



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

Virtual meeting held via WebEx

July 28, 2020

CALL TO ORDER

The meeting was called to order by Mayor Regan Gonzalez at 5:45 p.m. held via WebEx

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

Council Members Absent: Edwina Garcia

Staff Present: Katie Rodriguez, City Manager; Chris Regis, Finance Director; Kristin Asher; Public Works Director; Blanca Martinez Gavina, Executive Analyst; and Kelly Wynn, Senior Office Assistant

Item #1	REVIEW OF PRELIMINARY 2021 BUDGET, PROPOSED UTILITY RATES AND PROPOSED 2021 CITY FEES.
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City Manager Rodriguez reviewed the items to be discussed along with a brief overview of the presentations.

Director Regis gave a timetable of key events; key issues for 2021; reviewed the history of state aid provided; history of city reserves; 2021 proposed gross levy and history; 2021 proposed general fund budget; general fund revenues and expenditures; 2021 proposed levy estimated impact; and 2021 proposed budget.

Council Member Supple asked for clarification on the Recreation reserves and if the money will be paid back.

Director Regis confirmed the money will be paid back and their reserves will come back over time.

Mayor Regan Gonzalez questioned the reduction of existing debt/service tax levies and having to renew it annually.

Director Regis explained whenever a bond is issued; a proposed levy is laid out to maintain cash flows. Due to the pandemic, he reduced those levies but does not want to make a habit and will review in a year.

Mayor Regan Gonzalez asked if there was a possibility to not reduce the levies as much or at all.

Director Regis stated he believes the city has the capacity to reduce this year; however, it will most likely add a percentage point to the levy increase so they will be assessed on a case by case basis.

Mayor Regan Gonzalez recommended keeping an eye on the levy going forward with all of the unknowns.

Council Member Trautmann questioned how accurate the Cost of Living Adjustment (COLA) of 3% each year or if that would ever change.

Director Regis explained that historically, COLA is set at 3%. There have been a year here and there of less but it is extremely rare and the pay plan correlates with what the union contracted.

City Manager Rodriguez stated the 3% increase is contracted with the union.

Council Member Supple asked when the contract will be up and available for negotiations again.

City Manager Rodriguez said the contract will be up at the end of 2021.

Council Member Supple thanked Director Regis for the explanations of the LGA and reserves as they are very important when figuring in the CARES funding.

Council Member Whalen commented on the good questions from the discussions two weeks ago regarding the budget and believes it is the wrong move to not compensate staff as they deserve. He believes the budget looks much better than two weeks ago and is strongly opposed to cutting staff merit increases and benefit packages.

City Manager Rodriguez explained staff is still attempting to get costs down and refining the budget as much as possible.

Mayor Regan Gonzalez expressed appreciation for the discussion and consistent work between council and staff regarding the budget. She is glad to be a part of the process and being able to better understand the budget as a whole.

Council Member Whalen asked about a one-page budget summary.

City Manager Rodriguez confirmed staff is working on a template and clarity of numbers to fill it out properly.

Council Member Whalen believes it will significantly help to communicate to residents and have the ability to be clear and concise.

Council Member Supple expressed appreciation for the transparency that has occurred during this process which helps the council make good decisions.

Council Member Trautmann echoed all comments on the work Director Regis has done. He stated he is not looking to renegotiate employee salaries or anything of the sort but also does not believe that a 5.8% increase is not a win. The increase will put a lot of pressure on working families and believes staff should continue to look at priorities and be mindful of how to get that number lower.

Mayor Regan Gonzalez asked about varying viewpoints on the council regarding tax levy and at what point will there be more clarity.

City Manager Rodriguez believes there will be more clarity by August 10 and is hoping to have multiple options. There are some options but many dollars have already been negotiated. The city

does have some reserves and may have more after the CARES funding comes through. She reassured council that she is looking at all options and working diligently with staff to fit in as many priorities as possible.

Council Member Whalen thanked City Manager Rodriguez for her comments and believes it is absolutely a win to be able to gain all the necessities desired for \$4/person a month increase. He explained that renters can see \$50/month increases each year. He believes that if the city would like to offer more and better services, they come at a price.

Council Member Trautmann clarified he did not want to cut salaries or the new Equity Coordinator position.

Council Member Supple does not believe the council has all the information they need and thanks staff to continue to gather and relay information.

Mayor Regan Gonzalez expressed her gratitude for being able to have these necessary discussions.

Council Member Whalen appreciated Council Member Supple's point and is wondering about the dollar amount increase for residents and a possible ten year outlook.

Council Member Trautmann wondered if it is possible to create a fictional resident to see how the costs would affect the average resident.

Director Regis stated he can try but explained it may be hard since fees are always changing and it would take time to put together.

Director Asher walked through the utility fund-water and 2021 proposed rates of 2% along with 3% increase option; water fund outlook; and reviewed where Richfield stands compared to neighboring city water utility bills.

Council Member Supple asked if the city charges for water usage and water softening together or separate.

Director Asher explained they are combined into one charge. She then discussed the possibility of how to use the fixed cost collected; utility fund-wastewater; wastewater fund outlook; and where Richfield falls with sewer and neighboring communities.

Council Member Supple questioned if there is a fixed charge is not on wastewater.

Director Asher confirmed there is not one included with wastewater. There is only one fixed charge fee and it is listed with water. She then reviewed utility fund-storm water; storm water fund outlook; neighborhood city ranking; and utilities combined for the typical household. She also stated the street light user fee will remain unchanged.

City Manager Rodriguez gave a brief overview of some city fees that will increase but most will remain flat.

Director Asher explained she is looking for feedback on the water increase and how she is able to make 2% work if necessary.

Council Member Whalen appreciated the thoughtfulness that set the increase as low as possible but believes there still needs to be a fund and doing a 3% increase would be ideal.

Council Member Supple agrees that there should be a 3% increase.

Council Member Trautmann would still like clarity of the big picture containing all the fees to relay information easily to residents and how the fees will impact them.

Mayor Regan Gonzalez echoed comments made and would be comfortable with a 3% increase.

Council Member Whalen expressed how he would be comfortable with the proposed fee increases as it is accounting for the time and energy to complete the task and how they seemed to be minor changes.

Mayor Regan Gonzalez and Council Member Supple agreed with Council Member Whalen's comments and are fine with the proposed fee increases.

City Manager Rodriguez discussed her appreciation for the discussion and feedback from council.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:49 p.m.

Date Approved: August 10, 2020



Kelly Wynn
Senior Office Assistant



Maria Regan Gonzalez
Mayor



Katie Rodriguez
City Manager