



**RIVER FALLS CITY COUNCIL WORKSHOP #2 REGARDING  
THE 2021 BUDGET  
October 20, 2020, 5 p.m.  
Virtual Meeting**

**City Council Members Present:** Mayor Dan Toland, Todd Bjerstedt, Sean Downing, Christopher Gagne, Scott Morrissette, Diane Odeen, Ben Plunkett

**Members Absent:** Hal Watson

**City Staff Present:** City Administrator Scot Simpson; Assistant City Administrator Jason Stroud; Finance Director Sarah Karlsson; others

Mayor Toland called the workshop to order at 5:13 p.m.

City Administrator Simpson provided an introduction. Finance Director Sarah Karlsson had a slideshow for the Council. She covered the agenda and began by talking about the budget themes which are future financial sustainability, long-term strategic growth, and continued investment in infrastructure. The impact of Covid plays a big role in this budget. Karlsson explained gross versus net levy. There is a proposed gross levy of 1.98 percent and a net levy of zero percent. She talked about a couple of large projects included in the budget - Wasson Lane reconstruction of \$3.9 million. The project will start in 2021 with construction in 2024. The North Interceptor project is included in the 2022 budget for \$2.5 million. The Powell Avenue Bridge which needs a deck replacement for a cost of \$1.0 million. The budget includes \$1.1 million of street maintenance costs.

Karlsson talked about the planned debt included in the budget which includes \$2.5 million for the North Interceptor project, \$800,000 for DeSanctis Park Phase 2, and \$410,000 for Wells Park Area improvements.

Karlsson showed the Capital Improvement Plan 2021 projects. We are planning to have a workshop for Council in 2021 to discuss the projects.

Karlsson talked about the General Fund. The levy increase is equal to net new construction. The City will maintain 50 percent fund balance. Karlsson talked about library services. The library levy is \$850,000 levy in 2022, and \$855,000 in 2021. The City is expecting a reduction in funding from the counties.

Karlsson talked about tax increment districts doing well. Specifically, she talked about TIDS 5, 10, 13, 15 and 16, and their increments and estimated revenues.

Karlsson noted the things which are not included in the 2021-2022:

- Main Street reconstruction
- Library building updates
- Mann Valley Corporate Park (except for design)
- Glen Park Pool
- Kinni Corridor
- Street Light Utility implementation

The City's equalized value increased by 15 percent or \$167 million in 2020 to \$1.25 billion. Karlsson provided an example of what taxes look like for a \$200,000 home in the City.

This is a two-year budget of \$82,552,737. It is \$6,996,000 levy, which is an increase of 1.98 percent. It is a net increase of zero percent if considering construction. The public hearing will be at the November 10 meeting.

Alderson Downing asked about the Community Development position and how it pays for itself. Karlsson explained the position focuses on growth which increases the City's tax base. By continuing to fund our growth, it offsets our tax base. City Administrator Simpson talked about this not being the direct correlation for the position. The addition of the position reflects the values and priorities the Council has indicated. This position would get more muscle into the department. He talked about by adding the position, the City Planner could focus on long-term planning.

The Mayor asked for other questions. Alderson Morrissette asked about the Wasson Lane project. Simpson talked about the phased approach to Cascade. Simpson's connection was lost so Karlsson explained what was included in the budget for the project. Morrissette had a question about the City's share of costs for the project. Simpson came back online and explained Phase 2 of the project. It is funded 80 percent by the State. There was extended discussion about the project.

Morrissette asked what is happening at Wells Park. Simpson said it is part of the TID project. It is a neighborhood sidewalk connection project. Some improvements may be made at the park. Karlsson said this is slated for 2022.

Alderson Gagne spoke in favor of the improvements for the park.

Morrissette asked how the budget was impacted by the shortfall in the enterprise fund for EMS. Karlsson said it was a \$300,000 loss. The assets will be sold, the rent will stay in the fund, and the collection of the cash receivables will continue. She feels that at the end of the budget cycle in 2020, we will end up with roughly \$300,000 in cash. Morrissette asked about calculations and Karlsson provided details. There was further discussion.

Alderson Bjerstedt asked about the design for the Mann Valley Corporate Park. Simpson said preliminary work was done toward a survey. The concept design was done. We have laid out the land use. Simpson said we are at the 5 or 10 percent stage. He gave further details.

Gagne felt Karlsson was doing a great job of filling Julie's shoes. He appreciated all the information.

Simpson thanked the finance team. He talked about the new staff doing the budget for the first time and felt it showed the talent we were able to bring into the City. Simpson said the appendix in the budget book has lots of information including an all funds breakdown. He talked more in depth about the budget process and said input is welcome throughout the process.

Morrissette asked what equalized value number starts to get River Falls more noticed along with its population. Simpson said there is a matrix. He thinks we would need to double in size for an impact on bond rating. Developers are looking at growth and the net new investment.

Alderson Odeen asked about this year's census. Simpson said we have zero preview. The census is important for us. 2020 will set the mark. He doesn't believe that we will see as a dramatic growth as we believe it to be. Simpson said with the state, we have an appeal process. The Mayor asked about the university population. Simpson said with it being a Covid year, they are down in population. He talked about institutional populations being counted this year. If it does get counted, the City could have a population of 20,000. Simpson spoke in further detail.

The Mayor thanked the staff for their work. The workshop concluded at 6:10 p.m.

Respectfully submitted,

Kristi McKahan, Deputy Clerk