

WORK SESSION REPORT
SPECIAL CITY COUNCIL WORK SESSION
5/14/2019

REPORT PREPARED BY: Katie Rodriguez, City Manager
5/9/2019

CITY MANAGER REVIEW: Katie Rodriguez, City Manager
5/9/2019

ITEM FOR WORK SESSION:

Discussion of 2020 long-term goals based on 2018-19 goals and projected financial resources.

EXECUTIVE SUMMARY:

In 2018, the Council created a strategic action plan that included five main over-arching goals: Infrastructure, Economic Development, Equity, Housing Options and Community Outreach. Staff then developed action steps to work towards achieving the goals in 2018-19. Attached are Richfield's 2018 Goals and a brief summary of staff's progress on the 2018-19 Action Steps that flowed from the Goals.

With the significant change that has occurred in both the City Council and in the City Manager position, the focus for 2019 has been on building an effective council-staff leadership team. Therefore, the recommended approach to this year's goal setting is a review and affirmation of the existing long-term goals. Staff plans a more robust strategic plan process in 2020. One possible addition to the existing goals is Core Services. Based on interviews, survey results and retreat discussions providing excellent core services is a priority, but assumed and not explicitly stated. However, the city's long-term goals should be reflected in the allocation of resources and delivering core services requires a significant proportion of annual expenditures. Therefore, staff recommends affirming the five main long-term goals with the addition of Core Services.

Affirming goals will help guide staff in developing action steps for 2020 and will also help in allocating resources for the 2020 budget. Staff will also present a high level summary of the city's fiscal condition, including future capital spending, debt, tax levies and utility rates to provide a context in which goals should be reviewed and considered.

DIRECTION NEEDED:

Staff will review the Key Financial Strategies information at the meeting and please review the S&P Global Ratings Report and the 2018-19 Action Steps Status Update before the meeting, since we will have limited time to discuss in detail (the credit review and the upside/downside risk sections of the Ratings Report provide a good executive summary).

Scott Morrell will facilitate a discussion to consider affirmation of the goals, whether to add Core Services as an additional goal and to provide further context for the goals. Based on these discussions staff can develop more detailed objectives for each goal and related action steps.

The long-term goals and objectives provide staff with the tools and guidance to then allocate resources through the budget process that will then be presented to the council at future work sessions.

BACKGROUND INFORMATION:

A. HISTORICAL CONTEXT:

- The city has not had a consistent process for goal setting or a formal strategic plan. It is too late in the budget process for a full strategic plan but that is planned for 2020.

B. POLICIES:

- The Operating Budget Policy requires that the “budget will describe major goals to be achieved and the services and programs to be delivered for the level of funding provided.”

C. CRITICAL TIMING ISSUES:

- Finance Director Regis has distributed preliminary budget information to department directors and draft budgets are to be submitted by June 20, 2019.

D. FINANCIAL IMPACT:

- Staff needs to make critical decisions with scarce resources and long-term goals, objectives and actions steps guide those decisions.

E. ALTERNATIVES:

- Council can choose to significantly modify the existing goals but that provides less time for staff to develop objectives and actions steps that can be resourced through budget choices.

PRINCIPAL PARTIES EXPECTED AT THE MEETING:

Department Directors

ATTACHMENTS:

- Key Financial Strategies
- Utilities for Key Financial Strategies
- S&P Global Ratings Report
- 2018-2019 Action Steps – 2019 Status Update

