



Richfield City Council Agenda

August 26, 2025 -- 4:30 PM

**Richfield Municipal Center
Council Chambers
6700 Portland Avenue South**

- 1. Call to Order**
- 2. Item Discussion**
 - a. Presentation of the 2025 Revised/2026 Proposed Budget and Tax Levy.**
- 3. 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.



City Council Meeting 8/26/2025
Agenda Section: Item Discussion
Agenda Item: 2.a.

Report Prepared By:

Department Director:

Mary Bogie, Interim Finance Director

Item for Consideration:

Presentation of the 2025 Revised/2026 Proposed Budget and Tax Levy.

EXECUTIVE SUMMARY

At the August 12, 2025 City Council work session, staff provided the City Council with a preview of the preliminary 2026 Budget summary and levy, proposed 2026 Capital Improvement Budget (CIB) and 2027-2030 Capital Improvement Plan (CIP), proposed utility rates, and a review of City fees.

The preliminary 2025 Revised and 2026 Proposed Budget and Tax Levy will be presented to the City Council for review.

The proposed 2026 City tax levy is a 5.97% increase over the 2025 tax levy. The budget includes a balanced General Fund budget and also includes Special Revenue funds, Enterprise funds, Internal Service funds, Debt Service funds, and Capital Improvement projects budgets.

The City Council will be asked to approve the preliminary 2025 Revised/2026 Proposed budget and preliminary tax levy at the September 23, 2025 City Council meeting.

HISTORICAL CONTEXT

Staff present the proposed budget and tax levy to the City Council at a special budget work session prior to approval at a City Council meeting in September.

RECOMMENDED ACTION

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

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

The preliminary 2025 Revised/2026 Proposed budget and preliminary tax levy will be presented to the City Council at the September 23, 2025 City Council meeting for approval.

CRITICAL TIMING ISSUES

The proposed 2026 City tax levy is a 5.97% increase over the 2025 adopted levy. The increase in the City's General Fund budget for 2026 is 7.18% over the 2025 adopted budget.

FINANCIAL IMPACT

LEGAL CONSIDERATIONS

ALTERNATIVE RECOMMENDATION(S)

ATTACHMENTS

1. 2025-2026 Action Steps
2. 2025 Department Highlights
3. 2026 City Budget Book for 08.26.25
4. 2026 Proposed Budget Presentation

Action step	Priority/ Outcome	Process Improvement	Assigned to	Year Scheduled	Notes
Implement CivicPlus agenda management system to improve staff report workflow for public meetings.	1c	Y	Administrative Services-Clerk/Executive	2025	Launched new agenda management system in July 2025 for City Council meetings. All boards and commissions will have transitioned to using new system by Q4 2025. Staff is exploring continuing education opportunities for users. Continue staff and Council learning opportunities through 2026.
Develop Data Management System - City Wide	1,3,4	Y	Administrative Services - City Clerk	2026	Review existing data management processes for inefficiencies and redundancies. Begin training and implementation once new processes are established. Continues to be in progress. Established a process for creating, tracking, and archiving contract and agreement documents.
Implement Even Year Elections	1c	Y	Administrative Services - City Clerk	2025 and 2027	Goal to work cohesively with with ISD280 to transition to even year election cycles and realize cost savings by removing odd year elections.
Improved process of Election Administration	1c	Y	Administrative Services - City Clerk	2025-2026	Created a new work flow process to coincide with increased absentee voting to streamline elections in Richfield.
Develop Strategic Communications Plan	1c, 4b	y	Administrative Services - Communications	2025	Developing as part of the Certified Public Communication Program.
Develop basic Crisis Communications Plan.	1a, 1c, 4a		Administrative Services - Communications	2026	Develop basic communications plan and train.
Add city news and updates to Rec Program Guide. Rebrand publication in 2026.	1c, 5a		Administrative Services - Communications	2025-2026	Content added beginning in Fall 2026. Will work on renaming the publication for Winter 2026.
Launch a new external-facing website and internal-intranet.	1c, 5a, 4a		Administrative Services - Communications	2025-2026	Contracted with CivicPlus to build new website. Launch expected in December 2026. Intranet will move to Sharepoint. Will relaunch web team as part of this initiative.
Audit all digital content for Web Content Accessibility Guidelines (WCAG) and plan for remediation.	1c, 5a		Administrative Services - Communications	2026-2027	City of Richfield must be in compliance by 4/27/2027. WCAG guidelines apply to all digital spaces and content, including website content, social media channels, email communications and third-party apps and vendors.
MN Paid Leave	4		Administrative Services - HR	2025	Implement the MN mandated Paid Leave Program or similar private program.
Organizational culture training	4 a,b		Administrative Services - HR	2026	Continue the training for all staff (will depend on the capacity).
Update our AWAIR program including a plan for Safety Training (non Fire, Police and PW staff)	4a		Administrative Services - HR	2026	AWAIR training in MN refers to Workplace Accident and Injury Reduction (AWAIR) training, which is required under MN OSHA regulations. A tailored training program for administrative staff will be delivered in early 2026.
Employee Survey	1, 4		Administrative Services - HR	2026	The cycle has been every two years to survey staff on employee experience, satisfaction and solicit feedback. Depending on staff capacity to complete this in 2026, this may go into 2027.
Stay Interviews	1,4		Administrative Services - HR	2025-2026	Establish program for City Manager and Assistant City Manager to meet/checkin with new hires (within 90 days of hire or promotion). Also implement service anniversary check-ins (one year, five years, etc...) with HR. This was started in 2023, paused due to staff capacity limitations. In 2025 City Manager and Assistant City Manager conducted stay interviews.
Laserfiche Work Flows - CD	1c	Y	Administrative Services - IT	2025	Establish an automated synchronization between the citizen services portal and the Laserfiche repository. This will automatically archive permit files to ensure compliance with records retention policies.
PCI Compliant Training and Policy	1c & 3a	Y	Administrative Services - IT	2025	The new PCI Compliance Policy is under final review. Once approved, IT will roll out refreshed training to empower departments to own their compliance annually done in February. The tracking of training completions and renewals will then be transitioned to HR, while IT continues to ensure technical compliance through network scans.
Webex Cloud Migration	1c & 3a	y	Administrative Services - IT	2025	Migrating from on-premise Webex to Webex Cloud to gain enhanced features, including remote control capabilities. Phase 1 is complete, with Phase 2 scheduled for August-November 2025 Scheduled with LOGIS and Heartland.
IT Policy	1c	Y	Administrative Services - IT	Ongoing - 2027	Developing a comprehensive IT policy, including a new Cybersecurity Policy, to establish clear security standards and safeguard user data. The initial draft is complete and the formal review process is scheduled to begin. This initiative is a key component of our LOGIS Security as a Service program.
Cameras and Door Access	1c & 3a	Y	Administrative Services - IT/Building Services	2025 - 2027	This project upgrades and expands physical security systems. Phase 1 (Fall 2025): Replace City Hall cameras and add new cameras at Public Works, the Ice Arena, and Fire Station 2. Phase 2 (2026): Install new cameras and S2 door access at the new WLNC building.
Laserfiche Work Flows - HR	1c	Y	Administrative Services - IT/HR and Finance	2025	Develop and implement a standardized Personnel Action Form (PAF) workflow in Laserfiche for all departments. The target completion is the end of year 2025.
Develop (Implement a "Key Holder" position for each liquor store	4b	Y	Administrative Services - Liquor Operations	2024-2025	Work with H/R & Payroll to develop a "shift" pay plan for this "Intermittent" position. Implementation of this position will allow for each store to schedule and function more effectively with very minimal financial impact.
Develop Capital Replacement Schedule for Liquor Operations-Building	3b		Administrative Services - Liquor Operations	2024-2025	Review and implement a replacement schedule of common building maintenance items including estimated costs. Roof, HVAC, Boiler, Cooler compressors, ETC... This will be in conjunction with Public Works.

Action step	Priority/ Outcome	Process Improve- ment	Assigned to	Year Scheduled	Notes
Implement and utilize our "Point of Sale" time clock for all hourly employees	4a	Y	Administrative Services - Liquor Operations	2025-2026	Create a user profile in the "POS" for all employees with a unique username and password. Train all hourly employees on how to punch in and out using the "POS" to log their hours. Ultimately eliminating physical timecards.
Analyze multi-family (MR-2/MR-3) regulations	2b,c		Community Development	2025	Series of three worksessions in 2025. Public hearing held in July, consideration by Council scheduled for August/September.
Policy Request: Study impacts of reduced 4d(1) tax classification rate and recommend policy approach.	2b,c		Community Development	2025	Advocating for legislative changes through League of Minnesota Cities/Metro Cities policy committee process. Completion of further analysis of impacts and possible strategies expected by the end of 2025.
Develop an "Apartment Navigator" program to expand connections with apartment communities.	2c, 5a		Community Development	2026	Efforts with Conflict Mediation Center didn't progress. 2026 work plan item, as staff capacity allows.
Award additional social service ARPA funds.	2c, 5a		Community Development	2024-2025	Second round of ARPA contracts were issued at the end of 2024. Social service providers are expected to expend all funds by the end of 2025. \$60,000 was designated for the clean-up of high-content homes to be spent by the end of 2026. \$33,000 remains.
Review process of bringing a development to Council/residents.	1c	Y	Community Development	Ongoing	Foster a better understanding of "vested entitlements" granted in the zoning code. Provided LMC short-course to Council and add'l appointed policymakers. Utilized Esri storymaps for MR-2/MR-3 code updates.
Model the type of development and investment that we want to see in the Community	2b, 2c,3c		Community Development	Ongoing-2026	The HRA approved the sale of two lots to buyers to construct duplexes through the Richfield Rediscovered Program in 2023. Neither buyer was able to secure financing. Staff continues to explore options and partnerships. Staff continues to work with Woodlawn Terrace on bringing in new units. A new mortgage product is now available and staff are working with partners to test it. Utility work is now complete and community now has access to City water.
Update housing work plan	2c		Community Development	2024-2025	An evaluation of housing programs was completed in 2025, identifying available resources and providing the basis for the housing work plan for the next two years. Staff applied for program development funds from the Metropolitan Council to help develop new programs in response to the evaluation. The first full-year LAHA payment (\$653,000) was received in 2025. Staff applied for Bring It Home Minnesota funding in 2025 and anticipate implementing the new state rental assistance program in 2026.
Create economic development plan within budget and staffing constraints	2a,b		Community Development	2024-2025	The Richfield REVIVE Program was approved by the EDA in 2025. Staff is creating program materials to roll out the program. Other economic development activities include implementing the Small Business SAC Assistance Program, the Energy Efficient Business Rebate Program, the Downtown Branding and Placemaking Strategy, partnering with Hennepin County on Elevate Hennepin, and providing business assistance information through the Richfield Business Bulletin and one on one communications.
Develop a strategy for marketing downtown and attracting new businesses.	2a, b		Community Development	2024-2025 and beyond	The City is working with CivicBrand, a national consultant, to develop a branding and placemaking strategy for downtown. The project was primarily funded by a Business District Initiative grant from Hennepin County, with a supplement from the EDA. The project should be completed by early 2026 and will be used to promote the area, support local businesses, enhance downtown, and implement the wayfinding plan.
Develop plan to market HRA owned sites for redevelopment	2b, c		Community Development	2024-2025 and beyond	In 2025, the HRA sold an undevelopable site that it owned to an adjacent business owner. A marketing brochure has been developed for the site at 1600-1710 78th St. Staff meets with and statagically sends site information to prospective developers of HRA -owned sites.
2024 Policy Request: Short-term rental regulations	2c		Community Development+Exec/Finance+Public Safety	2025-2026	CD - Ordinance limiting STRs adopted summer 2025. Working with larger online rental platforms to advertise rules. PS - Business licensing program set-up underway; rules to be in place prior to Ordinance effective date of Jan. 1, 2026. CD/PS will need to work on coordination of license + inspection as rules take effect. Finance/Exec to determine how to collect tourism tax.
Report progress on equity plan metrics to staff, council and community annually	5a		Executive	2025	Incorporated baseline data into the newly created equity plan. The city contracted with Strategic Diversity Initiatives to create a citywide internal equity plan. The plan will be ready for implementation Q4 2025.
Document commission processes in a manual. Provide training for commissioners and chairs. Obtain and track demographic information for all applicants. Survey for better recruitment and retention.	1a & 5b	Y	Executive	2025	Documented commission processes in a manual. Training for new and existing commissioners is offered yearly and led by the City Attorney. Collecting demographic data on commission applications; requested data adjusted to be consistent with strategic planning goals. Sending a survey to current commissioners in 2025 to guide future improvements in recruitment and retention.
Council Member Onboarding	1a & 4c	Y	Executive	2025	Onboarded two new Council Members in 2025. New members met individually with all city departments and the City Attorney to gain an understanding of city operations and priorities. Produced and provided a comprehensive onboarding guide to support their transition and serve as a reference throughout their term.

Action step	Priority/ Outcome	Process Improve- ment	Assigned to	Year Scheduled	Notes
Maintain strategic plan dashboard to track performance targets, and update the progress on the strategic plan twice a year.	1a	Y	Executive	2025	Improved tracking progress on the strategic plan. In 2025, we transitioned from Envisio to an Excel-based tool to monitor performance targets and update progress twice a year. The current strategic plan remains in effect through 2026.
Essential Services Plan	1b		Executive	2025-2026	Contracted with Rapp Consulting Group to facilitate, scheduled to begin in October 2025 and will wrap up in Spring 2026. The study will provide a structured review and classification of all municipal services.
Worker's Comp LMCIT	1b & 1c	Y	Executive/Admin Serv/Fin	2025-2026	Exploring the option to transition to the League of Minnesota Cities Insurance Trust (LMCIT) for worker's compensation insurance coverage, currently self-insured.
Develop and implement training program	4a		Executive/Administrative Services-HR	2025-2026	Exec staff coordinated several new trainings, topics included business writing, PowerPoint presentations, public speaking, equity and inclusive interviewing. Staff are also coordinating a multi-day leadership training program for all supervisors in 2025 and 2026. Will work with HR to formalize a program and tracking system for employees.
Update and create HR processes/policies that align with equity and inclusion goals.	5b	Y	Executive/Administrative Services-HR	2025-2026	Worked with HR to refine hiring/onboarding processes, train employees for inclusive interview practices, be present during interview processes cross-departmentally, and improve recruitment.
Partner with local legislators, state agencies and regional partners to advance key city priorities.	1-5		Executive/All Departments	Ongoing	Legislature did not include local projects in the bonding bill, will include requests for Nicollet and the emergency water interconnect next session. Increased awareness on unintended negative impacts of local cost shares for transportation projects, eliminating local group home inspections and 4d.
Create and launch a public equity and inclusion webpage.	5a		Executive/CAREs Team	2025	Created Equity webpages (both internal, staff-only and external, public-facing) and updated as necessary.
Create Equity Plan framework and support departments in creating their specific equity workplans	5a		Executive/CAREs Team	2024-2025	Worked with Strategic Diversity Initiatives on the creation of an Equity Plan. The first stage, a DEIA (Diversity, Equity, Inclusion and Access) climate survey and focus groups, occurred in August 2024. The second phase, an equity planning workshop, occurred in January 2025. The equity plan will be ready for implementation by Q4 2025.
Contract with MN Dept of Revenue to collect tourism taxes	1c	Y	Executive/Finance	2025	Assist Finance to contract with MN DOR to collect tourism taxes on hotels and short-term rentals
Target process review, improvement and documentation	1b, 3b, 4b	Y	Finance	2025-2026	Staff transition highlighted the need to review processes and develop standard operating procedures. Our focus will be strategic financial management, best practice and internal control compliance. Targeted areas will include: allocations, internal loans/leases, cash forecasting and management, chart of accounts use, implementing EFT vendor payment, and other areas as time allows.
Improve monthly/quarterly financial reporting	1b	Y	Finance	2025-2026	Budget/actual reports for operations and capital projects have not been timely (staff turnover/transition) and can be better designed to meet the needs of decision makers. In addition to developing new reports, Finance will meet regularly with departments to review.
Optimal staffing to meet service demands. Support recruitment and retention, maintain workforce capacity	1c, 4b		Finance	Ongoing	Staffing continues to be one of the primary challenges Finance is facing. Tight labor market has generated more challenges in our attempts to hire staff.
Implement Electronic Timecards	1c	Y	Finance/Admin Serv	2024-2025	This project was completed in 2025: most departments entering their "timecard" directly into the payroll software or a separate software that is then uploaded to payroll. The change greatly reduces errors and staff time.
Implement Tungsten for Accounts Payable	1c & 3a	Y	Finance/Admin Services-IT	2026	Administrative Services - Finance: Streamline data entry and filing; significantly reducing staff time, preventing data entry errors, and resulting in less down time for staff.
Improve 10 year financial plans. Research and present options for additional revenues to council.	1b, 3b	Y	Finance/Executive	2025-2026	Contracted with Ehlers in 2024. Project is delayed due to Fin staff turnover and needing more time to assess capital assets. Finance expects to restart the project in Q4 2025 and complete in 2026.
Piloting Alternative Response Team with RPD and Edina Police and Fire	1c, 4b	Y	Fire/Public Safety	2024-2026	Collaborated with Hennepin County, Richfield PD, Edina PD, and Edina Fire to develop a program that connects residents with appropriate resources for their needs, including mental health support and to reduce the reliance on emergency room visits. Ongoing evaluation in 2025-2026.
Implement Data-Driven Decision Tools	1c, 2c	Y	Fire	2025-2026	Implement analysis of call data, staffing patterns, and workload distribution to guide operational and budget decision. Supports evidence-based budgeting, operational efficiency, and improved accountability.
Develop a Workforce Sustainability Plan	1c, 4b, 5b	Y	Fire	2025-2026	Develop a workforce sustainability plan focused on staffing models, succession planning, and strategies to manage long-term absences, turnover, leave coverage and special projects. Critical due to current workforce challenges; ties directly to budget impact and continuity of operations
Launch an Officer and Training Development Program	4a, 4b	Y	Fire	2025-2026	Strengthen leadership capacity and improve operational consistency by creating standardized lesson plans, officer development pathways, and accountability expectations across shifts. Thus, builds a sustainable and structured leadership pipeline and raises performance standards for daily operations and future growth.

Action step	Priority/ Outcome	Process Improvement	Assigned to	Year Scheduled	Notes
Strengthen Fire Prevention and Risk Reduction Initiatives	2c, 3a, 4a, 4b, 5a	Y	Fire	2026-2027	Strengthening fire prevention and community risk reduction reduces fire risk, injury, and property loss before emergencies occur. Proactive inspections, consistent follow-up, and public education—especially with seniors, schools, and vulnerable groups improve safety and reduce barriers. Using data to target high-risk properties and partnering with businesses and community organizations enhances overall fire safety while supporting sustainable infrastructure, affordability, and equity.
Maintain 1,700 hours of Community Oriented Policing despite staff shortages.	1,3a-c,4,5a/b		Public Safety	2023-2026	Expand our programming to reach the varied demographic populations within the city. Continually review what we are providing with Bloomington Public Health and survey what the communities needs are for services and support. The opioid settlement money will be planned and spent over the next 18 years.
Continue robust recruitment to fill vacancies due to tight labor market and maintain diversity.	1a,4,5a-c		Public Safety	2024-2026	Have maintained 20% female sworn staff. This percent is above the national average for law enforcement agencies. RPD is also over 23% officers of color. Hired 5 officers in the last year and will have 3 officers starting in 2026
Support Services continues to evaluate properties and perform complaint based/proactive inspections to ensure properties are well maintained and in compliance with city code. Also regularly reviewing and updating relevant code in Support Services.	1,3a-c,4,5		Public Safety	2024-2026	We worked with numerous properties and home owners concerning property maintenance violations. We have maintained a 95 percent compliance rate for the past 5 years. Significant progress has been made on code updates and new ordinances related to adult-use cannabis: Implemented policies on low-dose cannabis products, passed an adult-use cannabis ordinance on smoking, eliminated flavored tobacco and capped tobacco licenses. Staff are currently communicating registration guidance with potential owners. Cannabis businesses in the city should be completely in place by late 2025, early 2026. Low potency hemp registration will open Oct 1, 2025.
Established an Officer Wellness Program addressing spiritual, physical, and financial health to help officers with stress management and resiliency. Program will also provide better resources to cope after critical incidents.	1,4, 5		Public Safety	2024-2026	We have presented several topics through our in-house department training. This will be an ongoing process as we evaluate what is working through meeting with staff. Looking at a new firm to provide an in-house wellness program to come out quarterly to meet with officers to do base line testing. Hope to have program implemented in 2025 to 2026. Established a committee made up of a cross section of the police department in 2025
Support Services, property maintenance, etc. Tasked with creating and implementing a licensing program for Short Term Rentals	1,3,5		Public Safety	2024-2026	Staff are finalizing the licensing process for the new STR ordinance and continually updating other ordinances as they relate to property maintenance and chronic issues seen in the community. Vacant home numbers continue to rise and GUDS are being addressed via ARPA funding for abatement.
Public Safety Aid Money to be used for the Public Safety Budget on recruitment and retention.	1,3,4,5		Public Safety	2024-2030	City Manager, Public Safety and Fire met to draft criteria for future projects, including recruitment and retention. A plan was developed in July of 2025 to spread the dollars and interest out to cover items in the public safety general fund that is in compliance with the legislative requirements.
Instituted 20 police statutory changes that were passed by the Legislature and the POST Board on mandated policies. Anticipate additional reforms will be put into place in 2025 and 2026	1,3,4,5		Public Safety	2025-2026	Worked internally to complete and process new reform measures through development, training, and education, and implementation of equipment. Worked through and completed updated POST Board Mandates, working on other legislative mandates for 2025. Anticipate further police reform changes during the 2026 legislative session.
Strengthen community partnerships through the JCPP and other programs, including hosting outreach events.	1c,3a, 4, 5a-c		Public Safety	2025-2026	Partnering with 30 civic organizations and host 21 community outreach events. Through our flagship programs, Home Alone, Nite to Unite, Unity and the Community, and Heroes for Helpers, we are looking to create more diversity in our outreach by teaming up with new community organizations. Added Drivers License for all training and completed 6 classes. Working on additional programming for 2026
Inspect properties and provide reports on how to lower crime through crime prevention of the property as in Crime Prevention through Environmental Design, "CPTED". Performing security assessments for schools and businesses.	1,3,4, 5a/c		Public Safety	2025-2026	We have worked this last year with Richfield Towers and Seasons Park on building maintenance and security issues along with Landlord Tenant concerns. Based on the number of "Active Shooter" incidents occurring around the country, increased requests for onsite security assessments. Working with schools and businesses on safety protocols for critical incidents.
Emergency Management/Response for continued support of COVID, addition training, preparation for man-made and natural disasters. Outreach to underserved communities. We will be looking at using the remainder of the ARPA money to replace an existing Communications Van that is close to 30 years old and needs replacement.	1,3,4,5a-c		Public Safety	2025-2026	Awarded \$150k in ARPA funding to achieve our goals of emergency planning over the next 3 years. Planning is taking place to move this forward. We will be looking at using the money to replace an aging communications van. This will be completed in 2026.
Move to Hyper-Reach community notification system in August 2025. We are able to send alerts out that will automatically go to social media platforms.	1a-c,3,4,5a/b	Y	Public Safety	2025Q4-2026Q4	Hyper-Reach is new and will be implemented and tested. Have been FEMA certified to issue IPAWS notices to the community that will be delivered to all devices.
Added a Therapy Dog named "Ritchie" for the city with a legislative grant.	1,3,4,5	Y	Public Safety	2025	Our Therapy dog was provided by a grant from the legislature and will be used throughout the city for employees. Training is almost completed.

Action step	Priority/ Outcome	Process Improve- ment	Assigned to	Year Scheduled	Notes
Improve our ability to communicate with our customers (e.g. remove language barriers).	1, 3, 5		Public Safety/Fire	2024-2025	We continue with Spanish language training, PS also hired 3 additional employees who are bi-lingual. More are to be hired in Q4 2024 and 2025
Successfully complete the city-wide water meter replacement program by the end of 2023.	3a		Public Works	2025	This project, started in 2019, has experienced major disruption due to Covid and supply chain delays. There are currently less than 30 meters are left to replace. Anticipated completion by November 2025. Most of these remaining properties are vacant, have nonresponsive owners, or have outright refused to let us change the meter.
New Public Works storage facility.	1c, 3a		Public Works	2025-2026	(Disruption but on track to complete by 2026) The Diagonal Blvd/Cedar Ave property was conveyed to the City by MnDOT in May 2025. An engineering consultant has been retained to design storage facilities on the site that will best serve Richfield's needs while fitting in to the neighborhood. The 2025 goal is to complete design and begin public engagement. Construction is identified for 2026.
Update Inflow/Infiltration (I&I) ordinances in accordance with the Sanitary Sewer Comprehensive Plan and adopt and implement a Fats, Oils, and Grease (FOG) ordinance	3a		Public Works	2025-2026	(Disruption, aiming to complete in 2026) Richfield utilities leadership actively participated in MCES's task force for the development of policies and programs relating to FOG in 2024. With the change in regulations and requirements for our annual lead copper sampling for 2025, among many other things, staff did not yet find the time to make substantial progress on updating these ordinances. The revised completion target for this effort is 2026.
Collaborate with state officials to examine the equitability of regional cost share policies	2c, 3b		Public works	Ongoing	May consider action this legislative session to have legislation drafted and identify champions at the Capitol, although some legislation was introduced (not by Richfield) in the 2023 and 2025 sessions. The 2025 session language focused on MnDOT cost share policies for counties and cities. This legislation was tabled during the 2025 session but served to bring more attention to this issue. Public Works will continue to raise concerns with burdensome cost-share requirements as Nicollet Ave reconstruction approaches and Penn Ave reconstruction is on the horizon.
Continue to address inequities in the public right-of-way by utilizing the Public Works Public Engagement Process and Guiding Principles when designing reconstruction and improvements.	3a, 5c		Public Works	Ongoing	In 2024 staff was informed by Hennepin County that they had programmed Penn Ave for a full reconstruct beginning in 2028. The Richfield Public Engagement Process will guide design of this project as well and will kick-off in August 2025.
Inventory and condition assessment of government buildings, park assets, utility infrastructure, fleet, & roadway elements	1c, 3a, 3b		Public Works/Administrative Services/Recreation Services	2023-2026	PW is inventorying pavement markings via desktop analysis in 2025. Retaining walls have been inventoried/assessed in 2025. Park inventory is ongoing and is on track to be completed by end of 2025. Gov't buildings will work with a consultant in Q3-Q4 2025 to inventory and assess Gov't building assets. Recreation is underway with Ice Arena and Pool inventory and assessment with internal staff. Lastly, PW aims to hire a Asset Management/GIS Analyst FTE which will begin to help us tie all this together into an asset management system starting in 2026.
Construct a splash pad adjacent to the Richfield Pool that will be a free amenity and a cooling site.	3c, 5a,c		Recreation Services	2025	Splash Pad project substantially completed. There are a few outstanding punchlist items that need to be completed following the 2025 pool season.
Explore additional recreation funding sources	1b	Y	Recreation Services	2023 - 2026	Researched park dedication fees. Implemented Local Option Sales Tax. Developing Parks Master Plan in 2026 that will help identify and apply for grant opportunities for park capital projects
Develop a timeline and complete funding plan for a new \$26M nature center and park improvements.	1b, 3a,b, 5a,c		Recreation Services	2023-2026	Funding has been secured, construction commences September 2025. Budget will need to be managed through end of project in Fall 2026.
Develop a plan to engage the community on capital project priorities.	3a, 5a,c		Recreation Services	2024 - 2026	This will align with the WLNC Building Project, Local Sales Tax initiatives, and the recreation facility assessment. Parks Master Plan process slated for 2026
Conduct an electric vehicle suitability/assessment, and continue evaluating fleet for EV/PHEV replacement opportunities.	3a,b,c	Y	Recreation Services	2025-2026	Council prioritized CAP goal - Initial vehicle assessment completed 2025, fleet evaluation will occur in 2026
Increase Climate Action Plan Education with community and city staff	3c, 5c	Y	Recreation Services	Ongoing	Includes informal and formal opportunities. WLNC classes, Farmer's Market tabling, Eco-fair, work with Sustainability Commission, outreach regarding CAP, etc. Sub branding completed, initial communication has begun.

2025 Department Highlights

Administrative Services

Human Resources

- Successfully conducted leadership searches for Fire Chief, IT Manager, Budget Cash and Debt Manager and HR Manager. Successful searches were also conducted for 25 regular staff and 104 seasonal workers.
- Actively facilitating the Laserfiche and the Personal Action Form projects which will increase administrative efficiency and compliance.
- This fall will bring 5 union negotiations, open enrollment of benefits and preparation for the implementation of the new MN Paid Leave law on Jan1, 2026.

City Clerk

- In collaboration with city-wide departments and staff, implemented and launched a new agenda management software platform, including comprehensive training for staff, City Council, and Commissions.
- Enhanced transparency and public engagement by launching a public portal feature, improving access to City Council and Commission meetings.
- Collaborated with IT to establish Weblink (Laserfiche product) within our new agenda management software platform. This allows the public to easily access historical records, including Council and Commission agenda packets, minutes, resolutions, and ordinances.
- Enhanced municipal code update processes to include codification of approved ordinances three times per year.
- Collaborated with Executive Department to update Council Rules of Procedure and Decorum and clarified language document on Council meeting processes for public hearings and closed sessions.

Deputy Registrar

- Reduced processing errors with improved quality controls.
- Cross-trained staff for greater service flexibility.
- Increased rate of same-day transaction completions.
- Reduced appointment no-show rate through proactive receptionist remainder calls.

Building Services

- Complete LED lighting conversion at the Municipal Center, Fire 2, Penn and Lyndale liquor stores
- Replace rooftop HVAC system at Cedar liquor
- Replace CO/NO2 detectors at the Public Works building

IT

- Modernized the city's physical security infrastructure by replacing outdated cameras at City Hall, expanding video surveillance coverage to the Public Works building and Fire Station 2, and migrating all systems to a new centralized management platform.
- Launched a critical infrastructure project to upgrade all city-owned computers to Windows 11, ensuring continued security and support ahead of the official Windows 10 end-of-life deadline.
- Improved operational efficiency by deploying the FreshService platform as the city's new, unified system for tracking technology inventory, managing contracts, and overseeing IT budgets.
- Enhanced staff proficiency and collaboration city-wide by introducing a new training program for Microsoft 365. The curriculum, covering Teams, SharePoint, and OneDrive, was tailored to the specific workflows of each department.
- Webex cloud Migrating from on-premise Call Manager to Webex Cloud is gaining enhanced features, including remote control capabilities. This includes better call routing and easier phone and number assignments.

Communications

- Successfully led public information campaign for Our Legacy, Our Future local sales tax initiative.
- Completed a Strategic Communications Plan as part of the Certified Public Communicator program at Texas Christian University.
- Updated the city's Social Media Policy to reflect current standards and best practices.
- Issued an RFP for the creation of a new city website. Awarded the contract to Civic Plus. New website will debut in late 2025.
- Steadily increased number of followers/subscribers on city channels. Added city news to the Recreation Program Guide to ensure a hard-copy form of city communications can reach all residents on a regular basis (3x per year).

Liquor Operations

- We transitioned from monthly features (wine, Beer, Spirits of the month) to bimonthly features. This has been beneficial for our stores and these promotions to actually lift off and see some success while lowering our overall need to buy up on inventory.
- Odd highlight: The heat exchanger (HVAC) was tagged at the Cedar Point store on 03/25/2025. It was at max life of the unit. Temporary heat was installed, and we made it through the remainder of the cold weather season. On 05/13/2025 the new system was installed that day the temperature reached 90 degrees setting a daily record. Needless to say, we put the HVAC right to use.
- Hosted another successful “Toast to Richfield” with our partner the Richfield Foundation. Yielding again a \$10,000 value of order requests. (05/01/2025)
- Recruitment: Store by store recruitment efforts for the “intermittent” Liquor Sales Associate position have been modified. They are now tailored to the location that is in need. Location Name, hours etc.

Community Development

- Community Development staff continued to serve as staff to the City Council, the Housing and Redevelopment Authority (HRA), the Economic Development Authority (EDA), and the Planning Commission.

Planning & Zoning

- Using Metropolitan Council grant funds, modernized MR-2/MR-3 Zoning District requirements, promoting “missing middle” housing opportunities. Used ESRI Story Map to communicate the changes and engage public participation.
- Revised ordinances to address short-term rental concerns. Worked with Housing Inspections and Environmental Health teams to convert to a business licensing model.
- Worked through several large land use applications including Penn Station, Woodlake Nature Center, and Loma Bonita Grocery.
- Promoted Planner II to City Planner, providing a higher level of autonomy and supervisory experience. Provided leadership training to support the transition.
- Began preparatory work for the Comprehensive Plan update including participating in downtown visioning and branding.

Inspections

- CitizenServe, new building permit software, became fully operational increasing productivity and providing cost savings. Inspections staff continue to make refinements.
- Inspections of rental properties normalized back to pre-pandemic levels. Scheduling of biennial inspections using an odd/even address system has simplified the process. The team continued working with all rental property owners to get them up-to-speed on the use of CitizenServe.
- Prioritized digitizing paper plans and records and becoming paper-free for long-term efficiency and sustainability purposes.
- Supported legislative actions to restore rental licensing option for State-licensed group homes.
- The Division saw lower revenues due to the difficult economic environment for larger projects; however, it also experienced reduced expenditures due to temporary staff vacancies.

Finance

- Hired Budget, Debt and Cash Manager position adding needed depth to the Finance team.
- Planned capital debt issue for Oct/Nov 2025

Fire

- Expanded the use of technology to enhance the department's Records Management System (RMS), improving data collection, pre-planning, recordkeeping, asset management, and operational tracking to increase efficiency and accuracy.
- Implemented an Electronic Patient Care Reporting (ePCR) system, resulting in improved documentation accuracy and streamlined EMS reporting workflows.
- Maintained uninterrupted shift staffing coverage during military leave, parental leave, and extended injury absences, ensuring continuous emergency response capabilities.
- Completed the firefighter Civil Service testing process to establish an updated eligibility list, strengthening the department's recruitment pipeline.
- Facilitated the Fire Chief Civil Service process, completed the department's leadership transition, and began evaluating organizational structure to enhance operational and administrative coverage.

- Managed the leadership transition following the Fire Chief's retirement, maintaining operational continuity and department stability.
- Continued the pilot program of the Alternative Response Team (ART) in partnership with the Richfield Police Department (RPD), Richfield Fire Department (RFD), Edina Police Department (EPD), and Edina Fire Department (EFD), aimed at addressing EMS system gaps and enhancing community response.
- Continued partnerships with neighboring agencies to strengthen automatic and mutual aid agreements, enhancing regional emergency response coordination.
- Enhanced community engagement through public education initiatives, outreach events, and collaboration with other city departments and local organizations to promote fire safety and emergency preparedness.

Legislative/Executive

City Council

- Participated in the annual City Council-Staff Retreat, emphasizing the Council's ownership of the City's strategic plan—its purpose, priorities, direction, and accountability. Staff, guided by the Council, is responsible for implementing the plan, determining methods, and measuring performance related to its goals and action steps.
- Quarterly meetings to focus on long-term vision and planning, and to maintain a high functioning team.
- Fostered community engagement by serving as liaisons to City boards and commissions. Improved commission recruiting procedures and provided onboarding for new commissioners with separate training for commission chairs.
- Met with residents and supported a variety of community initiatives, including Juneteenth, the 4th of July, Penn Fest and the second State of the Community event.
- Advocated for City priorities at the federal, state and county level to help shape key regional projects and statewide reforms.
- Increased Richfield's regional presence by partnering with regional organizations like the I-494 Corridor Commission, I-35W Solutions Alliance, Greater MSP and Regional Council of Mayors.
- Continued to increase Richfield's visibility with earned media, by speaking at key local and regional events and by engaging with our neighbors and regional organizations.

- Contracted with Craig Rapp Consulting for an essential services plan to better define essential services, prioritize services and programs and explore more efficient and effective service delivery models.

City Manager

- Designed and launched internal strategic plan tracking tools that reduced the data-entry burden on staff and resulted in cost-savings of \$25,000 per year.
- Collaborated with Administrative Services in launching CivicPlus Select, an agenda management system used across all departments and divisions.
- Onboarded two new council members.
- Coordinated a wide range of training options for staff, including but not limited to equity training, PowerPoint training, business writing training, and leadership training.
- Created an internal Commission Manual for staff to provide more focused support to commission liaisons.
- Organized City Council-Staff retreats to help build constructive operating norms and expectations to enable a high functioning team. Council and Directors worked to identify policy proposals for the coming year during quarterly effective governance meetings.
- Collaborated with Human Resources to refine hiring and onboarding processes, train employees for inclusive interview practices, expand interview panels cross-departmentally, and improve recruitment.

Public Safety

- Received a grant to fund a Therapy Dog through the State of Minnesota
- Started a wellness committee to address overall wellness and performance of staff
- Received \$150,000.00 in funding for Intensive Comprehensive Police Officer Education and Training (ICPOET) from the State of Minnesota
- Began the Minnesota Law Enforcement Accreditation Program (MNLEAP) through the Minnesota Chiefs of Police Association
- Hired 4 Police Officers to fill vacancies and should be fully staffed to the Council approved 48 at the end of the year
- Passed the MN POST Board audit done every five years
- Began implementing a new community notification system Hyper Reach to be used during natural or community disasters

- Brought on a third CSO in Support Services, approved by the Council in 2024
- Updated several city code sections and introduced new ordinances related to cannabis and short-term rental licensing in collaboration with the City Attorney
- Addressing current issues with the illegal sales of flavored products and cannabis in partnership with the Investigations Unit.
- Created an office-sharing model for Bloomington Public Health to work out of the Municipal Center
- Staff continue to refine and seek efficiencies in the Citizen Serve software to meet Support Services processes.

Public Works

- Worked with a consultant to complete a utility rate study and develop a forward-looking rate structure that accounts for our capital and maintenance programs.
- Acquired the future Cedar Avenue Storage Site property from MnDOT at no cost to the City and began working with a consultant to develop plans for the construction of the site in 2026.
- Constructed the Safe Routes to School 73rd St trail project and 70th St trail project.
- Secured \$2.44 million in grant funding to continue investing in the city's pedestrian network in 2026.
- Began planning and design with Hennepin County for the full reconstruction of Penn Avenue and completed final design for the reconstruction of Nicollet Avenue.
- Completed the construction of the new "Broz Plaza" neighborhood park at 65th St and Pillsbury Avenue.
- Utilized additional funding to refresh roadway medians with new wood chips, where needed. Developed a Median Maintenance plan to outline the ongoing effort that will be required annually throughout the growing season.
- Refreshed park playground wood chips, as needed.
- Completed a network architectural assessment at the water treatment plant. This effort was noted as being deficient in the 2024 cybersecurity assessment.
- Advanced the design and development of construction documents for the Water System Interconnect project. City staff undertook the effort to

coordinate a federal grant application process to secure funding for this project.

- Completed an update to the stormwater model and used the model to develop a framework for prioritizing areas within the city that are prone to flooding.
- Completed the Adams Hill Pond dredging and rehabilitation project.

Recreation Services

Administration

- Began design and construction on projects funded by the Local Option Sales Tax including the Wood Lake Nature Center Building, Richfield Outdoor Pool improvements, and general improvements to Veterans Memorial Park.
- Constructed playground at Donladson Park.

Recreation Programming

- The Farmers Market grew vendor registration more than 10%.
- Pickleball leagues grew from two to four leagues per session, added spring, seniors and women pickleball leagues.
- New family programming and free community programming was added at the community center and various parks, including the expansion of the playground program to two sites per week.
- Staff supported community volunteer committees to offer the Richfield 4th of July Celebration and Penn Fest.
- Partnered with Beacons on summer programming to nurture relationships with high school age community members.

Wood Lake Nature Center

- Met with the building project team, the architect team, and the exhibit team to finalize designs and begin construction on the new building.
- Staff offices moved to the Community Center in mid-May. The move has enabled staff from both divisions to increase collaboration.
- Adjusted programming to accommodate new building construction. Eleven weeks of summer camp were offered at 2 different locations.
- Collaborated with Veterans Park and Public Works staff on larger projects. Projects included trail work (WL), ice replacement (Arena), and tree removal (mini golf).

- FOWL hosted several smaller events to reach new audiences. Although most events were well attended the largest event was cancelled due to poor registration.

Sustainability

- Complete fleet electric vehicle assessment.
- Install solar panels on Ice Arena and Public Works Building using State and Federal Funding
- Updated Climate Action Plan
- Hosted shred and electronics recycling event

CITY OF RICHFIELD
2026 BUDGET

JANUARY 1, 2026 - DECEMBER 31, 2026



6700 PORTLAND AVENUE
RICHFIELD, MN 55423
www.richfieldmn.gov

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September 23, 2025

Council Members:

In accordance with the Charter of the City of Richfield, submitted for your consideration are the recommended budgets for the City of Richfield for the period of January 1, 2026 to December 31, 2026, and for the remainder of the calendar year 2025. A City Council work session was held on August 12 and 26, 2025, to review the revised and proposed budgets.

Pursuant to State law, the City Council must certify the new budget and the revenue required to be raised by ad valorem tax levy to the County Auditor. The deadline for the certification is December 29, 2025. A proposed 2026 tax levy must be submitted to the County Auditor on or before September 30, 2025. Any amendments to the proposed budget, which would increase the property tax levy, must be made prior to the September 30, 2025 proposed levy certification deadline. No increases in the tax levy are permissible after that date, only reductions.

The resolution required to certify the 2026 Adopted Budget and tax levy, as well as the 2025 Revised Budget is presented within the final adopted budget document completed in December.

The Budget Document includes the General Fund, Special Revenue Funds, Internal Service Funds, Enterprise Funds, Debt Service Funds and Capital Improvement Projects. A diagram of the fund structure is included in the Introductory Section. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary control for Capital Projects Funds is accomplished through the use of project controls and for the Debt Service Funds by bond indentures. An administrative organizational chart, which summarizes all departments and divisions in the City, is included in the Introductory Section. This chart indicates the divisions for which each department is responsible. The 2026 Proposed Budget includes total appropriations from all funds of \$104,181,359 including all inter-fund transfers.

OVERVIEW

The recommended 2025 Revised Budget and 2026 Proposed Budget represent progress on the Council's strategic priorities and is grounded in the community's values and vision. The City continues to navigate major opportunities and challenges, both internally and externally. Internally, the organization continues to update processes, technology and invest in its workforce. The City has also secured funding from federal, state and regional programs, including a voter approved local sales tax, to make long-needed investments in infrastructure. Externally, the budget continues to be impacted by a tight labor market, inflation and ongoing economic uncertainty which has worsened in recent months.

Economic indicators reflect some easing in the labor market, stabilizing inflation and an improved real estate market. However, unpredictable federal policy has significantly increased financial uncertainty.

- The seasonally adjusted state unemployment rate sits at 3.5% in July, compared to a 4.2% national rate. However, the labor market for many city positions remains tight.
- The Consumer Price Index (CPI) for the Midwest urban region increased 2.6% between July 2024 and July 2025. The rate is similar to the 2.7% increase for the same period from 2023 to 2024.
- The real estate market shows some signs of recovery, but indicators are mixed. Interest rates are down from their peaks in 2023 and 2024 but still remain high; the 30-year fixed mortgage rate was 6.72% the last week of July. The Federal Reserve has signaled the possibility of rate cuts this year but the extent of the cuts and the impact on borrowing costs is likely to be modest.
- Uncertainties in federal policy and funding commitments adds fiscal stress, specifically cuts to federal programs, tariffs and tax cuts.
 - The City lost \$535,000 in federal public health funding that had been previously awarded. We continue to monitor the risk to other federal grants.
 - Funding cuts to Medicaid and other federal programs could worsen the state's predicted 2028-29 biennium budget deficit and result in future cuts to state aid programs like Local Government Aid.
 - Federal actions on tariffs and tax cuts could drive higher inflation in the future.

The 2025 Minnesota legislative session did not fund local projects in the capital infrastructure ("bonding") bill. The City had sought \$10 million in funding for the Nicollet Reconstruction Project and will submit a request again in 2026. The additional funding and new programs enacted in the 2023 legislative session continue to shape budgets. Additional Local Government Aid funding and one-time Public Safety Aid will help fund increased personnel costs. Staff are preparing for the paid family and medical leave program which begins January 1, 2026.

STRATEGIC PLAN PROGRESS

The pace of change, economic uncertainties and deepening divides across many cultural and demographic measures has placed higher expectations on local government. To prioritize limited resources, the City's policies, budgets and programs are guided by a four-year strategic plan. Developing the plan included several months of engagement with residents, policymakers, local partners and staff, and included measurable outcomes and performance targets. The final plan prioritizes **operational excellence, community development, sustainable infrastructure, high-quality workforce and equity**. Ultimately, budgets are a spending plan, calibrated to respond to fiscal conditions, and a statement of the City's priorities. Highlighted below are some examples of how these priorities are reflected in the 2025 Revised Budget and the 2026 Proposed Budget.



Operational Excellence: *Focused City leadership (1a); Financial capacity to deliver essential services (1b); Operational capability to deliver essential services (1c)*

In 2025, the City implemented a new agenda management system, automated personnel forms and accounts payable processes, improved strategic plan reports and started a two-year process to upgrade the website. The City has contracted for two major studies to begin in 2025 and wrap up in 2026, including a comprehensive review of services and improving long-term financial planning. The City also worked with Richfield Public Schools to change board elections to even years which will improve efficiency and reduce costs in the City Clerk's budget. Council and staff leadership meet quarterly to monitor progress on the strategic plan, strengthen working relationships and review policy priorities.



Community Development: *A vibrant downtown (2a); Increased tax base (2b); Maintain Richfield as an affordable place to live (2c)*

The City received a grant to fund a downtown branding and placemaking strategy to build on recent investments. The EDA created a new small business assistance program to help businesses make improvements to their properties. An evaluation of the City's housing programs was completed and will help guide new housing initiatives and use of Local Affordable Housing Aid (LAHA) funding from the state. The HRA received funding for rental assistance through the State's new Bring It Home Minnesota program. The Penn Station development received federal funding to create new affordable housing on Penn Avenue. The City and its HRA provided assistance to preserve the affordability of three naturally occurring affordable rental housing properties that were up for sale. The City continues to reduce barriers to building more affordable housing, including making changes to zoning to encourage "missing middle" housing through a comprehensive re-write of the multi-family zoning districts. A summary of ongoing community development projects is detailed later in this document under Strategic Development. Many of the programs are funded in the City's Housing and Redevelopment (HRA) and Economic Development Authority (EDA) budgets. In 2024, those programs assisted 601 households and businesses in Richfield.



Sustainable Infrastructure: *City infrastructure support service needs (3a); Sustainable infrastructure financing (3b); Climate resilience is a priority (3c)*

Progress on stewardship of the City's human, financial, built and natural resources is evident throughout the operating and capital budgets. In 2024, residents approved a 0.5% local sales tax to fund transformational improvements to three city parks. Local sales tax funding will be added to a \$3 million federal grant and \$12 million state grant to construct a new Wood Lake Nature Center starting in 2025 and opening in late 2026. The City also plans Veterans Park improvements in 2025 and 2026, including the pool, ice arena, picnic shelter and trails. The 2025 Revised budget proposes a new position, Asset Management/GIS Analyst, to oversee the assessment of all City assets and develop long-term maintenance plans. The 2026 Proposed budget increases funding for IT, rolling stock and building maintenance to better align funding with ongoing and future equipment and maintenance needs.



High-Quality Workforce: *A well-trained workforce (4a); Staff capacity to meet service demands (4b); Healthy Council-staff relationships (4c)*

Strengthening the City's recruitment and retention programs to maintain a high-quality workforce is an ongoing challenge, especially given the tight labor market. Staff were provided with several new trainings in 2025 and 2026, including business writing, presentations, equity, inclusive interview skills and a leadership program for all supervisors. Leadership resumed stay interviews for new and newly promoted staff. Effective succession planning resulted in two internal hires for director/deputy positions. Implementing the MN Paid Leave program in 2026 will provide more leave options for employees. Implementing electronic personnel forms will create efficiencies to allow HR staff more time to support employees.



Equity and Inclusion: *Reduced racial inequities and barriers for traditionally excluded groups (5a); Staff, Boards and Commissions reflect the diversity of the community (5b); Equity-based framework is applied to decision-making (5c)*

Equity and inclusion is a priority in the strategic plan and integral to the City's vision and values. The City will finalize an Equity Plan in 2025 to guide future work and has launched a public equity and inclusion webpage to share more information on the program with the community. Work continues to update HR processes to better align with equity and inclusion goals. The 2026 budget funds an intern position to assist with these projects.

The Revised 2025 and Proposed 2026 Budget balances meaningful progress on the City's priorities with the reality of limited resources and economic uncertainties. The 2026 City of Richfield tax levy, as proposed, will increase by 5.97%. The increase is due to three main factors: growing service demands, higher labor costs, and the need to invest in technology infrastructure, and process improvements. Residents and other stakeholders continue to expect higher service levels, including better customer service, better technology, multiple communication channels and more equitable service. This necessitates investment in the people and infrastructure providing the services and more time dedicated to long-term planning and prioritization.

STRATEGIC DEVELOPMENT

High interest rates and construction costs, combined with insurance and labor challenges and economic uncertainty, continue to slow new construction activity in the commercial and multi-family sectors. During these times, the focus is on supporting the local economy, preserving and investing in our existing resources, and positioning the City for future development opportunities. A number of initiatives are underway:

- Through a grant from Hennepin County, a national consultant is developing a branding and placemaking strategy for downtown Richfield to highlight the area and help enhance its vibrancy.
- New business initiatives, created by the City's Economic Development Authority (EDA), are providing assistance to help small businesses grow and thrive in the community and invest in outdated commercial spaces.
- 236 affordable rental units under new ownership are being preserved and rehabilitated with financial investment from the City and its EDA and Housing and Redevelopment Authority (HRA).
- Changes are being made to the Zoning Code to encourage new "missing middle" housing types to meet the needs of people at various stages of the life cycle.
- Outside grant resources are being leveraged to address environmental contamination on development parcels and to support the development of new affordable housing.
- Construction of Penn Station, 42 units of affordable workforce housing, will begin soon on formerly blighted commercial property at Penn Avenue and 65th Street, bringing investment and new people to the corridor and adding a tax-forfeited property back to the tax base.
- Through its HRA and EDA, the City continues to support investment in the housing stock and our residential neighborhoods. Having recently completed an evaluation of its many housing programs, the City is poised to invest new state resources to address community housing needs.
- Strategic conversations with potential developers are ongoing to market properties owned by the HRA for future redevelopment.

STATE AID

According to the Minnesota Management and Budget (MMB) July end of session summary, the state will end the fiscal year (FY) 2024-2025 biennium with a projected surplus of \$3.937 billion. This is an increase of \$195 million over the February Budget and Economic Forecast of \$3.742 billion. The FY 2026-2027 biennium includes a projected surplus of \$1.886 billion. This surplus is a decrease of \$2.051 billion from the FY 2024-2025 biennium. This decline is attributed to higher inflation increasing expenses and a projected imbalance where spending may outpace revenue in the future.

As noted in previous years, the legislature increased funding for the Local Government Aid (LGA) program which increased Richfield's allocation in 2024 to \$3.39 million, and the 2025 allocation remained flat at \$3.41 million. 2026 LGA will continue to remain flat at \$3.45 million. The LGA program is structured so that cities receive less as their tax base grows, thus the City has incorporated estimates into long-term forecasts to predict the impact of several large TIF districts decertifying which will significantly add to the City's tax base in 2026, thus reducing

LGA in future years. This is a positive financial trend since a strong tax base is a more stable revenue source than LGA and reducing reliance on LGA has long been a City goal.

Richfield remains a net-receiver of the metropolitan Fiscal Disparities Program. The program is a mechanism for tax base sharing for new commercial/industrial property development. Under the program, a certain percentage of new commercial/industrial growth in the metropolitan area is contributed to a pool. The tax base growth is then redistributed to cities in the seven-county metropolitan area using a needs-based formula. The metropolitan pool increased in value in 2024 after a few years of lower commercial values. The increase, coupled with Richfield's increased population, resulted in an additional \$134,500 to be distributed in 2026.

INFRASTRUCTURE

The 2026 Capital Improvement Budget (CIB) reflects funding for numerous projects throughout the city. In 2026, efforts will include the Nicollet Avenue Reconstruction, new sidewalk along East 73rd Street and ongoing bike, pedestrian, ADA and pavement management programs.

The CIB also includes funding for several other utility projects, including: the HUB Redevelopment Participation project, sanitary sewer main lining, the rehabilitation of storm water collection mains and manhole structures, and improvements at the Water Treatment Plant.

Finally, the 2026 CIB recommends funding for recreation and open space improvement projects, including building repairs for the community center, park capital projects, Wood Lake trail updates and the replacement of playground equipment.

Over the next several years, several major arterial roads in the City will also be reconstructed or improved. Hennepin County plans a full reconstruction of Nicollet Avenue in 2026 and the City is expected to contribute according to the county's local cost-share policies. The reconstruction of 69th Street and improvements to 76th Street are planned in 2028.

The recommended CIP also includes additional funding for the new Wood Lake Nature Center building in 2026, as well as significant pool, ice arena and other improvements at Veteran's Park. The plan also continues to fund major maintenance for City buildings, and the replacement of the City's rolling stock and technology equipment.

PERSONNEL

Two full-time positions and two temporary positions are proposed in the 2025 Revised Budget.

- Finance plans to add a Senior Financial Analyst position to improve processes, financial reporting, and long-term financial planning.
- Public Works plans to add an Asset Management/GIS position to oversee a city-wide project to assess capital assets and develop maintenance plans.
- A part-time HR position is helping to fill gaps due to staff vacancies through the end of the year.
- A part-time Website Technician is planned to assist for one year to upgrade the website and address accessibility requirements.

Personnel costs are also increasing due to a 3% cost of living adjustment for all employees, step increases for eligible employees, and a 9.5% increase in the cost of health insurance, which is split equally between the employees and the City. Negotiations with all five bargaining units is underway to update contracts for 2026-2027; estimated costs are included in the proposed budget.

GENERAL FUND

The General Fund serves as the main operating fund of the City. It accounts for all financial resources, except those required to be accounted for in another fund.

Revenues

The General Fund, which provides for most of the traditional services that residents have come to expect, receives the majority of its funding from property taxes. Other sources of funding come from intergovernmental revenue, charges for services, licenses, permits, and transfers from other funds.

The 2026 Proposed Budget was prepared with the strategy that the primary funding source for the General Fund operations now, and in the future, will come from property taxes. This is the result of the fact that cities are limited in the type and extent of revenues that they can generate. In addition, as the City continues to expand and diversify its tax base there will be reductions in LGA funding from the state. The result of this funding choice is a continued shift in General Fund revenues. In 2001, LGA, which historically was a major General Fund revenue source, accounted for 24% of General Fund revenues. In 2026, it will account for 9.83%. Conversely, property taxes have grown from 40% of revenues in 2001 to 71.75% in 2026.

The 2026 budgeted General Fund revenues of \$35,079,115 represent a 7.18% increase from the 2025 Adopted budget. The sources of General Fund revenues, with the exception of property taxes and intergovernmental revenues, have remained relatively comparable to the prior years' budget levels. In 2026, the General Fund will receive: \$387,600 from the Liquor Operations fund to offset administrative costs related to the liquor division operations. A comparison of actual General Fund revenues from 2025 to 2026 is shown in Figure 1 below.

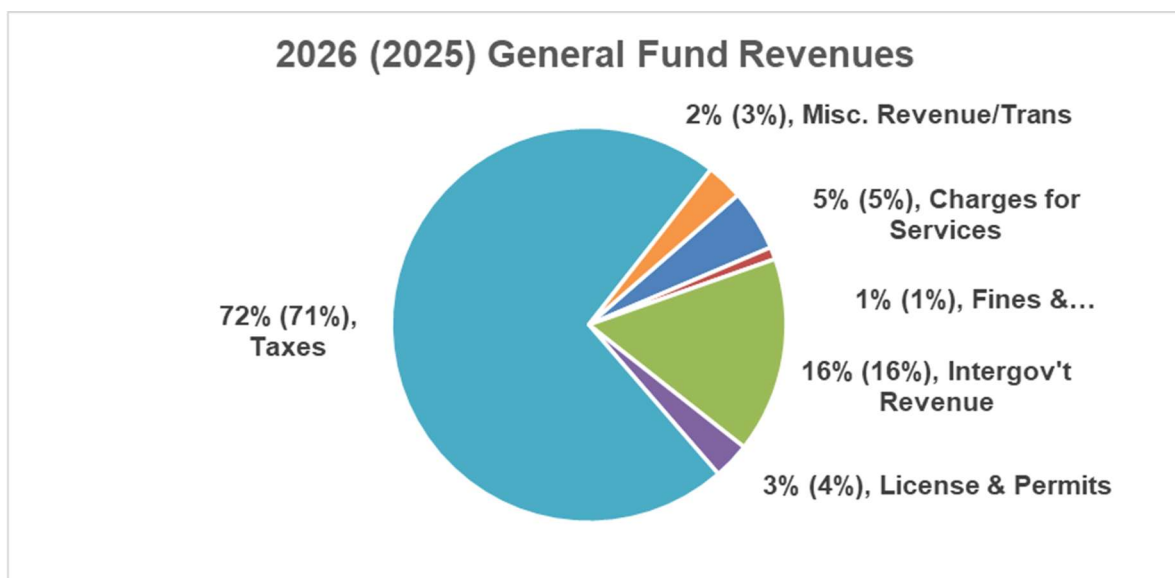


Figure 1

Expenditures

The City's General Fund accounts for most of the services that the City provides to its residents, such as police, fire, public works, parks, recreation and general administration. Richfield's General Fund is organized into eight major departments; Legislative/Executive, Administrative Services, Finance, Public Safety, Fire, Community Development, Public Works, and Recreation Services. Each department encompasses divisions that provide an array of services, either directed to the public or in support of other City services. A General Fund organizational chart, which includes all departments and divisions, is shown in the Introductory Section. City policy requires that all budgeted expenditures under \$1,000 must be approved by a division manager. Any expenditure over \$1,000 and up to \$5,000 must be approved by the division manager and department director. Any expenditure over \$5,000 must be approved by the division manager, department director, and Finance Director. All expenditure over \$25,000 requires additional approval of the City Manager. Any expenditure over \$175,000 must be approved by the City Council.

Over a period of years, the type and mix of City services would likely change as the community changes. However, in a mature community such as Richfield, it is also important that a consistent balance of services be maintained, even in the face of budgetary constraints. Richfield's mix of services, as seen through an expenditure analysis of the eight major departments, reflects a stable, consistent approach. The 2026 expenditures are consistent with the expenditures from 2025 (Figure 2). In the 2026 Budget, 58% of the total expenditures are designated for Public Safety and Fire Department operations, while an additional 17% is designated for Public Works operations.

While there have been adjustments, the total balance of services provided by the major departments remains relatively constant. City staff made every effort to limit 2026 expenditure increases for all departments of the General Fund to maintain the current level of City services and in response to the internal and external constraints.

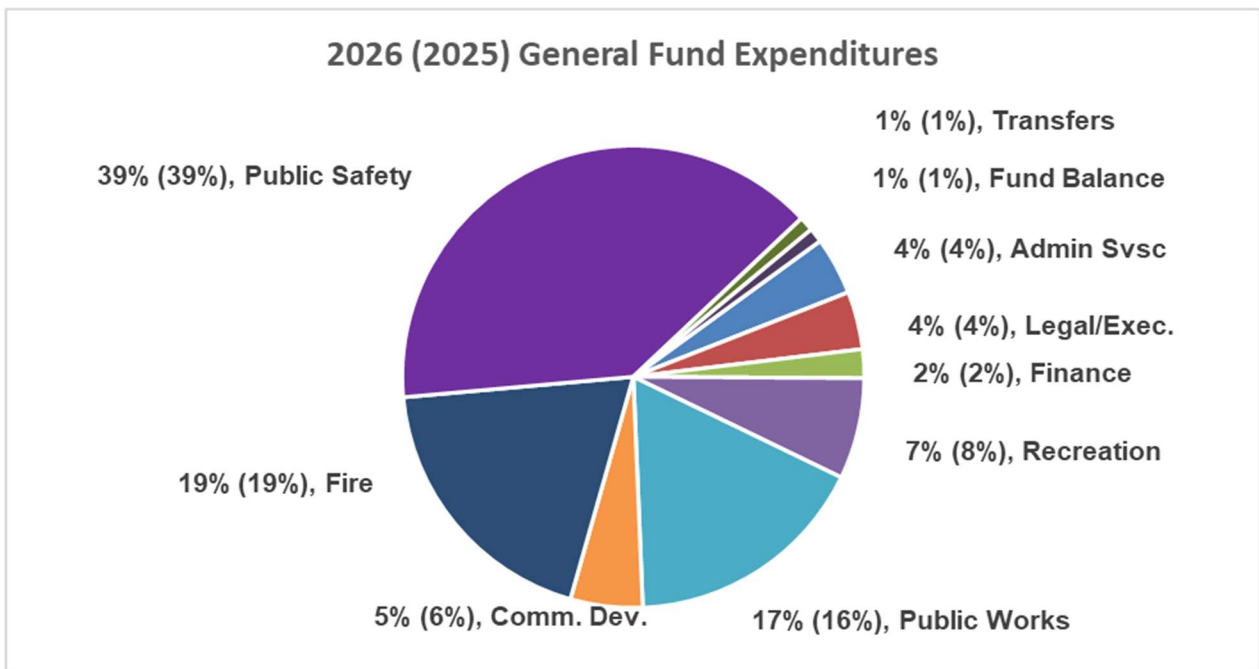


Figure 2

The most significant issues for the 2025 Revised and 2026 Proposed General Fund Department Budgets are summarized in the following section.

2025 REVISED AND 2026 PROPOSED DEPARTMENT BUDGETS

Legislative/Executive

The 2025 Revised budget reflects a 1.06% decrease due to savings from not renewing a contract. The 2026 proposed budget reflects an increase of 3.49% due to increased personnel costs and shifting costs away from the Communications budget. In addition, equity projects and an equity intern are included in the 2026 proposed budget.

Administrative Services

The Administrative Services Department 2025 revised budget shows an increase of 0.39% due to cost associated with JD Edward data clean up. The 2026 proposed budget reflects an increase of 9.14% due to increased personnel, and training costs and to ensure focus on continuing education with area HR organizations. Further, this percentage increase is due to the addition of temporary staff needed to support the rollout and implementation of the mandated Minnesota Paid Leave program.

Finance

The Finance Department 2025 Revised budget reflects a 26.87% decrease for 2025 as the use of professional services contracts decreased. The 2026 proposed budget reflects an increase of 3.18% increase. The 2026 Proposed budget increase from the 2025 Adopted budget by 3.48% and this is due to the addition of a senior financial analyst.

Public Safety

The Public Safety Department reflects a decrease of 1.86% in 2025 revised budget compared to the 2025 adopted budget. The 2026 proposed budget is up by 6.38%. The increase is a result of collective bargaining step increases and higher cost of employee benefits. The department pays a larger portion of two social workers salaries. The professional services cost is higher due to technology and software upgrades. If the planned Public Safety Aid (PSA) transfer of \$305,395 were included in the Public Safety budget, the proposed budget would be up 4.00%.

Fire

The Fire Department Proposed budget for 2026 reflects a 7.32% increase over the 2025 Adopted budget. The increase is a result of personal services costs, health care costs and increased costs on goods and services for the Fire Department. If the planned Public Safety Aid (PSA) transfer of \$140,000 were included in the Fire Department's budget, the proposed budget would be up 5.04%.

Community Development

The revised 2025 Community Development Budget represents a 3.15% decrease over approved due to staff turnover and temporary vacancies. The 2026 Proposed budget reflects a 2.73% increase over the 2025 Adopted budget. Technology updates continue to provide savings; however, increased compensation, professional development, and the general costs of doing business continue to increase.

Public Works

The 2026 Public Works Department budget reflects a 11.15% increase from the 2025 Adopted budget. The increase is the result of increases in personnel, consultant services, equipment purchases, professional development and operational costs. The Street Maintenance Division includes a 17.23% increase from the 2025 Adopted budget. This increase is due to upfront costs the division will absorb prior to reimbursement related to the administration of the USFS grant to remove and replace trees. With the grant reimbursement accounted for, the 2026 Proposed budget for this division would reflect an increase of 3.97% from the 2025 Adopted budget.

Recreation Services

The Recreation Services Department 2026 Proposed budget indicates a 3.50% increase over the 2025 Adopted budget. The increase is mostly due to increases in personal services and higher cost of employee benefits. The Recreation Services Administration division budget shows the largest increase, and this is primarily due to increased credit card service fees, and a consolidation of credit card service fees from the Wood Lake Nature Center and Recreation Programs budgets into the Administration Division budget.

SPECIAL REVENUE FUNDS

Liquor Contribution Fund

The Liquor Contribution Fund receives profits from the municipal off-sale liquor operations through the transitory ordinance process. These revenues are then used to fund various park capital projects. Expenditures from the fund are restricted in use to financing capital improvements that would otherwise be financed by a General Obligation bond issue. In 2026, a transfer in of \$475,000 will fund different City projects.

Tourism Administration Fund

This fund accounts for the collection of lodging tax revenues and the pass-through of these funds to the Richfield Tourism Promotion Board. The Tourism Promotion Board promotes the city as a visitor destination and promotes civic activities to enhance the city's image.

Communications Fund

The Communications Fund is maintained to account for the quarterly cable franchise fees received, cable television and community communication activities. The fund covers wages and salaries for the Communications and Engagement Manager (FT), Communications Specialist (PT) and Video Production Assistant (intermittent). The team is responsible for the City's website, social media, cable bulletin board, press releases and other internal and external communications.

Election Fund

The Election Fund was established to isolate the large fluctuation over time in election costs from year to year. The fund provides voter registration services, voter information services and election administration. Funding for the costs of elections services is derived from rental revenues from cellular telephone carriers who rent space for their antennas on City infrastructure.

Drug/Felony Forfeiture Fund

The Drug/Felony Forfeitures Fund receives its revenues as a result of cash and property seized related to drug and/or felony criminal activity. The revenues received are used to purchase equipment for public safety purposes and to provide funding for training.

Public Safety Compliance Fund

Revenue from this fund is derived from fines levied against businesses that fail alcohol and tobacco compliance checks. The monies received from the fines are then used to fund the costs involved in performing compliance checks. This fund will also account for the Community Emergency Response Team (CERT).

Recreation Services Contribution Fund

The Recreation Services Contributions Fund serves as a method to account for donations received that are intended to benefit activities of the Recreation Services Department. Uses of the donations include staffing costs, the purchase of supplies and equipment and to help fund parks-related construction projects.

Nature Center Contribution Fund

The Nature Center Contribution Fund serves as a method to account for donations received that are intended to benefit Wood Lake Nature Center. The source of the donations comes from fundraising activities of the Friends of Wood Lake (FOWL). The donations are used to supplement the Wood Lake Nature Center operating budget and for the purchase of supplies, equipment and to help fund nature center construction projects.

Public Health Grants Fund

This fund accounts for the receipt of federal grant funds used by the City to assess and enhance the capacity of local public health departments to respond to bio-terrorism, infectious diseases and other threats to public health.

Wood Lake Half Marathon Fund

This fund was established to provide an alternative revenue source to fund the Wood Lake Nature Center's environmental education curriculum for Richfield Public School students. Funding for the program is derived from proceeds from the annual Urban Wildland Half Marathon and 5K races.

Utility Franchise Fees Fund

This fund accounts for gas and electric franchise fees collected from the public utilities. The majority of fees collected will be directed to the pavement management program and toward the debt service for the bonds issued to help fund the accelerated mill and overlay program. This may cause a decrease in the fund balance.

Ice Arena Fund

The Ice Arena maintains two sheets of ice for skating lessons, open skating, and hosts figure skating competitions. It also rents ice to local high schools for hockey practices and games and to youth associations for clinics, practices, games and tournaments.

Swimming Pool Fund

This fund accounts for all activities related to the swimming pool operation. It strives to provide users with an outstanding outdoor recreational swimming experience for all ages and groups. A splash pad at the pool was completed in 2025.

Special Facilities Fund

This fund maintains the City's mini-golf course which is run by Wheel Fun Rentals, Inc. through a concession agreement with the City. The operation also provides a picnic shelter to be used by the Richfield Farmers Market and park users.

Recreation Special Program Fund

The fund manages City's Sustainability and Organized Hauling Program, for transparent and accurate tracking of financial activity of operating these programs.

Opioid Settlement Fund

The fund manages the opioid settlement funds provided to each Community Health Service Agency, from or through an opioid settlement administrator to work on providing services in the area of opioid prevention, treatment and recovery.

Public Safety Aid Fund

This is a newly established fund. In December 2023, City received \$1,604,296 in one-time public safety aid included in the 2023 MN State omnibus tax bill. The funds can not be used for general purposes, but must be used to "provide public safety". The fund ensures transparency, compliance and separate tracking of the aid received.

Street Light User Fee Fund

This is a newly established fund to track the operations of street lighting system. The City includes a fee for street light service on the quarterly utility bills. The fees collected fund payment of the electricity charges, along with maintenance and replacement of street lights. The City also intends to replace its streetlights with energy efficient LEDs as funding permits. This switch should save electricity and maintenance costs, and make public lighting infrastructure more versatile, flexible and efficient.

