



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

Virtual meeting held via WebEx

August 10, 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; Pam Dmytrenko, Assistant City Manager; Chris Regis, Finance Director; Jay Henthorne; Public Safety Director; Blanca Martinez Gavina, Executive Analyst; and Kelly Wynn, Senior Office Assistant

Item #1	PRESENTATION AND DISCUSSION OF STAFF’S RECOMMENDATION TO REIMBURSE ELIGIBLE COSTS AND CONSIDER ADDITIONAL SPENDING OF THE CITY’S ALLOCATION OF THE FEDERAL CARES FUNDING. STAFF WILL ALOS PRESENT AN UPDATE AND OPTIONS FOR THE PRELIMINARY 2021 BUDGET.
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Mayor Regan Gonzalez introduced the item on the agenda.

City Manager Rodriguez addressed the following items regarding the CARES funding plan and budget options: (1) Personnel; (2) Supplies; (3) Technology; (4) Communications and (5) Other along with eligible expenses and ongoing mitigation totals.

Council Member Supple asked how often reporting is turned in.

Director Regis stated reporting is submitted once a month.

Council Member Whalen asked for clarification of expenses spent versus incurred.

City Manager Rodriguez stated spent are dollars already paid out for items or services versus items or services ordered or contracted but have not yet been paid. She then spoke of how most spending will go to reserves due to potential pandemic financial fallout in 2021. She also proposed new COVID19 programs: (1) Additional donations to VEAP; (2) Additional small business assistance; (3) Community testing supplies of up to \$250,000; (4) Long-term care assistance of up to \$200,000; and (5) Technology updates, employee testing, supplies and staff time to manage these programs of about \$150,000.

Mayor Regan Gonzalez suggested with the past experience and money going to VEAP there shouldn't be an issue doing it again. She then asked if community testing would solely be on the city to provide funding.

City Manager Rodriguez explained they would like the city to have the capability to provide testing and clarified a total of \$500,000 would be needed and is broken out into \$250,000 for community testing, \$200,000 for long-term care assistance and \$50,000 for city overhead costs.

Council Member Whalen spoke of what it may look like when the eviction moratorium is lifted. He believes the lift should go in waves due to the possibility of mass displacement.

Council Member Supple concurred with Council Member Whalen as well as rental assistance. She stated if the pandemic continue, residents will have problems with house payments and foreclosures.

Council Member Trautmann thanked Chief Henthorne and Chief Kewitsch for keeping all the necessary personal protection equipment (PPE) on hand. He then asked of other possible items needed to have in reserves other than money.

City Manager Rodriguez stated she has not check with Jennifer Anderson but has not heard of a PPE shortage. She spoke of how younger folks are out more frequently are contracting the virus and bringing it back to long term care facilities where they work. She then moved onto the 2021 budget. She gave a brief history of state aid and how the LGA allocation has cut the city funding by \$364,360 due to a higher tax base. In regards to the 2021 budget she spoke on: (1) Lower LGA means budget deficit; (2) CARES funding creates increased reserves; (3) State forecast means further future LGA cuts a possibility; (4) Recent economic indicators could mean further city and community financial stress; (5) COVID19 continuation to cause further disruptions and uncertainty and (6) Council priorities of new staff positions.

Council Member Supple asked if MSA will affect the capital fund since it will be paid later rather than sooner.

City Manager Rodriguez stated Director Asher believes it will affect the capital fund more but no issues are foreseen as of right now. She then spoke of the city adding an Equity Coordinator along with a Video Specialist for 2021. She also stated how the market growth and growing tax base is creating a declining tax rate.

Council Member Whalen asked for clarification of the example provided and what the market value would be in 2020 (example shown in work session materials).

Director Regis explained the example is a base value of \$200,000 and the increases for that year. The example is not accumulative but reads to give what the rate increase would be solely for each year from the past ten years.

Council Member Whalen would like to see a snapshot of a cumulative number for an average property and how it will change over time.

City Manager Rodriguez stated properties vary greatly depending on location and surroundings but the table can be reviewed to accommodate suggestions.

Council Member Supple stated she examined her own house and saw her property taxes went up about a third in the past ten years but that included many other things as well.

Council Member Trautmann thanked Director Regis for putting this information together. He stated he would like something more substantial to communicate to residents if possible.

Council Member Whalen asked for clarification on the tax increase over ten years and would like to better understand what is measured with the ability to speak to residents about it.

Director Regis offered a suggestion of how to review the information but reminded council how every property is different.

City Manager Rodriguez discussed the city reserves and budget options and a variety of levy increases.

Mayor Regan Gonzalez asked how funds would be affected if new hires are delayed and delayed until when.

City Manager Rodriguez explained the delay could be until 2022 but would be subject to funding. The two new positions are very important but she wanted to be very transparent about financial implications.

Council Member Supple asked about how the Battalion Chief fits into to the budget.

City Manager Rodriguez stated the Battalion Chief was approved in the 2020 budget and will be moving forward with hiring for that position.

Council Member Trautmann thanked City Manager Rodriguez for describing the options clearly and strongly believed the Equity Coordinator and Video Specialist for body cameras are necessary.

City Manager Rodriguez stated the possibility of body cameras being mandated in 2022 and potential for grant funding. These discussions have been speculation only. She then discussed other options for levy increase. She spoke of future financial unknowns and is trying to give the city as much flexibility as possible. She also suggested a 5.5 or 6% percent increase.

Council Member Whalen spoke of not wanting to rely on state funding for body cameras and would be comfortable moving forward with either 5.5 or 6% increase.

Council Member Supple agreed in the necessity of funding the body cameras and equity position but thinks a 6% increase is too high. She would be comfortable with something between 5 and 5.5%. She would like to be cognoscente of payments going up for residents.

Mayor Regan Gonzalez also agreed with prioritizing the positions and would move forward with a 5.5 or 6% increase but something lower would be great if possible. She stated the decisions made for this budget will greatly impact the bounce back for the future. She appreciated the time and space staff has provided for council to have these difficult discussions and provide feedback.

Council Member Trautmann recommended against waiting on implementing body cameras in hopes to receive funding.

City Manager Rodriguez stated Chief Henthorne is in full support to execute body cameras in 2021.

Council Member Supple asked of the possibility for reimbursement for body cameras later if the city purchases them now.

City Manager Rodriguez stated she has yet to see a grant program to provide funding for supplies or services already purchased but would look into the matter.

Council Member Whalen asked for the clarification the grant money would be for the technology and not the personnel.

City Manager Rodriguez confirmed that is her understanding but again, it is just discussions right now and is not anything definite.

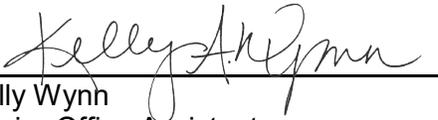
Director Regis agreed with City Manager Rodriguez that a city would most likely not be reimbursed for things it already has in place.

Mayor Regan Gonzalez thanked staff for all their hard work.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:41 p.m.

Date Approved: September 08, 2020



Kelly Wynh
Senior Office Assistant



Maria Regan Gonzalez
Mayor



Katie Rodriguez
City Manager