**City of Richfield
Capital Financing Plan**

	2019	2020	2021	2022	2023	2024	2025	2026	2027
1 Existing and Projected Tax Levy Requirements									
2 2010A Bonds - Alley Paving/Equipment	14,943	14,260	-	-	-	-	-	-	-
3 2012A G.O. Street Reconstruction Bonds - 76th St E	130,955	128,855	126,755	129,905	127,700	130,745	128,435	131,144	128,488
4 2013A G.O. Improvement Bonds - North Richfield Parkway	163,380	161,936	160,204	163,432	161,138	158,723	161,438	158,665	161,018
5 2015A G.O. Street Reconstruction Bonds - 69th St./Portland	276,301	282,601	282,496	282,233	280,868	284,570	279,451	279,582	284,832
6 2016B G.O. Refunding Bonds	521,452	518,564	520,612	522,187	523,289	523,919	518,827	518,722	523,657
7 2016C G.O. Refunding Bonds	721,324	720,379	724,474	728,254	731,719	736,969	736,443	740,775	744,581
8 2017A G.O. Street Reconstruction Bonds - 66th Street	620,550	623,595	620,681	622,650	624,067	621,810	624,488	623,700	622,650
9 2017B G.O. Refunding Bonds	345,870	351,015	350,700	350,280	355,005	359,520	360,728	361,620	362,198
10 2018A G.O. Street Reconstruction Bonds - 66th Street M&O	375,563	288,645	283,763	284,130	284,340	284,392	284,288	284,025	288,855
11 2019A G.O. Bonds 66th Street & Lyndale Recon.	-	501,287	480,241	478,141	475,749	478,311	478,209	476,849	477,850
12 Cedar Point Tax Abatement Levy	372,760	353,402	53,972	-	-	-	-	-	-
13 Rolling Stock, Equipment, and IT Levy	800,000	815,000	830,000	850,000	850,000	850,000	850,000	850,000	850,000
14 Economic Development Authority	567,281	584,299	601,828	619,883	638,480	657,634	677,363	697,684	718,615
15									
16 Lyndale Avenue Reconstruction (\$2.0M over 20 years at 3.5%)	-	-	140,722	140,722	140,722	140,722	140,722	140,722	140,722
17 65th Street Reconstruction Ph. 1(\$4.0M over 20 years at 3.5%)	-	-	281,444	281,444	281,444	281,444	281,444	281,444	281,444
18 65th Street Reconstruction Ph. 2(\$4.0M over 20 years at 3.5%)	-	-	-	281,444	281,444	281,444	281,444	281,444	281,444
19 69th Street Reconstruction Ph. 2(\$4.5M over 20 years at 3.5%)	-	-	-	-	316,625	316,625	316,625	316,625	316,625
20 76th Street West Reconstruction (\$3.5M over 20 years at 3.5%)	-	-	-	-	246,264	246,264	246,264	246,264	246,264
21 70th Street Reconstruction Ph. 2(\$2.5M over 20 years at 3.5%)	-	-	-	-	-	175,903	175,903	175,903	175,903
22 Humboldt/Lakeshore Drive Recon (\$4M over 20 years at 3.5%)	-	-	-	-	-	-	281,444	281,444	281,444
23 Nicollet Avenue Reconstruction (\$5.0M over 20 years at 3.5%)	-	-	-	-	-	-	-	351,805	351,805
24 Penn Avenue Reconstruction (5.0M over 20 years at 3.5%)	-	-	-	-	-	-	-	-	351,805
25 Total Debt/Special Levy	4,910,379	5,343,838	5,457,893	5,734,706	6,318,854	6,528,995	6,823,517	7,198,418	7,590,201

Utility Fund - Water

2020 Proposed Rates (5% increase)

Residential Water Rates			
2019		2020	
0-15,000 gals	\$3.90	0-15,000 gals	\$4.10
15,001-25,000 gals	\$4.69	15,001-25,000 gals	\$4.92
Over 25,000 gals	\$5.64	Over 25,000 gals	\$5.92
Fixed Quarterly Service Charge			
2019		\$10.00	
2020 proposed		\$10.00	

60% of accounts

25% of accounts

15% of accounts

\$1,421,765 - Cash Balance (March 2019)

\$1.9M Target

Utility Fund - Wastewater

2020 Proposed Rate (5% increase)

Sanitary Sewer Rates	
2019	2020
\$5.63 per 1,000 gals	\$5.91 per 1,000 gals

- \$0.28/1,000 gallons increase
- For typical household (7,500 gallons/quarter) the proposed sewer rate increase is approximately \$2.10 per quarter / \$8.40 annually.
- 2019 MCES Charges - \$2,681,943

\$1,415,471 – Cash Balance (March 2019)

\$1.6M Target

Utility Fund - Stormwater

2020 Proposed Flat Rate (7% increase)

Storm Sewer Rates	
2019	2020
\$19.02	\$20.35

\$2,072,118 – Cash Balance (March 2019)

