



Richfield City Council Agenda
December 22, 2025 -- 6:00 PM
Richfield Municipal Center
Council Chambers
6700 Portland Avenue South

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Approval of the Agenda**
- 4. Approval of Minutes**
- 5. Open Forum**

Participants can share their comments in person, by voicemail, or email, and may also request to participate virtually. For more information on submitting comments, refer to the Council Agenda and Minutes page on richfieldmn.gov/citycouncil
- 6. Proclamations and Presentations**
- 7. Consent Calendar**
- 8. Consideration of Items, if Any Removed From Consent Calendar**
- 9. Public Hearings**
- 10. Proposed Ordinances**
- 11. Resolutions**
 - a. **Labor Agreement with International Union of Operating Engineers (IUOE) Local 49 for 2026-2027.**
 - b. **Modifying the Health Care Savings Plan (HCSP) for Law Enforcement Labor Services (LELS) Local #123 Police Patrol.**
- 12. Other Business**
- 13. City Manager's Report**
- 14. Council Discussion**
- 15. Adjournment**

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.

Includes Materials - Materials relating to these agenda items can be found in the Council Chambers Agenda Packet book located by the entrance. The complete Council Agenda Packet is available electronically on the City of Richfield website.



**OPEN FORUM
REGISTRATION CARD**

Date 12/22

Name Justin Campbell

Richfield Resident? YES / NO

Email 

*(If you would like a response to your open forum comments,
please provide your email address)*

Topic Sign Removal

Audience: Please remain quiet while others are giving testimony. Loud objections, clapping, or other disruptive behavior can be intimidating to those who may wish to testify with a view point. **Thank you! Your voice matters.**

Public Record: Your participation and anything you share in the meeting will be a part of the public record. This means anyone can access information you chose to share.

Comments

Great job Every body!



**OPEN FORUM
REGISTRATION CARD**

Date 12/22/25

Name Stephanie Kilpatrick

Salazar

Richfield Resident? YES / NO

Email [REDACTED]

*(If you would like a response to your open forum comments,
please provide your email address)*

Topic ICE in Richfield

Comments

Audience: Please remain quiet while others are giving testimony. Loud objections, clapping, or other disruptive behavior can be intimidating to those who may wish to testify with a view point. Thank you! Your voice matters.

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**OPEN FORUM
REGISTRATION CARD**

Date 12/22/25

Name Ashtey Heurung

Richfield Resident? YES / NO

Email [REDACTED]

*(If you would like a response to your open forum comments,
please provide your email address)*

Topic Ice/immigration

Audience: Please remain quiet while others are giving testimony. Loud objections, clapping, or other disruptive behavior can be intimidating to those who may wish to testify with a view point. **Thank you! Your voice matters.**

Public Record: Your participation and anything you share in the meeting will be a part of the public record. This means anyone can access information you chose to share.

Comments



**OPEN FORUM
REGISTRATION CARD**

Date 12-22-2015

Name Ava McKnight

Richfield Resident? YES / NO

Email [REDACTED]

*(If you would like a response to your open forum comments,
please provide your email address)*

Topic ICE not on public
property

Comments

Audience: Please remain quiet while others are giving testimony. Loud objections, clapping, or other disruptive behavior can be intimidating to those who may wish to testify with a viewpoint. Thank you! Your voice matters.

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City Council Meeting 12/22/2025

Agenda Section: Resolutions

Agenda Item: 11.a.

Report Prepared By:

Courtney DesCamps, Senior Analyst

Department Director:

Sack Thongvanh, Assistant City Manager

Item for Consideration:

Labor Agreement with International Union of Operating Engineers (IUOE) Local 49 for 2026-2027.

EXECUTIVE SUMMARY

A two-year labor agreement has been reached with the Labor and Trades bargaining unit. The contracts would take effect January 1, 2026, and remain in effect through December 31, 2027. The agreement provides a cost-of-living adjustment, targeted market adjustment, and updates to wages, clothing and boot allowances, and licensure and certification pay to support recruitment, retention, and internal pay equity.