ENTERPRISE FUNDS

Liquor Stores Fund

The City of Richfield operates four municipal liquor stores. Total sales for the four liquor stores for 2025 are projected to be \$13.80 million and modestly decrease to \$13.75 million in 2026. Operating expenses budgeted for 2026 for the four stores total \$3.17 million. This reflects an increase from the 2025 adopted operating expenses. For the four stores, the projected profit before transfers for 2026 is expected to be \$813,005 with budgeted transfers to the Special Revenue Fund of \$475,000 and \$387,600 to the General Fund for administrative costs, police duty and payments in lieu of taxes.

Water and Wastewater Utility Fund

The Water and Wastewater Utility Fund accounts for the operation and maintenance of the City's water plant and sanitary sewer lines. Operating revenues for the Water Fund for 2026 Proposed reflect an increase of \$250,416 from 2025 revised budget levels. This accounts for the additional revenue due to the proposed rate increase. The Water Fund continues to reinvest in its infrastructure in 2025 and 2026. Included in the current budgets are capital improvements totaling \$494,825 in 2025 and \$2,825,000 in 2026. The 2026 improvements relate to replacement of water plant elevator, sludge pump replacement, emergency water system interconnect and water plant generator. The Wastewater Utility Fund provides collection of sanitary wastewater from approximately 10,800 accounts in the city. The 2026 Sanitary Wastewater Operating Budget is approximately \$4.9 million. The most significant expense is the wastewater treatment charges paid to Metropolitan Council Environmental Services (MCES). The MCES 2026 charges are expected to increase from the budgeted 2025 level of \$2,580,870 to \$2,629,750, a 1.89% increase.

Water rates for 2026 will increase across the three tier levels by 5%. Tier 1 will increase 26 cents per thousand gallons, Tier 2 will increase 31 cents per thousand gallons and Tier 3 will increase 37 cents per thousand gallons. The wastewater rates will increase by 2% or 13 cents per thousand gallons for 2026.

Storm Water Utility Fund

The Storm Water Utility Fund provides for the disposal of storm water for the city and is funded through user fees. The fund provides for routine maintenance and major capital improvements to the system. A 5% rate increase is proposed for 2026.

INTERNAL SERVICE FUNDS

Central Garage Fund

The Central Garage Fund accounts for the acquisition, maintenance, and repair of all motor vehicles and motor-driven equipment used by the City. It is funded by internal operating user fees charged to other City departments and funds. Fees for 2025 will increase 5% over 2024 levels. The funding for the replacement of equipment that the operation maintains will be accomplished through a general tax levy in the amount of \$1,174,725. The increase is in response to increased costs incurred in the purchase of rolling stock and equipment. Additionally, it is projected that for 2025 and 2026, the fund may not cash flow. The operating transfers are planned to battle inflationary pressures and depleting reserves. The fund is scheduled to make purchases in 2025 of \$1,518,480 and \$1,664,730 in 2026. The significant purchases planned for 2026 are:

- Fire Truck at \$302,100
- Chipper at \$250,000
- Marked Police Squads (3) at \$210,000
- Flush Truck/Roll-Off at \$203,000
- Squads - Police LT (3) at \$180,000
- Squads - Police Investigators (3) at \$180,000

Information Technologies Fund

The Information Technologies (IT) Fund's primary purpose is to provide computer hardware and software support, programming and training to City staff. As with the Central Garage Fund, the purchase and replacement of equipment in the IT Fund will be funded through a general tax levy in the amount of \$407,580. The fund is scheduled to make capital purchases in 2025 of \$130,324 and \$89,908 in 2026. The IT Fund also purchases and pays license fees for equipment and software which is not capitalized and provides office supplies and copying services for all City departments.

Insurance/Risk Management Fund

The Insurance/Risk Management Fund accounts for all the City's costs for claims related to workers' compensation, unemployment insurance benefits, property insurance, flexible benefits, dental insurance, and all other City self-insurance costs. For 2026, the fund has increased property/casualty and workers compensation rates. Operating results of the fund are dependent on the number and scope of claims paid during any given year and consequently, results can fluctuate from year to year.

Building Services Fund

The Building Services Fund is responsible for the maintenance and upkeep of the Richfield Municipal Center and Fire Station #2. The Municipal Center was built in 2011. After this amount of time the increased maintenance costs are expected in the operating budget. User fees will continue to be adjusted on an annual basis to keep pace with operating costs and to provide funding for replacement costs of fixtures within the building.

DEBT SERVICE FUND

The Debt Service Fund is used to record financial operations from special assessments, tax increment, and, as necessary, property taxes to meet debt service payments and outstanding bond issues.

General Obligation improvement bonds are payable through 2043, with outstanding principal at the beginning of 2026 of \$36,845,000. The fund balance, along with debt service tax levies, special assessment collections and interest earnings are pledged to service the debt.

The General Obligation redevelopment bonds are retired from tax increment collected from the project area. Redevelopment bond principal of \$260,000 is payable through 2025.

OPERATING CAPITAL EXPENDITURES

Capital expenditures represent all tangible or intangible assets that are used in operations, that have initial useful lives extending beyond a single reporting period and whose dollar value is greater than \$25,000.

CAPITAL IMPROVEMENTS BUDGET

The Capital Improvement Budget recommends \$23,301,136 of expenditures in 2026. The projects invest in improvements to right-of-way (streets, sidewalks and underground infrastructure for water, sanitary sewer and stormwater), facilities and parks and open space. The capital budget is funded by a wide variety of sources, including federal, state and county grants, state transportation funding, utility payments, property taxes, franchise fees and liquor store profits.

CONCLUSION

The information presented in this budget document provides the background and funding plans to address opportunities and challenges so that the City can be a thriving community into the future. I would like to take this opportunity to thank Budget, Cash and Debt Manager, Stephen McDaniel, and all City departments for their input and help in preparing the 2026 budget. In addition, I thank the City Council for providing the vision, values and priorities that guide our work.

Respectfully submitted,



Katie Rodriguez
City Manager

CITY OFFICIALS

	<u>Term of Office</u>	<u>Term Expires</u>
MAYOR - MARY SUPPLE	4 Years	January 12, 2027
COUNCIL MEMBER – SHARON CHRISTENSEN	4 Years	January 12, 2027
COUNCIL MEMBER – WALTER BURK	4 Years	January 9, 2029
COUNCIL MEMBER – SEAN HAYFORD OLEARY	4 Years	January 9, 2029
COUNCIL MEMBER – RORI A. COLEMAN-WOODS	4 Years	January 9, 2029

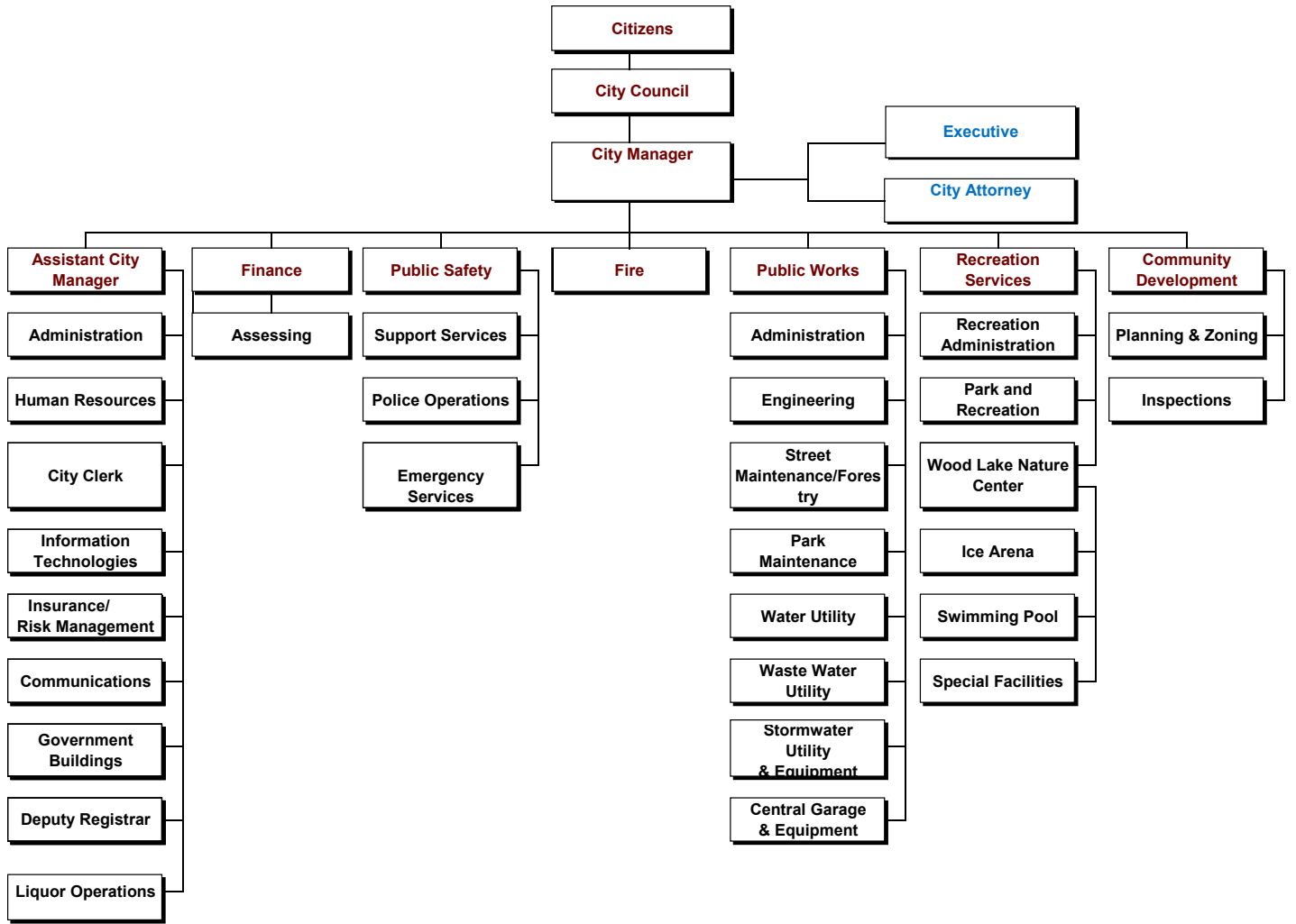
ADMINISTRATIVE STAFF

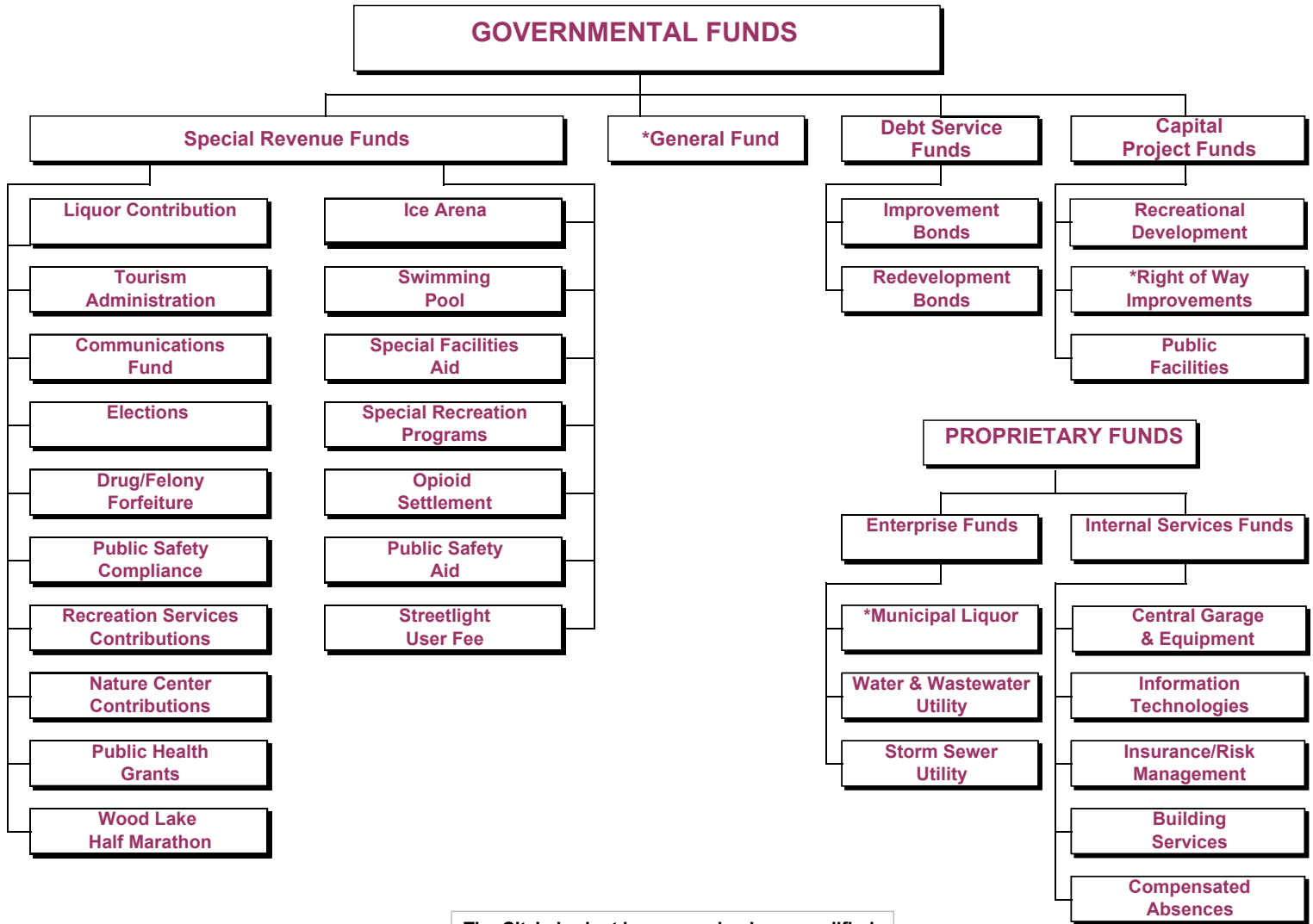
KATIE RODRIGUEZ - CITY MANAGER

MARY BOGIE - FINANCE DIRECTOR

MICHELLE FRIEDRICH - CITY CLERK

**CITY OF RICHFIELD
ADMINISTRATIVE ORGANIZATION CHART**





The City's budget is prepared using a modified accrual basis of accounting for all governmental funds and an accrual basis of accounting for proprietary funds.

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BUDGET SUMMARY

SUMMARY OF 2025 REVISED BUDGET ALL FUNDS

FUND	Fund Balance January 1, 2025	Revenues	Expenditures	Fund Balance December 31, 2025
<u>General</u>	\$ 12,072,470	\$ 32,786,498	\$ 32,432,108	\$ 12,426,860
<u>Special Revenue Funds</u>				
Liquor Contribution	154,828	476,000	475,000	155,828
Tourism Administration	58,430	7,150	5,440	60,140
Communications	1,889,161	285,000	388,840	1,785,321
Elections	2,395,389	458,000	274,320	2,579,069
Drug Felony/Forfeiture	280,133	38,500	94,900	223,733
Public Safety Compliance	300,106	97,600	24,650	373,056
Recreation Contributions	104,772	165,000	146,000	123,772
Nature Center Contributions	262,357	87,000	78,953	270,404
Public Health Grants	139,347	57,827	110,000	87,174
Wood Lake Half Marathon	91,878	69,000	85,000	75,878
Franchise Fees	2,450,331	2,500,000	2,388,000	2,562,331
Ice Arena	(2,062,734)	1,982,900	1,379,050	(1,458,884)
Swimming Pool	209,956	671,050	643,850	237,156
Special Facilities	75,655	67,510	67,690	75,475
Recreation Special Program	352,836	571,932	639,017	285,751
Opioid Settlement	300,825	57,113	12,000	345,938
Public Safety Aid	1,510,309	50,000	134,000	1,426,309
Street Light User Fee	184,447	380,000	332,000	232,447
<u>Enterprise Funds *</u>				
Liquor	6,014,593	13,806,190	13,760,535	6,060,248
Water & Sewer Utility**	19,084,612	10,488,614	9,823,760	19,749,466
Storm Sewer Utility **	9,459,957	2,657,180	3,087,600	9,029,537
<u>Internal Service Funds *</u>				
Central Garage	5,733,207	3,016,080	2,542,850	6,206,437
Information Technologies	405,516	1,779,324	1,719,902	464,938
Insurance/Risk Management	3,011,513	1,189,220	1,347,565	2,853,168
Building Services	980,628	1,083,800	1,091,627	972,801
Compensated Absences	238,729	-	-	238,729
<u>Debt Service Funds **</u>				
G.O. Improvement Bonds	6,613,967	4,897,375	4,222,961	7,288,381
G.O. Redevelopment Bonds	-	267,238	267,238	-
<u>Capital Improvement Funds</u>				
Recreational Development	1,615,645	20,587,000	20,587,000	1,615,645
Right-of-Way Improvements	7,558,710	5,544,500	5,544,500	7,558,710
Public Facilities	-	2,317,855	2,317,855	-
Buildings, Fleet and Technology	-	1,748,810	1,748,810	-
TOTALS	\$ 81,487,573	\$ 110,191,266	\$ 107,773,021	\$ 83,905,818

* In municipal accounting, all capital outlay acquired by the Enterprise and Internal Service Funds is recorded at cost. This cost is charged as depreciation expense over the estimated useful life of the asset.

** Bonds are not recorded as current expenditures, but rather as adjustments to the cash position.

SUMMARY OF 2026 BUDGET ALL FUNDS

FUND	Fund Balance January 1, 2026	Revenues	Expenditures	Fund Balance December 31, 2026
<u>General</u>	\$ 12,426,860	\$ 35,079,115	\$ 35,079,115	\$ 12,426,860
<u>Special Revenue Funds</u>				
Liquor Contribution	155,828	476,000	475,000	156,828
Tourism Administration	60,140	7,150	5,440	61,850
Communications	1,785,321	276,500	412,420	1,649,401
Elections	2,579,069	379,600	328,331	2,630,338
Drug Felony/Forfeiture	223,733	38,500	34,100	228,133
Public Safety Compliance	373,056	46,300	25,000	394,356
Recreation Contributions	123,772	165,000	148,000	140,772
Nature Center Contributions	270,404	85,000	78,864	276,540
Public Health Grants	87,174	51,214	51,214	87,174
Wood Lake Half Marathon	75,878	70,000	90,000	55,878
Franchise Fees	2,562,331	2,500,000	2,789,700	2,272,631
Ice Arena	(1,458,884)	2,065,270	1,399,878	(793,492)
Swimming Pool	237,156	710,810	663,320	284,646
Special Facilities	75,475	69,980	68,680	76,775
Recreation Special Program	285,751	526,789	443,273	369,267
Opioid Settlement	345,938	57,113	12,000	391,051
Public Safety Aid	1,426,309	50,000	446,095	1,030,214
Street Light User Fee	232,447	380,000	332,000	280,447
<u>Enterprise Funds *</u>				
Liquor	6,060,248	13,745,200	13,794,795	6,010,653
Water & Sewer Utility**	19,749,466	10,847,230	10,389,360	20,207,336
Storm Sewer Utility **	9,029,537	2,676,020	2,357,460	9,348,097
<u>Internal Service Funds *</u>				
Central Garage	6,206,437	3,097,530	2,618,580	6,685,387
Information Technologies	464,938	1,902,141	1,872,703	494,376
Insurance/Risk Management	2,853,168	1,212,720	1,618,602	2,447,286
Building Services	972,801	1,126,610	1,137,319	962,092
Compensated Absences	238,729	-	-	238,729
<u>Debt Service Funds **</u>				
G.O. Improvement Bonds	7,288,381	4,743,730	4,208,974	7,823,137
G.O. Redevelopment Bonds	-	-	-	-
<u>Capital Improvement Funds</u>				
Recreational Development	1,615,645	6,725,000	6,725,000	1,615,645
Right-of-Way Improvements	7,558,710	9,926,500	9,926,500	7,558,710
Public Facilities	-	3,025,000	3,025,000	-
Buildings, Fleet and Technology	-	3,624,636	3,624,636	-
TOTALS	\$ 83,905,818	\$ 105,686,658	\$ 104,181,359	\$ 85,411,117

* In municipal accounting, all capital outlay acquired by the Enterprise and Internal Service Funds is recorded at cost. This cost is charged as depreciation expense over the estimated useful life of the asset.

** Bonds are not recorded as current expenditures, but rather as adjustments to the cash position.

COMPARATIVE ANALYSIS OF REVENUES ALL FUNDS

	2024 Actual	2025 Budget	2025 Revised	2026 Budget
<u>*General Fund</u>	31,657,238	32,729,960	32,786,498	35,079,115
<u>Special Revenue Funds</u>				
Liquor Contribution Fund	507,326	476,000	476,000	476,000
Tourism Administration	11,398	7,150	7,150	7,150
Communications	384,368	240,000	285,000	276,500
Elections	522,176	394,700	458,000	379,600
Drug Felony/Forfeiture	47,742	35,900	38,500	38,500
Public Safety Compliance	99,466	35,500	97,600	46,300
Recreation Contributions	169,900	120,000	165,000	165,000
Nature Center Contributions	94,767	87,000	87,000	85,000
Public Health Grants	152,201	230,967	57,827	51,214
Wood Lake Half Marathon	67,088	73,000	69,000	70,000
Franchise Fees	2,573,122	2,500,000	2,500,000	2,500,000
Ice Arena	1,795,960	1,982,900	1,982,900	2,065,270
Swimming Pool	616,049	671,050	671,050	710,810
Special Facilities	67,961	67,510	67,510	69,980
Recreation Special Program	404,599	441,001	571,932	526,789
Opioid Grant	176,616	57,113	57,113	57,113
Public Safety Aid	77,903	5,000	50,000	50,000
Street Light User Fee	391,032	332,000	380,000	380,000
<u>Enterprise Funds*</u>				
Liquor	14,163,389	13,624,951	13,806,190	13,745,200
Water & Sewer Utility	9,515,662	10,484,610	10,488,614	10,847,230
Storm Sewer Utility	2,610,364	2,517,660	2,657,180	2,676,020
<u>Internal Service Funds</u>				
Central Garage	2,826,597	3,116,070	3,016,080	3,097,530
Information Technologies	1,648,751	1,780,270	1,779,324	1,902,141
Insurance/Risk Management	1,185,441	1,089,220	1,189,220	1,212,720
Building Services	1,094,072	1,083,800	1,083,800	1,126,610
Compensated Absences	-	-	-	-
<u>Debt Service Funds</u>				
G.O. Improvement Bonds	4,989,685	4,897,375	4,897,375	4,743,730
G.O. Redevelopment Bonds	876,731	267,238	267,238	-
<u>Capital Improvement Funds*</u>				
Recreational Development	1,996,793	20,587,000	20,587,000	6,725,000
Right-of-Way Improvements	1,699,878	5,804,500	5,544,500	9,926,500
Public Facilities	552,900	2,670,000	2,317,855	3,025,000
Buildings, Fleet and Technology	2,821,608	3,384,354	1,748,810	3,624,636
Total	\$ 85,798,783	\$ 111,793,799	\$110,191,266	\$ 105,686,658

* These funds represent major funds of the City. Major funds represent the significant activities of the City and basically include any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget.

COMPARATIVE ANALYSIS OF EXPENDITURES ALL FUNDS

	2024 Actual	2025 Budget	2025 Revised	2026 Budget
*General Fund				
Legislative/Executive	\$ 1,138,264	\$ 1,314,929	\$ 1,300,946	\$ 1,360,777
Administrative Services	1,250,238	1,304,174	1,357,601	1,427,977
Finance	1,375,161	678,020	495,832	701,628
Public Safety	11,910,055	12,824,640	12,586,184	13,642,788
Fire	5,902,341	6,188,977	6,333,130	6,641,729
Community Development	1,736,431	1,865,120	1,806,325	1,916,110
Public Works	5,104,975	5,303,150	5,301,140	5,894,340
Recreation Services	2,324,291	2,474,590	2,474,590	2,561,200
Operating transfers	330,000	352,250	352,250	372,250
Miscellaneous	-	424,110	424,110	560,316
Subtotal	\$ 31,071,756	\$ 32,729,960	\$ 32,432,108	\$ 35,079,115
Special Revenue Funds				
Liquor Contribution Fund	500,000	475,000	475,000	475,000
Tourism Administration	5,440	5,440	5,440	5,440
Communications	393,215	422,220	388,840	412,420
Election	482,323	334,050	274,320	328,331
Drug Felony/Forfeiture	56,219	30,000	94,900	34,100
Public Safety Compliance	56,887	17,600	24,650	25,000
Recreation Contributions	146,685	145,500	146,000	148,000
Nature Center Contributions	54,942	75,000	78,953	78,864
Public Health Grants	143,756	177,835	110,000	51,214
Wood Lake Half Marathon	55,504	66,000	85,000	90,000
Franchise Fees	1,403,213	2,958,000	2,388,000	2,789,700
Ice Arena	1,329,750	1,379,050	1,379,050	1,399,878
Swimming Pool	634,791	643,850	643,850	663,320
Special Facilities	53,864	67,690	67,690	68,680
Recreation Special Program	286,199	393,354	639,017	443,273
Opioid Settlement	7,873	150,000	12,000	12,000
Public Safety Aid	171,890	438,110	134,000	446,095
Street Light User Fee	206,585	332,000	332,000	332,000
Enterprise Funds*				
Liquor	13,592,882	13,728,269	13,760,535	13,794,795
Water & Sewer Utility	9,890,889	9,606,650	9,823,760	10,389,360
Storm Sewer Utility	2,098,930	2,774,160	3,087,600	2,357,460
Internal Service Funds				
Central Garage	2,648,593	2,515,030	2,542,850	2,618,580
Information Technologies	1,374,077	1,812,880	1,719,902	1,872,703
Insurance/Risk Management	2,676,118	1,245,340	1,347,565	1,618,602
Building Services	950,931	1,077,470	1,091,627	1,137,319
Compensated Absences	-	-	-	-
Debt Service Funds				
G.O. Improvement Bonds	4,639,011	4,222,961	4,222,961	4,208,974
G.O. Redevelopment Bonds	876,731	267,238	267,238	-
Capital Improvement Funds*				
Recreational Development	1,996,793	20,587,000	20,587,000	6,725,000
Right-of-Way Improvements	1,699,878	5,804,500	5,544,500	9,926,500
Public Facilities	552,900	2,670,000	2,317,855	3,025,000
Buildings, Fleet and Technology	2,821,608	3,384,354	1,748,810	3,624,636
Total	\$ 82,880,233	\$ 110,536,511	\$ 107,773,021	\$ 104,181,359

* These funds represent major funds of the City. Major funds represent the significant activities of the City and basically include any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget.

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GENERAL FUND

COMPARATIVE ANALYSIS OF 2025 ADOPTED, 2025 REVISED AND 2026 BUDGET - GENERAL FUND

	Adopted 2025	Revised 2025	Proposed 2026	Adopted/ Proposed % Increase/ (Decrease)
REVENUES				
Property Taxes	\$ 23,419,852	\$ 23,419,852	\$ 25,168,647	7.47%
Licenses and Permits	1,177,750	1,121,850	1,130,850	-3.98%
Intergovernmental Revenue	5,294,208	5,492,443	5,766,368	8.92%
Charges for Services	1,766,800	1,947,888	1,830,300	3.59%
Fines and Forfeitures	200,000	215,000	220,000	10.00%
Miscellaneous Revenues	58,750	80,975	129,255	120.01%
Transfers	812,600	508,490	833,695	2.60%
Total Revenues	<u>\$ 32,729,960</u>	<u>\$ 32,786,498</u>	<u>\$ 35,079,115</u>	7.18%
EXPENDITURES				
Legislative/Executive	\$ 1,314,929	\$ 1,300,946	\$ 1,360,777	3.49%
Administrative Services	1,304,174	1,357,601	1,427,977	9.49%
Finance	678,020	495,832	701,628	3.48%
Public Safety	12,824,640	12,586,184	13,642,788	6.38%
Fire	6,188,977	6,333,130	6,641,729	7.32%
Community Development	1,865,120	1,806,325	1,916,110	2.73%
Public Works	5,303,150	5,301,140	5,894,340	11.15%
Recreation Services	2,474,590	2,474,590	2,561,200	3.50%
Transfers	352,250	352,250	372,250	5.68%
0.44% related to PFML	-	-	115,000	
40% GF Reserve	424,110	424,110	445,316	5.00%
Total Expenditures	<u>\$ 32,729,960</u>	<u>\$ 32,432,108</u>	<u>\$ 35,079,115</u>	7.18%

The 2026 Proposed General Fund budget reflects a 7.18% increase in revenues and expenditures as compared to the 2025 Adopted budget. The 2024 Revised budget reflects a 0.91% decrease when compared to the 2025 Adopted budget.

REVENUES

The primary source of revenues for the General Fund continues to be property taxes, charges for services, intergovernmental revenues and the transfer in of revenues to fund general fund operations. For the 2026 Proposed budget these four sources account for 95.78% of total General Fund revenues.

EXPENDITURES

The largest expenditures incurred by the General Fund remain those for public safety, fire and public works. The proposed 2026 tax levy for the General Fund does not even cover the budgeted 2026 expenditures of these three departments.

COMPARATIVE ANALYSIS OF FUND BALANCE - GENERAL FUND

	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Budget</u>
Fund Balance - January 1	\$ 11,486,988	\$ 11,486,988	\$ 12,072,470	\$ 12,426,860
Revenue and Transfers	<u>31,657,238</u>	<u>32,729,960</u>	<u>32,786,498</u>	<u>35,079,115</u>
Total Available	<u>43,144,226</u>	<u>44,216,948</u>	<u>44,858,968</u>	<u>47,505,975</u>
Expenditures and Transfers	<u>31,071,756</u>	<u>32,729,960</u>	<u>32,432,108</u>	<u>35,079,115</u>
Fund Balance - December 31	<u>\$ 12,072,470</u>	<u>\$ 11,486,988</u>	<u>\$ 12,426,860</u>	<u>\$ 12,426,860</u>
Fund Balances:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>12,072,470</u>	<u>11,486,988</u>	<u>12,426,860</u>	<u>12,426,860</u>
Total Fund Balance	<u>\$ 12,072,470</u>	<u>\$ 11,486,988</u>	<u>\$ 12,426,860</u>	<u>\$ 12,426,860</u>

SOURCE	<u>Revised Budget 2025</u>		<u>Budget 2026</u>	
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>
Taxes	\$ 23,419,852	71.43%	\$ 25,168,647	71.75%
Licenses and Permits	1,121,850	3.42%	1,130,850	3.21%
Intergovernmental Revenues:				
Local Government Aid	3,410,633	10.40%	3,448,397	9.83%
Other	2,081,810	6.35%	2,317,971	6.61%
Subtotal	<u>5,492,443</u>	<u>91.61%</u>	<u>5,766,368</u>	<u>91.41%</u>
Charges for Services	1,947,888	5.94%	1,830,300	5.22%
Fines and Forfeitures	215,000	0.66%	220,000	0.63%
Miscellaneous Revenues	80,975	0.25%	129,255	0.37%
Transfers	<u>508,490</u>	<u>1.55%</u>	<u>833,695</u>	<u>2.38%</u>
Total Revenues	<u>\$ 32,786,498</u>	<u>100.00%</u>	<u>\$ 35,079,115</u>	<u>100.00%</u>

COMPARATIVE ANALYSIS OF REVENUES - GENERAL FUND

	2024 Actual	2025 Budget	2025 Revised	2026 Budget
<u>Taxes</u>				
Current Ad Valorem	\$ 19,163,887	\$ 18,720,207	\$ 18,720,207	\$ 20,334,502
Fiscal Disparities	3,047,406	4,699,645	4,699,645	4,834,145
Total Property Taxes	\$ 22,211,293	\$ 23,419,852	\$ 23,419,852	\$ 25,168,647
<u>License and Permits</u>				
Business Licenses	\$ 276,862	\$ 261,400	\$ 237,000	\$ 261,000
Non Business Licenses and Permits	853,799	916,350	884,850	869,850
Total License and Permits	\$ 1,130,661	\$ 1,177,750	\$ 1,121,850	\$ 1,130,850
<u>Intergovernmental Revenue</u>				
Federal -				
Grants	\$ 109,806	\$ 160,800	\$ 160,000	\$ 160,000
State :				
Local Government Aid	3,392,552	3,410,633	3,410,633	3,448,397
Law Officer Training	42,573	45,000	43,000	43,000
Police State Aid	537,054	430,000	440,000	450,000
Fire State Aid	265,690	238,000	250,000	250,000
State-aid Street Maintenance	334,500	315,000	315,000	315,000
Grants - Other	248,021	475,900	264,879	470,000
Community Health Services	177,835	197,835	177,835	177,835
Support Services	65,016	-	431,096	431,096
County-				
Grants - Other	30	21,040	-	21,040
Total Intergovernmental Revenue	\$ 5,173,077	\$ 5,294,208	\$ 5,492,443	\$ 5,766,368
<u>Charges for Services</u>				
General Government and Deputy Registrar	1,536,700	1,378,500	1,537,838	1,420,000
Public Safety	42,285	40,000	58,500	54,000
Park and Recreation	324,229	250,650	293,540	292,200
Nature Center	112,049	97,650	58,010	64,100
Total Charges for Services	\$ 2,015,263	\$ 1,766,800	\$ 1,947,888	\$ 1,830,300
<u>Fines and Forfeits</u>				
Municipal Court Fines	\$ 221,719	\$ 200,000	\$ 215,000	\$ 220,000
Total Fines and Forfeits	\$ 221,719	\$ 200,000	\$ 215,000	\$ 220,000
<u>Miscellaneous Revenues</u>				
Investment Income	\$ 235,845	\$ 50,000	\$ 50,000	\$ 100,000
Rents	22,548	3,000	1,750	-
Recovery - Damage to Property	-	5,000	5,000	5,000
Special Assessments	19,140	-	-	-
Other	5,402	750	24,225	24,255
Total Miscellaneous Revenues	\$ 282,935	\$ 58,750	\$ 80,975	\$ 129,255
Transfers	\$ 622,290	\$ 812,600	\$ 508,490	\$ 833,695
TOTAL REVENUES	\$ 31,657,238	\$ 32,729,960	\$ 32,786,498	\$ 35,079,115

COMPARATIVE ANALYSIS OF EXPENDITURES - GENERAL FUND

	2024 Actual	2025 Budget	2025 Revised	2026 Budget
<u>Legislative/Executive</u>				
Mayor-Council	\$ 245,945	\$ 320,970	310,970	\$ 323,712
Other Agencies	108,329	116,140	116,110	\$ 120,174
City Manager	479,752	518,669	514,716	\$ 552,711
Legal	304,238	359,150	359,150	\$ 364,180
Subtotal	<u>\$ 1,138,264</u>	<u>\$ 1,314,929</u>	<u>\$ 1,300,946</u>	<u>\$ 1,360,777</u>
<u>Administrative Services</u>				
Administration	\$ 145,272	\$ 165,550	\$ 166,194	\$ 171,262
Human Resources	278,074	277,260	\$ 337,748	\$ 360,783
Deputy Registrar	777,148	815,114	\$ 805,285	\$ 848,060
City Clerk	49,744	46,250	\$ 48,374	\$ 47,872
Subtotal	<u>\$ 1,250,238</u>	<u>\$ 1,304,174</u>	<u>\$ 1,357,601</u>	<u>\$ 1,427,977</u>
<u>Finance</u>				
Finance	\$ 948,441	\$ 665,500	\$ 483,312	\$ 688,788
Assessing	426,720	12,520	12,520	12,840
Subtotal	<u>\$ 1,375,161</u>	<u>\$ 678,020</u>	<u>\$ 495,832</u>	<u>\$ 701,628</u>
<u>Public Safety</u>				
Support Services	\$ 1,177,678	\$ 1,340,940	\$ 1,260,764	\$ 1,365,558
Police	10,707,721	11,441,350	11,276,900	12,228,570
Emergency Services	24,656	42,350	48,520	48,660
Subtotal	<u>\$ 11,910,055</u>	<u>\$ 12,824,640</u>	<u>\$ 12,586,184</u>	<u>\$ 13,642,788</u>
<u>Fire</u>				
Fire	\$ 5,902,341	\$ 6,188,977	\$ 6,333,130	\$ 6,641,729
Subtotal	<u>\$ 5,902,341</u>	<u>\$ 6,188,977</u>	<u>\$ 6,333,130</u>	<u>\$ 6,641,729</u>
<u>Community Development</u>				
Administration	\$ 34,442	\$ 67,370	\$ 67,370	\$ 69,860
Planning & Zoning	314,001	347,530	339,720	362,490
Inspections	1,387,988	1,450,220	1,399,235	1,483,760
Subtotal	<u>\$ 1,736,431</u>	<u>\$ 1,865,120</u>	<u>\$ 1,806,325</u>	<u>\$ 1,916,110</u>
<u>Public Works</u>				
Administration	\$ 309,304	\$ 220,960	\$ 220,940	\$ 227,560
Engineering	632,524	589,560	589,380	607,220
Streets	2,569,956	2,789,570	2,788,640	3,270,230
Park Maintenance	1,593,191	1,703,060	1,702,180	1,789,330
Subtotal	<u>\$ 5,104,975</u>	<u>\$ 5,303,150</u>	<u>\$ 5,301,140</u>	<u>\$ 5,894,340</u>
<u>Recreation Services</u>				
Recreation Administration	\$ 522,959	\$ 516,567	\$ 539,277	\$ 571,780
Recreation	1,123,316	1,226,363	1,251,936	1,289,399
Nature Center	678,016	731,660	683,377	700,021
Subtotal	<u>\$ 2,324,291</u>	<u>\$ 2,474,590</u>	<u>\$ 2,474,590</u>	<u>\$ 2,561,200</u>
<u>Transfers Out</u>				
Special Revenue Funds	\$ 330,000	\$ 352,250	\$ 352,250	\$ 372,250
	<u>\$ 330,000</u>	<u>\$ 352,250</u>	<u>\$ 352,250</u>	<u>\$ 372,250</u>
<u>Miscellaneous</u>				
0.44% related to PFML	-	\$ -	-	115,000
40% Fund Balance Reserve	\$ -	424,110	\$ 424,110	\$ 445,316
	<u>\$ -</u>	<u>\$ 424,110</u>	<u>\$ 424,110</u>	<u>\$ 560,316</u>
TOTAL EXPENDITURES	<u><u>\$ 31,071,756</u></u>	<u><u>\$ 32,729,960</u></u>	<u><u>\$ 32,432,108</u></u>	<u><u>\$ 35,079,115</u></u>

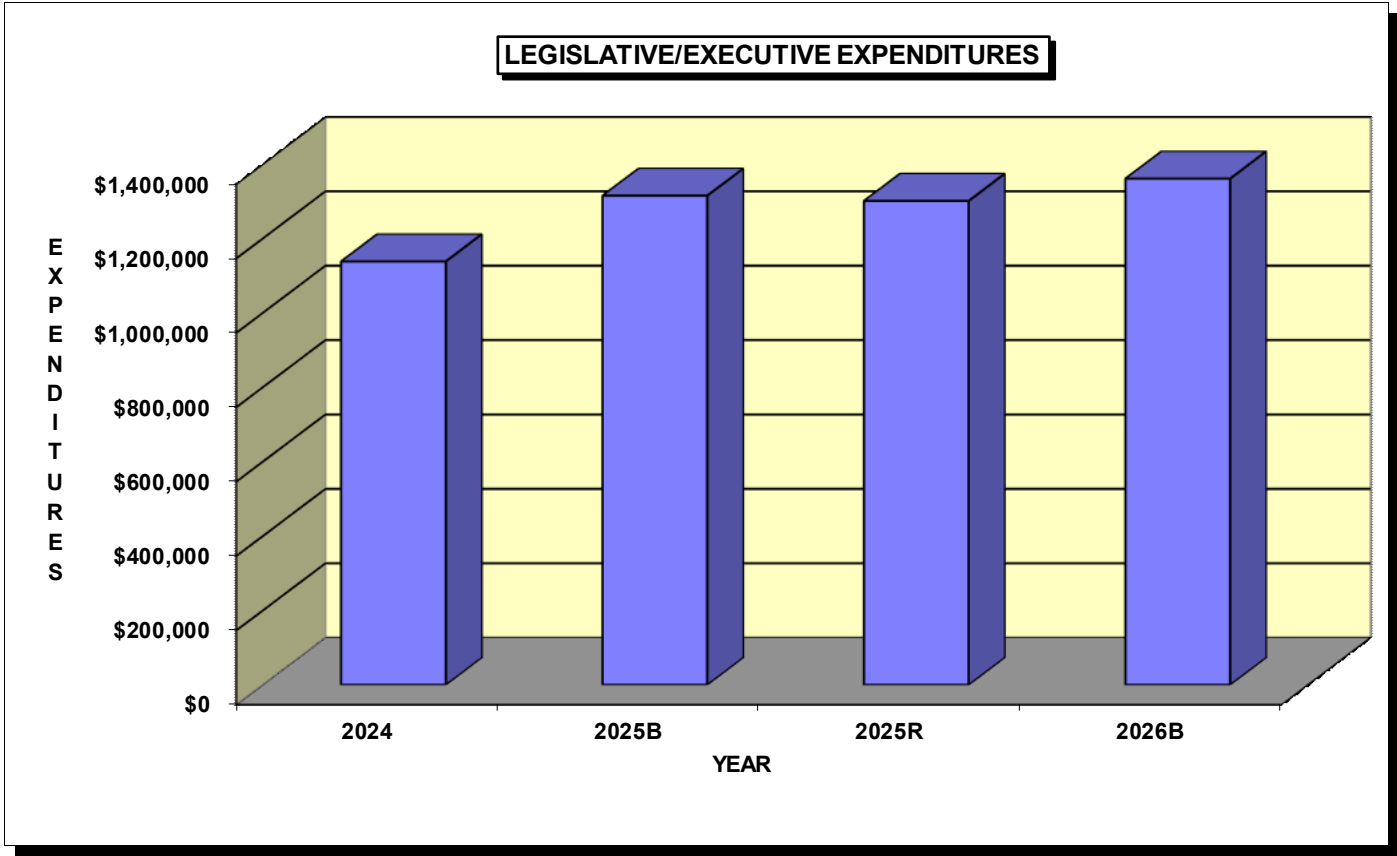
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LEGISLATIVE / EXECUTIVE

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10100 Mayor Council	\$ 245,945	\$ 320,970	\$ 310,970	\$ 323,712	0.85%
10105 Other Agencies	108,329	116,140	116,110	120,174	3.47%
10115 City Manager	479,752	518,669	514,716	552,711	6.56%
10120 Legal	304,238	359,150	359,150	364,180	1.40%
<i>Legislative/Executive TOTAL</i>	<u>\$ 1,138,264</u>	<u>\$ 1,314,929</u>	<u>\$ 1,300,946</u>	<u>\$ 1,360,777</u>	3.49%



CITY COUNCIL DIVISION

MISSION STATEMENT

To function as the legislative and policy-making body for the City of Richfield.

DIVISION FOCUS

The Richfield City Council is composed of an elected at-large Mayor and four Council Members, one of which is elected at-large. The Mayor and the Council Members are each elected to four-year terms. The City Council sets the long-range direction of the City and establishes policies that maintain a high quality of life for Richfield residents.

2025 HIGHLIGHTS

- Participated in the annual City Council-Staff Retreat, emphasizing the Council's ownership of the City's strategic plan—its purpose, priorities, direction, and accountability. Staff, guided by the Council, is responsible for implementing the plan, determining methods, and measuring performance related to its goals and action steps.
- Quarterly meetings to focus on long-term vision and planning, and to maintain a high functioning team.
- Fostered community engagement by serving as liaisons to City boards and commissions. Improved commission recruiting procedures and provided onboarding for new commissioners with separate training for commission chairs.
- Met with residents and supported a variety of community initiatives, including Juneteenth, the 4th of July, Penn Fest and the second State of the Community event.
- Advocated for City priorities at the federal, state and county level to help shape key regional projects and statewide reforms.
- Increased Richfield's regional presence by partnering with regional organizations like the I-494 Corridor Commission, I-35W Solutions Alliance, Greater MSP and Regional Council of Mayors.
- Continued to increase Richfield's visibility with earned media, by speaking at key local and regional events and by engaging with our neighbors and regional organizations.
- Contracted with Craig Rapp Consulting for an essential services plan to better define essential services, prioritize services and programs and explore more efficient and effective service delivery models.

2026 DIVISION GOALS

- Embed Strategic Plan mission, vision, values and priorities/outcomes in Council policy and communications and report progress on the dashboard (City Council Priority/Outcome 1a).
- Continue to improve partnerships with community organizations, including schools, civic groups, nonprofits, and local businesses. Support community events like 4th of July, Penn Fest and the State of the Community (City Council Priority/Outcome 1a).
- Increase Richfield's visibility with earned media and public by speaking at key local

- and regional events (City Council Priority/Outcome 1a).
- Continue to advocate for City priorities at the federal, state and county level including identifying funding for the local match to reconstruct Nicollet Ave and legislation to better align local match transportation policies with cities' ability to pay their relative burden (City Council Priority/Outcome 3b).
 - Finalize an essential services plan to better define essential services, prioritize services and programs and explore more efficient and effective service delivery models (City Council Priority/Outcome 1b-c).

DIVISION EXPENDITURE COMMENT

The 2025 revised budget is 3.12% lower than the 2025 adopted budget, primarily due to the city not renewing its contract with Envisio. Staff were able to develop a more effective report for progress on the Strategic Plan with existing software which resulted in a \$25,000 annual savings. The 2026 proposed budget reflects a 0.85% increase from the 2025 adopted budget due to moving the Southwest Cable Commission from the Communications budget to the City Council budget. Additionally, the full cost of the State of the Community has been moved from the Communications budget to the City Council budget. The Communications budget is funded by Comcast franchise fees which are declining as residents choose streaming platforms.

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive
BUSINESS UNIT: Mayor Council - 10100

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 55,542	\$ 57,157	\$ 57,157	\$ 58,871
6031 Employer Social Security	1,374	1,533	1,533	1,579
6032 Employer Medicare	711	829	829	854
6033 Employer Pera	1,575	1,621	1,621	1,670
6038 Workers Compensation	30	30	30	30
<i>Personal Services Total</i>	<u>\$ 59,232</u>	<u>\$ 61,170</u>	<u>\$ 61,170</u>	<u>\$ 63,004</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 78,326	\$ 95,000	\$ 70,000	\$ 77,500
6202 Data Processing Rental	12,846	14,190	14,190	11,820
6207 Utility Services	18,160	18,700	18,700	19,450
6301 Advertising & Publication	912	1,000	-	-
6302 Communications	40	-	-	-
6303 Professional Development	5,937	5,500	5,500	6,000
6305 Subscriptions & Memberships	50,111	70,950	86,950	86,718
6308 Property Liability	590	610	610	620
6401 Office Supplies	307	750	750	750
6402 Copy Charges	354	500	500	500
6403 Postage	2	50	50	50
6409 Uniforms & Clothing	329	550	550	550
6513 Other Charges	18,799	52,000	52,000	56,750
<i>Other Services & Charges Total</i>	<u>\$ 186,713</u>	<u>\$ 259,800</u>	<u>\$ 249,800</u>	<u>\$ 260,708</u>
<i>Mayor Council TOTAL</i>	<u>\$ 245,945</u>	<u>\$ 320,970</u>	<u>\$ 310,970</u>	<u>\$ 323,712</u>

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive
BUSINESS UNIT: Mayor Council - 10100

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Part-Time Employees</u>				
Mayor	Exempt	1.00	1.00	1.00
Council Member	Exempt	4.00	4.00	4.00
	<i>Total</i>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	None	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

OTHER AGENCIES DIVISION

MISSION STATEMENT

To award contracts to agencies delivering services to residents in Richfield through a competitive annual process.

DIVISION FOCUS

The Other Agencies Division focus is providing annual contracts to human service agencies serving Richfield residents.

2025 HIGHLIGHTS

- Awarded \$91,800 in contracts to seven non-profit agencies to provide services to Richfield residents.

2026 DIVISION GOALS

- Administer a competitive annual process to contract with social service agencies to provide needed services to Richfield residents. The 2025 budget includes \$97,584 for social service agency contracts. (City Council Priority/Outcome 2c and 5a).

DIVISION EXPENDITURE COMMENT

Interdepartmental labor charges will be reduced in 2026, making additional funds available for service contracts in 2026.

The allocation of the 2026 contracts will be determined by the City Council in early 2026.

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive
BUSINESS UNIT: Other Agencies - 10105

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6051 Interdepartmental Labor	\$ 30,229	\$ 24,340	\$ 24,310	\$ 22,590
<i>Personal Services Total</i>	\$ 30,229	\$ 24,340	\$ 24,310	\$ 22,590
<u>Other Services & Charges</u>				
6515 Human Services - Unallocated	\$ 78,100	\$ 91,800	\$ 91,800	\$ 97,584
<i>Other Services & Charges Total</i>	\$ 78,100	\$ 91,800	\$ 91,800	\$ 97,584
<i>Other Agencies TOTAL</i>	\$ 108,329	\$ 116,140	\$ 116,110	\$ 120,174

CITY MANAGER DIVISION

MISSION STATEMENT

Plan and direct the administration of City projects and programs as established by the City Charter, City ordinances and the City Council to ensure efficient, cost-effective municipal services and development consistent with City Council vision, values, priorities and desired outcomes.

DIVISION FOCUS

The City Manager is the chief administrative officer of the City and is responsible to the City Council for the supervision of all departments and divisions of City administration except where otherwise provided by law or City Charter. In addition to acting as the chief administrator for the City, the City Manager Division team oversees the City's equity work.

2025 HIGHLIGHTS

- Designed and launched internal strategic plan tracking tools that reduced the data-entry burden on staff and resulted in cost-savings of \$25,000 per year.
- Collaborated with Administrative Services in launching CivicPlus Select, an agenda management system used across all departments and divisions.
- Onboarded two new council members.
- Coordinated a wide range of training options for staff, including but not limited to equity training, PowerPoint training, business writing training, and leadership training.
- Created an internal Commission Manual for staff to provide more focused support to commission liaisons.
- Organized City Council-Staff retreats to help build constructive operating norms and expectations to enable a high functioning team. Council and Directors worked to identify policy proposals for the coming year during quarterly effective governance meetings.
- Collaborated with Human Resources to refine hiring and onboarding processes, train employees for inclusive interview practices, expand interview panels cross-departmentally, and improve recruitment.

2026 DIVISION GOALS

- Continue to lead the integration of the City's mission, vision, values, and strategic plan priorities into communications, processes, and City culture. Maintain dashboards to track performance targets (City Council Priority/Outcome 1a).
- Lead internal equity team (CARES) to support implementation of equity toolkit (City Council Priority/Outcome 5 a-c).
- Assist the Finance Department to develop long-term financial plans to fund operations and capital needs (City Council Priority/Outcome 1b and 3b).
- Assist HR to develop a training program for staff (City Council Priority/Outcome 4a).

- Continue implementing process improvements across administrative functions (City Council Priority/Outcome 1c).
- Coordinate the annual Council-Staff effective governance schedule and process (City Council Priority/Outcome 4c).
- Develop the 2026 legislative platform and partner with local legislators, state agencies, and regional partners to advance key City priorities (City Council Priority/Outcome 1a & 3b).

DIVISION EXPENDITURE COMMENT

The 2025 revised budget has a decrease of 0.76% from the 2025 adopted budget. The 2026 proposed budget has an increase of 6.56% from the 2025 adopted budget due to increased funding for equity projects, an equity intern, and increased personnel costs.

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive
BUSINESS UNIT: City Manager - 10115

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 407,746	\$ 415,638	\$ 416,154	\$ 438,161
6031 Employer Social Security	23,811	24,691	24,776	26,013
6032 Employer Medicare	5,792	5,774	5,919	6,233
6033 Employer Pera	29,572	31,173	31,212	32,862
6035 Medical Insurance	48,341	62,887	58,135	60,897
6036 Dental Insurance	2,452	2,545	2,531	2,597
6037 Term Life	242	150	149	140
6038 Workers Compensation	890	890	890	910
6040 Long Term Disability	568	708	737	776
6055 Administrative Labor Credit	(101,440)	(93,540)	(93,540)	(90,310)
<i>Personal Services Total</i>	<u>\$ 417,974</u>	<u>\$ 450,916</u>	<u>\$ 446,963</u>	<u>\$ 478,279</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 11,298	\$ 5,500	\$ 5,500	\$ 3,690
6202 Data Processing Rental	22,920	27,663	27,663	22,882
6207 Utility Services	9,070	9,340	9,340	9,710
6302 Communications	1,383	2,640	2,640	2,640
6303 Professional Development	3,713	11,000	11,000	12,600
6305 Subscriptions & Memberships	4,253	5,000	5,000	5,000
6307 Insurance & Bonds	5,126	4,050	4,050	4,130
6308 Property Liability	1,120	1,160	1,160	1,180
6401 Office Supplies	1,588	1,000	1,000	1,000
6402 Copy Charges	1,266	350	350	350
6403 Postage	3	50	50	50
6513 Other Charges	38	-	-	11,200
<i>Other Services & Charges Total</i>	<u>\$ 61,778</u>	<u>\$ 67,753</u>	<u>\$ 67,753</u>	<u>\$ 74,432</u>
<i>City Manager TOTAL</i>	<u><u>\$ 479,752</u></u>	<u><u>\$ 518,669</u></u>	<u><u>\$ 514,716</u></u>	<u><u>\$ 552,711</u></u>

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive
BUSINESS UNIT: City Manager - 10115

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
City Manager	22	1.00	1.00	1.00
Senior Analyst	13	1.00	1.00	1.00
Equity Coordinator	12	1.00	1.00	1.00
Administrative Assistant	9	.50	.50	.50
<i>Total</i>		<u>3.50</u>	<u>3.50</u>	<u>3.50</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LEGAL DIVISION

MISSION STATEMENT

To provide legal services as required by the City of Richfield.

DIVISION FOCUS

The Legal Division includes legal services and costs for general corporate representation and municipal prosecution.

The firm of Kennedy and Graven provides general corporate representation for the City. Services provided include attendance at all City Council meetings; attendance as requested by the Council or City staff at meetings with staff, public groups and public hearings; review and preparation of contracts, performance bonds, insurance and other routine legal documents; revision and preparation of ordinance code amendments and resolutions; formal and informal legal advice to Council, staff, commissions and committees; training sessions with officials and staff to discuss topics including but not limited to important legislative or judicial developments; and formal and informal advice on human resource matters including interpretations of federal, state and local rules and regulations relating to human resources matters.

H/J Law has been providing prosecution services to the city since July 1, 2022. Prosecution legal services provided include advising; ordinance enforcement; peace officer training; charging; calendar appearances; court trials; pretrial conferences and omnibus hearings; jury trials; sentencing; and appeals. The city plans to continue the contract with H/J Law for 2026.

2025 HIGHLIGHTS

- Continued excellent legal representation by Kennedy and Graven and H/J Law (City Council Priority/Outcome 1c).

2026 DIVISION GOALS

- To ensure that the City has the best legal representation possible for all facets of its operation (City Council Priority/Outcome 1c).

DIVISION EXPENDITURE COMMENT

The 2025 revised budget is the same as the 2025 adopted budget. The 2026 proposed budget is 1.40% higher, reflecting stable rates for professional services.

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive
BUSINESS UNIT: Legal - 10120

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<i>Other Services & Charges</i>				
6103 Professional Services -General	\$ 115,652	\$ 160,000	\$ 160,000	\$ 165,000
6105 Prosecution	187,196	197,700	197,700	197,700
6308 Property Liability	1,390	1,450	1,450	1,480
<i>Other Services & Charges Total</i>	<u>\$ 304,238</u>	<u>\$ 359,150</u>	<u>\$ 359,150</u>	<u>\$ 364,180</u>
<i>Legal TOTAL</i>	<u><u>\$ 304,238</u></u>	<u><u>\$ 359,150</u></u>	<u><u>\$ 359,150</u></u>	<u><u>\$ 364,180</u></u>

ADMINISTRATIVE SERVICES

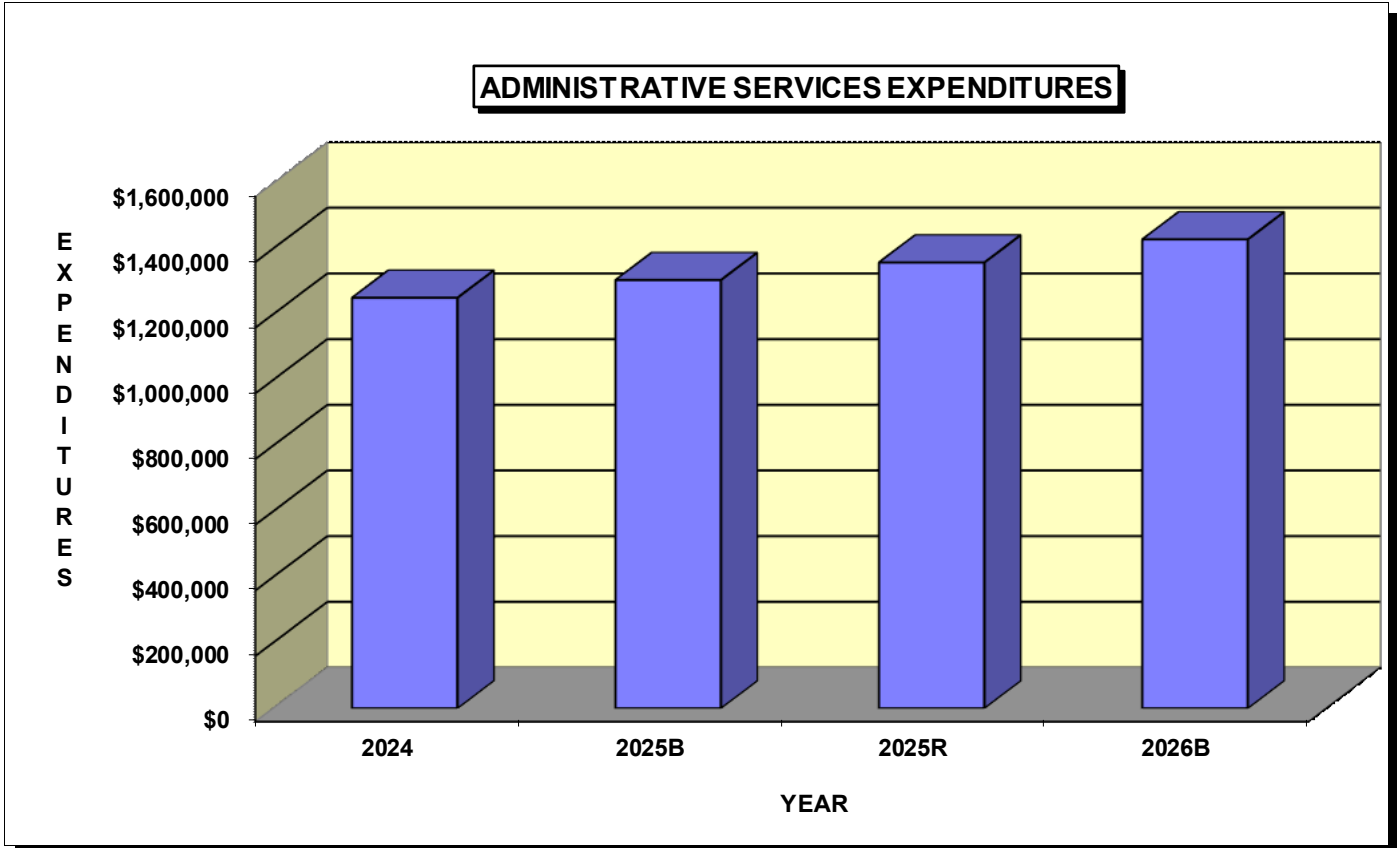
FUND: GENERAL FUND
DEPARTMENT: Administrative Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10200 Administration	\$ 145,272	\$ 165,550	\$ 166,194	\$ 171,262	3.45%
10205 Human Resources	278,074	277,260	337,748	360,783	30.12%
10215 Deputy Registrar	777,148	815,114	805,285	848,060	4.04%
10216 City Clerk	49,744	46,250	48,374	47,872	3.51%
<i>Administrative Services TOTAL</i>	<u>\$ 1,250,238</u>	<u>\$ 1,304,174</u>	<u>\$ 1,357,601</u>	<u>\$ 1,427,977</u>	9.49%

REVENUES

10215 Deputy Registrar	\$ 791,568	\$ 710,000	\$ 700,000	\$ 700,000	(1.41%)
10216 City Clerk	90	-	-	-	-



ADMINISTRATION DIVISION

MISSION STATEMENT

The mission of the Administration Division is to provide managerial direction and oversight to the Administrative Services Department, including the general supervision of human resources, deputy registrar office, city clerk, communications and engagement, government buildings, information technologies, liquor store operations and risk management.

DIVISION FOCUS

The Administrative Services Director serves as the supervisor of Administrative Services Department, including this division.

The Administrative Services Director is responsible for the overall direction and coordination of most of the City's administrative support service activity that allows the other City departments to operate effectively and to create an optimal work environment for employees.

Within the Human Resources function, the Administrative Services Director is responsible for contract administration, contract negotiations and employee relations. Much of the policy making of the area is handled by the Human Resources Manager, with input from the Administrative Services Director and City Manager.

This division is also responsible for the overall administration of the City's insurance fund and risk management program. These coverages include workers' compensation, property/casualty, dental and specialty coverages for the City, HRA and EDA. Rate changes for the coverages are determined by the division.

2025 HIGHLIGHTS

- Completed all-five union negotiations.
- Implement Paid Leave.
- Completed first round of stay Interviews with new staff and staff newly promoted to management positions (City Council Priority/Outcome 1 & 4).

2026 GOALS

- Continue with Stay Interviews with new staff and staff newly promoted to management positions (City Council Priority/Outcome 1 & 4).
- Develop processes for efficiency for Finance, Human Resources and Information Technology (IT).
- Develop organization-wide technology plan (City Council Priority/Outcome 1c).

DIVISION EXPENDITURE COMMENT

The 2025 revised budget reflects a 0.39% increase from the 2025 adopted budget. In the 2026 proposed budget, there will be a 3.45% increase from the 2025 adopted budget.

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: Administration - 10200

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 181,176	\$ 174,450	\$ 174,856	\$ 183,430
6031 Employer Social Security	10,814	10,820	10,820	11,270
6032 Employer Medicare	2,529	2,530	2,535	2,660
6033 Employer Pera	13,085	13,080	13,114	13,757
6035 Medical Insurance	1,278	-	-	-
6036 Dental Insurance	801	720	720	750
6037 Term Life	79	40	40	40
6038 Workers Compensation	100	110	110	110
6040 Long Term Disability	226	310	309	325
6054 Interdepartmental Labor Credit	(68,670)	(72,790)	(72,790)	(76,430)
6055 Administrative Labor Credit	(90,020)	(53,880)	(53,880)	(55,580)
<i>Personal Services Total</i>	<u>\$ 51,398</u>	<u>\$ 75,390</u>	<u>\$ 75,834</u>	<u>\$ 80,332</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 1,400	\$ 60	\$ 60	\$ 60
6202 Data Processing Rental	14,565	7,510	7,510	6,810
6207 Utility Services	74,170	76,400	76,400	79,460
6302 Communications	397	-	-	-
6303 Professional Development	-	1,800	2,000	1,500
6305 Subscriptions & Memberships	-	1,500	1,500	250
6307 Insurance & Bonds	1,765	1,130	1,130	1,150
6308 Property Liability	710	700	700	710
6401 Office Supplies	6	200	200	130
6402 Copy Charges	-	30	30	30
6403 Postage	158	30	30	30
6414 Other Supplies	703	800	800	800
<i>Other Services & Charges Total</i>	<u>\$ 93,874</u>	<u>\$ 90,160</u>	<u>\$ 90,360</u>	<u>\$ 90,930</u>
<i>Administration TOTAL</i>	<u><u>\$ 145,272</u></u>	<u><u>\$ 165,550</u></u>	<u><u>\$ 166,194</u></u>	<u><u>\$ 171,262</u></u>

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: Administration - 10200

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
A.S. Director/Assistant City Manager	20	1.00	1.00	1.00
<i>Total</i>		<u>1.00</u>	<u>1.00</u>	<u>1.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	None	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Human Resources Division

MISSION STATEMENT

To attract, develop, and retain a diverse, high performing, respectful workforce through integrated and strategic systems, policies, and procedures. Play a vital role in providing strategic organizational service and support to all City departments.

DIVISION FOCUS

This Division is responsible for the administration of the Human Resources ordinances, personnel policies, local, state and federal laws, classification and pay plans, leave administration, recruitment, selection and onboarding of employees in conjunction with their department. Talent management, benefits administration, employee safety, employee and labor relations, employee training, alignment with diversity, equity and inclusion initiatives, the Americans with Disabilities Act plan and process for visitors and employees, and risk management including all workers compensation, property and liability claims for the City. The Division is led by the HR Manager.

2025 HIGHLIGHTS

- Increased recruiting, hiring and onboarding for city employees due to increased turnover in 2024 (*City Council Priority/Outcome 4*).
- Conducted leadership searches and secured candidates for the following positions: Fire Chief, HR Manager, Budget Manager, and IT Manager.
- Hired a temporary employee to complete the Laserfiche project.
- Contributed to a new design of PAF form with IT to increase efficiency and compliance (*City Council Priority/Outcome 1c*).
- In process, facilitate contract negotiations with 5 unions.
- In-process, conduct an HR compliance audit.
- In-process, preparing for MN Paid Leave Act effect 1/1/2026.
- In-process, AWAIR Program training for all employees (except Police, Fire and Public works as they have their own specialized training).

2026 GOALS

- Implement MN Paid Leave for employees and eligible family members.
- Conclude 2025 HR compliance projects and communicate to leadership and affected employees.
- Create and conduct a Richfield supervisory training course for all current, new to supervision and new supervisory employees (*City Council Priority/Outcome 4a&b*).
- Conduct an employee engagement survey, and provide training for all supervisors/managers on communicating and implementing outcomes.

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects a 21.8% increase over the 2025 Adopted Budget. The 2026 Proposed Budget reflects a 30.1% increase over the 2025 Adopted Budget. These increases are primarily due to the addition of temporary staff needed to support the rollout and implementation of the mandated Minnesota Paid Leave program.

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: Human Resources - 10205

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 285,473	\$ 300,340	\$ 279,449	\$ 308,693
6007 Seasonal	-	-	3,000	3,000
6009 Overtime	115	-	-	-
6031 Employer Social Security	16,642	18,100	16,130	17,837
6032 Employer Medicare	3,892	4,230	3,772	4,172
6033 Employer Pera	21,368	22,530	20,720	22,899
6035 Medical Insurance	46,007	48,150	45,942	50,454
6036 Dental Insurance	2,207	2,170	2,058	2,206
6037 Term Life	218	130	121	120
6038 Workers Compensation	110	110	110	110
6040 Long Term Disability	493	530	489	540
6054 Interdepartmental Labor Credit	(161,270)	(170,950)	(170,950)	(179,498)
6055 Administrative Labor Credit	(46,590)	(48,450)	(48,450)	(50,150)
<i>Personal Services Total</i>	<u>\$ 168,665</u>	<u>\$ 176,890</u>	<u>\$ 152,391</u>	<u>\$ 180,383</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 75,382	\$ 20,000	\$ 100,000	\$ 100,000
6202 Data Processing Rental	18,705	24,670	24,670	30,820
6301 Advertising & Publication	-	100	300	500
6302 Communications	1,170	500	1,300	1,300
6303 Professional Development	2,335	2,500	5,100	2,600
6304 Employee Training	-	10,000	10,000	12,000
6305 Subscriptions & Memberships	300	21,380	22,767	12,800
6307 Insurance & Bonds	3,531	2,250	2,250	2,300
6308 Property Liability	550	570	570	580
6312 REEP Program	5,350	15,000	15,000	15,000
6315 Other Contractual Services	-	1,000	1,000	-
6401 Office Supplies	1,333	1,300	1,300	1,300
6402 Copy Charges	737	1,000	1,000	1,000
6403 Postage	16	100	100	200
<i>Other Services & Charges Total</i>	<u>\$ 109,409</u>	<u>\$ 100,370</u>	<u>\$ 185,357</u>	<u>\$ 180,400</u>
<i>Human Resources TOTAL</i>	<u><u>\$ 278,074</u></u>	<u><u>\$ 277,260</u></u>	<u><u>\$ 337,748</u></u>	<u><u>\$ 360,783</u></u>

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: Human Resources - 10205

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
HR Manager	17	1.00	1.00	1.00
HR Specialist	11	1.00	1.00	1.00
HR Specialist	11	1.00	1.00	1.00
	<i>Total</i>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
None	\$ -	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

DEPUTY REGISTRAR **DIVISION**

MISSION STATEMENT

To provide exceptional customer service quickly and with accuracy serving as Deputy Registrar for the State of Minnesota and managing the city information desk.

DIVISION FOCUS

The Deputy Registrar Division provides resident services to the community in its function as Deputy Registrar for the State of Minnesota. The division performs customer service functions for the City in the areas of motor vehicle titling and registrations, limited driver's license services, passport applications and photos, fish and game licenses, and Department of Natural Resources (boat, snowmobile and ATV) transfers and registration. This department also includes the city information desk that processes City mail, answers resident questions, schedules for the use of the Municipal Center conference rooms and checks in passport and motor vehicle customers.

The Deputy Registrar Division includes the Motor Vehicle Licensing Supervisor, a Lead Licensing Technician, 3 full-time Licensing Technicians and 3 part-time Licensing Technicians. Two intermittent employees serve as City Services Receptionist.

The division helps on average over 250 customers per day. The new Minnesota Driver and Vehicle Services System (MNDRIVE) moved 46% of the work that was done at the state level to the front counts. While the system is working well, transaction time on the front end has increased due to the added duties.

2025 HIGHLIGHTS

- Increased the number of dealer/business/car rental agency transactions, bringing additional revenue.