\$1.9M Target



Street Light User Fee

- \$5.77/Quarter residential
- \$28.85/Quarter Commercial
- Maintenance and electricity



Summary:

**Richfield, Minnesota; General
Obligation; Non-School State
Programs**

Primary Credit Analyst:

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Richfield, Minnesota; General Obligation; Non-School State Programs

Credit Profile

US\$8.865 mil GO bnds ser 2019A due 02/01/2040

Long Term Rating

AA+/Stable

New

Richfield GO

Long Term Rating

AA+/Stable

Affirmed

Rationale

S&P Global Ratings assigned its 'AA+' long-term rating to Richfield, Minn.'s series 2019A general obligation (GO) bonds. At the same time, we affirmed our 'AA+' long-term rating on the city's previously issued GO debt. The outlook is stable.

Security and use of funds

The series 2019A bonds are secured by the city's full faith, credit, and taxing powers pledge benefiting from a dedicated ad valorem property tax levy without limitation as to rate or amount. Several of the city's outstanding GO bonds are also secured by additional revenue pledges, such as special assessments, tax increment financing (TIF), or water/sewer revenue, but we rate all of the bonds based on its GO pledge.

Proceeds of the series 2019A bonds will fund street reconstruction projects as outlined in the city's five-year street reconstruction plan.

Credit overview

Richfield is an inner-ring suburb located just south of Minneapolis. Despite being fully built out, the city is experiencing strong growth in valuations due to redevelopment and to appreciation of existing properties. Its incomes are somewhat lower than average for its rating category, but we view its location in the Twin Cities metropolitan statistical area (MSA) and ongoing development as a strength. It also benefits from a very strong financial management team, resulting in consistent general fund performance, and very strong reserves and liquidity. Each year the city budgets for break-even operations inclusive of transfers into the general fund from various funds. If, at the end of the year, the city has generated a surplus, city officials will reduce the amount of transfers in to maintain reserves at its policy target of 40% of expenditures in reserve. The city's ice arena and swimming pool funds have long been underperforming and require support from the general fund; however, in our view, this support has not yet had a significant impact on the city's overall credit quality. We view the city's debt burden as adequate and do not expect it to materially change, as the city will amortize roughly the same amount it expects to issue over the next few years.

The rating reflects our assessment of the following factors for the city, specifically its:

- Strong economy, with access to a broad and diverse MSA;

Summary: Richfield, Minnesota; General Obligation; Non-School State Programs

- Very strong management, with strong financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with balanced operating results in the general fund and an operating surplus at the total governmental fund level in fiscal 2018;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2018 of 23% of operating expenditures;
- Very strong liquidity, with total government available cash at 135.2% of total governmental fund expenditures and 11.8x governmental debt service, and access to external liquidity we consider strong;
- Adequate debt and contingent liability profile, with debt service carrying charges at 11.5% of expenditures and net direct debt at 160.1% of total governmental fund revenue, as well as rapid amortization, with 65.7% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Strong economy

We consider Richfield's economy strong. The city, with an estimated population of 36,554, is located in Hennepin County in the Minneapolis-St. Paul-Bloomington, Minn.-Wis., MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income (EBI) of 102.3% of the national level and per capita market value of \$98,688. The city's market value grew by 5.7% over the past year to \$3.6 billion in 2018. The county unemployment rate was 3.0% in 2017.

Best Buy Co. Inc. (BBB/Stable), a consumer electronics retailer, has its headquarters in Richfield. It is the city's largest taxpayer (5.7% of net tax capacity which includes TIF) and its largest employer (6,000 employees). The city has a minimum assessment agreement in place with Best Buy through 2025 when the TIF district where it is located expires. The company appealed its 2015 and 2016 taxes that were above the minimum assessment; however, the petition was settled in 2017 with no significant financial impact to the city. The city budgets conservatively for the revenue that Best Buy generates to insulate it from potential appeals. Also, Best Buy's percentage of the city's tax capacity has decreased over the last several years due to growth in rest of the city's valuation.

