



RIVER FALLS CITY COUNCIL WORKSHOP REGARDING ARPA (AMERICAN RESCUE PLAN ACT)

February 22, 2022, 5 p.m., Training Room, City Hall

City Council Members Present: Todd Bjerstedt, Nick Carow, Sean Downing, Scott Morrissette, Alyssa Mueller (virtual), Diane Odeen, Ben Plunkett

Members Absent: Mayor Dan Toland

City Staff Present: City Administrator Scot Simpson; Assistant City Administrator Jason Stroud; Utility Director Kevin Westhuis; Community Development Director Amy Peterson; Administrative Services Manager/City Clerk Amy White; Senior Accountant Sam Hosszu; City Engineer Todd Nickleski; IT Specialist Jon Smits; Human Resources Director Karen Bergstrom (virtual); Police Chief Gordon Young; IT Specialist Sterling Hackney

Others: None

City Administrator Simpson introduced IT Specialist Sterling Hackney. Simpson then talked about the workshop format and introduced Finance Director Josh Solinger.

Solinger said there are \$350 billion in state and local fiscal recovery funds which are broken down by state and local governments. River Falls is slated to get \$1.677 million and has already received half. Solinger touched upon how the bipartisan infrastructure bill could aid the City.

Solinger talked about options for funding including revenue loss category, supporting Public Health and economic response, premium pay for eligible workers, and water, sewer, and broadband infrastructure. He provided details. Solinger also talked about ineligible uses. It needs to be prospective or proactive – forward look at the use of funds.

Solinger talked about best use practices and these considerations: avoid structural deficits in the future, appropriate level of government, and existing city priorities.

Solinger said staff's recommendation is to take the revenue loss election. It provides the most flexibility of the options. There will be reporting requirements, but they are more streamlined. We can use ARPA money as a local match which would leverage the City's money. There is permissive framework for capital costs up to \$1 million.

Solinger talked about the Administrator's recommended uses for SLFRF. This would use the CIP as a foundation. He noted some specific projects including South Wasson Lane reconstruction (\$670,000), Powell Avenue bridge deck (\$205,000), and other CIP projects with levy as a funding source (\$642,000) and CIP projects with non-levy as a funding source (\$160,000).

He talked about the 2023-2024 budget impact and reducing planned levy and a possible new system of prioritization. Solinger recognized Sam Hosszu for the work on this project.

Aldersperson Plunkett asked using the internal fund as money laundry to get money back into the general fund. How does that relate to the goal of having these be related to one time uses without creating a gap in the future?

Solinger said they are onetime costs; however, it is allowing us to minimize the impact for a fund freeing up funding to be used for other things.

Simpson talked about the chiller and playgrounds. He said the useful life of the expense is considered when making the argument - if it is a one-time project purchase. He provided further details. This is a way to broadly impact all departments, allowing all to feel the effect of receiving this money supplanting revenue loss.

Plunkett asked would it serve our interest to wait because of the inflation and potential economy crash.

Alderperson Odeen said she doesn't know if it would ever be cheaper to get some of those projects done. She recommends doing it now and see what we can do with our increased flexibility with the fiscal plan.

Solinger added that our funding needs to be committed for some eligible uses by 2024 and spent by 2026.

Alderperson Downing said one of the best forms of spending is doing studies. He would like to do a fiscally responsible version of a wheel tax/transportation utility in the form of a transportation utility fee study. He said it would be worth everyone's time to do that. We use money to save money in the long run.

Downing also said he would like to see legislation passed for a public comment to be virtually accessible for all of our meetings. Simpson indicated the City is already set up to accommodate the public comment virtually. He understood that Downing wanted to use ARPA funds to do a feasibility study on transportation utility. He doesn't know there is a project related to it. We may need to buy new technology. Simpson asked Downing if he is focused on things we are already doing.

Downing talked about normalizing virtual public comments and provided examples of helping disabled persons or inclement weather making it difficult to attend a meeting in person. Simpson said the modifications we are doing, and future plans likely accommodates what you are talking about.

Plunkett asked about the cost for a Wi-Fi system that would cover the City. Simpson did not know a number. He doesn't think we have any documented but may have had some discussions when the City was working with Three Square. He talked about focusing more on the downtown.