2025 DIVISION GOALS

- Provide excellent core services across all departments and continue to monitor for improvements, efficiencies and cost savings.
- Continue to recruit, retain and develop a diverse, committed, high performing staff (City Council Priority/Outcome 1 c).

2026 DIVISION GOALS

- Research the cost of a new point of sale system to help with the record keeping and organization of the motor vehicle and passport office (City Council Priority/Outcome 1c).
- Offer a customer service feedback survey to find out what customer's needs are and to better communicate the value of our core services to residents, elected officials and staff (City Council Priority/Outcome 4b).
- Continue to work with legislators regarding financial sustainability for deputy registrars.

DIVISION EXPENDITURE COMMENT

The 2026 budget reflects the challenges of staff turnover and cost to recruit and train motor vehicle staff. The 2025 revised budget reflects a -1.21% decrease from the 2025 adopted budget. In

2026 proposed budget, there will be a 4.04% increase from the 2025 adopted budget.

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: Deputy Registrar - 10215

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 347,525	\$ 361,657	\$ 365,244	\$ 383,855
6006 Part-time	124,333	138,615	128,998	138,241
6007 Seasonal	61,035	48,356	48,194	51,008
6009 Overtime	4,323	-	-	-
6031 Employer Social Security	31,572	33,738	36,420	38,490
6032 Employer Medicare	7,384	7,890	8,517	9,000
6033 Employer Pera	38,720	40,997	44,296	46,808
6035 Medical Insurance	75,359	78,515	67,505	73,652
6036 Dental Insurance	2,216	2,169	2,892	2,979
6037 Term Life	363	213	213	200
6038 Workers Compensation	1,220	1,220	1,220	1,240
6040 Long Term Disability	662	604	646	679
6055 Administrative Labor Credit	(15,400)	-	-	-
<i>Personal Services Total</i>	<u>\$ 679,312</u>	<u>\$ 713,974</u>	<u>\$ 704,145</u>	<u>\$ 746,152</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 611	\$ 300	\$ 300	\$ 300
6202 Data Processing Rental	67,092	68,680	68,680	70,668
6205 Maintenance & Repairs	-	270	270	270
6301 Advertising & Publication	-	100	100	100
6302 Communications	-	250	250	250
6303 Professional Development	2,091	2,100	2,100	2,150
6305 Subscriptions & Memberships	600	660	660	660
6307 Insurance & Bonds	5,715	4,500	4,500	4,590
6308 Property Liability	2,100	2,180	2,180	2,220
6401 Office Supplies	6,271	10,000	10,000	8,000
6402 Copy Charges	5,821	2,200	2,200	2,200
6403 Postage	7,535	7,100	7,100	7,700
6414 Other Supplies	-	200	200	200
6513 Other Charges	-	2,600	2,600	2,600
<i>Other Services & Charges Total</i>	<u>\$ 97,836</u>	<u>\$ 101,140</u>	<u>\$ 101,140</u>	<u>\$ 101,908</u>
<i>Deputy Registrar TOTAL</i>	<u><u>\$ 777,148</u></u>	<u><u>\$ 815,114</u></u>	<u><u>\$ 805,285</u></u>	<u><u>\$ 848,060</u></u>

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: Deputy Registrar - 10215

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Motor Vehicle Supervisor	12	1.00	1.00	1.00
Lead Licensing Technician	9	1.00	1.00	1.00
Licensing Technician	8	3.00	3.00	3.00
	<i>Total</i>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
<u>Intermittent Employees</u>				
City Services Receptionist (2 people)	6	1.00	1.00	1.00
	<i>Total</i>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<u>Part-Time Employees</u>				
Licensing Technician(3 people)	8	2.50	2.50	2.50
	<i>Total</i>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	None	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<i>Total</i>	<i>Total</i>	<i>Total</i>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Deputy Registrar

	<u>Actual 2022</u>	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Budget 2026</u>
Inputs:					
Number of Full Time Employees	5	5	5	5	5
Division Expenditures	\$ 596,390	\$ 632,528	\$ 780,437	\$ 815,114	848,060
Outputs:					
Motor Vehicle Transactions	49,459	50,000	55,125	50,000	50,000
Passport Transactions	7,299	7,754	7,400	7,400	7,400
Effectiveness Measures:					
Motor Vehicle Revenues-Year	\$ 441,717	\$ 455,349	\$ 610,165	\$ 500,000	500,000
Passport Revenues-Year	\$ 183,261	\$ 205,352	\$ 180,438	\$ 210,000	210,000
Motor Vehicle Processing Time	8 minutes	8 minutes	9 minutes	8 minutes	8 minutes
Passport Processing Time	12 minute	15 minutes	20 minutes	15 minutes	15 minutes
Efficiency Measures:					
Accuracy of Motor Vehicle Trans	99%	99%	99%	99%	99%
Division Revenue per capita	\$ 11.94	\$ 12.31	\$ 16.49	\$ 13.52	\$ 13.52
Division Expenditures per capita	\$ 16.12	\$ 17.10	\$ 21.10	\$ 22.03	\$ 22.92

2025 Budget reflects removal of Administrative Labor Credits for further analysis

2024 Budget reflects legislative approved fee increase

Population 36993

CITY CLERK DIVISION

MISSION STATEMENT

To serve as the official clerk to the City Council, Housing and Redevelopment Authority (HRA), and Economic Development Authority (EDA); to maintain and safeguard all official city records; to manage public data requests with transparency and efficiency; to administer elections with integrity and accuracy; and to deliver equitable, responsive customer service to city staff, residents, and constituents.

DIVISION FOCUS

The City Clerk Division is responsible for preparing, maintaining, certifying, and distributing information regarding City Council, HRA, and EDA actions through minutes, resolutions, and ordinances. These documents are official records of actions and legislation that govern the City.

The City Clerk manages data requests in compliance with the MN Data Practices Act and administers the city-wide records management program (GovQA).

The City Clerk's Division is responsible for the administration, retention of election records, and the overall conduct of elections within the City. In collaboration with Hennepin County and the Minnesota Secretary of State, the division ensures fair, accurate, and transparent election processes. Year-round services include voter registration and providing up-to-date voter information to residents.

The division is also responsible for domestic partner registrations.

In 2025, the division focused on onboarding and continued training for the new administrative assistant position, administering an election for the Richfield School District, and implementation of an agenda management software platform.

2025 HIGHLIGHTS

- Ensure all customer service functions of the City Clerk Division meet the goals of the City Council of being operationally excellent and customer-focused to maintain Richfield's competitiveness with surrounding communities. (*City Council Priority/Outcome 1c*).
- Maintained an accurate record of all City Council, HRA, and EDA Minutes, Ordinances, Resolutions, and Legal Notices. (*City Council Priority/Outcome 1, 3, and 4*).
- Assisted in transitioning the Richfield School District to even year school board elections and facilitated the process. (*City Council Priority/Outcome 1b and 1c*).
- Administered the Richfield School District School Board Election.
- Implemented a new agenda management software platform, including comprehensive training for staff, City Council, and Commissions. Enhanced transparency and public engagement by launching a public portal feature, improving access to City Council and Commission meetings. (*City Council Priority/Outcome 1c*).

- Collaborated with IT to establish Weblink (Laserfiche product) within our new agenda management software platform. This will allow the public to easily access historical records, including Council and Commission agenda packets, minutes, resolutions, and ordinances. *(City Council Priority/Outcome 1c and 1, 3, and 4).*
- Streamlined consistent agenda templates for City Council and Commissions. *(City Council Priority/Outcome 1c).*
- Enhanced the City's data management system process of storing contracts across the enterprise in one place for easier access. *(City Council Priority/Outcome 1.3 and 1, 3, and 4).*
- Utilized and implemented AdobeSign consistently for contract signatures both internal and external.
- Worked to ensure efficient operations for assessment search requests, and tracked staff time, and total number of assessments the City receives and responds to. *(City Council Priority/Outcome Step 1c).*
- Collaborated with Executive Department to update Council Rules of Procedure and Decorum, and clarified language document on Council meeting processes.
- Enhanced municipal code update processes to include codification of approved ordinances three times per year. *(City Council Priority/Outcome 1c).*

2026 DIVISION GOALS

- Continue to develop and enhance the data management system city-wide *(City Council Priority/Outcome 1c and 1, 3, and 4).*
- Continue to produce and maintain accurate City records, resolutions, ordinances and legal notices. Maximize efficiency and data management procedures. *(City Council Priority/Outcome 1c and 1, 3, and 4).*
- Review retention schedule by department and develop a quarterly process for destruction of expired retained documents. *(City Council Priority/Outcome 1, 3, and 4).*
- Along with the Hennepin County Elections Department, administer a successful election process for two elections: primary election and general election. *(City Council Priority/Outcome 1c).*
- Continued involvement with the Municipal Clerks and Finance Officers Association of Minnesota (MCFOA) and International Institute Municipal Clerks (IIMC) for professional development.
- Continue to review and offer training and development opportunities for staff.
- Continue partnering with the CAREs Committee to broaden inclusion and equity initiatives. *(City Council Priority/Outcome 5.2).*
- Continue to offer training on the new agenda management software platform to staff at quarterly touch-base trainings. *(City Council Priority/Outcome 1c).*

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget includes reimbursement of election expenses for administering the Richfield School District Election; increases to standard services within the internal department services classifications; reassigning budget and expenses for published notices; and adding professional development expense for staff.

The 2026 Proposed Budget reflects two elections, reallocating municipal code subscription expense from Communications to City Clerk, and increases to standard services within the internal department services classifications.

The 2025 Revised City Clerk Budget reflects a 4.6% or \$2,124 increase over 2025 Adopted due to reallocating \$5,000 for Municode from Fund 20004 (Communications). The 2026 Proposed Budget reflects a 3.5% or \$1,622 increase over 2025 Adopted due to election cost that are not reimbursed except during odd year cycles.

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: City Clerk - 10216

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 84,768	\$ 134,280	\$ 135,321	\$ 144,440
6006 Part-time	11,149	-	20,000	20,000
6007 Seasonal	43,464	20,000	50,000	65,000
6009 Overtime	420	-	-	500
6031 Employer Social Security	6,111	7,790	8,384	17,096
6032 Employer Medicare	1,429	1,820	1,961	3,998
6033 Employer Pera	6,594	10,070	10,070	10,833
6035 Medical Insurance	11,521	25,850	21,533	22,892
6036 Dental Insurance	615	1,450	1,085	1,117
6037 Term Life	61	80	80	60
6038 Workers Compensation	160	160	160	160
6040 Long Term Disability	86	230	230	240
6054 Interdepartmental Labor Credit	(140,480)	(192,470)	(242,470)	(285,831)
<i>Personal Services Total</i>	<u>\$ 25,898</u>	<u>\$ 9,260</u>	<u>\$ 6,354</u>	<u>\$ 505</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 3,407	\$ 4,120	\$ 7,200	\$ -
6202 Data Processing Rental	6,740	19,690	19,690	22,517
6301 Advertising & Publication	1,470	100	-	1,500
6303 Professional Development	985	1,530	2,350	5,030
6305 Subscriptions & Memberships	7,568	11,060	11,170	16,150
6307 Insurance & Bonds	2,597	-	1,120	1,140
6308 Property Liability	170	180	180	180
6401 Office Supplies	357	150	250	400
6402 Copy Charges	-	30	30	30
6403 Postage	178	30	30	20
6414 Other Supplies	374	100	-	400
<i>Other Services & Charges Total</i>	<u>\$ 23,846</u>	<u>\$ 36,990</u>	<u>\$ 42,020</u>	<u>\$ 47,367</u>
<i>City Clerk TOTAL</i>	<u><u>\$ 49,744</u></u>	<u><u>\$ 46,250</u></u>	<u><u>\$ 48,374</u></u>	<u><u>\$ 47,872</u></u>

FUND: GENERAL FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: City Clerk - 10216

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
City Clerk	14	1.00	1.00	1.00
<i>Total</i>		<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<u>Part-Time Employees</u>				
Administrative Assistant (FT - 50% Shared with Executive)	9	.50	.50	.50
<i>Total</i>		<u>.50</u>	<u>.50</u>	<u>.50</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Administrative Services

City Clerk

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Projected 2025</u>	<u>Projected 2026</u>
Inputs:				
Number of Full Time Employees	1.0	1.25	1.50	1.50
Division Expenditures	\$121,062	\$ 190,225	\$289,868	\$ 332,559
Outputs:				
Legal Notices Published	40	49	53	50
Domestic Partnerships Filed	4	5	3	6
Meeting Notices	69	96	100	90
Number of Elections Held	1	2	2	2
Number of Registered Voters	25,499	23,325	23,325	24,000
Number of Ballots Cast	4,265	19,408	4,300	19,500
Effectiveness Measures:				
Number of Data Requests Completed thru GovQA	1,347	1,490	1,900	2,000
Efficiency Measures:				
Expenditure per Capita	\$ 3.27	\$ 5.14	\$ 7.84	\$ 8.99

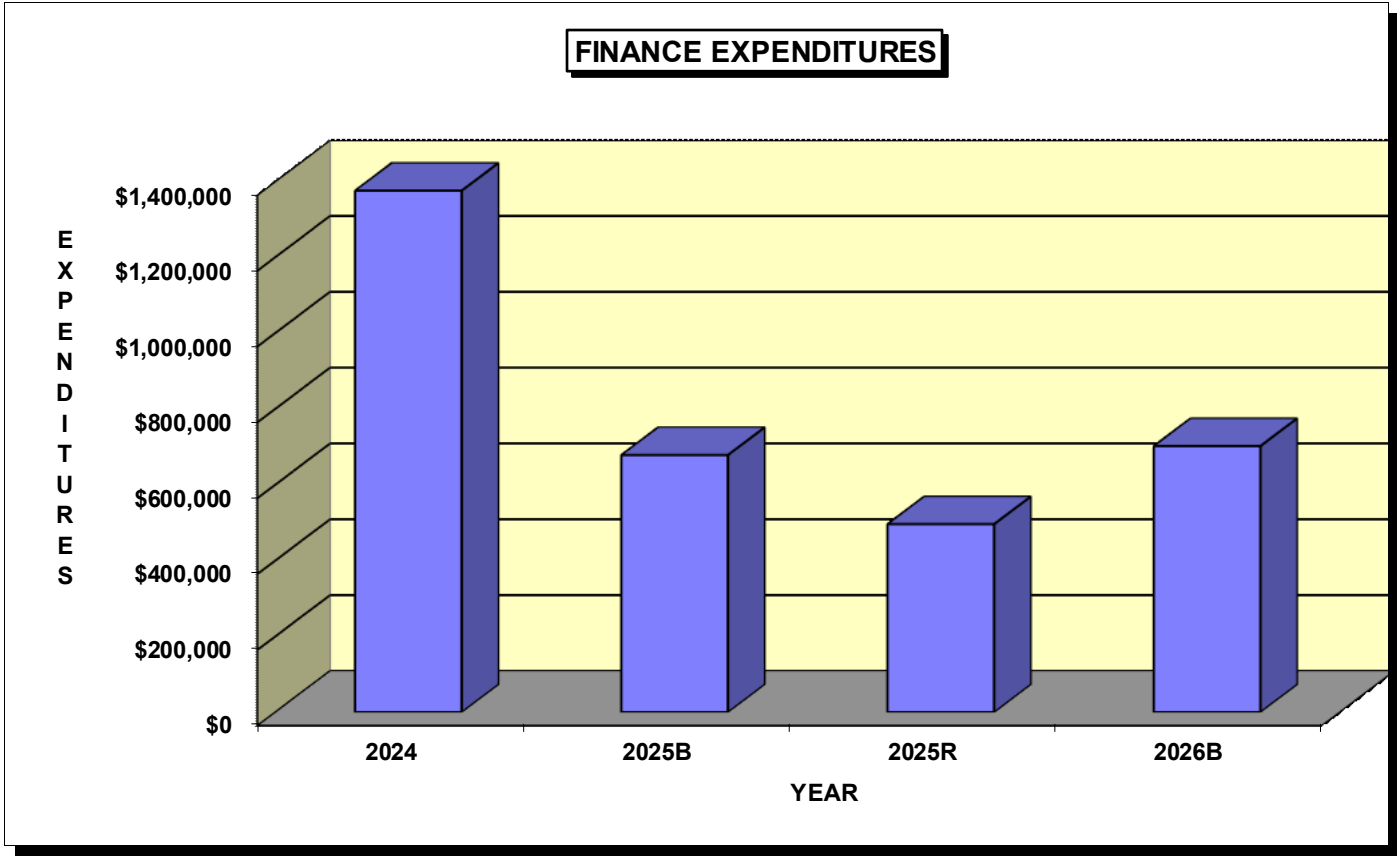
Population 36,993

FINANCE

FUND: GENERAL FUND
DEPARTMENT: Finance

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10210 Finance	\$ 948,441	\$ 665,500	\$ 483,312	\$ 688,788	3.50%
10220 Assessing	426,720	12,520	12,520	12,840	2.56%
<i>Finance TOTAL</i>	<u>\$ 1,375,161</u>	<u>\$ 678,020</u>	<u>\$ 495,832</u>	<u>\$ 701,628</u>	3.48%



FINANCE DIVISION

MISSION STATEMENT

To maintain all of the City's financial records, to provide accounting, and financial support services to other City departments and the City's Housing and Redevelopment Authority (HRA).

DIVISION FOCUS

The Finance Division provides financial management and accounting services for all city operations. Services include budget, cash and debt management, capital financing, investments, accounts payable, utility billing, receipts and receivables, fixed assets, payroll, financial reporting and audit coordination.

In addition to the City's Annual Budget, the division prepares the Annual Comprehensive Financial Report.

Richfield has again attained AA+ rating - very high credit quality – assigned by S&P Global Ratings in December 2024. The rating agency evaluates several factors in their analysis including economic, financial and management factors, as well as the city's ability to meet financial obligations.

2025 HIGHLIGHTS

- Additions of Budget, Cash and Debt Manager and senior financial analyst add depth and experience to the Finance Team.
- Significant “catch up” and streamlining of daily operations and processes, including planned Tungsten implementation.
- Staff growth in confidence and understanding of finance responsibilities.
- Planning for general obligation debt issue Oct/Nov 2025.

2026 FINANCE DIVISION GOALS

- **Staff investment:** Stabilization and staff development.
- **Technology:** Tungsten (Logis) implementation streamlining vendor invoice to payment processing.
- **Financial Management and Decision Making**
 - Work with Ehlers to update Key Financial Strategies model.
 - Targeted focus review for best practice/internal control of critical financial functions.
 - Improve financial reporting for operations and projects.

DIVISION EXPENDITURE COMMENT

The revised 2025 budget reflects a significant decrease from the 2025 Adopted Budget as use of professional services contracts decreased. The 2026 Proposed budget increases from the 2025 Adopted Budget primarily to reflect addition of senior financial analyst.

FUND: GENERAL FUND
DEPARTMENT: Finance
BUSINESS UNIT: Finance - 10210

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 583,670	\$ 628,560	\$ 523,122	\$ 670,105
6009 Overtime	-	-	600	-
6031 Employer Social Security	32,221	30,550	30,723	39,344
6032 Employer Medicare	7,535	7,150	7,185	9,202
6033 Employer Pera	40,496	38,000	37,841	48,783
6035 Medical Insurance	77,603	101,400	69,306	89,113
6036 Dental Insurance	3,784	3,610	3,115	3,724
6037 Term Life	431	240	235	260
6038 Workers Compensation	270	270	270	280
6040 Long Term Disability	949	900	893	1,151
6054 Interdepartmental Labor Credit	(42,083)	(43,760)	(43,760)	(43,760)
6055 Administrative Labor Credit	(364,703)	(379,290)	(398,360)	(411,700)
<i>Personal Services Total</i>	<u>\$ 340,173</u>	<u>\$ 387,630</u>	<u>\$ 231,170</u>	<u>\$ 406,502</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 485,844	\$ 155,000	\$ 129,272	\$ 163,700
6202 Data Processing Rental	43,429	55,720	55,720	49,766
6207 Utility Services	37,200	38,320	38,320	39,850
6301 Advertising & Publication	972	-	-	-
6302 Communications	1,758	3,350	3,350	3,350
6303 Professional Development	504	4,000	4,000	4,000
6305 Subscriptions & Memberships	764	1,000	1,000	1,000
6307 Insurance & Bonds	7,468	5,630	5,630	5,740
6308 Property Liability	1,250	1,300	1,300	1,330
6401 Office Supplies	7,097	6,500	6,500	6,500
6402 Copy Charges	2,232	1,250	1,250	1,250
6403 Postage	5,247	3,800	3,800	3,800
6409 Uniforms & Clothing	346	-	-	-
6414 Other Supplies	-	2,000	2,000	2,000
<i>Other Services & Charges Total</i>	<u>\$ 594,111</u>	<u>\$ 277,870</u>	<u>\$ 252,142</u>	<u>\$ 282,286</u>
<u>Capital Outlay</u>				
7130 Taxes, Interest & Penalty	\$ 14,157	\$	\$	\$
<i>Capital Outlay Total</i>	<u>\$ 14,157</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<i>Finance TOTAL</i>	<u><u>\$ 948,441</u></u>	<u><u>\$ 665,500</u></u>	<u><u>\$ 483,312</u></u>	<u><u>\$ 688,788</u></u>

FUND: GENERAL FUND
DEPARTMENT: Finance
BUSINESS UNIT: Finance - 10210

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Budget, Cash and Debt Manager	15	-	1.00	1.00
Senior Analyst	13	-	1.00	1.00
Assistant Finance Director	15	1.00	1.00	1.00
Payroll Accountant	14	1.00	1.00	1.00
Accountant	11	.50	.50	.50
Accounting Technician (Accounts Payable)	8	1.00	1.00	1.00
Accounting Technician (Accounts Receivabl	8	1.00	1.00	1.00
Accounting Technician	8	1.00	-	-
<i>Total</i>		<u>5.50</u>	<u>6.50</u>	<u>6.50</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FUND: GENERAL FUND
DEPARTMENT: Finance
BUSINESS UNIT: Assessing - 10220

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<i>Other Services & Charges</i>				
6103 Professional Services -General	\$ 412,262	\$ -	\$ -	\$ -
6202 Data Processing Rental	2,070	-	-	-
6207 Utility Services	11,320	11,320	11,320	11,770
6308 Property Liability	1,050	1,050	1,050	1,070
6401 Office Supplies	-	75	75	-
6402 Copy Charges	18	40	40	-
6403 Postage	-	35	35	-
<i>Other Services & Charges Total</i>	<u>\$ 426,720</u>	<u>\$ 12,520</u>	<u>\$ 12,520</u>	<u>\$ 12,840</u>
<i>Assessing TOTAL</i>	<u>\$ 426,720</u>	<u>\$ 12,520</u>	<u>\$ 12,520</u>	<u>\$ 12,840</u>

PUBLIC SAFETY

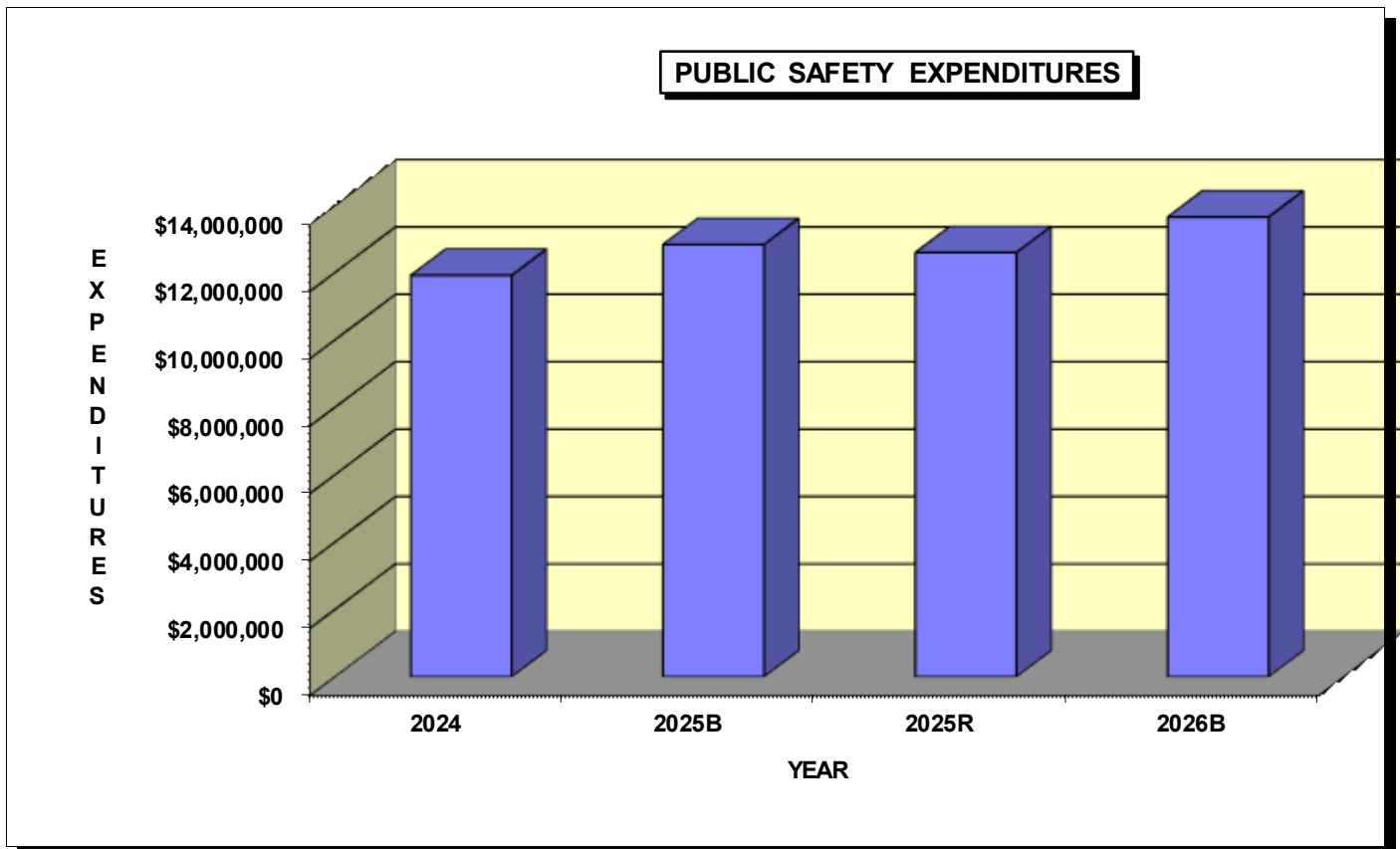
FUND: GENERAL FUND
DEPARTMENT: Public Safety

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10300 Support Services	\$ 1,177,678	\$ 1,340,940	\$ 1,260,764	\$ 1,365,558	1.84%
10305 Police Operations	10,707,721	11,441,350	11,276,900	12,228,570	6.88%
10315 Emergency Services	24,656	42,350	48,520	48,660	14.90%
<i>Public Safety TOTAL</i>	<u>\$11,910,055</u>	<u>\$12,824,640</u>	<u>\$12,586,184</u>	<u>\$13,642,788</u>	6.38%

REVENUES

10300 Support Services	\$ 563,350	\$ 832,805	\$ 934,586	\$ 950,086	14.08%
10305 Police Operations	1,076,619	886,840	955,820	991,390	11.79%



SUPPORT SERVICES DIVISION

MISSION STATEMENT

To provide management and administration of health services, business licensing, community service officers, animal control, food/pool/lodging inspections, emergency preparedness response and environmental health services.

DIVISION FOCUS

The Support Services Division includes the Support Services Division Manager, two part-time Environmental Health Specialists, one full-time Code Compliance Specialist, two part-time Business Licensing Clerks, three part-time Community Service Officers, and a seasonal Environmental Health Tech.

The Support Services Division performs six major functions for the City. They are:

- Environmental Health Code Enforcement
- Animal Control
- Business Licensing
- Public Health Services
- Food/Pool/Lodging Inspection Services
- Liaison to the Richfield Advisory Board of Health (Citizens Commission)

The division is responsible for responding to roughly 1000 complaints received annually concerning environmental health code violations of private and public property. Staff also proactively monitor for common code violations. The division responds to all animal control calls which are handled by a supervisor and three part-time employees. Additionally, Support Services provides business licensing and renewal functions including the licensing and inspection of all food/pool/lodging establishments, all liquor/wine/beer establishments and beginning in 2025, all cannabis and low-potency hemp edible (LPHE) retailers. Compliance checks for the aforementioned are mandated by state statute. Compliance checks will increase 100% in 2025 due to cannabis and LPHE.

The division, for 48 years now, has provided accredited health services to the residents of Richfield through a contract with the Bloomington Public Health Department. The division provides a staff liaison to the Richfield Advisory Board of Health, which makes policy recommendations to the City Council. Public Health has seen a historic investment from the State since Covid, and partners have been able to fill positions to meet grant duties. At that same time, the remaining covid dollars were clawed back on March 25, 2025, with a 48-hour notice to community health boards. This meant almost \$500,000 in funding was eliminated from Richfield's Support Services budget. Although

that funding was going to sunset in 2026, a longer phase out would have been appreciated. Additionally, the Minnesota Legislature has added permanent annual funding into MDH's budget like CSUP, FPHR and RSG dollars to address needed public health services.

Staff continue to respond to roughly 1000 complaints a year about environmental health property maintenance violations while utilizing two part-time staff that job share to field complaints and conduct case management and/or legal follow-up. The part-time Community Service Officers are the field inspectors for environmental health complaints along with conducting other traditional CSO duties of animal control, assisting patrol, public safety related errands, managing vacant properties, being present at community engagement events and handling minor traffic violations, etc.

2025 HIGHLIGHTS

- An additional investment by the City Council has afforded a third CSO who is currently being backgrounded.
- Staff collaborated with Community Development to identify funding for the abatement of hoarded homes in the city through 2026. To date, 10 abatements have been completed throughout the city.
- Support Services is working collaboratively with CD to assist new cannabis business applicants looking to open in Richfield. The city received its first Zoning Compliance certificate from OCM in June.
- Several sections of city code have been updated and that work will continue.

2026 STRATEGIC PRIORITIES/OUTCOMES

- 1C,4B: Cross-train staff in Environmental Health and Business Licensing
- 1C: Continue to update relevant City Code
- 1C: Deliver a seamless cannabis/LPHE registration and compliance process

DIVISION EXPENDITURE COMMENT

Most of the division's expenditures are employee salaries. With the implementation of the compensation and class study, most staff are stepping again. Additionally, the food/pool/lodging inspection contract the City of Richfield has with the City of Bloomington continues to increase annually at 3.5% and the health contract will increase 5% for 2026.

FUND: GENERAL FUND
DEPARTMENT: Public Safety
BUSINESS UNIT: Support Services - 10300

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 186,457	\$ 208,026	\$ 208,046	\$ 216,776
6006 Part-time	194,423	315,144	284,203	343,624
6007 Seasonal	-	8,590	7,902	7,902
6009 Overtime	-	500	500	500
6031 Employer Social Security	23,676	32,611	30,333	34,545
6032 Employer Medicare	5,537	7,626	7,094	8,078
6033 Employer Pera	29,627	39,882	36,918	42,029
6035 Medical Insurance	58,870	92,350	63,652	67,471
6036 Dental Insurance	1,472	1,446	1,446	1,490
6037 Term Life	145	85	85	80
6038 Workers Compensation	470	470	470	480
6040 Long Term Disability	356	369	368	384
<i>Personal Services Total</i>	<u>\$ 501,033</u>	<u>\$ 707,099</u>	<u>\$ 641,017</u>	<u>\$ 723,359</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 589,235	\$ 536,255	\$ 521,770	\$ 547,926
6202 Data Processing Rental	38,681	50,842	50,842	45,098
6204 Motor Pool Operating Rental	20,820	21,650	21,650	22,730
6207 Utility Services	13,140	13,530	13,530	14,070
6301 Advertising & Publication	496	800	720	750
6302 Communications	272	750	300	300
6305 Subscriptions & Memberships	571	594	615	635
6307 Insurance & Bonds	5,310	2,250	2,250	2,300
6308 Property Liability	790	820	820	840
6315 Other Contractual Services	800	750	750	750
6401 Office Supplies	1,476	1,700	1,700	2,000
6402 Copy Charges	534	300	300	300
6403 Postage	1,270	1,000	1,000	1,000
6409 Uniforms & Clothing	837	1,600	2,500	2,500
6513 Other Charges	2,413	1,000	1,000	1,000
<i>Other Services & Charges Total</i>	<u>\$ 676,645</u>	<u>\$ 633,841</u>	<u>\$ 619,747</u>	<u>\$ 642,199</u>
<i>Support Services TOTAL</i>	<u><u>\$ 1,177,678</u></u>	<u><u>\$ 1,340,940</u></u>	<u><u>\$ 1,260,764</u></u>	<u><u>\$ 1,365,558</u></u>

FUND: GENERAL FUND
DEPARTMENT: Public Safety
BUSINESS UNIT: Support Services - 10300

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Support Services Manager	M-1		-	-
Code Compliance Officer	GS-5		-	-
Support Services Manager	14	1.00	1.00	1.00
Code Compliance Officer	11	1.00	1.00	1.00
	<i>Total</i>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
<u>Part-Time Employees</u>				
Health Specialist	GS-3		-	-
Business Licensing Clerk	GS-2		-	-
Community Service Officer	GS-2		-	-
Health Specialist	9	2.00	2.00	2.00
Business Licensing Tech	8	2.00	2.00	2.00
Community Service Officer	8	3.00	3.00	3.00
	<i>Total</i>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	None	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Public Safety

Support Services

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Budget 2026</u>
Inputs: FT employees	2	2	2	2
# PT employees	6	6	7	7
Division expenditures	\$ 1,088,899	\$ 1,188,048	\$ 1,340,940	\$ 1,365,558
 Outputs:				
# proactive ins. conducted	549	414	560	500
# citizen generated complaints	267	518	275	353
 Effectiveness Measures:				
% within 5 days	65%	65%	65%	65%
% within 10 days	25%	25%	25%	25%
More than 10 days	10%	10%	10%	10%
 Efficiency Measures:				
# proactive ins. cond./inspector	92	69	93	83
# citizen compl. cond./inspector	54	86	55	58
Division expenditure per capita	\$ 29.43	\$ 32.36	\$ 36.52	\$ 37.19

POLICE DIVISION

MISSION STATEMENT

It is the Mission of the Richfield Police Department to safeguard the lives and property of the people we serve, to reduce the incidence and fear of crime, and to enhance public safety while working with the community to improve their quality of life. The men and women of the Richfield Police Department are committed to accomplishing these goals with courage, honor, integrity, and hard work.

DIVISION FOCUS

Our mission statement provides the foundation upon which all operational decisions and organizational policies are based. Under the leadership of the Public Safety Director, the Police Division works tirelessly to accomplish the mission. To effectively achieve these stated goals, the Police Division is divided into three sections:

- The Patrol Section consists of the uniformed officers patrolling the streets of Richfield in marked police squads. These officers provide timely 24/7 police coverage to the community of Richfield. There are three specialty units embedded in the patrol section or available to assist the patrol section. The specialty units are two canine units assigned to the patrol section, traffic unit, and SWAT team. The canine unit enhances the officer's ability to locate offenders, persons, contraband and/or property. The traffic unit allows flexibility in enforcement efforts and affords the patrol section the ability to focus on problem traffic areas in the city. Finally, the SWAT team provides the patrol section with the ability to respond to high-risk incidents that do not fall within the scope of routine policing.
- Officers assigned to investigation and the Special Investigative Unit (SIU). Investigations are responsible for conducting all criminal investigations in the City of Richfield. The Richfield Special Investigative Unit (SIU) proactively investigates narcotic, vice, and gang related crimes in Richfield. We also have a continued partnership with the Hennepin County Sheriff's Office with the Violent Offender Task Force (VOTF)
- The Administrative Section consists of support services, Joint Community Police Partnership unit (JCPP), Embedded Social Worker, Alternative Response Team (ART) and the Crime Prevention Unit (CPU). Personnel are responsible for administrative and clerical support, planning and research, processing criminal complaints and conducting statistical analyses for the police division. CPU provides citizens with the knowledge necessary to protect their person and property from becoming victimized by crime through community education and prevention programs. The Therapy canine is assigned to this section as well.

2025 HIGHLIGHTS

Community Relations in keeping with Council Priorities and Desired Outcomes 1a-c,4a-b, 5a-c.

In June of 2024 we used our second social worker position and collaborated with the City of Edina to implement an Alternative Response Team (ART). In 2025 the program hit its stride, and we still have some ARPA funding left that will help offset this cost through 2025. This program may change to two social workers and remove the medical

component of the ART Team. We will continue to collaborate with the City of Edina for cost sharing of the program.

We received a grant to fund a canine therapy dog through the legislature and the Office of Justice programs for the State of Minnesota. The Therapy canine is currently in training and is embedded in the department to assist the public safety department and other departments in the city. His name is Ritchie.

We also received over \$150,000 in grants from the State of Minnesota for our Intensive Comprehensive Police Officer Education Training (ICPOET).

Implemented a drone program to enhance the department's capabilities for search and rescue, safety during community events, and assessment during natural or community disasters. This program has been successful in apprehending suspects in crimes, etc.

Began the process of Accreditation for our department through MNLEAP. This process will take about a year and a half to complete. Through the accreditation process, our agency will receive objective, third-party validation of our professional practices and operational standards. This independent evaluation not only carries the potential to reduce our exposure to legal liability but also creates a framework for continuous self-assessment and improvement.

Transition and train staff on new legislative laws as they relate to use of Adult Use Cannabis, POST Board reporting, and mandatory policies,

Personnel:

- In keeping with Council Priorities and Desired Outcomes 1c, 4a-b, 5a-c, we hired 4 new police officers. One officer is BIPOC, and the other officers come from military backgrounds, other professions, and other agencies. We plan on continuing to hire for the remaining vacancies with candidates in the background phase.

REVISED 2025 BUDGET CHANGES

- The revised 2025 budget is slightly lower than the adopted 2025 budget. We have had attrition through retirements that have occurred this year. We are in the process of hiring to fill the remaining vacancies. We also had some lower than expected revolving costs.

2026 POLICE DIVISION Priorities

- Enhance police effectiveness with additional technology upgrades and apps.
- Continue to seek out grant funding opportunities for new programs/equipment.
- In keeping with Council Priorities and Desired Outcomes 5a-c, continue to enhance the partnership between members of the community and the police through proactive programs based on the Community Oriented Policing philosophy including community conversations.
- In keeping with Council Priorities and Desired Outcomes 1, 3, and 5, reduce crime and increase the feeling of safety and security through a partnership

between members of the community and the police department.

- In keeping with Council Priorities and Desired Outcomes 1, 3, 4, and 5, continue with our past programs and plan new programs. Develop and initiate new programs for the community with our staff.

DIVISION EXPENDITURE COMMENT

The increases in the Proposed 2026 Budget are due mainly to:

- The personal services increase for 2026 reflects collective bargaining agreements for the 3 unions along with 34 employees will receive step increases.
- Increase in the contract to participate in funding of JCCP Liaison with Hennepin County.
- Increase in professional services due to transitioning to Tyler Technologies and software upgrades after the initial implementation year.
- Increase in Health Insurance, Workers Compensation, College Incentive and PERA.
- Must pay a larger portion of salaries due to having an embedded social worker and one social worker assigned to the Alternative Response Team (ART). Our new contract for services will begin in 2026.
- Must replace 12 year old squad cameras and 5 year old body cameras for the department.
- The 2026 proposed budget shows an overall increase of 6.88% over the 2025 adopted budget. If the planned Public Safety Aid (PSA) transfer of \$305,395 were included in the Police Division's budget, the 2026 proposed budget would be up 4.21% over the 2025 adopted budget.

FUND: GENERAL FUND
DEPARTMENT: Public Safety
BUSINESS UNIT: Police Operations - 10305

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 5,937,896	\$ 6,407,090	\$ 6,161,440	\$ 6,761,470
6006 Part-time	161,903	174,000	173,990	184,100
6007 Seasonal	-	10,000	10,000	10,000
6009 Overtime	255,802	220,000	230,000	230,000
6011 Education Pay	69,312	81,320	62,450	79,420
6031 Employer Social Security	45,642	50,370	54,800	54,170
6032 Employer Medicare	89,597	93,380	88,500	97,080
6033 Employer Pera	1,028,400	1,112,800	1,054,480	1,168,350
6035 Medical Insurance	886,864	1,004,130	1,018,150	1,071,800
6036 Dental Insurance	36,824	39,820	39,200	41,440
6037 Term Life	3,708	2,390	2,310	2,230
6038 Workers Compensation	191,580	191,580	191,580	195,410
6040 Long Term Disability	9,136	11,420	10,810	11,900
6051 Interdepartmental Labor	-	200	200	200
6053 Labor Services Billed	77,839	50,000	70,000	60,000
6054 Interdepartmental Labor Credit	(112,608)	(165,300)	(165,800)	(165,800)
6055 Administrative Labor Credit	(23,312)	(24,240)	(24,240)	(25,090)
6056 Labor Services Billed Credit	(82,040)	(65,000)	(75,000)	(70,000)
<i>Personal Services Total</i>	<u>\$ 8,576,543</u>	<u>\$ 9,193,960</u>	<u>\$ 8,902,870</u>	<u>\$ 9,706,680</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 623,103	\$ 613,260	\$ 614,930	\$ 733,760
6201 Rents & Leases	61,371	103,800	186,150	196,240
6202 Data Processing Rental	265,727	313,490	313,490	328,850
6204 Motor Pool Operating Rental	367,910	380,380	380,380	399,400
6205 Maintenance & Repairs	32,158	41,000	44,320	42,970
6207 Utility Services	379,200	390,580	390,580	406,200
6301 Advertising & Publication	134	140	140	140
6302 Communications	5,774	6,000	6,000	6,500
6303 Professional Development	67,140	85,000	100,000	90,000
6305 Subscriptions & Memberships	4,997	7,500	6,000	6,000
6307 Insurance & Bonds	74,955	62,840	62,840	64,100
6308 Property Liability	20,480	21,300	21,300	21,730
6315 Other Contractual Services	232	1,000	1,000	1,000
6319 Detention Costs	77,927	55,000	75,000	65,000
6401 Office Supplies	7,818	13,500	10,500	10,000
6402 Copy Charges	394	500	500	500
6403 Postage	1,129	1,400	1,300	1,300
6409 Uniforms & Clothing	50,715	73,000	85,000	76,000
6414 Other Supplies	90,014	77,700	74,600	72,200
<i>Other Services & Charges Total</i>	<u>\$ 2,131,178</u>	<u>\$ 2,247,390</u>	<u>\$ 2,374,030</u>	<u>\$ 2,521,890</u>
<i>Police Operations TOTAL</i>	<u><u>\$ 10,707,721</u></u>	<u><u>\$ 11,441,350</u></u>	<u><u>\$ 11,276,900</u></u>	<u><u>\$ 12,228,570</u></u>

FUND: GENERAL FUND
DEPARTMENT: Public Safety
BUSINESS UNIT: Police Operations - 10305

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Public Safety Director	21	1.00	1.00	1.00
Deputy Director	19	1.00	1.00	1.00
Lieutenant	PS-5	3.00	3.00	3.00
Sergeant	PS-4	8.00	8.00	8.00
Police Officer	PS-2	35.00	35.00	35.00
Records Supervisor	12	1.00	1.00	1.00
Crime Prevention Specialist	10	1.00	1.00	1.00
IT Technician II	12	.80	.80	.80
Analyst	12	1.00	1.00	1.00
Records Technician	10	1.00	1.00	1.00
Senior Office Asst	8	2.00	2.00	2.00
Police Data & Media Specialist	10	1.00	1.00	1.00
	<i>Total</i>	<u>55.80</u>	<u>55.80</u>	<u>55.80</u>
<u>Part-Time Employees</u>				
Senior Office Asst	8	4.00	4.00	4.00
	<i>Total</i>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Police Operations

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Budget 2026</u>
Inputs:				
Number of full time employees	57.80	58.80	59.80	59.80
Division Expenditures	\$ 9,844,097	\$ 10,459,545	\$ 11,441,350	\$12,228,570
Outputs:				
Annual Calls for Service	36,710	36,710	36,710	38,420
Crime Prevention Activities				
Neighborhood Crime Watch Blocks	230	230	219	219
National Night Out - Block Parties	180	170	156	160
Traffic Enforcement - Citations	2,080	2,000	2,400	3,500
Effectiveness Measures:				
Crime Occurrences				
Part 1				
Part 2				
Group A	1,700	2,000	2,140	1,900
Group B	720	700	700	820
Motor Vehicle Crashes	650	700	700	675
Efficiency Measures:				
Police Call Response Time-Minutes	4.00	4.00	3.45	3.45
Expenditure per Capita	\$ 269.28	\$ 286.12	\$ 312.97	\$ 330.50
Cost Per Response	\$ 268.16	\$ 284.92	\$ 311.67	\$ 318.29

EMERGENCY SERVICES DIVISION

MISSION STATEMENT

The Richfield Emergency Services Unit's mission is to cooperate with and assist the licensed, sworn officers of the Richfield Police Department, Richfield Fire Department, and Emergency Medical Services by maintaining a state of preparedness for disasters, community events and other emergencies. This is accomplished with professional training standards and the maintenance of emergency plans, and an Emergency Operations Center set up by the Richfield Police Department.

DIVISION FOCUS

The Richfield Police Reserve Unit

In keeping with Council Priorities and Desired Outcomes 1c, 3a, 4b-c, 5a-c, the unit is comprised entirely of citizen volunteers and was established to provide assistance to the sworn officers and command staff of the Richfield Police Department. This requires monthly training in specific areas such as patrol tactics, traffic, crowd control, and emergency medical services. The execution of this division focus is accomplished by spending several documented hours in active support of police operations.

These programs include but are not limited to:

- July 4th 3-Day event
- High School sporting events
- Race events sponsored by various churches and Woodlake Nature Center
- Environmental Home Checks
- Vacation Home Checks – proactive measures to deal with burglaries when homeowners are away.
- Assist officers with traffic and crowd control at events, emergency call outs for disasters, crime scene protection and Toward Zero Death “TZD” enforcement events.
- Provide patrol support during busy evenings and weekend hours.
- Weekly squad maintenance checks
- Traffic security during VIP visits
- Helping with community events like “Heroes and Helpers” and others.

Richfield CERT Program Priorities

In keeping with Council Priorities and Desired Outcomes 1a-c, 4b, and 5a-c, the Richfield Community Emergency Response Team (CERT) has over 110 citizen volunteers trained in areas of traffic control, medical triage, fire safety, and emergency sheltering.

The program holds two introductory training classes each year for new volunteers. Volunteers who pass the initial training program are formed into teams that train once a month.

The program has expanded on a more regional basis to include the Cities of Bloomington, Burnsville, Eden Prairie, St. Louis Park, and Minneapolis. Bloomington.

CERT volunteers have been used to assist the city during the following events.

- Traffic/Crowd Control at various events.
- Youth CERT presentations at Home Alone program
- Promoting CERT and Emergency Preparedness at Nite to Unite
- Traffic Control at Urban Half Marathon
- Maintenance and command of the Mobile Operations Center (Communications Van) which is utilized as a coordination point and headquarters for major events such as weather disasters, major crime scenes, community events.
- Working on diversifying CERT to match community demographics.
- Work with our Ham Radio club and provide maintenance of our system.

Over the past 10 years CERT has expanded into the business community as a CERT business model. Teen CERT has also been taught to children in collaboration with Our Home Alone program to better prepare children for natural or community disasters.

Emergency Management Team Priorities

In keeping with Council Priorities and Desired Outcomes 1a-c, 3a, 4b, and 5a-c the police department is now working with various schools from public to private and businesses on emergency drills and reviewing plans and providing consultation to them since the aftermath of “active shooter” incidents in the last several years.

Division Expenditure

The budget reflects personnel costs for the extra pay the Reserve Coordinator receives. Other costs are for uniforms, supplies, equipment, and maintenance necessary for the operation of the Division. There is a large expenditure that occurred in 2018 and 2019 when we replaced the last six of seven warning sirens in the city. The sirens were well over 50 years old and needed replacement. The work was completed in the spring of 2019 on the new sirens. The sirens will be included in the budget until 2028. We update our Ham Radio equipment in 2024 that is on the building of Woodlake Point.

A new expenditure is for the community notification system that will replace Everbridge called “Hyper Reach.” This new program is more in sync with social media sites and can be used in conjunction with Hennepin County’s adoption of the IPAWS system. The community notification system will be budgeted half out of the communication fund in Administration and half out of the Emergency Services for 2025 revised.

FUND: GENERAL FUND
DEPARTMENT: Public Safety
BUSINESS UNIT: Emergency Services - 10315

DETAIL EXPENDITURES BY BUSINESS UNIT

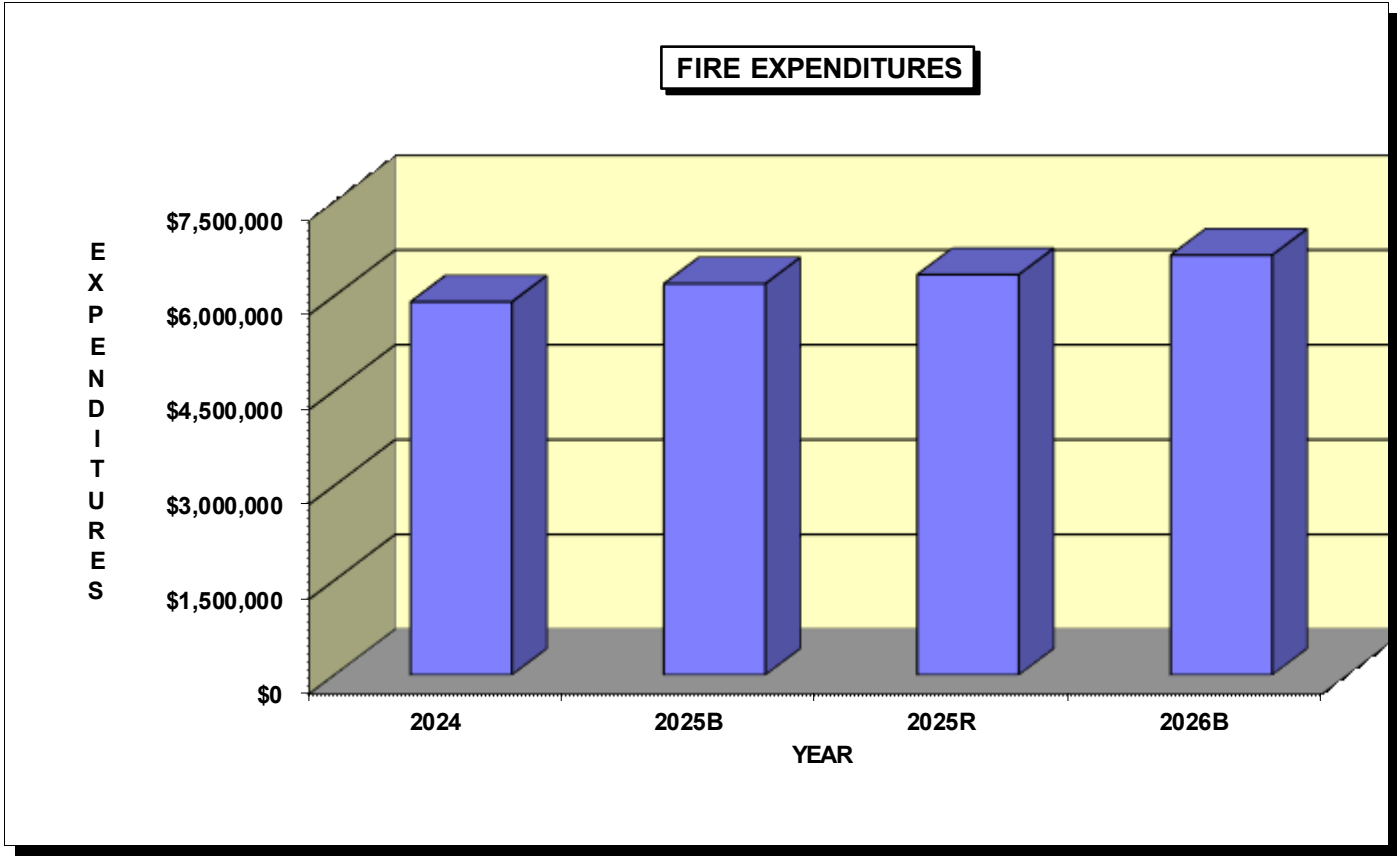
CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6009 Overtime	\$ 7,450	\$ 10,000	\$ 7,450	\$ 7,450
6038 Workers Compensation	100	100	100	100
<i>Personal Services Total</i>	<u>\$ 7,550</u>	<u>\$ 10,100</u>	<u>\$ 7,550</u>	<u>\$ 7,550</u>
<u>Other Services & Charges</u>				
6201 Rents & Leases	\$ 10,780	\$ 11,350	\$ 21,070	\$ 21,070
6204 Motor Pool Operating Rental	2,580	2,680	2,680	2,810
6205 Maintenance & Repairs	2,099	9,000	9,000	9,000
6207 Utility Services	-	450	450	450
6303 Professional Development	-	500	-	-
6308 Property Liability	310	320	320	330
6401 Office Supplies	-	50	50	50
6409 Uniforms & Clothing	562	2,500	2,000	2,000
6414 Other Supplies	775	5,400	5,400	5,400
<i>Other Services & Charges Total</i>	<u>\$ 17,106</u>	<u>\$ 32,250</u>	<u>\$ 40,970</u>	<u>\$ 41,110</u>
<i>Emergency Services TOTAL</i>	<u>\$ 24,656</u>	<u>\$ 42,350</u>	<u>\$ 48,520</u>	<u>\$ 48,660</u>

FIRE o-kt@-o

FUND: GENERAL FUND
 DEPARTMENT: Fire

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10400 Fire	\$ 5,902,341	\$ 6,188,977	\$ 6,333,130	\$ 6,641,729	7.32%
<i>Fire TOTAL</i>	<u>\$ 5,902,341</u>	<u>\$ 6,188,977</u>	<u>\$ 6,333,130</u>	<u>\$ 6,641,729</u>	7.32%
REVENUES					
10400 Fire	\$ 374,116	\$ 251,450	\$ 282,757	\$ 278,000	10.56%



FIRE DEPARTMENT

MISSION STATEMENT

The Richfield Fire Department (RFD) exists to deliver professional services that safeguard our community against loss of life and property.

The RFD aligns its work with the strategic priorities and goals set by the City Council and city staff, including:

- Deliver essential fire, rescue, and Emergency Medical Services (EMS) while fostering a qualified workforce through ongoing professional development. This includes collaboration on initiatives like the Alternative Response Team (ART), a joint effort with police and fire agencies to address Emergency Medical Services system gaps and better serve the community's evolving needs.
- Deliver fire prevention, safety education, and loss mitigation programs that support the well-being of all residents.
- Partner closely with neighboring fire departments and emergency response agencies to maintain robust automatic and mutual aid agreements.
- Empower department members to serve every resident and visitor with respect, professionalism, and integrity—the foundation of a high-quality workforce.

DIVISION FOCUS

Two fire stations are staffed 24/7 by 28 career personnel. Standard daily staffing includes nine firefighters per shift, operating two fire engines and one rescue unit. An additional position is assigned to shift coverage to help offset the impact of long-term absences and reduce overtime when possible.

The Fire Chief and two Assistant Chiefs oversee administration, operations, and fire code enforcement. The department ensures that at least one chief officer is available 24/7 to respond to significant incidents, providing incident command and city representation. An Administrative Assistant supports departmental operations, recordkeeping, and customer service functions.

2025 HIGHLIGHTS

- Expanded technology used to enhance the Records Management System (RMS), improving data collection, pre-planning, recordkeeping, and operational tracking.
- Implemented an Electronic Patient Care Reporting (ePCR) system to improve documentation accuracy and streamline EMS reporting.

- Maintained uninterrupted shift coverage during military, parental leave, and extended injuries.
- Completed the Civil Service testing process to establish an updated firefighter eligibility list for future hiring.
- Facilitated the Fire Chief Civil Service process, completed the department's leadership transition, and initiated an organizational review for operational continuity.

2026 DIVISION GOALS

- Implement comprehensive, structured lesson plans and expand leadership development to improve training consistency, officer competency, and shift accountability (City Council Goal 4a).
- Increase the frequency and effectiveness of inspections, pre-incident planning, and community outreach to reduce fire risk and improve public safety (City Council Goal 1c, 2a).
- Expand department technology use to improve data accuracy, streamline workflows, and support data-driven decision-making (City Council Goal 1c, 4a).
- Finalize a phased, actionable Strategic Plan aligned with current priorities and staffing realities, including performance metrics and reporting processes (City Council Goal 4a).
- Develop and implement employee engagement, wellness, and succession planning strategies to ensure operational continuity and build leadership capacity (City Council Goal 4a, 4b, 4c).
- Strengthen public trust through increased community outreach, transparent reporting, and partnerships promoting fire prevention and emergency preparedness (City Council Goal 5a, 2a).

DIVISION EXPENDITURE COMMENT

The 2025 revised budget is up 2.33% from the 2025 adopted budget. If the planned Public Safety Aid (PSA) transfer of \$134,000 were included in the Fire Department's budget, the 2025 revised budget would be up 0.16% from the 2025 adopted budget.

The 2026 proposed budget shows an overall increase of 7.32% over the 2025 adopted budget. If the planned PSA transfer of \$140,000 were included in the Fire Department's budget, the 2026 proposed budget would be up 5.04% from the 2025 adopted budget.

FUND: GENERAL FUND
DEPARTMENT: Fire
BUSINESS UNIT: Fire - 10400

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 3,311,642	\$ 3,361,819	\$ 3,470,000	\$ 3,629,122
6009 Overtime	232,597	275,000	292,000	292,000
6013 Longevity	64,213	67,000	73,741	79,423
6031 Employer Social Security	2,093	3,200	4,705	4,980
6032 Employer Medicare	46,634	49,000	48,790	52,215
6033 Employer Pera	605,374	695,012	655,829	699,894
6035 Medical Insurance	497,915	529,957	519,392	573,332
6036 Dental Insurance	21,849	23,802	22,304	23,832
6037 Term Life	2,158	1,560	1,353	1,281
6038 Workers Compensation	67,658	65,580	65,580	66,890
6040 Long Term Disability	5,099	6,140	6,119	6,564
6051 Interdepartmental Labor	112,608	150,000	150,000	150,000
<i>Personal Services Total</i>	<u>\$ 4,969,840</u>	<u>\$ 5,228,070</u>	<u>\$ 5,309,813</u>	<u>\$ 5,579,533</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 32,166	\$ 22,500	\$ 113,287	\$ 88,558
6201 Rents & Leases	47,259	48,000	29,568	85,868
6202 Data Processing Rental	57,088	61,787	61,787	70,043
6204 Motor Pool Operating Rental	136,780	142,250	142,250	149,360
6205 Maintenance & Repairs	19,843	20,000	21,000	20,000
6207 Utility Services	279,260	287,640	287,640	299,150
6208 800 MHz Charges	16,905	31,000	67,255	47,657
6302 Communications	31,427	25,500	29,000	29,000
6303 Professional Development	47,483	45,000	45,000	45,000
6305 Subscriptions & Memberships	8,089	5,000	5,500	5,500
6307 Insurance & Bonds	41,993	30,850	30,850	31,470
6308 Property Liability	9,980	10,380	10,380	10,590
6315 Other Contractual Services	4,797	6,000	3,000	3,000
6401 Office Supplies	1,107	3,600	3,000	3,000
6402 Copy Charges	1,081	1,500	1,300	1,500
6403 Postage	273	400	500	500
6409 Uniforms & Clothing	66,738	85,000	75,000	75,000
6412 Maint. & Const. Materials	9,303	7,000	7,000	7,000
6414 Other Supplies	94,599	85,000	50,000	50,000
6523 Public Education Supplies	7,450	10,000	10,000	10,000
6524 EMS Supplies	18,880	32,500	30,000	30,000
<i>Other Services & Charges Total</i>	<u>\$ 932,501</u>	<u>\$ 960,907</u>	<u>\$ 1,023,317</u>	<u>\$ 1,062,196</u>
<i>Fire TOTAL</i>	<u><u>\$ 5,902,341</u></u>	<u><u>\$ 6,188,977</u></u>	<u><u>\$ 6,333,130</u></u>	<u><u>\$ 6,641,729</u></u>

FUND: GENERAL FUND
DEPARTMENT: Fire
BUSINESS UNIT: Fire - 10400

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Fire Captain	FS-3	3.00	3.00	3.00
Fire Lieutenant	FS-2	3.00	3.00	3.00
Firefighter	FS-1	22.00	22.00	22.00
Fire Services Director/Fire Chief	20	1.00	1.00	1.00
Assistant Chief	17	2.00	2.00	2.00
Administrative Assistant	9	1.00	1.00	1.00
<i>Total</i>		<u>32.00</u>	<u>32.00</u>	<u>32.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Fire Services/Fire

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Budget 2026</u>
Inputs:				
Number of full time employees	30.4	31.4	32	32
Division Expenditures	\$ 5,618,697	\$ 5,902,341	\$ 6,188,977	\$ 6,641,729
Outputs:				
Average Daily Staffing	6.8	6.5	6.6	6.7
Total Responses	4963	5083	5208	5416
Fire Responses	1009	1106	1146	1191
EMS Responses	3854	3977	4062	4225
Property Value Lost to Fire	\$ 329,658	\$ 837,560	\$ 563,950	\$ 950,000
Effectiveness Measures:				
% of Property Saved	99.5%	98.9%	98.7%	98.5%
Property Value Saved	\$ 64,206,700	\$ 79,358,800	\$ 43,227,500	\$ 62,850,000
Efficiency Measures:				
Average Response Time - Minutes	4.7	4.8	4.8	5
Cost Per Response	\$ 1,132.12	\$ 1,161.19	\$ 1,188.36	\$ 1,226.32
Average Time on Scene (MN:SC)	21:54	18:00	18:00	17:30
Expenditure per Capita	\$ 151.88	\$ 159.55	\$ 167.30	\$ 179.54
Property Saved to Expenditures Ratio	11.43	13.45	6.98	9.46

COMMUNITY DEVELOPMENT

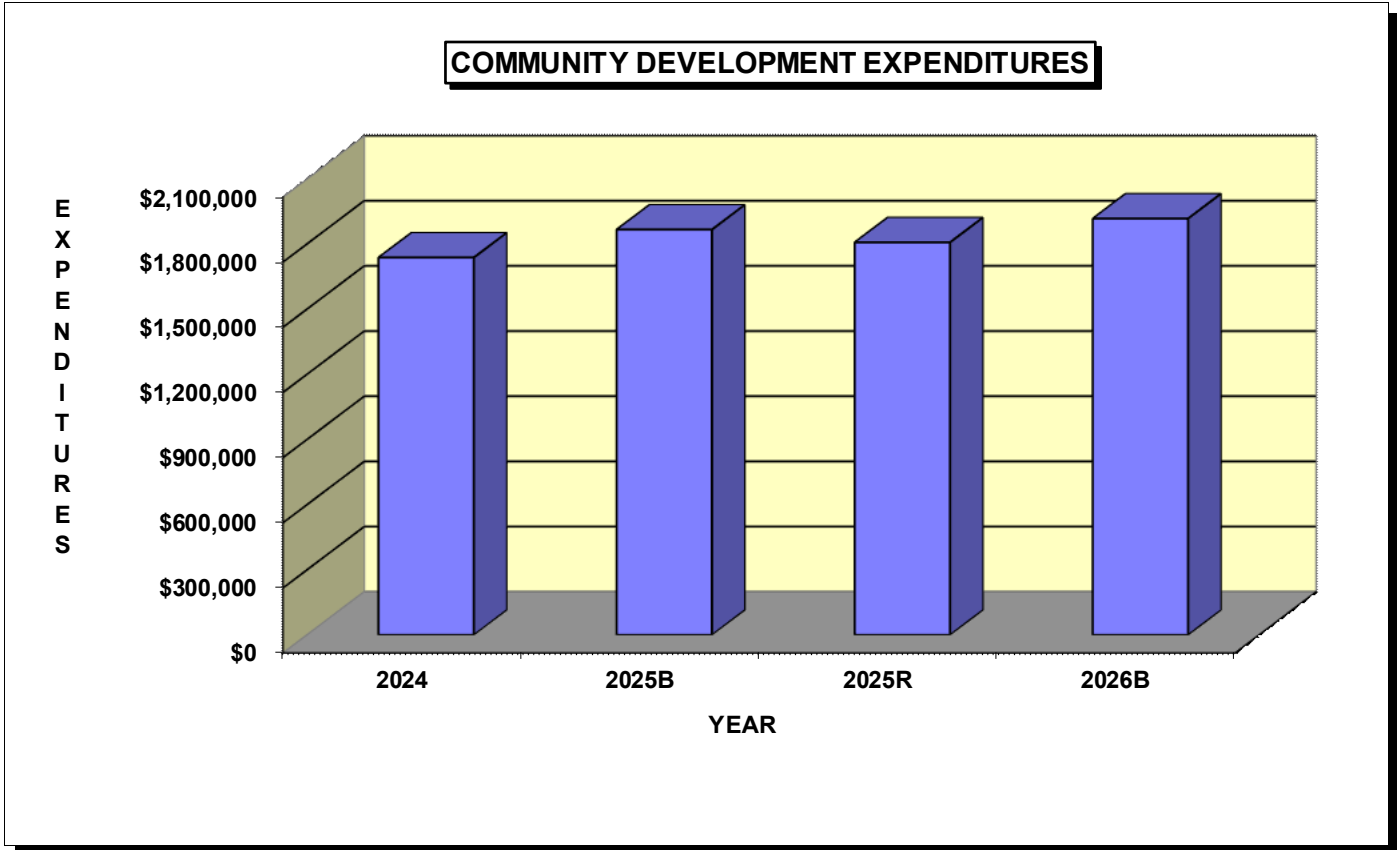
FUND: GENERAL FUND
DEPARTMENT: Community Development

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10500 Community Development	\$ 34,442	\$ 67,370	\$ 67,370	\$ 69,860	3.70%
10502 Planning & Zoning	314,001	347,530	339,720	362,490	4.30%
10505 Inspections	1,387,988	1,450,220	1,399,235	1,483,760	2.31%
<i>Community Development TOTAL</i>	<u>\$ 1,736,431</u>	<u>\$ 1,865,120</u>	<u>\$ 1,806,325</u>	<u>\$ 1,916,110</u>	2.73%

REVENUES

10500 Community Development	\$ 15,065	\$ 15,000	\$ -	\$ -	100.00%
10502 Planning & Zoning	1,569	15,000	48,460	15,000	0.00%
10505 Inspections	1,349,987	1,498,900	1,454,100	1,477,100	(1.45%)



COMMUNITY DEVELOPMENT DEPARTMENT

MISSION STATEMENT

The mission of the Community Development Department is to ensure and maintain a quality of life that protects the health and safety of residents, visitors, and businesses. The Department works to achieve this by providing responsible, responsive, and professional zoning administration, comprehensive planning, redevelopment services, housing program administration, inspections, marketing, and communication.

DEPARTMENT FOCUS

The 22 employees of the Community Development Department are committed to service to the community, professional integrity, and ongoing professional development. There are five primary areas of focus within the Department:

- Planning and Zoning
- Housing and Redevelopment
- Inspections
- Economic Development
- Administrative Support

The Community Development Department also serves as staff to the City Council, the Housing and Redevelopment Authority (HRA), the Economic Development Authority (EDA), and the Planning Commission.

While the funding for staff salaries and benefits are compiled in this budget, those costs are ultimately reallocated to individual City, HRA, and EDA program/project budgets. This budget ultimately reflects only building service and insurance fees. All other costs are included separately in the individual program/project budgets.

2025 highlights and 2026 goals are also provided separately for each individual program/project. "Community Development" is itself one of the five Strategic Priorities identified by the City Council in the 2023-2027 Strategic Plan. Creating a vibrant downtown, diversifying the tax base, and maintaining Richfield as an affordable place to live are desired outcomes of that Plan, all relating to the work of Community Development, the Richfield HRA, and the Richfield EDA.

DEPARTMENT EXPENDITURE COMMENT

Funding for the work of the Community Development Department is provided by the City, the Housing and Redevelopment Authority, the Economic Development Authority, the Federal Government (Section 8), and a Local Affordable Housing Allocation (LAHA) derived from sales tax revenues. The City-funded portion (Administration, Planning & Zoning, and Inspections) of the 2025 Revised Budget represents a 3.1% decrease from the 2025 Approved Budget due to temporary staff vacancies. The 2026 Proposed Budget represents a 2.8% increase from the 2025 Approved Budget. While we continue

to see savings in professional services and IT costs thanks to the transition to CitizenServe, increased compensation, professional development, and the general costs of doing business continue to increase.