The city's market value and net tax capacity have demonstrated strong growth since the recession due to both appreciation of existing properties and redevelopment projects. Management reports that there are several redevelopment projects currently under construction, including a 284-unit apartment complex, a 66-unit apartment complex with 30 luxury condos and eight townhomes, and a new luxury car dealership. There are also several apartment and townhome projects that are currently in the planning stages but have not yet begun construction. Given recent trends and the current projects, we believe the city's valuations will continue to exhibit strong growth over the next two years.

Very strong management

We view the city's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

The city uses three years of historical trends to help make the revenue and expenditure assumptions in its budget, and management provides the council with monthly budget-to-actual reports except for three months of the year.

Management annually updates the city's five-year capital improvement plan, which identifies funding sources. Officials also maintain an annually updated eight-year financial plan. The city has its own investment policy and provides the council with monthly reports on investment holdings and performance except for three months of the year. Richfield has a comprehensive debt management policy that includes specific limitations and guidelines that go beyond the state statutes. It has a reserve policy to strive to maintain an unassigned fund balance of an amount not less than 40% of the current year-end actual general fund revenue, in part for cash flow purposes. Management projects that the balance will fall just below the fund balance policy to 39% at the end of fiscal 2018, but will return to 40% in 2019. However, if the city were to continue to fall below its policy threshold without a plan to increase reserves back to that mark, we could revise our assessment of management downward.

Strong budgetary performance

Richfield's budgetary performance is strong, in our opinion. The city had balanced operating results in the general fund of 0.2% of expenditures, and surplus results across all governmental funds of 6.6% in fiscal 2018. The city's general fund operating results have been stable over the last three years, with a result of 0.2% in 2017 and a result of 0.1% in 2016.

We have adjusted the city's revenue to account for recurring budgeted transfers in from its liquor enterprise and capital funds, and we've adjusted expenditures to account for recurring budgeted transfers out to its ice arena, swimming pool, and special facilities funds for operations. We've also removed one-time expenses related to capital projects supported by bond proceeds.

After transfers, the city has demonstrated extremely consistent general fund results. The city always budgets for break-even general fund operations (including transfers from its liquor enterprise and from several capital funds). However, if the year is expected to end with a surplus, the city will reduce the transfers from the capital funds. In fiscal 2017, the city posted a \$53,000 surplus, but was also able to reduce its original budgeted transfers in by \$859,000. Across total governmental funds, there was a surplus after adjusting for spending of bond proceeds. Similarly, draft fiscal 2018 financials show a \$56,000 general fund surplus, and the city was able to reduce its budgeted transfers by \$1.2 million, to \$300,000 from \$1.5 million. Across total governmental funds, after adjustments for spending of bond proceeds, the city generated surplus results.

The fiscal 2019 budget also calls for break-even general fund operations, including \$1.5 million of transfers in. Given the city's history of outperforming the budget, we expect it will likely be able to reduce the transfers into the general fund in 2019 as well. Although total governmental fund performance might fluctuate based on the timing of projects, management does not anticipate any significant changes in total governmental fund operations. Given these projections and recent historical results, we anticipate the city will maintain at least adequate budgetary performance.

Very strong budgetary flexibility

Richfield's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2018 of 23% of operating expenditures, or \$5.3 million.

We have excluded \$3.4 million of interfund receivables related to deficit cash balances in the ice arena and swimming pool funds. Management expects the deficit cash balances to slowly decrease over time as it increases transfers from the general fund, but does not have a set time frame for completely eliminating the deficit cash balances. In fiscal 2018,

officials report that the ice arena deficit balance improved by \$183,000 after transfers and the swimming deficit balance improved by \$47,000 after transfers. Management expects to increase its transfers to these funds by \$10,000 to \$15,000 annually in order to eliminate the receivable over time.

While the city added to fund balance, by management's calculations, the general fund balance will fall just below its reserve target to 39% of expenditures at the close of 2018. Officials report that this was because they chose to reduce transfers into the general fund. The city expects to be back to the 40% mark in 2019. By S&P Global Ratings' calculations, we believe the city will likely remain below 30% of expenditures, because we adjust for the receivables from the ice arena and swimming pool funds. Despite those receivables, we anticipate the city will maintain very strong budgetary flexibility, well above 15% of expenditures in reserve.