Simpson talked about meeting with AT&T this week. Pierce/Pepin is applying for an area; asking for the ARPA money to make some of this possible. The Town of River Falls is taking a part of their ARPA money to expand their broadband options.

Plunkett thinks this could be a benefit because it could be considered an economic stimulus for the community because they would not have to pay for Wi-Fi. Simpson explained the City currently offers public spaces and the library for residents to use with free Wi-Fi. He talked about using extenders to enlarge the Wi-Fi range, especially in the parks.

Plunkett spoke further about Wi-Fi. Simpson suggested a possible feasibility study similar to Downing's request.

Odeen talked about it creating a staffing need and maintenance need. It would create a function the City doesn't provide now and an expense going forward.

There was further discussion about Wi-Fi and financial implications. Simpson understood. He talked about the City having a carrier license and installing fiber for our own use. We would have other entities on our back (if we provided public cable/Wi-Fi). Feasibility would be important to know before moving forward. He talked about Reedsburg.

Odeen talked about in a perfect world, cities providing cable like water and electric but understands the current laws don't make it easy. Simpson said yes, it is certainly intentional.

Morrisette said Simpson gave indications that doing these CIP related projects would open up some horsepower for us financially later on. He talked about the two projects having some form of bonding that we would not be doing as some part of the CIP.

Simpson said yes. We may use some developer contributions. He wanted to give the City minimum administration and maximum flexibility. We have already spent a lot of time establishing priorities. He feels like he has marching orders. It

allows us to get around the debt service. The feds will not allow us to pay directly to debt service so this will allow us to essentially not incur new debt. He talked about going into the next two-year budget. Essentially, \$800,000 will be freed up. As the Administrator, he would recommend doing projects of your liking. He talked about salary pressures and using some of the money for compensation and maybe other projects we didn't know about. The practical result is we get \$1.6 million through the federal rules, and we minimize the amount of money we spend. Simpson spoke further.

Simpson is suggesting Council puts it on some big, visible projects so the community and Council has something to point to and say, this is what this was paid for with ARPA. It gives people some visible impacts. Simpson talked about possible future projects. He said part of the money is for needs and analysis – it is helping us learn and be smarter with our money later. Council has lots of options. Simpson talked about lots of community needs.

Morrisette says what it does do – he made a quick list – biosolids, dams, Wasson/Cascade traffic, North Interceptor, the bridge, the pool. Those are big items that down the road, your recommendation allows us some room to address in the future. He didn't include Riverwalk.

Simpson said he didn't do the Kinni Corridor Plan as he was primarily focused on levy funded items. You could make the argument that helping the utilities has the same impact. He would rather leave utility items to utility ratepayers which includes everyone. He provided further details.

Morrisette asked if Mueller had any questions/comments. She did not. There was discussion about Powell bridge and Wasson projects and funding.

Simpson said from a technical standpoint, if Council was to accept the Administrator's recommendation, it is unlikely that he needs further authorization. He thinks there should be some type of resolution that goes before the Council that would be what he sees as 'next steps' unless Council has an objection.

Morrisette asked for a straw poll. Bjerstedt is okay with that. Downing asked if there was a feasibility study included. Simpson said no; he would stick with his recommendations and let Council make amendments later. Downing would like to make that amendment later. Plunkett was okay. Odeen said these were things we prioritized and budgeted for. Mueller feels good about plan. She asked if this was all being done in the next year or two. She is fine with the plan. Simpson said yes. The plan is to have it spent by 2023.

The Council was favorable to the plan and how it was presented and the administrator's recommendation. Simpson said if you have things that you are contemplating amending, it would be helpful for Sam, Josh to be able to estimate the cost to make sure it fits. He also wants to make sure the item is eligible.

Downing said the US Treasury Department has a good Q&A spot and Baker Tilly has a nice overview.

Morrisette said he thinks Simpson has his direction.

Simpson asked if the Council wanted another workshop. Simpson appreciated Sam and Josh's work. The workshop ended at 6:04 p.m.

Respectfully submitted,

Amy White, Administrative Services Manager/City Clerk