FUND: GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: Community Development - 10500

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 806,015	\$ 834,810	\$ 836,400	\$ 884,110
6006 Part-time	191,244	205,240	206,420	225,920
6031 Employer Social Security	57,931	63,650	64,430	68,570
6032 Employer Medicare	13,549	14,890	15,070	16,040
6033 Employer Pera	73,415	77,870	78,210	83,250
6035 Medical Insurance	126,034	131,990	119,960	126,450
6036 Dental Insurance	5,154	5,060	5,060	5,210
6037 Term Life	545	320	320	300
6038 Workers Compensation	630	630	630	640
6040 Long Term Disability	1,315	1,480	1,480	1,570
6051 Interdepartmental Labor	63,611	66,150	66,150	66,930
6054 Interdepartmental Labor Credit	(1,372,117)	(1,402,090)	(1,394,130)	(1,478,990)
<i>Personal Services Total</i>	<u>\$ (32,674)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ -	\$ 470	\$ 470	\$ 490
6207 Utility Services	54,800	56,450	56,450	58,710
6307 Insurance & Bonds	10,936	9,010	9,010	9,190
6308 Property Liability	1,380	1,440	1,440	1,470
<i>Other Services & Charges Total</i>	<u>\$ 67,116</u>	<u>\$ 67,370</u>	<u>\$ 67,370</u>	<u>\$ 69,860</u>
<i>Community Development TOTAL</i>	<u><u>\$ 34,442</u></u>	<u><u>\$ 67,370</u></u>	<u><u>\$ 67,370</u></u>	<u><u>\$ 69,860</u></u>

FUND: GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: Community Development - 10500

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
			-	-
Community Development Director	20	1.00	1.00	1.00
Community Development Asst. Director	17	1.00	1.00	1.00
ED Manager	15	1.00	1.00	1.00
City Planner	15	1.00	1.00	1.00
MF Housing Administrator	14	1.00	1.00	1.00
Accountant	11	.50	.50	.50
Planner I	10	1.00	1.00	1.00
Administrative Assistant	9	1.00	1.00	1.00
	<i>Total</i>	7.50	7.50	7.50
<u>Part-Time Employees</u>				
Housing Specialist	11	2.00	2.00	2.00
MF Housing Assistant	8	1.00	1.00	1.00
Community Development Technician	7	1.00	1.00	1.00
	<i>Total</i>	4.00	4.00	4.00

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
	<i>Total</i>	\$ -	\$ -

PLANNING AND ZONING DIVISION

MISSION STATEMENT

To provide local land use administration, policy development, and guidance to residents, local businesses, and developers. To help shape the future of Richfield through development and implementation of long-range plans.

DIVISION FOCUS

- Long range comprehensive planning for the community.
- Shorter range strategy and implementation planning for specific areas.
- Administration and enforcement (on a complaint-basis) of the City's Zoning Ordinance, including processing a variety of land use applications and reviewing building permit applications.

2025 HIGHLIGHTS.

- Utilized Metropolitan Council grant funds, worked to modernize MR-2 and MR-3 Zoning District requirements and promote "missing middle" housing opportunities.
- Utilization of Esri Story Maps to communicate proposed MR-2 and MR-3 changes.
- Revised ordinances to address short-term rental concerns. Assist Housing Inspections team and Environmental Health in follow-up implementation.
- Continued to implement and fine-tune electronic plan review and permitting system to improve efficiency and customer service.
- Worked through several large land use applications – e.g. Loma Bonita Grocery at the HUB shopping center, Wood Lake Nature Center, Penn Station.
- Continued to work with developers /owners to explore development opportunities (e.g. MICC, American Legion, former Lyndale Garden Center).
- Promoted Planner II to City Planner, providing higher level of autonomy and supervisory experience. Provide leadership training to support this transition and additional responsibility.
- Participated in training opportunities related to writing and presentation skills and managing difficult conversations.

- Began preparatory work for Comprehensive Plan update including participating in downtown visioning and branding, small area planning.

2026 PROGRAM GOALS

- Continue to provide excellent customer service to residents and businesses. (City Council Priority/Outcome 4b)
- Continue steps necessary for full AICP accreditation of Planner I. (City Council Priority/Outcome 4a and b)
- Continue to manage City's Just Deeds Program with Community Development Administrative and Housing staff. Lack of available attorneys has hampered progress. (City Council Priority/Outcome 5c)
- Continue work with Housing Division staff to evaluate potential disparate impacts of adopted land use regulations. (City Council Priority/Outcome 5a and c)
- Continue to monitor emerging trends and best practices - recommending ordinance changes that will keep Richfield competitive.
- Continue to process land use permits related to changes-in-use, renovations, and new development. (City Council Priority/Outcome 2a and b)
- Consider pop-up meeting project with Communications Division and potential use during Comprehensive Plan update.

DIVISION EXPENDITURE COMMENT

- The 2025 Revised Planning and Zoning Budget represents a 2.2% decrease by lower than anticipated insurance costs.
- Increased 2025 projected revenue represents grant funds received.
- The 2026 Proposed Budget increases 4.5% (\$15,560) over 2025 Adopted as staff, training, and data processing costs increase.
- Fee adjustments for Planning and Zoning have also been proposed; to better align with costs of services.

FUND: GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: Planning & Zoning - 10502

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6051 Interdepartmental Labor	\$ 279,242	\$ 276,770	\$ 268,810	\$ 301,910
<i>Personal Services Total</i>	<u>\$ 279,242</u>	<u>\$ 276,770</u>	<u>\$ 268,810</u>	<u>\$ 301,910</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 12,408	\$ 44,990	\$ 44,890	\$ 34,920
6202 Data Processing Rental	12,360	14,650	14,650	15,210
6204 Motor Pool Operating Rental	100	110	110	120
6301 Advertising & Publication	1,443	2,500	2,500	1,900
6303 Professional Development	2,359	3,800	3,800	3,930
6305 Subscriptions & Memberships	3,461	2,360	2,360	2,350
6401 Office Supplies	84	400	400	200
6402 Copy Charges	552	350	500	500
6403 Postage	793	700	800	800
6409 Uniforms & Clothing	48	150	150	150
6414 Other Supplies	1,151	750	750	500
<i>Other Services & Charges Total</i>	<u>\$ 34,759</u>	<u>\$ 70,760</u>	<u>\$ 70,910</u>	<u>\$ 60,580</u>
<i>Planning & Zoning TOTAL</i>	<u><u>\$ 314,001</u></u>	<u><u>\$ 347,530</u></u>	<u><u>\$ 339,720</u></u>	<u><u>\$ 362,490</u></u>

INSPECTIONS DIVISION

MISSION STATEMENT

To provide inspection services to safeguard life, health, property, and public welfare; enforcing the minimum requirements of the City Code and Minnesota State Building Code.

DIVISION FOCUS

- The Inspections Division (Inspections) consists of nine full-time employees: a Building Official, Senior Building Inspector, three Building Inspectors, Plumbing/Mechanical Inspector, Housing Inspections Technician, Permit Technician, Senior Office Assistant.
- Administer and enforce city ordinances relating to building code requirements including building, plumbing, heating, ventilation, air conditioning, and electrical.
- Perform Point of Sale and Rental Inspections.
- Inspections staff spend significant time advising homeowners managing their own remodeling or home addition projects and work closely with homeowners and landlords during Point of Sale and Rental inspections.

2025 HIGHLIGHTS

- Implemented a new building permit software program (CitizenServe) to increase productivity; making it easier for customers to obtain permits and monitor the status of their inspections. The software benefits additional City of Richfield departments by providing them access to details for all addresses within the City. Inspections staff have been working with the software company to continue to make improvements.
- Inspections of rental properties normalized back to pre-pandemic levels and Inspections staff have been working hard to get all inspections up to date. Coordinating biennial inspections based on odd/even addresses has simplified scheduling.
- Prioritized digitizing paper records into laserfiche making it more efficient to access legacy plans and records. All large plans are expected to be digitized by the end of the year.
- Prioritizing becoming paper-free for long-term efficiency and sustainability purposes.
- Support legislative actions to restore rental licensing option for State-licensed group homes.

2026 INSPECTION DIVISION GOALS

- Continue to work with the other departments to help them work out any issues they have with the CitizenServe software. Inspections will support other departments to

ensure scalability and consistency across the City.

- Continue to maintain the quality of homes and buildings by eliminating potential safety concerns via building inspections and enforcing the Minnesota State Building Code.
- The Division will continue a close working relationship with the Fire Department, Support Services, Public Safety, Public Works, and other departments to effectively implement programs that affect the residents of Richfield.

DIVISION EXPENDITURE COMMENT

- A difficult economic environment for larger projects means lower revenues projected for 2025. As a couple of larger projects get closer to permitting, we're hopeful for a modest rebound in 2026.
- The 2026 budget reflects a 2.6% increase in expenses over 2025 adopted.

FUND: GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: Inspections - 10505

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 825,390	\$ 861,890	\$ 820,650	\$ 887,670
6031 Employer Social Security	48,903	52,730	50,190	54,280
6032 Employer Medicare	11,437	12,330	11,740	12,700
6033 Employer Pera	61,603	64,640	61,550	66,580
6035 Medical Insurance	140,055	138,110	133,370	151,490
6036 Dental Insurance	6,439	6,510	6,260	6,700
6037 Term Life	660	380	370	360
6038 Workers Compensation	10,760	10,760	10,760	10,980
6040 Long Term Disability	1,454	1,530	1,450	1,570
6051 Interdepartmental Labor	26,107	30,280	30,280	36,500
<i>Personal Services Total</i>	<u>\$ 1,132,808</u>	<u>\$ 1,179,160</u>	<u>\$ 1,126,620</u>	<u>\$ 1,228,830</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 73,045	\$ 80,000	\$ 80,000	\$ 70,000
6201 Rents & Leases	413	420	475	500
6202 Data Processing Rental	71,626	68,090	68,090	58,780
6204 Motor Pool Operating Rental	17,780	18,490	18,490	19,410
6207 Utility Services	27,520	28,350	28,350	29,480
6301 Advertising & Publication	-	100	100	100
6302 Communications	6,164	5,000	6,500	6,000
6303 Professional Development	6,371	8,000	8,000	8,000
6305 Subscriptions & Memberships	383	750	750	750
6307 Insurance & Bonds	11,871	10,130	10,130	10,330
6308 Property Liability	2,430	2,530	2,530	2,580
6401 Office Supplies	1,661	4,000	4,000	4,000
6402 Copy Charges	128	500	500	500
6403 Postage	127	500	500	500
6409 Uniforms & Clothing	2,495	2,500	2,500	2,500
6414 Other Supplies	816	3,700	3,700	3,500
6513 Other Charges	32,350	38,000	38,000	38,000
<i>Other Services & Charges Total</i>	<u>\$ 255,180</u>	<u>\$ 271,060</u>	<u>\$ 272,615</u>	<u>\$ 254,930</u>
<i>Inspections TOTAL</i>	<u><u>\$ 1,387,988</u></u>	<u><u>\$ 1,450,220</u></u>	<u><u>\$ 1,399,235</u></u>	<u><u>\$ 1,483,760</u></u>

FUND: GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: Inspections - 10505

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Chief Building Official	16	1.00	1.00	1.00
Senior Building Inspector	13	1.00	1.00	1.00
Trade/Building Inspector	12	4.00	4.00	4.00
Permit Technician	9	1.00	1.00	1.00
Housing Inspections Technician	8	1.00	1.00	1.00
Senior Office Assistant	8	1.00	1.00	1.00
<i>Total</i>		<u>9.00</u>	<u>9.00</u>	<u>9.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Community Development/Inspections								
		Actual	Actual	Actual	Actual	Actual	Adopted	Budgeted
		2020	2021	2022	2023	2024	2025	2026
Inputs:								
Number of full time employees		9.00	9.00	9.00	9.00	9.00	9.00	9.00
Division Expenditures		\$ 1,281,725	\$ 1,365,631	\$ 1,279,528	\$ 1,386,753	\$ 1,428,550	\$ 1,450,220	\$ 1,472,760
Division Revenues		\$ 2,099,064	\$ 2,106,359	\$ 1,593,477	\$ 1,151,573	\$ 1,344,300	\$ 1,498,900	\$ 1,477,100
Outputs:								
No. of Inspections Performed		7,526	6,315	6,605	6,003	5,702	6,300	6,100
No. of Permits Issued		5,753	4,265	4,627	4,533	4,882	4,600	4,500
Valuation of Building Permits		\$101,830,626	\$ 123,669,092	\$ 87,243,342	\$ 38,883,638	\$46,435,811	\$ 75,000,000	\$ 70,000,000
Point of Sale Inspections Performed		483	1,047	694	550	750	600	650
Rental Unit Inspections Performed		1,065	1,796	695	3,200	2,145	3,500	2,700
Effectiveness Measures:								
Request for Building Inspection								
Response Time								
% within 24 hours		98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
% within 72 hours		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Request for Point of Sale Inspection								
% within 48 hours		60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
% within 120 hours		95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Efficiency Measures:								
No. of Building Inspections per								
Inspector		3,010	2,526	2,642	2,001	1,901	2,100	2,033
No. of POS/rental unit inspections								
per Inspector		774	1,422	695	1,875	1,448	2,050	1,675
Revenue per Capita		\$ 58.24	\$ 58.54	\$ 44.29	\$ 32.01	\$ 37.36	\$ 41.66	\$ 41.05
Expenditure per Capita		\$ 35.56	\$ 37.96	\$ 35.56	\$ 38.54	\$ 39.71	\$ 40.31	\$ 40.93

PUBLIC WORKS

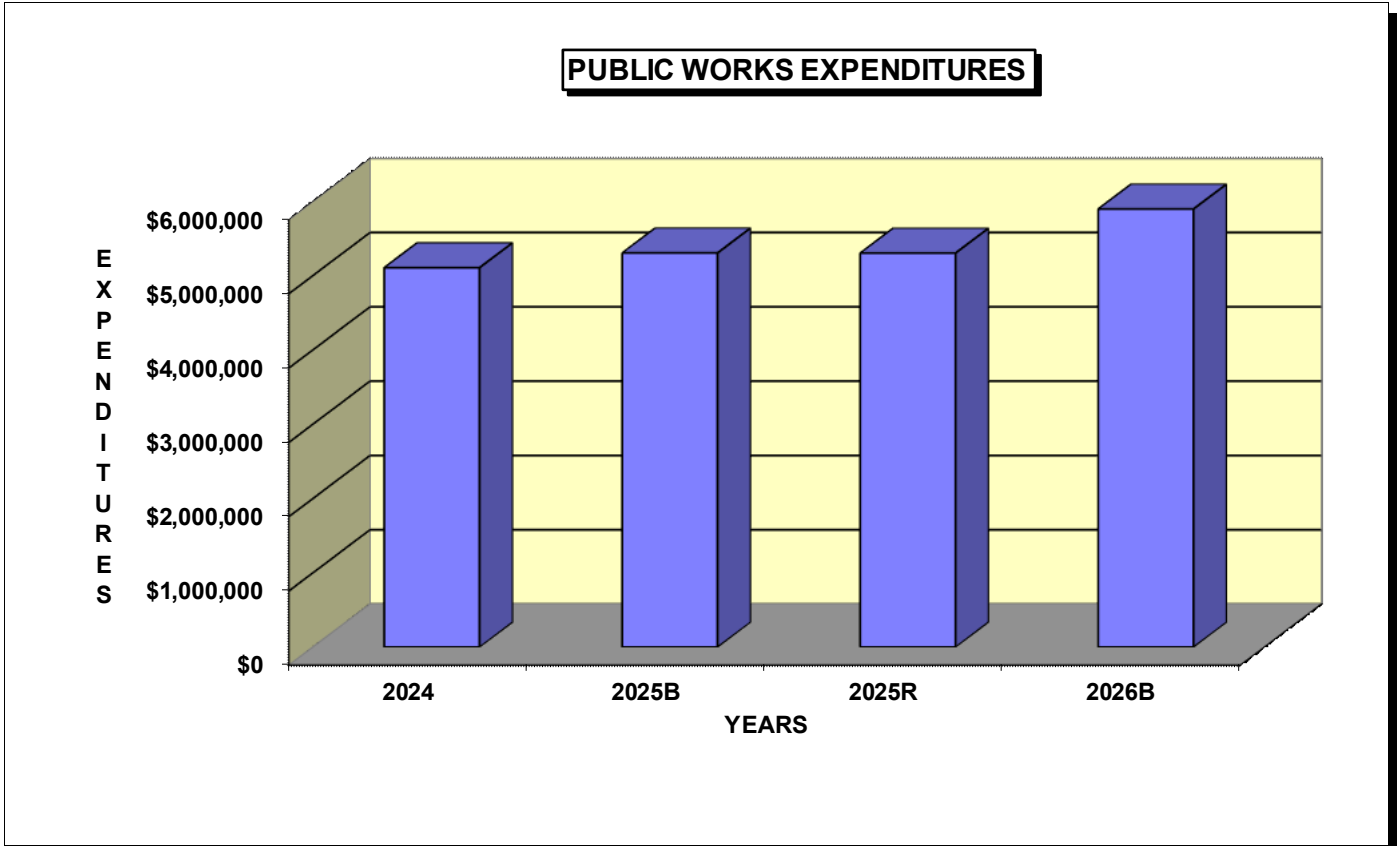
FUND: GENERAL FUND
DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10600 PW Administration	\$ 309,304	\$ 220,960	\$ 220,940	\$ 227,560	2.99%
10605 Engineering	632,524	589,560	589,380	607,220	3.00%
10610 Street Maintenance	2,569,956	2,789,570	2,788,640	3,270,230	17.23%
10615 Park Maintenance	1,593,191	1,703,060	1,702,180	1,789,330	5.07%
<i>Public Works TOTAL</i>	<u>\$ 5,104,975</u>	<u>\$ 5,303,150</u>	<u>\$ 5,301,140</u>	<u>\$ 5,894,340</u>	11.15%

REVENUES

10605 Engineering	\$ 259,264	\$ 40,500	\$ 170,500	\$ 70,500	74.07%
10610 Street Maintenance	280,878	448,080	448,000	690,000	53.99%



PUBLIC WORKS ADMINISTRATION DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in essential municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

The Public Works Administration Division is responsible for overseeing delivery of public capital improvement projects, ongoing maintenance and operations of the Public Works divisions, and engaging in and contributing to the regional discussions surrounding emerging public works issues (e.g., regional transportation projects impacting Richfield; storm water quality management; water supply; environmental issues; and public education and engagement.)

2025 HIGHLIGHTS

- Managed social media communications and public outreach for street reconstruction projects and projects in design (City Council Priority/Outcome 1b & 3a).
- Began the conversation with elected officials around limits to the cost-share burden that State and County projects unilaterally place upon municipalities (City Council Priority/Outcome 2c, 3a-b & 5c).
- Worked alongside Utility managers and a consultant to complete a utility rate study and development of a forward-looking rate structure that accounts for our capital and maintenance programs (City Council Priority/Outcome 1b-c & 3a-b).
- Continued to support Engineering staff and Hennepin County's team to determine the future for Nicollet Avenue and kicked off the public engagement/design for the future Penn Avenue reconstruction (City Council Priority/Outcome 2a, 3a, 5a & 5c).
- Continued to cooperate with MnDOT and represent Richfield's interests related to the "Phase 1" I-494 corridor improvements and future "Phase 2" construction project (City Council Priority/Outcome 3a-c, 5a & 5c).
- In collaboration with PW managers, began assessment of existing services provided/delivered with consideration of priority level, quality of service, staffing, financial commitments, and regulatory requirements (City Council Priority/Outcome 1a, 1c & 3a).
- Acquired the future Cedar Avenue Storage Site property from MnDOT at no cost to the City and began working with a consultant to develop plans for the construction of the site in 2026 (City Council Priority/Outcome 1c & 3a).

2026 DIVISION GOALS

- Continue to utilize Public Work's outreach mediums/social media outlets to promote ongoing and upcoming infrastructure projects and public works initiatives (City Council Priority/Outcome 1b & 3a).
- Continue to work with elected officials to further the conversation around limits to the cost-share burden that State and County projects unilaterally place upon municipalities (City Council Priority/Outcome 2c, 3a-b & 5c).

- Pursue external funding solutions via grants to help supplement current funding for critical needs within the entire department for road reconstruction, utility replacement and reinvestments, SRTS infrastructure, and ADA compliance (City Council Priority/Outcome 2c, 3a-b & 5a).
- Support Engineering staff and Hennepin County's team with the reconstruction of Nicollet Avenue in 2026-2027 and public engagement/design for Penn Avenue Reconstruction in 2028-2029 (City Council Priority/Outcome 2a, 3a, 5a & 5c).
- Continue to support Engineering staff as they represent Richfield's interests related to the "Phase 1" I-494 corridor improvements and future "Phase 2" construction project (City Council Priority/Outcome 3a-c, 5a & 5c).
- Continued department-wide assessment of existing services provided/delivered with consideration of priority level, quality of service, staffing, financial commitments, and regulatory requirements (City Council Priority/Outcome 1a, 1c & 3a).

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects no increase from the 2025 Adopted Budget.

The 2026 Proposed Budget reflects an increase of 2.99% from the 2025 Adopted Budget.

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: PW Administration - 10600

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 277,377	\$ 288,530	\$ 287,710	\$ 298,470
6031 Employer Social Security	16,410	17,900	17,300	17,980
6032 Employer Medicare	3,903	4,180	4,170	4,330
6033 Employer Pera	20,459	21,440	21,380	22,180
6035 Medical Insurance	27,454	28,290	28,290	29,630
6036 Dental Insurance	1,472	1,450	1,450	1,490
6037 Term Life	145	90	90	80
6038 Workers Compensation	140	140	140	140
6040 Long Term Disability	389	510	500	520
6054 Interdepartmental Labor Credit	(79,580)	(192,340)	(195,900)	(195,500)
<i>Personal Services Total</i>	<u>\$ 268,169</u>	<u>\$ 170,190</u>	<u>\$ 165,130</u>	<u>\$ 179,320</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 7,384	\$ 7,520	\$ 7,520	\$ 7,530
6202 Data Processing Rental	12,906	17,910	17,910	13,890
6302 Communications	1,420	2,500	1,500	1,500
6303 Professional Development	3,906	7,960	12,190	8,440
6305 Subscriptions & Memberships	170	710	770	890
6307 Insurance & Bonds	2,638	2,250	2,250	2,300
6308 Property Liability	790	820	820	840
6401 Office Supplies	4,414	5,000	5,000	5,000
6402 Copy Charges	2,751	2,250	2,500	2,500
6403 Postage	4,179	1,000	2,500	2,500
6414 Other Supplies	577	2,850	2,850	2,850
<i>Other Services & Charges Total</i>	<u>\$ 41,135</u>	<u>\$ 50,770</u>	<u>\$ 55,810</u>	<u>\$ 48,240</u>
<i>PW Administration TOTAL</i>	<u><u>\$ 309,304</u></u>	<u><u>\$ 220,960</u></u>	<u><u>\$ 220,940</u></u>	<u><u>\$ 227,560</u></u>

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: PW Administration - 10600

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
PW Director	20	1.00	1.00	1.00
Senior Analyst	13	1.00	1.00	1.00
<i>Total</i>		<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	None	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENGINEERING DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in essential municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

To provide planning, design, and construction management support for Public Works operations, construction, and maintenance projects. Conducting plan reviews for permits and developers with a focus on protecting the City's interest in the public rights-of-way. Specifically, to:

- Maintain record drawings of the City's existing infrastructure and provide guidance to any proposed changes that would impact that infrastructure.
- Manage permitted work within the public rights-of-way including utility work, small cell installations, private redevelopment impacts, and excavation/obstruction permits.
- Provide an investment plan for sustainable and resilient delivery of critical services through a proactive asset management approach.
- Identify and pursue outside funding sources for capital improvement projects.
- Develop and administer the department's Sweet Streets® capital improvement and maintenance projects and work cooperatively with Hennepin County on the reconstruction of their arterials through the City.
- Represent Richfield's interests in regional transportation planning and construction projects.
- Manage storm water related issues within the City through tracking and coordination between departments regarding the Storm Water Pollution Prevention Program and review of redevelopment plans for storm water regulation compliance and permitting.
- Provide staff support for the Transportation Commission.

2025 HIGHLIGHTS

- Constructed the Safe Routes to School 73rd St Street trail project (City Council Priority/Outcome 3a-b, 5a & 5c).
- Constructed the Safe Routes to School 70th St Street trail project (City Council Priority/Outcome 3a-b, 5a & 5c).
- Continued administration of the pavement management plan to protect the major investment into the residential Mill & Overlay program (City Council Priority/Outcome 3a-b).
- Began planning and design with Hennepin County for the full reconstruction of Penn Avenue (City Council Priority/Outcome 1b & 3a).
- Completed final design for the reconstruction of Nicollet Avenue in collaboration with Hennepin County (City Council Priority/Outcome 1b, 3a-b, 5a & 5c).
- Completed construction of the hardscape of Broz Plaza (City Council Priority/Outcome

3a-b & 5a).

- Provided technical review and construction inspection services for private redevelopment projects throughout the City, specifically as they relate to rights-of-way, utility, and stormwater impacts (City Council Priority/Outcome 2b & 3c).
- Represented Richfield's interests and coordinated with the City Council related to the future I-494 corridor planning (City Council Priority/Outcome 3a-c, 5a & 5c).
- Successfully obtained grant awards for several capital projects throughout the City (City Council Priority/Outcome 2c, 3a-c, 4b, 5a & 5c).

2026 DIVISION GOALS

- Construct the sidewalk and Safe Routes to School projects on 64th St, Russell Ave, and 73rd St (City Council Priority/Outcome 3a-b, 5a & 5c).
- Continue to identify and pursue grant funding sources for capital improvement projects (City Council Priority/Outcome 2c, 3a-c, 4b, 5a & 5c).
- Investigate opportunities for dedicated funding for active transportation and transportation safety improvements (City Council Priority/Outcome 3a-b, 5a & 5c).
- Continue planning and design with Hennepin County for the full reconstruction of Penn Avenue (City Council Priority/Outcome 1b & 3a).
- Begin reconstruction of Nicollet Avenue in collaboration with Hennepin County (City Council Priority/Outcome 1b, 3a-b, 5a & 5c).
- Begin design of the 69th St reconstruction project (City Council Priority/Outcome 1b, 3a-b, 5a & 5c).
- Continue to coordinate with MnDOT and represent Richfield's interests related to the I-494 corridor improvements (City Council Priority/Outcome 3a-c, 5a & 5c).
- Continue to address roadblocks for pedestrians and bicyclists by engaging with the public to understand where opportunities exist (City Council Priority/Outcome 3a, 3c, 5a & 5c).

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects a 0.0% increase in expenditures from the 2025 Adopted Budget. \$42,500 in MSA revenues are expected to be transferred into the division.

The 2026 Proposed Budget reflects a 2.99% increase from the 2025 Adopted Budget, due primarily to increases in personal services, including the budgeted addition of a temporary, full-time Project Engineer (starting mid-2025) to meet forthcoming project needs. \$52,000 in MSA revenues are expected to be transferred into the division.

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: Engineering - 10605

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 507,406	\$ 621,940	\$ 570,890	\$ 669,610
6007 Seasonal	9,861	11,330	9,120	18,790
6009 Overtime	1,736	2,400	2,400	2,400
6031 Employer Social Security	31,100	39,260	35,950	42,670
6032 Employer Medicare	7,273	9,180	8,410	9,980
6033 Employer Pera	37,265	46,650	42,820	50,220
6035 Medical Insurance	68,755	85,190	76,710	89,470
6036 Dental Insurance	3,681	4,340	3,920	4,500
6037 Term Life	364	250	230	240
6038 Workers Compensation	6,120	6,120	6,120	6,240
6040 Long Term Disability	870	1,100	1,010	1,190
6054 Interdepartmental Labor Credit	(202,500)	(449,500)	(382,500)	(502,000)
<i>Personal Services Total</i>	<u>\$ 471,931</u>	<u>\$ 378,260</u>	<u>\$ 375,080</u>	<u>\$ 393,310</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 45,262	\$ 115,240	\$ 114,240	\$ 114,250
6202 Data Processing Rental	54,068	39,360	39,360	38,880
6204 Motor Pool Operating Rental	10,900	11,340	11,340	11,910
6302 Communications	3,791	4,700	4,700	4,700
6303 Professional Development	9,815	15,970	18,170	17,170
6305 Subscriptions & Memberships	18,100	10,470	12,270	12,650
6307 Insurance & Bonds	5,743	5,630	5,630	5,740
6308 Property Liability	1,050	1,090	1,090	1,110
6401 Office Supplies	142	-	-	-
6403 Postage	57	-	-	-
6414 Other Supplies	11,665	7,500	7,500	7,500
<i>Other Services & Charges Total</i>	<u>\$ 160,593</u>	<u>\$ 211,300</u>	<u>\$ 214,300</u>	<u>\$ 213,910</u>
<i>Engineering TOTAL</i>	<u><u>\$ 632,524</u></u>	<u><u>\$ 589,560</u></u>	<u><u>\$ 589,380</u></u>	<u><u>\$ 607,220</u></u>

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: Engineering - 10605

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
City Engineer	17	1.00	1.00	1.00
Transportation Engineer	15	1.00	1.00	1.00
Project Engineer	14	2.00	2.00	2.00
Civil Engineer	13	1.00	1.00	1.00
Engineering Assistant	10	1.00	1.00	1.00
Asset Management/GIS Analyst	10	-	.05	.05
<i>Total</i>		<u>6.00</u>	<u>6.05</u>	<u>6.05</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Public Works/Engineering

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025R</u>	<u>Budget 2026P</u>
Inputs:				
Number of full time employees	5.0	5.0	6.05	6.05
Total General Fund expenditures	\$ 653,214	\$ 621,734	\$ 589,369	\$ 607,204
Outputs:				
Number of engineering contracts	3	4	3	2
Value of engineering contracts	\$143,000	\$317,000	\$442,000	\$85,000
Number of construction projects	2	4	4	6
Value of construction projects	\$1,074,000	\$606,000	\$2,463,000	\$8,550,000
Effectiveness Measures:				
Value of change orders	\$27,700	\$81,000	\$0	\$0
% of project costs (goal <5%)	2.6%	13.4%	0.0%	0.0%
Number of right-of-way permits issued/inspected	223	174	200	200
Number of small cell permits issued	0	0	5	5
Efficiency Measures:				
% of GF expenditures to construction projects	60.8%	102.6%	23.9%	7.1%
% of consultant contracts to construction projects	13.3%	52.3%	17.9%	1.0%
Expenditure per Capita	\$16.97	\$16.16	\$15.32	\$15.78

STREET MAINTENANCE DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in essential municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

To provide pavement management, street signage, signal lights, streetlights, asphalt patching, ice control, and snow removal. These programs are necessary to ensure the citizens of Richfield have a safe, efficient, and reliable transportation system.

The Street Maintenance Division also protects Richfield's urban forest and existing tree canopy through tree inspections, monitoring both public and private trees, tree removal, trimming, and replacing trees on the boulevard as they are removed.

2025 HIGHLIGHTS

- Continued assistance with private property diseased/hazardous tree removals using the assessment option for paying removal costs (City Council Priority/Outcome 1b, 3a & 5c).
- Began administration of the USDA Forest Service Urban and Community Forestry Inflation Reduction Act Grant to enhance urban tree canopy by focusing all planting efforts on the southeast corner of the city in the census tracts identified by CEJST as disadvantaged communities, contributing to the goals of Justice40 (City Council Priority/Outcome 1b, 3a, 3c, 5a & 5c).
- Continued to apply for grant funding to combat the effects of EAB to public and private trees (City Council Priority/Outcome 1b, 3a-b & 5c).

2026 DIVISION GOALS

- Create an inventory of pavement markings to establish a replacement program (City Council Priority/Outcome 1b & 3a-b).
- Reassess the Emerald Ash Borer injection program to ensure it is meeting the goals of preserving the health of the City's boulevard trees (City Council Priority/Outcome 1a-b, 3a & 3c).
- Continue to apply grant funding to combat the effects of EAB to public and private trees (City Council Priority/Outcome 1b, 3a-b & 5c).

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects an increase of 0% from the 2025 Adopted Budget.

The 2026 Proposed Budget reflects an increase of 17.23% from the 2025 Adopted Budget due to upfront costs the division will absorb prior to reimbursement related to the administration of the USFS grant to remove and replace trees. With the grant reimbursement accounted for, the 2026 Proposed Budget reflects an increase of 3.97% from the 2025 Adopted Budget.

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: Street Maintenance - 10610

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 1,123,696	\$ 1,162,450	\$ 1,118,360	\$ 1,189,460
6007 Seasonal	7,293	44,720	43,640	44,950
6009 Overtime	31,075	20,000	20,000	20,000
6031 Employer Social Security	68,972	73,320	70,510	74,970
6032 Employer Medicare	16,131	17,150	16,490	17,530
6033 Employer Pera	85,930	86,050	82,570	87,900
6035 Medical Insurance	199,030	202,820	200,090	215,020
6036 Dental Insurance	9,689	9,620	9,480	10,040
6037 Term Life	963	640	560	540
6038 Workers Compensation	39,040	39,040	39,040	39,820
6040 Long Term Disability	1,875	2,030	1,950	2,080
6054 Interdepartmental Labor Credit	(106,114)	(123,260)	(124,110)	(124,110)
<i>Personal Services Total</i>	<u>\$ 1,477,580</u>	<u>\$ 1,534,580</u>	<u>\$ 1,478,580</u>	<u>\$ 1,578,200</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 20,204	\$ 15,990	\$ 15,990	\$ 16,020
6202 Data Processing Rental	13,848	38,590	38,590	33,180
6204 Motor Pool Operating Rental	460,000	478,400	478,400	502,320
6205 Maintenance & Repairs	31,924	15,800	24,300	25,300
6207 Utility Services	103,244	-	-	-
6209 Utility Lighting	38,259	62,000	112,000	114,500
6301 Advertising & Publication	-	240	240	240
6302 Communications	13,714	15,000	15,000	15,000
6303 Professional Development	11,977	12,440	12,440	12,440
6305 Subscriptions & Memberships	30	180	180	180
6307 Insurance & Bonds	14,459	14,990	14,990	15,290
6308 Property Liability	3,620	3,760	3,760	3,840
6315 Other Contractual Services	273,093	442,140	498,710	779,160
6401 Office Supplies	3	-	-	-
6403 Postage	46	-	-	-
6409 Uniforms & Clothing	14,089	11,000	11,000	11,000
6410 Small Tools & Parts	4,687	6,000	6,000	6,000
6411 Salt	52,583	90,000	30,000	90,000
6412 Maint. & Const. Materials	24,400	34,450	34,450	34,450
6414 Other Supplies	999	1,310	1,310	1,310
6415 Sign Parts & Supplies	11,197	12,700	12,700	31,800
<i>Other Services & Charges Total</i>	<u>\$ 1,092,376</u>	<u>\$ 1,254,990</u>	<u>\$ 1,310,060</u>	<u>\$ 1,692,030</u>
<i>Street Maintenance TOTAL</i>	<u><u>\$ 2,569,956</u></u>	<u><u>\$ 2,789,570</u></u>	<u><u>\$ 2,788,640</u></u>	<u><u>\$ 3,270,230</u></u>

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: Street Maintenance - 10610

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Public Works Worker	LT-1	10.00	10.00	10.00
Deputy Public Works Director	18	.75	.75	.75
Operations Supervisor	14	1.00	1.00	1.00
Forester	10	1.00	1.00	1.00
Senior Office Assistant	8	.35	.35	.35
GIS Coordinator	12	.20	.20	.20
Asset Management/GIS Analyst	10	-	.17	.17
<i>Total</i>		<u>13.30</u>	<u>13.47</u>	<u>13.47</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Public Works/Street Maintenance

	Actual 2023	Actual 2024	Budget 2025R	Budget 2026P
Inputs:				
Number of Full-Time Employees	13.3	13.3	13.47	13.47
Division Expenditures	\$ 2,701,940	\$ 2,571,223	\$ 2,788,649	\$ 3,270,222
Outputs:				
Number of City-Owned Street Lights	3,459	3,510	3,510	3,510
Work Orders for Street Light Out	174	201	220	220
Annual Number of Trees Removed	313	356	400	400
Annual Number of Trees Planted	230	250	290	290
Tree Trimmings-Routine	219	194	200	200
Effectiveness Measures:				
Days to Repair Street Light After Request	6.1	7.4	8.1	6.0
Average Days to Complete After Tree Service Request Received	15	14	15	15
Efficiency Measures:				
Cost to Operate Street Lights	\$ 325,558	\$ 309,828	\$ 332,000	\$ 332,000
Cost to Maintain Street Lights	\$ 37,454	\$ 38,259	\$ 112,000	\$ 114,500
Total Cost to Operate and Maintain Street Lights	\$ 363,012	\$ 348,087	\$ 444,000	\$ 446,500
Expenditure per Capita to Maintain Street Lights	\$ 9.43	\$ 9.05	\$ 11.54	\$ 11.60
Cost per New Tree Planted	\$ 350.61	\$ 340.00	\$ 344.83	\$ 344.83
Annual Dollars Spent on New Trees	\$ 80,640	\$ 85,000	\$ 100,000	\$ 100,000
Division Expenditure per Capita	\$ 70.21	\$ 66.82	\$ 72.47	\$ 84.98

PARK MAINTENANCE DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in essential municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

To maintain and repair Richfield's 21 park areas that provide space and facilities for leisure activities. These areas vary in size from one-quarter acre (Little Bob's Park) to over 100 acres (Veterans Memorial Park). The Park Maintenance Division is responsible for maintaining and repairing:

- Buildings
- Play features
- Tennis/Pickleball courts
- Ballfields
- Turf areas
- Trash pick-up and disposal
- Winter maintenance of sidewalks/trails

The Park Maintenance Division also manages the maintenance of the 77th Street Maintenance District.

2025 HIGHLIGHTS

- Added plantings, both annual and perennial, to park areas (City Council Priority/Outcome 3a & 3c).
- Continued support of City-sponsored events such as Vehicle Day, 4th of July Celebration and "Penn Fest" at Open Streets (City Council Priority/Outcome 1a, 2a, 4b & 5b).
- Executed a parks woodchip revitalization project to refresh parks woodchips at every park where needed (City Council Priority/Outcome 1b, 3a & 5c).
- Completed Park Asset Inventory to establish future Park Maintenance needs (City Council Priority/Outcome 1a-b, 3a-b, 4b, 5a & 5c).

2026 DIVISION GOALS

- Maintain support for City-sponsored events such as Vehicle Day, 4th of July Celebration and "Penn Fest" at Open Streets (City Council Priority/Outcome 1a, 2a, 4b & 5b).
- Continue to identify park areas to enhance with ornamental/edible plantings (City Council Priority/Outcome 1a, 3a, 3c & 5c).
- Utilize the Park Asset Inventory to establish future Park Maintenance/Asset Management plan(s) (City Council Priority/Outcome 1a-b, 3a-b, 4b, 5a & 5c).
- Establish maintenance plans for Tennis, pickleball, and basketball paved court

surfaces (City Council Priority/Outcome 1a-b, 3a-b, 4b, 5a & 5c).

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects a decrease of 0.1% from the 2025 Adopted Budget.

The 2026 Proposed Budget reflects an increase of 5.1% from the 2025 Adopted Budget. Increases in personal services as employees move through the step system (merit increases) and data processing IT charges exceeded 4%.

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: Park Maintenance - 10615

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 584,354	\$ 666,080	\$ 667,730	\$ 719,940
6007 Seasonal	50,655	44,720	43,640	44,950
6009 Overtime	18,355	23,000	23,000	23,000
6031 Employer Social Security	38,175	42,590	42,860	46,150
6032 Employer Medicare	8,947	9,960	10,020	10,790
6033 Employer Pera	44,826	49,220	49,290	53,200
6035 Medical Insurance	142,319	137,280	137,280	146,370
6036 Dental Insurance	6,366	6,150	6,150	6,440
6037 Term Life	557	360	360	350
6038 Workers Compensation	15,770	15,770	15,770	16,090
6040 Long Term Disability	995	1,160	1,160	1,260
6054 Interdepartmental Labor Credit	(52,257)	(31,150)	(32,000)	(32,000)
<i>Personal Services Total</i>	<u>\$ 859,062</u>	<u>\$ 965,140</u>	<u>\$ 965,260</u>	<u>\$ 1,036,540</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 14,822	\$ 13,850	\$ 13,850	\$ 13,870
6201 Rents & Leases	35	-	-	-
6202 Data Processing Rental	5,942	10,630	10,630	15,570
6204 Motor Pool Operating Rental	245,560	255,380	255,380	268,150
6205 Maintenance & Repairs	154,393	103,670	116,670	116,670
6207 Utility Services	111,771	147,460	134,460	134,460
6302 Communications	7,648	11,240	11,240	11,240
6303 Professional Development	6,257	10,310	10,310	10,310
6305 Subscriptions & Memberships	75	100	100	100
6307 Insurance & Bonds	38,096	53,150	53,150	54,210
6308 Property Liability	4,000	4,160	4,160	4,240
6310 Taxes & Licenses	-	200	200	200
6315 Other Contractual Services	51,328	65,400	64,400	61,400
6401 Office Supplies	9	-	-	-
6409 Uniforms & Clothing	11,302	10,600	10,600	10,600
6410 Small Tools & Parts	8,881	2,000	2,000	2,000
6412 Maint. & Const. Materials	16,026	7,500	7,500	7,500
6414 Other Supplies	57,984	42,270	42,270	42,270
<i>Other Services & Charges Total</i>	<u>\$ 734,129</u>	<u>\$ 737,920</u>	<u>\$ 736,920</u>	<u>\$ 752,790</u>
<i>Park Maintenance TOTAL</i>	<u><u>\$ 1,593,191</u></u>	<u><u>\$ 1,703,060</u></u>	<u><u>\$ 1,702,180</u></u>	<u><u>\$ 1,789,330</u></u>

FUND: GENERAL FUND
DEPARTMENT: Public Works
BUSINESS UNIT: Park Maintenance - 10615

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Public Works Worker	LT-1	8.00	8.00	8.00
Operations Supervisor	14	.50	.50	.50
Asset Management/GIS Analyst	10	-	.17	.17
	<i>Total</i>	<u>8.50</u>	<u>8.67</u>	<u>8.67</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
None	\$ -	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Public Works/Park Maintenance

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025R</u>	<u>Budget 2026P</u>
Inputs:				
Number of full time employees	8.5	8.5	8.67	8.67
Division Expenditures	\$ 1,476,731	\$ 1,587,834	\$ 1,702,181	\$ 1,789,314
Outputs:				
No. of Parks Maintained	21	21	22	22
No. of Athletic Fields	24	24	24	24
Effectiveness Measures:				
Games Not Played Due to Weather-Related Field Conditions	0	11	17	10
Efficiency Measures:				
Average Cost to Maintain Each Park	\$ 70,320.52	\$ 75,611.14	\$ 77,371.86	\$ 81,332.45
Cost to Maintain Parks per Capita	\$ 38.37	\$ 41.26	\$ 44.23	\$ 46.50

RECREATION SERVICES

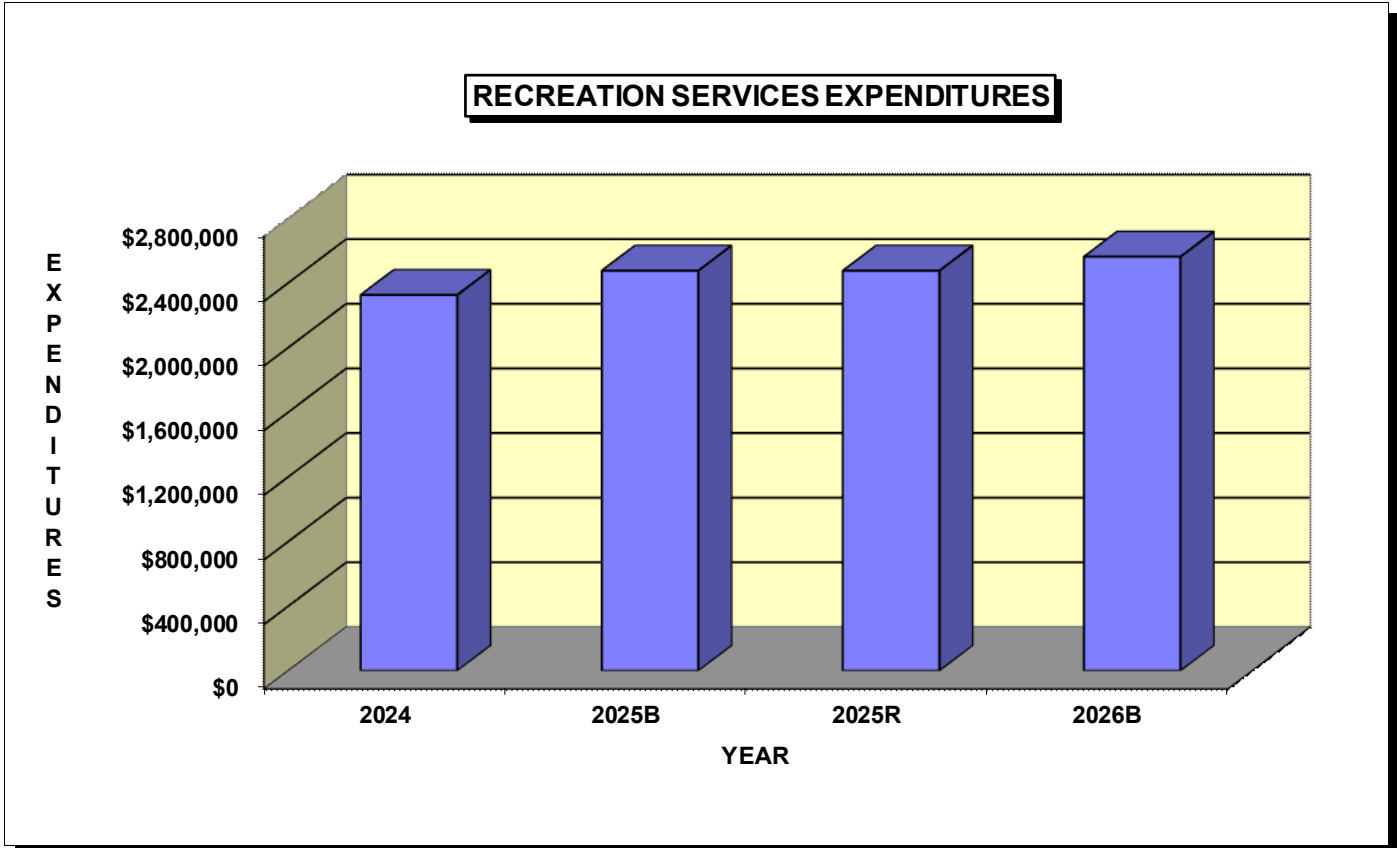
FUND: GENERAL FUND
DEPARTMENT: Recreation Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
17000 Recreation Administration	\$ 522,959	\$ 516,567	\$ 539,277	\$ 571,780	10.69%
17501 Recreation	1,123,316	1,226,363	1,251,936	1,289,399	5.14%
18000 Wood Lake Nature Center	678,016	731,660	683,377	700,021	(4.32%)
<i>Recreation Services TOTAL</i>	<u>\$ 2,324,291</u>	<u>\$ 2,474,590</u>	<u>\$ 2,474,590</u>	<u>\$ 2,561,200</u>	3.50%

REVENUES

17501 Recreation	\$ 324,227	\$ 252,650	\$ 293,540	\$ 292,200	15.65%
18000 Wood Lake Nature Center	134,550	100,650	59,760	64,100	(36.31%)



RECREATION SERVICES ADMINISTRATION

MISSION STATEMENT

Richfield Recreation Services encourages a happy, healthy, and connected community by providing inclusive recreational experiences that promote physical activity, mental wellness, and social belonging.

DIVISION FOCUS

The Recreation Services Administration Division provides support for the Recreation Services Department, which includes Wood Lake Nature Center, Recreation Programs and Athletics, Ice Arena, Outdoor Pool, Honoring All Veterans Memorial, Band Shell, Mini-Golf, and the Sustainability divisions (organics, recycling, and sustainability). The Administrative Division also contains items related to parks planning and development.

2025 HIGHLIGHTS

- Began design and construction on projects funded by the Local Option Sales Tax including the Wood Lake Nature Center Building, Richfield Outdoor Pool improvements, and general improvements to Veterans Memorial Park (City Council Priority/Outcome 3a)
- Complete fleet electric vehicle assessment. (City Council Priority/Outcome 3)
- Install solar panels on Ice Arena and Public Works Building using State and Federal Funding (City Council Priority/Outcome 1b and 3b)
- Constructed playground at Donladson Park (City Council Priority/Outcome 3a)
- Updated Climate Action Plan (City Council Priority/Outcome 3c)

2026 DIVISION GOALS

- Begin parks master planning process (City Council Priority/Outcome 1, 3, and 5)
- Finish construction of the Wood Lake Nature Center Building. (City Council Priority/Outcome 3a)
- Complete forest management plan for Wood Lake, Richfield Lake and Veterans Park (City Council Priority/Outcome 1c)
- Transition from Active Net to a new Recreation facility and program registration software. (City Council Priority/Outcome 1c)
- Deliver several Recreation Department wide training opportunities (City Council Priority/Outcome 4a).
- Collaborate with Public Works to conduct a recreation facility assessment (City Council Priority/Outcome 3, 5c).

DIVISION EXPENDITURE COMMENTS

The Recreation Services/Administration Division shows an increase of 4.2% for 2025 revised, and a 10.69% increase in 2026. These increases are primarily due to increased credit card service fees, and a consolidation of credit card service fees from the Wood Lake Nature Center and Recreation Programs budgets into the Administration Division budget. There is also a significant increase in staff insurance costs.

FUND: GENERAL FUND
DEPARTMENT: Recreation Services
BUSINESS UNIT: Recreation Administration - 17000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 282,841	\$ 277,840	\$ 288,700	\$ 300,600
6031 Employer Social Security	15,133	16,740	16,480	17,400
6032 Employer Medicare	3,539	3,910	3,850	4,070
6033 Employer Pera	18,857	20,250	20,970	22,160
6035 Medical Insurance	48,289	41,700	51,200	56,070
6036 Dental Insurance	1,668	1,900	1,900	2,100
6037 Term Life	165	160	170	170
6038 Workers Compensation	2,500	2,500	2,500	2,550
6040 Long Term Disability	370	520	610	610
<i>Personal Services Total</i>	<u>\$ 373,362</u>	<u>\$ 365,520</u>	<u>\$ 386,380</u>	<u>\$ 405,730</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 4,989	\$ 2,000	\$ 2,000	\$ 2,000
6202 Data Processing Rental	23,588	13,837	13,837	13,010
6207 Utility Services	8,292	8,250	8,300	8,500
6301 Advertising & Publication	31,589	43,000	38,000	38,000
6302 Communications	1,587	2,400	2,000	2,000
6303 Professional Development	2,798	3,200	3,200	3,200
6307 Insurance & Bonds	8,520	5,240	5,240	5,340
6308 Property Liability	8,870	9,220	9,220	9,400
6401 Office Supplies	244	-	-	-
6402 Copy Charges	7,305	7,400	7,400	7,400
6414 Other Supplies	27	-	-	-
6513 Other Charges	51,788	56,500	63,700	77,200
<i>Other Services & Charges Total</i>	<u>\$ 149,597</u>	<u>\$ 151,047</u>	<u>\$ 152,897</u>	<u>\$ 166,050</u>
<i>Recreation Administration TOTAL</i>	<u><u>\$ 522,959</u></u>	<u><u>\$ 516,567</u></u>	<u><u>\$ 539,277</u></u>	<u><u>\$ 571,780</u></u>

FUND: GENERAL FUND
DEPARTMENT: Recreation Services
BUSINESS UNIT: Recreation Administration - 17000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Recreation Services Director	20	1.00	1.00	1.00
Sustainability Specialist	12	.40	.40	.40
Analyst	12	1.00	1.00	1.00
	<i>Total</i>	<u>2.40</u>	<u>2.40</u>	<u>2.40</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
None	\$ -	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Recreation Services/Administration

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Budget 2026</u>
Inputs:				
Number of organics program participants	2,800	3,371	3,420	3,500
Richfield Households	15,332	15,332	15,332	15,332
Outputs:				
Rec. Administration Division Cost	\$550,934	\$497,896	\$539,277	\$568,080
Effectiveness Measures:				
% of Households in Organics Program	18%	22%	22%	23%
Efficiency Measures:				
Administration cost per capita	\$ 35.93	\$ 32.47	\$ 35.17	\$ 37.05

RECREATION PROGRAMS

MISSION STATEMENT

Richfield Parks and Recreation encourages a happy, healthy, and connected community by providing inclusive recreational experiences that promote physical activity, mental wellness, and social belonging.

DIVISION FOCUS

The Recreation Programs Division provides high-quality programs, activities and special events throughout the year to the entire community. The division is the conduit to find ways to ensure inclusion of all people, especially people with physical and economic challenges and people of color. The incorporation of these services includes programs and services for youth through seniors/mature adults. The Division also coordinates scheduling of athletic and park facilities for Richfield youth and adult recreational sports associations, schools and other groups.

2025 HIGHLIGHTS

- The Farmers Market grew vendor registration more than 10%. (City Council Goal 5a)
- Pickleball leagues grew from two to four leagues per session, added spring, seniors and women pickleball leagues. (City Council Goal 1c)
- New family programming and free community programming was added at the community center and various parks, including the expansion of the playground program to two sites per week. (City Council Goal 1c, 5a)
- Staff supported community volunteer committees to offer the Richfield 4th of July Celebration and Penn Fest. (City Council Goal 1c, 5a)
- Partnered with Beacons on summer programming to nurture relationships with high school age community members. (City Council Goal 1c, 4b, and 5a)

2026 DIVISION GOALS

- Increase program participation by increasing the variety of programming available and outreach to underserved populations to provide more local and relevant recreation opportunities for residents. (City Council Priority/Outcome 5a).
- Defer program expenses by expanding community partnerships and secure new sponsorships. (City Council Goal 1b).
- Increase use of volunteers for programs and special events. (City Council Goal 4b)
- Implement Urban AGRI grant to offer new gardening programs. (City Council Goal 1b)

DIVISION REVENUE COMMENT

Revenue is forecasted to exceed the 2025 budgeted amount by 15% due to growth in days out (Senior trips), adaptive programming participation, youth and sport contract programming, adult leagues, farmers market vendor registration, and field rentals.

DIVISION EXPENDITURE COMMENT

The Recreation Programs 2025 revised budget is projected to be 2% higher than the 2025 adopted budget. 2026 expenditures are projected to be 5% higher than 2025 due to personal services increases.

FUND: GENERAL FUND
DEPARTMENT: Recreation Services
BUSINESS UNIT: Recreation - 17501

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 453,475	\$ 451,890	\$ 520,720	\$ 550,320
6006 Part-time	91,333	98,060	97,690	101,120
6007 Seasonal	51,368	70,510	70,510	72,610
6009 Overtime	92	-	-	-
6031 Employer Social Security	33,894	44,070	41,750	43,920
6032 Employer Medicare	7,927	9,980	9,760	10,270
6033 Employer Pera	39,319	46,180	46,380	48,860
6035 Medical Insurance	89,357	108,590	99,960	108,740
6036 Dental Insurance	3,814	4,320	4,338	4,470
6037 Term Life	383	420	360	400
6038 Workers Compensation	7,370	7,720	7,720	7,870
6040 Long Term Disability	817	775	915	1,000
6051 Interdepartmental Labor	3,030	-	-	-
<i>Personal Services Total</i>	<u>\$ 782,179</u>	<u>\$ 842,515</u>	<u>\$ 900,103</u>	<u>\$ 949,580</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ -	\$ 240	\$ 120	\$ 130
6201 Rents & Leases	2,700	5,000	3,300	4,400
6202 Data Processing Rental	33,390	62,333	62,333	57,993
6204 Motor Pool Operating Rental	1,180	1,230	1,230	1,290
6205 Maintenance & Repairs	6,768	10,000	2,000	5,000
6207 Utility Services	16,469	18,550	18,200	18,500
6301 Advertising & Publication	1,821	4,000	2,000	2,000
6302 Communications	4,701	5,600	5,000	5,150
6303 Professional Development	4,395	4,000	4,000	4,120
6305 Subscriptions & Memberships	3,734	3,250	3,500	3,600
6307 Insurance & Bonds	7,701	4,500	4,500	4,590
6308 Property Liability	120	120	120	120
6315 Other Contractual Services	174,768	164,225	161,030	145,776
6401 Office Supplies	3,143	4,000	3,000	3,150
6402 Copy Charges	438	-	-	-
6403 Postage	3,713	4,500	4,000	3,900
6409 Uniforms & Clothing	2,704	3,000	3,000	2,000
6414 Other Supplies	63,538	80,300	67,450	72,100
6513 Other Charges	9,854	9,000	7,050	6,000
<i>Other Services & Charges Total</i>	<u>\$ 341,137</u>	<u>\$ 383,848</u>	<u>\$ 351,833</u>	<u>\$ 339,819</u>
<i>Recreation TOTAL</i>	<u>\$ 1,123,316</u>	<u>\$ 1,226,363</u>	<u>\$ 1,251,936</u>	<u>\$ 1,289,399</u>

FUND: GENERAL FUND
DEPARTMENT: Recreation Services
BUSINESS UNIT: Recreation - 17501

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Recreation Manager	14	1.00	1.00	1.00
Recreation Supervisor	12	3.00	3.00	3.00
Recreation Program Coordinator	10	1.00	1.00	1.00
Senior Office Assistant	8	1.00	1.00	1.00
<i>Total</i>		<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
<u>Part-Time Employees</u>				
Custodian	6	2.00	2.00	2.00
<i>Total</i>		<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Rec Serv/Rec Programs & Athletics

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025</u>	<u>Budget 2026</u>
Inputs:				
Number of Full Time Employees	5	6	6	6
Division Revenues	\$ 286,487	\$ 324,228	\$ 252,650	\$ 293,540
Division Expenditures	\$ 1,002,549	\$ 1,092,261	\$ 1,226,363	\$ 1,251,936
Outputs:				
Older Adult Registrants	1,586	1,795	1,600	1,600
Youth Recreation Registrations	2,147	2,430	2,400	2,200
Youth/Adult Athletics Registrations	804	910	900	900
Adaptive Registrations	1,200	1,358	1,350	1,350
Total Registrations	5,737	6,493	6,250	6,050
Effectiveness Measures:				
Average Revenue Per Registration	\$ 50.35	\$ 49.94	\$ 40.42	\$ 48.52
Efficiency Measures:				
Average Cost Per Registration	\$ 174.75	\$ 168.23	\$ 196.22	\$ 206.93
Revenues Per Capita	\$ 7.81	\$ 8.76	\$ 6.83	\$ 7.93
Expenditures Per Capita	\$ 27.10	\$ 29.52	\$ 33.14	\$ 33.84

WOOD LAKE NATURE CENTER

MISSION STATEMENT

Wood Lake Nature Center, part of the Recreation Services Department, exists to enhance the quality of life in Richfield by providing the highest-quality, community-based nature experience while serving the widest possible audiences.

DIVISION FOCUS

Wood Lake provides high quality, accessible environmental education, recreation and community program opportunities unique to the Wood Lake Nature Center site. Provide natural resource information to the public including wildlife, forest, prairie, wetlands, and lakes programming. Manage and maintain a high-quality natural area. Support and guide the Friends of Wood Lake in raising funds to assist in projects and seasonal staffing

2025 HIGHLIGHTS

- Met with the building project team, the architect team, and the exhibit team to finalize designs and begin construction on the new building. (City Council Priority 3a)
- Staff offices moved to the Community Center in mid-May. The move has enabled staff from both divisions to increase collaboration. (City Council Priority 1c, 4b)
- Adjusted programming to accommodate new building construction. Eleven weeks of summer camp were offered at 2 different locations. (City Council Priority 1 and 5)
- Collaborated with Veterans Park and Public Works staff on larger projects. Projects included trail work (WL), ice replacement (Arena), and tree removal (mini golf). (City Council Priority 1a, 3a, and 4b)
- FOWL hosted several smaller events to reach new audiences. Although most events were well attended the largest event was cancelled due to poor registration. (City Council Priority 1c)

2026 DIVISION GOALS

- Manage the natural resources of the park to allow for access, safety, and biodiversity. (City Council Priority 1)
- Steadily work to provide new and engaging programming while maintaining our familiar traditional programs as well. (City Council Goal 5)
- Continue to move FOWL to a higher level and more diverse styles of fund raising. (City Council Goal 1b, 3b, 5a)

DIVISION EXPENDITURE COMMENT

Wood Lake's expenditures for the revised 2025 budget are projected to be \$48,283 lower and 2026 proposed expenditures are projected to be \$31,639 lower due to the building closure, reducing utility and maintenance costs.

DIVISION REVENUE COMMENT

The 2025 Revised revenues are \$40,890 lower than adopted and 2026 Proposed revenues are expected to be \$39,550 lower due to construction schedule delays, program cancellations, trail access changes, and suspension of the Post Office lease.

FUND: GENERAL FUND
DEPARTMENT: Recreation Services
BUSINESS UNIT: Wood Lake Nature Center - 18000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 450,286	\$ 446,745	\$ 460,870	\$ 481,660
6007 Seasonal	73,965	69,920	67,920	69,920
6009 Overtime	1,858	-	-	-
6031 Employer Social Security	32,744	42,335	31,960	33,676
6032 Employer Medicare	7,658	8,495	7,480	7,883
6033 Employer Pera	40,037	44,363	39,130	41,193
6035 Medical Insurance	41,307	36,920	28,290	29,630
6036 Dental Insurance	2,807	2,860	2,170	2,230
6037 Term Life	387	210	210	200
6038 Workers Compensation	6,980	6,980	6,980	7,120
6040 Long Term Disability	823	800	820	870
6054 Interdepartmental Labor Credit	(107,850)	(95,000)	(103,953)	(108,864)
<i>Personal Services Total</i>	<u>\$ 551,002</u>	<u>\$ 564,628</u>	<u>\$ 541,877</u>	<u>\$ 565,518</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 1,981	\$ 4,000	\$ 4,000	\$ 3,500
6202 Data Processing Rental	24,886	54,452	54,450	50,670
6204 Motor Pool Operating Rental	9,180	9,550	9,550	10,030
6205 Maintenance & Repairs	1,025	4,800	2,000	2,000
6207 Utility Services	29,586	38,000	22,000	16,000
6301 Advertising & Publication	2,390	2,000	1,000	3,000
6302 Communications	4,295	3,900	4,300	4,500
6303 Professional Development	1,117	1,200	1,400	1,000
6306 Care of Persons	303	-	-	-
6307 Insurance & Bonds	11,793	12,020	12,020	12,260
6308 Property Liability	3,610	3,750	3,750	3,830
6315 Other Contractual Services	7,181	6,550	4,000	4,500
6401 Office Supplies	274	450	300	400
6402 Copy Charges	477	-	100	100
6403 Postage	989	100	130	300
6409 Uniforms & Clothing	1,820	1,000	1,500	1,413
6410 Small Tools & Parts	1,064	1,000	1,000	1,000
6414 Other Supplies	20,715	20,000	20,000	20,000
6513 Other Charges	4,328	4,260	-	-
<i>Other Services & Charges Total</i>	<u>\$ 127,014</u>	<u>\$ 167,032</u>	<u>\$ 141,500</u>	<u>\$ 134,503</u>
<i>Wood Lake Nature Center TOTAL</i>	<u><u>\$ 678,016</u></u>	<u><u>\$ 731,660</u></u>	<u><u>\$ 683,377</u></u>	<u><u>\$ 700,021</u></u>

FUND: GENERAL FUND
DEPARTMENT: Recreation Services
BUSINESS UNIT: Wood Lake Nature Center - 18000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Manager	14	1.00	1.00	1.00
Naturalist	12	2.00	2.00	2.00
Senior Office Assistant	8	1.00	1.00	1.00
Public Works Worker	LT3	1.00	1.00	1.00
	<i>Total</i>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
None	\$ -	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Rec Serv/WoodLake Nature Center

	Actual 2023	Actual 2024	Budget 2025	Budget 2026
Inputs:				
Number of Full Time Employees	5	5	5	5
Division Revenues	\$ 133,750	\$ 134,549	\$ 59,760	\$ 61,100
Division Expenditures	\$ 656,448	\$ 737,204	\$ 383,377	\$ 700,021
Outputs:				
Volunteer Hours	3,657	2,608	2,500	2,500
Number of contact hours for all programs delivered	24,500	23,020	17,500	16,500
Effectiveness Measures:				
Number of programs delivered annually	607	581	500	475
Number of people attending all programs annually	18,814	19,154	15,000	14,250
Efficiency Measures:				
Dollars saved by volunteers	\$ 84,367	\$ 60,167	\$ 57,675	\$ 57,675
Average cost/person of programs delivered	\$ 27.78	\$ 31.46	\$ 21.57	\$ 44.84
Average cost of programs per hour delivered	\$ 21.33	\$ 26.18	\$ 18.49	\$ 38.72
Revenues Per Capita	\$ 3.68	\$ 3.70	\$ 1.64	\$ 1.68
Expenditures Per Capita	\$ 18.07	\$ 20.29	\$ 10.55	\$ 19.26

SPECIAL REVENUE

**BUDGET SUMMARY
LIQUOR CONTRIBUTION FUND**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 147,502	\$ 148,002	\$ 154,828	\$ 155,828
<u>Sources</u>				
Liquor Profits	500,000	475,000	475,000	475,000
Interest	7,326	1,000	1,000	1,000
Subtotal	<u>507,326</u>	<u>476,000</u>	<u>476,000</u>	<u>476,000</u>
<u>Uses</u>				
Transfers	500,000	475,000	475,000	475,000
Subtotal	<u>500,000</u>	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>
<u>FUND BALANCE</u>	<u>\$ 154,828</u>	<u>\$ 149,002</u>	<u>\$ 155,828</u>	<u>\$ 156,828</u>

MISSION STATEMENT

The Liquor Contribution Fund is financed by earnings of the Municipal Liquor Fund, which are transferred to this fund annually. As capital improvement projects are undertaken, money is transferred out of this fund to the capital improvement funds to finance the project.

DIVISION FOCUS

The 2025 budget revision provides for expenditures of monies from the Liquor Contribution Fund in accordance with the revised 2025 Capital Improvement Budget. The 2026 proposed budget similarly allocates special revenue monies for expenditure in accordance with the 2026 Capital Improvement Budget. In 2026, funding received from liquor profits is budgeted at \$475,000 which is the same as the 2025 adopted budget.

**BUDGET SUMMARY
TOURISM ADMINISTRATION**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 52,472	\$ 53,181	\$ 58,430	\$ 60,140
<u>Sources</u>				
Hotel/Motel Lodging Tax	8,269	7,000	7,000	7,000
Interest	3,129	150	150	150
Subtotal	11,398	7,150	7,150	7,150
<u>Uses</u>				
Personal Services	5,440	5,440	5,440	5,440
Subtotal	5,440	5,440	5,440	5,440
<u>FUND BALANCE</u>	\$ 58,430	\$ 54,891	\$ 60,140	\$ 61,850

MISSION STATEMENT

To set up funding for the Richfield Tourism Promotion Board through a Lodging Tax on the gross receipts on lodging from hotels and motels within the city. The purpose of this fund is to promote and market the city as a tourist or convention center.

DIVISION FOCUS

To create a climate supportive of the hotel industry in the city of Richfield. This includes sponsoring events and other appropriate activities which provide visibility for Richfield as a tourist center.

2026 TOURISM ADMINISTRATION GOALS

1. To promote the city of Richfield as a tourist destination.
2. To promote civic activities which enhance the city's positive image.
3. To carry out such activities as permitted under Minnesota statutes.

DIVISION EXPENDITURE COMMENT

This fund is responsible for the collection of lodging tax revenues and the distribution of these funds to the Richfield Tourism Promotion Board (RTPB), and for the examination of the records of any operator for verification of accuracy on the Lodging Tax Returns as well as an annual report to the State of Minnesota. Revenue here represents 5% of the total taxes generated and submitted to the Richfield Tourism Promotion Board.

The Richfield Tourism Promotion Board, which meets monthly, is comprised of a representative of the Richfield Chamber of Commerce and a representative from each of the three hotel/motel properties in Richfield. The City Manager serves as the City's liaison to the Board. The duties of the Board include the annual expenditure and a allocation of lodging tax revenues for permissible activities.

**BUDGET SUMMARY
COMMUNICATIONS FUND**

AVAILABLE FOR APPROPRIATION	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 1,898,008	\$ 1,752,494	\$ 1,889,161	\$ 1,785,321
<u>Sources</u>				
Franchise Fees	309,753	235,000	280,000	246,500
Intergovernmental	-	-	-	-
Interest	74,615	5,000	5,000	5,000
Transfers In:				
General Fund				25,000
Subtotal	<u>384,368</u>	<u>240,000</u>	<u>285,000</u>	<u>276,500</u>
<u>Uses</u>				
Personal Services	259,640	240,610	231,430	240,330
Other Service & Charges	133,575	181,610	157,410	172,090
Capital Outlay	-	-	-	-
Subtotal	<u>393,215</u>	<u>422,220</u>	<u>388,840</u>	<u>412,420</u>
<u>FUND BALANCE</u>	<u>\$ 1,889,161</u>	<u>\$ 1,570,274</u>	<u>\$ 1,785,321</u>	<u>\$ 1,649,401</u>

COMMUNICATIONS FUND

MISSION STATEMENT

To provide communication services to Richfield residents through the city's cable TV channel, website, print publications, social media, media relations, events and other engagement initiatives. Administer the city's cable television ordinance.

DIVISION FOCUS

The communication fund is financed through franchise fees derived from cable television subscribers. These funds are paid to the city under the obligations of the Cable Television Franchise Ordinance. The funds are used to finance public service-related cable television programming and public information activities.

The overall administration of this fund guided through the city's Administrative Services Department. Positions funded by this division include Communications and Engagement Manager, Communications Specialist, Video Production Assistant and Communications Interns.

The Communications and Engagement Manager oversees the city's website, social media channels, e-newsletters, cable TV programming, print publications, video production, media relations, branding and other external communications. The position also supports internal communications and the city's intranet. The part-time Communications Specialist assists the Communications and Engagement Manager in accomplishing the city's communication goals, with an emphasis on digital communications. The intermittent Video Production Assistant records city meetings, as well as assisting in the production of other videos. As needed, Communications Interns are employed to provide college students who are interested in communications and civil service a better understanding of the communications profession, as well as to fill necessary gaps in resident communication offerings.