Primary changes include:

- 2026: 3% COLA + 1% market adjustment
- 2027: 3% COLA + 1% market adjustment
- Clothing Allowance: Increase from \$700 to \$725/year in 2026
- Clothing Allowance: Increase from \$725 to \$750/year in 2027
- Safety Boot Allowance: Increase from \$200 to \$225/year in 2026
- Licensure/Certification Pay: 3% COLA to licensure/certification pay in 2026
- Licensure/Certification Pay: 3% COLA to licensure/certification pay in 2027

Additionally, union members will receive the same insurance benefits, including the new Minnesota Paid Leave program, as all employees.

RECOMMENDED ACTION

By Motion: Adopt resolution approving the provisions of the 2026-2027 labor agreement with International Union of Operating Engineers (IUOE) Local 49, and authorize the City Manager to execute the agreement.

HISTORICAL CONTEXT

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The agreement supports internal equity by ensuring Labor and Trades employees receive consistent cost-of-living and market adjustments in line with other City bargaining units. The agreed-upon terms also promote external equity by keeping

wages competitive with peer cities, supporting recruitment and retention within a critical service area.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

The agreements conform to applicable City policies, state labor laws, and bargaining obligations under PELRA. No deviations from standard contract format or past practice are proposed.

CRITICAL TIMING ISSUES

Approval on December 22, 2025, allows accounting staff to update payroll and benefit tables in time for the January 1, 2026, effective date so that employees receive accurate pay without delay.

FINANCIAL IMPACT

Based on the City’s budget impact analysis, the total cost increase associated with the negotiated 2026 wage adjustments, market adjustments, allowances, specialty pay, and shift differentials is approximately \$125,921.35 for 2026 and \$130,827.70 for 2027. These increases reflect the 3% COLA, 1% market adjustment, updated clothing and safety boot allowances, and revised licensure and certification pays.

The Public Works budgets assumed a 3% wage increase; however, the finalized collective bargaining agreement includes a 4% increase, along with additional specialty pay. The resulting funding gap, approximately \$30,000, will be addressed in the 2026 revised budget through offsetting reductions within Public Works divisions, including Garage, Parks, Streets, Utilities and Water Plant, and/or Recreation.

The resulting 2026–2027 wage structure remains comparable to peer cities and supports ongoing recruitment and retention.

LEGAL CONSIDERATIONS

The agreement has been ratified by the bargaining unit membership. Approval finalizes the negotiated agreement. If the terms are not approved, the City may need to return to bargaining and/or proceed to mediation, which may delay implementation and impact workforce operations.

ALTERNATIVE RECOMMENDATION(S)

- Do not approve the agreement and prepare for further negotiations or mediation.
- Defer the item to a future meeting.

ATTACHMENTS

1. Resolution Approving Labor Agreement with IUOE

RESOLUTION NO.

**RESOLUTION APPROVING LABOR AGREEMENT BETWEEN THE CITY
OF RICHFIELD AND INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 49 (LABOR AND TRADES)
BARGAINING UNIT FOR YEARS 2026-2027**

WHEREAS, the City Manager and representatives of International Union of Operating Engineers, Local 49 have negotiated terms and conditions of employment for the 2026–2027 contract period; and

WHEREAS, the union has engaged in good-faith bargaining with the City; and

WHEREAS, State statute requires that contracts between the City and the exclusive bargaining representatives of employees be approved by Council resolution.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Richfield hereby approves the 2026–2027 Labor Agreement between the City of Richfield and International Union of Operating Engineers, Local 49, to be implemented effective January 1, 2026, and authorizes the City Manager to execute said agreement on behalf of the City.

Adopted by the City Council of the City of Richfield, Minnesota, this 22nd day of December 2025.

Mary Supple

Mayor

ATTEST:

Michelle Friedrich

City Clerk



City Council Meeting 12/22/2025

Agenda Section: Resolutions

Agenda Item: 11.b.

Report Prepared By:

Sack Thongvanh, Assistant City Manager

Department Director:

Sack Thongvanh, Assistant City Manager

Item for Consideration:

Modifying the Health Care Savings Plan (HCSP) for Law Enforcement Labor Services (LELS) Local #123 Police Patrol.

