



**RIVER FALLS CITY COUNCIL WORKSHOP REGARDING  
THE 2020 BUDGET  
October 8, 2019, 5 p.m.  
Training Room, City Hall, 222 Lewis Street, River Falls, WI 54022**

**City Council Members Present:** Mayor Dan Toland, Todd Bjerstedt, Sean Downing, Chris Gagne, Scott Morrissette, Diane Odeen, Michael Page, Hal Watson

**City Council Members Absent:** **City Staff Present:** City Administrator Scot Simpson; Assistant City Administrator Julie Bergstrom; Utility Director Kevin Westhuis; Assistant to the City Administrator Brandt Johnson; City Clerk Amy White; City Engineer Crystal Raleigh; Finance Director Sarah Karlsson; Management Analyst Fellow Dennis Dadashev; Human Resources Director Karen Bergstrom; Police Chief Gordon Young; EMS Director Jason Stroud; Development Services Director Amy Peterson; Operations Director Mike Stifter (5:23); Communications Manager Mary Zimmermann (5:34)

**Others:** Ben Fochs

The workshop was called to order at 5:05 p.m. Finance Director Sarah Karlsson provided a presentation on the 2020 Budget.

Karlsson provided a recap on the fiscal planning process. She talked about where tax dollars go – 39 percent to the school district, 35 percent to the City, 22 percent to the counties, and 4 percent to CVTC.

The average tax bill for 2018/2019 is \$1273 (City portion only) based on \$180,000 assessed value.

Aldersperson Morrissette asked about the figure (\$180,000) that was used. He was wondering if that was the number staff had used in the past for comparisons. Staff confirmed that was the correct number.

Karlsson said the budget is a two-year plan. The budget is \$91 million for all funds for 2019-2020. Each year, the Council has to approve the budget. The approval is done by functional area and funds. There are five themes: Public Safety, pairing costs and fees, parks, technology, and proactive infrastructure investment. Karlsson showed a pie chart with funding sources.

Karlsson addressed the changes since adoption – the purchase of the Rivertowns building. The impact is coming in 2021. The building is currently rented to school district. Karlsson noted some upcoming staff hires. They have been delayed.

Aldersperson Gagne asked about hiring and securing a grant. City Administrator Simpson provided an explanation. He said the Deputy Fire Chief would be the next priority hire. Simpson provided further details.

Karlsson gave an EMS financial overview. The annual operating expenses are \$1.9 million. The annual fee for service is \$1.2 million. The annual fee for service operating deficit of \$700,000.

Aldersperson Watson asked how long the deficient has been happening. Karlsson said since 2017. She showed the EMS financial forecast chart. Karlsson talked about depleting fund balance sooner than later.

Simpson said an offer has been extended for one year to Prescott. He provided more details. Prescott going to pay per capita of \$28.50.

Watson asked about the City charging a per capita charge. Simpson said that we could do that. He provided some context and history. Alderperson Bjerstedt asked if staff was confident of the trend continuing.

EMS Director Jason Stroud said all indications are that the gap between revenues/expenses would not be coming back together. Karlsson said that was a trend industry-wide. It costs more to take a call than the City makes in revenue.

There was discussion about investments in equipment and services. Operations are going okay. The financial standpoint is not. There was discussion about 2020 and the adjustments that need to be made.

Watson talked about future planning and factoring in on receiving less aid from the state. He said having the ambulance service operation is a benefit to everyone in the City regardless if they have used it or not. Alderperson Gagne talked about being at the EMS workshop last night. There was further discussion.

Karlsson continued with the presentation and talked about the City's major capital investments including:

- Glen Park - current estimate is \$4.4 million and is on budget
- Division Street Interchange (jug handle) - current estimate is \$3.6 million
- North Interceptor Sewer – current estimate is \$2.6 million and is on budget
- Oxidation Ditch Aeration and Front-End Screening (Wastewater) – current estimate is TBD. The original budget was \$710,000
- Advanced Metering Infrastructure - current estimate is \$1.3 million and is on budget
- South Fork Sub Transformer - current estimate is \$1.2 million and is on budget
- Police building (was not in the original plan) – current estimate is \$4.5 million

Karlsson talked about 2019-2020 Planned Debt which included the following projects:

- South Fork Substation Transformer - current estimate is \$1.2 million and is on budget
- Fire Engine #7 – current estimate is \$624,000
- Division Street Interchange (City portion) – current estimate is TBD
- Public Works Equipment – current estimate is \$268,000
- Sterling Ponds Balmoral and New Castle Road construction - \$350,000
- Property purchase (fire impact fees) – current estimate is \$270,000
- Police building – current estimate is \$4,000,000

There was a lengthy discussion about state projects and City's contributions to these projects.

Karlsson showed a slide about the City's TIDs. She talked about the history of tax levy, the City's equalized value and what action the Council will be taking. The Council will need to approve the second-year levy of the two-year budget.

Alderperson Downing asked about rainy-day funds for snow plowing. Karlsson said we are likely to run over in snow plowing as we have done in the past but there is extra money in other areas to make up the difference.

Watson talked about looking at sustainability in the next budget cycle. The workshop adjourned at 6:15 p.m.

Respectfully submitted,

Kristi McKahan, Deputy Clerk