The city's primary cable programming focuses on the live broadcast and re-broadcast of City Council, Housing and Redevelopment Authority, Economic Development Authority and Planning Commission meetings. All additional city programming is produced through this division. In an effort to adequately produce these programs, cameras, controls, editing equipment and various accessories are needed. Equipment is updated as needed.

FUND: CABLE T.V. FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: CABLE T.V. FUND - 20004

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Communications Manager	15	1.00	1.00	1.00
<i>Total</i>		<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<u>Intermittent Employees</u>				
Video Production Assistant	103	.20	.20	.20
<i>Total</i>		<u>.20</u>	<u>.20</u>	<u>.20</u>
<u>Part-Time Employees</u>				
Communication Specialist	10	.50	.50	.50
Temporary Website Coordinator	9	-	.45	.45
<i>Total</i>		<u>.50</u>	<u>.95</u>	<u>.95</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BUDGET SUMMARY - ELECTIONS FUND

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 2,355,536	\$ 2,399,196	\$ 2,395,389	\$ 2,579,069
<u>Sources</u>				
Intergovernmental	16,548	-	-	-
Other Revenues	5,603	389,700	88,000	-
Lease Revenue	394,321	-	320,000	329,600
Interest	105,704	5,000	50,000	50,000
Subtotal	<u>522,176</u>	<u>394,700</u>	<u>458,000</u>	<u>379,600</u>
<u>Uses</u>				
Personal Services	146,642	187,470	237,470	285,831
Other Services and Charges	335,681	146,580	36,850	42,500
Subtotal	<u>482,323</u>	<u>334,050</u>	<u>274,320</u>	<u>328,331</u>
<u>FUND BALANCE</u>	<u>\$ 2,395,389</u>	<u>\$ 2,459,846</u>	<u>\$ 2,579,069</u>	<u>\$ 2,630,338</u>

MISSION STATEMENT

The Elections Fund was established to isolate the large fluctuation in costs from year to year.

DIVISION FOCUS

The Election Division provides voter registration services, voter information services, and election administration services for the City. The City Clerk is responsible for the management of these services. City Clerk Division employees along with seasonal staff provide staffing and support to the Election Division.

Responsibilities include the conduct of primary, general, and special elections, the recruitment and training of election judges, maintenance of voter registration records, programming/testing of voting equipment, polling place arrangements, legal notices, candidate filings, ballot printing, administration of absentee ballot process, and acting as an information resource for the public regarding election information.

DIVISION EXPENDITURE COMMENT

The 2024 Revised Budget reflects the cost associated with the upcoming General Elections and voter registration activities. The 2025 budget reflects the cost associated with the upcoming level of services to be provided during a non-election year.

**BUDGET SUMMARY
DRUG/FELONY FORFEITURE**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 288,610	\$ 232,790	\$ 280,133	\$ 223,733
<u>Sources</u>				
Intergovernmental Revenue	-			
Drug/Felony Forfeiture	33,296	35,000	35,000	35,000
Interest	13,446	500	1,500	1,500
Other Revenues	1,000	400	2,000	2,000
Subtotal	<u>47,742</u>	<u>35,900</u>	<u>38,500</u>	<u>38,500</u>
<u>Uses</u>				
Other Service & Charges	56,219	30,000	94,900	34,100
Subtotal	<u>56,219</u>	<u>30,000</u>	<u>94,900</u>	<u>34,100</u>
<u>FUND BALANCE</u>	\$ 280,133	\$ 238,690	\$ 223,733	\$ 228,133

MISSION STATEMENT

The Drug/Felony Forfeitures Fund receives its revenues as the result of cash and property seized relating to drug and/or felony type criminal activity and vehicles seized due to aggravated DUI violations. By law, the funds can only be used for law enforcement purposes.

DIVISION FOCUS

The funds will used for various police equipment and training needs.

In 2025 Revised planned purchases are K-9 Supplies and SWAT Supplies (\$12,000) Purchase of BearCat (\$45,000) Sprinter Conversion for Comm Van (\$35,000) BearCat Light Bar and install Radio (\$2,900).

In 2026 Proposed planned purchases are a purchases are K-9 and SWAT Supplies (\$10,000) SWAT Bags (\$3,600) Sniper Rifle (\$7,500) Patrol Rifle sights (\$10,000) (\$3,000) 5 New Glock handguns to account for additional officers and Spares.

**BUDGET SUMMARY
PUBLIC SAFETY COMPLIANCE**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 257,527	\$ 348,040	\$ 300,106	\$ 373,056
<u>Sources</u>				
Intergovernmental:				
Federal Grants	26,057	5,300	5,500	6,000
State Grants	35,280	3,000	60,000	10,000
County Grants	-	11,800	11,800	10,000
Other Grants	2,500	-	-	-
LEADS Revenue	5,296	5,000	5,300	5,300
Interest	12,233	400		
Other Revenues	18,100	10,000	15,000	15,000
Subtotal	<u>99,466</u>	<u>35,500</u>	<u>97,600</u>	<u>46,300</u>
<u>Uses</u>				
Personnel Services	-	3,600	4,650	5,000
Other Service & Charges	56,887	14,000	20,000	20,000
	<u>56,887</u>	<u>17,600</u>	<u>24,650</u>	<u>25,000</u>
<u>FUND BALANCE</u>	<u>\$ 300,106</u>	<u>\$ 365,940</u>	<u>\$ 373,056</u>	<u>\$ 394,356</u>

MISSION STATEMENT

Revenue for this fund comes from fines levied against businesses that fail alcohol and tobacco compliance checks. These funds are then used for costs related to performing the compliance checks. In addition the fund also is used to account for the LEADS on line system for pawn shop and and those that carry a second hand dealers license.

Citizen Corp Grants (CERT) ended in 2014. There currently is no funding source for CERT Grants through the Department of Homeland Security. All Justice Assistance Grant (JAG) funds are administered in the Compliance Fund and will be utilized for additional purchases of police equipment and training. The City was awarded a JAG grant for 2022 and 2023.

The 2022 Grant does not expire until 2025 and the 2023 grant does not expire until 2026.

DIVISION FOCUS

Funds received from compliance failure fines will be used to fund future ongoing compliance checks and the LEEDS online systems. In addition, JAG grants will be administered within this fund. We no longer receive grant money for JCCP. We currently share the cost with the county

**BUDGET SUMMARY
RECREATION CONTRIBUTIONS**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 81,557	\$ 55,057	\$ 104,772	\$ 123,772
<u>Sources</u>				
Intergovernmental				
Federal	50,698	-	-	-
Local Grant	-	55,000	55,000	55,000
Other	113,986	65,000	110,000	110,000
Interest	5,216	-	-	-
Subtotal	<u>169,900</u>	<u>120,000</u>	<u>165,000</u>	<u>165,000</u>
<u>Uses</u>				
Other Services & Charges	146,685	145,500	146,000	148,000
Subtotal	<u>146,685</u>	<u>145,500</u>	<u>146,000</u>	<u>148,000</u>
<u>FUND BALANCE</u>	<u>\$ 104,772</u>	<u>\$ 29,557</u>	<u>\$ 123,772</u>	<u>\$ 140,772</u>

MISSION STATEMENT

The Recreation Contributions Fund serves as a way to account for donations that are intended to benefit activities of the Recreation Services Department. Sources of revenue include donations/contributions come from individuals, businesses or corporations, as well grants and interest earnings. Uses of the funds include staffing costs, supplies, equipment, construction, reimbursements for credit card payments to Farmers Market vendors, and other charges.

DIVISION FOCUS

Fund activity includes donations from individuals for donated park features, receipt of on-line engraving donations for the Honoring All Veterans Memorial, Farmers Market, and Community Center fundraising events like the Boutique and the Garage Sale.

**BUDGET SUMMARY
NATURE CENTER CONTRIBUTIONS**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 222,532	\$ 226,032	\$ 262,357	\$ 270,404
<u>Sources</u>				
Intergovernmental				
County	\$ -			
Grants - Other	\$ -	\$ 5,000	\$ 5,000	\$ -
Contributions	\$ 40,919	\$ 55,000	\$ 55,000	\$ 58,000
Memberships	\$ 20,213	\$ 20,000	\$ 20,000	\$ 20,000
Interest	\$ 33,635	\$ 7,000	\$ 7,000	\$ 7,000
Subtotal	<u>\$ 94,767</u>	<u>\$ 87,000</u>	<u>\$ 87,000</u>	<u>\$ 85,000</u>
<u>Uses</u>				
Personal Services	\$ -	\$ 40,000	\$ 43,953	\$ 43,864
Other Services & Charges	\$ 54,942	\$ 35,000	\$ 35,000	\$ 35,000
Subtotal	<u>\$ 54,942</u>	<u>\$ 75,000</u>	<u>\$ 78,953</u>	<u>\$ 78,864</u>
<u>FUND BALANCE</u>	<u>\$ 262,357</u>	<u>\$ 238,032</u>	<u>\$ 270,404</u>	<u>\$ 276,540</u>

MISSION STATEMENT

The Nature Center Contribution Fund serves as a way to account for donations that are intended to benefit Wood Lake Nature Center. Sources of donations mostly come from the fundraising activities of the Friends of Wood Lake (FOWL). Other donations are received from individuals, businesses or corporations. Another source includes interest earned from the fund balance. Uses of the fund include a transfer into to the Woodlake Nature Center Operating Budget for staffing costs, supplies, equipment, construction and other charges.

DIVISION FOCUS

Sources of revenue include proceeds from the FOWL Dinner, additional fundraisers, FOWL membership fees, garden leaf sales, and miscellaneous donations received for park features. Uses of funds include the a portion of the school year seasonal salary, intern pay, volunteer shirts, sponsorship of the Halloween Program Candlelight and Ice and the UWWM.

**BUDGET SUMMARY
PUBLIC HEALTH GRANTS**

<u>AVAILABLE FOR APPROPRIATION</u>	2024 Actual	2025		2026 Budget
		Budget	Revised	
<u>PRIOR YEAR FUND BALANCE</u>	\$ 130,902	\$ 184,034	\$ 139,347	\$ 87,174
<u>Sources</u>				
Intergovernmental Revenues:				
Public Health Grants	146,779	230,467	57,327	50,714
Interest	5,422	500	500	500
Subtotal	<u>152,201</u>	<u>230,967</u>	<u>57,827</u>	<u>51,214</u>
<u>Uses</u>				
Other Service & Charges	143,756	177,835	110,000	51,214
	<u>143,756</u>	<u>177,835</u>	<u>110,000</u>	<u>51,214</u>
<u>FUND BALANCE</u>	<u>\$ 139,347</u>	<u>\$ 237,166</u>	<u>\$ 87,174</u>	<u>\$ 87,174</u>

MISSION STATEMENT

To prepare for internally and provide services to the community in the area of strengthening the City's ability to assess and enhance the capacity of local public health departments to respond to bioterrorism, infectious diseases, and other threats to public health.

DIVISION FOCUS

These dollars are grant funds that are provided to each Community Health Service agency, of which Richfield is one, from or through the State of Minnesota to work on providing services in the area of public health emergency preparedness services. The grant dollars originate from the Centers for Disease Control and Prevention and are intended to be used to assess and enhance the capacity of the state and local public health departments to respond to bioterrorism, infectious diseases, and other threats to public health.

**BUDGET SUMMARY
WOOD LAKE HALF MARATHON**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 80,294	\$ 87,294	\$ 91,878	\$ 75,878
<u>Sources</u>				
Intergovernmental	-	-	-	-
Charges for Service	55,862	58,000	59,000	60,000
Contributions	6,091	15,000	10,000	10,000
Interest Earnings	5,135	-	-	-
Subtotal	<u>67,088</u>	<u>73,000</u>	<u>69,000</u>	<u>70,000</u>
<u>Uses</u>				
Personal Services	-	30,000	35,000	40,000
Other Service & Charges	55,504	36,000	50,000	50,000
Subtotal	<u>55,504</u>	<u>66,000</u>	<u>85,000</u>	<u>90,000</u>
<u>FUND BALANCE</u>	\$ 91,878	\$ 94,294	\$ 75,878	\$ 55,878

MISSION STATEMENT

The Urban Wildland Half Marathon & 5K has been held since 2003. The event was initiated in response to proposed cuts in Local Government Aid and was seen as a way to fund Wood Lake Nature Center's environmental education curriculum for Richfield Public School students in kindergarten through eighth grade.

The costs of the environmental education program are offset by revenue from the Urban Wildland Half Marathon & 5K.

DIVISION FOCUS

Event sponsorships are detailed as "contributions" and revenues from race registration, detailed as "charges for service. The "uses" include expenditures related to the race, as well as the amount that will offset environmental education program costs.

**BUDGET SUMMARY
FRANCHISE FEES**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
<u>PRIOR YEAR FUND BALANCE</u>	\$ 1,280,422	\$ 2,007,922	\$ 2,450,331	\$ 2,562,331
<u>Sources</u>				
Franchise Fee	2,480,169	2,450,000	2,450,000	2,450,000
Interest	92,953	50,000	50,000	50,000
Subtotal	<u>2,573,122</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
<u>Uses</u>				
Other Services & Charges	83,489	435,000	435,000	450,000
Capital Outlay	-	-	-	-
Transfers Out:				
General Fund	50,000	50,000	50,000	50,000
Debt Service Fund	745,224	746,000	746,000	747,700
Capital Project Fund	524,500	1,727,000	1,157,000	1,542,000
Subtotal	<u>1,403,213</u>	<u>2,958,000</u>	<u>2,388,000</u>	<u>2,789,700</u>
<u>FUND BALANCE</u>	<u>\$ 2,450,331</u>	<u>\$ 1,549,922</u>	<u>\$ 2,562,331</u>	<u>\$ 2,272,631</u>

MISSION STATEMENT

The establishment of gas and electric franchise fees was in response to reductions in state aids and the potential for state imposed levy limits. The fees allow the City to have a reliable revenue stream.

DIVISION FOCUS

The primary purpose of the establishment of gas and electric franchise fees was to replace revenues lost to reductions in state aids and to offset the potential for state imposed levy limits. The fees provide funding for the maintenance of city streets, and diseased tree treatments, removal, and replacement. The most recent increase in Franchise fees took affect in 2024. The purpose of this last increase was to fund the City's ongoing pavement management including sidewalk, ADA, and bicycle improvements.

FUND: FRANCHISE FEES
DEPARTMENT: Finance
BUSINESS UNIT: FRANCHISE FEES - 20034

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
Pedestrian Improvements	\$ 40,000	\$ 40,000	\$ 40,000
Bicycle Improvements	80,000	40,000	40,000
ADA Improvements	200,000	200,000	200,000
Pavement Management Projects	617,000	617,000	737,000
Pillsbury Plaza	210,000	210,000	-
North Lyndale Ave Restriping	200,000	-	-
Public Works Storage Facility	325,000	-	325,000
Street Name Sign Replacement	50,000	50,000	50,000
HUB Redevelopment Participation	-	-	150,000
<i>Total</i>	<u>\$ 1,722,000</u>	<u>\$ 1,157,000</u>	<u>\$ 1,542,000</u>

**BUDGET SUMMARY
ICE ARENA**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ (2,528,944)	\$ (2,083,114)	\$ (2,062,734)	\$ (1,458,884)
<u>Sources</u>				
Intergovernmental				
Interest	276	-	-	-
User Fees	1,176,396	1,248,520	1,248,520	1,295,270
Concessions	63,178	78,500	78,500	63,800
Other Revenues	56,110	70,880	70,880	41,200
Transfers In:				
General Fund	500,000	220,000	220,000	295,000
Capital Project Fund		365,000	365,000	370,000
Subtotal	<u>1,795,960</u>	<u>1,982,900</u>	<u>1,982,900</u>	<u>2,065,270</u>
<u>Uses</u>				
Personal Services	727,757	746,600	746,600	763,788
Other Service & Charges	571,571	605,650	605,650	629,290
Interest Charges	8,216	6,800	6,800	6,800
Capital Outlay	22,206	20,000	20,000	-
Subtotal	<u>1,329,750</u>	<u>1,379,050</u>	<u>1,379,050</u>	<u>1,399,878</u>
<u>FUND BALANCE</u>	<u>\$ (2,062,734)</u>	<u>\$ (1,479,264)</u>	<u>\$ (1,458,884)</u>	<u>\$ (793,492)</u>

MISSION STATEMENT

The Ice Arena operation serves to provide recreational skating and on ice programs for a variety of ages; to provide equitable ice availability for male and females; to provide a quality ice sheet, and a clean and safe facility.

The operation provides skating lessons, open skating, and sponsors the annual ice show. Ice is rented to the local high schools for practice and games, youth associations for clinics, practices, games, and hockey tournaments. The St. Paul Figure Skating Competition rents ice along with private hockey schools and various groups for hockey and broomball.

DIVISION FOCUS

The Ice Arena division consists of four full-time employees that include a facility manager, two Recreation Supervisors, and one Public Works Worker. There are 10-15 resurfacing operators working year-round and seven seasonal concession workers and cashiers.

The Ice Arena Division provides skating lessons, open skating, and sponsors the annual ice show. Ice is rented to high school programs for practice and games, youth associations for clinics, practices, games and seven hockey tournaments. Ice is also rented for the annual St. Paul Figure Skating Competition; private hockey schools; and various groups for hockey and broomball. As always, it is our focus to maintain a quality ice sheet, and a clean and safe facility, provide quality service and maximize revenues

FUND: ICE ARENA
DEPARTMENT: Recreation Services
BUSINESS UNIT: Ice Arena - 20035

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Facility Manager	15	1.00	1.00	1.00
Public Works Worker	LT-1	1.00	1.00	1.00
Recreation Supervisor	12	1.00	1.00	1.00
Recreation Supervisor-Facilities	13	1.00	1.00	1.00
<i>Total</i>		<u>4.00</u>	<u>4.00</u>	<u>4.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
	\$	\$ -	\$ -
<i>Total</i>	<u>\$</u>	<u>\$ -</u>	<u>\$ -</u>

**BUDGET SUMMARY
SWIMMING POOL**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 228,698	\$ 282,768	\$ 209,956	\$ 237,156
<u>Sources</u>				
User Fees	430,847	475,150	475,150	591,640
Commodities	85,861	92,600	92,600	95,870
County Grant	-	23,300	23,300	23,300
Investment Income	4,183			
Other Income	(4,842)	-	-	-
Transfers In:				
General Fund	100,000	80,000	80,000	-
Subtotal	<u>616,049</u>	<u>671,050</u>	<u>671,050</u>	<u>710,810</u>
<u>Uses</u>				
Personal Services	324,246	311,380	311,380	322,360
Other Service & Charges	246,170	332,470	332,470	340,960
Capital Outlay	64,375			
Subtotal	<u>634,791</u>	<u>643,850</u>	<u>643,850</u>	<u>663,320</u>
<u>FUND BALANCE</u>	<u>\$ 209,956</u>	<u>\$ 309,968</u>	<u>\$ 237,156</u>	<u>\$ 284,646</u>

MISSION STATEMENT

The Swimming Pool strives to provide the community with an outstanding outdoor recreational swimming experience for various ages and groups; to provide quality pool water; to provide a clean and safe facility and to provide healthy concession choices for customers.

DIVISION FOCUS

The arena staff and a seasonal staff of over 60 employees operate the swimming pool division. Each year the Richfield Outdoor Pool retains about 25 staff from the previous year providing a depth of experience.

The division provides adult lap swim, practice time for swim teams and public use of the pool, zero depth pool, and waterslides during daily open swim hours.

**BUDGET SUMMARY
SPECIAL FACILITIES**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 61,558	\$ 45,088	\$ 75,655	\$ 75,475
<u>Sources</u>				
Other Revenues	64,006	67,510	67,510	69,980
Interest	3,955	-	-	-
Transfers In:				
General Fund	-	-	-	-
Subtotal	<u>67,961</u>	<u>67,510</u>	<u>67,510</u>	<u>69,980</u>
<u>Uses</u>				
Personal Services	11,820	12,290	12,290	12,720
Transfer Out	-	-	-	-
Other Service & Charges	42,044	55,400	55,400	55,960
Subtotal	<u>53,864</u>	<u>67,690</u>	<u>67,690</u>	<u>68,680</u>
<u>FUND BALANCE</u>	<u>\$ 75,655</u>	<u>\$ 44,908</u>	<u>\$ 75,475</u>	<u>\$ 76,775</u>

MISSION STATEMENT

To provide leisure activity for the public through miniature golf and picnics; to provide a well landscaped, attractive and fun miniature golf course, and to provide a clean and safe picnic area.

DIVISION FOCUS

The Arena staff and Wheel Fun Rentals, Inc. jointly operate the miniature golf and picnic shelter division. The division provides recreational miniature golf for all ages, plans special events, promotes group events, arranges newspaper and direct mail advertisement, and provides a quality picnic shelter for Farmers Market and park users.

The working season begins in early April with cleaning and preparing the miniature golf course, building and picnic shelter for usage. Picnic shelter rentals and miniature golf regular schedule begin in May. The course remains open daily June through August. Beginning after Labor Day the course is open on weekends only.

**BUDGET SUMMARY
RECREATION SPECIAL PROGRAM**

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025</u>		<u>2026 Budget</u>
		<u>Budget</u>	<u>Revised</u>	
<u>PRIOR YEAR FUND BALANCE</u>	\$ 234,436	\$ 310,745	\$ 352,836	\$ 285,751
Sources				
Intergovernmental				
County	157,144	140,000	127,405	115,000
Grants - Other (multi-family grant)	-	-	-	-
Special Assessment	131,014	198,751	130,361	231,614
Miscellaneous Revenue	4,050	-	211,916	77,925
Interest	11,624	-	-	-
Transfers in:				
General Fund	100,767	52,250	52,250	52,250
Special Revenue Fund (Franchise Fee)	-	50,000	50,000	50,000
Capital Fund	-	-	-	-
Subtotal	<u>404,599</u>	<u>441,001</u>	<u>571,932</u>	<u>526,789</u>
Uses				
Personal Services	94,453	145,103	158,242	168,249
Other Services & Charges	191,746	248,251	480,775	275,024
Transfer out:				
General Fund	-	-	-	-
Subtotal	<u>286,199</u>	<u>393,354</u>	<u>639,017</u>	<u>443,273</u>
<u>FUND BALANCE</u>	<u>\$ 352,836</u>	<u>\$ 358,392</u>	<u>\$ 285,751</u>	<u>\$ 369,267</u>

MISSION STATEMENT

This fund is newly-created since the implementation of organized hauling. The fund will be the source for operating the organic waste hauling program, including the organic drop-off sites, organic bags and containers, and promotion of the program. With the implementation of organized hauling, the City will receive financial assistance from Hennepin County to coordinate and manage the program. The Recycling funds are also used to cover a portion of the Sustainability Specialist position, who is the supervisor of the organized hauling program and the staff liaison to the Sustainability Commission. A new Solid Waste Specialist position will also be covered by this fund in 2025.

FUND: RECREATION SPECIAL PROGRAM
DEPARTMENT: Recreation Services
BUSINESS UNIT: Recreation Special Program - 20040

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Sustainability Specialist	12	.60	.60	.60
Solid Waste Specialist	10	1.00	1.00	1.00
<i>Total</i>		<u>1.60</u>	<u>1.60</u>	<u>1.60</u>

CAPITAL OUTLAY

ITEMS	2025	2025	2026
	ADOPTED	REVISED	BUDGET
	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BUDGET SUMMARY
OPIOID SETTLEMENT GRANT**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 132,082	\$ 268,394	\$ 300,825	\$ 345,938
<u>Sources</u>				
Intergovernmental Revenues:				
Opioid Grant	166,240	56,613	56,613	56,613
Interest	10,376	500	500	500
Subtotal	<u>176,616</u>	<u>57,113</u>	<u>57,113</u>	<u>57,113</u>
<u>Uses</u>				
Other Service & Charges	7,873	150,000	12,000	12,000
	<u>7,873</u>	<u>150,000</u>	<u>12,000</u>	<u>12,000</u>
<u>FUND BALANCE</u>	<u>\$ 300,825</u>	<u>\$ 175,507</u>	<u>\$ 345,938</u>	<u>\$ 391,051</u>

MISSION STATEMENT

To prepare for and provide resources and services to the community to address the ongoing opioid epidemic.

DIVISION FOCUS

These dollars are settlement funds that are provided to each Community Health Service agency, of which Richfield is one, from or through an opioid settlement administrator to work on providing services in the area of opioid prevention, treatment and recovery. This funding is in place through 2037.

**BUDGET SUMMARY
PUBLIC SAFETY AID**

<u>AVAILABLE FOR APPROPRIATION</u>	2024	2025		2026
	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
<u>PRIOR YEAR FUND BALANCE</u>	1,604,296	1,437,406	1,510,309	1,426,309
<u>Sources</u>				
Intergovernmental Revenues:				
State Grant	-	-	-	-
Interest	77,903	5,000	50,000	50,000
Subtotal	<u>77,903</u>	<u>5,000</u>	<u>50,000</u>	<u>50,000</u>
<u>Uses</u>				
Personal Services		-	-	-
Transfer to:				
General Fund	171,890	438,110	134,000	446,095
	<u>171,890</u>	<u>438,110</u>	<u>134,000</u>	<u>446,095</u>
<u>FUND BALANCE</u>	<u>\$ 1,510,309</u>	<u>\$ 1,004,296</u>	<u>1,426,309</u>	<u>1,030,214</u>

MISSION STATEMENT

Track State grant funds earmarked to provide public safety.

DIVISION FOCUS

The grant funds are earmarked to provide public safety including various programs and activities. This fund will focus on transparency, compliance and accurate tracking of revenue and expenditure.

**BUDGET SUMMARY
STREET LIGHT USER FEE FUND**

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025</u>		<u>2026 Budget</u>
		<u>Budget</u>	<u>Revised</u>	
<u>PRIOR YEAR FUND BALANCE</u>		\$ -	\$ 184,447	\$ 232,447
<u>Sources</u>				
Charges for Service:				
Street Light User Fee	390,915	332,000	380,000	380,000
Interest	117	-	-	-
Subtotal	<u>391,032</u>	<u>332,000</u>	<u>380,000</u>	<u>380,000</u>
<u>Uses</u>				
Utility Services	206,585	332,000	332,000	332,000
	<u>206,585</u>	<u>332,000</u>	<u>332,000</u>	<u>332,000</u>
<u>FUND BALANCE</u>	<u>\$ 184,447</u>	<u>\$ -</u>	<u>\$ 232,447</u>	<u>\$ 280,447</u>

MISSION STATEMENT

Track operations of the City's street lighting system.

DIVISION FOCUS

The City includes a fee for street light service on the quarterly utility bills. The City Council annually reviews and establishes the rates for the street light user fee. The fees collected fund payment of the electricity charges, along with maintenance and replacement of street lights. The City also intends to replace its streetlights with energy efficient LEDs as funding permits. This switch should save electricity and maintenance costs, and make public lighting infrastructure more versatile, flexible and efficient.

ENTERPRISE FUNDS

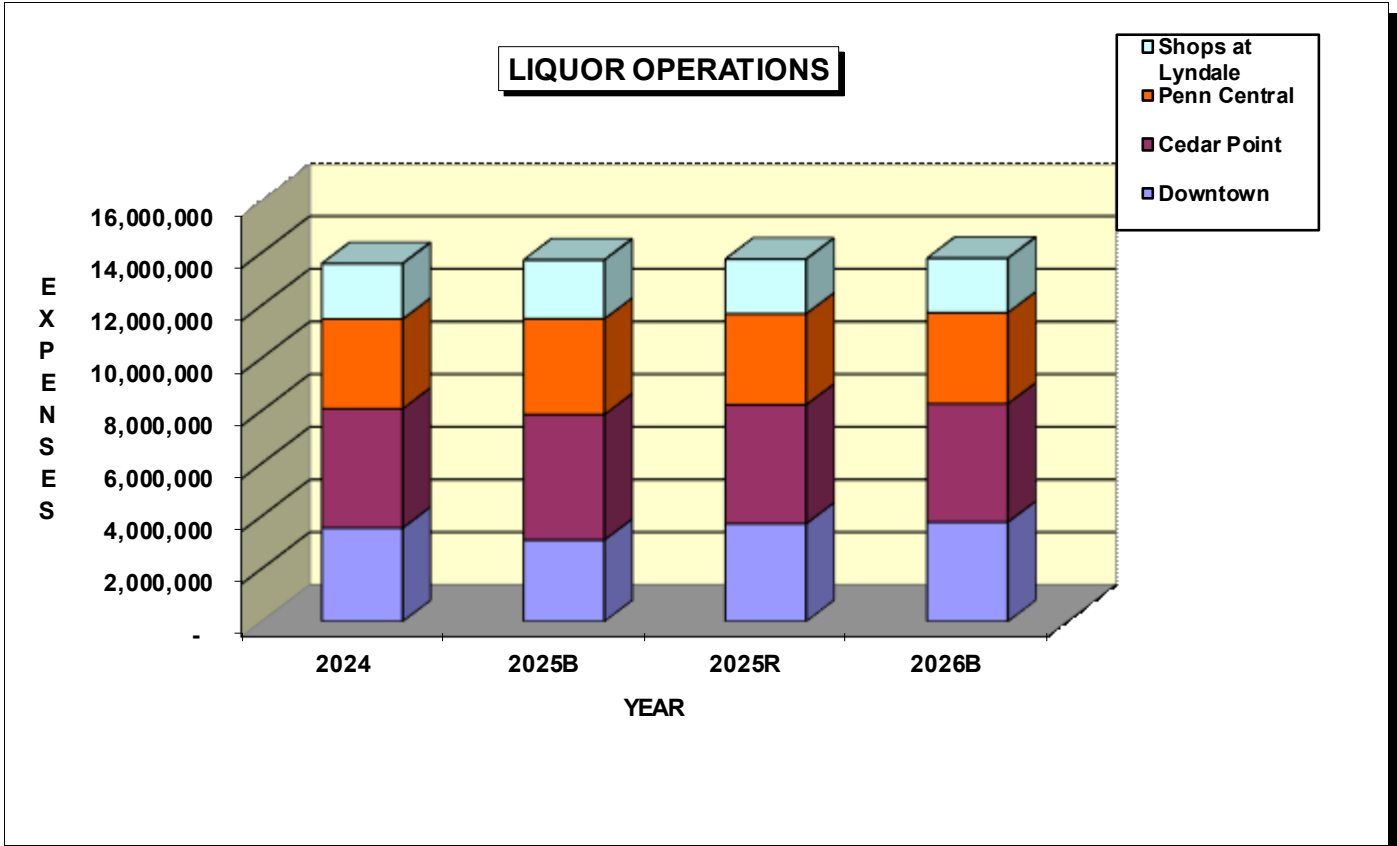
FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,555,928	\$ 3,096,355	\$ 3,716,730	\$ 3,773,330	21.86%
50020 RICHFIELD LIQUOR CEDAR POINT	4,525,269	4,762,748	4,513,730	4,497,450	(5.57%)
50030 RICHFIELD LIQUOR PENN CENTRAL	3,409,196	3,636,010	3,455,690	3,454,580	(4.99%)
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	2,102,489	2,233,156	2,074,385	2,069,435	(7.33%)
<i>Liquor Operations TOTAL</i>	<u>\$ 13,592,882</u>	<u>\$ 13,728,269</u>	<u>\$ 13,760,535</u>	<u>\$ 13,794,795</u>	0.48%

REVENUES

50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,718,820	\$ 2,951,027	\$ 3,829,830	\$ 3,867,890	31.07%
50020 RICHFIELD LIQUOR CEDAR POINT	4,919,767	5,007,186	4,664,040	4,617,650	(7.78%)
50030 RICHFIELD LIQUOR PENN CENTRAL	3,623,284	3,721,594	3,518,720	3,483,770	(6.39%)
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	1,901,518	1,945,144	1,793,600	1,775,890	(8.70%)



BUDGET SUMMARY
LIQUOR FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025 Revised</u>	<u>2026 Budget</u>	<u>2027 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 5,444,086	\$ 6,014,593	\$ 6,060,248	\$ 6,010,653
<u>Revenues</u>				
Sales	14,012,049	13,713,420	13,652,430	14,062,000
Less Cost of Sales	(9,920,096)	(9,805,080)	(9,761,480)	(10,054,320)
Net Sales	<u>4,091,953</u>	<u>3,908,340</u>	<u>3,890,950</u>	<u>4,007,680</u>
<u>Miscellaneous Revenues</u>				
Interest	109,900	72,000	72,000	72,000
Other Revenues (Net)	41,440	20,770	20,770	21,390
Total Miscellaneous Revenues	<u>151,340</u>	<u>92,770</u>	<u>92,770</u>	<u>93,390</u>
Total Revenues	<u>4,243,293</u>	<u>4,001,110</u>	<u>3,983,720</u>	<u>4,101,070</u>
<u>Expenses</u>				
Personal Services	1,850,937	2,072,520	2,144,600	2,208,940
Other Services and Charges	758,158	736,535	744,685	778,200
Depreciation	203,603	271,910	281,430	289,870
Total Operating Expenses	<u>2,812,698</u>	<u>3,080,965</u>	<u>3,170,715</u>	<u>3,277,010</u>
Net Income (Loss)	1,430,595	920,145	813,005	824,060
<u>Operating Transfers From (To):</u>				
General Fund	(360,088)	(399,490)	(387,600)	(399,228)
Special Revenue Fund	(500,000)	(475,000)	(475,000)	(475,000)
Net Transfers	<u>(860,088)</u>	<u>(874,490)</u>	<u>(862,600)</u>	<u>(874,228)</u>
<u>RETAINED EARNINGS</u>	<u>\$ 6,014,593</u>	<u>\$ 6,060,248</u>	<u>\$ 6,010,653</u>	<u>\$ 5,960,485</u>
<u>CAPITAL OUTLAY</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LIQUOR OPERATIONS

MISSION STATEMENT

The mission of the Municipal Liquor Operations is to responsibly distribute alcoholic beverages at a retail level, consistently aid in the form of quality customer service, well maintained, attractive city-owned facilities while also providing adequate funds for recreational projects in Richfield.

DIVISION FOCUS

The Richfield Liquor Dispensary was established in 1943. The operations consist of four brick & mortar retail stores with annual sales of \$14,642,595.76 and a net profit of \$1,317,000 before transfers out in 2024. When fully staffed, Liquor Operations employs 5 full-time, eight permanent part-time and approximately 50 intermittent staff members.

2024 HIGHLIGHTS

- We finished strong in 2024 at +0.45% above 2023's sales. According to industry standards that is better than most.
- Annual Cannabis sales of \$590,334.50 are 4.2% of total business in 2024
- The annual "Toast to Richfield" Partnership with the "Richfield Foundation" was a hit once again. Yielding \$10,000 in total sales.
- 1st full year of personnel service billing split of 32% 32% 26% 10%.
 - Each store will be billed for the hours consumed to get a more accurate view of performance.
- Electronic daily consolidation reports to streamline communications with finance and eliminate deposit errors.

2025/2026 GOALS

- Enhance the connection/branding of the Liquor stores to the city.
 - Via Carosel update to our sales floor monitors. These will allow Richfield Liquor Stores to be an "information station".
- Implement the timeclock on our Point-of-Sale system to eliminate timecards.
- Reduce inventory on hand especially in the "Wine" category.

DIVISION EXPENDITURE COMMENT

- A new HVAC unit at the 6600 Cedar store was installed in May 2025.
- Cedar & Penn are more labor intensive because they don't have a back room, and everything gets sent downstairs, needing to be handled more reducing efficiency.
 - Malt beverage/Beer is the leading category (37%) of all sales.
 - Most labor-intensive category and lowest profit margin

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR DOWNTOWN- 50010

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 1,332,193	\$ 1,029,007	\$ 1,379,750	\$ 1,393,550
5010 Sales - Wine	740,443	617,404	761,240	768,850
5015 Sales - Beer	1,353,856	1,087,807	1,398,790	1,412,770
5020 Sales - Cordials	127,238	102,901	133,210	134,550
5030 Sales - Food	39,165	29,400	38,060	38,440
5035 Sales- Other	84,621	72,773	95,150	96,100
5040 Sales- Lottery Commissions	8	-	-	-
<i>Liquor Sales Total</i>	<u>\$ 3,677,524</u>	<u>\$ 2,939,292</u>	<u>\$ 3,806,200</u>	<u>\$ 3,844,260</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,038	\$ 6,000	\$ 18,000	\$ 18,000
8012 Change in Fair Value	437	100	-	-
8032 Commissions	2,855	2,500	2,500	2,500
8033 Cash/Over Short	6,160	(365)	(370)	(370)
8035 Other Miscellaneous Revenues	387	-	-	-
8040 Sales - Lottery Commissions	4,419	3,500	3,500	3,500
<i>Other Income Total</i>	<u>\$ 41,296</u>	<u>\$ 11,735</u>	<u>\$ 23,630</u>	<u>\$ 23,630</u>
<i>RICHFIELD LIQUOR DOWNTOWN TOTAL</i>	<u><u>\$ 3,718,820</u></u>	<u><u>\$ 2,951,027</u></u>	<u><u>\$ 3,829,830</u></u>	<u><u>\$ 3,867,890</u></u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR DOWNTOWN - 50010

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 2,594,583	\$ 2,116,290	\$ 2,721,430	\$ 2,748,640
<i>Costs of Goods Sold Total</i>	<u>\$ 2,594,583</u>	<u>\$ 2,116,290</u>	<u>\$ 2,721,430</u>	<u>\$ 2,748,640</u>
<u>Personal Services</u>				
6005 Full Time	\$ 142,249	\$ 114,894	\$ 116,400	\$ 122,010
6006 Part-time	87,755	115,761	116,100	125,360
6007 Seasonal	119,985	124,735	129,340	133,160
6009 Overtime	-	1,196	1,200	1,250
6031 Employer Social Security	19,941	21,931	22,090	23,220
6032 Employer Medicare	4,664	5,129	5,160	5,430
6033 Employer Pera	24,264	26,655	27,020	28,410
6035 Medical Insurance	40,739	47,673	47,670	51,150
6036 Dental Insurance	947	890	880	910
6037 Term Life	94	53	50	50
6038 Workers Compensation	3,300	3,300	3,300	3,370
6040 Long Term Disability	205	203	200	210
6051 Interdepartmental Labor	37,882	23,053	27,440	28,260
6052 Administrative Charges	3,793	2,838	2,840	2,940
<i>Personal Services Total</i>	<u>\$ 485,818</u>	<u>\$ 488,311</u>	<u>\$ 499,690</u>	<u>\$ 525,730</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 13,310	\$ 6,689	\$ 9,420	\$ 9,610
6202 Data Processing Rental	30,151	28,000	25,990	26,270
6205 Maintenance & Repairs	5,669	6,000	5,760	5,840
6207 Utility Services	28,886	40,000	29,320	29,760
6301 Advertising & Publication	1,295	4,600	3,000	3,000
6302 Communications	703	900	720	730
6303 Professional Development	17	1,300	1,800	1,800
6305 Subscriptions & Memberships	1,803	3,200	2,250	2,250
6307 Insurance & Bonds	20,092	16,800	16,800	17,140
6308 Property Liability	4,810	5,000	5,000	5,100
6310 Taxes & Licenses	1,128	600	1,100	1,200
6315 Other Contractual Services	8,712	10,500	9,000	9,000
6401 Office Supplies	1,778	800	1,480	1,500
6402 Copy Charges	30	72	40	40
6403 Postage	253	1,000	260	260
6409 Uniforms & Clothing	437	1,900	1,600	1,600
6414 Other Supplies	9,218	10,000	9,360	9,500
6513 Other Charges	80,268	72,000	81,470	82,700
<i>Other Services & Charges Total</i>	<u>\$ 208,560</u>	<u>\$ 209,361</u>	<u>\$ 204,370</u>	<u>\$ 207,300</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 68,948	\$ 87,010	\$ 87,010	\$ 90,060

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR DOWNTOWN - 50010

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<i>Depreciation Total</i>	\$ 68,948	\$ 87,010	\$ 87,010	\$ 90,060
<u>Capital Outlay</u>				
7130 Taxes, Interest & Penalty	\$ 200	\$ -	\$ -	\$ -
<i>Capital Outlay Total</i>	\$ 200	\$ -	\$ -	\$ -
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 197,819	\$ 195,383	\$ 204,230	\$ 201,600
<i>Other Financing Uses Total</i>	\$ 197,819	\$ 195,383	\$ 204,230	\$ 201,600
RICHFIELD LIQUOR DOWNTOWN TOTAL	\$ 3,555,928	\$ 3,096,355	\$ 3,716,730	\$ 3,773,330

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR DOWNTOWN- 50010

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Liquor Operations Manager	16	.23	.23	.23
Store Manager	12	1.00	1.00	1.00
<i>Total</i>		<u>1.23</u>	<u>1.23</u>	<u>1.23</u>
<u>Intermittent Employees</u>				
Sales Associate	103	15.00	15.00	15.00
<i>Total</i>		<u>15.00</u>	<u>15.00</u>	<u>15.00</u>
<u>Part-Time Employees</u>				
Shift Lead	7	2.00	2.00	2.00
<i>Total</i>		<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
NONE	\$ -	\$ -	\$ -
None	-	-	-
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Liquor Operations

	Actual 2023	Actual 2024	Budget 2025R	Budget 2026P
Inputs:				
Number of Full Time Employees	5	5	5	5
Operations Expenditures	\$ 3,166,454	\$ 2,826,357	3,475,406	4,016,590
Cost of Sales	\$ 10,442,771	\$ 10,509,036	\$ 9,821,812	\$ 9,778,204
Total Expenditures	\$ 13,609,225	\$ 13,335,393	\$ 13,297,218	\$ 13,794,794
Outputs:				
Annual Liquor Sales	\$ 13,923,695	\$ 14,012,048	\$ 13,736,800	\$ 13,675,810
Customer Count	575,425	582,065	567,500	565,000
Annual Advertising Expenditures	\$ 98,120	\$ 5,199	\$ 12,000	\$ 12,000
Effectiveness Measures:				
Profit from Liquor Sales	\$ 3,480,924	\$ 3,503,012	\$ 3,914,988	\$ 3,897,605
% of Sales	25%	25%	29%	28%
Retained earnings (After Transfers Out)	\$ 314,470	\$ 676,655	\$ 439,582	\$ (118,984)
Efficiency Measures:				
Advertising Cost Per Sales	\$ 0.171	\$ 0.009	\$ 0.035	\$ 0.036
Sales Per Customer	\$ 24.43	\$ 24.31	\$ 23.51	\$ 22.99

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR CEDAR POINT - 50020

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 1,654,107	\$ 1,748,408	\$ 1,577,750	\$ 1,561,970
5010 Sales - Wine	927,360	999,090	881,680	872,860
5015 Sales - Beer	1,978,313	1,848,317	1,879,370	1,860,580
5020 Sales - Cordials	176,282	174,841	162,410	160,790
5025 Sales - Cigarettes	150	-	-	-
5030 Sales - Food	48,179	37,466	46,400	45,940
5035 Sales- Other	100,434	187,329	92,800	91,880
5040 Sales- Lottery Commissions	2	-	-	-
<i>Liquor Sales Total</i>	<u>\$ 4,884,827</u>	<u>\$ 4,995,451</u>	<u>\$ 4,640,410</u>	<u>\$ 4,594,020</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,038	\$ 6,000	\$ 18,000	\$ 18,000
8012 Change in Fair Value	437	100	-	-
8032 Commissions	2,631	2,500	2,500	2,500
8033 Cash/Over Short	1,074	(365)	(370)	(370)
8035 Other Miscellaneous Revenues	390	-	-	-
8040 Sales - Lottery Commissions	3,370	3,500	3,500	3,500
<i>Other Income Total</i>	<u>\$ 34,940</u>	<u>\$ 11,735</u>	<u>\$ 23,630</u>	<u>\$ 23,630</u>
RICHFIELD LIQUOR CEDAR POINT TOTAL	<u><u>\$ 4,919,767</u></u>	<u><u>\$ 5,007,186</u></u>	<u><u>\$ 4,664,040</u></u>	<u><u>\$ 4,617,650</u></u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR CEDAR POINT - 50020

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 3,457,516	\$ 3,596,724	\$ 3,317,890	\$ 3,284,720
<i>Costs of Goods Sold Total</i>	<u>\$ 3,457,516</u>	<u>\$ 3,596,724</u>	<u>\$ 3,317,890</u>	<u>\$ 3,284,720</u>
<u>Personal Services</u>				
6005 Full Time	\$ 128,921	\$ 135,994	\$ 137,800	\$ 141,400
6006 Part-time	116,539	127,589	128,080	135,340
6007 Seasonal	137,670	161,766	184,060	181,000
6009 Overtime	117	1,612	1,200	1,250
6031 Employer Social Security	22,853	25,853	27,110	28,240
6032 Employer Medicare	5,345	6,047	6,340	6,600
6033 Employer Pera	26,391	31,902	33,600	34,990
6035 Medical Insurance	49,939	58,123	58,120	61,520
6036 Dental Insurance	968	948	940	970
6037 Term Life	96	56	60	60
6038 Workers Compensation	4,980	4,980	4,980	5,080
6040 Long Term Disability	236	241	250	250
6051 Interdepartmental Labor	36,773	31,071	36,980	38,090
6052 Administrative Charges	3,798	3,825	3,830	3,960
<i>Personal Services Total</i>	<u>\$ 534,626</u>	<u>\$ 590,007</u>	<u>\$ 623,350</u>	<u>\$ 638,750</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 13,310	\$ 9,015	\$ 12,700	\$ 12,950
6202 Data Processing Rental	33,123	33,000	35,030	35,400
6205 Maintenance & Repairs	13,883	6,000	14,090	14,300
6207 Utility Services	22,231	33,100	22,570	22,910
6301 Advertising & Publication	1,388	6,200	3,000	3,000
6302 Communications	706	1,250	720	730
6303 Professional Development	17	1,300	1,800	1,800
6305 Subscriptions & Memberships	1,817	3,200	2,300	2,300
6307 Insurance & Bonds	20,280	16,630	16,300	16,960
6308 Property Liability	3,480	3,620	3,620	3,690
6310 Taxes & Licenses	1,108	600	1,100	1,200
6315 Other Contractual Services	8,963	11,000	9,100	9,250
6401 Office Supplies	1,091	800	1,480	1,500
6402 Copy Charges	-	50	40	50
6409 Uniforms & Clothing	514	1,900	1,800	1,800
6414 Other Supplies	3,969	10,000	4,050	4,100
6513 Other Charges	101,581	88,000	88,000	88,000
<i>Other Services & Charges Total</i>	<u>\$ 227,461</u>	<u>\$ 225,665</u>	<u>\$ 217,700</u>	<u>\$ 219,940</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 38,838	\$ 87,010	\$ 87,010	\$ 90,060
<i>Depreciation Total</i>	<u>\$ 38,838</u>	<u>\$ 87,010</u>	<u>\$ 87,010</u>	<u>\$ 90,060</u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR CEDAR POINT - 50020

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Capital Outlay</u>				
7130 Taxes, Interest & Penalty	\$ 200	\$ -	\$ -	\$ -
<i>Capital Outlay Total</i>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 266,628	\$ 263,342	\$ 267,780	\$ 263,980
<i>Other Financing Uses Total</i>	<u>\$ 266,628</u>	<u>\$ 263,342</u>	<u>\$ 267,780</u>	<u>\$ 263,980</u>
RICHFIELD LIQUOR CEDAR POINT TOTAL	<u><u>\$ 4,525,269</u></u>	<u><u>\$ 4,762,748</u></u>	<u><u>\$ 4,513,730</u></u>	<u><u>\$ 4,497,450</u></u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR CEDAR POINT - 50020

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Liquor Operations Manager	16	.31	.31	.31
Store Manager	12	1.00	1.00	1.00
<i>Total</i>		<u>1.31</u>	<u>1.31</u>	<u>1.31</u>
<u>Intermittent Employees</u>				
Sales Associate	103	15.00	15.00	15.00
<i>Total</i>		<u>15.00</u>	<u>15.00</u>	<u>15.00</u>
<u>Part-Time Employees</u>				
Shift Lead	7	2.00	2.00	2.00
<i>Total</i>		<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
NONE	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR PENN CENTRAL - 50030

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 1,142,658	\$ 1,168,763	\$ 1,118,510	\$ 1,107,330
5010 Sales - Wine	858,566	909,038	838,880	830,490
5015 Sales - Beer	1,334,298	1,382,109	1,302,020	1,289,000
5020 Sales - Cordials	166,223	157,690	157,290	155,720
5030 Sales - Food	26,494	18,552	26,210	25,950
5035 Sales- Other	56,745	74,207	52,430	51,900
5040 Sales- Lottery Commissions	1	-	-	-
<i>Liquor Sales Total</i>	<u>\$ 3,584,985</u>	<u>\$ 3,710,359</u>	<u>\$ 3,495,340</u>	<u>\$ 3,460,390</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,038	\$ 6,000	\$ 18,000	\$ 18,000
8012 Change in Fair Value	437	100	-	-
8032 Commissions	2,574	2,500	2,500	2,500
8033 Cash/Over Short	4,679	(365)	(370)	(370)
8035 Other Miscellaneous Revenues	230	-	-	-
8040 Sales - Lottery Commissions	3,341	3,000	3,250	3,250
<i>Other Income Total</i>	<u>\$ 38,299</u>	<u>\$ 11,235</u>	<u>\$ 23,380</u>	<u>\$ 23,380</u>
RICHFIELD LIQUOR PENN CENTRAL TOTAL	<u><u>\$ 3,623,284</u></u>	<u><u>\$ 3,721,594</u></u>	<u><u>\$ 3,518,720</u></u>	<u><u>\$ 3,483,770</u></u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR PENN CENTRAL - 50030

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 2,520,265	\$ 2,671,459	\$ 2,499,160	\$ 2,474,180
<i>Costs of Goods Sold Total</i>	<u>\$ 2,520,265</u>	<u>\$ 2,671,459</u>	<u>\$ 2,499,160</u>	<u>\$ 2,474,180</u>
<u>Personal Services</u>				
6005 Full Time	\$ 98,996	\$ 113,685	\$ 115,090	\$ 120,630
6006 Part-time	123,005	128,156	128,230	135,740
6007 Seasonal	116,103	124,735	131,830	135,710
6009 Overtime	-	1,196	1,200	1,250
6031 Employer Social Security	20,246	22,464	22,810	23,830
6032 Employer Medicare	4,735	5,254	5,330	5,570
6033 Employer Pera	25,079	27,494	28,010	29,280
6035 Medical Insurance	29,830	39,248	39,250	41,440
6036 Dental Insurance	190	167	890	820
6037 Term Life	78	53	60	60
6038 Workers Compensation	3,080	3,080	3,080	3,140
6040 Long Term Disability	169	201	200	210
6051 Interdepartmental Labor	29,943	23,053	27,440	28,260
6052 Administrative Charges	3,084	2,838	2,840	2,940
<i>Personal Services Total</i>	<u>\$ 454,538</u>	<u>\$ 491,624</u>	<u>\$ 506,260</u>	<u>\$ 528,880</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 10,240	\$ 6,689	\$ 9,420	\$ 9,610
6202 Data Processing Rental	29,923	29,000	25,990	26,270
6205 Maintenance & Repairs	6,306	5,000	6,400	6,500
6207 Utility Services	18,174	35,000	18,500	18,750
6301 Advertising & Publication	1,306	4,600	3,000	3,000
6302 Communications	1,336	1,600	1,360	1,380
6303 Professional Development	17	1,300	1,800	1,800
6305 Subscriptions & Memberships	1,803	3,200	2,250	2,250
6307 Insurance & Bonds	17,470	13,820	13,820	14,100
6308 Property Liability	3,890	4,050	4,050	4,130
6310 Taxes & Licenses	1,108	600	1,100	1,250
6315 Other Contractual Services	9,211	10,500	9,350	9,500
6401 Office Supplies	1,599	800	1,500	1,500
6402 Copy Charges	-	65	50	50
6409 Uniforms & Clothing	47	1,620	1,800	1,800
6414 Other Supplies	5,369	10,000	5,500	5,600
6513 Other Charges	84,297	79,000	75,000	75,000
<i>Other Services & Charges Total</i>	<u>\$ 192,096</u>	<u>\$ 206,844</u>	<u>\$ 180,890</u>	<u>\$ 182,490</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 44,277	\$ 70,700	\$ 70,700	\$ 73,170
<i>Depreciation Total</i>	<u>\$ 44,277</u>	<u>\$ 70,700</u>	<u>\$ 70,700</u>	<u>\$ 73,170</u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR PENN CENTRAL - 50030

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Capital Outlay</u>				
7130 Taxes, Interest & Penalty	\$ 200	\$ -	\$ -	\$ -
<i>Capital Outlay Total</i>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 197,820	\$ 195,383	\$ 198,680	\$ 195,860
<i>Other Financing Uses Total</i>	<u>\$ 197,820</u>	<u>\$ 195,383</u>	<u>\$ 198,680</u>	<u>\$ 195,860</u>
<i>RICHFIELD LIQUOR PENN CENTRAL TOTAL</i>	<u><u>\$ 3,409,196</u></u>	<u><u>\$ 3,636,010</u></u>	<u><u>\$ 3,455,690</u></u>	<u><u>\$ 3,454,580</u></u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR PENN CENTRAL - 50030

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Liquor Operations Manager	16	.23	.23	.23
Store Manager	12	1.00	1.00	1.00
<i>Total</i>		<u>1.23</u>	<u>1.23</u>	<u>1.23</u>
<u>Intermittent Employees</u>				
Sales Associates	103	15.00	15.00	15.00
<i>Total</i>		<u>15.00</u>	<u>15.00</u>	<u>15.00</u>
<u>Part-Time Employees</u>				
Shift Lead	7	2.00	2.00	2.00
<i>Total</i>		<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR SHOPS AT LYNDALE - 50040

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 671,640	\$ 696,567	\$ 637,730	\$ 631,350
5010 Sales - Wine	326,392	338,609	310,010	306,910
5015 Sales - Beer	685,666	706,242	651,020	644,510
5020 Sales - Cordials	120,591	125,769	115,140	113,990
5030 Sales - Food	19,359	19,349	17,710	17,540
5035 Sales- Other	41,065	48,373	39,860	39,460
<i>Liquor Sales Total</i>	<u>\$ 1,864,713</u>	<u>\$ 1,934,909</u>	<u>\$ 1,771,470</u>	<u>\$ 1,753,760</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,038	\$ 6,000	\$ 18,000	\$ 18,000
8012 Change in Fair Value	437	100	-	-
8032 Commissions	2,568	2,500	2,500	2,500
8033 Cash/Over Short	4,901	(365)	(370)	(370)
8035 Other Miscellaneous Revenues	56	-	-	-
8040 Sales - Lottery Commissions	1,805	2,000	2,000	2,000
<i>Other Income Total</i>	<u>\$ 36,805</u>	<u>\$ 10,235</u>	<u>\$ 22,130</u>	<u>\$ 22,130</u>
<i>RICHFIELD LIQUOR SHOPS AT LYNDALE TOTAL</i>	<u><u>\$ 1,901,518</u></u>	<u><u>\$ 1,945,144</u></u>	<u><u>\$ 1,793,600</u></u>	<u><u>\$ 1,775,890</u></u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR SHOPS AT LYNDALE - 50040

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 1,347,732	\$ 1,431,833	\$ 1,266,600	\$ 1,253,940
<i>Costs of Goods Sold Total</i>	<u>\$ 1,347,732</u>	<u>\$ 1,431,833</u>	<u>\$ 1,266,600</u>	<u>\$ 1,253,940</u>
<u>Personal Services</u>				
6005 Full Time	\$ 104,765	\$ 123,933	\$ 125,480	\$ 131,630
6006 Part-time	101,696	127,363	112,800	108,010
6007 Seasonal	68,139	75,309	74,610	76,810
6009 Overtime	-	1,196	1,200	1,250
6031 Employer Social Security	17,122	20,146	18,450	18,410
6032 Employer Medicare	4,004	4,532	4,310	4,310
6033 Employer Pera	20,842	24,495	23,360	23,630
6035 Medical Insurance	40,437	47,594	49,590	52,770
6036 Dental Insurance	841	890	890	920
6037 Term Life	83	53	50	50
6038 Workers Compensation	1,980	1,980	1,980	2,020
6040 Long Term Disability	192	219	220	230
6051 Interdepartmental Labor	14,674	23,053	27,440	28,260
6052 Administrative Charges	1,180	2,838	2,840	2,940
<i>Personal Services Total</i>	<u>\$ 375,955</u>	<u>\$ 453,601</u>	<u>\$ 443,220</u>	<u>\$ 451,240</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 4,090	\$ 6,689	\$ 9,420	\$ 9,610
6202 Data Processing Rental	15,847	13,400	25,990	26,270
6205 Maintenance & Repairs	2,840	5,000	3,000	3,000
6207 Utility Services	18,693	22,280	18,980	19,260
6301 Advertising & Publication	1,210	4,600	3,000	3,000
6302 Communications	304	650	310	320
6303 Professional Development	17	800	1,800	1,800
6305 Subscriptions & Memberships	1,803	3,200	2,250	2,250
6307 Insurance & Bonds	10,972	7,910	7,910	8,070
6308 Property Liability	3,480	3,620	3,620	3,690
6310 Taxes & Licenses	1,673	600	1,100	1,200
6315 Other Contractual Services	14,466	12,250	14,690	14,910
6401 Office Supplies	1,129	700	1,480	1,500
6402 Copy Charges	21	50	25	25
6409 Uniforms & Clothing	401	900	900	900
6414 Other Supplies	3,050	6,500	3,100	3,150
6513 Other Charges	48,918	36,000	36,000	36,000
<i>Other Services & Charges Total</i>	<u>\$ 128,914</u>	<u>\$ 125,149</u>	<u>\$ 133,575</u>	<u>\$ 134,955</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 51,540	\$ 27,190	\$ 27,190	\$ 28,140
<i>Depreciation Total</i>	<u>\$ 51,540</u>	<u>\$ 27,190</u>	<u>\$ 27,190</u>	<u>\$ 28,140</u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR SHOPS AT LYNDALE - 50040

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Capital Outlay</u>				
7130 Taxes, Interest & Penalty	\$ 527	\$ -	\$ -	\$ -
<i>Capital Outlay Total</i>	<u>\$ 527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 197,821	\$ 195,383	\$ 203,800	\$ 201,160
<i>Other Financing Uses Total</i>	<u>\$ 197,821</u>	<u>\$ 195,383</u>	<u>\$ 203,800</u>	<u>\$ 201,160</u>
RICHFIELD LIQUOR SHOPS AT LYNDALE TOTAL	<u><u>\$ 2,102,489</u></u>	<u><u>\$ 2,233,156</u></u>	<u><u>\$ 2,074,385</u></u>	<u><u>\$ 2,069,435</u></u>

FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations
BUSINESS UNIT: RICHFIELD LIQUOR SHOPS AT LYNDALE - 50040

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Liquor Operations Manager	16	.23	.23	.23
Store Manager	12	1.00	1.00	1.00
<i>Total</i>		<u>1.23</u>	<u>1.23</u>	<u>1.23</u>
<u>Intermittent Employees</u>				
Sales Associate	103	8.00	8.00	8.00
<i>Total</i>		<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
<u>Part-Time Employees</u>				
Shift Lead	7	2.00	2.00	2.00
<i>Total</i>		<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

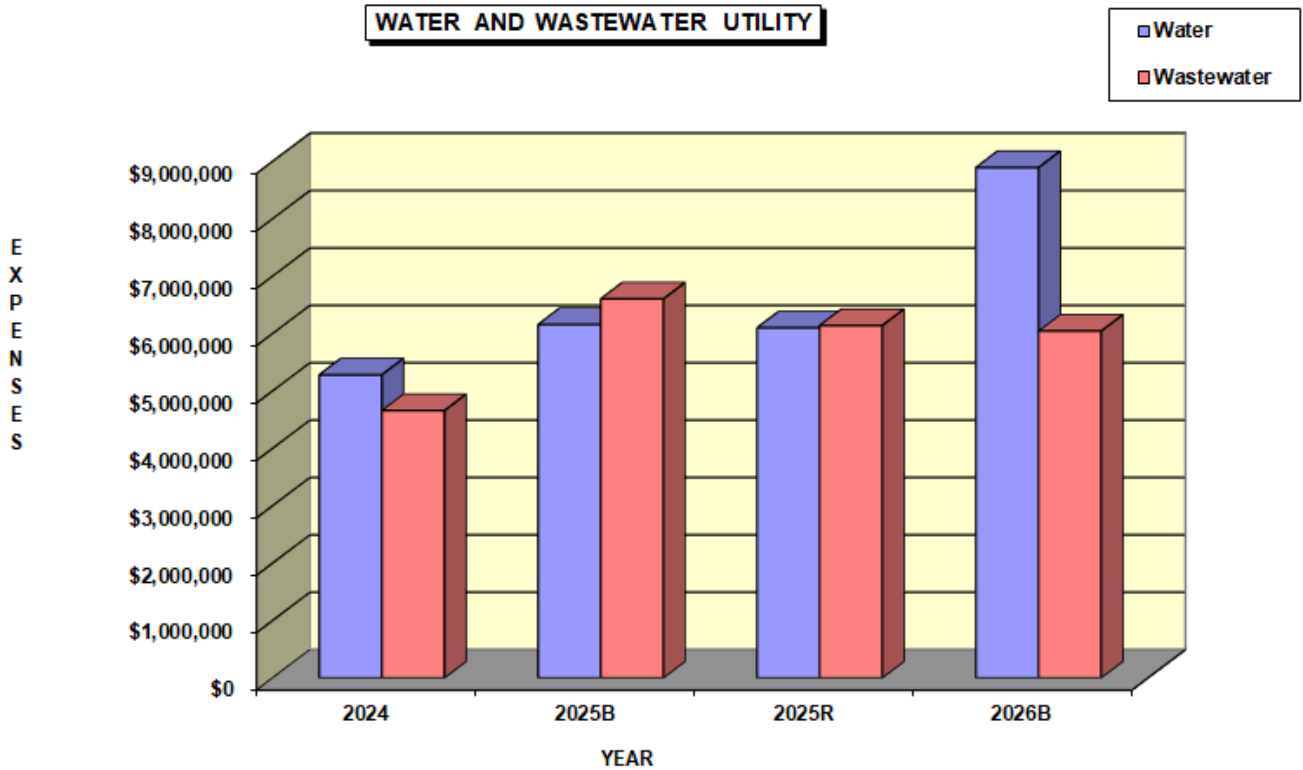
FUND: WATER AND WASTEWATER UTILITIES
DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
51000 WATER UTILITY	\$ 5,282,018	\$ 6,158,998	\$ 6,100,830	\$ 8,894,220	44.41%
52000 WASTEWATER UTILITY	4,658,987	6,605,105	6,139,070	6,044,340	(8.49%)
<i>Public Works TOTAL</i>	<u>\$ 9,890,889</u>	<u>\$ 12,764,103</u>	<u>\$ 12,239,900</u>	<u>\$ 14,938,560</u>	17.04%

REVENUES

51000 WATER UTILITY	\$ 4,565,214	\$ 5,033,880	\$ 5,037,884	\$ 5,288,300	5.05%
52000 WASTEWATER UTILITY	4,950,448	5,450,730	5,450,730	5,558,930	1.99%



WATER AND WASTEWATER FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Revised</u>	<u>2026</u> <u>Budget</u>	<u>2027</u> <u>Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 19,509,955	\$ 19,084,612	\$ 19,749,466	\$ 20,207,336
<u>Revenues</u>				
Charges for Service:				
Water & Wastewater Usage	9,382,501	10,305,860	10,608,480	10,926,734
<u>Miscellaneous Revenues</u>				
Interest	145,829	58,000	58,000	58,000
Other Revenues	(12,668)	124,754	180,750	180,750
Total Miscellaneous Revenues	133,161	182,754	238,750	238,750
Total Revenues	9,515,662	10,488,614	10,847,230	11,165,484
<u>Expenses</u>				
Personal Services	2,693,702	2,704,980	2,880,460	2,981,278
Other Services and Charges	5,556,700	5,377,490	5,726,700	5,927,140
Depreciation	1,537,085	1,608,650	1,664,950	1,714,896
Interest	153,518	132,640	117,250	99,635
Total Operating Expenses	9,941,005	9,823,760	10,389,360	10,722,948
Net Income (Loss)	(425,343)	664,854	457,870	442,536
Operating Transfers From (To)				
Projects Funds	-	-	-	-
	-	-	-	-
<u>RETAINED EARNINGS</u>	19,084,612	19,749,466	20,207,336	20,649,872
<u>BOND PRINCIPAL *</u>	\$ -	\$ 649,600	\$ 661,200	\$ 682,800
<u>CAPITAL OUTLAY **</u>	\$ -	\$ 1,766,540	\$ 3,888,000	\$ -

* Bonds and internal loans are not recorded as current expenses, but rather as adjustments to cash position.

** Capital outlay expense is recorded as depreciation over the useful life of the fixed asset.

BUDGET SUMMARY WATER FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025 Revised</u>	<u>2026 Budget</u>	<u>2027 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 10,643,771	\$ 9,926,967	\$ 9,946,401	\$ 9,764,081
<u>Revenues</u>				
Water Usage	\$ 4,580,337	\$ 4,867,880	\$ 5,062,300	\$ 5,214,169
<u>Miscellaneous Revenues</u>				
Interest	12,698	46,000	46,000	46,000
Other Revenues	(27,821)	124,004	180,000	180,000
Total Miscellaneous Revenues	(15,123)	170,004	226,000	226,000
Total Revenues	4,565,214	5,037,884	5,288,300	5,440,169
<u>Expenses</u>				
Personal Services	1,544,137	1,500,170	1,567,080	1,621,928
Other Services and Charges	2,431,300	2,098,330	2,450,840	2,536,619
Depreciation	1,198,897	1,319,980	1,366,180	1,407,165
Interest	107,684	99,970	86,520	71,005
Total Operating Expenses	5,282,018	5,018,450	5,470,620	5,636,718
Net Income	(716,804)	19,434	(182,320)	(196,549)
<u>RETAINED EARNINGS</u>	9,926,967	9,946,401	9,764,081	9,567,532
<u>BOND PRINCIPAL *</u>	\$ -	\$ 587,550	\$ 598,600	\$ 614,650
<u>CAPITAL OUTLAY **</u>	\$ -	\$ 494,830	\$ 2,825,000	\$ -
***Water Revenue Bond Debt Coverage	(1.06)	0.03	(0.27)	(0.29)

* Bonds and internal loans are not recorded as current expenses, but rather as adjustments to cash position.

** Capital outlay expense is recorded as depreciation over the useful life of the fixed asset.

***Calculation excludes depreciation.

WATER UTILITY DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in essential municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

To provide dependable, quality, high-grade softened water to the City of Richfield. Water is supplied by operating a 14 million-gallon per day lime softening plant 24 hours a day, 365 days per year. The water is delivered to 10,820 services by a 117-mile piping system that ranges in size from 4 inches to 24 inches in diameter. The piping system services two towers that store 2.5 million gallons of water, 1,062 hydrants, and approximately 2,460 valves. A clearwell reservoir of 2.5 million gallons of water is operated in conjunction with the treatment and distribution system for both maintaining water system demand and having a reserve for fire suppression.

The division also produces the annual Consumer Confidence Report and distributes the report to all residents and businesses.

2025 HIGHLIGHTS

- Completed the cybersecurity assessment and submitted the certification paperwork to the Minnesota Department of Health (City Council Priority/Outcome 1c & 3a).
- Completed a network architectural assessment at the water treatment plant. This effort was noted as being deficient in the 2024 cybersecurity assessment. This work included the development of network diagrams and an instrumentation inventory of the operations technology environment at the plant (City Council Priority/Outcome 1c & 3a).
- Utilized and further refined the utilities risk and resiliency plan and program for resilience of our water infrastructure (City Council Priority/Outcome 1c & 3a-c).
- Advanced the design and development of construction documents for the Water System Interconnect project. City staff undertook the effort to coordinate a federal grant application process to secure funding for this project. The project was selected by local congressional leaders and is on its way to the federal government for consideration (City Council Priority/Outcome 1b-c & 3a-c).
- Hosted 150 chemistry students from Richfield High School for water treatment plant tours. The event brought greater awareness to the water utility business as well as promoted the City's Richwater identity (City Council Priority/Outcome 1a & 3a).

2026 GOALS

- Make updates to the risk and resiliency plan and emergency response plan. These are legislative requirements to satisfy the Federal Safe Drinking Water Act as a water utility permittee (City Council Priority/Outcome 1c & 3a-b).
- Utilize and further refine the utilities risk and resiliency plan and program for resilience of our water infrastructure (City Council Priority/Outcome 1c & 3a-c).
- Undertake development of construction documents and a bid letting for the Water Systems Interconnect project (City Council Priority/Outcome 2c & 3a).
- Continue with the “Trust the Tap” campaign and high school water treatment plant tours for promoting the Richwater identity and consumption of drinking water produced by Richfield (City Council Priority/Outcome 1a, 3c & 5a).
- Complete a current and forward-looking (50 year) water rate study for the water utility operation (City Council Priority/Outcome 1c, 3a, 3c & 5a).

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects a decrease of 0.68% from the 2025 Adopted Budget primarily due to staff vacancies, a reduction in water treatment chemical consumption, and a shift in scheduling for high service pump maintenance to 2026.

The 2026 Proposed Budget reflects an increase of 10.89% from the 2025 Adopted Budget. This is attributable to the increasing costs in water treatment chemicals, the need for professional services to support the division, and repair and replacement needs at the water treatment plant.

