



Richfield City Council Agenda

August 25, 2026 -- 4:30 PM

Richfield Municipal Center
Bartholomew Conference Room
6700 Portland Avenue South

- 1. Call to Order**
- 2. Item Discussion**
 - a. Presentation of the 2026 Revised/2027 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.



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Department Director:

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Item for Consideration:

Presentation of the 2026 Revised/2027 Proposed Budget and Tax Levy.

EXECUTIVE SUMMARY

At the August 12, 2026 City Council work session, staff provided the City Council with a preview of the preliminary 2027 Budget summary and levy, proposed 2027 Capital Improvement Budget (CIB) and 2028-2031 Capital Improvement Plan (CIP), proposed utility rates, and a review of City fees.

The preliminary 2026 Revised and 2027 Proposed Budget and Tax Levy will be presented to the City Council for review.

The proposed 2026 City tax levy is a 4.55% increase over the 2026 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 2026 Revised/2027 Proposed budget and preliminary tax levy at the September 22, 2026 City Council meeting.

RECOMMENDED ACTION

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.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The proposed budgets fund positions and projects that advance strategic priorities, including equity. The budget message highlights examples of progress.

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

The preliminary 2026 Revised/2027 Proposed budget and preliminary tax levy will be presented to the City Council at the September 22, 2026 City Council meeting for approval.

CRITICAL TIMING ISSUES

The proposed 2027 City tax levy is a 4.55% increase over the 2026 adopted levy.

The increase in the City's General Fund budget for 2027 is 2.16% over the 2026 adopted budget.

FINANCIAL IMPACT

LEGAL CONSIDERATIONS

ALTERNATIVE RECOMMENDATION(S)

ATTACHMENTS

1. 2026-2027 Workplan Action Steps - R1
2. 2026 Department Highlights - R1
3. 2027 City of Richfield Budget Book for 8.25.26 - R1
4. 2027 Proposed Budget Presentation - R2

Action step	Priority/ Outcome	Process Improve- ment	Assigned to	Year Scheduled	Notes
Oversee Facility Assessment Needs Study and incorporate projects into the 5-year CIB/CIP and 10-year Financial Management Plan	3b	Y	Administrative Services - Building Services/Public Works/ Recreation	2025-2027	Lead and assist in the implementation of the Wold's Facility Assessment Needs Study. Added projects, guided by the consultant's priority criteria, to capital budgets and to the Financial Management Plan, with identified funding. Projects and funding will still need to be studied and refined over time.
Improved process of Election Administration	1c	Y	Administrative Services - City Clerk	2027	Strengthen election records security, chain-of-custody procedures and emegency procedures.
Develop Data Request Process/Policy		Y	Administrative Services - City Clerk	2027	Establish a consistent citywide data-request workflow policy. Provide annual data practices training for departments and employees who routinely handle data requests. Conduct quarterly audits of closed data requests and strengthen records compliance. Improve public-facing information about requesting city data.
Implement Even Year Elections	1c	Y	Administrative Services - City Clerk	2027 (Final odd year school board election)	Worked with ISD280 to transition to even year election cycles and realize cost savings by removing odd year elections.
Develop Data Management System - City Wide	1,3,4	Y	Administrative Services - City Clerk	Ongoing	Update and standardize records retention procedures. Establish an annual records disposition process. Inventory of databases and drives, which department is responsible for them, and applicable retention requirements. Develop a records-management dashboard to track retention reviews, training completions, records destruction, and any complaint or compliance issues.
Implement CivicPlus agenda management system to improve staff report workflow for public meetings.	1c	Y	Administrative Services - City Clerk/Executive	Ongoing	Continue to train Council and staff in 2027 on agenda software options. Develop a brand guide for consistency of staff reports.
Develop basic Crisis Communications Plan.	1a, 1c, 4a		Administrative Services - Communications	2027	Develop basic communications plan and train.
Develop Digital Accessibility Plan to meet Web Content Accessibility Guidelines (WCAG) by April 2028.	1c, 5a		Administrative Services - Communications	2026-2028	Deadlines were extended by 1 year in April 2026. City of Richfield must be in compliance by 4/26/2028. WCAG guidelines apply to all digital spaces and content, including website content, social media channels, email communications and third-party apps and vendors.
Launch a new external-facing website and internal-intranet.	1c, 5a, 4a	Y	Administrative Services - Communications	Completed	Contracted with CivicPlus to build new website. Launched February 2026. Intranet will move to Sharepoint. Will relaunch web team as part of this initiative.
Network Switch Replacement Program	1c & 3a	Y	Administrative Services - IT	2027	Begin the multi-year replacement of network switches, prioritizing equipment based on manufacturer end-of-support dates to improve network reliability, security, and long-term infrastructure sustainability.
Cybersecurity Protection Improvements	1c	Y	Administrative Services - IT	2027	Modernize endpoint cybersecurity protection to strengthen threat prevention, detection, and response capabilities across City workstations and systems.
Microsoft 365 Platform Expansion	1c	Y	Administrative Services - IT	2027	Expand utilization of Microsoft 365 and SharePoint to improve collaboration, document management, and departmental business processes.
Computer Replacement Program	1c & 3a	Y	Administrative Services - IT	2027	Continue the four-year workstation replacement program by replacing scheduled desktop and laptop computers and improving lifecycle tracking of City technology assets.
IT Policy & Cybersecurity Standards	1c	Y	Administrative Services - IT	2027	Complete and implement updated IT and Cybersecurity Policies to establish consistent technology and security standards, responsibilities, and practices across the organization.
Cameras and Door Access	1c & 3a	Y	Administrative Services - IT/Building Services	Ongoing - 2027	This project upgrades and expands physical security systems. Phase 1 (Fall 2025-Completed): 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.
Develop (Implement a "Key Holder" position for each liquor store	4b	Y	Administrative Services - Liquor Operations	2026-2027	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. (Status: this has been approved, we are in the process of implimentation)
Develop Capital Replacement Scehdule for Liquor Operations-Buildings	3b		Administrative Services - Liquor Operations	2026-2027	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. (WOLD STUDY Status: 2026: \$7,500 for a new cooler compressor at the Cedar Point Store, 2027: \$660,095 for belowgrade water proofing and sidewalk replacement at Richfield Liquor Downtown and Cedar Point locations)
Implement and utilize our "Point of Sale" time clock for all hourly employees	4a	Y	Administrative Services - Liquor Operations	2026-2027	Create a user profile in the "POS" for all employees with a unique username and password. Train all hourly employees on how to puch in and out using the "POS" to log their hours. Ultimately eliminating physical timecards. (Status: Employee ID badges have been created and user profiles in our POS are in the implimentation stage.)
Point of Sale	1b, 1c	Y	Administrative Services - Deputy Registrar	2027	Research the cost of a new point of sale system to help wtih the record keeping and organization of the motor vehicle and passport office
Passport Process	1c	Y	Administrative Services - Deputy Registrar	2027	Implement a "No Show" fee for passport appointment to ensure customers report to the the appointment to minimize lost opportunities and/or revenues.
Customer Service Feedback Survey	4b	Y	Administrative Services - Deputy Registrar	2026-2027	Offer a customer service feedback survey to find out what customer's needs are and better communicate the value of our core services to residents, elected officials and staff.

Develop an "Apartment Navigator" program to expand connections with apartment communities.	2c, 5a		Community Development	2026	2026 work plan item, as staff capacity allows.
Award additional social service ARPA funds.	2c, 5a		Community Development	2026	Small amount of funding remains to be spent by Reach for Resources and the Hoarding Program. All funds to be spent by end of 2026.
Policy Request: Study source-of-income non-discrimination policy & extended eviction notice policy	2c		Community Development	2026-2027	
Comprehensive Plan	2a-c; 3a,c; 5a		Community Development	2026-2028	Required decennial update begins 2026. Consultant hired, engagement kick off to begin with Penn Fest 2026.
Policy Request: Study impacts of reduced 4d(1) tax classification rate and recommend policy approach.	2b,c		Community Development	Completed	Follow-up work (adjusting related policies) underway and to be completed by EOY.
Cross-training and process improvements to Inspections Division	4a,b	Y	Community Development	Ongoing	Hiring challenges continued. Fully-staffed as of July 2026. Inspections divisions (Housing & Commercial) combined under Building Official to strengthen cross training and build pipeline for advancement.
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. Comp Plan engagement is opportunity for community education around process.
Model the type of development and investment that we want to see in the Community	2b, 2c,3c		Community Development	Ongoing-2026	Construction is underway on a duplex at 6326 14th. An RFP will be issued for 6808 14th later in 2026. Three loans have closed at Woodlawn Terrace on new, larger units, using affordability gap grant funds from Metropolitan Council. Anticipate spending the remainder of the grant by the end of 2026 on 1-2 additional units.
Update housing work plan	2c		Community Development	2026	Housing Specialists are in the process of developing new rehab program(s) in response to gaps and opportunities identified in the 2025 housing evaluation. LAHA funds in the amount of \$699,000 will be received in 2026 and will support the new rehab program(s) and emergency rental assistance needs. The HRA received an award of Bring It Home Minnesota funding for rental assistance and anticipates issuing the first vouchers in September 2026.
Create economic development plan within budget and staffing constraints	2a,b		Community Development	2026 and beyond	The Richfield REVIVE Program was approved by the EDA in 2025. Launch delayed to address impacts of Operation Metro Surge on business community through creation and launch of Richfield Small Business Resiliency Program, which provided \$65,000 to assist 10 businesses. Staff is preparing to roll out the REVIVE program. Other economic development activities include implementing the Small Business SAC Assistance Program, the Energy Efficient Business Rebate Program, partnering with Hennepin County on Elevate Hennepin, and providing business assistance information through the Richfield Business Bulletin and one on one communications.
Develop plan to market HRA owned sites for redevelopment	2b, c		Community Development	2026 and beyond	Development conditions continue to be very difficult. A marketing brochure has been developed for the site at 1600-1710 78th St. Staff meets with and strategically sends site information to prospective developers of HRA -owned sites.
Develop a strategy for marketing downtown and attracting new businesses.	2a, b		Community Development	Ongoing	The EDA approved the Downtown Richfield Branding and Placemaking Playbook in February 2026, developed by CivicBrand. The EDA received a \$25,000 Business District Initiative grant from Hennepin County for banners and signage, which will be supplemented by EDA funds to help promote the area, support local businesses, enhance downtown, and implement the wayfinding plan and placemaking playbook.
Essential Services Study	1b		Executive	2026	Complete the Essential Services Study with Rapp Consulting Group and present the final to City Council in September 2026. The Study provides a structured review and classification of all municipal services, and recommendations to improve service quality, cost effectiveness and alignment with priorities.
Update the City Charter	1a		Executive	2026	Supported updates to the City Charter to bring petition requirements into compliance with state law.
Continue standardizing commission processes in a manual. Provide training for commissioners and staff liaisons.	1a & 5b	Y	Executive	2026-2027	Creating standard operating procedure for commission liaisons. Training for new and existing commissioners is offered yearly and led by the City Attorney. Collecting demographic data on commission applicants and appointees. Sending a survey to current commissioners in 2026 to guide future improvements in recruitment and retention.
Summarize progress on the 2023-2026 Strategic Plan with updated dashboards and reports. Develop the 2028-2030 Strategic Plan in 2027.	1a		Executive	2026-2027	2026 is the last year for the current Strategic Plan. In 2027, the Council-Director team will develop a new 3 year Strategic Plan (2028-2030) that will be informed by the Financial Management Plan, the Parks Master Plan, and the Essential Services Study.
Continue detailing and standardizing processes and procedures in the Executive Department.	1c	Y	Executive	Ongoing	Created standard operating procedure for internal process improvement including but not limited to, staff memorandums, commission recruitment, and proclamations.
Partner with local legislators, state agencies and regional partners to advance key city priorities.	1-5		Executive/All Departments	Ongoing	2026 Legislature included \$2M in the bonding bill for Nicollet Avenue and the city was able to secure \$1.092M in Community Project Federal funding for the Emergency Water System Interconnect project. Staff continues to communicate the negative impacts of local cost shares for transportation projects, eliminating local group home inspections, and 4d tax changes.
Review worker's comp self-insurance program and evaluate contracting with LMCIT	1b & 1c	Y	Executive/Finance/HR	2025-2027	Exploring a transition to the League of Minnesota Cities Insurance Trust (LMCIT) for worker's compensation insurance coverage, currently self-insured.
Recruit and onboard new City Manager	1-5		Executive/Human Resources	2026-2027	Hired an executive recruitment firm, GMP Consultants, to guide recruitment and onboarding. New city manager to start Q1 2027.

Develop and implement training programs for management staff	4a		Executive/Human Resources	2025-2027	Exec staff coordinated the second year of a multi-city leadership training program, 28 staff participated in 2026. Directed a consultant to design and provide a supervisor skills training program, 48 staff participated in the first session.
Target process review, improvement and documentation	1b, 3b, 4b	Y	Finance	Ongoing	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 (EFT currenting in use for invoices grater than \$300,000, priority for 2027), and other areas as time allows.
Improve monthly/quarterly financial reporting	1b	Y	Finance	Ongoing	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. Reconcilaitions are up to date enabling more timely reporting going forward.
Optimal staffing to meet service demands. Support recruitment and retention, maintain workforce capacity	1c, 4b		Finance	Ongoing	Planning for new Finance Director hire 4th qtr 2026 and moving consultant to a project/mentoring role. Maintaining full staffing in a tight labor market is key for Department to continue strides made in the last year.
Implement Tungsten for Accounts Payable	1c & 3a	Y	Finance/Administrative Services-IT	2026	Streamline data entry and routing of invoices, significant staff time savings and improved accuracy. Staggered roll-out with Liquour and IT currently using. Goal is to have all departments on board by the end of 2026.
Develop and implement the Financial Management Plan, a 10-year finacial planning tool	1b, 3b	Y	Finance/Executive	2025-2026	Contracted with Ehlers to develop the FMP, integrated into the 2026-2027 budget process and presented to council August 2026.
Develop a Workforce Sustainability Plan	1c, 4b, 5b	Y	Fire	2027	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	2027	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.
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.
Implement Data-Driven Decision Tools	1c, 2c	Y	Fire	Ongoing	Implement analysis of call data. staffing patterns, and workload distribution to guide operational and budget decisions. Supports evidence-based budgeting, operational efficiency, and improved accountability.
Piloting Alternative Response Team with RPD and Edina Police and Fire	1c, 4b	Y	Fire/Public Safety	2024-2027	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 2026-2027.
Employee Survey	1, 4		Human Resources	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.
Organizational culture training	4 a,b		Human Resources	2027	Continue the training for all staff (timelines depend on staff capacity).
Update our overall training offerings (safety, respectful workplace, AWAIR etc.) including review and possible implementation of the NeoGov Learn module.	4a		Human Resources	2027	AWAIR training in MN referes to Workplace Accident and Injury Reduction (AWAIR) training, which is required under MN OSHA regulations. In order to ease delivery of this and other important training offerings, HR will review implementation of the NeoGov Learn software which is a centralized solution for departments to track training taken externally, access training from an extensive training library and even record our own training.
Evaluating MN Paid Leave current vendor	4		Human Resources	Evaluating in 2026 for 2027	Continue to evaluate how MN Paid Leave is administered.
Review and improve employee recruitment process including development of a new hire checklist.	4	Y	Human Resources	2026	Continue to evaluate our new hire process and implement the new hire checklist that HR developed.
Update Employee Handbook/Policies	1		Human Resources	2027	Our goal is to finalize a comprehensive update to the employee handbook in late 2026 with a goal of implementation in early 2027.
Update and create HR processes/policies that align with equity and inclusion goals.	5b	Y	Human Resources-Equity	2026-2027	Worked with HR to refine hiring/onboarding processes, train employees for inclusive interview practices, be present during interview processes cross-departmentally, and improve recruitment.
Maintain 1,700 hours of Community Oriented Policing despite staff shortages.	1,3a-c,4,5a/b		Public Safety	2023-2027	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 with goal to be at full complement by fall 2026.

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	2024-2027	We have presented several wellness topics through our in-house department training in 2026. 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 baseline testing. Policy 360 will be our new department policy platform will be implemented in 2026, which is application based and will have health and wellness applications called MAGNUS ONE to be implemented in 2027.
Environmental health and Business licensing implemented and are monitoring the short term retail program. New software implementation coming soon	1,3,5		Public Safety	2024-2027	Staff are finalizing the new management software launch for the STR ordinance and continually updating other ordinances as they relate to property maintenance and health issues in the community. Vacant home numbers continue to rise and GUDS are being addressed via ARPA funding for abatement. STR monitoring software will be implemented in Quarter 1 2027.
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. This money for public safety will be evaluated each year to determine if the money needs to be transferred into the public safety budget. Anticipating a lot of attrition in the next several years through 2030.
Strengthen community partnerships through the JCPP and other programs, including hosting outreach events.	1c ,3a, 4, 5a-c		Public Safety	2026-2027	Partnering with 30 civic organizations and hosting 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 - 2027.
Emergency Management/Response for continued support of COVID, additional 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.
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 2027	1,3,4,5		Public Safety	2025-2027	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 2027 legislative session.
Moved to Hyper-Reach community notification system. We are able to send alerts out that will automatically go to social media platforms.	1a- c,3,4,5a/b	Y	Public Safety	Completed	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. While we are certified to do IPAWS notices, the state of Minnesota will not allow municipalities to issue the warnings, required to be done at the county level.
Added a Therapy Dog named "Ritchie" for the city with a legislative grant.	1,3,4,5	Y	Public Safety	Completed	Our Therapy dog was provided by a grant from the legislature and will be used throughout the city for employees. Training is completed.
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	Ongoing	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. One cannabis registration remains open and staff are now focused on first year compliance for cannabis and LPHE retailers. Work is ongoing on tobacco violations and kratom health concerns.
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	Ongoing	Based on the number of "Active Shooter" incidents occurring around the country, increased requests for onsite security assessments. This is ongoing as we continue to receive requests from local schools and businesses. Working with schools and businesses on safety protocols for critical incidents.
Complete various comprehensive plan updates.	1c, 3a, 3b, 3c		Public Works	2026-2027	Department will be updating the Water Supply Plan, Sanitary Sewer Comprehensive Plan, Surface Water Management Plan and Bicycle Master Plan. As well as working closely with CD on development of the Transportation Chapter of the Comprehensive Plan.
Successfully complete the city-wide water meter replacement program by the end of 2023.	3a		Public Works	Completed	Meter replacement project complete as of spring 2026.
Traffic Calming Policy	5c		Public Works	2027	Explore a traffic calming policy/program for the city. This will involve the Transportation Commission and City Council direction, as well as a funding source if a program is ultimately developed and moves forward into implementation.
New Public Works storage facility.	1c, 3a		Public Works	2025-2027	DELAYED due to supply chain. Design engineering is underway and the City intends to let the project in late summer 2026 with site construction starting in the Fall and substantial completion by Spring of 2027.

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	2025-2027	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 has not yet found the time to make substantial progress on updating these ordinances. The revised completion target for this effort is 2026.
Construct the Emergency Water System Interconnect	3a, 3b		Public Works	2027	Construct an emergency water interconnect system between the City of Minneapolis and Richfield.
Collaborate with state and county officials to examine the equitability of regional cost share policies	2c, 3b		Public Works	2027	A revised cost share policy was adopted by MnDOT in 2026 and includes "ability to pay" language that aims to cap local costs on state projects. Hennepin County is currently undergoing a cost share policy review with input from cities. That effort is scheduled to be completed in Q1 2027.
Nicollet Avenue Reconstruction	3a, 3b, 5a, 5c		Public Works	2026 - 2027	Cooperative Construction Agreement with Hennepin County to deliver new streetscape and underground utilities.
69th Street Reconstruction	3a, 3b, 5a, 5c		Public Works	2026 - 2028	Currently in the public engagement phase of project development, will determine the future streetscape in 2027 and move into the design phase for 2028 construction.
Penn Avenue Reconstruction	3a, 3b, 5a, 5c		Public Works	2026 - 2029	Currently approaching preliminary design selection and will move into the design phase for 2028-2029 construction.
Continue to address inequities and reinvest 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	Public works is underway with various public engagment efforts in summer 2026 with the aim of designing and building projects that best serve all of Richfield's residents and right-of-way users. Current projects include, but are not limited to: Nicollet Ave (in-construction); Penn Avenue (in Public Engagement); 69th Street (in Public Engagement); various sidewalk improvement projects.
Inventory and condition assessment of goverment buildings, park assets, utility infrastructure, fleet, & roadway elements	1c, 3a, 3b		Public Works/Administrative Services/Recreation Services	Ongoing	Inventories and condition assessments are being completed for many city assets including; park assets, government buildings, infrastructure elements and underground utililites. Recreation is underway with Ice Arena and Pool inventory and assessment with internal staff. A necessary GIS software update is complete and Public Works is in the process of hiring an Asset Management/GIS Technician FTE which will help us tie all this together into an asset management system.
Parks Master Plan & 10 year CIP	1b, 3a, b, c, 5a	y	Recreation Services	2025 - 2028	Complete community Engagement in 2026; finalize Park plans and 10-year CIP in 2027. Incorporate into the 2028 CIB/CIP process.
Explore additional recreation funding sources	1b, 3a,b		Recreation Services	2026 - 2029	Apply for Hennepin County Youth sports grant; identify other funding sources to implement the Parks Master Plan.
Update and adjust program offerings	1b,c, 4b, 5a	Y	Recreation Services	2027 - 2030	Shift programming based on findings from the Parks Master Plan.
Nature Center Construction	1b, 3a,b, 5a,c		Recreation Services	2023-2026	Funding has been secured; construction commenced in September 2025. The budget will need to be managed through the end of the project in Fall 2026. Substantial completion is expected in October 2026, with a Grand Opening in November 2026.
Develop and implement operational plan for rentals and programming at new Wood Lake Nature Center Building	1c, 3b, 4a,b 5a,b	y	Recreation Services	2026 - 2029	A new Event Coordinator (split with Ice Arena/Pool) will be hired in fall 2026. Processes for event space rental and catering procedures will need to be developed. A new scalable staffing structure for educational programming needs to be developed and implemented to maximize utilization of the new space. Processes around maintenance and daily facility operations will need to be developed and refined.
Veterans Park Construction	3a,b,		Recreation Services	2023 - 2028	Funding has been secured through the Local Options Sales Tax, State DNR Outdoor Recreation Grant, and liquor store profits to improve the Pool, Ice Arena, and general Park amenities. The Pool portion of the project will be completed in late 2026. The Ice Arena improvements will be completed in early 2027. Park improvements will take place in 2027, including trails, pavilion, and other general park improvements.
Develop and implement operationsal plan for Ice Arena/Pool birthday party rentals, integrate new Event Coordinator into current processes.	1b,c, 3b, 4a,b	Y	Recreation Services	2026 - 2028	Updating procedures for the new Ice Arena lobby space. A new Event Coordinator will be hired (split with Wood Lake) in the fall of 2026. Processes for birthday rentals at the Ice Arena and Pool will need to be developed.
Community Center Project	1c, 3a,b,c, 4a, 5a			2026 - 2031	In 2026, as part of the Master Plan process, a statistically valid survey will be conducted on the desired amenities for a new Community Center, and an operational analysis will be completed for the new community center. An RFP will go out for architectural work on the new community Center in late 2027, with construction anticipated to start in 2030.
Natrual Resources Enhancements	1b,c, 3c, 4a,b	y	Recreation Services	2025 - 2030	The Natural Resources Plan will be completed in fall 2026. A new Natural Resources Coordinator will be hired in January 2027 and begin building capacity to implement the plan through partnerships, developing a volunteer corps, and securing grant funding. They will also start developing policies related to natural resources work.
Organized Hauling Contract	1c, 2c, 5a	y	Recreation Services	2026 - 2028	Resident engagement on organized hauling will begin in late 2026. An RFP will be developed in 2027, and a new contract will be finalized by October 2028.
Conduct an electric vehicle sutability/assessment, and continue evaluating fleet for EV/PHEV replacement opportunities.	3a,b,c	Y	Recreation Services	2025-2027	Council prioritized CAP goal - Initial vehicle assessment completed in 2025; fleet evaluation and assessment of leasing will occur in 2027
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.

2026 Department Highlights

Administrative Services

City Clerk

- Continued to develop and enhance the data management system city-wide.
- Reviewed retention schedule by department and developed a quarterly process for destruction of expired retained documents.
- Along with the Hennepin County Elections Department, administered a successful election process for two elections: Primary Election and General Election.

Deputy Registrar

- Researched the cost of a new point of sale system to help with the record keeping and organization of the motor vehicle and passport office.
- Offered a customer service feedback survey to better understand customer needs and to better communicate the value of our core services to residents, elected officials and staff.
- Continued to work with legislators regarding financial sustainability for deputy registrars.

Building Services

- Continued to refine user charges and operating costs to ensure a balanced operation.
- Implemented the facilities assessment study and developed a long-range financial plan.

IT

- Completed the Citizenserve sync workflow into the Laserfiche repository to support data retention requirements.
- Upgraded and migrated the City's GIS environment to AWS GovCloud to improve system reliability, security, and long-term support.
- Upgraded multiple existing and new Laserfiche workflows, including Personnel Action Forms (PAFs), invoices, leave slip submissions, and search functions.
- Implemented new public Laserfiche WebLink access for record searches related to Council, Commission, and Board records.
- Expanded door access and camera systems to additional City facilities.
- Assisted with the migration of the City's intranet to SharePoint to improve internal access to staff resources and information.

- Expanded the use of cybersecurity training to improve staff awareness of common threats and strengthen the City's overall security posture.
- Completed the migration to a modern IP telephony phone system to improve communication services and support future system enhancements.

Communications

- Led, or assisted with, public information campaigns related to: Operation Metro Surge, Officer-involved shooting, Parks Master Plan, initiation of Comprehensive Planning, project updates related to the Our Legacy, Our Future campaign at Wood Lake Nature Center and the Richfield Outdoor Pool.
- Held biannual meetings with departments to identify relevant content, updates and reminders to share across channels to residents, visitors and local businesses.
- Launched a new enhanced, responsive municipal website. The new website includes the following integrations: Chatbot to assist in multilingual communications and after-hours customer service, search functionality across agenda management software, municipal code repository and website, and a mobile-first design to ensure functionality across desktop, tablet and mobile devices.
- Launched a new internal intranet site on SharePoint for staff resources and engagement. This replaces the previous web-based platform for the content.
- Worked with staff to develop an approach to meeting the Web Content Accessibility Guidelines for the city's 2028 deadline.
- Continued to maintain and grow the city's social media accounts (Facebook, Instagram, LinkedIn and YouTube).
- Guided discussion on whether or not to remove comments from social media platform(s).
- Transitioned from GovDelivery platform to Mailchimp application for e-newsletters.
- Sent out approximately 175 bulletins, or e-newsletters to more than 23,000 subscribers across various topics.
- Maintained an average engagement-rate of 33% across all topics.
- Broadcasted approximately 48 public meetings live on Channel 16 and the city's YouTube channel.
- Continued developing the rebranded Hometown Guide (formerly the Recreation Services Program and Activities Guide). Added ten pages of content to guide, which is delivered to 16,000 households three times per year.
- Facilitated interviews, advertisements and photo opportunities for city staff and local media.

- Facilitated the Employee Engagement Committee and its events and programming.
- Assisted staff with the promotion and marketing of more than 20 citywide events and activities.
- Spearheaded the 2026 Summer Kickoff (formerly State of the City/Community), which welcomed more than 250 people to city hall to celebrate a thriving Richfield.

Liquor Operations

- Two Shift Lead vacancies were reclassified to permanent part-time 20-29 hours per week in lieu of permanent part-time 30-39 prior to being filled.
- Implemented Tungsten financial software at the liquor stores to process invoicing/receiving more efficiently.
- Public Works & Liquor Operations utilized the Public Tree Planting Fund to plant seven trees in the public green space at the Cedar Point store.
- Annual “Toast to Richfield” is scheduled for Thursday, October 8, 2026.
- The 2024 MN State Auditor’s ranked Richfield second among municipal liquor operations in total sales for the year.

Community Development

Planning & Zoning

- Worked with cannabis retailers to find allowable locations in Richfield.
- Translated several planning handouts into Spanish.
- Created and implemented metal detector rental program for residents.
- Continued to improve plan review and permitting processes to improve efficiency and customer service.
- Worked with Engineering Division on the Low Salt Design Pilot Project sponsored by the Nine Mile Creek Watershed District – resulted in better plan reviews and a best practices handout and checklist.
- Worked through land use applications (e.g. MICC, former American Legion site).
- Continued to work with developers/owners to explore potential development opportunities (e.g. 101 66th, vacant lot at former Lyndale Gardens site).
- Solicited for consultants to assist with the 2050 Comprehensive Plan update, conducted interviews, negotiated a scope of services, and entered into a contract.
- Kick off Comprehensive Plan process and complete Phase One of public engagement plan.
- Hire and onboard new planner.

Inspections

- Brought in a retired plan review professional to help get staff trained in doing commercial and residential plan reviews.
- Sending the less-senior inspectors out to commercial building sites to do inspections with senior staff so that we can grow our future senior inspectors from within our current staff.
- Implemented Bluebeam software to help with our inspection corrections on large building sites.
- Completed digitizing of building plans for long-term efficiency and sustainability purposes.
- Supported legislative actions to restore rental licensing option for State-licensed group homes.

Finance

- Worked with Ehlers to update Key Financial Strategies model with a comprehensive Financial Management Plan.
- Continued review of daily operations and processes including Tungsten (Logis) implementation, streamlining vendor invoices to payment processing.
- Planning for general obligation debt issue November/December 2026.

Fire

- Navigated a difficult transition in department leadership with the departure of the Fire Chief and hiring of their replacement. This was compounded by the fact that the deputy chief position has been vacant since June 2025 and the administrative assistant since December 2025.
- Recruited, hired, and onboarded a department administrative assistant.
- Dedicated an existing FTE previously assigned to shift coverage to prevention to address opportunities identified in the Essential Services Study.
- Expanded technology used to enhance the Records Management System (RMS), improving data collection, pre-planning, recordkeeping, and operational tracking.
- Maintained uninterrupted minimum shift coverage and provided an incredibly high level of customer service and satisfaction during staffing shortages caused by military deployments, parental leave, extended injuries, and large personnel leave banks.
- Completed the Civil Service testing process to establish an updated firefighter eligibility list for immediate openings as well as future hiring.

Human Resources

- Increased recruiting, hiring and onboarding for city employees due to increased turnover in the past several years.
- Secured candidates for 110 positions, mostly seasonal, and conducted leadership searches to fill management level positions of HR Director, Project Engineer and Utility Engineer.
- Settled four contract negotiations at the end of 2025 and one in early 2026.
- Implemented the Minnesota Paid Leave program, including policy development, employee communication, and payroll coordination.
- Partnered with a consultant to develop and launch a new supervisory training program for City supervisors.
- Transitioned to a standalone department and hired a Human Resources Director.
- Integrated the Equity Coordinator position and related initiatives into the Human Resources Department to better align organizational equity efforts with employee programs, policies, and practices.
- Hired an HR consultant to review citywide policies and suggested changes and additions for new policies.
- Attended a Labor Management Committee training with the Fire Union facilitated by the Bureau of Mediation Services.

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 third State of the Community (Summer Kickoff) event.
- Advocated for City priorities at the federal, State, and County levels 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.

- Contracted with Craig Rapp Consulting for an essential services study to better define essential services, prioritize services and programs, and explore more efficient and effective service delivery models.
- Joined the Cities for Safe and Stable Communities coalition to strengthen advocacy efforts on issues impacting local government finances, public safety, housing, and quality of life.

City Manager

- Coordinated training options for staff, including but not limited to leadership training and supervisor training.
- 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.
- Assisted in the development of the Essential Services Study, providing Council and staff with service categorizations and recommendations.
- Coordinated the City Manager executive search process, including development of the Request for Proposals (RFP), proposal evaluation, Council interviews, and firm selection.
- Initiated the City Manager recruitment process by selecting and contracting with an executive search firm to guide the City Council through the recruitment and selection of the City's next City Manager.
- Completed the final update and reporting for the current Strategic Plan in preparation for development of the City's next strategic plan.
- Supported updates to the City Charter to bring petition requirements into compliance with state law.
- Partnered with the Finance Department to evaluate the City's workers' compensation program and develop a recommendation on whether to remain self-insured or transition coverage to the League of Minnesota Cities Insurance Trust.
- Transferred administration of the City's lodging tax to the Minnesota Department of Revenue.
- Participated in mediation efforts for the Fire Union.
- Participated in Bureau of Mediation Services (BMS) Path Forward and Labor Management Committee (LMC) training for the Fire Union.

Other Agencies

- Awarded \$97,584 in contracts to seven non-profit agencies to provide services to Richfield residents.

Public Safety

- Presented and participated in numerous events throughout the year that reached 1000's of residents.

Police

- Therapy Dog Ritchie has been requested throughout the Metro due to various critical incidents that have occurred, bringing accolades to our department and to the city due to our willingness to deploy to help those in need.
- Staff has participated in reintegrating students who experienced trauma from the Annunciation School shooting back into their school. Students learned about the police department as part of their therapy, discussing the jobs we do to serve the community and roles that the police play in critical incidents as the "Helpers."
- JCCP Program responded and assisted the community by attending community forums and having meetings with community members on responses and roles as it related to Metro Surge.
- Actively transitioning to "Policy 360" which is a mobile application for our department policies, which will allow officers quicker access to information and will expedite our accreditation, accreditation is a certification program from the Minnesota Chief's of Police Association that certifies polices as best practice. Should be completed late 2026 or early 2027.
- Received an award from the City of Brooklyn Park for our assistance in the apprehension of suspect Vance Boelter, which was the biggest law enforcement search and apprehension in the State of Minnesota's history.
- Assigned an officer to the West Metro Drug Task Force to combat the rise in narcotic activity we are seeing in the community.
- Expanded on a program called "Active Outdoors" with Partnership Academy, bringing in various coaches to teach different sports to students.
- Clearance rates for cases of violent crimes are above the national average and the average for Law Enforcement agencies in the State of Minnesota.

2025 Clearance Rates	National Benchmark	Minnesota Benchmark	Richfield Police Department
Overall Violent Crime Clearance	40–45%	45–50%	74%
Homicide	57–62%	76%	100%
Aggravated Assault	48–50%	50%	76%
Robbery	27–30%	30-35%	46%
Rape	25–30%	30%	55%

Support Services

- Two cannabis dispensaries and ten low potency hemp edible (LPHE) retailers have registered and opened.
- New short term rental management platform being purchased in late 2026.
- Support Services saw the first significant turnover in staff in three decades and all positions are now filled and/or are in background.

Emergency Management

- Working with Hennepin County Emergency Management to have all 7 of our outdoor warning sirens replaced with new control panels.

Public Works

- In collaboration with Public Works managers, completed assessment of existing services provided/delivered with consideration of priority level, quality of service, staffing, financial commitments, and regulatory requirements.
- Secured \$2 million in state bond funding for the Nicollet Avenue reconstruction project.
- Partnered with the Recreation Department to develop a Natural Resources Plan.

City Utilities and Water Resources

- Implemented cybersecurity upgrades to improve and protect our network SCADA system.
- Undertook development of construction documents and a bid letting for the Emergency Water Systems Interconnect project.
- Continued proactive maintenance of the wastewater collection system by jetting/proofing the entire city on an annual basis, including televising and root sawing.
- Rehabilitated approximately 5 miles of sanitary sewer main.
- Began design of a sanitary sewer project to provide capacity for a new residential development along Portland Avenue South.
- Began design of Sanitary Lift Station 6 Rehabilitation Project.
- Began update of Sewer Comprehensive Plan as required by Metropolitan Council in conjunction with Citywide Comprehensive Plan update.
- Began sanitary sewer structure adjustments required for the Nicollet Avenue Reconstruction Project.
- Transitioned to in-house water quality monitoring for lakes and ponds, which was consultant-led historically.

- Began updates to the City's Surface Water Management Plan and the Richfield Bloomington Watershed Management Organization's Comprehensive Plan, which are both updated on a 10-year cycle.
- Completed a utility rate study and development of a forward-looking rate structure that accounts for our capital and maintenance programs.
- Completed Risk and Resiliency Assessment and Emergency Response Plan, which are legislative requirements to satisfy the Federal Safe Drinking Water Act as a water utility permittee.
- Initiated Water Supply Plan update, due to Minnesota Department of Natural Resources in March 2027.
- Hosted 150 chemistry students from Richfield High School for water treatment plant tours.
- Began design of water treatment plant generator replacement project.
- Completed site investigation and began in-house design of the Norby's Pond Reconstruction Project.

Engineering

- Completed the 2026-2030 Engineering Consultant Pool solicitation, selection process, contract negotiations, and executed approved agreements with all nine (9) consultants selected for the pool.
- Constructed the Safe Routes to School project on 64th Street and Russell Avenue and began construction of the sidewalk project on 73rd Street.
- Began reconstruction of Nicollet Avenue in collaboration with Hennepin County.
- Continued planning and design with Hennepin County for the full reconstruction of Penn Avenue.
- Began design and engagement for the 69th Street reconstruction project.
- Began design and engagement for the 76th Street and Knox Avenue intersection improvement project.
- Submitted six projects for Regional Solicitation grant applications.
- Represented Richfield's interests and coordinated with the City Council related to the future I-494 corridor planning.

Streets/Forestry, Park, and Fleet Maintenance

- Completion of the USDA Forest Service Urban and Community Forestry Inflation Reduction Act Grant to enhance urban tree canopy by focusing all planting effort in census tracts identified by CEJST as disadvantaged communities, contributing to the goals of Justice40.
- Completed Park Asset Inventory and Condition Assessment data collection and turned it over to Recreation divisions as detailed in the Strategic Plan.

- Continued administration of the pavement management plan to protect the major investment into the residential Mill & Overlay program.
- 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.

Recreation Services

Administration

- Completed Pool and Ice Arena Local Option Sales Tax renovation projects.
- Completed Natural Resources Management Plan for Richfield Lake Park, Taft Park, Veterans Memorial Park and Wood Lake Nature Center.
- Began Parks Master Planning process.
- Collaborated to conduct a recreation facility assessment.
- Constructed a playground at Donladson Park.

Recreation Programming

- Developed a new partnership model with RecLeaguer to offer adult grass volleyball leagues.
- Implemented new gardening and kitchen programs supported by the Urban AGRI grant.
- Partnered with VEAP to offer monthly mobile food pantry in response to the Fare for All program ending.
- Staff supported community volunteer committees to offer the Richfield 4th of July Celebration and Penn Fest.
- Secured grants and sponsorships for Entertainment in the Park allowing for higher quality bands and Food Trucks at all evening performances.

Wood Lake Nature Center

- Completed the construction of a new Wood Lake Nature Center building using Local Option Sales Tax, Meeting regularly with the building project team.
- Managed the natural resources of Wood Lake Nature Center to allow for access, safety, and biodiversity, securing grant and donation funding.
- Moved FOWL to a higher level and more diverse styles of fund raising. Held successful FOWL dinner in November.
- Provided new programming while maintaining traditional programs at two sites while the Nature Center is under construction.

Sustainability

- Updated Climate Action Plan.

- Complete fleet electric vehicle assessment.
- Started monthly Fix-it clinics
- Installed solar panels on Ice Arena and Public Works Building using State and Federal Funding.



CITY OF RICHFIELD

2027 BUDGET

JANUARY 1, 2027 - DECEMBER 31, 2027

6700 PORTLAND AVENUE , RICHFIELD, MN 55423

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September 22, 2026

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, 2027 to December 31, 2027, and for the remainder of the calendar year 2026. A City Council work session was held on August 12 and 25, 2026, 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 28, 2026. A proposed 2027 tax levy must be submitted to the County Auditor on or before September 30, 2026. Any amendments to the proposed budget, which would increase the property tax levy, must be made prior to the September 30, 2026 proposed levy certification deadline. No increases in the tax levy are permissible after that date, only reductions.

The resolution required to certify the 2027 Adopted Budget and tax levy, as well as the 2026 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 (page 19). Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary control for the 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 (page 18). This chart indicates the divisions for which each department is responsible. The 2027 Proposed Budget includes total appropriations from all funds of \$112,958,448, including all inter-fund transfers.

OVERVIEW

Ultimately, budgets are a spending plan, calibrated to economic conditions, and rooted in the City's priorities and values. The recommended 2026 Revised Budget and 2027 Proposed Budget represent progress on the Council's strategic priorities. Highlighted below are some examples of how these priorities are reflected in the 2026 Revised Budget and the 2027 Proposed Budget (see Strategic Progress).

The City continues to navigate challenging fiscal constraints and economic conditions. Funding Richfield's operations and capital needs with a modest tax base and goal of minimal tax increases is always challenging. Worsening economic uncertainty and persistent inflation have added to the challenge (see Economic Condition).

The City completed several studies and plans in 2026 to strengthen financial planning, better prepare for economic challenges and guide investments to serve residents for decades to come. More details on recent development efforts, infrastructure and personnel investments are presented below.

Later sections provide a budget summary of the City's main operating fund, the General Fund, which funds most City services, followed by a summary of the remaining fund budgets. The General Fund is primarily funded by property taxes (73% of total revenues): the recommended 2027 City tax levy is a 4.55% increase over last year. The increase is due to three main factors: growing service demands, higher labor costs, and the need to invest in technology, infrastructure and service improvements.

STRATEGIC PROGRESS

The pace of change has placed higher expectations on local government. To prioritize investments, the City's policies, budgets and programs are guided by a four-year strategic plan which concludes at the end of 2026. Strategic planning focuses Council and staff leadership by regularly reviewing results and progress on policy priorities. The City will assess the results of the 2023-2026 plan in 2027 and develop a new three-year strategic plan for 2028-2030. Developing the new plan will include engagement with residents, policymakers, local partners and staff.

The 2023-2026 strategic plan prioritizes **operational excellence, community development, sustainable infrastructure, high-quality workforce and equity**.



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

In 2026, the City launched an upgraded website after a two-year process. The City completed an Essential Services Study, including a full review and categorization of municipal services, and recommendations to improve service quality and efficiency. Examples of improved services and efficiency include a more robust fire prevention and risk reduction program, expansion of M365 and AI options for staff and implementing a more automated accounts payable program. Finally, in 2026, the Finance Department partnered with our financial advisors to implement a new long-term financial planning tool, the Financial Management Plan. Additional analysis and detailed information in the financial plan will help inform the development of a new 2028-2030 Strategic Plan.



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

Implementation of a downtown branding and placemaking plan began in 2026, including banners and signage to help promote the area. Following an evaluation, the HRA developed new housing programs to fill gaps and guide priorities for \$699,000 in Local Affordable Housing Aid (LAHA) funding from the state in 2026. The Housing and Redevelopment Authority (HRA) received funding for rental assistance through the state's new Bring It Home Minnesota program and will issue the first vouchers in September. A summary of ongoing community development projects is detailed later in this document under Strategic Development. Many of the programs are funded by the City's HRA and Economic Development Authority (EDA) budgets. In 2025, those programs directly assisted 557 households and businesses in Richfield.



Sustainable Infrastructure: *City infrastructure supports 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. The new Wood Lake Nature Center, funded with local sales tax, state and federal grants, will open in late 2026. The City also completed several Veterans Park improvements in 2026, including upgrades to the Pool and Ice Arena. The City completed a facilities assessment in 2026 to better identify and prioritize needed building improvements which have been incorporated into budgets and long-term financial plans. The proposed budgets increase funding for IT, rolling stock and building maintenance to better align funding with ongoing and future equipment and maintenance needs. The City updated the Climate Action Plan in 2026 and will begin negotiating a new contract for organized hauling in 2027.



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 effort, especially given the tight labor market for some government positions. Staff retention has improved in the past 3 years, and several improvements will build on that momentum. Staff were provided with several new training options in 2026, including leadership and skills programs for supervisors. HR is planning safety, skills and personnel policy training for all staff in 2027. The City will survey all staff in late 2026 or early 2027 to better understand needs.



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. A major focus will be digital accessibility improvements to the City's website and other communication platforms in 2027. Work continues to update HR processes to better align with equity and inclusion goals. The City hired a summer intern to assist with HR equity projects, including research on a potential pay increase for those forward-facing staff with needed language skills.

ECONOMIC CONDITIONS

Minnesota economic indicators reflect a stressed labor market, persistent inflation and a sluggish real estate market. Some of the negative trends could still be the result of Operation Metro Surge, which disrupted the local economy in late-2025 and early-2026. While the most severe impacts have eased, unpredictable federal policy adds to financial uncertainty.

According to the Minnesota Management and Budget's (MMB) February forecast, the FY 2026-27 biennium will result in a projected surplus of \$3.7 billion and the projected general fund balance for the FY 2028-29 biennium is \$377 million. The July update reports that net general fund revenues totaled \$2.4 billion, \$133 million (5.9%) more than the forecast in February.

- Minnesota's seasonally adjusted unemployment rate increased by 0.6% to 4.4% in June 2026 compared to June 2025. Minnesota's rate exceeds the U.S. rate, 4.1%, for the first time since 2007.
- The Consumer Price Index, measuring inflation, for the upper Midwest spiked to 4.3% in May 2026 but returned to 3.1% by July, which is still 0.4% higher than one year ago. Both regional and national inflation rates are being impacted by the Iran war.
- Minnesota's wage growth has slowed compared to inflation in 2026. Wage growth outpaced inflation in 2024 and much of 2025, but the trend reversed in late 2025 and 2026.
- Real estate development continues to face headwinds, including high interest rates and higher wage, insurance and material costs. Interest rates are down from their peaks in 2023 and 2024 but remain high; the 30-year fixed mortgage rate was 6.67% during the second week of August, which is essentially flat compared to last year. Given persistent inflation, the Federal Reserve chose not to reduce rates at their recent meeting.
- The commercial real estate market has been particularly hard hit since the COVID-19 pandemic, leaving a glut of empty space in the Twin Cities. In Richfield, this has resulted in lower or flat commercial values in the last decade, compared to increased residential values, reversing the previous trend of commercial property gains outpacing residential.
- Uncertainties in federal policy and funding commitments add to local fiscal stress, specifically cuts to federal programs, the impact of immigration enforcement, tariffs and ongoing military conflicts. The City lost over \$500,000 in federal grant funding last year.

DEVELOPMENT

Given the slowdown in commercial and multi-family development, the focus is on supporting the local economy, preserving and investing in our existing resources and positioning the City for future opportunities. A number of initiatives are underway:

- A branding and placemaking "playbook" for downtown Richfield was adopted in 2025. Thanks to additional Hennepin County grant funds, and funding from both the City's HRA and EDA, a significant investment in implementation is beginning.
- New business initiatives, created by the City's EDA, are providing assistance to help small businesses grow and thrive in the community and invest in outdated commercial spaces. After a delay to allow for the creation of an emergency loan program for

businesses impacted by the Federal Operation Metro Surge, Richfield REVIVE will launch in late-summer 2026.

- Construction of Penn Station, 42 units of affordable workforce housing, is underway on formerly blighted commercial property at Penn Avenue and 65th Street, bringing investment and new residents to the corridor and adding tax-forfeited property back to the tax base. Construction is expected to be completed in December 2026.
- Through its HRA and EDA, the city continues to support investment in its housing stock and our residential neighborhoods. Having recently completed an evaluation of its many housing programs, the city has reorganized staffing and added hours to focus on the creation of policies and programs that meet Richfield's housing priorities.
- A new duplex is under construction thanks to the HRA's Richfield Rediscovered program, and an EDA Transformation Home Loan has helped to fund the construction of a new ADU. Through demonstration projects, the HRA and EDA are working to create market comps and demonstrate the options made possible by zoning code updates.
- Strategic conversations with potential developers are ongoing to market properties owned by the HRA for future redevelopment.

INFRASTRUCTURE

The 2027 Capital Improvement Budget (CIB) reflects funding for numerous projects throughout the city. In 2027, efforts will include finishing the Nicollet Avenue Reconstruction project, new sidewalks along 73rd Street/Diagonal Avenue (Portland to Cedar) and 64th Street (Lyndale to Portland).

The CIB also includes funding for several utility projects, including an emergency water connection to the Minneapolis water system, sanitary sewer main lining and a new elevator and generator at the Water Treatment Plant.

Finally, the 2027 CIB recommends funding for recreation and open space improvement projects, including Veterans Park trail updates, replacement of playground equipment at Adams Hill Park, a new sand filter and shade structures for the Pool and locker room and flooring repairs at the Ice Arena.

The 2028-2031 Capital Improvement Plan (CIP) includes several major arterial roads to be reconstructed or improved. Hennepin County plans a full reconstruction of Penn Avenue in 2028-29 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 at Knox Avenue are planned for 2028 and 2029 respectively.

The recommended CIP also includes funding for a new Community Center building with design beginning in 2027 and construction in 2030. The plan also funds major maintenance for City buildings, including mechanical system upgrades and new roofs at City Hall, the Public Works building and the Ice Arena in 2029. The 2027 budget substantially increases the City's equipment levy to ensure sufficient long-term funding for rolling stock, buildings and technology equipment.

PERSONNEL

One additional full-time position is recommended for the 2026 Revised Budget and one full-time position for the 2027 Proposed budget

- Recreation plans to add an Event Coordinator position to oversee facility rentals which will increase once the new Wood Lake Nature Center is completed and increase again once the new Community Center is built.
- Recreation plans to add a Natural Resources Coordinator position to oversee natural area management and secure grants to fund improvement projects.

Personnel costs are also increasing due to a 3.00% cost of living adjustment for all employees, step increases for eligible employees, and an 11.49% increase in the cost of health insurance. Negotiated salary increases range from 3.00% to 4.00% for the five bargaining units' contracts for 2026-2027; costs increases are included in the revised and proposed budgets.

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 2027 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 Local Government Aid (LGA) funding from the state. The result 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 2027, it will account for 9.76%. Conversely, property taxes have grown from 40% of revenues in 2001 to 73.45% in 2027. The 2023 legislature increased funding for the LGA program which increased Richfield's allocation by \$1.35 million in 2024 to \$3.39 million. Since then, allocations have increased modestly and the 2027 LGA allocation is \$3.5 million.

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 \$61,165 to be distributed in 2026 and a total distribution of \$4.9 million for 2027.

The 2027 budgeted General Fund revenues of \$35,893,555 represent a 2.16% increase from the 2026 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: \$335,860 from the Liquor Operations fund to offset administrative costs related to the liquor division operations. A comparison of actual General Fund revenues from 2026 to 2027 is shown in Figure 1 below.

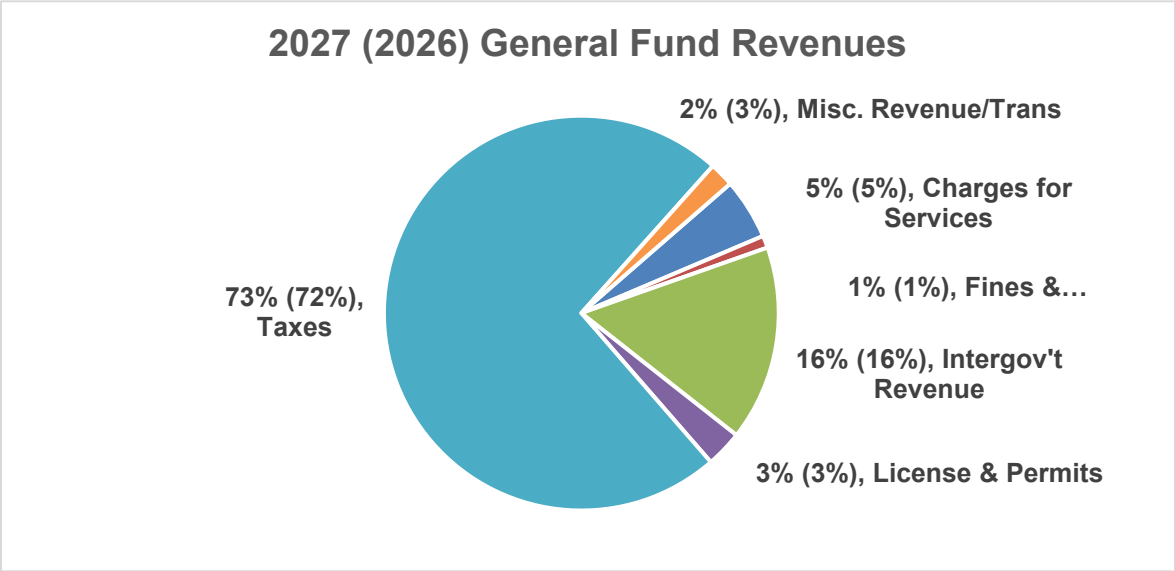


Figure 1

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, inspections, zoning, parks, recreation and general administration. Richfield's General Fund is organized into nine major departments; Legislative/Executive, Administrative Services, Community Development, Finance, Fire, Human Resources, Public Safety, Public Works and Recreation Services. The Human Resources function was added as a department in 2026 and removed as a division from the Administrative Services Department. Each department encompasses divisions that provide an array of services, either directed to the public or in support of other City services.

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 nine major departments, reflects a stable, consistent approach. The 2027 expenditures are consistent with the expenditures from 2026 (Figure 2). In the 2027 Budget, 59% of the total expenditures are designated for Public Safety and Fire Department operations, while an additional 16% is designated for Public Works operations.

While there have been adjustments, the total balance of services provided by the major departments remains relatively constant. In response to the internal and external constraints, City staff made every effort to limit 2027 expenditure increases for all departments of the General Fund to maintain the current level of City services.

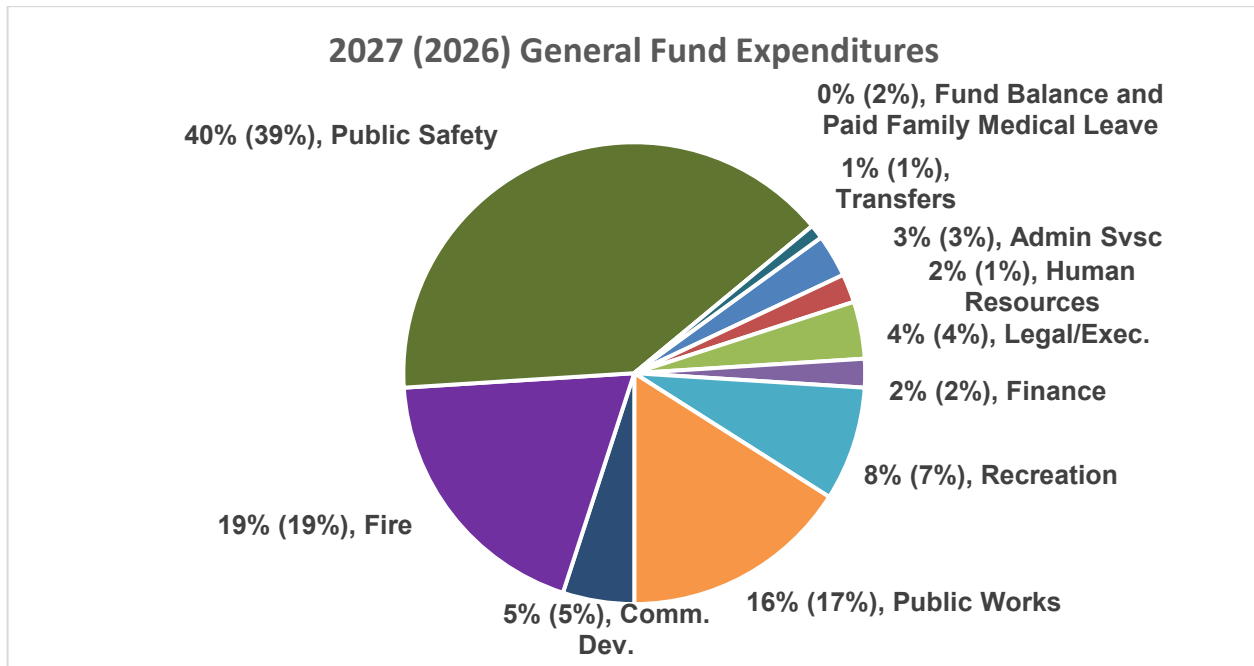


Figure 2

The most significant issues for the 2026 Revised and 2027 Proposed General Fund Department Budgets are summarized in the following section.

2026 REVISED AND 2027 PROPOSED DEPARTMENT BUDGETS

Legislative/Executive

The Legislative/Executive Department 2026 Revised Budget reflects a 3.86% decrease due to the transfer of the Equity Coordinator position and related equity projects to the Human Resources budget during part of 2026. The 2027 Proposed Budget reflects a decrease of 5.59% due to the transfer of the remaining equity projects to the Human Resources budget and reductions in charges allocated to other City funds.

Administrative Services

The Administrative Services Department 2026 Revised Budget reflects a decrease of 2.82% due to savings related to personal services in the Deputy Registrar division. The 2027 Proposed Budget reflects an increase of 6.99% due changes in internal service chargebacks and the Administrative Services share is more appropriately reflected in the 2027 Proposed Budget.

Human Resources

The Human Resources Department 2026 Revised Budget reflects a 14.31% increase over the 2026 Adopted Budget. The increase is primarily due to the transfer of the Equity Coordinator position and related projects from the City Manager budget to the Human Resources budget. The 2027 Proposed Budget reflects a 56.01% increase over the 2026 Adopted Budget. The increase is primarily due to increase personal services costs, the transfer of the remaining equity-related expenses from the City Manager budget, increase professional development costs, and higher subscription and membership costs, partially offset by decrease spending on professional services.

Finance

The Finance Department 2026 Revised Budget reflects an increase of 15.74% from the 2026 Adopted Budget to account for a higher allocation, and more equitable share, of the annual financial audit cost between the general fund and enterprise funds. The 2027 Proposed Budget increases slightly from the 2026 Adopted Budget. The minor increase of 0.49% is related to the change in internal service chargebacks and the Finance Department share is more appropriately reflected in the 2027 Proposed Budget.

Public Safety

The Public Safety Department 2026 Revised Budget reflects a decrease of 2.28% due to savings related to personal services. The 2027 Proposed Budget reflects a 4.91% increase over the 2026 Adopted Budget. The increase is related to personal services costs and the change in internal services chargebacks as the Public Safety Budget's share has increase in building rental and data processing rental. The Public Safety Department share is more appropriately reflected in the 2027 Proposed Budget.

Fire

The Fire Department 2026 Revised Budget reflects a decrease of 3.24% due to savings related to personal services. The 2027 Proposed Budget reflects a 3.09% increase over the 2026 Adopted Budget. The increase is related to personal services costs related to union contracts and health insurance increases.

Community Development

The Community Development Department 2026 Revised Budget reflects a 1.66% decrease due to savings related to the change of the Senior Office Assistant position moving from full-time to half-time. The 2027 Proposed Budget reflects a 2.94% increase over the 2026 Adopted budget. The Planning and Zoning Division shows the largest increase related to increases in personal services due to staff moving through step and merit increases and health insurance increases. The internal service chargebacks related to data processing rental are also more appropriately reflected in the 2027 Proposed Budget for Community Development divisions.

Public Works

The Public Works Department 2026 Revised Budget reflects a 1.22% increase over the 2026 Adopted Budget due to the inclusion of \$50,000 related to office space additions at the Public Works facility. The 2027 Proposed Budget reflects a 2.38% decrease from the 2026 Adopted Budget related to the completion of the USFS grant to remove and replace trees in 2026.

Recreation Services

The Recreation Services Department 2026 Revised Budget remains mostly unchanged when compared to the 2026 Adopted Budget. The 2027 Proposed budget reflects a 12.11% increase over the 2026 Adopted budget. The increase is mostly due to two new positions at the Wood Lake Nature Center and increase expenses in 2027 related to the new building operations. The new Event Coordinator position begins near the end of 2026 and the new Natural Resources Coordinator position begins in 2027.

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 2027, 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.

Elections 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 park-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.

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.