EXECUTIVE SUMMARY

In 2001, the Minnesota Legislature granted the Minnesota State Retirement System (MSRS) the authority to offer a post-employment Health Care Savings Plan (HCSP) to eligible employees of the State of Minnesota and other governmental subdivisions. The HCSP is an employer-sponsored program that allows employees to set aside funds to pay for medical expenses and/or health insurance premiums after separation from employment. Employees may select from various investment options offered through the State Board of Investment. Contributions to the HCSP are tax-free, earnings accumulate tax-free, and distributions used for eligible medical expenses remain tax-free.

Law Enforcement Labor Services, Local #123 Police Patrol bargaining unit employee group has requested modifications to its plan. Under state statute, modifications to HCSP's cannot be made more often than once every two years. The last modification to the Police Patrol HCSP was on October 1, 2004.

The critical changes for this modification include, but not limited to:

1. Enrollment in the program will occur on the first day instead of the waiting period after 5 years of consecutive employment with the City.
2. Changing fixed dollar amount contribution to a percentage.
3. Severance Contribution - No longer shall be paid as cash. All accumulated but unused Personal Leave, Vacation Leave, Holiday Leave, and Compensatory Time hours shall be paid to the employee's account in the Police Patrol HCSP.

RECOMMENDED ACTION

By Motion: Adopt a resolution modifying a Health Care Savings Plan for eligible LELS Local #123 — Police Patrol bargaining unit employees.

HISTORICAL CONTEXT

- Legal authority to establish a Health Care Savings Plan (HCSP) is provided under Minn. Stat. § 352.98 and applicable Internal Revenue Service rulings. The establishment of each plan, including its contribution formulas, must be

negotiated when it involves a collective bargaining unit or incorporated into a personnel policy for non-union employees. Once a plan is established or modified, it must be filed with the Minnesota State Retirement System (MSRS) to implement the new or revised plan.

- Participation in the HCSP is mandatory for all employees within the designated bargaining unit or employee group once the plan is adopted for that group. In addition, the contribution amounts for or by each employee within a specific group must be uniform; however, contribution levels may differ between employee groups.
- Under state statute, HCSP plan modifications may not occur more frequently than once every two years.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

This change was requested by LELS Local #123 Police Patrol and our ability to be flexible with a benefit need will assist in retention as part of our strategic plan.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

- The City of Richfield has offered this benefit to employee groups that are interested in such a mandatory plan.
- Approval of the resolution by the City Council will provide the City authority to proceed with this modified program for the LELS Local #123 Police Patrol bargaining unit employees. Plan modifications can be made every two years.

CRITICAL TIMING ISSUES

The request is to implement the modifications effective January 1, 2026, to run concurrently with the new two-year union contract with Officers. After City approval, this plan must be submitted to MSRS for filing and implementation.

FINANCIAL IMPACT

There is no cost to the City since the City makes no contribution. The plan provides a great tax savings for the participating employees and provides a tax mechanism to fund post-employment medical costs.

LEGAL CONSIDERATIONS

The plan modifications has been sent to the State for review and has received informal approval.

ALTERNATIVE RECOMMENDATION(S)

The City Council may choose not to approve this plan modification. If that occurs, the current plan would remain in effect. However, declining the modification would run counter to the expressed wishes of the majority of employees within this bargaining unit.

ATTACHMENTS

1. 2025-12-22 Resolution XXXXX
2. Richfield - Proposed HCSP MOU_11-26-25_Redline

3. Richfield - Proposed HCSP MOU_11-26-25_Clean Version

RESOLUTION NO. XXXXX

Motion by:
Seconded by:

**RESOLUTION MODIFYING POST EMPLOYMENT HEALTH CARE SAVINGS PLAN (HCSP)
FOR LAW ENFORCEMENT LABOR SERVICES (LELS) LOCAL #123 POLICE PATROL**

WHEREAS, Laws of Minnesota 2001, Chapter 352.98, authorizes the Minnesota State Retirement System (MSRS) to offer a Post Employment Care Savings (Plan) Program to state employees, as well as, other governmental subdivisions; and

WHEREAS, the Internal Revenue Service Code provided for such Plans; and

WHEREAS, the City of Richfield currently offers such a Plan to eligible City employees as a tax-free method for employees to set aside money to cover the increasing cost of health insurance and medical costs after termination of public employment; and

WHEREAS, modification to the provisions of the established Plan for Patrol Officers have been agreed to by the Police Patrol employee group, LELS Local #123.

