Rodriguez stated the gap determined after director submission and discussion between herself and the finance director which is then brought to council.

Council Member Whalen asked what the levy would be if money wasn't transferred from reserves.

City Manager Rodriguez stated she could calculate the number.

Council Member Whalen believes it is not a good practice to pull from reserve funds to keep things going from year to year. He stated all the things the city is investing in are important and they shouldn't be so afraid of slightly raising the tax levy to lower the amount drawing from reserves.

City Manager Rodriguez then presented on the 2021/2022 budget for leg/exec departments and highlights for the departments.

Council Member Supple appreciated the 3% increase for other agencies as it is money that is visibly put to good use for the community.

HR Manager Guzman presented on administrative services

- 2021R/2022 budget;

- Expenditure history 2017-2022;
- Revenue history 2017-2022;
- Revenue/expenditure comparison 2017-2022;
- Budget highlights; and
- Communications fund revenue/comparison expenditures

Council Member Whalen mentioned many departments have upgrades to software and asked if it is coincidence or if it is something that has not previously been a priority.

HR Manager Guzman stated the increase in cost for software is due to a need for better tracking and capturing better data that will have a greater city wide impact.

City Manager Rodriguez spoke of how IT has been under-resourced combined with technology that changes so quickly along with younger staff being more adept to a variety of technology platforms drives the need for software upgrades. She then referenced Council Member Whalen's previous question and stated some quick math would increase the levy of 6.9% to get rid of reserve draw.

Mayor Regan Gonzalez highlighted concern in understaffing in the deputy registrar area and spoke of how much more difficult it has been. She acknowledged how hard it has been for all front line workers.

City Manager Rodriguez presented finance 2021/2022 budget and highlights.

Chief Henthorne presented on the public safety budget items:

- Expenditures;
- Action steps;
- Division expenditure increase;
- Revenue;
- 2020-2022 budget;
- Police division;
- Crime trend;
- Calls for service;
- Support services division;
- Emergency services division; and
- New technology

Council Member Hayford Oleary stated he was glad to see intoxicating liquor license reflected in budget.

Council Member Trautmann echoed comments and appreciated the action steps included.

Council Member Whalen expressed excitement to see the city partnering with the county.

Council Member Supple encouraged residents to reach out to county officials to use ARPA funds for social workers.

Council Member Trautmann was pleased to see CSO funding and how it would support trying to expand that program.

Mayor Regan Gonzalez thanked chief Henthorne for the presentation as the public safety department is responding to all the different nuances in the world.

Chief Dobesh presented the fire services budget items:

- RFD trends;

- Leadership change;
- Calls to service; and
- Looking forward

Council Member Whalen asked at what point overtime would drive for additional staff.

Chief Dobesh stated he has started having conversation with firefighters regarding 'when is busy too busy' and is beginning to gather that data.

Council Member Whalen inquired how firefighters are currently on 24 hour shifts and if it would be considered to change.

Chief Dobesh stated it has potential to change but they are considering all options.

Director Stark presented on community development budget items:

- Overview;
- Community Development Administration;
- Planning and Zoning Division;
- Planning and Zoning budget history;
- Inspections Division;
- Inspections expenditures and revenue history; and
- Big picture issues

Council Member Trautmann thanked Director Stark for the presentation and asked if expenditures are on track to be more than revenues in the near future for the inspections division.

Director Stark stated services are supposed to equal revenues which is the goal and he is not worried about revenues being lower than expenditures.

Council Member Trautmann asked if there would be an increase in revenues if staff numbers were to increase.

Director Stark stated revenues will continue to be strong and it is a matter of staff keeping up as there are a number of things that encourage people to work for Richfield.

Council Member Hayford Oleary stated how great it is to hear there is more anticipation for development.

Director Stark spoke of budget constraints and attempting to cross train employees in becoming more efficient. He stated how the department generally operates better working lean but he is concerned about the level of work and is cautious.

Director Fillmore presented on liquor operations budget items:

- Beverage market trends;
- Sales;
- Profitability;
- Round-up campaigns;
- 2021 highlights; and
- 2021 initiatives

Director Asher presented on public works budget items:

- Core services;
- General fund;
- Public Works Administration;

- Engineering;
- Street, park and forestry maintenance;
- Central garage; and
- Utility funds summary

Council Member Supple stated she was happy to see planning in dealing with all the medians and analyzing the situation.

Council Member Hayford Oleary stated he was surprised about the small cell fee.

Director Asher spoke of how the department is limited in what it can get back.

Council Member Hayford Oleary asked about losing trees along city streets and if they will be replaced or not.

Director Asher stated due to the heat wave this year, it has restricted staff from planting. She confirmed there is a budget for trees and they are hopeful to get some in the ground soon. She also spoke of the policy in place to have a tree every 50 feet.

Council Member Hayford Oleary also asked about the conversion plan to LED lights throughout the city.

Director Asher commented they are trying to come up with a plan on conversion and work with Xcel energy but has been difficult as it is not an inexpensive venture.

Council Member Hayford Oleary then asked about maintenance of medians regarding plants and weeds.

Director Asher stated it is all about the redevelopment as some areas are still under contractor and not managed by city.

Director Markle presented on recreation services budget items:

- New play equipment;
- Augsburg Adventure Park;
- Facility improvements;
- Organized collection;
- 2022 performance measures;
- General fund summary;
- Recreation Administration and Programs;
- Recreation facilities; and
- Future budget considerations and needs

Mayor Regan Gonzalez expressed regret that there wasn't more time to review the Recreation Services budget since the department had accomplished so many impressive projects over the past year, and was joined by other council members in thanking Recreation staff for their efforts.

ADJOURNMENT

The work session was adjourned by unanimous consent at 5:38 p.m.

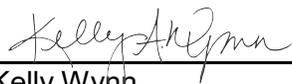
Date Approved: September 14, 2021



Maria Regan Gonzalez
Mayor



Katie Rodriguez
City Manager



Kelly Wynn
Administrative Assistant