Sustainability 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 cannot 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 2026 are projected to be \$13.70 million and modestly increase to \$13.75 million in 2027. Operating expenses budgeted for 2027 for the four stores total \$3.28 million. This reflects an increase from the 2026 adopted operating expenses. For the four stores, the projected profit before transfers for 2027 is expected to be \$848,855 with budgeted transfers to the Special Revenue Fund of \$475,000 and \$335,860 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 2027 Proposed reflect an increase of \$1.3 million from 2026 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 2026 and 2027. Included in the current budgets are capital improvements totaling \$720,000 in 2026 and \$7.95 million in 2027. The 2027 improvements relate to replacement of the water plant elevator, emergency water system interconnect, water plant generator, water plant chlorine storage area, SCADA cybersecurity upgrade, water plant restroom renovation, water plant personnel safety system improvements and well #3 water service improvements. The Wastewater Utility Fund provides collection of sanitary wastewater from approximately 10,800 accounts in the city. The 2027 Sanitary Wastewater Operating Budget is approximately \$5.4 million. The most significant expense is the wastewater treatment charges paid to Metropolitan Council Environmental Services (MCES). The MCES 2027 charges are expected to increase from the budgeted 2026 level of \$2.6 million to \$3.0 million, a 15.95% increase.

A 16.5% rate increase is proposed for 2027 across the three tier levels for residential water. The wastewater rates are proposed to increase by 9% for 2027.

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 17% 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 2027 will increase 5% over 2026 levels. The funding for the replacement of equipment that the operation maintains will be accomplished through a general tax levy in the amount of \$1.7 million. The increase is in response to increased costs incurred in the purchase of rolling stock and equipment. Additionally, it is projected that for 2026 and 2027, 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 2026 of \$1.39 million and \$1.78 million in 2027. The significant purchases planned for 2027 are:

- Flush Truck/Roff-Off at \$350,000
- Dump Truck at \$320,000
- Fire Truck at \$302,100
- Squads - Police Detective (3) at \$160,000
- Squads - K9 Patrol (2) at \$120,000
- Parks - Ford F250 (2) at \$120,000

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 \$421,845. The fund is scheduled to make capital purchases in 2026 of \$89,910 and \$147,330 in 2027. 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 2027, 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 2027 of \$35.3 million. The fund balance, along with debt service tax levies, special assessment collections and interest earnings are pledged to service the debt.

FINANCE POLICY

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.

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 \$26,382,595 of expenditures in 2027. 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. Of note, the 2026 Minnesota legislative session provided \$2 million to offset Hennepin County local cost shares for the Nicollet Reconstruction Project. The City also received \$1.1 million in federal funding to construct a back-up water source with Minneapolis in the event of an emergency.

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, Steve McDaniel, and all City departments for their input and help in preparing the 2027 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

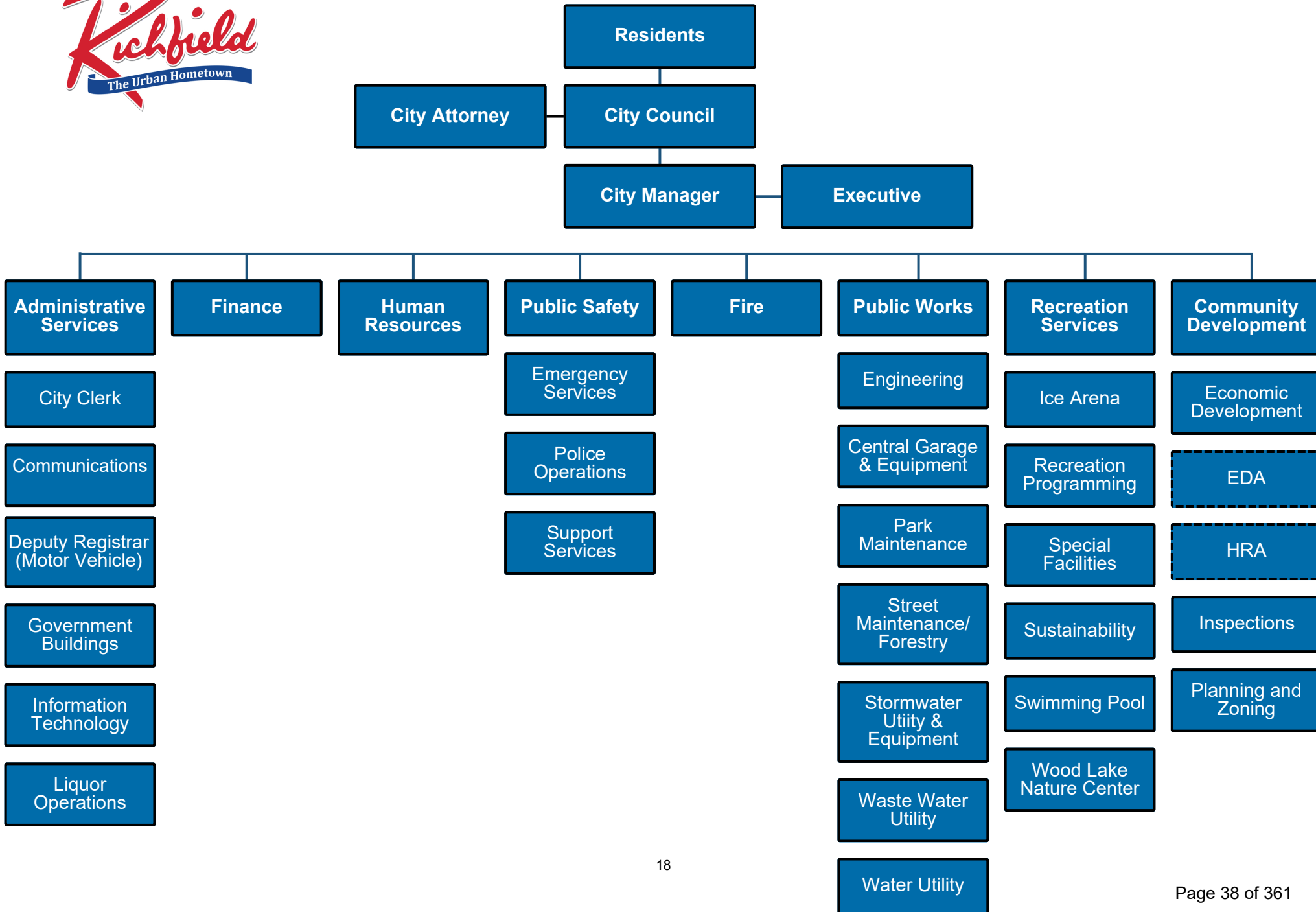
KATIE RODRIGUEZ - CITY MANAGER

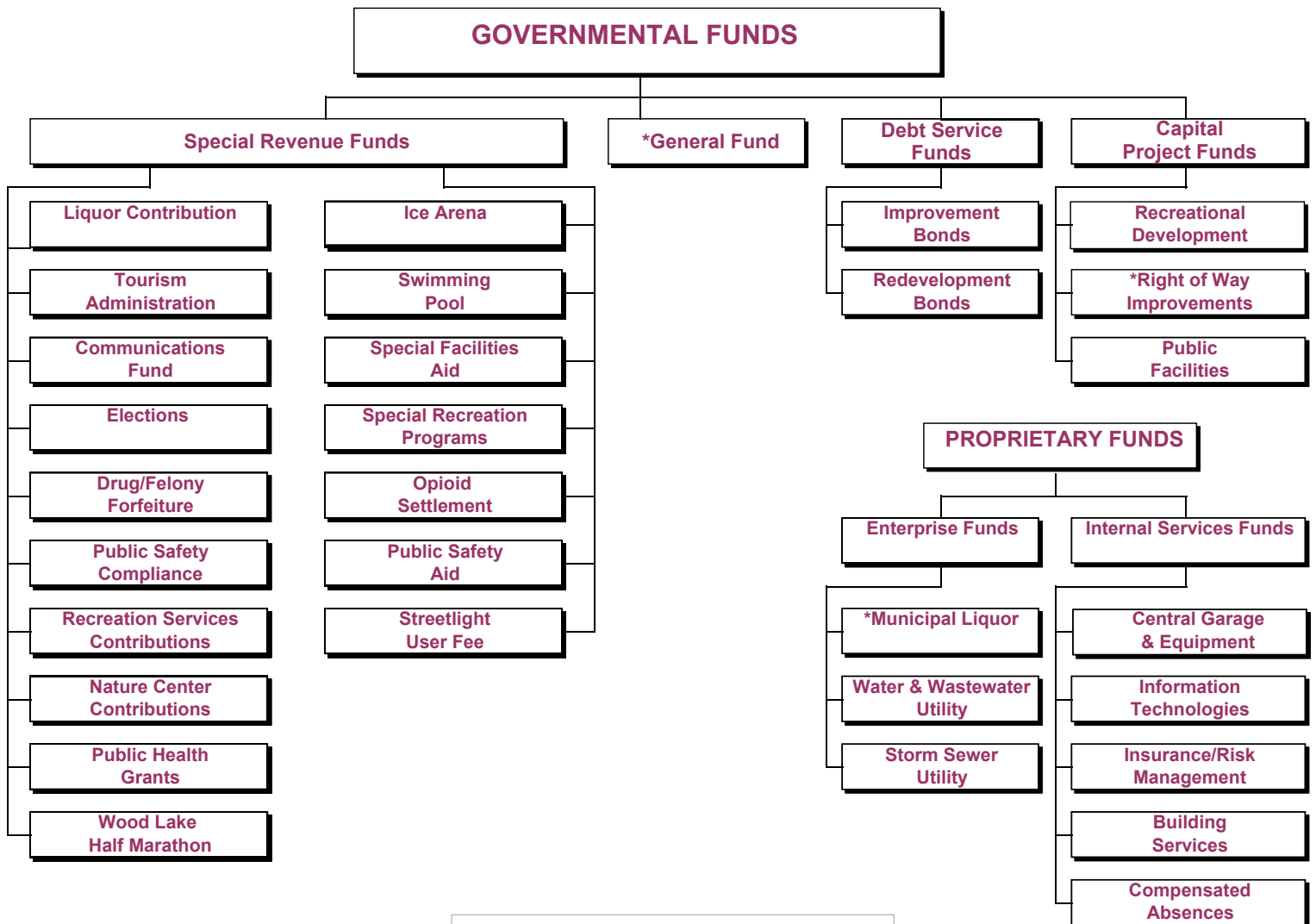
MARY BOGIE - FINANCE DIRECTOR

MICHELLE FRIEDRICH - CITY CLERK



City of Richfield Organizational 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 2026 REVISED BUDGET ALL FUNDS

<u>FUND</u>	<u>Fund Balance December 31, 2025</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance December 31, 2026</u>
<u>General</u>	\$ 13,766,406	\$ 34,911,587	\$ 34,168,855	\$ 14,509,138
<u>Special Revenue Funds</u>				
Liquor Contribution	160,445	476,000	475,000	161,445
Tourism Administration	62,815	7,150	5,440	64,525
Communications	1,850,126	281,000	398,070	1,733,056
Elections	869,686	382,898	328,331	924,253
Drug Felony/Forfeiture	312,155	93,400	51,600	353,955
Public Safety Compliance	413,194	55,500	25,000	443,694
Recreation Contributions	100,133	130,000	123,000	107,133
Nature Center Contributions	499,428	192,000	290,000	401,428
Public Health Grants	145,849	51,214	51,214	145,849
Wood Lake Half Marathon	128,745	70,000	72,000	126,745
Franchise Fees	2,988,358	2,500,000	2,155,000	3,333,358
Ice Arena	(1,148,869)	2,035,270	1,634,371	(747,970)
Swimming Pool	208,840	678,480	652,510	234,810
Special Facilities	79,206	69,980	69,590	79,596
Sustainability	303,926	484,829	442,472	346,283
Opioid Settlement	336,294	57,113	12,000	381,407
Public Safety Aid	1,430,579	50,000	-	1,480,579
Street Light User Fee	236,446	387,000	332,000	291,446
<u>Enterprise Funds *</u>				
Liquor	6,515,374	13,776,760	13,590,545	6,701,589
Water & Sewer Utility**	21,743,911	10,909,000	10,428,540	22,224,371
Storm Sewer Utility **	10,339,091	2,842,100	2,462,490	10,718,701
<u>Internal Service Funds *</u>				
Central Garage	6,091,919	3,097,530	2,618,770	6,570,679
Information Technologies	657,838	1,917,141	1,872,710	702,269
Insurance/Risk Management	4,557,038	1,216,690	1,707,802	4,065,926
Building Services	1,198,754	1,324,610	1,092,350	1,431,014
Compensated Absences	346,847	-	-	346,847
<u>Debt Service Funds **</u>				
G.O. Improvement Bonds	9,250,848	8,415,730	7,445,273	10,221,305
<u>Capital Improvement Funds</u>				
Recreational Development	8,709,745	20,484,067	20,484,067	8,709,745
Right-of-Way Improvements	4,183,744	6,706,200	6,706,200	4,183,744
Public Facilities	-	1,675,000	1,675,000	-
Buildings, Fleet and Technology	1,800,000	3,444,836	3,444,836	1,800,000
TOTALS	\$ 98,138,871	\$ 118,723,085	\$ 114,815,036	\$ 102,046,920

* 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. Bond proceeds are not recorded as current revenues.

SUMMARY OF 2027 BUDGET ALL FUNDS

<u>FUND</u>	<u>Fund Balance January 1, 2027</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance December 31, 2027</u>
<u>General</u>	\$ 14,509,138	\$ 35,893,555	\$ 35,893,555	\$ 14,509,138
<u>Special Revenue Funds</u>				
Liquor Contribution	161,445	476,000	475,000	162,445
Tourism Administration	64,525	7,150	5,440	66,235
Communications	1,733,056	285,000	429,830	1,588,226
Elections	924,253	448,960	298,960	1,074,253
Drug Felony/Forfeiture	353,955	23,500	57,000	320,455
Public Safety Compliance	443,694	43,210	25,000	461,904
Recreation Contributions	107,133	140,000	123,000	124,133
Nature Center Contributions	401,428	87,000	80,000	408,428
Public Health Grants	145,849	51,214	51,214	145,849
Wood Lake Half Marathon	126,745	70,000	72,000	124,745
Franchise Fees	3,333,358	2,477,775	2,375,000	3,436,133
Ice Arena	(747,970)	2,149,435	1,556,778	(155,313)
Swimming Pool	234,810	714,080	780,048	168,842
Special Facilities	79,596	72,430	66,342	85,684
Sustainability	346,283	513,161	437,630	421,814
Opioid Settlement	381,407	57,113	12,000	426,520
Public Safety Aid	1,480,579	50,000	-	1,530,579
Street Light User Fee	291,446	387,000	340,000	338,446
<u>Enterprise Funds *</u>				
Liquor	6,701,589	13,841,950	13,716,905	6,826,634
Water & Sewer Utility**	22,224,371	13,263,140	11,025,050	24,462,461
Storm Sewer Utility **	10,718,701	3,231,220	3,078,540	10,871,381
<u>Internal Service Funds *</u>				
Central Garage	6,570,679	3,567,854	2,922,070	7,216,463
Information Technologies	702,269	1,984,475	2,051,160	635,584
Insurance/Risk Management	4,065,926	1,196,570	1,346,460	3,916,036
Building Services	1,431,014	1,371,075	1,140,967	1,661,122
Compensated Absences	346,847	-	-	346,847
<u>Debt Service Funds **</u>				
G.O. Improvement Bonds	10,221,305	8,455,442	8,215,904	10,460,843
<u>Capital Improvement Funds</u>				
Recreational Development	8,709,745	3,235,768	3,235,768	8,709,745
Right-of-Way Improvements	4,183,744	10,038,000	10,038,000	4,183,744
Public Facilities	-	9,375,000	9,375,000	-
Buildings, Fleet and Technology	1,800,000	3,733,827	3,733,827	1,800,000
TOTALS	\$ 102,046,920	\$ 117,240,904	\$ 112,958,448	\$ 106,329,376

* 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.
Bond proceeds are not recorded as current revenues.

COMPARATIVE ANALYSIS OF REVENUES ALL FUNDS

	2025 Actual	2026 Budget	2026 Revised	2027 Budget
<u>*General Fund</u>	33,609,625	35,134,115	34,911,587	35,893,555
<u>Special Revenue Funds</u>				
Liquor Contribution Fund	480,617	476,000	476,000	476,000
Tourism Administration	9,825	7,150	7,150	7,150
Communications	344,280	276,500	281,000	285,000
Elections	544,597	379,600	382,898	448,960
Drug Felony/Forfeiture	92,429	38,500	93,400	23,500
Public Safety Compliance	166,374	46,300	55,500	43,210
Recreation Contributions	228,220	165,000	130,000	140,000
Nature Center Contributions	282,038	85,000	192,000	87,000
Public Health Grants	190,491	51,214	51,214	51,214
Wood Lake Half Marathon	65,109	70,000	70,000	70,000
Franchise Fees	2,611,823	2,500,000	2,500,000	2,477,775
Ice Arena	2,450,648	2,065,270	2,035,270	2,149,435
Swimming Pool	636,940	710,810	678,480	714,080
Special Facilities	70,155	69,980	69,980	72,430
Sustainability	540,750	526,789	484,829	513,161
Opioid Grant	67,768	57,113	57,113	57,113
Public Safety Aid	54,269	50,000	50,000	50,000
Street Light User Fee	380,825	380,000	387,000	387,000
<u>Enterprise Funds*</u>				
Liquor	13,828,055	13,745,200	13,776,760	13,841,950
Water & Sewer Utility	10,883,975	10,925,000	10,909,000	13,263,140
Storm Sewer Utility	2,617,770	2,792,100	2,842,100	3,231,220
<u>Internal Service Funds</u>				
Central Garage	3,125,657	3,097,530	3,097,530	3,567,854
Information Technologies	1,885,730	1,902,141	1,917,141	1,984,475
Insurance/Risk Management	1,214,077	1,212,720	1,216,690	1,196,570
Building Services	1,102,159	1,126,610	1,324,610	1,371,075
Compensated Absences	-	-	-	-
<u>Debt Service Funds</u>				
G.O. Improvement Bonds	7,613,988	8,415,730	8,415,730	8,455,442
<u>Capital Improvement Funds*</u>				
Recreational Development	13,013,646	6,725,000	20,484,067	3,235,768
Right-of-Way Improvements	6,117,683	9,926,500	6,706,200	10,038,000
Public Facilities	1,993,551	1,525,000	1,675,000	9,375,000
Buildings, Fleet and Technology	2,649,639	3,799,636	3,444,836	3,733,827
Total	<u>\$108,872,713</u>	<u>\$ 108,282,508</u>	<u>\$118,723,085</u>	<u>\$ 117,240,904</u>

* 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

	2025 Actual	2026 Budget	2026 Revised	2027 Budget
*General Fund				
Legislative/Executive	\$ 1,263,572	\$ 1,360,777	\$ 1,308,195	\$ 1,284,677
Administrative Services	922,615	1,067,194	1,037,066	1,141,770
Human Resources	290,336	360,783	412,420	562,852
Finance	550,482	701,628	812,080	705,066
Public Safety	12,680,033	13,642,788	13,332,315	14,312,605
Fire	6,239,563	6,641,729	6,426,700	6,846,680
Community Development	1,688,854	1,916,110	1,884,350	1,972,361
Public Works	5,377,729	5,949,340	6,021,680	5,807,520
Recreation Services	2,506,587	2,561,200	2,561,799	2,871,320
Operating transfers	352,250	372,250	372,250	388,704
Miscellaneous	-	560,316	-	-
Subtotal	\$ 31,872,021	\$ 35,134,115	\$ 34,168,855	\$ 35,893,555
Special Revenue Funds				
Liquor Contribution Fund	475,000	475,000	475,000	475,000
Tourism Administration	5,440	5,440	5,440	5,440
Communications	383,315	412,420	398,070	429,830
Election	2,070,300	328,331	328,331	298,960
Drug Felony/Forfeiture	60,407	34,100	51,600	57,000
Public Safety Compliance	53,286	25,000	25,000	25,000
Recreation Contributions	232,859	148,000	123,000	123,000
Nature Center Contributions	45,137	78,864	290,000	80,000
Public Health Grants	183,989	51,214	51,214	51,214
Wood Lake Half Marathon	28,242	90,000	72,000	72,000
Franchise Fees	2,073,796	2,464,700	2,155,000	2,375,000
Ice Arena	1,536,783	1,399,878	1,634,371	1,556,778
Swimming Pool	638,056	663,320	652,510	780,048
Special Facilities	66,604	68,680	69,590	66,342
Sustainability	589,660	443,273	442,472	437,630
Opioid Settlement	32,299	12,000	12,000	12,000
Public Safety Aid	134,000	446,095	-	-
Street Light User Fee	328,826	332,000	332,000	340,000
Enterprise Funds*				
Liquor	13,362,413	13,794,795	13,590,545	13,716,905
Water & Sewer Utility	9,274,854	10,389,360	10,428,540	11,025,050
Storm Sewer Utility	3,240,913	2,357,460	2,462,490	3,078,540
Internal Service Funds				
Central Garage	2,844,767	2,618,580	2,618,770	2,922,070
Information Technologies	1,690,116	1,872,703	1,872,710	2,051,160
Insurance/Risk Management	(331,448)	1,618,602	1,707,802	1,346,460
Building Services	916,652	1,137,319	1,092,350	1,140,967
Compensated Absences	-	-	-	-
Debt Service Funds				
G.O. Improvement Bonds	4,977,107	6,990,210	7,445,273	8,215,904
Capital Improvement Funds*				
Recreational Development	13,013,646	6,725,000	20,484,067	3,235,768
Right-of-Way Improvements	6,117,683	9,926,500	6,706,200	10,038,000
Public Facilities	1,993,551	1,525,000	1,675,000	9,375,000
Buildings, Fleet and Technology	2,649,639	3,799,636	3,444,836	3,733,827
Total	\$ 100,559,913	\$ 105,367,595	\$ 114,815,036	\$ 112,958,448

* 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 2026 ADOPTED, 2026 REVISED AND 2027 BUDGET - GENERAL FUND

	Adopted 2026	Revised 2026	Proposed 2027	Adopted/ Proposed % Increase/ (Decrease)
REVENUES				
Property Taxes	\$ 25,223,647	\$ 25,223,647	\$ 26,364,102	4.52%
Licenses and Permits	1,130,850	1,123,340	1,157,740	2.38%
Intergovernmental Revenue	5,766,368	5,874,730	5,589,988	-3.06%
Charges for Services	1,830,300	1,909,370	1,891,465	3.34%
Fines and Forfeitures	220,000	225,000	225,000	2.27%
Miscellaneous Revenues	129,255	167,900	329,400	154.85%
Transfers	833,695	387,600	335,860	-59.71%
Total Revenues	<u>\$ 35,134,115</u>	<u>\$ 34,911,587</u>	<u>\$ 35,893,555</u>	2.16%
EXPENDITURES				
Legislative/Executive	\$ 1,360,777	\$ 1,308,195	\$ 1,284,677	-5.59%
Administrative Services	1,067,194	1,037,066	1,141,770	6.99%
Human Resources	360,783	412,420	562,852	56.01%
Finance	701,628	812,080	705,066	0.49%
Public Safety	13,642,788	13,332,315	14,312,605	4.91%
Fire	6,641,729	6,426,700	6,846,680	3.09%
Community Development	1,916,110	1,884,350	1,972,361	2.94%
Public Works	5,949,340	6,021,680	5,807,520	-2.38%
Recreation Services	2,561,200	2,561,799	2,871,320	12.11%
Transfers	372,250	372,250	388,704	4.42%
0.44% related to PFML	115,000	-	-	-100.00%
40% GF Reserve	445,316	742,732	-	-100.00%
Total Expenditures	<u>\$ 35,134,115</u>	<u>\$ 34,911,587</u>	<u>\$ 35,893,555</u>	2.16%

The 2027 Proposed General Fund budget reflects a 2.16% increase in revenues and expenditures as compared to the 2026 Adopted budget. The 2026 Revised budget reflects a 0.63% decrease when compared to the 2026 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 2027 Proposed budget these four sources account for 94.70% 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 2027 tax levy for the General Fund does not even cover the budgeted 2027 expenditures of these three departments.

COMPARATIVE ANALYSIS OF FUND BALANCE - GENERAL FUND

	2025 Actual	2026 Budget	2026 Revised	2027 Budget
Fund Balance - January 1	\$ 12,028,802	\$ 12,028,802	\$ 13,766,406	\$ 14,509,138
Revenue and Transfers	33,609,625	35,134,115	34,911,587	35,893,555
Total Available	45,638,427	47,162,917	48,677,993	50,402,693
Expenditures and Transfers	31,872,021	35,134,115	34,168,855	35,893,555
Fund Balance - December 31	<u>\$ 13,766,406</u>	<u>\$ 12,028,802</u>	<u>\$ 14,509,138</u>	<u>\$ 14,509,138</u>
Fund Balances:				
Nonspendable	\$ 72,854	\$ -	\$ -	\$ -
Unassigned	13,693,552	12,028,802	14,509,138	14,509,138
Total Fund Balance	<u>\$ 13,766,406</u>	<u>\$ 12,028,802</u>	<u>\$ 14,509,138</u>	<u>\$ 14,509,138</u>

SOURCE	Revised Budget 2026		Budget 2027	
	Total	Percent	Total	Percent
Taxes	\$ 25,223,647	72.25%	\$ 26,364,102	73.45%
Licenses and Permits	1,123,340	3.22%	1,157,740	3.22%
Intergovernmental Revenues:				
Local Government Aid	3,448,397	9.88%	3,503,091	9.76%
Other	2,426,333	6.95%	2,086,897	5.81%
Subtotal	5,874,730	92.30%	5,589,988	92.25%
Charges for Services	1,909,370	5.47%	1,891,465	5.27%
Fines and Forfeitures	225,000	0.64%	225,000	0.63%
Miscellaneous Revenues	167,900	0.48%	329,400	0.92%
Transfers	387,600	1.11%	335,860	0.94%
Total Revenues	<u>\$ 34,911,587</u>	<u>100.00%</u>	<u>\$ 35,893,555</u>	<u>100.00%</u>

COMPARATIVE ANALYSIS OF REVENUES - GENERAL FUND

	2025 Actual	2026 Budget	2026 Revised	2027 Budget
<u>Taxes</u>				
Current Ad Valorem	\$ 19,465,675	\$ 20,389,502	\$ 20,389,502	\$ 21,468,766
Fiscal Disparities	3,840,369	4,834,145	4,834,145	4,895,336
Total Property Taxes	\$ 23,306,044	\$ 25,223,647	\$ 25,223,647	\$ 26,364,102
<u>License and Permits</u>				
Business Licenses	\$ 312,059	\$ 261,000	\$ 249,740	\$ 248,740
Non Business Licenses and Permits	977,607	869,850	873,600	909,000
Total License and Permits	\$ 1,289,666	\$ 1,130,850	\$ 1,123,340	\$ 1,157,740
<u>Intergovernmental Revenue</u>				
Federal -				
Grants	\$ 158,483	\$ 160,000	\$ 182,510	\$ 182,510
State :				
Local Government Aid	3,410,633	3,448,397	3,448,397	3,503,091
Law Officer Training	39,777	43,000	44,000	44,000
Police State Aid	573,973	450,000	450,000	455,000
Fire State Aid	307,418	250,000	345,830	392,490
State-aid Street Maintenance	315,000	315,000	315,000	315,000
Grants - Other	237,424	470,000	480,000	100,000
Community Health Services	177,835	177,835	177,897	177,897
Support Services	454,250	431,096	431,096	420,000
County-				
Grants - Other	-	21,040		
Total Intergovernmental Revenue	\$ 5,674,793	\$ 5,766,368	\$ 5,874,730	\$ 5,589,988
<u>Charges for Services</u>				
General Government and				
Deputy Registrar	1,916,601	1,420,000	1,491,920	1,469,620
Public Safety	42,340	54,000	50,000	50,000
Park and Recreation	345,021	292,200	311,100	296,100
Nature Center	53,464	64,100	56,350	75,745
Total Charges for Services	\$ 2,357,426	\$ 1,830,300	\$ 1,909,370	\$ 1,891,465
<u>Fines and Forfeits</u>				
Municipal Court Fines	\$ 221,454	\$ 220,000	\$ 225,000	\$ 225,000
Total Fines and Forfeits	\$ 221,454	\$ 220,000	\$ 225,000	\$ 225,000
<u>Miscellaneous Revenues</u>				
Investment Income	\$ 222,216	\$ 100,000	\$ 154,500	\$ 244,000
Rents	3,893	-	8,000	80,000
Recovery - Damage to Property	8,581	5,000	5,000	5,000
Special Assessments	6,889	-		
Other	10,173	24,255	400	400
Total Miscellaneous Revenues	\$ 251,752	\$ 129,255	\$ 167,900	\$ 329,400
<u>Transfers</u>	\$ 508,490	\$ 833,695	\$ 387,600	\$ 335,860
<u>TOTAL REVENUES</u>	<u>\$ 33,609,625</u>	<u>\$ 35,134,115</u>	<u>\$ 34,911,587</u>	<u>\$ 35,893,555</u>

COMPARATIVE ANALYSIS OF EXPENDITURES - GENERAL FUND

	2025 Actual	2026 Budget	2026 Revised	2027 Budget
<u>Legislative/Executive</u>				
Mayor-Council	\$ 304,125	\$ 323,712	\$ 350,935	\$ 325,961
Other Agencies	116,110	120,174	120,174	124,030
City Manager	528,528	552,711	472,906	459,926
Legal	314,809	364,180	364,180	374,760
Subtotal	<u>\$ 1,263,572</u>	<u>\$ 1,360,777</u>	<u>\$ 1,308,195</u>	<u>\$ 1,284,677</u>
<u>Administrative Services</u>				
Administration	\$ 161,895	\$ 171,262	\$ 175,893	\$ 178,580
Deputy Registrar	734,879	848,060	812,875	913,660
City Clerk	25,841	47,872	48,298	49,530
Subtotal	<u>\$ 922,615</u>	<u>\$ 1,067,194</u>	<u>\$ 1,037,066</u>	<u>\$ 1,141,770</u>
<u>Human Resources</u>				
Human Resources	\$ 290,336	\$ 360,783	\$ 412,420	\$ 562,852
Subtotal	<u>\$ 290,336</u>	<u>\$ 360,783</u>	<u>\$ 412,420</u>	<u>\$ 562,852</u>
<u>Finance</u>				
Finance	\$ 550,482	\$ 701,628	\$ 812,080	\$ 705,066
Subtotal	<u>\$ 550,482</u>	<u>\$ 701,628</u>	<u>\$ 812,080</u>	<u>\$ 705,066</u>
<u>Public Safety</u>				
Support Services	\$ 1,730,318	\$ 1,365,558	\$ 1,295,955	\$ 1,447,125
Police	10,916,816	12,228,570	11,988,800	12,815,470
Emergency Services	32,899	48,660	47,560	50,010
Subtotal	<u>\$ 12,680,033</u>	<u>\$ 13,642,788</u>	<u>\$ 13,332,315</u>	<u>\$ 14,312,605</u>
<u>Fire</u>				
Fire	\$ 6,239,563	\$ 6,641,729	\$ 6,426,700	\$ 6,846,680
Subtotal	<u>\$ 6,239,563</u>	<u>\$ 6,641,729</u>	<u>\$ 6,426,700</u>	<u>\$ 6,846,680</u>
<u>Community Development</u>				
Administration	\$ 68,167	\$ 69,860	\$ 69,860	\$ 39,301
Planning & Zoning	313,105	362,490	362,510	424,530
Inspections	1,307,582	1,483,760	1,451,980	1,508,530
Subtotal	<u>\$ 1,688,854</u>	<u>\$ 1,916,110</u>	<u>\$ 1,884,350</u>	<u>\$ 1,972,361</u>
<u>Public Works</u>				
Administration	\$ 223,605	\$ 227,560	\$ 277,570	\$ 232,840
Engineering	613,164	607,220	607,180	628,590
Streets	2,757,684	3,315,230	3,337,580	3,091,070
Park Maintenance	1,783,276	1,799,330	1,799,350	1,855,020
Subtotal	<u>\$ 5,377,729</u>	<u>\$ 5,949,340</u>	<u>\$ 6,021,680</u>	<u>\$ 5,807,520</u>
<u>Recreation Services</u>				
Recreation Administration	\$ 534,201	\$ 571,780	\$ 550,703	\$ 577,897
Recreation	1,224,189	1,289,399	1,287,367	1,340,982
Nature Center	748,197	700,021	723,729	952,441
Subtotal	<u>\$ 2,506,587</u>	<u>\$ 2,561,200</u>	<u>\$ 2,561,799</u>	<u>\$ 2,871,320</u>
<u>Transfers Out</u>				
Special Revenue Funds	\$ 352,250	\$ 372,250	\$ 372,250	\$ 388,704
	<u>\$ 352,250</u>	<u>\$ 372,250</u>	<u>\$ 372,250</u>	<u>\$ 388,704</u>
<u>Miscellaneous</u>				
0.44% related to PFML	\$ -	\$ 115,000	\$ -	
40% Fund Balance Reserve	-	445,316	742,732	
	<u>\$ -</u>	<u>\$ 560,316</u>	<u>\$ 742,732</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 31,872,021</u>	<u>\$ 35,134,115</u>	<u>\$ 34,911,587</u>	<u>\$ 35,893,555</u>

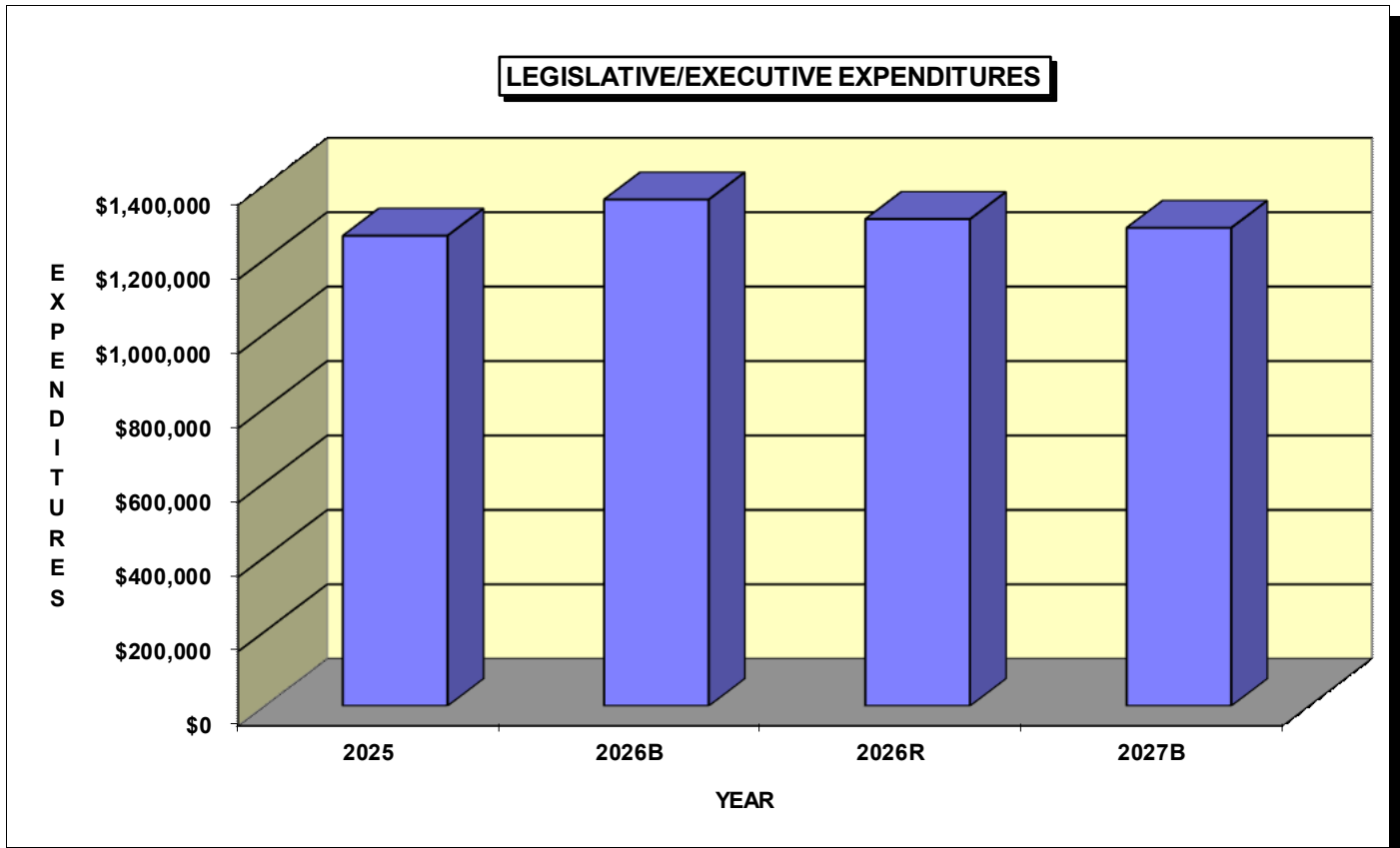
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LEGISLATIVE / EXECUTIVE

FUND: GENERAL FUND
DEPARTMENT: Legislative/Executive

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10100 Mayor Council	\$ 304,125	\$ 323,712	\$ 350,935	\$ 325,961	0.69%
10105 Other Agencies	116,110	120,174	120,174	124,030	3.21%
10115 City Manager	528,528	552,711	472,906	459,926	(16.79%)
10120 Legal	314,809	364,180	364,180	374,760	2.91%
<i>Legislative/Executive TOTAL</i>	<u>\$ 1,263,572</u>	<u>\$ 1,360,777</u>	<u>\$ 1,308,195</u>	<u>\$ 1,284,677</u>	(5.59%)



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.

2026 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 third State of the Community (Summer Kickoff) event.
- Advocated for City priorities at the federal, State, and County levels 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 study to better define essential services, prioritize services and programs, and explore more efficient and effective service delivery models.
- Joined the Cities for Safe and Stable Communities coalition to strengthen advocacy efforts on issues impacting local government finances, public safety, housing, and quality of life.
- Initiated the City Manager recruitment process by selecting and contracting with an executive search firm to guide the City Council through the recruitment and selection of the City's next City Manager.

2027 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 (Summer Kickoff) (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 levels (City Council Priority/Outcome 3b).

DIVISION EXPENDITURE COMMENT

The 2026 revised budget is 8.41% higher than the 2026 adopted budget. The increase is primarily due to the addition of Minnesota Paid Family and Medical Leave costs, joining the Cities for Safe and Stable Communities coalition, and contracting with an executive search firm to assist with the recruitment of the next City Manager.

The 2027 budget is 0.69% higher than the 2026 adopted budget. The increase is primarily due to the completion of the Essential Services Study and one-time Executive Search Firm costs included in the 2026 revised budget. The 2027 budget includes funding for the development of a new Strategic Plan.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 57,201	\$ 58,871	\$ 58,871	\$ 58,871
6031 Employer Social Security	2,554	1,579	1,579	1,579
6032 Employer Medicare	735	854	854	854
6033 Employer Pera	1,623	1,670	1,670	1,670
6038 Workers Compensation	30	30	30	30
6041 Paid Family Medical Leave	9	-	223	223
<i>Personal Services Total</i>	<u>\$ 62,152</u>	<u>\$ 63,004</u>	<u>\$ 63,227</u>	<u>\$ 63,227</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 76,069	\$ 77,500	\$ 104,500	\$ 69,500
6202 Data Processing Rental	14,190	11,820	11,820	13,504
6207 Utility Services	18,700	19,450	19,450	18,469
6303 Professional Development	5,533	6,000	6,000	6,500
6305 Subscriptions & Memberships	79,579	86,718	86,718	90,086
6308 Property Liability	610	620	620	630
6401 Office Supplies	252	750	750	750
6402 Copy Charges	138	500	500	500
6403 Postage	23	50	50	50
6409 Uniforms & Clothing	192	550	550	550
6513 Other Charges	46,687	56,750	56,750	62,195
<i>Other Services & Charges Total</i>	<u>\$ 241,973</u>	<u>\$ 260,708</u>	<u>\$ 287,708</u>	<u>\$ 262,734</u>
<i>Mayor Council TOTAL</i>	<u><u>\$ 304,125</u></u>	<u><u>\$ 323,712</u></u>	<u><u>\$ 350,935</u></u>	<u><u>\$ 325,961</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<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.

2026 HIGHLIGHTS

- Awarded \$97,584 in contracts to seven non-profit agencies to provide services to Richfield residents.

2027 DIVISION GOALS

- Administer a competitive annual process to contract with social service agencies to provide needed services to Richfield residents. The 2027 budget includes \$100,500 for social service agency contracts. (City Council Priority/Outcome 2c and 5a).

DIVISION EXPENDITURE COMMENT

The 2027 budget reflects a 3.21% increase over 2026, driven by modest increases in interdepartmental labor allocations and social service organization contract funding to maintain current service levels and support community partnerships.

The allocation of the 2027 contracts will be determined by the City Council in early 2027.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6051 Interdepartmental Labor	\$ 24,310	\$ 22,590	\$ 22,590	\$ 23,530
<i>Personal Services Total</i>	<u>\$ 24,310</u>	<u>\$ 22,590</u>	<u>\$ 22,590</u>	<u>\$ 23,530</u>
<u>Other Services & Charges</u>				
6515 Human Services - Unallocated	\$ 91,800	\$ 97,584	\$ 97,584	\$ 100,500
<i>Other Services & Charges Total</i>	<u>\$ 91,800</u>	<u>\$ 97,584</u>	<u>\$ 97,584</u>	<u>\$ 100,500</u>
<i>Other Agencies TOTAL</i>	<u><u>\$ 116,110</u></u>	<u><u>\$ 120,174</u></u>	<u><u>\$ 120,174</u></u>	<u><u>\$ 124,030</u></u>

CITY MANAGER DEPARTMENT

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.

DEPARTMENT 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 Department team oversees the City's equity work.

2026 HIGHLIGHTS

- Coordinated a wide range of training options for staff, including but not limited to leadership training and supervisor training. (Council Priority/High-Quality Workforce, a well-trained workforce)
- 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. (Council Priority/High-Quality Workforce, healthy Council-staff relationships)
- Assisted in the development of the Essential Services Study, providing Council and staff with service categorizations and recommendations. (Council Priority/Operational Excellence, operational capability to deliver essential services)
- Coordinated the City Manager executive search process, including development of the Request for Proposals (RFP), proposal evaluation, Council interviews, and firm selection.
- Completed the final update and reporting for the current Strategic Plan in preparation for development of the City's next strategic plan. (Council Priority/Operational Excellence, focused City leadership)
- Supported updates to the City Charter to bring petition requirements into compliance with state law.
- Partnered with the Finance Department to evaluate the City's workers' compensation program and develop a recommendation on whether to remain self-insured or transition coverage to the League of Minnesota Cities Insurance Trust. (Council Priority/Operational Excellence, focused City leadership)
- Transferred administration of the City's lodging tax to the Minnesota Department of Revenue.
- Participated in mediation efforts for the Fire Union.

- Participated in Bureau of Mediation Services (BMS) Path Forward and Labor Management Committee (LMC) training for the Fire Union.

2027 DEPARTMENT 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. (Council Priority/Operational Excellence, focused City leadership)
- Assist the Finance Department to develop long-term financial plans to fund operations and capital needs (Council Priority/Operational Excellence, financial capacity to deliver essential services)
- Assist HR in developing a training program for staff (Council Priority/High-Quality Workforce, a well-trained workforce)
- Continue implementing process improvements across administrative functions. (Council Priority/Operational Excellence, operational capability to deliver essential services)
- Coordinate the annual Council-Staff effective governance schedule and process. (Council Priority/High-Quality Workforce, healthy Council-staff relationships)
- Develop the 2027 legislative platform and partner with local legislators, state agencies, and regional partners to advance key City priorities. (City Council Priority/Outcome)
- Develop the City's next Strategic Plan. (Council Priority/Operational Excellence, focused City leadership)

DEPARTMENT EXPENDITURE COMMENT

The 2026 revised budget is 14.44% lower than the 2026 adopted budget. The decrease is primarily due to the transfer of the Equity Coordinator position and related equity projects to the Human Resources budget, partially offset by increased costs for Paid Family and Medical Leave, a City Manager salary increase, and higher training costs.

The 2027 budget is 16.79% lower than the 2026 adopted budget. The decrease is primarily due to the transfer of the remaining equity projects to the Human Resources budget and reductions in charges allocated to other City funds.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 415,321	\$ 438,161	\$ 392,153	\$ 383,905
6031 Employer Social Security	24,748	26,013	23,630	21,382
6032 Employer Medicare	5,853	6,233	5,526	5,106
6033 Employer Pera	31,265	32,862	29,411	28,793
6035 Medical Insurance	57,264	60,897	42,124	53,968
6036 Dental Insurance	2,550	2,597	2,086	1,862
6037 Term Life	251	140	123	100
6038 Workers Compensation	890	910	910	960
6040 Long Term Disability	426	776	694	680
6041 Paid Family Medical Leave	83	-	1,488	1,457
6055 Administrative Labor Credit	(93,540)	(90,310)	(90,310)	(93,590)
<i>Personal Services Total</i>	<u>\$ 445,111</u>	<u>\$ 478,279</u>	<u>\$ 407,835</u>	<u>\$ 404,623</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 5,823	\$ 3,690	\$ 190	\$ 200
6202 Data Processing Rental	27,663	22,882	22,882	21,189
6207 Utility Services	9,340	9,710	9,710	9,724
6302 Communications	1,958	2,640	2,220	1,920
6303 Professional Development	14,148	12,600	14,775	13,600
6305 Subscriptions & Memberships	3,229	5,000	3,700	3,500
6307 Insurance & Bonds	3,808	4,130	4,130	2,570
6308 Property Liability	1,160	1,180	1,180	1,200
6401 Office Supplies	965	1,000	1,000	1,000
6402 Copy Charges	417	350	350	350
6403 Postage	4	50	50	50
6513 Other Charges	14,902	11,200	4,884	-
<i>Other Services & Charges Total</i>	<u>\$ 83,417</u>	<u>\$ 74,432</u>	<u>\$ 65,071</u>	<u>\$ 55,303</u>
<i>City Manager TOTAL</i>	<u><u>\$ 528,528</u></u>	<u><u>\$ 552,711</u></u>	<u><u>\$ 472,906</u></u>	<u><u>\$ 459,926</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	-	-
Administrative Assistant	9	.50	.50	.50
	<i>Total</i>	<u>3.50</u>	<u>2.50</u>	<u>2.50</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 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 2027.

2026 HIGHLIGHTS

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

2027 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 2026 revised budget reflects a 0% increase over the 2026 adopted budget. The 2027 budget includes a 2.91% increase to account for anticipated contractual rate adjustments for legal services provided by Kennedy & Graven. The increase maintains current service levels while reflecting modest increases in hourly billing rates.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 120,892	\$ 165,000	\$ 165,000	\$ 173,250
6105 Prosecution	192,467	197,700	197,700	200,000
6308 Property Liability	1,450	1,480	1,480	1,510
<i>Other Services & Charges Total</i>	<u>\$ 314,809</u>	<u>\$ 364,180</u>	<u>\$ 364,180</u>	<u>\$ 374,760</u>
<i>Legal TOTAL</i>	<u>\$ 314,809</u>	<u>\$ 364,180</u>	<u>\$ 364,180</u>	<u>\$ 374,760</u>

ADMINISTRATIVE SERVICES

FUND: GENERAL FUND
DEPARTMENT: Administrative Services

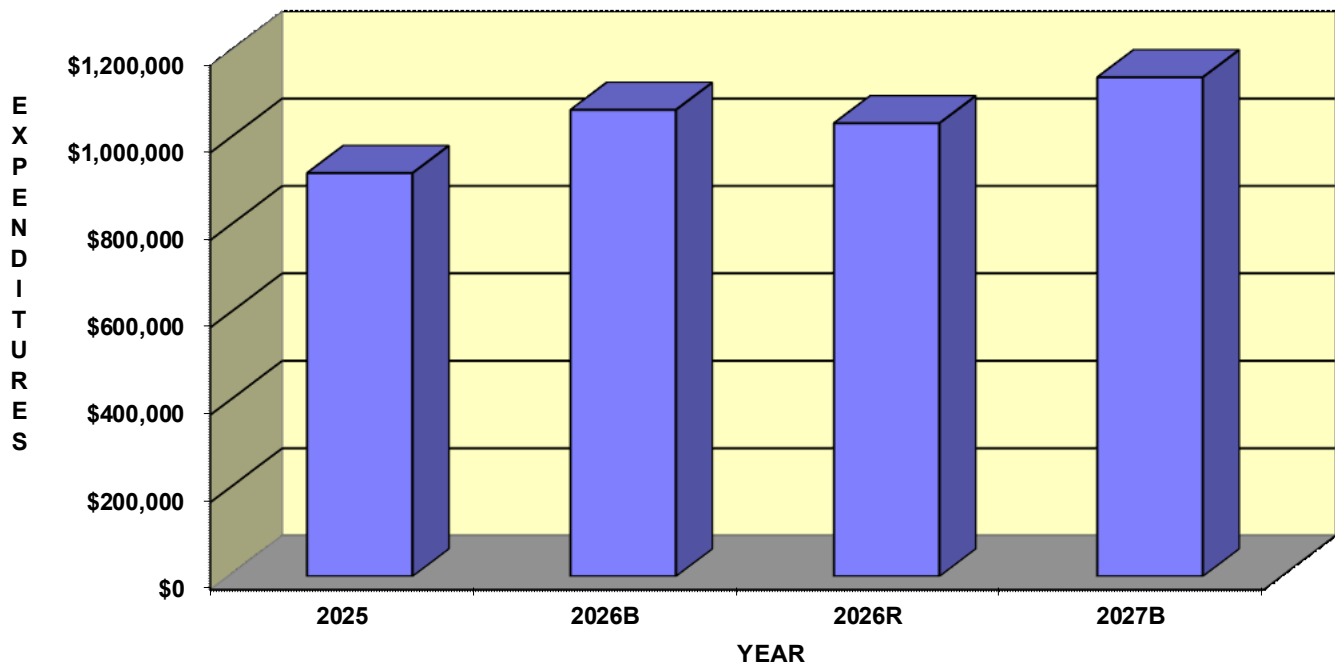
DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10200 Administration	\$ 161,895	\$ 171,262	\$ 175,893	\$ 178,580	4.27%
10215 Deputy Registrar	734,879	848,060	812,875	913,660	7.74%
10216 City Clerk	25,841	47,872	48,298	49,530	3.46%
<i>Administrative Services TOTAL</i>	<u>\$ 922,615</u>	<u>\$ 1,067,194</u>	<u>\$ 1,037,066</u>	<u>\$ 1,141,770</u>	6.99%

REVENUES

10215 Deputy Registrar	\$ 717,143	\$ 700,000	\$ 726,700	\$ 735,000	5.00%
10216 City Clerk	277	-	-	-	-

ADMINISTRATIVE SERVICES EXPENDITURES



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 deputy registrar office, city clerk, communications and engagement, government buildings, information technology, and liquor store operations.

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.

2026 HIGHLIGHTS

- Smooth transition of HR responsibilities to the new HR Director.
- Enhance budget process for Administrative Services Department (City Council Goal 4a).
- Implement policy and procedure changes for Liquor Operations (City Council Goal 4a).
- Facility Study – analysis completed in 2026, funding allocation in 2027 goals (City Council Goal 1b).

2027 GOALS

- Review and develop templates for the Record Management System Project with IT and City Clerk.
- Financial plan for facility study (City Council Goal 1b).
- Develop organization-wide technology plan (City Council Goal 1c).

DIVISION EXPENDITURE COMMENT

The 2026 revised budget reflects a 2.7% increase from the 2026 adopted budget. In the 2027 proposed budget, there will be a 4.27% increase from the 2026 adopted budget.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 166,204	\$ 183,430	\$ 178,587	\$ 187,060
6031 Employer Social Security	10,670	11,270	11,072	11,600
6032 Employer Medicare	2,495	2,660	2,590	2,710
6033 Employer Pera	12,985	13,757	13,394	14,030
6036 Dental Insurance	729	750	723	750
6037 Term Life	72	40	43	40
6038 Workers Compensation	110	110	110	120
6040 Long Term Disability	148	325	316	330
6041 Paid Family Medical Leave	33	-	678	710
6054 Interdepartmental Labor Credit	(66,724)	(76,430)	(76,430)	-
6055 Administrative Labor Credit	(53,880)	(55,580)	(55,580)	(57,340)
<i>Personal Services Total</i>	<u>\$ 72,842</u>	<u>\$ 80,332</u>	<u>\$ 75,503</u>	<u>\$ 160,010</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ -	\$ 60	\$ 60	\$ 60
6202 Data Processing Rental	7,510	6,810	6,810	6,320
6207 Utility Services	76,400	79,460	79,460	7,140
6302 Communications	481	-	480	500
6303 Professional Development	2,392	1,500	10,500	1,500
6305 Subscriptions & Memberships	-	250	250	250
6307 Insurance & Bonds	1,183	1,150	1,130	1,030
6308 Property Liability	700	710	710	720
6401 Office Supplies	248	130	130	150
6402 Copy Charges	-	30	30	50
6403 Postage	3	30	30	50
6414 Other Supplies	136	800	800	800
<i>Other Services & Charges Total</i>	<u>\$ 89,053</u>	<u>\$ 90,930</u>	<u>\$ 100,390</u>	<u>\$ 18,570</u>
<i>Administration TOTAL</i>	<u><u>\$ 161,895</u></u>	<u><u>\$ 171,262</u></u>	<u><u>\$ 175,893</u></u>	<u><u>\$ 178,580</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
A.S. Director/Assistant City Manager	20	1.00	1.00	1.00
<i>Total</i>		1.00	1.00	1.00

CAPITAL OUTLAY

ITEMS		2026 ADOPTED	2026 REVISED	2027 BUDGET
None		\$ -	\$ -	\$ -
<i>Total</i>		<u>\$ -</u>	<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 provides high-volume, high-quality customer service, assisting an average of over 250 customers per day while maintaining a 99% accuracy rate in transactions. Despite the complexity and variety of services offered, the division continues to achieve an average transaction time of approximately 10 minutes, demonstrating strong operational efficiency, effective staff performance, and consistent commitment to delivering timely and accurate service to the public.

2026 DIVISION GOALS

- Began researching and evaluating a new Point of Sale system to enhance operational efficiency, improve reporting capabilities, and support future departmental needs (City Council Goal 1b).
- Create and implement communications to City residents regarding Deputy Register services and transaction requirements, improving customer awareness and preparedness (City Council Goal 4a).
- Create and implement a new passport appointment sign-up system, improving scheduling efficiency and enhancing customer experience (City Council Goal 1b).

2027 DIVISION GOALS

- Implement a new point of sale system to help with the record keeping and organization of the motor vehicle, passport and Department of Natural Resource office (City Council Goal 1b).
- Continue to work with legislators regarding financial sustainability for deputy registrars (City Council Goal 1b).

DIVISION EXPENDITURE COMMENT

The 2026 revised budget reflects a -4.15% decrease from the 2026 adopted budget. In the 2027 proposed budget, there will be a 7.74% increase from the 2026 adopted budget.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 315,340	\$ 383,855	\$ 368,994	\$ 390,490
6006 Part-time	117,274	138,241	126,605	135,720
6007 Seasonal	50,813	51,008	49,468	52,350
6009 Overtime	8,748	-	3,500	3,600
6031 Employer Social Security	30,225	38,490	33,657	35,710
6032 Employer Medicare	7,069	9,000	7,871	8,350
6033 Employer Pera	36,671	46,808	40,876	43,390
6035 Medical Insurance	60,745	73,652	74,720	85,010
6036 Dental Insurance	2,583	2,979	2,892	2,980
6037 Term Life	325	200	213	200
6038 Workers Compensation	160	1,240	1,300	1,350
6040 Long Term Disability	365	679	653	690
6041 Paid Family Medical Leave	96	-	2,068	2,200
<i>Personal Services Total</i>	<u>\$ 630,414</u>	<u>\$ 746,152</u>	<u>\$ 712,817</u>	<u>\$ 762,040</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 57	\$ 300	\$ 300	\$ 300
6202 Data Processing Rental	68,680	70,668	70,668	72,920
6205 Maintenance & Repairs	-	270	270	300
6207 Utility Services	-	-	-	44,910
6301 Advertising & Publication	-	100	100	100
6302 Communications	-	250	840	1,200
6303 Professional Development	1,670	2,150	1,500	1,700
6305 Subscriptions & Memberships	1,200	660	660	700
6307 Insurance & Bonds	6,448	4,590	4,500	7,150
6308 Property Liability	2,180	2,220	2,220	2,260
6401 Office Supplies	6,640	8,000	6,300	6,680
6402 Copy Charges	10,990	2,200	2,200	2,400
6403 Postage	6,600	7,700	7,700	8,000
6414 Other Supplies	-	200	200	200
6513 Other Charges	-	2,600	2,600	2,800
<i>Other Services & Charges Total</i>	<u>\$ 104,465</u>	<u>\$ 101,908</u>	<u>\$ 100,058</u>	<u>\$ 151,620</u>
<i>Deputy Registrar TOTAL</i>	<u><u>\$ 734,879</u></u>	<u><u>\$ 848,060</u></u>	<u><u>\$ 812,875</u></u>	<u><u>\$ 913,660</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	.95	.95
	<i>Total</i>	<u>1.00</u>	<u>.95</u>	<u>.95</u>
<u>Part-Time Employees</u>				
Licensing Technician(3 people)	8	2.50	2.10	2.10
	<i>Total</i>	<u>2.50</u>	<u>2.10</u>	<u>2.10</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Administrative Services

Deputy Registrar

	Actual 2024	Actual 2025	Budget 2026	Revised 2026	Proposed 2027
Inputs:					
Number of Full Time Employees	5	5	5	5	5
Division Expenditures	\$ 780,437	\$ 734,879	\$ 848,060	\$ 812,875	\$ 913,660
Outputs:					
Motor Vehicle Transactions	55,125	47,629	55,500	55,500	58,000
Passport Transactions	7,400	3,570	3,000	3,200	3,500
Effectiveness Measures:					
Motor Vehicle Revenues-Year	\$ 610,165	\$ 553,126	\$ 500,000	\$ 570,000	575,000
Passport Revenues-Year	\$ 180,438	\$153,455	\$ 200,000	\$ 156,700	160,000
Motor Vehicle Processing Time	9 minutes	10 minutes	10 minutes	10 minutes	10 minutes
Passport Processing Time	20 minutes	20 Minutes	20 minutes	20 minutes	20 minutes
Efficiency Measures:					
Accuracy of Motor Vehicle Trans	99%	99%	99%	99%	99%
Division Revenue per capita	\$ 16.49	\$ 14.95	\$ 13.52	\$ 15.41	\$ 14.94
Division Expenditures per capita	\$ 21.10	\$ 19.87	\$ 22.92	\$ 21.97	\$ 23.74

2025 Budget reflects removal of
Administrative Labor Credits
for further analysis

Population 36993
38,482 (2027)

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 2026, the division focused on streamlining internal processes related to CivicPlus agenda management software; incorporating Weblink within the new CivicPlus application to allow the general public easier access to Council and Commission archived related documents; administering two elections (Primary and General Elections); and establishing a process for municipal code codification to ensure code is updated three times per year.

2026 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 Goal 1c*).
- Maintain an accurate record of all City Council, HRA, and EDA Minutes, Ordinances, Resolutions, and Legal Notices. (*City Council Goals 1, 3, and 4*).
- Conduct two elections (Primary and General Elections). (*City Council Priority/Outcome 1b and 1c*).
- Improved processes related to the CivicPlus agenda management software platform. Worked with the Executive Department to streamline the minutes template for City Council and Commissions. (*City Council Goal 1c*).

- Collaborated with IT to launch Weblink (Laserfiche product) within the CivicPlus agenda management software platform. Improved transparency and public engagement by launching Weblink through the public portal feature for Council and Commission meetings, improving access to City Council and Commission meetings. This allows the public to easily access and download historical records, including Council and Commission agenda packets, minutes, resolutions, and ordinances.
(City Council Goals 1c and 1, 3, and 4).
- Continued to streamline efficient operations for data requests. (City Council Goal Step 1c).
- Enhanced municipal code update processes to include direct links to the staff report item within the municipal code supplemental, and continued codification of approved ordinances three times per year.
(City Council Goal 1c).