FUND: WATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WATER UTILITY - 51000

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>License & permits</u>				
4164 Water Permit	\$ -	\$ 2,500	\$ 2,500	\$ 2,500
<i>License & permits Total</i>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
<u>Intergovernmental Revenues</u>				
4244 Grants Other	\$ 1,895	\$ 10,000	\$ 10,000	\$ 10,000
<i>Intergovernmental Revenues Total</i>	<u>\$ 1,895</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
<u>Special Assessments</u>				
4740 Special Assessments-Penalty &	\$ 5,760	\$ 4,500	\$ 4,500	\$ 4,500
<i>Special Assessments Total</i>	<u>\$ 5,760</u>	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 4,500</u>
<u>Utility Revenues</u>				
4812 Metered Water - Tax Exempt	\$ 3,562,999	\$ 3,888,400	\$ 3,888,400	\$ 4,082,820
4814 Metered Water	532,858	500,000	500,000	500,000
4816 Water Service Charges	458,468	433,600	433,600	433,600
4818 Other Water Charges/Services	20,252	26,380	26,380	26,380
4848 Certification Fee	-	12,500	12,500	12,500
<i>Utility Revenues Total</i>	<u>\$ 4,574,577</u>	<u>\$ 4,860,880</u>	<u>\$ 4,860,880</u>	<u>\$ 5,055,300</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 12,460	\$ 46,000	\$ 46,000	\$ 46,000
8012 Change in Fair Value	238	-	-	-
8035 Other Miscellaneous Revenues	(29,716)	110,000	114,004	170,000
<i>Other Income Total</i>	<u>\$ (17,018)</u>	<u>\$ 156,000</u>	<u>\$ 160,004</u>	<u>\$ 216,000</u>
WATER UTILITY TOTAL	<u><u>\$ 4,565,214</u></u>	<u><u>\$ 5,033,880</u></u>	<u><u>\$ 5,037,884</u></u>	<u><u>\$ 5,288,300</u></u>

FUND: WATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WATER UTILITY - 51000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 957,754	\$ 923,940	\$ 904,640	\$ 950,670
6007 Seasonal	14,646	22,360	22,470	22,360
6009 Overtime	52,680	35,000	35,000	35,000
6031 Employer Social Security	59,815	57,140	56,400	59,290
6032 Employer Medicare	13,989	13,360	13,190	13,870
6033 Employer Pera	70,850	67,810	66,380	69,830
6035 Medical Insurance	146,444	156,310	128,830	135,860
6036 Dental Insurance	7,580	7,560	6,790	7,150
6037 Term Life	753	450	440	420
6038 Workers Compensation	38,150	38,150	38,150	38,910
6040 Long Term Disability	1,476	1,600	1,570	1,650
6051 Interdepartmental Labor	20,000	65,000	60,000	60,000
6052 Administrative Charges	160,000	166,310	166,310	172,070
<i>Personal Services Total</i>	<u>\$ 1,544,137</u>	<u>\$ 1,554,990</u>	<u>\$ 1,500,170</u>	<u>\$ 1,567,080</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 364,444	\$ 229,875	\$ 266,770	\$ 415,170
6201 Rents & Leases	-	1,750	1,750	1,750
6202 Data Processing Rental	52,516	29,250	29,250	33,190
6204 Motor Pool Operating Rental	54,950	57,150	57,150	60,010
6205 Maintenance & Repairs	605,646	504,300	510,300	504,300
6207 Utility Services	249,488	365,000	365,000	365,000
6301 Advertising & Publication	22,900	16,000	16,000	16,000
6302 Communications	16,033	13,200	16,200	16,200
6303 Professional Development	22,815	18,000	19,500	19,500
6305 Subscriptions & Memberships	5,475	7,000	19,000	20,100
6307 Insurance & Bonds	68,218	37,130	37,130	37,870
6308 Property Liability	37,240	38,730	38,730	39,500
6310 Taxes & Licenses	34,435	19,750	19,750	19,750
6315 Other Contractual Services	19,761	1,750	12,200	12,200
6401 Office Supplies	2,009	2,000	2,000	2,000
6402 Copy Charges	246	500	500	500
6403 Postage	27,168	16,000	16,000	16,000
6409 Uniforms & Clothing	6,770	9,000	9,000	9,000
6410 Small Tools & Parts	57,534	67,000	67,000	67,000
6412 Maint. & Const. Materials	17,925	55,000	35,000	35,000
6413 Chemicals	483,397	522,900	505,600	541,300
6414 Other Supplies	27,686	46,500	41,500	41,500
6513 Other Charges	89,661	10,500	13,000	178,000
<i>Other Services & Charges Total</i>	<u>\$ 2,266,317</u>	<u>\$ 2,068,285</u>	<u>\$ 2,098,330</u>	<u>\$ 2,450,840</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 1,198,897	\$ 1,319,980	\$ 1,319,980	\$ 1,366,180

FUND: WATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WATER UTILITY - 51000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<i>Depreciation Total</i>	\$ 1,198,897	\$ 1,319,980	\$ 1,319,980	\$ 1,366,180
<u>Capital Outlay</u>				
7130 Taxes, Interest & Penalty	\$ 361	\$ -	\$ -	\$ -
7350 Other Improvements	160,154	450,000	484,830	2,825,000
7400 Machinery & Equipment	4,468	50,000	10,000	-
<i>Capital Outlay Total</i>	\$ 164,983	\$ 500,000	\$ 494,830	\$ 2,825,000
<u>Other Financing Uses</u>				
8521 Principal Payments	\$ -	\$ 587,550	\$ 587,550	\$ 598,600
8522 Interest Payments	106,078	126,693	98,470	85,020
8523 Paying Agent Fees	1,606	1,500	1,500	1,500
<i>Other Financing Uses Total</i>	\$ 107,684	\$ 715,743	\$ 687,520	\$ 685,120
WATER UTILITY TOTAL	\$ 5,282,018	\$ 6,158,998	\$ 6,100,830	\$ 8,894,220

FUND: WATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WATER UTILITY - 51000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Water Plant Operator	LT-2	4.00	4.00	4.00
Water Plant Mechanic	LT-2	2.00	2.00	2.00
Public Works Worker	LT-1	2.00	2.00	2.00
Utility Superintendent	16	.50	.50	.50
Utility Supervisor	14	.50	.50	.50
Utility Billing Clerk	8	.80	.80	.80
Senior Office Assistant	8	.15	.15	.15
GIS Coordinator	12	.15	.15	.15
Assistant Utility Superintendent	15	.35	.35	.35
Asset Management/GIS Analyst	10	-	.17	.17
<i>Total</i>		<u>10.45</u>	<u>10.62</u>	<u>10.62</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
Water Plant Chlorine Storage Area	\$ 125,000	\$ 125,000	\$ -
Water Plant Elevator Replacement	150,000	-	175,000
Water Plant Instruments & Controls	25,000	-	-
Water Plant Eye/Shower Safety Station	100,000	-	-
Sludge Pump Replacement	50,000	50,000	50,000
Water Meter Replacement	50,000	10,000	-
Watermain Rehabilitation	-	46,825	-
Emergency Water System Interconnect	-	263,000	100,000
Water Plant Generator	-	-	2,500,000
	-	-	-
<i>Total</i>	<u>\$ 500,000</u>	<u>\$ 494,825</u>	<u>\$ 2,825,000</u>

Performance Measures

Department/Division

Water Utility

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025R</u>	<u>Budget 2026P</u>
Inputs:				
Number of Full-Time & Part-Time Employees	10.45	10.45	10.62	10.62
Division Operating Revenues	\$ 5,448,273	\$ 5,346,430	\$ 5,037,884	\$ 5,288,300
Division Operating Expenses	\$ 2,172,752	\$ 2,178,520	\$ 2,098,327	\$ 2,450,843
Principal Payments and Interest	\$ 124,712	\$ 107,684	\$ 687,515	\$ 685,115
Capital Outlay (excluding Depreciation)	\$ 77,163	\$ 486,582	\$ 494,825	\$ 2,825,000
Outputs:				
Total Miles of Water Mains	117	117	117	117
Water Pumped in Gallons	1,020,386,274	876,522,000	900,000,000	900,000,000
Total WM Replace/Rehab (feet)	1,300	1,456	1930	1000
Annual Number of Water Main Breaks	11	17	18	15
Efficiency Measures:				
Operating Cost Per 1 Million Gallons Pumped	\$ 2,129	\$ 2,485	\$ 2,331	\$ 2,723
Cost per Capita (excluding Capital Outlay)	\$ 62.10	\$ 61.80	# \$ 75.31	\$ 84.77

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2025

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2025			-	790,000
2026	390,000	11,900	401,900	400,000
2027	400,000	4,000	404,000	-
	<u>\$ 790,000</u>	<u>\$ 15,900</u>	<u>\$ 805,900</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2019A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2025

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2025				955,000
2026	50,000	29,200	79,200	905,000
2027	50,000	27,200	77,200	855,000
2028	55,000	25,100	80,100	800,000
2029	55,000	23,175	78,175	745,000
2030	60,000	21,450	81,450	685,000
2031	60,000	19,650	79,650	625,000
2032	60,000	17,850	77,850	565,000
2033	65,000	15,975	80,975	500,000
2034	65,000	14,025	79,025	435,000
2035	65,000	12,075	77,075	370,000
2036	70,000	10,050	80,050	300,000
2037	70,000	7,950	77,950	230,000
2038	75,000	5,775	80,775	155,000
2039	75,000	3,525	78,525	80,000
2040	80,000	1,200	81,200	-
	<u>\$ 955,000</u>	<u>\$ 234,200</u>	<u>\$ 1,189,200</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2020A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2025

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2025				1,570,000
2026	125,000	36,800	161,800	1,445,000
2027	130,000	32,975	162,975	1,315,000
2028	135,000	29,000	164,000	1,180,000
2029	140,000	24,875	164,875	1,040,000
2030	145,000	20,600	165,600	895,000
2031	145,000	16,975	161,975	750,000
2032	150,000	14,025	164,025	600,000
2033	60,000	11,925	71,925	540,000
2034	65,000	10,675	75,675	475,000
2035	65,000	9,375	74,375	410,000
2036	65,000	8,075	73,075	345,000
2037	65,000	6,775	71,775	280,000
2038	70,000	5,390	75,390	210,000
2039	70,000	3,903	73,903	140,000
2040	70,000	2,363	72,363	70,000
2041	70,000	788	70,788	-
	<u>\$ 1,570,000</u>	<u>\$ 234,518</u>	<u>\$ 1,804,518</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2022A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2025

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2025				867,300
2026	33,600	7,115	40,715	833,700
2027	34,650	6,830	41,480	799,050
2028	36,750	6,531	43,281	762,300
2029	37,800	6,219	44,019	724,500
2030	39,900	5,894	45,794	684,600
2031	40,950	5,556	46,506	643,650
2032	43,050	5,204	48,254	600,600
2033	44,100	4,840	48,940	556,500
2034	46,200	4,462	50,662	510,300
2035	48,300	4,067	52,367	462,000
2036	50,400	3,654	54,054	411,600
2037	52,500	3,224	55,724	359,100
2038	53,550	2,780	56,330	305,550
2039	56,700	2,319	59,019	248,850
2040	58,800	1,836	60,636	190,050
2041	60,900	1,335	62,235	129,150
2042	63,000	817	63,817	66,150
2043	66,150	277	66,427	-
	<u>\$ 867,300</u>	<u>\$ 72,960</u>	<u>\$ 940,260</u>	

BUDGET SUMMARY
WASTEWATER UTILITY FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025 Revised</u>	<u>2026 Budget</u>	<u>2027 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 8,866,184	\$ 9,157,645	\$ 9,803,065	\$ 10,443,255
<u>Revenues</u>				
Sewer Usage	4,802,164	5,437,980	5,546,180	5,712,565
<u>Miscellaneous Revenues</u>				
Interest	133,131	12,000	12,000	12,000
Other Revenues	15,153	750	750	750
Total Miscellaneous Revenues	148,284	12,750	12,750	12,750
Total Revenues	4,950,448	5,450,730	5,558,930	5,725,315
<u>Expenses</u>				
Personal Services	1,149,565	1,204,810	1,313,380	1,359,350
Other Services and Charges	3,125,400	3,279,160	3,275,860	3,390,520
Depreciation	338,188	288,670	298,770	307,730
Interest	45,834	32,670	30,730	28,630
Operating Expenses	4,658,987	4,805,310	4,918,740	5,086,231
Net Income	291,461	645,420	640,190	639,085
Operating Transfers From (To)				
Projects Funds	-	-	-	-
	-	-	-	-
<u>RETAINED EARNINGS</u>	9,157,645	9,803,065	10,443,255	11,082,340
<u>BOND PRINCIPAL *</u>	\$ -	\$ 62,050	\$ 62,600	\$ 68,150
<u>CAPITAL OUTLAY **</u>	\$ -	\$ 1,271,710	\$ 1,063,000	\$ -
***Wastewater Revenue Bond Coverage	2.85	6.81	6.86	6.60

* Bonds are not recorded as current expenses, but rather as adjustments to cash position.

** Capital outlay expense is recorded as depreciation over the useful life of the fixed asset.

***Calculation excludes depreciation.

WASTEWATER UTILITY DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in essential municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

To provide responsible collection and disposal of wastewater for the community with minimal inconvenience to residents and businesses.

The division focus is operation, maintenance, and rehabilitation of a 100-mile collection system consisting of pipes in diameter from 9 inches to 36 inches. This collection system serves approximately 10,820 services. This division also operates 9 sanitary sewer lift stations that lift wastewater from low areas to a higher elevation where it flows by gravity to the Metropolitan Council Environmental Services (MCES) wastewater system.

2025 HIGHLIGHTS

- Continued to be aggressive with maintenance on the wastewater collection system by jetting/proofing the entire city on an annual basis, including televising and root sawing (City Council Priority/Outcome 1c & 3a).
- Rehabilitation of approximately 6 miles of sanitary sewer main (City Council Priority/Outcome 1c, 3a, 3c & 5a).
- Completed an engineering evaluation and assessment of Lift Station 5 (City Council Priority/Outcome 1c & 3a).
- Completed a city-wide sanitary sewer model to review serviceability and provide a critical analysis of the system (City Council Priority/Outcome 1b-c, 3a & 5a).
- Completed a localized sanitary sewer capacity study to ascertain the service capacity for a new residential development along Portland Avenue South (City Council Priority/Outcome 1b-c, 3a & 5a).
- Bid letting and construction contract award for the rehabilitation of Lift Station 7 at the ice arena (City Council Priority/Outcome 1c & 3a).
- Completed the required arc flash hazard assessment for all sanitary sewer lift stations (City Council Priority/Outcome 1c & 3a).

2026 GOALS

- Continue the sanitary sewer rehabilitation program (City Council Priority/Outcome 1c, 3a, 3c & 5a).
- Continue to be aggressive with maintenance on the wastewater collection system by

jetting/proofing the entire City on an annual basis, including televising and root sawing (City Council Priority/Outcome 1c & 3a).

- Complete a current and forward-looking (50 year) sewer rate study for the sanitary sewer utility operation (City Council Priority/Outcome 1c, 3a, 3c & 5a).
- Initiate a pump replacement program for the sanitary sewer lift stations (City Council Priority/Outcome 3a-b).

DIVISION EXPENDITURE COMMENT

Approximately 60% of the Wastewater Division expenditures are attributed to the Metropolitan Council Environmental Services (MCES) charges for providing wastewater treatment services for the City of Richfield. The 2025 charge from MCES is \$2,580,870 and the 2026 MCES charge is \$2,629,750; this an increase of 1.89% to the MCES charges for the 2026 Proposed Budget.

The 2025 Revised Budget reflects a decrease of 1.32% from the 2025 Adopted Budget. This is largely due to temporary staffing vacancies.

The 2026 Proposed Budget reflects an increase of 0.99% from the 2025 Adopted Budget.

FUND: WASTEWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WASTEWATER UTILITY - 52000

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>License & permits</u>				
4162 Sewer Permit	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
<i>License & permits Total</i>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
<u>Utility Revenues</u>				
4832 Sewer Charges	\$ 4,798,337	\$ 5,409,980	\$ 5,409,980	\$ 5,518,180
4836 Other Sewer Charges/Services	-	500	500	500
4838 Sewer Availability Charge	3,827	-	-	-
4848 Certification Fee	-	12,500	12,500	12,500
<i>Utility Revenues Total</i>	<u>\$ 4,802,164</u>	<u>\$ 5,422,980</u>	<u>\$ 5,422,980</u>	<u>\$ 5,531,180</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 130,953	\$ 12,000	\$ 12,000	\$ 12,000
8012 Change in Fair Value	2,178	-	-	-
8035 Other Miscellaneous Revenues	153	750	750	750
8038 Gain on disposal of Assets	15,000	-	-	-
<i>Other Income Total</i>	<u>\$ 148,284</u>	<u>\$ 12,750</u>	<u>\$ 12,750</u>	<u>\$ 12,750</u>
WASTEWATER UTILITY TOTAL	<u><u>\$ 4,950,448</u></u>	<u><u>\$ 5,450,730</u></u>	<u><u>\$ 5,450,730</u></u>	<u><u>\$ 5,558,930</u></u>

FUND: WASTEWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WASTEWATER UTILITY - 52000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 683,724	\$ 723,030	\$ 671,760	\$ 749,170
6007 Seasonal	20,283	23,330	21,820	22,470
6009 Overtime	14,881	20,000	20,000	20,000
6031 Employer Social Security	43,882	44,530	41,710	46,610
6032 Employer Medicare	10,263	10,080	9,750	10,900
6033 Employer Pera	52,302	53,110	49,150	54,950
6035 Medical Insurance	115,948	135,990	114,370	126,020
6036 Dental Insurance	5,938	6,110	5,730	6,400
6037 Term Life	595	360	340	340
6038 Workers Compensation	21,870	21,780	21,780	22,220
6040 Long Term Disability	1,129	1,250	1,160	1,300
6051 Interdepartmental Labor	18,750	85,000	83,000	83,000
6052 Administrative Charges	160,000	166,310	166,310	172,070
6054 Interdepartmental Labor Credit	-	(3,200)	(2,070)	(2,070)
<i>Personal Services Total</i>	<u>\$ 1,149,565</u>	<u>\$ 1,287,680</u>	<u>\$ 1,204,810</u>	<u>\$ 1,313,380</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 292,606	\$ 242,675	\$ 262,540	\$ 202,130
6202 Data Processing Rental	24,975	29,250	29,250	33,190
6203 Motor Pool Fixed Rental	170	-	-	-
6204 Motor Pool Operating Rental	75,630	78,660	78,660	82,590
6205 Maintenance & Repairs	41,648	125,000	125,000	125,000
6207 Utility Services	15,552	26,250	26,250	26,250
6301 Advertising & Publication	-	5,000	5,000	5,000
6302 Communications	13,072	14,300	14,300	14,300
6303 Professional Development	12,515	14,900	15,300	15,300
6305 Subscriptions & Memberships	-	250	250	250
6307 Insurance & Bonds	12,057	10,520	10,520	10,730
6308 Property Liability	7,420	7,720	7,720	7,870
6310 Taxes & Licenses	-	200	200	200
6315 Other Contractual Services	10,514	21,000	21,000	21,000
6401 Office Supplies	-	100	100	100
6403 Postage	265	100	100	100
6409 Uniforms & Clothing	7,797	8,000	8,000	8,000
6410 Small Tools & Parts	23,657	29,000	29,000	29,000
6412 Maint. & Const. Materials	10,829	42,250	42,250	42,250
6414 Other Supplies	2,068	9,850	9,850	9,850
6513 Other Charges	11,044	10,500	13,000	13,000
<i>Other Services & Charges Total</i>	<u>\$ 561,819</u>	<u>\$ 675,525</u>	<u>\$ 698,290</u>	<u>\$ 646,110</u>
<u>MCES Charges</u>				
6601 MCES Charges	\$ 2,557,834	\$ 2,580,870	\$ 2,580,870	\$ 2,629,750
<i>MCES Charges Total</i>	<u>\$ 2,557,834</u>	<u>\$ 2,580,870</u>	<u>\$ 2,580,870</u>	<u>\$ 2,629,750</u>

FUND: WASTEWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WASTEWATER UTILITY - 52000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Depreciation</u>				
6610 Depreciation	\$ 338,188	\$ 288,670	\$ 288,670	\$ 298,770
<i>Depreciation Total</i>	<u>\$ 338,188</u>	<u>\$ 288,670</u>	<u>\$ 288,670</u>	<u>\$ 298,770</u>
<u>Capital Outlay</u>				
7350 Other Improvements	\$ 5,483	\$ 1,613,000	\$ 1,261,710	\$ 1,063,000
7400 Machinery & Equipment	264	50,000	10,000	-
<i>Capital Outlay Total</i>	<u>\$ 5,747</u>	<u>\$ 1,663,000</u>	<u>\$ 1,271,710</u>	<u>\$ 1,063,000</u>
<u>Other Financing Uses</u>				
8521 Principal Payments	\$ -	\$ 62,050	\$ 62,050	\$ 62,600
8522 Interest Payments	44,465	47,110	32,470	30,530
8523 Paying Agent Fees	1,369	200	200	200
<i>Other Financing Uses Total</i>	<u>\$ 45,834</u>	<u>\$ 109,360</u>	<u>\$ 94,720</u>	<u>\$ 93,330</u>
WASTEWATER UTILITY TOTAL	<u>\$ 4,658,987</u>	<u>\$ 6,605,105</u>	<u>\$ 6,139,070</u>	<u>\$ 6,044,340</u>

FUND: WASTEWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: WASTEWATER UTILITY - 52000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Public Works Worker	LT-1	6.00	6.00	6.00
Utility Superintendent	16	.50	.50	.50
Utility Supervisor	14	.50	.50	.50
Utility Billing Clerk	8	.80	.80	.80
Senior Office Assistant	8	.15	.15	.15
Assistant Utility Superintendent	15	.35	.35	.35
GIS Coordinator	12	.15	.15	.15
Asset Management/GIS Analyst	10	-	.17	.17
<i>Total</i>		<u>8.45</u>	<u>8.62</u>	<u>8.62</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
Sewer Main Lining	\$ 900,000	\$ 900,000	\$ 900,000
Public Works Storage Facility	163,000	-	163,000
Lift 7 Reconstruction	300,000	300,000	-
Sanitary Sewer Hot Spot	250,000	-	-
Water Meter Replacement	50,000	10,000	-
Penn/78th Sanitary Sewer Improvements	-	61,710	-
<i>Total</i>	<u>\$ 1,663,000</u>	<u>\$ 1,271,710</u>	<u>\$ 1,063,000</u>

Performance Measures

Department/Division

Wastewater Utility

	Actual 2023	Actual 2024	Budget 2025R	Budget 2026P
Inputs:				
Number of Full-Time & Part-Time Employees	8.45	8.45	8.62	8.62
Division Operating Revenues	\$ 5,217,377	\$ 4,751,168	\$ 5,450,728	\$ 5,558,928
Division Operating Expenses & MCES	\$ 3,935,599	\$ 4,341,025	\$ 4,483,972	\$ 4,589,248
Outputs:				
Total Miles of Sanitary Sewer Mains	113	113	113	113
Total Sanitary Flow in Gallons	741,120,000	738,940,000	738,780,000	757,940,000
Effectiveness Measures:				
Accumulative Sanitary Main Lined/ Replaced (feet)	87,000	111,300	143,517	175,517
% of System Replaced/Lined	14.58%	18.65%	24.05%	29.42%
Sanitary Sewer Back Ups Caused by City Main	1	0	1	0
Efficiency Measures:				
Annual Expense Per Capita for Sanitary System and Disposal	\$ 102.27	\$ 112.81	\$ 116.52	\$ 119.26

SEWER GENERAL OBLIGATION BONDS, SERIES 2019A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2025				\$ 875,000
2026	45,000	26,800	71,800	830,000
2027	50,000	24,900	74,900	780,000
2028	50,000	22,900	72,900	730,000
2029	50,000	21,150	71,150	680,000
2030	55,000	19,575	74,575	625,000
2031	55,000	17,925	72,925	570,000
2032	55,000	16,275	71,275	515,000
2033	60,000	14,550	74,550	455,000
2034	60,000	12,750	72,750	395,000
2035	60,000	10,950	70,950	335,000
2036	65,000	9,075	74,075	270,000
2037	65,000	7,125	72,125	205,000
2038	65,000	5,175	70,175	140,000
2039	70,000	3,150	73,150	70,000
2040	70,000	1,050	71,050	-
	<u>\$ 875,000</u>	<u>\$ 213,350</u>	<u>\$ 1,088,350</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2022A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2025

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2025				454,300
2026	17,600	3,727	21,327	436,700
2027	18,150	3,577	21,727	418,550
2028	19,250	3,421	22,671	399,300
2029	19,800	3,258	23,058	379,500
2030	20,900	3,087	23,987	358,600
2031	21,450	2,910	24,360	337,150
2032	22,550	2,726	25,276	314,600
2033	23,100	2,535	25,635	291,500
2034	24,200	2,337	26,537	267,300
2035	25,300	2,130	27,430	242,000
2036	26,400	1,914	28,314	215,600
2037	27,500	1,689	29,189	188,100
2038	28,050	1,456	29,506	160,050
2039	29,700	1,215	30,915	130,350
2040	30,800	962	31,762	99,550
2041	31,900	699	32,599	67,650
2042	33,000	428	33,428	34,650
2043	34,650	145	34,795	-
	<u>\$ 454,300</u>	<u>\$ 38,216</u>	<u>\$ 492,516</u>	

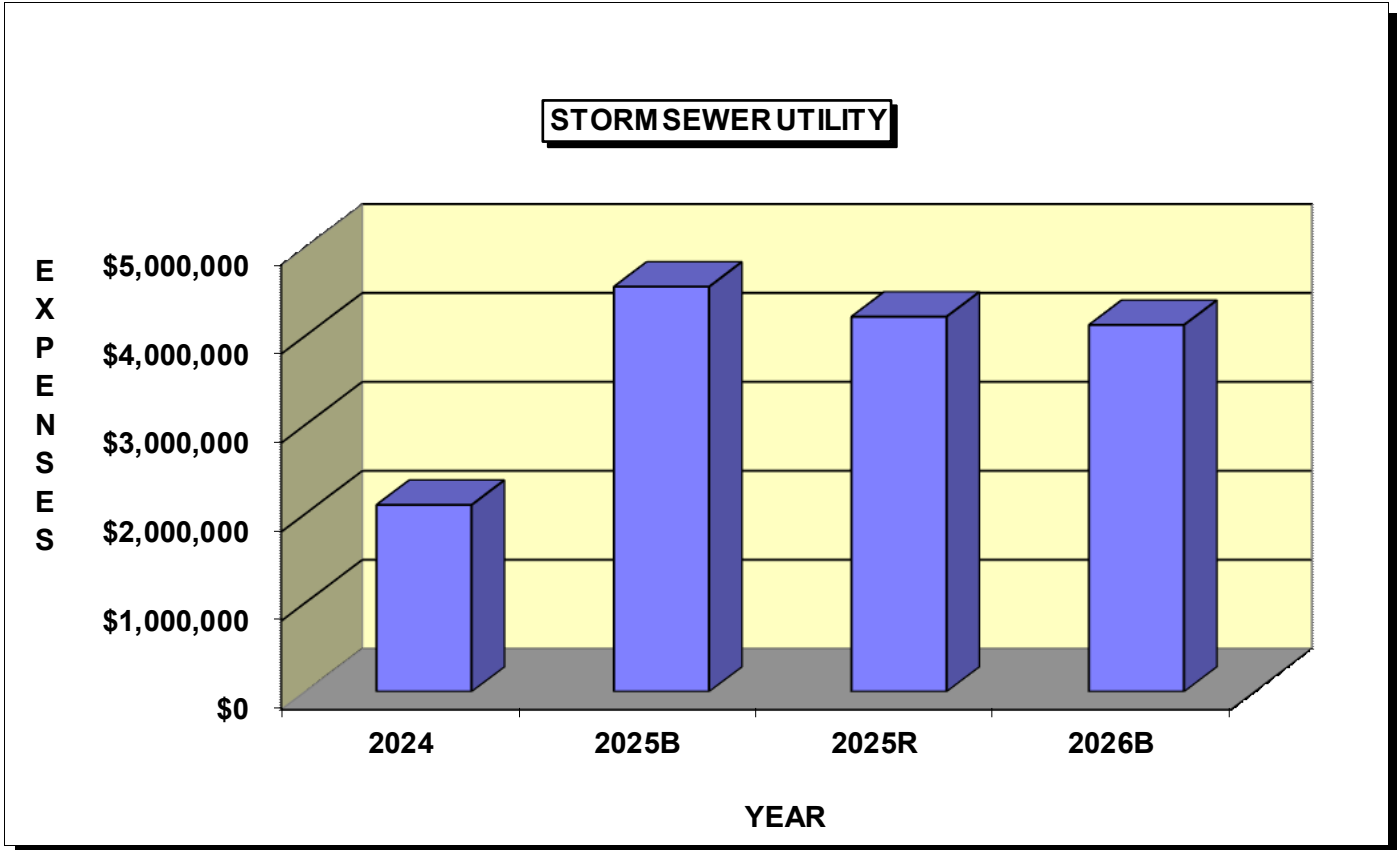
FUND: STORMWATER UTILITY
 DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
53000 STORMWATER UTILITY	\$ 2,098,930	\$ 4,551,560	\$ 4,214,320	\$ 4,121,260	(9.45%)
<i>Public Works TOTAL</i>	<u>\$ 2,098,930</u>	<u>\$ 4,551,560</u>	<u>\$ 4,214,320</u>	<u>\$ 4,121,260</u>	(9.45%)

REVENUES

53000 STORMWATER UTILITY	\$ 2,610,364	\$ 2,517,660	\$ 2,657,180	\$ 2,676,020	6.29%
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**BUDGET SUMMARY
STORMWATER UTILITY FUND PROJECTION**

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025 Revised</u>	<u>2026 Budget</u>	<u>2027 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 8,948,523	\$ 9,459,957	\$ 9,029,537	\$ 9,348,097
<u>Revenues</u>				
Storm Sewer Usage	2,121,056	2,324,200	2,440,290	2,513,500
Grants	15,000	141,320	46,980	15,000
Miscellaneous Revenues	474,308	191,660	188,750	194,410
Total Revenues	<u>2,610,364</u>	<u>2,657,180</u>	<u>2,676,020</u>	<u>2,722,910</u>
<u>Expenses</u>				
Personal Services	553,800	562,220	584,740	605,210
Other Services and Charges	657,832	1,603,110	834,220	863,420
Depreciation	691,069	799,490	827,470	852,290
Interest and amortization	196,229	122,780	111,030	96,660
Total Operating Expenses	<u>2,098,930</u>	<u>3,087,600</u>	<u>2,357,460</u>	<u>2,417,580</u>
Net Income (Loss)	511,434	(430,420)	318,560	305,330
Special Item	-	-	-	-
<u>RETAINED EARNINGS</u>	<u>9,459,957</u>	<u>9,029,537</u>	<u>9,348,097</u>	<u>9,653,427</u>
<u>BOND PRINCIPAL *</u>	<u>\$ -</u>	<u>\$ 575,400</u>	<u>\$ 588,800</u>	<u>\$ 607,200</u>
<u>CAPITAL OUTLAY **</u>	<u>\$ -</u>	<u>\$ 551,320</u>	<u>\$ 1,175,000</u>	<u>\$ -</u>
***Stormwater Revenue Bond Coverage	<u>0.68</u>	<u>(0.62)</u>	<u>0.46</u>	<u>0.43</u>

* Bonds are not recorded as current expenses, but rather as adjustments to the cash position.

** Capital outlay expense is recorded as depreciation over the useful life of the fixed asset.

***Calculation excludes depreciation.

STORM WATER UTILITY DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in critical municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

To provide flood protection and environmentally responsible management of storm water for the City of Richfield, as well as community outreach to residents and businesses on the impact they have on the quality of ponds, lakes, and streams.

The division's mission is achieved by City of Richfield staff and contractors, who perform the following functions:

- Maintaining compliance with the Municipal Separate Storm Sewer Systems (MS4) permit issued by the Minnesota Pollution Control Agency (MPCA) for the operations of the City's storm sewer system;
- Providing education and outreach activities;
- Maintaining and operating eleven storm water lift stations;
- Contracting with the Street Division for the sweeping of streets to remove silt, organic matter, and phosphorus;
- Water quality monitoring;
- Operating and maintaining a flocculation treatment system for the removal of phosphorus to fulfill watershed reduction requirements; and
- Improving the flood protection of property by upgrading the storm water system as opportunities arise.

2025 HIGHLIGHTS

- Continued storm system manhole structure assessment and rehabilitation (City Council Priority/Outcome 1c, 3a & 3c).
- Maintained the City's Regulatory Program associated with the Municipal Separate Storm Sewer System Permit (City Council Priority/Outcome 1c, 3a & 3c).
- Completed an update to the stormwater model and used the model to develop a framework for prioritizing areas within the city that are prone to flooding (City Council Priority/Outcome 1b, 3a-c, 5a & 5c).
- Completed the Adams Hill Pond dredging and rehabilitation project (City Council Priority/Outcome 1c & 3a-c).

2026 GOALS

- Conduct visual inspections for storm system condition assessment (City Council Priority/Outcome 1c, 3a & 3c).
- Continue storm system manhole structure assessment and rehabilitation (City Council Priority/Outcome 1c, 3a & 3c).
- Maintained the City's Regulatory Program associated with the Municipal Separate Storm Sewer System Permit (City Council Priority/Outcome 1c, 3a & 3c).
- Begin evaluating storm system improvement projects for the areas identified by the prioritization framework (City Council Priority/Outcome 1c, 3a & 3c).
- Complete a current and forward-looking (50 year) rate study for the storm water utility operation (City Council Priority/Outcome 1c, 3a, 3c & 5a).

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects an increase of 22.93% from the 2025 Adopted Budget. This is due to the change in construction costs programmed in 2024 for the pond dredge and rehabilitation project (Adams Hill) completed in 2025 (6205 – Operations and Maintenance). The final construction cost exceeded the awarded contract cost but remained less than the original engineer's estimate.

The 2026 Proposed Budget reflects a decrease of 19.44% from the 2025 Adopted Budget. This is a result of not having a pond dredge and rehabilitation project programmed in 2026. The next pond rehabilitation project is programmed for 2028.

FUND: STORMWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: STORMWATER UTILITY - 53000

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Intergovernmental Revenues</u>				
4244 Grants Other	\$ -	\$ -	\$ 126,320	\$ 34,180
4290 Other Local Grants	15,000	-	15,000	12,800
<i>Intergovernmental Revenues Total</i>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 141,320</u>	<u>\$ 46,980</u>
<u>Utility Revenues</u>				
4848 Certification Fee	\$ -	\$ 2,500	\$ 2,500	\$ 2,500
4852 Storm Drainage Fee	2,121,056	2,321,700	2,321,700	2,437,790
<i>Utility Revenues Total</i>	<u>\$ 2,121,056</u>	<u>\$ 2,324,200</u>	<u>\$ 2,324,200</u>	<u>\$ 2,440,290</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 292,241	\$ 20,000	\$ 20,000	\$ 20,000
8012 Change in Fair Value	4,732	-	-	-
8035 Other Miscellaneous Revenues	177,335	173,460	171,660	168,750
<i>Other Income Total</i>	<u>\$ 474,308</u>	<u>\$ 193,460</u>	<u>\$ 191,660</u>	<u>\$ 188,750</u>
STORMWATER UTILITY TOTAL	<u><u>\$ 2,610,364</u></u>	<u><u>\$ 2,517,660</u></u>	<u><u>\$ 2,657,180</u></u>	<u><u>\$ 2,676,020</u></u>

FUND: STORMWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: STORMWATER UTILITY - 53000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 151,898	\$ 172,800	\$ 179,960	\$ 204,500
6009 Overtime	482	-	-	-
6031 Employer Social Security	9,842	10,650	11,160	12,680
6032 Employer Medicare	2,302	2,490	2,610	2,970
6033 Employer Pera	11,975	12,960	13,460	15,300
6035 Medical Insurance	23,999	28,710	28,280	32,190
6036 Dental Insurance	1,362	1,390	1,420	1,590
6037 Term Life	134	80	80	90
6038 Workers Compensation	2,470	2,470	2,470	2,520
6040 Long Term Disability	281	310	320	360
6051 Interdepartmental Labor	267,395	224,720	237,570	224,720
6052 Administrative Charges	81,660	84,890	84,890	87,820
<i>Personal Services Total</i>	<u>\$ 553,800</u>	<u>\$ 541,470</u>	<u>\$ 562,220</u>	<u>\$ 584,740</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 283,778	\$ 222,120	\$ 454,340	\$ 186,700
6201 Rents & Leases	-	5,500	5,500	5,500
6202 Data Processing Rental	13,869	14,620	14,620	16,590
6204 Motor Pool Operating Rental	148,100	154,020	154,020	161,720
6205 Maintenance & Repairs	72,477	649,750	815,860	299,750
6207 Utility Services	26,301	31,250	31,250	31,250
6301 Advertising & Publication	3,658	3,400	3,400	3,400
6302 Communications	3,149	4,440	4,440	4,440
6303 Professional Development	3,844	3,880	3,880	3,880
6305 Subscriptions & Memberships	7,047	7,720	8,590	8,720
6307 Insurance & Bonds	4,175	1,390	2,640	2,670
6308 Property Liability	1,320	1,370	1,370	1,400
6310 Taxes & Licenses	3,710	3,000	1,250	1,250
6315 Other Contractual Services	51,626	64,350	64,350	64,350
6401 Office Supplies	40	150	150	150
6402 Copy Charges	-	150	150	150
6403 Postage	4	50	50	50
6409 Uniforms & Clothing	600	-	-	-
6410 Small Tools & Parts	2,508	3,000	3,000	3,000
6412 Maint. & Const. Materials	6,445	20,000	20,000	20,000
6413 Chemicals	-	18,000	-	5,000
6414 Other Supplies	2,678	1,250	1,250	1,250
6513 Other Charges	11,044	10,500	13,000	13,000
<i>Other Services & Charges Total</i>	<u>\$ 646,373</u>	<u>\$ 1,219,910</u>	<u>\$ 1,603,110</u>	<u>\$ 834,220</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 691,069	\$ 799,490	\$ 799,490	\$ 827,470
<i>Depreciation Total</i>	<u>\$ 691,069</u>	<u>\$ 799,490</u>	<u>\$ 799,490</u>	<u>\$ 827,470</u>

FUND: STORMWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: STORMWATER UTILITY - 53000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Capital Outlay</u>				
7350 Other Improvements	\$ 11,459	\$ 1,202,000	\$ 551,320	\$ 1,175,000
<i>Capital Outlay Total</i>	<u>\$ 11,459</u>	<u>\$ 1,202,000</u>	<u>\$ 551,320</u>	<u>\$ 1,175,000</u>
<u>Other Financing Uses</u>				
8521 Principal Payments	\$ -	\$ 575,400	\$ 575,400	\$ 588,800
8522 Interest Payments	193,435	210,290	119,780	108,030
8523 Paying Agent Fees	2,794	3,000	3,000	3,000
<i>Other Financing Uses Total</i>	<u>\$ 196,229</u>	<u>\$ 788,690</u>	<u>\$ 698,180</u>	<u>\$ 699,830</u>
STORMWATER UTILITY TOTAL	<u><u>\$ 2,098,930</u></u>	<u><u>\$ 4,551,560</u></u>	<u><u>\$ 4,214,320</u></u>	<u><u>\$ 4,121,260</u></u>

FUND: STORMWATER UTILITY
DEPARTMENT: Public Works
BUSINESS UNIT: STORMWATER UTILITY - 53000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Utility Billing Clerk	8	.40	.40	.40
Assistant Utility Superintendent	15	.30	.30	.30
GIS Coordinator	12	.20	.20	.20
Asset Management/GIS Analyst	10	-	.17	.17
Water Resources Engineer	13	1.00	1.00	1.00
<i>Total</i>		<u>1.90</u>	<u>2.07</u>	<u>2.07</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
Manhole Structure Rehab	\$ 200,000	\$ -	\$ -
Storm Sewer Collection System Rehab	200,000	200,000	200,000
HUB Storm Improvements	550,000	-	650,000
DSG Lift Station Improvements	90,000	-	-
Public Works Storage Facility	162,000	-	325,000
Adams Hill Pond Cabinet Replacement	-	90,000	-
Adams Hill Pond Outlet/Treatment Structures	-	261,320	-
<i>Total</i>	<u>\$ 1,202,000</u>	<u>\$ 551,320</u>	<u>\$ 1,175,000</u>

Performance Measures

Department/Division

Stormwater Utility

	Actual 2023	Actual 2024	Budget 2025R	Budget 2026P
Inputs:				
Number of Full-Time Employees	1.90	1.90	2.07	2.07
Division Operating Revenues	\$ 2,705,350	\$ 2,475,352	\$ 2,657,177	\$ 2,676,013
Division Operating Expenses	\$ 2,481,089	\$ 2,231,082	\$ 3,662,991	\$ 2,946,249
Outputs:				
Total Tons of Street Sweepings	385	354	300	300
Effectiveness Measures:				
Annual Pounds of TP* Removed from Sweeping Activities (Estimated)	73.5	67.6	57.4	57.4
Annual Pounds of TP* Removed from Infiltration and Floc Systems (Estimated)	70.05	76.0	50.0	76.0
Efficiency Measures:				
Total Cost for Street Sweeping	\$ 113,557	\$ 146,328	\$ 110,000	\$ 110,000
Total cost for Infiltration/Floc	\$ 74,801	\$ 163,765	\$ 140,000	\$ 75,000
Cost per Pound of TP* Removed	\$ 1,312	\$ 2,159	\$ 2,328	\$ 1,387
Operating Expenses per Capita	\$ 67.07	\$ 60.31	\$ 99.02	\$ 79.64
*TP = Total Phosphorus				

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2025				325,000
2026	160,000	4,900	164,900	165,000
2027	165,000	1,650	166,650	-
	<u>\$ 325,000</u>	<u>\$ 6,550</u>	<u>\$ 331,550</u>	

STORM SEWER REVENUE BONDS, SERIES 2016A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2025				1,955,000
2026	145,000	42,565	187,565	1,810,000
2027	150,000	39,615	189,615	1,660,000
2028	150,000	36,615	186,615	1,510,000
2029	155,000	33,565	188,565	1,355,000
2030	155,000	30,465	185,465	1,200,000
2031	160,000	27,235	187,235	1,040,000
2032	165,000	23,740	188,740	875,000
2033	165,000	20,028	185,028	710,000
2034	170,000	16,090	186,090	540,000
2035	175,000	11,863	186,863	365,000
2036	180,000	7,335	187,335	185,000
2037	185,000	2,497	187,497	-
	<u>\$ 1,955,000</u>	<u>\$ 291,613</u>	<u>\$ 2,246,613</u>	

STORM SEWER GENERAL OBLIGATION BONDS, SERIES 2019A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2025				635,000
2026	35,000	19,400	54,400	600,000
2027	35,000	18,000	53,000	565,000
2028	35,000	16,600	51,600	530,000
2029	40,000	15,300	55,300	490,000
2030	40,000	14,100	54,100	450,000
2031	40,000	12,900	52,900	410,000
2032	40,000	11,700	51,700	370,000
2033	40,000	10,500	50,500	330,000
2034	45,000	9,225	54,225	285,000
2035	45,000	7,875	52,875	240,000
2036	45,000	6,525	51,525	195,000
2037	45,000	5,175	50,175	150,000
2038	50,000	3,750	53,750	100,000
2039	50,000	2,250	52,250	50,000
2040	50,000	750	50,750	-
	<u>\$ 635,000</u>	<u>\$ 154,050</u>	<u>\$ 789,050</u>	

STORM SEWER REVENUE BONDS, SERIES 2020B
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2025				1,210,000
2026	140,000	18,130	158,130	1,070,000
2027	145,000	15,280	160,280	925,000
2028	150,000	12,330	162,330	775,000
2029	150,000	9,330	159,330	625,000
2030	150,000	7,005	157,005	475,000
2031	155,000	5,250	160,250	320,000
2032	160,000	3,280	163,280	160,000
2033	160,000	1,120	161,120	-
	<u>\$ 1,210,000</u>	<u>\$ 71,725</u>	<u>\$ 1,281,725</u>	

**GENERAL OBLIGATION BONDS, SERIES 2022A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025**

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2025				2,808,400
2026	108,800	23,039	131,839	2,699,600
2027	112,200	22,115	134,315	2,587,400
2028	119,000	21,148	140,148	2,468,400
2029	122,400	20,138	142,538	2,346,000
2030	129,200	19,085	148,285	2,216,800
2031	132,600	17,990	150,590	2,084,200
2032	139,400	16,853	156,253	1,944,800
2033	142,800	15,672	158,472	1,802,000
2034	149,600	14,449	164,049	1,652,400
2035	156,400	13,169	169,569	1,496,000
2036	163,200	11,832	175,032	1,332,800
2037	170,000	10,439	180,439	1,162,800
2038	173,400	9,002	182,402	989,400
2039	183,600	7,509	191,109	805,800
2040	190,400	5,945	196,345	615,400
2041	197,200	4,323	201,523	418,200
2042	204,000	2,645	206,645	214,200
2043	214,200	896	215,096	-
	2,808,400	236,249	3,044,649	

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INTERNAL SERVICE

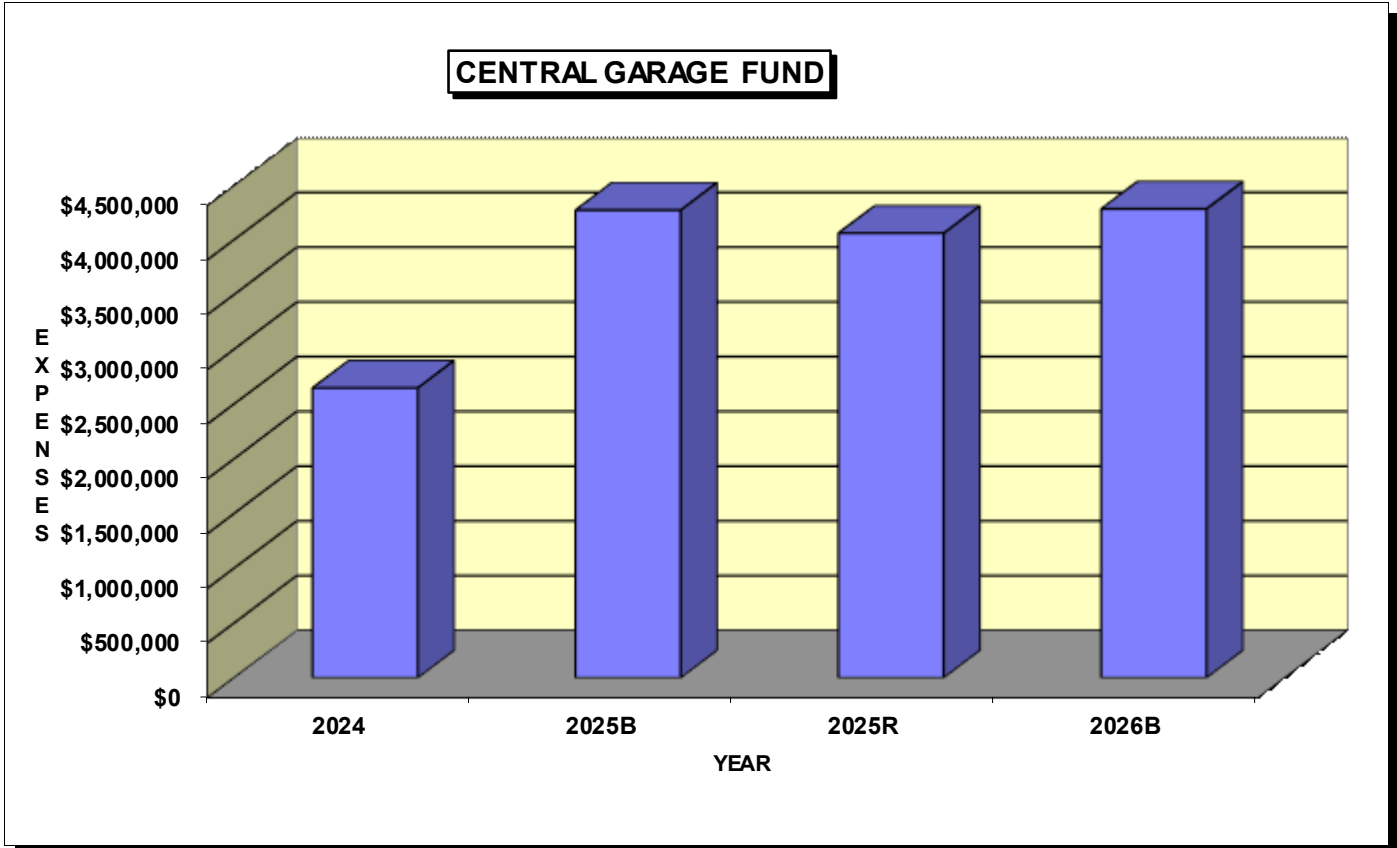
FUND: CENTRAL GARAGE
 DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
61000 CENTRAL GARAGE	\$ 2,648,593	\$ 4,272,200	\$ 4,061,330	\$ 4,283,310	0.26%
<i>Public Works TOTAL</i>	<u>\$ 2,648,593</u>	<u>\$ 4,272,200</u>	<u>\$ 4,061,330</u>	<u>\$ 4,283,310</u>	0.26%

REVENUES

61000 CENTRAL GARAGE	\$ 2,826,597	\$ 3,116,070	\$ 3,016,080	\$ 3,097,530	(0.59%)
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**BUDGET SUMMARY
CENTRAL GARAGE FUND PROJECTION**

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025 Revised</u>	<u>2026 Budget</u>	<u>2027 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 5,555,203	\$ 5,733,207	\$ 6,206,437	\$ 6,685,387
<u>Revenues</u>				
Intergovernmental	-	-	-	-
Charges for Service:				
Equipment Rental	1,568,570	1,629,080	1,710,530	1,761,850
<u>Miscellaneous Revenues</u>				
Interest	43,905	5,000	5,000	10,000
Other Revenues	164,122	47,000	47,000	48,410
Total Misc. Revenues	<u>208,027</u>	<u>52,000</u>	<u>52,000</u>	<u>58,410</u>
Total Revenues	<u>1,776,597</u>	<u>1,681,080</u>	<u>1,762,530</u>	<u>1,820,260</u>
<u>Expenses</u>				
Personal Services	534,028	536,520	566,720	586,560
Other Services and Charges	1,178,683	1,083,640	1,096,880	1,135,270
Depreciation	935,882	922,690	954,980	983,630
Operating Expenses	<u>2,648,593</u>	<u>2,542,850</u>	<u>2,618,580</u>	<u>2,705,460</u>
Net Income (Loss)	<u>(871,996)</u>	<u>(861,770)</u>	<u>(856,050)</u>	<u>(885,201)</u>
Operating Transfers From (To)				
Capital Projects Funds	1,050,000	1,335,000	1,335,000	1,215,840
	<u>1,050,000</u>	<u>1,335,000</u>	<u>1,335,000</u>	<u>1,215,840</u>
<u>RETAINED EARNINGS</u>	<u>5,733,207</u>	<u>6,206,437</u>	<u>6,685,387</u>	<u>7,016,027</u>
<u>CAPITAL OUTLAY</u>	<u>\$ -</u>	<u>\$ 1,518,480</u>	<u>\$ 1,664,730</u>	<u>\$ 1,785,000</u>

* Capital outlay expense is recorded as depreciation over the useful life of the fixed asset.

CENTRAL GARAGE DIVISION

MISSION STATEMENT

The Public Works Department works hard to sustain and improve the quality of life for our community by offering the highest standards in essential municipal services and providing them in a timely, responsible and professional manner.

DIVISION FOCUS

To procure, maintain, repair and replace all motor vehicles, heavy equipment and attachments used by the City. To also provide quality, durable equipment for all divisions and maintain that equipment so that it performs 24 hours a day, seven days a week, and is always able to respond to emergencies as needed.

Staff maintains 141 motorized pieces of equipment and another 52 non-motorized pieces of equipment.

2025 HIGHLIGHTS

- Sealed the garage floors at the Public Works Maintenance Facility (City Council Priority/Outcome 1c & 3a).
- Purchase of two (2) aerial bucket trucks in light of unprecedented supply/availability constraints (City Council Priority/Outcome 1b-c).

2026 DIVISION GOALS

- Continue to evaluate repurposing Police patrol vehicles for use by other divisions (City Council Priority/Outcome 1a, 2c & 3a).
- Evaluation of opportunities to introduce more Hybrid/Electric vehicles into the fleet (City Council Priority/Outcome 1a & 3c).

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects a decrease of 4.9% from the 2025 Adopted Budget and the 2026 Proposed Budget reflects an increase of 0.26% from the 2025 Adopted Budget. This is due to the decision to extend and not purchase vehicles used for the Public Works Department. Staff expects vehicle and parts prices to continue to rise in future budget years and does not see an end to the availability issues experienced lately.

FUND: CENTRAL GARAGE
DEPARTMENT: Public Works
BUSINESS UNIT: CENTRAL GARAGE - 61000

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Intergovernmental Revenues</u>				
4212 Federal Grants	\$ -	\$ 100,000	\$ -	\$ -
<i>Intergovernmental Revenues Total</i>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Charges for Service</u>				
4318 Equipment Rental - Operating	\$ 1,568,570	\$ 1,629,070	\$ 1,629,080	\$ 1,710,530
<i>Charges for Service Total</i>	<u>\$ 1,568,570</u>	<u>\$ 1,629,070</u>	<u>\$ 1,629,080</u>	<u>\$ 1,710,530</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 43,188	\$ 5,000	\$ 5,000	\$ 5,000
8012 Change in Fair Value	717	-	-	-
8035 Other Miscellaneous Revenues	-	2,000	2,000	2,000
8037 Recovery From Damage City Prop	53,691	20,000	20,000	20,000
8038 Gain on disposal of Assets	110,431	25,000	25,000	25,000
<i>Other Income Total</i>	<u>\$ 208,027</u>	<u>\$ 52,000</u>	<u>\$ 52,000</u>	<u>\$ 52,000</u>
<u>Other Financing Sources</u>				
8051 Operating Transfers In	\$ 1,050,000	\$ 1,335,000	\$ 1,335,000	\$ 1,335,000
<i>Other Financing Sources Total</i>	<u>\$ 1,050,000</u>	<u>\$ 1,335,000</u>	<u>\$ 1,335,000</u>	<u>\$ 1,335,000</u>
CENTRAL GARAGE TOTAL	<u><u>\$ 2,826,597</u></u>	<u><u>\$ 3,116,070</u></u>	<u><u>\$ 3,016,080</u></u>	<u><u>\$ 3,097,530</u></u>

FUND: CENTRAL GARAGE
DEPARTMENT: Public Works
BUSINESS UNIT: CENTRAL GARAGE - 61000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 394,689	\$ 386,950	\$ 391,300	\$ 413,140
6009 Overtime	3,872	8,000	8,000	8,000
6031 Employer Social Security	22,597	22,620	22,890	24,220
6032 Employer Medicare	5,285	5,290	5,350	5,670
6033 Employer Pera	28,530	28,020	28,260	29,900
6035 Medical Insurance	67,320	69,000	69,070	73,780
6036 Dental Insurance	2,966	2,950	2,950	3,110
6037 Term Life	299	200	170	170
6038 Workers Compensation	7,860	7,860	7,860	8,020
6040 Long Term Disability	610	660	670	710
<i>Personal Services Total</i>	<u>\$ 534,028</u>	<u>\$ 531,550</u>	<u>\$ 536,520</u>	<u>\$ 566,720</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 3,954	\$ 4,250	\$ 4,250	\$ 4,260
6202 Data Processing Rental	26,422	42,890	42,890	52,130
6205 Maintenance & Repairs	375,662	158,330	158,330	158,330
6206 Accident Repairs	108,244	35,000	35,000	35,000
6207 Utility Services	58,182	87,580	87,580	87,580
6302 Communications	3,222	4,200	4,200	4,200
6303 Professional Development	2,606	2,580	5,220	3,220
6305 Subscriptions & Memberships	50	-	-	-
6307 Insurance & Bonds	59,033	63,530	63,530	64,800
6308 Property Liability	29,160	30,330	30,330	30,940
6310 Taxes & Licenses	1,962	5,000	5,000	5,000
6315 Other Contractual Services	47,951	42,060	45,060	45,060
6401 Office Supplies	13	660	660	660
6402 Copy Charges	-	120	120	120
6403 Postage	-	100	100	100
6405 Fuels	180,172	325,000	325,000	325,000
6406 Lubricants	12,594	10,500	10,500	10,500
6407 Auto Operating Supplies	11,163	15,460	15,460	15,460
6408 Tires	41,749	30,000	30,000	30,510
6409 Uniforms & Clothing	7,963	4,860	4,860	6,500
6410 Small Tools & Parts	131,740	145,080	140,120	145,080
6414 Other Supplies	49,454	75,430	75,430	72,430
<i>Other Services & Charges Total</i>	<u>\$ 1,151,296</u>	<u>\$ 1,082,960</u>	<u>\$ 1,083,640</u>	<u>\$ 1,096,880</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 935,882	\$ 922,690	\$ 922,690	\$ 954,980
<i>Depreciation Total</i>	<u>\$ 935,882</u>	<u>\$ 922,690</u>	<u>\$ 922,690</u>	<u>\$ 954,980</u>
<u>Capital Outlay</u>				
7500 Motor Vehicles	\$ 27,387	\$ 1,735,000	\$ 1,518,480	\$ 1,664,730

FUND: CENTRAL GARAGE
DEPARTMENT: Public Works
BUSINESS UNIT: CENTRAL GARAGE - 61000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<i>Capital Outlay Total</i>	\$ 27,387	\$ 1,735,000	\$ 1,518,480	\$ 1,664,730
CENTRAL GARAGE TOTAL	\$ 2,648,593	\$ 4,272,200	\$ 4,061,330	\$ 4,283,310

FUND: CENTRAL GARAGE
DEPARTMENT: Public Works
BUSINESS UNIT: CENTRAL GARAGE - 61000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Automotive Mechanic	LT-3	3.00	3.00	3.00
Deputy Public Works Director	18	.25	.25	.25
Operations Supervisor	14	.50	.50	.50
Senior Office Assistant	8	.35	.35	.35
Asset Management/GIS Analyst	10	-	.10	.10
<i>Total</i>		<u>4.10</u>	<u>4.20</u>	<u>4.20</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
Garage Floor Sealing	\$ 150,000	\$ 150,000	\$ -
High Ranger/Tree Bucket Truck	450,000	433,480	-
CSO Truck	60,000	70,000	-
Ice Resurfacer (2)	250,000	250,000	89,630
Tahoe - Fire	60,000	60,000	-
Fire Truck	400,000	400,000	302,100
Toro Z-Mower 7200 (2)	65,000	-	-
Trackless MT	300,000	-	-
Explorer - Police LT	-	60,000	-
Water Plant Skid Steer	-	95,000	-
Flush Truck/Roll-Off	-	-	203,000
1 Ton Pick-Up	-	-	50,000
Crew Cab Pick-Up	-	-	50,000
Chipper	-	-	250,000
Squads - Police LT (3)	-	-	180,000
Squads - Police Investigators (3)	-	-	180,000
Marked Squads - Police (3)	-	-	210,000
Tahoe - Fire	-	-	75,000
Tahoe - Police Chief	-	-	75,000
<i>Total</i>	<u>\$ 1,735,000</u>	<u>\$ 1,518,480</u>	<u>\$ 1,664,730</u>

Performance Measures

Department/Division

Public Works/Central Garage

	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Budget 2025R</u>	<u>Budget 2026P</u>
Inputs:				
Number of full-time employees	4.1	4.1	4.2	4.2
Division Expenditures (personnel and services)	\$ 1,657,615	\$ 1,640,910	\$ 1,620,161	\$ 1,663,580
Outputs:				
Number of Vehicles Maintained	141	141	141	141
Number of Pieces of Equipment	53	53	53	53
Effectiveness Measures:				
Scheduled Service Work Orders	229	234	250	250
Unscheduled Service Work Orders	659	754	600	600
Efficiency Measures:				
Total Cost of Repairs	\$ 1,188,310	\$ 1,124,099	\$ 1,083,635	\$ 1,096,873
Average Cost/Vehicle Owned	\$ 8,427.73	\$ 7,972.33	\$ 7,685.35	\$ 7,779.24
Division Expenditure per Capita (personnel and services)	\$ 43.08	\$ 42.64	\$ 42.10	\$ 43.23

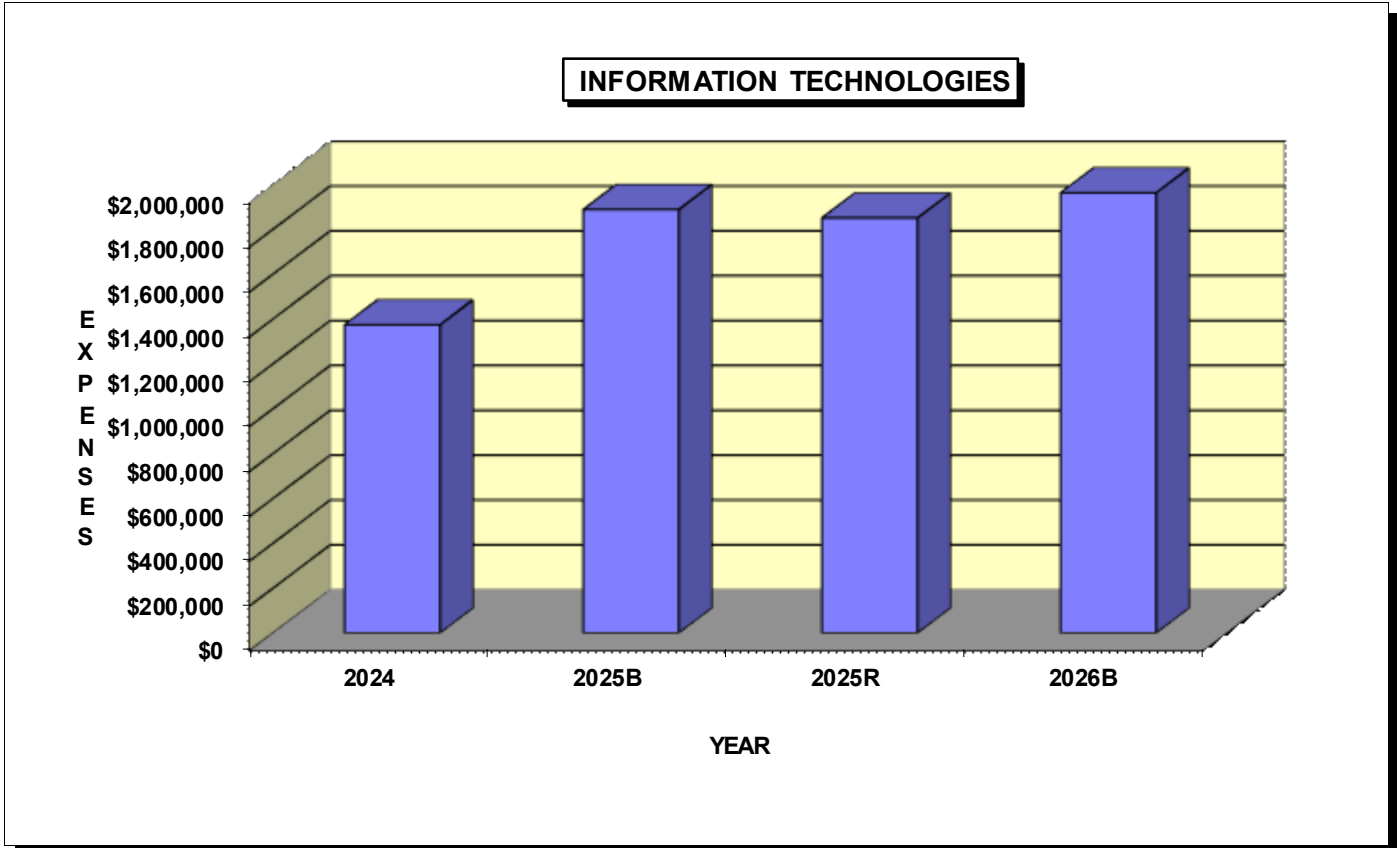
FUND: INFORMATION TECHNOLOGIES
DEPARTMENT: Administrative Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
62000 INFORMATION TECHNOLOGIES	\$ 1,374,077	\$ 1,887,720	\$ 1,850,226	\$ 1,962,611	3.97%
<i>Administrative Services TOTAL</i>	<u>\$ 1,374,077</u>	<u>\$ 1,887,720</u>	<u>\$ 1,850,226</u>	<u>\$ 1,962,611</u>	3.97%

REVENUES

62000 INFORMATION TECHNOLOGIES	\$ 1,648,751	\$ 1,780,270	\$ 1,779,324	\$ 1,902,141	6.85%
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**BUDGET SUMMARY
INFORMATION TECHNOLOGIES FUND PROJECTION**

<u>AVAILABLE FOR APPROPRIATION</u>	2024 Actual	2025 Revised	2026 Budget	2027 Projected
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 130,842	\$ 405,516	\$ 464,938	\$ 494,376
<u>Revenues</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Service	1,273,758	1,385,524	1,494,561	1,539,400
Subtotal	<u>1,273,758</u>	<u>1,385,524</u>	<u>1,494,561</u>	<u>1,539,400</u>
<u>Miscellaneous Revenues</u>				
Interest	16,993	-	-	1,000
Other	-	-	-	-
Total Miscellaneous Revenues	<u>16,993</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total Revenues	<u>1,290,751</u>	<u>1,385,524</u>	<u>1,494,561</u>	<u>1,540,400</u>
<u>Expenses</u>				
Personal Service	578,957	628,239	723,614	748,940
Other Services and Charges	753,522	980,383	1,034,469	1,086,190
Depreciation	41,598	111,280	114,620	118,060
Total Operating Expenses	<u>1,374,077</u>	<u>1,719,902</u>	<u>1,872,703</u>	<u>1,953,191</u>
Net Income (Loss)	<u>(83,326)</u>	<u>(334,378)</u>	<u>(378,142)</u>	<u>(412,791)</u>
<u>Operating Transfers: From (To)</u>				
General Funds	358,000	393,800	407,580	421,840
Net Transfers	<u>358,000</u>	<u>393,800</u>	<u>407,580</u>	<u>421,840</u>
<u>RETAINED EARNINGS</u>	<u>405,516</u>	<u>464,938</u>	<u>494,376</u>	<u>503,426</u>
<u>CAPITAL OUTLAY *</u>	<u>\$ -</u>	<u>\$ 130,324</u>	<u>\$ 89,908</u>	

* Capital outlay expense is recorded as depreciation over the useful life of the fixed asset.

INFORMATION TECHNOLOGIES DIVISION

MISSION STATEMENT

The IT department is here to understand the individual needs for every division in the city and deliver the best service we can on those. The way we operate is through these divisions and we understand the importance of keeping a good relationship with each of them. Utilizing each of our staff, vendors, tools and connections to keep project deadlines met, data secure, policies followed and to give technical support. Communication helps us work effectively but with standardizing policy. IT is to work in full support with administrative services to have these policies coming out quickly to move forward.

DIVISION FOCUS

The purpose of the IT Department is to:

- Control access and development of network policy.
- Redoing the preliminary work of taking on new projects with departments/divisions, prioritizing by Cost and Reward, along with providing a more accurate timeline of work.
- Provide specified technical support and training on our services to the city – along with 24/7 Support.
- Relay important information on upcoming events, outages, and changes.
- Recommend cost saving solutions and purchases to everyday workloads and business Needs.
- To make Onboard / Offboard / Change of Position a smoother transition and auditing our work more frequently.
- Train our IT Staff internally on New and Known skills by cross working on things together in IT.
- Upgrade our IPT telephony System and provide support during our upgrades.
- Maintain our security access / groups.
- Update our Group Policies and electronic hardware systems to the latest operating systems and updates.
- Focus our time on
- Suggest fewer widespread solutions and focus on currently in use solutions and how we can improve them.
- Easing frustrations with technology and staff by minimizing security and workflow steps and requirements.
- Maintain the internal office supply storage but improving the way orders and requests are tracked.
- Delegating support for copiers and printers.
- Changing the overall Budget to be more accurate and truer to our division codes, focusing on chargeback tracking for Project line items, How IT Division Charges are divided up, Discontinuing Hardware Depreciation costs past their due date, utilizing CIB-CIP, and Fixed Rate to some divisions with specified IT staff underneath them.
- Focus on utilizing grant money to its max potential.

2025 HIGHLIGHTS

- Created a SharePoint policy for staff to understand the correct ways our city is trying to utilize the applications alongside training to help them get up to speed with the process.
- IT has built a new PAF in Laserfiche that has improved the process of filing multiple forms for onboarding and offboarding employees for HR.
- Fiber has projects that have been put in place for the next year for connecting PW with Edina and WLNC Redundancy.
- Upgraded Camera Domain and repository system on video surveillance, active security handling with camera access with SSO users.
- 75+ depreciated mobile device replacements.
- Internal Wi-Fi VPN support for staff working on site.
- New Employee training documents for Onboarding Staff.
- Webex Cloud Migration and Phone upgrades, Teams Chat Purge.
- PCI Compliance Policy Created along with Training.
- Synology Data Server for Police investigations and data practices.
- Printer Replacements throughout Departments
- Council Chamber Meeting backup plans and SOPs for troubleshooting.
- Citizens Serve Wrap-up and troubleshooting.
- Moved to Call Cabinet call recording.
- Department Budget Meetings and Needs completed

2026 DIVISION GOALS

- All Operating systems on Windows 11
- S2 Door access and Milestone Cameras evolution on other sites.
- Password management software upgrade.
- Budget software upgrade.
- Employee engagement strategies - Survey's, Training Classes and Tec Tuesday Emails.
- Fiber redundancy additions.
- Malware protection replacement (AMP) – Crowd Strike.
- Policy Creation and Mission statements.
- Intranet on SharePoint.
- Upgrade the PS Synology data use security and storage use / capacity.
- Retention policy update and Audit.
- 2016 Server Upgrades and Audits.
- EOC Replacement and workflow update.
- VNC Viewer Replacement.