Very strong liquidity

In our opinion, Richfield's liquidity is very strong, with total government available cash at 135.2% of total governmental fund expenditures and 11.8x governmental debt service in 2018. In our view, the city has strong access to external liquidity if necessary.

We have adjusted the city's total government available cash to remove bond proceeds that will be spent the next fiscal year. Management anticipates no major changes in available cash levels during fiscal years 2018 or 2019, and we expect the city will maintain very strong liquidity. We have based our assessment of the city's access to external liquidity on its history of GO debt issuances and stable credit profile. We do not view its investment practices as a credit risk, as it primarily invests in U.S. government securities and money market accounts. The city does not have any direct purchase or privately placed debt that could pressure liquidity.

Adequate debt and contingent liability profile

In our view, Richfield's debt and contingent liability profile is adequate. Total governmental fund debt service is 11.5% of total governmental fund expenditures, and net direct debt is 160.1% of total governmental fund revenue. Approximately 65.7% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

The city plans to issue approximately \$10 million in GO debt within two years, but it will amortize roughly \$8.5 million, so we do not expect a material change in the city's net direct debt. However, if future debt issuances cause the city's amortization rate to fall below 65%, our view of the city's burden could weaken.

Richfield's combined required pension and actual other postemployment benefit (OPEB) contributions totaled 5.3% of total governmental fund expenditures in 2017. The city made its full annual required pension contribution in 2017. It participates in two cost-sharing multiple-employer defined-benefit pension plans, the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), both administered by the Public Employees Retirement Assn. of Minnesota (PERA). Required pension contributions to these plans are determined by state statute. Statutory contributions rates have generally not kept pace with actuarially determined contribution (ADC) rates, indicating potential for future payment acceleration. In May 2018, the state passed pension legislation that will marginally increase contributions (for PEPFF only), reduce the investment rate of return to 7.5% (from 8%), and reduce some employee benefits (primarily cost-of-living adjustments). While we view these as positive changes for future plan funding levels, the lack of an actuarial funding policy remains a weakness in these plans. For more

information about the reforms included in the 2018 omnibus retirement bill and the potential for future cost increases see our bulletin "Minnesota's New Pension Bill Is A Positive Step Toward Sustainable Funding," published June 7, 2018, on RatingsDirect.

The GERF and PEPFF were 79.5% and 87.1% funded, respectively, in fiscal 2018. The combined net pension liabilities for these plans totaled \$17.6 million in fiscal 2017, the most recent year of data we have available for the city's proportionate share. While we consider plan funding levels somewhat weak, and we believe that the history of pension contributions below ADC increases the risk of payment acceleration, we believe the city has sufficient taxing and operational flexibility to manage future increases in pension contributions. However, in the future, if pension contributions absorb a larger share of the city's budget, our view of its debt and contingent liability profile could weaken.

The city does not provide explicit OPEB benefits, but allows retirees to remain on its plan at their own cost, thereby benefiting from an implicit rate subsidy. The city funds this cost on a pay-as-you-go basis. As of Jan. 1, 2016, the most recent actuarial valuation date, its unfunded actuarial accrued liability was \$1.8 million.

Strong institutional framework

The institutional framework score for Minnesota cities with a population greater than 2,500 is strong.

Outlook

The stable outlook reflects our expectation that the city will maintain very strong budgetary flexibility despite potential pressures from the ice arena and swimming pool funds. We anticipate the city will maintain very strong liquidity and financial management policies and procedures and will continue to benefit from its access to the broad and diverse Minneapolis-St. Paul MSA. We do not expect to change the rating over the two-year outlook horizon.

Upside scenario

We could consider a higher rating if the city's per capita EBI and market value per capita improved significantly, while maintaining its strong budgetary performance and very strong reserves and liquidity.