2027 DIVISION GOALS

- Continue to develop and enhance the data management system city-wide (City Council Goals 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 Goals 1c and 1, 3, and 4).
- Review retention schedule by department and develop a quarterly process for destruction of expired retained documents. (City Council Goals 1, 3, and 4).
- Administer the final odd-year election process for the Richfield School District.
(City Council Goal 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 on CivicPlus, data requests, and records retention. (City Council Goal 1c).
- Continue partnering with the CAREs Committee to broaden inclusion and equity initiatives. (City Council Goal 5.2).

DIVISION EXPENDITURE COMMENT

The 2027 Proposed Budget reflects a 3.46% increase over 2026 Adopted Budget. The 2027 Proposed Budget includes increases in personal services within the internal department service classifications; increases in seasonal and part-time staffing wages (election judges) to align Richfield's election judge wages more competitively and equitably with Hennepin County and Richfield's peer city group; increases to annual

The 2026 Revised City Clerk Budget reflects a small .89% increase over 2026 Adopted Budget due to adjustments in personnel services expenses.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 139,993	\$ 144,440	\$ 145,481	\$ 154,846
6006 Part-time	448	20,000	20,000	12,400
6007 Seasonal	28,473	65,000	65,000	38,950
6009 Overtime	379	500	500	500
6031 Employer Social Security	8,949	17,096	14,284	12,779
6032 Employer Medicare	2,093	3,998	3,341	2,989
6033 Employer Pera	10,196	10,833	10,911	11,613
6035 Medical Insurance	22,470	22,892	23,805	26,836
6036 Dental Insurance	1,089	1,117	1,085	1,117
6037 Term Life	107	60	64	60
6038 Workers Compensation	270	160	160	175
6040 Long Term Disability	166	240	258	274
6041 Paid Family Medical Leave	26	-	875	783
6054 Interdepartmental Labor Credit	(242,470)	(285,831)	(285,831)	(263,380)
<i>Personal Services Total</i>	<u>\$ (27,811)</u>	<u>\$ 505</u>	<u>\$ (67)</u>	<u>\$ (58)</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 7,579	\$ -	\$ -	\$ -
6202 Data Processing Rental	23,841	22,517	22,517	21,835
6207 Utility Services			-	2,224
6301 Advertising & Publication	98	1,500	1,500	2,000
6303 Professional Development	2,250	5,030	4,630	2,975
6305 Subscriptions & Memberships	14,389	16,150	17,008	17,791
6307 Insurance & Bonds	1,222	1,140	1,140	1,175
6308 Property Liability	180	180	180	185
6401 Office Supplies	396	400	400	400
6402 Copy Charges	3,687	30	200	200
6403 Postage	10	20	20	20
6414 Other Supplies	-	400	400	400
6513 Other Charges			370	383
<i>Other Services & Charges Total</i>	<u>\$ 53,652</u>	<u>\$ 47,367</u>	<u>\$ 48,365</u>	<u>\$ 49,588</u>
<i>City Clerk TOTAL</i>	<u><u>\$ 25,841</u></u>	<u><u>\$ 47,872</u></u>	<u><u>\$ 48,298</u></u>	<u><u>\$ 49,530</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
City Clerk	14	1.00	1.00	1.00
Total		1.00	1.00	1.00
<u>Part-Time Employees</u>				
Administrative Assistant	9	.50	.50	.50
(FT - 50% Shared with Executive)		-	-	-
Total		.50	.50	.50

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	\$ -	\$ -	\$ -

Performance Measures

Administrative Services

City Clerk

	Actual 2023	Actual 2024	Actual 2025	Proposed 2026	Revised 2026	Proposed 2027
Inputs:						
Number of Full Time Employees	1.0	1.25	1.50	1.50	1.50	1.50
Division Expenditures	\$22,032	\$ 49,745	\$ 25,841	\$47,872	\$48,298	\$ 49,530
Outputs:						
Legal Notices Published	40	49	55	19	50	60
Domestic Partnerships Filed	4	5	7	1	5	6
Meeting Notices	69	96	129	125	125	125
Number of Elections Held	1	2	1	2	2	1
Number of Registered Voters	25,499	22,172	26,468	22,912	22,912	23,000
Number of Ballots Cast	4,265	19,664	1,793	19,700	19,700	19,800
Effectiveness Measures:						
Number of Data Requests Completed thru GovQA	1,347	1,490	3,054	2,532	2,600	2,650
	1347 - City	1490 - City	1040 - City	1016 - City	TBD	TBD
			2002 - Police	1516 - Police	TBD	TBD
Efficiency Measures:						
Expenditure per Capita	\$ 0.60	\$ 1.34	\$ 0.70	\$ 1.29	\$ 1.31	\$ 1.29
Council/Commission Packets Posted in the last 365 days				96		
Videos Posted to YouTube in the last 365 days				15		

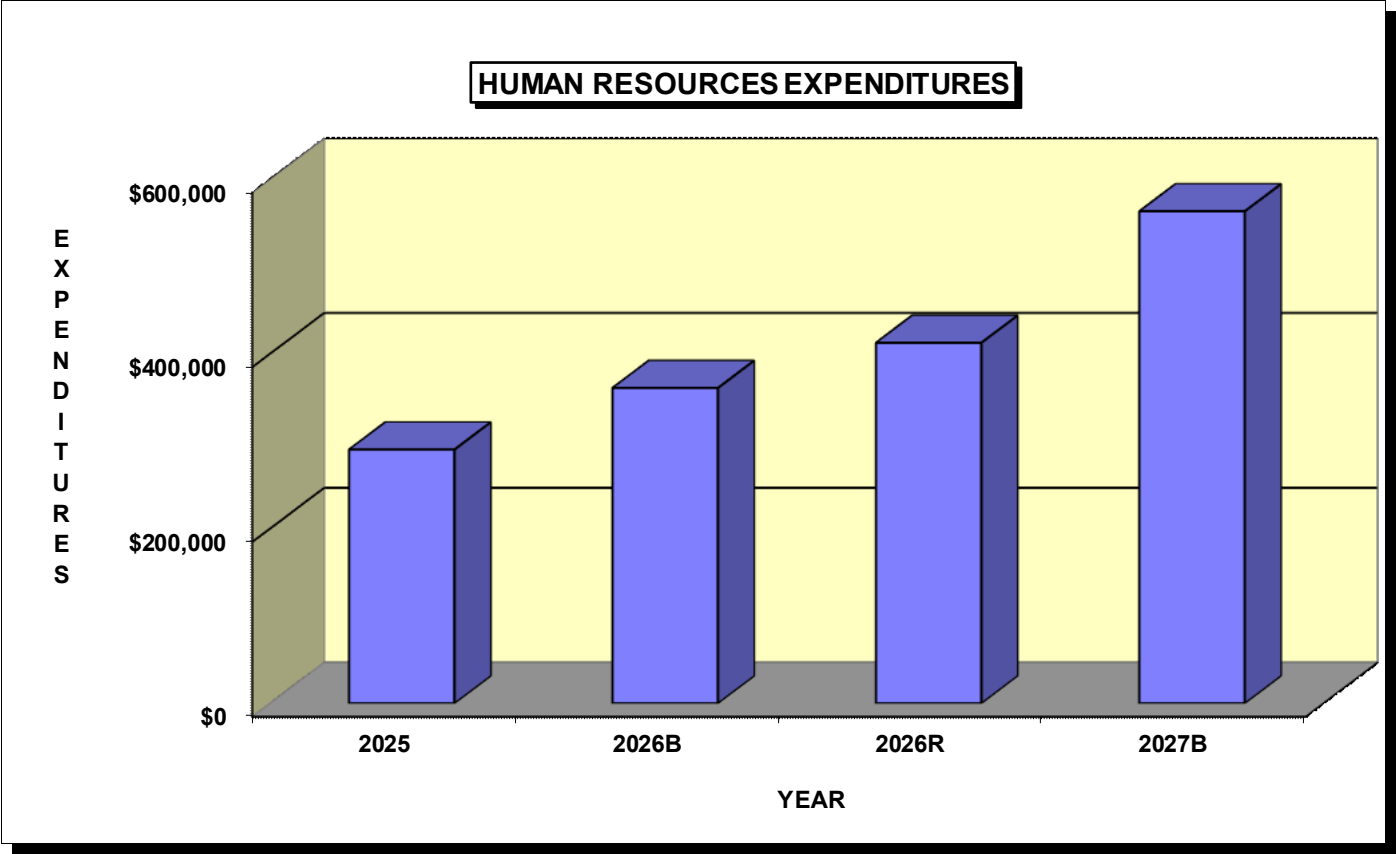
Italics indicates projected numbers.

Population 36,994
38,482 (2027)

HUMAN RESOURCES

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10205 Human Resources	\$ 290,336	\$ 360,783	\$ 412,420	\$ 562,852	56.01%
Human Resources TOTAL	\$ 290,336	\$ 360,783	\$ 412,420	\$ 562,852	56.01%



Human Resources Department

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.

DEPARTMENT FOCUS

This department 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 Department is led by the HR Director.

2026 HIGHLIGHTS

- Increased recruiting, hiring and onboarding for city employees due to increased turnover in the past several years. (*City Council Priority/Outcome 4*).
- Secured candidates for 110 positions and conducted leadership searches to fill management level positions of HR Director, Project Engineer and Utility Engineer.
- Settled four contract negotiations at the end of 2025 and one in early 2026.
- Implemented the Minnesota Paid Leave program, including policy development, employee communication, and payroll coordination.
- Supported participation of a second cohort of employees in the multi-city North Star Leadership Program.
- Partnered with a consultant to develop and launch a new supervisory training program for City supervisors.
- Transitioned to a standalone department and hired a Human Resources Director
- Integrated the Equity Coordinator position and related initiatives into the Human Resources Department to better align organizational equity efforts with employee programs, policies, and practices.
- Hired an HR consultant to review citywide policies and suggested changes and additions for new policies.
- Attended a Labor Management Committee training with the Fire Union facilitated by the Bureau of Mediation Services.

2027 GOALS

- Conclude I-9 Audit.
- Review and improve recruitment processes.
- Finalize and implement new policies and policy changes.
- Revise exit interview strategy to include in person exit interviews.
- Review the City's safety program and hold City wide AWAIR or equivalent safety training.
- Assist and complete Citywide Supervisor Training.
- Complete city-wide respectful workplace training.

- Conduct an employee engagement survey.
- Track HR metrics to quantify volume of workload.
- Assist in executive recruitment process for the City Manager search.
- Continue working towards Equity Program goals and initiatives.

DEPARTMENT EXPENDITURE COMMENT

The 2026 revised budget reflects a 14.31% increase over the 2026 adopted budget. The increase is primarily due to the transfer of the Equity Coordinator position and related projects from the City Manager budget to the Human Resources budget, as well as employer contributions for Paid Family and Medical Leave.

The 2027 budget reflects a 56.01% increase over the 2026 adopted budget. The increase is primarily due to increased personnel costs, the transfer of the remaining equity-related expenses from the City Manager budget, increased professional development costs, and higher subscription and membership costs, partially offset by decreased spending on professional services.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 267,458	\$ 308,693	\$ 338,094	\$ 450,560
6007 Seasonal	16,322	3,000	-	-
6031 Employer Social Security	17,344	17,837	15,951	22,375
6032 Employer Medicare	4,056	4,172	3,730	5,233
6033 Employer Pera	17,627	22,899	25,503	33,792
6035 Medical Insurance	39,986	50,454	53,487	77,554
6036 Dental Insurance	1,747	2,206	2,308	2,979
6037 Term Life	172	120	136	160
6038 Workers Compensation	110	110	110	120
6040 Long Term Disability	258	540	555	776
6041 Paid Family Medical Leave	177	-	1,283	1,710
6054 Interdepartmental Labor Credit	(156,704)	(179,498)	(179,498)	(135,000)
6055 Administrative Labor Credit	(48,450)	(50,150)	(50,150)	(51,910)
<i>Personal Services Total</i>	<u>\$ 160,103</u>	<u>\$ 180,383</u>	<u>\$ 211,509</u>	<u>\$ 408,349</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 56,805	\$ 100,000	\$ 103,500	\$ 35,640
6202 Data Processing Rental	24,670	30,820	30,820	41,397
6207 Utility Services			-	6,544
6301 Advertising & Publication	299	500	500	500
6302 Communications	1,160	1,300	1,720	2,880
6303 Professional Development	5,520	2,600	4,425	6,600
6304 Employee Training	6,937	12,000	19,200	12,000
6305 Subscriptions & Memberships	23,117	12,800	14,100	16,070
6307 Insurance & Bonds	2,366	2,300	2,250	3,082
6308 Property Liability	570	580	580	590
6312 REEP Program	4,808	15,000	15,000	15,000
6401 Office Supplies	961	1,300	1,300	1,800
6402 Copy Charges	1,188	1,000	1,000	1,000
6403 Postage	1,832	200	200	200
6513 Other Charges			6,316	11,200
<i>Other Services & Charges Total</i>	<u>\$ 130,233</u>	<u>\$ 180,400</u>	<u>\$ 200,911</u>	<u>\$ 154,503</u>
<i>Human Resources TOTAL</i>	<u><u>\$ 290,336</u></u>	<u><u>\$ 360,783</u></u>	<u><u>\$ 412,420</u></u>	<u><u>\$ 562,852</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
HR Manager	17	1.00	-	-
HR Director	19	-	1.00	1.00
HR Specialist	11	1.00	-	-
HR Generalist I	11	-	1.00	1.00
HR Specialist	11	1.00	-	-
HR Generalist II	12	-	1.00	1.00
Equity Coordinator	12	-	1.00	1.00
	<i>Total</i>	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>
<u>Intermittent Employees</u>				
Recruiting and Onboard Support		-	.15	.15
	<i>Total</i>	-	.15	.15

CAPITAL OUTLAY

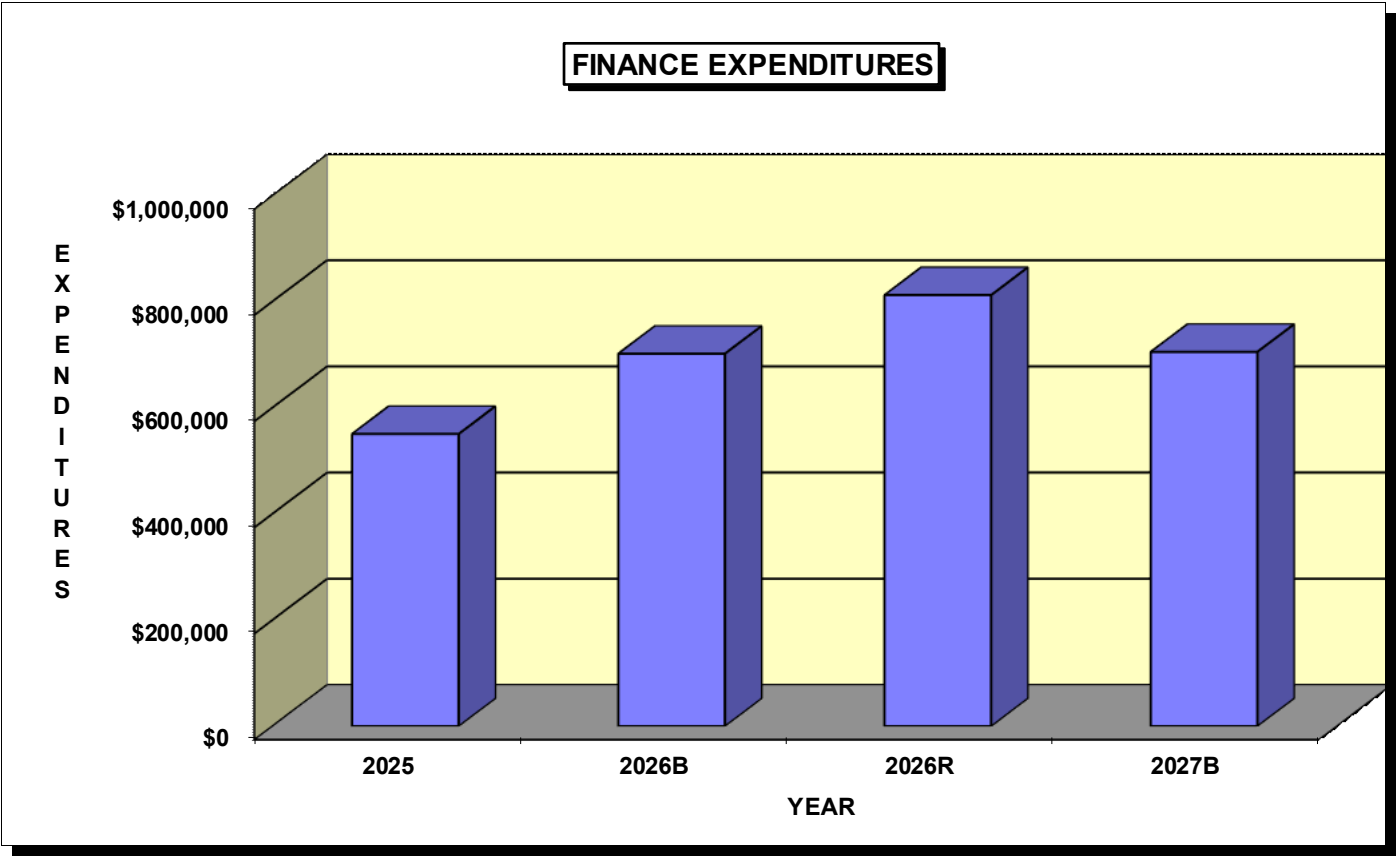
ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
	<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>

FINANCE

FUND: GENERAL FUND
DEPARTMENT: Finance

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10210 Finance	\$ 550,482	\$ 701,628	\$ 812,080	\$ 705,066	0.49%
Finance TOTAL	\$ 550,482	\$ 701,628	\$ 812,080	\$ 705,066	0.49%



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) and Economic Development Authority (EDA).

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 November 2025. 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.

2026 HIGHLIGHTS

- Work with Ehlers to update Key Financial Strategies model with a comprehensive Financial Management Plan.
- Continued review of daily operations and processes including Tungsten (Logis) implementation streamlining vendor invoice to payment processing.
- Growth in staff confidence and understanding of finance responsibilities.
- Planning for general obligation debt issue Nov/Dec 2026.

2027 FINANCE DIVISION GOALS

- **Staff investment:** Stabilization and staff development.
- **Technology:** Vendor payment process from check to ACH; continue Tungsten rollout.
- **Financial Management and Decision Making**
 - Targeted focus review for best practice/internal control of critical financial functions.
 - Improve budgeting and reporting of capital projects.

DIVISION EXPENDITURE COMMENT

The revised 2026 budget reflects an increase from the 2026 Adopted Budget to account for a higher allocation, and more equitable share, of our annual financial audit cost between the general fund and enterprise funds . The 2027 Proposed Budget increases slightly from the 2026 Adopted Budget. The minor increase of 0.49% is related to the change in internal service chargebacks and the Finance Department share is more appropriately reflected in the 2027 Proposed budget.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 549,989	\$ 670,105	\$ 670,105	\$ 710,694
6009 Overtime	274	-	-	-
6031 Employer Social Security	32,838	39,344	39,344	43,276
6032 Employer Medicare	7,680	9,202	9,202	10,121
6033 Employer Pera	38,963	48,783	48,783	53,302
6035 Medical Insurance	69,080	89,113	89,113	86,019
6036 Dental Insurance	3,115	3,724	3,724	3,724
6037 Term Life	388	260	260	280
6038 Workers Compensation	1,220	280	280	290
6040 Long Term Disability	660	1,151	1,151	1,258
6041 Paid Family Medical Leave	121	-	2,532	2,697
6054 Interdepartmental Labor Credit	(43,760)	(43,760)	(43,760)	(43,760)
6055 Administrative Labor Credit	(398,360)	(411,700)	(411,700)	(425,490)
<i>Personal Services Total</i>	<u>\$ 262,208</u>	<u>\$ 406,502</u>	<u>\$ 409,034</u>	<u>\$ 442,411</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 150,080	\$ 163,700	\$ 271,620	\$ 155,865
6202 Data Processing Rental	55,720	49,766	49,766	52,207
6207 Utility Services	49,640	51,620	51,620	18,353
6301 Advertising & Publication	-	-	1,000	1,000
6302 Communications	764	3,350	1,000	1,000
6303 Professional Development	5,905	4,000	5,350	8,000
6305 Subscriptions & Memberships	980	1,000	1,000	1,000
6307 Insurance & Bonds	6,609	5,740	5,740	6,680
6308 Property Liability	2,350	2,400	2,400	2,450
6401 Office Supplies	5,123	6,500	8,500	8,000
6402 Copy Charges	1,976	1,250	1,250	2,000
6403 Postage	5,556	3,800	3,800	5,600
6409 Uniforms & Clothing	496	-	-	500
6414 Other Supplies	-	2,000	-	-
6513 Other Charges	456	-	-	-
<i>Other Services & Charges Total</i>	<u>\$ 285,655</u>	<u>\$ 295,126</u>	<u>\$ 403,046</u>	<u>\$ 262,655</u>
<u>Capital Outlay</u>				
7130 Taxes, Interest & Penalty	\$ 2,619	\$ -	\$ -	\$ -
<i>Capital Outlay Total</i>	<u>\$ 2,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Finance TOTAL</i>	<u><u>\$ 550,482</u></u>	<u><u>\$ 701,628</u></u>	<u><u>\$ 812,080</u></u>	<u><u>\$ 705,066</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
Budget, Cash and Debt Manager	15	1.00	1.00	1.00
Senior Analyst	13	1.00	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 Receivable)	8	1.00	-	-
Accountant	11	-	1.00	1.00
		<u>6.50</u>	<u>6.50</u>	<u>6.50</u>
<i>Total</i>		6.50	6.50	6.50

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PUBLIC SAFETY

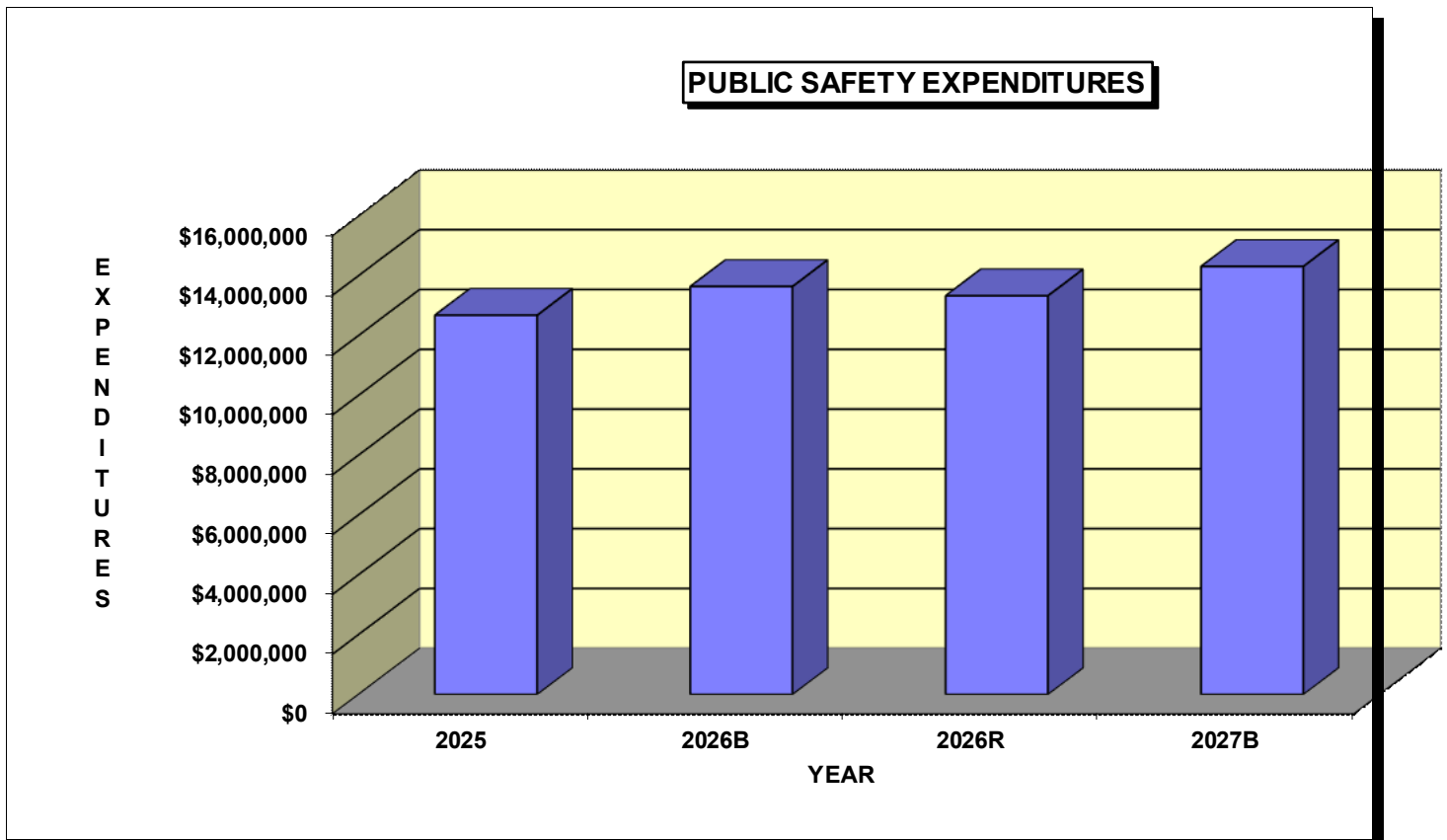
FUND: GENERAL FUND
DEPARTMENT: Public Safety

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10300 Support Services	\$ 1,730,318	\$ 1,365,558	\$ 1,295,955	\$ 1,447,125	5.97%
10305 Police Operations	10,916,816	12,228,570	11,988,800	12,815,470	4.80%
10315 Emergency Services	32,899	48,660	47,560	50,010	2.77%
<i>Public Safety TOTAL</i>	<u>\$ 12,680,033</u>	<u>\$ 13,642,788</u>	<u>\$ 13,332,315</u>	<u>\$ 14,312,605</u>	4.91%

REVENUES

10300 Support Services	\$ 997,380	\$ 950,086	\$ 915,733	\$ 900,137	(5.26%)
10305 Police Operations	1,064,665	991,390	994,910	989,910	(0.15%)



SUPPORT SERVICES DIVISION

MISSION STATEMENT

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

DIVISION FOCUS

The Support Services Division includes the full-time Support Services Division Manager/Community Health Services Administrator and Code Compliance Officer, two part-time Environmental Health Specialists, two part-time Business Licensing Specialists, three part-time Cadets, and a seasonal Environmental Health Tech when necessary.

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)

As a revenue generating division of Richfield's Public Safety Department, Support Services responds to roughly 1200 environmental health code violations of private and public property annually, managed by two part-time job share Environmental Health Specialists. In addition to receiving complaints, staff also proactively act on the top five most common code violations. The division responds to all animal control calls which are handled by a Code Compliance Officer and three part-time Cadets, who are also the field inspectors for complaints. Additional Cadet duties include handling parking issues, assisting Patrol when called, public safety related errands, monthly monitoring of vacant properties, and participating in community events as ambassadors of the Department.

Additionally, Support Services provides business licensing and renewal functions for all food/pool/lodging establishments, cannabis and low-potency hemp edible (LPHE) retailers and many other types of businesses. Compliance checks for liquor, tobacco and cannabis are mandated by state statute.

With the creation of the local public health act in 1976, Richfield contracted with the City of Bloomington for public health services. Richfield is one of 53 Community Health Boards (CHB) authorized under the local public health act and one of only four cities in Minnesota that is a CHB. To fulfill the duties required in statute, CHB's may hire staff, contract with other CHB's, form a Joint Powers Agreement with other CHB's or relinquish their status. Edina, Richfield and Bloomington's City Councils determined that it was in the best interests of their communities to not form a Joint Powers Agreement and contract with Bloomington for public health services in 1976. The state of Minnesota

has invested in public health recently and that decision proved accurate. Bloomington, Edina and Richfield collectively are getting more new funding than Hennepin and Minneapolis combined for Foundational Public Health Responsibilities grant, more funding than Minneapolis and nearly the same amount as Hennepin for the Response Sustainability Grant and more funding than either Minneapolis or Hennepin received for the Cannabis and Substance Use Prevention grant.

Richfield's funding allows for WIC, WIC Peer Breastfeeding support, Statewide Health Improvement Partnership (SHIP), substance use prevention, emergency preparedness, family home visiting, and foundational public health responsibilities. In 2025, 704 individuals received WIC in Richfield and 130 received home visiting support. This funding also supports the public health emergency preparedness plans for Richfield, cannabis and other substance prevention work, responding to public health referrals, providing immunizations and disease investigations, chronic disease prevention work via SHIP, which has been funding safe routes to school infrastructure in Richfield, and foundational public health responsibilities which are the operational foundation for public health departments.

The agreements with Bloomington allow Richfield to fulfil its requirements as a CHB with tax support of \$460,319, which allows it to utilize over \$1.5 million in grant funding. The agreement with Bloomington Environmental Health provides for the inspection, illness and injury investigation, and other state delegated duties in the food, pool and lodging programs and for investigation and remediation of lead poisoning cases. The agreement with Public Health provides for the other required public health activities that CHBs must do to maintain their CHB status. This collaborative arrangement allows for Richfield to utilize the expertise of Bloomington to fulfil its CHB requirements at a scale and capacity it would not be able to do on its own, without a substantial investment.

2026 HIGHLIGHTS

- Support Services saw significant turnover in staff in early 2026. All positions have been filled or are in background.
- Support Services has registered two cannabis dispensaries and ten low-potency hemp edible retailers, of which there is no cap. Effort is underway to bring STR owners into compliance with licensing their properties.

2027 STRATEGIC PRIORITIES/OUTCOMES

- 1C,4B: Cross-train staff in Environmental Health and Business Licensing
- 1C: Continue to update relevant City Code

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.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 218,194	\$ 216,776	\$ 183,590	\$ 213,490
6006 Part-time	278,010	343,624	304,408	339,687
6007 Seasonal	7,737	7,902	6,090	-
6009 Overtime	92	500	500	500
6031 Employer Social Security	29,191	34,545	29,605	33,355
6032 Employer Medicare	6,827	8,078	6,923	7,801
6033 Employer Pera	35,981	42,029	36,600	41,487
6035 Medical Insurance	62,276	67,471	81,263	113,613
6036 Dental Insurance	1,440	1,490	1,251	1,484
6037 Term Life	142	80	74	80
6038 Workers Compensation	470	480	480	500
6040 Long Term Disability	254	384	325	378
6041 Paid Family Medical Leave	87	-	1,897	2,090
<i>Personal Services Total</i>	<u>\$ 640,701</u>	<u>\$ 723,359</u>	<u>\$ 653,006</u>	<u>\$ 754,465</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 968,129	\$ 547,926	\$ 545,326	\$ 581,675
6202 Data Processing Rental	50,842	45,098	45,098	47,574
6204 Motor Pool Operating Rental	21,650	22,730	22,730	23,870
6207 Utility Services	13,530	14,070	14,070	17,962
6301 Advertising & Publication	1,098	750	750	900
6302 Communications	55	300	300	300
6303 Professional Development	-	-	500	500
6305 Subscriptions & Memberships	599	635	635	670
6307 Insurance & Bonds	4,665	2,300	2,250	5,899
6308 Property Liability	820	840	840	860
6315 Other Contractual Services	(400)	750	750	750
6401 Office Supplies	3,285	2,000	2,000	3,000
6402 Copy Charges	2,051	300	500	500
6403 Postage	1,271	1,000	1,200	1,200
6409 Uniforms & Clothing	5,657	2,500	5,000	6,000
6513 Other Charges	16,365	1,000	1,000	1,000
<i>Other Services & Charges Total</i>	<u>\$ 1,089,617</u>	<u>\$ 642,199</u>	<u>\$ 642,949</u>	<u>\$ 692,660</u>
<i>Support Services TOTAL</i>	<u><u>\$ 1,730,318</u></u>	<u><u>\$ 1,365,558</u></u>	<u><u>\$ 1,295,955</u></u>	<u><u>\$ 1,447,125</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
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	9	1.20	1.20	1.20
Business Licensing Tech	8	1.20	1.20	1.20
Community Service Officer	8	2.40	2.40	2.40
	<i>Total</i>	<u>4.80</u>	<u>4.80</u>	<u>4.80</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Public Safety

Support Services

	Actual 2024	Actual 2025	Budget 2026	Budget 2027
Inputs: FT employees	2	2	2	2
# PT employees	6	7	7	7
Division expenditures	\$ 1,175,453	\$ 1,730,318	\$ 1,365,558	\$ 1,447,125
Outputs:				
# proactive ins. conducted	414	560	500	900
# citizen generated complaints	518	275	353	350
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	69	93	83	225
# citizen compl. cond./inspector	86	55	58	116
Division expenditure per capita	\$ 31.77	\$ 46.77	\$ 36.91	\$ 37.61

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.

- The Investigations Section consists of 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 West Metro Drug Task Force.
- 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.

2026 HIGHLIGHTS

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

The Opening of the second Cannabis dispensary on Lyndale Avenue to go along with the dispensary on Penn Avenue

Our Therapy Dog Ritchie has been requested and used throughout the Metro due to various critical incidents that have occurred. This has brought accolades to our department and to the city due to our willingness to deploy to help those in need.

We have participated in helping students who experienced trauma from the Annunciation School shooting with reintegration back into the school. They have come to the police department as part of their therapy to discuss the jobs we do to serve the community and roles that the police play in critical incidents as the “Helpers.”

As part of our JCCP Program we responded and assisted the community by attending community forums and having meetings with members of the community on responses and roles as it related to Metro Surge.

Transitioning to “Policy 360” which is a mobile application for our department policies. The officers will now have the ability to acknowledge the policies from their phones, take quizzes on the material, have procedures and statutes at their disposal in by simply speaking onto the phone. This program will expedite our Accreditation that we are working on with the process to be done by the end of 2026.

Expanded on a program called “Active Outdoors” with Partnership Academy. We brought in various coaches to teach different sports to students, went fishing, and played soccer.

Received an award from the City of Brooklyn Park for our assistance in the apprehension of suspect Vance Boelter after the horrific shootings of Representative Hortman and her husband and Senator Hoffman and his wife. This was the biggest Law Enforcement search and apprehension in the State of Minnesota’s history.

Personnel:

- In keeping with Council Priorities and Desired Outcomes 1c, 4a-b, 5a-c, we hired 5 new police officers. Three of the hires came through our Cadet program in Support Services and worked for a couple years before becoming police officers. Promotions occurred with Lt. Joe Griffin being promoted to Deputy Chief and Sgt Cook being promoted to Lieutenant. Officers Leon, Wold, and Schultz were promoted to Sergeant.

REVISED 2026 BUDGET CHANGES

- The revised 2026 budget is slightly lower than the adopted 2026 budget. We have had attrition through retirements that have occurred this year. We hired for those 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 2027 Budget are due mainly to:

- The personal services increase for 2026 reflects collective bargaining agreements for the 3 unions along with 35 employees will receive step increases.
- Increase in Utility Service fees
- Increase in professional services due to transitioning to Tyler Technologies and software upgrades after the initial implementation year.
- Increase in Health Insurance, Paid Medical Leave, Workers Compensation, and PERA.
- Increase in Data Processing Rental (IT) for equipment relating to computers and service due to licensing limitations.
- Must replace portable radios that are over 14 years old and are out of warranty. They are no longer being supported for repair.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 5,997,435	\$ 6,761,470	\$ 6,574,160	\$ 7,040,140
6006 Part-time	162,710	184,100	179,800	190,280
6007 Seasonal	-	10,000	10,000	10,000
6009 Overtime	273,842	230,000	230,000	230,000
6011 Education Pay	60,953	79,420	64,450	77,350
6031 Employer Social Security	51,631	54,170	49,110	50,980
6032 Employer Medicare	91,001	97,080	93,950	100,770
6033 Employer Pera	1,051,067	1,168,350	1,127,550	1,211,390
6035 Medical Insurance	930,718	1,071,800	1,002,470	1,127,410
6036 Dental Insurance	47,140	41,440	39,680	41,220
6037 Term Life	3,630	2,230	2,340	2,210
6038 Workers Compensation	191,580	195,410	195,410	205,180
6040 Long Term Disability	6,691	11,900	11,410	12,260
6041 Paid Family Medical Leave	1,212	-	25,090	27,000
6051 Interdepartmental Labor	-	200	200	200
6053 Labor Services Billed	65,182	60,000	65,000	60,000
6054 Interdepartmental Labor Credit	(165,000)	(165,800)	(165,800)	(165,800)
6055 Administrative Labor Credit	(24,240)	(25,090)	(25,090)	(91,260)
6056 Labor Services Billed Credit	(59,870)	(70,000)	(70,000)	(70,000)
<i>Personal Services Total</i>	<u>\$ 8,685,682</u>	<u>\$ 9,706,680</u>	<u>\$ 9,409,730</u>	<u>\$ 10,059,330</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 598,725	\$ 733,760	\$ 691,630	\$ 711,440
6201 Rents & Leases	95,827	196,240	198,440	236,830
6202 Data Processing Rental	313,490	328,850	328,850	419,070
6204 Motor Pool Operating Rental	380,380	399,400	399,400	419,370
6205 Maintenance & Repairs	19,866	42,970	43,470	54,640
6207 Utility Services	390,580	406,200	482,810	482,810
6301 Advertising & Publication	256	140	300	300
6302 Communications	5,142	6,500	6,000	6,000
6303 Professional Development	97,322	90,000	95,000	100,000
6305 Subscriptions & Memberships	7,180	6,000	6,000	7,000
6307 Insurance & Bonds	54,369	64,100	62,840	56,320
6308 Property Liability	21,300	21,730	21,730	22,160
6315 Other Contractual Services	1,958	1,000	2,000	2,000
6319 Detention Costs	76,958	65,000	76,000	70,000
6401 Office Supplies	11,619	10,000	11,000	11,000
6402 Copy Charges	2,043	500	1,500	2,000
6403 Postage	2,018	1,300	1,500	2,000
6409 Uniforms & Clothing	71,799	76,000	76,000	76,000
6414 Other Supplies	80,302	72,200	74,600	77,200
<i>Other Services & Charges Total</i>	<u>\$ 2,231,134</u>	<u>\$ 2,521,890</u>	<u>\$ 2,579,070</u>	<u>\$ 2,756,140</u>

FUND:GENERAL FUND

DEPARTMENT:Public Safety

BUSINESS UNIT:Police Operations - 10305

DETAIL EXPENDITURES BY BUSINESS UNIT				
CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Police Operations TOTAL	\$ 10,916,816	\$ 12,228,570	\$ 11,988,800	\$ 12,815,470

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	36.00	36.00
Records Supervisor	12	1.00	1.00	1.00
Crime Prevention Specialist	10	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	2.00	2.00	2.00
	<i>Total</i>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Police Operations

	Actual 2024	Actual 2025	Budget 2026	Budget 2027
Inputs:				
Number of full time employees	58.80	59.80	59.80	59.80
Division Expenditures	\$10,707,721	\$ 10,916,816	\$ 12,228,570	\$12,815,470
Outputs:				
Annual Calls for Service	36,710	36,710	38,420	38,600
Crime Prevention Activities				
Neighborhood Crime Watch Blocks	230	219	219	220
National Night Out - Block Parties	170	156	160	175
Traffic Enforcement - Citations	2,000	2,400	3,500	2,200
Effectiveness Measures:				
Crime Occurrences				
Part 1				
Part 2				
Group A	2,000	2,140	1,900	1,800
Group B	700	700	820	750
Motor Vehicle Crashes	700	700	675	790
Efficiency Measures:				
Police Call Response Time-Minutes	4.00	3.45	3.45	3.45
Expenditure per Capita	\$ 289.45	\$ 295.10	\$ 330.56	\$ 333.03
Cost Per Response	\$ 291.68	\$ 297.38	\$ 318.29	\$ 332.01

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 aid 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 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” “Unity and the Community” 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 100 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.

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 updated our Ham Radio equipment in 2024 that is on the building of Woodlake Point. We also will be purchasing Blue Scape software which will replace Mission Manager for the Emergency Operations Center.

The “Hyper Reach” community notification system was paid for part out of the cable fund and the Emergency Services Budget. The 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 now be

budgeted entirely out of the Emergency Services Budget for the 2026 revised budget and beyond.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6009 Overtime	\$ 7,022	\$ 7,450	\$ 7,450	\$ 7,450
6038 Workers Compensation	100	100	100	100
<i>Personal Services Total</i>	<u>\$ 7,122</u>	<u>\$ 7,550</u>	<u>\$ 7,550</u>	<u>\$ 7,550</u>
<u>Other Services & Charges</u>				
6201 Rents & Leases	\$ 14,882	\$ 21,070	\$ 20,970	\$ 26,970
6204 Motor Pool Operating Rental	2,680	2,810	2,810	2,950
6205 Maintenance & Repairs	7,276	9,000	9,000	4,200
6207 Utility Services	-	450	450	450
6308 Property Liability	320	330	330	340
6401 Office Supplies	-	50	50	50
6409 Uniforms & Clothing	-	2,000	2,000	2,000
6414 Other Supplies	619	5,400	4,400	5,500
<i>Other Services & Charges Total</i>	<u>\$ 25,777</u>	<u>\$ 41,110</u>	<u>\$ 40,010</u>	<u>\$ 42,460</u>
<i>Emergency Services TOTAL</i>	<u>\$ 32,899</u>	<u>\$ 48,660</u>	<u>\$ 47,560</u>	<u>\$ 50,010</u>

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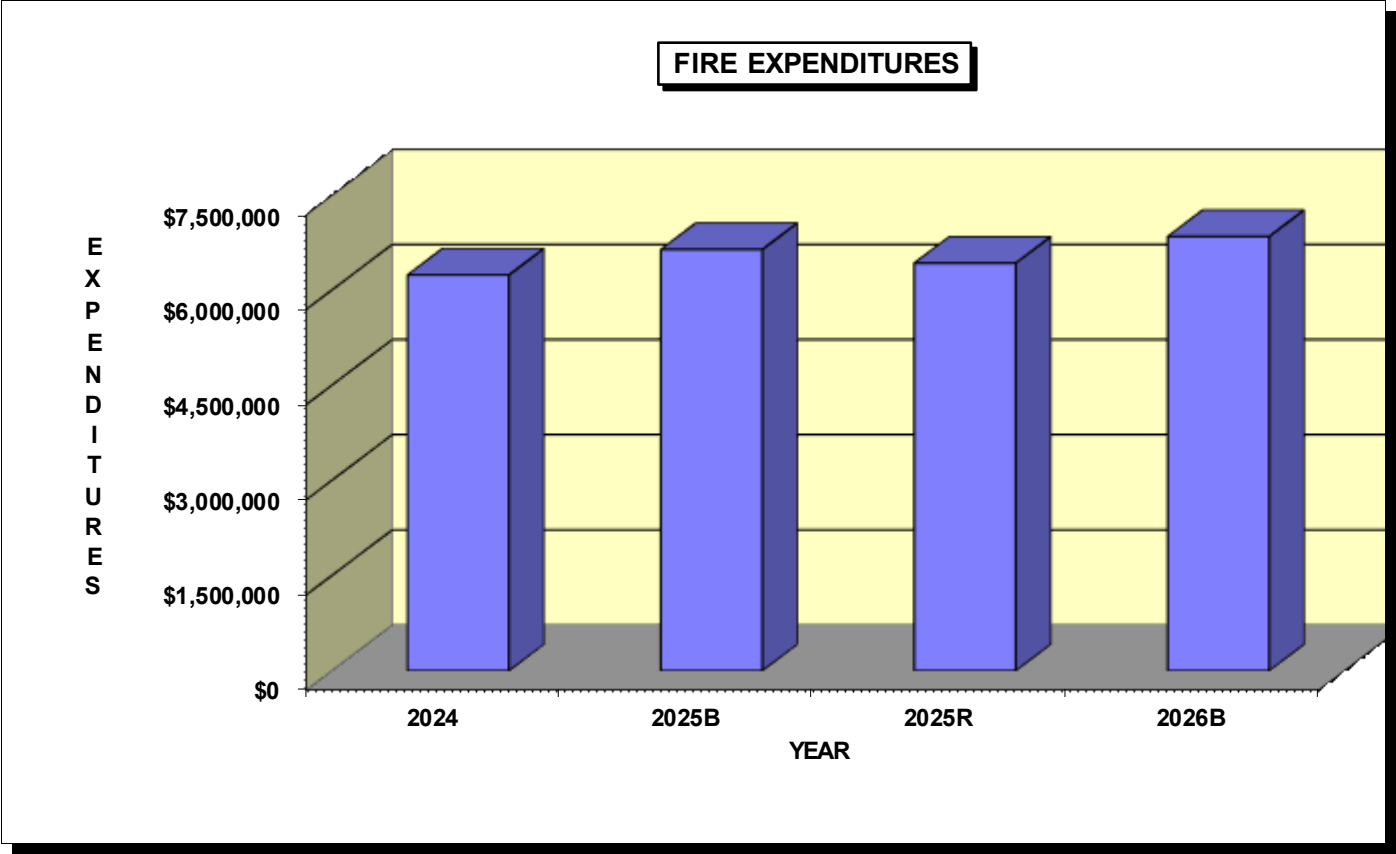
FUND: GENERAL FUND
DEPARTMENT: Fire

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10400 Fire	\$ 6,239,563	\$ 6,641,729	\$ 6,426,700	\$ 6,846,680	3.09%
Fire TOTAL	\$ 6,239,563	\$ 6,641,729	\$ 6,426,700	\$ 6,846,680	3.09%

REVENUES

10400 Fire	\$ 374,984	\$ 278,000	\$ 392,050	\$ 439,410	58.06%
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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 27 career personnel. Average daily staffing is 6 firefighters per shift, operating two fire engines and one rescue unit. An additional position is assigned to prevention to manage code enforcement, plan review, inspections and public education.

The Fire Chief, Deputy Chief, and Assistant Chief oversee administration, operations, training and fire code enforcement. The department attempts to have at least one chief officer available 24/7 to respond to significant incidents, providing incident command and city representation. Mutual aid chiefs fill in as needed. An Administrative Assistant supports departmental operations, recordkeeping, and customer service functions.

2026 HIGHLIGHTS

- Navigated a difficult transition in department leadership with the departure of the fire chief and hiring of their replacement. This was compounded by the fact that the deputy chief position has been vacant since June 2025 and the administrative assistant since December 2025.

- Effectively recruited, hired, and onboarded a department administrative assistant.
- Dedicated an existing FTE previously assigned to shift coverage to prevention to address opportunities identified in the Essential Services Study
- Expanded technology used to enhance the Records Management System (RMS), improving data collection, pre-planning, recordkeeping, and operational tracking.
- Maintained uninterrupted minimum shift coverage and provided an incredibly high level of customer service and satisfaction during staffing shortages caused by military deployments, parental leave, extended injuries, and large personnel leave banks.
- Completed the Civil Service testing process to establish an updated firefighter eligibility list for immediate openings as well as future hiring.

2027 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).
- Present a council work session outlining a staffing request and applying for a federal SAFER grant to support the hiring of three battalion chief positions by the end of year (City Council Goal 1c)
- 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 2026 revised budget is down 3.24% from the 2026 adopted budget.

The 2027 proposed budget shows an overall increase of 3.09% from the 2026 adopted budget.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 3,396,876	\$ 3,629,122	\$ 3,356,610	\$ 3,791,440
6009 Overtime	248,283	292,000	282,000	293,000
6013 Longevity	73,073	79,423	79,120	91,760
6031 Employer Social Security	4,383	4,980	1,580	3,780
6032 Employer Medicare	50,436	52,215	46,830	52,420
6033 Employer Pera	647,651	699,894	591,740	666,370
6035 Medical Insurance	557,181	573,332	495,530	646,790
6036 Dental Insurance	26,178	23,832	21,220	23,840
6037 Term Life	2,178	1,281	1,260	1,290
6038 Workers Compensation	65,580	66,890	66,890	70,230
6040 Long Term Disability	3,945	6,564	5,950	6,740
6041 Paid Family Medical Leave	686	-	12,760	14,450
6051 Interdepartmental Labor	148,645	150,000	150,000	150,000
<i>Personal Services Total</i>	<u>\$ 5,225,095</u>	<u>\$ 5,579,533</u>	<u>\$ 5,111,490</u>	<u>\$ 5,812,110</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 86,665	\$ 88,558	\$ 347,160	\$ 124,340
6201 Rents & Leases	147,921	85,868	76,210	76,210
6202 Data Processing Rental	61,787	70,043	70,050	67,410
6204 Motor Pool Operating Rental	142,250	149,360	149,360	156,830
6205 Maintenance & Repairs	28,045	20,000	20,300	20,600
6207 Utility Services	287,640	299,150	299,150	261,130
6208 800 MHz Charges	52,321	47,657	72,310	70,510
6302 Communications	28,097	29,000	25,020	21,820
6303 Professional Development	42,198	45,000	38,380	43,380
6305 Subscriptions & Memberships	6,374	5,500	5,090	3,720
6307 Insurance & Bonds	30,183	31,470	31,470	30,850
6308 Property Liability	10,380	10,590	10,590	10,800
6315 Other Contractual Services	854	3,000	3,000	5,330
6401 Office Supplies	730	3,000	2,000	2,000
6402 Copy Charges	759	1,500	1,500	1,500
6403 Postage	288	500	500	500
6409 Uniforms & Clothing	42,533	75,000	82,620	57,140
6412 Maint. & Const. Materials	5,461	7,000	7,000	7,000
6414 Other Supplies	14,510	50,000	50,000	50,000
6523 Public Education Supplies	3,877	10,000	4,500	4,500
6524 EMS Supplies	21,595	30,000	19,000	19,000
<i>Other Services & Charges Total</i>	<u>\$ 1,014,468</u>	<u>\$ 1,062,196</u>	<u>\$ 1,315,210</u>	<u>\$ 1,034,570</u>
<i>Fire TOTAL</i>	<u><u>\$ 6,239,563</u></u>	<u><u>\$ 6,641,729</u></u>	<u><u>\$ 6,426,700</u></u>	<u><u>\$ 6,846,680</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	1.00	1.00	1.00
Administrative Assistant	9	1.00	1.00	1.00
Deputy Chief	18	1.00	1.00	1.00
	<i>Total</i>	32.00	32.00	32.00

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Total</i>			

COMMUNITY DEVELOPMENT

FUND: GENERAL FUND
DEPARTMENT: Community Development

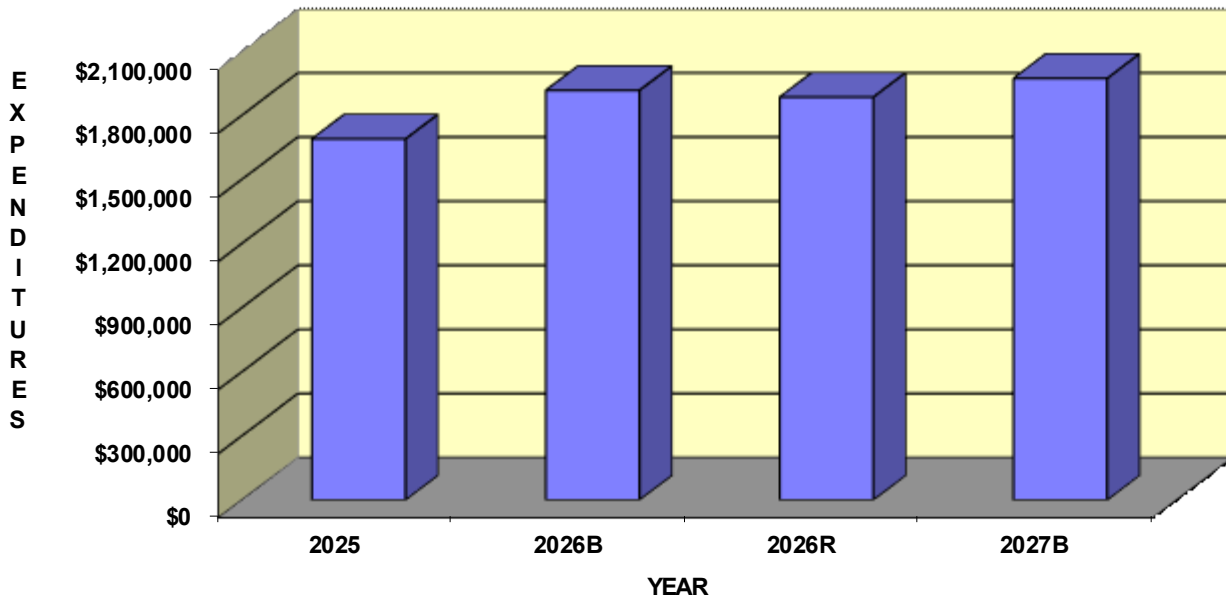
DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10500 Community Development	\$ 68,167	\$ 69,860	\$ 69,860	\$ 39,301	(43.74%)
10502 Planning & Zoning	313,105	362,490	362,510	424,530	17.11%
10505 Inspections	1,307,582	1,483,760	1,451,980	1,508,530	1.67%
<i>Community Development TOTAL</i>	<u>\$ 1,688,854</u>	<u>\$ 1,916,110</u>	<u>\$ 1,884,350</u>	<u>\$ 1,972,361</u>	2.94%

REVENUES

10500 Community Development	\$ 17,150	\$ -	\$ -	\$ -	-
10502 Planning & Zoning	33,431	15,000	15,000	15,000	0.00%
10505 Inspections	1,710,055	1,477,100	1,477,100	1,544,700	4.58%

COMMUNITY DEVELOPMENT EXPENDITURES



COMMUNITY DEVELOPMENT DEPARTMENT

MISSION STATEMENT

The Community Development Department works to maintain the immediate and long-term health and safety of the community through responsible, responsive, and professional zoning administration, inspections, comprehensive planning, redevelopment services, and housing and business program administration.

DEPARTMENT FOCUS

The 21 employees of the Community Development Department are committed to service, 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

“Community Development” is itself one of the five Strategic Priorities identified by the City Council in the 2023-2027 Strategic Plan. The Strategic Plan calls for the creation of a vibrant downtown, the diversification of the city’s tax base, and preservation of Richfield’s affordability. This wide-ranging work means that Community Development staff work with many elected and appointed community leaders including the City Council, the Housing and Redevelopment Authority (HRA), the Economic Development Authority (EDA), and the Planning Commission.

While funding for non-Inspections staff salaries and benefits is compiled in this budget, those costs are ultimately reallocated to individual City, HRA, and EDA program/project budgets. The Administration (10500) budget total reflects only planning and zoning building charges and liability insurance fees for non-inspections staff. All other costs are included separately in the individual program/project budgets.

DEPARTMENT EXPENDITURE COMMENT

- Funding for the work of the Community Development Department is provided by the City, HRA, and EDA tax levies, the Federal Government (Section 8), the State of MN (Bring it Home), and a Local Affordable Housing Allocation (LAHA) derived from sales tax revenues.
- The City-funded portion (Administration, Planning & Zoning, and Inspections) of the 2026 Revised Budget represents a 1.7% decrease from the 2026 Approved Budget. A reduction of a full-time support position in the Inspections Division to a half-time position allows for the absorption of significantly increased credit card processing fees that would have otherwise caused significant challenges to meeting the 2026

budget.

- The 2027 Proposed Budget represents a 2.9% increase from the 2026 Approved Budget; however, this is possible only due to recalculation of building charges by Administrative Services which reallocates many charges to the HRA and its programs.
- The HRA and EDA budgets are available as separate documents.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 859,436	\$ 884,110	\$ 895,490	\$ 943,020
6006 Part-time	206,922	225,920	240,370	256,700
6031 Employer Social Security	62,357	68,570	70,140	74,180
6032 Employer Medicare	14,584	16,040	16,410	17,350
6033 Employer Pera	78,332	83,250	85,190	89,980
6035 Medical Insurance	125,833	126,450	132,690	172,410
6036 Dental Insurance	5,103	5,210	5,060	5,210
6037 Term Life	537	300	320	300
6038 Workers Compensation	630	640	640	670
6040 Long Term Disability	948	1,570	1,590	1,670
6041 Paid Family Medical Leave	203	-	4,310	4,550
6051 Interdepartmental Labor	66,150	66,930	66,930	67,740
6054 Interdepartmental Labor Credit	(1,420,168)	(1,478,990)	(1,519,140)	(1,633,780)
<i>Personal Services Total</i>	<u>\$ 867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ -	\$ 490	\$ 490	\$ 510
6207 Utility Services	56,450	58,710	58,710	26,061
6307 Insurance & Bonds	9,410	9,190	9,190	11,230
6308 Property Liability	1,440	1,470	1,470	1,500
<i>Other Services & Charges Total</i>	<u>\$ 67,300</u>	<u>\$ 69,860</u>	<u>\$ 69,860</u>	<u>\$ 39,301</u>
<i>Community Development TOTAL</i>	<u><u>\$ 68,167</u></u>	<u><u>\$ 69,860</u></u>	<u><u>\$ 69,860</u></u>	<u><u>\$ 39,301</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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>	<u>7.50</u>	<u>7.50</u>	<u>7.50</u>
<u>Part-Time Employees</u>				
Housing Specialist	11	2.00	1.20	1.40
MF Housing Assistant	8	1.00	.90	.90
Community Development Technician	7	1.00	.60	.60
	<i>Total</i>	<u>4.00</u>	<u>2.70</u>	<u>2.90</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLANNING AND ZONING DIVISION

MISSION STATEMENT

The Planning and Zoning Division provides local land use administration, policy development, and guidance to residents, local businesses, and developers. Additionally, staff manages the processes that 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.

2026 HIGHLIGHTS

- Worked with cannabis retailers to find allowable locations in Richfield.
- Translated several planning handouts into Spanish.
- Created and implemented metal detector rental program for residents.
- Continued to improve plan review and permitting processes to improve efficiency and customer service (e.g. outdoor seating, reasonable accommodation).
- Worked with Engineering Division on the Low Salt Design Pilot Project sponsored by the Nine Mile Creek Watershed District – resulted in better plan reviews and a best practices handout and checklist.
- Worked through land use applications (e.g. MICC, former American Legion site).
- Continued to work with developers/owners to explore potential development opportunities (e.g. 101 66th, vacant lot at former Lyndale Gardens site).
- Participated in Northstar Leadership Program.
- Solicited for consultants to assist with the 2050 Comprehensive Plan update, conducted interviews, negotiated a scope of services, and entered into a contract.

- Kick off Comprehensive Plan process and complete Phase One of public engagement plan.
- Hire and onboard new planner.

2027 PROGRAM GOALS

- Complete Phase Two and Three of the Comprehensive Plan update, with the draft plan completed by early 2028.
- Continue onboarding of new staff.
- Continue to provide excellent customer service to residents and businesses. (City Council Priority/Outcome 4b)
- 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

- No change is proposed from the total approved 2026 Planning and Zoning Budget.
- The 2027 Proposed Budget increases 17.1% over 2026 Adopted. This increase includes a 16% increase in staff costs due to staff moving through step and merit increase process and insurance premium increases, and a 73.7% increase in IT charges as that Division works to correctly proportion charges. The increase also includes an additional \$10,750 in consultant costs related to the Comprehensive Plan. This charge will appear again in 2028.
- Going forward, consideration should be given to increasing the annual set-aside for the Comprehensive Plan from the current \$12,850. This change should be considered for 2029 and beyond.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6051 Interdepartmental Labor	\$ 231,831	\$ 301,910	\$ 304,490	\$ 350,580
<i>Personal Services Total</i>	<u>\$ 231,831</u>	<u>\$ 301,910</u>	<u>\$ 304,490</u>	<u>\$ 350,580</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 57,606	\$ 34,920	\$ 31,860	\$ 37,100
6202 Data Processing Rental	14,650	15,210	15,210	26,420
6204 Motor Pool Operating Rental	110	120	-	-
6301 Advertising & Publication	1,220	1,900	1,400	1,400
6303 Professional Development	2,931	3,930	3,930	3,930
6305 Subscriptions & Memberships	2,280	2,350	2,770	2,880
6401 Office Supplies	96	200	200	200
6402 Copy Charges	436	500	500	500
6403 Postage	1,123	800	800	870
6409 Uniforms & Clothing	-	150	150	150
6414 Other Supplies	822	500	1,200	500
<i>Other Services & Charges Total</i>	<u>\$ 81,274</u>	<u>\$ 60,580</u>	<u>\$ 58,020</u>	<u>\$ 73,950</u>
<i>Planning & Zoning TOTAL</i>	<u><u>\$ 313,105</u></u>	<u><u>\$ 362,490</u></u>	<u><u>\$ 362,510</u></u>	<u><u>\$ 424,530</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 eight full-time employees and a part-time employee: a Building Official, Senior Building Inspector, three Building Inspectors, Plumbing/Mechanical Inspector, Housing Inspections Technician, Permit Technician, and Senior Office Assistant (part-time).
- Administer and enforce city ordinances relating to building code requirements including building, plumbing, heating, ventilation, and air conditioning.
- 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.