NOW, THEREFORE, BE IT RESOLVED that the City of Richfield hereby authorizes the City Manager to modify the Health Care Savings Plan for LELS Local #123 – Police Patrol group of employees in the City of Richfield.

Adopted by the City Council of the City of Richfield, Minnesota this 22nd day of December, 2025.

VOTING AYE

- Supple, Mary**
- Burk, Walter**
- Christensen, Sharon**
- Coleman-Woods, Rori**
- Hayford Oleary, Sean**

VOTING NAY

- Supple, Mary**
- Burk, Walter**
- Christensen, Sharon**
- Coleman-Woods, Rori**
- Hayford Oleary, Sean**

ATTEST:

Michelle Friedrich, City Clerk

Mary B. Supple, Mayor

Police Patrol/Detective
Post Employment Health Care Savings Plan
Memorandum of Agreement
Between
The City of Richfield & LELS Local 123
Effective Date: ~~October 1, 2004~~ **January 1, 2026**

Plan Purpose

The City of Richfield and the Police Patrol/Detective (LELS Local #123) bargaining unit are interested in establishing a means for eligible employees to participate in a mandatory program to help defray some of the costs of post employment health related expenses, including health insurance premiums using pre-tax dollars. Participation in the Post Employment Health Care Savings Plan, administered by the Minnesota State Retirement System (MSRS), is intended to provide an opportunity to accomplish that goal.

Post Employment Health Care Savings Plan

A Post Employment Health Care Savings Plan (HCSP) is an Employer-sponsored program that allows eligible employees to:

- 1) defer payment of a portion of unused vacation and personal leave as a severance payment at the time of termination to pay for eligible health insurance premiums and/or health expenses after separation from City service, and
- 2) defer a portion of an Employees' bi-weekly salary for deposit into their HCSP for the payment of qualified healthcare related expenses after separation from City service.

Employees will be able to choose among several different investment options provided by the Minnesota State Board of Investment. Under the Plan, amounts contributed into the HCSP are tax-free and not subject to FICA contributions. Assets in the HCSP will accumulate tax-free and since payouts are used for qualifying medical expenses, they will also remain tax-free.

Eligibility to Participate

Participation in the **Police Patrol/Detective HCSP** is mandatory for all employees that meet the following requirements:

1. The Employee must be a member of the Richfield Police Patrol/Detective Bargaining Unit at the time of termination of employment, and
2. ~~The Employee must have been employed by the City of Richfield for at least 5 consecutive years.~~

**Contribution
Formula**

Mandatory participation in the **Police Patrol/~~Detective~~ HCSP** shall be in accordance with, and limited to the following formulas for contributions:

I. Bi-weekly Contribution

1. An eligible Employee with ~~more than 5 but less than 10 years~~ of service must contribute ~~\$15 2%~~ per pay period to the Employee’s account in the Police Patrol/~~Detective~~ HCSP. ~~Such contributions shall not exceed \$15 per pay period.~~
2. An eligible Employee with more than **10 but less than 15 years** of service must contribute ~~\$20 3%~~ per pay period to the Employee’s account in the Police Patrol/~~Detective~~ HCSP. ~~Such contributions shall not exceed \$20 per pay period.~~
3. An eligible Employee with ~~more than 15 years and more but less than 20 years~~ of service must contribute ~~\$25 4%~~ per pay period to the Employee’s account in the Police Patrol/~~Detective~~ HCSP. ~~Such contributions shall not exceed \$25 per pay period.~~
4. ~~An eligible Employee with more than 20 years of service must contribute \$30 2% per pay period to the Employee’s account in the Police Patrol/Detective HCSP. Such contributions shall not exceed \$30 per pay period.~~