Downside scenario

We could consider lowering the rating if the ice arena or swimming pool funds begin to significantly weaken the city's budgetary flexibility or performance. Additionally, we could lower the rating if the city's debt and contingent liability profile deteriorates significantly due to additional debt issuances.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- 2018 Update Of Institutional Framework For U.S. Local Governments

Summary: Richfield, Minnesota; General Obligation; Non-School State Programs

Ratings Detail (As Of May 8, 2019)		
Richfield GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
Richfield GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
Richfield GO		
<i>Long Term Rating</i>	AAA/Stable	Current
<i>Unenhanced Rating</i>	NR(SPUR)	Current
<i>Underlying Rating for Credit Program</i>	AA+/Stable	Affirmed
Richfield GO bnds wtr rev bnds		
<i>Long Term Rating</i>	AAA/Stable	Current
<i>Unenhanced Rating</i>	NR(SPUR)	Current
<i>Underlying Rating for Credit Program</i>	AA+/Stable	Affirmed
Richfield GO rfdg bnds ser 2015B due 02/01/2027		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
Richfield GO street reconstruction bnds ser 2017A dtd 04/20/2017 due 02/01/2038		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
Richfield GO street reconst bnds		
<i>Long Term Rating</i>	AA+/Stable	Affirmed

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Summary: Richfield, Minnesota; General Obligation; Non-School State Programs

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**2018-2019 City of Richfield Action Steps
2019 Status Update**

1. Infrastructure projects

Action Steps	Assigned to	Deadline	Status
a. Communicate and promote the value of our ongoing infrastructure improvements	All Departments	On-going	Media Coordinator promoted several redevelopment projects and housing programs and policies in an initiative called the "Summer of CD." The initiative educated the public about topics such as affordable housing, Kids @ Home Program and The Chamberlain project. Sweet Streets continues to highlight the benefits of public infrastructure improvements via social media. Communications staff made weekly update videos on the 66th St. project and plan the same for Lyndale Ave. Held numerous open houses on Lyndale Ave. project. Water meter switch-out heavily promoted. Increased community education on stormwater and treatment of City water. Held educational events at new roundabouts to inform on use/answer questions.
b. Consider the establishment of a park dedication ordinance in conjunction with capital improvement plan	Recreation Services	12/31/2019	Residential and commercial park dedication fees have been collected from 29 metro area cities for 2017 and 2018. Meetings have been scheduled in May 2019 to create an action plan.
c. Establish a fund for public art	Recreation Services		City Council established a \$10,000 annual expenditure for public art to begin in 2019.
d. Liquor operations infrastructure	Liquor Operations		Penn Liquor upgrade completed in July 2018.
e. Lyndale Avenue Reconstruction	Public Works	7/30/2020	Design approved June 2018. Bids advertised January/February 2019. Construction begins 4/27/2019; substantial completion November 2019.
f. Develop action plan for storm water system renewal	Public Works	12/31/2019	Desktop risk assessment completed. Action plan for inspection is in place, this will identify needs and shape capital improvements.
g. Renew 1950s sanitary sewer infrastructure using lining technology	Public Works	On-going	The first contract of an long, ongoing lining project has been awarded. The plan is to complete budgeted amounts annually until the city is complete; consider accelerating project in the future.
h. Complete a risk assessment of watermain	Public Works	12/1/2019	Non-destructive testing of three (3) high risk, critical mains has been completed (summer 2018). Beginning stages of a desktop risk assessment of the entire system will be complete in 2019.
i. Continue maintenance and improvement of public art and other aesthetics of the city	Public Works	On-going	Actively working on 66th Street art/aesthetics implementation plan.

2. Economic development

Action Steps	Assigned to	Deadline	Status
a. Establish an economic development strategic plan	Community Development / HRA / EDA	Addressed during budget	In the budget process, EDA funds (\$75k in 2018 and \$97k in 2019) were allocated to "ad hoc" economic development initiatives rather than to specific programming.
b. Establish a redevelopment strategic plan	Community Development / HRA / EDA	Winter 2018/2019	CD staff held a moderated retreat to create draft goals, challenges etc. (2/21/19). Council/HRA redevelopment goalsetting work session scheduled (5/20/19).
c. Establish a redevelopment marketing plan	Community Development / HRA / EDA	Winter 2018/2019	Some efforts already underway (e.g. tax increment explanatory document) and staff will work on a more comprehensive plan for educating the public on redevelopment impacts and benefits upon completion of redevelopment goalsetting.