2026 HIGHLIGHTS

- Brought in a retired plan review professional to help get staff trained in doing commercial and residential plan reviews.
- We have been getting the less-senior inspectors out to commercial building sites to do inspections with senior staff so that we can grow our future senior inspectors from within our current staff (City Council Priority/Outcome 4a).
- Implement and utilize Bluebeam software to help with our inspection corrections on large building sites (City Council Priority/Outcome 1c).
- Complete digitizing of building plans for long-term efficiency and sustainability purposes.
- Support legislative actions to restore rental licensing option for State-licensed group homes.

2027 INSPECTION DIVISION GOALS

- Continue to work with inspectors to help them grow in their careers and to build division resiliency through cross training (City Council Priority/Outcome 4a).
- Continue to maintain the quality of homes and buildings by eliminating potential safety concerns via building, point-of-sale, and rental inspections.
- 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.

- Consider improvements to escrow system for point-of-sale program.

DIVISION EXPENDITURE COMMENT

- The 2026 budget has been reduced by approximately 2%; reflecting the change of the Senior Office Assistant from full-time to half-time but masking a significant spike in credit card processing fees.
- Credit card fees in 2025 exceeded \$100,000. While a lower rate has been negotiated for now, 2026 fees are still anticipated to approach \$80,000. The proposed 2027 budget assumes that measures will be in place to recoup the majority of these fees.
- A difficult economic environment for larger projects means lower revenues projected for 2026 and 2027.
- The 2027 budget reflects a 1.7% increase in expenses over 2026 adopted.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 735,416	\$ 887,670	\$ 795,100	\$ 859,730
6006 Part-time	9,241	-	36,100	38,210
6031 Employer Social Security	43,794	54,280	50,880	54,680
6032 Employer Medicare	10,242	12,700	11,900	12,790
6033 Employer Pera	55,749	66,580	62,340	67,350
6035 Medical Insurance	128,719	151,490	138,810	165,820
6036 Dental Insurance	5,636	6,700	5,560	5,960
6037 Term Life	554	360	330	320
6038 Workers Compensation	10,760	10,980	10,980	11,530
6040 Long Term Disability	897	1,570	1,410	1,520
6041 Paid Family Medical Leave	143	-	3,160	3,410
6051 Interdepartmental Labor	32,706	36,500	37,130	48,630
<i>Personal Services Total</i>	<u>\$ 1,033,857</u>	<u>\$ 1,228,830</u>	<u>\$ 1,153,700</u>	<u>\$ 1,269,950</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 24,363	\$ 70,000	\$ 70,000	\$ 60,000
6201 Rents & Leases	475	500	550	550
6202 Data Processing Rental	68,090	58,780	58,780	54,670
6204 Motor Pool Operating Rental	18,508	19,410	19,410	20,380
6207 Utility Services	28,350	29,480	29,480	29,060
6301 Advertising & Publication	-	100	100	100
6302 Communications	7,974	6,000	6,000	10,000
6303 Professional Development	9,793	8,000	8,000	10,000
6305 Subscriptions & Memberships	-	750	750	750
6307 Insurance & Bonds	7,997	10,330	10,130	7,940
6308 Property Liability	2,530	2,580	2,580	2,630
6401 Office Supplies	1,551	4,000	4,000	4,000
6402 Copy Charges	210	500	500	500
6403 Postage	403	500	500	500
6409 Uniforms & Clothing	1,488	2,500	4,000	4,000
6414 Other Supplies	1,707	3,500	3,500	3,500
6513 Other Charges	100,286	38,000	80,000	30,000
<i>Other Services & Charges Total</i>	<u>\$ 273,725</u>	<u>\$ 254,930</u>	<u>\$ 298,280</u>	<u>\$ 238,580</u>
<i>Inspections TOTAL</i>	<u><u>\$ 1,307,582</u></u>	<u><u>\$ 1,483,760</u></u>	<u><u>\$ 1,451,980</u></u>	<u><u>\$ 1,508,530</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	.50	.50
<i>Total</i>		9.00	8.50	8.50

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Community Development/Inspections									
		Actual	Actual	Actual	Actual	Actual	Actual	Adopted	Budgeted
		2020	2021	2022	2023	2024	2025	2026	2027
Inputs:									
Number of full time employees		9.00	9.00	9.00	9.00	9.00	7.50	8.50	8.5
Division Expenditures		\$ 1,281,725	\$ 1,365,631	\$ 1,279,528	\$ 1,386,753	\$ 1,387,987	\$ 1,307,583	\$ 1,483,760	\$ 1,508,530
Division Revenues		\$ 2,099,064	\$ 2,106,359	\$ 1,593,477	\$ 1,151,573	\$ 1,349,987	\$ 1,710,053	\$ 1,477,100	\$ 1,544,700
Outputs:									
No. of Inspections Performed		7,526	6,315	6,605	6,003	5,702	6,240	6,200	6300
No. of Permits Issued		5,753	4,265	4,627	4,533	4,882	3,188	3,000	3100
Valuation of Building Permits		\$ 101,830,626	\$ 123,669,092	\$ 87,243,342	\$ 38,883,638	\$ 46,435,811	85,273,394	\$ 82,000,000	\$ 83,000,000
Point of Sale Inspections Performed		483	1,047	694	550	750	632	650	650
Rental Unit Inspections Performed		1,065	1,796	695	3,200	2,145	3358	3,400	3400
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%	98.00%
% within 72 hours		100.00%	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%	60.00%
% within 120 hours		95.00%	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	2,496	2,067	2,100
No. of POS/rental unit inspections per Inspector		774	1,422	695	1,875	1,448	1,995	2,025	2,025
Revenue per Capita		\$ 58.24	\$ 58.54	\$ 44.29	\$ 32.01	\$ 37.52	\$ 47.53	\$ 41.05	\$ 42.93
Expenditure per Capita		\$ 35.56	\$ 37.96	\$ 35.56	\$ 38.54	\$ 38.58	\$ 36.34	\$ 41.24	\$ 41.93

PUBLIC WORKS

FUND: GENERAL FUND
DEPARTMENT: Public Works

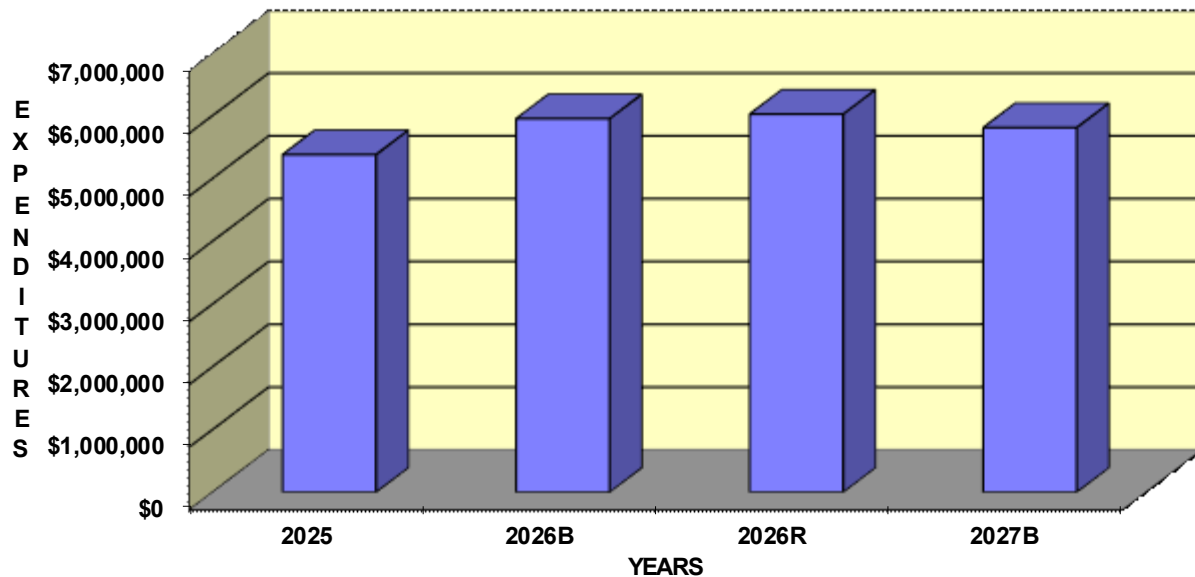
DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10600 PW Administration	\$ 223,605	\$ 227,560	\$ 277,570	\$ 232,840	2.32%
10605 Engineering	613,164	607,220	607,180	628,590	3.52%
10610 Street Maintenance	2,757,684	3,315,230	3,337,580	3,091,070	(6.76%)
10615 Park Maintenance	1,783,276	1,799,330	1,799,350	1,855,020	3.10%
<i>Public Works TOTAL</i>	<u>\$ 5,377,729</u>	<u>\$ 5,949,340</u>	<u>\$ 6,021,680</u>	<u>\$ 5,807,520</u>	(2.38%)

REVENUES

10605 Engineering	\$ 432,142	\$ 70,500	\$ 110,500	\$ 50,500	(28.37%)
10610 Street Maintenance	403,933	690,000	690,000	320,000	(53.62%)

PUBLIC WORKS EXPENDITURES



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.)

2026 HIGHLIGHTS

- Completed Park Asset Inventory and Condition Assessment data collection and turned it over to Recreation divisions as detailed in the Strategic Plan (City Council Priority/Outcome 3a & 3b).
- Continued 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).
- Alongside Utility managers and consultant team, completed 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 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, completed 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).
- Completed the 2026-2030 Engineering Consultant Pool solicitation, selection process, contract negotiations, and executed approved agreements with all nine (9) consultants selected for the pool (City Council Priority/Outcome 1c & 3a).
- Implement Pace Scheduler timecard software and transition PWWs to electronic daily timecards (City Council Priority/Outcome 1c & 3a).

2027 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 completion of Nicollet Avenue reconstruction 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).

DIVISION EXPENDITURE COMMENT

The 2026 Revised Budget reflects a 21.98% increase from the 2026 Adopted Budget. This increase is due to the inclusion of \$50k in the maintenance and repair line item (6205) for office space additions at the Public Works facility.

The 2027 Proposed Budget reflects an increase of 2.32% from the 2026 Adopted Budget.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 291,213	\$ 298,470	\$ 298,470	\$ 309,580
6031 Employer Social Security	17,347	17,980	18,510	19,190
6032 Employer Medicare	4,112	4,330	4,330	4,490
6033 Employer Pera	21,361	22,180	22,180	23,020
6035 Medical Insurance	29,951	29,630	31,740	35,780
6036 Dental Insurance	1,458	1,490	1,450	1,490
6037 Term Life	143	80	90	80
6038 Workers Compensation	140	140	140	150
6040 Long Term Disability	274	520	520	540
6041 Paid Family Medical Leave	60	-	1,130	1,180
6054 Interdepartmental Labor Credit	(190,000)	(195,500)	(200,500)	(209,500)
<i>Personal Services Total</i>	<u>\$ 176,059</u>	<u>\$ 179,320</u>	<u>\$ 178,060</u>	<u>\$ 186,000</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 3,036	\$ 7,530	\$ 7,630	\$ 7,630
6202 Data Processing Rental	17,910	13,890	13,890	12,060
6205 Maintenance & Repairs			50,000	-
6302 Communications	1,156	1,500	1,500	1,500
6303 Professional Development	11,340	8,440	9,590	8,440
6305 Subscriptions & Memberships	688	890	890	770
6307 Insurance & Bonds	1,924	2,300	2,250	2,060
6308 Property Liability	820	840	840	860
6401 Office Supplies	3,615	5,000	5,000	5,000
6402 Copy Charges	1,904	2,500	2,500	2,700
6403 Postage	2,799	2,500	2,500	2,900
6414 Other Supplies	2,354	2,850	2,920	2,920
<i>Other Services & Charges Total</i>	<u>\$ 47,546</u>	<u>\$ 48,240</u>	<u>\$ 99,510</u>	<u>\$ 46,840</u>
<i>PW Administration TOTAL</i>	<u><u>\$ 223,605</u></u>	<u><u>\$ 227,560</u></u>	<u><u>\$ 277,570</u></u>	<u><u>\$ 232,840</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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
		<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
	<i>Total</i>			

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 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.

2026 HIGHLIGHTS

- Constructed the Safe Routes to School project on 64th St and Russell Ave, and began construction of the sidewalk project on 73rd St (City Council Priority/Outcome 3a-b, 5a & 5c).
- Began reconstruction of Nicollet Avenue in collaboration with Hennepin County (City Council Priority/Outcome 1b, 3a-b, 5a & 5c).
- Secured \$2 million in state bond funding for the Nicollet Avenue reconstruction project (City Council Priority/Outcome 2c, 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).
- Continued planning and design with Hennepin County for the full reconstruction of Penn Avenue (City Council Priority/Outcome 1b & 3a).

- Began design and engagement for the 69th St reconstruction project (City Council Priority/Outcome 3a-b, 5a & 5c).
- Began design and engagement for the 76th Street and Knox Avenue intersection improvement project (City Council Priority/Outcome 3a-b, 5a & 5c).
- Submitted six projects for Regional Solicitation grant applications (City Council Priority/Outcome 1b, 2c, 3a-b, 5a & 5c).
- 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).

2027 DIVISION GOALS

- Construct the sidewalk project on 64th St (City Council Priority/Outcome 3a-b, 5a & 5c).
- Complete reconstruction of Nicollet Avenue in collaboration with Hennepin County (City Council Priority/Outcome 3a-b, 5a & 5c).
- Complete a pavement maintenance project on 77th Street to address failing concrete joints (City Council Priority/Outcome 3a-b).
- Begin the replacement of several traffic signals along 76th and 77th Streets (City Council Priority/Outcome 3a-b).
- Continue to identify and pursue grant funding sources for capital improvement projects (City Council Priority/Outcome 1b, 2c, 3a-b, 5a & 5c).
- Investigate opportunities for dedicated funding for active transportation and transportation safety improvements (City Council Priority/Outcome 1b, 3a-b, 5a & 5c).
- Complete planning and design with Hennepin County for the full reconstruction of Penn Avenue (City Council Priority/Outcome 3a).
- Complete planning and design for the 69th St reconstruction project (City Council Priority/Outcome 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-b, 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 2026 Revised Budget reflects a 0.0% increase from the 2026 Adopted Budget. \$24,500 in MSA revenues are expected to be transferred into the division.

The 2027 Proposed Budget reflects a 3.52% increase from the 2026 Adopted Budget, due primarily to a budgeted effort to update the City's bicycle and pedestrian plans over the next 2 years (may be offset by grant funding). \$144,000 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	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 547,346	\$ 669,610	\$ 667,730	\$ 731,220
6007 Seasonal	7,847	18,790	19,200	19,200
6009 Overtime	6,163	2,400	2,400	2,400
6031 Employer Social Security	33,158	42,670	42,010	45,740
6032 Employer Medicare	7,755	9,980	9,820	10,700
6033 Employer Pera	40,369	50,220	50,080	54,840
6035 Medical Insurance	75,523	89,470	100,270	118,160
6036 Dental Insurance	3,648	4,500	4,240	4,500
6037 Term Life	358	240	250	240
6038 Workers Compensation	6,120	6,240	6,240	6,550
6040 Long Term Disability	638	1,190	1,180	1,290
6041 Paid Family Medical Leave	104	-	2,610	2,850
6054 Interdepartmental Labor Credit	(270,000)	(502,000)	(489,500)	(634,000)
<i>Personal Services Total</i>	<u>\$ 459,029</u>	<u>\$ 393,310</u>	<u>\$ 416,530</u>	<u>\$ 363,690</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 63,177	\$ 114,250	\$ 89,250	\$ 165,260
6201 Rents & Leases	2,106	-	-	-
6202 Data Processing Rental	39,360	38,880	38,880	41,120
6204 Motor Pool Operating Rental	11,340	11,910	11,910	12,510
6302 Communications	4,215	4,700	4,700	4,700
6303 Professional Development	16,960	17,170	17,570	16,570
6305 Subscriptions & Memberships	6,131	12,650	12,900	14,770
6307 Insurance & Bonds	4,810	5,740	5,630	5,140
6308 Property Liability	1,090	1,110	1,110	1,130
6401 Office Supplies	34	-	-	-
6414 Other Supplies	4,912	7,500	8,700	3,700
<i>Other Services & Charges Total</i>	<u>\$ 154,135</u>	<u>\$ 213,910</u>	<u>\$ 190,650</u>	<u>\$ 264,900</u>
<i>Engineering TOTAL</i>	<u><u>\$ 613,164</u></u>	<u><u>\$ 607,220</u></u>	<u><u>\$ 607,180</u></u>	<u><u>\$ 628,590</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	.04	.04
<i>Total</i>		6.05	6.04	6.04

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Public Works/Engineering

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
Number of full time employees	5.0	6.05	6.05	6.05
Total General Fund expenditures	\$ 632,524	\$ 613,164	\$ 607,180	\$ 628,590
Outputs:				
Number of engineering contracts	4	3	9	3
Value of engineering contracts	\$317,000	\$370,000	\$880,500	\$400,000
Number of construction projects	4	4	5	6
Value of construction projects	\$606,000	\$2,355,000	\$5,495,000	\$8,385,000
Effectiveness Measures:				
Value of change orders	\$81,000	\$159,000	\$24,000	\$0
% of project costs (goal <5%)	13.4%	6.8%	0.4%	0.0%
Number of right-of-way permits issued/inspected	174	228	200	200
Efficiency Measures:				
% of GF expenditures to construction projects	104.4%	26.0%	11.0%	7.5%
% of consultant contracts to construction projects	52.3%	15.7%	16.0%	4.8%
Division expenditure per Capita	\$16.44	\$15.93	\$15.78	\$16.33

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.

2026 HIGHLIGHTS

- Continued assistance with private property diseased/hazardous tree removals using the assessment option for paying removal costs (City Council Priority/Outcome 3c & 5c).
- Completion 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 3c, 5a & 5c).
- Hire a GIS/Asset Management position to start the creation of an Asset Management System (City Council Priority/Outcome 3a-b & 4b).

2027 DIVISION GOALS

- Create an inventory of pavement markings to establish a replacement program (City Council Priority/Outcome 3a-b).
- Establish maintenance programs for City assets (City Council Priority/Outcome 2c & 3a-c).
- Begin development of an Asset Management System (City Council Priority/Outcome 3a-b & 4b).

DIVISION EXPENDITURE COMMENT

The 2026 Revised Budget reflects an increase of 0.67% from the 2026 Adopted Budget. This is attributed to continually rising costs for materials and aging infrastructure specifically with the City's street lighting and traffic signal systems.

The 2027 Proposed Budget reflects a decrease of 6.76% from the 2026 Adopted Budget due to the completion of the USFS grant to remove and replace trees in 2026.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 1,172,435	\$ 1,189,460	\$ 1,171,240	\$ 1,245,640
6007 Seasonal	20,154	44,950	44,930	47,570
6009 Overtime	42,152	20,000	20,000	20,000
6031 Employer Social Security	71,493	74,970	73,030	77,620
6032 Employer Medicare	16,720	17,530	17,080	18,150
6033 Employer Pera	87,677	87,900	86,470	92,050
6035 Medical Insurance	210,779	215,020	225,250	261,840
6036 Dental Insurance	9,485	10,040	9,490	10,610
6037 Term Life	938	540	560	540
6038 Workers Compensation	39,040	39,820	39,820	41,810
6040 Long Term Disability	1,309	2,080	2,040	2,170
6041 Paid Family Medical Leave	230	-	4,560	4,850
6054 Interdepartmental Labor Credit	(94,350)	(124,110)	(115,140)	(115,660)
<i>Personal Services Total</i>	<u>\$ 1,578,062</u>	<u>\$ 1,578,200</u>	<u>\$ 1,579,330</u>	<u>\$ 1,707,190</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 16,080	\$ 16,020	\$ 16,020	\$ 16,050
6202 Data Processing Rental	38,688	33,180	33,180	27,050
6204 Motor Pool Operating Rental	478,400	502,320	502,320	527,440
6205 Maintenance & Repairs	29,692	25,300	31,500	31,500
6209 Utility Lighting	90,811	114,500	114,500	104,500
6301 Advertising & Publication	-	240	240	240
6302 Communications	15,901	15,000	15,000	15,000
6303 Professional Development	14,293	12,440	12,440	12,440
6305 Subscriptions & Memberships	1,072	180	2,000	2,000
6307 Insurance & Bonds	11,495	15,290	14,990	13,720
6308 Property Liability	3,760	3,840	3,840	3,920
6315 Other Contractual Services	384,023	804,160	811,160	439,160
6409 Uniforms & Clothing	13,286	11,000	14,000	13,500
6410 Small Tools & Parts	6,752	6,000	7,000	6,000
6411 Salt	29,892	90,000	90,000	90,000
6412 Maint. & Const. Materials	32,511	34,450	36,950	28,250
6414 Other Supplies	1,790	1,310	1,310	1,310
6415 Sign Parts & Supplies	11,176	51,800	51,800	51,800
<i>Other Services & Charges Total</i>	<u>\$ 1,179,622</u>	<u>\$ 1,737,030</u>	<u>\$ 1,758,250</u>	<u>\$ 1,383,880</u>
<i>Street Maintenance TOTAL</i>	<u><u>\$ 2,757,684</u></u>	<u><u>\$ 3,315,230</u></u>	<u><u>\$ 3,337,580</u></u>	<u><u>\$ 3,091,070</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
Public Works Worker	LT-1	10.00	10.00	10.00
Deputy Public Works Director	18	.75	.77	.77
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	.17
	<i>Total</i>	<u>13.47</u>	<u>13.49</u>	<u>13.49</u>
<u>Intermittent Employees</u>				
Seasonal Maintenance Laborer (4 Positions)	103	-	1.23	1.23
	<i>Total</i>	<u>-</u>	<u>1.23</u>	<u>1.23</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Street Maintenance

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
Number of Full-Time Employees	13.3	13.47	13.47	13.47
Division Expenditures	\$ 2,569,956	\$ 2,757,684	\$ 3,337,580	\$ 3,091,070
Outputs:				
Number of City-Owned Street Lights	3,510	3,510	3,510	3,510
Work Orders for Street Light Out	341	451	500	500
Annual Number of Trees Removed	356	301	400	400
Annual Number of Trees Planted	250	200	745	200
Tree Trimmings-Routine	194	176	200	200
Effectiveness Measures:				
Days to Repair Street Light After Request	7.4	6.0	14.5	6.0
Average Days to Complete After Tree Service Request Received	14	15	15	15
Efficiency Measures:				
Cost to Operate Street Lights	\$ 309,828	\$ 328,825	\$ 332,000	\$ 332,000
Cost to Maintain Street Lights	\$ 38,259	\$ 90,811	\$ 114,500	\$ 104,500
Total Cost to Operate and Maintain Street Lights	\$ 348,087	\$ 419,636	\$ 446,500	\$ 436,500
Expenditure per Capita to Maintain Street Lights	\$ 9.05	\$ 10.90	\$ 11.60	\$ 11.34
Cost per New Tree Planted	\$ 392.74	\$ 383.51	\$ 610.74	\$ 425.00
Annual Dollars Spent on New Trees	\$ 98,185	\$ 76,701	\$ 455,000	\$ 85,000
Division Expenditure per Capita	\$ 66.78	\$ 71.66	\$ 86.73	\$ 80.33

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.

2026 HIGHLIGHTS

- Continued support of City-sponsored events such as Vehicle Day, 4th of July Celebration and Penn Fest (City Council Priority/Outcome 1c, 2a & 4b).
- Completed Park Asset Inventory to establish future Park Maintenance needs (City Council Priority/Outcome 1b, 3a-b, 4b, 5a & 5c).
- Partnered with the Recreation Department to develop a Natural Resources Plan (City Council Priority/Outcome 1b, 3a-b, 4b, 5a & 5c).

2027 DIVISION GOALS

- Maintain support for City-sponsored events such as 4th of July Celebration and Penn Fest (City Council Priority/Outcome 1c, 2a & 4b).
- Utilize the Park Asset Inventory to establish future Park Maintenance/Asset Management plan(s) (City Council Priority/Outcome 1b, 3a-b, 4b, 5a & 5c).
- Establish maintenance plans for Tennis, pickleball, and basketball paved court surfaces (City Council Priority/Outcome 1b, 3a-c, 4b, 5a & 5c).
- Partner with the Recreation Department to implement the Natural Resources Plan (City Council Priority/Outcome 1b, 3a-b, 4b, 5a & 5c).
- Assist the Recreation Department with the Parks Master Plan (City Council Priority/Outcome 1b-c, 3a-c, 4b, 5a & 5c).

DIVISION EXPENDITURE COMMENT

The 2026 Revised Budget reflects a 0% increase from the 2026 Adopted Budget.

The 2027 Proposed Budget reflects an increase of 3.1% from the 2026 Adopted Budget. This is attributable to increases in personal services as employees move through the step system (merit increases) and costs associated with Paid Family Medical Leave.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 673,776	\$ 719,940	\$ 688,780	\$ 724,300
6007 Seasonal	27,330	44,950	44,930	47,570
6009 Overtime	26,232	23,000	23,000	23,000
6031 Employer Social Security	42,511	46,150	44,290	46,660
6032 Employer Medicare	9,942	10,790	10,360	10,960
6033 Employer Pera	50,894	53,200	50,820	53,810
6035 Medical Insurance	139,673	146,370	145,250	159,350
6036 Dental Insurance	6,095	6,440	5,590	5,590
6037 Term Life	593	350	370	340
6038 Workers Compensation	15,770	16,090	16,090	16,890
6040 Long Term Disability	774	1,260	1,200	1,270
6041 Paid Family Medical Leave	115	-	2,740	2,900
6054 Interdepartmental Labor Credit	(43,790)	(32,000)	(38,000)	(38,520)
<i>Personal Services Total</i>	<u>\$ 949,915</u>	<u>\$ 1,036,540</u>	<u>\$ 995,420</u>	<u>\$ 1,054,120</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 15,136	\$ 13,870	\$ 15,670	\$ 15,690
6202 Data Processing Rental	10,630	15,570	15,570	24,380
6204 Motor Pool Operating Rental	255,380	268,150	268,150	281,560
6205 Maintenance & Repairs	116,876	126,670	124,430	136,670
6207 Utility Services	187,234	134,460	134,460	134,460
6302 Communications	8,937	11,240	9,240	9,240
6303 Professional Development	8,999	10,310	10,310	8,840
6305 Subscriptions & Memberships	-	100	100	100
6307 Insurance & Bonds	36,748	54,210	53,150	37,020
6308 Property Liability	4,160	4,240	4,240	4,320
6310 Taxes & Licenses	-	200	200	200
6315 Other Contractual Services	115,487	61,400	100,900	80,900
6409 Uniforms & Clothing	9,769	10,600	10,600	10,600
6410 Small Tools & Parts	5,933	2,000	2,000	2,000
6412 Maint. & Const. Materials	4,095	7,500	750	750
6414 Other Supplies	53,977	42,270	54,160	54,170
<i>Other Services & Charges Total</i>	<u>\$ 833,361</u>	<u>\$ 762,790</u>	<u>\$ 803,930</u>	<u>\$ 800,900</u>
<i>Park Maintenance TOTAL</i>	<u><u>\$ 1,783,276</u></u>	<u><u>\$ 1,799,330</u></u>	<u><u>\$ 1,799,350</u></u>	<u><u>\$ 1,855,020</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	.17
	<i>Total</i>	<u>8.67</u>	<u>8.67</u>	<u>8.67</u>
<u>Intermittent Employees</u>				
Seasonal Maintenance Laborer (4 Positions)	103	-	1.23	1.23
	<i>Total</i>	<u>-</u>	<u>1.23</u>	<u>1.23</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Public Works/Park Maintenance

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
Number of full time employees	8.5	8.67	8.67	8.67
Division Expenditures	\$ 1,593,191	\$ 1,783,276	\$ 1,799,330	\$ 1,855,030
Outputs:				
No. of Parks Maintained	21	22	22	22
No. of Athletic Fields	24	24	24	24
Effectiveness Measures:				
Games Not Played Due to Weather-Related Field Conditions	11	17	10	10
Efficiency Measures:				
Average Cost to Maintain Each Park	\$ 75,866.24	\$ 81,058.00	\$ 81,787.73	\$ 84,319.55
Cost to Maintain Parks per Capita	\$ 41.40	\$ 46.34	\$ 46.76	\$ 48.21

RECREATION SERVICES

FUND: GENERAL FUND
DEPARTMENT: Recreation Services

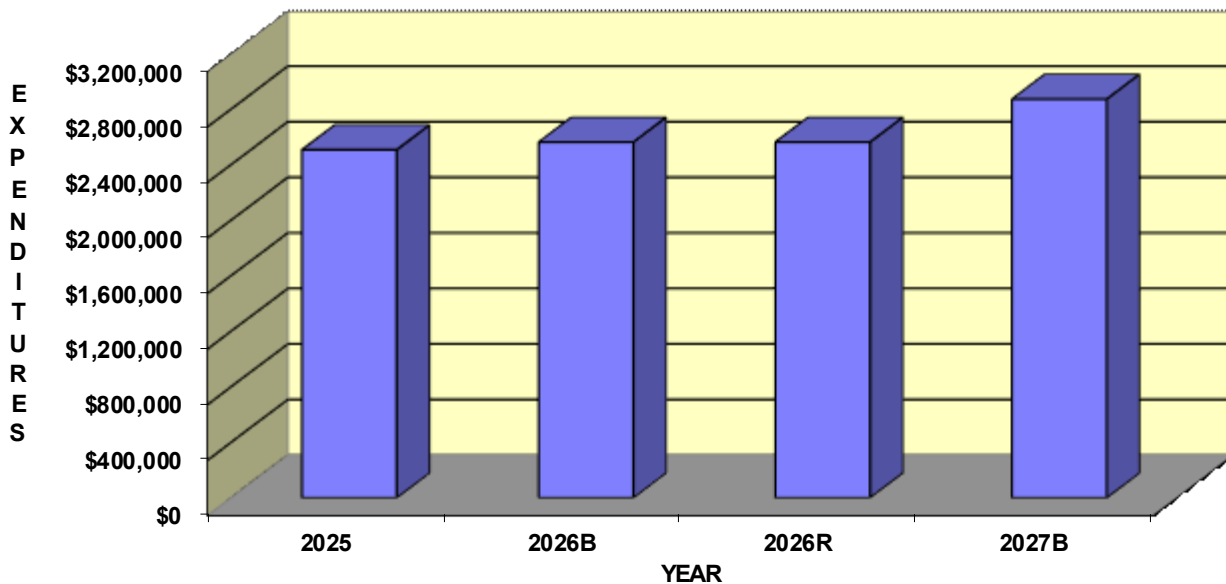
DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
17000 Recreation Administration	\$ 534,201	\$ 571,780	\$ 550,703	\$ 577,897	1.07%
17501 Recreation	1,224,189	1,289,399	1,287,367	1,340,982	4.00%
18000 Wood Lake Nature Center	748,197	700,021	723,729	952,441	36.06%
<i>Recreation Services TOTAL</i>	<u>\$ 2,506,587</u>	<u>\$ 2,561,200</u>	<u>\$ 2,561,799</u>	<u>\$ 2,871,320</u>	12.11%

REVENUES

17501 Recreation	\$ 345,020	\$ 292,200	\$ 311,100	\$ 296,100	1.33%
18000 Wood Lake Nature Center	55,264	64,100	64,350	155,745	142.97%

RECREATION SERVICES EXPENDITURES



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.

2026 HIGHLIGHTS

- Completed Pool and Ice Arena Local Option Sales Tax renovation projects. (City Council Priority 3)
- Completed Natural Resources Management Plan for Richfield Lake Park, Taft Park, Veterans Memorial Park and Wood Lake Nature Center. (City Council Priority 1, 3, and 5)
- Began Parks Master Planning process (City Council Priority 3a, 3b)
- Collaborated to conduct a recreation facility assessment (City Council Priority 3, 5c).
- Complete fleet electric vehicle assessment. (City Council Priority 3)
- Installed solar panels on Ice Arena and Public Works Building using State and Federal Funding (City Council Priority 1b and 3b)
- Constructed playground at Donladson Park (City Council Priority 3a)
- Updated Climate Action Plan (City Council Priority/Outcome 3c)

2027 DIVISION GOALS

- Complete Veterans Memorial Park Local Option Sales Tax Projects (City Council Priority 3)
- Complete Parks Master Plan and begin work on identified CIP projects (City Council Priority 3a, 3b)
- Deliver several Recreation Department wide training opportunities (City Council Priority 4a).
- Begin work on new organized hauling contract (City Council Priority 1)

DIVISION EXPENDITURE COMMENTS

The Recreation Services/Administration Division shows a decrease of 3.69% for 2026 revised due to a reduction in employee benefit costs. 2027 will have a 1.07% increase due to a growth in staffing costs but a reduction in expected credit card processing fees.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 291,856	\$ 300,600	\$ 301,290	\$ 319,140
6031 Employer Social Security	15,495	17,400	17,240	18,230
6032 Employer Medicare	3,624	4,070	4,030	4,260
6033 Employer Pera	20,999	22,160	22,290	23,620
6035 Medical Insurance	54,824	56,070	46,580	53,070
6036 Dental Insurance	1,749	2,100	2,000	2,000
6037 Term Life	172	170	170	170
6038 Workers Compensation	2,500	2,550	2,550	2,680
6040 Long Term Disability	314	610	500	500
6041 Paid Family Medical Leave	57	-	1,136	1,200
<i>Personal Services Total</i>	<u>\$ 391,590</u>	<u>\$ 405,730</u>	<u>\$ 397,786</u>	<u>\$ 424,870</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 180	\$ 2,000	\$ -	\$ -
6202 Data Processing Rental	13,837	13,010	13,010	12,394
6207 Utility Services	10,627	8,500	10,600	11,000
6301 Advertising & Publication	40,028	38,000	40,000	40,000
6302 Communications	2,285	2,000	2,300	2,300
6303 Professional Development	3,408	3,200	5,000	3,700
6307 Insurance & Bonds	8,065	5,340	5,240	8,168
6308 Property Liability	9,220	9,400	9,400	9,590
6402 Copy Charges	7,724	7,400	7,700	7,800
6513 Other Charges	47,237	77,200	59,667	58,075
<i>Other Services & Charges Total</i>	<u>\$ 142,611</u>	<u>\$ 166,050</u>	<u>\$ 152,917</u>	<u>\$ 153,027</u>
<i>Recreation Administration TOTAL</i>	<u><u>\$ 534,201</u></u>	<u><u>\$ 571,780</u></u>	<u><u>\$ 550,703</u></u>	<u><u>\$ 577,897</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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
		<u>2.40</u>	<u>2.40</u>	<u>1.00</u>
	<i>Total</i>	2.40	2.40	2.40

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Recreation Services/Administration

	Actual 2024	Actual 2025	Budget 2026	Budget 2027
Inputs:				
Number of organics program participants	3,371	3,490	3,500	3,500
Richfield Households	15,332	15,332	15,332	15,332
Outputs:				
Rec. Administration Division Cost	\$ 522,959	\$ 534,201	\$ 550,703	\$ 577,897
Effectiveness Measures:				
% of Households in Organics Program	22%	23%	23%	23%
Efficiency Measures:				
Administration cost per capita	\$ 34.11	\$ 34.84	\$ 35.92	\$ 37.69

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 events for the entire community, with a focus on accessibility and inclusion for people of all abilities, backgrounds, and economic circumstances. The Division coordinates scheduling of athletic fields and park facilities for local sports associations, schools, and community groups.

2026 HIGHLIGHTS

- Developed a new partnership model with RecLeaguer to offer adult grass volleyball leagues (City Council Priority 1.b, 1.c)
- Implemented new gardening and kitchen programs supported by the Urban AGRI grant. (City Council Priority 1.b, 5.a)
- Partnered with VEAP to offer monthly mobile food pantry in response to the Fare for All program ending. (City Council Priority 5.a)
- Staff supported community volunteer committees to offer the Richfield 4th of July Celebration and Penn Fest. (City Council Priority 1.c, 5.a)
- Secured grants and sponsorships for Entertainment in the Park which allowing for higher quality bands and Food Trucks at all evening performances. (City Council Priority 1.c, 5.a)

2027 DIVISION GOALS

- Adjust program offerings based off Park System Master Plan Program Assessment report (City Council Priority 1.b, 1.c).
- Continue to defer program expenses by expanding community partnerships and secure new sponsorships. (City Council Priority 1.b).
- Increase volunteers for programs and special events. (City Council Priority 4.b)

DIVISION REVENUE COMMENT

Revenue is forecasted to continue to increase. The 2026 revised revenue is projected to increase by 6.47% compared to the 2026 adopted budget. The 2027 proposed budget includes a 1.33% revenue increase compared to the 2026 adopted budget.

DIVISION EXPENDITURE COMMENT

The Recreation Programs 2026 revised budget is projected to have 0% change in expenditures compared to the 2026 adopted budget. The proposed budget expenditures in 2027 are increasing by 4% due to increase in contractual services (portable restrooms, referees, contract programs).

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 521,370	\$ 550,320	\$ 550,080	\$ 575,020
6006 Part-time	82,206	101,120	50,550	52,070
6007 Seasonal	62,549	72,610	116,896	115,931
6031 Employer Social Security	40,247	43,920	44,350	45,910
6032 Employer Medicare	9,412	10,270	10,370	10,740
6033 Employer Pera	46,763	48,860	45,050	47,030
6035 Medical Insurance	101,012	108,740	90,780	102,630
6036 Dental Insurance	4,375	4,470	4,378	4,470
6037 Term Life	430	400	430	430
6038 Workers Compensation	7,720	7,870	7,870	8,260
6040 Long Term Disability	643	1,000	1,012	1,020
6041 Paid Family Medical Leave	115	-	3,805	3,992
<i>Personal Services Total</i>	<u>\$ 876,842</u>	<u>\$ 949,580</u>	<u>\$ 925,571</u>	<u>\$ 967,503</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ -	\$ 130	\$ 130	\$ 130
6201 Rents & Leases	4,264	4,400	4,400	4,500
6202 Data Processing Rental	62,333	57,993	57,993	59,640
6204 Motor Pool Operating Rental	1,230	1,290	1,290	1,350
6205 Maintenance & Repairs	3,043	5,000	5,000	5,000
6207 Utility Services	20,050	18,500	18,500	19,000
6301 Advertising & Publication	1,254	2,000	2,000	2,000
6302 Communications	4,232	5,150	5,150	5,150
6303 Professional Development	6,671	4,120	4,120	4,120
6305 Subscriptions & Memberships	2,605	3,600	4,500	3,100
6307 Insurance & Bonds	6,292	4,590	4,500	7,194
6308 Property Liability	120	120	120	120
6315 Other Contractual Services	158,911	145,776	163,943	174,875
6401 Office Supplies	4,006	3,150	3,150	3,150
6402 Copy Charges	957	-	500	500
6403 Postage	4,460	3,900	4,500	4,600
6409 Uniforms & Clothing	2,802	2,000	2,000	2,000
6414 Other Supplies	57,649	72,100	74,000	70,800
6513 Other Charges	6,468	6,000	6,000	6,250
<i>Other Services & Charges Total</i>	<u>\$ 347,347</u>	<u>\$ 339,819</u>	<u>\$ 361,796</u>	<u>\$ 373,479</u>
<i>Recreation TOTAL</i>	<u><u>\$ 1,224,189</u></u>	<u><u>\$ 1,289,399</u></u>	<u><u>\$ 1,287,367</u></u>	<u><u>\$ 1,340,982</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	1.00	1.00
	<i>Total</i>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Rec Serv/Rec Programs & Athletics

	Actual 2024	Actual 2025	Budget 2026	Budget 2027
Inputs:				
Number of Full Time Employees	6	6	6	6
Division Revenues	\$ 324,228	\$ 345,020	\$ 311,100	\$ 296,100
Division Expenditures	\$ 1,123,315	\$ 1,224,189	\$ 1,287,367	\$ 1,340,982
Outputs:				
Older Adult Registrants	1,795	1,903	1,800	1,800
Youth/Family Registrations	2,430	2,576	2,400	2,400
Youth/Adult Athletics Registrations	910	965	800	800
Adaptive Registrations	1,358	1,440	1,400	1,400
Total Registrations	6,493	6,882	6,400	6,400
Effectiveness Measures:				
Average Revenue Per Registration	\$ 50.35	\$ 47.11	\$ 48.61	\$ 46.27
Efficiency Measures:				
Average Cost Per Registration	\$ 174.75	\$ 177.87	\$ 201.15	\$ 209.53
Revenues Per Capita	\$ 7.81	\$ 8.76	\$ 9.32	\$ 8.41
Expenditures Per Capita	\$ 27.10	\$ 33.09	\$ 34.79	\$ 36.24

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. Provides natural resource information to the public including wildlife, forest, prairie, wetlands, and lakes programming. Manages and maintains a high-quality natural area. Supports and guides the Friends of Wood Lake in raising funds for projects and seasonal staffing.

2026 HIGHLIGHTS

- Completed the construction of a new Wood Lake Nature Center building using Local Option Sales Tax, Meeting regularly with the building project team. (City Council Priority 3.a)
- Managed the natural resources of the park to allow for access, safety, and biodiversity, securing grant and donation funding. (City Council Priority 1, 3.b)
- Moved FOWL to a higher level and more diverse styles of fund raising. Held successful FOWL dinner in November. (City Council Goal 1b, 3b, 5a)
- Provided new programming while maintaining traditional programs at two sites while the Nature Center is under construction. (City Council Goal 5.a)

2027 DIVISION GOALS

- Develop and implement programming and rental plan for the new building. (City Council Priority 5)
- Continue to work with new FOWL board members grow fundraising capacity. (City Council Priority 1b, 3b, 5a)
- Maintain natural resources in the park working with volunteer groups, Great River Greening and Public Works. (City Council Priority 1)

DIVISION REVENUE COMMENT

2026 Revised revenue is \$250 higher than adopted and 2027 Proposed revenue is expected to be \$91,935 higher due to additional rental and program revenue.

DIVISION EXPENDITURE COMMENT

Wood Lake's expenditures for the revised 2026 budget are projected to be \$23,008 higher due to increases in medical insurance, two months of the new Event Coordinator, and the addition of paid family and medical leave. The 2027 proposed expenditures are projected to be \$252,420 higher primarily due to additional staffing and expenses related to the new building operations.

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 460,297	\$ 481,660	\$ 493,827	\$ 616,363
6007 Seasonal	52,532	69,920	70,065	87,190
6009 Overtime	-	-	500	500
6031 Employer Social Security	31,000	33,676	34,143	42,119
6032 Employer Medicare	7,250	7,883	8,015	8,917
6033 Employer Pera	38,492	41,193	42,273	47,292
6035 Medical Insurance	30,014	29,630	42,950	56,575
6036 Dental Insurance	2,186	2,230	1,933	2,719
6037 Term Life	358	200	219	220
6038 Workers Compensation	6,980	7,120	7,120	7,480
6040 Long Term Disability	569	870	870	961
6041 Paid Family Medical Leave	99	-	1,864	2,060
6054 Interdepartmental Labor Credit	(25,000)	(108,864)	(105,000)	(95,000)
<i>Personal Services Total</i>	<u>\$ 604,777</u>	<u>\$ 565,518</u>	<u>\$ 598,779</u>	<u>\$ 777,396</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 2,633	\$ 3,500	\$ 3,500	\$ 3,500
6202 Data Processing Rental	54,452	50,670	50,670	47,798
6204 Motor Pool Operating Rental	9,550	10,030	10,030	10,530
6205 Maintenance & Repairs	551	2,000	2,000	2,000
6207 Utility Services	32,759	16,000	16,000	39,000
6301 Advertising & Publication	2,401	3,000	3,000	3,300
6302 Communications	3,798	4,500	4,500	4,500
6303 Professional Development	1,089	1,000	1,000	1,000
6305 Subscriptions & Memberships	35	-	-	-
6307 Insurance & Bonds	10,779	12,260	12,020	11,517
6308 Property Liability	3,750	3,830	3,830	3,910
6315 Other Contractual Services	8,933	4,500	4,500	32,190
6401 Office Supplies	31	400	400	400
6402 Copy Charges	119	100	-	-
6403 Postage	661	300	400	400
6409 Uniforms & Clothing	1,418	1,413	1,000	1,000
6410 Small Tools & Parts	1,180	1,000	100	1,000
6414 Other Supplies	9,278	20,000	12,000	13,000
6513 Other Charges	3	-	-	-
<i>Other Services & Charges Total</i>	<u>\$ 143,420</u>	<u>\$ 134,503</u>	<u>\$ 124,950</u>	<u>\$ 175,045</u>
<i>Wood Lake Nature Center TOTAL</i>	<u><u>\$ 748,197</u></u>	<u><u>\$ 700,021</u></u>	<u><u>\$ 723,729</u></u>	<u><u>\$ 952,441</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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
Rental Coordinator	8	-	.65	.65
Natural Resources Coordinator	10	-	-	1.00
<i>Total</i>		5.00	5.65	6.65

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
None	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Performance Measures

Department/Division

Rec Serv/WoodLake Nature Center

	Actual 2024	Actual 2025	Budget 2026	Budget 2027
Inputs:				
Number of Full Time Employees	5	5	5.5	6.5
Division Revenues	\$ 134,550	\$ 55,264	\$ 64,350	\$ 155,745
Division Expenditures	\$ 678,016	\$ 748,197	\$ 723,729	\$ 952,441
Outputs:				
Volunteer Hours	2,608	1,409	1,500	3,000
Number of contact hours for all programs delivered	23,020	10,360	12,060	29,190
Effectiveness Measures:				
Number of programs delivered annually	607	350	500	650
Number of people attending all programs annually	18,814	10,225	17,000	20,000
Efficiency Measures:				
Dollars saved by volunteers	\$ 65,200	\$ 35,225	\$ 37,500	\$ 75,000
Average cost/person of programs delivered	\$ 28.89	\$ 67.77	\$ 38.79	\$ 39.83
Average cost of programs per hour delivered	\$ 23.61	\$ 66.89	\$ 54.67	\$ 27.29
Revenues Per Capita	\$ 3.70	\$ 1.52	\$ 1.77	\$ 4.29
Expenditures Per Capita	\$ 18.66	\$ 20.59	\$ 19.92	\$ 26.21

SPECIAL REVENUE

BUDGET SUMMARY LIQUOR CONTRIBUTION FUND

<u>AVAILABLE FOR APPROPRIATION</u>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 154,828	\$ 155,828	\$ 160,445	\$ 161,445
<u>Sources</u>				
Liquor Profits	475,000	475,000	475,000	475,000
Interest	5,617	1,000	1,000	1,000
Subtotal	480,617	476,000	476,000	476,000
<u>Uses</u>				
Transfers	475,000	475,000	475,000	475,000
Subtotal	475,000	475,000	475,000	475,000
<u>FUND BALANCE</u>	<u>\$ 160,445</u>	<u>\$ 156,828</u>	<u>\$ 161,445</u>	<u>\$ 162,445</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 2026 budget revision provides for expenditures of monies from the Liquor Contribution Fund in accordance with the revised 2026 Capital Improvement Budget. The 2027 proposed budget similarly allocates special revenue monies for expenditure in accordance with the 2026 Capital Improvement Budget. In 2027, funding received from liquor profits is budgeted at \$475,000 which is the same as the 2026 adopted budget.

BUDGET SUMMARY TOURISM ADMINISTRATION

<u>AVAILABLE FOR APPROPRIATION</u>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 58,430	\$ 60,140	\$ 62,815	\$ 64,525
<u>Sources</u>				
Hotel/Motel Lodging Tax	7,315	7,000	7,000	7,000
Interest	2,510	150	150	150
Subtotal	9,825	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>	\$ 62,815	\$ 61,850	\$ 64,525	\$ 66,235

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.

2027 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

<u>AVAILABLE FOR APPROPRIATION</u>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 1,889,161	\$ 1,785,321	\$ 1,850,126	\$ 1,733,056
<u>Sources</u>				
Franchise Fees	287,129	246,500	251,000	230,000
Intergovernmental	-	-	-	-
Interest	57,151	5,000	5,000	5,000
Transfers In:				
General Fund		25,000	25,000	50,000
Subtotal	344,280	276,500	281,000	285,000
<u>Uses</u>				
Personal Services	249,750	240,330	253,780	261,370
Other Service & Charges	133,565	172,090	144,290	168,460
Capital Outlay	-	-	-	-
Subtotal	383,315	412,420	398,070	429,830
<u>FUND BALANCE</u>	<u>\$ 1,850,126</u>	<u>\$ 1,649,401</u>	<u>\$ 1,733,056</u>	<u>\$ 1,588,226</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		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
Communications Manager	15	1.00	1.00	1.00
<i>Total</i>		1.00	1.00	1.00
<u>Intermittent Employees</u>				
Video Production Assistant	103	.20	.20	.20
<i>Total</i>		.20	.20	.20
<u>Part-Time Employees</u>				
Communication Specialist	10	.50	.50	.50
Temporary Website Coordinator	9	.45	.45	-
<i>Total</i>		.95	.95	.50

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
	\$ -	\$ -	\$ -
<i>Total</i>	\$ -	\$ -	\$ -

BUDGET SUMMARY - ELECTIONS FUND

<u>AVAILABLE FOR APPROPRIATION</u>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 2,395,389	\$ 779,069	\$ 869,686	\$ 924,253
<u>Sources</u>				
Intergovernmental	-	-	-	-
Other Revenues	73,218	-	-	95,000
Lease Revenue	393,919	329,600	332,898	332,900
Interest	77,460	50,000	50,000	21,060
Subtotal	544,597	379,600	382,898	448,960
<u>Uses</u>				
Personal Services	237,989	285,831	285,831	263,380
Other Services and Charges	32,311	42,500	42,500	35,580
Transfers Out:				
Long-term Capital Reserve Fund	1,800,000			
Subtotal	2,070,300	328,331	328,331	298,960
<u>FUND BALANCE</u>	\$ 869,686	\$ 830,338	\$ 924,253	\$ 1,074,253

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 2026 Revised Budget reflects the cost associated with the upcoming General Elections and voter registration activities. The 2027 budget reflects the cost associated with the upcoming level of services to be provided during a non-General election year.

BUDGET SUMMARY DRUG/FELONY FORFEITURE

<u>AVAILABLE FOR APPROPRIATION</u>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 280,133	\$ 223,733	\$ 312,155	\$ 353,955
<u>Sources</u>				
Intergovernmental Revenue				
Drug/felony forfeiture	81,194	35,000	81,000	20,000
Interest	10,346	1,500	10,400	1,500
Other revenues	889	2,000	2,000	2,000
Subtotal	92,429	38,500	93,400	23,500
<u>Uses</u>				
Other service & charges	60,407	34,100	51,600	57,000
Subtotal	60,407	34,100	51,600	57,000
<u>FUND BALANCE</u>	\$ 312,155	\$ 228,133	\$ 353,955	\$ 320,455

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 2026 Revised planned purchases are a purchases are 3 K-9's and SWAT Supplies (\$10,000) SWAT Bags (\$3,600) Sniper Rifle (\$7,500) Patrol Rifle sights (\$11,000) (\$8,000) 6 New Glock handguns to account for additional officers and Spares. (2,500) Vehicle Fleet Accesories (\$5,000) Drone software. BWC spares (4,000)

In 2027 Proposed planned purchases are purchases for 3 K-9's (\$7,000) SWAT Supplies \$10,000) Sprinter Conversion Communications Van (\$35,000) Drone software (\$5,000)

BUDGET SUMMARY PUBLIC SAFETY COMPLIANCE

<u>AVAILABLE FOR APPROPRIATION</u>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 300,106	\$ 373,056	\$ 413,194	\$ 443,694
<u>Sources</u>				
Intergovernmental:				
Federal grants	6,025	6,000	10,000	6,000
State grants	113,879	10,000	6,500	6,500
County grants		10,000	22,000	10,910
Other grants	2,000			
LEADS Revenue	7,172	5,300	5,000	4,800
Interest	11,584			
Other	25,714	15,000	12,000	15,000
Subtotal	166,374	46,300	55,500	43,210
<u>Uses</u>				
Personnel Services	-	5,000	5,000	5,000
Other service & charges	53,286	20,000	20,000	20,000
	53,286	25,000	25,000	25,000
<u>FUND BALANCE</u>	\$ 413,194	\$ 394,356	\$ 443,694	\$ 461,904

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 shops 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 2023 it does not expire until the end of 2026. We have a 2024 JAG grant that expires on 2027 and awaiting on the notification for the 2025 grant.

DIVISION FOCUS

Funds received from compliance failure fines will be used to fund future ongoing compliance checks and the LEADS 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 which comes out of 10305. We received bullet proof grants for State and Federal in 2025 and 2026. We anticipate we will receive State and Federal bullet proof vest grants in 2027.

BUDGET SUMMARY RECREATION CONTRIBUTIONS

<u>AVAILABLE FOR APPROPRIATION</u>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	<u>\$ 104,772</u>	<u>\$ 123,772</u>	<u>\$ 100,133</u>	<u>\$ 107,133</u>
<u>Sources</u>				
Intergovernmental				
Federal	116,961	-	20,000	30,000
Local Grant	-	55,000	-	-
Other	109,228	110,000	110,000	110,000
Interest	2,031	-	-	-
Subtotal	<u>228,220</u>	<u>165,000</u>	<u>130,000</u>	<u>140,000</u>
<u>Uses</u>				
Other Services & Charges	232,859	148,000	123,000	123,000
Subtotal	<u>232,859</u>	<u>148,000</u>	<u>123,000</u>	<u>123,000</u>
<u>FUND BALANCE</u>	<u>\$ 100,133</u>	<u>\$ 140,772</u>	<u>\$ 107,133</u>	<u>\$ 124,133</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>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	<u>\$ 262,527</u>	<u>\$ 270,574</u>	<u>\$ 499,428</u>	<u>\$ 401,428</u>
<u>Sources</u>				
Intergovernmental				
State	\$ 15,578	\$ -	\$ -	\$ -
Contributions	239,409	58,000	165,000	50,000
Memberships	13,660	20,000	20,000	30,000
Interest	13,391	7,000	7,000	7,000
Subtotal	<u>\$ 282,038</u>	<u>\$ 85,000</u>	<u>\$ 192,000</u>	<u>\$ 87,000</u>
<u>Uses</u>				
Personal Services	\$ -	\$ 43,864	\$ 40,000	\$ 30,000
Other Services & Charges	45,137	35,000	250,000	50,000
Subtotal	<u>\$ 45,137</u>	<u>\$ 78,864</u>	<u>\$ 290,000</u>	<u>\$ 80,000</u>
<u>FUND BALANCE</u>	<u>\$ 499,428</u>	<u>\$ 276,710</u>	<u>\$ 401,428</u>	<u>\$ 408,428</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>	2025	2026		2027
	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
<u>PRIOR YEAR FUND BALANCE</u>	\$ 139,347	\$ 87,174	\$ 145,849	\$ 145,849
<u>Sources</u>				
Intergovernmental Revenues:				
Public Health Grants	185,489	50,714	50,714	50,714
Interest	5,002	500	500	500
Subtotal	<u>190,491</u>	<u>51,214</u>	<u>51,214</u>	<u>51,214</u>
<u>Uses</u>				
Other Service & Charges	183,989	51,214	51,214	51,214
	<u>183,989</u>	<u>51,214</u>	<u>51,214</u>	<u>51,214</u>
<u>FUND BALANCE</u>	<u>\$ 145,849</u>	<u>\$ 87,174</u>	<u>\$ 145,849</u>	<u>\$ 145,849</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>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 91,878	\$ 75,878	\$ 128,745	\$ 126,745
<u>Sources</u>				
Intergovernmental	-	-	-	-
Charges for Service	53,590	60,000	60,000	60,000
Contributions	7,470	10,000	10,000	10,000
Interest Earnings	4,049	-		
Subtotal	65,109	70,000	70,000	70,000
<u>Uses</u>				
Personal Services	-	40,000	40,000	40,000
Other Service & Charges	28,242	50,000	32,000	32,000
Subtotal	28,242	90,000	72,000	72,000
<u>FUND BALANCE</u>	\$ 128,745	\$ 55,878	\$ 126,745	\$ 124,745

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>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 2,450,331	\$ 2,887,331	\$ 2,988,358	\$ 3,333,358
<u>Sources</u>				
Franchise Fee	2,494,954	2,450,000	2,450,000	2,450,000
Interest	116,869	50,000	50,000	27,775
Subtotal	<u>2,611,823</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,477,775</u>
<u>Uses</u>				
Other Services & Charges	120,003	275,000	407,300	346,826
Capital Outlay	-	-	-	-
Transfers Out:				
General Fund	50,000	50,000	50,000	50,000
Debt Service Fund	746,793	747,700	747,700	743,174
Capital Project Fund	<u>1,157,000</u>	<u>1,392,000</u>	<u>950,000</u>	<u>1,235,000</u>
Subtotal	<u>2,073,796</u>	<u>2,464,700</u>	<u>2,155,000</u>	<u>2,375,000</u>
<u>FUND BALANCE</u>	<u>\$ 2,988,358</u>	<u>\$ 2,922,631</u>	<u>\$ 3,333,358</u>	<u>\$ 3,436,133</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		
		2026 ADOPTED	2026 REVISED	2027 BUDGET

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
	\$ -	\$ -	\$ -
Pedestrian Improvements	40,000	40,000	40,000
Bicycle Improvements	40,000	40,000	40,000
ADA Improvements	200,000	200,000	200,000
Pavement Management Projects	737,000	345,000	755,000
Public Works Storage Facility	325,000	325,000	-
Street Name Sign Replacement	50,000	-	-
78th Street Lighting	-	-	200,000
<i>Total</i>	<u>\$ 1,392,000</u>	<u>\$ 950,000</u>	<u>\$ 1,235,000</u>

BUDGET SUMMARY ICE ARENA

AVAILABLE FOR APPROPRIATION	2025	2026		2027
	Actual	Budget	Revised	Budget
PRIOR YEAR FUND BALANCE	\$ (2,062,734)	\$ (986,714)	\$ (1,148,869)	\$ (747,970)
<u>Sources</u>				
User Fees	1,276,401	1,295,270	1,295,270	1,355,190
Concessions	59,060	63,800	63,800	66,100
Other Revenues	58,017	41,200	51,200	83,520
Transfers In:				
General Fund	220,000	295,000	255,000	244,625
Capital Project Fund	365,000	370,000	370,000	400,000
Long-Term Capital Reserves	472,170			
Subtotal	<u>2,450,648</u>	<u>2,065,270</u>	<u>2,035,270</u>	<u>2,149,435</u>
<u>Uses</u>				
Personal Services	760,852	763,788	797,570	875,339
Other Service & Charges	769,131	629,290	628,860	651,439
Interest Charges	6,800	6,800	-	
Capital Outlay	-	-	207,941	30,000
Subtotal	<u>1,536,783</u>	<u>1,399,878</u>	<u>1,634,371</u>	<u>1,556,778</u>
FUND BALANCE	\$ (1,148,869)	\$ (321,322)	\$ (747,970)	\$ (155,313)

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
		<u>4.00</u>	<u>4.00</u>	<u>4.00</u>
	<i>Total</i>			

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>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 209,956	\$ 237,156	\$ 208,840	\$ 234,810
<u>Sources</u>				
User Fees	478,443	591,640	519,310	552,410
Commodities	79,478	95,870	95,870	96,670
County Grant	-	23,300	23,300	25,000
Investment Income	8,845	-	-	-
Other Income	(9,826)	-	-	-
Transfers In:				
General Fund	80,000	-	40,000	40,000
Subtotal	636,940	710,810	678,480	714,080
<u>Uses</u>				
Personal Services	354,421	322,360	342,360	371,580
Other Service & Charges	283,635	340,960	292,150	308,468
Capital Outlay	-	-	18,000	100,000
Subtotal	638,056	663,320	652,510	780,048
<u>FUND BALANCE</u>	<u>\$ 208,840</u>	<u>\$ 284,646</u>	<u>\$ 234,810</u>	<u>\$ 168,842</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>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	\$ 75,655	\$ 75,475	\$ 79,206	\$ 79,596
<u>Sources</u>				
Other Revenues	66,714	69,980	69,980	72,430
Interest	3,441	-	-	-
Subtotal	70,155	69,980	69,980	72,430
<u>Uses</u>				
Personal Services	12,290	12,720	12,720	13,160
Other Service & Charges	54,314	55,960	56,870	53,182
Subtotal	66,604	68,680	69,590	66,342
<u>FUND BALANCE</u>	<u>\$ 79,206</u>	<u>\$ 76,775</u>	<u>\$ 79,596</u>	<u>\$ 85,684</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 SUSTAINABILITY FUND

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2025 Actual</u>	<u>2026 Budget</u>	<u>2026 Revised</u>	<u>2027 Budget</u>
<u>PRIOR YEAR FUND BALANCE</u>	<u>\$ 352,836</u>	<u>\$ 285,751</u>	<u>\$ 303,926</u>	<u>\$ 346,283</u>
<u>Sources</u>				
Intergovernmental				
County	159,488	115,000	109,433	100,000
Grants - Other (multi-family grant)	129,310	-	40,932	109,082
Special Assessment	136,430	231,614	231,614	200,000
Miscellaneous Revenue	-	77,925	600	-
Interest	13,272	-	-	-
Transfers in:				
General Fund	52,250	52,250	52,250	54,079
Special Revenue Fund (Franchise Fee)	50,000	50,000	50,000	50,000
Subtotal	<u>540,750</u>	<u>526,789</u>	<u>484,829</u>	<u>513,161</u>
<u>Uses</u>				
Personal Services	161,655	168,249	169,481	181,060
Other Services & Charges	428,005	275,024	272,991	256,570
Subtotal	<u>589,660</u>	<u>443,273</u>	<u>442,472</u>	<u>437,630</u>
<u>FUND BALANCE</u>	<u>\$ 303,926</u>	<u>\$ 369,267</u>	<u>\$ 346,283</u>	<u>\$ 421,814</u>

MISSION STATEMENT

The Sustainability Fund initiates and supports Richfield sustainability initiatives and manages Richfield's organized collections program. The City receives financial assistance from Hennepin County to coordinate and manage the organized collection program.