DIVISION EXPENDITURE COMMENT

The 2025 revised budget shows as decrease due to some revisioning of the expenditures on projects this year through multiple divisions. The adopted to revised percent change in 2025 showing a -5% decrease, but due to a lower revised budget, the difference between 2025 and 2026 proposed has increased to 8.9%. So, IT has a lot of

room to grow this year yet and may make some purchases for computer replacement schedules to be met. Chargebacks for Departments reflected almost a -6% decrease on the 2025 revised compared to the 2025 proposed. In 2026 we will most likely not increase to the proposed 8% increase of chargebacks, due to us purchasing more this and less next year.

FUND: INFORMATION TECHNOLOGIES
DEPARTMENT: Administrative Services
BUSINESS UNIT: INFORMATION TECHNOLOGIES - 62000

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Charges for Service</u>				
4320 IT Equipment Rental	\$ 1,207,698	\$ 1,321,470	\$ 1,320,524	\$ 1,427,611
4322 Sale of Supplies	25,437	26,650	26,650	27,450
4324 Copying Services	16,259	12,020	12,020	12,380
4326 Postage Services	24,364	26,330	26,330	27,120
<i>Charges for Service Total</i>	<u>\$ 1,273,758</u>	<u>\$ 1,386,470</u>	<u>\$ 1,385,524</u>	<u>\$ 1,494,561</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 16,718	\$ -	\$ -	\$ -
8012 Change in Fair Value	275	-	-	-
<i>Other Income Total</i>	<u>\$ 16,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Financing Sources</u>				
8051 Operating Transfers In	\$ 358,000	\$ 393,800	\$ 393,800	\$ 407,580
<i>Other Financing Sources Total</i>	<u>\$ 358,000</u>	<u>\$ 393,800</u>	<u>\$ 393,800</u>	<u>\$ 407,580</u>
INFORMATION TECHNOLOGIES TOTAL	<u><u>\$ 1,648,751</u></u>	<u><u>\$ 1,780,270</u></u>	<u><u>\$ 1,779,324</u></u>	<u><u>\$ 1,902,141</u></u>

FUND: INFORMATION TECHNOLOGIES
DEPARTMENT: Administrative Services
BUSINESS UNIT: INFORMATION TECHNOLOGIES - 62000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 47,620	\$ 37,460	\$ 37,500	\$ 38,630
<i>Costs of Goods Sold Total</i>	<u>\$ 47,620</u>	<u>\$ 37,460</u>	<u>\$ 37,500</u>	<u>\$ 38,630</u>
<u>Personal Services</u>				
6005 Full Time	\$ 456,223	\$ 533,010	\$ 478,600	\$ 540,419
6013 Longevity	2,593	2,700	1,270	-
6031 Employer Social Security	27,010	31,550	28,699	32,161
6032 Employer Medicare	6,317	7,380	6,686	7,482
6033 Employer Pera	34,001	39,360	35,990	40,531
6035 Medical Insurance	48,080	72,430	72,363	97,820
6036 Dental Insurance	3,319	3,840	3,282	3,724
6037 Term Life	328	220	190	200
6038 Workers Compensation	300	310	310	320
6040 Long Term Disability	786	870	849	957
<i>Personal Services Total</i>	<u>\$ 578,957</u>	<u>\$ 691,670</u>	<u>\$ 628,239</u>	<u>\$ 723,614</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 371,954	\$ 306,820	\$ 306,297	\$ 364,411
6205 Maintenance & Repairs	130,028	198,760	180,002	188,348
6207 Utility Services	80,030	82,430	82,430	85,730
6302 Communications	32,623	104,340	109,869	150,842
6303 Professional Development	1,015	5,400	17,950	4,380
6305 Subscriptions & Memberships	2,295	3,260	2,300	2,500
6307 Insurance & Bonds	5,936	6,190	6,190	6,310
6308 Property Liability	2,580	2,680	2,680	2,730
6401 Office Supplies	578	1,000	1,000	1,030
6402 Copy Charges	1,016	460	200	210
6403 Postage	71	100	100	100
6414 Other Supplies	98,429	264,790	233,865	189,248
<i>Other Services & Charges Total</i>	<u>\$ 726,555</u>	<u>\$ 976,230</u>	<u>\$ 942,883</u>	<u>\$ 995,839</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 41,598	\$ 107,520	\$ 111,280	\$ 114,620
<i>Depreciation Total</i>	<u>\$ 41,598</u>	<u>\$ 107,520</u>	<u>\$ 111,280</u>	<u>\$ 114,620</u>
<u>Capital Outlay</u>				
7400 Machinery & Equipment	\$ (20,653)	\$ 74,840	\$ 130,324	\$ 89,908
<i>Capital Outlay Total</i>	<u>\$ (20,653)</u>	<u>\$ 74,840</u>	<u>\$ 130,324</u>	<u>\$ 89,908</u>
INFORMATION TECHNOLOGIES TOTAL	<u><u>\$ 1,374,077</u></u>	<u><u>\$ 1,887,720</u></u>	<u><u>\$ 1,850,226</u></u>	<u><u>\$ 1,962,611</u></u>

FUND: INFORMATION TECHNOLOGIES
DEPARTMENT: Administrative Services
BUSINESS UNIT: INFORMATION TECHNOLOGIES - 62000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
IT Manager	16	1.00	1.00	1.00
Asst IT Mgr/BusAnalyst	14	1.00	1.00	1.00
IT Specialist	12-11	1.00	1.00	1.00
Help Desk Technician	11-6	1.00	1.00	1.00
Help Desk Technician	11-1	1.00	1.00	1.00
Police IT Specialist (FT-w/Police)	12-11	.20	.20	.20
GIS Analyst (FT-w/PW)	12-8	.30	.30	.30
	<i>Total</i>	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
Fiber Infrastructure Projects	\$ 15,000	\$ 15,000	\$ 45,000
Network Infrastructure Replacement	51,690	-	10,650
CradlePoint Squad Vehicle Modems Upgrade	-	15,890	-
Laptop Purchases	-	84,160	34,260
City Hall Copier Replacement	-	15,280	-
Voice Bundle - Replacement	8,150	-	-
	<u>\$ 74,840</u>	<u>\$ 130,330</u>	<u>\$ 89,910</u>
	<i>Total</i>		

Performance Measures

Department/Division

Administrative Services/Information Technologies

	Actual 2022	Actual 2023	Budget 2024	Budget 2025	Budget 2026
Inputs:					
Number of full-time employees	4.5	4.5	4.5	5.5	5.5
Division operating expenses	\$ 1,197,860	\$ 1,433,571	\$ 1,700,329	\$ 1,716,144	\$ 1,869,350
Division operating revenue	\$ 1,295,401	\$ 1,434,312	\$ 1,629,550	\$ 1,780,270	\$ 1,908,974
Outputs:					
Number of devices supported (PCs, laptops, mobile devices, cameras, credit card readers, servers, & printers)	670	670	670	670	670
Number of telephony devices supported	280	280	380	390	390
Number of sites supported	15	15	15	15	15
Number of users supported	365	365	365	365	365
Number of Email Accts			430	430	430
Number of Various Office 365 Full Licenses			170	180	180
Number of P1 License (email only)			143	130	130
Shared Office Licenses			70	70	70
Efficiency Measures:					
Division operating expenses per user	\$ 3,282	\$ 3,928	\$ 4,658	\$ 4,702	\$ 5,122
Division operating revenue per user	\$ 3,549	\$ 3,930	\$ 4,465	\$ 4,877	\$ 5,230
Division operating expenses per capita	\$ 32.63	\$ 39.05	\$ 46.32	\$ 46.75	\$ 50.92

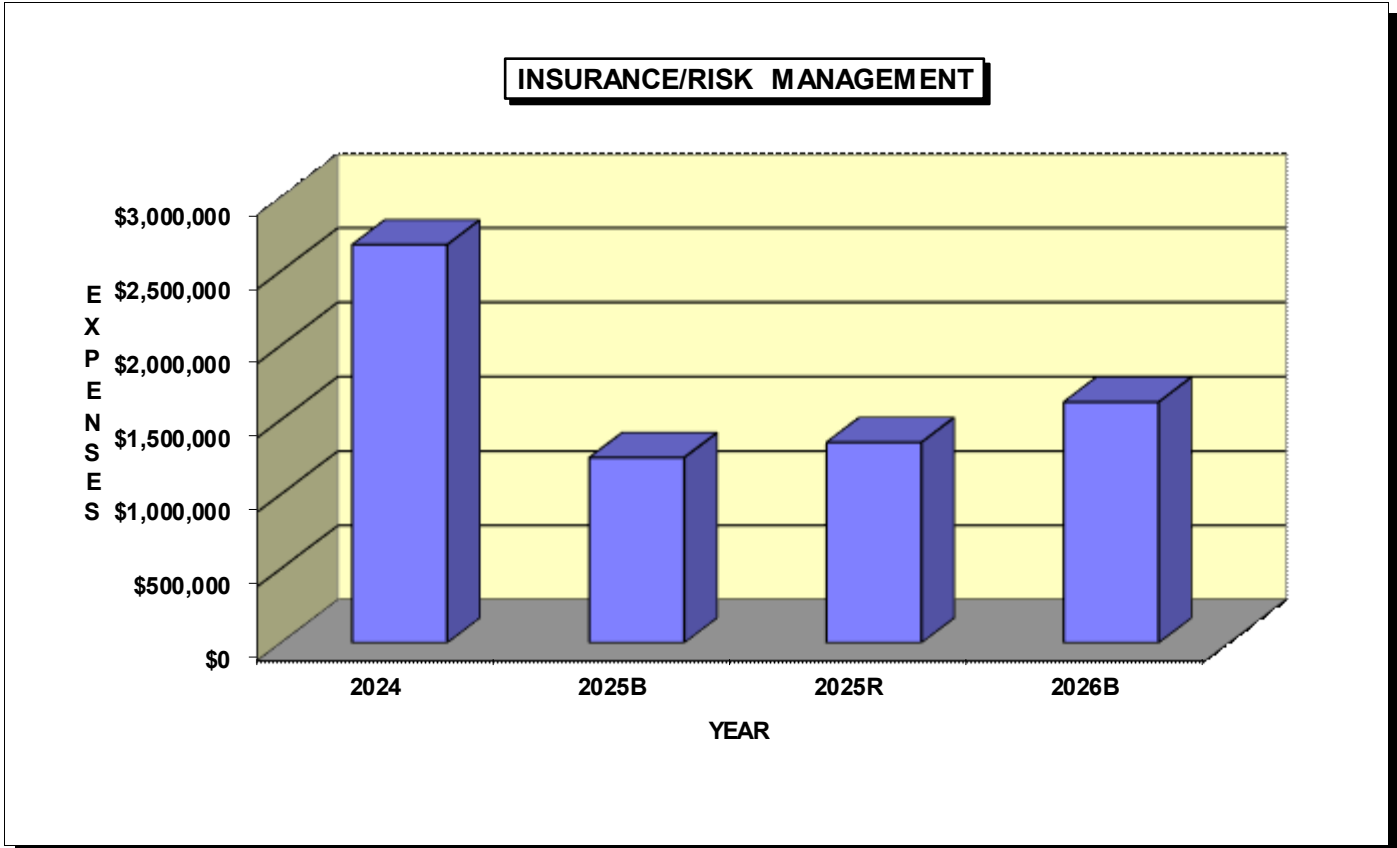
FUND: INSURANCE/RISK MANAGEMENT
 DEPARTMENT: Administrative Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
64000 INSURANCE/RISK MANAGEMENT	\$ 2,676,118	\$ 1,245,340	\$ 1,347,565	\$ 1,618,602	29.97%
<i>Administrative Services TOTAL</i>	<u>\$ 2,676,118</u>	<u>\$ 1,245,340</u>	<u>\$ 1,347,565</u>	<u>\$ 1,618,602</u>	29.97%

REVENUES

64000 INSURANCE/RISK MANAGEMENT	\$ 1,185,441	\$ 1,089,220	\$ 1,189,220	\$ 1,212,720	11.34%
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**BUDGET SUMMARY
INSURANCE/RISK MANAGEMENT FUND PROJECTION**

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025 Revised</u>	<u>2026 Budget</u>	<u>2027 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 4,502,189	\$ 3,011,513	\$ 2,853,168	\$ 2,447,286
<u>Revenues</u>				
Charges for Service:				
Employers' and Employees' contribution	861,288	978,220	1,001,720	1,031,770
Operating Revenues	861,288	978,220	1,001,720	1,031,770
<u>Miscellaneous Revenues</u>				
Interest	265,654	150,000	150,000	150,000
Total Miscellaneous Revenues	265,654	150,000	150,000	150,000
Total Revenues	1,126,942	1,128,220	1,151,720	1,181,770
<u>Expenses</u>				
Personal Services	390,312	434,660	456,677	470,380
Other Services and Charges	2,227,306	851,905	1,100,925	801,230
Total Expenses	2,617,618	1,286,565	1,557,602	1,271,610
Net Income (Loss)	(1,490,676)	(158,345)	(405,882)	(89,839)
Operating Transfers From (To)				
Self Insurance - Workers Comp.	58,500	61,000	61,000	61,000
Self Insurance - Property Liab.	(58,500)	(61,000)	(61,000)	(61,000)
	-	-	-	-
<u>RETAINED EARNINGS</u>	<u>\$ 3,011,513</u>	<u>\$ 2,853,168</u>	<u>\$ 2,447,286</u>	<u>\$ 2,357,447</u>

INSURANCE/RISK MANAGEMENT FUND

MISSION STATEMENT

To support all of the City's costs for claims related to workers' compensation, unemployment insurance benefits and all other City self-insurance costs. To account for employee contributions and claims in the Flexible Spending Account (FSA) benefits plan and Dental insurance plan.

DIVISION FOCUS

This fund functions to service the City's workers' compensation program including safety programs, incentives and claims. It also provides funds for dental insurance coverage and serves as the account for the City's Flexible Spending Account benefits plan. In addition, all claims paid below the City's significant deductible limit for virtually all liability and property exposures are paid from this fund as well as awards of compensation, legal costs and administrative costs. Finally, the account also serves as a self insurance fund to cover risk exposures which are not insurable or which would require extraordinary premiums.

While the majority of the City's workers' compensation program is self insured, excess coverage for individual workers' compensation claims which exceed \$500,000 is purchased from the Workers' Compensation Reinsurance Association (WCRA) as mandated by State Statute. All costs below that amount on each claim are paid from this fund.

Funding from the Insurance/Risk Management Fund pay for disability benefits, medical costs, legal fees, administrative charges and safety and risk management/reduction programs. The fund also provides for the periodic maintenance and upgrade of the City's fitness equipment.

The Administrative Services Director/Assistant City Manager and the Human Resources Manager and Human Resources Specialists regulate the Insurance/Risk Management Fund and perform other associated duties. Accordingly, a portion of those individuals' time is charged to this fund. The administration of the City's risk management program is a very comprehensive and time-intensive function.

2025 HIGHLIGHTS

- The rates charged to City departments for property/casualty liability coverage reflect a 2.0% increase for 2026.

2026 INSURANCE/RISK MANAGEMENT DIVISION GOALS

- Continue to monitor rates charged to user departments and divisions for workers' compensation and property casualty and adjust accordingly.
- Partner with City departments to learn more about high-risk workers compensation claims and put together successful strategies to prevent them in the future.
- Promote employee health and safety.
- Administer a successful risk management program, identifying risk exposures and dealing with them appropriately.
- Continue to manage the City's Wellness Program.

DIVISION EXPENDITURE COMMENT

The budgeted expenditures for the Insurance/Risk Management Fund for the 2025 Revised/2026 Proposed Budget reflect the costs to administer the risk management

program and anticipated costs for high-cost workers' compensation claims due to presumptions in the law related to first responders.

FUND: INSURANCE/RISK MANAGEMENT
DEPARTMENT: Administrative Services
BUSINESS UNIT: INSURANCE/RISK MANAGEMENT - 64000

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Charges for Service</u>				
4328 Self Insurance City Contributi	\$ 597,426	\$ 593,050	\$ 593,050	\$ 597,550
4330 Self Insurance Employee Contri	59,075	62,000	62,000	62,000
4332 Property Contribution	195,380	203,170	203,170	203,170
4334 Flex Daycare	46,399	45,000	45,000	64,000
4336 Flex Health	14,768	20,000	20,000	20,000
4340 Insurance Premium Refunds	(51,760)	55,000	55,000	55,000
<i>Charges for Service Total</i>	<u>\$ 861,288</u>	<u>\$ 978,220</u>	<u>\$ 978,220</u>	<u>\$ 1,001,720</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 261,512	\$ 50,000	\$ 150,000	\$ 150,000
8012 Change in Fair Value	4,141	-	-	-
<i>Other Income Total</i>	<u>\$ 265,654</u>	<u>\$ 50,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>
<u>Other Financing Sources</u>				
8051 Operating Transfers In	\$ 58,500	\$ 61,000	\$ 61,000	\$ 61,000
<i>Other Financing Sources Total</i>	<u>\$ 58,500</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>
INSURANCE/RISK MANAGEMENT TOTAL	<u><u>\$ 1,185,441</u></u>	<u><u>\$ 1,089,220</u></u>	<u><u>\$ 1,189,220</u></u>	<u><u>\$ 1,212,720</u></u>

FUND: INSURANCE/RISK MANAGEMENT
DEPARTMENT: Administrative Services
BUSINESS UNIT: INSURANCE/RISK MANAGEMENT - 64000

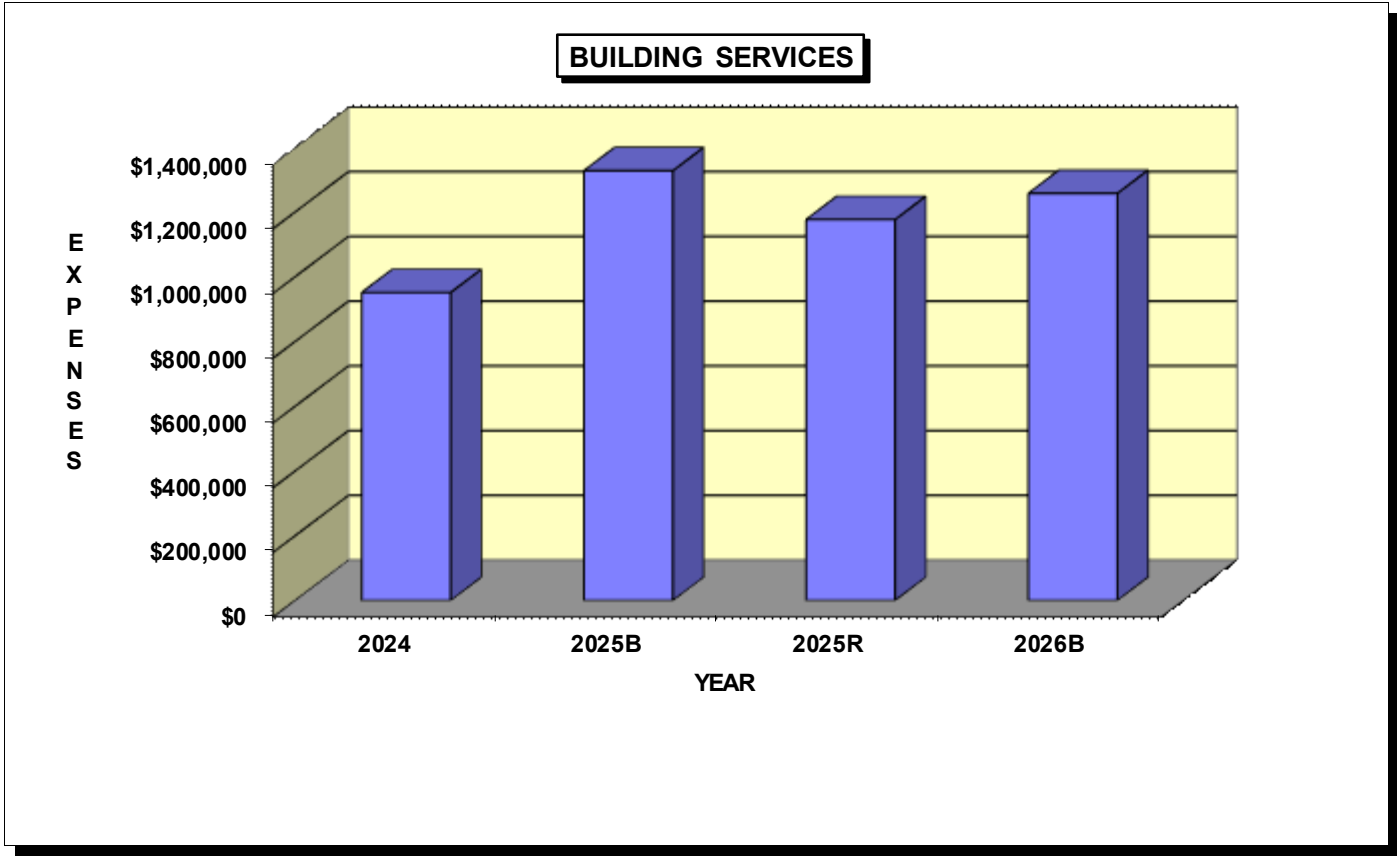
DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 1,638	\$ 15,000	\$ 15,000	\$ 20,000
6031 Employer Social Security	(1,007)	-	-	-
6032 Employer Medicare	(680)	-	-	-
6033 Employer Pera	(7,712)	-	-	-
6038 Workers Compensation	126,856	116,140	116,140	120,000
6039 MN Unemployment	13,498	32,000	32,000	32,000
6051 Interdepartmental Labor	229,940	243,740	243,740	255,927
6052 Administrative Charges	27,780	27,780	27,780	28,750
<i>Personal Services Total</i>	<u>\$ 390,312</u>	<u>\$ 434,660</u>	<u>\$ 434,660</u>	<u>\$ 456,677</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 29,886	\$ 50,000	\$ 50,000	\$ 50,000
6202 Data Processing Rental	8,270	8,680	8,680	8,700
6303 Professional Development		500		
6306 Care of Persons	148,889	95,000	95,000	95,000
6307 Insurance & Bonds	-	2,000	84,725	84,725
6313 Day Care Reimbursement	47,147	45,000	45,000	64,000
6314 Health Care Reimbursement	11,962	20,000	20,000	20,000
6315 Other Contractual Services	1,734,704	200,000	200,000	450,000
6316 Dental Single	97,267	80,000	100,000	80,000
6317 Dental Spouse	28,520	28,000	28,000	28,000
6318 Dental Dependent	39,791	45,000	45,000	45,000
6414 Other Supplies	-	500	500	500
6513 Other Charges	80,871	175,000	175,000	175,000
<i>Other Services & Charges Total</i>	<u>\$ 2,227,306</u>	<u>\$ 749,680</u>	<u>\$ 851,905</u>	<u>\$ 1,100,925</u>
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 58,500	\$ 61,000	\$ 61,000	\$ 61,000
<i>Other Financing Uses Total</i>	<u>\$ 58,500</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>
INSURANCE/RISK MANAGEMENT TOTAL	<u><u>\$ 2,676,118</u></u>	<u><u>\$ 1,245,340</u></u>	<u><u>\$ 1,347,565</u></u>	<u><u>\$ 1,618,602</u></u>

FUND: BUILDING SERVICES FUND
DEPARTMENT: Administrative Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
67000 BUILDING SERVICES FUND	\$ 950,931	\$ 1,327,470	\$ 1,176,627	\$ 1,257,319	(5.28%)
<i>Administrative Services TOTAL</i>	<u>\$ 950,931</u>	<u>\$ 1,327,470</u>	<u>\$ 1,176,627</u>	<u>\$ 1,257,319</u>	(5.28%)
REVENUES					
67000 BUILDING SERVICES FUND	\$ 1,094,072	\$ 1,083,800	\$ 1,083,800	\$ 1,126,610	3.95%



**BUDGET SUMMARY
BUILDING SERVICES FUND PROJECTION**

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2024 Actual</u>	<u>2025 Revised</u>	<u>2026 Budget</u>	<u>2027 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 837,487	\$ 980,628	\$ 972,801	\$ 962,092
<u>Revenues</u>				
Charges for Service:				
Building Rental	1,054,553	1,081,800	1,124,610	1,158,350
<u>Miscellaneous Revenues</u>				
Interest	39,519	2,000	2,000	10,000
Other Revenue	-	-	-	-
Total Misc. Revenues	<u>39,519</u>	<u>2,000</u>	<u>2,000</u>	<u>10,000</u>
Total Revenues	<u>1,094,072</u>	<u>1,083,800</u>	<u>1,126,610</u>	<u>1,168,350</u>
<u>Expenses</u>				
Personal Services	439,886	464,217	489,969	507,120
Other Services and Charges	496,716	594,580	613,370	634,840
Depreciation	14,329	32,830	33,980	35,000
Operating Expenses	<u>950,931</u>	<u>1,091,627</u>	<u>1,137,319</u>	<u>1,176,960</u>
Net Income (Loss)	<u>143,141</u>	<u>(7,827)</u>	<u>(10,709)</u>	<u>(8,610)</u>
<u>RETAINED EARNINGS</u>	<u>980,628</u>	<u>972,801</u>	<u>962,092</u>	<u>953,482</u>
<u>CAPITAL OUTLAY</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>

* Capital outlay expense is recorded as depreciation over the useful life of the fixed asset.

BUILDING SERVICES DIVISION

MISSION STATEMENT

To provide mechanical and janitorial services to the Richfield Municipal Center complex and Fire Station 2 and to plan, administer and finance major maintenance for these buildings.

DIVISION FOCUS

The Building Services Division is made up of the Building Superintendent, two Building Maintenance Mechanics and three Building Services Custodians.

The division is responsible for the maintenance and upkeep of the Richfield Municipal Center, Fire Station 2, the Richfield Community Center, four municipal liquor stores and Public Works Building.

The division charges City departments a rental charge based on their square footage use of the Richfield Municipal Center and Fire Station 2 for the costs of services, supplies and maintenance. The City's Liquor operation is charged directly for time and materials incurred.

In both 2025 and 2026 the focus of the division will be to provide high quality service to its customers and to maintain a clean and safe environment for City employees to work in.

Finally, the Division assists with maintenance tasks at the City's Swimming Pool, Ice Arena, park buildings, and Woodlake Nature Center.

2025 HIGHLIGHTS

- Completed the upgrade for all indoor and outdoor lighting at the Municipal Center to LED lighting
- Upgraded sales floor lighting at Lyndale Liquor
- Replaced rooftop HVAC unit at Cedar Liquor

2026 BUILDING SERVICES DIVISION GOALS

- Continue to refine the operating budget between increased user charges and operating costs to ensure a balanced operation (City Council Priority/Outcome 1b).
- Work with the Finance Manager to establish a replacement plan for capital items at the Richfield Municipal Center to ensure its long-term viability (City Council Priority/Outcome 1b).
- Replace carpeting in the Police Department

DIVISION EXPENDITURE COMMENT

The 2025 Revised Budget reflects a 0% increase over the 2025 Adopted Budget.

The 2026 Proposed Budget reflects a 3.98% increase in expenditure, but off-set by internal chargebacks and other revenues. In 2026, Building Services will explore and analyze centralizing services to increase efficiencies resulting in cost savings throughout the City.

FUND: BUILDING SERVICES FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: BUILDING SERVICES FUND - 67000

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Charges for Service</u>				
4346 Building Rental	\$ 1,026,050	\$ 1,056,840	\$ 1,056,840	\$ 1,098,770
4348 Labor Services	28,503	24,960	24,960	25,840
<i>Charges for Service Total</i>	<u>\$ 1,054,553</u>	<u>\$ 1,081,800</u>	<u>\$ 1,081,800</u>	<u>\$ 1,124,610</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 38,886	\$ 2,000	\$ 2,000	\$ 2,000
8012 Change in Fair Value	633	-	-	-
<i>Other Income Total</i>	<u>\$ 39,519</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
<i>BUILDING SERVICES FUND TOTAL</i>	<u>\$ 1,094,072</u>	<u>\$ 1,083,800</u>	<u>\$ 1,083,800</u>	<u>\$ 1,126,610</u>

FUND: BUILDING SERVICES FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: BUILDING SERVICES FUND - 67000

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 299,048	\$ 309,100	\$ 318,713	\$ 335,928
6006 Part-time	33,650	32,690	32,688	33,668
6009 Overtime	571	1,500	-	-
6031 Employer Social Security	19,394	18,620	21,075	22,177
6032 Employer Medicare	4,536	4,360	4,929	5,187
6033 Employer Pera	25,121	23,180	26,245	27,610
6035 Medical Insurance	44,776	48,150	47,838	52,383
6036 Dental Insurance	2,207	2,170	2,169	2,234
6037 Term Life	218	130	128	120
6038 Workers Compensation	9,870	9,870	9,870	10,070
6040 Long Term Disability	495	550	562	592
<i>Personal Services Total</i>	<u>\$ 439,886</u>	<u>\$ 450,320</u>	<u>\$ 464,217</u>	<u>\$ 489,969</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 70	\$ 190	\$ 190	\$ 200
6202 Data Processing Rental	15,120	23,110	23,110	24,520
6204 Motor Pool Operating Rental	9,680	10,070	10,070	10,570
6205 Maintenance & Repairs	47,456	44,200	43,700	45,250
6207 Utility Services	216,760	249,600	249,600	258,340
6302 Communications	1,309	7,280	7,280	7,540
6303 Professional Development	208	780	2,780	810
6307 Insurance & Bonds	34,852	25,740	25,740	26,250
6308 Property Liability	23,200	24,130	24,130	24,610
6310 Taxes & Licenses	868	880	1,140	1,180
6315 Other Contractual Services	115,797	153,710	153,710	159,090
6401 Office Supplies	202	310	310	320
6402 Copy Charges	30	30	30	30
6409 Uniforms & Clothing	2,288	2,220	2,220	2,300
6410 Small Tools & Parts	428	1,070	1,070	1,110
6412 Maint. & Const. Materials	14,200	21,610	21,110	21,860
6414 Other Supplies	14,248	29,390	28,390	29,390
<i>Other Services & Charges Total</i>	<u>\$ 496,716</u>	<u>\$ 594,320</u>	<u>\$ 594,580</u>	<u>\$ 613,370</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 14,329	\$ 32,830	\$ 32,830	\$ 33,980
<i>Depreciation Total</i>	<u>\$ 14,329</u>	<u>\$ 32,830</u>	<u>\$ 32,830</u>	<u>\$ 33,980</u>
<u>Capital Outlay</u>				
7230 Building Improvements	\$ -	\$ 250,000	\$ 85,000	\$ 120,000
<i>Capital Outlay Total</i>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 85,000</u>	<u>\$ 120,000</u>
BUILDING SERVICES FUND TOTAL	<u><u>\$ 950,931</u></u>	<u><u>\$ 1,327,470</u></u>	<u><u>\$ 1,176,627</u></u>	<u><u>\$ 1,257,319</u></u>

FUND: BUILDING SERVICES FUND
DEPARTMENT: Administrative Services
BUSINESS UNIT: BUILDING SERVICES FUND - 67000

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2025 ADOPTED	2025 REVISED	2026 BUDGET
<u>Regular Full-Time Employees</u>				
Building Superintendent	16	1.00	1.00	1.00
Building Maintenance Mechanic	LT-2	2.00	2.00	2.00
<i>Total</i>		<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
<u>Part-Time Employees</u>				
Custodian	6	.50	.50	.50
<i>Total</i>		<u>.50</u>	<u>.50</u>	<u>.50</u>

CAPITAL OUTLAY

ITEMS	2025 ADOPTED	2025 REVISED	2026 BUDGET
City Hall Security Camera Replacement and Install	\$ 250,000	\$ 100,000	\$ -
Public Safety Recarpeting	-	-	120,000
<i>Total</i>	<u>\$ 250,000</u>	<u>\$ 100,000</u>	<u>\$ 120,000</u>

Performance Measures

Department/Division

Administrative Services/Building Services

	Actual 2023	Actual 2024	Budget 2025	Budget 2026
Inputs:				
Number of full time employees	3	3	3	3
Division Operating Expenditures	\$ 1,058,344	\$ 1,037,393	\$1,077,470	\$1,137,320
Division Operating Revenues	\$ 1,046,327	\$ 1,052,550	\$1,083,460	\$1,126,610
Outputs:				
Annual Contract Cleaning Cost City Hall	\$ 94,520	\$ 98,985	\$92,400.00	\$95,172
Effectiveness Measures:				
Cost per Square Foot to Clean City Hall	\$ 1.35	\$ 1.41	\$ 1.32	\$ 1.36
Efficiency Measures:				
Estimated Cost per Square Foot to Maintain City Hall	\$ 12.10	\$ 11.86	\$ 12.31	\$ 13.00
Rent Revenue per Square Foot	\$ 10.06	\$ 10.12	\$ 10.42	\$ 10.83
Expense per Capita	\$ 28.61	\$ 28.04	\$ 29.13	\$ 30.74

DEBT SERVICE

DEBT SERVICE FUNDS

MISSION STATEMENT

To account for the accumulation for resources used to service the City's general obligation long-term debt.

DIVISION FOCUS

The activity in these funds is a function of the debt service schedule of the outstanding bond issues, as well as any covenants regarding fund and account structure that may be contained in the original selling agreement for the different bond issues.

The debt service budget is made up of two primary funds; General Obligation Improvement bonds and General Obligation Redevelopment bonds.

The General Obligation (G.O.) Improvement Bond fund provides for the collection of tax debt service levies and special assessments for the payment of principal and interest on the bonds issued for the purpose of public improvements. Beginning in 2007, in response to infrastructure improvements within the City, the City has predominantly issued bonds that require the levying of taxes to service the debt. Accordingly, the result is an annual debt service tax levy. For 2026, the total tax levy required will be \$3,946,030. The bonds that will be serviced by this levy and future levies, were issued to fund several City projects, from the construction of the City municipal center to the reconstruction of roadways within the City. The outstanding principal for G.O. Improvement bonds at the end of 2025 is \$36,845,000.

The G.O. Redevelopment Bonds are issued by the City of Richfield for the Richfield Housing and Redevelopment Authority (HRA). The bonds are issued to provide funding for public improvements in relation to redevelopment projects. The debt service on the outstanding bonds is provided through the collection of tax increments remitted to the HRA from Hennepin County. As part of the bond issuance, the HRA pledges the tax increment collections to the City for the purpose of the annual debt service requirements of the bonds. There are currently no plans for issuance of redevelopment bonds in the near future. The outstanding G.O. Redevelopment Bond principal at the end of 2025 is \$0.

The City continues to evaluate outstanding bond issues to determine if cost savings can be achieved by refinancing bonds or calling the bonds early. General Obligation bond debt service will be paid in full in the year 2043. Redevelopment bond debt service will be paid in full in the year 2025.

BOND RATINGS

The bond rating process is a comprehensive analysis of the City's financial practices and performances (past and current). Forecasts of future performance and projected long-term planning practices are also reviewed.

The City of Richfield has maintained an excellent bond rating for many years. The City currently has received a AA+ rating from Standard and Poor's and an AA2 rating from Moody's Investors Service prior to that.

BUDGET SUMMARY
GENERAL OBLIGATION IMPROVEMENT BONDS

	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Revised</u>	<u>2026 Budget</u>
<u>Fund Balance - January 1</u>	\$ 6,263,293	\$ 6,627,689	\$ 6,613,967	\$ 7,288,381
<u>Source of Funds</u>				
Taxes	\$ 4,049,211	\$ 4,101,375	\$ 4,101,375	\$ 3,946,030
Special Assessment Collections	39,253	40,000	40,000	40,000
Interest	155,997	10,000	10,000	10,000
Bond Proceeds	-	-	-	
Transfer in:				
Special Revenue Fund	745,224	746,000	746,000	747,700
	-	-	-	-
Total Sources	<u>\$ 4,989,685</u>	<u>\$ 4,897,375</u>	<u>\$ 4,897,375</u>	<u>\$ 4,743,730</u>
<u>Use of Funds</u>				
Bond Principal	\$ 3,340,000	\$ 3,080,000	\$ 3,080,000	\$ 3,155,000
Bond Interest	1,287,289	1,132,961	1,132,961	1,043,974
Fiscal Agent Charges	4,156	5,000	5,000	5,000
Other Services & Charges	7,566	5,000	5,000	5,000
Transfers to:				
General Fund	-	-	-	-
Capital Project Fund	-	-	-	-
Total Uses	<u>\$ 4,639,011</u>	<u>\$ 4,222,961</u>	<u>\$ 4,222,961</u>	<u>\$ 4,208,974</u>
<u>Fund Balance - December 31</u>	<u>\$ 6,613,967</u>	<u>\$ 7,302,103</u>	<u>\$ 7,288,381</u>	<u>\$ 7,823,137</u>

**General Obligation Improvement Bonds
Scheduled Debt Service Requirements - Annual Payments
December 31, 2025**

<u>TAX LEVY REQUIREMENT</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
					\$ 36,845,000
3,946,030	2026	3,155,000	1,043,974	4,198,974	33,690,000
3,955,605	2027	3,250,000	954,749	4,204,749	30,440,000
3,427,720	2028	3,350,000	862,736	4,212,736	27,090,000
2,363,732	2029	3,195,000	771,043	3,966,043	23,895,000
2,379,390	2030	2,210,000	694,664	2,904,664	21,685,000
2,376,186	2031	2,290,000	631,068	2,921,068	19,395,000
2,364,056	2032	2,345,000	565,483	2,910,483	17,050,000
2,244,086	2033	2,405,000	497,095	2,902,095	14,645,000
2,244,043	2034	2,360,000	426,720	2,786,720	12,285,000
2,184,213	2035	2,435,000	354,120	2,789,120	9,850,000
2,047,253	2036	2,160,000	284,114	2,444,114	7,690,000
1,912,620	2037	1,970,000	221,739	2,191,739	5,720,000
1,283,830	2038	2,025,000	160,116	2,185,116	3,695,000
1,006,228	2039	1,490,000	103,206	1,593,206	2,205,000
629,751	2040	880,000	64,038	944,038	1,325,000
431,550	2041	550,000	40,381	590,381	775,000
431,340	2042	380,000	23,400	403,400	395,000
	2043	395,000	7,900	402,900	-
<u>35,227,633</u>		<u>\$ 36,845,000</u>	<u>\$ 7,706,544</u>	<u>\$ 44,148,644</u>	

Debt as a Percentage of Taxable Market Value

0.76%

Debt Per Capita

\$ 996.00

BUDGET SUMMARY
GENERAL OBLIGATION REDEVELOPMENT BONDS

	2024 Actual	2025 Budget	2025 Revised	2026 Budget
<u>Fund Balance - January 1</u>	\$ -	\$ -	\$ -	\$ -
<u>Source of Funds</u>				
Transfers from -				
Component Unit	876,731	267,238	267,238	-
Total Sources	<u>\$ 876,731</u>	<u>\$ 267,238</u>	<u>\$ 267,238</u>	<u>\$ -</u>
<u>Use of Funds</u>				
Principal Bonds	\$ 850,000	\$ 260,000	\$ 260,000	\$ -
Bond Interest	24,256	3,738	3,738	-
Fiscal Charges	475	1,000	1,000	-
Other	2,000	2,500	2,500	-
Total Uses	<u>\$ 876,731</u>	<u>\$ 267,238</u>	<u>\$ 267,238</u>	<u>\$ -</u>
<u>Fund Balance - December 31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL OBLIGATION REDEVELOPMENT BONDS
SCHEDULED DEBT SERVICE REQUIREMENTS - ANNUAL PAYMENTS
December 31, 2025

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2026	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Debt as a Percentage of Taxable Market Value				<u>0.00%</u>
Debt Per Capita				<u>\$ -</u>

CAPTIAL IMPROVEMENT

CAPITAL IMPROVEMENT BUDGET AND PLAN

MISSION STATEMENT

The Richfield Capital Improvement Budget and Plan is a comprehensive list of major improvements necessary to meet the needs of the community over a five-year period. This list is prepared through compiling the project needs requested by the various city departments. The Capital Plan sets forth the proposed scheduling and details of specific projects by year, estimated cost, and a justification or description to those responsible for making policy decisions regarding expenditures for new facilities. In addition, the Plan provides information so that individual project requests can be better evaluated against community needs and the community's ability to pay for and maintain these facilities in the succeeding years.

CAPITAL IMPROVEMENT PLAN GOALS

The specific goals of the Capital Improvement Plan are:

- To develop a realistic list of capital improvement needs which relates proposed projects to the City's capacity to finance such projects.
- To minimize the impact of projects on the residents' ability to pay.
- To schedule various projects and improvements in a way which allows adequate time to detailed design and engineering of the projects, preparing environmental statements or grant applications or exploring alternative methods of financing.
- To provide coordination between City departments, various units of special and general local government, and public utilities.
- To implement the community's Comprehensive Plan in an orderly fashion.
- To keep the public involved and informed about needed public improvements and to better enable the public to schedule private improvements.

OVERVIEW

Richfield's Capital Improvement Plan is a process for identifying annual project needs and priorities for project coordination as well as for financial planning. In addition, the Capital Improvement process provides for public discussion of short range City improvements.

The Capital Improvement Budget (CIB)/Capital Improvement Plan (CIP) projects are identified through discussions of the various City commissions and the City departments. From these discussions City staff compiles estimated costs, scope and potential funding sources for the projects.

A preliminary report is then generated by the Finance Director based on these discussions and presented to a meeting of the Planning Commission.

The Planning Commission then reviews the projects and scheduling based on the following consideration:

- The proposed project's conformance to the Comprehensive Plan.

The CIB/CIP, as recommended by the Planning Commission, is then returned to the Finance Director, and submitted to the City Council as part of the annual budget process. The Council may delete projects from the Plan or may change the scheduling and priority of the allocation of funds. In accordance with state statutes, the City Council should refer any new project they may add to the Capital Improvement Plan to the Planning Commission for review.

Accordingly, the 2025 Revised/2026 Proposed Capital Improvement Budget (CIB) reflects funding for several improvement projects throughout the City. Included are costs for the Nicollet Avenue Reconstruction, multi-year Pavement Management, multi-year ADA

Improvements, multi-year Bicycle Improvements and multi-year Pedestrian Improvement projects. The capital spending plan also includes funds for park and recreation and water and wastewater projects.

The funding for the right of way projects is expected to come from sources such as Federal and State grants, Municipal State Aid (MSA), street reconstruction bonds, and utility franchise fees. Funding for other projects included in the CIB will come from intergovernmental revenues, special revenues, and user fees. The City's main operating budgets should not be materially affected by the planned projects as all funding is outside those budgets. The only possible effect would be on the maintenance of the newly constructed projects. In some cases the maintenance costs may increase, but in others, it is expected to decrease.

The Capital Improvement Plan, which represents the next four-year period, also contains a number of significant proposed projects including, several park projects, major street improvement and reconstruction projects throughout the city, replacement of rolling stock and technology equipment, and several projects to improve public facilities throughout the City.

2026 Capital Improvement Budget Projects

Recreation Open Space

Community Center - \$20,000

Various repair and major maintenance projects to the Community Center building and surrounding infrastructure that will be identified and prioritized each year by Recreation Services staff. Items may include HVAC repairs, roof repairs, window and flooring repairs, and other repair and replacement of existing capital items.

Parks Major Maintenance - \$275,000

Various projects relating to the upkeep of existing park infrastructure are identified and prioritized each year by Recreation Services and Public Works Maintenance staff. Projects include tennis/basketball court resurfacing, trail resurfacing, roof replacement, parking lot reconstruction, field renovation and other repair or partial replacement of existing park capital items. Specific improvement projects and their priorities will be identified through the Parks Master Plan process.

Parks Master Plan - \$180,000

Every eight to ten years, the Recreation Services Department updates the Parks Master Plan, a document within the City's overall Comprehensive Plan which outlines the overall philosophy around park management and development, as well as specific park development plans, and serves as a guiding document for future capital improvement planning and other operations. The plan was last updated in 2018. Staff will hire a consultant to help coordinate the update, which will involve an extensive public engagement process.

Veterans Park Complex - \$5,000,000

Veterans Park is home to several recreation amenities: the Outdoor Pool, the Ice Arena, the Band Shell, the picnic shelter, the mini-golf facility, and the park itself (including trails, green space, marsh, etc). Improvements to the Veterans Park Complex would include a new pool liner and pool concessions area, improvements to the arena roof, HVAC, lobby area, doors, and the addition of an elevator, improvements to the gutters and irrigation system of the band shell, a new roof, lighting, and surfacing for the pavilion, new roof and fascia for the mini-golf building, and improvements to the park trails, vegetation, signage, and the addition of a wildlife viewing area.

Wood Lake Nature Center Building - \$1,000,000

Wood Lake Nature Center needs a complete re-build as its current building is 50 years old and is falling into disrepair. The new building will be sustainably designed and will be able to meet the current demands and needs from across the community and region that are placed on the center. Grants have been secured for the project: \$3m from a Federal grant and \$12m from a State of Minnesota bonding grant. The largest remaining segment of funding, \$11m, from local sales tax (\$10m in 2025 and an additional \$1m in 2026).

Wood Lake Trail Updates - \$250,000

Major overall update work to Wood Lake's trails, including raising trail beds, resurfacing trails with additional aggregate, and performing other repairs as needed. A state grant would be pursued and funds would be utilized from the Friends of Wood Lake operating fund.

Right of Way Improvements

64th Street Sidewalk - \$165,000

This project will construct a new sidewalk along W 64th St from just east of MSAS 363 (Lyndale Ave) to CSAH 35 (Portland Ave). The new sidewalk will be separated from the roadway by a boulevard, and new ADA-compliant curb ramps will be added throughout the corridor. A new ADA-compliant at-grade railroad crossing will be constructed across the Progressive Rail line located along Pleasant Ave. Minor right of way acquisition and temporary construction easements will be required. Sidewalk will be constructed on one side of the street, which will be determined through the city's public engagement process. Project was awarded Active Transportation funding through the 2024 Regional Solicitation, with a construction year of FY 2026.

73rd Street Sidewalk Gap (Diagonal) - \$200,000

This project will construct a new sidewalk along E 73rd Street and Diagonal Blvd to MSAS 369 (Cedar Ave S). Sidewalk location will be determined by the city's public engagement process. New ADA-compliant curb ramps will be added throughout the corridor. Minor right of way acquisitions and temporary construction easements will be required. Project was awarded Active Transportation funding through the Met Council's 2024 Regional Solicitation, with a construction year of FY 2026.

Multi-Year ADA Improvements - \$200,000

The City's Americans with Disabilities Act (ADA) Transition Plan must be updated to comply with State and Federal requirements. The updated plan will be used to identify missing or non-compliant ADA infrastructure within the right-of-way. This may include sidewalks, trails, curbs, corner pedestrian ramps, crosswalks, and other infrastructure. The plan will be used to program ADA infrastructure improvements throughout the City.

Multi-Year Bicycle Improvements - \$40,000

As part of the implementation of the Bicycle Master Plan and Safe Routes to School Plan, improvements to bike facilities will be installed. Each route will go through a public engagement process prior to implementation. Improvements may be identified as signage, pavement markings, or other items identified in each plan.

Multi-Year Nicollet Avenue Reconstruction - \$7,500,000

Nicollet Ave Reconstruction from 66th St to 76th St led by Hennepin County. Underground utilities will be replaced or lined as necessary. The County's consultant will lead a robust public engagement process following Richfield's Public Engagement Process to guide the roadway design. Staff will pursue additional funding sources to offset the local costs currently identified for bonding. This is identified as a 2-year construction project (2026-27).

Multi-Year Pavement Management Program - \$737,000

The City's Accelerated 6-Year Mill and Overlay Project was completed in 2020. In order to protect the investments made in the City's roadway infrastructure, an ongoing pavement management program is needed. The program will address areas of greatest need throughout the City each year and may include mill and overlay, concrete replacement, pavement rejuvenation treatments, crack sealing, and other various roadway improvements.

Multi-Year Pedestrian Improvements - \$40,000

Spot pedestrian improvements, such as refuge islands, RRFBs, and pavement markings will be constructed where beneficial, as identified in the Pedestrian Master Plan and Safe Routes to School Plan to achieve the greatest improvement in public safety.

Multi-Year Penn Avenue Reconstruction – \$300,000

This project consists of the reconstruction of Penn Avenue from Hwy 62 to 75th Street. The project includes the replacement of City utilities, ADA upgrades, and pedestrian and bicyclist upgrades. The City and County will lead a robust public engagement process to guide the roadway design. The current estimate is based on the County's cost share policy and assumes full utility replacement.

Multi-Year Street Name Sign Replacement - \$50,000

Public Works will be replacing a significant portion of the street name signs throughout the City. This is needed because many of the existing street name signs do not meet current standards for font design and retro-reflectivity, both of which impact the public's ability to clearly read and understand the signs.

Sheridan Hills SRTS Sidewalk - \$694,500

This project will construct approximately 0.25 miles of new sidewalk near Sheridan Hills Elementary School, including traffic calming and pedestrian safety features at the intersections of 64th/Thomas, 64th/Sheridan, and 64th/Russell. Project was identified during the 2024 SRTS Design Assistance study and was awarded Safe Routes to School funding through the 2024 Infrastructure Solicitation, with a construction year of FY 2026.

Public Facilities

HUB Redevelopment Participation - \$1,450,000

In conjunction with redevelopment of the HUB shopping center property, the City will work with the developer to construct stormwater infrastructure that will address regional flooding of public right-of-way near the HUB property. The infrastructure will be designed to handle runoff from public right-of-way, as well as anticipated developed conditions on the HUB property. The costs for this infrastructure will be shared between the City and the developer. The City will also likely share cost to complete sidewalk installation along 65th St that was not constructed with the 65th St Reconstruction Project.

Multi-Year Rehabilitation of Storm Sewer Collection System - \$200,000

The storm sewer collection system was installed in the mid 1950's and is comprised of mostly reinforced concrete pipe. A cleaning and inspection program is conducted annually to determine the condition of the sewer mains and structures. Sewer mains and structures, that are identified as being in poor condition, will be replaced or rehabilitated with the means and methods that are in-line with industry standards. The rehabilitation will extend the life of the mains by up to 75 years.

Multi-Year Sanitary Sewer Main Lining - \$900,000

The wastewater collection system was installed in the late 1950's and mainly consists of VCP (Vitrified Clay Pipe). As staff does ongoing maintenance and television inspections, they encounter areas with tree root intrusion and/or pipes that have cracks. In order to preserve the level of service to our users and protect the mill and overlay investment, these pipes should be lined. Lining consists of installation of a liner in the existing clay pipe; which expands and heats the liner, causing adherence to the pipe. Once it cools, the liner hardens to a consistency of schedule 40 PVC, the appropriate standard. This technique is widely used in the industry and is done at a fraction of the cost of open cutting a street to replace the pipe. It's anticipated this program will be ongoing until completed based upon funding availability.

Water Plant Chlorine Storage Area Improvements - \$100,000

The floor of the chlorine storage area in the water treatment plant has experienced severe spalling and exposure of rebar due to a previous chlorine leak. Impairment has very likely spread further beyond the spalling that is observable. In order to implement the proper repairs and restore the structural integrity of the floor, the chlorine storage tanks and day tank system will need to be relocated and the full extent of the chlorine room (floor) inspected and repaired. This project will include the relocation effort along with the requisite concrete and reinforcing bar repair to the floor.

Water Plant Elevator Replacement - \$175,000

The elevator at the water treatment plant has reached the end of its useful life cycle. Public Works staff have been advised by the elevator service company that parts are no longer available for this elevator and control system, and it's getting to be very difficult to service or repair when the need arises. The elevator is used daily for the transport of equipment, chemicals, and staff from lower to upper levels of the plant. It's also that which satisfies ADA requirements for the building. This project includes a full replacement of the elevator and controls with modern technology.

Water Plant Program Space Renovation - \$150,000

The program spaces of the water treatment plant including the education center and bathrooms, men's and women's bathrooms on the operating floor, and lunch/break room need reconstruction. Both in the forms of cosmetic improvements (e.g. carpet and paint) to a full re-construction of the space to meet current building codes and modern-day design. This project is for the design, construction, and oversight of construction of these spaces to bring each into a modern-day space for the benefit of the plant employees and general public that visit the plant.

Water Plant Sludge Pump Replacement - \$50,000

The last of three sludge pumps require replacement. The frequent effort of maintenance and repair is no longer adding value for plant operations. This project will be for the procurement and installation of one new sludge pump at the water treatment plant.

Buildings, Fleet and Technology

Carpet Replacement - \$120,000

The carpet in the Police department is worn and due for replacement. The carpet is at the end of its life cycle.

Fiber Infrastructure Projects - \$45,000

This is related to two fiber infrastructure projects. The first is to create redundancy fiber to Woodlake Nature Center at an estimated cost of \$30,000. The additional \$15,000 is the estimated annual amount of fiber infrastructure projects.

Fire SCBA Purchase - \$450,000

The self-contained breathing apparatuses (SCBA) purchased in 2014 are reaching end-of-life in 2026. This request is to replace all SCBAs and related bottles and equipment.

Laptop Purchases - \$34,260

Per laptop replacement schedule and additional laptops requested by city departments.

Multi-Year Fleet Purchases - \$1,664,726

The Public Works Garage Division purchases all vehicles used by City Departments to provide City Services. This project is ongoing in which the Division makes vehicle purchases every year.

Network Infrastructure Replacement - \$10,650

Per network infrastructure replacement schedule this request is to replace access points and switches at the ice arena.

Public Works Storage Facility - \$1,300,000

The City built its current maintenance facility with an understanding that ongoing storage needs could be accommodated off-site. Historically, the City had relied on the MnDOT Cedar Ave Station to provide the salt needed for the winter season via an ongoing agreement and did not need to store salt on site. This agreement was modified in 2021 and MnDOT has chosen to no longer provide salt to the city. In addition, the site the City is currently using for temporary storage for tree debris, sweepings, water main break debris etc., is a short-term solution, requiring the City to identify a new location to be used for its storage needs. In 2025 MnDOT will be conveying a parcel of land along the west side of TH 77 and north of Diagonal Blvd to the City which will become the future storage site.

2025 Capital Improvement Budget

	2025 Budget			2025 Revised		
RECREATION & OPEN SPACE						
Donaldson Park Playground Equipment	\$	100,000	C	\$	100,000	C
Donaldson Park Playground Equipment		75,000	SR		75,000	SR
Multi-Year Community Center Building Repair		10,000	SR		10,000	SR
Multi-Year Donaldson Park Building Rebuild		450,000	SR		-	SR
Multi-Year Ice Arena Repair		15,000	SR		15,000	SR
Multi-Year Veterans Park Complex (projects to be built 2025-27)		4,200,000	BST		4,200,000	BST
Multi-Year Wood Lake Nature Center (project to be built 2025-26)		2,013,000	BST		2,013,000	BST
Multi-Year Wood Lake Nature Center (project to be built 2025-26)		12,000,000	S		12,000,000	S
Multi-Year Wood Lake Nature Center (project to be built 2025-26)		1,724,000	F		1,724,000	F
Parks Major Maintenance & Repair		-			450,000	SR
TOTAL REC. & OPEN SPACE	\$	20,587,000		\$	20,587,000	
RIGHT OF WAY IMPROVEMENT						
70th Street SRTS Improvements	\$	586,225	S	\$	586,225	S
70th Street SRTS Improvements		88,775	M		88,775	M
73rd Street SRTS Improvements (Centennial)		635,000	F		635,000	F
73rd Street SRTS Improvements (Centennial)		290,000	M		290,000	M
Multi-Year ADA Improvements		200,000	FF		200,000	FF
Multi-Year Bicycle Improvements		40,000	FF		40,000	FF
Multi-Year Nicollet Reconstruction (project to be built in 2026-27)		775,000	B		775,000	B
Multi-Year Nicollet Reconstruction (project to be built in 2026-27)		775,000	BU		775,000	BU
Multi-Year Pavement Management Plan		617,000	FF		617,000	FF
Multi-Year Pedestrian Improvements		40,000	FF		40,000	FF
Multi-Year Penn Avenue Reconstruction (project to be built in 2029-30)		200,000	M		200,000	M
Multi-Year Street Name Sign Replacement		50,000	FF		50,000	FF
Multi-Year Traffic Signal Replacements		340,000	M		340,000	M
North Lyndale Avenue Restriping		200,000	FF		-	
Pillsbury Plaza		270,000	FF		210,000	FF
TH62 Noise Barrier West		697,500	M		697,500	M
TOTAL RIGHT-OF-WAY IMPROVEMENT	\$	5,804,500		\$	5,544,500	
UTILITIES						
Adams Hill Lift Station Control Panel Upgrade	\$	90,000	U	\$	-	U
Adams Hill Pond Cabinet Replacement		-			90,000	U
Adams Hill Pond Outlet/Treatment Structures		-			261,320	U
Citywide Water Meter Upgrade		100,000	U		20,000	U
Emergency Water System Interconnect		-			263,000	U
Legion Lake Lift Station		180,000	U		-	U
Lift 7 (Ice Arena) Rebuild		300,000	U		300,000	U
Multi-Year Rehabilitation of Stormwater Collection System Mains		200,000	U		200,000	U
Multi-Year Rehabilitation of Stormwater Collection System Manhole		200,000	U		-	U
Multi-Year Sanitary Sewer Hot Spot Improvements		250,000	U		-	U
Multi-Year Sanitary Sewer Main Lining		900,000	U		900,000	U
Multi-Year Water Plant Instruments and Controls Upgrade		25,000	U		-	U
Penn/78th Sanitary Sewer Improvements		-			61,710	U
Water Plant Chlorine Storage Area Improvements		125,000	U		125,000	U
Water Plant Elevator Replacement		150,000	U		-	U
Water Plant Recirculation System		100,000	U		-	U
Water Plant Sludge Pump Replacement		50,000	U		50,000	U
Watermain Rehabilitation		-			46,825	U
TOTAL UTILITIES	\$	2,670,000		\$	2,317,855	
BUILDINGS, FLEET AND TECHNOLOGY						
City Hall Copier Replacement	\$	-		\$	15,280	O
CradlePoint Squad Vehicle Modems Upgrade		-			15,890	O
Fiber Infrastructure Projects (IT Reserves)		15,000	O		15,000	O
Fleet Purchases		1,609,514	FSR		1,368,480	FSR
Garage Floor Sealing		150,000	FSR		150,000	FSR
Laptop Purchases		-			84,160	O
Network Infrastructure Replacement (IT reserves)		51,690	O		-	O
Public Works Storage Facility		325,000	FF		-	
Public Works Storage Facility		650,000	O		-	
Public Works Storage Facility		325,000	U		-	
Security Camera City Hall & PW Building (Building Services reserve)		250,000	O		100,000	O
Voice Bundle Replacements (IT reserves)		8,150	O		-	
TOTAL BUILDINGS, FLEET & TECHNOLOGY	\$	3,384,354		\$	1,748,810	
TOTAL USES OF FUNDS	\$	32,445,854		\$	30,198,165	
ESTIMATED REVENUE BY SOURCE						
(B) G.O. Bonds- Property Tax	\$	775,000		\$	775,000	
(BST) Bonds- Sales Tax		6,213,000			6,213,000	
(BU) G.O. Bonds-Utility		775,000			775,000	
(C) Hennepin County		100,000			100,000	
(F) Federal Grant		2,359,000			2,359,000	
(FF) Franchise Fees		1,742,000			1,157,000	
(FSR) Fleet Special Revenue		1,759,514			1,518,480	
(M) Municipal State Aid		1,616,275			1,616,275	
(O) Other Funding		974,840			230,330	
(OR) Other Recreation Funding		-			-	
(S) State		12,586,225			12,586,225	
(SR) Special Revenue		550,000			550,000	
(TL) Tax Levy		-			-	
(U) User Fees		2,995,000			2,317,855	
(X) Xcel Energy		-			-	
TOTAL FUNDING BY SOURCE	\$	32,445,854		\$	30,198,165	

2026 Capital Improvement Budget

PROJECT EXPENDITURE		
RECREATION & OPEN SPACE		
Community Center Building Repair	\$ 20,000	SR
Multi-Year Parks Major Maintenance	275,000	SR
Parks Master Plan	180,000	SR
Veterans Park Complex (projects to be built 2026-27)	5,000,000	BST
Wood Lake Nature Center (project to be built 2025-26)	1,000,000	BST
Wood Lake Trail Updates	50,000	O
Wood Lake Trail Updates	200,000	S
TOTAL REC. & OPEN SPACE	\$ 6,725,000	
RIGHT OF WAY IMPROVEMENT		
64th Street Sidewalk	\$ 165,000	M
73rd Street Sidewalk Gap (Diagonal)	200,000	M
Multi-Year ADA Improvements	200,000	FF
Multi-Year Bicycle Improvements	40,000	FF
Multi-Year Nicollet Reconstruction (project to be built in 2026-27)	3,500,000	B
Multi-Year Nicollet Reconstruction (project to be built in 2026-27)	4,000,000	BU
Multi-Year Pavement Management Plan	737,000	FF
Multi-Year Pedestrian Improvements	40,000	FF
Multi-Year Penn Avenue Reconstruction (project to be built in 2028-29)	300,000	M
Multi-Year Street Name Sign Replacement	50,000	FF
Sheridan Hills SRTS Sidewalk	150,000	M
Sheridan Hills SRTS Sidewalk	544,500	S
TOTAL RIGHT-OF-WAY IMPROVEMENT	\$ 9,926,500	
UTILITIES		
HUB Redevelopment Participation	\$ 150,000	FF
HUB Redevelopment Participation	650,000	O
HUB Redevelopment Participation	650,000	U
Multi-Year Rehabilitation of Stormwater Collection System Mains	200,000	U
Multi-Year Sanitary Sewer Main Lining	900,000	U
Water Plant Chlorine Storage Area Improvements	100,000	U
Water Plant Elevator Replacement	175,000	U
Water Plant Program Space Renovation	150,000	U
Water Plant Sludge Pump Replacement	50,000	U
TOTAL UTILITIES	\$ 3,025,000	
BUILDINGS, FLEET AND TECHNOLOGY		
Carpet Replacement - Police	\$ 120,000	BSR
Fiber Infrastructure Projects - Information Technologies	45,000	O
Fire SCBA Purchase	450,000	O
Laptop Purchases - Information Technologies	34,260	ISR
Multi-Year Fleet Purchases	1,664,726	FSR
Network Infrastructure Replacement - Information Technologies	10,650	ISR
Public Works Storage Facility	325,000	FF
Public Works Storage Facility	650,000	O
Public Works Storage Facility	325,000	U
TOTAL BUILDINGS, FLEET & TECHNOLOGY	\$ 3,624,636	
TOTAL USES OF FUNDS	\$ 23,301,136	
ESTIMATED REVENUE BY SOURCE		
(B) G.O. Bonds- Property Tax	\$ 3,500,000	
(BSR) Buildings Special Revenue	120,000	
(BST) Bonds- Sales Tax	6,000,000	
(BU) G.O. Bonds-Utility	4,000,000	
(C) Hennepin County	-	
(F) Federal Grant	-	
(FF) Franchise Fees	1,542,000	
(FSR) Fleet Special Revenue	1,664,726	
(ISR) Internal Special Revenue	44,910	
(LTCR) Long Term Capital Reserve	-	
(M) Municipal State Aid	815,000	
(O) Other Funding	1,845,000	
(OR) Other Recreation Funding	-	
(S) State	744,500	
(SR) Special Revenue	475,000	
(TL) Tax Levy	-	
(U) User Fees	2,550,000	
(X) Xcel Energy	-	
TOTAL FUNDING BY SOURCE	\$ 23,301,136	

2026 CAPITAL IMPROVEMENT BUDGET & 2027 - 2030 CAPITAL IMPROVEMENT PLAN - CITY OF RICHFIELD, MINNESOTA

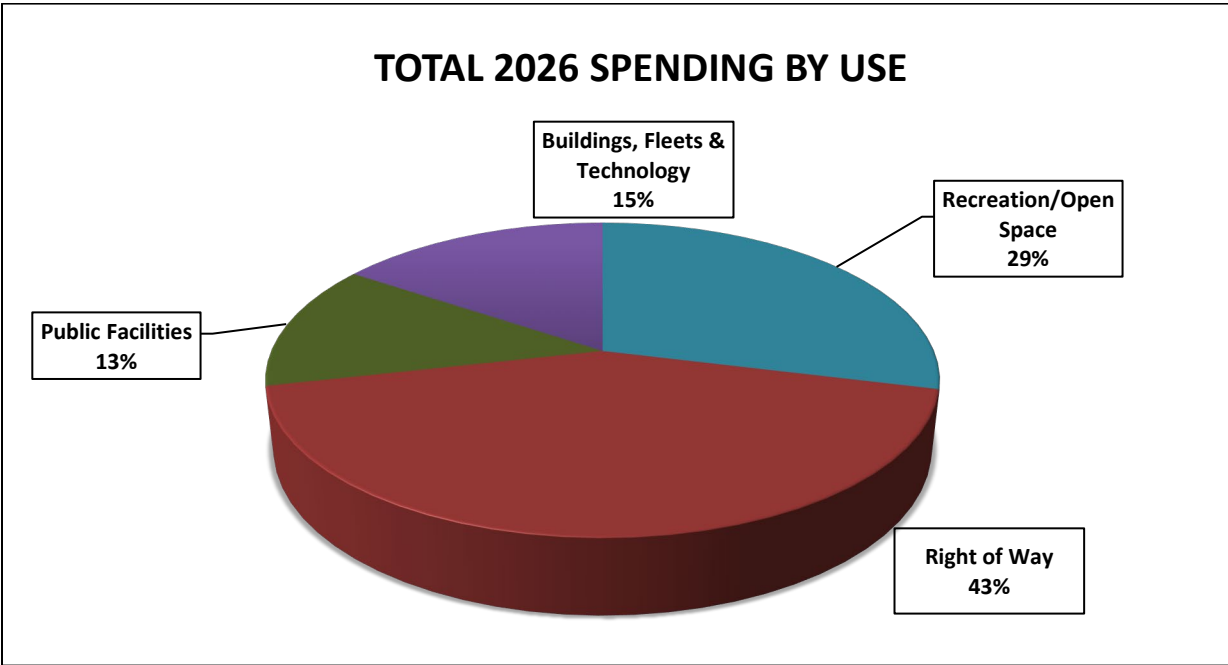
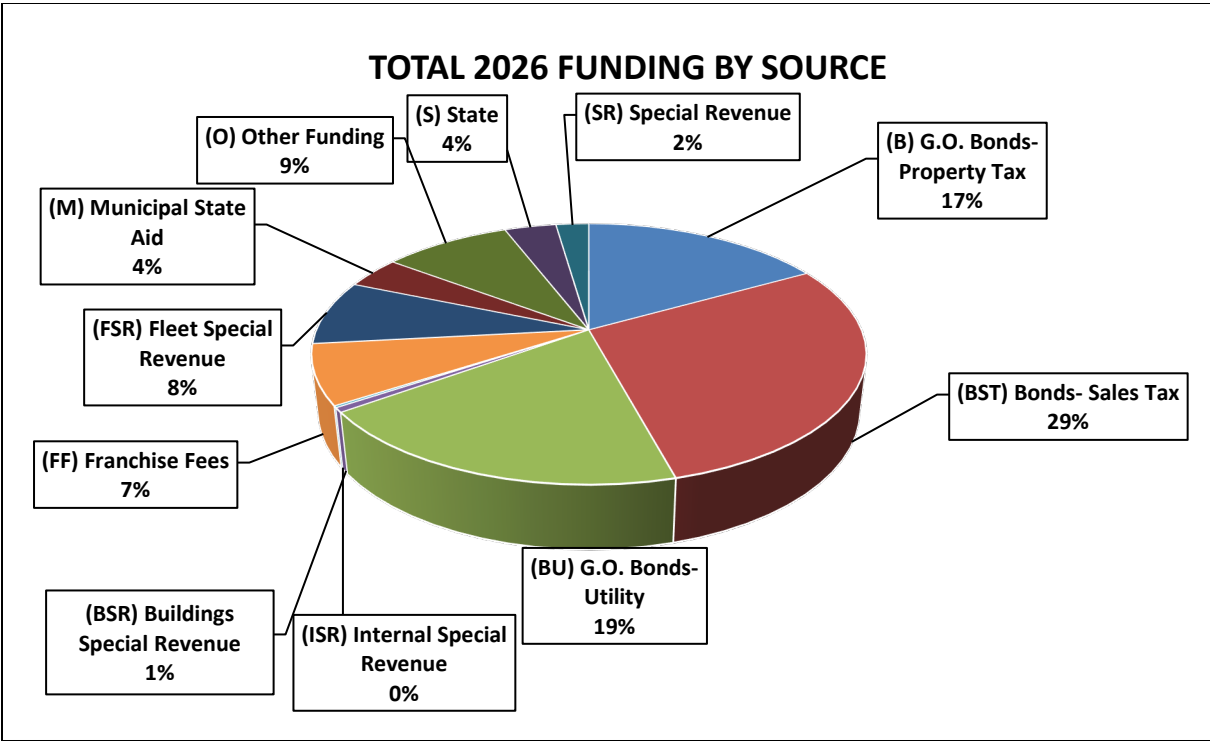
	CIB					TOTAL*	
	2026	2027	2028	2029	2030	CIP COST	Beyond 2030
RECREATION							
OPEN SPACE DEVELOPMENT							
26-Community Center Building Repair	20,000	SR	20,000	SR			20,000
26-Multi-Year Parks Major Maintenance	275,000	SR	335,000	SR	335,000	SR	455,000
26-Parks Master Plan	180,000	SR					1,460,000
26-Veterans Park Complex	5,000,000	BST	4,800,000	BST			4,800,000
26-Wood Lake Nature Center Building	1,000,000	BST					
26-Wood Lake Trail Updates	50,000	O					-
26-Wood Lake Trail Updates	200,000	S					-
27-Adams Hill Park Play Equipment Replacement			120,000	SR			120,000
28-Heredia Park Play Equipment Replacement				120,000	SR		120,000
28-Multi-Year Ice Arena			20,000	SR	20,000	SR	60,000
29-Community Center Project				10,000,000	B		10,000,000
29-Community Center Project				25,000,000	BST	20,000,000	45,000,000
29-Little Bob's Park Play Equipment Replacement				120,000	SR		120,000
TOTAL RECREATION & OPEN SPACE	6,725,000		5,275,000	475,000	35,475,000	20,475,000	61,700,000
							355,000
(B) G.O. Bonds- Property Tax	-	-	-	-	10,000,000	-	10,000,000
(BST) Bonds- Sales Tax	6,000,000	4,800,000	-	25,000,000	20,000,000	-	49,800,000
(SR) Special Revenue	475,000	475,000	475,000	475,000	475,000	-	1,900,000
(S) State	200,000	-	-	-	-	-	-
(O) Other Funding	50,000	-	-	-	-	-	-
TOTAL FUNDING BY SOURCE	6,725,000	5,275,000	475,000	35,475,000	20,475,000	61,700,000	355,000
PROJECTS							
RIGHT OF WAY IMPROVEMENTS	2026		2027		2028		2029
							2030
							TOTAL*
							CIP COST
							Beyond 2030
26-64th Street Sidewalk	165,000	M	291,000	M			291,000
26-64th Street Sidewalk			854,000	S			854,000
26-73rd Street Sidewalk Gap (Diagonal)	200,000	M	323,960	M			323,960
26-73rd Street Sidewalk Gap (Diagonal)			1,046,040	S			1,046,040
26-Multi-Year ADA Improvements	200,000	FF	200,000	FF	200,000	FF	600,000
26-Multi-Year Bicycle Improvements	40,000	FF	40,000	FF	40,000	FF	160,000
26-Multi-Year Nicollet Reconstruction	3,500,000	B	4,000,000	B			4,000,000
26-Multi-Year Nicollet Reconstruction	4,000,000	BU					-
26-Multi-Year Pavement Management Program	737,000	FF	737,000	FF	777,000	FF	827,000
26-Multi-Year Pedestrian Improvements	40,000	FF	40,000	FF	40,000	FF	160,000
26-Multi-Year Penn Avenue Reconstruction	300,000	M	300,000	M			300,000
26-Multi-Year Penn Avenue Reconstruction				5,500,000	B		5,500,000
26-Multi-Year Penn Avenue Reconstruction				4,500,000	BU	2,000,000	6,500,000
26-Multi-Year Street Name Sign Replacement	50,000	FF	50,000	FF			50,000
26-Sheridan Hills SRTS Sidewalk	150,000	M					-
26-Sheridan Hills SRTS Sidewalk	544,500	S					-
27-77th Street Pavement Maintenance			1,200,000	M			1,200,000
27-78th Street Lighting			200,000	FF	100,000	FF	500,000
27-494 Phase 2			1,000,000	M			1,000,000
27-Multi-Year Traffic Signal Replacements			670,000	M	655,000	M	615,000
28-69th Street Reconstruction					3,000,000	B	3,000,000
28-69th Street Reconstruction					4,000,000	BU	4,000,000
29-76th & Knox Improvements				650,000	M		650,000
29-76th & Knox Improvements					2,687,040	F	2,687,040
29-76th & Knox Improvements						1,642,960	1,642,960
30-76th Street West Reconstruction						3,750,000	3,750,000
30-76th Street West Reconstruction						1,500,000	1,500,000
30-76th Street West Reconstruction						1,000,000	1,000,000
>30-63rd Street Greenway							-
>30-63rd Street Greenway							-
>30-70th Street Reconstruction							-
>30-70th Street Reconstruction							-
>30-73rd St Bridge & Bikeways							-
>30-73rd St Bridge & Bikeways							-
>30-76th Street & I35W Intersections							-
>30-76th/77th Street Intersection Control							-
>30-77th Street Reconstruction							-
>30-77th Street Reconstruction							-
>30-Bloomington Ave and Diagonal Blvd							-
>30-Bloomington Ave and Richfield Parkway							-
>30-Humboldt Ave/Lake Shore Dr Reconstruction							-
>30-Humboldt Ave/Lake Shore Dr Reconstruction							-
>30-North Lyndale Reconstruction							-
>30-TH62 Noise Barrier East							-
TOTAL RIGHT OF WAY IMPROVEMENTS	9,926,500		10,952,000	12,462,000	13,484,040	9,439,960	46,338,000
							61,130,000
(B) G.O. Bonds- Property Tax	3,500,000	4,000,000	5,500,000	3,000,000	5,392,960	-	17,892,960
(BU) Govt Bond Utility	4,000,000	-	4,500,000	6,000,000	1,500,000	-	12,000,000
(F) Federal Grant	-	-	-	2,687,040	-	-	2,687,040
(FF) Franchise Fee	1,067,000	1,267,000	1,157,000	1,182,000	907,000	-	4,513,000
(S) State	544,500	1,900,040	-	-	-	-	1,900,040
(M) Municipal State Aid	815,000	3,784,960	1,305,000	615,000	640,000	-	6,344,960
(X) Xcel Energy	-	-	-	-	-	1,000,000	1,000,000
TOTAL FUNDING BY SOURCE	9,926,500	10,952,000	12,462,000	13,484,040	9,439,960	46,338,000	61,130,000