3. Equity

Action Steps	Assigned to	Deadline	Status
a. Use GARE as a springboard to future equity efforts	All Departments	On-Going	Identifying ways to integrate diversity in our departments, programs, and hiring practices. Focus continues on recruiting for diversity throughout the organization. In December 2018, all hiring managers received training on how to conduct non-biased interviews. Minimum qualifications are being reviewed as positions are posted. Spanish language workshops were offered to staff in order to provide better customer service to our residents and customers. Public Safety - Internal promotion of our two police cadets and our "Pathways in Policing" candidate.
b. Provide periodic GARE updates and a year-end action plan	Richfield CAREs Team		GARE Cohort completed. Richfield CAREs team identified priorities for 2019 including conducting a staff survey, providing staff training and developing relationships with community members and holding listening sessions. The staff survey was completed in April 2019 and results are pending (anticipate results end of May 2019). Racial IQ training from the YWCA is scheduled for June and September 2019. Staff is collaborating with MIRA to identify ways that information and services can be better provided to our Latino residents.
c. Promote the role of community-oriented policing	Police	On-Going	Working on programming with the community and other public safety partners to promote the police department's services and continuing the pattern of trust with the community. Continue with programing and increasing our visibility in the community with additional programs. This will always be an ongoing effort.

**2018-2019 City of Richfield Action Steps
2019 Status Update**

4. Affordable housing and facilitating a range of housing options

Action Steps	Assigned to	Deadline	Status
a. Take action on plans for affordable housing -- prioritize list	Community Development / HRA / EDA		Permit fee reductions -- completed Apartment rehab grant/loan -- completed Inclusionary housing ordinance -- completed Fair Housing policy -- completed
b. Identify one major initiative to undertake this year	Community Development / HRA / EDA		Council work session on 5/21/18 identified Tenant Protection Ordinance and Inclusionary Housing Policy as top priorities; both have been completed.
c. Schedule a work session to discuss affordable housing steps	Community Development / HRA / EDA	5/21/2018	Work session held. Priorities were established.
d. Marketing on what affordable housing means	Media Coordinator / Community Development		"Summer of CD" - a variety of videos, social media posts and other materials were prepared and distributed on a variety of CD initiatives, including the New Home Program and Downpayment Assistance Program (7/18-9-18). Letter to the editor re: renters - in process. Marketing piece on affordable housing - anticipated Winter 2018-2019.

5. Community outreach

Action Steps	Assigned to	Deadline	Status
a. Consider additional staffing resources	Administrative Services		A student Communications Intern was hired at the beginning of the summer to enhance our communications efforts. The City will intends to keep an intern position in place throughout the year and may seek an Administrative Intern for 2019.
b. Identify effective ways to reach the community	Public Safety	On-Going	Build on what we accomplished with 1,700 hours of Community Orientated Policing in 2017 and expand our programming to reach the varied demographic populations within the city. We are expanding our programing and have spoken with various business and community organizations to seek volunteers to help us provide programming within the community so it is a total "Community Effort".
c. Improve our ability to communicate with our customers (e.g. remove language barriers)	Public Safety	On-Going	Teaching our employees Spanish and providing resources such as language line and other applications to break down the language barrier. The department is looking at the "Vitals" application to provide service to various populations within the city. Working out the contract issues through our City Attorney and Vitals. Should be online by the end of 2019.
d. Improve our public notification system	Public Works Police	10/31/2019 On-Going	PW is moving forward with WaterSmart system for timely communication with residents expected to be "live" by the end of 2019. Continue to use Everbridge as our main emergency notification system and begin promoting dashboards containing information about the police department on our websites. Smart 911 was pushed out this spring through our Contract with Edina Dispatch and was introduced to the community. "Vitals" application should be online by the end of 2019.
e. Improve resident/business knowledge of future capital improvement projects	Public Works	On-Going	City-wide mailer sent 6/29/2018 outlining future projects and financing impacts. Presentations given annually at Realtor Workshop.
f. Improve electronic media presence: Facebook, Twitter, Instagram	Liquor	On-Going	Media and liquor staff have begun working on creating free-standing presence.
g. Establish free-standing web page	Liquor	On-Going	Media and liquor staff have begun working on creating free-standing presence.
h. Improve community awareness of municipal liquor profit destination	Liquor	On-Going	Preliminary planning on a campaign to consistently reach out with information on-site and at destinations (e.g. newly constructed play features)