FUND: SUSTAINABILITY
DEPARTMENT: Recreation Services
BUSINESS UNIT: Sustainability - 20040

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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>	1.60	1.60	1.60

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BUDGET SUMMARY OPIOID SETTLEMENT GRANT

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2025</u> <u>Actual</u>	<u>2026</u> <u>Budget</u>	<u>Revised</u>	<u>2027</u> <u>Budget</u>
<u>PRIOR YEAR FUND BALANCE</u>	<u>\$ 300,825</u>	<u>\$ 345,938</u>	<u>\$ 336,294</u>	<u>\$ 381,407</u>
<u>Sources</u>				
Intergovernmental Revenues:				
Opioid Grant	56,152	56,613	56,613	56,613
Interest	11,616	500	500	500
Subtotal	<u>67,768</u>	<u>57,113</u>	<u>57,113</u>	<u>57,113</u>
<u>Uses</u>				
Other Service & Charges	32,299	12,000	12,000	12,000
	<u>32,299</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
<u>FUND BALANCE</u>	<u>\$ 336,294</u>	<u>\$ 391,051</u>	<u>\$ 381,407</u>	<u>\$ 426,520</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>	2025	2026		2027
	Actual	Budget	Revised	Budget
<u>PRIOR YEAR FUND BALANCE</u>	1,510,309	1,426,309	1,430,579	1,480,579
<u>Sources</u>				
Intergovernmental Revenues:				
State Grant	-	-	-	-
Interest	54,269	50,000	50,000	50,000
Subtotal	54,269	50,000	50,000	50,000
<u>Uses</u>				
Personal Services		-	-	-
Transfer to:				
General Fund	134,000	446,095	-	-
	134,000	446,095	-	-
<u>FUND BALANCE</u>	<u>\$ 1,430,579</u>	<u>\$ 1,030,214</u>	<u>1,480,579</u>	<u>1,530,579</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>	2025 Actual	2026 Budget	2026 Revised	2027 Budget
<u>PRIOR YEAR FUND BALANCE</u>	<u>\$ 184,447</u>	<u>\$ 232,447</u>	<u>\$ 236,446</u>	<u>\$ 291,446</u>
<u>Sources</u>				
Charges for Service:				
Street Light User Fee	371,917	380,000	380,000	380,000
Interest	8,908	-	7,000	7,000
Subtotal	<u>380,825</u>	<u>380,000</u>	<u>387,000</u>	<u>387,000</u>
<u>Uses</u>				
Utility Services	328,826	332,000	332,000	340,000
	<u>328,826</u>	<u>332,000</u>	<u>332,000</u>	<u>340,000</u>
<u>FUND BALANCE</u>	<u>\$ 236,446</u>	<u>\$ 280,447</u>	<u>\$ 291,446</u>	<u>\$ 338,446</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

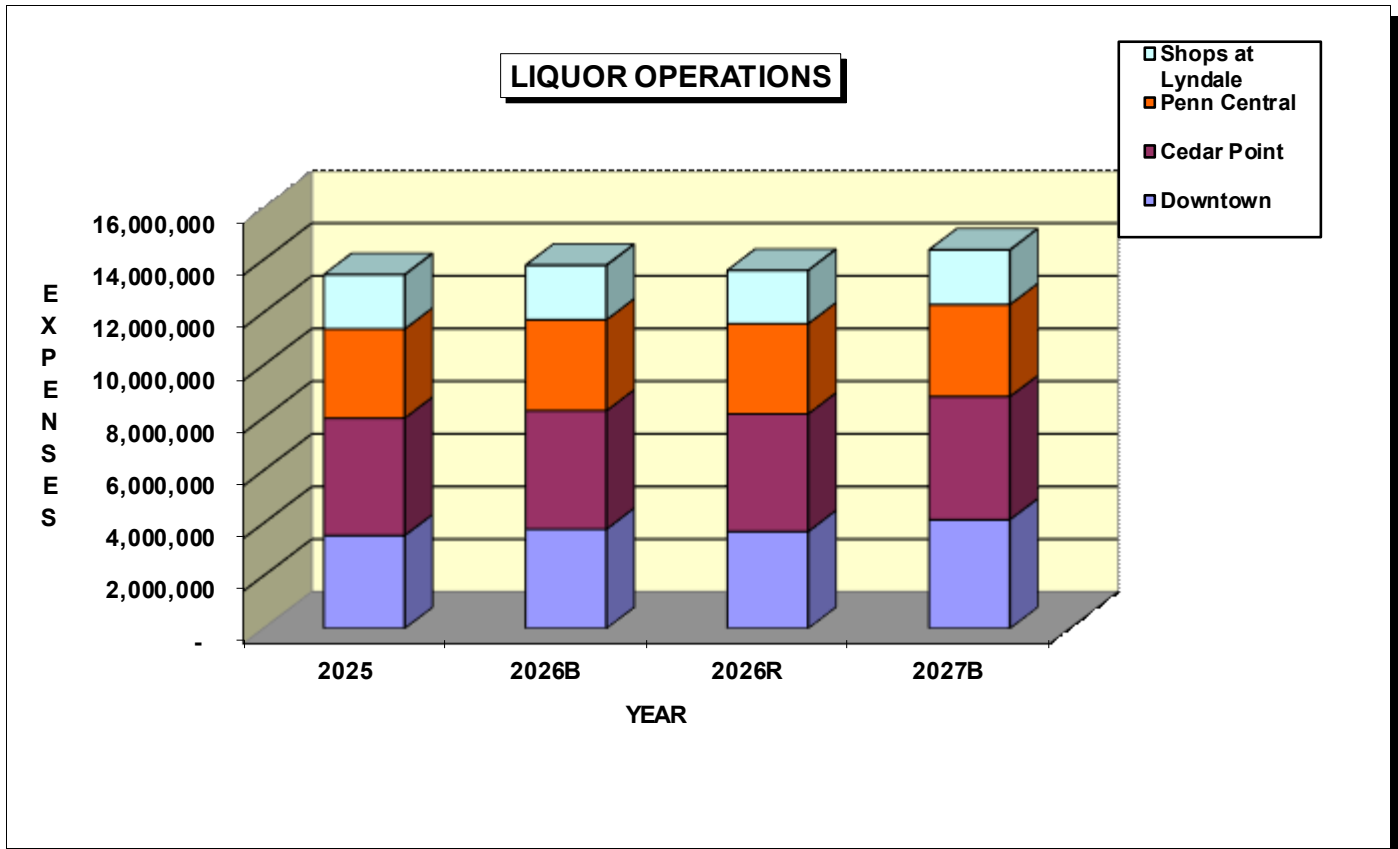
FUND: LIQUOR OPERATIONS FUND
DEPARTMENT: Liquor Operations

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,458,679	\$ 3,773,330	\$ 3,683,300	\$ 4,131,298	9.49%
50020 RICHFIELD LIQUOR CEDAR POINT	4,454,593	4,497,450	4,464,435	4,675,430	3.96%
50030 RICHFIELD LIQUOR PENN CENTRAL	3,389,701	3,454,580	3,430,155	3,496,927	1.23%
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	2,059,440	2,069,435	2,020,155	2,073,345	0.19%
<i>Liquor Operations TOTAL</i>	<u>\$13,362,413</u>	<u>\$13,794,795</u>	<u>\$13,598,045</u>	<u>\$14,377,000</u>	4.22%

REVENUES

50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,813,927	\$ 3,867,890	\$ 3,866,725	\$ 3,924,480	1.46%
50020 RICHFIELD LIQUOR CEDAR POINT	4,699,990	4,617,650	4,638,920	4,592,765	(0.54%)
50030 RICHFIELD LIQUOR PENN CENTRAL	3,520,899	3,483,770	3,537,995	3,625,870	4.08%
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	1,793,239	1,775,890	1,733,120	1,698,835	(4.34%)



BUDGET SUMMARY
LIQUOR FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	2025 Actual	2026 Revised	2027 Budget	2028 Projected
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 6,049,732</u>	<u>\$ 6,515,374</u>	<u>\$ 6,701,589</u>	<u>\$ 6,826,634</u>
<u>Revenues</u>				
Sales	13,693,470	13,689,810	13,754,900	14,167,550
Less Cost of Sales	<u>(9,647,745)</u>	<u>(9,582,875)</u>	<u>(9,628,440)</u>	<u>(9,917,290)</u>
Net Sales	<u>4,045,725</u>	<u>4,106,935</u>	<u>4,126,460</u>	<u>4,250,260</u>
<u>Miscellaneous Revenues</u>				
Interest	109,980	69,000	69,000	69,000
Other Revenues (Net)	<u>24,605</u>	<u>17,950</u>	<u>18,050</u>	<u>18,590</u>
Total Miscellaneous Revenues	<u>134,585</u>	<u>86,950</u>	<u>87,050</u>	<u>87,590</u>
Total Revenues	<u>4,180,310</u>	<u>4,193,885</u>	<u>4,213,510</u>	<u>4,337,849</u>
<u>Expenses</u>				
Personal Services	1,851,864	2,077,240	2,255,810	2,323,480
Other Services and Charges	812,893	786,390	771,795	806,530
Depreciation	<u>200,422</u>	<u>281,430</u>	<u>250,000</u>	<u>257,500</u>
Total Operating Expenses	<u>2,865,179</u>	<u>3,145,060</u>	<u>3,277,605</u>	<u>3,387,510</u>
Net Income (Loss)	1,315,131	1,048,825	935,905	950,339
<u>Operating Transfers From (To):</u>				
General Fund	(374,489)	(387,610)	(335,860)	(345,940)
Special Revenue Fund	<u>(475,000)</u>	<u>(475,000)</u>	<u>(475,000)</u>	<u>(475,000)</u>
Net Transfers	<u>(849,489)</u>	<u>(862,610)</u>	<u>(810,860)</u>	<u>(820,940)</u>
<u>RETAINED EARNINGS</u>	<u>\$ 6,515,374</u>	<u>\$ 6,701,589</u>	<u>\$ 6,826,634</u>	<u>\$ 6,956,033</u>
<u>CAPITAL OUTLAY</u>	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ 660,095</u>	<u>\$ 21,720</u>

LIQUOR OPERATIONS

MISSION STATEMENT

The mission of the Municipal Liquor Operations is to responsibly distribute alcoholic and MN Legal low dose cannabis 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 \$13,693,469.15 and a net profit of \$1,106,077.14 before transfers out in 2025. When fully staffed, Liquor Operations employs 5 full-time, eight permanent part-time and approximately 50 intermittent staff members for an estimated FTE count of 23.95 employees.

2026 HIGHLIGHTS

- Year End 2025 was (2.25%) compared to Year End 2024. According to other industry trends we finished strong. 2026 YTD sales as of 06/30/2026 are +0.14% compared to the same time 2025.
- The annual “Toast to Richfield” was postponed until Thursday October 8th. Same location.
- Implementation of Tungsten at the liquor stores to process invoicing/receiving more efficiently with City Finance.
- Efficient staffing updates: Filled 2 vacant (PPT 30-39) Shift Lead positions with 2 (PPT 20-29).
- The MN State Auditors report for 2024 was released and we ranked #2 in sales behind Lakeville.

2026/2027 GOALS

- Fully integrate and utilize the Tungsten process at the stores.
- Sunset the practice of sharing Shift Leads across store to make each location accountable for their own.

DIVISION EXPENDITURE COMMENT

- A new HVAC unit at the Downtown store was installed in May 2026.
- Sales remain to be flat, yet personal services continue to grow.
- 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	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 1,397,707	\$ 1,393,550	\$ 1,433,710	\$ 1,455,215
5010 Sales - Wine	704,848	768,850	698,405	708,880
5015 Sales - Beer	1,386,523	1,412,770	1,395,270	1,416,200
5020 Sales - Cordials	157,491	134,550	183,730	186,485
5030 Sales - Food	37,793	38,440	37,285	37,845
5035 Sales- Other	93,994	96,100	95,325	96,755
<i>Liquor Sales Total</i>	<u>\$ 3,778,356</u>	<u>\$ 3,844,260</u>	<u>\$ 3,843,725</u>	<u>\$ 3,901,380</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,495	\$ 18,000	\$ 18,000	\$ 18,000
8032 Commissions	3,185	2,500	2,500	2,500
8033 Cash/Over Short	205	(370)	(1,000)	(1,000)
8040 Sales - Lottery Commissions	4,686	3,500	3,500	3,600
<i>Other Income Total</i>	<u>\$ 35,571</u>	<u>\$ 23,630</u>	<u>\$ 23,000</u>	<u>\$ 23,100</u>
<i>RICHFIELD LIQUOR DOWNTOWN TOTAL</i>	<u><u>\$ 3,813,927</u></u>	<u><u>\$ 3,867,890</u></u>	<u><u>\$ 3,866,725</u></u>	<u><u>\$ 3,924,480</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 2,610,004	\$ 2,748,640	\$ 2,690,605	\$ 2,730,965
<i>Costs of Goods Sold Total</i>	<u>\$ 2,610,004</u>	<u>\$ 2,748,640</u>	<u>\$ 2,690,605</u>	<u>\$ 2,730,965</u>
<u>Personal Services</u>				
6005 Full Time	\$ 119,422	\$ 122,010	\$ 122,780	\$ 129,730
6006 Part-time	97,165	125,360	104,325	110,735
6007 Seasonal	110,943	133,160	127,565	131,760
6009 Overtime	793	1,250	1,250	1,250
6031 Employer Social Security	19,866	23,220	21,745	22,720
6032 Employer Medicare	4,647	5,430	5,090	5,315
6033 Employer Pera	(82,076)	28,410	26,600	27,920
6035 Medical Insurance	48,894	51,150	48,485	55,070
6036 Dental Insurance	897	910	890	915
6037 Term Life	88	50	55	50
6038 Workers Compensation	3,300	3,370	3,370	3,540
6040 Long Term Disability	141	210	220	230
6041 Paid Family Medical Leave	61	-	1,350	1,415
6051 Interdepartmental Labor	27,440	28,260	28,260	29,110
6052 Administrative Charges	3,950	2,940	2,940	18,060
<i>Personal Services Total</i>	<u>\$ 355,531</u>	<u>\$ 525,730</u>	<u>\$ 494,925</u>	<u>\$ 537,820</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 9,231	\$ 9,610	\$ 9,610	\$ 10,000
6202 Data Processing Rental	28,000	26,270	26,270	25,363
6205 Maintenance & Repairs	7,466	5,840	5,840	10,000
6207 Utility Services	32,195	29,760	29,760	30,000
6301 Advertising & Publication	3,036	3,000	3,000	3,000
6302 Communications	798	730	730	600
6303 Professional Development	681	1,800	1,800	1,800
6305 Subscriptions & Memberships	1,948	2,250	2,100	2,100
6307 Insurance & Bonds	12,669	17,140	16,800	9,855
6308 Property Liability	5,000	5,100	5,100	5,200
6310 Taxes & Licenses	557	1,200	1,100	1,100
6315 Other Contractual Services	11,535	9,000	12,100	12,250
6401 Office Supplies	842	1,500	1,500	1,500
6402 Copy Charges	70	40	50	50
6403 Postage	28	260	260	260
6409 Uniforms & Clothing	263	1,600	1,600	1,600
6414 Other Supplies	6,788	9,500	9,500	9,500
6513 Other Charges	77,274	82,700	79,000	79,000
<i>Other Services & Charges Total</i>	<u>\$ 198,381</u>	<u>\$ 207,300</u>	<u>\$ 206,120</u>	<u>\$ 203,178</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 64,525 173	\$ 90,060	\$ 90,060	\$ 70,000

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<i>Depreciation Total</i>	\$ 64,525	\$ 90,060	\$ 90,060	\$ 70,000
<u>Capital Outlay</u>				
7230 Building Improvements	\$	\$	\$	\$ 399,535
7350 Other Improvements	31,759			
<i>Capital Outlay Total</i>	\$ 31,759	\$	\$	\$ 399,535
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 198,479	\$ 201,600	\$ 201,590	\$ 189,800
<i>Other Financing Uses Total</i>	\$ 198,479	\$ 201,600	\$ 201,590	\$ 189,800
<i>RICHFIELD LIQUOR DOWNTOWN TOTAL</i>	<u>\$ 3,458,679</u>	<u>\$ 3,773,330</u>	<u>\$ 3,683,300</u>	<u>\$ 4,131,298</u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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>		1.23	1.23	1.23
<u>Intermittent Employees</u>				
Sales Associate (15-Employees)	103	15.00	2.89	2.89
<i>Total</i>		15.00	2.89	2.89
<u>Part-Time Employees</u>				
Shift Lead (2-employees)	7	2.00	1.62	1.70
<i>Total</i>		2.00	1.62	1.70

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
Wold study - below grade waterproofing & sidewalks	\$ -	\$ -	\$ 399,535
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399,535</u>

Performance Measures

Department/Division

50000: Liquor Operations

Liquor Operations

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
FTE:	23.95	23.95	23.95	23.95
Operational Expenditures	\$ 3,629,850	\$ 3,789,137	3,954,040	4,087,865
Cost of Sales	\$ 9,920,096	\$ 9,647,745	\$ 9,636,505	\$ 9,628,440
Total Expenditures	\$ 13,549,946	\$ 13,436,882	\$ 13,590,545	\$ 13,716,305
Outputs:				
Annual Liquor Sales	\$ 14,012,047	\$ 13,693,470	\$ 13,689,810	\$ 13,754,900
Customer Count	582,065	580,741	577,257	583,029
Annual Advertising Expenditures	\$ 5,199	\$ 12,233	\$ 12,000	\$ 12,000
Effectiveness Measures:				
Profit from Liquor Sales	\$ 4,091,951	\$ 4,045,725	\$ 4,053,305	\$ 4,126,460
% of Sales	29.20%	29.54%	29.61%	30.00%
Retained earnings (After Transfers Out)	\$ 462,101	\$ 256,588	\$ 99,265	\$ 38,595
Efficiency Measures:				
Advertising Cost Per Sales	\$ 0.009	\$ 0.021	\$ 0.035	\$ 0.036
Average Transaction	\$ 24.07	\$ 23.58	\$ 23.72	\$ 23.59

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 1,592,988	\$ 1,561,970	\$ 1,596,685	\$ 1,580,715
5010 Sales - Wine	860,524	872,860	844,270	835,830
5015 Sales - Beer	1,845,560	1,860,580	1,786,400	1,768,535
5020 Sales - Cordials	227,132	160,790	243,725	241,290
5030 Sales - Food	45,136	45,940	39,235	38,845
5035 Sales- Other	95,008	91,880	105,705	104,650
<i>Liquor Sales Total</i>	<u>\$ 4,666,348</u>	<u>\$ 4,594,020</u>	<u>\$ 4,616,020</u>	<u>\$ 4,569,865</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,495	\$ 18,000	\$ 18,000	\$ 18,000
8032 Commissions	2,904	2,500	2,500	2,500
8033 Cash/Over Short	(325)	(370)	(1,100)	(1,100)
8035 Other Miscellaneous Revenues	50	-	-	-
8040 Sales - Lottery Commissions	3,518	3,500	3,500	3,500
<i>Other Income Total</i>	<u>\$ 33,642</u>	<u>\$ 23,630</u>	<u>\$ 22,900</u>	<u>\$ 22,900</u>
<i>RICHFIELD LIQUOR CEDAR POINT TOTAL</i>	<u><u>\$ 4,699,990</u></u>	<u><u>\$ 4,617,650</u></u>	<u><u>\$ 4,638,920</u></u>	<u><u>\$ 4,592,765</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 3,315,365	\$ 3,284,720	\$ 3,231,220	\$ 3,198,910
<i>Costs of Goods Sold Total</i>	<u>\$ 3,315,365</u>	<u>\$ 3,284,720</u>	<u>\$ 3,231,220</u>	<u>\$ 3,198,910</u>
<u>Personal Services</u>				
6005 Full Time	\$ 137,921	\$ 141,400	\$ 142,670	\$ 147,750
6006 Part-time	119,931	135,340	129,855	137,130
6007 Seasonal	163,348	181,000	178,455	184,175
6009 Overtime	1,307	1,250	1,250	1,250
6031 Employer Social Security	24,799	28,240	27,205	28,100
6032 Employer Medicare	5,798	6,600	6,340	6,575
6033 Employer Pera	29,109	34,990	33,825	35,180
6035 Medical Insurance	60,229	61,520	63,395	72,185
6036 Dental Insurance	953	970	950	975
6037 Term Life	93	60	55	55
6038 Workers Compensation	4,980	5,080	5,080	5,330
6040 Long Term Disability	170	250	255	260
6041 Paid Family Medical Leave	82	-	1,715	1,780
6051 Interdepartmental Labor	36,980	38,090	38,090	39,230
6052 Administrative Charges	3,950	3,960	3,960	24,320
<i>Personal Services Total</i>	<u>\$ 589,650</u>	<u>\$ 638,750</u>	<u>\$ 633,100</u>	<u>\$ 684,295</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 14,165	\$ 12,950	\$ 12,950	\$ 13,000
6202 Data Processing Rental	33,000	35,400	35,400	24,885
6205 Maintenance & Repairs	5,615	14,300	14,300	15,000
6207 Utility Services	27,358	22,910	22,910	23,200
6301 Advertising & Publication	3,199	3,000	3,000	3,000
6302 Communications	776	730	805	600
6303 Professional Development	679	1,800	1,800	1,800
6305 Subscriptions & Memberships	1,948	2,300	2,150	2,150
6307 Insurance & Bonds	15,306	16,960	16,630	11,455
6308 Property Liability	3,620	3,690	3,690	3,760
6310 Taxes & Licenses	547	1,200	1,080	1,080
6315 Other Contractual Services	34,775	9,250	11,980	12,000
6401 Office Supplies	2,255	1,500	1,500	1,500
6402 Copy Charges	38	50	50	75
6409 Uniforms & Clothing	-	1,800	1,800	1,800
6414 Other Supplies	7,779	4,100	9,500	9,500
6513 Other Charges	97,701	88,000	99,000	99,000
<i>Other Services & Charges Total</i>	<u>\$ 248,761</u>	<u>\$ 219,940</u>	<u>\$ 238,545</u>	<u>\$ 223,805</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 40,785	\$ 90,060	\$ 90,060	\$ 60,000

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<i>Depreciation Total</i>	\$ 40,785	\$ 90,060	\$ 90,060	\$ 60,000
<u>Capital Outlay</u>				
7230 Building Improvements	\$	\$	\$ 7,500	\$ 260,560
<i>Capital Outlay Total</i>	\$	\$	\$ 7,500	\$ 260,560
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 260,032	\$ 263,980	\$ 264,010	\$ 247,860
<i>Other Financing Uses Total</i>	\$ 260,032	\$ 263,980	\$ 264,010	\$ 247,860
RICHFIELD LIQUOR CEDAR POINT TOTAL	\$ 4,454,593	\$ 4,497,450	\$ 4,464,435	\$ 4,675,430

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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>	1.31	1.31	1.31
<u>Intermittent Employees</u>				
Sales Associate (17-employees)	103	15.00	4.35	4.35
	<i>Total</i>	15.00	4.35	4.35
<u>Part-Time Employees</u>				
Shift Lead (2-employees)	7	2.00	1.84	1.84
	<i>Total</i>	2.00	1.84	1.84

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
Replace 1 of 2 cooler compressors	\$ -	\$ 7,500	\$ -
Wold study - below grade waterproofing & sidewalks	-	-	260,560
<i>Total</i>	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ 260,560</u>

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 1,116,281	\$ 1,107,330	\$ 1,129,130	\$ 1,157,355
5010 Sales - Wine	839,393	830,490	818,725	839,190
5015 Sales - Beer	1,268,548	1,289,000	1,302,785	1,335,355
5020 Sales - Cordials	179,998	155,720	186,310	190,970
5030 Sales - Food	26,451	25,950	23,905	24,500
5035 Sales- Other	57,024	51,900	54,490	55,850
<i>Liquor Sales Total</i>	<u>\$ 3,487,695</u>	<u>\$ 3,460,390</u>	<u>\$ 3,515,345</u>	<u>\$ 3,603,220</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,495	\$ 18,000	\$ 18,000	\$ 18,000
8032 Commissions	2,566	2,500	2,500	2,500
8033 Cash/Over Short	(629)	(370)	(1,100)	(1,100)
8035 Other Miscellaneous Revenues	50	-	-	-
8040 Sales - Lottery Commissions	3,722	3,250	3,250	3,250
<i>Other Income Total</i>	<u>\$ 33,204</u>	<u>\$ 23,380</u>	<u>\$ 22,650</u>	<u>\$ 22,650</u>
RICHFIELD LIQUOR PENN CENTRAL TOTAL	<u><u>\$ 3,520,899</u></u>	<u><u>\$ 3,483,770</u></u>	<u><u>\$ 3,537,995</u></u>	<u><u>\$ 3,625,870</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 2,475,615	\$ 2,474,180	\$ 2,460,740	\$ 2,522,260
<i>Costs of Goods Sold Total</i>	<u>\$ 2,475,615</u>	<u>\$ 2,474,180</u>	<u>\$ 2,460,740</u>	<u>\$ 2,522,260</u>
<u>Personal Services</u>				
6005 Full Time	\$ 110,363	\$ 120,630	\$ 121,500	\$ 128,385
6006 Part-time	127,206	135,740	121,060	111,010
6007 Seasonal	115,236	135,710	125,610	129,745
6009 Overtime	907	1,250	1,250	1,250
6031 Employer Social Security	21,561	23,830	22,330	22,230
6032 Employer Medicare	5,043	5,570	5,220	5,200
6033 Employer Pera	26,883	29,280	26,615	27,685
6035 Medical Insurance	40,290	41,440	46,590	60,230
6036 Dental Insurance	897	820	890	915
6037 Term Life	89	60	55	50
6038 Workers Compensation	3,080	3,140	3,140	3,300
6040 Long Term Disability	138	210	215	230
6041 Paid Family Medical Leave	67	-	1,400	1,405
6051 Interdepartmental Labor	27,440	28,260	28,260	29,110
6052 Administrative Charges	3,210	2,940	2,940	18,060
<i>Personal Services Total</i>	<u>\$ 482,410</u>	<u>\$ 528,880</u>	<u>\$ 507,075</u>	<u>\$ 538,805</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 10,571	\$ 9,610	\$ 9,610	\$ 10,000
6202 Data Processing Rental	29,150	26,270	26,270	24,537
6205 Maintenance & Repairs	8,316	6,500	6,500	10,000
6207 Utility Services	24,682	18,750	18,750	20,000
6301 Advertising & Publication	3,143	3,000	3,000	3,000
6302 Communications	1,545	1,380	1,600	600
6303 Professional Development	679	1,800	1,800	1,800
6305 Subscriptions & Memberships	1,948	2,250	2,100	2,100
6307 Insurance & Bonds	12,632	14,100	13,820	9,825
6308 Property Liability	4,050	4,130	4,130	4,210
6310 Taxes & Licenses	292	1,250	1,080	1,080
6315 Other Contractual Services	11,270	9,500	11,800	12,000
6401 Office Supplies	1,454	1,500	1,500	1,500
6402 Copy Charges	80	50	50	50
6409 Uniforms & Clothing	-	1,800	1,800	1,800
6414 Other Supplies	5,238	5,600	9,500	9,500
6513 Other Charges	79,541	75,000	80,000	80,000
<i>Other Services & Charges Total</i>	<u>\$ 194,591</u>	<u>\$ 182,490</u>	<u>\$ 193,310</u>	<u>\$ 192,002</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 44,156	\$ 73,170	\$ 73,170	\$ 60,000

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<i>Depreciation Total</i>	\$ 44,156	\$ 73,170	\$ 73,170	\$ 60,000
<i>Other Financing Uses</i>				
8511 Operating Transfers Out	\$ 192,929	\$ 195,860	\$ 195,860	\$ 183,860
<i>Other Financing Uses Total</i>	\$ 192,929	\$ 195,860	\$ 195,860	\$ 183,860
<i>RICHFIELD LIQUOR PENN CENTRAL TOTAL</i>	\$ 3,389,701	\$ 3,454,580	\$ 3,430,155	\$ 3,496,927

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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>	1.23	1.23	1.23
<u>Intermittent Employees</u>				
Sales Associates (12-employees)	103	15.00	3.04	3.04
	<i>Total</i>	15.00	3.04	3.04
<u>Part-Time Employees</u>				
Shift Lead (2-employees)	7	2.00	1.95	1.70
	<i>Total</i>	2.00	1.95	1.70

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Liquor Sales</u>				
5005 Sales - Liquor	\$ 639,617	\$ 631,350	\$ 630,160	\$ 617,560
5010 Sales - Wine	305,029	306,910	277,955	272,400
5015 Sales - Beer	634,773	644,510	633,760	621,090
5020 Sales - Cordials	123,195	113,990	119,000	116,620
5030 Sales - Food	18,947	17,540	17,835	17,475
5035 Sales- Other	39,510	39,460	36,010	35,290
<i>Liquor Sales Total</i>	<u>\$ 1,761,071</u>	<u>\$ 1,753,760</u>	<u>\$ 1,714,720</u>	<u>\$ 1,680,435</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 27,495	\$ 18,000	\$ 15,000	\$ 15,000
8032 Commissions	2,596	2,500	2,500	2,500
8033 Cash/Over Short	314	(370)	(1,100)	(1,100)
8035 Other Miscellaneous Revenues	48	-	-	-
8040 Sales - Lottery Commissions	1,715	2,000	2,000	2,000
<i>Other Income Total</i>	<u>\$ 32,168</u>	<u>\$ 22,130</u>	<u>\$ 18,400</u>	<u>\$ 18,400</u>
<i>RICHFIELD LIQUOR SHOPS AT LYNDAL TOTAL</i>	<u><u>\$ 1,793,239</u></u>	<u><u>\$ 1,775,890</u></u>	<u><u>\$ 1,733,120</u></u>	<u><u>\$ 1,698,835</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 1,246,761	\$ 1,253,940	\$ 1,200,310	\$ 1,176,305
<i>Costs of Goods Sold Total</i>	<u>\$ 1,246,761</u>	<u>\$ 1,253,940</u>	<u>\$ 1,200,310</u>	<u>\$ 1,176,305</u>
<u>Personal Services</u>				
6005 Full Time	\$ 130,823	\$ 131,630	\$ 132,350	\$ 137,240
6006 Part-time	90,863	108,010	107,560	112,790
6007 Seasonal	75,612	76,810	80,205	86,600
6009 Overtime	728	1,250	1,250	1,250
6031 Employer Social Security	17,746	18,410	19,670	20,515
6032 Employer Medicare	4,151	4,310	4,600	4,800
6033 Employer Pera	21,913	23,630	24,010	25,250
6035 Medical Insurance	50,587	52,770	36,880	54,665
6036 Dental Insurance	903	920	890	915
6037 Term Life	89	50	55	50
6038 Workers Compensation	1,980	2,020	2,020	2,120
6040 Long Term Disability	155	230	235	245
6041 Paid Family Medical Leave	53	-	1,215	1,280
6051 Interdepartmental Labor	27,440	28,260	28,260	29,110
6052 Administrative Charges	1,230	2,940	2,940	18,060
<i>Personal Services Total</i>	<u>\$ 424,273</u>	<u>\$ 451,240</u>	<u>\$ 442,140</u>	<u>\$ 494,890</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 6,484	\$ 9,610	\$ 8,000	\$ 8,000
6202 Data Processing Rental	13,400	26,270	26,270	25,235
6205 Maintenance & Repairs	5,395	3,000	7,500	10,000
6207 Utility Services	24,084	19,260	19,260	20,000
6301 Advertising & Publication	2,855	3,000	3,000	3,000
6302 Communications	-	320	320	600
6303 Professional Development	677	1,800	1,800	1,800
6305 Subscriptions & Memberships	4,567	2,250	2,100	2,100
6307 Insurance & Bonds	13,513	8,070	7,910	10,600
6308 Property Liability	3,620	3,690	3,690	3,760
6310 Taxes & Licenses	1,467	1,200	1,080	1,080
6315 Other Contractual Services	12,368	14,910	14,910	13,710
6401 Office Supplies	927	1,500	1,500	1,500
6402 Copy Charges	18	25	25	25
6409 Uniforms & Clothing	-	900	900	1,100
6414 Other Supplies	3,439	3,150	3,150	3,300
6513 Other Charges	46,587	36,000	47,000	47,000
<i>Other Services & Charges Total</i>	<u>\$ 139,401</u>	<u>\$ 134,955</u>	<u>\$ 148,415</u>	<u>\$ 152,810</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 50,956	\$ 28,140	\$ 28,140	\$ 60,000

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<i>Depreciation Total</i>	\$ 50,956	\$ 28,140	\$ 28,140	\$ 60,000
<i>Other Financing Uses</i>				
8511 Operating Transfers Out	\$ 198,049	\$ 201,160	\$ 201,150	\$ 189,340
<i>Other Financing Uses Total</i>	\$ 198,049	\$ 201,160	\$ 201,150	\$ 189,340
<i>RICHFIELD LIQUOR SHOPS AT LYNDALE TOTAL</i>	\$ 2,059,440	\$ 2,069,435	\$ 2,020,155	\$ 2,073,345

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
Liquor Operations Manager	16	.23	.23	.23
Store Manager	12	1.00	1.00	1.00
Total		1.23	1.23	1.23
<u>Intermittent Employees</u>				
Sales Associate (7-employees)	103	8.00	1.85	1.85
Total		8.00	1.85	1.85
<u>Part-Time Employees</u>				
Shift Lead (2-employees)	7	2.00	1.70	1.70
Total		2.00	1.70	1.70

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
	\$ -	\$ -	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

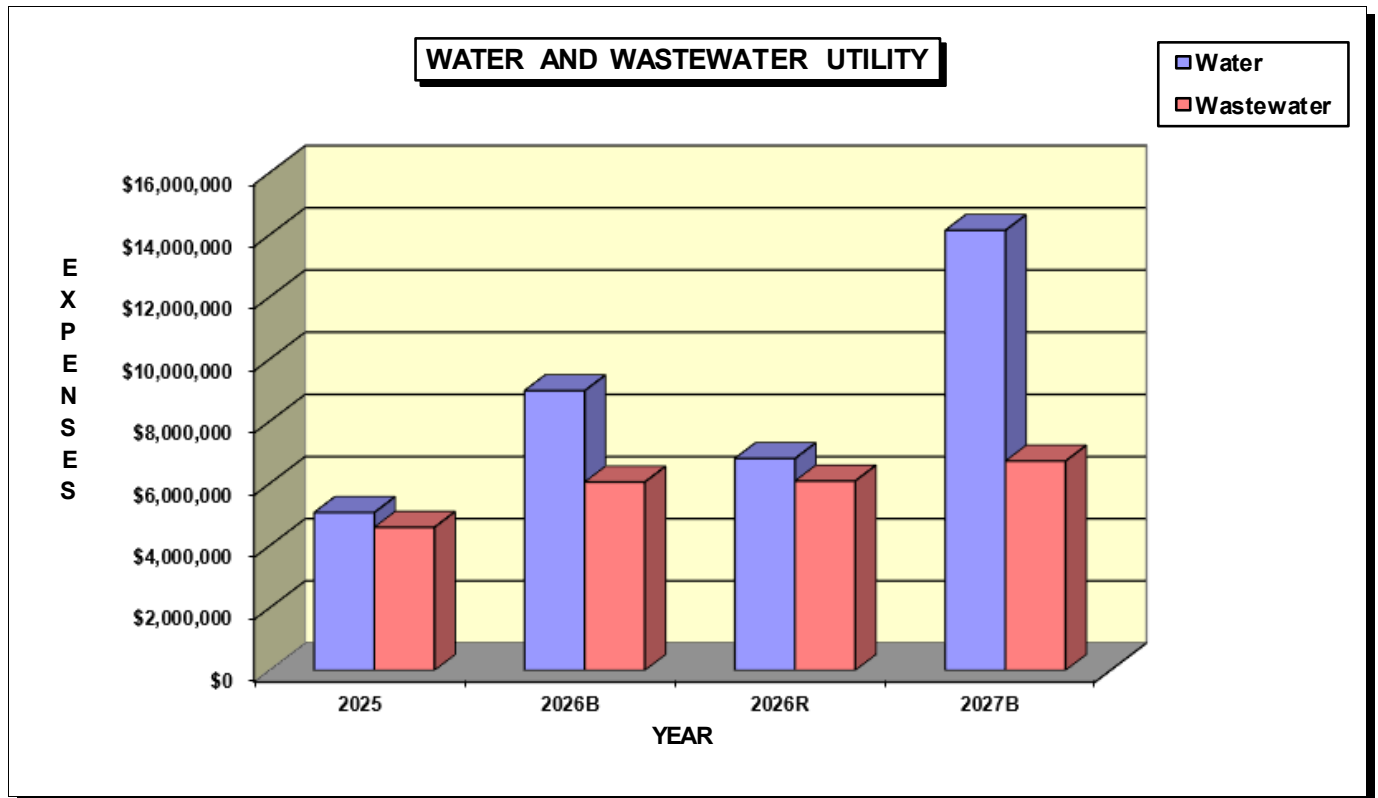
FUND: WATER AND WASTEWATER UTILITIES
DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
51000	WATER UTILITY	\$ 4,746,962	\$ 8,994,220	\$ 6,814,260	\$ 14,151,640	57.34%
52000	WASTEWATER UTILITY	4,527,892	6,056,340	6,090,480	6,731,210	11.14%
<i>Public Works TOTAL</i>		<u>\$ 9,274,854</u>	<u>\$ 15,050,560</u>	<u>\$ 12,904,740</u>	<u>\$ 20,882,850</u>	38.75%

REVENUES

51000	WATER UTILITY	\$ 5,643,967	\$ 5,366,070	\$ 5,350,070	\$ 13,615,570	153.73%
52000	WASTEWATER UTILITY	5,240,008	5,558,930	5,558,930	6,055,570	8.93%



WATER AND WASTEWATER FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2025 Actual</u>	<u>2026 Revised</u>	<u>2027 Budget</u>	<u>2028 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 20,134,790</u>	<u>\$ 21,743,911</u>	<u>\$ 22,224,371</u>	<u>\$ 24,462,461</u>
<u>Revenues</u>				
Charges for Service:				
Water & Wastewater Usage	10,061,674	10,671,250	11,936,390	12,294,490
Grants	-	-	1,092,000	-
<u>Miscellaneous Revenues</u>				
Interest	112,648	42,000	42,000	42,000
Other Revenues	709,653	195,750	192,750	195,750
Total Miscellaneous Revenues	822,301	237,750	234,750	237,750
Total Revenues	10,883,975	10,909,000	13,263,140	12,532,240
<u>Expenses</u>				
Personal Services	2,326,634	2,836,720	3,056,110	3,163,070
Other Services and Charges	5,217,997	5,768,630	6,178,400	6,394,650
Depreciation	1,596,828	1,664,950	1,650,000	1,699,500
Interest	133,395	158,240	140,540	124,584
Total Operating Expenses	9,274,854	10,428,540	11,025,050	11,381,804
Net Income (Loss)	1,609,121	480,460	2,238,090	1,150,436
<u>RETAINED EARNINGS</u>	<u>21,743,911</u>	<u>22,224,371</u>	<u>24,462,461</u>	<u>25,612,897</u>
<u>BOND PRINCIPAL *</u>	<u>\$ -</u>	<u>\$ 661,200</u>	<u>\$ 682,800</u>	<u>\$ 296,000</u>
<u>CAPITAL OUTLAY **</u>	<u>\$ -</u>	<u>\$ 1,815,000</u>	<u>\$ 9,175,000</u>	<u>\$ -</u>
<u>BOND PROCEEDS ***</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,408,000</u>	<u>\$ -</u>

* 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.

*** Bond proceeds are not recorded as current revenues.

BUDGET SUMMARY WATER FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2025 Actual</u>	<u>2026 Revised</u>	<u>2027 Budget</u>	<u>2028 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 10,549,141</u>	<u>\$ 11,446,146</u>	<u>\$ 11,300,556</u>	<u>\$ 12,921,136</u>
<u>Revenues</u>				
Water Usage	<u>\$ 4,916,023</u>	<u>\$ 5,140,070</u>	<u>\$ 5,908,570</u>	<u>\$ 6,085,830</u>
Grants	<u>-</u>	<u>-</u>	<u>1,092,000</u>	<u>-</u>
<u>Miscellaneous Revenues</u>				
Interest	<u>18,291</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Other Revenues	<u>709,653</u>	<u>180,000</u>	<u>177,000</u>	<u>180,000</u>
Total Miscellaneous Revenues	<u>727,944</u>	<u>210,000</u>	<u>207,000</u>	<u>210,000</u>
Total Revenues	<u>5,643,967</u>	<u>5,350,070</u>	<u>7,207,570</u>	<u>6,295,830</u>
<u>Expenses</u>				
Personal Services	<u>1,229,105</u>	<u>1,552,670</u>	<u>1,670,950</u>	<u>1,729,430</u>
Other Services and Charges	<u>2,185,065</u>	<u>2,463,390</u>	<u>2,542,710</u>	<u>2,631,710</u>
Depreciation	<u>1,241,398</u>	<u>1,366,180</u>	<u>1,275,000</u>	<u>1,313,250</u>
Interest	<u>91,394</u>	<u>113,420</u>	<u>98,330</u>	<u>85,327</u>
Total Operating Expenses	<u>4,746,962</u>	<u>5,495,660</u>	<u>5,586,990</u>	<u>5,759,717</u>
Net Income	<u>897,005</u>	<u>(145,590)</u>	<u>1,620,580</u>	<u>536,113</u>
<u>RETAINED EARNINGS</u>	<u>11,446,146</u>	<u>11,300,556</u>	<u>12,921,136</u>	<u>13,457,249</u>
<u>BOND PRINCIPAL *</u>	<u>\$ -</u>	<u>\$ 598,600</u>	<u>\$ 614,650</u>	<u>\$ 226,750</u>
<u>CAPITAL OUTLAY **</u>	<u>\$ -</u>	<u>\$ 720,000</u>	<u>\$ 7,950,000</u>	<u>\$ -</u>
<u>BOND PROCEEDS ****</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,408,000</u>	<u>\$ -</u>
***Water Revenue Bond Debt Coverage	<u>1.32</u>	<u>(0.20)</u>	<u>2.27</u>	<u>1.72</u>

* 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.

**** Bond proceeds are not recorded as current revenues.

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.

2026 HIGHLIGHTS

- Cybersecurity upgrades began to improve and protect our network SCADA system (City Council Priority/Outcome 1c & 3a).
- Completed Risk and Resiliency Assessment 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).
- Secured \$1.092M in Community Project Federal funding for the Emergency Water Systems Interconnect Project (City Council Priority/Outcome 1b, 3b)
- Undertook development of construction documents and a bid letting for the Emergency Water Systems Interconnect project (City Council Priority/Outcome 2c & 3a).
- Initiated Water Supply Plan update, the update is due to Minnesota Department of Natural Resources in March 2027 (City Council Priority/Outcome 1c & 3a-c).
- Completed a current and forward-looking (50 year) water rate study for the water utility operation (City Council Priority/Outcome 1b-c, 3a-b).
- 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 3a).

- Began design of water treatment plant generator replacement project (City Council Priority/Outcome 1c & 3a).

2027 GOALS

- Utilize the utilities risk and resiliency plan and program projects, as needed, to increase resiliency of our water infrastructure (City Council Priority/Outcome 1c & 3a-c).
- Construct the Emergency Water Systems Interconnect project (City Council Priority/Outcome 3a,b).
- Continue 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 3c & 5a).
- Complete the water treatment plant generator project to increase resiliency of water system (City Council Priority/Outcome 1c & 3a).
- Complete an update of the Water Supply Plan (City Council Priority/Outcome 1c & 3a-c).
- Complete Water Treatment Plant feasibility study, evaluating lifecycle costs and intangibles associated with sustainable water supply options into the future (City Council Priority/Outcome 1c & 3a-c).

DIVISION EXPENDITURE COMMENT

The 2026 Revised Budget reflects a 0.0% increase from the 2026 Adopted Budget related to operating expenses.

The 2027 Proposed Budget reflects an increase of 4.87% from the 2026 Adopted Budget related to operating expenses. This is primarily due to increasing costs related to personnel wages and benefits, water treatment chemicals (6413), and maintenance and repair (6205) needs at the water treatment plant.

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>License & permits</u>				
4164 Water Permit	\$ -	\$ 2,500	\$ 2,500	\$ 2,500
<i>License & permits Total</i>	\$ -	\$ 2,500	\$ 2,500	\$ 2,500
<u>Intergovernmental Revenues</u>				
4212 Federal Grants	\$	\$	\$	\$ 1,092,000
4244 Grants Other	10,000	10,000	10,000	10,000
<i>Intergovernmental Revenues Total</i>	\$ 10,000	\$ 10,000	\$ 10,000	\$ 1,102,000
<u>Miscellaneous Revenues</u>				
4632 Recovery/Damage to City Prop.	\$ 20,311	\$ -	\$ -	\$ -
<i>Miscellaneous Revenues Total</i>	\$ 20,311	\$ -	\$ -	\$ -
<u>Special Assessments</u>				
4740 Special Assessments-Penalty &	\$ 3,995	\$ 4,500	\$ 4,500	\$ 4,500
<i>Special Assessments Total</i>	\$ 3,995	\$ 4,500	\$ 4,500	\$ 4,500
<u>Utility Revenues</u>				
4812 Metered Water - Tax Exempt	\$ 3,885,197	\$ 4,160,590	\$ 4,160,590	\$ 4,847,090
4814 Metered Water	554,603	500,000	500,000	582,000
4816 Water Service Charges	446,607	433,600	433,600	433,600
4818 Other Water Charges/Services	25,621	26,380	26,380	26,380
4848 Certification Fee	-	12,500	12,500	12,500
<i>Utility Revenues Total</i>	\$ 4,912,028	\$ 5,133,070	\$ 5,133,070	\$ 5,901,570
<u>Other Income</u>				
8011 Investment Earnings	\$ 18,291	\$ 46,000	\$ 30,000	\$ 30,000
8034 Other Refund/Reimbursements	600,492	-	-	-
8035 Other Miscellaneous Revenues	63,350	170,000	170,000	167,000
8038 Gain on disposal of Assets	15,500	-	-	-
<i>Other Income Total</i>	\$ 697,633	\$ 216,000	\$ 200,000	\$ 197,000
<u>Other Financing Sources</u>				
8052 Bond Proceeds	\$	\$	\$	\$ 6,408,000
<i>Other Financing Sources Total</i>	\$	\$	\$	\$ 6,408,000
WATER UTILITY TOTAL	\$ 5,643,967	\$ 5,366,070	\$ 5,350,070	\$ 13,615,570

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 911,774	\$ 950,670	\$ 923,490	\$ 997,970
6007 Seasonal	8,536	22,360	22,460	23,780
6009 Overtime	59,622	35,000	50,000	50,000
6031 Employer Social Security	60,360	59,290	57,600	62,300
6032 Employer Medicare	14,116	13,870	13,470	14,570
6033 Employer Pera	(226,308)	69,830	67,980	73,190
6035 Medical Insurance	133,827	135,860	139,350	162,110
6036 Dental Insurance	6,674	7,150	6,740	7,150
6037 Term Life	728	420	480	460
6038 Workers Compensation	38,150	38,910	38,910	40,860
6040 Long Term Disability	1,038	1,650	1,600	1,740
6041 Paid Family Medical Leave	178	-	3,520	3,800
6051 Interdepartmental Labor	54,100	60,000	55,000	55,000
6052 Administrative Charges	166,310	172,070	172,070	178,020
<i>Personal Services Total</i>	<u>\$ 1,229,105</u>	<u>\$ 1,567,080</u>	<u>\$ 1,552,670</u>	<u>\$ 1,670,950</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 274,669	\$ 415,170	\$ 471,710	\$ 368,220
6201 Rents & Leases	-	1,750	1,750	1,750
6202 Data Processing Rental	29,421	33,190	33,190	29,180
6204 Motor Pool Operating Rental	57,150	60,010	60,010	63,010
6205 Maintenance & Repairs	629,359	504,300	479,300	559,300
6207 Utility Services	282,393	365,000	365,000	379,600
6301 Advertising & Publication	11,336	16,000	8,500	9,000
6302 Communications	12,400	16,200	16,200	16,200
6303 Professional Development	29,306	19,500	23,500	24,500
6305 Subscriptions & Memberships	7,699	20,100	7,100	7,200
6307 Insurance & Bonds	67,296	37,870	37,130	68,710
6308 Property Liability	38,730	39,500	39,500	40,290
6310 Taxes & Licenses	16,400	19,750	19,750	22,750
6315 Other Contractual Services	15,390	12,200	9,950	6,800
6401 Office Supplies	2,671	2,000	2,000	2,000
6402 Copy Charges	16	500	500	500
6403 Postage	26,549	16,000	16,000	16,000
6409 Uniforms & Clothing	6,668	9,000	9,000	10,000
6410 Small Tools & Parts	60,328	67,000	62,000	72,000
6412 Maint. & Const. Materials	47,005	35,000	35,000	35,000
6413 Chemicals	480,680	541,300	541,300	579,700
6414 Other Supplies	44,806	41,500	43,500	49,500
6513 Other Charges	62,740	178,000	181,500	181,500
<i>Other Services & Charges Total</i>	<u>\$ 2,203,012</u>	<u>\$ 2,450,840</u>	<u>\$ 2,463,390</u>	<u>\$ 2,542,710</u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Depreciation</u>				
6610 Depreciation	\$ 1,241,398	\$ 1,366,180	\$ 1,366,180	\$ 1,275,000
<i>Depreciation Total</i>	<u>\$ 1,241,398</u>	<u>\$ 1,366,180</u>	<u>\$ 1,366,180</u>	<u>\$ 1,275,000</u>
<u>Capital Outlay</u>				
7350 Other Improvements	\$ (21,365)	\$ 2,925,000	\$ 720,000	\$ 7,950,000
7400 Machinery & Equipment	3,418	-	-	-
<i>Capital Outlay Total</i>	<u>\$ (17,947)</u>	<u>\$ 2,925,000</u>	<u>\$ 720,000</u>	<u>\$ 7,950,000</u>
<u>Other Financing Uses</u>				
8521 Principal Payments	\$ -	\$ 598,600	\$ 598,600	\$ 614,650
8522 Interest Payments	91,156	85,020	111,920	96,830
8523 Paying Agent Fees	238	1,500	1,500	1,500
<i>Other Financing Uses Total</i>	<u>\$ 91,394</u>	<u>\$ 685,120</u>	<u>\$ 712,020</u>	<u>\$ 712,980</u>
WATER UTILITY TOTAL	<u>\$ 4,746,962</u>	<u>\$ 8,994,220</u>	<u>\$ 6,814,260</u>	<u>\$ 14,151,640</u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	.17
<i>Total</i>		10.62	10.62	10.62

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
Water Plant Elevator Replacement	\$ 175,000	\$ 150,000	\$ 50,000
Sludge Pump Replacement	50,000	50,000	-
Emergency Water System Interconnect	100,000	100,000	4,900,000
Water Plant Generator	2,500,000	100,000	2,500,000
Water Plant Program Space Renovation	100,000	-	-
Water Plant Chlorine Storage Area	-	125,000	100,000
SCADA Cybersecurity Upgrade	-	25,000	25,000
WTP Second Floor Restrooms Renovation	-	-	200,000
WTP Personnel Safety Systems Improvements	-	-	125,000
Well #3 Water Service	-	-	50,000
Public Works Storage Facility	-	170,000	-
<i>Total</i>	<u>\$ 2,925,000</u>	<u>\$ 720,000</u>	<u>\$ 7,950,000</u>

Performance Measures

Department/Division

Water Utility

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
Number of Full-Time & Part-Time Employees	10.45	10.45	10.62	10.62
Division Operating Revenues	\$ 4,574,577	\$ 4,912,028	\$ 5,133,070	\$ 5,901,570
Division Operating Expenses	\$ 2,265,607	\$ 2,136,786	\$ 2,463,390	\$ 2,542,710
Principal Payments and Interest	\$ 107,684	\$ 91,394	\$ 712,020	\$ 712,980
Capital Outlay (excluding Depreciation)	\$ 164,983	\$ 13,812	\$ 720,000	\$ 7,950,000
Outputs:				
Total Miles of Water Mains	117	117	117	117
Water Pumped in Gallons	876,522,000	840,316,000	900,000,000	900,000,000
Total WM Replace/Rehab (feet)	1,456	1,558	5150	2740
Annual Number of Water Main Breaks	17	18	18	18
Efficiency Measures:				
Operating Cost Per 1 Million Gallons Pumped	\$ 2,585	\$ 2,543	\$ 2,737	\$ 2,825
Cost per Capita (excluding Capital Outlay)	\$ 64.15	\$ 60.23	# \$ 85.84	\$ 88.01

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2026

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2026				\$ 400,000
2027	<u>400,000</u>	<u>4,000</u>	<u>404,000</u>	-
	<u>\$ 400,000</u>	<u>\$ 4,000</u>	<u>\$ 404,000</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2019A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 905,000</u>	<u>\$ 205,000</u>	<u>\$ 1,110,000</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2020A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 1,445,000</u>	<u>\$ 197,718</u>	<u>\$ 1,642,718</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2022A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 833,700</u>	<u>\$ 65,845</u>	<u>\$ 899,545</u>	

BUDGET SUMMARY

WASTEWATER UTILITY FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	2025 Actual	2026 Revised	2027 Budget	2028 Projected
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 9,585,649</u>	<u>\$ 10,297,765</u>	<u>\$ 10,923,815</u>	<u>\$ 11,541,325</u>
<u>Revenues</u>				
Sewer Usage	5,145,651	5,531,180	6,027,820	6,208,660
<u>Miscellaneous Revenues</u>				
Interest	94,357	12,000	12,000	12,000
Other Revenues	-	15,750	15,750	15,750
Total Miscellaneous Revenues	94,357	27,750	27,750	27,750
Total Revenues	5,240,008	5,558,930	6,055,570	6,236,410
<u>Expenses</u>				
Personal Services	1,097,529	1,284,050	1,385,160	1,433,640
Other Services and Charges	3,032,932	3,305,240	3,635,690	3,762,940
Depreciation	355,430	298,770	375,000	386,250
Interest	42,001	44,820	42,210	39,257
Operating Expenses	4,527,892	4,932,880	5,438,060	5,622,087
Net Income	712,116	626,050	617,510	614,323
Operating Transfers From (To)				
Projects Funds	-	-	-	-
	-	-	-	-
<u>RETAINED EARNINGS</u>	<u>10,297,765</u>	<u>10,923,815</u>	<u>11,541,325</u>	<u>12,155,648</u>
<u>BOND PRINCIPAL *</u>	<u>\$ -</u>	<u>\$ 62,600</u>	<u>\$ 68,150</u>	<u>\$ 69,250</u>
<u>CAPITAL OUTLAY **</u>	<u>\$ -</u>	<u>\$ 1,095,000</u>	<u>\$ 1,225,000</u>	<u>\$ -</u>
***Wastewater Revenue Bond Coverage	6.84	5.83	5.60	5.66

* 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 ranging from 9 to 36 inches in diameter. 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.

2026 HIGHLIGHTS

- Continued proactive maintenance of 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).
- Rehabilitated approximately 5 miles of sanitary sewer main (City Council Priority/Outcome 3a).
- Began design of a sanitary sewer project to provide capacity for a new residential development along Portland Avenue South (City Council Priority/Outcome 1c & 3a).
- Began design of Sanitary Lift Station 6 Rehabilitation Project (City Council Priority/Outcome 1c & 3a).
- Began update of Sewer Comprehensive Plan as required by Metropolitan Council in conjunction with Citywide Comprehensive Plan update (City Council Priority/Outcome 1c & 3a).
- Completed a current and forward-looking (50 year) sewer rate study for the sanitary sewer utility operation (City Council Priority/Outcome 1b & 3a, b).
- Began sanitary sewer structure adjustments required for the Nicollet Avenue Reconstruction Project (City Council Priority/Outcome 3a, b).

2027 GOALS

- Continue the sanitary sewer rehabilitation program (City Council Priority/Outcome 3a).
- Continue proactive maintenance of 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 bid letting and construction of Sanitary Lift Station 6 Rehabilitation Project (City Council Priority/Outcome 1c & 3a).
- Complete Sanitary Sewer Comprehensive Plan update (City Council Priority/Outcome 1c & 3a).
- Complete sanitary sewer structure adjustments required for the Nicollet Avenue Reconstruction Project (City Council Priority/Outcome 3a, b).

DIVISION EXPENDITURE COMMENT

The 2026 Revised Budget reflects a 0.0% increase from the 2026 Adopted Budget related to operating expenses.

The 2027 Proposed Budget reflects an increase of 9.4% from the 2026 Adopted Budget related to operating expenses. This is primarily due to a 15.95% increase to the 2027 Metropolitan Council Environmental Services (MCES) charges for providing wastewater treatment services for the City of Richfield. Approximately 60% of the Wastewater Division expenditures are pass through to the MCES for these services.