II. Severance Contribution

1. Severance based on all accumulated but unused **Personal Leave, Vacation Leave, Holiday Leave and Compensatory Time** hours shall be paid ~~based on years of employment to the Employee’s account in~~ **the to the employee’s account in the Police Patrol/~~Detective~~ HCSP.**
 - a. ~~Employees with less than 15 years of employment shall be paid as cash.~~
 - b. ~~Employees with 15 years or more of employment shall be paid as credit to the Employee’s account in the Police Patrol/Detective HCSP.~~
2. All severance payments based upon Personal, Vacation and Holiday Leaves are calculated as described above, by multiplying the number of hours by the applicable rate of pay upon termination.

Contributions authorized under this Plan shall continue until such time as this memorandum is amended or repealed by the City of Richfield and LELS-Local 123.

**HCSP
Administration**

The HCSP is authorized under the Internal Revenue Code and is administered by the Minnesota State Retirement System.

FOR THE CITY OF RICHFIELD:

For LELS #123 – POLICE PATROL/~~DETECTIVES~~:

City Manager

Union representative

Administrative Services Director

Union representative

Police Patrol
Post Employment Health Care Savings Plan
Memorandum of Agreement
Between
The City of Richfield & LELS Local 123
Effective Date: January 1, 2026

Plan Purpose

The City of Richfield and the Police Patrol (LELS Local #123) bargaining unit are interested in establishing a means for eligible employees to participate in a mandatory program to help defray some of the costs of post-employment health related expenses, including health insurance premiums using pre-tax dollars. Participation in the Post Employment Health Care Savings Plan, administered by the Minnesota State Retirement System (MSRS), is intended to provide an opportunity to accomplish that goal.

Post Employment Health Care Savings Plan

A Post Employment Health Care Savings Plan (HCSP) is an Employer-sponsored program that allows eligible employees to:

- 1) defer payment of a portion of unused vacation and personal leave as a severance payment at the time of termination to pay for eligible health insurance premiums and/or health expenses after separation from City service, and
- 2) defer a portion of an Employees' bi-weekly salary for deposit into their HCSP for the payment of qualified healthcare related expenses after separation from City service.

Employees will be able to choose among several different investment options provided by the Minnesota State Board of Investment. Under the Plan, amounts contributed into the HCSP are tax-free and not subject to FICA contributions. Assets in the HCSP will accumulate tax-free and since payouts are used for qualifying medical expenses, they will also remain tax-free.

Eligibility to Participate

Participation in the **Police Patrol HCSP** is mandatory for all employees that meet the following requirement:

The Employee must be a member of the Richfield Police Patrol Bargaining Unit at the time of termination of employment.

**Contribution
Formula**

Mandatory participation in the **Police Patrol HCSP** shall be in accordance with, and limited to the following formulas for contributions:

I. Bi-weekly Contribution

- 1. An eligible Employee with **less than 10 years** of service must contribute **2% per pay period** to the Employee’s account in the Police Patrol HCSP.
- 2. An eligible Employee with more than **10 but less than 15 years** of service must contribute **3 % per pay period** to the Employee’s account in the Police Patrol HCSP.
- 3. An eligible Employee with **15 and more years** of service must contribute **4%** **per pay period** to the Employee’s account in the Police Patrol HCSP.

II. Severance Contribution

- 1. Severance based on all accumulated but unused **Personal Leave, Vacation Leave, Holiday Leave and Compensatory Time** hours shall be paid **to the employee’s account in the Police Patrol HCSP.**
- 2. All severance payments based upon Personal, Vacation and Holiday Leaves are calculated as described above by multiplying the number of hours by the applicable rate of pay upon termination.

Contributions authorized under this Plan shall continue until such time as this memorandum is amended or repealed by the City of Richfield and LELS-Local 123.

**HCSP
Administration**

The HCSP is authorized under the Internal Revenue Code and is administered by the Minnesota State Retirement System.

FOR THE CITY OF RICHFIELD:

For LELS #123 – POLICE PATROL:

City Manager

Union representative

Administrative Services Director

Union representative