2026 CAPITAL IMPROVEMENT BUDGET & 2027 - 2030 CAPITAL IMPROVEMENT PLAN - CITY OF RICHFIELD, MINNESOTA

PROJECTS										TOTAL*	
UTILITIES	2026		2027		2028		2029		2030	CIP COST	Beyond 2030
26-HUB Redevelopment Participation	150,000	FF								-	
26-HUB Redevelopment Participation	650,000	O								-	
26-HUB Redevelopment Participation	650,000	U								-	
26-Multi-Year Rehab of Stormwater Collect. Mains	200,000	U	200,000	U	200,000	U	200,000	U	200,000	800,000	200,000 U
26-Multi-Year Sanitary Sewer Main Lining	900,000	U	900,000	U	900,000	U	900,000	U	900,000	3,600,000	900,000 U
26-Water Plant Chlorine Storage Area Improvements	100,000	U								-	
26-Water Plant Elevator Replacement	175,000	U								-	
26-Water Plant Program Space Renovation	150,000	U								-	
26-Water Plant Sludge Pump Replacement	50,000	U								-	
27-Sanitary Lift Station 6			300,000	U						300,000	
27-Water Plant Generator			2,500,000	BU						2,500,000	
27-Water Plant Recirculation System			125,000	U						125,000	
27-Water System Interconnect			5,000,000	BU						5,000,000	
27-Well 3 Water Service			50,000	U						50,000	
27-Wilson Pond Flood Mitigation			100,000	U	400,000	U				500,000	
28-Water Plant Filter Bay Media Replace & Rehab					500,000	U				500,000	
29-Sanitary Lift Station 4							350,000	U		350,000	
30-Multi-Year Watermain Rehabilitation - Transmission Mains									3,000,000	3,000,000	2,000,000 BU
>30-Loqan Tower Coating										-	2,000,000 BU
>30-Penn Tower Coating										-	2,000,000 BU
>30-Sanitary Lift Station 1										-	350,000 U
>30-Sanitary Lift Station 2										-	350,000 U
>30-Sanitary Lift Station 3										-	350,000 U
>30-Water Plant Pipe Gallery Coatings										-	500,000 U
>30-Well 2 Generator										-	1,000,000 BU
>30-Well 5 Generator										-	1,000,000 BU
TOTAL UTILITIES	3,025,000		9,175,000		2,000,000		1,450,000		4,100,000	16,725,000	10,650,000
(BU) Govt Bond Utility	-		7,500,000		-		-		3,000,000	10,500,000	8,000,000
(F) Federal Grant	-		-		-		-		-	-	-
(FF) Franchise Fee	150,000		-		-		-		-	-	-
(O) Other Funding	650,000		-		-		-		-	-	-
(U) User Fee	2,225,000		1,675,000		2,000,000		1,450,000		1,100,000	6,225,000	2,650,000
TOTAL FUNDING BY SOURCE	3,025,000		9,175,000		2,000,000		1,450,000		4,100,000	16,725,000	10,650,000
PROJECTS										TOTAL*	
BUILDINGS, FLEET AND TECHNOLOGY	2026		2027		2028		2029		2030	CIP COST	Beyond 2030
26-Carpet Replacement	120,000	BSR								-	
26-Fiber Infrastructure Projects - Information Technologies	45,000	O								-	
26-Fire SCBA Purchase	450,000	O								-	
26-Laptop Purchases - Information Technologies	34,260	ISR								-	
26-Multi-Year Fleet Purchases	1,664,726	FSR	1,785,000	FSR	1,874,250	FSR	1,967,960	FSR	2,125,400	7,752,610	
26-Network Infrastructure Replacement - Information Technologies	10,650	ISR								-	
26-Public Works Storage Facility	325,000	FF								-	
26-Public Works Storage Facility	650,000	O								-	
26-Public Works Storage Facility	325,000	U								-	
28-Carpet Replacement - City Hall					190,000	BSR				190,000	
30-Carpet Replacement - Fire									55,000	55,000	
>30-Boiler Replacement										-	500,000 U
>30-Chiller Replacement										-	500,000 U
TOTAL BUILDINGS, FLEET AND TECH	3,624,636		1,785,000		2,064,250		1,967,960		2,180,400	7,997,610	1,000,000
(BSR) Buildings Special Revenue	120,000		-		190,000		-		55,000	245,000	-
(FF) Franchise Fee	325,000		-		-		-		-	-	-
(FSR) Fleet Special Revenue	1,664,726		1,785,000		1,874,250		1,967,960		2,125,400	7,752,610	-
(ISR) Internal Special Revenue	44,910		-		-		-		-	-	-
(O) Other Funding	1,145,000		-		-		-		-	-	-
(U) User Fee	325,000		-		-		-		-	-	1,000,000
TOTAL FUNDING BY SOURCE	3,624,636		1,785,000		2,064,250		1,967,960		2,180,400	7,997,610	1,000,000
SUMMARY PROJECTS											
Recreation/Open Space Development	6,725,000		5,275,000		475,000		35,475,000		20,475,000	61,700,000	355,000
Right of Way Improvements	9,926,500		10,952,000		12,462,000		13,484,040		9,439,960	46,338,000	61,130,000
Utilities	3,025,000		9,175,000		2,000,000		1,450,000		4,100,000	16,725,000	10,650,000
Buildings, Fleet and Technology	3,624,636		1,785,000		2,064,250		1,967,960		2,180,400	7,997,610	1,000,000
TOTAL CAPITAL PROJECTS	23,301,136		27,187,000		17,001,250		52,377,000		36,195,360	132,760,610	73,135,000
(B) G.O. Bonds- Property Tax	3,500,000		4,000,000		5,500,000		13,000,000		5,392,960	27,892,960	15,600,000
(BSR) Buildings Special Revenue	120,000		-		190,000		-		55,000	245,000	-
(BST) G.O. Bonds-Sales Tax	6,000,000		4,800,000		-		25,000,000		20,000,000	49,800,000	-
(BU) G.O. Bonds-Utility	4,000,000		7,500,000		4,500,000		6,000,000		4,500,000	22,500,000	15,300,000
(C) Hennepin County	-		-		-		-		-	-	-
(F) Federal Grant	-		-		-		2,687,040		-	2,687,040	21,775,000
(FF) Franchise Fees	1,542,000		1,267,000		1,157,000		1,182,000		907,000	4,513,000	780,000
(FSR) Fleet Special Revenue	1,664,726		1,785,000		1,874,250		1,967,960		2,125,400	7,752,610	-
(ISR) Internal Special Revenue	44,910		-		-		-		-	-	-
(M) Municipal State Aid	815,000		3,784,960		1,305,000		615,000		640,000	6,344,960	15,675,000
(O) Other Funding	1,845,000		-		-		-		-	-	-
(OR) Other Recreation Funding	-		-		-		-		-	-	-
(S) State	744,500		1,900,040		-		-		-	1,900,040	-
(SR) Special Revenue	475,000		475,000		475,000		475,000		475,000	1,900,000	355,000
(U) User Fees	2,550,000		1,675,000		2,000,000		1,450,000		1,100,000	6,225,000	3,650,000
(X) Xcel Energy	-		-		-		-		1,000,000	1,000,000	-
TOTAL FUNDING SOURCES	23,301,136		27,187,000		17,001,250		52,377,000		36,195,360	132,760,610	73,135,000

* Total CIP costs do not include any project costs reflected in the 2026 CIB.

2026 Capital Improvement Budget - Sources and Uses



The City of Richfield’s funding for capital projects comes from a variety of sources, but generally falls into one of several categories: federal grants, state money, county funds, local revenues, franchise fees, user fees, and bond proceeds. Total planned funding for 2026 is \$23,301,136.

Capital project expenditures are classified into four specific programs: Recreation and Open Space, Right of Way Improvements, Public Facilities and Buildings, Fleet & Technology. Total planned expenditures for 2026 are \$23,301,136.

**TOTAL NUMBER OF FULL-TIME EQUIVALENT BUDGETED PERSONNEL
2025-2026**

<u>General Fund</u>	<u>2025</u>	<u>2026</u>
	<u>Revised</u>	<u>Proposed</u>
Legislative/Executive		
City Council	-	-
City Manager	3.50	3.50
	<u>3.50</u>	<u>3.50</u>
Administrative Services		
Administration	1.00	1.00
Human Resources	3.00	3.00
Finance	6.50	6.50
Deputy Registrar	7.10	7.10
City Clerk	1.50	1.50
	<u>19.10</u>	<u>19.10</u>
Public Safety		
Support Services	7.10	7.10
Police Operations	58.55	58.55
	<u>65.65</u>	<u>65.65</u>
Fire	<u>32.00</u>	<u>32.00</u>
	32.00	32.00
Community Development		
Administration	10.60	10.60
Inspections	9.00	9.00
	<u>19.60</u>	<u>19.60</u>
Public Works		
PW Administration	2.00	2.00
Engineering	6.05	6.05
Street Maintenance	13.47	13.47
Park Maintenance	8.67	8.67
	<u>30.19</u>	<u>30.19</u>
Recreation Services		
Recreation Services Administration	2.40	2.40
Recreation Program & Athletics	8.00	8.00
Wood Lake Nature Center	5.00	5.00
	<u>15.40</u>	<u>15.40</u>
Subtotal	<u>185.44</u>	<u>185.44</u>
Special Revenue Fund		
Cable TV Fund	1.95	1.95
Ice Arena	4.00	4.00
Recreation Special Program	1.60	1.60
Subtotal	<u>7.55</u>	<u>7.55</u>
Enterprise Fund		
Liquor	12.80	12.80
Water & Wastewater Utility	19.24	19.24
Storm Sewer Utility	2.07	2.07
Subtotal	<u>34.11</u>	<u>34.11</u>
Internal Service Funds		
Central Garage	4.20	4.20
Information Technologies	5.50	5.50
Government Buildings	3.50	3.50
Subtotal	<u>13.20</u>	<u>13.20</u>
Total	<u>240.30</u>	<u>240.30</u>

An aerial photograph of a town street during a community event. The street is lined with various businesses, including a pharmacy, a Dunkin' Donuts, and a Subway. People are walking on the sidewalks, and there are tents and stalls set up along the street. A large, stylized red logo with a white outline reads 'Kickfield'. Below the logo, a blue banner with white text says 'The Urban Hometown'. The sky is blue with scattered white clouds.

Kickfield

The Urban Hometown

2025 Revised/2026 Proposed Budget

Timetable and Key Events

Work session: 2026 budget preview, KFS, utility rates & city fees, 2026 CIB/2027-2030 CIP



Discuss 2026 Utility Rates

Truth in Taxation meeting

2025 Revised and 2026 Proposed Budget presentation with Directors

Adopt preliminary tax levy

Certify final levy, adopt Budget & CIB/CIP



Budget Update

- Economic uncertainties at the federal level, including program funding cuts, tariffs and the impact of recent tax cuts
- Continued inflationary pressure and tight labor markets are expected to persist into 2026
- Cost of living increase at 3%, average step increase for non-represented staff at 2.75%, and estimates for negotiated step increases
- Personnel continues to be approximately 71% of the General Fund budget
- Debt issues planned for late 2025 funded with local sales tax. Debt issues planned for late 2026 funded with local sales tax, utilities, and property taxes



Budget Update, Cont.

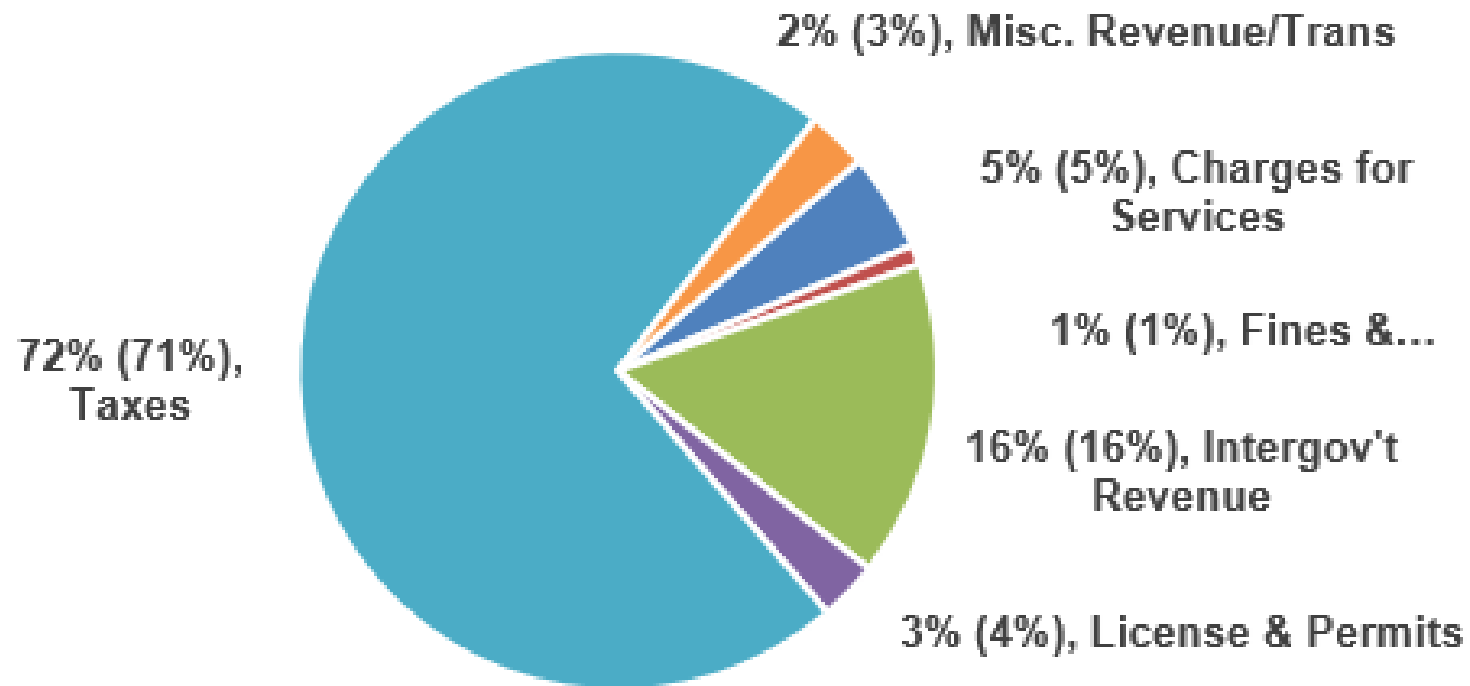
- 2026 Local Government Aid (LGA) remains almost flat, increasing by \$37,764
- 2026 Fiscal Disparity Aid increase almost 3% or a total of \$134,500 over 2025
- Licenses and permits revenue for 2026 is projected to be similar to 2025 revised and 2024 actuals
- Rolling stock/building/tech levy at \$1,682,308. This includes a 3.5% increase over 2025 as well as \$100,000 related to buildings maintenance
- EDA levy at \$645,160 which is a 3.5% increase
- Proposed levy increase is 5.97%, HRA levy increase is 3.0% for a combined 5.90%

General Fund Revenues

	<u>2025A</u>	<u>2025R</u>	<u>2026P</u>
Taxes	23,419,852	23,419,852	25,168,647
Licenses and Permits	1,177,750	1,121,850	1,130,850
Intergovernmental	5,294,208	5,492,443	5,766,368
Charges for services	1,766,800	1,947,888	1,830,300
Fines and forfeitures	200,000	215,000	220,000
Miscellaneous	58,750	80,975	129,255
Transfers	812,600	508,490	833,695
	32,729,960	32,786,498	35,079,115

2026 (2025) Proposed Budget – General Fund Revenues

2026 (2025) General Fund Revenues



2026 Proposed Preliminary City Levy

- 2026 Proposed Levy is \$31,693,831 which is an increase of 5.97% over the 2025 Levy

General Fund Levy	\$25,420,333
Equipment Levy	\$ 1,682,308
EDA Levy	\$ 645,160
- Base Levy Total	27,747,801
Debt Service Levy	<u>\$ 3,946,030</u>
- Total 2026 Levy	\$31,693,831

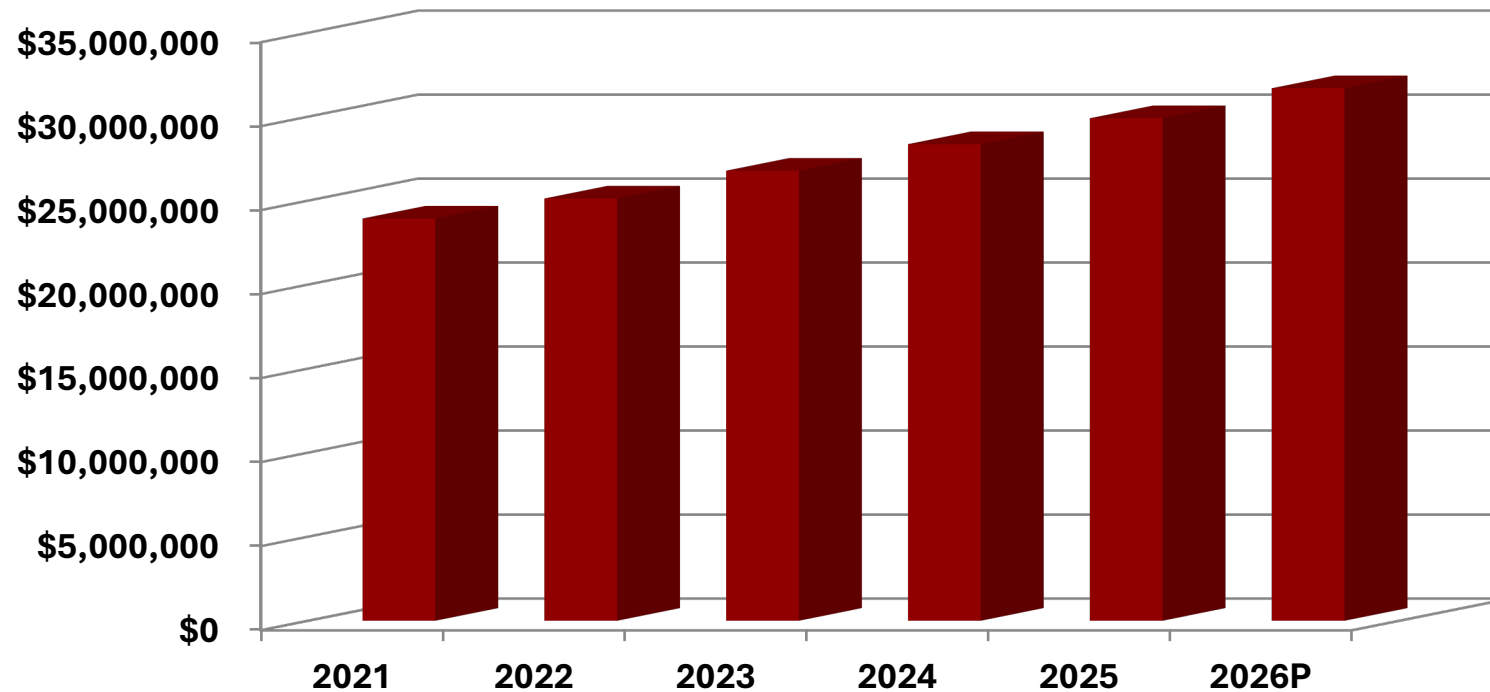
2026 Proposed City Levy Impact on Average Home

- **2025**
 - \$319,350 average home > City Tax \$1,743
- **2026**
 - \$326,900 average home > City Tax \$1,821
 - \$78 annual increase or \$6.50 per month



Certified Tax Levy History

- Average increase of 5.73%
- 2026P: 5.97%



History of State Aid

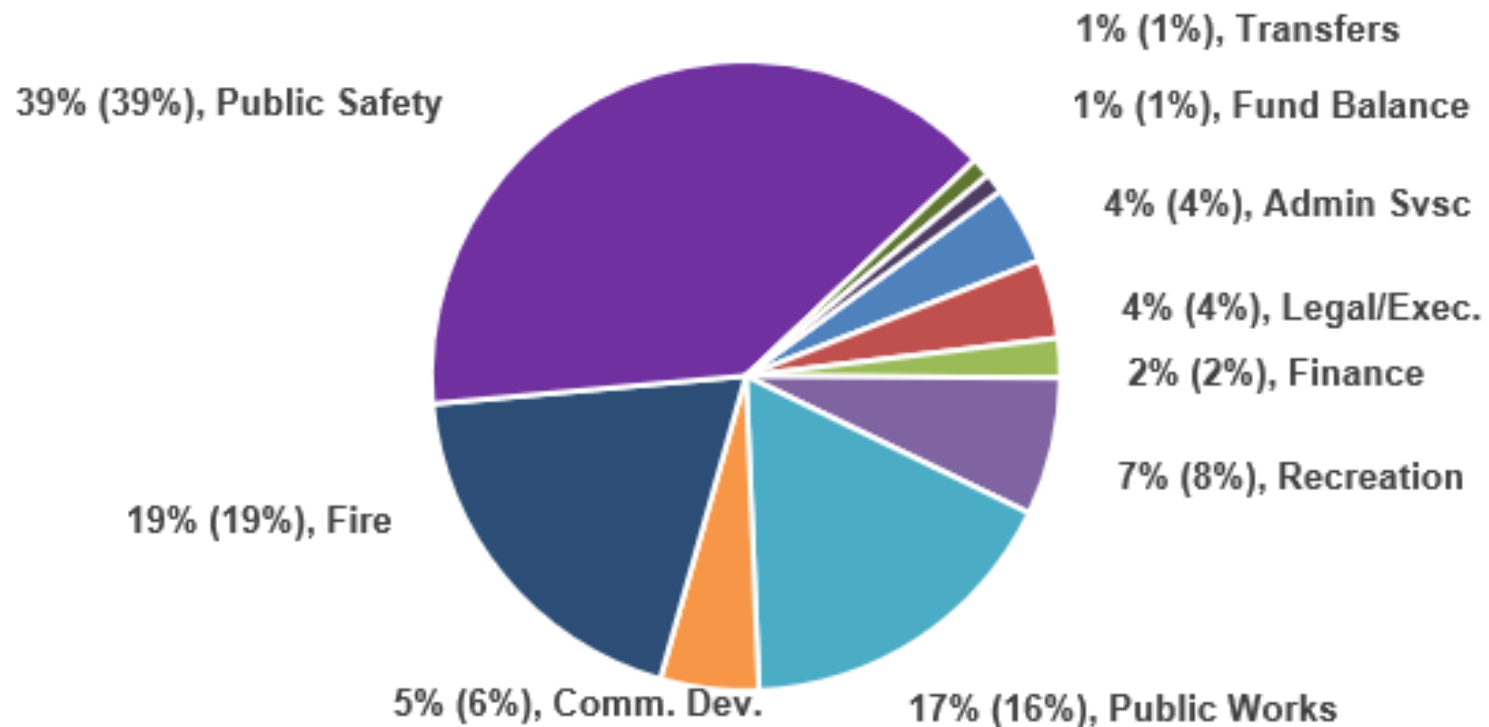
Year	Certified	Change
2013	\$1,218,346	\$0
2014	\$1,937,907	\$719,561
2015	\$2,053,363	\$115,456
2016	\$2,084,057	\$30,694
2017	\$2,094,443	\$10,386
2018	\$2,229,280	\$137,837
2019	\$2,235,643	\$6,363
2020	\$2,366,046	\$130,403
2021	\$2,001,680	(\$364,366)
2022	\$2,010,927	\$9,247
2023	\$2,038,711	\$27,784
2024	\$3,392,552	\$1,353,811
2025	\$3,410,633	\$18,081
2026	\$3,446,958	\$36,325

General Fund Expenditures

	<u>2025A</u>	<u>2025R</u>	<u>2026P</u>
Legislative/Executive	1,314,929	1,300,946	1,360,777
Administrative	1,304,174	1,351,500	1,427,977
Finance	678,020	495,832	701,628
Public Safety	12,824,640	12,586,184	13,642,788
Fire	6,188,977	6,333,130	6,641,729
Community Development	1,865,120	1,806,325	1,916,110
Public Works	5,303,150	5,301,140	5,894,340
Recreational Services	2,474,590	2,474,590	2,561,200
Transfer Out	352,250	352,250	372,250
0.44% Paid Family Medical Leave	0	0	115,000
40% Fund Balance Reserve	424,110	424,110	445,316
	32,729,960	32,426,007	35,079,115

2026(2025) Proposed Budget General Fund Expenditures

2026 (2025) General Fund Expenditures





2026 Proposed General Fund Budget

- The 2026 proposed General Fund Budget of \$35,079,115 is a:
- 7.18% increase from the 2025 adopted budget
- 8.18% increase from the 2025 revised budget

Staffing Update

2025R Proposed Position Additions

- Finance-Senior Financial Analyst, Sep 2025
- Public Works-Asset Mgmt/GIS Analyst, Nov 2025

2025R Proposed Temporary Position Additions

- Administrative Services/HR-PT Admin Support, current through year end
- Administrative Services/Communications-PT Web Coordinator, Sep 2025-Sep 2026

General Fund Expenditure History





<u>Year</u>	<u>Amount</u>	<u>YOY Increase</u>	<u>% Change</u>
2020	25,730,463	-	-
2021	26,530,517	800,054	3.11%
2022	27,443,767	913,250	3.44%
2023	28,978,191	1,534,424	5.59%
2024	31,071,756	2,093,565	7.22%
2025R	32,426,007	1,354,251	4.36%
2026P	35,079,115	2,653,108	8.18%

Public Works

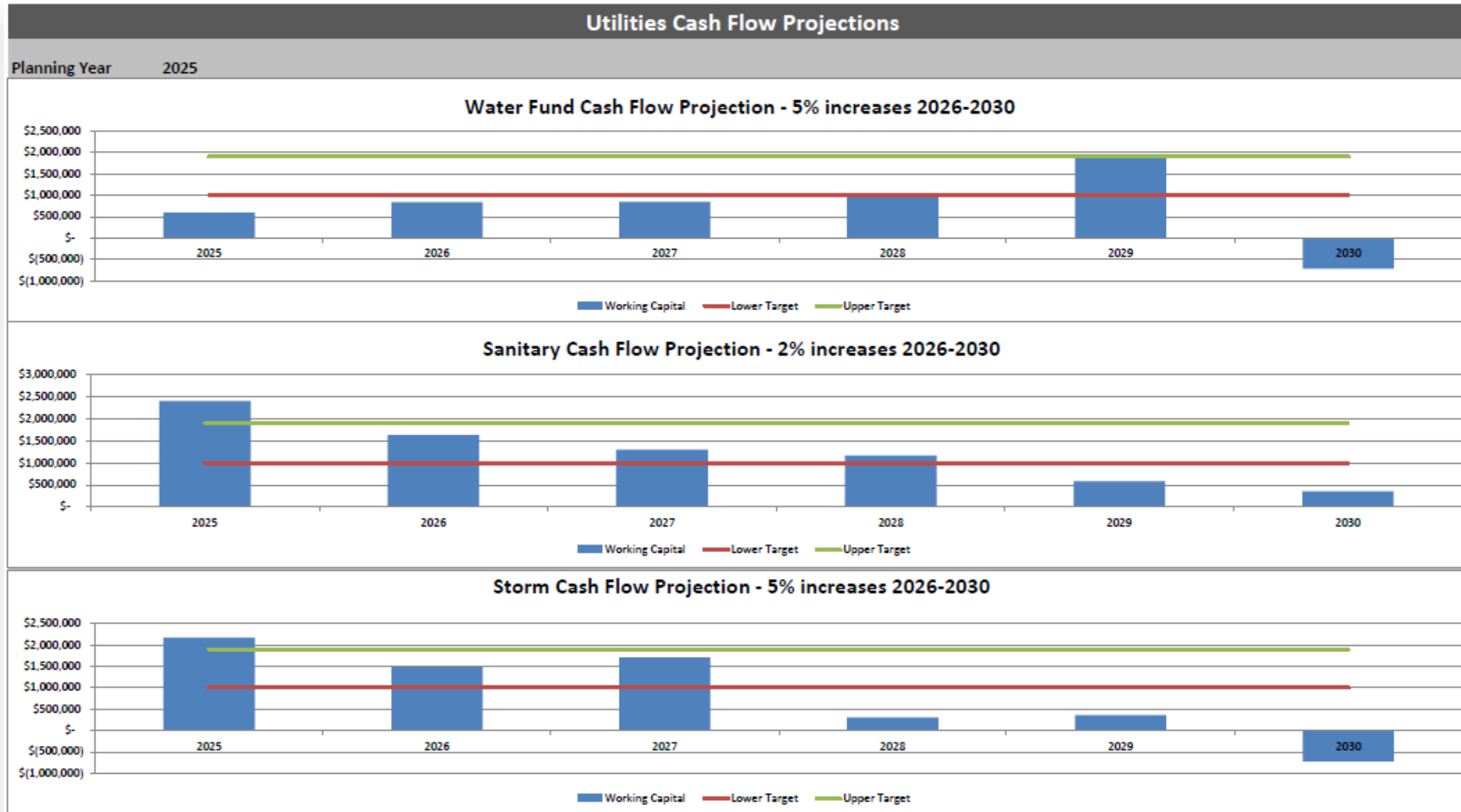
Enterprise Fund Cash Balances

	<u>Water</u>	<u>Sanitary</u>	<u>Stormwater</u>
Aug 12 Work Session (balances May 2025)	\$ 1,282,243	\$ 3,558,051	\$ 6,212,929
Cash Flows (May-Aug 2025)	19,329	(153,071)	(110,646)
Cash Balances Aug 2025	\$ 1,301,572	\$ 3,404,980	\$ 6,102,283
Project Cash (65 th Street)	(1,210,055)	(642,078)	(3,933,696)
Cash Available for Budget	\$ 91,517	\$ 2,762,902	\$ 2,168,587

Utility Rate Scenarios

Water (per 1kgal)	Current (2025)	5%	7%
0-15kgal	\$5.18	\$5.44	\$5.54
15,001-25kgal	\$6.22	\$6.53	\$6.66
>25kgal	<u>\$7.48</u>	<u>\$7.85</u>	<u>\$8.00</u>
Revenue	\$3,888,400	\$4,082,820	\$4,160,588
Difference	-	\$194,420	\$272,188
Sewer (per 1kgal)	Current (2025)	2% 	
1kgal	<u>\$6.40</u>	<u>\$6.53</u> 	
Revenue	\$5,409,980	\$5,518,180 	
Difference	-	\$108,200 	
Storm (residential)	Current (2025)	5%	7%
Quarterly Charge	<u>\$24.04</u>	<u>25.24</u>	<u>25.72</u>
Revenue	\$2,321,700	\$2,437,785	\$2,484,219
Difference	-	\$116,085	\$162,519
Impact to Example Bill	Current (2025)	5%-2%-5%	7%-2%-7%
Admin Fee	\$10.00	\$10.00	\$10.00
State Testing Fee	\$2.43	\$2.43	\$2.43
Water - Tier 1	\$77.70	\$81.59	\$83.14
Sewer	\$83.20	\$84.86	\$84.86
Storm	\$24.04	\$25.24	\$25.72
Street Lights	<u>\$7.21</u>	<u>\$7.21</u>	<u>\$7.21</u>
Total	\$204.58	\$211.33	\$213.36
Difference	-	\$6.75	\$8.78

Utility Fund Outlook (Original CIB/CIP) 5% - 2% - 5%



Utility Fund Outlook (Revised CIB/CIP) 7% - 2% - 7%





Administrative Services

Administrative Services

Department Overview

Administrative Services is a team of 24 FT employees / 14 PT employees / 50+ Intermittent

Four Different Funding Sources:

General Fund: Administration, Human Resources, Deputy Registrar, City Clerk

Special Revenue Funds: Cable TV, Elections

Internal Service Funds: Insurance/Risk Management, Building Services, and IT

Enterprise Fund: Liquor Operations

Of note:

- Two Retirements (IT Manager and DMV Supervisor)
- Two new Managers (IT Manager and HR Manager)



Administrative Services

2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10200 Administration	\$ 145,272	\$ 165,550	\$ 166,194	\$ 171,262	3.45%
10205 Human Resources	278,074	277,260	337,748	360,783	30.12%
10215 Deputy Registrar	777,148	815,114	805,285	848,060	4.04%
10216 City Clerk	49,744	46,250	48,374	47,872	3.51%
<i>Administrative Services TOTAL</i>	\$ 1,250,238	\$ 1,304,174	\$ 1,357,601	\$ 1,427,977	9.49%
<u>REVENUES</u>					
10215 Deputy Registrar	\$ 791,568	\$ 710,000	\$ 700,000	\$ 700,000	(1.41%)
10216 City Clerk	90	-	-	-	-



Administrative Services – Internal Services Funds

2025R/2026P Budget

		2024 Actual	2025 Budget	2025 Revised	2026 Budget	Increase/2025 Budget/2026 Budget
<u>Expenditures</u>						
62000	Information Technology	\$1,374,077	\$1,887,720	\$1,850,226	\$1,962,611	3.97%
64000	Insurance/Risk Management	2,676,118	1,245,340	1,347,565	1,618,602	29.97%
67000	Building Services	950,931	1,327,470	1,176,627	1,257,319	-5.28%
<u>Revenues</u>						
62000	Information Technology	\$1,648,751	\$1,780,270	\$1,779,324	\$1,902,141	6.85%
64000	Insurance/Risk Management	1,185,441	1,089,220	1,189,220	1,212,720	11.34%
67000	Building Services	1,094,072	1,083,800	1,083,800	1,126,610	3.95%

Administrative Services – Special Revenue Funds

2025R/2026P Budget

		2024 Actual	2025 Budget	2025 Revised	2026 Budget	Increase/2025 Budget/2026 Budget
<u>Expenditures</u>						
20004	Cable TV	\$393,217	\$422,220	\$388,840	\$412,420	-2.32%
20005	Elections	482,323	244,050	274,320	328,331	46.54%
<u>Revenues</u>						
20004	Cable TV	\$384,368	\$240,000	\$285,000	\$271,500	13.13%
20005	Elections	522,175	279,700	458,000	379,600	35.72%



Administrative Services – Enterprise Funds 2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,555,928	\$ 3,096,355	\$ 3,716,730	\$ 3,773,330	21.86%
50020 RICHFIELD LIQUOR CEDAR POINT	4,525,269	4,762,748	4,513,730	4,497,450	(5.57%)
50030 RICHFIELD LIQUOR PENN CENTRAL	3,409,196	3,636,010	3,455,690	3,454,580	(4.99%)
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	2,102,489	2,233,156	2,074,385	2,069,435	(7.33%)
<i>Liquor Operations TOTAL</i>	<u>\$ 13,592,882</u>	<u>\$ 13,728,269</u>	<u>\$ 13,760,535</u>	<u>\$ 13,794,795</u>	0.48%
<u>REVENUES</u>					
50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,718,820	\$ 2,951,027	\$ 3,829,830	\$ 3,867,890	31.07%
50020 RICHFIELD LIQUOR CEDAR POINT	4,919,767	5,007,186	4,664,040	4,617,650	(7.78%)
50030 RICHFIELD LIQUOR PENN CENTRAL	3,623,284	3,721,594	3,518,720	3,483,770	(6.39%)
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	1,901,518	1,945,144	1,793,600	1,775,890	(8.70%)

Administrative Services – Enterprise Funds 2025R/2026P Budget



Richfield Liquor - Downtown

	2024 Actual	2025 Budget	2025 Revised	2026 Budget	Increase/2025 Budget/2026 Budget
Expenditures					
50010 6444 Lyndale	\$3,555,928	\$3,096,355	\$3,716,730	\$3,773,330	21.86%
Revenues					
50010 6444 Lyndale	\$3,718,820	\$2,951,027	\$3,829,830	\$3,867,890	31.07%
<i>Profit/Loss</i>	162,892	(145,328)	113,100	94,560	

Richfield Liquor – Cedar Point

	2024 Actual	2025 Budget	2025 Revised	2026 Budget	Increase/2025 Budget/2026 Budget
Expenditures					
50020 6600 Cedar	\$4,525,269	\$4,762,748	\$4,513,730	\$4,497,450	-5.57%
Revenues					
50020 6600 Cedar	\$4,919,767	\$5,007,186	\$4,664,040	\$4,617,650	-7.78%
<i>Profit/Loss</i>	394,498	244,438	150,310	120,200	



Administrative Services – Enterprise Funds 2025R/2026P Budget

Richfield Liquor – Penn Central

2024 Actual	2025 Budget	2025 Revised	2026 Budget	Increase/2025 Budget/2026 Budget
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Expenditures

50030	6444 Penn	\$3,409,196	\$3,636,010	\$3,455,690	\$3,454,580	-4.99%
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Revenues

50030	6444 Penn	\$3,623,284	\$3,721,594	\$3,518,720	\$3,483,770	-6.39%
	<i>Profit/Loss</i>	214,088	85,584	63,030	29,190	



Richfield Liquor – Shops at Lyndale

2024 Actual	2025 Budget	2025 Revised	2026 Budget	Increase/2025 Budget/2026 Budget
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Expenditures

50040	7700 Lyndale	\$2,102,489	\$2,233,156	\$2,074,385	\$2,069,435	-7.33%
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Revenues

50040	7700 Lyndale	\$1,901,518	\$1,945,144	\$1,793,600	\$1,775,890	-8.70%
	<i>Profit/Loss</i>	(200,971)	(288,012)	(280,785)	(293,545)	

Investments and Impacts: 2026 Proposed Budget

- **MN Paid Leave:**
Implementation underway
- **Personnel Costs:** Additional staffing support
- **Professional Development:** Staff attending multi-city leadership training

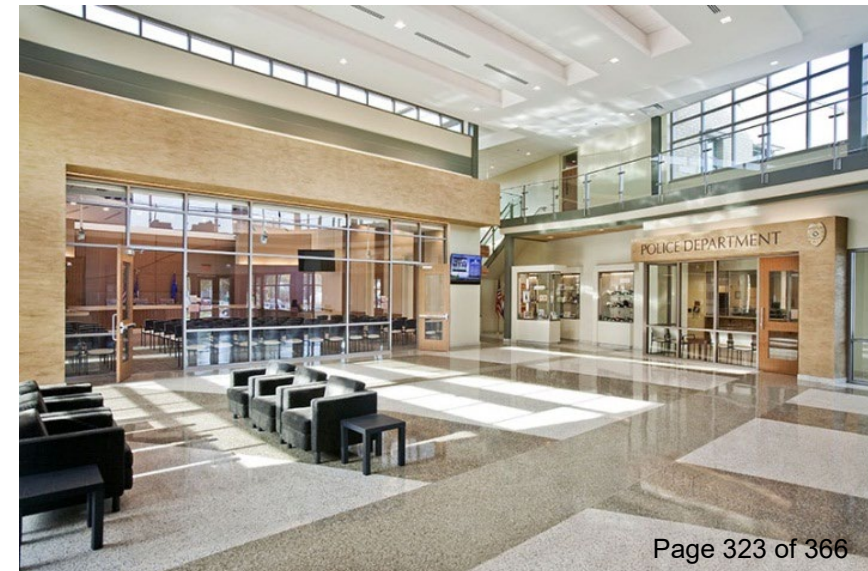


Investments and Impacts: 2026 Proposed Budget

- **Personnel Costs:** Increase due to staff progressing through steps
- **Contract Savings:** Leveraging enhanced internal processes and new software to drive cost efficiencies in Professional Services
- **Budget Realignment:** Moved City Council advertising/publication costs from Executive to Clerk budget and moved Municode expenses from Communications to Clerk budget
- **Professional Development:** Staff attending multi-city leadership training and Administrative Assistant attending Municipal Clerks Institute

Investments and Impacts: 2026 Proposed Budget

- **Revenue Growth:** Increased income from auto dealerships and kiosks
- **Staff Investment:** Expanded training and professional development
- **Operational Review:** Exploring alternative structures (e.g., passport processing, tab renewals)



Investments and Impacts: 2026 Proposed Budget

- **Budget Refinement:** Balance user charges and operating costs
- **Facility Update:** Replace carpet in Police Department
- **Technology Upgrade:** Implement asset management tool



Investments and Impacts: 2026 Proposed Budget

- **Cybersecurity Upgrade:** Migrate all city endpoints to a next-gen protection platform with advanced threat detection
- **Operational Continuity:** Add redundant fiber optic connection to Wood Lake Nature Center from 66th Street.
- **Network Enhancement:** Replace central switch at Richfield Ice Arena to boost speed and reliability.
- **Technology Refresh:** Continue scheduled replacement of city servers and employee computers.

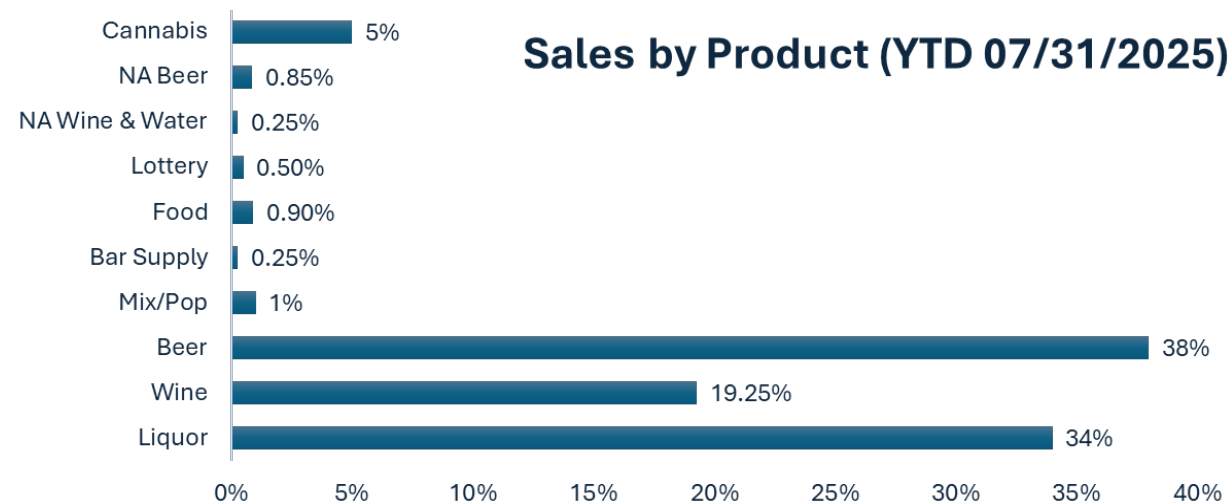
Investments and Impacts: 2026 Proposed Budget

- **Website Upgrade:** New responsive, accessible site with robust forms, Spanish-language chatbot, and expanded Recreation Services content; temporary staff support for 2027 Web Access Content Guidelines.
- **Print Communications:** Add city news pages to the Recreation Services Program Guide three times per year (rebranding planned in 2026).
- **Plans & Guides:** Update crisis communications tools and city style guides.

Administrative Services - Liquor Operations

Investments and Impacts: 2026 Proposed Budget

- **Billing Transparency:** Shift from 32%, 32%, 26%, 10% → 23%, 31%, 23%, 23%, reflecting true store performance
- **P&R Transfer:** down or -5% to \$475,000 for 2026
- **Market Update:** Purchase patterns are changing





Unfunded Items

- **Building Services:** Capital Replacement Schedule for the Municipal Center and buildings managed by Building Services – *variable*
- **City Clerk:** Elections trailer for transportation of election equipment to precincts – \$14,000



Community Development

Community Development Department Overview

Community Development is a team of 21 employees: 16 FT/5 PT

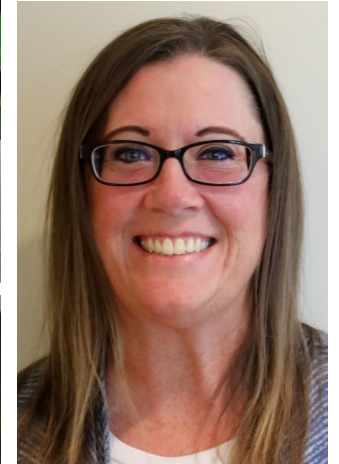
- 10 positions funded > 60% by the HRA/EDA/HUD

Three divisions funded by City Budget:

- CD Administration
- Planning & Zoning
- Inspections

Of note:

- Promotion of Sam Crosby to City Planner
- Inspections Division retirements
- Vacant Inspections positions
- Changes to reporting structures



Community Development 2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10500 Community Development	\$ 34,442	\$ 67,370	\$ 67,370	\$ 69,860	3.70%
10502 Planning & Zoning	314,001	347,530	339,720	362,490	4.30%
10505 Inspections	1,387,988	1,450,220	1,399,235	1,483,760	2.31%
<i>Community Development TOTAL</i>	\$ 1,736,431	\$ 1,865,120	\$ 1,806,325	\$ 1,916,110	2.73%

REVENUES

10500 Community Development	\$ 15,065	\$ 15,000	\$ -	\$ -	100.00%)
10502 Planning & Zoning	1,569	15,000	48,460	15,000	0.00%
10505 Inspections	1,349,987	1,498,900	1,454,100	1,477,100	(1.45%)

- 2025 Revised - staff vacancies
- 2026 Proposed – staff, overhead
- Comp Plan budgeted over time
- Revenues down, challenging financial environment for redevelopment
- Investment in permitting software paying off

Investments and Impacts: 2026 Proposed Budget

- **Staff Investment:** Succession planning and development
- **Software Optimization:** Maximize benefits of permit software and invest in plan review software
- **Planning Updates:** Comprehensive Plan update and TIF district decertifications
- **Revenue:** Permit revenue monitoring and optimization





Finance

Finance Department

Department Overview

- **General Fund Divisions:**
 - Finance
 - Assessing
- **Finance Team:**
 - Finance Director (contracted)
 - Assistant Finance Director
 - Budget, Cash and Debt Manager
 - Senior Financial Analyst
 - Payroll Accountant
 - Accountant
 - Accounting Technician (2)
 - Utility Billing Technician (2 - Public Works budget)



Finance Department 2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10210 Finance	\$ 948,441	\$ 665,500	\$ 483,312	\$ 688,788	3.50%
10220 Assessing	426,720	12,520	12,520	12,840	2.56%
<i>Finance TOTAL</i>	\$ 1,375,161	\$ 678,020	\$ 495,832	\$ 701,628	3.48%



Investments and Impacts: 2026 Proposed Budget

- **Staff investment:** Stabilization and staff development
- **Technology:** Tungsten (Logis) implementation streamlining vendor invoice to payment processing
- **Financial Management and Decision Making**
 - Work with Ehlers to update Key Financial Strategies model
 - Targeted focus review for best practice/internal control of critical financial functions
 - Improve financial reporting for operations and projects



Fire Department

Fire Department

Department Overview

Richfield Fire Department Personnel

- 1 Fire Chief and 2 Assistant Chiefs
- 28 Firefighters and 1 Administrative Assistant

Operations

- Core services: fire suppression, rescue, emergency medical services, fire prevention, community risk reduction

Fleet

- Frontline: 2 fire engines and 1 rescue
- Backup: 2 fire engines and 2 pickup vehicles

Notable Updates

- Fire Chief leadership transition
- Continued long-term military deployments
- Ongoing Alternative Response Team (ART) pilot



28 CAREER PERSONNEL PROVIDE 24/7 COVERAGE ACROSS TWO FIRE STATIONS

CAPTAIN

CAPTAIN

CAPTAIN

LIEUTENANT

LIEUTENANT

LIEUTENANT

(8) FIREFIGHTERS *

(7) FIREFIGHTERS

(7) FIREFIGHTERS

** Includes 1 float position to fill long-term shift absences*

Fire Department

2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10400 Fire	\$ 5,902,341	\$ 6,188,977	\$ 6,333,130	\$ 6,641,729	7.32%
<i>Fire TOTAL</i>	<u>\$ 5,902,341</u>	<u>\$ 6,188,977</u>	<u>\$ 6,333,130</u>	<u>\$ 6,641,729</u>	7.32%
<u>REVENUES</u>					
10400 Fire	\$ 374,116	\$ 251,450	\$ 282,757	\$ 278,000	10.56%

- 5.04% 2026 Budget/2025 Budget increase with planned Public Safety Aid (PSA) transfer of \$140,000.
- 0.16% 2025 Revised/2025 Budget increase with planned PSA transfer of \$134,000.

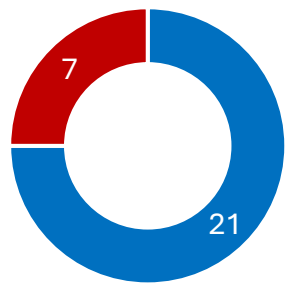
Investments and Impacts: 2026 Proposed Budget

Personal Services:

84% of the total budget

Contractual Obligations

- 16 going through steps
- 3 entering longevity
- 2026 contract negotiations



RFD PERSONNEL

■ ACTIVE ■ ON LEAVE

Long-Term Absences

- 3 medical leaves
- 2-3 military deployments
- Paid parental leave
- 21-25% of the workforce is out

Operations and Technology:

- Replacement Self-Contained Breathing Apparatus (SCBA) and radios
- Data dashboard and legacy data migration
- **Upgraded and Added Technology: First Due Modules - *Records Management System (RMS)***
 - Advanced Training
 - Health and Wellness
 - Inspection, Testing, and Maintenance (ITM) for compliance
 - Incident Command

Fire Department

Unfunded Items

Reactive-Only Service Model: Unfunded Needs

- **2026 Proposed Budget**

- Sustains core emergency response operations
- Limits proactive services – including prevention and public education
- Inspections only on new construction and remodels
- Minimal targeted risk-reduction initiatives

- **Future Considerations**

- **Staffing Capacity**

- Additional leadership and prevention resources to restore proactive inspections and risk-reduction programs - *Estimated cost: \$175,000/ year*
- Fire Cadet position - supports recruitment, diversity, and future workforce development - *Estimated cost: \$52K / year*
- Mitigate the impact of extended vacancies from military leave, injuries, medical leave, and other long-term absences - *Variable*

- **Training & Development**

- Establish a Field Training Officer (FTO) program - *Estimated cost per recruit: \$896-\$1,344*
- Increased funding for advanced leadership training, officer development, and specialty certifications - *Estimated \$10K-15K*

- **Strategic Investments** *(for planning consideration)*

- CAD/dispatch technology upgrades / Dispatch contract due for renewal - *Variable*
- Expansion or continuation of the alternative response program and community risk-reduction initiatives - *Variable*





Legislative/Executive

Legislative/Executive

Department Overview

- Mayor/City Council
- Other Agencies
- City Manager
- Legal



Legislative/Executive

2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10100 Mayor Council	\$ 245,945	\$ 320,970	\$ 310,970	\$ 323,712	0.85%
10105 Other Agencies	108,329	116,140	116,110	120,174	3.47%
10115 City Manager	479,752	518,669	514,716	552,711	6.56%
10120 Legal	304,238	359,150	359,150	364,180	1.40%
<i>Legislative/Executive TOTAL</i>	<u>\$ 1,138,264</u>	<u>\$ 1,314,929</u>	<u>\$ 1,300,946</u>	<u>\$ 1,360,777</u>	3.49%

Investments and Impacts: 2026 Proposed Budget

- **City Council**

- 2026P is 0.85% higher than 2025A
 - Did not renew contract with Envisio
 - Moved Southwest Cable Commission from Communications budget
 - Moved full cost of State of the Community event from Communications budget

- **Other Agencies**

- 2026P is 3.47% higher than 2025A
 - Increase in funding for service contracts

- **City Manager**

- 2026P is 6.56% higher than 2025A
 - Increased funding for equity projects, an equity intern, and increased funding for staff training

- **Legal**

- 2026P is 1.40% higher than 2025A
 - Prosecution services budget is flat; modest increase for city legal services





Legislative/Executive Unfunded Items

- Needed updates/upgrades to office furniture in workspaces – \$4,000
- Engagement tools and staffing (shared with Communications budget)- \$100,000
- Increase reimbursements to departments for support of growing community events – \$6,500



Public Safety

Department Overview

Police Department

- 48 Sworn
- 7 Professional staff (FT)
- 8 Professional staff (PT)
- 1 IT Technician (FT)

Emergency Services

- 1 Coordinator (PT)

Support Services Division Overview

- 1 Support Services Manager/CHS Administrator (FT)
- 1 Code Compliance Officer (FT)
- 2 Environmental Health Specialists (PT)
- 2 Business Licensing Technicians (PT)
- 3 Cadets (PT)
- 1 Seasonal EH Tech (May – Aug)

Public Safety

2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10300 Support Services	\$ 1,177,678	\$ 1,340,940	\$ 1,260,764	\$ 1,365,558	1.84%
10305 Police Operations	10,707,721	11,441,350	11,276,900	12,228,570	6.88%
10315 Emergency Services	24,656	42,350	48,520	48,660	14.90%
<i>Public Safety TOTAL</i>	<u>\$ 11,910,055</u>	<u>\$ 12,824,640</u>	<u>\$ 12,586,184</u>	<u>\$ 13,642,788</u>	6.38%
<u>REVENUES</u>					
10300 Support Services	\$ 563,350	\$ 832,805	\$ 934,586	\$ 950,086	14.08%
10305 Police Operations	1,076,619	886,840	955,820	991,390	11.79%

- 4.00% 2026 Budget/2025 Budget increase with planned Public Safety Aid (PSA) transfer of \$305,395.

Investments and Impacts: 2026 Proposed Budget

- **Social Services:** Absorbed cost of second social worker in PS Budget previously funded by ARPA (est. \$188,000/year; contract negotiations ongoing)
- **Technology Upgrades:** Replace body and squad cameras due to tech advancements and warranty expiration (\$79,000/year over five years)
- **Staffing:** Achieve 48 officers and add permanent third Cadet
- **Notification System:** Implement Hyper Reach to replace Everbridge
- **Software Benefits:** Realize full benefits of Citizen Serve software
- **Labor Contracts:** Manage contracts for three bargaining units

Budget Forecasting

- **Strategic Investments/Forecasting for planning**
 - Dispatch Contract – \$368,949 (expires 2027)
 - Tyler Technologies Software – \$90,489 (expires 2027)
 - Radios (will be 12 years old) – \$70,000 (lease to own a year for 7 years 2027)
 - Alternative Response Program/Embedded Social Worker – \$193,640 (estimate 2027)



Public Safety

Unfunded Items

- Two additional officers are needed in future years to keep up with increased service demands and training
- The additional staff will also allow for a robust health and wellness program to succeed. Finally, the additional staff allows the department the ability to innovate and keep pace with best practices





Public Works

Public Works

Department Overview

Staff:

- 54 Full Time
- 10 Seasonal Staff
- 2 Engineering Interns

4 General Fund Divisions:

- Administration
- Engineering
- Street Maintenance/Forestry
- Park Maintenance

3 Enterprise Fund Divisions:

- Water Utility
- Waste Water Utility
- Stormwater Utility

1 Internal Service Fund Division:

- Central Garage



Total GF Budget \$5.89 Million (2026 Proposed)

Public Works Service Delivery

Mission

The Public Works Department works hard **to sustain and improve the quality of life** for our community by offering the highest standards in **essential municipal services** and providing them in a timely, responsible and professional manner.



Core Services

- Water treatment and distribution
- Snow plowing
- Forestry services
- Park and ballfield maintenance
- Street sweeping
- Sanitary waste disposal
- Stormwater management
- Infrastructure preservation/capital projects
- Permit oversight (USI, contractors, blvd)
- Median maintenance
- Sidewalk, trails, cycle track maintenance and snow removal
- Special projects

Public Works – General Fund Budget

2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
10600 PW Administration	\$ 309,304	\$ 220,960	\$ 220,940	\$ 227,560	2.99%
10605 Engineering	632,524	589,560	589,380	607,220	3.00%
10610 Street Maintenance	2,569,956	2,789,570	2,788,640	3,270,230	17.23%
10615 Park Maintenance	1,593,191	1,703,060	1,702,180	1,789,330	5.07%
<i>Public Works TOTAL</i>	\$ 5,104,975	\$ 5,303,150	\$ 5,301,140	\$ 5,894,340	11.15%
REVENUES					
10605 Engineering	\$ 259,264	\$ 40,500	\$ 170,500	\$ 70,500	74.07%
10610 Street Maintenance	280,878	448,080	448,000	690,000	53.99%

- Adding a GIS Analyst split across all divisions including enterprise fund divisions (2026 Budget)
- Engineering Division is adding a 3-Year Project Engineer Position (2025 Budget) and adding a second Intern (2026 Budget)
- Street Division reflects a 17.23% increase, this will be offset by US Forestry Service grant reimbursement so the actual increase is 3.97%
- Parks Division has a 5.1% increase, largely from increased Personal Services and IT charges.

Public Works – Internal Fund Budget

2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
61000 CENTRAL GARAGE	\$ 2,648,593	\$ 4,272,200	\$ 4,061,330	\$ 4,283,310	0.26%
<i>Public Works TOTAL</i>	<u>\$ 2,648,593</u>	<u>\$ 4,272,200</u>	<u>\$ 4,061,330</u>	<u>\$ 4,283,310</u>	0.26%
<u>REVENUES</u>					
61000 CENTRAL GARAGE	\$ 2,826,597	\$ 3,116,070	\$ 3,016,080	\$ 3,097,530	(0.59%)

Postponed Purchases

- Pick-up Trucks
- Dump Trucks

Due to availability and cost of other vehicles (Fire Trucks)

2025R/2026 PW Enterprise Fund

WATER AND WASTEWATER UTILITIES

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
51000 WATER UTILITY	\$ 5,282,018	\$ 6,158,998	\$ 6,100,830	\$ 8,894,220	44.41%
52000 WASTEWATER UTILITY	4,658,987	6,605,105	6,139,070	6,044,340	(8.49%)
<i>Public Works TOTAL</i>	<u>\$ 9,890,889</u>	<u>\$ 12,764,103</u>	<u>\$ 12,239,900</u>	<u>\$ 14,938,560</u>	17.04%

REVENUES

51000 WATER UTILITY	\$ 4,565,214	\$ 5,033,880	\$ 5,037,884	\$ 5,288,300	5.05%
52000 WASTEWATER UTILITY	4,950,448	5,450,730	5,450,730	5,558,930	1.99%

STORMWATER UTILITY

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget/ 2026 Budget
53000 STORMWATER UTILITY	\$ 2,098,930	\$ 4,551,560	\$ 4,214,320	\$ 4,121,260	(9.45%)
<i>Public Works TOTAL</i>	<u>\$ 2,098,930</u>	<u>\$ 4,551,560</u>	<u>\$ 4,214,320</u>	<u>\$ 4,121,260</u>	(9.45%)

REVENUES

53000 STORMWATER UTILITY	\$ 2,610,364	\$ 2,517,660	\$ 2,657,180	\$ 2,676,020	6.29%
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Investments and Impacts: 2026 Proposed Budget

- **New FTEs:**
 - Project Engineer (Three-year position) (late 2025)
 - Asset Management/GIS Analyst (2025)
- **Median Maintenance**
- **Regional Project Coordination**
 - 494 Projects
 - Nicollet and Penn Avenue Reconstructions
- **Capital Projects:**
 - 64th, 73rd, & Sheridan Sidewalk Projects
 - Sewer Lining & WTP Generator & Elevator
 - PW Storage Facility
 - Street Name Sign Replacement
- **Water Treatment Plant Feasibility Study**



Public Works

Unfunded Items

Parks:

- Asphalt Court Maintenance - *\$20,000/year*
- Asphalt Trail Maintenance - *\$10,000/year*
- Park and Ballfield Lighting - *\$60,000/year*
- Issues at Park Buildings – Capital Needs
- New Trash & Recycling Bins - *\$70,000*
- Proactive park maintenance

Central Garage/PW Facility Maintenance:

- Carpet - *\$80,000*
- Water Heater - *\$30,000*
- Freight Elevator - *\$80,000*
- HVAC - *\$15,000/year*

Streets:

- 4- year Stop Signs Replacement - *\$10,000/year*
- 3-year Warning Signs Replacement - *\$10,000/year*
- Shepherd Hook Lighting Replacement (costs doubled in '25)
- Forestry/Tree Planting - *\$25,000/year*

Utilities:

- Water Treatment Plant Parking Lot - *\$200,000*
- Water Treatment Plant livability updates (Bathrooms, Kitchen/Break room) - *\$200,000*





Recreation Services

Recreation Services

Department Overview

- **Employees**

- 19 Full Time
- 125+ Seasonal and Part Time

- **3 General Fund Divisions**

- Administrative Services
- Recreation Programming
- Wood Lake Nature Center

- **4 Special Revenue Funds**

- Pool
- Ice Arena
- Veterans Park
- Sustainability



Recreation Services – General Fund Budget

2025R/2026P Budget

BUSINESS UNIT	2024 ACTUAL	2025 BUDGET	2025 REVISED	2026 BUDGET	Increase/ (Decrease) 2025 Budget 2026 Budget
17000 Recreation Administration	\$ 522,959	\$ 516,567	\$ 539,277	\$ 571,780	10.69%
17501 Recreation	1,123,316	1,226,363	1,251,936	1,289,399	5.14%
18000 Wood Lake Nature Center	678,016	731,660	683,377	700,021	(4.32%)
<i>Recreation Services TOTAL</i>	\$ 2,324,291	\$ 2,474,590	\$ 2,474,590	\$ 2,561,200	3.50%
<u>REVENUES</u>					
17501 Recreation	\$ 324,227	\$ 252,650	\$ 293,540	\$ 292,200	15.65%
18000 Wood Lake Nature Center	134,550	100,650	59,760	64,100	(36.31%)

- Wood Lake Nature Center: Building Closure Impacts
- Recreation Programming: Increase in Revenue
 - Field Rentals
 - Expanded programming
 - Leagues
 - Farmers Market

Recreation Services – Special Revenue Funds Budget 2025R/2026P Budget

Expenses	2022 Actual	2023 Actual	2024 Actual	2025 Adopted	2025 Revised	2026 Proposed
Ice Arena	\$1,199,067.00	\$1,260,201.00	\$1,329,750.00	\$1,379,050.00	\$1,379,050.00	\$1,399,878.00
Outdoor Pool	\$582,544.00	\$571,161.00	\$634,791.00	\$643,850.00	\$643,850.00	\$663,320.00
Special Facilities	\$42,586.00	\$50,495.00	\$51,142.00	\$67,690.00	\$67,690.00	\$68,680.00
Total Expenditures	\$1,824,197.00	\$1,881,857.00	\$2,015,683.00	\$2,090,590.00	\$2,090,590.00	\$2,131,878.00

Revenue	2022 Actual	2023 Actual	2024 Actual	2025 Adopted	2025 Revised	2026 Proposed
Ice Arena	\$1,524,944.00	\$1,708,710.00	\$1,794,835.00	\$1,982,900.00	\$1,982,900.00	\$1,990,270.00
Outdoor Pool	\$908,419.00	\$947,662.00	\$616,049.00	\$671,050.00	\$671,050.00	\$785,810.00
Special Facilities	\$57,981.00	\$54,280.00	\$65,239.00	\$67,510.00	\$67,510.00	\$69,980.00
Total Expenditures	\$2,491,344.00	\$2,710,652.00	\$2,476,123.00	\$2,721,460.00	\$2,721,460.00	\$2,846,060.00

- Increasing pool revenue
- Increase in ice rentals due to Bloomington Ice Garden Closure
- Focus on reducing negative fund balance



Recreation Services

Investments and Impacts: 2026 Proposed Budget

- **Project Management**
 - Wood Lake Nature Center Building & Natural Resources projects
 - Veterans Park Improvements
 - Outdoor Pool Improvements
- **Planning and Policy**
 - Parks Master Plan
 - Natural Area Management Plan
 - Initiating organized collection contract review
 - Finalize Climate Action Plan updates
- **Increased Programming**
 - New leagues
 - Expanded contract programming
 - Waste reduction events and promotion
- **New Recreation software, improve field reservation process**
- **Begin initiatives from updated CAP plan**
- **Solar rebates for Public Works and Ice Arena Building**



Recreation Services

Unfunded Items

- Transition Wood Lake away from FOWL for operational expenses - \$50,000
- Transition Sustainability Coordinator's Salary to General Fund - \$72,000
- Expand playground program to a third site – \$10,000
- Improve concert series at bandshell – \$4,000
- Expand staff presence in parks – \$9,000
- Professional Development for Rec and WL - \$4,000