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 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	\$ 5,114,414	\$ 5,518,180	\$ 5,518,180	\$ 6,014,820
4836 Other Sewer Charges/Services	150	500	500	500
4838 Sewer Availability Charge	31,087	-	-	-
4848 Certification Fee	-	12,500	12,500	12,500
<i>Utility Revenues Total</i>	<u>\$ 5,145,651</u>	<u>\$ 5,531,180</u>	<u>\$ 5,531,180</u>	<u>\$ 6,027,820</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 94,357	\$ 12,000	\$ 12,000	\$ 12,000
8035 Other Miscellaneous Revenues	-	750	750	750
<i>Other Income Total</i>	<u>\$ 94,357</u>	<u>\$ 12,750</u>	<u>\$ 12,750</u>	<u>\$ 12,750</u>
WASTEWATER UTILITY TOTAL	<u><u>\$ 5,240,008</u></u>	<u><u>\$ 5,558,930</u></u>	<u><u>\$ 5,558,930</u></u>	<u><u>\$ 6,055,570</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 624,344	\$ 749,170	\$ 721,490	\$ 785,250
6007 Seasonal	31,327	22,470	22,460	22,780
6009 Overtime	30,848	20,000	20,000	20,000
6031 Employer Social Security	41,917	46,610	44,660	48,620
6032 Employer Medicare	9,803	10,900	10,440	11,370
6033 Employer Pera	(25,482)	54,950	52,980	57,760
6035 Medical Insurance	107,218	126,020	129,380	150,700
6036 Dental Insurance	5,124	6,400	6,010	6,380
6037 Term Life	503	340	400	380
6038 Workers Compensation	21,780	22,220	22,220	23,330
6040 Long Term Disability	714	1,300	1,250	1,360
6041 Paid Family Medical Leave	123	-	2,760	3,010
6051 Interdepartmental Labor	83,000	83,000	80,000	80,000
6052 Administrative Charges	166,310	172,070	172,070	178,020
6054 Interdepartmental Labor Credit	-	(2,070)	(2,070)	(3,800)
<i>Personal Services Total</i>	<u>\$ 1,097,529</u>	<u>\$ 1,313,380</u>	<u>\$ 1,284,050</u>	<u>\$ 1,385,160</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 154,819	\$ 202,130	\$ 265,170	\$ 187,250
6202 Data Processing Rental	29,250	33,190	33,190	29,180
6203 Motor Pool Fixed Rental	190	-	-	-
6204 Motor Pool Operating Rental	78,660	82,590	82,590	86,720
6205 Maintenance & Repairs	49,500	125,000	107,000	107,000
6207 Utility Services	18,910	26,250	26,250	26,250
6301 Advertising & Publication	-	5,000	5,000	5,000
6302 Communications	8,044	14,300	14,300	14,300
6303 Professional Development	16,553	15,300	17,300	17,300
6305 Subscriptions & Memberships	250	250	1,500	1,600
6307 Insurance & Bonds	8,653	10,730	10,520	8,930
6308 Property Liability	7,720	7,870	7,870	8,030
6310 Taxes & Licenses	-	200	200	200
6315 Other Contractual Services	4,944	21,000	7,800	4,500
6401 Office Supplies	-	100	100	100
6403 Postage	-	100	100	100
6409 Uniforms & Clothing	8,848	8,000	9,000	9,000
6410 Small Tools & Parts	34,019	29,000	29,000	22,500
6412 Maint. & Const. Materials	18,587	42,250	32,250	32,250
6414 Other Supplies	1,874	9,850	9,850	9,850
6513 Other Charges	-	13,000	16,500	16,500
<i>Other Services & Charges Total</i>	<u>\$ 440,821</u>	<u>\$ 646,110</u>	<u>\$ 675,490</u>	<u>\$ 586,560</u>
<u>MCES Charges</u>				
6601 MCES Charges	\$ 2,580,868	\$ 2,629,750	\$ 2,629,750	\$ 3,049,130

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<i>MCES Charges Total</i>	\$ 2,580,868	\$ 2,629,750	\$ 2,629,750	\$ 3,049,130
<u>Depreciation</u>				
6610 Depreciation	\$ 355,430	\$ 298,770	\$ 298,770	\$ 375,000
<i>Depreciation Total</i>	\$ 355,430	\$ 298,770	\$ 298,770	\$ 375,000
<u>Capital Outlay</u>				
7350 Other Improvements	\$ 9,529	\$ 1,075,000	\$ 1,095,000	\$ 1,225,000
7400 Machinery & Equipment	1,714	-	-	-
<i>Capital Outlay Total</i>	\$ 11,243	\$ 1,075,000	\$ 1,095,000	\$ 1,225,000
<u>Other Financing Uses</u>				
8521 Principal Payments	\$ -	\$ 62,600	\$ 62,600	\$ 68,150
8522 Interest Payments	42,001	30,530	44,620	42,010
8523 Paying Agent Fees	-	200	200	200
<i>Other Financing Uses Total</i>	\$ 42,001	\$ 93,330	\$ 107,420	\$ 110,360
WASTEWATER UTILITY TOTAL	\$ 4,527,892	\$ 6,056,340	\$ 6,090,480	\$ 6,731,210

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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	.17
<i>Total</i>		8.62	8.62	8.62

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
Sewer Main Lining	\$ 900,000	\$ 900,000	\$ 900,000
Public Works Storage Facility	175,000	170,000	-
Cybersecurity upgrade/SCADA	-	25,000	25,000
Lift Station 6 Improvements	-	-	300,000
<i>Total</i>	<u>\$ 1,075,000</u>	<u>\$ 1,095,000</u>	<u>\$ 1,225,000</u>

Performance Measures

Department/Division

Wastewater Utility

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
Number of Full-Time & Part-Time Employees	8.45	8.62	8.62	8.62
Division Operating Revenues	\$ 4,950,448	\$ 5,240,008	\$ 5,558,930	\$ 6,055,570
Division Operating Expenses & MCES	\$ 4,121,980	\$ 4,192,946	\$ 4,589,290	\$ 5,020,850
Outputs:				
Total Miles of Sanitary Sewer Mains	113	113	113	113
Total Sanitary Flow in Gallons	738,940,000	738,860,000	758,020,000	833,300,000
Effectiveness Measures:				
Accumulative Sanitary Main Lined/ Replaced (feet)	111,300	144,300	171,300	198,300
% of System Replaced/Lined	18.65%	24.19%	28.71%	33.24%
Sanitary Sewer Back Ups Caused by City Main	0	1	0	0
Efficiency Measures:				
Annual Expense Per Capita for Sanitary System and Disposal	\$ 107.11	\$ 108.96	\$ 119.26	\$ 130.47

SEWER GENERAL OBLIGATION BONDS, SERIES 2019A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 830,000</u>	<u>\$ 186,550</u>	<u>\$ 1,016,550</u>	

WATER GENERAL OBLIGATION BONDS, SERIES 2022A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 436,700</u>	<u>\$ 34,489</u>	<u>\$ 471,189</u>	

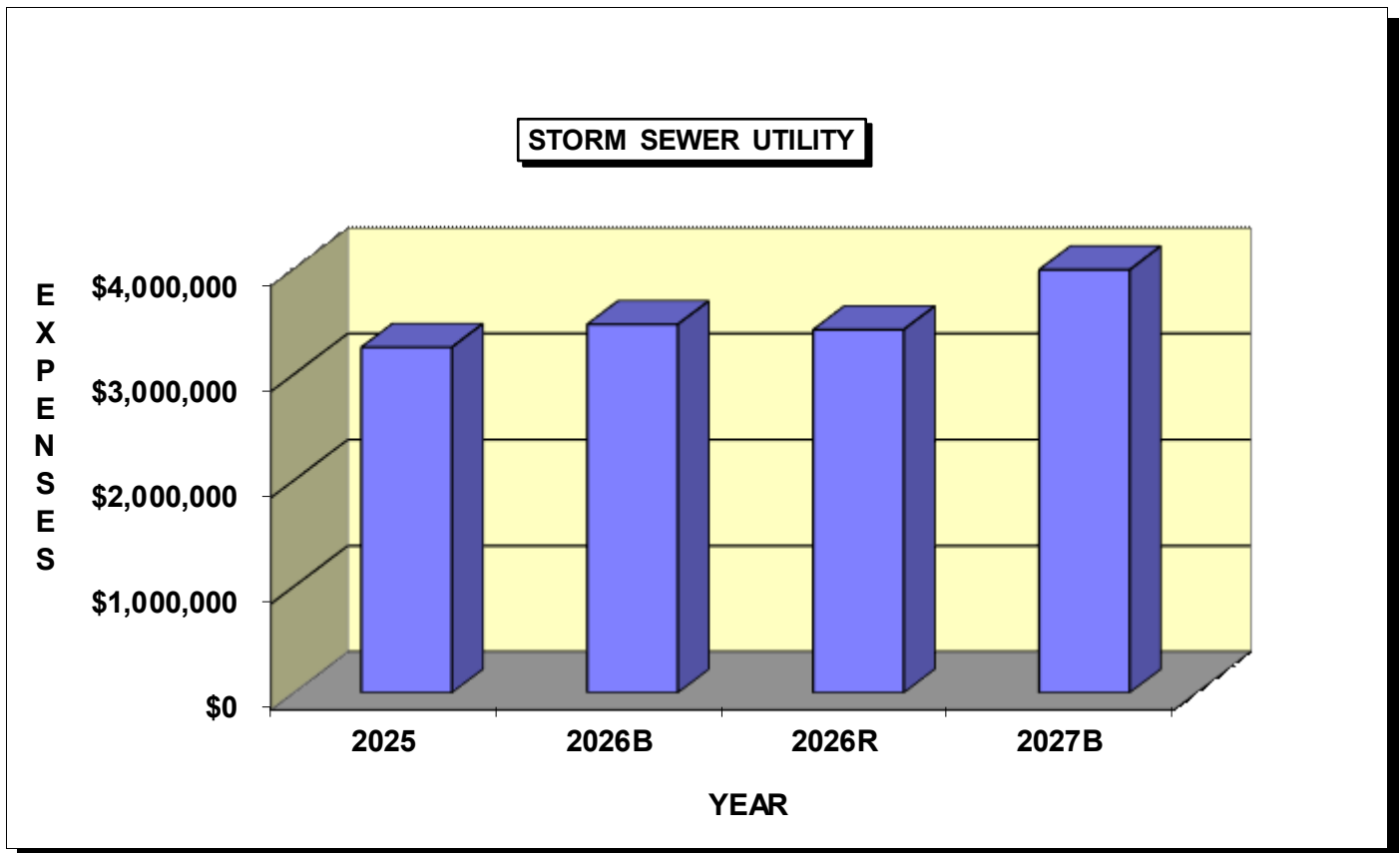
FUND: STORMWATER UTILITY
DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
53000 STORMWATER UTILITY	\$ 3,240,913	\$ 3,471,260	\$ 3,421,290	\$ 3,985,740	14.82%
<i>Public Works TOTAL</i>	<u>\$ 3,240,913</u>	<u>\$ 3,471,260</u>	<u>\$ 3,421,290</u>	<u>\$ 3,985,740</u>	14.82%

REVENUES

53000 STORMWATER UTILITY	\$ 2,617,770	\$ 2,792,100	\$ 2,842,100	\$ 3,231,220	15.73%
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BUDGET SUMMARY STORMWATER UTILITY FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2025 Actual</u>	<u>2026 Revised</u>	<u>2027 Budget</u>	<u>2028 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 10,962,234</u>	<u>\$ 10,339,091</u>	<u>\$ 10,718,701</u>	<u>\$ 10,871,381</u>
<u>Revenues</u>				
Storm Sewer Usage	2,251,735	2,556,370	2,990,530	3,080,250
Grants	126,322	46,980	-	-
Miscellaneous Revenues	239,713	238,750	240,690	247,910
Total Revenues	<u>2,617,770</u>	<u>2,842,100</u>	<u>3,231,220</u>	<u>3,328,161</u>
<u>Expenses</u>				
Personal Services	494,927	559,650	603,300	624,420
Other Services and Charges	1,674,174	877,210	1,361,950	1,409,620
Depreciation	893,134	827,470	930,000	957,900
Interest and amortization	178,678	198,160	183,290	166,661
Total Operating Expenses	<u>3,240,913</u>	<u>2,462,490</u>	<u>3,078,540</u>	<u>3,158,601</u>
Net Income (Loss)	<u>(623,143)</u>	<u>379,610</u>	<u>152,680</u>	<u>169,559</u>
Special Item	-	-	-	-
<u>RETAINED EARNINGS</u>	<u>10,339,091</u>	<u>10,718,701</u>	<u>10,871,381</u>	<u>11,040,940</u>
<u>BOND PRINCIPAL *</u>	<u>\$ -</u>	<u>\$ 588,800</u>	<u>\$ 607,200</u>	<u>\$ 454,000</u>
<u>CAPITAL OUTLAY **</u>	<u>\$ -</u>	<u>\$ 370,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
***Stormwater Revenue Bond Coverage	<u>(0.83)</u>	<u>0.48</u>	<u>0.19</u>	<u>0.27</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 in local surface waters;
- 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.

2026 HIGHLIGHTS

- Transitioned to in-house water quality monitoring for lakes and ponds—this was historically consultant led (City Council Priority/Outcome 1c, 3a & 3c).
- Began updates to the City's Surface Water Management Plan and the Richfield Bloomington Watershed Management Organization's Comprehensive Plan, which are both updated on a 10-year cycle (City Council Priority/Outcome 1a & 3a-c).
- Completed site investigation and began in-house design of the Norby's Pond Reconstruction Project (City Council Priority/Outcome 1c & 3a-c).
- Completed a current and forward-looking (50 year) rate study for the storm water utility operation (City Council Priority/Outcome 1b & 3a,b).

2027 GOALS

- Conduct condition assessment of storm sewer system (City Council Priority/Outcome 1c & 3a-c).
- Complete design, bidding, and begin construction of Norby's Pond Reconstruction Project (City Council Priority/Outcome 1c, 3a & 3c).
- Transition back to in-house erosion control inspection of construction projects—this was temporarily consultant led due to staffing constraints (City Council Priority/Outcome 1c & 3a).
- Begin design of Wilson Pond Flood Mitigation Project, addressing an area identified by the prioritization framework (City Council Priority/Outcome 1c, 3a & 3c).

DIVISION EXPENDITURE COMMENT

The 2026 Revised Budget reflects a 1.26% increase from the 2026 Adopted Budget related to operating expenses.

The 2027 Proposed Budget reflects an increase of 38.50% from the 2026 Adopted Budget related to operating expenses. This is a result of programming Norby's Pond Reconstruction Project for 2027 construction. Pond dredging has historically resulted in similar fluctuations, and omitting these construction costs, the 2027 Proposed Budget reflects a 3.26% increase from the 2026 Adopted Budget.

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Intergovernmental Revenues</u>				
4244 Grants Other	\$ 126,322	\$ 34,180	\$ 34,180	\$ -
4290 Other Local Grants	-	12,800	12,800	-
<i>Intergovernmental Revenues Total</i>	<u>\$ 126,322</u>	<u>\$ 46,980</u>	<u>\$ 46,980</u>	<u>\$ -</u>
<u>Utility Revenues</u>				
4848 Certification Fee	\$ -	\$ 2,500	\$ 2,500	\$ 2,500
4852 Storm Drainage Fee	2,251,735	2,553,870	2,553,870	2,988,030
<i>Utility Revenues Total</i>	<u>\$ 2,251,735</u>	<u>\$ 2,556,370</u>	<u>\$ 2,556,370</u>	<u>\$ 2,990,530</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 77,549	\$ 20,000	\$ 70,000	\$ 70,000
8035 Other Miscellaneous Revenues	162,164	168,750	168,750	170,690
<i>Other Income Total</i>	<u>\$ 239,713</u>	<u>\$ 188,750</u>	<u>\$ 238,750</u>	<u>\$ 240,690</u>
STORMWATER UTILITY TOTAL	<u><u>\$ 2,617,770</u></u>	<u><u>\$ 2,792,100</u></u>	<u><u>\$ 2,842,100</u></u>	<u><u>\$ 3,231,220</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 145,893	\$ 204,500	\$ 182,680	\$ 211,500
6009 Overtime	18	-	-	-
6031 Employer Social Security	8,987	12,680	11,330	13,110
6032 Employer Medicare	2,102	2,970	2,650	3,070
6033 Employer Pera	(3,569)	15,300	13,700	15,860
6035 Medical Insurance	26,410	32,190	31,430	38,390
6036 Dental Insurance	1,279	1,590	1,430	1,590
6037 Term Life	126	90	80	90
6038 Workers Compensation	2,470	2,520	2,520	2,650
6040 Long Term Disability	198	360	320	370
6041 Paid Family Medical Leave	23	-	690	800
6051 Interdepartmental Labor	226,100	224,720	225,000	225,000
6052 Administrative Charges	84,890	87,820	87,820	90,870
<i>Personal Services Total</i>	<u>\$ 494,927</u>	<u>\$ 584,740</u>	<u>\$ 559,650</u>	<u>\$ 603,300</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 369,310	\$ 186,700	\$ 343,920	\$ 215,000
6201 Rents & Leases	-	5,500	2,500	2,500
6202 Data Processing Rental	14,620	16,590	16,590	14,590
6203 Motor Pool Fixed Rental	265	-	-	-
6204 Motor Pool Operating Rental	154,020	161,720	161,720	169,810
6205 Maintenance & Repairs	1,018,700	299,750	209,750	789,750
6207 Utility Services	25,336	31,250	30,000	30,000
6301 Advertising & Publication	1,491	3,400	3,400	3,400
6302 Communications	2,323	4,440	4,440	4,440
6303 Professional Development	1,933	3,880	3,880	3,880
6305 Subscriptions & Memberships	9,542	8,720	11,520	11,620
6307 Insurance & Bonds	5,880	2,670	2,640	4,650
6308 Property Liability	1,370	1,400	1,400	1,430
6310 Taxes & Licenses	4,562	1,250	1,250	1,250
6315 Other Contractual Services	47,760	64,350	43,050	68,480
6401 Office Supplies	-	150	-	-
6402 Copy Charges	-	150	-	-
6403 Postage	-	50	-	-
6409 Uniforms & Clothing	309	-	400	400
6410 Small Tools & Parts	2,690	3,000	3,000	3,000
6412 Maint. & Const. Materials	4,596	20,000	15,000	15,000
6413 Chemicals	7,653	5,000	5,000	5,000
6414 Other Supplies	1,814	1,250	1,250	1,250
6513 Other Charges	-	13,000	16,500	16,500
<i>Other Services & Charges Total</i>	<u>\$ 1,674,174</u>	<u>\$ 834,220</u>	<u>\$ 877,210</u>	<u>\$ 1,361,950</u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Depreciation</u>				
6610 Depreciation	\$ 893,134	\$ 827,470	\$ 827,470	\$ 930,000
<i>Depreciation Total</i>	<u>\$ 893,134</u>	<u>\$ 827,470</u>	<u>\$ 827,470</u>	<u>\$ 930,000</u>
<u>Capital Outlay</u>				
7350 Other Improvements	\$ -	\$ 525,000	\$ 370,000	\$ 300,000
<i>Capital Outlay Total</i>	<u>\$ -</u>	<u>\$ 525,000</u>	<u>\$ 370,000</u>	<u>\$ 300,000</u>
<u>Other Financing Uses</u>				
8521 Principal Payments	\$ -	\$ 588,800	\$ 588,800	\$ 607,200
8522 Interest Payments	177,728	108,030	195,160	180,290
8523 Paying Agent Fees	950	3,000	3,000	3,000
<i>Other Financing Uses Total</i>	<u>\$ 178,678</u>	<u>\$ 699,830</u>	<u>\$ 786,960</u>	<u>\$ 790,490</u>
STORMWATER UTILITY TOTAL	<u><u>\$ 3,240,913</u></u>	<u><u>\$ 3,471,260</u></u>	<u><u>\$ 3,421,290</u></u>	<u><u>\$ 3,985,740</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
Utility Billing Clerk	8	.40	.46	.46
Assistant Utility Superintendent	15	.30	.30	.30
GIS Coordinator	12	.20	.20	.20
Asset Management/GIS Analyst	10	.17	.17	.17
Water Resources Engineer	13	1.00	1.00	1.00
	<i>Total</i>	<u>2.07</u>	<u>2.13</u>	<u>2.13</u>

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
	\$ -	\$ -	\$ -
Storm Sewer Collection System Rehab	200,000	200,000	200,000
Public Works Storage Facility	325,000	170,000	-
Wilson Pond Flood Mitigation	-	-	100,000
<i>Total</i>	<u>\$ 525,000</u>	<u>\$ 370,000</u>	<u>\$ 300,000</u>

Performance Measures

Department/Division

Stormwater Utility

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
Number of Full-Time Employees	1.90	2.07	2.07	2.07
Division Operating Revenues	\$ 2,610,364	\$ 2,617,770	\$ 2,842,098	\$ 3,231,214
Division Operating Expenses	\$ 2,241,344	\$ 3,255,242	\$ 3,051,279	\$ 3,685,728
Outputs:				
Total Tons of Street Sweepings	483	348.6	325	325
Effectiveness Measures:				
Annual Pounds of TP* Removed from Sweeping Activities (Estimated)	244.2	175.9	164.3	164.3
Annual Pounds of TP* Removed from Infiltration and Floc Systems (Estimated)	76.0	11.2	50.0	76.0
Efficiency Measures:				
Total Cost for Street Sweeping	\$ 146,328	\$ 117,812	\$ 120,000	\$ 120,000
Total cost for Infiltration/Floc	\$ 163,765	\$ 197,665	\$ 160,000	\$ 160,000
Cost per Pound of TP* Removed	\$ 968	\$ 1,686	\$ 1,307	\$ 1,165
Operating Expenses per Capita	\$ 60.59	\$ 87.99	\$ 82.48	\$ 99.63
*TP = Total Phosphorus				

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2026

<u>PAYMENT YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>UNPAID PRINCIPAL</u>
2026				\$ 165,000
2027	<u>165,000</u>	<u>1,650</u>	<u>166,650</u>	-
	<u>\$ 165,000</u>	<u>\$ 1,650</u>	<u>\$ 166,650</u>	

STORM SEWER REVENUE BONDS, SERIES 2016A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 1,810,000</u>	<u>\$ 249,048</u>	<u>\$ 2,059,048</u>	

STORM SEWER GENERAL OBLIGATION BONDS, SERIES 2019A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 600,000</u>	<u>\$ 134,650</u>	<u>\$ 734,650</u>	

STORM SEWER REVENUE BONDS, SERIES 2020B
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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>\$ 1,070,000</u>	<u>\$ 53,595</u>	<u>\$ 1,123,595</u>	

GENERAL OBLIGATION BONDS, SERIES 2022A
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2026

PAYMENT YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
2026				\$ 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	-
	<u>2,699,600</u>	<u>213,210</u>	<u>2,912,810</u>	

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INTERNAL SERVICE

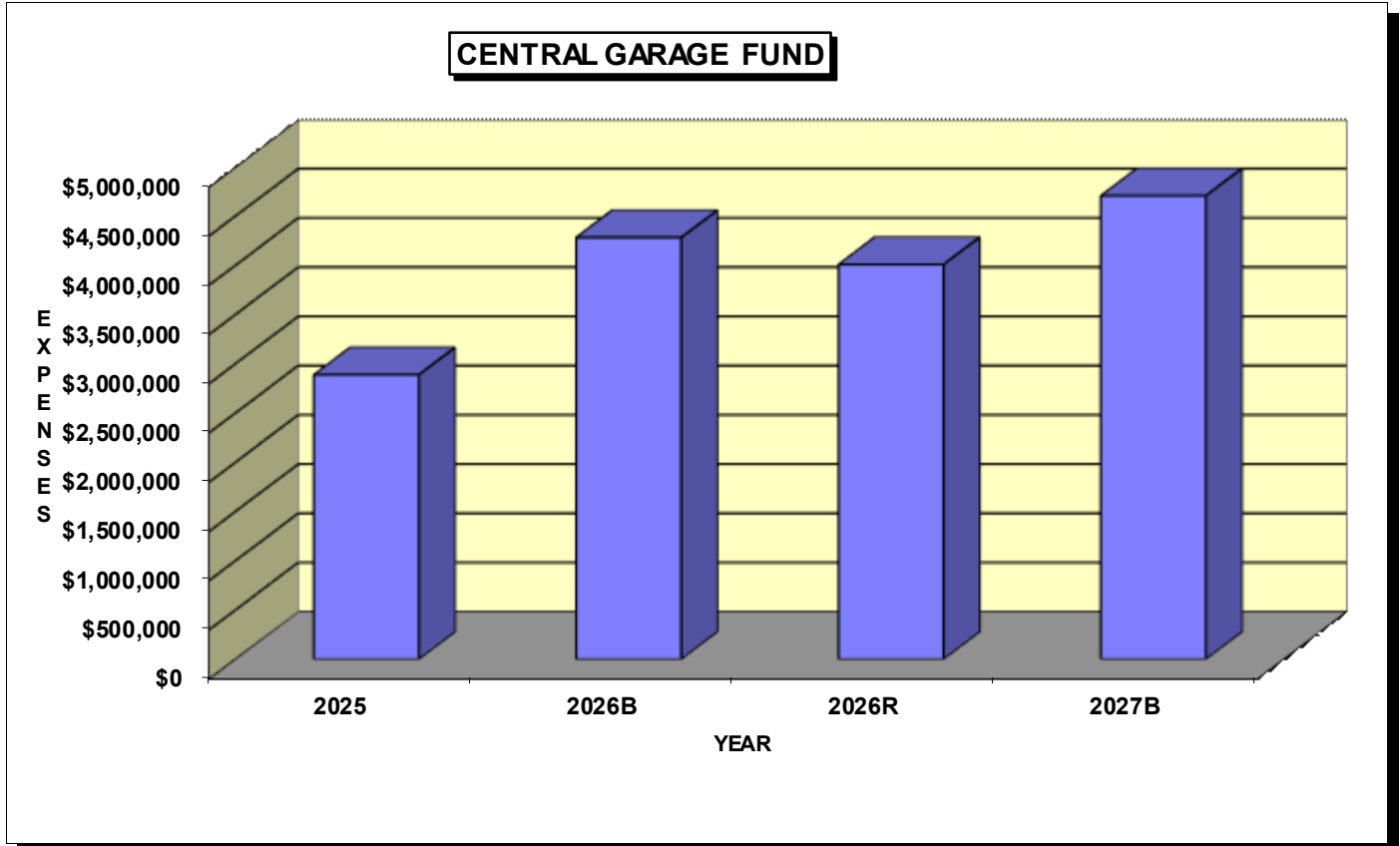
FUND: CENTRAL GARAGE
DEPARTMENT: Public Works

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
61000 CENTRAL GARAGE	\$ 2,844,767	\$ 4,283,310	\$ 4,008,620	\$ 4,707,070	9.89%
<i>Public Works TOTAL</i>	<u>\$ 2,844,767</u>	<u>\$ 4,283,310</u>	<u>\$ 4,008,620</u>	<u>\$ 4,707,070</u>	9.89%

REVENUES

61000 CENTRAL GARAGE	\$ 3,125,657	\$ 3,097,530	\$ 3,097,530	\$ 3,567,854	15.18%
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BUDGET SUMMARY CENTRAL GARAGE FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2025 Actual</u>	<u>2026 Revised</u>	<u>2027 Budget</u>	<u>2028 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 5,811,030</u>	<u>\$ 6,091,919</u>	<u>\$ 6,570,679</u>	<u>\$ 7,216,463</u>
<u>Revenues</u>				
Intergovernmental	-	-	-	-
Charges for Service:				
Equipment Rental	1,629,080	1,710,530	1,796,080	1,849,960
<u>Miscellaneous Revenues</u>				
Interest	37,484	5,000	5,000	5,000
Other Revenues	124,093	47,000	47,000	48,410
Total Misc. Revenues	<u>161,577</u>	<u>52,000</u>	<u>52,000</u>	<u>53,410</u>
Total Revenues	<u>1,790,657</u>	<u>1,762,530</u>	<u>1,848,080</u>	<u>1,903,370</u>
<u>Expenses</u>				
Personal Services	484,492	556,580	592,060	612,780
Other Services and Charges	1,218,484	1,107,210	1,130,010	1,169,560
Depreciation	1,141,792	954,980	1,200,000	1,236,000
Operating Expenses	<u>2,844,768</u>	<u>2,618,770</u>	<u>2,922,070</u>	<u>3,018,340</u>
Net Income (Loss)	<u>(1,054,111)</u>	<u>(856,240)</u>	<u>(1,073,990)</u>	<u>(1,114,970)</u>
Operating Transfers From (To)				
General and Capital Projects Funds	<u>1,335,000</u>	<u>1,335,000</u>	<u>1,719,774</u>	<u>1,779,970</u>
	<u>1,335,000</u>	<u>1,335,000</u>	<u>1,719,774</u>	<u>1,779,970</u>
<u>RETAINED EARNINGS</u>	<u>6,091,919</u>	<u>6,570,679</u>	<u>7,216,463</u>	<u>7,881,463</u>
<u>CAPITAL OUTLAY</u>	<u>\$ -</u>	<u>\$ 1,389,850</u>	<u>\$ 1,785,000</u>	<u>\$ 1,874,250</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.

2026 HIGHLIGHTS

- Evaluation of opportunities to introduce more Hybrid/Electric vehicles into the fleet (City Council Priority/Outcome 1c & 3c).

2027 DIVISION GOALS

- Continue to evaluate repurposing Police patrol vehicles for use by other divisions (City Council Priority/Outcome 1c, 3a & 3c).
- Evaluation of opportunities to introduce alternative financing options for procuring City vehicles (City Council Priority/Outcome 1c & 3b-c).

DIVISION EXPENDITURE COMMENT

The 2026 Revised Budget reflects a decrease of 6.4% from the 2026 Adopted Budget. This is due largely to difficulty in obtaining vehicles planned for purchase within the budget year.

The 2027 Proposed Budget reflects an increase of 9.89% from the 2026 Adopted Budget. The increase in the 2027 Proposed budget is due to increases in operating expenses, planned vehicle purchases and depreciation. Staff expect vehicle price volatility and general availability to continue to drive fluctuations in the central garage budget over the coming years.

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Charges for Service</u>				
4318 Equipment Rental - Operating	\$ 1,629,080	\$ 1,710,530	\$ 1,710,530	\$ 1,796,080
<i>Charges for Service Total</i>	<u>\$ 1,629,080</u>	<u>\$ 1,710,530</u>	<u>\$ 1,710,530</u>	<u>\$ 1,796,080</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 37,484	\$ 5,000	\$ 5,000	\$ 5,000
8035 Other Miscellaneous Revenues	1,565	2,000	2,000	2,000
8037 Recovery From Damage City Prop	640	20,000	20,000	20,000
8038 Gain on disposal of Assets	121,888	25,000	25,000	25,000
<i>Other Income Total</i>	<u>\$ 161,577</u>	<u>\$ 52,000</u>	<u>\$ 52,000</u>	<u>\$ 52,000</u>
<u>Other Financing Sources</u>				
8051 Operating Transfers In	\$ 1,335,000	\$ 1,335,000	\$ 1,335,000	\$ 1,719,774
<i>Other Financing Sources Total</i>	<u>\$ 1,335,000</u>	<u>\$ 1,335,000</u>	<u>\$ 1,335,000</u>	<u>\$ 1,719,774</u>
CENTRAL GARAGE TOTAL	<u><u>\$ 3,125,657</u></u>	<u><u>\$ 3,097,530</u></u>	<u><u>\$ 3,097,530</u></u>	<u><u>\$ 3,567,854</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 382,419	\$ 413,140	\$ 403,640	\$ 424,630
6009 Overtime	4,697	8,000	8,000	8,000
6031 Employer Social Security	23,479	24,220	23,660	24,910
6032 Employer Medicare	5,491	5,670	5,530	5,830
6033 Employer Pera	(14,634)	29,900	29,290	30,880
6035 Medical Insurance	71,396	73,780	73,100	83,810
6036 Dental Insurance	2,970	3,110	2,980	3,110
6037 Term Life	291	170	180	170
6038 Workers Compensation	7,860	8,020	8,020	8,420
6040 Long Term Disability	446	710	690	730
6041 Paid Family Medical Leave	77	-	1,490	1,570
<i>Personal Services Total</i>	<u>\$ 484,492</u>	<u>\$ 566,720</u>	<u>\$ 556,580</u>	<u>\$ 592,060</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 4,630	\$ 4,260	\$ 4,860	\$ 4,870
6202 Data Processing Rental	42,890	52,130	52,130	27,070
6205 Maintenance & Repairs	257,446	158,330	167,330	208,220
6206 Accident Repairs	81,007	35,000	35,000	42,000
6207 Utility Services	73,838	87,580	87,580	87,580
6302 Communications	9,774	4,200	4,200	4,200
6303 Professional Development	7,938	3,220	5,220	3,220
6305 Subscriptions & Memberships	60	-	-	-
6307 Insurance & Bonds	56,456	64,800	63,530	54,330
6308 Property Liability	30,330	30,940	30,940	31,560
6310 Taxes & Licenses	808	5,000	5,000	5,000
6315 Other Contractual Services	75,003	45,060	45,060	50,060
6401 Office Supplies	243	660	660	660
6402 Copy Charges	-	120	120	120
6403 Postage	4	100	100	100
6405 Fuels	255,255	325,000	325,000	325,000
6406 Lubricants	10,421	10,500	10,500	12,500
6407 Auto Operating Supplies	10,130	15,460	15,460	16,000
6408 Tires	26,486	30,510	30,510	33,510
6409 Uniforms & Clothing	5,641	6,500	6,500	6,500
6410 Small Tools & Parts	186,995	145,080	145,080	145,080
6414 Other Supplies	47,967	72,430	72,430	72,430
<i>Other Services & Charges Total</i>	<u>\$ 1,183,322</u>	<u>\$ 1,096,880</u>	<u>\$ 1,107,210</u>	<u>\$ 1,130,010</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 1,141,792	\$ 954,980	\$ 954,980	\$ 1,200,000
<i>Depreciation Total</i>	<u>\$ 1,141,792</u>	<u>\$ 954,980</u>	<u>\$ 954,980</u>	<u>\$ 1,200,000</u>
<u>Capital Outlay</u>				
7500 Motor Vehicles	\$ 35,161	\$ 1,664,730	\$ 1,389,850	\$ 1,785,000

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<i>Capital Outlay Total</i>	\$ 35,161	\$ 1,664,730	\$ 1,389,850	\$ 1,785,000
<i>CENTRAL GARAGE TOTAL</i>	\$ 2,844,767	\$ 4,283,310	\$ 4,008,620	\$ 4,707,070

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
Automotive Mechanic	LT-3	3.00	3.00	3.00
Deputy Public Works Director	18	.25	.23	.23
Operations Supervisor	14	.50	.50	.50
Senior Office Assistant	8	.35	.35	.35
Asset Management/GIS Analyst	10	.10	.10	.10
	<i>Total</i>	4.20	4.18	4.18

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
Ice Resurfacer (2)	\$ 89,630	\$ 94,630	\$ -
Fire Truck	302,100	302,100	302,100
Flush Truck/Roll-Off	203,000	-	350,000
1 Ton Pick-Up	50,000	101,050	-
Crew Cab Pick-Up	50,000	71,990	-
Chipper	250,000	227,560	-
Squads - Police LT (3)	180,000	111,230	-
Squads - Police Investigators (3)	180,000	150,150	-
Marked Squads - Police (3)	210,000	184,900	-
Tahoe - Fire (2)	75,000	71,260	70,000
Tahoe - Police Chief	75,000	75,000	-
Dump Truck	-	-	320,000
Utilities Ford F450 4x4 Truck	-	-	100,000
Parks - Ford F250 (2)	-	-	120,000
Utilities Ford F250 4x4 Supercab Truck	-	-	80,000
Squads - K9 Patrol (2)	-	-	120,000
Squads - Police Detective (3)	-	-	160,000
Police Admin Vehicle	-	-	50,000
Z-Mower Electric	-	-	47,900
Wood Lake Nature Center Toolcat	-	-	65,000
<i>Total</i>	<u>\$ 1,664,730</u>	<u>\$ 1,389,870</u>	<u>\$ 1,785,000</u>

Performance Measures

Department/Division

Central Garage

	Actual 2024	Actual 2025	Budget 2026R	Budget 2027P
Inputs:				
Number of full-time employees	4.1	4.2	4.2	4.2
Division Expenditures (personnel and services)	\$ 1,607,501	\$ 1,667,814	\$ 1,663,784	\$ 1,722,058
Outputs:				
Number of Vehicles Maintained	141	141	141	141
Number of Pieces of Equipment	53	53	53	53
Effectiveness Measures:				
Scheduled Service Work Orders	234	254	250	250
Unscheduled Service Work Orders	754	771	600	600
Efficiency Measures:				
Total Cost of Repairs	\$ 1,147,921	\$ 1,183,322	\$ 1,107,205	\$ 1,130,007
Average Cost/Vehicle Owned	\$ 8,141.28	\$ 8,392.35	\$ 7,852.52	\$ 8,014.23
Division Expenditure per Capita (personnel and services)	\$ 41.77	\$ 43.34	\$ 43.24	\$ 44.75

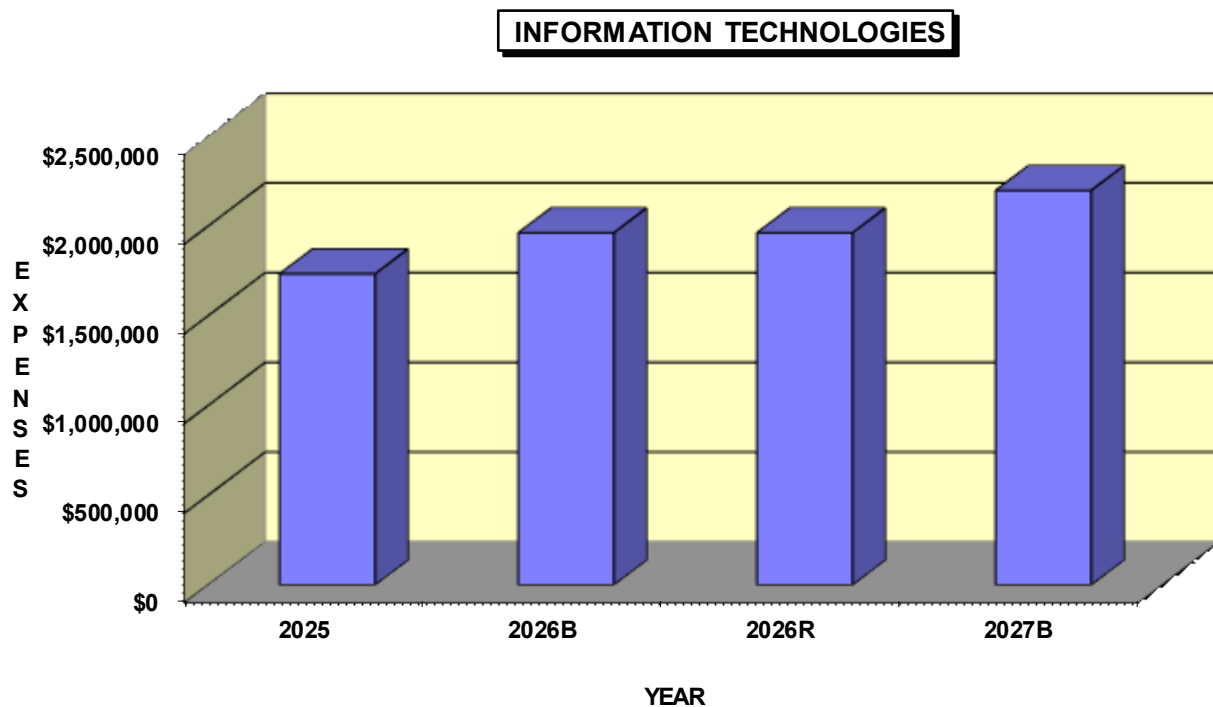
FUND: INFORMATION TECHNOLOGIES
DEPARTMENT: Administrative Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
62000 INFORMATION TECHNOLOGIES	\$ 1,690,116	\$ 1,962,611	\$ 1,962,620	\$ 2,198,490	12.02%
<i>Administrative Services TOTAL</i>	<u>\$ 1,690,116</u>	<u>\$ 1,962,611</u>	<u>\$ 1,962,620</u>	<u>\$ 2,198,490</u>	12.02%

REVENUES

62000 INFORMATION TECHNOLOGIES	\$ 1,885,730	\$ 1,902,141	\$ 1,917,141	\$ 1,984,475	4.33%
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BUDGET SUMMARY
INFORMATION TECHNOLOGIES FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	2025 Actual	2026 Revised	2027 Budget	2028 Projected
<u>PRIOR YEAR RETAINED EARNINGS</u>	\$ 462,224	\$ 657,838	\$ 702,269	\$ 635,584
<u>Revenues</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Service	1,473,854	1,494,561	1,547,630	1,594,061
Subtotal	1,473,854	1,494,561	1,547,630	1,594,061
<u>Miscellaneous Revenues</u>				
Interest	18,076	15,000	15,000	15,000
Other	-	-	-	-
Total Miscellaneous Revenues	18,076	15,000	15,000	15,000
Total Revenues	1,491,930	1,509,561	1,562,630	1,609,061
<u>Expenses</u>				
Personal Service	567,438	723,620	852,060	881,880
Other Services and Charges	1,076,163	1,034,470	1,081,040	1,135,090
Depreciation	46,515	114,620	118,060	121,600
Total Operating Expenses	1,690,116	1,872,710	2,051,160	2,138,570
Net Income (Loss)	(198,186)	(363,149)	(488,530)	(529,509)
Operating Transfers: From (To)				
Equipment Levy	393,800	407,580	421,845	436,610
Net Transfers	393,800	407,580	421,845	436,610
<u>RETAINED EARNINGS</u>	657,838	702,269	635,584	542,685
<u>CAPITAL OUTLAY *</u>	\$ -	\$ 89,910	\$ 147,330	\$ 122,636

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

INFORMATION TECHNOLOGIES DIVISION

MISSION STATEMENT

The mission of the Information Technology (IT) Division is to provide secure, reliable, and responsive technology services that support City operations, enhance service delivery, and protect the City's information systems and data. IT manages and supports the City's network infrastructure, communication services, end user technology, business applications, and related security systems to ensure staff have the tools and access needed to serve the community effectively.

IT works in partnership with departments, regional partners, and vendors to maintain critical technology infrastructure, provide timely end user support, improve business processes, and guide the effective use of City technology resources. The division's work supports the City's strategic goals through cybersecurity, system modernization, digital workflow improvements, policy development, and practical technology planning that improves operations and reduces risk.

DIVISION FOCUS

The Information Technology Division provides centralized technology services and support to all City departments. The division maintains the City's network infrastructure, communication systems, end user devices, business applications, cybersecurity tools, and secure system access needed for daily operations.

IT provides helpdesk support, computer and mobile device management, phone system support, printer and copier coordination, software licensing, technology training, and internal office supply management. The division also works with departments and external vendors to support technology planning, system improvements, equipment replacement, and digital workflow improvements.

IT supports the City's information and physical security needs, including network security, door access, camera systems, cybersecurity policies, PCI compliance, and secure access to City systems and data. The division serves as a technology partner to departments by helping evaluate needs, estimate costs, and align technology investments with City priorities.

2026 HIGHLIGHTS

- Completed the Citizenserve sync workflow into the Laserfiche repository to support data retention requirements (City Council Goal 1c).
- Upgrade and migrate the City's GIS environment to AWS GovCloud to improve system reliability, security, and long-term support.
- Upgraded multiple existing and new Laserfiche workflows, including PAFs, invoices, leave slip submissions, and search functions (City Council Goal 1c).
- Implemented new public Laserfiche WebLink access for record searches related to Council, Commission, and Board records.
- Expanded door access and camera systems to additional City facilities (City Council Goal 1c and 3a).
- Assisted with the migration of the City's intranet to SharePoint to improve internal access to staff resources and information.

- Expanded the use of cybersecurity training to improve staff awareness of common threats and strengthen the City's overall security posture (City Council Goals 1c and 4a).
- Completed the migration to a modern IP telephony phone system to improve communication services and support future system enhancements (City Council Goal 1c).

2027 DIVISION GOALS

- Improve IT asset tracking for computers, printers, mobile devices, and other technology equipment (City Council Goal 1c).
- Strengthen network reliability and security through planned infrastructure replacements and configuration reviews.
- Modernize internal systems by expanding the effective use of Microsoft 365, SharePoint, and Laserfiche for collaboration, document management, and process efficiency.
- Improve documentation of IT systems, workflows, procedures, and support responsibilities.
- Strengthen cybersecurity through staff training, policy updates, and ongoing security improvements (City Council Goals 1c and 4a).

DIVISION EXPENDITURE COMMENT

The 2026 revised budget reflects a 0% increase compared to the 2026 adopted budget.

The 2027 proposed budget reflects a 12% increase compared to the 2026 adopted budget. The increase is primarily due to personnel cost-of-living adjustments, the reclassification of the open Help Desk position from salary grade 11 to a salary grade 12 Application Support Specialist, the addition of cybersecurity insurance costs to the IT budget, and annual Tungsten software costs beginning in 2027. The increase also reflects an average 4% increase in LOGIS services and slight increases in software subscription costs.

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

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Charges for Service</u>				
4320 IT Equipment Rental	\$ 1,389,574	\$ 1,427,611	\$ 1,427,611	\$ 1,471,480
4322 Sale of Supplies	29,971	27,450	27,450	30,750
4324 Copying Services	26,604	12,380	12,380	17,140
4326 Postage Services	27,705	27,120	27,120	28,260
<i>Charges for Service Total</i>	<u>\$ 1,473,854</u>	<u>\$ 1,494,561</u>	<u>\$ 1,494,561</u>	<u>\$ 1,547,630</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 18,076	\$ -	\$ 15,000	\$ 15,000
<i>Other Income Total</i>	<u>\$ 18,076</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
<u>Other Financing Sources</u>				
8051 Operating Transfers In	\$ 393,800	\$ 407,580	\$ 407,580	\$ 421,845
<i>Other Financing Sources Total</i>	<u>\$ 393,800</u>	<u>\$ 407,580</u>	<u>\$ 407,580</u>	<u>\$ 421,845</u>
INFORMATION TECHNOLOGIES TOTAL	<u><u>\$ 1,885,730</u></u>	<u><u>\$ 1,902,141</u></u>	<u><u>\$ 1,917,141</u></u>	<u><u>\$ 1,984,475</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Costs of Goods Sold</u>				
5510 Purchases for Resale	\$ 48,803	\$ 38,630	\$ 38,630	\$ 52,960
<i>Costs of Goods Sold Total</i>	<u>\$ 48,803</u>	<u>\$ 38,630</u>	<u>\$ 38,630</u>	<u>\$ 52,960</u>
<u>Personal Services</u>				
6005 Full Time	\$ 469,224	\$ 540,419	\$ 540,420	\$ 609,840
6013 Longevity	1,123	-	-	-
6031 Employer Social Security	27,885	32,161	32,160	35,450
6032 Employer Medicare	6,521	7,482	7,480	8,290
6033 Employer Pera	(9,222)	40,531	40,530	45,740
6035 Medical Insurance	67,505	97,820	97,820	145,940
6036 Dental Insurance	3,158	3,724	3,730	5,240
6037 Term Life	310	200	200	200
6038 Workers Compensation	310	320	320	280
6040 Long Term Disability	533	957	960	1,080
6041 Paid Family Medical Leave	91	-	-	-
<i>Personal Services Total</i>	<u>\$ 567,438</u>	<u>\$ 723,614</u>	<u>\$ 723,620</u>	<u>\$ 852,060</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 375,785	\$ 364,411	\$ 364,410	\$ 352,840
6205 Maintenance & Repairs	139,770	188,348	188,350	252,540
6207 Utility Services	82,430	85,730	85,730	89,160
6302 Communications	25,751	150,842	150,840	158,720
6303 Professional Development	11,011	4,380	4,380	6,950
6305 Subscriptions & Memberships	4,755	2,500	2,500	5,800
6307 Insurance & Bonds	4,329	6,310	6,310	6,500
6308 Property Liability	2,680	2,730	2,730	2,810
6401 Office Supplies	2,159	1,030	1,030	1,500
6402 Copy Charges	219	210	210	220
6403 Postage	42	100	100	110
6414 Other Supplies	361,633	189,248	189,250	150,930
<i>Other Services & Charges Total</i>	<u>\$ 1,010,564</u>	<u>\$ 995,839</u>	<u>\$ 995,840</u>	<u>\$ 1,028,080</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 46,515	\$ 114,620	\$ 114,620	\$ 118,060
<i>Depreciation Total</i>	<u>\$ 46,515</u>	<u>\$ 114,620</u>	<u>\$ 114,620</u>	<u>\$ 118,060</u>
<u>Capital Outlay</u>				
7400 Machinery & Equipment	\$ 16,796	\$ 89,908	\$ 89,910	\$ 147,330
<i>Capital Outlay Total</i>	<u>\$ 16,796</u>	<u>\$ 89,908</u>	<u>\$ 89,910</u>	<u>\$ 147,330</u>
INFORMATION TECHNOLOGIES TOTAL	<u><u>\$ 1,690,116</u></u>	<u><u>\$ 1,962,611</u></u>	<u><u>\$ 1,962,620</u></u>	<u><u>\$ 2,198,490</u></u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 BUDGET
<u>Regular Full-Time Employees</u>				
IT Manager	17	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
Application Support Specialist	12-1	-	1.00	1.00
Help Desk Technician	11-6	1.00	1.00	1.00
Help Desk Technician	11-1	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>	5.50	5.50	5.50

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
Computer Workstation Replacements	\$ -	\$ -	\$ 70,000
Fiber Infrastructure Projects	45,000	45,000	-
Network Infrastructure Replacement	10,650	10,650	77,326
Laptop Purchases	34,260	34,260	-
<i>Total</i>	<u>\$ 89,910</u>	<u>\$ 89,910</u>	<u>\$ 147,326</u>

Performance Measures

Administrative Services

Information Technologies

	Actual 2024	Actual 2025	Budget 2026	Revised 2026	Proposed 2027
Inputs:					
Number of full-time employees	4.5	5.5	5.5	5.5	5.5
Division operating expenses	\$1,317,367	\$1,716,987	\$1,872,703	\$1,872,710	\$ 2,051,160
Division operating revenue	\$1,645,614	\$1,867,653	\$ 1,902,141	\$ 1,902,141	\$ 1,969,464
Outputs:					
Number of devices supported	670	670	670	690	700
(PCs, laptops, mobile devices, cameras, credit card readers, servers, & printers)					
Number of telephony devices supported	380	380	390	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	430	430
Number of Various Office 365 Full Licenses	170	170	180	180	180
Number of P1 License (email only)	143	143	130	130	130
Shared Office Licenses	70	70	70	70	30
Efficiency Measures:					
Division operating expenses per user	\$ 3,609	\$ 4,704	\$ 5,131	\$ 5,131	\$ 5,620
Division operating revenue per user	\$ 4,509	\$ 5,117	\$ 5,211	\$ 5,211	\$ 5,396
Division operating expenses per capita	\$ 35.89	\$ 46.77	\$ 51.01	\$ 51.01	\$ 53.30

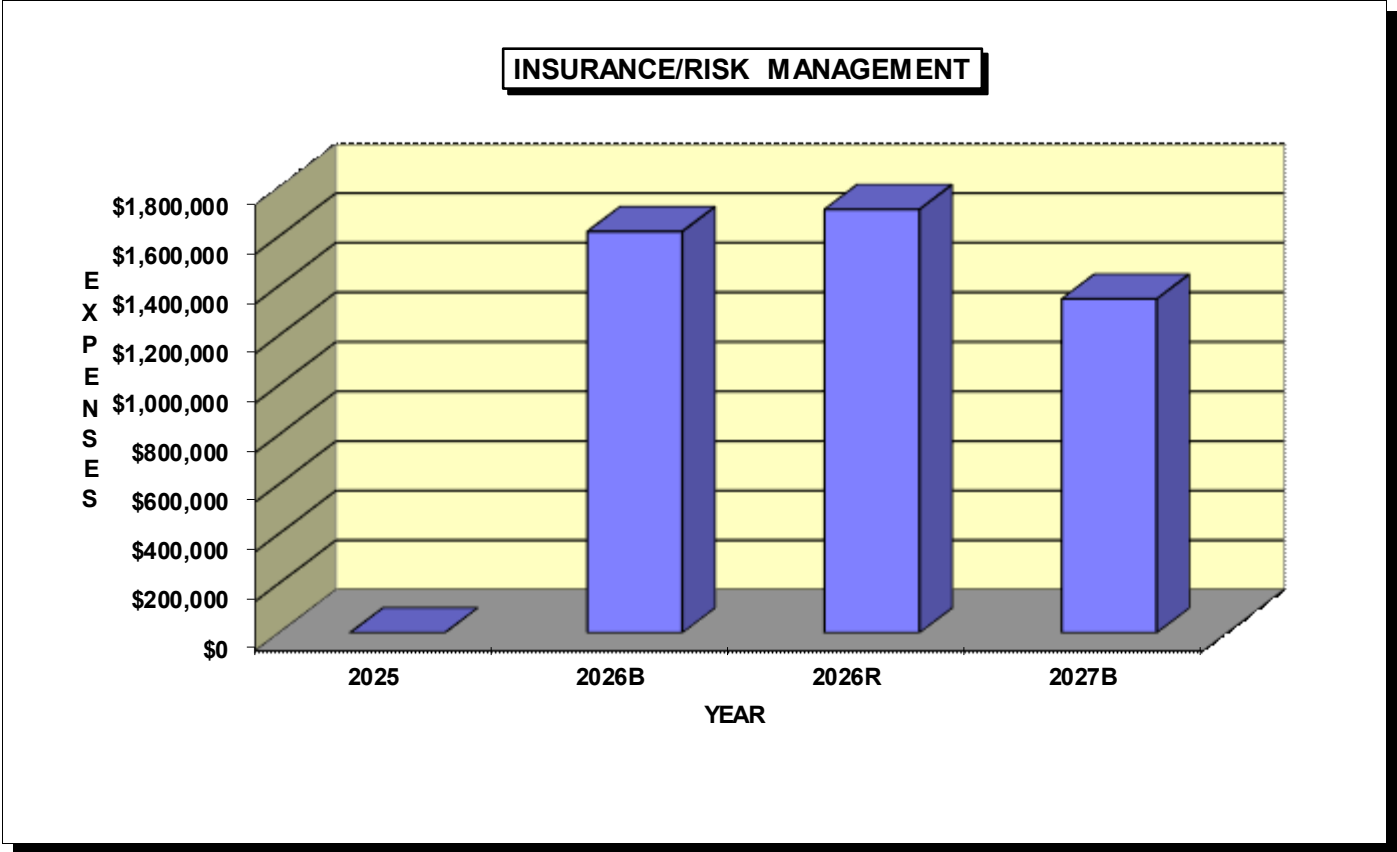
FUND: INSURANCE/RISK MANAGEMENT
 DEPARTMENT: Administrative Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
64000	INSURANCE/RISK MANAGEMENT	\$ (331,448)	\$ 1,618,602	\$ 1,707,802	\$ 1,346,460	(16.81%)
Administrative Services TOTAL		\$ (331,448)	\$ 1,618,602	\$ 1,707,802	\$ 1,346,460	(16.81%)

REVENUES

64000	INSURANCE/RISK MANAGEMENT	\$ 1,214,077	\$ 1,212,720	\$ 1,216,690	\$ 1,196,570	(1.33%)
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BUDGET SUMMARY
INSURANCE/RISK MANAGEMENT FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	2025 Actual	2026 Revised	2027 Budget	2028 Projected
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 3,011,513</u>	<u>\$ 4,557,038</u>	<u>\$ 4,065,926</u>	<u>\$ 3,916,036</u>
<u>Revenues</u>				
Charges for Service:				
Employers' and Employees' contribution	954,103	1,005,690	985,570	1,015,140
Operating Revenues	954,103	1,005,690	985,570	1,015,140
<u>Miscellaneous Revenues</u>				
Interest	198,974	150,000	150,000	150,000
Total Miscellaneous Revenues	198,974	150,000	150,000	150,000
Total Revenues	1,153,077	1,155,690	1,135,570	1,165,140
<u>Expenses</u>				
Personal Services	368,581	516,677	330,760	340,680
Other Services and Charges	(761,029)	1,130,125	954,700	983,340
Total Expenses	(392,448)	1,646,802	1,285,460	1,324,020
Net Income (Loss)	1,545,525	(491,112)	(149,890)	(158,879)
Operating Transfers From (To)				
Self Insurance - Workers Comp.	61,000	61,000	61,000	61,000
Self Insurance - Property Liab.	(61,000)	(61,000)	(61,000)	(61,000)
	-	-	-	-
<u>RETAINED EARNINGS</u>	<u>\$ 4,557,038</u>	<u>\$ 4,065,926</u>	<u>\$ 3,916,036</u>	<u>\$ 3,757,157</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 Self-Insurance 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 Self-Insurance 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.

2026 HIGHLIGHTS

- The rates charged to City departments for property/casualty liability coverage reflect a 2.0% increase for 2027.

