



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Council Special Meeting

November 25, 2025

ITEM #1	CALL TO ORDER
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Mayor Supple called the special meeting to order at 6:31 p.m. in the Council Chambers.

Council Present: Mary Supple, Mayor; Walter Burk, Sean Hayford O'Leary, Rori A. Coleman-Woods

Remote Access: Council Member Christensen participated remotely via interactive technology for an excused medical reason.

Staff Present: Katie Rodriguez, City Manager; Steve McDaniel, Budget, Cash, and Debt Manager; Mary Tietjen, City Attorney; Michelle Friedrich, City Clerk.

Guests: None

ITEM #2	PUBLIC HEARINGS
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- a. Conduct a Truth in Taxation Public Hearing regarding the 2026 property tax levy and 2025 Revised/2026 Proposed Budget and Proposed 2026 Utility Rates.

Mayor Supple called the Truth in Taxation public hearing to order at 6:31 PM on November 25, 2025. She explained that the purpose of the meeting was to review the local budget and levy to allow public input before the final vote on December 9, 2025.

City Manager Rodriguez introduced Budget Cash and Debt Manager Steve McDaniel to present the 2026 budget.

Budget Cash and Debt Manager McDaniel presented the 2026 budget and provided an overview of the budget timeline, including the August 12 work session (budget preview, key financial strategies, utility rates, fees, and capital improvement plans), the August 26 work session (department budget presentations), and the September 23 preliminary tax levy adoption.

Budget Cash and Debt Manager McDaniel outlined key budget updates incorporated into the 2025 revised and 2026 proposed budgets include:

- Labor force participation remains below pre-pandemic levels
- 2026 proposed budget includes 3% cost of living increase with 2.75% average step increases

- Negotiated contract increases between 3-5.5%
- Personnel (salary and benefits) remains at approximately 71% of the general fund budget
- Debt issues planned for late 2025 funded by local sales tax (\$1 million for Woodlake Nature Center, \$5 million for Vets Park project)
- Continued inflationary pressure expected in 2026

Budget Cash and Debt Manager McDaniel noted that 2026 Local Government Aid (LGA) remains nearly flat, increasing by just under \$38,000, while fiscal disparity aid is increasing by almost 3% (\$134,500). Licenses and permits revenue is projected to remain similar to 2025 revised and 2024 actual figures. The rolling stock, building, and technology levy is set at just under \$1.7 million (3.5% increase over 2025), with an additional \$100,000 for building maintenance. The Economic Development Authority levy is \$645,000 (3.5% increase), resulting in an overall proposed levy increase of 6.16%. He reviewed the impact that the proposed levy would have on the average Richfield home.

Budget Cash and Debt Manager McDaniel noted when combined with the Housing Rehabilitation Authority levy (3% increase), the actual overall increase is 6.08%, which is lower than the statewide average (8.7%) and Hennepin County cities average (9.3%).

Budget Cash and Debt Manager McDaniel presented information on the city's long-term capital reserves, noting a 2024 ending balance of \$7.1 million with projected transfers in 2025 and 2026, resulting in an anticipated 2026 ending balance of just over \$6 million. He noted the general fund reserves were just over \$12 million per the 2024 audit review.

Budget Cash and Debt Manager McDaniel highlighted staffing updates, including two full-time positions being added (one in finance and one in public works), along with some part-time additions. Budget Cash and Debt Manager McDaniel noted the 2026 proposed capital budget totals just under \$22 million, including recreation and open spaces, fleet vehicle purchases, the Nicollet Avenue reconstruction project, sidewalk and safe routes to school projects, sanitary sewer lining, storm water infrastructure rehabilitation, and water treatment plant improvements.

Mayor Supple opened the public hearing at 6:54 p.m. Six residents provided testimony.

Kathleen Balaban stated that comparing her 2025 statement to the 2026 statement, it appears to be an 8% increase, and in total, it is a 23.6% increase in the last year. She noted issues she has with the staffing in the City and where the staffing budget is going.

Janet Massa stated that her home faced a 12.9% increase in property taxes. She stated that in the past six years, she has received a 54.24% tax increase on her property. She noted that if this continues, she will have to pay over \$10,000 for property taxes in six years. She also stated that they need to limit home rentals in the City.

Nicholas Vorderbruggen stated that he is a short-term rental owner and lives in the City. He stated that no one he knows runs short-term rentals to get rich, but just to make extra income to survive the rising cost of living. He stated that he is asking that the City rethink the \$700 licensing fee for short-term rentals.

Rhonda Amundson stated that she is concerned about the tax increases that have been steadily rising. She stated that though her house is paid for, it feels like an extra house payment just for property taxes. She suggested that the City get more creative with the way it raises money. She noted that the City is taxing people out of the City.

Brenda Litke stated that she is worried about being taxed out of the City soon. She asked Council to think through ways to make Richfield truly affordable. She noted that it is hard for retirees to handle these tax increases.

Joe Stratig stated that he has lived in his home in Richfield for 35 years. He stated that when they received their tax document, their increase was 17.7% from 2025 to 2026. He asked Council and staff how this increase came about.

MOTION: made by Mayor Supple, seconded by Council Member Hayford Oleary to close the public hearing.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen (remote), and Council Member Coleman-Woods.

Motion carried: 5-0

MOTION: made by Mayor Supple, seconded by Council Member Hayford Oleary to schedule the final action on the 2026 property tax levy, the 2025 Revised/2026 Proposed Budget, and the proposed 2026 utility rates, at the regular City Council meeting scheduled for December 9, 2025.

Mayor Supple thanked everyone who provided testimony for the public hearing. She noted that Council is open to feedback and ideas.

Council Member Coleman-Woods stated that she understands the residents' perspectives and relates to their concerns. She added that she hopes residents will advocate for what they believe their property taxes should be.

Council Member Burk reiterated that residents have rights and that a process exists to challenge individual property tax assessments.

Council Member Hayford Oleary stated that the tax increase is tied to individual property values. He noted that if residents believe their property valuation is inaccurate, they may challenge it in the following year. He added that, in general, the increases support essential City operations.

Mayor Supple explained the reason for the differing individual tax increases related to the overall City increase of 6.16%.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen (remote), and Council Member Coleman-Woods.

Motion carried: 5-0

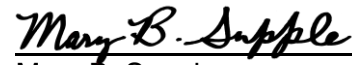
ITEM #4	ADJOURNMENT
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MOTION: made by Council Member Hayford Oleary, seconded by Council Member Burk to adjourn the meeting at 7:20 p.m.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen (remote), and Council Member Coleman-Woods.

Motion carried: 5-0

Date Approved: December 9, 2025



Mary B. Supple
Mayor



Michelle Friedrich
City Clerk



Katie Rodriguez
City Manager