2027 SELF INSURANCE 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 Self-Insurance Fund for the 2026 Revised/2027 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	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Charges for Service</u>				
4328 Self Insurance City Contributi	\$ 611,549	\$ 597,550	\$ 597,550	\$ 624,830
4330 Self Insurance Employee Contri	58,205	62,000	62,000	64,480
4332 Property Contribution	203,090	203,170	207,140	211,260
4334 Flex Daycare	65,235	64,000	64,000	65,000
4336 Flex Health	15,922	20,000	20,000	20,000
4340 Insurance Premium Refunds	102	55,000	55,000	
<i>Charges for Service Total</i>	<u>\$ 954,103</u>	<u>\$ 1,001,720</u>	<u>\$ 1,005,690</u>	<u>\$ 985,570</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 198,974	\$ 150,000	\$ 150,000	\$ 150,000
<i>Other Income Total</i>	<u>\$ 198,974</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>
<u>Other Financing Sources</u>				
8051 Operating Transfers In	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000
<i>Other Financing Sources Total</i>	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>
INSURANCE/RISK MANAGEMENT TOTAL	<u><u>\$ 1,214,077</u></u>	<u><u>\$ 1,212,720</u></u>	<u><u>\$ 1,216,690</u></u>	<u><u>\$ 1,196,570</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 76,857	\$ 20,000	\$ 80,000	\$ 80,000
6031 Employer Social Security	(421)	-	-	-
6032 Employer Medicare	(535)	-	-	-
6033 Employer Pera	(7,516)	-	-	-
6038 Workers Compensation	19,758	120,000	120,000	54,000
6039 MN Unemployment	29,231	32,000	32,000	32,000
6041 Paid Family Medical Leave	(1)	-	-	-
6051 Interdepartmental Labor	223,428	255,927	255,927	135,000
6052 Administrative Charges	27,780	28,750	28,750	29,760
<i>Personal Services Total</i>	<u>\$ 368,581</u>	<u>\$ 456,677</u>	<u>\$ 516,677</u>	<u>\$ 330,760</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ 107,640	\$ 50,000	\$ 24,200	\$ 24,200
6202 Data Processing Rental	8,680	8,700	8,700	-
6306 Care of Persons	147,598	95,000	150,000	150,000
6307 Insurance & Bonds	9,145	84,725	84,725	-
6313 Day Care Reimbursement	57,692	64,000	64,000	65,000
6314 Health Care Reimbursement	19,075	20,000	20,000	20,000
6315 Other Contractual Services	(1,309,078)	450,000	450,000	375,000
6316 Dental Single	77,977	80,000	80,000	100,000
6317 Dental Spouse	24,919	28,000	28,000	30,000
6318 Dental Dependent	37,534	45,000	45,000	40,000
6402 Copy Charges	18	-	-	-
6414 Other Supplies	81	500	500	500
6513 Other Charges	57,690	175,000	175,000	150,000
<i>Other Services & Charges Total</i>	<u>\$ (761,029)</u>	<u>\$ 1,100,925</u>	<u>\$ 1,130,125</u>	<u>\$ 954,700</u>
<u>Other Financing Uses</u>				
8511 Operating Transfers Out	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000
<i>Other Financing Uses Total</i>	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>
INSURANCE/RISK MANAGEMENT TOTAL	<u><u>\$ (331,448)</u></u>	<u><u>\$ 1,618,602</u></u>	<u><u>\$ 1,707,802</u></u>	<u><u>\$ 1,346,460</u></u>

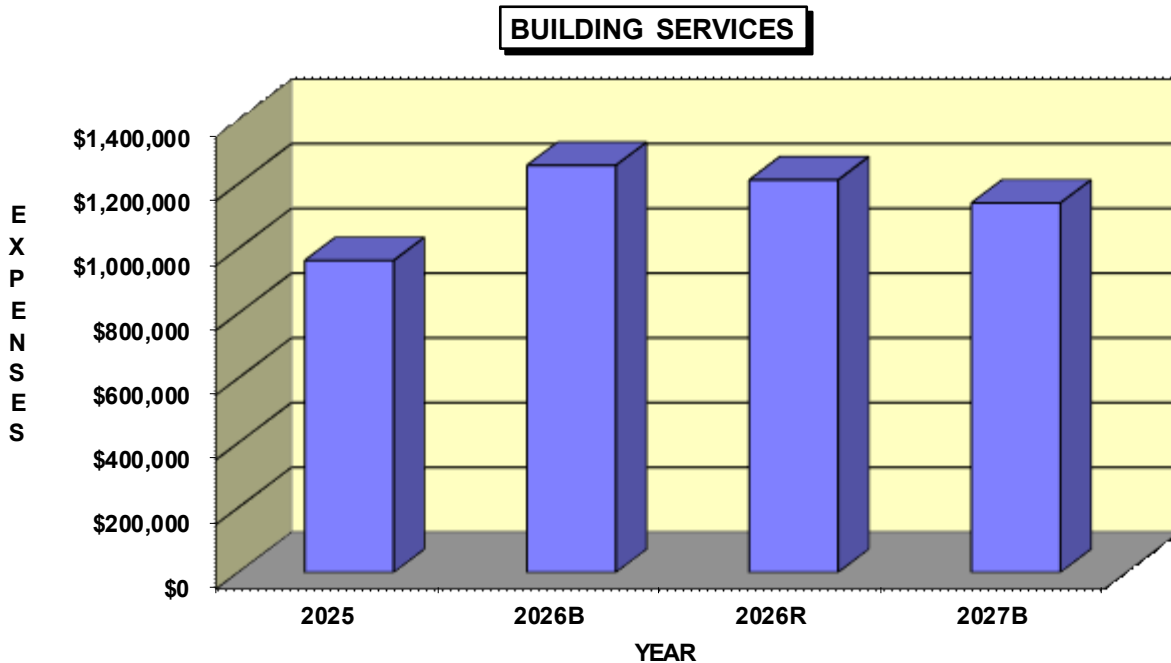
FUND: BUILDING SERVICES FUND
DEPARTMENT: Administrative Services

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
67000 BUILDING SERVICES FUND	\$ 916,652	\$ 1,257,319	\$ 1,212,350	\$ 1,140,967	(9.25%)
<i>Administrative Services TOTAL</i>	<u>\$ 916,652</u>	<u>\$ 1,257,319</u>	<u>\$ 1,212,350</u>	<u>\$ 1,140,967</u>	(9.25%)

REVENUES

67000 BUILDING SERVICES FUND	\$ 1,102,159	\$ 1,126,610	\$ 1,324,610	\$ 1,371,075	21.70%
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BUDGET SUMMARY BUILDING SERVICES FUND PROJECTION

<u>AVAILABLE FOR APPROPRIATION</u>	<u>2025 Actual</u>	<u>2026 Revised</u>	<u>2027 Budget</u>	<u>2028 Projected</u>
<u>PRIOR YEAR RETAINED EARNINGS</u>	<u>\$ 1,013,247</u>	<u>\$ 1,198,754</u>	<u>\$ 1,431,014</u>	<u>\$ 1,661,122</u>
<u>Revenues</u>				
Charges for Service:				
Building Rental	1,057,298	1,124,610	1,167,575	1,202,604
<u>Miscellaneous Revenues</u>				
Interest	44,861	100,000	100,000	100,000
Other Revenue	-	-	-	-
Total Misc. Revenues	<u>44,861</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Revenues	<u>1,102,159</u>	<u>1,224,610</u>	<u>1,267,575</u>	<u>1,302,604</u>
<u>Expenses</u>				
Personal Services	378,039	445,000	495,747	513,100
Other Services and Charges	517,188	613,370	610,220	631,580
Depreciation	21,425	33,980	35,000	36,051
Operating Expenses	<u>916,652</u>	<u>1,092,350</u>	<u>1,140,967</u>	<u>1,180,731</u>
Net Income (Loss)	<u>185,507</u>	<u>132,260</u>	<u>126,608</u>	<u>121,873</u>
Operating Transfers: From (To)				
Equipment Levy	-	100,000	103,500	107,123
Net Transfers	<u>-</u>	<u>100,000</u>	<u>103,500</u>	<u>107,123</u>
<u>RETAINED EARNINGS</u>	<u>1,198,754</u>	<u>1,431,014</u>	<u>1,661,122</u>	<u>1,890,118</u>
<u>CAPITAL OUTLAY</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ -</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 2026 and 2027 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.

2026 HIGHLIGHTS

- Completed the upgrade for all indoor and outdoor lighting at the Municipal Center to LED lighting
- Replaced carpeting at Fire Station #1 and the Police Department.
- Replaced HVAC unit at Shops at Lyndale.

2027 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 2026 Revised Budget reflects a 3.58% decrease over the 2026 Adopted Budget.

The 2026 Proposed Budget reflects a 0.32% increase in operating expenses. In 2027, 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	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Charges for Service</u>				
4346 Building Rental	\$ 1,057,298	\$ 1,098,770	\$ 1,098,770	\$ 1,141,735
4348 Labor Services	-	25,840	25,840	25,840
<i>Charges for Service Total</i>	<u>\$ 1,057,298</u>	<u>\$ 1,124,610</u>	<u>\$ 1,124,610</u>	<u>\$ 1,167,575</u>
<u>Other Income</u>				
8011 Investment Earnings	\$ 44,861	\$ 2,000	\$ 100,000	\$ 100,000
<i>Other Income Total</i>	<u>\$ 44,861</u>	<u>\$ 2,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
<u>Other Financing Sources</u>				
8051 Operating Transfers In	\$	\$	\$ 100,000	\$ 103,500
<i>Other Financing Sources Total</i>	<u>\$</u>	<u>\$</u>	<u>\$ 100,000</u>	<u>\$ 103,500</u>
<i>BUILDING SERVICES FUND TOTAL</i>	<u><u>\$ 1,102,159</u></u>	<u><u>\$ 1,126,610</u></u>	<u><u>\$ 1,324,610</u></u>	<u><u>\$ 1,371,075</u></u>

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

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
<u>Personal Services</u>				
6005 Full Time	\$ 273,986	\$ 335,928	\$ 307,112	\$ 336,986
6006 Part-time	44,131	33,668	29,670	34,550
6009 Overtime	723	-	-	-
6031 Employer Social Security	18,677	22,177	18,658	20,456
6032 Employer Medicare	4,368	5,187	4,364	4,784
6033 Employer Pera	(22,889)	27,610	23,033	25,274
6035 Medical Insurance	46,782	52,383	48,152	58,867
6036 Dental Insurance	1,865	2,234	2,002	2,234
6037 Term Life	184	120	118	120
6038 Workers Compensation	9,870	10,070	10,070	10,470
6040 Long Term Disability	289	592	544	596
6041 Paid Family Medical Leave	52	-	1,277	1,410
<i>Personal Services Total</i>	<u>\$ 378,038</u>	<u>\$ 489,969</u>	<u>\$ 445,000</u>	<u>\$ 495,747</u>
<u>Other Services & Charges</u>				
6103 Professional Services -General	\$ -	\$ 200	\$ 200	\$ 200
6202 Data Processing Rental	23,110	24,520	24,520	21,590
6204 Motor Pool Operating Rental	10,070	10,570	10,570	11,100
6205 Maintenance & Repairs	23,694	45,250	45,250	47,030
6207 Utility Services	240,787	258,340	258,340	260,000
6302 Communications	1,563	7,540	7,540	1,610
6303 Professional Development	104	810	810	810
6307 Insurance & Bonds	33,687	26,250	26,250	27,040
6308 Property Liability	24,130	24,610	24,610	25,350
6310 Taxes & Licenses	1,414	1,180	1,180	1,200
6315 Other Contractual Services	122,588	159,090	159,090	159,090
6401 Office Supplies	67	320	320	320
6402 Copy Charges	91	30	30	30
6409 Uniforms & Clothing	1,555	2,300	2,300	2,300
6410 Small Tools & Parts	1,293	1,110	1,110	1,300
6412 Maint. & Const. Materials	19,128	21,860	21,860	21,860
6414 Other Supplies	13,907	29,390	29,390	29,390
<i>Other Services & Charges Total</i>	<u>\$ 517,188</u>	<u>\$ 613,370</u>	<u>\$ 613,370</u>	<u>\$ 610,220</u>
<u>Depreciation</u>				
6610 Depreciation	\$ 21,425	\$ 33,980	\$ 33,980	\$ 35,000
<i>Depreciation Total</i>	<u>\$ 21,425</u>	<u>\$ 33,980</u>	<u>\$ 33,980</u>	<u>\$ 35,000</u>
<u>Capital Outlay</u>				
7230 Building Improvements	\$ -	\$ 120,000	\$ 120,000	\$ -
<i>Capital Outlay Total</i>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>
BUILDING SERVICES FUND TOTAL	<u>\$ 916,651</u>	<u>\$ 1,257,319</u>	<u>\$ 1,212,350</u>	<u>\$ 1,140,967</u>

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

DIVISION PERSONNEL

CLASSIFICATIONS	SALARY GRADE	NUMBER OF EMPLOYEES		
		2026 ADOPTED	2026 REVISED	2027 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>	3.00	3.00	3.00
<u>Part-Time Employees</u>				
Custodian	6	.50	.50	.50
	<i>Total</i>	.50	.50	.50

CAPITAL OUTLAY

ITEMS	2026 ADOPTED	2026 REVISED	2027 BUDGET
Public Safety Recarpeting	\$ 120,000	\$ 120,000	\$ -
<i>Total</i>	\$ 120,000	\$ 120,000	\$ -

Performance Measures

Department/Division

Administrative Services/Building Services

	Actual 2023	Actual 2024	Actual 2025	Budget 2026	Revised 2026	Budget 2027
Inputs:						
Number of full time employees	3	3	3	3	3	3
Division Operating Expenditures	\$ 1,058,344	\$ 1,037,393	\$1,077,470	\$1,137,319	\$1,091,074	\$1,139,557
Division Operating Revenues	\$ 1,046,327	\$ 1,094,072	\$1,102,159	\$1,126,610	\$1,126,610	\$1,169,575
Outputs:						
Annual Contract Cleaning Cost						
City Hall	\$ 94,520	\$ 98,985	\$ 92,400	\$95,172	\$96,172	\$99,750
Effectiveness Measures:						
Cost per Square Foot to Clean City						
Hall	\$ 1.35	\$ 1.41	\$ 1.32	\$ 1.36	\$ 1.37	\$ 1.43
Efficiency Measures:						
Estimated Cost per Square Foot						
to Maintain City Hall	\$ 12.10	\$ 11.86	\$ 12.31	\$ 13.00	\$ 12.47	\$ 13.02
Rent Revenue per Square Foot	\$ 10.06	\$ 10.52	\$ 10.60	\$ 10.83	\$ 10.83	\$ 11.25
Expense per Capita	\$ 28.61	\$ 28.04	\$ 29.13	\$ 30.74	\$ 29.49	\$ 29.61

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 2027, the total tax levy required will be \$3,916,828. 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 2026 is \$35,305,000.

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.

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

	2025 Actual	2026 Budget	2026 Revised	2027 Budget
<u>Fund Balance - January 1</u>	\$ 6,613,967	\$ 9,695,325	\$ 9,250,848	\$ 10,221,305
<u>Source of Funds</u>				
Taxes (Property)	\$ 4,012,312	\$ 3,946,030	\$ 3,946,030	\$ 3,916,828
Taxes (Local Sales Tax)	\$ 2,674,438	\$ 3,672,000	3,672,000	3,745,440
Special Assessment Collections	37,171	40,000	40,000	40,000
Interest	143,274	10,000	10,000	10,000
Bond Proceeds	-	-	-	
Transfer in:				
Special Revenue Fund	746,793	747,700	747,700	743,174
	-	-	-	-
Total Sources	<u>\$ 7,613,988</u>	<u>\$ 8,415,730</u>	<u>\$ 8,415,730</u>	<u>\$ 8,455,442</u>
<u>Use of Funds</u>				
Bond Principal (Property)	\$ 3,450,000	\$ 3,155,000	\$ 3,540,000	\$ 3,645,000
Bond Interest (Property)	1,188,044	1,043,974	1,090,054	992,729
Bond Principal (Local Sales Tax)		2,225,000	2,225,000	3,030,000
Bond Interest (Local Sales Tax)	293,056	556,236	580,219	538,175
Fiscal Agent Charges	5,463	5,000	5,000	5,000
Other Services & Charges	40,544	5,000	5,000	5,000
Transfers to:				
General Fund	-	-	-	-
Capital Project Fund	-	-	-	-
Total Uses	<u>\$ 4,977,107</u>	<u>\$ 6,990,210</u>	<u>\$ 7,445,273</u>	<u>\$ 8,215,904</u>
<u>Fund Balance - December 31</u>	<u>\$ 9,250,848</u>	<u>\$ 11,120,845</u>	<u>\$ 10,221,305</u>	<u>\$ 10,460,843</u>

General Obligation Improvement Bonds
Scheduled Debt Service Requirements - Annual Payments
December 31, 2026

TAX LEVY REQUIREMENT	YEAR	PRINCIPAL	INTEREST	TOTAL	UNPAID PRINCIPAL
	2026				\$ 35,305,000
4,121,139	2027	3,645,000	992,729	4,637,729	31,660,000
3,605,541	2028	3,750,000	891,961	4,641,961	27,910,000
2,473,449	2029	3,325,000	793,693	4,118,693	24,585,000
2,490,093	2030	2,340,000	713,414	3,053,414	22,245,000
2,487,906	2031	2,425,000	645,843	3,070,843	19,820,000
2,475,481	2032	2,485,000	576,133	3,061,133	17,335,000
2,352,926	2033	2,545,000	503,545	3,048,545	14,790,000
2,201,808	2034	2,505,000	428,895	2,933,895	12,285,000
1,904,309	2035	2,435,000	354,120	2,789,120	9,850,000
1,917,253	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>31,725,224</u>		<u>\$ 35,305,000</u>	<u>\$ 6,805,227</u>	<u>\$ 41,707,327</u>	

Debt as a Percentage of Taxable Market Value

0.73%

Debt Per Capita

\$ 917.44

CAPITAL 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 2026 Revised/2027 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.

2027 Capital Improvement Budget Projects

Recreation Open Space

Community Center Building Repair - \$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 repairs and replacement of existing capital items. This annual budget will be discontinued after 2027 in preparation for a new community center building, funded by local sales tax.

Community Center - \$150,000

The Community Center needs a complete rebuild the current building is more than 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, including gym space, a walking track and community spaces. The total project costs are \$55 million and the funding sources are the following: \$45 million would come from a local sales tax and \$10 million would come from bonds. The initial 2027 estimated costs of \$150,000 is related to the building design.

Ice Arena Improvements - \$30,000

Ice Arena improvements are funded by the annual General Fund transfer. Improvements to the arena include HVAC, lobby area, doors, the addition of an elevator, new flooring, and improvements to locker rooms 5 and 6. A new roof is planned for 2029 and the funding for this will be G.O. property tax bonds.

Multi-Year Parks Major Maintenance - \$55,000

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 replacement, 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.

Outdoor Pool Improvements - \$100,000

Improvements to the Outdoor Pool are funded by the annual General Fund transfer. 2026 projects include replacing umbrella canopies along with refurbishing pumps and boilers. 2027 projects include replacing pool filter sand, and adding shade structures.

Parks Master Plan - \$90,000

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 - \$2,420,768

Improvements to the park infrastructure, including the Band Shell, the picnic shelter, the mini-golf facility, trails, green space, marsh, etc.). The improvements being made in 2025-2028 are funded by local sales tax (\$1.9m), special revenue (\$500k), and a possible MN DNR grant (\$500k). Projected improvements outlined in the facility assessment are planned for years beyond 2031 would be funded by general obligation bonds serviced by property tax.

Adams Hill Park Play Equipment Replacement - \$150,000

Replace the play equipment structure at Adams Hill Park in accordance with the Play Equipment Replacement Schedule.

Parks Building Improvements - \$220,000

Pending the acceptance of a grant from Hennepin County, the lighting controls and breakers will be upgraded in 2027 at Christian, Donaldson, Augsburg, and Taft Parks. Then, looking beyond 2031, general obligation bonds serviced by property taxes would fund the Renovation of the Christian Park building (\$1,500,000) and Donaldson Park Building (\$1,500,00).

Right of Way Improvements

77th Street Pavement Maintenance - \$1,100,000

The concrete pavement panels and pavement joints on 77th Street are beginning to fail in certain areas and will need major maintenance in the near future to avoid full reconstruction. This work will address the worst areas of pavement failure, primarily east of Portland Ave.

78th Street Lighting - \$200,000

MnDOT will be adding pedestrian level lighting (paid for by the city) to several trail segments constructed in Phase 1 of the I-494 project. Due to issues with the way the design-build contract was written, there are several gaps in the trail network that will not have lighting constructed, and the City will need to backfill with pedestrian and street lighting. These areas are 78th Street west of Penn, 78th Street from Pleasant Ave to Nicollet Ave, and 78th Street from Nicollet Ave to Portland Ave.

Multi-Year ADA Improvements - \$200,000

Staff completed a City-wide inventory of pedestrian ramps and sidewalks in 2023. This inventory will be used to identify missing or non-compliant ADA infrastructure within the right-of-way and program ADA infrastructure improvements throughout the City. This may include sidewalks, trails, curbs, corner pedestrian ramps, crosswalks, and other infrastructure.

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 are made on a regular basis. \$40,000 of funds are identified each year, however actual spending varies from year to year. Any funds not spent remain available for future use.

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. \$40,000 of funds are identified each year, however actual spending varies from year to year. Any funds not spent remain available for future use.

Multi-Year Nicollet Avenue Reconstruction - \$5,740,000

Nicollet Ave Reconstruction from 66th St to 77th St led by Hennepin County. Underground utilities will be replaced or lined as necessary. The County's consultant led a robust public engagement process following Richfield's public engagement process to guide the roadway design in 2023 and 2024. Staff are pursuing state bond funding to offset the local costs currently identified for bonding. This is identified as a 2-year construction project (2026-27). Early project expenses are paid from existing City resources and will be reimbursed following the sale of G.O. bonds closer to project construction.

Multi-Year Pavement Management Program - \$755,000

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 Traffic Signal Replacement - \$900,000

The existing City-owned traffic signals along the 76th St/77th St corridor will be reaching the ends of their expected life cycles between 2025 and 2035. The signals will need to be replaced with new signal systems or alternative traffic control measures. The estimated total cost of signal replacements is \$2.67M, with the first signal components being replaced no earlier than 2027 due to the ongoing 494 project.

69th Street Reconstruction - \$413,000

The project includes reconstruction of 69th Street between Penn Avenue and Xerxes Avenue, including narrowing of the roadway to add sidewalk to one side, reconstruction of retaining walls, lining or replacement of sanitary sewer, and replacement of storm sewer. The final roadway section will be determined following the City's public engagement process.

Penn Avenue Reconstruction – \$300,000

This project consists of the reconstruction of Penn Avenue from Hwy 62 to 75th Street led by Hennepin County. 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/rehabilitation.

76th and Knox Improvements - \$350,000

This project consists of the conversion of the existing signalized intersection at W 76th St (MSAS 361) and Knox Ave S in the City of Richfield to a roundabout, including improvements to active transportation facilities that use the intersection. Ultimate design of the intersection will be determined through the City's public engagement process. Permanent right-of-way acquisition and temporary construction easements will be required. Project was selected for Regional Solicitation in the 2024 cycle, with a FY 2029 construction date. The Regional Solicitation grant covers 80% of the estimated construction costs and City is responsible for funding the remaining construction costs and all design and right-of-way costs.

Public Facilities

SCADA Cybersecurity Upgrade - \$50,000

The Supervisory Control and Data Acquisition (SCADA) system cybersecurity upgrade will modernize all hardware within the SCADA network that controls the water treatment plant and other utility systems in Richfield. Much of the existing equipment is outdated (some components are nearly 20 years old), which increases the risk of failure and makes the system more vulnerable to cybersecurity threats. Upgrading to new hardware will significantly improve system reliability and performance, enabling faster response times to operational changes. In addition, the new equipment will incorporate enhanced security features designed to better protect critical infrastructure from unauthorized access and cyberattacks.

Water Plant Elevator Replacement - \$50,000

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 has become difficult to service or repair when the need arises. The elevator is used daily to transport equipment, chemicals, visitors, and staff from lower to upper levels of the plant. It also satisfies ADA requirements for the building. This project includes a full replacement of the elevator and controls with modern technology.

Water Plant Generator - \$2,400,000

The generator at the water treatment plant has reached the point where maintenance and problem solving are too frequent. In addition, the integrated fuel tank and housing are badly corroded. Repairing the current unit is not advantageous due to the age, the cost to implement the needed repairs, and the minimal return on such an investment. There has also been a shift in the industry and technology for more efficient ways of providing a generator backup system for a building of this type and power demand. This project will fund the design, supply of the generator, placement and commissioning, and oversight of these activities. A study was commissioned in 2024 to ascertain the design needs and future costs.

Sanitary Lift Station 6 Rehabilitation - \$300,000

Rehabilitation of lift station 6, to include updated safety equipment, updated electrical and control equipment, and updated mechanical equipment to include pumps and valves. Project also will improve concrete slab around wet well to solve drainage issues.

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 pipes. 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 Vitrified Clay Pipe (VCP). As these VCP pipes age, tree root intrusion and cracking become more common. In order to preserve an appropriate level of service to our users and protect the mill and overlay investment, portions of the wastewater collection system undergo cured-in-place pipe (CIPP) lining. Lining consists of placement of a liner in the existing clay pipe, which is adhered to the pipe wall and cured through the use of steam, hot water, or ultraviolet light. Once it cools, the liner hardens to a consistency of schedule 40 PVC, effectively restoring structural integrity. This rehabilitation technique is widely used in the industry and is done at a fraction of the cost of open cutting a street to replace the line. It is anticipated that this program will be ongoing until the entire wastewater collection system is rehabilitated, based upon funding availability.

Restroom Renovations – WTP Second Floor - \$200,000

The restrooms at the water plant date back to the 1960s and remain largely unchanged. The second-level restrooms, in particular, are in urgent need of renovation to address outdated conditions and to meet current ADA accessibility standards. This project will renovate existing water plant restrooms for ADA compliance and modernization.

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 Personnel Safety Systems Improvements - \$125,000

The results of the Water Treatment Plant Condition Assessment conducted in 2022 revealed certain health and safety issues. One of the issues identified was a deficiency with the design and setup of the eye wash and shower stations. Although the water plant has the proper stations for our building type, it was discovered that the set up itself is not OSHA compliant. Public works staff retained a consultant to formulate a design that mitigates these issues of non-compliance. This project will include the construction of a recirculation system that satisfies both State and OSHA standards.

Water System Interconnect - \$4,900,000

The water treatment plant was built in 1963 and to date has been a standalone system. If it were to have a catastrophic failure and unable to produce water, the city is not equipped with a long-term emergency backup water source. Connecting to another city's water system would create the needed level of service redundancy. As part of the DNR's water supply plan, they encourage all cities to have an emergency backup water source.

Well #3 Water Service - \$50,000

A $\frac{3}{4}$ inch water service extends out to the Well #3 building at the water plant. The water service was constructed in a manner that exposes a length of copper to the outside elements as it traverses from within the plant to the well house. This length of pipe has burst on several occasions due to the cold weather rendering the well useless. This project will include the design, construction, and oversight of construction of a water service extension that is frost protected.

Wilson Pond Flood Mitigation - \$100,000

The Wilson Pond subwatershed is located in the southeast quadrant of the City. This subwatershed is subject to flooding during heavy rain events. The low-lying nature of the subwatershed makes it challenging to manage stormwater within the regional pond (Wilson Pond) system. Public Works staff have updated the stormwater model to reflect current flood risk conditions based on available data. The results of the model will be used to explore engineering alternatives to reduce the flood risk to the immediate neighborhoods. A design will be selected from the alternatives analysis that yields the most benefit.

Buildings, Fleet and Technology

Richfield Liquor Cedar Point - \$260,560

Excavate & replace perimeter waterproofing below garage to eliminate water intrusion (199,699.50), Replace damaged concrete sidewalks and curbs (56,785.30), add blower fans to prevent moisture accumulation on cooler doors (4,075.50).

Multi-Year Fleet Purchases - \$1,785,000

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.

Public Works Facility Building Improvements - \$460,000

A number of building maintenance items that need to be addressed were found in a recent Facility Study. The building items vary from HVAC component replacement to repairing water intrusion into the building. This is an ongoing project and maintenance items have been prioritized by City Staff.

Public Works Facility Office Area Upgrades - \$290,000

The Public Works Department is running out of office space and room for additional staff. Currently there is not an identified work area for a GIS Analyst that has not been hired and an identified hire date of June 1, 2026. This project includes adding 2 offices and some HVAC components. This project will fulfill an immediate space need but does not eliminate the need for other area upgrades that are needed in the future including new carpet, new office cube equipment, and HVAC repairs.

Computer Workstation Replacement - \$70,000

Annual replacement of City desktop and laptop computer workstations based on the established four-year lifecycle replacement schedule to maintain reliable, secure, and supported technology for City operations. This project also includes funding for additional computer workstations needed to support departmental growth, operational needs, and changing staffing requirements across the organization.

Fire Station 1 Vehicle Exhaust Removal System - \$85,000

Fire Station 1 was built with a commercial exhaust detection system that uses the apparatus bays normal HVAC system to evacuate. The industry standard for fire station apparatus bays is to have a dedicated ventilation system that activates when trucks are started to capture all exhaust fumes and diesel particulate. Fire Station 2 was upgraded with a dedicated exhaust system in 2026 with funding from a federal FEMA Assistance to Firefighter Grant (AFG). An AFG will be applied for in 2027 to fund the placement of the same dedicated exhaust system in Fire Station 1. This type of grant requires a 10% match that the city is expected to fund and will be accounted for in the 2027 proposed budget.

Fire Station 2 Repairs - \$306,406

Fire Station 2 was originally built in 1964 and remodeled in 2013. The city just completed a facilities study that looked at multiple city buildings, one being Fire Station 2. This study identified many structural, safety, cosmetic and programmatic changes required to protect the structural asset as well as the employees working and living within it. The study assigned priorities and costs to each identified need, and this list was reviewed and refined by Interim Fire Chief Coppa. The estimated repair and replacement costs needed to satisfy the items identified in the facilities study total \$2.454M (2027 costs) over six years. While this addresses the currently identified needs, it fails to address the lack of essential modern safety features and needed programmatic spaces that will need to be addressed in the near future. The current station would need to be replaced with a building costing approximately \$7,150,000 in 2027 dollars with a projected cost increase of 5-6% per year after. A policy discussion needs to determine where the financial priorities lie and whether it makes more sense to pay for repairs and maintenance to the existing building or consider a new building.

Richfield Liquor Downtown - \$399,535

Excavate & replace perimeter waterproofing below grade to eliminate water infiltration (321,964.50), Replace damaged sidewalk (31,788.90), replace damaged caulk joint around entire building perimeter (6,384.95), replace water heater, near end of life (5,434.00), replace corroded stainless-steel flue for boilers (33,962.50).

Network Infrastructure Replacement - \$77,326

This project provides for the phased replacement of network switches that have reached or are approaching Cisco end of support status over a three-year cycle. Much of the City's network infrastructure replacement schedule had previously been deferred, resulting in aging equipment with increased risk of failure and cybersecurity concerns. Cisco end of support means the manufacturer no longer provides security updates, software patches, or technical support for the equipment. Switches will be replaced in priority order based on their end of support dates to maintain reliable and secure network infrastructure for City operations and services.

2026 Capital Improvement Budget

	2026 Budget		2026 Revised		
RECREATION & OPEN SPACE					
Community Center Building	\$	-	B	\$ 3,273	B
Community Center Building		-	BST	14,727	BST
Community Center Building Repair		20,000	SR	20,000	SR
Ice Arena Improvements		-	O	207,941	O
Multi-Year Parks Major Maintenance		275,000	SR	275,000	SR
Outdoor Pool Improvements		-	O	18,000	O
Parks Master Plan		180,000	SR	90,000	SR
Veterans Park Improvements		5,000,000	BST	5,339,645	BST
Veterans Park Improvements		-	SR	90,000	SR
Veterans Park Improvements		-	S	250,000	S
Wood Lake Nature Center Building		1,000,000	BST	2,175,481	BST
Wood Lake Nature Center Building		-	S	12,000,000	S
Wood Lake Trail Updates		50,000	O	-	O
Wood Lake Trail Updates		200,000	S	-	S
TOTAL REC. & OPEN SPACE	\$	6,725,000		\$ 20,484,067	
RIGHT OF WAY IMPROVEMENT					
64th Street Sidewalk	\$	165,000	M	\$ 376,000	M
64th Street Sidewalk		-	S	854,000	S
69th Street Reconstruction		-	BU	277,000	BU
73rd Street Sidewalk Gap (Diagonal)		200,000	M	435,000	M
73rd Street Sidewalk Gap (Diagonal)		-	S	901,200	S
76th & Knox Improvements		-	F	50,000	F
77th Street Pavement Maintenance		-	M	100,000	M
Multi-Year ADA Improvements		200,000	FF	200,000	FF
Multi-Year Bicycle Improvements		40,000	FF	40,000	FF
Multi-Year Pavement Management Plan		737,000	FF	345,000	FF
Multi-Year Pedestrian Improvements		40,000	FF	40,000	FF
Multi-Year Street Name Sign Replacement		50,000	FF	-	FF
Multi-Year Traffic Signal Replacements		-	M	120,000	M
Nicollet Ave Reconstruction (project to be built in 2026-27)		4,000,000	B	1,325,000	B
Nicollet Ave Reconstruction (project to be built in 2026-27)		3,500,000	BU	795,000	BU
Penn Avenue Reconstruction		300,000	M	300,000	M
Sheridan Hills SRTS Sidewalk		150,000	M	147,000	M
Sheridan Hills SRTS Sidewalk		544,500	S	401,000	S
TOTAL RIGHT-OF-WAY IMPROVEMENT	\$	9,926,500		\$ 6,706,200	
UTILITIES					
Multi-Year Rehabilitation of Stormwater Collection System Mains	\$	200,000	U	\$ 200,000	U
Multi-Year Sanitary Sewer Main Lining		900,000	U	900,000	U
SCADA Cybersecurity Upgrade		-	U	50,000	U
Water Plant Chlorine Storage Area Improvements		100,000	U	125,000	U
Water Plant Elevator Replacement		175,000	U	150,000	U
Water Plant Generator		-	BU	100,000	BU
Water Plant Program Space Renovation		100,000	U	-	U
Water Plant Sludge Pump Replacement		50,000	U	50,000	U
Water System Interconnect		-	U	100,000	BU
TOTAL UTILITIES	\$	1,525,000		\$ 1,675,000	
BUILDINGS, FLEET AND TECHNOLOGY					
Carpet Replacement - Fire	\$	-	BSR	\$ 50,000	BSR
Carpet Replacement - Police		120,000	BSR	70,000	BSR
Fiber Infrastructure Projects - Information Technologies		45,000	O	45,000	O
Fire SCBA Purchase		450,000	O	-	O
Laptop Purchases - Information Technologies		34,260	ISR	34,260	ISR
Liquor Operations (Cedar Point) - Wold Assessment		-	O	7,500	O
Multi-Year Fleet Purchases		1,664,726	FSR	1,664,726	FSR
Network Infrastructure Replacement - Information Technologies		10,650	ISR	10,650	ISR
Public Works Facility Building Improvements		-	FSR	37,700	FSR
Public Works Facility Office Area Upgrades			O	50,000	O
Public Works Storage Facility		325,000	FF	325,000	FF
Public Works Storage Facility		650,000	O	650,000	O
Public Works Storage Facility		500,000	U	500,000	U
TOTAL BUILDINGS, FLEET & TECHNOLOGY	\$	3,799,636		\$ 3,444,836	
TOTAL USES OF FUNDS	\$	21,976,136		\$ 32,310,103	
ESTIMATED REVENUE BY SOURCE					
(B) G.O. Bonds- Property Tax	\$	4,000,000		\$ 1,328,273	
(BSR) Buildings Special Revenue		120,000		120,000	
(BST) Bonds- Sales Tax		6,000,000		7,529,853	
(BU) G.O. Bonds-Utility		3,500,000		1,272,000	
(C) Hennepin County		-		-	
(F) Federal Grant		-		50,000	
(FF) Franchise Fees		1,392,000		950,000	
(FSR) Fleet Special Revenue		1,664,726		1,702,426	
(ISR) Internal Special Revenue		44,910		44,910	
(LTCR) Long Term Capital Reserve		-		-	
(M) Municipal State Aid		815,000		1,478,000	
(O) Other Funding		1,195,000		978,441	
(OR) Other Recreation Funding		-		-	
(S) State		744,500		14,406,200	
(SR) Special Revenue		475,000		475,000	
(TL) Tax Levy		-		-	
(U) User Fees		2,025,000		1,975,000	
(X) Xcel Energy		-		-	
TOTAL FUNDING BY SOURCE	\$	21,976,136		\$ 32,310,103	

2027 Capital Improvement Budget

PROJECT EXPENDITURE		
RECREATION & OPEN SPACE		
Adams Hill Park Play Equipment Replacement	\$ 150,000	SR
Community Center Building	27,273	B
Community Center Building	122,727	BST
Community Center Building Repair	20,000	SR
Ice Arena Improvements	30,000	O
Multi-Year Parks Major Maintenance	55,000	SR
Outdoor Pool Improvements	100,000	O
Parks Building Improvements	220,000	C
Parks Master Plan	90,000	SR
Veterans Park Improvements	2,010,768	BST
Veterans Park Improvements	160,000	SR
Veterans Park Improvements	250,000	S
TOTAL REC. & OPEN SPACE	\$ 3,235,768	
RIGHT OF WAY IMPROVEMENT		
69th Street Reconstruction	\$ 413,000	BU
76th & Knox Improvements	350,000	F
77th Street Pavement Maintenance	1,100,000	M
78th Street Lighting	200,000	FF
Multi-Year ADA Improvements	200,000	FF
Multi-Year Bicycle Improvements	40,000	FF
Multi-Year Pavement Management Plan	755,000	FF
Multi-Year Pedestrian Improvements	40,000	FF
Multi-Year Traffic Signal Replacements	900,000	M
Nicollet Ave Reconstruction (project to be built in 2026-27)	3,535,000	B
Nicollet Ave Reconstruction (project to be built in 2026-27)	205,000	BU
Nicollet Ave Reconstruction (project to be built in 2026-27)	2,000,000	S
Penn Avenue Reconstruction	300,000	M
TOTAL RIGHT-OF-WAY IMPROVEMENT	\$ 10,038,000	
UTILITIES		
Lift Station 6 Rehabilitation	\$ 300,000	U
Multi-Year Rehabilitation of Stormwater Collection System Mains	200,000	U
Multi-Year Sanitary Sewer Main Lining	900,000	U
Restroom Renovations-WTP Second Floor	200,000	U
SCADA Cybersecurity Upgrade	50,000	U
Water Plant Chlorine Storage Area Improvements	100,000	U
Water Plant Elevator Replacement	50,000	U
Water Plant Generator	2,400,000	BU
Water Plant Personnel Safety Systems Improvements	125,000	U
Water System Interconnect	3,809,000	BU
Water System Interconnect	1,091,000	F
Well #3 Water Service	50,000	U
Wilson Pond Flood Mitigation	100,000	U
TOTAL UTILITIES	\$ 9,375,000	
BUILDINGS, FLEET AND TECHNOLOGY		
Computer Workstation Replacement	\$ 70,000	ISR
Fire Station 1 Vehicle Exhaust Removal System	76,500	F
Fire Station 1 Vehicle Exhaust Removal System	8,500	O
Fire Station 2 Repairs	306,406	B
Liquor Operations (Cedar Point) - Wold Assessment	260,560	O
Liquor Operations (Downtown) - Wold Assessment	399,535	O
Multi-Year Fleet Purchases	1,785,000	FSR
Network Infrastructure Replacement - Information Technologies	77,326	ISR
Public Works Facility Building Improvements	460,000	B
Public Works Facility Office Area Upgrades	290,000	BSR
TOTAL BUILDINGS, FLEET & TECHNOLOGY	\$ 3,733,827	
TOTAL USES OF FUNDS	\$ 26,382,595	
ESTIMATED REVENUE BY SOURCE		
(B) G.O. Bonds- Property Tax	\$ 4,328,679	
(BSR) Buildings Special Revenue	290,000	
(BST) Bonds- Sales Tax	2,133,495	
(BU) G.O. Bonds-Utility	6,827,000	
(C) Hennepin County	220,000	
(F) Federal Grant	1,517,500	
(FF) Franchise Fees	1,235,000	
(FSR) Fleet Special Revenue	1,785,000	
(ISR) Internal Special Revenue	147,326	
(M) Municipal State Aid	2,300,000	
(O) Other Funding	798,595	
(OR) Other Recreation Funding	-	
(S) State	2,250,000	
(SR) Special Revenue	475,000	
(TL) Tax Levy	-	
(U) User Fees	2,075,000	
(X) Xcel Energy	-	
TOTAL FUNDING BY SOURCE	\$ 26,382,595	

2026 ADOPTED CAPITAL IMPROVEMENT BUDGET, 2026 REVISED CAPITAL IMPROVEMENT BUDGET, 2027 CAPITAL IMPROVEMENT BUDGET & 2028 - 2031 CAPITAL IMPROVEMENT PLAN - CITY OF RICHFIELD, MINNESOTA

	Spent to Date Through 2025	CIB Adopted 2026	CIB Revised 2026	CIB 2027	CIP 2028	CIP 2029	CIP 2030	CIP 2031	TOTAL* CIP Cost	CIP Beyond 2031	Total** Project Costs
RECREATION OPEN SPACE DEVELOPMENT											
26-Community Center Building Repair		20,000 SR	20,000 SR	20,000 SR					-		40,000
26-Community Center Building - Replacement			3,273 B	27,273 B	754,545 B	1,090,909 B	8,124,000 B		9,969,455		10,000,000
26-Community Center Building - Replacement			14,727 BST	122,727 BST	3,395,455 BST	4,909,091 BST	36,558,000 BST		44,862,545		45,000,000
26-Ice Arena Improvements						1,200,000 B			1,200,000		1,200,000
26-Ice Arena Improvements			207,941 O	30,000 O	30,000 O	272,000 O	30,000 O	30,000 O	362,000	1,000,000 O	1,599,941
26-Multi-Year Parks Major Maintenance		275,000 SR	275,000 SR	55,000 SR	105,000 SR	355,000 SR	355,000 SR	355,000 SR	1,170,000	355,000 SR	1,855,000
26-Outdoor Pool Improvements			18,000 O	100,000 O				21,270 O	21,270	158,420 O	297,690
26-Parks Master Plan		180,000 SR	90,000 SR	90,000 SR					-		180,000
26-Veterans Park Improvements	1,649,587 BST	5,000,000 BST	5,339,645 BST	2,010,768 BST					-		9,000,000
26-Veterans Park Improvements			90,000 SR	160,000 SR	250,000 SR				250,000		500,000
26-Wood Lake Nature Center Building	8,824,519 BST	1,000,000 BST	2,175,481 BST						-		11,000,000
26-Wood Lake Nature Center Building	225,000 SR								-		225,000
26-Wood Lake Nature Center Building		- S	12,000,000 S						-		12,000,000
26-Wood Lake Nature Center Building	3,000,000 F								-		3,000,000
26-Wood Lake Trail Updates		50,000 O							-		-
26-Wood Lake Trail Updates		200,000 S							-		-
27-Adams Hill Park Play Equipment Replacement				150,000 SR					-		150,000
27-Parks Building Improvements				220,000 C					-		220,000
28-Playground Replacement					120,000 SR	120,000 SR	120,000 SR	120,000 SR	480,000	120,000 SR	600,000
TOTAL RECREATION & OPEN SPACE	13,699,106	6,725,000	20,484,067	3,235,768	4,655,000	7,947,000	45,187,000	526,270	58,315,270	1,633,420	97,367,631
(B) G.O. Bonds- Property Tax	-	-	3,273	27,273	754,545	2,290,909	8,124,000	-	11,169,455	-	11,200,000
(BST) Bonds-Sales Tax	10,474,106	6,000,000	7,529,853	2,133,495	3,395,455	4,909,091	36,558,000	-	44,862,545	-	65,000,000
(C) Hennepin County	-	-	-	220,000	-	-	-	-	-	-	220,000
(F) Federal Grant	3,000,000	-	-	-	-	-	-	-	-	-	3,000,000
(O) Other Funding	-	50,000	225,941	130,000	30,000	272,000	30,000	51,270	383,270	1,158,420	1,897,631
(S) State	-	200,000	12,250,000	250,000	-	-	-	-	-	-	12,500,000
(SR) Special Revenue	225,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	3,550,000	475,000	3,550,000
TOTAL FUNDING BY SOURCE	13,699,106	6,725,000	20,484,067	3,235,768	4,655,000	7,947,000	45,187,000	526,270	58,315,270	1,633,420	97,367,631
PROJECTS											
RIGHT OF WAY IMPROVEMENTS	Spent to Date Through 2025	CIB Adopted 2026	CIB Revised 2026	2027	2028	2029	2030	2031	TOTAL* CIP cost	Beyond 2031	TOTAL** Project costs
26-64th Street Sidewalk	80,000 M	165,000 M	376,000 M						-		456,000
26-64th Street Sidewalk		- S	854,000 S						-		854,000
26-73rd Street Sidewalk Gap (Diagonal)	65,000 M	200,000 M	435,000 M						-		500,000
26-73rd Street Sidewalk Gap (Diagonal)			901,200 S						-		901,200
26-Multi-Year Street Name Sign Replacement		50,000 FF	- FF						-		-
26-Sheridan Hills SRTS Sidewalk	32,000 M	150,000 M	147,000 M						-		179,000
26-Sheridan Hills SRTS Sidewalk		544,500 S	401,000 S						-		401,000
27-77th Street Pavement Maintenance			100,000 M	1,100,000 M					-		1,200,000
27-78th Street Lighting				200,000 FF	100,000 FF	200,000 FF			300,000		500,000
27-Multi-Year ADA Improvements	100,000 FF	200,000 FF	200,000 FF	200,000 FF	200,000 FF	200,000 FF	200,000 FF		600,000		1,100,000
27-Multi-Year Bicycle Improvements	- FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	160,000	40,000 FF	280,000
27-Multi-Year Pedestrian Improvements	- FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	40,000 FF	160,000	40,000 FF	280,000
27-Nicollet Ave Reconstruction	140,000 B	4,000,000 B	1,325,000 B	3,535,000 B					-		5,000,000
27-Nicollet Ave Reconstruction		3,500,000 BU	795,000 BU	205,000 BU					-		1,000,000
27-Nicollet Ave Reconstruction				2,000,000 S					-		2,000,000
27-Pavement Management Program	- FF	737,000 FF	345,000 FF	755,000 FF	795,000 FF	720,000 FF	845,000 FF	770,000 FF	3,130,000	800,000 FF	5,030,000
27-Traffic Signal Replacements			120,000 M	900,000 M	805,000 M	840,000 M			1,645,000		2,665,000
28-69th Street Reconstruction					3,240,000 B				3,240,000		3,240,000
28-69th Street Reconstruction			277,000 BU	413,000 BU	3,760,000 BU				3,760,000		4,450,000
28-76th Street & USW Intersections					150,000 M				150,000		150,000
28-76th Street & USW Intersections					600,000 S				600,000		600,000
28- Penn Avenue Reconstruction					3,500,000 B	3,500,000 B			7,000,000		7,000,000
28- Penn Avenue Reconstruction					2,500,000 BU				5,000,000		5,000,000
28- Penn Avenue Reconstruction	200,000 M	300,000 M	300,000 M	300,000 M					-		800,000
29-76th & Knox Improvements						1,662,960 B			1,662,960		1,662,960
29-76th & Knox Improvements			50,000 F	350,000 F	150,000 F	2,137,040 F			2,287,040		2,687,040
30-68th Street Sidewalk (Lyndale to Portland)						175,000 S	1,625,000 S		1,800,000		1,800,000
30-73rd Street Pedestrian Bridge							2,500,000 B		2,500,000		2,500,000
30-73rd Street Pedestrian Bridge							5,000,000 S		5,000,000		5,000,000
30-73rd Street Trail (35W to Lyndale)						113,500 S	1,000,000 S		1,113,500		1,113,500
30-76th Street West Reconstruction							4,100,000 B		4,100,000		4,100,000
30-76th Street West Reconstruction							600,000 BU		600,000		600,000
30-76th Street West Reconstruction						700,000 X	300,000 X		1,000,000		1,000,000
31-63rd Street Greenway									-	2,600,000 F	2,600,000
31-63rd Street Greenway									-	1,100,000 M	1,100,000
31-70th Street Reconstruction									-	3,150,000 BU	3,150,000
31-70th Street Reconstruction									-	1,300,000 M	1,300,000
31-76th/77th Street Intersection Control									-	3,600,000 B	3,600,000
31-77th Street Reconstruction Lyndale to Portland									-	25,000,000 B	25,000,000
31-77th Street Reconstruction Penn to Lyndale									-	25,000,000 B	25,000,000
31-77th St Reconstruction Portland to Richfield Pkwy									-	9,500,000 B	9,500,000
31-77th St Reconstruction Portland to Richfield Pkwy									-	1,000,000 BU	1,000,000
31-Bloomington Ave and Diagonal Blvd									-	1,800,000 M	1,800,000
31-Bloomington Ave and Richfield Parkway									-	1,800,000 M	1,800,000
31-Humboldt Ave/Lake Shore Dr Reconstruction									-	7,000,000 B	7,000,000
31-Humboldt Ave/Lake Shore Dr Reconstruction									-	4,000,000 BU	4,000,000
31-North Lyndale Reconstruction									-	4,900,000 M	4,900,000
31-TH62 Noise Barrier East									-	550,000 M	550,000
31-TH62 Noise Barrier East									-	550,000 O	550,000
31-TH62 Noise Barrier East									-	9,900,000 S	9,900,000
TOTAL RIGHT OF WAY IMPROVEMENTS	617,000	9,926,500	6,706,200	10,038,000	15,880,000	12,828,500	16,250,000	850,000	45,808,500	103,630,000	166,799,700
(B) G.O. Bonds- Property Tax	140,000	4,000,000	1,325,000	3,535,000	6,740,000	5,162,960	6,600,000	-	18,502,960	70,100,000	93,602,960
(BU) Govt Bond Utility	-	3,500,000	1,072,000	618,000	6,260,000	2,500,000	600,000	-	9,360,000	8,150,000	19,200,000
(F) Federal Grant	-	-	50,000	350,000	150,000	2,137,040	-	-	2,287,040	2,600,000	5,287,040
(FF) Franchise Fee	100,000	1,087,000	625,000	1,235,000	1,175,000	1,200,000	1,125,000	890,000	4,350,000	880,000	7,195,000
(S) State	-	544,500	2,156,250	2,000,000	500,000	285,500	7,625,000	-	8,513,500	9,900,000	22,698,750
(M) Municipal State Aid	377,000	815,000	1,475,000	2,300,000	955,000	840,000	-	-	1,795,000	11,450,000	17,400,000
(X) Xcel Energy	-	-	-	-	-	700,000	300,000	-	1,000,000	-	1,000,000
TOTAL FUNDING BY SOURCE	617,000	9,926,500	6,706,200	10,038,000	15,880,000	12,828,500	16,250,000	850,000	45,808,500	103,630,000	166,799,700

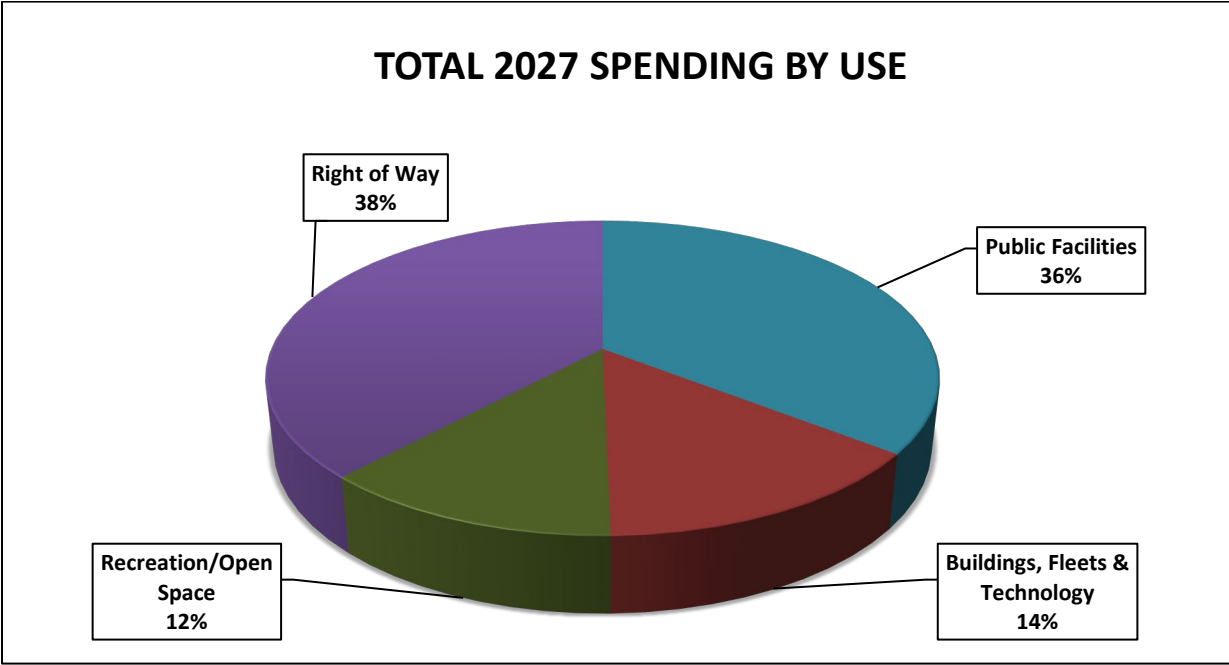
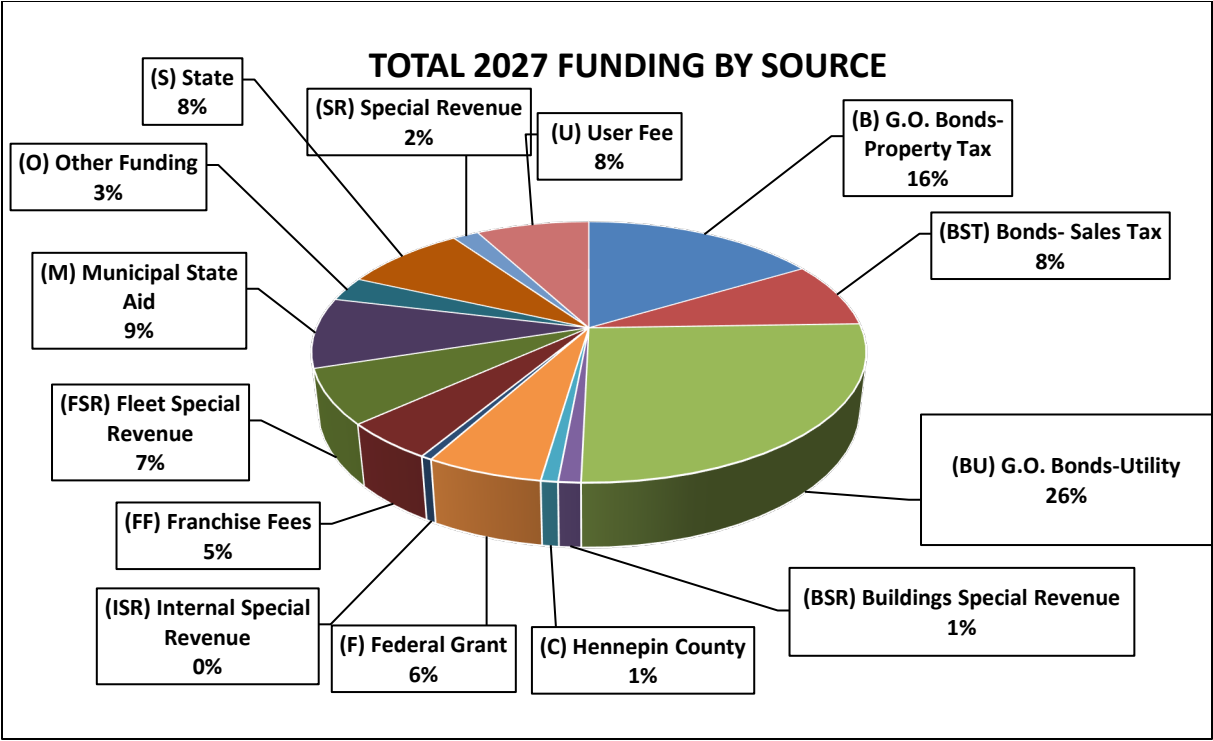
2026 ADOPTED CAPITAL IMPROVEMENT BUDGET, 2026 REVISED CAPITAL IMPROVEMENT BUDGET, 2027 CAPITAL IMPROVEMENT BUDGET & 2028 - 2031 CAPITAL IMPROVEMENT PLAN - CITY OF RICHFIELD, MINNESOTA

PROJECTS UTILITIES	Spent to Date Through 2025	CIB Adopted 2026	CIB Revised 2026	2027	2028	2029	2030	2031	TOTAL* CIP cost	Beyond 2031	TOTAL** Project costs
26-SCADA Cybersecurity Upgrade		-	50,000 U	50,000 U	50,000 U	50,000 U			100,000		200,000
26-Water Plant Elevator Replacement		175,000 U	50,000 U	50,000 U					-		200,000
26-Water Plant Generator			BU	100,000 BU	2,400,000 BU				-		2,500,000
26-Water Plant Program Space Renovation		100,000 U	-	U					-		-
26-Water Plant Sludge Pump Replacement		50,000 U	50,000 U						-		50,000
27-Lift Station 6 Rehabilitation				300,000 U					-		300,000
27-Multi-Year Rehab of Stormwater Collect. Mains		200,000 U	200,000 U	200,000 U	200,000 U	200,000 U	200,000 U	200,000 U	800,000	200,000 U	1,400,000
27-Multi-Year Sanitary Sewer Main Lining		900,000 U	900,000 U	900,000 U	900,000 U		900,000 U	900,000 U	2,700,000	900,000 U	5,400,000
27-Restroom Renovations - WTP Second Floor				200,000 U					-		200,000
27-Water Plant Chlorine Storage Area Improvements		100,000 U	125,000 U	100,000 U					-		225,000
27-Water Plant Personnel Safety Systems Impr.				125,000 U					-		125,000
27-Water System Interconnect			100,000 BU	3,809,000 BU					-		3,909,000
27-Water System Interconnect				1,091,000 F					-		1,091,000
27-Well #3 Water Service				50,000 U					-		50,000
27-Wilson Pond Flood Mitigation				100,000 U	400,000 U				400,000		500,000
28-HUB Redevelopment Participation					160,000 FF				160,000		160,000
28-HUB Redevelopment Participation					700,000 O				700,000		700,000
28-HUB Redevelopment Participation					700,000 U				700,000		700,000
28-Water Plant Filter Bay Media Replace & Rehab					500,000 U				500,000		500,000
29-Sanitary Lift Station 4						350,000 U			350,000		350,000
30-Multi-Year Watermain Rehab							3,000,000 U	3,000,000 U	6,000,000	3,000,000 U	9,000,000
31-Sanitary Lift Station 1								350,000 U	350,000		350,000
>31-Logan Tower Coasting									-	2,000,000 BU	2,000,000
>31-Penn Tower Coasting									-	2,000,000 BU	2,000,000
>31-Restroom Renovations									-	185,000 U	185,000
>31-Sanitary Lift Station 2									-	350,000 U	350,000
>31-Sanitary Lift Station 3									-	350,000 U	350,000
>31-Water Plant Handrail and Guardrail Replacement									-	100,000 U	100,000
>31-Water Plant Painting									-	40,000 U	40,000
>31-Water Plant Pipe Gallery Coatings									-	500,000 U	500,000
>31-Well 2 Generator									-	1,000,000 U	1,000,000
31-Well 5 Generator									-	1,000,000 U	1,000,000
TOTAL UTILITIES	-	1,525,000	1,675,000	9,375,000	3,610,000	600,000	4,100,000	4,450,000	12,760,000	11,625,000	35,435,000
(BU) Govt Bond Utility	-	-	200,000	6,209,000	-	-	-	-	-	4,000,000	10,409,000
(F) Federal Grant	-	-	-	1,091,000	-	-	-	-	-	-	1,091,000
(FF) Franchise Fee	-	-	-	-	160,000	-	-	-	160,000	-	160,000
(O) Other Funding	-	-	-	-	700,000	-	-	-	700,000	-	700,000
(U) User Fee	-	1,525,000	1,475,000	2,075,000		600,000	4,100,000	4,450,000	11,900,000	7,625,000	23,975,000
TOTAL FUNDING BY SOURCE	-	1,525,000	1,675,000	9,375,000	3,610,000	600,000	4,100,000	4,450,000	12,760,000	11,625,000	35,435,000
PROJECTS BUILDINGS, FLEET AND TECHNOLOGY	Spent to Date Through 2025	CIB Adopted 2026	CIB Revised 2026	2027	2028	2029	2030	2031	TOTAL* CIP cost	Beyond 2031	TOTAL** Project costs
26-Carpet Replacement - Fire			50,000 BSR						-		50,000
26-Carpet Replacement - Police		120,000 BSR	70,000 BSR						-		70,000
26-Fiber Infrastructure Projects - IT		45,000 O	45,000 O						-		45,000
26-Fire SCBA Purchase	308,005 O	450,000 O	- O						-		308,005
26-Laptop Purchases - Information Technologies		34,260 ISR	34,260 ISR						-		34,260
26-Liquor Operations (Cedar Point) Wold Assessment			7,500 O	260,560 O		11,126 O	17,053 O	38,557 O	66,736	439,706 O	774,502
26-Liquor Operations (Shops at Lyndale) Wold Assessment									-		-
26-Multi-Year Fleet Purchases		1,664,726 FSR	1,664,726 FSR	1,785,000 FSR	1,874,250 FSR	1,967,960 FSR	2,125,400 FSR	2,295,400 FSR	8,263,010	2,410,170 FSR	14,122,960
26-Network Infrastructure Replacement - IT		10,650 ISR	10,650 ISR						-		10,650
26-Public Works Facility Building Improvements				460,000 B	235,000 B	235,000 B	350,000 B	415,000 B	1,235,000	695,000 B	2,390,000
26-Public Works Facility Building Improvements			37,700 FSR						-		37,700
26-Public Works Facility Office Area Upgrades				290,000 BSR					-		290,000
26-Public Works Facility Office Area Upgrades			50,000 O						-		50,000
26-Public Works Storage Facility		325,000 FF	325,000 FF						-		325,000
26-Public Works Storage Facility		650,000 O	650,000 O						-		650,000
26-Public Works Storage Facility		500,000 U	500,000 U						-		500,000
27-Computer Workstation Replacement				70,000 ISR	72,450 ISR	74,986 ISR	77,610 ISR	80,327 ISR	305,373	83,138 ISR	458,511
27-Fire Station 1 Vehicle Exhaust Removal System				76,500 F					-		76,500
27-Fire Station 1 Vehicle Exhaust Removal System				8,500 O					-		8,500
27-Fire Station 2 Repairs				306,406 B	599,601 B	352,173 B	324,007 B	379,403 B	1,655,184	386,696 B	2,348,286
27-Liquor Operations (Downtown) Wold Assessment				399,635 O	21,720 O			1,661,509 O	1,683,230	37,349 O	2,120,114
27-Network Infrastructure Replacement - IT				77,326 ISR	50,188 ISR	172,488 ISR	100,000 ISR		422,674	100,000 ISR	600,000
28-Carpet Replacement - City Hall				190,000 BSR					190,000		190,000
29-City Hall Wold Assessment								1,700,000 B	1,700,000	1,850,000 B	3,550,000
29-City Hall Wold Assessment								1,000,000 BSR	2,630,000		2,630,000
29-Liquor Operations (Penn. Central) Wold Assessment						219,857 O		33,859 O	253,716	631,996 O	885,711
29-PW Facility Roof Replacement						2,000,000 B			2,000,000		2,000,000
TOTAL BUILDINGS, FLEET AND TECH	308,005	3,799,636	3,444,836	3,733,827	3,043,207	6,663,590	2,994,070	7,704,055	20,404,923	6,634,054	34,525,645
(B) G.O. Bonds- Property Tax		-	-	766,406	834,601	2,587,173	674,007	2,494,403	6,990,184	2,931,696	10,288,286
(BSR) Buildings Special Revenue	-	120,000	120,000		190,000	1,630,000	-	1,000,000	2,820,000	-	3,230,000
(F) Federal Grant	-	-	-	76,500	-	-	-	-	-	-	76,500
(FF) Franchise Fee	-	325,000	325,000						-		325,000
(FSR) Fleet Special Revenue	-	1,664,726	1,702,426	1,785,000	1,874,250	1,967,960	2,125,400	2,295,400	8,263,010	2,410,170	14,160,606
(ISR) Internal Special Revenue	-	44,910	44,910	147,326	122,636	247,474	177,610	180,327	728,047	183,138	1,103,421
(O) Other Funding	308,005	1,145,000	752,500	668,595	21,720	239,983	17,053	1,733,925	2,903,682	1,109,050	4,841,832
(U) User Fee	-	500,000	500,000	-	-	-	-	-	-	-	500,000
TOTAL FUNDING BY SOURCE	308,005	3,799,636	3,444,836	3,733,827	3,043,207	6,663,590	2,994,070	7,704,055	20,404,923	6,634,054	34,525,645
SUMMARY PROJECTS											
Recreation/Open Space Development	13,699,106	6,725,000	20,484,067	3,235,769	4,655,000	7,947,000	45,187,000	526,270	58,315,270	1,633,420	97,367,631
Right of Way Improvements	617,000	9,926,500	6,706,200	10,636,000	15,890,000	12,828,500	16,250,000	850,000	45,805,500	103,630,000	166,799,700
Utilities	-	1,525,000	1,675,000	9,375,000	3,610,000	600,000	4,100,000	4,450,000	12,760,000	11,625,000	35,435,000
Buildings, Fleet and Technology	308,005	3,799,636	3,444,836	3,733,827	3,043,207	6,663,590	2,994,070	7,704,055	20,404,923	6,634,054	34,525,645
TOTAL CAPITAL PROJECTS	14,624,111	21,976,136	32,310,103	26,382,595	27,188,207	26,039,090	68,531,070	13,530,325	137,288,693	123,522,474	334,127,976
(B) G.O. Bonds- Property Tax	140,000	4,000,000	1,328,273	4,328,679	8,329,146	10,041,042	15,398,007	2,494,403	36,262,599	73,031,696	115,091,246
(BSR) Buildings Special Revenue	-	120,000	120,000	290,000	190,000	1,630,000	-	1,000,000	2,820,000	-	3,230,000
(BST) G.O. Bonds-Sales Tax	10,474,106	6,000,000	7,529,853	2,133,495	3,395,455	4,909,091	36,558,000	-	44,862,545	-	65,000,000
(BU) G.O. Bonds-Utility	-	3,500,000	1,272,000	6,827,000	6,260,000	2,500,000	600,000	-	9,360,000	12,150,000	29,609,000
(C) Hennepin County	-	-	-	220,000	-	-	-	-	-	-	220,000
(F) Federal Grant	3,000,000	-	50,000	1,517,500	150,000	2,137,040	-	-	2,287,040	2,600,000	9,454,540
(FF) Franchise Fees	100,000	1,392,000	950,000	1,335,000	1,200,000	1,125,000	1,125,000	850,000	4,510,000	880,000	7,675,000
(FSR) Fleet Special Revenue	-	1,664,726	1,702,426	1,785,000	1,874,250	1,967,960	2,125,400	2,295,400	8,263,010	2,410,170	14,160,606
(ISR) Internal Special Revenue	-	44,910	44,910	147,326	122,636	247,474	177,610	180,327	728,047	183,138	1,103,421
(M) Municipal State Aid	377,000	815,000	1,478,000	2,300,000	955,000	840,000	-	-	1,795,000	11,450,000	17,400,000
(O) Other Funding	308,005	1,195,000	978,441	788,595	751,720	502,983	47,053	1,785,195	3,086,952	2,817,470	7,889,463
(OR) Other Recreation Funding	-	-	-	-	-	-	-	-	-	-	-
(S) State	-	744,500	14,406,200	2,250,000	600,000	288,500	7,625,000	-	8,513,500	9,900,000	35,069,700
(SR) Special Revenue	225,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	1,900,000	475,000	3,550,000
(U) User Fees	-	2,025,000	1,975,000	2,075,000	2,750,000	600,000	4,100,000	4,450,000	11,900,000	7,625,000	23,575,000
(X) Xcel Energy	-	-	-	-	-	700,000	300,000	-	1,000,000	-	1,000,000
TOTAL FUNDING SOURCES	14,624,111	21,976,136	32,310,103	26,382,595	27,188,207	26,039,090	68,531,070	13,530,325	137,288,693	123,522,474	334,127,976

* Total CIP costs only include project costs between 2028 and 2031.

** Total Project costs include all spent to date through 2025, CIB Revised 2026, CIB 2027, CIP 2028 - 2031, and CIP Beyond 2031 costs.

2027 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 2027 is \$26,382,595.

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 2027 are \$26,382,595.

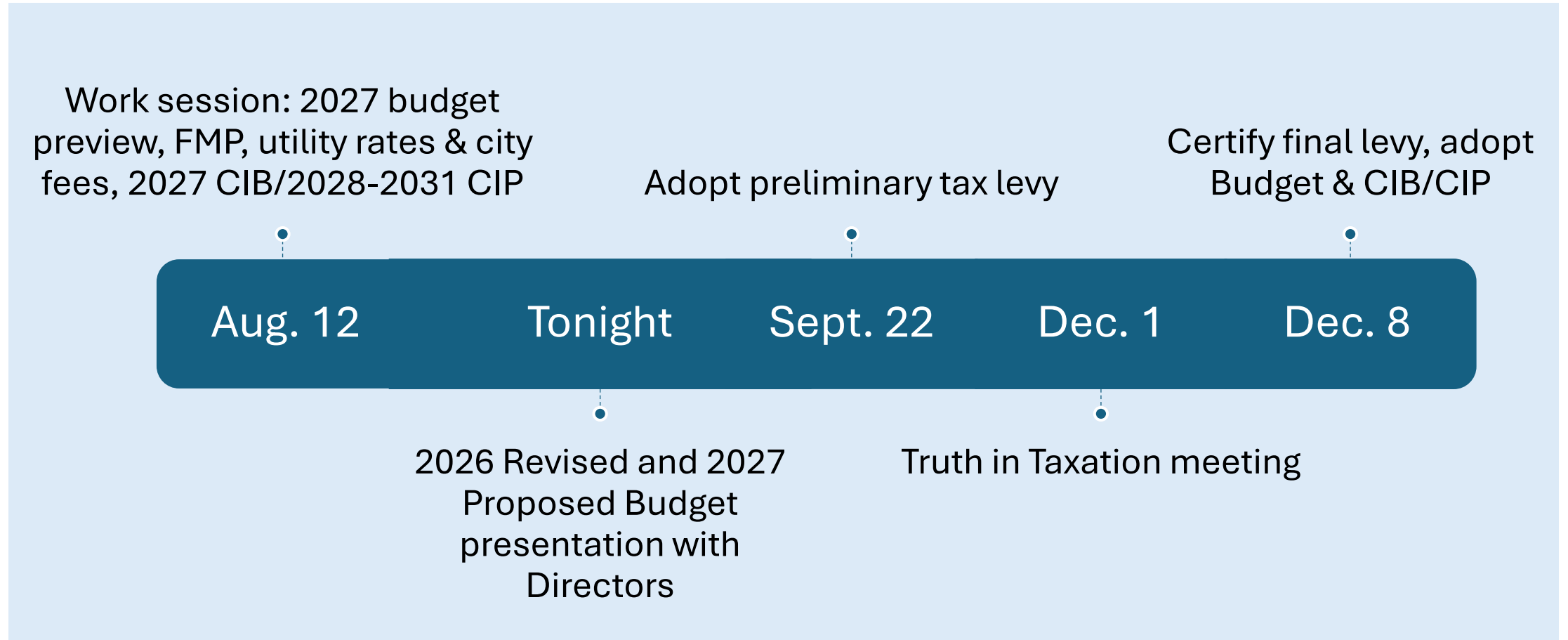
**TOTAL NUMBER OF FULL-TIME EQUIVALENT BUDGETED PERSONNEL
2026-2027**

	2026	2027
<u>General Fund</u>	<u>Revised</u>	<u>Proposed</u>
Legislative/Executive		
City Council	-	-
City Manager	2.50	2.50
	2.50	2.50
Administrative Services		
Administration	1.00	1.00
Human Resources	4.15	4.15
Finance	6.50	6.50
Deputy Registrar	8.05	8.05
City Clerk	1.50	1.50
	21.20	21.20
Public Safety		
Support Services	6.80	6.80
Police Operations	57.80	57.80
	64.60	64.60
Fire	32.00	32.00
	32.00	32.00
Community Development		
Administration	10.20	10.40
Inspections	8.50	8.50
	18.70	18.90
Public Works		
PW Administration	2.00	2.00
Engineering	6.04	6.04
Street Maintenance	14.72	14.72
Park Maintenance	9.90	9.90
	32.66	32.66
Recreation Services		
Recreation Services Administration	2.40	2.40
Recreation Program & Athletics	8.70	8.70
Wood Lake Nature Center	6.40	8.38
	17.50	19.48
Subtotal	189.16	191.34
<u>Special Revenue Fund</u>		
Cable TV Fund	2.15	1.70
Ice Arena	17.90	18.25
Sustainability	1.60	1.60
Subtotal	21.65	21.55
<u>Enterprise Fund</u>		
Liquor	24.24	24.07
Water & Wastewater Utility	18.12	18.12
Storm Sewer Utility	2.13	2.13
Subtotal	44.49	44.32
<u>Internal Service Funds</u>		
Central Garage	4.17	4.17
Information Technologies	5.50	5.50
Government Buildings	3.50	3.50
Subtotal	13.17	13.17
Total	268.47	270.38



2026 Revised/2027 Proposed Budget

Timetable and Key Events



Budget Update

- Labor force participation continues to remain below pre-pandemic levels.
- Cost of living increase at 3% and average step increase at 2.75% for non-union represented positions.
- Cost of living/market increase at 3%-4% and average negotiated contract step increases 3%-5.5%
- Personnel continues to be approximately 71% of the General Fund budget.
- Debt issues planned for late 2026 funded with local sales tax. Debt issues planned for 2027 funded with utilities and property taxes.
- Continued inflationary pressure expected to persist into 2027.



Budget Update, Cont.

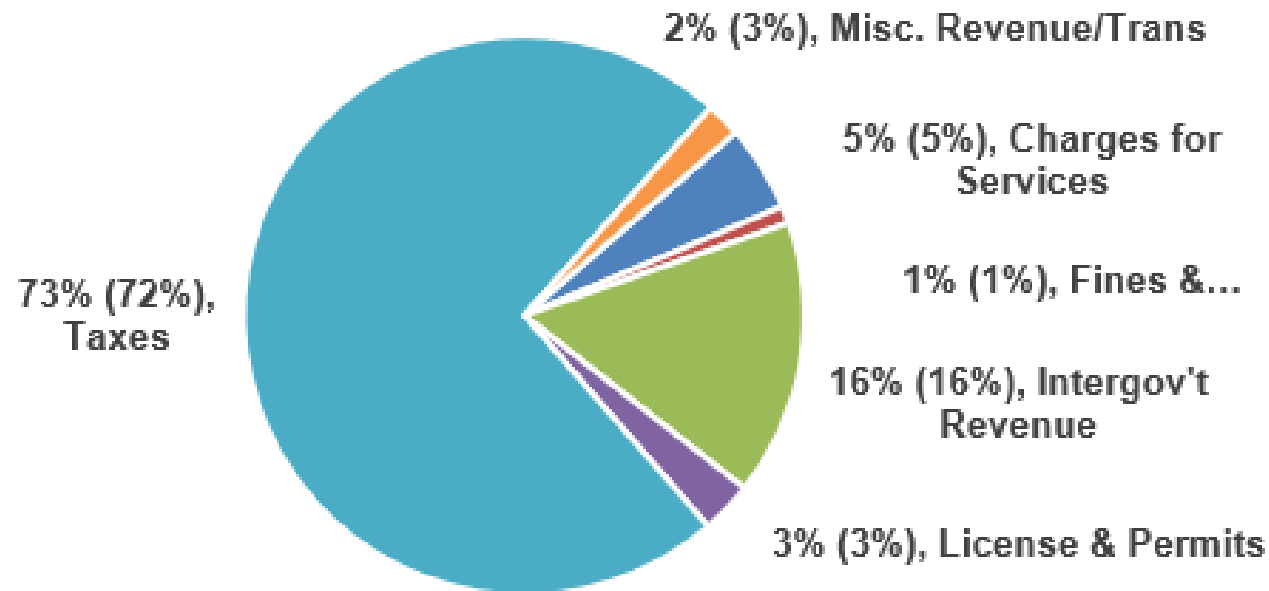
- 2027 Local Government Aid (LGA) increase about 1.59% or a total of \$54,694 over 2026.
- 2026 Fiscal Disparity Aid increase about 1.27% or a total of \$61,191 over 2026.
- Licenses and permits revenue for 2027 is projected to be similar to 2026 revised and less than 2025 actuals.
- Rolling stock/building/tech levy at \$2,245,122. This includes a 3.5% increase over 2026 for IT and Building Services. The Fleet equipment levy is now at \$1,719,774.
- EDA levy at \$667,741 which is a 3.5% increase.
- Proposed levy increase is 4.55%.

General Fund Revenues

	<u>2026A</u>	<u>2026R</u>	<u>2027P</u>
Taxes	25,223,647	25,223,647	26,364,102
Licenses and Permits	1,130,850	1,123,340	1,157,740
Intergovernmental	5,766,368	5,899,230	5,589,988
Charges for services	1,830,300	1,939,370	1,891,465
Fines and forfeitures	220,000	225,000	225,000
Miscellaneous	129,255	113,400	329,400
Transfers	833,695	387,600	335,860
Total Revenues	35,134,115	34,911,587	35,893,555

2027 Proposed Budget – General Fund Revenues

2027 (2026) General Fund Revenues



2027 Proposed Preliminary Levy

- 2027 Proposed Levy is \$33,193,792 which is an increase of 4.55% over the 2026 Levy

General Fund Levy	\$26,364,101
Equipment Levy	\$ 2,245,122
EDA Levy	<u>\$ 667,741</u>
- Base Levy Total	\$29,276,964
Debt Service Levy	<u>\$ 3,916,828</u>
- Total 2027 Levy	\$33,193,792

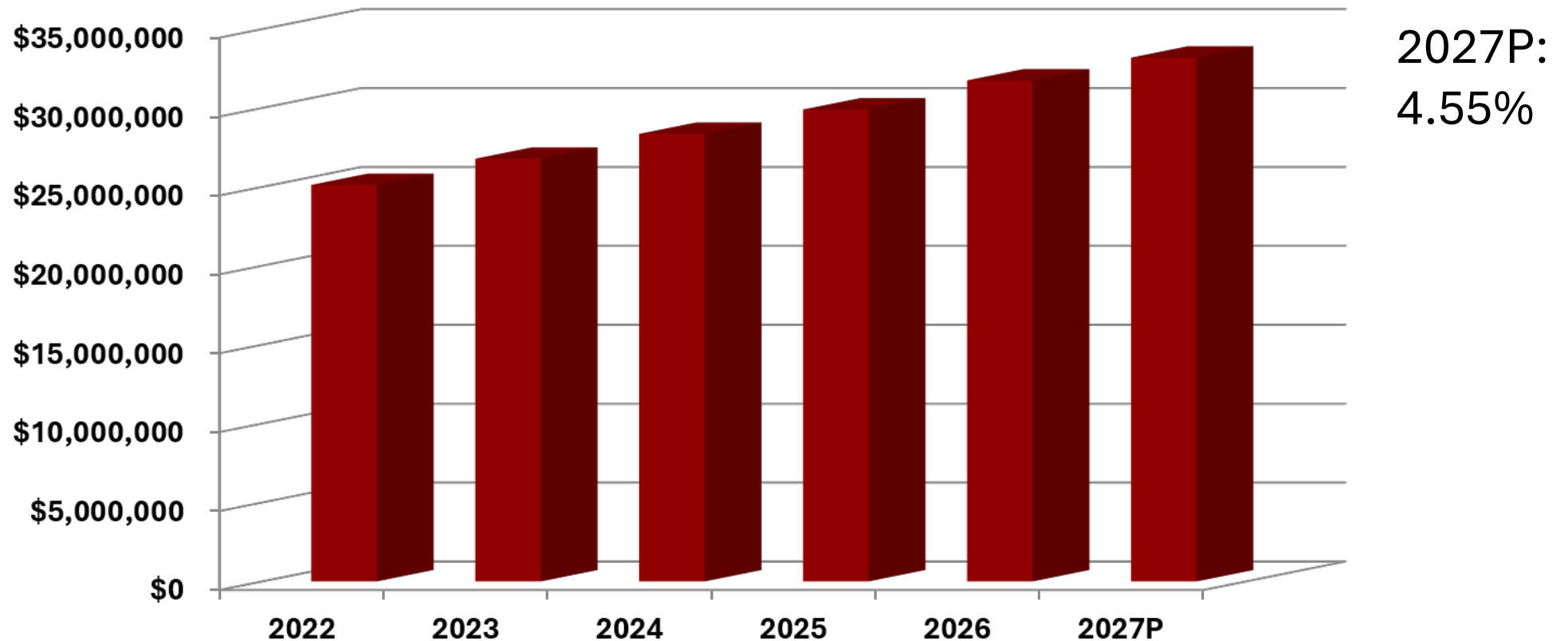
2027 Proposed Levy Impact on Average Home

- **2026**
 - \$326,900 average home > City Tax \$1,728 (prior to homestead credit)
- **2027**
 - \$338,300 average home > City Tax \$1,858 (prior to homestead credit)
 - \$130 annual increase or \$10.83 per month



Levy History

Average increase of 5.92%



History of State Aid

Local Government Aid (LGA) is a general-purpose aid that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The Department of Revenue certifies LGA for cities based on current LGA statutes, including any changes enacted during the most recent legislative session.

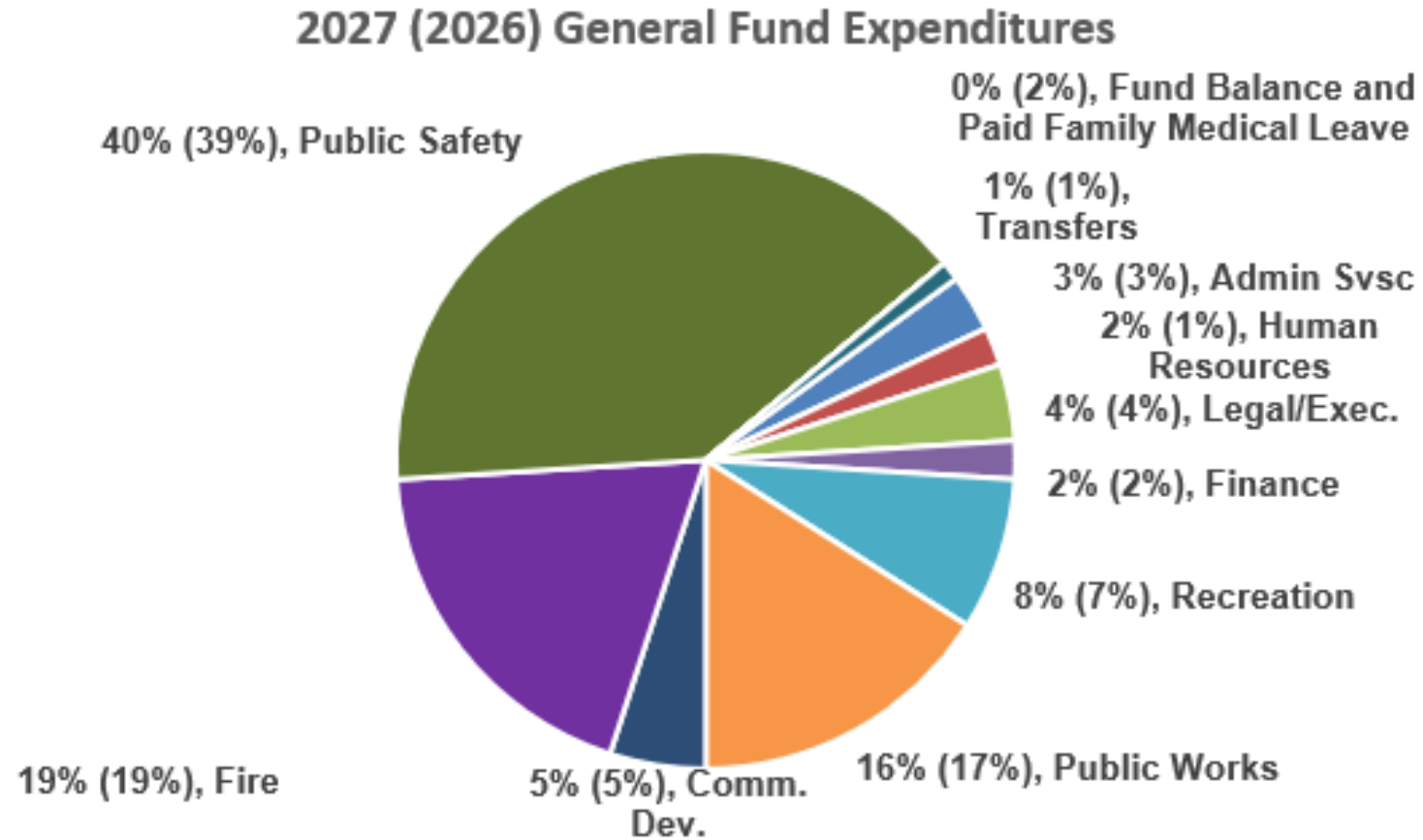


Year	Certified	Change
2013	\$1,218,346	\$0
2014	\$1,937,907	\$719,561
2015	\$2,053,363	\$115,456
2016	\$2,084,057	\$30,694
2017	\$2,094,443	\$10,386
2018	\$2,229,280	\$137,837
2019	\$2,235,643	\$6,363
2020	\$2,366,046	\$130,403
2021	\$2,001,680	(\$364,366)
2022	\$2,010,927	\$9,247
2023	\$2,038,711	\$27,784
2024	\$3,392,552	\$1,353,811
2025	\$3,410,633	\$18,081
2026	\$3,448,397	\$37,764
2027	\$3,503,091	\$54,694

General Fund Expenditures

	<u>2026A</u>	<u>2026R</u>	<u>2027P</u>
Legislative/Executive	1,360,777	1,308,195	1,284,677
Administrative	1,067,194	1,037,066	1,141,770
Human Resources	360,783	412,420	562,852
Finance	701,628	812,080	705,066
Public Safety	13,642,788	13,332,315	14,312,605
Fire	6,641,729	6,426,700	6,846,680
Community Development	1,916,110	1,884,350	1,972,361
Public Works	5,949,340	6,021,680	5,807,520
Recreation Services	2,561,200	2,561,799	2,871,320
Transfer Out	372,250	372,250	388,704
0.44% Paid Family Medical Leave	115,000	0	0
40% Fund Balance Reserve	445,316	742,732	0
	35,134,115	34,911,587	35,893,555

2027 Proposed General Fund Expenditures





2027 Proposed General Fund Budget

The 2027 proposed General Fund Budget of \$35,893,555 is a:

- 2.16% increase from the 2026 adopted budget
- 2.81% increase from the 2026 revised budget

Staffing Update

Proposed Position Additions

- Recreation Services - Event Coordinator, October 2026
- Recreation Services - Natural Resources Coordinator, January 2027



General Fund Expenditure History

<u>Year</u>	<u>Amount</u>	<u>YOY Increase</u>	<u>% Change</u>
2021	26,530,517	-	-
2022	27,443,767	913,250	3.44%
2023	28,978,191	1,534,424	5.59%
2024	31,077,894	2,099,703	7.25%
2025	31,872,015	794,121	2.56%
2026R	34,911,587	3,039,572	9.54%
2027P	35,893,555	981,968	2.81%

Expenditure reported is based of actuals for 2021 to 2025, revised budget for 2026 and proposed budget for 2027.



Administrative Services

Department Overview



Department Team

21 Full Time

60+ Part Time and Intermittent

Divisions or Funds

- **General Fund**
 - Administration
 - City Clerk
 - Deputy Registrar
- **Special Revenue Funds**
 - Cable TV
 - Elections
- **Internal Service Funds**
 - Insurance/Risk Management
 - Building Services
 - Information Technology (IT)
- **Enterprise Fund**
 - Liquor Operations

Administrative Services

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10200 Administration	\$ 161,895	\$ 171,262	\$ 175,893	\$ 178,580	4.27%
10215 Deputy Registrar	734,879	848,060	812,875	913,660	7.74%
10216 City Clerk	25,841	47,872	48,298	49,530	3.46%
<i>Administrative Services TOTAL</i>	<u>\$ 922,615</u>	<u>\$ 1,067,194</u>	<u>\$ 1,037,066</u>	<u>\$ 1,141,770</u>	6.99%
<u>REVENUES</u>					
10215 Deputy Registrar	\$ 717,143	\$ 700,000	\$ 726,700	\$ 735,000	5.00%
10216 City Clerk	277	-	-	-	-

Administrative Services

Investments and Impacts: 2027 Proposed Budget

2027P is 4.27% higher than 2026A

Administration

Human Resources switched from a division to department which decrease interdepartmental labor credit to Administrative Services-Administration.

Building chargebacks were allocated to the proper divisions within Administrative Services and the Human Resources Department.



Investments and Impacts: 2027 Proposed Budget

2027P is 7.74% higher than 2026A

Offer a customer service feedback survey

- Continue enhancing the customer experience for residents of Richfield and surrounding communities through efficient, accurate and accessible service.

Research and Implement a New Point of Sale System

- This will improve efficiency and reduce manual processes
- Increases accuracy when processing customer transactions
- Strengthens financial controls and transaction tracking

Implement a "No Show" fee for passport appointments

- This is to ensure the customer will report to their scheduled appointment.



Investments and Impacts: 2027 Proposed Budget

2027P is 3.5% higher than 2026A

Data Management and Records Retention

- Training city-wide on retention requirements, citywide compliance, and reducing administrative risk.

Data Requests

- Exploring options to handle data requests more efficiently, with year-over-year increases of data requests received.
- Focus on creating a data request policy.

Elections

- Improved voter experience and expanded healthcare facility voting programs due to change to 18 days of Early to 18 days of Early Voting.
- Final year of city-administered Richfield School Board Elections.

Agenda Management

- Continued training opportunities on city software platforms for new and existing staff.



Administrative Services – Internal Services Funds

2026R/2027P Budget

		2025 Actual	2026 Budget	2026 Revised	2027 Budget	Increase/2026 Budget/2027 Budget
<u>Expenditures</u>						
62000	Information Technology	1,690,116	1,962,611	1,962,620	2,198,490	12.02%
64000	Insurance Fund	-331,448*	1,618,602	1,707,802	1,346,460	-16.81%
67000	Building Services	916,652	1,257,319	1,212,350	1,140,967	-9.25%
<u>Revenues</u>						
62000	Information Technology	1,885,730	1,902,141	1,917,141	1,984,475	4.33%
64000	Insurance Fund	1,214,077	1,212,720	1,216,690	1,196,570	-1.33%
67000	Building Services	1,102,159	1,126,610	1,324,610	1,371,075	21.70%

*An incurred but not reported expense of \$1,550,769 was shown in 2024. This expense was reversed in 2025 and this is the reason for the negative expense in Fund 64000.

Administrative Services – IT

Investments and Impacts: 2027 Proposed Budget

2027P is 7.88% higher than 2026A

Personnel

- Reclassification of Helpdesk Position to Application Support Specialist.

Network Infrastructure

- Begin a multi-year replacement of network switches reaching end of support to improve reliability, security, and long-term network stability.

Cybersecurity

- Upgrading workstation endpoint protection across the City.
- Adding additional network logging and visibility to improve threat detection and incident response.

Technology Refresh

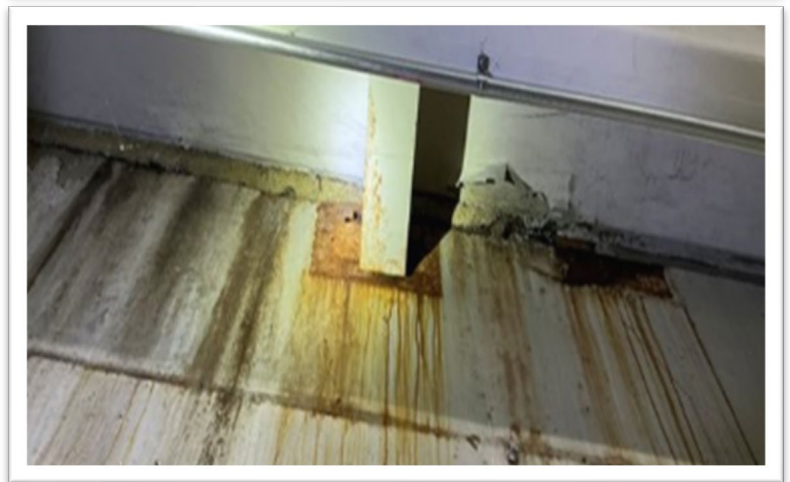
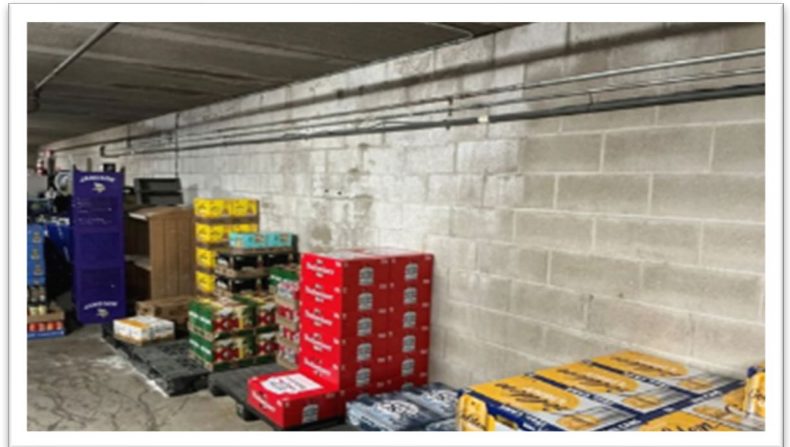
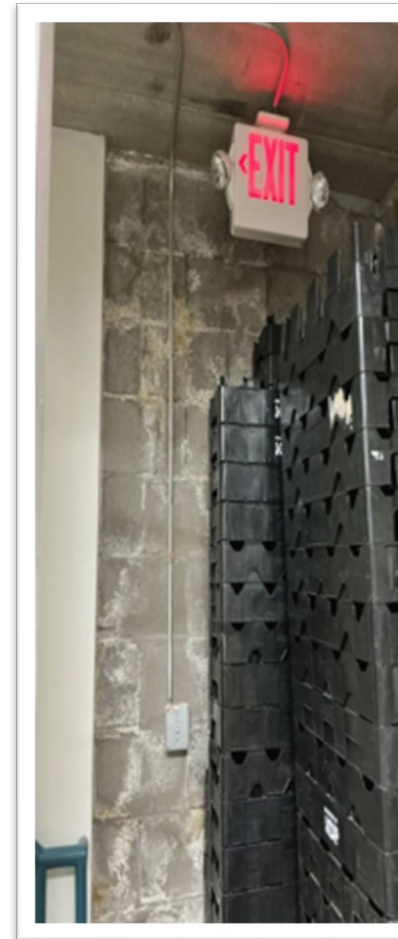
- Continue the scheduled replacement of City desktop and laptop computers as part of the four-year workstation lifecycle program.

Investments and Impacts: 2027 Proposed Budget

2027P is .32% higher than 2026A

Facility Investments and Financial Sustainability

- Implementing the results of Wold's Facility Assessment Needs Study.
- Transfers of invest earnings of \$100,000 from Long-Term Capital Reserves.
- Equipment Levy of \$103,500
- Continue to refine building chargebacks and explore centralizing building services.



Administrative Services – Special Revenue Funds

2026R/2027P Budget

		2025 Actual	2026 Budget	2026 Revised	2027 Budget	Increase/2026 Budget/2027 Budget
<u>Expenditures</u>						
20004	Cable TV	383,315	412,420	398,070	429,830	4.22%
20005	Elections	2,070,298*	328,331	328,331	298,960	-8.95%
<u>Revenues</u>						
20004	Cable TV	344,280	271,500	281,000	285,000	-4.24%
20005	Elections	544,596	379,600	382,898	448,960	18.27%

* Elections Fund transferred \$1,800,000 to the Long-Term Capital Reserves in 2025 that will be used for future building maintenance.

Investments and Impacts: 2027 Proposed Budget

2027P is 4.22% higher than 2026A.

Accessibility: Preparing for Web Content Accessibility Guidelines (WCAG) deadline

- Compliance required by April 26, 2028
- Touches all elements of digital communication (website, social media, PDFs)

Updated platforms = increased costs

- Updates to Website, chatbot, e-newsletter platform, cloud-based photo storage

Connect with those we are missing

- Continued inclusion of bilingual city news in tri-annual Hometown Guide
- Addition of city-wide mailings for long-range plans (Comprehensive, Parks Master Plan, Strategic, etc.)

Sustainable funding sources for Communications

- Revenues from cable franchise fees are drying up; yet reserves are very healthy
- \$50k annual transfer from General Fund to begin slowly moving costs



Administrative Services – Enterprise Fund - Liquor Operations 2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,458,679	\$ 3,773,330	\$ 3,683,300	\$ 4,131,298	9.49%
50020 RICHFIELD LIQUOR CEDAR POINT	4,454,593	4,497,450	4,464,435	4,675,430	3.96%
50030 RICHFIELD LIQUOR PENN CENTRAL	3,389,701	3,454,580	3,430,155	3,496,927	1.23%
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	2,059,440	2,069,435	2,020,155	2,073,345	0.19%
<i>Liquor Operations TOTAL</i>	<u>\$13,362,413</u>	<u>\$13,794,795</u>	<u>\$13,598,045</u>	<u>\$14,377,000</u>	4.22%
<u>REVENUES</u>					
50010 RICHFIELD LIQUOR DOWNTOWN	\$ 3,813,927	\$ 3,867,890	\$ 3,866,725	\$ 3,924,480	1.46%
50020 RICHFIELD LIQUOR CEDAR POINT	4,699,990	4,617,650	4,638,920	4,592,765	(0.54%)
50030 RICHFIELD LIQUOR PENN CENTRAL	3,520,899	3,483,770	3,537,995	3,625,870	4.08%
50040 RICHFIELD LIQUOR SHOPS AT LYNDALE	1,793,239	1,775,890	1,733,120	1,698,835	(4.34%)





Richfield Liquor - Downtown		2025 Actual	2026 Budget	2026 Revised	2027 Budget	(+/-)
Expenditures						
50010		\$ 3,458,679	\$ 3,773,330	\$ 3,683,300	\$ 3,731,765*	-1.10%
Revenues						
50010		\$ 3,813,927	\$ 3,867,890	\$ 3,866,725	\$ 3,924,480	1.46%
	<i>Profit/Loss</i>	\$ 355,248	\$ 94,560	\$ 183,425	\$ 192,715	

Richfield Liquor – Cedar Point		2025 Actual	2026 Budget	2026 Revised	2027 Budget	(+/-)
Expenditures						
50020		\$ 4,454,593	\$ 4,497,450	\$ 4,456,915*	\$ 4,414,845*	-1.84%
Revenues						
50020		\$ 4,699,990	\$ 4,617,650	\$ 4,638,920	\$ 4,592,765	-0.54%
	<i>Profit/Loss</i>	\$ 245,397	\$ 120,200	\$ 182,005	\$ 177,920	



*Expenditures includes operating only and not capital expenditures.

Richfield Liquor – Penn Central		2025 Actual	2026 Budget	2026 Revised	2027 Budget	(+/-)
Expenditures						
50030		\$ 3,389,701	\$ 3,454,290	\$ 3,430,145	\$ 3,496,928	1.23%
Revenues						
50030		\$ 3,520,899	\$ 3,483,770	\$ 3,537,995	\$ 3,625,870	4.08%
	Profit/Loss	\$ 131,198	\$ 29,480	\$ 107,850	\$ 128,942	



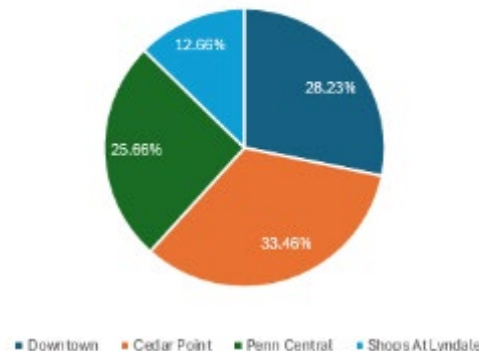
Richfield Liquor – Shops at Lyndale		2025 Actual	2026 Budget	2026 Revised	2027 Budget	(+/-)
Expenditures						
50040		\$ 2,059,440	\$ 2,069,275	\$ 2,020,155	\$ 2,073,345	0.19%
Revenues						
50040		\$ 1,793,239	\$ 1,775,890	\$ 1,733,120	\$ 1,698,835	-4.34%
	Profit/Loss	\$ (266,201)	\$ (293,385)	\$ (287,035)	\$ (374,510)	

Administrative Services - Liquor Operations

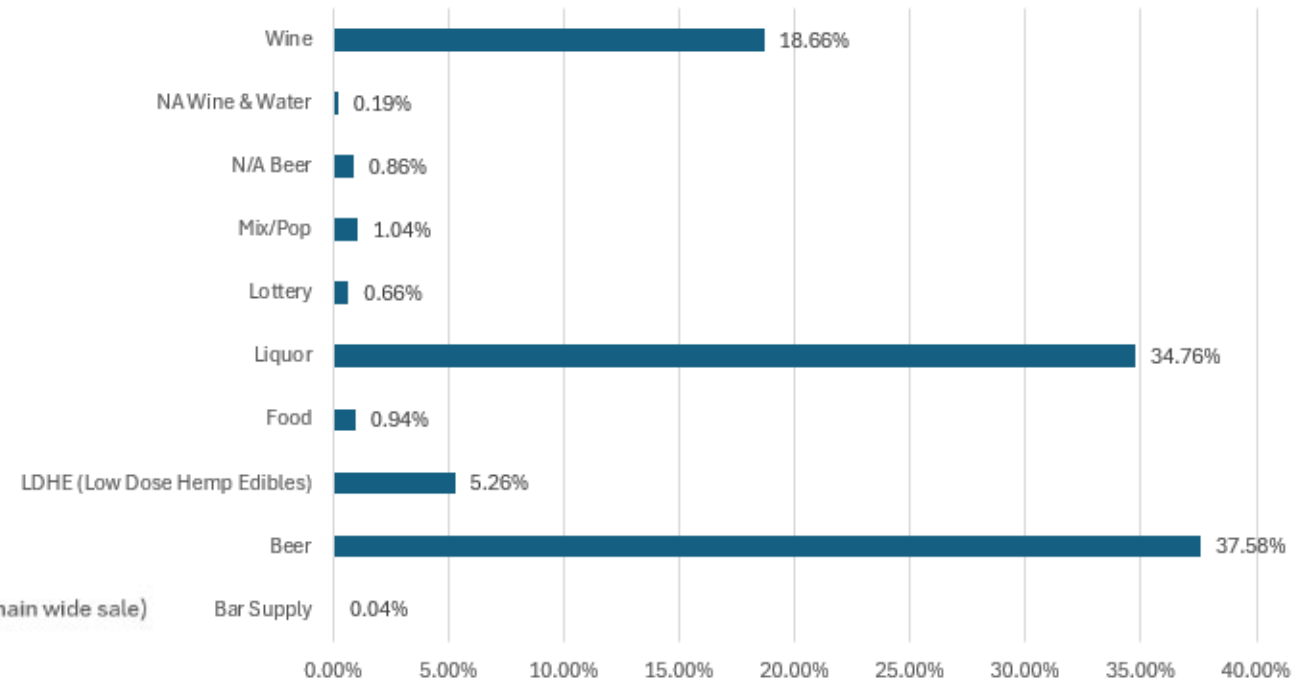
Investments and Impacts: 2027 Proposed Budget

- Despite increased personnel costs and level sales, we anticipate being able to transfer \$475,000 to the Parks and Recreation Department.
- Potential lower-potency hemp edible (LPHE) ban could lead to total sales revenue decrease, approximately 5.25% of Richfield Liquor sales are LPHE
- Estimated \$660,095 in building repairs for 2027
- Slightly increased 2027 sales estimate at the Penn Central Store in anticipation of occupancy at the Penn Station Complex.

Store Contribution Breakdown (% of chain wide sale)



% of Total Sales (YTD)





Community Development

Department Overview

Divisions or Funds Department Team

- CD Administration
 - Planning & Zoning
 - Inspections
- 21 employees (15 FT/6 PT)
 - 10 positions largely funded by HRA/EDA

Of Note

- Fully staffed for one week so far this year
- Inspections support position reduced to part-time
- Capacity- and resiliency-building in Inspections ongoing
- Looking for efficiencies across all teams (incl. HRA & EDA)
- Increased hours for one of two Housing Specialists



Community Development 2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10500 Community Development	\$ 68,167	\$ 69,860	\$ 69,860	\$ 39,301	(43.74%)
10502 Planning & Zoning	313,105	362,490	362,510	424,530	17.11%
10505 Inspections	1,307,582	1,483,760	1,451,980	1,508,530	1.67%
<i>Community Development TOTAL</i>	<u>\$ 1,688,854</u>	<u>\$ 1,916,110</u>	<u>\$ 1,884,350</u>	<u>\$ 1,972,361</u>	2.94%

REVENUES

10500 Community Development	\$ 17,150	\$ -	\$ -	\$ -	-
10502 Planning & Zoning	33,431	15,000	15,000	15,000	0.00%
10505 Inspections	1,710,055	1,477,100	1,477,100	1,544,700	4.58%



Investments and Impacts: 2027 Proposed Budget



Comprehensive Plan

- Additional \$10,750 in 2027-2028
- Consider increase in set-aside

Staffing costs

- Steps, merit, shift away from HRA
- Employee growth & development
- IT Costs reallocated
- Revenues flat

Credit Card fees

- 2025 over \$100,000; 2026 expected \$80,000
- 2027 budget assumes city will implement mechanism to recoup



Finance

Finance Department

Department Overview

Divisions or Funds:

- Finance

Department Team:

- Finance Director (contracted)
- Assistant Finance Director
- Budget, Cash, and Debt Manager
- Senior Financial Analyst
- Payroll Accountant
- Accountant (2)
- Accounting Technician
- Utility Billing Technician (2 – Public Works budget)



Finance Department

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10210 Finance	\$ 550,482	\$ 701,628	\$ 812,080	\$ 705,066	0.49%
<i>Finance TOTAL</i>	<u>\$ 550,482</u>	<u>\$ 701,628</u>	<u>\$ 812,080</u>	<u>\$ 705,066</u>	0.49%



Investments and Impacts: 2027 Proposed Budget

Staff investment

- Stabilization and staff development

Technology

- Vendor payment process from check to ACH
- Continue Tungsten (Logis) rollout

Financial Management and Decision Making:

- Work with Ehlers on Financial Management Plan model
- Targeted focus review for best practice/internal control of critical financial functions
- Improve budgeting and reporting of capital projects





Fire Department

Fire Department

Department Overview

Department Team

- 1 Fire Chief, 1 Deputy, Chief 1 Assistant Chief, 3 Captains, 3 Lieutenants, 21 Firefighters, 1 Firefighter Inspector, and 1 Administrative Assistant

Divisions or Funds

- Fire

Of Note

- Fire Chief leadership transition
- Contract plan review and inspections
- Long-term military deployment



27 CAREER PERSONNEL PROVIDE 24/7 COVERAGE ACROSS TWO FIRE STATIONS

CAPTAIN	CAPTAIN	CAPTAIN
LIEUTENANT	LIEUTENANT	LIEUTENANT
(7) FIREFIGHTERS	(7) FIREFIGHTERS	(7) FIREFIGHTERS

Fire Department

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10400 Fire	\$ 6,239,563	\$ 6,641,729	\$ 6,426,700	\$ 6,846,680	3.09%
<i>Fire TOTAL</i>	<u>\$ 6,239,563</u>	<u>\$ 6,641,729</u>	<u>\$ 6,426,700</u>	<u>\$ 6,846,680</u>	3.09%
<u>REVENUES</u>					
10400 Fire	\$ 374,984	\$ 278,000	\$ 392,050	\$ 439,410	58.06%



Investments and Impacts: 2027 Proposed Budget

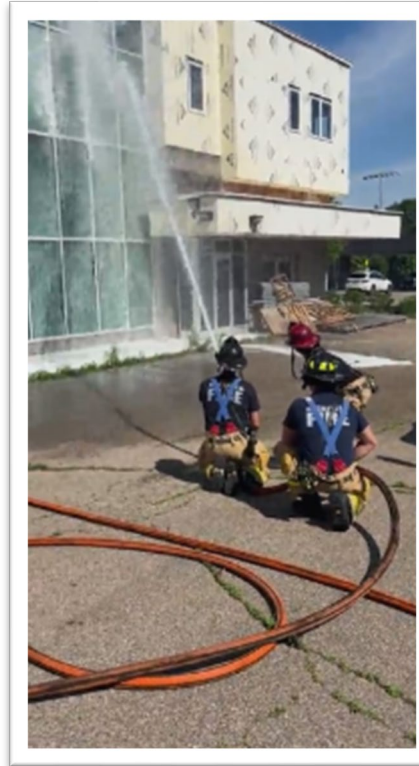
Personnel Services:

85% of the total department budget

- Skilled and engaged shift personnel
- Dependency on overtime to maintain minimum staffing
 - Military Leaves
 - IOD/Medical Leaves
 - Sick Time Use

Operations:

- Reemphasize professional training and modern tactics
- Reevaluation of response types and determine priority for available resources
- Contract for fire code enforcement



Equipment and Technology:

- Three-year post order build on new engine
- Reenvisioning of fleet needs and replacement schedule
- Data dashboard for tracking and creating efficiencies
- Updating obsolete radio equipment
- Adding diesel exhaust system to Station 1



Human Resources

Human Resources

Department Overview

Divisions or Funds:

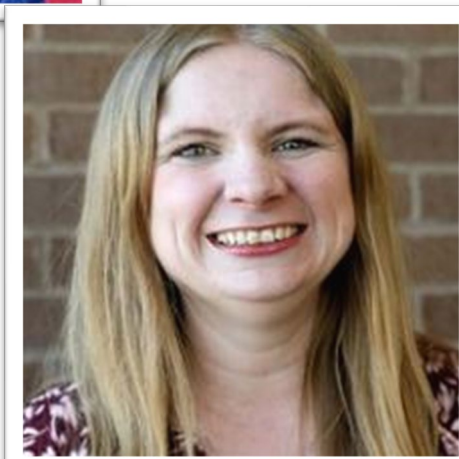
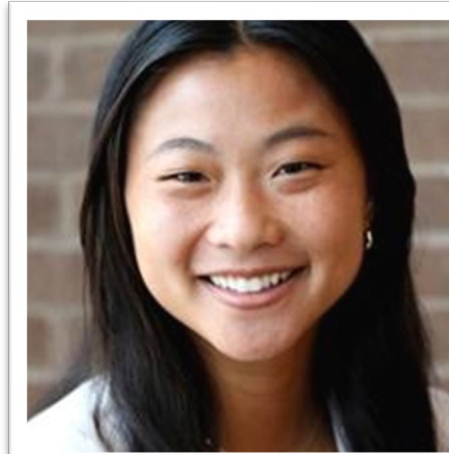
- Human Resources
- Insurance Fund

Department Team:

- 5 total employees (4 full-time and 1 Intermittent)
- HR Director
- HR Generalist II
- HR Generalist
- Equity Coordinator
- Recruiting and Onboarding Support

Of Note:

- HR Director position created and filled.
- Equity Coordinator joined the HR Department.



Human Resources

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10205 Human Resources	\$ 290,336	\$ 360,783	\$ 412,420	\$ 562,852	56.01%
<i>Human Resources TOTAL</i>	<u>\$ 290,336</u>	<u>\$ 360,783</u>	<u>\$ 412,420</u>	<u>\$ 562,852</u>	56.01%



Investments and Impacts: 2027 Proposed Budget

Funding HR as a new operating department:

- No longer a division of Administrative Services
- HR Budget supports professional development for staff
- Compensation review
- Leave Administration
- Employee Benefits
- Property and Liability and Work Comp Administration

Workplace Training

- Respectful Workplace, AWAIR or equivalent safety training and Supervisor training
- Funding of REEP program and language incentive

NeoGov Software

- Insight, Onboard, looking into Learn module





Legislative/Executive

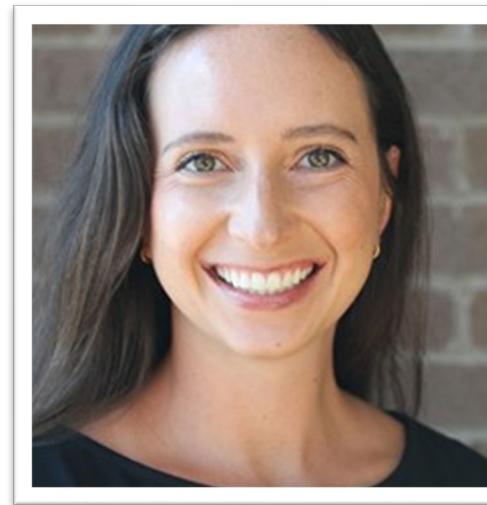
Legislative/Executive Department Overview

Department Team

- City Manager
- Senior Analyst
- Administrative Assistant

Divisions or Funds

- Mayor/City Council
- Other Agencies
- City Manager
- Legal



Legislative/Executive 2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10100 Mayor Council	\$ 304,125	\$ 323,712	\$ 350,935	\$ 325,961	0.69%
10105 Other Agencies	116,110	120,174	120,174	124,030	3.21%
10115 City Manager	528,528	552,711	472,906	459,926	(16.79%)
10120 Legal	314,809	364,180	364,180	374,760	2.91%
<i>Legislative/Executive TOTAL</i>	<u>\$ 1,263,572</u>	<u>\$ 1,360,777</u>	<u>\$ 1,308,195</u>	<u>\$ 1,284,677</u>	<u>(5.59%)</u>



Investments and Impacts: 2027 Proposed Budget

City Council

- 2027P is 0.69% higher than 2026A
 - Addition of Minnesota Paid Family and Medical Leave
 - Joined the Cities for Safe and Stable Communities coalition
 - Completed the Essential Services Study
 - One-time executive search firm costs in 2026R
 - Funding for new Strategic Plan

Other Agencies

- 2027P is 3.21% higher than 2026A
 - Increase in funding for service contracts

City Manager

- 2027P is 16.79% lower than 2026A
 - Transfer of Equity Coordinator position and related equity projects to the Human Resources budget
 - Addition of Minnesota Paid Family and Medical Leave
 - Increased personnel costs

Legal

- 2027P is 2.91% higher than 2026A
 - Anticipated contractual rate adjustments for legal services provided by Kennedy & Graven



Public Safety

Public Safety

Department Overview

Department Team

Police Department

- 49 Sworn
- 6 Professional Staff (FT)
- 8 Professional Staff (PT)
- IT Tech (FT)

Emergency Services

- 1 Coordinator (PT)

Support Services

- 1 Support Services Manager/ CHS Admin. (FT)
- 1 Code Compliance Officer (FT)
- 2 Environmental Health Specialists (PT)
- 2 Business Licensing Specialists (PT)
- 3 Cadets (PT)
- 1 Seasonal EH Tech (Temp May – Aug)



Divisions or Funds

- Emergency Management
- Compliance and Drug Forfeiture (Special Revenue)
- Opioid Settlement Fund(Special Revenue)

Public Safety

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10300 Support Services	\$ 1,730,318	\$ 1,365,558	\$ 1,295,955	\$ 1,447,125	5.97%
10305 Police Operations	10,916,816	12,228,570	11,988,800	12,815,470	4.80%
10315 Emergency Services	32,899	48,660	47,560	50,010	2.77%
<i>Public Safety TOTAL</i>	<u>\$ 12,680,033</u>	<u>\$ 13,642,788</u>	<u>\$ 13,332,315</u>	<u>\$ 14,312,605</u>	4.91%
<u>REVENUES</u>					
10300 Support Services	\$ 997,380	\$ 950,086	\$ 915,733	\$ 900,137	(5.26%)
10305 Police Operations	1,064,665	991,390	994,910	989,910	(0.15%)

Investments and Impacts: 2027 Proposed Budget

Technology Upgrades

- Replacing portable radios that are over 14 years old and can't be repaired.
- Utilizing a new application for policy and procedure access for Officers in the field via closed-end AI.

Software Additions

- Addition of Rental Scape software in Business Licensing to address short-term rental issues.

Long-term Planning

- Developing succession planning to ensure long-term stability which is being achieved via numerous promotions, advanced training and education opportunities.





Public Works

Department Overview



Department Team

- 54 Full time
- 12 Seasonal Staff
- 1 Engineering Intern

Divisions or Funds

- Administration
- Engineering
- Street Maintenance/Forestry
- Park Maintenance
- Water Utility (Enterprise)
- Waste Water Utility (Enterprise)
- Stormwater Utility (Enterprise)
- Central Garage (Internal)

Public Works – General Fund Budget

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
10600 PW Administration	\$ 223,605	\$ 227,560	\$ 277,570	\$ 232,840	2.32%
10605 Engineering	613,164	607,220	607,180	628,590	3.52%
10610 Street Maintenance	2,757,684	3,315,230	3,337,580	3,091,070	(6.76%)
10615 Park Maintenance	1,783,276	1,799,330	1,799,350	1,855,020	3.10%
<i>Public Works TOTAL</i>	<u>\$ 5,377,729</u>	<u>\$ 5,949,340</u>	<u>\$ 6,021,680</u>	<u>\$ 5,807,520</u>	(2.38%)
<u>REVENUES</u>					
10605 Engineering	\$ 432,142	\$ 70,500	\$ 110,500	\$ 50,500	(28.37%)
10610 Street Maintenance	403,933	690,000	690,000	320,000	(53.62%)

- 2026 Revised \$50K increase in PW Admin for office space additions.
- Streets Division shows reduction due to completion of the US Forestry Service grant completed in 2026. This also impacts the 2027 revenue figures.

Public Works – Enterprise Fund

2026R/2027P Budget

• Water and Wastewater Utilities

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
51000 WATER UTILITY	\$ 4,746,962	\$ 8,994,220	\$ 6,814,260	\$ 14,151,640	* 57.34%
52000 WASTEWATER UTILITY	4,527,892	6,056,340	6,090,480	6,731,210	□ 11.14%
<i>Public Works TOTAL</i>	<u>\$ 9,274,854</u>	<u>\$ 15,050,560</u>	<u>\$ 12,904,740</u>	<u>\$ 20,882,850</u>	38.75%
<u>REVENUES</u>					
51000 WATER UTILITY	\$ 5,643,967	\$ 5,366,070	\$ 5,350,070	\$ 13,615,570	** 153.73%
52000 WASTEWATER UTILITY	5,240,008	5,558,930	5,558,930	6,055,570	8.93%

• Stormwater Utility

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
53000 STORMWATER UTILITY	\$ 3,240,913	\$ 3,471,260	\$ 3,421,290	\$ 3,985,740	14.82%
<i>Public Works TOTAL</i>	<u>\$ 3,240,913</u>	<u>\$ 3,471,260</u>	<u>\$ 3,421,290</u>	<u>\$ 3,985,740</u>	14.82%
<u>REVENUES</u>					
53000 STORMWATER UTILITY	\$ 2,617,770	\$ 2,792,100	\$ 2,842,100	\$ 3,231,220	15.73%

* Water Utility 2027 proposed expenditures includes capital outlay of \$7.95 million

** Water Utility 2027 proposed revenues includes bond proceeds of \$6.41 million and a \$1.09 million federal grant

Public Works – Internal Fund Budget

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
61000 CENTRAL GARAGE	\$ 2,844,767	\$ 4,283,310	\$ 4,008,620	\$ 4,707,070	9.89%
<i>Public Works TOTAL</i>	<u>\$ 2,844,767</u>	<u>\$ 4,283,310</u>	<u>\$ 4,008,620</u>	<u>\$ 4,707,070</u>	9.89%
<u>REVENUES</u>					
61000 CENTRAL GARAGE	\$ 3,125,657	\$ 3,097,530	\$ 3,097,530	\$ 3,567,854	15.18%



Investments and Impacts: 2027 Proposed Budget

- Focus on building Asset Management System
- Deliver CIP projects and develop future reinvestments
- Support Comprehensive Planning Efforts
- Update of Water supply Plan and Water Treatment Plan Feasibility Study
- Norby's Pond Reconstruction
- Wilson Pond Area Flood Mitigation





Recreation Services

Recreation Services Department Overview

Department Team

- 21 Full Time (two new positions in 2027)
- 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

2026R/2027P Budget

BUSINESS UNIT	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
17000 Recreation Administration	\$ 534,201	\$ 571,780	\$ 550,703	\$ 577,897	1.07%
17501 Recreation	1,224,189	1,289,399	1,287,367	1,340,982	4.00%
18000 Wood Lake Nature Center	748,197	700,021	723,729	952,441	36.06%
<i>Recreation Services TOTAL</i>	<u>\$ 2,506,587</u>	<u>\$ 2,561,200</u>	<u>\$ 2,561,799</u>	<u>\$ 2,871,320</u>	12.11%
<u>REVENUES</u>					
17501 Recreation	\$ 345,020	\$ 292,200	\$ 311,100	\$ 296,100	1.33%
18000 Wood Lake Nature Center	55,264	64,100	64,350	155,745	142.97%

- Wood Lake Nature Center: New Building Impacts & Natural Resources Coordinator
- Recreation Programming: Vets Park-Some impact to Farmers Market

Recreation Services – Special Revenue Funds Budget

2026R/2027P Budget

EXPENDITURES	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 ADOPTED	2026 REVISED	2027 PROPOSED
Ice Arena	\$1,262,032	\$1,328,627	\$1,535,445	\$1,399,878	\$1,426,430	\$1,526,778
Outdoor Pool	\$571,161	\$634,781	\$638,056	\$663,180	\$683,180	\$720,008
Special Facilities	\$46,881	\$49,796	\$64,824	\$68,680	\$69,590	\$66,342
Special Funds TOTAL	\$1,880,074	\$2,013,204	\$2,238,325	\$2,131,738	\$2,179,200	\$2,313,128

REVENUE	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 ADOPTED	2026 REVISED	2027 PROPOSED
Ice Arena	\$1,771,570	\$1,794,836	\$2,449,310	\$2,065,270	\$2,273,270	\$2,269,810
Outdoor Pool	\$947,662	\$616,049	\$636,939	\$617,090	\$718,480	\$784,080
Special Facilities	\$57,897	\$65,240	\$68,375	\$69,980	\$69,980	\$72,430
Special Funds TOTAL	\$2,777,129	\$2,476,125	\$3,154,624	\$2,752,340	\$3,061,730	\$3,126,320

- Increases expected in arena and pool revenue with improvements
- Focus on reducing negative fund balance

Investments and Impacts: 2027 Proposed Budget



- **New FTEs**
 - Natural Resources Coordinator
 - Event Coordinator – Wood Lake, Ice Arena
- **Capital Projects**
 - Veterans Park Improvements
 - New Community Center
 - Park Building and Field Lights Electrical upgrades
 - Locker Room Shower Rink 2
 - Playground Replacement
- **Planning and Policy**
 - Parks Master Plan & 10 Year CIP
 - Natural Area Management Plan
- **Increased Programming & Rentals**
 - New Wood Lake: expanded rentals and programming
 - Expanded youth and contract programming
 - New garden-to-kitchen programs (Grant)